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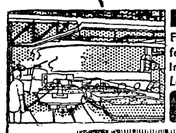
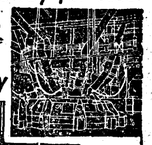
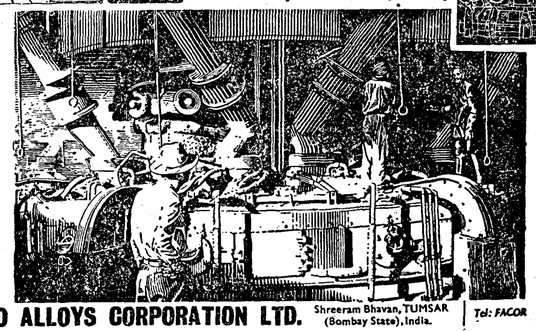
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William Blake.

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BULK TRANSPORT BY ROAD

NOT all the stubborn facts of economic life in India at the present time are quite so intractable as they seem to be. Take, for instance, the transport situation which, no doubt, *continues* to be one of anxiety, but which is not too difficult to be remedied in the near future. Merely to declare in general terms, as Dr. K. C. Neogy, Chairman of the Committee on Transport Policy and Co-ordination, did at a press conference in April last, that, "with economic development and progressively growing *demands on transport*, road transport must play an increasingly important part in India" does not mean much. What is required, here and now, is a firm and active policy of encouragement to road transport which alone, among all the modes of transport, has the potentiality to increase its capacity in the shortest possible time with the least amount of investment. Is such a policy, by any chance, already in the making? The answer cannot be wholly in the negative, for there is some evidence that the powers-that-be have lately accorded some additional importance to road development and road transport.

This shift in emphasis is, of course, due to the compulsion of circumstances. One of these circumstances is the crisis in coal transport in the Bihar-Bengal area. Thanks to this crisis, the Planning Commission has recently approved a *scheme to improve some* 700 miles of roads, including 300 miles of national highways, in the Western region and make them fit for coal transport. The scheme, which will cost Rs. 17 crores and have a target of about 6 million tons of coal carried over a distance of 150 miles or so, is something more than an emergency measure. *Its potential implications* for the transport policy in the making have been described by Dr. F. P. Antia, in his presidential address at the thirty-fourth annual meeting of the Indian Roads and Transport Development Association held at Bombay on 29th June, thus:

" . . . its implementation is bound to open up further avenues for employment of road transport. In the first place, the improvement of about 300 miles of national highways to 24-feet wide carriageway will attract to *these roads, in addition to coal*, traffic in other commodities also. Secondly, when deliveries of coal by road to distances of 150 miles become normal, a demand for carriage over still longer distances will develop. In our opinion, it may be prudent to start planning from now for the movement of coal over distances of *about 300 miles, so that a target of about 35* million tons of coal for carriage by road may look feasible by the year 1970-71."

Dr. Antia's enthusiasm for this scheme, like one for the movement of ore from Sukinda Pass to Paradip Port by a special road, may seem to contradict the stand of the I.R.T.D.A., as well as of Mr. K. C. Neogy, that the railways must be prepared in the long run to lose some of their high-rated traffic and that they must rely for their revenues more and more upon bulk goods, minerals, coal, etc., which now earn a lower average rate per ton-mile. But the contradiction is more apparent than real, for Dr. Antia has visualised road transport of coal, ore and other such bulk commodities only over distances of upto 300 miles. Over longer distances, only the railways are expected to handle bulk commodities. There is, however, the question whether the cost of transportation of coal by road would be economic and be comparable with the present concessional rail freight. It is well known that it is not so at *present*, as witness the demand of industries in Calcutta for subsidising road transport of coal even over relatively short distances. But, according to Dr. Antia, the cost of coal haulage by road could be reduced, given indigenous production of large capacity vehicles with trailers—vehicles of the kind which have already been found useful in handling bulk commodities in other countries. Dr. Antia's argument runs on these lines:

"It (coal transport by road) will make it unnecessary for the railways to offer a concessional freight rate on distances on which road transport can operate at comparable rates. They can then avoid the loss which they have been incurring on such freights. Thus the measure which we are suggesting is one involving long-term policy designed to benefit the consumer as well as the railways."

Dr. Antia's optimism is based partly on the assumption that large-capacity trucks with trailers can be manufactured at economic or reasonable prices within the country and partly on the expectation that the railways will be barred from coal haulage over distances of upto 300 miles. Whether the Defence Ministry's unit for the manufacture of trucks can produce large-capacity trucks with trailers fairly cheaply is by no means clear yet. If it cannot do the job, the private-sector automobile manufacturing units might have to be permitted to expand their capacity so that they could produce such trucks with trailers. The crux of the matter is whether the Government would seriously concern itself with the possible manufacture of heavy trucks of the kind in either the public or the private sector and allocate sufficient initial foreign exchange for the purpose. The statement, by Mr. Raj Bahadur, Minister in the Union Ministry of Transport and Communications, at the I.R.T.D.A. meeting, that the upward revision of the targets of automobile production in the country would be considered after the completion of reassessment of the requirements of heavy vehicles *vis-a-vis* the movement of additional traffic of iron ore, steel and coal during the third Plan period is reassuring in this connection. As for the proposal to free the railways from the burden of coal haulage over distances of upto 300 miles, it will be feasible, to begin with, only in the Bihar-Bengal area where the coalfields are largely concentrated. There is no reason why this should not be done, if the necessary fuel can be found and if existing roads are improved and additional roads constructed in the area to suit heavy trucks with trailers. Here again, the clarification by Mr. Raj Bahadur to the effect that the Union Government would grant more funds, if necessary, to the State Governments concerned is reassuring.

Even if all these basic requirements are met, there will still remain the problem of assisting the road transport industry in different ways to do its part of the job. One way would be to encourage the use of truck-trailer and semi-trailer combinations by exempting them from vehicle tax on the trailers for a period of five years. It is noteworthy that the Transport Development Council has already accepted such tax exemption in principle for the country as a whole. Only the question pertaining to the quantum of concession has been left to the discretion of the State Governments. Another way would be to devise arrangements for financing the hire-purchase of trucks with trailers. Here, unfortunately, the Minister has been non-committal in his reaction. If the road transport industry is encouraged and assisted in all these ways for the movement of not only coal but all other bulk commodities over medium distances of upto 300 miles, an effective way will have been found for resolving the transport crisis in several dense industrial areas of the country and for relieving the present excessive pressure on the railways. An important precondition for this development is the building of the missing links on the national highways, besides the strengthening of existing bridges to allow heavy traffic.

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COMPULSORY TEXTILE EXPORTS

LEFT to themselves, the millowners might not have accepted the scheme of compulsory exports of cotton textiles, the seriousness of foreign exchange position notwithstanding. They had, it will be recalled, raised their eyebrows when the idea of compulsion in export was first mooted by Mr. Lal Bahadur Shastri when he was the Union Minister for Commerce and Industry. Several of them had made scathing remarks on the idea which was dubbed as a ludicrous one. If, therefore, they have now agreed to compulsory exports on a voluntary basis, they have evidently been prompted by the fear of the Government giving statutory enforcement to the scheme. The Indian Cotton Mills Federation has, of course, stated, in its circular to all the member-mills, that it is the duty of the industry to earn foreign exchange on the stipulated scale, even if it has to make a sacrifice. But the Federation was apparently goaded by the Government to take the steps it has. There was no escape from this obligation. It will be remembered that, in the course of Press note issued on 17th May 1962, the Commissioner had clearly stated that the Government had accepted the recommendation of the Cotton Textiles Consultative Committee to export obligation made at a meeting held two days earlier (16th May). The leaders of textile industry are alive to the old saying that discretion is the better part of valour.

Before examining the Federation's scheme

an idea of the scheme. In essence, the scheme, which has come into effect from the 1st of this month, conforms to the broad pattern suggested by the Textiles Consultative Board. It imposes an obligation on the part of a spinning mill to export annually 12½ per cent of turnover in cotton yarn cloth and 3 per cent of turnover in cotton yarn, with fibre yarn, the turnover being calculated with reference to the balance sheet of any year which ends on a date between 30th June 1961 and 29th June 1962. The obligation is in terms of the f.o.b. value of exports and it can be fulfilled by exporting either cloth or yarn or both in any proportions. This quota is in addition to the previously existing export obligation on account of installation of automatic looms or import of processing machinery. The mills are, of course, given the liberty of not fulfilling the exports themselves, but they have to pay a price for it. And the price is pretty high. The unit which is unable to export, or does not want to, will have to contribute to the Export Promotion Fund of the Federation an amount equal to one-eighth of the value by which the f.o.b. price of export performance falls short of its export obligation, besides forgoing a part of its Indian and foreign cotton quotas.

A saving clause in the scheme is that the obligation can be fulfilled by a mill exporting its own product in full or in part and/or by arranging with other mills to export the balance. This clause is, however, hedged by the condition that the arrangements must be only between a mill and a mill. In other words, this means that, if mills X, Y and Z undertake the obligation on behalf of mill A, the export should take place through the normal channels of mills X, Y and Z only. Apparently, this condition is considered necessary, lest there should be a possibility of the products of X, Y and Z mills reaching the foreign destinations through different channels and being offered there at different rates. At the same time, the assurance is held out that all export incentives due to mills (including cash, cotton quotas, and licences for machinery and dyes) will be given to the mills which actually export regardless of whether the export is on its own behalf or on behalf of some other mill. It is thus obvious that the consideration which such a mill may receive from the non-exporting mill for fulfilling the latter's obligation will be considered as supplementary incentive.

If the export obligation of 12.5 per cent of cloth were fulfilled, India would, we are told by Mr. Bharat Ram, Chairman of the Cotton Mills Federation, achieve the third Plan export target of 800 million yards per year. In terms of foreign exchange, the earnings from cotton textile exports are expected to aggregate Rs. 70 crores, an increase of Rs. 20 crores as compared with the earnings during the calendar year 1961; the estimate for 1962 is put at only Rs. 57 crores, as the scheme will be in operation only for six months.

All this sounds very well on paper. But how far will it succeed? How can it be said that, by merely compelling the mills to sell abroad a definite percentage of their turnover, actual shipments will, in fact, be higher by that quantity? For the export performance of the textile industry during any given period of time, as in the case of any other industry, will be conditioned not merely by the availability of supplies but also by two other important factors, namely, price and quality. It may be that the quality of Indian cloth generally compares favourably with that of cloth produced in other exporting countries and that the Indian mills can maintain satisfactory delivery schedules. The real handicap, however, is the high level of prices. This is so because the unit cost of mill output has gone up quite appreciably of late, thanks to the increases in raw cotton prices, wages, and fuel and electricity charges, on the one hand, and heavy tax burden, on the other, while the productivity per unit of labour continues to be poor, owing to the none-too-encouraging progress in modernisation and rationalisation. Nor is the industry in a position to reduce the unit cost of output by augmenting production, in view of the continued ... of raw cotton, not to speak of the difficulty getting in good time modern, up-to-... and spare parts.

...ted in passing that, of late, ... cotton manufactures have ... In 1959, India was able to ... yards of cloth alone. In ... 695 million yards and still ... million yards in 1961. ... year, the exports have ... yards, as compared with 325 million yards in the corresponding six months of 1961. Surely, all this decline cannot be attributed to a reduction in export surplus brought about by an increase in domestic consumption. Nor can it be said that world exports of cotton goods have been shrinking. It is a patent fact that, while exports of Indian cloth have been declining, those of Japan, Hong Kong and several Continental countries have actually been gaining. The major reason for the downward trend in exports of Indian piecegoods is that the latter are getting priced out in world markets. That basic drawback will not be rectified by compulsion of the type now in force.

In considering the question of compulsory cotton textile exports, one has to bear in mind the differences in cost structure within the industry which shows a very wide variation according to different regions, age and size of units. Mention, for instance, may be made of mills situated at places that are far away from both raw cotton growing tracts and the principal export ports. Mention may be made, too, of certain units which are designed to produce varieties of cloth suited only for local requirements, quite a few of which cannot easily adapt themselves to consumer tastes abroad. These considerations seem to have been ignored completely by the Federation, inasmuch as its scheme of export obligation is based on a uniform principle applicable to the industry as a whole. There is another vital consideration which has also been ignored, namely, the effects of compulsion on the bargaining position of Indian mills *vis-a-vis* the overseas buyers. While price reductions will in any case be needed to become competitive in foreign markets, the fact that manufacturers are under officially backed compulsion to sell for export a specified percentage of their production strengthens the hands of foreign buyers to dictate their terms. Further, it also encourages unhealthy competition among internal manufacturers and traders. The result is that this method of export promotion becomes a very uneconomic way of earning foreign exchange. This is not a mere theoretical assertion. There are actually reports that, already, the overseas demand for Indian textiles has slackened considerably, as foreign buyers are not inclined to extend their commitments in expectation of still lower prices. If the rates quoted by some of the foreign buyers were to be accepted, India would be shipping just cotton and not cotton manufactures. The need for earning more exchange through textile exports is no doubt urgent, but how long can it be met at such a heavy price?

In the ultimate analysis, the cost of this sacrifice is borne by the entire economy. In other words, the scheme will aggravate the malady of high cost structure from which this country, in general, and the cotton mills, in particular, are already suffering. The least the authorities should do is to take away all the restrictions on modernisation of mills and give them all possible positive encouragement to improve their operational efficiency. The time has come for a complete reorientation of the Government's textile policy. Such ideological shibboleths as concentration of economic power and economic anachronisms like Ambar charka, handlooms and penal taxes on cloth made for domestic market in automatic looms must be abandoned without any fuss. The leaders of cotton mill industry themselves must regain their faith in the laws of economics and stand by their conviction that a modern, up-to-date, large-scale cotton mill is the only one that can supply the cloth and yarn needed for both export and domestic markets at the lowest possible price. They have blundered badly by compromising on sound economic principles in their anxiety to make peace with the politicians.

PUBLIC-SECTOR STEEL PLANTS

ONE of the reasons for slow progress towards the attainment of capacity production in the three public-sector steel plants has been the high degree of administrative centralisation. Hindustan Steel Limited, which has been managing the steel plants at Bhilai, Rourkela and Durgapur from its headquarters at Ranchi, has itself not been quite autonomous, controlled as it has been by the Department of Steel at Delhi. The three steel plants, too, have not enjoyed much autonomy under Hindustan Steel. Their general managers, though directors of Hindustan Steel, have not had the status of managing directors. And they have not also been members of Hindustan Steel's Committee of Management which is responsible for the disposal of day-to-day business and consists of the Chairman and five functional directors in charge of finance, production, purchase and sales, personnel and construction, respectively. This set-up of functional directors has meant severe limits to the powers and initiative of the general managers who have been under the additional handicap of having to share financial powers with their financial advisers appointed by the President of India. The general managers have not had the authority to incur any expenditure exceeding Rs. 25 lakhs or make appointments or even promotions in the grade of Rs. 350-850 and above without sanction of the H.S.L. Board which, too, has not been free to sanction outlays of over Rs. 40 lakhs appointments carrying a salary of over Rs. 2,0... And, worse still, all purchases have been routed through the H.S.L.'s Central Purchase Organisation at Calcutta which has not always felt the urgency of the demands made on it by individual steel plants.

That, in short, has been the situation so far pertaining to the administrative structure of the three public-sector steel plants. It is the situation that is now sought to be remedied by the administrative reorganisation scheme which the Union Steel Ministry has brought into effect from the 1st instant. This scheme provides for the delegation of wide powers hitherto wielded by the head office of H.S.L. to the general managers who are being charged with special responsibilities. The general managers, in turn, will have to sub-delegate their powers to appropriate officials in each of the plants and constitute committees to ensure that the powers are exercised in a regular manner. Further, the general managers can now lay down their own rules of business regarding matters on which they may consult the financial advisers. On personnel matters, practically full powers are being given under the scheme to the general managers except that recruitment and promotion to the higher managerial grade will still require a reference to the H.S.L.'s Board of Directors. On the construction side, the general managers will be fully responsible for the expansion programmes. For purchases, it is proposed to have a central wing to deal only with certain raw materials like iron ore, coal, limestone, manganese, dolomite and refractories on which a common purchase policy is necessary. The responsibility will be that of the individual plants in respect of other purchases. The control of the H.S.L.'s Board of Directors over the general managers will be exercised through the budget, periodical reports and statistics of production and cost and by inspections.

For its part, the H.S.L.'s Board, too, is being clothed with wider powers. For instance, where a proposal regarding capital expenditure has already been accepted by the Government in its broad details, it will no longer be necessary for H.S.L. to refer to the Government for approval of any components of the project, even though these may cost over Rs. 40 lakhs each. The only limitation here is that, if the cost of a component exceeds by more than 10 per cent of the original estimate, the revised approval of the Government will be necessary. For other schemes, which have not been approved by the Government, the limit upto which H.S.L. can incur capital expenditure is being raised from Rs. 40 lakhs to Rs. 50 lakhs. The H.S.L. is also being authorised to make appointments on salaries upto Rs. 2,500, instead of Rs. 2,000 which has been the limit so far.

All these measures, forming part of the reorganisation scheme, are expected to ensure an avoidance of delays and enable the general managers to deliver the goods in terms of capacity production and quicker plant expansion and construction. Healthy competition, according to Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, may also set in among the general managers of the three steel plants for putting up a good performance. His expectation may well be fulfilled in due course when the reorganisation scheme is in full operation, for we have it on the authority of no less a person than Mr. Jehangir Ghandy of the Tata Iron and Steel Company Ltd. that adequate devolution of authority and responsibility will alone make for speed and flexibility in decision-making, without which rapid progress will be impossible. As an experienced executive on the spot at Jamshedpur, Mr. Ghandy knows that decentralisation of authority in regard to purchases, personnel and financial matters will make for greater efficiency and better performance in steel plants, whether in the private or the public sector.

MARKET GOSSIP

Dear Money: 4½ Per Cent Era

THERE have been two developments of great importance to the money market this week; one is the announcement of the Government of India's borrowing programme for the fiscal year 1962-63—the second year of the third Plan—and the other a further tightening of the terms under which the Reserve Bank will lend money to member banks. Both of them mean that the Government, as well as the central banking institution, clearly recognises that those who save need a better reward than they have had so far and that the trend of interest rates in this country has to be upward. They also mean at the same time that the Government is still reluctant to abandon its policy of gradualism, that it would rather wait and allow itself to be pushed by the inexorable laws of economics, instead of making a realistic assessment of the expansionary effects of its development plans and evolving a suitable monetary policy in advance. For even now, it has made only a halting concession to the merits of dear, let alone dearer, money policy.

It must, however, be admitted that market circles had not anticipated that the Government would go even so far as it has done now. Not many had believed that the Government would actually quote 4½ per cent per annum for a long-dated loan and thereby openly take the country up from 4 per cent era to 4½ per cent era. The majority was under the belief that, at best, the Government would offer only 4 per cent and reduce the issue price in order to adjust the yield to the current pattern. Indeed, the Gilt-edged market is nursing a grievance that the Reserve Bank has let it down by following a misleading open market policy. By stopping sales of long-dated loans on the eve of the borrowing programme, the Bank had given cause to believe that the terms of the new loans would make no material departure from the existing yield pattern. This action had resulted in some of the long-medium and long-dated loans moving up, with a corresponding fall in their yields. Market circles argue that, if it was the intention of the authorities to offer liberal terms, the Bank should have continued its sales and prevented the yields from falling, so that there might not be a perceptibly wide disparity between the current yields and those available on the new loans.

There is some force in the aforesaid contention, but it is just possible that the Reserve Bank deliberately allowed the Gilt-edged market to move up to some extent in order to heighten the effect of the shift in favour of a higher interest rate policy. After all, the authorities have raised the yield on the new loans only fractionally as compared with the prevailing yields, from 3.78 per cent to 3.90 per cent in the case of six-year loan, from 3.98 per cent to 4.10 per cent in the case of ten-year loan and from 4.10 per cent on a 19-year loan to 4.50 per cent on a 23-year loan. Even the effects of this modest shock treatment on the public would not have been felt, if the Reserve Bank had continued its sales right upto the announcement of the new loans and pushed up the yields on comparable maturities close to those available on the new loans. In any case, not many in the Gilt-edged market seem to have suffered as a result of this action by the Reserve Bank. It is noteworthy that, by delaying the announcement of the new loans till the evening of Monday the 2nd inst. (and not till Tuesday evening, as is inadvertently mentioned on page 40 of this issue), the Reserve Bank had saved the banks of the difficulty of making immediate provision for depreciation in their investment portfolio at the time of half-yearly valuation. It is true that they will have to meet this problem at the end of the year, but, by then, they will also have enjoyed the benefits of dear money policy. In the long run, higher interest rates will, on balance, prove beneficial to banks, provided they are wise enough to toe the line implied by them and charge more on their advances.

Equity values have suffered more perceptibly than Gilt-edgeds, as a result of the changes in monetary policy. But since they were highly inflated out of all proportion to the current yields or even prospective yields, they deserved going down and the authorities, too, must have aimed at such an outcome.

All available indications show that the borrowing programme of the Central Government this year will be a greater success than last year. The banks are flushed with funds and the L.I.C.'s business has expanded. The growth in the deposits of scheduled banks so far this year has been heavier than in the corresponding period of last year. The inter-bank call money is now at the very low level of 1¼ per cent, as compared with 4 to 4½ per cent a year ago.

The amount the Government proposes to borrow from the market covers the entire sum of Rs. 250 crores (excluding Rs. 5 crores budgeted by way of prize bonds) provided for in the 1962-63 budget, as against Rs. 215 crores (excluding Rs. 10 crores of prize bonds) in the 1961-62 budget. There are two maturing loans, 2½ per cent and 3½ per cent, with an outstanding amount of Rs. 75.87 crores and Rs. 107.27 crores, respectively, giving a total of Rs. 183.14 crores. The net borrowing, therefore, works out to Rs. 66.86 crores. Even if only a part of the maturing loans are converted, the balance to be taken up in cash is not beyond the capacity of the market. May be, the Reserve Bank will have to take up, as usual, a sizable part of the loans now offered, but, over the year, it may be in a position to dispose of the major portion of it. Last year, it may be noted, the Centre's borrowing programme was put through in two stages and the total amount raised was Rs. 202.17 crores, of which Rs. 104.9 crores were in cash and Rs. 97.27 crores in conversions out of the total maturing loans of Rs. 139 crores.

Simultaneously with the announcement of the terms of new loans, the Reserve Bank notified all scheduled banks of certain important changes in the system of quotas and penal rates in force since 21st September 1960 governing their borrowings from the Bank. Briefly, the quota at which a bank can borrow at the Bank Rate has been reduced by half; from now on for each quarter, it will be the equivalent of 25 per cent (instead of 50 per cent as hitherto) of their average statutory reserves required to be maintained by them with the Bank in the previous quarter. Thus, on borrowings upto 100 per cent of the new quota, the Bank Rate will be charged. On borrowings over 100 per cent and upto 200 per cent, an additional rate of 1 per cent over Bank Rate will be charged. On borrowings over 200 per cent and upto 400 per cent of the quota, the additional rate will be 2 per cent above the Bank Rate and on borrowings in excess of this it will be 2½ per cent above the Bank Rate. In effect, these changes mean that (1) a four-tier Bank Rate system, in the place of three hitherto, has come into force, (2) the quantum of borrowings that could be had at the Bank Rate has been halved, (3) for each next slab of borrowing the cost will be higher by one per cent and (4) the top slab will attract ½ per cent more. In short, borrowings from the Bank will be costlier than before.

Why has the Reserve Bank taken this step? Here is its answer: "The above modifications are designed to induce banks to achieve a greater measure of self-reliance and reinforce their efforts to meet the growing credit needs of the private and public sectors through more effective mobilisation of financial resources."

The implications are clear. The Reserve Bank wants all member-banks to redouble their efforts at deposit mobilisation, to cut down their advances if they tend to outpace the growth of their deposits, to be prepared to invest a larger proportion of their deposits in Government securities than they have been doing in the last two years, and not to borrow from it in order to support Central or State Government loans. To do the latter is to indulge in created money, which the Reserve Bank itself can do without requiring the services of intermediaries. There are also two more implications, though they may seem to be less apparent than the others. One is that banks should raise the cost of their credit to their clients. The other is that they will have to pay higher interest rates on their deposits and that the inter-bank agreement governing these rates will have to be revised sooner or later. Both these implications will have been quite apparent had the Bank Rate been raised straightaway, instead of in a roundabout fashion. In fact, the honest thing to do would have been to raise the Bank Rate to at least 4½ per cent, if not 5 per cent.

Strange Justice

The price of skelp, a variety of steel from which steel pipes are manufactured, has recently been raised by the Iron and Steel Controller from Rs. 687 to Rs. 804 per tonne. This increase of as much as Rs. 117 per tonne has apparently been made to put consumers of strip, another form of steel used for pipe making produced by the State-owned Hindustan Steel, on par with consumers of skelp produced by the Tata Iron and Steel. On the face of it, this sounds fair, but thereby hangs a tale of a strange kind of justice.

Steel tube manufacturers had represented that the differential of Rs. 117 per tonne between the price of skelp produced by the T.I.S.Co. and strip produced by the Hindustan Steel was unfair to the consumers of strip who, for no fault of theirs, had to pay Rs. 117 per tonne more for their raw material. T.I.S.Co's production of skelp was not sufficient to meet the demand and hence new producers of steel tube had to use strip produced by Hindustan Steel which cost Rs. 117 per tonne more than Tata's skelp. The justification for the higher prices of strip presumably was that it had more width. As strip or skelp of exact size is required for pipe manufacture, the additional width, instead of being an advantage, constitutes a disadvantage in that the strip has to be slitted to the required size. For this purpose, slitting lines have to be installed along with the pipe plants. The higher price fixed for strip, therefore, constituted a further burden on the consumers of strip. Pipe manufacturers had made representation to the Government through the Federation of Indian Chambers of Commerce and Industry against this discrimination. The Government, instead of reducing the price of strip, has raised the price of skelp to parity with that of strip. Hence the strip produced by the Hindustan Steel and the skelp produced by the T.I.S.Co. have now to be quoted at the uniform price of Rs 804 per tonne.

Although the price advantage enjoyed by consumers of T.I.S.Co's skelp has thus been done away with, the relief asked for by the consumers of strip has not been granted. Pipe producers point out that the decision to equalise the price is motivated more by the Government's anxiety to help Hindustan Steel to cover the high cost of production of its strip than by any desire to hold the scales even between the consumers of strip and skelp. By administering this strange form of justice, consumers have been given a raw deal. Pipe manufacturers plead that the prices of skelp and strip must be the same but at the lower level of Rs. 687 per tonne.

DELHI LETTER

WHISPERS ON THE PLAN

(From Our Special Correspondent)

NEW DELHI, 3rd July

DESPITE the brave talk of the Planning Minister, Mr. Nanda, in Parliament, ruling out major changes in the third Plan structure, the whispers about rephasing of the Plan to achieve targets in the essential sectors are becoming deafening in New Delhi. Mr. T. T. Krishnamachari, who is now referred to in Parliamentary lobbies as the "uncommitted Minister," has been at work locating the weak spots which have emerged in the Plan. A brief note by Mr. Krishnamachari on the vicious shortages suffocating development schemes is understood to have been studied by the Union Cabinet. Coal, transport, steel and power are the four sectors which the Minister without portfolio has pinpointed as meriting immediate attention.

Already at Yojana Bhavan, there is talk of the "core" of the third Plan as in the case of the second Plan. The power projects are being delayed by foreign as well as indigenous factors—postponement of machinery deliveries and shortages of construction material like cement and steel. A planned diversion of construction materials may solve some of the difficulties, but, in the case of machinery imports for power plants, the failure of foreign collaborators to deliver the goods in time are a problem which the Indian authorities cannot solve. A search for alternative sources of supply is possible where the credits are not fully tied to specific projects, but this may further delay the projects.

The difficulties in coal are tied up with transport and power, and the Coal Council of India, meeting here last week, asked the Government to take immediate measures to overcome the power shortages which were the "biggest handicap" in achieving the coal targets. The Council's trend of thinking may come into conflict with some State Government concepts, because the Council says that consideration of State requirements of power and coal should not come in the way of the economic location of thermal power stations. According to the Council, thermal power stations should be located at the coalfields from where supplies are to be obtained. A study group of the Irrigation and Power Ministry, which assessed the power requirements of the coal industry, has recommended that the Damodar Valley Corporation should review all present demands for power and reallocate the maximum possible power supply to the coal industry. The group also wants the Uttar Pradesh Government to release a considerable portion of the output from the Rihand power project for the use of the coalfields in Bihar and Bengal. The study group suggests that new capacity coming into operation next year at Hirakud should also be utilised for the coal industry in Bengal.

Fourth Plan

Even as the Heavy Industries and Steel Minister, Mr. C. Subramaniam, announced details of the reorganisation of Hindustan Steel from 1st July, a steering group for iron and steel started work on the steel programme for the fourth Plan period. Similar groups have been formed for coal, power, heavy engineering, basic chemicals, fertilisers, transport and technical education. These groups are under the various Ministries concerned, while the Planning Commission has formed a steering group. Three other Planning Commission groups will study exports, financial resources and manpower.

A meeting of the steel group revealed the continued differences in demand forecasts by the private sector and the public sector. While Government representatives projected a demand of 18 million to 20 million tons by the fourth Plan's end, Mr. Jehangir Ghandy of T.I.S.Co. placed the demand around 14 million tons. Mr. Ghandy thinks that, at the end of the third Plan, the steel output in the country may be around six million tons; on that base he projects the 14 million ton figure for 1970-71.

Nanda on Food

By and large, the general criticism of the Plan and its shortfalls has centred on the muddle in coal, steel, power and transport, and the Food Minister Mr. S. K. Patil has been able to project an image of success on the agricultural front. But this image is being sullied by the Planning Minister who has drawn attention to the fact that the low rate of increase in national income in 1961-62 was due to the low increase in agricultural production.

Mr. Nanda agrees that foodgrains production in 1961-62 is not "very disappointing" but it is scarcely a million tons more than in the last year of the second Plan. The physical programmes undertaken to help agriculture should have led, according to Mr. Nanda, to an increase of three million tons in foodgrains production in the first year of the third Plan. The programmes for the second year of the third Plan are directed at an increase of four to five million tons. And similar increases will be needed in the last three years of the Plan to achieve the 100-million-ton target.

The expansion of minor irrigation facilities crucial to efforts to raise agricultural output is largely in the hands of the State Governments. Another major factor on the farm front is fertilisers. Against the target of one million tons of nitrogen, the capacity of plants licensed is already 1.2 million tons—700,000 tons in the public sector and the balance in the private sector. According to the Union Government, the private firms barring one or two exceptions, who have been given licences have been unable to make sufficient progress with arrangements for foreign collaboration. There is the instance of a party having surrendered the licence given to him for a factory in Madhya Pradesh.

FOCUS ON SOME MAJOR INDUSTRIES

HIGHLIGHTS OF CHAIRMEN'S SPEECHES

RISING production costs, heavier taxes and uneconomic selling prices, where they are statutorily or voluntarily controlled, are among the basic problems which some of India's major industries are confronted with at present, as can be gleaned from the observations made by the chairmen of some of the leading companies in their annual speeches which are published in full elsewhere in this issue. The industries covered range widely from cotton textiles and jute to coal and chemicals and paper, motor cycles and plantations. It goes without saying that the chairmen of the different companies are among the country's leading industrialists. They certainly know best where exactly the shoe pinches. In the paragraphs that follow, a cross-section of their views is presented. But it may be mentioned at the outset that, notwithstanding their current problems, the industries covered by the chairmen's reviews are marching ahead on the road to expansion and modernisation in keeping with the spirit that is so vital to accomplish the task of industrialising the largest democracy on earth.

Cotton Textiles

Although the cotton textile industry in the country has generally made good profits in the past two years, it continues to be faced, as pointed out by **Mr. M. D. Bhat**, Chairman of the **India United Mills Ltd.**, and a former chief of the Tariff Commission, with the problem of cotton supply, which needs ceaseless attention. Mr. Bhat has observed that the recurring imbalance in the supply of and demand for cotton could be reduced only by increasing the yield and growing better varieties by bringing a larger area under irrigation and using fertilisers. According to Mr. Bhat, the present cotton prices are higher by Rs. 150 to Rs. 175 per candy than those a year ago. The dear food allowance and the wage rates have gone up by 6 to 7 per cent. And then, there have been further increases in the excise duty. On the other hand, prices are voluntarily controlled. Mr. Bhat is of the view that mills which have been manufacturing grey piecegoods would have a difficult time ahead. Besides higher costs, low workload and old machinery also result in making the industry's position less competitive in foreign markets. Mr. Bhat is candid when he says: "Increase in wages without increase in productivity, rising costs of raw materials and higher duties and taxes are hardly conducive to creating h-a climate which will enable the industry to produce better cloth at low cost."

Jute Industry

What cotton is to the cotton textile industry jute is to the jute industry. **Mr. P. D. Singhania**, in his speech at the annual general meeting of **Juggilal Kamlapat Jute Mills Company Ltd.**, has explained how both good and bad jute crops affect the fortunes of the industry due to the resultant heavy fluctuations in the price of the raw material. Besides, price fluctuations in India are also influenced by changes in Pakistan. Jute manufactures being a very important foreign exchange earner, Mr. Singhania has rightly stressed that such price risks should be eliminated to provide the impetus to foreign buyers. Appropriately enough, he has welcomed the formation of the Jute Buffer Stock Association, the main object of which is to maintain price stability under the guidance of the Jute Commissioner. Speaking particularly of the jute industry in U.P., Mr. Singhania has said that it is at a disadvantage in Kanpur in relation to Calcutta because of the disinclination of the labour to substitute holidays with Sundays, which means that the working days for the Kanpur mills are about 300 in a year as against 312-313 for the Calcutta mills. Moreover, the adamant attitude of the Kanpur labour to work 22½ *hours per day in three* shifts on modern machines instead of 23¼ hours put in by the labour in Calcutta results in a loss of six hours' production per week as well as extra wages for 1½ hours for the third shift which, in fact, works for 6½ hours.

Coal Industry

Mr. S. D. Shethia, Chairman of the **Satgram Collieries Ltd.**, has referred to the uneconomic coal price which does not allow a unit in the field to declare reasonable dividends and plough back profits to reserve for financing further expansion. Even as it stands revised now following the marginal increase granted recently, *the price does not* fully meet the industry's need and demand. Moreover, the price is raised grade-wise, whereas the cost of production has very little to do with the grade of coal. It remains to be seen how far it will act as an incentive to the industry to reach the third Plan target of 110 million tonnes to which level it has been raised from 97 million tonnes as a sign of the industries' insatiable hunger for coal.

Cement Industry

Unsatisfactory price structure of the country's cement industry has, according to **Mr. G. D. Somani**, inhibited its growth. In his speech at the annual general meeting of **Shree Digvijay Cement Company Ltd.**, he has said that it is really a matter of deep concern for the industry that the Government should have imposed a reduction of Rs. 1.53 in the selling price of Rs. 93.55 *plus* the excise per tonne of naked cement as recommended by such a high-powered, expert body as the Tariff Commission. According to Mr. Somani, the consumers in whose interests the prices are regulated would not benefit from the cut, as the selling price payable by them to the State Trading Corporation has been fixed by the Government at Rs. 94 a tonne *plus* the excise, which means a net increase of Rs. 1.96 per tonne over the price worked out by the Commission. However, the possible implementation of the escalator clause in cement prices, under which the manufacturers would be reimbursed to the extent of increases in costs brought about by various factors after the prices have been regulated, has been welcomed by him, as it is a mitigating factor to some extent. Transport difficulties and coal shortage are two other current problems of the industry that still defy a solution. Because of these problems, Mr. Somani has stated, the industry has not been able to cope with the steadily increasing demand for cement, following the growing tempo of developmental activity in the country. Mr. Somani has recalled the Government's scheme for transporting coal by sea from Bengal and Bihar to the western and southern zones and for compensating the units concerned for the extra transport cost by a subsidy. But even though a year is over since the scheme was introduced, the subsidy still remains unpaid.

Paper Industry

The paper industry, too, is disappointed with the increase permitted recently in the selling prices, because it is granted on the basis of the recommendations of the Tariff Commission inquiry held as far back as in January 1960, since when there have been various increases in costs of which it takes no account. **Mr. N. D. Bangur**, Chairman of the **Bengal Paper Mill Company Ltd.**, has welcomed the increase in prices, but has hoped at the same time that the industry's case for a further rise would be considered more favourably in future. He has emphasised again the need for evolving a formula, so that an increase in the cost of production due to reasons beyond the industry's control may automatically reflect itself in the selling prices. Further, in view of the increase in the corporate tax from 45 per cent to 50 per cent, he has also urged a suitable upward revision of the Tariff Commission's formula of allowing a 12 per cent return on employed capital. Inadequate supply of wagons for the movement of raw materials and finished goods is another acute problem confronting the industry. In addition, there is the difficulty of finding alternative raw materials due to the growing shortage of bamboo and sabai grass. Bagasse and jute sticks are the most important substitutes introduced in the recent past. But sufficient quantity of bagasse would not be available until the sugar industry is provided with other forms of fuel.

Fertilisers Industry

Symbolising the country's fast developing fertilisers industry is the huge expansion programme of the **Fertilisers and Chemicals, Travancore Ltd.**, which the Chairman, **Mr. T. A. Joseph**, has dealt with in detail in his speech at the 18th annual general meeting of the Company. However, it is significant to hear from Mr. Joseph that the latest excise duties, imposed on *almost all the intermediate* products used as raw materials for fertilisers, would lead to increased costs of production. Quite candidly, Mr. Joseph has said that he does hope that it is not the intention of the Government that the cost of fertilisers should increase further. He has pointed out that the prices at which they are available in India today are already higher than in any other country, and urged the authorities to re-examine the question of imposing excise duty on the raw materials that are used in the manufacture of fertilisers.

Automobile Industry

Costs assume a great significance in the case of automobile industry, particularly as it is obliged to keep a large inventory. For example, the **Enfield India Ltd.** keeps, according to its Chairman, **Mr. K. R. Sundaram Iyer**, stocks of *about 6,000* items. As such, in a developing economy, costs rise continuously. But Mr. Iyer has observed that the new and increased excise duties levied in the *latest Central budget cover* such a wide number of items that it would take some time even to assess their full implications. The levies would increase the costs further and, therefore, Mr. Iyer has stated that the benefits of higher productivity to the Company would depend on what portion of the levies it is obliged to absorb. Representations have been made for suitable revisions in the selling prices of the Company, so that increases in *costs beyond* the Company's control could be neutralised.

Metals and Electricals

The 5 per cent increase to 25 per cent in the corporation tax under the Central budget for 1962-63, **Mr. R. H. Kamani**, Chairman of the **Jaipur Metals and Electricals Ltd.**, has pointed out, would reduce the Company's surplus profit which otherwise would have been useful for creating reserve for the development programme of the Company. The Company could not increase production from the metals division last year, because of the shortage of raw materials, especially copper, due to paucity of foreign exchange and drastic cut in the quota of raw materials. But the Company has done well in the field of house meters and proposes to expand its electricals section. The country's total production of single-phase house service meters was 624,113 in 1961. With the additional capacity of 102,000 having been sanctioned, the total licensed capacity has attained the level of 546,000 meters on a single-shift basis. The Government has now decided not to raise the capacity any further for some time to come.

Plantations Industry

Some interesting observations have been made on the country's plantations industry by **Mr. A. V. Thomas**, Chairman of the **Highland Produce Company Ltd.**, and a pioneer among Indian planters. The Company is engaged in producing tea and cardamom. How exactly taxation hampers further expansion of a company in the sense that it takes away the bulk of its profit is best illustrated in the case of Highland Produce, whose income not only attracts Central income-tax and excise but also the State agricultural tax and sales tax besides the new burdens of additional plantation tax and land tax. In 1952, the Company earned a profit of Rs. 2.52 lakhs and provided Rs. 40,000 for taxation. In 1961, taxation claimed Rs. 4 lakhs of the burden out of a profit of Rs. 8.63 lakhs, which means 47 per cent of the income, or a ten-fold increase over the 1952 level. Mr. Thomas does not say that there should have been no increase in taxation. Only, he wants a careful reassessment, taking into account the needs and capacity of the plantations industry. In view of the heavy tax burden attracted by tea, Mr. Thomas says, it is difficult to assess how far the concession in the export duty would help it. Another issue to which Mr. Thomas has referred pertains to the interim increase of 15 nP, recommended by the Central Wage Board, in the daily wages of adult workers, which has been made effective from December 1961. It is interesting to find from his speech that the plantations industry in the South has already been extending some sizable fringe benefits to the workers, which form as much as 14.5 per cent of the total cost of production and no less than 30 per cent of the labour cost. In the case of manufacturing industries, it may be noted, the fringe benefits form only 6 per cent of the wage bill.

Within the last three years, the cardamom crop has more than doubled and the costs have been kept under control. But the industry has failed to realise its market expectations because of lack of holding capacity among most of the producers. For want of such capacity, they sell the produce at the immediately best available prices and lose the full advantage of the demand for Indian cardamom in foreign markets. There is, therefore, an urgent need to set up an effective marketing organisation and the U.P.A.S.I. is collecting the necessary data to draw up a suitable scheme.

TREND OF SHARES

BOLTS FROM THE BLUE

(From Our Own Correspondent)

BOMBAY, 5th July

A CROP of fresh bearish factors, coming like bolts from the blue, produced further weakness in the share markets this week. The factors were (i) the threat of power shortage for industries enveloping almost the whole of the country, including the-so-far-least-affected Maharashtra State, (ii) the further tightening of credit curbs by the Reserve Bank, and (iii) the flotation of new Central loans at a slightly higher rate of interest than in the past, which created fears of a possible flow of investible funds to Government securities from the less attractive shares in terms of yield. Coming almost together, these factors emboldened bears to strike afresh. Values literally tumbled down to yet new low levels on seemingly endless selling pressure and virtual absence of support. In the process, the markets ignored the steady recovery on Wall Street from the recent slump, reports of some improvement in the prospects for foreign aid following talks by Mr. Morarji Desai with some British leaders, possible avoidance of any further deterioration in the foreign exchange situation by getting some of the tied loans converted into untied loans and by obtaining a fresh credit of $100 million from the International Monetary Fund, and, lastly (what concerns the markets directly) slightly lower *budla* charges first in Bombay and later in Calcutta due to both easy money market conditions and the ceaseless selling pressure in the markets for some time past. Scattered bear covering and some buying in the nature of bargain hunting produced a rally near the close, which wiped out substantially the week's losses. But the markets were lacking in strength, as confidence was badly shaken.

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Losses were widespread on Dalal Street. Tata Steel Ordinary, the barometer of the market, sank from Rs. 148.25 to a new low level of Rs. 144.75 on persistent selling which was partly on account of the option deals. At close, the shares showed a loss of Re. 1.75 at Rs. 146.25. However, Indian Iron were less affected by fresh selling and were quick to rally to Rs. 25.80, after having fallen from Rs. 25.95 to Rs. 25.65. The net loss in these shares, excluding the book closure contango of 25 nP, was 20 nP.

The sellers' recent favourite, National Rayon, in Textiles, broke sharply from Rs. 523 to a new low level of Rs. 498.50, but made up a part of the huge loss and closed only Rs. 11.50 lower at Rs. 509. Century, too, gave way from Rs. 638.50 to Rs. 622.50, but managed to close with a negligible loss of only 50 nP at Rs. 633. But Bombay Dyeing came in handy for bears and slumped from *Rs. 67.90 to Rs. 66.20 to rally at the close* to Rs. 66.90. T.E.L.Co., another prominent bear counter, was the worst to suffer in the Miscellaneous section, as it nose-dived from Rs. 354 to Rs. 342.50, a new low level in the current declining market, before finishing at Rs. 346.50. Most of the Cash scrips were also easy, with the much boosted T. Maneklal sold down from Rs. 675 to Rs. 630 and Link-Chain showing a loss of Rs. 13.50 at Rs. 108.

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The death of the State Chief Minister, Dr. B. C. Roy, created a feeling of despondency in Calcutta, where reports of the power cut affecting jute industry further unnerved the operators.

Discouraging reports from the principal markets of Bombay and Calcutta and lack of worthwhile support were responsible for small to sizable losses in Madras, where reports that a further cut in power may be averted came too late to cheer up the sentiment. Particularly weak were textiles because of the power cut imposed in the State.

NEWS IN BRIEF

NEW rich veins of gold have been discovered in one or two *shafts* in the Kolar gold fields (Mysore).

The question of setting up free trade zones at Cochin, Goa, Pondicherry, Visakhapatnam and Paradeep, besides Kandla, is being examined by the Government of India.

India has signed an agreement with Australia for buying 100,000 tons of wheat during the next five months.

The World Bank has agreed to give a loan of $720,000 for the construction of a tea warehouse with modern mechanical devices at Calcutta.

A Rs. 5-crore zinc smelting factory is proposed to be set up in Kerala in the private sector in collaboration with a Canadian firm. The factory will have an annual installed capacity of 20,000 tons and will utilise ore imported from Canada.

The International Development Association has extended a credit of $15 million for financing the improvement and extension of the Sone irrigation system in Bihar. The credit is for a term of 50 years and free of interest. Repayment of the principal will begin in 1973. One per cent of the principal will be repayable annually for ten years and 3 per cent annually for the next 30 years. A service charge of ¾ per cent per annum will be made on the amount withdrawn and outstanding to meet the I.D.A's administrative cost.

The existing trade agreement between India and North Korea has been extended upto the end of 1962. In 1961, India imported goods worth Rs. 14.5 lakhs from North Korea and exported goods worth Rs. 17 lakhs. Trade between the two countries being in non-convertible rupees, any difference in any one year is to be made up in the following years. Among the goods exported from India were ferro-manganese, leather goods, cotton textiles, handicrafts, vegetable oils, mica and shellac. Imports consisted of chemicals, fertilisers, electrolytic zinc, high-speed and special steels, anthracite and engineering equipment.

A wool testing laboratory is proposed to be set up at the Regional Sheep Research Station at Jorbeer near Bikaner, Rajasthan. A sum of Rs. 77,940 has been sanctioned for the scheme. The Sheep Research Station was established by the Indian Council of Agricultural Research in 1954 to improve the breed of sheep and the quality of wool. At present the Station maintains a showroom to display the wool produced in the station, a shearing shed, dipping tank, and a veterinary hospital. So far a sum of Rs. 1,93,913 has been spent on this farm.

The Government of India has drawn up a Rs. 230-lakh scheme to ensure adequate and regular supply of quality seeds to farmers as part of the campaign to increase food output during the third Plan. Under the scheme, the production, distribution and marketing of improved seeds will be entrusted to a National Seeds Corporation which will be set up shortly as a company. The corporation, which will have branches operating in different States, will take up work relating to hybrid maize and *jowar* seeds in the first instance, and later extend its activities to cover other foodgrains and edible oilseeds. The U.S. Ageney for International Development Mission and the Rockefeller and Ford Foundations will co-operate with the Government of India in the establishment of the corporation.

An institute of work study, the first of its kind that is being started in this country under the research and development organisation of the Defence Ministry at Londour, Mussoorie, has been inaugurated this week. The institute will train personnel of the defence services and organisations in work study and allied managerial subjects with a view to achieving greater efficiency and economy by devising better methods of utilisation of materials, plant and machinery.

Permission has been granted for the import of dry fruits, asafœtida, cumin seeds and medicinal herbs from Afghanistan by steamers via Iranian ports up to the end of August 1962. The import of these articles will be allowed on c.i.f. basis and will be subject to the condition that the importers will pay for the total c.i.f. value of the imported goods by export of goods to Afghanistan. The facility will be available within a certain ceiling.

The feasibility of preparing copper-chromium alloys by the powder metallurgical technique—compacting mixtures of copper and chromium powders under pressure and sintering the compacts at high temperatures—has been established as a result of recent studies carried out at the Indian Institute of Science, Bangalore. The alloys obtained have been found to possess tensile strength comparable to that of the fully annealed electrolytic tough pitch copper.

The Government of India has decided to increase its contribution to the special bad debt reserves of co-operative banks from 1 per cent to 2 per cent on the additional loans given in the previous year.

A study team has been set up by the Ministry of Community Development, Panchayati Raj and Co-operation, with Mr. R. R. Diwakar as Chairman, for examining the problems connected with the effective functioning of the gram sabha. The team is to submit its report within six months. The team will study the working of the gram sabha, gram panchayat, and the panchayat samiti, with special reference to the extent to which the gram panchayat is influenced in its policies and decisions by the views and mandate of the gram sabha and the extent to which the latter is involved in the implementation of programmes, etc. The team will suggest measures for ensuring that the gram sabha is built up as the base for panchayati raj and sarpanches and pradhans function institutionally.

* * * *

From Abroad

A new U.S. firm in Jamaica has begun selling abroad high quality jute bagging for rugs and carpets.

Ceylon has undertaken a country-wide agricultural census, in consultation with the F.A.O. The census will cover the extent of land cultivated, nature and techniques of production, use of fertilisers, etc.

Japan has decided to participate in the forthcoming International Coffee Conference due to commence at New York on 9th inst. This country imported last year 250,000 bags of coffee, a quantity that was about 40 per cent more than that what had been imported in the previous year.

The United Arab Republic and Soviet Russia have reached an understanding on a new three-year trade agreement (beginning next January) under which the U.A.R. will export sesame, groundnuts and bananas to Russia and import Soviet machinery equipments and raw materials.

Japan imported 21.21 million tons of iron ore during the year ended March 1962, an increase of 31 per cent over the previous year. Malaya was the leading supplier (6.2 million tons), followed by Chile (2.96 million tons), Goa (2.86 million tons), Peru (2.44 million tons), India (1.69 million tons), the Philippines (1.40 million tons) and Canada (1.11 million tons).

The Soviet Union has ordered an experimental tidal electricity generating set from the French company Neyrpic of Grenoble, for research purposes. It is understood that Soviet research is studying the most favourable domestic sites for tidal power generation and the best types of equipment for installation in tidal stations. Neyrpic has gained experience of this type of plant through its work on designing and building the St. Malo tidal installations and its association with the big tidal station at La Rance.

PERSONAL

MR. R. K. Birla and Mr. G. K. Singhania have been elected Chairman and Vice-Chairman, respectively, of the Federation of Woollen Manufacturers in India for the year 1962-63.

Mr. K. S. Smith has been elected Chairman and Mr. Mohamed Yaqub, Vice-Chairman of the Tanners' Federation of India, Kanpur, for 1962-63.

Mr. V. S. Vaidya has been elected President of the Indian Rubber Industries Association for the current year. Mr. D. Bose and Mr. Jaichand have been elected Vice-Presidents.

Mr. M. R. Dhawan has been re-elected President of the Delhi Stock Exchange Association Ltd. for the current year. Mr. Bharat Bhushan has become the Vice-President.

Dr. W. R. Correa, Product Manager, Consumer Products Division of the Union Carbide India Ltd., Calcutta, has been appointed General Sales Manager of the Division *vice* Mr. James A. Ebersole, who has been transferred to an associate company in Venezuela.

Mr. Alpedo Sedo of Spain has been elected President of the International Federation of Cotton and Allied Textile Industries for a period of two years from 1st November next. Christer Hoglund of Sweden and Charles Uyttenhove of Belgium will be the Senior and Junior Vice-Presidents, respectively.

Mr. Khandubhai K. Desai, Chairman of Oil India Limited, accompanied by Mr. J. C. Finlay, Managing Director, Mr. P. Govindan Nair, Financial Director, and Mr. M. C. Bhatt, Secretary, Oil India, left for London on 29th June on a nine-day visit to the U.K., where he will have talks with the representatives of the Burmah Oil Company Ltd., Oil India's partner, on all aspects of the Company's operations, including the British Company's offer of a sterling loan of Rs. 14 crores to meet the foreign exchange component of the Oil India pipeline.

Mr. Morarji Desai, Union Finance Minister, left on a three-week tour of the U.K. and the Continent last Sunday. He will meet the French President, Charles de Gaulle, West German Economic Minister, Ludwig Erhard, besides the British Prime Minister, and explain to them India's stand in regard to the U.K.'s proposed entry into the Common Market. He will also participate in the U.N. Economic and Social Council meeting to be held at Geneva on the 9th inst.

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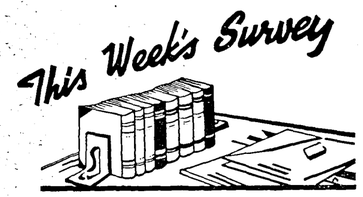


COAL COUNCIL'S SUGGESTIONS

UNLESS the profitability and prosperity of the private sector in coal industry is ensured, the chances of the third Plan's coal production target being achieved in full are rather slender. The Union Minister for Mines and Fuel, Mr. K. D. Malaviya, has no doubt recognised the wisdom of giving all possible encouragement to the private sector. It must be said in fairness to him that he has not taken any rigid stand under the Industrial Policy Resolution of 1956. The expeditious manner in which the Government of India recently granted an increase in coal prices without a time-consuming examination of the cost structure of the industry has also brought him some credit. The Minister's clarification, at the meeting of the Coal Council of India last week, that it was only an *ad hoc* increase must be reassuring to the industry which seems to have welcomed the modest increase in the belief that it represents only the first instalment. As the Government, faced with the continuing coal crisis, is increasingly receptive to suggestions from the side of colliery-owners, it is now up to the latter to seize the opportunity and present an acceptable case for relief and assistance in all its bearings.

How keen the Government is on resolving the coal crisis could be inferred from the proceedings of the latest meeting of the Coal Council of India. By making a departure from its usual practice of merely discussing coal issues and by passing, on Mr. Malaviya's own persuasion, a formal resolution, the Council has enabled the Government to take the necessary action which, now, will not be long delayed. The relevant resolution reads as under:

"Considering that transport of coal is mostly done by railways which are already overstrained in this respect, this Council is of the opinion that, unless unavoidable, no additional transport burden should be placed upon them in respect of coal for short distances. This Council is, therefore, of the view that where thermal power stations or coal washeries are planned for short distances, these must, as a rule, be located at the coal-fields from which the supplies of coal are to be obtained. Consideration of State requirements of power and coal should not come in the way of economic location. This Council is further of the view that, even in respect of thermal power houses and washeries already planned, their exact location may be further reviewed with a view to avoid placing additional burden on the railways."

This approach of the Coal Council to the coal transport problem is realistic in more ways than one. Firstly, location of thermal stations and washeries as far as possible at the coal-fields will release more wagon space for the use of coal-consuming industries. Secondly, it will help relieve the power shortage which at present is afflicting the coal industry itself and standing in the way of expansion in output. By suggesting, in the latter connection, that immediate measures be launched to meet fully the power requirements of the collieries themselves, the Council has brought into focus this biggest single handicap in achieving the coal production target of the third Plan.

EXPORTS OF VEGETABLE OILS

Despite the upward trend in the output of oilseeds during the last two crop years, exports of oils have not registered any perceptible improvement. The total oilseeds production is (non-officially) estimated to have touched the level of 6.7 million tons in 1961-62 crop year, as compared with 6.5 million tons in 1960-61 and 5.9 million tons in 1959-60. Still, the 1961-62 output is lower by 200,000 tons, as compared with 1958-59. The export of castor oil in the 1961-62 fiscal year was no more than Rs. 400 lakhs, which compares unfavourably with Rs. 670 lakhs in the previous year, and that of linseed oil only Rs. 8 lakhs, as against Rs. 88 lakhs. Shipments of groundnut oil continue to be low, although they had staged some recovery in 1961-62 to Rs. 103 lakhs, from the very low level of Rs. 21 lakhs in 1960-61. The major reason for the general stagnation in exports is the fact that domestic prices continue to be out of parity with world prices (though, of late, there has been some fall in domestic prices), on account of steadily increasing trend in the consumption of oils and fats and the failure of production to grow fast enough to take care of both domestic consumption and our need for exports. The price of Indian groundnut oil, for instance, is about 50 per cent more than that of overseas products. But the margin is, of course, not as wide as this in other commodities like linseed oil. It is against this background that Mr. Ratilal M. Gandhi, President of the Central Organisation for Oil Industry and Trade, in his speech at the annual meeting of the Organisation held in Bombay on Monday this week, called upon the Government to grant an incentive scheme for the export of linseed oil.

Mr. Gandhi's belief that linseed oil could be exported with smaller incentives than those needed for groundnuts is a self-evident fact. The plea for incentives for linseed oil is nevertheless timely, as, of late, the pressure of supplies from Argentina, India's major competitor, has been declining. Mr. Gandhi was also optimistic that exports of *niger* and *kardi* oils could be revived with relatively small incentives. The prospects for exports, however, cannot be gauged now, as the trend in prices and exportable surplus in the 1962-63 season will depend upon the nature of the monsoon. The present delay in the arrival of monsoon has already upset the sowing operations in the major oilseeds producing areas in Gujarat, Maharashtra and the South.

Quite apart from the volume of exportable surplus and prices, one of the prerequisites of export promotion of vegetable oils is the assurance of the quality of materials. The Government of India, it may be noted, is considering a scheme of compulsory grading of groundnut oil, linseed oil and oilcakes under *Agmark* for exports. It is not quite clear why Mr. Gandhi should object to compulsory grading, the object of which is to enhance the confidence of overseas buyers in Indian products. Although Mr. Gandhi conceded the need for reducing cost and improving quality, he appeared to apprehend that compulsory grading would only create fresh burdens on trade by way of time-consuming formalities. It is, of course, essential that procedural delays should be eliminated from any new scheme. But fear of procedural delays alone is not a convincing argument against strict enforcement of suitable grading. Another problem highlighted by Mr. Gandhi relates to difficulties in securing adequate and regular shipping space for the export of oilcakes, meal, etc. These difficulties, according to him, were more pronounced in the pool system. Dissatisfaction at the pooling system has been expressed by the other spokesmen of trade as well. Mr. Ramdas Kilachand, President of the Bombay Oilseeds and Oils Exchange, for instance, had something unsavoury to say recently about the working of the pool system. It is time the Government of India investigated into the working of this system and made the modifications necessary to remove the difficulties faced by exporters.

MADRAS BUDGET

A steep increase in taxation to net an additional revenue of as much as Rs. 7.15 crores in a full year and Rs. 6.65 crores in the current year has been proposed by Mr. M. Bhaktavatsalam, the new Finance Minister of Madras, in his budget for 1962-63, presented to the State Assembly on 30th June. This is aimed at covering the major part of an estimated revenue deficit of Rs. 9.51 crores during the year. Revenue receipts during the year are estimated at Rs. 106.5 crores and expenditure at Rs. 116.01 crores. The new proposals are expected to yield an additional revenue of Rs. 6.65 crores, leaving an uncovered deficit of Rs. 2.86 crores. The Finance Minister hopes that the new measures will bring in larger revenues than anticipated and the gap will be automatically closed.

The additional taxation proposals and the revenue expected from them are as follows:

	Rs. lakhs
Increase in the present level of taxation of passenger buses and goods vehicles on a slab rate basis	2.00
Tax on consumption of electricity by high and low tension consumers exclusive of new industry	2.15
50 per cent increase in stamp duties	1.00
Increase in wet land assessment and water rates	1.00
Taxation of urban land	25
Increase in levies on betting ...	24
Increase in cess on sugarcane ...	50
Total	7.14

It will be noted that road transport and electricity, both of which are already heavily taxed, have been made to carry a still heavier load. It is hard to understand as to how these impositions can be reconciled with the country's pressing need for bringing down the cost of production, and for more and cheaper, as well as quicker, transport. The levy on agricultural lands could have been a little more stiff, considering that this branch of our economy has been taxed relatively less as compared with the sharp rise in prices of agricultural commodities.

A comparison of the present budget with the Interim Budget for 1962-63 presented in December last shows the extent of deviation of the former from the latter. The present budget reveals an increase in revenue from Rs. 92.71 crores to Rs. 106.50 crores and expenditure from Rs. 99.67 crores to Rs. 116.01 crores. The revenue gap has thus widened from Rs. 6.96 crores in the Interim Budget to Rs. 9.51 crores in the present budget. The increase in revenue has occurred under such heads as general sales tax, Central sales tax, motor spirits tax and taxes on vehicles and can be taken as an indication, to some extent, of the all-round increase in the tempo of economic activity in the State. The rise in expenditure, which has been mainly under the heads education, medical aid and agriculture, can also be related to the Plan. The budget figures can therefore be properly assessed only against the background of the State's third Plan.

In regard to Plan performance, Madras has a good record. Unlike some other States, where Plan outlays have consistently fallen short of targets, Madras has never had in the past ten years any difficulty in keeping up the Plan schedules in respect of outlays. This position has been continued in the first year of the third Plan, namely, 1961-62 also and the 1962-63 budget bids fair to maintain the tempo of Plan expenditures. The State's third Plan provides for a total outlay of Rs. 291 crores. Of this, Rs. 50.44 crores were spent during 1961-62, the first year of the Plan, and the present budget envisages an outlay of Rs. 57.27 crores for 1962-63, the second year, bringing the total for the two years to Rs. 107.71 crores. Assuming that there will be no shortfall in outlay during the current year, by the end of the second year of the Plan period, the State would have utilised 37 per cent of the total outlay under the third Plan.

OUTLOOK FOR RUBBER

Do you want to swim with the tide or against it? This was the simple but straight question which Dr. Rama Varma, Chairman of the Rubber Board, put to planters when he addressed the forty-second meeting of the Board at Wellington Island, Cochin, last week. Evidently, Dr. Rama Varma must have had at the back of his mind the rapid pace at which demand for natural rubber has expanded in recent years, a phenomenon that is bound to persist for several years to come, notwithstanding the impending manufacture of synthetic rubber at Bareilly by the end of this year. Between now (1962-63) and 1975, the demand for raw rubber is expected to increase from 48,000 tons to 171,000 tons. In the current year alone, the gap to be filled in by natural rubber is estimated at 48,000 tons, even assuming that the Bareilly factory will produce 30,000 tons of synthetic rubber which is very unlikely. The actual output of natural rubber in 1961, it may be noted here, was no more than 27,000 tons and the leeway to be made to achieve the third Plan production target of 45,000 tons is thus pretty wide. All this calls for energetic action on the part of both the Rubber Board and the planters to grow more rubber.

Viewed thus, Dr. Rama Varma certainly struck a note of realism when he urged the need for a new outlook to solve the problems facing the rubber industry. It was here that he examined the likely impact of synthetic rubber on natural rubber production. His assessment is as follows:

"When synthetic rubber is sold in large quantities, the consumers' preference for quality will begin to assert itself. One complaint about natural rubber has long been that the user cannot be sure that he will get just what he wants. There is a lot to be done in its processing, grading and packing. The quality of synthetic is more likely to be consistent and variable to meet the needs of the consumer. Further, its polythene packing will add to its attraction. And added to that, the natural rubber industry will have to find an answer to high power salesmanship backed by first rate technical service for which synthetic rubber industry is reputed. Hereafter, it will be difficult to expect the manufacturer to come and lift anything that is passed on as rubber. The producer will have to cater to the needs of the manufacturer. "Equally important with quality is the price. I have no information about the price policy which Synthetic and Chemicals Ltd. may adopt. I am told that, in the United States, SBR is sold cheaper than natural rubber. There is very little possibility of bringing down the natural rubber prices immediately. It may take time. Even now there are complaints that small growers are not always getting controlled price. When the synthetic rubber comes to the market in larger quantities, the chances for depressing the local prices would be greater than what it is today. The Board should have a policy to meet a situation like that. It cannot shift the responsibility to any other quarter and remain idle."

The statement of Dr. Rama Varma that the Rubber Board would not allow natural rubber prices to be depressed is, indeed, reassuring. It is, however, difficult to agree with his contention that it would be an unwise policy to push up prices. It may be true that the controlled prices of Indian rubber are much higher than the prices of rubber imported from abroad, but that is true of almost all commodities or manufactured goods produced in this country. The planters contend that the ruling prices do not adequately cover the rise in cost of production, heavy incidence of taxation and the interim wage increase awarded by the Wage Board. The right thing for Dr. Varma to do would be to examine whether this contention is true or not and, if true, to what extent. Mere categorical assertions such as the one made by him are of no value. In Kerala, it may be noted, there are at present five taxes on rubber, namely, sales tax, agricultural income-tax, land tax, Kerala additional tax on land, plantation tax and *panchayat* tax. As Dr. Rama Varma himself admitted, unlike other commodities, the price of rubber is controlled and the profit-margin fixed. Unless the rubber industry is assured of a price that will not only compensate for all these increases, but also give a reasonable return on investment, the third Plan production target of 44,000 tons may not be achieved at all.

It is, however, gratifying to learn from the Rubber Board Chairman that the Government has given the highest importance to the replanting programme. Besides a subsidy of Rs. 1,000 per acre, interest-free loan, we are told, is available to existing small holders for extending their areas upto 15 acres in contiguous plots. We are also told that arrangements have been made with the Central Co-operative Bank to advance, through co-operatives, short-term loans of Rs. 150 per acre for manuring, spraying and other plant protection measures.

Apropos the demand for loans from the Board for working capital, maintenance of immature areas and new plantings, Dr. Rama Varma made it clear that finance for new planting was an item of capital expenditure which should be met from out of the savings of the planter himself or through other normal sources of finance. "It is a mistake to think," he said, "that the Board can undertake large-scale financing of new plantings without proper consideration of getting back the loans advanced. It will have to work like any other financial agency." In this connection, he pointed out that certain provisions of the Kerala Agrarian Relations Act might require amendment, if large-scale financing of new plantings was to be undertaken and disclosed that this and the question of medium-term loans for the maintenance of immature areas were under examination. As for working capital, he merely stated that it was for the planters to establish their creditworthiness with the banks. It is not clear how the planters could do this if the prices paid to their crop are unremunerative.

Considering the prolonged delay in the implementation of the replanting programme, the hope expressed by Dr. Rama Varma that, with the enhanced rate of subsidy, the bulk of replanting would be completed by 1970 and that, by 1970, a production of over 100,000 tons from the existing areas alone could be secured is certainly encouraging in so far as it goes. But can one be sure that there is no element of exaggeration in this assessment of the future growth rate? The cost of this expansion plan is placed at Rs. 15 crores. A noteworthy feature of this development programme is that it involves no foreign exchange expenditure.

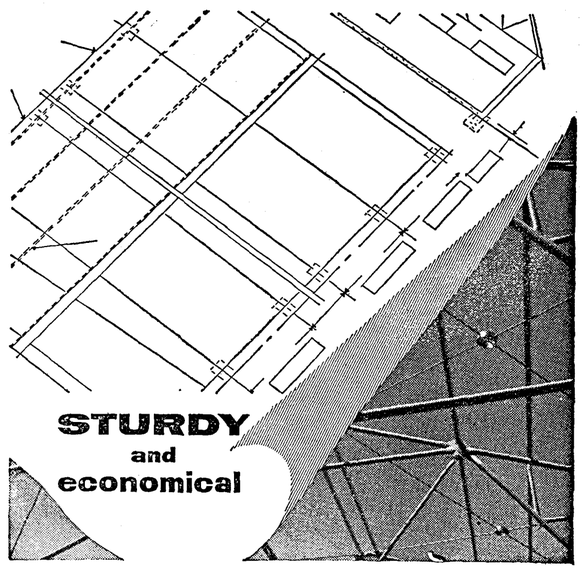
Whether it is new planting or replanting, special care, as was pointed out in this journal on an earlier occasion, will have to be taken to ensure that only high-yielding varieties of seedlings are made available and used. This condition is important, because the per-acre yield of rubber continues to be poor, the all-India average being just 320 lbs. (1960), as against 417 lbs. in Ceylon and Malaya. It is needless to add that, to the extent to which the productivity of rubber-growing tracts are augmented, the cost of production will be reduced, which in turn will enable producers to sell their rubber at lower prices. The whole idea of giving subsidy and protection to rubber industry is to help it achieve economic viability as early as possible. All these efforts will have been in vain, if Indian rubber growers fail to bring down their prices even after the present expansion scheme is completed.

GUJARAT BUDGET

Three striking features mark the Gujarat Government's final budget for the current (1962-63) year, presented to the State Assembly on Monday this week by Dr. Jivraj Mehta, Chief Minister, who also holds the portfolio of Finance. They are renewed buoyancy of revenues, a bold bid to raise more resources through additional taxation, and a firm assurance of all efforts to introduce economy measures. The revenue receipts of the Government, which had gone up from Rs. 52.54 crores in 1960-61 (actuals) to Rs. 60.59 crores in the first year of the third Plan (1961-62 revised), is expected to rise further to Rs. 69.40 crores in the second year of the Plan (1962-63). As, however, the improvement (of Rs. 8.81 crores) has been more than offset by the increase (of Rs. 10.28 crores) in expenditure from Rs. 61.86 crores in 1961-62 to Rs. 72.14 crores in 1962-63, the deficit has widened to Rs. 2.74 crores, from Rs. 1.27 crore in 1961-62; the actual position in 1960-61 was a surplus of Rs. 1.32 crore. The deficit is actually higher at Rs. 2.95 crores, if account is taken of the additional provision made for some of the existing schemes. It is creditable that Dr. Mehta has not hesitated to cover a substantial portion of the deficit—to the tune of Rs. 2.23 crores—by recourse to fresh taxation, in addition to the taxation of Rs. 1.59 crore proposed in the interim budget for the first three months of the year; the balance of Rs. 72 lakhs is left to be covered by economy measures. In doing so, he has done well to cast his net as wide as possible.

Considering the distinct improvement in the earnings of the agricultural sector in recent years following the rise in production and higher prices, it is just as well that this sector should be made to contribute more liberally to the financing of development schemes. Thus, a tax is proposed to be levied on all lands under cash crops, the rate of tax per acre of irrigated land being Rs. 2 for cotton, Rs. 3 for groundnut and other oilseeds, Rs. 4.50 for tobacco, Rs. 9 for sugarcane, Rs. 3 for other agricultural produce except foodgrains, fodder and grass; the rates applicable to unirrigated lands are half these. This levy is expected to yield about Rs. 1.2 crore in a full year and Rs. 70 lakhs in 1962-63. It is in addition to the enhancement of land revenue by Rs. 2 to Rs. 9 per acre of irrigated land and by Re. 1.50 to Rs. 2.50 per acre of non-irrigated land. Simultaneously, it is proposed to withdraw exemption from land revenue in respect of village gaothan sites within the limits of cities and towns with a population exceeding 10,000; this measure is expected to bring in Rs. 10 lakhs in a full year and Rs. 8 lakhs in 1962-63. It is also proposed to impose a surcharge on existing non-agricultural assessment at 75 per cent for lands used for the purpose of trade and commerce, 50 per cent for that of industry and 25 per cent for lands used for residential and other purposes; the additional yield is put at Rs. 8 lakhs in a full year and Rs. 7 lakhs in 1962-63.

Although the rates of sales tax have been stepped up on a wide range of goods, the fresh incidence would appear to be negligible, inasmuch as the total additional yield is put at no more than Rs. 40 lakhs in a full year and Rs. 20 lakhs in 1962-63. The goods covered are farsan (certain edibles), handloom cloth (excluding *khadi* and pillows), glassware, furniture, ærated waters and non-alcoholic drinks, bicycles, hydrogenated vegetable oils (including vanaspati), ice, paints, lacquers, varnishes, component parts of motor vehicles, fireworks, vacuum flasks, aeroplanes, air-conditioning plants and various other items, *ganja*, *bhang*, non-potable liquors, opium, dried fruits, jewellery, *zari* threads, *saris* sold in the price range of Rs. 12



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to Rs. 30 and above, biscuits, floor and wall tiles, foodstuffs and food provisions sold in sealed containers, toilet articles, inflammable gas supplied in closed containers, etc.

The enhancement in the rate of stamp duty is expected to bring in an additional revenue of Rs. 9 lakhs in a full year and Rs. 5 lakhs in 1962-63. Electricity duty is proposed to be modified so as to yield Rs. 98 lakhs more in a full year and Rs. 57 lakhs in 1962-63. The increase effected seems to be somewhat steep and it will doubtless raise the cost of production in industries that are run largely on power.

Road transport is another sector which is subjected to a heavier load of taxation. The proposals are (1) a levy on carriage of goods by motor vehicles at the rate of 3 per cent of gross freight charged; (2) increase in sales tax to 11 nP per litre on motor spirit, 5 nP on diesel oil (and aviation spirit), and 3 nP on vaporising oil. The additional yields from these two sets of proposals are Rs. 70 lakhs and Rs. 27 lakhs, respectively, in a full year and Rs. 40 lakhs and Rs. 16 lakhs in 1962-63. One, however, wonders whether Dr. Mehta could not have spared from additional tax motor transport, especially when it is being called upon to supplement the efforts of the railways on a bigger scale. As it is, the tax burden on road transport is pretty heavy and it has now been made heavier still.

To revert to the budget estimates proper. The anticipated improvement of Rs. 8.81 crores in revenue receipts during the current year as compared with 1961-62 is accounted for entirely by non-tax revenue which is estimated higher at Rs. 31.57 crores, as against Rs. 17.04 crores. The rise, thus, of Rs. 14.53 crores has more than made good the fall of Rs. 5.72 crores to Rs. 37.83 crores in tax revenue. On the expenditure side, "development" heads show a rise from Rs. 35.04 crores in 1961-62 to Rs. 38.26 crores in 1962-63 and "non-development" heads from Rs. 26.82 crores to Rs. 33.88 crores. The review of the third Plan working in Gujarat State as made by Dr. Mehta is quite encouraging. The progress made in the different sectors of development in 1961-62 was satisfactory. The expenditure actually incurred was Rs. 37 crores, as against the original Plan allocation of Rs. 33.19 crores. The tempo of the Plan's implementation is being accelerated in the current year, the proposed Plan outlay being Rs. 46.26 crores, a rise of more than Rs. 9 crores over 1961-62. In particular, industrial development will receive a powerful stimulus with the proposed establishment of the Gujarat Industrial Development Corporation. About 131 licences for new industries and 148 licences for substantial expansion of existing industries, we are told, have been granted.

WORLD AGREEMENTS FOR TEMPERATE FOODSTUFFS

With a further cut of 10 per cent in tariffs among the Six, brought into force from the 1st inst., the internal tariffs among the Common Market countries have been reduced to 50 per cent of the 1957 level. The European Free Trade Association has also kept itself in step with the Six, with a reduction of 10 per cent in internal tariffs. Meanwhile, negotiations are still going on in full swing at Brussels between the U.K. and the Six over the various factors that stand in the way of Britain's entry into the Common Market. The important subject that came up for discussion last week at Brussels was the question of Commonwealth temperate foodstuffs, particularly wheat, mutton, butter and cheese—products in which New Zealand, Australia and Canada are vitally interested. The solution being suggested by the Six for the temperate foodstuffs problem falls into two groups; one, transitional arrangements upto 1970 and two, a scheme of world-wide commodity marketing arrangements (for which negotiations are proposed to be started next year) for safeguarding their trade beyond that period.

On the first aspect of the solution, that is, transitional arrangements, the Six have made their intentions clear. For commodities like barley, beef, butter and sugar, for which Commonwealth exporters receive preferential duties in the U.K., the Six have offered to allow Britain at the outset to accord the same preferences to the Commonwealth as they would to themselves. In other words, Britain would be able to give Commonwealth exporters the benefit of the *montant farfaitaire*—"the fixed rebate on import levies which, over the transitional period, the Six accord to each other." The scheme, however, permits diminution of export outlets over the course of the transition period. That this is unacceptable to the U.K. was made clear to the Six by Mr. Edward Heath, the Chief of the British delegation to the Brussels talks.

The U.K. seems to be equally dissatisfied with the cursory nature of the Common Market plan for world commodity agreements (for temperate foodstuffs). The plan for world agreements, designed by France, seeks to ensure higher prices for the relevant commodities and thus raise the revenue of exporters, rather than their quantitative sales through guaranteed quotas and other preferences. The main features of the French plan, usually called Baumgartner plan, according to the *London Economist*, are:

"In essence, the Baumgartner plan aims at lifting world prices to a level compatible with European prices, and then disposing of surpluses through aid programmes. The first element—raising world prices—would be achieved in Europe by ensuring that no wheat, for example, would enter the Common Market below agreed prices. Import levies, as under the existing E.E.C. agricultural policy, would ensure that prices were maintained within the Common Market at the prescribed level. Outside Europe, prices would be sustained by the operation of the aid programme. Any commodities bought on behalf of such a programme within or outside the Common Market would also be purchased at the European price. If the right price is chosen, and sufficient funds for aid are forthcoming, it is assumed that disposals of wheat can comfortably be maintained at a rate which will keep the whole structure in equilibrium. The difference between the European price and the produers' price in other countries can be absorbed by export taxes or import levies in varying proportions.

"Import levies and, perhaps, part of the export taxes would contribute in the aid fund, which might also receive a given small proportion of each participating country's national income. Contributions to this aid fund could be in kind—for example, wheat—as well as cash; and its main purpose would be to distribute to needy countries the amount of these commodities that would otherwise have become surplus and depressed prices. It is imagined, rightly or wrongly, that in no market in the world need prices other than these chosen ones be paid for wheat; for example, there would be no more of those sales of 'cheap' grain to countries like China."

The feasibility of a world-wide commodity arrangement on these lines is open to doubt. Mr. Heath, it would appear, insisted that the Six should give assurances for maintaining Commonwealth trade in temperate foodstuffs, if world agreements were not reached by 1970. He also impressed upon the Six that, in these agreements, they should be prepared to limit production and maintain imports from third countries. He was particularly unhappy to note that the plan gave no indication as to how and on what basis precisely prices were to be fixed. The further developments in this field will be watched with interest. For this will have some impact on the likely arrangements for tropical products like tea, for which the U.K. has asked for *nil* tariffs.

Separate sections have been set up in the office of the Chief Controller of Imports and Exports, New Delhi, at the Regional Import Trade Control Offices at Bombay, Calcutta, Madras, Ernakulam and the Central Licensing Area, New Delhi, for examining the first appeals from traders against the decisions of the licensing authority. Under the procedure, a person not satisfied with the decision of the licensing authority can make an appeal in the first instance to the head of the office or division, in which the application was dealt with originally, within 30 days from the day of the order appealed against. The decision has been taken in pursuance of the recommendation of the Import and Export Policy Committee (Chairman: Dr. A. Ramaswamy Mudaliar).

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AMERICAN LETTER

WEAK AND STRONG SPOTS IN ECONOMY

ANOTHER RECESSION NEXT YEAR?

From Our Special Correspondent

NEW YORK, 29*th June*

CONFLICTING news about the economic picture dominate the United States scene. The weak spots are accentuated by fear of the future. The strong spots receive little attention for psychological reasons which are just inherent in human nature and cannot be explained.

On the optimistic side are an increase in the gross national product, a rise in industrial production, a gain in personal income, strong automobile sales and climbing housing starts. Also total payrolls are moving upward. Among the depressing elements are the continued loss of gold and just plain lack of confidence in the future as evidenced by the stock market crash. This state of affairs and state of mind was brought into focus by a major television network programme the other day when three reporters questioned the President of the National Association of Manufacturers, Mr. Donald Hardenbrook.

Mr. Hardenbrook was for many years Financial Vice-President of Union Bag and Paper Company and helped that Company expand and merge. He was considered as one of the candidates for the presidency of the New York Stock Exchange and lost out to an ex-college president, Mr. Keith Funston who holds the job now. I know Mr. Hardenbrook and have been acquainted with him for years. At heart, he is no Tory. He is conservative. He has convictions based on traditions and based on his own background. He is no great television actor, but he was self-composed and his answers were straightforward.

Distrust Deepens

The three TV network reporters who questioned him, unrehearsed, were polite but somewhat hostile, in my opinion. What did he have to say? The N.A.M. representing the vast majority of manufacturers in this country, big and small, distrusts the Kennedy Administration. This distrust, he said, was deepened by Presidential interference in the steel price dispute.

The distrust is enhanced by the announcement that expense accounts of steel executives are being scrutinised by the Treasury Department. The lip service by the White House with statements that business expansion is the only answer to the present situation have a hollow ring in business quarters. Mr. Hardenbrook who may be considered the spokesman for business and finance in the U.S. at this time rather than Mr. Roger Blough, Chairman of U.S. Steel, made a strong plea for across-the-board tax reductions so that business may invest in more productive capacity and consumers have more money to spend.

Unfortunately, the N.A.M. President, as a Government official did before him, suggested the likelihood of another recession next year, perhaps. There are no clear cut reasons for such statements, except that there are always ups and downs and that they occur every once in a while. Mr. Hardenbrook was supporting vigorously a legislative proposal before Congress, named after its two sponsors, the Herlong-Baker Bill. It has been in the legislative hopper for four years. It has been re-introduced and re-introduced but nothing has happened. Anything which has the endorsement of the N.A.M. is naturally viewed with suspicion by the trade unions. It would mean greater profits after taxes but will the labouring man get his share, so goes the reasoning.

Suspicion Understandable

The news has been full of such stories recently and the suspicion is somewhat understandable, even though it may not be too logical. I am citing this Hardenbrook interview at such length because of two primary reasons. A leading TV network recognised the seriousness of the schism between Government and business sufficiently to bring the spokesman of business before the cameras and into the homes of millions of viewers, the same as the President is at every Press conference in Washington which have become full-fledged TV productions.

Secondly, the interview as I hoped I conveyed, protrayed the convictions, uncertainties and, yes, fears. Eventually, of course, all these problems will be resolved one way or another but a crisis psychology is building up. Something will have to be done—something will have to "give." Many people have been wiped out in the stock market crash. They are burned, even though they may have credit, and they are hesitant to invest again until the situation has settled down. At this writing the stock market is recovering and the New York Stock Exchange is making much of his latest survey that 17 million Americans are stock-holders, or about 10 per cent the population, against only 6.5 million people in 1952. There are, of course, many complications, but the figure of 1962 is impressive in the sense that many, many people are involved in the debacle.

However, there are 90 per cent of the people who are not involved. That is an even more impressive figure! These people are not immediately affected by the suspicions of business and labour leaders although in three or four months, if nothing buoyant happens they may be affected.

Spending Goes On

In the meantime, they go on spending their pay check, saving and buying things on credit to enjoy life. With shorter work hours, the "play" industries have made huge strides. The leisure hours are spent in a variety of directions which add up to thousands of million dollars worth of business.

A recent survey showed that it is costing Americans at estimated $43,000 million to play, or 7.8 per cent of the gross national product. There has been no slackening in this area. Outdoors and indoors, in forests and on the beaches, along streams, on mountain slopes, on golf fairways, in backyards and in basements of home hobby shops Americans are hard at play.

Because of the auto congestion on highways, boating has grown by leaps and bounds. Last year, there were 6.1 million motor boats registered and 7.2 million boats in use. Their upkeep costs $2,300 million.

Travelling is one of the biggest play industries. According to the American Automobile Association, about 100 million people take a vacation trip at least once a year and spend about $25,000 million in the process. Twenty-eight States, out of 50, and the district of Columbia where Washington is located, count tourism as one of their top three industries.

This is the other side of the U.S. which is difficult to reconcile with the frustrations of Washington and business and industry.—*All Rights Reserved.*

LONDON LETTER

PRODUCTION GOING UP

ECONOMIC POLICY REITERATED

From Our Own Correspondent

LONDON, 29*th June*

UNEMPLOYMENT figures always fall to a relatively low level during June and July and the current drop from 1.9 to 1.8 per cent is regarded by the Government as considerably less than is usual at this season of the year. But a comparison of figures over the past year show that, in fact, the underlying trend in unemployment has been steadily upward. Production figures have also been rising steadily, but one is left to conclude that the rise in productivity has not been strong enough to warrant increased labour forces.

This bears out the findings of the Federated British Industries survey, which appeared two weeks ago, that while output continues on the up and up, full productive capacity has by no means yet been reached. The Government still remains optimistic that the rise in industrial production will gather momentum, their premise being based on the assumption that such measures as the recent easing of hire-purchase terms will improve consumer expenditure at home and that exports will continue to rise, helped partly by the stimulus of the Common Market proposals which in particular are considered to be responsible for the encouraging rise in car exports.

In the June *Treasury Bulletin for Industry* the Government reiterates its adherence to its declared economic policy despite its obvious unpopularity in the country as shown by recent election polls. The context of the *Bulletin* falls into two parts, one dealing with balance of payment—the recorded current balance for the first quarter of 1962 having shown a surplus for the first time since 1959—and the other dealing with acceleration of economic growth based on increased exports. This, in turn, depends on keeping home demands down to a reasonable level and, to ensure prices remaining competitive, firm control of production costs and a proper relationship of incomes to output. The crux of the matter lies here and implies something more comprehensive and more flexible in the way of an incomes policy than the present 2½ per cent ceiling on wage and salary increases.

However, the pattern emerging from this statement of Government policy is a more reassuring one with the assumption that "an acceleration of our growth rate is not beyond our ability" and can be achieved. It is to be hoped that the work of the National Economic Development Council now being undertaken in examining the implication for the country of a 4 per cent growth rate will produce constructive results.

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U.S. ECONOMY AND THE PRESIDENT

A REPORT ON WHITE HOUSE THINKING

PRESIDENT Kennedy believes that heading off a recession is now the most urgent domestic problem confronting him. And whether he veers more to the Left, as an increasing number of voters apparently expect, will be determined largely by what he deems necessary to meet this problem. Those who have discussed the matter intimately with him have come away with the impression that he will go to great lengths, if necessary, to keep the country from sliding down hill into a recession. The course of moderation, the President says, is still the course he prefers. Nevertheless, he is not at all satisfied that he has found the answer to the problem of economic growth. Already he is committed, on the basis of his own statements, to the principle of deficit spending to spur an economy that is expanding, but not fast enough. But his search for remedies continues. In his quest he has not failed to notice that certain Governments that he regards as conservative, Canada, for example, have in his opinion had the least success with their economies lately.

In White House conversations he alludes to the annual report of the Bank for International Settlements in Basle, Switzerland. The report, issued on 7th June, suggested that the United States should increase its budget deficit, in order to achieve full employment and should raise interest rates to check the flow of funds abroad.

It is true that Mr. Kennedy is deeply interested in the fact that many countries of Western Europe have enjoyed booming economies by following policies less conservative than America's. On the other hand, he realises that the economic situation in Europe is not the same as the situation here. He is not sure, therefore, that policies which have succeeded in post-war Europe would have the same effect, if tried, in the United States. Still, his concern over deficits is distinctly less than his concern over a recession.

President Kennedy had anticipated the nature of the attack which the former President Eisenhower delivered against his economic policies a few days ago. He knows that if he were to move into a field of unorthodox fiscal policy, he will have to face the opposition of influential conservative voices like those of General Eisenhower and Senator Harry F. Byrd, D. Va., Chairman of the Senate Finance Committee, where the House-passed Kennedy tax re-vision Bill is still bottled up. He accepts it as a political fact of life that his critics should blame him for the stock market slump. He has observed wryly to friends that those who are denouncing him for downturn weren't exactly loud in their praises of him when the market was going up during his first year in office.

The President does not for a minute believe that his blow-up with Roger M. Blough, Chairman of the Board of the United States Steel Corporation over the $6-a-ton increase in the price of steel in April, caused the bear market. The market, Mr. Kennedy notes, already had started down under the pressure of economic forces that would have continued to operate whether or not he had had a row with Mr. Blough. The President is, however, known to feel that his violent reaction against Big Steel may well have added to the woes of a market already declining.

The President is well aware that, if business is bad in November, the Democrats may have serious trouble holding their present strength in the House of Representatives. All 437 House seats will be at stake along with a third of the seats in the Senate where it would take a political miracle to put the Republicans in control.

The House of Representatives—the House for short—is a different matter. It is entirely possible that the Republicans could gain control. Although, with several vacancies, there are 258 Democrats to 174 Republicans in the House, a truer measure of the President's strength there was demonstrated last week in the 215-to-205 vote against the farm Bill that he dearly hoped would pass. Thus he feels that a loss of even five Democrat seats in November would be a nasty business.

Persons who have talked to the President have not found him concerned about last week's Gallup poll, indicating that his popularity has declined in the wake of the fight with Mr. Blough and the slump in the stock market. Whereas 77 per cent of the voters in January approved of the way Mr. Kennedy was doing his job, only 71 per cent feel that way now, according to the Gallup sampling. The President regards even the figure of 71 per cent as artificial, however. Furthermore, it does not take anything like that to be elected. In his lopsided victory in 1956 over Adlai E. Stevenson, the former President Eisenhower received but 57 per cent of the popular vote.

Looking forward to 1964, Mr. Kennedy has a sober respect for the potential vote-getting prowesses of Governor Rockefeller and George Romney, and he has not counted Richard M. Nixon out of the picture yet either. Whoever he may be, however, the Republican nominee will be up against a President who intends to fight very hard with the backing of a party whose strength he is building very resourcefully.

Halting Argument with Business

President Kennedy, it can be said with knowledge, is calling off his running argument with business. Call it a "breathing spell" or a "truce" or an adjournment of harsh debate—the President is for it. His contribution is going to be a period of White House calm. He is not altering his conviction that to avert a serious recession deficit spending can be beneficial, but he is altering his tactic. He favours an end to harsh words. He plans to end controversial talk on this matter from the White House for an indefinite period.

There is evidence that some influential and responsible spokesmen of business will welcome the adjournment of the lacerating debate. I cite the following balanced and wise counsel from the President of the General Electric Company, Mr. Gerald L. Phillippe:

"I see no value in the kind of talk that raises still higher barriers of suspicion between Government and business . . . we businessmen have not done much to relieve the confusion, and the times call for greater co-operation, not conflict, between Government and the business community.

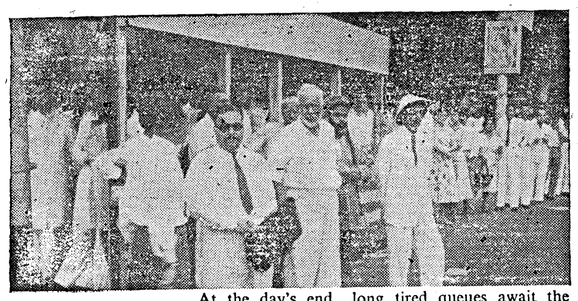
Antagonism between Governments and business does not contribute to economic growth; it creates damaging effects in exactly the opposite direction."

And then this observation, which bespeaks the same kind of truce in hostile criticism of the administration which President Kennedy is himself desirous of achieving:

"We need Government and corporate policies that recognise today's realities, and promote the achievement of cost control, greater productivity and the other requirements that are necessary for business health and economic expansion.

"Business and Government have a common objective in economic growth; it is much more likely to be achieved through a constructive working relationship than through mutual antagonism."

This does not mean that the head of General Electric is embracing Mr. Kennedy's views of what are economic "myths" and what are economic "realities." He is counselling all concerned that the immediate need is for fewer words and better action and, at the very least, debate without animus. For his part, the President is not rescinding his Yale speech which he feels some have purposefully misrepresented. It is not Mr. Kennedy's position that all deficit spending is beneficial, but that, as a deterrent to a developing recession, some deliberate deficit spending may be the best means of avoiding greater budgetary deficits later.—*P. G. Krishnayya's Service.*



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PROSPECTS FOR TEXTILE INDUSTRIES

INTERNATIONAL FEDERATION URGES GREATER CO-OPERATION

DEAUVILLE in France was the venue of the Congress of the International Federation of Cotton and Allied Textile Industries held from 18th to 22nd June. Although the Congress had as its theme technical progress and textile marketing, its deliberations did serve to focus attention on the more general economic and social problems with which the textile industries are faced at present, particularly the continued structural change in the cotton and allied textile industries of the world. Indeed, the Congress struck a note of warning against the danger that, in development plans and in attempts to promote industralisation, the optimum limit for the size of national textile industries might be overstepped. These industries were, therefore, called upon to reassess their productive capacity from a long-term point of view, bearing in mind (a) that more textile mills will be built in many countries where so far none exists, and (b) that the existing textile industries will continue as an integral and basic part of their national economies. Elucidating the point, the Congress said:

"The possible expansion of international trade in textile is limited, as more and more textile industries will be catering for the needs of their own domestic markets. This structural change has created problems of competition which call for a new approach to international trade policies. It is, therefore, hoped that G.A.T.T. long-term arrangement on international trade in cotton textiles will be ratified by all the Governments concerned, as it should help to avoid market disruption, as well as to promote orderly trade expansion. There is considerable scope for growth in the textile industry, provided that the industry remains within the structural limits which are justifiable in the context of the world economy as a whole and provided that, within those limits, it seeks to attain the highest possible degree of nationalisation. The future of the textile industry lies in the elimination of surplus physical capacity, combined with maximisation of productivity."

Needs of Developing Nations

Few would dispute the logic behind the aforesaid assessment of the prospects for the world's textile industries. There is, however, one fallacy, in that the Federation has equated the textile industries of developing countries with their counterparts in the developed nations. Take any developed country other than, perhaps, the U.S. The cotton textile industry is working very largely on the basis of raw cotton imported from abroad. Would it not be better if these countries were to concentrate more on other industries and provide an outlet for the cotton textiles produced in India and other developing countries? For the latter countries are, as is well known, more advantageously situated in the matter of supply of raw cotton, manpower and other requirements of production. The acceptance of this point is in the interest as much of the developing countries as that of the developed nations themselves, because, to the extent to which the developing countries are enabled to step up their exports of cotton textiles, they will be able to utilise a substantial part of the foreign exchange earned thereby for the import of more machinery and equipment produced in the Western countries. The long-term Geneva agreement on textiles, due to come into operation from 1st October next, clearly recognises the vital importance of ensuring a progressive increase in the offtake of textiles produced in developing countries by the Western countries. And the agreement would, as we have pointed out on more than one occasion, go to the wall, if the developed countries were to seek a reservation exempting them from obligations to admit increased imports.

Be that as it may, the Deauville Congress did well to urge international co-operation in textile research efforts which, it was pointed out, had to be applied in many directions. "More research," to quote the Federation, "should be done into the physical structure of both natural and man-made fibres and into the possibilities of a structural modifications of these fibres through chemical or other processes. There is also a need for further research into new cloth constructions, new end-uses and better making-up techniques." The Congress also stressed that progress in the application of automation to manufacturing processes would alter the look of traditional spinning and weaving mills. It said:

"Large financial investments will be required to build the textile mills of the future and to modernise existing mills. Only countries with relatively low wage levels, that is, mainly the developing countries, may be able to operate textile mills with comparatively low labour productivity, as has been customary in the past. Others will continue the modernisation of their mills so as to be able to run them efficiently and, where necessary, to cope with any shortage of labour. The interdependence of the textile industries of the world from the spinning to the making-up process, irrespective of the fibre used, is becoming more and more pronounced. Improved co-operation and progress in technology and marketing will ensure the future of the textile industry. Our industry will then remain firmly rooted throughout the world, because it caters for a basic need of mankind and is an essential part of our national economies."

It was with a view to facilitating international contacts and improving the administrative services of the Secretariat that the Congress decided to move the headquarters of the Federation from Manchester to Zurich in Switzerland. As a measure of internal organisation, it was decided to set up a new Joint Cotton Committee, consisting of the representatives of raw cotton exchanges and cotton spinners' associations, in order to deal with technical and commercial questions connected with raw cotton marketing. It was also decided to hold the next annual meeting of the Federation at Athens in Greece in the middle of September 1963, at the invitation of the Union of Greek Cotton Textile Manufacturers.

Automisation of Spinning

Several important papers bearing on the latest technical progress made in the field of textile industry were presented at the Congress. One of them related to automisation of spinning processes from raw cotton to yarns, with emphasis on the continuous automated spinning system, the CAS system as it is called. The author of the paper is Mr. Yutaka Tada of Japan. The CAS system was developed jointly by the Tokyo Spinning Company Ltd. and the Howa Industries Ltd.; the first full-scale installation of the CAS system for 30,400 spindles at the Hamamatsu Mill of the Toyo Spinning Company went into commercial production in January 1962 and is currently in full operation with 40s yarns as a major product.

The system consists of a BCD unit and UHD ring spinning frames. A BCD unit is made up of four processes: blowing, carding, break drawing and finish drawing, which are connected in series to make a single production unit. UHD spinning frames have an exceedingly high draft, ranging from 300 to 500. This amounts to a reduction in the number of processing stages from six in the conventional methods to two in the CAS system. In addition, the system claims a high and uniform product quality due to its superior machine performances with a labour productivity more than twice that of a conventional system.

The paper consists of five chapters. Chapter 1 is an introduction describing the history of CAS development; chapter 2 discusses the configuration of the system; chapter 3 covers some of the dynamic characteristics and automatic control of CAS equipment; chapter 4 concerns the performance, labour requirements, and product quality found in actual mill operation of the system; and chapter 5 is the conclusion.

The tremendous efforts made by mill men throughout the world since the beginning of this industry have pushed up the productivity of individual textile machinery to its utmost. In spite of this, much still remains to be desired in the economy of present-day mills. Today, therefore, the importance of the automatisation of spinning equipment cannot be overstressed even to the extent of no-man operation to bring about further progress. Now is the time for drastic modernisation.

Shuttleless Looms

Another important paper read at the Congress was on shuttleless looms and new developments in weft supply to traditional looms. The study is the joint product of Ing. Riccardo Gattermayer and Ing. Emilio Honegger of Italy. After introducing the subject with a short review of the position of the textile industry in various European countries, including statistics of their relative size and character, the paper turns to the basic facts to be taken into consideration in assessing the value of new techniques in the supply of weft to traditional looms and the value of the shuttleless looms. The problems of weft preparation (comparing direct spun and rewound weft) are then discussed with particular reference to the authors' group of mills, and bearing in mind the potentialities of the latest technical developments. The factors to be considered in deciding on the ultimate value of replacing the circular box by either the box loader or the "Unifil" system on modern automatic looms, comparing also the advantages and disadvantages of the two methods, are then examined. The results of tests of relative profitability in two of the speakers' mills have been mentioned.

Next comes a short review of the several available types of shuttleless loom in which it is noted that the Sulzer loom has proved itself the most successful in practical application on an industrial scale. The main part of the paper, therefore, refers only to Sulzer looms. The advantages and disadvantages of Sulzer looms as compared with traditional automatic looms and the preconditions essential to the successful introduction of the new Sulzer looms have also been discussed, followed by a reference to the reasons which control the number of yarn breakages on traditional and on Sulzer looms.

The paper continues with a comparison of production costs on the new Sulzer looms and traditional looms with circular boxes, box loaders or the "Unifil" system on the basis of conditions in existence in the better organised of European weaving mills, but using as labour costs figures now current in Italy and going on to consider possible changes in costs in general over the next 20 years. The authors' conclusion is that, after taking account of the slight differences in cost between the various methods, the real alternatives are not so much of a technical character (traditional automatic looms or shuttleless looms) as of organisation and administration.

Automation in Textile Industry

The place of automation in textile industry formed the subject matter of a special paper read by Prof. Dr. Ing. Emil Honegger of Switzerland. The study attempts to give a short survey of the present position regarding automation in the cotton spinning industry, after reviewing the progress already made in spinning techniques during the first half of the present century. It is emphasised that, automation should, as a first stage, mechanise the more laborious and dirty jobs, as, for example, bale opening, transport, and doffing of ring frames. Control and regulating devices which ensure the correct and exact carrying out of processes are the prerequisites of rational automation, for instance, auto-levellers for card and draw frame slivers. The operations in which automation is already being used successfully to a considerable extent are opening of bales and blending and cleaning of cotton; transport of cotton from the blowing room to the cards; transport of slivers from the cards to the first draw frames; and doffing of ring frames.

Completely automatic spinning mills are now in the realm of technical possibility and some individual cases have already reached the production stage. In most cases, fly frames have been completely abolished and yarn produced on sliver to yarn ring frames from draw sliver, using drafts from 100 to 600. The problem of automation in the winding room has also to a great extent been resolved; automatic winders for cross wound cones and cheeses are already well known in the industry. Automation has three important aims in view, namely, the lightening and reduction of the number of manual jobs, the cheapening of production and the improvement of quality.

Productivity

Aspects relating to productivity and comparison of productivity in cotton spinning and weaving mills were highlighted by Dr. Ing. Wilhelm Bauer of West Germany. The common origin of the words "production" and "productivity" reveals that productivity always refers back in one way or another to production. Productivity in the statistical sense means the results, that is, the output per labour hour, or, put the other way round, the time needed to produce a specific quantity, say, a kg. of yarn. As well as the workers' performance, the production of the machine has to be considered. This is especially the case for cotton spinning mills whose capital costs have always been relatively high. The rapid technical development since 1945, the strained situation on the labour market under condition of full employment leading to a constant rise in wages and, on the other side, strong competitive pressure have led to a reduction of the use of manpower in the field of textile production.

In observing and judging the productivity of a plant under present conditions, the performance of the machines has to be considered more fully than before. Productivity thus means performance of man and machine compared to time. As long ago as 1865, an American economist wrote: "The pillars of economical activity are comparison, recognition, balance, and evaluation. We know comparison not only in economy; our whole life is a constant comparing, balancing and evaluating." Perhaps it was due to the complexity of the textile industry that the thought of interplant-comparison came later than in other industrial fields. However, progressive spinners in Germany had already realised 20 years ago the value of such plant comparison to the management. Mill comparisons have since become an effective instrument of management for all progressive leaders of the industry and, without them, planning and control would sometimes be impossible. Plant economy comparisons need not be confined to output; they may also refer to cost conditions.

As regards comparability, a fictitious pilot mill was planned, based on the latest inventions in machines and spinning technique. On this basis, a standardisation of the two factors of production—man and machine—was calculated expressed in output per spindle hour, labour minutes per kilogram of yarn and the number of hands per thousand spindles. These standard values are now compared with the effective spindle and labour hours worked during a definite period, in Germany, for instance, quarterly. It goes without saying that these standard values are adjusted to accord with technical and technological developments in cotton spinning. For the sake of continuity, such changes must not, however, be made too frequently.

The relation between standard and actual values is expressed in indices. Four indices are considered in the German mill comparison: yarn production, labour efficiency, labour force and mill size. A permanent comparison of productivity was introduced in the German weaving industry at the beginning of 1957. This is a comparison of standard values to actual values, enabling managements to measure mill efficiency through machine output and the labour efficiency of the mill and compare them with those of other mills. All this amounts to a useful tool in the economic and productive development of the mill.

Research and Textile Industry

The vital role played by research in textile industry was highlighted by Mr. Robert Delerive of France. According to him, the leaders of the industry are, speaking generally, convinced of the value of technical research, but they are less than unanimous in converting theory into action. It is essential first to make a definite financial allocation for research expenditure in every firm's budget, secondly to create a favourable atmosphere for research and, thirdly, to make use of the results of theoretical research which, during the transition from laboratory to factory, will require adaptation. Technical research, which is inseparable from fundamental research, can be undertaken by companies which are sufficiently large or by professional research organisations. The latter have up to now often proved to be very effective. In either case, it is also necessary to provide the means, in terms of men and of equipment. All this will be expensive, but will constitute a productive investment. Professional research organisations should give attention to maintaining close contact with the industry, for instance, by drawing up research programmes and by circulating the results. Again, existing international liaison should be developed further and could, indeed, be taken as far as joint work by more than one national organisation on well-defined research projects.

During the discussion which followed Mr. Delerive's paper, two points were particularly mentioned. They were:

1. International co-operation in technical research matters might be directed towards subjects which international technical organisations considered to be of sufficiently wide interest to justify their being studied from several angles, provided that this could be done without wasteful duplication of work.

2. Research concerning textile machinery involves, on the one hand, the machinery makers with their own research departments and enjoying the co-operation of the textile industry (which they have every interest in consulting) and, on the other, the textile industry, with its private or collective research facilities, enjoying the co-operation of the machinery makers.

In the first case, the prime concern is the conception of the machine and in the second case the improvement of the machine by its users.

"Bonded" Fabrics

The study on the manufacture and use of bonded fabrics and foam-backs experience and prospects by Dr. Victor L. Erlich of the U.S. (the paper was presented by Mr. Dean Malcolm E. Campbell) shows that foam laminates in garments are at present almost exclusively combinations of urethane foam firmly bonded to an outer fabric. The outstanding properties of such laminates, especially their insulation value, rich handle, drape, retention of shape, light weight, excellent wear characteristics, have brought foam laminates to a dominating position in outerwear. Sales of foam-backed materials rose in the U.S. within a period of three years from practically nothing to a rate of close to 100 million yards per year. It cannot be expected that this will continue in similar proportions; however, continuous though smaller growth can be taken for granted, particularly also because the market for woven fabric laminates is certainly not yet saturated. These developments have, of course, raised the interest in European markets, especially in the countries where the textile industry is so highly developed as in France and England. New ideas and new styles may come up here and reflect back to the States.

In terms of overall polyurethane production, one pound of foam supplies approximately five yards of laminated garments, which means that about 20 million pounds of foam, or not much more than 10 per cent of the total production of flexible foam in the U.S. is used for the purpose at present. To this a growing volume in foam-backs for industrial end uses has to be added, and this growth may proportionately increase during the next years.

Easy Care Finishes in Textiles

In considering easy care finishing, one should not, according to Mr. J. F. Simpson, O.B.E., of the United Kingdom, forget that previous developments took place before resin finishes were introduced on to the market. Such things as fast dyestuffs and mercerisation are only two of these aspects. The modern conception of easy care finishes was really the brain child of Sir Kenneth Lee of Tootal, Broadhurst Lee, whose objective was to obtain in cotton the same anti-crease qualities that were to be found in wool. Unfortunately resin treatment has a weakening effect on cotton fibre whereas it strengthens viscose, and it was on spun rayon that the process first became of importance on the market.

Since the war, there has been a remarkable development both in the diversity and performance of various finishes, all of which have as their objective a lessening of work for the housewife. While this is doubtless a good thing, it has, at the same time, tended to lead to overstandardisation in such things as men's shirts with a consequent loss of individuality. Furthermore, although time in washing has been saved, the durability of the article has been reduced and its price put up. On the other hand, statistics show that, as a result of these, finished cotton has advanced dramatically in the U.S. in relation to other fibres in such articles as sports shirts, blouses and women's skirts.

Another effect of these finishes has been to improve dramatically the standard of design and coloration of women's dresses. Designs, which were considered suitable only for silk, are now equally suitable for cotton and the cheaper fibres. In men's wear, a whole new outlet has been created for beachwear and casual clothing, which is particularly suitable for the needs of those who travel and amongst these must be included the many millions who now go abroad for their holiday and do not wish to be burdened with heavy luggage. It is most important, however, that close co-operation should exist between the spinner and the weaver, the finisher and the merchant, to ensure that these finishes are not put on to unsuitable clothing. All the ridiculous claims that are made in respect of their carefree nature only irritate the customer because of their exaggerated nature.

Stock Cycles in Textiles

Cyclical changes in textiles noted since 1948 in France, Germany, Italy, Japan, U.K. and the U.S.A. have been presented in the paper read by Mr. A. M. Alfred of the U.K. Each country has had three or four cycles of textile activity since the war. The period of most of these has been about three years, but the range was from two to four years. In most countries, the cycles showed a variation of 6-7 per cent from average to peak or trough (a total variation of around 13 per cent), but, in Germany, the fluctuations were smaller, in Japan greater. These fluctuations are shown to arise mainly from changes in stocks in the hands of producers and distributors of textiles and clothing, and of industrial users. The changes are suggested to arise from faulty anticipation of events, plus a slow reaction to changes in the state of trade at points beyond (nearer the retail level) a firm's immediate customers.

These points could be met by a closer study of the statistics available, including retail sales. For the last six years, in the U.K., the man-made fibre producers have co-operated with the man-made fibre users to produce such a study quarterly; and this could have been a factor causing the stock changes since 1956 to have been relatively small. Further, a quick appreciation of changes in trade is helped by vertical links; and over- and under-ordering are less likely if there is not substantial capacity in excess of likely demand. The conclusions, therefore, are that stock changes could be mitigated by (a) a conscious policy on the part of manufacturers and distributors to minimise fluctuations in the stocks over which they have control; (b) availability of well analysed information on what is happening at retail sales and intermediate levels; (c) growth of vertical links from spinners onwards; and (d) elimination of capacity substantially in excess of likely demand.

Textile Marketing

The several changes that are taking place in the field of textile marketing have been indicated by Prof. Dr. Hein J. Kuhlmeijer of the Netherlands. The most important of them are the following:

1. The growth of textile capacity in developing countries which were former textile export markets for Europe meant that domestic markets, individually or in trade blocks, will have to replace lost export volumes.

2. The greater industrial activity already apparent in the Common Market has raised wages, standards of living, consumer mobility and knowledge, not only creating a new and larger domestic market, but also making the consumer and his preferences a much stronger force in the market.

3. New distribution patterns are developing in which large department stores, chains, mail order houses and supermarkets are rapidly replacing small "family stores" as outlets for textiles.

4. Trends revealed by market research in the U.S., heretofore the only mass consumer market in an economically advanced area, indicate that textile consumption has lagged in industrial uses, risen slightly in household uses and expanded enormously in apparel. This indicates that apparel is likely to be the outstanding growth market for textiles as the Common Market develops.

Fibre consumption in apparel rose by 70 per cent from 1939 to 1960 in the U.S. From 1948 on, it exceeded the growth rate of population and almost matched the rate of growth of consumer spending. At the end of the period, the average American was using four pounds more fibre a year than at the beginning. Despite the entry into the market of new man-made fibres, the traditional major textile fibre, cotton, has done even better than all fibres when compared against the rise in consumer spending. Dr. Kuhlmeijer points out that the U.S. textile consumption increases from 1939 to 1960 were significant for Europe, because European economic levels now are approximately equal to those of the U.S. in 1939. Recent economic studies by the F.A.O., the O.E.C.D. and the I.C.A.C. predict an increase of 25 to 30 per cent over the next decade in the textile market for the E.E.C. countries. This potential 25 per cent increase would barely bring the E.E.C. countries to the level of the U.S. in 1939. There would, therefore, still remain an opportunity, with E.E.C. income and spending rising faster than in the U.S., for textiles to expand even further.

Among the typical end uses where expansion possibilities appear to exist in Europe are such items as man's shirts (where European *per capita* consumption is only 41 per cent of the U.S.), men's underwear (53 per cent), and towels (57 per cent of the U.S.).

WOOLLEN INDUSTRY IN INDIA

RAW MATERIAL PROBLEM MUST BE SOLVED

ALTHOUGH the woollen textile industry is small in size as compared with the cotton mill industry, it does play an important role in meeting a part of the clothing requirements of the country. And this role is bound to be more and more important, what with the persistently rising trend of population and the improvement in the living standards of the masses, both of which will exert a great pressure on the available supplies of cloth. Viewed thus, it is distressing to find that a considerable part of the woollen industry continues to remain unutilised, thanks to shortage of raw material, old and outdated equipment, and defects in official policies. The capacity actually lying idle at present is said to be almost 50 per cent in both the spinning and weaving sectors. The prolonged existence of such vast idle capacity is highly undesirable, as it will needlessly inflate the overheads per unit of production, raise the cost to consumers, reduce the earnings of workers and lower the return to investors. If this highly disquieting situation is to be remedied, energetic action is required to solve the basic problems of the woollen industry. For, otherwise, "confusion will be worse confounded," as was rightly warned by Mr. G. K. Singhania, the retiring Chairman of the Federation of Woollen Manufacturers in India, when he addressed the recent annual meeting of the Federation at Bombay.

The woollen industry depends greatly on imported raw wool and wool tops. The Government has recently announced that only 50 per cent of the licences will be granted. It is creditable that Mr. Singhania did not, unlike the spokesmen of several other industries, raise his voice of protest against the cut in imports, for he said: "We, as a Federation, are a responsible body and shall put our shoulders to the wheel and share the burden of the crisis." He, however, emphasised one point which does merit due consideration. It is that the allocation of imported raw material must not be based on consumption of wool tops alone but it must also take into account the fact that certain units of the industry have built up their present position through the use of larger quantities of imported carding wool. Mr. Singhania would have done well, indeed, if he had given some details regarding the supply position of raw materials and the actual requirements of the industry, so that one would have had a clear idea of the gravity of the problem of raw material shortage.

Wool Top Production

As between raw wool and wool tops, it would appear that foreign exchange can be utilised more gainfully through the import of the former. It is this consideration that invests the need for developing adequate combing capacity within the country with special significance. In order to ensure such a development, a three-pronged measure is necessary. In the first place, experiments for wool top manufacture from indigenous wool and combination with imported wool must be speeded up. Secondly, the production of the requisite quality of wool must be increased through large-scale sheep-farming, sheep-shearing, grading and marketing programme. Finally, adequate quantities of foreign wool should be imported for production of wool tops.

Alongside measures designed to alleviate the problem of raw material shortage, steps will have to be taken to augment the productivity of the woollen industry which is very low, because a sizable part of the equipment is so dilapidated that it requires complete replacement. How else can the industry be expected to reduce costs, improve quality, and, at the same time, give better earnings to workers and better conditions of work? It is a pity that Mr. Singhania did not care to indicate the industry's progress so far in modernisation. All that he said was this: "The delivery periods (of foreign machinery suppliers) are anywhere from three to four years which makes it impossible for the industry in India to accept such offers as a workable proposition." If this is the position, one wonders how Mr. Singhania's plea for linking machinery import to export of specific products will be a practical solution to the present impasse.

On the issue of woollen goods exports, Mr. Singhania was very critical of the scheme of

(*Continued on page 39*)

ACTION GROUP'S PLEA TO TEXTILE INDUSTRY IN E.C.M.

MILL LABOUR ASSAILS GOVERNMENT POLICY

From Our Special Correspondent

MANCHESTER, 26th *June*

MANCHESTER LETTER

LANCASHIRE'S Textile Action Group, which is campaigning for an immediate and drastic reduction in imports of Asiatic cotton goods into the United Kingdom, has taken a new line by urging leaders of textile industries in the Common Market countries to oppose British entry into the European Economic Community without adequate safeguards. Six cotton mill employers led by Mr. John McCann, the founder and Chairman of the group, flew to Brussels last week for talks with European industrialists who, they hope, will be able to exert pressure on the British Government to introduce duties on imports of Asiatic textiles at the full external tariff rate anticipated under any arrangement whereby Britain joins the Common Market. Mr. McCann said:

"We are going to Europe to put the problem squarely before their leaders. In the interests of the industry, the time has come to make representations to those authorities who are in a position to negotiate with authority on equal terms with the British Government."

In a statement aimed at the European cotton trades, the Action Group said:

"We hope we shall be able to impress on those responsible for the coming negotiations in Brussels that the only possible way to maintain any stability at all in the E.E.C. textile industries is to insist that the United Kingdom accept without reservations the common external tariff in full at the time of joining, should she be admitted to membership. There is no other alternative available. Failure to secure agreement on these lines can only lead to the easy access of Asian textiles into the Continental markets with the resultant chaos and eventual breaking-up of the E.E.C. textile industry."

Workers' Meeting

Meanwhile, eight hundred cotton workers, at a meeting in Manchester to discuss the crisis in the industry, passed a resolution accusing the Government of showing "complete disregard" for Lancashire's problems. A three-hour meeting called by the United Textile Factory Workers' Association, which represents 120,000 employees in the industry, ended with unanimous approval for the resolution, which rejected completely the Government's intention to ratify proposals for textile imports from Hong Kong. "We do not accept that our industry should be sacrificed, and those dependent on it for their livelihood, in order to support the underdeveloped countries to the extent they are being called upon to do," it said, and added: "This burden must be shared by other western countries to a much larger extent than they have hitherto been disposed to do."

Rejecting the suggestion that the industry must resolve its own problems, the resolution pointed out that the issue was a political one which only the Government could resolve. It ended: "We pledge ourselves to take all available steps open to us to compel the Government to give us a square deal and we ask for the wholehearted support irrespective of party of all members of the House of Commons in order to bring about a change of policy regarding the cotton textile industry."

The Association's Legislative Council came in for some criticism from the floor for failure to take the initiative before the Textile Action Group, the unofficial ginger organisation. But the Association's President, Alderman H. Chorlton, said: "We were sending deputations to London before T.A.G. was thought of." Mr. Lewis Wright, Secretary of the Weavers' Amalgamation, told delegates: "We wish them well, but we do not want our appointed officials to be answerable to the self-appointed leaders of an unofficial organisation."

In conjunction with its plans for introducing licensing control on imports of cotton yarn and cloth from the beginning of July, the Board of Trade has issued tables which provide an eye-opener after some recent Government statements. The new system of control involves at the moment no quantitative limitation of imports but has been adopted in order to keep a close watch on the pattern and flow of arrivals from foreign sources.

From the time when the President of the Board of Trade first held discussions with trade leaders in Manchester early this year, the Government has consistently pointed to the smaller foreign supplies now reaching British ports compared with the undoubtedly exceptional arrivals in the first quarter of 1961. The figures for the first three months of this year, however, show some variations in the separate categories which cannot be ignored by Lancashire.

In the first place, the rate of arrivals for retention in the home market from Hong Kong, India and Pakistan in the first quarter of this year was lower in piecegoods, but substantially higher in the cloth equivalent of made-up goods than in any of the three previous years. Imports of piecegoods at 60 million yards in the quarter as compared with 259 million yards in the whole of 1961, 320 million yards in 1960 and 305 million yards in 1959.

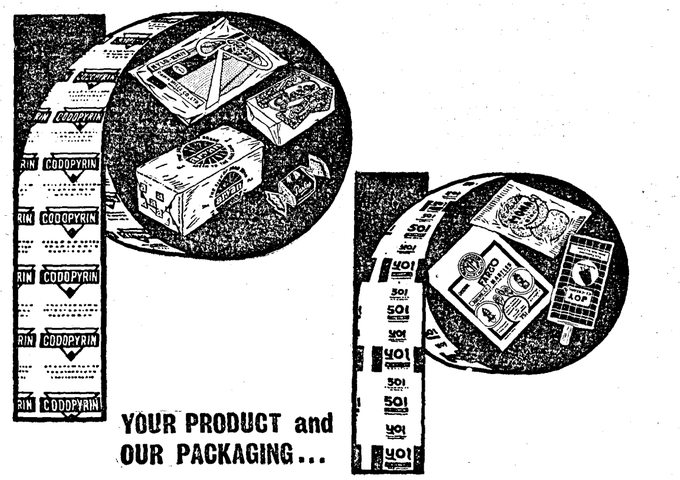
The cloth equivalent of made-up goods acquired from the three Commonwealth countries this year has been running at an annual level of 92 million yards, as against a total of 73 million yards in 1961, 77 million yards in 1960 and 61 million yards in 1959. After all the fuss about smaller purchases from the Asiatic countries, it should be noted that total imports for retention in the first quarter this year were 83 million yards, a quantity which is at exactly the same annual rate as the 1961 total of 332 million yards.

When arrivals from all sources are taken into account, the situation becomes clearer still. Imports for retention in the home market at 113 million yards in the first quarter this year compared with 101 million yards in the final three months of 1961 and 116 million yards in the third quarter of last year. From this it becomes obvious that the curtailment of imports has, in fact, centred on those scheduled for re-export. In the first quarter this year, these aggregated 30 million yards, as against 37 million yards in the previous quarter, 47 million yards in the third quarter and a quarterly average of 55 million yards in the first half of 1961.

Duty-free Cloth Arrivals

Total arrivals of duty-free cloth in the first quarter amounted to an annual rate of 260 million yards, as against 292 million yards in 1961 and 336 million yards in 1960. Imports of dutiable goods at 48 million yards were equal to those absorbed in both the third and fourth quarters of last year, but, within this category, there was a sharp fall in supplies obtained from countries "now restrained," which presumably means Formosa and Spain.

In contrast, imports from Western Europe and the United States increased in the early months of 1962. It is interesting to note that the first quarter's figures for all dutiable arrivals are running at about the same rate as in 1960, but on an annual basis are three times the size of the 1959 level, twice as much cloth being secured from Western Europe and American sources.—*All Rights Reserved.*



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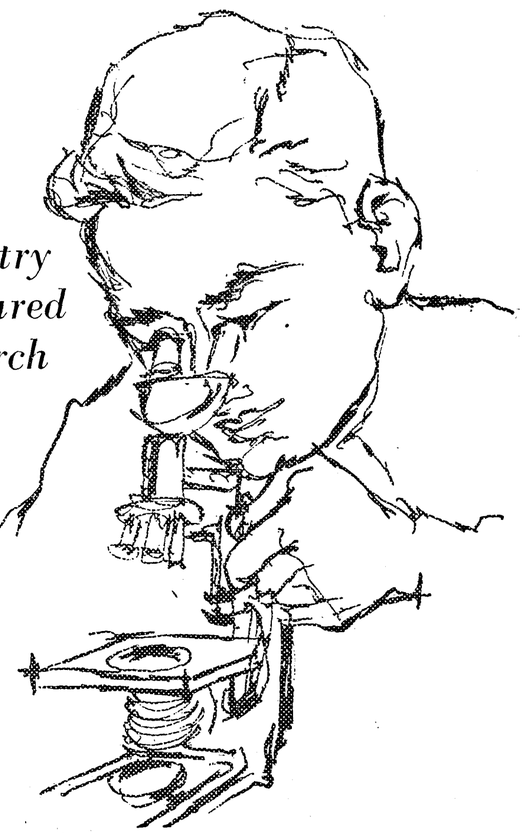

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SUBSCRIBED CAPITAL	–	Rs. 4,00,00,000
PAID-UP CAPITAL	–	Rs. 2,00,00,000
RESERVE FUND	–	Rs. 2,35,00,000
DEPOSITS & BILLS PAYABLE (31-12-61)	–	Rs. 1,00,15,00,000

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S. T. SADASIVAN
General Manager

FIRST FIVE YEARS OF COMPANIES ACT, 1956—III

GENERAL ADMINISTRATIVE ARRANGEMENTS

By A Special Correspondent

NOW coming from the general review to the detailed examination of the working of the present Companies Act, one can cover the various aspects of corporate activities and their control by the provisions of the Act under six broad heads, namely, (1) the general administrative arrangements and the overall statistical trends noticeable since the enforcement of the present Act, (2) developments in company management, (3) inter-corporate financial arrangements, (4) protection of minority interests, (5) company investigations and prosecutions, and (6) new company practices.

As regards the administrative arrangements made by the Government for the enforcement of the present Companies Act, even the critics of the present Administration dealing with the Act would concede that the enforcement of the Act has now been entrusted to a strong and properly constituted Government department, whereas, in the past, there was no central administrative agency worth the name for the enforcement of this central law and, at the State or Provincial level, the State Governments paid little heed to this measure, with the result that the Act came to be known as one of the least administered Central laws in the land and the company managements in the country were at best accustomed to receiving only occasional notices from the offices of the Registrars of Companies regarding defaults in the filing of some documents or in carrying out certain formalities under the law. Even these were not earnestly pursued by those offices. The result of all this was that there was neither much respect or care for the law nor any fear for the Administrative authority, which, as stressed by the Bhabha Committee, had no positive conception of the purposes of the law and believed in its routine or negative functions. The laxed handling of the law also led to a complete loss of sense of fiduciary responsibility among the company managements to whom "compliance with even those provisions of the Act which had been on the statute book for decades before the Act of 1956 came into force but had never before been systematically enforced, were sometimes considered needlessly irksome while the enforcement of the relatively new provisions of the law was in some quarters characterised as interference with the freedom of enterprise." In brief, due to a weak and feeble Administration which lacked a proper perception of the basic purposes of law, the companies and their managements found themselves functioning, by and large, in a *laissez faire* atmosphere in which they led the law and Administration and not *vice versa*.

Three-tier Set-up

As a first step towards better administration of the Act, the Government in 1955 devised a three tier set-up, comprising offices of Registrars of Companies in each State, a regional office over a group of States and a Central department each of which was to be manned by permanent expert and administrative staff. While setting up this type of machinery it was realised that

"the provisions of the Act however well-designed they might appear to be to secure the objects which the framers of the new legislation had in view, would not in themselves be adequate either for preventing the existing abuses in the corporate sector or for ensuring its working in the public interest in conformity with the requirements of the economic and social policy accepted by the country. It was felt that it was essential to supplement the law with a strong and competent administrative organisation which should be entrusted with the administration of the Act and all other related measures and instruments connected with the working of the joint-stock companies so that they could be all used as instruments of a coherent and comprehensive policy for the purposive regulation of the organised private sector."

The regional offices constituted a novel and new feature of the present Administration and the main functions of these offices were defined to be

(*a*) to maintain close contact with the offices of the Registrars of Companies in the region and to exercise supervision and control over them on behalf of the Department, and to advise and guide the Registrars in technical and administrative matters,

(b) to report to Government important events and trends in the region in the sphere of trade and industry in general and particularly on the activities and operations of companies and developments in the capital market, and

(*c*) to discharge the functions of public relations offices and attend to complaints or difficulties put forward by joint-stock companies, particularly the smaller ones having meagre resources to obtain expert advice or guidance, and at the Government level to function as a link between the Central Government and the State Governments in the region.

Out of the various functions of the regional offices listed above, that of supervising the work of investigations and prosecutions in the field offices has, it is felt, irked the company management more than the help rendered by these offices in explaining the involved provisions of the Act. However, the real effectiveness and usefulness of the regional offices would very much depend on the latter function and, in this connection, the Government's decision to delegate powers under some sections of the Act is a step in the right direction.

Firmness and Strictness

The trend of administration of the Act during the last five years appears to be one of steady firmness and strictness. The first two Statutory Reports described the two years, 1956-57 and 1957-58, as periods of adjustment from an old to a new order of things and of consolidation both for the joint-stock companies and Administration, respectively. During these two years, the Administration "took on the whole a relatively lenient view of the non-fulfilment of statutory requirements where the default on the part of companies was due to ignorance, oversight or misunderstanding and not to any deliberate intention to contravene the Act." The third year, namely, 1958-59, has been described as a period of assessment and appraisal with which, actually speaking, the liberal era of administration of the Companies Act came to an end and the phase of stricter enforcement of the Act was begun. A clue to the Government's mind is available in the fourth and fifth Statutory Reports in which great stress has been laid on the fiduciary responsibilities of company management and the need for submission of forms and returns, etc., irrespective of the fact that a good use of the information in those sources was made by the Government and interested parties or not. The Administration regards the filing of thsee returns as an essential imperative, in so far as "only through such returns that the disclosures of the essential information about the structure and working of joint-stock enterprise can be made available to the creditors, shareholders, the general public and Government."

As a result of this approach and line of thinking of the Government, the number of prosecutions during the five years shot up from 573 in 1956-57 to 6,272 in 1960-61 and the number of companies involved in these cases increased by nearly eight times, from 165 to 1,220. Taking the five-year period as a whole, one would see that nearly 16,000 prosecutions were launched against about 3,300 companies, that is, about five prosecutions per company. The figures also reveal that, out of the total strength of 26,100 companies at work in the country in 1960-61, one-ninth of them have run into heavy waters and trouble with the Administration.

The tightening of administration is also reflected in the number of companies struck off the live registers of companies, after having been pursued according to law under Section 560 of the Act, for being virtually defunct and inactive. The total number of such struck off cases came around 7,500 companies the continuance of which in many cases would as well have meant the perpetuation of some frauds besides the unnecessary load of work on the Administration. During the same period, the Administration followed up about 400 companies under Section 439 for winding-up, because of their bad state of affairs, and the petitions were presented in the courts by the Registrars of Companies in respect of 75 of them. The Administration is also reported to have pursued the delinquent voluntary liquidators and got some of them removed and replaced by official liquidators through the courts; 200 voluntary liquidators were prosecuted under Section 551 of the Act and more than half of them were actually got convicted by the courts of law. All this speaks of the alertness of the Administration which in course of time is bound to have profound effect on the working of the corporate sector in the country.

Grievances Redressed

Besides prosecutions, there is another aspect of work of the Administration which also needs proper highlighting. Under the present law, the Administration also acts as alternative avenue for help and redress to the regular courts of law in certain matters, such as for redressal of grievances relating to transfer of shares, payment out of company liquidation account, etc. It is reported that, under Section 111 of the Act, as many as 242 parties came to the Central Government to have their grievances redressed about the refusal of managements to register the transfer of over 250,000 shares in their names during the five-year period, 1956-61. These cases were heard and disposed of by the Government in a speedy manner within a period of six months or so. For this purpose, the appellants could as well have gone to the courts, which, as the Statutory Reports point out, was not done, as the appellants thought that the decisions in that case would have taken a much longer time.

Similarly, during the five-year period, no less than about 2,400 applications, involving a sum of about Rs. 4 lakhs, were reported to have been made to the Central Government under Section 555 of the Act for payment of moneys from out of the Companies Liquidation Accounts. In these cases, too, the alernative course open to the parties was to go to the courts to get the necessary orders under the same section. These cases were also disposed of by the Government very expeditiously within a period of 2½ months. These are, indeed, very happy trends and it seems still advisable that speedier methods and procedures should be devised by the Government which would benefit small investors and shareholders.

Size and Growth

Coming to the general and overall trends in company registrations and capital formation, the Statutory Reports present a large mass of factual information for deriving important conclusions. About the new company registrations, an alarming view was expressed for nearly three years or so, 1955-57, that the repercussions of the restrictive nature of the new provisions of the 1956 Act would be very serious inasmuch as these would "retard company formation and hamper private enterprise." Contrary to these fears and apprehensions, the Statutory Reports point out that the new registrations, after receiving a temporary setback in the first year of the working of the Act from 1,448 in 1955-56 to 848 in 1956-57 due to the uncertainty about the attitude of the Government in regard to the administration of the Act and the real implications of the various provisions relating to company promotion, managerial remuneration, etc., increased steadily from year to year to a record level of 1,683 companies in 1960-61 which was exceeded only once during the last ten years and in seven years during the present century. During the five-year period 1956-61, the new registrations totalled 6,039 which worked out as over 23 per cent of the total strength of the corporate sector placed around 26,100 companies in 1960-61. During the five years, 1956-61, the total paid-up capital investment in companies also recorded a sizable increase of the order of about Rs. 700 crores from Rs. 1,024 crores to Rs. 1,724 crores. In this overall increase, Rs. 242 crores were added to the capital base of companies in the private sector whose capital investment increased from Rs. 958 crores to Rs. 1,200 crores and Rs. 458 crores accrued to the Government companies whose paid-up capital increased from Rs. 66 crores to Rs. 524 crores. Taking the paid-up capital of the private sector companies separately, it is seen that it increased almost equally to the increase registered during the earlier quinquennium. A point to be noted here is that, during 1956-61, although the overall size of the corporate sector declined from 29,874 companies to 26,108 companies, in reality, it recorded an expansion if allowance is made for the 7,500 moribund companies which existed at the beginning of the period and were struck off in the following years. If this allowance is made, the size of the active core of the corporate sector recorded an increase of nearly 15 per cent. These statistical facts go to absolve the Companies Act and the Administration of the charge that they would be deterrent to the growth and vitality of the corporate sector.

New Company Formations

Another important trend noticeable in the new company formations is the emergence of larger numbers of companies in the relatively

industrially and commercially backward areas of the country and, consequently, "the relative disparity in the number of companies formed and at work in the four regions, namely, Northern, Eastern, Southern and Western, into which the country has been divided for the administration of the Companies Act appeared to have decreased. As compared with the position in 1956-57, when, in the total company registrations of 848, 334 new companies, that is 40 per cent of the total were formed in the Eastern region and 147 new companies, that is about 17 per cent of the total, in the Southern region, in 1960-61, in the total new flotations of 1,683, 477 companies and 452 companies were formed in the Eastern and Southern regions, respectively, accounting for 28 per cent and 27 per cent of the total new corporate bodies set up in that year. As compared to these, the Western and Northern regions accounted for 25 per cent and 20 per cent of the total new registrations respectively. Thus, the relative position of the Southern region, which for decades stood far behind the other parts of the country from the point of view of corporate activity, has in recent years very much improved.

Further, it is also observed that the formation of new companies is widely spread over various sizes of companies. The numbers of small-sized, medium-sized and big and giant-sized companies totalled 3,608, 2,103 and 328, respectively, during the five-year period, 1956-61. There has been a sharp increase in the number of big and giant-sized companies, having an authorised capital of Rs. 50 lakhs and more each, during the two years, 1959-60 and 1960-61 when 65 and 142 companies respectively were formed. The management pattern of the newly formed companies also bears the imprint of the provisions of the 1956 Act which has placed some very onerous obligations on the managing agencies, with a view to seeing their elimination from the corporate scene in the country. Apart from the reduction of the number of old managing agencies and that of the companies managed by them, the number of new companies which intimated their intention to have managing agents to manage their affairs was very small. During the entire quinquennium 1956-61, only 71 new companies announced their intention to have managing agents, whereas 4,167 companies, that is, 70 per cent of the new companies proposed to have "board-of-directors" type of management and 1,778 new companies, that is 29 per cent of the total, favoured management by managing directors. The two new management institutions, namely, the secretaries and treasurers and the managers created under the 1956 Act to step into the vacuum likely to be created by the disappearance of the managing agencies, however, made a disappointing showing, as it is observed that, out of 6,039 companies formed during the five-year period under review, only 13 companies favoured management by secretaries and treasurers and 10 companies by managers. Thus, on the evidence of available facts, one can conclude that, while the business community and entrepreneurs showed their reluctance to act as managing agents for the new companies, they more or less rejected the two new alternative forms of management created under the 1956 Act to be worthy successors to the managing agency system. The institution of secretaries and treasurers has been adopted by some of the leading managing agencies in the country to get round the provisions of Section 332 of the Act which restrict the number of companies to be managed by a managing agents to ten. Under the combined canopy of "managing agency-cum-secretaries and treasurers" the big managing agencies could easily retain all their old companies with themselves. According to the figures published by the Department of Company Law Administration, twenty-three managing agents functioned in a dual capacity of managing agents-cum-secretaries and treasurers, whereas 22 were genuine secretaries and treasurers in 1960-61. The 45 firms which acted as secretaries and treasurers managed only 181 companies.

Managing Agencies

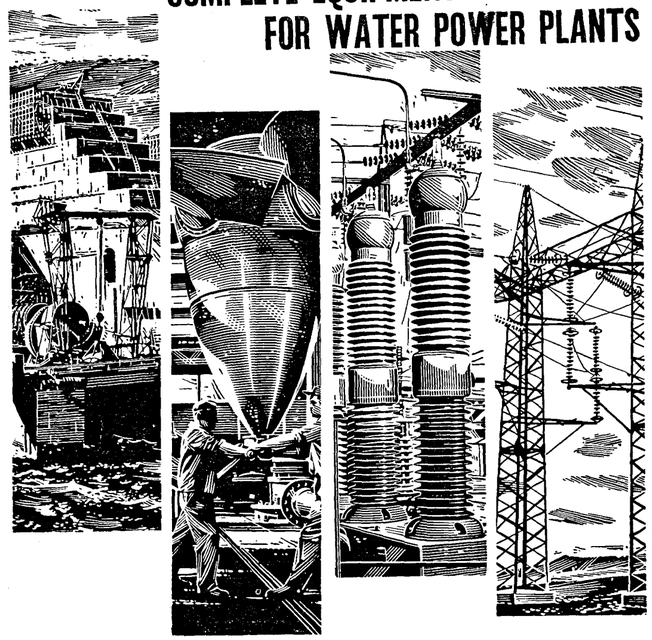
The provisions of the present Act has had a wholesome effect on the managing agencies, as it is revealed by the available reports of the Department of Company Law Administration that, whereas at the beginning of the coming into force of the 1956 Act there were about 4,000 managing agencies which managed about 5,055 companies, the numbers of managing agencies and their managed companies came down to 919 and 1,308 companies as on the 16th August 1960, that is, after the expiry of the deadline set for the renewal of all managing agency agreements by Government under the provisions of Section 330 of the Act. This reduction in the number of managing agencies and their managed companies has been brought about by voluntary surrenders of managing agency, rejection of some cases by Government, natural death of companies brought about by striking off action by Government, etc.

Apart from these, the trend in conversion of public companies into private ones is also somewhat important, as, after the incorporation of certain onerous provisions for the public companies under the Act, it was apprehended in official circles, as disclosed in the Statutory Reports, that many companies might adopt subterfuge methods of converting themselves into private companies and thus escape the rigours of the law. In the first year (1956-57) 227 cases of conversion of public companies into private ones took place but, in the following four years, only 194 of such conversions occurred. This shows that there was no need for further tightening of the law in this regard. Notwithstanding this, Section 43A of the Act, as incorporated in 1960, now requires a private company to be deemed as a public company if one or more corporate bodies subscribed 25 per cent or more of its capital. Along with this, the Amendment Act also extended some of the statutory obligations such as the submission of profit and loss account to the private companies. With these new provisions, which till recently had been confined to public companies, under the substantive provisions of the 1956 Act, the distinction between public and private companies has become very thin and blurred and, in course of time, it is bound to rekindle the controversy about the abolition of distinction between public and private companies in the law. The future development in this regard would be interesting to watch.

The passing of special resolutions and their scrutiny by Government for the appointment of directors of companies and their relations to positions of profit has yielded some beneficial results. During the five-year period, 1956-61 over 7,500 special resolutions passed under Section 314 of the Act to ratify or regularise the appointment of approximately 5,000 company directors and 8,500 persons related to them have been filed with Government. In case of directors, 50 per cent appointments and of relatives 25 per cent appointments carried a salary of over Rs. 500 per month. The amendment of this section in 1960 has given some relaxations in regard to such appointments carrying a salary of Rs. 500 per month for directors and their relatives. Like this, special resolutions passed under Sections 356 to 360 with regard to regularisation of contracts entered into by companies with their managing agents of their associates were also filed with the Government who took them on record only after proper scrutiny.

(To be continued)

COMPLETE EQUIPMENT FOR WATER POWER PLANTS



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ROLE OF INDUSTRIALISATION IN ECONOMIC GROWTH

FINDINGS OF SPECIAL U.N. STUDY

IT is a matter of general observation that the countries with the highest *per capita* incomes are highly industrialised and that the poorest countries have predominantly rural societies. Broadly speaking, there is a certain correlation between levels of *per capita* income and levels of industrialisation and this is statistically demonstrated in the special study entitled "Industrialisation and Economic Development" and forming part of the World Economic Survey 1961, an advance copy of which has just been issued by the United Nations. In the lowest-income countries, according to the study, primary production accounts, on the average, for about 47 per cent of total domestic output, while industry contributes only 19 per cent. By contrast, in the high-income industrial countries, these proportions are quite the reverse: industrial production amounts, on the average, to about 49 per cent of total output, while agriculture and mining together add only 13 per cent. This great disparity between the underdeveloped countries and the industrially advanced countries is due *primarily* to the difference in the role which manufacturing production plays in total economic activity. Another facet of this disparity is that, with the growth of factory production and the related trend towards urbanisation, the industries providing basic facilities, such as transport, power and water, also contribute a rising proportion to total domestic output. In the industrial countries, for instance, the share of basic facilities in total output is about 11 per cent, whereas in the lowest-income underdeveloped countries it is only about 5 per cent. The following table provides a broad picture of the disparity between the two groups of countries, as revealed by national income data for the period 1950-59:

Industrial Distribution of Gross Domestic Product—Averages for Countries Grouped according to Levels of Per Capita Income, 1950-59.

(Percentage)

Per capita income group	INDUSTRY				Primary production (agriculture and mining)	Services
	Manufacturing	Basic facilities (a)	Construction	Total		
Underdeveloped Countries:						
I. Less than $125 (b) ..	11	5	4	19	47	33
II. $125 to $249 (c) ..	14	6	5	25	40	35
III. $250 to $374 (d) ..	16	6	5	26	30	45
IV. $375 and more (e) ..	17	6	5	28	27	46
High-income industrial countries(f) ..	32	11	6	49	13	37

(a) Transportation, storage and communication, electricity, gas and water.

(b) Ceylon, Tanganyika, Indonesia, South Korea, Kenya, U.A.R., Pakistan, Burma, Congo, Thailand, India, Peru, China (Taiwan).

(c) Rhodesia and Nyasaland, Honduras, Tunisia, Algeria, Turkey, El Salvador, Philippines, Ecuador, Morocco, Colombia, Brazil.

(d) Panama, Costa Rica, Jamaica, Cyprus, Lebanon, Greece, Mexico, South Africa.

(e) Venezuela, Trinidad and Tobago, Chile, Puerto Rico, Argentina, Israel, Ireland.

(f) Countries with *per capita* income of more than $800. This group includes Belgium, Canada, Denmark, France, West Germany, the Netherlands, Norway, the U.K. and the U.S.; Sweden is excluded because of lack of data.

The great disparities existing between the industrial and the underdeveloped countries in levels of *per capita* income are thus related to the wide differences in their structures of production. But it is nevertheless true that the relation is a rather loose one, for there are instances of countries which have relatively high *per capita* incomes but relatively low shares of industry in total output. And there are also some countries like Venezuela and Trinidad which have achieved relatively high *per capita* incomes by virtue of their fortunate natural resource endowment. These instances only demonstrate that the level of *per capita* income is not solely determined by the degree of industrialisation. But there is no dispute that industrialisation is the biggest single factor which could improve material welfare in underdeveloped countries. It is only for a small minority of countries that specialisation in primary production, such as production of petroleum, has offered a principal way of improving their material welfare. The primary commodities exported by most underdeveloped countries have been much less favoured by world demand than has petroleum. During the last decade, for instance, the volume of exports from the underdeveloped countries expanded at a rate of 3.6 per cent per annum, which was less than three-fifths of the rate at which exports from the industrial countries increased. Moreover, since the underdeveloped countries also experienced a deterioration in their terms of trade, the purchasing power of their exports advanced between 1950-51 and 1959-60 at only 2.2 per cent per annum.

Even if countries have natural resources in strong world demand, the case for industrialisation is seldom lessened, according to the special U.N. study. In fact, many underdeveloped countries have attached great importance to industrialisation, and manufacturing output, too, has been expanding quite rapidly in most such countries in recent years. According to the relevant finding of the U.N. study, since 1950, the rate of industrial growth in these countries as a group has exceeded the corresponding rate in the industrially advanced countries. Consequently, as will be seen from the following table, the share of the underdeveloped countries in total manufacturing output outside the centrally planned economies increased from 15 per cent in 1950 to 17 per cent in 1960.

Growth and Distribution of Manufacturing Output by Area

Item and area	1950	1960
Index of growth:		
Underdeveloped areas	100	189
Developed areas (a)	100	163
Percentage Distribution:		
Underdeveloped areas	15	17
Developed areas	85	83
Total ..	100	100

(a) Australia, Austria, Belgium, Canada, Denmark, West Germany, Finland, France, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, South Africa, Sweden, Switzerland the U. K. and the U.S.A.

It is indicative of the emphasis that the Governments of underdeveloped countries have generally placed on the acceleration of industrial growth that in more than two-thirds of such countries the annual rate of industrial growth between 1950-51 and 1958-59 has amounted to 5 per cent or more and that in one-fifth of them the rate has equalled or exceeded 10 per cent. The broad finding of the U.N. study here is that, irrespective of whether the rate of industrial growth has been large or small, industrial expansion has been one of the principal factors contributing to the over-all economic growth in most underdeveloped countries in recent years. Despite considerable variations in the relative importance of the manufacturing sector in the individual countries, the inter-country differences in the rate of growth of gross domestic product have broadly tended to reflect those in the expansion of manufacturing output.

While the vigour manifested by these trends is certainly encouraging, it should not be forgotten that in most underdeveloped countries industry still constitutes only a minor segment of the economy. Whereas in the high-income industrial countries of North America and Western Europe industry accounts, on the average, for almost a half of total production, the share which industry claims in most of the underdeveloped countries ranges down from a quarter to a fifth. No wonder, therefore, that more than 80 per cent of the manufacturing output of the non-communist world is accounted for by 16 industrial countries. The relevant countrywise figures are given below:

Share of Industrial Countries in World (a) Manufacturing Output

(Percentage)

Country	1950 (b)	1960 (b)
United States	51.2	43.8
United Kingdom	8.9	7.5
West Germany	5.8	9.1
France	4.3	4.9
Canada	3.4	2.9
Italy	2.0	2.9
Sweden	1.4	1.1
Australia	1.3	1.3
Japan	1.3	4.3
Belgium	1.3	1.1
Australia	1.2	1.2
Netherlands	1.2	1.3
Denmark	0.7	0.8
Austria	0.7	0.8
Norway	0.5	0.5
Finland	0.3	0.3
New Zealand	0.2	0.2
Total ..	84.4	82.5

(a) Excluding the centrally planned economies, that is, communist countries.

(b) Estimates based on value added of manufactured goods in terms of 1953 dollars.

The above figures provide some measure of the industrial transformation yet to be achieved in the underdeveloped countries. Such industrialisation as has taken place in these countries has been partly due to the growth of domestic demand. It has also represented, to a considerable extent, the establishment, behind the protective barriers created by tariffs or import controls, of industries which produce goods in replacement of imported manufactures. But the pattern of industrial development has suffered, and continues to suffer, from some major limitations. The conclusions of the U.N. study, in this connection, are:

"If it is true that the supply of capital equipment has been a major factor limiting the rate of industrialisation, it is also true that the pattern of industrial development has itself been among the determinants of the available supply of capital equipment. For, in part, this supply has depended on the extent to which the pattern of industrialisation has been directed towards the development of domestic capital goods industries or, as alternatives, of import-substituting or export-promoting industries which have increased the capacity to import capital goods. Thus, the current allocation of resources among industries has been a factor influencing the prospective volume of resources for investment.

"Save in some of the industrially more advanced countries, the development of domestic capital goods industries has played a very minor role in the industrial growth of the underdeveloped countries. Numerous countries have certainly established or expanded industries producing building materials, such as cement; but, the engineering industries which produce the machinery and equipment necessary for most industrial investment have assumed significant proportion only in a few countries. In most countries, imported capital equipment has, in fact, accounted for 30 to 40 per cent of total investment expenditure, the remainder consisting of salaries and wages as well as the purchase of local materials.

"Thus, the main contribution of industrial development towards expanding the supply of equipment has been made through its effect on the amount of foreign exchange available for purchases from abroad. And the principal channel through which this has taken place has been import-substitution rather than export-promotion. While exports of manufactures and semi-manufactures from the underdeveloped countries have increased at an annual rate of 4 per cent during the last decade, their absolute value in relation to total export proceeds remains very small. Total merchandise exports have continued to consist predominantly of crude food and raw materials.

"Import-substitution in the field of manufactured consumer goods as well as intermediate producer goods, however, has frequently been of some importance in contributing to the expansion of foreign exchange supplies available for the importation of capital goods. But this process has been more evident during the nineteen-fifties among the industrially less advanced countries than among the more industrialised countries. In the latter group of countries, the role of import-substitution has generally been more moderate, since the scope for the establishment of import-substituting consumer goods or intermediate producer goods industries had already been very largely exploited. It appears, in fact, that the possibility for enhancing supplies of imported capital equipment through the development of these import-substituting industries contract markedly as countries pass beyond the earliest stages of industrialisation."

The major implications of these findings for governmental policy with regard to industrialisation have also been indicated in the U.N. study. Since the desired rate of economic growth implies what future rates of consumption and investment should be, this, according to the authors of the study, suggests the requisite rates of increase in supplies of manufactured capital and consumer goods. It will then become evident how much emphasis should be placed, within this framework, on the development of domestic capital goods industries or, alternatively, on import-substituting or export-promoting industries. If, for instance, the over-riding aim of policy is to raise the level of investment as quickly as possible and hold back, at the same time, the growth in consumption to the lowest feasible rate, then policy should seek to maximise the flow of resources going into the domestic capital goods industries or into other industries which increase the net supply of foreign exchange available for imports of capital goods. This still leaves unanswered the question of the extent to which policy should favour the development of domestic capital goods industries as against import-substituting consumer goods industries or export-promoting industries. A final decision in this matter, in the opinion of the authors of the U.N. study, must obviously rest upon the particular economic circumstances prevailing in each country.

World industrial production slowed down in 1961, the actual rate of growth being 4 per cent, as compared with 7 per cent in 1960 and 11 per cent in 1959. The decline in the place of growth is attributed to stagnating production in North America, which recorded an increase of only 1 per cent, as against 3 per cent and 13 per cent in the previous two years, respectively. The Common Market industrial output rose by 6 per cent, as against 11 per cent and 7 per cent.

The U.S. House of Representatives has approved a Bill giving President Kennedy wide powers to cut tariffs. The Bill will permit him to cut all tariffs up to 50 per cent over a five-year period and to eliminate tariffs on products in which the U.S. and the Common Market together account for 80 per cent of the world market.

NEW PRODUCTS AND PROCESSES

Computer for Labour Costs

A SIMPLE computer which gives a greatly improved progressing system for maintenance and installation workers and an up to the minute cost control, has been built by engineers at Harwell, one of the main centres of Britain's Atomic Energy Authority. The computer is already estimated to have saved its cost and a second is now under construction. A counter for electrical pulses is connected through plugs on the control panel to a pulse generator providing pulses at a repetition rate appropriate to the terms of measurement. One plug is assigned to each worker so that at any time the number of plugs inserted can be adjusted to the number of workers on the job. Time switches are arranged so that the motor runs during the normal working hours but a selector switch allows overtime work to be included. To measure progress in terms of man-hours, the pulse rate is one per hour and to measure in terms of cost, the pulse rate is the rate per man-hour divided by the unit cost, in which case the rate per man-hour may be the total rate, labour and materials. The cost of exceptional items can be added automatically by a separate pulse generator during the lunch hour. By showing the estimated cost on an adjacent display an immediate comparison can be made.

New Device for Solvent Extraction

A solvent extraction device to speed production methods for the preparation of purified uranium for advanced types of nuclear reactors, has been designed by a chemical engineer at the Bradford Institute of Technology, northern England. Dr. Carl Hanson, Senior Lecturer in Chemical Engineering, says that his device, known as a "mixer-settler", could have important applications not only in nuclear power programmes but also in metallurgy and in the field of antibiotics manufacture, where solvent extraction processes are used. The device, like a goldfish tank, accommodates 100 times greater production capacity than conventional types of geometrically-limited uranium purifiers. It circulates the fluids by an arrangement of baffles, pumps, and settling chambers which ensure that the critical depth of about 2 in. is never exceeded during the process. A purity of 99.9 per cent should be possible, and this is comparable to that of existing plant. Dr. Hanson says that one of the practical benefits of the "mixer settler", if introduced, would be to reduce, if only marginally, the cost of generating electricity by nuclear power. In metallurgy it could be used for the separation of thorium and other rare "earth metals", and might well also reduce the cost of manufacturing antibiotics.

Plasters from Gypsum

Specific end uses of plasters from three different varieties of gypsum, namely rock gypsum, marine salt works gypsum and precipitated gypsum have been suggested on the basis of studies on the specific characteristics of the gypsums carried out at the Central Salt and Marine Chemicals Research Institute, Bhavnagar. Plaster from rock gypsum, being quick setting, can be employed for structural purposes; it also meets with the requirements of B.P.C. surgical plaster. Plaster made from marine salt works gypsum, although slightly lighter than that from rock gypsum, is also useful for structural purposes. Plaster prepared from precipitated gypsum, being lighter than others, is suitable only for preparing special moulds and decorative articles.

Metal-cutting Machine

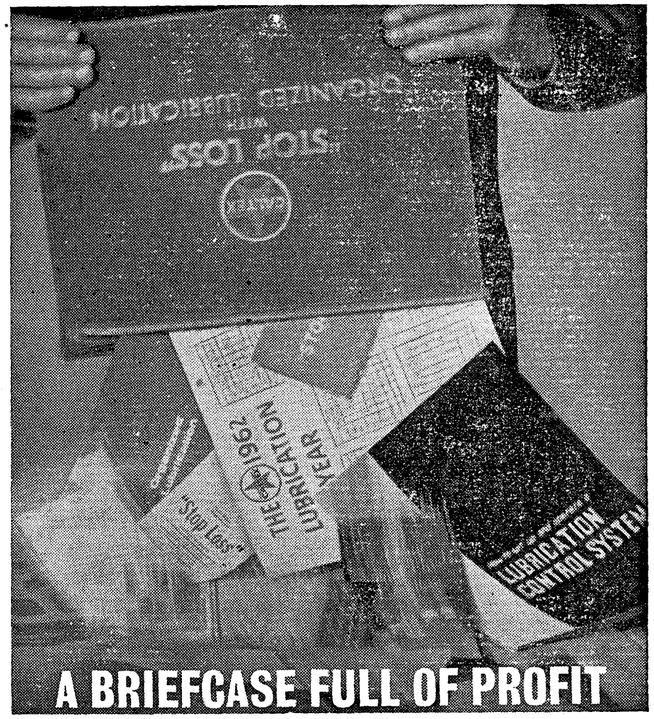
An American flame-cutting machine follows a pen or pencil sketch instead of the templates used on previous profile cutters. A photocell in the control head "reads" dark lines on white paper placed beneath it. Cutting torches follow the movements of the control and cut steel plate on the pattern of the sketch. As many as ten torches can be operated at once in the machine, cutting ten profiles for each scanning of the sketch. The machine can cut circles up to 120 inches in diameter and lengths up to 43 feet. The tracing unit can negotiate 90-degree turns with a radius as small as 1/16-inch at speeds up to 27 inches per minute. By eliminating the template, the machine is said to be cheaper to use than previous profile cutters and is claimed by its manufacturer to be more acurate.

Fire-retardant Paint

A new fire-retardant paint, which can be applied to various surfaces—including timber, fireboard, hardboard and plastic—has been developed by Jenson and Nicholson Ltd., (Industrial Division), Carpenter's Road, Stratford, London. On application of a flame, the paint swells to give a porous mass which does not burn, and also acts as a heat insulator, protecting the base material. It can be applied by brush or, after thinning with thinners, by spray guns. It air-dries to give a smooth, matt surface, which can be washed down. The paint is supplied in off-white as well as in a range of tints.

Special Paper

A paper with a special coated surface which permits typing errors to be quickly and cleanly erased with an ordinary rubber, is now being marketed by Spicers Ltd., 19 New Bridge Street, London, E.C.4. The result of years of research devoted to producing a paper on which correction can be made without disturbing the surface, the built-in erasability of the paper resists the abrasive action which causes holes, tears and wrinkling. It is suitable for all general office work, particularly where evidence of erasure is undesirable—for example, schedules or accounts.



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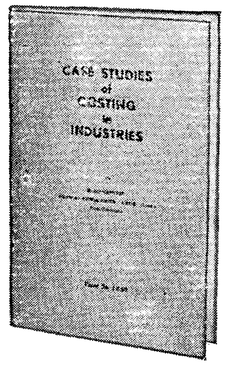

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THE HIGHLAND PRODUCE COMPANY LIMITED

WORKING RESULTS SATISFACTORY

CHAIRMAN, MR. A. V. THOMAS HIGHLIGHTS HEAVY FISCAL BURDEN ON TEA

HOW the heavy fiscal burden under which the tea industry had to operate left little room for its expansion in a useful way was highlighted by Mr. A. V. Thomas, Chairman of the Highland Produce Company Limited, in the course of his speech at the Thirty-sixth Annual General Meeting of the Company held at Alleppey (Kerala) on Friday, 29th June 1962. Taking his own Company as an example, Mr. Thomas indicated that taxation (provision made is Rs. 4 lakhs) took away 47 per cent of the net profit earned during the year 1961 which was ten times the amount required in 1952. He felt that the fiscal burden required a careful reassessment and adjudication. Declaring that the incidence of taxes borne by tea *vis-a-vis* other commodities was very heavy, he warned that, unless the industry was able to maintain itself in a stable form, there would be great repercussion both on the point of foreign exchange earnings and also on the employment possibilities.

The full text of Mr. Thomas' speech is reproduced below:

"GENTLEMEN,

"I have pleasure in welcoming you to the thirty-sixth annual general meeting of the Company.

"The accounts and the Directors' report for the year ended 31st December 1961 have been with you for the prescribed period, and I am sure they would have received your careful attention. You would have noted that the year has, again, been one of progress and the results have been satisfactory, in spite of the various adverse factors which have operated during the year. These may be classified as due to three main causes:

(a) Adverse weather conditions;

(b) the policies and attitude of the Central and State Governments towards this industry, presumably with the intention of helping greater production at cheaper cost; and

(c) adverse trading conditions.

"The estates of South India were subject to an unusually heavy monsoon during 1961, but it is pleasing to note that, in spite of this, the tea crop has not been much affected and has shown some increase over the previous year's production.

Production

"Whilst on this question of production, it is interesting to recall that, between 1952 and the year under report, the actual acreage of tea in bearing on our estates has increased only by about 40 acres, while you would have noted from the statement attached to the balance-sheet that the production has gone up from 737,966 lbs. in 1952 to 1,402,597 lbs. (636,207 kgs.) in 1961, that is, the quantity of tea produced by our estates has been almost doubled and that too in a year when weather conditions could not be said to have been very favourable. The yield per acre has increased from 820 lbs. to nearly 1,514 lbs. per acre. These figures, which are more or less in consonance with the improvement noted in tea production in India as a whole, bear eloquent testimony to the vast technological improvement and better cultivation methods, and manuring, etc., adopted. The industry has almost succeeded in achieving that ideal of making 'two blades of grass grow where one did formerly!' It is noteworthy that, in recent years, the capital required for all these technological and other improvements of this industry has been fouhd almost exclusively by internal financing only. I am not aware of any large new issue of fresh capital for the purpose of plantation industry in the recent past and the industry has been forced to rely upon its own accumulated profits and resources to find the funds for this improvement, besides maintaining its usual and reasonable returns on the capital invested in the face of heavy additional expenses it had had to meet.

"It must be knowledged to you that, out of a total production of about 770 million lbs. per year in the country, about 452 million lbs. per year are being exported wherefore the prices obtained for our teas are conditioned mostly by the markets created in foreign countries. It is here I am anxious to impress upon the Government that our competing capacity with the other countries producing tea must not be depressed, as obviously such a policy would prevent greater export or larger earning of foreign exchange. We have been prevented from getting most from foreign countries, both from our traditional markets and the new markets which have taken to tea drinking, mostly because of our inability to be in a competitive position with Ceylon and Africa. Recently a delegation sponsored by the Tea Board has toured the United States, and I trust that swift action will be taken on the basis of their report to improve and expand our markets in that country as well as in Canada.

Plain Teas

"Whilst on the subject, I would like to mention that the production of plain teas, particularly in South India, has to be sold only within the country itself, as, in many cases, they will not admit of any export at prices advantageous to the industry and, in some cases, not even earning enough to cover the cost of production. Therefore, I feel that our internal market has also got to be developed for our plain teas at least, while our export market is retained for quality teas. It is my belief and experience that, if the proper rounds of plucking are maintained and details of manufacture carefully attended to, we can produce the required quality which will be very much taken up by the foreign countries without serious dent to the quantitative production also.

"It has often been pointed out that the heavy fiscal burden under which the industry has to operate leaves little room for its expansion in a useful way. Apart from the Central income-tax and excise duty, the industry has to bear a heavy charge in respect of agricultural income-tax in the State as well as sales tax. These are besides the new burdens imposed on the industry by way of additional plantation tax and modifications of land tax, sales tax, etc.

Tax Burden

"The increase in the burden of taxation can be judged from the fact that, in 1952 when the Company had a profit of Rs. 2,52,000, the provision necessary for taxation was Rs. 40,000, while in the year under report the profits of the Company have increased to Rs. 8,63,428, but Rs. 4,00,000 had to be provided for as reserve for taxation which in itself takes away 47 per cent of the net profit, that is, ten times the amount required in 1952.

"Though I am not opposed to a reasonable taxation on the profits of the Company, which income is required by the Government to pay for the several Plans which are on the anvil and it is also a desideratum which cannot be minimised in a welfare State, I feel the fiscal burden visited on this industry requires a careful re-assessment and adjudication. Probably most of you are not aware that the incidence of taxes which tea suffers *vis-a-vis* the other commodities is a very heavy one and, unless the industry is able to maintain itself in a stable form, there will be great repercussion both on the point of foreign exchange earning and also on the employment possibilities.

"It is here that I would very much wish that the attitude of the Central and State Governments in the matter of income-tax, agricultural income-tax, sales tax and excise duty can be more helpful to the industry and, therefore, to the earning of the much needed foreign exchange also.

"I am not unaware of the proposals in the recent budget for relief on exports, but how far this will prove actually useful and how far this apparent concession will be negatived by the increase in company taxation, increase in excise duties on chests, aluminium foils and diesel oils, increase in freight rates, etc. is yet to be worked out. In fact, I have been feeling that, in the present set-up of things with a greater enthusiasm to earn more and more foreign exchange, anything that the Government can do to assist the industry to strengthen its competing position must be fully conferred by the Government. I have often felt that, if the whole of the export duty is itself taken away, the industry will be able to sustain its competing capacity well with any other tea producing country and at the same time maintain more or less its profit level on the capital invested. These and others are matters which I would desire very much that the Central and State Governments and particularly their Finance Departments to go into thoroughly.

Labour

"Now I may turn to the other important aspect, namely, labour. Whilst in Kerala there has been comparatively smooth sailing during last year, there was some agitation for increase in wages, even though the question was under the consideration of the Wage Board appointed by the Central Government. In spite of representations made that the industry could not support any further increase in wages, the Central Wage Board has recommended an interim increase of 15 nP in the daily wages to adult workers which has been made effective from 1st December 1961. This is bound to be reflected in an increase in the cost of production. You would have noted from the statement already printed along with the balance-sheet that the ex-estate cost per kilogram of the teas of this Company stands at Rs. 2.91 and the all-in cost is Rs. 3.63 per kg. This is bound to go up with the additional interim wages granted by the Wage Board, while the sale realisations have been going down.

"Whilst this Company has never been averse or opposed to any help or assistance to be rendered to the labour to maintain a higher standard of living, it would be unwise if, in enthusiasm, unlimited increase is recommended without proper relation to the work turned out and, unless and until there is a more precise equation between the quantity and quality of work turned out by labour and its wages, it will be a long time before the industry can stabilise itself on safer anchorage. This is an aspect which I would like very much the Government goes into in detail and that many people similarly placed as ourselves also should think seriously about and make for themselves a scientific costing of the incidence of various expenses that go to make up the cost of production of the teas produced.

Fringe Benefits

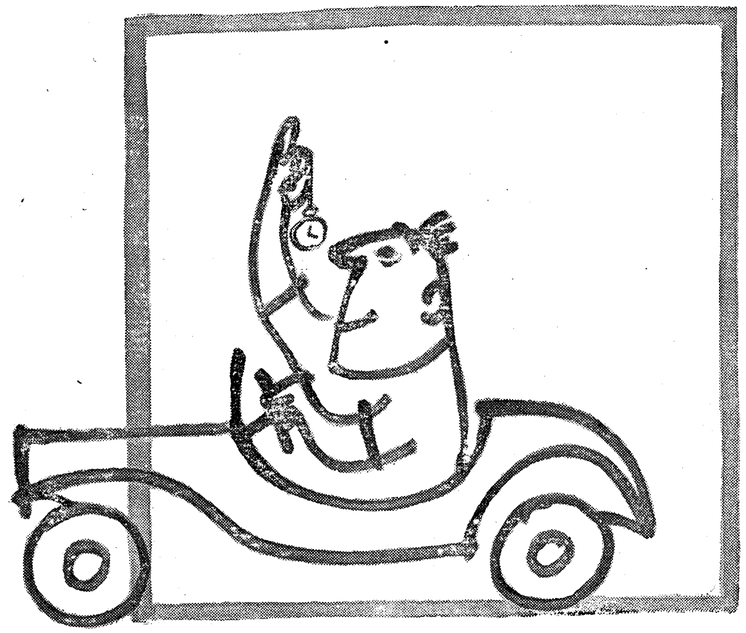
"In this connection, it is worthwhile remembering that, in this industry, there is already in existence a number of fringe benefits. It is estimated that, in South Indian plantations, the annual recurring cost of various welfare measures form the highest single item of expenditure next to wages and cost of stores and supplies. It is estimated that the average cost of these fringe benefits works out to about 14½ per cent of the total cost of production in South India without taking into account the capital expenditure involved in providing houses, creches, schools, hospitals, etc. Apart from the cost involved, it is pertinent to remember that standard accommodation and medical aid on much larger scale than is available generally elsewhere in the country is provided to workers in these industries. It is also an interesting fact that fringe benefits form only 6 per cent of the wage bill for manufacturing industries, whereas, in the plantation industry, this forms 14½ per cent of the total cost of production and nearly 30 per cent of the labour cost. I presume that all these important aspects of the problem will be fully considered by the Central Wage Board and the authorities concerned before any additional benefit is sought to be conferred on the labour by way of increase in wages, etc.

"The industry unfortunately has had to bear some buffeting on the other fronts also, namely, in its sales programme. While your Directors have continued a policy of fine plucking and careful manufacture so that the maximum possible prices have been obtained for your teas and the average prices realised by your teas have been more than last year by 11 nP per kg., the general conditions in the market were anything but encouraging. During the last quarter of 1961 when normally tea prices should show an improvement, there was a substantial fall in prices in auctions at Cochin. There was some improvement towards the end of the year, but the prices still continue to be less than those during the corresponding period last year and this may perhaps be reflected in the current year's profits. You will, however, be glad to hear that the average prices

(*Continued on page 24*)

The wise motorist says

"Go steady'



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MOVE TO REFORM GENERAL INSURANCE

EXECUTIVE COMMITTEE'S SCHEME OUTLINED

THE most important topic of discussion among insurers and all those who have a more than lay interest in the development of general insurance in the country on healthy lines is the scheme proposed by the Executive Committee of the General Insurance Council in May last. It is an index of the importance insurers attach to the proposal that it has figured prominently in the speeches of many insurance company chairmen. Mr. P. U. Patel, Chairman of the Indian Insurance Companies' Association himself referred to it, in some detail, in his speech at the annual meeting of the Universal Fire and General Insurance Company, of which he is chairman. According to Mr. Patel, it is "a development which is revolutionary in character and is bound to have far-reaching implications in so far as the future of general insurance in the country is concerned." He disclosed that the majority of insurers, being convinced that it was a step in the right direction, had wholeheartedly welcomed the scheme. He appealed to those insurers, who had yet to make up their minds, to do so and support the scheme without any mental reservation.

The scheme was formulated by the Executive Committee of the General Insurance Council, a body representing all insurers carrying on general insurance business in the country, and was circulated to all insurance companies for approval by their respective Boards of Directors. There are three essential elements in the scheme. First, prohibition of deflection of field staff and transfer of business from one company to another by unfair means. Second, establishment of a Mutual Assistance Pool and, third, reorganisation of the Administrative Machinery of the Code of Conduct for insurers to implement the scheme. The suggestion of the Executive Committee was that the first provision of the scheme should be effective from 1st June 1962, while the establishment of the Mutual Assistance Pool and reorganisation of the Administrative Machinery should take effect from 1st September.

Deflection of Staff

The provision concerning the deflection of field staff lays down that no insurer shall deflect or entice away any field worker (including Branch Manager) of another insurer by paying or offering to pay a remuneration higher than his existing remuneration or what is permissible under the Code except with the prior approval of the Administrative Machinery. Moreover, it is also required that every insurer shall file, in addition to the statements required under the Code, certified statements giving particulars concerning all field workers, irrespective of their remuneration, and other employees whose total remuneration exceeds Rs. 5,000. The Administrative Machinery shall arrange to screen every such appointment with the dual object of ensuring that every such appointment is absolutely genuine and also that the remuneration paid is not excessive. In all cases where the Administrative Machinery is satisfied that any appointment is not genuine or the remuneration paid is excessive, it shall, as a first step, discuss the matter with the principal officer of the insurance company concerned and asked him to terminate forthwith any appointment, which is not genuine or to suitably readjust the remuneration, wherever it is found to be excessive. The principal officer will, in turn, either comply with the directions of the Administrative Machinery forthwith or file an appeal with the Chairman of the Executive Committee.

As regards transfer of business, the scheme lays down that it shall be open to every insurer to complain of any loss of business, irrespective of the loss of the premium income, where the insurer feels that the business has been transferred by unfair means. Every such complaint shall be investigated by the Administrative Machinery with the utmost expedition which will, *inter alia*, focus attention on two points: (1) whether the existing field worker, who stands to benefit as a result of such deflection of business, has or had means placed at his disposal by his company to attract business by unfair means; and (2) whether a new field worker was appointed specifically for the purpose of deflecting business. If the Administrative Machinery is satisfied that the transfer has taken place in violation of the letter and spirit of the Code the entire business (less obligatory cessions) shall be non-reciprocally reinsured with the losing company strictly subject to the commission of only 10 per cent in the case of marine business and 15 per cent in other cases through the Mutual Assistance Pool.

Mutual Assistance Pool

The Pool shall be created by all insurers in India contributing a quota share of 3 per cent of their gross direct premium written direct in India during each of the three years the Pool is in existence. Such contributions shall exclude premiums received from the Indian Insurance Companies' Association Pool and aviation, marine, hull, machinery and financial guarantee insurances. Cession to the pool shall be subject to a commission at the rate of 30 per cent, irrespective of the class of business. The distribution of the premiums gathered in the Pool, subject to a deduction of a commission at the rate of 32½ per cent irrespective of the class of business, shall be made department-wise, namely, fire, marine and miscellaneous, as follows:

Insurers who during the preceding year wrote a gross direct premium in all classes in India of	*Shall receive a premium equal to the following percentages of the shortfall of the year's gross direct premium in India as compared with that of the previous years department-wise*		
	1st year	*2nd year*	*3rd year*
Rs. 20 lakhs or less	110	85	55
Between Rs. 20 and Rs. 50 lakhs ..	100	75	50
Over Rs. 50 lakhs	75	50	33⅓

It is also laid down that the effect of the reduction in premium rates in the fire department, which comes into force with effect from 1st July 1962, shall be taken into account for the purpose of judging whether there is a shortfall and the extent thereof. If, after the distribution according to the above formula, there is any surplus premium left in the Pool, it shall be given back to the original contributors in the same proportion as their contributions related to the total contributions collected by the Pool. In case the premium collected by the Pool is not sufficient to meet all demands for assistance upon it, relief shall be scaled down proportionately. Any differences arising out of any matter connected with the affairs of the Pool shall be decided by the Executive Committee.

The object of establishing the Pool is to enable every insurance company to adjust its working to the requirements of the Insurance Act and the Code of Conduct within the shortest possible time and to create a fund of premium with which to assist, for a limited period, those insurers who, in the course of such readjustment, may lose business. The Pool is to be administered by the two reinsurance companies in the country, the India Reinsurance Corporation, which is jointly owned by insurers in the private sector and the Indian Guarantee and General Insurance Company, a Government-owned reinsurance company, and shall be in existence for a period of three years from 1st September 1962. It may be continued for a further period by mutual agreement.

Administrative Machinery

It was agreed that the representative of the Administrative Machinery would, in the first instance, be authorised to check all transactions, whether of receipts or payments, from 1st July 1962 with a view to ensuring that transactions repugnant to the Act and the Code of Conduct, whether direct or indirect, are not taking place. The principal officer of the Company is required to give him the necessary authority in this regard. It was also agreed that, if officers of the companies do not co-operate with the representative in the task assigned to him or if he, in the course of his work, has reason to believe that transactions against the spirit of the Act and the Code, are in fact taking place then the principal officer will agree, if the chairman of the Executive Committee so desires, after consultation with the principal officer, to the Administrative Machinery checking receipts and authorise disbursements of the Company. The Executive Committee also noted that the Tariff Committee had decided to reduce fire tariff rates with effect from 1st July.

It is evident from the foregoing outline that, barring the provision that the Administrative Machinery be authorised to check all transactions with a view to ensuring that they are not in violation of the Act and the Code, the scheme is closely similar to the scheme of Non-diversion and Mutual Assistance evolved and voluntarily adopted by 17 insurers in Bombay last year. This scheme has now been admitted to be a failure presumably because, in spite of the doors being kept open by the sponsors, other insurers were not willing to join it. Since the present scheme bears the stamp of authority in that it has been sponsored by the Executive Committee and has the support of the majority of insurers, it has a better chance of success. The minority of those who are opposed to it may be expected to fall in line as a result of the discussions and negotiations now going on. If the scheme is implemented vigorously and in the spirit of the Code it will go a long way towards eliminating corruption and malpractices. But it cannot be instrumental in the transformation of general insurance into a growing and dynamic industry. For that what is needed is a thorough reorganisation of the industry by merging smaller companies into bigger and economically viable units freely competing with each other in offering better and cheaper services to the insuring public. It is not suggested that the present scheme will serve no useful purpose. It is good as far as it goes, but it does not go far enough. At best, it might reduce to the minimum, if not totally eliminate, the malpractices prevalent in the trade, and the Controller of Insurance will be satisfied as long as there are no violations of the law. But a vigorous and dynamic industry will still be a distant goal, for excessive controls and spoon-feeding can produce only anæmic growth.

HIGHLAND PRODUCE CO., LTD.

(*Concluded from page 22*)

realised by the teas from the estates of the Company were substantially more than the average for the district.

Cardamom

"The Company's other main crop, cardamom, has also had a satisfactory year from the point of view of production. Again, you will note that, within the last three years, the crop has more than doubled, and the cost of production has been kept within control. Unfortunately, here again, the market realisations have been disappointing and as stated in the report, this is a matter which has affected the cardamom planting industry as a whole. Some of the important producers of cardamom met recently to consider ways and means of saving the situation. It would appear that the main difficulty is that producers have no holding capacity and most of them have to sell out at the best prices immediately available so that they are not able to take full advantage of the demand for Indian cardamom in the foreign markets. The need is, therefore, to set up an organisation for marketing the cardamom effectively, while, at the same time, rendering immediate help by making at least partial payments to the growers as and when they deliver the produce. The U.P.A.S.I. is collecting necessary statistics and, when a suitable scheme is formulated and a just and proper price can be secured for this commodity, you will find that this product contributes to a substantial portion of our profits.

"Coming closer home, you would have noticed from the profit and loss appropriation account that after transferring substantially to various reserves, the Board has recommended a dividend of 15 per cent on equity shares, same as in previous years.

"The Company has also established along with the Managing Agents and other companies under the same management, a fund known as the A. V. Thomas Group Companies Employees' Gratuity Fund Trust for the benefit of employees and a contribution has also been made by this Company to this fund during the year.

"I also take the opportunity to extend our thanks to the Visiting Agents, Managing Agents, managers and staff both at the head office and on the estates for the good work they have done during the year."

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

SHREE DIGVIJAY CEMENT COMPANY LTD.

MR. G. D. SOMANI CRITICISES OFFICIAL PRICE POLICY

SPEECH AT SEVENTEENTH ANNUAL GENERAL MEETING

CRITICISM of the revised official price policy for the country's cement industry in the light of the recommendations made by the Tariff Commission was voiced by Mr. G. D. Somani at the Seventeenth Annual General Meeting of Shree Digvijay Cement Company Ltd., which was held at Sikka (Saurashtra) on 28th June 1962. Presiding over the meeting in the absence of Mr. G. L. Bangur, Chairman of the Company, Mr. Somani regretted that the Government should have imposed a reduction of Rs. 1.53 in the overall selling price of Rs. 93.55 plus excise per tonne of naked cement as recommended by such a high-powered, expert body as the Tariff Commission. While the Government had shown "undue solicitude" to protect the interest of the consumer by enforcing the cut, he pointed out, the corresponding benefit had not been passed on to the consumer. Recalling how the uneconomic price structure for the industry had depleted the Company's general reserve from Rs. 43 lakhs to Rs. 26.43 lakhs between 1957 and 1961 for paying a fair return to the investors, Mr. Somani observed that the acceptance *in toto* of the Commission's recommendation on the selling price for the industry would have helped it a great deal in accelerating the pace of its progress.

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

"GENTLEMEN,

"I have pleasure in welcoming you to the seventeenth annual general meeting of the Company. The audited statement of accounts and the Directors' report have already been in your hands and, with your permission, I will take them as read.

Working Results

"As indicated in the Directors' report, the working results of the Company during the year under review have shown slight improvement over the previous year. This has largely been due to special efforts made to effect savings and economies in certain directions to overcome the incidence of constant increase in the cost of manufacture. In view of the fact that uneconomic prices prevailed for the first ten months and the price increase came in only for the last two months effective from 1st November 1961, the results achieved during the year under review could not have been more satisfactory. It would be recalled that for the last three years we have been continuously drawing upon past reserves to be able to maintain the modest rate of dividend. The general reserve which stood at Rs. 43 lakhs in the year 1957 accordingly tapered down to Rs. 26.43 lakhs in the year 1961. It was a curious phenomenon that against the continuing demand to build up resources to support initiation of scheme for expansion to match the increasing demand, the price policy pursued by the Government in the past years compelled us to drain away the accumulated reserves. The year under review represents the first year in which we have been able once again to declare a dividend without taking recourse to the past reserves, and, I hope, we can now look forward to improved working results for the future.

Official Price Policy

"I am, however, sorry to say that the policy of the Government as to the price structure of controlled industries like cement cannot be considered as quite satisfactory, and it is really a matter of deep concern that the Government should not have seen its way even to accept the modest recommendations of such a high-powered expert body as the Tariff Commission. The cut of Rs. 3.75 nP per tonne was imposed by the Government in the price recommended by the Tariff Commission for your Company with a further stipulation that the provision of Rs. 2 per tonne for rehabilitation had to be made every year. I must acknowledge that the Tariff Commission took a realistic view in estimating output for purposes of cost calculation and made certain recommendations to provide adequate resources for implementing the development programme of the industry. So far as the return on investment is concerned, the basis adopted by the Tariff Commission is still considered inadequate, particularly so because of the change in the grossing up system and increase in the rate of corporate tax. I am firmly of the view that a slightly liberal approach in the matter of fixing prices would provide incentive for the rapid development of the industry and ultimately prove beneficial to the consumers in whose interest the prices are regulated. While the Government has shown undue solicitude to protect the interest of the consumer by making a reduction of Rs. 1.53 per tonne in the overall price payable to the cement industry, the corresponding benefit has not been passed on to the consumer. The Tariff Commission, for instance, worked out, on the basis of prices recommended by it for individual manufacturers, selling price of Rs. 93.55 plus excise per tonne of naked cement, whereas, notwithstanding the said reduction of Rs. 1.53 per tonne in the price payable to the manufacturers, the selling price payable by the consumer to the State Trading Corporation for naked cement has been fixed by the Government at Rs. 94 plus excise, thereby involving a net increase of Rs. 1.98 over the price worked out by the Commission. Thus, whereas the reduction decided by the Government in the price payable to the manufacturers has not ultimately benefited the consumers, the payment of price recommended by the Tariff Commission without reduction would have helped the industry a great deal in accelerating the pace of its progress.

"A delegation on behalf of the Cement Manufacturers Association recently waited on the Honourable Minister for Steel and Heavy Industries, and, while the Minister was not prepared to entertain any claim for an upward revision of price in the near future, he was quite sympathetic to consider favourably the question of compensating the industry for certain increases brought about by the various factors after the Government's decision was announced. I am glad that the Government of India has thus agreed in principle to implement the escalation clause so that any increase brought about by various factors may be suitably adjusted in the price structure.

Coal, Transport Difficulties

"The demand for cement has been steadily increasing with the growing tempo of various programmes of planned development in the country, whereas the imbalance in transport and in the supply of coal continue to adversely affect even the maintenance of the present production. The Government, with a view to cope with the transport difficulties for the movement of coal from Bengal/Bihar coalfields, had announced a scheme for the supply of coal to the Western and Southern Zones by the sea route early last year, and the movement of sea transport actually began in the month of May 1961. Simultaneously, the Government had also announced to compensate the industrial units concerned by subsidising the extra charges involved in this sea transport, but yet it is a matter of deep regret that, although more than a year has passed, the payment of subsidy even for the transport of coal effected in May last year has not yet been forthcoming. At a time when our economy is expanding in a dynamic manner, it is very essential that the administrative machinery must be streamlined to cope with the various problems arising out of this dynamic growth, and it is high time that the Government and the Planning Commission gave proper thought to ensure that the industrial production was not retarded or slowed down due to avoidable administrative delays.

Expansion Programme

"Reference has been made previously to our scheme of expansion by another two lakh tonnes. We had been negotiating to arrange the necessary foreign exchange for the import of requisite plant and machinery for a long period and I am now glad to inform you that we have received the necessary import licence under the D.L.F. for plant and machinery and we have sent our representative abroad to finalise the specifications with the machinery suppliers so that the expansion programme may be carried out as expeditiously as possible. Barring anything unforeseen, it should be possible to complete the expansion programme by about the end of next year, although it is too early to make any definite assessment due to the various uncertain factors that arise from time to time.

"On the question of expansion I would like to say a few words about the need for developing the Port of Sikka. We have on several occasions alluded to the indispensable necessity of placing a permanent fleet of barges at Sikka to cater to the needs of the cement company and to attract other traffic. The Government has, of late, been insisting on maintenance of private-owned crafts in the ports of Saurashtra, strictly in accordance with the requirements of the Mercantile Marine Law. This necessitates stoppage of crafts for prolonged periods to carry out annual survey and necessary repairs. Dependent as we are on the fleet of crafts and barges for moving a large portion of our raw materials like sea sand, receipt of coal and despatch of more than 50 per cent of finished output, the provision of requisite facilities by the State Government has become extremely urgent. We have tried to attract other independent carriers to undertake transport on our behalf and are actively pursuing the matter with the Government to find out a permanent solution of this problem.

Asbestos Cement

"The asbestos cement sheets and pipes project was finally decided to be located at Ahmedabad. I am glad to say that, due to the support and co-operation extended by the State Government of Gujarat, we were able to acquire the necessary land and get the requisite sanction for power. The construction of factory building is nearing completion and the erection of plant and machinery has reached an advanced stage of progress, and, barring anything unforeseen, the factory should be ready for production by the last quarter of this year. The question of suitable fibre for the manufacture of sheets and pipes, however, continues to present a great difficulty. We are exploring the various possibilities and pursuing the matter with the Government of India to secure foreign exchange for importing the requisite quantity of fibre. I would also like to mention that, after protracted negotiations, we have been able to finalise both technical and financial collaboration with Messrs. Johns Manville Corporation of New York, the world-renowned organisation in the asbestos industry.

Subsidiary's Working

"The production at your subsidiary, the West Coast Paper Mills Ltd., for the year ended 30th June 1961, was 25,770 tonnes, which was higher by 3,310 tonnes than in the previous year. It is, however, unfortunate that, in spite of improvement in output, the overall profits did not show improvements owing to the continuous increase in the manufacturing costs and reduction in the selling price of paper enforced by the Government as from January 1960.

"The Government of India has at last revised the selling price for paper from the 21st of this month, with a slight increase of 6 nP per kg. Although the increase is really inadequate compared to the needs of the paper industry, I hope it would afford the much needed relief to some extent to the industry. The West Coast Paper Mills in also contemplating to embark on expansion programme together with a programme for manufacturing of rayon grade pulp and installation of caustic soda/chlorine plant.

"I am glad to report that our relations with labour have continued to be very cordial and satisfactory.

"It gives me great pleasure, on your behalf, to convey to the members of the management and our employees our high appreciation of the valuable contribution rendered by them towards the progress of the Company and to thank them for their sincere effort in maintaining production at this level."

N.B.—*This does not purport to be the report of the proceedings of the general meeting.*

FERTILISERS AND CHEMICALS, TRAVANCORE LIMITED

CHAIRMAN, MR. T. A. JOSEPH CALLS FOR REDUCTION IN EXCISE DUTY

COMPANY BEGINS EXPORT OF FERTILISERS AND KNOW-HOW

A FERVENT plea to reduce the excise duty imposed this year on raw materials of the fertiliser industry was made by Mr. T. A. Joseph, Chairman of the Fertilisers and Chemicals, Travancore Ltd., at the Annual General Meeting of the Company held at Udyogamandal, Alwaye, on 27th June 1962. Drawing particular attention to the fact that prices of fertilisers in India were "already higher than in any other country," Mr. Joseph expressed his concern over the imposition of excise duties "on almost all the intermediate products" utilised in the manufacture of fertilisers. Increases in costs due to excise duty, he observed, were bound to raise the cost of production of fertilisers and thereby adversely affect food production. On the question of the Company's working during last year, Mr. Joseph highlighted two important features: one, the commencement of export of fertilisers by the Company for the first time in its history and two, an agreement with the British firm, Messrs. Power-Gas Company, for the export of technical know-how on a royalty basis.

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

"GENTLEMEN,

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

Increase in Production

"As you would have seen from the statement of accounts, there has been a general increase in production all round consequent on the completion of the first stage of expansion of the factory towards the close of 1960. Ammonia production increased by 51 per cent, ammonium sulphate by 29 per cent and NPK mixtures by 177 per cent. In addition, 12,897 tonnes of ammonium phosphate were produced during the year for the first time. As a result, the sales turnover rose to Rs. 411 lakhs, as compared to Rs. 309 lakhs in 1960. The financial results have therefore been encouraging. After providing Rs. 38.75 lakhs for depreciation, as against Rs. 25 lakhs in 1960, and Rs. 22.75 lakhs for development rebate, as against Rs. 23.55 lakhs in 1960 and making a new provision of Rs. 1.5 lakh for taxation, the Company has a net surplus of Rs. 32.64 lakhs, as compared with Rs. 27 lakhs in the previous year. You will be pleased to note that the reserves at the end of the year will be standing at Rs. 98,93,096, as against Rs. 64,30,156 at the end of the previous year.

"After seeing all these figures, it might be a trifle disappointing to note that your Directors are coming forward with the same old recommendation regarding dividend to be distributed to the shareholders from the profits of the year 1961, viz. 6 per cent, subject to deduction of tax. I would in this connection refer you to my remarks last year on this subject. We are on the threshold of a very large-scale expansion, more than doubling our capital investment. No doubt, finances necessary have been arranged, as explained later. We have to find from our own resources only two out of the ten crores necessary, and this should not be difficult. But we have to keep in mind the fact that half the balance is going to come from the Government of India in the shape of a loan, and there is really something incongruous in large-scale borrowing with one hand and liberal distribution of profits with the other at the same time. However, we try to justify it with facts and figures. We have also to remember that when the share capital is expanded (practically doubled) as agreed to by you at the last extraordinary general body meeting, our liability in respect of dividends would also double. Until we could see our way clear to maintaining, without interruption, the present rate of dividend on the increased equity capital, we did not consider it prudent to increase the rate, and hence we agreed to place before you the same recommendation which we made last year.

"While on this subject, it might be interesting to draw your attention to what the eminent economist, Prof. J. K. Galbraith (now U.S.A. Ambassador to India) had to say on this subject while commenting on Indian planning in 1959:

> "'In both capitalist and communistic countries, investment is in very large measure from the earnings of industrial enterprises. Something must happen in India like this. Industrial plants must take on their full job which is to be efficient producers and to accumulate surpluses which will provide for future expansion.'

"This sound principle has been kept in view by your Directors in recommending this dividend.

Second Stage of Expansion

"The second stage of expansion involving the installation of an oil gasification plant is well under way. The new plant is expected to be commissioned towards the end of August. When the oil gasification process is introduced, the old wood gasification plant will cease to function. The Company will no longer be using firewood as a raw material. The oil gasification plant will be fed by raw naphtha supplied by the refinery at Bombay. To ensure uninterrupted supply of raw material, Messrs. Burmah-Shell, our suppliers, with whom the Company has entered into a fifteen-year contract for the supply of raw naphtha, are laying a pipeline from Ernakulam to the factory.

"As the firewood gasification process is being abandoned, the Company has terminated the contract arrangements for transport of firewood from April this year. These arrangements that were in vogue since the inception of the Company involved over two hundred country craft employing about four hundred workers. The termination of the arrangements was effected on the basis of a negotiated agreement with the Navika Thozhilali Union. I would take this opportunity to record our appreciation of the valuable services rendered to the Company by these workers and of the practical approach shown by their union in negotiating and concluding a satisfactory agreement for the smooth termination of arrangements.

"With the completion of the second stage of expansion, the Company's capacity would have risen to 30,000 tonnes of nitrogen per annum, the end-products being 100,000 tonnes of ammonium sulphate, 33,000 tonnes of ammonium phosphate (16:20 grade), 8,000 tonnes of ammonium chloride and 44,000 tonnes of superphosphate. In addition, the Company will be able to manufacture and supply NPK mixtures on an 'as required' basis for both food crops and cash crops.

Power Cut

"During the first half of this year, the production schedule of the Company was upset due to unusual draught as a result of which salinity in the water of the area increased considerably. For more than two months, the Company was not able to maintain production even at a reasonable level. Added to that, there was also a power cut from 1st March 1962 to 10th May 1962. I gather that the Government of Kerala is taking urgent steps to prevent a recurrence of salinity in the region. I hope the work will be expedited with the urgency it deserves so that there will be no more trouble on this account next year. With the introduction of the oil gasification scheme, it will be necessary for the Company to shut down its wood gasification plant to enable the commissioning of the new plants. This will also affect the total production during the year. But it is expected that with the increased capacity that will be established as a result of the second stage of expansion, production will be picked up during the last quarter of this year.

"In the year under review, the Company entered the export market for the first time in its history. This has opened a new field for further development. With the increase in production of ammonium chloride as a result of the third stage of expansion, it is hoped that in the years to come, the Company will be able to effectively meet the competition in the world markets in ammonium chloride.

Third Stage of Expansion

"I had mentioned to you at the last meeting that the Company was engaged in planning a third stage in its expansion programme. I am glad to say that the programme has now been finalised. Necessary licences for the expansion have been obtained from the Government of India. Most of the contracts for the supply of plant and equipment from both foreign and Indian sources have been concluded. The Government of India has been pleased to sanction the necessary foreign exchange amounting to approximately Rs. 427 lakhs, under the credit facilities available to them from the U.K., U.S.A., West Germany and Switzerland. The capital investment involved in the third stage expansion is approximately Rs. 10 crores. Of this, the Company will be able to find from its own resources about Rs. 2 crores. The Government of India has agreed to contribute the remaining Rs. 8 crores partly as share capital and partly as loan. You would recollect that at an extraordinary general meeting held on 22nd January 1962, the Company had agreed to raise its authorised capital to Rs. 10 crores and to issue shares of the value of Rs. 4,03,84,780 to the Government of India at par. Consent has since been obtained from the Controller of Capital Issues for the issue of 35,00,000 equity shares of Rs. 10 each to the Government of India. When the shares offered to the Government of India become fully subscribed, the Government of India will be acquiring majority control over the shares of this Company. Against the total loan of Rs. 400 lakhs agreed to be made available by the Government of India for this expansion, the Company has already drawn Rs. 170 lakhs to meet the expenses.

"It is expected that the Company will be able to complete its third stage of expansion by the end of 1964. The production capacity that would be achieved as a result of the expansion would be 200,000 tonnes of ammonium sulphate, 135,000 tonnes of ammonium phosphate and 25,000 tonnes of ammonium chloride. There will be no further expansion in the capacity for production of superphosphate. One of the interesting features of this expansion programme is that it is essentially based on the increased production of ammonium phosphate, one of the most popular compound fertilisers in the country today. The by-product gypsum arising out of ammonium phosphate production will be further utilised to enhance the production of ammonium sulphate, thereby achieving the additional quantity of 100,000 tonnes. By adopting this method, F.A.C.T. has shown the way to the rest of the country for the effective utilisation of by-product gypsum, thereby ensuring that the sulphuric acid manufactured out of imported sulphur gets used twice, first in the production of phosphoric acid for making ammonium phosphate and later, in the production of ammonium sulphate, using gypsum obtained from phosphoric acid production. In addition to ensuring maximum utilisation of imported sulphur, this process would also lead to better economics in the cost of production of ammonium phosphate, as the by-product gypsum raised during the process is further utilised for production of ammonium sulphate.

Technical Know-how

"A significant achievement of the Company recently has been the signing of an agreement with Messrs. Power-Gas Corporation Ltd. of the U.K. Under this agreement, F.A.C.T. will be getting a royalty from the U.K. firm on all contracts entered into by the latter for the supply of plant and equipment designed on the basis of the technical know-how provided by F.A.C.T. for the manufacture of ammonium sulphate out of by-product gypsum. There has been a growing recognition in the country and abroad of the technical knowledge and competence acquired by the Company. A few weeks ago, the Company has signed another agreement with Messrs. Project Engineers Private Ltd., an Indian firm of consulting engineers, engaged in the planning and designing of chemical plants. Under this agreement, the Company has agreed to impart techical know-how on payment of a royalty for the designing of plants for the manufacture of ammonium sulphate using the direct neutralisation process of ammonia and sulphuric acid. These achievements have been possible only due to the efforts of the executives, staff and workers of the Company working together with unreserved co-operation and sense of participation. I would like to take this opportunity to congratulate them on these achievements of theirs and record our appreciation of the *esprit de corps* displayed by them.

Industrial Relations

"Industrial relations continued to be quite satisfactory during the year under review. The long-term agreement that was in force expired at the end of the year. A fresh agreement for a further period of three years has since been negotiated and concluded with the F.A.C.T. Employees' Association. A notable feature in the field of industrial relations is the conclusion of an agreement between the management and the F.A.C.T. Employees' Association for the introduction of work study and job evaluation. It has been possible for the Company to negotiate and conclude these agreements because of imagination and cordiality shown by the F.A.C.T. Employees' Association, whose approach has been realistic and influenced by the best interests of the Company. I would like to record our deep appreciation of the manner in which these negotiations were smoothly carried out resulting in the conclusion of agreements that give mutual satisfaction. The average earnings of an employee in the Company stand today at Rs. 2,840 per annum, as against Rs. 1,520 in 1955 and Rs. 2,283 in 1960.

"Last year, I had mentioned about the efforts the Company were making towards increasing fertiliser-consciousness among the farmers of Kerala. The Company has been laying great stress on the use of balanced fertilisers and has been progressively increasing their production of NPK mixtures to meet the demand. You will notice that, during the year under review, the Company has produced over 19,000 tonnes of NPK mixtures, as against 7,000 tonnes in 1960. The Company has plans to expand its mixture production capacity on a large-scale so that it should be possible to meet the requirements of NPK mixtures, if necessary, to the extent of 300,000 tonnes a year. The Company has been maintaining nearly 400 demonstration farms in Kerala State alone. During this year, the Company has extended this work to some of the districts of Madras, Mysore and Andhra Pradesh also.

"The Company has been included in the list of approved mixing firms of the Coffee Board, U.P.A.S.I., and the Government of Madras. The activities in the field of production and marketing of N.P.K. mixtures will, therefore, be enlarged consistent with the demands that will be arising in Madras State as well as in the plantations.

Distribution

"In Kerala State, the Company has at present over 900 distribution points, of which over 60 per cent are held by service co-operatives. The Company has been extending its full measure of co-operation to the Government of Kerala in the implementation of their policy in regard to progressive utilisation of service co-operatives for distribution of fertilisers. Over 40 agronomists of the Company are now working in different parts of Kerala State rendering technical assistance to farmers and service co-operatives and assisting them in obtaining their requirement of fertilisers in time during the season. Soil tests are conducted by the Company's agronomists free of charge and where possible, they also supervise manuring operations. It is gratifying to note from the rising demand for fertilisers in Kerala that fertiliser-consciousness has been on the increase in Kerala State as a result of the measures taken by the Company in this direction.

"In all these activities, the Company has been fortunate to enlist the active assistance and encouragement of the Department of Agriculture of the Kerala State. I would take this opportunity to express our sense of gratitude to the Governments concerned, the Coffee Board and the U.P.A.S.I., and in particular, to the Department of Agriculture of the Kerala State.

Excise Duty

"In the current budget, excise duties have been imposed on almost all our intermediate products utilised for the manufacture of fertilisers. Besides ammonia and sulphuric acid, excise duty will be payable on oxygen and carbondioxide obtained as by-product and utilised in the process. All these form the basic raw materials for the production of fertilisers. Increases in their cost due to the imposition of excise duty are bound to lead to increased cost of production of fertilisers. I hope it is not the intention of the Government of India that the cost of fertilisers should increase any further. The prices at which they are available in India today are already higher than in any other country. In the interests of increased food production which has become a matter of vital necessity to the country, I do hope that the Government of India will re-examine the question of imposition of excise duty on raw materials that go to make fertilisers, so that fertiliser prices are not increased any further.

"I would take this opportunity to express our thanks to the executives and workers of F.A.C.T. for their good work and devotion to duty.

"I now move that the Directors' report and the audited statement of accounts for the year ended 31st December 1961 be adopted."

N.B.—*This does not purport to be a report of the proceedings of the general meeting.*

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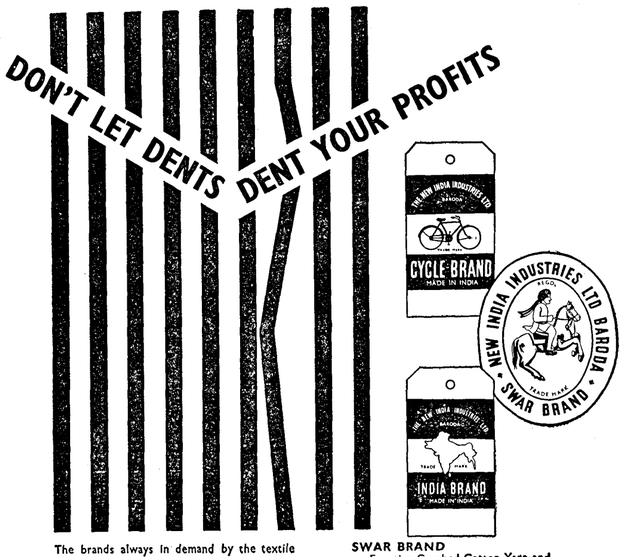

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NICB-34

THE INDIA UNITED MILLS LIMITED

CHAIRMAN, MR. M. D. BHAT REVIEWS PROGRESS

COMPANY GOING AHEAD WITH RENOVATION AND REHABILITATION

A NOTE of optimism regarding the working of the India United Mills, Limited was struck by Mr. M. D. Bhat, Chairman, when he addressed the shareholders of the Company at the Forty-second Annual General Meeting held at Bombay on Thursday, 28th June 1962. The financial position of the Company, Mr. Bhat said, was progressively increasing and the Company was going ahead with its programme of renovation and rehabilitation of machinery. He revealed that orders for new machinery worth Rs. 1.94 crore had already been placed. He further revealed that the Company had a phased programme of renovation and rehabilitation at an estimated cost of about Rs. 7 crores which would be spread over a period of four to five years. Subject to finances being available, orders, Mr. Bhat added, would be placed gradually, and it might again be necessary to seek financial assistance from the National Industrial Development Corporation and/or from the bank.

The following are extracts from the speech of Mr. Bhat:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the forty-second annual general meeting of the Company.

"The Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December 1961 have been in your hands for some time and, with your permission, I propose to take them as read.

"The working results for the year show a profit of Rs. 181.60 lakhs. This is subject to provisions for depreciation, taxation and bonus. I invite your attention to the appropriations under different heads in the Directors' report. These include Rs. 14.92 lakhs for depreciation, Rs. 4.97 lakhs for development rebate, Rs. 35 lakhs as *ad hoc* provision for bonus, Rs. 70 lakhs for tax liabilities and Rs. 7.11 lakhs for liabilities in respect of miscellaneous expenses of the previous year.

"The question of bonus for the years 1959, 1960 and 1961 is still pending before the Industrial Court and pending final decision in this respect, the Directors have made an *ad hoc* provision of Rs. 35 lakhs.

"I am glad that it has been possible for your Directors to recommend this time dividends at the rate of 140 nP per share subject to deduction of tax on ordinary shares and 37.25 nP per share subject to deduction of tax on deferred shares. The dividends will absorb Rs. 46.62 lakhs. The Directors recognised that, on account of working losses in some of the past years, the Company had to skip over dividends; hence and in view of the good profits for the year 1961, they have recommended dividends at the above rates. I hope the same will be found satisfactory.

Financial Position

"The financial position of the Company is progressively improving and the Company is going ahead with its programme of renovation and rehabilitation of machinery. As stated in the Directors' report, orders for new machinery of the aggregate value of Rs. 1.22 crore have been already placed. Further orders have since been placed for 101 ring frames, one drying range, one six-colour printing machine, one cloth mercerising machine and other equipments. These additional orders are of the aggregate value of Rs. 72 lakhs. You will thus see that orders of the aggregate value of nearly Rs. 1.94 crore have been placed so far. The Company has a phased programme of renovation and rehabilitation the estimated cost of which will be about Rs. 7 crores in all. This will be spread over a period of four to five years and subject to finances being available orders will be placed gradually. It may be necessary to order some machinery on the basis of deferred payment. It may be further necessary to seek financial assistance from the National Industrial Development Corporation and/or from the bank. This matter is receiving your Directors' attention closely.

"The cotton position was easy during the early part of 1961. It, however, became difficult during the latter part of the year. The cotton crop for 1961-62 fell short of expectations, owing to adverse weather conditions in the cotton growing centres. The gap between the crop estimate of about 43 lakh bales and the total requirements of the textile industry of about 57 lakh bales for the cotton season ending on 31st August 1962 will be about 14 lakh bales. The carryover of about 22 lakh bales from the previous year will help to relieve the situation, but the new crop may not be available at the mills till the end of November or early December. Vigorous efforts are being made by the Government of India to import a sufficient quantity of cotton from foreign countries which might enable the textile industry to tide over the difficult period from September to December. The position is, however, likely to be critical if the shipments of foreign cotton do not arrive in good time.

The problem of cotton supply needs ceaseless attention. The consumption of cotton in textile mills has appreciably increased, while the production of cotton has not consistently kept pace with it. The industry needs an annual import of about 6 lakh bales of long-staple cotton, but this import has to be increased if the indigenous production falls short of the annual requirements. All our planning for increasing the production of cloth for internal consumption as well as for exports will be illusory, if cotton supply is not available to the industry in adequate quantities from year to year. Cotton crop is very sensitive and the yield fluctuates from year to year depending almost entirely upon the bounty of nature. This dependence upon weather conditions can be reduced and the imbalance between the cotton supply and the requirements of the textile industry can be corrected, if the cotton area under irrigation is increased, the use of fertilisers is encouraged on an increasing scale and energetic and lasting measures are taken by the State Governments to increase the yield and to grow better varieties of cotton.

Demand for Cloth

"In view of the unsatisfactory position of cotton, it could be expected that the demand for cloth would be brisk. Strangely, however, cloth markets are depressed and there is not much demand from upcountry centres. The present cotton prices are Rs. 150 to Rs. 175 per candy higher than what they were during the last year. The dear food allowance and the wage rates have gone up. The prices of some of the store materials have also risen. All these factors have contributed to increase the manufacturing cost by about 6 to 7 per cent. There is, however, no compensatory rise in the prices of cloth, which, as you are aware, are being calculated according to the formula of the voluntary price fixation scheme. Mills which have been manufacturing and selling grey piecegoods will have a difficult time ahead, but it is hoped that the position will ease with a good monsoon.

"The excise duty on cloth has again been revised. There is some relief in duties on grey piecegoods, but, in respect of processed cloth, the increase was heavy. As a result of the representations made by the textile industry and the powerloom sector, the question was reconsidered and the Finance Minister of the Government of India has recently sanctioned a reduction in the rate of excise for mercerising, waterproofing and other processes. Excise on powerloom factories having fifty or more looms has also been considerably reduced. This gesture is welcomed by the textile industry.

Exports

"The textile industry has been asked to strive hard and to export cotton cloth of the value of 12½ per cent of its total turnover of cloth and thereby to earn increased foreign exchange which is so vitally needed by the nation. The textile industry, I am sure, is as anxious as the Government of India to do all it can to increase its exports, but international markets are very competitive and even though the mills are willing to book orders at prices below cost, they are not able to secure much business. The export incentives are highly encouraging and the textile industry must rise to the occasion and play its part fully.

"It is, however, common experience that other countries are able to quote lower rates and Indian mills are not in a position to make much headway. The mills which exported fairly large quantities during the last three years and whose heavy grey sorts were in fairly good demand are finding that the foreign purchasers consider their prices too high. Obviously, in spite of higher wage levels in other countries, the overall cost of manufacture is lower than that of Indian mills. Two factors are largely responsible for this. Firstly, the workload in Indian mills is low and, secondly, the machinery is old. The working conditions have, therefore, got to be improved. The machinery must be renovated and the workload must be properly analysed and scientifically determined. Intensive efforts will have to be made to create a favourable climate which will enable the industry to produce better cloth at lower cost. Increase in wages without increase in productivity, rising costs of raw materials and higher duties and taxes are, however, hardly conducive to create such a climate.

Progress of the Company

"The textile mills in India have generally made good profits during the last two years. Your mills have been making steady progress as may be seen from the following statement.

	1958	1959	1960	1961
Spindles worked (in lakhs)	1,649.88	1,566.75	1,829.85	2,116.23
Looms worked (in lakhs)	37.67	35.96	36.88	38.27
Average number of workers employed	16,400	15,308	16,315	17,592
Cotton consumed (Kgs.) (in lakhs)	172.54	176.54	175.90	195.55
Total yarn produced (Kgs.) (in lakhs)	152.63	148.21	151.47	170.43
Market yarn (kgs.) (in lakhs)	6.36	8.17	9.74	15.34
Total cloth produced (metres) (in lakhs)	1,303.32	1,222.33	1,315.37	1,380.10
Cloth for export (metres) (in lakhs)	74.67	182.36	178.23	157.27
Excise duty paid (Rs.) (in lakhs)	240.97	198.00	140.67	196.76
Wages, salaries and other incidental charges (Rs.) (in lakhs)	342.44	337.03	385.66	419.30
Profits subject to depreciation, taxes, bonus and other provisions (Rs.) (in lakhs)	L 66.74	P 29.68	P 112.07	P 181.60

"I recognise that many mills have shown better results and that there is good scope for improvement in the working of your mills. I might, however, point out again that the old and obsolete machinery is a serious handicap. The written down value of the plant and machinery including electrical equipment, as on 31st December 1961, was Rs. 58.60 lakhs, which works out to Rs. 933 per loom installed. This is the overall average which includes the written down value of the machinery in spinning, engineering and processing departments. From this, you will get an idea of the extent to which your plant has been worn out. It will also indicate the imperative need for renovation and rehabilitation of the old machinery of your mills.

Utilisation of Machinery

"In spite of the difficulties in obtaining cotton and the rising stocks of materials, stores and chemicals, the Company is going ahead with its plan of maximum utilisation of the machines and production of the maximum quantity of cloth and yarn. To dispose of the huge production of cloth of your mills is an enormous task and, in the present depressed market, the outlook is not quite bright for the near future. The next few months will be difficult for the selling agents who will have to exert very hard to expand the trade, to distribute the products widely and to effect the sales profitably. Of the four selling agents, Messrs. Bhagwandas Lalji & Co. have been working as the Company's selling agents since January 1960 for the processed goods other than *khaki* and Government sorts. They have made good progress in prints and the overall production in their section has considerably increased. They have also discharged their financial obligations satisfactorily. The burden on the process section is, however, going to be further increased. Grey goods are losing their popularity and it will be necessary for your mills to effect an overall change in the pattern of production as early as possible and to manufacture more and more of processed goods. Efforts will also have to be made to develop fully the exports of processed goods. Having regard to what they have achieved during the last two years Messrs. Bhagwandas Lalji & Co. may be expected to carry out their increasing responsibilities satisfactorily. I have every hope that the other three selling agents, namely (1) Messrs. Dinesh Company Private Ltd., (2) Messrs. Hanuman Textiles Agency, and (3) Messrs. Malwa Textiles will also assist the Company in its objective of efficient, sound and progressive working by carrying out their onerous responsibilities successfully.

"Following the direction given by the Central Government, the present Directors, as you are aware, were elected last year on the principle of proportional representation by a system of cumulative voting. As the office of the Directors so elected is for a period of three years, the present Directors will continue for another two years and no Directors would have to retire by rotation this year. The Board of Directors appointed a Committee of Directors in October 1961 for ensuring that the day-to-day work is carried out expeditiously and properly in accordance with the policy laid down by the Board from time to time. This Committee has been functioning since then broadly on the lines of the Committee of Directors which took up the responsibility of management of the Company in July 1958 under the chairmanship of my predecessor, Shri Dharamsey M. Khatau.

Taxation

"May I invite your attention to paragraph 1 in the Directors' report dealing with taxation matters? In my speech last year, I had referred to the assessment for the year 1949-50. The reference application made by the Income-tax Department, to refer the question of law as arising from the order of the Income Tax Tribunal has not yet been finally agreed to. The application was heard by the Tribunal recently and after some discussion was adjourned *sine die*. As the matter is heavy, it is likely to take time for an agreed application for reference to the High Court. The Company's tax appeals for 1950 to 1956 corresponding to the assessment years 1951-52 to 1957-58 are yet to be finally disposed of.

"The Articles of the Company were framed forty-two years ago. A few changes have been made therein since then, but no extensive alterations were effected, although numerous changes were made in the law and procedure relating to companies by the Companies Act 1956. A revision of the Articles was, therefore, undertaken so as to incorporate some of the compulsory provisions of the Companies Act 1956 and to bring them in conformity with the provisions of the Act and the Rules framed thereunder. It was considered advisable by the Directors of the Company to prepare a new set of Articles instead of retaining the old set with numerous alterations. The new set of Articles has been drafted on the lines of the Articles adopted by some of the leading companies in Bombay. I hope that the changes made in the old set of Articles will meet with your approval.

Efficiency Improves

"Shri S. A. Kher has been working as the Chief Executive Authority for the last four years. During this period, the efficiency of working of your mills has increased, the output has been raised and the quality of the products has improved. A programme of renovation and rehabilitation of the plant and machinery has been formulated and the sales organisation has been strengthened. The results of his devoted and energetic efforts are reflected in the steady progress in the working of your mills. I should like to express my warm appreciation of the excellent work that he has been doing for the benefit of the Company.

"The Punjab National Bank has been very helpful to use throughout. In its proposed plan of renovation and rehabilitation, the Company will need financial assistance on a yet larger scale and I feel sure that the Bank will readily extend its full support to the Company.

Labour

"Our relations with the trade union continue to be cordial and I am glad to say that, as in the past, we have been able to settle our differences in a spirit of mutual accommodation and understanding.

"I am sure you will join me and my colleagues in recognising the loyal co-operation that has been extended to the Directors by the officers, staff and workers and the hard work they have put in, and in conveying our thanks to all of them.

"Before I conclude, I wish to thank all my colleagues on the Board for the invaluable support they have always given me."

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

INDIAN MERCANTILE INSURANCE COMPANY, LIMITED

PAID-UP CAPITAL TO BE RAISED

CHAIRMAN, MR. K. M. D. THACKERSEY, CONFIDENT OF MAINTAINING DIVIDEND

THE decision of the Directors of the Indian Mercantile Insurance Company Ltd. to reduce the uncalled liability per share of the Company by raising the paid-up value, subject to the consent of the Controller of Capital Issues, was communicated to the shareholders by Mr. K. M. D. Thackersey, the Chairman, in his speech at the Fifty-fourth Annual General Meeting of the Company held at Bombay on Thursday, 28th June 1962. Mr. Thackersey said that this would raise the share capital from Rs. 16.92 lakhs to Rs. 21.15 lakhs. The Directors, he added, were confident of maintaining the dividend on the increased capital. Commenting on the move for eliminating corruption and malpractices from the trade, he welcomed the scheme of the Executive Council and expressed the hope that it would put general insurance on a sound footing.

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

"GENTLEMEN,

"It gives me great pleasure in extending to you all a cordial welcome to the Fifty-fourth Annual General Meeting of your Company.

Better Results

"I am sure, it has been noticed by you that the aggregate results achieved during the year under review are better than in 1960. Further, your Company has been able to maintain the gross dividend of Rs. 6 per share and which works out at 15 per cent of the paid-up capital.

"I am happy to announce that your Directors have carefully examined and considered the question of reducing the uncalled liability per share by raising the paid-up value per share from Rs. 40 to Rs. 50 (subject to the approval and sanction of the Controller of Capital Issues) and with that end in view necessary steps are being taken by your Company shortly. As a result of this, your Company's paid-up capital will go up from Rs. 16,92,240 to Rs. 21,15,300. Other things being equal, your Directors feel confident to maintain the dividend of 15 per cent on the increased capital.

Reform of General Insurance

"In a recent meeting held at Simla, the Executive Committee of the General Insurance Council have devised certain effective measures to place the general insurance business in India on sound footing. Not only the administrative machinery is being reorganised and enlarged with a view to ensure proper compliance with the provisions of the Code of Conduct, but it has been decided that, with effect from 1st June 1962, no insurer shall deflect the field worker of another insurer by offering to pay a remuneration higher than his existing remuneration or higher than what is permissible under the Code of Conduct. Emphasis has also been laid that no insurer shall deflect the business of another insurer by unfair means. To enable every insurer operating in India to readjust his working to the requirements of the Insurance Act and the Code of Conduct, it has been decided to establish a Mutual Assistance Pool which in effect is expected to cushion the impact on companies of sudden loss of business which might result on account of very strict enforcement of the measures of the Code. Insurance industry is suffering from a chronic malady of rebating and calls for introduction of emergency measures. Proposed measures are new innovations intended to curb and control the evil of rebating and, with that end in view, representatives of the Administrative Machinery are being authorised to check all transactions whether of receipts or payments with effect from 1st July 1962 with a view to ensuring that transactions repugnant to the Insurance Act and the Code of Conduct are not taking place. Fire rates will be reduced by approximately 15 per cent with effect from 1st July 1962.

Welcome Move

"In substance you will have observed that, to a large extent, the above measures are an extension of the principle of non-diversion to which your Company have subscribed and you were informed about this last year. Your Company have welcomed the above measure and have decided to support them. You will appreciate that the above move on the part of insurers operating in India readily reflects the desire to clean the *augean stable* in time. I fervently wish and hope that measures as outlined and proposed by the Executive Committee of the General Insurance Council will meet with success so as to put Indian insurance industry on sound footing.

Funds

"The total funds of the Company now stands at Rs. 68,74,462.

"You will have noticed from the Directors' report that the Board has recommended a special allowance subject to the approval of the Central Government, amounting to Rs. 70,000 by way of bonus to the members of the staff at the head office and branches in the usual manner.

"Before I conclude I wish to take this opportunity of thanking our agents, field workers and clients who have continued to extend their patronage to the Company and officers and staff of the Company for the work that they have done during the year under review. I would once again earnestly appeal to them to work still more actively and enthusiastically for the development of the Company's business."

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

JUGGILAL KAMLAPAT JUTE MILLS CO., LTD.

PROBLEMS OF JUTE INDUSTRY IN U.P.

SPEECH OF CHAIRMAN, MR. P. D. SINGHANIA

ADDRESSING the Thirty-second Annual General Meeting of the shareholders of Juggilal Kamlapat Jute Mills Company Ltd., Mr. P. D. Singhania, Director, reviewed the problems of the jute industry, in general, and of that in U.P., in particular. He said that the jute industry in U.P., in addition to sharing the common problems of the industry, had also to contend with the special problem arising from the disinclination of labour in Kanpur to substitute holidays with Sundays, with the result that the working days of Kanpur mills were 300 days per year, as compared with twelve to thirteen days more worked by Calcutta mills. Moreover, Kanpur workers were reluctant to work 22½ hours a day in three shifts on modern machinery, whereas their counterpart in Calcutta put in 23½ hours in three shifts. This resulted in loss of production and extra payment to workers for six hours a week.

The following is the full text of Mr. P. D. Singhania's speech:

"LADIES AND GENTLEMEN,

"It gives me great pleasure to welcome you to this thirty-second annual general meeting of the Company. The Directors' report and accounts have been in your hands for some time and I ask your permission to take them as read.

Year of Crisis

"The year 1961 was again a year of crisis for the jute industry as a whole. This crisis could be traced to two consecutive short jute crops in 1959-60 and 1960-61. Efforts were made by the Indian Jute Mills Association to meet this crisis by reducing the working hours from 48 to 45 and by introducing quota system for jute the purchases from October 1960. In January 1961, the working hours were further reduced to 42½ hours a week and from March 1961, maximum prices for jute were fixed. This helped in checking the soaring jute prices but could not solve the problem of jute shortage. The industry had to resort to block closures for one week each in June and July 1961.

"Your company had also to share these common misfortunes. You are aware that, being situated far from the jute-growing centres, we have to purchase and store our annual requirement of jute during the jute season. Apart from the overall shortage of jute during the jute season, and abnormally high prices, the squeeze on credit on jute and jute goods by the Reserve Bank also stood in our way of purchasing the year's requirement and the mills had to be closed for 12½ days in July 1961.

Fresh Problems

"With the advent of the new crop, which was a bumper one, fresh problems arose in the industry. Jute prices started falling rapidly and the Indian Jute Mills Association had to introduce quota system to purchase at least a certain fixed quantity of raw jute per week to maintain prices.

"It is accepted on all hands that it is necessary to provide proper incentive to the cultivator to sow sufficient jute as a long-range solution of the problem of short crops. The prices of jute, however, cannot only be governed by Indian conditions. The prices of jute in Pakistan have also to be kept in view in addition to maintaining reasonable prices to eliminate the risk of impetus to foreign manufacturers which will ultimately affect the exports of jute manufactures from this country. It is equally necessary to have reasonable carry-over to protect the industry against crop failures. To solve these difficulties an association named as Jute Buffer Stock Association has been formed to purchase surplus jute to maintain prices under the guidance of the jute Commissioner.

Labour

"Coming to the subject of labour, it will not be out of place to mention the characteristics of the Kanpur labour which keep the mills in Kanpur at a disadvantage, as compared to Calcutta. In the first place, Kanpur labour has disinclination to substitute holidays with Sundays with the result that, whereas the working days of Kanpur mills are only about 300 days per year, the Calcutta mills work for 312-313 days. In the second place, the adamant attitude of Kanpur labour to work 22½ hours per day in three shifts on modern machinery, instead of the 23½ hours put in by labour of Calcutta, results in the loss of six hours' production per week as well as loss by way of extra wages of 1½ hours' work per day because the third shift has to be paid for 8 hours while it actually works only 6½ hours per day. This has resulted in loss in productivity and an extra payment of six hours per week, as compared to our counterparts in other regions.

Higher Wage Bill

"In the year under review, despite representations, the Central Wage Board for Jute Industry recommended an All-India Interim Relief of Rs. 2.85 per worker per month from 1st October 1960 and Rs. 3.42 per worker per month from 1st January 1961, all payable in 1961. This was done, despite the fact that while the Calcutta workers had been getting a static D.F.A. of Rs. 32.50 per month since 1955, the Kanpur workers had been paid Dearness Allowance varying with the Cost of Living Index and thereby had been earning Rs. 18 per month more than their 1955 wages, thus costing the Company Rs. 7,85,000 per annum more in D.F.A. Now the implementation of this interim relief will further increase our wage bill by more than one lakh of rupees every year. Except for these problems on the labour front, labour has remained peaceful throughout the year.

Modernisation

"Coming to renovation, you will be pleased to know that the modernisation upto the spinning stage has been completed and the quality of yarn has considerably improved resulting in improved conditions of work. To maintain the output, the Company has ordered further new machinery to replace the Spinnbau German plant which was not giving satisfactory service. As a next step, your Directors are planning to replace some of the old machinery of the preparing department for further improvements.

"As you will observe from the annual accounts, Company's sales have improved from Rs. 1.48 crores to Rs. 2.91 crores in the present year and the working results are also encouraging. After meeting the depreciation, the Company has been able to provide Rs. 2,75,000 as development rebate reserve and also pay Rs. 87,750, against arrears of dividend on preference shares upto 1955.

Sales Tax

"Th U.P. sales tax at 4 per cent is still working as a stumbling block to our sales in this State. We have lost completely our market to sugar mills and other consuming clientele. The Central Government has further imposed excise duty on jute goods the burden of which on the U.P. industry alone will be over Rs. 40 lakhs against a total estimated revenue of Rs. 3.1 crores. The U.P. mills have to depend entirely on interior demand and have no export market which is exempted from the excise duty. It is further important to note that, while our manufactures are subject to Central sales tax and excise, the jute manufactures of Nepal are free from these taxes and are, therefore, in a position to freely undersell in our markets. This has indeed created a serious position for the industry in this State which for the last several years had been maintaining employment with successive losses and no return on capital invested.

Chequered History

"To sum up, the career of U.P. jute industry has always been a chequered one and, with the encouraging results of 1961 in hand, let us hope that better crop and better trade conditions in 1962 may enable the industry to sustain against the hurdles and odds that it has to face on account of its geographical situation.

"Before I conclude, I must express my sincere appreciation of the valuable services rendered by the management for their effective efforts in tiding over critical times. The officers and staff and operatives are all to be congratulated for their hard work and co-operation during the year."

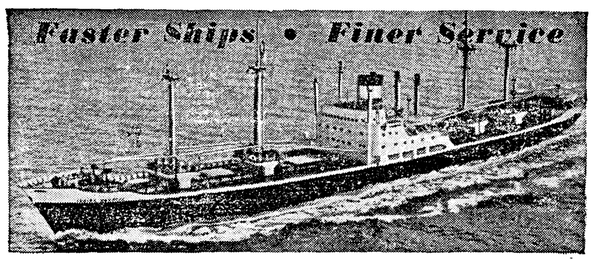
Note: *This does not purport to be a record of the proceedings of the annual meeting.*

GERMINABILITY OF JUTE SEED

The immediate setting up of artificial drying units supplemented by moisture testing metres in the jute seed multiplication farms of the States was recommended by the Executive Sub-Committee of the Indian Central Jute Committee at its meeting held at Calcutta on 20th June under the chairmanship of Dr. B. P. Kedia, Vice-President of the Committee. The moisture content in jute seeds has an important bearing on their germination properties. It is generally accepted that the moisture should not exceed 10-12 per ent. Hitherto, it would appear, there has been no organised and systematic check on the moisture content of jute seeds at storage or distribution centres before they are issued to the cultivators. Random tests have often shown the moisture percentage as surprisingly high even in the month of December.

In order to guarantee that the moisture content is at the correct level which will not deteriorate the seed in storage and transport, the sub-committee felt that the present method of sun-drying seeds was not enough in some cases and it would, therefore, be worthwhile to construct at each of the seed collection centres an artificial drying unit, which is easy to design and relatively inexpensive to build. Since even after the drying of seeds large variations in their moisture content are liable to occur during storage with consequent adverse effect on germination, the sub-committee recommended that the jute seed multiplication farms of the States as well as the Central nucleus seed farm of the I.C.J.C. should each be supplied with a moisture testing metre so as to be able to keep periodic checks on stored seeds. The moisture metre in an inexpensive instrument of simple construction, designed by the Indian Jute Mills Association Research Institute.

It is also desirable, according to the sub-committee, that the storage godowns of jute seed dealers be regularly supervised to ensure proper ventilation, stacking etc., and the dried seeds packed and sold to the cultivator in sealed and certified containers of appropriate size. The package should indicate the numerical rating in respect of the germination capacity of the seeds.



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TRIVENI ENGINEERING WORKS LIMITED

CHAIRMAN'S ANNUAL STATEMENT

ADDRESSING the First Annual General Meeting of the shareholders of the Triveni Engineering Works Ltd. at the registered office of the Company at National Insurance Building, First Floor, 5 Parliament Street, New Delhi, at 10-30 a.m. on 29th June 1962, the Chairman made the following statement:

"It is my pleasant duty to welcome you to this first meeting of the shareholders of the Triveni Engineering Works Ltd. This Company was incorporated on the 7th of January 1961, during an exciting and momentous period in the history of an emergent and fast developing India. The association of Indian and British interests in the promotion of this Company truly reflects the dynamic part played by friendly agencies from abroad in our country's rapid economic progress. The continued technical help and the effective support available at all times and in unstinted measure from our foreign collaborators, to my mind, makes this collaboration of ours outstanding even in the field of such associations. We are looking forward to fruitful labour in continued brotherhood together.

Plan Shortages

"The country has just seen the completion of its third general election and the formation of a new Central Government, and in the States. The second year of the third Five-year Plan has seen critical shortages emerge in basic industrial needs such as coal, transport and power. We trust the problems connected with these will be adequately handled in the near future.

"With production in the steel plants rising, the position of steel is easing. However, for the engineering industry, to our mind, the supply of special steels and steel-castings at this stage presents the foremost problem.

"The sugar industry produced a record of just over 3 million tons of sugar in the year 1960-61, ending it with a surplus of over one million tons. This resulted in the postponement of licensing for expansion of the existing units and erection of new plants in the co-operative sector. This has resulted in the market for sugar machinery becoming very competitive although we hope that there will be a market for quality products for modernisation and rehabilitation of the existing plants. This position has highlighted the necessity for a diversified manufacturing programme which your Company has recognised from the very beginning and has followed up appropriately.

Sugar

"The production of sugar during the current season is estimated to be less than during the last year and if the efforts being made to export sugar during the current year are successful, the surplus at the end of this year may well not exceed the country's requirement for the normal stock-in-trade by a large margin.

"The foreign exchange shortage still continues. Export promotion is being actively pursued in all quarters but it is my duty to point out the necessity for full provision of foreign exchange required to import components according to phased programmes submitted to the Government. Not only is the success of new concerns such as ours connected with this, but also further development necessary to reduce those very imports presently required.

"In this statement, I have briefly dealt with the general economic situation in the country with particular reference to the engineering industry as applied to our concern. Requisite details of the progress of your Company are given in the Directors' report.

"I now declare the meeting open."

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

JAIPUR METALS AND ELECTRICALS LIMITED

CHAIRMAN, MR. R. H. KAMANI STRIKES AN OPTIMISTIC NOTE

NEW LINES OF MANUFACTURE UNDERTAKEN

ADDRESSING the shareholders of the Jaipur Metals and Electricals Ltd. at the Eighteenth Annual General Meeting of the Company, held at Jaipur on 29th June 1962, Mr. R. H. Kamani, Chairman, envisaged a bright future for the Company. With the provision for expansion in power generation and extension of rural electrification in the third Five-year Plan, the demand for the products of the Company, according to him, would find an expanding market. The Chairman disclosed that the Company had obtained an industrial licence for the manufacture of all-aluminium conductors, A.C.S.R. conductors, cotton silk and paper-covered wires and strips and enamelled copper wires.

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

"GENTLEMEN,

"It gives me great pleasure in extending to you all a cordial welcome on behalf of my colleagues and myself to this eighteenth annual general meeting of your Company.

"The Directors' report, audited profit and loss account and the balance-sheet for the year ended 31st December, 1961, have been in your hands for some time and, with your permission, I propose to take them as read.

Accounts

"An examination of accounts will show that the year just passed has been a record one for the Company. The profits, before providing for depreciation and Managing Agents' remuneration, have recorded marked increase over the previous year of working. Likewise, turnover has also increased to Rs. 1,60,11,964, as against Rs. 1,46,95,507 in the last year.

"Allocations include Rs. 1,02,919 for the Managing Agents' remuneration, as against last year's remuneration figure of Rs. 71,611 and Rs. 4,33,709 for depreciation, as against Rs. 3,82,092 for the previous year. The provision for taxation has been increased from Rs. 3,58,067 to Rs. 3,90,685 and the development rebate reserve has increased from Rs. 81,433 to Rs. 3,05,000. Provision for gratuity absorbs Rs. 20,000, as against Rs. 10,000 in the previous year.

"The Directors have recommended dividends of 10 per cent on ordinary shares and 40 per cent on deferred shares (subject to deduction of tax at source), as against the previous year's 9 per cent and 25 per cent (subject to deduction of tax at source), respectively. The Board has also recommended a dividend on preference shares. After providing Rs. 3,72,640 for proposed dividends, a sum of Rs. 7,561 has been carried forward against Rs. 5,645 brought in.

"By the new Finance (No. 2) Bill 1962, introduced in the Lok Sabha on 23rd April, 1962, the corporation tax has been increased from 20 per cent to 25 per cent. This step on the part of the Government of India would lead to the reduction of the Company's surplus which would otherwise have been useful for creating reserve for the development programme of the Company.

Record Production of House Meters

"You may recall that, in the year under review, the production of Jaipur house service meters has reached a record figure of 1,76,020, as against the production of 1,34,500 in the previous year. The production of Siemens type of meters in collaboration with Siemens of Germany was taken in hand and the production during the last quarter of the year under review was 6,400 meters. As far as the working of Metals Division is concerned, the Company could not increase the production due to the shortage of raw materials, especially copper owing to paucity of foreign exchange and drastic cut in quota of raw materials.

Expansion and Development

"You will be happy to know that the Company has already planned to undertake manufacture of jewel bearings and important components like cyclometers and magnets so as to cover the entire manufacture of components.

"After the successful completion of the Second Five-year Plan, which has helped to strengthen the foundation and stimulated industrial and economic growth, the country has entered into the Third Five-Year Plan period. In a way, this is the most crucial period in the industrial, economic and therefore social life of the country, as the foreign exchange reserves have been extremely low, and the prospects of getting adequate amount from the Aid-India Club at the moment are not very bright. It will require tremendous efforts on the part of the Government, the industry and the trade to emerge successfully from this crucial period. But I am hopeful that, with greater efforts, we shall pull through it. As, however, your Company has decided to make all the components, I may assure you that our progress will not be affected by this crisis.

Capacity

"During the Third Five-Year Plan, the power supply will play a significant role towards the achievement of industrial development as the addition to the country's power system will be to the tune of 12.69 million kw., representing an increase in installed capacity of 123 per cent. As a part of the development programme, it is proposed to install a net of transmission lines to the extent of 1,50,000 circuit miles and to electrify 43,000 villages and towns in the country. This development of power supply implies that your Company will have still better future. It would not be out of place to mention here that the installed capacity, as registered with the Government, for Single Phase House Service Meters by the end of 1961 was 4,44,000 Nos. on single-shift basis. The total production in the country for 1961 was of the order of 6,24,113 Nos. This year's capacity has been further licensed to the extent of 1,02,000 Nos., bringing the total registered capacity to 5,46,000 Nos. on single-shift basis. When this additional capacity goes into production the total demand of single-phase meters will be adequately met and I may assure you that your Company will remain in the forefront. It is a matter of gratification to note that the Government have recently decided not to increase this capacity any further. With a view to enlarging the field of operations, we have obtained industrial licence for the manufacture of all aluminium conductors and A.C.S.R. conductors, cotton silk and paper-covered wires and strips and enamelled copper wires. With a view to implementing the scheme of diversification, your Company has approached the Industrial Finance Corporation of India for a substantial loan. It has also increased its authorised capital from Rs. 50 lakhs to Rs. 1 crore by creating an additional equity capital of Rs. 50 lakhs. Out of this, 25,000 equity shares have been already issued to the existing shareholders with a premium of 15 per cent by way of right shares. You will be pleased to know that this issue has met with complete success and has already been fully subscribed.

Personnel

"In view of the progress in technology, the Company's technical staff is equipped with necessary training and it will have further personnel fully trained in the factories of the collaborators in the lines of new schemes which your Company propose to undertake.

"I am grateful to you for the encouragement and backing your Company has received from you all from time to time. I am also grateful for the wonderful co-operation of the workers and the members of the staff for the good efforts they have made in the past for the betterment of your Company.

"Thank you."

N.B.—*This does not purport to be a report of the proceedings of the annual general meeting.*

SELECTED SATGRAM COLLIERIES LIMITED

RECENT PRICE INCREASE DISAPPOINTING

CHAIRMAN, MR. S. D. SHETHIA'S SPEECH

THE Government's recent decision to sanction marginal increases in coal prices and fix a ceiling price for certain grades has disappointed the coal industry and the investing public. As the industry's needs for financing its expansion plans are not being fully met, the chances of its third Plan target being realised do not appear to be very bright. This view was forcefully expressed by Mr. S. D. Shethia, Chairman, Selected Satgram Collieries Ltd., in his speech at the Seventeenth Annual General Meeting of the Company held at Calcutta on 29th June, 1962. Mr. Shethia also laid emphasis on the other preconditions for expansion and development of the industry—increase in coal haulage capacity and availability of more power, explosives and essential stores.

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

"In welcoming you all to the seventeenth annnual general meeting of the Company I take great pleasure. May I have your permission in taking as read the audited statement of accounts and the Directors' report for the year ended 31st December 1961 which are in your hands for quite some time.

"At the very outset, I am very happy in welcoming to your Board, Sri Mathuradas M. Parekh, Chairman of the Mangaldas Group of Textile Mills and a well-known industrialist of Ahmedabad, and Sri B. N. Banerjee, a reputed industrialist of Calcutta, who is associated with some of the leading West Bengal Government's companies. I am sure, the Board will have the benefit of their wise counsel and mature guidance.

Raisings and Despatches

"Raisings and despatches during the year under review were 3,69,427 tonnes and 3,49,043 tonnes respectively. Thus raisings were up by 85,576 tonnes and despatches by 85,112 tonnes in spite of many difficulties. Paucity of wagons especially owing to remodelling of wagon yard resulted in higher stocks which were 16,105 tonnes as on 31st December 1961.

Profit and Dividend

"The profit before taxation has been Rs. 6,49,524 against Rs. 5,17,915 of last year. After providing Rs. 2,38,000 for taxation and transferring Rs. 1,11,000 to reserves, your Directors recommended a final dividend of Rs. 6 per share on 19,500 equity shares and *pro rata* Rs. 1.16 nP. per share on 20,500 newly issued equity shares. The rate of dividend thus is Rs. 14 per cent gross and Rs. 9.80 per cent nett on doubled capital.

Mining Difficulties

"Owing to sudden detection of gassyness, New Satgram Colliery, the biggest of our units, was compelled to close down the mining operations completely in the Satgram Seam for about 5½ working days, and partially for 25½ working days, by the Department of Mines. This put heavy strain on our resources—of brain, brawn and bullion.

"In South Joyramdanga Colliery, we had water trouble during the monsoon, resulting in imposition of restriction by the Department of Mines. Necessary steps have been taken to remedy this to avoid, if possible, recurrence in future.

"Reconstruction and repair work had to be undertaken at Majri Colliery which has been taken under raising contract from October 1961 until such time as the owners get permission from the Government to transfer the mine to us.

"All our collieries except New Jamuria are raising coal by 'development' where we have been going farther in the mine which requires a continuous dose of additional capital.

Land Acquisition Problem

"The proposal of the company for doing the depillaring work has been thwarted by the recent judgment of the Supreme Court on land acquisition by the State for the purpose of public utility work of an undertaking, simply because it makes profit. This has been pointed out to the Government by all mining associations and even by the Federation of Indian Chamber of Commerce and Industry, who have amply stressed the urgency of removing this obstacle. Let us hope Government pays immediate attention to this problem and solves it for industrial expansion of the country. This problem for the mining industry and particularly the coal industry assumes greatest magnitude for obvious reasons. It would be advisable for the Government to tackle this without slightest delay.

Incentive Scheme

"We have always effectively wished to be up-to-date in our approach to this problem of the staff and the labour. The amenities about which I had mentioned last year, ladies and gentlemen, have all been provided at our New Satgram Colliery. We intend extending them to our other units also.

"Your Company is concentrating upon working an up-to-date production incentive scheme for encouraging better zeal and efficiency amongst workers. Once this method has been introduced scientifically, I have great hopes that it would be better for labour, management and you, the owners of the Company.

Industry's Needs

"Hunger of industrial India for coal could not be easily satiated and hence the revision of the target of production of the third Five-year Plan from 97 million tonnes to 110 million tonnes. The industry has on its part spontaneously responded to the Government's call for increased production. There are, however, a number of difficulties faced by the industry.

"The most important of all the obstacles is the present coal price, which does not allow to plough back adequate reserves from the profits for further expansion. It does not even permit declaration of dividend at a level that would attract the general public to invest in this industry, where demand by far exceeds the supply.

"The industry has of late, however, had a sympathetic hearing from the Hon'ble Shri K. D. Malaviya, the Union Minister for Mines and Fuel, who assured reasonably substantial increase in price against the industry's demand for a flat rise of Rs. 5.43 nP. The reaction of the investing public has been indicated by upward movement of the coal share prices. Let us hope that this rise in price is granted soon irrespective of the quality of coal produced, for the simple reason that the cost of production has very little bearing on the grade of coal.

"The other conditions precedent to fulfilment of our cherised dream of meeting the country's huge demand for coal are stepping up of our present coal haulage capacity and making available increased amount of electricity, explosives, and essential stores. The Government, I understand, has been considering all these points seriously.

Company's Development Plans

"Despite all these heavy odds, in 1961 monthly output of New Satgram was 19,550 tonnes. South Joyramdanga 8,163, New Jamuria 1,908 and Majri 4,658 tonnes. By the end of this year we hope, subject of course to the difficulties which have been repeatedly pointed out by our industry, to do a monthly output of about 50,000 tonnes.

"Development work of Dishergarh Seam requires large capital. With a view to see that development of Dishergarh Seam would give us adequate return on capital, your Directors have decided to give the work of preparing a preliminary project report to Messrs. Cekop—Poland and Messrs. Sofremines—France. Messrs. Cekop have been engaged for deep mining by the N.C.D.C., a Government of India undertaking, and Messrs. Sofremines is a firm of French consultants employed by the World Bank to investigate the working and efficiency of Japanese coal industry. Upon receipt of these preliminary project reports, the Company's experts would then decide which one of the two is better and practicable.

"Regarding transfer of Majri Colliery, I am glad to report that Government of Maharashtra whose attitude has been very realistic to the coal situation, have strongly recommended to the Central Government and requested their approval. Although the coal mined from the present seam is grade III priced at Rs. 22.08 nP. and Rs. 21.09 nP. per tonne for steam and slack coal respectively, seam sample has been found to be of a higher quality and your Company has since applied to the Coal Board for regrading this coal. With upward regradation, we expect this coal to fetch us .59 nP and Rs. 1.32 nP per tonne per one higher grade respectively. The coal reserves of this colliery are approximately 9.3 million tonnes and we can reasonably produce about 15,000 to 25,000 tonnes monthly in about two years' time. The prospect of this colliery appear to be exceptionally bright.

"Your Directors have decided to establish an Engineering Works with a smaller capital outlay in view of certain legal hindrances mentioned by me last year. We are negotiating with quite a few foreign manufacturers of repute. I trust, in years to come, this line will also develop.

Management Aspects

"A substantial increase of capital was made during the year under review. I am happy once again that you have shown your confidence in the management. We hope to express our gratitude by rising up to it.

"A couple of senior, capable and first-class mining managers and mechanical engineers have been added to our technical staff. The zeal and earnestness shown by the staff both at collieries headed by Sri J. Singh, General Manager of the Collieries and at the registered office, to cope with the contingencies was most commendable. I hope you will join me in placing on record our sincere appreciation to them.

"It is my duty to mention the remarkable role played by the Managing Agents of your Company during their heavy strain not only in arranging for higher finances at reasonably lower rate of interest but also in providing from time to time advances from their own resources and forgoing customary brokerage for the year 1961, which we had approved of by special resolution. They have even persuaded their associates to do the same. I am sure you all will join your Board of Directors in recording hearty thanks to them.

"In conclusion, on your behalf and mine, I express my sincere gratitude to members of the of Board of Directors who have always given their very able and mature guidance.

"With your permission, I now propose that the report of the Directors and the audited statement of accounts for the year ended 31st December, 1961 be hereby approved and adopted.

Coal Prices Increase

"While these words were under print, the Government of India have by special notification in the *Extraordinary Gazette* increased the prices of coal ranging from Rs. 1.50 nP on the selected grade to Re. 0.38 nP on grade No. II. The last mentioned price is the recent conversion into ceiling price. This has disappointed the coal industry in its expectation and also the investing public, as reflected in the coal share prices.

"Let us hope, though the chances do not appear to be very bright, that the production targets of the third Five-year Plan will be realised."

Note:—*The aforesaid note does not purport to be a record of the proceedings of the annual general meeting. It is merely an abstract from the Chairman's speech. The detailed speech is available at the Company's registered office.*

THE BANK OF BEHAR LTD.

Head Office: PATNA

ESTD. 1911

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BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT,
General Manager.

ENFIELD INDIA LIMITED

HIGHER OUTPUT OF MOTOR CYCLES—SCOOTER PRODUCTION COMMENCES

CHAIRMAN, MR. K. R. SUNDARAM IYER'S SPEECH AT ANNUAL MEETING

AN encouraging picture of the progress of the Enfield India Ltd. was given by Mr. K. R. Sundaram Iyer, Chairman, in his speech at the Sixth Annual General Meeting of the Company held at Madras on Friday, 29th June 1962. The Chairman told the shareholders that the Company had been wise to have pushed through the phased programme undertaken by it for the substitution of imported motor cycle components by indigenous products because the present foreign exchange situation would have made its completion difficult. The Company, he disclosed, had now reached a stage where production and productivity could be increased without difficulty.

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

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the sixth annual general meeting of the Company. The Directors' report and the statements of account for the year ended 31st December 1961 have been with you for some time and, with your permission, I shall take them as read.

"During the year under review motor cycle production increased by about 20 per cent. The sales turnover was higher at Rs. 119.68 lakhs. During the previous year, it was Rs. 90.58 lakhs. The profit before depreciation increased from Rs. 8.49 lakhs to Rs. 11.13 lakhs. As mentioned in the Directors' report, the profits would have been still higher if the Company had been in a position to increase its selling prices earlier than September 1961 to make good the continuous increase in the cost of various raw materials since the prices were fixed three years back.

Teething Troubles Over

"At the last annual general meeting, I dealt in some detail on the implications of the phased programme which your Company had undertaken for the substitution of imported motor cycle components by those made in the country. With the virtual completion of this programme in 1961, your Company has reached a stage where production and productivity can be increased without being hampered by the inevitable teething troubles involved when large number of new components are taken up for indigenous manufacture. I am glad to inform you that, during 1962, the output of motor cycles can be expected to register a further increase of 15 per cent, while the sale volume will be aided by the marketing of scooters shortly. The working results for the current year will, therefore, be better than those for 1961.

"In the present context of acute scarcity of foreign exchange, the policy of your Company in having gone through the phased programme at a fast pace has been fully justified. Of course, we still require foreign exchange for some raw materials, gear box and proprietory components not yet available in the country. But, without the completion of the main phased programme, the dependence on foreign exchange would have been considerably more. It is expected that, in due course, these proprietory parts also will be available in the country from ancillary industries. The manufacture of gear box for motor cycles will be taken up in 1963 along with the gear box for the scooter.

Impact of New Taxes

"The automobile industry purchases a large variety and number of materials for its production. For example, your Company keeps in stock about 6,000 items. It would appear that, in a developing economy such as ours, there will be a continuous increase in the cost of various materials. The new and increased excise duties levied in the recent budget have stepped up the cost of various kinds of materials. Because the area and extent of their application is so wide, it will take some time even to assess their full implication. Therefore, what portion of the benefits of higher productivity and, consequently, of higher profitability, expected in the motor cycle production from 1962 onwards, will be available to the Company, is dependent upon how much the Company is obliged to absorb the increases in the cost of materials. Representations have been and are being made to the Government for suitable revisions of selling prices so that increases in costs due to reasons beyond the Company's control can be absorbed. It is hoped that early decisions in this regard will be taken by them.

"In passing, I would like to make a reference to a factor in our country applying to industries such as ours. It is the necessity of having to hold larger inventories in order to ensure uninterrupted availability of raw materials and bought-out components.

Scooter Project

"You have already heard the gratifying information that the production of our scooter, which has been very highly spoken of by all those who had an opportunity to see it, has commenced. They will be in the market in about a month or so. Your Company has been the pioneer in the country in the powered two-wheeler field. The implementation of the scooter scheme will enable your Company to continue to play a leading role in catering to the growing demand in the country for motor cycles and scooters. The Villiers engine is used in our scooter. The Company will, in due course, fit to the lightweight motor cycle also the Villiers engine in place of the present engine. This standardisation, in addition to resulting in economies in the production of engines for both motor cycle and scooter, has also the important advantage that it would enable your Company to alter, at short notice, the ratio of production of lightweight motor cycles and scooters.

New Industrial Estate

"The arrangements for undertaking the manufacture of Villiers engines for industrial and agricultural purposes are going apace. The Company has been licensed for a production of 15,000 engines per annum on a single-shift basis. There is already a large unsatisfied demand in the country for these engines; but the existing demand itself is considered to be only a fraction of what it would be in the coming years. Villiers engine is an international leader in this field. As stated by me at the last annual general meeting, the operations of your Company with regard to this line will be restricted to assembly and testing. The components of these engines will be obtained from the Industrial Estate of ancillary units which your Company has sponsored. This arrangement is mutually beneficial. With the guidance and technical know-how of your Company the ancillary units will be able to establish and stabilise themselves within a short time. The advantage to your Company lies in the fact that it could undertake this important new line without the large increase in capital that would have been otherwise necessary. The fixed assets employed by the ancillary units in the Industrial Estate will be about Rs. 75 lakhs. The Company has to provide only tooling and machines for the maintenance tool room. I should mention here about the considerable guidance and financial assistance which both the Central and State Governments are rendering to facilitate the establishment and healthy growth of these ancillary units. Production and marketing of the engines are scheduled to commence in the first half of 1963.

Labour Relations

"During the year under review industrial relations continued to be cordial.

"I would like to take this opportunity to offer our sincere thanks to the Government of India, the Government of Madras and our U.K. collaborators for their continued guidance and assistance.

"Appreciation is due to the selling agents, dealers, sub-dealers and service points, and the workmen, staff and officers of your Company for having made their contribution to the results of the year under review."

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

UNION CO-OPERATIVE INSURANCE SOCIETY LTD.

GOVERNMENT UNHELPFUL, SAYS CHAIRMAN, MR. J. L. MEHTA

ADDRESSING the Thirteenth Annual General Meeting of the Union Co-operative Insurance Society Ltd., held at Bombay on Thursday, 28th June 1962, Mr. J. L. Mehta, Chairman, said that lack of Government co-operation inhibited the growth of co-operative insurance. He pointed out that, while the Society had to compete with companies in both the private sectors, the Government was taking away all co-operative business as and when the co-operative institutions received financial aid from the L.I.C. or the I.F.C.

Reviewing the progress of the Union Co-operative Insurance Society during the year, the Chairman said that the combined premium income in all the departments increased to Rs. 27,37,672, a considerable rise over that in the previous year. Over and above the usual fire, marine and other insurance business, the Society also undertook such other types of insurance as cattle and crop insurance. The claims ratio in the cattle insurance department was well maintained. The Chairman hoped that the business would increase as the scheme became more popular in other States. Regarding crop insurance, however, he said that, unless the Government extended its support, it was no use expanding this business.

Co-operation Suffers

The Chairman said that it was difficult to say anything definite about the future of general insurance. As far as the Society was concerned, it had to face competition from State Insurance Fund schemes and L.I.C. subsidiaries on the one hand and from the joint-stock companies, with their large financial resources and help from big business houses, on the other. The attitude of the Government was to take away all co-operative business as and when they received financial help from the L.I.C., I.F.C., or Government. Proceeding, the Chairman said that the future growth of business would be affected by the revision of the Code of Conduct which would work to the detriment of smaller companies and co-operative insurance societies. The reduction in fire premium rates might also affect the premium income in the next year. The profit of the Society during the year under review was substantially higher but the dividend was maintained at 6¼ per cent, same as in the previous year. The overall claim experience was satisfactory, the experience of the co-operative sector was not good. One of the reasons for this was the policy of Government of taking away all paying, non-hazardous co-operative business to the Pool or to L.I.C. subsidiaries and leaving the hazardous business to the co-operative insurance society. Sugar factories, housing societies and all other institutions, which were financed by L.I.C. or I.F.C., Central and/or State Governments, had to insure with the Pool 75 per cent of which went to L.I.C. subsidiaries, the balance being divided among all the Indian insurance companies.

Concluding, the Chairman informed the shareholders that the Directors proposed (1) to establish Regional Committees, (2) invest in securities of as many States as possible and (3) to have the Society's own building in the principal towns of the States.

Notice

THE BANK OF INDIA LIMITED

Registered Office:

70-80, Mahatma Gandhi Road, Fort
BOMBAY 1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books and Register of Members of the Bank of India Ltd. will be closed from Monday the 23rd July 1962, to Saturday the 11th August, 1962 (both days inclusive).

The Dividend will be payable on and after Monday the 20th August, 1962.

By Order of the Board of Directors,
S. J. RUSTOMJI,
Acting General Manager.

BOMBAY, *2nd July*, 1962.

NON-FERROUS METALS INDUSTRY

SCARCITY OF RAW MATERIALS INHIBITS GROWTH

THE non-ferrous metals industry has been in the protected list for the last fourteen years. The producers, however, have asked for continuance of tariff protection for a further period of three to five years. It is well known that in the absence of sufficient indigenous sources of non-ferrous metals, the domestic industry has been subjected to great hardship in securing basic raw materials. The restrictive import policy has further accentuated the difficulties of the industry. The protected items of semi-manufactures of non-ferrous metals and alloys are lead sheets (other than sheets for tea chests), zinc sheets, zinc strips, copper rods (other than electrolytic copper rods), copper pipes and tubes, brass rods and brass pipes and tubes. But the industry has now asked for enlarging the scope of protection by including three more items, namely, highly polished zinc, highly polished copper sheets used in photo engraving and copper printing rolls for textiles industry. Of these items, the actual manufacture has been commenced only in the case of highly polished zinc. But the production of copper sheets is still being tried out only on an experimental scale and that of the third item is not likely to begin till the end of next year.

It may be recalled here that in 1948, when protection was first granted to the industry, the scheme had covered non-ferrous alloys and manufactures, besides semi-manufactures. Following the tariff inquiry in 1949, however, alloys and manufactures were deprotected, leaving only semi-manufactures in the field. Protection granted to various types of semi-manufactures in 1959 will expire at the end of 1962. The Tariff Commission, therefore, has taken up the customary investigation of the industry's claim for continuance of protection beyond the end of this year. In his opening speech at the public inquiry held in Bombay on 26th June 1962, Mr. K. R. P. Aiyangar, Chairman of the Commission, observed that apart from producers, consumers were also in favour of extending protection for a further period. Consumers, however, complained that "the prices charged by the manufacturers are higher than landed costs at which imports are made or could be contracted."

Virgin Metals

So long as the supply of basic raw materials, namely, non-ferrous metals, does not improve, the cost of production is bound to be high. The raw materials required for the production of the semi-manufactures under consideration are copper, zinc and lead. Barring small indigenous production of copper and lead metals and zinc concentrates, the requirements of the non-ferrous metals industry for these virgin metals are imported. The Geological Survey of India and the Indian Bureau of Mines, however, have been taking steps to locate new deposits for these metals and expedite the exploitation of workable deposits. According to the Chairman, indigenous production of copper was only 7,674 tonnes in 1959, which rose to 8,910 tonnes in 1960, but declined to 8,336 tonnes in 1961. The production of lead was 3,958 tonnes in 1959, 3,745 tonnes in 1960 and 3,664 tonnes in 1961 and zinc concentrates 9,978 tonnes in 1959, 9,787 tonnes in 1960 and 9,253 tonnes in 1961. In this connection, the Chairman observed that the National Mineral Development Corporation was setting up a plant at Khetri (Rajasthan) to produce copper metal with a capacity of 22,000 tonnes per annum, and expected to commission it by 1964. A zinc smelter is also under erection at Udaipur, which is expected to be commissioned in the same year. Indigenous production of the virgin metals is expected to increase in future and reach by 1965-66, 32,000 tonnes of copper, 18,000 tonnes of zinc and 8,000 tonnes of lead. Even then, the indigenous production, Mr. Aiyangar pointed out, would be far short of the domestic demand "which is rising at a faster rate and, consequently, the bulk of the country's requirements will have to be met by imports." The manufacturing industry has strongly represented to the Commission that it has not been able to obtain its requirements of raw materials even to work single-shift capacity.

Despite the shortage of raw materials, the industry has shown signs of fairly steady improvement. Since the last enquiry in 1959, three new units have come into the field, one for copper-brass tubes, another for copper-brass rods and tubes and the third for lead sheets. But one unit, in the meantime, ceased to manufacture the protected items. There are now nine units manufacturing one or more of the protected items. Eight of these are registered with the Development Wing, and the other is a small-scale unit. In 1959, there were only six organised units, besides one small unit. The present aggregate capacity on single shift is 4,156 tonnes for copper/brass rods (three units), 4,121 tonnes for copper/brass pipes and tubes (three units), 3,840 tonnes for lead sheets (three units) and 2,650 tonnes for zinc sheets/strips (two units). These are exclusive of the capacities in ordnance factories, railway workshops and other establishments. Besides, there are twenty-eight small-scale units, twenty-four manufacturing brass rods, one copper rods, two lead sheets and one zinc strips. Thirteen of these units are located in the Punjab, four in Bihar, two in Rajasthan, one in Mysore and eight in West Bengal. It is said that there has been some progress in diversification of the range of production by the organised units as well. Manufacture of highly polished zinc sheets, lead sheets for chemical industries, seamless copper and brass pipes and tubes and tubes of small diameters for refrigeration and internal combustion engines has either already commenced or will commence shortly.

Production

The following table shows the trend in the production of protected items since 1959:

(In tonnes)

	1959	1960	1961	1962 Jan. Apr.
Copper solids (rods and other sections), other than electrolytic	156	158	192	42
Brass solids (rods and other sections)	1,741	1,904	2,174	898
Copper hollows (pipes and tubes)	49	202	326	65
Brass hollows (pipes and tubes)	9	3	105	31
Lead sheets	761	832	1,121	250
Zinc sheets	33	11	2	3
Zinc strips	2,788	3,258	3,830	1,065

The aggregate supply position (including both output and imports) of these semi-manufactures in 1961 was as follows: copper rods 209 tonnes, brass rods 3,648 tonnes, copper pipes and tubes 778 tonnes, brass pipes and tubes 1,403 tonnes, lead sheets 1,464 tonnes and zinc sheets and strips 4,050 tonnes. Domestic demand has been increasing and is expected to expand further in the coming years. In 1959, the Commission estimated the domestic demand for that year at 300 tons for copper rods (other than electrolytic), 800 tons for copper pipes and tubes, 2,000 tons for brass rods, 750 tons of brass pipes and tubes, 700 tons for lead sheets and strips and 3,000 tons for zinc sheets and strips.

The estimates of demand by various parties for the coming years differ. These estimates for 1962 and 1964-65 vary in the following ranges:

(Tonnes)

	1962	1964-65
Copper/brass rods (other than electrolytic)	4,000 to 4,400	6,000 to 10,000
Copper/brass pipes and tubes ..	1,500 to 4,000	3,000 to 7,000
Lead sheets	1,200 to 2,000	2,000 to 5,000
Zinc sheets and strips	4,000 to 5,000	6,000 to 6,100

According to Mr. Aiyangar, there is general satisfaction regarding the quality of indigenous non-ferrous semi-manufactures. There have, however, been certain complaints that materials were not available in the "tolerances" required by consumers and that some of their physical properties are unsatisfactory. The Indian Standards Institution, it may be noted, has published a number of standards covering most of the protected items.

TATA CHEMICALS DROPS MERGER SCHEME

The Tata Chemicals Ltd. has decided not to pursue the scheme of acquisition of and merger with the Bombay Mineral Supply Company (Private) Ltd. It has withdrawn the Letter of Intent issued for that purpose. It will be recalled that, on 4th November 1961, Messrs. Tata Industries (Private) Ltd., Managing Agents of the Company, had announced the conclusion of negotiations with Mr. Prabhulal Shah and the Bombay Mineral Supply Company, resulting in the issue of a Letter of Intent for the acquisition by and merger with Tata Chemicals of the Mineral Company which was stated to own very extensive valuable bauxite deposits under leases from the Government at Bhatia, Saurashtra. It was, however, agreed between the parties that the scheme of acquisition and merger would be concluded only if the bauxite deposits were found to be of the quantity and value contemplated by the parties. We are told that the team of geologists which undertook the survey on behalf of Tata Chemicals has reported that the bauxite deposits are not of the magnitude and value contemplated in the Letter of Intent.

DEVELOPMENT OF SPICES AND CASHEW

TASK BEFORE NEW CENTRAL COMMITTEE

INDIA occupies a pre-eminent position in the world in so far as production and export of spices, such as pepper and cardamom, as well as cashewnuts (raw) and cashew kernels are concerned. Appropriately enough, the development of some of these commodities has received special attention in the third Plan. The output of raw cashewnuts, for instance, is proposed to be raised from 73,000 tons in 1960-61 (according to the Planning Commission's estimates) to as much as 150,000 tons by the end of the third Plan, representing an increase of over 100 per cent in the span of five years. It is expected that the production of pepper would go up from 26,000 tons to 27,000 tons and that of cardamom from 2,260 tons to 2,620 tons. The role of these commodities in India's economy is all the more important because of their export potential. Spices earned a foreign exchange of about Rs. 16 crores as of 1961 (as against Rs. 18 crores in 1960 and Rs. 10 crores in 1959) and cashew kernels about Rs. 19 crores (as compared with Rs. 13 crores and Rs. 15 crores in 1960 and 1959, respectively). In view of the commercial significance of these commodities as well as the development programmes under way in the third Plan, there is admittedly a great need for a central body to plan and co-ordinate production, research and marketing of these commodities as in the case of raw cotton, jute and oilseeds, to mention only a few. From this standpoint, the establishment of a full-fledged central body called the Indian Central Spices and Cashewnuts Committee (President: Mr. A. D. Pandit, Special Secretary in the Union Ministry of Food and Agriculture) is a welcome step.

Inaugurating the first meeting of the Committee at Trivandrum last week, Dr. Ram Subhag Singh, Union Minister for Agriculture, expressed the view that, although India led other countries in the production of cashew and spices, the potentialities for their development had not so far been fully exploited. While this belief is quite sound, one cannot share his apparent confidence that the present development programmes are adequate for the purpose. One of the important aspects of spice development, so far neglected by the Central Government and also the State Governments concerned, is the need for encouraging the cultivation of certain spices, for which India has been dependent on imports so far. It is well known that, in the Southern States, particularly Kerala, conditions are suitable for the development of such spices as cloves, cinnamon, cassia and vanilla, a point conceded by even the Kerala State Food and Agriculture Minister, Mr. E. P. Poulose. Pretty little, however, has been done to encourage the cultivation of these spices in Kerala and elsewhere. Meanwhile, the consumer is paying exorbitant prices for the imported cloves and other spices. It may be noted here that import of spices aggregated about Rs. 170 lakhs in 1961, as compared with Rs. 183 lakhs in 1960 and Rs. 235 lakhs in 1959. The declining trend in imports only reflects the increasing restrictions imposed on imports, and not any fall in demand. Among imports, cloves alone account for over 50 per cent, followed by cassia, nutmag, long pepper, aniseed and vanilla beans. It is to be hoped that the new Committee will examine the prospects of developing the cultivation of imported spices within the country and see that the State Governments concerned take up suitable measures for the purpose.

Need for Buffer Stocks

The development of spices, although urgent, should not be accelerated without taking into account the conditions of overseas demand. In the case of pepper, for instance, consumption in the U.S. and the U.K., the major consumers, seems to have been either stagnant or declining; a reference to this was made in an article on world trade in spices (based on a recent F.A.O. study), which appeared in these columns last week. It would appear that the competition from processed foods and use of refrigeration for preservation purposes is growing, with the result that even export promotion campaigns in the West will be of little avail in popularising spices. With the demand remaining more or less stagnant, any change in supply is likely to lead to wide fluctuations in prices. It is to avoid such fluctuations that the aforesaid F.A.O. study has called upon spice

(*Continued on page 39*)

THE BENGAL PAPER MILL COMPANY, LIMITED

MR. N. D. BANGUR WELCOMES PRICE INCREASE

STATEMENT AT ANNUAL GENERAL MEETING

WHILE delivering his speech at the 138th Annual General Meeting of the Bengal Paper Mill Company Ltd., held at Calcutta on 29th June 1962, the Chairman, Mr. N. D. Bangur, welcomed the recent decision of the Government to grant an increase of 6 nP per kg. in the selling prices for all varieties of paper and board and to abolish the reel rebate of 4 nP per kg. allowed by the industry. However, he referred to the further substantial increases in the production costs of the industry due to fresh excise levies on chemicals, packing materials and miscellaneous items, as well as to the enhancement of railway freight and price for coal and stressed the need for evolving a formula that would take into account such increases as were beyond the control of the industry. He urged that the industry be allowed to add these increases to its selling prices.

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

"GENTLEMEN,

"I have great pleasure to welcome you to this annual general meeting, being the 138th ordinary general meeting of the shareholders of the Bengal Paper Mill Company, Ltd.

"The Directors' report, the balance-sheet and the audited accounts for the year ended 31st December 1961, have been in your hands and, with your permission, I take them as read. During the year, the gross profit of your Company increased to Rs. 55,04,970, as against Rs. 50,83,093 in the previous year. Production of 19,627 metric tons in the year 1961 compares favourably with 18,395 metric tons in 1960. Thus the progress of the working of your mill can be considered satisfactory.

Price Policy and Cost of Production

"The selling prices of the paper and board, which were adopted in January 1960, by the Government of India, on the recommendation of the Tariff Commission were found to be less remunerative over the three years which have passed since the Tariff Commission made its recommendations.

"I am, however, glad to inform you that, after long persuasion and representations, the Government of India has considered the joint memorandum of the Indian Paper Makers' Association and Indian Paper Mills Association and has recently given an *ad hoc* increase of 6 nP per kilogramme for all varieties of paper and board and reel rebate of 4 nP per kilogramme, which was allowed by the industry has been abolished with effect from 21st June 1962. I welcome this move of the Government and hope that the industry's case will be further considered more sympathetically.

"There has been a further substantial increase in the cost of production due to fresh levies of excise on chemicals, packing materials and miscellaneous items, and increase in the railway freight. The recent rise in the price of coal will also adversely affect the industry. I will emphasise again that the Government should evolve a formula so that an increase in the cost of production due to reasons beyond the industry's control is allowed to the industry to be added to its selling prices.

"In my last year's speech, I outlined reasons for considering the Tariff Commission's formula of allowing 12 per cent return on the employed capital, as inadequate. The inadequacy of this formula is more valid today due to increase in corporate tax from 45 per cent to 50 per cent and increase in the rate of interest on borrowings. In view of these changed circumstances, the formula allowing return of 12 per cent needs a suitable upward provision so that the industry could meet all its liabilities and provide for large-scale expansion, modernisation and rehabilitation.

Transport

"The day-to-day running of our mill is affected due to the inadequate supply of wagons for the movement of raw materials and finished goods. The deficiency of railway transport remains the biggest hurdle, in spite of the best effort of the railway authorities, who, with the limited supplies of wagons at their disposal, have done everything possible to help us. Large stocks of raw materials at the upcountry despatching stations cannot be moved to the mill due to inadequacy of wagon supply. You will notice from the accounts presented to you that the stock of finished goods has increased.

Raw Materials

"Due to the shortage of bamboo and sabai grass, the paper industry is exploring the possibility of making use of new raw materials. Bagasse and jute sticks are the most important substitutes introduced during the past few years. However, sufficient quantity of bagasse will not be available until the sugar industry is provided alternative fuel.

"The Tariff Commission, in its report to the Government of India, recommended for granting long-term leases of the forests to paper mills, with a view to foster both plant development and scientific exploitation, but, I regret, no concrete steps in this regard have yet been taken. To ensure adequate supplies of bamboos, paper industry is prepared to play its full part in this development work. Besides this, the establishment of extensive plantations with fast growing species of timber is of particular importance and, unless vigorous steps are taken on these lines, there will, no doubt, be continued shortage of raw materials in the years to come.

"Important chemicals like caustic soda and sodium sulphate are also in short supply and the indigenous production is below the country's requirement. The Government, in wider interests, should help the industry in obtaining long-term leases of the forests and allow import of caustic soda and sodium sulphate to make up for these shortfalls.

Sales

"Your Company is manufacturing special quality paper of different varieties which have been found quite popular with the consumers. The Company is now directing its attention to manufacture industrial 'conversion paper and you will be glad to know that cable insulating paper has been successfully made in your mill.

"In the budget for 1961-62, substantial increase in the excise duty payable on certain qualities of paper and board has been made. The industry is having constant difficulty regarding the identification and classification of paper in accordance with the descriptions contained in the excise tariff. In some instances, the excise authorities are assessing certain types of paper for duty at rates which are higher than those prescribed. The difficulty is all the more greater when payment of additional excise is demanded with retrospective effect, which we are unable to adjust. The Indian Paper Makers' Association has submitted a memorandum to the Central Board of Revenue, pointing out these anomalies and I hope that the Government will clarify the position suitably and in the near future.

"There is another aspect of the problem connected with scale of indigenously produced paper to which I would like to draw your attention. This aspect concerns the import of substantial quantities of offset-printing, manifold and air-mail papers by the State Trading Corporation. The Indian paper industry is making all these varieties which, in view of the imports by the State Trading Corporation, it finds difficult to dispose of. I feel that the Government should ban the import of qualities which are indigenously manufactured, whether on rupee payment or otherwise, and such a step will not only help the industry but also conserve the available limited foreign exchange.

"You will agree that there is a vital need to increase the country's exports, and it becomes the duty of paper industry to play its part. The cost of production of paper in India is much higher than in other established paper exporting countries. I am glad to report that your Company is trying to develop export market for its products, although, as said earlier, the price factor is the major obstacle. The Development Council for Paper and Allied Industry has already appointed a special sub-committee to carefully examine this matter and I hope that its proposals will enable the industry to participate actively in exports.

Expansion

"The expansion and modernisation schemes of your Company are progressing satisfactorily. Shipments of the new paper machine and auxiliary equipments are expected to commence from August 1962.

"Placement of orders for machinery from the United States were delayed due to factors beyond the control of your Company. We have finalised and signed an agreement for a dollar loan with the Industrial Finance Corporation of India and steps have already been taken to open letters of credit in favour of our U.S. suppliers, with whom orders have now been placed.

"The work on the new paper machine house, finishing house and multi-stage bleaching plant building is progressing as per schedule and the expanding scheme is likely to be completed by the second half of 1963.

"As you are aware, the shareholders, at their meeting held on 26th February 1962, accorded approval for the increase in the authorised capital from Rs. 1 crore to Rs. 3 crores and issue of Rs. 30 lakhs convertible loan stock. Subsequently, the equity share of Rs. 25 paid-up of your Company has been sub-divided and consolidated into a share of Rs. 10 paid-up. In pursuance of that resolution, Rs. 69.60 lakhs have been raised by the issue of equity capital and convertible loan stock to finance our expansion scheme.

Prospects

"The present capacity of the paper industry in India is 410,000 tons. Licences have been granted by the Government for an additional capacity of 804,000 tons, bringing the total licensed capacity to 1,214,000 tons. Thus, to ensure fulfilment of the Plan target of 820,000 tons, the Government has given itself a margin of 50 per cent as provision against non-implementation of some of the schemes. Three large and seven small units are likely to come into production during this year. With the rapid industrial development taking place in the country and increase in literacy, we look forward to a better future.

"The programme for training technical personnel both in India and abroad has also been launched.

"The relation with staff and workers continue to be cordial and I would, on your and on my own behalf, like to express our appreciation of the sincere services rendered to the Company by all of them."

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

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office:
Moti Mahal (6th Floor)
Junction of Jamshedji Tata Road
Churchgate Reclamation
BOMBAY 1

METAL BOX SELLS MORE BUT EARNS LESS

FURTHER DIVERSIFICATION OF ACTIVITIES

ALTHOUGH the sale proceeds of the Metal Box Company of India Ltd. (Chairman: Mr. K. C. Mahindra, Calcutta) for the year ended 31st March 1962 show an impressive rise of Rs. 79.65 lakhs or more than 8 per cent to Rs. 10.50 crores as compared with the previous year, the gross profit has declined from Rs. 149.36 lakhs to Rs. 136.06 lakhs. Consequently, the profit-margin (ratio of gross profit to sales) has dropped from 15.4 per cent to 13 per cent. This setback is to be attributed largely to rising costs. The Company has spent roughly Rs. 60 lakhs more on raw materials and stores, Rs. 11 lakhs more on staff and Rs. 12 lakhs more on other items of expenditure. The growth in the Company's direct exports (over Rs. 25 lakhs in 1961), made possible only by constant touring and by offering very low prices, has also had its effect on profits. Nevertheless, provision for depreciation at Rs. 16.71 lakhs has been well maintained, while that for taxation has naturally been reduced from Rs. 60 lakhs to Rs. 58.10 lakhs, provision for retirement gratuity halved to Rs. 5 lakhs and the profit retained in business reduced by some Rs. 4 lakhs to Rs. 14.20 lakhs. The investor is, of course, unaffected by the decline in profit, as the taxable return on the Rs. 10 fully paid ordinary shares is maintained at 25 per cent per annum.

The table below compares the performance of the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Product sales	10,49.68	970.03	829.52	696.85
Other income	23.73	22.57	16.84	14.50
Closing stock of finished goods	12.91	15.61	7.85	7.95
Raw materials and stores consumed	629.92	569.29	472.91	401.68
Staff expenses	228.68	217.32	183.97	144.08
Other expenses	76.07	64.39	61.31	50.59
Gross profit	136.06	149.36	128.07	116.59
Provisions for—				
Depreciation	16.71	16.10	14.78	14.02
Taxation	58.10	60.00	51.00	56.00
Net profit	61.25	73.26	62.29	46.57
Excess provisions written back	0.77	1.47	3.50	—
Provision for retirement gratuity	5.00	10.00	5.00	5.00
Transfer to reserves	14.20	18.00	18.25	17.50
Dividends—				
6% taxable preference	1.60†	1.60†	1.80†	1.24
Ordinary	40.25 (25%)†	40.25 (25%)†	36.11 (25%)†	20.12 (17.5)
Carry forward	29.83	28.86	23.97	19.34
Market value of equity shares (In rupees):	1962	1961	1960	1959	1958
High	65.00	65.00	44.25	34.69	28.25
Low	57.75	40.50	32.12	27.25	23.50

† Subject to deduction of tax.

The 8 per cent increase in sales has turned out to be lower as compared with 11 per cent in 1960, though sales and inventory figures suggest that production was higher during the year. The Chairman of the Company, Mr. K. C. Mahindra, however, sees no reason for discouragement or alarm. In his statement to shareholders he says: "I would rather interpret the relative shortfall as a useful reminder of how closely our fortunes are linked with those of our customers." Explaining his point further, he states the Company's sales are "a remarkably accurate barometer of the affairs of the consumer goods industries." Those industries have reported either lower sales or relatively smaller increase in their turnover during the year either because of consumer resistance to higher prices brought about by increases in costs and excise duties or because of limitations on their output due to shortages of raw materials.

Faced as it is with such exterior problems of the users of its products and its own of rising production costs, Mr. Mahindra has held out the assurance that the Company is determined to find a solution in greater efficiency and increased productivity. And there is every reason to believe that the Company would succeed in this move. For, in the past, it has kept its eyes and ears open and conveniently adjusted its working not only to conform to the changing pattern of demand for its products but also to include production of new substitutes developed in the field. Besides metal containers and closures, the Company has begun to manufacture plastics, hardware and engineering products. A number of new products within the scope of the existing machinery were added during the year under review. The technical development sections have made a further contribution in the design of new packages, industrial components and machinery. The package development work has been primarily directed towards improved pilferproof containers capable of being manufactured and, as far as possible, closed at high speeds. An outstanding development introduced during the year was the aluminium "no-pilfer diaphragm," designed primarily to seal confectionery containers and make them tamperproof. The use of this development is said to eliminate the use of the imported tinplate. The Company has also developed prototype machinery for addition to its range of sealing equipment for customers, redesigned some of its existing plant and designed new machinery to accelerate production speeds. The Company, concentrating its efforts on providing its customers with a complete packaging service, has now received permission from the Government to manufacture treated and laminated papers and boards and containers made therefrom. Its entry into this field will enable it to offer precision-made cartons finished to that high standard of quality which is essential for export markets, as well as to develop packaging systems involving use of tamperproof functional cartons capable of holding semi-solids and possibly liquids and providing an air-tight seal. In this, as in its past endeavours, the Company will be substantially assisted by its associates in the U.K.

The outlook for the current year, however, is clouded by the uncertainty of production at Rourkela, on which the Company has relied for its raw material supplies. During the year under review, the Company had to import from Russia tinplates of non-standard sizes at prices higher than the American. Therefore, Mr. Mahindra has urged that the D.L.F. imports should continue to be made available on the same scale as last year. Deep-drawing mild steel sheet was in satisfactory supply last year. The production of the industrial components is assured for the present orders on hand, but, beyond that, it would depend on the availability of the imported special type of sheet steel. Aluminium sheet and slugs are expected to be had this year at a lower price in the light of the completion of the expansion programme of the Indian Aluminium Company and the commencement of production by Hindustan Aluminium. The increased excise on foil, now Rs. 600 per tonne, will affect the cost of the material used by the Company exclusively for the tamperproof sealing of tinplate containers and for the development of new laminates for heat-sealed consumer-packages intended for the mass markets.

The financial position of the Company is sound. Its paid-up capital of Rs. 191 lakhs, of which equity is Rs. 161 lakhs and preference Rs. 30 lakhs, is supplemented by reserves and surplus aggregating Rs. 226.78 lakhs. The secured loans have increased from Rs. 62.67 lakhs to Rs. 81.13 lakhs and so have unsecured loans from Rs. 39.64 lakhs to Rs. 57.62 lakhs. The other liabilities and provisions amount to Rs. 194.33 lakhs. The total indebtedness to outsiders works out to Rs. 333.08 lakhs, but is well covered by current assets and book debts of Rs. 502.27 lakhs and investments of Rs. 4.05 lakhs, of which Rs. 3.74 lakhs are free and unquoted. The gross block, which increased from Rs. 361.58 lakhs to Rs. 399.57 lakhs during the year, has been written down to Rs. 244.54 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 64.75 *cum-div.* (final of Re. 1.60 a share, taxable). On the *ex-div.* basis, they offer a net annual yield of 2.7 per cent.

SYNTHETICS AND CHEMICALS LTD.

The Synthetics and Chemicals Ltd. (Chairman: Mr. Tulsidas Kilachand, Bombay), has obtained the Government's approval for expanding its annual capacity from 20,000 tons to 30,000 tons of synthetic rubber. Import licence for additional plant and machinery has been received and orders placed for most of the equipment. In order to meet the financial outlay on the expansion programme, the Directors have proposed to increase the issued capital of the Company by issuing 125,000 equity shares of Rs. 100 each at a premium of Rs. 20 per share, to be offered to existing shareholders in the ratio of five new shares for every 18 shares held by them. The proposal has been sanctioned by the Controller of Capital Issues. A part of the rupee requirements for the project will be met by way of bank borrowings. The foreign collaborating firm, Firestone Tire and Rubber Company, Akron, Ohio, U.S., has agreed to advance the Company an additional loan of $2 million to meet the foreign exchange expenditure. Of this loan, a portion will be adjusted towards the share of the foreign firm in the additional equity capital. The Agency for International Development, Washington, has agreed to advance Rs. 1.50 crore from the Cooley funds to finance the rupee expenditure.

According to the Directors of the Company, the engineering and purchasing for the base plant have been completed. The bulk of the plant and machinery has been received at the factory site and its erection is progressing satisfactorily. The construction of warehouses and the first phase of the housing colony have been completed. During its second year's working (ended 31st March 1962), the Company received the licence to import synthetic rubber. The response to the use of synthetic rubber by small and medium-scale manufacturers of rubber goods is said to be encouraging. With a view to facilitating increased use of synthetic rubber, the Company proposes to establish a technical laboratory at Bombay to render technical service and guidance to users. During the year, the Company incurred, after providing Rs. 3.20 lakhs for depreciation and Rs. 1 lakh for taxation, a loss of Rs. 5.04 lakhs, which is adjusted against Rs. 3.87 lakhs brought in, and the debit balance of Rs. 1.17 lakh has been carried forward.

After the close of the year, the Company has borrowed $3.9 million from American banks and Rs. 1.62 crore from the Export-Import Bank of Washington. Its borrowings from foreign financial institutions under dollar and rupee credit agreements till the year-end amounted to Rs. 2.84 crores and these were secured on guarantee of its bankers. In addition, unsecured loans from a company stood at Rs. 1.55 crore. As against the paid-up capital of Rs. 4.50 crores, the Company's fixed assets aggregated Rs. 4.96 crores, comprising net block of Rs. 2.48 crores and works under construction of Rs. 2.48 crores.

KUSUM ENGINEERING COMPANY IS 25 YEARS OLD

Founded on 3rd July 1938, the Kusum Engineering Company Ltd. of Calcutta is now 25 years old. It marks the fulfilment of the dream of two enterprising young brothers, Mr. M. L. Bose and Mr. K. L. Bose, who purchased on hire a small piece of land on the B.T. Road at Baranagore, a northern suburb of Calcutta, and set up a miniature engineering factory with one lathe and a few implements. Increasing its operations from the workshop to the present medium-sized factory at Sukchar, about 12 miles from Calcutta, the Company has emerged as the only organised unit in the country exclusively manufacturing all items of machines, implements, accessories and spares required by the pottery industry.

In 1943, the Company was converted into a public limited company, with its registered office at Calcutta. Three years later, the Company purchased land for the present factory. When it started manufacturing ceramic machines, there were only a few factories in the country. Now their number exceeds 300, and most of them are equipped with 'Kusum' machines. The Company also earns foreign exchange for the country by exporting its products to the neighbouring countries.

At present, the Company has a self-contained production unit, having its design shop, pattern shop, cast iron foundry, steel foundry and machine shop which are all built in the modern style. It employs 500 workers, half of whom are said to be refugees from East Pakistan. So far, the Company has designed and built 80 small and big machines for the pottery industry. Its annual production of machines is about Rs. 20 lakhs.

TATA OIL MILLS COMPANY LTD.

The Tata Oil Mills Company Ltd. has reported a larger turnover of Rs. 11.19 crores for the year ended 31st March 1962, as compared with Rs. 10.27 crores in the previous year, but a slightly lower profit, before making provisions for taxation and development rebate, of Rs. 38.80 lakhs, as compared with Rs. 39.27 lakhs. The equity dividend has, however, been maintained at Rs. 5.75, subject to deduction of tax, per share of Rs. 25 each, and it has absorbed Rs. 16.12 lakhs. The preference dividend has taken away Rs. 1.34 lakh. Taxation has claimed Rs. 15.77 lakhs, as against Rs. 16.10 lakhs a year before. Transfer to development rebate reserve has been raised from Rs. 2.85 lakhs to Rs. 3.50 lakhs, but no appropriation has been made to general reserve, as against Rs. 53,000 set apart in the preceding year. Plant modernisation and development reserve has got Rs. 2.25 lakhs, as against Rs. 2.50 lakhs in the previous year. After making these allocations and providing for the dividends, there is left a surplus of Rs. 10,154 which is proposed to be carried forward, as against Rs. 28,609 brought in.

MADURA MILLS

The Madura Mills Company Limited has obtained official sanction for the issue of debentures of the value of Rs. 125 lakhs for cash at par. The debentures will carry a rate of interest not exceeding 6½ per cent. The proceeds will be utilised on a comprehensive scheme of modernisation and expansion.

SIMPLEX MILLS COMPANY LTD.

Sales of the Simplex Mills Company Ltd. for the year ended 31st March 1962 have declined slightly from Rs. 3.32 crores to Rs. 3.23 crores and not increased from Rs. 3.23 crores to Rs. 3.32 crores, as was inadvertently stated in our write-up on page 1128 of *Commerce* dated 23rd June.

MUKAND IRON'S PROFIT NEARLY SAME DESPITE FALL IN SALES

BILLET SHORTAGE HITS ROLLING MILLS

A SHARP fall from Rs. 637.45 lakhs to Rs. 473.03 lakhs in the sales proceeds of the Mukand Iron and Steel Works Ltd. (Managing Agents: Messrs. Jeewan Ltd., Bombay) during the year to 31st March 1962 has left its gross profit almost unaffected, which is just a shade lower at Rs. 66.99 lakhs, as compared with Rs. 68.64 lakhs in the previous year. The turnover, we are told, has fallen because of a drop in steel billet receipts from 74,366 tonnes to 42,580 tonnes. This shortage of billets hit the working of the rolling mills section, the output from which slumped from 69,552 tonnes to 37,300 tonnes and the sales realisations from products came down with a bang from Rs. 459 lakhs to Rs. 259 lakhs. If, despite all this, the profit has been nearly maintained at the previous year's level, it has been due to the better performance of the steel foundry, the production improving further from 5,624 tonnes to 6,300 tonnes and, correspondingly, the sales of cast products went up from Rs. 178 lakhs to Rs. 214 lakhs. Thanks to limitations on production, the inventory is smaller at Rs. 19.77 lakhs, as against Rs. 30.55 lakhs a year before and the prime costs have come down from Rs. 460.90 lakhs to Rs. 295.59 lakhs.

Notwithstanding the slightly lower profit, the provision for depreciation has been increased from Rs. 9.74 lakhs to Rs. 11.52 lakhs (presumably because of the expansion programme in hand), while that for taxation is unchanged at Rs. 25 lakhs. Again, in view of the expansion programme, development rebate reserve has got Rs. 2.20 lakhs more at Rs. 4 lakhs as compared with the preceding year, but other reserves have received less, Rs. 7.55 lakhs, as against Rs. 10.29 lakhs. The total amount retained in business amounts to Rs. 11.55 lakhs and shows only a minor difference from Rs. 11.99 lakhs in the previous year. The taxable equity dividend has been maintained at 12 per cent per annum; the total amount absorbed is Rs. 9.06 lakhs, as against Rs. 7.22 lakhs a year before, owing to the increase in distribution on new shares from 60 nP to Re. 1.05. The taxable dividend on the Rs. 10 fully paid deferred shares has been raised further from 217.8 per cent to 267.0 per cent per annum.

A synoptical view of the Company's working in the past four years can be had from the table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	473.03	637.45	422.11	356.10
Closing stocks	19.77	30.55	23.69	21.68
Other income	2.80	1.82	1.74	2.09
Raw materials, stores, power and fuel consumed	295.59	460.90	299.29	250.37
Staff expenses	81.83	75.80	62.20	54.07
Other expenses	31.43	33.93	21.93	16.54
Gross profit	66.99	68.64	40.46	37.22
Provision for—				
Depreciation	11.52	9.74	5.36	3.87
Taxation	25.00	25.00	13.25	15.00
Managing Agents' commission	5.55	5.72	3.57	3.40
Net profit	24.92	28.18	18.25	14.95
Adjustments	+0.53	+0.67	—0.09	+0.22
Provision for gratuity	1.50	6.50	..	..
Development rebate reserve	4.00	1.70	2.50	2.00
To reserves	7.55	10.29	8.00	8.00
Dividends—				
5 per cent. preference	..	0.46*	0.50*	0.34*
Ordinary	9.06 (12%)*	7.22 (12%)*	5.38 (12%)*	3.97 (D-8% +R-2%)
Deferred	3.33 (267.0 %)*	2.72 (217.8 %)*	2.10 (168.6 %)*	1.11 (D-25% +R-63.6%)
Carry forward	..	..	0.03	0.34
Market value of ordinary shares (In rupees):	1962	1961	1960	1959
High	29.50	33.50	28.50	23.00
Low	25.25	23.12	17.00	13.76
	x.r.			x.r.

* Subject to deduction of tax.

Note:—Entire issued preference capital of Rs. 10 lakhs was redeemed on 31st March 1961.

Although the Iron and Steel Controller had fixed a certain billet quota as entitlement for each re-roller during the year 1961, the actual supplies from the main producers fell far short of the targets on account of their earlier export commitments, stoppage of mills for overhauling, increased self-consumption by producers, and manufacture of special steel billets for railways and other Government projects with a corresponding reduction in the output of mild steel billets. The prospects of billet supplies in the current year, however, appear to be better, considering that the Company has secured full entitlement supplies in the first two quarters of the year and the position is expected to continue in the third quarter. At the same time, the Company has decided to eliminate the use of the blooming mill and install instead a continuous casting machine for making billets in the factory at Kalwe near Bombay. Moreover, in order to work economically within the limitation of billet availability, the Company has installed from the last quarter of 1961-62 special rolling mill stands, which are said to be better equipped to produce light sections like ¼" and ⅜" rounds which fetch higher prices. However, the latest 5 per cent *ad valorem* excise duty on steel castings weighing one tonne and above will increase the Company's burden by Rs. 50,000 at the projected output for the current year. Electricity expenses will also rise by Rs. 1.50 lakh a year, following the increases in rates proposed by the Tata hydel companies from 1st July 1962. The revision of electricity duty under the Maharashtra State budget, too, will mean an additional burden of Rs. 50,000 a year.

The Company is said to be now very well set for producing intricate castings for the railways and automobile and other industries. The sales of centre buffer couplers, with 100 per cent indigenous components, amounted to Rs. 80 lakhs during the year under report. It is claimed that the order position for steel castings is very satisfactory. Another (third) 4½-tonne electric furnace, with most of the components designed by the Company, was installed during the year, but the furnace could not be operated simultaneously with the other two during the major part of the year, due to power shortage. The legal dispute regarding the acquisition of land at Kalwe was resolved and even the possession of a part of the land obtained. But some inevitable delay has arisen in the matter as a result of the decision of the Supreme Court concerning acquisition of land for companies and filing of writ petitions in the High Court by some landholders at Kalwe, challenging the acquisition of their land. However, according to the Chairman, Mr. Kamalnayan Bajaj, the problem shows signs of being resolved. The project at Kalwe is estimated to cost the Company Rs. 3.70 crores. Of this amount, a sum of Rs. 1.60 crore represents the foreign exchange component for which the Company has approached the Industrial Credit and Investment Corporation of India and the Commonwealth Development Finance Company Ltd., London. The rupee finance for the project is proposed to be raised from the retained earnings and also by issuing additional equity capital. The expansion programme for the steel foundry at Kurla is being implemented and it is expected to be completed as scheduled. It will cost Rs. 1.50 crore. The Company has applied to the Industrial Finance Corporation of India for a loan of Rs. 88 lakhs, including Rs. 20 lakhs under the Development Loan Fund arrangement. The Company has received the licence for expanding its cast iron foundry production to 300 tonnes per month.

The financial position of the Company is satisfactory. With the bulk of the previous year's unpaid calls of Rs. 20.47 lakhs on the 409,450 new equity shares of Rs. 10 each having been received during the year under report, the paid-up equity capital has increased from Rs. 60.17 lakhs to Rs. 80.63 lakhs. Inclusive of the 12,483 deferred shares of Rs. 10 each, the total paid-up capital amounts to Rs. 81.89 lakhs, as against Rs. 61.43 lakhs at the previous year-end. Reserves and surplus make a total of Rs. 68.55 lakhs and provide a fair cover for the equity capital. Secured loans have increased roughly four times from Rs. 15.32 lakhs to Rs. 57.27 lakhs, because of a rise in bank borrowings from Rs. 2.37 lakhs to Rs. 46.07 lakhs which is slightly offset by a drop from Rs. 12.95 lakhs to Rs. 11.20 lakhs in the loan from the Industrial Finance Corporation of India secured against fixed assets. Current liabilities and provisions aggregate Rs. 77.94 lakhs. Excluding the I.F.C. loan, the total indebtedness to outsiders amounts to Rs. 124.01 lakhs. It is, however, well covered by current assets and book debts of Rs. 173.14 lakhs, and investments of Rs. 12.19 lakhs. The gross block expanded from Rs. 138.14 lakhs to Rs. 161.35 lakhs. It is written down to Rs. 100.31 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 26 *cum-div.* On the *ex-div.* basis, they offer a net annual yield of 3.3 per cent.

NATIONAL TOBACCO

PROFIT SHRINKS—DIVIDEND SHARPLY CUT

AFTER rising consistently over a period of ten years, from Rs. 535.38 lakhs in 1951 to Rs. 964.44 lakhs in 1960, the gross sale proceeds of the National Tobacco Company of India Ltd. (Managing Agents: Messrs. B. N. Elias and Co. (Private) Ltd., Calcutta) during the year ended 31st December 1961 have met with a serious reversal and gone down by as much as Rs. 90.12 lakhs to Rs. 874.32 lakhs, notwithstanding an increase in the all-India production of cigarettes during the year under review. Although this decline in turnover has not been attributed by the Directors, in their report to the shareholders, to any specific factors, it is but obvious that the Company must have had to face, as during the preceding year, severe competition from its "major competitor" whose determined efforts to restrict the Company's sales to its major selling grades alone appear to have paid him good dividends. The seriousness of this competition will be apparent from the fact that, besides a contraction in sales, the closing stocks of finished goods have also depleted in value from Rs. 101.16 lakhs to Rs. 73.64 lakhs, underlining a possible drop in production.

In line with the shrinkage in sales, the gross profit has also decreased from Rs. 81.35 lakhs to as low as Rs. 26.79 lakhs. The decline in profit had been more pronounced than in sales because the Company had to toe the line of its major competitor and absorb the increases in excise duty and cost of production by reducing the profit-margin. In the light of the year's depressing results, the Directors have reduced the dividend on ordinary shares from 16 per cent for the previous year to as low as 7 per cent, both subject to deduction of tax.

The performance of the Company during each of the past four years is presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1961	1960	1959	1958
Sales	874.32	964.44	935.17	835.11
Miscellaneous sales and income	37.02	52.37	36.05	26.55
Closing stocks of finished goods	73.64	101.16	64.83	58.46
Raw materials and stores consumed	364.57	412.78	375.87	350.37
Customs and excise duty	319.90	344.22	327.35	265.17
Salaries, wages and benefits	73.51	76.70	68.28	60.28
Other expenses	149.05	152.03	134.97	120.99
Gross profit	26.79	71.55	71.12	65.03
Managing Agents' remuneration	1.03	6.38	7.81	7.51
Provision for—				
Depreciation	6.96	5.91	6.09	6.49
Taxation	10.45	25.38	26.27	27.82
Net profit	10.45	33.68	30.95	23.20
Provisions written back and refunds	3.55	0.64	3.03	..
To reserves	3.55	15.83	21.56	11.54
Dividends—				
Preference	2.79*	3.44*	2.15*	2.15
Ordinary	5.60 (7%)*	12.79 (16%)*	12.79 (16%)*	8.80 (11%)
Carry forward	11.39	9.34	7.08	9.60
Market price of equity share (In rupees):	1962	1961	1960	1959	1958
High	18.31	23.19	24.00	18.87	14.37
Low	13.94	14.50	17.50	11.87	8.44

* Subject to deduction of tax.

Although the results of the operation during the year presented a rather dismal picture, there were some bright patches. Sales of Regent, the first filter-tipped cigarette made in India, for example, showed a steady increase and the Company could well withstand the efforts of competitors to dislodge it from its leading position.

Sale of the popular-priced Number 10 cigarettes showed a modest increase and so also that of Cool, the mentholated filter-tipped cigarette. Foreign exchange difficulties, however, curtailed the manufacture of the latter for want of imported filters, and, consequently, the Company was unable to meet the demand for this brand.

There was a small drop in the value of exports of manufactured tobacco. Towards the end of the year, negotiations were commenced with new markets for the sale of some surplus holdings of flue-cured Virginia tobacco and early this year the sale of the 1961 crop was successfully concluded.

The balance-sheet of the Company, as at 31st December, 1961, reveals a healthy financial position. The main feature of attraction, so far as investors are concerned, is that the share capital of Rs. 124.95 lakhs, of which Rs. 44.98 lakhs are in preference shares and Rs. 79.97 lakhs in equities, is backed by Rs. 132.50 lakhs in reserves. This gives a book value of Rs. 26.57 per ordinary share against a market price of Rs. 15.94. There has been a sharp rise in borrowings from Rs. 73.31 lakhs to Rs. 201.23 lakhs due to the need to finance a high carryover of raw material stocks. Now that the Company has been able to dispose of sizable portions of the 1961 tobacco crop, a reduction in bank loans can be anticipated. Current liabilities and provisions amount to Rs. 59.67 lakhs and are covered many times over by current assets, investments and loans and advances aggregating Rs. 436.91 lakhs. Total cost of fixed assets is Rs. 168.52 lakhs, including Rs. 19.43 lakhs worth of new assets acquired during the year, and has been written down to a net block of Rs. 81.44 lakhs.

The Rs. 10.00 fully paid share of the Company is currently quoted at Rs. 13.94 *ex-div.* and fetches a net yield of 3.5 per cent per annum.

SYNOPSES OF COMPANY REPORTS

National Tannery Co., Ltd.

(*Secretary*: Mr. K. D. Ganguli, Calcutta.)

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales	44,04	33,36
Closing stock	11,17	15,62
Gross profit	1,11	1,50
Transfer to depreciation	63	49
,, ,, provision for taxation	29	25
Net profit	29	76
Adjustments	53†	6
Appropriations:		
Total available balance	82	82
Transfer to development rebate reserve	15	20
Proposed dividends (taxable) 5% C. Preference	3	3
Proposed dividends (taxable) Ordinary	29 (3%)	Nil (Nil)
Carry forward	35	59

N.B.—Adjustments represent the balance brought forward from the previous year.

† After providing for additional preference dividend for the years 1952 to 1959 amounting to Rs. 6,000.

Extracts from the Directors' Report: Production.—Although production had to be carried out under a severe strain imposed by the work involved in the construction and reorientation of factory building during the period an upward trend in volume of production was definitely discernible.

Sales.—Sales during the period have increased by 32 per cent approximately over the last year's figure. It may however be pointed out that higher sales were not followed by higher margin of profit because of increased cost of raw materials, rise in labour cost and other indirect expenses.

Plant and Machinery.—Additions of new plant and machinery during the period have been to the extent of Rs. 95,847.63 nP. Machinery worth Rs. 18,983.55 nP although acquired during the year, could not be completely installed on account of their late arrival.

Raw Hides.—Scarcity of raw hides in the country still continue and the directors are glad to report that the import licensing position during the period remained as liberal as before. It would not have been possible to maintain production at the present level except for liberal licensing policy of the Government. The price level for both imported and indigenous hides continued to be high and there is no indication of lowering of prices in the near future. This calls for a stricter control in selection and process to ensure maximum benefit in quality production.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	10,00,000	Gross block	17,21,304
Reserves and surplus	1,69,148	—Depreciation	7,85,107
Other liabilities	40,89,538		
		Net block	9,36,197
		Block-in-progress	21,689
		Current assets	41,68,706
		Investments	45,650
		Cash	86,344
	Rs. 52,58,686		Rs. 52,58,686

* Paid-up capital consists of 5,000 five per cent. cumulative preference shares of Rs. 10 each fully paid up and 95,000 Ordinary shares of Rs. 10 each fully paid up.

Duncan Brothers and Co., Ltd.

(*Chairman*: Mr. K. P. Goenka, Calcutta.)

63rd Annual General Meeting—21st July 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales	1,88,89	1,70,42
Closing stock	5,51	3,54
Commission and Agency income	50,16	49,52
Gross profit	38,31	41,52
Transfer to depreciation	1,07	65
,, ,, provision for taxation	17,00	17,50
Net profit	20,24	23,37
Adjustments	10,31†	5,47*
Appropriations:		
Total available balance	30,55	28,84
To adjustment of loss on investments	3,44	Nil
Transfer to general reserve	3,00	4,00
,, ,, investment reserve	Nil	5,00
,, ,, contingencies reserve	5,50	Nil
,, ,, development rebate reserve	20	10
Proposed dividends (taxable) 4% C. Preference	2,34§	2,88§
Proposed dividends (taxable) Ordinary	12,60 (14%)	12,60 (14%)
Carry forward	3,47	4,26

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

† This includes Rs. 5,50,000 being excess provision for taxation in previous years written back.

* This includes Rs. 78,750 transferred from contingencies reserve.

§ Preference dividend is calculated at Rs. 5.20 per share, subject to tax.

‡ This includes Rs. 54,000 being additional preference dividend for the year 1959 at Re. 1.20 per share.

Extracts from the Directors' report: Tea (India).—Tea interests have again made a most substantial contribution to the Company's prosperity and efforts continue to be directed towards maintaining the most efficient possible service to gardens in the Agency.

During 1961 climatic conditions were particularly favourable for growth in most of the producing areas of India, and the exceptionally large crop harvested in consequence of this has to some extent offset the effects of a fall in world prices. The total crop harvested by the Agency's estates in India was 22,269 metric tonnes compared with 20,766 tonnes in 1960 and 20,433 tonnes in 1959.

Tea (Pakistan).—After the depressing climatic conditions of 1960 the tea areas in Sylhet shared in the generally favourable weather last year and an excellent crop was harvested. Prices however declined in 1961 so that the quantitative improvement was not fully reflected in the income of the various companies. Moreover there was no break in the impasse regarding profit remittances to India, with the result that profit earnings could not be distributed to shareholders in this country and the Company's dividend income was restricted accordingly.

The total crop harvested by the Agency's estates in Pakistan was 5,937 metric tonnes as compared with 4,018 tonnes in 1960 and 5,170 tonnes in 1959.

Carbon Black.—Work on the construction of Philips Carbon Black Ltd.'s plant has continued steadily throughout the year under review and despite manifold difficulties in the main connected with the acute shortage and long delivery dates of essential equipment and material from indigenous sources, completion schedules have been largely maintained and it is now anticipated that certain of the production units will be commissioned during June 1962, while the entire plant is expected to come into operation soon afterwards. This Company was duly appointed as Secretaries and Treasurers to Philips Carbon Black Ltd. on 5th May 1961.

Valves.—Considerable progress has been made with the establishment of Schrader-Scovill Duncan Ltd.'s plant in Bombay for the manufacture of tyre tube valves for motor vehicles. Since the Supreme Court has recently declared the acquisition of land for industrial purposes to be ultra vires the Constitution, land has been taken on lease for the time being, the necessary import licence for machinery has meantime been received and the complete unit is expected to be ready for production towards the end of this year. This Company has been appointed Secretaries and Treasurers to Schrader-Scovill Duncan Ltd. and in the latter part of 1961 a public issue of equity shares handled on its behalf was oversubscribed more than twenty times.

Bead-wire.—The Company has entered into collaboration with the National Standard Company of Niles, Michigan, U.S.A., one of the leading manufacturers of bead-wire for automobile and cycle tyres, and it is planned to establish a plant in Bombay for the manufacture of that product. The necessary licence has been obtained under the Industries (Development and Regulation) Act, 1951 and it is anticipated that arrangements will shortly be made for the formation of a new company to be known as National Standard Duncan Ltd. The Company will participate in the share capital of this new undertaking and application will also be made for Government's approval to the Company's appointment as Secretaries and Treasurers.

Share Capital.—In last year's report a reference was made to the directors proposal to increase the Company's equity capital by a "Rights" issue of 10,000 shares. In the event, however, when there was a postponement of certain developments then in view and it became apparent at the same time that the profits for the year would fall a little below those of 1960, the decision was made to postpone this fresh issue until the current year. Moreover, the increasing requirements of the Company's expansion into various new fields have shown that a somewhat larger addition to its capital resources would be desirable to ensure a greater degree of adaptability under changing circumstances, and an application is accordingly being submitted to the Controller of Capital Issues for a "Rights" issue of one in five, to be made in the latter part of the current year. Application is also being made for permission to offer Rs. 10 lakhs of 6 per cent redeemable preference shares for subscription and it is for this purpose that a proposed special resolution to alter the authorised capital of the Company has been included in the business for consideration at the annual general meeting; on the assumption that both these proposals will be put into effect at the earliest available opportunity the capital of this Company will be increased by some Rs. 28 lakhs by the end of this year.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,35,00,000	Gross block	36,21,461
Reserves and surplus	1,24,96,877	—Depreciation	13,23,905
Other liabilities	87,95,052		
		Net block	22,97,556
		Current assets	76,74,814
		Investments	2,13,19,988
		Cash	34,99,571
	Rs. 3,47,91,929		Rs. 3,47,91,929

* Paid-up capital consists of 45,000 four per cent. cumulative preference shares of Rs. 100 each fully called up and 90,000 Ordinary shares of Rs. 100 each fully called up.

Isaac Holdens (India) Ltd.

(*Managing Agents*: Messrs. Duncan Brothers & Co., Ltd., Calcutta.)

Second Annual General Meeting—29th June 1962.

Extracts from the Directors' report: The accounts of the Company for the year ended 31st December 1961 which disclose a loss of Rs. 8,28,769 after providing depreciation of Rs. 5,16,215 (Rs. 1,37,693 for 1960). With the carried forward loss from 1959-60 of Rs. 6,39,700 the debit balance on the profit and loss account amounts to Rs. 14,68,469.

Commercial production commenced on 13th January 1961 and was gradually built up as training of labour progressed. The rate of production was, however, seriously affected by several factors. The shortage of electric power in the Calcutta area severely restricted supplies for the Company's use in the first half of the year. Initial difficulties were experienced in obtaining from indigenous sources essential items of equipment such as combing leathers, and delays in shipment led to the late receipt of customers' wool and the disruption of production schedules.

All the difficulties faced in the setting up of the Company's works did not affect the standard of the wool tops and the Company's products have been consistently good and up to standard. Almost all the adverse factors have been overcome and normal working commenced from the beginning of this year. The Company hopes to show more favourable results in next year's account.

Production during the year totalled 1,019,948 kilograms but by the end of the year a satisfactory rate of production on the *Noble combing plant* in excess of 2.3 million kilograms per annum had been achieved.

Future Development. Utilisation of Indian wools was under serious consideration by the Government of India during the year. The Government particularly requested this Company to take up this work and the commission combing of Indian wool on a commercial scale for the first time was, therefore, undertaken by the Company. Valuable assistance was received from the technical consultants who produced tops and garments made from blends of Indian wool which were of great interest to Government and the trade. This development will be of considerable help to the Indian economy and should eventually produce a saving in foreign exchange. It has always been the intention of the Company to undertake the processing of *synthetic* and *cellulosic fibres* for the use of the woollen industry and this development will also be pursued during the coming year. The Board considered that this work would be more effectively carried out by a separate company and therefore Indian Fibres Limited was formed and registered this year as a subsidiary of this Company to promote the sales and production of tops made from *Synthetic Fibres* and Indian wools. The Company is awaiting the issue of import licences to enable it to purchase further machinery to produce the balance 1.6 million kilograms of wool tops. These applications have been kept pending in view of the foreign exchange position but the Company is hopeful of obtaining them under extended credit terms.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	74,89,150	Gross block	78,59,316
Other liabilities	36,13,999	—Depreciation	6,53,908
		Net block	72,05,408
		Current assets	19,65,224
		Cash	2,23,271
		Miscellaneous expenditure	2,40,777
		P.L. a/c deficit	14,68,469
	Rs. 1,11,03,149		Rs. 1,11,03,149

* Paid-up capital consists of 7,50,000 equity shares of Rs. 10 each. Calls in arrears amount to Rs. 10,850.

Highland Produce Co., Ltd.

(*Managing Agents*: Messrs. A. V. Thomas and Co., Ltd., Alleppey, Kerala.)

36th Annual General Meeting—29th June 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales:—		
Tea	30,18	25,91
Cardamom	3,12	1,88
Minor produce	4	8
Closing stock of tea, cardamom, etc.	3,30	4,62
Gross profit	10,34	10,09
Transfer to Mg. Agents' remuneration	95	95
,, ,, depreciation	76	60
,, ,, provision for taxation	4,00	4,25
Net profit	4,63	4,29
Adjustments	38	25
Appropriations:		
Total available balance	5,01	4,54
Transfer to reserve for development rebate	4	6
,, ,, general reserve	25	1,19
,, ,, building reserve	50	Nil
,, ,, investment reserve	1,00	Nil
Proposed dividends (taxable) C. Preference	20	22†
,, ,, Equity	2,70 (15%)	2,70 (15%)
Carry forward	32	38

N.B.—Adjustments represent only the balance brought forward from the previous year

† This includes Rs. 2,280 being additional dividend for 1959.

Extracts from the Directors' report:

Crop—Tea	Estimate for Crop Secured		
	1961 Kg.	1961 Kg.	1960 Kg.
Pasuparai	2,08,653	2,52,807	2,27,620
Carady Goody	3,26,586	3,83,400	3,76,637
Total	5,35,239	5,36,207	6,04,257

The total crop of 6,36,207 kgs. harvested during the year against an estimate of 5,35,239 kgs. is satisfactory and records an increase of 31,950 kgs. over the previous year's production.

The F.O.B. cost for the year was Rs. 2.91 per kg. as against an estimate of Rs. 2.76 and the all-in-cost was Rs. 3.63 per kg. against last year's figure of Rs. 3.47. The net average sale price realised was Rs. 4.64 per kg. as against Rs. 4.53 during the previous year.

Cardamom: The quantity of Cardamom harvested during the year amounted to 19,126 kgs. as against 13,035 kgs. in the previous year. The cost of production for the year was Rs. 6.02 per kg. as against Rs. 6.40 during last year and the average sale price realised was Rs. 15.76 per kg. as against Rs. 18.02 for 1960.

Crop Estimate for 1962	Tea (Kgs.)	Cardamom (Kgs.)
Pasuparai	2,40,000	17,500
Carady Goody	3,60,000	—
Total	6,00,000	17,500

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	21,00,000	Gross block	34,76,661
Reserves and surplus	13,20,748	—Depreciation	8,14,925
Other liabilities	11,24,541		
		Net block	26,61,736
		Current assets	9,53,684
		Investments	3,98,652
		Cash	5,31,217
	Rs. 45,45,289		Rs. 45,45,289

* Paid-up capital consists of 1,90,000 equity shares of Rs. 10 each and 30,000 six per cent. tax-free cumulative preference shares of Rs. 10 each.

Edward Textiles Ltd.

(*Managing Agents*: Puranmal Bubna Sons, Bombay.)

53rd Annual General Meeting—Held on 28th June 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales	2,67,65	2,32,32
Closing stock	51,73	49,86
Gross profit	16,08	23,23
Transfer to Managing Agents' Commission	99	85
,, ,, depreciation	5,45	3,58
,, ,, provision for taxation	2,52	90
,, ,, development rebate reserve	4,74	2,33
Net profit	2,38	15,57
Adjustments debit(—)*	—2,30	—14,81
Appropriations:		
Total available balance	5,38†	15,57
Proposed dividend (taxable) Ordinary	3,06 (9%)	3,06 (9%)
To adjustment of loss brought forward	2,30	12,51
Carry forward credit (+) or debit (—)	+2	—2,30

* Adjustments represent the debit balances brought forward from the previous year.

† This includes Rs. 3,00,000 transferred from general reserve for payment of dividend.

Extracts from the Directors' report: The Directors have decided upon implementation of a scheme of modernisation and rehabilitation of Mills, and, accordingly, have placed orders for the purchase of machineries etc. Such orders as are remaining to be executed on 31st December 1961, are to the extent of about Rs. 39,43,829. Further orders as have been placed during the period from 1st January 1962, till the date of this report, are to the extent of about Rs. 2,50,000. The aforesaid scheme will be financed partly by the Company's own resources and partly by a loan of Rs. 40 lakhs to be obtained by the Company from the National Industrial Development Corporation Ltd., on a mortgage of its fixed assets, an amount so far received being Rs. 18,11,000 only.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	34,00,000	Gross block	1,22,00,010
Reserves and surplus	39,35,967	—Depreciation	71,34,359
Other liabilities	97,78,353		
		Net block	50,65,651
		Current assets	1,06,11,293
		Investments	13,73,969
		Cash	63,507
	Rs. 1,71,14,420		Rs. 1,71,14,420

* Paid-up capital consists of 17,000 Ordinary shares of Rs. 200 each. Out of this 8,500 ordinary shares are issued as fully paid-up Bonus shares by capitalisation of reserves.

RAJKUMAR MILLS LTD.

In the synopsis of the working of the Rajkumar Mills Ltd. appearing in our issue dated 23rd June 1962 (*vide* page 1129), the dividend for the year 1961 was shown as 5½ per cent, while it should be 22 per cent. The error is regretted.

TEXTILES

(*Concluded from page 39*)

export promotion, which, he declared, lacked proper incentives and appreciation of certain basic facts. Evidently, he must have been prompted by the none too encouraging performance on the export front, though the scheme has been in force for the past four years. Exports of woollen goods are currently maintained at an annual rate of no more than 260,000 yards, as against the actual shipment of 345,229 yards in 1960-61 and 567,255 yards in 1959-60. The specific scheme which Mr. Singhania suggested to boost exports is as follows:

"At least 10 per cent of the annual production should be earmarked for export. All manufacturer-exporters who receive actual users' licence for wool tops should deposit a part of the value every year and a pool should be created out of these deposits which should be under the control of the Export Promotion Council for woollen goods. The present export incentive should be raised from 85 per cent to 100 per cent of the exports and additional benefits should be made available to the manufacturer-exporters as a further incentive. This is to be paid from the pool. The manufacturer-exporters will be entitled to raw materials to the full extent of the licences issued to them and the non-exporters will assist member-units which have succeeded in promoting exports."

Considering the present foreign exchange crisis, whatever little that can be earned through any scheme of compulsory export and "full" incentives is, of course, welcome. But even with such a scheme, the actual export performance may not be encouraging, at any rate so long as the woollen industry works on a high cost base and is unable to effect a substantial improvement in the quality of products, in view of worn-out and outdated machinery. The key to export promotion lies in (*a*) requisite supply of raw materials at reasonable prices, (*b*) speedy modernisation of equipment, (*c*) rationalisation of production processes, and (*d*) removal of some of the vexatious controls over manufacture and distribution.

COMMERCE AND INDUSTRY

(*Concluded from page 34*)

producing countries to organise international buffer stocks. On account of the scarcity of capital to finance buffer stocks in primary-producing countries, it has also indicated the need for seeking the co-operation of developed countries. Unless effective measures are taken to eliminate price instability, the producers will not be able to secure fair returns for their products, not to speak of its repercussions on the foreign exchange situation of countries like India.

Cashewnut, though it has been brought within the purview of the new Committee, falls under a separate category. Although India is one of the leading producers of cashewnuts, a large quantity is still being imported for processing into kernels by factories situated mainly in Kerala. Imports of cashewnuts amounted to as much as 90,000 tons in 1961-62 (valued at about Rs. 6 crores), as against 118,000 tons in 1960-61 (about Rs. 10 crores). Thus, cashewnut factories depend more on imports than on domestic sources for raw nuts amounting to about 75,000 tons annually. The need for increasing domestic output is thus self evident. Dr. Singh's fear that expansion of acreage under cultivation of rubber would discourage cashewnuts production seems to be misplaced. Rubber and cashewnuts are not strictly substitutable cash crops. In Kerala, for instance, while rubber cultivation is undertaken generally in high ranges and that too on a plantation scale, cashew plants are grown throughout the length and breadth of the State, particularly in agricultural wastelands. It would, of course, be unwise, in any case, to restrict the cultivation of rubber, the per-tree yield from which is several times higher than that of cashew plants. These patent facts deserve to be stressed, lest Dr. Singh's misleading diagnosis should result in undesirables prescriptions. If sufficient incentives are given by the State by way of long-term loans, distribution of good seeds and suitable fertilisers, the cultivation of cashewnuts can be promoted in places where rubber cannot be grown. It is also necessary to establish some organised fruit canning units to utilise the fleshy cashew fruits that are largely wasted now; the canned fruits themselves may, in turn, fetch foreign exchange, besides securing for the producer a better return from cashew plants.

Notice

DUNCAN BROTHERS AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-third Annual General Meeting of the Shareholders of Duncan Brothers & Company Limited will be held at the registered office of the Company, 31, Netaji Subhas Road, Calcutta, on Saturday, the 21st day of July, 1962, at 11-30 a.m., to transact the following business:

(1) To consider and adopt the audited accounts for the year ended 31st December, 1961, and the Reports of the Board of Directors and the Auditors.

(2) To declare dividends on the Preference and Ordinary Shares.

(3) To elect a Director.

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

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following resolutions:

(5) *As a Special Resolution*: "That the authorised capital of the Company be increased from Rs. 2,70,00,000 to Rs. 2,80,00,000 by the creation of 10,000 6 per cent Redeemable Preference Shares of Rs. 100 each."

(6) *As a Special Resolution*: That Article 5 of the Articles of Association be deleted and the following Article substituted in place thereof:

"At the date of adoption of this Article, the capital of the Company is Rs. 2,80,00,000 divided into 2,25,000 Ordinary Shares of Rs. 100 each, 45,000 Preference Shares of Rs. 100 each and 10,000 Redeemable Preference Shares of Rs. 100 each. The said Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 4 per cent per annum tax-free on the capital for the time being paid up thereon. The said Redeemable Preference Shares shall confer the right to a fixed—cumulative preferential dividend at the rate of 6 per cent per annum free of income-tax payable by the Company but subject to deduction of tax under Section 194 of the Income Tax Act, 1961 or any statutory modification or enactment thereof prescribed under the Finance Act currently in force. The Preference Shares and the Redeemable Preference Shares shall confer the right in a winding-up to payment off of capital and arrears of dividend, whether declared or not, upto the commencement of the winding up in priority to the Ordinary Shares, but shall not confer any further right to participate in profits or assets, nor confer any voting rights save as provided in Section 87 of the Companies Act, 1956.

"Subject to the provisions of Section 80 of the Companies Act, 1956, the Company shall have the option to redeem the whole or any part of the Redeemable Preference Shares at par at any time or times after the thirtieth day of June, 1969 on giving not less than six months' previous notice in writing specifying the date of redemption and, in the case of partial redemption, the number of shares to be redeemed and the date of drawing hereinafter referred to. The particular Redeemable Preference Shares to be redeemed shall be determined by means of drawing and such drawing shall be conducted by the Board at the office in the presence of a Notary Public and also of such of the holders of the said Redeemable Preference Shares who care to attend."

(7) *As an Ordinary Resolution*: "That subject to the approval of the Central Government being received and with effect from 1st November, 1962 Mr. K. P. Goenka be and is hereby re-appointed a Managing Director of the Company upon the terms and conditions as to remuneration and otherwise to be specified in an agreement to be entered into between the Company and Mr. Goenka, a draft whereof has been submitted to this meeting and for the purpose of identification signed by the Chairman thereof and that, accordingly, the Directors be and are hereby authorised to enter into the agreement with Mr. Goenka in terms of the said draft."

(8) *As an Ordinary Resolution*: "That subject to the approval of the Central Government being received and with effect from 1st April, 1962, Mr. N. C. Lance be and is hereby appointed a Managing Director of the Company upon the terms and conditions as to remuneration and otherwise to be specified in an Agreement to be entered into between the Company and Mr. Lance, a draft whereof has been submitted to this meeting and for the purpose of identification signed by the Chairman thereof and that, accordingly, the Directors be and are hereby authorised to enter into the agreement with Mr. Lance in terms of the said draft."

The Register of Members and Share Transfer Books of the Company will be closed from 12th to 21st July, 1962 both days inclusive.

By Order of the Board,
S. K. MITRA,
Secretary.

CALCUTTA, 12*th June*, 1962.

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

An Explanatory Statement has been annexed to the Notice sent to the Shareholders.

NEW LOANS ANNOUNCED

(From Our Own Correspondent)

BOMBAY, *4th July*

The eagerly awaited borrowing programme of the Central Government was announced late on Tuesday evening this week. It had a surprise for the money market. While it had generally been anticipated that the Government would pay a little more on its loans this year than it did last year, none had expected that it would offer as much as 4.5 per cent per annum, albeit on the longest-dated loan. Since the terms offered are more liberal than even the expectations of the optimist, values of the existing loans have suffered a substantial setback and a further fall is not ruled out.

Three new loans are being offered by the Government, the lists for which will open on 12th July 1962 and remain open till 14th July 1962, inclusive. They may, however, be closed earlier, if the target, which is Rs. 250 crores, is reached. The Government has reserved the right to retain subscriptions upto 10 per cent in excess of the notified amount, that is, Rs. 250 crores.

The three loans offered consist of a short-medium, a long-medium and a long-term issue, as will be seen from the following particulars:

(i) a further tranche of the existing 3¾ per cent National Plan Bonds—Fifth Series (3¾ per cent 1968) at Rs. 99.20 per Rs. 100 (nominal) repayable at par on 12th May 1968;

(ii) a further tranche of 4 per cent Loan 1972 at Rs. 99.20 per Rs. 100 (nominal) repayable at par on 1st August 1972, and

(iii) 4½ per cent Loan 1985 at Rs. 100 per Rs. 100 (nominal) repayable at par on 12th July 1985.

As the first two loans are being issued at a discount, the redemption yield on them is higher at 3.90 per cent and 4.10 per cent, respectively. As compared with the yields available on the existing loans of corresponding maturities, they are better by 0.12 per cent in both the cases. There is no such long-dated loan as 1985 at present, the existing longest dated loan being 4 per cent 1981. At the time of the loan announcement, the yield on it was 4.08 per cent. While the new long-dated issue is four years longer than the 1981 loan, it carries a yield which is better by 0.42 per cent. A big increase of this nature in the borrowing rate of the Government marks a further significant departure towards higher interest rates.

Subscriptions to the new loans can be both in cash and the two loans maturing this year, namely, 2¾ per cent 1962 and 3¼ per cent 1962. The details of Conversion are as follows:

The securities of 2¾ per cent Loan 1962 and 3¼ per cent Bonds 1962 will be accepted for conversion at Rs. 99.50 and Rs. 100 respectively per Rs. 100 (nominal). Interest on 2¾ per cent Loan 1962 will be paid upto 11th July 1962. Interest on 3¼ per cent Bonds 1962 will be paid for the full half-year ending 15th July 1962.

Interest on the securities to be issued will accrue from 12th of July 1962. Interest on the 3¾ per cent National Plan Bonds—Fifth Series (3¾ per cent 1968) will be paid on the 12th November 1962 for the period 12th July to 11th November 1962 and thereafter half-yearly on the 12th May and 12th November. Interest on the 4 per cent Loan 1972 will be paid on the 1st August 1962 for the period 12th to 31st July 1962 and thereafter half-yearly on the 1st February and 1st August. In the case of 4½ per cent Loan 1985, interest will be paid half-yearly on 12th Jan. and 12th July.

As already stated, the new loan has had a bearish effect on the gilt-edged market. Over the week, the existing 4 per cent 1972 has gone down by 70 nP to Rs. 99.50, 4 per cent 1973 by 55 nP to Rs. 99.50 3¾ per cent 1967 and 1968 by 40 nP and 35 nP, respectively, 3½ per cent 1968 by 30 nP and so on.

The terms of the new loan have had no effect on the short-term money market. The term-deposit rates are unchanged. The inter-bank call rate has been easy throughout the week at the low rate of 1¼ per cent, as all banks are flushed with funds. It is possible that money will be in good demand when the lists for new loans open and the call money rate may then easily jump up to 3.5 per cent.

The 91-days' Treasury Bill rate has gone down further from 2.4 per cent to 2.371 per cent. There has again been competition for them, the offerings aggregating Rs. 4.10 crores, as against Rs. 4.25 crores last week and an invitation for Rs. 2 crores. Sales of Intermediate Treasury Bills, on which the yield was only 2.336 per cent, fetched as much as Rs. 7.10 crores, as compared with Rs. 6.36 crores in the previous week and only Rs. 48 lakhs in the week before that.

There will be no sale of Treasury Bills through the tender system during the coming week, the next date for tenders being 16th July. Apparently the Government has skipped the next week, because of its long-term borrowings referred to at the outset. Sales of intermediate Treasury Bills, however, are being continued from 4th to 14th July, but the rate has been reduced still further to 2.316 per cent.

The foreign assets of the Reserve Bank, during the week ended 29th June 1962, declined by as much as Rs. 5.02 crores, bringing down the total to Rs. 97.32 crores, which is a record low, the previous lowest being Rs. 98.04 crores during the week ended 28th July 1961.

Among foreign exchanges, the pound sterling ruled strong this week, with the rate for ready sterling in New York improving from 280.730-280.760 cents to 280.770-280.800 cents per £. Three months' forward also picked up 0.020 cent to 280.230-280.260 cents per £.

GOLD STEADY, SILVER EASY

(From Our Own Correspondent)

BOMBAY, *4th June*

Gold in the bullion market ruled steady during the week under review, while silver was easy. The steadiness of gold was due to reduced pace of arrivals, the daily average being 5,250 tolas, as against 7,000 tolas last week. Offtake of gold was, of course, lower at 3,750 tolas a day on an average, as against 4,800 tolas, but it was thought that it might improve in the next few weeks. Silver encountered selling induced by bearish advices from upcountry centres. The daily average rate of arrivals was also higher at 53 bars, as compared with 41 bars, whereas offtake was unchanged at 8 bars. The undertone of the silver section at the time of writing was somewhat firm.

In gold, the *Bhadrapad* (15th September) settlement met with good support and advanced in the course of the week from Rs. 123.90 to Rs. 125.30 yesterday, but declined on bull liquidation to Rs. 124.35 today. The ready rate continued to command a premium over the forward, though the actual premium declined from Re. 1.75 on Wednesday last week to Re. 1.30 today, when the closing rate stood at Rs. 125.65 same as last week.

The *Bhadrapad* (17th September) settlement in silver began the week at Rs. 216.40, as against the previous close of Rs. 216.25, and moved down to touch a low of Rs. 214.90 yesterday. At this level, there was some support and the settlement recovered to Rs. 215.40 today before closing at Rs. 215.35, a net drop of 90 nP over the week. Ready silver receded from Rs. 215.25 to Rs. 213.65 yesterday, but hardened to Rs. 214.35 today. At this rate, the discount under the forward was Re. 1, same as last week; the discount was higher at Re. 1.25 yesterday, as well as on Saturday and Friday.

A large part of the gains recorded by silver in the London bullion market in the previous week was erased during the week under review. Ready silver fell from 89*d.* to 86¾*d.* and forward silver from 89½*d.* to 87¼*d.* Silver at New York also suffered a setback, the latest available quotation being 103.25 cents, as against 104.50 cents. Ready gold in London, too, eased from 250*s.* 2*d.* to 250*s.* 0¾*d.* The dollar price, however, strengthened from $35.10½ to $35.11.

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

	4-7-'62 (closing)	High	Low	27-6-'62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	125.65	125.70	125.00	125.65
Bhadrapad * ..	124.35	125.30	123.65	123.90
Sovereign	97.50	97.75	97.50	97.50
SILVER				
Ready (.996 fine)	214.35	215.40	213.65	215.25
Bhadrapad † ..	215.35	216.40	214.90	216.25
London—				
Gold	250*s.* 0¾*d.*	250*s.* 0¾*d.*	249*s.* 11½*d.*	250*s.* 2*d.*
Silver Ready ..	86¼*d.*	88*d.*	86¼*d.*	89*d.*
Silver Forward ..	87¼*d.*	88¼*d.*	87¼*d.*	89¼*d.*
New York—				
Silver	103.25 cents	104.50 cents	103.25 cents	104.50 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

METALS UNCHANGED

(From Our Own Correspondent)

CALCUTTA, *3rd July*

Conditions in the metal market during the week under review were unchanged and prices were about firm at previous levels. Support was on a modest scale, but the stock position of the principal metals bordered on exhaustion. A hand-to-mouth existence has come to stay as a permanent feature of the metal market, and with the difficult foreign exchange position, the day when India can maintain a good stock position and can import when prices are lower, is far off. That is why prices in India shot up a couple of weeks ago when it was announced that a general cut in imports had been decided. At that time, conditions in world markets were quiet, pending the releases of tin and copper from U.S. strategic stockpiles.

During the week under review, it was announced that the condition, namely, 'that the supplier is not more than 49 per cent owned by stock-holders who are not citizens of the U.S.A." —stipulated in regard to the grant of import licences for non-ferrous metals under the aid granted by the agency for international development of the U.S.A., has been waived by the Government of India.

On the London Metal Exchange, tin opened at £869 a ton and, after hardening to £878, eased to close lower at £864. The improvement in price was due to the pressure now being exerted on the U.S.A. by producing countries to prevent U.S. releases at prices lower than £1 000 a ton. Bolivia has called upon the U.S. to defer the proposed releases until a rational price policy was evolved. Malaya has urged that it is not enough if the U.S. only listens to Malayan representations; that country wants the U.S. to consider actively the different problems that would come to the forefront when once the release commences. In Calcutta, tin was maintained at Rs. 1,840 per 100 kgs.

With more arrivals of the virgin metal from the U.S. copper scrap supplies were under less pressure. In London, the spot quotation remained unchanged at £234 per ton. Zinc in London opened at £66¼ a ton and closed higher at £67½. Lead closed lower at £56¼ a ton, as against opening of £56¾.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, *4th July*

The cotton futures market had a short session of only four trading days during the week. The market was closed on Monday, the 2nd inst., on account of the death of Dr. B. C. Roy, Chief Minister of West Bengal and Mr. Purushotamdas Tandon, a former Congress President and also today, as a mark of respect to the memory of Sir Purushottamdas Thakurdas, who passed away on this day (4th July) last year. During this short period, the market ruled fully steady. The steadiness was influenced by the delay in the monsoon which, it was apprehended, would adversely effect the crop. Speculative support induced by this consideration led to a rally in prices and the Jarilla March 1963 contract rose from Rs. 722.75 last week-end to touch Rs. 731.25 yesterday. This level however could not be maintained as subsequent reports from upcountry centres said that Berar, C.P. and Madhya Bharat tracts had received rains varying from 1" to 1¼" and that there was likely to be further rains and this prompted selling. The Jarilla March contract receded from Rs. 731.50 to Rs. 727.75 at close yesterday. The contract again firmed in private trading today, on fresh support, to Rs. 729. The undertone at the time of writing is fully steady. The range of fluctuation of the contract is indicated below:

	3-7-62	*High*	*Low*	27-6-62
I.C.C. Jarilla				
March 1963 ..	727.25	731.25	720.75	722.75

In the spot market at Sewri, activity was limited. Moderate interest was noted in popular varieties such as Co2, Digvijay, Vijay, Surti, L. 147, Kalyan and 197/3. Prices were well maintained. Export demand for Bengal *Deshi* during the week was slack. Some stray business was, however, put through in fine and superfine varieties. Owing to the Japanese interest noted of late, export sales against the recent quota have been steadily increasing and if the trend persists the ceiling would soon be reached.

In the import section, spinner interest was noted in Pakistan, American and Sudan cottons. The ceiling of 42,000 bales fixed for import of Pakistan cotton has been almost reached. Meanwhile, mill interest in Pakistan cotton has turned to new crop, thanks to the scarcity of choice qualities.

The guaranteed minimum price for Uganda cotton during the 1961-62 season has just been announced. The prices are 55 cents per lb. for S47 and 56 cents per lb. for B.P. 52. These guaranteed minimum prices are higher than is justified by present estimates of what world prices may be when the cotton crop is sold. The Government is reported to have fixed these comparatively high prices in order to maintain growers' incomes, to cushion the effect of possible falls in the sale prices obtained for Uganda cotton and to provide the maximum incentive to growers to increase their acreage of cotton this year as a means to offset their losses on last season's disastrous crop. It has been emphasised that the prices now announced are guaranteed minimum prices; final prices, which will be fixed later in the year, will not be lower and are unlikely to be any higher. In setting the guaranteed minimum prices at this high level, the Government intends to give the grower the closest possible indication of the price he is likely to receive for his crop, and it is hoped thereby to achieve a good response to the call for increased production thus not only restoring the crop to its former level, but possibly bringing about a substantial increase. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from the Spot market at Sewri:

Bengal *Deshi* 685; Gangnagar 640; Wagad 905; Khamgaon 1,150; Pakistan 4F 1,015; B.P. 52 1,340; Elpaso 1,580.

Distinctly firm conditions prevailed in the Karachi cotton futures market during the week under review. The N.T.R.G. July contract attracted fresh support, thanks to the commencement of the delivery period, and rallied from Rs. 72.70 last week-end to Rs. 75.20. The new crop January contract firmed up in sympathy from Rs. 76.15 to Rs. 76.40. The following are the latest available spot quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 7.050; Punjab *Deshi* 55; 4F Punjab Roller 83; S.G. 87; L.S.S. Punjab Roller 84; S.G. 88; 289F Punjab Roller 93.50; S.G. 101.

Cotton futures in Liverpool suffered a setback during the week. Both the American and American type contracts declined on pre-tender liquidation in the near positions and hedge selling in the more forward positions. Ready demand by spinners was quiet and centered mainly around South Brazilian, Peruvian, Argentine, and Mexican cotton. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July 23.75; October 23.65; December 23.60; March 23.75.

American cotton mixed growth contract: December 23.95.

Sudan: July, September, November 29.50.

Easy conditions prevailed in the New York cotton futures market during the week. Selling in the July position prompted by the issue of a large number of transferable notices led to a decline in values which extended to other positions also. Spot prices, however, ruled steady.

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

(In cents per lb.)

	3-7-62	26-6-62	19-6-62
New York Spot	36.15	36.10	36.10
July	33.71	34.23	34.85
October	34.09	34.43	34.58
December	34.09	34.38	34.40

ART SILK YARN BUOYANT

(From Our Own Correspondent)

BOMBAY, *4th July*

Amilon yarn (20 x 1) futures and spot indigeneous art silk yarn registered a marked rise in values. The rise followed hectic buying by bulls with a view to holding as much stocks as possible before the Government actually gave effect to its proposal to impose a cess of 25 nP per lb. on indigeneous yarn. It was reported that the spinning interests had told the Textile Commissioner that they would accept the proposal, provided they were allowed to raise the prices suitably. The report that Mr. T. T. Krishnamachari had suggested a further drastic cut in import of art silk yarn also gave an impetus to bulls. National Rayons 150 Bt. cones 1st grade advanced from Rs. 13.55 to Rs. 14.78 and 120 Bt. cones 1st grade from Rs. 15.95 to Rs. 17.05. Imported 150 and 120 Japan and Italy yarns were unchanged at last week's levels. Amilon (20 x 1) August contract climbed up from Rs. 4.340 to Rs. 4.460. The Yarn Merchants Association and Exchange has decided not to open the October contract, in view of shortage of goods.

In sympathy with art silk yarns and following good enquiries from consuming centres, staple fibre yarn also recorded handsome gains. 20 x 1 August settlement spurted by Rs. 31 to Rs. 782. Spot Citys rose by 49 nP to Rs. 8.45. Kohinoors hardened by 13 nP to Rs. 8.51. Hinds strengthened by 16 nP to Rs. 8.67.

Cotton yarns were dull. Business put through was restricted with values moving narrowly. Traders felt that the supply of cotton yarn from the Madras side would dwindle due to lower output, following the enhancement of power cut from 50 per cent to 60⅔ per cent. The report, however, did not have much effect.

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

	4-7-1962	27-6-1962
Art silk yarn—	Rs.	Rs.
120/1 Amilon (100 kg.)—		
August	4,460.00	4,340.00
120 Japan (per 100 kg.)	2,260.00	2,260.00
150 Japan (per 100 kg.)	2,205.00	2,205.00
120 Italy (per 100 kg.)	1,819.00	1,819.00
150 Italy (per 100 kg.)	1,736.00	1,736.00
Nat. Ray. 150 Bt. 1 (per kg.) ..	14.78	13.55
Staple fibre yarn (40 x 2)—		
August	782.00	751.00
Kohinoor (per kg.)	8.51	8.38
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	17.50
30s Podar	21.75	21.75
32s Madura	30.00	29.50
40s Madura	35.50	35.00
60s Punjay	72.50	72.50

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *4th July*

The upward trend of oilseeds prices noted last week gained considerable momentum during the week under review, with the exception of linseed which ruled subdued mainly on technical considerations. Groundnuts were buoyant, thanks to paucity of rains in the major producing areas. Today, however, there was stale bull liquidation on reports of rains and smooth sowing operations in certain producing areas. Castorseeds staged a smart recovery from the previous week's setback on hopes of better offtake of castor oil by Communist countries. Cottonseeds moved up in sympathy. The June contracts in castorseeds and linseed went off the board this week.

Operators took note of the Gujarat Chief Minister's proposals for additional taxation on oilseeds. In addition to increase in land revenue it is proposed to raise the tax on land under oilseeds from one rupee to Rs. 2.5 per acre in the case of non-irrigated land and from Rs. 2 to as much as Rs. 9 per acre in respect of irrigated land. This measure did not have any perceptible effect on the local market.

Groundnut July 1962 contract firmed up by Rs. 4.75 to Rs. 218.50; at one time it had touched to Rs. 219.75. September 1962 contract advanced from Rs. 215.50 to Rs. 220, before winding up the week at Rs. 218.75. Khandesh quality rose by 75 nP to Rs. 46.25. Nizam bold strengthened by 50 nP to Rs. 45.75. Oil July 1962 contract hardened by 35 nP to Rs. 18.65 and September 1962 contract by 20 nP to Rs. 18.75. Railway receipts put on 35 nP to Rs. 18.85 and oil ex-mill 25 nP to Rs. 19.25.

Castorseed September 1962 contract picked up Rs. 3.50 to Rs. 164.12. Madras small gathered a rupee to Rs. 32. Oil B.S.S. improved by 65 nP to Rs. 13.10 and Commercial by 50 nP to Rs. 12.25.

Cottonseed September 1962 contract scored a gain of Rs. 3 to Rs. 109. July 1962 contract was higher by Rs. 2.25 at Rs. 104.75. White picked up 18 nP to Rs. 20.05. Both Berar and non-white gained 5 nP to Rs. 21.05.

Linseed, however, turned subdued, after ruling distinctly steady in the initial sessions. September 1962 contract declined by 25 nP to Rs. 40.25. Bold ready lost 50 nP to Rs. 39.25. But linseed oil gained 30 nP to Rs. 15.65.

The following table shows the closing prices of oilseeds and oils on Wednesday, the 4th July, as compared with those of the two previous weeks:

	4-7-1962	27-6-1962	20-6-1962
Groundnut	Rs.	Rs.	Rs.
July 1962	218.50	213.75	210.62
September	218.75	215.50	214.50
Nizam bold	45.75	45.25	45.25
Khandesh quality	46.25	45.50	45.75
Oil ex-mill ready*	19.25	19.00	19.10
Railway receipts*	18.85	18.50	18.60
Oil July 1962	18.65	18.30	18.15
Castorseed			
September 1962	164.12	160.62	161.75
Ready Madras	32.00	31.00	31.12
Ready Kanpur	31.00	30.00	30.25
Oil B.S.S.†	13.10	12.45	12.55
Oil commercial†	12.25	11.75	11.90
Linseed			
September 1962	40.25	40.50	40.37
Bold ready	39.25	39.75	39.25
Oil ready†	15.65	15.35	15.50
Cottonseed July 1962	104.75	102.50	101.50
Niger seed	36.00	36.00	35.00
Kardi seed	25.50	25.50	25.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

NILGIRI TEAS BRIGHTER

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

COCHIN, *28th June*

A total of 803,000 kgs. was offered in sale No. 26 held on Tuesday, the 26th inst. Quality showed little change, but a few Nilgiris were brighter. There was good general demand. Nilgiris B.O.Ps were about steady on last rates, while a few lines were dearer. Similar fannings were easier except for a selected few of the best sorts, which were firm. The best good medium brokens were firm, whereas others were irregular and generally easier, and their fannings also came to a lower market. The brighter medium and low medium brokens were barely steady on last rates, but others declined, sometimes 10 to 15 nP. Similarly, the brighter fannings shed 10 to 15 nP, but plainer sorts lost ground even further. Plainest brokens came to a firm market, while their fannings were much lower. Black leaf B.O.Ps were fully firm and sometimes dearer, but fannings in this category inclined easier. Whole leaf grades met good inquiry, but rates were irregular. Teas of unorthodox manufacture came to a generally lower market, particularly fannings in this category. Tippy teas were a strong feature.

The quotations per kg. were:

	1962	1961
	Rs.	Rs.
Low mediums	3.10-4.00	4.25-4.40
Mediums	3.80-4.20	4.40-4.50
Good mediums	4.20-5.20	4.50-4.70
Nilgiri B.O.P.	4.00-5.75	4.50-5.50

The average price realised in sale No. 26 was Rs. 3.81 per kg. as against Rs. 3.89 a week ago and Rs. 4.44 in the corresponding sale last year.

Offerings amounted to 387,000 kgs. in dust sale No. 26 held on Thursday, the 28th June. There was good demand but at generally lower rates. The better highgrowns dust and primary unorthodox grades sold at a drop, while good medium descriptions registered declines in prices. Black leaf varieties came to an easier market as did fibrous residual sorts.

The average price realised in dust sale No. 26 was Rs. 3.17 per kg., as compared with Rs. 3.25 a week ago and Rs. 4.28 in the corresponding sale last year.

Colombo: Just over 7¼ million lbs. were offered and the market opened to a good general demand at rates which were firm on last week's closing prices with improved quality Uvas dearer.

London: North Indian and other growths: In Monday's sale demand was less and prices were generally easier. New season's North Indian teas met with fair demand but generally sold at below brokers' valuations.

Ceylon and South Indians: 22,272 packages were offered in Tuesday's sale of which 6,222 packages were from South India. The market met with a good general demand. There was useful inquiry for Ceylons although plain and light liquoring types were easier. Teas from South India met with irregular support. With the exception of best liquoring sorts others sold at generally lower rates.

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

"*Sale No.* 27: 803,000 kgs. offered. Good general demand. Low medium and medium brokens irregular, often dearer. Good mediums fully firm. Highgrown slightly dearer. Fannings, particularly fibrous sorts, weak. Unorthodox irregular."

TEA SUBDUED

(From Our Own Correspondent)

CALCUTTA, *3rd July*

The poor demand for the poor Darjeelings and common teas evident in the auctions of the new season so far has only confirmed earlier apprehensions of the trade. With a higher world production and the consequent possibility of supplies exceeding demand—up to the end of May 1962 this was higher by 14.3 million lbs. at 335.5 million lbs.—consumers all the world over, including India, can afford to be choosey. As such, no difficulty is expected to be experienced in the marketing of quality teas, and, it was encouraging to note that in the last export auctions, more interest was shown by overseas buyers. Several countries participated in biddings and such increased measure of support was in distinct contrast to the weakness in earlier sales. The change indicated that buyers were satisfied that no useful purpose was being served, by waiting. Also in the last auctions, quality showed a visible improvement.

Weather conditions in gardens continue to be exceptionally good and production has so far been higher than last year. This indicates that the output for the year as a whole would be higher by about 20 million lbs. The trade points out that the output of the poor quality teas would be far higher than last year, and there is very little overseas demand for the same in foreign countries. This was only too evident by the large withdrawals of these teas without bid during recent auctions. Competition by other producing countries in common teas in foreign markets is keener than in quality teas. Ceylon's prices are much cheaper than India's and hence Ceylon is able to attract a large overseas market. That explains how, without the cushioning influence of a large home market, Ceylon could sell most of its common production in 1961 in overseas markets.

Owing to the high cost of production, Indian gardens have to depend on the internal market for marketing most of their output of the inferior grades. However, it is a pity that the Government is discouraging internal consumption through fiscal measures, in an attempt to provide more tea for export. Recent trends have indicated that consumers in India are also becoming more and more quality-conscious. There is need for gardens to increase the production of quality teas. If gardens are to be expected to improve their financial position, and to increase the planted area, a glut in supplies must be avoided.

Wages are gradually being pushed up. It was only during this week the unanimous recommendation of the tea industry's Wage Board, for an increase of 8 nP per day for plantation workers in West Bengal and Assam was announced. This would be in addition to the wage increases recommended by the Board in January last. However, at that time, the employer-members of the Board dissented, and there was the apprehension of unrest among workers. At a time when the industry is desiring a reduction in costs of production, further additions to the wage bills would reduce the margin of profits and also weaken the competitive power of the industry in foreign markets. To that extent, the incentive for increased production would be diminished. The industry has been urging the Government for the total abolition of the export duty.

Over the week-end, a reduction in the freight rates on tea was announced by the Calcutta Liners and the Calcutta Continental Conferences.

The total abolition of the export and excise duties was demanded by Mr. N. K. Dutta, in his address at the annual meeting of the Assam Tea Planters' Association. This would put the various measures now being taken by Government to boost exports on a more rational basis. Mr. Dutta expressed his unhappiness at the increase in excise duty of tea meant for internal consumption. For, internal consumption must be encouraged if production were to be stepped up. A glut in world production, he warned, might upset the equilibrium in the internal market leading to a fall in the world price of tea.

Mr. A. S. Bam, Chairman of the Tea Board, who also spoke at the above meeting, referred to his recent foreign visit and said that the climate for export had improved. Realisation of the output target fixed for the third Plan depended on the measure of Government assistance for extension of acreage, and Mr. Bam said that, while the normal programme of replanting was being done by the industry depending on its own resources, a scheme to grant loans, amounting to Rs. 4,500 per acre for hills gardens and Rs. 3,000 per acre for plains gardens had been approved by Government in an attempt to speed up the work.

Mr. Morarji Desai, the Finance Minister, also addressed the Assam planters. He pointed out that concessions to the industry should not go beyond certain limits, as, if they did, there would be unfair competition.

It remains to be seen if the Assam Government is prepared to accept the advice tendered by Mr. Desai as to the unsuitability of Gauhati as an auction centre. Anybody can see that Gauhati offers no facility for such a centre, and still the Assam Government proceeded with the proposal. If it is the intention of the Assam Government that the auction bidders should go to Gauhati for Assam teas, it is easy to see that exports of Assam tea would decline sizably. The gardens can also claim in turn, isolation by demanding auctions of their production in their own premises. Calcutta can go a step further and refuse to consume the oil mined and refined in Assam. If all concerned do not realise that inter-dependence among the States in India is the only way for speedy economic progress, inter-State rivalries would only hamper development.

RAW JUTE SPURTS

(From Our Own Correspondent)

CALCUTTA, *3rd July*

Reports of floods from jute-growing areas in Assam as well as parts of West Bengal made sellers of raw jute reserved and, as a result, prices rose by Re. 1 a maund during the week under review. There were more inquiries for both hessian and sacking goods from overseas market; the substantial business done with West Africa was the solid cause for the sizable rise in the prices of heavy goods. Finding that there was now little

chance for the price to decline, Argentina resumed purchases of hessian, and prices moved up. The improvement in heavy goods was more impressive, and this was a pleasant surprise to the trade, since overseas buyers had been neglecting this section in recent months to lead to widening the margin between heavy goods and hessian. This week's rise, however, went a long way to fill this gap. Since Pakistan mills have sold all production up to the end of this year, overseas buyers have to pay greater attention to the Calcutta market. That explains for this week's abrupt interest by several countries. Several inquiries were received from Cuba and Australia, and the trade believes that substantial business would be done with these two countries in the near future. Several Asian and Middle Eastern countries have sent in feeler inquiries, and it was expected that Burma would follow up the recent purchases. Burma purchased about 2,000 bales for shipment before August, and has started the practice of calling tenders every week. About 2,000 bales were purchased by the Chile Nitrate Corporation for immediate shipment.

The U.S.S.R. was in the market for some quantity of cornsacks. A few months ago, Russia had purchased a token quantity of cornsacks for testing and determining the utility of this construction. That this country has now commenced purchasing cornsacks goes to show that the tests were satisfactory. It is expected that the U.S.S.R. would from now on be a regular buyer of cornsacks. Demand for heavy goods has developed satisfactorily, and so the mills would be called upon to increase the proportion of production of such goods *vis-a-vis* hessian. But, in hessian also, demand is higher. Fair quantities are continuously being lifted by the U.K. and Canada. U.S. buying has been one of the factors for the steady rise in prices in recent weeks and, in addition to this, Argentina has commenced to cover requirements. That the mills are expected to do extremely well in the current accounting period would be evident from the lengthening of transactions of jute mills shares on the stock exchange at hardening rates. It should be said that, in the long-term interests of the industry, the rise in prices should be considered unfortunate. Pakistan quotations are much below Indian, but, since Pakistan mills are unable to meet full requirements, overseas business is taking place at Calcutta in increasing quantities, despite comparatively higher prices. At the same time, it should be said that, in a free market such as the jute goods, even a small increase or decline in interest is immediately reflected in prices, an increase being taken as an indication of the need to adjust supply to demand and a decrease as reflecting demand.

On Tuesday last, there were reports of cornsacks sales to the U.S.S.R. Ready B. twills rose from Rs. 131.50 to Rs. 133.50. Argentina showed interest in hessian and, although enquiries from other quarters was meagre, ready hessian spurted from Rs. 61.75 to Rs. 63.25. Activity in the futures market was keen. Sellers in the local bazar became reserved, following rumours of substantial interest in heavy goods from overseas countries. In fact, there were already several inquiries with shippers. On Wednesday, the market was officially closed, but holders availed themselves of this opportunity to book profits. In the process, ready B. twills eased to Rs. 132.50 and ready hessian 40" 10 oz. to Rs. 63. By Thursday, more overseas inquiries were in the market and, although there was only little actual business taking place, hessian 40" 10 oz. rose to Rs. 64.25 and B. twills to Rs. 132.75 on Thursday. On the following day, B. twills were steady at Rs. 132.75 and hessian 40" 10 oz. scored a fractional gain at Rs. 64.50. Signifying the increased nature of business with overseas countries, booking of space in forward ships on account of hessian and sacking was fairly large. The week-end announcement of a reduction in freight rates of jute goods, tea and certain other commodities by the Calcutta liners and the Calcutta Continental Conferences, it is to be hoped, would result in greater demand. Another good news has been that the U.S.A. has reduced the tariff on jute goods, details in respect of which are still awaited. This reduction, it is felt, would contribute to the increased usage of burlap in the U.S.A. After remaining closed on Saturday, the market re-opened today firm. The market remained closed yesterday as a mark of respect to the memory of the late Dr. B. C. Roy, and the reopening today was against the background of the accumulated demand of the past three days.

With intermittent rains and sunshine, the condition of plants is satisfactory, and the new crop should begin reaching mills this month. Arrivals are expected to total 100,000 bales and would increase to 300,000 bales next month. September and October will see the climax of arrivals. There were reports of flooding from Assam and certain districts of West Bengal, and this helped prices move up. In several jute districts of West Bengal, the monsoon has hitherto been weak, and there is anxiety as to adequate water being available for retting. Another factor which helped prices to move from the minimum levels was the report of the finalisation of export contracts in fibre aggregating about 15,000 bales with Czechoslovakia and Poland. Now that fibre prices have risen, it is apprehended that the export quota of 100,000 may not be completed. Attempts are being made to complete the quota, the unutilised portion of which will lapse at the end of this month. July-Assam bottoms rose from Rs. 30.50 per maund to Rs. 31.50, *daissee* bottoms from Rs. 33.50 to Rs. 34.50, and northern bottoms from Rs. 29.50 to Rs. 30.50. Now that fibre prices have been stabilised, it is felt that the need to export is not as acute as before. Also, with the increased demand for goods, mills would require more fibre.

Speaking at the annual meeting of the East India Jute and Hessian Exchange here the other day, its Chairman, Mr. Gopaldass Toolsidass, declared that the Exchange was of assistance to primary producers, as well as traders and manufacturers. To the former, the function of the Exchange was an indicator of prices and, to the latter group, it offered hedging facilities. He was happy to record that the Exchange had played a very useful role in ensuring stability of prices and fair trading facilities to traders. The two problems towards the solution of which the Exchange contributed were the increase in gunny prices in 1958-59 and 1959-60, in view of inadequate fibre supply and the decline in prices in the last year following the bumper crop.

The fall in fibre prices in Pakistan has been of such a magnitude as to lead to vociferous demands in the East Pakistan legislative Assembly last week for the fixation of minimum prices. However, the official difficulty in acceding to such a request was explained to be that minimum prices would be ineffective when only one-fourth of the crop is consumed within the country. The remainder is exported to about fifty countries. As such, control over prices would be of no avail in the task to ensure a fair return to the grower. As such the only hope for the growers in Pakistan is that, as a result of the lower crop expected in this year, prices would improve. It was reported that, in an attempt to stabilise fibre prices at levels higher than at present, the Pakistan Government had asked mills to increase purchases. Buffer stock purchases were also expected to commence shortly. These purchases would be done by the Government through the Jute Marketing Corporation acting on behalf of the Pakistani Jute Board. As a result of expansion, mills' requirements of fibre in Pakistan are expected to increase. In the Pakistan National Assembly also, anxiety on the present depressed conditions in the fibre market was expressed.

KIPS ARRIVALS MODERATE

(From Our Own Correspondent)

MADRAS, *2nd July*

Arrivals of tanned cow hides, buff hides and buff calf were moderate and of cow calf small in the local market this week. Export trading was patchy. Tanners of good marks were holding firm to their prices. Demand for F.A.Q. marks was poor and their prices were lower. There was moderate call for lower grade kips for inland trade. Importers were keen on cow calf, but sellers were few because of their stock position.

In the tanned skins section, shipment business was selective. There were inquiries for tanned goat in heavier averages all selections and lights inferior fifths. There was sustained demand for middle class sheep skins and prices hardened to some extent. Sheep-primes and semiprimes were difficult to place, despite tanners' willingness to shade their price ideas.

Importers in the U.S. were interested in tanned buff-lights, but sellers were reserved, as stocks available in the local market and in the tanneries were very small. Tanners were greatly perturbed over the power-cut imposed last week, as it would hamper their production seriously.

Notice

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE following posts in the Bank:

(A) **POSTS AND SCALES OF PAY:**

(i) **Probationary Assistants on the General Side:**

Rs. 250-25-450 EB 25-650.

(ii) **Economic Assistants in the Economic Department:**

Rs. 175-12.50-300 EB 20-440.

Note: Candidates for the Probationary Assistants' posts possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scale.

In addition to pay, the selected candidates will be eligible to draw local pay, house allowance and dearness allowance at the rates prescribed by the Bank from time to time.

(B) **QUALIFICATIONS:**

(i) **Probationary Assistants:** Applicants should have a good academic record and a first or high second class Master's degree of a recognised Indian or foreign University with Economics, Banking, Commerce or Accountancy as a special subject and should also have some proficiency in drafting. The educational qualifications may be slightly relaxed in the case of candidates who possess a good degree in Law. Preference may be given to those who have passed the Institute of Bankers' Examinations.

(ii) **Economic Assistants:** Applicants should possess a first or high second class M.A. or M.Com. degree in Economics or Commerce of a recognised University, as also a thorough knowledge of economic analysis and have specialised in Economics. Preference will be given to those who have practical experience of research in Economics.

(C) **AGE LIMITS AS ON 1st JULY 1962:**

(i) **Probationary Assistants:** Between 21 and 25 years.

(ii) **Economic Assistants:** Between 18 and 24 years.

The maximum age limit is relaxable but not beyond 30 years in the case of:

(i) candidates possessing special qualifications and experience of value to the Bank;

(ii) ex-employees of banking institutions whose services had to be terminated for reasons of economy or as a result of the banks going into liquidation;

(iii) personnel retrenched from Government offices after at least one year's service applying through Employment Exchanges; and

(iv) candidates belonging to the Scheduled Castes or Scheduled Tribes.

2. Candidates who wish to apply for more than one category of posts must submit *separate* applications accompanied by separate application fees and *should clearly indicate the post for which they have applied.*

3. Applicants for the posts of Probationary Assistants must remit with their applications a fee of Rs. 7.50 by cheque or Bank Draft on a *Scheduled Bank* or by Postal Order, payable at Bombay. Applicants for the posts of Economic Assistants must remit a fee of Rs. 2.00. *The application fee is in no case refundable.* Bonafide refugee candidates *not in Employment* applying through Employment Exchanges are exempted from payment of application fees while in the case of candidates belonging to Scheduled Castes/Tribes, the fee will be reduced to one-fourth.

4. Applications in the candidate's own handwriting in the prescribed form obtainable from the Reserve Bank's offices at Bombay, Calcutta, Kanpur, New Delhi, Nagpur, Madras, Bangalore, Lucknow, Hyderabad, Trivandrum and Patna accompanied by copies *(originals should not be sent) of certificates regarding age and educational qualifications, statements of marks secured in the Graduate and Post-Graduate degree examinations and copies of at least two testimonials* should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1, so as to reach him on or before the 31st July 1962.

5. Candidates already in service will be required to produce a proper discharge certificate from their employer in the event of their being selected, at the time of their appointment in the Bank's service.

6. Candidates belonging to Scheduled Castes/Scheduled Tribes should mention this fact prominently in their applications and also enclose a copy of a certificate to that effect from a competent authority.

7. Candidates must be prepared to serve in any office of the Bank in India and to undertake tours when required.

8. Selected candidates for Probationary Assistants' posts will have to appear for interview/s before the Selection Board at any of the Bank's offices. Selected candidates for the Economic Assistants' posts will be required to appear for a written test which will be held at the abovementioned offices of the Bank. Candidates should clearly state on the top of their applications, the office of the Reserve Bank at which they desire to appear for the test, if called. Those successful in the test will have to appear for an interview at Bombay.

9. Appointments will be subject to candidates being found medically fit for service in the Bank by the Bank's Medical Officer.

10. If any candidate desires to have his application acknowledged, he should send it by "Registered Post—Acknowledgement Due." Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into correspondence with them.

11. Canvassing will be regarded as a disqualification.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 29th June, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	50,00,00,000
National Agricultural Credit (Stabilisation) Fund	6,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	53,36,18,000
(2) Other Governments	25,48,78,000
(b) Banks	98,70,46,000
(c) Others	149,65,14,000
Bills Payable	44,16,87,000
Other Liabilities	75,22,32,000
Rupees	587,59,75,000

ASSETS	Rs.
Notes	43,30,86,000
Rupee Coin	1,33,000
Subsidiary Coin	3,01,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	44,03,86,000
Balances held abroad*	5,64,45,000
Loans and Advances to Governments	34,89,45,000
Other Loans and Advances	134,93,37,000
Investments	282,27,45,000
Other Assets	42,45,97,000
Rupees	587,59,75,000

* Includes Cash and Short-term Securities.

The item 'Other Loans and Advances' includes Rs. 90,00,000 advanced to scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	43,30,86,000	
Notes in circulation	2076,68,18,000	
Total Notes issued		2119,99,04,000
Total Liabilities		2119,99,04,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	91,68,17,000	
Total of A		209,44,27,000
B. Rupee Coin		116,23,74,000
Government of India Rupee Securities		1794,31,03,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2119,99,04,000

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	22-6-62	15-6-62	23-6-21
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,14	50,01	47,16
(ii) From others	772,83	766,18	707,04
(b) Borrowings from banks	24,78	29,51	33,23
(c) Others	57,91	59,11	52,43
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	17,35	19,26	18,61
(ii) From others	1,232,71	1,224,81	1,059,11
(b) Borrowings from banks	15,84	13,93	18,13
(c) Others	9,96	10,20	22,90
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,005,54	1,990,99	1,766,15
4. Borrowings from Reserve Bank	2,59	8,12	11,59
(a) Against usance bills and/or promissory notes	94	3,64	8,48
(b) Others	1,65	4,48	3,11
5. Borrowings from State Bank and/or a notified Bank	17,18	17,51	9,49
6. Cash	52,92	55,86	47,34
7. Balances with Reserve Bank	90,91	85,37	75,06
8. Cash and balances with Reserve Bank	143,83	141,23	122,40
9. 8 as per cent of 3	7.17	7.09	6.93
10. Balance with other banks in current account	18,99	18,28	16,44
11. Money at call and short notice	51,37	52,29	52,27
12. Investments in Government securities	583,36	575,01	543,36
13. 12 as per cent of 3	29.00	28.88	30.77
14. Advances—			
(a) Loans, cash credits and overdrafts	1,223,53	1,229,08	1,088,26
(b) Due from banks	5,79	5,95	5,70
15. Inland bills purchased and discounted	150,45	157,29	132,02
16. Foreign bills purchased and discounted	44,21	44,98	45,59
17. Total Bank Credit [14 (a)+15+16]	1,418,19	1,431,34	1,265,86
18. 17 as per cent of 3	70.71	71.89	71.67

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	22nd Mar., 1962	4.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.44	3.49
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	June, 1961	5.5	6
Finland	Mar., 1959	6.50	6.75
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	2nd Mar., 1962	5.56	5.34
Italy	7th June, 1958	4	3.50
Japan	29th Sept., 1961	6.90	7.30
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	25th April 1962	3.50	4
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	13th June 1962	4.50	4
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	26th April 1962	5	4.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

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

State Bank of India

Statement of Affairs for the week ended 29th June, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		571,47,56,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		11,58,46,000
Bills for Collection being Bills receivable as per contra		2,46,02,000
Acceptances, Endorsements and Other Obligations per contra		7,54,53,000
Other Liabilities (including Inter-Office Adjustments)		9,81,56,000
Total .. Rs.		616,87,63,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,59,95,000
Balances with other Banks		4,06,56,000
Money at Call and Short Notice		2,86,67,000
INVESTMENTS—		
Government and other Trustee Securities	238,91,09,000	
Other Authorised Investments	8,90,31,000	247,81,40,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	272,82,43,000	
Bills Discounted and Purchased	16,01,52,000	288,83,95,000
Bills Receivable being Bills for Collection as per contra		2,46,02,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,54,53,000
Premises less Depreciation		1,93,07,000
Furniture and Fixtures less Depreciation		1,55,13,000
Other Assets (including Inter-Office Adjustments)		40,20,35,000
Total .. Rs.		616,87,63,000

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	April 1962	April 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	2.96	2.85
(b) Others§	2.71	2.68	2.78	2.67
Debentures	4.15	4.11	4.17	4.15
Preference Shares	5.64	5.32	5.77	5.40
Variable Dividend Industrial Securities	4.68	4.88	4.70	4.65
Agriculture and Allied Activities‡	5.74	5.80	6.02	5.66
(a) Tea Plantations	5.94	6.01	6.16	6.00
(b) Coffee Plantations	4.74	5.12	5.73	3.70
(c) Rubber Plantations	6.56	6.33	7.07	6.16
Mining and Quarrying‡	5.15	5.31	5.37	4.60
(a) Coal	4.13	4.56	4.41	3.63
(b) Other Mining	5.85	5.82	6.03	5.27
Processing and Manufacturing	4.27	4.35	4.31	4.20
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.29	4.09
(a) Sugar	5.62	5.80	6.13	5.08
(b) Cotton Textiles	3.72	3.47	3.99	3.56
(c) Jute Textiles	5.54	6.15	4.70	5.63
(d) Silk and Woollen	2.92	3.17	2.84	3.05
Metals and Chemicals‡	4.22	4.18	4.39	4.08
(a) Iron and Steel	4.69	4.25	4.98	4.40
(b) Transport Equipment	3.77	3.38	4.25	3.48
(c) Electrical Machinery	4.46	5.03	4.16	4.49
(d) Other Machinery	3.46	4.07	3.31	3.47
(e) Basic Ind. Chemicals	3.64	3.59	4.64	3.53
Others	4.52	4.90	4.22	4.72
(a) Cement	4.77	5.21	4.48	4.95
(b) Paper	4.54	4.76	3.91	4.76
Other Industries	5.28	6.05	5.16	5.53
(a) Electricity Generation and Supply	5.42	6.28	5.50	5.69
(b) Trading	6.74	8.38	6.54	7.07
(c) Shipping and Other Transport	4.40	5.17	4.11	4.74
(d) Construction	3.98	4.49	3.54	4.33
Financial	5.84	6.31	5.56	6.15
(a) Banks	5.42	5.93	5.19	5.75
(b) Insurance	7.07	7.56	6.73	7.24
(c) Investment Trusts	6.72	6.85	6.19	7.13

† Running Yield. Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979.
‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd June, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits:—	
(a) Central Government	16,59,84,000
(b) Provincial Governments	5,36,13,000
(c) Banks	24,38,34,000
(d) Others	96,38,89,000
Bills Payable	23,62,000
Other Liabilities	21,04,36,000
Rupees	173,66,18,000

ASSETS	Rs.
Notes	16,19,15,000
Rupee Coin	22,000
Subsidiary Coin	41,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan	29,57,04,000
Loans and Advances to Governments	4,30,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	47,07,00,000
Investments	64,08,36,000
Other Assets	12,44,00,000
Rupees	173,66,18,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,19,15,000	
Notes in circulation	367,80,72,000	
Total Notes issued		383,99,87,000
Total Liabilities	....	383,99,87,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	65,97,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	133,99,64,000
B. Rupee Coin	3,72,99,000	
Government of Pakistan Securities	240,37,18,000	
Internal bills of exchange and other commercial paper	....	244,10,17,000
II Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	383,99,87,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 36.35 per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 1st June, 1962		Week ended 25th May, 1962	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	4,56,129	102,41,87,000	4,44,000	97,61,00,000
Calcutta	2,11,000	91,35,00,000	2,05,000	80,36,00,000
Madras	98,184	14,77,19,070	1,08,000	14,34,00,000
New Delhi	—	—	53,000	11,86,00,000
Kanpur	28,000	5,26,00,000	27,000	5,49,00,000
Bangalore	32,000	4,96,00,000	33,000	4,81,00,000
Nagpur	9,000	1,58,00,000	9,000	1,61,00,000
All Centres—				
1958-59	..	..	45,284,000	9,774,67,00,000
1959-60	..	..	50,196,000	10,999,00,00,000
1960-61	..	..	54,809,000	12,550,66,00,000
1961-62	..	..	59,946,000	13,602,00,000
Jan., 1961	..	..	4,916,000	1,104,98,00,000
Feb., "	..	..	4,462,000	1,027,04,00,000
Mar., "	..	..	4,753,000	1,221,85,00,000
April "	..	..	4,971,000	1,164,75,00,000
Oct., "	..	..	4,870,000	1,047,02,00,000
Nov., "	..	..	4,986,000	1,095,59,00,000
Dec., "	..	..	4,940,000	1,173,93,00,000
Jan., 1962	..	..	5,608,000	1,244,75,00,000
Feb., "	..	..	4,850,000	1,107,18,00,000
Mar., "	..	..	5,533,000	1,331,65,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	16th June 1962	9th June 1962	17th June 1961	March 1962	March 1961	Percentage of Increase (+) or Decrease (—) in March 1962 as compared with March 1961	Annual Average 1961	Annual Average 1960
Food Articles	504	124.1	124.6	121.0	119.2	117.5	+ 1.4	119.5	120.2 R
Cereals	192	105.2	104.7	102.7	102.2	100.2	+ 2.0	101.6	105.3
Pulses	42	101.9	102.2	89.7	94.1	92.8	+ 1.4	91.3	92.6
Fruits and Vegetables	23	140.9	141.1	126.0	132.9	108.4	+22.6	131.2	121.1 R
Milk and Ghee	84	123.1	123.1	113.0	118.8	115.8	+ 2.6	115.1	115.5
Edible Oils	47	152.1	152.2	164.2	153.0	163.8	— 6.6	158.2	143.8
Fish, Eggs and Meat	17	138.2	142.9 R	126.4	141.7	123.6	+14.6	131.0	121.1
Sugar and *Gur*	48	134.6	134.2	126.5	120.2	117.3	+ 2.5	120.7	129.6
Others	50	168.5	173.1*	181.2	159.2	166.8	— 4.6	172.9	168.4 R
Liquor and Tobacco	21	98.7	99.3	99.5	99.8	113.4	—12.0	103.6	108.4
Tobacco	..	95.1	95.8	96.0	96.3	110.7	—13.0	100.6	104.8
Fuel, Power, Light and Lubricants	30	124.2	122.2 R	123.3	123.1	121.9	+ 1.0	121.8	118.9 R
Industrial Raw Materials	155	135.9	136.0 R	148.2	136.2	159.1	—14.4	147.7	138.8
Fibres	61	127.3*	127.6	146.9	128.5	176.9	—27.4	150.0	139.3
Oilseeds	60	150.8	150.8 R	163.0	149.3	159.7	— 6.5	157.8	144.9
Minerals	2	93.8*	93.8*	95.2	94.5	95.2	— 0.7	95.1	97.5
Others	32	127.0*	126.9 R	126.6*	129.1	128.3	+ 0.6	127.9	129.0
Manufacture	290	128.8	128.4 R	126.1	126.4	129.7	— 2.5	127.0	120.8
Intermediate Products	41	139.7	139.5 R	141.0	135.5	137.3	— 1.3	138.4	127.1
Finished Products	249	127.0	126.5	123.6	124.9	128.4	— 2.7	125.2	119.8
Textiles	147	126.9	126.3	125.0	125.2	134.0	— 6.6	127.7	121.2
Cotton	..	129.6*	129.5*	127.4	128.2	126.8	+ 1.1	127.5	127.5
Jute	..	118.5	116.1	122.7	117.4	161.6	—27.4	133.9	115.2
Woollen	..	127.5*	127.5*	123.7*	125.4	110.1	+13.9	119.0	107.6
Silk and Rayon	..	130.9*	130.9*	116.5*	126.5	117.1	+ 8.0	116.4	102.6
Metal Products	12	158.6	158.6	161.6	152.0	151.2	+ 0.5	147.1	147.0
Chemicals	20	113.5	112.5	109.3	112.6	105.1	+ 7.1	108.7	104.7
Oil Cakes	10	154.8	153.3	143.7	149.0	145.4	+ 2.5	146.3	140.2
Machinery and Transport Equipment	31	117.6	117.6 R	112.8	116.3	112.6	+ 3.3	113.6	110.7
Others	30	124.7	125.2	120.3	122.1	118.6	+ 3.0	120.2	115.0
All Commodities	1,100	126.8	126.9 R	126.3	123.6	127.5	— 3.1	125.8	122.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES
[1952-53=100]

Group and Sub-Group	Week ended 23rd June 1962	16th June 1962P	26th May 1962	24th June 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.6	101.0
2. Government of India	100.5	100 5	100.5	100.9
3. State Government	102.0	102 0	102.0	102.0
4. Municipal, Port Trust, etc.	99.2	99.2	99.1	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.6	99.8	100.2	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.7	81.7	82.3	84.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	188.7	188.9	194.9	183.8
8. *Agriculture and Allied Activities : Total**	161.1	161.5	165.2	172 6
9. Tea Plantations	153 0	153.6	157 1	166 9
10. Coffee Plantations	151.7	153 0	159 5	182.1
11. Rubber Plantations	169.5	169.3	169.8	174.0
12. *Mining and Quarrying : Total*	163.6	164.4	168.5	165 0
13. Coal	128 1	129.1	135 3	131.2
14. Other Mining	188.1	188.7	191.3	188.2
15. *Processing and Manufacturing : Total*	206.0	205.9	213.1	199.3
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	213.2	212.7	221 8	204.5
17. Sugar	138.0	137 7	141.0	163.1
18. Cotton Textiles	186 1	187.5	194 6	172 8
19. Jute Textiles	103 4	104.3	106 1	86.8
20. Silk and Woollen	1,246.6	1,204.2	1,288.3	1,238 6
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	209 1	209.4	215.3	212.2
22. Iron and Steel	162 6	163 6	168 0	179 0
23. Transport Equipment	391.2	389 2	403 1	431 6
24. Electrical Machinery	185.3	184.9	183.7	166.3
25. Machinery other than Transport and Electrical	244.8	244 8	253.0	219.4
26. Basic Industrial Chemicals	197.7	196.0	202.5	218.0
27. *Processing and Mfg. (Others): Total**	178.6	178 6	182.4	159.6
28. Cement	166 2	166.2	169 1	143 6
29. Paper	229 5	229 3	235.9	207 2
30. *Other Industries : Total**	114.3	115.0	116.7	109.9
31. Electricity Generation and Supply	86.2	86 2	86 5	81.8
32. Trading	126 1	126 9	130 8	129 1
33. Shipping and Other Transport	93 3	93 5	97 6	99.2
34. Construction	307.4	319 3	322 7	292 8
35. *Financial : Total*	208.1	209 7	215.1	197.4
36. Banks	231 8	234.0	240 3	221.2
37. Insurance	170 3	170 8	173.2	154.2
38. Investment Trusts	89.2	88.9	93.3	90.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	196.9	195 9	203 1	192 3
40. Calcutta	174 8	176 1	181 0	167 8
41. Madras	195.7	196 3	200 4	196 6
42. Delhi	245.8	247.5	254.5	250.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P=Provisional

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS
[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 „	120	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 „	124	420	120	357	98	136	398	143	120	107	103	120	109	148
Dec. 1960	124	419	120	362	100	134	387	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	131	387	146	122	111	103	120	109	148
February „	123	420	119	350	102	130	392	147	123	111	103	119	109	148
March „	124	423	119	349	101	129	395	148	124	111	104	121	109	149
April „	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May „	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June „	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July „	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August „	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. „	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. „	128P	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. „	128P	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. „	128P	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	128P	436	119	357	107	131	402	149	130	115	109	126	119	151
February „	127P	438	119P	362	107	131	402	149	129	115P	109	127	..	152
March „	127P	439	121	..	105	..	..	149	129	113	109	127	..	152

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS
(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,80	119,10	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,15	98,99	83,24	221,68	210,40	260,68	19,79	—41,35	50	31	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81.50	82,53	287,30	228,77	297,77	18.36	—42,00	1,70	95	38,80	16,14	37,34	69	3 38	329,98	770,80
1961-62	..	..	..	..	..	..	..	..	..	..	..	27,50	16,79	53,35	49	3,63	..	..
Mar. „	1,24	2,46	81,50	11,17	287,30	32,82	297,77	18,36	—42,00	1,70	95	38,80	1,77	37,34	4	3,38	46,05	770,80
Apr. „	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May „	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June „	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July „	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. „	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. „	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Oct. „	1,02	2,12	72,30	5 30	319,62	17 83	305,79	17,67	—42,28	2,86	1,47	33,28	1,07	48,10	4	3,53	24,51	805,76
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. „	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3,47	1,85	28,14	1,13	52.31	5	3,61	24,71	826,80
Mar. „	..	..	..	..	..	..	..	..	..	..	..	27,50	1,19	53,35	5	3,63	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Jan., 1962 amount to 18.41 crores of rupees

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
April 1961	135,700	136,000	106,000
May „	142,000	136,800	105,800
June „	131,800	124,700	101,200
Feb., 1962	139,400	138,300	108,000
Mar., „	156,600	146,900	128,000
April „	144,400	143,600	110,000
May „	146,400	145,600	115,600
June „	139,000	137,900	106,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,499	734,951
April 1961	99,381	69,710	51,144
May „	100,815	70,912	42,165
Jan., 1962	86,754	78,574	74,121
Feb., „	97,258	75,949	53,600
Mar., „	113,176	88,241	86,294
April „	109,726	83,396	47,747
May „	112,269	85,155	68,574

T—Figures in Tons.

ELECTRIC ENERGY GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	834	11,176.9	9,011.1
1958 59	813	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
1960-61	1,013	17,037.3	13,831.8
January 1961	1,013	1,482.3	1,216.1
February „	1,013	1,641.3	1,370.0
March „	1,013	1,596.1	1,282.7
April „	1,013	1,556.2	1,288.9
May „	1,013	1,612.8	1,329.1
June „	1,013	1,599.8	1,326.3
Oct., „	1,013	1,634.4	1,362.7
Nov., „	1,013	1,619.4	1,344.8
Dec., „	1,013	1,721.9	1,434.9
Jan., 1962	1,013	1,749.0	1,422.5
Feb., „	1,013	1,643.9	1,378.2

* Excluding railway, military and factory power stations. Chola [Po]wer Station being interconnected with the Tata Power System, has [be]en included. ‡ Including purchases from non-electric utilities. § At the end of period.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores or rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
[2]0th April	2.00	2.07	2.00	2.640	99.340
[1]1th to 14th April*	0.10	—	0.10	—	99.356
[1]6th April	2.00	2.00	2.00	2.620	99.345
[1]7th to 21st April*	0.57	—	0.57	—	99.361
[2]4th April	2.00	2.00	2.00	2.580	99.355
[2]5th to 28th April*	0.35	—	0.35	—	99.371
[3]0th April	2.00	2.00	2.00	2.580	99.355
[1s]t to 5th May*	0.15	—	0.15	—	99.371
[..]h May	2.00	2.00	2.00	2.580	99.355
[..]h to 12th May*	0.17	—	0.17	—	99.371
[1]4th May	2.00	2.00	2.00	2.590	99.350
[1]5th to 19th May*	0.15	—	0.15	—	99.371
[2]2nd May	2.00	2.00	2.00	2.590	99.350
[2]3rd to 26th May*	0.11	—	0.11	—	99.371
[..]0th May	2.00	2.00	2.00	2.540	99.365
[..]0th May to 2nd June*	4.00	—	4.00	—	99.381
[..]h June	2.00	4.00	2.00	2.500	99.375
[..]h to 9th June*	1.30	—	1.30	—	99.391
[1]2th June	2.00	3.25	2.00	2.510	99.370
[1]3th to 16th June*	0.48	—	0.48	—	99.391
[..]0th June	2.00	2.00	2.00	2.510	99.370
[..]0th to 23rd June*	6.36	—	6.36	—	99.391
[..]3th June	2.00	4.25	2.00	2.400	99.400
[2]7th to 29th June*	7.10	—	7.10	—	99.416
[..]d July	2.00	4.10	2.00	2.371	99.450
[T]otal amount outstanding	46.84	..	46.84	..	..

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1936-39	116,17,46,000	1963-65	98.65
3 % Loan	1950	30,33,10,000	1964	96.65
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96 35
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89.65
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	99.40
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.85
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.65
3½% Loan	1956	1,07,27,36,000	1962	99.90
3¾% N. P. Bonds	1956	1,03,81,83,000	1967	98.85
3¾% Loan	1956	86,63,53,000	1974	99.25
3¾% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	99.50
4 % Loan	1957	49,17,27,000	1972	99.50
3½% Loan	1958	58,05,92,000	1963	99.95
3¾% Loan	1958	70,00,00,000	1968	98 30
3¾% Loan N.P.B.	1958	64,33,90,000	1968	99.50
4 % Loan	1958	49,51,44,000	1973	99.50
3½% Loan	1959	1,47,90,93,000	1969	98.00
4 % Loan	1959	81,06,39,000	1979	99.30
4 % Loan	1960	98,03,46,000	1980	99 25
3½% Bonds	1960	82,65,41,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	99.00
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	70.50
3 % Loan	1946	2,48,91,33,000	K.	71.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	98.60
3 % Maharastra	1949	5,20,97,000	1st Aug. 1962	99.60
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	100.25
4½% Maharastra	1958	6,48,62,000	15th July 1970	100.25
4½% Maharastra	1958	4,31,45,000	15th July 1971	100.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.25
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	96.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.35
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.75
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.35
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.85
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.65
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1952-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,48,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.50
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.35
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	98 25
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	98.00
2½% U.P.Z.A.	1952	44,36.96,000	..	44.25Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	100.00
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98 50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	96.00
88,25,000	4	1914	1975	96.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	98.00
25,00,000	3	1938	1962-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
£835.100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000ƒ	3	1947	1977	
3,00,000ƒ	3	1949	1979	
45,00,000ƒ	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1962	£95 50
£328,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
50,00,000	3	1937	1962	98.00
20,00,000	3	1938	1962-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
2,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	2½	1951	1966	96.00
1,30,00,000	4	1953	1963	99.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99 25
4,40,00,000	4½	1958	1970	99.25
5,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	99.25
2,75,00,000	4½	1961	1973	99.25
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.60
4 % Rajasthan	1956	8,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.25
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00 00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	98.35
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98 00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99 00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98 00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.25

ABBREVIATIONS. N—Nominal. (ƒ) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
—Interest free for first 12 years. t—Interest free for first 1? years. Z—Ex nine instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180		Ambika Silk Mills Co., Ltd.	225.00	100	12.00	12.00	15.00	20.00	12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.18	2	Nil	Nil	Nil	Nil	12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	63.50	100	Nil	Nil	Nil	Nil	3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	66.60	25	2.50	3.50	3.50	3.50	12	Y.
10,00,000	2,84,495	89,53,981	57,46,203	1,37,996	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	185.00	50	7.50	5.00	5.00	12.50	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	626.50	100	22.00	31.50	30.00	30.00	12	Y.P.
26,00,000	85,13,005	1,36,00,429	84,16,840	34.762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	160.00	100	12.50*	7.50	11.00	11.00	3	Y.
28,00,000	29,03,230	1,02,39,816	68,42,312	2,06,878	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	156.00	50	5.00	10.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	360.00	200	15.00	18.00	18.00	18.00	12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	121.00	50	Nil	7.00	9.00	11.00	12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	295.00	100	16.00	23.00	23.00	23.00	12	Y.
50,00,000	57,03,239	1,12,19,365	76,63,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	233.75	100	15.00	21.50	21.50	21.50	12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	925.00xr	1,000	350.00	350.00	500.00	500.00	3	Y.P.
O 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	22.16 / 3.34	0 100. / 0 1D.	NC / Nil	Nil / Nil	0.80 / 0.1825	1.40 / 0.3725	12	Y.
18,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	3,225.00	1,000	325.00	200.00	232.00	250.00	3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	93,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	465.00	100	10.00	16.00	32.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	296.00	100	10.00	9.50	15.00	18.00	12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	68.00	50	3.00	5.00	6.00	6.00	10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	390.00	100	15.00	21.50	21.50	24 00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	502.50	100	14.00	22.00	22.00	22.00	12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	181.00	100	Nil	Nil	Nil		12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	300.00	100	Nil	Nil	Nil	12.00	12	Y.P.
48,00,000	55,35,221	1,89,77,617	1,29,35,901	4.01,084	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	248.00	100	10.00	10.00	15.00	20.00	3	Y.
55,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	145.00	100	18.00*	12.00*	12.00*	12.00*	12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	147.50	100	8.00	11.50	12.00	12.00	12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	Nil	Nil	Nil	Nil	9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,32,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	60.00	10	2.00	2.50	1.70	2.00	12	Y.
90.00 000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	250.00	100	10.00	15.00	18.00	20.00	12	Y.P.
60 48,000	33,44,035	2,39,26,360	1,17,07,182	39,044	S. R. Damani, Esq. (Chairman)	49,840	1,288	Simplex Mills	163.00	50	8.50	5.00	7.50	Nil	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	925.00	100	20.00	29.00*	30.00	25.00	12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	265.00	100	10.00	14.00	17.00	19.00	12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	285.00	100	25.00	36.00	36.00	21.60	12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	63.00	25	1.50	2.50	5.00	5.50	12	Y.T.
22,00,000	63,61,752	1,40,38,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	452.50	100	20.00*	20.00	25.00	25.00	12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	50,056	944	Western India Spg. & Mfg.	802.50	250	81.25	81.25	116.00	125.00	12	Y.P.
AHMEDABAD																
40,00,000	70,20,823	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	172 50	100	5.00	4.90	16.00	12.00	12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	635.00	100	25.00	25.00	30.00	35.00	12	Y.P.
1,00,00,000	2,89,17,047	4,39.00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	978.00	100	28.00	40.00	45.00	45.00	12	Y.P.
26,40,000	51,56,636	1,86,47,290	89,38,792	20,012	Mangaldas & Brother (Pvt.) Ltd.	40,368	953	Aryodaya Ginning & Mfg.	475.00	200	25.00	....	18.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	655.00	100	20.00	25.00	30.00	35.00	12	Y.P.
2,06,25,000	2,62,45,308	9,86,80,261	4,70,25,866	16,05,333	Karamchand Premchand Pvt. Ltd	1,39,120	2,380	Calico	1,011.00	125	25.00	22.00	31.00	34.00‡	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	20,374	Tricumlal Bhogilal & Co., Ltd.	45,826	866	New Commercial Mills	452.00	250	27.00*	36.00	..	50.00	3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,525.00	125	35.00*	55.00*	60.00	45 00	12	Y.
24,72,500	75.89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25.560	572	Nutan Mills	477.50	100	20.00	25.00	30.00	35.00	12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	665.00	100	25.00	35.00	40.00	40.00	12	Y.P.
48,75,000	25.73,702	1,63,60,167	94,85.502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	205.00	100	8.00*	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,320.00	100	30.00*	45.00	50.00	Nil	12	Y.P.
WEST BENGAL																
15,00,000	3,32,786	40,82,445	27,11,989	15,766	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.50	10	0.50	Nil	0.30		12	Y.P.
7,11,280 / 1,30,620 / 1,70,000	3,62,600	1,03,06,007	68,71,408	—2,60,959	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	Nil	Nil	Nil	2.00	3	Y.P.
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	24.50	10	Nil	Nil	0.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	27.50	10	Nil	Nil	1.00	2.00	12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	30.50	10	Nil	1.00	2.00	2.00	12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	15.31	10	0.65	0.80	1.00	1.00	12	Y.T.
1,60,00,000	2,98,94,557	7,99,50,481	2,14,69,205	2,44,919	Birla Brothers Private Ltd	75,040	,992	Kesoram Ind. & Cotton Mills	28.06	10	0.25	0.25	0.50	1.20	3	Y.P.
O. 19,47,750 / D. 5,00,000	78,492	50.99,822	32,33,579	—?21,450	Hazaremull Heeralal	23,036	795	Rampooria Cotton Mills	11.00 / 2.50N	10 / 1D	0.50 / Nil	Nil / Nil			6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	Nil	0.80	0.80	12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	126.00	100	6.00	11.00	15.00	16.00	12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	6.00	12.50		6	Y.
72,00,000	19,55,192	2,16,37,183	81.44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	72.00	100	Nil	4.00	4.00	6.00	9	Y.
1,81,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	245.00	100	10.00	10.00	10.00	8.00	12	Y.P.
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	134.00	100	Nil	Nil	Nil	Nil	12	Y.
39,95,959	1,12,56,816	1,75,41,824	1,27,42,738	1,34,391	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	30.00	10	0.75	Nil	1.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	265.00	100	10.00	10.00	10.00	18.00	12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	Nil	0.90	1.20	12	Y.P.
15,00,000	6,63,218	58.56,470	35,95,076	1,98,878	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	130.00	100	12.50	15.00	17.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.69	5	Nil	Nil	0.36	0.50	12	Y.
9,36,560	7,37,000	69,47,648	37,37,721	16,719	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	17.25	10	0.90	0.90	1.30	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	174.00	100	6.00	6.00	12.00	16.00	12	Y.
17,50,225	2,63,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	148.00cd	100	Nil	7.50	12.00		12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	45,266	..	Coimbatore Pioneer Mills	278.50	100	20.00	25.00	16.00	25.00	12	Y.P.
20,76,900	5,076	1,35,77,639	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	76.00cd	50	Nil	Nil			12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	144.00	100	Nil	Nil	Nil	Nil	6	Y.P.
29,99,075	34,15,411	1,33,02,693	68,48,175	15,485	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	9.00	12.00	12.00	3	Y.
3,38,36,225 / 1,00,563	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	55.87	25 / 2½	2.00 / 0.16	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	237.00	100	10.00	17.50	17.50	17.50	12	Y.
63,00,000	1,75,75,771	2,36.09,337	1,68,13,055	88,973	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	20.19	10	0.75	1.15	1.15	1.75	9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	190.00	100	8.00	6.00	14.00	18.00*	12	Y.T.
40,00,000	63,68,575	1,42,22,592	92,44,182	24.187	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	10.00	16.00	16.00		12	Y.
2,50,00,000	4,66,80,000	7,13,29,032	4,53,18,036	42,92,964	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	58.50	10	Nil	1.00	2.00	2.25	3	Y.P.
1,73,21,000	....	49,92,779	....	—1,17,644	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	108.00	100.00	..	..	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	177.00xd	100	5.00	7.00	8.50	10.00	12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	73.35xd	50	Nil	Nil			12	Y.
15,54,000	14.12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	Nil	60.00	60.00	6	Y.
1,25,00,000	56,34,321	5,18,51,527	1,69,53,953	1,22,795	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	19.37	10	..	0.90	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	14.69	10	..	..	..	0.30	6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75	0.75	12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,868	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.00	10	0.25	0.07	Nil		3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.87	10	Nil	1.00	1.00	0.80	12	Y.P.
71,00,000 / A. 35,50,000	84,90,160	3,23,02,885	1,76,87,483	19,391	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	153.00cd / 78.50	50 / 25	6.00 / 3.00	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	3	Y.
58,00,000	1,63,19,795	2,76,70,269	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	810.00	100	18.00	29.00*	30.00	30.00	12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	35.80	15	Nil	1.875	2.25	2.25	12	Y.
60,00,000	29,61,175	68,95,492	53.17,777	1,53,265	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	400.00	100	20.00	25.00	30.00	30.00	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	88.00	100	Nil	Nil	Nil	5.00	12	Y.P.T.
94.91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	133.00	250	Nil	Nil	Nil	Nil	6	Y.
49,61,00,000	89,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	59.50	50	5.00	5.00	7.00	7.00	2	Y.P.
31,50,000	48,96,995	67,10,255	46,91,128	43,123	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	10.06	10	Nil	Nil	Nil	Nil	3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	70.00	100	Nil	Nil	Nil	Nil	9	Y.
'A'. 4,00,000 / 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	..	Palani Andavar Mills	215.00xd / 268.75xd	50A / 75B	10.00 / 15.00	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50	12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	93.50	100	Nil	Nil	Nil		12	Y.
65,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	30[illegible]	Radhakrishna Mills	36.31	25.00	1.50	2.25	3.00	3.125	12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	55[illegible]	Raja Bahadur Motilal Mills	122.50	100	Nil	Nil	7.00	9.00	12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	93.00	50	3.00	3.75	6.00	10.00	12	Y.P.
16,14,300	22,11,000	66,06,845	32,18,566	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	170.00	100	3.00	6.00	9.00	16.00	3	Y.
15,36,890	7,86,250	94,68,632	54,34,367	3,716	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	250.00	100	10.00	16.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	124.00xdxr	100	10.00	10.00	15 00	[illegible]	12	Y.
10,00,000	16,74,101	76,35,323	40,15.966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	1.50	2.20	2.20	2.60	12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	166.50	100	Nil	Nil	Nil	Nil	12	Y.
94,27,380		5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	10.19	10	Nil	Nil	Nil	Nil	9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	16,516	..	Sri Kannapiran Mills Ltd.	11.60	10	0.60	1.00	1.50	1.20	12	Y.
36,69,700	28,74,204	1,12,40,198	76,76,284	14,497	H. N. Pallegar, Esq. (Managing Director)	42,924	340	Sri Krishnarajendra Mills	79.50	50	4.50	4.00	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	50.00	50	Nil	2.50	3.00		12	Y.
15,00,000	4,08,29,029	1,23,78,020	96,22,753	2,77,919	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	125.00	10	6.00	6.00	8.57	8.57	3	Y.
C. 17,50,000 / Po1,57,50,000	2,63,83,071	6.95,7 628	2,46,91,277	5,044	M	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.37 N / 8.62	100. / 10P.O.	Nil / 0.40	Nil / 0.571	0.50 / 1.071		12	Y.P.
12,78,210	1,20,000	46,55,6[illegible]5	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.77	10	Nil	Nil	0.80		3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	38.65	10	1.25	2.00	2.00	2.00	12	Y.P.T.
13,98,730	10,05,400	23.47,296	16,72,500	61,077	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	12.70	10	0.75	1.25	1.35*	1.50	12	Y.
21,00,000	47,50,000	1,15,50,690	68,48 175	60,469	R. K. S. Chetty & Brothers	44.424	270	Vasanta Mills	290.00	100	12.00	16.00	20.00	25.00	12	Y.P.
12,18,300	4,02,066	25,31,521	15,51 571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	58.50xd	50	3.00	5.00	5.00	5.00	12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	135.00	100	Nil	Nil	5.71	6.00	12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

‡Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.37	10	0.25	0.50	1.00	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	10.00	15.00	44.00	15.00	12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	128.00	100	Nil	Nil	6.00	Nil	5	Y.P.
49,20,700	85,71,000	2,80,85,747	1,84,94,034	3,74,363	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	232.00	100	10.00	12.50	20.00	7.50	3	Y.P.
40,00,000	28,14,827	1,46,86,173	83,52,153	45,981	Bird & Co. Private Ltd.	810	Auckland	163.00	100	5.00	20.00	27.00	12.00	3	Y.P.T.
20,00,000	34,84,417	1,47,00,374	85,10,664	1,00,757	Birla Brothers Private Ltd.	959	Bally	319.00	100	6.00	10.00	25.00	25.00	3	Y.P.
£275,000	£842,859	£1,372,653	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	188 00	£5	Nil	10sh.	£1.10sh	10 Sh.	3	Y.P.
45,00,000	26,91,700	70,48,057	40,86,203	1,33,355	Soorajmull Nagarmull	600	Bengal	10.31	10	0.50	0.50	0.50		6	Y.P.T.
91,26,000	3,08,27,813	8,17,03,760	2,90,00,714	1,83,905	Birla Brothers Private Ltd.	1,373	Birla	33.75	10	1.00	1.00	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	163.00	100	5.00	15.00	10.00	Nil	10	Y.P.
7,43,330	4,000	45,02,280	35,10,243	—1,47,560	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	15.00	12.00	12.00	5.00	11	Y.P.
50,16,400	82,28,225	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	138 00	100	Nil	7.00	10.00	5.00	3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	25.00	10	0.50	1.25	Nil	0.50	11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	12.00	10	1.25	1.50	0.50	Nil.	7	Y.P.T.
24,00,000	9,00,000	82,12,030	61,31,208	—3,09,256	M.	969	Clive	9.00	10	Nil	Nil	Nil		3	Y.P.
31,49,200	14,68,891	1,10,14,699	69,67,313	9,802	Bird & Co. Private Ltd.	766	Dalhousie	130.00	100	Nil	Nil	1.00	1.00	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	202 00	100	6.00	14.00	7.50	Nil	11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.37	10	1.00	1.25	1.25	0.75	7	Y.P.T.
63,00,000	31,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	449 00	100 Old	20.00	20.00	25.00	10.00		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	27.50	10	1.50	1.50	2.25		3	Y.P.T.
84,82,100	5,16,898	2,24,66,716	1,48,00,352	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	14.75	10	Nil	Nil	1.00		3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	55.12	10	2.00	4.00	4.00	1.00	12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	504.00	100	20.00	25.00	30.00	25.00	3	Y.P.
40,00,000	71,85,723	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	115.00N	100	5.00	6.00	6.00		3	Y.P.
16,80,000	31,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	29.00	10	Nil	0.60	1.00	2.00	3	Y.P.
65,62,500	42,62,842	2,25,18,876	1,45,23,467	97,720	Jardine Henderson Ltd.	1,940	Howrah	21.87	10	Nil	1.00	1.25	1.00	3	Y.P.T.
52,50,000	38,73,191	3,21,24,274	1,88,99,274	1,62,375	Ramdutt Ramkissendas	2,272	Hukumchand	24.94	7.50	1.50	1.50	2.15	2.15	3	Y.P.
37,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	17.31	12.50	1.56	1.24	1.75	1.50	3	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	187.00 187 00N	100 'B'100	5.00 5.00	20.00 20.00	5.00 5.00	Nil Nil	12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	128.00 128.00N	100 'B'100	Nil Nil	Nil Nil	Nil Nil	Nil Nil	12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	202 00	100	12.50	14.00'C'	15.00	15.00	5	Y.P.
54,00,000	23,98,564	2,18,73,550	1,39,90,173	300	Anderson Wright Ltd.	1,530	Khardah	17 56	10	0.80	2.00	2.00	0.50	3	Y.P.
59,85,600	47,39,756	2,07,21,456	1,33,78,784	62,406	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	151.00	100	5.00	10.00	20.00	7.00	3	Y.P.T.
24,48,000	6,04,572	1,03,23,825	71,08,446	—3,54,448	Bird & Co. Private Ltd.	931	Lansdowne	142.50	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	14,13,430	65,77,636	42,23,242	54,949	Bird & Co. Private Ltd.	840	Lawrence	171.00	100	Nil	2.00	15.00	15.00	3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.44	10	1.75	1.00	1.20	1.25	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	105.00	100	Nil	Nil			3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.375	0.60		10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	352	National	24.00	10	0.75	1.00	0.75		10	Y.P.
26,25,000	83,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	12.12	10	1.00	1.40	0.30	0.60	7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	Nil	Sahu Jain Ltd.	1,765	New Central	16.06	10	1.50	1.50'C'	1.50	1.50	3	Y.P.T.
16,79,330	51,93,617	1,30,21,348	77,30,582	32,274	Bird & Co. Private Ltd.	567	Northbrook	35 00	10	Nil	1.25	3.00	3.00	3	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,974	1,68,322	Macneill & Barry Ltd.	1,092	Nuddea	64 00	50	2.50	3.00	4.00	3.00	3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.50	5	0.37½	0.50	0.40	0.30	7	Y.T.
20,00,000	73,604	36,55,345	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.75	10	Nil	Nil	Nil	Nil	3	Y.P.
40,50,000	....	1,24,88,157	67,33,074	—26,32,381	Jardine Henderson Ltd.	1,276	Reliance	7.75	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£490,065	£1,495,648	£850,162	£23,007	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	5%†	10%†	6%†		12	Y.P.
30,00,000	19,67,306	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.50	0.60			3	Y.P.
14,60,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	24.00xd	10	1.50	2.50	2.50	2.50	12	Y.P.
£600,000	£420,865	£1,276,168	£743,019	£4,740	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	3%†	10%†	6%†		12	Y.P.
35,98,600	87,94,656	93,18,767	55,10,623	8,800	Bird & Co. Private Ltd.	1,326	Union	164.00	100	15.00	20.00	25.00	6.00	3	Y.P.T.
£400,000	£279,822	£1,283,223	£611,723	£17,815	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	5%†	10%†	6%†		12	Y.P.
2,60,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.62	1	Nil	0.25	0.30	0.30	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
10,98,990	4,83,841	17,73,941	3,77,863	16,618	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	13.75	10	1.75	1.50	1.50	1.20	3	Y.P
83,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.41	2	0.25	0.25	0.25	0.20	6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.60	2	0.24	0.24	0.20	0.20	6	Y.P.
14,00,100	14,42,652	27,59,605	9,36,841	43,653	Peirce, Leslie & Co., Ltd.	1,714	Chembra Peak Estates	3.37	2	0.20	0.30	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,383	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	2.00	1.75	1.50	9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	4.95	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	26.05cd	10	2.50	2.50	2.00	2.00	12	Y.
6,74,650	3,31,040	11,60,946	2,46,302	13,226	Young India Agencies Private Ltd.	465	Devon Tea	13 50cd	10	1.75	1.50	1.50	1.20	3	Y.P.
5,60,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.30	0.40	....	Nil	12	Y.
25,00,000	18,55,500	56,71,656	10,31,863	77,135	Parkins Private Ltd.	1,506	Halleyburia	13.12cd	10	2.00	1.25'C'	1.50		12	Y.P.
6,00,000	8,86,159	15,77,488	3,94,129	59,573	Peirce, Leslie & Co., Ltd.	469	Kalasa Tea	3.52	2	0.25	0.30	0.40	0.50	3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.92	2	0.30	0.70	0.50	0.50	10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	362	Kurchermala Plant, Ltd.	5 07	10	0.625	0.80	Nil	0.40	3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.40	10	1.00	1.00	1.00	1.00	12	Y.
3,50,000	7,000	3,48,587	18,739	....	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.10	2	0.24	0.10	0.20	0.10	3	Y.
3,00,000	6,18,504	14,43,867	3,15,782	1,740	Espon Thomas, Esq. (Mg. Director)	560	Mlamallay	36 00	25	3.75	5.00	3.75	3.50	3	Y.P.
36,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	3 85	5	0.37	0.37	0.87	0.87	3	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.85	2	0.30	0.20	0.26	0.80	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	9.10	10	0.60	0.50	0.80		3	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	22.25	10	3.50	2.00	2.00	2.00	6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	22.25	10	2.50	2.75	2.75	2.25	6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	1.50	2.00	2.00	2.00	2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	20.50cd	10	1.62½	2.25	2.25	2.50	12	Y.P.
57,94,880	30,24,711	1,13,81,238	39,12,993	65,407	Peirce, Leslie & Co., Ltd.	3,718	Periakaramalai	3.28	2	0.20'C'	0.25	0.27	0.40	3	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.15	0.125	0.18	0.15	6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.75	10	0.80	0.60	1.70	1.50	6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2 82	2	0.15	0.15	0.25	0.12	3	Y.
12,50,000	11,78,243	32,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1 92	2	0.12	0.10	0.16	0.20	3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.23	10	1.50	1.00'C'	1.00	0.60	12	Y.
21,93,280	14,52,765	49,96,418	19,93,195	30,106	T. Stanes & Co., Ltd.	1,771	United Nilgiri	20 37	10	1.60	1.95	2.10	2.20	3	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.20	2	0.25	0.25	0.25	0.20	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
6,60,000	5,52,435	16,85,453	4,57,025	80,365	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	3.00	2	0.20	0.15	0.15	0.30	3	Y.
6,75,000	2,35,527	19,88,033	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	11.06	10	0.60	0.75	1.00	1.00	3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15 24xd	10	1.00	1.50	1.50	1.80	12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.90	2	0.70	0.50	0.40	0.80	6	Y.T.
4,25,000	4,50,000	8,61,867	1,01,113	23,299	Young India Agencies Pvt. Ltd.	610	Badra Coffee Estates Ltd.	3.15	2	0.35	0.35	0.30	0.80	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	6 35	5	1.25	0.625	0.40		6	Y.P.
8,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.25	0.15	0.15	0.10	5	Y.P.
26,91,279	20,33,511	55,26,015	9,62,337	10,145	Peirce, Leslie & Co., Ltd.	6,203	Cochin Malabar	6.95	3	0.30'C'	0.45	0.525	0.60	2	Y.P.
22,50,000	32,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	15.25	10	2.00	2.50	0.60	1.20	6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,313	2,26,719	C. I. Machia, Esq. (Mg. Director)	3,232	Consolidated Coffee	18.40	10	2.00	2.50	2.00	2.00	6	Y.P.
6,00,000	5,09,735	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	10 10	10	1.50	1.50	1.00	1.00	3	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.20cd	2	1.30	0.50	0.50	0.50	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	12 30xd	10	1.50	1.50	1.50	1.50	12	Y.P.
11,85,700	11,77,705	31,18,425	3,48,844	31,973	A. V. George & Co., Ltd.	1,548	Kailas Rubber Co., Ltd.	5.03	2	0.50	0.50	0.40	0.50	2	Y.P
8,00,000	3,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.90	10	1.00'C'	1.25	1.25	1.25	4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.16	2	0.40'C'	0.40	0.40	0.35	10	Y.T.
13,50,000	5,41,456	22,23,838	4,40,673	47	K. T. Thomas Kathanar, Esq.	2,143	Malankara Rubber	16.90	10	1.70'C'	1.60	1.50	1.60*	3	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8 30	5	1.00	1.00	1.00	1.00	6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10 90	10	1.00'C'	1.00	1.25	1.25	3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	24 65cd	10	1.50	1.50	1.50	1.50	12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	14 50cd	10	2.00	1.50	1.50	1.50	12	Y.P.T.
19,45,980	25.53.533	55,11,401	20.57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3 65	2	0.20	0.30	0.26	0.24	10	Y.P.T.
6,50 000	5.71.464	7.97.732	83,078	46,714	Peirce, Leslie & Co., Ltd.	532	Ossoor Estates Ltd.	2 70	2	0.26	0.30	0.30	0.30	3	Y.
16,50,000	2,29,315	23,27,018	7,37,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1 68	2	0.08	0.10	0.10	0.12	3	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.75	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	11 12	5	2 00	2.50	1.25	1.25	3	Y.P.
5,50,170	3.25.000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3 20	2	0.25'C'	0.30	0.28	0.32	11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.53	2	0.18	0.18	0.12	0.12	3	Y.P.T.
10,60,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5 45	10	0.60	0.60	Nil		3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15 74xd	10	3.00	3.00	3.00	1.80	12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1 53	1	0.10	0.07	0.07	0.24	9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11 41xd	10	1.00	1.00	1.30		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	10 08xd	10	0.50	0.75	0.90	1.00	12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	17 35xd	25	1.50	2.00	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5 50	5	0.50	0.50	0.60		2	Y.P.T.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15 50	10	0.75	1.50	0.10	Nil	12	Y.P.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Valkundam Rubber Co., Ltd.	31 70	10	3.00	2.50	3.00	3.00	12	Y.
12,00,000	12,40,982	16,15,277	1,52,156	1,12,012	Peirce, Leslie & Co., Ltd.	1,030	Wartyhully Estates Ltd.	2.80	2	0.30	0.30	0.30	0.30	3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	0.50	1.00	1.00	3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	21.00	10	1.50	1.50	Nil	1.00	12	Y.P.
3,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	28.00	10	2.00	2.50	3.00	3.00	12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	32.25xd	10	1.00	1.75	3.00	3.25	12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	19.25	10	1.50	1.50	Nil	1.50	12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	25.87xd	10	2.00	3.00	3.50	2.50'C'	12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	19.06	5	1.50	1.50	1.50	1.00	12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.50xd	10	1.50	2.50	4.00	4.50	12	Y
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	18.06	10	Nil	1.30	1.30	1.30	12	Y.
6,00,000	2,00,000	14,02,675	3,52,303	38,457	Octavius Steel & Co., Ltd.	479	Bokakhat	13.70	10	0.50	0.80			12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.00	10	0.75	1.25	1.50	1.50	12	Y.P
35,00,000	15.38.736	97.20.006	35.63.381	1,63,299	M	2,834	Brooke Bond B.	15.06	10	1.00	1.25	1.50	1.00	6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.00	10	3 00	4.00	1.50	2.00	12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	146.00	100	Nil	Nil	Nil	10.00	12	Y.
17,52,440	11,14,355	34,30,624	10,01,213	17,475	James Warren & Co., Ltd.	770	Dhelakhat	20.37xd	10	2.50	2.00	1.25		12	Y.P
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	15.12	10	2.00	2.30	2.00		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	33.44	10	3.00	3.00	4.00	4.00	12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	23.25	10	2.50	3.00	2.50	2.00	12	Y.P
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.00xd	10	4.50	3.50	2.50	2.50	12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	0.50	1.00	Nil	Nil	12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	25.50	10	2.50	2.50	2.50		12	Y.
6,76,000	5,77,500	24,29.138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.50	10	0.50	1.00	Nil	0.50	12	Y.
23 29,085	36,34,739	67,36,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob Tea	10.00	5	1.50	0.70			12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.81	10	0.501	2.50	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	170.00xd	100	17.50	20.00	10.00	7.50	12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	17.56	10	1.00	1.40	1.40	1.25'C'	12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	30.00xd	10	1.00	1.00	3.00	3.00	12	Y.
3,60,000	15,02,635	16,52,939	7,79,490	77,886	M.	1,226	Kingsley-Golaghat (Assam)	215.00	100	25.00	35.00			12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.44	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	16.50	10	Nil	Nil	Nil	Nil	12	Y.
10,00,000	13,00,000	23,97,978	8,14,738	45,981	Octavius Steel & Co., Ltd.	648	Methoni	21.25	10	2.20	1.50	0.50		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	12.12	10	Nil	1.00			12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	486.00xd	100	40.00	25.00	30.00	30.00	12	Y.
1,75,000 P.O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	28.75 27.00	O. 10 P.O. 10	2.00 2.50	2.00 2.563	0.50 1.063	1.50 2.063	12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	14.50	10	1.60	1.60			12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	117.00	100	Nil	Nil	Nil	Nil	12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.50	10	2.50	3.50	4.00	1.35	12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	18.31	10	1.50	2.00	2.25		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	22.50	10	2.25	1.75	2.25	1.50	12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50	2.50	12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00xdN	10	1.50	1.75	3.00	3.00	12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	16.31	10	1.25	2.00	2.00	1.25	12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyreon	36.50	10	1.50	3.00	1.00	1.50	12	Y.P.
					CACHAR										
5,00,000	5,000	5,43,677	2,03,160	41,902	M.	862	Arcuttipore	6.70xd	10	Nil	Nil			12	Y.
12,60,000	18,00,800	31,80,534	14,49,004	42,558	Octavius Steel & Co., Ltd.	2,208	Hattikhira	10.00xd	10	0.50	0.50	Nil		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	Nil	1.00			12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	20.00	30.00	30.00	20.00	12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.50	10	Nil	Nil	Nil	1.00	12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	1.25	3.75	2.50	2.50	12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	7.00	10	Nil	Nil			12	Y.P.T.
					DARJEELING										
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25xd	10	Nil	Nil	Nil	1.00	12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	100.00	100	7.50	5.00			12	Y.P.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.75	10	Nil	Nil	Nil		12	Y.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	Nil	10.00	22.50	20.00	12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	28.25xd	10	3.00	2.00	3.00	2.50	12	Y.
4,00,000	2 71,500	5.92 631	2,85,757	6,271	M.	505	Okayti	600.00	100	32.50	32.50	25.00	/	12	Y.P.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.00	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	7.12	10	Nil	Nil			12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	351.00xd	100	30.00	10.00	35.00	20.00	12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50	1.50			12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	4.37	10	0.75	0.50			12	Y.P.
3,00,000	5,39,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	49.87	10	5.00	3.00	5.00	4.00	12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	13.87	10	1.50	1.00	1.50	1.50	12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	13.62	10	Nil	Nil	Nil		12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	272.00	100	20.00	32.50	22.50	21.00	12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	26.06	10	1.50	2.50	3.00	2.50	12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.62	10	Nil	1.00	1.50	1.50	12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	153.00xd	100	12.50	22.50	17.15	12.50	12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	Nil	15.00	20.00	5.00	12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	228.00xd	100	22.50	30.00	32.50	20.00	12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	179.00xd	100	Nil	5.00	5.00	5.00	12	Y.
4,90,000	68,141	11,42,495	3,47,423	4,521	M.	447	Ethelbarrie	8.37	10	Nil	Nil	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	23.00xd	10	Nil	1.25	2.50	2.00	12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	115.00	100	Nil	12.50	15.00	5.00	12	Y.P.
32,00,000	69,41,255	1,23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	16.00B	10	0.75	1.25	1.70		12	Y.P.
8,25,000	22,66,578	30,37,917	14,43,417	81,846	Davenport & Co., Ltd.	1,452	Huldibari	15.00XB	10	1.50	2.25	2.25		12	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.37	10	Nil	0.50	1.00	Nil	12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	19.62	10	0.75	1.75	2.50	1.50	12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00N	10	0.50	0.50	1.00		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	165.00xd	100	5.00	17.50	25.00	15.00	12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	256.00xd	100	25.00	32.50	35.00	20.00	12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	120.00	100	Nil	Nil	Nil	Nil	12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.25	10	Nil	Nil	Nil	Nil	12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	18.50	10	0.75	1.00	1.50	1.50	12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	37.00	10	2.50	3.00	2.50	2.00	12	Y.
					SYLHET										
4,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	23.50	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.75	10	0.50	1.50	2.20	2.50	12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	20.50	10	Nil	Nil	2.50	Nil	12	Y.P.
36,00,000	71,34,901	66,77,153	28,83,214	2,34,245	Duncan Bros. & Co., Ltd.	4,173	Patrakola P.	135.00	100	20.00	40.00	32.50		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Tellapara	99.00	100	12.50	17.50	22.50	22.50	12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,923	3,509	Goenka & Co.	667	Atal	8.15	10	0.25	1.00	0.50		12	Y.P.T.
5,00,000	5,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	21.87	10	2.50	2.00	2.00		12	Y.
13,44,000	25,47,000	31,24,957	13,48,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	Nil	15.00	20.00	12.50	12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16.00xd	10	Nil	1.75	2.00	1.50	12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	28.00	10	1.00	1.50	1.50		12	Y.
2,20,000	3,75,250	13 61,474	5,52,735	83,691	McLeod & Co. Ltd.	549	Tirrihannah	71.00	10	4.00†	5.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
71,0,270	8,97,761	1,63,73,175	80,05,128	13,916	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.70xd	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,807	9,38,000	1,78,87,504	22,50,586	21,768	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.36	10	Nil	0.45	0.70	0.70	8	Y.T
43,14,6D4 4,70,9763.0	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	2.94 0.50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	Nil Nil	8	Y.T
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	154.50	100	8.50'C'	11.00	12 00	12.00	7	Y.T.
35,85,642	19,34,630	2,61,31,330	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.90	10	0.70	0.80	Nil	Nil	12	Y.
1,66,00,000 D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.40cd 2.45cd	O. 10 D. 1	1.00 0.10	1.20 0.12	1.20 0.12	1.20 0.12	12	Y.P.T
3,50,34,385	68,72,350	4,66,64,377	1,33,35,164	1,18,670	Essen Private Ltd.	India Cements Ltd.	6.20	5	0.45	0.45	0.55	0.60	3	Y.P.
2,00,00,000	60,92,184	8,57,17,526	2,33,04,027	67,719	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13.00	10	1.25	Nil	0 60	0.80	8	Y.P.T
90,00,000	....	....	....	....	....	Madras Cements	89.00	100	..	..	Nil	..	9	Y.P.
1,14,65,185	....	1,36,60,424	....	....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.26	10	..	Nil	Nil	Nil	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	17.60	10	1.50	1.10	1.50	1.50	12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	102.00	100	..	Nil	Nil	Nil	8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	200.00	100	9.00	9.00	9.00	10.00	12	Y.P.
75,00,000	22,40,000	2,33,77,992	1,63,37,614	31,640	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	5.06	5	0.30	Nil	0.20		12	Y.
50,00,000	13,77,360	1,37,90,842	63,88,842	50,929	Essel (Private) Ltd.	Travancore Cements Ltd.	8.14xd	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1959 and 1960 are payable only when funds are available from Pakistan

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	47,23,258	20,57'464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.19	10	Nil	Nil	0.60	0.60	8	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.24	10	3.50	2.00	2.00	3.00	9	Y.P.
66,28,146	19,77,396	1,61,24,989	63,22,100	1,703	Bharat Ram Bhagat & Co.	Bengal Potteries	7.00	2½	0.25	0.356	0.375		12	Y.
10,00,000	52,26,517	92,22,366	45,87,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	35.50	10	1.75	1.87	3.00	3.00	8	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	10.00	12.86	12.86	15.00	9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	148.00	100	Nil	Nil	8.00	11.00	12	Y.P.
£1,371,300	£2,444,266	£3,614,146	£2,081,108	£118,750	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.84	Sh. 2	0.24	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	16.31	10	Nil Nil	1.50 0.50	1.50 0.50	1.50 0.50	12	Y.
50,00,000	....	1,14,21,419	5,78,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	78.50	100	Nil	Nil	Nil		12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.80	1.80	1.80	12	Y.P.T.
79,09,100	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	12.37	10	Nil	Nil	Nil	Nil	8	Y.P.T.
6,00,000	5,82,678	14,95,136	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	18.50	10	1.00*	1.00*	1.428	1.20	8	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	42.37	10	2.50	3.60	3.60	2.80	6	Y.
3,50,000	17,29,249	92,49,901	49,48,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co. Ltd.	101.00	25	3.75	3.75	5.36	5.36	7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	34.50	10	8.00*	5.00	8.00*	Nil	11	Y.
CHEMICAL														
24,00,000	..	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	93.00	100	..	..			12	Y.P
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	220.00	100	12.00	16.00	14.00	14.00	12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	44.50	10	0.80	0.95	1.20	1.50	9	Y.P.
89,95,875	76,14,312	1,34,46.697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	281.25xd	100	Nil	12.00	12.00	9.00	12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	725.00	100	20.00*	28.00*	30.00*	30.00*	12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	479.00	100	10.00	12.00	12.00	12.00	12	Y.
50,98,900	68,84,606	1,50,85,951	77,12,588	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	103.00	100	6.00	7.00	7.00	10.00	8	Y.P.T.
1,25,00,000	54,11,749	1,18,37 942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	460.00	100	Nil	Nil	Nil	8.00	8	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	33.00	25	2.00	2.50	2.50	3.00	12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	164.50	50	6.00	10.00	Nil	8.00	12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	118.00	100	6.00	4.00(c)	Nil	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	8.20cd	10	0.40	0.60	0.60	0.60	12	Y.
1,49,98,200	39,44,101	43,84,456	17,55,571	75,823	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	461.25	100	Nil	Nil	6.00	6.00	8	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	315.00	200	15.00	20.00	25.00	25.00	8	Y.
80,01,535	24,37,965	1,56,17,773	81,56,950	15,829	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.05	10	0.87½	0.88	1.25'C'	1.25	8	Y.P.T
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.25	10	0.50	0.50	1.00	1.00	8	Y.
8,00,000	4,55,261	12,57,587	6,70,822	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00	2.00'C'	2.00	8	Y.P.
40,00,000	36,28,816	65,05,379	16,88,684	1,54,708	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	183.75	50	Nil	3.00	5.50	7.50	8	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	6.90	10	..	..	Nil	Nil	12	Y.
15,00,000	11,17,980	84,89,082	21,90,718	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	263.00	100	25.00	45.00	35.00	25.00	6	Y.
19,90,908	15,82,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	16.44	5	0.80'C'	1.25	1.25	1.25	6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	213.00	100	..	..	..	Nil	3	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,386	3,571	Tata Industries Private Ltd.	Tata Chemicals	15.60	10Old	0.75	0.525	0.60	0.65	6	Y.P.T.
18,00,000	2,92,249	21,75,764	7,74,231	56,848	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	24.50	10	0.70	1.00	1.50	2.00	3	Y.P
25,20,000	....	8,87,362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-chemical Ind:	95.00	100	N	Nil	Nil		12	Y.
14,81,250	....	5,72,958	1,805	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	190.00	100	..	..	..	Nil	12	Y.
ELECTRIC (BOMBAY)														
3,74,78,895	1,47,38,524	16,04,61,688	4,52,57,864	422	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	88 80	100	6.50	6.75	7.00	7.00	8	Y.T.
81,56,250	26,20,222	2,58,78,938	68.84,923	16,52,884	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.12	10	0.85	0.90	1.00*	0.90	8	Y.P.
3,02,77,000	1,01,95,442	11,78,06,745	2,80,17,570	80,342	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,015.00	1,000	80.00*	80.00*	85.00*	80.00*	8	Y.P.T.
1 75,00,000	99,08,640	461.03,740	1,11,97,816	4,522	Killick Industries Ltd.	Bombay Suburban Electric Supply	103.00	100	7.00	7.50	8.00	8.50	8	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.50	0.60	0.66	0.72	8	Y.T.
48,39,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	7.50	8.00	9.50	8.25	8	Y.P.T.
10,00,000	31,26,526	1,72,01,519	56,35,877	1,914	Killick Industries Ltd.	Surat Electricity	96.00	100	7.00	7.00	7.50	8.00	8	Y.P.
1,89,99,875	1,23,08,557	8,51,68,079	2,03,75,169	26,096	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	113.00	100	8.00*	8.00*	8.50*	8.00*	8	Y.P.
5,15,86,000	3,10,84,482	20,78,53,061	4,81,56,686	82,801	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,110.00	1,000	80.00*	80.00*	85.00*	80.00*	8	Y.P.
West Bengal and Other Centres														
19,99,600	49,57,888	1,79,22,870	42,63,962	47,416	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	125.00	100	10.00	10.00	11.00	11.00	8	Y.T.
8,00,000	15,46,067	65,82,610	24,21,318	24,187	Martin Burn Ltd.	Bareilly Electric Supply	12.00	10	1.00	1.00	1.10	1.10	8	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.00	10	1.00	1.00	1.10	1.10	8	Y.T.
5,91,485	6,92,059	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.40	0.64	0.80	8	Y.
£4,262,646	£9,457,172	£35,950.954	£14,225,968	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.19	£1	7%	7%	7½%	7½%	8	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,968	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.65	0.75	1.00	8	Y.
48,20,000	27,18,468	1.05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.00	7.50	10.00	10.00	8	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Meenna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62½	0.62	0.70	Nil	8	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,578	32,598	Martin Burn Ltd.	Jubbulpore Electric Supply	11.00	10	0.92	0.93	1.00	1.00	8	Y.
5,82,890	4,52,585	37,46,515	13,98,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	11.75	10	1.00	1.00	1.25		8	Y.
35,07,380	40,44,800	141,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.47	10	0.75	0.75	1.00	1.00	8	Y.T.
9.10,000	2,56,804	15,86,888	6,29,467	5,842	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.50	10	0.50	0.50	0.625	0.625	8	Y.
16,80,000	14,98,612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	8.87	10	0.68	0.75	1.00	0.90	8	Y.T.
69,99,960	23,97,866	2,22,90,594	74,27,824	11,886	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.00	10	0.87	0.90	0 90'C'	0.90	8	Y.P.T
5,00,000	12,50,896	57,75,615	18,66,448	86,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.25	1.85	1.85	8	Y.
56,00,000	78,01,918	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	127.00	00	10.00	10.00	11.00	11.00	8	Y.T.
8.00,000	11,41,474	46,63,814	18,15,572	3,34,018	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	14.50	10	1.00	1.00	1.50	1.429	8	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	320.00	100	12.50	17.00	17.00	22.50	12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	110.00	80	3.00	4.00	5.50	9.00*	12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	182.00	100	10.00*	18.00*	18.00*'C'	18.00	6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	230.00	100	7.00	10.00	Nil	4.00	4	Y.P.
60'00,000	1,08,98,455	2,46,93,830	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	176.50	100	9.00	18.00	18.00'C'	18.00	6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,38,658	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	96.50	50	5.00	5.00	4.00	5.00	8	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	184.00	100	12.00	12.00	12.00	12.00	12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.76	10	0.50	0.775	0.80	0.90	9	Y.P
55,42,000	94,93,824	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	54.00	25	2.50	3.00	2.50	2.50	7	Y.
48,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	23.50	10	0.75	1.00	0.90	1.10	6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	1,88,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	45.00	10	1.00	1.00	1.43	1.60	8	Y.
15,00,000	4,53,946	25,18,944	6,77,694	5,688	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	..	Nil	12.50	8	Y.P
1,10,00,000	36,76,765	1,21,61,532	37,43,210	98,848	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	31.00xr	10	1.25	1.25	1.80'C'	1.80	8	Y.P.
5,28,000 15,50,000	1,28,086	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 3.80	10 5	Nil Nil	Nil Nil	Nil Nil	.. ..	9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 7.12	10 10	.. ..	.. ..	.. ..	Nil Nil	11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.00xr	10	2.20	1.25	1.25	1.50*	10	Y.P.
30,00,000	78,422	46,82,025	16,73,677	40,424	Prithviraj Sons	Man Industrial Corporation Ltd.	125.00	100	Nil	Nil	Nil	..	8	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	155.00	100	Nil	Nil	10.00		7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	25.75	10	1.20	1.00*	1.20	1.20	8	Y.P.
57,50,000	42,81,615	1.28,07,888	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	177.50 116.00	100 50	7.50 ..	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,847	82,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	86.20	50	4.50	4.50	6.00	6.50	6	Y.
50,00,000	9.89,198	92,30,855	20,73,762	17,938	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	225.00	100	..	9.00	12.00	9.00	8	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	150.00	30	12.00	18.00	18.50	10.00	12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,895	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	180 00	100	18.00	17.00	12.00	18.00	6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,78,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	145.25	75 Old	8.25	6.80	9.72'C'	10.86*	3	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,81,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	345.00	100	9.00	9.00	12.50	14.50	8	Y.P.T.
19,81,000	3,35,000	25,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	640.00	100	10.00	14.00	18.50		5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.50	10	2.25	3.00	8.00	3.25	6	Y.
55,00,000	80,22,811	1,29,75,902	80,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	271.50	100	9.00	13.00	13.00	14.00	8	Y.
70,00,000	....	10,49,952	4,291	23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd	16.60	10	..	..	..	Nil	6	Y.
West Bengal and Other Centres														
6,00,000	1,06,470	26,89.661	18,48,876	1,80,882	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	13.00	10	Nil	Nil			10	Y.P.T
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	11.75	10	1.25	1.50	1.00	1.00	12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	11.37xd	10	..	0.95	2.50	1.00	12	Y.
56,59,790	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.50	10	1.25	2.25	2.50	2.50	12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	58.00N	10	2.00'B'	3.00	3.00	3.00	12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,685	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.65	10	0.50	0.60	Nil	Nil	3	Y.P.
50,00,000	44,83,965	1,31,00,380	55,16,684	1,88,352	McLeod & Co., Ltd.	Britannia Engineering	11.94	10	0.60	1.00	1.00		12	Y.P.T
15,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	50.00	10	2.00	2.50	4.50	2.00	12	Y.
84,00,000	2,55,85,859	5,20,79,050	3,25,00,540	1,21,244	Martin Burn Ltd.	Burn & Co.	655.00	100	20.00	28.50	28.50	28.50	4	Y.T.
1,00,00,000	11,36,232	50,39,989	6,63,924	1,63,056	M.	Calcutta Steel Co., Ltd.	16 69	10	..	..	0 50	1.50	8	Y.
1,00,00,000	12,38,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil		3	Y.P.T
80,00,000	16,00,000	1,25,47,313	27,93,087	1,64,778	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.62	10	Nil	Nil	1.00	1.00	9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.44	10	1.00	0.50	1.00	1.00	10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.37	10	..	2.60	1.60	..	12	Y.P.
4,00,00,000	6.76,06,738	9.28,09,410	2,94,79,767	..	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	39.69	10	2.00	2.40	1.60'C'	1.40	12	Y.T
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	119.00	50	5.00	6.00	Nil	Nil	12	Y.P
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,848	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	25.80	10	1.00'C'	1.00	1.50	1.60	8	Y.P
39,68,075	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	195.00	25	5.00	5.00	7.125	7.126	3	Y.P
96,58,160 26,680	2,52,04,628	2,22,95.589	1.52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	55.50 14.50	O.10 O. 1	4.00 0.40	1.62½ 0.16½	2.80 0.28		8	Y.
48,82,782	3,71,841	36,01,297	18,94,884	10.662	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	12.10	10	0.70	0.70	..	1.25	8	Y.P.
1,07,48,788	90,64,298	4,34,86,950	1,69,45,698	7,173	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.87	10	1.20	1.20	1.715	1.715	8	Y.P.T
20,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17.81	10	1.25	1.25	2.00	2.00	6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	23.44	10	0.60	0.858	0.858'C'	0.858	10	Y.P
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.75	8	0.30	0.30'C'	0.30	0.35	11	Y.P.T
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	3.37	2	0.40	0.20	Nil	Nil	6	Y.
49,96,000	13,58,398	1,44,34,142	86,82,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.25	10	0.62	0.75	Nil	Nil	8	Y.P.T
60,00,000	24,06,943	76,55,140	24,16,813	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.60	10	Nil	Nil			6	Y.P.
6,00,000	15,56,099	31,20,671	20,15,012	15,603	The British India Corpn. Ltd.	Saran Engineering Co.	10.00	4	0.40	0.25	0.85	0.40	8	Y.
1,58,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	24.35	10	1.50	2.00	1.00	1.00	12	Y.P.T
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	153.33xr	100	12.00	15.00	15.00	15.00	4	Y.

* Includes bonus. † Subject to taxation. X.B.EX Bonus 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	12 00	5	1.00	1.00	1.00	1.00	12	Y.
13,00,000	14,65,198	25,43,030	....	66,390	M.	Devkaran Nanjee Insurance	32 50xd	50	3.00	2.00	3.00		12	Y.
34.00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.17xd	10	2.00	2.00	2.25	2.625	12	Y.
16,92,240	46,80,636	1,03 90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.00	40	3.75	5.35	6.00	6.00	12	Y.
[illegible]	77 82,225	2 14 62 497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	25 25	20	2.00	2.50	2.50	3.00	12	Y.
1,42,42,125 A 15,60,535	2,94.22 392	19.77,64,200	....	3,78,571	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	71.00 72 00	15 15New	4.00 4.00	5.70* 5.70*	5.70 5.70	5.70* 5.70*	12	Y.
15,99,270	40.70,395	1,05,96,078	...	89,231	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.81	8	0.62	0.80	0.80		12	Y.
5,75,000	69,07.990	1,16,88,357	...	2,05,841	Sir John Brown (Mg. Director)	Triton Insurance	134.00	25	11.25	11.25	11.25		12	Y.
12,00,000	1,10,53,561	2.41.52.099	...	1,00,078	V. C. Setalvad Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	18.00	10	1.50	2.00	2.00		12	Y.
OIL														
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas Esq. (Chairman)	British Burma Petroleum Co.	1.84	Sh. 1½	2%	Nil	8%	10%	3	Y.
35,00,000	86,35,342	90,36,320	38,37,426	29,706	I. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	Nil	0.60	0.60		12	Y.P.
1,00,00,000	2,56 15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	26.62xd	10	2.00	2.50	3.00	2.50	12	Y.P.
70,07,475	55,28,586	3,01,95.764	1.65,90,859	28.609	Tata Industries Private Ltd.	Tata Oil Mills	70.50	25	2.50	3.25	5.75	5 75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	25.50	10	1.50	2.20	3.00	3.50	10	Y.
PAPER														
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	185.00	100	Nil	Nil	6.00§	9.00§	3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	2.87	5	Nil	Nil	Nil	Nil	12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,25,202	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	18.31	10	Nil	1.00	1.43	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	33.50xd	10	2.20	3.20	3 20	2.75	12	Y.P.T.
38,20,000	34,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	21 50	10	1.00	1.00	1.50'C'	1 30	3	Y.
25,00,000	Nil	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	82.00	100	Nil	Nil	Nil	Nil	3	Y.
1,39,05,810	....	3,23,63,696		....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8 20	10	....	....	....	Nil	6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.10	10	1.00	1.25*	1.50	1.50	3	Y.
1,46,32,500	3,51,86,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	42 20	10	1.50	1.50	2.25	2.25	3	Y.P.T.
3,50,00,000		60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.05	10	....	....	....	Nil	3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	26 62	10	1.25	1.78	1.78		12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	81,54,856	46,75,270	3.97 323	Bajoria & Co.	Star Paper Mills	10.19 10.19	O. 10 A. 10	0.60 0.60	0.30 0.30	Nil Nil		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	12 96	10	0.65	0.65	0.65	0.85	6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	....	Nil		12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,51,10,345	9,55,90,235	4 92,58,077	1,48,295	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	42.00 42.00 3.87	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2 00 0 323	3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	169.00	100	Nil	Nil	6.00	7.50	6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.44	3	Nil	....	....	....		Y.
89,25,000 42,00,000	3,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co	Bombay-Burmah Trading Corpn.	650.00 255.00	Old125 New50	22.50 9.00	28.75 9.50	27.50 15.00	41.25‡ 16.50	9	Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.44	10	2.50	2.50	3.00	3.00		Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia Esq. (Secretary)	Balrampur Sugar	2.50	2.50	0.25	0.40‡	0.20	0.20	6	Y.
12,00,000 B.3,00,000	36,71,179	69,21,472	42,19,338	3,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122 00 11.60N	A. 100 B. 10	10.00 1 00	10.00 1.00	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd	Belsand Sugar	10.31	7½	1 00	1.40	1.40	0.75	9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	13 25	10	1.00	1.50	1.50	1.50	6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13.07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	13.00	10	0.25	Nil	Nil	Nil	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	13.25	10	Nil	Nil	Nil	Nil	10	Y.P.
16.00,000	54.55,390	86,85,573	59,25,607	18,674	British India Corporation Ltd.	Champarun Sugar	17.94	10	1.00	1 50	1 50	1 20	6	Y.
9,58,050	6,04,985	36,14,697	23 08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	0 50	1.125	0 35	Nil	8	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	10.00	10	1 50	2 00	0 40		8	Y.
60,00,000	1,03,00,000	2,34.88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	387.50	100	15 00	15 00	29 00*	29.00*	6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand Esq (Chairman)	Kesar Sugar	212.50	50	4 00	4 20	9 00	10.00	7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2 50	3 65	3 65	3 625	0	Y.P.
11,00,000	5.25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros Private Ltd.	New Savan	5.19	10	0 25	0 37	0 50	0.56	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	20 00	29 00	29 00	29 00	6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	180.00	100	12 50	18 25	20 00	20.00	7	Y.P.
12,00,000	12,65,315	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	6 00	15.00			10	Y.
9 00,000	22,02,870	51,19,941	35 72,535	4,006	M.	Purtabpore Co.	11.50	10	Nil	Nil			10	Y.P
20,00,000	3.64,500	26,21,410	15 54,478	1 370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	7.44	10	0 30	0 30	0 40	0 40	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9 25	10	1.25	1.20	1 25	1.00	10	Y.
11,99,750	33,90,877	64,26,342	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.00	10	0 25	Nil	Nil	Nil	6	Y.
39,09,800	29,62,184	1,39,61,435	34 59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.00	10	1.00	1.50	1.50		7	Y.P.T.
16,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15 00,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.50	0.90	1 00	0 75	8	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.06	5	....	....	0.62	0.40	6	Y.
8,00,000	55,14,976	2,04,16 447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70 00	10	5.00	7.25	7 25	7.25	6	Y.P
16,00,000	16,15,452	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.00	1.50	1.50		9	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,037	7,000	Rangaras & Co.	Andhra Sugars Ltd.	21 00	10	1.55	2.00	2.00	1.60	9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	103.00	100	Nil	Nil	6 00	8.00	6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	226.50	50	20 00*	21 00	29 00	25 00	9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	21 24	10	2 00	2 50	2 25	1.50	9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	24.12	12.50	2 25	2 90	2.50	2 50	9	Y.
39,84,000	52,98,500	1,48,93.208	83,78,392	1.48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.95	5	0.90	0.90	1.28	1.05	5	Y.P.
£1,100,000	£2,043 269	£2.379,427	£1,292,143	£115,584	Parry s Holdings Private Ltd.	East India Distilleries & Sugar	39.60	£1	20%	28 4/7%	21 3/7%	21 3/7%	6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	10.00	12.50	12.50	6	Y.P.
63 97,650	15,25,348	84,90 385	39.09.633	3.17,347	India Sugar Agencies Private Ltd	India Sugar and Refineries	9 55	10	1 00	1 25	1 40	1.00	9	Y.P.
32,43,380	26,08,785	1,81,03,458	36 01,381	7,084	R. S. Ind. Corpn. Private Ltd	Jeypore Sugar	15 12	10	0.60	1 00	1 25	1 50	6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	Y Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22 00	10	0.75	1.50	1.50	1.50	6	Y.P.T.
17,60,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd	Kirlampudi Sugar Mills Ltd.	64 00	100	Nil	Nil	Nil	Nil	6	Y.P.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt Ltd.	Maharashtra Sugar Mills	159 00	50	17 00	21 00	21 00	17.50	9	Y.P.
21,79,380	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Vengopal Naydu, Esq (Mg Director)	Mysore Sugar	53.40	10	3 00*	3.00	3.00	3 00	6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg Director.)	Nizam Sugar Factory Ltd.	63.00	25	4 50	5 40	5 75	5 75	6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	99.80	50	10 00	13 50	12 00	9 00	9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger Cane and Sugar	29.24	10	1 50	2 14	3 00	3.50	8	Y.P.T.
29,98,650 D-4,00,000	43,94,792	1.63,17,106	74,76,123	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	58.00 30.00	O. 50 D. 50	12 00 3 50	8 50 3 50	5 00 3 50	5 00 3.50	9	Y.P.T.
30,00,000	19,90,000	71,92,482	36.48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	7.35	10	1 00	1.00	1 00	0 75	7	Y.P.
1,50 94,390	1,30,61,083	4,60,82,521	1.83,61,577	1,50,034	Walchand & Co. Private Ltd	Walchandnagar Industries	154.50	100	21.00	20.00	15.00	15.00	9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	104.00	100			Nil	Nil	9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	-14,61,710	Technical Services (Private) Ltd	Automobile Products	9.88	10	Nil	Nil	Nil	Nil	7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10.768	K. M. Premchand Esq. (Chairman)	Associated Rubber Industries Ltd.	110.00	100	7.00	10.00	10.00	Nil	12	Y.P.T.
9.90,000 30.05,000	1,92,000	9,72,309	1,00.362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	 77.00	100 65		..	20 00 10 00	45 00 22 50	3	Y.
25,00,000 9,37,500	6,04,356	21.20,176	7,13,160	19,528	Jamnalal Sons Private Ltd	Bajaj Electricals	131.00 130 00	100 100	9.00	5.00	8 10 2.70	9 50 4 50	3	Y.P
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C Mehta, Esq. (Chairman)	Bharat Bijlee	190.00	100	Nil	Nil	Nil	7.50	6	Y.
14,97,350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Mandlal Private Ltd.	Batrela Batteries	65.00	50	3 00	3.50*	4.50	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60 613	Aero-Auto Ltd	Bombay Cycle & Motor	27 25	20	1.00	2.00	2.50	2.50	3	Y.
75,20,000		12.29,816		1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	62 00	50				Nil	12	Y.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Aentis, Esq. (Mg Director)	Ceat Tyres of India Ltd.	178.75	100		Nil	Nil	Nil	12	Y.
1,35,00,000	60,57,845	24.11,651	8,20,848	16,714	N. M Wagle, Esq. (Mg. Director)	Greaves Cotton & Co. Ltd.	210 00	100	10.00	7.50	11.00	13 00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P H Serina, Esq (Mg. Director)	Henley Cables India Ltd.	100 00N	100				Nil	10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33 453	Birla Brothers Private L'd.	Hind Cycles	121.00	100	7.00	Nil	Nil	Nil	3	Y.P.
6,00,00,000	....	11.12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	16 76	10		..	Nil	Nil	12	Y P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq (Chairman)	Hindustan Lever	46 12	10	1.50	2 40	2 60	2.60	12	Y.
50,00,000	10,000	19,61,631	21,692	5,620	D. N. Mitra, Esq (Chairman)	Hindustan Wires Ltd.	11.24	10		..	Nil	Nil	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd	Indian Vegetable Products Ltd.	202 50	100	10 00	15.00	17 00	17.00	9	Y.
5,00,00,000	1,22,08,829	7,67,02.145§§	....	2,29,344	G. L. Mehta, Esq (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	91.00	100	4 00	5 00	5.75	6 50	12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq (Chairman)	Industrial Investment Trust	75.00	100	6 00	6 00	6.20	6.50	12	Y.
1,70,22,100	1,20,01 422	5,04,65,623§§	....	70,631	A. D Shroff, Esq (Mg Director)	Investment Corpn. of India Ltd.	119.00	100	6 50	9.25	8.50	8.50	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	140 00	100	6 00	8.50	9 00	10.00	12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq (Mg Director)	Killick Industries	87.00	100	13 00	9 00	8.00	Nil	11	Y.
12,50,400	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P Patel Esq (Chairman)	Laxmi Starch Factory Ltd.	158 00	100	6 00	9 00	13.00	13 00	3	Y.
11,25,100	3.62,000	15,63,419	5,10,535	4,707	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	114 00	100	7 00	6 00	10 00	12 00	3	Y.P
36,35,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd	New India Industries Ltd.	305 00	100	18 00	25 00	25.00	Nil	12	Y P.
18,78,375		4.64,309	....	314	K. M. Desai, Esq (Mg. Director)	Permanent Magnets Ltd.	212 50	75		.	..	Nil	12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	185 00	10	10 00	15 00	15 00	17.00	12	Y.T.
5,01,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	126.50	100	4 00	9 00	9 00	9 00	6	Y.P.
4,73,200 5,13 400	1,96,985	30,00.499	10,28,466	29.918	Sathe Food Industries Private Ltd	Sathe Biscuit & Chocolate Co Ltd.	100 00N 50 00N	100 50	6 00 3.00	6 00 3 00	9.00 4.50	9 00 4 50	3	Y
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	136.00	100		.	Nil	Nil	12	Y.
17,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd	Standard Batteries Ltd.	222 50	100	8.00	14.00'C'	15.00	15.00	6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	38 00	50		Nil	Nil		3	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co	Supreme Industries Ltd.	138.75	100	7 50	9.00	13.00	13 00	3	Y.
42,000 22,29,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	72.00	75	.	..	..	Nil	12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5 11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	280.00	100	11.00*	16.00*	16.00	16.00	12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hashem Premji	Western India Vegetable Products Ltd	116 25	100	8 00	8 00	9.00	9.00	3	Y.
45,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H Brady & Co. Ltd.	450 00	150	25 00	35.00	50 00	52 00	12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus † Subject to taxation. § Exempt from tax. §§ Investments at cost

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts Closed	Reference
						UNCLASSIFIED (Other Centres)								
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.69	10	0.90	1.00	1.20	1.20	3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Indutries Ltd.	24 00	10	1.25	1.25	1.80	0.90	3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	22.87	10	1.50	2.00	2.50*	2.25	8	Y.
3,44,97,135	45.25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.35	5	0.30	0.40	0.40	0.30	9	Y.
30,00,000	28,03,816	43,94,289	24,88,053	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	25.00	10	1.25*	1.80	1.80	2.00*	12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. B. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	30.40	10	2 40	4.00	2.50	1.50	8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00N	10	0.60	*Nil*	*Nil*	1.00	3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	281.00	100	20.00	25.00	25.00	25.00	12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	31 60	10	2.50	4.50	4.00	2.50	12	Y.
20,00,000	9,27,188	66,75,796‖	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12 12	10	0.70	1.10	0.95	1.00	9	Y.P.
48,97,620	72,69,286	1,48,96,874	60,07,677	2,84,279	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	44 50	10	1.20	1.40	2.50	3.00*	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9 36	5	*Nil*	*Nil*	0.20	0.35	12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	23.00	10	1.00	1.00	1.25	1.25	12	Y.
1,38,80,000	14,79,453	1,91,89,189‖	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.12	10	0.75	0.83*H*	0.80	0.75	12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15 00N	10	1.00	1.00	1.00	1.00	10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexen, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	40 69	10	1.62	2.15	2.15	2.00	12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	158 00	100	10.00	14.00	14.00	14.00	12	Y.P.
27,56,355	1,76,30,094	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	55.12	5	0.75	0.80	1.25	1.50	3	Y.
51,26,000	61,19,702	1,64,39,363‖	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	128 00xr	100	9.00	14.00	14.00	14.00	12	Y.P.
12,49,250	....	4,92,055	6,866	23,611	M.	East Anglia Plastics (India) Ltd.	18 87	10	..	..	..	*Nil*	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	12.10cd	10	*Nil*	0.50	0.50	0.40	12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	18.12	12.50	1.50	1.60	1.60	1.60	9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	231.00	100	15.00	17.00	17.50	20.00	3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10 20	10	1.25	1.25	1.25		3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	6 00	5	..	..	..	*Nil*	6	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. K. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	14 50	10	1.00	1.00	1.00		3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	35 44	10	2.00	2.60	4.00	4.00	12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O.Carey, Esq. (Mg. Director)	Goodyear India Ltd.	45.37	10	..	..	..	*Nil*	12	Y.
30,00,000	18,10,650	86,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	15.00	22.50		3	Y.
4,06,18,350	1,35,51,450	8,83,47,837	8,84,91,947	2,75,652	Birla Brothers Private Ltd.	Hindustan Motors	19.52	10	*Nil*	0.50	0.90	1.20	3	Y.P.
30,00,000	18.16,923	1.12.52.644	46,90.099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	21.75	10	0.60	1 20	1.20	1.20	10	Y.
40,00,000	....	1,00,469	....	....	Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	16.63	10	..	..	..	*Nil*	3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,953	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.18	10	0.70	0.60	0.80	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	38 75	10	0.70	1.20	1.50	1.50	12	Y.P.T.
2,35,77,700	2,29,18,801	2,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	36.81	10	1.50*	1.50*	2.25	2.25	3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	45.75	10	1.00	1.50	1.50	1.50	9	Y.
29,93,875	1,06,104	54,89,157	21,21,520	3,638	M.	Indian Plastics Ltd.	10 50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
6,27,970	7,54,370	19,61,878	11,61,643	1,82,665	M.	Indian Rubber Manufacturers	20 31	10	1.00	1.50	2.00		3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	17.19	10	..	..	*Nil*	*Nil*	12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	81 00	100	2.50	5.00	7.00	7.00	3	Y.P.
16,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	10 19	10	3.50	2.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.94	10	2.12*	2.75	2.75	2.75	9	Y.P.
16,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	24 12	10	2.00	3.00	3.00		12	Y.
40,00,000O. 5,00,000D.	78,79,891	81,96,009	13,63,608	2,18,917	M.	McLeod & Co.	215.00 —	O. 100 D.O.10	12.50 0.75	15.00 1.00	15.00 1.00		12	Y.P.
1,01,00,000	1,82,75,151	3,61,57,826	1,40,23,040	28,85,973	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	64 75	10	1.75	1.75	2.50	2.50	3	Y.P.
20,00,000	7,90,891	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	223 50	100	11.00	15.00	24.00	20.00	3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34 00	10	1.50	1.60	2.00	2.50	3	Y.P.
10,00,000	3,23,080	20,89,182	12,41,906	11,458	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8 62	10	1.25	1.25	1.00	*Nil*	3	Y.
90,00,000	1,60,09,810	1,39,45,856	57,73,861	50 820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	32 12	10	2.00	2.00	2.50	2.50	3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	31 81	10	1.25	1.50	2.00	2.00	9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	22 12	10	1.00	1.00	1.30	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.31	10	0.60	0.85	*Nil*	0.65	12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13 94	10	1.10	1.60	1.60	0.70	12	Y.P.T.
23,82,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.60	75	3.75	6.50	6.50	6.50	12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,81,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.13	1	0.20	0.20	0.30	0.20	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	33.62	10	0.85	1.20	1.20	1.20	12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	25 00	5	..	..	..	*Nil*	3	Y.
15,00,000	1,09,431	8,89,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3 90	5	0.375	0.375	*Nil*		12	Y.
36,80,738	17,25,287	48,65,614	24,00,977	43,537	T Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20 00	10	1.60	1.60	2.30	1.80	3	Y.
2,25,00,000	3,15,42,305	71,06,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	139 00	100	*Nil*	*Nil*	4.00	8.50	3	Y.P
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	15 75	10	2.00	1.50	2.00	1.00	3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18 87	10	0.60	0.80	0.80	0.80	9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	..	*Nil*	*Nil*	*Nil*	12	Y.P.
15,00,000 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southeren Ind. Corporation	9.00cd —	10 7.50	*Nil* *Nil*	1.50 ..	1.30 0.225	.. ..	12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	*Nil*	*Nil*	*Nil*		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith. Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.50	10	1.00	1.50	1.50	1.50	12	Y.P.
48,00,000	91,92,371	1,59,18,519	81,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23 25	10	1.50	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1.62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.62cd	10	0.75	0.90	0.90	0.70	12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.00	10	1.25	1.50	*Nil*	*Nil*	12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.80	10	0.40	0.60	0.60	0.70	12	Y.
11,56,800	16,45,655	14,00,718	7,70,662	91,515	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	31 00	10	2.00	2.75	3.25*	1.50	9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	286.00	100	10 00	10.00	10.00	10.00	7	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	7.75	10	*Nil*	*Nil*	..		9	Y.T.
2,80,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	48.00	10	1.40	1.80	1.80	1.80	12	Y.T.
20,00,000	60,00,000	58.86 994	19 50.050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	82.00	10	6 00	6.00	6.00	6.00	3	Y.
8,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	32.00	10	3.75	5.25	3.50	1.00	11	Y.
21,46,200	27,60,459	1,02,78,928	35,59,149	6,384	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.00	100	19.00	10.00	10.00	12.00	3	Y.P.
						TRANSPORT								
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	117.00	100	6.00	3.00	7.50	7 50	10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	1.20*	*Nil*	*Nil*	*Nil*	12	Y.
60,00,000 20,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.32 6 00	10 5(New)	1.80 0.90	1 50 0.525	1.00 0.50	0.78 0.39	6	Y.P.
£655,580	£1,242,443	£5,811,271	£3,538,891	—23,866	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	64 00	£10	*Nil*	*Nil*			12	Y.P.
3,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	9 44	10	1.00	1.00	1.00	*Nil*	3	Y.P.
1,28,19,293	11,18,95,184	38,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11 80	20	1.25	1.30	0.60	0.60	6	Y.T.
O.8,40,800 P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.50 2.75	O. 1 P.O. 1	0.14 0.12	0.20 0.15	0.30 0.20	0.30 0.20	12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	Accounts closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21 19	10	1.25	1.50	1.00	1.25	3	Y.
12,00,000	6,09,272	41,29,674	34,78,442	—2,59,124	Jardine Henderson Ltd.	Barraree Coke	25 00	10	0.50	*Nil*	*Nil*	*Nil*	3	Y.
4,49,850	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3 50	10	0 25	*Nil*	0.60		12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07 62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	375 50	100	17.50	25.00	25.00	21.00	10	Y.P.
2,25,000	5,45,835	24.86,330	21,80,114	16,129	M.	Bengal-Nagpur	19.50	10	*Nil*	*Nil*	1.00	2.60	12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	4 03	10	0.60	*Nil*	*Nil*	*Nil*	6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	11 50N	10	*Nil*	*Nil*	*Nil*		12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,844	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	25 69	10	0.75	1.00	1.50	1.50	12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	18 00	10	0.875	1.30	1.30	1.30	6	Y.P.T.
49,97,750	6,32,979	82,38,293	31,00,614	1,11,870	Hindustan Investment Corpn. Ltd.	Central India	11 50	10	0.50	0.50	0.80	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35.46,265	—1,25,641	Jain Industries	Central Kurkend	5.00N	10	0.50	*Nil*	*Nil*		12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	6.87	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	51 37	£1	1.00	1.25	1.00	2.00	4	Y.
29 63,760	1,18,76,888	5,05,78,170	3,63,55,116	33 594	Macneill & Barry Ltd.	Equitable	28 94	10	1.50	0.75	1.50	1.00	12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	10.25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	39 50	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P
8,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8 12	10	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	7,64,717	45,86,822	12,93,682	40,019	Bird & Co. Private Ltd.	Karanpura Collieries	20 69	10	5.00	5.00	7.50	10.00	2	Y.P.
14,83,460	16,01,825	61,62,377	42 88 781	1,11 842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.75	10	6.50	6.50	9.50	4.00	1	Y.
8,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	13 25N	10	1.00	0.75	0.40		4	Y.
7,48,240	54 737	13,81,580	10,27,041	8 967	Tantia Brothers Private Ltd.	Nazira	6 31	10	0.75	1.00	0.75		12	Y.
61,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	23 50	10	1.00	1.50	1.60	1.00	10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	14 25	10	0.50	0.50	0.75	0 90	3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19 75 17 25N	10 7.50	1.50 1.12	1.50 1.12	2.00 1.50	2.00 1.50	3	Y.
7,50,000	13,22,645	2.92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15 00	10	0.50	0.70	0.60	0.75	12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16 00	10	0.50	0.62	0.125		12	Y.P.T.
15,75,000	23,84,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	18 31	10	2.00	1.00	1.00	1.00	3	Y.
22,99,500	39,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	16 06	10	1.00	1.00	1.50	1.70	3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	29 12	10	1.00	1.00	2.00		12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,998	M.	Samla Collieries	8.87	10	0.50	0.70	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries.	151 00	100	12.50	16.00	16.00	14 00	12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45 00	7	1.75	3.00	3.00	3.00	12	Y.P.
8,00,000	4.54,648	35.740	18.04 570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7.69	10	*Nil*	0.35	0.50	0.35	12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.00	10	0.75	0.75	0.70	0.75	12	Y.
17,50,000	7,71 506	48,97,038	22 47.469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	9.50	10	0.75	0.90	0.25	*Nil*	8	Y.
8,00,000	15 48,969	1,53,707	26,76,159(k)	38 908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.25	1.50	1.50	1.00	12	Y.
8,50,000	3,12 000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9 75	10	0.25	*Nil*	*Nil*		12	Y.
49,98,000	5,00,557	96,20,910	38,51,821	15,622	Hindustan Investment Corpn. Ltd.	Western Bengal	10.34	10	0.40	0.40	0.60	0.75	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37	10	*Nil*	*Nil*	*Nil*		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. ‖ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X. B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡	18.00‡	12	Y.P.
1,01,000 40,78,300	26,38,220	12,942	Andhra Bank	94.40 79.50	100 85	6.00 5.10	8.00 6.80	8.00 6.80	8.00 6.80	6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	91.00	50	6.00	7.00	8.50	8.50	12	Y.
2,50,00,000 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	112.00 114.00	50 50'A'	8.00 8.00	8.00 8.00	10.00 1.00	10.00 10.00	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	77.00	50	3.25	4.50	5.50‡	4.50	12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	80.75	50	5.00	7.50	7.50	7.50	12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	75.25	50	5.00	7.50	7.50	7.50	12	Y.P.
'A' 5,99,840 'B' 16,00,000 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 16.75 1.18	100'A' 10'B' 1'C'	15.00‡ .. 0.15‡	20.00‡ 2.00‡ 0.20	20.00‡ 2.00 0.20	20.00‡ 2.00‡ 0.20‡	12	Y.P.
2,62,50,000 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	62.30 63.00	25 25	3.50 3.50	4.30 4.30	5.10‡ 5.10‡	5.00 5.00	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	60.00XR	50	3.50	2.52	4.38	5.50	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	21.55	5	15%	14.6%	17.5%	20%	12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	18.00	50	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	14.50	50	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
60,60,000 25,19,374	60,60,000 28,00,000	1,48,636	Indian Bank	176.00 172.00	100 100	13.00‡ 10.40‡	15.00‡ 12.00‡	15.00‡ 12.00‡	15.00 13.50	12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	164.50	100	10.00	12.00	14.00	14.00	12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	2.50	3.56	2.50	1.875	12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.52	10	2.00	2.00	2.00	2.00	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	357.50	100	16.00	20.00	22.75	23.00	12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	7.64	5	0.44	0.57	0.57	0.57	12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	88.00	50	3.75	5.50	6.00	6.00	12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.50	10	0.30	0.43	0.43	0.60	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-13-7½	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16¾	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£2-14-6	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (I) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (*a*)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (*a*)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (*b*)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (*a*)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
89,51,000	6½	1st April and 1st October	Simplex	1959	98.00	15th October .. 1969-74
80,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (*a*)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	94.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (*a*)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (*a*)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (*a*)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	83.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.00	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (*a*)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (*a*)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (*a*)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (*a*)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (*a*)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (*a*)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (*a*)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.50	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	92.50	1st September .. 1965-69(*a*)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	97.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (*a*)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (*a*)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (*a*) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.50	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (*a*)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	100.00N	30th September .. 1969-74

(*a*) These debentures are registered and are transferable by transfer deeds. (*b*) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th July 1962.

	Closing quotations 28-6-1962	High	Low	Closing quotations 5-7-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00XR	172.50	172.00	172.50
Apollo (2)	2.24	2.28	2.10	2.12
Baroda Rayon (100)	136.50	138.00	134.00	134.50
Bombay Dyeing (25)	67.70	67.90	66.20	66.90
Bradbury (50)	190.00	190.00	183.75	185.00
Central India (100)	147.00	148.00	143.00	144.00
Century Mills (100)	633.50	638.50	622.50	633.00
Coorla Sp. (100)	160.00	—	—	160.00
Dawn (50)	161.00	159.00	155.00	157.00
Edward Textile (200)	365.00	365.00	360.00	360.00
Elphinstone (50)	122.00	123.00	119.00	123.00
Finlay (100)	304.00	302.00	295.00	297.00
Gokak (100)	193.00	193.50	189.00	191.00
Gold Mohur (100)	233.75	—	—	233.75
Gwalior Rayon (10)	61.00	60.50	59.35	59.50
Ind. Untd. Defd. (1)	3.44	3.50	3.28	3.34
Ind. Untd. Ord. (10)	22.24	22.36	22 08	22.32
Indian Rayon (100)	111.50	111.00	107 00	107.00
Indore Malwa (100)	180.00	182.00cd	176.00xd	178.00xd
Khatau (100)	477.50	478.75	465.00	475.00
Kohinoor (100)	300.50	301.00	293.00	298.00
Mafatlal (100)	848.75	843.75	810.00	822.50
Minerva Mills (100)	88.00	—	—	88.00
Model Nagpur (250)	133.00	—	—	133.00
Morarji (100)	403.00	405.00	398.00	400.00
Mysore (50)	62.00	60.00	59.00	59.00
National Rayons (100)	520.50	523.00	498.50	509.00
New City (100)	181.00	—	—	181.00
New Great (100)	304.00	305.00cd	300.00xd	300.00xd
Phoenix (100)	259.00	258.00	246.00	250.00
Podar Mills (100)	148.00	148.00	144.00	144.00
Raymond Wool-len (100)	147.00	148.00	147.00	147.50
Sassoon Silk (10)	14.00	14.88	14.00	14.88
Sassoon Spg. (10)	60.00	60.00	58.00	58.00
Shrinivas (100)	260.00	259.00	250.00	254.00
Simplex (50)	166.50	167.00	162.00	163.50
Standard (100)	974.00	974.00	906.00	940.00
Svadeshi (100)	270.00	270.00	261.00	267.00
Swan (100)	295.00	295.00	285.00	290.00
S. I. Viscose (100)	171.00	170.00	163.50	167.00
Tata Mills (25)	65.70	65.50	62.70	63.50
Lakshmi-Vishnu (100)	135.00	136.00	135.00	135.00
Western India (250)	802.50	—	—	802.50
BANKS				
Bank of India (50)	112.50	113.00	112.00	112.50
Do. (New) (50)	113 50	114.00	113.50	114.00
Bank of Baroda (50)	90.00	91.50	90.70	91.30
Central (25)	62 00	62.30	61 70	62.30
Central 'A' (25)	63.00	63.50	63 00	63.50
Dena Bank (50)	59.00XR	60.00	59.00	59.00
Punjab National (10)	20.76	20.60	20.52	20.52
Union Bank (5)	7.64	7.64CR	5.80XR	5.80XR
United Com. (50)	87.00	87.00	86.50	87.00
Maharashtra (50)	77.00	—	—	77.00
ELECTRIC COS.				
Ahmedabad (100)	89.00	89.00	88.50	88.80
Amalgamated (10)	10.12	—	—	10.12
Andhra Valley (1,000)	1,015.00	—	—	1,015.00
Bom. Sub. El. (100)	103.50	103.50	103.00	103.25
Surat (100)	96.00	—	—	96.00
Tata Hydro (100)	113.00	113.00	112.00	113.00
Tata Power (1,000)	1,107.50	1,111.25	1,107.50	1,111.25
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile (40)	58.00	—	—	58.00
New India (15)	71.50	71.50	70.50	71.00
New India 'A' (15)	71.80	72.00	71.80	72.00
Vulcan (10)	17.52	18.00	17.52	18.00
STEEL COS.				
Ind. Iron (10)	26 00	26.05	25.65	25.80
Mukand Iron (10)	26.00	26.00	25.50	25.75
Tata Steel Ord. (75)	148.00	148.25	144.75	146.25
SUGAR COS.				
Belapur (50)	229.00	230.00	226.00	228.00
Bhopal (10)	21.24	—	—	21.24
Changdeo (12.50)	23.16	24.12	24.00	24.12
Maharashtra (50)	161.00	160.75	158.00	158.00
Phaltan (50)	100.50	100.50	99.00	100.00
Walchand Ind. (100)	157.50	157.25	154.00	156.00
CEMENT COS.				
Associated Cts (100)	157.50	157.50	154.00	156.00
Digvijay (100)	205.00	204.50	200.00	201.00
Orissa (10)	19.68	19.72cd	17.40xd	17.56xd
MISCELLANEOUS				
Alcock Ashdown (100)	324.00	324.00	318.00	322.00
Amar Dye-Chem (100)	296.25	295.00	280.00	287.00
Bom. Burmah (125)	669.50	671.00cd	646.00xd	656.50xd
Do. (New) (50)	261.25xd	261.25	255.00	255.00
Br. B. Petrol (1½ sh.)	1.98	1.98	1.84	1.86
Br. I. Corpo. (5)	9 36	—	—	9.36
Cooper Eng. (100)	182 50	182.50	181.00	182.00
Colour Chem. (100)	470.00	467.50	460.00	465.00
Hind Cycle (100)	122.50	121.00	119.00	119.00
Hindustan Lever (10)	47.00	47.00	46.00	46.00
Hindustan Motors (10)	19.76	19.84	19.44	19.56
I. C. & Invest. Corporation (100)	91.00	91.00	90.00	90.00
Indian Dyestuff (100)	487.50	487.50	452.50	470.00
Indian Copper (2 sh.)	4.92	4.94	4.82	4.92
Ind. Inv. Tr. (100)	75.00	—	—	75.00
Killicks (100)	86.50	87.00	86.00	86.00
Larsen & Toubro (10)	32.35	32.25	30.60	31.10
Mahindra & Mahindra (10)	17.60	17.76	16.48	16.48
New Central Jute (10)	16.00	16.00	15.72	15.72
Polychem (50)	193.75	193.75	182.50	187.50
Polson (100)	190.00	—	—	185.00
Pre. Automobiles (100)	130.50	130.50	126.00	127.50
Premier Con. (80)	158.50	158.00	150.00	152.50
Scindia (20)	12.16	12.16	11.84	11.92
G. E. Shipping (10)	12.48	12.48	12.32	12.32
Shivrajpur (10)	35.50	36.00	34.00	34.50
Sirpur Paper (10)	13.48	13.48	12.96	13.08
Synthetics and Chem. (100)	221.00	244.00	213.00	217.00
Tata Chemicals (10)	16.08	16.04	15.20	15.84
Tata Locomotive (100)	352.00	354.00	342.50	346.50
Tata Oil (25)	77.80	76.50	70.50	72.00
Texmaco (10)	24.48	24.48	24.24	24.24
Voltas (100)	280.50	280.75	269.50	273.50
W. I. Match (100)	287.50	287.00	275.00	276.00
W. Coast Paper (100)	177.00	177.00	169.00	172.00

GOVERNMENT SECURITIES	28-6-1962 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	5-7-1962 Rs.
2½% 1962	99.40	—	4.38	99.40
2½% 1976	83.50	—	4.33	83.50
3 % 1964	98.65	—	3.67	98.65
3 % 1963-65	98.75	3.91	3.40	98.70
3 % 1966-68	96.35	3.94	3.65	96.35
3 % 1970-75 1st Dev.	89.70	4.48	4.08	89.25
3½% 1986 Con. Loan	71.40	—	4.23*	70.90
3½% 1964 N. P. Loan	99.90	—	3.52	99.90
3½% 1965 N. P. Bonds	99.65	—	3.62	99.65
3½% 1962	99.90	—	3.38	99.90
3½% 1967 N. P. Bonds	98.85	—	3.75	98.85
3½% 1974	99.25	—	3.83	99.25
3½% 1967 N.P. Bonds	99.95	—	3.86	99.50
3½% 1969 Loan	98.30	—	3.83	98.00
3½% 1968	98.65	—	3.81	98.35
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.85	—	3.84	99.50
4 % 1972 Loan	100.30	—	4.00	100.00
4 % 1973 Loan	100.20	—	4.00	100.00
4 % 1979 Loan	99.40	—	4.05	99.40
3½% 1966 Bonds	99.65	—	3.60	99.60
4 % 1980 Loan	99.40	—	4.12	98.50
4 % 1981 Loan	99.00	—	4.08	99.00

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	95.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sept.	80.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	4.92cd	5
East India Distilleries C.	£200,000	1897	9.00	Jan. July	19.50cd	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec. ..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	60.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct. ..	11.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	77.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	61.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	114.50	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct. Apr.	80.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr. Oct.	96.50	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	6.50	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	81.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar. Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	80.00N	100
COTTON						
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr. Oct.	70.50	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	106.63	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov. ..	7.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	100.00xd	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	75.00xd	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	42.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan. July	118.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	83.63xd	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	405.00	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec. ..	108.25	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June ..	78.50cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July ..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	91.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	8.60cd	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	.. ..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	.. ..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan. ..	72.00	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	.. ..	71.00	100
New Great	8,00,000	1913	5.50	Mar. ..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb. ..	64.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	45.00cd	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	.. ..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	87.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June ..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	7.45cd	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	92.04xd	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	91.27xd	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr. ..	460.00	500
ELECTRICS						
Andhra Valley Power Supply C.	49,84,000	1917	7.00	May Nov.	985.00	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	.. ..	67.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	8.44	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept. Dec.	7.95	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50		7.95	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May Nov.	98.00	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,025.00	1,000
Vellore C.	1,25,000	1928	4.00	Dec. ..	6.00	10
ENGINEERING						
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar. ..	12.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb. Aug.	109.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	100.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June ..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July ..	45.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June Dec.	71.25N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	.. ..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May ..	93.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	.. ..	73.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	.. ..	5.08	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov. ..	135.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May ..	104.50	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	90.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	94.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	94.00	100
Barnagore C.	£200,000	1896	5.00	May Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June Dec.	81.50	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	90.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	90.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	70.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	87.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May Nov.	95.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	63.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	85.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May Nov.	91.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	93.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	100.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	89.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	91.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	94.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	91.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar. Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	47.00xd	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar. Nov.	78.25	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	65.00	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	29.25	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	93.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan. ..	96.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	93.00	100
Glelle C.	2,00,000	1894	6.00	Sept. ..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	96.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	89.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	83.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May Nov.	5.31	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	93.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	85.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	89.00	100
Salon River T.F.C.	1,00,000	1909	8.00	May ..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	10.12	10
Tirribannah T.F.C.¶	1,00,000	1922	10.00	May Nov.	12.81	10
PLANTING						
Be Be Rubber C.	1,43,005	1944	6.25	.. ..	1.97	5
Do. R.C.	2,85,570	1944	6.25	.. ..	5.18	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June ..	48.50cd	50
Coffee Lands C.T.F.	10,40,000	..	5.00	.. ..	68.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	77.35	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	82.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July Jan.	7.25	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.65	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar. ..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	6.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June Dec.	8.70	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov. ..	7.91	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000	...	6.25	June ..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June ..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	85.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	.. ..	93.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb. June	92.74cd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar. Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar. Sept.	49.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	98.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	.. ..	62.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug. ..	7.00	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb. Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb. ..	105.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept. ..	8.12	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	.. ..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec. ..	78.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June Dec.	106.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr. ..	71.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	55.00	10[illegible]
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	47.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr. Oct.	57.50	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar. ..	207.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	.. ..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	76.34	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan. July	81.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	33.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr. ..	59.50	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May ..	55.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May ..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June Dec.	61.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	87.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	47.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	81.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb. Sept.	10.42	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June ..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	68.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar. Sept.	61.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan. ..	86.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr. ..	101.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr. ..	55.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb. Aug.	65.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan. July	7.20	10
Do. "B" C.	36,80,000	1922	8.50	Jan. July	10.25	10
Esso C.	75,00,000	1955	6.00	June Dec.	88.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	79.00	100
Tata Chemicals C.	59,97,000	..	7.14	June ..	86.30	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	63.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan. June	111.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan. July	71.00	100

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares afte ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable a any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable a par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participatin to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issue on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per shar on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Parti paid.

COMMERCE

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

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PROSPECTS FOR FOREIGN AID

THE third Plan will be implemented with or without foreign aid. This assertion was first made by Mr. Gulzarilal Nanda, Union Minister for Planning, and later reiterated by no less a person than the Prime Minister himself. Some of the lesser personalities, too, have been parroting it in their public speeches. This is mere bravado, for the Plan cannot be executed in full and in the stated five-year period without foreign aid. It is true that external assistance for the third Plan forms only about 32 per cent of the total outlay, including refinancing of maturing obligations and the imports of wheat from the U.S. under P.L. 480. But it constitutes a crucial part of the resources pattern of the Plan. With our external resources standing at the nadir, with our exports running well below the target and with our capacity to borrow from the I.M.F. already exhausted, it is ridiculous to say that India can see the Plan through alone, if necessary. Even as a piece of political rhetoric, it is a poor one, as it fails to impress. It is significant that none of India's critics abroad has taken Mr. Nehru's statement seriously and retorted by saying: "Well, if you think that you can go ahead with your third Plan without foreign aid, why not do so?" The fact is that even the worst diehard in the developed countries realises that the underdeveloped nations have to develop and raise their living standards and that, if they are to do so without loss of individual liberty, they need liberal help from the developed countries.

Neither Mr. Nehru nor Mr. Nanda is a simpleton. It is no secret that, currently, Mr. Morarji Desai is trying hard in Western Europe to get, among other things, as much foreign aid as possible and that in a manner to suit India's present predicament on the balance of payments front. He is working behind the scenes for ensuring an early meeting of the members of the Aid-India Club with offers adequate enough to match the quantum of help promised by the U.S. Government. And he is not doing it without the consent of the Prime Minister and the Cabinet as a whole. What Mr. Nanda and Mr. Nehru obviously meant by their statements was that they were determined to pursue their efforts in achieving the third Plan goals, even if the expected and necessary foreign aid failed to materialise. The basic goal of the Plan, as readers are aware, is to raise the national income and living standards of the people. Now this can be achieved in ways other than those preferred in the third Plan. Only, it would mean greater hardship to the people and more delay. There will have to be a lot more tightening of the belt, severe austerity and a considerable amount of regimentation, including conscription of labour and private investments—call it hoards, if you like—in precious metals and jewellery. Some of the projects in the Plan may have to be dropped and others included in it. In other words, the Plan will require rephasing. It would be unfortunate not only for this country but for the whole democratic world—nay, even for the communist world, for the latter too cannot afford the risk of upsetting the balance of power and provoking a world-wide conflict—if circumstances so conspire as to push it into such a position.

While undoubtedly the prospects for the third Plan have been marred by the cold-war politics of the world, the situation is by no means so bad as to warrant the pessimistic thoughts mentioned above. In the first place, out of the external assistance promised by foreign countries for the second Plan and the first year of the third Plan, there is still an unutilised balance of Rs. 880 crores as of 31st March 1962. This will take care of a number of projects which are either in an advanced stage of completion or just half-way through. Of course, these funds will be available only for specific projects negotiated with the foreign Governments. But a vigorous implementation of these projects will help sustain the tempo of economic growth, albeit at a slower pace. In the second place, none of the foreign Governments has so far gone back on its promise to help India, despite the recent political differences with this country. On the contrary, there have been some reassuring indications in the past one week that both the U.S. and Britain will honour their commitments. If reports from the Continent on the impressions created by Mr. Morarji Desai are to be believed, the Governments there also can be expected to be helpful. Emphasising the importance of India's economic progress to Britain and the world, Mr. Duncan Sandys, Britain's Secretary of State for Commonwealth Relations, for instance, told the House of Commons on 5th July that it was not the practice of the British Government to attach political conditions to economic aid and conceded an Opposition point of view that the success of India's five-year Plan was vital to the future of the Commonwealth and the survival of democracy in Asia and possibly in the Far East. Although he turned down the suggestion that Britain's aid to India amounting to £92 million so far was negligible and thought it was not reasonable to compare the British contribution with that of the U.S., he said nothing to warrant the conclusion that his Government was opposed to a reasonable increase in the aid to India. The U.S. Secretary of State, Mr. Dean Rusk, told the American people in a nation-wide television programme on 10th July that "it would be calamitous" if the President's freedom of action for rendering economic aid to India and Yugoslavia were prohibited by law. He said:

"There have been irritations between us and India in the last several months; two great countries in opposite parts of the world with different positions, different problems, are bound to have points in which they are in disagreement and sometimes they disagree very sharply. The basic fact is that there is a country of 450 million people which is the largest constitutional democracy in the world that the world has ever seen, more people going to the polls in free, orderly elections that we have ever seen anywhere, with basic commitments with which we are familiar. . . . They have maintained that democracy in the face of some grave difficulties . . . a dozen or more major languages inside the country, no common language throughout the country, and yet they have made a constitutional system work along democratic lines. . . . Now we will disagree on certain subjects. There is no reason why we should not. India is not a satellite of ours and we are not a satellite of India. We have great and vital interests all over the world. So we will have our differences, but we also have great common commitments that are important. It would be a great mistake, I think, if we did not take an active, even though just a small, part in the Indian development programme."

There is sufficient emphasis in the aforesaid quotation to discredit the scores of alarmingly pessimistic forecasts made in the past few days about the prospects of U.S. assistance for India's third Plan.

It is, however, necessary for our leaders, be they in power or in Opposition, to bear in mind that the Governments of Western countries are answerable to their respective Parliaments and that the Press in those countries is free to say what it likes. Just as we have to safeguard our vital interests, they have theirs. Our leaders, therefore, must be circumspect in what they say and do. It is not suggested that on issues like Kashmir they should be less than frank. But care must be taken to see that our foreign policy is not twisted in such a way as to give rise to the impression that India is leaning more and more to Russia and that our internal economic policies and practices are not inimical to the vigorous and healthy growth of democracy or to securing an optimum rate of development at minimum cost. It is, of course, true that, so far as the foreign policy is concerned, there is an obligation on the part of Western powers to help India to keep out of the cold war. They must refrain from doing things that compel this country to lean on Russia. But, so far as the economic policies are concerned, the powers-that-be, as well as certain sections of the business community, have not been as realistic as they ought to be. There is too much of dog-in-the-manger attitude and preoccupation with paper socialism. The result is that there is more bureaucracy than democracy, more planning and preaching, instead of production and distribution. This state of affairs is certainly not conducive to obtaining foreign aid on a scale the country needs and deserves.

I.M.F. HELPS INDIA AGAIN

THE International Monetary Fund has come to India's assistance once again, by complying with its request for a standby credit of $100 million (Rs. 47.62 crores). The assistance is more timely and useful than that extended by the Fund on three previous occasions—in 1948-49, 1957 and August 1961. India had, of course, been confronted on these occasions also with a balance of payments crisis, but the country had the cushion of a relatively large amount of foreign assets that could be freely utilised. This cushion is no longer there, since the country has successively drawn down the assets which now stand at a very low level, as the table on the next page shows. The total of gold and foreign assets held by the Reserve Bank of India is no more than Rs. 216 crores (Rs. 118 crores in gold coin and bullion and Rs. 98 crores in foreign securities), a level that is just Rs. 16 crores above the statutory currency minimum requirement of Rs. 200 crores. One may ask whether the country could not have taken advantage of the waiver clause under which the Reserve Bank can, by obtaining Government sanction, allow the reserves to fall below the minimum requirement. Such a step, however, would not be desirable, as it would not be conducive to maintaining the confidence of the public, both in India and abroad, in the rupee. The I.M.F. credit has certainly obviated the resort to such a desperate step.

When the Government of India sent in its application to the Fund for a standby credit of $100 million a few days ago, a Washington report appearing in the London *Times* stated that the

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chances of the application being favourably considered were bleak. For India, it was averred, was entitled to a total loan of only $227.5 million from the Fund and that it had already overstepped this limit following the withdrawal of $250 million last year. This report was absolutely ill-informed, as India was well within its limits in asking for a standby credit of $100 million. India's quota in the Fund, it may be noted here, amounts to $600 million (Rs. 285.72 crores), of which $77.5 million (Rs. 36.91 crores) have been paid in gold and the rest in Indian currency. Under the Fund's Articles of Agreement, India is entitled to withdraw 25 per cent of its quota, that is, $150 million, as a matter of right in an emergency and another 25 per cent without any questions being asked by the Fund. It is only the drawals in excess of the overall limit of $300 million that entail higher interest charges and possible I.M.F. investigations. The amount of $250 million so far withdrawn by India from the Fund is, thus, less than the overall limit of $300 million, so that the country can still draw another $50 million. Instead of exercising this right, India chose to ask for a standby credit which could be utilised in any currency held by the Fund over a twelve-month period. The standby arrangement is quite different from a straight withdrawal which is restricted to certain currencies only as specified by the Fund.

The need for India seeking assistance from the Fund might not have arisen, if the Aid-India Consortium members had taken a more sympathetic attitude. High hopes had been raised that, at its meeting held at Washington towards the close of May 1962, the Consortium would reach a final decision not only in regard to the aid commitments already made for the first two years of the third Plan but also in respect of the additional assistance required beyond these commitments. The hopes were, however, belied, because the meeting was adjourned, without arriving at a decision, and that indefinitely.

It is gratifying to find that the I.M.F. has fully recognised the urgency of rendering assistance to India to meet its balance of payments difficulties. Signifying this recognition is the statement by the Fund that "the standby arrangement has been made in support of India's reserve position which has been under considerable strain in recent months." Incidentally, the Fund has acknowledged the fact that there has been "continued overall stability in the country's internal economy." It has also a few words of praise for the powers-that-be. "The Indian authorities," to quota the I.M.F. Press release, "have instituted measures designed to achieve an improvement in the foreign payments situaton while continuing to promote economic growth. A broad export promotion programme is in progress and steps have been taken to reduce imports in the months ahead. Additional taxation has been imposed and the Government is tightening its credit policies."

While all this is true and the I.M.F. standby credit will provide a breathing space, the fact remains that work on quite a number of the projects included in the third Plan has already commenced and, unless they are assured of sufficient foreign exchange, the momentum will slow down, leading to higher costs. The impact of delay in granting assistance by friendly countries will be all the severe, because the foreign exchange reserves which India possesses at present are extremely low and the I.M.F. credit of Rs. 47.62 crores is only meant to be a standby arrangement, in that it is to be used only when there is no choice. It is to be hoped that the countries concerned will realise that India is not in a position to draw upon its external reserves any more and that the country urgently requires untied credits to finance imports of raw materials and components to keep its existing industries going.

MORE AID AND MORE TRADE

FROM China to Peru the underdeveloped part of the world, encompassing the Far East and the Near East and the continents of Africa and Latin America, is one vast area of poverty, hunger and disease. It is an area where the continuing build-up of pressures and tensions—social, political and economic—has explosive possibilities and the rising expectations of its teeming millions have revolutionary implications. If such an area is a nightmare to the richer and more advanced countries of the West, it also presents to them an opportunity for service and assistance in the best Christian tradition. How best they can render this assistance has been outlined in a U.N. report devoted to the development problems and tasks of the current decade. The report, which is just being discussed at the meeting of the U.N. Economic and Social Council at Geneva, has given the finding that, if the net flow of capital on suitable terms *could* be raised now to one per cent of the combined national incomes of the wealthier countries in terms of the U.N. General Assembly's resolution at its fifteenth session, it could raise the growth rate of aggregate incomes of developing countries at least half-way from the present 3½ per cent to a minimum of 5 per cent each year in the next few years. Another related finding of the report is that the additional foreign exchange resources required for increasing the growth rate of aggregate incomes of developing countries to a minimum of 6 per cent by 1970 *could* come from an improvement in their trade position. There is the twin assumption here that the terms of trade of these countries could be improved by 10 per cent over the present level and kept at that higher level during the current decade and that, in addition, the countries concerned would be enabled to improve their present share in total world trade from 26 per cent to 28 per cent and maintain this share throughout the decade in a total world trade expanding at recent rates. It is thus visualised that expansion in aid must be accompanied by an expansion in trade as well. If it were possible for the developing countries to expand their export trade to the point of dispensing with aid altogether, that would, any day, be more welcome to them. But there is no likelihood of this happening in the foreseeable future—not, at any rate, in the current decade.

The developing countries, with their acute balance of payments difficulties, continue, therefore, to ask for more aid and more export opportunities. An instance in point is the admirable case put forward by Mr. Morarji Desai, India's Finance Minister, at the meeting of the U.N. Economic and Social Council this week, for both trade and aid as complementary to each other. His is an eloquent plea for ensuring fair terms of trade to developing countries, many of which are heavily dependent on the export of primary products and some of which are also

INDIA'S FOREIGN ASSETS
(Other than Gold)
(In crores of rupees)

End of March 1951	884.18
End of March 1956	746.14
Net position in 1956 over 1951 ..	—138.04
End of March 1961	136.25
Net position in 1961 over 1956 ..	—609.89
End of March 1962	129.70
Week ended 7th July 1962	98.55
Net position since end-March 1961 ..	—37.70

in a position to export, in addition to primary products, processed goods, semi-manufactures and simple manufactures. Although it is only a reiteration of a familiar plea, it has acquired further significance in the context of what the latest *World Economic Survey 1961* itself has to say. The volume of exports from the primary exporting countries, according to the *Survey*, rose less between 1960 and 1961 than in the preceding interval. The effect of this slackening was enhanced by a further decline in the average price of primary commodities moving in world markets, with the result that the overall terms of trade deteriorated by about 2 per cent and, in the aggregate, export earnings were only 2 per cent above the 1960 level. On the average, in other words, the primary exporting countries had to export 2 per cent more in 1961 than in 1960 in order to acquire the amount of foreign exchange necessary to purchase the same volume of imports. The widening of the combined trade gap and the consequent drawing down of reserves in a number of primary exporting countries occasioned a good deal of borrowing from the I.M.F. Such borrowing was as much as $577 million in 1961, as compared with a mere $15 million in 1959. The World Bank, on the other hand, disbursed less to the primary exporting countries in 1961 than in 1960—about $452 million, as against about $510 million. One of the reasons for the fall in World Bank assistance, as the *World Economic Survey* points out, is the diminishing capacity of many potential borrowers among the primary exporting countries to carry new external debt: as their total foreign indebtedness mounts, the ability of these countries to service additional loans from normal—often slow growing—export earnings tends to shrink.

The aforesaid findings of the *World Economic Survey* provide a telling background to the stand taken by Mr. Desai on the question of aid and trade. His observations, in this connection, are:

"The net flow of long-term funds from the developed countries has fallen short of the target of 1 per cent (of their aggregate national product) envisaged by the U.N. General Assembly.

"The national income of the wealthier countries is now nearly ten times as much as the total income of the developing countries and it is growing roughly at the rate of 5 per cent annually. In absolute terms, the annual increase in national income of advanced industrial countries is about 45 to 50 billion dollars. The additional assistance necessary to reach a level of 1 per cent of national income (of these countries) is hardly one-tenth of the annual increase in their national product....

"Countries in the process of rapid development are likely to be in balance-of-payments difficulties for years to come. Their net capacity to repay will continue to be a negative one, until they have progressed a long way on the road to development and that, too, provided their export opportunities are enlarged rather than restricted.

"Most of the countries which are today making available credits to help developing countries insist, in order to safeguard their own balance of payments, that these credits should be tied to purchases in the lending countries. An extension of the same principle would suggest the conclusion that, when these loans are repaid, the repayments should be tied to purchases from the borrowing countries."

The foregoing observations of Mr. Morarji Desai are substantially the same as those contained in a U.N. special study pertaining to the role of industrialisation in economic growth. The U.N. study, while emphasising the crucial importance of foreign loans and grants, has nevertheless pointed out that foreign aid can never be more than a supplement to the foreign exchange which underdeveloped countries earn from their own exports. The study pertinently adds that, if underdeveloped countries are to be able to increase their foreign exchange earnings through exports of manufactures, there will have to be not only continuing efforts on their own part but also a greater willingness on the part of developed countries to allow access to their domestic markets. In short, the developing countries require more aid and also more export trade.

Unless the U.N.'s target assumptions regarding aid and trade are actually attained and the developing countries themselves succeed in mobilising adequate internal resources, the physical goals of the "U.N. Development Decade" will not be achieved. It may be that the very statement of these goals will spur the advanced countries to do their part in a spirit of enlightened self-interest or, as Mr. Morarji Desai has put it, in a spirit of sacrifice as well as of statesmanship. To lay down these goals would also be to highlight the desperate needs of underdeveloped countries as a whole, so that they can present a united front at the United Nations in spite of their varying degrees of development or underdevelopment. The U.N. report under reference has done a commendable job of it by outlining the goals of sectoral development. Some of these goals are summarised hereunder:

(1) The nutritional levels, in terms of *per capita* calories and animal proteins in grams, to be attained at the end of the present decade in the four major underdeveloped regions are: Far East, 2,300 and 10 gms., Near East 2,470 and 20 gms., Africa, 2,420 and 15 gms., and Latin America 2,400 and 25 gms. To meet even these low nutritional targets, the required overall increase in food supplies for the decade would range from 45 per cent to 52 per cent in the various regions, representing an annual increase of between 3.8 per cent and 4.3 per cent.

(2) Water-supplies would have to be constructed at the rate of about $400 million a year, if the provision of piped water is to catch up, and keep pace, with the growth of urban population in the underdeveloped countries over the decade. Provision of water-supplies to rural communities will require efforts on a comparable scale.

(3) Power development will require an investment of at least $2,000 million a year.

(4) Manufacturing output in the developing countries will have to rise by no less than 130 per cent, while their demand for imports of industrial equipment is expected to rise from $3,000 million to more than $6,000 million during the decade.

(5) As much as 19 to 24 million dwellings should be constructed annually throughout the current decade to eliminate existing shortages in 30 years and to meet current obsolescence.

These physical targets are illustrative and not exhaustive. The targets pertaining to transport, health, education, natural resources development, and so on are also there. They may all look ambitious, but they are necessary to attain a growth rate of at least 5 per cent per year in the aggregate incomes of developing countries in the seventies. The outcome of the current deliberations at the U.N. Economic and Social Council will, therefore, be watched with the greatest interest in every underdeveloped country.

MARKET GOSSIP

Are Indians Anti-American?

HARSH words against India are being uttered in the U.S. Congress which is now debating the Foreign Aid Bill. It is the privilege of Congressmen and Senators to be friendly or hypercritical. It is equally our privilege to say whether they are right or wrong. Congressman Mendel Rivers, a member of the party in power, accused Mr. Nehru of "never having said a good word for the U.S." and opined that "Indians are not neutral, —they are just against America." Mr. Rivers is surely wrong. To give just one instance. If he cares to read the welcome addresses of Mr. Nehru and others to the former President Eisenhower, when he visited India, or to view the picture showing the rousing reception given to him by the Indian public, he might change his opinion. If he does not, then one can legitimately say that his remarks are born of prejudice against Indians rather than of gross ignorance. Indeed, one of the theories for Mr. Khrushchev suddenly picking up a quarrel with Mr. Eisenhower was not the flight of U2 over Russian territory on a spying mission but the jealousy caused by the tremendous reception given by Indians to the former American President and his immense popularity among the Indian masses. Anyway, it will be wrong to pay Mr. Rivers in the same coin by saying that, generally speaking, Americans are against India. Indeed, that will be a stupid thing to say. May be they like Pakistan better than India. But, surely, if they have no love for India, they will not be paying heavy taxes to give this country food, clothing and money on a massive scale.

That the American Administration intends continuing its economic aid to India is abundantly clear from the statement of Mr. Dean Rusk quoted in our first editorial this week. It will be clearer still from the well-reasoned, strong support given by President Kennedy to the Foreign Aid Bill. In his Press conference at Washington on 5th July, the President dealt with this subject at the very outset and observed:

"Our foreign aid programmes have made great demands on our people, and still do, but they are vital to our security and are carefully designed to respond to the national interests of the United States, as well as the maintenance of the peace and security of the free world.

"Three facts should be kept in mind. Almost half of the money authorised in the Foreign Aid Bill is for military assistance, or supporting funds for the defence of countries directly threatened by aggression or subversion.

"More than 80 per cent of the money committed to economic assistance is in the form of loans, not grants, and these loans will have to meet our aid criteria and be repaid in dollars.

"More than 80 per cent of the money appropriated for the foreign aid programme will be spent here in the United States on goods and services supplied by American businesses, and American workers, under new and tighter procedures which have been developed. Most importantly, we simply cannot stand aside in the face of the needs of developing countries...."

We, in this country, should not feel upset by statements of persons like Mr. Rivers, especially when there are amongst us also his counterparts. India has many friends in the U.S. Even our contemporary the *New York Times*, which is by no means a blind supporter of this country, had this to say on President Kennedy's statement on foreign aid: "Foreign aid demands statesmanship.... It calls for understanding and sophistication, so that the value of helping some Communist countries, like Yugoslavia and Poland, can be grasped. It calls for tolerance, so that we can condemn a few of India's policies, without forgetting that she is much the most important democratic nation in Asia and is essentially on our side."

"Telstar": New Frontiers in Communication

With the successful launching into the orbit this week by the U.S. of a new communication satellite called "Telstar," the first step towards what may eventually lead to a regular world-wide television transmission has been taken. Although the picture relayed by Telstar across the Atlantic and caught on millions of television sets on the Continent of Europe was imperfect, it is, indeed, a foretaste of things to come. The day is not far off, if the tempo of current efforts at space communication are maintained, when events taking place in one part of the world could be witnessed from any point of the globe. It is said, for instance, that the success of the programme has paved the way for the relaying of the 1964 Tokyo Olympic Games all over the world.

Telstar is an "active" satellite, that is, one capable of accepting microwave radio transmissions from the ground covering up to 600 telephone and telegraph channels or one TV channel amplifying them many times and relaying them to a receiving station on the ground thousands of miles away. A significant point about the Telstar is that it is the first major satellite programme to be undertaken anywhere in the world by a non-Government agency. It is financed by the American Telephone and Telegraph Company and built by the Bell Telephone Laboratories. The satellite was launched by the National Aeronautics and Space Administration which also provided tracking data for its world-wide chain of stations. But, for rendering this service, it will be fully reimbursed by the American Telephone and Telegraph Company.

As planned at present, there will be two and probably four satellites in the Telstar programme which is meant to develop know-how for a permanent space communication system. The total cost of the programme will amount to several million dollars.

Telstar is not the only international communication satellite planned for the near future. The U.S. National Aeronautics and Space Administration itself has already two programmes, "Project Relay," an active satellite programme, and "Project Rebound," a programme of passive satellites which can only reflect the signals beamed to them. This organisation, it may be noted, is seeking over $85 million for its communications satellite programme to cover its expenditure in the financial year 1962-63.

"Convertible" Life Policy

It is a matter of common knowledge that few persons can afford initially to pay for all the life insurance they really need. By the time one comes to have sufficient income to pay for adequate insurance cover, he will have advanced in age or have deteriorated in health, so that insurance would either be not possible or prohibitively costly. This situation presents a problem to both the insurer and the insured. A British life office has found an answer to this problem. It has introduced a convertible life policy which, so to say, meets halfway the actual need of a client for insurance and his capacity to pay for it.

Convertible policies can be taken by any first-class life, whether male or female, under the age of 50. Once the initial policy has been effected, on the anniversary date, three, six, nine and twelve years later, the insured has the option to take further policies without undergoing medical examination. The initial policy may be either whole life or endowment. But it is stipulated that, if a whole life policy is taken initially, either whole life or endowment policies may be taken subsequently; but, if the first policy is an endowment policy, later policies can only be endowment policies and they must mature not later than the original policy.

Cries for Tax Cut in U.S.

The one offshoot of all the exasperation and worry created by the sharp plunge in stock prices at Wall Street in the U.S. on 28th May ("Blue Monday," as the Americans prefer to call it instead of "Black Monday" by the British) and thereafter has been the chorus of demand for immediate tax-cuts to bolster the economy sung by businessmen, labour, economists and senators. The U.S. Chamber of Commerce, which represents the business community, has urged the Administration to reduce taxes straightaway, the extent of reduction suggested being anywhere between $5.5 billion and $7.5 billion, with emphasis on top personal income-tax brackets. The Chamber wants the top-bracket income-tax rates to be cut from 91 to 65 per cent (with proportionate reductions in respect of other income-brackets) and a 5 per cent cut to 47 per cent in corporate tax rate. Speaking on behalf of labour, the President of the United Automobile Workers of America, Mr. Walter Reuther, has put forward the plea for a $10-billion income-tax cut, effective from 1st August next. He wants this concession to be given primarily to the lower and middle income brackets. Such a slash, he says, would boost the economy by augmenting the buying power to the tune of $25 billion and thereby avoid worsening unemployment. The University economists, too, have warned the Administration that there will be a recurrence of recession in the American economy, unless taxes are cut soon. More than twenty economists are reported to have met privately the Secretary of the Treasury as well as the members of the President's Council of Economic Advisers. Several members of the U.S. Congress have also called for prompt tax relief. To quote Senator George A. Smaters, a Finance Committee member: "If we are going to have a tax reduction, the time to have it is now."

What is the reaction of the U.S. Administration to all these demands for tax cuts? Replying to a question at the latest Press conference on Thursday the 5th inst. as to whether his discussions with Secretary Dillon last week had opened the door for a tax cut in the current fiscal year (July 1962-June 1963), President Kennedy said:

"No. We are continuing to watch the economy. We have, as you know, planned a tax cut and tax reform to come next year. We, of course, would prefer to maintain that schedule. We are continuing, however, to watch the basic indicators of the economy. If we feel that the situation in the economy would warrant a tax cut, then, of course, we would recommend it. At the present time, we are maintaining our previous schedule. But I think the recommendations of the Chamber of Commerce, which is, of course, intimately in touch with the business community, and also the recommendations of the A.F.L.-C.I.O., in regard to the need for tax cuts, should be very seriously considered by the executive, as it is by me, and by the Congress...."

Why is President Kennedy not inclined to accept the need for a tax cut this year instead of next year, although a vast number of competent observers seem to favour this remedy? Apparently he feels that the Tax Reform Bill already before the Congress will provide the necessary stimulus that is now lacking in the American economy. This confidence is, however, not shared by many who point out that it is the limitations of the domestic budget, especially the tax structure, that are inhibiting growth, while several others argue that the deficit in the U.S. international balance of payments limits the extent of programmes aimed at stimulating the domestic economy. It may be noted here that the budget deficit in the fiscal year 1961-62, which ended a fortnight ago, is placed at as high as seven billion dollars. And, for the current year, it is expected to be four billion dollars, if not more, on the basis of existing tax rates. If the Administration were to surrender to the clamour for tax relief, the deficit would be much larger than that for 1961-62. The impact of such a huge deficit on the balance of payments position and the confidence in the dollar can easily be imagined.

In this context, it will be appropriate to give some details about the tax structure in the U.S. Federal personal income-tax rates are 20 per cent of the first $2,000 of taxable income, increasing to 91 per cent on taxable income in excess of $200,000 for all persons other than heads of households, in which case the maximum rate is applied to taxable income in excess of $300,000. Under the split-income division of the joint husband-wife tax return, however, the 91 per cent rate is effective only on taxable income in excess of $400,000 on joint returns. In any case, the maximum income-tax before credits is limited to 87 per cent of the taxable income. The tax rates of 20 to 91 per cent are applied on a carefully calculated percentage basis, the percentage rising rather steeply as taxable income increases. Thus, the Federal personal income-tax system is a progressive tax system based on ability to pay. Unlike the Federal personal income-tax rates which are tailored to many different levels of income, there are only two corporate income-tax rates. One is a flat 30 per cent on the first $25,000 of corporate taxable income and the other is a flat 52 per cent on all income above $25,000. Individual income-taxes account for more than half the total revenue of the U.S. Government. In the 1963 fiscal year, for example, the Government expects to collect $49.3 billion in individual income-taxes, $26.6 billion in corporation income-taxes, $10.0 billion from excise taxes, and $7.1 billion from all other taxes, together amounting to $93.0 billion. The total receipts from individual and corporate income-taxes alone thus come to $75.9 billion.

"Common Market Menace"

Even as Britain's negotiations at Brussels with the Six over its application to join the latter are reaching a decisive phase, the antagonists of the move within the U.K. itself appear to be making a last-minute bid to "keep Britain out." The amorphous opposition against the U.K.'s entry into Common Market, which has been spearheaded so far in London by champions of the Commonwealth, E.F.T.A., and domestic agriculture, now appears to be assuming an organised shape and form, albeit belatedly. This conclusion is borne out by statements made during the last few days by responsible people both in the House of Commons and elsewhere. A surprisingly large number of trade unions have also entered the fray, lending solid support to the anti-Common Market campaign. For instance, the British National Union of Railwaymen, one of the leading labour bodies, decided last week to oppose the Government move to join the Six. A still more significant boost to the anti-Common Market campaign is expected to result from a conference arranged by the Forward Britain Movement from the 16th to 19th inst. in London. The conference, named after Britain-Commonwealth-E.F.T.A., will consider the alternatives to Britain's entry into the Common Market. One of the renowned economists, Sir Roy Harrod, will read the first paper in the conference, which has received the support of other leading intellectuals like Mrs. Joan Robinson, Mr. Michael Barratt-Brown and Mrs. Barbara Castle.

Drawing attention to what it calls "Common Market Menace," the Forward Britain Movement warns that the future of Britain will be jeopardised by the present move "to drag us into the European Common Market." The U.K. Government, according to it, is surrendering to foreign pressure—obviously from the U.S. Its argument runs thus: "It is not very sensible, or good economics, to disrupt our trade with an area (Commonwealth) which takes 46 per cent of our exports to 'get in' to an area (Common Market) which takes only 14 per cent." While the opposition from within the country is hardening against the Government's proposal to "enter the Common Market blind," as Mr. Harold Wilson put it, ill-winds are blowing from the Continent as well. President de Gaulle of France and West German Chancellor Dr. Konrad Adenauer, during their meeting last week, are reported to have decided to cold-shoulder Britain's plans to enter their bloc by the beginning of 1963. It would appear that these two leaders of the Six would prefer the postponement of Britain's entry by one more year, that is, from the provisional date now being suggested (next January) to January 1964. (It may be recalled here that the U.K. has all the while been in favour of arriving at a final decision by the end of this month. This at any rate will not be possible now.) France presumably wants to go ahead with plans for closer political union within the Six, possibly on the lines of a confederation, before the U.K. is admitted. This step will naturally put a fresh spoke in the wheel of plans for Britain's entry.

It is, however, still too early to say whether the majority of British public is actually giving a second thought to the Government's policy on Common Market or whether the Six will unceremoniously part company with its powerful neighbour for good. Since the British Government is keen on joining the Common Market, it is necessary for Commonwealth countries like India to seek necessary safeguards for its trade with Britain and the Six on the assumption that sooner or later Britain will be in it. Mr. Morarji Desai's able presentation of India's case before the U.K. and the Six is, therefore, quite welcome. It, however, remains to be seen whether his talks at Brussels and other European capitals will actually lead to any liberalisation of restrictions on India's exports to the Six. It will take a long time for one to know the outcome, as the actual negotiations will last

(*Continued on page 92*)

TREND OF SHARES

ERRATIC MOVEMENTS

(From Our Own Correspondent)

BOMBAY, 12*th July*

GENERALLY narrow and erratic movements featured this week's trading on the stock exchanges. Generally speaking, during the first half of the week, the markets were steady and recorded small gains on some renewed bull support and short-covering, but turned lower again in the latter part on unloading on a broad front of recent purchases and further selling pressure. Near the close, however, there was a slight rally, as bears covered, with the result that the losses were largely made good. All the same, the tendency was uncertain and the tone weak.

Good rains and the consequent avoidance of the threat of a power-cut in Maharashtra State and some relief in the cut imposed in Madras emboldened bulls to go in for some fresh commitments. Sentiment was also influenced by reports of a change for better in the outlook for foreign aid. But the report on Wednesday that the Chinese had encircled a certain Indian outpost in Ladakh unnerved bulls, who liquidated on fears of the situation taking some adverse turn. Thursday saw considerable bear covering due to which prices rallied from the low levels. But the uneasy calm in Ladakh haunted the minds of the operators, and fresh support was lacking.

The markets' reaction to the fresh Chinese manœuvre across the border was not as sharp as might have been expected, because, no untoward incident was reported to have occurred till today. The markets' reaction was also shaped by considerable covering by the principal bears in the pivotal counters. In fact, throughout the week, these operators sought the opportunity to cover their sales. They seem to be on the defensive due to the steady recovery on Wall Street, improving outlook for foreign aid and the recent decline in *badla* charges, which might be accentuated in the following days by the extremely comfortable conditions in the money market. At close, therefore, if buyers were reserved, sellers were restrained and unwilling to strike. If the situation across the border had not turned adverse, the markets might have looked up this week.

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Activity on Dalal Street was confined to the pivotal issues, most of which closed with small to moderate losses. Values declined, apart from bull liquidation and bear pressure, also because of selling in some leading counters in the nature of a hedge against purchases in other important market leaders. Therefore, movements in the pivotal issues were quite often exaggerated by manœuvres and manipulations. Turnover was small.

Attention in Steels was concentrated on Indian Iron which moved between Rs. 25.95 and Rs. 25.45 to close unchanged over the week at Rs. 25.80. Mukand came in for trading between Rs. 26 and Rs. 25.25 and were 20 nP lower on balance at Rs. 25.55. Tata Ordinary were quiet and, after moving between Rs. 146.75 and Rs. 145.00, closed 25 nP lower at Rs. 146. In Textiles, Kohinoor showed a loss of 50 nP at Rs. 297.50 and National Rayon of Rs. 2.50 at Rs. 506.50, but Century came down by Rs. 7.50 to Rs. 625.50, Bombay Dyeing by 70 nP to Rs. 66.20 and Standard by Rs. 28 to Rs. 912. Khatau were 10 points lower at Rs. 465. Other issues showed minor losses, but Ambika, in the Cash List, closed with a gain of Rs. 15 at Rs. 240.

Persistent weakness in T.E.L.Co., despite reports discounting rumours of the Company's truck production having suffered due to the cut in imports and the labourers having been retrenched because of that, continued to be a depressing factor not only in the miscellaneous section but also the market as a whole. Intermittent rallies in these shares proved short-lived. The shares finished Rs. 10.50 lower on balance at Rs. 336. Bombay Burmah succumbed to a wave of selling and disclosed a loss of Rs. 10.50 at Rs. 646. Voltas were down by Rs. 3.50 to Rs. 270 and Larsen and Toubro by Rs. 2.10 to Rs. 29. Alcock were six points lower at Rs. 316. All the Chemical shares were weak. Amar Dye-Chem declined by Rs. 5 to Rs. 282.50, Indian Dyestuffs by Rs. 6.25 to Rs. 463.75, Poly Chem by Rs. 5 to Rs. 182.50 and Tata Chemicals by 36 nP to Rs. 15.48. Hindustan Motors came under heavy selling pressure from Calcutta, but rallied modestly to close with a loss of 28 nP at Rs. 19.28. Among other shares, West Coast were Rs. 6.50 lower at Rs. 165.50 and Wimco Rs. 5 lower at Rs. 271. Sugar shares moved idly in a narrow range. Shippings were weak again; Great Eastern disclosed a loss of 32 nP at Rs. 12 and Scindia were 20 nP lower at Rs. 11.72. Cements, too, were lower in sympathy with the general trend. Closing prices in the Cash section provided a mixed pattern. But the active issues were significantly lower; Colour Chem by Rs. 17.50 to Rs. 447.50, Chemicoat by Rs. 10 to Rs. 1.90, Adarsh Chemicals by Rs. 9 to Rs. 84, Standard Battery by Rs. 18.75 to Rs. 203.75, Star Textile Engineering by Rs. 18 to Rs. 99, Tak Machinery by Rs. 12 to Rs. 76, Hindustan Wired by Rs. 11 to Rs. 155, New Standard Engineering by Rs. 9.50 to Rs. 218, Zenith Steel by Re. 1.48 to Rs. 14.52 and Auto Products by Rs. 1.12 to Rs. 8.76. Elsewhere, changes were minor, but T. Maneklal closed 15 points higher at Rs. 645.

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Overshadowed by the power-cut in Calcutta, Lyons Range ruled weak. Losses were pronounced more in Jutes and Engineering issues, expressing in the latter the market's concern over the raw materials shortages due to the cut in imports. In the Forward List, Birla Jute declined further from Rs. 34 to Rs. 33.25, Dunlop closed with a loss of 81 nP at Rs. 39.44, Texmaco were Re. 1.20 lower at Rs. 23.10, Orient Paper declined from Rs. 42.05 to Rs. 40.90 and Orissa Cement moved down from Rs. 17.44 to Rs. 17.12. Among Cash Jute shares, Gourepore suffered a heavy setback from Rs. 504 to Rs. 464, with Alliance and Barnagore showing a loss of Re. 1.50 each at Rs. 123.50 and Rs. 184.50, respectively, and Nuddea and Union of Rs. 2 each at Rs. 61.50 and Rs. 163, respectively. In the Engineering section, Burn showed a fresh loss of nine points at Rs. 646. Braithwaite declined further from Rs. 35.50 to Rs. 35, Binani from Rs. 11 to Rs. 10.87, Britannia from Rs. 12 to Rs.11.75, Calcutta Steel from Rs. 16.69 to Rs. 16.44, J.K. Steel from Rs. 17.81 to Rs. 15.87, Jessop from Rs. 23.44 to Rs. 22.50 and Kumardhubi from Rs. 7.75 to Rs. 7.31.

Among Textiles, Bowreah receded sharply from Rs. 27.75 to Rs. 25.19. Dunbar showed a loss of 94 nP at Rs. 29.56, Elgin of 75 nP at Rs. 19.44, Cawnpore of 44 nP at Rs. 7.25 and Jayshree of 32 nP at Rs. 14.87. In Coals, Bengal were 10 points lower at Rs. 364, Equitable moved down from Rs. 28.94 to Rs. 27.69 and Pench Valley from Rs. 18.31 to Rs. 16.75. Miscellaneous section showed a fair distribution of gains and losses. Thus, Assam Match were up by Rs. 3.87 to Rs. 28.87, Duncan Brothers moved up from Rs. 158 to Rs. 160 and Calcutta Trams showed a gain of 19 nP at Rs. 11.94. But Dr. Paul declined from Rs. 22.25 to Rs. 20.12, Hindustan Gas turned lower from Rs. 27.12 to Rs. 25. Indian Oxygen showed a loss of Re. 1.25 at Rs. 44.50 and National Rolling slipped down from Rs. 22.12 to Rs. 21. Paper shares were quiet, with Ballarpore showing a loss of 37 nP at Rs. 17.94 and Titaghur of 87 nP at Rs. 40. In Sugars, Belsund moved down from Rs. 10.66 to Rs. 10.06, but Cawnpore looked up from Rs. 12.50 to Rs. 13. Tea shares were steady, but for the setback in Hantapara from Rs. 124 to Rs. 110.50 and in Dhelakhat from Rs. 21.06 to Rs. 20.

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A small recovery from the previous week's sharp setback in some of the Mill shares following the relief granted in power supply enlivened trading in Madras. Thus, Lakshmi looked up from Rs. 151.50 to Rs. 153 as did Coimbatore Cotton from Rs. 170 to Rs. 171. Recovering from Rs. 164 to Rs. 169, S.I. Viscose turned out to be a feature. Madura, however, declined further from Rs. 35.80 to Rs. 35.25 as did Travancore Rayon from Rs. 38.10 to Rs. 37.40, with Buckingham closing one point lower at Rs. 264. In the Miscellaneous section, Aluminium Industries looked up from Rs. 24 to Rs. 24.10, but Ashok Leyland showed a further loss of 5 nP at Rs. 8.30. Andhra Cement and Madras Rubber showed a gain of 10 nP and 13 nP at Rs. 9.80 and Rs. 21.25, respectively, but Dalmia Cement were 25 nP lower at Rs. 13.15. W. I. Products lost seven points at Rs. 192 and Textools showed a further setback from Rs. 152.66 to Rs. 149. Indian Steel Rolling also were lower by 35 nP at Rs. 11.75. In Sugars, Travancore slipped down from Rs. 7.35 to Rs. 6.93 and United Breweries declined from Rs. 82 to Rs. 80.60. Plantings were dull, but Midland Rubber showed a loss of 45 nP at Rs. 10.45.

CAPITAL MARKET NEWS

NEW ISSUES

SANDVIK Asia Ltd., a subsidiary of Sandvikens Jernverks Aktiebolag, Sandviken, Sweden, manufacturers of the famous 'Sandvik Coromant' tungsten carbide products, is to enter the market shortly with a public issue of 12,000 equity shares of Rs. 100 each. The authorised capital of the Company is Rs. 1 crore, all in ordinary shares. Its issued capital will be Rs. 60 lakhs, of which Rs. 36 lakhs will be held by the parent company, Rs. 12 lakhs by the Directors and their friends and Rs. 12 lakhs will be issued to the public. It has set up its factory in Poona for the manufacture of rock drill steel used in mining, road and dam construction. The plant for this item of production was commissioned in October last. The Company also proposes to manufacture tungsten carbide tips for cutting tools and parts for wire drawing dies, etc., for which it has been granted the necessary licences. Production of tungsten carbide products is expected to commence in the latter half of this year. Initially, tips will be produced from mixed powder imported from Sweden, but, next year they will be made from ore. The Company's production will result in considerable saving in foreign exchange, as tungsten carbide products are being imported in this country at present. The parent company is providing technical collaboration to the Company. The factory will be supervised by Swedish engineers and their counterparts in India, who would be trained in Sweden.

A Rs. 1-crore equity share capital issue will be made soon to the public by **Nanubhai Industries Ltd.**, which is to be converted from a private limited company of the same name and restyled as Nirlon Synthetic Fibre Ltd. The public issue will raise the Company's paid-up equity capital to Rs. 2.60 crores. It is to be made for the purpose of meeting the expenditure on the expansion of the Company's proposed nylon plant as also on setting up a caprolactam plant. Originally licensed to manufacture daily two tons of nylon yarn, the Company has now been authorised to raise the capacity to 5.6 tons a day, which is to include two tons of high tenacity nylon tyre-cord. Construction of the buildings and installation of the plant and machinery have been completed, trial production will start in September next and full production will be reached before the end of the current year. The Company has finalised the agreement for the proposed increase in capacity with its foreign collaborator, Von Kohorn International Corporation, which is also supplying the necessary machinery. The Company has also received an industrial licence to set up a plant for the manufacture of caprolactam monomer, with a capacity of 12 tons per day. It has entered into a tentative collaboration agreement with an American firm. The site for the plant has been selected in the Thana/Belapur area. Ammonium sulphate, a by-product of caprolactam, will be produced at the rate of 60 tons a day. It is considered to be a popular nitrogenous fertiliser and is scarce in the country.

RIGHTS ISSUE

The Allahabad Bank Ltd. has received the consent of the Controller of Capital Issues to issue 22,500 new ordinary shares of Rs. 100 each at a premium of Rs. 50 per share and is to offer them to the existing shareholders as rights shares in the proportion of one share for every two shares held by them. The rights issue will raise the Bank's paid-up capital to Rs. 70 lakhs.

BONUS ISSUE

Having increased the authorised capital from Rs. 50 lakhs to Rs. 1 crore in November last, **Dyer Meakin Breweries Ltd.** has now come out with a proposal to issue one-for-one bonus shares by capitalising Rs. 28 lakhs from its reserves and thus doubling its paid-up capital to Rs. 56 lakhs.

FRESH ISSUES SANCTIONED

The following are a few fresh capital issues, authorised recently by the Controller of Capital Issues:

Braithwaite, Burn and Jessop Construction Company Ltd., Calcutta, engaged in business as engineering contractors, is to issue 35,500 bonus shares of Rs. 100 each on capitalisation of its free reserves. The existing paid-up capital of the Company is Rs. 21.30 lakhs.

Jay Shree Tea and Industries Ltd., Calcutta, is to issue (i) 291,558 equity shares and (ii) 29,156 cumulative redeemable preference shares of Rs. 100 each, carrying dividend at 9.5 per cent per annum. The capital is required for modernisation of the plant and machinery and for working capital. The existing capital of the Company is Rs. 90.92 lakhs.

The Commercial Ahmedabad Mills Ltd., Ahmedabad, is to issue bonus capital of Rs. 5,77,500 (in 2,310 equity shares of Rs. 250 each) in the ratio of one bonus share for every six shares held, on capitalisation of the Company's reserves to a like extent.

Elpro International Ltd., Bombay, a new company, is issuing capital of Rs. 85 lakhs in equity shares of Rs. 100 each for cash at par. This will be subscribed up to Rs. 42,50,000 by Messrs. General Electric Company, U.S.A., up to Rs. 8.5 lakhs by the Indian employees of G.E.C. (India) Ltd., Rs. 12,75,000 by Investment Corporation of India Ltd., its friends and associates and the balance of Rs. 21,25,000 by the Indian public through prospectus. The proceeds of the issue will be utilised for the manufacture of lightning arresters, magnets, heating elements, X-ray equipment, etc.

Prestolite of India Ltd., Delhi, is issuing share capital of Rs. 40 lakhs in equity shares of Rs. 10 each at par. Out of this, shares of the value of Rs. 17.5 lakhs will be offered to Messrs. Electric Autolite Company, U.S.A., against the supply of plant and machinery and the balance to Indian nationals for cash. The proceeds of the issue will be used for manufacture of automobile electric equipment.

Premier Cotton Spinning Mills Ltd., Kerala, is issuing capital of Rs. 25 lakhs in equity shares for cash at par for setting up a cotton spinning mill.

Manganese Ore (India) Ltd., Nagpur, a Government company, proposed to be floated in collaboration with the Central Provinces Manganese Ore Company (a sterling company) for carrying on the business of mining manganese ore, is raising a capital of Rs. 250 lakhs, divided into equity shares of Rs. 180 lakhs and preference shares of Rs. 70 lakhs, carrying dividend at 7½ per cent (gross). Of the capital, equity shares worth Rs. 70 lakhs and preference shares of Rs. 35 lakhs will be issued to C.P.M.O. for consideration other than cash in satisfaction of the purchase price of the assets and stores to be transferred and the balance for cash, at par, equally amongst the Central Government and the State Governments of Maharashtra and Madhya Pradesh.

Coimbatore Pioneer Fertilisers Ltd., Madras, will issue capital of Rs. 50 lakhs, consisting of equity shares worth Rs. 40 lakhs and 9 per cent preference shares of the value of Rs. 10 lakhs. The proceeds of the issue will be utilised for the manufacture of sulphuric acid, superphosphate, etc.

Glass Carboys and Pressedware Ltd., Bombay, a new company, has been authorised to issue capital of Rs. 25 lakhs, divided into Rs. 20 lakhs in equity and Rs. 5 lakhs in preference capital. The issue will go to finance the Company's project for the manufacture of glass carboys and glass pressedwares.

Notice

THE GWALIOR RAYON SILK MANUFACTURING (WVG.) CO. LTD.

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Transfer Books of the Equity Shares of the above Company will remain closed from 20th July 1962 to 11th August 1962, both days inclusive, for the purpose of paying dividend.

The dividend on Equity Shares when sanctioned for the year ended 31st March 1962, will be made payable at the United Commercial Bank Ltd. on or after 11th August 1962 to those shareholders whose names stand on the Register of Members of the Company on 11th August 1962, to whom dividend warrants will be posted.

By Order of the Board,
V. N. BAGRODIA,
Secretary.

Registered Office:
BIRLAGRAM, NAGDA.
7th July, 1962.

NEWS IN BRIEF

AS part of the overall measures to cut down imports, the Government of India is contemplating to reduce the import quota for petroleum products for the current quarter (July-September) from Rs. 7 crores to Rs. 4 crores.

Gorakhpur in eastern U.P. has been selected by the Fertiliser Technical Committee as the site for the proposed fertiliser factory based on naphtha and other by-products from the Barauni refinery in Bihar.

Iron ore deposits estimated at three million tons have been discovered in the Mahendergarh district of the Punjab. A private party has sought official permission for the setting up of a pig iron plant with an annual capacity of 100,000 tons in this place.

The new 51-mile broad-gauge railway line between Vijayawada and Masulipatam in Andhra Pradesh was inaugurated by the Union Railway Minister, Sardar Swaran Singh, last week-end. The new line, converted from metre-gauge, serves the needs of some of the major agricultural and industrial areas in the State extending to the sea coast.

The Federation of Indian Chambers of Commerce and Industry has appointed a sub-committee, with Mr. Shanti Prasad Jain as Chairman, to study the prospects for effecting further saving in foreign exchange through import substitution by framing a well-planned policy of encouraging domestic production. The sub-committee will study the foreign exchange allotment to various projects in both the private and public sectors and suggest suitable remedies.

The Jayanti Shipping Company has finalised a twelve-year time charter with the Esso Oil Company for a tanker of 51,800 d.w.t. The tanker is to be delivered by the end of 1963 and it will be the largest vessel on Indian registry. Meanwhile, it is understood that the Jayanti Shipping Company proposes to place orders for the construction of five dry cargo vessels of 8,000 g.r.t. in European shipyards besides seven Liberty-type coastal dry cargo ships of 7,000 g.r.t. each. These will be in addition to the orders placed by the Company in Japan for eight bulk carriers of 8,000 g.r.t. each. The Company has already a 33,000 g.r.t. Supertanker, *Adi Jayanti*.

The first batch of marine engines from Japan for the mechanisation of fishing craft in India will be delivered next month. India is to receive 2,800 marine engines of various horsepower from Japan and all of them will be delivered by November next. The deal has been effected through the State Trading Corporation which has already placed the necessary indents. Out of the yen credit offered by Japan, Rs. 30 lakhs will be utilised for buying marine engines. It is likely that another sum of Rs. 12 lakhs will be made available by Japan for the purchase of about 1,500 more engines. The Union Government has decided to supply the engines to the State Fisheries Department which, in turn, will supply them to fishermen's co-operatives.

Link deals which will enable exports worth over Rs. 24 crores during the next two or three years have been concluded by the State Trading Corporation with several countries, including Sweden, France, West Germany, Tunisia and Jordan. The State Trading Corporation will also import goods to the same value from these countries during this period. The biggest of these deals is with Tunisia, providing for an import of Rs. 7.5 crores worth of rock phosphate in the next three years and for the same value of exports by India mainly of tea, yarn, jute and jute products. Apart from traditional items, link deals provide for exports of such goods as sugar, ferro-manganese, plastic and engineering goods, power alcohol, *vanaspati* and sports goods.

An agreement for a credit of DM 100 million (Rs. 11.9 crores) has been signed as further assistance from West Germany for the third Plan. The credit will be used for purchase of commodities, industrial machinery and spare parts towards maintenance requirements of projects in India including projects with German collaboration. This amount is a part of the DM 500-million assistance which West Germany has agreed to extend to India for the second year of the third Plan. An agreement for the first portion of DM 85 million for refinancing payments falling due in 1962-63 for the Rourkela Steel Plant was signed in May last. The credit of DM 100 million carries a rate of interest of 3 per cent per annum and is repayable in 20 years, including a period of seven years during which no repayments are required to be made.

The recommendations of the Wage Board for Tea for an interim wage increase to workers in Assam and West Bengal plantations have been accepted by the Government of India. Accordingly, the daily rated labour employed in tea plantations in the two States (except in the Darjeeling Hills and Cachar District) will get an interim increase of 8 nP per head. The increase for women workers is 7 nP and for employable child workers 4 nP. The increase in respect of daily-rated men labour employed in tea plantations in Darjeeling Hills will be 9 nP, and for women workers 7 nP; the increase in respect of employable children is 4 nP. For monthly-rated workers employed in tea plantations of both Assam (including Cachar District) and West Bengal an increase of Rs. 10 per month each in respect of clerical, educational, medical and supervisory staff and artisans and Rs. 6 per month in respect of others, has been recommended.

Oil India Limited has supplied about 215,000 barrels of crude oil equivalent to 34,600 tonnes to the Gauhati Refinery up to the end of June 1962. After the initial supplies of low wax crude, Oil India is now supplying through its 250-mile long pipeline mixtures of high and low wax crudes. Currently it is supplying a mixture consisting of 60 to 70 per cent high wax and 30 to 40 per cent low wax crude. It is expected that, within a week, the refinery will be receiving oil with almost 100 per cent high wax crude. This is besides the 82,500 tonnes of crude oil supplied by Oil India by tank wagons between August 1961 and early April 1962, and the normal supplies to the Digboi Refinery at the rate of about 250,000 tonnes per annum. Oil India has completed drilling of 131 wells, of which 90 wells have been established as commercial producers of oil, 8 are gas wells and 17 are to be tested further before their status could be properly established. Sixteen wells were declared as dry. Two wells are being drilled at the moment.

Of the 40 commercial undertakings run by the Madras Government, 20 incurred losses aggregating Rs. 10.59 lakhs up to the end of 1960-61, after providing for interest charges. The loss works out to 7.9 per cent of the total capital outlay of Rs. 1.34 crore on these units. Of these 20, fifteen were working at a loss amounting to Rs. 6.54 lakhs even without meeting interest charges. The remaining 20 undertakings earned profits aggregating Rs. 40.57 lakhs up to the end of 1960-61 after providing for interest charges. The profit works out to 4.81 per cent of the total capital outlay of Rs. 843.32 lakhs on these undertakings. These figures are given in the State Government audit report on the appropriation accounts, 1960-61. The State had invested Rs. 50.31 crores on irrigation and other works and these yielded a gross revenue of Rs. 1.47 crore during the year. The net revenue after setting off operation expenses, but excluding interest charges, amounted to Rs. 55.28 lakhs which represented a return of 1.1 per cent on the capital outlay. The interest charges of Rs. 2.36 crores, if taken into account, however, would convert this surplus into a loss of Rs. 1.81 crore (3.3 per cent).

The National Co-operative Development and Warehousing Board has suggested to State Governments a number of measures for building up the share capital of co-operative marketing societies. One of the suggestions is that every village society within the area of operation of a marketing society should be enrolled as member and should thus contribute to the share capital of the primary marketing society. This, it is pointed out, will mean that a primary marketing society will ordinarily have about 100 village societies as its members and this should give them a share capital of about Rs. 10,000. The Board feels that there should be a drive for encouraging individual cultivators to become members of the primary marketing society. Another suggestion for building up the share capital is that, as in the case of a co-operative credit institution, the share-holding of a cultivator member in a primary marketing society should bear some proportion to the amount of pledge loan that may be obtained by him from the marketing society. The idea of persuading members to put back the whole or a part of the bonus distributed to them in the marketing society as additional share capital has been commended to the States. In the case of a marketing society, compulsory contribution to share capital from members related as a percentage to the turnover of members' sale has been recommended.

* * * *

From Abroad

Soviet Russia has ratified the new International Wheat Agreement.

The world output of tea in 1962 will go up by 2.5 per cent to 2,254.7 million lbs., as compared with last year, according to the latest forecast by the U.S. Department of Agriculture.

An agreement for the avoidance of double taxation and prevention of fiscal evasion in respect of income and property has been signed between the Governments of Ceylon and West Germany.

The World Bank has offered a loan of $30 million to Yugoslavia for the construction of hydro-electric power plant and transmission lines. The Bank is considering grant of further loans for the development of Yugoslav communication systems.

Morocco will import from Cuba 150,000 tonnes of sugar, 200 tons of tobacco and 100,000 cigars under a trade agreement signed between the two countries. In exchange, it will export to Cuba fishmeal, cork, canned sardines and foodstuffs valued at $1.76 million, in addition to some quantities of plastic goods, radiators, birdseed, oils, asbestos-cement products, etc.

The Argentine Government has issued a decree requiring all exporters to deposit at the national treasury any surplus they obtain from the sale of their foreign exchange above 110 pesos per dollar or its equivalent. The move is said to be aimed at maintaining peso quotations within levels adequate enough for the volume of Argentine foreign trade. The Government has also asked the exporters to sign sworn declarations regarding their transactions.

West Germany has concluded agreements for the mutual protection of private investments or proper compensation in case of expropriation with Turkey and Cameroun. The agreements ensure guarantee for free transfer of profits and repatriation of money deriving from the sale of assets. West Germany had already entered into such agreements with France, Iran, Liberia, Malaya, Morocco, Pakistan, Thailand and Togo. It has broached the question of such treaty with the Government of India as well.

A new series of polypropylene grades, claimed to have considerable advantages over their predecessors, have been introduced by the Shell Chemical Company in New York. Developed as a result of fundamental polymer studies carried out at Shell research laboratories in Europe and the U.S., the new grades are claimed to have improved flow performance on injection moulding; reduced warping, voiding, and sinkage in finished mouldings; and a greater transparency than previous grades.

West Germany's assistance to the less developed countries amounted to DM 3,200 million last year. This was almost DM 640 million more than in 1960. About DM 2,400 million were contributed by the Government and other public institutions and DM 830 million by private business. The public aid comprised about DM 1,250 million granted under bilateral agreements and DM 1,140 million contributed to multilateral schemes. In the last five years, the total W. German development aid amounted to DM 13,600 million, including nearly DM 9,000 million from public sources.

Italian sources have denied allegations that the State-controlled E.N.I. Oil Corporation has been concealing imports of Soviet oil as Egyptian oil. The allegation has been made in a recent report on Russia's petroleum offensive published by a committee of the U.S. Senate. The report states that Egypt imported 1.3 million tons of Soviet oil in 1961 and exported to Italy 1.5 million tons, part of which is said to be of Soviet origin. According to the Italian company, the Italo-Egyptian company, in which Egypt has 50 per cent interest, alone produced 2.3 million tons of oil from Egyptian wells last year.

World production of man-made fibres set a new record in 1961, with a total of 7,981 million, lbs., or six per cent higher than in 1960, according to the *Textile Organon* of the Textile Economies Bureau, New York. The commodities include textile glass fibre as well as rayon, acetate and synthetic fibres. Rayon output in 1961 was 3 per cent higher, acetate 9 per cent, and the non-cellulosic fibres 17 per cent. New records were set in all these sections. Textile glass fibre production was, however, 11 per cent lower, and high tenacity viscose rayon yarn was 7 per cent below 1960. Total capacity for all types is put at 10,676 million lbs. in 1962, and 11,583 million lbs. in 1963, or nearly 8 per cent higher. For acrylic fibres, an increase of about 29 per cent is forecast for 1963, for nylon an increase of 24 per cent, for polyesters one of over 20 per cent, and for others one of over 36 per cent.

The European Common Market has decided to offer $780 million (about £277.6 million) in aid and loans to the sixteen African overseas territories over the next five years. Of this, $580 million would cover economic and social investments as well as technical assistance, while $200 million would be paid in price subsidies and diversification aids for producers. Price subsidies amounting to $125 million would be paid only to countries in the franc zone, which would receive a further $45 million for diversification. The remaining $30 million of production aids would be made available to facilitate diversification in the Congo and Somalia as well as Ruanda and Burundi. In addition to the overall figure of $780 million in aid, the Six would be ready to pay out $300 million in educational grants. Under the proposed trading regime, the Six would abolish duties on a limited number of products imported from the associated territories and at the same time apply to them their common external tariff towards their countries. The products affected are coffee, cocoa, tea, vanilla, nutmeg, pineapples, coconuts and cloves. The Six also propose to reduce their common tariff on the products in their preferential list. For coffee and cocoa the Six are understood finally to have settled for a cut of a quarter in tariff levels and a further suspension of 15 per cent. An overall reduction of 40 per cent is planned for tea, and cuts of 15 to 25 per cent are envisaged for other products.

PERSONAL

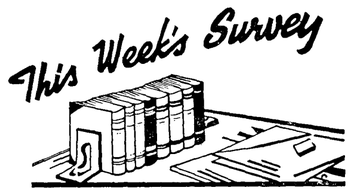
MR. Manubhai Shah, Union Minister for International Trade and leader of the Indian delegation to the Economic Conference which began at Cairo on the 9th inst., left for Cairo early this week.

Mr. Khub Chand, till recently India's High Commissioner to Ghana and concurrently Ambassador to Guinea, Liberia and Mali and High Commissioner to Sierra Leone, has been appointed Ambassador to Sweden and concurrently Ambassador to Finland. He is expected to take up his new assignments next month.

Mr. Mohanlal D. Tolia has been elected President of the Hindustan Chamber of Commerce, Madras, for the year 1962-63. Mr. Jaskaran Bhuwalka and Mr. Chandulal Kamdar have been elected Vice-Presidents.

Mr. K. S. Shenai, Deputy General Manager of the Canara Banking Corporation Ltd., has been appointed General Manager of the Corporation *vice* Mr. V. R. Kamath, who has retired.

Mr. O. S. Murthy, Director of Planning in the Railway Board, has assumed charge as the General Manager of Western Railway, *vice* Mr. S. S. Ramasubban who is retiring. Mr. G. P. Bhalla, Director of Stores in the Railway Board, has been appointed General Manager of the Northern Railway in the place of Mr. P. H. Sarma who is also due to retire.



EXPANSION OF SHIPPING

THE second Plan's tonnage target for the shipping industry was originally laid down as 901,700 G.R.T.—436,200 for the coastal fleet and 465,500 for overseas trade. This target was reached only by the end of 1961, that is, nine months after the third Plan had started. Even here the fulfilment of the target did not strictly conform to plans, for, while the overseas tonnage was 539,300 G.R.T. as on 31st December 1961, that of the coastal fleet was no more than 361,700 G.R.T. Moreover, only about 75 per cent of the overseas and 30 per cent of the coastal tonnage were relatively "young," that is, under ten years of age as at the end of 1961. Very old tonnage of the age of 20 years and over accounted for 50,400 G.R.T. in the coastal trade and 5,900 G.R.T. in the overseas fleet. As much as 103,500 G.R.T. in the coastal fleet and 67,300 G.R.T. in the overseas trade were 15 to 19 years old by the end of 1961. The aggregate tonnage of about 227,100 G.R.T. in both these age groups, it was then stated, would stand in need of replacement during the third Plan period.

With so much obsolescent tonnage due for replacement over a period in which the foreign exchange situation was expected to be tight, it was, perhaps, inevitable that the third Plan target for Indian shipping had to be limited to a comparatively modest aggregate tonnage of 1,085,900 G.R.T. But the break-up of this target into 324,500 G.R.T. for the coastal fleet and 761,400 G.R.T. for overseas trade did not provide any scope for emergency expansion in the former. The need for such expansion was simply not visualised then, for the coastal fleet was not expected to command more bulk cargoes. But the need has now arisen, rather fortuitously, for an additional one million tons of coal are to be moved by sea every year. The National Shipping Board (Chairman: Mr. G. L. Mehta) has, therefore, recommended, at its meeting held last week-end, that the target for coastal tonnage be increased by 45,000 G.R.T. and that an additional provision of Rs. 27 crores be made for this new tonnage as well as for replacement requirements. As the Government's plans for transporting coal by sea to the southern and western parts of the country have already come up against difficulties for lack of adequate tonnage, it should see its way to accepting the Board's recommendation.

If the Government makes provision for an additional Rs. 27 crores for shipping, it would mean that the original provision of Rs. 55 crores gets increased to Rs. 82 crores. Even this amount is well within the sum of Rs. 104 crores which the National Shipping Board had originally suggested so that the industry could have 1.3 million G.R.T. by the end of the third Plan. The same acute problem of coal transport, which has dictated the need for an additional outlay of Rs. 17 crores on roads in the Bihar-Bengal area in the next few years, calls for an increase in outlay on coastal shipping as well. As Mr. G. L. Mehta himself has warned in a recent article, "If foreign exchange is not found for coastal shipping and that, too, very soon, an extremely serious situation would develop on the Indian coast, and the tonnage would get gradually reduced with the result that the capacity of coastal fleet to carry cargo would progressively diminish." That in the matter of providing additional tonnage coastal shipping should be given the highest priority is thus clear.

At the same time, there is need for further attention to overseas tonnage which is short of tramps and tankers. But this, again, would require additional foreign exchange provision—something that cannot be contemplated at the present time. The most sensible way of solving this problem would be to encourage participation of foreign private capital. It will be necessary for this purpose to relax some of the restrictions placed on foreign capital. The first thing to do would be to raise the non-Indian participation in the capital structure of an Indian shipping company from the present limit of 25 per cent to 49 per cent. Such increased non-Indian participation may not only mean further additions to the overseas fleet without subjecting the country's foreign exchange resources to any strain but also enable Indian shipping to secure more foreign cargoes and thus earn more foreign exchange. It is surprising that the National Shipping Board has taken a rigid and narrowly nationalistic stand on this question and rejected the idea of raising the limit of non-Indian participation.

It may be noted here that the Board had before it a specific proposal from an entrepreneur in Poona for promoting a shipping company with 51 per cent Indian capital and 49 per cent foreign capital. This was not the first time that such a proposal had been put forward. And yet every time it came up, the shipping interests in this country had successfully managed to get it scotched by raising the false cry that national shipping was in danger. If other industries, including some strategic ones, in the country can be allowed to secure foreign capital participation of a greater order than even 51 per cent, the shipping industry, which is more heavily dependent on foreign exchange than any other industry, should welcome it all the more. If the country can think of establishing defence industries with the help of even communist countries, one fails to see why private capital from the democratic countries should not be permitted to join hands with Indian capital for expanding its mercantile marine. The National Shipping Board, which is so fortunate in having the enlightened leadership of Mr. G. L. Mehta, should lose no time in modifying its outmoded, nineteenth century stand on foreign participation in the interests of more rapid expansion of Indian shipping which now carries less than 10 per cent of our foreign trade—a pitifully low share, indeed, for a country of India's size and importance in world trade.

COFFEE INDUSTRY

It looks as though India may join the long-term world coffee agreement the draft of which is now being discussed at the United Nations Coffee Conference at New York; the conference began on Monday the 9th inst. and is expected to last for five or six weeks. For the Government of India has sent a delegation, consisting of Mr. H. Sitarama Reddy, Chairman of the Coffee Board, and Government officers, to participate in the conference. The possibility of India becoming a member of the Agreement was also hinted at, albeit indirectly, by Mr. Reddy when he addressed the first meeting of the reconstituted Board held at Bangalore on 29th June 1962. He declared: "An underdeveloped country like India which has to earn foreign exchange to build up her economy needs special consideration in the matter of her coffee exports and area under production." By implication, this statement may be taken to mean that India will join the agreement provided the other coffee-growing and exporting countries are willing to recognise India's needs. India's case for adequate safeguards would have been presented more ably before the World Conference, if the delegation, instead of being a purely official one, had also included the representatives of coffee planters. The non-inclusion of these representatives is rather strange.

Be that as it may, it is gratifying that the conditions in the Indian coffee economy have tended to improve lately. The current (July 1962-June 1963) season's crop is estimated higher at 59,500 tonnes, as against 44,850 tonnes harvested in 1961-62, though it is still well below the record level of 67,794 tonnes produced in 1960-61. Besides the anticipated increase in production, the prices of coffee are also expected to be better, in view of the continuously rising demand for all grades. The domestic consumption of coffee, which had gone down from 30,100 tonnes in 1959 to 30,000 tonnes in 1960, improved to 33,870 tonnes last year. The offtake in the first five months of this year was 13,444 tonnes, as against 13,341 tonnes in the corresponding period of 1961. This modest upward trend in domestic consumption will have to gather further momentum, if the coffee producers are to be enabled to recover a part of the losses incurred on exports. The export prices of coffee, too, have risen, to some extent, the mean average obtained in the export sales during the last five months is Rs. 228.17 per 50 kilos of plantation A coffee, as against Rs. 165 secured a year before.

It may be noted here that the Government wants the allocation for export out of the 1961-62 crop to be raised from the level of 15,000 tonnes recommended by the Marketing Committee of the Coffee Board, in order to earn the much needed foreign exchange. There should be no difficulty in meeting this demand, as there is plenty of coffee in the country. What is important in the present situation is not allocation of quota but actual export of coffee. So far only a part of the allocation already made has been exported. Care must, however, be taken to see that the rising demand from the internal market or the exigency of earning foreign exchange through larger exports does not result in an undue increase in prices. The possibility of such an increase in prices may not, of course, be there, considering the huge undisposed stocks of the 1961-62 season's coffee (the stocks as on 15th May 1962 aggregated 34,715 tonnes) and the rise of 14,500 tonnes to 59,500 tonnes in the estimate of current season's crop.

While an undue rise in coffee prices is not desirable, the need for ensuring a reasonable return to producers is important. Even the currently ruling prices are considered to be uneconomic. Here is what Mr. D. C. Jarvis, the retiring Chairman of the Nilgiri Planters' Association, said when he addressed the seventy-first annual general meeting of the Association at Coonoor last week:

"The ruling price of coffee is such that few estates are able to show a profit. On the top of this, due to the prevailing marketing system, producers have to wait upto 20 months before they receive final payment for a season's crop. Most of our coffee members are small growers and this causes them severe financial hardship even to the extent that they are unable to maintain their asset in a reasonable condition, due to the unavailability of finance to meet such necessities as manure and spraying requisites. The system of coffee marketing now requires an urgent overhaul. In the past, the system was satisfactory, but, with the large crop increases, it is now outdated and unwieldy."

The concern expressed over the financial hardship caused to small growers by the delay in making the final payment is not fully borne out by the statements made by the spokesmen of the Coffee Board. We are told on the authority of no less than the Chairman of the Coffee Board that the growers have already been paid at Rs. 2 per point for the 1961-62 crop, though the large growers have received only Re. 1.19 per point. There is, however, no denying the fact that the growers need further help. The first necessity, as Mr. Jarvis rightly said, is an all-out promotional campaign at home and overseas, accompanied by a scheme under which the total produce is not bought and sold purely by its grade. And there is force in his contention that the advantage which India possesses over its competitors in the quality market should be fully exploited. This point is of special significance in the present context of the buyers' market in coffee created by overproduction in the world.

To revert to the speech of the Coffee Board Chairman. His statement that an early decision would be taken on the question of replacing the States' sales tax by a Central levy is reassuring. The Governments of Madras and Mysore have already stated that they are not opposed to the move in principle. The Kerala Government is also expected to give its views shortly. It is certainly encouraging to learn from Mr. Sitarama Reddy that the Board has taken several propaganda measures designed to boost demand for coffee. The measures include participation in overseas exhibitions, screening of colour films, Press campaign, publication of a booklet in Japanese language, distribution of presentation caddies containing good quality coffee powder to foreigners, arrangements for release of coffee promotional films in important cities in India, house demonstrations, and display of advertisement boards and illuminated signs at important towns and airports. Simultaneously, efforts are being made to intensify research activities.

COTTON PRODUCTION

Fixation of targets and exhortations having failed to achieve the desired result, the Government would appear to be taking a closer look at the reasons behind the failure of cotton production to reach the Plan targets. It is reported to have detected, albeit belatedly, "snags and defects" in the scheme of distribution of improved seeds, fertilisers and pesticides at State level. In order to help the State Governments to remove them, the Centre has made some suggestions and offered additional financial assistance by way of larger subsidies and grants. One of the suggestions is that the arrangements for the distribution of seeds and fertilisers should be improved. Another is that production targets should be revised upwards and that tract-wise target should be fixed, instead of an overall State-wise targets as at present. Some of the other suggestions are: (1) bringing more acreage under cotton by giving inducements to cultivators to divert land under low-yielding sugarcane to cotton in Uttar Pradesh and by utilising irrigation water in Rajasthan, (2) introduction of early maturing variety of American cotton on rice fallows in Andhra, Madras and Orissa by utilising irrigation waters made available from new projects, and (3) adequate plant protection measures which alone, it is estimated, could increase production by about 20 per cent.

The trouble with the plans for cotton production in the past has been that they remained on paper only. Whether it be due to the apathy of the State Government or the inefficiency of the administrative machinery at State level, the fact remains that the programmes have yielded little tangible results. Hence cotton production has consistently fallen short of targets which have had to be revised downwards every year. It is not at the policy-making level that reform is called for but down below at the grass roots—at the implementation level. And, unless efforts are made to implement the Plan programmes vigorously, cotton production problem will continue to be intractable and the building up of a buffer stock for cotton, suggested by the Board of Trade this week at Calcutta, will only remain a pious hope. It is true that stocks can be built up through imports but where is the foreign exchange to pay for it when what little is available is not sufficient to meet even current requirements?

NUCLEAR POWER IN BRITAIN

The first two "commercial" nuclear power stations in Britain—one at Berkeley, Gloucestershire, and the other at Bradwell, Essex—have just begun to supply electricity to the national grid. These stations, using Magnox reactors, have had expensive teething troubles and are stated to be producing power at a cost substantially higher than that of conventional thermal stations. But other bigger stations (six or seven) in the current nuclear power programme, using the same type of Magnox reactor, are likely to produce electricity at a cost only slightly higher than that of thermal stations, for the original assumptions made about the life and loading of Magnox reactors seem to have been unduly conservative. Even if that happens, it will not make much difference to the relatively higher costs, in terms of both capital outlay and unit cost of power, of the present type of nuclear station.

The Atomic Energy Authority, which has enabled Britain to establish a lead in the field of nuclear power generation, can scarcely be expected to reconcile itself to such a situation. Hence its continued research effort to develop a different and better type of reactor known as the "advanced gas-cooled reactor," A.G.R., for short. The Authority's £250-million research and development programme for the next five years, outlined in its annual report laid before the British Parliament on the 5th instant and just approved by the Government, is an impressive confirmation of Britain's determination to maintain its lead in the field of utilisation of atomic energy for peaceful purposes. The sums now being allocated are intended not only to carry through the A.G.R. programme to the stage at which industry can take over the work for large-scale commercial exploitation but also to develop a marine propulsion unit and do research into generation of power from fusion reactions of the kind on which the hydrogen bomb is based.

It is noteworthy that the A.G.R. research programme is already in an advanced stage. The new type of reactor under experimentation is expected to go critical later this summer and to run at power towards the end of the year. The next step is to design and build a prototype to produce substantial amounts of electricity. With further progress in research and development over the next five years, it is just possible that commercial power stations using advanced gas-cooled reactors will be in operation in the 1970s. The U.K. Atomic Energy Authority has great faith in its A.G.R. programme, and its recent estimates, too, point to the possibility of lower costs. Figures show that the capital costs of a twin-reactor, 1000-megawatt power station using A.G.Rs should cost no more than £80 per kilowatt and that the power generated by it would be as low as 0.045d. per unit on the basis of standard assumptions, namely, a life of 20 years for the plant, a 75 per cent load factor and four times more efficient fuel. But the claim pertaining to such cheap power also rests on the assumption that overheads would be spread over a programme of at least 6,000 megawatts of A.G.R. stations which, however, could be built by the Central Electricity Generating Board only over a period of six years. If everything goes well with the A.G.R. research programme, it may be that the next generation of reactors will make nuclear power fully competitive with thermal power in Britain.

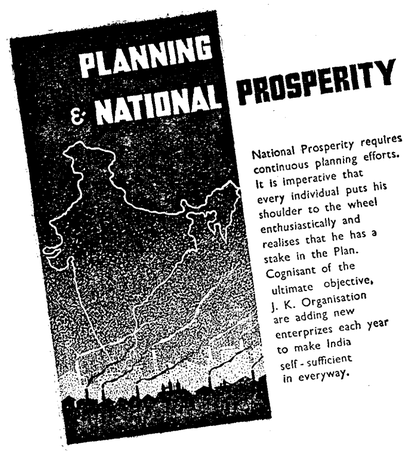
TRADITIONAL EXPORTS

The latest I.M.F. credit of Rs. 47.5 crores, though welcome, provides no more than a temporary relief from the ills afflicting the country on the foreign exchange front. It must be stressed, even at the risk of boresome repetition, that a lasting solution to the foreign exchange problem lies only in expanding exports. The seriousness of the situation is, no doubt, appreciated by the Government, industry and trade alike; and several export promotion measures have been brought into force. Even so, India's export performance still leaves much to be desired. It is disquieting to note that, on the basis of preliminary figures, total exports during the first five months of the current year amounted to no more than Rs. 268 crores, representing a decline of one crore of rupees, as compared with the corresponding period of 1961. In other words, exports are currently running at an annual rate of approximately Rs. 650 crores, which compare unfavourably with the annual target of Rs. 720 crores fixed by the Board of Trade for the fiscal year 1962-63. It is still more distressing that the major traditional exports have, of late, been either stagnant or declining. Despite increase in overseas demand, particularly in the U.K., for tea, export of this item declined from Rs. 124 crores in 1960-61 to Rs. 122 crores in 1961-62; the figure was as high as Rs. 148 crores in 1954-55. Shipment of another leading item, cotton textiles, was also lower in 1961-62 at Rs. 53 crores, as compared with Rs. 62 crores in the previous year. The exports of jute textiles, however, went up in terms of value during the last two years (because of the scarcity-induced boom in jute goods which, however, has now been brought under control), but the actual quantity shipped declined. Jute goods earned a foreign exchange of Rs. 145 crores in 1961-62, as against Rs. 134 crores in the previous year.

The uncertainty over the prospects of any sizable increase in exports of these traditional goods in the coming years still persists. This is all the more discouraging, for, in the short-run, it will be practically impossible to step up aggregate exports without raising the contribution of these items. It is, therefore, only appropriate that the Board of Trade, which held its second meeting at Calcutta last week-end, should have devoted special attention to the problems of tea as well as cotton and jute textiles. In respect of tea, the Board has suggested that all assistance should be given to extend irrigation and increase the supply of fertilisers. Mr. Manubhai Shah, Union Minister for International Trade, who is also the Chairman of the Board, seems to have assured the tea industry that rupee finance and foreign exchange necessary for the purpose would be made available. He, however, did not mention anything about the possibility of reducing the burden of various Government imposts on the tea industry. The decision to send a tea delegation to Australia and the Far East, however, is welcome, in so far as this will open out new markets. In order to expand jute goods exports, the Board was of the view, rightly in our opinion, that the industry should diversify the pattern of production of fabrics. It has also decided to assist the jute industry in establishing an exhibition centre at Calcutta for displaying all the varieties of finished jute goods. The exhibition may encourage the producers to diversify production. But it would have been more worthwhile if the Board had taken a decision in favour of opening exhibited centres abroad for displaying Indian goods to prospective consumers. The jute industry in West Bengal, it may be noted, has derived an immediate benefit from the Board's meeting, as it has been exempted from the power cut introduced in the State in pursuance of a strong plea by the Board.

In respect of the cotton textile industry, the Board considered the question of setting up buffer stocks of raw cotton. This is apparently a sound proposition, as it is designed to ensure regular supply of raw materials to the industry. But the first thing to do is to increase the production of raw cotton in the country. The Board does not appear to have taken a strong stand in respect of modernisation of the industry, which is a *must*, if India has to maintain, if not expand, its piecegoods markets abroad against the growing competition from other highly industrialised countries. The call for expanding exports of dyed, printed and finished cotton textiles, in preference to coarse cloths, however, is quite pertinent and timely.

The major factor inhibiting expansion of India's export trade is the high cost of production. In this connection, the Board approved of a proposal to set up an expert committee to carry out detailed studies. The question of reducing costs, no doubt, is of paramount importance in the context of export promotion efforts. But no tangible and immediate result can be obtained from the proposed study, unless more efficient units are encouraged to expand without any hindrance by way of props to inefficient units, apart from ensuring adequate supply of raw materials, fuels and transport to make possible full utilisation of installed capacity. At any rate, the study is likely to be protracted and will be of use, if any, only in the long run. Another committee was created for the purpose of examining the scope for establishing free trade zones. Besides. Dr. P. S. Lokanathan has been asked to prepare a blue-print for the establishment of an institute of international trade. These measures, however advisable they may be in the present conditions, are not likely to make any significant contribution to export promotion efforts in the next few years. The Board should have earnestly thought over the problem whether the export target of Rs. 720 crores set for the current year is attainable without additional incentives to the industry and trade. Viewed thus, its reluctance to consider the question of income-tax remission as suggested by the Mudaliar Committee on foreign trade, is not quite understandable. It may be that such incentives are only palliatives, but there is at the same time need for avoiding any confusion between short-term and long-term objectives of export promotion.



A MIXED BAG OF FOOD HARVESTS

NEW FOCUS ON RURAL DEVELOPMENT PLANS

From Our Special Correspondent

NEW DELHI, 10*th July*

DELHI LETTER

IT has been a bumper year for wheat, final estimates released here yesterday show. The area under wheat in 1961-62 increased by 3.7 per cent over the previous year's level, from 32.05 million acres to 33.24 million acres, and the crop increased by 7.4 per cent, or by 800,000 tons to 11.62 million tons. There has, however, been a marginal fall in rice production from 33.6 million tons in 1960-61 to 33.55 million tons and in *jowar* there is a fall of 17 per cent or 1.5 million tons. Food production as a whole rose by a million tons from 79.6 million tons in 1960-61. The fall in rice production is attributed to the diversion of around 800,000 acres to jute in Bihar and West Bengal. The diversion to jute, however, led to the raising of a jute crop almost equal to the target to be attained at the end of the third Plan.

Despite the cold spell last winter, the wheat cultivated areas by and large showed a better yield per acre and, in view of the better wheat crop and sufficient quantities of food available in the country, the Food Ministry is already trying to persuade Washington to release Delhi from the commitment of having to import 400,000 tons of wheat on a commercial basis from Canada and Australia. An agreement has already been signed for imports of 100,000 tons of wheat from Australia but Delhi wants to reduce the commercial import commitment by at least 100,000 tons which will mean a saving of a little over Rs. 3 crores. Delhi points out that the wheat production has increased from 7.4 million tons at the end of the first Plan and the P.L. 480 supplies amount to 16 million tons of wheat over four years. Already there is a shortage of storage facilities and a fifth of the P.L. 480 wheat imports, according to one expert, had become unfit for human consumption as a result of being stored in inadequately protected godowns. One independent view is that, in view of the ample supplies, while India should fulfil her commercial commitments, some of the P.L. 480 wheat supplies could be staggered to a later date.

Poor Performance

Addressing the meeting of the Advisory Board of the Indian Council of Agricultural Research in New Delhi yesterday, Mr. A. D. Pandit, Special Secretary in the Agriculture Ministry, did not seek to paint an all-is-well picture as had been done by his Minister, Mr. S. K. Patil, earlier. He pointed out that, against a demand of 5.4 million bales, cotton production was only 4.5 million bales. He admitted that, in many fields, the performance on the agricultural front had fallen below expectations. The low-performance was particularly noticeable in oilseeds, fertilisers, soil conservation and use of irrigation water. The 1961-62 estimate of 6.9 million tons of oilseeds was below the 7.1-million-ton base level presumed for the third Plan. The Agriculture Ministry would try, he said, to intensify oilseeds production.

Of about 200 million acres of land in the country which are in need of protection through soil conservation measures, about 11 *million acres are planned to be covered in the* third Plan. Of this area, only a million acres were tackled during the first year of the third Plan.

New gimmicks are also being considered to find ways to increase, agricultural production. These would include raising paddy and fish in flooded areas, as is done in some South Asian countries. Officials of the Planning Commission and the Food and Agricultural Ministry have had talks on utilising about a million acres of land which are under flood for about four months in the year in Assam, Kerala, Orissa and Andhra Pradesh. A study-team will first visit Orissa to explore ways and means of cultivation of deep water paddy. It is now admitted that fertiliser availability will be between only 60 and 70 per cent of the quantities originally estimated for the various years of the third Plan and there is also said to be resistance on the part of farmer-consumers to the more sophisticated types of fertiliser. In order to meet this resistance, some experts suggest that the price of ammonium nitrate, for example, be reduced and that of ammonium sulphate increased. In short, the increase in agricultural production at a rate of 1.6 per cent against the target of six per cent rise in 1961-62 is leading to a re-assertion of the emphasis on rural development.

Plan for Rural Areas

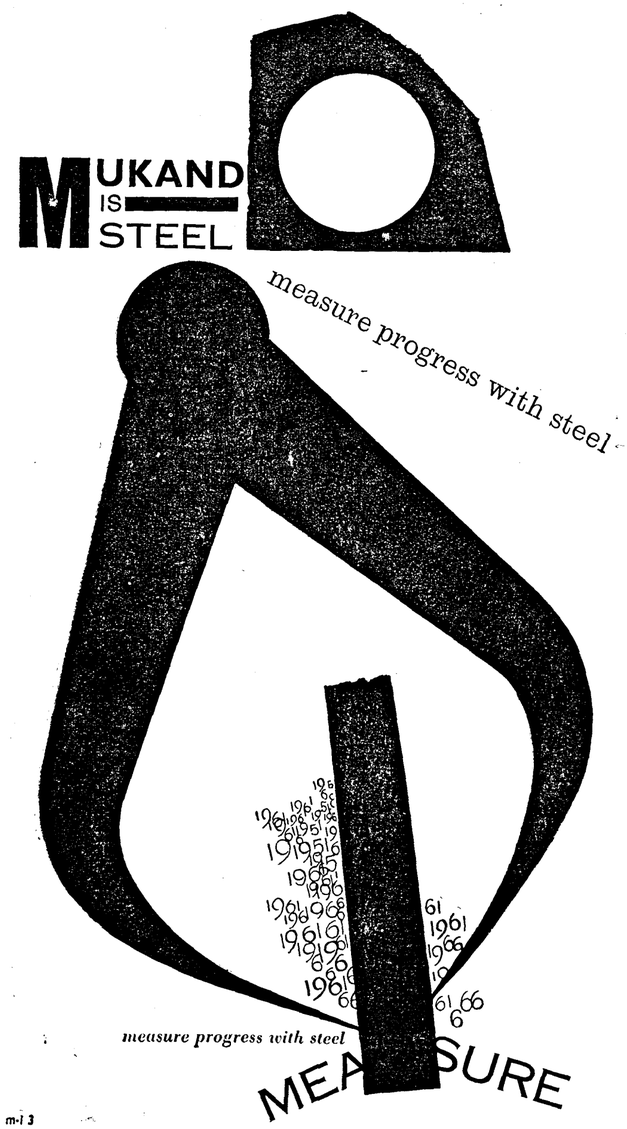
The Planning Commission has summoned a meeting of Central and State Government officials to be held on 21st and 22nd July to consider the recommendations of the Rural Industrial Planning Committee which had been set up by the Planning Commission. The Committee, in its report, has worked out schemes for intensive development of small industries and selected 40 areas to be tackled immediately. Apart from the funds already allocated by the Central and State Governments and statutory boards for these areas, the Committee recommends that an additional Rs. 2 million should be allotted to each of these areas in the current financial year for the package rural industries programme. Planning Minister Nanda wants a high priority to be given to this scheme because it pursues his favourite desire for the development of a co-operative agro-industrial rural economy. While he wants emphasis on improved agriculture, at the same time Mr. Nanda seeks a diversification of the economy.

The industries will largely have to be based on processing of agricultural products. In a letter to State Chief Ministers, Mr. Nanda has asked them to set up high level advisory committees to plan rural industries in detail. Although the *khadi* and village industries men are to be associated with these committees, experts at Yojana Bhavan tend to give a back seat to the Gandhian concept of small industries and traditional industries. The Planning Commission has appointed a standing committee to 'guide' the States in this field of activity.

Coal Conference

There is to be yet another conference to try bring more sense into the approach towards coal transport. An inter-ministerial conference will seek to evolve ways for providing more coal for industries in the southern and western regions. One section of planners is firm in the belief that the real immediate solution to the coal problem can be brought about only through making the railway system up to the mark. A new proposal with which the autho-

(*Continued on page 62*)



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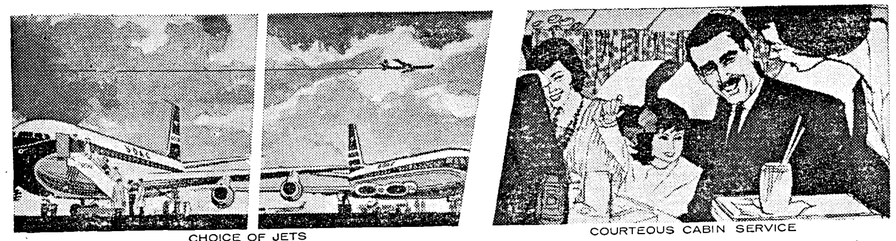

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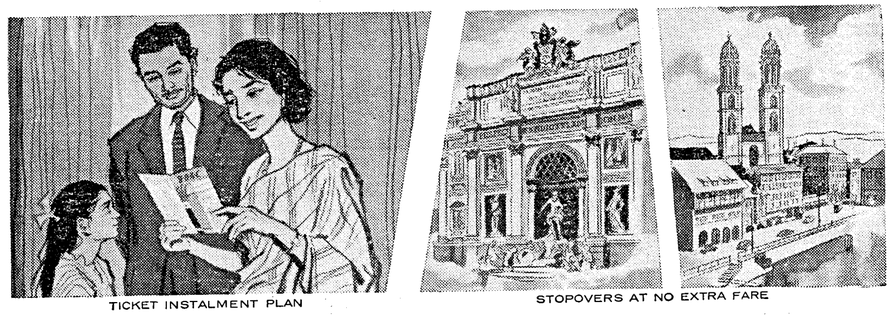

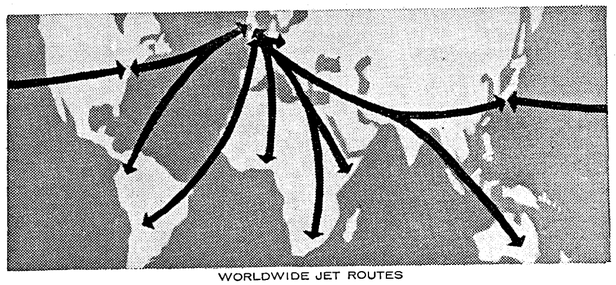

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STOCK MARKETS AND BUSINESS CONFIDENCE

IRRESPONSIBLE ALARMISM DIES DOWN

By W. T. C. King
EDITOR, *THE BANKER*

LONDON, *6th July*

THE international business scene has been heavily overshadowed in this past month (June 1962) by the wave of nervousness touched off at end-May by the dramatic crack in stock markets—first on Wall Street and then in London and other important security markets. At the date of my last letter, a large proportion of the violent drop in prices sustained on "black" Monday on Wall Street and on the Tuesday in London had been regained; but the slide began again a few days later and quickly carried Wall Street down to new low levels.

The Dow Jones index of common stocks had closed on "black" Monday—after its 35-point fall—at 577, as compared with its January peak of 726 and its all-time peak (in 1961) of 735; then, after rallying briefly to 613, it slithered away to 595 by 11th June and then plunged in the ensuing fortnight to 535.76 by 26th June. At this new low, the lowest since 1958, the index was thus almost exactly 200 points, or 27 per cent, below the peak. This marked the first real resistance point; and, in the five days before the Independence Day holiday, the market rallied quite vigorously, to 579—partly, no doubt, in response to the closing of bear positions.

In London the pattern of price movements in this second phase has been similar to Wall Street's, but less pronounced. The *Financial Times* Industrial Share index, which had swung from 283 to 261 and back to 277 at end-May, has in this past month dropped back to its lowest since September 1959, falling below 253 on 25th June; but it has since rallied to 266. At this point, however, it is still fully 27 per cent below its all-time peak (reached in May 1961), whereas Wall Street's net fall has now been narrowed to 21 per cent.

Stock market movements as violent as these must inevitably leave their mark on business confidence generally; but, in Britain, at all events, the psychological reactions in the second phase of stock market weakness seem to have been somewhat less than might have been expected in the light of the initial response. In some City comments at end-May and early June, a faint note of hysteria could be detected. Just as some of the more sensationalist commentators on Wall Street were glibly talking of "another 1929," so in Throgmorton Street (and beyond) some observers were claiming that a vicious spiral of deflation and unemployment was now all but inevitable in Britain (as well as in the United States)—unless the Government rushed in with massive reflationary efforts. And, as the mood of pessimism spread, people began to talk as if serious under-employment was clearly visible already—instead of being something to be feared only if demand for goods and services suddenly dropped sharply below expectations. This sort of irresponsible alarmism has fortunately died down in the past few weeks. In spite of the further sharp falls on Wall Street, people have come to appraise the possible business repercussions more calmly and rationally.

Effect on Spending

It is recognised, of course, that the crack in Wall Street must exert both a direct and an indirect effect in curtailing total demand in the U.S. by reducing either the capacity or the willingness (or both) of consumers and businessmen to spend; and it is recognised, too, that, in certain circumstances, these effects could be cumulative. But it is also increasingly recognised that, even at worst, these effects would not be likely to be catastrophic. The note of alarm sounded by early commentators seemed very largely to have been based on the view that the deterioration in the business prospect could in some way be measured by the violence of the stock market fall. But in fact, as I pointed out in my last letter, the fall in stock markets was only a reflection in minor part, of any shift of view about the course of the U.S. economy. Disappointment with the pace of its advance in recent months and doubts whether the advance would continue far into 1963, were certainly prominent among the influences that precipitated the market collapse. But the extent of that movement, when once it started, was chiefly a reflection of the irrational levels to which prices had been pushed—by the blind pursuit of "growth" regardless of prospective (not to mention current) dividends and earnings.

The prospect for business activity is not to be gauged, then, from the extravagant movements involved in the long-overdue readjustment of stock market values. In trying to assess the extent of the threat, it is important to bear in mind that industrial activity in the United States, though rising less rapidly than had been hoped, was running at an all-time peak in the month before the market crack occurred; and, at that stage, all official forecasters were confidently predicting a continuing growth for at least six to nine months ahead. These forecasts have, indeed, been repeated since, although it is too soon for even the first business repercussions of the stock market fall to be visible in economic indices. The July review of the First National City Bank of New York has just observed that such scattered statistics as are yet available suggest that a "levelling" of general activity is under way, but the Bank concludes that it would be a mistake to assume that the stock market break would "promptly spill the economy into a new recession."

Public Misunderstanding

It is even more important to bear in mind that the present administration in Washington is certainly no less determined than any of its predecessors to prevent any such recession. The delay in administering new stimulants to the economy is surely an indication of official confidence that activity will in fact be well sustained, rather than of any excessive preoccupation with the risks (actual or supposed) of reflationary action. It has to be admitted, nonetheless, that, in the United States, some of these risks are intensified by psychological factors stemming from public misunderstanding.

The so-called "sound money" doctrine as traditionally understood on Wall Street is reflected in an inbred horror in many minds of budget deficits, however they may be defined and regardless of economic circumstances. The risks for the dollar on the world's exchange markets, if and when the administration concedes any considerable tax reliefs, will not stem merely from the conservatism of overseas bankers; they will stem also from the contagion of nervousness that is all too likely to spread outwards from New York. These possibilities, it is clear, could impose a considerable handicap on the Kennedy Government; but the President has wisely started already a campaign to promote better understanding of the role of public finance in these days. He is most unlikely to allow his goal of full-capacity working to be subordinated to the prejudices of Wall Street—in spite of the added difficulties that might have to be faced to sustain the dollar.

In Britain, the threat to business activity from Wall Street is mainly a contingent one. There is, no doubt, a certain direct psychological effect on business confidence; but the more rational views about the American scene that have lately gained currency have been calculated to reduce this. Otherwise, the effect on Britain's economy will come only as and when a slackening of American activity exerts a restraining effect on world markets. There is no sign that this possibility—it is no more than a possibility—has yet cast any significant shadow ahead, though the "growth-at-any-price" school in Britain has seized upon it as a new and potent argument for a more expansionist policy. The Government, however, is standing its ground. A relaxation in hire-purchase regulations (reducing the minimum down-payment on consumer durables) unexpectedly announced early in June was not, it is generally understood, in any way related to the expected effects of the Stock Exchange crack a few days previously. A fortnight later, instead of conceding further stimulating measures, the Chancellor was pointedly replying to the expansionist school.

The Chancellor Firm

He "utterly rejected" the "clever, up-to-date, modern doctrine" that spending should be stimulated to keep the economy at the limits of capacity, whilst the pound sterling could be left to take care of itself, and could be devalued if necessary. This sort of talk, Mr. Selwyn Lloyd said, was the most effective and quickest way to stop growth and to reduce living standards. The British economy, if it is still expanding, is doing so only slowly—though hardly any of the latest indices yet reflect the effects of the relaxations conceded since the Budget (the further reduction of Bank Rate, the release of special deposits in order to ease bank liquidity, and then the hire-purchase concession). But there is no sign that the experience in stock markets has induced any change in the basic principle laid down for policy earlier in the year—that the pace of growth of the economy must be governed largely by the pace at which exports grow. They went up again in May, for the fifth successive month, but the rise was small (and in that month was outdistanced by imports).

The trend of the balance of payments as a whole, however, is improving. In the first quarter of this year, there was a surplus on current account for the first time since mid-1959, thanks chiefly to a marked improvement in net "invisible" income. The surplus totalled £21,000,000, and comfortably covered the net outgoings of long-term capital, so that there was an overall surplus of £13,000,000.

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S. T. SADASIVAN
General Manager

DELHI LETTER

(*Concluded from page* 60)

rities are toying relates to improving the port facilities at Visakhapatnam which could receive coal by ship from Calcutta. The railways would have to provide at least 100 wagons a day to take the coal inland from Visakhapatnam and this the railways will be unable to supply at the moment. The Government is understood to have decided to concede the industrialists' demands for foreign exchange to convert boilers to use furnace oil instead of coal, but at the same time the cut in the allocation of exchange for the import of oil products in the third quarter of the year may lead to oil shortages by September.

Accumulation of coal stocks at the pitheads is being blamed for the decrease in the coal raisings by the National Coal Development Corporation. The N.C.D.C. output in 1961-62 is said to have been two million tons below the levels of the previous year. The private sector collieries increased their output by about 1.8 million tons, but this too is not considered a fast enough rate to meat the targets set for these collieries in the third Plan.

Meanwhile, Mr. K. D. Malaviya has started blowing hot and cold again. On a tour of the Jharia coal belt, the Minister invited the private sector to co-operate in achieving the third Plan targets and at the same time declared that, eventually, there may have to be nationalisation of the coal industry. He berated the industry for not coming up quickly with applications to utilise the foreign exchange earmarked for expansion of collieries and also hinted that the Government was toying with the idea of a central marketing body for coal. The industry, however, has been blaming the Government for the delay in scrutinising the applications that have already been submitted and in giving its approval.

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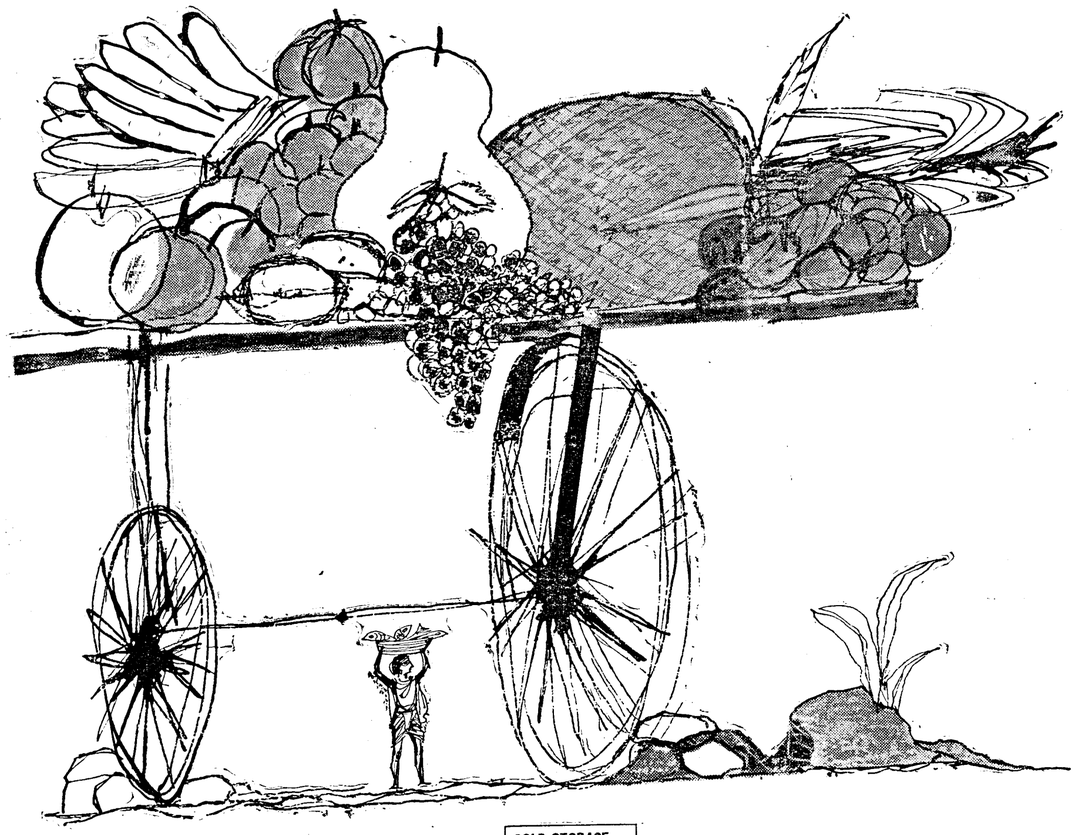

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VTY-26

BANK STAFF GET A BETTER DEAL

DESAI TRIBUNAL'S AWARD DESERVES ACCEPTANCE BY BOTH SIDES

THE Award of the National Industrial Tribunal on Bank Disputes (President: Mr. Justice K. T. Desai), which has been accepted by the Government of India in full, is remarkable essay in compromise. It is an ideal industrial award, in that it seeks to reconcile the conflicting interests of two contending parties against the wider background of national interests. In recommending higher pay and other benefits to bank employees in keeping with the principle of social justice and having regard to the rise in cost of living, the Tribunal has also taken into consideration, as enjoined by the Supreme Court, the capacity of the industry to pay. In a sense, the task of an industrial tribunal is far more difficult than that of an ordinary court of law whose function is not to make new contracts or agreements between parties, but only to interpret existing contracts or agreements. A tribunal, on the other hand, being not fettered in its jurisdiction, may, and often does, create new obligations and rights to maintain industrial peace. In doing so, it has to bear in mind that it does not give a fresh twist to inflationary forces. The task is rendered more difficult when the dispute is between employers and employees of an industry like banking, which, apart from rendering an essential service to the public, has a growing and crucial role to play in national development. And it is a tribute to Justice Desai's sense of fair play and his remarkable understanding of the basic requirements of banking development that he has given an award which is both just and fair to the employees and at the same time conducive to the development of banking on sound and healthy lines. It is no reflection on the merit of the award, if it has fallen short of the aspirations of employees who, obviously, asked for far more than what the industry could afford and the general level of incomes in the country permitted or if it has given rise to misgivings in the minds of bankers about its effect on the industry. For it is impossible, even for a Daniel, to give an award that will fully satisfy both sides.

Main Features

The main recommendations of the Tribunal may be briefly summarised first.

Banks have been classified on the basis of their working funds into three categories, instead of four under the Sastry Award.

Working Funds

A class ... Rs. 25 crores and above (and all exchange banks).

B class ... Rs. 7.5 crores and above.

C class ... Below Rs. 7.5 crores.

Six banks have been placed under a special class, called "excepted list," and separate scales of pay have been recommended for their employees. This has been done on the ground that they cannot pay the scales recommended for C class banks.

Twenty banks, including the State Bank, the Punjab National Bank, the Bank of India, the Bank of Baroda, the United Commercial Bank, the Central Bank of India and the American Express come under class A. Class B consists of 13 banks such as the Andhra Bank, the Bank of Maharashtra and most of the subsidiaries of the State Bank. Class C comprises 26 banks, including the Bank of Rajasthan, Pandyan Bank, the Hindustan Mercantile Bank, etc.

It is noteworthy that classes A and B under the present award are the same as classes A and B under the Sastry Award. Class C under the Desai Award comprise the banks falling within class C and class D under the Sastry Award.

Categorisation

The categorisation of areas has also been modified. Under the Award, the country has been classified into three areas, as against four hitherto. The three areas are: Area I, comprising cities with a population of 1.2 million or above such as Bombay, Calcutta, Delhi, Madras, Ahmedabad, Hyderabad and Bangalore. Area II, comprising all cities other than those included in area I which have a population of one lakh or more. Area III includes all places not included in I and II. The Desai Tribunal has thus abolished the area IV created by the Government. Justifying its action, the Tribunal points out that the inducement offered by the creation of area IV and lower scales of pay fixed for workmen in that area have not constituted sufficient incentives to the commercial banks to attract the appropriate talent necessary for opening branches in that area.

The next important recommendation of the Tribunal pertains to dearness allowance. It has merged the major portion, 80 per cent to be precise, of the existing dearness allowance of bank employees with the basic pay and has provided that there should be a 100 per cent neutralisation of the rise in cost of living in case of subordinate staff and 75 per cent in the case of clerical staff. Following the former recommendation, the Tribunal has put forward a new and higher scale of pay for employees of all classes of banks. Under this revised scale, the minimum salary of a clerk in an A class bank in area I has been raised from Rs. 85 to Rs. 140 and the maximum from Rs. 280 to Rs. 405. Suitable changes have been made in the scales of pay of employees of other classes of banks.

Other benefits recommended are (1) higher house rent allowance, (2) leave fare concession for employees of A class banks once in three years, and (3) more liberal gratuity benefits. The Tribunal has also recommended that the age of retirement should be raised from 55 to 58. The Tribunal has suggested that its major recommendations should take retrospective effect from 1st January 1962.

"Liberal to Employees"

Mr. Justice Desai himself has called his Award as very liberal to employees. In merging dearness allowance with the basic pay, the Tribunal has only followed the Second Pay Commission which did the same thing in the case of Government employees. But it has gone a step further in regard to the classification of cities and, by including Madras, as well as cities of smaller population in area I, it has strengthened the hands of T.T.K. who has been vigorously pleading for rating Madras with the other bigger cities like Bombay and Calcutta, so that Government employees working there may get the same privileges as their counterparts in the bigger cities. Further evidence of liberal treatment given to the employees by the Desai Tribunal is to be found in the provision for full neutralisation of any rise in cost of living in the case of subordinate staff and 75 per cent in the case of the clerical staff. It is noteworthy that the adjustments in cost of living allowance have to be made within a narrower range of fluctuation in the Index than is the case now. Further, the recategorisation of banks into three classes, as against four now obtaining, and the classification of the country into three areas, instead of four as at present, for the purpose of fixing scales of pay, would benefit the employees of the smaller banks and bank employees as a whole in smaller centres. The merger of dearness allowance with basic pay raises the minimum starting salary for a clerk in an A class bank in area I to a more respectable level. As regards dearness allowance, in the case of clerical staff, it is to be calculated and paid at the rate of three per cent of pay (basic pay provided under the Award, plus special allowance and officiating allowance, if any) for every rise of four points above hundred in the quarterly average of all-India average working class consumer price index (general) base 1949=100. In the case of the subordinate staff, the D.A. will be four per cent of the pay for every rise of four points above hundred in the quarterly average working class consumer price index. Justifying the provision for only 75 per cent neutralisation for the clerical staff, Mr. Justice Desai says: "I consider it fair that, as regards members of the subordinate staff, there should be hundred per cent neutralisation linked with the all-India working class consumer price index number base 1949=100. In the case of workmen other than those belonging to the subordinate staff, keeping in view the trend in organised industries, I provide a lesser rate of neutralisation and fix it at 75 per cent."

Immediate Benefit

The immediate rise in emoluments of bank employees resulting from the merger of the major part of D.A. with basic pay and with provision for neutralisation of rise in the cost of living is estimated at under 10 per cent. The long-term benefit, by way of higher provident fund and gratuity, however, is quite substantial. In order to ease the burden on banks arising from this higher liability, the Tribunal has limited the portion of the pay eligible for the calculation of gratuity to 80 per cent of that provided under the award for clerical staff and 75 per cent for subordinate staff.

For provident fund deductions, the Tribunal has recommended that 80 per cent of the basic pay under the award for clerical staff and 75 per cent for subordinate staff and the full amount of special and/or officiating allowances, if any, only should be taken into account. The percentage deductions prescribed are 8⅓ per cent of basic pay in respect of employees of A and B class banks and 6¼ per cent of pay for employees of C class banks and banks in the excepted list. It would have been better and simpler had the Tribunal not made this qualification. The saving for the banks would not be appreciable. Indeed, the gain to banks in terms of goodwill would be greater if the full 100 per cent of the basic pay is taken into account for calculating this retirement benefit.

In recommending the new scales of pay and other benefits, the Tribunal took into consideration the representation made by the various interests concerned, the statements of the Governor of the Reserve Bank and the Chairman of the State Bank, and the trend and progress of banking. It also had in mind the important role banks would be called upon to play in national development, its present position as well as future prospects, the prevailing rates of wages in comparable concerns and the level of national income and its distribution. Having regard to all these factors, and after carefully studying all the materials placed before it, the Tribunal has come to the conclusion that all classes of banks had the capacity to pay the respective scales of pay fixed for them. Where, however, it found that a sudden change in service conditions might lead to a precipitous increase in the burden on some banks, it has provided appropriate relief.

Norms of Wage Fixation

It is now a matter of common knowledge that one of the factors to be taken into account in fixing wage scales is productivity of labour. In fact, it is one of the four principles laid down by the Committee on Fair Wages for wage determination, the other three being the prevailing wage rate in the same or similar occupations, the level of national income and its distribution and the place of the industry in the economy of the country. The Desai Tribunal did not ignore this vital point, but, in view of the fact that there are hardly any standards by which one can measure the productivity of labour in banks in terms of services rendered or profits made, the Tribunal has apparently not made more than a passing reference to productivity. Remarking that, in banking, it is very difficult to fix standards of work by means of time and motion studies, by piece-rate method or by incentive method of wage payment, it draws attention to the observation of the Bank Award Commission to the effect that banking is not a productive business from the ordinary commensense point of view, so that the first out of the four principles laid down by the Committee on Fair Wages, namely, productivity, cannot so much apply to banking as to other industries.

The cost of the Desai Award, in terms of higher emoluments to the staff, has been estimated by bankers at roughly 10 to 12 per cent of the wage bill. Coming as it does on top of the additional burden on banks resulting from the higher corporate taxation, deposit insurance premia and increase in the cost of borrowing from the Reserve Bank, such a burden will, they point out, make further inroads into the profits of banks and make it difficult for them to increase the statutory liquidity ratio as desired by the Reserve Bank and to follow their plans for spreading the area covered by banking.

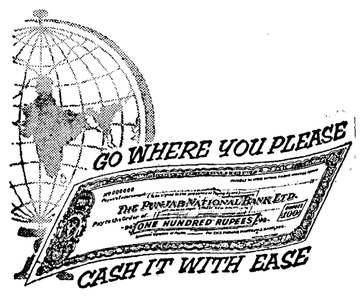
Plight of Employees

There is considerable force in this contention, but bankers must realise that, unless their employees are contented and fully co-operate, it will not be possible either to expand banking service or to improve the quality of service. Bank employees, unlike the blue-collared workers, are an educated and enlightened lot, fully, conscious of their rights and, we hope, of their duties too. It is, therefore, essential for managements of banks to win and retain the goodwill of their employees. This is essential not only in the interest of development of banking in the country but also for maintaining the stability of the country as a democracy. Bank employees form an important section of the middle class which forms the hard core of the social and political fabric of the country. Indeed, when one comes to think of the obligations of this section of the society, the Award cannot be regarded as too generous to employees. One has to bear in mind, in this connection, that they, along with other sections of the middle class having fixed incomes, have to bear the main brunt of the relentlessly rising cost of living in the country. The published index numbers are imperfect, in that they do not fully reflect the cost of such essentials as housing, vegetables and fruits and education. Most of the clerical staff of banks in cities like Bombay, Calcutta and Madras have to pay away a good part of their salary, often amounting to a third to one-half, by way of rent alone. It is the business of bank managements to earn sufficient profit to cover the cost of decent pay scales to their staff.

The Award does not cover the vast majority of junior officers, heads of departments, and other supervisory personnel in the middle range of officers class. Their lot is by no means enviable, for it is they who have often to face the discontentment of the clerical and other subordinate staff and show results to their superiors. These officers constitute a very important section of a bank's work force. They, too, deserve to be kept contented and enthusiastic in their work. Surely, no wise bank management will fail to realise that, unless something more is done to better their lot in the context of the Desai Award, this section of their staff will suffer from a sense of exasperation and disappointment.

Staff's Duty

All bank employees on their part must realise that there is another side to the medal. Just as they are justified in asking for higher emoluments, the management and the public are also equally justified in insisting on efficient, as well as courteous, service. Banking, as Mr. Justice Desai rightly points out, is a public service and the efficiency of workmen in the industry does play a significant part in inspiring and establishing confidence of the public in the banks. At present, there is considerable room for improving the services rendered to the public and it is the bounden duty of bank employees, the more so because of the difficulty in laying down ready-made standards for measuring their efficiency, to serve their institutions and the banking public to the best of their ability.



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THE "BLUE MONDAY" AND AFTER

WALL STREET'S RECENT BEHAVIOUR ANALYSED

[The recent slump in Wall Street is as baffling as it has been devastating. Since Wall Street is uppermost in the minds of all those who are interested in the behaviour of shares and stocks, we reproduce below a short article on the subject from the July Monthly Letter *of the* First National City Bank, New York. *The authors of the article have briefly dealt with the causes of the setback, preceded in history only by the Great Crash of 1929, explained the main shortcomings in the American economy and examined a solution to the problems arising out of the fall in share values. It is topical and enlightening and makes interesting and informative reading.—*ED.]

STOCK prices, losing ground spasmodically since mid-March, extended their decline in nervous trading during June. Closing at 536 on 26th June, the Dow-Jones industrial stock average was 27 per cent below the high point of 735, touched last 13th December.

While history does not inevitably repeat itself, students of past experience have noted that a decline of this magnitude signifies a break in investor confidence that will not be easily repaired, and may also portend a downturn in general business activity before too many months have passed. It is not surprising that people are wondering what the sequence of events will be this time and evaluating whether the wisdom and power of Washington can be mustered to avert something worse than the mild recessions experienced since World War II.

Minds naturally turn back to the Great Depression that followed the stock market collapse of 1929. But there is little recognisable resemblance in the two situations. We live in a different world. The banks are strong and liquid. People characteristically hold stocks outright, not on borrowed money. We have had no prelude of excessive personal or business spending.

The excesses this time are in government spending—bloated to a point where even war-emergency levels of taxation are incapable of providing a balanced budget—and in wage costs that undermine the ability of private business to create enough jobs and maintain our competitive power in world markets. There is nothing wrong with the U.S. economy that retrenchment of federal spending and taxing, and moderation of wage demands, cannot cure. We need to take to heart the lesson out of last month's developments in Canada: excesses of Government spending and cheap money are more likely to lead to crises of confidence than to full employment.

The Swing of Psychology

At the time of the steel price controversy, with the Dow-Jones index only 6 per cent below the December peak, the predominant view was that the market would break through into still higher ground. Instead, a mood of doubt and hesitation settled upon investors' minds. Many people evidently decided to reduce their holdings. As prices faded, pessimism grew.

Major turning points in the stock market are often triggered by events, such as the steel episode, which outwardly may seem of minor importance. The President, in a press conference on 7th June, said he thought most financial experts had realised for some time that an over-priced market could not hold up once investors recognised that inflation was ending.

The valuation of common stock earning power, at the peak last December, reached a higher extreme than at the top of the market in 1929. The Dow-Jones industrial stock average was 23 times the earning power of the stocks included. This compares with a multiple of 19 times at the peak of the market on 3rd September 1929. Stocks selling at the highest multiples of earnings—the glamour growth stocks—have suffered the most serious readjustments.

Common stocks, well selected and acquired at reasonable prices, most truly represent investments in the growth of private enterprise. Nevertheless, it has been more popular these last years to buy common stocks on the idea that we live in an age of inflation, in which ownership of equities affords the only protection against shrinkage in the value of money. Curiously as the chart suggests, we have had more inflation in the prices of "inflation hedges" than in the goods and services people buy. The inflation we have is in costs of labour and government. This kind of inflation, without recompense in higher commodity prices, has squeezed corporate earnings. Common stocks are not effective hedges against rising costs of labour and government.

As the President stated in his 7th June press conference, "there is no need for this country to stand helplessly by and watch a recovery run out of gas." Nevertheless, there are doubts in the minds of business leaders as to whether the Administration programme—with its accent on increased welfare spending and enactment of the cumbersome and controversial Revenue Bill of 1962—is the right fuel.

A New Approach?

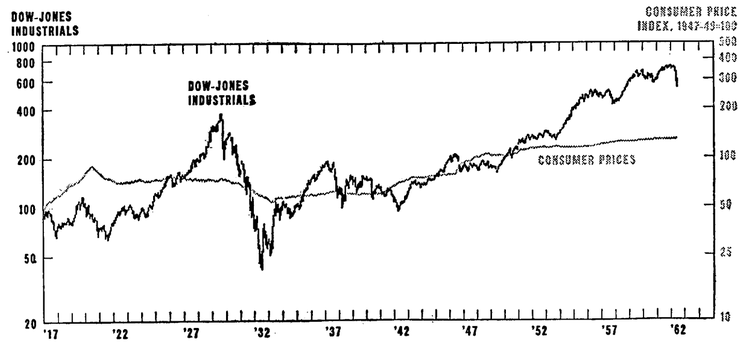
Speaking at the Yale commencement exercises 11th June last, the President implied that he himself had some doubts as to the adequacy of his programme when he invited a "dialogue" on such critical questions as how we can make our free economy work at full capacity, have the budget and tax policies supply adequate revenues, and improve the balance-of-payments position—all without slowing down the economic growth.

Imaginative new lines of thinking can answer these questions. One clue is found in the President's own observation that our present tax structure exerts too heavy a drain on a prospering economy. He has promised to develop a plan for personal and corporate income-tax rate reductions to be offered for action by the next Congress meeting in January. The question is whether we can afford to wait.

Some people want tax reduction simply as a means of getting more money into circulation quickly. This is to misunderstand the situation. What the American economy needs is not more money but stronger incentives to earn money. The experience is that calculated revenue losses from tax reductions never materialise if the reductions are designed to give encouragement to enterprise, production, and employment.

Keen observers, in the U.S. and abroad, are beginning to recognise that inflated government expenditures and cheap money are the

(*Continued on page* 89)



Dow-Jones Industrial Stock Price Average and Consumer Price Index
Monthly high and low closing prices of Dow-Jones Industrials, Consumer Price Index, 1947-49=100

INDIAN COTTON TEXTILES GETTING PRICED OUT ABROAD

DATA FOR 1961 ANALYSED

COMMENTING on the Indian Cotton Mills Federation's scheme of compulsory exports of textiles, we stated in the course of an editorial only last week that the major reason for the downward trend in exports of Indian piecegoods was that the latter were getting priced out in world markets. The force of this contention is fully borne out by the wealth of statistical data furnished by the Textile Export Promotion Council (Bombay) in its customary annual supplement to the *Texprocil Bulletin* published over the week-end which analyses India's export trade in cotton textiles against the background of world trends in recent years. This analysis clearly shows that India's exports of cotton cloth have suffered a distinct setback in the past three years, although the world trade has expanded. There was no doubt a slight setback in world trade in 1961 as compared with 1960, but the volume of trade was still far higher than that for 1959. Thus, between 1959 and 1961, whereas the aggregate shipments from the free world rose from 4,961 million yards to 5,283 million yards—they were higher still at 5,641 million yards in 1960—India's exports (mill, handloom and powerloom cloth) declined from 850 million yards to 603 million yards, bringing down its share in world exports from 17.1 per cent in 1959 to as low as 11.4 per cent in 1961. In contrast, the percentage share of Japan has gone up from 25.5 to over 26.7 and of the European Common Market from 25.4 to 26.8. Even that tiny British Colony, Hong Kong, has gained a larger slice of free world exports, the actual percentage share increasing from 4.7 in 1959 to 6.8 in 1961. The latest entrant into the world textile trade is Pakistan which exported a total of 61 million yards in 1961. Although this quantity is less than the actual shipment of 76 million yards in 1960, it is pretty high. Prior to 1955, not a single yard of cloth was exported from Pakistan and the exports in 1958 were no more than 4.1 million yards. Details of the quantities of cotton piecegoods actually exported from India and other countries in both free world and the Communist bloc during the four years 1958 to 1961 are indicated in Table A.

Disquieting Factors

Last year (1961), India could not sell abroad more than 603 million yards of cotton cloth (including handloom fabrics), as compared with 724 million yards in the previous year (and 850 million yards in 1960). The percentage fall was as much as 20, on top of a drop of 15 per cent suffered in 1960 whereas the decline in free world export was only 6.3 per cent. It was the sharp drop thus of 121 million yards that largely pulled down the aggregate free world exports to 5,283 million yards, from 5,641 million yards in 1960. Such a setback in India's exports is attributed by the Export Promotion Council principally to "uncompetitive prices as a result of the shortage of raw cotton." There were also some other disquieting factors. These are pinpointed below:

1. The U.S. took on the whole significantly less of cotton piecegoods in 1961 than in the previous year.

2. The offtake of Indian textiles by the U.K., the major customer, was lower, in view of their higher prices than those of Spain, Portugal and Formosa.

3. Offtake by Australia was lower, due to a severe credit squeeze in that market.

4. The difficult foreign exchange situation in New Zealand compelled that country to go steady on its textile imports, especially during the latter half of the year.

5. The situation in Angola, Algeria, Mozambique and Tunisia brought about a shrinkage in demand for cotton textiles.

6. Unfavourable weather conditions in several parts of Africa adversely affected cash crops and consequently reduced the purchasing power of people.

7. Tight money conditions were prevailing in some of the Asian markets.

8. Development of local textile industries in most of the Asian markets contributed significantly to a reduced offtake.

9. In certain countries such as Burma, tariffs were increased substantially.

10. In some others like Iraq, imports were almost banned.

11. Bad summer in Europe itself resulted in a marked shrinkage in the demand for cotton textiles.

Although the aforesaid factors were general in character, they affected exports of Indian cotton piecegoods more sharply than others. The decline was least in respect of Japanese piecegoods, it being almost nominal. How India's exports compared with those of Japan and the United Kingdom is illustrated in Table B.

Zone-wise Exports

The decline in the offtake of Indian cotton piecegoods during 1961 was accounted for by all the zones except the African zones. The decline was the steepest in respect of the European zone, to the extent of as much as 58 million yards, due chiefly to the appreciable drop in purchases by the U.K. In fact, if this market is left out, the rest of the European Continent took about seven million yards more of Indian cloth. The sharp fall in the exports of Indian cloth to the Asian zone occurred in only a few of the major markets. The review of the conditions lately obtaining in these markets as contained in the aforesaid publication gives the following particulars:

"Consumer preference in Malaya and Singapore has been steadily shifting towards finished fabrics in which India finds herself priced out by suppliers like Japan. Moreover, this market passed through phases of overstocking and stringent credit conditions during the course of the year which tended to lower her overall offtake of cotton piecegoods during the year. Japan, however, successfully met this situation by offering periodic reductions in the prices of her cotton piecegoods so much so that, by the year-end, prices of Japanese cotton piecegoods were at least 30 per cent less than those quoted earlier in the year. It is understood, that further cuts have been offered in the first quarter of 1962, thus bringing the overall reduction in prices to as much as 40 per cent to 45 per cent. During 1962, however, a new competitor, namely, Hong Kong, is likely to enter this market, in view of the limitations placed on her textiles in U.K. and U.S.A. which were her traditional customers. It is learnt that, during the first quarter of 1962, Hong Kong quotations were well below those of Japan in this market.

"Smaller declines in offtake of Indian cotton piecegoods in this zone were recorded by Aden, Hong Kong, Iran, Iraq, Cambodia and Saudi Arabia. In almost all these markets, local industries have been catering to a large part of their needs of greys, while, in the supply of finished goods, Japan and Eastern Europe have been meeting the bulk of the requirements. Among the Asian markets which took increased quantities of Indian cotton piecegoods during the year as compared with the previous year has been Afghanistan, the offtake of which has been increasing steadily ever since the conclusion of Indo-Afghan Trade Agreement providing for exports of Indian cotton piecegoods against imports of dry fruits from Afghanistan; this market would, in fact, have taken still larger quantities of cotton piecegoods during the year but for the fact that the Pakistan-Afghanistan land border was closed during the latter part of the year due to a political rift between the two countries, necessitating the air-freight of Indian cotton piecegoods which in turn increased the landed cost of Indian textiles in this market. The only Asian market to have significantly improved its offtake of Indian cotton piecegoods during the year was Indonesia, to the extent of nearly 12 million yards. Slight increases in offtake were also recorded by Ceylon, Persian Gulf ports, and Thailand to the extent of one million yards each."

The excessive dependence of Indian cotton piecegoods on a few traditional markets is again highlighted by the fact that the U.K. alone accounted for 23 per cent of the total exports during 1961. The combined share of Sudan and East Africa was over 20 per cent. These three markets thus accounted for 43 per cent of the total. Even as between these, there is a wide gap in the offtake of the first two markets, the actual difference being as large as 74 million yards. There has again been a wide gap of about 22 million yards between the offtake of the third (East Africa) and fourth (Australia) biggest markets. Thereafter, the offtake by the rest of the markets does not show any wide gaps. Exports of Japanese piecegoods do not, however, display tendencies of this nature. Nor does there appear to be any excessive dependence on particular markets.

Greys to Finished Fabrics

A striking feature of India's export trade in cotton piecegoods in recent years has been the slight shift in the direction of finished fabrics, from the traditional greys, as will be evident from the figures below:

(Percentage to total exports)

	1961	1960	1959
Grey	57.2	62.0	61.5
Bleached	19.2	18.2	18.5
Printed	6.2	3.6	3.9
Piece-dyed	13.8	10.6	10.1
Yarn-dyed	3.4	5.2	5.5
Others (including mixed fabrics)	0.2	0.4	0.5

It will be observed that, though exports of printed goods have improved to some extent, their total still constitutes only a small proportion of the total exports of piecegoods and that greys and bleached still form the great bulk of the goods shipped from this country.

The overall sharp decline in the offtake of Indian grey cotton piecegoods from year to year has been in evidence in all the varieties exported, barring domestics and longcloth. Exports of bleached cloth have also declined, though the decline has not been as steep as in the case of grey cloth. Exports of yarn-dyed cloth, too, have suffered a setback. There has, however, been an improvement in shipments of printed goods and piece-dyed cloth. The Table C below indicates the trend of exports of the varieties classified according to processing sorts during 1961 as compared with 1960 and 1959:

TABLE C: *Varieties Exported*

(In million yards)

	1961	1960	1959
Drill	47.72	50.94	57.38
Shirting	25.49	41.89	58.77
Longcloth	49.11	45.89	53.32
Chintz	4.27	4.28	4.96
Coating	6.28	9.91	12.43
Domestics	30.07	29.12	37.07
Voiles and mulls	51.46	47.80	69.80
Sheeting	209.47	258.23	307.51
Saris, dhotis, etc.	10.85	7.59	6.15
Others	143.10	195.90	202.68
Canvas	0.89	0.92	0.68
Mixed fabrics	0.59	2.36	3.85
Grand Total	574.30	694.83	814.60

(Continued on page 92)

TABLE A: *World Exports of Cloth*

(In million yards)

Supplying country	1961	1960	1959	1958
India*	602.78	723.68	850.16	622.40
Japan	1,412.00	1,425.80	1,263.00	1,245.32
Hong Kong	358.61	312.44	235.20	220.30
Pakistan	61.04	75.60	42.00	4.08
Formosa	120.00	94.00	62.20	9.68
United Kingdom	286.66	327.08	347.41	384.08
Belgium	266.59	274.24	217.72	191.64
France	440.71	532.88	406.24	308.84
West Germany	287.61	284.80	242.72	202.20
Holland	307.00	339.96	303.40	267.12
Italy	112.45	116.68	90.52	109.84
Portugal	145.96	180.16	125.68	123.68
Spain	138.77	166.92	67.72	20.28
Switzerland	55.14	63.04	64.48	56.60
Others	687.35	723.36	644.51	655.20
Total Free World	5,282.67	5,640.64	4,960.99	4,421.32
China	N.A.	450.00	500.00	450.00
Czechoslovakia	135.97	150.40	137.52	124.28
Poland	98.84	101.12	40.56	28.32
Other Communist	N.A.	416.99	352.24	314.42
Total Communist	N.A.	1,118.51	1,030.32	917.02
Grand Total	N.A.	6,759.20	5,991.31	5,338.34

* Including handlooms. *N.A.*—Not available.

TABLE B: *Cloth Exports from India, Japan and U.K.*

(In million yards)

Destination	India			Japan			United Kingdom		
	1961	1960	1959	1961	1960	1959	1961	1960	1959
United Kingdom	132.96	198.48	166.54	51.97	57.40	44.36	..	..	..
United States	6.99	33.04	31.64	98.24	87.40	97.42	3.78	5.81	8.32
Common Market	11.46	11.07	6.47	65.99	54.78	36.59	5.39	4.95	5.27
Burma	9.95	22.40	37.63	31.91	57.17	52.09	1.77	2.70	5.93
Ceylon	18.06	7.16	11.98	60.13	43.46	39.59	3.21	4.09	4.78
Hong Kong	0.95	1.96	3.66	91.14	112.39	124.06	1.04	1.34	1.72
Indonesia	21.77	9.36	10.11	96.50	79.87	41.91	..	1.07	0.04
Indo-China	0.16	0.64	1.88	49.36	52.78	51.87	..	..	..
Iran	0.81	2.60	3.26	11.91	19.03	33.90	0.62	1.50	2.09
Malaya and Singapore	22.96	31.84	37.61	87.82	70.09	57.12	3.61	4.17	4.14
Philippines	..	..	0.40	15.17	26.93	44.88	..	..	..
Thailand	3.03	2.60	9.26	106.13	104.53	118.41	..	..	..
East Africa	58.58	48.44	64.77	24.02	22.49	15.14	6.33	5.06	7.23
Br. W. Africa	22.81	28.13	23.26	139.53	122.83	64.56	65.75	72.74	57.58
Ethiopia	22.02	18.19	22.47	23.22	22.87	17.25	..	..	..
Sudan	58.73	62.50	149.02	17.13	5.54	0.01	0.73	2.60	1.77
Aden	23.49	28.09	36.14	9.79	9.68	6.77	2.43	1.68	1.77
Afghanistan	24.35	22.67	20.72	2.05	0.85	1.49	..	..	..
Saudi Arabia	12.26	13.26	14.90	20.05	12.55	9.96	..	0.45	1.07
Australia	26.92	48.62	49.06	110.16	146.56	120.39	31.66	44.37	52.20
New Zealand	10.81	13.54	11.56	17.72	19.32	14.61	21.82	28.05	26.56
Canada	18.56	19.83	18.63	26.56	25.08	25.07	4.37	6.39	6.46
Other countries	66.64	70.36	83.03	234.99	271.19	249.80	134.15	140.12	160.49
Grand Total	574.30	694.83	814.60	1,412.00	1,425.80	1,267.25	286.66	327.09	347.42

COTTON TEXTILES IN PARLIAMENT

IMPORTS RUNNING AT A HIGHER LEVEL

From Our Special Correspondent

MANCHESTER, *3rd July*

MANCHESTER LETTER

FEW traders in Lancashire had anticipated that the Government would be prepared to grant any concessions over the import question, and the debate in the House of Commons did not bring any change in the situation. Speakers on behalf of the Government endeavoured to justify their attitude and, despite the fact that four local members of Parliament voted with the opposition, the official motion supporting the policy of the Government was easily carried.

Outstanding yet again in the latest in a long series of Parliamentary sessions devoted to the trade's affairs was the apparent naivety of several of the speakers, particularly those on the Government front bench. It may be a politician's privilege to gloss over unwelcome facts, but, when dealing with an industry which still interests so many people, the omission of vital aspects of any given situation irritates (to say the least) those whose livelihood is involved. For example, it was stated that, out of a population in the North-West of just over 3 million, only 277,400 or less than 10 per cent were engaged in textile manufacture. That may be strictly accurate, but how many hundreds of thousands more are indirectly concerned with the progress or otherwise of the textile trade? An area which, rightly or wrongly, is still so dependent on the industry, with its many ramifications, cannot afford to stand idly by and watch this staple source of its income dwindle into nothingness.

Imports are *Not* Down

The way in which misconceptions can be bandied about was illustrated by the remark of one Government supporter who said: "Everybody is blaming the Government for the amount of imports when imports are running at a level far below that of 1959." As already outlined from the Board of Trade's own figures, the annual rate of imports, based on the first quarter of 1962, is 572 million yards, as against the 1959 figure of 525 million yards. Of this, supplies arriving for retention in the home market are running at an annual rate of 452 million yards, as compared with the 1959 total of 372 million yards.

The President of the Board of Trade suggested that the lack of confidence "so widely advertised" was perhaps not as deeply ingrained as was imagined, quoting the speed-up in the rate of applications for re-equipment grants in the last few weeks as evidence for his statement. The total, he said, had reached £73 million and he hoped that, by the closing date (at the end of this week), applications would have exceeded the £80 million mark. This means that the Government would be contributing around £20 million towards the modernisation programme.

Still Only Applications

On the face of this statement it would seem that the Minister could justify his remark about confidence within the industry, but gain the omission is the vital factor. The applications made for grants are projects pure and simple; there is no obligation on the firms concerned to implement these plans, even after they are approved.

Many companies, indeed, have had their schemes lying on the table for some time past ready for submission, but have withheld sending them forward until the outlook could be gauged more accurately. There is still another year in which machinery can be ordered and a further 12 months for installation. Only when the final schemes have been completed will it be possible to judge the response to the overall re-equipment programme.

Later in the debate, Sir Keith Joseph, Minister of State, Board of Trade, asserted that a large proportion of the £80 million had "reached the claim stage." A quarter, he said, had already been installed, another quarter was being installed and most of the rest of the applications represented serious schemes often put in by companies which had already "had a first slice."

India, according to Mr. Erroll, has now fallen into line with Hong Kong in accepting current ceilings on cloth and made-up goods for a further three years. Both these countries have also agreed to put a limit on exports of cotton yarn at the actual 1961 level and this system came into force from the beginning of July.

Arrivals from several other sources are already restricted by quota. "There remains only the fear of a sudden rush of imports from a new supplier," said Mr. Erroll. "This is a fear rather than a reality but the Government wanted to dispel it." A much closer watch, he said, would, therefore, be kept on imports and, if there was a sudden upsurge from any source, he would immediately consult the industry, with a view to making a protest to the Government concerned and if necessary invoking the long-term Geneva arrangement.

From Lancashire's viewpoint, this looks uncommonly like another case of "locking the stable door," for, by the time the consultations have taken place and representations have been made to the authorities concerned, the damage will have been done. If precedent is anything to go by, the new supplier will by then have staked its claim to another small portion of the British home market.

Pakistan Sends More

After several months when imports of cotton goods were severely curtailed as compared with the first half of last year, the May returns showed a sharp advance and amounted to 55,194,000 yards, the highest figure since last August. For the first five months of the year, the total of all arrivals at 243,391,000 yards was still over 100,000,000 yards lower than in the same period of 1961 when the total had reached 352,559,000 yards, an exceptional figure, never since approached.

Mainly responsible for the rise in shipments from abroad in May was the big influx of grey cloth from Pakistan, which amounted to 6,249,000 yards, bringing the total from this source during 1962 to 15,098,000 yards, as against 23,061,000 yards in the whole of 1961. Current arrivals from Pakistan are already nearly twice as large as in the same period last year.

In contrast, shipments of grey cloth from India have slipped back from 92,876,000 yards to 69,327,000 yards and from Hong Kong from 37,449,000 yards to 27,113,000 yards. Outside the Commonwealth, Japan has sent only 11,286,000 yards, as against 29,747,000 yards and undesignated foreign countries 33,349,000 yards, as against 80,008,000 yards. Although arrivals of foreign grey cloth have been reduced by nearly 100,000,000 yards at 180,059,000 yards, the cut in purchases of finished goods has been far less noticeable, current imports being 63,332,000 yards, as against 75,153,000 yards.

World Cotton Base Moves

The 17-nation International Cotton Federation is to move its headquarters to Switzerland after 58 years in Lancashire. Since its formation in 1904, the Lancashire cotton industry has always played a key role in shaping policy and finding its leaders. The Federation—world forum of the cotton and allied textile industries—is transferring from Manchester Royal Exchange, hub of the British cotton industry, to Zurich.

In Lancashire, the move was seen in some quarters as a further illustration of the declining influence of the British cotton industry. But the Federation, explaining why the move was being made, said that it was to facilitate international contacts and to improve the administrative services of the Federation's secretariat. Mr. Peter Warburton, Federation Secretary, stated that the situation in the Lancashire industry had not influenced the decision. The move was unlikely before the Spring of next year.

The Federation—full title International Federation of Cotton and Allied Textile Industries—represents owners of nearly two-thirds of the world's cotton spindles and looms as well as cotton exchanges, finishers, merchants and other organisations.—*All Rights Reserved.*

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SOME THOUGHTS ON CANE PREPARATORY DEVICES IN SUGAR INDUSTRY

VALUE OF SHREDDERS HIGHLIGHTED

By G. Ramchander

SUGAR in our country is manufactured from sugarcane which is related to the bamboo family. Sugarcane may be considered as a hollow cylinder. The walls of this are formed by the rind which contains hard fibres in order to support the plant in an upright position. The interior is filled with a soft cellular structure, the pith. The cylinder has transverse partitions along its length at intervals of 6 to 18 inches. These are called the nodes and have the same composition as the rind tissue.

By far the pith is softer and contains more sugar than the rind. In between the nodes and the internodes—that is, the portion between two nodes—the internodes (rind and pith included) contain more sugar than the hard nodes and less fibre. The nodes contain from 10 to 14 per cent sugar while the internodes contain from 12 to 16 per cent.

This sugar is found dissolved in the cell sap. In order to extract the maximum quantity of sugar, all the cells have to be completely ruptured and, with proper maceration and application of pressure, the sugar must be extracted into the juice. This is the main function of the milling tandem consisting of four to six three-roller mills. In this milling process, it is actually the fibre in the cane that is being subjected to the brute force of the rollers which rupture the cells and remove the last traces of sugar aided by an efficient maceration system.

In this process, the degree of fineness to which the cane fibre has been divided goes a long way in increasing the juice extracted and thereby the sugar recovered. Hence the need for efficient cane preparatory devices. The degree of fineness to which the cane fibre is disintegrated so that its resistance to the roller pressure is reduced helps in the extraction of more sugar. This finely disintegrated cane could be continuously fed as a uniform blanket to the mills; thereby there is an increase in capacity.

Apart from these two advantages, a well-prepared cane reduces the power consumption and wear and tear of the mills.

We might dwell here for a moment on the technological efficiencies, especially of the milling unit of the Indian sugar industry, as compared with that of other countries. This is brought out in the following comparative table:

TABLE I

	India 1958-59	*Queensland* 1958	*Hawaii* 1958	*Jamaica* 1958	*Trinidad* 1958
Sugar % cane	12.33	15.18	11.75	12.15	11.01
Fibre % cane	15.01	13.24	13.10	14.21	13.64
Added water % fibre ..	133.11	185.41	..	127.58	158.53
Sugar % bagasse ..	3.23	3.02	2.36	2.60	2.61
Mill extraction	91.65	94.57	93.80	94.22	93.04
Lost juice % fibre ..	47.28	46.83	..	34.90	44.06
Reduced mill extraction.	93.25	94.90	95.69	95.01	93.71

It will be seen from the above table that the "reduced mill extraction" in India is lower than that in other countries, though the figure of 93.25 is not bad for our country. There is thus definite scope for increasing the extraction. As already said, it is the preparatory device specially that increases extraction and, therefore, one has to examine carefully that aspect, if sugar losses in the bagasse is to be reduced.

Types of Preparatory Equipment

The crusher, either two-roller or three-roller, was considered for a long time as an important cane preparation equipment. The V-grooved two-roller crusher dates back to 1882 when Thompson and Black applied for a patent. The Krajewski crusher was invented by Krajewski in 1886. We have the later three-roller Fulton crusher.

The characteristics of the crusher are that it should possess a specially constructed surface which grips the cane pieces, breaks and tears it, so that, when this material reaches the mills, they can work on this cane immediately. Of course, a certain amount of juice is also extracted by the crusher.

At one time, the crusher was the only cane preparatory equipment. The cane knives though coming before the crusher was later introduced. The knives may be either a single or a double set operating with the crusher. The first set is a leveller and cutter, while the second, when installed, further aids in preparation.

Hawaiian experience has been that the slow-speed crusher was not as efficient a device as the high-speed shredder and knives. This is amply borne out by the figures in the above table concerning Hawaii, where the shredder is now used in almost all factories. Whereas crusher rollers have a speed of 3 to 4 r.p.m., the shredder speeds vary from 1,000 in Louisiana to 1,200 r.p.m. in Hawaii.

The shredder, as the name implies, shreds the cane into fine pieces, so that the succeeding mill tandem can crush and remove the maximum amount of sugar, thereby increasing the extraction. Due to the better preparation of the cane feed to the mills, capacity increases of the value of 15 per cent are reported from Hawaii and Puerto Rico. Louisiana reports 3 to 4 per cent increase in extraction. A shredder was first introduced in 1916 in Hawaii.

A distinction should be made here between the function of the knives and the shredder. The knives chop and break up the cane into small pieces, which hold all the juice contained in the cane.

The shredder, on the other hand, disintegrates the cane pieces delivered by the knives and frays their fibrous layers. This integration of the fibrous layers results in the breaking up of practically all cane cells containing the juice. No knife or crusher can perform this job effectively and herein lies the secret of success of a shredder. This fibrous mass behaves like a sponge holding all its liquid and gives it up when compressed by the mills.

K.C.P. Ltd., Madras, has developed an impact type shredder. The working results of one unit installed during 1961-62 season at the Jeypore Sugar Company Limited, Rayagada, is given in Table II and is self-explanatory. The figures for 1960-61 when there was no shredder are also given for purposes of comparison.

It will be seen that there is an increase of 2.5 to 3 units in "reduced mill extraction." It is erroneous to think that the introduction of a shredder increases power consumption.

The use of the shredder, on the other hand, reduces power consumption. The total power required to run the shredder and mill tandem is less than the power required to operate the tandem without the shredder.

There is also another great advantage. Due to the spongy nature of the prepared cane, maceration water can be more effectively used. This in turn leads to a considerable reduction in the quantity of water used, a lower load on evaporator and, consequently, a saving on steam. One Louisiana factory reports a reduction of maceration water from 14.3 to 6.7 per cent on cane, consequent on the installation of shredder.

There is thus enough evidence to warrant the conclusion that the installation of shredders to increase the efficiency of the Indian sugar industry is a "must."

TABLE II

Performance figures of the K.C.P. shredder supplied to the Jeypore Sugar Company Ltd., Rayagada

Particulars	Jan. 1961 without shredder	Jan. 1962 with shredder	Feb. 1961 without shredder	Feb. 1962 with shredder	Mar. 1961 without shredder	Mar. 1962 with shredder
Fibre per cent cane	13.21	14.26	15.15	15.00	16.34	15.75
Maceration per cent cane	14.08	16.16	15.87	16.95	14.52	17.67
Pol per cent bagasse	4.42	3.53	4.59	3.13	4.56	2.29
Mill extraction	89.48	90.87	88.30	91.31	87.36	91.31
Reduced mill extraction	90.13	92.16	90.64	93.52	90.75	93.36

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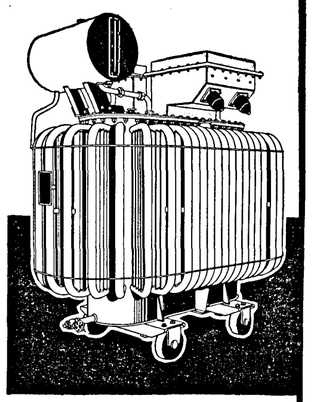

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THE MINERVA MILLS LIMITED

CHAIRMAN, MR. N. D. SIRUR'S STATEMENT

MODERNISATION PROGRAMME MAKES GOOD PROGRESS

A NOTE of optimism that the Minerva Mills Limited would have undergone by the end of this year a transformation from an antiquated and technically inefficient mill into a modern unit in the country was expressed by Mr. N. D. Sirur, Chairman of the Company, in his statement circulated to shareholders at the Forty-second Annual General Meeting held at Bombay on Friday, 29th June 1962. Mr. Sirur gave details of the progress made in the implementation of the renovation and modernisation programme which began in 1960. He referred, in particular, to the complete replacement of about a third of the spindles, modernisation of weaving preparatory department, and installation of automatic looms. He also alluded to the drastic changes in the pattern of production from principally coarse and medium to medium and superfine yarn and cloth.

The following is the full text of Mr. Sirur's statement:

"GENTLEMEN,

"With this meeting, it is proposed to institute the practice of issuing an annual statement with an up-to-date review of the Company's affairs to supplement the Directors' report. A copy of this statement will be mailed to the shareholders along with the dividend warrants which, I hope, will also from now on become an invariable feature.

"The Company has resumed paying dividend with a token distribution of 5 per cent for the year 1961 after five years of stress and strain. To those shareholders who have held on to their shares, I commend you on your patience and am grateful for your confidence. I am particularly encouraged by the foresight of those who have recently become our shareholders in the midst of falling values all round, and welcome them to our fold.

A Transformation

"The year 1961 under review has been the middle year in a period of three years beginning with 1960 and ending with the current year. During this period, your mills will have undergone a transformation from one of the antiquated and technically inefficient mills into one of the more modern mills in the country. Moreover, the pattern of production has been drastically changed from principally coarse and medium to medium and superfine yarn and cloth.

"I daresay that, had we not made these changes, the profits of the Company during this three-year period would have been somewhat higher in line with the general trend of textile profits. However, a continual process of change always involves a certain amount of dislocation, but the fruits of this labour will be felt from the year 1963 onwards, and your mills at Bangalore will, in my opinion, be technically more modern than even its sister mills in Bombay, the Modern Mills Ltd., which is one of the better mills in Western India.

Renovation Programme

"The magnitude of the renovation programme undertaken by the Company can be judged by the fact that, by the end of this year, your mills will have spent on capital expenditure, during the aforesaid three-year period, a sum in excess of Rs. 63 lakhs which is the total of the existing debenture loan of Rs. 18 lakhs and the N.I.D.C. loan of Rs. 45 lakhs shortly to be received. This capital expenditure is only on the spinning and weaving side, since your old dye and bleach house now belongs to your sister mills, the Mysore Spinning and Manufacturing Company Ltd., but is jointly used by both the mills.

"The Mysore Mills has also embarked on a renovation and modernisation programme estimated to cost Rs. 77 lakhs which includes the expenditure already incurred by it in converting your old dye and bleach house into one of the most modern cloth processing plants in the South, containing continuous peroxide bleaching, printing and mercerising. We would like to invite a joint group of shareholders and Directors of the two mills to visit Bangalore later in the year to see for themselves the transformation that is taking place at a total cost of Rs. 1.4 crore between the two mills together. Your Company has reason to be grateful to its sister company, the Mysore Spinning and Manufacturing Company Ltd., for having joined in a common endeavour for mutual benefit.

"Reverting to your own Company's affairs, I would like to enumerate the various changes. Approximately a third of the spinning department will have been completely replaced by the installation of approximately 12,500 new spindles by the end of this year. The rest of the spindles are being renovated and modernised. A new American blow room line will be shortly installed, and considerable short processing is being effected in the preparatory spinning department. The weaving preparatory department has been modernised by the installation of Barber Colman warp winding equipment and high speed weft winding machinery.

"Most of the existing plain looms are being thoroughly renovated and replaced, while 144 new American automatic looms are being installed as a replacement for the unserviceable or superfluous plain looms. The bulk of the imported machinery has now arrived in India, and will be taken delivery of next week when the N.I.D.C. loan documents will be executed and the loan availed of.

Dividend-paying Capacity

"You may be somewhat concerned about the debt-servicing and dividend-paying capacity of the Mills over the next few years as a result of this capital expenditure. I would like to allay your apprehensions by giving a few salient facts. We are spending little more on capital expenditure than would, say, a new mill installing only 12,000 spindles. As against this, on completion of our programme, your mills will be comparable in efficiency, size and pattern of production to some of the better mills in Ahmedabad. Fifty per cent of your spindles are working three shifts on superfine counts which are remunerative. In addition, your mills have the facility of using a first-class process house as well as a printing quota.

"In regard to finances, your Company is starting off with a clean slate. There are no arrears of depreciation or development rebate to be written off. On the other hand, there is the beenfit of past losses, according to income-tax rules, to your Company's credit. This, together with the development rebate and depreciation on the new machinery, will ensure a tax holiday for the next few years similar to that enjoyed by new companies.

Low Capital Base

"Above all, your Company has a low capital base of approximately Rs. 30 lakhs in equity capital which has only been increased to Rs. 40 lakhs by the issue of convertible preference shares to which I hope you will subscribe, now that a definite date for redemption has been stipulated and the fixed dividend rate increased to 9 per cent taxable which is in line with the prevailing rate structure on preference shares.

"A renovated and modernised mill like yours with approximately 40,000 spindles and 704 looms, of which 144 are of the latest automatic type, combines the best of the old and the new both in terms of capital and loan structure, as well as technology. Moreover, the long-term outlook for the textile industry appears reasonably bright.

"I would now like to say a special word of appreciation for the Company's staff and employees, but for whose loyal support and hard work the mills could not have been so early rescued from its difficulties. On behalf of the shareholders, I would like to add that the employees will, indeed, share in the future prosperity that, we hope, is around the corner, barring unforeseen circumstances.

Labour

"We have accepted the principle that bonus is to be related to profits and productivity and should not be a flat percentage on salaries and wage, irrespective of profits or losses, as was the case previously. In early 1960, when we were in financial difficulties, we took courage in both hands and signed an agreement in good faith with the labour union even before the Cotton Textile Wage Board recommendations were published, although both we and the labour union were aware that the Wage Board had already submitted its report to the Government.

"We did so at the urgent request of the union, although we could well have waited for the publication of the Wage Board recommendation. Moreover, this was done on the specific condition incorporated in the agreement itself that the increase given under the agreement would be set off against any increase as a result of the recommendation of the Wage Board. We even agreed that, if the Wage Board increase was lower, as, in fact, it turned out to be, then the increase given under the agreement would stand.

"Both the Government of India and the Government of Mysore, I believe, are satisfied that we were the first mill in India to have more than implemented the Wage Board recommendation in 1960. Since then, we have also given a flat increase of Rs. 2 per worker in January 1962, as per the further recommendation of the Wage Board. However, some outsiders, who are not workers of the mills, have been recently influencing the labour union, perhaps not being aware of the circumstances and spirit in which our agreement with the union was signed in 1960. It is being suggested that we have not implemented the Wage Board recommendations and the management is being asked to more than duplicate what, in fact, the Wage Board has recommended. With all the liberal-minded and just motivation which has characterised the management of the mills, we shall be compelled to contest this spurious claim, if persisted in, up to the highest tribunal in the land. Nevertheless, we are always ready to sit and discuss marginal adjustments with the union and redress any legitimate grievances.

"I shall close now, because I can see that I have almost exhausted your legendary patience."

Note: *The above statement does not purport to be a report of the proceedings of the general meeting.*

Notice

CALCUTTA STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Third Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 4, Old Court House Street, Calcutta, on Tuesday the 31st July, 1962 at 4 p.m., to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as on 31st March, 1962 and Profit and Loss Account for the year ended 31st March, 1962.
2. To declare a Dividend.
3. To appoint a Director in place of Shri G. S. Nevatia who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri K. N Tapuriah who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.
6. To transact any other ordinary business of the Company.

By Order of the Board,
R. N. BHOTIKA.
Secretary.

4, OLD COURT HOUSE STREET,
CALCUTTA, *the 9th day of June*, 1962.

Note: (1) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd July 1962 to 31st July 1962, both days inclusive.

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

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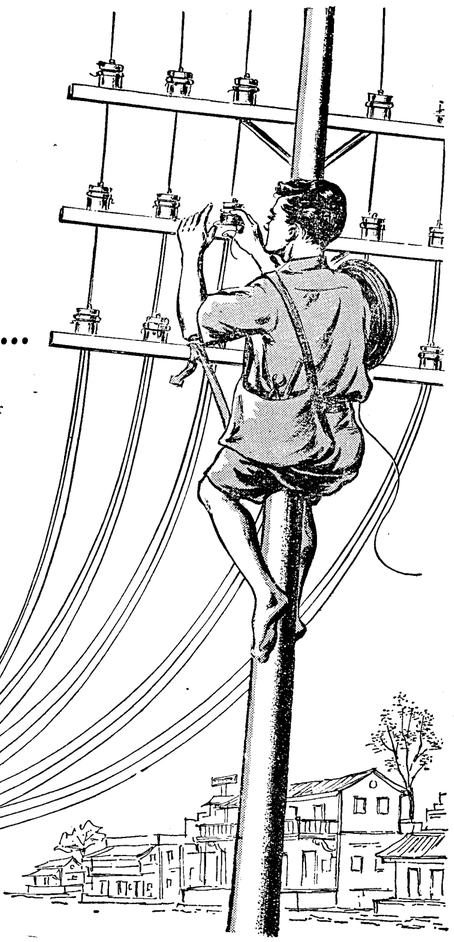

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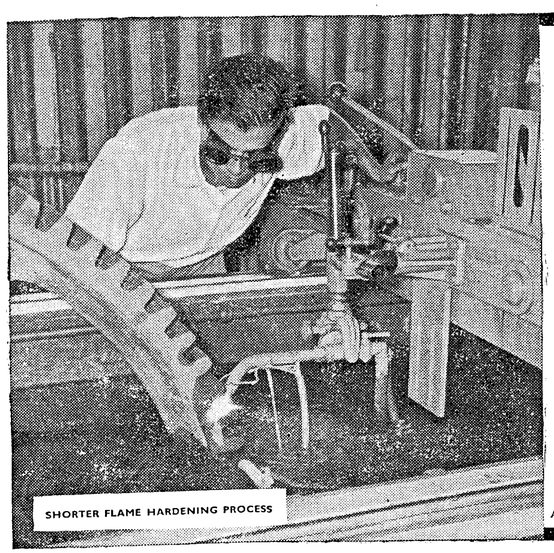

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AIR ACCIDENTS AND COMPENSATION TO PASSENGERS

INTERNATIONAL CONVENTION EXPLAINED

By Our Aviation Correspondent

RECENTLY concluded in the Calcutta High Court, is a case of some interest not only to those concerned with the operation of air transport, but also, perhaps, to the travelling public. The case in question relates to a suit for damages arising from an accident to an aircraft of Indian Airlines. This crashed at Nagpur, when operating the night mail service, in 1953. His Lordship passed a decree in favour of the plaintiffs—relatives of a passenger killed in the crash—for Rs. 1½ lakh, with costs.

Ever a complex subject, the law relating to the liability of air carriers—and, more specifically, the assessment of damages—is certainly no exception. So far as a layman's understanding goes, in the courts of those nations which subscribe to it, such claims are usually subject to the provisions of the Warsaw Convention of 1929. This Convention, incidentally, is still the sole criterion in these matters. In spite of many attempts to draw up fresh conventions, more in keeping with modern conditions, none of these has received the minimum number of ratifications required for recognition. The latest attempt, the Guadaljara Convention of 1961—to which we shall refer presently—seems to hold more promise.

To return to the Warsaw Convention; this is recognised by more than sixty nations—amongst them, incidentally, those of such diverse social systems as the U.S.A. and the U.S.S.R. India, to the best of one's knowledge, is not a signatory. Nevertheless, it has always been understood by air carriers in this country that its provisions would find recognition in the courts. Very briefly, the Convention unifies certain rules relating to the legal liability of air carriers for death or injury to passengers, and for loss or damage to baggage and cargo. It simplifies the task of the plaintiff by deeming the carrier to be liable in all these cases, unless the carrier can use certain specified defences. In return for that concession, the carrier's liability, under any one claim, is limited to a certain specified sum. If memory serves, that sum is the equivalent of Rs. 20,000.

Loopholes

The law, of course, is full of loopholes, and there is one of considerable magnitude in the Convention. If the plaintiff can prove *wilful* negligence or misconduct on the part of the carrier, his servants, or his agents, then damages are not subject to the specified limit. In the particular case to which we earlier referred, the defendant, Indian Airlines, was judged to have been negligent. The pilot of the aircraft, it was held, did not have sufficient training in emergency procedures and, moreover, did not act in accordance with the rules of safety prescribed in the Corporation's Manual. Such failure, it was ruled, amounted to negligence.

If one's recollection is not at fault, the Court of Inquiry, which investigated the accident in question, came to the conclusion that, in the absence of any evidence of failure of the aircraft or its engines, the accident could only be attributed to human failure—or, as it is usually phrased, "an error of judgment on the part of the pilot." The question of negligence, then, seems to be a matter of interpretation of the law. The Warsaw Convention, however, provides for compensation beyond the prescribed limit only when *wilful* negligence is proved. The point at issue—if, indeed, the Convention was taken into consideration by the Calcutta High Court—seems to be not whether the pilot was negligent, but whether he was wilfully so. In this case, one would have thought not.

Fruitful Field for Lawyers

One does not, for a moment, imply that the damages awarded were excessive. Indeed, in the circumstances, they seem to be eminently reasonable. One is curious, however, to know whether the Convention was recognised, because, if pilot error can be construed as wilful negligence, the Warsaw proviso in that regard becomes not a mere loophole but a major breach in the wall itself! In the course of the past eighteen months, there have been in excess of fifty-four fatal accidents to aircraft engaged in public transport. These resulted in the deaths of more than 2,300 persons. Whilst investigation, in all cases, is not complete, it is established that thirty, or more, of these accidents can be attributed to errors of judgment. Here is a fruitful field for plaintiff's lawyers to explore!

But if the airlines have cause for anxiety, the travelling public, one suggests, have cause for perplexity. The Warsaw Convention is not, and was never intended to be, a "one-way street." Whilst, primarily, no doubt, its purpose is to protect the carrier against excessive or unreasonable claims, it does, at the same time, establish—in spite of the wordy and detailed disclaimer of responsibility printed on airline tickets—his legal liability. When the Warsaw Convention was ratified, however, the air transport industry was insignificant in size and scope. Since that time, not only has it grown enormously, but its methods of working have also become far more complex.

So much so, in fact, that, with the interchangeability of airline tickets, pooling agreements, and various chartering practices amongst the airlines themselves, a passenger, who books by airline X, may fly by a service operated by airline Y, in an aircraft chartered—complete with crew—from airline Z! In the event of an accident, to whom does he—or his heirs—look for compensation? Is it the "contracting carrier," the carrier from whom he bought his ticket? Or is it airline Y, which operated the flight? Or is it, perhaps, airline Z, whose aircraft and crew were involved? Which airline does he sue? Or must he, possibly, sue all three? And which carrier, incidentally, is covered by the Warsaw Convention? It is all very reminiscent of that diverting game known as "Spot the lady," or the "Three card trick"!

Hague Protocol

On this and many other aspects of modern airline practice, the Warsaw Convention is silent. Nor is The Hague Protocol of 1955—which was an attempt to bring the Warsaw Convention up to date—any more helpful. Recently, however, the *pundits*, after many years of labour at a place, with the rather difficult name of Guadaljara, have produced something more promising. The Guadaljara Convention certainly seals up many of the loopholes in the older Convention. It answers, for example, the conundrum of airlines X, Y and Z. The passenger may sue any one or, if he so wishes, all three carriers. He will receive, however, only one set of damages and these, too, will normally be subject to the Warsaw Convention limit.

The Guadaljara Convention, which appeared last September, has had a mixed reception. There are those who welcome it—Britain, for example. Indeed, the U.K.—in the interests, it is claimed, of the travelling public—has rushed through legislation to ratify it. The critics, on the other hand, complain that, whilst it does seal up, for the benefit of the airlines, most of the loopholes in the old convention, it does very little for the travelling public. Good, bad, or indifferent, however, it does seem that, this time, a convention is going to receive the required measure of recognition. From almost all points of view—save, perhaps, those of the very litigious—anything which tends to illuminate the dim, dark labyrinths of the law, ought to be welcome.

Pan American World Airways, which inaugurated commercial air service across the Atlantic in 1939, operated its 100,000th transatlantic flight on 2nd July when the Jet Clipper America took off from New York International Airport for London, Frankfurt and, then on, around the world to San Francisco. The departure of the 100,000th flight from Pan Am's glistening umbrella-shaped terminal at Idlewild was vastly different from the take-off of history's first flight of paying passengers across the Atlantic on 23rd June, 1939.

ELECTRONIC COMPUTER CENTRE

WEST BERLIN'S NEWEST ATTRACTION

By Paul Florian

THERE is one large window, a kind of shop window, where at any time during the day one can find many Berliners watching, although nothing can be bought there. During the day, many school children will press their noses flat against the thick glass to see the mysterious grey machines and equipment, to watch girls and operators in white coats walking up and down with long reels of paper tape. But even at night pedestrians will stop when behind the windows the many-coloured lights and dials light up, flash, flicker and go off again. These West Berlin citizens are admiring a new attraction of the city: the electronic computer centre in the ground floor of a tall office building on Ernst-Reuter Square, right in the middle of the city of Berlin.

The Berlin public was informed by the Press what marvellous work this computer robot can render for business and industry. In an inconceivably short time, it will complete the most complicated calculations. It took no more than five minutes, for example, to find out what the net amount is of the wages of the six hundred men employed by a West Berlin firm. As soon as the computer had swallowed the punched cards containing the most important data referring to the workers, it began to produce the finished wage strips to be given as vouchers to the workers. Moreover, for the employer it registered what he had paid in total by way of wages, and how much the Finanzamt, the office of inland revenue, the Krankenkasse, the health insurance, and the Sozialversicherung, the social insurance, had to be paid due to the total of the payroll sum. These are the more exact technical data: the electronic computer type I.B.M. 1401 receives its programmes through punched cards at a maximum speed of 64,000 digits per second, or by magnetic tape at a speed of one million digits per second. One digit is either one number or one letter. The output of the computer comes almost as fast. The cost *per working hour* of the computer is between 400 and 700 Deutsche Marks (or 100 to 175 dollars). The price of this data processing system is approximately DM 1.6 million (or 400,000 dollars). Operation of the computer system in Berlin is by a team of eleven mathematicians; the centre will, naturally, not be used only for the computation and accounting of wages. It is the function of the centre to undertake many different kinds of computing work, which Berlin's business and industry had in the past been able to do only with a great loss of time.

The very fact that, in the city of Berlin, so cruelly divided between East and West by the Wall of Shame, any such system should be installed, is not only a technical phenomenon, but also a political decision. The new electronic computer centre has been established in an administrative building which has just been opened by one of the largest U.S. companies. The American I.B.M. World Trade Corporation has invested more than 1.75 million dollars, and the President of this American corporation was assuring his audience on this occasion that "we have built in Berlin, not because of sentimentality, but for economic considerations—we require this building here, particularly due to the ever-increasing strength of Berlin economy." How genuine the confidence of Americans is in Berlin's bright future can be seen from this symbolic gesture: the construction work for this building to accommodate the Berlin subsidiary of that U.S. company was begun on the day of the first anniversary after the lapse of the first notorious ultimatum on Berlin.

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THE SINGARENI COLLIERIES COMPANY LIMITED

MR. M. P. PAI, CHAIRMAN, URGES NEED FOR BETTER PROFIT-MARGIN

AMONG the several factors essential for attaining the third Plan production target for coal, Mr. M. P. Pai, Chairman of the Singareni Collieries Company Ltd., has mentioned a profit-margin attractive enough to support the development of a wasting asset like coal. Urging such a margin in his speech at the Forty-first Annual General Meeting of the Company held at Hyderabad on 28th June 1962, Mr. Pai observed that any rise in the wage structure of the workers in the industry should be followed by a corresponding increase in the selling price of coal.

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

"It gives me great pleasure to extend a cordial welcome to you on the occasion of the forty-first annual general meeting of the Company. We are meeting this year somewhat earlier than in the past as, under the recent amendment to the Companies' Act, 1956, the annual accounts of a company are required to be placed before the shareholders within six months of the close of our financial year, which ended with 31st December 1961.

Results Satisfactory

"The Directors' report and the accounts for the year 1961 have been with you for some time and with your permission, I shall take them as read. The Directors' report on the working of the Company for the year 1961 has been made more exhaustive and explanatory, and, I have no doubt, you will agree with me that the results obtained during the year are satisfactory.

"For the first time, in the annual report that is before you, some charts, graphs and pictures have been included giving useful information about the working of the Company, and also a summarised profit and loss account and balance-sheet to exhibit the working results and the position of the Company at a glance. These are useful additions to the accounts which are required to be placed before you under the Company Law.

"The profit and loss account is made up in three parts, part I giving, as far as possible, the cost of production, part II the trading results and part III the profit for the year and its distribution.

Production and Expansion Schemes

"Production during the year was 27,95,402 tonnes as compared to 24,91,088 tonnes during the year 1960. I am sure, you will be happy to see that we have thereby kept up to our planned target.

"On an average 21,612 workers were totally employed against 20,917 during 1960.

"The most satisfying aspect of your Company's activities during 1961 was the progress made in respect of the development programme of new mines at Kothagudium, Belampalli, Mandamari and Ramagundam divisions. The work of the new railway siding and the screening plant at Ramagundam is in progress. The screening plant at Yellandu collieries has been completed.

Prospecting Department

"The prospecting department of your Company has been doing preparatory work for exploring new coalfields at Nuzvid in the Kistna district in addition to intensive prospecting and development of new areas in some of the districts of the State. Such work is essential even to maintain the existing production due to the peculiarities of coal-bearing strata in this area.

"The Company is committed to increase the production to 5.65 million tons by 1965-66 at an estimated cost of Rs. 20 crores. Recently the target has been raised by a further 0.5 million tons. Of this, a million tons at a capital cost of Rs. 8 crores covers deep shaft mining the economies of which are under study. The costs of production of this coal will be heavier than exploitation through inclines.

"During the latter part of 1961, production started from Ramagundam mines, and the raisings were 15,865 tonnes. The rate of production per month from these mines has been steadily increasing. As soon as these new mines are connected by rail, the raisings will be increased substantially.

"Gentlemen, we have had serious difficulties in securing essential plant and machinery from abroad on account of acute shortage of foreign exchange allotment to the Company. The foreign exchange required in 1961-62 was Rs. 115 lakhs for additions and Rs. 30 lakhs for maintenance and repairs. Sanctions have so far been received only for Rs. 6.13 lakhs and Rs. 8.13 lakhs, respectively. It is, therefore, necessary that foreign exchange should be expeditiously allotted to the Company. The Company has taken up the matter with the concerned Ministry of the Central Government.

Inadequate Power

"Another difficulty the Company has to face for increasing the production is inadequate supply of power at the new developing mines at Ramagundam and Belampalli. Some of the major scheme of the Government of Andhra Pradesh have been held up for unexpected reasons, and, for a couple of years, electricity is likely to be in shortage. At Ramagundam, against an estimated production of 1.21 lakh tons, the actual production was only 32,000 tons and at Belampalli the actual output was 12 lakh tons against 12.5 lakh tons. Thus the total shortfall in production on account of power shortage was 1,39,000 tons at Belampalli and Ramagundam. If the Plan targets of production are to be achieved, it is necessary that adequate power is made available. The Electricity Department of Andhra Pradesh is at present unable to meet the Company's requirements of power. We have, therefore, proposed to make our own arrangements for power through the purchase of package generator sets of a total capacity of 18,000/20,000 kw., since we expect to be short of power to the extent of 17,500 kw. by 1965-66.

"Despite our own difficulties in the matter of power we are making available some power to the two private sector factories being put up for the production of urea and barium chemicals, in the interest of industrial development of this area and the long-term interests of our collieries.

"The present transport position is more or less satisfactory and it is expected that the Central Railway will continue to give the Company the same facilities as hitherto.

Financial Results

"I am happy to report that 1961 was a good year for your Company. The results achieved had enabled the Directors to recommend a dividend of 7½ per cent as against the dividend of 7 per cent last year. The profits, before providing taxation and development rebate reserve, amounted to Rs. 73,90,649 as against Rs. 50,51,305 in the year 1960. You will find that the transfer to development rebate this year has been Rs. 26,25,902 as against Rs. 9,17,572 in 1960. This increase was due to the commissioning of the aerial ropeway for sand stowing and the installation of other plant and machinery in the Company's programme of expansion and mechanisation of the mines with a view to increase the rate of production and to reduce the working costs. Since our accounts were finalised, however, the Central Government has increased the rate of company taxation from 45 per cent to 50 per cent and this is bound to adversely affect distribution of profits next year.

"The raisings during the year under review showed an increase of nearly 12.22 per cent and sales of Rs. 1,03,59,953, i.e., nearly 16.19 per cent above the previous year's sales. The increased sales have resulted in higher profits.

Productivity

"Concerted efforts have been made to raise the productivity per worker through work-study and industrial engineering techniques. The productivity of the workers has progressively increased from 0.24 ton per manshift in 1951 to 0.41 ton per manshift in 1961. The Company continues to utilise the expert services of Messrs. Ibcon Ltd. to help the management in securing higher productivity. A regular division has been formed for this purpose where your engineers work side by side with the Ibcons.

"Your Company also takes pride that not a single worker rendered surplus through new techniques has been retrenched or discharged. As a practical means of finding surplus labour suitable employment, the Company has established a 'labour training pool.' Surplus labour from old mines and departments, when they cannot be transferred at once to where they were needed, were first sent to the training pool. After useful training in this pool, they are sent to the new mines which we are continuously opening.

"One of the ways of increasing efficiency is to educate the labour to give a day's fair work and not to underwork, and to appreciate that this is in their own long-term interests. Incentive schemes have also been introduced for increasing the productivity of the worker. This has yielded concrete results both in the improvement of the workers' earnings as also his performance. Publicity of specific cases is given in our fortnightly magazine *Singareni News*.

"The emoluments of workers, after showing a steep rise due to the implementation of Coal Awards, have continued to show an upward trend due to decrease in absenteeism and increased output per manshift.

Industrial Relations

"The success of enlightened personnel policy has been reflected in the good industrial relations between the management and the workers. There have been no stoppages except a few partial ones. The disputes raised by the unions have mostly been settled at shop level and only isolated cases have been referred to the Industrial Tribunals for adjudication.

General

"To achieve the targets fixed under the Five-year Plans for the Company, a planning and progress division has been created under an agent at Kothagudium. A third post of Deputy General Manager has also been created at Belampalli for effective co-ordination of the work of Belampalli, Mandamari and Ramagundam divisions. To enable the mining engineers to devote their full attention to planning and production and the technical problems arising during the course of implementation of the plans, a fourth post of Deputy General Manager (Administration) has been created at Kothagudium to look after all the administrative matters at the collieries.

"So far as the finances are concerned, the Central Government has agreed to provide funds to reach the target of production. During 1961, we were sanctioned a loan of Rs. 250 lakhs from the Government of India, and, during this year, we have been promised a contribution of Rs. 325 lakhs towards share capital and Rs. 25 lakhs as a loan. If adequate power and transport facilities are made available to the Company, we may confidently expect the Company to show good results in the current year also. We are doing everything possible to secure these.

"Another factor which will help to increase the production of coal to the level aimed at in the Plan is a profit-margin attractive enough to support the development of a wasting asset like coal. Any rise in the wage structure of the workers in the industry should be followed immediately by a corresponding increase in the selling price of coal.

"The success of any industrial undertaking depends upon the loyal and unstinted support of all its employees. I am happy to report that all officers, employees and workers of your Company have contributed towards the achievement of our targets. To them I give our thanks on your behalf and my own, and, I hope, they will continue to give such loyalty and even more effort in the years to come in this national undertaking."

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

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FIRST FIVE YEARS OF COMPANIES ACT, 1956—IV

DEVELOPMENTS IN COMPANY MANAGEMENT

By A Special Correspondent

A LARGE number of the provisions of the Companies Act directly impinge upon the functioning of company managements. The broad purposes of the various regulatory provisions relating to managerial appointments and remuneration have been stressed at a number of places in the Statutory Reports prepared by the Department of Company Law Administration. These basic purposes are fourfold, namely, (*a*) to ensure the appointment of "fit and proper" persons to the positions of management, (*b*) to bring down the cost of management which would be justified by the resources and profit-making capacity of the company, (*c*) to rid company management, particularly the managing agency system, of many undesirable practices and to make them more efficient and responsible, and (*d*) to raise the standards of company management in the country. All these objectives are interconnected.

The various regulatory provisions of the Act in this regard confer very wide discretionary powers on the Government and to ensure that the exercise of these powers was not done in any brash and brazen manner and did not lead to the harassment of company managements, Parliament provided in the Act itself the creation of an independent body called the Company Law Advisory Commission whose duties it was, *inter alia*, to advise the Government on the following:

> Changes in the management of companies, the appointment and reappointment of directors, managing directors, managers, managing agents and secretaries and treasurers, the changes in the terms and conditions of their appointments, the variations in managing agency agreements, the changes in the constitution of managing agency firms or companies, the increase in the remuneration of directors, managing directors, managers, or managing agents, the appointment by Government of directors under Section 408, and the action which the Government are empowered to take under Section 409 when, in their opinion, it is necessary to prevent any change in the board of directors that is likely to affect the affairs of a company prejudicially.

Besides, the Government is also required to consult this high-powered Commission, under Section 324, before deciding to issue a notification regarding the abolition of managing agency system in any class of industry or business. Apart from these matters, the Government can refer to the Commission any matter they might like. The specific sections dealing with the matters in which Government ought to consult the Commission are enumerated in Section 411 of the Act. As it would appear from the Commission's reports appended to the main Statutory Reports, the Commission has played an important role during all these years and there has been a perfect accord between the Government and the Commission; in fact, there was no case of difference of opinion on any major issue of policy during the five years under review.

During the five-year period ended 1960-61, the Government received about 8,400 applications under various sections dealing with managerial matters which had to be referred to the Commission for advice. The largest number of applications was received for the increase in the remuneration of directors, particularly for the increase in fees for attending the board meetings under Section 310, followed by the applications for the appointment or reappointment of managing agents under Section 326, the number of applications in this case being 1,697. The third and fourth largest numbers of applications received were under Section 346, requiring Government's approval to the changes in the constitution of managing agency companies/firms caused by the transfer of shares, the retirement and appointment of directors, the death of existing partners, etc., and under Section 269 with regard to the appointment of managing or whole-time directors, the actual numbers of applications under the two sections being 1,492 and 1,253, respectively, during the five-year period ended 1960-61. It may be mentioned here that the number of applications under Section 269 must have gone up enormously during the 1961-62 year, as the amended provisions of that section now require that appointments of all managing or whole-time directors of public companies must compulsorily be got approved by Government after the expiry of tenures of all managing directors appointed before 1st April 1956 on the 31st March 1961. As it happened in the case of managing agents whose tenures expired on the 15th August 1960 under Section 330 of the Act unless the approval of the Government had been obtained after the 1st April 1956, the Government would be getting in the case of the managing directors also an "opportunity to assess the past performance of the managing/whole-time directors and to relax, where necessary, their remuneration in accordance with the renewal provisions of the Act, as now amended, and in accordance with the policy adopted by the Department in this regard."

Over the five-year period, of the 1,697 applications made for the appointment and reappointment of managing agents, 1,364 cases were approved and 163 applications were rejected. That is to say, the Advisory Commission and the Government applied the tests of fitness as mentioned in Section 326 of the Act to each and every case and approved of a case only when the prescribed 'norms' were met. Thus, there was no automatic appointment or reappointment of managing agents on the making of an application. Similarly, in the case of secretaries and treasurers, in 181 cases appointments and reappointments were approved and of these 137 cases the appointment of the erstwhile managing agents as secretaries and treasurers was approved. Corresponding figures for the managers appointed under Section 387 are not available, as, before the Amendment of the Act, their appointments were not to be approved of by the Government. However, it would be seen from the above statistical details that undesirable persons have been removed from the management scene as far as it could be possible and the financial burden on the companies resulting from costly management has also been reduced by lowering the limits of managerial remuneration.

Here, it would be useful to recapitulate, in summary form, the various principles and criteria evolved by the Company Law Advisory Commission and the policies followed by the Government for dealing with applications concerning the appointment and fixation of remuneration of the managerial personnel during the last five years. The details given below are scattered over a number of places in the Statutory Reports and on bringing them together at one place one gets a correct and complete picture of the rigours and the sieves of examination the managerial personnel have to pass through before getting the managerial control of a corporate enterprise. It is no wonder that even the best elements of the corporate world have in the past felt the administration of company law as irksome and irritating, but, in the opinion of the Advisory Commission, "there has been appreciable improvement in the standards of company management not only because the objects and purposes underlying the Act have been more fully appreciated by the enlightened company management but also because of the various checks and balances imposed by the Act itself." In the light of this opinion, one can take an optimistic view of the future for corporate enterprise in the country.

The various criteria and policies laid down by the Commission and the Government may be grouped under three main heads, namely, (*a*) general policies, (*b*) policies relating to appointment of managing agents, secretaries and treasurers and managers, and (*c*) policies relating to managerial remuneration.

General Criteria and Policies

1. The number of directors of a company should not be allowed to be out of proportion to the size of the unit and the nature of its business. Where a proposal for increase in the number of directors came up for consideration, it has to be judged in relation to the additional responsibilities and duties cast upon the board and not that it is needed to offer directorship to accommodate financial creditors.

2. Ordinarily, there should not be more than one managing director. Relaxation of this rule can be made where the size of the company or the nature of its activities justify it. To check the violation of the spirit of this policy, the appointment of technical directors has to be scrutinised.

3. A company having a managing agent or secretaries and treasurers should not be allowed to appoint manager, managing director or whole-time director, so long as managing agent or secretaries and treasurers continue in office.

4. Where a company appoints a "committee of directors" to carry on management and not managing director/s or director/s in charge of the management, every member of such committee is to be deemed to be managing director for purposes of appointment under Section 269 of the Act.

5. Director-in-charge should stand in the same position as managing director for purposes of Section 269 or 309. Technical directors, if clothed with powers of management in addition to technical duties, their appointment and remuneration should come within the purview of Sections 269, 309 and 310.

6. Any group of equity holders should not be given the right to nominate directors not liable to retire by rotation, as this has the effect of depriving the other members holding a majority of the shareholdings of their right to elect directors of their choice by exercising the voting rights fully and unreservedly.

7. Managing agents should not be given the right to nominate the chairman of the board of directors; he should be elected by the directors as this would be more conducive to the fairness of the proceedings as also to the objectivity of the person occupying the chair.

8. The practice of an officer of the Government being appointed as chairman and managing director of a company while carrying on at the same time his normal official duties is not a healthy trend and should be discouraged.

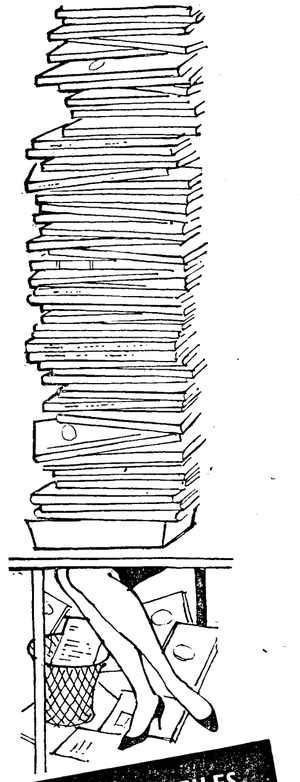
9. Sharing of managing agency remuneration with third parties in return for certain services such as the procuring of votes, etc., must be considered as a bad practice and should be discouraged.

10. Having regard to the fact that, in the great majority of cases, the guarantees had never to be invoked and the loans and advances granted by the lending institutions were usually fully secured by pledges or mortgages and since the guaranteeing of loans was generally regarded as part of the comprehensive services to be rendered by the managing agents, it would be desirable to impose restrictions on the payment of guarantee commission. The background to the evolution of this policy is given in the Fourth Statutory Report which at one place mentions that "whatever may have been the historical explanation for this practice in the comparatively undeveloped state of our capital market in an earlier generation, the guarantee commission which still continues to be charged by managing agents in such cases constitutes an additional item of the cost of obtaining loans and advances which managed companies have to bear. This extra burden is hardly commensurate with services rendered in lieu of it." The restrictions proposed by the Commission are:

> (*a*) Any payment made to a managing agent and/or his associates by way of commission or otherwise for guaranteeing or standing as surety for loans obtained by his managed company shall be deemed to be included in the maximum remuneration of 10 per cent of the net profits of the company specified in Section 348 of the Act. (This restriction would be applicable to electricity companies in accordance with the provisions of para XIII of the Sixth Scheduled to the Electricity (Supply) Act, 1948.)
>
> (*b*) The actual amount of guarantee commission payable to a managing agent and/or his associate in any year in relation to his managed company shall not ordinarily exceed one-tenth of the remuneration otherwise payable to him under the terms of the managing agency agreement, provided that the total remuneration payable to him inclusive of guarantee commission shall not in the aggregate exceed 10 per cent of the net profits of the managed company in that year. But where only minimum remuneration is payable in any year because of the absence or inadequacy of profits no payment should be made to them on account of guarantee commission.
>
> (*c*) The guarantee commission should not be allowed to exceed 1 per cent subject to the conditions that such commission shall not in any year exceed one-tenth of the normal remuneration payable to the managing agents by way of commission on net profits for that year and that the total amount of the remuneration of the managing agents, including the guarantee commission, shall not in aggregate exceed 10 per cent of the net profits of the company for that year.
>
> (*d*) The guarantee commission shall not be paid by a company without the previous approval of the Central Government.

11. In regard to principal to principal contracts as between the managing agents and/or their associates, on the one hand, and the managed companies, on the other, under Section 360 of the Act, the approval would be accorded by Government keeping in view that the terms of the contracts are fair and reasonable and that the prices are competitive.

(To be continued)



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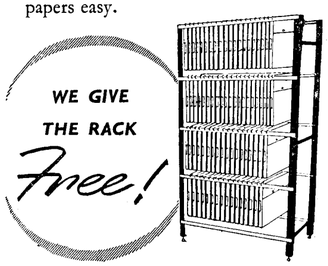

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JUDICIAL CONTROL OF LICENSING

By Tehmtan R. Andhyarujina

AN example of the fairly effective control over executive action which the Supreme Court and the High Courts have achieved is in the field of licensing. As a system of regulating businesses and professions, licensing is not peculiar to countries professing any particular brand of economic theory and licensing laws of various degrees of severity are found in most countries. In India, as in the U.S., the Courts have tacitly acknowledged that there are no forms of economic activities that are completely immune from governmental regulation and that some of them may even be prohibited. Barring a couple of early cases in the Supreme Court, in no case before the Supreme Court has it been seriously suggested that licensing as such is an unreasonable restriction on the citizen's fundamental right to carry on a trade or business. The necessity of licensing being conceded, in each case the issue before Courts has been whether a particular set of licensing provisions constitute a deprivation of a citizen's fundamental right to carry on his business or profession or his fundamental right to hold, acquire and dispose of his property.

No theory of social values can be spelt out in the licensing decisions of Courts in India and none has been attempted. Decisions of the Supreme Court on licensing have been devoid of any set formulæ such as that of the welfare State which has frequently been used to justify restrictions on fundamental rights in decisions on labour laws. A strictly pragmatic approach of treating each case of legislative and executive restrictions on its own circumstances and effect has been adopted. But the Supreme Court has not isolated itself in its ivory tower and in its pronouncements on the reasonableness of restrictions on the citizen's fundamental rights it has borne in mind the felt necessities of the times. It has conceded wide limits of discretionary power to the executive and the assumption of *bona fide* administration of those powers; in cases where there have been no materials to decide otherwise, it has assumed that the State in its wisdom must have had valid reasons for enacting those restrictions and has even permitted total prohibition of certain kinds of business and trading activities. Therefore, whilst there have been few successful challenges to licensing laws as such, the Courts have insisted that licensing operations should be scrupulously legal and licensing officials should execute these laws justly and fairly without violating the citizen's fundamental rights.

Fundamental Right

The first thing to be borne in mind in licensing is that a citizen has a fundamental right to carry on a trade, business or profession, subject, however, to reasonable restrictions imposed by the State in the public interest. Secondly, if a citizen fulfils all the requisites which make him eligible for a licence under the relevant law, *prima facie*, the State must grant him the licence.[1] The licensing official cannot claim that, despite the fact that a citizen is otherwise eligible for a licence, he has an absolute discretion to grant or refuse a licence. It is true that, in one of the early cases,[2] which came to our Supreme Court, the Court did state that no one is entitled to a licence as a matter of right, but that decision has been confined to the facts of its own case and has not been cited on this aspect subsequently by the Supreme Court and has been distinguished by some High Courts.[3] Nor can the licensing official claim that a licence is a grant of a special *privilege* to a citizen and, therefore, a citizen cannot complain of a refusal or a revocation as was the decision in a leading Privy Council verdict.[4] Our courts have not recognised the distinction between privileges and rights in licensing, as has been done in the U.S. and by a few decisions on licensing in the U.K. The Constitution now guarantees to every citizen the right to acquire, hold and dispose of property, the right to practise any profession, to carry on any occupation, trade or a business, subject, of course, to reasonable restrictions imposed in public interest. If licensing laws or operations infringe these rights, they can be legally sustained only by proving in each case that they constitute reasonable restrictions on these rights.

Now, the basic problem in licensing is how to ensure that the citizens' rights to hold and dispose of property or to carry on a trade, business or profession will not be violated by the conferment of wide discretionary powers in licensing. It is obvious that the legislature cannot so particularise its laws as to meet every situation which could arise in licensing. Consequently, the executive will have to be entrusted with widely defined powers to act in each situation according to its own lights, but, nevertheless, justly and fairly. Nor would it be proper for the judiciary to sit in judgment over the propriety of executive discretion in each case. Conferment of such wide discretionary powers is not necessarily destructive of a citizen's fundamental rights so long as those powers are not limitless and are exercised within those limits judiciously and not arbitrarily. But, though the courts have recognised the necessity of wide discretionary powers as inevitable in licensing, they have not tolerated naked, unbridled and arbitrary powers legislatively conferred on the executive. There is all the world of a difference between a discretionary power, however widely and largely defined, and an unfettered, undefined or vaguely defined power conferred on the executive. The former is controlled by the object for which it was granted and as such makes the official answerable for his exercise or non-exercise; the latter is untrammelled by any objectives and is, therefore, necessarily arbitrary and discriminatory and is incapable of being tested for its valid or invalid exercise by the subjects of its favour or disfavour.

A Prerequisite

In order to be valid, a licensing law, like any other law, conferring discretionary power on the executive, must, therefore, indicate a sufficiently defined 'policy' or a 'standard' as a guide for the exercise of such discretionary power. The degree of definiteness required depends, to a considerable extent, upon the degree to which a valid 'policy' lends itself to a precise definition and upon the necessity of efficient administration. In the absence of such guidance, discretionary power will be struck down by courts as naked and unfettered power, destructive of the citizen's fundamental rights. The high water mark of the insistence of a 'policy' or a 'standard' in licensing laws to sustain its validity in India is the decision in what is popularly known as the Coal Control Order case.[5] In that case, the Supreme Court invalidated the U.P. Coal Control Order, 1953, which by clause 4(3) provided:

"That a licensing authority may permit, refuse to grant, renew or refuse to renew a licence and may sustain, cancel, revoke or modify any licence or any terms thereof granted by him under the order for reasons to be recorded."

Commenting on this order, the Supreme Court stated:

"The licensing authority has been granted absolute power to grant or refuse to grant, renew or refuse to renew a licence and may sustain, cancel, revoke or modify any licence under this order and the only thing he has to do is to record the reasons for the action he takes. No rules have been framed and no directions given on these matters to regulate or guide the discretion of the licensing official. Practically, the order commits to the unrestrained will of a single individual the power to grant, withhold or cancel licences in any way he chooses and there is nothing in the Order which could ensure an appropriate execution of the power or operate as a check upon injustice that might result from improper execution of the same."

Generally speaking, however, courts have been extremely slow and halting in striking down legislation for lack of a 'policy' or executive guidance. Thus, the validity of the Cotton Textiles (Control of Movement) Order 1948 was upheld by the Supreme Court[6] on the ground that the "policy *underlying* the Order is to regulate the transport of cotton textiles in a manner that will ensure an even distribution of the commodity in the country and make it available at a fair price to all. The grant or refusal of a permit is thus to be governed by this policy and the discretion given to the Textile Commissioner is to be exercised in such a way as to effectuate this policy." Similarly, a policy or a standard has been often derived from such words in the Preamble of the Statute as "the purpose which is to be achieved by the Act" and even from rules made or principles specified under the statute. In a recent licensing case, the Supreme Court[1] found a 'policy' from the *conditions* which a licensing authority was empowered to impose on the grant of a licence which led the dissenting Judge to enter a strong caveat against the tendency of the Court to find a policy "in the crevices of the Statute." In many cases, the status of the repositary of the discretionary power, a high Government official or the State Government itself, has induced courts to lean in favour of the validity of the statute. This by itself is an irrelevant consideration, for, in the absence of any legislative guidance, the highest official is likely to be as much at large in the exercise of his discretion as the meanest of Government officials. The requirement of policy, therefore, has become more a matter of form than substance and, so long as a policy is discernible in the statute, it may be concluded that courts will not strike down the legislation for conferring the widest discretionary power.

Of course, every restriction which the licensing legislation imposes must not only be reasonable but also in the public interest. Further, every restriction must bear a reasonable and rational relation to the object sought to be achieved by the licensing law. These are the requirements for licensing of activities which may not be completely prohibited. But, where the business sought to be regulated by licensing is one which the State may completely prohibit like selling intoxicants or trade in noxious or dangerous goods, sanction or refusal or revocation of a licence may be made to depend solely on the discretion of officials to whom the legislature deems it fit to entrust those powers. Indeed, it has been held that there is no inherent right in the citizen to carry on such trade.[7]

Unreasonable Restriction

Courts have sometimes invalidated a law for procedural unreasonableness. Statutes which give finality to administrative decisions affecting the rights of citizens without provision for hearing the party affected or for the official to state the reasons for the action or for allowing decisions to be tested by another authority, either departmental or judicial, have been held violative of the citizen's fundamental rights. However, even here the Supreme Court[1] has now held that a provision for the grant or refusal to grant a licence for an entertainment house in the Calcutta Police Act 1866 without hearing the party affected by such refusal or stating the reasons for the refusal or allowing that decision to be tested by another authority is not an unreasonable restriction. The licensing authority in that case was not held to be acting in a quasi-judicial capacity in rejecting the application for a licence and was not obliged to afford an opportunity to the applicant to be heard before the licence was refused. Different considerations generally apply when licensing authorities seek to revoke or cancel or amend a licence. Such actions may have calamitous consequences for the licensee and most licensing laws do provide for an opportunity to the licensee to make representations against the action proposed, for example, Clause 10 of the Import Trade Control Order 1955. In other cases, the licensing authority may revoke a licence on stated reasons and provide an appeal against the order, for example, permit provisions in the Motor Vehicles Act, 1939. A licensing legislation which gives power to the licensing authority on his subjective satisfaction to revoke, cancel or amend a licence in normal trading or business activities without providing for the requirement of a reasonable opportunity to the licensee to deal with the contemplated action would certainly be struck down as an unreasonable restriction.

Apart from judicial control over licensing laws, courts have more often controlled the exercise of executive discretion itself, a control achieved not by sitting in judgment over the merits of the issue but by confining the exercise of executive discretion within the limits circumscribed to it by the law. The obvious case of this type of judicial correction is when the licensing official has overlooked some provision of the law or has misinterpreted the law. Again, to refer to another common case, the licensing official may have taken into consideration irrelevant or extraneous considerations. Licensing legislation generally confers on the authority concerned wide powers for imposing conditions in the licence but the licensing authority will not be permitted to impose such conditions in the licence as would be an unreasonable restriction on the business. Thus, a condition imposed on a licence to exhibit films, that the licensee shall exhibit at each performance one or more number of films of such length as the Provincial Government or the Central Government may, by general or special order, direct was struck down by the Supreme Court as neither the length of the film nor the period of time for which the film may be shown was specified in the condition and the Government was vested by the condition with an unregulated discretion to compel a licensee to exhibit a film of any length at its own discretion.[8]

Quasi-judicial Duty

In insisting on the requirements of "natural justice" to the citizen in certain kinds of licensing operations, Courts have ensured, to a limited extent, that the citizen will be associated with the licensing decision arrived at by the official. However adverse the decision of the licensing official may be, the citizen is less likely to smart from it if he has been heard before arriving at it than from a decision taken behind his back or *ex-parte*. Now, whether or not a citizen will be associated with executive decision making will depend on the nature of the duty imposed upon the official by law. In cases where he is imposed with a "quasi-judicial duty," the official must act in accordance with the principles of natural justice, a concept unfortunately most vague and nebulous. In a recent decision, the Supreme Court stated it broadly and without intending to be exhaustive. Thus, it observed that "rules of natural justice require that a party should have an opportunity of adducing all relevant evidence on which he relies, that the evidence of the opponent should be taken in his presence, that he should be given the opportunity of cross-examining the witness examined by that party and that no material should be relied on against him without his being given an opportunity of explaining them." Whether a quasi-judicial duty exists will in turn depend on the legislative provisions conferring powers on the executive. The statute will rarely, if ever, expressly state that the executive must act quasi-judicially and, in almost every case, a quasi-judicial duty will have to be inferred from indications in the statute. Generally speaking, there is no quasi-judicial duty on the official deciding an application for a licence. Consequently, the applicant is not entitled to be heard before the decision is arrived at, but a quasi-judicial duty is imposed in a licensing law when the official has to decide between rival claims for a licence or acts in pursuance of objections being invited and an 'adversary' type of case arises. On the other hand, as we have seen, many licensing laws impose at least a duty to give the citizen a reasonable opportunity before the official cancels, suspends or amends a licence: in any such action, a quasi-judicial duty will be generally inferred and, if the licensing official acts in violation of the principles of natural justice, the Courts will strike down the order. It is difficult to explain why consent or refusal is not a quasi-judicial act whilst revocation, suspension, etc. are quasi-judicial acts. In both types of actions, the citizens' rights are affected. Probably, the distinction lies in the fact that, in granting and refusing the citizen has not a present right to a licence, whilst in revocation, etc., he is actually being deprived of a present right to hold the licence.

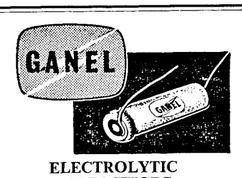
Duty of Government

The effectiveness of judicial review of the discretion exercised in licensing, as in other forms of executive action, depends to a large extent on whether there is material on record before the Court to probe into the mind of the deciding official. In cases where reasons have been furnished in support of an order, the Court can scrutinise such reasons for their validity and relevance. Further, if any law is stated therein, the Court will test its correctness. In such cases, the order before the Court is, what has been called a "speaking order" and its advantages are that it enables the Court to review the correctness of the exercise of executive discretion, not in the sense of sitting in appeal over the order but in the sense of confining the exercise of discretion within the limits of the law. If the basis of administrative decision is not articulated, it is most difficult for the Court to test its correctness. It may, therefore, be thought that the administration could disarm the exercise of judicial review by making a "non-speaking order" or to state in celebrated language by making it present "the instructable face of a sphinx." In practice, for a number of reasons, the official will have to make a speaking order. The Supreme Court has held[9] that, when the Government acts as a tribunal, it must make reasoned orders, for only then can the Supreme Court exercise its constitutional powers of appeal from Court and Tribunals in India. Further where an appeal is provided against the decision of an official he must state his reasons in support of his order, for only then can the appellate authority examine the correctness of the order. At least one High Court[10] has ruled that, where a body is required to act judicially, it is its elementary duty to give reasons which would show that it has applied its mind. In England, a person aggrieved by the decision of certain tribunals or a minister making a statutory inquiry may apply for a statement of the reasons for the decision before the decision is arrived at under Section 12 of the Tribunals and Enquiries Act, 1958. In the U.S., the Administrative Procedure Act, 1946 makes it obligatory on every judicial body to include in its decisions a statement of findings and conclusions as well as the reasons or basis therefore, upon all the material issues of fact, law or discretion presented on record. There is no such law in India, but the same protection is available in India by the considerations stated above and by the well settled practice (confirmed by a recent Supreme Court ruling in a licensing case)[11] that the official must state his reasons for his decision before the Court, presumably on an affidavit when that decision is impugned. Thus, though the order may not 'speak' initially, its author is compelled to speak in its justification in a court of law.

Under our Constitution, the judiciary is in a more favourable and fortunate position to control the executive than in the U.K. For one thing, the theory of parliamentary supremacy does not prevail in India, and our Courts are competent to strike down unconstitutional legislation or legislation violative of fundamental right of the citizen. Nor are our Courts bound down by formal requirements and technical boundaries of remedies like *mandamus* and *certiorari* or even restricted to adopt these remedies alone. Yet judicial enterprise in the latter direction has been negligible and judicial control of the administration will achieve its full effectiveness only after the scope of these powers given to the Supreme Court and High Courts by the Constitution are fully and valorously explored.

Footnotes

1 *Kishanand* vs. *Commissioner of Police*, A.I.R. 1961, S.C. 705.
2 *Veerappa Pillai* vs. *Raman and Raman Ltd.* (1952), S.C.R. 583.
3 *S. Iqbal Singh* vs. *Municipal Board*, A.I.R. 1959, All. 186. *C.S.S. Motor Service* vs. *Madras*, A.I.R. 1953, Mad. 279.
4 *Nakkuda Ali* vs. *Jayaratne* (1951) A.C. 66.
5 *Dwarkadas* vs. *U.P.* (1954), S.C.R. 674.
6 *Harishankar Bagla* vs. *M.P.* (1954), S.C.R. 380.
7 *Cooverji* vs. *Excise Commissioners* (1954), S.C.R. 873.
8 *Seshadri* vs. *District Magistrate* (1955), 1, S.C.R. 686.
9 *Harinagar Sugar Mills* vs. *Shyam Sunder* A.I.R. 1961, S.C. 1669.
10 *Veilachala* vs. *Madras*, A.I.R. 1962, Mad. 276.
11 *Kishandchand* vs. *Commissioner of Police*, A.I.R. 1961, S.C. 705. See also *P. J. Irani* vs. *Madras*, A.I.R. 1961, S.C. 1731.



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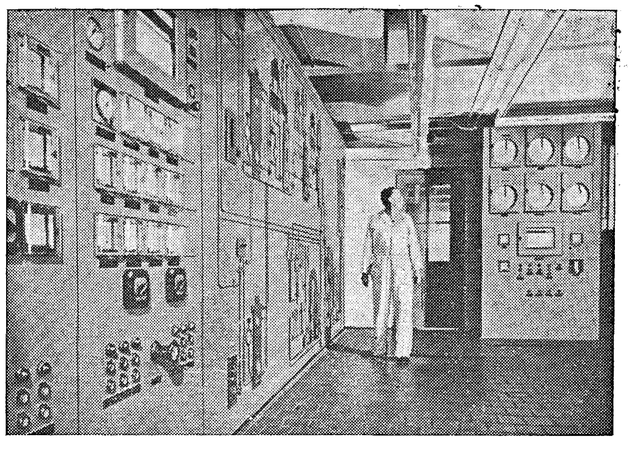
Notes

The U.S. Government has decided in consultation with the International Rubber Study Group, to increase the release of rubber stockpiles from an annual rate of 60,000 tons to 100,000 tons. It plans to offer stockpiled rubber, instead of money, to certain foreign aid recipients. Besides, the Defence Department, will pay in rubber, and not money, to suppliers of tyres and other rubber products. Out of the total of 1.09 million tons of rubber in stockpile, a quantity of 342,000 tons, worth $213.7 million, has been declared surplus.



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PLAN FOR ROAD TRANSPORT

I.R.T.D.A.'S SUPPLEMENTARY MEMORANDUM

THE issues raised in the preliminary report of the Committee on Transport Policy and Co-ordination (otherwise known as the Neogy Committee), it may be recalled, were dealt with in some detail in a memorandum submitted by the Indian Roads and Transport Development Association in October last year (*vide* page 946 of *Commerce* of 18th November 1961). In the light of the discussions it has since had with Mr. Neogy and in response to his request for a supplementary memorandum, the Association has just forwarded its views on four important aspects of the transport question, namely, the estimated traffic demands of the future, the traffic which should be carried by the roads, the extent to which trailers should be developed, and the relative costs of developing road and rail transport. This supplementary memorandum provides a long-range perspective on transport problems and an estimate of goods traffic by road over the period 1965-66 to 1980-81.

The Association's projection of goods traffic by road upto 1980-81 is of basic importance. The Chief Engineer's Report on the Road Development Plan for India, 1961-81, has provided, it may be recalled here, an estimate of the total goods traffic likely to be generated in the country. According to their estimate, the originating traffic (that is, traffic from centres of production to destinations) that will require haulage over long distances, the feeder traffic operating over short distances to carry from and to terminals the originating traffic handled by the railways and shipping, and the local traffic will be as under:

TABLE 1
(In million tons)

Year	Originating traffic	Feeder traffic	Local traffic	Feeder and local traffic combined
1965-66 ..	300	188	71	259
1970-71 ..	440	240	109	355
1975-76 ..	610	320	148	468
1980-81 ..	800	400	196	596

The break-up of the above figures of originating traffic under the three heads, namely, railways, coastal shipping and road is as follows:

TABLE 2
(In million tons)

Year	Railways	Coastal shipping, etc.	Road	Total
1965-66 ..	228	12	60	300
1970-71 ..	305	17	118	440
1975-76 ..	403	23	184	610
1980-81 ..	523	31	246	800

The I.R.T.D.A. has revised upward the Chief Engineers' estimate pertaining to road transport for three major reasons. Firstly, the recent difficulties over the transportation of coal by the railways have underlined the need for transporting coal by road in the Bihar-Bengal area. The Association's estimates in this connection are:

TABLE 3

Year	Estimated coal production (Million tons)	Suggested percentage for road transport	Quantity of coal to be transported by road (Million tons)
1965-66	115	10.0	11.5
1970-71	200	12.5	25.0
1975-76	300	16.0	48.0
1980-81	400	20.0	80.0

Secondly, the possible development of trailers on a bigger scale than at present will add to the carrying capacities of our main roads without having to provide more funds for road construction, for the same road which carries trucks can carry truck-trailers. This development is considered feasible in the case of national highways having a carriageway of 24 feet which is sufficient to accommodate incoming and outgoing traffic by truck-trailers. The Association has assumed that the production of trailers suitable for goods traffic would be 15 per cent in 1965-66, 20 per cent in 1970-71, 25 per cent in 1975-76 and 30 per cent in 1980-81 of the trucks required to carry originating traffic. At an average carrying capacity per trailer of about 80 per cent of that of a truck, this will mean that the carrying capacity for originating traffic on main roads will be raised by 12 per cent in 1965-66, 16 per cent in 1970-71, 20 per cent in 1975-76 and 24 per cent in 1980-81. If larger capacity vehicles with trailers are produced within the country, the carrying capacity for originating traffic may go up by an additional 10 per cent from 1975-76 onwards.

Thirdly, additional provision would have to be made under local traffic for carrying materials for construction as well as for road work. The Association has made some suitable assumptions here. On the first two counts, the aggregate additional originating traffic estimated by the Association for road transport is 18 million tons in 1965-66, 44 million tons in 1970-71, 109 million tons in 1975-76 and 169 million tons in 1980-81. On the third count, namely, feeder and local traffic, the aggregate additional traffic estimated by the Association is 91 million tons in 1965-66, 160 million tons in 1970-71, 222 million tons in 1975-76 and 310 million tons in 1980-81. Thus, the aggregate road traffic, as now estimated by the Association, will work out as follows:

TABLE 4
(In million tons)

Year	Originating traffic	Feeder and local traffic
1965-66	78	345
1970-71	162	500
1975-76	293	643
1980-81	415	835

Figures of originating traffic by road in the above table may be compared with the corresponding Chief Engineers' estimates given in Table 2. And figures of feeder and local traffic in the above table (No. 4) may be compared with the corresponding Chief Engineers' estimates given in Table 1.

The Association's supplementary memorandum proceeds to point out that the 32,000 miles of national highways envisaged for 1980-81 in the Chief Engineers' Plan would suffice for an originating traffic of 415 million tons in that year. The aggregate cost on their account would be Rs. 1,000 crores (Rs. 980 crores estimated by the Chief Engineers *plus* Rs. 20 crores for roads in coal areas). This investment in roads over a period of 20 years will work out to Rs. 2.4 crores per million tons of goods traffic. This cost may be compared with the investment of Rs. 5 crores in railway tracks per million tons of goods traffic as worked out from the third Plan provision of Rs. 450 crores for new lines, electrification, signalling, line capacity works and bridges on the railways. Thus, the cost of developing national highways per million tons of originating traffic will be appreciably less than that of developing the railways.

There are also other considerations favouring greater investment in national highways. One of these is the revenue to the exchequer from road transport. In 1960-61, for instance, the contribution to the general revenues, after paying interest and other service charges, was Rs. 19 crores by personal and Rs. 42 crores by commercial motor transport, as compared with Rs. 10.5 crores by the railways (after paying dividend which represents the interest on capital-at-charge). Another consideration is that, when the national highway system is increased from the present 15,000 miles to 32,000 miles by 1980-81, nearly half (415 million tons) of the originating traffic of 800 million tons will be able to move about thrice as fast as on the railways, thereby saving to the country a large amount which would otherwise have to be spent in holding stocks and providing storage for them. A third consideration is that the use of truck-trailers, semi-trailers and heavy vehicles in due course will cheapen the cost of transportation. This progressive cheapening of cost, coupled with the speed of road transport, will attract to roads increasingly some of those commodities for which the railways have to offer at present concessional rates involving some financial sacrifice. Above all, with a reduction in the volume of the low-rated commodities handled by the railways, it may be possible for them to reduce the freight rates for their high-rated traffic.

These relevant considerations, according to the I.R.T.D.A., should dictate reorientation of policy in a manner calculated to treat the problem of originating traffic as one problem and get the traffic allocated between roads and railways. The Association has advanced some constructive suggestions for implementing such a policy. The first suggestion is that a Central Road Board should be constituted to take full charge of the national highways and the traffic operating on them on the same lines as the Railway Board. This Road Board and the Railway Board can refer any point of difference between them to a co-ordinating body, the decision of which would be final. The second suggestion is that the licensing of vehicles on the national highways should be entrusted to the Inter-State Transport Commission under the direction of the Road Board. There is no specific suggestion regarding feeder and local traffic, because there is no problem of co-ordination between railways and road transport in this respect. Such feeder and local traffic always goes by road, and the railways do not handle it at any stage. If at all there is a problem of co-ordination between railways and road transport, it is only in respect of originating traffic which has so far been going *practically* exclusively to the railways. In an expanding economy, where the originating traffic will reach the level of 800 million tons by 1980-81, as compared with 90 million tons—all handled by the railways—in 1950-51, road-rail co-ordination will have to take the form of allocation of such traffic between the railways and national highways. Once the allocation of traffic is made on the basis of (*a*) investment, (*b*) return to the State, (*c*) scope for employment, and (*d*) public preference, each service will provide rolling stock/vehicles required for the traffic allotted to it and no more. If cases requiring adjustments within the traffic allotted on particular sections of either the railways or the national highways arise, these can be settled mutually between the Railway Board and the Road Board.

TRANSPORT PLAN FOR ARGENTINA

Argentina in South America is a developing country. Its existing transportation system, however, is not subserving the needs of development. The railways, for instance, are in a state of deterioration and the highways stand in need of massive improvement. This situation can be remedied only by a plan of the kind just recommended by the Transportation Planning Group which was organised by the World Bank early last year on behalf of the U.N. Special Fund and the Argentine Government. It is a ten-year plan designed to achieve the integrated development of Argentina's railways, highways and waterways.

The Group, the report of which has just been published by the World Bank, has emphasised the need for restoring the railway system to efficient operation. As one important step toward rehabilitating the system and making it viable, the Group has proposed that at least 14,000 kilometres of railway line—almost a third of the present system—be abandoned. Freight and passenger schedules should be reorganised, and improvements made in roadways, yards, terminals and maintenance facilities. All existing steam locomotives should be replaced by diesels, and a drastic programme of modernisation is proposed for rolling stock; total purchases would include 831 diesel locomotives, 33,000 freight cars and about 2,500 passenger cars. The Group has also called for changes in the legal status and organisation of the Argentine railways, to permit them to be operated in a manner similar to a business enterprise and to keep them free of political interference. Even if these steps are carried out, the Group believes, viability can be achieved "only if this becomes a matter of national policy and only if certain difficult and unpopular policies are rigidly carried out." These policies, according to the Group, must include, besides the abandonment of uneconomic lines, increases in freight rates and passenger fares, and a variety of measures designed to achieve and maintain an efficient labour force. The total cost of the railway programme for the ten years 1962-71 is estimated, at 1961 values, at the equivalent of about U.S. $1,450 million. Of this amount, about two-thirds would be in foreign exchange, most of which would be needed for the purchase of rolling stock.

As for highways, the Group has estimated that, over the next ten years, passenger traffic on the roads will increase by about 115 per cent, and truck traffic by about 100 per cent. To meet this demand, the Group has called for a ten-year programme of construction, reconstruction and modernisation covering over 40,000 kilometres of highways. These proposals, which continue an already-existing programme, are estimated to cost, at 1961 values, the equivalent of about U.S. $793 million. In addition, the equivalent of U.S. $133 million would be spent on maintenance. If the recommendations of the Group concerning abandonment of uneconomic railway lines were adopted, a further 6,665 kilometres of new highways, estimated to cost the equivalent of U.S. $122 million, would be needed to replace these lines. Although not advocating restriction of motor carriers by any system of licensing, the Group has opined that for-hire carriers should be required to observe published rates.

The Group's report makes recommendations for hydraulic studies and dredging of the waterways system, which is based on the River Plate and its tributaries. It recommends replacement of much of the river fleet, which is largely "far beyond its economic life." Because the two State-owned shipping enterprises are "ill suited to a system which would permit the best adjustments of water transport to trade requirements," the Group has recommended that they should be transformed gradually into a small number of medium-sized private enterprises. The smaller private owners are advised to combine into co-operative groups. The total cost of the waterways programme is estimated, at 1961 values, at the equivalent of about U.S. $169 million.

The Group believes that a Transport Account should be established in the National Budget to provide a focal point for an annual review of financial needs and resources, and to produce greater fiscal co-ordination among the various modes of transport. The report also calls for establishment of a permanent planning group for transport.

NEW PRODUCTS AND PROCESSES

Novel Refuse Truck

A DUTCH firm has produced a new type of refuse truck with a built-in device for compressing domestic garbage and breaking and compressing heavy rubbish. The structure of the truck consists of a large refuse receptacle preceded by an after-loader containing the refuse conveyor and compression system. The refuse receptacle, which like the after-loader is of all-steel construction, has a useful capacity of 494 cu. ft. It is mounted on a structural steel frame secured to the chassis of the truck by tie straps. The after-loader, or loading space into which all the refuse is shot, is articulated at the top where it is joined to the refuse receptacle so that, when the latter is being tipped, the after-loader can be hinged back beyond it. An opening has been provided in the forward wall of the after-loader, through which the refuse is deposited in the receptacle. At the top of the back wall there is a flap hatch for heavy items of rubbish. Beneath it are three openings through which household refuse is emptied from dust-bins following a special system requiring the use of uniform dust-bins.

A refuse conveyor and compression system is installed over the entire width of the after-loader. The conveyor consists of two endless chains passing at the top over two wheels on a common through-axle. The chains are invariably equidistant. At certain intervals between the chains are long metal scoops made of high-grade, wear resistant steel. All the refuse, both heavy rubbish (tins, planks, boxes, etc.) and household garbage, that is shot into the after-loader is broken and crushed at the bottom, of it between a breaking plate and the scoops as they move downwards. As the scoops move upwards, they take with them the compact garbage and feed it to the compression device mounted at the top of the conveyor belt. There the refuse is further compressed by a slow-moving pressing blade and propelled into the receptacle. The degree of compression of the refuse in the receptacle can be checked through a hatch in the right-hand front side. Provision has also been made for a safety device to obviate the risk of the conveyor or compression system being overloaded.

High-speed Tin-lidding

High-speed can or tin lidding calls for accuracy of a high order if waste of time and materials is to be avoided. D.I.C.O. Ltd., of Guildford, is manufacturing a can lidding machine into which has been built an E.M.C. Proximitor for monitoring the operation. The D.I.C.O. Lidder itself consists of an input conveyor which takes the cans or tins to an indexed rotary turret at the lidding station, which, after the lidding operation, rotates to the next station, thus placing a new tin in position and allowing the now lidded tin to be taken by the output conveyor to the next operation. Lids are fed by hand to the vibratory bowl feeder from which they are automatically conveyed to the lidding station and it is not only to guard against the human element but also to ensure that a lid is always in position that this Proximitor method of sensing has been employed. To achieve this, a small platform is built in over the lidding position and carries a specially designed probe which is connected to the Proximitor, thus the Proximitor is able to sense whether a lid is in position or not. Should the lid be missing a relay is operated within the instrument which then stops the lidding machine. The Proximitor, although used in this instance for a lidding operation, is easily adaptable to a wide range of applications where stopping and starting contingent on the presence of an "object."

Metal Plastic Window System

For some time now the building industry has been seeking ways in which the weather-resistant properties of plastics can best be adapted to its particular needs. Plastic piping and guttering have already made their appearance, but lack of strength has limited plastics' wider application. Now a subsidiary of the Castrol Group Tensile Products, London, has introduced Metleplast, a metal/plastics window system, which, besides having an attractive appearance and no maintenance problems, compares favourably in cost with steel and aluminium structures. It has been designed primarily for larger structures where curtain walling is employed. The window frame and sash are constructured from galvanised steel cores to which are applied heavy gauge rigid p.v.c. extruded members incorporating weather seals which, as an assembly, present completely weatherproof units. The system is easy to install since, once the frame core is in position, the plastics components can be simply snapped on and need no other form of fixing device. The glazed window sashes, assembled on site, are then ready for quick installation. All fittings are made of nylon.

High-precision Lathe

A high-precision bench lathe for the precision and instrument industry has been produced by the Kobanya Machine Tool Factory, Budapest. It is claimed to be suitable for the precision turning of drilling of steel, cast steel, cast iron, non-ferrous heavy and light metals, hard-rubbers, and plastics, etc. The precision turning and drilling is carried out with the help of lapped hard-metal-tipped tools, polished diamond tools, or special-ground ceramic tips. Characteristic features of the high-precision lathe is its geometrical accuracy and the excellent surface finish it produces. When turning a proof-specimen according to the Hungarian Standard Specification where the diameter of the proof specimen is equal to one-eighth of the swing diameter, the total of cylindrical error, dimensions scatter and surface roughness cannot exceed 8 microns. Surface roughness must be R_a =1.6 to 0.4 microns or below. With a diamond tip it is possible to obtain—with certain materials—an even mirror surface or the R_a =0.2 to 0.5 roughness range. Quality control of the machine is ensured by the high standard specifications laid down by the Kobanya Machine Tool Factory. A particular advantage of the machine is said to be the fact that while the main carriage is operated in the quick run operation-mode, the feed is automatically switched off; at the end of the quick motion, it is automatically switched on again.

New Aid for Steel Making

Powdered coal will be blown into a blast furnace now under construction for an American steel company. Experience shows, says the company, that the system will result in cheaper iron and increased production. The coal replaces much of the metallurgical coke normally used thus saving money since coal is cheaper than coke. An additional benefit, according to the company, is that coal releases hydrogen in the furnace, giving a reducing atmosphere at no extra cost for the hydrogen. The powder is added to the hot blast on its way to the furnace and carried by the current of air into the furnace proper.

New Soviet Apparatus for X-raying Heart

Soviet doctors and engineers collaborated to design a new "FRK" apparatus for taking X-ray photos of the heart and vascular system at precisely selected moments of the cardiac cycle. "FRK" are the Russian initials for phase X-ray cardiograph. In outward appearance it resembles a television set. The apparatus consists of an amplifier which intensifies the heart's biocurrents 10,000 times, two special devices for precise timing and electronic ray tubes. By means of "FRK" a doctor automatically selects the moments of the heart's activity required for the photo. The new apparatus creates bigger possibilities for cardiological investigations. The "FRK" has been tested in clinical conditions. Two hundred "FRK" apparatuses will be manufactured in the near future.

Automated Coal Digger

A automated coal digger, described as the most revolutionary development in the coal mining field in late years, recently was unveiled at the annual American Mining Congress convention. Operated by five men, the machine can dig more than 1,000 tons of coal in eight hours, equalling the production of 40 men using earlier methods, according to Mr. W. V. Hartman of St. Louis, Vice-President of the Peabody Coal Co. An extremely long mechanical arm attached to a dial-studed control room digs as deep as 800 feet (240 metres) underground. The robot burrows out large chunks of coal and deposits them in conveyor cars. The boring arm is regulated by radar. When it shews into soft material the operator knows the arm has lost the coal vein. The digger was developed by the Union Carbide Company and made operational by the Joy Manufacturing Company.

Strong Carbon Paper

A new form of carbon "paper" is to be marketed by the Peerless Carbon and Ribbon Company, of 1, Dyers Buildings, Holborn, London E.C.1. It consists of a plastic sheet to which an ink has been fused and it is claimed that 200 copies can be obtained from a single sheet. Very strong and almost impossible to tear, the sheet is clean to handle and resistant to creasing.

Electric Car Polisher

An electric tool specially designed for polishing cars has been put on the market by a German firm. It weighs about 1¼ lbs. and polishes by means of a rotating felt disc. The polisher is available in two versions, one can be connected to the domestic power supply and the other to the car's battery.

AUTOMOBILE PRODUCTION

The output of automobiles of different kinds in India in 1961 was not significantly more than in 1960. At least in one important line, namely, commercial vehicles, performance in 1961 was positively disappointing, as there was actually a fall in output. The following figures of production may be found interesting:

Item	1961 (Nos.)	1960 (Nos.)
Cars and Jeeps:		
Cars	21,662	19,066
Jeeps and land rovers	6,051	5,501
Commercial Vehicles:		
Petrol trucks	3,557	3,864
Diesel trucks	15,960	17,097
Diesel buses	6,083	6,105
Miscellaneous:		
Motor cycles	4,682	3,998
Scooters	15,336	13,021
Three-wheelers	1,267	941
Trailers	3,008	2,070

It will be seen from the above figures that the aggregate output of commercial vehicles was only 25,602 in 1961, as compared with 27,066 in the previous year.

Mr. Al Foil wraps tobacco to perfection

Leading cigarette and tobacco manufacturers recognise aluminium foil as the best protective packaging for their products. Experience has proved that foil packaging retards the 'drying out' of tobacco, forms a hygienic wrapper and keeps cigarettes and tobacco fresh and flavourful for a longer time.

Foil in the package implies quality and adds prestige to the product.

Foils For Packaging.

India Foils Limited
(Incorporated in Great Britain)
Calcutta Bombay Madras New Delhi

BRITISH INSURANCE POISED TO MEET CHALLENGE OF COMMON MARKET

PREMIUM AND ASSETS AT RECORD LEVELS

BRITISH insurance is now better prepared than ever before to face the fresh challenge that is bound to be thrown by the U.K.'s entry into the European Common Market, if and when it materialises. Premium income and invested assets set new records in 1961. Last year, according to the statistics published by the British Insurance Association, premium income and invested assets of the 257 member-companies of the Association increased to £1,772 million and £7,315 million, respectively, as compared with £1,637 million and £6,610 million in the previous year, representing a rise of £135 million in premium and £705 million in invested assets. It is noteworthy that premium income has doubled in the past ten years. With invested assets exceeding £7,000 million, insurance companies constitute Britain's biggest institutional investor. The percentage rise in invested assets of British insurance companies last year, as compared with the previous year, was as much as 10.6. Of the total, investments in equities accounted for 22.2 per cent, which is more than twice the percentage of equity investment in 1947, indicating the popularity of equities as an outlet for insurance funds. The ratio of property investment has also been increasing and is now 10 per cent of the total. Last year, the Chancellor of the Exchequer had asked insurance companies to follow a restrictive policy in regard to property financing and, if the companies were to follow the Chancellor's advice, as they well may, there might be some significant changes investment portfolios in the current year.

Commenting on the underwriting experience of British insurers last year, Mr. R. L. Barnett, Chairman of the British Insurance Association, observed, at the annual meeting of the Association held recently at London, that, though the country's invisible earnings as a whole had declined during the past two years, this had not happened in the case of insurance earnings overseas which were still running at an annual rate of about £40 million a year. About 70 per cent of non-life premiums of British companies, according to Mr. Barnett, were earned abroad and large sums were invested by the companies in territories where the business originated.

Overseas Potential

British insurance thus continues to make substantial contribution to the country's invisible earnings. But will it be able to do so in future? Two developments have a direct bearing on this question; the current trend towards regional economic groupings, typified by the European Common Market, and the development of national insurance in the newly-independent countries. The remarks of Sir Brian Mountain, Chairman of Eagle Star Insurance Company, on this question are significant and of interest to non-British insurers also who have to compete with them in foreign markets:

"It is just as well to recognise that the main current of political and economic change in our time is unlikely to favour of the remarkable international network of service and protection which, for generations, has been provided by the British insurance companies. Insurance is a difficult commodity to sell, as there is nothing tangible to demonstrate what we have to offer and our customers naturally hope they do not have occasion to test the value of our promises. In such circumstances, we should not expect nationals of other countries, within or without the Commonwealth, to prefer us to competitors from their own or other lands simply because we are British. On the contrary, this may impede our business in certain countries, and some of our newly independent friends understandably tend to go elsewhere simply for a change, or to try their own hands at a game, which from the outside, seems easy enough to play.

"From our past record, we are tempted to reflect that there is nothing at all new about the situation and that, so far as we have coped well enough, but there is no worse mistake to make than to suppose that we have only to wait until our virtues gain their just reward for the situation to improve. This dream world has passed away, if it ever existed. But, if we show sympathy for local ideas, if we are on the spot, if we can match our natural aptitude for insurance work with a willingness to approach it from novel points of view, there is still plenty to be done. The upsurge of demand in this expanding world will more than take care of such attrition as political or other changes may bring about....

"These developments are entirely natural, and what we get out of them depends on what we put in by way of understanding and support as new markets find their feet, but the underlying character of our accounts is bound to change and become less predictable in the process. I said that insurance is a difficult commodity to sell. It is also difficult to price, and, for many of the large and unfamiliar risks with which we are confronted nowadays, we have to work without the benefit of past experience or statistics.

"For these reasons, the classical underwriting idea of a stable profit margin year in year out can no longer be pursued as an object of policy. It would, in fact, make more sense, if, as in the Life Department accounts, we could look upon our General Accounts over a three or even five-year cycle of experience. With the insurance outlook being one of a fluctuating nature, the wisdom of using underwriting surpluses to build up reserves rather than to pay dividends, was never more apparent. Indeed, I feel the time is coming when we should seek recognition of this need in the tax laws of this country."

U.S. Market

Although the overseas business on the whole showed favourable results last year, underwriting losses were incurred in the U.S., the largest overseas market for British insurance. Much of the trouble in the U.S. market was, in Mr. Barnett's opinion, due to the exceptional number of windstorms and the increase in fire damage. Nevertheless, investment income from the U.S. had more than out-weighed underwriting losses and earnings on the invested funds increased so as to yield a net surplus on the year's operations.

Motor insurance continues to be a difficult portfolio for British insurers, as it is for their confreres in other parts of the world. Last year, according to Mr. Barnett, world-wide motor premium of the member-companies of the Association increased from £299 million in 1960 to £323 million, but the loss experienced on this account rose from just under £4 million to nearly £5.5 million. Experience in the U.K., on the other hand, was favourable, by comparison, with a profit of under one per cent. While Mr. Barnett admitted that this was not adequate, he did not envisage an immediate increase in motor premium rates. The total number of motor claims in the U.K. last year aggregated as much as 1,558,000 which Mr. Barnett considered to be "a gigantic testimonial to human carelessness, misjudgment and, in many cases, just sheer bad luck."

Mr. Barnett referred to the growing size of both marine and aviation risk and added that, though there had been heavy claims, following accidents to jet airliners, it appeared that the aviation market had turned the corner and that the rates were now realistic.

Dealing with the impact of the Common Market on British insurance, Mr. Barnett said that, whether Britain joined the Common Market or not, the interests of British companies would be affected. If the country did enter, changes in insurance practice would, according to him, affect the business and there might be reshaping of policies to accord with changes in law. He thought, however, that, since insurance had always been primarily international, Britain's entry into the E.C.M. would affect the British insurance less than the other industries.

ADVANCE INSURANCE CO., LTD.

Despite a slight decline in the combined net premium and a sharp drop in the underwriting profit of the fire department, in contrast to the experience of almost all other insurance companies, the Advance Insurance Company Ltd. (Managing Director: Mr. Mangalchand Kedia, Bombay) has been able to report a higher net profit for the year ended 31st December 1961. This has been possible because of higher interest and dividend incomes and a substantial improvement in the working of the other departments, namely, marine, miscellaneous and workmen's compensation insurance all of which yielded profits during the year as against losses in the previous year. Thus the marine department showed an underwriting profit of Rs. 1.27 lakh, as against a loss of Rs. 93,234 in the previous year; similarly, the miscellaneous department wound up the year with a profit of Rs. 43,989, as against a loss of Rs. 17,762 in the previous year; and there was a small surplus of Rs. 5,843 in the workmen's compensation insurance which had suffered a loss of Rs. 9,076 in the previous year. The higher profit has enabled the Company to step up the dividend slightly from 10 per cent in 1960 to 11 per cent during the year under review, both subject to tax, and to treble the transfer to reserves from a mere Rs. 50,000 in the previous year to as much as Rs. 1,50,000.

It is noteworthy that, though the net premium in 1961 was slightly less than in the previous year, it showed an increase of almost 100 per cent over the 1958 figure, the net premium having doubled from Rs. 15.76 lakhs in 1958 to Rs. 30.59 lakhs in 1961.

The following comparative table contains a summary of the working results of the Company for the years 1960 and 1961:

(For the year ended 31st December)

(Rs. in lakhs)

	1961	1960
Fire:		
Net Premium	25.31	25.07
Claims paid and outstanding	15.10	13.31
Commission and expenses	9.85	8.64
Underwriting profit or loss (±)	± 1.33	± 4.13
Fire fund	12.65	12.54
Marine:		
Net Premium	1.77	2.83
Claims paid and outstanding	1.09	1.80
Commission and expenses	0.72	1.11
Underwriting profit or loss (±)	± 1.27	— 0.93
Marine fund	1.77	2.83
Miscellaneous:		
Net Premium	2.69	2.37
Claims paid and outstanding	0.99	1.04
Commission and expenses	1.19	0.95
Underwriting profit or loss (±)	± 0.44	— 0.17
Miscellaneous fund	1.35	1.18
Workmen's Compensation:		
Net Premium	0.82	0.62
Claims paid and outstanding	0.16	0.19
Commission and expenses	0.36	0.27
Underwriting profit or loss (±)	± 0.06	— 0.09
Reserve for unexpired risks	0.41	0.31
Net profit	2.75	1.86
Provision for taxation	1.28	1.05
Dividend	1.41 (11%)	1.28 (10%)
Carry forward	0.13	0.28

The departmental contribution to the profit and loss account amounted to Rs. 3,09,976. Net interest and dividends aggregated Rs. 1.20 lakh. After meeting, out of this, expenses not applicable to any particular fund and the provision for taxation, there remains a net profit of Rs. 2.75 lakhs to which has to be added Rs. 28,574 brought in from the previous year, giving a total of Rs. 3.04 lakhs. Nearly one half of this amount has been transferred to general reserve, as already mentioned. The fractionally enhanced dividend takes up Rs. 1.41 lakh, leaving a sum of Rs. 12,720 to be carried forward.

UNREASONABLE INSISTENCE

The representatives of the Indian Insurance Companies Association, Calcutta, discussed, at a special general meeting held on the 3rd July 1962, under the chairmanship of Mr. K. P. Modi, the circular letter issued to all general insurers by the Administrative Machinery, Insurance Association of India, calling for detailed particulars embracing all field workers irrespective of their remuneration and other employees drawing Rs. 5,000 and/or more annually in prescribed forms along with the photographs. Information is also called for in respect of the names of agents and the names and addresses of all clients who had given premium amounting to more than Rs. 5,000 in 1961.

The general reaction of the insurers in the region is that, while they would be prepared to submit any information that would really tone up the working of the general insurance industry, the information called for was onerous and redundant, particularly the provisions relating to the photographs and inclusion of staff other than the field workers. They are of the opinion that most of the information called for is already available with the Administrative Machinery and it would not be fair to disclose the clients' business which would be contrary to normal good business practice. In any case, submission of such information would require the prior consent of the clients. The members of the Association have, therefore, suggested to the Chairman of the Executive Committee that the circular letter may be reconsidered and, till such time the views of the general insurers' on the subject was heard, compliance with the provisions of the circular should not be insisted upon.

BOEING HULL INSURANCE

The London aviation insurance market is likely to be called upon to pay at least half of the insured value of $5½ million (£2 million) for the hull of the Boeing 707 which crashed at Guadeloupe killing the 111 people on board, according to the Insurance correspondent of the *Financial Times*, London. Coming so soon after the crash at Orley Airport of 3rd June this could appear to be a particularly harsh blow for the market. In fact, however, there are now about 700 jet airliners in commercial service throughout the world. There are, for instance, more than 250 Boeings in use and at any one time about 100 are airborne with passengers. Although this is the fourth Boeing 707 crash within a year, since first coming into service they have flown 613 million miles and carried more than 25½ million passengers.

Disturbing, therefore, as the heavy total loss such as this may appear to be, adds the correspondent, the stage is being reached when it will, almost inevitably, become something of a routine event—an average of a crash a month having been mentioned.

Insurers have prepared themselves for this, and they consider that rates of premium now being charged are on a realistic basis. Furthermore, the rate is not necessarily applied solely to the aircraft, but also very much taken into account is the management of the airline operating the aircraft. Since values of jet airliners are so high, it is considered unlikely that airlines will consider a policy of self-insurance, which means that all the jet airliners will be contributing premiums to the common pool. In spite of these mishaps, aviation insurance results are at present proving to be better than for some years past, and underwriters are quietly hopeful about future prospects.

THE APOLLO MILLS LIMITED

MORE CAPITAL FOR MODERNISATION

CHAIRMAN, MR. C. P. WADIA'S ANNUAL SPEECH

THE Apollo Mills Ltd. is to raise its authorised capital by Rs. 50 lakhs, subject to the consent of the Controller of Capital Issues, to finance its schemes of rehabilitation, modernisation and renovation. Disclosing this to the shareholders at the Forty-second Annual General Meeting of the Company, held at Bombay on 28th June 1962, the Chairman, Mr. C. P. Wadia, stated that the schemes, suggested and considered by the Directors, were to be implemented in planned stages in order to transform the mills into an up-to-date and first-rate unit of the industry.

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

"GENTLEMEN,

"As usual the Directors' report and the audited accounts of the Company for the year ended 31st December 1961 have been duly circulated and must have been perused by you. With your permission, I shall take them as read.

Favourable Results

"Before I go to the details of our working and our programme as to expansion and rehabilitation, I have great pleasure in mentioning to you that, as visualised in my speech last year, the working of the mills has shown favourable results largely due to buoyant trading conditions and prudent management that has enabled us to wipe off the carried forward losses of the preceding years. A small surplus, which has been proposed to be carried forward after, wiping off the past debit balance, has been shown at the close of the year under review.

"From the report you would have noticed that the working of the Company resulted in a satisfactory profit of Rs. 28,88,347 during the year under review. Viewed in the light of difficulties experienced by working old machinery and other incidental disadvantages arising thereof apart from lack of facilities of processing, this could be regarded as highly satisfactory.

Modernisation

"With a view to ensuring economic production and placing the Company on a sound footing from a long-term point of view, your Directors have been from time to time reviewing the state of machinery in the mills. Schemes of rehabilitation, modernisation and renovation have been suggested and considered. Your Directors feel that these steps should be taken in planned stages in order to transform your mills into an up-to-date and first-rate unit of the textile industry. While considering these schemes, the consumers' choice for fine and fancy fabrics has to be kept in view, together with achieving best possible results for the Company in future.

"As you may be aware, export prospects for textiles have been dimmed during the past year by various reasons which I need not enumerate here. Undoubtedly efforts are still being made to see that the products of your Company retain a foothold in the foreign markets which have been developed at great sacrifice. At the same time, taking a realistic view of things, the Company is concentrating on catering to local requirements and for meeting competition in this field with better products at fairer prices to the consumers.

Capital to be Raised

"In order to implement the various schemes for modernisation of the mills by stages, your Directors have been reviewing periodically the financial position of your Company. No doubt you will appreciate that through the successful working of the mills in the past year, a good deal of easing in the resources position of the Company is noticeable. However, for the long-term project of rehabilitation and replacement, it is desirable to strengthen the capital structure. Various methods of financing have been deliberated upon by your Directors and considering the balance of advantage, it has now been proposed to increase the authorised capital of the Company by Rs. 50 lakhs, subject to the consent of the Controller of Capital Issues and subject to your approval, for which an extraordinary general meeting has been convened soon after the termination of this meeting.

"In the report of the Directors, the main points pertaining to the working of the Company have been dealt with at some length. In addition, a matter of some significance about the depreciation provision has been brought to your notice in the report. However, there is one matter of some significance, to which I would like to make a reference here. I can well appreciate the disappointment of many of you at not being able to receive any dividend, despite the profits earned during the past year. While all of us were quite anxious to try and see if any distribution could be made to the shareholders, the necessity to conserve resources has compelled us from not declaring any dividend.

Future Prospects

"You will perhaps expect me to say a few words regarding the future prospects. So far as your Company is concerned, I feel that, without being highly optimistic, there are good prospects for the current year's working being satisfactory, despite recent slackness in the cloth market, high prices of cotton and stores and, last but not least, the additional impost of excise duty placed on this industry. No doubt, trading conditions have not been as favourable during the recent months as in the past. The impact of the excise duties has been felt by us to a pronounced extent. To add to all these adverse factors, wages of workers have been increased as from 1st January 1962 by Rs. 2 per head in terms of the award of the Central Wage Board. Despite all these increases affecting costs, we have had to keep the prices charged for our products on the same level as fixed by the Indian Cotton Mills' Federation on the basis of the prices obtaining in August 1959. Strenuous efforts are being made by the management to see that results for the current year's working do not tend to suffer very severely. In this, our plans and programmes of rehabilitation, modernisation and replacement will play a great part in reducing the cost structure and leaving some margin in our favour for showing satisfactory results.

More Machinery Purchased

"During the past year, we purchased 15 second-hand ring frames of 400 spindles each from Messrs. Madhav Mills Ltd. (in liquidation) to replace 16 ring frames which had become absolutely unworkable. Also two sizing machines have been purchased and put into commission in order to cope with the production of the above frames for turning out market yarn.

"The total number of spindles and looms worked during the year was 4,36,83,369 and 8,15,992, respectively, as against 4,08,20,805 and 8,14,300 worked in the preceding year.

"While concluding, I would like to express my thanks to the technical and administrative personnel as well as to the managing agents and all our workers, who have shown great zeal for ensuring successful results for the institution.

"I now move that the Directors' report and balance-sheet and profit and loss account for the year ended 31st December 1961 be and are hereby adopted. Before I put the resolution to vote, however, I shall be pleased to answer any questions that may be put to by you relating to the accounts under review."

N.B.—This does not purport to be a report of the proceeding of the meeting.

ADVANCE INSURANCE COMPANY LIMITED

CHAIRMAN, MR. BASUDEV SOMANI CALLS FOR HIGHER RESERVES

A SUGGESTION that it should be made compulsory for all insurers to increase the reserves for unexpired liabilities to 100 per cent of net premium income in the fire and miscellaneous departments and 200 per cent in the marine department was put forward by Mr. Basudev Somani, Chairman of the Advance Insurance Company Ltd., in his speech at the Nineteenth Annual Meeting held at Bombay on Thursday, 28th June 1962. Mr. Somani said that this would improve the stability and strength of the companies and put the industry on a sound financial footing.

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

"The report of Directors and accounts for the year 1961 are in your hand and, with your permission, I take them as read.

"Before saying anything about the working of the Company during the year and progress made by it, I would like to mention a few things about the current insurance problems.

"We congratulate the Executive Committee of the General Insurance Council of the Insurance Association of India for the efforts they are making towards the progress of the insurance trade and putting the same on a sound basis.

Higher Reserves

"With regard to the Executive Committee's efforts in putting the insurance industry on a sound basis, I would like to suggest that it should be made compulsory for all insurers to increase the reserves for unexpired liabilities to 100 per cent of the net premium income in respect of fire and miscellaneous accident insurance business and to the extent of 200 per cent of the net premium income of the marine cargo and marine hull insurance business. If this percentage is maintained, it would further the stability and strength of the insurance companies. To achieve this end in view, there should be made some provisions preferably by framing rules or by an enactment. It may also be provided in respect of these insurers who have not been able to maintain their reserves for unexpired liabilities as mentioned above that they should not be allowed to declare dividend in excess of 6 per cent of the paid-up capital of the Company.

"I would also like to suggest that it should be provided that this reserve fund of unexpired liabilities be invested only in Government of India securities. If provisions are made to the above effect, the position of companies would become very stable and greater confidence would be created in the minds of the public for the insurance trade.

Expense Limit

"In furtherance of bringing the insurance trade on a healthy and sound footing I would suggest that the overall cost as allowed under Section 40-C, read with Rule 17-E of the Act, be reduced gradually every year for a few years.

"Now coming to the working of the Company during the year 1961, you would be pleased to observe that our Company has maintained encouraging growth and expansion.

"The investments and general reserves of the Company have increased substantially over the last year's. The profits of the Company has also increased during the year and the Company has been able to recommend higher rate of dividend for the year 1961."

FIRE LOSSES IN BRITAIN

An estimated £7,705,000-worth of damage was caused by fires in Britain during May 1962, the biggest peacetime monthly loss ever recorded, the British Insurance Association has announced. It was about £130,000 more than the previous highest monthly estimate in March 1960, which included the Glasgow whisky fire. May losses included eight fires each estimated to have cost £100,000 or more, one of which is likely to be well over £1 million. This would be the first £1 million fire since October 1960. For the first five months of this year losses are estimated at £24,057,000, about £7 million more than the reported figure of £16,957,000 for the same period of 1961. The main reason for the higher total is the larger number of serious industrial fires. The figures represent estimates for material damage only, they do not include the losses resulting from the disruption of business and other activities.

REGIONAL CO-OPERATION IN ASIA–I

AN ANALYSIS OF IMPLICATIONS

AN outstanding feature of the organisation of world trade at the present time is the emergence, and growing importance, of regional arrangements for economic co-operation. It is significant that, though the movement for regionalism was initiated by the industrially developed countries, the less-developed countries in other parts of the world have lost no time in following the trail blazed by the former countries. Some of the Latin American countries, for instance, have gone much ahead with plans for forming a regional market and payments system. The Casablanca group of African countries are also assessing the prospects for establishing a mutually beneficial common market. Nor should it be forgotten that the Eastern European countries, the Soviet Union and mainland China also form a very important regional trading bloc that is geographically contiguous. Can Asian countries alone, in this context, afford to remain silent spectators to the changing pattern of world trading systems? There are some who argue that even the mere existence of other regional trading arrangements constitutes a sufficient reason for closer co-operation in Asia and the Far East, considering the possibility of discrimination likely to be practised by other blocs against the rest of the world. Thus, purely as a measure of self-protection in case of undue discrimination, there is, it is said, an urgent need for joint deliberation and execution of trade policies *vis-a-vis* imports from these countries into the region, even if there is no immediate scope for any sizable degree of co-operation in intra-regional trade itself.

It is, however, superficial to argue that, simply because much of the rest of the world is organising itself into regional blocs, Asian countries must follow suit. Differences in economic structure and stage of development, as well as special historical and political circumstances, make it imperative that any attempt to forge schemes of regional co-operation in Asia be tested by the criterion of maximum advantage to the countries individually as well as collectively. It is, therefore, necessary to examine the economic rationale and need for regional co-operation in Asia against a broad historical and theoretical background. This is precisely what the E.C.A.F.E. Secretariat has done in a comprehensive study on this subject (*vide Economic Bulletin for Asia and the Far East*—Vol. XII, No. 3, December 1961, which has just been made available to us). The study seeks to emphasise that regional co-operation among the Asian and Far Eastern countries is not only necessary, but feasible. This conclusion has been arrived at from a detailed analysis of the regional trade patterns, of the possibilities of agricultural and industrial specialisation and, finally, of the financing of trade and development. Although the E.C.A.F.E. study appears to have minimised the difficulties of a political nature in forming a trade bloc in this region, it has nevertheless built up an excellent case based largely on economic considerations for such a move. In the course of two articles, we propose to bring out the main features of the E.C.A.F.E.'s interesting study.

Special Conditions

There is no gainsaying the fact that both the case for regional co-operation and the nature of the problems to be faced, if the E.C.A.F.E. countries choose to move in that direction, will be quite different from those of the European Common Market or the Free Trade Area. The E.C.A.F.E. Study naturally begins with this aspect. According to it, there are three basic differences between the two regions. These are: (1) the importance of agriculture to the economies of the E.C.A.F.E. countries is much greater, (2) the extent of direct State control over the allocation of resources is generally much wider than in the European countries, where the role of the State is largely limited to monetary and fiscal influence over aggregate demand and supply, and (3) the economies of the E.C.A.F.E. region are not in the stage of "self-sustained" growth, whereas all the European countries have attained this stage. Japan, however, is an exception to these three statements. The Study has accordingly excluded Japan from the rest of the argument.

The nature of problems to be faced by the Asian countries, in general, will be different from those experienced by even the Latin American countries, where "State control over resources allocation is much less, agriculture is usually a smaller proportion of economic activity, and industrialisation is already well on the way." The E.C.A.F.E. Study appears to be optimistic enough to make the point that the aforesaid differences in the nature of the economies do not rule out the possibility of regional co-operation; only, they will lead to important consequences in the formulation of a scheme for regional co-operation. To take the question of agriculture first. If, for example, agriculture were exempted (as in the case of the Rome Treaty) from a projected attempt for regional co-operation in Asia, the benefits to be achieved will be limited, though still not negligible. The prime importance in any scheme of co-operation in this region will, therefore, have to be given, according to the Study, to measures designed to raise agricultural productivity and to reorganise land use on a more efficient basis. Proceeding, the Study observes:

"The greater extent of direct State control over resources allocation in the E.C.A.F.E. countries also means that co-operation, confined to trade, will not have very far-reaching effects, unless backed up by co-ordination of national plans for the overall pattern of investment and resource allocation. In a free-market industrial economy, the relaxation of trade barriers influences the pattern of resource allocation through the price mechanism in the direction of greater international specialisation, and brings about the gains to be expected from this. In the less-developed economies of the E.C.A.F.E. region, however, the effectiveness of the price mechanism is severely limited. Where the allocation of resources is determined substantially by the State, trade liberalisation alone will not be capable of bringing about the desired pattern of international division of labour. To effect such changes as required, great conscious efforts on the part of governments to co-ordinate their national economic plans along lines of mutual advantage would be needed. Thus, a greater degree of co-operation between governments would be necessary than in the European case to achieve the same results, as far as international specialisation is concerned.

"The advantages of international specialisation and the more vigorous competition between entrepreneurs, promoted by widening the market, are the very *raison d'etre* of the European Common Market and Free Trade Area. In the countries forming these unions, economic growth is taken almost as a matter of course, and the function of the union is just to allocate the growing resources more economically over the region as a whole at each point of time. In the E.C.A.F.E. region, however, the achievement of a steadily rising level of *per capita* real income is a goal that the governments of the region are still striving towards, with varying degrees of vigour and success. As a result, any proposals for regional economic co-operation will be tested by these Governments by the extent to which they promote the rate of growth of the national economies. If, for example, they believe that self-sufficiency in foodgrains is a necessary condition for achieving a higher rate of growth, they will be indifferent if not even hostile, to any proposal for freer trade within the region in foodgrains based on the doctrine of comparative advantage. For any proposal for regional economic co-operation to be considered seriously, it will have to be framed with reference to dynamic considerations relevant to to each of the potential participating countries."

Besides, the objective of economic growth pursued by the Asian and Far Eastern countries tends to circumscribe the scope for such policy instruments adopted by Western European countries as the relaxation of quantitative restrictions and the lowering of tariffs on intra-regional trade. In the context of economic underdevelopment, "the liberalisation of trade along the established pattern" is not, says the Study, a likely prospect. For attempts at rapid development inevitably place so much pressure on the balance of payments as to make quantitative restrictions almost a permanently necessary ingredient of economic policy, instead of being an emergency measure as in Western Europe.

Tariff Protection

Another major problem relates to tariff protection. Among the countries of the region, there are, of course, differences in the extent to which such protection is required, according to the stage of development reached by individual countries. The E.C.A.F.E. Study points out that, however difficult it may be to apply this principle in practice, any rational programme of regional co-operation will have to give due attention to this circumstance, and make allowance for the desirable degree of trade liberalisation as among the countries which are at different stages of industrial maturity. It draws attention to the fact that this problem has been recognised even in Europe, where it is taken care of, as a special case, by providing for suitable assistance from the more advanced to the relatively less developed countries, and by granting concessions and privileges.

All these considerations are bound to make a possible Asian pattern of co-operation far different from that of others, but not impracticable, says the E.C.A.F.E. Study. Its arguments run as follows:

"The mere existence of government control does not preclude the possibility of expanding trade co-operation in the interest of accelerated economic growth. The newly intensified attempts of Eastern European countries towards raising the rate of economic growth through trade co-operation under the egis of the Council for Mutual Economic Assistance confirm this view. Applied to this region, the lesson is that a considerable degree of conscious negotiation and mutual consultation will be required to bring such a co-operative scheme to fruition. A mere liberalisation of trade is not enough. But since the scope of government control and planning is generally more extensive in Asia than in Eastern Europe, the possible scope for successful co-operation among the governments, either in designing a new pattern of intra-regional specialisation or in co-ordinating national economic plans through trade, must be also greater. Equally, the need for tariff protection of infant industries should not exclude the possibility of applying the principle of industrial protection on a more rational basis, taking advantage of a certain degree of intra-regional specialisation."

Lack of Complementarity

The lack of economic complementarity in the Asian countries is usually cited as an obstacle in the way of regional co-operation. The E.C.A.F.E. Study observes, in this connection, that what co-operation has to accomplish is to increase the flow of trade between some of the less, rather than the more, complementary economies of the region. For instance, it points out, India and Burma, "which are less complementary are more likely to reap mutual benefits through co-operation, since each one protects lines of production (rice and cotton textiles, for example) in which the other is the more efficient producer."

Emphasising that the lack of complementarity is an argument for regional co-operation, the Study observes as follows:

"The basic reason why the lack of complementarity should not be deterrent to fruitful economic co-operation in the E.C.A.F.E. region is, however, that the problem here is essentially one of co-operation among countries which are at more or less the same or comparable stage of economic development. The nineteenth century pattern of international division of labour, in which the main component was an exchange of manufactured consumer goods, on the one hand, and foodstuffs and raw materials, on the other, now belongs to the past. In contrast, world trade in the twentieth century has been evolving more and more into a new pattern in which emphasis is increasingly on interchange between advanced industrial economies at the expense of commodity flows between industrial and primary producing countries. ... this structural change in world trade provides the appropriate historical setting in which the question of economic co-operation among the less developed countries has to be discussed. It is not difficult to see that countries at similar stages of capital accumulation will not show much differences in cost ratios, so far as the latter depend on differences in factor endowments. How should we, then, explain the tendency for trade among the countries with homogeneous factor

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AB—20

LAKSHMI MILLS' PROFIT LOWER

COSTS GO UP, WHILE SELLING PRICES FALL

A FURTHER cut, since January 1961, in the selling prices for cotton yarn as part of the scheme of voluntary price-control adopted in September 1960 has meant a heavy sacrifice for the South's leading cotton (and now also staple fibre) yarn manufacturing unit, the Lakshmi Mills Company Ltd. (Managing Agents: Messrs. G. Kuppuswamy Naidu and Company, Coimbatore). This can be seen from the fact that the Company's gross profit for the year ended 31st March 1962 has suffered a setback from Rs. 94.12 lakhs to Rs. 83.86 lakhs, despite an improvement in sale proceeds from Rs. 440.03 lakhs to Rs. 469.11 lakhs. The effect of the yarn price cut has been felt seriously largely because of a steady rise in the price of cotton during the year, which has reflected itself in the increase in the cost of raw cotton consumed from Rs. 235.33 lakhs to Rs. 262.76 lakhs. The wage bill, too, has gone up further from Rs. 63.81 lakhs to Rs. 67.24 lakhs due to the increase in the basic wages of the operatives in line with the settlement made on the recommendations of the Wage Board. Besides, the higher cost of living index has meant more dearness allowance. Other expenses, too, were higher at Rs. 38.92 lakhs as compared with Rs. 32.82 lakhs a year before.

In view of commendable efforts at modernisation and development, the provision for depreciation has been raised from Rs. 18.18 lakhs to Rs. 22.52 lakhs. For the same reason the transfer to development rebate reserve has been more than doubled, from Rs. 2.09 lakhs to Rs. 5.18 lakhs. Due to the fall in profit, the provision for taxation has been brought down from Rs. 31 lakhs to Rs. 25 lakhs. In the result the net profit has fallen from Rs. 39.56 lakhs to Rs. 31.83 lakhs. After the transfer to development rebate reserve, the balance left is sufficient just to pay a dividend of 25 per cent per annum, as against 30 per cent for 1960-61. But the latter included a 10 per cent golden jubilee dividend. If this special gift is excluded, it is seen that the net dividend has been progressively on the increase from 12 per cent for 1958-59 to 14 per cent for the following two years and now 17.5 per cent for 1961-62.

In the table below are presented the salient features of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	469.11	440.03	392.13	329.87
Closing stocks of finished goods and goods-in-progress ..	13.57	15.89	15.07	6.12
Other income	3.64	2.07	2.16	3.53
Raw materials and stores consumed	280.41	252.17	245.61	211.95
Staff expenses	67.24	63.81	57.99	47.79
Other expenses	38.92	32.82	28.62	21.00
Gross profit	83.86	94.12	71.00	52.17
Provision for—				
Depreciation	22.52	18.18	16.64	12.97
Taxation	25.00	31.00	20.00	12.00
Managing Agents' commission.	4.51	5.38	5.49	3.98
Net profit	31.83	39.56	28.87	23.22
To development rebate reserve.	5.18	2.09	3.75	9.00
To other reserves	..	5.50	4.20	..
Work people's gratuity	..	..	1.00	0.75
Dividend	26.63 (25%)†	31.95 (30%)†*	21.30 (20%)†	12.78 (12%)
Carry forward	0.14	0.19	0.13	1.55
Market value of equity shares (In rupees) :				
High	170.00	180.00	172.00	155.00
Low	151.00	148.00	138.00	93.50

* Includes 10 per cent. golden jubilee dividend.
† Subject to deduction of tax.

It will be noted that the amount retained in business through specific reserves out of the net profit for 1961-62 has shrunk from Rs. 7.59 lakhs to Rs. 5.18 lakhs.

The Company has now a total installed capacity of 132,688 spindles in its three units at Coimbatore, Kovilpatti and Palladam and 300 looms at Coimbatore. The construction of the buildings of the staple fibre spinning unit is nearing completion. Meanwhile, the Company has been working at Palladam 4,928 spindles on staple fibre and making a good profit. Installation of the machinery for the unit is expected to be completed by about the middle of 1963. The import licence for the waste spinning unit is awaited. The installation of the 96 automatic looms is being delayed due to the delivery period being long. The modernisation schemes are making satisfactory progress. In the Coimbatore 'A' Mills, the conversion to GX-2 drafting system is proceeding apace. The preparatory machines, imported for this conversion from America, have been installed, commissioned and are running satisfactorily. The various changes in the cards in the Coimbatore unit, taken up in the previous year, are nearing completion. The humidification of the entire unit will be completed by September next. Modernisation of the Coimbatore 'B' Mills has commenced and supplies of machinery are being expedited.

The Company proposes to take up 15,000 equity shares of Rs. 100 each in the Lakshmi Machine Works Ltd., promoted by the partners of the Company's Managing Agency firm and some prominent industrialists of the South, with an authorised capital of Rs. 5 crores, for the manufacture of textile machinery in collaboration with Rieter Machine Works Ltd., Switzerland. The Company also proposes to invest to the extent of 1,327 shares of Rs. 100 each in the Associated Cotton Traders (Private) Ltd., formed by a few cotton mills in Coimbatore to purchase at competitive rates Indian and foreign cotton from upcountry areas and foreign markets for the benefit of the member-mills. The Company holds 49,000 equity shares of Rs. 100 each, of which 14,000 were new shares taken up at a premium of Rs. 5, in the South India Viscose Ltd. The total cost of the shares is Rs. 49.70 lakhs, as against which the market price is shown at Rs. 88.69 lakhs (as of 31st March 1962).

The financial position of the Company is quite sound. Its paid-up capital is Rs. 106.50 lakhs, all in equity shares of two classes in equal number, that is, 142,000 shares of Rs. 50 each fully paid and 142,000 'A' class equity shares of Rs. 25 each, fully paid. Of this capital, Rs. 41.64 lakhs represent bonus shares. Even after this transfer to capital account, the reserves and surplus are as much as Rs. 90.22 lakhs. Total borrowings by the Company increased during the year from Rs. 72.59 lakhs to Rs. 134.30 lakhs due apparently to the heavy capital expenditure. Current liabilities and provisions amount to Rs. 156.47 lakhs, giving a total indebtedness to outsiders of Rs. 290.77 lakhs as against Rs. 210.80 lakhs a year before. But it is well covered by current assets, loans and advances aggregating Rs. 248.61 lakhs, besides investments shown at Rs. 57.89 lakhs. With a net addition of Rs. 56.22 lakhs, during the year, the gross block stands, as at the year-end, at Rs. 379.25 lakhs. It has been well written down to Rs. 180.99 lakhs.

The Rs. 50 fully paid equity shares of the Company are currently quoted at Rs. 151.50 *cum-div.* On the *ex-div.* basis, the net yield on them works out to 6.1 per cent per annum.

SELECTED SATGRAM COLLIERIES LTD.

In the review of last year's working results of the Selected Satgram Collieries Ltd., published in our issue of 30th June last, it was mentioned that there were still arrears of depreciation to the tune of Rs. 12.69 lakhs. This is not correct. The amount of Rs. 12.69 lakhs represents the accumulated depreciation provided by the Company so far.

(*Concluded from next column*)

indigenous manufacturers, which is not easy. To get over this drawback, the Company proposes to manufacture itself such billets, possibly in collaboration with foreign interests. It is exploring the possibilities in this direction and might submit a scheme to the Government for its approval.

A glance at the Company's balance-sheet reveals that more than half (Rs. 65.45 lakhs) of its paid-up capital of Rs. 100 lakhs is invested in fixed assets. During the year itself, there was an addition of Rs. 15.15 lakhs to the gross block (raising the total to Rs. 70.88 lakhs) which has been written down to Rs. 53.65 lakhs and, inclusive of the plant and machinery under installation, is shown in the balance-sheet at Rs. 59.09 lakhs. The other "own" funds of the Company, namely, reserves and surplus, amount to Rs. 15.98 lakhs as against Rs. 12.99 lakhs a year before. Clearly, the Company's finances are on sound lines, further proof of which is provided in the fact that its total indebtedness to outsiders of Rs. 61.12 lakhs, comprising secured bank borrowings of Rs. 22.61 lakhs and other liabilities of Rs. 38.51 lakhs, is comfortably covered by current assets and book debts aggregating Rs. 117.90 lakhs. Investments of Rs. 11,175, commanding a market value of Rs. 10,650, are deposited with the railways.

The Rs. 10 fully paid equity shares are currently quoted at Rs. 16.44 *cum-div.* On the *ex-div.* basis, they offer a net yield of nearly 7 per cent per annum.

BILLET SHORTAGE AFFECTS CALCUTTA STEEL

DIVIDEND MAINTAINED

THE Calcutta Steel Company Ltd. (Director: Mr. G. S. Nevatia, Calcutta) has suffered in its third year of working, namely, the year ended 31st March 1962, a setback in both sales and gross profit, from Rs. 419.19 lakhs to Rs. 334.90 lakhs in the former and from Rs. 53.43 lakhs to Rs. 40.07 lakhs in the latter. But the Directors have maintained the dividend on the Rs. 10 fully paid equity shares at 15 per cent per annum, subject to tax. Lower sales reflect a decline in the production of bars and rods from 64,738 tonnes to 52,479 tonnes during the year due to shortage of billet, particularly in the early part of the year and insufficient power. Besides, one of the mills of the Company had to be closed down twice; first for the change-over of the reheating furnace from coal to oil firing owing to deterioration in both quality and quantity of coal supplies, and later for replacement of an electric motor in the intermediate mill for the wire rod mill.

As production suffered, the cost of raw materials and stores consumed has come down from Rs. 338.01 lakhs to Rs. 274.12 lakhs and so have other expenses, excluding staff expenses which remained nearly the same, from Rs. 14.31 lakhs to Rs. 9.39 lakhs. The provision for depreciation at Rs. 5.27 lakhs has been well maintained. In view of the lower profit, the tax liability has been estimated and provided for at Rs. 17 lakhs as against Rs. 20.80 lakhs in the previous year. With the net profit at Rs. 17.80 lakhs showing a setback of nearly Rs. 9 lakhs and the dividend absorbing Rs. 15 lakhs, the Directors have not been able to set apart anything for reserves, except Rs. 0.93 lakh for development rebate reserve which had received Rs. 1.35 lakh a year before. In 1960-61, it may be noted, the Company had retained as much as Rs. 11.35 lakhs in business. After making the allocations, the surplus is Rs. 3.68 lakhs which has been carried forward as against Rs. 1.63 lakh brought in.

The table below gives an idea of the working of the Company since its inception:

(In lakhs of rupees)

	For the year ended 31st March		6th August 1959 to 31st March 1960
	1962	1961	
Sale proceeds	334.90	419.19	68.26
Closing stock of finished product..	12.31	10.49	11.47
Other income	0.58	0.20	0.19
Raw materials and stores consumed	274.12	338.01	66.83
Staff expenses	12.54	12.66	2.60
Other expenses	9.39	14.31	2.78
Gross profit	40.07	53.43	7.56
Provision for—			
Depreciation	5.27	5.68	0.96
Taxation	17.00	20.80	3.07
Net profit	17.80	26.05	3.53
Past adjustments	0.18	..	..
To development rebate reserve ..	0.93	1.35	..
To reserves	..	10.00	..
Dividend	15.00 (15%)*	15.00 (15%)*	2.50 (5%)*
Carry forward	3.68	1.63	1.03
Market value of equity shares (In rupees) :	1962	1961	1960
High	18.06	26.12	15.75
Low	15.54	14.94	13.00

* Subject to deduction of tax.

The outlook for the current year should be better, considering that billet supplies have improved considerably. But the shortage of power, fuel, transport and imported stores (the last mentioned due to foreign exchange scarcity) is causing some concern. The Directors have candidly said, in their report to the shareholders, that these factors are common to almost all industries in the country at present and that they do not foresee any early solution to these shortcomings.

After some initial difficulties, the production of wire rods was satisfactorily established in the latter part of the year. The quality of the rods, we are told, is up to the mark and so also production, having regard for the type of mill employed. But here, too, shortage of trained staff and operatives has made it obligatory for the Company to work the mill only on one shift. Perhaps, the current year might see a double-shift working, as more men would be trained. It is proposed to engage two foreign technicians to assist the works manager. In future, the Company would concentrate, as far as possible, on the production of wire rods, particularly of the special qualities which are unlikely to be produced by the integrated steel works and as such would be non-competitive in the field. There is, however, a snag here—the availability of special quality billets from the

(*Continued in previous column*)

TATA HYDEL COMPANIES' NET PROFITS LOWER

DEVELOPMENT BASED ON BORROWED CAPITAL

THE results of the Tata group of hydel companies for the year ended 31st March 1962 are encouraging only in part. All the three Companies—Tata Power, Tata Hydro-Electric and Andhra Valley—have earned higher revenues from power supply and better gross profits as compared with the previous year. But their net profits are lower than those for 1960-61. Therefore, their dividends have been kept unchanged and the transfers to reserves reduced sharply.

The revenue realised by the Tata Power Company Ltd. has increased from Rs. 420.12 lakhs to Rs. 477.32 lakhs and the gross profit has gone up from Rs. 153.31 lakhs to Rs. 174.13 lakhs. But the net profit, after providing Rs. 51.23 lakhs for depreciation (Rs. 40.20 lakhs a year before) and Rs. 27.05 lakhs (*nil*) for taxation, has declined from Rs. 113.10 lakhs to Rs. 95.85 lakhs. Inclusive of Rs. 32,801 brought in, the total surplus is Rs. 96.17 lakhs. With the interim dividend of Rs. 30 and bonus of Rs. 5, together with the proposed final dividend of Rs. 45, the taxable dividend on the Rs. 1,000 fully paid equity shares works out to 8 per cent per annum, and absorbs Rs. 41.23 lakhs. The preference dividend has taken away Rs. 6.52 lakhs. The profit retained in business by transfer to the various reserves is less at Rs. 44.38 lakhs as compared with Rs. 61.95 lakhs in the previous year. A significant change in the pattern of appropriations is that, as against Rs. 12 lakhs in the previous year, nothing has been set apart for the reserve for special repairs, whereas, as against *nil* in the previous year, Rs. 9 lakhs have been taken to the debt redemption reserve. The carry forward is Rs. 29,988.

The Tata Hydro-Electric Power Supply Company Ltd. realised Rs. 204.63 lakhs, as against Rs. 176.22 lakhs a year before from sale of power. Its gross profit has improved from Rs. 66.53 lakhs to Rs. 81.18 lakhs. But the net profit, after providing Rs. 20.12 lakhs (Rs. 15.39 lakhs a year before) and Rs. 20.95 lakhs (*nil*) for taxation, has dropped from Rs. 51.14 lakhs to Rs. 40.11 lakhs. The surplus is Rs. 41.68 lakhs, after taking into account Rs. 1.57 lakh brought in. The taxable dividend is Rs. 8 per equity share of Rs. 100, comprising an interim of Rs. 3, a final of Rs. 4.50 and a bonus of 50 nP. It takes up Rs. 19.20 lakhs and the preference dividend Rs. 6.25 lakhs. Transfers to the different reserves aggregate only Rs. 13.79 lakhs, as against Rs. 25.90 lakhs in the previous year. After making other provisions and adjustments, the surplus to be carried forward is Rs. 27,536.

The total revenue of the Andhra Valley Power Supply Company Ltd. from power supply during the year under review amounted to Rs. 268.24 lakhs, as against Rs. 232.51 lakhs in the preceding year. The gross profit has improved from Rs. 70.10 lakhs to Rs. 83.49 lakhs. Depreciation has absorbed Rs. 30.02 lakhs, as against Rs. 22.82 lakhs a year before, and the tax liability has been ignored again. The net profit, therefore, has shown a small improvement from Rs. 47.28 lakhs to Rs. 53.47 lakhs. Inclusive of Rs. 30,342 brought in, the surplus works out to Rs. 53.77 lakhs. A sum of Rs. 2 lakhs, as against nothing in the previous year, has been withdrawn from the general reserve towards payment of the proposed ordinary dividend. The dividend on the Rs. 1,000 fully paid shares amounts to Rs. 80 per share, subject to tax, and comprises interim of Rs. 30, final of Rs. 45 and bonus of Rs. 5. It has absorbed Rs. 24.21 lakhs. The preference dividend requires Rs. 3.45 lakhs. The profit retained in business by transfers to the various reserves is slightly more at Rs. 19.75 lakhs, as compared with Rs. 15.52 lakhs in the previous year. Development rebate reserve alone has got Rs. 12.48 lakhs as against Rs. 4.97 lakhs a year before. After making other adjustments and provisions, there is left a surplus of Rs. 0.36 lakh to be carried forward.

As compared with the previous year, both revenues and expenses of the entire group have been higher during the year, but while the former has increased by Rs. 123 lakhs, the latter, including depreciation and taxes, have increased by Rs. 145 lakhs. The increase in the net profit of Andhra Valley is because of the absence of tax liability, as some of the past depreciation and development rebate allowances due to the Company are yet unabsorbed.

The "clear profit" of the group, though about Rs. 7 lakhs less than in the previous year, has been higher than the reasonable return calculated on the capital base. But, according to Mr. N. H. Tata, Chairman of the Group, the "clear profit" it would earn during 1962-63 at its present tariffs would fall short of the reasonable return to which it is entitled. The Group has, therefore, been obliged to impose a uniform surcharge of 10.5 per cent on its present tariffs with effect from 1st July 1962. The surcharge is not applicable to fuel adjustment rates. This has been due to higher estimates of the costs of producing and purchasing the group's total energy requirements. It has been estimated that the total system's sales during the current year would be 2,700 million units.

The decline in net profits for 1961-62 and the decision of the Group to raise the selling rates from the current month follow from the fact, as pointed out by Mr. Tata in his statement, that the financial return available to electricity undertakings, based on the existing tariff formula, is inadequate. The return needs to be improved by suitable alterations in the Sixth Schedule of the Electricity (Supply) Act. According to Mr. Tata, the Group has continued to exert pressure both directly and through the Federation of Electricity Undertakings on the Central Government to amend the Act. General elections and certain ministerial changes came in the way of any progress in this matter last year. Insufficient profits make it difficult for electric undertakings to pay a fair return to investors and to plough back any sizable amount to reserves to finance development and modernisation. Consequently, electric undertakings are obliged to finance their expansion and modernisation programmes through external resources. Insufficient profits and the resulting inadequate return on investment make it difficult for them to attract sufficient response to additional share capital issues. For example, for the fourth unit project of the group, which is estimated to cost Rs. 12.5 crores, the three Companies have secured a loan of roughly Rs. 8.5 crores from the Agency for International Development, U.S. Further, to finance their modernisation schemes, Tata Hydro and Tata Power are issuing 6.5 per cent debentures of Rs. 100 lakhs and Rs. 85 lakhs, respectively.

The Group has entered into a partnership arrangement with Ebasco India Ltd.—a wholly-owned subsidiary of Ebasco Services Incorporated, U.S., a well-known firm of consulting engineers—for the establishment in India of a consulting engineering firm by the name of Tata-Ebasco Consulting Engineering Services. It is felt that there would be good scope for such an organisation in the country. The firm would provide consulting engineering services in the power engineering field, in which many projects are contemplated in the various States under the third and succeeding Plans. The Group and Ebasco India Ltd. will contribute equally to the working capital of Rs. 25 lakhs of the firm and share profits or losses equally. The interest of the three Group Companies, *inter se*, will be in the ratio of 20 for Tata Hydro, 30 for Andhra Valley and 50 for Tata Power.

(*Concluded from next column*)

the reserves have improved slightly from Rs. 46.72 lakhs to Rs. 48.57 lakhs. Loans, both secured and unsecured, have declined by Rs. 4 lakhs to Rs. 162.04 lakhs, but current liabilities and provisions are substantially higher at Rs. 104.55 lakhs as against Rs. 66.96 lakhs. These are, however, fully covered by investments, current assets and loans and advances aggregating Rs. 271.91 lakhs. With the addition of Rs. 30.07 lakhs during the year, the gross bloc at cost now amounts to Rs. 161.08 lakhs and, on deducting Rs. 64.22 lakhs being the depreciation provided to date, the net block stands at Rs. 96.86 lakhs. Capital work-in-progress at cost is placed at Rs. 1.08 lakhs while miscellaneous expenditure yet to be recouped amounts to Rs. 2.24 lakhs.

After the close of the year under review—on 12th February 1962, to be precise—the Company raised the equity part of its capital by Rs. 50 lakhs by issuing 500,000 ordinary shares of Rs. 10 each. The entire issue was taken up and the funds thus raised will be used to finance the various development projects outlined earlier.

Currently the Rs. 10 fully paid ordinary shares of the Company are quoted at Rs. 11.87 *cum-div.* and fetch, on an *ex-div.* basis, a net yield of nearly 6.3 per cent per annum.

BRITANNIA ENGINEERING'S PROFIT DOWN

OUTLOOK, HOWEVER, PROMISING

AN unfortunate strike, with a consequent lockout, for practically the whole of January last year at its Titaghur Works and a more than proportionate rise in the cost of raw materials and stores consumed have had a deleterious effect on the earnings of the Britannia Engineering Company Ltd. (Managing Agents: Messrs. McLeod and Company Ltd., Calcutta) during the year ended 31st December 1961. Thus, whereas gross realisation on account of sales and work done has increased by Rs. 72.91 lakhs, or nearly 36.7 per cent to Rs. 271.70 lakhs, the gross profit has actually gone down, albeit slightly, from Rs. 22.10 lakhs to Rs. 21.81 lakhs. Likewise the net profit has also declined, and more perceptibly at that, from Rs. 9.19 lakhs to Rs. 7.48 lakhs, because of a higher provision for depreciation (Rs. 9.05 lakhs as against Rs. 7.23 lakhs) even though there has been some reduction in the two other essential provisions, namely, those for managing agents' commission (Rs. 1.28 lakh as against Rs. 1.48 lakh) and taxation (Rs. 4.00 lakhs as against Rs. 4.20 lakhs). The small savings in the transfer to development rebate reserve (Rs. 2.62 lakhs as against Rs. 3.35 lakhs) and preference dividend (Rs. 0.63 lakh as against Rs. 0.78 lakh, subject to deduction of tax) have also proved of no avail in augmenting earnings for the equity and the Directors, accordingly, have been compelled to recommend the maintenance of the ordinary dividend, for the second year in succession, at 10 per cent subject to deduction of tax. This absorbs, as before, Rs. 5.00 lakhs, leaving Rs. 1.11 lakh as a carry forward as against Rs. 1.82 lakh brought in.

The working results of the Company for each of the past four years are presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1961	1960	1959	1958
Sales and work done	271.70	198.79	185.64	157.94
Closing stocks and work-in-progress	72.11	79.08	78.35	76.02
Raw materials and stores consumed	152.61	100.38	99.17	96.56
Other expenses	91.99	77.42	70.18	49.70
Gross profit	21.81	22.10	18.88	13.23
Managing Agents' commission	1.28	1.48	1.52	1.00
Provisions for—				
Depreciation	9.05	7.23	5.49	5.23
Taxation	4.00	4.20	5.32	4.39
Net profit	7.48	9.19	6.53	2.61
To reserves	2.62	3.35	1.00	1.06
Dividends—				
Preference	0.63*	0.78*	0.49	0.36
Ordinary	5.00	5.00	4.00	2.40
	(10%)*	(10%)*	(10%)*	(6%)
Carry forward	1.11	1.88	1.82	0.78
Market price of ordinary share of Rs. 10 each—	1961	1960	1959	1958
	Rs.	Rs.	Rs.	Rs.
High	15.50	15.37	13.71	13.62
Low	12.00	11.87	10.25	10.44

* Subject to deduction of tax.

It will be observed from the above table that, despite the steady increase in the turnover, there has been no corresponding improvement in the profit position, particularly during the past three years. As a result of this, dividends have continued to be relatively low and movements in the market price of the Company's equity shares have been within a narrow range, with poor capital appreciation.

Prospects for the future, however, appear reasonably bright. The Wagon division at Mokameh worked better during the year and with improved availability of matched sizes of steel, a substantial expansion is looked for. Besides, the Company has entered into collaboration agreements with Messrs. Giddings and Lewis-Fraser Ltd., of Arbroath, U.K., for production of cone winders for the jute textile industry, with Messrs. Thomas C. Keay Ltd. of Dundee, U.K., for the manufacture of Ecco cop loaders, with Messrs. Wadkin Ltd. of Leicester, U.K., for the production of wood working machinery and with Paterson Hughes Engineering Company Ltd. of Glasgow, U.K., for the production of electric overhead travelling cranes. Negotiations were also conducted to start the manufacture of single-spindle bar automatics under licence from Messrs. B.S.A. Tools Ltd., Birmingham, U.K. The results of these negotiations, however, have not been disclosed. The Directors have great confidence in the future of the Company and look forward to considerable expansion and improved results in the coming years.

During the year under review, the share capital, comprising Rs. 6.95 lakhs in 7 per cent tax-free preference shares of Rs. 100 each and Rs. 50.00 lakhs in ordinary shares of Rs. 10 each, has remained unaltered at Rs. 56.95 lakhs while

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Premier Fertilisers Ltd.

(*Managing Agents*: Emcete & Sons Private Ltd., Madras. *Chairman*: Mr. M. Ct. Muthiah, Madras.)

Extracts from the Directors' report for the year ended 31st December 1961: During the period under review, the construction of the factory buildings was started and the erection of machinery was also taken up. The expenditure during construction up to 31st December 1961 amounted to Rs. 1,08,209.73 inclusive of the expenses of Rs. 99,956.72 incurred during the year.

The income earned during this year after making provision for development rebate of Rs. 870 and for taxation of Rs. 55,000 is Rs. 49,735. The Directors recommend that this amount be carried forward.

All the imported as well as indigenous items of plant and machinery have been received, although there was considerable delay in the receipt of indigenous items due to transport bottleneck. However, the Directors expect the factory to go into production in about a couple of months if everything goes according to schedule.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	49,54,500	Gross block*	20,19,208
Reserves and surplus	50,605	—Depreciation	6,760
Other liabilities	10,77,671	Net block	20,12,448
		Current assets	4,18,553
		Investments	17,910
		Cash	33,60,841
		Miscellaneous expenditure	2,73,029
	Rs. 60,82,776		Rs. 60,82,776

* Paid-up capital consists of 5,00,000 equity shares of Rs. 10 each fully paid up. Calls in arrears amount to Rs. 45,500.

Karanpura Development Co., Ltd.

[*Secretaries and Treasurers*: Messrs. Bird and Co. (Private) Ltd., Calcutta.]

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales of limestone, lime and fireclay	7,53	2,52
Royalty income	7,79	7,80
Closing stock of limestone, lime and fireclay	1,23	98
Gross profit	4,66	4,73
Transfer to Managing Agents' commission	Nil	29
" " Secretaries' and Treasurers' commission	31	13
" " depreciation	26	7
" " provision for taxation	2,60	1,77
" " statutory development rebate reserve	14	3
" " general reserve	1,00	1,00
Net profit	35	1,44
Adjustments	2,55	2,61
Appropriations:		
Total available balance	2,90	4,05
Proposed dividends (taxable) Ordinary	75	75
	(5%)	(5%)
" " " Founders' shares	75	75
	(15%)	(15%)
Carry forward	1,40	2,52

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: By the end of the year under review, 13,590 bighas of land had been notified and acquired by the Government of India in the Karanpura Coalfield and claims for 10,908 bighas have so far been submitted to the National Coal Development Corporation, Ranchi.

As anticipated, the Company's Saunda claim was referred to the Tribunal set up by the Central Government under Section 16 of the Coal Bearing Areas (Acquisition and Development) Act, 1957, and a decision in this respect is still awaited.

With regard to the Chordhara area, the suit between the National Coal Development Corporation and the Rajendra Collieries Limited was decided against the Company's sub-lessees and despite attempts to arrive at an amicable solution with them, the Company have been constrained to serve a notice on them for recovery of the large amounts outstanding, prior to Court proceedings in the event of their non-compliance therewith.

Royalty: By virtue of a *Gazette* Notification, being No. S.O. 3094 of the 29th December 1961, Section 9(1) of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957) was made to apply with effect from that date to or in relation to mining leases in respect of coal granted before the 25th October 1949, subject to the modification that "the lessee shall pay royalty at the rate specified in any agreement between the lessee and the lesser or at 2½ per cent of F.O.R. prices whichever is higher." The overall effect on the royalty income of the Company unless amendments are made is such as to eliminate without compensation the profit derived in the past from the Company's sub-leased properties.

The Notification has also adversely affected other members of the Coal Industry and it has, therefore, been made the subject matter of a reference to Government as a prelude to a bi-partite conference on the whole Royalty issue.

Raisings and Despatches: During this period 1,603,510 tonnes of coal were raised and 1,558,351 tonnes were despatched.

Taxation: The appeal lodged in Supreme Court against the taxation of *Salami Profits* as business income by Tax authorities has been decided in favour of the Department.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	20,00,000	Gross block	34,18,636
Reserves and surplus	29,21,934	—Depreciation	10,76,454
Other liabilities	56,12,582	Net block	23,42,182
		Block in progress	5,770
		Property acquired by Government	8,93,559
		Current assets	33,18,351
		Investments	18,21,520
		Cash	21,53,184
	Rs. 1,05,34,566		Rs. 1,05,34,566

* Paid-up capital consists of 1,50,000 ordinary shares of Rs. 10 each and 50,000 Founders' shares of Rs. 10 each.

Coorg Tea Co., Ltd.

(*Managing Agents*: Messrs. Srinivas Agencies, Coimbatore.)

19th Annual General Meeting—21st July 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Tea sales	6,84	7,88
Coffee sales—advance received	8	2
Closing stock of tea	7,06	9,12
Closing stock of coffee	4	3
Gross profit	1,92	1,85
Transfer to Mg. Agents' remuneration	16	25
" " depreciation	30	30
" " development rebate reserve	Nil	3
" " provision for taxation	50	73
Net profit	96	1,54
Adjustments	2	3
Appropriations:		
Total available balance	98	1,57
Transfer to development reserve	Nil	40
Proposed dividends (taxable) 7½% Preference	19	19
Proposed dividends (taxable) Equity	72	96
	(15%)	(20%)
Carry forward	7	2

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: *Crop and Price*: 1,86,794 (1,82,344 kgs. for 1961) kgs. of tea were produced during the year under report against the estimate of 1,70,100 kgs. The Tea was produced at a cost of 316.34 nP per kg. against 322.58 nP per kg. for the previous year. The net average sale price realised works out to 457 nP per kg. compared to 509.26 nP per kg. during the previous year.

The stock of Tea remaining unsold as at 31st March, 1962 was 38,083 (39,870 for 1961) kgs. the whole of which has been valued at all-in-cost of Rs. 3.62 (Rs. 3.83) per kg.

Coffee: 711—40 Litre Units of Dry Cherry were harvested during the year which gave an outturn of 6.006 (2.010 for 1961) tonnes. The revenue expenditure incurred on Coffee amounted to Rs. 41,770 (Rs. 18,743). The loss on Coffee working for the year was Rs. 29,758 (Rs. 13,718 for 1961).

The estimates for the year ending 31st March, 1963 provide for a crop of 1,70,100 kgms. of made Tea to be produced at a cost of 339.45 nP per kg. and 19 tons Coffee at an estimated cost of Rs. 5,860.39 nP per ton. The estimates also provide for a capital expenditure of Rs. 23,319.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	7,30,000	Gross block	14,78,896
Reserves of surplus	5,26,354	—Depreciation	2,63,339
Other liabilities	3,05,145	Net block	12,15,557
		Current assets	3,42,169
		Investments	1,250
		Cash	2,523
	Rs. 15,61,499		Rs. 15,61,499

* Paid-up capital consists of 2,40,000 Equity shares of Rs. 2 each fully paid up and 50,000—7½ per cent. redeemable preference shares of Rs. 5 each fully paid (redeemable at any time by three months' notice.)

India United Mills Ltd.

(*Chairman*: Mr. M. D. Bhat, Bombay.)

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales	14,67,92	11,30,75
Closing stock	2,32,24	2,98,09
Gross profit	1,81,61	1,10,22
Transfer to depreciation	14,92	11,70
" " development rebate	2,73	2,92
" " provision for taxation	62,00	Nil
Net profit	1,00,96	95,59
Adjustments	16,22*	35,34†
Appropriations:		
Total available balance	1,17,18	1,30,93
To adjustment of brought forward from 1959	Nil	19,79
To arrears of depreciation for 1958 and 1959	Nil	21,43
To payment of bonus for 1958 and 1959	Nil	13,00
To *Ad hoc* provision for bonus	35,00	Nil
To Lay off compensation to workers due to electricity shortage 1951-52	Nil	8,46
To previous years' expenses	Nil	50
Transfer to general reserve	15,00	Nil
" " development rebate reserve	1,24	98
" " contingency reserve	7,11	34,44
" " taxation for previous years	8,00	Nil
Proposed dividends (taxable) Equity	28,00	16,00
	(14%)	(8%)
" " " Deferred	18,63	6,63
	(37½%)	(13½%)
Carry forward	4,20	9,70

* Included Rs. 9.70 lakhs being balance brought forward from 1960; Rs. 5.52 lakhs being refund of taxes for previous years and Rs. 1.00 lakh being provisions no longer required.

† This represents only refund of taxes for previous years amounting to Rs. 35.34 lakhs.

Extracts from the Directors' report: *Cloth Sales*: During the year under report total bales sold and delivered were 129,719. The opening stock comprised of 11,466 bales sold and 9,817 bales unsold and the closing stock 9,691 bales sold and 3,554 bales unsold. Thus the stocks were appreciably reduced.

Machinery: The financial position of the Company is progressively improving and the Company is going ahead with its programme of renovation and rehabilitation of machinery. Orders placed at present for new machineries are of the aggregate value of Rs 1.22 crore. These include (i) 150 Ring frames, (ii) 10-H. S. Draw frames and 10 Inter frames, (iii) one Barber Colman winding and warping equipment, (iv) Four American combers, (v) one stenter, (vi) one yarn mercerising machine, (vii) one cheese dyeing plant, (viii) two cone winding machines, (ix) 48 looms, (x) one 6 colour cloth printing machine, and (xi) three boilers. Lighting and humidity conditions are being further improved.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	2,50,00,000	Gross block	5,51,63,285
Reserves and surplus	72,96,287	—Depreciation	4,16,23,670
Other liabilities	3,22,60,028	Net block	1,35,39,615
		Block in progress	4,02,820
		Current assets	4,88,33,669
		Investments	3,26,906
		Cash	14,53,305
	Rs. 6,45,56,315		Rs. 6,45,56,315

* Paid up capital consists of 20 lakhs of Equity shares of Rs. 10 each and 50 lakhs of deferred shares of Re. 1 each.

Balmer Lawrie and Co., Ltd.

(*Chairman and Managing Director*: Mr. C. G. Montgomery, Calcutta.)

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales (gross)	9,58,45	10,24,55
Income from Trade Investments (Net)	7,38	6,72
Profit on sale of investments	4,44	5,90
Remuneration as Mg. Agents, Secretaries and Treasurers and miscellaneous income	23,65	25,62
Trading Stock as at 31st December	54,95	54,00
Gross profit	43,40	42,92
Transfer to depreciation	2,12	1,85
" " taxation	14,08	13,04
Net profit	27,20	28,03
Adjustments	5,75	5,14
Appropriations:		
Total available balance	32,95	33,17
Transfer to development rebate reserve	45	42
" " general reserve	7,00	7,00
To payment of interim dividend (taxable)	5,60	5,60
	(7%)	(7%)
Proposed final dividend (taxable)	14,40	14,40
	(18%)	(18%)
Total dividend	[25%]	[25%]
Carry forward	5,50	5,75

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: *Operations*.—Certain difficulties in arranging for the loan capital required by Assam Pulp Mills Ltd. could not be resolved and it was decided to abandon the project and to take steps to wind up that company. This decision will involve the Company in the loss of its investment in Assam Pulp Mills Ltd. and the major portion of the preliminary expenses incurred in connection with the project. These losses have therefore been written off in the accounts, but due to the improved overall profit in trading and after credit has been taken for the balance of provision for contingencies to the extent it is no longer required the final results for the year are similar to those of 1960.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	80,01,400	Gross block	84,39,789
Reserves and surplus	1,05,94,326	—Depreciation	42,70,006
Other liabilities	2,01,08,448	Net block	41,69,783
		Current assets	2,56,08,739
		Investments	84,62,711
		Cash	4,62,941
	Rs. 3,87,04,174		Rs. 3,87,04,174

* Paid-up capital consists of 80,014 ordinary shares of Rs. 100 each. Out of this 40,007 ordinary shares are allotted as fully paid Bonus shares by way of capitalisation of revenue reserves.

Katras Jherriah Coal Co., Ltd.

(*Managing Agents*: Messrs. Andrew Yule and Co., Ltd., Calcutta.)

Annual General Meeting—Held on 7th July 1962.

Working Results:

	For the year ended 31st January (In thousand rupees)	
	1962	1961
Sales of Coal (gross)	80,04	83,85
Closing stock	2,01	2,16
Gross profit	11,23	15,50
Transfer to Managing Agents' commission	89	1,91
" " provision for cesses	59	79
" " depreciation	1,45	1,39
" " provision for taxation	4,25	6,01
Net profit	4,05	6,00
Adjustments	1,76	2,16
Appropriations:		
Total available balance	5,81	8,16
Transfer to bad and doubtful debts reserve	Nil	25
" " development rebate reserve	• 27	57
" " capital reserve		Nil
" " general reserve	70	Nil
To Interim dividend (taxable)	1,49	2,23
	(10%)	(15%)
Proposed final dividend (taxable)	2,23	3,72
	(15%)	(25%)
Total dividend	[25%]	[40%]
Carry forward	1,12	1,39

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

• Only a small sum of Rs. 200.

Extracts from the Directors' report: Raisings for the year were 3,24,426 tonnes compared with 3,50,536 tonnes in the previous year. Despatches, which included purchased coal, amounted to 3,37,480 tonnes as against 3,60,222 tonnes.

Consequent on certain mining difficulties encountered at Laikdih Deep colliery, raisings from this mine showed a decline of over 20,000 tonnes during the year under review. The position has since improved and the colliery continues to pro-

duce a very high grade of coking coal, almost all of which is consumed by the Steel Industry.

At Seebpore colliery raisings have been obtained from the Koithi Seam incline, and quarrying operations have commenced in the area of the outcrop of this seam: this open cast working should help to maintain the raisings at this colliery for some years to come.

Accounts in brief as at 31st January 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital* ..	14,88,460	Gross block ..	61,62,377
Reserves and surplus .	17,13,667	—Depreciation ..	42,88,781
Other liabilities ..	24,37,498		
		Net block ..	18,73,596
		Block in progress ..	1,95,165
		Current assets ..	26,95,274
		Investments ..	7,16,004
		Cash	1,59,526
Rs. ..	56,39,625	Rs. ..	56,39,625

* Paid up capital consists of 1,48,846 Ordinary shares of Rs. 10 each. Out of this 65,000 shares are issued as fully paid up Bonus shares by way of capitalisation of reserves.

Bridge and Roof Co. (India) Ltd.

(*Secretaries*: Messrs. Balmer Lawrie and Co., Ltd., Calcutta.)

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales	2,92,06	2,29,28
Closing stock of raw materials ..	37,13	25,60
Work in progress at 31st December ..	88,84	59,24
Gross profit	28,26	29,94
Transfer to Mg. Agents' remuneration ..	Nil	2,70
,, ,, depreciation	9,30	9,91
,, ,, provision for taxation	10,66	9,97
Net profit	8,30	7,26
Adjustments	1,88	1,73
Appropriations:		
Total available balance	10,18	9,09
Transfer to general reserve	3,62	3,00
,, ,, development rebate reserve ..	1,14	61
Proposed dividend (taxable) ordinary ..	3,60 (30%)	3,60 (30%)
Carry forward	1,82	1,88

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: Since the close of the year, Balmer Lawrie and Co., Ltd., which owns approximately 94 per cent of the Company's share capital, made an offer to the remaining members to acquire their shares. This offer remains open until 31st July 1962.

Operations.—The results for the year show a satisfactory increase in the turnover and profits.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,00,000	Gross block ..	1,00,00,159
Reserves and surplus ..	42,11,138	—Depreciation ..	63,83,766
Other liabilities ..	1,98,35,607		
		Net block	36,16,393
		Block in progress ..	44,747
		Current assets ..	2,08,19,075
		Investments	2,65,100
		Cash	5,01,430
Rs.	2,52,46,745	Rs.	2,52,46,745

* Paid-up capital consists of 1,20,000 Ordinary shares of Rs. 10 each. Of this 60,000 Ordinary shares are allotted as fully paid Bonus shares by way of capitalisation of revenue reserve.

Dhunseri Tea Co., Ltd.

(*Managing Directors*: Mr. S. L. Dhanuka and Mr. P. L. Dhanuka, Calcutta.)

46*th Annual General Meeting*—26th July 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sale proceeds of tea	30,19	29,37
Closing stock of tea	11,91	14,78
Gross profit	3,15	5,66
Transfer to depreciation	1,02	1,43
,, ,, provision for taxation	1,00	2,10
Net profit	1,13	2,13
Adjustments	2,56*	10
Appropriations:		
Total available balance	3,69	2,23
Transfer to general reserve	2,40	Nil
,, ,, rehabilitation reserve	Nil	30
,, ,, development rebate reserve ..	8	27
Proposed dividends (taxable) 10 per cent. C. preference ..	12	12
,, ,, ,, ,, ..	1,05 (15%)	1,40 (20%)
Carry forward	4	14

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 2 lakhs transferred from rehabilitation reserve and Rs. 42,552 being unspent liability no longer required—written back.

Extracts from the Directors' report: *Weather and Crop*:—Weather conditions were generally favourable. Hence the crop returns were satisfactory but the average prices during the year declined due to the general weakness of the market and consequently the working results of the gardens were affected.

The following are the comparative crop and sale statistics for the last three years:

	Kgs.	Average sale price per Kg.
Dhunseri Tea Estate		
1959	3,84,545	Rs. 4.96
1960	3,91,409	,, 5.40
1961	3,88,269	,, 4.44
Dhendai Tea Estate		
1959	2,59,786	,, 5.07
1960	2,00,529	,, 5.23
1961	2,44,530	,, 4.72

The estimate for the season 1962 provides for the production of crop at Dhunseri Tea Estate 3,73,000 kgs. at a local cost of production of Rs. 3.45 per kg. and for Dhendai Tea Estate 2,54,000 kgs. at a local cost of production of Rs. 4.28 per kg.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	8,20,000	Gross block ..	28,02,396
Reserves and surplus ..	7,94,308	—Depreciation ..	8,86,220
Other liabilities ..	22,40,911		
		Net block	19,16,176
		Current assets ..	18,05,023
		Investments	1,02,165
		Cash	31,855
Rs.	38,55,219	Rs.	38,55,219

* Paid-up capital consists of 70,000 ordinary shares of Rs. 10 each and 12,000 ten per cent cumulative preference shares of Rs. 10 each.

COMPANY MEETINGS AND DIVIDENDS

METAL BOX CO. OF INDIA LTD. Twenty-ninth Annual General Meeting, Calcutta, 18th July 1962. Dividend: Rs. 2.50 per share (includes interim dividend of Re. 0.90 per share), subject to deduction of tax. Transfer books remain closed from 2nd to 18th July 1962, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Forty-sixth Annual General Meeting, Calcutta, 20th July 1962. Dividend: Re. 1.00 per ordinary share, subject to deduction of tax, payable on or after 27th August 1962. Transfer books remain closed from 5th to 20th July 1962, both days inclusive.

BAGALKOT CEMENT CO., LTD. Thirteenth Annual General Meeting, Bombay, 20th July 1962. Dividend: *Nil*. Transfer books remain closed from 6th to 20th July 1962, both days inclusive.

BHARAT LINE LTD. Sixteenth Ordinary General Meeting, Bhavnagar, 20th July 1962. Dividend: *Nil*. Transfer books remained closed from 25th June to 24th July 1962, both days inclusive.

DUNCAN BROTHERS AND CO., LTD. Sixty-third Annual General Meeting, Calcutta, 21st July 1962. Dividend: Rs. 14.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 12th to 21st July 1962, both days inclusive.

COORG TEA CO., LTD. Nineteenth Annual General Meeting, Coimbatore, 21st July 1962. Dividend: 15 per cent or Re. 0.30 per ordinary share, subject to deduction of tax, payable on or after 30th July 1962. Transfer books remain closed from 14th to 21st July 1962, both days inclusive.

SYNTHETICS AND CHEMICALS LTD. Second Annual General Meeting, Bombay, 26th July 1962. Dividend: *Nil*. Transfer books remain closed from 16th to 26th July 1962, both days inclusive.

DHUNSERI TEA CO., LTD. Forty-sixth Annual General Meeting, Calcutta, 26th July 1962. Dividend: 15 per cent or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 19th to 26th July 1962, both days inclusive.

BURN AND CO., LTD. Annual General Meeting, Calcutta, 30th July 1962. Dividend: 28.5 per cent on ordinary shares, subject to deduction of tax, payable on or after 1st August 1962. Transfer books will remain closed from 21st to 30th July 1962, both days inclusive.

CALCUTTA STEEL CO., LTD. Third Annual General Meeting, Calcutta, 31st July 1962. Dividend: Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 23rd to 31st July 1962, both days inclusive.

LAKSHMI MILLS CO., LTD. Fifty-second Annual General Meeting, Pappanaickenpaiayam, Coimbatore, 1st August 1962. Dividend: 25 per cent on Equity capital, subject to deduction of tax. Transfer books will remain closed from 17th July to 1st August 1962, both days inclusive.

COCHIN MALABAR ESTATES LTD. Thirty-second Annual General Meeting, Calicut, Kerala State, 4th August 1962. Dividend: 20 per cent or Re. 0.60 per ordinary share (includes interim dividend of 9 per cent or Re. 0.27 per share), subject to deduction of tax. The final dividend will be payable on or before 20th August 1962. Transfer books will remain closed from 20th July to 4th August 1962, both days inclusive.

TATA POWER SUPPLY CO., LTD. Forty-third Annual General Meeting, Bombay, 8th August 1962. Dividend: Rs. 80 per ordinary share (includes interim dividend of Rs. 30 per share plus a Bonus of Rs. 5 per share) subject to deduction of tax. Transfer books were closed from 9th to 23rd June 1962, both days inclusive.

ANDHRA VALLEY POWER SUPPLY CO., LTD. Forty-sixth Annual General Meeting, Bombay, 9th August 1962. Dividend: Rs. 80 per ordinary share (includes interim dividend of Rs. 30 per share plus a Bonus of Rs. 5 per share), subject to deduction of tax. Transfer books were closed from 9th to 23rd June 1962, both days inclusive.

TATA HYDRO ELECTRIC POWER SUPPLY CO., LTD. Fifty-third Annual General Meeting, Bombay, 9th August 1962. Dividend: Rs. 8 per ordinary share (includes interim dividend of Rs. 3 per share plus a Bonus of Re. 0.50 per share), subject to deduction of tax. Transfer books were closed from 9th to 23rd June 1962, both days inclusive.

TATA OIL MILLS CO., LTD. Annual General Meeting, Bombay, 16th August 1962. Taxable dividend of Rs. 5.75 per ordinary share, subject to deduction of tax, for the year ended 31st March 1962, payable on 17th August 1962.

WESTERN INDIA PLYWOODS LTD. Annual General Meeting, 31st August 1962. Taxable ordinary, dividend of 14 per cent for the year ended 31st March 1962.

NEW STANDARD ENGINEERING CO., LTD.—BOMBAY. Dividend of 9 per cent (4.5 per cent being payable out Special Reserve—free of tax), for the year ended 31st March 1962.

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD. Taxable dividend of 23 per cent or Rs. 23.00 per share, for the year ended 31st March 1962. Transfer books will remain closed from 17th to 30th July 1962, both days inclusive.

PREMIER MILLS (CBE) LTD. Taxable dividend of 25 per cent or Rs. 25.00 per share, for the year ended 31st March 1962. Transfer books remain closed from 15th to 28th July 1962, both days inclusive.

TIRUPATI COTTON MILLS LTD. Taxable dividend of 12 per cent or Re. 1.20 per ordinary share, for the year ended 31st March 1962, subject to I.F.C. sanction. Transfer books will remain closed from 1st to 10th August 1962, both days inclusive.

MYSORE PAPER MILLS LTD. Taxable dividend of 15 per cent or Re. 1.50 per share, for the year ended 31st March 1962.

BENGAL POTTERIES LIMITED

CHAIRMAN, SIR SHRI RAM DEPRECATES HIGHER EXCISE DUTY

THE extent to which the high rate of excise duty on potteries has adversely affected the growth of the industry was explained by Sir Shri Ram, Chairman of the Bengal Potteries Ltd., in his address at the Fiftieth Annual Meeting of the Company held at Calcutta on 29th June 1962. High rates of duty, he maintained, meant difficulties to the industry in the disposal particularly of the superior quality goods. The industry, therefore, had to produce "to a fair extent" cheaper qualities of goods, and this in turn yielded lower profits. Another major difficulty of the industry, according to him, was the shortage of power, which made it impossible for the industry to run the kilns non-stop.

The following is the text of Sir Shri Ram's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you all to this fiftieth annual general meeting of our Company.

"The accounts and Directors' report have been in your hands for some time and, with your permission, I would like to take it as read.

Demise of Mr. Bhagat

"You must have heard of the sad demise of Mr. M. G. Bhagat in January this year after a short illness. Mr. Bhagat was the life and soul of this concern and he was responsible for the great success that this concern has achieved. I hope you will all like to join me in conveying our feelings of sorrow to the family and in sending the resolution of condolence.

"As regards the working of the Company last year, we had a number of difficulties to face. Firstly, the levy of excise duty at rather a high rate which naturally meant difficulties in the disposal, particularly of the better class of goods. It is well known that the percentage of profits normally is lower in the cheaper quality of goods than the better ones, and we had to produce to a fair extent cheaper qualities of goods.

Shortage of Electricity

"In a concern like Bengal Potteries where the kilns have got to run for 24 hours and the goods must be fired in the kilns, the shortage of electricity does a lot of harm, and last year on a large number of occasions the electricity failed without notice. That has also been responsible for not much increase of production and sales of crockery as otherwise would have been possible.

"You will remember that last year we had mentioned that we had entered into an arrangement with Messrs. Rosenthal-Isolatoren-Gmbh for making highly tension insulators. The work in a way started sometime in April, but, as in any new concern, there are a lot of teething troubles and even with all their experience, it was necessary to study the conditions in India with Indian raw materials. Due to these troubles and experiments, I am sorry, that the Factory No. 2 has not been able to show profits, but I am also glad to say that we are now on the right lines and hope to be able to give a better account for the current year.

I.C.I.C.I. Loan

"You will rember that we had decided to take a loan from the I.C.I.C.I. which we have taken and the machinery ordered against the loan has arrived and is being erected.

"Finally, I am glad to say that our employee relations have been satisfactory, which is a great asset."

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

CALL MONEY AT 3/4 PER CENT

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

The money market is extremely easy, with banks having plenty of idle funds at their disposal. Since short-term deposit rates are unchanged at the ceilings under the inter-bank agreement, the only evidence of easier conditions is provided by the inter-bank day-to-day call money rate. This rate has been ruling at as low as ¾ per cent since Tuesday, as against 1¼ per cent in the past week and one per cent on Monday this week. Apparently, banks and others have been conserving their liquid resources for investment in the new Central loans, the list for which opens tomorrow.

As briefly reported last week, there were no sales of Treasury Bills under the tender system. Sales of intermediate Treasury Bills from 4th to 7th July fetched just Rs. 57 lakhs as compared with Rs. 710 lakhs between 27th and 29th June 1962.

The Reserve Bank's statement for the week ended 6th July 1962 discloses a slight increase of Rs. 123 lakhs in India's foreign assets bringing the total to Rs. 98.55 crores.

The Gilt-edged market was quiet, with a further fall in the values of medium and long-dated loans of the Central Government. Thus, the 3 per cent 1986 Conversion Loan has gone down by 60 nP, 3 per cent 1970-75 by 30 nP, 3½ per cent 1968 by 20 nP and 4 per cent 1979 by 30 nP. There has been some selling in State loans also. For instance, the 4½ per cent 1972 Uttar Pradesh, Andhra and Madras have gone down by 15 nP, 35 nP and 20 nP, respectively.

After being firm in the last fortnight, the £ sterling has turned quiet. Spot sterling in the New York exchange has come down by 0.280 cent to 280.490-280.520 cents per £. 3 months' forward has declined by 0.320 cent to quote at 279.910-279.940 cents. In keeping with this trend, the rupee has improved to some extent in terms of the U.S. dollar. Bank's selling rate for ready T.T. to New York has gone up by 25 nP to Rs. 477 per 100 dollars. There has been a corresponding rise in their buying rate which, as of today, is Rs. 473.75.

BRIGHTER TEAS DEARER

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

COCHIN, 5*th July*

About 803,000 kgs. were offered in sale No. 27 held on Tuesday the 3rd inst. Quality of high-grown on offer was well maintained and there were a few invoices which were brighter in cup. The market met with good general demand. Low medium and medium brokens were irregular and brighter sorts were often dearer. Fannings under this category, however, did not receive the same support and were generally lower, particularly the fibrous kinds. Good medium brokens were also in good demand at fully firm rates, but fannings were again slightly easier. Highgrowns met with useful support and sold at prices above last. Clean black leaf descriptions were a strong feature of the sale. Unorthodox manufacture, although met with better support, realised irregular prices. Whole leaf grades were strong and dearer.

The quotations per kg. were:

	1962 Rs.	1961 Rs.
Low mediums	3.20-4.00	4.35-4.50
Mediums	3.70-4.20	4.50-4.60
Good mediums	4.00-5.20	4.60-4.80
Nilgiri B.O.P.	4.30-6.30	4.60-5.80

The average price realised in sale No. 27 was Rs. 3.93 per kg. as against Rs. 3.81 a week ago and Rs. 4.55 in the corresponding sale last year.

In dust sale No. 27 held today, 500,000 kgs. were offered. The market met with less general demand at much lower rates, with prices easing further towards the close of the sale. A number of teas were withdrawn. Low mediums and mediums met with fair support, but these were irregularly easier and sometimes declined by upto 50 nP. Good mediums followed a similar tendency. Highgrowns met with good enquiry. The better kinds were steady, while others inclined a little easier. There was better support for unorthodox descriptions, although these generally sold at lower rates than last. Clean black leaf varieties also shared in the downward trend of the market.

The average price realised in dust sale No. 27 was Rs. 3.08 per kg., as compared with Rs. 3.17 a week ago and Rs. 4.50 in the corresponding sale last year.

Colombo: Just over eight million pounds were offered during the week. There was good general demand. Best dimbulas were dearer by 30 to 40 cents while uvas registered advances of 10 to 20 cents. Mediums and lowgrowns were fully firm. Liquoring fannings were again strong and dearer.

London: *North Indian and other growths*: In Monday's sale, there was fair general demand. New season's dooars were firm, while Africans tended easier.

Ceylon and South Indians: There was good general demand for both Ceylons and South Indians offered during this week. With the exception of plain liquoring sorts which were a little easier, others were generally steady.

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

"*Sale No.* 28: 822,000 kgs. offered. Good demand. Brighter low medium and medium brokens dearer. Others barely steady. Similar fannings lower. Good mediums firm. Highgrowns fully firm, sometimes dearer. Unorthodox irregularly higher."

BULLION WEAK AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

The bullion market depicted a firm trend during the major part of the week under review, but turned distinctly easy today. Induced by short-covering and scattered fresh buying, both gold and silver moved forward. Calcutta operators were said to be keen buyers especially in silver. The upward trend of values persisted till today when the market experienced nervous bull liquidation in silver which suffered a sharp setback. Not only were the earlier gains completely erased but today's closing rates were well below those prevailing a week ago. In sympathy with silver, gold also tended to recede. But the decline was negligible, so that today's prices were much higher than those a week ago.

The daily average offtake of both the metals was larger than in the previous week: 4,400 tolas of gold and 9 bars of silver, as against 3,750 tolas and 8 bars, respectively. While offtake tended to improve thus, the pace of arrivals slowed down, the daily average being 4,500 tolas of gold, as against 5,250 tolas, and 40 bars of silver, as against 53 bars. The floating stocks in the City are reported to be around 16,000 tolas of gold and 900 bars of silver.

The *Bhadrapad* (15th September) in gold met with speculative support inspired by encouraging spot advices and advanced from Rs. 124.35 on Wednesday last week to Rs. 125.75 today before finishing at Rs. 125.30. The net gain over the week was 95 nP. The ready rate continued to be quoted at a premium over the forward throughout the week. The actual premium improved from Re. 1.30 to Re. 1.55 on Saturday the 7th inst., but declined to 90 nP yesterday. Today, it increased again to 95 nP. Ready gold was quoted today at Rs. 126.25 a rise of 60 nP over the week; the highest level touched was Rs. 127.10 on Saturday the 7th inst.

In silver, the *Bhadrapad* (17th September) settlement was well favoured, the quotation rising from Rs. 215.35 to Rs. 216.80 yesterday. Today, the settlement encountered selling and fell to Rs. 214.95. Ready gold was, as in the previous week, quoted at a discount under the forward, though the actual discount receded from Re. 1 last week-end to 60 nP today when the spot rate stood at Rs. 214.35, same as last week.

The dollar price of gold in the London bullion market improved from $35.11 to $35.11⅜ per fine ounce. Following this rise and owing to the easiness of the pound sterling *vis-a-vis* the dollar, ready gold spurted from 250*s.* 0¾*d.* to 250*s.* 3*d.* Spot and forward silver hardened by ¼*d.* each to 87*d.* and 87¼*d.*, respectively. Silver in New York, however, receded from 103.25 cents to 102.75 cents. With the consumer stocks of silver now replenished, the indications, according to the London *Financial Times*, are that the market should be fairly quiet during the summer. "Very little," to quote this paper, "is known of future Chinese intentions, but several small shipments of Chinese metal are expected in the next few weeks, and these should also help to keep prices steady. But, if more industrial orders come forward in the autumn and there is no increase in the volume of supplies, then this might be only a temporary respite."

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

	11-7-62 (closing)	High	Low	4-7-62 (closing)
GOLD				
Ready (.99 fine)	Rs. 126.25	Rs. 127.10	Rs. 125.80	Rs. 125.65
*Bhadrapad** ..	125.30	125.80	124.30	124.35
Sovereign	97.75	98.00	97.75	97.50
SILVER				
Ready (.996 fine) ..	214.35	216.10	214.30	214.35
Bhadrapad† ..	214.95	216.85	214.90	215.35
London—				
Gold	250*s.*3*d.*	250*s.*3*d.*	250*s.*1¼*d.*	250*s.*¾*d.*
Silver Ready ..	87*d.*	87*d.*	86¾*d.*	86¾*d.*
Silver Forward ..	87¼*d.*	87¼*d.*	86¾*d.*	87¼*d.*
New York—				
Silver	102.75 cents	103.25 cents	102.75 cents	103.25 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

FIRM TONE IN LINSEED

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 3*rd July*

Owing to continued scarcity of supplies from upcountry due to the heavy rains and floods in the districts, the local linseed market was firm right through the week with their stocks diminishing, they were finding it difficult to fulfil their commitments for forward sales of oil. The oil market was steady due to small stocks and firmness in other vegetable oils. Sellers were hesitant in doing much business at the current prices. The cake market was firm. There was good local inquiry again, but stocks were very limited and prices marked up. The latest quotation for the July delivery was Rs. 80.38 per quintal.

COTTON FUTURES DECLINE AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

Trading in the cotton futures market, which was featureless during the early part of the week, turned hectic towards the close. Reports of irregular rains in Akola and Nagpur areas, coupled with the firm trend of the spot market and the bleak prospects for importing more foreign cotton, prompted heavy short-covering and speculative support which resulted in a rally in prices yesterday. The Jarilla March contract spurted from the closing rate of Rs. 728.25 on Monday to Rs. 734.75 before reacting to Rs. 731.50 today. The range of fluctuations of the contract during the week is indicated below:

	11-7-62 Rs.	*High* Rs.	*Low* Rs.	3-7-62 Rs.
I.C.C. Jarilla March 1963	731.50	734.75	727.50	727.75

The trend of weather will continue to exert a decisive influence on the price trend in the coming weeks. So far, fairly good rains have been reported from most of the cotton-growing regions. Sowings have been completed in Khandesh, Berar, Moglai and Surat and North Gujarat areas. In Saurashtra, while sowing of Kalyan tracts have progressed well, those of Mathia are reported to be lagging behind. In Central India, sowings of 197/3 and Buri cotton are to begin shortly.

In the spot market, there was good mill demand for such popular varieties as L.147, Laxmi, Kalyan, Wagad and Vijay. Prices ruled firm. The Indian Cotton Mills' Federation is reported to have decided to urge, at the forthcoming meeting of the Cotton Advisory Board, the abolition of the variety-wise distribution of cotton. The reason given for this decision is that, under the scheme, many mills had difficulty in getting their requirements for want of adequate quota allocation.

Export demand for Bengal *Deshi* continued to be slack. There has been no marked improvement in the sales registered for export against the current Bengal *Deshi* quota. There is still an unutilised balance of over 4,000 bales. Chances of a fresh export quota for Bengal *Deshi* in the near future are not bright; on the contrary, the latest indications are that Government might issue a much larger quota for the new season early in September instead of issuing a small one immediately. Demand for foreign cotton was good. Spinners bought new crop Pakistan cotton since ready Pakistan cotton, particularly AC 134 and NT varieties, is not available. Stray interest continues in Sudan and Mwanza cottons.

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

Bengal *Deshi* 685; Wagad 910; Gadag Laxmi 1,210; L147 1,170; Pakistan NT 1,060; Pakistan AC 1,160. Sudan G4S 1,450; B.P.52 1,335.

Cotton futures in Karachi depicted a mixed trend during the week. While the maturing July contract attracted support based on settlement consideration and rallied to Rs. 76, as against last week-end close of Rs. 75.20, the new crop contract, namely, N.T.R.G. January 1963, met with selling and receded from Rs. 76.40 to Rs. 74.65. July contract shows a net gain of 80 nP over the week and the January contract a net loss of Rs. 1.75.

Modest gains was recorded by cotton futures on the Liverpool Cotton Exchange. Scattered Commission House support for nearby positions accounted for most of the gains. Spot demand was moderate and centred mostly around South American and Middle East growths.

The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July 23.80; October 23.70; December 23.65.

American cotton mixed growth contract: July 24.20; October 24.05; December 24.00.

Sudan: July, September, November 29.50.

New York cotton futures market ruled quiet during the week. The first official acreage report for the 1962-63 season had little effect on the market as it was in line with the general trade expectation. The U.S. Department of Agriculture estimated the planted acreage under cotton at 16.427 million which is one per cent less than in 1961. The Department, as usual, made no estimate of production but, should yield per acre remain unchanged from the current season (1961-62), production would be 13.79 million bales (of 500 lbs. each), as against 14.32 million in the current season and the ten-year (1950-1960) average of 13.55 million bales.

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

(In cents per lb.)

	10-7-62	3-7-62	26-6-62
New York Spot	36.15	36.15	36.10
July	33.50	33.71	34.23
October	34.01	34.09	34.43
December	34.13	34.09	34.38

CEILING FOR AMILON YARN

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

This week was quite an exciting one in so far as the yarn market was concerned. Amilon yarn (20×1) futures climbed up to dizzy heights under the impetus of persistent bull support and renewed short-covering both of which stemmed from apprehensions of an acute scarcity of supplies developing in the next few weeks. The rise in prices was so substantial that the Board of the Yarn Merchants' Association and Exchange had to take special

measures to check a further undue increase. One of these measures was the special clearing for the Amilon August contract thrice in the week (Friday, Monday and Tuesday). Yesterday, the Board declared an emergency (the market was closed) and fixed the ceiling price of Rs. 4,800 for the August contract. Fresh transactions in this contract were prohibited; only squaring-up deals were allowed. Members of the Exchange were asked to submit their open position standing at the close of business on Monday the 9th inst. before the reopening of the market today. It will be interesting to note that, over the week, Amilon August contract scored a gain of Rs. 315 to Rs. 4,775.

Indigenous art silk yarns also registered a notable rise during the week. National Rayons 120 Bt. cones 1st grade advanced by 46 nP to Rs. 17.51 and 150 Bt. cones 1st grade by 20 nP to Rs. 14.98. Traders have taken note of the statement of Mr. D. S. Joshi, Special Secretary to the Union Ministry of Commerce and Industry, that the Government has decided to continue, without any change, the existing export promotion scheme for rayon fabrics. Talking to newsmen at New Delhi, Mr. Joshi is reported to have observed:

"The decision has been taken after prolonged consultations with the representatives of the trade and industry and that there is no room for confused thinking on the issue. In an effort to eliminate the delay in the import of yarn, discussions are being held to evolve a pool scheme under which the foreign suppliers will be able to store adequate quantities of yarn in the importing ports to be released as and when import licences are produced."

In sympathy with art silk yarns and on hopes of enlarged demand from consuming centres, staple fibre yarn also staged a smart rally. 40×2 August contract climbed up from Rs. 782 to Rs. 860. Spot Centurys rose by Re. 1.01 to Rs. 9.46. Kohinoors spurted by Re. 1.03 to Rs. 9.54. Citys advanced from Rs. 8.67 to Rs. 9.48.

Cotton yarns also tended to move up on expectations of better demand from handlooms, in view of the intensive scheme for promoting the export of handloom fabrics manufactured from cotton mill yarn. Under the scheme, 12½ per cent of cotton entitlement allowable to exporters will be paid in cash. The cotton entitlement scheme, introduced in July 1961, provided that the manufacturers, exporters as well as co-operatives and other organisations exporting handloom fabrics worth not less than Rs. 2,000 in any quarter of the year would be eligible to receive entitlement for the import of cotton calculated at 40 per cent either of the actual value of the fabric exported or of the value of the consignment calculated at Rs. 2 per sq. metre, whichever is less. No import licence will be granted against this entitlement, but the Textile Commissioner will arrange the payment of cash incentive to exporters and exporting organisations at the rate of 12½ per cent of the cotton entitlement value.

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

	11-7-1962	4-7-1962
Art silk yarn—	Rs.	Rs.
20/1 Amilon (100 kg.)—		
August	4,775.00	4,460.00
120 Japan (per 100 kg.)	—	2,260.00
150 Japan (per 100 kg.)	—	2,205.00
120 Italy (per 100 kg.)	—	1,819.00
150 Italy (per 100 kg.)	—	1,736.00
Nat. Ray. 150 Bt. 1 (per kg.)	14.98	14.78
Staple fibre yarn (40 x 2)—		
August	860.00	782.00
Kohinoor (per kg.)	9.54	8.51
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	17.50
20s Podar	21.75	21.75
32s Madura	29.50	30.00
40s Madura	36.50	35.50
60s Finlay*	72.50	72.50

Note: Quotations for foreign yarns are not available.

SEEDS MOVE UP

(From Our Own Correspondent)

BOMBAY, *11th July*

Barring cottonseeds which lacked support, the oilseeds market ruled firm during the week under review. Groundnuts were particularly strong, thanks mainly to reports of sustained offtake by the State Trading Corporation, steady buying by *vanaspati* manufacturers and absence of large-scale seasonal liquidation. Values would have gone up still further but for reports from the South and Gujarat suggesting smooth sowing operations, despite delayed rains; Khandesh area alone, however, did not seem to have had favourable weather. Steady conditions prevailed in castorseeds as well, though there were reports of Brazilian offers at lower levels. Linseeds too put on a cheerful appearance on encouraging advices from mustard-seed markets in the North. The weakness in cottonseeds was sequel to favourable climatic conditions in cotton-growing areas.

Trading in the 1962-63 season's groundnut and cottonseed crops for January 1963 delivery and castorseed and linseed crops for the March 1963 delivery will commence tomorrow. The Bombay Oilseeds and Oils Exchange has just received the permission from the Forward Markets Commission. Trading in groundnut January 1963 contract will be subject to a limit on the weekly rise in prices of Rs. 5.50 per 250 kgs. and a limit of 5,000 metric tons on the net open position of any individual member. This limit will cover all deliveries traded in the Exchange irrespective of the year of the crop. The long position held by exporters as a hedge against their export sales will, however, be exempted from operation of limits on the trading position. Similar restrictions will also be enforced in respect of groundnut and groundnut oil in other recognised associations, as and when they seek permission for trading. In respect of cottonseed, the trading will be subject to a limit of the weekly price rise of Rs. 3.50 per 250 kgs. There will be no such restrictions on castor and linseed for the time being.

During the first six months of 1962, shipments of castor oil through Bombay port were only 13,600 tons, as against 14,900 tons during January-June 1961. Exports of linseed oil were also lower at 197 tons, as against 580 tons. Exports of groundnut oil, however, rose from 154 tons to 7,000 tons, due mainly to the special efforts made by the S.T.C. Shipments of groundnut meal, too, went up from 58,000 tons to 111,800 tons. linseed oilcake from 5,000 tons to 7,400 tons and cottonseed cake from 14,900 tons to 15,000 tons.

Groundnut September 1962 contract advanced from Rs. 218.75 to Rs. 222.75, before closing today at Rs. 222. July contract rose from Rs. 218.50 to Rs. 222; it had earlier touched Rs. 222.75. Nizam bold improved by 75 nP to Rs. 46.50. Oil July 1962 contract hardened by 20 nP to Rs. 18.85 and September contract by 10 nP to Rs. 18.85. Oil ex-mill closed higher at Rs. 19.35, as against Rs. 19.25.

Castorseed September 1962 contract strengthened by Re. 1.25 to Rs. 165.37. Madras small was higher by 50 nP to Rs. 32.50. Oil B.S.S. put on 25 nP to Rs. 13.35 and Commercial by 20 nP to Rs. 12.45.

Linseed September 1962 contract improved by 31 nP to Rs. 40.56. Bold ready gathered 12 nP to Rs. 39.37. Linseed oil increased by 45 nP to Rs. 16.10.

Among cottonseeds, July 1962 contract fell by Rs. 2 to Rs. 102.75. September 1962 contract declined initially from Rs. 108 to Rs. 106.50, before recovering to Rs. 107.25 towards the close.

The following table shows the closing prices of oilseeds and oils on Wednesday, the 11th July, as compared with those of the two previous weeks:

	11-7-1962	4-7-1962	27-6-1962
Groundnut	Rs.	Rs.	Rs.
July 1962	221.75	218.50	213.75
September	222.00	218.75	215.50
Nizam bold	46.50	45.75	45.25
Khandesh quality	46.75	46.25	45.50
Oil ex-mill ready*	19.35	19.25	19.00
Railway receipts*	19.00	18.85	18.50
Oil July 1962	18.85	18.65	18.30
Castorseed			
September 1962	165.37	164.12	160.62
Ready Madras	32.50	32.00	31.00
Ready Kanpur	31.12	31.00	30.00
Oil B.S.S.†	13.35	13.10	12.45
Oil commercial†	12.45	12.25	11.75
Linseed			
September 1962	40.56	40.25	40.50
Bold ready	39.37	39.25	39.75
Oil ready†	16.10	15.65	15.35
Cottonseed July 1962	102.75	104.75	102.50
Niger seed	35.75	36.00	36.00
Kardi seed	25.75	25.50	25.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

DEMAND FOR TEA IMPROVES

(From Our Own Correspondent)

CALCUTTA, *10th July*

There was visible improvement in demand for tea in the export sales held here this week. The improvement, despite the prospect of heavy offerings this season, encouraged the trade to believe that the current levels of prices for quality teas were competitive. Tea claimed a good portion of the liner space offered in the week. The season has now got off well, and, with the continuance of good weather, it is expected that quality teas on offer would increase. Note was taken of the setback in production in South India as a result of the delay in the arrival of monsoon. It is not yet known whether tea gardens in North East India would be affected by the existing power shortage. The gardens in Madras State were, however, exempted from the recent power cut there.

It has now been indicated that the E.C.M. would impose a duty of 16 per cent *ad valorem* on tea. This would mean that the U.K. consumers would have to pay more for their tea. This would be a heavy burden for them. Although the U.K. is expected to continue its efforts to allow tea duty-free in the E.C.M., the attitude of the E.C.M. countries is reported to be against freeing any imports entirely from duty. As such, prospects of coffee would appear to be better, but the trade would call upon the Government to undertake intensive campaign in West Europe in favour of tea so that any loss which tea might suffer in the U.K. could be made good in other countries of Western Europe.

Recent demands for the abolition of the export duty on tea have been of no avail, and the industry is left to contemplate other measures in order to lower costs of production. In this connection, the suggestion made by Mr. D. C. Jarvis, Chairman of the Nilgiri Planters' Association, is commendable. Speaking recently at the annual meeting of the Association, Mr. Jarvis was reported to have declared that all forms of duty on tea should be collected at one point—the sales point. This would mean amalgamation of the excise as well as export duties with any State levies such as octroi, entry tax, carriage tax, etc. If this were done, the industry could be saved from much clerical work and botheration which would mean lowering cost of production, though marginally. Mr. Jarvis went a step further and said that, if a worthwhile rebate of duty on exports was accorded, overseas buyers would be encouraged and at the same time domestic producers would tend to increase the proportion of exportable teas in production.

Another very useful suggestion offered by Mr. Jarvis related to the task of achieving the Planning Commission's production target of at 900 million lbs. for 1966. He called upon the Government to reduce taxes progressively *pro rata* to the overall increase in crop. By doing so, while the Government's revenues from the industry as a whole would not fall, gardens would be encouraged to produce more, since they would be keenly aware that such increase in production would not be at the cost of marginal increase in cost of production.

Recent expositions of the Government policies on the tea industry by official spokesmen remain a puzzle for the trade and industry. On the one hand, there is the acute need to boost exports in order to minimise the strains which the country is experiencing as a result of the present foreign exchange crisis. At the same time, the Government admits that India's agricultural commodities (which should include tea) as well as industrial products are priced out of international markets. The imperative need to reduce cost of production is evident. And yet, on the industry's strong case for abolition of the export duty, the Government's reply is that tax concessions, if they went beyond a certain limit, would invite unfair competition from other producing countries. The advantages which the tea industry in Ceylon and Africa enjoy by way of cheap labour as well as a realistic level of taxation are already reflected in increased exports by them. Year after year, they are securing a greater share of the expansion in international markets, and the industry in India, which is the world's largest producer, is groaning under the weight of heavy taxation. India's inadequate share in the increase in world consumption is a subject which deserves greater attention.

The trade noted with considerable satisfaction the consensus of opinion in the Board of Trade meeting here last week that another tea delegation be sent to Australia and the Far East. The trade would also like to emphasise the need for greater publicity in the U.S.S.R. and other East European countries. Since cost of production of tea in the U.S.S.R. is prohibitively high, according to the F.A.O., the trade believes that possibilities of increased exports to the Communist bloc countries are bright.

At the Board of Trade meeting, the Minister for International Trade, Mr. Manubhai Shah, rightly emphasised the need to improve production by artificial irrigation and application of fertilisers. The tea industry has time and again complained of inadequate allotment of fertilisers and would gladly receive the increased allotment. Whether the industry should pay the same price for fertilisers as any other agricultural industry should also be considered.

Dusts offered during last week's sales for internal consumption totalled 24,908 chests, of which 1,704 chests were of the old season's tea. Darjeelings were the strongest feature and were absorbed at dearer rates. On the other hand, there was only limited demand for orthodox and legg-cut teas, prices of which declined by 30 nP. There were some withdrawals of the legg-cut teas. The few brighter lines were steady. C.T.C. teas were in good demand. Prices of good C.T.Cs rose. Medium varieties were irregular; the poorer liquorings being quiet and the brighter lines steady. The quotations per one kg. (in rupees), inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 7.00, medium Assam C.T.C. dust 5.60 to 6.10, legg-cut dust 4.10 to 4.50, plain orthodox dust 3.70 to 4.00.

There was good general demand during yesterday's export offerings which totalled 41,556 packages. Among C.T.C. teas, the better liquoring varieties were a very strong feature and advanced on keen competition. Medium C.T.Cs were irregular, but the bright liquoring lines were dearer. The more ordinary types eased. Generally, the plain and medium teas were firm to dearer, and the better orthodox liquoring teas, possessing good leaf appearance, appreciated in prices. Tippy teas received inadequate attention leading to withdrawals, but the low-priced whole leaf grades were in good demand. Legg-cut teas were generally irregular, but the better varieties were supported. Keen competition was offered to the best flavoury Darjeelings which realised good prices. The rest of Darjeelings were easy and liberally withdrawn. The quotations per one kg. (in rupees), inclusive of excise duty, were: Best Assam C.T.C. fannings 7 to 8, best Assam C.T.C. B.P. 7 to 8, medium Assam C.T.C. fannings 5.60 to 6, medium Assam C.T.C. B.P. 5.80 to 6.20, plain fannings 4.10 to 4.40, clean plain pekoe 4.60 to 4.80 and plain B.P. 4 to 4.20.

MODEST GAINS IN METALS

(From Our Own Correspondent)

CALCUTTA, *10th July*

Following good support, metals recorded further modest gains here during the week under review. Consumers were keen to book their requirements before prices rose further. On the London Metal Exchange, conditions were firm. After opening here at Rs. 1,840 per 100 kgs, tin improved to Rs. 1,948.75 on good support against the background of the none-too-satisfactory stock position. In London, it opened at £867 per ton and soon moved up to £872, but closed at £868. The firm trend in London was attributed to the change in the U.S. attitude in regard to the proposed releases from the stockpiles. It is now believed that the releases would be in small quantities, with good intervals, in order that world prices might not be affected.

Meanwhile, producing countries have demanded that the U.S. Government should announce early its programme of releases in categorical terms in order to remove any uncertainty. This is necessary for the producing countries to proceed with their plans to increase production. The recent slump in London and Singapore markets has been a source of great discouragement to small producers. Besides, the cost of production in exploiting abandoned mines would be higher. If world production cannot be increased, the shortage this year would aggregate 22,000 tons. The possibility that the Communist bloc countries would export about 5,000 tons to the Western markets is difficult of realisation, considering the recent purchases by Russia from the London and other world markets. Earlier reports of a shortage of 10,000 tons were based on the belief that the U.S.S.R. would export tin this year and that production in Indonesia would show a visible improvement. However, reports from Indonesia do not support the hope for increased production.

Against the background of inadequate imports of non-ferrous metals and the industry's constant complaints in regard to lack of adequate facilities even to work fully on a single-shift capacity, it is good news that the U.S.S.R. has agreed to supply non-ferrous metals to India against rupee payment. Aluminium ingots, valued Rs. 62 lakhs, lead worth Rs. 25 lakhs, and virgin zinc worth Rs. 80 lakhs would accordingly be imported and distributed in the country by the State Trading Corporation of India. It may be noted that at the recent public inquiry by the Tariff Commission into the claim of the non-ferrous metals industry for continuance of protection for a further period of three to five years, which was held at Bombay, the industry represented that, if it were only supplied with adequate raw materials, it could significantly increase production of non-ferrous semis, such as, brass and copper tubes, sections, rods, sheets, wires and cables, and thus save the country's foreign exchange resources. In view of restricted imports of non-ferrous metals, the indigenous output is very inadequate, and the units producing semis are not able to increase production. At the public inquiry, reference was made to the complaints from consumers that prices of Indian production of semis were 60 per cent above those of the imported items. The industry's contention is that only increased production would result in decreasing cost of marginal output.

At present, the items of semi-manufactures enjoying protection are: Lead sheets (other than sheets for tea-chests), zinc sheets and strips, copper rods (other than electrolytic), copper pipes and tubes and brass rods, pipes and tubes. At the inquiry, it was pointed out on behalf of the Tariff Commission that in 1961 the units producing pipes and tubes could produce only 431 tonnes as against their single-shift installed capacity of 4,131 tonnes. Production of copper and brass rods was only 2,366 tonnes, as against the capacity of 4,156 tonnes. As a result of the shortfall in production, the country had to import 1,750 tonnes of tubes and 1,405 tonnes of rods. In the case of zinc sheets and strips, as against the capacity of 2,650 tonnes, the industry produced 3,832 tonnes and imports therefore, were only 218 tonnes. Lead sheet imports were 343 tonnes; production in 1961 was only 1,121 tonnes, as against the capacity of 3,840 tonnes. During recent months, in view of restricted power supply, production has declined further. Since the supply is cut without prior notice, much inconvenience is being experienced by the industry. It has been distressing news that the power supply to the industry is proposed to be cut further by 15 per cent very shortly.

On the London Metal Exchange, spot copper was unchanged at £234 a ton. Zinc opened at £67 a ton and eased to £66⅝. During the week, there was less demand from the Continent in London. Spot lead, at £55¾ a ton, remained unchanged throughout the week. In Calcutta, electrolytic zinc was two points higher at Rs. 269.75 per 100 kgs. following increased interest shown by the dealers. Copper scrap was in good demand, despite increased arrivals against the D.L.F. import licences.

HESSIANS GIVE WAY

(From Our Own Correspondent)

CALCUTTA, *10th July*

The announcement by the Argentina Government of drastic measures to meet the foreign exchange crisis led to apprehensions here as to whether that country would be able to complete the purchase programme for hessian. Thanks to these apprehensions, prices of hessian gave way during the week under review. U.S. support, though it continued, was only of a hand-to-mouth basis, and the quantities involved were not sufficient to maintain prices. That recent purchases in heavy goods and hessian had been heavy was indicated in that jute goods vied with tea in taking up as much liner space as possible. With the purchases made about a week ago, Argentina completed the quota for June. It was expected that 8,000 bales more would be purchased shortly and, at one time, ready hessian 40" 10 oz. was above Rs. 64 on the news that Argentina had arrangements with a shipping company to lift about 16,000 bales. However, after completing the June quota, Argentina has desisted from buying at higher levels and this, coupled with the foreign exchange crisis, led to fears that the purchasing programme for July and August might not be revised. There was also the realisation in the market that prices had moved so high as to make follow-up demand difficult. The U.K. had already purchased about 1,000 bales for July-September shipment. U.S. buyers preferred to go slowly, but the market was aware that consumers in the U.S. would have to buy substantially before September. Orders for 9-porter hessian are expected from Canada.

Normally, the existing power shortage and the proposal of the Calcutta Electric Supply Corporation to cut power supply to mills by 15 per cent would have led to a rise in prices. But this was not so, since it was hoped that the Government would make earnest attempts not to cut supply of power to jute mills at least, in view of the need to maintain exports of goods at a high level. The proposed cut rightly occupied the serious attention of the Board of Trade when it met here last week under the chairmanship of the Minister for International Trade, Mr. Manubhai Shah. The meeting strongly felt that, in the context of the need to increase export earnings, the cut should not apply to export industries generally and to jute mills, in particular. The Board, therefore, stated that the cut would not be enforced on the jute industry, and accordingly appealed to the Central and West Bengal Governments, the Damodar Valley Corporation and the State Electricity Board. However, the power position being what it is, there is the genuine concern as to how the jute industry can escape the cut. For it is known that the D.V.C. is not able to supply more power to the C.E.S.C. than its contractual obligation. As an alternative to a cut, shedding may have to be resorted to. Latest reports from New Delhi assure that the power cut would not apply to the jute industry.

At a time when foreign demand for goods has revived and mills are called upon to produce as much as possible having regard to the need not only to satisfy overseas demand in full but also to consume increased supplies of fibre, it would, indeed, be unfortunate if the mills were forced to reduce production. A 15 per cent cut in power would mean a production loss of 4,000 tons a month. In the context of present conditions in the market, prices are bound to rise, leading to dissatisfaction among consumers abroad. The Board of Trade's call to the jute industry to leave no stone unturned in boosting exports has been welcomed. It is only with a view to maximising exports that the mills are, it is pointed out here, operating full working hours and had unsealed as many looms as possible commensurate with the spinning capacity. The Board, at its meeting, drew the attention of mills to the need for diversifying its products, as it felt that such a measure would throw open enormous export possibilities. Attention of mills was drawn, for instance, to the large overseas market for tuft carpet, the production of which in India is at present insignificant. In an attempt to bring home the immense possibilities of diversification, the Board's decision to assist the industry in setting up a permanent exhibition at Calcutta where the jute goods varieties produced in different countries would be on display has been timely.

As regards heavy goods, prices were maintained during the week under review. This was so, because, in recent weeks, prices of hessian had moved faster than sacking goods, and as such the decline in hessian prices had already been discounted in sacking. Australia was expected to lift heavy goods in significant quantities, and it was felt that silence on the part of Australian buyers during the week had been due to expectations of a fall in prices. Cuba is also expected to buy, but a fall in agricultural production there is causing anxiety. So far as the gunny market generally is concerned, the diversion of two ships carrying U.S wheat to East Pakistan is interpreted bearishly. For, if the ships were to be received in India, the Government of India would have required bags for storage of wheat and eventual distribution. To this factor is attributed the delay in the expected tender from the Government.

On Tuesday last, ready hessian 40" 10 oz. was steady at Rs. 64.50, though business passing was only small. For the rumours of power cut led to lively activity in the bazar. Ready B. twills opened at Rs. 128.70 and closed with an attractive gain at Rs. 130.50. On the following day, ready B. twills scored to Rs. 134.50, following substantial interest of buyers on behalf of the Dominican Republic. However, hessian was affected by the selling pressure in the futures market. As a result, ready hessian 40" 10 oz. dropped to Rs. 61.25. Profit-taking was a feature of activity on Thursday, leading hessian 40" 10 oz. to ease to Rs. 59.25 and B. twills to Rs. 133. At these levels, overseas inquiries revived and, on Friday, hessian 40" 10 oz. recovered to Rs. 59.75 and B. twills to Rs. 134. Prices during the week-end at Rs. 60 and Rs. 134.50 gained small additions, due to a steady raw jute market. Details relating to goods in stock with mills at the end of last month were available yesterday. The overall stocks fell by 3,800 tonnes. The largest fall of 3,300 tonnes was recorded in miscellaneous constructions. Hessian fell by 2,100 tonnes while sacking recorded a rise of 1,600 tonnes. Yesterday, prices declined, with hessian 40" 10 oz. quoting at Rs. 59.50 and B. twills at Rs. 132.75 due to activities in the local market.

The fibre market was steady. There was an increase in new crop forward dealings. Old crop was quoted at a discount of Re. 1.50 a maund as compared with September-October. New crop quotations were: Assam bottoms Rs. 33; northern bottoms Rs. 32.50; and Daisee bottoms Rs. 36. Reports of further floods in Assam encouraged the bulls, although it had been believed earlier that there had been no great damage to the jute crop. Greater damage was reported to the paddy crop. Flood reports caused anxiety, since the area sown has been lower than last year and, if floods affect standing crop, the produce would be considerably lower than last years. The lack of adequate monsoon showers in some of the West Bengal districts countries to cause anxiety, as, in the absence of adequate water level in canals and tanks, retting would not be satisfactory and quality would be affected. The standing crop also now requires heavy rains.

PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, *11th July*

Barring a small revival of short duration, Malabar black pepper ruled easy during the fortnight under pressure of liquidation of July delivery by weak bulls and in sympathy with Singapore where white was down from Str.$157½ to Str.$150 and black from Str.$120 to Str.$115.

New York, after a sizable buying during June, appears to have withdrawn. The dealers there reduced their selling limit for spot from $0.37 to $0.36 as they were able to replace with a margin from Singapore. London is reported quiet on expectations that Brazil will soon be in the market. Lower offers from Sarawak are also responsible for the recent quietness on the Continent.

Some buying by the East European countries for Malabar black was noticed, but it was not sufficient to lift up prices, as the growers remained continuous sellers.

Good rain is reported from all the pepper growing areas. Earlier fear that the crop would be affected is now set at rest, but the drought in June will most likely delay the arrivals of the new crop.

Ungarbled moved between Rs. 299.50 and Rs. 303.50 and garbled between Rs. 310 and Rs. 314. July delivery was traded at the highest at Rs. 318 and the lowest at Rs. 310. Business in August was mostly of the switching nature and a premium of Rs. 5 was demanded for switching from July to August.

The future depends upon the selling policy of Indonesia, as their State Trading Corporations are holding the majority of the stock of Lampong and Muntok.

Ready pepper in Bombay is nominally quoted at Rs. 164 per 50 kilos.

KIPS RULE STEADY

(From Our Own Correspondent)

MADRAS, *9th July*

Kips ruled steady here this week, despite importers' resistance to the levels established earlier. It had been reported that the U.K. importers were pressing sales, anticipating decline in prices later. Export trading was, therefore, very difficult. Arrivals of hides were on the usual scale and clearance was slow. Stockholders were unwilling to reduce prices. Stocks of cow calf skins were small for which there was good demand. Inquiries for buff calf were dormant.

There was not much change in the tanned skins market, except that demand for middle class sheep skins continued brisk as also for light weight and extra heavy goat skins. Other lines ruled quiet.

In the tanned skins auctions held in the U.K. last week, only fresh parcels attracted buyers and fetched current c.i.f. levels. Old lots of goat skins were neglected and a few parcels of sheep skins realised low prices. Shipments (in bales) during June were 2,957 of tanned cow hides, 298 cow calf, 43 buff hides, 467 buff calf, 377 goat skins, and 257 sheep skins to U.K., 311 cow hides, 75 cow calf, one buff hides, 22 buff calf, 767 goat skins and 344 sheep skins to the Continental ports; one cow calf, 5 buff hides, 125 buff calf, 262 goat skins and one sheep skin to the U.S. and 10 goat skins and 218 sheep skins to Japan. It will be noted that the volume of shipments to the Continental ports has been maintained.

The following were the ruling prices (in rupees) per lb. for unassorted lots in the local market: Tanned cow hides 8-8½ lbs. average 2.12 to 2.20, tanned cow calf 1½-2 lbs. average 3.60 to 3.75, tanned buff hides 12-14 lbs. average 1.70 to 1.75, tanned buff-calf 1½-2 lbs. average 3.12 to 3.20.

THE "BLUE MONDAY" AND AFTER

(Concluded from page 65)

fundamental causes of that country's balance-of-payments problem and that suffocating taxes on work and production explain why the U.S. economy has failed to move ahead as rapidly as it could and should.

Testifying before the Senate Banking and Currency Committee, 20th June, Under Secretary of the Treasury, Mr. Robert V. Roosa, was asked what the effect would be on confidence in the dollar, if the debt limit was raised and taxes were reduced, while maintaining spending at present or higher levels. Mr. Roosa reported that foreign opinion was sensitive to "the appearance of careless expenditure policy" and suggested that it would make more sense from the standpoint of the foreign observer if there was an expenditure limit rather than a debt limit. He added:

"I think as far as the foreign observer in general is concerned there has emerged out of the discussion of the last three years of our balance-of-payments problem a recognition that this is going to take time and a very massive effort to restore the position of the American economy to its previous comparative strength and dominance in world trade, and, I think, there would be understanding for a tax reduction, if it were clear that this was related to an incentive programme that gave great promise for future cost reduction as well as for expansion in the producing capacity of the American economy."

The answers to the questions posed by the President at Yale begin to emerge. Confidence in the dollar can be sustained by retreating from loose spending and easy money. Forward momentum—the interest of people in investing and creating jobs in America—can be stimulated by easing up on the tax brakes. Europe has shown how it works.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 6th July 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund..	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	48,15,53,000
(ii) State Governments	25,19,39,000
(b) Banks—	
(i) Scheduled Banks	105,55,83,000
(ii) State Co-operative Banks	3,65,06,000
(iii) Other Banks	1,78,000
(c) Others	193,42,09,000
Bills Payable	34,26,35,000
Other Liabilities	17,80,17,000
Rupees	581,06,20,000

ASSETS	Rs.
Notes	23,77,19,000
Rupee Coin	2,60,000
Small Coin	3,10,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,45,000
(ii) State Co-operative Banks	11,63,87,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,09,06,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	58,59,35,000
Balances Held Abroad*	6,78,03,000
Loans and Advances to Governments†	13,85,00,000
Loans and Advances to—	
(i) Scheduled Banks‡	2,40,82,000
(ii) State Co-operative Banks§	119,53,74,000
(iii) Others	....
Investments	276,95,23,000
Other Assets	41,34,71,000
Rupees	581,06,20,000

* Includes Cash and Short-term Securities.
† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.
‡ Includes Rs. 90,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,77,19,000	
Notes in circulation	2094,77,43,000	
Total Notes issued		2118,54,62,000
Total Liabilities		2118,54,62,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	91,77,44,000	
Total		209,53,54,000
Rupee Coin		114,79,32,000
Government of India Rupee Securities		1794,21,76,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2118,54,62,000

State Bank of India

Statement of Affairs for the week ended 6th July, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each..	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		572,19,91,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		10,79,92,000
Bills for Collection being Bills receivable as per contra		2,41,80,000
Acceptances, Endorsements and Other Obligations per contra		7,68,03,000
Other Liabilities (including Inter-Office Adjustments)		10,86,65,000
Total .. Rs.		617,95,81,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,47,91,000
Balances with other Banks		4,55,94,000
Money at Call and Short Notice		2,80,00,000
INVESTMENTS—		
Government and other Trustee Securities	228,51,36,000	
Other Authorised Investments	8,83,31,000	
		237,34,67,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	273,54,24,000	
Bills Discounted and Purchased..	16,56,91,000	
		290,11,15,000
Bills Receivable being Bills for Collection as per contra		2,41,80,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,68 03,000
Premises less Depreciation		1,93,08,000
Furniture and Fixtures less Depreciation		1,55,17,000
Other Assets (including Inter-Office Adjustments).		47,08,06,000
Total .. Rs.		617,95,81,000

State Bank of Pakistan

Statement of Affairs for the week ended 29th June, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	21,07,78,000
(b) Provincial Governments	4,87,44,000
(c) Banks	23,04,91,000
(d) Others	98,94,19,000
Bills Payable	25,61,000
Other Liabilities	22,23,64,000
Rupees	180,08,57,000

ASSETS	Rs.
Notes	14,80,88,000
Rupee Coin	19,000
Subsidiary Coin	39,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan	29,52,78,000
Loans and Advances to Governments	9,59,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	44,51,32,000
Investments	69,00,63,000
Other Assets	12,63,38,000
Rupees	180,08,57,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,80,88,000	
Notes in circulation	364,50,86,000	
Total Notes issued		379,31,74,000
Total Liabilities	....	379,31,74,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	65,97,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		133,99,64,000
B. Rupee Coin	4,04,86,000	
Government of Pakistan Securities	235,37,18,000	
Internal bills of exchange and other commercial paper	....	
		239,42,04,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	379,31,74,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 36.80 per cent.

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	April 1962	April 1961
Central Government Securities :				
(a) 3% conversion loan 1986 or later†	2.91	2.85	2.96	2.85
(b) Others§	2.71	2.68	2.78	2.67
Debentures	4.15	4.11	4.17	4.15
Preference Shares	5.64	5.32	5.77	5.40
Variable Dividend Industrial Securities	4.68	4.88	4.70	4.65
Agriculture and Allied Activities‡	5.74	5.80	6.02	5.66
(a) Tea Plantations	5.94	6.01	6.16	6.00
(b) Coffee Plantations	4.74	5.12	5.73	3.70
(c) Rubber Plantations	6.56	6.33	7.07	6.16
Mining and Quarrying‡	5.15	5.31	5.37	4.60
(a) Coal	4.13	4.56	4.41	3.63
(b) Other Mining	5.85	5.82	6.03	5.27
Processing and Manufacturing	4.27	4.35	4.31	4.20
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.29	4.09
(a) Sugar	5.62	5.80	6.13	5.08
(b) Cotton Textiles	3.72	3.47	3.99	3.56
(c) Jute Textiles	5.54	6.15	4.70	5.63
(d) Silk and Woollen	2.92	3.17	2.84	3.05
Metals and Chemicals‡	4.22	4.18	4.39	4.08
(a) Iron and Steel	4.69	4.25	4.98	4.40
(b) Transport Equipment	3.77	3.38	4.25	3.48
(c) Electrical Machinery	4.46	5.03	4.16	4.49
(d) Other Machinery	3.46	4.07	3.31	3.47
(e) Basic Ind. Chemicals	3.64	3.59	4.64	3.53
Others	4.52	4.90	4.22	4.72
(a) Cement	4.77	5.21	4.48	4.95
(b) Paper	4.54	4.76	3.91	4.76
Other Industries	5.28	6.05	5.16	5.53
(a) Electricity Generation and Supply	5.42	6.28	5.50	5.69
(b) Trading	6.74	8.38	6.54	7.07
(c) Shipping and Other Transport	4.40	5.17	4.11	4.74
(d) Construction	3.98	4.49	3.54	4.33
Financial	5.84	6.31	5.56	6.15
(a) Banks	5.42	5.93	5.19	5.75
(b) Insurance	7.07	7.56	6.73	7.24
(c) Investment Trusts	6.72	6.85	6.19	7.13

† Running Yield. Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979.
‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 29-6-62	22-6-62	30-6-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	56,47	51,14	55,10
(ii) From others	779,70	772,83	725.33
(b) Borrowings from banks	24,21	24,78	29,31
(c) Others	58,17	57,91	54,51
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,89	17,35	20,86
(ii) From others	1,231,96	1,232,71	1,050,46
(b) Borrowings from banks	16,73	15,84	20,07
(c) Others	10,73	9,96	23,62
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,011,66	2,005,54	1,775,79
4. Borrowings from Reserve Bank	1,57	2,59	15,36
(a) Against usance bills and/or promissory notes	90	94	10,50
(b) Others	67	1,65	4,86
5. Borrowings from State Bank and/or a notified Bank	16,34	17,18	10,17
6. Cash	56,84	52,92	57,11
7. Balances with Reserve Bank	91,40	90,91	87,46
8. Cash and balances with Reserve Bank	148,24	143,83	144,57
9. 8 as per cent of 3	7.37	7.17	8.14
10. Balance with other banks in current account	24,21	18,99	12,22
11. Money at call and short notice	50,67	51,37	50,47
12. Investments in Government securities	607,07	583,36	548,84
13. 12 as per cent of 3	30.18	29.00	30.91
14. Advances—			
(a) Loans, cash credits and overdrafts	1,248,28	1,223,53	1,106,19
(b) Due from banks	5.18	5,79	4,41
15. Inland bills purchased and discounted	128,77	150,45	132,92
16. Foreign bills purchased and discounted	42,29	44,21	43,67
17. Total Bank Credit [14 (a)+15+16]	1,419,34	1,418,19	1,282,77
18. 17 as per cent of 3	70,56	70.71	72.24

EXCHANGE RATES

	2nd May, 1962	25th April, 1962
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 [illegible]	1-5 [illegible]
Sellers T.T. D.D. upto six months s.	1-5 [illegible]	1-5 [illegible]
Buyers T.T. spot to nine months s.	1-6 [illegible]	1-6 [illegible]
Buyers T.T. 10 to 12 months s.	1-6 [illegible]	1-6 [illegible]
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	476.00	475.75
Buyers T.T. .. Rs.	472.50	472.25
London on New York.. $	2.8121–2.8124	2.8140– 2.8143
London on Paris .. Fcs.	13.7780–13.7800	14.0120–14.0170
London on Berne. Sw. Fcs.	12.2230–12.2250	12.2340–12.2360
New York on London.. $	281.250–281.290	281.410–281.450

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
16th April	2.00	2.00	2.00	2.620	99.345
17th to 21st April*	0.57	—	0.57	—	99.361
24th April	2.00	2.00	2.00	2.580	99.355
25th to 28th April*	0.35	—	0.35	—	99.371
30th April	2.00	2.00	2.00	2.580	99.355
1st to 5th May*	0.15	—	0.15	—	99.371
8th May	2.00	2.00	2.00	2.580	99.355
9th to 12th May*	0.17	—	0.17	—	99.371
14th May	2.00	2.00	2.00	2.590	99.350
15th to 19th May*	0.15	—	0.15	—	99.371
22nd May	2.00	2.00	2.00	2.590	99.350
23rd to 26th May*	0.11	—	0.11	—	99.371
29th May	2.00	2.00	2.00	2.540	99.365
30th May to 2nd June*	4.00	—	4.00	—	99.381
5th June	2.00	4.00	2.00	2.500	99.375
6th to 9th June*	1.30	—	1.30	—	99.391
12th June	2.00	3.25	2.00	2.510	99.370
13th to 16th June*	0.48	—	0.48	—	99.391
19th June	2.00	2.00	2.00	2.510	99.370
20th to 23rd June*	6.36	—	6.36	—	99.391
26th June	2.00	4.25	2.00	2.400	99.400
27th to 29th June*	7.10	—	7.10	—	99.416
3rd July	2.00	4.10	2.00	2.371	99.450
4th to 7th July*	0.57	—	0.57	—	99.421
Total amount outstanding	45.31	..	45.31	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	16th June 1962	9th June 1962	17th June 1961	April 1962	April 1961	Percentage of Increase (+) or Decrease (—) in April 1962 as compared with April 1961	Annual Average 1961	1960
Food Articles	504	124.1	124.6	121.0	120 5	117.6	+ 2.4	119.5	120.2 R
Cereals	192	105.2	104.7	102.7	102.8	99 3	+ 3.5	101.6	105.3
Pulses	42	101.9	102.2	89.7	93 6R	87.6	+ 6 8	91.2	92.6
Fruits and Vegetables	23	140.9	141.1	126 0	140 0	116.3	+20 7	131.2	121.1 R
Milk and Ghee	84	123.1	123.1	113.0	123 7	116.4	+ 6.3	115.1	115.5
Edible Oils	47	152.1	152.2	164 2	150 9	161 2	— 6.4	158.2	143.8
Fish, Eggs and Meat	17	138.2	142.9 R	126 4	137 2R	125 1	+ 9.7	131.0	121.1
Sugar and *Gur*	48	134.6	134.2	126.5	124.8	118 5	+ 5.3	120.7	138.6
Others	50	168.5	173.1*	181 2	158 7	171.1	— 7.2	172.9	168.4 R
Liquor and Tobacco	21	98.7	99.3	99.5	98 8	112 0	—11.8	103.6	106.4
Tobacco	..	95.1	95.8	96.0	95 2	109 2	—12.8	100.6	104.8
Fuel, Power, Light and Lubricants	30	124.2	122 2 R	123.3	122 4	121 5	+ 0 7	121.8	118.9 R
Industrial Raw Materials	155	135.9	136 0 R	148.2	135.1	153 1	—11.8	147.7	138.8
Fibres	61	127.3*	127.6	146.9	126.0	164.7	—23.4	150.0	139.3
Oilseeds	60	150.8	150.8 R	163 0	149.9	157 0	— 4.6	157.8	144.9
Minerals	2	93.8*	93.8*	95.2	94.5	95 2	— 0.7	95.1	97.5
Others	32	127.0*	126 9 R	126.6*	127.3	127 0	+ 0.2	127.9	129.0
Manufacture	290	128 8	128.4 R	126.1	126 8	127.5	— 0 5	127 0	120.8
Intermediate Products	41	139.7	139.5 R	141 0	136 9R	136.0	+ 0 7	138.4	127.1
Finished Products	249	127.0	126.5	123.6	125.2	126.1	— 0.7	125.2	119.8
Textiles	147	126.9	126.3	125 0	125.1	129 8	— 3.6	127.7	121.2
Cotton	..	129.6*	129.5*	127.4	128.4	127 7	+ 0.5	127.5	127.5
Jute	..	118.5	116.1	122 7	115.0	142.2	—19 1	133.9	115.2
Woollen	..	127.5*	127.5*	123 7*	128.1	116.6	+ 9.8	119.0	107.6
Silk and Rayon	..	130.9*	130.9*	116.5*	128.6	116 8	+10.1	116.4	102.6
Metal Products	12	158.6	158.6	161 6	152.0	151.4	— 0.4	147.1	147.9
Chemicals	20	113.5	112 5	109.3	112.5R	106.3	+ 5.8	108.7	104.7
Oil Cakes	10	154.8	153.3	143 7	150.6	143.6	+ 4 9	146.3	140.2
Machinery and Transport Equipment	31	117.6	117.6 R	112.8	117.5	112 6	+ 4.4	113.6	110.7
Others	30	124.7	125 2	120.3	123.3	118.9	+ 3.7	120.2	115.6
All Commodities	1,100	126.8	126.9 R	126.3	124 2	126 0	— 1.4	125.8	122.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
April 1961	135,700	136,000	106,000
May ,,	142,000	136,800	105,800
June ,,	131,800	124,700	101,200
Feb., 1962	139,400	138,300	108,000
Mar., ,,	156,600	146,900	128,000
April ,,	144,400	143,600	110,000
May ,,	146,400	145,600	115,600
June ,,	139,000	137,900	106,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,499	734,951
April 1961	99,381	69,710	51,144
May ,,	100,815	70,912	42,165
June ,,	96,921	74,228	50,089
Feb., 1962	97,258	75,949	53,600
Mar., ,,	113,176	88,241	86,294
April ,,	109,726	83,396	47,747
May ,,	112,269	85,155	68,574
June ,,	87,639	77,029	56,938

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1962	98.1
	Corresponding month, 1961	78.3
	Eleven months ended May, 1962	955.9
	Corresponding period 1961	940.1
Stocks	At the end of May, 1962	82.5
	Corresponding month, 1961	92.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July 1961 to March, 1962	561.4
	March, 1962	65.4
	March, 1961	54.9
For Internal Consumption	July-June, 1959-1960	248 3
	July-June 1960-1961	274.1
	July 1961 to March, 1962	212.6
	March, 1962	31.3
	March, 1961	31.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	May, 1962	569
	Corresponding month, 1961	440
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	July 1961 to March, 1962	5,509
	July 1960 to March, 1961	5,451

R=Revised

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 ,,	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 ,,	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 ,,	126	431	121	352	102	131	400	148	127	113	106	123	111	150
January 1961	123	419	119	358	100	131	387	146	122	111	103	120	109	148
February ,,	123	420	119	350	102	130	392	147	123	111	103	119	109	148
March ,,	124	423	119	349	101	129	395	148	124	111	104	121	109	149
April ,,	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May ,,	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June ,,	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July ,,	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August ,,	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. ,,	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. ,,	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. ,,	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. ,,	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February ,,	127P	438	119	362	107	131	402	149	129	115	109	127	118P	152
March ,,	127P	439	121	357	105	131	..	149	129	113	109	127	..	152
April ,,	127P	439	..	..	..	..	..	..	129	113	111	127	..	..
May ,,	..	439	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	108	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	122	128	148
April 1961	101	88	110	130	79	216	120	127	114	111	110	243	162	123	141	142	127	147
May ,,	103	86	109	134	76	198	115	127	116	101	110	245	162	128	141	137	127	147
June ,,	106	86	113	141	81	206	114	127	122	95	110	208	167	151	141	125	126	147
July ,,	108	88	118	145	81	220	122	127	122	93	107	215	171	145	141	131	126	147
August ,,	110	89	113	142	82	218	117	127	123	95	105	180	167	143	141	121	128	147
Sept. ,,	110	87	107	128	81	190	117	127	122	95	104	155	156	143	141	114	128	147
Oct. ,,	108	89	110	130	82	205	118	125	118	95	107	150	143	145	141	119	128	147
Nov., ,,	106	92	108	128	86	180	114	125	118	93	108	149	143	143	141	116	128	147
Dec., ,,	102	94	109	126	88	164	114	124	109	89	109	145	144	141	141	118	128	147
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February ,,	102	100	120	131	90	181	119	122	108	94	112	148	149	140	143	113	128	152
March ,,	103	94	120	126	82	163	120	124	118	95	113	148	149	140	145	117	128	152
April ,,	106	92	122	123	81	155	127	131	121	94	112	141	149	145	145	115	128	152

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Oct., 1961	Nov., 1961	Dec., 1961	Dec., 1960
Major Industries—								
Coal	million metric tons	47.80	52.61	56.0	4.29	4.60	4.88	5.10
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,287	2,088‡	381	—	—	330
Yarn	million kgs.	781	788	682	74	72	77	73
Cloth	million metres	4,502	4,616	4,700	389	389	399	412
Cement	thousand metric tons	6,936	7,835	8,230	676	727	736	733
Jute	thousand metric tons	1,068	1,085	971	78	94	98	92
Paper and paper boards	thousand tons	299	345K	363K	32	30	30	30
Matches§	thousand cases	649	661	758	53	62	66	61
Sugar	thousand metric tons	2,117	2,591	2,422†	45	119	—	487
Engineering and Electrical Industries—							34	
Machine tools	Value in lakhs of Rs.	439	601	741	74	84	4.14	65
Electric lamps	millions	84.84	41.39	46.87	3.30	3.94	—	4.04
Dry cells	millions	187.3	207.4	193.5†	14.1	17 7	167	17.2
Power transformers	thousand K V.A.	1,248	1,116	1,761	155	173	—	138
Electric Motors	thousand H.P.	576	680	751†	69	70	—	68
Electric fans	Nos.	726,000	991,200	970,700†	51,900	80,200	29,798	101,100
Radio receivers	Nos.	213 864	266,700	326,075	25,241	30,932	44,300	29,816
Storage batteries	Nos.	442,800	510,000	570,200	34,400	35,700	—	44,400
Copper conductors	tons	6,624	10,068K	7,000K†	671K	700 K	—	1,080
Winding wires	tons	2,832	4,200K	5,149K†	495K	507 K	18.08J	381K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208 32J	214.47J†	18.91 J	18.09J		91.77J
Insulators—H.T.	Nos.	982,800	2,317,200 K	2,619,000 K†	265,000k	251,000K	—	200,000K
Insulators—L.T.	million Nos.	6.25	3,662,400 K	4,060,000K†	461,000k	475,000K	—	294,000K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,054†	726	559	—	1,074
Diesel engines—Stationary	Nos.	30,336	41,676	44,430	3,952	3,848		3,829
Chemical Industries—							4,283	
Salt	million metric tons	3.18	3.44	3.47†	0.11	0.04	0 05	0.29
Caustic soda	metric tons	69,876	99,144	119,849	11,104	0,512	10,780	8,861
Soda ash	metric tons	95,328	145,284	176,639	17,063	17,907	14,642	15,439
Chlorine liquid	metric tons	24,780	31,656	33,908	2,977	2,841	2,965	2,812
Bleaching powder	metric tons	5,184	5,928	7,129	738	747	681	642
Bichromates	metric tons	4,404	5,472	5,233	424	429	583	492
Sulphuric acid	metric tons	296,880	359,400	410,389	34,018	32,816	36,631	31,130
Superphosphate	metric tons	251,652	322,464	367,495	28,833	31,007	33,496	26,944
Non-ferrous Metals—							2,063	
Aluminium	metric tons	17,526	18,467	18,360	1,568	1,520	80	1,546
Antimony	tons	664	809	614	90	40	900	68
Copper (virgin metal)	metric tons	7,764	8,992	8,725	582	765	372	750
Lead (virgin metal)	metric tons	3,958	3,778	3,665	285	150	425 Kgs.	436
Gold	ozs.	165,312	4,992Kgs	4,869 Kgs.	397 Kgs.	415 Kgs.	—	427 Kgs.
Miscellaneous (Minor) Industries —							102,323	
Sewing Machines	Nos.	252,612	295,788	286,689†	17,644	26,782	4,535	28,652
Bicycles	Nos.	990,744	1,050,744	1,054,500	77,810	95.578	2 00	101,140
Automobiles	Nos.	36,468	51,660	54,314	3,674	3,239	0.26	5,073
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.27	1.98	3,590	2.27
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.23	0.26		0.25
Cigarettes	million Nos.	32,166	38,334	41,294	3,360	3,407	—	3,578
Plywood—Tea chests	thousand sq. metres	9,167	9,684	8,360†	789	680	—	732
Plywood—Commercial	thousand sq. metres	5,022	5,220	5,768†	590	464	—	594
Sheet glass	thousand sq. ft.	80,568	81,188	67,194†	7,070	5,799	—	7,538
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	11,846†	1,231	1,248	—	1,247
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	13,357†	1.491	1,388		1,011
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.48	0.53	0.70	0 58
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.27	0.30	0.47	0.35
Alcohol—Industrial	million litres	57.84	58.94	82.26†	8.51	8.28	—	8.60
Alcohol—Power Absolute	thousand litres	8.0 M	48.52	53.63	4.78	3.90	4.80	4.01
Railway Wagons	Nos.	10,044	7,320	10,007†	720	875	—	937
General index—(Base 1951=100 Revised)		151.9	170.3	180 8††	181.0	184 0	—	181.6

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs.—Kilograms. J—In million metres. ‡ Upto October only. M—Million bulk gallons.
† Upto November only. †† Average for eleven months.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th July 1962.

	Closing quotations 5-7-1962	High	Low	Closing quotations 12-7-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.50	—	—	172.50
Apollo (2)	2.12	2.18	2.08	2.12
Baroda Rayon (100)	136 50	138 00	134.00	135 00
Bombay Dyeing (25)	66.90	67.20	65.90	66 20
Bradbury (50)	185.00	—	—	185.00
Central India (100)	144.00	145.00	142.00	144.00
Century Mills (100)	633.00	641.00	616.50	625.50
Coorla Sp. (100)	160 00	—	—	160.00
Dawn (50)	157.00	158.00	154.00	157.00
Edward Textile (200)	360 00	—	—	360.00
Elphinstone (50)	123 00	124 00	116.00	117.00
Finlay (100)	297.00	302.00	298 00	298 00
Gokak (100)	191.00	192.50	189.00	190 00
Gold Mohur (100)	233.75	—	—	233 75
Gwalior Rayon (10)	59 50	60 30	58 20	58 20
Ind. Untd. Defd. (1)	3 34	3.44	3 32	3.42
Ind. Untd. Ord. (10)	22 32	22 48	22 24	22 44
Indian Rayon (100)	107 00	109 50	106 00	106.00
Indore Malwa (100)	178.00xd	178 50	177.00	177 00
Khatau (100)	475 00	477 50	460 00	465.00
Kohinoor (100)	298.00	300 00	295 00	297.50
Mafatlal (100)	822 50	825.00	815.00	820.00
Minerva Mills (100)	88.00	—	—	88.00
Model Nagpur (250)	133.00	—	—	133.00
Morarji (100)	400 00	402.00	395 00	397.00
Mysore (50)	59.00	60 00	59.00	60.00
National Rayons (100)	509.00	515.50	498.50	506.50
New City (100)	181.00	—	—	181.00
New Great (100)	300.00xd	300.00	292.00	295.00
Phoenix (100)	250.00	251.00	243 00	244.00
Podar Mills (100)	144.00	145.50	142.50	144.00
Raymond Woollen (100)	147.50	148.00	145.50	145.50
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	58.00	—	—	58.00
Shrinivas (100)	254.00	258.50	251.00	255.00
Simplex (50)	163.50	164 00	161 00	164.00
Standard (100)	940.00	944.00	892 00	912.00
Svadeshi (100)	267.00	268 00	262 00	263.00
Swan (100)	290.00	291.25	287.50	290.00
S. I. Viscose (100)	167.00	173 00	165 00	165.00
Tata Mills (25)	63.50	64.50	62.50	63.20
Lakshmi-Vishnu (100)	135.00	—	—	135.00
Western India (250)	802.50	—	—	802.50
BANKS				
Bank of India (50)	112.50	115.00	112.50	115.00
Do. (New) (50)	114 00	—	—	114.00
Bank of Baroda (50)	91 30	93.00	91.00	93.00
Central (25)	62 30	63 00	62 00	63.00
Central 'A' (25)	63 50	64.00	63 50	64.00
Dena Bank (50)	59 00	—	—	59.00
Punjab National (10)	20.52	20.56	20.44	20.52
Union Bank (5)	5.80XR	6.48	5.76	6.48
United Com. (50)	87.00	87.00	86 00	87.00
Maharashtra (50)	77 00	77.00CR	62.00XR	62.00XR
ELECTRIC COS.				
Ahmedabad (100)	88.80	89.20	88.50	89.00
Amalgamated (10)	10.12	—	—	10.12
Andhra Valley (1,000)	1,015.00	1,022.00	1,020.00	1,021.25
Bom. Sub. El. (100)	103.25	103.50	103.00	103.50
Surat (100)	96 00	—	—	96.00
Tata Hydro (100)	113.00	113.00	112.50	113.00
Tata Power (1,000)	1,111.25	1,112.50	1,106.25	1,110.00
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile(40)	58.00	—	—	58.00
New India (15)	71.00	70 50cd	67.50xd	68.30xd
New India 'A' (15)	72.00	73.50cd	68.00xd	70.00xd
Vulcan (10)	18.00	—	—	18.00
STEEL COS.				
Ind. Iron (10)	25.80	25.95	25.45	25.80
Mukand Iron (10)	25.75	26.00	25.25	25.55
Tata Steel Ord. (75)	146.25	147.25	.145.00	146.00
SUGAR COS.				
Belapur (50)	228.00	229.00	226.50	227.50
Bhopal (10)	21.24	—	—	21.24
Changdeo (12.50)	24.12	—	—	24.12
Maharashtra (50)	158.00	159.50	158.00	158.00
Phaltan (50)	100 00	100.50	98.50	99.00
Walchand Ind. (100)	156.00	156.00	152.00	155.00
CEMENT COS.				
Associated Cts (100)	156.00	156.75	153.75	153.75
Digvijay (100)	201 00	203 00	197.00	197.50
Orissa (10)	17.56xd	17.68	17.12	17.20
MISCELLANEOUS				
Alcock Ashdown (100)	322.00	323 00	314 00	316.00
Amar Dye-Chem (100)	287.00	287 50	277.50	282 50
Bom. Burmah (125)	656.50xd	659 00	642 00	646.00
Do. (New) (50)	255 00	256 25	251.25	251.25
Br. B. Petrol (1½ sh.)	1.86	1.92	1.78	1.80
Br. I. Corpo. (5)	9.36	9.08	8.88	8.88
Cooper Eng. (100)	182.00	182 50	181.00	182.00
Colour Chem. (100)	465.00	467.50	447 50	447.50
Hind Cycle (100)	119 00	120.00	119.00	120.00
Hindustan Lever (10)	46.00	46 00	45 00	45.50
Hindustan Motors (10)	19.56	19.68	19.08	19.28
I. C. & Invest. Corporation (100)	90.00	89 50	89 30	89.30
Indian Dyestuff (100)	470.00	477 50	452 50	463.75
Indian Copper (2 sh.)	4 92	4.92	4.78	4.84
Ind. Inv. Tr. (100)	75.00	—	—	75.00
Killicks (100)	86.00	86 50	84 00	85 00
Larsen & Toubro (10)	31.10	31.25	28.75	29.00
Mahindra & Mahindra (10)	16.48	17.52	16.76	17.24
New Central Jute (10)	15.72	15.76	15.56	15 60
Polychem (50)	187.50	187.50	178.75	182 50
Polson (100)	185.00	—	—	186 00
Pre. Automobiles (100)	127 50	128.00	125.00	126.75
Premier Con. (80)	152 50	156.00	150.00	152.00
Scindia (20)	11 92	12 00	11.60	11.72
G. E. Shipping (10)	12.32	12.32	12.00	12.00
Shivrajpur (10)	34 50	35.50	34.50	34.75
Sirpur Paper (10)	13.08	13.08	12.72	12.84
Synthetics and Chem. (100)	217.00	221.50	211.00	214.00
Tata Chemicals (10)	15.84	16.00	15 24	15.48
Tata Locomotive (100)	346.50	348 50	331.50	336.00
Tata Oil (25)	72 00	72 50	70.20	71.00
Texmaco (10)	24.24	24.24	23 52	23 52
Voltas (100)	273 50	275 00	266 50	270.00
W. I. Match (100)	276.00	276 00	271 00	271.00
W. Coast Paper (100)	172.00	172.50	164.50	165.50

GOVERNMENT SECURITIES	5-7-1962 Rs.	Gross Yield Earlier Redemption	Later Redemption	12-7-1962 Rs.
2¾% 1962	99.40	—	4.10	99.55
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.65	—	3.55	98.70
3 % 1963-65	98.70	3.92	3.36	98.80
3 % 1966-68	96.35	3.94	3.65	96.35
3 % 1970-75 1st Dev.	89.25	4.62	4.08	89.20
3 % 1986 Con. Loan	70.90	—	4.28*	70.00
3½% 1964 N. P. Loan	99.90	—	3.54	99.90
3½% 1965 N. P. Bonds	99.65	—	3.62	99.65
3½% 1962	99.90	—	3.25	100.00
3½% 1967 N. P. Bonds	98.85	—	3.75	98.85
3½% 1974	99.25	—	3.83	99.25
3½% 1967 N.P. Bonds	99.50	—	3.86	99.50
3½% 1969 Loan	98.00	—	3.83	98.50
3½% 1968	98.35	—	3.81	98.35
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.50	—	3.84	99.50
4 % 1972 Loan	100.00	—	4.00	100.00
4 % 1973 Loan	100.00	—	4.00	100.00
4 % 1979 Loan	99 40	—	4 05	99.40
3½% 1966 Bonds	99.60	—	3.60	99.60
4 % 1980 Loan	99.50	—	4.12	98.50
4 % 1981 Loan	99.00	—	4.10	98.75

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

COMMERCE AND INDUSTRY

(*Concluded from page 82*)

endowments to increase relatively? Apparently, the role of the relative supply of factors of production as a determinant of the direction of trade tends to lose ground, and it must be deduced that there is increased scope for re-arranging factors of production for productive purposes in the process of industrialisation. To the extent to which complementarity express itself in differences in cost ratios, it is something that can be created.

"The fact, therefore, that almost all countries in the E.C.A.F.E. region are at present producers of primary commodities should not be taken to imply absence of scope for regional co-operation. On the contrary, the more the commodities produced under tariff protection in the countries concerned overlap each other, the greater will be the potential gains to be derived from trade co-operation. Actually, the question of the scope for co-operation cannot be decided without reference to the extent of trade barriers that are likely to prevail in the future. It is also true that, even if such a scope is limited at present, it will grow in the future, given an appropriate economic policy, as industrialisation increases, disclosing further complementarities that are unexploited by the present level and pattern of production."

Economic Development

The basic case for regional co-operation among Asian countries rests on its ability to accelerate their economic development. The development of the region at present is inhibited by the insufficient capacity for the import of capital goods as a result of exports from this region, remaining largely stagnant. On the basis of a detailed examination of the supply and demand conditions of the region's exports, the Study concludes that the relatively slow expansion of world demand for the traditional export commodities of the region will make it impossible for the primary producers to rely on the traditional pattern of trade for accelerated growth. Nor are prospects bright for a considerable expansion of exports of non-traditional goods to countries outside the region, so long as industrially developed countries change their trade policies; there is no sign as yet, say the authors of the Study, that such a change will be forthcoming.

The primary producing countries will, therefore, have to aim at diversified output expansion for home markets, substituting domestic production for imports. But if import substitution is organised on a limited national scale, this may not meet the criteria of economic and technological feasibility. It is, in this context, that the E.C.A.F.E. Study advocates the adoption of import substitution on a regional level. Substitution, according to it, can be promoted and further accelerated in respect of imports from other parts of the world, apart from consciously cultivating existing possibilities of specialisation and mutual trade within the region. In short, the objective is ultimate co-ordination of national plans of the various countries in the region on a long-term basis. Regional co-operation provides, to quote the Study again, the only framework in which economic development can be accelerated without detriment to the efficiency and advantages of international specialisation. Its feasibility, however, remains to be studied, with particular reference to the trends in intra-regional trade, resource allocation in agriculture and industry and prospects for mobilising resources for financing trade and development. These aspects of regional co-operation have also been studied by the E.C.A.F.E. Secretariat, and they will form the subject matter of another article.

TEXTILES

(*Concluded from page 66*)

The list of major consumers (arranged in the order of their offtake) of various varieties during the year 1961 is given in Table D below:

TABLE D: *Major Consumers*

(In million yards)

Grey sheeting	U.K. 81.13; Sudan 38.93; Br. E. Africa 22.94; Ethiopia 6.62; Br. W. Africa 5.55; Aden 5.17; Canada 5.05; Switzerland 4.93; Belgium 3.89; Australia 3.62.
Grey drill	U.K. 8.33; Br. E. Africa 8.33; Ethiopia 3.34.
Grey shirting	U.K. 5.75.
Grey domestics	Br. W. Africa 4.21.
Bleached longcloth	Indonesia 11.69; Malaya-Singapore 5.44; Afghanistan 3.30; Aden 4.44.
Bleached voiles and mulls ..	Afghanistan 4.79; Sudan 3.83.
Printed voiles and mulls ..	Arabia 5.48.
Printed *saris* and *dhotis* ..	Ceylon 3.22.
Piece-dyed drill	Afghanistan 3.62.
Piece-dyed voiles and mulls ..	Arabia 5.09.

Foreign Exchange Earnings

Thanks to the appreciable fall of 121 million yards in the quantum of mill cotton piecegoods exported during 1961 as compared with the previous year, the foreign exchange earned from them was substantially lower at Rs. 46.16 crores, as against Rs. 54.70 crores in 1960 and Rs. 54.72 crores in 1959. The decline in earnings would have been more marked but for the persistently rising trend of prices. The average value per yard of cloth exported, which stood at 67 nP in 1959, moved up to 79 nP in 1960 and still further to 80 nP in 1961. Referring to the price aspect, the Export Promotion Council's study observes:

"An outstanding feature of the year has been the fact that, although the trend in the exchange earned per yard was an increasing one in the first three quarters followed by a decline in the last quarter, yet there have not been any violent fluctuations as were witnessed in the preceding two years; in fact, both the rise and subsequent fall in 1961 were steady. The average for the year was slightly above that in 1960 but well above that in 1959. A possible explanation may be the increased exports of printed and piece-dyed fabrics which do earn better exchange than greys, but for exporting which it has been found necessary to cut sharply on prices (with the aid of incentives) in order to be able to meet international competition."

Other Cotton Manufactures

The value of other cotton manufactures exported in 1961 was also lower at Rs. 8.30 crores, as against Rs. 9.90 crores and Rs. 11.16 crores respectively, in the two previous years. Taking both piecegoods and other cotton manufactures, the total foreign exchange earned in 1961 was Rs. 54.46 crores, as against Rs. 64.61 crores in 1960 and Rs. 65.88 crores in 1959.

Handloom (and powerloom) goods are said to account for roughly 10 per cent of the aggregate exports of cotton manufactures other than mill-made piecegoods. Excluding these goods, the total exports of mill-made cotton manufactures other than piecegoods during 1961 amounted to Rs. 7.99 crores. The actual exports of some of these goods in terms of lakhs of rupees during 1961 are (the figures in brackets relate to the previous year) as follows:

Yarn, etc.: Yarn 372.8 (370.4); hard waste 40.7 (51.9); sewing thread 38.1 (36.6); twine thread 6.7 (36.0); rope and twine 3.7 (2.8)—total 462.0 (497.7).

Apparel: Shirts 1.3 (3.0); outer garments for women and girls 0.2 (0.8); uniforms and accoutrements 2.2 (2.0)—total 3.7 (5.8).

Bed pillow, table covers, etc.: Handkerchiefs 2.2 (3.5); laces and lace fabrics 2.2 (1.8); bed covers 17.8 (29.7); bedsheets 17.6 (18.8); bedspreads 22.0 (33.7); counterpanes 24.6 (23.8); pillow cases 3.5 (1.3); pillow slips 2.5 (3.2); table cloth 0.4 (2.2); table covers 0.6 (1.2)—total 89.0 (113.9).

Floor coverings: Blankets 0.1 (0.7); cotton waste blankets 56.5 (62.7); carpets, carpeting and mats 32.7 (76.0); linoleum 17.7 (9.6)—total 50.4 (85.6).

Hosiery: Knitted piecegoods 4.7 (4.0); knitted outerwear 6.5 (12.3); stocking and hose 1.5 (2.1); knitted U and N wears 1.7 (3.2)—total 14.4 (21.6).

Towels and napkins: Mosquito netting 12.7 (15.5); towels in the piece 13.8 (168.5); napkins 0.3 (0.6)—total 131.1 (169.1).

Miscellaneous: Belting 1.2 (1.1); braids and trimmings 1.1 (1.1); duster cloth and glass cloth 0.2 (0.3); imitation leather cloth 0.9 (4.2); lamp wicks 0.4 (0.6); cotton linters 0.6 (0.7); cotton sacks 1.1 (4.5); total 5.5 (12.5)—grand total 829.8 (990.4).

Note: Figures for April to December 1961 relate to mill-made cotton manufactures only.

India also exported by way of post-parcel last year Rs. 12.53 lakhs worth of mixed hosiery goods (Rs. 18.94 lakhs in 1960 and Rs. 31.29 lakhs in 1959). The bulk of these, to the extent of Rs. 7.30 lakhs, was accounted for by cardigans, jerseys and pullovers.

MARKET GOSSIP

(*Concluded from page 55*)

for quite a few months. It is reported that Mr. Desai has clarified India's stand on three points: One, India does not oppose the application of external tariff by the end of the transitional phase, that is, by 1970. Two, it is willing to make voluntary restriction on exports, particularly textiles, if they adversely affect Common Market industries, provided the existing position in regard to exports to Britain is allowed to continue for some years. Three, it agrees that a trade agreement with the expanded Common Market need not be based on duty-free entry. Although *nil* tariffs are sought for tea and jute, low tariffs will be acceptable so far as the other commodities are concerned. India is also reported to have agreed that a "comprehensive agreement" by an enlarged Common Market, including the U.K., is the final solution for the country's long-term problems. The overall impression that one gets from these reports is that, instead of wresting more concessions from the Six, India itself is now climbing down from some of its earlier demands for safeguarding its exports.

Apprehensions about possible setbacks to established patterns of trade in the event of U.K.'s entry into the Common Market are not confined to India alone, but are shared by all the other developing countries as well. The economic conference of twenty-five non-aligned nations, which commenced at Cairo on Monday this week, fully reflects this mood. The conference is devoting particular attention to the repercussions of the formation of trade blocs by developed countries, particularly the Common Market, on the developing economies. The proposal of the non-aligned nations to convene an economic conference under U.N. auspices early next year to consider this problem is quite pertinent. If the U.K. manages to become a full member of the Common Market, as it now proposes to do, the European trade bloc will admittedly disrupt the traditional patterns of trade, besides strengthening their own bargaining power *vis-a-vis* the primary producers. These re-alignments in the world trading systems are obviously not in keeping with the spirit, if not the letter, of the G.A.T.T. The plea for a world conference under U.N. auspices to consider the question is, therefore, quite appropriate. It is to be hoped that the U.S. Government will extend its wholehearted support to this move, as the objective is to make sure that the Common Market will be outward-looking in the real sense of that term.

Notices

BURN AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Sixty-eighth Ordinary General Meeting) of the Company will be held on Monday, the 30th July, 1962, at 11 a.m., at the Registered Office, 12, Mission Row, Calcutta, to transact the following business:

1. To receive and adopt the audited accounts for the year ended 30th April, 1962 and the Directors' and Auditors' Reports thereon.
2. To declare a dividend on the Ordinary Shares. The dividend, if declared, will be paid on or after the 1st August, 1962, to the Shareholders whose names are on the Company's Register of Members for Ordinary Shares on the 30th July, 1962, or to their mandatees.
3. To appoint a Director in place of the retiring Director. In this connection notice is hereby given that Special Notice as defined in Section 190 of the Companies Act, 1956, has been received by the Company under Section 261 of that Act to move the following resolution as a Special Resolution:

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

The Ordinary Share Register and Transfer Books of the Company will be closed from the 21st July, 1962 to the 30th July, 1962, both days inclusive.

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

By Order of the Board,
MARTIN BURN LIMITED,
ROMEN MOOKERJEE,
Director,
Managing Agents.

Registered Office,
12, MISSION ROW,
CALCUTTA-1,
4th July, 1962.

An Explanatory Statement as required under the Companies Act, 1956 has been forwarded to the members of the Company.

THE TRAVANCORE OGALE GLASS MANUFACTURING COMPANY LTD.

AN EXTRAORDINARY GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company, Glass Factory Premises, Manjummel, Alwaye, on 5th September 1962, at 2 p.m. Notices of the meeting setting out the agenda and Explanatory Statement on the special business to be transacted thereat have been posted to the members.

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

By Order of the Board,
For OGALE BROTHERS (PRIVATE) LTD.,
Managing Agents.
N. P. OGALE.
Director.

Registered Office:
MANJUMMEL,
June 1, 1962.

COMMERCE

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

VOL. CV. No. 2675 BOMBAY, 21st JULY 1962 PRICE Rs. 2

BRITISH CABINET RESHUFFLE

THE reshuffling of the British Cabinet by Prime Minister Harold Macmillan this week, appears to be lacking in convincing reasons. The changes made have affected some of the senior ministers, including the efficient Chancellor of the Exchequer Mr. Selwyn Lloyd. There have been no major political crises, domestic or foreign. Similarly, there have been no economic crises either. It is true that, in some of the recent by-elections, the Conservative Party had fared rather badly; with liberals coming to the fore. But such straws in the wind do not appear to be enough justification for the Prime Minister to make a sacrifice of this nature, though they may suffice to provoke Opposition parties to try to make political capital. It is also true that Britain's application to the Common Market for membership is meeting with heavy weather. Instead of being able to dictate terms to the Common Market countries as Britain had hoped to do by forming the E.F.T.A., it is being dictated by France and Germany as to how and when it could join the Common Market. Undoubtedly, the present British Government had underrated the significance of C.M. to Britain's future. And to make matters worse, it has been in such a great hurry to wind up the E.F.T.A., weaken the Commonwealth and jump into the Franco-German wagon that the whole thing looks to an outside observer as nothing short of a self-inflicted humiliation. This development has made the British Government unpopular with large sections of the public by offending their sense of pride. But, surely, the responsibility for it cannot be laid at the door of any one member, or a section, of the Cabinet. Whether it is the reversal in by-elections or the failure at the negotiating tables in Paris and Brussels, the responsibility for them is that of the Cabinet as a whole. A mere change of ministers is unlikely to undo the harm already done, if such has really been the case.

A poignant feature of the British Cabinet reshuffle is the dismissal of Mr. Selwyn Lloyd. Dismissal is doubtless the right word, for Mr. Macmillan demanded his resignation and Mr. Lloyd readily obliged, in keeping with democratic traditions. Not many friends of Britain will have shed a tear, if Mr. Macmillan had not retained Mr. Lloyd in the Cabinet which he first formed after the Suez episode. At least most people in this country will have regarded it as a fitting punishment to Mr. Lloyd. But as the Chancellor of the Exchequer in the last two years, he has served Britain ably. And it is ironical that he should have been asked to quit the Government at a time when the merits of his economic policies have been amply proved by results. Many are the economic achievements of Britain under Mr. Lloyd's policies. His firm wage-pause policy, though highly unpopular and controversial, has knocked some sense into the head of labour. Wage demands of late have been restrained and the idea that increases in incomes should not be in excess of the rise in productivity has gone home well. Creeping inflation may not have been completely eliminated, but its pace at least has been perceptibly slowed down. Critics there were in plenty of his dearer money policy also. It used to be argued that the high Bank rate was conferring a lot of benefits to those who were keeping balances in London and that it was reducing the benefits of Britain's invisible exports. This was true, of course, but these losses were minor as compared with the large gains on the balance of payments front. The pound sterling has been strong for quite some time. The external reserves of Britain have greatly improved. The massive borrowings from the I.M.F. have been virtually liquidated before time. Confidence of foreign investors in Britain has gone up to such an extent that they are buying even long-dated and irredeemable British Government securities. They would not be doing so, unless they have come to feel that it might not be necessary for the British authorities to employ in the foreseeable future the high Bank rate weapon. Britain's competitive capacity has apparently improved, as is evident from the encouraging increase in its exports. Further, Mr. Lloyd has been largely instrumental for the creation of the National Economic Development Council.

In one of his public speeches a week before his "resignation," Mr. Lloyd claimed that the economic policies with which he was associated had enabled his country to devote a higher proportion of its national income to investment and aid overseas, a higher proportion to investment at home in modernisation of factories, roads and railways and a smaller proportion in personal spending than eleven years ago. "The pay pause has," he averred, "ended as a substantial success. It slowed down the rate of increase in our costs at a time when costs in countries which competed with us were mounting rapidly. As a result, our exports are more competitive." Indeed, in introducing the novel system of pay pause, Mr. Lloyd gave a lead to other countries which were faced with wage-push price inflation. German leaders in power, for instance, used to quote Britain's example as worthy of adoption in their country. It will be no exaggeration to say that even President Kennedy must have felt emboldened to take the firm stand he did against the steel companies by the pay-pause policy of Britain. In sending away Mr. Lloyd, Mr. Macmillan might have indirectly weakened the forces that were restraining the wage-induced inflation in many parts of the free world.

It is not suggested that Mr. Lloyd was not free from faults. He made a mistake in April 1961, when he presented a soft budget, giving tax concessions to the rich. In less than three months, he had to introduce a "little budget", incorporating in it crisis measures. His pay pause was unpopular not only with industrial workers but also with the middle class. His attempts to tackle speculative gains were feeble and unsuccessful, serving to confirm the common man's impression that he was pro-capitalist and anti-working class. When weighed against the large gains to the country as a whole, these faults are tolerable, even if they are politically inconvenient. The significant feature of Mr. Lloyd's policies is that it has not led to any fall in the living standards of British workers or in employment. Britain is still a country of full employment and high living standards. Some say that, in recent months, there have been some signs of a slight recession. But sensing this in good time, Mr. Lloyd had reduced the Bank rate, lifted the restrictions on banks in regard to special deposits and not sought the renewal of pay pause. So even the charge of inflexibility against him does not bear scrutiny.

The main reason why this able Chancellor had to go was, we are told, the unpopularity of the policies with which he had been associated. But this is hardly an explanation, because no Finance Minister can successfully clear an economic mess or overcome an economic crisis without resorting to measures that are painful. It is well known that a chronic malady needs a drastic remedy. Mr. Lloyd's dismissal is akin to a patient taking his doctor seriously to task for having successfully cured him by administering a bitter pill. Strange are the explanations given by some in Britain for the "betrayal" of Mr. Lloyd, to quote the expression aptly used by a British commentator. Mr. Macmillan himself says in his acknowledgment to Mr. Lloyd's letter of resignation that "we intend to continue on the path that you have prepared" and that he is "certain that this is the only way in which we can build growth upon a sound basis." Many in Britain seem to share this view. And yet it is argued that Mr. Lloyd had to give up his job, because he presented his policies "too inflexibly and unimaginatively." It is further argued that he failed to impress the audiences in television and that he was very poor in the public relations job. If this view is accepted, it means that the Finance Minister of a modern democratic government must have, in addition to the economic competence, generally expected of him, not only a pleasing personality but also pleasant manners, that is, he should be able to sell to the public his ideas, policies and remedies in a very agreeable fashion. He should, in short, be an ace public relations manager and an adept at television appearances. This seems to be a new qualification for finance ministership, though those who have read the works of Manu, the great Hindu law giver, may disagree with this view, for they may well exclaim: Has not Manu said that a Finance Minister must collect taxes from the people in the same way as a bee gathers honey from flowers! Be that as it may, it is claimed by some British commentators that Mr. Reginald Maudling, the erstwhile Colonial Secretary who has succeeded Mr. Lloyd, has all these additional qualities and that he would be able to pursue the policies of his predecessor by carrying the public with him. Describing the qualities of the new Chancellor of the Exchequer, the London *Financial Times*, for instance, says: "He is a gregarious man, with experience of economic matters, an acquaintance with businessmen, and a mind of his own. His reluctance to accept official briefs without question may be a useful asset in the present situation; it is to be hoped, from the public relations point of view, that he will also refuse to accept official jargon." It remains to be seen whether a mere change of personality and expert public relationship will make Mr. Lloyd's policies more acceptable.

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MINERAL DEVELOPMENT

THANKS largely to the impetus provided by industrialisation over the last decade, India's metalliferous mining industry, covering a wide variety of minerals, has registered some progress. The aggregate number of mines has increased from 1,203 in 1950 to 2,639 (as of 1960). The number of persons employed by the industry has likewise increased from 121,000 to 255,000. And the value of output of minerals—as many as 45 of them, with stone and gravel at one end, and gold and diamond at the other—has increased from Rs. 36.7 crores to Rs. 50.1 crores. Figures given in the table on this page would, however, show that the entire increase in the value of output has been accounted for by just 11 minerals, namely, iron ore, manganese ore, limestone, chromite, ilmenite, bauxite, magnesite, gypsum, copper ore, lead concentrates and zinc concentrates. This progress, though substantial, has, however, not been commensurate with the needs of industrialisation and export possibilities. It would appear that any all-round development of minerals, which are important either as raw materials for industries or as export commodities, is yet to take place on the required scale.

The mineral requirements of the third Plan period are going to be very heavy. The annual output of iron ore, for instance, would have to be trebled to provide 20 million tons for the iron and steel industry and 10 million tons for export by the end of the Plan. The demand for copper by 1965 is estimated at 150,000 tons, but its current production is less than 9,000 tons per annum. Nearly 500,000 tons of bauxite for the aluminium industry, 2.1 million tons of gypsum for fertiliser and cement industries, 30 million tons of limestone for cement, steel and ferro-manganese industries and 2.0 million tons of manganese ore for domestic industries and for export are other targeted annual requirements under the third Plan. But the actual production of some of the important minerals in the first year (1961-62) of the Plan has not been significantly higher than in 1960-61. The output of iron ore, for instance, was 12.8 million tons in 1961-62, as compared with 11.0 million tons in the previous year, and of copper ore 450.000 tons, as against 420,000 tons. In some lines, such as lead concentrates and zinc concentrates, the output has even fallen—from 6.400 tons in 1960-61 to 5,200 tons in 1961-62 in the case of the former and from 10,000 tons to 9,000 tons in the case of the latter. The progress, thus far, under the third Plan does not warrant any optimism on the score of mineral development.

What factors, if any, are impeding or slowing down mineral development? An unduly rigid interpretation of the Industrial Policy Resolution of 1956 is certainly one of the factors responsible for the slow pace of progress. Mining of iron ore, manganese ore, chrome ore, gypsum, sulphur, gold and diamond, mining and processing of copper, lead, zinc, tin, molybdenum and wolfram and atomic energy minerals, it may be recalled, have been listed among industries in Schedule A of the Resolution. All new units in these industries can be set up only by the State; this, however, does not preclude the expansion of the existing privately-owned units or the possibility of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require. The pattern of investment in mineral development under the third Plan suggests that the relevant Schedule A reservations to the public sector have been closely adhered to, without exercising the option contained in it. This surely is not in public interest, as it has placed on the country avoidable strains and stresses. It is revealing, in this connection, to find that the public sector has been allotted Rs. 478 crores (with a foreign exchange component of Rs. 200 crores) for mineral development (covering coal, petroleum and minerals) by way of investment outlay, whereas the private sector's share under the same head is just Rs. 60 crores (with a foreign exchange component of Rs. 28 crores) and, that too, only on account of the coal industry. The third Plan, thus, has provided no scope for new investment by the private sector in non-coal mineral expansion. Logically, therefore, the public sector alone can take the credit for whatever progress is achieved or be held responsible for failure or slow progress in this field.

The reservation of mining areas for exploitation in the public sector, in terms of the Industrial Policy Resolution, has been, and is being, made in a haphazard and indiscriminate manner, and this is impeding mineral development. Many States have notified vast areas as reserved for exploitation in the public sector. But exploitation has not commenced in most of them, with the result that there has come about "economic blocking of otherwise promising areas." Many industries based on mineral raw materials need mines of their own to have a steady supply of such raw materials, but they are not being granted suitable portions of the reserved areas. The Ministry of Mines and Fuel, which has been notorious for following a dog-in-the-manger policy, has not accepted the suggestion of even the Maharashtra Government, namely, that mining leases may be granted to mineral-based private industries in areas reserved for State exploitation.

There are some discouraging factors at work even in the existing privately-operated mines which, of course, are numerous. For instance, the State Trading Corporation's policy governing iron ore purchases for export is having the effect of discouraging further extraction of iron ore in the private sector. The S.T.C. is known to have been insisting on selective mining of high grade ore. This insistence has led to the accumulation of lower grade ores in the mining areas, as ore bodies contain different qualities of ore in the same deposit. And this, in its turn, has discouraged further extraction. If the situation is to be remedied, the S.T.C. might have to establish a foreign market for iron ore of lower grades or of average composition, besides catering to the existing market for higher grade ore.

There is virtually no encouragement to mechanisation of mining operations, and this is responsible for the slow pace of mineral expansion. If the third Plan target for iron ore is to be achieved, mechanised mining may have to be encouraged. Actually the Geological, Mining and Metallurgical Society of India has

Volume and Value of Mineral Production

Mineral	1950		1960	
	Volume in '000 tons	Value in Rs. lakhs	Volume in '000 tons	Value in Rs. lakhs
Iron ore	2,970	154	10,520	770
Manganese ore ..	880	848	1,160	818
Limestone	2,920*	103*	12,530	502
Chromite	17	6	99	57
Ilmenite	213	33	246	147
Bauxite	64	8	377	42
Magnesite	53	11	154	27
Gypsum	206	14	982	63
Copper ore	360	120	441	237
Lead concentrates ..	2*	N.A.	6	22
Zinc concentrates ..	2*	7*	10	25
Other minerals ..	..	2,369	..	2,237
Total ..	..	3,673	..	5,007

* Figures relate to calendar year 1951. 1 lakh=100,000.

recently put forward this suggestion. In the case of mica mining, mechanisation has been recently advocated by the Mineral Advisory Board. The Board's suggestion to the Government is to the effect that 10 per cent of the foreign exchange earned on mica exports be earmarked for importing machinery required by the mica industry. But no action seems to have been taken on suggestions of this kind, while all the foreign credits, such as those of the U.S. Export-Import Bank, the D.L.F. and the World Bank have been earmarked, almost exclusively, for mineral development in the public sector. Mr. K. D. Malaviya's latest statement, at the second annual review meeting of the officers of the Indian Bureau of Mines and the Geological Survey of India held at Nagpur on the 13th instant, that the Government has been considering a scheme in a "big way" to enter into a long-term arrangement with some foreign countries for the exchange of mineral resources and "know-how" is presumably related to mineral development in the public sector. It may be remembered, in this context, that the public sector alone needs $400 million for its mineral projects under the third Plan.

There is also a lot of uncertainty in the matter of royalty payable to State Governments for different minerals. While the Ministry of Mines and Fuel would prefer to have fixed rates of royalty for different minerals instead of relating it to variable factors like pitmouth value or f.o.r. price, several State Governments have opposed the Union Ministry's suggestion. Of course, fixed rates of royalty would be of advantage both to the public sector companies (mining as well as mineral-based industries) and to the private lessees and mineral-based industries in that they will help proper "forward planning" of mining operations and introduce an element of certainty in the determination of the prices of end-products. But there are also objections to this proposal on two grounds, namely, that it may be difficult for the lessees to pay the fixed rates if market prices fall and that the State Governments will be the losers if market prices go up. Whatever be the merits and demerits of the proposal for fixed rates of royalty, the question of revising the basis of calculating the royalty—a question in which the State Governments are most interested because of revenue considerations—would have to be solved at the earliest on the basis of some compromise formula and in the interests of mineral development.

In the final analysis, rapid mineral development in the country will depend on the performance of the public sector which is responsible for mineral exploration through the Indian Bureau of Mines and the Geological Survey of India and for mining and development through the National Mineral Development Corporation Ltd. and other departmental projects. How well the N.M.D.C., to which have been assigned the Kiriburu Iron Ore Project (Orissa), the Panna. Diamond Mining Project (Madhya Pradesh), the Khetri Copper Project (Rajasthan), the Daribo Copper Project (Rajasthan) and the Bailadila Iron Ore Project (Madhya Pradesh) has performed? The findings of the last Estimates Committee on the activities of the Corporation are by no means flattering. They reveal deplorable delays and waste in the execution of projects under its care. It will be no exaggeration to say that the public sector in the field of mineral development will be judged more by its ability to produce copper, sulphur, rare earths and other such scarce minerals than by its mining of iron ore and coal.

NEW LOANS SUCCESSFUL

THE slump in the share markets has not had any adverse effect on the Central Government's borrowing programme. On the contrary, there has been encouraging response to the new loans. This has, of course, nothing to do with the old and almost forgotten saying that, when equities wilt, Gilt-edgeds shine. For gone are the days, especially in this country, when individual investors had a sizable interest in Government loans. They now prefer to invest their savings in equities even when they offer yields lower than those available on Gilt-edgeds, because the former have on the whole served well as a hedge against inflation, whereas the latter have actually suffered a sizable capital depreciation nowadays. The main backing for Government loans is provided by banks, the Life Insurance Corporation and the provident funds. All these institutional investors had more funds to invest than a year before and the terms offered by the Government were also a little generous this time. There is a widespread impression in market circles that the credit for bringing about this change of heart in the authorities goes to the I.M.F. And it does not seem to be without some foundation, for they had to seek the Fund's assistance to augment the country's foreign exchange resources. They need not feel sorry for what they have done. The loan results have been more impressive than had been expected and the Centre's borrowing programme for the second year of the third Plan has been completed at one stroke, instead of at two as in the past year. The total subscriptions were Rs. 256.87 crores as compared with the invitation for Rs. 250 crores. Cash offerings aggregated Rs. 103.20 crores, while conversions accounted for Rs. 153.67 crores. This means that repayment of the two maturing loans in cash will be no more than Rs. 29.47 crores. In this respect, too, the Government has fared better than last year. It is, of course, not known to what extent the Reserve Bank supported the loan programme both by conversion and cash subscription. But knowledgable circles aver that the amount left over to be taken up by the Bank was smaller than it thought it would have to and definitely much less than last year. It is significant, in this connection, that the lists were open only for two days, instead of the three days provided for in the announcement. The fact that, of the total amount offered, Rs. 92.25 crores were for the short-dated 3½ per cent 1968 loan (with a redemption yield of 3.90 per cent) suggests that commercial banks were the largest supporters. That they were content with a lower rate of interest in preference to the 4½ per cent available on the long-dated (23-year) loan is indicative of their fear, not unjustified in our view, that the upward trend in the rates of interest and the downward trend in the value of Gilt-edged securities have by no means come to an end.

MARKET GOSSIP

Bankers' Seminar

A NEW spirit of co-operation and *camaraderie* is evident among bankers in the country. Although inter-bank competition has acquired a keener edge, thanks to the need to attract more deposits and more advances, bankers would appear to have realised that, since their interests are common and problems identical, closer co-operation can be mutually beneficial. Symbolic of this changed outlook of bankers is the three-day Seminar organised in the city this week by the Indian Banks Association. It was inaugurated by Mr. S. G. Barve, Finance Minister of Maharashtra. The Seminar has brought the bankers in the country together, for the first time, to exchange views on problems of common interest to the banking industry and therefore to the country as a whole. Although the Reserve Bank of India and the State Bank of India, the largest commercial bank in the country, are not directly participating in the Seminar, senior officers from these two institutions have been closely associated with the preparation of the Seminar papers which deal with as many as 23 subjects covering both short-term and long-term issues pertaining to banking and allied subjects. There is no doubt that a free exchange of views and sharing of experience, which the Seminar makes possible, will enable the banking industry and those who are in charge of regulating it to see the problems in the correct perspective and help in finding out solutions to them. It will also serve the purpose of educating public opinion.

We are told that the Indian Banks Association proposes to organise such seminars at suitable intervals in the future. This is a wise decision, for periodical discussions are essential for promoting the development of banking on sound lines. In fact, by the close of this year, three banking seminars would have been held in this country. It may be recalled here that, in March last, a seminar on development banks was held under the auspices of the I.C.I.C.I. In December next, a seminar of Asian Bankers is scheduled to be held. All this is good. Only, care must be taken to ensure that these seminars and symposiums do not degenerate into "an exercise in self advertisement," as Mr. G. L. Mehta put it in another context this week.

Welcoming the participants and guests, Mr. Tulsidas Kilachand, Chairman of the Indian Banks Association, set down in his speech some of the problems confronting banking in the country for the consideration of the Seminar. He did not himself suggest any solutions; nor did he anticipate the conclusions and recommendations of the Seminar. He only posed what he considered to be some of the more important issues which have a vital bearing on the development of banking both from short- and long-range points of view. The foremost challenge facing banks in the country is to raise their deposits to an extent which will enable them to provide the growing demand for bank finance in the third Plan. According to Mr. Kilachand, an investment of the magnitude envisaged in the third Plan is expected to create additional demand for bank finance of the order of Rs. 1,300 crores. Assuming that the ratio of advances to deposits would be maintained at 70 per cent, the additional deposits that would be required to provide Rs. 1,300 crores would be in the neighbourhood of Rs. 1,850 crores. To reach this target, bank deposits will have to grow at the rate of 20 per cent, which is a formidable challenge indeed for banks, considering that the rate of growth of deposits was 3.7 per cent per annum during the first Plan period and 12.6 per cent during the second Plan period. If the higher liquidity ratio proposed by the Reserve Bank of India is put into effect, it is doubtful, according to Mr. Kilachand, whether even a 20 per cent increase in deposits would be adequate to provide advances of the order of Rs. 1,300 crores. (One does not know from where Mr. Kilachand obtained this figure of Rs. 1,300 crores. Some days ago, the present Governor of the Reserve Bank gave the estimate of Rs. 600-700 crores for the last four years of the third Plan. On this basis, the additional deposits required by banks work out to Rs. 1,000 to Rs. 1,100 crores.) Anyway, to collect additional deposits of such a magnitude, concerted measures will be necessary. While Mr. Kilachand left it to the Seminar to consider the most effective way of achieving the target, he felt that extension of banking to unbanked areas, better service to customers, tax concessions to stimulate savings, etc., might help.

A second important problem over which banks and industry are equally exercised is to what extent banks can supply the needs of industry for medium and long-term finance. It has been suggested by the Finance Minister that the banks should give more support to the Government's borrowing programme and that industry should rely more on equity capital than on bank borrowing. Mr. Kilachand suggested that the Seminar might examine the appropriate manner in which the needs of industry and Government could be met. Similarly, he wanted the Seminar to examine the scope for extending further the financing of small-scale industries and commercial agriculture.

The absence of a well-organised credit information agency is a serious lacuna in the banking system in the country, to which Mr. H. V. R. Iengar had drawn pointed attention when he was the Governor of the Reserve Bank. At present, information regarding the business standing of individuals and firms is generally collected by banks on their own and they are reluctant to disclose or share such information with one another. The Reserve Bank of India is setting up a Credit Information Bureau for supplying banks with data relating to credit limits of parties from one or more banks. Mr. Kilachand suggested that the possibilities and implications of setting up a credit information bureau by the commercial banks themselves be examined by the Seminar.

Another subject he wanted the Seminar to examine was the question of an inter-bank agreement on service charges, the possibility of which is being currently explored. Mr. Kilachand did not indicate the possible conditions or provisions of the agreement but stressed that the agreement on deposit rates could form a suitable basis for further experimentation covering the terms of advances and services.

The shortage of trained personnel is already being felt by banks embarking on branch expansion. Accordingly, training of personnel has an intimate bearing on banking development in the country. Mr. Kilachand, therefore, did well to ask the Seminar to consider the question of staff training and to suggest methods for training an adequate number of staff.

The conclusions and recommendations of the Seminar are expected to be announced during the week-end. It is, however, too much to expect a Seminar to arrive at cut and dried solutions to all the aforesaid issues. It took months and months for banks to reach an understanding on one issue, namely, the inter-bank agreement on deposit rates and several months of negotiations with the Reserve Bank on the capital-deposits ratio. The value of seminars like this lies in the opportunities they provide to air different viewpoints on problems of current importance and nothing more.

Corporate Finances

There are quite a few in this country who time and again deride the private sector on the score that it has not given a good account of itself. Some even go to the extent of affixing on it the label of profiteering and exploitation. Such an attitude towards the private sector is, to say the least, uncharitable. Indeed, the sector continues to contribute significantly to the economic development of the country. A clear testimony to this contention is provided by the Reserve Bank of India's periodical studies of the finances of 1,001 large and medium-sized non-Government public limited companies, the latest of which, that pertaining to the calendar year 1960, is published in the June 1962 issue of the Bank's *Bulletin*. Inasmuch as the 1,001 companies covered in the study account for almost four-fifths of the aggregate paid-up capital of the aforesaid type of companies, the review may be taken to represent the position of the entire joint-stock or corporate sector. The latest review throws much interesting light on three important aspects of corporate sector: (*a*) relative performance of companies in different size groups; (*b*) trends in profits and capital formation during the five years from 1956 to 1960 which broadly represent the second Plan period; and (*c*) trends in debt-equity ratio. These aspects are synoptically presented in the table below:

Finances of Companies At a Glance

(In crores of rupees)

	1956	1957	1958	1959	1960
Income	1,899	2,079	2,168	2,339	2,636
Expenditure	1,720	1,917	1,988	2,109	2,364
Profit before tax	179	162	180	230	272
Tax provision	59	52	57	60	72
Depreciation	47	53	57	66	85
Dividends	43	43	47	65	71
Profits retained	30	14	19	39	44
Rates of growth (percentages):					
Paid-up capital *plus* free reserves	9.5	6.2	5.1	7.1	8.3
Net assets	15.9	11.8	6.2	5.0	9.5
Total income	13.7	9.5	4.3	7.9	12.7
Sales	11.8	9.2	5.4	9.5	11.1
Capital formation (as percentage of total assets formation)	86.7	94.3	91.8	77.0	80.4
External sources (as percentage of total sources of funds) ..	63.5	71.6	51.7	37.2	43.5
Increase in bank borrowings as percentage o external sources	40.0	27.0	13.0	—6.6	48.3

Note:—The figures in crores of rupees have been rounded off to the nearer digits.

Anyone who cares to peruse the analysis of the financial results of 1,001 companies will at once be impressed by the all-round improvement in production, sales, profits and capital formation during the five years 1956 to 1960. The value of production has gone up from Rs. 1,673 crores in 1956 to Rs. 2,342 crores in 1960, or at an average annual rate of 12.1 per cent. The rise, though it reflects to some extent the general increase in price levels, is particularly significant in that it has been achieved despite all the bottlenecks of transport, raw material scarcity and power shortage. Over the same period, total sales proceeds have improved from Rs. 1,452 crores to Rs. 2,273 crores. The average annual growth in offtake thus works out to 11.3 per cent which closely matches the expansion in production.

In the context of increased production, sustained aggregate demand in the economy and rise in prices, one would naturally expect an appreciable improvement in the profits of companies. But it has not been so. Thus, between 1956 and 1960, the gross profit as percentage of total sales has risen from 9.8 to just 10.2; actually the ratio had receded to 8.0 in 1957 and 8.5 in 1958. It is not difficult to explain this phenomenon. The improvement in production and sales has been neutralised greatly by the pronounced bulge in the cost of raw materials and other manufacturing expenses. Taxation also has taken its share in profit, the total sum earmarked for 1960 being Rs. 72 crores, as against Rs. 50 crores in 1956. Provision for depreciation has also been larger (Rs. 85 crores, as against Rs. 43 crores), a part of the increase having been necessitated by enhanced fixed assets. It is true that the amount distributed by way of dividends has increased from Rs. 42 crores in 1956 to Rs. 71 crores in 1960, but the increase is on a higher capital: Rs. 615 crores in 1960, as against Rs. 504 crores in 1956. If the average rate of dividend payment has been slightly higher, it has yielded the advantage of enhancing the popularity of equities and thereby enabling the capital market to attract a lot of savings into productive investments. Otherwise, the companies would have been forced to rely more heavily on borrowings than has actually been the case—in 1960, they aggregated as much as Rs. 643 crores—entailing a larger interest burden. In this connection, it is well to mention one welcome feature, namely, that the companies have ploughed back quite a good part of the profits into business, the total profits actually retained in 1960 being over Rs. 44 crores, as against Rs. 30 crores in 1956. It must, however, be conceded that due credit for this development must be given to the introduction of the system of compulsory development rebate reserve under the Income-tax Act.

It is rather disquieting to find that the rate of gross capital formation (comprising gross fixed assets and inventories) of the corporate sector has slowed down from 16.9 per cent in 1956 to 10.6 per cent in 1960, though the latter figure is much higher than 6.1 per cent for 1959. For the five-year period, the gross capital formation for the 1,001 companies aggregated Rs. 962 crores (Rs. 224 crores in 1960 alone), of which fixed assets accounted for Rs. 695 crores (Rs. 123 crores in 1960) and inventories for Rs. 267 crores (Rs. 101 crores in 1960). This works out to an average annual rate of 14.6 per cent.

The conventional debt-equity ratio (defined as the ratio of paid-up capital, reserves other than depreciation and taxation reserves, and unallocated surplus in the profit and loss account) to funded debt has worsened from 1 : 4.22 in 1955 to 1 : 3.36 in 1960. This has been brought about by a more than proportionate increase in debt as compared with that in equity. Thus, whereas the debt rose by about 78 per cent—from Rs. 179 crores to Rs. 318 crores—equity rose by only 41 per cent—from Rs. 754 crores to Rs. 1,068 crores. This is by no means a healthy development and has been deservingly criticised by the World Bank and the International Finance Corporation.

India and World Coffee

The eyes of all coffee producing and consuming interests the world over (including India) are now turned to New York, the venue of the U.N.-sponsored International Coffee Conference, Assembled at the Conference, which began on Monday the 9th inst., are the delegates from fifty-four nations and observers from eleven others who are thrashing out the details of a long-term world coffee agreement to replace the present year-to-year arrangement due to expire on 30th September next. It is premature to assess the final outcome of the Conference: Whether it will succeed in reconciling the divergent viewpoints of producers *inter se* and of producers and consumers. For the past experience of such international attempts to stabilise the world market has not been quite encouraging. Coffee, like crude oil, is one of the products which, as a West German commentator aptly puts it, always pose new problems to world trade. In his characteristic way, this commentator observes:

"For decades, the scene has been characterised by two extreme features: coffee being used to heat locomotives in order to keep the prices stable, on the one side, and coffee consumption restricted by taxes in Europe, on the other. The reason: there exists an abundance of coffee and, at the same time, there are too many finance ministers using coffee as a highly welcome source of revenue. So far, international coffee talks have hardly been more than well-organised shows. However, there could be a change in the seventh decade of our century."

From the brief reports that have trickled from the New York Coffee Conference hall, it would appear that practically all the delegates are agreed on the need for a more comprehensive, effective agreement that will avoid price fluctuations and create a production-consumption balance. India's approach to the issue has been clearly spelt out by its chief official delegate, Mr. H. Sitarama Reddy, Chairman of the Coffee Board. Speaking at the Conference, Mr. Reddy not only warned against the serious impact of any move to restrict coffee production in countries with small output such as India but also urged a realistic basis for fixing production and export quotas, so as to help and not hinder the economies of such producing countries. India, he declared, produced only about 2 per cent of the world's coffee, but it consumed a high percentage of its production, and consumption demands were expected to increase greatly as years went by. Mr. Reddy minced no words in stating the position of this country when he said:

"The expansion of coffee production . . . is a link in the fabric of our third Five-year Plan, and the imposition of any production controls at this stage would not be compatible with the setting up of targets for accomplishment by the end of the Plan period. Any tampering with the Plan at this stage would also retard our development. It is thus that the imposition of production controls in the international agreement for coffee becomes important to us. On the other hand, we would welcome any incentive and encouragement which could be given to us."

This journal is certainly proud of the fact that its views on the question of India's participation in the world coffee agreement represent the stand which Mr. Reddy has taken. We have ere now stressed that India cannot be a party to any move that tends to encroach upon its right to regulate coffee production which, by world standards, is small. For, otherwise, the hardship caused to India will

(*Continued on next page*)

TREND OF SHARES

HESITANCY ... AND DEMORALISATION

(From Our Own Correspondent)

BOMBAY, *19th July*

HESITANCY till yesterday yielded place to complete demoralisation today on the stock exchanges this week. Today saw yet another severe shake-out in the markets. Perhaps everybody sold, as heavy all-round selling by a certain influential, big industrialist-cum-operator unnerved marketmen. Some of the left-over prominent bulls also unloaded, as several market leaders offered no resistance to the bout of selling and sank to new low levels in the current downward trend. Stop-loss sales and sizable selling against option deals accentuated the setback. Closing prices disclosed further all-round losses which were heavy in some of the leading counters. The tone was distinctly weak, with bulls anxious to know if the worst was over.

There was nothing fresh in the published news to warrant the deterioration in sentiment. On the contrary, the markets heaved a sigh of relief when the news came that the serious tension from which the Indian outpost in Ladakh suffered in the previous week had eased slightly. True, the situation was still tense, as the Chinese had withdrawn not too far from the Indian outpost, and were said to be preparing for a more sinister design. But bears were restrained and sought the opportunity to cover their sales. Values, therefore, generally moved in a narrow range around the previous week's levels. Trading was dull in the absence of any big speculative support. But the heavy selling by the influential operator was followed by rumours that it was based on expectations of some Union Cabinet reshuffle on the return of Mr. Morarji Desai from abroad. A certain bull operator in Bombay, whose positions were uncovered in not one (as was generally believed) but in several counters is presumed to have suffered heavily and it is feared by marketmen that he might default. Hesitancy has thus given way to demoralisation.

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Textiles were the worst hit on Dalal Street, partly because of reports that mills might have to close down their third shift for want of cotton. Next came Dyes and Chemicals, followed by some leading Miscellaneous and Engineering issues. The worst to suffer among Textiles were the widely popular shares. For example, Century, which dipped to a new low level of Rs. 592, showed a loss of Rs. 28.50 at Rs. 597; National Rayon, sunk to a new low level of Rs. 486 and were 16 points lower on balance at Rs. 490.50; and Standard slumped to a new low level of Rs. 826 and were 74 points down over the week at Rs. 838. Among others, Khatau showed a loss of Rs. 17.50 at Rs. 447.50, Morarjee of Rs. 9 at Rs. 388 and Mafatlal, in the Cash List, of Rs. 18.75 at Rs. 801.25. Swan were five points down at Rs. 285. Kohinoor showed a loss of Rs. 3.50 at Rs. 294. Even neglected counters like Elphinstone and Raja Textiles also declined; the former by Rs. 8.30 to Rs. 101 and the latter by Rs. 10 to Rs. 110.

All the forward-listed Dyes and Chemicals showed big losses; Indian Dyestuff slumped by Rs. 28.75 to Rs. 435, Amar Dye-Chem by 15 points to Rs. 267.50, Poly Chem by Rs. 12.50 to Rs. 170 and Tata Chemicals by 72 nP to Rs. 14.76. Cash shares, in this section, were also weak. Colour Chem showed a big loss of Rs. 32.50 at Rs. 415. Synthetics were 14 points down at Rs. 200 and were closely followed by Alembic which disclosed a loss of Rs. 13.75 at Rs. 200. Camphor were seven points down at Rs. 90 and Pesticides came down by 36 nP at Rs. 5.24.

In the Miscellaneous section, Hindustan Motors were sold down to a new low level of Rs. 18.28 and were 76 nP lower at close at Rs. 18.52. Bombay Burmah, too, came down to a new low level of Rs. 632, but rallied to close seven points higher at Rs. 639, as against Rs. 646 a week ago. Premier Automobiles were Rs. 3.25 lower at Rs. 123.50 and Premier Construction showed a loss of Rs. 3.50 at Rs. 148.50. Wimco showed a further decline of five points at Rs. 266. In an otherwise weak section, B.B. Petrol gained 14 nP at Re. 1.94, after having risen to Rs. 2, at which rate they attracted a margin of 10 nP per share against bulls.

Among Engineering shares, Telco fell to a new low level of Rs. 313 and closed 18 points lower at Rs. 318. Larsen and Toubro were another heavy loser, as they declined from Rs. 29 to Rs. 26 and closed at Rs. 26.75 following the cut in the dividend from Re. 1.80 to Re. 1.40 per share, taxable, for the year ended 31st March 1962. Voltas showed a loss of five points at Rs. 265.

Steel shares made some show of steadiness, but receded at close. Tata Ordinary were one point lower at Rs. 145. The firmly-held Indian Iron broke sharply from Rs. 26 to Rs. 25.30—a new low level—and showed an on-balance loss of 25 nP at Rs. 25.55. Mukand Iron closed 31 nP lower at Rs. 24.24. Sugars, Shippings and Cements were easier. In the Cash List, among others, Permanent Magnets came down by Rs. 20 to Rs. 185, T. Maneklal by Rs. 25 to Rs. 620, Tak Machinery by Rs. 9 to Rs. 67 and Ceat Tyres by Rs. 6.25 to Rs. 173.75.

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The Calcutta Stock Exchange closed generally with moderate losses. In the Forward List, Birla Jute came down from Rs. 33.25 to Rs. 32.75 as did Howrah from Rs. 21.75 to Rs. 21.31. Indian Aluminium finished 44 nP lower at Rs. 37.75, despite the management's decision to issue right shares to the tune of Rs. 2 crores and debentures of Rs. one crore. J.K. Cotton showed a loss of 37 nP at Rs. 18.75, Texmaco declined from Rs. 23.10 to Rs. 22.85 and Burrakur receded from Rs. 17.81 to Rs. 17.56. However, Indian Cable showed a gain of 32 nP at Rs. 35.94 and Dunlop closed 6 nP higher at Rs. 39.50. Among Coals, Bengal declined from Rs. 364 to Rs. 351, but Equitable edged forward from Rs. 27.69 to Rs. 28.06. In Textiles, Bharat Commerce recorded a gain of Re. 1.69 at Rs. 25.94, but Bowreah declined further from Rs. 25.19 to Rs. 24.87. Jutes were subdued, with Dalhousie receding from Rs. 130 to Rs. 124 and Delta and Champadany showing each a loss of Rs. 2 at Rs. 196 and Rs. 135, respectively. But Bally recovered by nine points to Rs. 308.

Engineering issues made a mixed show, with trading featured by a recovery in Burn from Rs. 646 to Rs. 680 and in Raymon from Rs. 5.25 to Rs. 6.31. Miscellaneous section was devoid of much activity, but closing prices were generally slightly lower, with Balmer Lawrie reacting sharply from Rs. 281 to Rs. 257, Phillips Carbon declining from Rs. 24.75 to Rs. 22.25, Philips India showing a loss of Rs. 3.37 at Rs. 30.25 and Shaw Wallace moving down from Rs. 24.50 to Rs. 20.25. Rallis India, as an exception, showed a gain of five points at Rs. 140.50. In Papers, Titaghur came down from Rs. 40 to Rs. 39.44; in Sugars, Cawnpore showed a loss of 88 nP at Rs. 12.12 and Dyer Meakin of 57 nP at Rs. 54.55; and, in Teas, Grob closed Re. 1.63 lower at Rs. 8.37, Tezpore showed a loss of one rupee at Rs. 15.31 and Hantapara declined from Rs. 110.50 to Rs. 104.

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Considerable weakness in Plantings and fresh losses in Textiles were the features of trading in Madras. Thus, among Tea shares, Kil Kotagiri declined from Rs. 4.92 to Rs. 4.65 and United Nilgiri from Rs. 20.37 to Rs. 20.25. Blue Mountain showed a loss of 4 nP at Rs. 2.33 and Chembras receded by three points to Rs. 339. Consolidated Coffee came down from Rs. 18.35 to Rs. 18.25 and Coffee Lands from Rs. 15.25 to Rs. 14.75. Cochin Malabar, among Rubbers, fell from Rs. 6.95 to Rs. 6.50, T.R. and T. disclosed a loss of 35 nP at Rs. 9.65 and Midland finished 8 nP lower at Rs. 10.37. In Textiles, Madura showed a loss of one point at Rs. 34.25, Travancore Rayon of Re. 1.60 at Rs. 35.80 and S.I. Viscose of Rs. 4.50 at Rs. 164. 50. Sugars showed minor changes either way, with the exception of E.I.D. which gained 25 nP at Rs. 40. In the Miscellaneous section, Tube Investments came down from Rs. 286 to Rs. 277, Dalmia Cement declined by 95 nP to Rs. 12.20, W.I. Products showed a loss of one rupee at Rs. 191, Aluminium Industries came down from Rs. 24.10 to Rs. 23.90, Ashok Leyland disclosed a further loss of 15 nP at Rs. 8.15 and Mettur Chemicals slipped down from Rs. 13 to Rs. 12.95.

CAPITAL MARKET NEWS

NEW ISSUE

MOHATTA **and Heckel Ltd.**, a new company formed in Maharashtra State, is expected to enter the capital market in October next with a public issue of Rs. 25 lakhs—Rs. 23 lakhs in equity shares of Rs. 10 each and Rs. 2 lakhs in preference shares of Rs. 100 each. The Company is to undertake a Rs. one-crore project for the manufacture of wires and wire ropes. It has been licensed a capacity of 3,600 tons. The plant will be set up at Thana, industrial suburb of Bombay. Messrs. George Heckel Ltd., West Germany, is providing both technical and financial collaboration for the project. Negotiations for acquiring the necessary land between Thana and Kalyan are said to be under way. The Company is understood to have finalised technical details for the plant and machinery. The authorised capital of the Company is of Rs. one crore. The issued capital will be Rs. 55 lakhs and comprise Rs. 45 lakhs in equity shares and Rs. 10 lakhs in preference shares. Out of this, the promoters, Directors and their friends are taking up shares worth Rs. 20 lakhs, the foreign collaborator will be allotted shares of the value of Rs. 10 lakhs and the balance of Rs. 25 lakhs is to be offered to the public.

RIGHTS ISSUE

The Directors of the **Indian Aluminium Company Ltd.** have decided to issue additional equity shares worth Rs. 2 crores and offer debentures of the value of Rs. one crore for public subscription, both subject to the consent of the Controller of Capital Issues. The new shares are to be offered to the existing shareholders in the proportion which would be fixed after the terms on which the issue is sanctioned by the authorities are known.

FRESH ISSUES SANCTIONED

The Controller of Capital Issues has authorised the following five companies to make fresh capital issues. The details of the issues are given below:

Jaswant Sugar Mills Ltd., Meerut, U.P., having a paid-up capital of Rs. 30 lakhs, is to issue bonus shares of the value of Rs. 12 lakhs on capitalisation of its reserves to a like extent.

Swastik Oil Mills Ltd., Bombay, will raise 6.5 per cent debentures of the value of Rs. 20 lakhs for cash at par. The proceeds will be utilised for redeeming the existing debentures and for providing working capital. The present paid-up capital of Rs. 30,37,500 is in equity shares of Rs. 100 each.

Super Spinning Mills Ltd., Andhra Pradesh, is raising capital of Rs. 25 lakhs, in equity shares of Rs. 10 each for cash at par. The proceeds will be utilised for establishing a cotton spinning mill.

Deccan Sales Corporation (Private) Ltd., Bombay, having a subscribed capital of Rs. 30,600, is issuing equity capital of the value of Rs. 19,69,400 in shares of Rs. 100 each for cash at par. The money will be used for the manufacture of granulated compound fertilisers.

Bombay Wire Ropes Ltd., Bombay, has been granted a revised consent to issue capital of Rs. 60 lakhs in equity shares of Rs. 10 each for cash at par. The proceeds of the issue will be utilised for the manufacture of wire ropes. The revised consent is valid up to 31st December 1962.

MARKET GOSSIP

(Concluded from previous page)

be pretty severe both in the matter of export earnings and for meeting the needs of internal consumption. Mr. Reddy did well to drive home this aspect, with a forceful plea for giving special weightage to the consideration that India is exercising "utmost control" to assist the world coffee economy by making allotments for exports only after meeting internal requirements and taking into account the pressing urgency of foreign exchange.

As the International Coffee Conference is in session, a special G.A.T.T. Study Group is discussing at Geneva the possibilities of reduction of tariffs and taxes on coffee (as also tea, cocoa and other tropical products) in industrial nations. The overseas territories associated with the European Common Market and the developing countries of the Commonwealth are taking part in the discussions which are being held on the basis of a Brazilian draft providing for the gradual removal of these burdens within five years. A survey of the G.A.T.T. Secretariat reveals that West German taxes on coffee (and tea), which correspond to 70 per cent of the import value, are the highest. Britain has removed the tariff on coffee imports and Italy has announced a 50 per cent cut in coffee tax.

While on the subject of coffee, it may be interesting to note that the Common Market Commission has promised to study carefully a protest of the Organisation of American States (O.A.S.) dealing with the coffee trade between the Common Market and Latin America. Dr. Walter Sedwitz (U.S.), the head of the Economic Department of the O.A.S., had personally been to Brussels to underline the importance of the O.A.S. demand. The Euro-African Steering Committee of Common Market and the associated African countries has formed a working group with five sub-working groups. The first of the latter has already started to discuss the exchange and sales of coffee, tea and cocoa.

Depreciation Allowance in the U.S.

Amidst the widely entertained expectations of some relief in all income taxes, including that on personal income, the Kennedy Administration has announced, as a fillip for the lagging U.S. economic growth, the biggest federal tax-cut of $1.5 billion since 1954 by liberalising the depreciation allowances for both business and industry. The sweeping overhaul of the system is contained in the new "Depreciation Guidelines and Rules," effective from the 11th of this month. A key feature of the new system is to shorten considerably the lives of assets in relation to those worked out in the last official guide, published in 1942. It is aimed at allowing business houses to use tax savings to increase their investments in the latest machinery and equipment, and also provides for even faster depreciation, if a firm actually replaces its old equipment at a more rapid rate. Briefly, under the new system, assets of farmers and businessmen are divided into only 75 categories, instead of the 5,000 in the old regulations, introduced 20 years back and long recognised to be out of date, and the average life of manufacturing equipment, for depreciable purposes, reduced from 19 to 13 years. Congressional approval is not necessary for this action. Meanwhile, the President and the Secretary of the Treasury, Douglas Dillon, have urged Congress to approve the upward revision from 13 per cent to 16.7 per cent in the tax credit for new investments under the system. According to Mr. Dillon, special tax incentives for new investment granted by America's nine friendly industrial competitor nations have resulted in the average first year's recovery in those countries of 29 per cent. The new revision would be still far short of equality.

The increase in the depreciation allowance as mentioned above has met the complaints of businessmen that the old system was stunting economic progress. Business spokesmen and Congressional leaders have generally welcomed it. Mr. Dillon believes that it should have a quick impact on the economy. For, with many business houses having promised to use tax savings in new equipment, he foresees an upward trend in orders for those items in the next couple of months. President Kennedy's reasons for this reform are: "By encouraging U.S. business to replace its machinery more rapidly, we hope to make U.S. products more cost-competitive, to step up our rate of recovery and growth and to provide expanded job opportunities for all U.S. workers."

The estimated first-year revenue loss of $1.5 billion due to the revision will be the largest since the Congress revised the tax laws in 1954. Mr. Dillon, however, hopes that the Government would quickly recoup it, at least partly, as liberalised depreciation is expected to promote job-creating business investments. The President believes that the result of his reform would be an increase of about $6 billion in the annual capital expenditure by business.

It is interesting to find that the rate at which depreciation on plant and machinery is admissible in India varies from 7 to 40 per cent, depending upon the wear and tear in different industries. For most of the industries it is 10 per cent and, at that rate, quite liberal in relation to even the revised position in the U.S. In addition, industries are permitted an extra allowance up to a maximum of 50 per cent of the normal allowance for double-shift working. Then there is the 25 per cent development rebate, to be set apart under a reserve account to be utilised for the purpose of the business of the undertaking. Lest someone should get away with the belief that the authorities in this country are too liberal, it is, however, necessary to add that the concessions are nothing more than the necessary incentives for entrepreneurs and investors in an underdeveloped economy, and that the basic rate of taxation of companies at 50 per cent is one of the highest in the world, higher than even in some of the highly developed countries.

NEWS IN BRIEF

THE number of foreign experts and technicians employed at present by Hindustan Steel Ltd. is 460, of whom 174 are in Rourkela, 158 in Bhilai and 128 in Durgapur.

The Rs. 1.82-crore coal washery set up by Hindustan Steel Ltd. at Bhojudih, near Dhanbad, was commissioned last week. The washery is expected to reach its full capacity of 4,000 tons per day by September next. Its annual output of washed coal will be 1.2 million tons.

The Planning Commission has decided to locate the second atomic power plant at Pratapgarh in Rajasthan. The proposed plant is likely to come up only during the fourth Plan period. A third nuclear plant is also proposed to be set up somewhere in the Madras region.

A trade delegation, led by Mr. M. M. Vadi, Industrial Adviser (Engineering), Union Ministry of Commerce and Industry, has left for Djakarta to explore the possibilities of exporting engineering goods to Indonesia. On its way back the delegation will visit Singapore, Kuala Lumpur and Bangkok.

The International Development Association has agreed to give a loan of $18 million (Rs. 8.57 crores) for the development of Bombay port during the third Plan. The I.D.A. credit, which is interest-free, barring a service charge of ¾ per cent will be repayable in 50 years, the first instalment starting from January 1973.

The Film Finance Corporation Ltd. has sanctioned a loan of Rs. 3.5 lakhs to Messrs. Umesh Rao and Gian Sachdev, partners of Messrs. Akash Ganga, Bombay, for the production of a Hindi film. The loan will be paid in instalments and bears interest of 9 per cent per annum subject to a rebate of interest for early repayment as provided in the by-laws and regulations of the Corporation.

An agreement has been signed between the Governments of India and Russia, under which Russia will supply jet engines for the HF-24 supersonic jet fighters manufactured at Bangalore. It will also help the Indian Government to manufacture the engines within the country. The question of finding a suitable engine for the HF-24 had been holding up the actual manufacture of the aircraft. Originally the Siddeley Bristol Aviation Company's Orpheus-12 engine was intended for the plant, but the British firm has since discontinued development of the engine.

The Government of India has extended the date of registration of powerloom co-operative societies upto to 31st March 1963. This decision is a sequel to the representations received to the effect that the programme of conversion of handlooms to powerlooms through co-operative societies is still in progress. It may be noted here that cotton fabrics produced on powerlooms owned by a co-operative society or owned by or allotted to the members of such a society are at present exempt from the whole of the Central excise duty leviable on them.

The Government of India is considering a scheme for installing a power plant on the bank of the Jhelum river in Kashmir. The project, which is estimated to cost Rs. 15 crores, is designed to produce 50,000 kw. Under the terms of the Indus Waters Treaty, the Jhelum is one of the three rivers allotted to Pakistan, but the agreement provides for the use of its water for power generation by India provided it does not diminish the river's flow downstream. The proposed power house is described as the "run-of-the-river" unit. Water will be diverted to the Jhelum after power generation. In accordance with the treaty, Pakistan has been informed of India's plans and has even been supplied with details of the design.

The National Co-operative Farming Advisory Board has now been reconstituted for a further period of two years. The term of the Board, which was set up on the recommendation of the working group on co-operative farming, expired at the end of June. The Board has been charged with the task of planning and promoting the programme of co-operative farming on a voluntary basis, reviewing the progress in the field, suggesting measures for enlisting people's, participation in the programme and fostering their initiative and leadership and assessing the requirements and recommending the pattern of financial assistance. The Board will also seek to co-ordinate inter-State developments and experience and help State Governments and State Boards in formulating their schemes and programmes.

The public sector fertiliser plant at Rourkela, the largest unit of the kind in the country, is scheduled to commence production in September next. Initial production will be at the rate of 100 tonnes of calcium ammonium nitrate per day, but, when in full operation, the plant will produce 580,000 tonnes per annum. The plant, which has been constructed jointly by a West German firm and the Fertiliser Corporation of India, is expected to cost Rs. 23 crores, including cost of plant, equipment and the township built for the factory's 1,500 technicians and workers. The important raw materials, which form the base of the fertiliser to be produced, are mixed gases from the coke oven batteries and nitrogen from the oxygen plant of the Rourkela Steel works, now going waste, and small-sized limestone from the steel plant's own quarries that is not required for the production of steel.

An increase in the number of both senior and junior research scholarships in agricultural and animal husbandry subjects was recommended by the Advisory Board for the Indian Council of Agricultural Research at its meeting at New Delhi last week. The Board approved a number of research schemes in the field of agricultural and animal husbandry. Under one of these, hybrids of rice are to be tried on an all-India basis in order to select those varieties which would combine the capacity to respond very well to fertilisers with other useful attributes. Another project relates to trials for testing improved cultural and manurial practices on farmers' holdings in respect of mango, citrus and banana. Other projects cover the establishment of regional research stations for medicinal and aromatic plants, promotion of walnut cultivation in the Punjab and Uttar Pradesh, laying out of Japanese-style gardens at different places in the country and use of antibiotics to control plant diseases and to regulate plant growth.

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From Abroad

The United States Chromium Company has undertaken to exploit the rich deposits of manganese ore recently discovered in the Menoikon area in Greece.

Soviet Russia expects to harvest a bumper crop of foodgrains aggregating 146-160 million tons in 1962, as against 136 million tons in 1961 and the previous record of 141.2 million tons produced in 1958.

The European Common Market has offered import tariff concessions to Canadian farm, fishery and forest products, metals and some manufactured goods. The concessions will benefit Canada to the tune of about $250 million annually.

A leading sugar factory in Japan, the Shibaura Sugar Company, proposes to set up a sugar refinery near Bangkok as a joint venture with a Thai firm under the name Thai Nippon Sugar Corporation. The refinery is estimated to cost 150 million yen and will have an annual capacity of 150,000 tons.

France has repaid $293.4 million (of long-term Marshall Aid loans) to the U.S. and $62.5 million (of a 1946 loan) to Canada. The normal maturity dates of these loans are spread out until 1987, but the advance repayment will save France total interest charges amounting to $116 million. The repayment of loans has been rendered possible by the improvement in the French balance of payments position.

Japan is organising a Floating Fair to visit twelve ports in Near Eastern and African countries during the period December 1962-February 1963. The 12,200-ton Fair Ship, specially designed with no funnel, will carry about 10,000 items for display in the three exhibition halls. The major portion of the exhibits will comprise machines, some durable consumer goods, textiles and sundries. This will be Japan's fourth Floating Fair. The first visit was to the South East Asian countries in 1956, the second to Latin America in 1958-59 and the third to Oceania and South East Asia last year.

Two of the biggest electrical concerns in Western Europe, Philips and Siemens, have decided to link up their interest in the production of gramophone records. Under an agreement signed between the two companies, they will take over half shares in each other's record subsidiaries. Philips will become a partner in Deutsche Grammophon GmbH, hitherto a 100 per cent. Siemens affiliate, while Siemens will take over 50 per cent in N. V.

The Government of Ghana has taken over the Ghana Graphic Company, a subsidiary of the Mirror Group (U.K.) which publishes at Accra the morning daily, following an agreement reached with the Company. The Company's share capital will be bought by a five-man board of trustees with Chief Justice, Sir Arku Korsah as Chairman, Mr. Cecil King, who is the Chairman of the Mirror group, has been named one of its members. Newspapers, it is said, will continue to be published without any change in policy. This is the third private business taken over by the Ghana Government. The first two were the British trading firms, Commonwealth Trust, and A. G. Leventis, a chain of commercial and industrial organisations named after its sole owner, the Greek-Cypriot millionaire, Mr. A. G. Leventis.

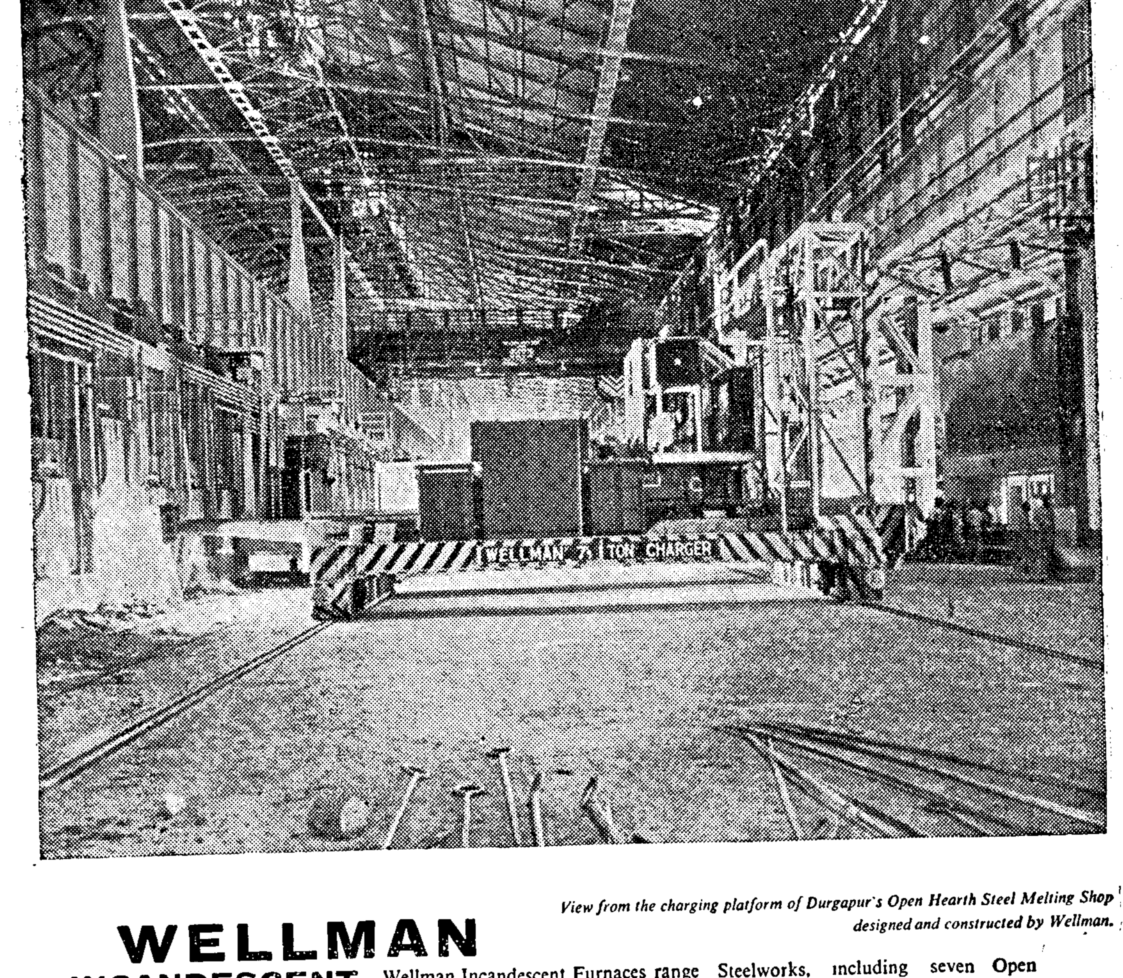
PERSONAL

MR. H. V. R. Iengar, a former Governor of the Reserve Bank of India, assumed office as the Chairman of the Indian Aluminium Company, Ltd., on Wednesday this week. He is also designated the Financial and Economic Adviser of the Company.

Mr. L. Melo Lecaros, Chilean Ambassador-designate to India, has arrived in New Delhi to take over charge of his new assignment.

Mr. R. A. Haryott, who, until his retirement three months ago, was Chairman and Managing Director of Glaxo Laboratories (India) Private Ltd., has been appointed to the main board of Ross Foods Ltd., Grimsby, in an administrative capacity.

Mr. Vasantrao G. Gupte, the first Indian to hold the post of an uncovenanted Assistant in Mackinnon Mackenzie and Co. (Pvt.) Ltd. has retired after serving the Company for 41 years.



View from the charging platform of Durgapur's Open Hearth Steel Melting Shop designed and constructed by Wellman.

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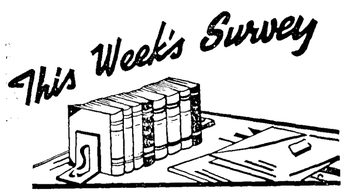


RURAL HOUSING

THE housing situation in India's 558,000 villages has always been deplorably bad—as bad as in its towns. According to the 1951 Census, 54 million rural dwellings were occupied by a total rural population of 295 million, each house providing shelter, on an average, to 5.5 persons, as compared with an average of 6.0 persons per urban dwelling. There was thus as much crowding (or overcrowding) in rural dwellings as in urban ones. But the more distressing part of the situation was that as many as 50 million out of the then 54 million rural dwellings stood in need of complete rebuilding or substantial improvement. The situation seems to have deteriorated over the last decade, for, while the combined efforts of Central and State Governments, co-operatives and individuals have provided an estimated three million urban houses during the period, no extensive rebuilding or improvement of rural dwellings has since taken place. As the 1961 Census figures pertaining to occupied houses in rural areas are not available, it may be broadly assumed, on the basis of what has been said at the recent all-India seminar on village housing, that the present rural population of 360 million has to live in about the same number of dwellings as in 1951. In other words, quite apart from the further deterioration in the quality of these rural dwellings, there seems to be more crowding (or overcrowding) in them now than in 1951. An average rural dwelling must be having at the present time more than six persons.

The magnitude of the rural housing problem is such that public financial aid can touch only its fringe. In fact, the Centrally-aided village housing projects scheme, which has been in operation since 1957 in about 5,000 selected villages in suitable Community Development blocks, has not scratched even the surface of the problem. Under this scheme which provides financial assistance in the form of loans to the extent of two-thirds of the construction cost or Rs. 2,000, whichever is less, the amount sanctioned so far has come to just Rs. 7.0 crores for the construction of about 45,000 houses. This amount includes Rs. 3.3 crores sanctioned in the first year of the third Plan which has made a provision of Rs. 12.5 crores for the period 1961-66. Even this five-year provision (Rs. 12.5 crores) includes Rs. 5.0 crores for acquisition of house-sites for landless agricultural workers. So much so, the number of houses that can be built with the aid of Rs. 4.2 crores (Rs. 12.5 crores *minus* Rs. 5.0 crores *minus* Rs. 3.3 crores) is not expected to be more than 30,000. In the sum, only 75,000 rural houses will have been built under the scheme over the period 1957-66, as a whole. This will be a pitifully negligible performance, as compared with the enormous need for rural housing. The all-India official seminar on village housing, held at Mysore last week under the chairmanship of Mr. Mehr Chand Khanna, Union Minister for Housing and Supply, has therefore done well to recommend that a further 5,000 villages be brought under the purview of the scheme and an additional Rs. 12.5 crores be allocated for the purpose.

The additional amount asked for is, of course, not much. But it can conceivably be used for building a larger number of houses than is envisaged under the construction standards of the scheme, if more vigorous efforts are made to utilise local materials and adopt some of the traditional construction practices. For instance, the need for cement, which is a scarce commodity, and for bricks can be minimised if brickwork is limited to the foundation and two or three feet above it. Mud walls above this solid foundation raised according to traditional practices can be quite enduring. The need for R.C. construction or for C.I. sheets can also be eliminated by the use of tiled roofs on palmyra, neem, jambul or other suitable wooden beams, rafters and strips. Their durability may be increased by properly seasoning them with the help of modern methods. The other materials that will be available without difficulty in different localities calls for investigation by the rural housing wings of the State Governments. If some of the traditional construction practices can also be usefully adopted, the existing village masons and artisans would be able to do the job without any special training. The employment-potential of such construction methods is bound to be larger, and the use of local materials to the farthest extent possible will also mean some saving of foreign exchange on account of steel and relieve the pressure on manufactured construction materials in short supply. To construct or reconstruct rural houses on a larger scale may also be a good thing in the present context of foreign exchange shortage and resultant cutbacks in other projects.

U. S. FOREIGN AID BILL

The U.S. Foreign Aid Bill (covering the fiscal year commencing from 1st July 1962) as passed by the House of Representatives on Thursday the 12th inst. marks a distinct improvement over the Bill as it emerged from the Senate last month in three important respects. In the first place, the Bill provides for a larger total aid authorisation amounting to $4,668.5 million, as against the sum of $4,662.0 million recommended by the Senate, though it is still considerably less than the $4,878.5 million requested by the Administration. Secondly, India's share in this total is left unchanged at the figure of $815 million proposed by the Administration, whereas the Senate had voted the pegging of this share at the previous year's level of $727 million; earlier, a 25 per cent cut even in this amount had been urged. Finally, the House has turned down the Senate's move to deny the President any authority to give economic aid (except food surpluses) to countries like Yugoslavia and Poland. Indeed, it has left the door open for extending aid to these countries and vests the President with authority to use his discretionary powers in this respect. The House has, however, adopted two amendments which weaken the Administration's authority. One of them bans U.S. purchases of United Nations bonds and the other denies the President discretion to continue aid to nations expropriating American property without paying adequate compensation.

The differences between the two Bills as passed by the two Chambers of the U.S. Congress have now come for adjustment before a Senate-House Conference Committee, and the compromise Bill will then go back to each House for a new note. The final shape of this compromise Bill will depend on the extent to which the Administration will bring to bear its influence on the Joint Committee. The latest reports from Washington aver that the Administration's supporters "are trying to persuade the Committee to confirm the helpful provisions (as provided for in the original Bill) and delete the restrictive amendments."

If the Bill as voted by the House of Representatives is a distinct improvement on the one adopted by the Senate, the credit must go largely to President Kennedy, Secretary of State Dean Rusk and some of the House members. Just before the House assembled on the 12th inst., President Kennedy had personally requested the leaders not to make any drastic changes in the original Bill and it is understood that he had pleaded for the avoidance of any specific reference to India. Two days earlier, in a nation-wide television programme, Mr. Dean Rusk had warned that it would be calamitous if the President were robbed of his authority to give aid to India, Yugoslavia, Poland and other nations. Despite all this, some members of the House made a scathing attack on India, United Arab Republic, Indonesia, Ceylon, and six South American countries. Mr. Halpern, for instance, declared that "American taxpayers are fed up with our granting assistance to nations which use their economic resources to buy arms and military assistance from the Soviet." Mr. Michael Feighan introduced a last-minute amendment seeking to cut all aid to countries which did not share U.S. views on the nature of the world crisis. He referred, in particular, to India's action in Goa, its threat to buy M.I.Gs and the latest Soviet veto on Kashmir has demonstrating a difference with the U.S. approach. Such shortsighted views were effectively countered by several others, both Republicans and Democrats. It was ridiculous, Mr. Judd (Republican) said, to suggest that only those who were the satellites of the U.S. deserved aid; the aim of foreign aid was to help the emergence of strong and independent countries. A leading Democrat from Ohio characterised the move to cut off all aid to neutral countries as unjustified. Humorously but appropriately enough, he said: "I sympathise with the wife of the author of this amendment (Mr. Michael Feighan), because, if she disagrees with her husband, he will cut off her funds too." It was Mr. Cornelius Gallagher (New Jersey Democrat) who ably supported the cause of India. Praising India's achievement in the economic field under an effective democratic structure, he is reported to have said:

"India has poured enormous sums from her own sources into a well-organised and sustained effort, leading toward specific economic goals. We have confidence in what they are trying to do, and it is in our interest that this progress be maintained. The 'Goa incident,' India's posture in the U.N. on Kashmir issue and the matter of the Soviet M.I.Gs are no doubt distasteful to us, but let us not overlook the fundamental factor, namely, that these are situations which, while annoying to us, are not vital to the U.S. national interest. They are, however, essential problems of Indian national interest.

"India is playing a very constructive role in South-East Asia. We and the Indians have a common concern, that is, the threat of communist China.... The Indian development programme is gathering additional momentum under an increasingly effective democratic structure, while the Chinese communists are facing increasing economic difficulties under the most totalitarian Government in the world today. A faltering or collapse in the Indian economic development effort will have such psychological and political repercussions throughout Asia, Africa and the Middle East that the price of picking up the pieces in the aftermath may well become intolerable for the West.

"In brief, there is no doubt in my mind of the necessity to continue to assist India, because it is in our national interest to do so. We must not let ourselves be swayed from the task ahead of us, because of emotionalism more appropriate for a new nation than for the leader of the free world."

The observations of Mr. Gallagher have been quoted *in extenso* only to show that there are in the U.S. persons who continue to evince keen interest in India's development, political differences notwithstanding. It is to be hoped that the Joint House-Senate Committee will ponder these observations and fully endorse the Administration's authorisation of $815 million to India for the fiscal year 1962-63. The people of India are certainly appreciative of the massive American support to this country. It may be noted here that the total aid actually granted by the U.S. since the inception of the Economic Assistance Programme in June 1961 and up to 4th May 1962 is $4,324.30 million, equivalent to Rs. 2,060 crores.

PUBLIC SECTOR COLLIERIES

The public sector in India's coal industry is operated by two Government companies—the National Coal Development Corporation Ltd. and the Singareni Collieries Company Ltd. Both the concerns have on hand expansion programmes under the third Plan. The N.C.D.C. has drawn up a phased programme for achieving a total production of 10.6 million tons in 1962-63, 18.1 million tons in 1963-64, 24.4 million tons in 1964-65 and 33.6 million tons in 1965-66. For its part, the Singareni Collieries Company has programmed to increase its production to 5.7 million tons during the last year of the Plan. These are rather ambitious targets for the two concerns, but they are not unattainable. A major factor that will facilitate their attainment is timely reorganisation of the administrative structure of the two companies.

In the case of the N.C.D.C., which is an unwieldy organisation with its headquarters at Ranchi and its collieries in four States (Bengal, Bihar, Madhya Pradesh and Maharashtra), a reorganisation plan is already under way. Under this plan, the collieries of the Corporation have been grouped into six Areas. The larger Areas, namely, those with a production rate of 5 million tons a year or more, have been put in the charge of Chief Mining Engineers and the smaller ones under Joint Chief Mining Engineers. As a measure of decentralisation of authority, Financial Advisers have also been attached separately to the Chief Mining Engineers/Joint Chief Mining Engineers in charge of the Areas. As a step towards reorganisation of the headquarters, Directorates of Production and Planning have also been established at Ranchi. Apparently these reorganisational measures are not enough, for the new mines which the N.C.D.C., is opening at considerable distances from one another stand in need of a large measure of autonomy which alone would be conducive to local initiative in the varied conditions of such mines. It is, therefore, a promising development that the Union Minister for Mines and Fuel, Mr. K. D. Malaviya, is already considering ways and means of decentralising further the administrative set-up of the N.C.D.C. The Ministry's decentralisation proposals, like those of the Steel Ministry pertaining to the public sector plants, would have to be sufficiently imaginative in the direction of fuller autonomy to individual collieries. It may also be a good thing to bring about a measure of healthy competition among the N.C.D.C. collieries by maintaining and publishing the accounts of each colliery separately on a commercial basis.

As for the Singareni Collieries Company which is owned by the Andhra Pradesh Government, it is heavily dependent on the Centre for financial assistance. In fact, the entire amount (Rs. 20 crores) needed for its expansion programme under the third Plan would have to be provided by the Central Government. It is not surprising, in the circumstance, that the Government of India has expressed a desire to take over the administrative control of the Singareni Collieries. But the State Government is opposed to the Centre's move. How Mr. Malaviya will deal with the Andhra Pradesh Government is the question. There is already an uproar in Andhra Pradesh and, if a bitter controversy is allowed to emerge, there may be serious delays in the implementation of the expansion programme. What is needed here is close co-operation and understanding between the Central and State Governments. Since the Centre's hands are quite full, it can allow the State Government to run the entire show, subject to suitable safeguards for ensuring that this will be done in a businesslike manner. There is no point in the Centre overburdening itself with more and more responsibilities, when it is not able to discharge efficiently those which it has already assumed.

PLANS' BENEFICIARIES

It is about two years now since the Distribution of Income and Levels of Living Committee (Chairman: Prof. P. C. Mahalanobis) was appointed by the Planning Commission to ascertain the extent to which the operation of the (Indian) economic system has resulted in concentration of wealth and means of production, to review the changes in the levels of living during the first and second Plan periods and to study the trends in the distribution of wealth and income. Considering the complexity of the task which involves precise appraisal of the concentration of economic power and the measurement of changes which do not lend themselves easily to statistical computation, it is not surprising that the Committee has taken considerable time even to set down its preliminary findings which it is reported to have done now. From the brief report that has appeared in a section of the Press, it is clear that the Committee's findings, preliminary though they are, point to certain significant conclusions which are bound to cause some flutter among the powers-that-be. The Committee's observation that concentration of wealth is inevitable during the initial stages of industrialisation, particularly in industries being set up in the country for the first time, may disappoint those rich-baiting socialists who cannot bear to see concentration of power and wealth anywhere except in their own hands.

One of the main findings of the Committee is that, during the period 1951-61 covered by the inquiry, real incomes of all sections of the population, except agricultural workers, had increased. Total earnings of the employed population taken as a whole rose by 40 per cent. Since there was an appreciation in the price level by 19 per cent, real earnings went up by only 21 per cent. But this increase in real earnings was unevenly distributed. Coal miners were the biggest beneficiary, their earnings having risen by 76 per cent, while Government employees were the least benefited, their earnings having gone up by a mere one per cent during the entire decade. Of course, they were better off than agricultural workers whose real earnings actually declined by 11.8 per cent. The other categories came within these two extremes. Thus earnings of factory workers increased by 20 per cent, of teachers by 18 per cent, of railway employees by 8 per cent, of skilled rural labour by 15 per cent and mine workers other than those of coal mines by 14 per cent.

That the first two Plans have not reduced the disparity in income between the rural and the urban sector is evident from the respective shares of the two sectors in the national income and its distribution. The Committee noted that the *per capita* income in the rural sector was still less than in the urban sector, although there was a slight improvement during the period. As much as 70 per cent of the national income was contributed by the rural sector. This was, however, shared by 83 per cent of the population. The urban sector accounted for 30 per cent of the national income. But this was shared by 17 per cent of the population.

One of the main task of the Committee, as noted above, was to ascertain the extent of concentration of wealth, if any; it found that, in industries like sugar and *vanaspati*, ownership was more broad-based than in, say, cement or chemicals, where there was excessive concentration of ownership. In its view, however, such concentration is inevitable in the earlier stages of industrialisation, "if we are to obtain fullest benefits of the economies of scale." This is a realistic conclusion, indeed. But whether, in the short-run, faster growth at a minimum cost is preferable to equal distribution of existing wealth and power is a question involving subjective value judgment which is not for the Committee to decide. That, at any rate, may be the view which some politicians may take.

FOOD PRODUCTION

All the three Central Ministers (Mr. S. K. Patil, Mr. G. L. Nanda and Dr. Ramsubhag Singh) who have spoken in recent weeks on the prospects for food production in the third Plan have expressed, albeit with varying degrees of emphasis, the hope that the target (100 million tons) would be achieved. But it is not clear from their statements whether the attainment of the target would spell complete self-sufficiency. Mr. Nanda's warning that, if food self-sufficiency is not reached by the end of the third Plan, it would amount to "total failure of planning itself" is as timely as Dr. Singh's misgiving whether self-sufficiency in the sense of complete elimination of imports would be attained. While the Planning Minister has emphasised the crucial need for self-sufficiency, the Agriculture Minister has referred to the difficulties in the way.

Ministerial statements of the kind have a familiar ring. They do not mean much so long as sufficient efforts to revitalise agriculture are not forthcoming. During the first year of the third Plan, food output is estimated to have touched about 80 million tons, which was only about 700,000 tons above the output in 1960-61 (final estimate). What is worse, there was actually a slight decline in the output of India's major crop, namely, rice from 33.60 million tons to 33.55 million tons. The increase in foodgrains output as a whole was largely accounted for by wheat, the output of which rose by 7.4 per cent to 11.62 million tons. This increase, however, was not the result of any sizable increase in per-acre yield, since the acreage itself rose by 3.7 per cent or by about 1.2 million to 33.24 million. The price situation has also not been quite encouraging, despite large imports. The wholesale price index (base: 1952-53=100) for cereals, for instance, was higher at 105.2 in mid-June 1962, as compared with 102.7 a year before. The corresponding index for pulses, too, rose from about 90 to as much as 102.

Since the increase in aggregate output of foodgrains in 1961-62 was less than one million tons (as against a target of 3 million tons), it is open to question whether during the remaining four years of the Plan, it will go up by 20 million tons, or an annual average of 5 million tons. If the projected increase is not attained, the food situation will turn critical. If there is a shortfall of, say, ten million tons by 1965-66, the prospect will be bleak, indeed, especially as the country cannot find the necessary foreign exchange to import this much quantity of foodgrains. It needs to be stressed that the country's population is steadily increasing at an annual rate of over 2 per cent and will be about 480 million by 1966, or an increase of about 45 million during the third Plan period.

It is, of course, true that the Central Food Ministry alone cannot be blamed for any shortfall. As Dr. Singh has rightly observed, food production is conditioned by two important factors namely, supply of fertilisers and success in the implementation of irrigation projects. This year, for instance, it would not be possible to meet more than 70 per cent of the requirements for fertilisers, on account of the failure of Sindri factory to regain its maximum level of production, delay in the execution of fertiliser projects and import restrictions. The allotment for minor irrigation, according to Dr. Singh, is also less than what is necessary. Climatic conditions also continue to have a decisive influence on output. The absence of a sense of urgency on the part of State Governments is also there. Agriculture being a State subject, its improvement will depend to a great extent on how the State Governments speed up their action programmes. There is certainly a strong case for the establishment of a Central Service for Agriculture, which can keep a close watch on programmes in the States and co-ordinate them, apart from giving suggestions for improvements. Agricultural services admittedly are a neglected section of administration in the country. As early as in 1928, it may be recalled, the Royal Commission on Agriculture had suggested various measures to improve service conditions. The Agricultural Administration Committee (1958) gave the finding that "present-day problems of low morale and inefficiency are attributable to non-implementation of these vital recommendations made thirty years ago." What an irony that the report of this Committee, too, containing several measures to tone up the agricultural administrative machinery, should still lie in cold storage, without anyone caring for it!

INDO-HUNGARIAN CO-OPERATION

Hungary has been making modest but valuable contributions to India's economic development. The latest instance is the donation of a complete textile testing laboratory costing Rs. 2.5 lakhs to the Bombay Textile Research Association. At a function held last week in Bombay, the laboratory was formally handed over to Maharashtra's Minister for Industries, Mr. S. K. Wankhede, by the Hungarian Ambassador in India, Dr. Laszlo Reczei. The laboratory equipments, manufactured by Metripex of Hungary, incorporating the latest techniques, are highly useful in testing the quality of fibres, yarn and cloths. They will thus help improve the process of pre-shipment inspection and other tests for assessing the quality of textiles. In view of the importance of quality control in textiles, particularly those meant for export, Hungary's gift is both timely and welcome.

The gift of the testing laboratory is only one of the few instances of growing Indo-Hungarian co-operation. Hungary has already been helping the country by participating in some industrial ventures. It has already agreed to collaborate with the Government of India in the establishment of a 50,000-ton aluminium plant in Madhya Pradesh. Its contribution to the plant is expected to be about Rs. 4-5 crores, out of a credit of Rs. 8 crores already offered. An agreement for the project is expected to be finalised within two months. Among the other projects in which Hungary is collaborating, mention may be made of two pilot plants being set up, one at Delhi and the other at Kanpur, for the production of cheap bio-gas from cowdung. The Hungarian foreign trade enterprise, Komplex, is currently erecting two hydro-electric plants in Kashmir and is expected to put up some more plants elsewhere. Hungarian collaboration with two Bombay firms, one in the manufacture of travelling crabs and the other in that of acid-resistant chemical machinery, also deserves mention here.

In the field of trade, which is conducted on rupee payment terms, the two countries have made significant headway. India's exports to Hungary, which amounted to no more than Rs. 3 lakhs in 1953, have gone upto Rs. 485 lakhs in 1961-62. Similarly, imports from that country have gone up from Rs. 10 lakhs in 1953 to Rs. 560 lakhs. The major items of exports from this country are iron ore, pig iron, mica, spices, coffee, cotton waste, jute goods, vegetable oils, tea, etc. Imports include machine tools, diesel generating sets, hydro-electric and thermal power stations, steel products and pharmaceutical products.

NEW OUTLET FOR GROUNDNUT SHELLS

A method of manufacturing chip board from groundnut shells has been developed by the Tropical Products Institute of Britain's Department of Scientific and Industrial Research, London. The board has many qualities most desired in tropical countries. The chief use of the board would be as lining material for a wide range of domestic and industrial buildings. Experiments which have led to this discovery could according to the report of the Institute, lead to new industries in India and many other tropical and sub-tropical countries. The shell accounts for about 30 per cent of the total weight of the groundnut. Of the weight of the nut or kernel, about 50 per cent is oil and the remainder solids used widely as a food for both animals and humans. In 1960-61, India produced 4,391,000 tons of groundnuts (in shell) by far the largest production anywhere in the world. The Institute's report says that studies are now being made of the effects of density, quality of resin binder and other variables of the new board. When these are completed, selected boards will be submitted to moisture and termite resistance tests.

A spokesman of the Institute said that, because of the extremely low cost of the raw product—groundnut shells—the chip board could be made at about half the cost of chip board manufactured from wood. There was, however, a much greater supply of groundnut shell than could ever be utilised for chip board. One of the most useful qualities of the chip board, said the spokesman, was its excellent resistance to flame. "It is almost impossible to burn groundnut shells, and even harder when they are compressed into a board." Another good quality was that it effectively deadened sound, which would make it useful in factories.

HAVE THE RICH BECOME RICHER?

DEVELOPMENT OF GOA—PESSIMISM ON COAL

From Our Special Correspondent

DELHI LETTER

NEW DELHI, 17*th July*

HAVE big business men and industrialists cornered the major portion of the additional wealth generated as a result of the economic growth under the Plans? The Mahalanobis Committee's inquiries into the distribution of wealth are reported to provide not much ground for the allegation that the merchant magnates have amassed all the benefits. Of course, it is true that the enterprising investors have reaped good dividends, but the primary producers and the middlemen are also said to have consumed the larger fruits. The worst hit in the community are the salaried class. The Committee's report is expected to contain a recommendation for a tax squeeze on persons earning more than Rs. 15,000 a month.

Goa Development

The Planning Commission is preparing an integrated scheme for the development of Goa during the remaining period of the third Five-year Plan. The scheme will cover Marmagoa port, power supply, road transport and industries. Talk of plans for a steel complex in Goa is being discounted on the basis of the report of experts who have visited Goa. The long distances over which limestone and coal will have to be hauled will make even a pig iron plant uneconomic for the present. At best, and iron ore pelletising plant is regarded as feasible.

The experts have recommended the immediate purchase of a dredger to deepen the Marmagoa port navigation channel. The Union Government has been requested by the experts to investigate the possibility of a hydro-electric project in eastern Goa, but such a project would be possible only in the fourth Plan period. In the interim period, Maharashtra may supply power to Goa from the Koyna project. The iron ore industry is still in a flux, as a result of doubts over the long-term policy over ore exports from Goa. (Incidentally, Indian shipowners are reported to have approached the Government asking for a share in the transport of iron ore from Goa. Under long-term contracts now in operation, Japanese and European buyers are moving the coal in their own vessels. The Government has also agreed to the resumption of coal shipping services from Calcutta to Goa which were suspended eight years ago.)

Under the Portuguese. Goa lacked an administrative structure to promote any industrial development. Indian experts who surveyed Goan development prospects have suggested that an industries department should be established in Goa. They also want a technical training institute there. While any big industries will have to wait for power supply, it is suggested that steps could be taken to initiate such small industries as manufacture of clocks, mechanical toys, machine tools and boat-building. An emporium could be established to propagate Goan handicrafts like metalware, clay modelling, shoe embroidery. With Japanese assistance, the Goan bamboos could be used to make drawing room accessories. Fruit preservation is another industry offering ample scope for development in Goa.

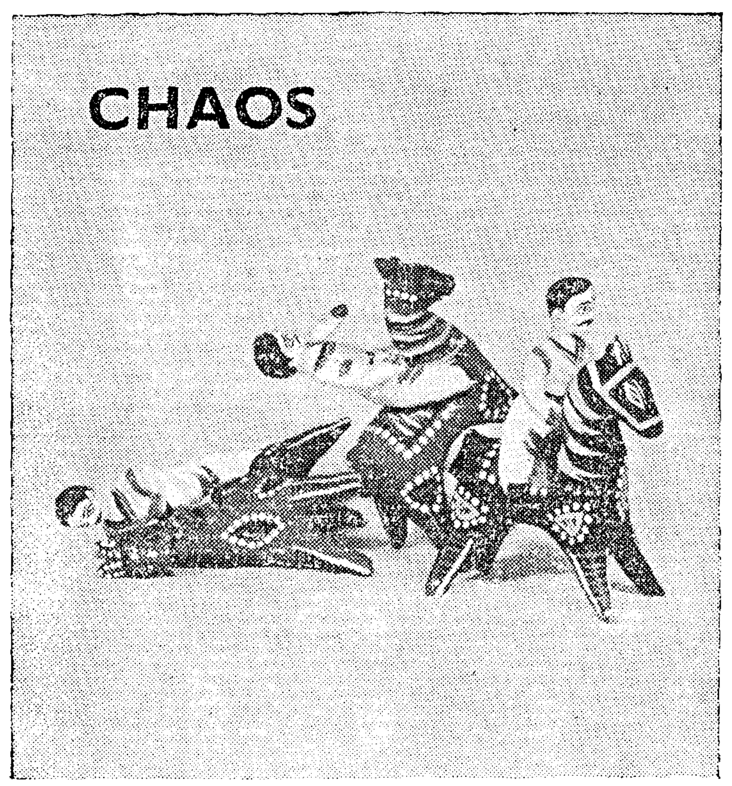
Falling Coal Hopes

There is one common strain in the opinions of Mr. T. T. Krishnamachari, Mr. Morarji Desai and the Federation of Indian Chambers of Commerce and Industry on the coal problem—it is well-nigh impossible to attain the third Plan target of 97 million tons of coal, not to talk of the further proposed increase of four million tons. The Planning Commission's discussions last week on the subject were hamstrung by the absence of Mr. K. D. Malaviya from the capital. (One wonders what Mr. Krishnamachari means by his reported privately circulated complaints of lack of co-operation from the departments whose working he is supposed to co-ordinate.) Mr. Krishnamachari's note, which was the subject under discussion by the planners, emphasised the need for urgent measures to co-ordinate the programmes for steel, coal, power and transport. In his view, the top priority should be for steps to speed transportation. Mr. Krishna Menon suggested that, ultimately, coal transport would need the use of heavy bulk-haul trucks. Some unkind critics of Mr. Menon tie this proposal of the Defence Minister with his Ministry's keenness to expand truck manufacture. Any large-scale coal transport by road will need extensive improvement of roads and bridges, a prospect not accepted by the planners yet. It is also admitted that transport by road or waterways could at the most cover three or four million tons of coal, a quantity which does not provide any substantial relief either to the railways or to consumers of coal.

Although the railways persistently seek to deny any huge gap between demand and supply of wagons for coal haulage non-railway experts estimate it at 800 to 1,000 wagons. While a more exhaustive review of the problems in the four sectors is expected after the Prime Minister returns from his holiday in the South, the Cabinet Sub-committee followed up the discussions of the Planning Commission this week. The recently increased allocation for the railway plan is still considered short to meet the needs of wagons, locomotives and track renewal. Even if the locomotives and wagons are found, the track capacity is not enough to haul the projected third Plan output.

The Finance Minister, Mr. Morarji Desai, has suggested a thorough revision of the coal production policies, if such a revision would act as an incentive to increasing output. According to Mr. Desai, unless there is a major revision of policies, the coal target in the public sector may not materialise even in the early period of the fourth Plan. Mr. Desai doubts whether even the target of 97 million tons is realistic. He is sceptical also of the prospects of the private sector achieving the target set for it, in view of the restrictions which limit the operations of the private sector coal companies to their existing mines and contiguous areas.

(*Continued on page* 125)



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Remington Rand of India Limited

RR/G/112

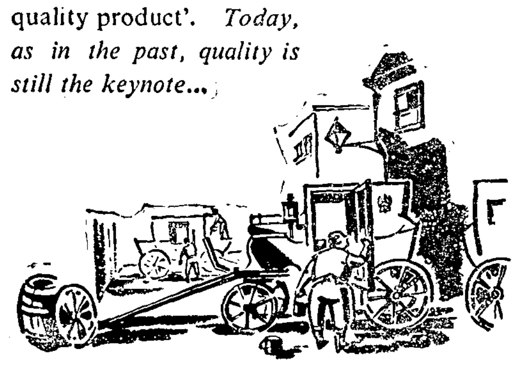
JENSON & NICHOLSON-1962

The Name : **JENSON & NICHOLSON**
The Year : **1922**
The Place : **NAIHATI, NEAR CALCUTTA**

AND THE RESULT : Forty years of dedicated service to India's homes and industries by Jenson & Nicholson—the country's leading manufacturer of decorative finishes and industrial coatings. The J & N factory is now the focal point of a farflung distribution service. J & N paints are used in places as distant as Patiala and Pondicherry and for purposes as widely separate as interior decoration and industrial coating.

'JAPAN BLACK' FOR MILADY'S GIG

The firm now known all over the world as Jenson & Nicholson was founded in London in 1821. Its sole product : a varnish imaginatively called 'Japan Black'. It was used to paint 'society' carriages—the status symbol of the day. Japan Black was a fine varnish—a rich, glossy black—blended with infinite care. It was, as the phrase goes, 'a quality product'. *Today, as in the past, quality is still the keynote...*



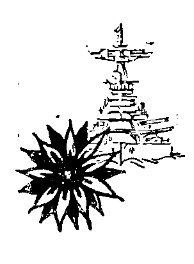
DECORATION OR DONKEY WORK—J & N HAS A PAINT FOR IT

Plastic emulsion for a penthouse flat ; anticorrosive composition for a lockgate ; rivelling enamels for typewriters ; porcelain lacquer for bathroom fittings...orders like these are all in the day's work to J & N. Whether it's a paint to make a place look pretty, or a coating to prevent a termite attack, J & N can supply it. J & N decorative finishes are to be found in such landmarks as the Taj Mahal Hotel, Bombay, and Raj Bhavan, Calcutta, while J & N industrial coatings are used on everything from domestic appliances to railway rolling stock.

'GO OUT AND SELL PAINT !'

A traditional order at J & N, where production is matched in importance by selling. Comprehensive distribution covers the subcontinent. J & N has established paint depots at Calcutta, Delhi, Bombay, Madras, Coimbatore, Gauhati, Kanpur and Siliguri, and from these depots paints are supplied to a network of stockists strategically located so as to cover even the smallest villages. Distribution is backed by a vigorous selling force. *You can always get a J & N paint when you want it, where you want it.*

FROM SUNFLOWER SEEDS TO 'BATTLESHIP GREY'



Sunflower Seeds, Castor and Soya Beans, even fish, are used in the manufacture of paint. The metamorphosis takes place daily in the J & N factory. The most advanced paint factory in India, it is now expanding under a phased programme. In this busy complex of men and machines, raw materials are converted to paints like Robbialac Super Gloss Enamel and Jensolac Stoving— leaders in their fields.

Precision control is the keynote in every department of the factory. From the 'varnish kitchen' where gums are 'cooked' with oils to the dry-distemper department, there is an emphasis on quality and an endless striving for improvement.

CAVE PAINTS AND CHEMISTRY

We've come a long way from the days of our cave forebears, when colouring matter came from natural pigment scooped out of the ground. Today the production of paint is a science and an art.

At the J & N factory, the chemistry of paint is vitally important. A fully-equipped laboratory, staffed with skilled chemists, pursues an unceasing programme of research, development and testing.

J & N PAINTS RUN THE GAUNTLET

Testing is exhaustive. The quality of pigments must meet rigid standards of purity, colour strength and correctness of shade. Raw materials are tested for stability and durability. On the laboratory terrace, surface coatings are exposed to the full force of sun, wind and rain. Each batch of paint is tested to precise standards before leaving the factory. So far is attention to detail carried that the laboratory even contains a miniature production plant—a duplicate of the actual factory machinery. Here new formulations are evolved and existing paints improved. The result of all this care : *you take quality for granted in a J & N paint..*

TEAM WELFARE AT J & N

J & N believes in teamwork and team welfare. Much thought is given to the well-being and happiness of factory employees. Labour quarters, medical facilities and other employee benefits are provided. Team welfare leads to better teamwork. At the J & N factory, where India's leading paints are produced, this policy speaks for itself.

Do you see PINK ELEPHANTS ? ...which of J & N's shades of pink ?

BJN PAINT GROUP

In September 1960 two of the world's largest paint groups, Lewis Berger & Sons Ltd., and Jenson & Nicholson Group Ltd., pooled their resources by amalgamation to form Berger, Jenson & Nicholson Ltd. Paints manufactured by J & N in India are backed by the joint technical knowledge and experience of this international organisation.

JEN/2A

QUALITY SELLS J & N COATINGS

AMERICAN LETTER

CONSUMERS TIGHTEN THEIR PURSE-STRINGS

BUSINESS OUTLOOK BECLOUDED

From Our Special Correspondent

NEW YORK, 14*th July*

THE hysteria in the American stock markets has subsided somewhat. The reasons for this changed attitude are both psychological and real. The reduction of margin requirements by the Federal Reserve Board for purchasing or carrying listed securities from 70 to 50 per cent helped; then, there was the psychological boost from the successful launching of the U.S. communications satellite; finally, there has been an absence of anti-business statements from the Administration and renewed promises of tax reductions.

The plea for a cut in taxes is now fairly universal. The trade unions want reductions for the wage earner. They also realise that higher profits for business which might result from lower taxes would be an assurance of continued payrolls, but there are, of course, suspicions that the workers would be the last to benefit. Big business organisations, such as the Chamber of Commerce of the United States and the National Association of Manufacturers, are primarily concerned with lowering the 52 per cent corporate tax reduction and the 90 per cent graduated rate for individuals in the upper brackets.

The business outlook is still good but quite beclouded. Fears of a new recession in the offing have led to a drop in consumer confidence. June retail sales dropped sharply from the record levels of May. This was particularly true in the luxury class goods and in merchandise which is nice to have but life does not depend on it. The decline was most apparent in department stores, appliance and automobile sales.

Employment Position

Employment increased in June, but so did unemployment, because some 2 million out-of-school youngsters entered the labour force seeking jobs. Thus, statistically speaking, the unemployment rate stayed at 5.5 per cent of the labour force.

The steel picture has not been very encouraging either. In the first week of July, steel manufacturing operations fell below 45 per cent capacity. Such a low operating rate was unexpected. It is the result of caution created by the $100,000 million drop in securities' values among 17 million institutional and individual investors.

As indicated at the outset, there has been some change from the original hysteria, but a real break, in my opinion, can come only from extremely good or extremely bad news which would shake out the lethargy and stimulate action.

Some times overall national figures are quite deceiving. For example, spending of the U.S. industry as a whole for plant and equipment have changed little, according to the latest surveys. But the picture differs from industry to industry. Steel, for instance, reduced their expansion and modernisation programmes for this year by 18 per cent, while textile manufacturers, encouraged by the new liberalised depreciation allowances in their field, boosted their investment plans by about 19 per cent.

Gold Stocks

The outflow of U.S. gold stocks has been negligible in recent weeks. But recent London gold quotations above the official equivalent of $35 an ounce have nurtured persistent rumours that an increase in the established Western gold price is contemplated, or inevitable. Total U.S. monetary gold stocks now are around $16,000 million, against $24,400 million in 1949 and $17,600 million in 1959.

The international payments' deficit will be difficult to solve. Commercial U.S. exports have been exceeding imports fairly consistently. But invisible exports such as tourist expenditures, export of private capital, Governmental economic aid and military assistance programmes are producing the dilemma. It cannot be resolved by just raising the gold price. That is why so much emphasis has been placed in recent statements on the necessity for other nations to carry a greater share of economic aid for developing countries.

Expensive proposals for private welfare programmes and an increase in the Federal debt limit have not helped to affirm the soundness of the dollar, even though the price level has remained fairly stable.

Recreation

Defying these somewhat gloomy aspects, people in the U.S. are spending more this year on play than ever before. About 8 per cent of the gross national product goes in that direction. Playing has become a growth industry, involving some $43,000 million a year. In that category fall boating, bowling, fishing, skiing, hunting, golf, camping and eating.

For example, there are some 7 million pleasure boats registered in this country, 10,000 bowling alleys and 6 million golfers. More than one half of the population takes vacations at least once a year and the number is growing as the work week becomes shorter with every new management-labour wage contract.

Construction has been holding up quite well. For the first half of the year, it was about 4 per cent higher than in 1961. Expenditures for repairs and maintenance are also larger. There is a note of caution, though.

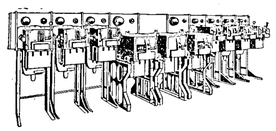
Surplus Space

Reports from many parts of the country speak of surplus space. Heretofore, nobody wanted to admit overbuilding and mortgage money was plentiful. Now it is quite evident that there has been overbuilding in office space, apartments and tourist motel rooms. The condition was brought about by a credit ease. Speculators would engage architects on speculation to draw up plans for new structures. Then high pressure sales campaigns started and contracts were solicited for leases on the yet-to-be-built buildings. If the builder-speculator could show tentative long-term leases for more than one-half of his new structure, this was usually sufficient collateral to finance the wrecking of the old building and the construction of the new, —with a minimum of equity on the part of the entrepreneur himself. Thus, a period of decline in this area must be expected, unless the bubble bursts like the stock market did.

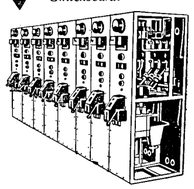
The farming picture, however, is quite favourable. Despite drought conditions in some areas, the weather has been quite good. Predictions are for a high level of cash farm income from marketings, larger than in 1961. Government support payments to farmers should also be larger than in 1961.

The House of Representatives of the U.S. has approved a compromise version of President Kennedy's new trade extension Bill. It gives him wide powers to negotiate tariff cuts and compromises. It is supposed to make it easier for the U.S. to realign itself with the Common Market and other trade areas. But it is a novel experiment and nobody knows the outcome. So far, it has been claimed and counter-claim. Moreover, the Senate has not yet passed on the measure. The general feeling, however, is that this time the chances for enactment of a compromise Bill are quite favourable.—*All Rights Reserved.*

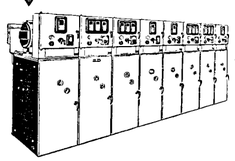
L.V. Unit Type Switchboard comprising three type HN3 units and seven type HN2 units.



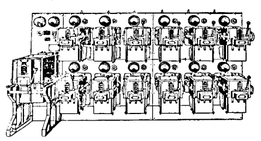
L.V. Industrial Cubicle Type Switchboard.



H.V. 11 Kv. Metalclad Switchboard with air-insulated Busbars.



L.V. Double-tier Switchboard.



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The Third Five Year Plan
Bird-Heilgers' part in it...

FOURTEEN MILLION NEW JOBS

Employment. A word that translates into a meaningful future for millions of people without jobs. India's Five Year Plans are aimed at the concept of full employment. The intensified drives of the Third Plan are estimated to create 14,000,000 new job opportunities—more jobs for more people than ever before in the economy's history! To achieve the employment target calls for a single-minded national effort. It must be co-ordinated, dedicated, complete...

75,000 jobs—and more in the offing

Bird-Heilgers is convinced that the quickening tempo of industrial activity must be accelerated if unemployment is to be checked and full employment brought about. Wedded to this concept, the group provides well-paid employment for approximately 75,000 people. They are concerned with iron ore and insurance policies, bridges and writing paper, gunny sacks and laboratory tests—a complex of goods and services which involves the group heavily in the industrial insurgence of India.

Towards a self-generating economy...

A phrase on everyone's lips. A phrase that finds concrete expression in the urgent activity of an economy on the move. Bird-Heilgers reflects the nation's striving. The group delivers millions of tons of basic materials to the new blast furnaces. It produces jute goods, paper and board, air compressors and springs, and engineering and water treatment equipment. A project for the manufacture of coal washeries was the first in India. Planned diversification finds the group engaged in shipping, insurance, exporting and importing. Its agency department handles everything from heavy capital equipment to light consumer goods.

...and an exciting, promising future

The Five Year Plans are a challenge: existing industries must expand, new industries open up, per capita income increase. India needs more goods and services than ever before. Bird-Heilgers is alive to the problems of a growing economy. The group deploys the full potential of a century's resources, technical knowledge and executive skill to increase and broaden its activities...provide employment for many more thousands...join the national drive to economic independence.

BRC/1

BIRD & CO., (PRIVATE) LTD., F. W. HEILGERS & CO., (PRIVATE) LTD.,
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FOCUS ON EXPORT FINANCE

NO NEED FOR AN EX-IMP BANK

THE Study Group on Export Finance, appointed by the Ministry of International Trade, is currently examining the adequacy of existing institutional agencies for supply credit facilities for exporters. The Study group, which is headed by Mr. K. P. Mathrani, Chairman of the Industrial Finance Corporation of India, has already concluded discussions with exporters in Delhi and Bombay and is receiving representations and collecting evidence from other prominent trade centres in the country. Doubts have been expressed in some quarters whether a fresh study on these lines was necessary when the Kapur Committee, appointed in April 1960 by the Union Ministry of Commerce and Industry, had covered the same ground and necessary action was being taken to implement its recommendations which had been accepted by the Government. Answering this point, Dr. S. P. Chablani, the present Managing Director of the Export Risks Insurance Corporation and Member-Secretary of the Mathrani Study Group, observed in Bombay last week, that a fresh review of the credit requirements of exporters was necessitated by the "somewhat changed circumstances" and the greater need to step up export. He disclosed that many of the recommendations made by the Kapur Committee had already been implemented by the Government and that the remaining ones were in the process of being implemented, the delay being due to the fact that they required certain amendments to be made to existing legislation. These amendments, he added, were being expedited.

Kapur Committee's Recommendations

The Kapur Committee report, as far as we know, has not been officially published, though a section of the Press had managed to publish long extracts from it some months ago. The latest issue of *Trend and Progress of Banking in India*, covering the year 1961, published by the Reserve Bank of India, contains a summary of the main recommendations of the Committee and the action thereon. These are as follows:

The Group had recommended the amendment of Section 17(3)(b) of the Reserve Bank of India Act so as to permit the discounting or granting of advances against export bills upto 180 days as against 90 days at present. It further recommended that the Bank might examine the desirability of extending loans against usance export bills on the security of only the promissory notes of the scheduled bank instead of against the promissory notes of both the scheduled bank and the exporter. Both these recommendations have been accepted in principle and the question of promoting the necessary enabling legislation is under consideration.

The Group had suggested that the Bank should examine the possibility of relaxing the foreign exchange rules requiring the realisation of export proceeds within six months and extend the period to five years in respect of export of engineering and capital goods. The Exchange Control Department of the Bank have already extended the period of export proceeds in regard to such items upto 12 months. The question whether export credits for longer periods can or should be permitted will be decided on the merits of individual cases.

The Group had also recommended that the Bank might consider the possibilities of exempting or giving concessions in respect of usance export bills and packing credit from the purview of credit control measures bearing on the volume and cost of scheduled bank credit. The Bank accepted in principle that export bills should be exempted from the purview of the slab rate system, but, in order to ensure that the benefit of this concession would be passed on to exporters, formulated certain proposals which are under discussion with foreign exchange banks.

The Study Group had suggested that the State Bank of India Act might be suitably modified so as to permit the grant of export credits for medium-term periods. The necessary amending legislation is under consideration. As regards the subsidiaries of the State Bank of India, term credits for exports would also be granted by these banks but no amendment of the State Bank of India (Subsidiary Banks) Act, 1959 for this purpose is necessary.

The possibility of modifying the agreement governing the working of the Refinance Corporation and amplifying its memorandum so as to enable it to grant export credits for medium-term periods had also been suggested. This, too, has been accepted.

As the Government has accepted in principle the recommendations of the Kapur Committee, some of which, according to Dr. Chablani, have been implemented and others are in the process of implementation, the Mathrani Study Group, it is argued, may be expected to go further than the Committee. It is said that the Kapur Committee had no formal terms of reference. But the Ministry of Commerce and Industry had indicated that it should examine (1) the nature and extent of the facilities required for exports, (2) the commodities or groups of commodities to which these facilities might be extended in the first instance, and (3) the basis for extending such facilities to other commodities or groups of commodities. The Committee interpreted, and that very rightly, these directions very liberally to cover examination of the ways and means of ensuring that the volume of credit available to exporters is increased and that the terms on which the credit is available are based on a recognition of the special position and needs of the export trade.

Why Another Committee?

The decision to set up the Mathrani Study Group might have stemmed from the realisation by the Board of Trade that liberalised and widespread credit and guarantee facilities should be provided to the export trade and suitable institutional arrangements should be made to make both short-term and medium-term credits available at favourable rates of interest to exporters and the existing export industries. This is precisely what the Kapur Committee had done. We wonder whether the members of the Board of Trade had read the report of the Committee at all. If they had and still wanted another committee to go into this problem, then the only inference that one can draw is that the Committee's recommendations do not go far enough to meet the present foreign exchange crisis. In spite of all this explanation, it does not appear to us that there is much scope for improving upon the recommendations of the Kapur Committee or exploring new methods, unless one were to think of unorthodox methods which amount to throwing away good money. We shall, however, wait and see what new things the Mathrani Study Group has to say and to what extent they are an improvement over the proposals made by the Kapur Committee. Meanwhile, the truth of the matter is that the key recommendations of the Kapur Committee have not yet been implemented. This is amply borne out by the extract from the Reserve Bank's report given above. Now there is a risk of the implementation of these suggestions being delayed further on the ground that the Government is awaiting the findings of the Mathrani Study Group.

While this is the position, some buisnessmen have revived the old demand that India, too, should have an Export-Import Bank on lines similar to those in vogue in the U.S. The kudos for this suggestion of questionable merit goes to the All-India Manufacturers Organisation. There is surely no need for multiplying institutional agencies. Nor are the conditions and circumstances in India favourable to copy the American model of Ex-Imp Bank. It must not be forgotten, in this connection, that, whereas the U.S. is a net capital exporting country, India is a net capital importing country. Further, India is urgently in need of exports that will yield foreign exchange immediately. Consequently, there is not much room for exports on the basis of long-term credits.

Role of Refinance Corporation

It is, of course, necessary to make sure that India does not miss whatever opportunity it gets for developing export markets of long-term value. From this point of view, terms of export credit must not be less attractive than those offered by other countries. But, for this purpose, there is already the Refinance Corporation. It can play a significant role in providing export finance on a reasonable basis through commercial banks. Only a few amendments to its constitution will have to be made. This issue, too, was examined at some length by the Kapur Committee. Its observations are worth recalling here:

"Taking into account the institutional framework in our country and the scale on which it will be possible for us to grant credit, there is no need in our view," says the Committee, "for the establishment, at present, of a new institution such as an Indian Exchange Bank or an Export-Import Bank. The Refinance Corporation, which has sizable unutilised long-term funds at its disposal at present and which also may get a large flow of similar funds in future, can, on the other hand, easily function as a refinance institution for medium-term export credit, which may be defined as credit extended for periods over six months and not normally exceeding five years.

"We understand that practically all the authorised dealers in foreign exchange are now entitled to borrow from the Refinance Corporation. The Corporation is a non-statutory body; and its procedure and methods of operation are, therefore, likely to be relatively more flexible than those of other institutions incorporated and governed by special laws.

"The use of P.L. 480 funds for facilitating export credits is also supported by precedent. In West Germany, for example, the Ausfuhrkredit A.G. derives its resources in part from E.R.P. funds, the Plafond B, a special fund for financing rediscounts of export bills originally placed at the disposal of the Kreditanstalt, having been made over to the former organisation. The Kreditanstalt itself, as we have indicated earlier, continues to be eligible for assistance from the E.R.P. special funds. In Japan, the capital of the Export-Import Bank has also been contributed in part from out of the U.S. aid counterpart fund special account. In Austria, the Export Fund was set up to extend short-term credit upto 12 months, the resources of the Fund being the E.R.P. counterpart fund; the present resources of the Fund amount to Sch. 100 million and are shortly to be raised to Sch. 110 million. There is no reason, in our opinion, why the Refinance Corporation should not, in course of time, play, in relation to Indian exports, the same role as is played by the specialised institutions in these two countries. If the Corporation is able to help, over a period of some years, in building up new export possibilities and in diversifying and increasing the country's exports, the use of P.L. 480 funds for this purpose would have been abundantly justified."

The Committee did not stop with these observations and leave to somebody else the task of indicating the lines on which the Corporation's constitution should be amended for this purpose and the terms under which its funds could be utilised for refinancing export credits. What more could a committee do? For the benefit of those who may have forgotten the personnel of the Kapur Committee, we may add here that it consisted of Mr. T. C. Kapur, who, as the first Managing Director of the Export Risks Insurance Corporation, has considerable experience in export finance; Mr. N. M. Chokshi, General Manager, Bank of Baroda; Mr. B. S. Agarwal, a representative of the engineering industry; Mr. K. N. R. Ramanujam, Director of Banking Research, Reserve Bank of India; Mr. R. K. Seshadri, Deputy Secretary, Ministry of Finance, and Mr. R. Venkateswaran, Deputy Secretary, Ministry of Commerce and Industry, who was the Member-Secretary of the Committee.

THE
CENTRAL BANK OF INDIA
LIMITED

Profits for the Half-year ended 30th June 1962

The Net Profit of the Central Bank of India, Limited, for the half-year ended 30th June, 1962, subject to audit, including the sum of Rs. 23,36,733.88 brought forward from the last year's account, amounts to Rs. 1,11,69,551.85 which the Directors have resolved to dispose of as follows:

	Rs. nP
To pay an *ad-interim* dividend at the rate of Rs. 2.40 per share subject to Tax (i.e., Rs. 1.68 net) for the half-year ended 30th June, 1962, which is equal to 19.20 per cent per annum gross ..	30,24,000.00
To carry forward to next half-year's account subject to taxation ..	81,45,551.85
	Rs. 1,11,69,551.85

WORLD BANK LOAN TO YUGOSLAVIA

The World Bank has given Yugoslavia a loan equivalent to $30 million for continuation of a national power expansion programme. The loan will help to finance construction of a 240,000-kilowatt hydro-electric plant in central Yugoslavia, and the extension of the country-wide electric power network by the installation of 362 miles of transmission lines and associated substations. It has been made to the Yugoslav Investment Bank, a Federal Government institution which channels investment funds for development. The Investment Bank will re-lend the proceeds of the Bank loan to the enterprises responsible for constructing and operating the power plant and the transmission system. The loan is for a term of 25 years and bears interest of 5¾ per cent, including the one per cent commission which is allocated to the Bank's special reserve. Amortisation will begin on 1st December 1966.

WIPE YOUR FEET

To most people mud is something to be got rid of, a nuisance. Not so to the oilman. His mud—a specially prepared mixture of clay and chemicals—is an essential aid to drilling. Pumped down the well, inside the drill pipe, it flows through holes in the cutting bit and works its way around the outside of the pipe up to the top of the hole. It flushes out the rock cuttings (which give valuable geological information) and keeps the drilling bit cool. It lines the walls of the hole with a protective coating of mud helping to prevent them from caving in. And by its weight it reduces the risk of blowouts which might wreck the drilling outfit.

The safe and satisfactory completion of an oil well calls for a high degree of skill. Great care is taken to keep the well under control at all times, and a gusher—a well out of control—is a rarity.

B.O.C. SKILLS EXPERIENCE LOCAL KNOWLEDGE

THE BURMAH GROUP OF OIL COMPANIES

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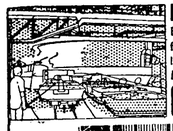

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Local and export enquiries solicited

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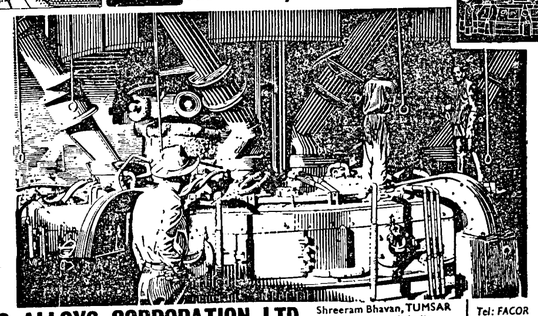

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Head Office: CALCUTTA

G. D. BIRLA, *Chairman*

SUBSCRIBED CAPITAL	–	Rs. 4,00,00,000
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RESERVE FUND	–	Rs. 2,35,00,000
DEPOSITS & BILLS PAYABLE (31-12-61)	–	Rs. 1,00,15,00,000

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RAW SUGAR MANUFACTURE FOR EXPORT

PROPOSAL REQUIRES CAREFUL EXAMINATION

BY the time these lines appear in print, the viewpoints of sugar technologists on the question of manufacturing raw sugar (as distinct from white sugar) for export, expressed at a special conference of these technologists convened by the Government of India at New Delhi on the 18th inst., will probably have been known. And in the light of the recommendations made at the conference, the Committee of the Indian Sugar Mills Association (I.S.M.A.) is expected to consider the matter in greater detail and submit to the Government definite proposals on raw sugar production. Meanwhile, the I.S.M.A. Export Agency Division has received replies from most of the sugar mills to its circular sent recently, inviting offers for the supply of raw sugar from the next crushing season due to begin on 1st November 1962. In its circular, the Export Agency Division conveyed to the mills the Export Sub-committee's decision to plan from now onwards for the manufacture of raw sugar, subject to the necessary permission being obtained from the Government, and called for their opinions and suggestions on the scheme tentatively drawn up. The salient features of the scheme are as follows:

Supply: Raw sugar supplies by mills will be against the export quota released by the Government. This will mean that, as and when delivery is made, an "on account" payment will be made by the Export Agency; the balance being paid after the closing of accounts for the export quota year (May-April) in terms of the provisions of the Sugar Export Promotion Act. The bags for packing sugar will be supplied to the factories by the Agency at its cost.

Quota: The export quota of raw sugar should be in 5,000 tons or near-about per factory or group of factories to be supplied in a maximum of two months. If the anticipated white sugar export quota for the current quota year, that is, 1st May 1962—30th April 1963 (the total quota expected is 500,000 tons, of which 150,000 tons have already been announced), does not fully cover the said quantity, it may be possible to treat the excess as an advance delivery for adjustment against future export quotas. Further, any quota remaining undelivered may also be adjusted towards raw sugar supplies.

Quality: Polarisation of raw sugar at the port of destination should be between 96° and 97.99° but in no case less than 94° or more than 97.99°.

Premiums and discounts: These will be calculated on the destination outturn polarisation and adjusted at the time of final payment. An extra 1.5 per cent of the basis price will be given for every full degree above 96° to and including 97° and an additional 1.25 per cent for every full degree above 97° to and including 98°. Conversely, 1.6 per cent of the basis price will be deducted for every full degree below 96° to and including 95° and an additional 2 per cent for every full degree below 95° to and excluding 94°; fractions of a degree will be calculated in the same proportion.

Penalty: The sugar mills will have to guarantee that, in case of polarisation at destination port falling below 94°, they will reimburse the Export Agency for all losses incurred in this behalf. Failure to deliver the raw sugar as per the contract entered into between the Export Agency and the factories will render the factories liable to such losses as may be incurred by the Agency for their not being able to fulfil their commitments to the foreign buyers.

The circular has suggested that the North Indian sugar mills may undertake raw sugar production for the current quota year in the months of January-February 1963 and others in the months of October-November 1962. It is expected that, as in the case of white sugar, the cane cess-purchase tax will be refunded by the State Governments on the raw sugar despatched for export. For the guidance of factories and with a view to helping them to decide upon the manufacture of raw sugar, a typical analysis of raw sugar (Cuban) accepted in foreign transactions has been given. The analysis reveals 96.50 per cent polarisation, the percentage share of other elements being 0.82 reducing sugar, 0.65 ash, 0.80 moisture and 1.23 undetermined.

No factory in India, it may be noted here, is at present producing raw sugar, but it is raw sugar that is in great demand the world over. Many sugar importing countries such as the U.S., the U.K., Japan and South Korea have their own refineries and they prefer to buy raw sugar instead of refined sugar. Even the white sugar imported from countries is refined again before being sold for consumption. Malaya, a prominent importer of Indian white sugar, is proposing to put up a refinery for handling about 200 000 tons annually. It is such possible disposable outlet for raw sugar abroad that has brought to the fore the issue of raw sugar manufacture in India. The opinions of millowners, however, seem to be sharply divided on this issue; some have welcomed it as being very desirable, while some others have opposed it.

Saving in Cost

The one important argument put forward in support of raw sugar manufacture for export is that the cost of production is considerably lower than in the case of white sugar, thereby rendering the task of exporting surplus sugar less difficult. The actual saving, according to Mr. R. C. Aitken, General Manager of the East India Distilleries and Sugar Factories Ltd. (Nellikuppam), will be Rs. 49 per metric ton for raw sugar 96.0° Pol. and Rs. 39.19 per ton for sugar 97.0° Pol. He has come to this conclusion in an interesting article entitled "A case for Raw Sugar Production for Export" to the latest Annual Number (May 1962) of *Indian Sugar*. The estimate, which has been made with reference to one of the factories in the Parry group that has a daily cane-crushing capacity of 2,200 tons, is equipped with all suitable plant and equipment for raw sugar manufacture and is situated nine miles from a port, is arrived at as follows:

Pol. %	Raw sugar		White sugar
	96.0	97.0	99.7
Cane crushed (tons)	392,151	392,151	392,151
Sugar produced (tons) ..	36,219	35,556	34,117
Recovery per cent	9.236	9.067	8.700
Cost per ton of sugar (Rs.)			
Cane at Rs. 43.40 per ton ..	469.90	478.66	498.85
Cess at Re. 1.9684 per ton ..	21.31	21.71	22.63
Purchase tax at 3 per cent on cane value	14.10	14.36	14.97
Total ..	505.31	514.73	536.45
Steam	3.53	3.59	8.17
Chemicals	5.13	5.23	8.27
Gunnies	14.39	14.39	16.87
Labour and overheads	127.73	130.10	135.76
Loss by difference in molasses ..	0.43	0.29	..
Total cost ..	656.09	668.04	705.52

Note:—The above estimates are based on the assumption that production during the 1960-61 season at the factory which Mr. Aitken has taken had consisted of raw sugar, instead of white sugar.

It is thus seen that savings that can be achieved in raw sugar production fall under five heads: Increased recovery, steam, chemicals, gunnies, and labour and overheads. If cane cess is refunded on raw sugar exported, there would, Mr. Aitken says, be a further saving of about Rs. 21.50 per ton. In addition, he expects that the extra output of sugar (as raw) amounts to 2.102 tons in the case of 96.0° Pol. sugar and 1,439 tons in respect of 97.0° Pol. sugar.

An important question that is raised is whether the raw sugar manufacture will not involve any complications and difficulties for the factories. Mr. Aitken does not think so. On the contrary, he feels that the problem is very easy. Here is what he says:

"Manufacture of raw sugar for subsequent refining is virtually unknown in India, but the methods employed have been more or less standardised throughout the raw sugar producing countries and little difficulty is envisaged in the adoption of the process in many factories in India. The National Sugar Institute convened conferences of sugar technologists in April and August 1961 and the proceedings of these conferences indicated that problems of alterations and additions to equipment, particularly in carbonatation factories, for raw sugar production, storage and handling assumed a high degree of importance. As far as production is concerned, there should be no difficulty in sulphitation factories which are equipped with modern defecation and filtration equipment and high speed centrifugals. Storage and handling problems should present little difficulty in the case of sulphitation factories situated within easy access of the main shipping ports, provided raw sugar is produced against firm orders and shipped in reasonable time. Japan, South Korea, and Malaya have no facilities for bulk handling of raw sugar on receipt, and transactions with these countries require packing in a single new jute bag of uniform weight."

Compulsion not Justified

While raw sugar manufacture may facilitate exports at a smaller loss, any move to bind *all* the mills to the obligation to produce a certain quantity of sugar for export is not, according to a section of millowners, justified. There are, we are told, some factories which simply cannot undertake raw sugar production, in view of several manufacturing difficulties. What is worse, when once the mills effect changes in machinery and equipment to produce raw sugar, it will be a sort of permanent arrangement. Some millowners question the wisdom of forcing such an arrangement on the mills. They ask: How long can India continue to export sugar? Will there be sizable exportable surplus year after year, what with the persistently rising domestic consumption? Should not adequate provision be made to meet any sudden shortage of supplies caused by setback to the cane crop? Attention is also drawn to the inability of many units in the sugar industry to produce raw sugar as cheaply as in other countries where plants have been installed exclusively for making raw sugar. The greatest drawback in raw sugar manufacture in India is said to be that, raw sugar is highly diluent and deteriorates much more quickly than white sugar. It will be worthwhile to quote here the observations of Mr. V. D. Jhunjhunwala. In the course of a special article to the aforesaid *Indian Sugar* Annual Number, he says:

"Once manufactured, it (raw sugar) will have to be exported, as it cannot be sold within the country, there being no refineries. Further, it will have to be exported immediately after manufacture, as it deteriorates very fast during storage, unless temperature and humidity are controlled. In other words, it will be essential to export raw sugar before the monsoons arrive. Further, it would be economical to transport raw sugar in bulk, but neither factories nor railways are equipped to handle bulk transport, especially under controlled conditions. In the absence of facilities for bulk handling, raw sugar will have to be bagged in jute gunnies. It may, however, be possible to use good secondhand gunny bags to reduce cost of packing. If the Government declares its policy and sales are effected in advance, it would be worth manufacturing raw sugar exclusively for export. Manufacture of raw sugar has to be undertaken, keeping the following in view: Uniformity and control of grain size are very important from the refiners' point. The grain size will have to be 'D' and 'E', as it would not be possible to produce raw sugar having 96 per cent Pol. or above with smaller grains. Filterability of raw sugar is very important from the refiners' point. Other countries manufacturing raw sugar adopt simple defecation and liming process. As it would be convenient for Indian factories to follow the single sulphitation and single curing process, it remains to be seen if the product would be acceptable to the refiners. Ordinarily there should be no difficulty. It is high time to carry out practical experiment to serve as a guide before undertaking manufacture of raw sugar on a large scale.

"Further, factories having adequate boiling house capacities and making bold grains may not find it attractive to manufacture raw sugar. The reason is that the premium being paid by the refiners, although 1.4 per cent for each unit rise over 96 Pol. is restricted to 98.8 Pol., is much below what is being realised for bolder grains. The premium for raw sugar having Pol. above 96° based on Rs. 24 per maund for 96° works out as below:

	nP per maund
For sugar having 97 per cent Pol. ...	36.0
For 98 per cent Pol.	66.0
For 98.8 per cent and above Pol. ...	85.2

"In calculating cost of raw sugar, quality of cane from which raw sugar is manufactured will play an important role, inasmuch as the saving towards the cane cost per maund of sugar is reduced with better quality; hence factories having low recovery would be attracted to make only raw sugar."

Practical Experiments Wanted

In view of all these factors and considering that raw sugar manufacture will necessarily involve a suitable revision of the lately announced sugarcane price formula, the whole question will have to be carefully examined. In any case, it looks as though it will be too early to give effect to the proposal from the next season onwards, as it is due to commence in a little over three months from now. Detailed practical experiments must be carried out in some factories and, if these prove successful, then the scheme can be implemented on an all-India basis. Even here, any mill which has special technical difficulties should be exempted from the obligation to undertake raw sugar production. Which mill, after all, will seek such an exemption, if it can conveniently and economically produce raw sugar and make a few rupees more on its sale for export? The best thing to do will be to drop the idea of compulsion; instead, the Government or the I.S.M.A. could negotiate with such mills as are suitably located and willing to manufacture raw sugar for export on mutually agreed terms. The whole industry and the Government can pay these mills appropriate compensation for the loss suffered by them. As it is conceded that the loss on exports will be smaller if they are undertaken in the form of raw sugar instead of white sugar, the cost of export subsidy to be borne by both will be correspondingly less. In other words, the aim should be to achieve the object at a minimum loss to the industry and the country as a whole.

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U.S. SUGAR ACT

President Kennedy signed on Friday the 13th inst. the Sugar Bill as it finally emerged from the U.S. Congress after a series of "behind-the-scenes manœuvres." The Bill, described as a compromise legislation, has replaced the Sugar Act of 1934 which actually expired on 30th June 1962. The new Act provides for an increase in the statutory share of the domestic market to the indigenous industry from 55 per cent to 66 per cent and continued payment of subsidies to uneconomical growers; the total subsidies paid hitherto was of the order of $330 million per annum. This provision was in accordance with the recommendation made by the Administration in the original draft Bill. The balance of 34 per cent in the total domestic requirements of sugar is distributed among foreign suppliers as follows:

The Philippines is given a special allocation of about a million tons.

A combined "permanent" quota of 1.205 million tons is to be allocated among 27 countries, the purchases being at the so-called U.S. premium prices which have been cut by 10 per cent, pending a review in 1964. The Administration had proposed the complete abolition of premium and the allocation of the same amount to a special fund for international development programmes.

A quota of 1.635 million tons is reserved for Cuba, should it be free from Communist control. Meanwhile, this Cuban quota will be allocated among the foreign friendly countries on first-come-first-served basis at world prices.

Additional quotas have been given to the Latin American nations, especially to the Dominican Republic, which had expressed deep resentment at the allocations previously announced.

Commenting on the new Sugar Act, the New York correspondent of the London *Financial Times* observes:

"The compromise sugar legislation ... has left most of the inconsistencies of America's sugar policy unchanged.... The basic features of the sugar legislation remains the same, and the extraordinary competition for American sugar quotas, which has given birth to a very active lobbying industry on behalf of sugar producing nations, will presumably continue. The Administration did not apparently regard its Sugar Bill as sufficiently important to merit a real Congressional fight."

India's share in the combined permanent quota of 1.205 million tons is only 20,000 tons, a reduction of 10.000 tons as compared with the figure mentioned earlier. For this quantity, India will get the U.S. premium price. The size of the *ad hoc* quota allotted out of the Cuban reserve is not known. Previously, it was thought that India's quota might be about 100,000 tons out of the total 2.58-million Cuban quota. Since, however, this total quota has now been reduced to 1.635 million tons, the share of India will also correspondingly be less, about 63,000-65,000 tons. Since the supply of sugar by India against this quota is to be at world prices, the loss on exports will be quite huge, in view of the wide gap between the world price of about Rs. 340 per ton and the average Indian export price of Rs. 810 per ton, exclusive of the refund of excise duty and cane cess together amounting to Rs. 343.

LINKING CANE PRICE TO SUGAR RECOVERY

A detailed reference to the issue of linking cane price to sugar recovery was made in these columns three weeks ago (*vide* page 1162 of *Commerce* dated 30th June 1962). The reference was based on Press reports pertaining to the decision of the Central Government. The decision was actually announced in the course of a Press note issued on the 3rd inst. by the Ministry of Food and Agriculture. The salient features of the scheme as contained in this Press note are the same as those indicated in our review, excepting that the discount or premium in respect of every rise or fall of 0.1 per cent in the average certified recovery is fixed at 1.5 nP per maund, as against 1.2 nP mentioned in our review. For purposes of record, we reproduce below the official Press note:

"After careful consideration of all aspects, particularly the demand for sugar, requirements of sugarcane by the sugar factories and the need for improving the quality of sugarcane, the Government of India have decided that, from the commencement of the sugar season 1962-63, the price of sugarcane will be linked with recovery. In coming to this decision, the Government of India had before them the advice of the Tariff Commission.

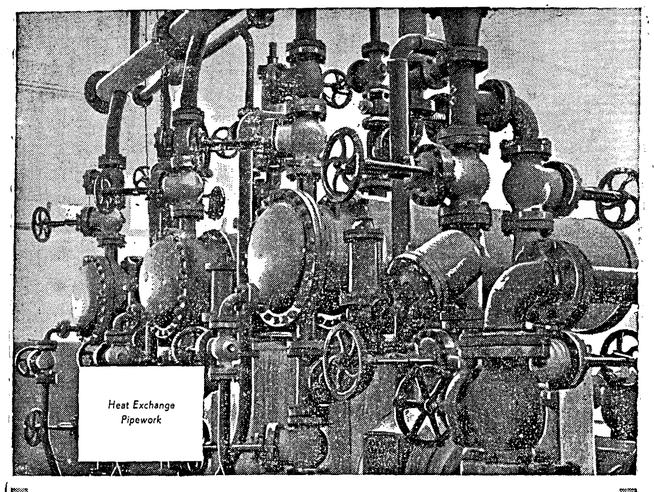
"For the sugar year 1962-63, it has been decided to maintain the price at Re. 1.62 nP per maund of sugarcane for delivery at the gate of the factory, but link it to a recovery of 9.8 per cent. A discount or premium, as the case may be, shall be allowed on this price at the rate of 1.5 nP for every 0.1 per cent fall or rise in the average certified recovery of the factory for a prescribed duration during 1961-62 season, provided that the minimum price payable shall be Re. 1.50 nP per maund for a recovery of 9 per cent or less. The price for delivery at purchasing centres connected by rail shall be Re. 1.50 per maund of cane with corresponding discounts or premia, at the prescribed rate, provided that the minimum price payable at such centres shall be Re. 1.38 per maund of cane for a recovery of 9 per cent or less.

"In order that cultivators and factories have sufficient advance notice of Government's intention about the production of sugar during 1962-63, the Government have decided that the total production in the coming year should not fall below the production in 1961-62."

"INDIAN SUGAR"—ANNUAL NUMBER

The latest Annual Number (May 1962) of *Indian Sugar*, the eleventh in the series (Editor: Mr. J. S. Mehta, Indian Sugar Mills Association, India Exchange, Calcutta 1. Price: Rs. 3), provides, as usual, much useful information pertaining to economic and technical aspects of the sugar industry in India and abroad. It contains a number of special articles contributed by experts. The articles cover problems confronting sugar manufacture, technological developments, sugarcane and its problems, confectionery industry, production of furfural (a chemical intermediate used in the manufacture of nylon and synthetic resin, as well as in the extraction of lubricating oils and butadiene) from bagasse and labour matters. There are two special articles on raw sugar manufacture, a reference to which has been made in this week's feature article on sugar. The statistical section gives comprehensive data relating to the various aspects of the sugar industry, including the primary sector, that is cane cultivation.

The twenty-ninth Annual General Meeting of the Indian Sugar Mills Association will be held at New Delhi on 8th August 1962. Mr. D. D. Puri, President of the Association, will preside over the meeting which will be inaugurated by Mr. S. K. Patil, Union Minister for Food and Agriculture. Besides a review of the various important developments in the sugar industry in the past year, certain important resolutions having a vital bearing on the sugar industry will also be taken up for discussion.



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MODERNISING TEXTILE INDUSTRY

RESPONSE TO COTTON BOARD'S SCHEME GOOD

From Our Special Correspondent

MANCHESTER, *10th July*

MANCHESTER LETTER

A SPECTACULAR last-minute rush has sent the modernisation budget of the Lancashire cotton industry soaring to an estimated £115 million. Plans to spend millions of pounds on modernising the mills have poured in to the Cotton Board headquarters at Manchester. Some millowners hurried their applications by car to Manchester with only minutes to spare to submit their re-equipment plans and so qualify for a Government grant of 25 per cent towards the cost.

The last-minute entries into the re-equipment programme surpassed all anticipations. During the debate on cotton industry in the House of Commons, the President of the Board of Trade indicated that schemes involving the expenditure of £72 million had already been submitted to the Cotton Board, and he hoped that the final figure would be more than £80 million. But the final rush has taken the amount which the industry wants to spend on making mills more up-to-date up by nearly £40 million in the 12 days since the debate. The Government's share, if all these plans are completed, will be at least £25 million, so that public funds to the extent of £40 million will have been utilised under the overall reorganisation programme.

It scarcely needs to be repeated that the contemplated re-equipment schemes involve at the moment only applications for the subsidy. The last-minute entries require the approval of the Cotton Board, and the plant must be ordered within a year, and installed within two years to be fully effective. The industry's critics, however—and even the cautious waverers—have been quickly answered when the moment of decision has been reached.

New Light on Merchanting

Marketing remains a key factor in considering what future action is likely to be taken to improve the prospects of the Lancashire textile trade. Many outside observers have constantly criticised this aspect of the industry's affairs, but have rarely been able to put forward constructive alternative proposals. Merchanting in its various guises was an important asset in days gone by, particularly when foreign outlets were involved. Experience gained in supplying cotton goods to the numerous markets of the world was invaluable when it came to disposing of the products of the mills, but, with the diminution of export trade, the wealth of background information gained by shippers became superfluous.

Those who find fault with the existing structure of the industry often point to the predominantly horizontal production and the complicated flow between the different processes. They advance the entirely different way in which competitive industries are established as evidence for their contention that greater integration would be of inestimable value to Lancashire. Many individuals working in the trade at present would contest these views as it is by no means certain that even if they were carried out to their logical conclusion, sudden benefits would accrue.

At the same time, a gradual process of verticalisation is taking place, almost unobserved. Most of the changes which are being adopted in the industry are the result of mergers and absorptions, through which producing units are being linked to the distributive sector. Old-established firms are making contact with one another, so that past rivalries are being forgotten and joint collaboration in disposing of their products can be arranged.

Integrating Output and Distribution

Without any official plan to encourage such a movement, economic forces are undoubtedly working in this direction. It has not escaped attention that the financial results of those firms which combine the activities of spinning and weaving often with supporting merchant facilities have been amongst those companies which have weathered recent storms and are likely to continue in the van of the movement towards a more profitable era.

However much the prospect of joining the Common Market may dismay certain traders, an entry into domestic outlets on the Continent will only be obtained by integrating the output of local mills with an efficient and effective medium of distribution. Not only that, but the whole trend of disposal of manufactured products within the home market is towards the requirements of the big buyers, whether representing chain stores, co-operatives or multiple retail suppliers. In such circumstances, the individual merchant may be able to gain occasional business, but the more highly organised merchanting section of a major producing group should be in a favourable position.

With this background in mind, the next few months may well see substantial changes in the structure of individual companies, many of which have names whose forebears played a big part in building the industrial strength of the Lancashire cotton trade. Output will have to be severely pruned in line with the future level of demand, but, unless production can be effectively transferred through efficient distributive channels, many of the improvements lately introduced into the mills will have been wasted.

Striking A Balance

Arguments have lately arisen among statisticians dealing with cotton trade affairs as to the size of the gap which exists between current production in Lancashire and available domestic demand. On this, of course, hinges the whole question of the volume of imports which should be permitted to make good any shortfall in output from the local mills. Figures have been widely quoted, the most frequently mentioned being 500 million yards, as the absolute limit after which any further arrivals tend to swamp the normal flow of supplies and undermine the whole situation. Many people in Lancashire would contend that even a fraction of this total still has the same undermining effect in destroying confidence.

The annual report of the Cotton and Rayon Merchants' Association had this comment: "It is important that the statistical position should be made clear, bearing in mind that production in Lancashire in 1961 was well below capacity. To the extent that production in the United Kingdom can be increased, maintenance of the existing volume of imports is not necessary."

Another way of putting the same argument was outlined by Mr. W. T. Winterbottom, Chairman of Fine Spinners and Doublers Ltd., in his statement with the accounts. Existing ceilings on imports from Hong Kong, India and Pakistan allow for a total of 422 million yards to enter the United Kingdom each year until the beginning of 1966, which represents 26 per cent of total home market consumption, he pointed out. "If imports from other countries continue at their current level, this means that nearly 40 per cent of the home market will be supplied with imported cloth, compared with 27 per cent in 1959 when the reorganisation schemes were introduced."

Too High A Level

The basic mistake, in the view of Mr. Winterbottom and, no doubt, many others within the industry, was made in 1959 when the original quotas were fixed at too high a level. Little, however, will be gained by recognising such errors at this stage, but much needs to be done to deal with existing conditions. Mr. Winterbottom draws attention to the high level of imports of both yarn and cloth from countries outside those covered by quota limitation. Already these are running at 10 per cent of home market consumption in cloth and 4 per cent in yarn, despite the present slump. As nearly all this trade is subject to import duty and comprises supplies from countries with similar living standards to ours, the problem is one about which Lancashire cannot afford to be complacent, he says, particularly as our own export trade to these markets is negligible.—*All Rights Reserved.*

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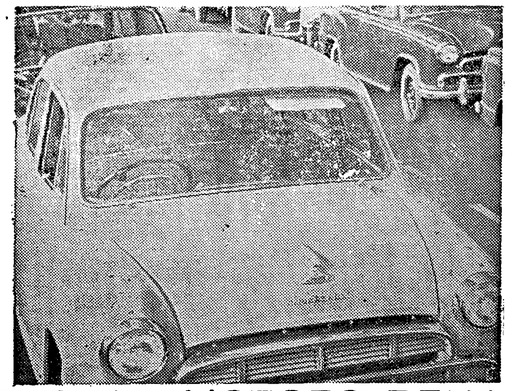

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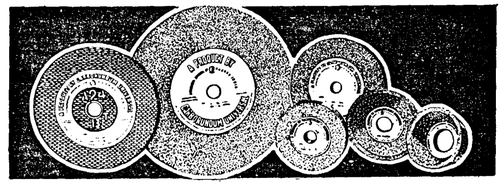

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BUOYANT DEMAND FOR JUTE GOODS

HIGH LEVEL OF OUTPUT TO CONTINUE

JUTE goods production in India will continue to be maintained at the maximum level for a further period of one month, that is, up to the end of August 1962. A decision to this effect was taken by the Committee of the Indian Jute Mills Association at its meeting held at Calcutta on the 10th inst. The actual level of output will, of course, depend on the availability of adequate power supply. It is gratifying that the jute mills in West Bengal have been exempted from the 15 per cent power cut in accordance with the recommendations of the Board of Trade. Meanwhile, the I.J.M.A. has been asked to examine whether there is any scope for augmenting power supply by the installation of small generating sets imported from countries with which India has rupee payment arrangements. The Railway Ministry is also being approached by the Board of Trade for getting larger quantities of coal transported to the jute mill generating stations.

The sustained efforts of jute mills to maintain output at as high a level as possible are to be widely welcomed, considering that the industry is India's ace earner of foreign exchange. Out of the aggregate exports of all goods and commodities amounting to Rs. 657 crores during the financial year 1961-62, the share of jute manufactures alone was of the order of Rs. 145 crores, representing over 22 per cent of the total. The actual production in the first six months of the current calendar year aggregated 581,200 metric tons, as against 482,500 tons in the corresponding period of 1961. The jute mills have felt encouraged to produce more because of the plentiful supplies of raw jute and the buoyancy of demand for both export and domestic consumption. The total quantity of jute goods actually despatched from mills in the first half of 1962 was 552,800 tons, as against 483,900 tons a year before. The month-by-month trend of production and despatches is indicated below:

(In metric tons)

	Production		Despatches	
	1962	1961	1962	1961
January	96,700	87,600	90,800	82,600
February	92,200	78,600	89,900	79,000
March	97,800	88,900	98,200	87,400
April	97,000	80,500	82,300	73,900
May	99,700	79,600	90,000	77,900
June	97,800	67,300	101,600	83,100
Total Jan.-June	581,200	482,500	552,800	483,900
Whole of 1961	970,300	..	991,200	..
Whole of 1960	1,088,442	..	1,058,760	..
Whole of 1959	1,072,530	..	1,118,328	..

The improvement in production was particularly marked in the case of hessian, the actual output in the first half of 1962 being 227,000 metric tons, representing a rise of 58,600 metric tons as compared with the corresponding period of 1961. The production of sackings was also higher at 272,800 tons, but the rise was of the order of 24,800 tons only. Other jute manufactures show a rise of 15,300 tons to 81,400 tons. The following table shows the actual trend of output, together with equivalent of raw jute consumption during the first half of 1962 and 1961, as well as in the whole of 1961 and 1960:

(In metric tons)

	January-June		Whole of	
	1962	1961	1961	1960
Hessian	227,000	168,400	355,700	371,900
Sacking	272,800	248,000	483,700	532,700
Others	81,400	66,100	130,900	117,900
Total	581,200	482,500	970,300	1,022,500
Equivalent jute consumption (In thousand bales)	3,288	2,712	5,458	5,806

Thanks to the appreciable expansion in production, the supply position of jute goods has now been much more comfortable than that in the past two years despite the lower opening stocks, as the following figures show:

(In metric tons)

	January-June		Whole of	
	1962	1961	1961	1960
Opening stocks	55,600	81,500	81,500	58,900
Production	581,200	482,500	970,300	1,088,442
Total supply	636,800	564,000	1,051,800	1,147,342

The rise in despatches of jute goods is accounted for by both exports and internal consumption. The total despatches for exports during the first half of 1962 were higher by 52,532 metric tons at 387,332 tons and those for internal consumption by 16.368 tons at 165,468 tons. Details are given below:

(In metric tons)

	Despatches for export		Despatches for internal consumption	
	1962	1961	1962	1961
January	63,400	57,300	27,400	25,300
February	62,300	54,500	27,600	24,500
March	66,400	55,800	31,800	31,600
April	54,300	52,700	28,000	21,200
May	66,200	53,700	23,800	24,200
June	74,732*	60,800	26,868*	22,300
Total Jan.-June	387,332	334,800	165,468	149,100
Whole of 1961	713,100	..	278,100	..
,, ,, 1960	786,930	..	271,830	..
,, ,, 1959	881,586	..	236,742	..

* Rough estimates only.

In view of the high level of offtake, jute goods, stocks with mills have gone down. The total of these stocks as on 30th June 1962 stood at 80,300 tons, as compared with 84,100 tons at the close of the previous month. The decline would have been more but for the fall of 1,900 tons in production during the month of June. The end-June 1962 stocks are, however, higher than those a year ago when they amounted to 77,600 tons. The latest I.J.M.A. stock figures are given below:

(In metric tons)

	30th June 1962	A month ago	A year ago
Hessian cloth and bag	25,000	27,100	29,300
Sacking cloth and bag	38,900	37,300	36,900
Others	16,400	19,700	11,400
Total	80,300	84,100	77,600

Although the demand for jute goods has registered a notable improvement, prices of sackings have staged a decline, while those of hessian do not show any marked change. The latest available quotation for sacking B. twills at Calcutta is Rs. 130.75 per 100 bags, as against Rs. 167.00 prevailing at this time last year. Hessian (40″ x 10 oz.) is quoted at Rs. 58.25, as against Rs. 56.80 a year before. The downward trend of sackings prices must be attributed partly to the increase in supplies following higher output and partly to the keen competition from Pakistan. Further, the prices of raw jute, too, have fallen. Assam bottoms are now on sale at Rs. 30 per maund, the floor price, as compared with Rs. 54.50 prevailing in the middle of June 1961. It, however, remains to be seen whether the present level of raw jute prices will continue in the coming months, what with the recent reports suggesting damage to the current season's crop.

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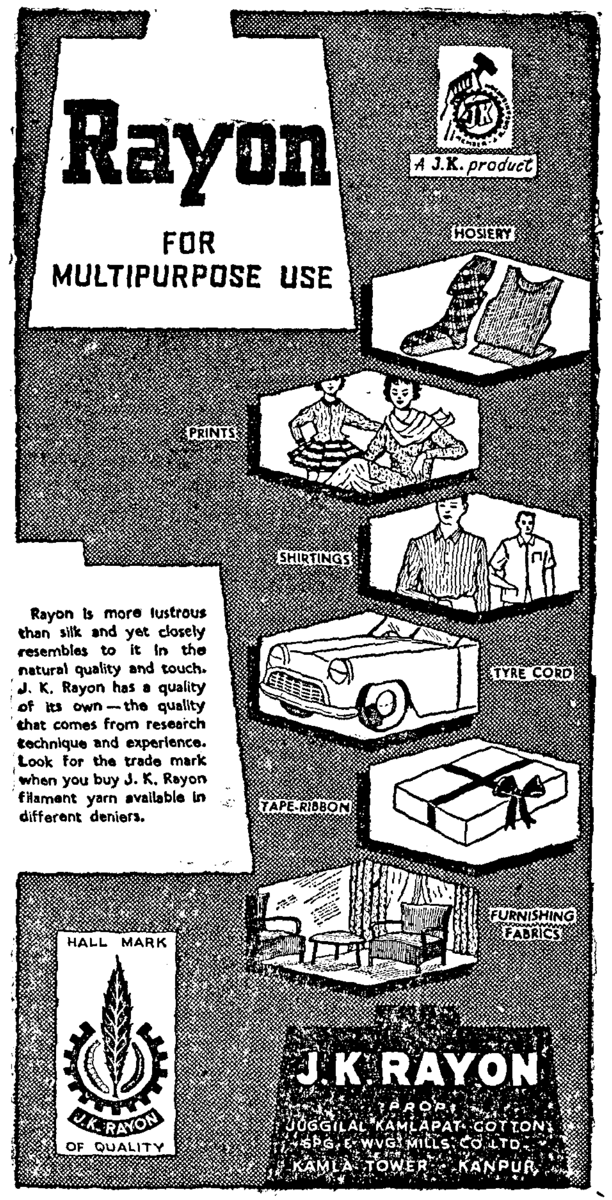

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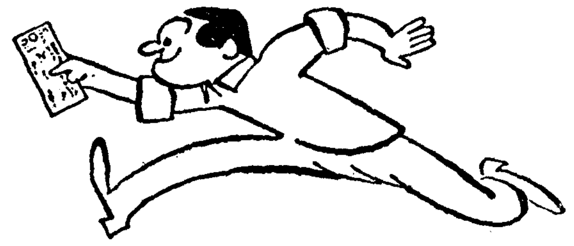

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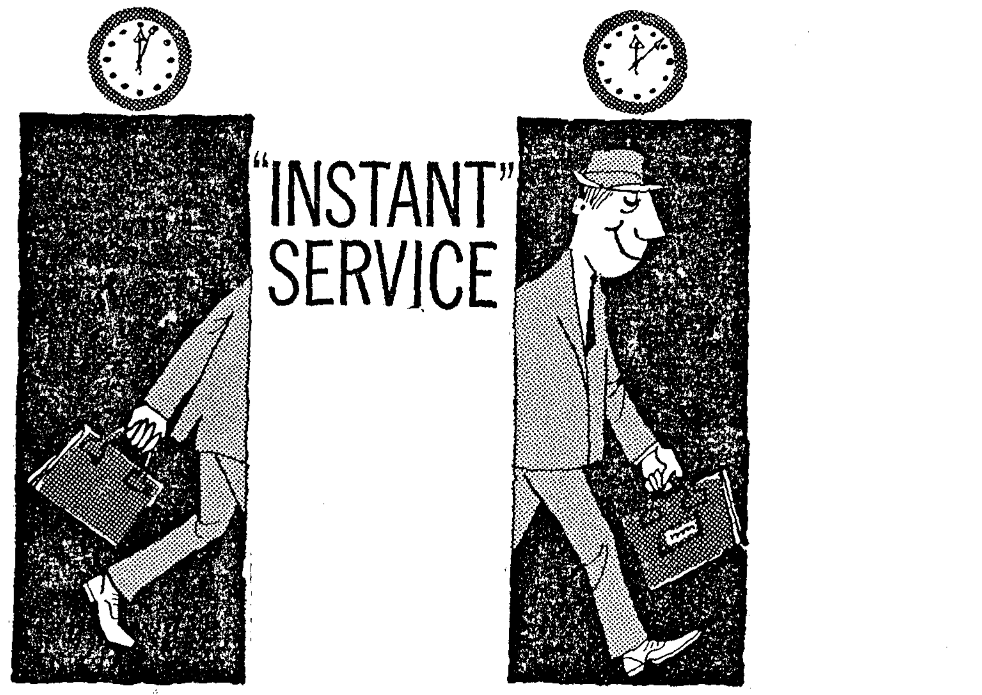

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WHY ARE THERE SO MANY AIR ACCIDENTS NOWADAYS?

By Our Aviation Correspondent

MORE than fifty years ago, the steamship *Titanic*, then on her maiden voyage, foundered in the Atlantic with great loss of life. It was an event which shocked the world. How, people wondered, could such a thing have happened? How could disaster, so sudden and so complete, have overtaken this great vessel, the last word in steamship construction and, as men then thought, complete with every modern device for the safety of navigation? The subsequent inquiry, of course, revealed just how many and how flagrant were the shortcomings of even the best of ocean-going ships of that time. The shortage of lifeboats and the limited hours of watch then maintained by ship's radio, for example, were two factors largely responsible for the appalling loss of life.

To this day, the *Titanic* disaster is still the subject of film and story. People, born long after the event, have read of it or seen it portrayed. The very magnitude of the disaster preserves it in the public memory. And yet, since the beginning of this year, in the short space of seven months, air disasters have occasioned a loss of life little short of that involved by the foundering of the *Titanic*. Is it not a very curious fact that we all seem, nowadays, to take these air disasters as a matter of course—or, to use a colloquialism, "just one of those things"? There is little or no public outcry. Indeed, a few days after each successive catastrophe, save by those immediately concerned, the whole affair is almost completely forgotten.

Is this because we live in a more swiftly moving age, an age, perhaps, when people have been hardened by the cruelty and devastation of two world wars? Or is it that we have been conditioned to expect these disasters at regular and distressingly frequent intervals? Both these factors probably contribute to our attitude. It is a pity because, as long as the public conscience remains unshocked, as long as the public memory continues to be so short-lived, as long as we accept these fatalities as inevitable, so long, one suggests, will this state of affairs persist.

Let us take a look at the accident statistics for the past six months. There have been twenty-four accidents to aircraft engaged in public transport involving fatalities. These have taken a toll of nearly 900 lives. In addition, there have been thirty-five serious accidents which did not, fortunately, involve fatalities, but which did, in many instances, involve the complete destruction of aircraft. In any consideration of the problem, however, these latter accidents cannot be ignored. The overwhelming majority of all these accidents—fatal as well as non-fatal—were due not to any kind of mechanical failure, but to errors of human judgment.

Such errors are usually attributed to the commander of the aircraft. That, perhaps, is natural; he is the unfortunate individual on whom the final responsibility rests. Nevertheless, it is too often forgotten that, when Captain *X* hits a mountain, or crashes on take-off, killing a hundred or more people, he is very often as much the victim of a chain of circumstances beyond his control, as are the unfortunate passengers who perish with him. Those circumstances, moreover, although sometimes aggravated by weather and terrain, are usually man-created. In other words, responsibility for Captain *X*'s error lies, very often, as much in the Boardroom as on the flight deck.

You cannot pass a law against errors of judgment. From time to time, in all walks of life and, more specifically, in all forms of transport, accidents do happen. The *Titanic* disaster was such an accident. Although warned of the presence of ice at a more southerly latitude than usual, the captain, with speed of passage probably in mind, failed to take every necessary precaution. Such an accident has not been repeated in our time. Man can—and usually does—learn by experience. In the case of air transport, however, we have the same types of accident occurring with monotonous regularity.

The fact is that the task of airline flying is becoming progressively more exacting. So exacting, indeed, that however wise, able, cautious, and experienced, there are occasions when the commander is simply overwhelmed by circumstances. And that, one suggests, is to change the whole aspect of the matter. These accidents are not just occasional human lapses or errors of judgment. They are the logical and foreseeable consequence of definite and recognisable defects in the very machinery of air transport operation.

The air transport industry can be likened to a task force which has overrun its objectives and failed to consolidate its gains. It is in an extremely vulnerable position. It has progressed too fast. By that, one does not seek to imply that speed, *per se*, is dangerous. Apart from the more critical handling characteristics of most jets—a factor, of course, not to be ignored—speed of flight has little to do with it. It is the *tempo* of operation which is straining, beyond reasonable endurance, the patched up fabric of existing ground facilities.

Take airports, for example. Most of these lack the facilities which modern jets ought to have. Not only are available runways too few but they are usually very marginal in length—which accounts, no doubt, for the high incidence of take-off and landing accidents. Radar and other aids are inadequate for the volume of traffic; in many instances, these aids are defective or out of date. Many airports are ill-sited. Whilst, in the days of Constellations and other piston aircraft, they were probably marginal, today they present unacceptable hazards. One could cite many examples. And all this is to say nothing of *en route* facilities which are often sketchy and not seldom non-existent.

Immediately after the last world war, with the incursion of large numbers of war-trained pilots into civil aviation, there was an attitude towards airline flying which can best be described in the war-time phrase of "press-on-regardless." This was undoubtedly the cause of a great many accidents. So far as flying crews are concerned, intensive training, discipline, and experience, have inculcated a high sense of responsibility and an acute awareness of the hazards which negligence or rashness inevitably invite. There is now no trace of the "press-on-regardless" brigade in the ranks of commercial pilots. Can it be, however, that, in a rather different form, it lingers on in management offices and Boardrooms?

Is not the whole air transport industry pressing on regardless? Is it not turning a blind eye to marginal runways, inadequate ground facilities, the more critical characteristics of jet aircraft, the hazards of traffic congestion, and sub-marginal weather? Is it not over-estimating the human skills at its disposal? Is not all this suggestive of a railway system which, whilst it has the last word in engines and rolling stock, persists in operating over a permanent way which is known to be unsound? For how long would the public continue to patronise such a railway?

The industry would, of course, indignantly repudiate such views as these. The accident rate is improving, they constantly declare and quote statistics to prove it. One remains unimpressed. In the first place, statistics seldom present a comprehensive truth; in the second place, to accept the inevitability of death for a proportion, however small, of those who travel by air is a deplorable philosophy. These accidents are, for the most part, avoidable—not inevitable. So long as that position obtains, the airlines have much to answer for.

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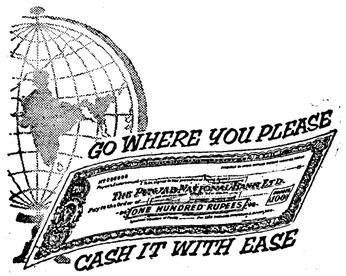

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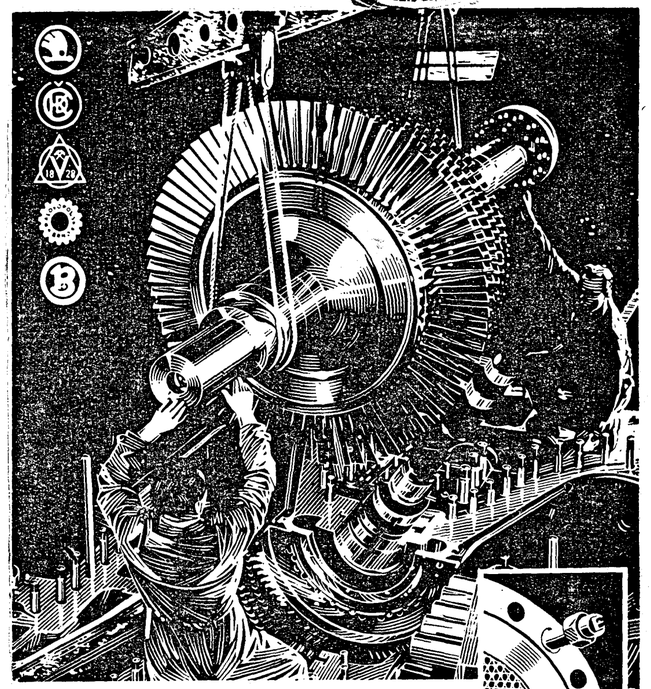
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FIRST FIVE YEARS OF COMPANIES ACT, 1956—V

REFORM OF MANAGEMENTS

By A Special Correspondent

[Towards the close of Part IV of this series on Company Law published in our last issue, the author had made a beginning with the subject of criteria and policies laid down by the Company Law Advisory Commission and the Government in regard to management of companies. He had dealt with general policies, and in this article has outlined the policies relating to appointment of managing agents, secretaries and treasurers and managers and managerial remuneration.—ED.]

TO take up the criteria and policies relating to appointment of managing agents first. The applications for appointment and re-appointment of managing agents are to be scrutinised according to the criteria laid down in Section 326 of the Act. In this connection, the objections received from the shareholders should also be scrutinised to ensure that the proposed 'person' has not been guilty of conduct which would make him undesirable to be placed in a position of trust.

Where a partner or a member of the managing agency firm or company was involved in any case pending in the Sessions courts, such a person should be dropped from the firm or company at the time of appointment.

When a change in the constitution of managing agency firm or company amounts to a change in the controlling interest in the managing agency, the managed company should also approve of such a change by special resolution, so that the shareholders of the latter company may have a chance of recording whether or not they agreed to the new set-up of managing agent. While approving such a change, the Commission can, where it considers fair and reasonable, lay down conditions regarding the transfer of shares and the prices at which transfer should take place. Further, where conversion of a public company into a private company is involved, the Commission would give approval, provided *all* the shareholders of the company give consent to the conversion.

Any change in the constitution of a managing agency company caused by the transfer of more than 50 per cent of its shares to another company so as to make it a subsidiary of the latter should be approved only if the holding company concerned undertook, by means of a resolution in general meeting, to guarantee the observance and performance by its subsidiary of the latter's managing agency obligations under the various managing agency agreements with the companies under its management.

Agreements containing a provision that nominee directors should be appointed chairman of the company should not be approved.

Exemptions

The terms of office for a managing agent should be ten years in the case of a first appointment and five years for reappointment. This rule is to be followed in the case of secretaries and treasurers also. It is also applicable to managing agents and secretaries and treasurers of private companies, not being subsidiaries of any public company. But, while this would be the general rule, the following exemptions could also be made:

(a) Companies engaged in basic or heavy industries or industries of national importance, such as iron and steel, heavy engineering, deep mining, overseas shipping, the planned development or expansion of which is of great importance to the national economy and involves a long period of gestation before yielding full results;

(b) companies undertaking diversification programmes on a large scale spread over a period of years, involving very heavy capital outlay and heavy incidence of depreciation in the initial years, for the speedy and timely implementation of the expansion programme, the managing agents are directly responsible because of their ability to render financial and/or other specialised technical services;

(c) where the managing agents are themselves primarily responsible for the promotion of a new industry in the country, as a pioneering venture (provided it is of importance to the national economy) or where they come forward to set up a new industry on a large scale in an undeveloped and backward region;

(d) where the managing agents have voluntarily forgone their remuneration for a considerable period in the past and have only recently started earning some remuneration.

Now to take up the question of criteria and policies relating to remuneration of managing agents, secretaries and treasurers and managers.

The 10 per cent remuneration mentioned in Section 348 of the Act is the ceiling and is not to be automatically allowed. The commission "will not consider such proposal of voluntary increases in the commissions payable to managing agents merely because such remuneration is permissible in the Act, unless the proposals are supported by compelling constructive evidence."

In sanctioning minimum remuneration to managing agents in case of absence or inadequacy of profits the facts to be considered are such as the nature of the business, the financial resources of the company, the ability of the managing agents as disclosed by their past performances, standards of efficiency of both managements and workers, management-labour relations, handicaps arising out of the disadvantageous location of factories, availability of materials and transport problems. Subject to these general considerations, the Commission has accepted the basic formula of a minimum remuneration ranging from Rs. 7,500 *per annum* for a company with an effective capital (i.e. paid-up capital, debentures, loans and overdrafts, deposits, reserves, subsidies from Government, profits carried forward less investments not being short-term deposits and loans made by company) of Rs. 5 lakhs or less, to Rs. 50,000 *per annum*, the maximum as provided in Section 198(4) of the Act. But, in this connection, a liberal rule made by the Commission is that, where the nature of the industry is such that paid-up capital is low, but sales are considerably in excess of the capital employed, a weightage is to be given to (i) scientific or literary undertakings or those engaged in pioneering works, (ii) number of partners to divide the remuneration in the managing agency firm, (iii) needs of persons living in costly places, and (iv) where the industry is located in places not easily accessible.

Directors or partners of a managing agency company or firm should not be allowed to draw separate remuneration from the managed companies in other capacities over and above the remuneration drawn by the managing agents.

While considering the increase in the percentage commission on net profits to a company, the Commission also bears in mind the past sacrifices made by the managing agents.

In case of private companies, the bulk of whose shares are held by managing agents, directors or their relatives, the Advisory Commission gives a liberal quantum of maximum remuneration allowable to the managing agents of public companies.

On the question of remuneration payable to managing agents of private companies, the Commission is of the opinion that, where the partners of the managing agency or its shareholders, as the case may be, hold not less than 80 per cent of the capital of the managed company, the remuneration should be fixed at a figure which, in whatever way expressed, should not exceed 20 per cent of the net profits of the company calculated in accordance with Sections 349 to 351 of the Act. This remuneration would be without perquisites.

Where the managing agency of a holding company is also acting as managing agent or secretaries and treasurers of the latter's subsidiary, the earnings of the holding company by way of dividends from its subsidiary should be deducted from the net profit of the holding company for purposes of calculating the remuneration payable to its managing agents.

Any payment made by way of remuneration to every partner of a managing agency firm, every director of a managing agency company, if it is a company, or every director and member of a managing agency company if it is a private company, should be deemed to be included in the remuneration of the managing agency concerned as approved by Government.

Any proposal for the increase in the remuneration payable to a managing agency who has so far been entitled to only less than 10 per cent commission on net profit, should not ordinarily be allowed to draw at the maximum rate, unless there are special reasons to justify such an increase.

Amendment of 1959-60

In 1959-60, the Commission reviewed the question of managerial remuneration and decided upon a sliding scale varying between 4 per cent and 10 per cent for the managing agents and between 3 per cent and 7½ per cent for the secretaries and treasurers, subject to the following exceptions:—

(a) Even where the managing agents are allowed to be reappointed for a longer period than five years on the basis of the principles set out regarding the tenure of managing agencies, if the development or expansion of the particular industry entails very heavy capital outlay as also heavy incidence of depreciation calculated at the income-tax rates in the first few years after the completion of the development or expansion programme, and where even after the completion of the development or expansion of the undertaking it is likely to take some time before it begins to yield reasonable returns.

(b) Where a company engaged in a new or comparatively underdeveloped industry has been unable to earn reasonable profits for a number of years on account of factors beyond the control of the management, and is unlikely to be able earn large profits in the near future, but the company is otherwise efficiently managed, provided the Commission, for reasons specifying the special circumstances of the case or the special features involved in it, recommend that such higher remuneration should be allowed to the managing agent for such limited period as the Commission may suggest.

Where a deviation is made from the standard sliding scale, the desirability of imposing a ceiling on the absolute amount of remuneration payable in any one or more years may be considered, so that in years of abnormal profit as, for instance, in the second half of the term of office, the managing agents do not receive unduly excessive remuneration out of proportion to their past earnings, having due regard to the increased responsibilities, if any, to be shouldered by them.

Managing Directors, Whole-time Directors, etc.

In fixing the remuneration of managing directors, whole-time directors, directors, etc., regard is to be had generally to the financial resources of a company, its dividend record, turnover, size of the company, the nature of its business, the extent of the managing director's interest in the company and the responsibilities discharged by the managing directors, etc.

Proposals for increase of sitting fees or fixed conveyance allowance are to be considered on merits.

Proposals involving payment of remuneration to managing directors which may exceed the statutory limits of Section 198 in the case of inadequacy of profits should be considered on merits.

The directors of a company who are also directors or partners of the managing agency company or firm should not ordinarily be permitted to receive any separate remuneration from the managed companies by way of stipulated commission on net profits or otherwise.

Payment of commission on net profits to the non-working directors of a company may be paid, provided such directors were getting a commission before or the Advisory Commission is satisfied that in the circumstances of the company, the payment is fair and reasonable in relation to the responsibilities shouldered. Such commission, however, could be divided among the directors in any proportion agreed among themselves.

Managing directors in receipt of a monthly salary and a commission on profits are not to be allowed to draw any additional guaranteed minimum remuneration, besides their monthly salaries in the event of absence or inadequacy of profits. This rule would also apply to the directors.

In the case of appointment of managing directors consequent to the resignation of managing agents, the Advisory Commission usually lays down a condition that the proposed managing director should not supplement his earnings directly or indirectly by any buying or selling commission through the subsequent appointment by the company of their former managing agents as their sole selling or buying agents. The Advisory Commission has extended these restrictions on managing agents under Sections 356-358 to the managing directors as well.

Payment of bonus to directors and/or managers of the company could be favoured if it was at the same rate as allowed to the other employees of the company; ordinarily, two months' bonus is to be allowed.

Ordinarily, the Advisory Commission would not advise the approval of any proposal for absorption of the element of commission into the basic salary, as the latter represents the minimum that a person should get, having regard to the resources of the company and his official rank and position in the company, whereas the commission element provides an incentive to the individual concerned to make every effort to achieve better working. But, where an increase has to be allowed, it is necessary to see that the element of commission converted into salary does not exceed the average earnings of the individuals concerned by way of commission during the preceding five years. The interest of the company is to be a guiding factor and each proposal has to be judged from the point of view of whether or not its acceptance would leave sufficient incentive with the person concerned to strive for better working of the company.

In this regard, the comments made in the Second Statutory Report are important. The Report says that, "in the interest of the efficient management of companies, commission on net profits should stay as an item of incentive payment and that the protection given by the proviso to Section 198(4) should not ordinarily give any cover to the commission on net profits which the managing directors could expect to earn only in those years when the company made good profits but which could not be guaranteed during lean years when the company either made no profits or its profits were inadequate even to cover basic salaries, allowances and perquisites payable to managing director under the terms of the service agreement."

No special remuneration is to be paid to directors for the signing of share certificates which is a part of their normal duty.

Normally, fixed monthly payments should not be allowed to directors who are neither whole-time directors nor are rendering any specific services to the company. This would be particularly objectionable in the case of a company having a director-manager or managing director for managing its affairs.

The remuneration by way of salary and commission payable to a managing director or whole-time directors should not ordinarily exceed Rs. 1,20,000 *per annum*, even if the total managerial remuneration was well within 11 per cent of the net profits as laid down in Section 198.

Payment of fixed amounts to directors on account of travelling and halting allowance for attending board meetings, etc., should not ordinarily be allowed but reimbursement of expenses can be allowed.

Prior to 1959-60, the Commission was not in favour of a ceiling on the maximum amount of remuneration payable in any year to a managing/whole-time director or a manager of a company by way of salary and commission in the case of reappointment of the same person in the same capacity and under the same terms and conditions, but, later on, it came to the conclusion that even in such cases an overall ceiling on the remuneration payable to the individual managing/whole-time director or manager should be imposed.

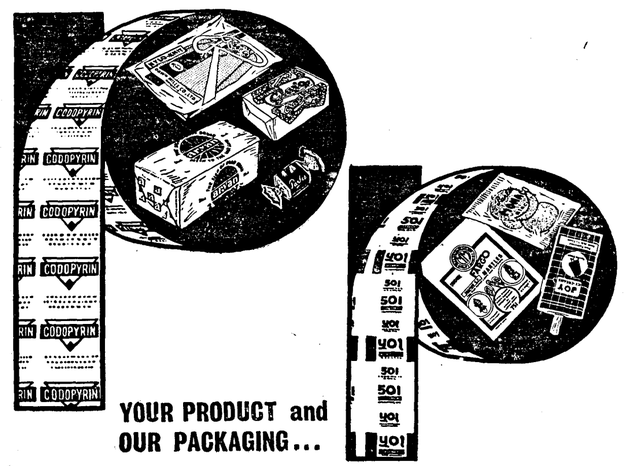
A manager's remuneration under Section 387 should be restricted to 5 per cent as is fixed under Section 309(3) for managing or whole-time directors.

Remuneration for foreign nationals appointed as managing or whole-time directors or manager of public companies could be deviated from the pattern of remuneration allowed in respect of the company of comparable size not involving foreign collaboration or foreign participation. The criteria for determining the amount of remuneration such cases should be (a) qualifications and business experience of the foreign national in question, (b) the size of the company, (c) the anticipated profit-earning capacity of the company, (d) the status and position of the person under his previous employer, (e) the net remuneration earned by him in his previous position, and (f) the standard of living and the average level of income in the country of origin.

Finally, cases of remuneration in the "deemed public companies" under Section 43A are to be treated on par with those of other public companies.

Thus, it will be seen from the foregoing details that the various criteria and policies evolved during the last five years for dealing with the management cases are far too comprehensive and many of them are tantamount to placing new constructions on the substantive provisions of law which, though legally could not be objected to, are nevertheless the over-extension of the apparent meanings of law. However, while this is so, it is refreshing to find that the Advisory Commission have not applied their formulæ and criteria with any rigidity and inflexibility and, when hard types of cases came up, they were considered on merits and with a pragmatic realism. This general attitude and approach of the Advisory Commission has exercised a sobering and restraining influence on the Government Department dealing with the Companies Act.

(To be continued)



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STEPPING UP PRODUCTIVITY

BETTER MANAGEMENT WILL HELP DEVELOPING COUNTRIES A LOT

By Dr. M. P. Kacker

FOR sometime past, specially since the setting up of the National Productivity Council in January 1958, the problem of stepping up productivity has been given serious thought by the Government, businessmen, industrialists and the academicians. All of them have come to realise and appreciate the potentialities of comprehensive productivity campaign in a country like India which is forging ahead to overtake the highly industrialised countries of the West. Productivity, it is claimed, offers no exclusive gain to any single partner of production, namely capitalists, labourers or management nor is it supposed to be an end in itself. It is a scientific technique of employing the available resources of an undertaking in a way which ensures their maximum utilisation, so that the best possible results are attainable with the various "input factors" involved in production. The term "productivity" is thus synonymous with elimination of waste and maximum utilisation of resources in the interest of the community as a whole. The fruits of a well sustained productivity campaign can thus be enjoyed by all, including the consumers who are able to get their requirements at lower prices.

At times, the term is wrongly interpreted and often confused with similar other terms like production, yield, performance and efficiency. The first two terms, production and yield, connote absolute output of a product, without any relation to the factors involved, but productivity implies an improvement in output as a function of changes in the quantum of resources. "Performance" and "efficiency" are in a sense general terms and may or may not lead to higher productivity. The performance of labour or capital at a particular point of production may be to the entire satisfaction of the management, but there might be still some scope of their better utilisation or a more effective use through shifting and inter-departmental substitution. An improvement in the working conditions and amenities provided to the labourers will no doubt contribute to their efficiency but may not necessarily lead to higher productivity, if their placement is not to the best advantage of the enterprise, that is to say, if the management fails to visualise the capacity and skill of the individual workers and locate the points where it can be best utilised. The distinction between "efficiency" and "productivity" of labour was made by Siegal when he observed that "labour productivity indexes do not reveal changes in the intrinsic efficiency of labour but rather the changing effectiveness with which labour is utilised in conjunction with other factors."[1]

It is now widely admitted that, in the highly competitive world markets of today, a country can hold its head high only through a vigorous drive towards increased productivity. The three main steps to this end are incessant production research, increased capital investment and better management. Every country, however, cannot afford to take all these three steps simultaneously or with equal emphasis. A characteristic feature of the economy of many underdeveloped Asian and African countries is that they suffer from shortage of foreign currency but have abundance of manual labour. As a consequence, the problem of these countries is "productivity without pain," that is, stepping up productivity with least additional investment and without involving any retrenchment of labour. No doubt, introduction of modern automatic machinery and improvements in plant and equipment will result in higher labour productivity, that is, increased output per worker, but any unrestricted move in this direction is fraught with the danger of labour unrest in such countries where the labour supply is abundant. Thus, more emphasis will have to be laid on better management rather than better machines. The I.L.O. missions operating in these countries have also served to demonstrate how productivity could be increased, often substantially, with better utilisation of machines and material rather than the labour of workers.[2]

The task of better utilisation of resources rests upon the management. The managerial revolution which appeared in the western countries during the post-war era was mainly instrumental in the productivity campaigns initiated there. "The most significant factor in America leading to high production at low cost is efficient management."[3] In India, new management techniques have come into prominence only recently and a considerable section of the industry is still reluctant to experiment and adopt them.

The primary responsibility for creating a favourable atmosphere for productivity and successfully implementing the various schemes thereof has to be shouldered by the management. The management will have to show more receptiveness to new ideas and a keen willingness to improve upon rather than imitate the techniques in use elsewhere. At the same time, it will have to convince the workers that the various steps being taken for higher productivity are for their own benefit and that the gains resulting therefrom will be shared by all.

The quest for higher productivity through better management has been aptly called "war on waste of all kinds."[4] This war has to be waged on many fronts, especially the following:—

(a) Production planning and control;
(b) Statistical quality control;
(c) Costing and budgetary control;
(d) Sound industrial relations;
(e) Simplification, standardisation and specialisation, and
(f) Efficient marketing management.

These techniques have proved to be indispensable aids to management, where, of course, they were given sincere trials in the midst of favourable conditions. It is, however, unfortunate that, in many manufacturing organisations, they are still unknown because those on the management side are not convinced about their potential values and not prepared to give them a fair trial.

The successful *planning and control of production* enables the manufacturers to adhere to the delivery dates and ensure the availability of men and machines when required. While the planning serves to check irregularities in production and employment, the control does away with imperfections in materials and machines which may hamper productivity. *Statistical Quality Control*, on the other hand, helps the maintenance of quality by bringing to limelight the deviations of manufactured products from given specifications. The application of this technique brings about considerable elimination of waste and safeguards against deterioration in quality.

Scientific and regular cost studies enable the management to estimate the prices at which their products could be offered in the market and the extent to which they would prove competitive. Unreasonably high costs are indicative of wasteful methods of production and forewarn the management to take suitable steps for their reduction. Detailed cost studies of the past serve as the basis of production budgets of individual departments, processes and operations and the workers concerned are apprised of the budgetary cost limits beyond which the production costs should not go. In an organisation where budgetary control is exercised in this fashion, even an ordinary worker feels interested in managing his small affair within the pre-approved cost limits. The cost department locates those points where the money value of the performance exceeds the standard laid down and reports the variations to the departmental heads for necessary action.

Another important duty of the management is to establish *sound industrial relations* with the workers. A climate of co-operation and mutual confidence has to be created so that new techniques and methods are willingly accepted by the workers. The trade unions will come forward to join the management in their productivity campaign only when the wage and employment interests of the workers are adequately protected and the benefits of higher productivity are shared. Only then the management can solicit valuable suggestion from the workers out of their intimate knowledge of production processes and everyday practical experience. The two-way communication between the workers and management through informal and personal meetings, display of charts, posters, etc., publication of house magazines, etc., serves as a vital tool for the management in the latter's bid to bring about harmonious industrial relations. It will not be out of place to recall here the views of I.L.O. experts:

"It is, therefore, of the utmost importance that action to raise productivity should be accompanied by appropriate employment policies, by appropriate policies to ensure that the benefits from higher productivity are fairly distributed through higher wages or lower prices or both and by safeguards to ensure satisfactory working conditions. Such measures ... are to be regarded not so much as measures which should accompany action to raise productivity but rather as integral parts of programmes to raise productivity; for, unless workers are reassured on these points, their indispensable co-operation cannot be expected."[5]

Simplification, standardisation and specialisation constitute another waste elimination weapon for the management. Simplification is achieved in industry through reduction in the number of varieties or types of products, so that production is concentrated on a small range and favourable conditions are created for specialising in the manufacture of few selected varieties. Standardisation implies application of certain predetermined standards of quality, measurements, inner contents, etc., directing the manufacturing process strictly in accordance therewith. While it is true that the nature of industry and size of markets pose serious limitation to any move in this direction, all available opportunities should be fully exploited in order to take the best out of men, material and machines. In a large national market, even consumer goods industries, characteristic of a long chain of varieties, can successfully effect simplification by calling upon the individual units to manufacture a limited range different from each other. This will not be possible where the industry has a small market to cater to, for, in that case, the individual units will find it economical to devote to a complete range of products to offset the diseconomies arising from their small scale of production. The problem of variety is not so acute in industrial goods industry where these techniques can be employed to an appreciable degree. One of the main reasons of high productivity and low costs in the manufacturing industries of the U.K. and the U.S.A. during the last thirties was their sincere adherence to the policy of simplification and standardisation.[6] These two countries have since then continued to be world champions of this movement.

Role of Marketing Management

The techniques of production planning and control, statistical quality control, costing and budgetary control, sound industrial relations and simplifications, etc., thus offer an indispensable aid to management in their mission for increased productivity. The application of these techniques is, however, made at the production or manufacturing stage which might leave an impression that the distribution stage has to do little with the productivity movement of an industrial undertaking. In fact, opportunities of waste elimination and cost reduction can also be exploited by marketing management which is in charge of the administration and promotion of sales.

The marketing management of a concern is entrusted with the formidable task of finding suitable outlets for the distribution of goods, appointment of marketing personnel including selling agents, salesmen, travellers, etc. and making arrangements for transport, insurance, sales promotion, etc. It is their important function to see that the goods for sale do not get accumulated either in the warehouses of mills or at intermediate points within the distribution channel.

It has been observed that, in a majority of Indian mills, while steps have been taken or are being taken to modernise the plant and equipment, the marketing machinery continues to exist on the old outdated pattern. The marketing management has not yet realised the need for modernising the marketing machinery and adopting the modern techniques of sales planning or budgeting, inventory control, marketing research and distribution cost analysis. In order that they may contribute something to productivity, the management will have to examine periodically the suitability of their marketing organisation in accordance with the changes in the production set-up, size of markets, fluctuations in demand and the psychological behaviour of consumers. Further, it will have to ensure that the marketing personnel is fully occupied with productive duties and co-ordination is maintained between different branches of the marketing department. If it is found that the sales force remains idle or underworked during some time of the year, the management can think of improving the situation through an expansion in the size of the undertaking, increase in the number of varieties sold under mills' own trade marks or taking up themselves some more marketing functions such as advertising, export, etc., to the extent possible.

Even when the marketing department is efficiently organised, wastages in marketing effort may occur at some point or other. The management can locate such points through distribution cost analysis—a modern technique of evaluating various marketing operations in relation to turnover, sales staff, sales territories, etc. According to A. E. Taylor:

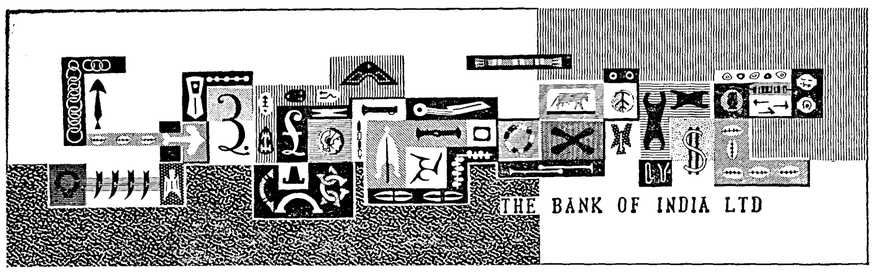
"Distribution cost analysis is a tool which offers to management perhaps even greater opportunity for reducing costs and increasing efficiency than that resulting from the pioneering work of F. W. Taylor and his associates on time and motion studies and cost accounting in the factory."[7]

An analytical study of turnover and marketing costs may make striking disclosures of misdirected and unproductive marketing efforts. It may, for example, reveal that a large proportion of the number of customers, orders, products, etc. bring in only small proportion of sales involving disproportionately large marketing expenses. As a result, the management may be inclined to "selective selling" by discarding comparatively less productive orders, customers and products. In other words, the marketing departments can step up productivity by securing higher turnover volume with less than proportionate distribution cost. Through analysis and investigations, it can find out which sales territory is overstaffed, in what parts of the country the national advertising campaign would have little potential value, which territories offer more scope for direct distribution of products to the ultimate consumers and similar other facts.

To conclude, the marketing management can substantially contribute to industrial productivity by successfully experimenting upon modern marketing techniques and maintaining a regular flow of goods to the consuming centres. Where the installed capacity of a factory is not fully utilised, the management can devise ways and means of demand creation and market extension, feeding thereby the idle capacity. It can impress upon the dealers and consumers the significance of demanding a restricted range of standardised products to enable the production department to carry out the policy of simplification and standardisation. The customers may be persuaded to abandon irrational preferences of variety and concentrate upon a standard range. In other words, the dovetailing of the work of marketing management with that of production management would go a long way towards bringing about maximum productivity in an industrial undertaking.

Footnotes

[1]Siegal, Irving H.: *Concepts and Measurement of Production and Productivity.*
[2]R. Wynee-Roberts in his article "Productivity and Management Development Programme of I.L.O." published in *N.P.C. Journal*, December 1960-January 1961, page 114.
[3]*Higher Productivity in Manufacturing Industries*, I.L.O., page 79.
[4]Mitchell, R.L., in his article "The Challenge of Productivity," published in *Commerce*, December 1959, page 106.
[5]*Higher Productivity in Marketing Industries*, I.L.O., Geneva, 1954, page 13.
[6]Mehta, M.M., *Measurement of Industrial Productivity*, 1955, page 52.
[7]Taylor, A.E., Director, Bureau of Foreign and Domestic Commerce, in his foreword to the pamphlet *Distribution Cost Analysis* published by the U.S. Department of Commerce, 1946.



This is the mosaic mural outside the Bank's Building in Kampala (East Africa), which was formally declared open by the Prime Minister of Uganda, Mr. Apollo Milton Obote, on 18th July, 1962.

The mural depicts most of the tokens used as coinage in various parts of the world through the centuries.

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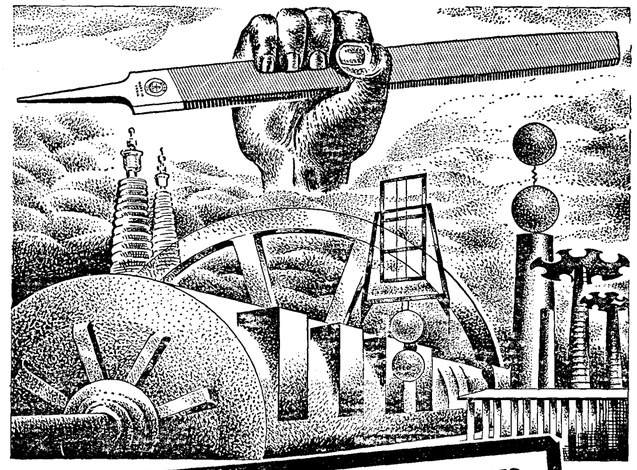

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WORLD'S FIRST COMMERCIAL SATELLITE

SIGNIFICANCE OF "TELSTAR"

"THIS nation's space programme," said the President of the United States in February last, "has introduced a new dimension to progress. An increasing flow of peaceful benefits, both national and international, is materialising from our efforts to probe this new frontier. One of the most practical examples of our growing space competence is in the field of communications. Our intensive research and development in the field of communications satellites have brought us to the point where we are now certain of the technical feasibility of transmitting messages to any part of the world by directing them to satellites for relay. This will provide an alternative means to existing transoceanic cable and microwave radio systems, and, even more importantly, will permit ready communication among distant corners of the world."

President Kennedy was then looking forward to the development of a communications satellite system. With the successful launching, on the 10th instant, of "Telstar," the world's first commercial satellite, the President's expectation has been fulfilled. This satellite, which can relay voice, wireless and television transmissions across the Atlantic Ocean, has been designed and developed by the American Telephone and Telegraph System which will pay about $3 million to the National Aeronautics and Space Administration for the cost of launching and services. "Telstar" is a working satellite with a miniature communications receiver, an amplifier and a re-transmitting device. It is a hollow aluminium and magnesium sphere, covered with 3,600 solar battery cells which collect energy from the sun and store it in 19 nickel-cadmium cell batteries. The diameter of the satellite is 34.5 inches and its weight is 170 pounds. It is designed to test broad band microwave communications in space, study radiation and micrometeoroid effects and test tracing facilities. It is now orbiting the earth once every 157.8 minutes, extending as far out as 3,502 statute miles and coming as close as 593 miles. And its velocity is 18,380 miles an hour at perigee (the point closest to earth) and 11,220 miles an hour at apogee (the point farthest from earth).

The launching of "Telstar" is part of the experimental communication satellites project —a co-operative programme which has been undertaken by N.A.S.A. and communications organisations in the United States, Europe and South America. Under this programme, the American Telephone and Telegraph Company sends signals to "Telstar," and receiving stations in Britain, France, Germany, Brazil and Italy participate on a voluntary basis. The experiments include television transmission, a live long-distance telephone call, a video tape, a facsimile transmission of a current news picture, sending of high-speed data between two points, and a voice hook-up between 20 American cities and 20 European cities.

Already "Telstar" has proved the feasibility of international voice, photo, television and data processing transmission by bouncing across the Atlantic (from the United States to Britain) the first "live" television picture. It has thus ushered in a new era in long-distance communications and brought mankind a step closer to the goal of worldwide "live" television. Many details still remain to be worked out in this connection, but the possibilities with the existing facilities are stated to be several. For instance, President Kennedy could appear before cameras in the White House and talk directly to television viewers in Europe. Events of general interest, such as the opening of the New York World's Fair, could be viewed almost simultaneously throughout the United States and Europe. The 1964 Olympic Games in Tokyo could, as was mentioned in our last issue, conceivably be heard and seen by millions of persons throughout the world by an extension of the communications satellite system. The European Broadcasting Union, in co-operation with the B.B.C. and other European broadcasting bodies, is already planning a detailed trans-atlantic T.V. transmission through "Telstar."

The "Telstar" programme, the first major satellite programme to be undertaken anywhere in the world by other than a Government organisation, will cover three or four more satellites, aimed at building up know-how for an eventual permanent space communication system. Any transatlantic T.V. transmissions, therefore, will represent only a small part of the work which these satellite experiments will involve. For its part, the National Aeronautics and Space Administration is expected to launch three more satellites of its own a few months hence—"Relay," "Rebound" and "Echo II." These satellites will circle the globe at intermediate heights of between several hundred and several thousand miles. Then will come "Syncom"—N.A.S.A's experiment in placing a communications satellite far out in space—to orbit the earth at a distance of about 22,300 miles. If such a satellite could be placed in a perfectly circular orbit, it would appear to be stationary in the sky, and would relieve the necessity of tracking. The great distance also would provide greater extension of the ground distances which the signals can cover. Microwave transmissions are direct line-of-sight signals—on the surface of earth they can be relayed only short distances, but by using a repeater station in space, greater distances on earth can be reached. For these and other projects in its communications satellite programme alone, N.A.S.A. is seeking an allotment of over $85 million in the 1962-63 budget. Only after the "Telstar" programme and the N.A.S.A. programme are successfully completed will it be known whether international satellite communications will ultimately take the form of privately-owned satellites, Government-sponsored projects or internationally-financed programmes.

It may be of interest to recall here that President Kennedy recently proposed to Congress the establishment of a communications satellite system that would be truly international in scope and service. Ownership and operation of the system, according to his proposal, would be in the hands of a privately-owned U.S. corporation, and would serve both the industrialised and newly developed nations. The policy objectives, in this connection, were laid down as: the assurance of global coverage; co-operation with other countries; expeditious development of an operational system; the provision of service to economically less developed countries as well as industrialised countries; and non-discriminatory access to the system by authorised users.

I.D.A. CREDIT FOR BOMBAY PORT PROJECT

Cargo traffic through the Bombay Port has doubled in the past ten years, reaching a peak of 14.7 million tons in 1960-61. The increased traffic has put a great strain on port facilities, particularly on those for handling the larger deep-draft cargo vessels. A five-year programme to eliminate ship congestion by expanding the capacity of the port and to improve facilities for the handling of cargo and passenger traffic has, therefore, been drawn up by the Port Trust. The principal features of this programme are the construction of four additional deep-water berths at Alexandra Dock, a new ferry wharf adjacent to Prince's Dock, an extension of Ballard Pier to provide an additional berth and a new building equipped to accommodate passenger and cargo traffic; dredging of the main harbour channel to arrest siltation; the acquisition of new floating craft like dredges, tugs and harbour launches; and improved port equipment and services. The dock expansion works are being started this year.

The total cost of the programme is estimated at the equivalent of $57 million, of which $18 million will be in foreign exchange. The International Development Association (I.D.A.) has just extended a credit of $18 million to cover the entire foreign exchange cost of the programme. This credit is for a term of 50 years, free of interest. Repayment of the principal will begin in January 1973. One per cent of the principal will be repayable annually in the period 1973-82 and 3 per cent annually in the final 30-year period. A service charge of ¾ of one per cent per annum on the amount withdrawn and outstanding will be made to meet the I.D.A.'s administrative costs.

RURAL HOUSING IN EUROPE

A majority of rural dwellings in Europe are owned by the occupiers. These dwellings, on an average, contain more persons than urban dwellings. Their quality is also, on average, lower than that of urban dwellings in so far as age, materials of construction, design and sanitary equipment are concerned. These are some of the findings of a report on the rural housing situation in Europe, just published by the Economic Commission for Europe.

In a number of countries, the report continues, an annual rate of new construction and reconstruction in excess of 2 per cent of the early post-war rural dwelling stock has enabled reasonable progress to be made with the replacement or improvement of defective rural dwellings. New rural dwellings have been better located than in the past in relation to communications and social and communal amenities. In many countries much new construction has been in new or existing villages, but, in others, the policy has been to group dwellings, particularly farm dwellings in small clusters in order to reduce isolation and to facilitate the provision of communal services.

All European countries provide public financial aid for rural housing, but, in a number of countries, the amount of such aid is limited below requirements by general economic conditions. The potentialities for self-help building are great in rural areas and self-help building is being regarded as a normal adjunct to schemes of public financial aid, particularly among lower-income rural families. Examples of such self-help building are the "castor" movement in France, the State-organised scheme in Porto Rico (United States) and the provision of prefabricated dwellings in the U.S.S.R.

Schemes of public financial aid for rural areas facilitate home-ownership, particularly in small-holding countries; the provision of long-term credit may not always be as effective, however, as lump-sum grants where there is a reluctance to undertake long-term commitments, because of the uncertainty of agricultural income, where recourse to long-term credit is not traditional or where there may be difficulties in proving title to land for mortgage purposes. The collective farm dwelling construction in the U.S.S.R., new farmsteads erected by State agencies in Italy and Western Germany, State aid for the establishment of new farmsteads in Belgium (Société Nationale de la Petite Propriété Terrienne) and Finland are examples of schemes of public aid for home-ownership.

EUROPE'S LARGEST CRANKSHAFT FORGE

In the Opel automobile works at Ruesselsheim recently the largest and most modern crankshaft forge in Europe was put into operation. A team of only six workers will handle the production of 12,000 crankshafts in an eight-hour shift. So far the output of the old forging plant amounted to 480 crankshafts per shift. The main feature of the new plant is the 6,000-ton forging press, the operation of which is relatively noiseless and can even be entrusted to unskilled workers. This new forging press also makes possible certain improvements in quality. Square steel bars, 4 metres long and 9.3 centimetres thick are the raw material which is being supplied by small trucks and fed into an automatic shearing machine which cuts the square bars into the desired lengths, which are then conveyed on conveyors and by means of hydraulically actuated grip tongs lifted into oil-heated furnaces, where they are stored in two rows at 700 degrees Centigrade. The work pieces remain for 50 minutes in this rotary furnace, which has a diameter of 11 metres, and is subdivided into three zones kept at different temperature levels.

In the last zone the work pieces are heated to a temperature of up to 1,290 degrees Centrigrade. On their way to the forging press the bars are fed through a descaling device where cold water is sprayed on them at a pressure of 2,560 p.s.i. so that the scale is removed in order to reduce the wear on the forging dies. The descaling device requires a special compressor and a tank for storing the pressurised water. Subsequently the bars are fed through a roughing mill. After a turn around their transversal axis they are fed into the first-stage shaping press where the work pieces obtain their preliminary shape; in a second operation involving another stroke of the press they are finally forged into crankshafts proper. The crankshafts are then automatically ejected from the drop-forge die. While the bars weigh originally 29 kilograms, the ready crankshaft has a weight of only 22 kilos after having passed through the trimming machine. The last station for the crankshaft is the straightening press, where slight deformations due to the thermal treatment are eliminated in two successive strokes. The entire forging operation which is carried out in a regular sequence of 20-second intervals takes exactly 54 minutes.

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2, India Exchange Place, CALCUTTA-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Transfer Books of The United Commercial Bank Limited will be closed from Monday, the 13th day of August to Saturday, the 18th day of August, 1962, both days inclusive, for the purpose of issue of Right Shares.

By Order of the Board,

S. T. SADASIVAN.
General Manager.

CALCUTTA,
the 12th July 1962.

NEW PRODUCTS AND PROCESSES

New Pigment for Colouring Plastics

A NEW line of pigments manufactured by E.I. du Pont de Nemours and Co., Delaware, U.S.A., can bring the sheen of gold or silver to plastics, paints and floor coverings in a way never before possible. Du Pont is marketing them as "Afflair" flake pigments. The family currently has two members, Gold and Pearl. Like the metallic flake so popular in automotive lacquers, these are metameric substances. When they are part of a paint or plastic, the colour shifts and shimmers as the viewing angle changes. "Afflair" pigments are considerably more metameric than metallic flake. Industrial designers and stylists thus can achieve new and outstanding decorative effects in bottles, coated upholstery fabrics, rainwear and shower curtains. The new pigments can be used in any relatively transparent resin system. They blend smoothly with vinyls and other soft materials. Heat does not darken them; they appear to be stable at any temperature normally encountered in pigment usage. Their chemical resistance is excellent. One-year exposures show them to be excellent in light-fastness, too. They are package stable, non-bleeding, non-migrating and non-crocking. They disperse readily by simple mix-in techniques. Particles of "Afflair" are predominantly in the ten to 30 micron range—larger than conventional pigments. Since they are designed to supplement the value of other materials, their colour and strength are quite weak. Plastics with "Afflair" may be formulated at modest cost with excellent performance. Combinations of "Afflair" with other pigments, such as the more transparent organic colours or white or black, make the possibilities almost limitless. Metallic, pearlescent or iridescent effects are obtainable without resorting to lead-based pigments, special dispersions or compromises in performance. The possibilities in paints appear even broader from kitchen cabinets and appliances to automobiles, bicycles, lawn furniture and special decorative effects on walls. In floor coverings, it seems likely that the new pigments can be used both to increase the overall lustre and to achieve silver or gold swirls. More work will be done to explore their possibilities in paper and ink. The pigments are available in commercial quantities. They are not expensive; for some applications, the makers claim, they may actually save money.

Small Welding Transformer

A Dutch firm has brought out a small welding transformer that can be plugged into the (220-Volt) light mains and is specially designed for use in places where small, light welding jobs need doing. It is a useful addition to any *Do-it-yourself* kit. It is made of special-quality tinplate, called aligned tin, and weighs only 10 kg. (22 lbs.). It measures 13½ x 16½ x 20 centimetres. By moving a special plug the welding current can be set at 50, 70 or 90 Amp. Using the highest current intensity, electrodes up to 2½ mm. in diameter can be managed. The maximum ignition or open voltage given by the apparatus is 45 Volts. It is possible to work continuously for about 15 minutes with the transformer, in which time seven or eight 2½-mm. electrodes can be melted. Since the switching duration is about 15 per cent, it should then be left to cool off for a while. When welding with a current intensity of 90 amps, the maximum grid current absorbed is about 15 amps, so that for plugging into the light mains it is sufficient to fit a 10-amp. delayed-melting safety fuse. Underneath the cap where the cables join the transformer there is an earthing screw to accommodate a connection with a three-core cable with a rim-earthing socket.

Aluminium Foil in Steel-making

Aluminium foil waste, ground in a hammer mill to produce irregularly shaped grains, is the basis of a Dutch process for the deoxidation of iron or steel. The grains are compressed by moderate pressure, without the use of a binding agent, into tablets shaped like convex lenses and weighing between 1 and 20 grammes. When strewn over the surface of molten steel the heat causes them to disintegrate into their original powder form. Because of their shape, the tablets readily scatter over the molten metal, rolling over each other if they happen to fall in a mass. Cheap to make, the tablets are said to ensure a very pure and accurate dosage.

Polyester-based Wood Polish

A polyester-based wood polish, suitable for television and radio set cabinets, and all types of wooden furniture, is a recent Australian product. The manufacturer claims that fruit juices, hot water, detergents, fats, greases and alcoholic beverages can be spilt on it without fear of damage. Only two coats are needed to produce a high gloss and depth of finish and no particular skill is required. Stocks of finished furniture can be held without deterioration in film appearance and it is also claimed that the cost of the finish is below that of nitro-cellulose finishes.

Sulphur from Dirty Gas

An economical method of recovering clean and usable sulphur from dirty coke oven effluent, petroleum wastes and other contaminated hydrocarbons has recently been announced by a French company. The process involves a series of reactions in which all contaminated compounds are converted to carbon dioxide and water and free sulphur released. A high yield of sulphur is claimed with a purity as great as 99.95 per cent.

IMPORTANT DEVELOPMENT IN THE UNITED KINGDOM COMPUTER INDUSTRY

I.C.T. AND E.M.I. MERGE DATA PROCESSING INTERESTS

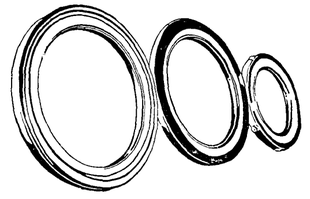
International Computers and Tabulators Limited of London (represented in India by International Computers and Tabulators (India) Private Limited) and E.M.I. Electronics Limited of Hayes, Middlesex (represented in India by the Gramophone Company Limited) announce that agreement has been reached whereby as from 24th July 1962 the Data Processing activities of E.M.I. Electronics Limited will be merged with the I.C.T. organisation. The relevant staff of E.M.I. are being invited to join I.C.T. and the design effort on which they are engaged will continue and will become an integral part of I.C.T.'s research programme concerned with the development of future Computers. These arrangements will not cover Analogue Computers or Computers designed specially for Defence or Process Control purposes. Further E.M.I. is developing and will offer for sale a special range of basic components for Computers. E.M.I. will by this means and by its interest in I.C.T. continue to be directly concerned in all spheres of Data Processing. The Boards of both companies feel that this association is highly desirable since it will bring about a concentration of effort within the British Computer industry and a further expansion of its trading in the United Kingdom and Overseas markets.

I.C.T. have been established in India for more than 40 years and have offices throughout the country.

NON-FERROUS

CASTINGS FOR

STEELWORKS



IISCO makes all types of standard quality non-ferrous castings required by steelworks. Some of the items on regular production schedule are :

MILL ROLL NECK BEARINGS
COPPER BOSH PLATES
COPPER TUYERES
COPPER TUYERES COOLERS
COPPER INTERMEDIATE CINDER NOTCH
HOT BLAST VALVE SEATS

IISCO

THE INDIAN IRON & STEEL CO. LTD.
SALES DEPARTMENT
MARTIN BURN HOUSE, 12 MISSION ROW, CALCUTTA 1
Managing Agents: MARTIN BURN LTD.
Branches: NEW DELHI BOMBAY KANPUR PATNA
Agents in South India : THE SOUTH INDIAN EXPORT CO. LTD., MADRAS 2

IIC-83A

MANAGEMENT PROBLEMS OF MODERN BUSINESS AND GOVERNMENT

SOME HOME TRUTHS

By G. L. Mehta

[The importance of competent management to modern business and Government was highlighted by Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India Ltd., in a closely-reasoned address to the participants in the Advanced Management Programme sponsored by the All-India Management Association of New Delhi held at Srinagar on 17th inst. He traced the changes that have taken place in the management, ownership and character of industries in India since independence and pinpointed the decline in the hereditary type of managing agency houses and the rise of professional managers in the top level of management. He also referred to the change in the Government's role and its active entry into industry and trade. He warned the politicians and bureaucrats that "if planning is not to fall into disrepute through economic crisis, miscalculations and inefficiency of administration, much more thought should be given to, and much better organisation set up for, management of industrial enterprises." The text of Mr. Mehta's address is published as a special article on this page, in view of its great value to businessmen, politicians and administrators.—ED.]

THE success of our national planning depends not merely on the availability of resources but also on the execution and administration of schemes and measures. For this, efficient and imaginative management is essential. That is a prerequisite of modern business, as also a fundamental of modern Government, especially in a country like ours where the State is increasingly assuming the role of an entrepreneur and trader. More than ever before, the system of management has to fit in with technological, economic and social needs. In recent years, the pattern of management in our country has been undergoing important changes. It may, therefore, be useful to consider these changes and see what they signify. In industrially developed countries, economic and technical progress has brought about a managerial revolution. Is such a managerial revolution taking place in India? If so, what are its significant features and implications?

British Pioneers

We might begin by reviewing the pattern of management with which we have been familiar in our country. When we speak of management, we have usually in mind the industrial management of joint-stock companies, since State enterprise in industry on a large scale is of recent origin. Private enterprise has been functioning through the joint-stock form of organisation and it is with corporate management that we are mainly concerned. No doubt, small-scale industries have their own problems of management, but, in many respects, they are qualitatively different. So far as medium and large-scale industries are concerned, the traditional form of corporate management has been the managing agency system. This pattern is in some ways peculiar to India and has been the product of the political and economic conditions obtaining in this country during the latter part of the last and the early part of this century. British and Indian entrepreneurs who promoted and established new industries performed the dual function of providing and mobilising capital as well as of carrying out the day-to-day management of an enterprise. British merchant houses were the first to promote modern types of industry in India and were soon followed by Indian merchant houses. In the earlier period of industrialisation, the British were more prominent in Calcutta, Kanpur and Madras, while, in the Bombay area, Indian entrepreneurs were the principal contributors to industrial development. British entrepreneurs promoted jute, coal and tea industries, and Indians pioneered the development of industries such as textiles, steel and power.

The special features of the managing agency system were, however, common to both British and Indian business houses, such as ownership of a part of the capital along with direction and control of management in the hands of the managing agency for which remuneration is given not in terms of salaries but as a fixed percentage of profits. This system contributed to industrialisation in the early stages by providing organising and administrative capacity as well as finance and credit through the managing agency. Entrepreneurial attitudes in our country today resemble, in many respects, those prevalent in England and Europe during the last century. Industry is closely held in many cases, where the managements have a proprietorial approach towards the enterprise, though some industrial firms do have an institutional structure. The working of corporate management disclosed several shortcomings and abuses many of which have been mitigated or removed by reform in company law in 1936, in 1956 and in 1960 as well as by supervision and administration by a separate department. Consequently, the powers of managing agents have been curtailed, the duration of the agency shortened and its sphere of operation regulated. The maximum remuneration for managerial functions has been limited to 11 per cent of profits with a sliding scale as the quantum of commission goes up; there is also a limitation on the number of companies which can be managed by one managing agency. The new institution of secretaries and treasurers provided for in the Companies Act of 1956 is designed to serve the same purposes as the managing agency system shorn of some of its defects. Several companies have adopted this system of management.

New Trends and Forces

In the post-war period, new trends and forces have been modifying the structure and functions of the managing agency system. For one thing, Government themselves have been promoting industrial enterprises which are controlled and managed by corporations and companies run by their officials. Entrepreneurs from abroad who are collaborating with Indian industrialists have in many cases been operating without a managing agency system. Besides, in several existing concerns, the managing agency has been terminated without adverse effect on management. Several new enterprises prefer to have managing directors or managers to organise and operate their concerns.

It is increasingly recognised that, for efficient management, modern industrial enterprise demands the services of technicians and specialists. The role of a mere financier in management is no longer crucial. The managing agency has hitherto been regarded primarily as a hereditary or family concern, but this is not likely to be acceptable in future. Some managing agencies have recognised this trend and a number of managing agency houses have converted their partnership firms into private or public limited companies, so as to broaden the organisational set-up and enlist talent from outside. Most of the managing houses in Calcutta, for example, have been transformed into public limited companies during the last decade. By throwing open their share capital to the public, the managerial remuneration is also shared with the stockholders.

Vertical Mobility Essential

Until recently, most industrial enterprises in India were concerned with production of consumer goods such as textiles or paper or of durable consumer goods like cement where production techniques are simple and well known. But, as the country has increasingly turned towards producing capital goods, machine tools, chemical products and the like, manufacturing techniques have become more complex. In these, new technical processes and scientific methods need to be studied and applied. Establishment and operation of an industrial enterprise require today talents and skills which have to be mobilised and co-ordinated. Industrial organisation requires long-term planning which cannot be achieved without the co-operation of professional men and technicians. With a variety of governmental controls and regulations and the intricacies of finance and taxation, an industrial enterprise today has to depend on the advice and assistance of accountants and lawyers. The growth of trade unionism and increase in the volume of labour legislation requires close attention to problems of industrial relations, supervision and welfare. The top executives in an industrial enterprise have to possess trained intelligence and capacity to work with others—qualities which can enable them to analyse the varied and changing requirements of the industry and co-ordinate the work of the specialist. The work of a manager is primarily concerned with achieving results through the co-operative action of a number of persons to attain common objectives. Moreover, as industrial enterprises grow in size and their activities are diversified, work has to be delegated and procedures decentralised which need a staff with knowledge and experience that cannot be the preserve of a family or a privileged group. Managerial ability, in other words, is not an inherited trait. Vertical mobility is essential in our industries, so that the man at the lowest rung of the ladder can, if he has merits and becomes qualified, rise to the topmost positions. An industrial enterprise has to look at many factors apart from the purely financial ones—economic implications, public image, political repercussions—before arriving at a decision. The difficulty, as Keynes said in another context, "lies not in new ideas but in escaping from old ones." It is apparent that the managing agencies which look after a number of concerns cannot run them effectively, unless they have a staff of specialised and trained persons devoting all their energies to numerous, complex problems which face industries today.

Direction and Policy-making

New changes are also taking place in the field of direction and policy-making of industrial concerns. The board of directors of a company is the ultimate authority which is responsible for managing an enterprise. Following the British pattern, the majority of directors in Indian enterprises comprise of outsiders who are experienced men giving general advice on matters of policy but are not closely associated with detailed management. Such directors with varied background can give valuable guidance, but there is an increasing trend whereby the executives of the company itself have now a place on the board. Many concerns now have full-time paid chairmen and executive directors. Several foreign enterprises prefer to have their own executives on their boards. This trend is bound to grow, because, with the gradual elimination of the managing agency system, management through full-time competent executives will have to take its place.

Two-way Movement

Another interesting line of development in the entrepreneurial and managerial field is the enlisting of new talent from other spheres. Until a few years ago, there was little exchange of higher staff between the business community and the Government. This situation has been changing and many senior Government officials have joined business while the services of business executives have been utilised by Government on boards of directors in State-run corporations. Such two-way movement is common in industrially advanced countries and would be useful here also. Closer understanding between Government and business is essential to promote fruitful co-operation between the public and private sectors.

Government—The Biggest Holding Company

Problems of management have assumed much greater importance, because the Government have, as mentioned earlier, entered the industrial sphere. It is not widely recognised that the Government are, in fact, the holding company for the largest group of industries in India. If planning is not to fall into disrepute through economic crises, miscalculations and inefficiency of administration, much more thought should be given to, and much better organisation set up for, management of industrial enterprises. We cannot afford to let planning be discredited by bureaucratic machinery being regarded, in Bagehot's words, as "a grand and achieved result not a working and changeable instrument." Functioning of the giant Hindustan Steel Corporation serves as a warning rather than an example. It is a matter for satisfaction that the new Minister for Heavy Industry is addressing himself to this task and endeavouring to decentralise the administrative machinery of the steel plants. Indeed, some of our large industrial establishments are prone to be infected by one kind of official virus or another. As Ambassador Galbraith who has made many pertinent observations on this subject has said, the intrusion of civil service procedures and routines which may be admirably designed to ensure equality of treatment of all employees, can have the effect of destroying the easy inter-personal adjustments and the automatic co-ordination on which effective operation depends.

With the growth of industrialisation in India, industrial enterprise has grown in dimension, with the result that its capital requirements have been increasingly provided by a large number of individual and institutional investors and the hold of big financiers and capitalists has correspondingly weakened. Finance and management which have, in the past, been largely provided by the same set of persons have gradually been divorced. The private investor has been content to receive a return on his investment leaving the function of management in the hands of porfessional full-time executives. The company executives, consequently, tend to be on their own and would be concerned with the interests of the company rather than being at the mercy of a group of financiers who happen to control an enterprise. Industrial organisation is no longer a mere matter of finance; its effective functioning demands ability, ingenuity and application. In the sphere of top-management, especially in an industry based on technology, economic and technical questions become merged, and even in preliminary projects of manufacture, research and development are, in a sense, only capital investment one stage further removed. Technical errors involve financial risks just as reduction in costs can be achieved through applied research. This development has hastened the pace of the managerial revolution and is raising the status of the full-time executive. In short, a class of civil servants in the world of business is growing charged with the responsibility of creating national wealth through the private sector working in public interest.

Staff Training

An encouraging sign is the growing awareness of the need for schemes of staff training at various levels. In private, as well as public enterprises, programmes for training in industrial, financial and administrative spheres have been instituted for junior and senior staff. Management associations, productivity councils and other organisations are focussing attention on problems of productivity and industrial efficiency. The Administrative Staff College, the Reserve Bank Staff Training College and other similar institutions are providing training facilities. In several universities and institutes of technology, courses of industrial management have been introduced and are attracting young men and women. Institutes of management are also being organised at important centres. With all these training facilities, the new generation of managers and administrators will, it is hoped, start their career much better equipped than hitherto and the outlook of higher executives will be broadened through refresher courses and well-organised seminars.

A word of caution is, however, necessary. Research can also be bogus and symposiums an exercise in self-advertisement. Besides, most industrial psychologists and sociologists study problems from the management's viewpoint and tend to regard questions of productivity as concerned only with workers rather than with *organisation* as a whole, including management. For there is no mistaking the trend: industry is moving from personal to social ownership. Consequently, the emphasis has to shift from status and wealth to competence and skill.

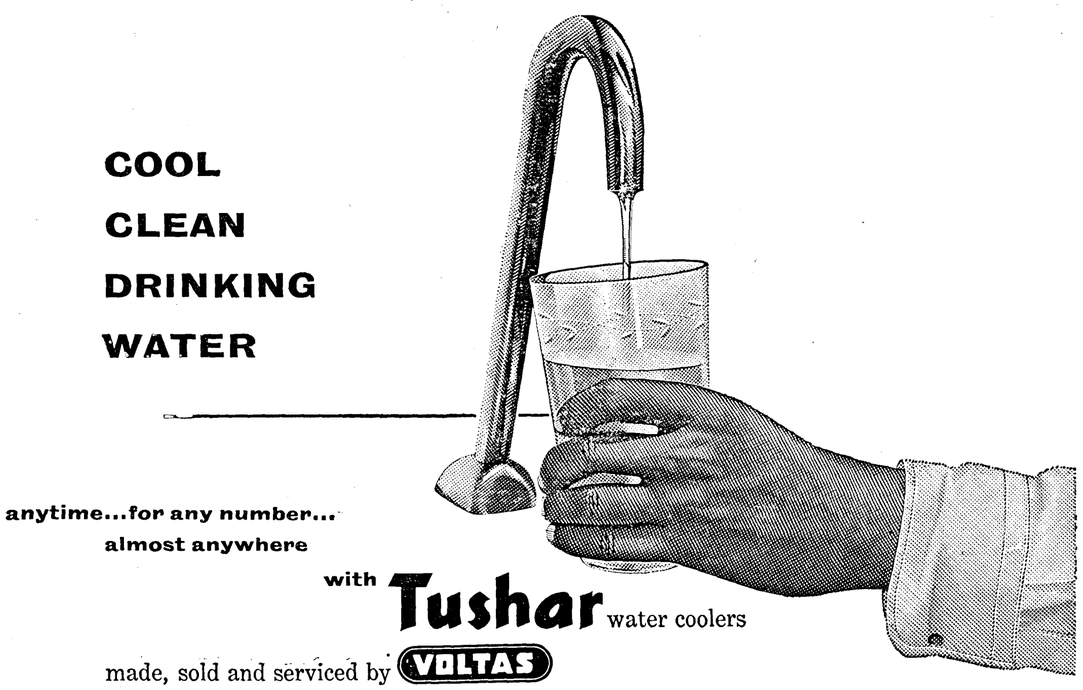
The managerial revolution will increasingly reflect a smaller and, over a period, a declining share in the ownership of a concern of those who merely finance it. Managements all to often deal with other people's money—those of shareholders, banks, credit institutions, even Government's, that is the taxpayer's. The concept of an entrepreneur dealing entirely with his own money is becoming out of date. This does not mean that enterprise and initiative are not needed or that bureaucracy and regimentation can secure industrial progress. But it does mean, in the first place, that qualified and trained men will have to run industry and that the hereditary principle is no more valid in industry than in democratic Government. It also means that profit-motive by itself and ability to speculate on the stock exchange are no substitute for imaginative leadership and organising capacity. "Hit and miss" methods are out of place in an environment of technological development, high costs of production, and economic impact of concepts of social welfare. As Prof. Arnold Toynbee has observed, "in place of the original association with notions of *enterprise* and *profit*, the term *business* is coming to be associated with the very different notions of *administration* and *organisation*." The wholly new study of "organisation and management" has been hitherto decried in many quarters as mere charlatanry and waste of energy. And it is only now coming to be recognised that it has an important place in industrial development, even if not all that is spoken and written on the subject is really worthwhile.

Managerial Ethics

But, with the growing complexity of industrial society and magnitude of business operations affecting individual and collective life, we need not only trained men and women: we shall also have to evolve managerial ethics. As management becomes increasingly professional in character, it will have to adopt norms of competence and standards of responsibility. As Professor Harold J. Laski observed many years ago in a stimulating essay, "Can Business be Civilised?" the great avenue of social change is the need to organise business as a profession. We should seek to subordinate industry and commerce to public interest by insistence on definite standards of performance such as we have established in law, in medicine, in engineering or in architecture. We must learn to demand responsibility for the technical competence of those engaged in it. We have to endeavour to abolish, on the one hand, anti-social monopolies and on the other, competition which is detrimental to the interests of the community. We should do away with speculative profits and secret commissions. Industrialists are entitled to returns for their risks and efforts and may grow rich in pursuit of their vocations, but their wealth should be a by-product of their work and not the "be-all" and "end-all" of their activities. Wealth is a means of welfare, not its substitute.

LONG-TERM POWER PROGRAMME

The Union Ministry of Irrigation and Power has set up, in consultation with the Planning Commission, a Planning Group for drawing up the long-term power development programme for the period up to 1976, and more especially for the preparation of the power development programme for the fourth Plan. The Group will also review from time to time the progress of power development schemes during the remaining period of the third Plan. The Chairman of the Central Water and Power Commission will be the convenor of the group. The Union Ministries of Mines and Fuel, Steel and Heavy Industries, Commerce and Industry, Railways (Railway Board), and the Atomic Energy Department will be represented in the group. The other members of the group are the Joint Secretary, Union Ministry of Irrigation and Power, Member (Hydro-electric), Central Water and Power Commission, Adviser (Irrigation and Power) in the Planning Commission.



PRINCIPLES OF WAGE FIXATION

RECOMMENDATIONS OF LABOUR CONFERENCE NOT BINDING, SAYS BANK TRIBUNAL

THE entire gamut of labour legislation, norms of wage fixation, judgments by courts on industrial disputes and the recommendations of the Indian Labour Conference came in for review at the hands of Mr. Justice K. T. Desai, in his capacity as the President of the National Industrial Tribunal (Bank Disputes), in the course of his award on the bank dispute, published last week. His Lordship observed that the adjudication in respect of matters referred to the Tribunal had to be done against the background of (1) the preamble of the Constitution of India signifying the people's resolve to secure social, economic and political justice, equality of status and of opportunity, (2) the Directive Principles of State Policy which enjoins the State to endeavour to secure, by suitable legislation or economic organisation or other means, a living wage to workers, and (3) the resolution adopted by the Lok Sabha in 1954, by which a socialist pattern of society had been accepted as the objective of State policy. The relationship between employers and employees, his Lordship observed, was no longer left to the free play of economic forces; but the concept of social and economic justice also came into play. In fixing wages and other conditions of work, the needs of the industry, as well as those of the employees, had to be taken into account. To secure a living wage to workers was the objective of State policy, but, before a living wage could be secured to workers, various factors, such as the capacity of the industry to bear the burden of a living wage, had to be taken into account. His Lordship considered, in this connection, the conclusions and recommendations of the Committee on Fair Wages in regard to the concepts of living wage, fair wage and minimum wage and the Supreme Court's ruling regarding their applicability to specific disputes regarding wages, and made the following observation:

"The problem of wage determination cannot be considered in isolation from the larger economic and social background obtaining in the country. A delicate balance has to be struck between fair wages to workers and officers, fair profits to the shareholders and fair service at reasonable rates to the community, after taking into account the share of the Government in profits in the shape of taxes and after considering the amounts of reserves and depreciation necessary for the stability and healthy functioning of the industry. From the purely economic point of view, the wage policy has to take into account the inflationary pressures. It is necessary to provide for wage differentials based on job evaluation as the economic structure in India is not founded on the principle 'to each according to his needs and from each according to his capacity.'"

It was urged before the Tribunal by the representatives of employees that the resolution of the Fifteenth Indian Labour Conference regarding the fixation of a need-based minimum wage was binding on the Tribunal and that it was under an obligation to act in accordance therewith. It was further urged that, if the Tribunal could not award a minimum wage in accordance with the principles laid down in the resolution, it was incumbent on it to justify the circumstances which prevented it from adhering to the norms. Dismissing these arguments as untenable, the Tribunal observed:

"The resolution represents the views of the 15th Indian Labour Conference and is, in the main, recommendatory. A Labour Conference is not entitled to give any directions to a Tribunal like the National Industrial Tribunal or to use the language of dictation or command in connection with such a Tribunal and it could not possibly have been the intention of the Conference to do so. As stated in the summary of the proceedings of the 15th Indian Labour Conference, Shri Shantilal Shah, Minister for Labour and Law of the then State of Bombay, suggested that 'the Committee's report (containing the recommendations in regard to the need-based wage) might be sent only to wage boards set up by an executive authority and not to those set up by the judicial authority.' It is stated in the summary of the proceedings that the Chairman explained 'that Government would have to devise some means to implement the principles on an agreed basis and to ensure their observance as courts could not be forced to follow them.' The 15th Labour Conference is not a statutory body. However eminent may be the persons who attended the Conference, the resolutions passed at the Conference have no binding force."

The Tribunal also did not accept the plea that the resolution should be regarded as binding on the employers, as it constituted a tripartite agreement, on the following grounds: (1) the resolution has not been ratified by any of the Governments concerned or by the employers' federations and organisations; (2) it has not been made applicable to the employees in the public sector, let alone Government employees. (It may be noted here that the Government had made it clear to the Second Pay Commission that the recommendations of the Labour Conference should not be regarded as decisions of the Government but only as recommendations and that the Government had, at no time, committed itself to taking executive action to enforce them.)

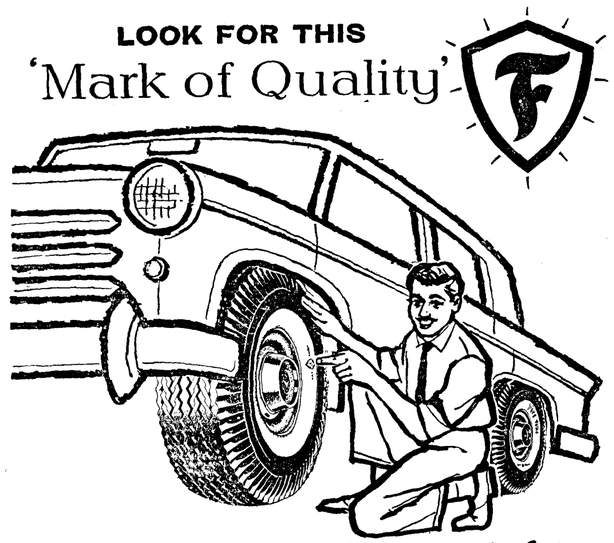
Having regard to these factors, the Tribunal came to the conclusion that, so far as banks (which were one of the parties to the dispute referred to it) were concerned, by no stretch of imagination could it be said that they (banks) had expressly, or by implication, agreed to be bound by the recommendations of the Conference.

The Tribunal, however, recognised the importance of the resolution in the following words:

"Apart from its binding character, this resolution, which has been unanimously passed by men occupying high, responsible positions and status, is entitled to great weight. For the first time in India, norms have been crystallised for the purpose of fixation of a need-based minimum wage in a conference where the participants were drawn from the ranks of Government, industry and labour. These recommendations represent a landmark in the struggle of labour for fixation of a minimum wage in accordance with the needs of the workmen. The resolution lays down what a minimum wage should be. It recognises that the minimum wage was 'need-based.' It is a resolution passed in connection with the needs of an 'industrial worker.' The norms laid down by it are standardised norms applicable to all industrial workers whatever may be their age and whatever may be the number of years of service they may have put in. The standard of a working class family has been laid as comprising three consumption units for one earner, the earnings of women, children and adolescents being disregarded. These three consumption units are intended to provide for one adult male, one adult female and two children. This norm has been laid down for the purpose of fixing a minimum wage at all stages in the life of a workman. The norm would be three consumption units at a time when a workmen may be unmarried and may have no children and dependants. This norm is equally applicable at a time when a workman may have more than two children and other dependants to maintain. This norm is laid down even when a worker may have an earning wife. It is a standardised norm representing the average need of a workman having due regard to various stages in his life. The minimum food requirement on the basis of a net intake of 2,700 calories has been laid down even though human metabolism is such that after middle age lesser calories would be required than during the earlier period."

The Tribunal, however, felt that the clerical staff in banks and members of the supervisory staff who fall under the definition of "workmen," could not be regarded as covered by the recommendations of the Labour Conference, as they were applicable to industrial workers. These norms, in the Tribunal's opinion, might at best be applied to the members of the subordinate staff in banks.

The capacity of the industry to pay is one of the main issues which the Tribunal had to consider in recommending suitable wage scale to employees. The Supreme Court has exhaustively dealt with this question and has also laid down clear principles in this regard but their application to specific instances is not easy. The Supreme Court has ruled that, in a given case, it is permissible to divide the industry into appropriate classes and then deal with the capacity of the industry to pay class-wise. The Desai Tribunal had taken these rulings and directives into consideration in giving the award. In the light of the foregoing considerations, the complaint of certain Union leaders that the Tribunal has not done justice to employees has no solid basis. It is the result of a one-sided view of the question, whereas the Tribunal rightly looked at it from the larger standpoint of equity and economic considerations.



BURN AND COMPANY FORGES AHEAD

NEW UNIT TO OPERATE SWITCHGEAR PROJECT

IN keeping with the growing prosperity of engineering industry in the country in the context of increasing developmental activities, Burn and Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) naturally forged ahead during the year ended 30th April 1962, when its sales realisations rose from Rs. 947.12 lakhs to Rs. 11,23.04 lakhs and its gross profit improved by Rs. 50 lakhs to Rs. 199.68 lakhs. The turnover for 1959-60 was Rs. 11,42.19 lakhs. But, as in the previous year, the figures for the year under review are not strictly comparable with the 1959-60 level. For, in conformity with the requirements of the amended Company Law, they have been regrouped since 1960-61. To have an adequate comparison, one has to take into account work-in-progress which has progressively increased from Rs. 235.77 lakhs to Rs. 307.41 lakhs and to Rs. 387.72 lakhs in the past three years. The turnover for 1961-62, therefore, shows considerable improvement over the level reached two years ago. The profit is likewise higher. As compared with the performance in the previous year, the profit-margin (ratio of gross profit to sales) has expanded by two points to 17.7 per cent.

However, to the investor the prosperity of the Company has not meant much, save, of course, in that the return on his Rs. 100 fully paid shares has only been maintained at 28.5 per cent, subject to tax, for the past four years, which gives a net return of nearly 20 per cent, the same as that paid by the Company consistently for three years preceding the change in the rules governing grossing-up of dividend. At least for the year under review, the return could have been more. But a substantially larger provision of Rs. 92.50 lakhs (Rs. 57.75 lakhs in the previous year) for taxation and of Rs. 24.40 lakhs (Rs. 10.22 lakhs) for retiring gratuity have eaten away the bulk of the improvement in the profit. The tax liability takes into account the impact of the 5 per cent increase to 50 per cent in the rate of income-tax on corporate profits under the 1962 Finance Act not only for the year under review but also for 1960-61, because the Company's financial year ends in April and the profits become taxable at the rate to be determined by the Finance Act of the following year. The higher provision for gratuity is due to a change wanted by the workers from its payment on an ex-gratia basis to its incorporation in the terms of service. Besides, now that an award has been made, gratuity has become a legal liability, instead of a moral obligation for the Company. We are told that the overall liability of the Company is not materially altered, but it has been obliged to make a large provision which until the time of payment is not allowable against profits for determining tax liability. Notwithstanding these two larger provisions, the Company has been able to plough back to reserves Rs. 20.99 lakhs, which sum is only a shade less than the Rs. 22.25 lakhs set apart last year.

A glance at the table below would give an idea of how the Company has fared in the past four years:

(In lakhs of rupees)

	For the year ended 30th April			
	1962	1961	1960	1959
Sale proceeds	11,23.04	947.12	11,42.19	10,16.81
Closing stocks of finished goods and work-in-progress	447.46	364.53	287.45	360.51
Other income	89.20	90.14	78.33	65.64
Raw materials, stores and spares consumed	638.49	543.58	587.53	511.62
Staff expenses	312.00	296.86	317.24	261.74
Other expenses	145.02	124.04	111.64	105.17
Gross profit	199.68	149.88	126.83	133.02
Provision for—				
Depreciation	24.26	23.73	18.74	18.31
Taxation	92.50	57.75	83.35	50.00
Managing Agents' commission	11.34	9.04	11.35	11.76
Net profit	71.58	58.76	33.59	52.95
Provision for retiring gratuity	24.40	10.22	...	...
To reserves	20.99	22.25	7.45	26.88
Dividends*—				
Preference	2.35	2.39	2.33	2.07
Ordinary	22.94 (28.5%)	22.94 (28.5%)	22.94 (28.5%)	23.94 (28.5%)
Carry forward	1.09	1.21	1.25	1.37
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	743.00	538.00	540.00	471.00
Low	519.00	437.00	425.00	384.00

* Subject to deduction of tax.

Negotiations have been concluded between the Company and A. Reyrolle and Company Ltd., U.K., for the manufacture and sale in India of the latter's well-known switchgear and other electrical products which have so far been imported into the country. A factory will be constructed by the Company for this purpose, with Reyrolle supplying the necessary imported equipment and technical expert assistance. A new company, with an initial issued capital of Rs. 30 lakhs to be held equally by the Company and Reyrolle, will be formed to operate the project. The industrial licence has been issued and collaboration generally approved by the Government.

At the Company's Howrah works, there is shortage of work in the structural and points and grossings shops for quite opposite reasons. Structural orders are plentiful, but long delay by the Government between calling for tenders and placing the contracts has resulted in an idle shop awaiting steel. Points and crossings work is not adequate, though, at the behest of the Government, the Company's capacity was raised in the past few years. The Directors believe that points and crossings work is being carried out in the Government workshops to the detriment of the Company's interests. Current schemes for modernising the Lalkoti works at Raniganj and the Gulfarbari works are expected to be completed by the end of the current year. The labour position at Raniganj is unsettled, but the Directors are not in a position to increase wages owing to the unremunerative nature of work carried out at the Raniganj No. 2 works and at the Durgapur works. Further, the volume of work does not justify reconstruction and modernisation of these two works, and the Directors feel that the capacities of the Lalkoti and Gulfarbari works and other works would be sufficient to meet all anticipated requirements. The Jabalpur works and mines are making a good show and their efficiency is being systematically improved. The development of the Niwar site, delayed last year because of the preoccupation of the refractory staff with other works, should have been completed by now, as production was expected to start by the middle of this year. Production at the Salem mines was well maintained to meet the demand at home and from abroad, though development work was being carried out to ensure that sufficient additional quantities of magnesite would be available for the factory, when manufacture of shapes commences. The factory is nearly completed. Trial production will start in the last quarter of this year and regular programme of manufacture will be taken up in January next. Wagon, cement and steel shortages, however, continue to hamper the work of completing the project.

The financial position of the Company is quite impressive. Its paid-up capital of Rs. 112 lakhs, of which Rs. 92 lakhs are in equity and the rest in preference, is backed by reserves and surplus aggregating Rs. 277.93 lakhs. The latest year-end figures show borrowings as *nil*, which was the position at the previous year-end too. Current liabilities and provisions aggregating Rs. 857.40 lakhs, as against Rs. 739.38 lakhs a year before, are comfortably covered by current assets and book debts of the order of Rs. 906.37 lakhs. Investments at Rs. 8.32 lakhs include Rs. 7.41 lakhs in quoted items which command a market value of Rs. 11.61 lakhs. Out of the quoted investments, those with book value of Rs. 1.98 lakh are deposited as security for tenders and contracts. The gross block increased during the year from Rs. 520.79 lakhs to Rs. 561.70 lakhs and has been written down very conservatively to Rs. 215.09 lakhs and, inclusive of Rs. 117.56 lakhs being the value of incompleted work, is shown in the balance-sheet at Rs. 332.65 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 646 *cum-div.* and offer, on *ex-div.* basis, a net yield of 3.2 per cent per annum.

(Concluded from next column)

cent, tax-free, cumulative preference shares of Rs. 100 each and 90,000 equity shares of Rs. 10 each, the Company has increased its capital but once, that is, way back in 1950, when it offered 625 preference and 3,750 equity shares to the existing shareholders, of which 524 preference and 3,656 equity shares have so far been taken up. One wonders why the Company should not issue additional capital and reduce its dependence on external resources.

The Rs. 10 fully paid equity shares of the Company are currently quoted at Rs. 16.50 *cum-div.* On the *ex-div.* basis, the yield on them works out to 6.3 per cent per annum, free of tax.

CAUVERY SPINNING FARES WELL

MODERNISATION MOVES APACE

NOTWITHSTANDING difficulties in procuring suitable and adequate supplies of indigenous cotton and voluntary control on selling prices for yarn up to 40s counts, the Cauvery Spinning and Weaving Mills Ltd. (Managing Agents: Messrs. United Industries (Pudukkotai, Madras) (Private) Ltd.) have fared well during the year ended 31st March 1962. Sales have improved further from Rs. 110.11 lakhs to Rs. 118.26 lakhs and gross profit has increased by Rs. 1 lakh to Rs. 12.54 lakhs. The clue for the improvement in profit is provided by the decline of more than Rs. 5 lakhs to Rs. 69.46 lakhs in the cost of raw materials and stores consumed. Staff and other expenses, however, have been slightly higher. A provision of Rs. 3.99 lakhs for depreciation seems to be traditional with this Company, as to that level it has been brought down, despite some improvement in profit, after it had been raised to Rs. 4.16 lakhs in the previous year as an exception in the past four years. Taxation has claimed Rs. 2.90 lakhs as against Rs. 2.43 lakhs a year before. Bonus for workers for the previous year has taken away Rs. 1.95 lakh as against Rs. 1.76 lakh in the preceding year. Dividend on the Rs. 10 fully paid equity shares has been maintained at 15 per cent per annum, subject to tax. Reserves have got Rs. 1 lakh—some Rs. 24,000 more than in 1960-61.

The table below gives a fair idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	118.26	110.11	92.72	82.62
Closing stocks	24.50	23.59	13.20	12.43
Other income	0.27	0.28	0.50	0.13
Raw materials and stores consumed	69.46	74.56	55.55	47.72
Staff expenses	27.89	26.35	21.02	17.92
Other expenses	9.55	8.37	7.00	6.68
Gross profit	12.54	11.50	10.30	6.75
Provision for—				
Depreciation	3.99	4.16	3.99	3.99
Taxation	2.90	2.43	1.70	0.56
Managing Agents' commission	0.66	0.56	0.70	0.35
Net profit	4.99	4.35	3.91	1.85
Provisions written back	...	0.18	...	0.01
Short provisions	0.11	...	...	...
To bonus for workers	1.95	1.76	0.76	0.51
,, reserves	1.00	0.76	1.30	0.20
Dividends—				
Preference	0.58*	0.58*	0.58*	0.41
Ordinary	1.40 (15%)*	1.40 (15%)*	1.22 (13%)*	0.84 (9%)
Carry forward	0.10	0.17	0.15	0.10
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	17.25	16.14	14.50	13.40
Low	16.14	13.15	13.15	10.80

* Subject to deduction of tax.

We are told that the satisfactory progress of the Company during the year was partly due to the modernisation programme which has been moving apace. Three combers and two high-speed drawing frames, ordered in the previous year for the manufacture of combed yarn of superfine counts which is in good demand, were installed and commissioned during the year under review. Fourteen ring frames to replace the old frames have been ordered and are expected to be delivered in September-October next. These would improve further the efficiency of the plant. Complete renovation of the preparatory section at a cost of Rs. 9.5 lakhs has been taken up now and would make the plant fully modern. The balance of the mortgage loan due to the Industrial Finance Corporation of India, amounting to Rs. 5.67 lakhs, was paid in February 1962. Labour-management relations have continued to be cordial and the mills are working three shifts with full complement.

The Company's finances are on sound lines, considering the fact that the Company is still in its teens. Thus, its paid-up capital of Rs. 15.93 lakhs, of which Rs. 9.41 lakhs is equity and the rest preference, is supplemented by reserves and surplus aggregating Rs. 8.47 lakhs. But its liability to outsiders has increased during the year from Rs. 40.22 lakhs to Rs. 42.94 lakhs due largely to an increase in borrowings from Rs. 22.59 lakhs to Rs. 24.47 lakhs. As against this indebtedness, book debts and investments aggregate only Rs. 34.52 lakhs. Clearly, the Company has been increasingly relying on external resources for financing its modernisation programme. The gross block, which increased from Rs. 69.48 lakhs to Rs. 73.47 lakhs during the year, has been well written down to Rs. 32.81 lakhs. Established in 1947 with an issued capital of Rs. 15 lakhs, made up of 6,000 6.25 per

(Continued in previous column)

MILD RECESSION IN INDIAN COPPER'S RESULTS

DISPUTE WITH BIHAR GOVERNMENT SETTLED

AN all-round, though decidedly mild, setback in all the principal spheres of its activities was experienced by the Indian Copper Corporation Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot and Company Ltd., Calcutta) during the year to 31st December 1961. Not only was the development work adversely affected by the shortage of essential stores such as explosives and drill steel but, due to insufficient supplies of coal and power, the quantity of ore milled and the output of refined copper and rolled products were fairly well below the previous year's record figures. The average selling prices for the Company's products, as compared with the previous year, were also low, as will be evident from the following figures:

(Per metric tonne)

	1961 £	1960 £
Copper ingots	242.59	266.60
Rolled brass	272.30	277.56
Yellow metal circles	294.35	304.30
Rolled copper	350.46	356.64

Despatches, save those of kyanite, too, declined as compared with 1960, and occasioning a fall in net sale proceeds from £3,467 thousand to £3,322 thousand. The gross profit has likewise declined in sympathy by £155 thousand to £1,248 thousand but, what is more, its ratio to net sales has fallen more perceptibly from 40.5 per cent for the previous year to 37.6 per cent for the one under review. There has been no doubt some saving in essential provisions which in all amount to £759 thousand against £770 thousand but this has hardly helped matters and the net profit has, therefore, dwindled to £489 thousand from £633 thousand a year ago. With a transfer, however, of £62,929 from provisions in excess of actual requirements and a lower credit of £229 thousand as against £251 thousand to reserves, the Directors have found it possible to maintain, for the third year in succession, the rate of ordinary dividend at 27 per cent, subject to deduction of tax. This claims £370 thousand, leaving £72.310 as a carry forward, as against £118.750 brought in.

The working results of the Company for the past four years are contained in the following comparative table:

(In thousands of £ sterlings)

	For the year ended 31st December			
	1961	1960	1959	1958
Net sale proceeds	3,321	3,467	3,323	2,939
Other income	62	74	57	81
Closing stocks	895	707	456	436
Expenses	2,324	2,389	2,110	1,969
Gross profit	1,248	1,403	1,289	1,070
Managing Agents' remuneration	89	95	86	72
Provision for—				
Depreciation	165	175	175	150
Taxation	505	500	440	467
Net profit	489	633	588	381
Provisions written back ..	63	..	..	..
To reserves and provisions.	229	251	181	183
Dividend	370 (27%)*	370 (27%)*	370 (27%)*	247 (18%)
Carry forward	72	119	107	71
Ore reserves (metric tonnes)	4,004,534	3,893,868	4,203,547†	4,034,147†
Ore milled (metric tonnes)..	412,986	435,728	434,282†	442,088†
Copper content (%) ..	2.192	2.083	2.162	2.164
Refined copper	8,336	8,910	7,553‡	7,841‡
Rolled products	9,966	10,023	9,268‡	9,064‡

Market price of equity shares in rupees :	1962	1961	1960	1959	1958
High	5.28	5.88	5.40	4.44	4.26
Low	4.70	4.44	3.74	3.34	2.78

* Subject to deduction of tax. † Short tons. ‡ Long tons.

The financial position of the Company as disclosed by its balance-sheet as at 31st December 1961 is formidable. The share capital, all in equity shares of 2s. each, remains unchanged at £1,371 thousand and is far exceeded by reserves amounting to £2,397 thousand. Secured loans and current liabilities and provisions aggregate £3,306 thousand but are very well covered by current assets totalling £5.316 thousand. Gross block, consisting of mining rights, permanent works, buildings, plant, machinery, equipment, etc. is carried in the Company's books at a cost of £4.402 thousand. As against this, the depreciation provided so far is £2,244 thousand, yielding a net block of £1,758 thousand.

As regards the operations of the various sections of the Company and its reserve position, the following extracts from the Directors' report, which is fairly exhaustive, will no doubt be found interesting. The report states:

"The total ore reserves for all mines as at 31st December 1961 show an estimated increase of 110,666 metric tonnes at 4,004,534 metric tonnes as compared with 3,893,868 metric tonnes at the close of the preceding year. It is to be noted that, though the footage developed at all mines was appreciably less than the previous year, the ore reserve position was satisfactorily maintained.

"The ore mill treated 412,986 dry metric tonnes of ore, averaging 2.192 per cent copper, as compared with 435,728 metric tonnes, averaging 2.083 per cent copper in the previous year. The decrease in tonnage milled was due to modifications to the aerial ropeway and smelter, which was undertaken during the earlier part of the year, followed by shortage of essential raw materials, such as coal and explosives, during the latter part of the year under review. During 1961, 8,336 metric tonnes of refined copper were produced, being a decrease of 574 metric tonnes on the previous year's figure of 8,910 metric tonnes. Construction of the electrolitic refinery has commenced and is proceeding according to schedule. The expected date of completion is the end of 1963.

"The output of rolled products, including 1,120 metric tonnes of copper sheets and strips, was 9,966 metric tonnes, as compared with 10,923 metric tonnes in the previous year. This year, again, the output was restricted in accordance with the availability of zinc import licence.

"10,632 metric tonnes, including 1,322 metric tonnes of copper ingots, were despatched for sale during the year, as compared with 11,192 metric tonnes including 1,108 metric tonnes of copper ingots, during the previous year.

"During the year the sale of kyanite amounted to 27,460 metric tonnes or 5,801 tonnes more than during the preceding year. The two civil suits with the Bihar Government which were pending in appeal were finally disposed of during the year on the basis of a compromise settlement between the Company and the State of Bihar. Under the terms of the compromise the State of Bihar has granted the Company a new mining lease for kyanite over the same area as previously leased for a further period of 20 years, as from 1st September 1961."

The ordinary shares of the Company are currently quoted at Rs. 4.88 *cum-div.* Reducing the price to an *ex-div.* basis, the net yield works out to 5.46 per cent per annum.

DYER MEAKIN BREWERIES LTD.

Dyer Meakin Breweries Ltd. proposes to sell its coated abrasive unit at Ghaziadad, known as National Abrasive Works, to John Oakey and Mohan Ltd., a new company floated by Hindustan Abrasives in collaboration with John Oakey and Sons Ltd., London. Dyer Meakin will receive Rs. 1.60 lakh for plant and machinery, furniture and vehicles, Rs. 4.65 lakhs for tools, raw materials and finished and semi-finished products and Rs. 80,000 for a partly constructed building. The sale has been necessitated by the exigency of technical know-how and a modern plant to improve the competitive position of the unit in the field. The Directors are said to be negotiating with John Oakey and Mohan Ltd., which has an authorised capital of Rs. 1 crore, to reserve some of its shares for allotment to the shareholders of Dyer Meakin.

Notice

THE RELIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fifth Annual General Meeting of the Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta-1, on Tuesday, the fourteenth day of August, 1962 at 11-30 a.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of one retiring.
3. To appoint Auditors and to fix their remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from the 1st August to the 14th August, 1962, both days inclusive.

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

By Order of the Board,
JARDINE HENDERSON, LIMITED,
C. EVANS.
Acting Secretary.
Managing Agent.

4, CLIVE ROW,
CALCUTTA-1.
6th July, 1962.

INDIAN DYESTUFF

TURNOVER AND PROFITS BETTER

THE Indian Dyestuff Industries Ltd. (Managing Agents: Messrs. Mafatlal Gagalbhai and Sons, Bombay) has done well, during the year ended 31st March 1962. The upward trend in sales which had been in evidence ever since the Company went into production during 1956 was maintained. Gross sales realisation at Rs. 258.11 lakhs is nearly 36.5 per cent higher than the previous year's total of Rs. 189.71 lakhs and, even though a portion thereof merely reflects the inflation due to the rise in excise duty on dyestuffs, which has claimed Rs. 32.63 lakhs for the year under review as compared with a mere Rs. 0.75 lakh previously, the fact nevertheless remains that the Company did experience a bigger demand for its products and that this has been instrumental in expanding the turnover. An added favourable development during the year was the relative decline in the cost of raw materials and stores consumed as well as in other expenses. As a result, the gross profit has risen smartly by Rs. 17.77 lakhs to Rs. 78.52 lakhs and is the highest on record so far. Provisions for the Managing Agents' remuneration and taxation have also risen in consonance with the gross profit, the former going up by Rs. 1.64 lakh to Rs. 7.35 lakhs and the latter by Rs. 9.70 lakhs to Rs. 33.70 lakhs. A small increase of Rs. 1.70 lakh to Rs. 4.91 lakhs has also geen found necessary in the provision for depreciation in view of the increase in the value of depreciable block at the close of the year under review. Even then, the net profit is up by Rs. 4.73 lakhs to Rs. 32.56 lakhs.

It is heartening to note that, despite the betterment in the net profit position, the management has found no reason to modify its policy of ploughing back a substantial portion of the available profit in the business. It has accordingly allocated nearly 75 per cent of the profit, or Rs. 25.49 lakhs, to reserves. At the same time, it has been able to propose a slightly higher ordinary dividend of 7 per cent, subject to deduction of tax, as against 6 per cent subject to deduction of tax last year. The proposed dividend absorbs Rs. 10.97 lakhs. A sum of Rs. 5.87 lakhs out of this, however, is to be deemed, according to the modified Income-tax Rules, to have been paid out of the amount standing to the credit of the tax-exempt dividend reserve and to that extent, therefore, ordinary dividends will be free from deduction of tax.

The progress achieved by the Company during the past four years is well brought out by the comparative table given below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	258.11	189.71	152.07	91.64
Closing stocks	29.64	25.16	20.60	12.47
Raw materials and stores consumed	119.88	97.27	86.76	54.51
Excise duty	32.63	0.75	..	..
Other expenses	35.59	39.00	21.98	16.71
Gross profit	78.52	60.75	54.24	25.95
Managing Agents' commission..	7.35	5.71	5.13	1.85
Provision for—				
Depreciation	4.91	3.21	2.95	13.62*
Taxation	33.70	24.00	20.00	..
Net profit	32.56	27.83	26.16	10.48
Withdrawal from reserve ..	5.87	..	..	..
To reserves and provisions ..	25.49	16.41	16.87	5.86
Dividends—				
Preference	2.42	1.99†	5.35†	..
Ordinary	10.97 (7%)†	9.00 (6%)†	3.41 (6%)†	..
Carry forward	0.30	0.76	0.62	..

Market price of ordinary shares (In rupees) :	1962	1961	1960	1959**
High	578.75	570.00	865.00	930.00
Low	452.50	407.50	400.00	150.50

* Including Rs. 10.64 lakhs for previous years.
† Subject to deduction of tax.
** On 7th August, 1959, the Company issued right shares at par at nine shares for every one. The highest rate is *cum*-right and the lowest *ex*-right.

As revealed by its balance-sheet as at 31st March 1962, the financial position of the Company is satisfactory. The issued share capital, which has now risen to Rs. 185.78 lakhs from Rs. 174.78 lakhs a year ago, comprises Rs. 29.00 lakhs in 8.58 per cent preference shares of Rs. 100.00 each and Rs. 156.78 lakhs in equities of Rs. 100 each. It is supported by reserves and surplus amounting to Rs. 59.36 lakhs. Unsecured loans have remained unchanged at Rs. 1.05 lakh but current liabilities and provisions have increased substantially by Rs. 47.23 lakhs to Rs. 138.81 lakhs. These, however, are adequately covered by current assets, loans and advances and investments all aggregating Rs. 223.00 lakhs. With the acquisition of new assets worth Rs. 20.66 lakhs during the year, the gross block has improved to Rs. 60.07 lakhs but has been written down to Rs. 39.52 lakhs or nearly two-thirds its original cost. Besides this, the capital work-in-progress is valued at Rs. 112.49 lakhs.

The Company's scheme for the manufacture of important intermediates made further progress during the year. Some of the buildings have been completed and the remaining ones are expected to be ready by the end of 1962. Plant and machinery, both imported and local, are being received and installed. It is anticipated that the Company will be able to commence production of a few of the intermediates by the last quarter of this year and the dyestuffs by the beginning of the next year. As regards the plant for the manufacture of sulphuric acid and oleums, orders for the entire project have been finalised and it is expected that manufacture will start by the last quarter of 1963.

The Rs. 100.00 fully paid ordinary shares of the Company are currently quoted at Rs. 457.50 *cum-div.* On an *ex-div.* basis the net yield works out to 1.3 per cent per annum.

FOUR LEADING BANKS DO WELL AGAIN

Four leading banks of the country, namely, the Punjab National Bank Ltd., the Bank of Baroda Ltd., the Bank of India Ltd. and the Devkaran Nanjee Banking Company Ltd., have done well again during the half-year ended 30th June 1962. The results of these banks, which are given below, confirm the belief that banking as a whole would fare at least as well as it did in 1961, a year of record profit, if not a little better.

Punjab National Bank Ltd.: For the half-year, the Bank has earned, subject to audit and after providing for tax and making other necessary provisions, a net profit of Rs. 49.55 lakhs (excluding Rs. 10.38 lakhs brought in), as against Rs. 76.06 lakhs (excluding Rs. 4.23 lakhs brought in), before providing for taxation for the corresponding period of the previous year. The Directors have decided to maintain the interim dividend of one rupee per Rs. 10 fully paid equity share, subject to tax. However, the total amount to be distributed is higher by Rs. 7.50 lakhs at Rs. 20 lakhs, as the dividend is on a larger issued capital of Rs. 2 crores following the issue of 750,000 shares of Rs. 10 each at a premium of one rupee per share in September last. After providing for the dividend, the surplus of Rs. 39.93 lakhs is to be carried forward to the next half-year's accounts. The Bank has 429 offices in India, Burma and Pakistan.

Bank of Baroda Ltd.: The Bank's profit for the period under review has increased from Rs. 25.11 lakhs (excluding Rs. 1.09 lakh brought in) to Rs. 25.41 lakhs (excluding Rs. 3.02 lakhs brought in), subject to audit. The Directors have stepped up the interim dividend on the Rs. 50 fully paid ordinary shares from 14 per cent to 16 per cent per annum, subject to tax. The dividend will absorb Rs. 12 lakhs, as against Rs. 10.50 lakhs in the previous year. The carry forward to the next half-year's accounts is Rs. 16.43 lakhs.

Bank of India Ltd.: The profit of the Bank, before tax, works out to Rs. 47.50 lakhs, which is a shade lower than the Rs. 47.85 lakhs earned in the first half of 1961. The interim dividend has been maintained at 16 per cent per annum, subject to tax, on the Rs. 50 fully paid ordinary shares. It will absorb Rs. 24 lakhs and leave Rs. 23.50 lakhs to be carried forward to the current half-year's accounts. Together with Rs. 29.17 lakhs brought in from the previous year, the total amount to be carried forward works out to Rs. 52.67 lakhs.

Devkaran Nanjee Banking Company Ltd.: For the first-half of the current year, the Bank has earned a higher net profit of Rs. 17.11 lakhs, as compared with Rs. 15.10 lakhs, realised for the corresponding period of the previous year. The figures are exclusive of Rs. 13.51 lakhs brought in from 1961 and Rs. 7.86 lakhs from 1960. The interim dividend is proposed to be maintained at Rs. 2 per share of Rs. 50, subject to tax. It takes away Rs. 2 lakhs, leaving Rs. 28.62 lakhs to be carried forward to the next half-year's accounts.

WYMAN-GORDON STARTS FORGINGS PRODUCTION

The recently established Wyman-Gordon India Ltd. has started production of forgings for the automotive and agricultural industries of the country at its plant at Thana, an industrial suburb of Bombay. The plant-capacity is being gradually increased for the manufacture of meehanite grey iron castings for a variety of other industries. A subsidiary of Wyman-Gordon Company, world's leading producer of forgings for missiles, rockets, space-vehicles, aircraft, automotive and far equipment, the Company has been formed with the co-operation of Almag Forge and Foundry (Private) Ltd. Forging technology and equipment are being provided by the parent company, but the plant is Indian-managed, and the operating force is eventually expected to number 1,000.

TUBE INVESTMENTS' NEW PROJECT

Considerable headway has been made by Tube Investments of India Ltd. in regard to its new project for the manufacture and fabrication of cold roll formed metal sections. The first part of the new factory is complete near Madras and the plant will be installed shortly. The factory will produce mainly cold-formed sections that can be used for building bus bodies, rail cars, roller shutters, insulation systems, furniture and in the motor and textile industries. Within two years from now, the sphere of activity at the factory will be widened to include the fabrication of the cold-formed sections by bending, welding, pressing, rust-proofing and painting for the building industry.

The new project of the Company will be similar to that of the long-established T.I. subsidiary in the U.K., namely, Metal Sections Ltd. of Birmingham, which is providing the Madras factory with the technical know-how. The Company is one of the largest cycle manufacturers in India. It also produces cycle components, cycle saddles and electric-resistance welded steel tubes and roller chains.

23 JUL 1962 Notice PUBLIC DEPARTMENT

DELHI LETTER

(*Concluded from page* 100)

The F.I.C.C.I. is the most pessimistic of the lot. It thinks that, in actual practice, an annual rate of production of around 75 million tons would be the highest that may be reached by the end of the third Plan. The F.I.C.C.I. is convinced that there is no magic which can take the production from 55 million tons to 97 or 101 million tons in a little over three years. In view transport muddle and the shortage of mining equipment and explosives, the F.I.C.C.I. estimates an increase of four million tons a year on an average during the current Plan.

Freight reductions and substitution of furnace oil for coal would only scrape the surface of the problem. The Government's emphasis on promoting the production of quality coal is unrealistic in the opinion of the F.I.C.C.I., which wants increased production of grade II coal. While admitting that the shortages of coal for industries will continue for a long time to come, the F.I.C.C.I. wants the Government to retrieve the position to some extent at least by encouraging production of grade II coal and providing washery facilities.

If there is some rethinking on basic coal policies on the part of some senior Ministers, there is also a pragmatic trend developing in steel. Apart from Mr. C. Subramaniam's declaration of "taking up the challenge" of improving the working and profitability of public sector steel plants to match the private sector performance, in the formulation of plans to increase steel output to 18 million tons by 1971 (that is by the end of the fourth Plan period), the Steering Group on Steel has been tempted to discuss expansion of the private sector plants also. The poser before the group: what is the correct balance to be struck between new public sector plants and the expansion of existing plants in the public and private sectors?

Notice

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Thirty-seventh Annual General Meeting of the Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta-1, on Tuesday, the fourteenth day of August, 1962 at 12 o'clock noon, for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of one retiring.
3. To appoint Auditors and to fix their remuneration.
4. (*As special business*): To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as a Special Resolution, viz.:—

"That approval be and is hereby accorded to the sale of three Roll Formers to Kanknarrah Company, Limited (an associate of the Managing Agent as defined in Section 2 (3) of the Companies Act, 1956) at a price of Rs. 1,500 each."

Notice is also given that the Share Transfer Books of the Company will be closed from the 1st August to the 14th August, 1962, both days inclusive.

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

By Order of the Board,
JARDINE HENDERSON, LIMITED,
C. EVANS.
Acting Secretary,
Managing Agent.

4, CLIVE ROW,
CALCUTTA-1.
6th July, 1962.

Note.—Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, is being sent to all Members.

INVESTORS' GUIDE

The 1962 Edition of the **Calcutta Stock Exchange Official Year Book** is now out. It is India's most up-to-date and comprehensive work of reference on investments. Contains detailed information relating to all companies quoted on the Calcutta and Bombay Stock Exchanges. Also contains information on economic matters, tax rules and rates, names and addresses of Liquidators of Companies wound up since 1944, preference dividends in arrears. Special features of this edition: (1) Information relating to all Bombay Companies, and (2) List of Companies which accept vernacular signatures on transfer deed. Also lists of companies which accept and which do not accept signatures in dot pen on transfer deed.

Copies available from the Stock Exchange, 7, Lyons Range, Calcutta, at a price of Rs. 12.50 nP per copy. Postage Rs. 2/- extra.

SYNOPSES OF COMPANY REPORTS

Andhra Cement Co., Ltd.

Chairman : Mr. V. Ramakrishna, Madras.

24th Annual General Meeting—Held on 22nd June 1962.

Working Results :

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Cement sales	1,25,80	1,20,03
Closing stock of cement	16	24
Gross profit	21,07	23,34
Transfer to ex-Managing Agents' remuneration.	Nil	75
,, ,, depreciation	9,85	10,86
,, ,, provision for taxation	3,50	2,30
Net profit	7,72	9,43
Adjustments*	4,98	1,77
Appropriations :		
Total available balance	12,70	11,20
To donations	2	3
,, expenses (for prior years)	2,44	25
Transfer to provision for gratuity	40	50
,, ,, rehabilitation fund	1,02	79
,, ,, development rebate reserve	75	1,20
,, ,, deferred taxation reserve	75	1,00
Proposed dividends (taxable) preference	19	19
,, ,, ,, equity	7,10 (10%)	7,10 (10%)
Carry forward	3	14

* Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report : The production during the year had suffered due to various factors, the main bottleneck being the continuing short supplies of coal. The facility for augumenting the supplies by sea-cum-rail route as in the case of Factories in the South was not extended to the Company's unit and even the consignments which were received during the early part of the year on the advice of the Ministry were not taken into consideration for cost purposes. The Tariff Commission examined the cost structure in the year for fixing the prices. The movement by all rail route which was the arrangement fixed by the Coal Control Authorities for the Company's unit was not forthcoming in full measure and production had therefore suffered.

There was also intransigent attitude on the part of the workmen due to pending disputes relating to implementation of the Wage Board recommendations (the fixation of workmen in different grades as per Wage Board scales were not acceptable to the Union), re-employment of retrenched workmen (retrenchment was upheld by the Tribunal), bonus for the year 1958, 1959 and 1960. After protracted negotiations these disputes were amicably settled in August 1961. The relationship between the Management and the workmen since then has been cordial.

The working results during the year were also affected due to rising cost of raw materials and other items of manufacture. In spite of the recommendations of the Tariff Commission to give the revised price with retrospective effect, they were not accepted by the Government of India and the revised price was made applicable only from 1st November 1961.

Accounts in brief as at 31st December 1961 are as under :—

Liabilities	Rs.	Assets	Rs.
Capital*	73,89,508	Gross block	1,74,60,937
Reserves and surplus.	10,78,650	—Depreciation	80,90,423
Other liabilities	74,68,285		
		Net block	84,70,514
		Current assets	67,99,964
		Investments	6,17,195
		Cash	48,770
	Rs. 1,59,36,443		Rs. 1,59,36,443

* Paid-up capital consists of 7,10,317 equity shares of Rs. 10 each fully called up and 2,488 six per cent. tax-free cumulative first preference shares of Rs. 10 each fully called up. Application money in arrears by others comes to Rs. 72. Amount paid up on shares forfeited—Rs. 37,610.

Hindustan Wires Ltd.

Chairman : Mr. D. N. Mitra, Calcutta.

Third Annual General Meeting—6th August 1962.

Working Results :

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales (gross)	45,83	5,46
Closing stock (finished products and work in progress)	3,92	9,68
Gross profit	3,84	88
Transfer to depreciation	81	22
Net profit	3,03	16
Adjustments*	6	Nil
Appropriations :		
Total available balance	3,09	16
Transfer to development rebate reserve	1,00	10
Proposed dividend (maiden) equity	2,00 (4%)	Nil (Nil)
Carry forward	9	6

* Adjustment represent the credit balance brought forward from the previous year.

Extracts from the Directors' report : The proposed dividend of 40 nP per share is covered under Section 84 of the Indian Income-tax Act according to the calculations made by the Company and no tax will be deducted therefrom. On this dividend no Income-tax and Super-tax will be payable by the Shareholders under Section 85 of the Income-tax Act.

During the period under review, sales of the Company's products amounted to Rs. 44,46,930. The Company had also undertaken processing jobs from the customers for drawing wires out of wire rods imported by them under their own import licences. The processing charges amounted to Rs. 1,36,163 which has been added to the sales figure shown in the Profit & Loss Account. The cost of the raw materials imported under such licences amounted to Rs. 8,50,000 approximately. The Company's production was hampered due to electricity failures and restrictions in Calcutta during the last year.

The Company has now gone into production for some of the high carbon high tensile wires. Sales in the current year are expected to rise considerably. The major part of the plant and machinery on order, is expected to be shipped in July this year. This would increase the production capacity of the Company's plant, particularly of specialised high tensile wires from which there is a very good market and which are mostly being imported at the moment.

The Company has been receiving allocations of mild steel rods from the Iron & Steel Controller on the indigenous producers, but the supplies have not been regular. It is expected that the position of supplies will improve. In addition, the Company has been able to secure import licences for high carbon wire rods, zinc, lead and other raw materials.

The Cost and Accounts Officer, Ministry of Finance, has already examined the cost structure of this Company in regard to the demand made by the Company for increase in the price of its mild steel products and the same is still under consideration of the Government of India.

The Company has been further licensed to manufacture 4,200 tonnes of *Tyre Bead Wires* which are now being entirely imported at a price of approximately Rs. 2,000 per tonne. The capital equipment required for the same is expected to be licensed for import under the Second Yen Credit. With the rapid expansion of rubber tyre manufacture, the demand for these wires has been estimated by the National Council of Applied Economic Research at 10,660 tonnes by 1965-66 against the present targeted capacity of manufacture of rubber tyres in the Third Five Year Plan. These wires are inserted in the rims of tyres, thus giving necessary reinforcement to tyres. The wires are usually bronze or copper coated. This Company expects to be the first to produce these wires in India.

The Company has finalised, subject to the approval of the Government of India and the Government of Japan, Technical Collaboration for manufacture of *Tyre Bead Wires, Prestressed Concrete Wires* and other high tensile wires with the famous steel manufacturing firm of Kobe Steel Works Ltd. and its subsidiary Company, Shinko Wire Co., Ltd., who are one of the biggest manufacturers of these wires in Japan.

The Company's application for further expansion of its present wire manufacturing capacity is still under the consideration of the Government of India.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	49,54,025	Gross block	29,04,461
Reserves and surplus.	1,19,167	—Depreciation	1,02,927
Other liabilities	6,04,230		
		Net block	28,01,534
		Current assets	21,39,019
		Cash	6,54,306
		Miscellaneous expenditure	1,42,563
	Rs. 57,37,422		Rs. 57,37,422

* Paid-up capital consists of 5,00,000 equity shares of Rs. 10 each fully called up. Calls in arrears amount to Rs. 45,975.

Travancore Cements Ltd.

Managing Agents : Essel Private Ltd., Kottayam, Kerala.

15th Annual General Meeting—Held on 22nd June 1962.

Working Results :

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Cement sales	64,22	71,30
Closing stock of cement and cement in process	9,13	8,15
,, ,, raw materials	93	67
Gross profit	11,76	11,70
Transfer to Managing Agents' remuneration	55	58
,, depreciation	6,22	5,90
Net profit	4,99	5,22
Adjustments	4,26	29
Appropriations :		
Total available balance	9,25*	5,51
Transfer to reserve for rehabilitation	9	Nil
,, ,, provision for taxation	6,00	Nil
,, ,, deferred taxation reserve	Nil	2,00
Proposed dividend (taxable) equity	3,00 (6%)	3,00 (6%)
Carry forward	16	51

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 3,75,000 transferred from deferred taxation reserve.

Extracts from the Directors' report : The Company's turnover and net profit for the year 1961 have been comparatively lower than that of the previous year due to the following reasons : (i) the opening stock of clinker and cement in 1961 was lesser than the opening stock in 1960 and hence there was lesser sales and turnover in 1961, (ii) production of grey clinker was stopped for a period of about two months as the kiln was put to use for the production of white clinker, (iii) the bulk of the white clinker produced in 1961 was in stock on 31st December 1961.

White Cement : Sale of *White Cement* has shown marked improvement over that of 1960 and is about 26 per cent. more than the sales during 1960.

Ex-works selling price of Grey Cement : Since the fixation of cement prices in 1958 the cost of production has increased considerably due to increase in wages, price of coal, stores and spare parts etc. The price fixed in July, 1958 was to be in force for a period of three years, i.e., up to July 1961. The Central Wage Board recommendations came into force from 1st January 1960 and the increase in wages consequent on the implementation of the Wage Board recommendations was allowed to the producers by corresponding increase in the price of cement. The increase allowed to the Company's factory was Rs. 2.10 and the revised price Rs. 82.18 per tonne.

The Government of India at the request of the cement producers directed the Tariff Commission to work out the cost of production at various units and recommend to the Government fair prices payable to them. The Tariff Commission after conducting a thorough investigation into the matter submitted its report to the Government for the revision of cement price from 1-7-1961 and in this Company's case the price recommended was Rs. 103 per tonne for naked cement ex-factory. The Government of India have fixed the price payable to the producers only from 1-11-1961 and have fixed Rs. 95 for this Company's factory including an allowance of Rs. 2 per tonne for rehabilitation, research, etc. The revised price is to be in force till 31-3-1966. By this revision the Company is getting an increase of Rs. 12.82 per tonne from 1-11-1961, out of which Rs. 2 per tonne less tax has to be kept as a separate Fund for rehabilitation, research, etc. This increase has given us some relief in meeting the increased cost of production.

Accounts in brief as at 31st December 1961 are as under :—

Liabilities	Rs.	Assets	Rs.
Capital*	50,00,000	Gross block	1,38,60,929
Reserves and surplus.	10,27,347	—Depreciation	70,05,860
Other liabilities	54,58,263		
		Net block	68,64,069
		Current assets	45,77,375
		Cash	44,166
	Rs. 1,14,85,610		Rs. 1,14,85,610

* Paid-up capital consists of 5,00,000 equity shares of Rs. 10 each fully paid up.

Premier Mills (C.B.E.) Ltd.

Managing Agents : Messrs. K. Narayanaswamy Naidu & Co., Pulankinar, Udamalpet.)

17th Annual General Meeting—28th July 1962.

Working Results :

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales—		
Finished goods	2,15,16	1,91,04
Waste	1,19	1,01
Raw materials	94	Nil
Dyes and chemicals	16	Nil
Closing stocks of above items	34,28	31,78
Gross profit	43,52	38,25
Transfer to Managing Agents' remuneration	2,97	2,62
,, ,, depreciation	9,06	8,03
,, ,, provision for taxation	15,25	11,25
Net profit	16,24	16,35
Adjustments*	2	13
Appropriations :		
Total available balance	16,26	16,48
To donations	62	60
,, income-tax for prior years	15	12
Transfer to development rebate reserve	1,00	2,75
,, ,, dividend equalisation reserve	3,00	1,50
,, ,, gratuity reserve	1,00	1,50
,, general reserve	4,00	4,00
Proposed dividend (taxable) equity	6,25 (25%)	6,00 (24%)
Carry forward	24	1

* Adjustments represent the balance brought forward from the previous year and other credit items if any.

Extracts from the Directors' report : Two cone winders and two drawing frames were installed and brought into use in the year. Orders were placed for four combers, two drawing frames and a new line of blow room machinery. Of this, the combers have since started arriving and will be erected in the course of a month.

Accounts in brief as at 31st March 1962 are as under :—

Liabilities	Rs.	Assets	Rs.
Capital*	25,00,000	Gross block	1,43,73,220
Reserves and surplus.	32,74,186	—Depreciation	69,67,276
Other liabilities	90,13,961		
		Net block	74,05,944
		Current assets	68,47,050
		Investments	7,10,000
		Cash	25,153
	Rs. 1,47,88,147		Rs. 1,47,88,147

* Paid-up capital consists of 25,000 equity shares of Rs. 100 each.

Tirupati Cotton Mills Ltd.

(*Managing Agents*: P. Suryanarayana & Sons Private Ltd., Madras.)

Sixth Annual General Meeting—10th August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of—		
Cotton yarn of waste	92,30	89,25
Cotton	4,58	97
Dyes and chemicals	18	42
Closing stock	12,87	25,06
Gross profit	13,06	15,23
Transfer to Managing Agents' remuneration	82	1,03
,, ,, depreciation	4,62	4,89
,, ,, provision for taxation	2,75	75
Net profit	4,87	8,81
Adjustments	24	23
Appropriations :		
Total available balance	5,11	8,84
To donations, etc.	11	2
Transfer to depreciation (for 1959-60)	Nil	23
Transfer to development rebate reserve	38	3,39
,, ,, reserve for mortgage loan redemption	1,20	1,20
,, ,, general reserve	1,00	1,00
,, ,, deferred taxation reserve	Nil	50
Proposed dividends (taxable) 8.93 C. preference	67	67
Proposed dividends (taxable) equity	1,55 (12½%)	1,55 (12½%)
Carry forward	20	23

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report: The Company had maintained its progress during the financial year ending with 31st March 1962. The directors inform that in addition to the Waste Spinning Plant for which the Company has already received licence, and of which mention has been made in last year's report, the Company has now secured licences for an expansion by 9,000 spindles and 30 looms for the manufacture of Cotton Blankets. There was some delay in the shipment of Waste Cotton Spinning Plant and therefore it could not be installed before the end of the last financial year as anticipated. As per present programme, the plant is expected to go into production before the end of the current year.

In order to finance partly the expansion programmes on hand, the Company made a Right Issue of 96,985 Equity Shares of Rs. 10 each on 23rd April 1962 which was fully subscribed. Arrangements are being made to meet the balance by loans from Banks and Finance Corporations, internal resources and deferred payments.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	20,51,862	Gross block	54,71,158
Reserves and surplus	10,06,303	—Depreciation	17,54,054
Other liabilities	29,67,100		
		Net block	37,17,104
		Current assets	20,28,505
		Investments	1,00,975
		Cash	1,78,621
	Rs. 60,25,205		Rs. 60,25,205

* Paid up capital consists of 75,252—8.93 per cent. cumulative preference shares of Rs. 10 each and 1,20,313 Ordinary (Equity) shares of Rs. 10 each. Forfeited shares—amount to Rs. 6,152.

MONEY QUITE EASY

(From Our Own Correspondent)

BOMBAY, 18*th July*

The short-term money market was active and tight for a while early in the week when the lists for the Central loans remained open. Thereafter, conditions became easier again. The banks had a surfeit of funds and borrowers were scarce in the inter-bank section. Demand for bank credit from trade and industry was poor. On Thursday, the 12th inst., when the lists for new loans opened, the inter-bank call rate jumped up to as high as 3½ per cent from ¾ per cent on the previous day and stayed at that level for both fresh money and renewals on the following day also, presumably because the Central loans were on offer on that day too. Thereafter, it came down by quick stages—2½ per cent on Saturady, 2 per cent on Monday, 1½ per cent on Tuesday and one per cent today.

There has been no change in the short-term deposit rates and no bank has yet ventured to lower the rate even for three-day deposits.

The Treasury Bill results, however, are not in conformity with the aforesaid conditions. There was hardly any response to these bills from quarters other than the "special" source. The total amount offered was only Rs. 2 crores, that is, just sufficient to meet the amount invited. The average rate of accepted tenders was actually higher at 2.390 per cent per annum as compared with 2.71 per cent per annum a fortnight ago when the total amount offered was as high as Rs. 4.10 crores for an invitation of Rs. 2 crores. The sales of Intermediate Treasury Bills during the period 9th to 14th July, both days inclusive, amounted to a mere Rs. 10 lakhs as compared with Rs. 57 lakhs in the previous week and Rs. 7.10 crores in the week before that. Obviously, the banks and other institutional investors who were evincing interest in these bills shortly before the new Central loans must not have been free from the aftermath of heavy subscription to these loans.

The response to new loans of the Central Government was quite encouraging. The total subscriptions to all the three loans aggregated Rs. 6.87 crores more than the target of Rs. 250 crores. Of this, conversion of maturing loans accounted for Rs. 153.67 crores, the balance of Rs. 103.20 crores being in cash. All subscribers were given full allotment. The response was the largest for the short-dated loan, as will be seen from the following break-down figures:

3½ per cent 1968 (fifth series) ...	Rs.	92.25 crores
4 per cent loan 1972	Rs.	80.59 crores
4½ per cent loan 1985	Rs.	84.03 crores
Total ...	Rs.	256.87 crores

India's foreign assets, which had registered a slight improvement of Rs. 1.23 crores in the week ended 6th July 1962, were down again by Rs. 2.09 crores in the week ended 13th July 1962, according to the Reserve Bank's statement for that week.

The Gilt-edged market continued to rule weak, with a further fall in the value of the majority of the old Central loans. There has been a decline of Re. 1.40 in 3 per cent 1986 Conversion Loan to Rs. 69.00. A drop of 25 nP is seen in 4 per cent 1980 and of 30 nP in 4 per cent 1972. 3½ per cent 1967 and 3½ per cent 1968 have fallen by 10 nP. The extremely short-dated loans such as 3 per cent 1963-65 and 3 per cent 1964, however, were in good demand and registered an increase of 20 nP. 3 per cent 1966-68, too, went up by 10 nP. The newly floated long-dated 4½ per cent 1985 has been standing at par. There have been no appreciable changes in State loans.

In the foreign exchange markets of the world, £ sterling was firm. In New York, for instance, the rate for spot sterling has gone up during the week by 0.250 cent to stand at 280.740-280.770 cents per £. This improvement has more than wiped out the decline experienced in the previous week. Three months' forward has also looked up by 0.240 cent to 280.150-280.180 cents. In keeping with this change in the value of £ sterling, the rupee has strengthened a little in terms of the U.S. dollar. Thus, the banks' selling rate for ready T.T. on New York has come down by 25 nP to Rs. 476.75 per 100 dollars. There has been a corresponding fall in their buying rate which is currently standing at Rs. 473.50.

TEAS IN GOOD DEMAND

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

COCHIN, 12*th July*

A total of 822,000 kgs. was offered in sale No. 28 held on Tuesday the 10th inst. Quality showed a slight improvement in some Nilgiri teas and a few mediums. There was good general demand. Improved highgrown brokens and fannings were well supported, but others were irregular and often lower. Good medium brokens were irregular and sometimes advanced with quality, but fannings in this category were generally easier. The brighter medium and low medium brokens were firm to dearer. Others, however, were irregular and lower. Similar fannings were easier and there were frequent withdrawals amongst low mediums. Plainest brokens were taken up at a slight discount, while their fannings were much lower and virtually neglected. Black leaf descriptions were well supported, particularly brokens. Whole leaf grades were firm and sometimes dearer, particularly where quality showed an improvement. Teas of unorthodox manufacture met with support and although irregular were sometimes dearer. Tippy teas were a strong feature.

The quotations per kg. were:

	1962 Rs.	1961 Rs.
Low mediums	3.10-4.00	4.45-4.60
Mediums	3.60-4.10	4.60-4.70
Good mediums	4.10-5.30	4.70-5.00
Nilgiri B.O.P.	4.20-6.00	4.65-5.90

The average price realised in sale No. 28 was Rs. 3.94 per kg. as against Rs. 3.93 a week ago and Rs. 4.67 in the corresponding sale last year.

Offerings in dust sale No. 28 held today amounted to 462,000 kgs. There was a better demand at irregular rates. The cleaner and brighter medium and low medium kinds were firm, but others were lower. Good mediums sold readily but were also lower. Plain fibrous kinds often sold at rates below last. Highgrowns though well supported, often sold at a discount. Unorthodox descriptions were keenly sought after and the primary grades may be quoted as fully firm to dearer, fibrous kinds were lower. Clean black leaf varieties were generally often easier.

The average price realised in dust sale No. 28 was Rs. 2.91 per kg. as compared with Rs. 3.08 a week ago and Rs. 4.62 in the corresponding sale last year.

Colombo: Just over 6½ million lbs. were offered this week. Tea met with strong general demand with highgrowns advancing by 20 to 30 cents, while mediums were by 10 to 20 cents dearer. Lowgrowns also came to a firm to dearer market.

London: *North Indian and other growths*: In Monday's auction, there was good demand and best liquoring teas were fully firm, but poor stalky types were somewhat easier.

Ceylon and South Indians: In Tuesday's sale, 33,392 packages were offered, of which 6,329 packages came from South India. The market opened with a quieter demand. Only the best varieties from South India sold at valuations, while others were generally lower. There was useful support for Ceylons which were steady with quality.

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

"*Sale No.* 29: 840,000 kgs. offered. Good general demand. Cleaner low medium and mediums fully firm to dearer, particularly brokens. Others barely steady. Good mediums firm. Highgrowns strong and dearer. Unorthodox dearer."

SILVER WEAK, GOLD STEADY

(From Our Own Correspondent)

BOMBAY, 18*th July*

Silver in the bullion market ruled distinctly easy during the week under review, while gold was fairly steady. The easiness of silver was due to heavy arrivals—at an average rate of 53 bars daily, as against 40 bars last week—while offtake continued to be low, being eight bars per day, as against nine bars. Some Calcutta interests sought to press sales. One operator was reported to have sold 1,500 to 1,600 bars. Consequently, prices suffered a setback. Gold, however, met with scattered support induced by spot house buying and tended to move up, though today it developed a sagging tendency. The average daily offtake was 4,500 tolas, as against 4,400 tolas. The pace of arrivals, which had slowed down last week (from 5,250 tolas per day on an average to 4,500 tolas), improved again to 5,750 tolas this week. But increased arrivals did not have much effect.

The *Bhadrapad* (15th September) settlement in gold began the week at Rs. 125.20, as against the previous close of Rs. 125.30, and advanced to touch a high of Rs. 125.90 yesterday. At this level, profit-taking set in and the settlement declined to Rs. 125.25 today.

In silver, the *Bhadrapad* (17th September) settlement encountered selling and receded from Rs. 214.95 to Rs. 213.30 yesterday (Tuesday the 17th inst.). The settlement opened at Rs. 213.35 today and, after improving to Rs. 213.80, closed easy at Rs. 213.15.

The feature of trading in the spot silver section was the further marked fall in the discount under the forward, from 60 nP on Wednesday last to 25 nP today, when the ready rate stood at Rs. 212.90, as against Rs. 214.35. The lowest level touched was Rs. 212.70 today.

Ready gold continued to command a premium over the forward throughout the week, though the actual premium declined from 95 nP to 65 nP. The closing spot rate today was Rs. 125.90, a drop of 35 nP over the week; it had been quoted higher at Rs. 126.75 on Saturday and Monday.

The dollar price of gold in the London bullion market moved up further from $35.11⅛ to $35.12⅛ per fine ounce, the highest level since February last. Ready gold, too, improved by 3*d.* to 250*s.* 3¾*d.* Ready and forward silver gathered ½*d.* each to 87½*d.* and 87⅝*d.*, respectively. Silver in New York was firm at 102.75 cents.

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

	18-7-62 (closing)	High	Low	11-7-62 (closing)
GOLD				
Ready (.99 fine)	Rs. 125.90	Rs. 126.75	Rs. 125.90	Rs. 126.25
*Bhadrapad** ...	125.25	125.90	125.20	125.30
Sovereign	97.75	97.75	97.50	97.75
SILVER				
Ready (.996 fine) ...	212.90	214.40	212.70	214.35
,, *Bhadrapad*† ...	213.15	214.80	212.95	214.95
London—				
Gold	250*s.* 3¾*d.*	250*s.* 4*d.*	250*s.* 2½*d.*	250*s.* 3*d.*
Silver Ready ...	87½*d.*	87½*d.*	87*d.*	87½*d.*
Silver Forward ...	87⅝*d.*	87½*d.*	87⅛*d.*	87¼*d.*
New York—				
Silver	102.75 cents	—	—	102.75 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 18*th July*

The declining trend witnessed in the cotton futures market towards the close of last week gathered further momentum during the week under review. Reports of favourable weather indicating the prospects of normal crop development prompted heavy unloading with the result that futures values suffered a sharp setback. Upcountry operators were heavy and persistent sellers. Local operators too followed suit. From a peak of Rs. 736 touched on the 11th inst., the Jarilla March contract declined steadily to touch a low of Rs. 722.50 yesterday. The contract drifted further down to Rs. 715.75 today, thanks to fresh selling and bear hammering, although the finish was a shade higher at Rs. 720, showing a net loss of Rs. 15.50 over the week. The range of fluctuations of the contract is indicated below:

	18-7-62	High	Low	11-7-62
Jarilla March 1963 ...	716	732	715.75	731.50

Progress of new crop sowing has been satisfactory in Maharashtra and Madhya Pradesh while in Broach and North Gujarat more rains are required. In fact, lack of rains has held up sowing operations in Vijay, Kalyan and Wagad tracts. In the South too rainfall has not been adequate and further showers are necessary.

In the spot market, reflecting the tight supply position, demand continued to be well maintained. With choice qualities in short supply, mill interest centred round cotton spinning lower counts. Some of the varieties which attracted attention were Laxmi, L.147, Co2, Kalyan, Wagad and 197/3.

Export demand for Bengal *Deshi* continued to be slack. Japan was interested only in superfine varieties, stock of which were limited. Spinner interest in foreign growths centered round Pakistan and Sudan cotton.

The East India Cotton Association, Bombay, is reported to have urged a reduction in freight rates on Indian cotton shipped to the U.S. It has asked the Freight Investigation Bureau to take up the matter with the Conference lines concerned.

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

Bengal *Deshi* 680; Kalyan 960; Khamgaon 980; Hubli Jaydhar 1,115; Hubli Laxmi 1,220; B.P. 52 1,320; Pakistan NT 1,061.

Cotton futures in Karachi suffered a sharp setback during the week. Pre-tender liquidation in the expiring July contract and speculative selling in the new crop contract prompted by favourable weather news were responsible for the decline in values. The N.T.R.G. July contract was marked down from Rs. 76 last week-end to Rs. 72.75, a net loss of Rs. 3.25. The January contract receded from Rs. 74.65 to Rs. 73.70, a decline of 95 nP over the week. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind Deshi 71; Punjab *Deshi* 65; 4F Punjab Roller 70; S.G. 82; LSS Punjab Roller 84; S.G. 88; NT Roller 87; S.G. 90; S89F Punjab Roller 93.50; S.G. 99.50.

Barring the July delivery of both American and American type contracts, which ruled steady, cotton futures in Liverpool drifted downward during the week. Scarcity of tenders accounted for the steadiness of the July contract while lack of buyers and lower advices from New York prompted selling in the more forward positions. Sudan cotton contracts were quite and nominally unchanged. The following are the latest available quotations—in pence per lb.— from Liverpool:

American cotton one inch staple contract: July 23.80; October 23.55; December 23.50.

American cotton mixed growth contract: July 24.20; October 23.80; December 23.85.

Sudan: July, September, November 29.50.

Easy conditions prevailed in the New York cotton futures market. Bearish crop news and continued slackness of export demand induced selling, which led to a decline in values. Spot prices too tended to look down, thanks to reduced demand from domestic mills.

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

(In cents per lb.)

	17-7-62	10-7-62	3-7-62
New York Spot	36.05	36.15	36.15
July	—	33.50	33.71
October	33.69	34.01	34.09
December	33.83	34.13	34.09

COTTON YARN—CEILINGS FOR OVER 40s

(From Our Own Correspondent)

BOMBAY, 18*th July*

Cotton yarns of over 40 counts will be brought under the purview of the Indian Cotton Mills Federation's Price Regulation Scheme with effect from the 1st of next month. The decision to this effect was taken by the Committee of the Federation at its meeting held in the City on Monday the 16th inst. At present, only yarns up to 40 counts are covered. The following are the ex-mill net prices fixed for hank yarn of counts above 40s:

(In Rs. per bundle of 10 lbs.)

60s: Indian carded 47; Indian combed 52; American carded 50.50; American combed 55.50; African carded 52.50; African combed 57.50.

80s: Egyptian/Sudanese carded 72.85; Egyptian/Sudanese combed 78.85.

100s: Carded 87.75; combed 93.75.

In respect of existing contracts, the price to be charged for deliveries from 1st August will be the contract price or the new price whichever is lower.

Prices for intermediate counts are to be worked out as follows (per count—per bundle):

Counts

41-43: add 60 nP to the price of 40s.
44-59: deduct 50 nP from the price of 60s.
61-69: add 60 nP to the price of 60s.
70-79: deduct 60 nP from the price of 80s.
81-99: add 70 nP to the price of 80s.

The differentials to be added for cone yarn and double yarn are given below:

Counts	*Cone yarn*	*Double yarn*
41-50	3.80	5.10
51-60	4.40	5.70
61-80	5.00	6.90
81-90	5.40	7.50
91-100	5.80	8.20

For mixed yarns, the prices will be calculated as follows:

For 25 per cent to 49 per cent of foreign cotton mixture: Add to price of yarn from Indian cotton 25 per cent of difference in price between yarn from Indian cotton and that from foreign cotton.

For 50 per cent to 74 per cent of foreign cotton mixture: Add to price of yarn from Indian cotton 50 per cent of difference in price between yarn from Indian cotton and that from foreign cotton.

For 75 per cent to 99 per cent of foreign cotton mixture: Add to price of yarn from Indian cotton 75 per cent of difference in price between yarn from Indian cotton and that from foreign cotton.

Where more than one variety of foreign cotton is used, the yarn price of the lower of the varieties will be taken into account to calculate the prices of yarn.

Since the ex-mill ceiling prices for cotton yarns of 40 counts and above are to come into operation only from the 1st of next month, the announcement did not have any significant effect on cotton yarn prices during the week under review. Only the prices of counts below 40s tended to move up.

Art silk yarns registered a sharp rise on speculative demand immediately after the Government of India's announcement that no licences for import of art silk yarn would be issued to actual users during the current (April 1962-March 1963) licensing period and that the actual user requirements would be met from imports made by the State Trading Corporation from rupee sources under link arrangement. Amilon (20×1) August contract, which had earlier receded from Rs. 4,775 to Rs. 4,650, jumped up to Rs. 4,700 yesterday. Today, however, the contract climbed down to Rs. 4,600 on nervous bull liquidation induced by fears that there might be stiff resistance to high prices by consuming interests. Spot yarns also drifted lower. Even the appreciable rise in exports of rayon fabrics from 2.29 million metres (valued at Rs. 29.28 lakhs) in May to 5.71 million metres (valued at Rs. 72.58 lakhs) in June had no effect. National Rayons 150 Bt. cones 1st grade fell by 54 nP to Rs. 14.34. 120 Bt. cones 1st grade dropped 85 nP to Rs. 16.76.

Imports of art silk yarn into Bombay port during the month of June amounted to 694,973 kg., thus making a total of 46,71,108 kg. for the first six months of this year. Synthetic yarn imports aggregated 311.205 kg., making a total of 14.48.835 kg. Cotton yarn imports for the six months were of the order of 39,952 kg. Exports of cotton yarn during June amounted to 269,708 kg. and those of cotton sewing thread 12,700 kg.

Staple fibre yarns also suffered a distinct setback owing to bull liquidation, while demand from consuming centres was at a low ebb. 40×2 August contract moved down from Rs. 860 to Rs. 824. October contract was dull today at Rs. 844. Spot Centurys declined by 35 nP to Rs. 9.11. Kohinoors fell by 26 nP to Rs. 9.22.

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

	18-7-1962	11-7-1962
	Rs.	Rs.
Art silk yarn—		
20/1 Amilon (100 kg.)—		
August	4,600.00	4,775.00
Nat. Ray. 150 Bt. 1 (per kg.)	14.34	14.98
Nat. Ray. 120 Bt. 1 (per kg.)	16.76	17.51
Staple fibre yarn (40×2)—		
August	824.00	860.00
October	844.00	—
Kohinoor (per kg.)	9.28	9.54
Century	9.11	9.46
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.62	17.50
20s Podar	22.00	21.75
32s Madura	30.00	29.50
40s Madura	35.75	36.50
60s Finlay	72.75	72.50

Note: Quotations for 120 and 150 Japan and Italy are not available since there has been no trading in view of paucity of stocks.

SEEDS FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *18th July*

The oilseeds market ruled firm during the major part of the week under review on heavy speculative support, but suffered a sharp setback today, with futures contracts losing considerable ground. Over the week, futures contracts generally closed lower, while spots were well maintained. Groundnuts put on a distinctly cheerful appearance till yesterday, thanks to reports of oil exports by the State Trading Corporation and relatively small offerings. The sentiment was aided further by the news that the S.T.C. had entered into a barter deal with a European firm for exports of groundnut meal. A sharp reaction, however, set in today following heavy liquidation by Kathiawad interests on bearish crop reports. The possibility of grant of an import quota for 100,000 tons of soyabean oil for use by *vanaspati* manufacturers also unnerved the bulls. There was brisk trading in castorseeds, following steady offtake of castor oil by shippers. Linseed ruled distinctly steady. Cottonseeds were featureless.

The Union Government has decided to extend upto the end of next January, the validity period of the quota of 20,000 tons of H.P.S. groundnut kernels released for export on 5th May last. Exports will be allowed to all permissible destinations excluding Tibet, South Africa and South West Africa by all shippers, including established shippers and co-operative societies against registrations for contracts in the form of cable offer and acceptance on first-come-first-served basis.

A plea for reducing stamp duties on oilseeds in the State has been put forward by the trade. A deputation of the Bombay Oilseeds and Oils Exchange Ltd., led by Mr. Ramdas Kilachand, President of the Exchange, met Mr. S. G. Barve, the State Finance Minister, on Saturday the 14th inst. Referring to the Bill which provides for increase in stamp duties, the deputation urged a reduction in stamp duty as far as oilseeds and oil trade was concerned. It was suggested that, in any case, there should not be any increase in the existing stamp duty rates applicable to oilseeds and oils trade. The Government was requested to have stamp duty for groundnut oil also on unit basis, instead of *ad-valorem* basis as at present The case of jobbers was strongly presented by the deputation. It was stated that the taravaniwala's business in the market should be treated sympathetically and those transactions be totally exempted from the levy of stamp duty. The Finance Minister is said to have promised to consider the points raised by the deputation.

Groundnut July 1962 contract advanced from Rs. 221.75 to Rs. 224.87, before closing at Rs. 219.75. September 1962 contract initially rose from Rs. 222 to Rs. 224.87, but moved down towards the close to Rs. 219.75. January 1963 contract fell gradually from Rs. 220.75 on the opening day (Thursday) to Rs. 216.75. Both July and September 1962 oil contracts, which had remained firm earlier during the week, wound up the week on an easy note at Rs. 18.60, with a net loss of 25 nP each. Khandesh quality, however, was higher by 75 nP to Rs. 47.50. Nizam bold hardened by 25 nP to Rs. 46.75.

Linseed bold ready improved by 38 nP to Rs. 39.75. Linseed oil strengthened by 40 nP to Rs. 16.50. September 1962 contract, however, declined by 6 nP to Rs. 40.50.

Cottonseed September 1962 contract eased by Re. 1.75 to Rs. 105.50 and July contract by 75 nP to Rs. 102. But Berar, white and non-white picked up 25 nP to Rs. 22.25.

Castorseed September 1962 contract firmed up from Rs. 165.37 to Rs. 168.87 before finishing at Rs. 167.87. Madras small gathered a rupee to Rs. 33.50. Oil B.S.S. rose by 55 nP to Rs. 13.80.

The following table shows the closing prices of oilseeds and oils on Wednesday, the 18th July, as compared with those of the two previous weeks:

	18-7-1962	11-7-1962	4-7-1962
	Rs.	Rs.	Rs.
Groundnut			
July 1962	219.75	221.75	218.50
September	219.75	222.00	218.75
Nizam bold	46.75	46.50	45.75
Khandesh quality	47.50	46.75	46.25
Oil ex-mill ready*	19.40	19.35	19.25
Railway receipts*	19.00	19.00	18.85
Oil July 1962	18.60	18.85	18.65
Castorseed			
September 1962	167.87	165.37	164.12
Ready Madras	33.50	32.50	32.00
Ready Kanpur	32.00	31.12	31.00
Oil B.S.S.†	13.80	13.35	13.10
Oil commercial†	12.90	12.45	12.25
Linseed			
September 1962	40.50	40.56	40.25
Bold ready	39.75	39.37	39.25
Oil ready†	16.50	16.10	15.65
Cottonseed July 1962	102.00	102.75	104.75
Niger seed	36.50	35.75	36.00
Kardi seed	27.50	25.75	25.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

METALS STEADIER

(From Our Own Correspondent)

CALCUTTA, *17th July*

Under the influence of keen demand against the background of the recent drastic reduction in import quotas, steadier conditions were in evidence in the local metal market during the week under review. Prices improved further. On the London Metal Exchange, copper was firm and tin recorded a modest gain; but lead and zinc eased. Tin opened at £862 a ton and gradually rose to £872. The improvement was attributed to the belief that the U.S. Government would not disturb the international tin market by too abundant releases at a time from the strategic stockpiles. Various assurances in this regard have now been given on behalf of the U.S. Government, but trade circles regret absence of any specific assurance in regard to the price.

It has now been indicated on behalf of the U.S. Government that it would take about 10 years to complete the proposed releases, amounting to 50,000 tons. This would mean that the yearly releases would not be more than 5,000 tons. In this connection, it should be noted that the world's shortage has been variably estimated at between 5,000 and 15,000 tons a year. The U.S. releases would, therefore, relieve this shortage, and there is hardly any need for the producing countries to increase output. The U.S. Government's strategic stockpiles of tin are now stated to aggregate 348,296 tons. Disclosing this recently, Mr. E. A. McDermott, Director of the Office of Emergency Planning in the U.S.A., was reported to have told the American Tin Trade Association that consultations with foreign Governments were being held on a definite selling programme for the proposed releases, which would be announced within the next few days. During the week, tin was fully steady in Calcutta.

At a time when the existing industries consuming non-ferrous metals are not able to work at full capacity even on the basis of one shift, due to inadequate import of raw materials, it is difficult to see reason in the Government's policy in granting fresh licences for setting up new units. However, the industrial licence granted to a Calcutta firm to set up an extrusion plant at Kotah in Rajasthan is justified. For, that plant's output would include print rolls used in the textile industry, the full requirements of which are now being met by imports. The technical collaborators to this unit will be the New York firm of Revere Copper and Brass Incorporated. The Indian sponsors of the proposed Kotah enterprise has also been allowed to set up a 20,000-ton zinc smelting plant at Alwaye in Kerala; in addition to zinc, the plant will produce cadmium and sulphuric acid. It is pointed out that, if only the existing units were supplied with adequate raw materials, they would be able to increase production and meet India's full requirements of several items of semi-manufactures, such as, brass and copper rods and tubes. The industry is said to be prepared even to work on two shifts.

It has been in the fitness of things that the National Productivity Council on Non-ferrous Metal Industry has been told by its seven-member study team that there was considerable scope for the expansion of production of primary non-ferrous metals and also for processing secondary alloys based on optimum utilisation of indigenous resources through the adoption of latest production techniques and introduction of up-to-date research and development themes. It is recognised that, although India can increase the production of zinc and lead, the scope for increasing copper output is limited. There is absolutely no possibility of mining tin in India. If the industry producing non-ferrous semis is to expand, it goes without saying that the country should allot to it sufficient foreign exchange for the import of copper and tin.

In London, copper was firm at £234 a ton. The firmness was attributed to the cut-back in production in Rhodesia and expectations of good demand from Europe. In Calcutta, copper scrap supplies were acute. Virgin lead was a few points higher at Rs. 155.50 per 100 kgs. following keen demand. Zinc also was fully firm. In London, zinc opened at £66¼ a ton and eased to £65⅝. Lead, at one time, was as low as £53⅜ a ton, after opening at £54¼; however, towards the close, it recovered the loss.

TEA BOOKINGS INCREASE

(From Our Own Correspondent)

CALCUTTA, *17th July*

Tea bookings here were heavy during the week under review. Inquiries for space for the U.K. were particularly large, due to the accumulated demand during the period, as no auctions were held recently. Stocks in the U.K. declined by about 3 million lbs. to 117.8 million lbs. during the week ended 6th inst. Shipping agents in Cochin, it was noted, were finding it difficult to provide space for tea to the extent required by shippers. As a result, consignments had accumulated in warehouses. This accumulation is indeed causing problems to traders at the South Indian port, and no tender two auctions scheduled later this month have been postponed.

Current indications are that the conditions in the tea industry this year would not be the same as last year. With the recent increase in wages for workers in Dooars, Darjeeling and Assam gardens, cost of production would show an increase. The Government of India's acceptance of the Wage Board's recommendations for interim wage increases was announced during the week. According to these recommendations, male, female and child workers in tea gardens in West Bengal and Assam, excepting the Cachar District and the Darjeeling Hills, would get an interim increase of 8 nP, 7 nP and 4 nP per day, respectively, as from 27th June 1962; in Darjeeling, the increases are 9 nP, 7 nP and 4 nP, respectively. Monthly-rated workers in the group belonging to clerical, educational, medical and supervisory staff in Assam and West Bengal gardens, inclusive of all areas, would get each Rs. 10 a month and others Rs. 6 per head per month. With these increases in the wage bills of employers, and the recently increased railway freight rates coupled with the levy of excise duty on aluminium foils and plywood, cost of production is bound to increase.

On the other hand, the trade does not anticipate that prices for tea would be higher than last year. This would mean a lowering of the profit-margin even in respect of gardens producing superior grades only. Production in North-east India, up to the end of June, totalled 119.3 million lbs., showing a small rise of 1.2 million lbs. As the weather continues to be good, the slow rate of increase in production is likely to be maintained in the coming months. However, the increase for the year as a whole would not be by sufficiently large as to improve the profit-margin. Prices of common teas realised in auctions so far have been unsatisfactory, and this is reflected in the poor interest being displayed in shares of the gardens producing only inferior varieties. Although the monsoon has started late in South India, and the earlier drought caused some damage to plants, it is likely that production there would be higher than last year.

The need for gardens in India to devote more attention to improving the quality is never greater today than before. The F.A.O. has already put forward its belief that tea would become surplus within a few years. That this warning is based on a realistic analysis of current trends would be evident when it is known that all the producing countries are vying with one another to increase production and expand export markets. Also, several countries have started tea cultivation. The problem of surplus can be got over only with quality production. This need has been brought to the attention of the gardens by the Government on several occasions. The industry has replied that its cost of production has increased, and the frequent increase in taxation and labour charges make the position only even worse. Its earnest plea has been to relate the present plethora of taxes to its ability to pay. Time and again, cancellation of the export duty has been demanded, but the Government has been averse to any such measure.

Producers of common teas, especially the smaller gardens, have renewed their plea for excise duty concession. Despite repeated representations by the industry, the case for amalgamating State and Central taxes has not so far been sympathetically heard. If only this is done, not only cost of collection can be reduced, but the industry can be spared the cumbersome procedures now necessary at the edict of the tax collecting officers of the State as well as the Central Governments. Another complaint of the gardens relate to lack of provision of foreign exchange for importing machinery used in tea factories. The inadequate allotment of fertilisers is yet another grievance. The industry fully agrees with the Government that quality should be improved and, unless this is done, exports from India may not increase commensurate with the rise in world consumption. It is high time the tea industry's grievance that it is not afforded necessary facilities to improve quality received greater attention of New Delhi than hitherto.

Dusts on offer during last week's sales for internal consumption totalled 16,242 packages, demand for which was selective. Keen competition was offered to C.T.Cs, prices of which, particularly of the small powdery types and the bright liquorings, advanced. Legg-cut teas were irregular. Thus, while the poorer kinds belonging to this category eased by 20 nP, clean teas, possessing bright liquors, were fully steady. Plain orthodox teas eased. The quotations per one kg. (in rupees), inclusive of excise duty were: Good Assam C.T.C. dust 6.60 to 7.10, medium Assam C.T.C. dust 5.80 to 6.30, legg-cut dust 4.00 to 4.50 and plain orthodox dust 3.60 to 3.90.

The best flavoury teas among Darjeelings were one of the strongest features during yesterday's export sales, when offerings totalled 28,113 packages. Generally, there was strong demand, and competition for some of the finer varieties was in evidence. Among C.T.Cs, brighter liquoring kinds added attractive gains above invoices, while plainer teas tended to be easy. Tippy teas were firm at valuations, the tippiest sorts realising good prices. The brighter liquoring orthodox teas met with good demand, but plainer varieties eased. Legg-cut teas were well supported. Among whole-leaf grades, there was good demand for cheaper varieties, but the stylish O.Ps met with less demand. The quotations per one kg. (in rupees) inclusive of excise duty were: Best Assam C.T.C. fannings 7 to 8, best Assam C.T.C. B.P. 7 to 8, medium Assam C.T.C. fannings 5.80 to 6.20, medium Assam C.T.C. B.P. 6 to 6.30, plain fannings 4.00 to 4.30, clean plain pekoe 4.60 to 4.80 and plain B.P. 4 to 4.20.

JUTE GOODS EASIER

(From Our Own Correspondent)

CALCUTTA, *17th July*

Following reluctance of overseas buyers to place orders at prices which had risen in the last couple of weeks as a result of renewed interest on their part, easier conditions were in evidence in the jute goods market during the week under review. These affected fibre prices also, but another contributory cause for the fractional recession in fibre prices was the commencement of new crop movements, albeit in small lots, and the anxiety of stockists of old fibre to exhaust their holdings as reflected in the increased number of offerings later in the week. The official indication that every attempt would be made to spare the jute mills from any general reduction in power supply was hailed with enthusiasm which encouraged overseas buyers to go slow with their purchasing programme. At the same time, at its recent meeting, the Electric Supply Control Advisory Committee reviewed the power situation and postponed consideration of the proposal to cut supply by 15 per cent generally. In the meantime, the Committee hoped that all concerned would follow the measures already in force. These measures include the shifting of the weekly off-day on Sunday in several factories to some other day of the week as fixed by the Calcutta Electric Supply Corporation. Note was also taken of the New Delhi report that the question of allowing private consumers to install their own generators, provided they were able to find their own foreign exchange, was under consideration.

That demand for goods in the month of June was running at a high level was evident from the fact that stocks of goods with mills at the end of the month declined by 3,800 tonnes to 80,300 tonnes. Production in the month fell by 1,900 tonnes to 97,800 tonnes and, therefore, the total availability was 181,900 tonnes. Deducting the stock figure at the end of June, the resulting figure of 101,600 should be considered as aggregating demand. This indicates that, despite increased production, demand exceeded supply. As such, it is not surprising that the Indian Jute Mills Association has now decided that the high level of production should be continued in August also. This decision is, of course, subject to the availability of electric power. According to the figures compiled from shipping bills by the customs authorities, actual shipments in June rose to 95,000 tonnes from 77,700 tonnes in May 1962. In April 1962, shipments totalled 60,600 tonnes only. It is estimated that on an average purchases on internal consumption accounts should total 20,000 tonnes a month. The total offtake in June should, therefore, have amounted to 115,000 tonnes whereas according to the stock returns and production figures of mills, this should have been only 101,600 tonnes, i.e. lower by 13,400 tonnes. Since customs figures are prepared from actual shipping bills, more importance should be attached to these figures. As such, the view that returns of mills disclose an exaggerated view of the stock position follows; and this is all the greater reason why mills should continue to produce the maximum amount of goods, and the authorities should assist the mills in all possible ways.

The insistence by the customs authorities to calculate the value of goods to be shipped according to the ruling prices on the day of shipment has come in for severe criticism by the trade. Shipments do not take place on the day on which a contract is made. Several days will elapse between contract and shipment. In the interval, it is natural that prices may either decline or rise; they can also remain static, but dynamism is the general rule. Fluctuations in prices of jute goods are often wide, and it is the freedom of the shipper to offer his wares at a substantial discount if only with a view to getting the order for him. His stocks may have been purchased at a time when prices were lower. Although, according to current market prices, he may be offering the advantage of substantial discount to his foreign client, it is easy to see that the former does not incur any loss. Considering all factors, the trade fails to see why the customs authorities cannot accept the contract rates. It is pointed out that, for clearance by excise authorities, the ruling prices in the market are the basis for calculating excise duties; however, in regard to certain products, they have ruled to accept the contract rates, which, too, can easily be verified. A suggestion that, in order to remove the difficulties felt in this regard, all export contracts should be registered with the customs authorities as and when they are made, has been offered. This is a really a workable method to get out of the difficulty. If, thus, the customs authorities are agreeable to this method, it is not seen why the shipper's declaration of the contract rates cannot be accepted. For this would save much clerical work entailed in the registration of export contracts. In case there is much variation between ruling rates and contract prices, the customs authorities can call for the original copy of the contract and, if necessary, can also enter into correspondence with the foreign buyer after permitting the shipment. This would prevent delays in shipment of goods.

The stupendous task of preventing violent fluctuations in prices is rightly engaging the attention of the Forward Markets Commission. The Commission is understood to be examining a proposal to limit the fluctuations to Rs. 3 in the case of sacking and to Rs. 2 in respect of hessian in any one week. If these limits are exceeded in any week, no more trading would be permitted. If this proposal is accepted, it is easy to see that much harm would be done to the export trade. For, if in a week, as a result of keen demand, prices rise and cross the limits, the sellers would not be able to make any more offers. The experience of recent weeks shows that these limits are too low. As such, it is to be hoped that the F.M.C. would not adopt this proposal, as, otherwise, business would be hampered. At the same time, the trade also strongly feels that violent fluctuations should be avoided in the long-term interests of the industry. Another suggestion pertains to the levy of a tax on August futures and transferable specific delivery contracts. A third suggestion is the fixing of maximum prices for both these contracts. It is seen that implementation of any of these palliatives would bristle with difficulties; but yet it is recognised that some measure is necessary. Possibly, a beginning can be made by fixing maximum prices which can be reviewed as often as necessary.

News of worsening flood situation in Assam has caused anxiety. The anxiety is all the greater, since flooding has occurred in the jute-growing areas where quality fibre is grown. Already, fibre fit for manufacture of hessian and specialities is in short supply. If, as a result of floods, the crop, which is estimated to be lower than last year, is affected, the country would be forced to import the superior fibre from Pakistan. During the week, the new crop started moving in small quantities in Northern Bengal and Assam. This led to an increase in the offers of old fibre. Mills were hesitant to enter into commitments, as they have already in stock enough of the inferior fibre. As a result, new crop Assam bottoms fell from Rs. 33.50 to Rs. 32, daissee bottoms from Rs. 36 to Rs. 35, and northern bottoms from Rs. 33 to Rs. 32. During the week, the Government of India announced extension of the last date for completion of fibre export quota of 200,000 bales up to the end of August. This extension is a recognition of the fact that there is no ready market overseas for such inferior varieties as India can afford to export at ruling prices.

In the goods market, on Tuesday last, there was only little genuine interest. As a result, prices fluctuated narrowly. However, covering business and activity in the futures market was keen. Ready B. twills rose from Rs. 132.75 to Rs. 133. Hessian 40″ 10 oz. was steady at Rs. 59.75. The announcement by mills to continue the maximum level of production in August was hailed by buyers. Argentina continued to keep out of the market during the week on hopes that prices would come down. Small purchases on behalf of the United Kingdom were reported throughout the week. The report that the U.S. Government had placed a large order for sandbags with U.S. bag manufacturers was noted with satisfaction. It was expected that this would stimulate U.S. demand on Calcutta, though one explanation could be found for the comparative low level of U.S. interest in the week, namely, that American buyers were awaiting a decline in prices before entering the market. The disappointment caused by the absence of lively U.S. interest was reflected in hessian 40″ 10 oz. falling to Rs. 58.75 on Wednesday last. There was selling pressure in the futures market, where B. twills fell by Rs. 2. This was reflected in ready B. twills easing to Rs. 131.25. On Thursday, selling pressure in futures trading continued to depress quotations. Ready B. twills were pushed down to Rs. 130.75 and hessian 40″ 10 oz. to Rs. 58.25. At this stage, weak holders became nervous and in the liquidation that followed ready B. twills eased to Rs. 129.50 and hessian 40″ 10 oz. to Rs. 58 on Friday. Over the week-end, there were further losses, the quotations standing at Rs. 129 and Rs. 58, respectively. There was disappointment yesterday when the Government of India's purchases fell considerably less than earlier rumours of a tender. B. twills eased to Rs. 128.50. Ready hessian 40″ 10 oz. gave way in sympathy to Rs. 57.50.

POOR TURNOVER IN KIPS

(From Our Own Correspondent)

MADRAS, *16th July*

Arrivals of E.I. tanned hides and calf were of the usual volume and the clearance by shippers was staggered in the local market this week. Inland demand was poor. Export business was selective, with emphasis on lightweight cowhides, lower grade kips, and cowcalf. Demand for buffhides and calf was negligible. Stocks of buffcalf was small, but that of buffhides was accumulating. Cowcalf was in good request, but high prices quoted by shippers restricted business, although the stock available was meagre.

In the tanned skins section, demand for middle class sheep skins continued steady, while better tannages remained neglected. As regards goat skins, there was a moderately good call probably because the dressers considered current prices economical. Tanners quoted almost the same prices for the regular lines on expectations of a revival of steady business with the Continent.

In the German tanned skins public sales held last week, only 20 per cent of the goat skins and 10 per cent of the sheep offered found buyers. Prices realised were fairly satisfactory. It is likely that the consigners will have to suffer considerable loss by the time their consignments get cleared.

The prices quoted for the market lots were more or less unchanged, but the undertone was weak.

Notices

PHILLIPS CARBON BLACK LIMITED

Registered Office:

31, Netaji Subhas Road, CALCUTTA

ISSUE OF RIGHT SHARES

SHAREHOLDERS ARE HEREBY INFORMED that in accordance with the resolution passed by the Board of Directors of the Company on 10th July, 1962, 3,12,500 new Equity shares of Rs. 10 each will be issued at a premium of Rs. 3 per share and such shares will be offered to those members of the Company whose names appear on the Company's Share Register on 16th August, 1962 in the proportion of one new Equity share of Rs. 10 for every four existing Equity shares then held by such members.

The Register of members and Share Transfer Books of the Company will be closed from 30th July to 16th August, 1962, both days inclusive.

By Order of the Board,
DUNCAN BROTHERS & CO., LD.,
Secretaries and Treasurers.

11*th July*, 1962.

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

ISSUE OF 2,86,300 ORDINARY (EQUITY) Shares of Rs. 10 each at par. Transfer Books of the company will be closed from 16th to 22nd August, 1962 both days inclusive, in connection with the issue of new shares as mentioned above.

By Order of the Board,
For N. C. JAVERI & Co.,
N. C. JAVERI,
Partner,
Managing Agents.

Registered Office:
17-B, HORNIMAN CIRCLE,
FORT, BOMBAY.

BOMBAY, 18*th July*, 1962.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 13th July 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	53,26,83,000
(ii) State Governments	17,46,47,000
(b) Banks—	
(i) Scheduled Banks	88,51,86,000
(ii) State Co-operative Banks	1,97,38,000
(iii) Other Banks	2,17,000
(c) Others	192,22,37,000
Bills Payable	33,08,85,000
Other Liabilities	17,98,72,000
Rupees	557,54,65,000

ASSETS	Rs.
Notes	14,14,86,000
Rupee Coin	1,58,000
Small Coin	3,34,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,45,000
(ii) State Co-operative Banks	11,94,87,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,70,16,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	74,69,38,000
Balances Held Abroad*	5,36,90,000
Loans and Advances to Governments†	14,13,65,000
Loans and Advances to—	
(i) Scheduled Banks‡	2,25,40,000
(ii) State Co-operative Banks§	117,94,68,000
(iii) Others	92,57,000
Investments	249,58,43,000
Other Assets	39,75,38,000
Rupees	557,54,65,000

* Includes Cash and Short-term Securities.
† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.
‡ Includes Rs. 37,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,14,86,000	
Notes in circulation	2090,31,70,000	
Total Notes issued		2104,46,56,000
Total Liabilities		2104,46,56,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	91,09,17,000	
Total		208,85,27,000
Rupee Coin		115,60,53,000
Government of India Rupee Securities		1780,00,76,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2104,46,56,000

State Bank of Pakistan

Statement of Affairs for the week ended 29th June, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	21,07,78,000
(b) Provincial Governments	4,87,44,000
(c) Banks	23,04,91,000
(d) Others	98,94,19,000
Bills Payable	25,61,000
Other Liabilities	22,23,64,000
Rupees	180,08,57,000

ASSETS	Rs.
Notes	14,80,88,000
Rupee Coin	19,000
Subsidiary Coin	39,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan	29,52,78,000
Loans and Advances to Governments	9,59,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	44,51,32,000
Investments	69,00,63,000
Other Assets	12,63,38,000
Rupees	180,08,57,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,80,88,000	
Notes in circulation	364,50,86,000	
Total Notes issued		379,31,74,000
Total Liabilities	....	379,31,74,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	65,97,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	133,99,64,000
B. Rupee Coin	4,04,86,000	
Government of Pakistan Securities	235,37,18,000	
Internal bills of exchange and other commercial paper	....	239,42,04,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	379,31,74,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 36.80 per cent.

State Bank of India

Statement of Affairs for the week ended 6th July, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		572,19,91,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		10,79,92,000
Bills for Collection being Bills receivable as per contra		2,41,80,000
Acceptances, Endorsements and Other Obligations per contra		7,68,03,000
Other Liabilities (including Inter-Office Adjustments)		10,86,65,000
Total .. Rs.		617,95,81,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,47,91,000
Balances with other Banks		4,55,94,000
Money at Call and Short Notice		2,80,00,000
INVESTMENTS—		
Government and other Trustee Securities	228,51,36,000	
Other Authorised Investments	8,83,31,000	237,34,67,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	273,54,24,000	
Bills Discounted and Purchased	16,56,91,000	290,11,15,000
Bills Receivable being Bills for Collection as per contra		2,41,80,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,68 03,000
Premises less Depreciation		1,93,08,000
Furniture and Fixtures less Depreciation		1,55,17,000
Other Assets (including Inter-Office Adjustments)		47,08,06,000
Total .. Rs.		617,95,81,000

EXCHANGE RATES

	18th July 1962	11th July 1962
London on New York S. per Dollar	2.8073-2.8076	2.8052-2.8054
New York on London Cents per £	280.740-280.770	280.490-280.520
London on Paris .. Fcs.	13.7550-13.7570	13.7450-13.7470
London on Berne .. Sw. Fcs.	12.1140-12.1160	12.1040-12.1060
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	476.75	477.00
Buyers T.T. Rs. to $ 100	473.50	473.75
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	444.25	444.25
Buyers T.T. .. "	436.25	436.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.60
Buyers T.T. .. "	103.70	103.60
Swiss Francs—		
Sellers T.T. D.D... "	90.40	90.30
Buyers T.T. .. "	91.40	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.40	83.40
Buyers T.T. .. "	84.30	84.30
Italian Lire—		
Sellers T.T. D.D... "	12,980	12,970
Buyers T.T. .. "	13,150	13,145
Swedish Kroner—		
Sellers T.T. D.D... "	107.80	107 70
Buyers T.T. .. "	108.90	108 80
Belgian Francs—		
Sellers T.T. D.D... "	1,039	1,038
Buyers T.T. .. "	1,055	1,055
Dutch Guilders—		
Sellers T.T. D.D... "	75.20	75.20
Buyers T.T. .. "	76.10	76.00
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.70
Buyers T.T. .. "	151.00	151.10
Danish Kroner—		
Sellers T.T. D.D... "	144.60	144.60
Buyers T.T. .. "	146.00	146.00

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 6-7-62	29-6-62	7-7-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	52,25	56,47	50,29
(ii) From others	775,80	779,70	721,04
(b) Borrowings from banks	19,09	24,21	26,98
(c) Others	56,95	58,17	53,65
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	27,41	24,89	21,53
(ii) From others	1,239,37	1,231,96	1,056,17
(b) Borrowings from banks	17,48	16,73	20,38
(c) Others	10,37	10,73	23,46
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,015,17	2,011,66	1,777,21
4. Borrowings from Reserve Bank	1,48	1,57	9,45
(a) Against usance bills and/or promissory notes	90	90	6,54
(b) Others	58	67	2,91
5. Borrowings from State Bank and/or a notified Bank	16,96	16,34	12,47
6. Cash	54,66	56,84	46,91
7. Balances with Reserve Bank	108,52	91,40	87,00
8. Cash and balances with Reserve Bank	163,18	148,24	133,91
9. 8 as per cent of 3	8.10	7.37	7.53
10. Balance with other banks in current account	19,33	24,21	16,33
11. Money at call and short notice	47,33	50,67	49,36
12. Investments in Government securities	598,72	607,07	547,73
13. 12 as per cent of 3	29.71	30.18	30.82
14. Advances—			
(a) Loans, cash credits and overdrafts	1,245,15	1,248,28	1,105,93
(b) Due from banks	7,12	5.18	4,43
15. Inland bills purchased and discounted	130,15	128,77	118,50
16. Foreign bills purchased and discounted	42,36	42,29	43,62
17. Total Bank Credit [14 (a)+15+16]	1,417,67	1,419,34	1,269,05
18. 17 as per cent of 3	70.35	70,56	71.41

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 7th July 1962	30th June 1962	9th June 1962	8th July 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.7	101.0
2. Government of India	100.5	100 6	100.5	100.9
3. State Government	102.1	102.0	102.0	102.1
4. Municipal, Port Trust, etc.	99.2	99.2	99.2	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.1	99.9	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.6	81.9	83.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	185.6	188.3	190.7	183.8
8. *Agriculture and Allied Activities : Total**	158.1	159.6	162.6	170.5
9. Tea Plantations	150.1	151.3	154.5	165.2
10. Coffee Plantations	151.2	151.3	156.5	180.1
11. Rubber Plantations	167.5	170.1	169.5	173.1
12. *Mining and Quarrying : Total*	161.2	163.5	166.3	166.6
13. Coal	126.8	128.1	132.4	131.9
14. Other Mining	184.8	187.9	189.5	190.5
15. *Processing and Manufacturing : Total*	202.3	205.7	207.9	199.2
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	209.3	212.3	215.3	204.9
17. Sugar	137.7	138.4	137.9	161.8
18. Cotton Textiles	182.4	185.3	190.1	174.0
19. Jute Textiles	103.0	103.7	103 9	87.8
20. Silk and Woollen	1,228.2	1,249.9	1,230.7	1,236.5
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	206.7	209.7	210.9	211.0
22. Iron and Steel	162.6	164.1	164.1	179.2
23. Transport Equipment	386.1	392 2	389.6	420.8
24. Electrical Machinery	182.0	187.2	182.9	167.5
25. Machinery other than Transport and Electrical	237.5	243.2	249.2	216.6
26. Basic Industrial Chemicals	195.4	198.7	198.8	217.2
27. *Processing and Mfg. (Others): Total**	172.8	177.8	179.9	159.6
28. Cement	159.6	164.9	167.1	142.5
29. Paper	223.5	229.9	231.4	209.1
30. *Other Industries : Total**	112.5	113.6	115.6	110.2
31. Electricity Generation and Supply	86.2	86.2	86 3	82.4
32. Trading	122.5	125.2	129.2	126.3
33. Shipping and Other Transport	91.4	92.6	94.5	100.5
34. Construction	289.3	299.6	320.3	288.3
35. *Financial : Total*	206.8	207.6	212.6	198.8
36. Banks	230.2	230.9	236.7	222.9
37. Insurance	170.4	171.3	171.7	155.4
38. Investment Trusts	88.2	89.2	90.3	89.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	193.2	196.7	198.0	192.8
40. Calcutta	172.1	174.1	177.8	168 0
41. Madras	193.7	195.3	197.4	195.8
42. Delhi	240.7	244.6	248.2	247.4

* Including ' Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	16th June 1962	9th June 1962	17th June 1961	April 1962	April 1961	Percentage of Increase (+) or Decrease (—) in April 1962 as compared with April 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	124.1	124.6	121.0	120.5	117.6	+ 2.4	120.1	120.0
Cereals	192	105.2	104.7	102.7	102.8	99.3	+ 3.5	102.3	104.4
Pulses	43	101.9	102.2	89.7	93.6R	87.6	+ 6.8	91.9	92.9
Fruits and Vegetables	23	140.9	141.1	126.0	140.0	116.3	+20.7	137.6	118.5
Milk and Ghee	84	123.1	123.1	113.0	123.7	116.4	+ 6.3	116.4	116.0
Edible Oils	47	152.1	152.2	164.2	150.9	161.2	— 6.4	156.5	150.3R
Fish, Eggs and Meat	17	138.2	142.9R	126.4	137.2R	125.1	+ 9.7	135.4	123.5
Sugar and Gur	48	134.6	134.2	126.5	124.8	118.5	+ 5.3	119.6	132.8
Others	50	168.5	173.1*	181.2	158.7	171.1	— 7.2	171.6	167.8
Liquor and Tobacco	21	98.7	99.3	99.5	98.8	112.0	—11.8	100.3	109.9R
Tobacco	..	95.1	95.8	96.0	95.2	109.2	—12.8	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.2	122.2R	123.3	122.4	121.5	+ 0.7	122.1	120.0R
Industrial Raw Materials	155	135.9	136.0R	148.2	135.1	153.1	—11.8	142.6	145.4
Fibres	61	127.3*	127.6	146.9	126.0	164.7	—23.4	138.3	151.6
Oilseeds	60	150.8	150.8R	163.0	149.9	157.0	— 4.6	156.4	149.9
Minerals	2	93.8*	93.8*	95.2	94.5	95.2	— 0.7	94.9	97.4
Others	32	127.0*	126.9R	126.6*	127.3	127.0	+ 0.2	128.1	128.0
Manufacture	290	128.8	128.4R	126.1	126.8	127.5	— 0.5	126.6	123.9
Intermediate Products	41	139.7	139.5R	141.0	136.9R	136.0	+ 0.7	138.8	130.6R
Finished Products	249	127.0	126.5	123.6	125.2	126.1	— 0.7	124.6	122.8
Textiles	147	126.9	126.3	125.0	125.1	129.8	— 3.6	125.5	125.8
Cotton	..	129.6*	129.5*	127.4	128.4	127.7	+ 0.5	127.9	128.1
Jute	..	118.5	116.1	122.7	115.0	142.2	—19.1	122.4	131.4
Woollen	..	127.5*	127.5*	123.7*	128.1	116.6	+ 9.8	122.7	109.1
Silk and Rayon	..	130.9*	130.9*	116.5*	128.6	116.8	+10.1	119.9	104.4
Metal Products	12	158.6	158.6	161.6	152.0	151.4	— 0.4	151.6	147.9R
Chemicals	20	113.5	112.5	109.3	112.5R	106.3	+ 5.8	110.7	104.4
Oil Cakes	10	154.8	153.3	143.7	150.6	143.6	+ 4.9	147.5	141.3
Machinery and Transport Equipment	31	117.6	117.6R	112.8	117.5	112.6	+ 4.4	114.5	111.9
Others	30	124.7	125.2	120.3	123.3	118.9	+ 3.7	121.3	116.1R
All Commodities	1,100	126.8	126.9R	126.3	124.2	126.0	— 1.4	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	12,850†	13,170††	10,818†	10,251††
Jowar	final	17,041†	17,061††	9,231†	8,132††
Bajra	final	11,357†	10,826††	3,184†	3,575††
Barley	final	3,204†	3,377††	2,778†	2,717††
Maize	final	4,354†	4,333††	3,978†	4,070††
Ragi	final	2,331†	2,414††	1,666†	1,934††
Small millets	final	4,956†	5,026††	1,980†	2,062††
Total cereals	final	89,818†	89,728††	67,874†	64,199††
Pulses—					
Gram	final	9,503†	10,268††	6,306†	5,590††
Tur	final	2,359†	2,383††	2,077†	1,694††
Other Kharif pulses§	final	6,051†	6,390††	1,478†	1,556††
Rabi pulses‡	final	5,424†	5,297††	2,805†	2,879††
Total pulses	final	23,337†	24,338††	12,666†	11,719††
Total foodgrains..		113,155†	114,066††	80,540†	75,918††
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	459†	473††	100†	108††
Sesamum	final	1,966†	2,195††	293†	365††
Rape and Mustard	final	2,940†	2,894††	1,402†	1,064††
Linseed	final	1,713†	1,944††	417†	438††
Total oilseeds	final	13,333†	13,521††	6,636†	5,980††
Fibres—					
Cotton*	final	7,678†	7,610††	5,394†	3,678††
Jute A.	final	914	612	6,319	4,104††
Mesta A.	final	281†	285††	1,147†	1,118††
Sannhemp ₰	final	320†	328††	77†	77††
Other crops—					
Potato	final	358†	357††	2,699†	2,766††
Sugarcane@	final	2,321†	2,112††	86,406†	76,404††
Ginger (Dry)	final	18†	17††	17†	15††
Pepper (Black)	final	95†	95††	27†	27††
Chillies (Dry)	final	604†	596††	369†	342††
Tobacco	final	392†	370††	299†	285††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In terms of lint cotton and in thousand bales of 177.8 Kgs. each.
‡ Excluding Gram and Tur. A.—In thousand bales of 181.4 Kgms each. ₰ Relates to fibre crop only.
@ Yield in terms of cane. † Relates to 1960-61.
†† Relates to 1959-60.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1962	96.3
	Corresponding month, 1961	66.2
	Twelve months ended June, 1962	1,052.2
	Corresponding period, 1961	1,006.3
Stocks	At the end of June, 1962	79.1
	Corresponding month, 1961	76.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July 1961 to May, 1962	679.9
	May, 1962	65.1
	May, 1961	52.9
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July 1961 to May, 1962	263.7
	May, 1962	23.5
	May, 1961	23.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	June, 1962	559
	Corresponding month, 1961	384
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
April 1961	135,700	136,000	106,000
May "	142,000	136,800	105,800
June "	131,800	124,700	101,200
Feb., 1962	139,400	138,300	108,000
Mar., "	156,600	146,900	128,000
April "	144,400	143,600	110,000
May "	146,400	145,600	115,600
June "	139,000	137,900	106,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,499	734,951
April 1961	99,381	69,710	51,144
May "	100,815	70,912	42,165
June "	96,921	74,228	50,089
Feb., 1962	97,258	75,949	53,600
Mar., "	113,176	88,241	86,294
April "	109,726	83,396	47,747
May "	112,269	85,155	68,574
June "	87,639	77,029	56,938

T—Figures in Tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	834	11,176.9	9,011.1
1958 59	313	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
1960-61	1,013	17,037.3	13,831.8
January 1961	1,013	1,482.3	1,216.1
February "	1,013	1,641.3	1,370.0
March "	1,013	1,596.1	1,282.7
April "	1,013	1,556.2	1,288.9
May "	1,013	1,612.8	1,329.1
Jan., 1962	1,013	1,749.0	1,422.5
Feb., "	1,013	1,643.9	1,378.2

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

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
Jan., 1961	8,007	1,313	709	107	40	13	97	12	104	331	45	254	32	66
Feb., "	8,840	1,450	771	117	46	14	108	13	114	364	50	284	32	72
Mar., "	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
Jan., 1962	8,099	1,432	669	94	30	11	97	10	108	333	43	299	33	65
Feb., "	8,947	1,559	738	104	35	13	111	10	18	364	46	330	34	69
Mar., "	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

INDUSTRIAL PRODUCTION*

Industries.	Unit	1959	1960	1961	Oct., 1961	Nov., 1961	Dec., 1961	Dec., 1960
Major Industries—								
Coal	million metric tons	47.80	52.61	56.0	4.29	4.60	4.88	5.10
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,287	2,088‡	381	—	—	330
Yarn	million kgs.	781	788	682	74	72	77	73
Cloth	million metres	4,502	4,616	4,700	389	389	399	412
Cement	thousand metric tons	6,936	7,835	8,230	676	727	736	733
Jute	thousand metric tons	1,068	1,085	971	78	94	98	92
Paper and paper boards	thousand tons	299	345K	363K	32	30	30	30
Matches§	thousand cases	649	661	758	53	62	66	61
Sugar	thousand metric tons	2,117	2,591	2,422†	45	119	—	487
Engineering and Electrical Industries—							34	
Machine tools	Value in lakhs of Rs.	439	601	741	74	84	4.14	65
Electric lamps	millions	34.84	41.39	46.87	3.30	3.94	—	4.04
Dry cells	millions	187.3	207.4	193.5†	14.1	17.7	167	17.2
Power transformers	thousand K.V.A.	1,248	1,116	1,761	155	173	—	138
Electric Motors	thousand H.P.	576	680	751†	69	70	—	68
Electric fans	Nos.	726,000	991,200	970,700†	51,900	80,200	29,798	101,100
Radio receivers	Nos.	213,864	266,700	326,075	25,241	30,932	44,300	29,816
Storage batteries	Nos.	442,800	510,000	570,200	34,400	35,700	—	44,400
Copper conductors	tons	6,624	10,068K	7,000K†	671K	700K	—	1,080
Winding wires	tons	2,832	4,200K	5,149K†	495K	507K	18.08J	381K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	214.47J	18.91J	18.09J		91.77J
Insulators—H.T.	Nos.	982,800	2,317,200K	2,619,000K†	265,000k	251,000K	—	200,000K
Insulators—L.T.	million Nos.	6.25	3,662,400K	4,060,000K†	461,000k	475,000K	—	294,000K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,054†	726	559	—	1,074
Diesel engines—Stationary	Nos.	30,336	41,676	44,430	3,952	3,848		3,829
Chemical Industries—							4,283	
Salt	million metric tons	3.18	3.44	3.47†	0.11	0.04	0.05	0.29
Caustic soda	metric tons	69,876	99,144	119,849	11,104	0,512	10,780	8,861
Soda ash	metric tons	95,328	145,284	176,639	17,063	17,907	14,642	15,439
Chlorine liquid	metric tons	24,780	31,656	33,908	2,977	2,841	2,965	2,812
Bleaching powder	metric tons	5,184	5,928	7,129	738	747	681	642
Bichromates	metric tons	4,404	5,472	5,233	424	429	583	492
Sulphuric acid	metric tons	296,880	359,400	410,389	34,018	32,816	36,631	31,130
Superphosphate	metric tons	251,652	322,464	367,495	28,833	31,007	33,496	26,944
Non-ferrous Metals—							2,063	
Aluminium	metric tons	17,526	18,467	18,360	1,568	1,520	80	1,546
Antimony	tons	664	809	614	90	40	900	68
Copper (virgin metal)	metric tons	7,764	8,992	8,725	582	765	372	750
Lead (virgin metal)	metric tons	3,958	3,778	3,665	285	150	425 Kgs.	436
Gold	ozs.	165,312	4,992Kgs	4,869 Kgs.	397 Kgs.	415 Kgs.	—	427 Kgs.
Miscellaneous (Minor) Industries —							102,323	
Sewing Machines	Nos.	252,612	295,788	286,689†	17,644	26,782	4,535	28,652
Bicycles	Nos.	990,744	1,050,744	1,054,500	77,800	95.578	2.00	101,140
Automobiles	Nos.	36,468	51,660	54,314	3,674	3,239	0.26	5,073
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.27	1.98	3,590	2.27
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.23	0.26		0.25
Cigarettes	million Nos.	32,166	38,334	41,294	3,360	3,407	—	3,578
Plywood—Tea chests	thousand sq. metres	9,167	9,684	8,360†	789	680	—	732
Plywood—Commercial	thousand sq. metres	5,022	5,220	5,768†	590	464	—	594
Sheet glass	thousand sq. ft.	80,563	81,188	67,194†	7,070	5,799	—	7,538
§Woollen manufactures { Worsted Fabrics	thousand metres	13,752	13,980	11,846†	1,231	1,248	—	1,247
§Woollen manufactures { Worsted Yarn	thousand Kgs.	12,960	12,588	13,357†	1.491	1,388		1,011
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.48	0.53	0.70	0.58
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.27	0.30	0.47	0.35
Alcohol—Industrial	million litres	57.84	58.94	82.26†	8.51	8.28	—	8.60
Alcohol—Power Absolute	thousand litres	8.0 M	48.52	53.63	4.78	3.90	4.80	4.01
Railway Wagons	Nos.	10,044	7,320	10,007†	720	875	—	937
General Index—(Base 1951=100 Revised)		151.9	170.3	180.8††	181.0	184.0	—	181.6

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs.—Kilograms. J—In million metres. ‡ Upto October only. M—Million bulk gallons.
† Upto November only. †† Average for eleven months.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Ground-nut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	118	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	122	128	148
April 1961	101	88	110	130	79	216	120	127	114	111	110	243	162	123	141	142	127	147
May "	103	86	109	134	76	198	115	127	116	101	110	245	162	128	141	137	127	147
June "	106	86	113	141	81	206	114	127	122	95	110	208	167	151	141	125	126	147
July "	108	88	118	145	81	220	122	127	122	93	107	215	171	145	141	131	126	147
August "	110	89	113	142	82	218	117	127	123	95	105	180	167	143	141	121	128	147
Sept. "	110	87	107	128	81	190	117	127	122	95	104	155	156	143	141	114	128	147
Oct. "	108	89	110	130	82	205	118	125	118	95	107	150	143	145	141	119	128	147
Nov., "	106	92	108	128	86	180	114	125	118	93	108	149	143	143	141	116	128	147
Dec., "	102	94	109	126	88	164	114	124	109	89	109	145	144	141	141	118	128	147
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February "	102	100	120	131	90	181	119	122	108	94	112	148	149	140	143	113	128	152
March "	103	94	120	126	82	163	120	124	118	95	113	148	149	140	145	117	128	152
April "	106	92	122	123	81	155	127	131	121	94	112	141	149	145	145	115	128	152

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 12th July, 1962*	15,162(J)
	Corresponding week, 1961	35,816(J)
	1st Sept. to 12th July, 1961-62	1,740,387*
	Corresponding period, 1960-61	1,895,234*
Cotton Exports	Week ended 12th July, 1962	6,729
	Corresponding week, 1961	1,312
	1st Sept. to 12th July, 1961-62	333,522
	Corresponding period, 1960-61	304,850
Mill Consumption (Estimated)	1st Sept. to 12th July, 1961-62	1,163,848
	Corresponding period, 1960-61	1,083,444
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 12th July, 1962	567,212
	Corresponding date, 1961	638,532
		In Bales of 392 lbs. nett.
Consumption of Cotton— Indian	January, 1962	401,040
Foreign	January, 1962	90,174
Indian	Five months ended Jan., 1961-62	1,947,509
Foreign	Five months ended Jan., 1961-62	468,967
Indian	Same Period, 1960-61	1,640,193
Foreign	Same Period, 1960-61	544,674
Stocks (Mills and Elsewhere)— Indian	As on 31st Jan., 1962	1,076,491
Foreign	As on 31st Jan., 1962	301,647
Indian	As on 31st Jan., 1961	987,795
Foreign	As on 31st Jan., 1961	327,811

Particulars	From 1st Sept. to 16th July 1961-62 In Bales of 180 Kilograms	From 1st Sept. to 16th July 1960-61 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	3,359	2,672
Continent	23,705	14,937
Hongkong	12,311	14,172
China	—	67
Japan	169,615 A	167,265
U.S.A.	17,899	4,081
Other countries	561	273
Total to all foreign countries	227,450 A	203,467
Coastal Ports	107,828 (a)	102,205 (b)
Total	335,278	305,672

Particulars	Period	Quantity
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During March, 1962	26,934
	During March, 1961	34,120
	1st Sept. to 31st Mar., 1962	139,387
	1st Sept. to 31st Mar., 1961	102,381
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 29th June, 1962	4,211
	Corresponding week, 1961	28,269
	1st Sept. to 29th June, 1961-62	3,181,147
	Corresponding period, 1960-61	3,660,688
Karachi (Pakistan)— Receipts	1st Sept. to 28th June, 1961-62	996,818
	Corresponding period, 1960-61	837,175
Exports	1st Sept. to 28th June, 1961-62	577,823
	Corresponding period, 1960-61	488,717

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to April, 1962.
— Not Received. A-Adjusted.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	March 1962	March 1961	April to March (Twelve months) 1961-62	April to March (Twelve months) 1960-61
Exports	58,23	55,88	656,82	632,42
Re-exports	77	..	5,17	5,57
Total Exports	59,00	55,88	661,99	637,99
Imports	98,05	91,40	1,038,62	1,121,62
Overall Balance of Trade	—39,05	—35,52	—376,63	—483,63
Exports—				
Tea	7,37	6,80	122,40	123,60
Jute yarns and manufactures	20,51	22,22	144,78	135,02
Cotton yarns and manufactures	4,28	4,45	53,31	62,09
Metallic ores and metal scrap	2,94	3,94	36,50	39,16
Cotton, raw and waste	2,19	1,73	20,36	11,56
Oils—vegetable, mineral and animal	65	83	19.99	13,87
Fruits and vegetables	2,40	2,61	25,51	25,98
Tobacco	3,93	4,46	14,96	15,75
Mica	1,02	86	9,66	10,15
Wool and other animal hair	58	75	9,20	7,72
Gums, resins and lac	68	87	6,64	8,61
Spices	2,13	1,78	17,57	16,61
Hides and skins, raw	1,01	89	8,83	10,02
Imports—				
Machinery	25,91	23,37	294,70	260,60
Iron and Steel	9,10	8,46	101,98	122,54
Oils—vegetable, mineral and animal	23,77	3,92	104,18	74,04
Chemicals, drugs and medicines	6,80	5,34	88,80	85,70
Electrical goods and apparatus	3,95	4,74	63,01	57,22
Vehicles (excluding aircraft, ships and boats)	2,60	7,55	42,32	61,57
Cotton, raw and waste	4,15	5,24	62,65	81,77
Fruits and vegetables	1,31	3,21	14,58	20,38
Paper, pasteboard, etc.	1,13	75	15,70	12,10
Dyes and colours	1,03	82	14,47	12,91
Spices	14	11	1,67	1,83
Woollen and worsted fabrics	1	2	16	21
Cotton fabrics	3	4	40	70
Rice	2,26	120	15,04	22,44
Wheat and spelt	1,94	16,80	77,55	153,20

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 „	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 „	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 „	126	431	121	352	102	131	400	148	127	113	106	123	111	150
January 1961	123	419	119	358	100	131	387	146	122	111	103	120	109	148
February „	123	420	119	350	102	130	392	147	123	111	103	119	109	148
March „	124	423	119	349	101	129	395	148	124	111	104	121	109	149
April „	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May „	124	431	119	345	97	130	392	143	126	112	106	120	110	149
June „	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July „	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August „	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. „	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. „	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. „	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. „	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February „	127P	438	119	362	107	131	402	149	129	115	109	127	118P	152
March „	127P	439	121	357	105	131	..	149	129	113	109	127	..	152
April „	127P	439	..	..	..	..	..	..	129	113	111	127	..	..
May „	..	439	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P—Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,80	119,10	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,15	98,99	83,24	221,68	210,40	260,68	19,79	—41,35	50	31	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81.50	82,53	287,30	228,77	297.77	18.36	—42,00	1,70	95	38.80	16,14	37,34	69	3 38	329,98	770,80
1961-62	..	..	..	..	..	..	..	..	..	..	..	27,50	16,79	53,35	49	3,63	..	..
Mar. „	1,24	2,46	81,50	11,17	287,30	32,82	297,77	18,36	—42,00	1,70	95	38,80	1,77	37,34	4	3,38	46,05	770,80
Apr. „	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May „	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June „	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July „	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. „	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. „	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Oct. „	1,02	2,12	72,30	5 30	319,62	17,83	305,79	17,67	—42,28	2,86	1,47	33,28	1,07	48,10	4	3,53	24,51	805,76
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. „	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3.47	1,85	28,14	1,13	52.31	5	3,61	24,71	826,80
Mar. „	..	..	..	..	..	..	..	..	..	..	..	27,50	1,19	53,35	5	3,63	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Jan., 1962 amount to 18.41 crores of rupees

CLEARING HOUSE RETURNS

Centre	Week ended 13th July, 1962 Number of Cheques	Amount Rs.	Week ended 6th July, 1962 Number of Cheques	Amount Rs.
Bombay	4,35,437	117,81,10,000	4,10,000	94,20,00,000
Calcutta	....	....	1,75,000	71,56,00,000
Madras	1,05,289	13,88,94,588	1,01,000	13,94,00,000
New Delhi	58,000	12,56,00,000	54,000	11,93,00,000
Kanpur	24,000	4,55,00,000	20,000	3,99,00,000
Bangalore	37,000	5,37,00,000	33,000	4,49,00,000
Nagpur	10,000	1,34,00,000	10 000	1,49,00,000
All Centres—				
1958-59	..	..	45,284,000	9,774,67,00,000
1959-60	..	..	50,196,000	10,999,00,00,000
1960-61	..	..	54,809,000	12,550,66,00,000
1961-62	..	..	59,946,000	13,602,00,00,000
Jan., 1961	..	..	4,916,000	1,104,98,00,000
Feb., „	..	..	4,462,000	1,027,04,00,000
Mar., „	..	..	4,753,000	1,221,85,00,000
April „	..	..	4,971,000	1,164,75,00,000
Oct., „	..	..	4,870,000	1,047,02,00,000
Nov., „	..	..	4,986,000	1,095,59,00,000
Dec., „	..	..	4,940,000	1,173,93,00,000
Jan., 1962	..	..	5,608,000	1,244,75,00,000
Feb., „	..	..	4,850,000	1,107,18,00,000
Mar., „	..	..	5,533,000	1,331,65,00,000

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	22nd Mar., 1962	4.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.44	3.49
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	June, 1961	5.5	6
Finland	Mar., 1959	6.50	6.75
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	2nd Mar., 1962	5.56	5.34
Italy	7th June, 1958	4	3.50
Japan	29th Sept., 1961	6.90	7.30
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	25th April 1962	3.50	4
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	13th June 1962	4.50	4
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	26th April 1962	5	4.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
24th April	2.00	2.00	2.00	2.580	99.355
25th to 28th April*	0.35	—	0.35	—	99.371
30th April	2.00	2.00	2.00	2.580	99.355
1st to 5th May*	0.15	—	0.15	—	99.371
8th May	2.00	2.00	2.00	2.580	99.355
9th to 12th May*	0.17	—	0.17	—	99.371
14th May	2.00	2.00	2.00	2.590	99.350
15th to 19th May*	0.15	—	0.15	—	99.371
22nd May	2.00	2.00	2.00	2.590	99.350
23rd to 26th May*	0.11	—	0.11	—	99.371
29th May	2.00	2.00	2.00	2.540	99.365
30th May to 2nd June*	4.00	—	4.00	—	99.381
5th June	2.00	4.00	2.00	2.500	99.375
6th to 9th June*	1.30	—	1.30	—	99.391
12th June	2.00	3.25	2.00	2.510	99.370
13th to 16th June*	0.48	—	0.48	—	99.391
19th June	2.00	2.00	2.00	2.510	99.370
20th to 23rd June*	6.36	—	6.36	—	99.391
26th June	2.00	4.25	2.00	2.400	99.400
27th to 29th June*	7.10	—	7.10	—	99.416
3rd July	2.00	4.10	2.00	2.371	99.450
4th to 7th July*	0.57	—	0.57	—	99.421
9th to 14th July*	0.10	—	0.10	—	99.421
17th July	2.00	2.00	2.00	2.390	99.400
Total amount outstanding	44.84	..	44.84	..	..

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.85
3 % Loan	1950	80,33,10,000	1964	96.85
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96.45
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89.40
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	99.50
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.65
3½% N. P. Bonds	1956	1,03,81,83,000	1967	98.75
3½% Loan	1956	86,68,53,000	1974	99.15
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	99.50
4 % Loan	1957	49,17,27,000	1972	99.20
3½% Loan	1958	58,05,92,000	1963	99.95
3½% Loan	1958	70,00,00,000	1968	98.10
3½% Loan N.P.B.	1958	64,33,90,000	1968	99.20
4 % Loan	1958	49,51,44,000	1973	99.20
3½% Loan	1959	1,47,90,93,000	1969	98.00
4 % Loan	1959	81,06,39,000	1979	99.00
4 % Loan	1960	98,03,46,000	1980	99.00
3½% Bonds	1960	82,65,41,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	99.00
4½% Loan	1962	84,03,00,000	1985	100.00
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	70.25
3 % Loan	1946	2,48,91,33,000	K.	69.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	98.25
3 % Maharastra	1949	5,20,97,000	1st Aug. 1962	99.70
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	100.25
4½% Maharastra	1958	6,48,62,000	15th July 1970	100.25
4½% Maharastra	1958	4,31,45,000	15th July 1971	100.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,36,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.35
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.75
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.35
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.85
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.45
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	99.85
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.25
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.50
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.35
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	98 25
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	98.00
2½% U.P.Z.A.	1952	44,36,96,000	..	44.25Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71.000	1st Sept. 1967	98.50
4 % U.P	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	} 96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	} D
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	92.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	82.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
50,00,000	4	1952	1962	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	98.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
£885,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000†f	3	1947	1977	} A
3,00,000†f	3	1949	1979	
45,00,000†t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	} 97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	} 97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£328,600		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
50,00,000	3	1937	1962	98.00
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99 75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
3,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.45
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.25
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	98.35
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.25

ABBREVIATIONS. N—Nominal. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex nine instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	240.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.10	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	59.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	66 60	25	3.50	3.50	3.50		12	Y.
10,00,000	2,84,495	89,53 981	57,46,203	1,37,996	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	185.00	50	5.00	5.00	12.50		3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,693	Century Spg. & Mfg.	611.00xd	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	160.00	100	7.50	11.00	11 00		3	Y.
28,00,000	29,03,230	1,02,39,816	68,42,312	2,06,873	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	158.00	50	10.00	15.00	15 00		3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	360.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	107 00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	297.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,63,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	230.00	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	925.00xr	250	350.00	500.00	500.00		3	Y.P.
O. 2,00,00,000 / D. 50,00,000 }	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills {	22.20 / 3.32	O 100. / D 1D.	*Nil* / *Nil*	0.80 / 0.1325	1.40 / 0.3725		} 12	Y.
18,00,000	1,02,72,488	1,93,48,928	1,45,83,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	3,225.00	1,000	200.00	232.00	250.00		3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	457.50	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4.48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	297.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	65.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	397 00	100	21.50	21.50	24 00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	502.50	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	181.00	100	*Nil*	*Nil*			12	Y.
80,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	288.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	55,35,221	1,89,77,617	1,29,35,901	4.01,084	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	246.00	100	10.00	15.00	20.00		3	Y.
55,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	133.00xd	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,93,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	143 00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14 88	10	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	58.00	10	2.50	1.70	2.00		12	Y.
90,00 000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	256.00	100	15.00	18.00	20.00		12	Y.P.
60 48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	923	Simplex Mills	164.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	868.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	266 00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	292.50	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,263	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	62.50	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	452.50	100	20.00	25.00	25.00		12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,83,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	50,056	944	Western India Spg. & Mfg.	802.50	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	172 50	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	646 00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39.00,937	1,81,03,201	2.784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	961.00	100	40.00	45.00	45.00		12	Y.P.
26,40,000	51,56,636	1,36,47,290	89,38,792	20,012	Mangaldas & Brother (Pvt.) Ltd.	40,368	953	Aryodaya Ginning & Mfg.	470.00	200	....	13.00			3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	655.00	100	25.00	30.00	35 00		12	Y.P.
2,06,25,000	2,62,45,303	9,86,80,261	4,70,25,866	16,05,333	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	994 00	125	22.00	31.00	34 00§		3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	487.50	250	36.00	..	50 00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,496 00	125	55.00*	60.00	45 00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	450.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	675 00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	25,73,702	1,63,60,167	94,85,502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	203.75	100	10.00	10.00			12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,276.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,736	Calcutta Agency Private Ltd.	044	856	Basanti Cotton Mills	8.50	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 / 1,30,620 / 1,70,000 }	3,62,600	1,03,06,007	68,71,408	—2,60,959	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxm. Cotton Mill	35.00N	40	*Nil*	*Nil*	2.00		3	Y.P.
50,00,000	4,70,250	82,81,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	26.31	10	*Nil*	0.50			12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.87	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	29.56	10	1.00	2 00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	14.94	10	0.80	1 00	1.00		12	Y.T.
1,60,00,000	2,98,94,557	7,99,50,481	2,14,69,205	2.44,919	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	27.81	10	0.25	0.50	1.20		3	Y.P.
O. 19,47,750 / D. 5,00,000 }	78,492	50,99,822	32,32,579	—5,21,450	Hazareemull Heeralal	23,036	795	Rampooria Cotton Mills {	11.00 / 2 50N	10 / 1D	*Nil* / *Nil*				} 6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	24,030	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,23,083	23,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	126.50	100	11.00	15.00	16.00		12	Y.P.
11,93,600	7,40,000	53,18,246	23,26,413	336	Satna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,133	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	72.00	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	4,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	245.00	100	10.00	10 00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	135.50	100	*Nil*	*Nil*	*Nil*		12	Y.
39,95,953	1,12,56,816	1,75,41,424	1,27,42,738	1,34,391	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	30 00	10	*Nil*	1.00	2 00		3	Y.
1,73,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	264.00	100	10.00	10.00	18.00		12	Y.P.T.
20,60,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,63,218	58,56,470	35,95,076	1,98,878	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	130.00	100	15.00	17.00	20 00		3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.19	5	*Nil*	0.36	0.50		12	Y.
9,86,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.10xd	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	23,864	..	Coimbatore Cotton Mills	171 00	100	6.00	12.00	16.00		12	Y.
17,55,235	2,63,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	25,340	160	Coimbatore Murugan Mills	139.60xd	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	45,266	..	Coimbatore Pioneer Mills	278.50	100	25.00	16.00	25.00		12	Y.P.
20,76,900	5,076	1,35,77,639	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	76 00cdCR	50	*Nil*				12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	140.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
29,99,075	34,15,411	1,33,02,693	63,43,175	15,455	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00		3	Y.
3,38,36,225 / 1,00,563 }	6,00,97,435	15,69,15,379	8,83,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	53.00	{ 25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325		} 6	Y.P.T.
48,60,000	29,73,832	1,39,02,060	76,70,006	437	M. N. Chettiar & Sons	43,308	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	38,973	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.37	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,623	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,236	..	Gokak Mills	187.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	63,63,575	1,42,22,592	92,44,182	24.187	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00			12	Y.
2,50,00,000	4,66,80,000	7,13,29,032	4,53,18,036	42,92,964	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	57.70	10	1.00	2.00	2.25		3	Y.P.
1,73,21,000	....	49,92,779	....	—1,17,644	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	105.50	100.00	..	*Nil*	*Nil*		2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	178.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	23,784	..	Janardana Mills	73.35	50	*Nil*	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,63,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	*Nil*	60.00	60.00		6	Y.
1,25,00,000	56,34,321	5,18,51,527	1,69,53,953	1,22,795	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	19.00	10	0.90	1.25			12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	14.69	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,866	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.00	10	0.07	*Nil*			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.87	10	1.00	1.00	0.80		12	Y.P.
71,00,000 / A. 35,50,000 }	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills {	153.00cd / 78.50cd	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 / 6.25 }	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	802 50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	4,53,000		Madura Mills	34.50	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	400 00cd	100	25.00	30.00	30 00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	88.00	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94.91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	125.00	250	*Nil*	*Nil*	*Nil*		6	Y.
49,61,00,000	39,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	60 50	50	5.00	7.00	7.00		2	Y.P.
81,50,000	48,96,995	67,10,255	46,91,123	43,123	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00			12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9 37	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	60.00	100	*Nil*	*Nil*	*Nil*		9	Y.
'A'. 4,00,000 / 'B'. 6,00,000 }	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	..	Palani Andavar Mills {	215.00 / 268 75	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		} 12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91 50	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	36.31	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	120.00xd	100	*Nil*	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	89.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	22,11,000	66,06,845	32,18,566	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	170.00cd	100	6.00	9.00	16.00		3	Y.
15,36,890	7,86,250	94,68,632	54,34,367	3,716	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	250.00cd	100	16.00	23.00	23.00		3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	124.00	100	10.00	15 00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40.15.966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	164.75	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.		..	Sirsilk Ltd.	10.19	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	16,516	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	28,74,204	1,12,40,198	76,76,284	14,497	H. N. Pallegar, Esq. (Managing Director)	42,924	340	Sri Krishnarajendra Mills	79.50	50	4.00	5.50	5.50		3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	50.00	50	2.50	3.00			12	Y.
15,00,000	4,03,29,029	1,23,78,020	96,22,753	2,77,919	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	125.00	10	6.00	8.57	8.57		3	Y.
C. 17,50,000 / PO1,57,50,000 }	2,63,83,071	6,95,70,628	2,46,91,277	5,044	M	1,12,216	2,090	Swadeshi Cotton (Kanpur) {	11.37 N / 8 62	100. / 10P.O.	*Nil* / 0.571	0.50 / 1.071			} 12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.77cd	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	36.00	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	13.15	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48 175	60,469	R. K. S. Chetty & Brothers	44,424	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51 571	—8,551	Thiagaraja Chetty & Sons Private Ltd		200	Virudhunagar Textile Mills Ltd.	56 50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	135.00	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.69	10	0.50	1.00	0.25		3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
80,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	123.00	100	*Nil*	6.00	*Nil*		5	Y.P.
49,20,700	85,71,000	2,80,85,747	1,84,94,034	3,74,363	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	232.00	100	12.50	20.00	7.50		3	Y.P.
40,00,000	28,14,827	1,46,86,173	83,52,153	45,981	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00		3	Y.P.T.
20,00,000	34,84,417	1,47,00,374	85,10,664	1,00,757	Birla Brothers Private Ltd.	959	Bally	299.00	100	10.00	25.00	25.00		3	Y.P.
£275,000	£842,859	£1,372,653	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	186.00	£5	10sh.	£1.10sh	10 Sh.		3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.31	10	0.50	0.50	0.50		6	Y.P.T.
91,26,000	3,08,27,813	8,17,03,760	2,90,00,714	1,83,905	Birla Brothers Private Ltd.	1,373	Birla	33.06	10	1.00	1.50	1.50		3	Y.P.
86,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	163.00	100	15.00	10.00	*Nil*		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	200.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,225	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	135.00	100	7.00	10.00	5.00		3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	24.00	10	1.25	*Nil*	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	12.19	10	1.50	0.50	*Nil.*		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
31,49,200	14,68,891	1,10,14,699	69,67,313	9,802	Bird & Co. Private Ltd.	766	Dalhousie	130.00	100	*Nil*	1.00	1.00		3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	196.00	100	14.00	7.50	*Nil*		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	16.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	449.00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	21,13,000	1,35,43,410	82,35,300	2,48,385	Bangur Bros., Ltd.	1,014	Fort William	27.50	10	1.50	2.25	2.25		3	Y.P.T.
84,32,100	28,01,919	2,57,48,659	1,51,54,062	1,59,711	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	14.06	10	*Nil*	1.00	1.00		3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	55.12	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	464.00	100	25.00	30.00	25.00		3	Y.P.
45,00,000	89,15,333	1,45,06,782	82,76,808	3,75,747	Bangur Bros., Ltd.	1,078	Hastings	115.00N	100	6.00	6.00	6.00		3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	29.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	42,62,842	2,25,18,876	1,45,23,467	97,720	Jardine Henderson Ltd.	1,940	Howrah	20.37	10	1.00	1.25	1.00		3	Y.P.T.
52,50,000	38,73,191	3,21,24,274	1,88,99,274	1,82,375	Ramdutt Ramkissendas	2,272	Hukumchand	24.94	7.50	1.50	2.15	2.15		3	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	16.69	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	179.00 179.00N	100 'B'100	20.00 20.00	5.00 5.00	*Nil* *Nil*		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	119.00 119.00N	100 'B'100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	197.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	23,98,564	2,18,73,550	1,39,90,173	300	Anderson Wright Ltd.	1,530	Khardah	17.56	10	2.00	2.00	0.50		3	Y.P.
59,85,600	47,39,756	2,07,21,456	1,33,78,784	62,406	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	153.00	100	10.00	20.00	7.00		3	Y.P.T.
24,48,000	6,04,572	1,08,23,825	71,08,446	—3,54,448	Bird & Co. Private Ltd.	931	Lansdowne	142.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.
28,00,000	14,13,430	65,77,636	42,23,242	54,949	Bird & Co. Private Ltd.	840	Lawrence	171.00	100	2.00	15.00	15.00		3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	14.87	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	105.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	9.00	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	23.12	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	12.12	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	*Nil*	Sahu Jain Ltd.	1,765	New Central	15.75	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,93,617	1,30,21,348	77,30,582	32,274	Bird & Co. Private Ltd.	567	Northbrook	34.50	10	1.25	3.00	3.00		3	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	61.50	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.50	5	0.50	0.40	0.30		7	Y.T.
20,00,000	73,604	36,55,345	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.75	10	*Nil*	*Nil*	*Nil*		3	Y.P.
49,50,000	....	1,24,88,157	67,33,074	—26,32,381	Jardine Henderson Ltd.	1,276	Reliance	7.69	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	24.00xd	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
85,98,600	87,94,656	93,18,767	55,10,623	8,800	Bird & Co. Private Ltd.	1,326	Union	163.00	100	20.00	25.00	6.00		3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	6.12	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	4,83,841	17,73,941	3,77,863	16,618	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	13.75cd	10	1.50	1.50	1.20		3	Y.P.
83,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.35	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.60	2	0.24	0.20	0.20		6	Y.P.
14,00,100	14,42,652	27,59,605	9,36,841	43,653	Peirce, Leslie & Co., Ltd.	1,714	Chembra Peak Estates	3.39	2	0.30	0.40	0.40		3	Y.
5,66,420	13,30,038	24,06,623	2,29,363	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	4.15cd	2	0.40	0.40	0.40	0.30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	26.05cd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,31,040	11,60,946	2,46,302	13,226	Young India Agencies Private Ltd.	465	Devon Tea	13.50cd	10	1.50	1.50	1.20		3	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55cd	5	0.40	....	*Nil*		12	Y.
25,00,000	18,55,500	56,71,656	10,31,863	77,135	Parkins Private Ltd.	1,506	Halleyburia	12.24xd	10	1.25'C'	1.50			12	Y.P.
6,00,000	8,86,159	15,77,488	3,94,129	59,573	Peirce, Leslie & Co., Ltd.	469	Kalasa Tea	3.45cd	2	0.30	0.40	0.50		3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.65	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40		3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.40	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	1.87xd	2	0.10	0.20	0.10	0.10	3	Y.
8,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00	25	5.00	3.75	3.50		3	Y.P.
36,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	3.85	5	0.87	0.37	0.37		3	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.80	2	0.20	0.26	0.30		6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	9.10	10	0.50	0.80			3	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	22.25	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	22.25	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	19.14xd	10	2.25	2.25	2.50		12	Y.P.
57,94,880	30,24,711	1,13,81,238	39,12,093	65,407	Peirce, Leslie & Co., Ltd.	3,718	Periakaramalai	3.31	2	0.25	0.27	0.40		3	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.75	10	0.60	1.70	1.60		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	11,78,243	32,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.85	2	0.10	0.16	0.20		3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.20	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,93,280	14,52,765	49,96,418	19,93,195	30,106	T. Stanes & Co., Ltd.	1,771	United Nilgiri	20.37cd	10	1.95	2.10	2.20		3	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.15	2	0.25	0.25	0.20		6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	16,85,453	4,57,025	30,365	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	3.00	2	0.15	0.15	0.30		3	Y.
6,75,000	2,35,527	19,88,033	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	11.06	10	0.75	1.00	1.00		3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.90	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,50,000	8,61,867	1,01,113	23,299	Young India Agencies Pvt. Ltd.	610	Badra Coffee Estates Ltd.	3.15cd	2	0.35	0.30	0.30		5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	576	Bababudin Coffee & Produce	6.10	5	0.625	0.40			6	Y.P.
3,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	20,33,511	55,26,015	9,62,337	10,145	Peirce, Leslie & Co., Ltd.	6,203	Cochin Malabar	6.65	3	0.45	0.525	0.60		2	Y.P.
22,50,000	32,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.75	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,313	2,26,719	C. I. Machia, Esq. (Mg. Director)	8,232	Consolidated Coffee	18.25	10	2.50	2.00	2.00		6	Y.P.
6,00,000	5,09,735	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	10.00	10	1.50	1.00	1.00		3	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.66xd	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	12.30	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,18,425	3,48,844	31,973	A. V. George & Co., Ltd.	1,548	Kailas Rubber Co., Ltd.	5.03	2	0.50	0.40	0.50		2	Y.P
8,00,000	8,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.83cR	10	1.25	1.25	1.25		4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.16	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,41,456	22,23,838	4,40,673	47	K. T. Thomas Kathanar, Esq.	2,143	Malankara Rubber	16.90	10	1.60	1.50	1.60*		3	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.40	5	1.00	1.00	1.00		6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.37	10	1.00	1.25	1.25		3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	24.65cd	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	14.50cd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.65	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	7,97,732	83,078	46,714	Peirce, Leslie & Co., Ltd.	532	Ossoor Estates Ltd.	2.67cd	2	0.30	0.30	0.30		3	Y.
16,50,000	2,29,315	23,27,018	7,37,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.65	2	0.10	0.10	0.12		3	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.90cd	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,61,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	11.12	5	2.50	1.25	1.25		3	Y.P.
5,50,170	8,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.20	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.53	2	0.18	0.12	0.12		3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.40	10	0.60	*Nil*			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.50	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11.41	10	1.00	1.30			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	10.00	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	*Tropical Plantations Co.*	17.35	25	2.00	2.00			12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.50	5	0.50	0.60			2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	31.70	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,15,277	1,52,156	1,12,012	Peirce, Leslie & Co., Ltd.	1,030	Wartybully Estates Ltd.	2.55cd	2	0.30	0.30	0.30		3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.25xd	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.19xd	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	32.00xd	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.19xd	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	25.75	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.37	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	18.12	10	1.30	1.30	1.30		12	Y.
6,00,000	2,00,000	14,02,675	3,52,303	38,457	Octavius Steel & Co., Ltd.	479	Bokakhat	13.19xd	10	0.80				12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,23,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.00	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	15.00	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.00	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	141.00xd	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	723H	Dhelakhat	20.25xd	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	15.12	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	35.00	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	22.50xd	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.31xd	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.50	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	26.00N	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.12xd	10	1.00	*Nil*	0.50		12	Y.
23,29,085	36,34,739	67,36,725	20,38,780	61,976	Octavius Steel & Co. Ltd.	2,494	Grob Tea	9.00xd	5	0.70				12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.75	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	164.00xd	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	17.12xd	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	30.00xd	10	1.00	3.00	3.00		12	Y.
3,60,000	15,02,635	16,52,939	7,79,490	77,886	M.	1,226	Kingsley-Golaghat (Assam)	216.00	100	35.00				12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.44	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	16.00	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,00,000	23,97,978	8,14,738	45,981	Octavius Steel & Co., Ltd.	643	Methoni	19.12xd	10	1.50	0.50			12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	12.12	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00xd	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 27.00	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	13.69xd	10	1.60				12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	117.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.50	10	3.50	4.00	1.35		12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	18.31	10	2.00	2.25			12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.44xd	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00xdN	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.25xd	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	35.44xd	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
6,00,000	5,000	5,43,677	2,03,160	41,902	M.	862	Arcuttipore	6.62xd	10	*Nil*				12	Y.
12,60,000	13,00,800	31,80,534	14,49,004	42,558	Octavius Steel & Co., Ltd.	2,208	Hattikhira	9.87xd	10	0.50	*Nil*			12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	160.00xdN	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,231	McLeod & Co., Ltd.	638	Roopacherra	13.50	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	48.50xd	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.87	10	*Nil*				12	Y.P.T
					DARJEELING										
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.19xd	10	*Nil*	*Nil*	1.00		12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	98.00	100	5.00				12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.75	10	*Nil*	*Nil*			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	28.75xd	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	5,92,631	2,85,757	6,271	M.	505	Okayti	600.00	100	32.50	25.00			12	Y.P.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.00	10	*Nil*	*Nil*	*Ni*		12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	7.12	10	*Nil*				12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	351.00xd	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	4.37	10	0.50				12	Y.P.
3,00,000	5,39,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	32.00xd xb	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.81xd	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	13.62	10	*Nil*	*Nil*			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	246.00xd	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	24.00xd	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	16.44xd	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	150.00xd	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	160.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	241.00xd	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	179.00xd	100	5.00	5.00	5.00		12	Y.
4,90,000	68,141	11,42,495	3,47,423	4,521	M.	447	Ethelbarrie	8.37	10	*Nil*	0.50			12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	23.00xd	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	109.00xd	100	12.50	15.00	5.00		12	Y.P.
32,00,000	69,41,255	1,23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	16.00B	10	1.25	1.70			12	Y.P.
8,25,000	22,66,578	30,37,917	14,43,417	81,846	Davenport & Co., Ltd.	1,452	Huldibari	15.00XB	10	2.25	2.25			12	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.25	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.75xd	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00N	10	0.50	1.00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	148.00xd	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	256.00xd	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	116.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.19	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	17.50xd	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.00xd	10	3.00	2.50	2.00		12	Y.
					SYLHET										
8,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	23.50	10	*Nil*	*Nil*			12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.87	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	23.50	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	71,34,901	66,77,153	28,83,214	2,34,245	Duncan Bros. & Co., Ltd.	4,173	Patrakola P.	134.00	100	40.00	32.50			12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.00	10	1.00	0.50			12	Y.P.T.
5,00,000	5,25,000	....		30,855	National Tea Corporation	522	Belgachi	20.50xd	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,48,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	144.00xd	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16.00xd	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.50	10	1.50	1.50			12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	61.00xdN	10	5.00	6.00			12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,493	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.90	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,807	9,38,000	1,78,87,504	22,50,586	21,768	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.12	10	0.45	0.70	0.70		3	Y.T.
43,14,6D4 4,70,9763.0	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	2.94 0.50	O. 10 D. 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		3	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	154.50	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.00	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.20xd 2.35xd	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,34,385	68,72,350	4,66,64,377	1,33,35,164	1,18,670	Essen Private Ltd.	India Cements Ltd.	6.23cd	5	0.45	0.55	0.60		3	Y.P.
2,00,00,000	60,92,184	8,57,17,526	2,33,04,027	67,719	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13.00	10	*Nil*	0.60	0.80		3	Y.P.T.
90,00,000	....	....	....	....		Madras Cements	87.00	100	..	*Nil*	..		9	Y.P.
1,14,65,185	....	1,36,60,424	....	....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	7.70	10	*Nil*	*Nil*	*Nil*		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	17.16	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	102.00	100	*Nil*	*Ni*	*Nil*		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	191.00xd	100	9.00	9.00	10.00		12	Y.P.
75,00,000	22,40,000	2,33,77,992	1,63,37,614	31,640	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.97	5	*Nil*	0.20			12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.16	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea—Dividends for 1959 and 1960 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.81	10	Nil	0.60	0.60		8	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.24	10	2.00	2.00	3.00		9	Y.P.
65,28,146	19,77,396	1,61,24,989	63,22,100	1,703	Bharat Ram Bhagat & Co.	Bengal Potteries	7.00	2½	0.356	0.375			12	Y.
10,00,000	52,26,517	92,22,366	45,37,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	35.50	10	1.87	3.00	3.00		8	Y.P.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10 248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	139.00	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.86	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	16.31	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	77.00	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.80	1.80	1.80		12	Y.P.T.
79,09,100	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	11.69	10	Nil	Nil	Nil		8	Y.P.T.
6,00,000	5,82,678	14,95,186	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.50	10	1.00*	1.428	1.20		8	Y.
20,00,000	64,16,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	42.37	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,48,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co. Ltd.	101.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	34.00	10	5.00	8.00*	Nil		11	Y.
CHEMICAL														
24,00,000	....	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	84.00	100	..				12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	212.50	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	42.87	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46 697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	278.75	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,84,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	472.00	100	12.00	12.00	12.00		12	Y.
50,98,900	68,84,606	1,50,85,951	77,12,538	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	105.00	100	7.00	7.00	10.00		8	Y.P.T
1,25,00,000	54,11,749	1,18,37 942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	435.00	100	Nil	Nil	8.00		8	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	32.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	160.00	50	10.00	Nil	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	116.00	100	4.00(c)	Nil	6.00		8	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	8.25cd	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	450.00	100	Nil	6.00	6.00	7.00	8	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	315.00	200	20.00	25.00	25.00		8	Y.
80,01,535	24,37,965	1,56,17,778	81,56,950	15,829	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.02cd	10	0.88	1.25'C'	1.25		8	Y.P.T
24,81,220	10,47,778	55,45,879	48,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.25	10	0.50	1.00	1.00		8	Y.
8,00,000	4,55,261	12,57,587	6,70,822	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00'C'	2.00		8	Y.P.
40,00,000	36,33,816	65,05,379	16,83,684	1,54,703	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	177.50	50	3.00	5.50	7.50		8	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	6.90	10	..	Nil	Nil		12	Y.
15,00,000	11,17,930	34,89,082	21,90,748	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	207.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,82,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	16.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	207.00	100	..	..	Nil	Nil	8	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,986	3,571	Tata Industries Private Ltd.	Tata Chemicals	14.88	100ld	0.525	0.60	0.65		6	Y.P.T.
18,00,000	2,92,249	21,75,764	7,74,231	56,348	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	22.25	10	1.00	1.50	2.00		8	Y.P.
25,20,000	....	8,87 362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-chemical Ind.	95.00	100	Nil	Nil			12	Y.
14,81,250	....	5,72,958	1,806	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	185.00	100	..	..	Nil		12	Y.
ELECTRIC (BOMBAY)														
3,74,78,395	1,47,38,524	16,04,61,688	4,52,57,864	422	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	89.30	100	6.75	7.00	7.00		8	Y.T.
81,56,250	26,20,222	2,58,78,938	68,34,923	18,52,834	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.12	10	0.90	1.00*	0.90		8	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,022.50	1,000	80.00*	85.00*	80.00*	80.00*	8	Y.P.T.
1,75,00,000	99,08,640	461,03,740	1,11,97,816	4,522	Killick Industries Ltd.	Bombay Suburban Electric Supply	103.00	100	7.50	8.00	8.50		8	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.60	0.66	0.72		8	Y.T.
48,39,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	8.00	9.50	8.25		8	Y.P.T.
70,00,000	31,26,526	1,72,01,519	56,85,377	1,914	Killick Industries Ltd.	Surat Electricity	97.50	100	7.00	7.50	8.00		8	Y.P.
2,40,00,000	1,39,56,841	9,29,64.314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	112.50	100	8.00*	8.50*	8.00*	8.00*	8	Y.P.
5,15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,115.00	1,000	80.00*	185.00*	80.00*	80 00*	8	Y.P.
West Bengal and Other Centres														
19,99,600	49,57,883	1,79,22,370	42,63,962	47,416	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	125.00	100	10.00	11.00	11.00		8	Y.T.
8,00,000	15,46,067	65,82,610	24,21,313	24,137	Martin Burn Ltd.	Bareilly Electric Supply	12.06	10	1.00	1.10	1.10		8	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benares Electric Light & Power Co.	12.00	10	1.00	1.10	1.10		8	Y.T.
5,91,485	6,92,059	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		8	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,968	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.06	£1	7%	7½%	7½%		8	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		8	Y.
43,20,000	27,18,468	1,05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00		8	Y.P.
5,84,640	1,42,426	39,19,424	15,91,894	42,694	Meenna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	Nil		8	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,573	32,593	Martin Burn Ltd.	Jubbulpore Electric Supply	11.00	10	0.98	1.00	1.00		8	Y.
5,82,390	4,52,535	37,46,515	13,98,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	11.75	10	1.00	1.25			8	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.47	10	0.75	1.00	1.00		8	Y.T
9,10,000	2,56,304	15,86,888	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.50	10	0.50	0.625	0.625		8	Y.
16,80,000	14,98,612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	8.87	10	0.75	1.00	0.90		8	Y.T.
69,99,960	23,97,866	2,22,90,594	74,27,824	11,886	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.12	10	0.90	0 90'C'	0.90		8	Y.P.T
5,00,000	12,50,896	57,75,615	18,66,443	36,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35		8	Y.
56,00,000	78,01,918	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	127.00	100	10.00	11.00	11.00		8	Y.T.
8,00,000	11,41,474	46,63,814	18,15,572	3,34,018	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	14.60	10	1.00	1.50	1.429		8	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	319.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,85,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	110.00	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	182.00	100	18.00*	18.00*'C'	18.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	230.00	100	10.00	Nil	4.00		4	Y.P.
60,00,000	1,08,98,455	2,46,93,880	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	176.00	100	18.00	18.00'C'	18.00		6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,36,658	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	96.50	50	5.00	4.00	5.00		8	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	184 00	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.76	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,824	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	42.25	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	23.50	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	42.25	10	1.00	1.43	1.60		8	Y.
15,00,000	4,53,946	25,18,944	6,77,694	5,683	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50		8	Y.P.
1,10,00,000	36,76,765	1,21,61,532	37,48,210	98,848	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	27.00xr	10	1.25	1.80'C'	1.80		8	Y.P.
5,28,000 / 15,50,000	1,23,086	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— / 3.80	10 / 5	Nil / Nil	Nil / Nil	..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— / 6 72	10 / 10	..	..	Nil / Nil		11	Y.
1,82,00,000	58,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.52xr	10	1.25	1.25	1.50*		10	Y.P.
80,00,000	78,422	46,82,025	16,73,677	40,424	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	..		8	Y.P.
11.00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	155.00	100	Nil	10.00			7	Y.P.
80,62,845 / D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	24.75	10	1.00*	1.20	1.20	1.20	8	Y.P.
57,50,000	42,81,615	1,28,07,888	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	176.25 / 116.00	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00		6	Y.
15,55,000	11,14,847	82,30,008	12,76,286	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	86.00	50	4.50	6.00	6.50		8	Y.
50,00,000	9.89,198	92,30,855	20,78,762	17,983	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	215.00	100	9.00	12.00	9.00		8	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	152.00	30	18.00	18.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,988	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	123.75xr	100	17.00	12.00	18.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,78,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	146.25	75 Old	6.80	9.72'C'	10.86*		8	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	325.50	100	9.60	12.50	14.50		8	Y.P.T.
19,81,000	3,85,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	645.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.50	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Bandeo, Esq. (Mg. Director)	Voltas Ltd.	269.50	100	18.00	18.00	14.00		8	Y.
70,00,000	....	10,49,952	4,291	23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	15.60	10	..	..	Nil		6	Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	13.00	10	Nil	Nil			10	Y.P.T.
50,00,000	81,83,221	1,08,57,977	71,22,125	47,000	M.	Bharat Electric Steel	11.81	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.94	10	0.95	2.50	1.00		12	Y.
56,59,790	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.00	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	8.00	3.00	3.00		12	Y.T.
19,82,670	7,04,341	39,97,520	14,06,665	82,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.65	10	0.60	Nil	Nil		8	Y.P.
50,00,000	47,45,865	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.62	10	1.00	1.00	1.00		12	Y.P.T
15,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	50.00	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	680.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	16.12	10	..	0 50	1.50	1.50	8	Y.
1,40,00,000	12,88,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil			8	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,778	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.69	10	Nil	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.20	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767		N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	39.31	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	110.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,990	24,26,87,682	81,16,88,664	17,34,44,848	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	25.75	10	1.00	1.50	1.60		8	Y.P.
39,68,075	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	34.75	25	5.00	7.125	7.126		8	Y.P.
96,53,160 / 26,580	2,72,58,534	2,24,87,785	1.60,42,350	7,72,487	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	55.50 / 14.50	O.10 / O. 1	1.62½ / 0.16½	2.80 / 0.28	2.40 / 0.24		8	Y.
48,82,732	3,71,841	36,01,297	18,94,384	10 662	C. R. Ramaswamy, Esq. (Mg. Director).	Indian Steel Rolling Mills Ltd.	11.75	10	0.70	..	1.25		8	Y.P.
1,07,48,783	90,64,293	4,34,86,950	1,69,45,698	7,173	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.25	10	1.20	1.715	1.715		8	Y.P.T.
20,00,000	49,81,000	81,62,688	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.06	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.56	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.44	8	0.80'C'	0.80	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	3.37	2	0.20	Nil	Nil		6	Y.
49,96,000	18,58,898	1.44.34,142	86,82,008	—7,05,380	M.	National Iron and Steel Co., Ltd.	5.25	10	0.75	Nil	Nil		8	Y.P.T.
60,00,000	24,06,948	76,55,140	24,16,818	4,85,188	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.60	10	Nil				6	Y.P.
6,00,000	15,56,099	31,20,671	20,15,012	15,603	The British India Corpn. Ltd.	Saran Engineering Co.	10.00	4	0.25	0.85	0.40		8	Y.
1,58,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.15	10	2.00	1.00	1.00		12	Y.P.T.
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	149.00	100	15.00	15.00	15.00		4	Y.

* Includes bonus. † Subject to taxation. X.B.EX Bonus 'C'—On Increased Capital. B.—Includes a distribution of Re. 0 75 per share for the year 1954 and Re. 1.00 for 1955 X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	12.00	5	1.00	1.00	1.00		12	Y.
13,00,000	14,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	32 50xd	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.17xd	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	25 25	20	2.50	2.50	3.00		12	Y.
1,42,42,125 / A 55,60,535	2,94,22,392	19,77,64,200	....	3,78,571	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	67.70xd / 70 00xd	15 / 15New	5.70* / 5.70*	5.70 / 5.70	5.70* / 5.70*		12	Y.
15,99,270	40,70,395	1,05,96,078	....	89,231	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.81	8	0.80	0.80			12	Y.
5,75,000	69,07,990	1,16,88,357	....	2,05,841	Sir John Brown (Mg. Director)	Triton Insurance	127.50xd	25	11.25	11.25			12	Y.
22,00,000	1,10,53,561	2,41,52,099	....	1,00,078	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	18.00	10	2.00	2.00			12	Y.
OIL														
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.94	Sh. 1½	Nil	8%	10%		3	Y.
35,00,000	86,35,342	90,36,320	33,37,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	26.25	10	2.50	3.00	2.50		12	Y.P.
70,07,475	55,28,686	2,01,95,764	1,65,90,859	28,609	Tata Industries Private Ltd.	Tata Oil Mills	70.00	25	3.25	5.75	5.75		3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	25.50	10	2.20	3.00	3.50		10	Y.
PAPER														
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	200.00	100	Nil	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	3.06	5	Nil	Nil	Nil		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,202	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	18.31	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	33.06	10	3.20	3.20	2.75		12	Y.P.T.
38,20,000	84,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	20 50	10	1.00	1.50'C'	1 30		3	Y.
25,00,000	Nil	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	83 00	100	Nil	Nil	Nil		3	Y.
1,39,05,810	....	3,23,63,096	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	7 75	10	....	....	Nil		6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivananjappa, Esq. (Chairman).	Mysore Paper Mills	14.12	10	1.25*	1.50	1.50		3	Y.
1,46,82,500	3,51,86,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	41 00	10	1.50	2.25	2.25		3	Y.P.T.
2,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.95	10	....	....	Nil		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25 50	10	1.78	1.78			12	Y.P.T.
50,00,000 / A.10,00,000	8,51,123	81,54,856	46,75,270	3,97,323	Bajoria & Co.	Star Paper Mills	10.00 / 10 00	O. 10 / A. 10	0.30 / 0.30	Nil / Nil			9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.12	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 / B.56,04,800 / P.O.4,37,500	3,51,10,345	9,55,90,235	4,92,58,077	1,48,295	F. W. Heilgers & Co. Private Ltd	Titaghur Paper Mills Co., Ltd.	39.87 / 39.87 / 3.87	A. 10 / B. 10 / P.O. 2½	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	2.00 / 2 00 / 0.323		3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	166.00	100	Nil	6.00	7.50		6	Y.P.
SAW MILLS AND TIMBER														
19,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.94	2	....	....				Y.
89,25,000 / 42,00,000	4,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co.	Bombay-Burmah Trading Corpn.	645.00 / 251.25	Old125 / New50	28.75 / 9.50	37.50 / 15.00	41.25‡ / 16.50			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.25	10	2.50	3.00	3.00			Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,53,465	34,35,427	20,76,488	2,709	B. Kanodia Esq. (Secretary)	Balrampur Sugar	2.50	2.50	0.40‡	0.20	0.20		6	Y.
12,00,000 / B.3,00,000	36,71,179	69,21,472	42,19,338	3,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122 00 / 11.60N	A. 100 / B. 10	10.00 / 1.00	15.00 / 1.50			4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros., Ltd.	Belsund Sugar	10.06	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	13 25	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.87	10	Nil	Nil	Nil		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99.347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.12	10	Nil	Nil	Nil		10	Y.P.
18,00,000	54.55,390	86,85,573	59,25,607	18,674	British India Corporation Ltd.	Champarun Sugar	17.94	10	1.50	1.50	1 20		6	Y.
9,58,050	6,04,985	36,14,697	23 08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	Nil		8	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	10.00	10	2.00	0.40			8	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	387 50	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	212.50	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3 625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.19	10	0.37	0.50	0.56		5	Y.
13,39,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,32,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	180.00	100	18.25	20.00	20.00		7	Y.P.
12,00,000	13,65,315	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00				10	Y.
9 00,000	23,02,870	51,19,941	35,72,535	4,006	M.	Purtabpore Co.	11.50	10	Nil				10	Y.P
20,00,000	3,64,500	26,21,410	15.54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	7.44	10	0.30	0.40	0 40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9 06	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.62	10	Nil	Nil	Nil		6	Y.
39,99,009	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	8.94	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil		6	Y.
15 89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		8	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.06	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16 447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70 00	10	7.25	7.25	7.25		6	Y.P
16,00,000	16,15,452	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	21 00	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	103.00	100	Nil	6.00	8.00		6	Y.P.
70.49,650	1,62 07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	226 00	50	21.00	29.00	25.00		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	21 24	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455		Shree Changdeo Sugar	24.12	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93.208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.80	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043 269	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	39 85cd	£1	28 4/7%	21 3/7%	21 3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63 97,650	15.25,348	84,90 385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	9.55	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15 12	10	1 00	1.25	1.50		6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22 00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64 00	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	67,14.141	1.69,19,566	75,61 441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	156 00	50	21.00	21 00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Vengopal Naydu, Esq. (Mg. Director).	Mysore Sugar	53.40	10	3.00	3.00	8 00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director.)	Nizam Sugar Factory Ltd.	63.00	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	98.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	28.50	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 / D-4,00,000	43,94,792	1.63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	56.00 / 30 00	O. 50 / D. 50	3.50 / 3.50	5.00 / 3.50	5.00 / 3.50		9	Y.P.T.
30,00,000	19,90,000	71,92,482	36,48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	6 95	10	1.00	1.00	0 75		7	Y.P.
1,50 94,390	1,30,61,083	4,60,82,521	.83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	155.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,03,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	102 00	100	..	Nil	Nil		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	8.52	10	Nil	Nil	Nil		7	Y.
10,00,000	‡ 4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	110.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 / 30,05,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. / 77.00	100 / 65	.. / ..	20 00 / 10.00	45 00 / 22.50		3	Y.
25,00,000 / 9,37,500	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	129.00 / 127.50	100 / 100	5.00 / ..	8.10 / 2.70	9.50 / 4.50		3	Y.P
20,00,000	4,21,827	25,85;574	8,53.197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	187.00	100	Nil	Nil	7.50		6	Y.
14,97.350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Manilal Private Ltd.	Estrela Batteries	66.00	50	3.50*	4.50	5.00		3	Y.P.
16,00,000	9,80,916	12,91,714	5,38,844	60 613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.25	20	2.00	2.50	2.50		3	Y.
75,20,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	60 00	50	..	..	Nil		12	Y.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	180.00	100	Nil	Nil	Nil		12	Y.
1,35,00,000	60,57,845	24.11,651	8,20,848	16,714	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	209.00	100	7.50	11.00	13 00		3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100 00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	118.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	16.24	10	..	..	Nil		12	Y.P.
5,57,00,000	4,49 78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	48 25	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11 24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	200 00	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	89.30	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman).	Industrial Investment Trust	75.00	100	6 00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	115 00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	135.00	100	8.50	9 00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	84.50	100	9 00	8.00	Nil		11	Y.
12,50,300	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P. Patel, Esq. (Chairman).	Laxmi Starch Factory Ltd.	158 00	100	9.00	13.00	13.00		3	Y.
11,25,100	3.62,000	15,63,419	5,10,535	4,707	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	117 00	100	6.00	10 00	12 00		3	Y.P.
36,35,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	395.00	100	25.00	25.00	Nil		12	Y.P.
18,78,375	....	4 64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	200 00	75	..	..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	186.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	126.00	100	9.00	9 00	9 00		6	Y.P.
4,73,200 / 5,13 400	1,96,985	30,00,499	10,28,466	29,918	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100 00N / 50 00N	100 / 50	6.00 / 3.00	9.00 / 4.50	9 00 / 4 50		3	Y.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	135.00	100	..	Nil	Nil		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	222 50	100	14.00'C'	15.00	15.00		6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	Nil	Nil			3	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00		3	Y.
42,000 / 22,29,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	72.00	75	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29 01,285	5 11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	266.50	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co. Ltd.	400.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
						UNCLASSIFIED (Other Centres)								
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.17	10	1.00	1.20	1.20		3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.90	10	1.25	1.80	0.90		3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	22.37	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.15	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.87	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	29.75	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00N	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	281.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	31.60	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.12	10	1.10	0.95	1.00		9	Y.P.
45,97,020	72,69,286	1,48,96,874	60,07,677	2,84,279	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	44.00	10	1.40	2.50	3.00*		3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.76	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	23.00	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.12	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	39.69	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	160.00	100	14.00	14.00	14.00		12	Y.P.
27,56,355	1,76,30,094	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	55.12	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	128.00xr	100	14.00	14.00	14.00		12	Y.P.
12,49,250	....	4,92,055	6,366	33,611	M.	East Anglia Plastics (India) Ltd.	18.19	10	..	..	*Nil*		3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.72xd	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	18.12	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	231.00	100	17.00	17.50	20.00		3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.20	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	5.62	5	..	..	*Nil*		6	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	14.37	10	1.00	1.00			3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	35.44	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director)	Goodyear India Ltd.	44.87	10	..	..	*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	231.00	250	15.00	22.50			3	Y.
4,00,18,350	1,35,51,450	8,83,47,837	8,84,91,947	2,75,652	Birla Brothers Private Ltd.	Hindustan Motors	18.88	10	0.50	0.90	1.20		3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	*Hindusthan Pilkington Glass*	20.56	10	1.20	1.20	1.20		10	Y.
40,00,000	....	1,00,469	....		Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	15.55	10	..	..	*Nil*		3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,953	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.81	10	0.60	0.80	0.90		3	Y.
8,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	38.25	10	1.20	1.50	1.50		12	Y.P.T.
2,35,77,700	2,29,18,801	3,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	35.62	10	1.50*	2.25	2.25		3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	44.50	10	1.50	1.50	1.50		9	Y.
29,93,375	1,06,104	54,89,157	21,21,520	3,633	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	20.31	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.44	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	80.00	100	5.00	7.00	7.00		3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	10.19	10	2.00	1.00			3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.56	10	2.75	2.75	2.75		9	Y.P.
10,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	24.12	10	3.00	3.00			12	Y.
40,00,000O. 5,00,000D.	78,79,891	31,96,009	13,63,603	2,18,917	M.	McLeod & Co.	180.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00			12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	*K. C. Mahindra, Esq. (Chairman)*	Metal Box Co. of India Ltd.	64.75	10	1.75	2.50	2.50	2.50	3	Y.P.
20,00,000	7,90,391	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00		3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.00	10	1.60	2.00	2.50		3	Y.P.
10,00,000	3,23,080	20,39,182	12,41,906	11,453	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.62	10	1.25	1.00	*Nil*		3	Y.
90,00,000	1,60,09,310	1,39,45,356	57,73,861	50,820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	28.56	10	2.00	2.50	2.50		3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	31.81	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	*National Rolling & Steel Ropes*	21.00	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.19	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.94	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.60	75	6.50	6.50	6.50		12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,31,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.18	1	0.20	0.30	0.20		3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. *(Chairman)*	*Phillips India Ltd.*	30.25	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	23.37	5	..	..	*Nil*		3	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.65	5	0.375	*Nil*			12	Y.
36,80,738	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	137.00	100	*Nil*	4.00	8.50		3	Y.P.
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	15.37	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 6,75,000	1,01,900	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.80cd —	10 7.50	1.50 ..	1.30 0.225	.. ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	*Shaw Wallace & Co., Ltd.*	20.44	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.18	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.62cd	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.00	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31xd	10	0.60	0.60	0.70		12	Y.
11,56,300	16,45,653	14,00,718	7,70,662	91,515	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	31.00	10	2.75	3.25*	1.50		9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	280.00	100	10.00	10.00	10.00		7	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	7.75	10	*Nil*	..			9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	47.25	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	80.60	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	32.00	10	5.25	3.50	1.00		11	Y.
31,46,200	27,60,459	1,02,78,928	35,59,149	6,384	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	192.00cd	100	10.00	10.00	12.00		3	Y.P.
						TRANSPORT								
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	112.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	*Dinshaw (Private) Ltd.*	*Bharat Line*	3.50	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.00 6.24	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39		6	Y.P.
£655,580	£1,242,443	£5,811,271	£3,538,891	—£3,866	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	64.00	£10	*Nil*				12	Y.P.
2,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.92	10	1.00	1.00	*Nil*		3	Y.P.
1,28,19,293	11,13,95,184	38,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.52	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.25xd 2.25xd	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, *Managing Director or* Secretaries	Company	Latest *available* Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	*1962* Rs. nP.	Accounts Closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.87	10	1.50	1.00	1.25		3	Y.
12,00,000	6,09,272	41,29,674	34,78,442	—2,59,124	Jardine Henderson Ltd.	Barraree Coke	23.37	10	*Nil*	*Nil*	*Nil*		3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.50	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	*Andrew Yule & Co., Ltd.*	Bengal Coal	347.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	19.50	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.25	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	11.50N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.50	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.81	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,32,979	82,38,293	31,00,614	1,11,870	Hindustan Investment Corpn. Ltd.	Central India	11.12	10	0.50	0.80	1.00		3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	5.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	6.12	10	*Nil*	*Nil*			12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	50.00	£1	1.25	1.00	2.00		4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	27.69	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	10.25	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	39.25	50	*Nil*	*Nil*	*Nil*		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	*Nil*	*Nil*			12	Y.
20,00,000	7,64,717	45,86,822	12,93,682	40,019	Bird & Co. Private Ltd.	Karanpura Collieries	20.69	10	5.00	7.50	10.00		2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.75	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	13.25N	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	6.31	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	21.69	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	14.00	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 17.25N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125			12	Y.P.T.
15,75,000	22,34,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	17.25	10	1.00	1.00	1.00		3	Y.
23,99,500	39,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	16.06	10	1.00	1.50	1.70		3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00			12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	8.87	10	0.70	1.00			12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	44.75	7	3.00	3.00	3.00		12	Y.P.
8,00,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7.69	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.00	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	9.50	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,12,000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	*Nil*	*Nil*			12	Y.
49,98,000	5,00,557	96,20,910	38,51,821	15,622	Hindustan Investment Corpn. Ltd.	Western Bengal	10.25	10	0.40	0.60	0.75		3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes *additional dividends* of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs *whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only.* X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	400.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 40,78,300	26,38,220	12,942	Andhra Bank	94.40 83.50	100 85	8.00 6.80	8.00 6.80	8.00 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	93.00	50	7.00	8.50	8.50		12	Y.
2,50,00,000 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	116.00 118.00	50 50'A'	8.00 8.00	10.00 1.00	10.00 10.00		6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	77.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	80.75	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16xR	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 'B' 16,00,000 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 16.75 1.18	100'A' 10'B' 1'C'	20.00‡ 2.00‡ 0.20	20.00‡ 2.00 0.20	20.00‡ 2.00‡ 0.20‡		12	Y.P.
2,62,50,000 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	63.50 64.00	25 25	4.30 4.30	5.10‡ 5.10‡	5.00 5.00	2.40*i* 2.40*i*	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	58.00xR	50	2.52	4.38	5.50		12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	21.05xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.25	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	14.00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 25,19,374	60,60,000 28,60,000	1,48,636	Indian Bank	175.50 172.00	100 100	15.00‡ 12.00‡	15.00‡ 12.00‡	15.00 13.50		12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	164.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.60	10	2.00	2.00	2.00		12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	358.75	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.40	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	88.50	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.62	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-14-6	£1	15†	15†	15½†	15†	12	Y.
H.K.$79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16½	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£2-14-4½	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (*i*) *Interim.* *xr—Ex-Right.*
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. *1963*
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	*1960*	9 .50	*21st June* .. *1972*
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	*1st May and 1st November*	*Bengal Coal Co., Ltd.*	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	*14th December* .. *1968 (a)*‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	*1st April and 1st October*	Simplex	1959	98.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97.50	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	83.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	*31st March and 30th September.*	*Dalhousie Jute Co.*	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	*30th June and 31st December*	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	*30th June and 31st December*	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.50	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	*100.00*	2nd July .. *1966-71*
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	92.50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	97.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	*Dalmia Cement (Bharat) Ltd.*	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	*30th June* .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	*30th June and 31st December*	*McLeod & Co., Ltd. (Convertible Notes)*	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.50	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th July 1962.

	Closing quotations 12-7-1962	High	Low	Closing quotations 19-7-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.50	172.50	172.00	172.50
Apollo (2)	2.12	2.14	2.08	2.08
Baroda Rayon (100)	135.00	137.50	133.00	133.50
Bombay Dyeing (25)	66.20	66.80	65.80	66.10
Bradbury (50)	185.00	—	—	185.00
Central India (100)	*144.00*	*144.00*	135.00	136.00
Century Mills (100)	625.50	627.50	592.00	597.00
Coorla Sp. (100)	160.00	—	—	160.00
Dawn (50)	157.00	158.00	152.00	153.00
Edward Textile (200)	360.00	360.00cd	349.00xd	349.00xd
Elphinstone (50)	117.00	117.00cd	101.00xd	101.00xd
Finlay (100)	298.00	300.00	295.00	297.00
Gokak (100)	190.00	190.50	184.00	186.00
Gold Mohur (100)	233.75	233.75	230.00	230.00
Gwalior Rayon (10)	58.20	59.00	57.00	57.00
Ind. Untd. Defd. (1)	3.42	3.44	3.18	3.24
Ind. Untd. Ord. (10)	22.44	22.52	21.60	21.68
Indian Rayon (100)	106.00	107.00	98.00	101.00
Indore Malwa (100)	177.00	179.00	176.00	176.00
Khatau (100)	465.00	470.00	445.00	447.50
Kohinoor (100)	297.50	299.00	292.50	294.00
Mafatlal (100)	820.00	822.50	801.25	801.25
Minerva Mills (100)	88.00	88.00cd	85.00xd	85.00xd
Model Nagpur (250)	133.00	—	—	125.00
Morarji (100)	397.00	399.50	388.00	388.00
Mysore (50)	60.00	61.00	60.00	60.00
National Rayons (100)	506.50	510.00	486.00	490.50
New City (100)	181.00	—	—	181.00
New Great (100)	295.00	293.00	288.00	288.00
Phoenix (100)	244.00	246.00	240.00	240.00
Podar Mills (100)	144.00	143.00cd	130.00xd	130.00xd
Raymond Woollen (100)	145.50	145.00	143.00	143.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	58.00	—	—	58.00
Shrinivas (100)	255.00	260.00	249.00	250.00
Simplex (50)	164.00	165.00	161.00	163.00
Standard (100)	912.00	916.00	826.00	838.00
Svadeshi (100)	263.00	267.00	260.00	263.00
Swan (100)	290.00	295.00	285.00	285.00
S. I. Viscose (100)	165.00	170.00	161.00	162.00
Tata Mills (25)	63.20	64.50	60.00	61.50
Lakshmi-Vishnu (100)	135.00	—	—	135.00
Western India (250)	802.50	—	—	802.50
BANKS				
Bank of India (50)	115.00	116.00	114.00	116.00
Do. (New) (50)	114.00	118.00	*114.00*	*118.00*
Bank of Baroda (50)	93.00	—	—	93.00
Central (25)	63.00	63.50	62.70	63.50
Central 'A' (25)	64.00	64.00	63.50	64.00
Dena Bank (50)	59.00	59.00	58.00	58.00
Punjab National (10)	20.52	20.76	20.52	20.76
Union Bank (5)	6.48	6.48	6.40	6.40
United Com. (50)	87.00	88.50	87.00	88.00
Maharashtra (50)	62.00xR	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	89.00	89.70	88.50	89.00
Amalgamated (10)	10.12	—	—	10.12
Andhra Valley (1,000)	1,021.25	1,022.50	1,020.00	1,022.50
Bom. Sub. El. (100)	103.50	104.00	103.50	103.75
Surat (100)	96.00	97.50	96.50	97.50
Tata Hydro (100)	113.00	113.00	112.50	112.50
Tata Power (1,000)	1,110.00	1,112.50	1,110.00	1,110.00
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile (40)	*58.00*	—	—	*58.00*
New India (15)	68.30xd	68.80	67.00	67.00
New India 'A' (15)	70.00xd	70.00	69.50	70.00
Vulcan (10)	18.00	—	—	18.00
STEEL COS.				
Ind. Iron (10)	25.80	26.00	25.30	25.55
Mukand Iron (10)	25.55	25.50	24.00	24.24
Tata Steel Ord. (75)	146.00	148.00	144.50	145.00
SUGAR COS.				
Belapur (50)	227.50	228.25	224.50	225.50
Bhopal (10)	21.24	—	—	21.24
Changdeo (12.50)	24.12	—	—	24.12
Maharashtra (50)	158.00	159.00	154.00	155.00
Phaltan (50)	99.00	99.50	98.00	98.50
Walchand Ind. (100)	155.00	155.00	153.00	154.00
CEMENT COS.				
Associated Cts (100)	153.75	155.75	153.00	153.75
Digvijay (100)	197.50	198.50cd	187.00xd	187.00xd
Orissa (10)	17.20	17.28	17.00	17.00
MISCELLANEOUS				
Alcock Ashdown (100)	316.00	320.00	314.00	315.00
Amar Dye-Chem (100)	282.50	282.50	267.50	267.50
Bom. *Burmah* (125)	646.00	649.50	632.00	639.00
Do. (New) (50)	251.25	251.25	248.75	251.25
Br. B. *Petrol* (1½ sh.)	1.80	2.02	1.80	1.94
Br. I. Corpo. (5)	8.88	9.00	8.76	8.76
Cooper Eng. (100)	182.00	182.50	178.00	178.00
Colour Chem. (100)	447.50	450.00	415.00	415.00
Hind Cycle (100)	120.00	120.00	118.00	118.00
Hindustan Lever (10)	45.50	45.50	45.00	45.00
Hindustan Motors (10)	19.28	19.32	18.28	18.52
I. C. & Invest. Corporation (100)	89.30	89.50	89.30	89.50
Indian Dyestuff (100)	463.75	470.00	426.25	435.00
Indian Copper (2 sh.)	4.84	4.92	4.84	4.76
Ind. Inv. Tr. (100)	75.00	—	—	75.00
Killicks (100)	85.00	85.50	84.40	84.40
Larsen & Toubro (10)	29.00	29.10	26.00	26.75
Mahindra & Mahindra (10)	17.24	18.24	16.76	16.76
New Central Jute (10)	15.60	15.76	15.60	15.60
Polychem (50)	182.50	182.50	170.00	170.00
Polson (100)	186.00	—	—	186.00
Pre. Automobiles (100)	126.75	126.75	122.50	123.50
Premier Con. (80)	152.00	154.00	147.50	148.50
Scindia (20)	11.72	11.80	11.32	11.40
G. E. Shipping (10)	12.00	12.00	11.88	12.00
Shivrajpur (10)	34.75	34.50	33.00	33.50
Sirpur Paper (10)	12.84	13.24	12.72	13.00
Synthetics and Chem. (100)	214.00	214.00	198.00	200.00
Tata Chemicals (10)	15.48	15.44	14.64	14.76
Tata Locomotive (100)	336.00	336.00	313.00	318.00
Tata Oil (25)	71.00	71.00	66.50	67.50
Texmaco (10)	23.52	23.64	23.40	23.40
Voltas (100)	270.00	272.50	262.50	265.50
W. I. Match (100)	271.00	269.00	266.00	266.00
W. Coast Paper (100)	165.50	167.50	161.00	161.00

GOVERNMENT SECURITIES	12-7-1962 Rs.	*Gross Yield* Earlier Redemption	Later Redemption	19-7-1962 Rs.
2½% *1962*	99.55	—	4.10	99.55
2½% *1976*	83.50	—	4.33	83.50
3 % *1964*	98.70	—	3.55	98.70
3 % 1963-65	98.80	3.88	3.36	98.80
3 % 1966-68	96.35	3.94	3.65	96.35
3 % 1970-75 1st Dev.	89.20	4.55	4.08	89.20
3 % 1986 Con. Loan	70.00	—	4.34*	69.00
3¼% 1964 N. P. Loan	99.90	—	3.54	99.90
3½% 1965 N. P. Bonds	99.65	—	3.62	99.65
3½% 1962	100.00	—	..	..
3½% 1967 N. P. Bonds	98.85	—	3.79	98.70
3½% 1974	99.25	—	3.83	98.20
3½% 1967 N.P. Bonds	99.50	—	3.86	99.50
3½% 1969 Loan	98.00	—	3.83	98.00
3½% 1968	98.35	—	3.85	98.15
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.50	—	3.90	99.20
4 % 1972 Loan	100.00	—	4.10	99.20
4 % 1973 Loan	100.00	—	4.11	99.20
4 % 1979 Loan	99.40	—	4.08	99.00
3¾% 1966 Bonds	99.60	—	3.60	99.60
4 % *1980 Loan*	98.50	—	4.12	98.50
4 % 1981 Loan	98.75	—	4.10	98.70
4½% 1985 Loan	—	—	4.50	100.00

* *Current Income.* xd—Ex-dividend X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

BANK

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	95.00	100

BREWERIES AND SUGAR

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sept.	79.75	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	4.92cd	5
East India Distilleries C.	£200,000	1897	9.00	Jan. July	19.50cd	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	60.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct. ..	11.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	77.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	61.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	114.50	100

COAL

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct. Apr.	80.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr. Oct.	96.50	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	7.25	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	81.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar. Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	80.00N	100

COTTON

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr. Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	106.63	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov. ..	7.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	100.00xd	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	75.00xd	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	47.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan. July	118.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	83.63xd	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	405.00	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec. ..	109.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June ..	78.50cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July ..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	8.60cd	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	.. ..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	.. ..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan. ..	72.00	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	.. ..	70.00	100
New Great	8,00,000	1913	5.50	Mar. ..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb. ..	64.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	45.00cd	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	.. ..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	86.87	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June ..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	7.45cd	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	92.04xd	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	91.27xd	100
Lakshmi-Vishnu	15,66,500	1908	7.00	Apr. ..	460.00	500

ELECTRICS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May Nov.	985.00	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	.. ..	67.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	8.37	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept. Dec.	7.95	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50		7.95	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May Nov.	98.00	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,022.50	1,000
Vellore C.	1,25,000	1928	4.00	Dec. ..	6.00	10

ENGINEERING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar. ..	12.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb. Aug.	109.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	100.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June ..	116.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July ..	45.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June Dec.	71.25N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	.. ..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May ..	93.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	.. ..	73.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	.. ..	5.08	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov. ..	134.00	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May ..	105.25	100

JUTE

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	90.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	93.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	94.00	100
Barnagore C.	£200,000	1896	5.00	May Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June Dec.	81.50	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	90.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	90.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	70.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	87.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May Nov.	95.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	63.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	85.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May Nov.	88.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	93.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	100.00	100

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	89.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	91.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	94.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	91.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar. Sept.	41.00	50

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Bengal-Assam Steamship C.	13,00,000	1895	7.00	Nov. ..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar. Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	64.50	100

TEA

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	27.00xd	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	88.00xd	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan. ..	90.00xd	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	88.00xd	100
Gielle C.	2,00,000	1894	6.00	Sept. ..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	90.00xd	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	86.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	84.00	100
Moheema T.F.C.	8,20,000	1929	6.00	May Nov.	5.31	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	88.00xd	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	90.00xd	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	9.37xd	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	12.00xd	10

PLANTING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Be Be Rubber C.	1,43,005	1944	6.25	.. ..	1.97	5
Do. R.C.	2,85,570	1944	6.25	.. ..	5.18	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June ..	48.50cd	50
Coffee Lands C.T.F.	10,40,000	..	5.00	.. ..	68.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	77.36	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	82.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July Jan.	7.25	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.65	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar. ..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	6.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June Dec.	8.70	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov. ..	7.91	10

MISCELLANEOUS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
Alembic Chemicals (1st)¶	5,00,000	..	6.25	June ..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June ..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	85.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	.. ..	93.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb. June	92.74cd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar. Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar. Sept.	48.00xd	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	97.00xd	100
Do. "B" T.R.C.	20,00,000	1948	7.00	.. ..	61.25xd	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug. ..	7.25	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb. Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb. ..	107.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept. ..	7.75xd	10
Dhrangadhra Chemicals T.F.C.E.	81,91,900	1956	7.80	.. ..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec. ..	78.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June Dec.	106.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr. ..	71.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	55.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	47.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr. Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar. ..	186.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	.. ..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	76.34	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan. July	81.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	31.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr. ..	59.50	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May ..	55.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May ..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June Dec.	61.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	83.50	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	47.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	81.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb. Sept.	10.42	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June ..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	57.00	100
Do. do. (New) (q) T.F.C.R.	19,98,900	..	4.50	Mar. Sept.	61.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan. ..	89.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr. ..	101.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr. ..	54.50	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb. Aug.	65.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan. July	7.20	10
Do. "B" C.	36,80,000	1922	8.50	Jan. July	10.25	10
Esso C.	75,00,000	1955	6.00	June Dec.	88.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	79.00	100
Tata Chemicals C.	59,97,000	..	7.14	June ..	86.30	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	63.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan. June	111.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan. July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July, 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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WHITHER THIRD PLAN?

NOW that Mr. Morarji Desai has returned from his tour of Western Europe, there is optimistic speculation about the success of his mission. Mr. Desai himself is optimistic, though he is not quite sure of the final result. This is understandable, for one cannot take the courtesies shown to him as clear evidence that India's needs will be fully met. With Aid-India Club due to meet on 30th July, the suspense will soon be over. One must, however, be prepared for an unsatisfactory outcome, what with the Government of India's decision to buy M.I.Gs from Russia, a decision quite unpalatable to Western powers. It is significant that a spokesman of the U.S. Government has assured his Senators that the Administration will respect the Senate's wish that the U.S. aid to India in 1962-63 would not exceed the previous year's limit, even though this condition had been formally removed by both the Houses of American legislature following compromise efforts with the full backing of the Administration. Even assuming that the Aid-India Club agrees to give in full the aid expected from it, will this country be in a position to implement the third Plan as it is according to schedule? There are grave doubts. To say so does not necessarily mean that the planners had done a wrong thing in drawing up a plan of this magnitude and nature. Only, it is suggested that, in the light of experience in the first 15 months of the third Plan period, they should be realistic enough to appreciate that the country is not in a position to carry the third Plan through and that it would be better to rephase the Plan. One of the assumptions about the third Plan is, it may be recalled, that it would be revised suitably, if the conditions necessary for executing it turned out to be unfavourable.

Figures (provisional) pertaining to the first six months of India's foreign trade are not quite encouraging, as compared with those for the corresponding period of 1961. Although there was a sharp fall in imports from Rs. 549 crores to Rs. 499 crores, and the adverse balance of trade contracted from Rs. 231 crores to Rs. 185 crores, the exports were actually smaller at Rs. 309.43 crores, as against Rs. 315.46 crores, instead of being larger. At this rate, it is not clear how the target of Rs. 720 crores recommended by the Board of Trade, albeit for the fiscal year 1962-63, will be reached. The reduction in balance of trade, welcome though it is, has been achieved at the expense of several existing industries which have had to cut their production for want of adequate raw materials. The position in this respect will be worse still in the coming six months, for further cuts have been effected in import quotas. Besides, even a trade gap of Rs. 185 crores in the first half of this year is greater than that in the second half of 1961 by some Rs. 65 crores and disturbingly large for a country with an external reserve of less than Rs. 100 crores—Rs. 93.85 crores to be precise. There is, of course, the I.M.F. standby credit of Rs. 47.62 crores, but even that will not carry the country very far. Since most of the aid that will be forthcoming from the consortium of Western nations and Soviet group will be tied country-wise and projectwise, not much significant relief in the balance of payments pressure can be expected from their help. It is, therefore, necessary to cut the coat according to the cloth available. There is surely no point in creating productive capacity with expensive foreign capital, if it cannot be worked to full capacity for want of raw materials and components. It would mean a colossal waste of resources.

The Government of India has done well in calling back the unutilised industrial licences. In fact, this was long overdue. But this alone is not sufficient. It must also look into the projects on which only the initial steps have been taken. Of these projects, those which entail substantial foreign exchange expenditure for their sustenance could be held over to more auspicious times and those which would result in considerable import saving could be given a high priority. The overriding consideration here should be to ensure full utilisation of capacity already created, especially in all essential industries. Businessmen, in particular, should appreciate this point and refrain from exercising pressure on the Government for receiving favourable treatment in respect of projects which can wait. Some of them have already started the plea that, in view of the bright prospects of getting the hoped-for-aid from the Consortium, the Government should relax its import restrictions. This plea is not only premature but also lacks clear appreciation of the balance of payments prospects. When Mr. T. T. Krishnamachari said the other day that automobile companies should think of using wood instead of steel for the body of cars, he was not exaggerating the difficulty confronting the country a bit. He was only giving an example of the extent of hardship through which the country will have to pass even to implement the core of the third Plan and to remain solvent on the external front.

A revision of the third Plan has also become necessary in view of the terrible "trio of shortages," to use a phrase coined by Mr. Jehangir J. Ghandy, Director-in-charge of the Tata Iron and Steel Company, Ltd., Jamshedpur. The grave shortages of fuel, transport and power are holding up progress in vital industries such as steel, cement and chemicals. Their multiplier effect on industrial and agricultural production is being underestimated, as well as inadequately realised. Lack of power has reversed the growth in coal production, while insufficient transport capacity to move even the attenuated coal production is standing in the way of steel industry's progress. Everyone is now bravely talking of breaking the transport bottleneck by expanding road transport and coastal shipping and by giving new life to inland navigation. But the automobile manufacturers are complaining of a cut in the foreign exchange allocation and its possible adverse effect on the output of their vehicles. Shipping companies, too, have a similar tale to recite. Inland navigation has fallen into disuse so much in recent years that it is a moot point whether its revival on any significant scale will be possible before the end of the third Plan. On top of all this is the possibility of a part of the transport capacity being diverted to the defence of the country. The situation in Ladakh has become pretty serious and China may choose to harass us in the N.E.F.A. area in the winter, when nature keeps the Ladakh front frozen.

The adverse consequences of the "trio of shortages" are being aggravated by the follies of some Ministers at the Centre. Foremost among them is Mr. K. D. Malaviya. The economic loss to the country stemming from his dogmatism is so huge that there is need for appointing a high power independent body to evaluate the gains and losses of his Ministry and determine the net position. If, occasionally, he solves one problem, the country heaves a sigh of relief and everyone praises him for that achievement, but it is conveniently forgotten that the new problems which he creates rise in geometrical proportion to the ones he solves. When he began his work in the new Ministry, by making conciliatory speeches which had a ring of pragmatism in them, he made a good impression on the coal industry. But sweet words alone, unaccompanied by the action implied by them, cut no ice. By giving rise to false hopes, they only lead to a sense of exasperation among the industrialists later on. It will, therefore, be better if they are not said at all.

The things that Mr. Malaviya said at Madras last week about coal and oil refining will only make matters worse. What was the necessity for him to say that, ultimately, the coal industry would have to be nationalised? By reintroducing this sword of Damocles, he is only making it even more difficult for the private sector in the coal industry to raise the capital necessary for expansion. By all means let Mr. Malaviya be firm in dealing with erring mine-owners or those who are trying to take advantage of the country's pressing need for more coal. But it is unnecessary for him to hold out threats of this nature which help nobody and penalise the mine-owners who are conscientious, hardworking and competent. Moreover, the threat of nationalisation is absolutely meaningless, if not mischievous, considering that the private sector in coal had fully achieved the target of 45 million tons set for it in the second Plan, in refreshing contrast to the failure of the public sector to fulfil the job assigned to it. It must also be remembered that the progress made by Mr. Malaviya's Ministry in regard to the development of non-ferrous metals has been so poor and far behind the schedule that the dependence on imports is greater than had been assumed in the Plan. He is committing the same mistake in regard to petrochemicals, with the result that the establishment of a great import-saving, catalyst industry is being unnecessarily delayed. His attitude towards petroleum industry proper is marked by too much brinkmanship. Faced as it is with a mighty Communist enemy on its northern borders and with a rapidly growing demand for petroleum products, it is risky for India to resort to such tactics. There can be some consolation if at least the public sector oil projects have progressed according to plan. But they have not and there is insufficient ground for being optimistic that their performance in the remaining years of the third Plan will be so good as to make up the leeway. This journal is not, therefore, still sure that its earlier forecast of a shortage of petroleum products in the coming years will not materialise.

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CAIRO ECONOMIC CONFERENCE

THE international economic scene today reflects the kind of phenomenon which can, and does, occur, in certain circumstances, within an individual nation—the phenomenon of the rich becoming relatively richer and the poor relatively poorer. The industrially rich nations of the world are now relatively much richer than the less-developed countries of the world. In the immediate post-war years, it may be recalled here, *per capita* income in the few advanced countries was only 5—10 times larger than the average *per capita* income ($100 per per annum) of the more numerous under-developed countries of Asia, Africa and Latin America. Over the last 15 years, however, this gulf has become wider still, with the result that *per capita* income in the former countries has now increased to 10—15 times that ($150) of the latter. Quite a few revealing facts, which have not become stale by repetition, throw further light on this contrasting situation. *Per capita* food production, for instance, has fallen by 2 per cent in Africa and increased by just 2 per cent and 12 per cent, respectively, in Latin America and Asia since the war, whereas it has increased by 21 per cent in the developed Western Europe. Secondly, the underdeveloped countries' share in world trade has come down by stages from 38 per cent in the immediate post-war period to 29 per cent in 1961. Thirdly, in the course of the last ten years alone, the prices of industrial goods in international trade have increased by 24 per cent, while those of raw materials have fallen by 5 per cent. In other words, the under-developed countries exporting raw materials are purchasing one-third less industrial goods for the same quantity of raw materials, as compared with ten years earlier. And, fourthly, the less-developed countries are now paying out to foreign investors and creditors, by way of profits, interest and dividends, 11.6 per cent of their export earnings, as against 9.4 per cent at the beginning of the fifties.

The disturbing tendencies revealed by these facts have resulted, to a large extent, from the economic policies of the industrial countries. It is not inconceivable that they can be partly curbed, if not reversed, by the advanced countries themselves. For this, the policy of subsidising agriculture in industrial countries—a policy which has caused the emergence of surpluses in some lines and reduced the dependence on imports of foodstuffs and agricultural raw materials from several under-developed countries—would, in the first instance, have to be drastically modified, if not given up altogether. To say this would not be to overlook the role played by American food and cotton surpluses during the last decade not only in meeting shortages but also in subserving the needs of development in many under-developed countries. But this situation is not expected to continue for long, for the under-developed countries are already developing the potential for greater agricultural growth in a variety of ways. It would be a good thing if the industrial countries, which are now encouraging uneconomic natural (and, to some extent, even synthetic) production through protective tariffs and subsidies, begin to think less and less in terms of agricultural autarky.

Another direction in which the advanced countries can be helpful to the underdeveloped countries pertains to trade in simple manufactures such as cotton textiles and light engineering goods. As the latter countries have increased their proportion of spindles and looms in the world textile industry to more than 20 per cent now, they are in a position to export a part of their production to the advanced countries. But the possibility of increased exports of textile goods from the underdeveloped countries would become an actuality only if the recent five-year agreement reached at the G.A.T.T. International Cotton Textile Conference results in the gradual relaxation and ultimate elimination of restrictions on their imports into the developed countries. There is no certainty, even in terms of this agreement, that restrictions on textile imports would be completely eliminated by any advanced country over the next five years. Exports of manufactured products in the category of "newer" industrial production by underdeveloped, though partly industrialised, countries like India, Pakistan and Yugoslavia, may not also have smooth sailing. It remains to be seen whether the regional economic integration represented by the European Common Market will lead to greater inter-dependence between the advanced countries and the underdeveloped ones by way of reciprocal intake of more agricultural and industrial products by the former broadly in consideration of the large volume of capital goods and industrial raw materials exported to the latter. As of today, the signs unfortunately seem to be that the European Economic Community is developing more inward-looking characteristics than outward-looking ones.

The time has, therefore, verily come for the underdeveloped countries to concert measures for mutual economic co-operation among themselves, on the one hand, and for securing more equitable relations in the matter of trade and aid between them and the industrially advanced countries, on the other. Herein lies the supreme justification for the declaration issued by the "Economic Conference of Developing Countries" which concluded its session at Cairo last week. This declaration (dealing with the internal problems of developing countries, the problems calling for co-operation among the developing countries *inter se*, and the external problems of relations with the developed countries) has been described by a foreign correspondent as "a sensible, straightforward document." The highlights of this declaration, in so far as they relate to the internal and inter-regional problems of the developing countries, are as follows:

(1) Countries that suffer from the pressure of population on resources available should accelerate their rate of economic development and, in the meantime, take appropriate legitimate measures to deal with their population problem.

(2) Developing countries should take appropriate measures of agricultural reforms for raising agricultural productivity and broaden their national economies through diversification and industrialisation.

(3) Developing countries should improve means of transportation and communication among them in order that diversification and industrialisation may bear fruit in internal, inter-regional and international fields.

(4) All developing countries should launch more intensified programmes of technical-scientific training to a much larger proportion of their population.

(5) Financial and monetary stability should be maintained, and public and institutional savings should be developed as major sources of domestic financing and development. Special care should also be given to the mobilisation of savings and formation of capital through proper utilisation of human resources.

(6) Developing countries should promote mutual bilateral and broader relations in the fields of trade, payments, financing, technical and scientific co-operation, industrial co-operation, transport and communications, geological surveying, land reclamation, training centres, and preparation of investment projects.

(7) Close co-operation should be established amongst those developing countries which produce primary commodities, with a view to coping with marketing problems including improvement of quality.

The aforesaid recommendations of the Cairo Conference, though they may look like generalities, represent a golden mean between possible isolation and the creation of a separate economic bloc. As trade among the under-developed countries themselves is only 23 per cent—10 per cent in foodstuffs and 13 per cent in mineral fuels and industrial products—of their total trade turnover, the Conference has done well to emphasise the useful contribution which an expansion of trade between developing countries, particularly on a regional basis, can make to their further development. Here, fortunately, the progress of industrialisation opens up great possibilities for a more intensive and, possibly, extensive exchange of goods. But this switchover would require a number of institutional changes, the development of transport and a payments system—things which cannot be done in a few years. The feasibility of the last one in particular is extremely doubtful. But co-operation among the developing countries in the field of technical training can be developed more easily in the immediate future. It is, in this context, that the offer made by Mr. Manubhai Shah, India's Minister for International Trade, at the Cairo Conference appears as a concrete first step of great significance. This offer of reciprocal technical assistance in training young men from Africa and Asia in Indian Universities and technological and specialised institutes, it is needless to add, should be reciprocated by such other developing countries as may have established specialised technical institutions. That way lies mutual co-operation on the most practical lines, to begin with.

Greater economic co-operation among the developing countries *inter se* can also grow out of the united way in which they possibly face the problems of international trade. The Cairo declaration has issued the call precisely for this unity of approach and action. Exchange of information and views on economic relations with industrial countries, attitudes to be adopted on economic questions examined by international organisations, concerted action in connection with any adverse effects of the economic integration policies of industrial countries, adoption of a programme of measures for the abolition of tariff, non-tariff and other discriminatory barriers affecting the exports of developing countries—all these will call for mutual consultation and understanding of a high order. This is no easy thing, of course. But the challenge posed by the European Common Market cannot be met in any other manner. Given such unity, the hoped-for implementation of the G.A.T.T. programme of action for improving the prospects of exports from developing countries may also be rendered easier.

In much the same way, the establishment of a compensatory financing system by the International Monetary Fund for a more effective balancing of payments of the developing countries, as demanded by the Cairo Conference, may be more easily achieved. That opinion in the advanced countries may well be sympathetic to the idea could be inferred from a related, though not identical, suggestion recently canvassed by *The Economist*, London. The suggestion is to the effect that an increase in world liquidity should somehow be partly channelled in the first place through a certain quantum of new liquid funds put at the disposal of the underdeveloped countries (by special drawing rights on the I.M.F. or on the Organisation for Economic Co-operation and Development through the European Monetary Agreement). Whether the industrial countries will also adopt positive measures, as urged by the Cairo Conference, to ensure a steady expansion, on a non-discriminatory basis, of the developing countries' exports to their markets remains to be seen. Already the way in which the E.E.C. is dealing with the problem of India-Pakistan-Ceylon's trade with Britain, which has applied for membership in the Community, is hardly calculated to set at rest the fears and anxieties of many underdeveloped countries. Perhaps some relief could conceivably result if steps are taken, within the framework of the U.N., to stabilise international primary commodity markets "on a fair and remunerative basis and taking into consideration the trend of prices of manufactured goods," as urged by the Cairo Conference. But will such a solution be possible? The few experiments that have been tried so far have yielded no conclusive evidence. The Coffee Conference now in session at New York may provide a pointer. Generally speaking, however, the fact remains that the problem of stabilising international commodity prices has eluded a satisfactory solution.

On the question of development aid, the Cairo Conference has had nothing much new to say. Its declaration, which has demanded a more even distribution of international aid and urged the need for its continuity as well as its integration with national economic development plans, is emphatic that the economic emancipation of developing countries can best be achieved through aid in the form of low-interest, long-term credits that would not unduly burden their balance of payments. While appealing for immediate implementation of the U.N. recommendation concerning the allocation of one per cent of the combined national incomes of the advanced countries for the development of poorer countries, the Cairo declaration has urged the channelling of such aid, to a greater extent than now, through the U.N. In other words, the declaration expresses a greater preference for multilateral aid than for bilateral aid. The feasibility of this suggestion is in grave doubt, in view of the rift in the world and the cold-war politics. The failure of the Cairo Conference to appeal to the Communist bloc countries, particularly the Soviet Union, to participate in multilateral aid programmes on a far larger scale than at present is conspicuous enough not to escape notice. If an International Economic Conference within the framework of the U.N., as urged by the Cairo declaration, comes to be held next year, it will have to devise ways and means of ensuring the fullest participation of Communist countries in multilateral aid programmes. The resources of the I.D.A. and the U.N. Special Fund, if augmented greatly, may go a long way towards neutralising the prevalent fear or suspicion that bilateral aid involves implicit or explicit strings attached to it. But Communist countries, which now provide mostly bilateral aid, may be less willing to forgo the manifest advantages of aid in that form than the advanced countries of the West.

MARKET GOSSIP

Doubts About Dollar

THE widespread anxiety about the ability of the U.S. dollar to hold its ground is quite understandable. For the U.S. has come to occupy such a pivotal place in the international economic set-up that anything which undermines its currency is bound to have world-wide repercussions. That country accounts for almost one-fifth of the aggregate free world exports and one-seventh of imports, gives colossal amounts by way of economic assistance (nearly five billion dollars a year) to several needy nations, and extends massive military aid to a large number of countries. It is clear, therefore, that the need to ensure the stability of this key currency, the dollar, is in the interest as much of the U.S. as that of all the other countries in the free world. Dr. Keiser, Assistant Secretary-General of the Organisation for European Co-operation and Development (O.E.C.D.), certainly put the whole problem in its proper perspective when he declared the other day: "All responsible people are firmly convinced that the position of the dollar *vis-a-vis* gold should be maintained in the interests of all of us. We are firmly determined to work together to defend the dollar against any sort of attack."

The world-wide concern now being expressed over the U.S. dollar stems from (*a*) the persistent pressure imposed on the U.S. balance of payments by the heavy military expenditure abroad in defence of democracy against communism and the continuing flow of long-term capital into investments abroad, and (*b*) the reports suggesting that the European Central Banks are getting impatient over the "abnormal" accumulation of dollar balances which they have been holding for some time. It is feared that the continuing deterioration in its balance of payments position may compel the U.S either to prune drastically aid to developing countries or to adopt a tough restrictionist policy at home thereby exerting severe downward pressures on world economic activity or to slash imports by tightening quota restrictions or introducing tariff surcharges of the type recently employed by Canada.

Reflecting the pressure on balance of payments, the U.S. gold drain continues unabated, the total loss since the beginning of 1962 amounting to $391 million, on top of a loss of $878 million in 1961 and $1,689 million in 1960; the reserves, which were standing at as high as $22,781 towards the close of 1957, have now fallen to $16,298 million (as on 18th July 1962) and there may be a further big drop in them, if the European Central Banks decide to convert a part of their dollar holdings into gold. Apparently, the "defences for the dollar" erected since the year began by the U.S. Administration have not had the desired effect in a full measure. One of these "defences," it may be recalled, pertains to the creation of a $250-million gold stabilising fund. The object of this fund is to protect the U.S. reserves against the first impact of hoarders' demand for gold; the fund was set up only a few weeks ago under the ægis of the Bank for International Settlements. The size of this fund has now become smaller and it is felt that it will be exhausted in the not too distant future, thanks to Continental, particularly Swiss, buying. The demand for gold on the London market has been so high that the dollar price of gold has moved up (despite large sales by the authorities) to $35.14⅛ per fine ounce from $35.10⅜ a month ago. In other words, it commands a premium of 14¼ cents over the world parity level of $35. Again, as the London *Financial Times* points out, despite the various "swap" arrangements already made between the U.S. and the U.K., France, and Holland (similar arrangements were announced early this week with the Swiss National Bank and the Bank for International Settlements of Switzerland), the dollar is very close to its support point against almost all European currencies. Nevertheless, it is confidently felt in London that, if and when the gold fund or currency swaps need enlargement, this will be arranged.

So far as the U.S. is concerned, President Kennedy has reiterated once again the Administration's determination to defend the dollar at all costs, which means that it will not agree to any upward revision in the price of gold. Replying to a question at a Press Conference in Washington on Monday this week, Mr. Kennedy categorically declared that "we are not going to devalue and we will be able to bring our balance of payments into balance by the end of next year." This confidence seems to be based on the ground that some of the measures lately being taken by the Administration will meet with success. Thus, for the first time in recent financial history, the U.S. Government has sought to raise long-term money outside America, as distinct from short-term credits arranged in connection with foreign exchange operations. The technique adopted is the sale of notes, held by the Export-Import Bank against loans to the Governments of the Continental countries and industrial concerns, to European investors. Two New York investment banking houses have been approached by the Treasury to conduct the experiment. Their representatives are currently visiting banks and individual investors in France, West Germany, Italy, Netherlands and Switzerland and trying to interest them in buying the notes. To start with, notes worth $300 million are expected to be offered and, if the experiment proves a success, the total may be increased later. The response to the issue is likely to be quite good, considering that the notes will pay the European investors a fairly high rate of 5½ per cent, as against the average long-term interest rate of 4 to 4.5 per cent currently prevailing in the U.S., though it is below the average rate of about 6 per cent in most European countries. It may be noted here that, early in June last, the Bank for International Settlements at Basle had mooted the idea of the U.S. Government tackling its balance of payments problem by raising long-term interest rates to the level (6 per cent) prevailing in Europe, in order to check the outflow of capital. The idea has since been actively discussed in the O.E.C.D. But it has not found favour with the U.S. which fears that such an increase would have an adverse effect on the expansion of American economy, especially at a time when it is in need of a boost.

Meanwhile, the U.S. Secretary of Defence has announced his plans to improve the balance of payments by cutting military expenditure abroad. When carried out, they are expected to result in a saving of $1,000 million in 1962-63 and the Defence Secretary wants to double this saving by 1965-66.

With the flat rejection by the U.S. Government of the plea for raising the price of gold which has been kept anchored at the $35-per-ounce level for nearly three decades, the suggestion for resolving international payments problems through a reinforcement of the gold exchange standard, put forward sometime ago by Mr. Xenophon Zolotas, Governor of the Central Bank of Greece, seems to have attracted increasing support of late. The reinforcement operation, according to "Lombard" of the *Financial Times*, would involve the following three main steps:

1. All the major trading countries should introduce differential interest rate and tax treatment for foreign official depositors of short-term balances, in order "to secure independence for their international positions from the requirements of domestic monetary and fiscal policies."

2. The reserve currency countries must build up sufficient balances of other convertible currencies both to give them plenty of room for manœuvre in the foreign currency markets and to serve as a first line of defence for their own units.

3. All convertible currency countries, particularly the reserve currency ones, should provide a gold guarantee in respect of all balances held in their currencies by foreign official bodies.

The first two proposals, "Lombard" seems to feel, can be given effect to at least within certain limits and subject to certain reservations. As for the third proposal, however, the reserve currency countries, it is felt, will hesitate for long before implementing it; the proposal concerns them to a much greater extent than other convertible currency countries, their holdings of foreign official funds being relatively much larger than those of the rest.

Ayub's Fiat Against Foreign Banks

Indian banks having branches in Pakistan are understandably exercised over the recent Ordinance promulgated by President Ayub Khan requiring foreign banks operating in that country to keep a minimum deposit with the State Bank of Pakistan, the central banking authority of that country. It is not the stipulation that a minimum deposit be kept that has perturbed bankers but the insistence that the funds for the purpose should be brought from outside. It is a normal and legitimate practice of a central bank to require foreign commercial banks functioning in areas under its jurisdiction to maintain statutory deposits with it but the condition that fund should be brought from outside is, to say the least, unparalleled and unreasonable. For, if the idea is to protect the interest of local depositors, there is no need to insist that funds should be brought from outside; the purpose could as well be served, if the banks are allowed to draw upon their local resources. The Indian Banks Association, which has rightly termed the stipulation "unusual and extraordinary," considers this as a subtle move on the part of Pakistan to effect capital transfers to that country through bank finance.

According to the Ordinance issued early last month—it is not clear why Indian banks have been so slow in protesting against it—all foreign banks operating in Pakistan, irrespective of the country of incorporation, should deposit with the State Bank of Pakistan a minimum of Rs. 20 lakhs or 5 per cent of their total time and demand liabilities, whichever is higher, by transferring funds from outside Pakistan. This condition applies not only to existing foreign banks but also to branches of foreign banks that are likely to be opened in the country in future.

A period of six months has been allowed for banks to comply with the provision. The State Bank of Pakistan, however, is empowered to grant an extension not exceeding six months if it thinks fit to do so in a particular case.

There are 21 Indian banks operating in Pakistan as on 31st December 1961 with a total of 48 branches. Surely, they account for a good portion of the total foreign deposits of Indian banks. If the condition is to be met, the Reserve Bank of India will have to authorise substantial remittances to Pakistan by Indian banks operating in Pakistan and that at a time when the country is facing a difficult foreign exchange situation. This makes the Pakistan Government's Ordinance a development which directly concerns the Indian banks no less than the Government of India. The latter should, therefore, take up the matter with Pakistan on a Government-to-Government level.

It is difficult to fathom the motive or reasons behind this extraordinary move. It is possible that it is designed to spite India on political grounds, but then why should banks belonging to other countries, some of which are giving huge amounts of aid to Pakistan, be also penalised? It is noteworthy, in this connection, that banking circles in India do not rule out the possibility of banks belonging to countries that give aid to Pakistan being exempt from the stipulation. Significantly enough, the Ordinance has given wide discretionary powers in this regard to the State Bank of Pakistan. Should this happen, Indian banks would find themselves singled out for harsh treatment. The foreign exchange position of Pakistan is not such as to warrant this patently unjust and discriminating measure. Its foreign balances stood at Rs. 138.51 crores on 29th June 1962, as against Rs. 149 crores a year ago. These are plenty for a country of Pakistan's size and foreign trade. In any case, Pakistan is in a far better position than India whose foreign exchange reserves have touched a new low of Rs. 93.85 crores this week.

Although the State Bank of Pakistan has, as noted above, discretionary power to exempt such banks as it may deem fit from the statutory requirement, banks of aid-giving countries are not leaving anything to chance. The British banks in Pakistan, for instance, have protested against the discriminatory character of the provisions of the Ordinance relating to the foreign banks. American banks too are reported to have expressed their "unhappiness" over the relevant provisions. No formal action has, however, been taken by the Exchange Banks' Association of Pakistan. Incidentally, Indian banks are not members of this Association.

World Commodity Prices at All-time Low

World commodity prices have been tumbling down in recent weeks at a rate which must be a source of serious concern to all primary producers. This, of course, does not reflect any new turn, but only the aggravation of a trend, which has been in evidence ever since the end of the Korean boom over a decade ago. The *Financial Times* (London) index of world commodity prices (base: 1952=100) touched an all-time low of 75.94 early this week, as compared with the previous low of 76.35 in the middle of last November, and 79.04 a year ago. The commodity prices had, no doubt, recovered from the setback in November, with the index having gone up to 78.29 by the end of the year. But this modest recovery has also turned out to be a short-lived affair. Dow Jones indices (base: average 1924-26=100) for spot is also lower now at 145.75 (as against 147.15 a year ago and 149.85 early in 1962) and for futures at 143.80 (as against 147.94 and 148.44, respectively).

The only redeeming feature is that the downward trend has not been uniform and some of the commodities such as silver, certain foodgrains coffee, tea and cotton have fared better. But these exceptions pale into insignificance, considering the sizable setback suffered by a wide range of other commodities, particularly metals, vegetable oils and oilseeds, cocoa, rubber and jute.

The renewed weakness of the commodity markets is the result, at least to some extent, of the fear of a possible recession in industrial countries and the general easiness in stock markets, apart from the phenomenon of demand for primary products lagging behind supply. The possibility of the disposal of U.S. stockpiles of certain strategic commodities, has also adversely affected the market sentiment.

The table below shows the current prices of select commodities in the London market (latest available quotations) as compared with those a year ago along with the highest and lowest levels touched so far during the current year:

(Quotations are in £ per ton unless otherwise stated)

	Latest quotations	Year ago	1962 High	1962 Low
Oils				
Castor (Indian)	119.5	134.0	134.0	112.5
Coconut (Straits 5¼%) ..	83.5	85.5	88.5	82.5
Groundnut (B.W.A. 8/5%) ..	103.0	119.0	122.0	100.0
Linseed, crude	107.5	127.0	123.0	107.5
Soyabean	72.5	98.5	93.5	72.5
Oilseeds				
Groundnuts (Nigerian) ..	60.5	70.0	70.0	57.5
Linseed (Canadian) ..	53.8	61.0	59.5	53.3
Metals				
Aluminium	180.0	186.0	186.0	180.0
Copper (3 months) ..	230.5	235.0	237.0	229.0
Lead (cash)	53.0	65.5	62.0	53.0
Tin (cash)	860.3	910.0	973.5	858.0
Zinc (cash)	65.5	78.5	71.5	65.5
Others				
Maize (American)	19.3	21.3	20.5	19.3
Wheat (No. 2 Manitoba) ..	28.0	27.6	29.3	27.5
Jute (L.J.A. Firsts) ..	103.0	146.0	127.0	98.0
Rubber*	22½d.	24¾d.	25½d.	22d.
Tea* (quality)	5s.-5s. 9½d.	4s.9d.-5s.5d	..	..
Cocoa†	158s. 0d.	168s. 6d.	172s. 6d.	155s.
Cotton (Amer. middling)* ..	24.20d	24.10d.	24.60d.	24.20d.
Coffee‡	144s. 6d.	128s.	151s. 6d.	133s.

* Per lb. † Per 50 kilos. ‡ Per cwt.

It will be seen from the table that prices of coconut oil, groundnut oil, tin, rubber and cocoa, which have now declined sharply, were ruling higher early this year. Prices of some of the other commodities like jute, soyabean oil, linseed and linseed oil, zinc, lead, maize, etc., have not shown any pronounced improvement from the last year's level, and have continued to seek lower levels. It may also be noted that, although the current prices of some of the commodities like coffee, cotton and wheat, are higher than those a year ago, they are nevertheless well below the levels witnessed early during the current year.

TREND OF SHARES

STEADY TENDENCY RETURNS

(From Our Own Correspondent)

BOMBAY, 26th July

A STEADY tendency returned to the stock exchanges this week and provided a refreshing contrast to the near paralytic state in which the markets had closed last week. Values improved gradually but steadily, and practically every day more and more counters, including cash scrips, in different sections tacked on gains. Closing prices showed widespread, but modest, gains. Shorts were the principal buyers, but some renewed professional support was also discernible. The fact that, in the recent past, the Life Insurance Corporation had made substantial investments in several scrips emboldened investors to appear on the scene. Higher levels, however, attracted scattered realising near the close, but it was well absorbed. Turnover increased with the improvement in prices and underscored the markets' optimism about the near-term trend.

Few observers would ascribe much significance to the week's rally beyond that it was warranted by and, in fact, overdue from, purely technical considerations, inasmuch as the preceding fall had been too sharp. But, at the same time, one cannot lose sight of the fact that the recovery commenced the very next day after values had broken afresh to new low levels on Thursday last week and extended its course throughout this week, thus clearly demonstrating that last week's extraordinary nervousness in the markets was the result of all sorts of bear manipulations. Besides, good corporate results and reports of further expansion and diversification by some leading companies, which considerably influenced the sentiment during the week, should help the markets to discount their fears.

In the light of all this, this week's recovery is possibly a pointer to the resumption of the upward trend in equities on a modest scale. Summing up the position, in its weekly review, dated the 21st of this month, Messrs. Maconochie and Company, a leading stock brokers firm in Madras, writes: "Considering all factors, we feel that the time has arrived for making investment purchases. Paper, engineering and other industries which do not depend on imported raw materials are especially attractive."

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Smooth passage of the payment against the last settlement, fairly satisfactory results of the Tata Engineering and Locomotive Company Ltd. and an encouraging report of Hindustan Motors Ltd. were the three factors that were particularly well received by Dalal Street. T.E.L.Co. has reported, for the year ended 31st March 1962, an increase in turnover from Rs. 37.55 crores to Rs. 41.65 crores and in profit, before taxation and development rebate, from Rs. 312.68 lakhs to Rs. 378.40 lakhs and maintained the gross dividend at 14.5 per cent per annum on the Rs. 100-fully paid shares. But the net dividend will be higher at 11.94 per cent as compared with 11.33 per cent a year before, as the gross dividend is subject to relief under Section 84 of the Indian Income-tax Act and, out of a total distribution of Rs. 116 lakhs, Rs. 47.61 lakhs (Rs. 31.25 lakhs in the previous year) have come out of past and current profits, exempted under Section 15C of the Act. Strike, lock-out and shortage of power have reduced the turnover of the Hindustan Motors Ltd. for the year ended 31st March 1962 from Rs. 50.45 crores to Rs. 24.90 crores, but its gross profit has increased from Rs. 3.49 crores to Rs. 3.86 crores. The Company's production reached an all-time record of 2,365 vehicles in March last and is said to be proceeding since then according to schedule.

T.E.L.Co. recovered smartly from the previous week's new low level of Rs. 313 to Rs. 331.50 and closed the week four points higher at Rs. 322. Hindustan Motors, too, staged an impressive rise from last week's new low level of Rs. 18.28 to Rs. 20.28 and closed with an on-balance gain of Re. 1.44 at Rs. 19.96. All other Miscellaneous issues showed fairly good gains; Bombay Burmah of Rs. 16 at Rs. 655, Amar Dye-Chem of Rs. 11.25 at Rs. 278.75, Indian Dyestuff of Rs. 17.50 at Rs. 452.50, Poly Chem of Rs. 21.25 at Rs. 191.25, Alcock of Rs. 9 at Rs. 324 and B.B. Petrol of 86 nP at Rs. 2.80. In Steels, Tata Ordinary closed two points higher at Rs. 147, Indian Iron 25 nP higher at Rs. 25.80 and Mukand Iron Re. 1.51 higher at Rs. 25.75. Among Textiles, Century rallied by Rs. 13.50 to Rs. 610.50, Standard by Rs. 20 to Rs. 858, Bombay Dyeing by Re. 1.10 to Rs. 67.20, Khatau by Rs. 15 to Rs. 462.50, Kohinoor by Rs. 7 to Rs. 301, National Rayon by Rs. 7.50 to Rs. 498, Elphinstone and Dawn by Rs. 12 each to Rs. 113 and Rs. 165, respectively, as did Morarjee to Rs. 400, closely followed by Phoenix which gained Rs. 11 at Rs. 251, and Tata Mill which were up by two points at Rs. 63.50. Cements were steadier, with Digvijay gaining six points at Rs. 193, Belapur, in Sugars, recovered 13 points to Rs. 238.50. Small gains predominated in the Cash List, but Colour Chem spurted by Rs. 22.50 to Rs. 437.50, Permanent Magnets by Rs. 16.25 to Rs. 201.25, Synthetics by Rs. 15 to Rs. 215, Tak Machinery by Rs. 15 to Rs. 82, T. Maneklal by Rs. 10 to Rs. 630 and New Standard Engineering by Rs. 24.50 to Rs. 230.

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In Calcutta, among forward shares, Texmaco showed a gain of 15 nP at Rs. 23, Orissa Cement of 25 nP at Rs. 17.25, Jaipur Metals of 75 nP at Rs. 13.69 and Indian Cable of 6 nP at Rs. 36 but G.K.W. showed a loss of Re. 1.25 at Rs. 38 and Indian Aluminium of 31 nP at Rs. 37.44. In the Cash section, Ghusick Coal improved from Rs. 10.25 to Rs. 14, Alliance Jute by Rs. 4 to Rs. 127 and Dalhousie Jute by Rs. 6 to Rs. 130, but Alkali Chemical eased further by 94 nP to Rs. 42. Engineering and Miscellaneous issues generally showed small changes either way, but Martin were up from Rs. 28.56 to Rs. 29.25 and N.I. Cable from Rs. 28.56 to Rs. 29.25, while National Tobacco slipped down from Rs. 13.94 to Rs. 12.37 and Union Carbide from Rs. 47.25 to Rs. 45. A rise of Re. 1.06 to Rs. 14.12 in Sirpur featured the trading in Paper shares. Sugar shares were active, with Dyer Meakin recovering from Rs. 54.55 to Rs. 56 and Cawnpore from Rs. 12.12 to Rs. 12.50. Among Tea shares, Betjan showed a loss of Rs. 2.62 at Rs. 32.75 and C. Cachar of Rs. 4.50 at Rs. 73.

* * * *

Selected shares showed small gains in Madras, but some Plantings declined further. Thus, Periakaramalai improved by 11 nP to Rs. 3.32 and Chembras by 16 nP to Rs. 3.55, Deccan Sugar by 15 nP to Rs. 9.95, S.I. Viscose by Re. 1.75 to Rs. 166.25 and Textools by Re. 1 to Rs. 149. On the other hand, Peermades declined by Re. 1.22 to Rs. 19.15, Consolidated Coffee by 15 nP to Rs. 18.10, Coffee Lands by 15 nP to Rs. 14.60, Balanoor by 84 nP to Rs. 12.91, Ouchterlony Valley by 7 nP to Rs. 3.58, Cochin Malabar by 10 nP to Rs. 16.40, and Cannanore by Rs. 3 to Rs. 127. Mettur Industries slumped by as many as 40 points to Rs. 360.

CAPITAL MARKET NEWS

NEW ISSUE

METAL Distributors Ltd. of Calcutta is to raise soon additional equity capital of Rs. 45.90 lakhs in shares of Rs. 10 each, of which Rs. 6.70 lakhs will go to the Directors of the Company and their friends and the balance of Rs. 39.20 lakhs will be offered to the public at par. The additional capital will go to finance the expansion programme of the Company and will be utilised to enable it to participate in the share capital of two new companies promoted by it in collaboration with foreign firms to operate its two new projects.

Incorporated in 1948, the Company has been the largest supplier of non-ferrous metals to the fabricating industry in the country. It is the exclusive distributor of the entire indigenous production of virgin lead, silver and antimony, besides zinc recovered from domestic concentrates. It is believed that, in view of the rapid industrialisation and the emphasis being laid on indigenous production of galvanised products, engineering components and plant in the country, there is vast scope for expansion of the Company's existing sphere of activities. Moreover, the Company has promoted two new ventures, Multimetals Ltd. and Cominco Binani Zinc Ltd., for the manufacture of non-ferrous metals and their by-products.

Multimetals Ltd. has been formed in co-operation with Messrs. Revere Copper and Brass Inc. of New York for the manufacture of copper alloy rods, tubes, sections, etc. It has obtained a licence to produce annually 1,800 tons of these copper products on a single-shift basis. It has been licensed to manufacture, for the first time in India, also copper printing rolls for the textile industry. The capacity envisaged here is 5,000 units. The plant will be set up at Kotah, Rajasthan, and commissioned during the second-half of the next year. The American firm will provide technical know-how and assistance as also participate in the share capital of the new company to the extent of Rs. 25 lakhs. Arrangements are said to have been made to obtain a loan of Rs. 54.64 lakhs from the International Development Agency of Washington.

Cominco Binani Zinc Ltd. will set up a plant near Cochin with a capacity to produce 20,000 tons per annum of electrolytic zinc and 130 tons per day of its by-product, sulphuric acid. Consolidated Mining and Smelting Company Ltd., Canada, known better as COMINCO and credited to be the pioneer in electrolytic refining of zinc as also one of the largest producers of this metal in the world, will provide the technical know-how for the project and participate in the share capital of the new Company to the extent of Rs. 84 lakhs. The Canadian Export Credit Insurance Corporation is understood to have agreed, in principle, to give credit to cover the balance of foreign exchange requirements of the project.

The present paid-up capital of Metal Distributors Ltd. is of Rs. 34.10 lakhs, to which level it was raised only recently from Rs. 24.36 lakhs as on 5th November 1961 by capitalising Rs. 9.74 lakhs from the reserves. The turnover of the Company has progressively increased from Rs. 4.75 crores in 1958-59 to Rs. 7.81 crores in 1960-61. Last year, it earned a net profit of Rs. 9.57 lakhs and paid a dividend of 27.5 per cent per annum on the Rs. 10 shares.

RIGHTS ISSUE

To finance its ambitious programme of branching out into new lines, the capital expenditure, including working capital, over the next few years on which is estimated at Rs. 3.50 crores, the **Tata Oil Mills Company Ltd.** proposes to issue immediately 140,150 new equity shares of Rs. 25 each at a premium of Rs. 15 per share and offer them to the existing shareholders in the proportion of one share for every two ordinary shares held by them. The issue will bring in Rs. 56.06 lakhs. More funds are proposed to be raised by issuing 6.5 per cent, taxable, debentures of the value of Rs. 50 lakhs.

CENTRAL BANK EARNS MORE

The results of the Central Bank of India Ltd. for the first-half of the current year reveal a small improvement in the net profit, subject to audit, from Rs. 86.68 lakhs to Rs. 88.33 lakhs. The Directors have proposed to maintain the dividend on the Rs. 25 shares at Rs. 2.40 per share, subject to deduction of tax, to which level it was raised in 1961 from Rs. 2.10, taxable, paid in 1960. The dividend absorbs Rs. 30.24 lakhs and leaves, inclusive of the amount brought in, Rs. 81.46 lakhs to be carried forward to the current half-year's accounts as against Rs. 75.05 lakhs in the previous year.

THE INDIAN BANK LTD.,

(Established in 1907)

REGD. OFFICE: INDIAN CHAMBER BUILDINGS, ESPLANADE, MADRAS-1

Offers complete Banking service of every description, backed by more than 54 years of sound experience

	Rs.
Authorised Capital	...1,00,00,000
Subscribed Capital	... 88,60,000
Called & Paid-up Capital	... 82,99,975
Reserve Fund	... 68,44,584
Share Premium	... 14,57,300
Deposits as on 31-12-61	... 40.05 Crores

Has a net work of 145 offices (24 situated in the city of Madras, 5 Overseas and 116 spread over 8 States in the Indian Union) and is fully equipped to advise and help regarding deposits, advances, remittances, collections, foreign exchange business etc.

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Kumararajah Sri M. A. M. Muthiah Chettiar of Chettinad, B. A.)

Dr. P. V. Rajamannar D. Litt., LL. D.

Sri K. Balasubramania Aiyar B. A., B. L., M. L. C.

Rao Bahadur T. S. Kachapikesa Mudaliar B. A.

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Sri Ramdas Purushottamdas

Sri P. V. RM. Kulandayan Chettiar

Sri L. Alagusundaram Chettiar

Sri R. K. Venkatachalam

Sri O. M. SP. L. M. Meyyappa Chettiar

G. S. SUNDARAM, *Secretary.*

SISTA'S-IB-2

NEWS IN BRIEF

THE Indo-French trade agreement signed in October 1959 has been extended upto 6th June 1963.

The Andhra Pradesh Government has decided to sell its paper plant at Tirupati to a private firm, according to the Chief Minister, Mr. Sanjiva Reddy.

Production of barley in India touched the record level of 3.07 million tons in the 1961-62 crop year, or an increase of 8.7 per cent or 246,000 tons over the previous year. The increase is attributed, to some extent, to a rise of 3.6 per cent to 8.26 million acres in the area sown to the crop.

India will buy 200,000 tonnes of rice from Burma under an agreement which has just been signed between the two countries. The supply will be made out of the 1962 crop. It may be recalled that India imported two million tons of Burmese rice under a five-year agreement valid from 1955 to 1960.

The Government of Bihar has constituted an Export Promotion Advisory Board, with the Chief Minister as Chairman, to formulate policies for expanding exports, to suggest ways of removing difficulties of exporters and to disseminate information on aids and incentives granted by Central and State Governments.

The first stage of the project for laying coaxial trunk cables connecting all major cities has been completed, with the inauguration of a subscriber trunk dialling service between Delhi and Agra by the Prime Minister last week-end. The service will be extended in course of time to Bombay and Calcutta.

The Government of Kerala is contemplating to set up a rubber development corporation. The proposed corporation is expected to supervise planned cultivation of rubber in the State, improve research facilities and provide better marketing arrangements for small cultivators, besides functioning as a financing agency.

The Textile Commissioner has provisionally placed the cotton textile mills' production in June 1962 at 70 million kgs. of cotton yarn and 383 million metres of cotton cloth. At the end of June 1962, the composite mills of cotton textile industry held an estimated stock of 160,000 metric bales as unsold and 170,000 metric bales as sold but not lifted.

The rate of interest on all post office savings bank accounts will be increased by ½ per cent with effect from 1st August 1962. Thus, interest will be 3 per cent on deposits upto Rs. 10,000 in individual accounts (upto Rs. 20,000 in joint accounts), 2½ per cent on balances in excess thereof as also on public accounts, as against the existing rates of 2½ per cent and 2 per cent, respectively.

The Indian Council of Agricultural Research has decided to establish a regional research station for the fruits preservation industry at Abohar in the Punjab. The functioning of the station will include promotion of suitable varieties of fruits and vegetables and development of new techniques of commercial canning, bottling and processing. There is already a similar research station for citrus, grapes and dates at Abohar.

The State-owned Bharat Electronics, Bangalore, has concluded an agreement with a well-known U.K. firm for the manufacture of a special type of transmitting equipment. Under the agreement, the firm will give all information about the manufacture of the equipment and also train Indian engineers. It will also lend the services of its engineers. The Bharat Electronics, is already manufacturing about 30 different types of electronic equipment like transmitters, receivers and trans-receivers and electronic and components like radio valves, capacitors and crystals.

The Union Government has announced grant of import licences within fixed ceilings for twelve items from Pakistan. The items are dhaincha seeds, *chuna khari* pearls, eggs and poultry, green spices, fish (dry and salted), betelnuts, drugs and medicines (including unani and ayurvedic), black cumin seeds, mother-of-pearl shells, betel leaves, guar seeds and gramophone records. The last date for applying for licences is 31st August 1962. Payment for imports will have to be made in non-convertible Indian rupees as provided for in the existing trade agreement between the two countries.

The Government of India has allocated a sum of Rs. 30 lakhs out of the second Japanese yen credit to the National Small Industries Corporation for import of plant and machinery from Japan for distribution to the small industrialists on hire-purchase terms. The Japan Small Plant Committee, Tokyo, will assist the National Small Industries Corporation in obtaining reasonable quotations for Japanese plant and machinery of standard quality. The small industrialists of India will be able to choose the machines. The Committee will help in consolidation of small contracts by recommending a representative supplier who will obtain the export permits and undertake other formalities required in Japan.

As a measure of export promotion, the Government of India has decided to allow drawback of customs and/or Central excise duty on exports of 22 more items. They are tarbollers, duplicators, detonators, machine tools, pistons, gudgeon pins, cylinder liners, piston rings, centrifugal castings, hydraulic brake fluid not otherwise specified, fountain pen nibs, switch gears and control gears and components, capacitors, cocoa powder, chocolate, cocoa butter, stainless steel, copra cake, deoiled copra cakes, storage batteries and steel barbed wire. Certain changes have also been made in items relating to textile machinery, steel products, glassware, mill machinery, radio receivers, noil yarn, paints, chemicals and pharmaceuticals and plastic goods.

The State Trading Corporation has secured a licence to import caustic soda worth Rs. 25 lakhs from the U.S. It has also secured licences for imports of rock phosphate (valued at Rs. 2.15 lakhs) from Morocco, sulphanilamide, etc. (Rs. 1.04 lakh) from Poland, fine chemicals (Rs. 1.11 lakh) and also some strontium nitrate from Russia. Among the other important items, which will be imported by the Corporation, are one oxygen gas plant (costing Rs. 3 lakhs) and another oxygen producing and decenting plant from East Germany. The Corporation will also import Mogurt dumpers (worth Rs. 17.29 lakhs) from Czechoslovakia, ball, roller and taper roller bearings from Rumania (Rs. 8.5 lakhs) and components for motor cycles (Rs. 3.38 lakhs).

The capital's first, and the country's second, Institute of Catering Technology and Applied Nutrition will open for instructional training on 20th August next. It will be formally inaugurated by Mr. S. K. Patil, Union Minister of Food and Agriculture, at a later date. The Institute, one of the four sponsored by the Union Food Department, is the latest venture in Government's plan for improving nutritional standards in the country. At the same time, it will provide new opportunities for those seeking a career in the hotel and catering industry or in the field of applied nutrition. Two other institutes are to be set up in Calcutta and Madras while the existing College of Catering and Management in Bombay is being reorganised.

For purposes connected with the implementation of the obligatory exports scheme of the Indian Cotton Mills Federation, the Government of India has amended clause 5 of the Cotton Control Order, 1955 which empowers the Textile Commissioner to specify the maximum quantity of Indian and foreign cotton which a mill may be allowed to purchase during a specified period or may have in stock at any time. The amendment now made provides that, in fixing this quantity, the Textile Commissioner shall also consider the need for promoting export of cotton textiles and the manufacturers' contribution towards such export. It will be noted by mills that failure to fulfil their export obligations under the Federation's scheme is liable to attract action by the Textile Commissioner under Section 3 of the Essential Commodities Act.

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From Abroad

West Germany, which has so far taken part in the World Coffee Conference as an observer only, has joined the conference as a full-fledged member.

Egypt has decided to join the nineteen countries which have accepted the G.A.T.T. long-term international agreement regulating trade in cotton textiles.

A leading Japanese mining concern, the Nittentsu Mining Company, has decided to send a team of geologists to Alaska for surveying copper and iron ore resources there.

Production of wool in Australia during 1962-63 is expected to touch a record of 1.707 million lbs. (greasy basis) representing an increase of 7¼ million lbs., as compared with the previous year.

Industrial production in Britain is continuing to rise. The seasonally adjusted index (base 1958=100) for all industries for the month of May 1962 is provisionally estimated at 117, as compared with 114 for April.

The average cost of crude oil production in West Asia during the last ten years has been only 16 per cent which compares very favourably with $3.10 in Canada, $1.73 in the U.S., 51 cents in Venezuela and 82 cents in the Far East. The low cost in West Asia is attributed to the shallowness of rich oil deposits.

The world's three major exporters of copra, namely, Philippines, Ceylon and Indonesia, have agreed to meet shortly at Manila to work out an agreement on marketing of copra. Understanding in principle is understood to have already been reached among the three countries for collaboration in this connection.

West Germany's favourable balance of trade fell sharply from DM 3,600 million in the first half of 1961 to DM 1,600 million during January-June 1962. This was due to the fact that, while exports during the first half of 1962 rose by just 3.1 per cent to DM 25,900 million, imports were substantially higher by as much as 13.3 per cent at DM 24,300 million.

The U.S. General Services Administration (G.S.A.) has announced a plan to make available about 20,000 short tons of stockpile aluminium for exclusive use in foreign aid programmes. The metal, in primary aluminium form, is being held in the inventory created under the provisions of the Defence Production Act. It will be supplied to foreign aid recipients in semi-finished forms and in ingot form.

A trading firm in Ceylon proposes to put up a new plant to manufacture synthetic textiles in collaboration with a Japanese Company, Tekseku Rayon Company. The plant is likely to go into production by April next. It will have 48 looms and one set of dyeing machines, with a rated capacity to produce five million sq. yards of textiles. The capacity output is expected to be reached by 1967.

The U.S. management consultant firm, Messrs. George Fry and Associates Inc., of Chicago (Illinois), has been awarded a $380,000-two-year extension of a contract for assistance under the programme for technical assistance administered by the U.S. Agency for International Development. Under the contract, the U.S. firm will furnish six technicians to advise and assist the National Productivity Council of India in improving industrial techniques and processes.

Yugoslavia has given a contract worth two million pound sterling to a Norwegian firm for the supply of four electric pig iron furnaces ("Elkem") of 26,000 kw. for an integrated iron and steel works currently being built at Skopje in Southern Yugoslavia. The Norwegian Export Credit Guarantee Institute will underwrite the long-term credit given by the firm to Yugoslavia in this connection. Philips phonographic industries of Baarn, Netherlands. The two record companies are to retain their independence and will continue to sell records with their own labels.

A plea for active and sustained co-operation between the Commonwealth and the European Free Trade Association was made by the Forward Britain Movement at a conference in London last week which had been convened to consider the alternatives to Britain's entry into the Common Market. Speaking at the conference, Sir Roy Harrod, the renowned economist, suggested that the device of bulk purchase agreements for industrial and primary products be used to establish new industries in the developing countries. The Earl of Sandwich urged the creation of a Commonwealth Payments Union and a Commonwealth Development Bank, which could also be open to the E.F.T.A. and other like-minded countries.

The Kuwait Airways has decided to buy three British Aircraft Corporation I-11 aircraft and two De Havilland Trident aircraft. Delivery of the aircraft is expected to be made in January 1965. In the interim period, the Company will purchase for delivery in 1963 one Comet and two Viscount aircraft for use in the present routes. The B.A.C. I-11 is a twin-jet short-range passenger airliner claimed by the makers to be the world's first short-haul passenger pure jet. It can carry between 56 and 70 passengers and has a cruising speed of 540 m.p.h. The first aircraft is expected to fly early next year, and already orders for 24 have been placed. The De Havilland Trident is a three-engined short-to-medium-range aircraft with its Rolls-Royce Spey engines mounted at the rear. It cruises at more than 600 m.p.h. and can carry up to 100 passengers.

PERSONAL

MR. Morarji R. Desai, Union Finance Minister, returned to New Delhi on Monday last, after a three-week tour of Western Europe.

Mr. P. R. Kamani has been elected President of the All-India Non-ferrous Metal Industries Association.

Mr. M. K. Vellodi, until recently Indian Ambassador to Switzerland and a former Cabinet Secretary, Government of India, has joined the Board of Directors of Metal Box of India Limited with effect from the 18th inst.

Mr. H. V. Karve, till recently Regional Director of Supplies and Disposals, Calcutta, and also Chief Controller of Purchase and Stores, Heavy Engineering Corporation, has taken over charge as Deputy Director-General in the Directorate-General of Supplies and Disposals, New Delhi.

Dr. D. T. Lakdawala, Professor of Economics in the Department of Economics, University of Bombay, has left for Bangkok at the invitation of the U.N. Economic Commission for Asia and the Far East to work as a consultant expert for a period of three months in connection with the preparation of the annual economic surveys of the E.C.A.F.E.

Mr. A. Ramaswami Mudaliar, Chairman of the India Steamship Company, Mrs. Sumati Morarji, Director of Scindia Steam Navigation Company and Mr. C. P. Srivastava, Managing Director of the State-owned Shipping Corporation of India, left for London last week to participate in the discussions with British shipowners for securing a larger share for Indian shipping lines operating on the India-U.K.-Continent route. The other two members of the delegation, Mr. Dharamsey Khatau, Chairman of Scindias, and Mr. R. E. Kumana, Director of Scindia Steamship (London) Ltd., are already in London.

Mr. Gulzarilal Nanda, Deputy Chairman, Planning Commission and Union Minister of Labour, Employment and Planning, will be the Chairman of the reconstituted Research Programmes Committee of the Planning Commission. The other members of the Committee are:

Prof. D. R. Gadgil, Prof. D. G. Karve, Prof. C. N. Vakil, Dr. V. K. R. V. Rao, Dr. P. S. Lokanathan, Prof. D. R. Wadia, Dr. Radha Kamal Mukerji, Prof. M. L. Dantwala, Dr. B. N. Ganguli, Prof. D. Ghosh, Dr. R. Balakrishna, Dr. A. K. Das Gupta, Prof. S. K. Basu, Dr. A. Appadorai, Dr. M. N. Srinivas, Prof. K. P. Chattopadhyaya, Prof. S. V. Kogekar, Prof. V. R. Pillai, Prof. N. Srinivasan, Dr. I. G. Patel, Dr. D. T. Lakdawala, Dr. B. H. Mehta, Dr. Baljit Singh, Prof. V. V. Ramanadham and Dr. J. P. Bhattacharjee. Dr. D. K. Malhotra, Joint-Secretary, Planning Commission, is member-Secretary.

FOREIGN AID FOR INDIA

IT is rather unfortunate that the U.S. Administration is said to have assured the Congress that it would peg the aid authorisations to India for the current (July 1962-July 1963) fiscal year at the previous year's level of $727 million (Rs. 346 crores), which means a reduction of nearly 11 per cent from the $815 million (Rs. 388 crores) proposed by it earlier. The decision is unfortunate especially because it has been taken despite the fact that the Senate-House Conference Committee had dropped the Senate's previous insistence on limiting aid to India to $727 million and that both the Houses of the Congress have voted the full amount of $815 million. May be, the U.S. Administration wants to carry out "the will of the Senate," to borrow the phrase from Mr. Hubert Humphry, Democratic Whip in the Senate. But, by implication, the Administration's decision gives one the impression that it might have been prompted to some extent by political considerations. Incidentally, the compromise Bill as it emerged from the Senate-House Conference Committee on the 18th inst., which has since been voted by both the Senate and the House of Representatives, preserves the President's discretionary authority to give aid to Communist countries (such as Poland and Yugoslavia), deletes the amendment that would virtually have robbed the President of power to buy up to $100 million worth of United Nations bonds, and empowers the President to make development loans of $600 million to Latin America in 1962-63 and the three succeeding years under the Alliance for Progress Programme. The total aid (of $4,672 million or Rs. 2,224 crores) authorised by the Congress for the current fiscal year is, however, short of the $4,878.5 million (Rs. 2,322 crores) asked for by the Administration to the extent of $206.5 million (Rs. 98 crores), though it is slightly higher than the sums of $4,662.0 million (Rs. 2,219 crores) and $4,668.5 million (Rs. 2,222 crores) previously voted by the Senate and House of Representatives, respectively.

While the U.S. Government's assurance to the Congress about maintaining aid to India at no more than the 1961-62 level of $727 million is disquieting, the latest reports regarding the possibility of India obtaining more liberal assistance from the other countries in the West are somewhat confusing. Some reports hold out high prospects, while others are very doubtful. Even Mr. Morarji Desai, Union Finance Minister, who has just returned from a three-week tour of Britain and other West European nations, has not given a definite idea about the quantum of aid that would be extended by these countries. Talking to Pressmen immediately after his arrival in Bombay on Sunday this week, Mr. Desai is reported to have merely said:

"I am satisfied with my visit and my talks with leaders of different countries in Europe were good, but I cannot say how much aid would be forthcoming from Europe for India's third Plan. I explained the case of India to the Prime Ministers of the countries I visited; I did not ask for anything. The Aid-India Club is meeting by the end of this month and I have high hopes of the outcome of the meeting."

His remark that "I merely explained India's position and did not ask for anything" is evidently meant as a reply to those who had described his visit to Europe as one with a beggar's bowl. This description is, of course, not palatable to sensitive ears, but the truth in it cannot be denied. In telling the Western powers that India needs liberal foreign aid and facilities for selling more to them, are we asking for nothing? There is, therefore, no meaning in trying to split hairs, as Mr. Morarji Desai does. To do so is to indulge in hypocrisy. There is surely nothing to be ashamed about if an underdeveloped country, especially the one which has been the victim of Western powers' colonialism for a long period of 150 years, asks the developed countries for help to implement its development plans. It is surprising that even Mr. Morarji Desai should suffer from a false sense of prestige.

This, however, is only by the way. To return to the prospects for foreign aid. Will the "high hopes" of the Finance Minister prove correct? For the answer, one has to wait till the Aid-India Club meeting, scheduled to commence at Washington on Monday the 30th inst., ends. If this meeting were to reach a final decision in regard to the aid commitments already made for the first two years of the third Plan, let alone offering additional assistance required beyond these commitments, Mr. Morarji Desai's high hopes would have fructified. The U.S. offer of aid for the second year of the third Plan (that is the financial year April 1962-March 1963), it will be recalled, is $500 million (Rs. 238 crores), which, however, is subject to the condition that the other members of the Club together make an equal ("matching") contribution. Although these commitments were made as early as in June 1961, the Club had to postpone its decision twice, first on 30th January 1962 when the combined matching commitment of countries other than the U.S. fell short of the U.S. pledge of $500 million (Rs. 238 crores) by $220 million (Rs. 105 crores) and again on 28th May when there was still a gap of $130 million (Rs. 62 crores). It is reported that Britain and France have since decided to announce a "substantial increase" in their contributions. There are also reports that Holland, Belgium, Italy, Austria, Sweden and Denmark will join the Club and contribute something. Nevertheless, some observers in the West are doubtful of the remaining gap of $130 million being completely filled, though they are inclined to feel that the U.S. Government will go ahead with its commitment of $500 million even if the "full" matching contributions are not available. All this, however, is only speculation. Even though such speculation may be based on reliable information, one must not forget that there is many a slip between the cup and the lip. It is certainly not beyond the means of the free countries of the West to make available to India aid commensurate with its developmental effort and, what is equally important, a part of the aid in the form of untied credits for the import of raw materials and components. What is required is only the "will" to help. May be, Mr. Morarji Desai has strengthened that will, but some of his Cabinet colleagues seem to be undoing his good work.

INDUSTRY'S PROBLEMS IN NORTHERN REGION

Both industry and trade in the northern region of India, comprising Delhi, Punjab, Rajasthan and Uttar Pradesh, suffer from two serious handicaps. The first of these is due to the long distances over which coal has to be transported from the Bihar-Bengal area. Of course, this is not peculiar to the northern region, for the southern and western regions also suffer from the same handicap. But the second handicap, which is due to the distant location of ports, is something peculiar to the northern region. These twin handicaps have undoubtedly been responsible for aggravating the shortages of coal, power and raw materials in the conditions of transport inadequacy. The crucial shortages, in their twin, have pushed up the cost structure of industries in the region and added to the problems of export promotion. The Northern Regional Conference of the Federation of Indian Chambers of Commerce and Industry, held at New Delhi on the 21st instant, has, therefore, urged the need for remedying the difficult situation faced by industry and trade in that part of the country.

The Conference has suggested some general measures for possible adoption by the authorities. Its suggestions pertaining to the fuel problem are that concerted efforts be made to move coal more speedily to the northern region by improving rail transport and that encouragement be given for the use of furnace oil as a substitute fuel. There can be no two opinions on the first suggestion. But the second suggestion may not be quite feasible, unless the Burmah-Shell and Stanvac refineries, which have been recently permitted to refine more imported crude to the full extent of their installed capacities, provide adequate supplies of furnace oil. If indigenous production of this fuel can be stepped up and if, at the same time, the present heavy excise duty on it is reduced, its use by industries in the northern region is bound to increase, thereby providing some relief from the acute coal shortage. But the fulfilment of these conditions is in the hands of a Minister for whom the public sector is more important than progress, tomorrow is more valuable than today and the penny is more precious than the pound.

Among the other suggestions made by the Conference, there is one relating to road transport. While this mode of transport in the northern region is fairly well developed, there is stated to be scope for its further improvement. If free movement by road is not impeded by intra-State and inter-State restrictions, the transport situation will certainly improve, assuming that roadways will be broadened and strengthened, that motor vehicles will be available in sufficient numbers and that the supply of petroleum products will improve. There are, however, already reports that production of trucks and automobiles, as well as import of oil, may suffer on account of foreign exchange shortage. The plea advanced by the Conference for "railway freight concessions on movement of raw materials and finished goods from centres of production to those of consumption and/or onward despatch," however, seems to be rather extravagant. As bulk commodities are already being moved by the railways at relatively low rates and several industrial goods are already enjoying freight concessions for purposes of export promotion, it would be too much to ask for a general reduction in railway freights. Any such reduction, assuming it were possible, would only eat into the freight revenue of the railways, thereby making it still more difficult for them to effect the very improvement in transport capacity urged by the Conference. Perhaps the most interesting suggestion made by the Conference for assisting the up-country trade is the one pertaining to the possible establishment of either two or three dry ports at conveniently located centres or a number of inland bonded warehouses. This is worthy of serious consideration by the authorities.

Some other specific industrial problems of the northern region also call for early solutions. For instance, the innumerable small industries of Delhi and the Punjab, which have developed fast, need an assurance that the raw material quotas allotted to them would be firmly adhered to and promptly made available to them. The sugar industry in the region would prosper further, only if sugarcane cultivation is encouraged on more modern lines so as to improve the sucrose content per acre. As for the jute mills in the region, they have to incur extra freight on raw jute imported from Bihar, Bengal and Assam. The Conference's plea for a suitable rebate in excise duty payable by these jute mills seems to be reasonable, especially in the context of imported Nepal jute goods bearing no such duty. The shifting of factories from Delhi to new sites in areas to be covered by the Master Plan would involve the grant of rehabilitation loans and subsidies. Although this is not an immediate problem, the Conference has done well to emphasise the financial cost of re-establishing existing factories on new sites. These, then, are some of the specific industrial problems of the northern region, on which the Conference has focussed attention in a commendable manner. The idea of organising similar conferences in the other major regions of the country deserves to be pursued by the F.I.C.C.I. in view of the success that has attended the Northern Regional Conference and the earlier conference in Bombay covering the Western region.

STEEL STANDARDISATION

The work of standardising the different varieties of steel and other metallic products is in the interests of both producers and consumers. Producers stand to benefit from standardisation, as it leads to a reduction in the innumerable varieties of products and to their economical manufacture. Industrial consumers of intermediate products find standardisation to be of considerable assistance to them in achieving economies in their own manufacturing programmes. The substantial standardisation work accomplished by the Structural and Metals Division Council of the Indian Standards Institution since 1956 should, therefore, be heartening to both the parties. It should be even more heartening to them to know that the Council's activities in this field are growing all the time, as metals in various forms, shapes and compositions form the basic materials for the development of a large number of engineering and metal working industries. The work that lies ahead, according to Mr. Jehangir Ghandy, Chairman, who addressed the annual meeting of the Council on the 21st instant, would, however, involve detailed and extensive studies in view of increased specialisation.

The Council's achievements in the last one year in particular convey an idea of the diversified character of the work of standardisation. The schedules for wrought steel for general engineering purposes, for instance, have been drawn up with the object of cutting down the large varieties of carbon, alloy and tool steel compositions at present used in the country. This will enable industries to undertake the manufacture of steels included in the schedules which aim at the use of indigenous alloying elements. The Council has also prepared a code relating to the use of structural steel in general building construction which would be of considerable assistance in the efficient and economical construction of buildings and other structures. Revised specifications have been issued for grey iron castings and malleable iron castings, taking into account the requirements of automobile and other engineering industries. In the field of non-ferrous metallurgy, the Council has formulated standards for rosin-cored solder wire, wrought aluminium wires, rolled aluminium rods and copper strip to meet the needs of the electrical industry. Further, work has been taken up on the standardisation of steel castings and steel forgings for the purpose of reducing the existing varieties of these materials, as well as on aluminium bronze ingots and castings for overhead fittings for electrical traction. All in all, the Council has formulated 67 new standards and taken up another 64 standards for preparation.

That the Council's work thus far has been very impressive could also be seen from the request of some Latin American countries for the I.S.I.'s assistance in the development of a project for steel standardisation. The present plans, in this connection, call for seminars on the subject in Argentine, Mexico or Brazil, and Chile, to be organised by an Indian specialist whose advice will also cover the training of technicians and the preparation of recommendations on steel standardisation. This is an instance of the recognition which the Indian Standards Institution has won in some of the developing countries. In fact, India's contribution to standardisation has come in for wider appreciation at the recent annual meeting of the Council of International Standards Organisation (I.S.O.). It is in recognition of this contribution that the General Assembly of the I.S.O., which is held once in three years, will meet in New Delhi in November 1964.

NOVEL COVER FOR EXPORT CREDIT

The Export Risks Insurance Corporation proposes to add two new types of policies to the wide range of covers offered by it to exporters. Under the first, the Corporation will provide cover for advances by exporters to small manufacturers towards meeting expenses of manufacture, while, under the second, guarantees will be given to banks in respect of finance provided to small exporters. The Corporation is awaiting the approval of the Government for this proposal. It may be noted here that the Corporation which started five years ago with issuing shipments and contracts policies, now provides a wide variety of covers. Thus, it covers the risk of increase in freight and insurance charges and issues packing credit policy, manufacturers credit policy, market development policy, etc.

The latest proposal is evidence of the Corporation's anxiety to help the small exporters and manufacturers. That it is the small exporters who increasingly avail themselves of the services of the Corporation is evident from the Corporation's business last year. As many as 126 out of a total of 400 policies issued by the Corporation in 1961 were for Rs. 50,000 or less.

The new policies are designed to meet the special problems of the smaller fry engaged in the manufacture of goods for export or in the export trade. The small manufacturers often find it difficult to start production by acquiring raw materials and other requisites or to complete production already undertaken due to lack of adequate finance. The result is that production is either not undertaken or delayed and this in turn leads to the cancellation of export contracts or delay in shipments, both of which affect exports. Exporters of such goods as hides and skins, rayon, silk, and handicrafts generally advance money to manufacturers on condition that the goods will be delivered to them. But, in the absence of an insurer to cover the risk of default, exporters are generally reluctant to provide finance in a big way. It is this lacuna which the Corporation seeks to eliminate.

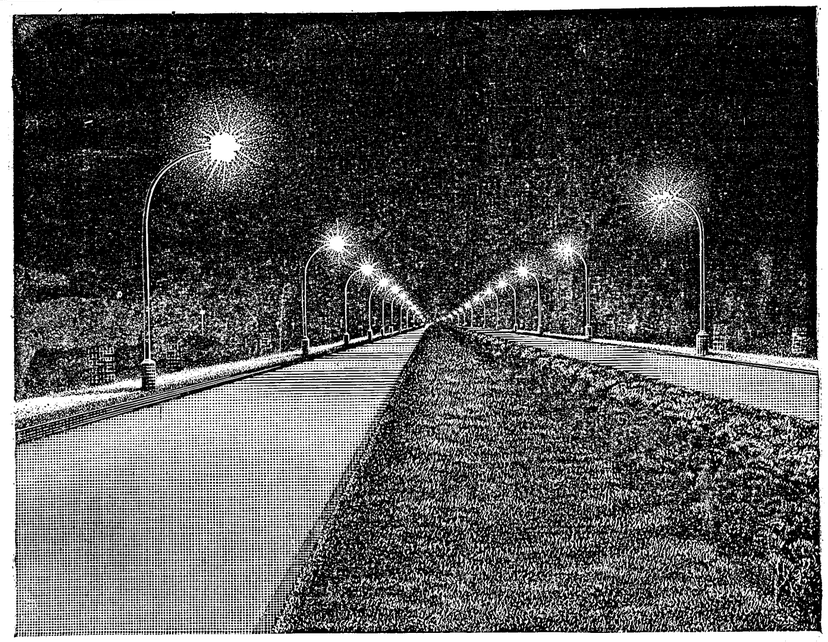
The problems faced by the small exporters are identical. They find it difficult to get adequate credit from banks for no other reason than that they are small. Under the second type of policy proposed to be issued by the Corporation, banks will be given a guarantee covering their advances to small exporters against the risk of default arising from non-payment of bills by foreign buyers due to disputes about quality of the product. It is true that, at present, policies issued by the Corporation cover the risk of non-payment of bills by the foreign buyer as an ordinary commercial risk, but they exclude non-payment resulting from dispute over quality. The new policy, together with the normal policies issued by the Corporation covering commercial risks, provides the missing link and will encourage banks to help small exporters. The issue of such policies creates for the Corporation a stake in the quality of the product manufactured. It is not clear how the Corporation proposes to ensure that the product manufactured is of standard quality. It can, perhaps, do so by insisting that it will provide cover only for advances to producers manufacturing goods according to I.S.I. specification. But it remains to be seen whether even this qualification will be adequate.

NON-FERROUS METALS INDUSTRY

The development of non-ferrous metals industry in India has generally been tardy, except in the case of aluminium for which

(Continued on next page)

The Ring Road at Rourkela



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Girdling the busy, growing steel town of Rourkela, Ring Road is the main arterial link between the township and the plant site. 16 miles long and 100 feet wide, it is flanked by footpaths and is divided into two broad avenues by a green belt. It is further designed to have two cycle tracks separate from the main carriageways.

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INDIA SET ON NUCLEAR ROAD

SEVERAL SNAGS IN POWER PLANT PLANS

From Our Special Correspondent

NEW DELHI, 24*th July*

DELHI LETTER

THE choice of Pratapgarh in Rajasthan for the second nuclear power plant in the country is likely to be officially announced soon as experts are searching for the possible site in the south for a third nuclear power unit. Canadians, French, British, West Germans and Americans are believed to have tendered for the first nuclear plant at Tarapur, but there are several snags still facing the Tarapur project on which civil works have already started. Reports of the U.S. Government's willingness to change its stand and assist India for the Tarapur project could not be officially confirmed, but it is believed that a team of Indian nuclear scientists will soon leave for the U.S. for a study of some American nuclear power plants. Whether this visit and discussions between Indian and American scientists could be a prelude to American assistance to the Tarapur *plant is too early to say.*

The Tarapur project may cost more than Rs. 60 crores, nearly half the amount in foreign exchange. The first snag with the project is that, while the Western countries have been willing to assist India with the construction and operation of experimental reactors, they are still to be convinced of the need for India to tap power from the atom; consequently, there are no offers of loans yet. The second snag is the reported inclination on the part of some Western countries to let Russia pick up the tab, since India has an agreement with the Soviet Union on exchange of atomic know-how. The third snag stems from India's refusal to agree to Western suggestions at the International Atomic Energy Agency meetings on an international statute, including safeguards. These safeguards, in India's opinion, will infringe on national sovereignty. India's repeated assertions of adherence to an atoms-for-peace policy are not enough for the West, since the peaceful atom looks and smells the same as the warring atom. A nuclear power station will yield residual plutonium, the fuel for atomic weapons.

The Planning Commission had in August 1958 approved of the inclusion of an atomic power station in the third Plan and the western region was chosen for the first atomic power plant because of the rapidly rising power demands, inadequacy of conventional sources and long distance from coalfields. It was originally proposed to establish a single reactor with 250,000 kw. capacity. Then, in view of some operational problems in a single huge reactor, it was decided to have two reactors of 150,000 kw. capacity each, making a total of 300,000 kw. If the requisite foreign exchange is available, New Delhi still hopes to get one of the reactors going by the end of 1965.

Experts from Atomic Energy of Canada Limited and the Montreal Engineering Company are helping in the investigations on the choice of the type of reactor for the second nuclear power plant in North India. The second station is likely to be similar to the 200,000 kw. unit at Douglas Point in Canada. The Atomic Energy Department believes that, after the first station is built at Tarapur, it will not be necessary to invite foreign tenders for the construction of the later installations, although it will, of course, be necessary to import equipment. Indian technicians are already said to be capable of building a small atomic station. In Trombay, the A.E.C. expects to commission by the end of next year a pilot plant to recover plutonium from spent fuel elements. The uranium processing plant in Bihar, with capacity to handle 700 tons of ore a day, is likely to be ready by the end of next year.

Western experts remain to be convinced of the Indian need for atomic power, but, according to Dr. Homi Bhaba, a minimum of ten million kw. of atomic power should be provided by the end of the seventh Plan in 1986. After that, Dr. Bhaba believes, the bulk of India's needs will have to be met from the atom. To pave the way for this capacity for a million kilowatts of atomic power by 1966 was suggested by the Commission. But this is now impossible; the second and third atomic power station plans, if pursued, will fructify only in the fourth Plan period.

The desire for getting on with atomic power plants early is hinged to the long-term strategy in the field. The known Indian reserves of uranium are around 30,000 tons, but, in thorium, India has one of the biggest known world reserves, about half a million tons of thorium ore. Thorium sand is mined by the bucketful on the shores of Travancore; the sea washes in more thorium sand. But thorium as such cannot be used as atomic fuel. Thorium will have to be converted in atomic reactors into uranium 233 for use as nuclear fuel. First natural uranium will be used to start the power programme. Uranium reactors also produce plutonium which can be used in plutonium-thorium reactors in which thorium can be converted into uranium 233. The uranium 233 can be used in uranium-thorium reactors. If breeders are installed, the process will give more uranium 233 than is consumed. In the first stage, the need is to put up natural uranium reactors to produce plutonium. In the second stage, plutonium and thorium together will yield uranium 233. Thus, the quantity of uranium 233 which will become available for power plants in later years will directly depend on the first two stages capacity and the time they are in operation.

In some regions like Bombay and Madras, it is argued that the cost of electric power from nuclear stations will be far cheaper than those from conventional thermal plants. Preliminary estimates of the cost of a nuclear power station are around Rs. 2,000 per kw. capacity, as compared with between Rs. 800 and Rs. 1,000 for conventional thermal stations. A nuclear station becomes economic when the power plant is more than 600 miles away from a coalfield. A million-kilowatt station may need up to four million tons of coal per year. To transport four million tons of coal over 750 miles, the capital cost is placed at Rs. 25 crores. Add to this the recurring transport costs for coal; a nuclear station will need only a few hundred tons of fuel. The initial cost of a hydro-electric plant is far higher than a nuclear or conventional thermal station. For example, in the Kundah project in Madras, the first stage cost is around Rs. 3,300 per kw. installation. But the recurring cost in a hydro-electric station is almost negligible.

Rural Industries

Both at the Commerce and Industry Ministry offices at Udyog Bhavan and at the Planning Commission offices at Yojana Bhavan, there are many admirers of the Japanese system of industrial development in which the rural sector supplies a considerable portion of the components or assembling talents. These admirers of Japan have always been eager to explore the prospects of a similar system in India and this set also has had reservations about the high cost to the economy of the traditional village industries like handloom. Behind the decision to promote intensive and integrated small industries development in the rural areas is also the conviction of demographic experts that the rate of migration from rural areas to urban industrial and commercial centres will not be high enough in the foreseeable future to contribute to a substantial improvement in the earning capacity of the people.

The Conference on rural Industries Projects, which met on the 21st and 22nd inst., decided on launching 46 projects, including four in Union territories. There will be a few other projects around the large industrial centres. Only 40 projects were initially contemplated; the increase in the number is due to pressure from States. The programme of action on this new field is as follows:

By the first week of August, the selection of project areas will be finalised by the State Governments. Survey teams will be formed by the State authorities and a member of the team from each State will attend an orientation course so as to ensure uniformity in conducting surveys. This course will last a fortnight and the surveys will begin in October.

The Rural Industries Planning Committee of the Planning Commission will be the top planning body in the field and will be helped by a standing committee. To supervise the implementation of the programme in the States, committees will be formed with the Chief Ministers or Industries Ministers as chairman. Each project will draw funds from the State plans and the all-India statutory boards and through financial and co-operative institutions. For the four years 1962 to 1966, there will be a minimum provision of Rs. 20 lakhs for each project, in addition to provisions already made in the third Plan. Besides, more than Rs. 8 crores under this head, there will be a contingent fund of Rs. 7 crores. The initial allocation in the first year, 1962-63, is one crore of rupees.

SURVEY

(*Concluded from previous page*)

alone basic raw materials are currently available indigenously in large quantities. The domestic requirements of such metals as copper and zinc have been met mostly from imports. It is only in the third Plan that a breakthrough is being attempted in the development of non-ferrous metals. The output of copper, for instance, is proposed to be raised from a little less than 9,000 tons in 1960-61 to 20,000 tons by the end of the third Plan. The increase is to be achieved by the establishment of a 11,500-ton new smelter at Khetri in Rajasthan by the public sector. The new plant was to have gone into production in the early period of the Plan, but no worthwhile progress seems to have been made. It looks as though it may not be started by 1964, as is envisaged in the third Plan report. In view of the current foreign exchange difficulties, it will not be surprising if this and other non-ferrous metal projects do not fructify even by the end of the third Plan.

Whether or not production targets for copper and other metals are fulfilled on time, demand will continue to outstrip supplies. The domestic requirement of copper alone by the end of the third Plan is expected to go up to 150,000 tons, exceeding the targeted output by well over 100,000 tons. It is quite appropriate, therefore, that Mr. Himchand K. Shah, President of the All-India Non-ferrous Metals Industries Association, in his speech at the Association's meeting in Bombay last week, should have urged the industrialists to substitute aluminium in the place of other metals like copper in the fabrication of numerous articles. He was also confident that several such articles, which were being imported, could be manufactured from aluminium.

Mr. Shah's suggestion, although not a new one, deserves urgent and immediate attention of both the industry and the authorities, considering the steadily increasing need for conserving foreign exchange. It must, however, be noted that the substitution of aluminium in place of copper should be preceded by adequate technical studies on the question. The problem is by no means insurmountable. For such substitution has been accomplished with varying degrees of success in some of the industrially advanced countries like the U.S. and France. It would be worthwhile if an expert team is entrusted with the task of studying the techniques employed by these countries in this field and suggest suitable measures to adopt them in domestic industries.

It is obvious that Mr. Shah's suggestion will be practicable only if the aluminium industry itself is encouraged to develop still faster. It is true that aluminium occupies a dominant position in the domestic non-ferrous metals industry. Its output is also proposed to be raised from the present level of about 18,000 tons to as much as 80,000 tons by the end of 1965-66. It is gratifying to note in this context that some of the aluminium projects envisaged in the third Plan are shaping well. A new 20,000-ton plant put up by the House of Birlas at Rihand (U.P.) in collaboration with Kaisers of America, for instance, commenced production of ingots a few weeks back. The growth of the industry, however, is inhibited by the heavy electricity charges and also difficulties in the way of bauxite mining, which are not unknown to the Government. The aluminium produced in India is costlier than in other parts of the world and industries using it are at a handicap in export markets. It is high time that the authorities gave a stimulus to the expansion of the industry by giving it all facilities for unimpeded growth on the most economic lines. Unless this is done on a priority basis, an important source of import substitution will remain unexploited.

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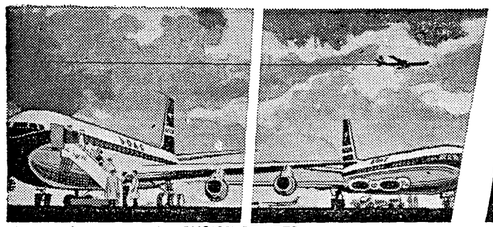

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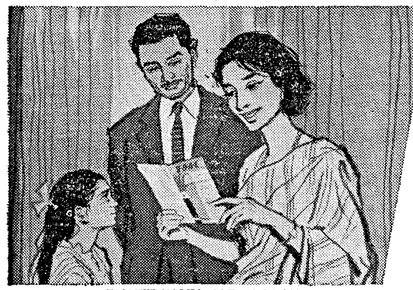

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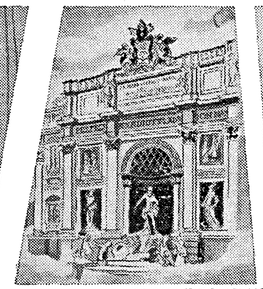

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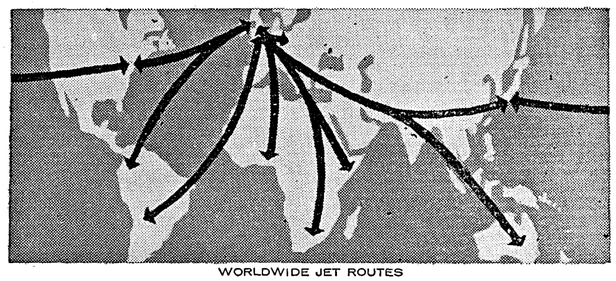

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TARIFF CHANGE KEY TO GREATER ECONOMIC GROWTH

THREE EXCITING FACTS ABOUT THE WORLD TODAY

NEW YORK, *20th July*

ONE of the key advisers of President Kennedy is his Labour Secretary Arthur Goldberg. Asked to discuss the most important economic problem of the Kennedy Administration, he said:

"One of the longest, liveliest, and most inconclusive debates in American history has been going on for nearly two centuries over the issue of tariffs. Should tariffs be lowered to permit a free flow of goods and services across national boundaries? Or should they be raised to protect American industries from import competition. Although today that controversy is still as vigorous as ever, there is now a strong possibility that it can be brought to a constructive end. Earlier this year President Kennedy proposed a Trade Expansion Act which I believe will meet and satisfy the arguments of both sides. It will satisfy the need for expanded trade by authorising the President to negotiate a reciprocal lowering of tariffs with other nations, thus accelerating the exchange of goods and services between our nation and the rest of the free world. It will satisfy the need for protectionism by offering adjustment assistance to those firms and workers adversely affected by the rising import competition that lower tariffs would surely bring.

"To illustrate just how important expanded trade is to the national economy, I want to dwell briefly on the impact of foreign trade on American jobs. The Bureau of Labour Statistics has recently completed some studies on this subject for the year 1960. It found that over three million workers in this country held jobs supported by exports, while another one million had jobs supported by imports. There are, of course, two sides to the import picture. It is frequently said, and with some justification, that imports do harm to American industries and take away jobs from American workers. But this argument is not as strong as some make it out to be. During the time that the United States Tariff Commission has been investigating complaints from industries about import competition, for example, only about 28,000 workers were found to have been displaced in cases where the escape clause had to be applied. Clearly, this is a small loss when compared with the benefits of foreign trade.

"Over the next five years, if the Trade Expansion Act is passed into law, these benefits will be increased. We have estimated that, for every $ one billion increase in exports, 150,000 American jobs will be created. The tariff-cutting authority granted in the Act would help American producers gain greater access to the fertile and growing consumer markets of Western Europe and Japan, thereby increasing the nation's exports by several billions of dollars. That would put several hundreds of thousands of workers on the payrolls. We estimate, on the other hand, that some 90,000 workers would be adversely affected by rising imports over the five-year period. Not all of this total would be displaced from their jobs; many would be forced to go on part-time, with a resulting loss of income. But we intend to protect all 90,000 workers, and to protect the firms for which they work. This protection takes the form of adjustment assistance to encourage firms to become more efficient and more competitive and to provide opportunities for workers to learn new skills. I believe the Trade Expansion Act is the answer to ancient arguments about tariffs, and that it will open up a bright new avenue of opportunity for greater economic growth of the nation and greater prosperity for the American people."

* * * *

An Interview with P. G. Hoffman

In the course of an interview, Mr. Paul G. Hoffman, Managing Director of the U. N. Special Fund, said:

"Half a century ago I was told that, in facing any situation, it was essential to 'get the facts or the facts will get you.' There are three exciting facts about the world today which should be faced squarely and courageously.

"The first fact is that more than one half of the world's people living in one hundred low-income countries and territories associated with the United Nations are in active revolt against continued acceptance of hunger, poverty, illiteracy and ill-health. We ignore the seething unrest of the people of these poor countries, the intensity of their determination to better their conditions, and their understandable impatience at our own peril. That impatience can lead to more Congos, more Cubas, and perhaps to general chaos as well. But it need not!

"The second fact is that we have no time to lose. Development is historically a long as well as an arduous task. But the pressure of demand today is so great that time is lacking for the slow development which was characteristic of the growth of most of the industrially advanced nations. The processes that took centuries for us must be compressed into decades for the underdeveloped world. The facts of modern communication make the times, and time itself, more pitiless today than ever before.

"By unanimous vote of its more than one hundred member nations, the United Nations General Assembly designated the 1960's as the United Nations Development Decade. It is in this decade that we must build the momentum that will ensure a world without acute want by the year 2000. It is in this decade that development must be speeded—primarily as a result of intensified activity on the part of the poor countries themselves. But we will all have to help. We must prove in this decade that the one enduring way to speedy development is through dynamic evolution—and not through violence.

"The third fact is that the physical and human resources are available in almost all the low-income countries to bring to the peoples of those countries lives of decency and dignity. With every passing day at the United Nations, new evidence comes to light of the enormous potentialities in the form of physical resources, of great rivers whose waters are hardly being used, of tremendous forests that have never been inventoried, of mineral wealth that has never been tapped. Particularly impressive are the little used agricultural resources of these countries.

"Take the case of your country, India. Here is a country that today is importing food in tremendous quantities. Yet a group of agronomists who were in India about four years ago concluded after a study of Indian conditions that India had the soil and water not only to feed well its present population, but twice its present population. With better control of water, and with fertiliser, improved seeds and modernisation of agriculture, India will get that tremendous increase in food. If this sounds unbelievable to you, let me say that the average North American farmer produces ten times as much as a farmer in Asia, and twenty times as much as his counterpart in Africa. There are many factors that enter into this, but it does give you some idea of the potential of the land and water in these countries.

"This leads me to stress that the United Nations is fortunate in having at its headquarters, in its regional commissions and in its specialised agencies the most comprehensive array of knowledge and operational experience that exists anywhere for assisting in speeding development everywhere. All of the United Nations agencies have important contributions to make, but particularly heavy responsibility rests on the International Labour Organisation, U.N.E.S.C.O., the World Bank and the Food and Agriculture Organisation, whose Freedom from Hunger Campaign has been made an integral part of the United Nations Development Decade programme. The international staffs of these organisations of the United Nations family have accumulated rich experience, as, over the past fifteen years, they have carried out vital research and reporting, brought countries together to share knowledge on crucial development problems, and performed—intelligently, economically and tirelessly—field work in all parts of the world. I would urge each of you

(*Continued on page 178*)

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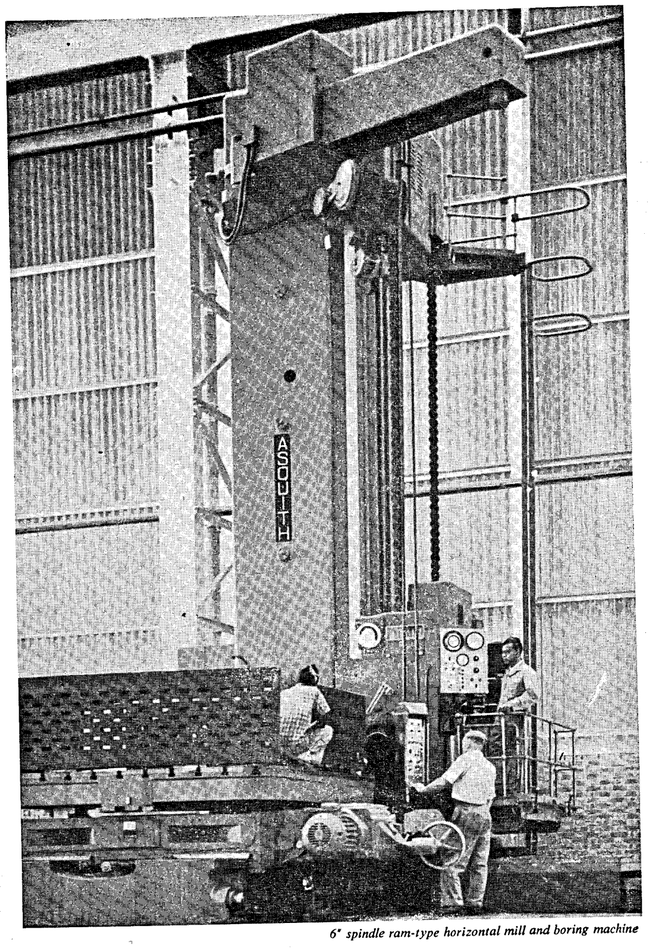

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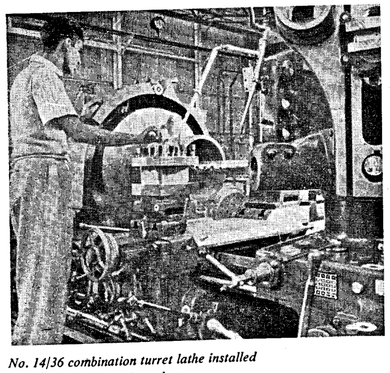

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REFORM AND DEVELOPMENT OF BANKING

CONCLUSIONS AND RECOMMENDATIONS OF THE SEMINAR

THE Bankers' Seminar organised by the Indian Banks' Association in the City last week, to which a brief reference was made in our issue of 21st July, discussed threadbare a wide range of problems of commercial banking in the country. Some of them were of immediate concern to banks, while others were essentially of long-term importance. The discussions were based on working papers prepared by Committees consisting expert bankers, drawn from a cross-section of banks in the country, including the Reserve Bank of India and the State Bank. The latter two banks were, of course, not active participants in the Seminar, but were interested observers. The Seminar passed a series of resolutions embodying its views on the major issues examined. They are not academic exercises in banking theory but considered views of practical bankers on problems of immediate and future importance not only to banks but also to industry and trade. They therefore deserve to be taken into account by the management of banks, the Reserve Bank and the Government of India in any scheme of banking reform that might be proposed in future. It is said that the Committee of the Indian Banks' Association will carefully examine the suggestions of the Seminar and decide to what extent they are feasible or not. It will then submit a plan for development of banking to the Reserve Bank and member-banks. It may also express its views on the other aspects discussed at the Seminar.

The Seminar was characterised by two unique features. One was the unanimity of the conclusions reached. As the discussions were within closed doors, it is not known to what extent there were differences of opinion and how they were resolved. The other was the absence of publicity to personalities. The public, for instance, does not know who read what paper. Consequently, so far as the public is concerned, the whole affair was impersonal. We are told that the sponsors of the Seminar have no intention of publishing the papers read at, or presented to, the meeting. If this is true, we are not sure whether it is a commendable decision, for it may not be conducive to enthusiasm for banking seminars in the future.

Mobilising Deposits

As the extent to which commercial banks will be able to play the role expected of them in the third Plan depends, to a large extent, on the amount of deposits they can attract, the Seminar did well to consider the question of mobilisation of deposits. The demand for bank finance in the third Plan period and the additional deposits that would be required to meet this demand estimated by Mr. Tulsidas Kilachand, Chairman of the Indian Banks' Association, came in for a critical review. The Seminar felt that Mr. Kilachand's estimates were rather on the liberal side and was inclined to accept the estimate of Mr. P. C. Bhattacharya, Governor of the Reserve Bank, who had placed the demand for additional bank credit from the banking system at Rs. 800-Rs. 900 crores. Accordingly, the estimate of additional deposits that would be required to provide credit of this order was estimated at Rs. 1,200 crores to Rs. 1,300 crores, as against Rs. 1,850 crores estimated by the Chairman of the Indian Banks' Association. The Seminar was also of the opinion that, since the co-relationship, if any, between the increase in bank credit and growth of bank deposits was rather negligible, it could not be asserted that the restrictive monetary policy followed by the Reserve Bank acted as an inhibiting factor on the growth of deposits. The Seminar, having made its view point clear on these significant points, adopted a resolution on growth of deposits containing the following recommendations :

(1) Banks should take steps to finance such activities as are now mostly financed by the unorganised sector.

(2) Issuance of bad cheques should be made a penal offence. This would result in cheques being readily accepted in payment of goods and services and thereby encouraging the banking habit as well as growth of deposits.

(3) Income from interest on bank deposits should be exempt from income-tax in the same manner as in the case of deposits with post offices.

(4) Steps should be taken to popularise payment of salaries and wages by cheques and credit transfers.

(5) To accelerate the pace of deposit growth, it is essential to extend banking facilities to areas not so far covered. In order to achieve this object, the 1,400 small urban areas, now devoid of banking facilities, should be covered during the third Plan period. For this purpose the Indian Banks' Association should set up a Planning Committee, consisting of representatives of banks and the Reserve Bank of India, which should draw up a list of priorities in respect of these 1,400 unbanked places; on the basis of this priority list, banks should be invited to open their offices in the particular areas within their respective spheres of influence.

Planning of Investments

The Seminar discussed at length the investment portfolio of banks and recommended that, in order to enable proper planning of investment of surplus funds during the entire period of the slack season, Treasury Bills of 180 days' duration should be introduced. It also suggested that the Reserve Bank of India should consider the feasibility of organising a money market which would provide a ready market for Government securities. This, it was felt, would enhance their liquidity. The Seminar cited the example of South Africa, Australia and Canada in this respect and suggested that the following broad propositions might be seriously considered :

(i) The possibility of having a class of jobbers as dealers in Government securities.

(ii) The Reserve Bank of India providing adequate re-discounting facilities to these jobbers at low rates of interest.

(iii) The Banks to provide finance to the jobbers by lending to them at call.

(iv) To encourage the jobbers to deal in securities, the practice of deducting income-tax on the accrued interest at the time of purchase and sale of Government securities, may be changed so that they may get gross interest for the period they hold the securities.

Another suggestion of the Seminar was that the Reserve Bank should consider the possibility of taking into account commercial bills and call money in calculating the liquidity ratio. For this purpose, the liquidity ratio should include 5 per cent of the total time and demand liabilities in commercial bills and another 5 per cent in call money other than inter-bank call money.

Term-lending

Since banks are increasingly called upon to provide finance for industry, the Seminar rightly examined the question of term-lending. It resolved that, having regard to the imperative need for rapid industrial growth, commercial banks should, along with the specialised institutions like the Industrial Finance Corporation and State Financial Corporation, make available term-loan facilities to a greater extent than at present. It, however, agreed that the quantum of such lending by individual banks be determined by their resources, the pattern of deposits, quality of assets and capital structure. It further said that, in view of the shortage of trained and technical personnel and the absence of any technical consultant service for this type of business, it would be desirable to pool the knowledge, experience and resources of the specialised institutions and the commercial banks. It was also urged that, pending the development of adequate technical advisory services in the private sector, the Indian Banks' Association should move the Government of India to make available to banks the services of the Development Wing of the Ministry of Commerce and Industry for the purposes of appraisal of technical soundness of projects, whenever required.

While these measures would facilitate term-lending, the Seminar felt that the Government should encourage commercial banks to turn to industrial finance by offering adequate incentives. It listed some of the possible measures that could be taken in this regard. They are :

(i) Government should allow a rebate in the income-tax to the extent of 10 per cent of the total profit arising out of term-lendings each year in accordance with the facilities available to financial institutions.

(ii) The refinance facilities should be made more flexible by the Refinance Corporation agreeing to lend whenever approached by the lending banks, instead of the present time limit of one year from the date of grant of term finance.

(iii) The present Guarantee Scheme for loans to small-scale industries administered by the Reserve Bank of India be extended to cover medium-sized industries as well.

(iv) Whenever the management of an industrial undertaking is taken over under Section 18A of the Industries (Development and Regulation) Act, 1951, a committee should be appointed to manage the undertaking, on which a representative of the financing bank should be included, instead of leaving the management to one representative of the Government.

(v) State Governments, in the interest of rapid industrialisation of their respective areas, should guarantee the losses of commercial banks upto a certain percentage arising out of industrial financing of local projects.

(vi) In respect of their term advances, commercial banks should be given protection similar to that given to the Industrial Finance Corporation under Section 30 of its Act pertaining to breach of agreement or default in repayment of loan.

Finance for Small Industries

The Seminar recognised the importance of bank finance for development of small-scale industries and expressed the view that banks should come forward more freely to lend to small-scale industries. It recommended that banks, on their part, should liberalise the conditions attached to lending to small industries and explore the scope for participation with the State Finance Corporation in providing medium-term finance. The small-scale industries should, on their part, strive to improve the methods of production, quality and marketing so as to render themselves more creditworthy.

The role of commercial banks in providing finance for agriculture was also considered by the Seminar. Generally speaking, farm credit is not provided at present by commercial banks. Provision of direct institutional finance for agriculture is the exclusive concern of the co-operative sector. The Seminar, however, emphasised that, inasmuch as the success of agricultural operations was dependent on the vagaries of monsoon and other unpredictable natural causes, it was absolutely necessary, from the point of view of both the agriculturist and the lending banks, that a scheme of crop insurance should be introduced as in other countries as a precondition for banks supplying finance for agriculture. Banks, however, do provide working finance to large-scale plantations against hypothecation of standing crops. The Seminar suggested that banks should evince greater interest in providing medium-term finance to plantations, although it felt that long-term capital requirements of the industry for rehabilitation, reclamation and replanting should be taken care of only by specialised institutions such as the proposed Agricultural Development Finance Corporation. In this connection, it asked the Refinance Corporation to provide refinance facilities to commercial banks against medium-term loans to plantations.

Advances-Deposit Ratio

A question closely related to the growth of deposits and advances is the advances-deposit ratio. What should be the proper ratio is a controversial questions on which opinion among bankers is sharply divided. The Seminar considered this question and emphasised that the advances-deposit ratio should always be considered in relation to the quality and nature of a bank's loan portfolios and overall liquidity in the banking system. It was of the view that, even though certain countries maintained high advances-deposit ratios sometimes approaching or exceeding 100 per cent, it might not be possible for banks in India to emulate them, unless the circumstances in which these ratios could be safely maintained are developed and/or created in this country. In this connection, the Seminar suggested that it would go a long way towards helping banks to maintain high liquidity in the face of rising advances-deposit ratio, if a proper Bill Market were created.

The legal frame work against which the business is carried on exert a great influence on the trend and growth of banking. The Seminar therefore examined legal changes that were felt necessary and made the following recommendations.

(a) That the principle of nomination as existing in the case of insurance policies under the Indian Insurance Act, 1938, and Provident Fund accounts under the Provident Funds Act, 1925 and 1952 be extended, by suitable legislation, to bank accounts, safe custody articles and lockers.

(b) That minors of the age of 14 and above be legally empowered to open and operate deposit accounts in their own names and suitable section be added in this behalf either in the Negotiable Instruments Act, 1881, or in the Indian Contract Act, 1872.

(c) That in the case of minors under 14 years, the mother as a natural guardian be permitted to open accounts in the name of her minor child even though the father is alive.

(d) That interest on bank deposits be exempted from income-tax in the same manner and to the same extent as in the case of post office savings bank accounts.

(e) That the drawing of cheques without sufficient balance be made an offence and a suitable section be added in the Indian Penal Code.

Certain amendments in the Indian Companies Act, the Banking Companies Act, the Industries (Development and Regulation) Act were also suggested.

(Continued on page 178)

WHITHER MONETARY POLICY ?

(From Our Own Correspondent)

LONDON, *20th July*

LONDON LETTER

FOR the outside world, the interest in the recent Cabinet changes lies mainly in the extent to which they are likely to influence British monetary policy, credit and the strength of the pound. A week before the Chancellor of the Exchequer, Sir Selwyn Lloyd, was dismissed along with his senior colleagues there were growing rumours of pressure being put on the Government to relax the relative stringency of its financial policy. The dangers of recession were being pointed out and countered with the thought that the Government could use its "economic regulator." This is a high-sounding title for the Government's right, without reference to Parliament, to raise or lower within 10 per cent the various customs and excise duties. Under this power, the Chancellor could, for instance, cut purchase tax by 10 per cent and so help the economy to reflate. Whether in the face of real recession this sort of tax change would be significant is questionable, but the Treasury, of course, can go much further: they can restore to the banks their special deposits thus broadening the credit basis for lending; they could lower the Bank Rate still further and they could make it known that the time of cautious advance generally was past. If all this was not enough, then the Government would have to take even more positive measures to pump money into the economy. However, at the moment this is an academic consideration.

While pressure from business for more credit ease was strengthening, the reactions from the Treasury were unfavourable. They let it be known that the dangers of recession were not regarded as serious and that quite enough movement had been made already towards liberalising credit. The emphasis should continue to be on exports and if shortage of credit was seen to be holding this back then appropriate measures would be taken.

It is, therefore, no small wonder that immediately the news of the first round of Cabinet changes became known we should see, on the one hand, the Prime Minister assuring Mr. Selwyn Lloyd that the policies with which he was associated would continue, while, on the other, the *Daily Express*, for example, coming out joyfully with the news that this was the end of credit restriction and that we were now all set for reflation.

An Odd Conclusion

Immediately a wave of speculation is set loose of what indeed the changes would mean to the country's credit policy. If all the work of Mr. Selwyn Lloyd must be undone at one go, then it would make nonsense of all that the Government has collectively been trying to do for the past year. On the other hand, if his policy were to continue unchanged, then what was the point of getting rid of the man ? Many commentators were forced to the conclusion that it was not what Mr. Selwyn Lloyd had been trying to do that was wrong, but it was the way in which he had been doing it. More bluntly, Mr. Selwyn Lloyd had been associated with an unpopular policy some of which had been ineffective and, while the policy as amended up to date would continue, it was better that the Government should try to project its image without Mr. Selwyn Lloyd's face being seen in it.

Not unnaturally, a host of supporters of the ex-Chancellor (inside Parliament and out) voiced their discontent of this treatment of him. Yet Mr. Macmillan's dilemma is clear: the Government as a whole had lost face in the country and if the Government was to go on and to recover that face it had somehow got to take action. This does not mean that the Government may not have made a tactical mistake in removing Mr. Selwyn Lloyd entirely from the scene (especially as the two men had been so intimately associated both in foreign and fiscal policy for many years) instead of moving him to another post, but it is an indication of the very serious perplexity into which the Leaders of the Government have been thrown by the turn of public opinion against them.

On balance, the country will not suffer at present from easing of credit restrictions. This has been borne out by the effect of the Cabinet changes on the pound in the foreign exchange markets. Obviously, holders of sterling have not accepted the interpretation of the *Daily Express* that the change is a signal for reflation; they have been more impressed by the rise in the U.K.'s gold stocks and the strength of exports. The pound is strong on its own merits. On the other hand, British industry has a good deal of slack which can be taken up. For the moment, the balance of payments is moving firmly in favour of the U.K. and, although the time must come when expansion at home will lead to re-stocking and a growth of imports, that time is too far ahead for holders of sterling to be concerned about it just now.

It will be the new Chancellor's problem to devise a means by which credit can be eased and industry at home expand without it leading inevitably to a new cycle of rising imports, adverse trade balances and a declining pound.

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FIXING FAIR PRICES FOR TEXTILES

TARIFF COMMISSION'S PUBLIC INQUIRY

MORE than nineteen months have elapsed since the Government of India announced the terms of reference to the Tariff Commission about the fixation of fair prices for cotton textiles—the announcement was made early in December 1960—but it was only on Monday this week that a public inquiry into the issue was held by the Commission. Such inordinate delay is deplorable and inexcusable. Of course, explanations can always be found. It can be argued, for instance, that the Commission had already had its hands full with the inquiries relating to a number of other industries referred to it earlier and that it could take up the question of textile prices only when its turn came. It can be further argued that the issues involved were numerous and the number of parties concerned was large, so that the Commission had to spend some time for holding separate discussions with producers, labour unions, exporters, etc. A third explanation could be that the public inquiry could not be held before the Commission's cost accounts officers had completed the examination of the production cost of yarn and cloth in 43 mills selected from the different parts of the country. Nonetheless, one cannot help feeling that the delay has been unduly long and the whole object of referring the subject to the Commission has been defeated. If the Commission takes two years only to complete the preliminaries, how much more time will it take to come to grips with the problem and give its recommendations? After this is over, the Government will take its own time to decide the action it should take. In this long interval, much water will have flown under the bridge and the bases on which the Commission came to its conclusions will have become obsolete. One cannot, therefore, help feeling that all this is waste of time and taxpayers' money.

The Government's decision to refer the question of textile prices to the Tariff Commission, it will be recalled, was sought to be justified on the ground that consumers of mill-made goods as also the large number of persons employed in the handloom sector had been hit hard by the impact of high prices. Now that the whole issue of cotton textile prices has come under the examination of the Commission, it will not be correct to say again that there was no need for such an examination. Only, it is to be hoped that, while making its recommendations, the Commission will bear in mind the interests of both the industry and the consumer. Since cloth is produced in thousands of varieties by units of varying standards of efficiency and equipment, as well as locational advantages and disadvantages, it will surely be interesting to see how the Commission will determine the "fair" prices of cotton textiles. The prices fixed should be such as not to retard modernisation of the industry; instead, they should facilitate its growth along lines suited to consumer preferences.

Scope of Inquiry Wide

It may be noted here that the scope of the present inquiry is pretty wide and extends beyond the fixation of fair ex-mill prices of yarn and cloth and evolving of an escalator formula based on a study of the cost trends in the industry. Thus, the Commission has been asked to study the cotton industry's capital structure, pattern of investment and a fair return therefor in the context of the need for continuous rehabilitation and modernisation, the distribution system and costs, etc., and suggest fair ex-mill prices as well as a basis for determining retail prices.

Opening the public inquiry, Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, highlighted the problems confronting the cotton textile industry, with the forceful plea that it was only by boldly meeting the challenge offered by these problems and by ceaseless efforts to step up output and bring down costs that the industry could help raise the standard of living of the common man. The multi-phased role of the industry in the country's economy, he declared, "is no less significant than the vital part it must play in developing our external resources at the present juncture." The problems facing the cotton mills in India are no doubt well known. Nevertheless, Mr. Aiyangar made a fairly detailed reference to them. Such a reference serves two important purposes: to indicate that the problems continue to remain largely unsolved and to give one an idea of the complexity involved in the Commission's inquiry. Mr. Aiyangar's assessment of the problems may be summarised as follows:

Cotton: Cotton constitutes the largest single element in the cost of yarn and cloth production. The textile industry is unable to meet its entire requirements of cotton from indigenous sources and has necessarily to rely on imports. One of the causes contributing towards this is the low yield per acre—just 110 lbs., as against 600 lbs. in Russia, 542 lbs. in Egypt and 446 lbs. in the U.S. The production of superior varieties of long-staple cotton is negligible. Since December 1959, the mills have been buying cotton in accordance with the allotments made by the Textile Commissioner on the basis of consumption in previous years. Control on prices is exercised under the Indian Cotton Control Order 1955.

Labour: The unit labour costs in the industry are generally on the high side and have now been pushed up further following the implementation of the Wage Board award. The Wage Board was of the view that its recommendations regarding the grant of higher wages and the introduction of minimum standards in workloads should be treated as an integral whole. The Textile Commissioner as well as the Indian Cotton Mills' Federation have observed that, although the entire industry, with the exception of a few units, has granted higher emoluments to labour in pursuance of the Wage Board's recommendations, there has not been much progress in the direction of rationalisation of workloads.

Power and fuel: Inadequacy of coal supplies has been the problem with this industry as with several others, particularly in Western India and the South, where there is a greater concentration of units. The question of use of oil as a substitute for coal has not so far been solved on account of the price factor.

Dyes and chemicals: The industry contends that the import policy is frequently changed, resulting in dislocation of production, that the import duties are rather high, that the prices of indigenous products compare unfavourably with those of imported ones, and that local manufacturers do not pay proper attention to the quality aspect.

Depreciation: The normal practice of the Commission is to allow depreciation at income-tax rates while working out the production costs of different commodities. Very few units have followed the "straight line" method. The Indian Cotton Mills Federation has urged grant of depreciation not on original cost but on replacement basis which is to be spread over the residual useful life of the machinery if the machinery still has economic life left. In respect of machinery which is already obsolete or which has exhausted its economic life, the difference between purchase price and replacement price should be allowed over some *ad hoc* number of years, say, the five years of the third Plan period. If the depreciation calculated on the above basis exceeds the amount allowable under the Income-tax Act, it should be grossed up allowing for income-tax which it will have to bear. The Federation, however, feels that, to avoid practical difficulties in calculating depreciation on the above method due to hundreds of units widely varying from one another in respect of the equipment used, the average remaining life of the entire block of machinery of the industry should be assumed for practical purposes as 12 years and the replacement price of the block calculated and spread over this period, and allowed on a straight line method as an element of cost.

Fair return: Since 1958, the Tariff Commission has been allowing as a more correct basis return on employed capital defined as net assets comprising fixed and current assets used in the business less current liabilities and provisions, whereas the industry wants the inclusion of bonus, gratuity and managing agency commission, as well as the linking of dividends to the current value of shares.

Voluntary Price Regulation

Price control on cotton textiles, as readers are aware, is at present on a voluntary basis, but stamping of prices on mill cloth is compulsory. On an earlier occasion, we had pointed out that a section of mills and traders had been circumventing the scheme by way of price manipulations. Attention had then been drawn to the wide difference between the stamped price and the price actually asked for by the retailers. Indeed, the Price Fixation Committee of the Millowners' Association (Bombay) had been urged to investigate the matter and take steps to ensure the satisfactory working of the scheme. That this plea was quite justified will be evident from the complaints to which Mr. Aiyangar alluded in his speech at the public inquiry. Some dealers' associations, according to him, have alleged that the mills have changed 70 to 90 per cent of the varieties merely in order to get higher prices without materially altering the construction particulars and that non-standard varieties are being put in the lower-priced category of popular ones. A few have also complained that the mills are charging premium for popular varieties and that they are thrusting inferior quality cloth along with popular varieties supplied. It will be interesting to know how the Tariff Commission proposes to tackle this problem and devise methods for effecting suitable adjustments from time to time in the "fair" ex-mill prices of textiles so as to allow for major fluctuations in the price of raw cotton and other elements of production cost.

While considering the question of prices, the Tariff Commission has necessarily to take into account the demand factor. The Planning Commission has calculated the total requirements in 1965-66 at 8,450 million yards for domestic consumption and 800 million yards for exports, the estimate of domestic consumption being based on an annual increase of 2 per cent in population and of 2 per cent in *per capita* consumption, the *per capita* availability aimed at being 17.5 yards. Mr. Aiyangar has given the assurance that the Tariff Commission would discuss the various factors that affect the demand for cloth (and yarn) in India and arrive at reasonable estimates of demand for the future. On the question of exports, Mr. Aiyangar referred to the downward trend in the last two years and said:

"It augurs well for the future that the industry is now alive to these problems. The recent decision to export 12 per cent of the turnover of cloth and 3 per cent of turnover of yarn annually, if backed by proper action on the part of the industry, appears to be a step in the right direction to boost our exports and earn much needed foreign exchange. The scheme of the Federation in this regard merits careful examination."

In this connection, Mr. Aiyangar indicated that the Commission would consider some of the suggestions put forward by the Export Promotion Council and the Federation. The suggestions of the former cover installation of additional capacity and production of adequate exportable surplus, adjustment of printing control orders, reduction of freight and inclusion of cotton textiles as an exportable item in all trade agreements, etc., so as to achieve the export target of 850 million yards by the end of the third Plan period. The Federation has also stated that the procedure for grant of import entitlement under the scheme has been slow and that the mills are not able to take full advantage of the scheme. The Federation has further suggested adoption of certain fiscal measures such as adjustment of income-tax and corporation tax, speedy rationalisation and modernisation of processing capacity, to step up our exports.

Third-shift Working

In the course of his speech, the Tariff Commission Chairman touched on certain recent important trends in textile production. These are given below:

The production of medium-type cloth has been predominantly high. In 1961, it touched the figure of 75 per cent, while the production of coarse cloth remained at almost the same level as in 1958. The production of fine and superfine cloth showed a definite decrease. This may have been due to the impact of high excise duties. Since 1956, a noteworthy feature is the steady increase in the production of processed goods. In 1961, 37 per cent of cloth was bleached, 17 per cent dyed and 13 per cent printed, as against 32 per cent, 13 per cent and 9 per cent, respectively, in 1956. As regards the utilisation of capacity, while first and second shifts are being worked at more or less optimum levels, there is a larger potentiality for more intensive working of capacity during the third shift. The non-utilisation of the third shift is due to operational and other difficulties, such as (i) deterioration in quality of fine and superfine fabrics in the third shift, (ii) higher unit labour cost in third shift, (iii) contingency of more retrenchment compensation to workers discharged in case third shift is stopped, and (iv) unfavourable attitude of labour towards the third-shift working. The Tariff Commission proposes to discuss with the industry and the labour representatives the ways of raising output to capacity production by working on three shifts.

Whatever be the causes for the non-utilisation of the third-shift, the question is whether it is feasible. For the efficiency of third-shift working, as Mr. Bharat Ram, Chairman of the Federation, pointed out during the discussions at the public inquiry, is lower, the actual output being not in proportion to the hours worked. In his considered opinion, the mills can be induced to work the third-shift only if the profit-margin is reasonably higher than the increase in costs estimated at 6 to 8 per cent for cloth and about 5 per cent for yarn. Even so, one wonders whether it is at all desirable to work the third-shift from the human angle and from that of wear and tear of machinery and equipment. Surely, the problem of catering to the expanding requirements of cloth in the coming years cannot be solved through such emergency measures. The solution lies in allowing the mill sector to expand its capacity and modernise its equipment.

PROFITS OF COTTON MILLS DECLINE

GOVERNMENT URGED TO TAKE POSITIVE ACTION TO IMPROVE CONDITIONS

From Our Special Correspondent

MANCHESTER, 17*th July*

LATEST production figures from the Lancashire cotton industry show output per working day at a level 14 per cent below the 1961 peak, according to the figures issued in Manchester by the Cotton Board. Admitting that there were no signs of improvement in the situation, the quarterly review issued by the Board said: "Order books have shrunk further in the last three months, stocks of finished products in the mills have closed down, and the drift of workers from the industry has accelerated."

MANCHESTER LETTER

Despite a substantial running down of stocks beyond the weaving stage, the end of the de-stocking process has been postponed by disappointing spring and early summer weather. Retail sales of clothing, says the review, were appreciably lower in March and April than in the second half of 1961 and the first two months of this year. Knitted goods appear to be gaining ground at the expense of woven goods.

Main features of the pattern of imports in the first quarter of the year were a substantial increase in arrivals from India and a smaller rise in shipments from Hong Kong. In the case of cotton yarn, imports from Hong Kong have expanded notably and are now second in volume to receipts from India. Arrivals of man-made fibre piecegoods remain at a higher level, with the United States and Italy the main suppliers.

Cycle Out of Step

Looking at the situation from a wider angle, the Cotton Board comments on the frequency with which the textile cycle in North America is out of step with that in Europe. "One result is that fluctuations in cotton yarn production in the non-Communist world as a whole are much smaller than fluctuations in individual countries," the report adds. To illustrate these somewhat contrary movements, the latest figures show that cotton yarn output in the United Kingdom and Continental Western Europe was well down in the early part of 1962 as compared with last year, except in Italy and Spain. In contrast, production in India, the United States and Canada continued to register substantial increases.

Last year's setback in world trade in cotton cloth continued in the first quarter of 1962 with marked reductions in exports from the United Kingdom. Japan, India, Germany, the Netherlands and Spain. The only major exception to the general rule was Hong Kong "where massive shipments to the United States helped to boost exports of cotton piecegoods to record levels."

Pressure on Profits

The long lull in demand, the equally long period when machinery was gradually slowing its rate of activity, and the subsequent pause during which distributors have sat back and awaited developments have all combined to make sharp inroads on the earnings of virtually every company in the Lancashire cotton trade. Margins have become so squeezed as to be almost non-existent, and this unfortunate tendency is now being reflected in a series of less satisfactory balance-sheets.

Many companies which make up their books to the end of March have lately issued figures showing a marked deterioration in profitability. Isolated cases have arisen where the returns show losses, and some discouraging interim statements have been issued.

Sharp Reverses

One of the sharpest reverses so far has been provided by John Duckworth and Sons, the Blackburn weaving firm, whose profit of nearly £40,000 a year ago has been transformed into a loss of practically double that sum. Another firm whose results show a distinct reversal of fortunes is the Marland Spinning Co., whose profit of £9,000 last year has been turned into a deficit of over £21,000.

Hollas Textile Holdings, the Bolton weaving group, is also just on the wrong side of the account, with a loss of nearly £1,700, as against the previous year's profit of £30,000. So, too, is Stott and Smith, Ltd., whose profit of £43,000 has turned into a loss of £3,500. Simpson and Godlee, the old-established merchanting firm, has to turn back the records to 1953 to find a year when a comparable deficit, now amounting to £102,666, was sustained.

Another big company to record unfavourable trading is Cyril Lord Ltd., whose activities in the carpet trade have been so widely publicised. For the first nine months of the current financial year, a loss, as yet undisclosed, has been incurred and no change is anticipated in the final quarter.

Interims Passed

In the meantime, guidance as to future financial trends must be taken from the decisions of certain cotton mill companies—Werneth, Coldhurst, A. and A. Crompton, all in the Oldham area—not to pay interim dividends. In the case of Belgrave Mills, the interim has been sharply reduced, while Joshua Hoyle and Sons, the big spinning and weaving combine, has halved its interim payment, announcing at the same time that even this dividend has not been earned.

The major companies in the trade have been equally affected by the long period of restricted offtake. Comment has already been made about the very noticeable decline in the earning capacity of the Lancashire Cotton Corporation during the first half of the current financial year. The Fine Spinners and Doublers group has also suffered severely, with net profits down from £1,095,000 to £511,000.

The predominantly weaving combine of Taylor and Hartley, Ltd., has also reported substantially reduced earnings at £297,000 against £453,000. In the finishing branch, the experience of British Cotton and Wool Dyers has mirrored firms in spinning and weaving, as net profits have declined from £141,000 to £108,000.

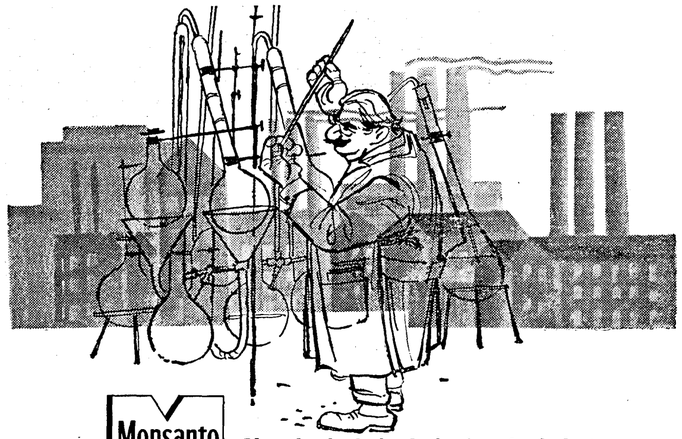
Prepared for the Worst

Shareholders who have staked some of their capital in textiles, and particularly cotton mill ventures, must by now be inured to the rapid changes of fortune within the trade. If they know anything about their subject, they will already have been prepared for the worst, but the picture painted by the above figures is not quite as black as it seems. In most cases, tax charges have been reduced, while depreciation allowances have been maintained, and even occasionally increased.

Reserves built up during more prosperous years have been used to avoid a severe erosion of dividends. The cash position over the trade as a whole is essentially sound, and assets are well in excess of current liabilities. Even so, the outlook is far too obscure at the moment for any semblance of complacency, and an improvement in the level of demand and the volume of business is urgently needed.

Government Must Act

Warning of a "flood of textiles from low-cost producers" the General Federation of Trade Unions said in a report: "Clearly, unless some positive action is taken at Government level to stop the present trend, Lancashire will be able to draw only one conclusion—that the cotton industry is expendable." There was no wish to restrict the development of countries with miserable standards of living, but "we must ask ourselves whether or not this country should be alone among the industrial nations to accept what amounts to the free and almost unlimited entry of cheap cotton goods." The report added: "If our cotton industry is to have a future at all, there must be some grounds for confidence to encourage the recruitment of workers and the investment of capital."—*All Rights Reserved.*



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MORE ON RAW SUGAR MANUFACTURE

MR. EDWARDS SOUNDS NOTE OF CAUTION

AS was hinted in these columns last week, the Conference of sugar technologists, specially convened at New Delhi on the 18th inst. to consider the proposal to manufacture raw sugar for export, has lent its support to the move. Details regarding the deliberations of the Conference, held under the presidentship of Dr. D. R. Narang, a well-known sugar technologist, are not available at the time of writing. It is, however, gathered that the consensus of opinion among technologists was that there should be no difficulty in producing raw sugar in the case of sulphitation factories equipped with modern defecation and filtration equipment, as well as high-speed centrifugals. Since the methods employed have more or less been standardised in all the raw sugar producing countries, there would be little difficulty, it was felt, in adopting the same methods in many factories in India too. Nevertheless, the Conference underlined the need for working out technical details and production cost. This will be done at a joint meeting of technologists and sugar mill interests at Kanpur next week-end (Saturday, 4th August).

On the day following the Conference of sugar technologists, the Committee of the Indian Sugar Mills Association met at New Delhi and decided that 200,000 tons of raw sugar should be manufactured (for export) in the coming season. Japan alone was expected to buy one half of this quantity. The Committee also decided to request the Central Government to permit the manufacture of 10,000 tons of raw sugar in the current season itself and export it by September-October, that is, before the commencement of the new crushing season. The grain size of raw sugar, according to the Committee, would have to be D and E, as it would not be possible to manufacture raw sugar having 96° Pol. or above with smaller grain. Other countries manufacturing raw sugar, we are told, adopt simple defecation and lining process. Considering this and since it is convenient for the Indian sugar mills to follow the single sulphitation curing process, it remains to be seen if the product would be acceptable to the foreign refiners. The I.S.M.A. Committee says that, ordinarily, there should be no difficulty, though it admits that the factories which have adequate boiling house capacities and make bold grains may not find it attractive to produce raw sugar. The reason adduced is that the premium being paid by the refiners, though it is 1.4 per cent for each unit rise above 96° Pol., is restricted to 98.8° Pol. and is much below what is being realised for bolder grains at present.

Overseas Order

Even as the sugar industry is considering steps to be taken to ensure production of raw sugar for export, a leading international firm of sugar dealers is reported to have submitted a proposal to the Government of India offering to enter into a contract for the purchase of 200,000 tons of raw sugar annually for the next three years. While the proposal has generally been welcomed, it is felt that the specifications for raw sugar laid down by the firm are rather rigid and that they must be made elastic enough to facilitate easy manufacture and export.

From the foregoing account, it looks as though the I.S.M.A. scheme of raw sugar manufacture for export—details of which were given in our last issue—will be implemented. It was but appropriate, therefore, that Mr. F. Edwards, the retiring President of the Deccan Sugar Factories Association, should have made a special reference to this issue in his speech at the twenty-third annual general meeting of the Association held at Bombay on Monday this week. He sounded a note of warning that a wrong decision would only create new problems without solving old ones. Elucidating this point, he observed:

"Since all the sugar factories in the country are equipped to produce only white sugar, a changeover to raw sugar would necessitate alterations and additions to the existing machinery equipment. Again, all the raw sugar produced in the country would have to be exported, since there are no refineries in India. Moreover, since raw sugar deteriorates very quickly, special types of godowns for storing it would have to be constructed and steps taken to ensure its speedy export. It is, therefore, very doubtful whether sugar factories in India would be able to produce raw sugar as cheaply as other countries where factories are equipped to produce raw sugar exclusively."

Mr. Edwards has thus stated briefly but impressively the problems involved in the manufacture of raw sugar for purposes of export. If he has not been more elaborate, it may, perhaps, be due to the feeling that both the North Indian sugar interests and the Government of India are determined to go ahead with the scheme. Incidentally, the net saving that can be achieved in raw sugar production would be negligible in the case of factories having a high recovery per cent of sugar as, for instance, the majority of sugar mills in the Maharashtra State. The average recovery in these mills is as high as 11.50 to 11.75 per cent. It is true that the recovery of raw sugar from a given quantity of cane will be above this average recovery of white sugar, but the saving in the former will be negligible. Some put it at no more than Rs. 10 per metric ton. Only in respect of sugar mills with poor recovery of white sugar, such as the one with a recovery of just 8.7 per cent which Mr. R. C. Aitkin has taken in his article referred to in these columns last week, the saving would be somewhat substantial. Considering that the saving in the cane cost per maund of sugar is reduced with better quality, it would be better if the scheme of raw sugar production were confined only to mills having low recovery of white sugar, instead of being compulsorily enforced on *all* the mills.

Cane Cess Refund

Besides raw sugar manufacture, Mr. Edwards alluded in his speech to other problems of sugar industry also, especially those pertaining to the Deccan mills. It is surprising to hear from him that the Maharashtra Government has still not refunded the cess amounts to the mills on sugar exported during the years 1958-59, 1959-60 and 1960-61. That surely speaks volumes about the efficiency and sense of fairness of the Government of Maharashtra. Prolonged correspondence with the State Government, we are told, has only evoked the response that the Government is seeking clarification on certain points from the Centre and that the refund would be made after the clarification is received. Why has it taken nearly four years for the Government of Maharashtra to seek a clarification, if such were at all needed? The refund of cane cess is, of course, not given statutory enforcement; the Sugar Export Promotion Act 1959 does not contain any provision for such refund. But all State Governments have accepted, at the recommendation of the Centre, the commitment to refund the cane cess levied on sugar delivered to the Export Agency by the factories as per the orders of the Union Food Ministry. What complication is there in granting the refunds immediately after the delivery of the sugar (against export quota) supported by a certificate from the Export Agency? Even assuming that there is some complication, does it require more than three years to be solved? Mr. Edwards was only mildly candid when he remarked that the delay "is a sad commentary on Government administration."

A brief reference to the general trends in India's sugar economy was made by Mr. Edwards. The current season, according to him, would end with a surplus of about the same quantity as that held in stock at the beginning of the season, that is, 1.15 million tons, with production, domestic consumption and exports estimated at 2.7 million tons, 2.4 million tons and 300,000 tons, respectively. Mr. Edwards made it clear that this surplus problem would not be solved quickly, unless steps were taken to stimulate home consumption by bringing down the sugar price. Such a reduction, in his considered opinion, was possible only by lowering the present high excise duty of Rs. 10.70 per maund. Anyone who cares to analyse the different elements that constitute the sugar price will fully appreciate the force of this contention. As Mr. Edwards recalled, the cost structure of sugar is very rigid. The cane price, which accounts for nearly three-fourths of the total production cost, is controlled by Government and the wages of labour are regulated by the Wage Board. Since the scope for effecting a cut in production cost is thus very limited and considering that the position has radically changed since 1957, when the excise on sugar was raised by Rs. 4.12 to Rs. 10.70 per maund with the specific object of restricting internal consumption in order to create an export surplus, there is no justification for continuing the excise duty at the enhanced rate.

Cane Price Formula

The President of the Deccan Sugar Factories Association also touched on the recent decision of the Central Government to fix cane price for the 1962-63 season based on recovery. He welcomed this move as one in the right direction, but did not critically examine whether or not it was adequate to eradicate the chronic ills of our sugar industry. He merely added that the Maharashtra Government had been fixing cane prices on recovery basis for the last few years and hoped that the desired effect of improving the quality of cane grown would be achieved.

A striking feature of Mr. Edwards' speech is provided by the brief reference to the growth of sugar industry in Maharashtra in the past five/six years. He said:

"The number of working sugar factories in the Maharashtra State increased from 15 in 1955-56 to 27 in 1961-62 and the sugar production increased from 195,000 tons to nearly 500,000 tons during the same period. The Maharashtra State has now not only become self-sufficient in sugar but has become a surplus State. Consequently, the freight advantage which the sugar factories in Maharashtra enjoyed in the past no longer exists. Again, with the implementation of the Land Ceilings legislation by the State, the sugar factories will be deprived of their extensive cane farms and they will have to purchase all their cane requirements, like their counterparts in the Northern regions."

The above extract shows how the competitive capacity of sugar mills in this State has changed *vis-a-vis* those in other States. In these circumstances, whatever justification was there when the Wage Board fixed the highest wage scales for workers in Maharashtra will, as Mr. Edwards stated, no longer exist. It is needless to add that, if these scales were allowed to continue, the competitive capacity of the Deccan sugar mills "will be taxed severely." In other words, this means that the advantage of low-cost sugar production which the Maharashtra mills were enjoying hitherto as compared with their counterparts elsewhere has almost ceased. And it may completely cease when the Maharashtra Government takes over the sugarcane farms under the Land Ceiling legislation. It is not known when this takeover, which is nothing short of expropriation, will materialise. The Government having made no move so far, Mr. Edwards could not naturally throw any new light on this development in his speech. Some, however, are hoping that the enormous difficulties in the way of implementing the scheme against the Deccan sugar factories will induce the Government to modify it drastically in favour of the factories, if not drop it altogether. This, however, is sheer wishful thinking and a gross underestimation of Mr. Y. B. Chavan's will-power. At any rate, the continued neglect of sugar shares on the Bombay Stock Exchange even at levels which are a far cry from those that prevailed before the Maharashtra Government went at the Deccan sugar mills suggests that no investor is yet prepared to entertain such a hope.

CO-OPERATIVE SUGAR MILLS

Out of the 56 co-operative sugar factories (with an aggregate daily cane crushing capacity of 55,500 metric tons) so far licensed, 33 units (total crushing capacity amounting to 31,400 tons) were in production during the 1961-62 season, as against 30 units (28,900 tons) in the previous season, according to a recent review of the National Federation of Co-operative Sugar Factories Ltd. There was no quota restriction on the output of six co-operative sugar factories. The other 27 factories were originally allotted a total production quota of 450,000 metric tons for 1961-62. Due to various reasons, the quotas of some of the factories were revised later, giving an additional quota of 10,308 tons.

As on 31st May 1962, only two factories were in production and all the other 31 factories had been closed. The 33 working co-operative sugar units together crushed in the season 4,235,000 metric tons of cane, with an overall sugar recovery of 11.01 per cent (excluding Amadalavalasa, Tuni and Gandevi which had only a trial crush) and produced 466,000 tons of sugar upto 31st May 1962. In the previous season, 30 working co-operatives had crushed 4,152,000 metric tons of cane with a sugar recovery of 10.74 per cent (excluding Madurantakam, Karad and Sankeshwar which had only a trial crush) and produced 442,000 tons of sugar. A notable feature is that the average recovery per cent of co-operative sugar factories in each State was higher this season than in the previous season except in the Punjab. The Malegaon and Karad co-operative factories in Maharashtra have secured the first and second place, respectively, their recoveries being 12.82 per cent and 12.77 per cent.

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THE DRIVE TOWARD ECONOMIC DEVELOPMENT

By Dean Rusk

U.S. SECRETARY OF STATE

PART I

WHY THE FREEDOM WAY IS BETTER THAN THE COMMUNIST WAY

THE drive toward economic development is essentially a product of the Western technological revolution. It was this revolution that provided man with the capacity to emerge from centuries of poverty and hunger and ignorance. And it was also this revolution that awakened man's realisation that such capacity was within his grasp.

Suddenly, in the years following World War II, it became apparent that the vast unbridgeable gulf between the rich and poor nations had become a wall of glass. On one side of that wall were the capital, the scientific advances, the technological skills of the industrialised nations; and, on the other, the poverty and hunger and the fierce desire for a better life of the great masses of the underdeveloped continents.

The shattering of that wall, the application of the tools and wealth of the industrialised nations to the needs of the poorer nations became, and still remains, the central issue of our time.

We have confronted this problem with the new tools of economic aid, national planning, and social reform. Yet it is clear that the successful completion of this task will require new breakthroughs of thought and action—the devising of new tools and techniques for the creation of capital and credit, for trade and the spread of technology.

We will have to look afresh at all the institutions and procedures we have developed to speed up growth within each country of wealth and productive capacity. For only new efforts of imagination and intellect will enable us to shatter the glass wall and liberate the undoubted capacity of our society to bring, and bring rapidly, a better life to man.

In the harnessing and encouragement of the drive toward economic development, free societies possess a great advantage. For it is the free societies that first set loose this force; that first developed the technological capacity to improve the material welfare of man; that first illuminated the prospects of a better and more abundant life for the people of the world.

It is our science, our methods of distribution, and our economic techniques that have lifted man into the industrial age. The history of the past 20 years has demonstrated clearly that economic development can best be achieved within the context of a free society unhampered by the ponderous arrangements of a nineteenth century Marxist doctrine framed for another age and another set of conditions.

At the close of World War II, many nations, their economies shattered by the war, began the task of reconstruction and economic growth. Some began this development within the constitutional framework of a free society. Others, subjugated by military conquest or armed revolution, took the communist road to economic progress. Today, 17 years later, the results are becoming clear. They can be seen in the dramatic picture of a free, prosperous Western Europe confronting the drabness of Eastern Europe. They can be seen in the performance of a Japan which has reached new heights of prosperity as the fastest growing nation of the world, over against the hunger and starvation which afflicts the vast population of communist China. And they can be seen in Cuba where the decline in agricultural production, the introduction of food rationing, and the drop in real incomes illustrate the emptiness of communist claims that they hold a magic key to rapid development.

We take no satisfaction from economic distress, under whatever system it exists. But it is relevant to point out that communist techniques have not produced the promised results, despite appalling prices in human values paid for economic development. During the 1950's, after basic war damage had been largely repaired, the Soviet Union's economy grew at a rate of six and one-half per cent; it was a good performance but it was exceeded by many free countries, including West Germany, Austria, Japan, and Venezuela. Even with a slower rate of growth, the United States during the 1950's increased the absolute gap between its economy and that of the Soviet Union. At current projections for 1961-70, the absolute gap will continue to widen, as the United States adds more than $300,000 million to its annual Gross National Product, while the Soviets add a possible $170,000 million to theirs.

All told, over the next nine years, the nations of the Sino-Soviet bloc can expect to add $300,000 million to their Gross National Product, while the nations of the Atlantic community and Japan will add more than $500,000 million. These statistics, even with allowances for the vagaries of statistical analysis, clearly demonstrate that no communist society has found a magic formula for economic growth; and that rapid progress can readily be achieved by a free society.

Even more important than the statistics of economic growth are the uses to which this increased abundance has been put. For our aim is to improve the welfare of people—to relieve human want and misery—not merely to pursue increased output as an end in itself. The economic history of the communist bloc is clear and dramatic proof that the communist route to development, effective as it may be in increasing national power, is the least effective means of raising the living standards of individual men and women. This is most dramatically illustrated in the Soviet Union itself, the focal point and pride of communist development.

Most significant has been the sluggish performance of communist agriculture. Throughout the entire communist world, the doctrines of Marx have been proven incapable of mastering the techniques of modern food production and providing an abundant diet.

Almost half of the Soviet work force is engaged in agriculture, as compared with nine per cent of the American work force. But the average American, according to the Department of Agriculture, has at his disposal three times as much fresh fruit, eggs, and edible fats and twice as much meat and sugar as the average Soviet citizen.

In recognition of this agricultural problem, Chairman Khrushchev recently warned—30 years after collectivisation—that "the entire economy can be wrecked if the lagging of agriculture is not noticed and overcome in time."

Across the communist world the story is the same. Eastern Europe, which in pre-war years was a net exporter of grain, has in recent years had to import five million tons of grain. Production of grain in communist China in 1960 was actually less than in 1957, although the population had meanwhile increased by almost 60 million. In other vital areas, too, the failure of communist economies to meet the basic needs of human welfare has been dramatic.

The real wages of non-agricultural workers in the Soviet Union in 1958 were calculated at 95 per cent of their wages in 1928—a decline of five per cent over a period of 30 years. At the end of 1960 the housing space available to the average Soviet urban dweller was about equal to what he had under the Tsars. Other consumer durables are even scarcer, making it clear that the promised abundance of Soviet communism is still far in the future.

In the rest of the communist bloc, economic growth has not been translated into higher standards of living.

In Czechoslovakia, the most prosperous of the Eastern European countries, it took the average industrial worker in 1957 longer to earn enough to buy a pound of butter than it took him in 1937. Only Czechoslovakia among these countries has an average living space greater than the nine square metres established as a minimum by nineteenth century hygienists.

In communist China and North Viet-Nam, millions are struggling to avoid starvation on subsistence incomes, with other comforts forgotten in the struggle for survival.

Behind these statistics and comparisons, lie two central facts: that communist societies are not capable of more rapid economic growth than free societies; and that they are far less able to translate growth into substantial increases in human welfare.

To those whose desire for development stems from concern for the welfare of the individual, and not solely from desire for national power, it is clear that the path of freedom offers the best and most effective route to progress.

PART II

THREE REQUISITES FOR MODERNISATION

The drive for economic development finds its best model and exemplar in those free societies which gave it birth. However, the free nations are now faced with the problem of evolving a set of policies and tools which will enable us to carry forward the same development in the rest of the world.

Since World War II, the United States has devoted greater resources to the assistance of others than any other nation in the history of the world. These resources have helped to sustain economies in many parts of the world, have met emergency human needs, and assisted nations to launch programmes of development.

Yet we must also admit that some of this money has been ineffective. Some of it has disappeared, vanished without a trace of permanent effect on the lives of the people it was meant to help.

It was this experience that has taught us that solid development is not possible without at least three basic conditions.

First, no nation can develop unless it possesses its own inner determination to progress.

This means the mobilisation of national resources and energies, the use of national institutions, and, above all, an intangible dedication of national spirit and will—a single-mindedness of purpose, and an unrelenting determination which is essential to all great human achievements, and without which development is not possible.

If this condition is present, then external resources can give a vital, if marginal, boost. If they are not present, then no amount of external help will leave a permanent trace on the life of the nation.

No free nation will demand of its people the sacrifices which the communist nations demand —the loss of liberty and the rigorous regimentation of daily life. Such sacrifices destroy the goal of freedom for man; they are unnecessary even in economic terms and do not yield progress.

But neither can we make the assumption that economic development is painless; that it can be achieved without arduous labours and sacrifice; it may require increased taxes, or the yielding up of large estates, curbs on consumption, or the barring of luxury imports.

But such sacrifices are mild, indeed, as compared to the communist alternatives and they will ultimately yield greater abundance for all.

This first condition, under the name of self-help, is an essential component of the Alliance for Progress and of economic development everywhere.

Second, no real economic development, consistent with the goals we have set ourselves, is possible without a social structure which permits the great mass of people to share in the benefits of progress; and which affords each man the fair expectation of social justice. This often means basic, even revolutionary, changes in the structure of society.

Outmoded systems of land tenure which allow a few to hold great estates while most agricultural workers are landless must be swept away. Tax systems which exempt the wealthy from their just share of the burden of development must be revised. And all the institutions of society must be carefully scanned to ensure that they are not instruments for maintaining the privileges of the fortunate few.

Some of these changes are necessary for rational development. But many of them do not find their justification in the calculations of economists or the formulations of planners.

They are vital, because no Government and no nation can carry forward the process of development without the support and help of its people. And people will only give their assistance when they are convinced that the Government is serving their interest, that they are not being exploited on behalf of a minority, and that they and their children will have equal access to land, jobs and education.

People can be called upon for the sacrifices which development demands when they are convinced that everyone is sharing these sacrifices, and that there will be a just distribution of the progress which sacrifice brings.

I am fully aware that these fundamental social reforms are not made without controversy. We are deeply committed to democratic processes and we know from our own experience that economic and social reform involves vigorous debate, time, and adjustment of contending views. The great human forces which have unleashed the drive for development in the last several years also demand social justice as a part of that development.

The *third* requisite for development is also the most obvious; the human and material resources necessary to permit a nation to build the basic economic structure which will produce long-term growth.

In our rush to create new capital, we often neglect the importance of the human resources necessary for economic development. But factories and roads and bridges will not be built without men to plan them, to engineer them, and to manage them.

The programming of economic development itself requires the application of a hundred skills; and the implementation of these plans requires thousands of men to run the factories, teach new methods to the farmer and guide the public administration of the developing society. The history of economic progress in all countries is proof that general education, and the development of skills, are the most productive long-run investment which can be made in the future of any nation.

Let me say a word here about the element of time. It is a truism to say that each nation has consumed centuries in getting to where it is today. But, in development, decades or even centuries can be jumped over, because of the transferability of knowledge and technical skills.

With the fulfilment of these three conditions and with unremitting effort by all of us, we can ensure the success of the Alliance for Progress. And, with these same instruments, we can also help bring a better life to men and women in other parts of the world.

Note: *This article is based on Mr. Rusk's address before the School of Advanced International Studies of John Hopkins University on 25th April, 1962.*

I.M.F. OPERATIONS

The International Monetary Fund has continued to play an active financial role through the first half of 1962, following its record operations of last year. Members' use of the Fund resources has been larger, in fact, during the first six months of this year than was the case in the same period of 1961. Their drawings on the Fund from 1st January 1962 through 30th June 1962 amounted to $475 million, and new stand-by arrangements to $570 million. Last year, the figures for the corresponding period were $418 million and $385 million, respectively.

The drawings during the first six months of 1962 were made chiefly in European currencies and pounds sterling. The Fund's holdings of United States dollars have increased by $280 million since 31st December 1961, as members' repayments in dollars recently have exceeded new drawings in U.S. currency. On 30th June, the Fund's holdings of U.S. dollars were $2,715,687,000, or $378,063,000 less than the U.S. currency subscription to the Fund, which is $3,093,750,000. The rest (25 per cent) of the $4,125,000,000 U.S. quota in the Fund was paid in gold.

The $2.5 billion total of members' drawings during 1961 was swollen by a $1.5 billion transaction in August with the United Kingdom, whose obligation to the Fund has since been reduced by substantial repayments and by drawings of sterling by other members. It was lowered to $531 million on 24th June, when the Government of Canada obtained $100 million in sterling as part of a $300 million drawing in five currencies. The balance of the Canadian drawing was comprised of $80 million in deutsche mark, $80 million in French francs, $20 million in Belgian francs and $20 million in the Netherlands guilders.

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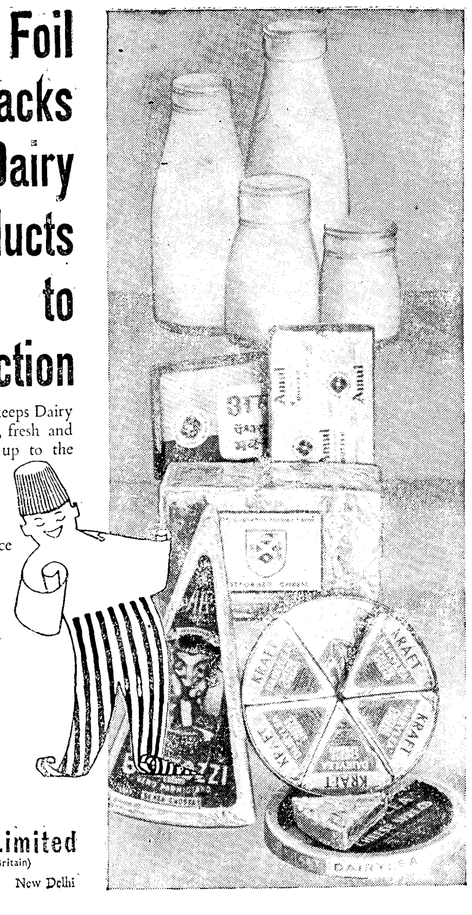

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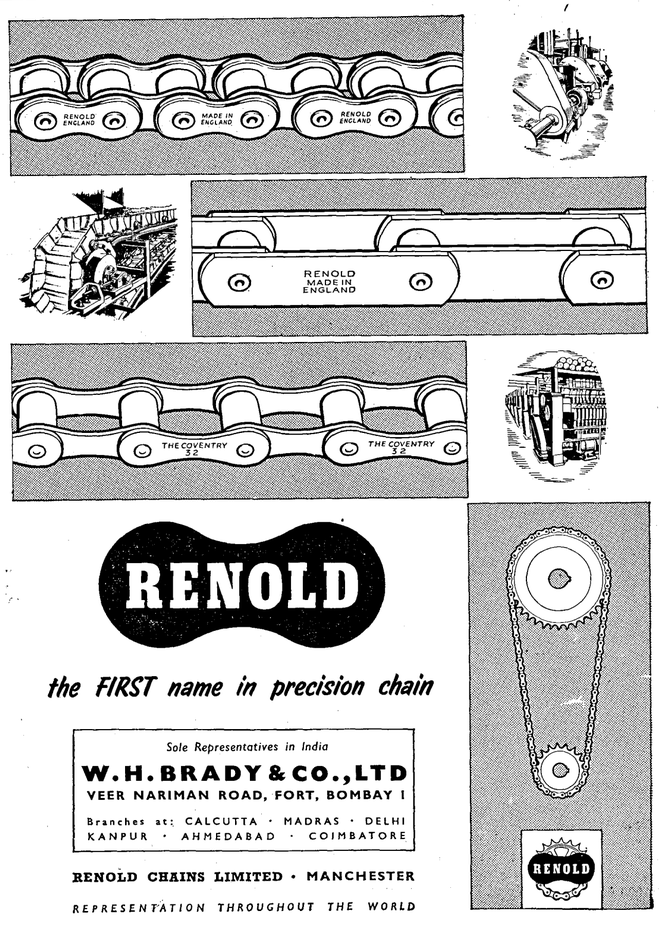

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Notices

THE TATA OIL MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-FOURTH ANNUAL GENERAL MEETING of THE TATA OIL MILLS COMPANY LIMITED, will be held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, on Thursday, the 16th August 1962, at 4-00 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and audited Profit and Loss Account and Balance Sheet for the year ended 31st March 1962.
2. To declare dividends on Preference and Ordinary Shares.
3. To appoint a Director in place of Sir Chunilal V. Mehta, who has attained the age of 81 years and who retires by rotation and to consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Sir Chunilal V. Mehta, who has attained the age of 81 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

4. To appoint a Director in place of Mr. D. R. D. Tata, who retires by rotation and is eligible for re-appointment, and to consider and, if thought fit, to pass the following resolution as a special resolution in respect of which a special notice as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. D. R. D. Tata, who retires by rotation and is eligible for re-appointment and who is a director, officer, member and an associate of Tata Industries Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an Ex-Officio and a Special Director to the Board) be and is hereby re-appointed a Director of the Company."

The reasons which make the above resolution necessary are as follows:—

The Managing Agents of the Company, Tata Industries Private Limited, are authorised by the Articles of Association and the Managing Agency Agreement to appoint an Ex-Officio and a Special Director to the Board. Since Mr. D. R. D. Tata is a director, member, officer and an associate of the Managing Agents, his appointment as a director of the Company, who retires by rotation, can be made only by a Special Resolution of the Company in terms of Section 261 of the Companies Act, 1956. Mr. D. R. D. Tata joined the Board on 27th December 1949 and has for the last several years been associated, as one of the Directors of the Managing Agents, with the management of the affairs of the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a Member of the Board, it is desirable that he be re-appointed a Director.

5. To consider and, if thought fit, to pass, with or without modification, the following resolutions as Special Resolutions:—

(1) "RESOLVED that 1,25,000 shares out of the 4,00,000 unclassified shares of Rs. 25 each be and are hereby classified as ordinary shares and the Articles of Association of the Company be altered in the manner following:

Substitute the following Article for Article 4:—

'The present capital of the Company is Rs. 2,50,00,000 divided into 30,000 cumulative preference shares of Rs. 100 each, 4,25,000 ordinary shares of Rs. 25 each, 45,000 unclassified shares of Rs. 100 each and 2,75,000 unclassified shares of Rs. 25 each.'"

(2) "RESOLVED FURTHER that out of the 1,25,000 ordinary shares just classified out of 4,00,000 unclassified shares and the existing unissued 19,701 ordinary shares, making a total of 1,44,701 unissued ordinary shares, 1,40,150 ordinary shares be issued upon the following terms and conditions:—

(a) Such further 1,40,150 ordinary shares shall be issued and offered at a premium of Rs. 15 per share to the holders of the existing ordinary shares on the Register of Members of the Company on such date as may be fixed by the Directors (with the right to renounce in favour of a person or persons approved by the Directors) in the ratio as nearly as circumstances admit, of one further ordinary share to two existing ordinary shares held by such holders respectively, fractions, if any, of one further ordinary share, issuable on this basis being disregarded (provided that a holder of only one existing ordinary share shall be entitled to be offered one further ordinary share) with option only to such of the aforesaid holders, as do not renounce their rights in whole or in part, to apply for additional further ordinary shares, the allotment of which shall be made on an equitable basis by the Directors with reference to the shares already held by such applicants and such offer shall be made by notice specifying the number of further ordinary shares which each holder of the existing ordinary shares shall be entitled to apply for and take up wholly or in part and limiting the time within which the offer, if not accepted, shall be deemed to have been declined, with liberty to the Directors from time to time to extend the time for acceptance as aforesaid, either generally or in respect of any particular holder or holders.

(b) The full amount of Rs. 40 per each further ordinary share (made up of Rs. 15 on premium account and Rs. 25 on capital account) shall be payable to the Company on application for such further ordinary shares as aforesaid.

(c) The further ordinary shares shall not confer on the holders thereof the right to the dividend, if any, declared at or prior to the Annual General Meeting to be held in the year 1962, but shall entitle such holders to rank as from the date or dates of allotment thereof to all dividends declared after such meeting in proportion to the capital for the time being and from time to time paid up on such shares during the account year in respect of which the dividend is declared and such further ordinary shares shall, for all other purposes, rank *pari passu* with the existing ordinary shares of the Company.

(d) The Directors be and are hereby authorised and empowered to dispose of and allot any of the said further ordinary shares not taken up by the holders of the existing ordinary shares entitled thereto or remaining undisposed of to the applicants for additional shares on an equitable basis with reference to the shares already held by them provided that the shareholders who renounce their rights in whole or in part to the further ordinary shares, shall not be entitled to any additional shares. Any balance still left unallotted may be disposed of at the ruling market price or at the issue price, viz. Rs. 40 per share whichever is higher.

(e) The certificates in respect of the further ordinary shares shall be completed and ready for delivery within 9 months from the last allotment of such further ordinary shares.

(f) For the purpose of giving effect to this resolution the Directors be and are hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such further ordinary shares and to give such further directions as they may think fit, including directions for settling any question or difficulty that may arise in regard to the issue and allotment of the further ordinary shares."

6. To consider and, if thought fit, to pass the following resolution:—

"RESOLVED, by way of modification of the second part of the Resolution passed at the Extraordinary General Meeting held on the 30th day of November 1959, that the further 5,000 Debentures of Rs. 1,000 each mentioned therein or any part thereof, which the Directors may at any time or times hereafter decide to create and issue for securing such further sum or sums not exceeding the aggregate sum of Rs. 50,00,000 as they may think fit, shall carry interest at the rate of 6½% per annum (subject to income-tax) instead of 6% per annum (subject to income-tax)."

7. To consider and, if thought fit, to pass the following resolution:—

"RESOLVED that, subject to the Consent of the Central Government under the Capital Issues (Control) Act, 1947, in that behalf, the Company hereby consents to the modification of and authorises the Directors to modify, the rights of the holders of the existing 5,000 Debentures of the Company (a) that as from the date on which the further 5,000 Debentures or any part thereof be issued by the Company, the rate of interest payable on the existing 5,000 Debentures be increased from 6% per annum (subject to income-tax) to 6½% per annum (subject to income-tax), and (b) that the date of maturity of the existing 5,000 Debentures be extended from the 30th day of September 1974 to such date later than the 30th day of September 1974 as the Directors may in their absolute discretion decide upon and as may be approved by a resolution of the holders of the 5,000 existing Debentures, with liberty to the Company to redeem the whole or any part of the 5,000 Debentures at any time or times after such later date than the 1st day of October 1969 as the Directors may in their absolute discretion decide upon and which may be approved by a resolution of the holders of the existing 5,000 Debentures, on giving six calendar months' notice in writing to the Trustees of the Trust Deed dated the 24th day of December 1959 whereby the existing 5,000 Debentures are secured, in the manner provided in clause 4 thereof AND that a Supplemental Trust Deed, for effecting the abovenamed purposes, in such form as may be deemed requisite or expedient by the Directors and may be approved by the Trustees of the said Trust Deed, be executed by the Company."

8. To consider and, if thought fit, to approve the provisions contained in the draft of the new Objects Clause III of the Memorandum of Association of the Company to be submitted to the Meeting, and for the purpose of identification subscribed by the Chairman thereof, with such modifications, if any, as may be agreed to at the Meeting and to pass the following Resolution as a Special Resolution:—

"RESOLVED that the provisions contained in the draft of the new Objects Clause III of the Memorandum of Association of the Company submitted to this Meeting and for the purpose of identification subscribed by the Chairman thereof be and is hereby approved and adopted as the new Clause III of the Memorandum of Association relating to the objects of the Company in substitution for and to the exclusion of the existing Clause III thereof relating to the objects of the Company."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:—

"RESOLVED that pursuant to the provisions of Sections 356 and 360 and other applicable provisions (if any) of the Companies Act, 1956, and subject to the approval of the Central Government under Section 360 and other applicable provisions (if any) of the aforesaid Act and to such modifications (if any) as may be required by the Central Government and as may be agreed to by the Board of Directors of the Company which the Board of Directors is hereby authorised to do, the Company hereby approves of and accords its consent to the appointment of Tata A.G. of Zug, Switzerland, which company or corporation is or is deemed to be an associate of Tata Industries Private Limited, the Managing Agents of the Company, as the Sole Selling Agents in Europe of goods produced by the Company and Representatives in Europe of the Company in terms of an Agreement a draft whereof is placed before this meeting and for purposes of identification signed by the Chairman thereof and which Agreement is hereby specifically approved and sanctioned (subject to such modifications if any as aforesaid) and the material terms and conditions whereof (subject as aforesaid) are as under:—

(a) That Tata A.G. shall act as the Company's representatives in Europe.

(b) That Tata A.G. shall act as the Company's Sole Selling Agents in Europe for sale of Vegetable Oils, Oil Cakes and Meal, Glycerine, Hydrogenated Oils, Soap, Detergents and Toilet Preparations manufactured by the Company.

(c) That the prices of the goods sold by Tata A.G. on behalf of the Company to foreign buyers shall be reasonable and shall not be less favourable to the Company than the prevailing export prices for such goods.

(d) That on all orders for sale of goods secured by Tata A.G., and accepted by the Company, Tata A.G. shall be entitled to a commission at such rates as may be mutually agreed upon between the Board of Directors of the Company and Tata A.G. from time to time subject, however, to the following ceilings:—

Products	*Maximum Rate of Commission on the C.I.F. prices of goods*
Vegetable Oils ...	2%
Oil Cake and Meal	2%
Glycerine	5%
Hydrogenated Oil	5%
Soap, Detergents and Toilet Preparations ...	5%

(e) That the Agreement shall be for a period of five years, from the date the approval of the Government shall be received by the Company, and terminable by either party on six months' previous notice in writing.

(f) That any dispute or difference shall be referred to arbitration under the Arbitration Act, 1940.

(g) The appointment of Tata A.G. as Sole Selling Agents under the Agreement, will be subject to the condition that the appointment shall cease to be valid if it is not approved by the Company at the first General Meeting held after the date on which the appointment is made and if the Company in General Meeting disapproves the appointment, it shall cease to be valid with effect from the date of that General Meeting.

(h) That the interpretation of the Agreement is to be in accordance with the law prevailing in India."

10. To consider and, if thought fit, to pass the following resolution:—

"RESOLVED that pursuant to the provisions of Section 359 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby authorises Tata A.G. of Zug, Switzerland, Associates of Tata Industries Private Limited, the Managing Agents of the Company, to retain all commission or other remuneration already earned or to be earned by them as the agent, secretary, or selling or buying agent of any firm, body corporate or other concern in respect of any goods, freight, repairs or other services, for the sale, purchase, supply or rendering of which a contract is to be entered into by such firm, body or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

11. To consider and, if thought fit, to pass with or without modification, the following resolution:—

"RESOLVED that pursuant to subsection (4) of Section 372 and other applicable provisions (if any) of the Companies Act, 1956, and subject to the approval of the Central Government as provided therein, the Company hereby sanctions the investment of a sum not exceeding Rs. 12,50,000 by the purchase of equity shares of a body corporate proposed to be promoted by Tata Sons Private Limited, James Finlay and Company Limited of Glasgow, and this Company and to be registered in India under the name of Tata-Finlay Private Limited, for the purpose (among other objects) of blending, packaging and selling tea, though such investment may exceed all or any of the percentages specified in Section 372(2) and the provisos thereto; and the Board of Directors be and are hereby authorised to determine the actual sum subject as aforesaid to be so invested and all or any matters arising out of and incidental to the said proposed investment."

12. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that the Company hereby approves of and confirms the payments made to Messrs. Ghia Pallonji and Company in consideration of the services rendered by them in respect of sales of chemical products from the 1st January 1960 upto the 30th June 1962 and the payments made to Messrs. Chemical Agency in consideration of the services rendered by them in respect of sales of chemical products from the 1st April 1961 upto the 30th June 1962."

13. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that the Company hereby accords its consent, under Section 314 and other applicable provisions (if any) of the Companies Act, 1956, to Messrs. Ghia Pallonji and Company, a firm in which two partners are relatives of Mr. D. M. Ghia, a proposed Director of the Company, holding and continuing to hold an office or place of profit under the Company as distributors and selling agents of the Company for the City of Bombay, its northern boundary being Mahim on the Western Railway and Sion on the Central Railway (State of Maharashtra), for 3 years upon the terms and conditions and at the remuneration set out in the letter dated 10th July 1962 from the said Messrs. Ghia Pallonji and Company to the Company."

14. To appoint a Director in place of Mr. D. M. Ghia who resigned as Director on 28th June 1962 and who is eligible for appointment. The Company has received a notice in writing proposing his candidature for the office of Director.

15. To consider and if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that Resolution No. 11 passed at the Annual General Meeting of the Company held on 14th August 1956 be and is hereby superseded and cancelled and in its place the following Resolution be and is hereby substituted:—

"RESOLVED that (a) pursuant to subsection (1) of Section 163 of the Companies Act, 1956, the Company hereby approves that the registers of members, the indexes of members and the registers and indexes of debenture-holders, and copies of all annual returns prepared under Sections 159 and 160 of the said Act together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the said Act, or any or more of them, be kept at the Registered Office of the Company and/or at the Company's record room in the Army and Navy Building at Mahatma Gandhi Road, Fort, Bombay; (b) that such of the registers, books, certificates, returns and documents of the Company required to be maintained under the provisions of the Companies Act, 1956, as are not required by the aforesaid Act to be kept at the Registered Office of the Company, may be kept either at the Registered Office of the Company and/or at the Company's record room in the Army and Navy Building at Mahatma Gandhi Road, Fort, Bombay or at such other place as may be decided by the Directors; and (c) that the registers, indexes, returns, books, certificates and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, be kept open for such inspection by the persons entitled thereto, to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid Act between the hours of 10-30 a.m. and 1-00 p.m. on any working day except when the registers and books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company, provided however, that the register required to be maintained under Section 307 of the aforesaid Act shall be open for inspection of the members and of the holders of the debentures of the Company, if any, as aforesaid between the hours abovementioned during the period prescribed by sub-section (5) (a) of Section 307."

16. To appoint Auditors and to fix their remuneration.

17. To authorise the Board of Directors to appoint, in consultation with the Company's Auditors, persons other than the Company's Auditors to audit the accounts of the Sales Offices of the Company, which are its Branch Offices and to fix their remuneration, and, if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution:—

"RESOLVED that the Board of Directors be and is hereby authorised to appoint, in consultation with the Company's Auditors, any person or persons qualified for appointment as auditor or auditors of the Company under Section 226 of the Companies Act, 1956, to audit the accounts for the year 1962-63 of such of the Company's branch offices as are or may be its Sales Offices, and to fix their remuneration and the terms and conditions on which they shall carry out the audits."

Notes:—(a) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 17 set out above are being posted to the shareholders with the notice.

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

(c) The Transfer Books of the Company were closed from Monday, the 11th June 1962, to Friday, the 29th June 1962.

(d) If dividends on shares, as recommended by the Directors, are passed at the meeting, payment of such dividends will be made at the State Bank of India on and after Friday, the 17th August 1962, to those members whose names were on the Company's register on 29th June 1962.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
P. A. NARIELWALA,
Director.

BOMBAY, *14th July*, 1962.

Registered Office:
BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY 1.

THE WESTERN INDIA SPINNING AND MANUFACTURING COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-SECOND Annual General Meeting of the Company will be held at its Registered Office at "Sir Vithaldas Chambers," 16, Apollo Street, Fort, BOMBAY, on Tuesday, the 25th September, 1962 at 4-30 p.m. (S.T.), to transact the business of which details are set out in the notice that will be sent to each member individually in respect of the above Annual General Meeting.

The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 1st September, 1962 to Tuesday, the 25th September, 1962, both days inclusive.

For THE WESTERN INDIA SPG. & MFG. CO. LTD.,
For THACKERSEY MOOLJEE SONS & CO.,
U. M. D. THACKERSEY,
Partner,
Managing Agents.

BOMBAY, *19th July*, 1962.

REGIONAL CO-OPERATION IN ASIA—II

SCOPE FOR PROMOTING INTRA-REGIONAL TRADE

THE prospects for, and economic rationale of, regional co-operation in Asia was broadly examined on page 82 of *Commerce* dated 14th July 1962 based on an E.C.A.F.E. study. Against that background, it is proposed to consider in this article the scope for intra-regional co-operation in the specific fields of trade, agriculture and industry. This is also being done on the basis of the E.C.A.F.E. study. Of prime importance in any scheme of regional oc-operation is the present and prospective volume and pattern of trade between the countries concerned. The E.C.A.F.E. Study seeks to stress that the developing countries in the region have potentially large market in their neighbouring countries, not only for traditional export commodities, but also—and this is more important—for the products of their incipient manufacturing industries. It adds, significantly enough, that "whether they can make full use of these opportunities is a real test of economic statesmanship." In the present circumstances, however, it would appear that Asia's trade with outside the region is becoming more and more important at the expense of intra-regional trade. For the emphasis on development in this region leads to an increasing proportion of imports, mainly of capital and intermediate goods, which must come (apart from Japan) from sources outside the region.

This tendency for increasing reliance on imports from outside the region has apparently been reinforced by the effects of deliberate measures of import substitution which were mainly directed against intra-regional imports and contributed to reduce further the relative importance of intra-regional trade flow. Cotton textiles, for example, offer a good avenue of industrialisation through import substitution. But this form of import substitution, according to the Study, affects mostly exports of other countries of the region that had established cotton textile industries earlier, such as India, Hong Kong and Japan. Another item suitable for import substitution is rice. Intra-regional trade in these two items has been steadily declining as is shown in the table below:

	Cotton piecegoods* (In million sq. yards)	Rice† (In thousand tons)
1938	1,246	4,723
1953	971	3,244
1957	879	3,008
1959	683	2,562

* Exports from Hong Kong, India and Japan to E.C.A.F.E. countries, including Mainland China.

† Exports from Burma, Cambodia, China (Taiwan), Thailand and Southern Viet-Nam to E.C.A.F.E. countries, including Mainland China.

The intra-regional trade in industrial raw materials, however, is likely to increase in future. Taking rubber, for instance, one finds that its exports from the producing countries in the E.C.A.F.E. region to others in the same region have been upward. The following table shows the trend in total exports of rubber from the region and imports of that commodity by Japan and India from the region between 1938 and 1959:

(In metric tons)

	Region*	Imports from E.C.A.F.E. countries	
		Japan	India
1938	175,134	43,601	..
1953	420,604	91,423	1,832
1957	512,415	127,321	10,209
1959	616,391	158,825	14,904

* Exports from Burma, Cambodia, Ceylon, Indonesia, Federation of Malaya and Singapore; North Borneo, Sarawak, Thailand and Southern Viet-Nam to E.C.A.F.E. countries, including Mainland China. (The figures are inflated by Singapore's imports which are largely for re-exports.)

Pattern of Trade

The scope for promoting intra-regional trade in other commodities too does not appear to be small. A close study of the table at the bottom of the page will substantiate this conclusion. The table shows the trends in imports and exports of major commodity groups by select countries of the region, as of 1959. The conclusions derived by the Study from this table are as follows:

"With regard to foodstuffs, fuels and industrial raw materials, the countries mentioned in the table depend for the bulk of their imports and exports upon the underdeveloped areas, among which the E.C.A.F.E. countries loom very large. The only exception is India, with its heavy dependence on industrial countries for food imports and for exports of foodstuffs, animal and vegetable oils, and crude raw materials. Raw material exports from the South-East Asian group are also directed to the industrial areas to a considerable extent. However, it is important to note that the trade structure of these countries in 1959 seems to indicate a limited validity of the classical pattern of international division of labour in the present world economy. According to the nineteenth century pattern, the bulk of the primary exports from the less-developed countries was to be sent to the industrialised areas in exchange for manufactured goods. At the present time, the mutual trade in primary products among the underdeveloped countries, both within and outside the E.C.A.F.E. region, is no less significant, and in many cases more important, than the trade with industrially advanced countries.

"In respect of imports of manufactured goods, it is easily understandable that the countries in the region depend largely on supplies from the industrially advanced countries, particularly those outside the region. In the case of a combined group consisting of Burma, the Federation of Malaya, Singapore and Thailand, as well as Hong Kong, however, a large part of imports of manufactured goods, other than machinery and equipment, originates from within the region. On the export side, although the absolute level is low, the bulk of manufactured exports goes to other underdeveloped countries and most notably to those in the E.C.A.F.E. region. The only case in which the combined share of the markets in the underdeveloped areas is below 50 per cent of total sales abroad is Hong Kong in respect of manufactured goods, other than machinery and equipment. There is reason to believe that, in the initial stages of industrialisation, the less-developed countries will almost certainly not be able to expand their exports of domestically produced manufactured goods to the markets of advanced countries, and will, therefore, be forced to expand their markets among themselves to a greater extent. So far as countries in the E.C.A.F.E. region are concerned, in both the initial and the more advanced stages of industrialisation, the table given below provides rather conclusive confirmation of this statement. A comparison of the trade structure of 1959 with that of an earlier period clearly shows the tendency for intra-regional trade in the exports of these categories of goods to increase in relative importance. This is precisely the basis on which it is expected that the potential benefits of intra-regional trade co-operation will increase as the countries of the region make further progress in industrialisation."

Agriculture

The room for regional co-operation is no less evident in the field of agriculture, too. Says the E.C.A.F.E. Study:

"In the E.C.A.F.E. region countries such as Burma, Thailand and the Republic of Viet-Nam have had a continuing exportable surplus of rice, whereas others, such as Ceylon, the Federation of Malaya, India and Indonesia, have traditionally been rice importers, in spite of substantial domestic production. The agricultural exports of these countries have consisted largely of industrial raw materials such as cotton, jute and rubber and, in the case of Ceylon and India, of tea.

"Since national independence, which in most cases was achieved around 1950, the pattern of the rice trade in these countries, on both the import and export side, has become characterised largely by direct State regulation in the interests of economic development and national welfare. Perhaps, as an inevitable outcome of bilateral bargaining, short supply and high prices in the immediate post-war years, the deficit countries have all shown a tendency to aim at self-sufficiency in rice production. Some of this substitution of rice imports has undoubtedly been at the expense of reduced acreage under cash crops, although the exact extent is difficult to ascertain. Assuming that the plans for self-sufficiency of the deficit countries meet with success, it has been estimated that the total planned exports of the surplus countries in 1966 of about 4.2 million tons will exceed the total planned imports of the deficit countries by about 2 million tons. As a result, these 2 million tons will have to be sold in uncertain extra-regional markets.

"It would be easy, but beside the point, to deplore this situation on the grounds of deviation from the principle of comparative advantage. Import substitution with regard to rice can be defended by each country practising it on the ground that foreign exchange is vital for the import of capital goods necessary to accelerate the rate of growth, or on other non-economic grounds. What might be lost sight of in this argument is that the use of domestic resources to substitute for imports withdraws them from potential uses for exports, and that the gain in foreign exchange resulting from the one activity has to be balanced against the loss from the other.

Illustrating this point, the Study argues: Suppose Indonesia, for instance, were to divert land and other resources from rice production for domestic consumption to sugar production for export, and that the deficiency in rice for consumption were made up by imports from Burma. For the region as a whole, this would mean an increase in extra-regional exports from Indonesia and a decrease in extra-regional exports from Burma. The Study admits, of course, that such co-operation would encounter severe technical and administrative difficulties. It, however, states that the gravity of the problem of foreign exchange to the countries of the region is such that it might nevertheless prove worthwhile.

Complementary Development of Industries

As in agriculture, industry also forms a fruitful avenue for regional co-operation. One of the major obstacles to development in the countries of the region is that the narrowness of the market (in the sense of purchasing power of peoples, and not the geographical size) makes the cost per unit of domestically produced goods prohibitively high, owing to the fact that economies of large-scale production cannot be fully exploited. In these circumstances, the possibility readily suggests itself of a group of these countries combining to undertake some sort of joint industrial venture, perhaps involving a common market in the products of new industries to be set up within their collective territory, on some "agreed basis of distribution of the industries between them." The E.C.A.F.E. Study expresses the opinion that there are potential opportunities for small countries of the region to co-operate with one another in the field of industry, on the basis of a detailed examination of the pattern of development in the region and the need for reaping economies of scale. Opportunities for exploitation of economies of scale, according to it, are not confined to fields of industry alone, but also applicable in the case of economic and social infra-structure as well as shipping. The scope for establishing joint regional financial institutions for financing trade and development and also for channelling foreign aid is also indictated by the E.C.A.F.E. Study.

While the Study has highlighted the need for, and possibilities of, regional co-operation in Asia, it has not fully taken into account the difficulties. The primary force behind the European Common Market has been the desire to stand united against communism and to prevent recurrence of events that led to the first and second world wars. It is this political force that is drawing the members of the E.F.T.A. also into the E.C.M. There is no such binding force in the E.C.A.F.E. region as a whole. And it is a very serious handicap to the evolution of regional economic co-operation of the kind the E.C.A.F.E. Secretariat has in mind. Wide differences in the systems of Government and in the extent of State control on economic activities, as well as the prevalence of excessive nationalist sentiment, constitute further obstacles. It is also a moot point whether economic plans of countries at distinctly varying stages of development can be successfully co-ordinated. These are some of the key issues left unanswered by the E.C.A.F.E. Study. It must, however, be mentioned that some of the countries in the region have taken steps for close co-operation with some of the other neighbouring countries. The formation of the A.S.A. (Association of South-east Asia) by Malaya, Thailand and Philippines designed to promote economic and commercial co-operation among themselves is an outstanding instance. The scheme for Malaysia (Malaya, Singapore, Sarawak, Brunei and North Borneo) also reflects to some extent the growing urge within the like-minded members of the region for getting together and promoting speedy development of their economies.

Imports and Exports of Selected E.C.A.F.E. Countries by Commodity Groups

(Percentage share of broad regions)

	Food, beverage and tobacco	Crude materials	Mineral fuels	Animal and vegetable oils	Chemicals	Machinery and transport equipment	Manufactured goods
IMPORTS							
Burma, Malaya, Singapore, Thailand							
From E.C.A.F.E. region*	53.5	97.1	76.8	73.2	23.9	23.7	60.5
Whereof Japan	2.4	0.5	1.2	3.2	9.7	17.1	34.3
Industrial areas†	31.1	1.5	8.0	4.8	72.3	73.3	35.7
Others	15.4	1.4	15.2	22.0	3.8	3.0	3.8
Total world ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hong Kong							
From E.C.A.F.E. region*	71.8	51.0	83.4	80.6	15.0	23.6	58.0
Whereof Japan	5.6	2.3	1.5	45.7	8.1	20.4	27.1
Industrial areas	19.4	22.7	5.8	6.4	78.9	74.9	35.2
Others	8.8	26.3	10.8	13.0	6.1	1.5	6.8
Total world ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0
India							
From E.C.A.F.E. region*	13.2	24.2	48.2	77.1	13.1	5.6	12.8
Whereof Japan	7.7	1.6	..	..	9.7	5.1	8.8
Industrial areas†	78.7	30.8	12.1	3.5	79.0	89.7	67.6
Others	8.1	45.0	39.7	19.4	7.9	4.7	19.6
Total world ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EXPORTS							
Burma, Malaya, Singapore, Thailand							
To E.C.A.F.E. region*	63.3	25.3	64.0	38.6	74.4	82.9	50.0
Whereof Japan	5.9	13.7	2.6	0.8	0.9	0.1	11.4
Industrial areas†	17.8	50.8	6.1	46.2	21.3	4.4	41.9
Others	18.9	24.0	29.9	15.2	4.3	12.7	7.2
Total world ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hong Kong							
To E.C.A.F.E. region*	60.9	81.9	46.7	84.5	79.3	57.2	18.3
Whereof Japan	0.2	74.8	..	0.5	0.1	..	0.3
Industrial areas†	25.7	13.7	2.6	4.7	2.6	25.5	60.6
Others	13.4	4.4	53.3	10.8	18.1	17.3	21.1
Total world ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0
India							
To E.C.A.F.E. region*	9.2	31.9	74.4	21.5	37.4	53.2	17.9
Whereof Japan	0.2	26.6	0.5	0.6	4.5	0.1	0.9
Industrial areas†	67.7	51.1	13.1	53.0	44.2	9.0	47.4
Others	23.1	17.0	12.5	25.5	18.4	37.8	34.7
Total world ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Excluding Mainland China. † Western Europe and North America; Japan is excluded.

Notices

RALLIS INDIA LIMITED

CLOSURE OF TRANSFER BOOKS

IT IS PROPOSED TO SUBDIVIDE THE Ordinary Shares of Rs. 100 each into 10 Ordinary Shares of Rs. 10 each. For this purpose a meeting of the shareholders of the Company is being called on the 24th August 1962.

Notice is hereby given that the Transfer Books of the Company will be closed from the 4th August 1962 to the 24th August 1962, both days inclusive.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

16, HARE STREET,
CALCUTTA, 25*th July* 1962.

McLEOD AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of this Company will be closed from 7th to 14th August, 1962, both days inclusive for the purpose of the Annual General Meeting of the Company to be held on 14th August, 1962.

By Order of the Board.
McLEOD & CO. LTD.,
C. HOCKLEY,
Director.

Registered Office:
"McLEOD HOUSE",
3, NETAJI SUBHAS ROAD,
CALCUTTA, 18*th July*, 1962.

LARSEN AND TOUBRO LIMITED

Registered Office:
I.C. House, Dougall Road, Ballard Estate, BOMBAY 1

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Share Transfer Books of the Company will be closed from Monday the 6th August 1962 to Monday the 27th August 1962 both days inclusive for the purpose of payment of dividend.

The dividend when declared for the year ended 31st March 1962 will be made payable to those shareholders whose names would appear in the Register of Members as on 27th August 1962.

By Order of the Board of Directors,
For LARSEN & TOUBRO LIMITED
L. & T. (MANAGEMENT) PRIVATE LIMITED
N. M. DESAI,
Director,
Managing Agents.

Dated 21st July 1962.

THE PUNJAB NATIONAL BANK LIMITED

Registered Office:
Parliament Street, New Delhi

NOTICE OF INTERIM DIVIDEND

THE DIRECTORS OF THE PUNJAB NATIONAL Bank Limited, New Delhi have decided to pay an Interim Divident for the current year at the rate of Re. One gross per share. The dividend will be payable at the Registered Office of the Bank at New Delhi on or after 3rd September, 1962, to the shareholders whose names stand on the Register of Members as on 1st September, 1962.

The Transfer Books and Register of Members of the Company will remain closed from 11th August, 1962 to 1st September, 1962 (both days inclusive).

By Order of the Board of Directors,
R. L. TULI,
General Manager.

Dated: July 16, 1962.

Note: Shareholders are requested to intimate change of addresses, if any, to the Bank immediately.

THE HINDOOSTAN SPINNING AND WEAVING MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-NINTH ANNUAL GENERAL MEETING of the Company will be held at its Registered Office at "Sir Vithaldas Chambers," 16, Apollo Street, Fort, Bombay, on MONDAY, the 24th SEPTEMBER 1962, at 4-30 p.m. (S.T.), to transact the business, details of which are set out in the notice that will be sent to each member individually in respect of the above Annual General Meeting.

The Register of Members and the Share Transfer Books of the Company will remain closed from SATURDAY, the 1st September, 1962 to MONDAY, the 24th September 1962 (both days inclusive).

For THE HINDOOSTAN SPG. & WVG. MILLS CO. LTD.,
For THACKERSEY MOOLJEE AND CO.,
DWARKADAS H. VORA,
Partner,
Managing Agents.

BOMBAY, 19*th July* 1962.

THE INDIAN MANUFACTURING COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-FIRST Annual General Meeting of the Company will be held at its Registered Office at "Sir Vithaldas Chambers," 16, Apollo Street, Fort, Bombay, on Wednesday, the 26th September, 1962, at 4-30 p.m. (S.T.), to transact the business of which details are set out in the notice that will be sent to each member individually in respect of the above Annual General Meeting.

The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 4th September, 1962, to Wednesday, the 26th September, 1962, both days inclusive.

For THE INDIAN MFG. CO. LTD.,
For DAMODHAR THACKERSEY MOOLJEE & CO.,
V. M. MERCHANT,
Partner,
Managing Agents.

BOMBAY, 19*th July* 1962.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

Registered Office:
Power House, Tennur High Road, Tiruchirapalli

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Tennur, Tiruchirapalli, on Thursday the 30th August, 1962 at 4 p.m., to transact the usual business and special business as per Notice being individually posted to the shareholders.

The transfer books of the Company and the Register of Members will be closed from 4th August 1962 to 30th August 1962 (both days inclusive).

The Directors at their Meeting held on 29th June 1962 have recommended the following dividends to the members for the year ended 31st March 1962.

5½% less tax final dividend on equity shares which with the 4½% less tax interim dividend already paid makes a total dividend of 10% less tax; and

3.575% less tax final dividend on I and II Preference shares which together with the 3.575% less tax interim dividend already paid makes a total dividend of 7.15% less tax.

The dividend when declared will be made payable on and after 30th August 1962 to those shareholders whose names stands on the Register of Members on 30th August 1962 or to the holders of dividend mandates.

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

Explanatory Statements as required by Section 173 of the Companies Act 1956 in respect of special business will be forwarded to the members of the Company separately.

(*BY ORDER OF THE BOARD OF DIRECTORS*)
SESHASAYEE BROTHERS PRIVATE LIMITED,
Managing Agents & Chief Engineers.

TIRUCHIRAPALLI, 29*th June* 1962.

PRICES, PRODUCTIVITY AND WAGES

A LETTER FROM UNION LABOUR MINISTRY

APROPOS our comments on Mr. G. L. Nanda's remarks on industrial wages at the last annual meeting of the All-India Organisation of Industrial Employers held at New Delhi, *vide* page 838 *Commerce* dated 12th May 1962, and the subsequent short note in the following issue, Dr. S. B. L. Nigam, Assistant Economic Adviser, Union Ministry of Labour and Employment, writes, in a communication dated 12th July 1962, as follows:

"I have read with interest your two articles on 'Mr. Nanda's Indiscretion' and 'Industrial Wages' published in *Commerce* of 12th and 19th May, 1962. They show, if I may say so, the circumspection with which some people view the problem of wages and it is not surprising that this section should regard the innocuous, and yet very true, remark of the Labour Minister that 'we have not done too well by labour', as indiscreet and unwarranted.

"Shri Nanda compared the position of real earnings of factory workers in 1959 with 1953 and not with 1951 as mentioned in the articles. It is a fact that real earnings of factory workers recorded a decline in 1959 as compared with 1953. The entire argument built up in the articles and so laboriously explained by Dr. N. Das of the Employers' Federation of India, thus falls to the ground. The year 1953 is relevant for comparison purposes as it is in this year that the workers' pre-war standard was restored; the index of real earnings was 100 in 1953 as compared to 1939.

Exploded Myth

"The argument that wages should not be increased lest the 'social surplus' decreases and defeats the very purpose of rise in wages as investment and hence employment will decrease, is entitled at least to the respect due to old age. This argument is closely related to the old theory of a 'Wage Fund,' whose myth has long been exploded. Not many people now argue that low wages help employment by allowing industrialists to invest more. One may also ask what guarantee is there that the extra 'social surplus' is safer with the employers and that it would be utilised in the manner suggested in the article. Economic history does not permit us to place much faith on the assumptions that the social surplus will be invested on right lines or that it will be utilised by employers for reducing selling prices of their products. It can also be argued that an increase in wages will, by increasing efficiency, augment the social surplus; it may, therefore, be suicidal to peg the wages. Experience has shown how futile it is to increase exports by wage cutting or wage freeze; even the anti-planners now admit, after learning the lesson from the experience of many countries since the war, the hopelessness of nibbling at wages as a remedy to solve the foreign exchange problem by increasing exports.

"There is no denying the fact that a lasting increase in the real wages of workers can be achieved only when productivity increases. The Labour Minister has always emphasised this aspect and during the last Budget debate he was at pains to bring home this point. But productivity should not mean only harder work by workers; it also implies re-equipment, better planning and more efficient administration. The contention of Shri Naval Tata that 'wage index in the organised sector of industry rose by 24 points between 1951 and 1957 whereas productivity index rose by 8.6 points only,' can be as right or as wrong as the figures calculated by Prof. B. R. Shenoy according to which productivity of industrial workers rose from 100 in 1949 to about 220 in 1958; the rise in money wages during this period, as estimated by Prof. Shenoy, was about 18 per cent. According to a rough estimate, on the basis of index of production and index of employment, labour productivity in 1960 was 34 per cent higher over 1953. It appears that, broadly speaking, wages in the organised sector of industry have not outstripped productivity.

Wages and Cost

"The argument that the practice of fixation of wages in relation to price level has inflated industrial costs in the country, does not seem correct. According to the data thrown up by the *Census of Indian Manufactures*, wages and salaries of workers as a percentage of cost of production has in fact gone down from 15 per cent in 1947 to 12 per cent in 1958. Wage costs thus do not seem to have been responsible for the rise in the cost of production; they cannot in any case be said to have inhibited economic growth.

"The lamentation about agricultural workers is justified though the figures cited in support are not quite valid. A comparison of wages of agricultural and industrial workers must take into consideration the differences in cost of living, in payment in kind, in continuity of employment, in working and living conditions and several other factors. Moreover, as the average industrial wages include the high wages of skilled workmen, a more meaningful comparison would be between the wages of agricultural workers and those of unskilled industrial workers and when this is done, the disparity is considerably reduced. It would not be correct to suggest that till disparities between the wages of agricultural and industrial workers are moved, the latter should hold up its demands.

"With regard to the level of wages of industrial workers, it is admitted in the article itself that 'it is a well-known fact that industrial workers are not as well paid as they should be, to enable them to maintain a decent standard of living, that the vast majority of them still live in slums and that they deserve more congenial working conditions.' It has further been pleaded that one need not quarrel with the contention that 'wages of industrial workers in India are too low in relation to their needs.' This is precisely what the Labour Minister meant by saying that 'we have not done too well by labour.' Very few people would suggest that the standard of living of workers need not be raised because the vast majority of our people are poor or because they are guilty of having a large family and must practise family planning."

* * * *

[On re-reading our editorial, "Mr. Nanda's Indiscretion," in *Commerce* dated 12th May, together with Dr. Nigam's reply published above, one will find that the claim of Dr. Nigam that the entire argument built up by us and supported by Dr. Das falls to the ground because of some alleged misquotation of Mr. Nanda's figures, is untenable, for the simple reason that the basic point at issue was not whether workers' real earnings had gone up or not but the basis on which wage increases should be granted. (If there was any misquotation of Mr. Nanda's data, it was not deliberate. We depended on reports in the daily papers for the figures given in our article and it took twenty-five days for the Press Information Bureau to come out with a correction!)

Basic Question Unanswered

Even the change in the base year from 1951 to 1953 does not make much difference to the theme of our article. In his speech, Mr. Nanda seemed to suggest that, since real earnings had slightly declined during the period 1953-59, workers were not given a fair deal. Our question is this: Even if a rise in wages has been neutralised by a rise in prices, would that alone be a sufficient ground for granting wage increases? Even Mr. T. T. Krishnamachari, Mr. Nanda's colleague in the Union Cabinet, has been contending that, while industrial workers' interests have been safeguarded by the escalator clause linking wages to cost of living, it is the fixed-income recipients among the middle class that has suffered most in the two Plan periods. We, however, conceded that Mr. Nanda would have made out a strong case for higher wages had he proved that wages were lagging behind productivity, instead of pointing out that wages had not caught up with prices. Dr. Nigam, far from answering this basic question, attributes theories and arguments to us and then goes on demolishing them. Thus, our statement that wage increases should be linked to productivity and that workers are not the sole claimants of industrial profits has been construed as an argument for wage cutting or wage freezing; our plea that family planning should be popularised among workers to prevent a further lowering at their low standard of living has been interpreted as a plea for not improving their living conditions as a punishment for having large families; and our observation that agricultural workers have fared far worse than industrial workers has been dubbed as obstructive tactics to prevent a rise in the living standards of industrial workers. Dr. Nigam does not, of course, say these things in so many words, but they are clearly implied. There is enough evidence in the industrial growth of this country and elsewhere to bear out the contention that the distribution of social surplus on the lines advocated by us has accelerated industrial progress and that restraint on wage increases has helped the export drive. The "pay-pause" policy adopted by Britain is the latest example of what we say.

Vague Conclusion

Only once in his long letter does he come close to answering our main point. But here, too, he is so circumspect and his premises are so uncertain that it turns out to be a timid suggestion rather than an emphatic assertion. Here is the relevant passage: "According to a *rough estimate*, on the basis of index of production and index of employment, labour productivity in 1960 was 34 per cent higher over 1953. It *appears* that, *broadly speaking*, wages in the organised sector of industry have not outstripped productivity." (Italics ours.) Could any firm conclusion be drawn or policy based on such uncertain facts and tentative inferences?

We fully agree with Dr. Nigam that productivity is not a function of hard work by labour alone. It is common knowledge that modernisation of plant and machinery, better planning and more efficient administration can increase productivity. But is he seriously contending that the country has made no progress in this direction and that what little increase there has been in productivity is due purely to the hard work put in by labour? Again, is he not aware that employers have no free hand in re-equipping and modernising the industry? Take, for instance, the textile industry. Quite apart from the fact that the number of automatic looms that could be introduced is limited by a quota, so many conditions are attached to the installation of these looms that it is virtually impossible either to replace old looms or install new ones. Trade union leaders themselves had stood in the way of modernisation of industries in India. And what did the Union Labour Ministry do to prevent this suicidal policy which was very much in vogue until recently? Even now it has been modified only grudgingly.

We do not see eye to eye with Dr. Nigam when he says that fixation of wages in relation to price level or cost of living is not inflationary. He is welcome to hug his economic theories. It may, however, be pointed out here that the British Employers' Confederation has suggested, in a recent study, that this practice should be abolished wherever possible, as it aggravates inflation. We did not suggest that higher wages alone have been responsible for the rise in cost of production but only that higher wages have been a factor in the increased cost, a point few will deny.

Wide Disparity

Dr. Nigam is at pains to explain away the income disparity between agricultural and industrial workers. On this point, one need only draw the reader's attention to the reported finding of the Mahalanobis Committee, which none can accuse of having pro-employer or anti-labour proclivities. According to it, agricultural workers, almost alone among the employed population, have experienced a decline in real earnings of as much as 11.8 per cent during the first and second Plan periods, whereas all other sections, including Government servants, have experienced an improvement in real earnings, the increase having been as much as 76 per cent in the case of coal miners and 20 per cent in the case of factory workers in general. *Comment is superfluous.*

It is not fair to quote our remark that wages of industrial workers in India are low in relation to their needs to substantiate the contention that justice has not been done to labour. For, as was pointed out by us in the said article, there is a lot of difference between what is desirable and what is economically feasible. A need-based wage still remains only a recommendation of the Indian Labour Conference. Even the Government has not been able to accept it. Nor has any Tribunal asked any employer to pay a need-based wage.

Lastly, a word about the trend of real earnings. According to the Labour Bureau's own statistics, the source of the data quoted by Dr. Das in his letter published in our issue of 19th May 1962 (the Labour Ministry's quarrel is that he has taken statistics with a different base and covering a longer period than those cited by Mr. Nanda), real earnings increased if we take either the post-independence period or the two Plan periods. But if real earnings in 1959 are compared with those in 1953 there is a slight decline, because, to quote Mr. Nanda's own words, "whatever increase has taken place in money wages, has been eaten away by price rises." We leave it to readers to draw their own conclusion. Why should one take 1953 as the base year? Why not 1951 or 1947?—ED.]

AUTOMATION AND EMPLOYMENT

The number of workers in the fourteen major industries in West Germany declined by 173,000 between 1956 and 1960, mainly as a result of increasing rationalisation, particularly automation, application of new materials, etc. This is revealed in a survey conducted by the Industrial Union of Metal Workers of the German T.U.C. In spite of the production increases and shorter working hours, eleven industries employed fewer people in 1960 than in 1956. According to the investigations undertaken by the Unions, the number of workers employed declined by 17.9 per cent in mineral oil industry, by 23.3 per cent in tobacco processing and between 2 and 9 per cent in iron-ore and potassium mining, musical instruments, leather and textiles, saw mills, rolling mills and industries processing stones, earths and other quarry products. Far-reaching effects made themselves felt, wherever automation and a decline in production coincided, in the metal-ore and coal-mining industries as well as in the leather industry. Thus, 34.8 per cent of all workers employed in the metal-ore mining industry lost their jobs due to rationalisation and automation and a further 12.4 per cent due to cuts in production. Thanks to the sustained full employment in this country, all redundant workers quickly found new jobs, though partly under unfavourable conditions.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
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Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker Co. Ltd.

Agents for:
The Oriental Fire & General Insurance Co. Ltd.
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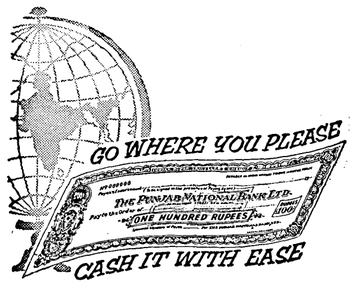

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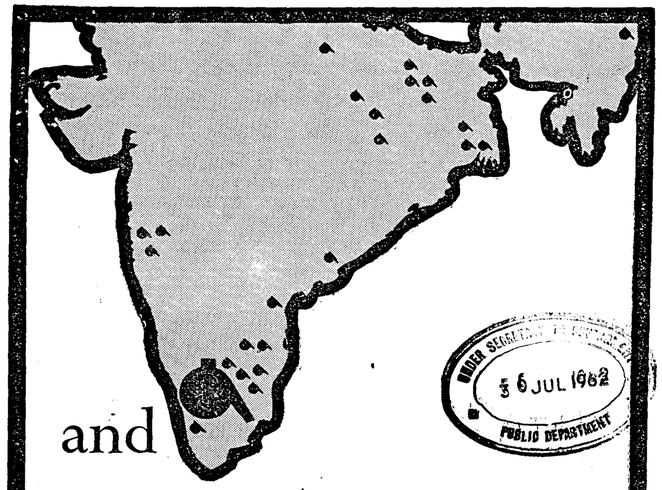

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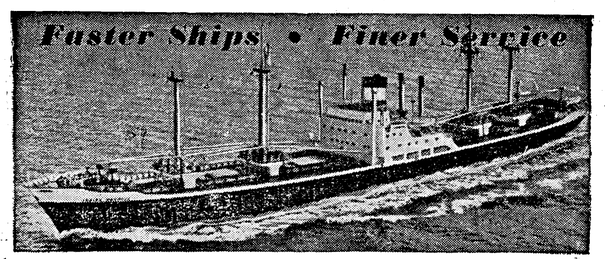

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FIRST FIVE YEARS OF COMPANIES ACT, 1956—VI

INTER-CORPORATE INVESTMENTS—PROTECTION TO MINORITY INTERESTS

By A Special Correspondent

NEXT in importance to the regulatory provisions relating to managerial matters are the provisions concerning corporate loans and inter-company investments. Sections 295, 369, 370, 372 and 373 of the Act deal with these matters. These sections were "designed to safeguard the funds and financial interests of companies against manipulations by irresponsible management to suit their personal ends." For regulating the inter-corporate financial arrangements, the Central Government alone has been given powers under the Act without the interpolation of the Advisory Commission. Contrary to the expectations of the Administration and the general impression prevailing in the country regarding the possibility of development of bad investment practices in the corporate sector, the number of cases requiring Government approval under Section 295 (for the loans, guarantees, etc., given by the public companies or their subsidiaries to their directors, relatives of directors to firms or private companies in which directors are interested and to other public companies which are controlled by the directors of the lending company) and under Section 372 (for inter-company investments exceeding certain stipulated limits within the 'same group' as defined in Section 370 and even outside the group after the passing of the Amendment Act in 1960) turned out to be very moderate, nay small. During the five-year period ended 1960-61 217 applications involving a total sum of Rs. 16 crores were received under Section 295. Of this 49 per cent applications, covering 66 per cent of the total loans for which approval of the Government was sought, were approved. Similarly Government received, under Section 372, 127 applications, involving Rs. 11 crores of inter-company investments of which 66 per cent applications and 80 per cent of the total investments were approved. It is thus clear from these figures that Government scrutiny has been quite discriminating but not quite strict and rigorous. At the time of extension of the provisions of Section 372 in 1960, the Government carried out a factual survey which showed that "provisions regarding inter-company investments are not likely to cause any practical difficulty in the case of productive inter-company investments or to retard capital formation or hinder the future formation of new companies or expansion of existing companies, as had been apprehended in certain quarters."

Some Typical Cases

In the course of scrutiny of loans and inter-company investments cases, several important trends are reported to have come to the notice of the Government which required further checks and controls. Some of the typical cases reported by the Government in the Statutory Reports are the following:

(i) Upstream loans from subsidiary companies to their holding companies which utilised them very often for acquiring shares of the subsidiary companies and thus enabling the holding companies to exercise control over subsidiary companies without the former having any real stake in the latter;

(ii) loans to financially weaker sister companies by the better placed companies in the same group or in the companies in which directors or management were interested;

(iii) loans at rates of interests much below the market rate and without proper security or against inadequate security and thus being prejudicial to the interests of the shareholders;

(iv) loans made out of borrowed funds which were in some instances obtained at higher rates of interest than that charged from the company to which the lending company had given the loan;

(v) loans made to sister companies at a nominal rate of interest resulting in loss to the shareholders of the lending company;

(vi) loans made without any security or against assets which were already mortgaged against other loans;

(vii) loans made to sister companies whose financial position did not justify any hope of the loan ever being repaid;

(viii) loans made to sister companies to enable them to corner shares of other companies;

Similarly, investments made for cornering shares of other companies enable the directors or managing agents to gain control over those companies;

(ix) loans made by public companies to private companies which in turn gave loans to firms in which directors of the public companies were interested, the device being used to circumvent the provisions of Section 295 of the Act;

(x) investments made to help sister companies, even though the investing company suffered a loss thereby;

(xi) purchase of shares at a price much higher than the intrinsic value of the shares, with a view to benefiting interested directors, etc; and

(xii) manipulative tactics adopted to reconstruct the board of directors of the company seeking funds from the other company in such a say that the investment in the same group was not covered by Section 372 of the Act. Such tactics are now covered by the amendment of that section.

The Government have laid down a number of criteria for considering cases received under Sections 295 and 372. In the case of applications made under Section 295, the Government not only examine the general financial position of the lending company but also the purposes and objects for which loans are required by the borrower and, where the borrower is a company, whether it is fully solvent and has got a good profit record. With regard to the lending company, the important points looked into are whether (*a*) it has surplus funds to lend, (*b*) the loan is secured or not, and, if secured, whether the security is adequate and free from encumbrances, (*c*) the rate of interest offered for the loan is reasonable, and (*d*) the loan is for a definite period.

Guiding Principles

Similarly, some guiding principles have also been formulated in regard to the inter-company investments. These include, *inter alia*, the following:

(i) Although industrial and trading companies are not investment companies and it is not their primary business to give financial accommodation to, or make investments in the shares and debentures of other companies, they may be allowed to make trade investments in other companies, namely, investments which are likely to create conditions conducive to the interests of the investing company as well as to more economic working and betterment of production of other companies;

(ii) a company should be allowed to make the investment only if it has adequate liquid resources for making it and if the depletion of the working capital would not adversely affect the company's own working;

(iii) the company in which investment is proposed should have earned profits and declared dividends in the past or should at least clearly be capable of making profits and declaring dividends within a reasonable period of time;

(iv) the purchase price should be reasonable taking into account the net worth, prevailing market prices and future expectations of profitability;

(v) the proposed investment should provide an expected return on capital at least equal to the return of Gilt-edged securities; and

(vi) except in the case of trade investments, the shares or debentures proposed to be acquired should preferably be readily marketable.

Besides these, the Government have also worked out certain procedures, etc. which are detailed in the Fifth Statutory Report. The Government have also prescribed a detailed form for making applications under Section 372 [Form 34B specified in the Companies (Central Government's) General Rules and Forms (Amendment) Rules 1961]. Among the points of procedures prescribed the following are of general interest:

(*a*) if a company proposes to make investments in the shares of another company which would have the effect of making the latter company its subsidiary after such investment, the Central Government's prior approval would be required in terms of Section 372(4). Only such investments as are made by a holding company in its subsidiary after the date, on which it became a holding company, are saved by the provisions of clause (*d*) of sub-section (14) of Section 372;

(*b*) in calculating the aggregate of the investments made in all other bodies corporate for the purpose of computing the percentages specified in sub-section (2) and the provisos thereto, the investments made by a company in its subsidiary or subsidiaries must also be taken into account; and

(*c*) in view of the specific provisions contained in sub-section (5) of Section 372, the power of the Board of Directors to invest the funds of a company in the shares of another body corporate in pursuance of sub-section (2) of the said section cannot be delegated to any Committee of Directors, the Managing Director, the Managing Agents, Secretaries and Treasurers, the Manager or any other person specified in the first proviso to Section 292(1).

Minority Interests

An important feature of the present Companies Act is that it incorporates some very novel and effective provisions which directly protect the minority interests and prevents manipulations leading to mismanagement of the affairs of the company and to oppression of minority shareholders. The Department of Company Law Administration is also to be given credit for handling the complaints and requests lodged with it in connection with such matters with promptitude and earnestness.

During the quinquennial period 1956-61, no less than 6,000 complaints are reported to have been received in the Department. These complaints fell into two broad categories, namely, (*a*) ordinary and routine complaints regarding the failure of companies to hold general meetings, the non-payment of dividends declared by the companies, the non-publication and non-receipt of annual accounts, the refusal of companies to grant inspection of registers, minute books, etc., the refusal to register transfer of shares, the failure of companies to invest provident fund moneys according to law, and (*b*) allegations of mismanagement, misappropriation of funds, improper interlocking of funds prejudicial to the interests of the companies involved, invalid continuance of director/s, employment of incompetent relatives, appointment of interested persons as selling agents by managing agents, fraudulent dealings and manipulation and/or falsification of accounts by company managements, etc. In the absence of separate figures for different types of complaints relating to the allegations enumerated above, no precise idea of the incidence of particular types of misbehaviour of company managements can be had, but from the overall total it can, to a certain extent, be inferred that all is not well with the corporate sector and that the vigilance at present exercised by the Government should not be relaxed. The Department's attitude in this matter has been to look into all complaints and those involving "important issues of policy or public weal or conflicting interpretation of law" are inquired into at a high level at the headquarters and strong action is taken by ordering investigations. The fact that the complaints are also looked into and reviewed at the time of consideration of applications relating to appointment and fixation of remuneration of managerial personnel by the Advisory Commission and the Government has also had a salutary effect on company managements.

Oppression

Important among the sections protecting minority interests, stopping oppression and mismanagement are Sections 111, 397-402, 408 and 409. It has been observed that the minority interests and aggrieved parties in companies have exercised the privilege and rights conferred on them under these sections very freely and with proper understanding of the situation. But this is not to say that, in every case, they have succeeded in their efforts, as the Government's policy as given out in the Statutory Reports is not to meddle with a company's affairs in a lighthearted and partisan manner. Thus, here it needs to be stressed that protection of minority interests, as the official sources say, "did not imply that minority in a company were entitled to hold up the legitimate day-to-day business of the company; it only means that the majority had to respect the essential rights of a minority."

Under Section 111 of the Act, the shareholders have been accorded an alternative remedy to the one available under Section 155 to be sought in a court of law, they can appeal to the Central Government against the refusal of company management to register the transfer of shares in their names. During the period 1956-61, about 250 appeals involving transfers of about 22½ lakh shares were received by the Central Government of which 49 appeals were allowed by them and the company managements concerned were directed to register the transfers. A great majority of the remaining appeals were time-barred and some appeals were withdrawn by the parties after having reached some compromise with company managements in question. However, until the passing of the Amendment Act of 1960, when the provisions of this section were further strengthened with the prescription of a time limit within which the company managements were required to give effect to the official order directing them to register the transfer of shares and the imposition of penalty for the defiance of the Central Government's directive, some company managements made the Government's orders infructuous even though the cases had been decided on merits and on broad principles of equity and natural justice. Better compliance of the Government's orders is now to be expected after the aforesaid amendment of law in 1960. The trend in Government decisions is that appeals as a rule are allowed where—

(*a*) the company has no good reasons to urge against the transference of shares,

(*b*) the refusal of the company to register the transfer of shares is solely due to the mistaken view of law, and

(*c*) the company's view that the transferee of the shares is an undesirable person is not based on any substantial evidence.

To come to the remedies available under Sections 397-402. Consequent upon the approach made by the aggrieved parties to the courts of law, under Sections 397-99, during the period 1956-61, the Government was served with notices under Section 400 by the different High Courts in the country to make representations in about 140 cases. The Government filed their representations in about 50 cases giving the facts in their possession which might help the courts to decide the cases. The cases in respect of which the Government was asked to forward representations to the courts fell under two broad categories, namely, (*a*) cases which involved the larger interests of the society, complicated issues of social and economic policy, apart from simple adjudication of legal rights between the contending parties, and (*b*) cases which related to small-sized companies, public or private, not involving public interest to any great extent or cases which did not involve any complicated technical points but which arose generally as a result of faction fights between two groups of directors or shareholders. The Government made representations only on the first type of cases. Slowly, the courts in the country are becoming aware of the real importance of these provisions as is clear from the judgment delivered by a Hon'ble Judge of the Calcutta High Court in the Richardson and Cruddas case in which he said: "Now the powers of the court under Section 402 of the Companies Act are wide. In fact, the court may make any order for the regulation of the conduct of the company's affairs upon such terms and conditions as may, in the opinion of the court, be just and equitable in all the circumstances of the case." With such wider realisation of the purposes which the framers of law had in mind the minority interests would feel more secure and safe in the years to come.

Appointment of Directors

Next in importance to the redressal of wrongs of the majority in company management are the provisions to Section 408 which empower the Government to appoint two directors on the board of directors who, after the amendments made in that section in 1960, could now be chosen even from outside the shareholders of the company concerned, if shareholders of certain requisite number or possessing a requisite number of shares were to approach the Central Government for help. The powers "conferred under Section 408 are extraordinary and, since the provisions of this section require the Central Government virtually to step in and to interfere in the day-to-day management of the company through its nominated directors, the Government have exercised these powers only where they were satisfied that the affairs of the company had been grossly mismanaged or where the minority shareholders had been unduly oppressed and where they felt that quick intervention was needed such as could not be ensured under the necessarily protracted proceedings of a court of law." In such cases, the Government acted upon the advice given by the Company Law Advisory Commission which makes all possible inquiries into various allegations made by the applicants and gives personal hearings to all the parties concerned, in order to ascertain their respective points of view and then offer its advice to the Government. The opportunity of utilising the benefits offered by the aforesaid section is increasingly being availed of by the shareholders and directors holding a minority share in the companies. So far, upto the end of 1960-61, 34 cases under this section came before the Government for decision. All the applications, however, were not of a serious type; some of them had been made as a result of friction or disagreement between two groups of shareholders, each trying to accuse the other of mismanagement of the affairs of the company or to create hindrances in the way of its better management. These applications were disposed of with relative ease, as compared with the more controversial cases which are reported to have taken quite considerable time.

Protection to Board of Directors

Then there is Section 409 which gives powers to Government to offer protection to an existing Board of Directors. It aims at shielding the company and its management from being harmed by the unscrupulous elements who through cornering operations might attempt to grab control of the affairs of the company. During the period 1956-61, about 15 cases under this section came before the Government and these were duly disposed of after getting the advice of the Advisory Commission. Like the Section 408 cases, these cases are also gone into in very great detail by the Commission as well as by the Government. In deciding these cases, it is reported that "the Commission strives by hearing the parties and by making enquiries into the antecedents of the parties concerned to obtain as much objective information as possible about the motives of the persons who seek to change the management of the companies" and "the mere fact that the management in power has been a good one does not by itself warrant freezing of the board of directors on an application by it if the Commission is convinced that the new shareholders are in a position to provide equally competent management." In this connection it is to be appreciated that, "even if an order is issued under this section, it can provide at best only an interim remedy, since the majority shareholders cannot always be baulked of their right to elect a board of their own choosing and prevented from having a say in the management in proportion to the voting rights they control." For the disposal of cases of this nature, the Advisory Commission has laid down the following criteria:

(i) Where the existing management is not good and there is nothing specific against the incoming person, no order be issued and the matter be left to the decision of the shareholders of the company.

(ii) Where both the existing management and the incoming management are definitely good, there is no need for interference.

(iii) Where there is nothing unfavourable against the existing management nor against the incoming persons in the records before the Commission, interim protection may be given to the existing management by issuing an interim order and further inquiries instituted immediately thereafter to enable a final decision to be taken.

(iv) Where the existing management is good and nothing is known about the incoming persons, an interim order as under law may be issued and further inquiries instituted immediately.

(v) Even where an interim order is issued under Section 409(1), the Commission would advise Government to confirm that order only if the Commission is satisfied that the existing management proved positively that the incoming persons will not be able to manage the company.

(vi) Where the court is also seized of the matter, the Commission will not advise any action under Section 409.

While the reactions of the business community in regard to the disposal of cases under this section are not easily ascertainable, the Government feel satisfied with the results achieved under this section, as is clear from the observations made in one of the Statutory Reports that "swift action under this section has, in many cases, proved salutary inasmuch as it has prevented abrupt changes in the management of well-run companies irrespective of the voting strength commanded by the different groups of shareholders and has prevented the control and management of well-run companies from passing into the hands of unscrupulous and ambitious financiers whose object has often been to traffic in shares of well-managed companies for their own personal gain.... This helps in maintaining *status quo*, pending examination of the *bona fides* of the newcomers in the field whose antecedents and past performances are unknown."

(To be continued)

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SMALL-SCALE ENGINEERING INDUSTRIES IN PUNJAB

I.L.O. STUDY'S FINDINGS

THE second Plan period witnessed some significant growth of small-scale engineering industries (that is, those with a capital investment of upto Rs. 5 lakhs) in India as a whole. For instance, between 1956 and 1960, the number of small-scale units engaged in the production of bicycles increased from 44 to 150, of sewing machines from 35 to 75, of machine tools from 344 to well over 500, of electric motors from 6 to 74 and of electric fans from 22 to 47. The production of bicycles in the small-scale sector increased from about 25,500 in 1956 to 228,000 in 1960 and of sewing machines from 23,600 to 52,000. The value of ungraded machine tools produced by small units rose from Rs. 1.3 crore in 1956 to Rs. 4.0 crores in 1960. The contribution of small-scale industries, as compared with that of large-scale ones, is illustrated to some extent by the following figures pertaining to four engineering industries:

Industry	Year	Large-scale units	Small-scale units
Cycles	1959	980,000	197,000
Sewing machines	1960	2,962,000	41,662
Electric fans	1959	722,950	62,039
Machine screws (tons) ..	1959	890	736

It will be seen from the above figures that the small-scale sector has registered substantial progress. But this progress has not been uniformly in evidence in all the States. The Punjab, for instance, has claimed a larger share of the development in the small-scale sector than many other States. Specifically, the share of this State in the contribution made by the small-scale sector is about a third in the case of complete cycles, nearly a fourth in the case of electric fans and as much as half in the case of sewing machines—of their respective all-India outputs in that sector. At present, the total number of small-scale and cottage-scale industrial units (both engineering and non-engineering) in that State amounts to roughly 25,000, employing over 1.2 million workers. The varied production pattern which the small-scale sector has developed in the Punjab includes not only consumer articles like bicycles, sewing machines, hosiery and brass utensils but also specialised and precision goods such as machine tools, scientific instruments and components and spares for machinery employed in textile and certain other industries. In view of the leading position occupied by the Punjab in the field of small industries, the International Labour Office, which has recently published a study on the employment potential of small-scale industry and its role in the development of the less industrialised countries, has taken an interest in the State's progress in this field, with particular reference to the development of small-scale engineering industries. The findings of the I.L.O.'s study have been published in the form of an article in the June 1962 issue of *International Labour Review*. The facts and figures contained in the following paragraphs have been gleaned from this survey article.

More Important Ones

The more important small-scale engineering industries in the Punjab are: Cycle and cycle parts, sewing machines and parts, agricultural implements and machine tools, industrial fasteners, electric fans and air coolers, diesel engines, automobile parts, pipe fittings, and utensil-making. To take up these industries one by one. In the *cycle and cycle parts industry* as a whole, there are as many as 500 units with an aggregate capital investment of Rs. 80 lakhs. The industry's output of complete cycles (as of 1959) is 62,100 and its output of cycle parts is valued at Rs. 4.7 crores (as of 1959-60).

The number of units manufacturing complete *sewing machines and components* is nearly 300, of which 56 are assembling complete machines. The aggregate capital investment in this industry is estimated at Rs. 70 lakhs. The output of complete machines is 20,605 (as of 1960) and the value of component parts Rs. 1.4 crore.

In the *agricultural implements and machine tools industries*, there are as many as 700 units. The combined value of output in these two industries is about Rs. 5 crores now. The range of machines being made in the Punjab includes lathes, planers, shapers, drills, grinders, hacksaws, bandsaws, power presses, milling machines and small tools.

The *industrial fasteners industry* covers bolts, nuts, machine screws, rivets and dog-spikes. There are as many as 200 units manufacturing these products in the Punjab now. The aggregate value of their output is more than Rs. 60 lakhs.

The capital investment in the *electric fans industry* is just Rs. 10 lakhs. Its output of fans is 15,631 (as of 1959-60). There are 11 units in the industry now.

Diesel engines are being manufactured by 12 units. Their combined output is comparatively small, being under 300. There is no estimate of the capital investment in this industry.

There are more than 50 units in the *automobile parts industry*. The annual value of output of this industry is Rs. 10 lakhs.

In the *pipe fittings industry*, there are 30 units. Their output of galvanised iron malleable pipe fittings and sanitary fittings is about Rs. 40 lakhs.

The *utensil-making industry* has 80 small-scale units. There is no separate estimate of the value of their output. Only an estimate pertaining to the combined output of large-scale, small-scale and cottage units is available. According to this estimate, the value of output is Rs. 5.4 crores (as of 1959-60).

Employment

The I.L.O. study has also provided an estimate of the total employment provided by small-scale engineering units alone in the Punjab. According to this estimate, the total number of persons employed by these small units is approximately 40,000, whereas the number employed by large-scale engineering industries is hardly 5,000. In other words, for every person employed in the large-scale engineering industries in the Punjab, seven to eight persons are employed in the small-scale sector. The minimum wage rates fixed for some of the industries seem to be fair. For instance, the minimum wages for workers in the agricultural implements industry, the machine tools industry and general engineering, including the cycle industry, are:

	Rs. nP.
Unskilled	2.00 per day.
Semi-skilled (grade II)	2.25 per day.
Semi-skilled (grade I)	2.62 per day.
Skilled	3.50 to Rs. 4.00 per day.
Learners ..	35.00 per month.
Apprentices (holding certificates) ..	56.50 per month.

Not all the small-scale units may be in a position to pay these minimum wages, for many of them consist of poorly organised and weak units, which are unable to stand competition from larger undertakings. Hence, in recent years, the Central and State Governments have been taking active measures to promote the growth of small-scale industries, including the engineering industries. The I.L.O. study has described these measures which are already well known.

The crux of the problem facing small-scale engineering industries is the saleability of their products. Government purchases have been of considerable help in this connection. Industries producing cycles and sewing machines lead in respect of sales organisation. But even they find it difficult to face the competition of large-scale units. Agricultural implements have only a seasonal market. The electric fans industry is able to manage only with the help of Government orders. In the pipe fitting industry, there is no immediate problem of marketing as the demand is expanding. Likewise, the market for domestic utensils is expanding all the time. But both these industries are likely to face increasing competition from large-scale units.

Many of the small-scale engineering units in the Punjab have not been in existence for long. So they are relatively young. Still they have succeeded in preparing the ground for the industrialisation of the State. They are proving to be a training ground for a large number of persons proficient in managerial and technical skills, and are creating an elite of highly qualified technicians who can be expected to provide the skills for expansion and progress. Of course, these industries have their own problems. Competition from large-scale units is only one of them. Haphazard development in some industries is another. And, thirdly, there is currently a dearth of highly skilled persons. Notwithstanding these difficulties, the small-scale industries, according to the I.L.O. study, meet a genuine need in the economy of the State where they have been spontaneously developed largely by the refugees who came from Pakistan. The I.L.O. study has also added, in conclusion, that these industries can play an even more important role in the economy of the State if the good work already done by Government agencies is matched vigorously by associations of managements and workers.

MECHANISATION OF MINES

The third Plan targets for coal, iron ore and other minerals call for improved mining techniques and modern equipment. The progress towards mechanisation of mines has already started. Mechanised opencast mining is now practised in the public sector of the coal industry. In underground mining generally, the trend is towards an intensive type of room-and-pillar mining using shortwall and arc-wall coal cutters, gathering arm loaders, shuttle cars and scraper-chain conveyors. Efforts at mechanisation of the transport system and modernisation of the surface coal-handling plant are being made. Mechanical loading into wagons is also increasing. But wider employment of machinery by itself will not render Indian mines modern. If mechanisation is to produce the best results in India, planning and education at all stages are necessary. The principles underlying the extent and the type of mechanisation in vogue in Western countries would also have to be studied for possible adaptation to Indian conditions. Both these purposes are eminently served by the bumper Special Issue 1962, containing 668 pages, of the *Journal of Mines, Metals and Fuels* (Publishers: Books and Journals Private Ltd., 6/2 Madan Street, Calcutta-13). This issue, priced at Rs. 45, carries all the technical papers which had been contributed to the symposium on mechanisation of mines in India held at the Central Mining Research Station, Dhanbad, in December last. As many as 75 papers, contributed by leading experts from the United States, the U.S.S.R., the United Kingdom, Germany, France, Poland, Hungary, Canada, New Zealand and India are to be found in the special issue which can be aptly described as a mine of information and knowledge on the technical aspects of mechanisation.

I.D.A. CREDIT FOR PURNA IRRIGATION PROJECT

The International Development Association has just sanctioned a development credit of $13 million to help complete a project to irrigate about 152,000 acres in the Purna river valley in Maharashtra, and to provide a 15,000-kilowatt hydro-electric power station in the area. This credit represents the sixth that the I.D.A. has extended to India for irrigation and drainage projects during the past year. The five earlier credits aggregating $43.5 million provided by the I.D.A. cover the development of agriculture in the States of Punjab, Uttar Pradesh, Bihar, Orissa and Gujarat.

The latest credit is for a term of 50 years, free of interest. Repayment of the principal will begin on 1st January 1973. Thereafter, one per cent of the principal will be repayable annually for ten years and three per cent will be repayable annually for the final 30 years. A service charge of ¾ of one per cent per annum on the amount withdrawn and outstanding will be made to meet I.D.A.'s administrative costs.

LONGEST UNDER-WATER TUNNEL IN CANADA

Montreal in Canada is already connected to the south shore of the St. Lawrence river by three excellent bridges. Traffic in this rapidly expanding city is growing so fast that major vehicle jams occur every rush hour. So a vast tunnel-bridge highway project is being planned to connect the city to the south shore of the river. The estimated cost of the project, $50 million, will be shared by the Federal Government and the Province of Quebec. It is expected to be completed in about four years.

The new 5,000-foot tunnel, the longest underwater tunnel in Canada, will have six traffic lanes and will run about 80 feet below the St. Lawrence river to Charron Island. From there, a 1,200-foot bridge, also with six lanes, will span the remaining distance to the south shore.

OUTLOOK FOR U.S. AVIATION-SPACE INDUSTRY

There is an "unquestionably good" outlook for the aviation-space industry in the United States, according to Dr. Karl M. Mayer, senior economist of the Lockheed-Georgia Company. The recent stock market decline and uncertainties about future general business conditions in the United States have "only a remote effect" upon the aerospace industry as a whole. Apart from the current level of military space spending which is about $1,000 million a year, civilian space research in the U.S. accounts for $1,500 million. In fiscal year 1963 the latter spending is expected to rise to $2,500 million. In the context of so much spending in the next few years, the overall prospects for the aerospace industry are stated to be better. The stability of the industry, with its growing markets, is thus assured.

NEW PRODUCTS AND PROCESSES

Dirt-resisting Man-made Fibre

A NEW Swedish dirt-resisting man-made-fibre, Tacryl, developed by Stockholms Superfosfat Fabriks AB, is reported to have aroused the keen interest of the world experts when it was shown at the world congress of man-made-fibres in London in May. The new fibre was introduced by Swedish textile artist Mr. Astrid Sampe, before an assembly of some 3,000 industrial leaders and researchers from 50 countries. The world's man-made-fibre industry has for years tried to solve the problem of the new fibres' tendency to attract all kinds of dirt and dust. The Swedish company, the article says, has achieved to eliminate this dirt-attracting property by means of giving the Tacryl fabrics a dirt-resisting even surface and close texture and letting the fibre undergo a chemical antistatic treatment which gives a lasting effect. Tacryl fabrics have been subjected to thorough laboratory testing with stain-producing substances such as, for example, ink, blueberry jam, juice of red beets and wines, but none of them have resulted in any visible stains, reports Plastvärlden. The fibre also resists grease and oil. The new fibre is particularly suitable for use in upholstering-materials. Should any stain-producing substance be spilled on the upholstery, is it enough to wipe it away with a wet cloth and then brush the remaining stains away when the material is dry again.

New Cutter Designs

New types of tool for lathe turning and face milling that not only last longer but cut metal at higher speeds than existing types, it is claimed, have been designed in the Production and Industrial Administration Department of Britain's College of Aeronautics (Cranfield, Bedfordshire). They have been used for machining steels of 120-ton tensile strength that are difficult to cut with ordinary tools. The basic element of the new tools is a disc of metal, carbide or ceramic which is about the size of a penny but about twice as thick. The surface of the dics is hollowed out by grinding to form a sharp edge. For turning, this disc is attached by a bolt to a thick bar of metal so that the edge of the disc projects beyond the end of the bar and can be brought up to the metal to be turned. This device allows the metal to be removed from the bar smoothly and quickly with freedom from chatter or vibration. For face milling, six of these discs are attached in a star formation to projections on the end of a circular tool so that each disc is vertical but out of alignment with the radius of the tool end. With this tool, cutting speeds twice as great as those attainable with ordinary tools can be achieved and again the freedom from vibration gives long tool life even with hard materials. In both cases, when the tool becomes blunt, a new cutting edge can quickly be obtained by slackening the bolt and turning the wheel to a new position.

Water Bombing Fires

Of all the methods used to fight forest fires in Canada (over 9,000 in 1961) the flying water tanker was undoubtedly the most spectacular. Cruising over the blazing fire at 120 knots, the air tanker makes its water drop at heights ranging from 120 to 250 feet. The drop is most effective from a low altitude. The flying water tanker to be used this year is a Martin Mars—a large, four-engined military flying boat—converted to a water bomber. The water tank in the Mars has four separate compartments, each with a capacity of 1,500 gallons. The water is picked up by two retractable probes while the aircraft is accelerating on the water prior to taking off. Vents are provided to allow the replaced air to escape from the tanks, and spring-loaded doors dispose of the over-flow. Air scoops are also provided so that, when the aircraft is in flight, a slight air pressure is maintained in the air space of the tanks for quick ejection of the water when the drop gates are opened.

Light Diesel Engine

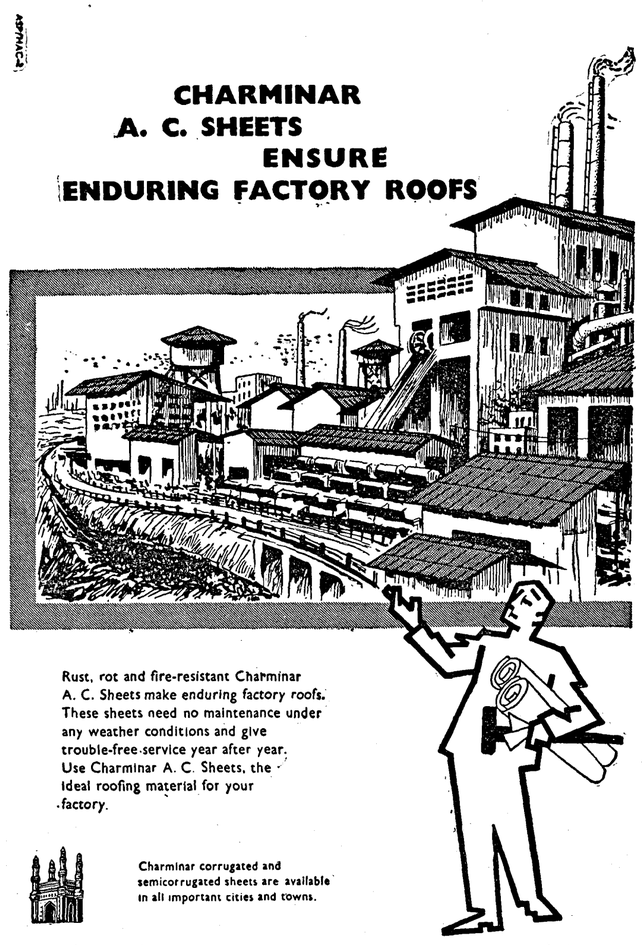
What is claimed to be one of the lightest 7 b.h.p. diesel engines in the world has gone into production at the Wolverhampton factory of The Villiers Engineering Company of Britain. A single-cylinder, air-cooled, four-stroke unit of 415 c.c. capacity, it weighs only 160 lbs. thus giving a weight to power ratio of only 22.88 lbs. per b.h.p. This is said to be less than half the weight of many British-built diesels of comparable capacity and is considerably better than the majority of similar-sized oil engines produced on the Continent. Villiers says it has overcome the weight problem by the extensive use of light alloys in the cylinder, cylinderhead, flywheel housing, sump and base plate.

Better Crease Resistance

In Japan, a new process has been developed for treating cotton and cotton-mix fabrics so that they become more than usually crease-resistant without lowering their strength. Two kilogrammes of polymethyl siloxane emulsion containing 40 per cent solids and 0.2 kilogrammes of a catalyst are stirred and made up to 100 litres with water. The cloth is dipped into this solution, wrung out, dried and immersed in a second solution consisting of 8 kilogrammes of mono- and di-methylol urea, 1.5 kilogrammes of catalysts and water.

Glass-fibre Street-lighting Columns

A new type of street lighting column, made of glass fibre, is claimed to give an entirely new outlook on street lighting equipment. The column is made from polyester—glass-fibre—laminate by a new technique to give homogeneous construction, combining strength with light weight—40 lbs. or 18.1 kilograms—so that it can be erected by one man. It has a glass-smooth surface and the colour is inherent in the resin. There is accommodation for any normal combination of control gear and cable termini. Already in substantial demand in Britain, it is now being introduced to Europe and will later be available in other parts of the world.



NATIONAL AND GRINDLAYS BANK LIMITED

(Amalgamating National Bank of India Limited, Grindlays Bank Limited and the Eastern Branches of Lloyds Bank Limited.)

Incorporated in the United Kingdom. Liability of Members is Limited.

Authorised Capital	...	£ 9,000,000
Issued and Paid-up Capital	...	£ 5,703,000
Reserve Fund	...	£ 4,760,400

Head Office: 26, BISHOPSGATE, LONDON. E. C. 2.

The Bank conducts all classes of Banking and Exchange Business throughout the world.

Bombay Branches:
90, Mahatma Gandhi Road.
270/272, Dr Dadabhoy Naoroji Road, (Lloyds Branch).
Mint Rood, (Corner of Mint Road and Sir P. M. Road).
21/29, Princess Street, (Lloyds Branch).
117—119, Kazi Syed Street, Mandvi.
65F, Linking Road, Santa Cruz.

NGB/25A

WORLD TRADE IN AGRICULTURAL PRODUCTS

G.A.T.T. URGES MODERATION OF NON-TARIFF PROTECTIVE DEVICES

A WIDE range of tariff and non-tariff measures have been devised by most, if not all, industrially developed countries against imports of agricultural products chiefly originating from the less-developed countries. In the former group of countries, farmers are heavily subsidised by the rest of the community. The character and the extent of the subsidy, however, are veiled, because it is usually accorded through such measures as import levies and restrictions designed to have the effect of supporting prices above world market levels. Of late, there is some recognition in the developed countries of the fact that the subsidy paid on production or exports on primary products adversely affects the growth of world trade, particularly of countries which depend on these products for the major part of their export earnings. But mere recognition does not mean much, unless it is translated into actual practice. The only way to achieve this goal is to keep on harping at the problem by quoting facts and figures. It is, therefore, gratifying to note that the G.A.T.T. Committee II has devoted considerable thought to this question and brought to light some interesting details. These findings have now been brought together in the form of a book, entitled "*G.A.T.T. Programme for Expansion of International Trade—Trade in Agricultural Products: Second and Third Reports of Committee II.*" (Price: $1.00.) The Committee's first report has not been included in the book, as it was concerned purely with procedural matters.

The G.A.T.T. Programme for International Trade, it may be recalled, was initiated at the thirteenth G.A.T.T. Session in November 1958, as a sequal to the Haberler Report (*Trends in International Trade*—1958). Under this programme, three committees were constituted. The Committee I prepared the ground for the world tariff conference, which began in September 1960 and ended only last week at Geneva. The Committee II is concerned with the investigation of the national agricultural policies, with particular reference to the effects on the flow of world trade of non-tariff agricultural protection. It is this Committee's report that is analysed in this article. The Committee III has been entrusted with the study of the problem of difficulties confronting the less-developed countries in their efforts to promote exports with the rest of the world.

Six Commodities

The Committee II has prepared its report after consultations with thirty-nine member-countries on their agricultural policies, which lasted for three years. It has focused its attention to six groups of commodities, namely dairy products, meat, cereals, sugar, vegetable oils and fish, "which are of importance in international trade and which are produced in a large number of countries." On the basis of available evidence, the Committee concludes that for each of these groups of commodities there has been extensive resort to non-tariff devices, involving protection to an extent, and having consequences "which were probably not fully recognised earlier." It may be noted that high tariffs are not the only or the principal method employed by several countries to support farm income or prices. They resort to non-tariff protective measures also which are mainly quantitative import restrictions, import levies, State trading measures, bilateral agreements, deficiency payments and domestic subsidies and export subsidies.

The Committee makes no bones about the fact that the non-tariff protective devices, which have been widely employed by most importing countries, have had the effects of "both reducing international trade in products concerned and of undermining the concept of balanced rights and obligations under G.A.T.T. as between countries which are predominently agricultural exporters and those which are not." The G.A.T.T. report says that the highest levels of agricultural protection occur in the developed countries in which non-agricultural sectors provide a major share of the national income. This is in contrast to the position in countries where most of the national income is provided by farming and where agriculture cannot secure an effective income support from its own resources. What is worse, it is often taxed to subsidise the development of non-agricultural economic activities. The continuance of the present situation, warns the G.A.T.T. Committee, constitutes a source of great concern as impediments to marketing of products of developing countries have "the effect of discouraging increased production, of intensifying balance-of-payments difficulties and of delaying their process of development."

Adverse Effects

Drawing particular attention to the ill-effects of protective devices on the growth of world trade and production, the Report observes as follows:

"The Committee recognised that the level of protection and resultant increased production in the traditional importing countries, inasmuch as they lead to a decrease in imports, place a heavy burden of adjustment on exporting countries, which renders the abolition of non-tariff measures in exporting countries more difficult, and could be an important factor causing these countries to make use of non-tariff measures.

"To the extent that income or price support has resulted in an expansion of relatively less efficient production and in a limitation of consumption, this has contributed to impairment of trade and to inefficiency in resources utilisation from the point of view of international trade.

"In agreeing to these conclusions, the Committee was not unmindful of the many difficulties with which agriculture is faced in many countries. It is an industry which, with some important exceptions, e.g. animal products, is affected by a situation in which the demand (in volume) for its products becomes increasingly inelastic as levels of real income rise, whereas technological progress makes enormous strides and almost becomes an independent influence for the expansion of production. At the same time, unlike some other industries, special conditions of production and marketing in agriculture lead governments to undertake measures which the producers in general cannot effectively undertake themselves. Some of the measures adopted can quite easily become effective barriers to trade. Adequate and comprehensive commodity arrangements may operate in the international marketing sphere to mitigate some of the restrictive trade effects of these measures.

"The Committee was also aware that an important long-term contribution to the solution of the farm income problem, with its concomitant trade problems, must come through an improvement in the efficiency of resource allocation. Such improvement is tantamount to a further reduction in the resources employed to bring about a given level of output. In many cases, this means a further reduction in the farm population which might be brought about by inducing farmers to move out of agriculture into other sectors of the economy, for example, by establishing industries in rural areas or by emigration. In some countries, the possibilities of transferring agricultural population to other activities are limited by social, demographic, traditional and other reasons. To the extent that the agricultural population can be moved out of agriculture to other regions or other sectors of the economy or to other countries where such population can be more efficiently employed, this would help to bring about changes which would assist in raising farm income to levels approaching those in other sectors of the economy. However, in some countries this movement out of agriculture, although of extraordinary proportions, has not yet had this result."

Viewed against this background, the Committee's plea for moderation of agricultural protection in both importing and exporting countries is quite sound and deserves the support of developed countries. For, as the Committee rightly says, liberalisation, through its effects on production and consumption, will substantially stimulate the flow of trade. Besides, by imposing some restraint on "protected production" in countries where national resources tied in agriculture can be more effectively allocated, it would, to quote the Report, "improve resource utilisation throughout the world." A possible solution to agricultural trade problems, says the Report, lies in fixing reasonable prices both at the national and international levels. This is possible only by ensuring that prices should *not* be such that "(1) production ceased to be remunerative for efficient producers even in regions particularly favourable for such production, (2) producers would be induced to increase production beyond existing outlets, or (3) expansion of consumption would be inhibited."

Supply and Demand

Price stability, of course, depends on the supply and demand position. Stressing the need for ensuring balance between production and consumption needs, the Report observes as follows:

"The outlets available for disposal of aggregate production are, in the main, limited, apart from dietary habits, either (1) by the capacity of the consumer to absorb (and this is particularly relevant to countries with an already high standard of living); or (2) the insufficiency of individual consumer's purchasing power or of currency resources in countries where consumption is below desirable nutritional levels.

"To the extent that governments are able to make available their abundance of food to low-income food deficit countries on a grant basis or on other concessional terms without displacement of normal commercial trade, and to the extent that such food can be directed into additional total consumption, the limitation referred to above can be mitigated.

"The Committee noted that taking these factors into account it was obviously necessary to seek a better balance between world demand and supply. The achievement of such a balance would be notably assisted, if outlets for the exports of efficient producers were extended by moderation in the use of such measures as subsidies on production and exports, quantitative restrictions, certain State-trading operations, excessive tariffs and similar devices, some bilateral agreements and other barriers to trade in agricultural products. The Committee recognised, however, that in the present situation, with the structural imbalance in world production and demand, the establishment of equilibrium between production and demand requires different solutions and adjustments for different commodities with different orders of priority. In some instances, it might be more appropriate to look for progress through measures which would be directed towards price levels. In other cases, it might be more appropriate in the first instance to look for measures directed towards controlling production."

Tariff Bindings

Unless a measure of balance is brought out by removing artificial props on domestic production in the developed countries, existing protective devices will continue to hamper world trade in agricultural products. Another important consequence of non-tariff protection highlighted by the Report is that tariff bindings under the provisions of the G.A.T.T. themselves are being impaired by their use. How the production and export of different agricultural products are adversely affected by various measures of non-tariff protection has been clearly brought out by the Report in the following words:

"Traditional importing countries over the post-war period have increased their production of all of the products under review. Whilst not ignoring the effects of technological progress, this increase is partly the result of the use of non-tariff protective devices associated with or forming part of support price arrangements. For example, recognition of this is implicity in the recent recommendation of the O.E.E.C. calling upon member countries to the extent that an increase in consumption of milk and dairy products would not be possible, to consider limiting milk production, or at least limiting price guarantees to milk producers, so as to bring about a better balance between production and outlets. The Committee had found that policies of price and income support (virtually all operated through non-tariff measures) had contributed significantly to the increase in the production of wheat. The growth in European production of wheat, concurrent with declining consumption, had narrowed the European import market. The growing consumption in many less-developed countries had not been enough to absorb the additional quantities from this source and from the world increase in production now thrown on world markets. This situation had seriously affected the international trade in wheat. Between 1934-38 and 1954-58, the proportion of apparent consumption represented by the combined imports of the four major European importing countries declined from 42 to 39 per cent and their proportion of total world imports fell from 49 to 30 per cent.

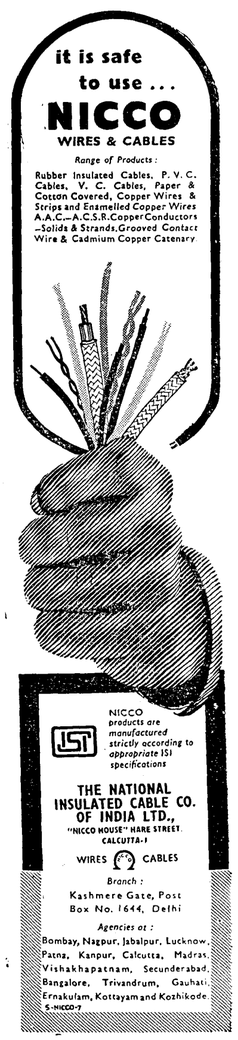
"Wheat provides the best example of the effect on international trade of price support measures causing export surpluses leading to pressures for disposal on subsidised or concessional terms; similar examples can be drawn from the international trade in dairy products. In its *Review of the World Wheat Situation* of April 1960, the International Wheat Council found that total wheat and flour exports covered by special governmentally assisted export programmes made up nearly 28 per cent of world wheat and flour exports. Indeed, since about 1953, a fairly important increase in the world trade in wheat and flour has been almost entirely due to non-commercial transactions which have made possible increased consumption.

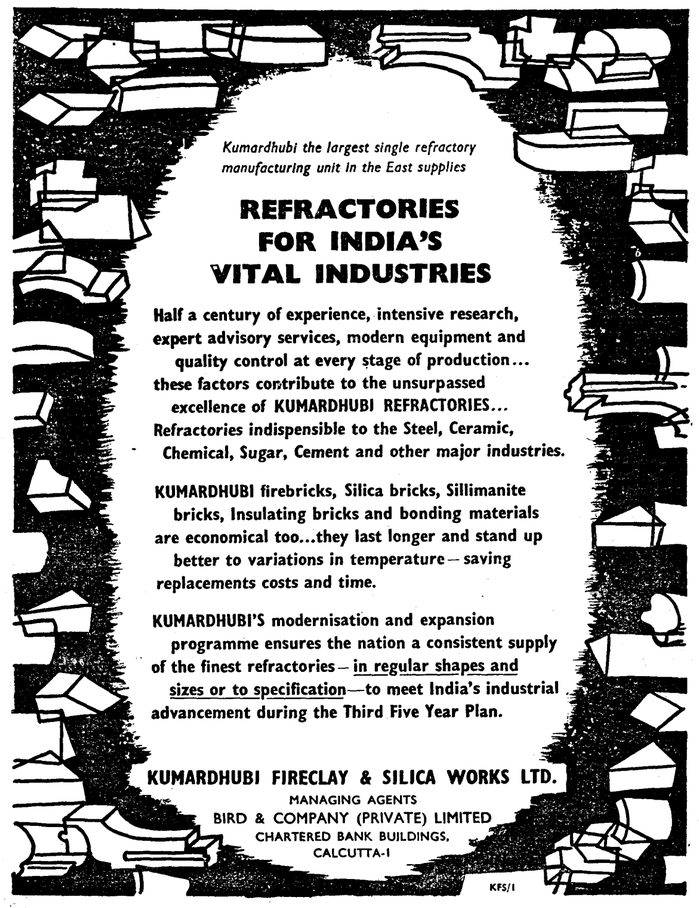
"Where systems which necessitate restrictions on imports into the market operate, wheat shipped internationally is sold in the country of import at a price higher, and frequently considerably higher, than the price paid to exporters. (This applies also to most surplus disposal transactions where wheat is paid for by consumers at the prevailing price in the recipient country.) This indicates that in many importing countries, there is a capacity to consume wheat at prices generally above those at which wheat is traded internationally. In some cases, the revenue derived from the difference between international prices and prices on the national market have been used for financing support measures of agricultural income. Thus, not only are exporting countries placed in the position of being residual suppliers by the operation of quantitative restrictions, State-trading, etc., but, through the operation of customs duties and certain types of import levies or taxes, they are denied the opportunity of securing the price which consumers are prepared to pay for their product. Such a situation also exists for sugar.

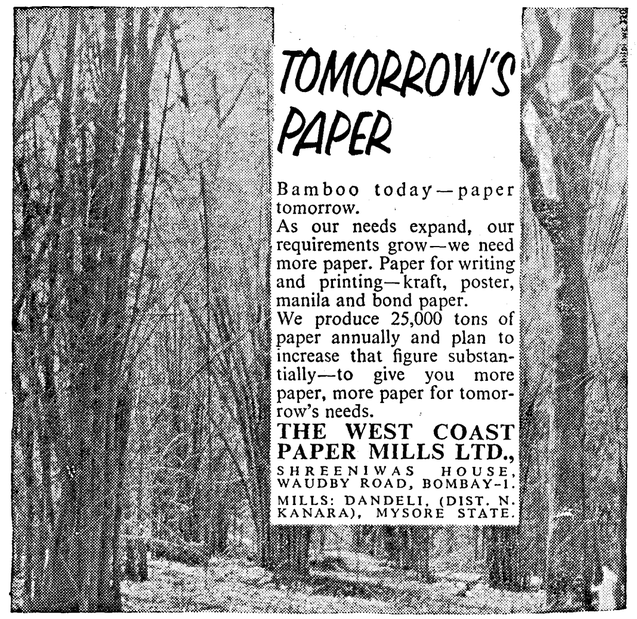
"Deficiency payment systems provide another type of income support. While the Committee recognised that, under such system, it is not essential to apply quantitative restrictions to imports and that consumer prices are unaffected through high producer prices, nevertheless, as with other methods of price support, such a system does not in itself avoid the encouragement of high cost production where returns to farmers are guaranteed at relatively high levels. In addition, it is recognised that such systems, by providing a stimulus to production, can adversely affect import requirements and, from the point of view of the exporter, prices.

"As a general rule, in the case of wheat, the volume of consumption decreases as the standard of living increases, except where the level of consumption is very low, while consumption of butter, cheese and meat tends to increase provided that price increases do not offset the increases in real income. Support price schemes backed by non-tariff measures of protection have raised butter and cheese prices in many traditional importing countries; this did not prevent an increase in consumption in these countries although such consumption increased less rapidly than production."

Apart from this broad picture, the Committee has not so far been able to make any quantitative assessment of the effect of non-tariff protective devices on international trade. It is to be hoped that the expert committee already appointed by the Committee will be able to devise ways and means to fill this gap.







STOCKISTS FOR BOMBAY

M/s. Bombay Sales Agencies
Poddar Chambers
Parsi Bazar Street
Fort, Bombay 1

M/s. Shree Krishna Commercial Corporation
75/79, Old Hanuman Lane
Bombay 2

M/s. Multani Paper Mart
Sutar Chawl
Bombay 2

GWALIOR RAYON LEAPS FORWARD

WOOD PULP PRODUCTION THIS YEAR

WITH a sharp rise of Rs. 1.47 crore to Rs. 12.07 crores in sales realisations and a handsome increase of Rs. 58.48 lakhs to Rs. 437.86 lakhs in gross profit, the Gwalior Rayon Silk Manufacturing (Weaving) Company Ltd. (Managing Agents: Messrs. Birla Gwalior (Private) Ltd., Calcutta) has leaped ahead during the year ended 31st March 1962. The year's results have overshadowed the Company's bright performance in the previous year, when the turnover had improved by Rs. 88.83 lakhs to Rs. 10.60 crores and the gross profit had edged forward by Rs. 28.89 lakhs to Rs. 379.38 lakhs. In fact, the rise in sale proceeds during the year under review is a record since the spectacular recovery from Rs. 371 lakhs to Rs. 837 lakhs in 1958-59, after some successive bad years. The same, however, cannot be said of the improvement in profit for the year. For, in 1959-60, profit had increased by Rs. 98.94 lakhs to Rs. 350.49 lakhs on top of its eventful rise of as much as Rs. 251.55 lakhs in the preceding year. The explanation for the failure of profit to keep pace with improvement in sales has to be found in higher production costs over the past few years. During the year under review, costs have shot up all round and the profit-margin (ratio of gross profit to sales), therefore, has only crept up from 35.8 per cent to 36.2 per cent. The rise in costs (which can be seen from the following table) of course, reflects primarily the higher production of roughly 53 million lbs. of staple fibre as compared with 48.7 million lbs. in the previous year.

A synoptical view of the Company's working in the past four years can be had from the comparative table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales (gross)	12,06.82	10,59.56	970.73	836.63
Other income	27.38	20.31	12.99	6.72
Closing stocks	79.15	56.05	55.76	41.49
Raw materials consumed	561.45	476.53	437.13	371.48
Staff expenses	79.58	66.14	59.01	49.00
Other expenses	171.41	158.10	136.62	171.31
Gross profit	437.86	379.38	350.49	251.55
Provision for—				
Depreciation	43.60	41.34	43.70	204.44
Taxation	15.15	...	...	14.75
Managing Agents' commission	18.15	19.42	29.35	11.95
Net profit	360.96	318.62	277.45	20.41*
Provision for electricity duty, etc.	1.50	...	...	...
Development rebate reserve	9.56	7.33	1.12	59.60
Other reserves	310.00	220.00	165.00	...
Dividends—				
6 per cent. preference	12.92*	12.92*	53.14*†	23.67*
Ordinary	62.50 (25%)*	56.25 (22.5%)*	50.00 (20%)*	25.00 (10%)
Carry forward	7.41	42.93	20.81	12.63

Market value of equity shares (in rupees):	1962	1961	1960	1959
High	63.00	55.50	49.00	29.00
Low	48.75	38.00	24.24	13.52

* Subject to deduction of tax.

† For the period 1st January 1955 to 31st March 1960.

Founded in 1947, the Company paid its maiden dividend of 10 per cent per annum, tax-free, out of the profit for the year ended 31st March 1959 and, since then, has progressively stepped it up to 25 per cent per annum, subject to tax, on the Rs. 10 fully paid equity shares, with the paid-up ordinary capital remaining unchanged at Rs. 250 lakhs during that period. The provision for depreciation for the year under report has been raised from Rs. 41.34 lakhs to Rs. 43.60 lakhs. The Government's appeal against the decision of the High Court of Judicature, Madhya Pradesh, accepting the Company's claim for exemption from income-tax and super-tax for a period of 12 years under the agreement executed by the erstwhile Gwalior Government is still pending before the Supreme Court, and the provision for taxation has, therefore, been held again in abeyance, excepting Rs. 15.15 lakhs provided for the tax liability for the weaving section, the exemption for which expired during the year. The tax liability for the year is estimated at Rs. 170 lakhs and makes an aggregate total, should it ultimately be established, of Rs. 450 lakhs for the profits up to 31st March 1962. To cover the year's tax liability, the amount transferred to general reserve has been increased from Rs. 205 lakhs to Rs. 270 lakhs, raising the balance standing to the credit of this account to Rs. 650 lakhs; as against this, the contingent tax liability is Rs. 450 lakhs. Development rebate reserve has got Rs. 9.56 lakhs as against Rs. 7.33 lakhs in the previous year. The preference shares capital redemption reserve account has received Rs. 15 lakhs, the same as in the preceding year, and the dividend equalisation reserve account has been credited with Rs. 25 lakhs as against *nil*. Excluding the transfer to development rebate reserve, the total credit to reserves at Rs. 310 lakhs is Rs. 90 lakhs more than the sum set apart last year. The substantially large credit to reserves has necessarily meant a lower carry forward of Rs. 7.41 lakhs as compared with Rs. 42.93 lakhs brought in.

The staple fibre division worked satisfactorily during the year. The research work in connection with the manufacture of fibre of high tenacity is continuing and trials thereon are said to be in an advanced stage. Meanwhile, in view of the prevailing shortage of cotton in the country, which could partly be made up by staple fibre, the Company has applied to the Government for permission to further increase the capacity of the plant to 150 tons a day. The weaving division at Gwalior worked well during the year. The popularity of its suitings and other products was on the ascending side in both the home and foreign markets, with exports showing an improvement from 627,279 yards to 898,587 yards. It was possible to export the fabrics even to the U.S and the U.K., wherefrom the Company is having repeat orders. The Company has been licensed to install 48 looms for the manufacture of cotton corduroy and velveteen fabrics against export guarantee and has applied for the necessary import licence. The wood pulp plant at Birlakootam, near Calicut in Kerala, has almost been constructed and erected. Trial production will start in the last quarter of the current fiscal year of the Company and the plant will be commissioned to production before the year is out. The Company's agreement with some foreign collaborators for the manufacture of rayon machinery having an annual productive capacity of one complete staple fibre plant of 15 to 18 tons-a-day capacity, or one complete filament rayon plant of 7.5-ton daily capacity has been approved by the Government. The licence for the import of the necessary machinery and equipment is being awaited. Meanwhile, the workshop is being constructed and the manufacture of the machinery for the viscose and spinning departments has been taken up with the existing facilities.

The financial position of the Company is sound. Its paid-up capital of Rs. 400.77 lakhs comprises Rs. 250 lakhs in equity shares and the balance in redeemable preference shares. Reserves and surplus, on the other hand, aggregate Rs. 793.77 lakhs, and, even after taking into account the contingent tax liability of Rs. 450 lakhs, provide enough cover for the equity capital. The secured loan from the Government under the Subsidised Industrial Housing Scheme for the workers' quarters has been reduced from Rs. 7 lakhs to Rs. 6.77 lakhs. Current liabilities and provisions total Rs. 232.96 lakhs. As against this, current assets and book debts aggregate Rs. 752.95 lakhs, of which Rs. 406.50 lakhs represent cash and bank balances. Investments of Rs. 3.16 lakhs comprise Rs. 0.41 lakh in Government securities commanding nearly the same market value and Rs. 2.50 lakhs in 2,500 fully paid equity shares of Rs. 100 each of the Indian Express Newspapers (Bombay) Ltd., which are unquoted. This investment in a newspaper company was made only in the year under report. The gross block of the Company saw a further sizable increase during the year from Rs. 7.13 crores to Rs. 11.74 crores. The total depreciation provided on it till the year-end amounts to Rs. 4.96 crores. The net block, therefore, stands at Rs. 6.78 crores, as against Rs. 2.60 crores a year before.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 57.50 *cum-div*. The yield on them, on the *ex-div*. basis, works out to 3.1 per cent per annum, free of tax.

KALINGA INDUSTRIES LTD.

The figures of production and despatches of pig iron by the Kalinga Industries Ltd. at its low shaft blast furnace plant at Barbil, Orissa, for the first half of the current year are now available. As compared with the figures for the corresponding period of the previous year, production has declined from 15,733 tons to 14,287 tons, but despatches have improved from 12,538 tons to 18,283 tons.

METTUR INDUSTRIES' DIVIDEND CUT

NET PROFIT DOWN BY A THIRD

DESPITE a marginal increase of Rs. 1.40 lakh to Rs. 177.19 lakhs in sale proceeds, gross profit of the Mettur Industries Ltd. [Managing Agents: Messrs. W. A. Beardsell and Co. (Private) Ltd., Madras] for the year ended 31st March 1962 has slipped down to Rs. 42.75 lakhs from Rs. 47.18 lakhs for the previous year. Reasons for this decrease have been several. First, there has been a rise of Rs. 3.10 lakhs in the cost of cotton consumed and, although a part of this merely reflected a slightly bigger output, the balance was due to the higher cost of both Indian and foreign cotton. Secondly, the wage bill increased by Rs. 2.63 lakhs, owing to the enhancement of dearness allowance to workers and the implementation of the revised pay-scales of the Wage Board. Thirdly, an export cess of Rs. 5 per bale of Indian cotton utilised in production was made effective from 1st January 1962 and this entailed an additional burden of about Rs. 15,500 for the concluding quarter of the year under review. And finally, the change, in March 1961, in the pattern of excise duty cost the Company an additional amount of approximately Rs. 37,000.

Although provisions for Managing Agents' commission and depreciation have been slightly lower, the former by Rs. 0.10 lakh at Rs. 3.49 lakhs and the latter by just Rs. 3,056 at Rs. 2.01 lakhs, the rise in the rate of corporate taxation and the necessity to provide Rs. 2.94 lakhs out of the year's earnings for taxation relating to the previous year have pushed up the provision for taxation by Rs. 4.71 lakhs to Rs. 18.44 lakhs. This has brought down the net profit rather sharply from Rs. 27.82 lakhs to Rs. 18.81 lakhs, a drop of one-third. Out of this, the Directors have set aside Rs. 5.69 lakhs as provision for bonus for workers, Rs. 54,000 for provision for gratuity, and Rs. 16,100 for development rebate reserve. With the balance hardly sufficient to bear a dividend of 30 per cent paid for 1960-61, the Directors have been obliged to propose a much reduced ordinary dividend of 22.5 per cent, subject to deduction of tax. The cut in dividend, it may be noted, works out to a quarter. Even then, the carry forward has fallen from Rs. 1.53 lakh to Rs. 45,412.

The working results of the Company for each of the past four years have been set out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	177.19	175.79	163.75	155.60
Other income	1.71	1.77	2.22	2.00
Closing stocks	1.71	1.40	1.53	1.64
Raw materials and stores consumed	76.32	73.00	57.31	63.16
Salaries, wages and bonus, etc.	43.81	41.18	36.10	33.72
Other expenses	16.33	19.07	24.47	14.81
Gross profit	42.75	47.18	47.98	46.10
Managing Agents' remuneration	3.49	3.59	4.06	3.88
Provision for—				
Depreciation	2.01	2.04	2.03	1.95
Taxation	18.44	13.73	16.40	28.91
Net profit	18.81	27.82	25.49	11.36
Withdrawal from reserves and provisions	...	...	0.81	39.82
To reserves and provisions	6.39	9.85	6.85	6.06
Dividends	13.50 (22½%)*	18.00 (30%)*	18.98 (30%)*	45.00 (75%)†
Carried forward	0.45	1.53	1.57	0.12

Market price of ordinary share (in rupees):	1962	1961	1960	1959
High	400	440	441	409
Low	388	367	369	328

* Subject to deduction of tax.

† Including a special dividend of 50 per cent. paid in April 1958

Financially, the Company is in excellent shape. The share capital of Rs. 60.00 lakhs, all in equity shares of Rs. 100 each fully paid, enjoys the backing of Rs. 30.23 lakhs in reserves. Loans are conspicuous by their absence and current liabilities and provisions totalling Rs. 46.52 lakhs are covered more than two and a half times by current assets, investments and loans and advances aggregating Rs. 121.86 lakhs. It is interesting to note that cash and investments, which are entirely in Government securities, alone form nearly 50 per cent of all assets excluding the fixed assets. Gross block at cost is worth Rs. 69.87 lakhs and has been written down to as low as Rs. 14.89 lakhs.

The financial strength of the Company and its reputation as a good dividend payer are reflected in the current market price of its share which even in the present depressed state stands at as high as Rs. 400 *cum-div*., against a book value of about Rs. 150 per share. On an *ex-div*. basis and at the current rate of dividend the net return on the scrip works out to a little over 4 per cent per annum.

SIMPLEX MILLS' RESULTS IMPRESSIVE

HANDSOME RETURN TO SHAREHOLDERS

THANKS to an all-round improvement in the working of the mills and a further stabilisation of production of the new qualities of textiles introduced during the preceding year, the Simplex Mills Company Ltd. (Chairman and Managing Director: Mr. S. R. Damani, Bombay) has been able to achieve encouraging results during the year ended 31st March 1962. Thus, whereas gross sales declined by Rs. 11.77 lakhs to Rs. 366.49 lakhs, the gross profit has continued to rise and has expanded by as much as Rs. 20.32 lakhs to Rs. 54.73 lakhs. The equity dividend, which had been suspended last year in favour of a bonus scrip issue of one for five, has been resumed at 22 per cent per annum on a higher capital of Rs. 60 lakhs, as against Rs. 50 lakhs before. The realisation of these impressive results has been possible because of (1) a better utilisation of raw materials, stores, spares, etc., which has resulted in bringing down the expenditure on this account to Rs. 149.40 lakhs from Rs. 170.74 lakhs previously, (2) a reduction of Rs. 7.47 lakhs to Rs. 94.45 lakhs in the wage bill, and (3) the maintenance of other expenses virtually at the previous year's level.

Out of the aforesaid gross profit, essential provisions take away Rs. 27.64 lakhs, of which depreciation on fixed assets gets a slightly lower sum of Rs. 16.14 lakhs as against Rs. 16.21 lakhs during the previous year, while taxation, provided for the first time during the past three years, claims Rs. 11.50 lakhs. These leave a net profit of Rs. 27.09 lakhs, an increase of 48 per cent as compared with Rs. 18.21 lakhs earned in 1960-61. It is heartening to note that the Directors have continued the prudent policy of augmenting the reserve position of the Company and have accordingly transferred a substantial sum of Rs. 13.90 lakhs to the development reserve. From the balance, including the carry forward from the previous accounting period, an ordinary dividend of Rs. 11 per fully paid and consolidated share of Rs. 50 each, subject to deduction of tax, has been proposed. This absorbs Rs. 13.31 lakhs.

The progress made by the Company during the period 1959-62 both years inclusive, is revealed by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales (gross)	366.49	378.26	354.69	285.62
Other income	11.76	12.08	12.61	9.19
Closing stocks	25.43	40.36	62.95	64.33
Raw materials and stores consumed	149.40	170.74	194.11	158.19
Excise duty and other charges	23.89	20.16	20.69	18.39
Salaries, wages and bonus	94.45	101.92	99.83	87.40
Other expenses	40.85	40.51	39.36	31.72
Gross profit	54.73	34.41	11.92	5.06
Managing Agents' commission	...	0.03	0.25	0.25
Provision for—				
Depreciation	16.14	16.21	12.00	9.02
Taxation	11.50	...	—0.32	—4.76
Net profit (+) or loss (—)	+27.09	+18.21		0.55
Withdrawal from reserves and provisions	...	0.48	9.89	4.20
To reserves	13.90	14.80	0.36	0.46
Dividend	13.31 (22%)*	†	7.58 (15%)*	4.20 (10%)
Carry forward	0.27	0.39	—3.50	—5.14

Market price of ordinary share (in rupees):	1962	1961	1960	1959	1958
High	182	216	187	193	186
Low	158	157	142	146	152

* Subject to deduction of tax.

† No dividend was paid, but a bonus share of Rs. 50 each fully paid was given for every five shares held.

Some encouraging trends are apparent in the above table. The gross sales have maintained a clear upward trend and, even though a modest fall has been witnessed during the year under review, there is no ground to suspect a general recession. Closing stocks of cloth, yarn and waste have shown a most welcome reduction and at Rs. 25.43 lakhs are the lowest for any of the past five years. Consequent on the renovation and modernisation of plant and machinery, there has been a marked decline in the cost of raw materials and stores consumed and its relation to gross sales has shown a contraction from 55.4 per cent in 1959 to 40.8 per cent in 1962. Thanks to the increase in operating efficiency, the gross profit has increased ten times and, despite heavier depreciation and taxation charges, a net loss of Rs. 4.76 lakhs has been turned into a net profit of Rs. 27.09 lakhs. Although during earlier years, the management followed a short-sighted policy of depleting the reserve position with a view to facilitating the payment of ordinary dividends, there has been a complete reversal of this policy during succeeding years and reserves have been strengthened by a net credit of Rs. 15.43 lakhs after allowing for the withdrawals.

The programme for the renovation and modernisation of the mills gained momentum during the year and new assets worth Rs. 18.39 lakhs were acquired. The process is by no means over and orders for machinery aggregating Rs. 61.73 lakhs were outstanding as on the last day of the year. Moreover, plans for extensive repairs to the mill building and flooring have been drawn up and a start has been made with the weaving shed. The folding department has been shifted to a new building constructed during the year and automatic looms are being installed in the space so made available.

The financial position of the Company is quite sound. Following the issue of bonus shares during the year, the paid-up share capital has risen to Rs. 60.48 lakhs and is supported by reserves and surplus amounting to Rs. 37.95 lakhs. Secured and unsecured loans have decreased substantially and stand at Rs. 97.87 lakhs (inclusive of Rs. 66.43 lakhs in 6¼ per cent debentures), as against Rs. 139.89 lakhs at the close of the previous year. Besides these, there are current liabilities amounting to Rs. 48.93 lakhs. On the assets side, a gross block of Rs. 250.89 lakhs has been written down by nearly half to Rs. 127.75 lakhs, while investments, current assets, loans and advances aggregate Rs. 120.68 lakhs. Debenture issue expenses yet to be written off stand at Rs. 1.40 lakh.

The present market quotation for the Rs. 50 paid ordinary shares of the Company is Rs. 163 *cum-div*. The net return, on an *ex-div*. basis, works out to nearly 5 per cent per annum.

(*Concluded from next column*)

From what Mr. Hobbs has observed, the increase in costs has been largely due to the interim wage rise of 15 nP per day per adult male worker and adult woman tapper and of 11 nP per day per adult woman worker other than tappers on the Company's Kerala estates and the raise of Rs. 10 in the monthly wages of staff members on all the estates of the Company, which were granted with effect from 1st December 1961 according to the Wage Board recommendations. We are told that statutory obligations arising from the plantations labour legislation have made it difficult for the Company to make much headway in reducing expenses. Mr. Hobbs has regretted that, while accepting the proposal for interim relief to workers, the Government should have turned down another recommendation of the Wage Board to the effect that an adequate increase in the price of rubber to compensate for the increase in the cost structure of the industry should be granted. The cost per unit for the current year's crop estimate of 1.15 million kgs. is placed still higher at 316.35 cents. While purchase of latex and scrap rubber helped the Company to realise a larger turnover last year, further expansion in this direction has been rendered difficult owing to restrictions on the import of the requisite machinery. The Company replanted 244.26 acres last year and obtained Rs. 82,892 by way of replanting subsidy. But the amount was insufficient to cover the expenditure made during the year and hence Rs. 1,30,000 were transferred from the year's profit. In 1961-62, the Company incurred a capital expenditure of Rs. 3.65 lakhs. During the current year, it will spend Rs. 4.97 lakhs, including Rs. 1.80 lakh being the unfinished work carried forward from the preceding year.

The financial position of the Company is satisfactory. Its paid-up capital of Rs. 28.04 lakhs, of which Rs. 26.91 lakhs are in equity shares and Rs. 1.13 lakh in preference shares, is supplemented by reserves and surplus aggregating Rs. 19.77 lakhs. Current liabilities and provisions make a total of Rs. 19.77 lakhs and are exceeded slightly by current assets, loans and advances aggregating Rs. 20.15 lakhs, of which no less than Rs. 10.34 lakhs represent cash and bank balances. The gross block of the Company increased during the year from Rs. 55.26 lakhs to Rs. 58.34 lakhs and has been written down to Rs. 47.27 lakhs. Inclusive of capital work-in-progress shown at Rs. 16,444, the net block stands at Rs. 47.44 lakhs.

PROFIT OF COCHIN MALABAR DOWN

DIVIDEND, HOWEVER, SAME

PLANTING have been particularly weak on the Madras Stock Exchange this year, and the ordinary shares of the Cochin Malabar Estates Ltd. have been no exception. Indeed, declining from Rs. 7.38—the year's highest so far, which was touched in 16th January 1962—to Rs. 6.50 *cum-div*. (final, 11 per cent, taxable, per annum) as of 20th of this month, the Rs. 3 fully paid shares are among the weakest spots in the group, for, at that level, they are lower than the lowest level of Rs. 6.88 and Rs. 6.95, reached in 1961 and 1960, respectively. At Rs. 6.50, the shares offer, after taking into account the taxable interim dividend of 9 per cent per annum, a net annual yield of not less than 6.7 per cent. And yet weakness persists in these shares, because the results of the Company (Managing Agents: Messrs. Peirce Leslie and Company Ltd., Calicut) for the year ended 28th February 1962 have been very disappointing due to the Company getting back in the groove of higher production costs and lower average price realised in relation to the previous year which had seen a handsome rise in profit owing to a dramatic cut-down in costs following a sharp rise in the crop harvested in that year. The crop harvested by the Company during the year fell from 1,264,304 kgs. to 1,159,898 kgs. and resulted in a sharp rise in per unit costs from 239.77 cents to 296.83 cents, the effects of which got accentuated by the perceptible fall in the average price realised from 392.21 cents to 358.30 cents per kg. The lower crop has resulted in a setback in sales realisation from Rs. 49.58 lakhs to Rs. 41.56 lakhs. However, total sale proceeds have improved from Rs. 61.26 lakhs to Rs. 72.94 lakhs because of a larger income of Rs. 31.38 lakhs (as against Rs. 11.67 lakhs a year before) from bought latex and scrap. But the larger turnover has been attained at relatively much higher costs as can be seen from the increase in total expenses from Rs. 39.94 lakhs to Rs. 56.53 lakhs. The result has been a sharp setback in gross profit from Rs. 21.59 lakhs to Rs. 16.57 lakhs. The provision for depreciation at Rs. 1.53 lakh is almost the same as a year ago. The tax liability is naturally lower, the provision made being only at Rs. 8.92 lakhs as compared with Rs. 10.46 lakhs a year before. The total dividend on ordinary shares has been maintained at 20 per cent per annum to which level it had been raised in the previous year from 15 per cent for 1958-59 and 17.5 per cent for 1959-60. The reserves have been credited with Rs. 1.30 lakh, as against Rs. 3.50 lakhs last year, but, as Rs. 50,000 have been withdrawn at the same time, the net addition is only Rs. 80,000.

A fair idea of the Company's working in the past four years can be had from the comparative table below:

(In rupees)

	For the year ended February			
	1962	1961	1960	1959
Sale proceeds	72,94,207	61,25,886	49,00,653	47,42,957
Closing stocks	2,97,577	3,92,480	9,30,929	12,68,760
Other income	1,40,031	40,694	32,189	2,21,832
Expenses	56,53,374	39,93,737	35,16,664	32,42,432
Gross profit	16,57,418	21,59,320	14,25,178	17,22,460
Provision for—				
Depreciation	1,52,670	1,47,990	1,36,380	1,34,707
Taxation	8,92,000	10,46,500	9,22,000	7,70,000
Managing Agents' remuneration	1,23,082	1,59,549	1,06,505	1,20,216
Net profit	4,89,666	8,05,281	2,60,293	6,97,537
Refund of tax	1,347	...	...	24,423
Excess provisions written back	2,449	38,563	...	...
Transfer from reserve	50,000	...	...	3,25,000
To reserves	1,30,000	3,50,000	...	
Dividends—				
7 per cent. preference	8,060*	8,060*	7,931*	7,391
Ordinary	5,38,256 (20%)*	5,38,256 (20%)*	4,70,974 (17.5%)*	4,03,692 (15%)
Carry forward	21,669	10,145	21,669	15,281

Crop harvested (in kg.)	11,59,898	12,64,304	9,78,827	8,99,559
Cost of production (cents per kg.)	296.83	239.77	257.62	254.26
Average price realised (cents per kg.)	358.30	392.21	399.94	400.50

Market value of equity share (in rupees):	1962	1961	1960	1959
High	7.38	8.05	8.80	7.25
Low	6.50	6.88	6.95	4.03

* Subject to deduction of tax.

Mr. J. N. A. Hobbs, Chairman of the Company, has said in his statement to the shareholders that the crop harvested during the year was higher than the estimated 1.14 million kgs. and the second highest (the maximum was in 1960-61) since the inception of the Company in 1930. However, the average yield per acre declined over the year by two points to 254 kgs. Weather conditions during the year were not very favourable—a long dry spell was followed by the most violent monsoon for over 30 years.

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Coimbatore Spinning and Weaving Co., Ltd.

(*Chairman*: Mr. G. Purushotham Naidu, Coimbatore.)

74*th Annual General Meeting*—Held on 30th June 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sale of yarn and cloth	2,14,99	2,09,25
Closing stocks	15,93	14,86
Gross profit	16,99	5,81
Transfer to ex-Managing Agents' remuneration.	Nil	31
,, ,, depreciation	4,95	3,50
Net profit	12,04	2,00
Adjustments	5*	87†
Appropriations :		
Total available balance	12,09	2,87
To adjustment of loss brought forward ..	9,74	12,57
,, income-tax paid for 1955	Nil	4
Transferred to contingency reserve ..	25	Nil
Proposed dividend (taxable) equity	2,08 (10%)	Nil (Nil)
Carry forward credit (+) or debit (—) ..	+2	—9,74

* This represents a sum of Rs. 5,075 transferred from reserve for stores.

† This represents Rs. 87,296 being commission paid in the previous years recovered.

Extracts from the Directors' report: The Directors are grateful to the Committee of Directors consisting of Sri G. Purushothama Naidu, Sri A. V. Srinivasalu Naidu and Sri K. Govindarajulu for the indefatigable efforts taken to set right the Company's affairs and in getting the working results so bright as to wipe out the huge brought forward loss and to declare a good dividend.

The Directors did wish that this Committee should continue to carry on the affairs of the Company but the Central Government was in favour of its continuance only upto 30th June, 1962 or the date of this meeting whichever was earlier. The Directors, therefore, thought fit to look after the affairs of the Company themselves till the appointment of Managing Agents becomes necessary.

In order to keep pace with the technological developments and to maintain competitive capacity the Company has started to replace the old machineries. Under Export Incentive Scheme the Company has to its credit about Ten Lakhs of rupees for importing machineries. Negotiations are going on with Bankers for better accommodation and deferred payment system. It is in this process of raising funds apart from ploughing back the profits, that the Directors have thought fit to issue the remaining 8,462 shares. As the market was quoting Rs. 82.50 nP per share they have thought fit to issue the shares at a premium of Rs. 15 per share. The Directors hope that the members would respond and take up their respective right shares offered to them.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	20,76,900	Gross block ..	1,35,16,544
Reserves and surplus..	27,223	—Depreciation ..	96,54,808
Other liabilities ..	1,01,95,433		
		Net block	38,61,736
		Current assets	84,06,680
		Investments	18,287
		Cash	12,853
	Rs. 1,22,99,556		Rs. 1,22,99,556

* Paid-up capital consists of 41,538 equity shares of Rs. 50 each. Of this 27,692 equity shares are allotted as fully paid-up bonus shares by capitalisation of reserves.

Indian Rayon Corporation Ltd.

(*Managing Agents*: Veraval Rayon Industries Ltd., Bombay.)

Registered Office: Junagadh—Veraval Road, Veraval, Gujarat.

5*th Annual General Meeting*—10th August 1962.

Working Results:

	For the year ended 15th February (In thousand rupees)	
	1962	1961
Sales	Nil	34
Gross profit (+) or loss (—)	—1,00*	—37*
To provision for taxation	44	40
Adjustments (credit)	1†	Nil
Loss brought forward from previous year ..	—1,18	—77
Final debit balance carried forward	—2,16	—1,18‡

* Loss after providing for taxation.

† Represents a sum of Rs. 1,423 being excess provision for taxation.

‡ This includes Rs. 3,802 being taxation for previous year.

Extracts from the Directors' report: The Company during the year incurred an expenditure of Rs. 10,11,190 out of which a sum of Rs. 8,23,000 being expenses of capital nature has been capitalised, bringing the total expenditure under this head to Rs. 1,60,19,356.20 nP. A further sum of Rs. 66,64,000 has been spent during the current accounting period upto the date of this report. Since the close of the financial year, the 6th and the final call of Rs. 12.50 nP per share on original equity and preference shares was made. The Company has earned a sum of Rs. 70,932 by way of interest on bank deposits.

Capital: Out of 1,05,000 equity right shares of Rs. 100 each offered to the shareholders in April 1961, 56,435 equity shares were taken up by the shareholders. The balance of 48,565 equity shares was underwritten and partial allotments had to be made for the number of shares available against larger applications, out of which 14,000 equity shares were allotted to the Life Insurance Corporation of India. A sum of Rs. 75 per share has been called up so far on the new shares by way of application, allotment and first call money and the remaining balance of Rs. 25 per share will also be shortly called up to make the shares fully paid up to rank *pari passu* with the original shares.

Additional Finance for Expansion and Pulp Plant: The negotiations carried on by the Company to obtain financial participation by the Chase International Investment Corporation of New York, one of the foremost financial Institutions in the U.S.A., much to the directors' regret, had to be abandoned, because their terms were not approved by the Government of India who have instead, approved of the loan for the full amount of $4.7 million from the Export-Import Bank of Washington D.C. against the Company's original proposal to borrow $3.45 million from the Exim Bank and $1.25 million from the Chase International Investment Corporation.

The directors are, however, glad to report that the negotiations for a total loan of 4.7 million dollars required for financing the expansion of the productive capacity of the Company's factory from 5 to 10 tons of *Viscose Rayon yarn* and 15 tons of *Rayon Grade Pulp* per day are being finalised with the Export-Import Bank of Washington D.C.

Construction: The construction of the factory buildings is very nearly completed and the final finishing touches are now being given. The buildings have been designed and constructed to accommodate the plant and machinery for the 10-ton daily capacity. Necessary staff quarters have also been constructed. The Gujarat State Housing Board have placed at the Company's disposal the existing labour tenements for the initial use of the Company's staff. Steps for the construction of a large permanent housing colony for future requirements have been taken in hand in accordance with Government's Industrial Housing Scheme. The construction of river intake and cut-off wall and laying of water pipe line is nearing completion, and has been carried out quite economically.

Power: The two diesel generators imported by the Company are under installation at the Power House at Veraval for meeting the normal frequency power requirements of the Company's factory.

The machinery, including the *Sulphuric Acid Plant*, and the *Steam Turbo Generators* required for high frequency power generation, Boilers etc., for the initial start up of the factory has been received. Erection work of the plant and equipment is proceeding. Technicians of U.S. Technical Collaborators at the site are supervising the erection of the machinery.

It is expected that, subject to unforeseen circumstances, the plant will be ready for initial production before the end of the current year.

Accounts in brief as at 15th February 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	2,04,04,562	Gross block ..	1,60,19,356
Other liabilities ..	15,63,306	Current assets ..	49,52,813
		Cash	4,67,520
		Miscellaneous expenditure ..	3,12,213
		P.L. a/c deficit ..	2,15,966
	Rs. 2,19,67,868		Rs. 2,19,67,868

Sone Valley Portland Cement Co., Ltd.

(*Chairman*: Mr. A. K. Jain, Calcutta.)

Annual General Meeting—Held on 23rd June 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sales	2,11,64	2,10,11
Closing stock	25,87	12,24
Excise duty paid	40,83	52,29
Gross profit	21,03	10,96
Transfer to depreciation	4,74	4,61
,, provision for taxation	5,70	Nil
Net profit	12,59	6,35
Adjustments	1,11*	3,62†
Appropriations :		
Total available balance	13,70	9,97
Transfer to development rebate reserve ..	25	1,65
,, general reserve No. 2	8,50	5,00
Proposed dividend (taxable) equity	4,50 (6%)	3,00 (4%)
Carry forward	45	32

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

* This includes Rs. 80,000 transferred from general reserve No. 1.

† Includes an amount of Rs. 3,00,000 transferred from general reserve No. 1.

Extracts from the Directors' report: In view of the losses of the earlier years brought forward in tax assessments, it is anticipated that a sum of about Rs. 3,70,000 only would represent distributable income out of the year's taxed profits. The Directors propose payment of dividend for the year at 6 per cent (taxable) amounting to Rs. 4,50,000, to the extent of Rs. 3,70,000 from the year's profit and the balance of Rs. 80,000 from General Reserve No. 1 constituted out of previous year's taxed profits. A sum of Rs. 8,50,000 out of the year's profit is transferred to General Reserve No. 2. A sum of Rs. 45,303 is proposed to be caried forward against Rs. 31,640 brought forward.

Production and despatches have been as under:

(Tonnes)

	Production		Despatches
	Clinker	Cement	Cement
1960	1,95,451	2,12,051	2,21,414
1961	2,00,438	2,03,694	1,98,451

Production and despatches of cement during the report year would have been higher with a more satisfactory position in regard to movement of coal and availability of wagons for cement. The Company's kilns have had to be stopped a few times due to the failure of the Railways to move the allocated coal. From the current year, certain quantities of coal are being moved by road which has helped to increase production to some extent but adding considerably to the costs on account of the higher incidence of transport charges. There are limitations in respect of utilisation of road transport and can only be resorted to for supplementing the rail transport to a marginal extent. Acute shortage of wagons for movement of cement also continues due to which, during the last six months especially, the Company has been carrying on stocks of clinker and cement to the brim and consequently production rate has had to be slowed down at times.

The long awaited announcement of cement price by the Government on the recommendations of the Tariff Commission came during the report year. The Government changed the basis of price fixation recommended by the Tariff Commission and also severely curtailed the price recommended as a result of which the price of cement payable to this Company was reduced from Rs. 76.25 to Rs. 72.50 per tonne, making a net reduction of Rs. 3.75 per tonne. Further, the price increase was given effect to from 1st November 1961 instead of 1st July 1961 which was recommended by the Tariff Commission. This has resulted in a loss of Rs. 1.51 per tonne over a period of 3 years. Such a price policy is unrealistic and unfair to the producers. The Company has represented to the Government for reconsideration of their decision. The Cement Manufacturers' Association has also placed before the Government a revised formula for price fixation.

Disregarding the needs of rehabilitation, the Government have reduced the rate of rehabilitation allowance recommended for this Company by the Tariff Commission from Rs. 4 to Rs. 2 per tonne and further earmarked out of it 20 nP for expenditure on research.

Negotiations are in progress with the Government of India for the grant of import licence for the manufacture of *slag cement* as also for installation of another kiln. Further steps in this direction can be taken only after the grant of import licence. The fulfilment of the project will naturally depend on the amount of foreign exchange sanctioned to this Company, which will in turn depend on the total allocation to the cement industry.

Since the increase in price covered only two months in the report year, the full effect of the benefit of increased price will be reflected only in the working of the current year. With the expected increase in production in the current year, there should be further improvement in the working results.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	75,00,000	Gross block ..	2,37,73,007
Reserves and surplus..	30,80,303	—Depreciation ..	1,68,11,421
Other liabilities ..	69,35,471		
		Net block	69,61,886
		Current assets ..	1,01,35,880
		Investments	1,16,245
		Cash	3,02,063
	Rs. 1,75,15,774		Rs. 1,75,15,774

* Paid-up capital consists of 15,00,000 equity (ordinary) shares of Rs. 5 each fully called up.

Sri Ramakrishna Mills (Coimbatore) Ltd.

(*Managing Agents*: Messrs. S. N. Rangaswamy Naidu Sons, Coimbatore.)

15*th Annual General Meeting*—30th July 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods	88,01	79,73
Sale of waste	1,48	72
Closing stock of finished goods, raw materials, etc.	16,72	11,72
Gross profit	18,39	15,68
Transfer to Managing Agents' remuneration ..	1,21	1,06
,, ,, depreciation	4,70	4,30
,, ,, provision for taxation	4,50	3,85
Net profit	7,98	5,97
Adjustments*	3	19†
Appropriations :		
Total available balance	8,01	6,16
To donations and charity	13	13
To bonus paid in respect of previous year ..	1,20	81
Transfer to development rebate reserve ..	1,88	75
,, ,, machinery modernisation reserve.	99	Nil
,, general reserve	Nil	65
,, ,, provision for employees' gratuity.	25	25
Proposed dividends (taxable) equity ..	3,53 (23%)	3,53 (23%)
Carry forward	3	4

* Adjustments represent the balance brought forward from the previous year and other credit items if any.

† This represents a sum of Rs. 18,944 transferred from provision for contingency.

Extracts from the Directors' report: During the year under report, there was voluntary fixation of ceiling prices for staple fibre yarn. The prices of cotton yarn of the counts which the Company's mills spun were not encouraging during the earlier part of the year. However, the prices improved during the latter part. Inspite of this setback in the selling prices, the Company was able to earn fair profits and the Directors consider that the profits earned during the year are very satisfactory.

During the year of account, the American make *Whithin Combers* have been installed and commissioned to production. The erection of *Humidification Plant* in the Combing department was also completed and the same commenced working during the year.

A levy at the rate of Rs. 10 per bale of 400 lbs. on the variety of Indian cotton which the Company's Mills consume has been brought to effect from 1st January 1962 which is an additional expenditure during the current year. The directors anticipate that there will be voluntary price control over the prices of the yarn of the counts above 40s during the current year. This may result in reduction of profits.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	15,36,890	Gross block ..	96,65,156
Reserves and surplus..	6,80,439	—Depreciation ..	58,74,981
Other liabilities ..	57,82,541		
		Net block	37,90,175
		Current assets ..	32,24,065
		Investments	9,82,875
		Cash	2,755
	Rs. 79,99,870		Rs. 79,99,870

* Paid-up capital consists of 14,923 equity shares of Rs. 100 each 4,459 equity shares of Rs. 10 each.

MONEY UNLENDABLE

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

Extremely easy conditions are prevailing in the short-term money market. Banks are having plenty of surplus funds which are unlendable. The inter-bank call money rate is back again at $\frac{3}{4}$ per cent, the rate that was prevailing before the flotation of the new loans of the Central Government. Some of the banks have started investing their surplus resources in short-dated Government securities which have a better marketability than the high-yielding long-dated securities. The 91-days Central Treasury Bills have also been in keen demand. Sales of Intermediate Treasury Bills (giving a yield of 2.316 per cent per annum) during the four days ended 21st July 1962, for instance, fetched Rs. 3.37 crores, as against only Rs. 10 lakhs sold from 9th to 14th July. The response to Bills sold through the tender system was markedly better than in the previous week. The amount invited was the usual Rs. 2 crores. The offerings were as much as Rs. 3.10 crores, that is Rs. 110 lakhs more than those in the previous week. The average rate of accepted tenders was lower at 2.376 per cent per annum, as compared with 2.390 per cent per annum a week before. The tender limit for the next week has, however, been kept unchanged at Rs. 2 crores, so that those banks which want to be sure of getting Treasury Bills will have to take up those that are available on tap. The yield on these Bills to be sold from 25th to 28th July has been fixed at 2.236 per cent per annum.

The Reserve Bank's statement for the week ended 20th July shows a further decline in foreign assets, the exact fall being Rs. 2.61 crores; the total of these assets now amount to no more than Rs. 93.85 crores.

Indicative of the extremely easy money conditions is the increase of Rs. 18.32 crores in the deposits of scheduled banks with the Reserve Bank and a decline of Rs. 1.62 crore in their borrowings from the Reserve Bank which now stand at the nominal level of Rs. 63 lakhs.

There has been an increase of Rs. 26.04 crores in the Reserve Bank's investments in the Banking Department. This gives one an idea of the extent of support given by the Bank to the new loans of the Central Government.

In the Gilt-edged market, the new long-dated loan issued last week, viz. 4½ per cent 1985, has gone into a premium of 20 nP due to substantial buying by institutional investors, especially the Provident Funds. There has also been a rise of 15 nP in both 3½ per cent 1968 and 4 per cent 1972. The Conversion Loan, however, has fallen further, by 25 nP on top of a decline of Re. 1.40 in the past week. It now stands at Rs. 68.75. 3 per cent 1970-75 also has fallen by 20 nP to Rs. 89.20. There has been good demand for short-dated securities, but the rates have remained unchanged. All State loans, however, have been quiet. There has been some selling in the 4½ per cent loans, in particular, resulting in losses ranging from 5 nP to 15 nP.

The £ sterling has been a shade quiet in the foreign exchanges. In New York, it has come down over the week by 0.140 cent for spot and 0.090 cent for three months forward. The former is now quoted at 280.600-280.640 cents and the latter at 280.060-280.100 cents per £. In keeping with this trend, the rupee-dollar rate has gone up by 25 nP to Rs. 477 per 100 dollars which is the banks' selling rate. Their buying rate, however, has remained unchanged at Rs. 473.50.

LINSEED FIRM

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 23*rd July*

Firm conditions persisted in the local linseed market during the past week due mainly to shortage of supplies. Business reported was negligible. Millers were buyers daily for ready and forward positions, but sellers were reserved at the prevailing rates. The oil section was steady. Stocks were running low. Local buyers were interested daily due to high prices of mustard oil, but sellers were reluctant to do much business as the seeds arrivals were still very small. The oilcake market was firm with good local demand. But stocks with mills were negligible. The latest quotation for the July delivery was Rs. 81.72 per quintal.

SILVER PRICE ON NEW BASIS

With effect from 2nd August 1962, the price of silver published daily by Messrs. Handy and Harman of New York will be quoted on a new basis. At present, this quotation represents the price paid by this firm for silver in unrefined materials and is widely used by various smelters and refiners for determining the purchase price of silver contained in ores and other silver-bearing materials; this price is one-quarter cent below the price of refined silver. On the new basis, the quotation will be published without this one-quarter cent deduction. It will be the actual price at which refined silver, in commercial bar form of acceptable brand and quality, is offered to Messrs. Handy and Harman for nearby delivery at New York in quantities sufficient to meet daily requirements. This change is a technical one only. Settlements for silver in unrefined silver-bearing materials will continue to be made by the firm on the same basis as before, that is, at a discount (currently one-quarter cent) below the price for refined silver. This discount is in long-standing recognition that such silver at the time of purchase is not available in commercial bar form for nearby delivery at New York and is designed to cover carrying, selling, delivery and other charges involved in the marketing of refined silver.

BULLION FIRM

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

The bullion market depicted a firm trend during the major part of the week under review. There was good buying support inspired by reports of serious situation in Ladakh. The Calcutta interests who had sought to press sales in silver last week were covering their positions, with the result that the metal staged a notable recovery in values. Reduced pace of arrivals also imparted some strength. The daily average arrivals were 33 bars, as against 53 bars in the previous week. Offtake was, however, restricted, being 6 bars on an average, as against 8 bars. In sympathy with silver and following seizure of about 2,400 tolas of gold in Bombay on the 19th inst., gold also tended to move up. The rise in price would have been more marked but for increased arrivals, the daily average being 6,800 tolas, as against 5,750 tolas. The average daily offtake was higher at 4,800 tolas, that in the previous week being 4,500 tolas.

In gold, the *Bhadrapad* (15th September) settlement advanced from Rs. 125.25 to Rs. 125.55 yesterday. At this level, profit-taking set in and the settlement declined to Rs. 125.10 today before finishing at Rs. 125.20. The net gain over the week was just 5 nP.

Ready gold continued to command a premium over the forward, though the premium declined from 65 nP on Wednesday last week to 50 nP today, when the closing rate stood at Rs. 125.70, as against Rs. 125.90, the highest level touched being Rs. 126.35 yesterday.

The *Bhadrapad* (17th September) settlement in silver began the week at Rs. 214.25, as against the previous close of Rs. 213.5, and moved up to touch a high of Rs. 215.00 yesterday. Opening at Rs. 214.35 today, the settlement receded to Rs. 214.00 today but finished at Rs. 214.25. The net gain over the week was Re. 1.10.

Ready silver met with good buying enquiries and spurted from Rs. 212.90 to Rs. 214.05 on Monday the 23rd inst. After declining to Rs. 213.55 yesterday, it eased to Rs. 213.00 but rose again to Rs. 213.25 towards the close. At this level, the discount under the forward was Re. 1, as against 25 nP last week-end.

The dollar price of gold in the London bullion market rose further from $35.12½ to $35.14½ during the week. Ready gold also improved by ½*d.* to 250*s.* 4½*d.* Both ready and forward silver scored handsome gains, the former rising from 87½*d.* to 88¾*d.* and the latter from 87¾*d.* to 88¾*d.* The rise followed the marked increase in silver price at New York, from 102.75 cents to 104.75 cents.

A notable development of the week was the U.S. President's order (issued on the 20th inst.) asking all U.S. citizens to bring back to the country or to dispose of any rare gold coins they now hold abroad before 1st January next. This action has been taken "to prevent large-scale counterfeiting and restriking of rare gold coins" which has been taking place in Italy, West Germany, Holland, Switzerland and Argentina. The U.S. Administration has reiterated its intention not to raise the price of gold from the present level of $35 per fine ounce. At a Press Conference in Washington on Monday this week, the President was asked as to why the U.S. should not permit foreign holders of its currency to exchange it for gold. Replying to the question, the President said:

"If the U.S. refused to cash in dollars for gold, then every one would go to the gold standard and the U.S., which is the reserve currency of the whole free world, would all be dependent upon the available supply of gold which is quite limited. Obviously, it is not enough to finance the great movements of trade today, and it would be the most backward step the U.S. has taken since the end of the Second World War.... We are not going to devalue, and we are going to be able to bring our balance of payments into balance by the end of next year, and I feel that those who hold dollars abroad have a good investment and we have over another billion dollars held by American citizens in investments overseas and this country is a very solvent country. So I feel that it requires a co-operative effort by all of those involved in order to maintain this free currency, the dollar, upon which so much of Western prosperity is built. I have confidence in it and I think that, if others examine the wealth of this country, they will feel that the dollar is a good investment and as good as gold."

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

	25-7-62 (closing)	High	Low	18-7-62 (closing)
	Rs.	Rs.	Rs.	Rs.
GOLD				
Ready (.99 fine) ..	125.70	126.35	125.50	125.90
*Bhadrapad** ..	125.20	125.55	124.85	125.25
Sovereign ..	98.00	98.00	97.75	97.75
SILVER				
Ready (.996 fine) ..	213.25	214.05	212.85	212.90
Bhadrapad† ..	214.25	215.10	213.95	213.15
London—				
Gold	250*s.*4½*d.*	250*s.*4½*d.*	250*s.*3*d.*	250*s.*3½*d.*
Silver Ready ..	88¾*d.*	88¾*d.*	87¾*d.*	87¾*d.*
Silver Forward ..	88¾*d.*	88¾*d.*	87¾*d.*	87¾*d.*
New-York—				
Silver	104.75 cents	104.75 cents	102.75 cents	102.75 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (65.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RECOVER

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

After last week's sharp decline, a recovery was bound to occur in the cotton futures market if for no other reason at least on technical grounds. And the market did stage a smart recovery, thanks to shortcovering and fresh buying attracted by the low level. Although weather news was generally satisfactory, reports of excessive rain in Indore and Ujjain areas and cloudy weather in Akola and Nagpur prompted speculative support which imparted strength to the market. The apprehension that, as the new crop was late, mills will have to depend upon current crop, stocks of which are limited, for at least the next three to four months also aided sentiment. The Jarilla March 1963 contract rallied from Rs. 716 (per three quintals) last week-end to Rs. 728 before finishing lower at Rs. 721.50 today, a net gain of Rs. 5.50 over the week.

The current (1961-62) season's crop estimate has been revised upwards by a prominent cotton firm from 4.3-4.4 million bales of 400 lbs. each to 4.6 milion bales. Gujarat, C.P./Berar and Western Comptah areas account for the bulk of the increase. The higher crop would improve the anticipated end-season carryover by about 200,000 bales to 1.43 million bales—a welcome development in the context of the current shortage of cotton.

The same firm sums up the new crop position at the end of last month as follows:

"In the Punjab, sowing operations were practically over by the first week of June. Resowings, necessitated by locust, were also completed by the middle of the month; stray showers proved very beneficial but further rains are a necessity to assist progress. The condition in general is satisfactory in this area and plants are making good headway. The rain-fed areas in the Oomras and Gujarat did not receive adequate rains for proper commencement of cotton sowings. Dry sowings in the Vijay tract proved a partial failure resulting in re-sowings of some areas. The following is a comparison of end-of-June sowings with those of last year at the same time:

(Percentages)

Areas	30-6-1962	30-6-1961
Punjab	100	100
U.P./Rajasthan	100	100
Khandesh	20 to 25	70 to 80
C.P./Berar	5 to 10	30 to 75
Madhya Pradesh ..	Nil	70 to 100
Moglai	Just started	50 to 70
Broach/Surat	75	100
North Gujarat	5 to 10	70 to 80

"Should July produce adequate rains, there are still hopes for a good crop; one thing, however, is certain that the crop is having a late start."

A suggestion for converting the East India Cotton Association, Bombay, into an all-India body came up for discussion last week at the weekly Board meeting of the Association. The Board could not take any definite decision on this question, thanks to divergence of opinion amongst its members although the need to form a federation of all cotton interest was unanimously conceded.

In contrast to last week's easiness, firm conditions prevailed in the Karachi cotton futures market during the week. The firmness was induced by the scarcity of tenders against the expiring contract. Switchover of purchases to the new crop contract and fresh speculative support were responsible for the strength of the January 1963 contract. N.T.R.G. July rose from Rs. 72.75 last week-end to Rs. 75.25. The January contract firmed up from Rs. 73.70 to Rs. 74.05.

Traders' attention is centered on the export policy announcement for the new crop expected to be made shortly. There is speculation whether the duty of Rs. 75 per bale on American-seed cotton and Rs. 25 per bale on *Deshi* cotton would be abolished to stimulate exports. In view of the uncertainty, trading was cautious.

Productions of cotton in Pakistan during the year 1961-62 is estimated at 1,840,000 bales (1,615,000 American and 225,000 *Deshi*), as against 1,712,00 bales during the previous year, an increase of 7.5 per cent over last year. The area under cotton was 3.48 million acres, an increase of 7.6 per cent. As regards the 1962-63 crop, given favourable weather conditions, the crop could exceed the 1961-62 output. The Karachi Cotton Association estimates that stocks of raw cotton as on 5th July amounted to 241,000 bales, as against 117,500 bales on the same date last year.

Cotton futures in Liverpool suffered a further setback during the week. Values declined on persistent selling by spot and Commission Houses. Mill demand was moderate. Advices from the yarn and piecegoods market were not encouraging. Both the American and American type contracts eased. Sudan contract was quiet and nominally unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July 23.10; October 23.35; December 23.30; March 23.45.

American cotton mixed growth contract: July 24.20; October 23.20; December 23.65.

Sudan contract: July, September, November 29.50.

Caution was the keynote of trading on the New York Cotton Exchange during the week.

Operators were inclined to await details of the new export programme. Transactions were few and far between and price movements narrow. Occassional short covering and some buying by spot interest led to a slight improvement in futures. Spot rates, however, tended to decline.

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

(In cents per lb.)

	24-7-62	17-7-62	10-7-62
New York Spot ...	36.00	36.05	36.15
July	—	—	33.50
October	33.87	33.69	34.01
December	33.98	33.83	34.13

STAPLE FIBRE YARN DECLINES

(From Our Own Correspondent)

BOMBAY, *25th July*

Forward trading in foreign art silk yarn will continue to remain suspended. For the Forward Markets Commission is understood to have denied permission to the Bombay Yarn Merchants Association and Exchange for resumption of business in forward deliveries. It would appear that this decision has been prompted by the persistent acute scarcity of supplies. The decision did not, however, have any effect on the market. Actually, Amilon (20 x 1) yarn August contract moved up under impetus of bear covering from Rs. 4,600 to Rs. 4,700, while spot indigenous yarns drifter lower. National Rayons 150 Bt. cones 1st grade declined by 13 nP to Rs. 14.21. 120 Bt. cones 1st grade dropped a like amount to Rs. 16.63.

Staple fibre yarns suffered a further setback in values, owing to selling by tired bulls. Business put through was limited. (40 x 2) August settlement receded by Rs. 4 to Rs. 820. October position eased by Rs. 3 to Rs. 841. Spot Kohinoors fell by 22 nP to Rs. 9.06. Centurys lost 9 nP to Rs. 9.02.

Cotton yarns tended to rise on hopes of a possible upward revision in ex-mill ceiling prices of yarns of 40 counts and above which are due to take effect from 1st August next; details were given in last week's report. Eighty counts Maduras hardened by 25 nP to Rs. 81 and Mahendras by 50 nP to Rs. 59.25. Ten counts Podars spurted by 38 nP to Rs. 18. Moderns were firm at Rs. 17.37. Thirty counts Simplex gathered 25 nP to Rs. 30.25. Forty counts Minaxis, however, shed 25 nP to Rs. 35.50.

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

	25-7-1962	18-7-1962
	Rs.	Rs.
Art silk yarn—		
20/1 Amilon (100 kg.)—		
August	4,700.00	4,600.00
Nat. Ray. 150 Bt. 1 (per kg.)	14.21	14.34
Nat. Ray.120 Bt. 1 (per kg.)	16.63	16.76
Staple fibre yarn (40 x 2)—		
August	820.00	824.00
October	841.00	844.00
Kohinoor (per kg.)	9.06	9.28
Century	9.02	9.11
Cotton yarn (per bundle of 10 lbs.)	18.00	17.62
10s Podar	—	22.00
20s Podar	30.25	30.00
32s Madura	35.50	35.75
40s Madura	72 50	72 75
60s Finlay	81.00	80.75
80s Madura		

Note: Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *25th July*

Oilseeds and oils which had suffered some setback towards the close of last week staged a smart rally this week. In particular, groundnuts were buoyant, thanks to firm conditions in the spot section, following good offtake by *vanaspati* manufacturers and crushers. The good overseas demand for groundnut extraction imparted further strength. Active conditions prevailed in castorseeds also, as a result of renewed enquiries for castor oil by the U.S. Linseed ruled distinctly steady on reports of export business by the State Trading Corporation and firm advices from North Indian mustardseeds markets. Cottonseeds were well maintained.

Groundnuts September 1962 contract, which had fallen initially from Rs. 219.75 to Rs. 219.62, firmed up to Rs. 227.75. January 1963 contract rose by Rs. 3.75 to Rs. 220.50. Bold ready hardened by 87 nP to Rs. 47.62. Oil July 1962 contract gathered 60 nP to Rs. 19.20. Oil railway receipts improved by 5 nP to Rs. 19.05.

Among castorseeds, September 1962 contract advanced by Rs. 2.35 to Rs. 166.75. March 1963 contract rose by Re. 1.63 to Rs. 169.50. Ready Kanpur put on 75 nP to Rs. 32.75. Castor oil finished at Rs. 13.90, after rising by 10 nP earlier.

Linseed September 1963 contract moved up by Re. 1.75 to Rs. 42.25. March 1963 contract closed higher at Rs. 40.50, as against Rs. 38.87. Bold ready was higher by 25 nP at Rs. 41. Linseed oil hardened by 40 nP to Rs. 16.90.

Cottonseed January 1963 contract strengthened by 50 nP to Rs. 100. July 1962 contract was maintained at Rs. 105.50. Berar and non-white were fully steady at Rs. 22.25. But white lost Re. 1.75 to Rs. 20.75.

The following table shows the closing prices of oilseeds and oils on Wednesday, the 25th July, as compared with those of the two previous weeks:

	25-7-1962	18-7-1962	11-7-1962
	Rs.	Rs.	Rs.
Groundnut			
July 1962	226.50	219.75	221.75
September	227.75	219.75	222.00
Nizam bold	47.62	46.75	46.50
Khandesh quality	48.12	47.50	46.75
Oil ex-mill ready*	19.40	19.40	19.35
Railway receipts*	19.05	19.00	19.00
Oil July 1962	19.20	18.60	18.85
Castorseed			
September 1962	169.50	167.87	165.37
Ready Madras	33.75	33.50	32.50
Ready Kanpur	32.75	32.00	31.12
Oil B.S.S.†	13.80	13.80	13.35
Oil commercial†	12.80	12.90	12.45
Linseed			
September 1962	42.25	40.50	40.56
Bold ready	41.00	39.75	39.37
Oil ready†	16.90	16.50	16.10
Cottonseed July 1962	100.00	102.00	102.75
Niger seed	37.00	36.50	35.75
Kardi seed	27.00	27.50	25.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PEPPER EASIER

(Messrs. Parekh and Co.)

BOMBAY, *25th July*

Malabar black pepper ruled easier during the fortnight for want of foreign inquiries. East European countries, Europe and the U.S. are out of the market, as all these countries are reported to be getting their supplies either from Indonesia or from Sarawak direct at cheaper prices. Panicky conditions prevailed on the Cochin Exchange, because the bulls came to liquidate their August purchases, as they failed to see any silver lining on the horizon. Shorts refused to cover, as they expected that the market might go down or they never wanted to lift their hedge unless they found buyers for their ready goods. Despite very good export to date, most growers are bearishly inclined. It may be due to the fact that the final outturn of Malabar black for 1961-62 crop may be bigger than generally estimated. Or they may not have any faith in the present level of prices, in view of the movement of the new production of Sarawak and the proximity of harvesting seasons in Lampong and Brazil.

Despite strong holding of Lampong at Singapore, the market in the island is reported soft and slowly slipping down owing to lack of foreign buyers who are withholding in expectation of early fall in the prices, as they are suspicious of the holding capacity of the Indonesian Agency, in view of the proximity of harvesting season in Lampong. Black came down from Str.$115 to Str.$110 and white from Str.$152½ to Str.$150.

There are unconfirmed reports that the Indonesian Agency at Singapore has disposed of its holding to the U.S.S.R. and the U.S.A. at undisclosed prices. It is doubtful whether any dealer in New York will take the risk of buying a big quantity unless at his own price and with the condition that the Indonesian Agency shall not sell any pepper for shipment to New York until December. Nobody however, gives any credence to such reports unless pepper is actually shipped.

Spot in New York came down from $0.36 to $0.33½, with grinders' demand slow, while London is comparatively steady, as this year Sarawak produced more black and less white.

The future of the market appears to be uncertain, as New York dealers are persisting in their hand-to-mouth buying policy. The market appears to be suffering from slow poison effects, as the Indonesian Agency are very slow in taking the decision.

Ready garbled moved down from Rs. 310 to Rs. 279 and ungarbled from Rs. 300 to Rs. 272. August delivery saw a precipitous fall from Rs. 314 to Rs. 280, with buyers holding off, as no speculators are evincing interest in view of the dropping prices at every next trading month. In the falling market, inland demand is so small that it does not encourage local dealers to accumulate stock.

Ready pepper in Bombay is nominally quoted at Rs. 154 per 50 kilos.

TEA BOOKINGS HEAVY

(From Our Own Correspondent)

CALCUTTA, *24th July*

Bookings here of tea for the London auctions were again heavy during the week under review. Tea offered keen competition to occupy as much available liner space as possible. However, shipments to other destinations were much below the offers of space. Reflecting the heavy bookings in recent weeks, stocks in the U.K. rose to 119.4 million lbs. for the week ended 13th July from 117.8 million lbs. for the previous week. The increased stocks and the prospects of larger arrivals in the coming weeks were reflected in the auctions held in Mincing Lane in the last week, when the average price realised was only 44.42d. per lb., representing a fall of 1.98d. over the previous week and of 2.81d. over the corresponding period of last year.

The fall in the London price is significant. For, this represents expectations of a rise in world output this year. Although the rise in output should not be greater than the expected rise in consumption, it is but natural that reports of rising output should affect the price. On the other hand, it is expected that, with the proposed entry of the U.K. into the E.C.M. and the expected reduction in duty, European consumption of tea should increase. The Government of India's efforts to persuade West Germany for sympathetic consideration of the Indian viewpoint have continued, and the interviews, which Mr. Morarji Desai had with West German officials, have raised expectations here. The duty on tea in West Germany is so high as to make prospects for increase consumption very bleak at present. However, if the duty is reduced to a reasonable level (and there is every hope for this), consumption in that country would increase, with a similar improvement in other areas of the E.C.M.

Evidently, it is in the U.K.'s interest to allow tea in the E.C.M. duty-free. The U.K. is by far the largest consumer of tea, and, since tea is a "must" beverage in almost all British households, any increase in its price will be resented by the people. However, it has been reported that the E.C.M. is disinclined to allow any commodity into the area duty-free, and as such it now looks as though the U.K. would have to put up with a duty on tea.

The report from Pakistan that it expects its acreage under tea in the current season to show an increase of 3.8 per cent has been noted here. In the last year, the area totalled 78,000 acres and is estimated higher this year at 81,000 acres. Like Pakistan, all other producing countries are increasing their crop both by extension of the area and intensive cultivation. There is, therefore, much substance in the recent analysis by F.A.O. of trends in producing countries, according to which tea would be surplus by 1966. Tea circles here stress that India should take advantage of this report, and should devote greater attention to improving quality rather than emphasising on a striking increase in output.

Tea gardens are only too alive to their responsibilities in this regard; however, their attempts to improve quality have been thwarted by inadequate allotment of fertilisers and the great difficulty to get import licences for machinery to replace old and worn-out equipment. Time and again, the industry has presented its claim to get fertilisers at lower prices as is the case with other agricultural industry.

The recent wage increases for tea garden workers in Assam and West Bengal will raise the cost of production. While the industry is always eager to pay the workers reasonably in order to enable them to lead a contented life, it is unfortunate that prices of daily necessities are rising. It should be noted that tea is gradually becoming a buyer's market all over the world, since all producing countries are increasing their acreage. There is, therefore, a strong point in the industry's claim that at least any further increases in wages be related to productivity.

At yesterday's export sales here, offerings totalled 37,047 packages. Generally, demand was good, and Darjeelings were one of the strongest features. The flavoury lots were sold at higher rates. Plain liquoring orthodox teas were quiet, while the brighter teas met with good support. An irregular trend was recorded by C.T.C. teas while the best met with good support, but medium teas eased. Legg-cut teas were fully steady, with the brighter teas being a particular feature. Tippy teas were quiet. The quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 7.20 to 8.20, best Assam C.T.C. B.P. 7.20 to 8.20, medium Assam C.T.C. fannings 5.70 to 6.60, clean plain pekoe 4.50 to 4.70, plain fannings 3.90 to 4.20, plain B.P. 3.90 to 4.10 and medium C.T.C. B.P. 5.80 to 6.40.

MEDIUM TEAS DEARER

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

COCHIN, *17th July*

In sale No. 29 held today, 840,000 kgs. were offered. The teas on offer were generally brighter than last week and quality of teas from the Nilgiri district showed slight improvement. The market met with good general demand. Brighter low medium and medium brokens evoked strong enquiry and were fully firm to dearer while others were barely steady. Cleaner fannings under this category were also well sought after and were firm and sometimes much dearer, but others, although meeting better support than last week, were easier, with some withdrawals. Good mediums elicited useful support and sold at around last rates, occasional invoices selling at rates above last. There was strong inquiry for highgrowns, particularly brokens which were dearer with quality. Similar fannings received better support than last week, particularly those with improved quality which were dearer. Clean black leaf descriptions were also well supported and advanced in price. Unorthodox teas met with good competition and prices advanced considerably over last. Whole leaf grades and tippy teas met with useful inquiry.

The quotations per kg. were:

	1962	1961
	Rs.	Rs.
Low medium	3.10-4.00	4.45 4.60
Mediums	3.60-4.20	4.60-4.70
Good mediums	4.20-5.30	4.70-5.10
Nilgiri B.O.P.	4.20-6.45	4.55-5.95

The average price realised in sale No. 29 was Rs. 4.00 per kg., as against Rs. 3.94 a week ago and Rs. 4.68 in the corresponding sale last year.

No dust sale was held this week; sale No. 29 will be held on Thursday the 26th inst.

Colombo: This week's offerings met with good general demand. Improved quality Western brokens, although opening 10 to 15 cents easier, received better support as the sale progressed and these closed at considerably dearer rates. Mediums were also well supported at dearer rates, whilst lowgrowns were irregular. The buyer for U.S.S.R. operated in this sale.

London: North Indian and other growths: In Monday's sale, the market met with good demand. Doars were steady, while the best Africans were quoted firm. Poorer kinds, however, met with less support and were easier.

Ceylon and South Indian: In Tuesday's sale offerings amounted to 26,259 packages of which 8,457 packages were from South India. There was good demand. Best Ceylons and South Indians were firm. This liquoring and poorer leaf descriptions were a weak feature.

BRISK DEMAND FOR SUGAR

(From Our Own Correspondent)

HAPUR, *23rd July*

The local sugar market displayed a steady to firm tendency this week. Demand was brisk from the Punjab, Rajasthan, Gujarat and Madhya Pradesh. Spot delivery prices were marked up by Re. 1.25 to Rs. 107.50 per quintal on good demand in the face of poor supply position. The release of increased quantity of 2.25 lakh metric tons for open sale failed to check the upward trend in prices because of rosy export prospects. Mill delivery sugar prices also advanced by 19 to 50 nP a maund on better demand. Week-end prices (in rupees per maund) were:—(D-29) Amroha 39.06, Dhampur 39.19, Meerut 39.75, Seohara 39.06, Simbhauli (E-29) 39.62, Bijnore 39 and Dhampur 38.94.

Sugar continued to display a steady to firm tone also in the Muzaffarnagar market. Although demand from Gujarat, Punjab, Rajasthan, Saurashtra and Madhya Pradesh was not very brisk, mills were unwilling to reduce prices in view of poor *gur* and *khandsari* stocks in the producing centres. Steady Kanpur advices and better outlook for export also imparted strength to the market. Prices of different varieties rose from 6 nP to 28 nP a maund. The rise was more pronounced in smaller crystals than in the bold, as the latter were already fetching high prices. At the close of the week, various crystals were commanding premia, ranging from 90 nP to Rs. 2.25 a maund over the former controlled prices.

The latest mill delivery prices (per maund) were:—A29 Iqbalpur Rs. 41.85; Daurala Rs. 41.62; Samli Rs. 41.66; Lhaksar Rs. 41.47; A29 Mansurpur Rs. 41.66; Iqbalpur Rs. 41.29; Rohana Rs. 41.57; Shamli Rs. 41.28; B29 Deoband Rs. 40.84; Lhaksar Rs. 40.63; Mawana Rs. 40.78; Rampur Rs. 40.20; Shamli Rs. 40.68; Mansurpur Rs. 40.84; C29 Mansurpur Rs. 40.28; Deoband Rs. 39.97; Daurala Rs. 40.03; Seohara Rs. 39.19; Saharanpur Rs. 39.84; Modinagar Rs. 40.00; Jagadhri 39.83; Buland Rs. 39.51; D29 Amroha Rs. 39.06; Mansurpur Rs. 39.66; Meerut Rs. 39.75; Seohara Rs. 39.06; Dhampur Rs. 39.19; Sakoti Rs. 39.37; Modinagar Rs. 39.62; E29 Simbhauli Rs. 39.50; Bijnore Rs. 38.94; Kashipur Rs. 38.56 and Bazpur Rs. 38.94.

Khandsari continued firm, as demand was fair from Rajasthan and the Punjab. Prices advanced by Re. 1.34 a maund. The rise was attributed mainly to lower stocks. Non-crystal and crystal qualities were both quoted at Rs. 93.77 to Rs. 101.81. *Khandsari* galawat was quoted at Rs. 85.74 to Rs. 91.09, crystal boora at Rs. 107.17 and *khandsari* boora at Rs. 98.46 to Rs. 101.14.

Gur displayed a firm tendency during the week. Prices of the superior quality advanced by Rs. 2.67 a quintal on brisk demand from Gujarat. Stocks were very poor at 2,000 maunds. During the week, two wagons of *gur* were loaded to Gujarat. *Gur* pansera was steady at Rs. 56.26 to Rs. 58.94 a quintal, kotha dry wet was sold at Rs. 50.91 to Rs. 53.58. Shakker prices ruled steady at Rs. 66.98 a quintal.

Slackness in demand at higher levels from Gujarat and Rajasthan accounted for a fall in *gur* prices during the week by 25 to 50 nP a maund in the Muzaffarnagar market. Chaku lost 50 nP for the dry kotha quality to be quoted from Rs. 23 to Rs. 25.50. Chaku wet was quoted at Rs. 21 to Rs. 21.50. Rasket khurpa eased to Rs. 8 to Rs. 11.50. Shakker dara red quality was quoted lower by 20 nP at Rs. 25.75 to Rs. 26.75. Shakker masala was unchanged at Rs. 26.50 to Rs. 28. Dana minja fetched from Rs. 23 to Rs. 26 on demand from Rajasthan and Jammu and Kashmir. *Gur* masala was firm at Rs. 30.00.

Gur futures moved both ways during the week. The *Fagun* contract opened at Rs. 20.80 on 16th July, touched the highest and the lowest levels of Rs. 20.93 and Rs. 20.32, respectively, in the midsession and was quoted today at Rs. 20.93.

FOODGRAINS STEADIER

(From Our Own Correspondent)

HAPUR, *23rd July*

Foodgrains were steadier here this week on reports of near drought conditions in east U.P., where *zaid* crop of maize and *guwar* had been almost completely destroyed and prospects of late paddy sowings appeared uncertain. Wheat, gram and rice prices registered modest gains. Other grains were also steady.

Wheat superior prices registered gains during the week to be quoted at Rs. 43.54 to Rs. 46.89 a quintal. Average quality prices also improved by Re. 1.34 a quintal on good consumer demand to be quoted at Rs. 40.87 to Rs. 41.53 per quintal. Red quality prices also improved by Re. 1.34 and were quoted at Rs. 40.19 a quintal. Arrivals during the week declined to an average of 200 maunds daily due to monsoonish conditions and stocks with the trade were placed around 70,000 maunds. Thanks to timely rains here, *kharif* crop prospects appeared fairly good. Gram prices also registered a hardening tendency and advanced 67 nP to Re. 1.34 a quintal on good inquiries from Madras. Arrivals were almost *nil* and stocks dwindled to 21,000 maunds. The Punjab quality gram was quoted at Rs. 42.20 and the local produce at Rs. 41.53 a quintal.

Rice displayed a steadier tendency during the week. The *mainpuri* quality and *gadda* quality advanced by 67 nP a quintal on good consumer demand. Arrivals were small, largely from *mainpuri*. Week-end prices were: Rice *basmati* superior Rs. 80.38 to Rs. 96.45, *sela* Rs. 75.02 to Rs. 80.38, *mainpuri* Rs. 54.92 to Rs. 56.26, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 54.22 a quintal.

Bejhar was well held at higher levels, but barley declined in the absence of demand. Barley arrivals continued poor, and stocks were put at 10,000 maunds. *Jowar* and *guwar* were steady, but other grains ruled quiet. Week-end prices were: Barley Rs. 28.13 to Rs. 29.47, bejhar Rs. 28.13 to Rs. 30.81, *jowar* Rs. 46.89 to Rs. 50.91, *guwar* Rs. 40.19, *methi* Rs. 61.62 and maize Rs. 29.47 a quintal.

In pulses, peas prices advanced by 67 nP to Re. 1.34 a quintal to Rs. 34.16 for *dara* and Rs. 36.17 to Rs. 37.51 for the farm quality on brisk Madras support. During the week, three wagons of peas were despatched to Madras, and stocks declined to 73,000 maunds. *Arhar* prices also advanced sharply due to good demand for conversion into *dal* as also owing to poor arrivals. *Urd* and *moong* ruled firm during the week in sympathy. But *moth* and *masoor* were quiet. Week-end prices were: *Arhar dara* Rs. 56.26, farm Rs. 61.62, *dal* Rs. 66.66 to Rs. 75.02, *urd* Rs. 80.38, *dal* Rs. 93.77, *moong* Rs. 53.58, *dal* Rs. 64.30, *masoor* Rs. 42.87 to Rs. 50.91, *dal* Rs. 53.58, gram *dal* Rs. 48.23, *moth dal* Rs. 44.21 and peas *dal* Rs. 37.51.

METALS RISE FURTHER

(From Our Own Correspondent)

CALCUTTA, *24th July*

Reports of a successful aid mission of the Finance Minister, Mr. Morarji Desai, led to expectations were that the recent cuts in metal imports would be withdrawn soon. Despite such expectations, however, firmer conditions continued to prevail in the local metals market during the week under review, and prices recorded more gains. The forthcoming meeting of the Aid-India Club in Washington is looked forward to with interest, as its proceedings would clearly indicate whether Mr. Desai's mission has been a success or not. The firmer conditions in the market were as a result of acute shortage in the face of renewed demand which is a feature of this season. At the same time, reports of surplus in some of the metals contributed to easier conditions in the important world markets.

On the London Metal Exchange, copper was maintained at £234 a ton. It would be noted that the price for the cash metal is being maintained at this rate for several weeks now, despite clear indications of surplus production and the U.S. inclination to release a sizable quantity from the strategic stockpiles. A 5 per cent reduction in output has been effected by several important mines in Africa, the United States and Chile. Kennecotts, the biggest producer of copper in the U.S., is, however, yet to announce a cut in production. This firm is currently negotiating with labour for the change in output schedule. After a mid-week fall in price on the New York Commodity Exchange, the price recovered and in fact crossed the week's opening rate. The movement either way was only fractional and insignificant. However, it was sufficient to narrow the backwardation.

In India, the absence so far of receipt of import licences for copper by actual users beyond September has caused serious anxiety to the nonferrous metals industries. The uncertainty going with the delay in New Delhi's decision on the subject can be easily understand in the light of the difficult foreign exchange situation the country is facing. Viewed thus, the report that the U.S. Government has assured Congress that its desire to cut aid to India by 10 per cent would be respected, although such a measure would not enter the Statute, only contributed to increasing the alarm. Copper supplies against D.L.F. import licences continued to arrive, but were inadequate to meet demand. This explains the continued keen demand for copper scrap, as a result of which utensil scrap also hardened from Rs. 562 per 100 kgs. to Rs. 568. Clean wire scrap was also accordingly a few points higher at Rs. 567.

Tin opened at £865 a ton in London and declined to £855 following lower demand and easier conditions in the Malayan market. The fall in the price was as a result of uncertainty in regard to the policy the U.S.A. would adopt on the proposed releases from stockpiles. Recently, it had been indicated that the releases would be spread over a period of four or five years. It had been urged on behalf of the producing countries that the U.S. should not only release the surplus in stages but also that the releases should only be made as and when the world price tended to rise above the ceiling fixed by the International Tin Council. Although it was reported that the U.S. Government was not likely to accept the recommendations of the Council in this regard, the Council decided at its recent meeting to send a delegation to Washington to put forward its view more elaborately before the American authorities. The delegation will be in Washington on 14th August. Note was taken of the Bolivian tin industry's plea to Washington that the latter's releases should not be at a price lower than £965 a ton. The uncertainty in regard to releases, it is feared, is gradually wiping out marginal producers. The fact that world output in the first quarter this year was lower than consumption is significant. According to figures released by the I.T.C., world output in the first quarter totalled 36,100 tons as against consumption of 40,500 tons. These figures do not, of course, include production of the U.S.S.R. and other Communist countries.

Tin, in Calcutta opened at Rs. 2,096.25 and gradually moved up to Rs. 2,110 per 100 kgs. The price of Rs. 2,160 per 100 kgs. in Bombay was a new record. The rise, despite easiness in world markets, was due to keen demand. On the other hand, demand for lead was at a lower level for a time, but in sympathy with the upward trend in other metals, the price moved up from Rs. 157.50 to Rs. 158.50 per 100 kgs. But the price was lower in London. Electrolytic zinc opened at Rs. 293.25 per 100 kgs. and closed at Rs. 309 in Calcutta. Demand was good. In London, an easier trend was in evidence.

KIPS FEATURELESS

(From Our Own Correspondent)

MADRAS, *23rd July*

There was no significant change in the hides and skins market here this week. Export business was patchy. Tanners held up their price ideas, while importers anticipated lower prices during the staggered August holidays and, therefore, displayed no keen interest. But there was some demand for light weight kips and lower selections in all averages. Inland demand for inferior cowhides was also in evidence. The market for buffhides and calf was dull. Arrivals of cowcalf were low and sellers were reserved, quoting fancy prices which did not attract business.

There were several inquiries from importers for tanned goat skins 5½/6 lbs. and 11/12 lbs. average, but 8/9 lbs. remained neglected. Export trading, however, was small, as tanners did not meet buyers' price ideas. Good demand persisted for heavier weight goat skins, but shippers had been in an oversold forward position. Prime and semi-prime sheep skins remained more or less neglected, but medium classes were in good demand, especially in higher average weights which had been arriving in smaller quantities.

The following were the ruling prices (in rupees) for all-round parcels, per lb. in the local market:—Tanned cowhides 8/8½ lbs. average 2.00 to 2.06, tanned cowcalf 1½/2 lbs. average 3.70 to 3.80, tanned buffhides 12/14 lbs. average 1.65 to 1.75, tanned buffcalf 1½/2 lbs. average 3.00 to 3.15.

JUTE GOODS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, *24th July*

The feeling among overseas buyers of jute goods that Indian prices had risen too high and that a break was necessary to enable them to enter into further commitments was duly reflected in the local market during the week under review inasmuch as their interest declined and prices, in turn, recorded a liberal fall. Reports that flood waters in Assam had started receding and the belief that earlier reports of damages to crop as a result of the floods had been exaggerated contributed to quiet conditions in the fibre market, and prices of most varieties, including the superior ones, recorded a fractional decline.

As was to be expected, the report of the heavy fall in the U.S. burlap consumption in the month of June had a bearish effect. Consumption was only 61 million yards, representing a decline of 12 million yards as compared to the previous month. This accounted for the rather heavy increase in the U.S. burlap stocks at the end of June to 234 million yards from 240 million yards at the end of the previous month. Throughout the week, only sparse interest was shown in bears on behalf of American buyers. This kept market circles guessing, especially because it is usually in the months of July and August that the U.S. lifts sizable quantities and enters into forward commitments. There was, therefore, the apprehension (not, of course, well-founded) whether this had any close connection with this week's bearishness on Wall Street and talks of the much feared slump. However, the majority in the trade refused to share this apprehension, and attributed this week's poor interest shown by the U.S. to their feeling that prices had risen rather high and that a lull may bring down prices to a more reasonable level. The same feeling explains why, after last month's heavy purchases, Argentina has been keeping out of the market.

However, now that prices have declined rather to levels more than perhaps desired by overseas buyers, the trade is optimistic that both Argentina and the U.S. would show interest in covering their requirements. The U.S., it was expected, would lift about 40,000 bales for July-September shipment.

It may be of interest to note that during a single day this week, prices for duty-paid 7½ oz. and 10 oz. 40" hessian fell by 10 cents to 10.20 cents and 14.20 cents per yard, respectively, in the New York burlap market. As in the last week, the U.K. was again a buyer of small quantities of hessian here and there. These factors explain this week's rapid fall in the price of hessian 40" 10 oz. from Rs. 57.50 to Rs. 53.10. It would be remembered that last month there was a time when buyers on behalf of Argentina desired to enter into further commitments at only below

Rs. 58. This was when the price was quoting Rs. 64. As such, it is reasonable to expect fresh support from Argentina, especially because the price has dropped even much below what Argentina had desired. It was thought reasonable that Argentina would soon lift about 15,000 bales for shipment in July-August.

During the week, ready B. twills fell from Rs. 128.50 to Rs. 123.50. That the fall has not been as pronounced as that in hessian should be noted. This has been so because prices of heavy goods had risen recently at a much slower pace than hessian. Besides, overseas inquiries, during the week, continued to be received in a fair number. Australia bought both B. twills and cornsacks for August-September shipment. The quantities involved were below earlier expectations in the market, and, as a result, further deals were thought to be in the offing. The quantities of heavy goods lifted by other countries, including West Africa, South America and Burma, were also of a hand-to-mouth nature. Purchases by the Government of India against its recent tender are for August-September shipment. There was great disappointment over the absence of Cuban interest, and this lent support to earlier fears of a setback in farm output in that country. It should be noted that Cuba has yet to cover its requirements for the year, and, although in view of the reported fall in agricultural production its purchases would be lower, it is expected that that country would show interest for fair quantities for August-December shipment. The small quantities now being lifted by foreign buyers affected the market sentiment, but there was optimism that overseas interest would get widened in the near future. It was also expected that more tenders from the Government of India would shortly be issued.

Meanwhile, it is unfortunate that traders continue to experience difficulties in getting customs clearance of shipments, especially those meant for the U.S. This is delaying shipments and leading to disappointment both at home and abroad. As already reported before, the customs authorities insist on clearance to be based on prices prevailing on the day shipping bills are presented. If the market prices are lower, obviously there is no difficulty. It has been pointed out on behalf of overseas buyers that, when customs authorities are refusing clearance of goods on lower-priced contracts, the former do not also desire to enter into commitments at higher prices. It is, therefore, obvious that, if the clearance difficulties continue, India's reputation for prompt delivery is at stake. The U.S. is India's best customer for hessian, and it is in regard to shipments to that country that delays are occurring as a result of the customs difficulties. The trade has urged that it is high time higher authorities intervened in the matter. Another source of anxiety to the mills and trade alike is the apprehension of a power cut. Although the proposed cut by 15 per cent has been postponed by the Calcutta Electric Supply Corporation Ltd. in deference to the Government's desires, it is to be noted that shedding has now become oftener than before. However, jute mills have been spared from this shedding. It is, therefore, good news that the negotiations, which the Government of West Bengal is conducting for increased supplies from the Damodar Valley Corporation, are reported to have been successful.

Some of the West Bengal districts, which had been experiencing inadequate rain and fearing difficulties for retting, had heavy showers during the week under review. This coupled with reports of recession of flood waters in Assam led to quiet conditions in the fibre market, with sellers keen for business at discounted rates. Mills showed only little interest. New crop arrivals increased in the agencies. The Sept Oct. daissee bottoms fell from Rs. 35 to Rs. 34.50, the Aug-Sept. northern bottoms lost Re. 1 at Rs. 31 and Assam bottoms declined by 50 nP to Rs. 31.50. Export business to the extent of 15,000 bales in lower varieties of the old crop materialised during the week. The crop has been estimated at 7 million bales, which, together with the carry-over of about 2½ million bales, is considered sufficient to meet requirements of mills as well as the export quota of 200,000 bales. The crop in Pakistan is also expected to total about 7 million bales and the carry-over in that country is placed in the vicinity of 2 million bales. Fibre prices in Pakistan were quiet during the week. Reports that as a result of the floods the crop would be affected, were circulated by interested parties, but, despite this, demand did not show any sign of revival. However, it should be stated that arrivals of new crop have been rather slow because of which loose jute was steady. Pucca bales hardly drew attention. The visit to Dacca of the Central Pakistan Minister of Commerce was followed by his assurance that the Government would do all in its power to ensure a reasonable price to the grower.

The feature on Tuesday last in the goods market was further buying of B. twills on Government account for August delivery. However, since business from other quarters was only nominal, ready B. twills eased from Rs. 128.50 to Rs. 128. Ready hessian 40" 10 oz. dropped from Rs. 57.50 to Rs. 56.75 in the absence of overseas inquiries. On Wednesday, conditions were unchanged, with the late recovery in B. twills to Rs. 128.65 attributed to exaggerated reports of floods in Assam and Pakistan. Hessian 40" 10 oz., however, eased to Rs. 56.50. At these levels fresh overseas business was lacking, and B. twills on Thursday receded to Rs. 127.10 and hessian 40" 10 oz. to Rs. 55. The futures market came under selling pressure, and, as a result, ready B. twills moved down to Rs. 124.75 and hessian 40" 10 oz. to Rs. 53.25 on Friday. Over the week-end, lower levels attracted buying support as a result of which B. twills recovered to Rs. 125.75 and hessian 40" 10 oz. to Rs. 53.75. But, with overseas inquiries lacking, trading was featureless yesterday, with ready B. twills quoted at Rs. 123.50 and hessian 40" 10 oz. at Rs. 53.10.

TARIFF CHANGE KEY TO GREATER ECONOMIC GROWTH

(*Concluded from page* 150)

to look more fully into the solid accomplishments and great potentialities of the United Nations in the vital task of promoting development.

"In conclusion, I would like to summarise what I have been saying and then give you my guess as to the progress which can be expected in the United Nations Decade of Development. I have asserted that, in the countries in transition, we are faced with one of the great revolutionary movements in all human history; that progress in this decade in speeding their development, particularly in the agricultural sector, may well be the determining factor in whether the world moves towards peace with justice or towards chaos; and, finally, that satisfactory progress can be achieved but only with intensified effort on the part of all the modernising countries and substantially improved administration of external aid programmes.

"Now for my forecast. I believe that fifteen, perhaps twenty, of the less-developed countries will make a break through from poverty to decent living standards by 1970. And nothing is so much needed today as examples of countries which, under free institutions, have achieved such a break through. Further, the momentum built up in achieving this goal would assure further gains in the decades ahead and perhaps make a reality of this century's greatest dream—and that is that, by the year 2000, poverty, illiteracy and chronic ill-health will have been wiped from the face of the earth."—*P. G. Krishnayya's News Service.*

BANKING

(*Concluded from page* 152)

Some of the other important suggestions of the Seminar are: (1) A credit information bureau be organised jointly with the State Bank of India and the Exchange Banks' Association. (2) A clearing house be provided at all places having about five banking offices if the volume of cheques warranted it.

Finance for Foreign Trade

After examining the need for and the methods of, financing foreign trade, the Seminar made the following recommendations which have a direct bearing on export promotion:

The procedure prescribed for borrowing by banks from the Reserve Bank against export bills under the Bill Market Scheme should be simplified so that refinance is available (i) on the aggregate amount of export bills outstanding at any time, (ii) on a single signature of the Bank, and (iii) for a period upto 180 days.

Refinance required for medium and long-term export credits should be provided by the Refinance Corporation for Industry.

The coverage extended by the Export Risks Insurance Corporation (E.R.I.C.) in respect of packing credit policies for pre-shipment advances by banks should be extended from 50 per cent. to 85 per cent. of the risk involved.

E.R.I.C. should consider the possibility of providing post-shipment cover whenever required by the banks without the intervention of the exporter.

To provide adequate incentives, the E.R.I.C. should consider granting a "no claim bonus" to the exporter.

In order to bring about greater co-operation between E.R.I.C. and the banks, frequent consultations between the two should take place on matters of mutual interest, including the settlement of claims. For this purpose the Indian Banks' Association should constitute an Advisory Committee of banks.

To provide more incentives private commercial banks, which finance exports from the stage of manufacture to the point of shipment, should be given the due share in the resultant foreign exchange business even though such exports might subsequently be channelled through the State Trading Corporation.

The Seminar adopted a resolution recommending the introduction of consumer and personal loans as and when conditions justified them. It advised banks to consider the feasibility of introducing gradually some of the services rendered by banks in other countries such as prompt payment or Teller System, drive-in-banks, night safe service, personal money orders, festival clubs, gift cheques, collection of salary and pension bills, preparation of income-tax returns, etc. Perodical surveys of customers opinions were also suggested. The Seminar felt that, since the pay scales and conditions of service of bank employees are laid down on an all-India basis by comprehensive awards by Tribunals, banks should be exempt from the numerous State enactments relating to labour. It adopted a resolution urging the Indian Banks' Association to make suitable representation of the Government in this regard.

Notices

BRITISH PAINTS (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company, 32 Chowringhee Road, Calcutta-16, at 11 a.m. on Tuesday the 21st August, 1962, to consider and, if thought fit, to pass the following resolutions with or without modification:

(*a*) AS A SPECIAL RESOLUTION:

"That in view of the proposal contained in the next succeeding resolution that Mr. Robert Alfred Godwin be appointed a Director of the Company, consent be and is hereby accorded to Mr. Robert Alfred Godwin holding and continuing to hold an office or place of profit under the Company as Technical Director or such other office or place of profit as the Directors may from time to time decide, upon such terms as to remuneration and otherwise as the Directors may from time to time determine, subject to the Central Government's approval and, in the meantime, on the terms set out in the Resolution of the Board of Directors passed on the 27th June, 1962, a copy of which has been laid on the table and signed by the Chairman for the purpose of identification."

(*b*) AS AN ORDINARY RESOLUTION:

"That due notice in writing signifying the intention of a Member to propose him as a Director having been left at the Registered Office of the Company pursuant to Section 257 of the Companies Act, 1956, Mr. Robert Alfred Godwin be and is hereby appointed, subject to the approval of the Central Government under Section 269 of the said Act, as a Director of the Company."

By Order of the Board,
BRITISH PAINTS (INDIA) LIMITED,
S. R. ROY,
Secretary.

CALCUTTA, 20*th June*, 1962.

N.B. (1) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote, instead of himself and the Proxy need not be a Member.

(2) Explanatory Statement as required by the Companies Act, 1956, has been posted to the Members along with the notice.

PHILLIPS CARBON BLACK LIMITED

Registered Office:

31, NETAJI SUBHAS ROAD, CALCUTTA

AMENDED NOTICE OF BOOK CLOSING IN RESPECT OF ISSUE OF RIGHT SHARES

THE REGISTER OF MEMBERS AND SHARE Transfer Books of the Company will be closed from 13th August to 16th August 1962, both days inclusive, instead of 30th July to 16th August 1962 as published previously.

By Order of the Board,
DUNCAN BROTHERS & CO., LTD.,
Secretaries & Treasurers.

23*rd July*, 1962.

MADRAS STOCK EXCHANGE OFFICIAL YEAR BOOK

From 1952 to 1961, the authorities of the Madras Stock Exchange, which will be celebrating its Silver Jubilee in September next, have been regularly bringing out every year the *Official Year Book* to render useful service to the investing public and help it assess the strength and merits of its holdings in shares, securities and debentures. And it goes without saying that, during all these nine years, the *Year Book* has been another valuable guide for investors in the country. Way back in 1933, when trunk telephone facilities were established, Madras and the surrounding principal cities came to be in constant touch over the telephone with the main financial centres of Bombay and Calcutta. The sphere of interest and activity on the Madras Stock Exchange has broadened since then. Rightly therefore has the *Year Book* not confined itself to the corporate sector in the South but covered all the leading companies of the country, old and new alike. The recently brought out ninth edition of the *Year Book* is in keeping with its rich traditions. It contains systematically revised and up-to-date information on companies, details relating to the Central and other State loans, schedule of income-tax, rates of estate duty and other taxes, official quotations of securities on the Bombay, Calcutta, Madras and other stock markets on selected dates to help wealth tax and capital gains tax assessments and the text of the Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder. At Rs. 12.50, it is priced Rs. 2.50 higher than the eighth edition, but then its size has also been increased by 33 pages to 1,141 pages.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 20th July 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	49,32,64,000
(ii) State Governments	14,28,17,000
(b) Banks—	
(i) Scheduled Banks	106,84,19 000
(ii) State Co-operative Banks	1,73,89.000
(iii) Other Banks	2,15,000
(c) Others	193,63,50,000
Bills Payable	35,80,64,000
Other Liabilities	18,05,70,000
Rupees	572,70,88,000

ASSETS	Rs.
Notes	16,30,62,000
Rupee Coin	1,87,000
Small Coin	3,58,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,45,000
(ii) State Co-operative Banks	11,89,76,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,82,84,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	67,45,20,000
Balances Held Abroad*	4,51,33,000
Loans and Advances to Governments†	17,69,59,000
Loans and Advances to—	
(i) Scheduled Banks‡	63,30,000
(ii) State Co-operative Banks§	115,22,76,000
(iii) Others	92,57 000
Investments	275,63,01,000
Other Assets	35,51,00,000
Rupees	572,70,88,000

* Includes Cash and Short-term Securities.
† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
‡ Includes Rs. 22,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,30,62,000	
Notes in circulation	2060,76,21,000	
Total Notes issued		2077,06,83,000
Total Liabilities		2077,06,83,000
ASSETS	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	89,34,17,000	
Total		207,10,27,000
Rupee Coin		118,13,43,000
Government of India Rupee Securities		1751,83,13,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2077,06,83,000

State Bank of Pakistan

Statement of Affairs for the week ended 13th July, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits:—	
(a) Central Government	6,70,95,000
(b) Provincial Governments	3,87,86,000
(c) Banks	22,36,99,000
(d) Others	100,67,33,000
Bills Payable	32,50,000
Other Liabilities	16,08,24,000
Rupees	159,68,87,000

ASSETS	Rs.
Notes	11,36,87,000
Rupee Coin	20,000
Subsidiary Coin	40,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	23,60,45,000
Loans and Advances to Governments	8,35,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	37,74,55,000
Investments	67,34,29,000
Other Assets	11,27,11,000
Rupees	159,68,87,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,36,87,000	
Notes in circulation	367,77,02,000	
Total Notes issued		379,13,89,000
Total Liabilities	....	379,13,89,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	66,50,60,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		134,52,68,000
B. Rupee Coin	3,87,01,000	
Government of Pakistan Securities	234,84,14,000	
Internal bills of exchange and other commercial paper	....	
		238,71,15,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	379,13,89,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 36.96 per cent.

State Bank of India

Statement of Affairs for the week ended 20th July, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		578,19,65,000
Borrowings from Other Banking Companies, Agents, etc.		21,00,000
Bills Payable		12,61,27,000
Bills for Collection being Bills receivable as per contra		2,53,63,000
Acceptances, Endorsements and Other Obligations per contra		7,95,50,000
Other Liabilities (including Inter-Office Adjustments)		12,57,85,000
Total .. Rs.		627,91.40,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		25,01,39,000
Balances with other Banks		4,08,37,000
Money at Call and Short Notice		2,66,66,000
INVESTMENTS—		
Government and other Trustee Securities	247,39,65,000	
Other Authorised Investments	8,81,32,000	
		256,20,97,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	268,11,57,000	
Bills Discounted and Purchased	15,40,83,000	
		283,52,40,000
Bills Receivable being Bills for Collection as per contra		2,53,63,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,95,50,000
Premises less Depreciation		1,94,07,000
Furniture and Fixtures less Depreciation		1,56,53,000
Other Assets (including Inter-Office Adjustments)		42,41,88,000
Total .. Rs.		627,91,40,000

EXCHANGE RATES

	25th July 1962	18th July 1962
London on New York S. per Dollar	2.8063-2.8066	2.8073-2.8076
New York on London Cents per £	280.600-280.640	280.740-280.770
London on Paris .. Fcs.	13.7515-13.7535	13.7550-13.7570
London on Berne .. Sw. Fcs.	12.1250-12.1270	12.1140-12.1160
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.00	476.75
Buyers T.T. Rs. to $ 100	473.50	473.50
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	443.75	444.25
Buyers T.T. .. "	436.75	436.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.60
Buyers T.T. .. "	103.70	103.70
Swiss Francs—		
Sellers T.T. D.D... "	90.50	90.40
Buyers T.T. .. "	91.40	91.40
Deutsche Marks—		
Sellers T.T. D.D... "	83.40	83.40
Buyers T.T. .. "	84.40	84.30
Italian Lire—		
Sellers T.T. D.D... "	12,975	12,980
Buyers T.T. .. "	13,150	13,150
Swedish Kroner—		
Sellers T.T. D.D... "	107 80	107.80
Buyers T.T. .. "	108.90	108.90
Belgian Francs—		
Sellers T.T. D.D... "	1,039	1,039
Buyers T.T. .. "	1,055	1,055
Dutch Guilders—		
Sellers T.T. D.D... "	75 20	75.20
Buyers T.T. .. "	76.10	76.10
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.60
Buyers T.T. .. "	151.00	151.00
Danish Kroner—		
Sellers T.T. D.D... "	144.70	144.60
Buyers T.T. .. "	146.00	146.00

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 13-7-62	6-7-62	14-7-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	50,83	52.25	47,8 9
(ii) From others	779,99	775,80	720,45
(b) Borrowings from banks	19,44	19.09	25,66
(c) Others	55,77	56,95	51,70
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	25,89	27,41	24,96
(ii) From others	1,208,86	1,239,37	1,064,35
(b) Borrowings from banks	31,73	17,48	19,22
(c) Others	10,10	10,37	22,68
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	1,988,85	2,015,17	1,784,80
4. Borrowings from Reserve Bank	2,19	1,48	4,85
(a) Against usance bills and/or promissory notes	55	90	3,42
(b) Others	1,64	58	1,43
5. Borrowings from State Bank and/or a notified Bank	17,64	16.96	14,35
6. Cash	51,74	54.66	47,00
7. Balances with Reserve Bank	89,54	108,52	90,78
8. Cash and balances with Reserve Bank	141,29	163,18	137,77
9. 8 as per cent of 3	7.10	8.10	7.72
10. Balance with other banks in current account	17,99	19,33	15,64
11. Money at call and short notice	45,73	47,33	45,59
12. Investments in Government securities	578,66	598,72	551,04
13. 12 as per cent of 3	29.10	29.71	30.87
14. Advances—			
(a) Loans, cash credits and overdrafts	1,244,14	1,245,15	1,102,49
(b) Due from banks	6,85	7,12	4,79
15. Inland bills purchased and discounted	125,41	130,15	112,09
16. Foreign bills purchased and discounted	42,59	42.36	42,79
17. Total Bank Credit [14 (a)+15+16]	1,412,13	1,417,67	1,257,37
18. 17 as per cent of 3	71.00	70.35	70.45

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 14th July 1962	7th July 1962	16th June 1962P	15th July 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.6	100.7	100.7	101.1
2. Government of India	100 4	100.5	100.5	101.0
3. State Government	102.1	102 1	102.0	102.1
4. Municipal, Port Trust, etc.	99.1	99.2	99.2	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.1	99.8	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.5	81.7	83.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	184.4	185.6	188.9	182.6
8. *Agriculture and Allied Activities: Total**	157.4	158.1	161.5	170.8
9. Tea Plantations	149.5	150 1	153.6	166.1
10. Coffee Plantations	150.8	151 2	153 0	178.8
11. Rubber Plantations	165.9	167.5	169.3	173.4
12. *Mining and Quarrying: Total*	159.8	161.2	164.4	165.1
13. Coal	124 6	126 8	129 1	131 3
14. Other Mining	183.9	184.8	188.7	188.2
15. *Processing and Manufacturing: Total*	201 0	202.3	205.9	197.3
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	208.1	209.3	212.7	202.7
17. Sugar	137.2	137.7	137.7	158.8
18. Cotton Textiles	181.3	182 4	187.5	173.0
19. Jute Textiles	102.3	103 0	104 3	88.1
20. Silk and Woollen	1,222.4	1,228.2	1,204.2	1,205 2
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	205 6	206 7	209.4	209.2
22. Iron and Steel	162.8	162 6	163.6	176.7
23. Transport Equipment	385 1	386.1	389.2	416 4
24. Electrical Machinery	176.9	182.0	184 9	167.5
25. Machinery other than Transport and Electrical	234.1	237.5	244.8	214.3
26. Basic Industrial Chemicals	193.5	195.4	196.0	215.8
27. *Processing and Mfg. (Others): Total**	171.1	172 8	178.6	159.1
28. Cement	157.2	159.6	166.2	141.5
29. Paper	220 0	223 5	229.3	209 9
30. *Other Industries: Total**	111.9	112.5	115.0	109.8
31. Electricity Generation and Supply	86 3	86.2	86 2	83.0
32. Trading	119.9	122 5	126.9	124.2
33. Shipping and Other Transport	90.6	91.4	93.5	99 3
34. Construction	288.2	289.3	319 3	282.8
35. *Financial: Total*	205.8	206.8	209.7	200.6
36. Banks	229.5	230 2	234.0	225.3
37. Insurance	168.1	170.4	170.8	155.0
38. Investment Trusts	87.5	88.2	88.9	90.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	192.3	193.2	195.9	190.2
40. Calcutta	170 7	172 1	176.1	168 1
41. Madras	193 0	193.7	196.3	195.5
42. Delhi	240.2	240.7	247.5	246.9

* Including 'Miscellaneous. † Including Edible and Vegetable Oils. P=Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	23rd June 1962	16th June 1962	24th June 1961	April 1962	April 1961	Percentage of Increase (+) or Decrease (—) in April 1962 as compared with April 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	124.8	124.1	122.2	120 5	117.6	+ 2 5	120 1	120.0
Cereals	192	105.3	105 2	102.8	102.8	99 3	+ 3 5	102 3	104 4
Pulses	42	102.1	101.8R	91 0	93 6R	87 6	+ 6 8	91 9	92.9
Fruits and Vegetables	23	141.4	140.9	131 9	140 0	116 3	+20 4	137 6	118 5
Milk and Ghee	84	123.1	123.1	115.2	123 7	116 4	+ 6.3	116 4	116 0
Edible Oils	47	152.3	152.1	165 3	150 9	161 2	— 6 4	156 5	150 3 R
Fish, Eggs and Meat	17	141.2	138 2	131.2	137 2R	125 1	+ 9.7	135 4	123 5
Sugar and *Gur*	48	139.8	134 6	126.4	124 8	118 5	+ 5 3	119 6	132 8
Others	50	168.0*	168.5	182.9*	158 7	171 1	— 7 2	171 6	167 8
Liquor and Tobacco	21	99.5	98.7	98.6	98 8	112 0	—11.8	100 3	109.9 R
Tobacco	..	96 0	95.1	95.0	95 2	109 2	—12 8	96 8	108 3 R
Fuel, Power, Light and Lubricants	30	124.3	124 2	123.3	122 4	121 5	+ 0 7	122 1	120 0 R
Industrial Raw Materials	155	136 5	135 9	150.3	135 1	153 1	—11 8	142 6	145 4
Fibres	61	127.1*	127 3*	151.8	126 0	164.7	—23.5	138 3	151.6
Oilseeds	60	152.6	150.8	163 5	149 9	157 0	— 4.6	156.4	149.9
Minerals	2	93.4*	93.8*	95.2*	94.5	95 2	— 0.7	94.9	97.4
Others	32	126.8*	127 0*	126.4	127.3	127 0	+ 0.2	128.1	128.0
Manufactures	280	128 5	128 7R	126 6	126 8	127 5	— 0 5	126 6	123 9
Intermediate Products	41	139.3	140 0R	140 7	136 9R	136 0	+ 0 7	138 8	130 6R
Finished Products	249	126.8	126 9R	124.8	125 2	126 1	— 0.7	124 6	122 8
Textiles	147	126.3	126.6R	125.9	125.1	129 8	— 3.6	125.5	125.8
Cotton	..	129.6*	129.6*	127.4*	128.4	127 7	+ 0.5	127 9	128 1
Jute	..	117.1	118.5	126 6	115 0	142.2	—19 1	122.4	131.4
Woollen	..	127.5*	127 5*	123 7*	128 1	116 6	+ 9.9	122.7	109.1
Silk and Rayon	..	128.5*	130.9*	116.5*	128 6	116 8	+10.1	119 9	104 4
Metal Products	12	160.4	160 4R	151.6	152.0	151 4	— 0.4	151 6	147 9R
Chemicals	20	113.7	113 7R	109.4	112.5R	106.3	+ 5.8	110.7	104 4
Oil Cakes	10	155.6	154 8	145 2	150.6	143.6	+ 4 9	147 5	141 3
Machinery and Transport Equipment	31	117.6	117.6	112.8	117.5	112 6	+ 4.4	114 5	111 9
Others	30	124.7	124.7	120.3	123.3	118.9	+ 3.7	121.3	116.1 R
All Commodities	1,100	127.1	126.7R	127.4	124.2	126.0	— 1.4	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 ,, ...	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 ,, ...	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 ,, ...	126	431	121	352	102	131	400	148	127	113	106	123	111	150
January 1961 ..	123	419	119	358	100	131	387	146	122	111	103	120	109	148
February ,, ..	123	420	119	350	102	130	392	147	123	111	103	119	109	148
March ,, ..	124	423	119	349	101	129	395	148	124	111	104	121	109	149
April ,, ..	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May ,, ..	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June ,, ..	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July ,, ..	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August ,, ..	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. ,, ..	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. ,, ..	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. ,, ..	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. ,, ..	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962 ..	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February ,, ..	127	438	119	362	107	131	402	149	129	115	109	127	118P	152
March ,, ..	127P	439	121	357	105	131	405	149	129	113	109	127	..	152
April ,, ..	127P	439	121	355	102	..	413	149	129	113	111	127	..	152
May ,, ..	128P	443	..	361	..	..	418	..	127	113	111	128	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% C Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1958-59 ..	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60 ..	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61 ..	1,24	2,46	81.50	82,53	287,30	228,77	297.77	18.36	—42,00	1,70	95	38,80	16,14	37,34	69	3 38	329,98	770,80
1961-62 ..	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. ,, ..	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May ,, ..	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June ,, ..	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July ,, ..	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. ,, ..	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. ,, ..	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962 ..	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. ,, ..	89	1,93	67,31	5.58	339,65	17,64	310,05	17,39	—42,42	3.67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. ,, ..	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April ,, ..	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May ,, ..	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	1,16,17,46,000	1962-65	98.85
3 % Loan	1950	80,33,10,000	1964	96.85
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96.55
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89.20
2½% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	99.50
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,52,67,92,000	1965	99.65
3½% N. P. Bonds	1956	1,97,93,00,000	1967	98.75
3¾% Loan	1956	86,63,53,000	1974	99.15
3¾% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	49,17,27,000	1972	99.35
3½% Loan	1958	58,05,92,000	1963	99.95
3¾% Loan	1958	70,00,00,000	1968	98.10
3¾% Loan N.P.B.	1958	64,33,90,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.20
3½% Loan	1959	1,47,90,98,000	1969	98.00
4 % Loan	1959	81,06,39,000	1979	98 60
4 % Loan	1960	98,03,48,000	1980	98 60
3½% Bonds	1960	82,65,41,000	1966	99 70
4 % Loan	1961	65,63,00,000	1981	98.60
4½% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	70 25
3 % Loan	1946	2,48,91,33,000	K.	68.75
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	98.20
3 % Maharastra	1949	5,20,97,000	1st Aug. 1962	99.70
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	100.25
4½% Maharastra	1958	6,48,62,000	15th July 1970	100.25
4½% Maharastra	1958	4,31,45,000	15th July 1971	100.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2.76,71,000	13th Oct. 1970	98.35
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.75
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.25
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.85
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.40
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	99.85
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.25
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.35
4 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.25
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	98 25
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	98 00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
30,00,000	4	1913	1974	95.00
38,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,53,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
£835.106	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000†f	3	1947	1977	A
3,00,000†f	3	1949	1979	
45,00,000†t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1965	£95.50
£328,600		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
50,00,000	3	1937	1962	98.00
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
3,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	2½	1951	1966	96 00
92,19,000†	4	1952	1964	99 00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99 00
4,40,00,000	4½	1958	1970	99 00
5,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.25
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98 00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.25
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00 00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	98 25
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.25

ABBREVIATIONS. N—Nominal. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 26th July 1962.

	Closing quotations 19-7-1962	High	Low	Closing quotations 26-7-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	172.50	—	—	170.50
Apollo (2)	2.08	2.32	2.06	2.24
Baroda Rayon (100) ..	133.50	139.00	133.00	137.00
Bombay Dyeing (25) ..	66.10	67.70	66.30	67.20
Bradbury (50) ..	185.00	—	—	185.00
Central India (100) ..	136.00	140.00	135.00	140.00
Century Mills (100) ..	597.00	616.00	596.50	610.50
Coorla Sp. (100) ..	160.00	160.00	150.00	150.00
Dawn (50) ..	153.00	165.00	152.50	165.00
Edward Textile (200) ..	349.00xd	—	—	349.00
Elphinstone (50) ..	101.00xd	115.00	102.00	113.00
Finlay (100)	297.00	305.00	297.00	305.00
Gokak (100)	186.00	192.00	185.00	192.00
Gold Mohur (100) ..	230.00	232.50	230.00	231.25
Gwalior Rayon (10) ..	57.00	60.00	56.50	59.50
Ind. Untd. Defd. (1) ..	3.24	3.54	3.24	3.42
Ind. Untd. Ord. (10) ..	21.68	24.80	21.88	23.76
Indian Rayon (100) ..	101.00	105.00	97 00	103.50
Indore Malwa (100) ..	176.00	178.00	175.00	178.00
Khatau (100) ..	447.50	465.00	447.50	462.50
Kohinoor (100) ..	294.00	303 50	295.00	301.00
Mafatlal (100) ..	801.25	805.00	785.00	805.00
Minerva Mills (100) ..	85.00xd	—	—	85.00
Model Nagpur (250) ..	125.00	130.00	125.00	130.00
Morarji (100)	388.00	400.00	388.00	400.00
Mysore (50)	60.00	61.30	59.80	61.30
National Rayons (100)	490.50	504.00	488.00	498.00
New City (100) ..	181.00	—	—	181.00
New Great (100) ..	288.00	280.00	275.00	280.00
Phoenix (100) ..	240.00	251.00	240.00	251.00
Podar Mills (100) ..	130.00xd	133.00	130.00	133.00
Raymond Woollen (100) ..	143.00	142.00	139.50	141.00
Sassoon Silk (10) ..	14.88	—	—	14.88
Sassoon Spg. (10) ..	58.00	—	—	58.00
Shrinivas (100) ..	250.00	266.00	252.00	263.00
Simplex (50)	163 00	165.00	161.00	163.00
Standard (100) ..	838.00	876.00	830.00	858.00
Svadeshi (100) ..	263.00	268.00	261.00	266.75
Swan (100)	285.00	290.00	285.00	290.00
S. I. Viscose (100) ..	162.00	169.00	162.00	168.00
Tata Mills (25) ..	61.50	64.00	61.00	63.50
Lakshmi-Vishnu (100).	135.00	135.00	133.50	134.50
Western India (250) ..	802.50	—	—	860.00XR
BANKS				
Bank of India (50) ..	116.00	118.00	117.00	118.00
Do. (New) (50) ..	118.00	—	—	119.00
Bank of Baroda (50) ..	93.00	99.00	95.00	99.00
Central (25)	63.50	64.50	63 20	64.50
Central 'A' (25) ..	64 00	66.00	64.50	66.00
Dena Bank (50) ..	58.00	—	—	59.00
Punjab National (10) ..	20.76	20.76	20.36	20.36
Union Bank (5) ..	6.40	6.48	6.36	6.48
United Com. (50) ..	88.00	89.50	89.00	89.00
Maharashtra (50) ..	62.00	65.00	64.00	65.00
ELECTRIC COS.				
Ahmedabad (100) ..	89.00	91.50	89.20	91.50
Amalgamated (10) ..	10.12	10.12	10.00	10.12
Andhra Valley (1,000).	1,022.50	1,030.00	1,022.50	1,030.00
Bom. Sub. El. (100) ..	103.75	104.00	103.50	104.00
Surat (100)	97.50	—	—	97.50
Tata Hydro (100) ..	112.50	113.00	112.25	112.50
Tata Power (1,000) ..	1,110.00	1,125.00	1,110.00	1,125.00
INSURANCE COS.				
British India (10) ..	12.52	—	—	12.52
Indian Mercantile(40)	58.00	—	—	58.00
New India (15) ..	67.00	68.50	66.50	68.50
New India 'A' (15) ..	70.00	70.00	69.00	70.00
Vulcan (10)	18.00	—	—	18.00
STEEL COS.				
Ind. Iron (10) ..	25.55	25.95	25.45	25.80
Mukand Iron (10) ..	24.24	26.10	24.24	25.75
Tata Steel Ord. (75) ..	145.00	147.75	145.25	147.00
SUGAR COS.				
Belapur (50)	225.50	241.00	225.50	238.50
Bhopal (10)	21.24	—	—	21.24
Changdeo (12.50) ..	24.12	—	—	24.12
Maharashtra (50) ..	155.00	166.00	154.00	162.00
Phaltan (50)	98.50	103.50	98.00	101.50
Walchand Ind. (100) ..	154.00	160.00	153.50	160.00
CEMENT COS.				
Associated Cts (100) ..	153.75	154.50	152.25	154.00
Digvijay (100) ..	187.00xd	195.00	188.00	193.00
Orissa (10)	17.00	17.40	17.00	17.32
MISCELLANEOUS				
Alcock Ashdown (100).	315.00	325.00	314.00	324.00
Amar Dye-Chem (100).	267.50	282.50	265.00	278.75
Bom. Burmah (125) ..	639.00	661.00	637 50	655.00
Do. (New) (50) ..	251.25	257.50	247.50	256.00
Br. B. Petrol (1½ sh.) ..	1.94	2.92	1.96	2.80
Br. I. Corpo. (5) ..	8.76	9.00	8.76	8.76
Cooper Eng. (100) ..	178.00	179.50	177.50	178.50
Colour Chem. (100) ..	415.00	437.50	415.00	437.50
Hind Cycle (100) ..	118.00	45.25	44.50	45.25
Hindustan Lever (10) ..	45.00	116.00	111.00	111.00
Hindustan Motors (10).	18.52	20.28	18.56	19.96
I. C. & Invest. Corporation (100) ..	89.50	—	—	89.50
Indian Dyestuff (100) ..	435.00	462.50	435.00	452.50
Indian Copper (2 sh.) ..	4.76	4.92	4.78	4.90
Ind. Inv. Tr. (100) ..	75.00	—	—	75.00
Killicks (100) ..	84.40	86.50	84.00	86.50
Larsen & Toubro (10) ..	26.75	28.25	26.75	27.85
Mahindra & Mahindra (10) ..	16.76	17.76	17.00	17.48
New Central Jute (10).	15.60	15.76	15.60	15.76
Polychem (50) ..	170.00	197.50	170.00	191.25
Polson (100)	186.00	—	—	186.00
Pre. Automobiles (100)	123.50	127.25	123 25	126.00
Premier Con. (80) ..	148.50	155.00	148.00	152.00
Scindia (20)	11.40	11.72	11.40	11.72
G. E. Shipping (10) ..	12.00	12.08	12 00	12.08
Shivrajpur (10) ..	33.50	34.25	32.50	33.50
Sirpur Paper (10) ..	13.00	14.56	13.00	14.12
Synthetics and Chem. (100) ..	200.00	219.00	200.00	215.00
Tata Chemicals (10) ..	14.76	15.44	14.72	15.24
Tata Locomotive (100)	318.00	331.50	319.00	322.00
Tata Oil (25)	67.50	73 50	67.50	73.50
Texmaco (10) ..	23.40	23.52	23.00	23.52
Voltas (100)	265 50	270.50	262 25	267.50
W. I. Match (100) ..	266.00	273.00	264.00	272.00
W. Coast Paper (100) ..	161.00	170.00	161.00	166.50

GOVERNMENT SECURITIES	19-7-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	26-7-1962 Rs.
2½% 1962	99.55	—	4.10	99.55
2½% 1976	83.50	—	4.33	83 50
3 % 1964	98.70	—	3.35	98.70
3 % 1963-65 ..	98.80	3.88	3.36	98.80
3 % 1966-68 ..	96.35	3.94	3.64	96 60
3 % 1970-75 1st Dev.	89.20	4.55	4.09	89.10
3 % 1986 Con. Loan ..	69.00	—	4.36*	68.70
3½% 1964 N. P. Loan.	99.90	—	3.54	99.90
3½% 1965 N. P. Bonds	99.65	—	3.60	99.75
3½% 1967 N. P. Bonds	98.70	—	3.79	98.70
3½% 1974	99.20	—	3.83	99.20
3½% 1967 N.P. Bonds.	99.50	—	3.86	99 50
3½% 1969 Loan ..	98.00	—	3.83	98.00
3½% 1968	98.15	—	3.85	98.15
3½% 1963 N.P. Bonds.	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds.	99.20	—	3.85	99.40
4 % 1972 Loan ..	99.20	—	4.08	99 40
4 % 1973 Loan ..	99.20	—	4.11	99 20
4 % 1979 Loan ..	99 00	—	4 10	98 75
3½% 1966 Bonds ..	99.60	—	3.60	99.65
4 % 1980 Loan ..	98.50	—	4.10	98.75
4 % 1981 Loan ..	98.70	—	4.10	98.70
4½% 1985 Loan ..	100.00	—	4.49	100.25

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

COMMERCE

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

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MORE REALISM NEEDED IN WESTERN EUROPE

REPORTS from Brussels and London on the treatment to be accorded to Indian goods by the European Economic Community (E.E.C., for short; also known as the Common Market) when Britain joins it are not reassuring. They show that, despite the reiteration by the Governments of Common Market countries of their appreciation of India's need for an expanding export market, their deputies at the negotiating table have taken an inflexible attitude. Notwithstanding all the explaining done by India's Finance Minister, Mr. Morarji Desai, to the top members of the British and Common Market Governments, the position seems to be where it was before he went to Europe. As early as on 13th June, the spokesmen of the E.E.C. were reported to have taken the stand that imports of Indian cotton textiles into the U.K., which are now duty-free, should be subjected to an import duty right from the beginning of Britain's entry into the Common Market and that the full external tariff common to all the E.E.C. countries should be brought into force by the end of the transitional period, which, it was believed, would be 1970. In making this condition, they were only accepting *in toto* the proposal put forward by the British Government. So far as the other goods were concerned, as, for instance, tea, tobacco, hides and skins and jute manufactures, they were unwilling to accept even the British proposals, let alone those of India. Their contention was that these should be subject to negotiations for a trade agreement with the countries concerned. One report claimed that, as against the British proposal of no tariffs on imports of tea from the Commonwealth nations, the E.E.C. spokesmen wanted that commodity also to be treated more or less in the same fashion as cotton textiles. This attitude suggested that they were prepared to accept only those British proposals that suited them and reject the rest.

It was hoped in this country that, as a result of Mr. Morarji Desai's talks with the Ministers of Common Market countries and the suggestions made by Mr. K. B. Lall, Indian Commissioner-General for Economic Affairs in Europe, a liberal stand would be taken towards India and other Asian members of the Commonwealth. But from what Mr. Lall said in Brussels on Wednesday this week, it looks as though this hope will not be fulfilled, unless, of course, the Ministers reverse the decisions taken by their deputies. This prospect is not in consonance with the favourable outcome of the Aid-India Club meeting at Washington on 30th and 31st July. At that meeting, the European members of the Consortium recognised India's need for foreign aid, but the same members are reluctant to concede even those measures that are designed to make sure that India's export trade does not suffer as a result of Britain becoming a member of the Common Market. Actually, it will not be enough if India only maintains its exports to Britain and the members of the European Economic Community. It has to increase them by 15 to 20 per cent if its development plans are to be successfully implemented. How can it do so, if fresh impediments of the type proposed by the E.E.C. are placed in its way?

Full details of the proposals made by the deputies of the Common Market countries are not available. But even the little that is known is sufficiently disturbing. Thus, it is said that Britain should impose the common external tariff on cotton textiles in three stages as was proposed by that country itself in its note submitted in June, that is, 30 per cent of the external tariff which is 18 per cent as soon as Britain joins the Market, another 30 per cent 18 months later and the balance by the time the E.E.C. countries themselves apply the final external tariffs, that is, 1970. The only new feature is the inclusion of an arrangement to guarantee a specified quantity of textile imports till 1966, but it is not known what this quantity will be. On all other manufactures from India, the common external tariff should be made applicable in a period of seven years at the rate of 15 per cent every year. This would mean that, by 1970, all the preferences which India is now enjoying in Britain will be eliminated. The position in regard to tea, jute and oilseeds is still not clear, while a modest reduction in the common external tariff from 9 to 5 per cent is proposed in regard to kips.

The implications of the stand now being taken by the Common Market countries were briefly and yet clearly stated by Mr. Lall in a talk with Pressmen in London and Brussels. The net effect would be a shrinkage in India's exports to Britain (which amount to about a third of its total exports), with no clear prospect of any improvement in its exports to the expanded Community as a whole. The negotiators for the Common Market do not realise that India is being asked to accept a major change in its pattern of trade and assume a large risk. They have, of course, proposed that the Community, on the one hand, and India, Pakistan and Ceylon, on the other, should enter into a comprehensive trade agreement. This proposal technically satisfies the requirements of G.A.T.T., but "the declaration of intent concerning this agreement," to quote Mr. Lall, "is too vague." "While the progressive application by Britain of the Community's common external tariff on goods imported from India, Pakistan and Ceylon has been specifically laid down, any measures which would benefit the trade of these countries are left in the air. There is not even an implied indication of the lines on which the new trading arrangement with the developing Asian nations of the Commonwealth would be based." This approach, to say the least, is most unfair. Mr. Lall was, therefore, perfectly justified in asserting that "a country which has to depend on export earnings needs some definite assurances before it could be expected to forgo the beneficial arrangements it has been enjoying." We in this country are unable to understand as to why the Common Market countries hesitate to give adequate and satisfactory assurances to safeguard India's reasonable trade needs (as well as those of Pakistan and Ceylon). They are rich in every sense of that word and can afford to take some risks, whereas India is poor in every sense of that word, with no reserves left to face the prospect of a setback in its exports. The European countries are free from unemployment, whereas India is suffering from heavy unemployment. Besides, they have no population problem of the type confronting India. The Commonwealth preference system has not stood in the way of their economic growth and prosperity. It is not India which wants this system to be eliminated but the members of Western Europe. They feel that it would do them good if they united themselves politically and economically. India has no objection to their thus getting together. All that it wants is a fair opportunity to trade. What appears to be a fair commercial policy for a developed country, it needs to be added here, cannot be equally fair to an underdeveloped country. It is neither realism nor far-sightedness for the rich European countries to believe that they can safeguard their high living standards for ever by putting up a high tariff-cum-quota wall against the goods of over-populated and relatively underdeveloped countries. They do give aid, of course, liberally to some countries and grudgingly to others. But, even where it is liberal, the aid covers only a part of the foreign exchange requirements of the developing countries. Further, as aid is mostly in the form of interest-bearing loans, it imposes on the recipients obligations to pay the interest regularly and return the principal as and when it falls due. Aid thus implies that the countries giving it must be prepared to permit more imports from the countries taking it.

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A PLAN FOR RURAL INDUSTRIES

NEITHER industries connected with the processing of agricultural commodities nor a few large industries established in the rural areas would involve "rural industrialisation," as the term has come to be understood in the last one year. Originally conceived by Mr. Jayaprakash Narayan and recently concretised, in terms of a practical plan, by the Rural Industries Planning Committee of the Planning Commission, this concept of rural industrialisation connotes "an even spread of (small) industries throughout the countryside all over the country," based on local resources and local needs. It is fundamentally akin to the Gandhian concept of "villagism," as developed by Dr. Bharatan Kumarappa in the forties, in that it says that the raw materials for rural industries should be *mainly* obtained from the locality around, that is, at the most, an entire district, and such industries should *primarily* meet local needs. But it is also different from the Gandhian concept in one vital respect, namely, that it should, according to Mr. Jayaprakash Narayan himself, involve "no preconceived limitations or inhibitions of a doctrinaire or sentimental type in regard to such matters as the use of power and technology."

Gandhians, incidentally, have displayed a salutary deviation from their orthodox approach to the use of power in village industries, as will be evident from the Khadi and Village Industries Commission's policy statement of 15th February 1962 on the subject. According to this statement, the use of electrical or mechanical power for any operation or process under any of the Commission's programmes would be encouraged or permitted by

the Commission on the twin condition that the level of productivity and the income of the workers would be raised thereby and that such use of power would not be detrimental to the concepts of self-employment and decentralised production. But, then, the Commission has whittled down this concession by urging that power itself should be produced, on a decentralised basis, from *locally* available sources of energy, such as waterfalls, flowing streams of water, wind, the sun, cowdung, and night soil to boot! It is, however, significant that "decentralised production of power as a primary village industry" does not figure in the illustrative list for "area development" of village and small industries given in the report (July 1962) of the Rural Industries Planning Committee, of which Mr. V. L. Mehta, Chairman of the Khadi and Village Industries Commission, was also a member. Obviously, the Committee has thought only in terms of a centralised source of power for most of the industries listed by it for "area development," though it does not seem to have ruled out the possibility of rural electrification with the help, wherever possible, of small hydro units of upto 100 kw. capacity in preference to diesel-alternator sets. Whether the common source of power for a certain rural area selected for intensive development of small industries is a relatively large-scale or a relatively small-scale enterprise does not seem to be quite so important to the Committee as the consideration that the programme for rural industries and the programme for rural electrification should go hand in hand. The Committee has, of course, recommended, probably for the purpose of comparative evaluation, that some of the areas to be selected should be those which are not expected to be electrified to any extent in the next few years. But, by and large, the availability of power from a common source is a pre-condition for the launching of the first series of "rural industries projects" recommended by the Committee.

The principal objective of these projects is to create, maintain and expand non-agricultural employment in rural areas where the continuing additions to the labour force are absolutely too large to permit of their wholesale absorption in large-scale industries in urban areas. Although the 46 projects (two or three for each State, except in the case of Uttar Pradesh which is to have five) just approved by the Planning Commission are not called "pilot projects," they are intended, all the same, to provide the necessary experience so that the lessons thereof may be more generally applicable. It is also envisaged that the projects for rural industries should form part of a wider and well co-ordinated plan of local development. Such co-ordination with local or regional development plans is probably intended, among other things, to provide a ready market for some of the products of the "rural industries projects" in the other local projects. It will be seen from the Rural Industries Planning Committee's illustrative list of industries, given in the following paragraph, that several industries could cater to the needs of other local projects and several others to the needs of local consumers, while many modern small-scale industries in category (ix) would compete with the products of large-scale industries in urban areas.

The illustrative list of village and small industries to be developed in a project area (covering a complete development block with a population of 300,000 to 500,000) shows nine major categories, namely, (i) traditional village industries, (ii) handicrafts, (iii) khadi, (iv) handloom and powerloom, (v) sericulture, (vi) agricultural processing industries, (vii) industries using local raw materials such as tanning, ropes and bonemeal, (viii) industries meeting local needs such as agricultural implements, Persian wheels and buckets, roofing tiles, brick kilns, domestic utensils, soap, and construction of doors and windows, and (ix) small-scale industries to be developed in association with large-scale industries, or independently with common service and marketing facilities, such as sports goods, bicycles and parts, leather footwear, surgical instruments, scientific glass apparatus, leather goods industry, electric motors, diesel engines, plastic goods industry, cutlery, paints and varnishes, fountain pens and nibs, domestic electrical appliances, builders' hardware, assembly industries of various kinds, forge shops and machine shops.

As the projects for the "intensive and integrated" development of "all kinds" of aforesaid small industries over a period of upto 10 years are proposed to be liberally financed at the rate of an assured minimum of Rs. 20 lakhs for each project in the four-year period 1962-66 (in addition to funds available from the State Plan and the all-India Boards, loans and credits from financial and co-operative institutions and under the State Aid to Industries Act, and further provisions according to need), the output of these industries may be expected to eat, to some extent, into the market for large-scale industries in some lines and to have to face the competition of large-scale industries in some other lines. The output of rural industries, if developed over the whole countryside in the light of experience gained from the present 46 projects, will be substantial in quantity. It, however, remains to be seen whether or not the measures proposed for educational and training facilities and industrial extension and technology will actually bring about quality production at relatively low unit costs. If the latter results in terms of good quality and comparative cheapness do not follow, the idea of according protection to the rural industries is bound to be canvassed vigorously, all the more so because many or most of the rural industries in the project areas will be organised on co-operative lines. It may be recalled, in this connection, that, in his original proposals of August 1961, Mr. Jayaprakash Narayan had stated as follows:

"In view of the accepted aims of social and economic justice, private-profit interests should not be allowed, as far as possible, to exploit the field of rural industry and commerce. A well-planned approach might create a rural industrial and commercial sector that would be predominantly socialist in character.

"The extremely important question of providing protection to the rural industries from the competition of urban industries will have to be tackled.

"The appropriate agencies at the ground level that will have to carry through the programme of rural industrialisation .... should be co-operatives and *panchayat* institutions...."

Both the Rural Industries Planning Committee and the Planning Commission are, of course, silent on the idea of protection for rural industries. On the question of co-operative organisation, however, they have both clearly laid down that the projects "are intended to promote the development of a co-operative agro-industrial economy." While it may be argued that a growing co-operative sector in industry will be a counterpoise to the private industrial sector, its growth is bound to bring to the fore, at some stage or other, the question of possible protection of the kind envisaged by Mr. Jayaprakash Narayan. We are not suggesting here that no such protection should be accorded to rural industries, for that is a question for debate only if and when it crops up. For the present, we are merely highlighting this possibility, for there is no point in slurring over a potentially controversial aspect of the matter.

COMMUNITY DEVELOPMENT

A GREATER agricultural bias is now sought to be imparted to community development—at least on paper and in official discussions. Mr. Gulzarilal Nanda, Minister for Planning, has just told the Annual Conference on Community Development and *Panchayati Raj* this week at New Delhi that agriculture is the most important single factor in the country's economic situation and that it would have to be "our major concern for many years to come." In his presidential address to the Conference, Mr. V. T. Krishnamachari has pointed out that, with the large expansion of industrial programmes in the third and fourth Plans, a much stronger agricultural base would be necessary. The objectives of doubling, by 1971, the agricultural production as it stood in 1961 and doubling *per capita* agricultural production by 1976, according to him, would call for much greater efforts on a national scale. The Conference itself has expressed the opinion that the preparation of village agricultural production plans should be the principal means for involving all cultivators in the village in the agricultural effort. As general statements, all these opinions are unexceptionable.

But it is at the practical level of implementation and organisation in tens of thousands of villages that difficulties arise. Mr. Nanda has done well to emphasise that the problem is essentially one of organisation of available resources and the timely supply of materials like fertilisers. But his conclusion that any agricultural shortfalls would not be due to deficiency in resources is a little difficult to understand in the context of the known inadequacy of physical resources. For instance, the quantity of improved seeds distributed in C.D. Blocks has not increased; in 1960-61 (October 1960 to September 1961), it was only 267,000 tons, as compared with 304,000 tons in the previous year. Over the country as a whole the availability of improved seeds still represents only a very small proportion of the annual seed requirements. As for chemical fertilisers, the quantity distributed in C.D. areas was 741,000 tons in 1960-61, as compared with 540,000 tons in 1959-60. The increase in the offtake of fertilisers in 1960-61 was, however, not commensurate with the demand for them. That the inadequacy of fertilisers in the country as a whole is a continuing phenomenon should be clear from the following passage in the 1961-62 Report of the Union Ministry of Food and Agriculture (Department of Agriculture):

"Fertilisers and manures are among the key supplies necessary for raising agricultural productivity. The demand for nitrogenous fertilisers has been increasing rapidly in recent years, but it has not been possible to meet it in full due to inadequacy of internal production and shortage of foreign exchange needed for imports. The demand for nitrogenous fertilisers during 1961-62 amounted to about 2.7 million tons in terms of ammonium sulphate, while their availability, including internal production and imports, has been estimated at about 1.5 million tons. The deficit has to be met largely by imports, while, side by side, every effort is being made to raise the level of internal production by establishing new fertiliser factories."

In the field of minor irrigation, there is no reliable estimate of the additional area covered in recent years, though figures of expenditure are available. For instance, the expenditure on minor irrigation from out of block funds in 1960-61 was Rs. 12.5 crores, as compared with Rs. 10.4 crores in 1959-60. No official report—whether it be of the Ministry of Food and Agriculture or of the Ministry of Community Development and Co-operation—has provided figures of additional acreage covered by minor irrigation. Merely to say that minor irrigation under both Agriculture and Community Development programmes will benefit an additional area of 12.8 million acres in the third Plan period is not enough. Perhaps the experience of the first and second Plan periods, when many older minor irrigation sources had silted up and become useless at the same time as newer sources were being created, is being repeated now. What *net* addition to the area under minor irrigation has taken place in recent years? That is the most relevant question, for which the answer can only be in the nature of a wild guess.

It would thus appear that Mr. Nanda's view that there are "enough resources under several programmes—seeds, minor irrigation, etc."—cannot stand close scrutiny. While more *effective* organisation of available resources and *efficient* administration of production aids, especially in the Community Development areas, are certainly called for, it must be recognised that they cannot wholly make up for the large deficiencies in physical resources as such. A much bigger drive for producing more urban compost, rural compost and green measures could add substantially to the manurial resources in terms of organic nitrogen in the next two or three years. The supply of improved seeds could be greatly increased year after year, if all the well-to-do farmers in a village are prevailed upon to multiply on their holdings the approved seeds required for the entire village. The villagers, through their *panchayats*, should also be persuaded to undertake specific commitments in regard to maintenance of irrigation sources, afforestation and soil conservation. Everything cannot be pumped into agriculture from above for all time. The incidence of land revenue at the present time is so little in relation to income from land that there is enough scope for mobilising more resources locally for use in agriculture.

MARKET GOSSIP

Aid-India Consortium

IT may sound paradoxical if it is said that the outcome of this week's meeting of the Aid-India Consortium at Washington is both encouraging and disappointing. Nevertheless, the description is apt. Thus, while the meeting has taken, unlike on two previous occasions, a firm decision on the quantum of aid for the second year of the third Plan, albeit four months after its commencement, and the quantum itself is higher than the initial commitments announced in June 1961, the aggregate matching contributions from the members other than the U.S. is short of the U.S. pledge of $500 million by $65 million, notwithstanding the addition of four new members who have agreed to contribute $79 million. One would ask: is the amount representing the gap so large as to be beyond the means of the countries? Certainly not. Moreover, the U.S. did not, contrary to the hopes expressed by some, announce its commitment of $500 million, even though the "full" matching contributions were not available, though it is gratifying that the U.S. has indicated that it is still prepared to match any further commitments which the other member-countries may make in the 1962-63 fiscal year upto a total U.S. contribution of $500 million for this year. What is worse, no indication was given at the meeting as to how much of the promised aid would be given in the form of untied credits, an aspect which, as will be shown presently, is very important in the context of the pressing "current" exchange needs of the country.

The one gratifying feature about the Aid-India Consortium meeting is the recognition, by the majority of members, of the urgency of giving assistance to India. The four new countries that have joined the Consortium as members are Italy, the Netherlands, Belgium and Austria. Their combined contribution is $79 million, made up of $53 million by Italy, $11 million by the Netherlands, $10 million by Belgium and $5 million by Austria. This contribution, together with the increase in commitments by the other members (excepting West Germany), the World Bank and the International Development Association, has raised the total commitment for the second year to $1,070 million (Rs. 509 crores) from the initial figure of $930 million (Rs. 443 crores). The table below shows at a glance the authorisations made by the Aid-India Consortium members:

(In million U.S. dollars)

	1961-62 final authorisations	1962-63 Initial commitment	1962-63 Authorisations now announced	Total for two years Initial commitment	Total for two years Authorisations now announced
U.S.A.	545	500	435	1,045	980
U.K.	182	68	84	250	266
W. Germany ..	225	139	139	364*	364
Japan	50	30	55	80	105
Canada	28	28	33	56	61
France	15	15	45	30	60
Italy	..	..	53	..	53
Netherlands ..	..	..	11	..	11
Belgium	..	..	10	..	10
Austria	..	..	5	..	5
World Bank and I.D.A.	250	150	200	400	450
Total ..	1,295 (616)	930 (443)	1,070 (509)	2,225 * (1,059)	2,365 (1,126)

* Exclusive of $61 million offered for the period covering 1963-64 to 1965-66.
Figures in brackets are in crores of rupees.

West Germany is the only country among the original members that has not improved upon its previous pledge of $139 million for the second year. This is surprising. Indeed, if there is any country which can afford to be more generous in extending aid to India, it is West Germany. For the economy of West Germany is highly prosperous, with a high level of production and plentiful holdings of gold and foreign exchange. Since India, too, has contributed quite significantly to the economic prosperity of West Germany, it can justifiably expect this country to be more liberal in aiding India's development programmes. India has been one of the major outlets for a number of goods, especially capital goods, produced in West Germany. Thus, between 1950-51 and 1960-61, the total value of imports from West Germany has gone up from a low of Rs. 10.21 crores to as high as Rs. 122.52 crores (Rs. 118.21 crores in 1961-62), whereas India's exports to that country have risen from Rs. 8.86 crores to just Rs. 18.94 crores (Rs. 19.85 crores in 1961-62), with the result that India continues to have heavy deficits in balance of trade. The actual deficit was Rs. 103.58 crores in 1960-61 and Rs. 98.37 crores in 1961-62. These figures give one an idea of the colossal amounts of foreign exchange India has spent to import goods from West Germany all these years.

The total authorisations by the Aid-India Consortium for the first two years of the third Plan, as already noted, now comes to $2,365 million Rs. 1,126 crores), which is no doubt over 90 per cent of the estimated foreign exchange requirements of India ($2,600 million or Rs. 1,238 crores) for the two years. But this estimate is an old one, based on the level of prices prevailing nearly two years ago. Taking into account the rise in prices that has taken place since then, the requirements will be much higher than the figure of $2,600 million, so that the gap between authorisations and the actual requirements (for the first two years) is wider than $235 million. The *communique* issued by the World Bank at the end of the Consortium's meeting does not hold out any prospect of the gap being filled. All that it says is this: "A further meeting of the ten nations to consider *later* (italics ours) requirements of India's third Plan would be held at a future date—probably next winter—after consultation with the Government of India." Apparently the word "later" means to imply only the aid requirements of India for the remaining three years of the Plan. Incidentally, it may be noted that the Aid-India Consortium has so far confined itself only to the first two years of the Plan, whereas the Aid-Pakistan Consortium has covered three years.

There is no indication yet of the nature of the aid that would be extended by the Consortium members. This is a very vital point because of the supreme urgency of financing maintenance imports which cannot be paid for from out of the aid given either by the Consortium members or by the Soviet group, inasmuch as the aid is to a large extent country-wise and project-wise. The member-countries of the Consortium would certainly be helping India considerably if they were to make available a part of the aid in the form of untied credits. Needless to say that India is no longer in a position to draw down its foreign assets to finance its development and, unless adequate untied credits are obtained, it will be hard put to keep its existing industries going. It may be noted here that, in their calculation of foreign exchange requirements for the third Plan, its authors have estimated that the country will require Rs. 500 crores out of the foreign aid for maintenance imports.

The aid-giving countries would also do well to hasten the process of releasing for actual use the funds already authorised. This aspect has to be specially stressed, because, although full seventeen months have elapsed since the third Plan began, quite a sizable part of the authorisations made for the first year has still not been released. An official spokesman is reported to have very aptly remarked: "Almost half of the second year of the third Plan would have gone without the full support of the projected foreign aid and, in the second half, good span of time will be taken in the completion of formalities and procedures to transform the belated commitments into practical aid operations. In view of these delays, we wonder what is going to happen to imports in the next year and the remainder of the Plan period for which no advance commitments are yet in sight." We would only add to this remark that the long delay between the date of aid authorisations and the date of actual release has been due as much to the procedural delays in the release of funds by the aid-giving countries as to the red-tapism and lack of high level efficiency in administration at both Central and State levels in India. How else is one to explain the gross under-utilisation of the credit offered for the year 1961-62, not to mention the underutilisation in the second Plan? As against a total amount of Rs. 1,158 crores of external assistance (including the second Plan carryover of Rs. 707 crores) that was available, the amount actually spent in 1961-62 was no more than Rs. 278 crores, leaving an unutilised balance of Rs. 880 crores as on 31st March 1962!

Plan To Strengthen U.S. Economy

A ten-point plan to improve the competitive position of the U.S. in world markets and to correct the disequilibrium in its balance of payments has been put forward by a group of top American businessmen. The plan, submitted to President Kennedy last week, was prepared by a Committee of the U.S. Chamber of Commerce constituted by the Chamber's President, Mr. H. Ladd Plumley. The Committee, Mr. Plumley pointed out, was concerned with the re-emergence, after many years, of an international competitive order and the necessity of fitting the U.S. economy to the requirements of that order, without sacrificing the commercial principles in which the U.S. believed.

The Committee found that the situation in respect of U.S. trade and balance of payments was "serious and urgently so," although it was not "immediately critical" because of the U.S. gold stock and convertible currency holdings as well as the world's willingness to hold dollar assets. It recommended the following ten-point programme of policy guidelines for dealing with the situation:

Continued efforts to develop multilateral co-operation for strengthening the international financial structure.

Reassessment of U.S. unilateral governmental transfers and military spending abroad to eliminate unnecessary drains.

Increased efforts to persuade major Allies (of the U.S.) to shoulder a greater share of the common burden of free world defence and aid to developing areas.

Rejection of any move towards limiting the U.S. as a capital market.

Adoption of an interest rate policy flexible enough to bring U.S. rates into line with those of its major trading partners, whenever necessary.

Maintenance of the present dollar price of gold.

Forthright rejection of inflationary monetary and fiscal policies.

Increasing efforts along the lines set forth in the Trade Expansion Act to reduce tariffs and other barriers to world trade.

Reduction and revision of U.S. tax schedules to stimulate investment at home and abroad.

Continued encouragement of U.S. companies to compete more actively abroad.

The future balance of payments position of the U.S., in the Committee's view, would be determined primarily by one thing: the ability of American business to compete successfully and adequately in all markets of the free world. The present balance of payments situation threatened the U.S. and world monetary arrangements. Despite its big reserves, the U.S. could not sustain for long gold losses on the scale witnessed in recent years.

The Committee emphasised that the U.S. must be preserved as a free and unrestricted market for the flow of capital funds to preserve the integrity of the dollar. It pointed out that interest rate was an essential part of the balance of payments adjustment mechanism. If the freedom of capital movement was to be preserved and if interest rates in the U.S. were too low in relation to those abroad, either the U.S. rates must rise or the foreign rates must decline. While it is of the utmost importance that the principle of interest rate flexibility should be accepted in the other major countries also, the U.S., the Committee pointed out, could not avoid the same discipline, if the dollar were to be retained as a key unit of international exchange. In the present context, this observation of the Committee means that interest rates in the U.S. must be allowed to rise. It is a rare phenomenon to see businessmen advocating higher rates of interest. It only shows that American businessmen are not hide-bound and that they are realistic enough to recognise the force of circumstances.

U.K. Repays I.M.F. In Full

Britain has made a substantial contribution to the maintenance of the revolving character of the resources of the International Monetary Fund by repaying the entire amount of $1,500 million which it had borrowed last year from the I.M.F. in less than a year. The final instalment of $512 million was repaid on 31st July 1962. The U.K., it may be noted, was under no obligation to repay the entire drawing, which, incidentally, was the largest which the Fund had ever granted to any country, in so short a period. In fact, it did not have to repay the amount in less than three to five years, the normal period allowed for repayments.

The U.K. has, however, entered into a stand-by arrangement with the I.M.F. which authorises drawings upto the equivalent of $1,000 million during the twelve-month period beginning on 8th August next. This is only a short-term arrangement designed to provide continuing protection against temporary pressures which might develop against the pound sterling. In requesting the stand-by arrangement, the U.K. Government has assured the I.M.F. that it would continue the policies necessary to maintain a satisfactory balance between demand and resources. One of the principal objectives would be to keep the growth of money incomes within the limits set by the long-term rate of increase in output. It has pointed out that its economic policies are designed to provide a sound basis for growth and further strengthening of the balance of payments position.

It is pertinent to note, in this connection, that Britain would not have been able to score this major achievement but for the firm but unpopular policies followed by Mr. Selwyn Lloyd, the erstwhile Chancellor of the Exchequer, who was unceremoniously dropped out of the Cabinet by Mr. Macmillan. His policies had been criticised as having failed to stimulate economic growth at a faster rate, but they certainly did strengthen the sterling without resulting in any drop in the standard of living of the British people.

Spurious Drugs

Adulteration of foodstuffs and pharmaceuticals and drugs has been going on undeterred for the last several years in this country. But it now appears to be growing so fast as to result in a virtual national calamity. The instances of widespread distribution of spurious and sub-standard drugs, which have been brought to light in Kerala and Maharashtra, are only illustrative of the anti-social activities indulged in by a section of unscrupulous drug manufacturers. It is believed that most of these drugs are manufactured in and around Calcutta both by licensed and unlicensed units. Following the receipt of complaints from various States, the Government of West Bengal has set up a committee "to investigate drug manufacturing, in general, in the State and the spurious drugs racket, in particular." Nobody need, however, be deluded into the belief that a committee of this sort alone will spell the end of adulteration and manufacture of spurious drugs in that State, not to speak of the whole country. It is not unknown to the Governments, both Central and States, that the malady has been prevalent in this country on an extensive scale. How unashamedly the Planning Commission itself concedes this fact in the third Plan report! The relevant statement appearing in the chapter on health and family planning is as follows: "A proportion of the drugs sold in the market, specially biologicals, are of sub-standard quality. Spurious drugs are also being *frequently* sold." This, characteristically enough, is an understatement.

Despite this knowledge of the real state of affairs, Central and State Governments have done pretty little to stem the tide of this growing menace. Occasionally a raid here or a raid there takes place with a fanfare of publicity, as has been the case this week. But that is no solution to the problem. What is required is constant vigilance by the drug control authorities. The Centre may pass on the blame to States, which are responsible for the administration of the Drugs Control Act. But, under the amendment to the Act passed in 1960, the Central Government has assumed concurrent responsibility over the manu-

(*Continued on next page*)

TREND OF SHARES

EQUIPOISE REGAINED

(From Our Own Correspondent)

BOMBAY, *2nd August*

STAGING a smart recovery, stock exchanges regained their equipoise this week. Prices improved all-round and in unison. Turnover expanded on the rise in prices, as brokers rushed in with more and bigger buying orders. "Buy and sell" and not "sell and buy" was the order of the day, thanks to some fast-moving operators having changed their positions and turned bullish around the recent low levels. As these operators tightened their grip on the markets, shorts could no longer sit on the fence and were forced to cover at higher levels. Sellers on margins failed to see lower levels and squared up at the stop-loss limits. The small fry merrily walked into its favourite counters. As a result, prices advanced swiftly and, at close today, were around the highest levels of the week, underlying thereby the confidence of the markets about the short-term trend. Although, at the week's closing levels, the leading issues showed a recovery of about 45 per cent from the recent two-and-a-half-month-old slump which ended on 19th July last, the trend seemed to be distinctly upward, subject to occasional corrective reactions.

With no adverse development across the Northern borders, every thing seemed to favour the rise in values. The main prop, however, was provided by the satisfactory outcome at the Aid-India Consortium's meeting, foreseeing which the professional operators had started changing their positions from the middle of last month. Needless to say, the operators succeeded in making the best use of the prop from Washington. Basically, they succeeded because of a healthy technical position of the markets as reflected in the low *budla* charges at the turn of the settlement in both Bombay and Calcutta. The three-week new settlement in Bombay came in handy for bulls to exploit an ideal situation for a rise in prices.

The I.I.S.Co. interim dividend of 80 nP for 1961-62, as against a total dividend of Re. 1.60 for the previous year, to be followed by a final dividend subsequently, created mixed reactions at first but was well received later, as it was clarified by the Company that the books would be closed only once and not twice as earlier announced. The dividend announcement revived speculation that the announcement of the increase in steel retention price was imminent, as it was felt that the final dividend, expected to be announced six weeks hence, would be determined in the light of the increase to be granted in the price. The breaking of I.I.S.Co's divided into two parts also sustained hopes of a possible increase in the total dividend.

Clearly, bears have lost the initiative to bulls. Sentiment, which always counts most in the markets, has undergone a change. The urge to sell at any and all levels is not there now, while the general expectations are that the present recovery marks the resumption of the upward trend. However, there is a visible fly in the ointment, which is the continuing anxiety over the situation in the border areas.

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Textiles and selected Miscellaneous issues were the show-pieces of the week in Bombay. Having established themselves at low levels, bulls succeeded in producing a swift rise in these shares. Century staged a smart rise from Rs. 613.50 to Rs. 637.50 and, in the process, ignored renewed selling by the prominent industrialist-operator between Rs. 625 and Rs. 630. At close, the shares showed a gain of Rs. 25.50 at Rs. 636. Some strong built-in bull position of a couple of prominent operators kept National Rayon in demand, particularly from mid-week, and the shares closed with a gain of Rs. 23.50 at Rs. 521.50. Standard were a hot favourite and gained as much as Rs. 84 at Rs. 942. Kohinoor rose by Rs. 14.50 to Rs. 315.50 on support based on expectations of a higher interim dividend. Realising pared off maximum gains in Bombay Dyeing, the scrip closed one point higher on balance at Rs. 68.20. Morarjee rose from Rs. 400 to Rs. 419 and Khatau were up by Rs. 12.50 at Rs. 475. Other cleared Textiles showed moderate gains. Cash scrips in this section were also steadier, with Mafatlal recording a gain of Rs. 21.25 at Rs. 826.25. Baroda Rayon of Rs. 5.50 at Rs. 142.50 and Gwalior Rayon and Indian Rayon of Rs. 2.50 each at Rs. 62 and Rs. 106, respectively.

In the Miscellaneous section, Bombay Burmah shot up from Rs. 657.50 to Rs. 678 and closed Rs. 18 higher over the week at Rs. 673. Wimco showed a gain of Rs. 13 at Rs. 285. Indian Dyestuff were 35 points up at Rs. 497.50. Amar Dye-Chem recorded a gain of 10 points at Rs. 288.75. Further sharp rise of Rs. 11.50 to Rs. 250 in Belapur featured trading in Sugar shares. Cements and Shippings showed moderate gains. Hindustan Motors shed maximum gains on corrective profit-taking and closed 12 nP higher at Rs. 20.08.

Telco rose further and at Rs. 333.50 showed a gain of Rs. 11.50 over the week. As against the heavy bull position of a certain operator during the recent sharp fall, market circles now talk of a considerable bear position of a certain operator in this scrip. Alcock showed a gain of 16 points at Rs. 340. Voltas, among other Engineering shares, improved by Rs. 9.50 to Rs. 277. Among Steels, Indian Iron were active. The proximity of the dividend announcement and reports in a section of the Press that the Union Ministry of Steel and Heavy Industries had recommended the Company's proposal to double the capacity to 1.6 million tons kept the shares in demand. At close, they showed a gain of 65 nP at Rs. 26.45. Tata Ordinary were up by Re. 1.50 at Rs. 148.50.

Revival of investment demand produced small to moderate gains in the Cash section. However, Rallis advanced by Rs. 19 to Rs. 167, New India Industries by Rs. 20 to Rs. 352.50, Camphor by Rs. 12 to Rs. 104, Bajaj Auto by Rs. 12 to Rs. 89, T. Mansklal by Rs. 15 to Rs. 645 and Fit Tight by Rs. 9 to Rs. 181. Star Textile Engineering were exceptionally firm and shot up by Rs. 35 to Rs. 142.

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Gains were widespread, but modest in Calcutta. In the Forward List, Orient recovered 90 nP at Rs. 41.20, Dunlop 50 nP at Rs. 40, G.K.W. 37 nP at Rs. 38.37 and Kesoram 65 nP at Rs. 28.37, but Shree Gopal closed exceptionally lower at Rs. 23.25 as against Rs. 25.12 a week before. Among Cash Textiles, Bowreah rose by Re. 1.50 to Rs. 26 and Dunbar by Re. 1.06 to Rs. 30.50. Active official measures to improve the working of coal companies kept their shares in demand. Bengal improved from Rs. 344 to Rs. 346, Central India from Rs. 11.12 to Rs. 11.62, East Indian from Rs. 50 to Rs. 50.62, and N. Beerbhoom from Rs. 21.69 to Rs. 22.50. Jutes were quiet, but Engineering shares were in demand, with Burn rising by 20 points to Rs. 690, Braithwaite by Re. 1.12 to Rs. 35.87 and Kumar Dhubi by 44 nP to Rs. 7.50. Alkali Chemical staged a brisk improvement from Rs. 42 to Rs. 44.87. The Miscellaneous section showed widespread gains. Dr. Paul moved up from Rs. 18.75 to Rs. 19.50, Goodyear from Rs. 43.85 to Rs. 45 and N.I. Cable from Rs. 29.25 to Rs. 30.81. Papers were easy, with Bengal reacting from Rs. 33.12 to Rs. 32.50. Tea shares were listless.

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In active trading, values tacked on small gains in Madras. Textiles were particularly in demand. Lakshmi were up by Rs. 3 at Rs. 156, S.I. Viscose by Rs. 3.75 at Rs. 170, Travancore Rayon by Rs. 2 at Rs. 37.50 and Buckingham by Rs. 4 at Rs. 268. Among Miscellaneous issues, Dalmia Cement improved swiftly from Rs. 12.25 to Rs. 13.60, Madras Rubber and Aluminium Industries showed a gain of 25 nP each at Rs. 21.50 and Rs. 23.90, respectively. Mettur Chemical recovered from Rs. 12.97 to Rs.13.25, Ashok Leyland were up by 17 nP at Rs. 8.22 and India Cement showed a gain of 13 nP at Rs. 6.33. Among Sugars Cauvery improved by 4 points to Rs. 107. E.I.D. showed a gain of 50 nP at Rs. 40.37 and Travancore of 27 nP at Rs. 7.20. Plantings showed a small recovery, with Periakaramalai gaining 6 nP at Rs. 3.38 and Kil Kotagiri 30 nP at Rs. 4.95.

CAPITAL MARKET NEWS

NEW ISSUES

THE **Ravalgaon Sugar Farm Ltd.** is to issue and offer for public subscription 7 per cent 4,500 debentures of Rs. 1,000 each. The subscription lists will remain open for a week from the 10th inst., but may close earlier, on the 13th. The debentures will be redeemed in the whole after 12 years from the date of allotment, but the Company reserves the right to redeem them at any time after 10 years by giving six months' notice. They are being issued to provide for repayment of the existing debentures of Rs. 20 lakhs (Rs. 10 lakhs 6 per cent first mortgage debentures 1952-62 and Rs. 10 lakhs 4 per cent second mortgage debentures 1959-64) and for liquidation of the existing short-term borrowings of Rs. 25 lakhs. Of the existing two series of debentures the first were due to be redeemed on the 1st of this month and the second are to be redeemed on the 1st October 1962. As soon as they are redeemed, the debentures to be issued now will have the first charge on the mortgaged properties. The interest will be payable in equal half-yearly instalments on 1st April and 1st October every year. The first payment of interest is to be made on 1st October this year and will be calculated from the date of allotment.

The whole of the new series of debentures is offered to the public, subject to a preference in allotment to the holders of the existing debentures and the equity shareholders of the Company. The issue price of Rs. 1,000 per new debenture is to be paid on application and the holders of the existing debentures will pay it either by surrendering the old debentures or by payment in cash. The issue has been entirely underwritten by four banks and one insurance company a stock brokers' firm in Bombay. The underwriters will get a commission of 2 per cent. The expenses of the issue, including the underwriting commission and brokerage, are estimated at Rs. 2.5 lakhs, and will be borne by the Company.

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About five months from now, a new sugar mill with a daily cane-crushing capacity of 800 tons will go into production at Chitalenagar in the Sholapur district of Maharashtra State. The mill belongs to the **Chitale Sugar Works Limited,** promoted by Messrs. S. D. Chitale and W. D. Chitale. The factory is expected to produce 138,000 bags of sugar in a season of 150 (working) days and the average sugar recovery is placed at 11.5 per cent which, we are told, may even go as high as 12 to 13 per cent. The estimated capital cost of the project is Rs. 89.81 lakhs, half of which is accounted for by plant and machinery. The project does not entail any foreign exchange expenditure. Excluding the Industrial Finance Corporation loan of Rs. 32.00 lakhs and own funds and borrowings together amounting to Rs. 28.97 lakhs, the balance of Rs. 28.84 lakhs is proposed to be raised by way of a public issue, due to open for subscription for cash at par on the 27th of this month. The issue will consist of Rs. 20.19 lakhs equity capital (in 201,919 shares of Rs. 10 each) and Rs. 8.65 lakhs preference capital (in 8,648 cumulative redeemable preference shares of Rs. 100 each carrying a dividend of 9.285 per cent free of Company's income-tax but subject to deduction of tax at source at the prescribed rates). The entire issue has been underwritten by the Union Bank of India Ltd.

Apart from the proximity of the commencement of production by the factory and the comparatively cheap price at which capital equipment is claimed to have been bought, the management claims that the factory enjoys three distinct advantages. One, cane supplies are plentiful. Two, the cost of production will be low, in view of high recovery per cent and the Government's new system linking cane price to recovery. And three, the management has rich experience in cane growing, sugar technology and factory management. The Company has also an influential Board of Directors headed by Mr. Murarji J. Vaidya, a well-known industrialist of Bombay.

RIGHTS ISSUE

Mukand Iron and Steel Works Ltd. is to raise further equity capital of Rs. 1.00 to 1.25 crores in stages before the end of 1963. It has yet to make an application to the Controller of Capital Issues for this. Meanwhile, it proposes to issue shortly rights shares of Rs. 10 lakhs. The Company, having a paid-up capital of Rs. 81.89 lakhs (Rs. 80.64 lakhs equity and Rs. 1.25 lakh preference), has under consideration several schemes for expansion, which include the manufacture of processed end-products, foundry equipment and machinery and components and steel castings.

STEELAGE INDUSTRIES TO EXPAND

Steelage Industries (Private) Ltd. of Bombay, which has been associated under a royalty agreement with Messrs. Chubb and Son's Lock and Safe Company Ltd. of London, a world-famous manufacturer of security equipment since 1952, and is manufacturing such equipment to Chubb's specifications and designs, is now expanding the scope of its production to cover the manufacture of a wide range of security products, such as fire and burglar-resisting safe cabinets and files, record protection files, ledger cabinets, etc. The Company has already obtained the industrial licence to effect the substantial expansion, which will be carried out jointly with the British firm. The Company also proposes to raise its capital for the purpose and offer apart of the additional capital to Chubbs, which the latter has agreed to take up. The British firm has also agreed to assist Steelage in exporting the products through its worldwide network of experienced agents. The Company manufactures at present, under the brand name of *Chubb Steelage*, vault doors, tangbar reinforcements, safe deposit lockers, etc.

MARKET GOSSIP

(Concluded from previous page)

facture of drugs. One would have thought that this amendment of the Act would tone up the machinery for drugs control. But this still remains a hope.

It is well known that there are two reasons for the laxity in implementing drug control measures, namely, inadequacy of inspection staff and want of proper facilities for analysing random samples of drugs. Except for the Central Drugs Laboratory at Calcutta, there are no laboratory facilities worth the name in any part of the country for testing drugs and medicines. Equally deplorable is the inadequacy of administrative machinery. Although the Central Government has assumed powers, under the aforesaid amendment in 1960, to appoint its own inspection staff, it has so far done very little in this direction. It has not made available inspection staff to States except, perhaps, to two of them. Even in Calcutta, where there is a large number of units engaged in producing spurious drugs, the Drug Licensing Office has only nine inspectors to look after no less than 500 drugs units and other related matters. It is also said that licences are granted, if a firm follows only half of the regulations. In practice, the small units hardly follow any regulations. The State Government, it is alleged, only winks at these lapses, the reason given for this strange attitude being the desire to buttress the dwindling pharmaceutical industry in the State. An officer of the West Bengal Government is reported to have told a staff reporter of the *Statesman* that, if all the provisions of the Drugs Control Act and its rules were to be strictly enforced, the pharmaceutical industry in the State would be liquidated. If this is true, the West Bengal Government deserves to be pulled up by the Centre. Be that as it may, the Governments should at least publish the names of erring parties and blacklist them, so that the public can avoid buying their products. For some unknown reasons, in the latest cases, the State Governments concerned have even refused to divulge the names of the Calcutta units guilty of manufacturing sub-standard goods.

It is equally essential to restrain any infringement of patents and trade marks, apart from strictly enforcing standards and quality control in the manufacture of drugs. In this connection, one is at a loss to know why the Ayyangar report on Patent Law, submitted as early as in 1960, is still kept in cold storage.

The drive against spurious drugs manufacture is only the negative aspect of the problem. The real solution lies in increasing the supply of quality drugs at reasonable prices. It has been said that the prices of drugs in India are the highest in the world. The basic reason which prompts people to produce spurious drugs is the prospect of making easy profits. This prospect is strengthened by the shortage of standard drugs and the consequent exorbitant prices for them. The ultimate solution, therefore, depends upon the speedy implementation of drug projects in the country. There are already ambitious plans to expand the production of basic drugs, including antibiotics, synthetic drugs and those of vegetable origin, both in the public and private sectors. But the progress of these plans is disheartening. The scheme consisting of four major drug projects (estimated total cost being Rs. 30 crores) proposed to be put up in the public sector in collaboration with Russia has not made any headway so far. Although these projects are part of the second Plan, it is doubtful whether they will be commissioned even by the end of the third Plan.

NEWS IN BRIEF

THE first unit of the lignite-based power station at Neyveli in the Madras State will be inaugurated by President Dr. Radhakrishnan tomorrow (5th August).

The proposal for the export of superior quality rice has been dropped, following objections from the U.S. Government that a country receiving P.L. 480 aid should not export its own grains.

The Government of India has approached the Petroleum Association of Japan to find out whether the Japanese oil industry is interested in undertaking oil exploration in the Cauvery basin in the South.

The Government of India has released a quota of 200,000 tons of bauxite for export from all ports, including Goa, over and above the export ceiling of 350,000 tons fixed for the current financial year from Bombay, Calcutta and Saurashtra.

Four more power plants, in addition to the existing two, will be set up at Durgapur, according to the Chief Minister of West Bengal, Mr. P. C. Sen. Two of them will be completed next year and the other two by the end of 1964.

The Department of Company Law Administration has announced that the preliminary, intermediate and final examinations of Company Secretaries will be held on 1st, 3rd and 4th October next, at Bombay, Calcutta, Delhi, Ernakulam, Hyderabad and Madras.

The findings of a survey conducted by the Bihar State *Sarvodaya Mandal* reveal that 75 per cent of the land donated for the *Bhoodan* movement is unfit for redistribution. The survey covered an area of 1.2 million acres (out of the total of 2.3 million acres donated in the State), of which 950,000 acres have been found unfit.

The Government of India proposes to establish six more low temperature carbonisation plants—one each in Orissa and Himachal Pradesh and two each in Maharashtra and Singrauli in Madhya Pradesh—besides the one at Ramgarh. These plants will have the capacity to produce about 1,500 tons of coke from non-coking coal per day.

Messrs. Dastur and Company, Calcutta, have been appointed technical consultants to prepare a detailed project report for the establishment of an iron and steel plant in Madras based on lignite available at Neyveli. The report, which will deal with the location of the plant, raw materials to be used, size of the plant and product mix, etc., will be submitted to the Government within a year.

The Union Government has appointed an official committee to study various proposals and make recommendations in respect of compulsory insurance of motor vehicles against third party risks. The Committee has been asked to survey and report how far the existing provisions relating to compensation, third party insurance and claims tribunals serve the purposes for which they are meant.

The Kanpur-built AVRO-748 ("Subroto") will soon leave India on a tour of demonstration flights in the South-East Asian countries with a view to assessing the interest in that area for this type of aircraft. "Subroto," flown by Indian Air Force test pilots, will visit Burma, Malaya, Singapore and Indonesia. It will be the first time that an AVRO-748 will be visiting these countries. The tour of demonstration flights will last one month.

The Government of India has issued a licence for setting up an aluminium plant at Mangalore at a cost of about Rs. 80 crores. The factory will be an Indo-American venture, the foreign firm contributing nearly 40 per cent of the share capital, besides providing technical know-how. A recent investigation has revealed that nearly two million tons of bauxite ore is available in Belgaum district, besides deposits in Maharashtra and Saurashtra from where the ore, it is said, could be transported to Mangalore.

The U.S. has announced a five-year $71,843 rupee grant to the National Dairy Research Institute of Karnal in the Punjab to finance a study of the properties of concentrated milk products. The grant is a step toward the development of concentrated milk foods which, when reconstituted, take on again the flavour and texture of fresh milk. This will involve basic studies of proteosepeptone proteins. The grant has been made from the rupee fund obtained from the sale in India of U.S. agricultural commodities.

The third agricultural labour enquiry will begin this winter with its scope widened to cover rural labour employed in agriculture as well as industry and crafts. The enquiry will cover about 9,000 villages spread over all the States and Union territories, as against 3,600 villages surveyed under the second agricultural labour enquiry of 1956-57. The third enquiry, which will form part of the 18th round of the national sample survey, is expected to help fill gaps in the data thrown up by the second enquiry and facilitate a comparative study of the economic conditions of agricultural labour in the last six years.

The State Trading Corporation has entered into an agreement with the Jordan Phosphate Mines Company for the import of 150,000 metric tons of rock phosphate. Against this, India will export to Jordan tea, coffee, spices, footwear, leather goods, shellac, textiles, engineering goods, cotton yarn, chemicals and pharmaceuticals. The agreement is valid up to the end of 1961. In order to facilitate Indian exporters to get their payments under this agreement, all contracts and orders entered into by Indian exporters with Jordanian importers will have to be registered with the S.T.C.

Small-scale industries in the country will soon be in a position to obtain Japanese machinery on hire-purchase basis through the National Small Industries Corporation, according to Mr. T. Mseda, Acting Consul-General for Japan. He told pressmen in Bombay last week that, under an agreement signed recently at New Delhi, a sum of Rs. 30 lakhs was set apart under the yen credit for the purchase of machinery by the National Small Industries Corporation. Earlier, Mr. Joichi Honda, Director of the Japan Machinery Centre, and Mr. Yoshio Morikawa, Chief Engineer of the Centre, took pressmen round the various new items of machinery, equipment and appliances recently received by the Centre which is set up by J.E.T.R.O., the Japanese export promotion agency.

With a view to simplifying the procedure under the Export Promotion Schemes, the scheme for enrolment of exporters has been abolished. No enrolment certificate will hereafter be asked for from any exporter in connection with his application for registration or for incentive licences under any export promotion scheme. An exporter will hereafter have only to register himself with an export promotion council, a commodity board or the export promotion officer at the port (as the case may be), in order to avail himself of the benefits of an export promotion scheme. An exporter once registered will not have to apply for registration every year. The present procedure of exporters having to re-register themselves annually will discontinue. In order to expedite the issue of incentive licences against exports, the export promotion councils have also been authorised to recommend direct to the licensing authorities imports of such raw materials, components and spares as an exporter is permitted to import as per his latest actual user licence.

The Assam State Electricity Board has placed an order for a complete 60,000-kilowatt gas-turbine power plant costing $7 million with the Westinghouse Electric International Company, of the U.S. Scheduled for completion by the end of next year, it will be the largest gas turbine power installation outside the Western hemisphere. Under the contract, Westinghouse will design the plant and will supply three 23,000-kilowatt gas-turbine generator units, controls, and associated equipment to be located at Namrup. The plant will use natural gas supplied through a 13-mile pipeline from the virtually untapped Naharkatiya and Moran gas fields. The station will serve as part of an industrial complex to be built in the Namrup area which will include fertilisers, synthetic rubber, synthetic plastic, and carbon black plants, as well as smaller domestic enterprises. Two of the gas-turbines will be equipped for automatic dual fuel operation, using either natural gas or distillated oil. The waste heat from these units will be used in generating process for a proposed fertiliser plant.

* * * *

From Abroad

Spain has offered a credit of $10 million to the Philippines for financing development programmes.

The Syrian currency, piastre, has been devalued. The new exchange rate is 380 piastres to a dollar, as against 357-358 piastres formerly.

France produced 785,000 motor vehicles during the first six months of 1962, showing an increase of about 17 per cent over the corresponding half of 1961. Exports went up only by 8 per cent.

New copper ore deposits aggregating 50 million tons have been discovered in Chile by the Pan-American Union. These are said to be the world's richest copper deposits.

The number of unemployed in West Germany fell to less than 100,000 in June for the first time since the currency reform in 1948. Only about 97,500 jobless were counted in the month under review.

The European Investment Bank has obtained permission from the E.E.C. Commission to grant a loan of $4.8 million to a Canadian company for the setting up of a wood-pulp mill in south-eastern Belgium.

The Japanese Government has reduced the waiting period for repatriation of foreign capital invested in Japanese stocks from two years to six months. This relaxation is said to be a sequel to the improvement in Japan's balance of payments position.

The European Common Market proposes to evolve a common policy towards Latin America, on the basis of a report prepared by the E.E.C. Council setting out certain recommendations on commercial and financial policy as well as technical co-operation in so far as they affect Latin America.

The International Wool Secretariat (I.W.S.) has decided to send a three-man delegation, under the leadership of Mr. William Gunn, Chairman of the I.W.S., to Communist China, by the end of this year.

The Development Advisory Service, established by the World Bank, has started functioning. The Service is designed to serve as economic and financial advisers to the Governments of the developing countries, particularly for the preparation and execution of development programmes.

PERSONAL

MR. J. W. Sinclair, General Manager of the India-Burma-Ceylon division of Esso Standard Eastern, has been appointed Vice-President of the Company for the South Asia-Africa region. Mr. C. B. Thomas, Assistant General Manager (Marketing), has succeeded Mr. Sinclair as General Manager.

Mr. Richard W. Reuter has been appointed Director of the U.S. Food for Peace Programme *vice* Mr. George McGovern, who has resigned to seek election to the U.S. Senate.

Mr. Sushil K. Dey, Director of the U.N. Food and Agriculture Organisation's Rural Institutions and Services Division, has been appointed Director of the Programme Appraisal and Development Division of the F.A.O. World Food Programme.

Dr. I. G. Patel, Chief Economic Adviser to the Union Finance Ministry, has left for Washington to discuss with the I.M.F. authorities matters relating to withdrawal of the $100 million stand-by credit granted to India.

Mr. C. S. Ramachandran, Joint Secretary in the Ministry of Commerce and Industry, left for New York on Friday this week to attend the concluding session of the conference convened by the U.N. to consider the question of a long-term international coffee agreement.

Mr. Prabhu V. Mehta of the Calico Industrial Engineers has been elected President of the Textile Machinery Manufacturers' Association for the current year. Mr. L. T. Gholap of the National Machinery Manufacturers Ltd. and Mr. K. H. Shah of the Vasant Industrial and Engineering Works have been elected Vice-Presidents.

Mr. A. A. Garthoff of the U.S. and Dr. A. W. O. Bock of South Africa has been elected Chairman and Vice-Chairman, respectively, of the International Wheat Council, which will administer the new Wheat Agreement which came into force on the 1st inst.

Dr. S. K. Dhar, an economist and first officer with the International Atomic Energy Agency, Mr. P. M. Mathew of the Planning Commission, and Mr. P. S. Narayan Prasad, Economic Adviser to the Government of Nigeria, are the three Indians among the fifteen experts appointed by the Development Advisory Service constituted by the World Bank.

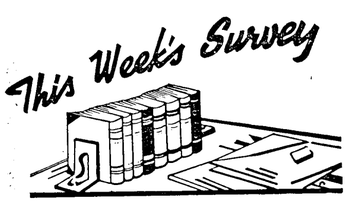
The Government of Saudi Arabia has issued a decree seeking to entrust all trade and representation of foreign firms and the capital of companies to Saudi citizens only. The new law allows non-Saudi agents two years in which to liquidate their business and hand them over to Saudis. The new law will become effective within three months.

The total foreign trade of all member countries of the Organisation for Economic Co-operation and Development (O.E.C.D.) aggregated $160,000 million in 1961. Both exports and imports amounted to $80,000 million each. Imports were 4.5 per cent and exports 6.5 per cent higher than in the previous year. The foreign trade of the U.S. ($35,000 million), West Germany ($24,000 million) and Britain ($23,000 million) together accounted for about half of the total foreign trade of all O.E.C.D. members.

The joint industry campaign of the Tea Council of the U.S.A. Inc. has been revitalised on a new basis stressing educational, promotion, public relations and publicity programmes. The financial support for an annual operation of about $500,000 is said to have been assured from India, Ceylon and Indonesia which together would put in $350,000 and from the U.S. tea trade which expects to raise at least $150,000. The U.S. trade support has been finalised on a new formula: 1 cent per pound on tea sold for packers, 1/100 cent per pound on tea sold for importers, agents and brokers.

An agreement has been signed between the Government of Nigeria and the B.P.-Shell Petroleum Company of Nigeria under which the latter will put up and operate an oil refinery, the first of its kind in the country. The refinery will cost about £8 million. Initially, the Federal and regional Governments together will have 50 per cent of the shareholdings, the remaining 50 per cent being shared equally by the B.P. and Shell. But, after commercial production begins, the local people will be permitted to take up 20 per cent of the capital by reducing the total Government share to 40 per cent and the two companies' shares to 20 per cent each.

The common farm policy of the European Common Market, adopted in January last, has been enforced. The products involved in the policy are cereals, pig-meat, eggs, poultry, wine, fruit and vegetables. An extension of the policy to beef, milk, dairy products, sugar and rice has already been proposed. The main feature of the common system is that a levy will be applied at national frontiers for farm products imported from both member and third countries, replacing all other forms of protection, such as quotas. But, while this levy will gradually disappear in the seven-and-half year transitional period for trade within the community, levies on imports from non-member countries will continue in the final stage beginning on 1st January 1970. A European Agricultural Fund, which will be used to stabilise prices, will be financed by levies on imports.



MALAYSIA

THE U.K. has given the green signal to the formation of Malaysia. The move envisages the establishment of a federation in South East Asia with the merger of five Asian constituents of the Commonwealth—Malaya, Singapore, Brunei, North Borneo and Sarawak. The concept of Malaysia, which owes its origin to Malaya's Prime Minister, Tunku Abdul Rahman, is no longer a dream. Following protracted negotiations between the Malayan Prime Minister and British Government representatives for the last three weeks at London, an agreement has been reached between the two parties on the various aspects of building up Malaysia. A question that naturally comes to one's mind is whether this move is a prelude to a South-East Asian Common Market. This poser is not unwarranted, viewed against the background of the recent statement by the Philippines President Macapagal that his country proposed to seek entry into Malaysia. He envisages what is called a Greater Malaya which will supersede the Federation. Malaya and the Philippines (along with Thailand) are already members of the A.S.A. (Association of the South-East Asian States), which was formed in July last to promote regional co-operation among the three countries. The expansion of Malaysia, of course, may be a long-term objective and it is certainly premature to talk about it even before Malaysia is born.

If the plans now worked out go through, Malaysia will come into being before 31st August 1963. The five countries in the proposed bloc together account for an area of 130,000 sq. miles, the largest unit being Malaya (51,000 sq. miles) and smallest Singapore (224 sq. miles). Their total population is over ten million, with Malaya alone accounting for about eight million. The rate of growth of population is among the world's highest for the region, being 3-4 per cent, or perhaps more, in Malaya and Singapore. While Malaya and Singapore are independent countries, Sarawak and North Borneo are British colonies and Brunei is a British-protected self-governing Malay State.

Apparently, the majority opinion in the self-governing countries favours the concept of Malaysia. Even in Singapore, where some of the leftists have decried the move, the Referendum Bill on the question was passed by the Singapore Legislative Assembly recently. Meanwhile, the Governments of Malaya and Singapore have agreed to go ahead with plans for Malaysia. In order to ascertain public opinion in the two colonial territories of North Borneo and Sarawak a commission of enquiry, headed by Lord Cobbold, a former Governor of the Bank of England, (appointed by the British Government), spent two months in the territories recently and submitted a report to the U.K. Government. Although the Commission's report has not yet been published, reports from London indicate that the majority favours the concept of Malaysia.

The cultural affinity of the peoples in the proposed bloc provides a reasonable basis for closer political and economic co-operation among them. The present economic ties and prospects for complementary economic growth are further arguments adduced in favour of Malaysia. Intra-regional trade forms about 32 per cent of their total trade. In 1960, the total exports of the five countries aggregated Malayan $7,371 million, of which $2,365 million went to other countries of the bloc. The trend in imports too has been similar. Out of their total imports of Malayan $6.932 million in 1960, $2,214 million came from the other members of the proposed bloc. As is well-known, Malayan economy depends on the export of rubber and tin. Its rubber estates, covering an area of 3.5 million acres, produce annually 700,000 tons of rubber or a third of world output. Besides, its 500 tin mines produce about 46,000 tons of metal annually. It also produces about 4 million tons of iron ore, entirely for export to Japan. Malaya has certain other major products also namely, rice, palm oil, copra and pineapple, of which the last three are mainly exported. Singapore, which specialises in entrepot trade, has a unique position in East-West trade. Sarawak exports crude oil, petroleum products, rubber and sawn hardwoods. North Borneo's shipments include mainly rubber, but also tobacco, copra and manila fibre.

The impact of the proposed Malaysia on the economies of neighbouring countries like India will depend mainly on the trade policies to be pursued by it, which cannot be gauged precisely now. If Malaysia, in its enthusiasm for industrialisation, takes up production of such goods as textiles and light engineerings, Indian products will naturally face a setback in these markets. The possibility of the development of such agricultural products as spices, particularly pepper in Sarawak and to some extent tobacco is also of some concern to exporters in this country. But the prospects for increase in the standard of living in Malaysia will open out an expanding market from which countries like India may benefit, given a liberal tariff policy. It may be noted that India's exports to the five amounted to no less than Rs. 15.25 crores in 1961-62 (as against Rs. 13.12 crores in 1960-61) with Singapore alone accounting for Rs. 8.30 crores and Malaya for Rs. 6.80 crores. India imported goods worth Rs. 13 crores from Malaya in 1961-62 (Rs. 13.5 crores in 1960-61) and Rs. 9 crores from Singapore (Rs. 10.42 crores). Imports from the other three territories were negligible.

STEEL IMPORTS AND EXPORTS

The Union Steel Ministry has recently re-estimated the country's aggregate requirements of steel for the third Plan period at about 29 million tons. But the currently estimated indigenous production of steel is only of the order of about 22 million tons over the same period. There will, therefore, be a gap of 7 million tons. It is assumed that this gap will be bridged entirely by imports. Will the foreign exchange situation permit this to happen? It does not appear to be possible, for, in the estimated five-year maintenance imports of Rs. 3,650 crores, the provision made for the purpose of importing mild and special steels is only Rs. 220 crores, as against the required amount of Rs. 715 crores. There is no certainty that D.L.F. loan assistance will be available to the required extent for the purpose of steel imports from the United States. Even if such assistance is made available to meet the larger part of the deficit (Rs. 715 crores *minus* Rs. 220 crores), steel imports from the United States will cost 40 to 50 per cent more, as compared with the international price level.

That is one side of the picture. The other side pertains to the slow pace of increase in steel production in the country. It may be recalled that the output of steel in 1961-62 (the first year of the third Plan) was no more than 2.8 million tons as against the expectation of 4.5 million tons. Let us suppose that at least in 1962-63 (the second year of the third Plan) the Planning Commission's expectation of 4.0 million tons will be achieved. The aggregate output in the first two years will thus be 6.8 million tons. That would mean that a total production of 15.2 million tons (22.0 million tons *minus* 6.8 million tons) will have to be achieved in the remaining three years of the Plan. Will this happen? That too is doubtful, for production will have to be at an average annual rate of a little over 5 million tons. When the Durgapur steel works are fully completed, the total productive capacity itself will only be of the order of 4.5 million tons of finished steel (or 6 million tons of steel ingots). As of today, the prospects of achieving production at this full capacity are not very bright, thanks to the 'trio' of crucial shortages. Indeed, even the supposition that 4 million tons will be produced in the current year may not turn out to be correct. The crisis on the supply side will, therefore, be much worse than that indicated in the first para of this note, unless, of course, the demand for steel slackens owing to non-materialisation of some other projects included in the Plan. But, as it is, the gap between demand and supply is widening and this is more pronounced in the case of items like plates, sheets, forging rounds, free cutting bars, electrical steel sheets, tinplates, skelp and cold rolled strips than in the case of other steel items.

If shortages in these items are to be mitigated, their imports should not be curtailed below the minimal requirements. It is here that possible exports of such items of iron and steel as are in relative surplus may be expected to earn some foreign exchange which will help ease the position in respect of steel imports. The fact that iron and steel exports in 1961 (upto September) were to the tune of 138,000 tons (pig iron 68,000 tons; blooms, billets, slabs, etc. 58,000 tons and finished steel 12,000 tons) is encouraging in this context, although the immediate export prospects are not quite good. But the Planning Commission's iron and steel export target of 200,000 tons per annum may not be impossible of fulfilment in the years to come if the export prices of Indian steel are aligned to the fluctuating international price levels. The latter price levels at present are so low that India will find it extremely difficult to have a stable export market for steel year after year. A comparison of the Indian steel prices with those of the export prices of Japan and Europe for representative categories has been made, in this connection, by Mr. K. Ramachandran in his presidential address at the fifth annual general meeting of the Steel Importers Association of India held at Calcutta on 30th July 1962. The relevant figures are given below:

(In rupees per ton)

Material	India	Continent		Japan	
		F.O.B.	Landed cost	F.O.B.	Landed cost
Reinforcing bars ..	665	345	487	357	500
Plates ..	774	470	635	432	596
Black sheets ..	842	538	707	514	683

It is, therefore, a question of Indian steel being able to withstand international competition. An export market can be developed and maintained if the demand and supply position is correctly assessed from time to time to permit exports of particular items in surplus and if, as Mr. Ramachandran has suggested, a minimum quantity of steel is set apart for exports at subsidised prices. That a subsidy can be given by linking exports with imports is the view of Mr. Ramachandran. His line of reasoning is as follows:

"Subsidy on exports should be given to exporters from the Steel Equalisation Fund. The exporters could be authorised to utilise the foreign exchange earned by them for importing categories of steel which are in short supply, in accordance with the specifications approved by the Iron and Steel Control Office. Since the cost of imported steel will be well below the present statutory selling price in India, the surcharge collected on such imports could be credited to the Equalisation Fund in order to offset the export subsidy. I trust Government will give due consideration to this suggestion."

If the aforesaid suggestion is accepted by the authorities, it will be a good thing. After all, the quantity of steel that can be exported will only be small, for this country itself will need, for several years to come, almost all the steel that it produces. Already the Board of Trade has accepted the idea of steel importers switching over to exports. It only remains for the Government to evolve a suitable export subsidy scheme, thereby enabling steel importers, with their knowledge of world market conditions and of steel specifications of different countries, to do their part.

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TEA INDUSTRY

Few would remain unimpressed with the way in which Mr. E. J. C. Menzies, the retiring Chairman of the Association of Planters (Madras State), surveyed the problems confronting the tea industry when he addressed the ninth annual general meeting of the Association held at Coonoor on Wednesday this week. Mr. Menzies not merely indicated lucidly what these problems were but also suggested clear-cut solutions to them. If, in so doing, he expressed a "traditional lament of oft-repeated complaints," he is not to be blamed. For the complaints continue to remain unheeded, thanks to considerations other than economic that have been imported into the examination of the problems of tea industry. This is unfortunate, especially because the tea industry earns for the country quite a bit of foreign exchange every year, contributes substantially to the public coffers through a variety of taxes, supplies a good beverage to the teeming millions and maintains high labour standards for a large workforce. Even if one ignores the vital role thus played by tea, one cannot overlook the odds against the industry such as increased world production, keen competition and falling prices, for, unless these odds are met properly and in good time, a vital limb of Indian economy will be paralysed. Accordingly, Mr. Menzies indulged in no exaggeration when he said that "the industry is faced with a formidable task" and candidly added: "There is great need for objectivity and no room for politics, sentiments, misplaced sympathies or expedient compromises. In this endeavour, there is a great necessity for co-operation between Government and industry in formulating sound policies on the basis of realism rather than ideology or dogma."

It is a simple economic truth that, in a highly competitive export market, any buyer of a commodity will be interested not in what it costs the particular supplying country to place its product on sale but only in the lowest price at which he can secure his requirements, whatever be the source of supply. Tea is no exception to this truth. In fact, it is one of the commodities the world trade in which is governed purely by the operation of the forces of supply and demand. But, unfortunately, this basic fact is either not understood or ignored by those who think that every element in costs inclusive of taxes can easily be passed on to the consumer. Drawing attention to this aspect, Mr. Menzies observed:

"With the availability of greater quantity and variety for the buyer to choose from, it is progressively proving to be more difficult to maintain our share of the world markets and compete with other producers, particularly in the market for common teas. The present trends in the world tea market would indicate that the wherewithal of the industry would have to be earned through a small margin of profit per unit of product over a large volume of sales. In fine, we have to be more cost-conscious than ever and the extent to which we succeed in lowering or even maintaining costs would be the measure of our success in the export market. It is well known that our competitors, particularly the producing countries in Africa, do enjoy a distinct cost advantage. We may hope to compete against them and augment our earnings only if, through the conjoint efforts of Government, industry and labour in this country, costs are kept down and prices stable. It is particularly within the province of Government to adopt policies which would achieve the dual object of cost reduction and maintenance of stable prices. With the fear of overproduction and glut in the world markets lurking in the background, it would be prudent to think of keeping in readiness the machinery to revive the International Tea Agreement, provided other exporting countries, which would doubtless be troubled by the same problems, are also willing to be signatories."

The need for ensuring as much supply of quality tea as possible at a reasonable price is no less urgent from the point of view of domestic consumption, since it is the internal market that provides an invaluable safeguard for the industry against any violent fluctuations in world prices. Mr. Menzies was only mildly critical when he remarked that the Government's policy of discouraging the internal market by an increase in excise duty with a view to encouraging exports "is somewhat short-sighted." Rightly urging a reconsideration of the policy, he said:

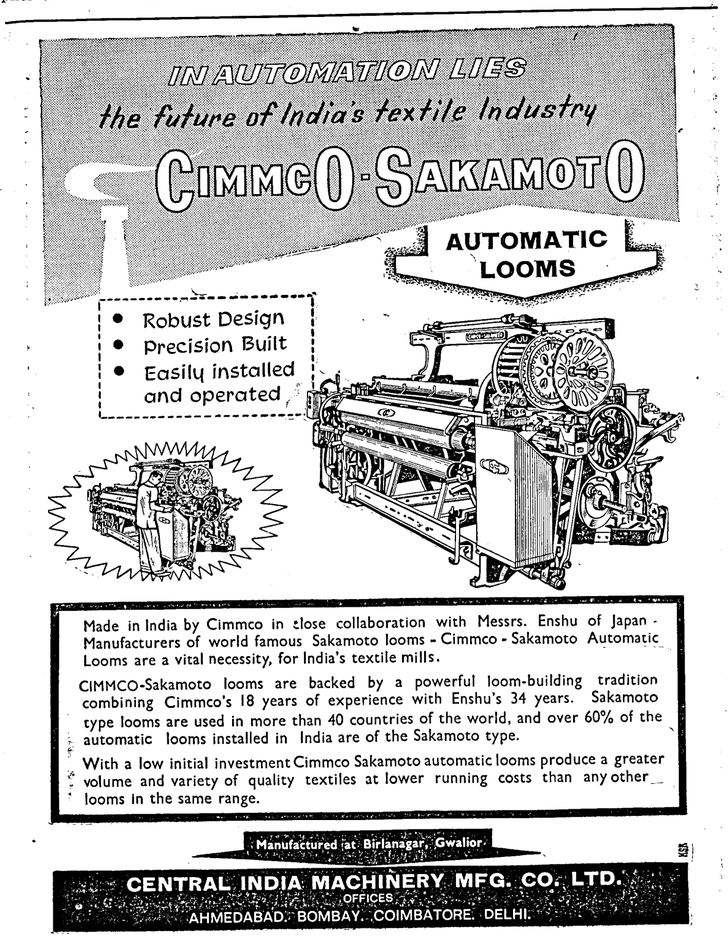
"There is no assurance that an increase in exports in quantitative terms would itself enhance our foreign exchange earnings, since the very weight of supplies may so depress prices that the anticipated results may not be achieved. It is, therefore, important to pay attention to demand within the country and to balance the allocation of supplies to the export and internal markets to optimum advantage by keeping close watch of trends in the world market."

There is considerable force in Mr. Menzies' statement that, from the cost angle, the competitive ability of Indian tea is best strengthened by a rational tax policy. He did admit that the reduction of export duty in the last budget would go some way towards improving the position, but made it clear that this measure would prove effective only if it was ensured that the benefit of the drawback of excise duty accrued to the producer. In this connection, his plea for grant of drawback of enhanced excise duties on several articles used by tea factories such as plywood and aluminium linings is quite a justifiable one. And there is no exaggeration whatever in the note of warning administered by Mr. Menzies to the effect that, if the tax policy at all levels (Central, State and local bodies) is not rationalised, the day will come when, for lack of finance, the tea industry will be unable to replace (or replant) worn out tea areas, as well as obsolete machinery, and then be unable to maintain its position in the world tea market without substantial assistance from the Government. Equally justified are the three other pleas put forward by him, namely, (a) regular and adequate supplies of essential items like fertilisers, cement and machinery, (b) requisite power supply, and (c) "more liberal administration" of various forest laws such as those relating to timber transit, forest leases and permits.

Mr. Menzies dilated at some length on the role of labour. Inasmuch as the wage bill and fringe benefits account for over 40 per cent of the total production cost of tea, the cost of labour is, as Mr. Menzies said, a crucial factor influencing the industry's competitive capacity. Mr. Menzies was surprised that no less a person than the Union Labour Minister had made a public pronouncement that labour in India had not yet had a fair deal. He did not wish to enter into a controversy over the issue, since the wage structure in the plantation industry is currently under the consideration of the Wage Board. But he did well to highlight the important fact that any dogmatic or sentimental tinkering with the wage structure resulting in irrational increases in wage costs would render the tea industry extremely vulnerable in a competitive market.

DEADLOCK IN U.K.—E.C.M. TALKS

The high hopes entertained by the U.K. Government that an amicable settlement of the terms of its entry into the Common Market would be finalised by the end of July have not been fulfilled. On the contrary, a virtual stalemate has developed in the negotiations between the U.K. and the E.E.C. at the latest ministerial meeting at Brussels. The impasse is a sequel to the wide differences between the two parties on the question of safeguarding the trade outlets for temperate foodstuffs. The temperate foodstuffs are mainly wheat, mutton, butter and cheese, which are exported to the U.K. at present in large quantities by Australia, New Zealand and Canada. The U.K. delegation, led by Mr. Edward Heath, Lord Privy Seal, and assisted, among others, by the well-known economist, Eric Roll, impressed upon the Six last week the need for granting comparable outlets for temperate foodstuffs in an



expanded Common Market. But the Six do not seem to be willing to make any compromise in its agricultural policy to accommodate the Commonwealth interests. It may be noted here that the agricultural policy of the Community, which was agreed upon after protracted negotiations among the Six early this year, has come into force with effect from the 1st inst. only. Under this policy, the Six propose to ensure for their farmers a price which is substantially higher than world prices for agricultural products. Through the imposition of import levies, the price of imported products into the Community will be kept high in consonance with internal prices. The Continental policy of granting protection to farmers, it may be further noted, has always been substantially different from the British stand which relies upon granting direct subsidies to farmer (rather than maintaining high prices) and permitting imports on liberal terms.

It is mainly the price policy that has become a source of acute differences of opinion between the U.K. and the Common Market. The Six have, of course, offered to evolve a "reasonable" price policy. But the implications are not clear. The U.K. insists that the definition of the "reasonable" price policy to be followed by the expanded Common Market should include a provision that prices will not be fixed so as to stimulate a further increase in production within the Community. This provision, according to the U.K., should be accompanied by an assurance that Commonwealth suppliers will continue to enjoy access to the Six on liberal terms. Another demand of the U.K. is that the Commonwealth exporters of temperate foodstuffs should not suffer any discrimination in the U.K. market as against farmers within the Common Market until the end of the transitional period. It has also pleaded against the imposition of any quota restrictions on cereals against Commonwealth exporters until "traditional quantities" have been supplied.

It is the contention of the Six that the Community cannot be expected at any time to place the interests of outside producers higher than those of its own farmers. France, in particular, is staunchly against any concession which may amount to a contingent obligation to hold down output within the Six in the interests of non-Community producers. The major hitch about temperate foodstuffs (unlike some of the tropical products) is that they are produced within the Common Market itself. In particular, Australian wheat which will compete with that produced in Europe, is the major bone of contention. About 35 per cent of Australian exports comprise temperate foodstuffs. Of its annual wheat exports amounting to £250 million, the U.K. accounts for £100 million. The dependence of New Zealand on the U.K. market is much more pronounced. About 60 per cent of New Zealand exports consist of temperate foodstuffs, namely, mutton, lamb, butter and cheese, of which as much as 80 per cent goes to the U.K. These data, coupled with the fact that the white nations of the Commonwealth (Canada, Australia and New Zealand) have close kinship with Britain and are loyal supporters of the Crown and all that it stands for, are sufficient to explain why the British public, irrespective of party affiliations, is clamouring for safeguards to these products. There is still some hope of a settlement on these issues; for the U.K.-E.E.C. negotiations have not been finally called off. Talks are scheduled to be resumed on Wednesday (1st August) this week and to last upto Saturday. The possibility of an agreed formula being worked out during this series of talks cannot be entirely ruled out, though the difficulties in the way are formidable.

TRADE WITH WESTERN EUROPE

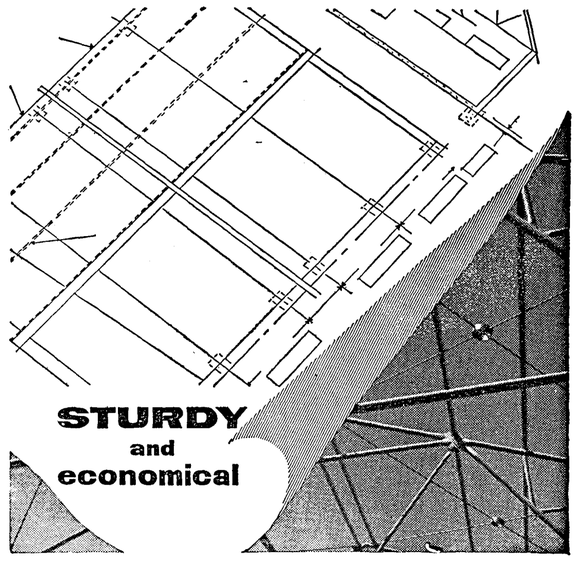
A welcome decision taken by the Government of India in the field of export promotion relates to the creation of a Council to be in specific charge of trade with Western Europe. The Council will undertake an extensive study of the problems of trade with Western Europe, draw up export targets for that region and give practical suggestions for achieving those targets. The decision was taken at a meeting of chairmen of various Export Promotion Councils and representatives of exporters convened by the Department of International Trade. The Council will consist of representatives of the Export Promotion Councils and the Commodity Boards interested in exports to Western Europe. Each Export Promotion Council and Commodity Board has been asked to set up a small sub-council consisting of exporters actually interested in the West European market. These sub-councils will draw up export targets for individual items along with their suggestions for realising them. The export targets drawn up by the sub-councils will be consolidated by the Council into a plan for exports to West Europe.

The move for devoting close attention to West European market has come not a day too soon. For the last several years, India has had a large adverse balance of trade with these countries. High tariffs, quota restrictions and other measures of discrimination practised by those countries in respect of Indian goods have circumscribed the scope for promoting exports to that part of the world. The inception of the European Common Market and the European Free Trade Association and the move by the U.K. to seek the membership of the former bloc have put new impediments to India's efforts at stepping up shipments to that region. This situation calls for extreme vigilance. The creation of the Council is also welcome in so far as it reflects a new realisation by the Government of the need for focussing attention on export problems on a region-wise basis. This journal, it may be recalled, had emphasised the need for regional councils for promoting exports (*vide* the note on "Diversification of Exports" in *Commerce* dated 23rd June 1962, page 1107). The Government will now do well to create such regional councils for Asia and Africa also, with which India's trade has been either stagnant or declining in recent years. The need for exploiting the vast potential markets in the neighbourhood cannot be overemphasised.

Another constructive step taken in a bid to promote exports is the constitution of an Export Inspection Advisory Council. This Council will advise the Government on all matters relating to quality control and pre-shipment inspection of export goods. The Council, set up after consultation with the Board of Trade, will prepare an operational programme for quality control on export goods with priority for pre-shipment inspection measures. The Special Secretary (Commerce) in the Ministry of Commerce and Industry will be the Chairman of the Council. The appointment of the Council is in pursuance of a suggestion made by the *Ad-Hoc* Committee on Quality Control and Pre-shipment Inspection (Chairman: Dr. Lal C. Verman, Director, Indian Standards Institution) to the effect that the task of improving the quality of export goods would be facilitated, if the Union Government had available to it the advice of persons intimately concerned with the day-to-day problems of quality control and with export promotion generally.

While the move is in the right direction, one cannot help feeling that it is of little importance until some of the other valuable recommendations of a complementary nature made by the Committee are brought into force. The Committee, in fact, wanted the Government to acquire legislative powers to enforce the scheme of quality control and pre-shipment inspection on export goods. It is a pity that the recommendations contained in the report, which was submitted to the Government as early as in March 1961, have yet to receive the serious attention they deserve. Apparently, the Government is not in favour of imposing compulsion in respect of quality control on exports.

The Indian Investment Centre has set up an advisory committee of 16 industrial experts to guide the Centre in drawing up industrial surveys and feasibility studies for certain important industries to be developed under the third Plan. The first meeting of the Advisory Committee will be held at Bombay on the 7th inst. The Indian and foreign technical advisers of the Centre, in consultation with industrial experts, will seek to find gaps in the country's industrial structure or sectors where development has so far tended to be slow. After the preliminary investigation is over, the Committee will select specific industries for surveys and feasibility studies.



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AMERICAN LETTER

BUSINESS INDICES UP, BUT SENTIMENT DOWN

PRESIDENT KENNEDY'S SOCIALISM UPSETS MANY

From Our Special Correspondent

NEW YORK, 28*th July*

EXCEPT for the uncertain and hesitant action of the stock market, overall economic statistics continue favourable. All the experts say so. Yet, while this is proven by overall statistics, these figures do not tell regional stories of boom and regional stories of hardship. They also cannot take into account the apprehensions and fears which only manifest themselves by hesitancy and lack of action by individuals and corporations.

This state of affairs shows up in many ways. People wait until the last moment to pay their bills. Lawyers and physicians have a difficult time collecting their fees this time. Companies postpone hiring new personnel or replacements, because they are uncertain of the future. These are some of the little developments which do not show up. The question may be asked why the hesitancy, why the doubts and why the apprehensions with overall statistics creeping up?

Essentially, it boils down to this. America is a business community, mainly, with its good and bad points. Everyone wants to make a profit and have some future security. Some of those seeking these goals are reasonable in their requests, others are greedy. Most business and professional men are conservative, they may be Republicans or conservative Democrats so far as the two parties are concerned. The conflict arises, as previously stated in other contexts, because the Washington Administration, led by the very energetic Kennedy family, wants, in the opinion of business and industry, to superimpose on this business structure progressive social concepts of human welfare which business considers too radical and unsound.

Here again, there are two sides to this question. What is radical and what is conservative? This ranges from the visionary elements of a new future for more people to the *status quo*. There is no philosopher in the world who could define what is right and what is wrong. Perhaps, it boils down to the old cliché namely, "what is good for the greatest number of people." But even that has to be qualified by the question "in what strata of society and in the strata's most useful for the preservation of the present system?"

The present American economy, like other civilisations of the past, has to be viewed in this light, particularly by people overseas. It may sound quite complex, but it really is not for the trained observer. There are at least two sides to every question. Both sides may be entirely logical, depending on what side of the fence one sits. Yet, the net result of the controversy may be baffling, sometimes even disastrous. Needless to say, most situations work out in the long run, for better or worse, because of foreseen, or unforeseen, circumstances.

To get back to the conventional approach, economic expansion continued in May and June but at a somewhat slower pace than in preceding months. Comparisons with the figures of 1961, naturally, are still highly favourable in almost every sector of the economy, but there have been some recessions from recent highs.

A notable example are corporate profits. In the first quarter, they ran at an annual rate of $51,500 million, as compared with $40,000 million 12 months previously. But they did not come up to the $52,100 million for the final quarter of 1961. The last quarter of the year is the one when final adjustments are made for taxes and write-offs but the discrepancy is held to be too large for comfort.

The ebbing corporate profit flow, probably, was a contributing factor in the decline in stock prices, but personal income continued its upward climb reaching an annual rate of $440,000 million in May which was $27,000 million higher than the rate a year earlier and there were few inflationary influences except higher Government spending. Wages and salaries accounted for 75 per cent of the increase and a major portion of this was in State and local government pay-rolls and in the service industries. In fact, personal income has risen so far every month of the year.

Employment was up sharply last month, but, as many students out of school entered the labour force, the unemployment rate rose slightly to 5.5 per cent of the labour force in June from 5.4 per cent in May. Progress in this area continues to be disappointing.

And so is the story of steel. There was a sharp decline in steel output. At the same time, industrial production as a whole rose to 118 per cent of the 1957 average. Gains in the production of other industrial materials, consumer goods and industrial equipment more than offset the steel decline. This is one example of what I meant by the comparisons of overall figures with regional and sectional ups and downs.

$13 Million Credit to India

The International Development Association, an affiliate of the International Bank for Reconstruction and Development, has extended a development credit equivalent to $13 million to India. These funds are designed to help complete a project to irrigate about 152,000 acres in the Purna river valley in the State of Maharashtra and to provide a 15,000-kilowatt hydro-electric power station. According to the planners, it would provide for the first time irrigation to that drought-stricken area in the western part of the Indian high plateau.

Projections are that the project could result in increasing production of fruits and vegetables and in introducing new crops, so that the value of production in the area may be six times the present volume, thus augmenting farmers' food supplies and income.

This last credit of I.D.A. is the sixth extended to India by the association. The total dollar amount involved is $56.5 million. The money is used primarily for the development of agriculture in widely scattered areas such as Punjab, Uttar Pradesh, Bihar, Gujarat and Maharashtra.

The Purna project includes the construction of two dams on the river, one at Yeldari and the other downstream at Sideshwar. The power plant is to be built at the foot of the Yeldari dam. The State of Maharashtra will operate the programme with the help of a consultant who will pay attention to the establishment of ground-water observation wells, the cropping pattern and control of the application of water. The State will also provide services to farmers in that area to improve agricultural practices and to meet requirements for fertilisers and for credit.

Construction on the irrigation works and power station, according to I.D.A., is the responsibility of the State's Department of Power and Irrigation which will also operate the irrigation system. The power station will be operated by the State Electricity Board. Work was started some years ago and, by the end of the second Five-year Plan, the equivalent of about $9 million had been expended. The I.D.A. credit is part of the 60 per cent of the required financing provided by the Government of India towards the total project. The State provides the remainder. The I.D.A. credit is for 50 years at no interest. Repayment will begin in 1973 at the rate of 1 per cent annually. There is a service charge of ¾ of one per cent per annum on the amount withdrawn and outstanding.—*All Rights Reserved.*

(*Concluded from next column*)

fear that lack of reflation may bring stagnation and; it is clear that, if the Government does not take action, it will be under pressure to do so before long from both industry and its economic advisers.—*All Rights Reserved.*

LONDON LETTER

AN INCOMES COMMISSION

MR. MACMILLAN TAKES FOUR STEPS

(*From Our Own Correspondent*)

LONDON, 27*th July*

THE speculation about whether a change of Chancellor of the Exchequer would mean a change in monetary policy continues unabated. It is, however, becoming increasingly evident that a gradual change will take place.

The change-over in Chancellors was immediately followed by a meeting with the Chairmen of Regional Industrial Boards who unanimously made it clear that they were very disturbed about the future prospects of British industry. They felt that the Government's policy had effectively damped down demand and they saw no signs of an improvement. The universal glumness which overcast this meeting seemed to indicate both the need for expansion, on the one side, and to arouse complementary fears that an unwise expansion might take place, on the other.

In defending his Cabinet changes the Prime Minister set down four heads of policy of which the first was "securing a faster rate of economic growth by encouraging a rapid and orderly transfer of manpower from declining to expanding industries by better educational and apprenticeship arrangements and the fullest use of modern and logical development." There was nothing here in the slightest unconventional, but it is inevitable that the opening words "fastest rate of economic growth" will be seized on, apart from their context for the City, for one is convinced that expansion is in the air.

In one respect, Mr. Macmillan appears bent on pursuing the previous Chancellor's policy: Mr. Lloyd's principal monument is NEDDY (National Economic Development Council) whose function is to consider the long-term trends of British economy and advise accordingly. The Trade Unions reluctantly joined the Council. To it Mr. Macmillan has now added a National Incomes Commission (apparently to be called NICKY which will no doubt get abbreviated to NIC or even to OLD NICK which is a very well-known expression for the Devil).

The Trade Union Congress has already rejected NICKY as hopeless and useless and it seems clear that the Prime Minister is not going to get much help from the Unions. The function of this body is to examine individual cases for wage increases as opposed to the N.E.D.C.'s function of examining general wage policy. NICKY is to look into current pay claims in either the public, or *the private*, sector by agreement with the parties to the dispute. Since the Unions have already given their forthright views about NICKY, it would appear that, wherever Union influence was strong, labour would refuse to let NICKY look at them. On the other hand, the Secretary of the Trades Union Congress has said they would always be ready to give evidence to the new Commission as presumably they would be to any other body.

The Government also proposed that this Incomes Commission should examine retroactively wage claims which appear to have been settled contrary to national interest. The Government's idea here is to brand such settlements as against public interest and draw odium on both the employers and employees concerned.

If it is right that the country is in for a gentle period of expansion for which the productive capacity exists, the early life of the Incomes Commission will not be difficult. By that time the Government will have reached the end of its political life and the future of NICKY will then depend on the results of the General Election.

One cannot conclude this review without drawing attention to the fact that, as yet, there has not been one single positive action on the part of the Government towards reflation and that, in spite of talk about expansion, there are doubts in the most conservative (in an economic sense) quarters whether the Government indeed do propose to take any positive action—in the field of tax, money policy or any other. At a time when demand is in need of stimulation throughout the world generally, although particularly in America as evidenced by the renewed debate of an upward revaluation of the price of gold, there are among the economists, real doubts whether the Government is wise to lag behind the rest of the world. There is a real

(*Continued in previous column*)

The Third Five Year Plan; Bird-Heilgers' part in it...)

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The foreign exchange bill for the Third Plan is the highest ever—more than Rs.1900 crores. Clearly, the economy's pressing need is to find means of earning and saving more foreign currency. To bring this about, the Third Plan is implementing a clear-cut policy: stepping-up exports, cutting down imports. To stimulate exports, controls on most products have been relaxed, export duties abolished or reduced, promotion councils set up and trade agreements concluded with 25 countries.

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INDIAN BANKS' ASSOCIATION

SEMINAR'S SUGGESTIONS FOR REORGANISATION

VARIOUS suggestions to make the Indian Banks' Association more representative of the banking system in the country than it is today and to increase the scope and effectiveness of its activities, were made by the Bankers Seminar held at Bombay recently. As some of the main resolutions and recommendations of the Seminar require for their implementation (if and when they are accepted by the managements of the banks and Government) a more effective body, the Seminar did well to examine this question in some detail. For instance, the Seminar envisaged for the Banks' Association such important roles as preparation of a programme of branch expansion to the 1,400 unbanked areas in the country on the basis of a priority list, promotion of closer co-operation and greater understanding among banks, preparation of a black list of undesirable customers and research in needs and motivations of people at all economic levels in order to popularise the discharge of debts through banks.

The Seminar recommended that the membership of the Association should be enlarged to bring within its fold (1) every functioning bank which has not been refused licence by the Reserve Bank of India, (2) the State Bank of India, (3) the State co-operative banks and through them the central co-operative banks, (4) all foreign banks having their places of business in India and (5) the Reserve Bank as an observer, whenever necessary. It suggested that the exact manner of giving representation to these institutions should be examined by a special committee to be appointed by the Managing Committee of the Association and that the name of the Association be appropriately changed to reflect the change in its composition. The Seminar made the following further recommendations in regard to the functioning and organisation of the Association:

(1) Adequate representation be given to all classes of banks on the Managing Committee of the Indian Banks' Association.

(2) In order to implement the decisions of the Indian Banks' Association, one or more standing committees be appointed.

(3) The Association should undertake the work of publishing books and open centres for imparting training all over the country.

(4) The Association should organise a commercial intelligence and statistics department to collect information.

(5) The Association should take up the work of standardisation of forms and procedures.

(6) The Association should open branches at various State capitals and other important centres.

Reorganisation of the Association is necessary if it is to be instrumental in promoting greater co-operation and understanding between banks and healthy banking practices in the country and to integrate and revitalise the banking system. At present, only 38 out of 67 Indian scheduled banks are members of the Association, although the 38 account for 96 per cent of the deposits of the Indian scheduled banks. A large number of commercial banks, especially non-scheduled banks, are not members of the Association. Thus 29 scheduled banks and 222 non-scheduled banks are not members. The State Bank of India, owing to its special position and responsibilities, is not a member of the Association, though its subsidiary banks have joined the Association. The foreign banks in India have a separate association of their own called the Exchange Banks' Association. But there is no reason why the State Bank of India and the foreign banks should not be members of the Indian Banks' Association. The latter can have their own association to take care of their special interests, but this need not stand in the way of their participation in the Indian Association.

While it is desirable to enhance the representative character of the Association from the point of view of the deposits as well as the number of banks, care should be taken to see that it does not degenerate into a body to develop a system of cartels among banks or into one that represents a strange assortment of credit institutions and therefore incapable of doing anything to revitalise and integrate the commercial banking system.

INDIAN BANKS IN PAKISTAN

The Government of India, in a note delivered to the Pakistan Government at Rawalpindi, has sought exemption for Indian banks in Pakistan from the provisions of the recent ordinance requiring all foreign banks to deposit with the State Bank of Pakistan Rs. 20 lakhs each or 5 per cent of their total time and demand liabilities, whichever is higher, out of funds to be transferred from outside the country. The Government of India has pointed out that the Indian banks had never been allowed to repatriate their profits like other foreign banks. Had they been allowed, the note points out, they would have brought it back to Pakistan to satisfy the new requirements regarding deposits. Since unrepatriated profits were lying in Pakistan, it is argued, they should be accepted as deposit.

The Press Trust of India despatch from Rawalpindi, containing this news, does not indicate whether the Government of India had cited any other ground for exemption. Why the Government of India did not release the note to Pakistan to the Indian Press is a mystery. If the reason mentioned in the P.T.I. report is the only one advanced by the Government of India, it has made out a very poor case. In fact, it is an implied acceptance of the relevant provisions of the ordinance as fair and just. In addition to seeking exemptions for Indian banks, it should have strongly protested against the provisions themselves, which are unjust, discriminatory and extraordinary. That they have been imposed on top of the clear case of discrimination against Indian banks patently evident in the prohibition of repatriation of profits by Indian banks is a measure of that country's anti-Indian spirit. Actually, the Government of India should have taken this opportunity to draw the attention of world public opinion to this patently discriminatory measure solely designed to spite India. Here is another instance of bungling and spoiling a good case by the Government of India.

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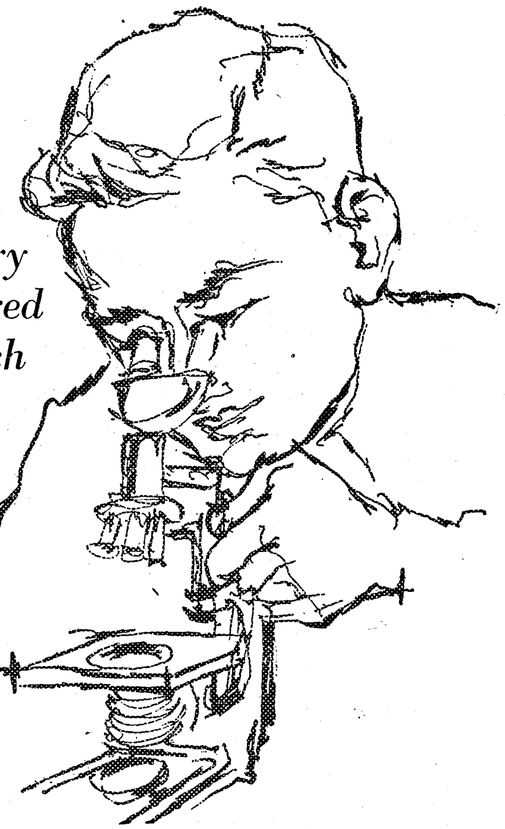

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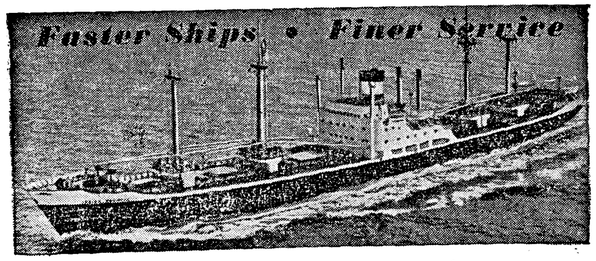

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COMMUNIST COUNTRIES ON WORLD TEXTILE MAP

PRODUCTION AND EXPORTS CONTINUE TO RISE

COMPETITION from Communist countries in world cotton textile trade is getting keener of late. It is estimated that the combined share of these countries (Bulgaria, China, Czechoslovakia, East Germany, Hungary, Poland, Rumania and Soviet Russia) in the aggregate world exports of cotton goods (yarn and piecegoods) is as much as 19-20 per cent, as against a bare 4.5 per cent a few years ago. Statistics relating to the actual shipments of cotton cloth at present are not available, but the overall trend seems to be upward, the rate of exports being higher than that in 1960 when the Communist countries together exported 1,119 million yards of cloth (representing 16.6 per cent of the total world exports of 6.759 million yards), as compared with 284 million yards (representing a little over 5 per cent of the total world exports of 5,463 million yards) in 1954. This persistently upward trend in textile exports has been rendered possible by the continuously rising production of cloth in these countries which in 1960 aggregated 17,015 million yards, as against 12,834 million yards in 1954. During the same period, the output of yarn rose from 2,142,500 metric tons to 3,137,000 metric tons. The rise in the production of cotton goods thus follows the notable expansion in the spinning and weaving capacities. Between January 1953 and December 1960, the number of spindles installed in all the Communist countries went up from 19.59 million to 26.88 million and that of looms from 528.000 (July 1952) to 532.681. The place occupied by the Communist countries together on the world cotton textile map is highlighted in the following statement:

	World total	Communist countries	Percentage share of Communist countries
Spindles (In thousands):			
January 1953	129,330	19,589	15.1
December 1960	125,867	26,878	21.4
Looms (actual number):			
July 1952	2,730,400	528,000	19.3
December 1960	2,581,336	532,681	20.6
Production:			
Yarn (thousand metric tons):			
1954	7,235	2,142	29.6
1960	8,986	3,137	34.9
Cloth (million yards):			
1954	44,212	12,834	29.5
1960	53,240	17,015	32.0
Exports of cloth (million yards):			
1954	5,463	284	5.2
1960	6,759	1,119	16.6

Metric ton = 2,205 lbs.

The production of cotton textiles and consumption of cotton in Eastern Europe and Soviet Russia, according to an interesting review of the trends in this region contained in the June 1962 issue of *Cotton*, the monthly publication of the International Cotton Advisory Committee, Washington, continue to rise, the largest percentage gains being in Hungary, Poland and Rumania. As for man-made fibres, their output in Czechoslovakia, Russia and probably elsewhere also continues to rise quite rapidly. In the case of silk fabrics, the production is declining except in Czechoslovakia and Hungary.

The table below indicates the trend of production of all types of textiles in Soviet Russia and East European countries during the last three years:

Country	1959	1960	1961 Plan	1961 Actual	1962 Plan
Bulgaria (million metres):					
Cotton fabrics ..	209	218	213	226	234
Woollen ,, ..	18.6	18.7	16	17	17.2
Silk ,, ..	9.5	10.7	..	10	10.1
Czechoslovakia (million metres):					
Cotton fabrics ..	441.6	463.9	461.5	466.6	..
Woollen ,, ..	45.6	46.2	46.6	47.6	..
Silk ,, ..	60.6	65.1	71.4	73.0	..
Linen ,, ..	65.1	67.0	66.7	68.4	..
Man-made fibres ('000 tons) ..	58.1	62.3	69.7	69.0	..
Hungary (million sq. metres):					
Cotton fabrics ..	226	240	252	256	..
Woollen ,, ..	24.9	27.6	29.2	29.8	..
Poland (million linear metres):					
Cotton fabrics ..	637	667	680	710	705
Woollen ,, ..	80.3	78.9	75.3	77.6	83.3
Silk ,, ..	105	112	116	111	111
Rumania (million sq. metres):					
Cotton and mixed fabrics	218	248	..	283	..
U.S.S.R. (million sq. metres):					
Cotton fabrics ..	4,600	4,800	6,520	4,900	..
Woollen ,, ..	420	440		460	..
Linen ,, ..	480	520		490	..
Silk ,, ..	660	680		680	..
Man-made fibres ('000 tons) ..	180	211	253	250	280

Source: Economic Survey of Europe, 1961.
1 metre = 1.0936 yard.

The twenty-year plan adopted last year in Russia calls for quintupling national income between 1960 and 1980 and raising the average *per capita* consumption to 3½ to 4 times the 1960 level. The production of textiles is expected to be doubled by 1970 and trebled by 1980 over 1960. The projected annual compound rate of increase in textile production during the 20-year period will be 6 per cent, as compared with 8.5 per cent for consumer goods, generally, and 9.7 per cent for all industrial goods. It is estimated that the population of Russia will rise from 216 million in 1960 to 248 million in 1970 and 274 million in 1980 and the object is to raise the *per capita* annual consumption of all textiles from about 40.00 square metres (that is, 43.74 square yards) at present to 47.5 metres (51.95 yards) in 1970 and 65.2 metres (71.30 yards) in 1980. These figures indicate that a greater expansion in *per capita* consumption is contemplated in the 'seventies than in the 'sixties. More rapid percentage increases are apparently planned for wool, silk and linen fabrics than for cotton fabrics. Nevertheless, the cotton fabrics will still account for 60 per cent of the total consumption of fabrics in 1980.

Target for Textiles

The production target for textile (all) piecegoods to be achieved by Russia in 1970 is 13,600 million square metres which will be higher still at 20,000-22,000 million square metres in 1980, as against the actual production of 6,600 million square metres in 1960. In order to achieve this target, the output of raw cotton, man-made fibres and wool is proposed to be stepped up considerably as shown in the table below:

	1960	1961	1965	1970	1980
Textile fabrics (in billion sq. metres)..	6.6	—	—	13.6	20–22
Fibres (in '000 million tons):					
Cotton	1,480	1,528	1,970 to 2,100*	2,760	3,450 to 3,800
Man-made ..	211	250	666	1,350	3,100 to 3,300
Wool	357	—	548	800	1,045 to 1,155

Source: Economic Survey of Europe, 1961.
—Not available.
Calculated from seed cotton targets on the basis of 34 per cent lint content.

The agricultural programme of Russia envisages an increase in cotton production from 7.0 million bales (of 478 pounds net weight) in 1961 to at least 9.1 million bales in 1965, 12.7 million bales in 1970 and 15.9 million bales in 1980. The Kara Kum Canal in Central Asia (this is a 500-mile waterway, 100 to 150 ft. in width, taking water from the Amu Darya river), which has already been completed, is expected to double the water supply and contribute greatly to cotton production in Southern Turkmenia. The production of man-made fibres is to be stepped up from 1.2 million bales in 1961 to 3.1 million bales in 1965 and 6.2 million bales in 1970 and it is hoped to double wool output by 1970 from the 1960 level of 1.6 million bales.

Imports

Soviet Russia imported last year (1961) 653,000 bales of cotton, as compared with 891,000 bales in 1960. The cut was effected mainly in imports from the United Arab Republic, the principal source, from 512,000 bales in 1960 to 423,000 bales in 1961. Imports from China, too, declined from 216,000 bales to 55,000 bales. Imports from Sudan, however, rose from 25,000 bales to 28.000 bales. Besides, Russia imported 28,000 bales of cotton from Brazil, from which it had not bought any cotton in 1960. Whatever cotton Russia imports is only of the types that are either not produced there or produced on a small scale. Actually, Russia is a next exporter of cotton. The total quantity actually shipped in 1961 was 1,765 000 bales which was slightly less than in 1960, with little change in the quantities sent to most destinations. The bulk of Russian cotton exports went to Eastern Europe. Some cotton was also exported to Western Europe (215,000 bales), Cuba (69 000 bales), North Korea (46,000 bales) and Japan (38,000 bales).

Exports

Soviet Russia exported last year 197 million metres of piecegoods which is about the same as in 1960. The principal destinations were Bulgaria, Indonesia, Mongolia, Malaya, Afghanistan and Thailand. In the same year, Russia imported 60.9 million metres of piecegoods, a quantity which was substantially less than that (143.3 million metres) imported in 1960. Of the latter figure, China alone accounted for 100 million metres. How much was from there in 1960 is, however, not known.

COTTON TEXTILE INDUSTRY IN INDIA

In the last session of the Lok Sabha, Mr. Manubhai Shah, Union Minister for International Trade, gave some interesting details regarding the allotment of cotton spindles, automatic looms, handloom industry and powerlooms in the course of his replies to questions raised by members. The details are given below:

Allotment of spindleage: The number of spindles carried over from the second to the third Plan period was 378,856. In addition, it has also been decided to license immediately during the third Plan three million spindles. The total availability is, therefore, 3,378,856 spindles. The State-wise position of licences issued (upto 16th May 1962) is as follows:

State	No. of applications received	Licences issued: New units: No. of units	New units: Spindles	Substantial expansion: No. of units	Substantial expansion: Spindles
Maharashtra ..	116	..	..	8	74,264
Gujarat	125	7	84,000	..	..
Assam	6	1	25,000	1	12,500
Bihar	40	13	182,000	..	..
Madhya Pradesh ..	48	8	114,000	..	..
Punjab	60	9	120,000	7	78,000
Orissa	24	4	84,100	2	35,500
Rajasthan	55	9	108,000	6	34,728
U.P.	85	8	122,000	2	30,020
W. Bengal	62	7	97,000	..	..
Andhra	124	..	..	..	..
Kerala	119	..	..	..	..
Mysore	59	..	..	..	..
Madras	324	..	..	..	..
Total ..	1,247	67	936,100	26	265,012

A large number of licences have already been issued. The delay in the disposal of others is due to the need for careful scrutiny of applications from the technical point of view. No applications have been returned to the State Governments, though, in a few cases, there has been correspondence with them for clarification of a few points.

Automatic looms: Automatic looms are being licensed both for expansion and for replacement. In the former case, under the present policy, applicants who undertake to export 75 per cent of the production of these looms are being given preference. Although Indian textiles are meeting with increasing competition in foreign markets, it is expected that the units equipped with modern automatic machinery will be in a better position to sell their goods in such markets than units without such equipment.

Reopening of mills: Fourteen of the cotton mills shut down for some reason or other restarted working during the year 1961. Financial assistance to cotton mills is channelled through the agency of the National Industrial Development Corporation. Of the 14 mills, the Corporation has sanctioned loans amounting to Rs. 49.50 lakhs to one mill and Rs. 13 lakhs to another.

Handloom industry (21st May 1962): The handloom industry is still in receipt of subsidies from the Central Government. The actual subsidies amounted to Rs. 350.39 lakhs in 1961-62, as against Rs. 366.32 lakhs in 1960-61 and Rs. 518.58 lakhs in 1959-60. The Government's object in giving financial assistance to the handloom industry is to strengthen and rehabilitate it. There is no single proposal whereby the industry can be made self-supporting. But the overall effect of the various schemes now being adopted is progressively to improve its economic condition and competitive capacity which, in the long run, should help to make the industry stand on its own feet.

Powerlooms: There are 82.805 powerlooms—25,718 cotton and 57,087 non-cotton. New licences are not given except for purposes of imparting vocational training. No prosecutions for setting up unauthorised powerlooms were launched in 1961. The number of unauthorised powerlooms in existence during 1961-62 was 64,286. Information regarding powerlooms regularised State-wise is being collected (as of 2nd May 1962). The following table indicates the progress made in the conversion of handlooms into powerlooms upto the end of December 1961:

State	Looms sanctioned	Looms ordered	Looms received	Looms installed
Maharashtra and Gujarat	3,100	1,725	1,200	1,195
Assam	230	150	50	64
Bihar	1,300	900	900	723
Kerala	1,500	500	500	500
Madhya Pradesh ..	467	258	258	153
Madras	15	15	15	15
Mysore	2,000	2,000	1,280	852
Orissa	1,200	768	490	360
Punjab	500	188	188	180
Rajasthan	400	330	330	75
U.P.	1,000	268	268	152
W. Bengal	1,005	745	745	735
Delhi	26	16	..	..
Manipur	1	1	..	..
Pondicherry	125	30	..	..
Total ..	13,469	7,894	6,324	4,944*

* Of this total, 3,456 powerlooms were installed during the second plan period and the balance in the first nine months of 1961-62.

The Government has decided not to permit any more installation of powerlooms in the handloom sector. The decision was taken after an inquiry.

TROUGH OF DEPRESSION IN COTTON INDUSTRY

MORE MILLS TO CLOSE?

From Our Special Correspondent

MANCHESTER, *24th July*

TO the complications already existing in no small measure in the cotton industry in Lancashire has now been added a further disconcerting factor—political uncertainties which reached their climax in a series of Government changes. Buyers at the moment need little enough excuse to restrain their activities and the new wave of disillusionment which swept the country during such a wholesale switch of key Ministers was the signal for most distributors to withdraw still further into their shells.

MANCHESTER LETTER

The height of the summer is scarcely a time when much business is usually negotiated, yet traders are searching their memories for an occasion when incentives were so far distant. To economists and others, who rely on theory rather than practice, sentiment seems an odd way of describing market vacillations, but to the business man such intangible aspects are recognised in their true worth.

Ever since the big wave of over-buying, which proved the aftermath of the scrapping scheme which ended over two years ago, textile traders in this country have been short of confidence. Producers were able to "live on their fat" for many months, but the subsequent trough of depression into which the trade has now sunk has exceeded in intensity its many predecessors.

Curtailment of Output

For the moment, the regular curtailment of output in the different districts, due to the holiday season, is sufficient to keep excess supplies within check. Even so, almost from week to week reports of pending mill closures come to hand and at least a score of firms have decided to shut their premises since the beginning of the year. To predict that this movement will not only continue but quicken in pace in the months ahead is not a difficult task. It has already been announced that the Devon Mill at Oldham, Lancashire—owned by the Cyril Lord group—is to close down. Notices have been posted to the 240 workers and the fifty-year-old mill will cease yarn production shortly.

Already the labour force in the spinning and weaving branch has fallen to below 160,000 and, in the first five months of the year, the rate of wastage was nearly 2,000 a month. It is interesting to note that manpower in the mills now represents only half those employed at the peak of the post-war "bulge" early in 1952.

Small comfort can be gained in Lancashire from learning that, as has happened so often in the past, the diminution of trade is widespread, if not world-wide. The Cotton Board's summary of conditions in the first quarter indicated the brighter tone prevailing in North America and isolated European countries, but, in many other areas, the tale is much the same as in Britain.

Common Market Hopes

Although conditions in the British textile trade were extremely difficult, Mr. George Spencer, Chairman of British Cotton and Wool Dyers' Association Ltd., told the annual meeting at Manchester, that the Directors were fully aware of the "enormous opportunities" which would be created if Britain joined the European Common Market. At the same time, they were aware of the highly competitive aspect of the project which meant that rivalry would become even more intense.

Competition in textiles as a whole, he said, was getting fiercer and fiercer and it should be recognised that the textile industry was in a weak position, because it was a service industry. Margins continued to shrink and this tendency was accentuated by vertical textile organisations which were able to employ their own dye houses and not to bother greatly about the profit made on the process, whereas firms such as British Cotton and Wool Dyers had to work on a commission basis.

A warning that Britain must be careful when considering restricting imports from overseas was given to British businessmen—many of them in cotton—at Manchester by Mr. Alan Green, the newly-appointed Minister of State, Board of Trade. Addressing a luncheon of the Manchester Chamber of Commerce and the Manchester branch of the Institute of Export, Mr. Green said that, although Britain could take powers to change the pattern of imports, they had to take care that such powers were not used to restrict and reduce the world trade on which growth depended. Trade was not "a one-way street" and could not be conducted exclusively at home. "We must adopt both the markets overseas and at home, or if we fail the world will certainly pass us by and we shall belong only to history," he said.

Exports

On the subject of exports, Mr. Green said that he wanted to see "a growing body of ambassadors" to relate the nation's needs on overseas trade to the thoughts and deeds of ordinary people. "It isn't very easy, if you are a postman, a teacher or a pensioner, to relate the needs of the nation to your particular circumstances, yet this relationship must be established, if democracy is not to run itself into the ground by demanding more consumption than it pays for by production and service," he said.

Diversion of Activities

Diversification of former cotton business is not always the answer to falling profit margins. This is made clear in a report published by the chairman of Taylor and Hartley (Holdings) Ltd., one of the big spinning and weaving groups in Lancashire, which has lately switched output towards the garment trade as well as taking over several local motor distributing firms. Mr. William T. Sutcliffe blames the Government for failing to restrain "unfair foreign competition," saying that there is no encouragement to put further capital at risk in the plain manufacturing section of the textile trade. Spinning and plain weaving, he said, had been the worst-hit during the past year when the pre-tax profit of the group fell from nearly £453,000 to £297,000. There were still no signs of improvement, he added.

While imports of yarn and cloth, either subsidised or from low wage cost countries, were allowed to enter the home market at the peak level reached in 1961, the spinning and plain weaving units must operate uneconomically. In fancy weaving, however, a more prosperous basis had been established, but rising costs were depleting profit margins.

More and more concentration was being centred on the expansion of the outer garment trade. This, said Mr. Sutcliffe, was steadier and less susceptible to climatic conditions and the whims of fashion. The motor vehicle distributing sections had suffered a lean year because of the prolonged strike at one of the big motor manufacturing groups as well as restrictions on credit and the removal to new premises.—*All Rights Reserved.*

British women are still busy breaking all knitting records. In the first five months of this year, they used about 12 per cent more hand knitting yarn than in the same period of the record year 1961. With the severe winter acting as a spur to demand, worsted mills in Britain produced 20 million lbs. of hand knitting yarn between January and May. Average monthly figure was 4.0 million lbs., as compared with 3.5 million lbs. for the corresponding period of last year. The value of all-wool yarns, which comprise about 85 per cent of the total, was about £24 million, estimated on an average retail price of 1s. 6d. an ounce. (Re. 1 per ounce).

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U.S. RAW COTTON PRICES

TREND DURING PAST TWO YEARS

SINCE India is a large importer of U.S. cotton these days, prices of that cotton are of direct interest to mills in this country. A comprehensive review of the cotton price trends in the U.S., contained in the latest (June 1962) issue of the monthly bulletin of the International Cotton Advisory Committee, Washington, indicates the pattern of price movements in the past two seasons and points to the probable trend of prices in the new season which began on 1st August 1962.

The price of cotton in the U.S., the review points out, depends not only on the supply and demand situation but also on Government policy with regard to price support, resale of old crop cotton and exports. During the 1961-62 season, just ended, U.S. Department of Agriculture returned to a single support-by-loan programme from the Choice A and B systems of the previous two seasons. Under the former A and B systems, which expired in July 1961, most of the cotton was grown by farmers who stayed within their acreage allotment (Choice A) and thus were eligible to sell their cotton to the Government at 32.42 cents per pound for Middling one inch in 1960-61. This cotton the Commodity Credit Corporation resold at a loss, at not less than a minimum price rising from 29.29 cents in August and September 1960 to 31.19 cents, with the addition of carrying charges, by July 1961. The C.C.C. minimum resale price for Choice A cotton was the principal determinant of the domestic price of cotton in the U.S. in 1960-61. It is estimated that about 10 million bales (of 478 lbs. each) were grown under this option and less than 5 million bales under Choice B. The Choice B cotton was supported by a loan programme at 26.63 cents for Middling one inch cotton, but, as the supply of Choice B cotton was small in relation to the total demand for American cotton, Choice B farmers had little difficulty in disposing of their cotton at or near the Choice A resale level. Consequently, very little Choice B cotton entered the Government loan.

U.S. Dilemma

The legislation approved in 1958 by the U.S. Congress had provided that the Department of Agriculture should revert to a single support-by-loan system in 1961-62. In setting the support level for the season, the Department of Agriculture faced a dilemma. If it kept prices to farmers as high as the Choice A price, which most farmers had received in 1960-61, there would be a substantial rise in the cost of cotton to domestic mills. On the other hand, if the price to the mills was kept the same, it would mean a serious loss in income to the farmers. The Department, however, decided in January 1961, to take the first course and set the loan rate for the 1961-62 season at 33.04 cents for Middling one inch cotton. This level was actually a little higher than Choice A purchase price of 32.42 cents and considerably higher than the C.C.C.'s resale price for the 1960-61 season.

The announcement that support prices for the 1961-62 season would be higher than that in the previous season caused a heavy wave of selling of 1960-61 crop by farmers and, by August 1961, stocks in private hands aggregated 5.7 million bales, as compared with 2.5 million bales a year ago. Farmers producing the 1961-62 crop, which aggregated 14.2 million bales of upland cotton, were, of course, able to place their cotton in the loan at 33.04 cents for Middling one inch cotton.

C.C.I. Cotton

The Commodity Credit Corporation owned only 1.5 million bales of cotton as on 1st August 1961, the smallest stock in many years. This cotton has not been available for sale during the 1961-62 season except at 115 per cent of the loan rate plus carrying charges or higher. Consequently, the minimum price at which this cotton could be sold was 38 cents in August and September 1961, 38.10 cents in October, rising at 20 points per month to 39.90 cents in July 1962. At these prices, this cotton has in effect been sealed off the market and practically none has been sold this season.

While the domestic price for cotton was rising last season—in fact, the price of Middling one inch cotton rose from 33.11 cents in August 1961 to 33.70 cents at the end of May 1962, as compared with 31.80 cents in May 1961—the price of rayon staple declined from 33 cents to 27 cents per lb. But the increased domestic price of cotton has been largely offset, so far as the export market is concerned, by an increase in export subsidy from 6 to 8.5 cents. On this basis, the effective price for export cotton at the end of May 1962 for Middling 1" cotton was 25.40 cents, as compared with 25.80 cents in May 1961.

Current Season

As regards the current season, which commenced on 1st August 1962, the review makes the following observations:

"The support price for 1962-63 for Middling one inch cotton was set at 32.47 cents per pound, as compared with 33.04 cents in 1960-61 season. Farmers have no reason to sell below this price and whether the market price rises above this level will depend on how strong demand is in relation to supply. If farmers place much of their cotton in the loan, the necessity of paying interest and carrying charges, totalling around 20 points per pound per month, to bring this cotton back into the market must be taken into consideration.

"While there is a question as to whether the coming crop will be sufficient to meet all demands, there is no question that the coming crop plus the expected carryover of around 7.5 million bales should be sufficient to meet any expected need. Interest then centres on the prices at which this carryover will be available.

"It now appears that the C.C.C. will still own on 1st August around 1.5 million bales from the 1960-61 and earlier crops. This cotton will only be available at a minimum of 115 per cent of this season's loan rate plus carrying charges which would mean a minimum price for Middling 1" of 38.64 cents in August, declining to 37.44 cents in October, and thereafter rising to 39.24 cents by July 1963.

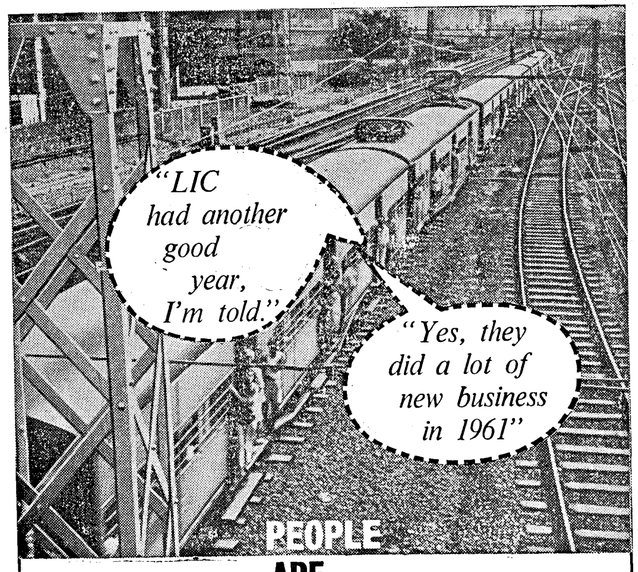
"Also, if present administrative regulations are not changed, the C.C.C. would take title to around 3.5 million bales of this season's cotton on 1st August which would only be available at the above prices.

"At such prices, C.C.C. stocks would presumably be sealed off from the market and would not be a supply factor in the market. Of course, if the trade thought there would be a shortage of cotton in the early months of this season, they could redeem cotton from this season's loan programme prior to 1st August but for cotton placed in the loan last November, the cost by July would be close to 35 cents for Middling one inch.

"There are two steps the Department of Agriculture could take administratively under the present law if they wished to ease any shortage of supply. First, they could hold off on taking title to this season's loan cotton on 1st August. The cotton would continue to belong to the farmers but it would be necessary to pay the mounting carrying charges. Second, they could again sell cotton from C.C.C.-owned stocks directly for export at the competitive world price as was done in 1958-59. Whether or not anything of this nature will be done is uncertain at present.

"The Department of Agriculture has already announced that the export subsidy will continue at 8.5 cents this season. The Department reserves the right to change this at any time in order to keep American cotton competitive on world markets but, in actual practice, in the past, it has not made changes once the subsidy for a season has been announced."

The above assessment is based on the price of Middling one inch cotton, the base quality. But the supply and demand situation for various qualities of cotton can be quite different from that for cotton, in general. During the last two or three years, the demand for lower grades and shorter staples has been strong in relation to supply. There is currently in the U.S. a shortage of low quality cotton and both the C.C.C.-owned and C.C.C. loan stocks consist almost entirely of higher qualities. Whether the pendulum of demand will slowly swing back to the higher qualities, as had happened in the past, remains to be seen.



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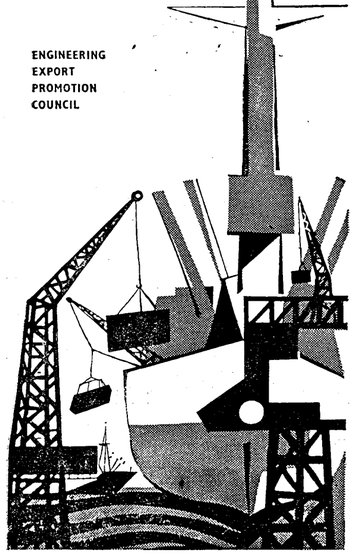

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RAISING PRODUCTIVITY OF RAW JUTE

NEED TO ENSURE STABILITY IN PRICES

WHOEVER speaks or writes on the jute industry, India's ace earner of foreign exchange, one can doubtless expect a pointed reference to the problems of raw jute development. This is because of the fact that the fortunes of the secondary stage of jute economy (that is, manufacture of hessians, sackings, etc.) are so closely linked to those of the primary stage (jute cultivation) that any setback to the latter is bound to affect adversely both production and exports of jute goods. It is essential to bear in mind this vital factor, especially now when the Indian jute goods are experiencing severe competition in world markets not merely from Pakistan, which is making an all-out bid to expand and modernise the industry, but also from growing substitute packing materials (such as paper and plastic bags) and bulk transport of goods. While it cannot be disputed that efforts have been made in India to improve the conditions in jute economy in the past few years, the fact remains that the results actually achieved have not been quite encouraging. Striking evidence of this fact is the poor productivity of land devoted to raw jute. The average all-India per-acre yield of jute, though it has risen from 2.33 bales (of 400 lbs. each) in 1950-51 (base year of the first Plan) to 2.77 bales in 1961-62 (first year of the third Plan), is well below what is obtained in Pakistan, namely, 3.71 bales and the third Plan target of 3.5 bales. The accompanying table indicates the trend of area, production and per-acre yield of jute in India and Pakistan since 1950-51.

The relatively small quantity of raw jute raised in a given area of land in India must be attributed to a number of factors to which Dr. Ram Subhag Singh, Union Minister for Agriculture, did well to draw attention when he addressed the fifteenth meeting of the Central Supervisory Body for Jute held at Calcutta last week. In the first place, the spread of improved seeds is still restricted to a small fraction of the total jute area. Secondly, the use of fertilisers is on a very limited scale. Thirdly, the damage caused by pests and diseases, as well as the toll taken by weeds, is very extensive. Again, the lack of suitable sowing drills is preventing the quick adoption of line sowing. Further, the Agriculture Departments of State Governments are not energetically implementing the programmes of development. Take, for instance, the model scheme for supplying running water. It is disquieting to hear from Dr. Singh that, although the scheme was sent to the State Governments some months ago, only one State (Bihar) has so far submitted detailed concrete proposals. The model scheme, it may be noted here, envisages construction of links for joining retting tanks with canals, rivulets and tube-wells so as to assure a constant supply of running water. The revised scheme for providing retting facilities include provision of loans and subsidies according to the size of the holdings of jute growers. This, according to Dr. Singh, would be more liberal in the case of small and medium growers. And, finally, there is the absence of a suitable machinery to prevent violent fluctuations in prices.

Higher Yields Imperative

Since raw jute accounts for the major part of the cost of jute goods production, the need for augmenting per-acre yield, improving the quality of the fibre and reducing its price cannot be stressed too strongly. Dr. Singh certainly struck a note of realism when he urged that all future increase in jute output should be achieved exclusively by increasing the yield per acre and not by expansion in area. Needless to say that, to the extent this objective is realised, more land can be released to the production of other agricultural crops. There is, as Dr. Singh said, great scope for improving the acre-yields of jute, as the various intensive cultivation measures which count for increased production have not so far been fully harnessed. It is gratifying that the Government of India is making available special quotas of fertilisers for the jute crop. But the question is whether the Governments of the jute growing States will show enough enthusiasm and speed in lifting the quotas allotted to them and making arrangements for their prompt distribution to agriculturists.

The past ten years have witnessed, as the table on this page shows, marked variations in raw jute production—from 2.93 million bales to 4.68 million bales in the first Plan period and from 4.03 million bales to 5.18 million bales in the second Plan period. Unless such wide variations are eliminated by stabilising production at a level that will cover the country's requirements, the jute manufacturing industry and thereby the export trade of India will suffer heavily. Emphasising this point, Dr. Singh declared that it was imperative to make a close study of the factors responsible for the variations in the size of the crop, for it was only by pinpointing the causes that appropriate remedies could be found. "We must know," he said, "if the fault lies exclusively with unfavourable weather conditions or if there are other factors like prices which are equally responsible."

Raw Jute Prices

Referring to the price aspect, in particular, Dr. Ram Subhag Singh observed:

"There is intimate relationship between the price and the quantum of production of commercial crops. Such a relationship has been clearly demonstrated in the past few years in a number of crops, and jute cannot be an exception. The effect of prices on the production of jute has also been quite obvious during the past decade. As the fluctuations in prices are the main hindrance to planned production, the Government has given in the past very careful consideration to the question of fixing a statutory minimum price for raw jute. It has, however, been realised that, in a commodity the price of which is dictated by the international market like jute, the fixation of a minimum price is not without complications. At the same time, it is necessary to ensure that jute growers get a fair and economic price for their produce, so that adequate incentives are provided to them for adopting intensive cultivation measures for realising the maximum yield per acre."

The observations of Dr. Singh on the issue of raw jute prices are, indeed, carefully worded. The need for avoiding violent fluctuations in raw jute prices and ensuring some sort of stability is, as this journal has ere now emphasised, as much in the interest of cultivators as in that of jute goods producers. For, while any undue rise in prices will have a serious impact on the cost of manufacturing jute goods, a sharp fall in it will hit the growers hard and adversely affect the jute industry itself through scarcity of raw material. Unless the jute growers feel that the return they secure on their crop is an economic one, they will simply not bother to put in efforts to produce more and improve the quality. The formation of growers' co-operatives and provision of storage capacity in primary markets which Dr. Singh suggested to help in avoiding distress selling on the part of growers. Even so, one wonders whether it would not be better to make the Buffer Stock Agency a more effective body, instead of encouraging creation of innumerable jute growers' co-operatives. There are two ways in which this could be done. First, the responsibility for running the Agency, which is now on the shoulders of jute millowners, should be taken over by the Governments, Central and State. Secondly, the Agency must have regional offices in primary markets for keeping up parity prices.

Mesta

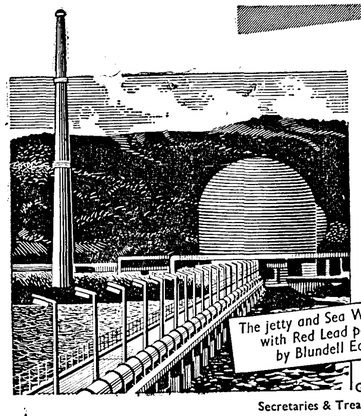
The prospects of raw jute price stability in the current (1962-63) season, which began on 1st July, are said to be "very good." This at any rate is the opinion expressed by Mr. Ajit Mazoomdar, Jute Commissioner, at the meeting of the Central Supervisory Body for Jute. For, according to Mr. Mazoomdar, the "market" consumption is likely to be about 7.1 million bales plus 200,000 bales for domestic and small-scale production of ropes, mats, etc., or a total consumption of 7.3 million bales. As against this, the supply available is expected to be about 9.0 million bales, comprising 2.5 million bales of carryover and 6.5 million bales of raw jute. In addition to this supply, there is the production of mesta. No estimate is still available about the mesta crop in the current season. In 1961-62, the mesta crop amounted to 1.71 million bales, as against 1.13 million bales in the previous season. Mesta, it may be noted here, is very similar to jute—it is in no way inferior to jute as regards colour—though it is somewhat coarser and not quite so strong. Sometime ago, it was feared that the growing mixture of mesta with jute in the manufacture of finished goods would spell disaster for the Indian jute industry in the quality-conscious export markets made more competitive and discriminating by the larger availability of manufactured goods from Pakistan. Such fears have since been dispelled. Mesta, we are told, spins well on jute machinery in admixture with jute. In view of this and considering that the colour of mesta is in no way inferior to that of jute and that its price is lower than jute, the jute mills are using larger and larger quantities of mesta. There is, however, a limit to the use of mesta, thanks to its "too obvious" defects of coarseness and brittleness.

Jute economy in India and Pakistan

(Area in thousand acres, yield in thousand bales and per-acre yield in bales)

Season	India (raw jute and mesta)						Pakistan (raw jute only)		
	Raw jute			Mesta					
	Area	Yield	Per-acre yield	Area	Yield	Per-acre yield	Area	Yield	Per acre yield
1950-51	1,411	3,283	2.33	N.A.	N.A.	N.A.	1,711	6,007	3.51
1951-52	1,951	4,678	2.40	N.A.	N.A.	N.A.	1,779	6,331	3.56
1952-53	1,817	4,605	2.53	483	682	1.41	1,907	6,823	3.58
1953-54	1,106	3,129	2.62	468	656	1.40	965	3,610	3.74
1954-55	1,243	2,928	2.36	514	1,016	1.98	1,243	4,662	3.75
1955-56	1,739	4,107	2.41	572	1,159	2.03	1,634	5,592	3.42
1956-57	1,908	4,228	2.25	733	1,478	2.02	1,230	5,514	4.48
1957-58	1,742	4,052	2.33	764	1,291	1.69	1,565	5,701	3.65
1958-59	1,827	5,178	2.83	825	1,488	1.80	1,528	6,001	3.93
1959-60	1,685	4,605	2.73	704	1,118	1.59	1,375	5,363	3.90
1960-61	1,529	4,030	2.64	689	1,191	1.64	1,518	5,625	3.71
1961-62	2,259	6,269	2.77	951	1,705	1.79	N.A.	6,960	N.A.

1 bale=400 lbs. N.A.—Not available.



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MOTOR VEHICLES TAXATION IN MADRAS

PROPOSED LEVIES TOP HEAVY

THE already heavily-taxed road transport industry in Madras is being called upon to contribute further revenue to the State exchequer. The latest increases in taxation on buses and goods vehicles in various slabs of mileage, weight, etc., as proposed in the recent Madras Budget for 1962-63, are designed to net in an additional revenue of Rs. 2.0 crores in the rest (9 months) of the financial year and Rs. 2.6 crores in a full year. The proposed tax increases in M. V. Tax (that is, tax under the Madras Motor Vehicles Taxation Act of 1931) and in T.P.G. (that is, tax under the Madras Taxation of Passengers and Goods Act of 1952) are pretty steep in the case of bus transport, as will be seen from the following figures which compare the rates charged hitherto with the proposed ones:

(In rupees per bus per annum)

Mileage slab and tax category	Present	Proposed	Increase
132 miles and below:			
M. V. Tax	6,000	7,000	1,000
T.P.G. Act at Rs. 25 per seat per quarter	2,500	5,000	2,500
	8,500	12,000	3,500
132 to 169 miles:			
M. V. Tax	6,000	8,000	2,000
T.P.G. at 72 nP. per year per seat on the daily standard mileage	3,211	6,084	2,873
	9,211	14,084	4,873
Over 169 miles:			
M. V. Tax	6,000	9,000	3,000
T.P.G. at Rs. 35 per seat per quarter	2,500	7,000	4,500
	8,500	16,000	7,500

It will be seen from the above figures that the increase in taxation on a bus will range from Rs. 3,500 to Rs. 7,500, depending on the mileage. With this increase, the combined incidence of all Central and States taxes (direct and indirect) on a diesel-driven 58-seater bus in a year, for instance, will range from Rs. 24,000 to Rs. 27,000, representing nearly 70 per cent of its gross revenue. The figures worked out by Southern Roadways Private Ltd. in respect of taxes paid on a 58-seater bus to the Central and State Governments in 1961 show that their combined incidence in that year was Rs. 19,298, or, roughly, Rs. 19,500. The details are given below:

(In rupees)

Central Taxation:		
(a) Import duty on component parts imported for assembly of the chassis, engine—approximate landed cost Rs. 15,000 duty at 30 per cent spread over an assumed life of 7 years. 4,500/7	643	
Levy of excise duty Rs. 3,044 spread over a period of 7 years	435	1,078
(b) Duty at Re. 1.05 per gallon on 4,210 gallons of diesel oil (annual consumption)		4,421
(c) Import duty on spare parts utilised (consumption per year Rs. 3,000)—		
Approximate value of goods imported Rs. 1,000 duty at 40 per cent on landed cost of Rs. 714 .	286	
Approximate value of goods purchased from dealers Rs. 2,000 duty at 40 per cent on Rs. 1,016	406	692
(d) Excise duty on tyres and tubes (825 × 20 all-round) Consumption at 1 set for front and 1½ sets for rear. Tubes 1 set. At Rs. 99.22 for 8 tyres and Rs. 11.41 for 6 tubes		862
		7,053
State Taxation:		
(a) Annual incidence of Sales Tax at 7 per cent on cost of diesel bus chassis, Rs. 2,242 spread over an assumed life of 7 years	320	
(b) Sales Tax at Re. 0.35 per gallon on 4,210 gallons of H.S.D. Oil	1,474	
(c) Incidence of Sales Tax on spare parts at Re. 0.07 per rupee on Rs. 2,000 purchases from dealers. .	140	
(d) Sales Tax at Re. 0.07 on cost of new tyres and tubes on Rs. 2,156	151	
(e) Motor Vehicles Tax at Rs. 30 per seat per quarter under the Madras Motor Vehicles Taxation Act	6,960	
(f) Tax at Rs. 12.50 per seat per quarter under the Madras Motor Vehicles Taxation of Passengers and Goods Act, 1952	2,900	
(g) Stand fees collected by Municipalities and Local Bodies	300	12,245
Grand Total .. Rs.		19,298

Bus transport in Madras, it is contended, is not in a position to bear the heavy incidence of additional taxation. The Southern Roadways Private Ltd., for instance, had a net profit of Rs. 17.6 lakhs in 1961-62 on its aggregate fleet of 359 buses, but is expected to incur a net loss of Rs. 19.5 lakhs in 1962-63, on the basis of existing fares, for the proposed additional taxation means a burden of Rs. 28.5 lakhs on the Company. Besides, it has to meet the increases in dearness allowance and amenities for transport workers to the tune of Rs. 8.6 lakhs. If this is the position of a big operator, the plight of small operators, who do not enjoy credit facilities from commercial banks at advantageous rates and who have to pay more for their spares, tyres and accessories, may be easily imagined. It would be a case of penalising efficiency if the Madras bus transport industry, which has partly met the 50 per cent increase in operating cost since 1952 by various measures of technical efficiency, such as reconditioning of spares, retreading of tyres and preventive maintenance and reclaiming of engine oil, is subjected to any hardship. By all accounts, this industry, which has not increased the fares on many of the routes of the Madras State in spite of a 50 per cent increase in operation cost from 75 nP per bus mile in 1952 to 112 nP in 1962, deserves to be treated with greater consideration. The present state of the industry, which is far from satisfactory, is better described by Mr. S. N. Ramaswami, who has been associated with its fortunes. This is what he has to say:

"In addition, depreciation allowance permitted under the Income-tax Law has been reduced from 70 per cent for the first year and 50 per cent for the subsequent year to a flat 25 per cent with effect from 1st April 1958.

"It is a fact that the operator has controlled the outgo in the controlable items of expenditure by retreading, reconditioning, etc. But the operator is helpless in the matter of taxation, price of chassis and other bills of expenditure. Secondly, neither the increase in population nor the increase in national income has generated a proportionate increase in the gross takings of a bus. So, there is a squeeze between cost and revenue. This squeeze has compelled the postponement of replacement of aged vehicles. It is sad and distressing that the accidents on the roads with increasing fatalities are on the increase. The accidents are there, because the earnings per bus have not kept pace with the increase in and recurrence of the bills for chassis, taxation, etc. There is an ever-present threat of nationalisation and resultant insecurity of business."

The increase in tax proposed by the Madras Government for lorry transport also is stated to be excessive. An enhancement of about 50 per cent in the existing levels of taxation in category A (110 cwts.—150 cwts. and 150 cwts.—170 cwts.) and a new slab of tax on goods vehicles coming under the category B (above 180 cwts.) have been proposed. As 95 per cent of the trucks produced in India since 1954 fall under the category of over 9 tons (180 cwts.) and a 25 per cent extra load on the gross vehicle weight has been permitted, the new slab virtually means, according to Mr. T. S. Santhanam, who has been intimately associated with the road transport industry in Madras, almost doubling the tax on lorries. So it has been represented to the Madras Government that the category of over 9 tons should not be introduced and that the increase in taxation both under the Motor Vehicles Tax and the T.P.G. Tax should be limited to the extent to which the goods transport industry can reasonably bear. Mr. Santhanam, who recently submitted a memorandum to the Madras Government on behalf of bus and lorry operators, has made out a cogent case for not increasing the tax burden on motor vehicles. His arguments are:

"The budget figures of the Madras State under the Motor Vehicles Taxation will disclose that the revenue under this head has been increasing at a faster rate than other sources of income. In our State over the past ten years, larger seating capacity buses have replaced smaller seating capacity buses. Trucks with larger carrying capacity have been put on the road replacing pre-war and war-time vehicles with smaller load-carrying capacity. More vehicles have come on the road for passenger and goods transport. As a consequence of the increase in the number of vehicles and the increase in the carrying capacity and seating capacity, the revenue is increasing at a faster rate than under other sources of income.... The average annual increase in motor vehicle revenues is more than 10 per cent. When we project it over the next 4 years of the third Plan, Government will get much more than their estimate in the budget proposals.

"We submit that the proposed tax burden on the road transport industry is very heavy, will almost ruin the industry, will drive the marginal operator out of business, will discourage truck and bus owners in operating on uneconomical routes, pioneering new routes and opening up new villages and will discourage the small income group from entering this business. We earnestly plead with the Government that the tax burden should be reduced very considerably and fixed at a reasonable level, so that this industry, which is mainly owned by people from the middle income group, which is labour-intensive and which is necessary for the economic growth of our country, is allowed to grow on sound and healthy lines and maintain and preserve the reputation of our State as owning the best system of roads and the best system of road transportation."

The argument that there is a buoyancy in the yield of motor vehicles taxation is a perfectly valid one, for the total tax revenue under "motor vehicles" in Madras has increased from Rs. 5.4 crores in 1957-58 to Rs. 7.4 crores in 1962-63 (Budget estimate, without taking into account the additional yield expected from the proposed measures). The increase in revenue, to the tune of Rs. 2 crores, since 1957-58 has been due largely to an average yearly increase of 400 in the number of buses and an average yearly increase of 370 in the number of public carriers. But heavy additional taxation now may only discourage the road transport industry from adding substantially to its fleet of vehicles. If the disincentive of additional taxation is not there, the industry is bound to expand faster and provide all the additional revenue that is now expected from the proposed levies.

The Madras Government, it is gratifying to know, has just announced some concessions in its original proposals for additional levies on passenger buses and goods vehicles. In the case of buses, for the middle and upper slabs the rates of taxation have been reduced to Rs. 65 and Rs. 70 per seat per quarter, respectively, from the originally proposed rates of Rs. 75 and Rs. 80. In the case of lorries, the revised proposal is that lorries with laden weight exceeding 10½ tons would be taxed at Rs. 800 per quarter (as against Rs. 900 which was originally proposed), with no progressive levy thereafter. At the same time, the Government has reduced the rates of taxation originally provided for slabs ranging from 7½ to 10½ tons. The bulk of the lorries, it has been claimed by the Madras Finance Minister, would fall under the category of above 10½ tons. The representations made on behalf of the road transport industry have thus not been wholly in vain, although the aforesaid concessions seem to be only marginal. The Finance Minister himself has admitted that the additional taxation, even after revision, would reduce the profit-margin of operators. The concessions have fallen very much short of the expectations of transport operators. The reduced levy of Rs. 800 in the case of lorries with laden weight exceeding 10½ tons, according to them, would still be 75 per cent more than what has been charged hitherto. And their opinion on taxation of passenger buses is that anything more than a uniform rate of Rs. 60 per seat per quarter would be excessive.

ROAD CONSTRUCTION IN WEST GERMANY

Today not only the large German cities seem to burst in their seams and to be unable to hold the large flood of motor vehicles in their narrow streets, but also the large long-distance roads in the Federal Republic and even the German Autobahns, which twenty years ago were a sensational novelty in road construction for all of Europe, have become too narrow for present-day traffic. And even a further expansion of the road net work, pushed forward with all possible speed, can hardly remedy the situation. The word of a traffic expert seems to be really justified when he said: "Road construction lags behind rapid motorisation."

Nevertheless, about 250 kilometres of Autobahn are being newly constructed every year. In 1945, at the end of the war, there were no more than 2,000 kilometres of operable Autobahns in the territory of the Federal Republic of Germany; by the end of 1962 there will be more than 3,000 kilometres, by the end of 1966 almost 4,100 kilometres and by 1970 there will be more than 5,000 kilometres of Autobahn. This construction plan requires thousands of millions of marks, if one considers that today one kilometre of Autobahn costs approximately 3.3 million Deutsche Marks. With this rate of construction of Autobahns, the Federal Republic of Germany takes the third rank in the world after the U.S.A. and Canada. In addition to Autobahn construction, there are plans for many hundreds of kilometres of new long-distance roads and other hundreds of kilometres of primary roads.

And yet all this construction work is insufficient, because the number of motor vehicles increases too rapidly. Today there are almost 5.5 million private cars in the Federal Republic and four million other motor vehicles (buses, lorries, motorbicycles, agricultural vehicles and the large motor pools of the police, border police, the customs authorities and the federal armed forces). By 1965, experts expect an increase of ten million private cars and by 1975 the responsible authorities fear an increase of 20 million private cars (one private car for every third inhabitant). This means that the motor vehicles will increase in fact twice as rapidly as the roads. Therefore, the most frequented sections of the Autobahn are to be broadened from four lanes to six lanes while the long-distance roads and primary roads are to be widened from their present two lanes to four lanes.

An even more difficult problem than long-distance traffic is the traffic situation in the large cities, for which experts see the only solution in the construction of two and three-level speedways. For it is possible today to fly with scheduled jet airliners from Rome to Munich within 90 minutes, while it takes almost one hour to get from Munich airport through to the city centre by bus or car.

NEW PUBLICATIONS

Land and Labour in India. By Daniel and Alice Thorner. Published by Asia Publishing House, Bombay. Pages: viii + 227. Price : Rs. 16.00.

ALTHOUGH at first sight the book gives the impression of having a central theme, in reality it is but a collection of some fifteen articles written by the authors over a period of eight/nine years (1952-60). Quite a few of them (e.g. the essays on the Sarda Canal and the Agrarian Regions) strike the reader as disjointed and hardly relevant to the purpose the authors have in view. The same could be said about the six essays contained in the third section of the book entitled "Census and Sample Surveys." These are more in the nature of criticisms of the methods by which social and economic data were gathered in the Census of 1951, the Census of Landholding, the Agricultural Labour Enquiry, and the Rural Credit Survey, and do not throw much light on the central problem of agricultural production in India.

Subject to the above remarks, some of the essays, particularly those in the first section of the book, are excellent, providing as they do an insight into the relationship between the agrarian structure and agricultural production. In the first essay entitled "The Agrarian Problem in India Today," the authors have pinpointed the fact that the various land reforms measures adopted since independence have not yet succeeded in their central and announced purpose of bringing the actual cultivator into direct relationship with the State. Non-tilling absentee cultivators still own the major part of the land which continues to be cultivated by landless labour in various types of bondage and servitude—a point further amplified in the third essay, "Employer-Labour Relationships."

The essays in the second section do not deal specifically with the problems of "Land and Labour." They are more in the nature of history, dealing with India's economic development since 1760 and the "de-industrialisation" that took place between 1881 and 1931. From these there is a sudden jump to long-term trends in agricultural output and an analysis of the Report of the Ford Foundation Team on India's Food Crisis. The section is rounded off by a criticism of the agricultural output figures published by the Government of India, but one misses the connecting link between such criticism and the "problem of Land and Labour."

The book would have gained considerably in value if the authors had done some screening and revision before rushing into print. A collection of articles written in different contexts over a period of eight/nine years does not constitute a "book," howsoever informative and intelligent each of them may be separately.

The Appraisal of Management for Executives and Investors. By Jackson Martindell. Published by Messrs. Harper & Brothers, 49 East 33rd Street, New York 16, N.Y. Pages : 204. Price : $4.75.

Within any given industry, the best managed company provides the soundest investment. There can be no safety where there is poor administration. These are well-known considerations. At the same time, more and more people are convinced that there should be some standards with which to judge the best managed company. The American Institute of Management had been conducting management audit of commercial corporations and lately it had participated in the development of investment theory based on good administration and thus establish a true value of shares, in order to predict their probable future value. The attempt is to discover the best opportunities by research and not by intuition. The results have been none too bad, as in the case of Eastman Kodak and Sprague Electric Company.

Mr. Jackson Martindell, in his earlier book, *The Scientific Appraisal of Management* (published in 1950), had drawn up and refined a system by which the organisational defects can be spotted. The present publication is an extensive revision of the earlier volume and incorporates the experience of the American Institute of Management during the period. It centres on how to assess management—whether large or small business and also non-business management.

The problems in the complex field of evaluation are to decide exactly where to start; what to observe; by what process of logic to classify the observations; how to resolve the classified factual observations into definite concepts of what we are trying to evaluate; and, finally, how to select standards that will facilitate objectivative evaluation. In this evaluation, the individual's ultimate test of good corporate management and investment is "adequate" annual profits on invested capital. The problem is important, because corporate activity in the larger enterprises has been largely severed from ownership control through the need to employ professional managers and because no citizen of our modern world can live outside the influence of a joint-stock company. The assurance of a superior management is the story of a long-term investment programme. The executive is also concerned with gauging the relative strength and weaknesses of his management.

In the chapter on assessing the investment value of management excellence, the author points out that mere reference to the earnings record does not indicate investment merit in the company's securities. The philosophy of investment procedure has a considerable bearing on this point and postulates ten basic tenets in the good management approach to investment. There must be long-term growth possibilities, consistent with the past record and without evidence of unfavourable Government restrictions. At the same time, the management must give evidence of continued improvement. The rewards obtained from the company in the past ten years should be calculated and so also the possibilities during the next ten. Sales vigour should be such as to double in each decade, but without resulting in any reduction in the profit-margin. It should also be possible to retain sufficient earnings to meet the expanding capital requirements without a large bonded indebtedness. Also, the enterprise should have made efficient use of new capital raised in the past.

An investor should not sell a security that has carefully been bought for reasons of market price alone. He should also not risk a chance of forced sale by borrowing on margin over a long period. And constant checking of the prospects of the industry and management capability are necessary.

Corporate development is a significant part of an economy and investment has to be broad-based. There will have to be more and more investors in this country and they will have to learn the technique of investing in the corporate sector if they are to be successful. The management of the corporate sector by paid officials who do not have a stake in the ownership of companies is also expanding. They, too, should get conversant with the art of good, sound management. The book, providing as it does the outlines of a system for constant evaluation of management worth, will be found useful by both investors and managers.

Some Aspects of Industrial Finance in India. By Dr. George Rosen. Published by Asia Publishing House, Bombay. Pages : 144. Price : Rs. 9.50.

This book is the second by Dr. Rosen on the problems of industrialisation of India. The first, namely, *'Industrial Change in India'* (reviewed in *Commerce* dated 11th July 1959), dealt with the industrial growth, capital requirements and technological change in Indian industries during the period 1937-55. A striking conclusion of that book was that capital was apparently not scarce and interest rates were low for the larger firms in India. This raised the question of how industry raised capital. This is the subject matter of the present book.

Like the first book, which perhaps represented one of the first attempts to apply the modern tools of research to the study of industrial experience in India, and unlike most of the writings on the subject by Indian authors, which are largely descriptive, the book under review is an analytical study of some vital aspects of industrial finance. It attempts to present a theory of the structure and development of capital market in underdeveloped countries and, within the framework of that theory, evaluates the contribution of two of the major financial agencies, namely, the organised banking system and the insurance system in the financing of industries. It also examines the operation of the special financial institutions such as the I.F.C. and I.C.I.C.I. and the Refinance Corporation set up in part to deal with the needs which the banking system had not met and estimates the future financial requirements of the private sector and suggests certain means and methods for improving the existing system to meet those demands. The conclusion reached by the author may be summarised as follows:

The Indian banking system has a reasonably satisfactory mechanism for providing working capital finance to most existing firms once a certain minimum size is reached, but the system is only incidentally related to the growth needs of the economy. The banks are still hobbled by criteria of behaviour based on outmoded theories supported by only slowly changing legal concepts of liability for debt and by traditional financial and accounting practices of firms. In recent years, there has been, in practice, some breakaway from these past criteria. Traditional loan-deposit ratios have been exceeded and loans on a longer-term basis are being made although often under other guises. Until recently, there have been only very few and limited sources of long-term capital. Some of the demand has been fulfilled by the special financial institutions established since 1948 which have had a significant total (direct and indirect) effect upon Indian capital market. Certain gaps, however, still exist, especially in the supply of finance for medium-size firms started by new entrepreneurs without past experience in industry, a class which will and should increase with industrialisation. This gap could be filled in part by a more positive policy towards new firms. Such a policy should be encouraged by permitting the special institutions to charge above their current interest rates which do not allow for greater risks, by less detailed legislative supervisions of the operations of the special institutions and by a greater willingness on the part of financial institutions to take risks and to make loans on the basis of potential income of their customers rather than their past records or regulation. The L.I.C. might also contribute indirectly through the existing special institutions.

Apart from filling the gaps referred to above, the organised sector would require, for playing the role assigned to it in the third Plan, a substantial increase in its normal short-term financing by banks and in longer-term financing of special institutions through the security markets and to some degree by the commercial banks. The author indicates some steps to stimulate the increase in the supply of both long- and short-term finance for industry. The most notable of them are: (1) introduction of a system of credit guarantees and a greater use of joint underwriting and participation techniques, (2) expansion of technical and economic facilities to evaluate loan applications and preferably a separate institute for such a service.

The author is fully conscious of the limitations of the study. For one thing, it is concerned only with the organised section of the industrial finance system. In so far as it excludes the unorganised capital market, which plays not an insignificant part in the financing of industry, the picture presented is incomplete. Moreover, banks, insurance companies and the specialised institutions are only the mobilisers of the people's savings. The quantum of savings available depends on the savings habit and the income levels of the people and a study of these are essential to gain a true insight into the ultimate springs of industrial finance. Such studies and investigations in related fields have already been initiated and, when their results become available, one could have a more authentic picture of the sources and uses of industrial finance, as well as their mechanism. Nevertheless, Dr. Rosen's study provides a workable framework for a deeper analysis of industrial finance, indicates both the direction and magnitude of the changes occurring in India's financial institutions, and raises further questions for analysis and research. The book would prove profitable reading to all serious students of industrial finance in India.

Towards "Take Off". Prepared and Distributed by Esso Standard Eastern, Inc., Bombay.

This illustrated summary of India's third Five-year Plan is a layman's introduction to the subject. It presents, through tables, illustrations and well-written text, an outline of the third Plan. It is distributed by Esso Standard Eastern, Inc. (formerly Standard-Vacuum Oil Company), with a view to educating the public on the basic objectives and programmes of the Plan. The value of such educational effort cannot be overemphasised, for an understanding of the Plan, what it stands for and seeks to achieve, is essential to bring forth the co-operation of the public without which the Plan cannot succeed. That a non-official body and that too a business firm should volunteer to do its mite for educating the public on the Plan is a tribute to its spirit of public service. And such effort is not new to Esso. It may be recalled that, at the time of the last General Election, Esso (then known as Stanvac) brought out a brochure *You and the Ballot Box*, explaining the significance of the popular vote in a democracy. It also published and distributed during the Tagore Centenary celebrations a booklet *Rabindranath Tagore and Universal Humanism*, as a homage to the memory of the great Indian poet. One may say that the object of this type of service is not selfless, for it is a means of publicity for Esso. True it is, but it has the distinct advantage of serving public interest which is absent in other forms of publicity.

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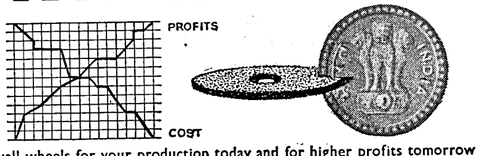

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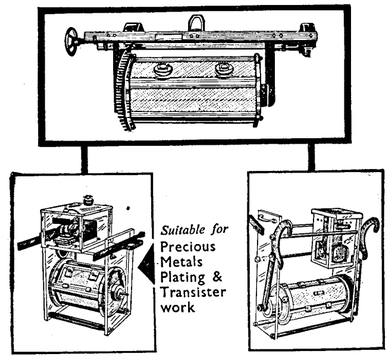

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FIRST FIVE YEARS OF COMPANIES ACT, 1956—VII

INVESTIGATIONS AND PROSECUTIONS—NEW PRACTICES—SOCIALIST WIND

By A Special Correspondent

NEVER before in the history of the administration of Companies Act in our country, the work relating to investigations into the affairs of companies and prosecution of companies and their managements for their lapses and wrongs has been so stoutly and strictly pursued as during the past few years by the present Administration. The principal causes for the neglect of these aspects of administration of the Act in the past were the inadequate powers available under the old Act to the Government and the Inspectors appointed under the provisions of the Companies Act to investigate into the affairs of companies. Then, there was no proper administrative machinery to direct and follow up these cases as also those relating to prosecution arising from the defaults committed under the law. The State Prosecutors did not take sufficient interest in the company prosecution cases, because of their multifarious duties and the volume of work they were required to handle.

Provisions relating to starting investigations into the affairs of companies are contained in Sections 235 to 249. The object of writing these provisions into the law "has been to create and develop a sense of respect for law in those sections of the business community which are not very scrupulous about methods and practices but not to cause needless worry to well-managed companies and law-abiding managements by ordering investigations merely on the basis of light-hearted complaints unsupported by facts capable of verification and *prima facie* calling for information."

Unlike the 1913 Act, the Companies Act, 1956, has, to a very great extent, strengthened the hands of the Government to order an investigation into the affairs of a company *suo motto* in the circumstances enumerated in Section 237(*b*) of the Act. With the permission of the Government an inspector can extend his investigations into the affairs of the related companies/or the managing agents or their associates, if he considers it relevant to his main investigation. Under the enlarged powers, an inspector can now examine the officers and agents or managing agents or secretaries and treasurers of the company. The Amendment Act of 1960 has given further powers to the Registrars of Companies and inspectors with regard to obtaining books of account, etc., which, before the amended Act, could not at all be got by the inspector if the concerned management adopted a defiant and hostile attitude towards the investigation proceedings. Now, on the basis of the inspector's report, the Central Government can not only launch prosecutions against the individuals guilty of offences under the Act but also initiate on behalf of the companies concerned, proceedings against them in a court of law for the recovery of damages in respect of any fraud, misfeasance or other misconduct committed by them in connection with the promotion, formation or mismanagement of these companies or take steps for the recovery of any property of such companies which may have been misapplied or wrongly applied.

Complaints

During the five-year period, 1956-61, about 120 complaints were received for the appointment of inspectors and, out of these, Government appointed inspectors in only about 40 cases. The Government have announced that it was their policy not to "order investigation under these sections as a matter of course but appoint inspectors only in those cases where there is *prima facie* evidence of mismanagement, fraud, misfeasance, etc., and where the findings of the preliminary investigations warrant such appointment." Since the appointment of inspectors to conduct investigations into the affairs of a company very considerably affects, its reputation as also that of its management, it is but right that Government do not allow themselves to be hustled into ordering investigations and that they should give the fullest possible consideration to all the facts of the case. Thus, the one-third proportion of cases into which investigations have been ordered during the past five years is reasonably low.

In the course of investigations, the Government, however, came to face a number of difficulties such as the lack of suitable personnel possessing technical knowledge to detect offences "often carefully masked in a maize of complicated accounts," the withholding of books of account or refusal of the management to appear before the inspector, the possibility of destruction or removal of books of accounts and records by the company, the absence of a satisfactory arrangement with the police in the State to give a continuous support to the investigating authority in tracing the offenders and compelling them to appear before the authority, and, lastly, the delays caused by the filing of writ petitions in the High Court praying the stay of investigation proceedings. With enhanced powers under the Amendment Act of 1960, with the raising of a body of trained, high-level expert personnel in the Department and with the arrangements made with the State Governments for the necessary police help, the Central Government, as the Statutory Reports say, are today better equipped and prepared to handle cases requiring careful investigations. As regards the last difficulty, namely, the filing of writ petitions, the solution is yet out of sight. It even baffles the High Courts themselves, as is clear from the observations of the Madras High Court, which, in a case, said, that "it is not easy to see how these difficulties could be overcome within the existing framework of the judicial institutions but the problem requires urgent and careful consideration, so that the law may not be brought into contempt by the dubious and dilatory tactics of those who indulge in practices which are *prima facie* objectionable."

Beneficial Ownership of Shares

Finally, in regard to investigations, it may also be mentioned here that, during the period 1956-61, only three investigations were ordered under Section 247 of the Act to find out the beneficial ownership of shares. Full findings of these investigations, however, have not yet been published by the Government. Further, the Government have not yet ordered any special audit under Section 233A of the Act which was introduced into the scheme of the 1956 Act when it was amended in 1960. It is, however, to be hoped that the Government would take the same cautious line as they have taken in the case of other sections conferring powers on them to order investigations.

Coming to the prosecutions, as has been seen in the case of investigations, the Department of Company Law Administration pursued the prosecution work with "growing vigour and effectiveness" by deploying its own senior staff clothed with the powers of public prosecutors to follow up the cases in the courts of law. With about 16,000 prosecutions instituted during the five-year period 1956-61, of which about 11,000 ended in conviction, accounting for about 80 per cent of the cases disposed of by the courts, one could not now possibly reproach the Government and say that "the Companies Act was one of the least administered of the Central Acts." Of the 16,000 prosecutions instituted 3,000 were for failure to hold the annual general meetings, 3,200 for failure to lay the annual accounts before the general meetings, 4,600 for failure to file annual returns, 3,100 for failure to file authenticated annual accounts with the Government and 780 for the failure of liquidators to file their annual statements with the Government. One hundred and twenty prosecutions were launched after the scrutiny of the inspectors' reports submitted to the Government during that period. Thus, an overwhelming number of prosecutions was for technical defaults, which, in the past, had not energetically been dealt with. The attitude of the present Administration towards the technical defaults is quite strict, as is clear from the following observations in the Second Statutory Report:

> "... the seemingly technical defaults were actually of very great importance in company practice and company management, for it is only through the scrupulous observance of the provisions of the law relating to general meetings and the presentation of company accounts that the management of companies can be kept alive to their fiduciary responsibilities and obligations and the erring elements in management can be brought to book through the enforcement of their statutory accountabilities to their shareholders. Laxity in complying with these provisions had been a potent source of evil in the past and, if permitted as in the past, may generate tendencies and attitudes which would not only dull the sense of shareholders' responsibility but also permanently damage the basic concept of corporate accountabilities."

It is with this approach that the Department has been pursuing prosecution matters during the last five years or so and has warned company managements of further strictness in the matter. In this regard, the remarks contained in the Fifth Statutory Report deserve notice. It says that "there can, however, be no relaxation in the efforts of this Department to wean away the average company management from their old habits of lethargy and indolence, for it is only through the continued exercise of vigilance, supported by vigorous action under the law, where necessary, that lasting improvements in average standard of corporate conduct can be achieved.

Imposition of Fines

But enough support has not yet been forthcoming to this approach of the Government from the courts of law which continue to impose light fines for breaches of provisions of company law. In an overwhelming number of cases decided by the courts, fines imposed by them did not exceed Rs. 25, whereas the maximum fine that could be imposed was even as high as Rs. 500 per day of the continuance of the default. The lowest fine imposed by the courts came to 3 naye paise per day of default as against a fine of Rs. 500 per day that could be levied under the relevant penal provisions of law.

Some of the High Courts, however, have taken an alarming view of the lightness of the fines imposed by the lower courts. The Kerala High Court, for instance, has recently said that to disregard the offences and "to award nominal sentences would have the result of reducing the prosecutions itself to a mockery and thus defeating the very objects of the penal provision." Similarly, a judge of the Madras High Court is reported to have said that "the importance of the provisions of the Indian Companies Act which have been violated are so potent and defaults in performance of those statutory duties bring about such grave consequences not only in the administration of joint-stock companies but also on the community of the country as a whole and the interests of the citizens who are contributories to the companies as shareholders that violation of those sections need to be viewed with grave concern and, unless deterrent punishments are awarded, the defaults are not likely to be made up until after the prosecutions have been lodged."

An obvious result of the light fines is that many unscrupulous company managements still "prefer to pay the nominal fines rather than disclose the affairs of companies which they manage in good time either to their shareholders or to the Registrar of Companies." Looked at from both the Government's and company managements' angles, one would conclude, from an analytical study of the trend of prosecutions under the Companies Act, that, while respect for law has necessarily to be created and the conscience of the company managements has also to be aroused towards their fiduciary responsibilities to their shareholders, a large-scale prosecution drive against the companies and their managements should be avoided. Instead, the Government should try to achieve its objectives by intensifying the drive to educate company managements in regard to the duties they owe to the shareholders and the public. Had this approach been adopted in the past it would have saved much rancour and regret now in evidence in business circles.

New Company Practices

In the dynamic and live field of business and corporate activity, inhabited by the community's most virile and ingenuous core of the society, it would be too presumptuous on the part of any administration to say that it has devised a perfect and foolproof law and geared up its machinery so very cleverly that not only any resurgence of the old bad company practices could not take place but also the birth of new abuses have become an improbability. It is, therefore, not surprising that, in spite of the legal dome of 658 sections in the Companies Act with all its attendant rules and regulations, forms and returns and policies and decisions made by the Government, there is a continuous flow of new types of company practices which by-pass the legal provisions and rap the spirit of the law. A vigilant Administration would, of course, not allow them to become rampant and general, but these bad practices would encourage the Government to make the law more and more rigorous and rigid and, in the result, more irritating to the honest business management. An instance in point is the resignation of some managing agents from the management of some companies to take up the sole selling agencies of those companies soon after the 1956 Act came into force in April 1956. While for some time the practice was allowed to go unchecked in law, though frowned by the Administration, the law was tightened in this regard at the first opportunity the Government got for amending the Act in 1960. Similarly, the other new devices adopted by company managements to compensate themselves for loss of income as a result of the enforcement of statutory maxima relating to managerial remuneration have been checked by the tightening of the law in 1960.

A number of new company practices which are frowned upon by the Government are listed in the Statutory Reports prepared by the Department of Company Law Administration. Some of these are: extension of undue benefits to relatives of managerial personnel, appointment of unqualified and uneducated persons as directors, sanctioning exorbitant donations to trusts belonging to the 'same group' of companies, conversion of public companies into private companies, following the rejection of applications for appointments of managing agents made to the Government, keeping of current account by companies with the partnership firms or with the companies in which directors are interested instead of with banks, changes in valuation methods for valuing fixed assets, boosting of promotional expenditure, payment of guarantee commissions at high rates to managing agents, allotment of shares to managing agencies and their associates at unduly favourable rates, manipulation of share values, and of lending operations to hoodwink the provisions relating to loans, etc. Some of these practices have already been checkmated by the amendment of the law in 1960, while others, judged by the present attitude and temper of the Government, must be under their close observation. It would be no surprise to the informed sections of the society, if the law were further tightened to meet many of the practices listed as unsound and unhealthy company practices in the Statutory Reports when the question of amending the Companies Act is taken up again.

Judged by the past history of company legislation in this country which has followed the developments in the U.K., the next attempt to amend the Companies Act could not be very far, now that the Jenkins Committee Report in Britain has been published and a further amendment of the British Companies Act is in the offing. With all this background and development and also after taking note of the increasing stress laid on the need (*a*) to equalise the disparities in wealth and incomes, and (*b*) to reorientate the outlook of institutions in all spheres, whether they are commercial or industrial in nature or otherwise, towards the needs of the society, one could safely expect a further tightening of the provisions of the Companies Act and even radical changes therein to widen the framework of law so as to go beyond protecting the interests of shareholders and creditors and cover the interests of workers, consumers and the society, in general. In other words, it is quite possible that an attempt may be made to harmonise the provisions of the Company Law with the concepts of "social justice" and "socialist order of society." The wind is blowing in that direction and one has only to wait and see.

(Concluded)

DIGVIJAY CEMENT'S SHARE OFFER TO U.S. COLLABORATOR

The share offer by Shree Digvijay Cement Company Ltd. to its American collaborator, Messrs. John Manville International Corporation, for its asbestos project has been finalised by the Company. The offer consists of 13,500 equity shares of Rs. 100 each at a premium of Rs. 50 per share, as approved by the Controller of Capital Issues, to the American company, which has agreed to take them up at the set terms. The issue will raise the Company's capital to Rs. 148.50 lakhs. It will be recalled that the Company is setting up, near Ahmedabad, an asbestos cement pipes and sheet making plant, with an initial capacity of 32,000 tons a year. The plant is expected to go into production early in September next. John Manville is a world-renowned firm in the line and is providing both technical and financial collaboration for the project. Incidentally, the financial collaboration was first rejected by the Government, but approved in principle later on further representation by Shree Digvijay Cement.

NEW PRODUCTS AND PROCESSES

Longer Life for Bearings

TWO new methods of electrically applying hard metal to soft metal to reduce bearing wear have been developed in the United States. One method takes place in a low pressure gas. Current flows from an electrode to a piece of soft steel in a mixture of 90 per cent nitrogen and 10 per cent hydrogen. The atoms of gas are charged and attracted to the steel, where the force of their collision heats the metal. The heated surface and the speed of the gas atoms gives a quick diffusion of nitrogen into the surface layers of the steel. This results in a hard, nitrided surface. The process is said to be quicker than ordinary nitriding and to avoid the formation of the undesirable white nitride layer found in ammonia-process hardening. The other system hardens soft steel by bombarding it with sparks from a tool steel of carbide anode. The movement of sparks transfers a little of the hard anode to the softer metal, giving it a hard outer surface. One drawback to this process is that the finished surface is quite rough, although it can be burnished.

Plastic-coated Steel

The high degree of corrosion-resistance in Stelvetite plastic-coated steel has been demonstrated under practical conditions at the plant of the British company, John Summers and Sons Ltd., which produces it. In the pickle fan house, where Stelvetite sheeting forms part of the outlet fan ducting, galvanised steel sheets used in the past have had to be replaced after five or six weeks because of the effect of the acid fumes. Sheets of the plastic-coated steel, however, which were in the same position for as long as 14 months, have recently been removed for inspection and found to be still capable of further prolonged use. This part of the works, where the steel sheets go through a cleaning process, has a particularly severe corrosive atmosphere; chemical analysis at the Stelvetite ducting has shown a sulphuric acid content as high as 7,400 milligrams per 100 cubic metres, as compared with an average of 13 milligrams in an area of open countryside some miles away from the steelworks. The firm are using Stelvetite for wall sheeting in plant where conditions are generally wet and acidic, also as part of a shed wall by an ammonia storage tank and as roofing material in other sections of the steelworks. These sheets have already been in position for up to 18 months in these severe conditions without any cause for replacement.

New Design for Tyres

A tyre factory in U.S.S.R. is completing preparations to start mass production of tyres of a radical new design, with a radial distribution of cord straps in the carcass and with a removable tread. During tests a "Gas-51" truck shod with such tyres covered a total of 256,000 kilometres. The first batch of the new tyres which have been given the trade mark of "RS" is undergoing running tests since the spring of 1960 on the roads of the Ukraine, Russia, Caucasus and the Crimea, Estonia, Byelorussia, Moldavia. Everywhere in most difficult conditions they are claimed to have demonstrated their high qualities. Besides the first batch which covered 200,000 kilometres and more, 225 new tyres rolled up from 80-130 thousand kilometres each and are still in good and serviceable condition. The "RS" tyres are said to be convenient in exploitation. It takes only 10-12 minutes to assemble and dissemble them and to change the tread. The tread can be changed without taking off the wheel. With a set of treads of different designs, the drivers can easily adapt the trucks operating in any season of the year. The new tyres, it is claimed, will make for a great saving of cord and rubber, and simultaneously facilitate the maintenance of automobiles, their road qualities and cut gas consumption.

Odourless Paint

A Dutch paint factory has produced a range of lacquers and paints which, both in the tin and during application, are odourless. Under normal conditions of ventilation, no nuisance is experienced from the smell of paint drying. The paint is of a composition specially designed for indoor work and can be applied on any normal surface. Its lack of smell renders it particularly suitable for use in occupied premises, such as houses, offices, workshops, cafes, hotels, hospitals, etc. It is light and easy to work with. Large areas can be covered without any trouble from laps or brush marks. The paint dries completely in 8 to 12 hours. On an average, 10 to 15 square metres can be covered with one litre of paint. It produces a strong finish which can be cleaned with conventional detergents. Generally speaking, no thinner need be added as the paint is supplied ready for use. Only in special cases, for instance, at very low temperatures or on highly absorbent surfaces, may a small quantity of odourless thinner be added. The paint will also tolerate normal thinning agents, though they naturally destroy its odourless characteristics. The paint is supplied in white and a range of basic hues can, if desired, be mixed with the white. The white paint is supplied in tins of 1, 5 and 10 litres. The basic colours come in 1-litre tins.

Flexible Tanks for Liquids

Pillow-shaped "tanks" made of lamination of nylon and synthetic rubber are being used to carry and store water in desert areas, but their properties and versatility suggest many other applications. The containers come in sizes from 500 to 30,000 litres but have walls only two millimetres thick, thanks to the high bursting strength of the lamination. This also has excellent heat insulation properties and is coated on the outside with a pigment incorporating aluminium which also helps to reflect heat and prevent formation of static electricity. Filling and emptying is rapid, thanks to fire hose type connections on the top inlet valve and the outlet valve at the side. The shape eliminates the need for side supports when the full tanks are carried on lorries. Empty and rolled into a compact bundle, the 30,000 litre tank weighs only 300 kilogrammes, including valves and fittings. Other applications sugested include transport and storage of petrol, fuel oil, and various liquid chemicals.

Automatic Milk Analyser

An automatic milk analyser which will determine the fat, protein and lactose content of milk within a minute, has been developed at Britain's National Institute for Research in Dairying at Reading, southern England. The result of five years' research by Dr. J. D. S. Goulden of the Institute's Physics Laboratories, it was shown to the public for the first time at the Institute's golden jubilee open days recently. The analyser can be used for checking on solids-not-fat content of milk and also for analysing ice cream and cream. Analysis is based on spectroscopic methods, each sample of milk is homogenised and pumped into a special cell through which a beam of infrared radiation is passing. The intensity of radiation is measured in turn at three wavelengths where the absorption gives a measure of the fat, protein and sugar concentrations separately. Solids-not-fat can be found by adding a small constant to the protein plus sugar value. The instrument is to be tested by Britain's Milk Marketing Board and is expected to go into production next year. The cost is likely to be £2,000.

Spectrometer for Alloy Analysis

When a beam of high energy X-rays falls on an alloy sample it emits secondary radiation (X-ray fluorescence). The wave-lengths of this secondary radiation are characteristic of the elements in the sample. An instrument which makes use of this effect for analysis is a recently introduced X-ray fluorescence spectrometer by a British firm of scientific instrument specialists, Hilger and Watts Ltd., London. The equipment is intended for routine industrial analysis of metal alloys where the volume of work does not justify a fully automatic instrument, and for establishing research techniques and making production control investigations where a wide range of parameters is essential. It has particular application in the measurement of high concentrations—the upper limit being 100 per cent. The lower limit depends on the element concerned, but is about 0.01 per cent. The instrument analyses almost all kinds of materials, including nonconductors and those substances which are difficult to excite by other means of spectrochemical analysis. The technique is non-destructive—an important consideration in the maintenance of standards and in the analysis of rare specimens. Samples can be solid, powder, or liquid; and all elements of atomic number 12 (magnesium) and higher can be determined. The instrument is self-contained, with a spectrometer, vacuum pump, gas cylinders (feeding the flow-proportional counter) EHT (Extra High Tension) unit, measuring and monitoring circuits, and the control and display panels all in one unit. Read-out is usually from Dekatron counters, but a potentio-meter or count-ratemeter can be used if required.

New Type of Welding Machine

A new type of welder that uses friction instead of a hot metal bead to join cylindrical pieces of metal has been developed by the American Machine and Foundry Company. Friction welding has been used successfully to weld aluminium, steel, copper, brass, titanium and ceramics, and the entire operation takes only a few seconds. In the process, one of the pieces is spun at up to 10,000 r.p.m., and pressed end-to-end against the other. The rubbing generates intense heat which joins the two pieces.

Welding with Water

An American company is reported to be now producing a welding torch which uses only water and electricity—no gas. The electricity is used to convert the water into oxygen and hydrogen. These are then burned at the tip of the torch, giving a temperature of some 3,000 degrees Fahrenheit. A small 30 lb. 300 Watt model uses ½ ounce of water per hour and sells for $199.

'Uperised' Milk in Cartons

Three Swiss firms co-operated in the planning and setting up in Berne of the only plant in the world for the 'uperisation' and treatment of milk for home consumption. The process adopted consists in suddenly raising the temperature of milk to 150° C, and equally suddenly cooling it, thus destroying all the bacteria. The liquid is then poured directly into pyramid shaped cartons by a process guaranteeing complete freedom from harmful germs. The whole plant requires only three men to run it; its output is 3,600 cartons an hour. 'Uperised' milk can be kept much longer than pasteurised milk, which makes it ideal for sale, for example, in automatic slot machines and in shops with greatly varying turnovers.

Centrifugal Pump

A centrifugal pump which can give an output of 280 gallons (1,272.6 litres) per minute at a 200 ft. (60.9 m.) head, has been specially designed for overhead irrigation purposes by a British firm, H. J. Godwin Ltd. The only moving parts are the impellor and shaft. In this connection, renewable bronze wear rings are provided to save wear on the pump body and cost little to be replaced. When used in conjunction with a Fordson Super Major tractor the pump can be operated off the pulley, thus leaving the P.T.O. (Power Take Off).

HOVERCRAFT—A NEW MODE OF TRANSPORT

INDIA MUST TAKE UP ITS MANUFACTURE

By Our Aviation Correspondent

UNHERALDED, unsung and, indeed, almost unremarked by the world at large, a new mode of transport, with the most exciting possibilities, has, within the short space of three years, been developed and demonstrated. As its name implies, the Air Cushion Vehicle—now more usually designated by its initials—is simply a vehicle which rides on a cushion of air. One has no space for technicalities, but, very briefly, this air cushion is created by an engine, or engines, mounted in the vehicle; the air is ducted round the periphery of the underside of the body or hull. In some vehicles, the same engine, or engines, also provide propulsion.

The idea of the A.C.V. was first conceived by a Mr. Cockerell in the U.K. and, so promising did it seem, that the British National Research and Development Council created a subsidiary—Hovercraft Development Ltd.—to deal with its development. Four commercial firms were appointed licensees to work on the project. Of these, the well-known aircraft firms of Saunders Roe and Vickers Armstrong have now advanced to a stage where their respective vehicles have a practical application. A brief description of the SR N2 and the VA-3 may, therefore, be of interest.

The SR N2, so far as the hull is concerned, resembles a conventional sea-going launch. 64.5 feet in length and 29.5 feet in the beam, it is constructed entirely of aircraft materials. Its four gas-turbine engines mounted in pairs, provide both air cushion and propulsion—the latter by driving propellers mounted fore and aft in the centre line of the superstructure. At an all-up weight of 27 tons, the SR N2 can accommodate 70 passengers, or ten tons of freight, and can cruise at 70 knots. The makers are at pains to emphasise, however, that this is still an experimental stage. The aim is to build considerably bigger, because, in the case of an A.C.V., the larger the vehicle, the better seems to be its operating efficiency.

Carrying Capacity

The Hovercraft developed by Vickers Armstrong, and designated VA-3, can carry 24 passengers, or two tons of freight, and can cruise at 60 knots. Smaller than the SR N2, it also differs in certain other respects. Lift and propulsion, for example, are entirely separated, although each is provided by a pair of Bristol Siddeley Turmo turbine engines. The appearance of the two vehicles is also somewhat dissimilar; the VA-3 has its two propellers mounted to port and starboard as in a twin-engined aircraft.

The feature of special interest about the VA-3, however, is that it is already in commercial service. A joint venture by Saunders Roe, British United Airways, and Shell, the VA-3 commenced, on 21st July, operation of a ferry service across the estuary of the River Dee between Rhyl and Wallasey. The former is, of course, a popular holiday resort and the latter is an important port and industrial area close to the city of Liverpool. The distance of 19 miles is covered in 25 minutes. The quickest rail connection takes more than two hours and, according to the state of the traffic, the journey by private car or motor coach occupies upwards of an hour and a half. Will we, like Stephenson's 'Rocket' and the Wright Brothers biplane, one day see the VA-3 enshrined in a museum!

The Hovercraft makes twelve return trips daily and it is planned to continue the service for the remainder of the holiday season. It has proved immensely popular and operates at 100 per cent capacity. The object of the exercise, however, is not primarily commercial; the main purpose is for all three partners to gain experience in operations of this nature. So far as Vickers Armstrong is concerned, that experience will, doubtless, be used in their next model—the 200-passenger VA-4—which is now in process of construction.

Cushion Craft 2

Whilst both the SR N2 and the VA-3 are essentially marine craft—though they can, of course, operate over land—another rather interesting British project, built by a third licensee, Britten Norman Ltd., is the Cushion Craft 2. This is designed as an amphibious vehicle and has been built for a specific purpose—the transportation of bananas from the plantations to the vessels of Elder and Fyffes. The idea is to save transhipment, from road vehicles to lighters, which is entailed in present circumstances.

Although the British conceived the idea and have been the first to exploit it commercially, they have, of course, no prescriptive right to the principle involved. There have been, consequently, a number of A.C.V. projects activated in various parts of the world. The Russians, for example, claim to have designed an A.C.V. capable of accommodating 250 passengers and of travelling at speeds up to 110 knots. The Russians also plan to use A.C.Vs for many agricultural purposes—particularly, of course, in areas where road construction is difficult or costly.

Notable amongst American projects is that of the Ford Motor Corporation. Their FMC/ACV-1 is a fully 'skirted' model, that is to say, it has a flexible 'skirt' or 'curtain' around the periphery of the body within which is contained the air cushion. Fords claim that this concept is more efficient, in that it cuts down the escape of air from under the vehicle and, thus, reduces the engine power required to lift it. The flexibility of the skirt permits the vehicle to move freely over such obstructions as rocks, bushes, ice, and waves.

Another American designer, Dr. Bertelsen, brought his 'Aeromobile 1' to the Indian Industries Fair at New Delhi where its demonstration created widespread interest. Dr. Bertelsen's company has now produced the Arcopter GEM 3 The initials GEM stand for Ground Effect Machine, an alternative to A.C.V. which the Americans seem to favour. The GEM 3 has an all-up weight of 2,500 lbs. and, powered by a 150 h.p. Lycoming aeromotor, will carry four passengers at a speed of 70 knots. Thus, amongst present developments, we have models ranging from the private air cushion car to vessels capable of carrying 250 passengers.

So much for the A.C.V., still in its early and experimental stages. What is probably of more interest to the general reader, however, is some account of the kind of uses to which it is likely to be put. Here, perhaps, it is appropriate to quote Mr. Cockerell, its originator. Speaking on a recent occasion, he said, *inter alia*: "It has been authoritatively stated that, eventually, the Hovercraft industry will be as big as the aircraft industry.... We should set about developing and exploiting our new form of transport in all its various applications.... The possibilities include river hovercraft, channel ferries, ocean hovercraft, land hovercraft, tracked hovercraft and many industrial applications, quite apart from military hovercraft of all kinds..."

The American Chamber of Commerce, in their *Transport Review and Outlook*, 1961, also make a long reference to A.C.V. possibilities. "One of the most exciting developments in transportation for the future," the article reads, "is the vehicle which incorporates the air cushion principle.... It is capable of operating over land, water, sand, swamps, snow, or thin ice, with equal ease. There is a long and growing list of ultimate specialised tasks it could perform.... The military branch has shown considerable interest in its development...." Many other favourable opinions have been expressed and there are responsible authorities who believe that, eventually, ocean-going A.C.V. of 5,000 to 10,000 tons will replace present surface vessels on ocean routes all over the world.

A.C.V. for India

One cannot but be struck by the possibilities of the A.C.V. in India. With its vast plains poorly served by roads, its rivers of immense length and breadth where bridges are few and far between, its hundreds of miles of coastline sparsely dotted with good harbours, the A.C.V. seems almost specially designed to solve many of the country's diverse and difficult transportation problems. It has been demonstrated to be eminently practical; it is comparatively cheap to develop and construct; it can, presumably, be built almost exclusively of indigenous materials; its applications are almost endless.

Here, then, is a practically virgin field for the ingenuity and initiative of Indian scientists, engineers, technicians and craftsmen. The development of the A.C.V. may not be so spectacular as space exploration, or the manufacture of trans-sonic aircraft, but, so far as the masses are concerned, it is likely to prove infinitely more beneficial and rewarding. What an opportunity for such undertakings as H.A.L., the Hindustan Shipyard, and others, jointly or severally, to get in, as it were, on the "ground floor" and to build up what is certain to become a large-scale and important industry. Now is the time to start.

FORWARD MARKETS BULLETIN

(Monthly)

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UNDER SECRETARY TO GOVT. 6 AUG 1962 PUBLIC DEPARTMENT

CONSUMER PRICE INDEX

NEW SERIES UNDER PREPARATION

A NEW series of consumer price index numbers for working class are under construction by the Labour Bureau of the Ministry of Labour, Government of India. The new series, with 1960 as the base year, will replace the existing index (base: 1949=100). In view of the fact that dearness allowance of industrial workers in the major industries and employees in commercial establishments is linked to the cost of living, as measured by the consumer price index, the introduction of a new series of index, if and when it materialises, will be a development of gerat significance.

Consumer price index, as is common knowledge, is a statistical measure of economic magnitude—namely, the cost of average quantity of goods and services consumed by an average family in a given year, called the base year. Changes in the index are supposed to reflect changes in the cost of living. The present index based on the consumption pattern in 1949 has long ceased to be an accurate measure of changes in the cost of living. Apart from the fact that consumption pattern varies so widely from place to place as to render any all-India index, howsoever recent, unrealistic, there is also the important consideration that, the consumption pattern ' itself has considerably changed since the index now in use was formulated. This has made the index completely unrepresentative. Nevertheless, in the absence of a better measure, it continues to be used to determine the magnitude of adjustments in dearness allowance. It is used by most of the wage-fixing authorities, including the Pay Commission, to determine the dearness allowance payable to the employees and is still used as the authoritative measure of consumer prices for purposes of Plan calculations. In view of the wide uses to which consumer price index numbers are put and of the fact that it determines the money wages and standard of living of millions of employees, it is very necessary that the index should reflect as truly as possible the actual pattern of consumption.

Undue Delay

The sixth International Conference of Labour Statisticians discussed this question and recommended that the base year of the consumer price index should be fairly recent and that, in order to have up-to-date weighting patterns, family budget surveys should be carried out at least once every ten years. The second Five-year Plan also recommended that fresh family budget inquiries should be conducted at important industrial centres for compiling an up-to-date and reliable series of consumer price index numbers for industrial workers on a uniform basis. In pursuance of this recommendation, family living surveys among working class were conducted at 50 important industrial centres during 1958-59. The tabulation of data collected by the survey, a task which was entrusted to the Indian Statistical Institute, has not so far been completed. Even allowing for the complexity of the task, the time taken for the survey and tabulation has been unduly long. In the absence of relevant information, it is not possible to say who has been at fault. But the fact remains that too much time has been taken than is strictly necessary. After all, there was the National Sample Survey to do field work and agencies of the State Governments to collect the data regarding retail prices.

Now that work on the reconstruction of index has been taken up in right earnest, it should be expedited as quickly as possible. All technical and other details of the proposed new series of consumer price index numbers have been discussed and approved by a Technical Advisory Committee on Cost of Living Index Numbers. As noted above, the calendar year 1960 has been chosen as the base year. The weighting pattern is based on the consumption expenditure revealed by the survey. Uniform methods of construction and maintenance are being adopted for all the 50 series of consumer price index numbers.

The new series of index numbers is being compiled according to a detailed classification of items by groups and sub-groups. The classifications are as under:

1-A. *Food (including non-alcoholic beverages).*
- (*a*) Cereals and cereal products.
- (*b*) Pulses and pulse products.
- (*c*) Oils and fats.
- (*d*) Meat, fish and eggs.
- (*e*) Milk and milk products.
- (*f*) Condiments and spices.
- (*g*) Vegetables and fruits.
- (*h*) Other food.

1-B. *Tobacco, pan-supari, and intoxicants.*

II. *Fuel and light.*

III. *Housing.*

IV. *Clothing, bedding and footwear.*

V. *Miscellaneous.*
- (*a*) Medical care.
- (*b*) Education, recreation and amusement.
- (*c*) Transport and communication.
- (*d*) Personal care and personal effects.
- (*e*) Others.

The item-content and coverage of each new series will be maximised to the extent possible. The new series will attempt to give due representation to seasonal variations in consumption and prices of fresh fruits and vegetables according to a special technical method which has been adopted by the Technical Advisory Committee. The new index for factory centres will also take into account changes in house rent through periodical rent surveys which will indicate six-monthly changes in house rent. These rent surveys are being conducted continuously through the agencies of the National Sample Survey. The coverage of the price data for the new series has been enlarged and price collection techniques have been reorganised on scientific lines.

Linking Factor

Many of the centres, for which new series of working class consumer price index numbers are being built up, are those where already such a new series exist on an old base and is compiled either by the State authorities concerned or by the Union Labour Bureau. It has been decided that, when the new series for the centres is published, the existing series on old base for the same centre will be discontinued. As the dearness allowance of employees at many centres is at present being paid on the basis of existing consumer price index, a linking factor for estimating index numbers on the base of the old series will also be published simultaneously with the new series, so that the existing arrangements for linking dearness allowance may continue till such time as there is a complete changeover to the new series. The technical method for obtaining the linking factor is being worked out in consultation with the Technical Advisory Committee.

The Union Labour Bureau has already compiled new indices for 27 centres for 1961 and have referred them to the State authorities concerned and the Central Statistical Organisation for their comments on technical details. By August 1962, the new series for another 13 centres will be referred to the State authorities concerned, bringing the total to forty. By the end of September next, the new series for all the fifty centres will have been completed and sent to the State Governments for comments. On the basis of the comments received, the index numbers will be finalised with the approval of the Technical Advisory Committee. This is expected to be over by January 1963 and the whole series to be ready for publication by March 1963. A new series of all-India cost of living index for industrial workers with base 1960=100, which will replace the existing series on base 1949=100, will also be compiled and published by June 1963 on the basis of the new series of indices for each of the 50 industrial centres.

Notice

THE BRITANNIA BISCUIT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the 71st Ordinary General Meeting) of the Shareholders of the Britannia Biscuit Company Limited, will be held at the registered office of the Company, 15, Taratola Road, Calcutta-27, on Wednesday the 29th August, 1962 at 10 a.m., for the following purposes:

1. To receive and consider the report of the Directors with Statement of Accounts and Balance Sheet and to read the report of the Auditors thereon.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. *As Special Business*:—The consideration of the following Resolutions which will be proposed as Ordinary Resolutions.
   - (i) Resolved that Mr. A. P. Chanda be and is hereby appointed a Director of the Company.
   - (ii) Resolved that Mr. J. H. Kirk be and is hereby appointed a Director of the Company.
   - (iii) Resolved that Mr. G. R. Garratt be and is hereby appointed a Director of the Company.
   - (iv) Resolved that Mr. N. K. Roy be and is hereby appointed a Director of the Company.

The Share Transfer Books of the Company will be closed from the 14th August to 29th August, 1962, both days inclusive, and warrants for such Dividends as may be declared will be issued directly to the Registered Shareholders or their Mandatees, whose names appear in the Company's books on the 29th August, 1962.

By Order of the Board,

A. P. CHANDA,
Director and Secretary.

15, TARATOLA ROAD,
CALCUTTA, 20*th July*, 1962.

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

An explanatory statement as required under the Companies Act, 1956 is being forwarded to the members of the Company.

SKANDIA INSURANCE CO. LTD.

Established-1855

(Incorporated in Sweden. The liability of the Shareholders is limited)

Attorneys in India:

THE RUBY GENERAL INSURANCE CO. LTD.

Paid-up Capital .. .. .. Krs. 45,000,000 (Rs. 416,66,666) (Approx.)

Total Assets Exceed .. .. Rs. 30,00,00,000

BUSINESS TRANSACTED

FIRE - MARINE - ACCIDENT

Divisional Office:
Industry House
159, Churchgate Reclamation
BOMBAY-1

Head Office:
1, Mynttorget
Stockholm-2
SWEDEN

Phone: 246058. Grams: SKANINCO

Notices

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

Registered Office:
METTUR DAM R.S.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE register of members of the Company will be closed from 14th August, 1962 to 1st September, 1962, both days inclusive, in connection with the Twenty-fifth Annual General Meeting of the Company convened to be held at the Registered Office of the Company at Mettur Dam R.S. on Saturday the 1st September 1962 at 4 p.m. to transact the ordinary business and special business set out in full in the notice of the meeting, which has been posted individually to the Members.

The Directors at their meeting held on 15th July, 1962, have recommended the payment of the following dividends to the members for the year ended 31st March, 1962.

6¼% subject to tax final dividend on equity shares, which with the 7½% subject to tax interim dividend (inclusive of Silver Jubilee dividend of 1¼%) already paid makes a total dividend of 13¾% subject to tax on equity shares.

3% tax-free on the preference shares as per provisions of The Preference Shares (Regulation of Dividends) Act, 1960, final dividend which together with the 3% tax-free interim dividend on preference shares as per provisions of The Preference Shares (Regulation of Dividends) Act, 1960, already paid makes a total dividend of 6% tax-free on preference shares as per provisions of The Preference Shares (Regulation of Dividends) Act, 1960.

Members are requested to attend the meeting either in person or by proxy. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

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

METTUR DAM R.S.
15th July 1962.

Note:—1. The dividends, if sanctioned, will be payable on or after 8th September, 1962.

2. The Income-tax Officer, Salem, has under Section 197(3) of the Income-Tax Act, 1961, determined the appropriate proportion of the dividend at about 45.95% on which tax is not payable by the recipients, under the provisions of Sections 85 and 101 of the Income-Tax Act, 1961.

ORIENT PAPER MILLS LIMITED

Registered Office:
BRAJRAJNAGAR (ORISSA)

NOTICE

THE SHARE REGISTERS AND TRANSFER Books of the Company will be closed from the 16th August to 29th August, 1962, both days inclusive, for the purpose of payment in due course of dividends on Shares in the Company for the year ended 31st March, 1962. The dividends when declared, will be paid to those Shareholders whose names appear on the Company's Register of members on the 29th August, 1962, or to their mandatees.

By Order of the Board,
Per Pro BIRLA BROTHERS PRIVATE LIMITED,
G. MAKHARIA,
Managing Agents.

"EASTERN HOUSE"
14, RADHA BAZAR LANE,
CALCUTTA, *the* 21*st July*, 1962.

Announcement regarding the proposed issue of 7 per cent Debentures of Rs. 45,00,000/-

THE RAVALGAON SUGAR FARM LTD.

(INCORPORATED UNDER THE INDIAN COMPANIES ACT VII OF 1913)

Registered Office: **Construction House, Ballard Estate, Fort, Bombay**

"Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company, Construction House, Ballard Estate, Fort, Bombay-1. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them."

A copy of the Prospectus together with the documents required to be attached thereto has been duly filed with the Registrar of Companies, Maharashtra, Bombay, for registration.

An application will be made to Stock Exchange, Bombay, for enlisting these Debentures on the Exchange.

The subscription list will open in Bombay at 12 noon (S.T.) on the 10th day of August 1962 and will be closed without notice immediately the total amount is subscribed for but not earlier than 13th August 1962 but in any event the list will be closed on the 17th day of August 1962 at the close of business hours.

EXISTING AND PROPOSED ACTIVITIES

The Company's principal business is sugarcane plantation and manufacture of sugar and confectionery.

The Company had at the beginning sugar crushing capacity of 110 tonnes which had been raised to 800 tonnes and recently the Company had carried out the expansion so as to increase the same to 1,200 tonnes per day.

The Company has also undertaken the manufacture of confectionery and the confectionery manufactured by the Company is receiving good response and market due to quality of confectionery. The Company is also manufacturing sugar candy which is praised highly because of the purity and is well received in the market for Pharmaceutical.

The Company has also been licensiated under the Industries (Development & Regulation) Act, 1951 to manufacture sugar machinery and the Company has recently undertaken the manufacture of sugar mill machinery and its components.

LOCATION OF INDUSTRY

RAVALGAON, DISTRICT NASIK

BOARD OF DIRECTORS

1. SHRI GULABCHAND HIRACHAND, (Ex-Officio Director & Chairman), Merchant, Munim Villa, Narayan Dabholkar Road, Bombay-6.
2. SHRI LALCHAND HIRACHAND, Merchant, Neela House, Peddar Road, Bombay.
3. SHRI RATANCHAND HIRACHAND, Merchant, Ratna Villa, 26-A, Nepean Sea Road, Bombay.
4. SHRI GOVINDJI RAOJI, Merchant, Mangalwar Peth, Sholapur.
5. SHRI PRANLAL GIRDHARDAS PAREKH, (Debenture Director), Merchant, 165, Bazar Gate Street, Fort, Bombay.
6. SHRI VALCHAND DEOCHAND, Merchant, Madhukunja, Navroji Cross Lane, Ghatkopar, Bombay-39.
7. SHRI ANANT VISHWANATH GHARPURE, Engineer, 520C, Adenwala Road, Bombay-19.

MANAGING AGENTS

WALCHAND & CO. PRIVATE LTD.,
Construction House, Ballard Estate, Fort, Bombay

Authorised Capital = Rs. 1,04,00,000
Divided into:
20,000 5½% Cumulative Preference Shares of Rs. 100 each.
30,000 Preference Shares of Rs. 100 each
1,00,000 Ordinary Shares of Rs. 50 each.
8,000 Deferred Shares of Rs. 50 each.

Issued Capital = = Rs. 54,00,000
Divided into:
20,000 5½% Cumulative Preference Shares of Rs. 100 each.
60,000 Ordinary Shares of Rs. 50 each.
8,000 Deferred Shares of Rs. 50 each.

Subscribed Capital = Rs. 53,99,400
Divided into:
20,000 5½% Cumulative Preference Shares of Rs. 100 each.
59,988 Ordinary Shares of Rs. 50 each.
8,000 Deferred Shares of Rs. 50 each.

Proposed Issue:

The whole issue of Debentures of Rs. 45,00,000 divided into 7% Debentures of Rs. 1,000 each at par is offered for public subscription, provided that preference in allotment will be given to the holders of existing two series of Debentures of Rs. 10 lakhs each and to the holders of equity shares of the Company to the extent of their present holding as per suggestion from Stock Exchange. However there is no contract or arrangement entered into in respect of any preferential right. No preference will be given to any person or persons.

TERMS OF PAYMENT

The issue price of Rs. 1,000 per Debenture is to be paid on application by surrendering old Debentures under Debenture Trust Deeds dated 25th June 1942 and 13th September 1944 or by payment in cash.

UNDERWRITERS

The whole issue is underwritten by the following Underwriters to the extent as shown against their names:—

	Underwriters	*Amount Underwritten*
1.	The Bank of Maharashtra Ltd., Poona	Rs. 5 lacs.
2.	Messrs. Devkaran Nanjee Banking Co. Ltd., Bombay ...	Rs. 5 lacs.
3.	The New Great Insurance Co. of India Ltd. Bombay ...	Rs. 5 lacs.
4.	The Bank of India Ltd., Bombay	Rs. 5 lacs.
5.	The Bank of Baroda Ltd., Bombay	Rs. 5 lacs.
6.	Messrs. R. R. Nabar & Co. Bombay	Rs. 20 lacs.

APPLICATION FOR DEBENTURES

Application forms along with copies of the Prospectus can be had from the Registered Office of the Company or from the Managing Brokers Messrs. Devkaran Nanjee & Co., Share, Stock & Finance Brokers, 5, Hamam Street, Fort, Bombay.

Application forms properly completed in accordance with the instructions given on the reverse thereon must be lodged, together with the amount payable thereon or together with the existing 6% and 4% Debenture Bonds duly discharged, with the Managing Brokers to the issue or with Devkaran Nanjee Banking Co. Ltd., Horniman Circle, Fort, Bombay.

COST INFLATION REDUCES FURTHER TATA OIL'S PROFIT-MARGIN

AMBITIOUS SCHEMES FOR DIVERSIFICATION

IT is not really the increase in turnover, but the cost at which it is attained that counts, when it comes to measuring the prosperity of a company. This is stating the obvious, but to fully grasp its meaning one has to take a look at the working results of the Tata Oil Mills Company Ltd. [Managing Agents: Messrs. Tata Industries (Private) Ltd., Bombay], whose efforts in the recent past towards sales maximisation have unfortunately been accompanied by reduced profit-margin not as a result of lower prices for consumers, but due chiefly to a ceaseless rise in costs accentuated more than anything else by heavy restrictions on imports of raw materials. Gross sale proceeds of the Company for the year ended 31st March 1962 increased again by Rs. 106.74 lakhs (Rs. 175.69 lakhs in the previous year) to Rs. 10.92 crores, thereby maintaining the uptrend seen from 1959-60, when they shot up by Rs. 158.21 lakhs to Rs. 8.09 crores, after having got stuck around Rs. 6 crores in the preceding three years. The net improvement (that is, minus excise duty paid) in sales works out to Rs. 98.51 lakhs at Rs. 10.36 crores, as against Rs. 171.05 lakhs at Rs. 9.37 crores in the previous year. But all this improvement during the year has resulted in an increase of barely Rs. 3 lakhs in gross profit at Rs. 60.37 lakhs and only further shrinkage in profit-margin (ratio of gross profit to gross sales) from 5.7 per cent to 5.5 per cent. The current upward trend in sales had been gainful to the Company only at its start, that is, in 1959-60, when the profit-margin had improved from 8.4 per cent to 9.1 per cent. Since then, it has been going down. The net profit for the year under review has, however, been sufficient to maintain the equity dividend at 23 per cent, taxable, as well as the transfers to reserves.

The synopsis of the Company's working results in the past four years is presented in the comparative table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds (gross) ...	1,091.72	984.98	809.29	651.08
Stocks of finished goods and stock-in-process	121.42	107.34	102.75	109.27
Other income	27.08	42.39	21.97	12.76
Raw materials and stores consumed	657.58	595.11	471.70	364.77
Staff expenses	141.78	120.02	108.14	96.27
Other expenses*	260.11	254.10	175.23	148.10
Gross profit	60.37	57.38	74.19	44.00
Provision for—				
Depreciation	12.75	11.00	13.47	11.30
Taxation	18.55	17.10	25.75	21.75
Managing Agents' commission ..	4.29	4.37	6.25	4.55
Net profit	24.78	24.91	28.72	17.10
Excess provision written back ..	2.78	1.00	..	..
Employees' gratuity	1.75	1.75	2.00	1.50
To reserves	5.75	5.88	8.00	5.50
Dividends—				
Preference (4½ per cent.) ..	1.34†	1.34†	1.34†	0.92
Ordinary	16.12 (23%)†	16.12 (23%)†	16.12 (23%)†	9.11 (13%)
Carry forward	0.10	0.29	0.46	0.12
Market value of equity shares in rupees:	1962	1961	1960	1959
High	87.50	86.80	89.00	75.00
Low	66.50	67.00	58.00	42.00

* Inclusive of excise duty, which amounted to Rs. 56.22 lakhs for 1961-62, Rs. 47.99 lakhs for 1960-61, Rs. 43.35 lakhs for 1959-60 and Rs. 39.06 lakhs for 1958-59.
† Subject to deduction of tax.

According to the Directors' report, prices of groundnut and mowra oils rose, during 1961-62, by 9 per cent and 16 per cent, respectively, and of coconut oil and palm oil by 7 per cent. The import of copra of the value of Rs. 2 crores was chanelled, for the first time, through the State Trading Corporation of India, and the soapmakers in the organised industry were required to pay a heavy premium of 37 per cent to the Corporation for their import quota. A 30 per cent cut in import licences for raw materials compelled the Company to consume appreciably larger quantities of higher priced indigenous oils.

The cost inflation had its bearing not only on the profit but also on sales through consumer resistance, for, in order to offset it partially, the Company had to raise the selling prices of its principal products. Thus, *vanaspati* sales improved by a mere 11 per cent, as against 52 per cent in the previous year; sales of soaps were higher by 8 per cent, as against 13 per cent, with laundry soap showing an improvement of 11 per cent, as against a fall in toilet soap; and glycerine sales rose by 13 per cent, as against 16 per cent. In regard to the last item, the Company was actually unable to cope fully with the growing internal demand owing to inadequate supplies of crude glycerine. Toilet product sales showed a small improvement, but eau-de-cologne sales suffered a serious setback owing to a steep rise in the excise duty from Rs. 3.50 to Rs. 19.80 per case. The quantity of copra crushed at Tatapuram was nearly the same as in the previous year, but, in Bombay, the operations were seriously affected by reduced imports and a lower crop of mowra seeds. Earnings from exports increased by Rs. 10 lakhs to Rs. 71 lakhs, but the improvement was mainly due to larger exports of groundnut meal and copra cake, while sales of the Company's branded products fell by 20 per cent owing to unsettled conditions and restrictions on imports in the countries concerned.

Revenue by way of sales agency commission shrank from Rs. 29.23 lakhs to Rs. 16.99 lakhs due to a substantial reduction in the imports of caustic soda and soda ash, the adverse effects of which could not be overcome by an increase in the sales of Tata Chemicals' products.

Mr. J. R. D. Tata, Chairman of the Company, has referred, in his statement to the shareholders, to the great deterioration in the situation in regard to the availability and cost of raw materials and urged for effective measures to arrest the present trend, as it would have serious repercussions on the country's economy. The basic fact, according to Mr. Tata, is insufficient production of oilseeds and inadequate measures to increase it. He has suggested cultivation of seeds and fertilisers on a large organised scale as against by small farmers as at present and proposed to the organised sector of agriculture, as represented by planting companies, to consider his suggestion. He has, however, conceded that no plantation company can be expected to venture into such costly and long-term ventures without encouragement and direct support from the Government.

Mr. Tata has termed the latest threefold increase in the import duty on copra from 5 per cent *ad valorem* on a tariff value of Rs. 1,400 per tonne to 15 per cent *ad valorem*, or from Rs. 70 to Rs. 210 per tonne, as excessive in relation to even a 10 per cent duty on other industrial raw materials, particularly because, as against the c.i.f. value of Rs. 800 per tonne of imported copra, the tariff value for the purpose of duty is fixed as high as Rs. 1,400 per tonne. Moreover, the higher duty has pushed Indian copra out of world parity further due to the resultant increase of Rs. 200 per tonne in its price. Thanks to the realisation by the authorities that the discriminatory level of excise duty levied on the organised sector of the soap industry only resulted in a loss of revenue, the anomalous situation has been removed partly. A revision in the rate of excise duty on small manufacturers, made in the last budget, will now bring under duty the small units producing upto 204 tonnes of soap in a year. Further, as a result of the budget proposals, all factories manufacturing between 100 and 300 tonnes of soap per annum are now liable to pay the duty at the rate of Rs. 51.50 per tonne; the duty will be at its full rate of Rs. 103.50 per tonne on production higher than 300 tonnes. According to Mr. Tata, this revision will bring about 2,000 out of 4,000 small-scale units into the excise net and will fetch Rs. 150 lakhs to the Exchequer. This revision in the soap excise is welcome. In the case of *vanaspati*, however, the concessional rate of duty, which was payable on a slab system on the first 3,000 tonnes produced in a year, has been withdrawn and the duty is now being collected at a uniform rate of Rs. 200 per tonne on the entire production. This will mean an additional burden of Rs. 80,000 per annum to the Company.

Both Industrial Perfumes Ltd. and Lakmé Ltd., a subsidiary of the Company, have shown further improvement in their working. The former has made a profit of Rs. 1.83 lakh during 1961, as against Rs. 1.51 lakh in 1960, and stepped up the taxable dividend from 9 per cent to 11 per cent per annum on the Rs. 100 fully paid shares. The Company has introduced a new product, namely, betaionone, made from indigenous lemon grass oil, for use in the manufacture of vitamin A. The equity capital of the Company has been increased from Rs. 10 lakhs to Rs. 16 lakhs for financing the manufacture of several new aromatic chemicals, and Tata Oil is taking up all the rights shares offered to it. Orders for additional plant and equipment have been placed and the Company will manufacture some of the new products from next year. Lakmé's sales rose only by about 20 per cent as against the expected 50 per cent owing to the heavy excise duty of 25 per cent *ad valorem* on toilet products. The gross profit increased slightly from Rs. 1.26 lakh to Rs. 1.76 lakh and enabled the Company to write off in full the preliminary expenditure, the balance of previous losses and partially the deferred revenue expenditure. The Company's future progress depends on the pace at which indigenous raw materials and packing materials of suitable quality become available for manufacturing and packing high quality cosmetics. The Company plans to introduce in the current year other types of cream, as well as a line of eye cosmetics.

Apparently frustrated by high costs and diminishing profit-margin in its present lines of manufacture, Tata Oil has come out with an ambitious scheme for expansion and diversification. The scheme has six broad features, namely, (1) setting up a new factory near Ghaziabad in U.P. and equipping it with the latest type of machinery for the manufacture of soap and glycerine, (ii) starting a plant for the manufacture of fruit juice and fruit and spice flavours in powder form in technical collaboration with a Japanese firm, (iii) erecting a solvent extraction plant for extraction of oils from rice bran, cottonseed, coconut cake, etc., (iv) setting up a synthetic detergent plant, (v) promoting Tata-Finlay (Private) Ltd. in collaboration with Tata Sons (Private) Ltd. and James Finlay and Company Ltd. for blending, packaging and marketing tea, and (vi) modernising certain plants and equipment, in order to keep abreast of the latest technological improvements. The scheme will require about Rs. 350 lakhs for meeting the capital expenditure and additional working capital over the next few years. The Company expects to provide Rs. 250 lakhs from internal sources and loan funds leaving a deficit of about Rs. 100 lakhs to be covered partly by equity capital and partly by debentures. An immediate issue of 140, 150 further ordinary shares of Rs. 25 each at a premium of Rs. 15 per share to the existing shareholders in the proportion of one new share for every two shares held by them has been announced. This will bring in Rs. 56.06 lakhs. At the same time, the Company is issuing additional debentures of Rs. 50 lakhs, carrying interest at the rate of 6.5 per cent per annum, subject to tax. These are redeemable in 10 to 15 years. The Company's investment in Tata-Finlay, which may also pack and market food products, is placed at Rs. 12.50 lakhs. Incidentally, the Company had raised its capital way back in 1946-47, since when the gross block has increased by Rs. 282 lakhs to Rs. 360 lakhs, the turnover has expanded from Rs. 3.27 crores to Rs. 11.19 crores and fresh investments in shares of subsidiary and associated companies have totalled Rs. 13 lakhs. Funds to finance all this expansion had come from borrowings which have risen during the period from a mere Rs. 10.50 lakhs to Rs. 318 lakhs.

During the year, a part of the *vanaspati* plant belonging to the newly acquired Amrut Oil Mills was put into operation at the Bombay factory, while the remainder of the plant is being reserved for the North Indian factory. Building plans for the soap plant of the latter factory were finalised and construction work has begun. Application for the import of the latest type of soap plant for this factory has been made. At the Tatapuram factory, the first of the new boilers was erected and put into commission and the second is being erected. Late delivery of locally fabricated equipment delayed the erection of the fat splitting and fatty acid distillation plant, which is now expected to go into production this year. The new soap cooling and drying equipment, installed during the year in the Bombay factory, is working satisfactorily. The plant for the manufacture of edible groundnut flour has been erected and trials have been started. The Calcutta factory's glycerine distillation plant was installed and went into production in February last.

The financial position of the Company is sound. Its paid-up capital of Rs. 99.96 lakhs is made up of Rs. 29.89 lakhs in 4½ per cent cumulative preference shares and Rs. 70.07 lakhs in equity shares. The equity capital includes 88,000 shares of Rs. 25 each fully paid issued for consideration other than cash and 11,030 shares issued as fully paid bonus shares. Reserves and surplus aggregate Rs. 61.14 lakhs. Borrowings, including debentures (first issue) of Rs. 50 lakhs and interest due thereon of Rs. 1.50 lakh, have increased during the year from Rs. 305.89 lakhs to Rs. 317.59 lakhs. Current liabilities and provisions total Rs. 200.02 lakhs. Excluding debentures and interest thereon, the total indebtedness to outsiders works out to Rs. 466.11 lakhs, which, though considerably high, is covered by stock-in-trade, book debts and other current assets aggregating Rs. 482.67 lakhs. In addition, there are investments, all of them unquoted, of Rs. 13.10 lakhs. The gross block expanded from Rs. 320.58 lakhs to Rs. 359.58 lakhs. Total depreciation provided on it amounts to Rs. 176.65 lakhs. The block is thus well written down to Rs. 182.94 lakhs.

The Rs. 25 fully paid ordinary shares of the Company are currently quoted at Rs. 73 *cum-div.* On the *ex-div.* basis and without taking into account the forthcoming rights issue, they offer a net yield of 5.8 per cent per annum.

COURT APPOINTS NEW CHAIRMAN FOR B.I.C.

Mr. Satish Chandra, a former Union Deputy Minister of Commerce and Industry, has been appointed the chairman of the managing committee of the British India Corporation Ltd., in place of Mr. H. S. Chaturvedi, who is retiring shortly. The appointment was made on the 27th inst. by Mr. Justice W. J. Broome of the Allahabad High Court, on an application presented to the Court on behalf of the Central Government, L.I.C. B.I.C., and Messrs. Haridas Mundhra and Tulsidas Mundhra that Mr. Chaturvedi, who was appointed by the Court as Chairman of the committee, had taken leave and expressed his desire to retire. To fill up the vacancy, it was suggested by the counsel for the parties that Mr. Satish Chandra be appointed as Chairman. When the application came up for orders on 23rd July 1962, Mr. S. N. Kacker and Mr. S. C. Khare expressed their desire to file objections to that proposal on behalf of some shareholders and were allowed to do so by 26th July. As no objections had been filed by the said date, Mr. Justice Broome accepted the suggestion made by the counsel for the parties in their application and appointed Mr. Satish Chandra as the Chairman of the committee. It will be recalled that the managing committee was appointed by the High Court to look after the affairs of the British India Corporation Ltd. for a specified period on an application by the L.I.C. under Sections 397 and 398 of the Companies Act.

INDIAN OVERSEAS BANK EARNS MORE

The net profit of the Indian Overseas Bank Ltd. for the half-year ended 30th June 1962, subject to audit, is slightly higher at Rs. 19.83 lakhs, excluding Rs. 2.23 lakhs brought in, as compared with Rs. 18.05 lakhs, excluding Rs. 1.92 lakh brought in, for the corresponding period of the previous year. The Bank's deposits and advances as on 30th June last were over Rs. 35 crores and Rs. 23 crores, respectively, as against Rs. 31 crores and Rs. 20 crores as on 31st December 1961.

INDIAN BANK LIMITED

The profit (before taxation) of the Indian Bank Ltd. for the half-year ended 30th June 1962 has amounted to Rs. 21.04 lakhs, as against Rs. 21.01 lakhs for the corresponding period in the previous year. The Directors have declared an interim dividend of 5 per cent and cash bonus of 2.5 per cent, subject to deduction of tax (same as in the previous year), on the Rs. 100 fully paid shares for the year ending on 31st December 1962.

H.M.T.'S RESULTS SPECTACULAR

HALF THE PROFIT RETAINED IN BUSINESS

RETAINING about half the distributable profit for the year ended 31st March 1962 in business (to be precise, Rs. 62.56 lakhs out of a total of Rs. 128.92 lakhs, including Rs. 1.39 lakh brought in) for the first time ever in its career, the nine-year old State-owned and managed Hindustan Machine Tools Ltd. (Chairman and Managing Director: Mr. M. K. Mathulla, Jalahalli, Bangalore) has now got off well on the road to steady progress and prosperity. Indeed, the previous year itself saw a considerable improvement in the working of the Company and had earned for it the distinction of being adjudged as the most outstanding and the best among the public sector undertakings by a special committee appointed by the Government as also the highest Presidential award of a shield in silver and copper and the Presidential certificate for efficient performance. But the results for the year under review in particular assume real significance as, in addition to the transfer to the statutory development rebate reserve, made possible from 1958-59 onwards, which itself has been raised substantially from Rs. 1.95 lakh to Rs. 22.56 lakhs, the Company has been able to set apart for the first time as much as Rs. 40 lakhs for general reserve. In other words, it has now shown the healthy sign of being not only a profit-earning but also a profit-saving enterprise.

The year's results show a considerable all-round progress and bear ample testimony to the belief that, with the abundant resources in terms of both finance and talents at its disposal, a public sector undertaking can easily be an economically viable unit, if it is given the necessary efficient management. Sales rose during the year by Rs. 138.11 lakhs (Rs. 113.75 lakhs a year before) to Rs. 494.91 lakhs. The gross profit, which had increased from Rs. 74.75 lakhs for 1959-60 to Rs. 119.77 lakhs for 1960-61, has improved further to as much as Rs. 192.54 lakhs. This is a creditable performance, for the domestic sale prices of all H.M.T. machines were progressively reduced and maintained at 10 to 20 per cent below the landed cost of foreign machines of equivalent quality and the export prices were regulated as required to compete successfully in world markets. The profit-margin (ratio of gross profit to sales) has improved from 33.5 per cent to 38.9 per cent.

The provision for depreciation has been stepped up from Rs. 45.73 lakhs to Rs. 65.01 lakhs. No income-tax is payable for the year under review also, as there is a sufficient balance of past losses for tax purposes yet to be set off. The net profit shows an improvement of nearly Rs. 54 lakhs to Rs. 127.53 lakhs. The percentage of net profit to share capital has improved from 1.02 in 1956-57 to 24 in 1961-62. It was 7.15 in 1958-59, 8.22 in the following year and 13.90 in 1960-61. The dividend on the Rs. 1,000 fully paid shares has been maintained at 10 per cent per annum, and absorbs Rs. 53.10 lakhs. As the dividend is payable to the Government of India, the owner of the Company, there will be no deduction of tax from the dividend. In addition, the Government has received Rs. 8.49 lakhs (Rs. 7.74 lakhs a year before) by way of interest on its loan. The carry forward is Rs. 3.10 lakhs against Rs. 1.39 lakh brought in.

The comparative table below gives a clear idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales and self-consumption ..	494.91	356.80	243.05	227.44
Stock of finished goods ..	29.27	31.65	22.99	10.59
Other income	37.19	35.38	13.60	11.21
Raw materials and stores consumed	207.07	180.91	113.00	115.62
Staff expenses	111.93	73.81	60.26	58.51
Interest on Government loan ..	8.49	7.74	7.52	8.99
Other expenses	19.27	5.23	14.38	7.52
Gross profit	192.54	119.77	74.75	60.41
Provision for—				
Depreciation	65.01	45.73	34.90	27.43
Taxation		0.67*	2.24†	
Net profit	127.53	73.37	37.61	32.98
Development and commissioning expenditure written off ..	4.41	..	35.00	30.04
Licence rights written off ..	5.74	17.50	..	..
Development rebate reserve ..	22.56	1.95	4.84	0.74
General reserve	40.00	..	..	..
Dividend	53.10 (10%)	53.10 (10%)	..	..
Carry forward	3.10	1.39	0.56	2.80
Production (No. of machines)‡ ..	1,251	1,002	702	552
Orders booked (" " ")‡ ..	1,380	980	1,019	502
Despatches (" " ")‡ ..	1,240	1,007	644	529

* Income-tax for 1953-54.
† Wealth tax for 1958-59.
‡ Excluding wrist watches.
Note:—The dividend is tax-free.

From the table above, it will be clear that the higher increases during the year were due to, and in keeping with, the increase in production. The higher cost of raw materials and stores consumed at Rs. 207.07 lakhs, as against Rs. 180.91 lakhs in the previous year, includes Rs. 6.53 lakhs spent on the purchase of components for the new line of wrist watch manufacture. The Company produced 14,439 wrist watches and despatched 10,738. Over the past six years, the Company has diversified its production by introducing new lathes and machines. In the past six years, the indigenous content of high precision lathes has improved from 93 to 97 per cent. Similarly, such in milling machines has risen from 35 to 94 per cent in the past five years, in radial drills from 30 to 91 per cent in the past four years and in low priced lathes from 57 to 95 per cent. In the case of grinders and turret lathes, the production of which was taken up only in 1960-61, the indigenous content has remained unchanged at 43 per cent and 95 per cent, respectively.

The selling prices of the Company's products last year compare with the landed cost of comparable imported machines given in brackets thus: High precision lathe Rs. 33,000 (Rs. 46,660), milling machine Rs. 39,500 (Rs. 50,770), radial drill Rs. 36,000 (Rs. 42,999), low-priced lathe Rs. 19,250 (Rs. 22,096), grinder Rs. 35,000 (Rs. 50,712) and turret lathe Rs. 44,000 (Rs. 56,294).

Since 1959-60, the Company has been employing no foreign technicians. Their number was 86 in 1956-57, 54 in the following year and 31 in 1958-59.

The number of employees has progressively increased from 1,373 in 1956-57 to 4,670 in 1961-62; last year itself saw an addition of 470. The minimum monthly earnings of the lowest paid employee have risen in the past six years from Rs. 32 to Rs. 111 and the average monthly earnings have similarly gone up from Rs. 116 to Rs. 186 (the latter figure excludes emoluments to trainees).

The increase in production of machines during 1961-62 from 1,002 units to 1,251 units is attributed by the Directors to the commissioning of the second machine tool factory, designed to double the output to 2,000 units per annum. It was constructed in a record time of 14 months—10 months ahead of schedule—and was entirely financed from the internal resources of the Company. Built by Indian engineers, it was inaugurated by Prime Minister Nehru on 28th July 1961. The commissioning of the factory earned for the employees rationalisation and enhancement of their wages, with effect from 1st June 1961, in addition to the merging of most of the dearness allowance with the basic pay following the recommendations of the Second Pay Commission. An *ex-gratia* payment of Rs. 175 each was also made to the employees drawing a salary of Rs. 500 and below. Besides, each worker with a year's service to his credit, was presented with a H.M.T. wrist watch. All this was in addition to the regular incentive bonuses, free uniforms, subsidised meals, transport and housing and free education to the employees' children

The Company is to build a third machine tool factory with a township at Pinjore in the Punjab at an estimated cost of Rs. 10 crores. Approximately 850 acres of land is being acquired in stages and ground levelling operations are in progress. Orders for imported machinery and equipment have already been placed. A 'Master Plan' for the main factory as well as the township has been prepared and the construction work must have begun by now.

It is well known that construction of the watch factory was delayed by several months last year as a result of an unforeseen defect in the title to the originally acquired land. However, construction was started in September last at a new site, with the first phase of the factory building expected to be completed in September this year. Manufacturing operations are to start in October next. Orders for the machinery for the watch factory were placed to the value of Rs. 91.5 lakhs, and the equipment, said to be specially manufactured on order, has started arriving at the site for installation. The assembly of watches from imported components commenced, however, in June 1961 and the first 700 watches were released by the Prime Minister on 28th July 1961.

An advance of Rs. 150 lakhs was received from the Government for the construction of the watch factory buildings and other civil works valued at Rs. 25.2 lakhs, imported machinery worth Rs. 91.5 lakhs, for which letters of credit have been opened, and for working capital for the assembling operations. Of this advance, Rs. one crore have been converted into share capital from 5th May 1962 by the issue of 10,000 additional shares of Rs. 1,000 each to the President of India.

The Company entered the world market for the first time during the year by the export of machine tools to West Germany and Switzerland. In view of the acute shortage of foreign exchange and the necessity to increase exports to the maximum, it is undertaking an extensive export promotion programme in respect of machine tools both in Europe and the U.S.

Financially, the Company is now on sound lines. As per the balance-sheet as at 31st March 1962, it has an issued and paid-up capital of Rs. 531 lakhs (including 7,122 shares of Rs. 1,000 each, issued as fully paid without payment being received in cash) out of an authorised capital of Rs. 12 crores. It has received advances to the tune of Rs. 125 lakhs (Rs. 50 lakhs a year before) from the Government, of which Rs. 25 lakhs are for the third machine tool factory and the balance of Rs. 100 lakhs for the watch factory, which have since been converted into share capital. As against this, reserves and surplus total Rs. 73.65 lakhs. Bank borrowings, which are secured, have increased during the year from Rs. 27.64 lakhs to Rs. 86.61 lakhs. Unsecured loans from the Government towards working capital have gone up from Rs. 175.18 lakhs to Rs. 225.18 lakhs. Then, there are current liabilities and provisions amounting to Rs. 190.52 lakhs. Excluding the loans and advances taken from the Government, the Company's total indebtedness to outsiders works out to Rs. 277.13 lakhs and is comfortably covered by current assets and book debts aggregating Rs. 537.24 lakhs. With the installation of the second machine tool factory and some work done for the third factory, the watch factory and on the industrial estate, the gross block of the Company has grown sharply from Rs. 459.02 lakhs to Rs. 754.76 lakhs. It has been written down to Rs. 611.39 lakhs.

POLYCHEM'S PROFIT DOWN

OUTLOOK PROMISING

FREE licensing of imports of polystyrene to meet a part of the domestic demand and the imposition, for the first time, of an excise duty on the material appear to have had a deleterious effect on the earnings of Polychem Limited (Chairman: Mr. Ramdas Kilachand, Bombay) during the year ended 31st March 1962. Sales realisation has no doubt risen somewhat from Rs. 153.07 lakhs to Rs. 163.72 lakhs, but a part, equivalent to Rs. 30.76 lakhs, thereof, merely represents the inflation due to the inclusion of the quantum of excise duty in the selling prices. There has been, as such, no gains accruing to the Company and, if one were to reduce the sales figures to a comparable basis, the turnover actually shows a decline of some Rs. 20.00 lakhs. The Company's contention that it could have put up an inspiring show had the Government given it additional licences for import of raw materials instead of allowing imports of polystyrene finds support in the fact that its closing stocks of finished goods have increased out of all proportion by Rs. 21.30 lakhs to Rs. 39.53 lakhs. In spite of some saving in expenses, therefore, the gross profit has declined to Rs. 39.88 lakhs and is well below the average level of approximately Rs. 48.00 lakhs achieved during the preceding two years.

Provision for depreciation has been raised to Rs. 7.06 lakhs from Rs. 4.89 lakhs last year but there has been a corresponding saving in the provision for taxation, which, because of a lower taxable profit, has gone down by Rs. 2.00 lakhs to Rs. 15.50 lakhs. All the same the net profit shows a decline parallel to that in the gross profit and stands at Rs. 17.32 lakhs as compared with Rs. 26.30 lakhs for 1960-61. Out of this a sum of Rs. 9.23 lakhs, as against Rs. 22.97 lakhs last year, has been transferred to reserves, while Rs. 3.33 lakhs have been earmarked for the payment of preference dividend. In view of the unsatisfactory profit position, the Directors have only proposed to maintain the ordinary dividend at Rs. 7.50 per share, or 15 per cent per annum, subject to tax. This absorbs Rs. 6.94 lakhs, leaving Rs. 1.19 lakh as a carry-forward against Rs. 1.88 lakh brought in.

The working results of the Company for the past four years are set forth in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales less rebates	163.72	153.07	153.12	105.72
Other income	5.14	6.60	6.43	2.33
Closing stock of finished goods ..	39.53	18.23	11.15	5.92
Excise duty	30.76	..	..	..
Raw materials and stores consumed	87.32	89.60	92.32	48.25
Salaries, wages and bonus ..	9.52	8.40	6.16	4.21
Other expenses	16.41	20.05	19.04	35.04
Gross profit	39.88	48.69	48.20	24.77
Provision for—				
Depreciation	7.06	4.89	4.57	3.93
Taxation	15.50	17.50	17.50	5.75
Net profit	17.32	26.30	26.13	15.09
Withdrawals from reserves ..	1.84	7.60	7.40	..
Miscellaneous write-offs ..	0.34	..	5.00	2.80
To reserves	9.23	22.97	21.03	7.21
Dividends—				
Preference	3.33	3.33	3.00	5.22
Ordinary	6.94 (15%)*	6.00 (15%)*	4.40 (11%)*	2.40 (6%)
Carry forward	1.19	1.88	0.28	0.18
Market price of ordinary shares in rupees:	1962	1961	1960	1959
High	242.50	270.00	320.00	..
Low	170.00	190.00	174.00	..

* Subject to deduction of tax.

Although the performance of the Company during the year under review has been below expectations, prospects for the future appear to be more cheerful. Additional facilities for increased production of colour materials have been made and facilities for expansion of the production capacity of the polystyrene plant are being implemented. It has been stated earlier that the Company's sales were adversely affected due to the free licensing by the Government of imports of polystyrene in the country. Since further licences for imports are not being issued now and the stocks of imported material in the market are fast declining, an improvement in the turnover of the Company in the current year can be anticipated.

Moreover, orders for most of the equipment for the Styrene monomer project have been placed and the project work is progressing satisfactorily. The plant is expected to go on stream early in 1963. Similarly, the contract for the alcohol distillery has been awarded and

(*Continued on page 213*)

SYNOPSES OF COMPANY REPORTS

Balancor Tea and Rubber Co., Ltd.

(*Managing Agents*: Young India Agencies Private Ltd., Madras.)

Twenty-fifth Annual General Meeting—Held on 21st July 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of tea, rubber, coffee and pepper ..	17,09	13,88
Closing stock of tea, coffee, etc. ..	3,99	6,05
Gross profit	4,10	4,54
Transfer to Managing Agents' remuneration ..	37	37
" " depreciation	38	39
" " development rebate reserve ..	1	4
" " provision for taxation ..	76	1,45
Net profit	2,58	2,29
Adjustments	17	4
Appropriations:		
Total available balance	2,75	2,33
Transfer to general reserve	Nil	14
" " dividend equalisation reserve ..	75	50
Proposed dividends (taxable) preference ..	20	20
" " equity ..	1,32 (12%)	1,32 (12%)
Carry forward	48	17

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: *Crop and Cost.* The tea crop for the year was 2,60,310 kgs. as against the previous year's crop of 2,25,168 kgs. All in cost of production was Rs. 3.04 per kilogram as against Rs. 3.09 per kg. last year and the average sale price realised Rs. 4.55 per kilogram as against Rs. 4.34 per kg. last year. The coffee crop during the year was 124=039 tonnes as against the previous year's crop of 215 tons. The rubber crop for the year was 16,023 kgs. as against the previous year's crop of 17,523 kgs.

Estimate for 1962-63: Tea crop is estimated at 2,60,000 kgs., Coffee 171½ tonnes, rubber 4,800 kgs., and pepper 40 kgs.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	13,48,990	Gross block	18,03,952
Reserves and surplus..	6,08,419	—Depreciation ..	4,15,754
Other liabilities ..	8,48,018	Net block	13,88,198
		Current assets ..	8,84,734
		Investments	22,208
		Cash	5,04,287
	Rs. 28,05,427		Rs. 28,05,427

* Paid-up capital consists of 1,09,899 equity shares of Rs. 10 each and 25,000—7½ per cent. tax-free cumulative preference shares of Rs. 10 each. Of the equity shares 54,899 shares are allotted as bonus shares.

New Swadeshi Mills of Ahmedabad Ltd.

(*Chairman*: Mr. R. D. Birla). Mills—Naroda Road, Ahmedabad.

37th Annual General Meeting, Calcutta—3rd August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales (including internal transfers)	3,32,62	3,14,33
Closing stock	38,09	20,57
Gross profit	36,76	25,91
Transfer to depreciation	11,37	6,58
" " development rebate reserve ..	8,41	2,12
" " provision for taxation	9,50	8,00
Net profit	7,48	8,31
Adjustments*	42	46
Appropriations:		
Total available balance	7,90	8,77
Transfer to general reserve	4,50	6,00
Proposed dividend (taxable) Equity ..	2,61 (10½)	2,35 (9%)
Carry forward	79	42

* Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report:

Additions to Plant and Machinery: During the year under review, a sum of Rs. 41.44 lakhs has been spent by way of additions to the existing plant and machinery. The main items are as under: (1) 6 *Warp* and 24 *Weft Ring Frames* at a cost of Rs. 14.78 lakhs, (2) *Whitin Comber* Set of 6 *combers* at a cost of Rs. 6.89 lakhs, (3) *Barber Colman Winding and Warping equipment* at a cost of Rs. 5.75 lakhs, (4) *Artos Hot Air Stenter* at a cost of Rs. 3.73 lakhs and (5) *Shearing and Cropping Machine* at a cost of Rs. 1.02 lakhs.

Renovation and Expansion Programme: For the current year also, the Company has on hand plans for further modernisation of plant and machinery. The Company has obtained permission from the Government for replacement of 112 plain looms by 144 automatic looms.

Purchase of the Block of Hutheesing Mills: In January 1962 an agreement was entered into between the Company and the major shareholders of the Hutheesing Manufacturing Co., Ltd. whereby the block of the said company was to be purchased by this Company. As the possession of the said Hutheesing Manufacturing Co., Ltd. was in the hands of the Government under the relevant provisions of the Industries (Development and Regulation) Act, 1951, efforts were made to obtain the possession, but the Government did not agree to possession unless the shares of the said Hutheesing Manufacturing Co., Ltd. were purchased. As the proposal of purchasing the shares was not in the interests of the Company, the agreement was brought to an end on 3rd April 1962 on which date the period of 3 months envisaged in the agreement for obtaining the possession from the Government had expired.

Further Projects: As stated in the last year's report, the Company holds a manufacturing licence for the Cast Iron Spun Pipe Factory. The Company has applied to the Central Government for issuance of the necessary import licence for this project. The directors are quite anxious to take up this project in hand as quickly as possible.

The Company's application for setting up a textile mill at some suitable place in Gujarat could not materialise. The State Government had first recommended the application, but later on they revised their decision.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	26,14,625	Gross Block	1,64,52,000
Reserves of surplus ..	61,47,083	—Depreciation ..	72,52,095
Other liabilities ..	1,25,54,723	Net block	92,00,000
Preference share capital redemption account 100		Current assets ..	1,19,12,317
		Investments	3,84,270
		Cash	1,19,944
	Rs. 2,16,16,531		Rs. 2,16,16,531

* Paid up capital consists of 26,145 Equity shares of Rs. 100 each. Of this 17,430 Equity shares are allotted as fully paid up Bonus shares by capitalisation of general reserve. Forfeited shares (amount paid up) comes to Rs. 125.

Western Bengal Coalfields Ltd.

(*Registered Office*: Calcutta.)

Annual General Meeting—9th August 1962.

Working Results:

	For the year ended 31st March In thousand rupees)	
	1962	1961
Sales	86,11	67,16
Closing stock of coal and sand	4,10	6,33
Gross profit	18,00	17,37
Transfer to Managing Agents' remuneration ..	1,03	1,06
" " depreciation	4,00	5,99
" " provision for taxation ..	5,15	4,40
" " " cess charges ..	1,25	80
Net profit	6,57	5,12
Adjustments	27*	12
Appropriations:		
Total available balance	6,84	5,24
Transfer to development rebate reserve ..	1,15	1,34
Proposed dividend (taxable) equity ..	4,50 (9%)	3,75 (7½%)
Carry forward	1,19	15

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.
* This includes Rs. 11,287 being development rebate reserve transferred on sale of fixed assets.

Extracts from the Directors' report:

Raisings and Workings:	1960-61 Tonnes	1961-62 Tonnes
Raisings	3,47,475	3,74,968
Despatches	3,05,953	3,78,442
Colliery consumption	9,178	10,386

As will be seen from the above figures, the Company has maintained satisfactory progress.

Working in the new Jambad Pit of the Moira Colliery is progressing satisfactorily and some of the machinery ordered out for the working of this seam have now started to arrive. During the year, this colliery was declared to be gassy and consequently the Company has had to invest large amounts in replacing the non-flame-proof equipment used and providing new flame-proof equipment. During this period of changeover, the mine was completely shut down for about a week and was worked on a restricted production for over a month. All these have affected the raisings for the year to some extent. Approximately 45 bighas of coal bearing land belonging to East Kajora Colliery Co. is being amalgamated with the Moira Colliery. Workings at the Samla Manderboni Colliery were also satisfactory. Workings at both the collieries after the end of the year continue to be satisfactory.

The last year was a difficult one for the coal industry and the overall increase in coal production in 1961-62 over 1960-61 has been extremely negligible. A foreign exchange loan has been negotiated with the World Bank to meet the needs of the Private Sector in the third Five-year Plan and this company has also been allotted sufficient funds to meet its foreign exchange requirements during the Plan period. However, due to several formalities and other things, issue of licences under this loan has been very much delayed and are only now being issued. This company is planning to increase its output and in order to finance its expansion schemes is negotiating for issue of debenture stock for a total value of Rs. 30 lakhs.

The Managing Agents of the Company, Messrs. Hindusthan Investment Corporation Ltd., who have been Managing Agents since the inception of the Company, have tendered their resignation, subject to their being re-appointed as Secretaries and Treasurers of the Company. This was approved in an Extraordinary General Meeting of the Shareholders held on 8th June 1962, and an application has now been made to the Government to accord its sanction to this change.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	49,98,000	Gross block	1,05,82,162
Reserves and surplus..	7,28,217	—Depreciation ..	42,25,012
Other liabilities ..	56,59,720	Net block	63,57,150
		Current assets ..	47,59,167
		Investments	2,08,513
		Cash	61,107
	Rs. 1,13,85,937		Rs. 1,13,85,937

* Paid-up capital consists of 4,99,800 equity shares of Rs. 10 each fully paid up in cash.

Chemicoat Ltd.

(*Chairman*: Mr. A. N. Kilachand, Baroda. Managing Director: M. C. Chhatrapati, Baroda.)

First Annual General Meeting—18th August 1962.

Extracts from the Directors' report for the period from 21st March 1961 to 31st March 1962:

Progress of the Project: Import licence for machinery to be supplied by Messrs. Metal Coating Establishment, Vaduz, the Company's technical collaborators, was received by the middle of December 1961 after persistent efforts made therefor from 22nd March 1961, the date on which the application for licence was made. A formal agreement for foreign exchange loan of U.S. $2,75,000 from the Industrial Credit and Investment Corporation of India Ltd. was signed on 5th January 1962; and the first payment of U.S. $64,000, being 25 per cent of the total value of the order for machinery, was made early in February 1962, after completing other necessary formalities. The machinery suppliers accepted this first payment, though as per terms of agreement with them, the first payment was to be made by 15th April 1961. Considerable delay having thus occurred in making first payment, the supplier's willingness and assurance to ship machinery by October 1961 could not be availed of.

It is indeed very perplexing that the issue of an import licence should take about 9 months for a project for which industrial licence was issued as early as 9th September 1960, and for which foreign exchange loan had been sanctioned in principle by I.C.I.C.I. early in March 1961. All this delay has taken place although at no stage in this period, the Ministry of Commerce and Industry raised any serious queries regarding the plant and equipment to be imported.

Inspite of inordinate delay in receiving import licence and consequent delay in remitting advance payment for machinery, the Company's suppliers have not charged any increase in price; on the contrary, they are making their best efforts to have the machinery shipped by December 1962. The purchase contract stipulates delivery period upto twelve months from the date of receipt of advance payment.

The factory buildings are under construction, and the directors expect to have them ready by the end of September 1962. Order for a generating set of 200 Kva. has been placed. The suppliers expect to ship the same in September this year, and its installation will be completed in December. The directors are pleased to report that the total project cost will be within the estimates.

General: Metallised paper is one of the products to be manufactured by the Company. Metallisation is the technique of depositing a thin layer of metal, usually aluminium, on the surface of paper, plastic, films, etc., under a high vacuum. These can be used for packing tea, biscuits, cigarettes and many other industrial products like electrical goods; toy and fancy goods; as protective clothings, etc.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	14,82,250	Block	2,85,240
Secured loan ..	3,04,640	Expenditure during construction ..	91,030
Current liabilities and provisions... ..	79,322	Current assets ..	3,24,357
		Cash	10,45,743
		Miscellaneous expenditure ..	1,18,099
		P.L. a/c deficit ..	1,743
	Rs. 18,66,212		Rs. 18,66,212

* Paid-up capital consists of 20,000 equity shares of Rs. 100 each—Rs. 75 per share called up. Allotment and call money in arrears amount to Rs. 17,750.

Devon Tea and Produce Co., Ltd.

(*Managing Agents*: Young India Agencies Private Ltd., Madras.)

Twenty-fifth Annual General Meeting—Held on 21st July 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of tea, coffee, etc.	12,50	7,43
Closing stock of tea, coffee, etc. ..	2,57	3,37
Gross profit	2,47	1,95
Transfer to Managing Agents' remuneration ..	21	13
" " depreciation	29	27
" " development rebate reserve ..	2	1
" " provision for taxation	24	24
Net profit	1,15	1,00
Adjustments	13	4
Appropriations:		
Total available balance	1,28	1,04
Proposed dividends (taxable) preference ..	17	17
" " equity	7,4 (12%)	7,4 (12%)
Carry forward	30	13

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: *Tea*: There was a record crop of 1,90,192 kgs. during the year as against the previous year's crop of 1,38,386 kgs., an excess of over 51,000 kgs. All in cost of production was Rs. 2.98 per kilogram as against Rs. 3.58 per kg. last year and the average sale price realised Rs. 4.47 as against Rs. 4.26 per kg. last year.

Coffee: The Coffee crop during the year was only 56.106 tonnes as against the previous year's crop of 111 tons.

Estimate for 1962-63: The Tea crop is estimated at 1,70,000 kgs. and Coffee crop at 100 tonnes.

Devon Plastics: The new plastic factory started production in July 1961 and reached full production by January 1962. The total sales of plastic goods amounted to about Rs. 1,90,000 and the profit has been round about Rs. 24,000. Devon plastics are meeting with increasing demand and the factory is being expanded.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	8,74,650	Gross block	12,27,345
Reserves and surplus..	3,63,436	—Depreciation ..	2,75,238
Other liabilities ..	3,77,681	Net block	9,52,107
		Current assets ..	4,45,605
		Investments	9,905
		Cash	2,08,150
	Rs. 16,15,767		Rs. 16,15,767

* Paid-up capital consists of 67,465 equity shares of Rs. 10 each and 2,000—7½ per cent. tax-free cumulative preference shares of Rs. 100 each. Of the equity shares, 24,963 shares are issued as bonus shares.

WEST ASIAN OIL COUNTRIES WANT HIGHER PRICES FOR CRUDE

GENEVA CONFERENCE DECISIONS

THE Governments of the oil exporting countries want a bigger share of the profits of the oil business. This, in a nutshell, is the meaning of the principal resolutions passed at O.P.E.C.'s fourth conference held at Geneva in June. These resolutions, published on 2nd July, and the Secretary General's explanatory Press *communique* issued in Teheran, were couched in conciliatory and diplomatic terms. The fact remains that what appears to be envisaged by the Governments—who are naturally pitching their demands high for bargaining purposes—is a renegotiation of some of the basic terms under which the oil companies in the Middle East operate, with all the adjustments going one way. It is difficult to see how the companies, in the present state of the oil business, could afford to accede to the demands which are apparently now to be made upon them.

Three of the seven resolutions passed were concerned with administrative matters and with the admission of Libya and Indonesia to membership of the O.P.E.C. club. (The admission of Algeria and Colombia may follow before very long.) The other four resolutions made reference, respectively, to posted prices, to royalties, to "selling expenses," and finally to the creation of co-ordination and conservation bodies in each country on the lines of those already existing in Venezuela. The Iranian and Saudi Arabian Governments have been designated to open discussions immediately with the Consortium and Aramco. The results of the negotiations are to be reported to the next conference of O.P.E.C., which will open at Riyadh on 17th November.

One of the first objectives of O.P.E.C. is to restore posted prices for Middle East crudes at least to the levels prevailing before August 1960, when reductions ranging up to 10 cents per barrel were made by the exporting companies. The protagonists of O.P.E.C. have long claimed that posted export prices for crude oils should be altered by the companies only after consultation with the Governments of the producing countries and, presumably, only with their agreement. Not only does the relevant resolution (that is, No. 32) in effect, reassert this, but by implication the Governments now envisage the imposition of a crude oil pricing policy of their own devising. In so far as such attitudes imply restraints on the exporting companies' normal commercial activities, they appear to conflict with the inherent trading rights conferred by the concession agreements. Moreover, the aim of establishing unilaterally a higher level of crude oil prices appears to disregard the true nature and condition of the crude oil market.

Producers Protected

Since the demand for crude oil is entirely derived from the demand for petroleum products, crude oil export prices must necessarily be related to final product prices. And these are determined not by edict of oil companies or Governments, but by all the forces of the market. When oil supply potential in the free world outside the U.S.A. (including exports from Russia) began, after the Suez emergency, to outrun effective demand, the resulting condition of surplus was reflected in falling product prices. It was also reflected, directly and indirectly, in lower effective selling prices for crude. But, in the interests of preserving the maximum stability in their economic relationships with the Governments of the producing countries, the companies met the situation—against their own self-interest—by delaying the downward adjustment of postings for crude oil upon which 50/50 profit-sharing is based. To a large extent, the companies thus insulated the producing countries from the harsh realities of the market.

The very modest reductions in Middle East postings in August 1960, which preceded the creation of O.P.E.C., represented an attempt to restore a little more realism to the crude oil pricing picture. They did not, however, go far enough to bring postings into line with average selling prices, and this situation still persists. The result is that companies in the Middle East continue to pay taxes on the basis of posted prices which are well above average commercial values—to the great advantage of the producing countries. Thus "fifty-fifty" profit-sharing, which seemed equitable and stable only a few years ago, has been tilted significantly in the Governments' favour.

The situation is somewhat different in Venezuela, where taxation is based on actual export sales prices, and the heavy burden of taxes resulted in 1961 in an average Government "take" of approximately 70 per cent of the companies' profits. The Venezuelan Government has set its face against what it regards as abnormal discounts from a level of crude oil postings generally unchanged since 1959. And Venezuela has an interest in raising selling prices in the Middle East, thus reducing the competitiveness of Middle East crudes *vis-a-vis* Venezuelan crudes.

There appears to be no possibility at the moment of a significant general increase in effective selling prices for crude or, in general, for products—except, of course, by a full-scale restriction scheme to create an artificial scarcity, which O.P.E.C. has so far not contemplated. Hence the call for higher posted prices is in effect a demand for a still larger share of the industry's profits. And it must be viewed in this light.

The same resolution also directs the Board of Governors to prepare a comprehensive study on the basis of which "a rational price structure" could be devised. If such a study were to lead to a better understanding of all the factors determining prices—including the competitive nature of the oil business, to which so much progress is attributable—it would do nothing but good. In so far as it achieves this purpose, it will reveal the impracticability of devising a formula to link crude oil prices with price indices for manufactured goods imported by the member countries, to which the resolution refers.

Price Stability Achieved

Many people in the U.S.A. and Europe are conscious that some of the underdeveloped countries have suffered in recent years from the wide fluctuations in the prices of primary products, and from the generally downward course of these prices in relation to those of manufactured goods. Had crude oil production been solely in the hands of a large number of local producers without assured markets, its price might have been expected to follow a similar erratic course. But, in fact, the reverse is true. Because crude oil is mainly produced by affiliates of international groups, each of which undertakes responsibility for developing market outlets and co-ordinating all its operations as far as conditions permit, gross overproduction has been avoided and remarkable price stability achieved.

To an impartial observer, it would surely appear that, alone among the underdeveloped countries, the oil-producing nations have no cause for complaint, but much cause for self-congratulation, about the course of prices of their most important export. When account is also taken of the vast increase in the volume of these exports, they must be rated among the most favoured of nations. The stability of posted prices, combined with the dynamic growth of sales, has brought Middle East Governments as a wholle a sixfold increase in their oil revenues (to a present level of over $1,500 million a year) in the short space of ten years.

Royalty Payments

Besides price-determination, the O.P.E.C. resolutions open up another major issue: that of royalty payments. The original Middle East concession agreements provided that the companies should pay the host Governments a fixed royalty for every ton of oil produced. When (in the 'fifties) the question of a redistribution of the proceeds in favour of the producing countries was under consideration, the Middle East Governments agreed to a relatively modest royalty—generally 12½ per cent of the posted price, unaffected by trading profit—to be supplemented by an income-tax. The latter is so applied as to raise the Governments' total receipts, including royalty, to 50 per cent of the notional production profits calculated on the basis of posted crude oil prices.

The O.P.E.C. Governments now want a uniform rate of royalty, which could imply a levelling up to the highest royalty rate generally received by an O.P.E.C. member, namely, the Venezuelan rate of 16⅔ per cent; this, in itself, would not currently involve higher payments by the companies, since the 50 per cent Government share substantially exceeds the amount of royalty. But the Governments also want to have the the royalty paid in addition to, instead of as part of, their 50 per cent share of production profits. Presumably royalty payments would be chargeable as an expense in computing divisible profits, so that on the basis of present posted prices, the Governments' nominal share might rise from 50 per cent as at present to nearer 60 per cent, while a realistic computation based on current average marget prices might well approach 70 per cent.

Another resolution refers to the provision common in Middle East concession agreements of granting the companies for tax purposes an allowance as a contribution to "selling expenses." The proposal to withdraw this allowance, though a comparatively minor matter, naturally means a further increase in tax payments out of company profits. Finally, the member Governments are, by a separate resolution, recommended each to create a body analogous in functions to the Venezuelan Co-ordinating Commission. The latter has on the whole worked harmoniously with the local oil companies; but the value of similar bodies in other countries would seem to depend on whether the functions they exercised were, in practice, constructive or purely restrictive.

Four Parties

The O.P.E.C. resolutions must be judged in the light of the fact that four parties are interested in the international oil business: exporting countries, Governments of importing countries, actual consumers, and oil companies. The potentially conflicting interests of the four must be reconciled if the orderly development of the business is to be assured. While the final sentence of the Press *communique* issued on 2nd July gave verbal recognition to this point, the resolutions themselves show a little appreciation of any interests save those of the exporting countries.

None will quarrel with the aspirations of the host Governments, which have certainly been realised during the past ten years, for increasing oil revenues so as to promote or nourish their countries' social and economic development. But the days when oil companies could be regarded as having bottomless purses are long past; and the objective of higher revenues cannot be attained apart from a continued expansion of the world oil trade. Attempts to raise crude oil prices without regard to market conditions will frustrate this purpose and thus, in the long run, harm the interests of the producing countries.

Such attempts, if successful, would certainly be resented by consumer interests. Many of the oil-importing countries, after all, are far poorer than the oil exporting countries, with a desperate need for cheap energy to promote their own development. India, Ceylon and the emerging countries of Africa are cases in point. Moreover, in the industrialised nations of Western Europe, increases in oil prices and, particularly, any suspicion that prices were being manipulated in the interests of exporting countries, would strengthen the hands of those who favour greater reliance on home-produced energy—coal, gas and nuclear power.

Common Interest

The oil companies have a common interest with the producing countries in working for the maximum expansion of the world oil trade. It cannot be too strongly emphasised, however, that this expansion must be founded not only on efficient and low-cost operation, so as to give the consumer value for money, but also on continued large-scale investment by the companies in producing, refining, transport and marketing facilities. We quoted last month an estimate that an investment of £90,000 million will be needed during the next 15 years to sustain a growth rate of 5 per cent per annum in free world oil consumption; of this total, almost three-fifths will be needed in sectors other than exploration and production. The necessary capital must be provided, either from oil companies' earnings—and by companies which are reasonably confident that their inevitably somewhat risky investments will pay off—or by investors who have sufficient confidence in the future of the business.

The surest way to frustrate the growth of the oil trade, from which all parties tend to benefit, is to encroach still further on company profits, to discourage new investment, and to undermine confidence in the future of the industry. This, despite the Secretary-General's soothing words, is precisely the end result to which the O.P.E.C. resolutions would appear to lead. No one, probably not even O.P.E.C.'s members, expects that the new claims could be accepted as they stand.—*By arrangement with Petroleum Press Service.*

FOREIGN ASSETS JUMP UP

(From Our Own Correspondent)

BOMBAY, *1st August*

This has been a dull week for the short-term money market. There has been no change in the extremely easy conditions that were prevailing last week. If anything, they are easier. The inter-bank call money rate, for instance, fell to ½ per cent on Tuesday, after remaining at ¾ per cent till then. The short-term deposit rates are unchanged at the ceiling levels under the inter-bank agreement.

The response to sales of 91 days Treasury Bills was greater this week than in the past week. Between 25th and 28th July 1962, Rs. 6.72 crores of Intermediate Treasury Bills (yielding 2.236 per cent per annum) were absorbed by the market. This is nearly twice as large as the sales of these Bills during 18th to 21st July 1962. As regards Bills sold under the tender system, the amount offered increased from Rs. 3.10 crores to Rs. 3.50 crores, with the amount invited remaining unchanged at Rs. 2 crores. The average rate of accepted tenders has gone down further, from 2.376 per cent to 2.350 per cent per annum. A fortnight earlier, the rate was 2.390 per cent per annum. Sales of both the types of bills are being continued. The rate for the Intermediate Bills to be sold from 1st to 4th August has naturally been fixed slightly lower at 2.076 per cent per annum.

Foreign assets held by the Reserve Bank as of 27th July 1962 have jumped up by Rs. 9.25 crores to Rs. 103.10 crores. This is presumably due to the utilisation of a part of the I.M.F. stand-by credit. It is said that the Government has withdrawn $25 million out of the $100 million stand-by credit. This means that of about Rs. 12 crores taken out of this credit, Rs. 2.75 crores had been spent during the week ended 27th July 1962.

Scheduled banks' borrowings from the Reserve Bank during the week ended 27th July are practically *nil*, being only Rs. 25,000, though their deposits with the Bank have shrunk by Rs. 5.80 crores to stand at Rs. 101.04 crores.

In the week ended 20th July 1962, total deposits of scheduled banks shot up by Rs. 34.76 crores as compared with the previous week, to touch a high level of Rs. 2,166.19 crores. A year before, they were Rs. 1,869.60 crores, so that the rise over the year is as much as Rs. 296.59 crores. In the same week, bank credit contracted by Rs. 15.94 crores and so also inter-bank borrowings by Rs. 20.05 crores. Investments shot up by Rs. 41.39 crores to Rs. 620.05 crores. This apparently reflects the interest taken by the scheduled banks (including the State Bank of India) in the Central Government's new loans.

The Gilt-edged market was listless, with very limited turnover. There were some enquiries for the short-dated loans of the Central Government 3½ per cent 1965 and 3½ per cent 1968 improved by 10 nP and 15 nP respectively, while the medium-dated 3 per cent 1970-75 fell by 10 nP. Long-dated 4 per cent 1981 lost 5 nP. Only the 3 per cent 1986 Conversion loan, which had suffered heavily in the previous two weeks, picked up some strength to close 30 nP higher at Rs. 69.05. Among the State loans, 4½ per cent 1972 issues (for instance, of Maharashtra, Andhra, Orissa, Madhya Pradesh and Rajasthan) retreated further, the decline ranging from 5 nP in the case of Andhra to 65 nP in the case of Maharashtra. The latter's loan, which was at a premium of 20 nP a fortnight ago, is now at a discount of 75 nP, obviously because of the expectation that the new State loans that are in the offing will offer a distinctly better yield.

In New York, the pound sterling was a shade quiet thanks to President Kennedy's firm declaration that the dollar would not be devalued on any score. The rate for spot sterling went down by 0.110 cents to 280.490-280.530 cents per £. The fall in three months' forward was much less, being only 0.020 cent, the latest available rate being 280.040-280.080 cents per £.

FIRM TONE IN SUGAR

(From Our Own Correspondent)

HAPUR, 30th *July*

Steady to firm conditions continued in the sugar market this week. Although demand from the consuming areas was not at all brisk, mills withheld stocks on expectations of higher prices in view of the paucity of *gur* and *khandsari* stocks. New season's production of *gur* would not commence before mid-October, while, in the meantime, the festive season would push up demand. Steady advices from Kanpur and prospects of exports of about 2 lakh tons of raw sugar next season also helped the sentiment. Mill delivery prices improved by 12 nP to 25 nP per maund and spot delivery prices gained Re. 1.25 per quintal. Week-end prices were: Mill delivery (D-29 per maund) Amroha Rs. 39.87, Meerut Rs. 40.31, Seohara Rs. 39.69, Dhampur Rs. 39.69 Simbhoali (E-29) Rs. 40, Bijnore Rs. 39.75 and Dhampur Rs. 39.50.

In spite of the easy supply position in the Muzaffarnagar market, prices of crystal sugar sought higher levels there on brisk demand. The small grains C-29, D-29 and E-29 recorded a bigger rise as compared with A-29 and B-29 varieties. Despite the release of a bigger quota for free sale, the factories in west U.P. have been allotted lower quantities. Consequently, brisk buying by Delhi and Rajasthan led to sharp gains. Although offtake in the spot section was slack, prices improved by 25 nP to 67 nP a quintal in sympathy with the trend in the ex-mill delivery section. Despatches during the week were higher.

Brisk trading following good demand from Rajasthan, western U.P. and Punjab strengthened the sentiment in the Kanpur sugar market during the past week. Spot and ex-mill prices were maintained at their recent high levels. Produce of the western U.P. mills was marked up by 38 nP to 50 nP to Rs. 106.50 a maund. In the spot section, popular varieties ruled firm around Rs. 106 to Rs. 107 a maund.

Khandsari continued to rule steady, as demand from Punjab and Rajasthan was well maintained and the stocks at the producing areas were fast running down. While inferior *khandsari* was quoted Rs. 85.74 to Rs. 91.09, the superior quality was lifted at Rs. 93.17 to Rs. 101.81. Crystal *khandsari* was quoted at Rs. 95.11 to Rs. 103.25 and *boora* at Rs. 99.13 to Rs. 107.17 per quintal.

Ready *gur* ruled firm, as stocks left with the trade were meagre and demand was still there, particularly from Gujarat. New season's production would not commence before mid-October. Stocks here were nominal, around 500 maunds. They were reported to be small also in the mofussil markets of Saina, Gulaothi and other centres. *Shakker* prices also hardened during the week on Rajasthan demand in the face of poor stocks. Prices improved by Re. 1.34 a quintal. Week-end prices were:—*Gur* superior Rs. 65.64 to Rs. 66.31, kotha selected Rs. 65.64, dry wet Rs. 50.91 to Rs. 53.58, *shakker* Rs. 68.28 a quintal.

In the Muzaffarnagar market, *gur* prices advanced on persistent Gujarat and Rajasthan buying. The stock position was poor. Dry *gur* chaku rose by one rupee to Rs. 2.50 to be quoted at Rs. 24 to Rs. 28 at the week-end. Dana minja was in demand from Rajasthan and Jammu and Kashmir at Rs. 23 to Rs. 26. *Shakker* prices were marked up by 25 nP to 50 nP a maund.

Gur features displayed a bullish trend on sustained buying, influenced by paucity of ready *gur* stocks and insufficient rains so far. The *Fagun* delivery crossed the highest limit fixed by F.M.C. for the second consecutive week under which only a maximum advance of 60 nP is allowed in a week. *Gur Fagun*, having opened at Rs. 20.93 on Monday last week, touched the highest at Rs. 21.80 on 27th July, and was quoted today at Rs. 21.62.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, *1st August*

Both gold and silver suffered a setback in values during the week under review. Some tired bulls were anxious to liquidate a part of their outstandings. There was also scattered selling by professional interests. But buying inquiries were poor. Short-covering was in evidence occasionally, though it did not induce any recovery. Consequently, the week's closing rates were below those prevailing on Wednesday last week. The undertone was distinctly easy.

The daily average offtake of gold during the week was less than that in the previous week, being 4,400 tolas, as against 4,800 tolas, while that of silver was higher at 11 bars, as against 6 bars. Arrivals were at an average rate of 6,200 tolas of gold per day (6,800 tolas last week) and 32 bars of silver (33 bars). The floating stocks of the two metals in the local market are estimated at 20,000 tolas and 700 bars, respectively. About 240 tolas of contraband gold were confiscated in Bombay on Saturday, 28th July.

The *Bhadrapad* (15th September) settlement in gold began the week at Rs. 125.10, as against the previous close of Rs. 125.20, and moved down to Rs. 144.45 on Thursday, 27th July. After recovering to Rs. 125.15 on the following day, the settlement declined again and touched Rs. 124.65 today before finishing at Rs. 124.80.

Ready gold met with good support on the opening day, that is Thursday, 26th July, and advanced from Rs. 125.70 to Rs. 126.10. Thereafter, it drifted down and touched Rs. 125.30 today. At this level, it commanded a premium of 50 nP over the forward, same as last week.

In silver, the *Bhadrapad* (17th September) settlement encountered selling and receded from Rs. 214.25 last week-end to Rs. 213 today before closing at Rs. 213.30.

Ready silver continued to be quoted at a discount under the forward, though the actual discount declined in the course of the week from Re. 1 to 20 nP. The closing spot rate today was Rs. 212.50, as against Rs. 213.25, or a drop of Re. 1 over the week.

The dollar price of gold in the London bullion market which had gone up from $35.12½ to $35.14¼ last week, fell back to $35.11⅞ this week, due to predominance of sellers following President Kennedy's assertion that there would be no increase in the U.S. gold price and no devaluation of the dollar. Ready and forward silver, however, continued unchanged at 88½d. and 88⅞d., respectively, as also silver in New York at 104.75 cents.

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

	31-7-62 (closing)	High	Low	25-7-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine) ..	125.25	126.10	125.10	125.70
*Bhadrapad** ..	124.55	125.15	124.45	125.20
Sovereign	98.00	—	—	98.00
SILVER				
Ready (.996 fine) ..	212.05	213.20	212.00	213.25
Bhadrapad† ..	212.85	214.20	212.80	214.25
London—				
Gold	250s.3⅞d.	250s.4½d.	250s.3⅞d.	250s.4½d.
Silver Ready ..	88½d.	—	—	88½d.
Silver Forward ..	88½d.	—	—	88⅝d.
New York—				
Silver	104.75 cents	—	—	104.75 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

FURTHER RISE IN COTTON

(From Our Own Correspondent)

BOMBAY, *1st August*

The recovery witnessed in the cotton futures market last week gathered further momentum during the week under review. The fresh wave of selling induced by reports of excessive rains, particularly in Saurashtra and Kathiawar areas, led to a rally in prices. The global import quota for 175,000 bales of cotton of staple length 1-1/16" and above announced on Friday last had no bearish effect on the market as the cotton will be available only in January 1963. The firmness of spot prices and the apprehension that arrival of new crop will be delayed also imparted strength to the market. Under pressure of buying by both local and upcountry operators, the March 1963 contract firmed up from the last week-end close of Rs. 621.50 (per three quintals) to Rs. 629.75 yesterday, before finishing at Rs. 629. Both the spot and futures markets were closed today on account of the death anniversary of Lokamanya Tilak. The March contract was quoted in private at Rs. 630.

In the spot market at Sewri, good mill demand was reported for popular varieties such as CO2, Laxmi, L-147, Kalyan 197/3, Moglai and Wagad. This was because the fear that the new crop would be delayed prompted many mills to go in for available lots of good quality cotton. Some are reported to have asked the Textile Commissioner to requisition cotton for them on the ground that they could not get sufficient quantities at the ceiling prices.

Export demand for Bengal *Deshi* was poor. Shippers are disappointed at the apparent unwillingness of the Government of India to issue a fresh quota for Bengal *Deshi*. The East India Cotton Association is reported to have decided to request the Government to issue an export quota of 50,000 bales of Bengal *Deshi*, both old and new crop. The ceiling (shippers' share) in respect of the export quota of 70,000 bales of Bengal *Deshi* issued in March last was reached over a week ago.

Interest in foreign cotton was moderate. Pakistan, Sudan and selected East African varieties evoked enquiries. The Government announced on Friday, the 27th July, an import quota for 175,000 bales of cotton stapling 1-1/16" from any area. The shipment period will be from 1st January to 31st May 1963. The quota announcement was a pleasant surprise although mills regret that the cotton will not be available for use in the current season.

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

Bengal *Deshi* 6; Wagad 645; Gadag Laxmi 1,291; CO2 1,380; B.P. (U.N.U.G.) (New) 1,270; Pakistan Ac 1,180; Sudan G4S 1,441.

Traders have noted with interest the recommendation of the two-day conference of agricultural experts, convened by the Planning Commission and the Ministry of Food and Agriculture at New Delhi this week that extension of plant protection measures and introduction of package programme for cotton are immediate steps required to raise cotton production.

The experts approved the proposal for the introduction of package programme for cotton in several areas in the Punjab, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Maharashtra and Madras. As regards extension of cotton to new areas, it was suggested that, having regard to the increasing irrigation facilities that would result from the Rajasthan canal project and excellent climatic conditions, maximum area should be earmarked for growing long-staple cotton in Rajasthan. The possibility of setting up large-scale State farms for cotton, mechanised if possible, in the irrigated areas of Rajasthan should be examined. It was suggested that additional technically-qualified agricultural staff should be provided which should be fully integrated with the normal agricultural staff.

Another recommendation related to the arrangements for storage of buffer stock of fertilisers before the commencement of the season. The Ministry of Food and Agriculture agreed to bear interest and storage charges of such stocks. It was felt that fertiliser loans should be given only in kind as that would check its misuse for other purposes and would increase fertiliser consumption.

Karachi cotton futures ruled firm during the week. The switchover of purchases from the July contract, which went off the board on the 25th July, and fresh support imparted strength to the new crop January 1963 contract which rallied from Rs. 74.05 to Rs. 75.20. The March contract rose in sympathy to Rs. 74.40.

The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind *Deshi* 72; Punjab *Deshi* 65.50; 4F Punjab Roller 82; S.G. 86; L.S.S. Punjab Roller 83.50; S.G. 87.50; N.T. Roller 85.50; S.G. 88.50.

Modest gains were recorded by cotton futures in Liverpool during the week. Both the American and American type contracts edged higher on occasional short-covering and scattered Commission House support. Sudan contracts were quiet and unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July 23.80; October 23.40; December 23.35; March 23.65.

American cotton mixed growth contract: July 24.20; October 23.75; December 23.70.

Sudan: July, September, November 29.50.

Trading in the New York cotton futures market continued to be cautious. Operators were

inclined to await further developments, including the first official estimate of production during the 1962-63 season and details of the export sales programme. Futures values moved narrowly, showing small gains over the week.

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

(In cents per lb.)

	30-7-62	24-7-62	17-7-62
New York Spot	35.90	36.00	36.05
October	34.08	33.87	33.69
December	34.49	33.98	33.83
March	—	34.22	34.08

ART SILK YARN ADVANCES

(From Our Own Correspondent)

BOMBAY, *1st August*

There was a handsome rise in the values of art silk yarn during the week under review. The rise followed large buying support induced by hopes of better demand for consuming centres. The hopes were based on rumours that the Government of India was contemplating to fix overall ceilings for rayon fabrics exports at Rs. 15,000 per loom per year, as against the existing basis of Rs. 10 per loom per shift. As a result of the proposed revision, exports of fabrics were expected to improve, leading to an increase in the offtake of yarn. Amilon (20 x 1) yarn August contract jumped up by Rs. 100 to Rs. 4,700. Spot National Rayons 120 Bt. cones 1st grade advanced by 42 nP to Rs. 17.05. 120 Bt. cones 1st grade rose by 5 nP to Rs. 14.26. Centurys 100 Bt. cones hardened by 75 nP to Rs. 8.69 and 75 Bt. cones by 6 nP to Rs 11.25.

Staple fibre yarns did not depict any definite trend. (40 x 2) August contract dropped by Rs. 3 to Rs. 817, while the October delivery gathered a rupee to Rs. 842. Among spot yarns, Centurys receded by 9 nP to Rs. 8.93. Kohinoors, however, strengthened by 16 nP to Rs. 9.22 on special support.

Cotton yarns ruled dull. Business put through was limited, with values moving narrowly. Only eighty counts elicited enquiries, Finlays rising by Re. 1 to Rs. 73.50 and Mahendras by 25 nP to Rs. 59.50.

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

	31-7-1962	25-7-1962
	Rs.	Rs.
Art silk yarn—		
20/1 Amilon (100 kg.)—		
August	4,800.00	4,700.00
Nat. Ray. 150 Bt. 1 (per kg.)	14.26	14.21
Nat. Ray. 120 Bt. 1 (per kg.)	17.05	16.63
Staple fibre yarn (40 x 2)—		
August	817.00	820.00
October	842.00	841.00
Kohinoor (per kg.)	9.22	9.06
Century	8.93	9.02
Cotton yarn (per bundle of 10 lbs.)		
10s Fodar	18.00	18.00
32s Madura	80.00	80.25
40s Madura	86.00	85.50
60s Finlay	73.50	72.50
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

OILSEEDS IMPROVE

(From Our Own Correspondent)

BOMBAY, *1st August*

Oilseeds and oils registered further gains during the week under review, thanks to sustained speculative support. In particular, groundnuts were firm, as supply position was tight, while spot demand was large, following good offtake by *vanaspati* manufacturers and crushers. Good overseas enquiries for groundnut meal also induced strength. Prices might have gone up still further but for reports of favourable rains in Saurashtra. Cottonseeds also ruled strong on account of sizable purchases by shippers. Active conditions prevailed in linseed on reports of oil exports through the State Trading Corporation and encouraging advices from North Indian mustard markets. Cottonseeds moved up in sympathy.

The Karmahon Conference announced this week an increase in freight on oilcake exports to the U.K. by Rs. 8 (12s.) per 100 kgs. with effect from 1st October next. Simultaneously, the Malabar Coast-U.K.-Eire Conference and the Malabar Coast-Continental Conference announced a revised freight rate of Rs. 85 (12$\frac{1}{2}$s.) per 100 kgs. of oilcake.

July contracts in groundnut, groundnut oil and cottonseeds went off the board yesterday. With about 75 tonnes tendered yesterday, the total tenders against the July groundnut contract amounted to 1,225 tonnes. Groundnut oil July had tenders for 60 tonnes and cottonseeds for 325 tonnes.

Operators took note of the recommendation, made at an expert conference in New Delhi, for raising the number of package programme units for expanding groundnut production through the adoption of intensive farming techniques from eight at present to 24. The conference also called for extending the programme to cover the entire groundnut-growing areas, and not four years as previously envisaged. Another suggestion was the programme should not be confined to irrigated areas only, but be extended to other areas as well.

Groundnut January 1963 advanced by Rs. 4.62 to Rs. 225.12; it had even touched Rs. 226.37 earlier. Nizam bold rose by 25 nP to Rs. 47.87. Oil Railway receipts improved from Rs. 19.05 to Rs. 19.30, before finishing at the opening level. Oil September 1962 contract was maintained at Rs. 19.05. Oil July 1962 contract ran off the board at Rs. 19.10, as against Rs. 19.20 last week-end.

Castorseed September 1963 firmed up initially from Rs. 166.75 to Rs. 171.65, but declined slightly and closed at Rs. 170. The net gain over the week was Rs. 3.25. Madras small improved by 12 nP to Rs. 33.87. Oil B.S.S. rose from Rs. 13.80 to Rs. 14.10, before closing at Rs. 13.85. Oil commercial closed higher at Rs 12.85, as against Rs. 12.80.

Linseed bold ready spurted from Rs. 41 to Rs. 41.50 before finishing at Rs. 41.12. Linseed oil hardened by Rs. 17.05. March 1963 contract closed steady at Rs. 40.50, after rising to Rs. 41 earlier.

Cottonseed September 1962 contract put on 50 nP to Rs. 106. Both Berar and non-white were fully steady at Rs. 22.25, as also white at Rs. 20.75.

The following table shows the closing prices of oilseeds and oils on Tuesday, 31st July, as compared with those of the two previous weeks:

	31-7-1962	25-7-1962	18-7-1962
Groundnut	Rs.	Rs.	Rs.
July 1962	—	226.50	219.75
September 1962	228.50	227.75	219.75
Groundnut January 1963 ..	225.12	220.50	216.75
Nizam bold	47.87	47.62	46.75
Khandesh quality	48.12	48.12	47.50
Oil ex-mill ready*	19.30	19.40	19.40
Railway receipts*	19.05	19.05	19.00
Oil July 1962	—	19.20	18.60
Castorseed			
September 1962	171.00	169.50	167.87
Castorseed March 1963 ..	170.00	166.75	164.37
Ready Madras	33.87	33.75	33.50
Ready Kanpur	32.62	32.75	32.00
Oil B.S.S.†	13.85	13.80	13.80
Oil commercial†	12.85	12.80	12.90
Linseed			
September 1962	42.00	42.25	40.50
Bold ready	41.12	41.00	39.75
Oil ready†	17.05	16.90	16.50
Cottonseed July 1962 ..	—	100.00	102.00
Cottonseed September 1962 ..	106.00	105.50	105.50
Cottonseed January 1963 ..	102.00	100.00	99.00
Niger seed	37	37.00	36.50
Kardi seed	27	27.00	27.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

MEDIUM TEAS STRONG

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

COCHIN, *26th July*

A total of 429,000 kgs. was offered in dust sale No. 29 held today. The market met with strong general demand. There was keen competition for commons and low mediums which advanced by up to 30 nP and the better descriptions under this category sometimes registered further advances. Mediums and good mediums were also well supported and sold at considerably enhanced rates. Highgrowns attracted useful support and sold around last rates. Unorthodox descriptions evoked strong inquiries and were dearer by 20 to 30 nP. Clean, black leaf types were also generally dearer.

The average price realised in dust sale No. 29 was Rs. 3.23 per kilo as compared with Rs. 2.91 a week ago and Rs. 4.67 in the corresponding sale last year.

Colombo: The market met with good general demand. Brokens from western districts were irregular but generally steady on last rates. Uvas came to a strong market and were dearer with quality. Best and mediums were easier by 5 to 10 cents while others were dearer. Low growns received irregular support.

London: *North Indian and other growths*: Monday's sale met with good demand. A few new season's Assams sold well, but these were sometimes below valuations while other descriptions were barely steady.

Ceylon and South Indians: There was good general demand in Tuesday's sale. Low growns and plainest declined by a penny to 3*d*. In Wednesday's sale, Ceylons were steady, whereas South Indians were fractionally easier.

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

"Offerings in sale No. 30 (held on 31st July) aggregated 679,000 kgs. Strong general demand. Low mediums and mediums irregularly dearer by 10 nP. Good mediums fully firm to dearer. Highgrowns strong and considerably dearer, following quality. All fanning grades evoked better demand."

TEA SHIPMENTS RESTRICTED

(From Our Own Correspondent)

CALCUTTA, *31st July*

Tea shipments from here this week were below prior bookings, although demand for the available space for forward sailing was as brisk as in the past week. The result was that some vessels, which were declared full before, had to leave Calcutta port with vacant space. The difficulty in utilising fully the booked space was believed to be due to arrivals having fallen below earlier expectations.

In the internal sale, held last week, dusts on offer totalled 23,015 packages, which met with a selective demand. A strong feature was provided by the rise in prices of the C.T.C. bright liquoring and small powdery teas; otherwise, conditions were generally quiet. Legg-cut teas eased by 20 to 30 nP. However, keen competition was offered to the poorer fibrous teas, which realised satisfactory prices. Other C.T.C. teas met with good support at lower prices. Plain orthodox grades eased, but following an improvement in quality the few bright liquoring Assams were dearer. The quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.60 to 7, medium Assam C.T.C. dusts 5.70 to 6.20, medium Assam dust 4.20 to 4.50, legg-cut dust 3.80 to 4.30 and plain orthodox dust 3.50 to 3.80.

In recent months, the Tea Board has taken a series of steps to popularise tea in foreign countries. A tea centre is proposed to be opened at Vienna. Vienna is an international centre and attracts a large number of foreign tourists. At present, coffee is the main beverage of people in Vienna, but some Ceylon and Darjeeling teas are also being sold by the London merchants. It is felt that Vienna offers good scope for Indian tea, and the trade has welcomed the step proposed by the Tea Board.

The Tea Board has arranged to send a delegation to South East Asian countries. Having regard to the economic development now taking place in these countries, it is felt that good possibilities exist there for popularising tea. The delegation headed by Mr. A. S. Bam, Chairman of the Tea Board, which recently returned from the United States and the Continent is optimistic that India would be able to increase tea exports to these countries, where plenty of goodwill for Indian tea exists. The delegation has rightly felt that the U.S.A. offers considerable scope for marketing and popularising instant tea, and Mr. Bam has advocated the manufacture of that tea in India. The trade would desire that the Tea Board opened more tea centres in Europe.

Note has been taken of the hitch that has developed in Britain's negotiations with the E.C.M. over the steps necessary to protect the Commonwealth trade in the event of the U.K. joining the Community. It had been earlier reported that the E.C.M. was disinclined to treat tea imports as duty-free. At present, the duty on tea in the European countries varies, with West Germany levying the highest rate. A reduction in duty would help tea compete favourably with other beverages.

According to an estimate prepared by the U.S. Department of Agriculture, world tea production in 1962 is estimated to total 2,255 million lbs. that is, higher by 2.5 per cent as compared to the output of 1961. Asia's share in the total output would be 2,119 million lbs. The Department expects expansion of tea acreage in both South America and Africa. The production figures evidently include estimates for the U.S.S.R., Red China, and other communist countries. For, earlier it had been stated that world production in 1961 totalled 1,460 million lbs., which, incidentally, had been consumed in its entirety.

The area under tea in the world in 1959 was estimated at 2,405,000 acres, representing a rise of 664,850 acres, or 27.5 per cent, as compared to the area in 1946. India's share in that increase was about 5.7 per cent, attained mostly by intensive cultivation. This means that there is still considerable scope for expansion of the acreage in the country. In the same period, Ceylon's acreage increased by 4.6 per cent, Turkey's by 516 per cent, Iran's by 385 per cent, Brazil's by 276 per cent, Japan's 96 per cent, Africa's by 186 per cent, and the U.S.S.R.'s by 22 per cent.

The industry in India is one with the Government on the latter's view that the target of 900 million lbs. is fair and reasonable, excepting its singular reservation that the target be realised with adequate safeguards against a glut in the market.

All the producing countries are paying keen attention to increasing their exports. India's share in the increase in world consumption in 1961 is reported to have been proportionately lower. With appropriate fiscal measures, India should have been able to secure a proper share. Against such a background, the trade and industry would again and again urge the Government to abolish the export duty, and revive promotional efforts for increasing internal consumption which would serve as a cushion in case the apprehension of the F.A.O. that by 1966 tea would become a surplus were to prove correct.

Export offerings during yesterday's sales here totalled 48,921 packages, which met with fair demand. Excepting flavoury Darjeelings which were fully steady on good demand, other teas were generally easy. Whole leaf grades were extremely quiet, with the higher-priced teas receiving very little attention. Tippy teas were difficult to be pushed. Prices of the best bright liquoring Assams, both orthodox and C.T.C., eased by 20 to 40 nP, and those of the ordinary plain grades eased by 30 nP. Dooars orthodox and C.T.C. grades were also easy. Non-wither legg-cut teas showed the least decline of 10 to 20 nP. The quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 7.20 to 8.20, best Assam C.T.C. B.P. 7.20 to 8, medium Assam C.T.C. fannings 5.60 to 6.20, clean black pekoe 4.40 to 4.60, medium Assam C.T.C. B.P. 5.70 to 6.20, plain fannings 3.80 to 4 and plain B.P. 3.80 to 4.

JUTE GOODS RECOVER

(From Our Own Correspondent)

CALCUTTA, *31st July*

The outstanding feature of trading in jute goods during the week under review was the revival of interest in hessian at lower levels on behalf of both the U.S. and Argentine and, as a result of actual business with these two countries, prices recorded a modest recovery. In the heavy goods section, the Cuban entry into the market was hailed with much enthusiasm and prices gained. In fibre, mills showed little interest and, while the old crop was offering at below the minimum prices, the new crop was maintained despite reports of more arrivals in the agencies. However, a firmer tendency in both old and new crops set in over the week-end, when the possibility of the Union Government taking over the buffer stock operations was hinted at by Mr. Shriman Narayan, a member of the Planning Commission. Mr. Narayan said that the Government was concerned with the lack of stability in fibre prices despite the existence of the Buffer Stock Agency, and alleged that the Agency had failed to achieve the purpose for which it had been set up. On what ground he based his conclusion was not, however, indicated. The jute mills industry has repeatedly declared its eagerness to ensure a fair and reasonable return to growers. It has been due largely to buffer stock purchases and the policy of mills for increased purchases that a decline in fibre prices has so far been prevented.

It should be noted that, as compared to the prices in Pakistan, the prices which the Indian cultivator is obtaining are far higher. If only mills had slowed down their purchases, prices here would have moved down to the same low levels as in Pakistan. When it is remembered that the industry has to compete in overseas markets with Pakistan where not only fibre prices are lower but labour charges are also cheaper, the question naturally arises whether the mills in India can afford to continue purchasing fibre at the present minimum level of Rs. 30 a maund basis Assam bottoms. As was rightly pointed out by Dr. Ram Subhag Singh, Union Minister for Agriculture, who addressed the Central Supervisory Body for Jute here a few days ago, the real problem is to maintain reasonable prices in producing areas in parity with the ruling prices at Calcutta. The Minister attributed this state of affairs to the fact that the Buffer Stock Agency operated only in Calcutta. The trade would point out that the remedy lay in a proper investigation to determine what the farmer would consider a reasonable price. It was about a year ago that the minimum prices were fixed, but the rapid fall in prices in Pakistan and the keen competition of Pakistan mills in overseas markets call for a revision of the minimum prices. In any system of prices, it is difficult to maintain a parity between mofussil and Calcutta rates. The former would always be lower, since they would not include storage charges and transportation expenses and a percentage for normal trade risks and interest on capital.

Increasing production is said to reduce costs of production. It is also an economic truism that a unit increases its production only at decreasing marginal costs till an optimum point is reached. If this is applied to raw jute, it is a fair estimate that the farmer, by increasing his produce, is able to reap a larger profit. This factor should necessarily be considered when determining what level of prices would be fair and reasonable to the farmer. While the trade and the mills are one with the Government in the view that wide fluctuations in prices should be avoided, it is pointed out that, unless fibre prices bear a close economic relation to prices of goods, all talk of increasing exports of goods would be idle. If only the farmer is enabled to improve the quality and attain a higher yield, a significant step towards solving the frequent complaints that the farmer is getting low prices would have been taken. Against such a background, it is good news that the Government of India has decided to provide special fertiliser quotas to the jute farmers.

During the week under review, prices of goods increased as a result of good business done with overseas countries. U.S. buyers evinced keen interest at lower levels. Although earlier advices from the New York burlap market revealed buyers' hesitation for long-term commitments and their inclination to cover only urgent requirements, prices there improved subsequently. Thus duty paid 40" 7$\frac{1}{2}$ oz. hessian spot recovered from 9.90 cents a yard to 10.10 cents, and the 10 oz. from 13.50 to 13.75 cents. The U.K. continued to buy in small quantities. Support from Argentina was revived during the week, but, in view of foreign exchange difficulties, inquiries were only for small quantities. It is stated that importers there have to deposit full value of the goods. It is to be hoped that, since Argentina imports hessian to facilitate exports of its farm output, this requirement would be relaxed. In the heavy goods section, Australia bought increased quantities, and the much-delayed entry of Cuba, which lifted as much as 25,000 bales for September shipment, was the moving force behind the recovery.

On Tuesday last, prices eased, since business that took place was insignificant. Ready hessian 40" 10 oz. fell from Rs. 53.10 to Rs. 52.25, and B. twills from Rs. 123 to Rs. 122.50. At this stage, Australia showed interest in small quantities of cornsacks for forward shipment. This led B. twills to recover to Rs. 124.10. At the same time, substantial business was done with the U.S. in hessian, as a result of which hessian 40" 10 oz. recovered to Rs. 52.75. This was on Wednesday. On the following day, Argentina showed interest in hessian for prompt and near deliveries. The U.K. also placed orders. This pushed up the price of hessian 40" 10 oz. to Rs. 54.37. In sympathy, ready B. twills improved to Rs. 124.65. Covering business took place on Friday on a restricted scale, but overseas business was insignificant. The latter feature should be attributed to overseas buyers' anxiety to prevent prices from rising as a result of their continued support. Hessian 40" 10 oz. was firm at Rs. 54.60, while B. twills eased to Rs. 124.35. Over the week-end, with B. twills at Rs. 124.25 and hessian 40" 10 oz. at Rs. 54.50, quiet conditions were in evidence. In the futures market, August B. twills touched a high of Rs. 124.80, after opening at Rs. 122.10. The week's low was Rs. 121.30 and the closing rate was Rs. 122.40. August hessian 40" 10 ozs. opened at Rs. 51.66 and soon rose to a high of Rs. 53.82 before closing at Rs. 52.14. There was selling pressure yesterday, and ready hessian 40" 10 oz. eased to Rs. 53.40 and B. twills to Rs. 123.90.

The feature in the fibre market was that, for a time, sellers demanded prices at above the minimum rates. This was when increased overseas business in goods set in a recovery in goods. However, mills were disinclined to pay higher prices. New crop arrivals increased and the combined arrivals of the old as well as new crops should be placed at about 50,000 maunds a day. New crop quotations for August-October delivery were as follows: Daissee bottoms Rs. 33.50 a maund, Assam bottoms Rs. 30.50 and northern bottoms Rs. 30.00.

METALS RULE FIRM

(From Our Own Correspondent)

CALCUTTA, *31st July*

Firm conditions continued to prevail in the metals market here during the week under review. Mr. Morarji Desai's statement that he would consider marginal relaxation of some of the import restrictions imposed in recent years in the light of his expectations (since largely realised) that the European members of the Aid India Club, would meet the shortfall in the aid to match America's contribution was noted with enthusiasm. However, Mr. Desai has warned that the relaxations to be proposed would be only marginal and, in the final analysis, trade and industry should depend on export earnings for increasing imports. It had been indicated that the foreign aid would be used only for importing capital goods required for the execution of the projects included in the third Plan. Thus, maintenance imports, which exceed the country's total export earnings by about Rs. 100 crores, would have to be made only from larger exports.

The trade feels that any sudden change in imports, said to be mooted in New Delhi at present, would hamper industrial production. The change, if any, should be gradual in the larger interests of the country. The country as a whole is presently facing an acute copper crisis and, although cable manufacturers are gradually switching on more and more to aluminium, copper will have to be imported for such essential products as castings and semis, like sheets, tubes, rods, electrical sections, etc. Any decline in the production of these semi-manufactures would have to be met by imports. Thus a reduction in the import of virgin copper would mean the allocation of more foreign exchange for importing the essential semi-manufactures, which are required by several industries. It is time that the Government reviewed the situation and granted early the actual user licences so that production may be planned without hindrance.

On the London Metal Exchange, copper was unchanged at £234 a ton. Demand from the industry was reported to be fair. Earlier in the week, the backwardation for the three-months position was £3$\frac{1}{4}$, but it narrowed down to £3 by the end of the week. Tin opened at £857 a ton and, after being higher at £861, closed at £855$\frac{1}{4}$, i.e. £1$\frac{1}{4}$ lower on balance due to the uncertainty about the price at which the proposed U.S. releases would be effected, which was reflected in easier advices from the Far Eastern markets also. The outcome of the negotiations that are at present being carried on by the International Tin Council with the U.S. Government was awaited with interest.

Although world output of tin in the first quarter of this year was lower than consumption, production at 36,100 tons was higher by 2,500 tons, as compared with the output in the corresponding period of the previous year. Increases in production were recorded by Malaya, Bolivia, Indonesia, Nigeria, and the Congo. Shipments from Malaya in June totalled 6,073$\frac{1}{2}$ tons, of which as much as 2,393$\frac{1}{2}$ tons were shipped to the U.S.A. alone. The surplus in the U.S. stockpiles is now believed to total 164,000 tons, which means even after disposing 50,000 tons as permitted by Congress, a surplus of as much as 114,000 tons would remain. It is felt that such a huge surplus would continue to affect the world market trend.

Spot zinc closed at £66 a ton in London as against the week's opening at £65$\frac{1}{4}$. Spot lead was mostly unchanged at £52$\frac{3}{4}$ a ton. There was the news from the U.S. that the largest zinc smelting firm in that country proposed to cut the production of prime western slab zinc by about 10 per cent.

RICE AND PEAS ADVANCE

(From Our Own Correspondent)

HAPUR, *30th July*

Foodgrains continued to rule steady to firm here this week due to reports of inadequate rains in the growing centres. Rice, peas and arhar prices advanced considerably, whereas wheat and gram recorded modest gains.

Rice prices registered an upward tendency due to good buying support in the face of meagre stocks. Prices of *basmati superior* and *mainpuri* quality moved up by Rs. 5.36 and Rs. 3.35, respectively. Week-end prices (in rupees) were: Rice *basmati superior* 85.74 to 96.45, *sela basmati* 75.02 to 80.38, *mainpuri* 58.94, *ramajwayan* 64.30, *raimunia* 66.98 and *gadda* 56.26.

Peas prices advanced by 67 nP to Rs. 1.43 on better demand. The *dara* quality was quoted at Rs. 34.16 to Rs. 34.83 and farm at Rs. 36.17 to Rs. 37.51. *Peas dal* was quoted at Rs. 38.85 a quintal. During the week, six wagons of *peas* were despatched to Madras. Arrivals were very poor and the stocks declined to 68,000 maunds. *Arhar* prices also hardened by Rs. 2.67 to Rs. 5.34 on better demand for conversion into *dal*. Stocks were poor at 8.000 maunds. *Urd* and *moong* also ruled firm on brisk buying in the face of poor stocks. *Moth* prices were stationary, while *masoor* prices improved modestly in sympathy with *peas* and *arhar*. Week-end prices (in rupees) were: *Arhar* 56.26 to 61.62, *dal* 66.98 to 72.34, *urd* 83.06 to 84.42, *dal* 96.45, *moong* 54.22, *moong dal* 64.30, *masoor* 46.89 to 50.91, *massor dal* 56.93, *gram dal* 49.57, *moth* 36.17 and *moth dal* 44.21 a quintal.

Wheat prices improved by 67 nP to Rs. 1.34 a quintal on good consumer and outside demand. Arrivals were poor at an average of 200 maunds daily. Local stocks ran down to 66,000 maunds. The average quality wheat was quoted at Rs. 41.53 and the superior quality was placed at Rs. 43.54 to Rs. 46.89. Red wheat was done at Rs. 40.19. During the week, two wagons of wheat were loaded to Poona and Sholapur. Gram prices also improved by 67 nP to Rs. 1.34 on firm Madras and Punjab advices. Arrivals during the week were almost *nil*, and the stocks ran down to 18,000 maunds. Punjab quality gram was quoted at Rs. 43.54 and the local produce at Rs. 43.54.

Bejhar and *barley* prices advanced by 67 nP and Rs. 1.34, respectively, on better demand and poor arrivals. *Guwar* prices were stationary, but *jowar* gained Rs. 4.02 on brisk demand and poor stocks. *Methi* prices also sought higher levels. Other coarse grains were quiet. Week-end prices (in rupees) were: *Barley* 29.47 to 29.79, *bejhar* 30.14 to 30.81, *methi* 61.62, *maize* 29.47, *jowar* 46.89 to 50.91, *guwar* 40.19 and *bajra* 37.51 a quintal.

SLOW CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, *30th July*

Arrivals of E.I. tanned hides in the local market this week were moderate and of calf small. Clearance from the market was slow; only lower grade cowhides were in demand from the local trade at prices which overseas importers were not prepared to pay. Export trading was difficult, as there was a gap of twopence between buyers' and sellers' price ideas. The seasonal holidays in August act as a damper to business, especially with the U.K.

In the tanned skins section, importers showed slightly more interest in the traditional lines of 5$\frac{1}{2}$/6 lbs. and 11/12 lbs. average weight goat skins of all grades and occasionally in 8/9 lbs. top selections. Demand for heavier weights was persistent, but stocks were small, and the market remained in an oversold position. Medium weights in middle class sheep skins were in good demand, and prices advanced slightly. If prices improve further, the volume of demand would decline, as higher levels would be uneconomical for the Continental dressers. Better class tannages ruled quiet. Trading was negligible, but tanners were holding firm to their last price ideas. Raw markets were steady especially in the goat section due to steady purchases of pickled goat skins by exporters.

COMPANY AFFAIRS

(Concluded from page 208)

production is expected to commence by the end of this year.

With the issue during the year of 32,000 ordinary shares of Rs. 50 each at the premium of Rs. 75 per share, the issued share capital of the Company has increased to Rs. 96.00 lakhs of which Rs. 40.00 lakhs are in preference share of Rs. 50 each. This is supplemented by Rs. 70.76 lakhs in reserves, of which Rs. 24.00 lakhs are standing to the credit of share premium account. Outstanding amount of the loan from the I.F.C. is placed at Rs. 13.75 lakhs and current liabilities and provisions aggregate Rs. 71.65 lakhs. On the assets side, the gross block, inclusive of the additions of Rs. 18.74 lakhs made during the year, is shown at Rs. 83.74 lakhs and, on deducting therefrom Rs. 24.12 lakhs being the depreciation provided so far, the net block stands at Rs. 59.62 lakhs. There is besides capital work-in-progress at Rs. 2.76 lakhs. Investments, current assets and loans and advances all together amount to Rs. 189.77 lakhs.

The present market quotation for the Rs. 50 fully paid ordinary shares of the Company is Rs. 190 *cum-div.* The net yield, on an *ex-div.* basis, works out to no more than 2.9 per cent per annum.

Notice

BURMAH-SHELL REFINERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE register of the Company's 5$\frac{1}{2}$ per cent Debentures 1965-69 will be closed for transfers from 17th August 1962 to 31st August 1962 both days inclusive.

R. N. CHETTUR,
Secretary & Treasurer,
State Bank of India,
Agents for Burmah-Shell
Refineries Ltd. for the
management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *2nd August* 1962.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 27th July 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund..	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	54,57,51,000
(ii) State Governments	25,58,75,000
(b) Banks—	
(i) Scheduled Banks	101,03,99,000
(ii) State Co-operative Banks	2,02,42,000
(iii) Other Banks	2,03,000
(c) Others	207,62,78,000
Bills Payable	35,73,10,000
Other Liabilities	19,76,49,000
Rupees	599,37,07,000

ASSETS	Rs.
Notes	27,90,55,000
Rupee Coin	1,87,000
Small Coin	3,90,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,45,000
(ii) State Co-operative Banks	11,86,47,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,82,84,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	54,91,97,000
Balances Held Abroad*	6,76,01,000
Loans and Advances to Governments†	10,01,67,000
Loans and Advances to—	
(i) Scheduled Banks‡	63,05,000
(ii) State Co-operative Banks§	114,62,27,000
(iii) Others	92,57,000
Investments	310,56,75,000
Other Assets	34,23,70,000
Rupees	599,37,07,000

* Includes Cash and Short-term Securities.
† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
‡ Includes Rs. 17,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,90,55,000	
Notes in circulation	2036,72,83,000	
Total Notes issued		2064,63,38,000
Total Liabilities		2064,63,38,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	96,34,17,000	
Total		214,10,27,000
Rupee Coin		120,56,49,000
Government of India Rupee Securities		1729,96,62,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2064,63,38,000

State Bank of Pakistan

Statement of Affairs for the week ended 20th July, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	20,77,94,000
(b) Provincial Governments	....
(c) Banks	23,87,57,000
(d) Others	101,08,23,000
Bills Payable	29,04,000
Other Liabilities	14,85,96,000
Rupees	170,53,74,000

ASSETS	Rs.
Notes	16,97,68,000
Rupee Coin	21,000
Subsidiary Coin	41,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	22,90,18,000
Loans and Advances to Governments	11,13,00,000
Provincial Governments' Debtor Balances	3,93,09,000
Other Loans and Advances	37,25,86,000
Investments	66,62,07,000
Other Assets	11,71,24,000
Rupees	170,53,74,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,97,68,000	
Notes in circulation	362,44,78,000	
Total Notes issued		379,42,46,000
Total Liabilities	....	379,42,46,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	65,83,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		133,85,64,000
B. Rupee Coin	4,15,58,000	
Government of Pakistan Securities	235,51,18,000	
Internal bills of exchange and other commercial paper	....	
		239,66,76,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	379,42,46,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 36.76 per cent.

State Bank of India

Statement of Affairs for the week ended 27th July, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each..	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		583,46,03,000
Borrowings from Other Banking Companies, Agents, etc.		35,00,000
Bills Payable		9,80,49,000
Bills for Collection being Bills receivable as per contra		2,57,95,000
Acceptances, Endorsements and Other Obligations per contra		8,99,12,000
Other Liabilities (including Inter-Office Adjustments)		12,93,54,000
Total .. Rs.		631,94,62,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,14,64,000
Balances with other Banks		4,25,50,000
Money at Call and Short Notice		2,53,33,000
INVESTMENTS—		
Government and other Trustee Securities	269,31,90,000	
Other Authorised Investments	8,81,32,000	
		278,13,22,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	263,71,94,000	
Bills Discounted and Purchased..	15,39,62,000	
		279,11,56,000
Bills Receivable being Bills for Collection as per contra		2,57,95,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,99,12,000
Premises less Depreciation		1,94,64,000
Furniture and Fixtures less Depreciation		1,57,51,000
Other Assets (including Inter-Office Adjustments)		30,67,15,000
Total .. Rs.		631,94,62,000

EXCHANGE RATES

		31st July 1962	25th July 1962
London on New York	S. per Dollar	2.8050-2.8053	2.8063-2.8066
New York on London	Cents per £	280.490-280.530	280.600-280.640
London on Paris	Fcs.	13.7440-13.7460	13.7515-13.7535
London on Berne	Sw. Fcs.	12.1265-12.285	12.1250-12.1270
Pound Sterling—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 15/16	1-5 15/16
Buyers T.T.	s.	1-5 1/32	1-5 1/32
Buyers D.D.	s.	1-5 1/16	1-5 1/16
U.S. Dollar—			
Sellers T.T. D.D.	Rs. to $ 100	477.25	477.00
Buyers T.T.	Rs. to $ 100	473.00	473.50
Canadian Dollars—			
Sellers T.T. D.D.	Rs. to $100	444.75	443.75
Buyers T.T.	"	436.75	436.75
French Francs—			
Sellers T.T. D.D.	per Rs. 100	102.60	102.60
Buyers T.T.	"	103.60	103.70
Swiss Francs—			
Sellers T.T. D.D.	"	90.50	90.50
Buyers T.T.	"	91.40	91.40
Deutsche Marks—			
Sellers T.T. D.D.	"	83.60	83.40
Buyers T.T.	"	84.50	84.40
Italian Lire—			
Sellers T.T. D.D.	"	12,970	12,975
Buyers T.T.	"	13,145	13,150
Swedish Kroner—			
Sellers T.T. D.D.	"	107.80	107 80
Buyers T.T.	"	108.90	108.90
Belgian Francs—			
Sellers T.T. D.D.	"	1,038	1,039
Buyers T.T.	"	1,054	1,055
Dutch Guilders—			
Sellers T.T. D.D.	"	75.30	75 20
Buyers T.T.	"	76.20	76.10
Hongkong Dollars—			
Sellers T.T. D.D.	"	119.90	119.90
Buyers T.T.	"	120.90	120.90
Norwegian Kroner—			
Sellers T.T. D.D.	"	149.60	149.60
Buyers T.T.	"	151.00	151.00
Danish Kroner—			
Sellers T.T. D.D.	"	144.70	144.70
Buyers T.T.	"	146.10	146.00

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 20-7-62	13-7-62	21-7-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,04	50,83	45,86
(ii) From others	786,48	779,99	718,17
(b) Borrowings from banks	15,49	19,44	19,63
(c) Others	57,24	55,77	51,78
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	25,54	25,89	25,17
(ii) From others	1,236,10	1,208,86	1,076,75
(b) Borrowings from banks	15,62	31,73	18,77
(c) Others	9,79	10,10	22,90
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,022,58	1,988,85	1,794,92
4. Borrowings from Reserve Bank	68	2,19	1,92
(a) Against usance bills and/or promissory notes	38	55	1,01
(b) Others	30	1,64	91
5. Borrowings from State Bank and/or a notified Bank	18,57	17,64	15,26
6. Cash	49,29	51,74	46,05
7. Balances with Reserve Bank	100,61	89,54	99,82
8. Cash and balances with Reserve Bank	149,91	141,29	145,88
9. 8 as per cent of 3	7.41	7.10	3.13
10. Balance with other banks in current account	18,90	17,99	15,92
11. Money at call and short notice	47,36	45,73	45,55
12. Investments in Government securities	620,05	578,66	573,98
13. 12 as per cent of 3	30.66	29.10	31.98
14. Advances—			
(a) Loans, cash credits and overdrafts	1,227,77	1,244,14	1,089,13
(b) Due from banks	7,20	6,85	4,94
15. Inland bills purchased and discounted	123,64	125,41	111,25
16. Foreign bills purchased and discounted	44,78	42,59	43,54
17. Total Bank Credit [14 (a)+15+16]	1,396,19	1,412,13	1,243,92
18. 17 as per cent of 3	69.03	71.00	69.30

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 21st July 1962	14th July 1962	23rd June 1962	22nd July 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 5	100.6	100.7	101.1
2. Government of India	100 3	100 4	100.5	101.0
3. State Government	102 1	102.1	102.0	102.1
4. Municipal, Port Trust, etc.	99.0	99.1	99.2	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.6	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.5	81.7	83.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	182.8	184.4	188.7	182.8
8. *Agriculture and Allied Activities : Total**	155.3	157.4	161.1	170.2
9. Tea Plantations	147 4	149.5	153.0	166.3
10. Coffee Plantations	149 8	150.8	157.7	176.1
11. Rubber Plantations	164.1	165.9	169.5	171.9
12. *Mining and Quarrying : Total*	159.5	159.8	163.6	166.9
13. Coal	123 5	124.6	128 1	131.3
14. Other Mining	184.2	183.9	188.1	191.4
15. *Processing and Manufacturing : Total*	198.8	201.0	206.0	197.2
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	205.3	208.1	213.2	202.3
17. Sugar	136.9	137.2	138.0	159.0
18. Cotton Textiles	179.4	181.3	186.1	172.8
19. Jute Textiles	102.1	102.3	103 4	87.9
20. Silk and Woollen	1,191.8	1,222.4	1,246.6	1,194.2
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	204 2	205 6	209.1	208.9
22. Iron and Steel	162 7	162.8	162.6	177.1
23. Transport Equipment	378.7	385 1	391.2	412 2
24. Electrical Machinery	174.1	176.9	185.3	167.5
25. Machinery other than Transport and Electrical	232.6	234.1	244.8	214.0
26. Basic Industrial Chemicals	191.1	193.5	197.7	215.3
27. *Processing and Mfg. (Others): Total**	169 0	171.1	178.6	159.9
28. Cement	155 0	157.2	166.2	142.4
29. Paper	218 7	220 0	229.5	211 2
30. *Other Industries : Total**	111.0	111.9	114.3	109.7
31. Electricity Generation and Supply	86.7	86 3	86 2	83.6
32. Trading	116 3	119.9	126.1	123.1
33. Shipping and Other Transport	90 2	90.6	93.3	98 3
34. Construction	285 6	288.2	307 4	284.6
35. *Financial : Total*	207.1	205.8	208.1	202.9
36. Banks	231 6	229.5	231.8	229.6
37. Insurance	166.7	168.1	170.3	151.1
38. Investment Trusts	87.8	87.5	88.2	90.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	190.2	192.3	196.9	190.3
40. Calcutta	170 0	170 7	174 8	168 9
41. Madras	191.7	193 0	195.7	194.6
42. Delhi	236.4	240.2	245.8	247.3

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
P=Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	30th June 1962	23rd June 1962	1st July 1961	April 1962	April 1961	Percentage of Increase (+) or Decrease (—) in April 1962 as compared with April 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	127.4	125.6R	122.5	120.5	117.6	+ 2.5	120 1	120.0
Cereals	192	105.0	105.3	103.5	102.8	99 3	+ 3.5	102 3	104 4
Pulses	43	103.3	102.1	91.3	93 6R	87 6	+ 6 8	91 9	92.9
Fruits and Vegetables	23	144 4	141.4	139 0	140 0	116 3	+20 4	137 6	118 5
Milk and Ghee	84	130 3	128.3R	114.9	123 7	116 4	+ 6.3	116 4	116 0
Edible Oils	47	153 3	152.3	166 7	150.9	161 2	— 6.4	156 5	150 3R
Fish, Eggs and Meat	17	140 6	141.5R	132.9	137 2R	125 1	+ 9.7	135 4	123 5
Sugar and *Gur*	48	151 6	139.8	122.6	124.8	118 5	+ 5.3	119 6	132 8
Others	50	168.8	168.0*	182.3	158 7	171 1	— 7 2	171 6	167 8
Liquor and Tobacco	21	99.1	99.5	97.8	98 8	112 0	—11.8	100 3	109.9R
Tobacco	..	95 5	96 0	94.1	95 2	109 2	—12 8	96 8	108 3R
Fuel, Power, Light and Lubricants	30	124 2	124.3	122 2	122 4	121 5	+ 0 7	122 1	120 0R
Industrial Raw Materials	155	137.0	136.5	149 1	135 1	153 1	—11.8	142 6	145 4
Fibres	61	127 6*	127.1*	146 9	126.0	164.7	—23.5	138 3	151.6
Oilseeds	60	153.9	152.6	165 1	149 9	157 0	— 4.6	156.4	149.9
Minerals	2	93 4*	93.4*	95.2*	94.5	95 2	— 0.7	94.9	97.4
Others	32	126 0	126.8*	126.6*	127.3	127 0	+ 0 2	128.1	128.0
Manufacture	290	129 8	128 7R	126.4	126 8	127 5	— 0 5	126 6	123 9
Intermediate Products	41	140 3	139 3	141 2	136 9R	136 0	+ 0 7	138 8	130 6R
Finished Products	249	128 1	127.0R	124.0	125 2	126 1	— 0 7	124 6	122 8
Textiles	147	128.3	126.7R	125.2	125.1	129 8	— 3.6	125.5	125.8
Cotton	..	129 6*	129.6*	127.4*	128.4	127 7	+ 0.5	127 9	128 1
Jute	..	123 9	117 1	122.5	115 0	142 2	—19 1	122.4	131.4
Woollen	..	141 2*	141.2*R	123 7*	128 1	116 6	+ 9 9	122.7	109 1
Silk and Rayon	..	128 5*	128 5*	119 1*	128 6	116 8	+10 1	119 9	104 4
Metal Products	12	160 4	160 4	151 6	152.0	151 4	— 0.4	151 6	147 9R
Chemicals	20	115 0	114 1R	110 4	112.5R	106.3	+ 5.8	110.7	104 4
Oil Cakes	9	156 4	155 6	145 6	150.6	143.6	+ 4.9	147 5	141 3
Machinery and Transport Equipment	31	117 5	117.6	112 8	117 5	112 6	+ 4.4	114 5	111 9
Others	30	124 9	124.7	120.6	123.3	118.9	+ 3.7	121.3	116.1R
All Commodities	1,000	128.9	127.6R	127.2	124.2	126.0	— 1.4	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Fore-cast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	12,850†	13,170††	10,818†	10,251††
Jowar	final	17,041†	17,061††	9,231†	8,132††
Bajra	final	11,357†	10,826††	3,184†	3,575††
Barley	final	3,204†	3,377††	2,778†	2,717††
Maize	final	4,354†	4,333††	3,978†	4,070††
Ragi	final	2,331†	2,414††	1,666†	1,934††
Small millets	final	4,956†	5,026††	1,980†	2,062††
Total cereals	final	89,818†	89,728††	67,874†	64,199††
Pulses—					
Gram	final	9,503†	10,268††	6,306†	5,590††
Tur	final	2,359†	2,383††	2,077†	1,694††
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses‡	final	5,424†	5,297††	2,805†	2,879††
Total pulses	final	23,337†	24,338††	12,666†	11,719††
Total foodgrains..		113,155†	114,066††	80,540†	75,918††
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	459†	473††	100†	108††
Sesamum	final	1,966†	2,195††	293†	365††
Rape and Mustard	final	2,940†	2,894††	1,402†	1,064††
Linseed	final	1,713†	1,944††	417†	438††
Total oilseeds	final	13,333†	13,521††	6,636†	5,980††
Fibres—					
Cotton*	final	7,678†	7,610††	5,394†	3,678††
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	385	279	1,719	1,140
Sannhemp ₽	final	320†	328††	77†	77††
Other crops—					
Potato	final	358†	357††	2,699†	2,766††
Sugarcane@	final	2,321†	2,112††	86,406†	76,404††
Ginger (Dry)	final	18†	17††	17†	15††
Pepper (Black)..	final	95†	95††	27†	27††
Chillies (Dry)	final	604†	596††	369†	342††
Tobacco	final	392†	370††	299†	285††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In terms of lint cotton and in thousand bales of 177.8 Kgs. each.
‡ Excluding Gram and Tur. A.—In thousand bales of 181.4 Kgms each. ₽ Relates to fibre crop only.
@ Yield in terms of cane. † Relates to 1960-61.
†† Relates to 1959-60.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1962	96.3
	Corresponding month, 1961	66.2
	Twelve months ended June, 1962..	1,052.2
	Corresponding period 1961	1,006.3
Stocks	At the end of June, 1962	79.1
	Corresponding month, 1961	76.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July 1961 to May, 1962	679.9
	May, 1962	65.1
	May, 1961	52.9
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July 1961 to May, 1962	263.7
	May, 1962	23.5
	May, 1961	23.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	June, 1962	559
	Corresponding month, 1961	384
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
April 1961	135,700	136,000	106,000
May "	142,000	136,800	105,800
June "	131,800	124,700	101,200
Feb., 1962	139,400	138,300	108,000
Mar., "	156,600	146,900	128,000
April "	144,400	143,600	110,000
May "	146,400	145,600	115,600
June "	139,000	137,900	106,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,834
Do. 31st March, 1962	1,187,397	934,499	734,951
April 1961	99,381	69,710	51,144
May "	100,815	70,912	42,165
June "	96,921	74,228	50,089
Feb., 1962	97,258	75,949	53,600
Mar., "	113,176	88,241	86,294
April "	109,726	83,396	47,747
May "	112,269	85,155	68,574
June "	87,639	77,029	56,938

T—Figures in Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
8th May	2.00	2.00	2.00	2.580	99.355
9th to 12th May*	0.17	—	0.17	—	99.371
14th May	2.00	2.00	2.00	2.590	99.350
15th to 19th May*	0.15	—	0.15	—	99.371
22nd May	2.00	2.00	2.00	2.590	99.350
23rd to 26th May*	0.11	—	0.11	—	99.371
29th May	2.00	2.00	2.00	2.540	99.365
30th May to 2nd June*	4.00	—	4.00	—	99.381
5th June	2.00	4.00	2.00	2.500	99.375
6th to 9th June*	1.30	—	1.30	—	99.391
12th June	2.00	3.25	2.00	2.510	99.370
13th to 16th June*	0.48	—	0.48	—	99.391
19th June	2.00	2.00	2.00	2.510	99.370
20th to 23rd June*	6.36	—	6.36	—	99.391
26th June	2.00	4.25	2.00	2.400	99.400
27th to 29th June*	7.10	—	7.10	—	99.416
3rd July	2.00	4.10	2.00	2.371	99.450
4th to 7th July*	0.57	—	0.57	—	99.421
9th to 14th July*	0.10	—	0.10	—	99.421
17th July	2.00	2.00	2.00	2.390	99.400
18th to 21st July*	3.37	—	3.37	—	99.421
24th July	2.00	3.10	2.00	2.376	99.380
25th to 28th July*	6.72	—	6.72	—	99.441
31st July	2.00	3.50	2.00	2.350	99.410
Total amount outstanding	54.43	..	54.43	..	..

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
April 1961	857	138	66	14	5	1	6	2	11	33	6	30	..	7
Jan., 1962	8,099	1,432	669	94	30	11	97	10	108	333	43	299	33	65
Feb., "	8,947	1,559	738	104	35	13	111	10	18	364	46	330	34	69
Mar., "	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
April "	870	142	65	11	5	1	12	2	13	32	4	32	..	6

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Oct., 1961	Nov., 1961	Dec., 1961	Dec., 1960
Major Industries—								
Coal	million metric tons	47.80	52.61	56.0	4.29	4.60	4.88	5.10
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,287	2,088‡	381	—	—	330
Yarn	million kgs.	781	788	682	74	72	77	73
Cloth	million metres	4,502	4,616	4,700	389	389	399	412
Cement	thousand metric tons	6,936	7,835	8,230	676	727	736	733
Jute	thousand metric tons	1,068	1,085	971	78	94	98	92
Paper and paper boards	thousand tons	299	345K	363K	32	30	30	30
Matches§	thousand cases	649	661	758	53	62	66	61
Sugar	thousand metric tons	2,117	2,591	2,422†	45	119	—	487
Engineering and Electrical Industries—							34	
Machine tools	Value in lakhs of Rs.	439	601	741	74	84	4.14	65
Electric lamps	millions	34.84	41.39	46.87	3.30	3.94	—	4.04
Dry cells	millions	187.3	207.4	193.5†	14.1	17.7	167	17.2
Power transformers	thousand K.V.A.	1,248	1,116	1,761	155	173	—	138
Electric Motors	thousand H.P.	576	680	751†	69	70	—	68
Electric fans	Nos.	726,000	991,200	970,700†	51,900	80,200	29,798	101,100
Radio receivers	Nos.	213,864	266,700	326,075	25,241	30,932	44,300	29,816
Storage batteries	Nos.	442,800	510,000	570,200	34,400	35,700	—	44,400
Copper conductors	tons	6,624	10,068K	7,000K†	671K	700K	—	1,080
Winding wires	tons	2,832	4,200K	5,149K†	495K	507K	18.08J	381K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	214.47J	18.91J	18.09J	—	91.77J
Insulators—H.T.	Nos.	982,800	2,317,200K	2,619,000K†	265,000k	251,000K	—	200,000K
Insulators—L.T.	million Nos.	6.25	3,662,400K	4,060,000K†	461,000k	475,000K	—	294,000K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,054†	726	559		1,074
Diesel engines—Stationary	Nos.	30,336	41,676	44,430	3,952	3,848		3,829
Chemical Industries—							4,283	
Salt	million metric tons	3.18	3.44	3.47†	0.11	0.04	0.05	0.29
Caustic soda	metric tons	69,876	99,144	119,849	11,104	0,512	10,780	8,861
Soda ash	metric tons	95,328	145,284	176,639	17,063	17,907	14,642	15,439
Chlorine liquid	metric tons	24,780	31,656	33,908	2,977	2,841	2,965	2,812
Bleaching powder	metric tons	5,184	5,928	7,129	738	747	681	642
Bichromates	metric tons	4,404	5,472	5,233	424	429	583	492
Sulphuric acid	metric tons	296,880	359,400	410,389	34,018	32,816	36,631	31,130
Superphosphate	metric tons	251,652	322,464	367,495	28,833	31,007	33,496	26,944
Non-ferrous Metals—							2,063	
Aluminium	metric tons	17,526	18,467	18,360	1,568	1,520	80	1,546
Antimony	tons	664	809	614	90	40	900	68
Copper (virgin metal)	metric tons	7,764	8,992	8,725	582	765	372	750
Lead (virgin metal)	metric tons	3,958	3,778	3,665	285	150	425 Kgs.	436
Gold	ozs.	165,312	4,992Kgs	4,869 Kgs.	397 Kgs.	415 Kgs.	—	427 Kgs.
Miscellaneous (Minor) Industries —							102,323	
Sewing Machines	Nos.	252,612	295,788	286,689†	17,644	26,782	4,535	28,652
Bicycles	Nos.	990,744	1,050,744	1,054,500	77,800	95.578	2.00	101,140
Automobiles	Nos.	36,468	51,660	54,314	3,674	3,239	0.26	5,073
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.27	1.98	3,590	2.27
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.23	0.26		0.25
Cigarettes	million Nos.	32,166	38,334	41,294	3,360	3,407	—	3,578
Plywood—Tea chests	thousand sq. metres	9,167	9,684	8,360†	789	680	—	732
Plywood—Commercial	thousand sq. metres	5,022	5,220	5,768†	590	464	—	594
Sheet glass	thousand sq. ft.	80,563	81,188	67,194†	7,070	5,799	—	7,538
§Woollen manufactures: Worsted Fabrics	thousand metres	13,752	13,980	11,846†	1,231	1,248	—	1,247
§Woollen manufactures: Worsted Yarn	thousand Kgs.	12,960	12,588	13,357†	1.491	1,388		1,011
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.48	0.53	0.70	0.58
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.27	0.30	0.47	0.35
Alcohol—Industrial	million litres	57.84	58.94	82.26†	8.51	8.28	—	8.60
Alcohol—Power Absolute	thousand litres	8.0 M	48.52	53.63	4.78	3.90	4.80	4.01
Railway Wagons	Nos.	10,044	7,320	10,007†	720	875	—	937
General Index—(Base 1951=100 Revised)		151.9	170.3	180.8††	181.0	184.0	—	181.6

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs.—Kilograms. J—In million metres. ‡ Upto October only. M—Million bulk gallons.
† Upto November only. †† Average for eleven months.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Ground-nut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron&Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	108	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	118	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	122	128	148
May 1961	103	86	109	134	76	198	115	127	116	101	110	245	162	128	141	137	127	147
June "	106	86	113	141	81	206	114	127	122	95	110	208	167	151	141	125	126	147
July "	108	88	118	145	81	220	122	127	122	93	107	215	171	145	141	131	126	147
August "	110	89	113	142	82	218	117	127	123	95	105	180	167	143	141	121	128	147
Sept. "	110	87	107	128	81	190	117	127	122	95	104	155	156	143	141	114	128	147
Oct. "	108	89	110	130	82	205	118	125	118	95	107	150	143	145	141	119	128	147
Nov., "	106	92	108	128	86	180	114	125	118	93	108	149	143	143	141	116	128	147
Dec.,	102	94	109	126	88	164	114	124	109	89	109	145	144	141	141	118	128	147
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February "	102	100	120	131	90	181	119	122	108	94	112	148	149	140	143	113	128	152
March "	103	94	120	126	82	163	120	124	118	95	113	148	149	140	145	117	128	152
April "	106	92	122	123	81	155	127	131	121	94	112	141	149	143	145	115	128	152
May "	109	88	126	125	84	166	134	131	129	95	113	139	145	149	145	113	129	158

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 26th July, 1962*	11,611(J)
	Corresponding week, 1961	19,990(J)
	1st Sept. to 26th July, 1961-62	1,779,144*
	Corresponding period, 1960-61	1,929,888*
Cotton Exports	Week ended 26th July, 1962	11,189
	Corresponding week, 1961	1,933
	1st Sept. to 26th July, 1961-62	362,089
	Corresponding period, 1960-61	309,037
Mill Consumption (Estimated)	1st Sept. to 26th July, 1961-62	1,206,945
	Corresponding period, 1960-61	1,136,644
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 26th July, 1962	537,798
	Corresponding date, 1961	609,508
		In Bales of 392 lbs. nett.
Consumption of Cotton—		
Indian	April, 1962	385,100
Foreign	April, 1962	73,209
Indian	Eight months ended April, 1961-62	3 092,536
Foreign	Eight months ended April, 1961-62	701,117
Indian	Same Period, 1960-61	2,717,455
Foreign	Same Period, 1960-61	783,087
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April, 1962	1,300,479
Foreign	As on 30th April, 1962	261,894
Indian	As on 30th April, 1961	1,519,396
Foreign	As on 30th April, 1961	354,231

Particulars	From 1st Sept. to 23rd July 1961-62 In Bales of 180 Kilograms	From 1st Sept. to 23rd July 1960-61 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	3,559	2,696
Continent	24,426	15,049
Hongkong	12,311	14,334
China	—	67
Japan	172,976	169,593
U.S.A.	17,899	4,259
Other countries	561	334
Total to all foreign countries	231,732	206,332
Coastal Ports	121,839 (a)	102,205 (b)
Total	353,571	308,537

Particulars	Period	Quantity
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During June, 1962	27,571
	During June, 1961	21,188
	1st Sept. to 30th June, 1962	215,156
	1st Sept. to 30th June, 1961	204,749
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 6th July, 1962	....
	Corresponding week, 1961	12,132
	1st Sept. to 6th July, 1961-62	3,193,840
	Corresponding period, 1960-61	3,677,915
Karachi (Pakistan)—		
Receipts	1st Sept. to 5th July, 1961-62	999,111
	Corresponding period, 1960-61	837,859
Exports	1st Sept. to 5th July, 1961-62	590,916
	Corresponding period, 1960-61	492,876

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to May, 1962.
— Not Received. A-Adjusted.

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	May 1962	May 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	2.96	2.86
(b) Others§	2.71	2.68	2.78	2.67
Debentures	4.15	4.11	4.22	4.16
Preference Shares	5.64	5.32	5.80	5.47
Variable Dividend / *Industrial Securities*	4.68	4.88	4.61	4.72
Agriculture and Allied Activities‡	5.74	5.80	5.88	5.79
(a) Tea Plantations	5.94	6.01	6.04	6.14
(b) Coffee Plantations	4.74	5.12	5.43	3.95
(c) Rubber Plantations	6.56	6.33	7.05	6.24
Mining and Quarrying	5.15	5.31	4.65	5.08
(a) Coal	4.13	4.56	3.75	3.56
(b) Other Mining	5.85	5.82	5.28	6.12
Processing and Manufacturing	4.27	4.35	4.27	4.26
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.35	4.19
(a) Sugar	5.62	5.80	6.10	5.18
(b) Cotton Textiles	3.72	3.47	4.07	3.69
(c) Jute Textiles	5.54	6.15	5.01	5.78
(d) Silk and Woollen	2.92	3.17	2.80	3.01
Metals and Chemicals‡	4.22	4.18	4.19	4.09
(a) Iron and Steel	4.69	4.25	4.73	4.33
(b) Transport Equipment	3.77	3.38	4.11	3.57
(c) Electrical Machinery	4.46	5.03	4.04	4.52
(d) Other Machinery	3.46	4.07	3.14	3.59
(e) Basic Ind. Chemicals	3.64	3.59	4.49	3.55
Others	4.52	4.90	4.18	4.76
(a) Cement	4.77	5.21	4.46	4.93
(b) Paper	4.54	4.76	3.80	4.95
Other Industries	5.28	6.05	5.06	5.54
(a) Electricity Generation and Supply	5.42	6.28	5.49	5.64
(b) Trading	6.74	8.38	6.17	6.94
(c) Shipping and Other Transport	4.40	5.17	3.88	4.88
(d) Construction	3.98	4.49	3.40	4.38
Financial	5.84	6.31	5.56	6.10
(a) Banks	5.42	5.93	5.25	5.74
(b) Insurance	7.07	7.56	6.50	7.02
(c) Investment Trusts	6.72	6.85	6.16	7.17

† Running yield. Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

CLEARING HOUSE RETURNS

Centre	Week ended 27th July, 1962 Number of Cheques	Amount Rs.	Week ended 20th July, 1962 Number of Cheques	Amount Rs.
Bombay	4,09,000	93,89,00,000	4,11,000	102,22,00,000
Calcutta	2,16,000	88,03,00,000	2,22,000	82,65,00,000
Madras	1,03,000	14,17,00,000	1,01,000	13,73,00,000
New Delhi	55,000	16,53,00,000	54,000	12,13,00,000
Kanpur	23,000	4,12,00,000	23,000	4,19,00,000
Bangalore	34,000	4,90,00,000	35,000	5,57,00,000
Nagpur	10,000	1,73,00,000	9,000	1,44,00,000
All Centres—				
1959-60	..	..	50,196,000	10,999,00,00,000
1960-61	..	..	54,809,000	12,550,66,00,000
1961-62	..	..	59,946,000	13,602,34,00,000
April 1961	..	..	4,971,000	1,164,75,00,000
Oct., „	..	..	4,770,000	1,047,02,00,000
Nov., „	..	..	4,986,000	1,095,59,00,000
Dec., „	..	..	4,940,000	1,173,93,00,000
Jan., 1962	..	..	5,608,000	1,244,75,00,000
Feb., „	..	..	4,850,000	1,107,18,00,000
Mar., „	..	..	5,533,000	1,331,65,00,000
April „	..	..	5,159,000	1,159,92,00,000

FOREIGN TRADE OF INDIA *(Country-wise)*

(Value in crores of rupees)

	Twelve months ended March 1961-62	1960-61	March 1962	1961
EXPORTS				
Australia	15.93	22.22	1.47	1.63
Burma	5.28	6.52	0.43	0.84
Canada	17.38	17.63	2.24	2.25
Ceylon	17.06	18.39	1.79	1.53
China	0.19	5.26	0.02	0.01
Egypt	12.86	18.37	1.76	1.03
France	7.97	7.62	0.65	0.95
West Germany	19.85	18.94	1.45	1.93
Italy	9.29	9.23	0.87	0.73
Japan	40.24	34.88	3.34	3.73
Kuwait	3.64	3.33	0.30	0.45
Federation of Malaya	6.77	5.88	0.40	0.71
New Zealand	7.40	7.41	0.24	0.66
Netherlands	8.01	8.41	0.69	1.26
Nigeria	7.03	5.74	0.33	0.69
Pakistan	9.45	9.52	0.69	0.66
Singapore	8.26	7.08	0.64	0.77
Sudan	10.34	9.48	0.49	0.66
United Kingdom	159.95	170.69	13.64	13.85
U.S.A.	116.07	99.83	10.82	9.16
U.S.S.R.	31.89	28.78	2.38	1.16
*Exports to all countries	656.82	632.42	58.22	55.88
IMPORTS				
Australia	22.73	17.79	1.01	0.68
Burma	10.64	13.65	2.41	0.67
Canada	16.61	19.86	1.16	1.22
Ceylon	4.42	4.13	0.51	0.57
China	1.51	2.57	0.11	0.06
Egypt	12.04	16.42	1.08	0.60
France	15.98	21.13	1.02	0.87
West Germany	118.21	122.52	8.62	7.46
Italy	23.68	25.97	1.63	1.88
Japan	58.61	60.78	2.70	3.91
Kuwait	0.43	0.07	0.05	0.01
Federation of Malaya	13.03	13.50	1.21	0.84
New Zealand	1.22	1.54	0.05	0.26
Netherlands	12.51	10.54	0.75	0.74
Nigeria	1.78	0.50	0.16	....
Pakistan	13.86	14.01	1.98	0.90
Singapore	8.99	10.44	0.88	0.62
Sudan	10.56	9.40	0.94	0.11
United Kingdom	194.52	217.15	0.15	0.18
U.S.A.	233.51	327.56	16.63	34.20
U.S.S.R.	35.32	15.87	6.60	1.98
Imports from all countries	1,038.62	1,121.62	98.04	91.40

* Excluding re-exports.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	834	11,176.9	9,011.1
1958 59	813	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
1960-61	1,013	17,037.3	13,831.8
January 1961	1,013	1,482.3	1,216.1
February „	1,013	1,641.3	1,370.0
March „	1,013	1,596.1	1,282.7
April „	1,013	1,556.2	1,288.9
May „	1,013	1,612.8	1,329.1
Jan., 1962	1,013	1,749.0	1,422.5
Feb., „	1,013	1,643.9	1,378.2

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 „	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 „	124	420	120	357	98	136	398	143	120	107	103	120	100	146
1961 „	126	431	121	352	102	131	400	148	127	113	106	123	111	150
January 1961	123	419	119	358	100	131	387	146	122	111	103	120	109	148
February „	123	420	119	350	102	130	392	147	123	111	103	119	109	148
March „	124	423	119	349	101	129	395	148	124	111	104	121	109	149
April „	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May „	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June „	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July „	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August „	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. „	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. „	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. „	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. „	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February „	127	438	119	362	107	131	402	149	129	115	109	127	118P	152
March „	127P	439	121	357	105	131	405	149	129	113	109	127	..	152
April „	127P	439	121	355	102	..	413	149	129	113	111	127	..	152
May „	128P	443	..	361	..	..	418	..	127	113	111	128	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81.50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3 38	329,98	770,80
1961-62	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. „	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May „	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	772,46
June „	1,12	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July „	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,38	5	3,46	29,34	786,81
Aug. „	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. „	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. „	89	1,93	67,31	5.58	339,65	17,64	310,05	17,39	—42,42	3.67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. „	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April „	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May „	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	1,16,17,46,000	1963-65	98.85
3 % Loan	1950	80,33,10,000	1964	96.85
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96.55
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89.10
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	99.55
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.75
3½% N. P. Bonds	1956	1.97,93,00,000	1967	98.75
3¾% Loan	1956	86,63,53,000	1974	99.15
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	49,17,27,000	1972	99.35
3½% Loan	1958	58,05,92,000	1963	99.95
3¾% Loan	1958	70,00,00,000	1968	98.25
3½% Loan N.P.B.	1958	64,33,90,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.20
3¾% Loan	1959	1,47,90,93,000	1969	98.00
4 % Loan	1959	81,06,39,000	1979	98.60
4 % Loan	1960	98,03,48,000	1980	98.60
3½% Bonds	1960	82,65,41,000	1966	99.70
4 % Loan	1961	65,68,00,000	1981	98.55
4¼% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,33,000	M.	70.25
3 % Loan	1946	2,48,91,38,000	K.	69.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	98.15
3 % Maharastra	1949	5,20,97,000	1st Aug. 1962	99.70
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	100.25
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.25
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.35
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.75
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.00
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.00
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,38,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.40
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.25
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.35
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.00
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	96.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,06,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	98.25
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	98.00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.25
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	98.00
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	8,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1912*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1983	97.50
50,00,000	4	1955	1985	97.25
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1922	1952-82	£61
£901,000	5	1924	1954-84	£61
£825.100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000†f	3	1947	1977	A
3,00,000†f	3	1949	1979	
45,00,000†t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
12,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.00
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£323,900		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
50,00,000	3	1937	1962	98.00
20,00,000	3	1938	1962-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
2,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,818	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
6,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,81,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,900	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1966 or later at the option of the Government after three months' notice.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	240.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.40	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. B. Cotton Mills	62.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	68 10	25	3.50	3.50	3.50		12	Y.
10,00,000	2,84,495	89,53 981	57,46,203	1,37,996	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	186.25	50	5.00	5.00	12.50		3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,693	Century Spg. & Mfg.	629.50	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34.762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	29,03,230	1,02,39,816	68,42,312	2,06,873	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	168.00	50	10.00	15.00	15 00		3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	349.00xd	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	116 00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26 894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	309 00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	237.50	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	925.00xr	250	350.00	500.00	500.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	23.28xd / 3.26xd	0 10O. / 0 1D.	Nil / Nil	0.80 / 0.1325	1.40 / 0.3725		12	Y.
18,00,000	1,02,72,488	1,93,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	3,225.00	1,000	200.00	232.00	250.00		3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	475.00	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4.48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	315.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1.60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	61.00XR	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	418 00	100	21.50	21.50	24 00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	513.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	181.00	100	Nil	Nil			12	Y.
80,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	280.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	55,35,221	1,89,77,617	1,29,35,901	4,01,084	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	256.00	100	10.00	15.00	20.00		3	Y.
55,00 000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	135.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	141.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14 88	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	56.00	10	2.50	1.70	2.00		12	Y.
90,00 000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	273.00	100	15.00	18.00	20.00		12	Y.P.
60 48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	170.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	903.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	273.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	292.50	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	65.00	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	421.25	100	20.00	25.00	25.00		12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	860.00XR	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.50	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	670 00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39.00,937	1,81,03,201	2 784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	979.00	100	40.00	45.00	45.00		12	Y.P.
26,40,000	51.56,636	1,36.47,290	89,38.792	20,012	Mangaldas & Brother (Pvt.) Ltd.	40,368	953	Aryodaya Ginning & Mfg.	465.00	200	....	13.00			3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	-36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	670.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,62,45,308	9,86,80,261	4,70,25,866	16,05,333	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	1,006.00	125	22.00	31.00	34 00§		3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	495.00	250	36.00	..	50 00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,500 00	125	55.00*	60.00	45 00		12	Y.
24,72,500	75 89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25.560	572	Nutan Mills	497.50	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	670 00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	25.73,702	1,63,60,167	94,85,502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	203.75	100	10.00	10.00			12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,287.00	100	45.00	50.00	Nil		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.53	10	Nil	0.30	0.30		12	Y.P.
7,11,280 / 1,80,620 / 1,70,000	3,62,600	1,03,06,007	68,71,402	—2,60,959	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	Nil	Nil	2 00		3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	26.12	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.50	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	30.06	10	1.00	2 00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,352	206	Jay Shree Textiles Ltd.	15.44	10	0.80	1 00	1.00		12	Y.T.
1,60,00,000	,98,94,557	7,99,50,481	2,14,69,205	2,44,919	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	27.94	10	0.25	0 50	1.20		3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	11.50N / 2.50N	10 / 1D	Nil / Nil	0.30 / Nil	0.30 / Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
80,00,000	31,50,000	77,23,088	23,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	131 00	100	11.00	15.00	16.00		12	Y.P.
11,93,600	7,40,000	55,18,246	23,26,412	336	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	74.00	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	245.00	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.			Baroda Rayon Corporation	140.50	100	Nil	Nil	Nil		12	Y.
39,95,950	1,12,56,816	1,75,41,424	1,27,42,736	1,34,391	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	30.00	10	Nil	1.00	2.00		3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,298	2,758	Buckingham & Carnatic	268.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,639	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,63,218	58.56,170	35,95,076	1,98,878	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	127.00cd	100	15.00	17.00	20.00		3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.00	5	Nil	0.36	0.50		12	Y.
9,86,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	17.30	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	171 00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,63,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	139.60	100	7.50	13.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,336	..	Coimbatore Pioneer Mills	278.50	100	25.00	16 00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	76.00cdCR	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	141 00	100	Nil	Nil	Nil		6	Y.P.
29,99,075	34,15,411	1,33,02,693	68,43,175	15,495	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12 00		3	Y.
3,38,36,225 / 1,00,563	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	52.75	25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325		6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	194 00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09 337	1,68,13,055	88,973	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19 81	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	194.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	61.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 / 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	103.00	100.00	..	Nil	Nil	Nil	2	Y.P.
59,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	178.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	73.25	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	56,34,321	5,18,51,527	1,69,53,953	1,22,795	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	18.19	10	0.90	1.25			12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	14.12	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,868	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.00	10	0.07	Nil			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.87	10	1.00	1.00	0.80		12	Y.P.
71,00,000 / A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	154 50cd / 78.50cd	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 / 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	815 00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	34.25	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	360 00cd	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	85 00	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	125.00	250	Nil	Nil	Nil		6	Y.
49,61,000	89,56,795	1,29,62,667	74,49,234		N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	62 50	50	5.00	7.00	7 00		2	Y.P.
81,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.37	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	70.00	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 / 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 / 268.75	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.50	100	Nil	Nil			12	Y.
63,13,120	34.81,498	1,21.09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	36.31	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	111.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	89.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	22,11,000	66,06,845	32,18,566	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	170.00cd	100	6.00	9.00	16.00		3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90xd	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	124.00	100	10.00	15 00	15.00		12	Y.
10,00,000	16,74,101	76.35,323	40.15 966	5.186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2 60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	170.00	100	Nil	Nil	Nil		12	Y.
94,27,380	....	5,84,70,605	60.00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	10.19	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	28,74,204	1,12,40,198	76,76,284	14,497	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	79.50	50	4.00	5.50	5.50		3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	50.00	50	2.50	3.00			12	Y.
15,00,000	4,03,29,029	1,23,78,020	96,22,753	2,77,919	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	125.00	10	6.00	8.57	8.57		3	Y.
C. 17,50,000 / P.O. 1,57,50,000	2,63,83,071	6,95,70,628	2,46,91,277	5,044	M	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.37 N / 7.75	100. / 10P.O.	Nil / 0.571	0.50 / 1.071			12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.77cd	10	Nil	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	36.25	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23.47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.25	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48 175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51 571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56 50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	134.50	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.62	10	0.50	1.00	0.25		3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
80,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	127.00	100	*Nil*	6.00	*Nil*		5	Y.P.
49,20,700	85,71,000	2,80,85,747	1,84,94,034	3,74,363	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	224.00	100	12.50	20.00	7.50		8	Y.P.
40,00,000	28,14,827	1,46,86,173	83,52,153	45,981	Bird & Co. Private Ltd.	810	Auckland	161.00	100	20.00	27.00	12.00		8	Y.P.T.
20,00,000	84,84,417	1,47,00,374	85,10,664	1,00,757	Birla Brothers Private Ltd.	959	Bally	303.00	100	10.00	25.00	25.00		8	Y.P.
£275,000	£842,859	£1,372,653	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	186.50	£5	10sh.	£1.10sh	10 Sh.		8	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.31	10	0.50	0.50	0.50		6	Y.P.T.
91,26,000	3,08,27,813	8,17,03,760	2,90,00,714	1,83,905	Birla Brothers Private Ltd.	1,373	Birla	32.25	10	1.00	1.50	1.50		3	Y.P.
86,00,000	10,40,080	1,26,16,150	74,88,636	—3,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	150.00	100	15.00	10.00	*Nil*		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	212.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	139.00	100	7.00	10.00	5.00		3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.50	10	1.25	*Nil*	0.50		11	Y.P.
80,15,000	81,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	12.06	10	1.50	0.50	*Nil.*		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
81,49,200	14,68,891	1,10,14,699	69,67,313	9,802	Bird & Co. Private Ltd.	766	Dalhousie	130.00	100	*Nil*	1.00	1.00		3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	185.00	100	14.00	7.50	*Nil*		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	16.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	449.00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	21,13,000	1,35,43,410	82,35,300	2,48,385	Bangur Bros., Ltd.	1,014	Fort William	27.50	10	1.50	2.25	2.25		8	Y.P.T.
84,32,100	28,01,919	2,57,48,659	1,51,54,062	1,59,711	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.87	10	*Nil*	1.00	1.00		3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	55.12	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	461.00	100	25.00	30.00	25.00		8	Y.P.
45,00,000	89,15,333	1,45,06,782	82,76,808	3,75,747	Bangur Bros., Ltd.	1,078	Hastings	115.00N	100	6.00	6.00	6.00		8	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	29.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	20.94	10	1.00	1.25	1.00	*Nil*	8	Y.P.T.
52,50,000	38,73,191	3,21,24,274	1,88,99,274	1,62,375	Ramdutt Ramkissendas	2,272	Hukumchand	24.94	7.50	1.50	2.15	2.15		8	Y.P.
87,80,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	16.94	12.50	1.24	1.75	1.50		8	Y.
24,00,000 / 'B'19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	174.00 / 174.00N	100 / 'B'100	20.00 / 20.00	5.00 / 5.00	*Nil* / *Nil*		12	Y.P.T.
30,00,000 / 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	113.00 / 113.00N	100 / 'B' 100	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	195.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	23,98,564	2,18,73,550	1,39,90,173	300	Anderson Wright Ltd.	1,530	Khardah	16.74	10	2.00	2.00	0.50		8	Y.P.
59,85,600	47,39,756	2,07,21,456	1,33,78,784	62,406	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	146.00	100	10.00	20.00	7.00		3	Y.P.T.
24,48,000	6,04,572	1,08,23,825	71,08,446	—3,54,448	Bird & Co. Private Ltd.	931	Lansdowne	124.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
28,00,000	14,13,430	65,77,636	42,23,242	54,949	Bird & Co. Private Ltd.	840	Lawrence	171.00	100	2.00	15.00	15.00		3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	14.25	10	1.00	1.20	1.25		8	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107.00	100	*Nil*	*Nil*	*Nil*		8	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	9.00	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	25.00	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	12.12	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	*Nil*	Sahu Jain Ltd.	1,765	New Central	15.75	10	1.50'C'	1.50	1.50		8	Y.P.T.
16,79,880	51,93,617	1,30,21,848	77,30,582	32,274	Bird & Co. Private Ltd.	567	Northbrook	34.87	10	1.25	3.00	3.00		8	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	61.50	50	3.00	4.00	3.00		8	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.56	5	0.50	0.40	0.30		7	Y.T.
20,00,000	73,604	36,55,345	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.44	10	*Nil*	*Nil*	*Nil*		8	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	7.69	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.60	0.90	0.60		8	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	24.00xd	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
85,98,600	87,94,656	93,18,767	55,10,623	8,800	Bird & Co. Private Ltd.	1,326	Union	163.00	100	20.00	25.00	6.00		8	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,831	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.80	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					TEA COMPANIES										
10,98,990	5,60,324	18,03,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91xd	10	1.50	1.50	1.20	1.20	8	Y.P.
83,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.34	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.50	2	0.24	0.20	0.20		6	Y.P.
14,00,100	14,42,652	27,59,605	9,36,841	43,653	Peirce, Leslie & Co., Ltd.	1,714	Chembra Peak Estates	3.60cd	2	0.30	0.40	0.40		3	Y.
5,66,420	13,30,938	24,06,623	2,29,383	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.97xd	2	0.40	0.40	0.40	0.30	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.75	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66xd	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.40	....	*Nil*		12	Y.
25,00,000	18,55,500	56,71,656	10,31,863	77,135	Parkins Private Ltd.	1,506	Halleyburia	12.25	10	1.25'C'	1.50			12	Y.P.
6,00,000	8,86,159	15,77,488	3,94,129	59,573	Peirce, Leslie & Co., Ltd.	469	Kalasa Tea	3.60cd	2	0.30	0.40	0.50		8	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.85	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40		8	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.40	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	1.87	2	0.10	0.20	0.10	0.10	8	Y.
3,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00	25	5.00	3.75	3.50		8	Y.P.
86,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.00	5	0.37	0.37	0.37		8	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,990	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.75	2	0.20	0.26	0.30		6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	9.10	10	0.50	0.80			8	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	22.25	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	22.25	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	19.15	10	2.25	2.25	2.50		12	Y.P.
57,94,880	80,24,711	1,13,81,238	39,12,993	65,407	Peirce, Leslie & Co., Ltd.	3,718	Periakaramalai	3.33	2	0.25	0.27	0.40		8	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.75	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	Y.
12,50,000	11,78,243	82,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.87	2	0.10	0.16	0.20		8	Y.P.
15,75,000	16,53,000	83,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.20	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,93,280	14,52,765	49,96,418	19,93,195	80,106	T. Stanes & Co., Ltd.	1,771	United Nilgiri	20.25cd	10	1.95	2.10	2.20		8	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.12	2	0.25	0.25	0.20		6	Y.P.
					RUBBER AND OTHERS										
6,00,000	5,52,435	16,85,453	4,57,025	30,365	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	3.00	2	0.15	0.15	0.30		8	Y.
6,75,000	2,35,527	19,88,033	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	11.06	10	0.75	1.00	1.00		3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,50,000	8,61,867	1,01,113	23,299	Young India Agencies Pvt. Ltd.	610	Badra Coffee Estates Ltd.	3.15cd	2	0.35	0.30	0.30		5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	578	Bababudin Coffee & Produce	6.05	5	0.625	0.40			6	Y.P.
3,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.40xd	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	82,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.60	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,313	2,26,719	C. I. Machia, Esq. (Mg. Director)	8,232	Consolidated Coffee	18.10	10	2.50	2.00	2.00		6	Y.P.
6,00,000	5,09,735	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	10.00	10	1.50	1.00	1.00		8	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.06xd	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	12.30	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,18,425	3,48,844	31,973	A. V. George & Co., Ltd.	1,548	Kailas Rubber Co., Ltd.	5.35	2	0.50	0.40	0.50		2	Y.P
8,00,000	8,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.83CR	10	1.25	1.25	1.25		4	Y.P.
4,00,000	8,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.16	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,41,456	22,23,838	4,40,673	47	K. T. Thomas Kathanar, Esq.	2,143	Malankara Rubber	16.90	10	1.60	1.50	1.60*		8	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.40	5	1.00	1.00	1.00		6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.40	10	1.00	1.25	1.25		3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	24.65cd	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9.93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	14.50cd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.60	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	7,97,732	83,078	46,714	Peirce, Leslie & Co., Ltd.	532	Ossoor Estates Ltd.	2.75cd	2	0.30	0.30	0.30		8	Y.
16,50,000	2,29,315	23,27,018	7,37,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.68	2	0.10	0.10	0.12		3	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.90cd	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	11.12	5	2.50	1.25	1.25		3	Y.P.
5,50,170	8,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.20	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.53	2	0.18	0.12	0.12		8	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.40	10	0.60	*Nil*			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.47	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11.41	10	1.00	1.80			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.65	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Vellimalai Rubber & Co.	5.50	5	0.50	0.60			2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Valkundam Rubber Co., Ltd.	31.70	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,15,277	1,52,156	1,12,012	Peirce, Leslie & Co., Ltd.	1,030	Wartyhully Estates Ltd.	2.73	2	0.30	0.30	0.30		8	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		8	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00xd	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.19	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	32.50xd	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.19	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	19.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	18.06	10	1.30	1.30	1.30		12	Y.
6,00,000	2,00,000	14,02,675	3,52,303	38,457	Octavius Steel & Co., Ltd.	479	Bokakhat	13.70	10	0.80				12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	14.56	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	46.56xd	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	151.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.19	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	16.00	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	33.44	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	22.25xd	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	28.75	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	25.44	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.50	10	1.00	*Nil*	0.50		12	Y.
23,29,085	36,34,739	67,36,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob Tea	8.50	5	0.70				12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.44	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	164.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.37	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	190.00xd	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.37	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	16.25	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,00,000	23,97,978	8,14,738	45,981	Octavius Steel & Co., Ltd.	643	Methoni	21.25	10	1.50	0.50			12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	11.50	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00	100	25.00	30.00	30.00		12	Y.
1,75,000 / P.O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 / 27.00	O. 10 / P.O. 10	2.00 / 2.563	0.50 / 1.063	1.50 / 2.063		12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	13.69	10	1.60				12	Y.
6,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	101.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.25	10	3.50	4.00	1.35		12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	18.31	10	2.00	2.25			12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	22.50	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	25.50xd	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.31	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	35.44	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
5,00,000	5,000	5,43,677	2,03,160	41,902	M.	862	Arcuttipore	6.62	10	*Nil*				12	Y.
12,60,000	13,00,800	31,80,534	14,49,004	42,558	Octavius Steel & Co., Ltd.	2,208	Hattikhira	9.25xd	10	0.50	*Nil*			12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.50	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	166.00xdN	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	12.81xd	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	48.50	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.87	10	*Nil*				12	Y.P.T
					DARJEELING										
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	*Nil*	*Nil*	1.00		12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	100.00	100	5.00				12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.75	10	*Nil*	*Nil*			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	206.00	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	..	10	2.00	3.00	2.50		12	Y.P.
4,00,000	2,71,500	5,92,631	2,85,757	6,271	M.	505	Okayti	605.00	100	32.50	25.00			12	Y.
3,00 00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	7.12	10	*Nil*				12	Y.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Rungllee Rungliot	351.00	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.P.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	3.87	10	0.50				12	Y.
3,00,000	5,39,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	32.00xdXB	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75xd	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	13.50	10	*Nil*	*Nil*			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	248.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	24.00	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	16.62	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	150.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	160.00xd	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	240.00xd	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	180.00	100	5.00	5.00	5.00		12	Y.
4,90,000	68,141	11,42,495	3,47,423	4,521	M.	447	Ethelbarrie	8.37	10	*Nil*	0.50			12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	23.00	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	103.00xd	100	12.50	15.00	5.00		12	Y.P.
82,00,000	69,41,255	1,23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	15.00XB	10	1.25	1.70			12	Y.P.
8,25,000	22,66,578	30,37,917	14,43,417	81,846	Davenport & Co., Ltd.	1,452	Huldibari	14.00XB	10	2.25	2.25			12	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.25	10	0.50	1.00	*Ni*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.62xd	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00	10	0.50	1.00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	150.00xd	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	255.00xd	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	116.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.00	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	17.50xd	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.00	10	3.00	2.50	2.00		12	Y.
					SYLHET										
8,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	23.50	10	*Nil*	*Nil*			12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.94	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	20.00	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	130.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.00	10	1.00	0.50			12	Y.P.T.
5,00,000	5,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,48,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	144.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16.00	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1.50	1.50			12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	67.00N	10	5.00	6.00			12	Y.

H=Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					CEMENT									
11,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.90	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,807	9,38,000	1,78,87,504	22,50,586	21,768	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.62	10	0.45	0.70	0.70		8	Y.T.
43,14,604 / 4,70,9763.0	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	2.94 / 0.50	O. 10 / D. 1	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.75	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.00	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 / D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.35 / 2.35xd	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.28cd	5	0.45	0.55	0.60	0.60	8	Y.P.
2,00,00,000	60,92,184	8,57,17,526	2,33,04,027	67,719	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13.56	10	*Nil*	0.60	0.80		8	Y.P.T.
90,00,000	....		....	....	....	Madras Cements	92.00	100	..	*Nil*	..		9	Y.P.
1,14,65,185		1,36,60,424			Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	7.70	10	*Nil*	*Nil*	*Nil*		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	17.52	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	102.00	100	*Nil*	*Ni*	*Nil*		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	195.50	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	5.00	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	47,23,258	20,57'464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.62	10	*Nil*	0.60	0.60		8	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.24	10	2.00	2.00	3.00		9	Y.P.
65,23,146	19,77,396	1,61,24,989	63,22,100	1,703	Bharat Ram Bhagat & Co.	Bengal Potteries	7.00	2½	0.356	0.375			12	Y.
10,00,000	52,26,517	92,22,866	45,37,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	35.50	10	1.87	3.00	3.00		8	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197 50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10 248	35,98,333	29,968	Sarai Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	135.00	100	*Nil*	8.00	11.00		12	Y.P.
£1,871,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.98	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	16.31	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	8,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	75.50	100	*Nil*	*Nil*			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26 00N	10	1.80	1.80	1.80		12	Y.P.T.
79,09,100	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	12.00	10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
6,00,000	5,82,678	14,95,136	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.50	10	1.00*	1.428	1.20		8	Y.
20,00,000	64,15,230	71,67,928	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	42.37	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,48,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co. Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd	Shivrajpur Syndicate	35.00	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 18.50N	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y.
CHEMICAL														
24,00,000	..	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	83.00	100	..				12	Y.P
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	205.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	43.50	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	282.80	100	12.00	12.00	9.00		12	Y.P.
89,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	488.00	100	12.00	12.00	12.00		12	Y.
1,25,45,900	68,84,606	1,60,85,951	77,12,538	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	103.00	100	7.00	7.00	10.00		8	Y.P.T.
1,25,00,000	54,11,749	1,18,37 942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	452.50	100	*Nil*	*Nil*	8.00	12.00	8	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	31.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	160.00	50	10.00	*Nil*	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	116 00	100	4.00(c)	*Nil*	6.00		8	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.93xd	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Matatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	470.00	100	*Nil*	6.00	6.00	7.00	8	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	315.00	200	20.00	25.00	25.00		8	Y.
80,01,535	24,37,965	1,56,17,778	81,56,950	15,829	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.00cd	10	0.88	1.25'C'	1.25		3	Y.P.T
24,81,220	10,47,778	55,45,879	48,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.25	10	0.50	1.00	1.00		8	Y.
8,00,000	4,55,261	12,57,587	6,70,822	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00'C'	2.00		8	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	188.75	50	8.00	5.50	7.50	7.50	8	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	6.92	10	..	*Nil*	*Nil*		12	Y.
15,00,000	11,17,980	84,89,082	21,90,748	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	263.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	16 44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	220.00	100	..	..	*Nil*	*Nil*	8	Y.
2,51,96,000	59,67,561	7,09,65,786	5,29,10,886	3,571	Tata Industries Private Ltd.	Tata Chemicals	15.84	10Old	0.525	0.60	0.65		6	Y.P.T.
18,00,000	2,92,249	21,75,764	7,74,231	56,848	P. Krishnamoorthy Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	24.50	10	1.00	1.50	2.00		8	Y.P.
25,20,000	....	8,87,362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-chemical Ind:	95.00	100	*Nil*	*Nil*			12	Y.
14,81,250	....	5,72,958	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	185.00	100	..	..	*Nil*		12	Y.
ELECTRIC (BOMBAY)														
3,74,78,395	1,47,38,524	16,04,61,688	4,52,57,864	422	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.50	100	0.75	7.00	7.00		8	Y.T.
81,56,250	26,20,222	2,58,78,938	68,34,928	13,52,834	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.04	10	0.90	1.00*	0.90		8	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,030.00	1,000	80.00*	85.00*	80.00*	80.00*	8	Y.P.T.
1,75,00,000	99,08,640	461,03,740	1,11,07,816	4,522	Killick Industries Ltd.	Bombay Suburban Electric Supply	103.50	100	7.50	8.00	8.50		8	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.60	0.66	0.72		8	Y.T.
48 30,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	8.00	9.50	8.25		8	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	12,075	Killick Industries Ltd.	Surat Electricity	97.50	100	7.00	7.50	8.00	8.00	8	Y.P.
2,40,00,000	1,39,56,841	9,29,64.314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	113.00	100	8.00*	8.50*	8.00*	8.00*	8	Y.P.
5,15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,117.50	1,000	80.00*	85.00*	80.00*	80 00*	8	Y.P.
West Bengal and Other Centres														
19,99,600	49,57,888	1,79,22,870	42,68,962	47,416	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	125.00	100	10.00	11.00	11.00		8	Y.T.
8,00,000	15,46,067	65,82,610	24,21,818	24,187	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10		8	Y.T.
17,00,000	48,76,469	1,78,08,855	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.00	10	1.00	1.10	1.10		8	Y.T.
5,91,485	6,92,059	24,08,757	12,04,489	89,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		8	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,968	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.12	£1	7%	7½%	7½%		8	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		8	Y.
48,20,000	27,18,468	1,05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00		8	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Meonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	*Nil*		8	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,578	32,598	Martin Burn Ltd.	Jubbulpore Electric Supply	11.00	10	0.93	1.00	1.00		8	Y.
5,82,390	4,52,585	37,46,515	18,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	11.75	10	1.00	1.25			8	Y.
85,07,880	40,44,800	1141,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.44	10	0.75	1.00	1.00		8	Y.T.
9,10,000	2,56,804	15,86,888	6,29,467	5,842	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.50	10	0.50	0.625	0.625		8	Y.
16,80,000	14,98,612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	8.87	10	0.75	1.00	0.90		8	Y.T.
69,99,960	28,97,866	2,22,90,594	74,27,824	11,885	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.15cd	10	0.90	0 90'C'	0.90		8	Y.P.T
5,00,000	12,50,896	57,75,615	18,66,448	86,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35		8	Y.
56,00,000	78,01,918	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	125.00	00	10.00	11.00	11.00		8	Y.T.
8,00,000	11,41,474	46,63,814	18,15,572	3,84,018	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	14.60	10	1.00	1.50	1.429		8	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	340.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	110.00	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,98,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	181.00	100	18.00*	18.00*'C'	18.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	200.00	100	10.00	*Nil*	4.00		4	Y.P.
60'00,000	1,08,98,455	2,46,93,330	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	175.50	100	18.00	18.00'C'	18.00		6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,38,658	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	96 50	50	5.00	4.00	5.00		8	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	175.50	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.76	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,824	1,36,58,867	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	52.00	25	8.00	2.50	2.50		7	Y.
48,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	23.50	10	1.00	0.90	1.10		6	Y.
87,50,000	49,67,710	1,14,26 696	38,15,988	88,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	41.00	10	1.00	1.43	1.60		8	Y.
15.00.000	4,58,946	25,18.944	6,77,694	5,683	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50		8	Y.P.
1,10,00,000	43,23,121	1.50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	29.10	10	1.25	1.80'C'	1.80	1.40	8	Y.P.
5,28,000 15,50,000	1,28,036	1,08,47,668	28,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg.Director)	Lakshmiratan Eng.	— 3.50	10 5	*Nil* *Nil*	*Nil* *Nil*	.. ..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 7.00	10 10	.. ..	.. ..	*Nil* *Nil*		11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.60	10	1.25	1.25	1.50*		10	Y.P.
80,00,000	78,422	46,82,025	16,73,677	40,424	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	..		8	Y.P.
11.00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	155.00	100	*Nil*	10.00			7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	26.55	10	1.00*	1.20	1.20	1.20	8	Y.P.
57,50,000	42,81,615	1,28,07,888	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	176.25 116.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00		6	Y.
15.55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	86.00	50	4.50	6.00	6.50		8	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	233.00	100	9.00	12.00	9.00	9.00	8	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	155.50	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,88,938	48,88,895	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	121.25	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	147.50	75 Old	6.80	9.72'C'	10.86*		8	Y.P.
7,99,97,300	2,88,57,408	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	331.00	100	9.00	12.50	14.50		8	Y.P.T.
19,81,000	3,85,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	620.00	100	14.00	18.50			5	Y.
32,04,980	18,88,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	44.50	10	3.00	8.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handeo, Esq. (Mg. Director)	Voltas Ltd.	273.50	100	13.00	13.00	14.00		8	Y.
70,00,000	....	10,49,952	4,291	23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	16.52	10	..	..	*Nil*		6	Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	13 00	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	31,83,221	1,08,57 977	71,22,125	47,000	M.	Bhartia Electric Steel	12.62	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	11.37	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.00	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	8.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,685	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.65	10	0.60	*Nil*	*Nil*		8	Y.P.
50,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.06	10	1.00	1.00	1.00		12	Y.P.T
15,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	50.00	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	674.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00 000	12,29 727	65,44,625	11,79 153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	16.50	10	..	0.50	1.50	1.50	8	Y.
1,00,00,000	12,88,028	1,89,66,744	10,15,006	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*			8	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,778	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.64	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.87	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	38.19	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	111.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12.44,08.990	24,26,37,632	81,16,88,664	17,34,44.848	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	26.00	10	1.00	1.50	1.60	0.80§	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	34.25	10	5.00	7.125	7.125		3	Y.P.
96,53,160 26,580	2,72,58,534	2,24,87.785	1.60,42,350	7,72,487	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	55.50 14.50	0.10 O. 1	1.62½ 0.16½	2.80 0.23	2.40 0.24		8	Y.
48,82,732	3,71,841	36,01,297	18,94,384	10 662	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.70	10	0.70	..	1.25		3	Y.P.
1,51,87,500	90,64,298	4,34,86,950	1,69,45,698	7,173	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.62	10	1.20	1.715	1.715		8	Y.P.T.
40,00,000	49,81,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.12	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.19	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.50	8	0.80'C'	0 80	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	3.47	2	0.20	*Nil*	*Nil*		6	Y.
49,96,000	13,58,898	1,44,34,142	86,32,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.06	10	0.75	*Nil*	*Nil*		8	Y.P.T.
60,00,000	24,06,948	76,55,140	24,16,813	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P.
6,00,000	15,56,099	31,20,671	20,15,012	15,603	The British India Corpn. Ltd.	Saran Engineering Co.	10.00	4	0.25	0.85	0.40		8	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.90	10	2.00	1.00	1.00		12	Y.P.T.
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	149.00	100	15.00	15.00	15.00		4	Y.

* Includes bonus. † Subject to taxation. X.B.EX Bonus 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	12.00	5	1.00	1.00	1.00		12	Y.
13,00,000	14,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	32 50xd	50	2.00	3.00			12	Y.
34 00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.17xd	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2 13,62 497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	23.24	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A. 6,60,535	2,94 22,392	19,77,64,200	....	3,78,571‡	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	69 50 70.00	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
15,99,270	40,70,395	1,05,96,078	....	89,231	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	10.28	8	0.80	0.80			12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	127.50xd	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	18.00	10	2.00	2.00	2.00		12	Y.
OIL														
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.84	Sh. 1½	*Nil*	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	T. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56 15,353	1.15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	26.56	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	75.50	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	23.25	10	2.20	3.00	3.50		10	Y.
PAPER														
39,95,000	17,09,399	84,38,924	21,52,420	926	Jelly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	186.25	100	*Nil*	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	3.06	5	*Nil*	*Nil*	*Nil*		12	Y.P.
2,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,202	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	18.37	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,663	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	33.00	10	3.20	3.20	2.75		12	Y.P.T.
38,20,000	34,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	20 50	10	1.00	1.50'C'	1 30		3	Y.
25,00,000	*Nil*	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	83.00	100	*Nil*	*Nil*	*Nil*		3	Y.
1,39,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	7.75	10	....	....	*Nil*		6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivaananjappa, Esq. (Chairman)	Mysore Paper Mills	14.00	10	1.25*	1.50	1.50		3	Y.
1,46,82,500	3,51,36,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	40 25	10	1.50	2.25	2.25		3	Y.P.T.
2,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.95	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25 00	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	81,54,856	46,75,270	3.97,323	Bajoria & Co.	Star Paper Mills	10.00 10.00	O. 10 A. 10	0.30 0.30	*Nil* *Nil*			9	Y.P.
3,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.88	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,51,10,345	9,55,90,235	4,92,58,077	1,48,295	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	39.00 39.00 3.87	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.323		3	Y.P.T.
1,40,99,250	85,00,000	5,86,68,749	90,71,697	270,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	168.00	100	*Nil*	6.00	7.50		6	Y.P.
SAW MILLS AND TIMBER														
18,99,995	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.69	3	....	....	....			Y.
89,25,000 42,00,000	3,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co.	Bombay-Burmah Trading Corpn.	676.00 257.50	Old125 New50	28.75 9.50	37.50 15.00	41.25‡ 16.50			Y.
20,00,000	25,43,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.12	10	2.50	3.00	3.00			Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,53,465	34,35,427	20,76,488	2,709	B. Kanodia Esq. (Secretary)	Balrampur Sugar	2.50	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros., Ltd.	Belsund Sugar	10.06	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	13 00	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,632	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.31	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.50	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,674	British India Corporation Ltd.	Champaran Sugar	17.00	10	1.50	1.50	1 20		6	Y.
9,58,050	6,04,985	36,14,697	23.08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	*Nil*		8	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.12	10	2.00	0.40			8	Y.
60,00,000	1,03,00,000	2,34.88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.00xr	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	212.50	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,030	5.25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	Y.
13,39,275	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	180.00	100	18.25	20.00	20 00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,633	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P
20,00,000	3,64,500	26,21,410	15 54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	7.44	10	0.30	0.40	0 40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.19	10	1.20	1.25	1.00		10	Y.
11,99,750	33,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.62	10	*Nil*	*Nil*	*Nil*		6	Y.
39,99,609	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.12	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15 89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		8	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.06	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16 447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P
16,00,000	16,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			8	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	21.00	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	107.00	100	*Nil*	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	241.00	50	21.00	29.00	25.00		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	21.24	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	24.12	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.00	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2.043 269	£2,379,427	£1,292,143	£115.584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	39.87cd	£1	28 4/7%	21 3/7%	21 3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63 97,650	15,25,348	84,90 385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	9.25	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36 01,381	7,084	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.12	10	1.00	1.25	1.50		6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.T.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
67,50,000	67,14,141	1.69,19,566	75 61,441	9,49,827	M. L. Dabanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	163.00	50	21.00	21 00	17.50		9	Y.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3 00		6	Y.P.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director.)	Nizam Sugar Factory Ltd.	63.00	25	5.40	5.75	5.75		6	Y.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	103.50	50	13.50	12.00	9.00		9	Y.P.T.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	28.50	10	2.14	3.00	3.50		3	Y.P.T.
29,98,650 D-4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	56.00 30 00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	19,90,000	71,92,482	36.48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	6 93	10	1.00	1.00	0 75		7	Y.P.
1,50 94,390	1.30,61,083	4,60,82,521	.83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	162.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	106.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	-14,61,710	Technical Services (Private) Ltd.	Automobile Products	8.60	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	107.50	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 30,05,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 85.00	100 65	..	20.00 10.00	45.00 22.50		3	Y.
25,00,000 9,37,500	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	126.00 125.00	100 100	5.00 ..	8.10 2.70	9.50 4.50		3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	187.50	100	*Nil*	*Nil*	7.50		6	Y.
14,97,350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Manilal Private Ltd.	Estrela Batteries	66.00	50	3.50*	4.50	5.00		3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.25	20	2.00	2.50	2.50		3	Y.
75,20,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	64.00	50	..	..	*Nil*		12	Y.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	176.25	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	60,57,845	24,11,651	8,20,848	16,714	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	209.50	100	7.50	11.00	13 00		3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Serine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	111.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	16.92	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49 78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	46.00	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	200.00	100	15.00	17.00	17.00		3	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	89.50	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	75.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	115.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	135.00	100	3.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	88.00	100	9.00	8.00	*Nil*		11	Y.
12,50,300	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	158.75	100	9.00	13.00	13.00		3	Y.
11,25,100	3,62,000	15,63,419	5,10,535	4,707	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	117.00	100	6.00	10.00	12.00		3	Y.P.
36,35,000	56,03,454	90,21,902	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	*Nil*		12	Y.P.
18,78,375	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	233.75	75	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	186.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	128.50	100	9.00	9.00	9.00		6	Y.P.
4,73,200 5,13 400	1,96,985	30,00,499	10,28,466	29,918	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4 50		3	Y.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	136.00	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	196.25	100	14.00'C'	15.00	15.00		6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*			3	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00		3	Y.
42,000 22,29,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	75	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5 11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	275.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hashara Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.44	10	1.00	1.20	1.20		3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.90	10	1.25	1.80	0.90		3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	21.75	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.22	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	29.50	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	29.62	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00N	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	244.50	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	31.60	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
45,97,020	72,69,286	1,48,96,874	60,07,677	2,84,279	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	43.25	10	1.40	2.50	3.00*		3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.00	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	22.00	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.00	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	39.62	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	160.00	100	14.00	14.00	14.00		12	Y.P.
27,56,355	1,76,30,094	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	56.62	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	126.00	100	14.00	14.00	14.00		12	Y.P.
12,49,250	....	4,92,055	6,366	33,611	M.	East Anglia Plastics (India) Ltd.	17.75	10	..	..	*Nil*		3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	11.00	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	250.00	100	17.00	17.50	20.00		3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.20	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	5.62	5	..	..	*Nil*		6	Y.
65,00,000	39,28,753	31,81,679	17,28,900	1,92,551	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	14.62	10	1.00	1.00	1.10		3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	35.44	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director)	Goodyear India Ltd.	45.50	10	..	..	*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	231.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26 139	Birla Brothers Private Ltd.	Hindustan Motors	20.36	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Plikington Glass	20.44	10	1.20	1.20	1.20		10	Y.
40,00,000	....	1,00,469	....	....	Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	15.12	10	..	..	*Nil*		3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,953	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.25	10	0.60	0.80	0.90		3	Y.
8,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	36.94	10	1.20	1.50	1.50		12	Y.P.T.
2,35,77,700	2,29,18,801	3,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	35.87	10	1.50*	2.25	2.25		3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	44.50	10	1.50	1.50	1.50		9	Y.
29,93,375	1,06,104	54,89,157	21,21,520	3,633	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	20.31	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.31	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	84.00	100	5.00	7.00	7.00		3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.50	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.25	10	2.75	2.75	2.75		9	Y.P.
10,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	24.12	10	3.00	3.00			12	Y.
40,00,000O. / 5,00,000D.	78,79,891	31,96,009	13,63,603	2,18,917	M.	McLeod & Co.	180.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00			12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	64.75	10	1.75	2.50	2.50	2.50	3	Y.P.
20,00,000	7,90,391	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00		3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.50	10	1.60	2.00	2.50		3	Y.P.
10,00,000	3,23,080	20,39,182	12,41,906	11,453	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.50	10	1.25	1.00	*Nil*		3	Y.
90,00,000	1,60,09,310	1,39,45,356	57,73,861	50,820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	29.56	10	2.00	2.50	2.50		3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	30.50	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	20.75	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.37	10	0.85	*Nil*	0.65		12	Y.I.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	12.44	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.60	75	6.50	6.50	6.50		12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,31,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.00	1	0.20	0.30	0.20		3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	30.00	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	24.81	5	..	..	*Nil*		3	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	*Nil*			12	Y.
36,80,738	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	162.00	100	*Nil*	4.00	8.50		3	Y.P.
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	15.06	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 / 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.80cd / —	10 / 7.50	1.50 / ..	1.30 / 0.225	.. / ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.50	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.27	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.62cd	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.00	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.80	10	0.60	0.60	0.70		12	Y.
11,56,300	16,45,653	14,00,718	7,70,662	91,515	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	31.00cd	10	2.75	3.25*	1.50		9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	277.00	100	10.00	10.00	10.00		7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	7.75	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	48.00	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	80.60	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	32.00	10	5.25	3.50	1.00		11	Y.
31,46,200	27,60,459	1,02,78,928	35,59,149	6,384	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	190.50cd	100	10.00	10.00	12.00		3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.50	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 / 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.08 / 6.00	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	63.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	7.00	10	1.00	1.00	*Nil*		3	Y.P.
1,28,19,293	11,13,95,184	38,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	12.24	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 / P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.31 / 2.25xd	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.06	10	1.50	1.00	1.25		3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	23.62	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.50xd	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	344.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	18.00xd	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	4.00	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.50	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.31	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,32,979	82,38,293	31,00,614	1,11,870	Hindustan Investment Corpn. Ltd.	Central India	11.62	10	0.50	0.80	1.00		3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	5.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	6.12	10	*Nil*	*Nil*			12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	50.62	£1	1.25	1.00	2.00		4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	28.25	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	11.00N	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	39.25	50	*Nil*	*Nil*	*Nil*		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	*Nil*	*Nil*			12	Y.
20,00,000	7,64,717	45,86,822	12,93,682	40,019	Bird & Co. Private Ltd.	Karanpura Collieries	20.00	10	5.00	7.50	10.00		2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	43.12	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	13.25N	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	6.25	10	1.00	0.75			12	Y.
31,67,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	22.00	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1 57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	18.50N / 16.25N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	18,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	17.00	10	0.62	0.125			12	Y.P.T.
15,75,000	23,34,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	17.50	10	1.00	1.00	1.00		3	Y.
23,99,500	39,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	15.00	10	1.00	1.50	1.70		3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	27.50	10	1.00	2.00			12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	7.75	10	0.70	1.00			12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.P.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	3.00	3.00		12	Y.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7.00xd	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.00	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	9.06	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	14.25xd	10	1.50	1.50	1.00		12	Y.
3,50,000	3,12,000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	*Nil*	*Nil*			12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	10.31	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37N	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 / 40,78,300	26,38,220	12,942	Andhra Bank	94.40 / 85.00	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	100.00	50	7.00	8.50	8.50	4.00*i*	12	Y.
2,50,00,000 / 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	118.50 / 120.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	4.00*i* / 4.00*i*	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	65.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	80.75	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16xR	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 / 'B' 16,00,000 / 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 16.75 / 1.18	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡		12	Y.P.
2,62,50,000 / 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	65.00 / 66.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	2.40*i* / 2.40*i*	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	55.00	50	2.52	4.38	5.50	2.00*i*	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	21.05xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.25	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	28,889	Hindusthan Mercantile Bank	15.00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 / 25,19,374	60,60,000 / 28,60,000	1,48,636	Indian Bank	176.00 / 172.00	100 / 100	15.00‡ / 12.00‡	15.00‡ / 12.00‡	15.00 / 13.50		12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	162.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.36	10	2.00	2.00	2.00	1.00*i*	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	358.75	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.40	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	89.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.37	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-15-1½	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16⅜	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-13-4½	sh.15*	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30 00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	98.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co. Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	83.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40 000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20 00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5¾	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October	(Calcutta Tramways)	1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.15	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	92 50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	97 00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98 00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99 00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.50	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95 00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95 00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 on wards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 2nd August 1962.

	Closing quotations 26-7-1962 Rs.	High Rs.	Low Rs.	Closing quotations 2-8-1962 Rs.
TEXTILES				
Ahm. Adv. (100)	170.50	—	—	170.50
Apollo (2)	2.24	2.58	2.24	2.46
Baroda Rayon (100)	137 00	143 00	138.00	142 50
Bombay Dyeing (25)	67.20	68.60	66.70	68.20
Bradbury (50)	185.00	186.25	184.50	186.25
Central India (100)	140.00	153.00	137.00	153.00
Century Mills (100)	610.50	637.50	613.50	636.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	165.00	175.00	164.00	172.00
Edward Textile (200)	349.00	—	—	349.00
Elphinstone (50)	113.00	117.00	110.00	115.00
Finlay (100)	305.00	315.00	303.00	313.00
Gokak (100)	192.00	196 00	190.50	194.00
Gold Mohur (100)	231.25	240 00	231.25	240.00
Gwalior Rayon (10)	59 50	63 00	59.20	62 00
Ind. Untd. Defd. (1)	3.42	3 52cd	3.26xd	3 32xd
Ind. Untd. Ord. (10)	23 76	24 28cd	23.20xd	23 40xd
Indian Rayon (100)	103 50	106 50	103.00	106 00
Indore Malwa (100)	178 00	178 00	176.00	178.00
Khatau (100)	462.50	477.50	460.00	475 00
Kohinoor (100)	301 00	317 00	302.00	315 50
Mafatlal (100)	805.00	826.25	802.50	826 25
Minerva Mills (100)	85 00	85.00	82.00	82.00
Model Nagpur (250)	130.00	131.00	125.00	125.00
Morarji (100)	400 00	425.00	398.00	419.00
Mysore (50)	61 30	63 00	61.30	63.00
National Rayons (100)	498.00	522.50	499.50	521.50
New City (100)	181.00	—	—	181.00
New Great (100)	280.00	282.00	280.00	282.00
Phoenix (100)	251.00	259.00	249.00	257.50
Podar Mills (100)	133.00	135.00	133.00	135.00
Raymond Woollen (100)	141.00	141.00cd	135.50xd	136.00xd
Sassoon Silk (10)	14 88	—	—	14.88
Sassoon Spg. (10)	58 00	56.00	54.50	56.00
Shrinivas (100)	263 00	274 00	263.00	272.00
Simplex (50)	163 00	170 00	164.00	169 50
Standard (100)	858 00	942 00	868.00	942.00
Svadeshi (100)	266 75	275 00	267.00	273 50
Swan (100)	290 00	292.50	290.00	292 50
S. I. Viscose (100)	168 00	171.00	168.00	170.00
Tata Mills (25)	63 50	66.50	63.00	66 20
Lakshmi-Vishnu (100)	134.50	—	—	134.50
Western India (250)	860.00XR	—	—	860.00
BANKS				
Bank of India (50)	118 00	119.00	117.50	119.00
Do. (New) (50)	119 00	120.00	118.50	120.00
Bank of Baroda (50)	99.00	101.50	100.00	101 00
Central (25)	64 50	65 00	64 00	65 00
Central 'A' (25)	66.00	67.00	66 00	67 00
Dena Bank (50)	59.00	59.00	55.00	55 00
Punjab National (10)	20 36	20.60	20.36	20.60
Union Bank (5)	6.48	—	—	6 40
United Com. (50)	89.00	—	—	89.00
Maharashtra (50)	65.00	66.00	65.00	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.50	96.00	92.50	95.80
Amalgamated (10)	10.12	—	—	10 04
Andhra Valley (1,000)	1,030.00	—	—	1,030 00
Bom. Sub. El. (100)	104 00	104 00	103.50	103.50
Surat (100)	97 50	101.00	98.00	101.00
Tata Hydro (100)	112 50	113 00	112.50	112.50
Tata Power (1,000)	1,125.00	1,123.75	1,117.50	1,122.50
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile (40)	58.00	—	—	58.00
New India (15)	68 50	70 00	68.50	70.00
New India 'A' (15)	70 00	—	—	70.00
Vulcan (10)	18.00	—	—	18.00
STEEL COS.				
Ind. Iron (10)	25.80	26 55	25.85	26.45
Mukand Iron (10)	25.75	26 75	25.75	26.75
Tata Steel Ord. (75)	147.00	149.00	145.50	148.50
SUGAR COS.				
Belapur (50)	238 50	250.00	238.00	250 00
Bhopal (10)	21.24	—	—	21 24
Changdeo (12.50)	24 12	—	—	24.12
Maharashtra (50)	162 00	165 00	159.00	165.00
Phaltan (50)	101.50	109 00	101.50	107 00
Walchand Ind. (100)	160.00	164.00	160.00	163.00
CEMENT COS.				
Associated Cts (100)	154 00	158.75	154.25	157.50
Digvijay (100)	193 00	197 50	193.00	197 00
Orissa (10)	17.32	17.68	17.20	17.68
MISCELLANEOUS				
Alcock Ashdown (100)	324 00	342 00	324.00	340 00
Amar Dye-Chem (100)	278 75	290 00	278.75	288.75
Bom. Burmah (125)	655 00	678 00	657.50	673.00
Do. (New) (50)	256 00	260 00	253.75	260.00
Br. B. Petrol (1½ sh.)	2 80	3 24	2.80	2.92
Br. I. Corpo. (5)	8 76	—	—	8 76
Cooper Eng. (100)	178 50	182 00	178.50	182 00
Colour Chem. (100)	437 50	462 50	438.75	460 00
Hind Cycle (100)	45 25	46 50	45.25	46 50
Hindustan Lever (10)	111 00	—	—	111 00
Hindustan Motors (10)	19 96	20.56	20.04	20.08
I. C. & Invest. Corporation (100)	89 50	—	—	89.50
Indian Dyestuff (100)	452 50	492 50	455.00	487 50
Indian Copper (2 sh.)	4 90	5 04	4.90	5 04
Ind. Inv. Tr. (100)	75 00	—	—	75 00
Killicks (100)	86 50	89 50	86.00	89 50
Larsen & Toubro (10)	27 85	30 00	28.00	29.70
Mahindra & Mahindra (10)	17 48	18 00	17.48	17.76
New Central Jute (10)	15 76	15 80	15.76	15 80
Polychem (50)	191 25	191 25	180.00	187.50
Polson (100)	186 00	187.00	186.00	187 00
Pre. Automobiles (100)	126 00	129 00	126.00	128 00
Premier Con. (50)	152 00	159 50	153 00	157 50
Scindia (20)	11 72	12 32	11.76	12 16
G. E. Shipping (10)	12 08	12 48	12 08	12.48
Shivrajpur (10)	33 50	35 50	33.75	34 50
Sirpur Paper (10)	14.12	14.20	13.88	13.88
Synthetics and Chem. (100)	215 00	227.00	214.00	226 00
Tata Chemicals (10)	15 24	16 16	15.32	15 96
Tata Locomotive (100)	322 00	336 50	322.00	333.50
Tata Oil (25)	73 50	76 00	72.50	75.70
Texmaco (10)	23 52	23.52	23.12	23.12
Voltas (100)	267 50	277.75	268 00	277 00
W. I. Match (100)	272.00	287 50	272.50	285 00
W. Coast Paper (100)	166 50	170.00	166.50	169.50

GOVERNMENT SECURITIES	26-7-1962 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	2-8-1962 Rs.
2½% 1962	99 55	—	4.10	99.55
2½% 1976	83.50	—	4 33	83 50
3 % 1964	98 70	—	3.49	98.90
3 % 1963-65	98.80	3.8[illegible]	3 34	98 95
3 % 1966-68	96.60	3.86	3.64	96 60
3 % 1970-75 1st Dev.	89 10	4.56	4 09	89.20
3 % 1986 Con. Loan	68.70	—	4.35*	69.00
3½% 1964 N. P. Loan	99.90	—	3.54	99.90
3½% 1965 N. P. Bonds	99 75	—	3 60	99 75
3½% 1967 N. P. Bonds	98 70	—	3.79	98.70
3½% 1974	99 20	—	3.83	99 20
3½% 1967 N.P. Bonds	99.50	—	3 86	99 50
3½% 1969 Loan	98.00	—	3 83	98 00
3½% 1968	98.15	—	3 85	98.15
3½% 1963 N.P. Bonds	99.95	—	3 54	99 95
3½% 1968 N.P. Bonds	99 40	—	3 86	99 35
4 % 1972 Loan	99.40	—	4 08	99 40
4 % 1973 Loan	99.20	—	4.11	99 20
4 % 1979 Loan	98 75	—	4 10	98 75
3½% 1966 Bonds	99.65	—	3 60	99 65
4 % 1980 Loan	98 75	—	4.11	98 70
4 % 1981 Loan	98 70	—	4.11	98.55
4½% 1985 Loan	100.25	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	97.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sept.	79.75	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	4.76xd	5
East India Distilleries C.	£200,000	1897	9.00	Jan. July	18.83xd	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec. ..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	60.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct. ..	11.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	77.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	51.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	115.00	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct. Apr.	80.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr. Oct.	96.50	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	6.25	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	81.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar. Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	80.00N	100
COTTON						
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr. Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	103.90	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov. ..	7.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	100.00xd	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	75.00xd	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	47.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan. July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	83.63	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	401.25	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec. ..	112.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June ..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July ..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	91.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	.. ..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	.. ..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan. ..	66.00	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	.. ..	70.00	100
New Great	8,00,000	1913	5.50	Mar. ..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb. ..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	.. ..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	87.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June ..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	7.00	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	92.04	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	91.27	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr. ..	460.00	500
ELECTRICS						
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May Nov.	985.00	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	.. ..	67.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	8.37	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept. Dec.	8.00cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50	Sept. Dec.	7.95cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May Nov.	98.00	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,025.00	1,000
Vellore C.	1,25,000	1928	4.00	Dec. ..	6.00	10
ENGINEERING						
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar. ..	12.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb. Aug.	109.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	99.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	84.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June ..	114.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July ..	45.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June Dec.	71.25N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	.. ..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May ..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	.. ..	73.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	.. ..	4.76	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov. ..	132.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May ..	103.00	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.§ July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	90.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	93.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	94.00	100
Barnagore C.	£200,000	1896	5.00	May Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June Dec.	81.50	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	90.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	90.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	70.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	87.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May Nov.	95.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	63.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	85.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	91.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	100.00	100
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	89.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	91.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	94.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	91.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley, T.F.C. (f)	7,50,000	1913	10.00	Mar. Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar. Nov.	78.25	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	64.50	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	27.00xd	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	88.00xd	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan. ..	90.00xd	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	88.00xd	100
Gielle C.	2,00,000	1894	6.00	Sept. ..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	90.00xd	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	86.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	84.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May Nov.	5.31	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	88.00xd	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	90.00xd	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	9.37xd	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	12.00xd	10
PLANTING						
Be Be Rubber C.	1,43,005	1944	6.25	.. ..	1.97cd	ƒ5
Do. R.C.	2,85,570	1944	6.25	.. ..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June ..	46.02xd	50
Coffee Lands C.T.F.	10,40,000	..	5.00	.. ..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	77.36	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	82.50cd	100
Highland Produce C.T.F.	3,00,000	..	6.00	July Jan.	6.78	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.65	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar. ..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	5.95	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov. ..	7.91	10
MISCELLANEOUS						
Alembic Chemicals (1st)†	5,00,000	..	6.25	June ..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June ..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	85.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	.. ..	93.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb. June	92.74cd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar. Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar. Sept.	48.00xd	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	97.00xd	100
Do. "B" T.R.C.	20,00,000	1948	7.00	.. ..	61.25xd	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug. ..	7.25	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb. Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb. ..	105.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept. ..	8.52	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	.. ..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec. ..	72.50	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June Dec.	106.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr. ..	75.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	56.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	47.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr. Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar. ..	188.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	.. ..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	76.34	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan. July	81.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	31.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr. ..	59.50	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May ..	55.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May ..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June Dec.	61.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	82.50	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	47.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	81.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb. Sept.	10.42	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June ..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	57.50	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar. Sept.	61.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan. ..	86.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr. ..	104.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr. ..	56.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb. Aug.	65.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan. July	7.20	10
Do. "B" C.	36,80,000	1922	8.50	Jan. July	10.25	10
Esso C.	75,00,000	1955	6.00	June Dec.	85.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	80.00	100
Tata Chemicals C.	59,97,000	..	7.14	June ..	86.30	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	63.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan. June	111.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan. July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 26th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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PROGRESS AT BRUSSELS

IF everything had gone according to plan at Brussels, the negotiations relating to Britain's entry into the European Common Market should have virtually concluded by the end of July last. As things have just turned out, no comprehensive agreement between Britain and the Six on the conditions governing the former's entry into the Common Market has been reached. The future farm price policy of the enlarged European Economic Community and the financial regulations of its common agricultural policy have been discussed but not settled. Britain's request for nil duties on a number of key commodities—aluminium, lead, zinc and newsprint—also remains to be discussed at ministerial level. But there has been no deadlock as such at Brussels, for a good deal of progress has in fact been made till the 5th instant. One of the outstanding problems in the negotiations has been resolved by the agreed offer to nearly all Britain's dependent territories of association with an enlarged Community on the same terms as the existing associate members. An outline of a considerable part of the negotiations as far as the Commonwealth is concerned has also emerged. Pending the next ministerial session to be held at Brussels in the first week of October, the forthcoming Commonwealth Prime Ministers' Conference in September will, therefore, have something useful to discuss. The provisional arrangements so far agreed upon between Britain and the Six relate to exports of temperate foodstuffs from Canada, Australia and New Zealand and exports of particular products from India, Pakistan and Ceylon into an enlarged Community. Whether these arrangements will be found acceptable to the Commonwealth Prime Ministers concerned and whether Britain will be able to take the whole Commonwealth with it are currently the most interesting questions. There can, however, be no precise answers to these questions pending the Prime Ministers' Conference. Much will depend on how official, as well as non-official, opinion develops, between now and September, in the respective Commonwealth countries on the proposed provisional arrangements.

The guess can still be hazarded that the Commonwealth question is not likely to prejudice the chances of Britain's entry into the Common Market. Already much ground has been covered in the process of giving satisfaction to Commonwealth countries. A general agreement in principle, for instance, has been reached between Britain and the Six on association for independent Commonwealth countries in Africa and the Caribbean, although a specific formula covering this remains to be worked out. This is in addition to the full agreement on the question of British dependent territories, whereby such territories or colonies, with the exception of a limited number falling into special categories (like Malta, Gibraltar, Hong Kong, Aden Colony and Protectorate, Basutoland, Swaziland and Bechuanaland Protectorates), are now immediately eligible for association on Britain's accession to the Community. It will thus be seen that the problems posed by six Commonwealth countries alone—Canada, Australia and New Zealand, on the one hand, and India, Pakistan and Ceylon, on the other—have presented difficulties so far.

Of these six Commonwealth countries, the first three, namely, Canada, Australia and New Zealand have been able to win some very important points in regard to their exports of temperate zone foodstuffs. One such point gained is that the enlarged Community shall shape its farm price policy in such a way as to afford reasonable export opportunities for producers outside. Another assurance given to these countries is that the consultation procedure, to be followed if major exporters in this category suffer a severe loss of trade during the transitional period, would be tightened up. Thirdly, an enlarged Community would commit itself to finding special solutions to New Zealand's problems arising from its heavy dependence on the U.K. market. Above all, the agreement on the objectives of geographically restricted arrangements on major foodstuffs in the absence of world-wide ones is also calculated to favour Canada, Australia and New Zealand. All these points won by the three Commonwealth countries represent a considerable movement by the Six from their starting position. Since a broad measure of agreement between Britain and the Six has been established on the various arrangements pertaining to trade in temperate foodstuffs, presumably in consultation with Canada, Australia and New Zealand, it may be supposed that these countries will raise no further serious objections.

The other three Commonwealth countries—India, Pakistan and Ceylon—have also won some concessions at Brussels. The most important of these is that there would be a nil duty on imports of tea. This will certainly be of great advantage to India and Ceylon, as tea represents 45 per cent of the former's and some 90 per cent of the latter's trade with Britain. In the enlarged Community's market for tea, it will thus be a question of competition between India and Ceylon on equal terms without any tariff impediments standing in their way. The elimination of the duty on tea from the common external tariff is a distinct gain to both the countries. The second concession given to the three countries is that there will be a nil duty on a number of products like cashewnuts in which India does a considerable trade, mango chutney, curry powder, some spices, handloom products, certain sports goods including cricket bats and polo sticks, and a number of tropical products. There will also be a suspension of duties till 1966 on cinnamon, pimento, capsicum and citronella. Many of these products, to which duty-free treatment will be given throughout the enlarged Community from the date of the U.K.'s accession, can, of course, be exported by India. But they will not be of much consequence except in the case of tea. But, if and when the Six agree to accord duty-free treatment, as asked for by Britain, to East India kips, coir mats and matting, certain heavy jute goods used for packing, and hand-knitted carpets, this country in particular will stand to benefit further. There is, however, no certainty, as of today, that these four items will be included in the category of products to be given duty-free entry. Likewise, there is uncertainty over the fate of items such as coffee, tobacco, and a number of tropical products, including vegetable oils, in all of which India is vitally interested.

These uncertainties apart, what has caused India the greatest concern is that the present common external tariff of the Community is proposed to be applied, in stages right from the date of U.K.'s accession, on a wide range of products like cotton textiles, jute goods, other manufactured goods and processed foodstuffs. This would mean, as Mr. Morarji Desai, India's Finance Minister, pointed out in his statement in the Lok Sabha this week, the emergence of new restrictions where none existed before in the U.K. market. In the case of cotton textile imports into the U.K., a fifth of the common external tariff is proposed to be applied on Britain's entry, a further fifth 18 months later, 30 per cent a year after that, and the final 30 per cent when the common external tariff applies throughout the Community. There is, of course, the guarantee here that the Community would "take without delay the necessary steps to restore the situation, if, as a result of the application of the tariff, exports were to show a drop in relation to the base level established for such exports to the enlarged Community." The occasion for applying this guarantee is likely to arise, for, as Lala Bharat Ram, Chairman of the Indian Cotton Mills' Federation, has pointed out in his statement this week, "not only will the volume of exports go down but our export earning per yard of cloth or pound of yarn will also go down by our having to reduce our quotations to the extent of the tariff." That India can be given special treatment, without prejudice to the interests of the Community's textile industry, has been convincingly brought out by Lala Bharat Ram in the following passages:

"It is really difficult to understand how continued imports of Indian textiles into Britain on a duty-free basis should cause any alarm to the E.E.C. countries, as our exports consist mostly of grey cloth in the coarse and lower medium categories which do not fall in the same superior class of goods manufactured by Western countries and hence do not offer any real competition to them...

"In any case, no country, much less the E.E.C. countries, need have any fear of their markets being swamped by imports of Indian textiles, as, due to the rising domestic standards of living, our exportable surplus is strictly limited. The third Five-year Plan puts the target of exports for 1966 to all destinations at no more than 800 million yards and the attainment of even this modest target depends on our ability to reach, by 1966, a production of 9,300 million yards from the present figure of 7,700 million yards. Furthermore, our exports to Britain are already regulated by an agreement."

As for jute goods, the common external tariff is to be applied by Britain "progressively at the normal speed." It has also been agreed between Britain and the Six that the enlarged Community must develop a common policy on jute. How these special arrangements are going to be worked out is not clear yet. In the case of other manufactured goods and processed foodstuffs, the provisional agreement has laid down that the common external tariff would be applied in five stages. These steps are: 15 per cent on Britain's accession; 15 per cent on 1st

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July 1965; 20 per cent on 1st January 1967; 20 per cent on 1st July 1968, and the final step on 1st January 1970. It will be seen from the provisions regarding cotton textiles, jute goods, other manufactured goods and processed foodstuffs that the Six have rejected Mr. Morarji Desai's plea for which there was British support. The Indian Finance Minister, it may be recalled here, had urged, during his recent visit to Europe, that consideration be given to the idea that Indian exports should pay no duty or only a token duty, at least in Britain, until such time as trade agreements had been concluded. But the Six have chosen to apply the common external tariff from the beginning, albeit in stages, to the aforesaid products on the specious ground that it would help the Indian economy to develop and become fully competitive.

The only remaining hope for India, Pakistan and Ceylon is held out by the provision for comprehensive trade agreements between the Community and the three countries, at the latest by the end of 1966. The objective of these agreements has been defined as "the development of mutual trade for the purpose of maintaining and, as much as possible, increasing the level of the foreign currency receipts of these countries and, in general, facilitating the implementation of their development plans." Tariff policy, quota policy and export policy will figure in these agreements which could also include other measures, such as the promotion of private investments, the development of financial relations and the provision of technical assistance. Now that something has been gained, it is for the Union Ministry of International Trade to begin straightaway preparations for future negotiations directly with the enlarged Community. Any such agreement, as Mr. Morarji Desai has strongly urged, should take into account four most relevant factors, namely, the large volume of India's current duty-free exports to Britain, the importance of bridging the gap in India's trade with the Community, the undesirability of discrimination between one developing country and another, and the G.A.T.T. Declaration on the Trade of Developing Countries adopted last year. A special trade agreement between India and the E.E.C. on these lines may enable this country to make on the roundabouts what has been lost on the swings.

MR. NANDA STRIKES A NOTE OF REALISM

AN unusually realistic note was struck by Mr. G. L. Nanda, Union Minister for Labour, in his speech at the twentieth session of the Indian Labour Conference held at New Delhi this week, in refreshing contrast to his speech at the last annual meeting of the All-India Organisation of Industrial Employers at New Delhi a little over three months ago. His forthright remarks about the challenges and problems of labour in the country were well-balanced. They show that, on certain occasions, Mr. Nanda can be objective, successfully overcoming his passion for serving the cause of workers, and view the interests of industrial labour against the background of general economic conditions in the country. The deliberations of the Labour Conference have come to have a profound influence on industrial relations and cover a wide range of questions touching directly and vitally employers, workers and the community in general. Mr. Nanda knows that his attitudes to and opinions about specific questions would affect the tone and direction of the discussions as also the conclusions reached at the Conference. This explains the emphasis he placed on certain vital aspects of labour policy in the country.

The emphasis laid by Mr. Nanda on higher production and productivity is a typical instance of the realism that characterised his opening address to the Conference. Industrial wages have to be viewed in the wider perspective of economic development and not merely from the standpoint of giving a decent standard of living to workers. The former requires that wages should be fixed in relation to production and productivity. But in this country, for obvious reasons, the abstract concept of social justice has often prevailed in wage determination. Mr. Nanda's observations should put the issues in the proper perspective. He categorically and rightly stated that no amelioration of the lot of the masses, in any real and enduring sense, was possible without a very substantial increase in the total output of the nation. In other words, if the working class and the rest of the community similarly situated are to move rapidly towards the attainment of a reasonable standard of living in conditions of full employment and price stability, there would have to be a very large increase in production as well as in the levels of agricultural and industrial productivity throughout the economy. He underscored the compelling need for these prerequisites in the following eloquent words:

> "Without this, no persuasion or pressure, no resolutions however cogent and no amount of agitation or industrial conflict can bring within the reach of the working class as a whole the levels of living to which they are entitled as human beings and as partners in the economic activity of the nation. There is no escape from the challenge which is inherent in the economic situation of the country and which, in concrete terms, is at present related to the successful implementation of the third Five-year Plan. On that depends the realisation of its target of employment, inadequate as it is, and the promise of a modest improvement in living standards of the people. The Plan has reached a difficult stage in its course. It is important that the resources needed for carrying it out are raised. It is even more essential that the most effective use is made of the available resources so that every unit of investment yields the largest possible output and return. Granting that all the foreign aid envisaged in the Plan will come to us, we are still faced with a constant struggle to meet our total obligations in respect of the imports which we cannot do without. We must, therefore, develop our competitive capacity to enlarge our share in the export markets. The costs of production, therefore, should not be allowed to rise. They should be brought down."

In a country where there is widespread unemployment, there is an apparent conflict between the interests of those who are already gainfully employed and those who are unemployed. In terms of practical policy, the issue boils down to one of higher wages *versus* more employment. Consideration of the possibilities of raising the wage levels cannot be divorced from the need for expanding employment opportunities. Mr. Nanda did not indicate how these two conflicting interests could be reconciled. He did emphasise, of course, that consumption standards of those for whom jobs were available had to be adjusted to the need for securing genuine savings for the purpose of investments at a level which could help to absorb, in course of time, the whole of the labour force in productive occupations. But he did not make it clear how the adjustment could be made in practice. Is he suggesting that this should be done through restraint on wages until such time as investment increases sufficiently to absorb all the unemployed? In other words, is he recommending a wage pause? Or is he suggesting that there should be controls on prices and distribution at the consumer end? Or does he want both the means to be tried simultaneously? If so, are they acceptable to the public? How we wish Mr. Nanda had elucidated his statement!

Few will disagree with Mr. Nanda's insistence that the achievement of high levels of production should be the most immediate and most important aim. For this it is necessary that employers and workers should jointly explore every possible avenue of increasing productivity and make a dispassionate, continuous and systematic study of all the factors that hamper the maximisation of output, including workers' participation in management in the limited sense the Government has been advocating it. Mr. Nanda believes that it should be possible for workers of the country to bring this about provided they are imbued with enthusiasm and possess the determination to make their best contribution. But this will be forthcoming, according to him, only if the requisite conditions are created and the well-being of workers as producers takes precedence over other things. Workers' welfare has thus a functional aspect. Another condition for generating enthusiasm among workers is, according to Mr. Nanda, again, a sense of assurance that they are getting a fair deal as an incentive for playing their part well. All this sounds perfect on paper but will prove a complicated problem when one attempts to translate it into action. From the political angle, there are some politicians who are bent upon creating disaffection between workers and employers in order to serve their goals. From the economic angle, there are serious limitations to what an employer can do in an economy where price stability is lacking and population pressure is high.

Mr. Nanda seems to imply that a need-based minimum wage for each and every worker can be taken as a fair deal. A rough calculation indicates that the wage bill will have to be increased by a minimum of 20 to 25 per cent and a maximum of 40 to 45 per cent to ensure the minimum wage required for reaching the standard recommended by the Indian Labour Conference. If this minimum wage were to be made applicable to all sections of the working population, including agricultural labour, it would call for an increase in national output of about 60 per cent over and above what is envisaged in the third Plan. Clearly, this is impossible. And it is, therefore, futile to bargain for a need-based minimum wage for a long, long time to come. Accordingly, the non-payment of such a wage does not mean that labour has not been given a fair deal. It is sheer common sense that, if frustration among workers is to be avoided, they should not be led to expect things that are not feasible. So politicians and trade union leaders would be making a substantial contribution to harmonious industrial relations if they desisted from equating a need-based minimum wage with a fair deal to workers.

An issue which has a direct bearing on production is stoppage of work due to industrial disputes. Although there has been a progressive decline in the number of man-days lost since 1958, strikes and lockouts still constitute a major source of production loss. The number of man-days lost in 1961 was 4.8 million. The country, as Mr. Nanda rightly pointed out, cannot afford the loss of even a single day's production and no price is too much for preventing it. The Union Labour Minister was hopeful that the man-days lost would decline to 2.4 million by the end of the third Plan. But this calls for a closer adherence to the Code of Discipline and more faithful observance of its provisions. Since, of late, there is a tendency for strikes and work stoppages to occur more frequently in the public sector undertakings than in the private sector, a solution to the problem seems to lie primarily with the former sector.

Mr. Nanda was understandably concerned at the poor progress of the scheme of workers' participation in management. He regretted that some resistance to the scheme had been developing of late. He averred that there was nothing radical about the scheme. It had three main ingredients, namely, supply of information to workers about the working of the concern, consultation with workers regarding major developments in the enterprise and association of workers with management of certain welfare activities. None of these, in his view, "can cause pangs of conscience even in countries which are not committed to socialist ideas." He is right, of course, in this contention. Why then has the scheme not made much headway? A closer look will show what is wrong with it. Simply, the atmosphere is not conducive to the working of a scheme, limited though it is in scope, which calls for a spirit of understanding and responsibility from both management and workers. How is one to expect these conditions to prevail when there is unhealthy trade union rivalry and when a good part of workers in this country is under the influence of political parties which do not have any faith in private enterprise and which think that the business community deserves to be liquidated?

Moreover, it is an emotional and not functional role that is assigned to the scheme. The Union Labour Minister thinks that his solution will provide a temporary solace to workers, who cannot hope to gain large material benefits immediately, by giving them a sense of participation in that activity which forms the foundation of their well-being and their family. Experience in other countries, however, has shown that workers are more concerned with their material gains than with the emotional satisfaction supposed to flow from association with management. Enough evidence has not accumulated in this country to show that Mr. Nanda's reading of human nature is right. Nevertheless, one cannot afford to sit with folded hands in the hope that the problem will somehow solve itself. Employers have to recognise that there is a new social ferment in the country and that, unless they endeavour to channel it along right lines by taking positive steps, they will one day be overwhelmed by it. The basic objective of Mr. Nanda's policy is to prevent this from happening. They must, therefore, co-operate with him and find out workable ways and means of carrying the workers with them.

MARKET GOSSIP

Fourteen States to Borrow

THE terms of State loans announced this week—*vide* page 232 of this journal—are in keeping with market expectations. It was obvious even when the Central Government issued a 4½ per cent loan repayable 23 years hence (that is, 1985) that the States would have to offer the same rate of interest with a slightly higher redemption yield, though the maturity of their loans would be shorter. Accordingly, the values of existing State loans started adjusting themselves to a higher yield basis. It was also clear from the States' budgets that the total amount required by them this year would be substantially greater than last year, that is, in the neighbourhood of Rs. 100 crores. The State loans announcement, therefore, contained no element of surprise.

All the States of the Indian Union, except Jammu and Kashmir, are now in the market. The total amount sought by them is Rs. 93.50 crores. Maharashtra and Madras are the heaviest borrowers, the former requiring Rs. 12.50 crores and the latter Rs. 12 crores. They are followed by Andhra Pradesh which wants Rs. 10 crores, Uttar Pradesh Rs. 9 crores, Orissa and West Bengal Rs. 7 crores each, Mysore and Gujarat Rs. 6 crores each, Madhya Pradesh Rs. 5 crores, Rajasthan Rs. 4.50 crores, Bihar and Kerala Rs. 4 crores each, Punjab Rs. 3.5 crores and Assam Rs. 3 crores. As usual, the State Governments have reserved their right to retain subscriptions upto 10 per cent in excess of the notified amount. Considering the great need for funds by all the State Governments, there is no doubt that they will exercise this right. Consequently, if the response is quite good and every State loan gets oversubscribed at least by 10 per cent, if not more, the total offtake by these Governments may well be Rs. 102.85 crores. At any rate, it looks as though the States will have borrowed this year about Rs. 100 crores, as anticipated earlier.

Subscriptions will be in both cash and maturing loans. The position of the latter is as follows:

Maharashtra Rs. 7.99 crores; Madhya Pradesh Rs. 1.02 crore; Madras Rs. 3.01 crores; Uttar Pradesh Rs. 1.86 crore; and West Bengal Rs. 1.75 crore. Total of maturing loans: Rs. 15.63 crores.

It will be noted that Maharashtra, which has taken over the outstanding obligations of the bilingual Bombay State, has heavy repayments to make and, if allowance is made for them, its net borrowing will be only Rs. 4.51 crores. Madras, too, has a sizable amount of maturing debt, so that its net borrowing will be Rs. 8.95 crores, but, considering that Andhra Pradesh is raising Rs. 10 crores without any maturities, this Southern State ranks as only the second largest net borrower this year. The total net borrowings by all the States, assuming their issues will be fully subscribed, work out to Rs. 77.87 crores. The exact amount will, however, be known only when the final results are available.

Last year, 13 States entered the market for an aggregate sum of Rs. 80 crores, with Assam staying out. The total amount offered was Rs. 91.84 crores—Rs. 86.89 crores in cash and Rs. 4.95 crores in conversions. The State Governments accepted Rs. 85 crores in all and, since the loans that matured aggregated Rs. 12.94 crores, the net borrowing was of the order of Rs. 72.04 crores.

Under the third Plan, the States are expected to raise, by way of borrowings, a net amount of Rs. 325 crores in five years. In the first two years, they will have gathered, on the basis of aforesaid calculations, approximately Rs. 150 crores, or a little more, leaving a balance of Rs. 175 crores to be covered in the remaining three years of the Plan. Considering the encouraging growth in the capacity of Indian capital market, the targets for borrowings by both the Centre and the States will, it seems, be hit without much difficulty.

As readers are aware, borrowers have had to pay a higher rate of interest, though banks are still able to hold down their rates of interest on deposits through an agreement among themselves. The Central Government gave the signal in the first week of July by putting up its borrowing rate for a long-term loan from 4 to 4½ per cent. The Reserve Bank then revised in an upward direction the rates at which it would lend money to member-banks, that is, it raised the effective Bank rate. This development, coupled with the award for bank employees proposing higher emoluments, induced the banks to raise their rates of interest on loans and advances by ½ per cent, even though conditions in the money market were pretty easy. Then on 20th July, the Industrial Finance Corporation raised, with the prior approval of the Government of India and with effect from 19th July, its rate of interest on its loans and advances from 7 per cent to 7½ per cent, subject to the usual rebate at ½ per cent for punctual repayment of principal and payment of interest. A day later, the Government of India put up the rate of interest on Post Office Savings Bank accounts by ½ per cent. As a result, since 1st August, the Post Office pays 3 per cent on savings bank deposits upto Rs. 10,000 in individual accounts (and upto Rs. 20,000 in joint accounts) and 2½ per cent on the balance in excess of these amounts, as also on public accounts. A few days ago, some of the State Financial Corporations, too, announced an increase of ½ per cent in their lending rates. The L.I.C. also soon came out with an increase in its minimum rate of interest on mortgage loans against immovable properties. On 30th July, it said that, with effect from 18th July, it had raised this rate from 7 per cent to 8 per cent. For those who repay promptly, the effective rate, however, would remain unchanged at 7 per cent, as the rebate for this purpose was raised from half to one per cent. If the Bank rate were to go up, the minimum rate would automatically rise, as it is fixed at 3 per cent above the Bank rate.

All borrowers are thus paying more this year. How could the State Governments alone be an exception? The Local bodies, too, will have to offer more when they approach the capital market which they usually do after the States' borrowing programme is through. The extent to which the States are paying more on their loans this year will be evident from the following facts:

	1959	1960	1961	1962
Rate of interest (%) ...	4	4	4½	4½
Duration of loan (*years*)	12	9	11	12
Issue price (Rs.) ...	100 to 99	100 to 99½	100 to 99½	100 to 99½

It will be noted that, as compared with 1961, the rate of interest is up by ¼ per cent. It is true the duration is longer but only by one year. Again, as compared with 1959, the States are paying a clear ½ per cent more on loans of identical duration.

While the rates of interest have thus moved up, the increase is by no means substantial having regard to the fall in the purchasing power of the rupee and the growing demand for capital.

To come to the loans of individual States. We have grouped them into three categories according to their issue price in order to indicate the yields on them:

1. *At par, current and redemption yields are the same, namely, 4.50 per cent*: Maharashtra and Gujarat.

2. *At Rs. 99.75, current yield 4.51 per cent and redemption yield 4.53 per cent*: Madras, Mysore, Uttar Pradesh and West Bengal.

3. *At Rs. 99.50, current yield 4.52 per cent and redemption yield 4.55 per cent*: Andhra Pradesh, Assam, Bihar, Kerala, Madhya Pradesh, Orissa, Punjab and Rajasthan.

From the point of view of safety, the loans of all State Governments are equally good, in that default by any of them is unthinkable. Further, they all have the implied guarantee of the President of India. If, nevertheless, some States are rated better than the others by the market, it is one of the idiosyncrasies of capital markets all over the world. Those who are prepared to ignore this irrational factor will doubtless take up the loans of States giving the highest redemption yield.

As the money market is passing through quite comfortable conditions, as the volume of funds to be invested by the L.I.C. and Provident Funds other than those covered by the Industrial Disputes Act is larger, as the State Governments themselves go out of their way to canvass subscriptions for their respective loans, and as the number of persons dependent upon State Governments for licences and other favours is greater than ever before, there is no doubt whatsoever that all the State loans will get fully subscribed. It is just possible that, while most of them will be oversubscribed, a few may lag behind. But, in the case of the latter, the Reserve Bank is there to fill the gap.

Mr. Patil's Strange Logic

It is now definite that there will be no reduction in the excise duty on sugar. A categorical statement to this effect was made by Mr. S. K. Patil, Union Minister for Food and Agriculture, while inaugurating the twenty-ninth annual meeting of the Indian Sugar Mills Association at New Delhi on Wednesday the 8th inst. Mr. Patil has, of course, every right to say what he feels and few would dispute such a right. But what one expects is that the opinion expressed by a responsible person like Mr. Patil should have a rational basis. Unfortunately, this basis was lacking in Mr. Patil's statement. Here are the three reasons which he adduced in support of the continuance of the present high level of excise duty on sugar: (1) The country has lost about Rs. 15 crores in excise duty on sugar exports, though it has earned Rs. 13 crores in foreign exchange; (2) in case the excise duty were reduced, it would not increase consumption within the country, since India is already consuming Rs. 500 crores worth of sweetening agents and at least half of the amount is accounted for by white sugar; (3) in India, sugar is costly because of the low per-acre yield of 11 to 15 tons of sugarcane, coupled with poor sucrose-content.

The aforesaid statement is not only not convincing but greatly surprising. Was it not, we would ask, the same Mr. Patil who had on more than one occasion urged the reduction in excise duty on the score that it was necessary to boost domestic consumption? It may be true that, despite the heavy excise duty, sugar consumption has gone up from about 2.1 million tons in 1960-61 to 2.4 million (estimated) in 1961-62, but it must be mentioned that a large part of the increase in consumption represents a switch-over from *gur* and *khandsari* following the marked rise in their prices. Moreover, there is the pertinent point that white sugar consumption might have been much more if the excise duty had been cut to a reasonable level. By no stretch of imagination can one argue that the incidence of excise duty on sugar which, be it noted, is an article of daily necessity, is not heavy. On every pound of sugar costing 54 nP (retail), the consumer is paying by way of excise duty as much as 13 nP, representing over 24 per cent of the price—the tax burden will be heavier still, if cane cess, etc., are also taken into account—as against *nil* in Australia and South Africa, a bare 1 per cent in Mexico, 4 per cent in Hawaii, 5 per cent in Lousiana, 6 per cent in Nicaragua, 7 per cent in Jamaica, 8 per cent in West Germany and 16 per cent in Cuba. But Mr. Patil says that sugar in India is costly not because of excise duty but because of low yield of cane and poor sucrose-content! This type of argument is no consolation indeed.

The argument of Mr. Patil that the Government has lost about Rs. 15 crores in excise duty on sugar exported is also fallacious, for the simple reason that a considerable part of this loss has been made good by higher excise proceeds from the increase in sugar consumed within the country. Taking the estimated sugar consumption of 2.4 million tons in the 1961-62 season, the excise yield aggregates Rs. 70 crores, as compared with Rs. 61 crores in 1960-61. Needless to mention that the yield would be higher still if, as a result of reduced excise duty, a larger quantity of sugar were consumed within the country. Incidentally, to the extent the consumption of white sugar rises, there will be less demand for *gur* and *khandsari* and more economic utilisation of sugarcane.

It may sound too elementary if it is said that there is a lot of wastage involved in the manufacture of *gur* and *khandsari* where the recovery of sugar from cane is 50 to 60 per cent of that obtained in the factory producing white sugar. Even so, this aspect has to be specially stressed in the present context of the steeply upward trend in the prices of *gur* and *khandsari* as is indicated in the following table which gives the rates prevailing in two of the major markets in India, that is, Hapur and Muzaffarnagar:

"Gur" Shoots Up
(In rupees per maund)

	Latest available	Three months ago	A year ago
Gur:			
Hapur (superior) ..	24.61	19.99	17.00
Muzaffarnagar (chaku quality) ..	25.75	19.25	18.35
Khandsari:			
Hapur (crystal)	37.61	34.73	35.75
Muzaffarnagar (Soora)	38.00	34.73	34.75
,, (Galwat) ..	33.00	32.23	29.25
,, (Crystal boora) ..	40.56	34.73	36.50

Note:—Only average rates are taken.

It will be noted that, over the year, the price of *gur* has shot up by more than Rs. 7 per maund, that is, by as much as 41 per cent, and that the major portion of this rise has been in the last three months. The increase might, perhaps, have been more appreciable but for the fear of official intervention. The Forward Markets Commission, we learn, has already been alerted by the Government and the Commission is keeping a close watch on the situation. What is required, however, is not observation but swift action to curb speculation. Why is the Commission sleeping over this matter? Surprisingly enough, the politicians are not at all concerned about the rising trend of *gur* prices. Whenever the white sugar prices advanced even by a negligible amount, they raise a hue and cry and make all sorts of allegations (profiteering, exploitation, etc.) against the business community, but not so when *gur* prices advance, albeit steeply. In fact, the increase in *gur* prices should cause more concern than that in sugar prices, because it is the *gur* that is more widely consumed, especially by persons with low incomes. The need for bringing down *gur* prices is urgent, for, otherwise, supplies of sugarcane to mills will be affected in the coming season (November 1962-October 1963), as the agriculturists will find it more profitable to convert the cane into *gur* himself, instead of supplying it to mills.

The impact of such a development will all the more be severe, if the cane crop turns out to be, as is feared, smaller than in the current season. The latest reports aver that the sugarcane crop in Uttar Pradesh may be affected by acute shortage of rain and dry weather and, in the Deccan region, the crop is said to have been damaged to some extent by a pest attack. A prominent sugar millowner in Bombay puts the coming season's all-India sugar output at no more than 2.5 million tons (Mr. Patil's estimate is 2.7 million tons), as against 2.7 million tons produced in the current season and the peak output level of almost three million tons in 1960-61. The estimated output of 2.5 millllon tons is well below the industry's present capacity of 3.56 million tons on a duration of 140 days which was the average for the second Plan. In other words, this means that a sizable part of the sugar industry's rated capacity will remain idle in the coming season. We do not know what Mr. Patil meant when he stated at a Press conference in New Delhi on Sunday this week that "the process of adjustment of production with demand is progressing fairly satisfactorily and the sugar position in the country will be completely under control in a couple of years." But, against the background of our analysis above, one can easily infer what he meant. It is indeed a cruel waste of resources to allow an industry to expand, involving large capital investment, and then compel it to work short-time by keeping down the consumption of its production through heavy taxation. And when this is done in respect of an article of food the *per capita* consumption of which is well below the norm, the plan development for creating a Welfare State becomes a mockery.

The claim of Mr. Patil that the new cane price policy is designed to place the entire sugar industry on a "scientific basis" is clearly exaggerated, although it must be admitted that the policy marks a welcome improvement over the present system of linking cane price only to weight irrespective of quality. For not only will the present high minimum price of Re. 1.62 per maund continue but it will also be payable for cane with a lower recovery of 9.8 per cent, as against the usual basis of 10 per cent that has been regarded as the norm all these years. The high price of cane has already resulted in a significant expansion in the area devoted to the crop—the actual rise in acreage in the U.P. alone has been 20 per cent in the past three years—and the trend will continue even under the new cane price policy, however much Mr. Patil and his colleagues desire to discourage extensive cultivation (in contrast to intensive cultivation) of cane. If the authorities are really anxious to

(*Continued on page* 264)

TREND OF SHARES

IRREGULAR AND QUIET

(From Our Own Correspondent)

BOMBAY, *9th August*

AN irregular and quiet tone developed on the stock markets this week owing to professional realising at bulges. Fluctuations were narrow, turnover was limited and activity was confined to selected speculative counters. Sellers were generally reserved. Closing prices, therefore, disclosed small changes either way, but losses were more pronounced than gains. The undertone, however, was steady.

With the pivotal issues having recovered 50 per cent of the ground lost in the recent slump, buyers were inclined to book profits. Sentiment was also influenced by reports on Saturday that the understanding reached by the Inner Six of the E.C.M. and Britain on exports of cloth and jute from India to the U.K. in the event of the latter joining the Common Market would be detrimental to the interests of this country. Therefore, after some initial hesitancy around the high levels at which they commenced the week, equities gave way slowly on small but persistent realising by the professional operators.

However, the markets were not particularly disturbed by the understanding reached at Brussels, for, though it was dubbed as very serious, the Union Finance Minister did not rule out the possibility of negotiating a satisfactory long-term trade agreement with the E.C.M. Besides, Prime Minister Nehru's statement on the border issue with China was received by the markets with guarded optimism. It was because of these two factors, as also of the previous week's smart recovery, that sellers were reserved; they were, in fact, inclined to look for an opportunity to cover their sales.

The Lok Sabha would debate the border issue and the E.C.M. in the coming weeks. But, as against this, there is the possibility of announcement of both the steel retention prices and the T.I.S.Co. dividend for 1961-62. The markets might, therefore, conveniently ignore the Lok Sabha debates, unless they bring to the forefront any new adverse factors.

* * * *

The highly speculative issues were particularly affected by realising in Bombay. Thus, Standard came down by Rs. 27 to Rs. 915, Century by Rs. 8 to Rs. 628, National Rayon by Rs. 7 to Rs. 514.50 and Bombay Burmah by Rs. 9 to Rs. 664. The annual statement by Mr. Arvind Mafatlal, Chairman of the Indian Dyestuff Industries Ltd., that the Company did not propose to issue any right shares in the near future produced a fall of Rs. 32.50 to Rs. 455 in the Company's shares. Amar Dye-Chem, too, recorded a sharp fall of Rs. 18.75 to close at Rs. 270. Other Textiles and Miscellaneous issues showed minor changes either way. But Swan spurted by Rs. 17.50 to Rs. 310.

The small improvement in the output of the two steel companies in July from 106,900 tonnes to 114,500 tonnes of saleable steel in the case of T.I.S.Co. and from 56,938 tonnes to 63,006 tonnes of saleable steel in the case of I.I.S.Co., did not have any particular influence on the trend of the two shares. Supported by Calcutta, Indian Iron closed with a gain of 10 nP at Rs. 26.55, but Tata Ordinary slipped back to Rs. 147.50 and showed a loss of one point at that level. In a slightly easy Sugar section, Belapur reacted rather sharply from Rs. 250 to Rs. 242. Cash scrips were dull and quiet, excepting Permanent Magnets which receded sharply by 25 points to Rs. 227.50.

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Trading was unexciting in Calcutta, except for some conspicuous gains in Paper shares. Both the cleared shares, Shree Gopal and Orient, staged a smart rise, the former from Rs. 23.25 to Rs. 25.19 and the latter from Rs. 41.20 to Rs. 42.05. Titaghur, in the Cash section, rose from Rs. 39 to Rs. 41.31. Among other cleared shares, Birla Jute closed with a gain of 62 nP at Rs. 33.37, but Rohtas Industries showed a loss of 68 nP at Rs. 14.44 and J.K. Cotton suffered a big setback of Re. 1.38 at Rs. 17.12. Cash counters in Textiles, however, were better, with Bharat Commerce improving further from Rs. 26.12 to Rs. 27.81 and Dunbar from Rs. 30.50 to Rs. 31.75.

Among Coals, Amalgamated moved up from Rs. 21.06 to Rs. 21.87 and so did N. Beerbhoom from Rs. 22.50 to Rs. 23.37. Jutes were neglected, but Champdany gained three points at Rs. 141 while Reliance lost Re. 1.38 at Rs. 22.62. Engineering and Miscellaneous disclosed small changes either way. Exceptions were Dr. Paul which rose by Rs. 3.25 to Rs. 22.75, Hindustan Lever which gained Rs. 3.25 at Rs. 48, Indian Oxygen which rose by Rs. 3.13 to Rs. 48.50, Martin Burn which showed a gain of Rs. 2.50 at Rs. 32.37 and Burn which reacted by nine points to Rs. 681. Among Tea shares, Bishnauth moved down from Rs. 18.06 to Rs. 17.50 and N. Dooars lost five points at Rs. 205, while Hantapara gained four points at Rs. 110 and Grob rose by 62 nP to Rs. 9.12

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In restricted dealings, values showed small changes in Madras. Thus, among Textiles, Lakshmi were up by one point at Rs. 157, Madura gained 75 nP at Rs. 35 and Travancore Rayon edged forward by 25 nP to Rs. 32.75, but Coimbatore Pioneer eased from Rs. 278.50 to Rs. 276 as did S.I. Viscose from Rs. 170 to Rs. 167.50. In the Miscellaneous section, Aluminium Industries rose by 72 nP to Rs. 24.62, Mettur Chemicals moved up from Rs. 13.25 to Rs. 13.62 and Madras Rubber gained Re. 1.37 at Rs. 22.87, but Travancore Chemicals declined from Rs. 24.50 to Rs. 22.25 and Tube Investments reacted from Rs. 277 to Rs. 272. Sugars were steady, with Deccan improving from Rs. 10 to Rs. 10.56 and E.I.D. from Rs. 40.37 to Rs. 41.25. Plantings were dull, but Highland showed a gain of 20 nP at Rs. 12.50 and United Nilgiris moved up from Rs. 20.25 to Rs. 20.37 while Coffee Lands slipped down from Rs. 14.60 to Rs. 14.40 and T.R. and T. showed a loss of 40 nP at Rs. 9.25.

CAPITAL MARKET NEWS

NEW ISSUES

THE **Amalgamated Electricity Company Ltd.** is to raise fresh equity capital of Rs. 28.63 lakhs in shares of Rs. 10 each at par and offer it simultaneously to the public and to its shareholders. The lists for susbcription will open on the 23rd of this month. As at 31st March 1961, the issued capital of the Company was of Rs. 134.06 lakhs, comprising Rs. 81.56 lakhs in equity shares, Rs. 24.15 lakhs in 5.5 per cent, tax-free, cumulative preference shares of Rs. 100 each and Rs. 28.35 lakhs in 5 per cent, tax-free, cumulative preference shares of Rs. 100 each. Out of this, the entire equity and 5.5 per cent preference capital was fully subscribed, but the 5 per cent preference capital was subscribed to the extent of only Rs. 20.31 lakhs. The total paid-up capital thus amounted to Rs. 126.03 lakhs. The additional equity capital is being raised to provide the finance for the Company's solvent extraction plant and the extention and development programme.

* * * *

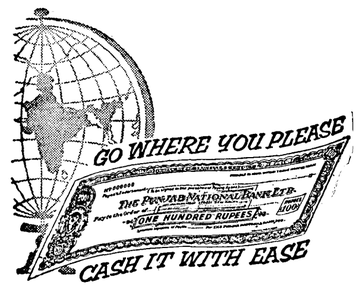
Rightly has Mr. A. N. Haksar, Chairman of the **Bombay Suburban Electric Supply Ltd.**, observed in his statement accompanying the thirty-third annual report of the Company for the period ending 31st March 1962 that short-term bank borrowing is not an entirely satisfactory method to meet long-term development which is a continuing process in the electric supply industry. To provide finance for its immediate development, therefore, the Company has decided to issue, subject to the sanction of the Controller of Capital Issues, debentures of Rs. 187.5 lakhs in two parts, one for Rs. one crore, carrying interest at the rate of 6.5 per cent per annum, subject to tax, and another for Rs. 87.5 lakhs, carrying interest at 6.25 per cent per annum, subject to tax, with an option to convert the second part into ordinary shares in the proportion of one for one during the period from 1st April 1963 to 31st March 1965. While arrangements are being made to underwrite the entire issue, the second part of the debentures will be offered first to the existing shareholders.

RIGHTS ISSUE

The Directors of the **Central India Spinning, Weaving and Manufacturing Company Ltd.** have decided, with the consent of the Controller of Capital Issues, to issue 46,875 new ordinary shares of Rs. 100 each at par and offer them as rights shares to the existing shareholders in the proportion of one for one. The new shares will rank *pari passu* with the existing shares, except that they will be entitled to any dividend that may be declared for the Company's financial year ending on 30th June 1963 *pro rata* the amount paid-up per share.

OUTLOOK FOR INDIAN COPPER

The mild recession suffered by the Indian Copper Corporation Ltd. last year was disappointing, particularly as it came after the excellent progress attained in 1960. Viewed in this context, the statement of Mr. J. W. Easson, Chairman of the Corporation, at its thirty-eighth annual general meeting, held at Calcutta on Wednesday this week, is reassuring, for it not only confirms the belief that last year's setback was nothing more than a passing phase in the history of the Corporation but also suggests that the outlook for it is basically good. In fact, Mr. Easson said, "the current level of profit-margin is satisfactory and the outlook for the immediate future appears to be bright."



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It is well known that, due to the nature of its operations, the fortunes of the Corporation are determined by conditions not only in India but also abroad to easily foresee which is not always possible. However, it is interesting to hear from Mr. Easson that copper prices on the London Metal Exchange have been remarkably stable since June 1961. The difference between the highest and lowest quotations has narrowed down to £5 a ton as against £61 in 1960 and £33 in the first half of 1961. This unusual stability is the result of a balance between supply and demand, which has been achieved by close co-operation among some of the largest producers who have reduced their output and given a fair measure of support to the London Metal Exchange price. The cut-back in production at 15 per cent of capacity may be varied to keep the world copper output in balance. Thus, Mr. Easson has hoped that the price would continue to rule around the present level of £234 per ton. A stability in world prices to which the Corporation's selling prices are linked is, therefore, to be welcomed.

Incredibly enough, the situation in India is not as clear as it is abroad. Shortages of all sorts seem to be a regular feature now in this country. Of particular concern to the Corporation are the shortages of explosives and drill steel, because of which development had to be suspended or curtailed in a number of areas last year. But, despite the reduction in the footage developed, the ore reserves rose by 110,000 tonnes last year and reached a record figure of more than 4 million tonnes. A reduction in the number of working days resulted in a setback of 574 tonnes to 8,336 tonnes of the output of refined copper last year, but the percentage recovery was higher at 2.192 as compared with 2.083 a year before. The output of grass and yellow metal sheets and circles depends entirely on the availability of zinc which has to be imported, and Mr. Easson does not expect any relief in the severe restrictions on the import of the base metal in the near future in view of critical foreign exchange position in the country.

The electrolytic copper refinery project, however, will be completed not before the end of 1963. This is an ambitious new project for the manufacture of electrolytic copper and wire bar. But till it is completed, the shareholders will have to be content with the current level of the Corporation's profit-margin. Their expectations of any additional capital issue, by way of either a rights share or a bonus share, or both, will also have to be deferred by at least two more years, while it is still a matter of guess whether their hopes would materialise at all, for Mr. P. E. G. W. Parish, the predecessor of Mr. Easson, had discounted, in his statement last year, the possibility of issue of additional capital in the near future and ruled out a bonus issue even at the reduced rate of taxation.

FISONS ACQUIRE RALLIS INDIA

The purchase price of the acquisition of 45 per cent of the equity capital and more than 50 per cent of the preference capital of Rallis India Ltd. by Messrs. Fisons of the U.K. is estimated at over £1 million sterling. Fisons have purchased in all 101,495 equity shares and 40,145 six per cent, taxable, cumulative preference shares, both of Rs. 100 each fully paid-up, out of a total of 225,000 equity shares and 75,000 preference shares issued and fully paid-up of Rallis. Percentagewise, Fisons have acquired an interest of 45.11 in the equity capital and 53.52 in the preference capital. The British firm proposes to transfer upto 50 per cent of its equity holdings in Rallis to Tatas, who are its associates in Tata Fison Ltd. Tatas would purchase the shares in rupees and distribute them to their group of companies, excepting Tata-Fison Ltd.

Rallis India Ltd. is a long-established trading concern which, in recent years, has expanded its activities in the manufacture and distribution of pharmaceuticals, fertilisers and agricultural chemicals. The Company is said to have secured a licence for putting up a large-sized fertiliser unit, involving an investment of several crores of rupees. Now Fisons are a leading firm in Britain in the field of pesticides, chemicals and fertilisers. Their present investments in India include Tata-Fison Ltd., one of the leading pesticide manufacturers in the country having commenced production in 1957, the Benger Laboratories (India) Ltd., manufacturers of pharmaceutical specialities whose factory at Kennegar, near Calcutta, is nearing completion, and Whiffens (India) Ltd., which manufactures Emetine.

The acquisition of a substantial interest by Fisons in Rallis is in furtherance of their policy of expanding their manufacturing and marketing activities in India. It is expected to enable Rallis to go ahead with its fertilisers project. At the same time, the distribution of 50 per cent of Fisons' holdings in the Company to Tatas will bring in rupee finance.

Thus, the deal will be welcomed by all concerned. It does not involve any loss of foreign exchange to the country. Evidently, the deal was privately negotiated. But in fairness to its shareholders and in general interest, Rallis India Ltd. ought to file the necessary details of the deal with the authorities of the Bombay, Calcutta or Madras Stock Exchanges where its shares are officially listed.

It may be recalled here that, some time back, two parties in India had submitted their offers to Ralli Brothers of U.K. to acquire the shares held by them in Rallis India. It is believed that their purchase prices were higher than that offered by Fisons. They, however, could not succeed in putting through a deal, because of the difficulty of getting foreign exchange to pay for their purchases. Fisons have succeeded in acquiring the shares by virtue of their being a British firm and, therefore, being in a position to pay in pounds sterling, without causing any drain on India's foreign exchange reserves.

UNDER SEC... 13 AUG 1962 PUBLIC DEPARTMENT

NEWS IN BRIEF

THE Union Ministry of Health is contemplating to amend the Drugs Act in such a way as to make deterrent punishment for offences more stringent.

A formal agreement has been signed in Bonn covering the West German Credit of DM 470 million granted for the second year of India's third Plan.

Indian ships will receive a larger share of trade with Czechoslovakia, as a result of an agreement signed last week at Prague between an Indian official delegation and the representatives of Czechofracht.

The assistance of Japanese insurance experts has been sought by the Government of India for the compilation of data pertaining to the crop insurance scheme. Meanwhile, the Punjab Government is working out details of its pilot scheme for crop insurance.

The All-India Stainless Steel Industries Association is understood to have worked out a programme for the manufacture of stainless steel on co-operative basis. The programme envisages the establishment of a plant with an annual capacity of 15,000 tons, at a cost of Rs. 5 crores.

The Damodar Valley Corporation has agreed to raise its supply of power to the Calcutta Electricity Supply Corporation by 4 m.w. over and above its contractual obligation. This has been done to remove power shortage for the jute industry in particular.

Tenders have been received for the construction equipment for the Farruka Barrage in West Bengal, according to Mr. O. V. Alagesan, Minister of State for Irrigation and Power. Orders for the supply will be placed within the next few months. The Barrage is expected to be completed by 1969-70.

The U.S. Ford Foundation has announced a grant of $350,000 to the Government of India for the establishment of an institute of applied manpower research. The institute, which will be a semi-antonomous body, will study human resources in the country in relation to economic growth and stability.

There is no proposal to set up a steel plant in Goa in the third Plan period. Making this statement, Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, said in the Lok Sabha the other day that the question of establishing such a plant in Goa in the fourth Plan period would be considered by a steering group of the Planning Commission recently constituted.

In a bid to prevent adulteration of foodstuffs, the Government of India proposes to enforce the Prevention of Food Adulteration Act and to impose a minimum fine of Rs. 500 in the case of first offence of adulteration. This move is in pursuance of the recommendation made by a sub-committee of the Planning Commission for prevention of adulteration.

The Government of Maharashtra has now fixed the minimum acreage of Government waste lands to be granted to a co-operative society at 50 to 60 acres, as against 90 to 100 acres so far. The decision has been revised by Government in view of fixing the minimum size of co-operative farms at 50 to 60 acres under the co-operative farming scheme.

Exports during the second quarter of 1962 (April to June) were lower by Rs. 2 crores at Rs. 154 crores, as compared with the corresponding quarter of 1961. The decline, according to Mr. Manubhai Shah, Union Minister for International Trade, was due to the 17-day strike at Calcutta port and the relative fall in prices of jute and other goods in world markets this year.

A seven-member productivity team on non-ferrous metal industry has left on a nine-week study tour of the U.S. and the U.K. The team will study the techniques of production, plant and equipment used and optimum productivity achieved in the non-ferrous metal industry. The team is led by Dr. B. R. Nijhawan, Director of the National Metallurgical Laboratory.

The Reserve Bank of India has decided to grant foreign exchange facilities to a limited number of students who wish to proceed to the U.K. to serve articleship with firms of chartered accountants with a view to appearing in the examinations conducted by the Institute of Chartered Accountants of the U.K. Candidates should be graduates with good records and must have made arrangements with firms of chartered accountants agreeing to accept them as articled clerks.

An agreement has been signed between the National Coal Development Corporation and the Soviet firm, Tjazhprom Export for the supply of machinery for working two mines at Banki and Surakachar in Korba field in Madhya Pradesh. Under the agreement, special Soviet mining equipment called tunneling combine, to drive drifts, will be used for the first time in India. The agreement was signed under the provisions of the Indo-Soviet credit agreement for 500 million roubles signed on November 1957. The Soviet firm will provide technical assistance for two years for construction, erection and commissioning of the two mines, which are expected to achieve their rated capacity of 1.7 million tonnes per annum by April 1965.

The call-queueing equipment for trunk booking is proposed to be initially installed at the four trunk exchanges at Bombay, Calcutta, Delhi and Madras. The equipment is designed to ensure that all signals received by operators were answered in the order in which the calls were originated by the subscribers. The call-queueing equipment is initially being installed at Bombay, Calcutta, Delhi and Madras. Of these the installation at Madras was completed in January 1962, while that at the other stations are expected to be completed in the coming few months. The total cost of installing call-queueing facility at those four stations is Rs. 81,000 which involves no foreign exchange element. This facility is proposed to be extended gradually to other stations where auto-exchanges have been installed.

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From Abroad

Argentina has abolished the retention tax of 10 per cent on exports of wool, including grease and scoured wools and sheepskins.

Copper output in Chile is expected to reach a record of 595,000 tons in 1962, an increase of 8 per cent over last year.

East Germany has renewed its request to West Germany for a long-term credit of DM 2,000 million. The request was first made two months ago.

A Yugoslav firm of engineers and consultants, Polgrad, has signed a contract with the Ghana Government for the building of a naval harbour at Sekondi in Western Ghana.

A team of U.S. economists has recommended to President Kennedy a five-year programme of economic aid to Indonesia, amounting to $390 million, of which the U.S. share would be $235 million.

In order to boost oil production, Australia proposes to drill 70 new oil wells during the year 1962-63. This programme is second only to the previous peak in oil exploration during 1959, when 61 oil wells were drilled.

The West German Government has decided to increase its compensation guaranteed on private German investment in developing countries from 80 to 90 per cent. The guarantee covers the capital invested and up to 24 per cent of the profits from that capital.

An agreement has been reached between Mexico and Italy, under which the latter will buy Mexican tobacco worth £143,000 annually over a period of five years. Meanwhile, efforts are being made in Mexico to grow burley-type white tobacco.

The number of persons remaining unemployed in the U.S. last month was at the lowest level for over two years at about 4.02 million, constituting about 5.3 per cent of the total labour force as compared with 5.5 per cent in June and 5.4 per cent in May.

The U.S. revenue receipts during the year ended 30th June 1962 aggregated $81,400 million and expenditures $87,700 million, thus resulting in a deficit of $6,300 million. This was $700 million less than had been estimated in January, mid-way in the fiscal year. The figures are subject to a slight further revision before they become final.

Japan will import 40,000 tons of crude sugar from Indonesia during the period November 1962 to February 1963. It will also make larger purchases of sugar from South Africa, as against about 125,000 tons now being bought annually. A Japanese delegation has recently visited Johannesburg in this connection.

The average American factory worker earned a record-high take-home pay in June last. The typical worker with three dependents earned $85.91 a week, an increase of 18 cents over the previous month. These earnings are after deductions for federal income and social security taxes. Living costs during the month were at the new record high level.

A Japanese plastic firm, Sekisui Chemicals, has decided to send a two-man mission to the U.S. to negotiate with the North Carolina Government a plan to establish a factory in the State. The move follows a recent invitation extended by U.S. Government to Japanese firms to build factories in the less developed areas of the U.S.

U.S. Government aid to the less-developed countries in 1964 will be higher by 50 per cent, as compared with 1961, according to the Development Assistance Committee of the O.E.C.D. Almost all countries of the Committee have increased their aid in 1962, though the extent of the rise is modest in respect of France and the U.K.

The Italian Government proposes to appoint a 20-member Economic Planning Board shortly. The Board which will draft a new plan for development, will consist of trade union leaders, representatives of industry and trade and financial experts. The Board will be assisted by an Institute for Planning, which will collect statistical data on resources and make detailed studies.

World wool consumption last year touched a record of 3,314 million lbs. (clean weight), representing an increase of 9 million lbs. over the previous year, according to the Commonwealth Economic Committee. Wool represents 9.7 per cent of the aggregate world consumption of all apparel fibres, the percentage shares of other fibres being 67.6 in the case of cotton, 17.3 in rayon, 5.3 in other man-made fibres and 0.1 in silk.

The number of foreign workers employed in West Germany has increased by 41 per cent over the past one year to 672,000. Of these, the number of Italians is 272,000, followed by Spanish 90,000 and Greeks 70,000. The majority of the foreign workers consist of single men between 20 and 35 years of age. Federal authorities have earmarked DM 200 million for construction of housing for transient foreign workers, most of whom spend two to three years in West Germany.

The number of motor vehicles produced in Italy during the first six months of 1962 rose by 24 per cent to 465,225, as compared with the corresponding half of 1961. Exports increased by as much as 34 per cent to 163,398 vehicles. The rate of increase in production was the highest in Italy among the Common Market countries. Of the total exports, as many as 91,000 went to the other Common Market countries, particularly to West Germany and France.

A draft directive for removing restrictions on wholesale trade has been submitted for approval to the Common Market Council of Ministers by its Executive Commission. The Commission's draft would require the member-State to abolish restrictions of two kinds, namely, those which prevent foreign traders from setting up in business and supplying services on the same conditions and with the same right as nationals, and those arising from administrative practice which have the effect of discriminating against foreign nationals.

Two consortia for development aid to Greece and Turkey have been set up by the O.E.C.D. Britain has joined the Turkish corsortium but not the Greek one, because of Greece's failure to repay her foreign debts. The Chairman of the Greek consortium is Mr. James Riddleberger, the American Chairman of the Development Assistance Committee, and the Chairman of the Turkish consortium is Herr Wilheim Ripken, a former Secretary of State in the West German Government. The consortia will meet in September to begin discussions about how much aid they are to give towards the Greek and Turkish five-year development plans.

The equivalent of a 2 per cent increase in all the basic wages and salaries of about 6 million employees of Italian industry and trade took effect from the beginning of this month. This is the result of the increase, over the last three months, in the cost-of-living index to which wages and salaries are linked. Since the beginning of the year, increases in the cost-of-living index have resulted in a 5 per cent increase, including the present increase in basic wages and salaries. The additional cost to Italian industry's wage and salary bill will be about £4.3 million a year as a result of the latest pay rise.

The scope of the British Colonial Development Corporation, previously limited to colonial dependencies, is to be extended to countries after they have achieved independence as members of the Commonwealth, particularly Jamaica, Uganda, Trinidad, Tobago, etc. It is to be renamed the Commonwealth Development Corporation. Britain gave nearly £26 million for development and welfare schemes in oversea territories in 1961-62. It also approved Exchequer loans of nearly £16 million for colonial development programmes. The largest total of grants and loans approved for development and welfare schemes was in the economic field, and amounted to £7.8 million. Grants for education aggregated £4.7 million.

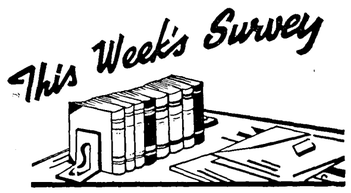
The total planned expenditure of U.S. businessmen on plant and equipment for the full year 1962 is $37,200 million or 8 per cent above the actual investment in 1961, according to a survey conducted by the U.S. Department of Commerce and the Security and Exchange Commission. Manufacturing firms are currently estimating their 1962 plant and equipment purchases at $14.700 million, about $1,000 million higher than last year. Most of the increase is accounted for by durable goods industries despite downward revisions by steel and automobile companies since the March survey. The non-durable goods producers now expect to increase their investment by 4 per cent. Commercial and communications companies anticipate a one-eighth increase in investment in 1962; the railroads report a larger percentage rise over last year's low total.

PERSONAL

MR. D. J. Bell, Resident Director of the British consortium, I.S.C.O.N. Ltd., which has put up the Durgapur Steel plant, has been appointed General Superintendent and Deputy General Manager of the Steel plant. His services have been made available to Hindustan Steel Ltd. under the Colombo Plan.

Mr. K. Padmanabhan, Sales Manager, Industrial Rubber Products and Dunlopillo, Dunlop, has taken over charge as General Sales Manager *vice* Mr. H. R. J. Taylor who has been transferred to Dunlop, U.K. Mr. N.S. Bedi, Administrative Manager, Industrial Rubber Products and Dunlopillo, succeeds Mr. Padmanabhan as Sales Manager, Industrial Rubber Products and Dunlopillo. Mr. J. J. Gullery has been appointed Sales Manager, Tyres, Dunlop.

Mr. P. U. Patel, Chairman of the Universal Fire and General Insurance Company Ltd., has been re-elected Chairman of the Indian Insurance Companies' Association for 1962. The other members of the Committee are: Mr. P. A. Advani (New India), Mr. K. C. Desai (Vulcan), Mr. J. X. de Souza (Pandyan), Mr. H. V. Ghandhi (Devkaran Nanjee), Mr. S. R. Idgunji (Alco), Mr. M. G. Mody (New Great), Mr. E. J. Poncha (Hercules) and Mr. T. M. Telang (Indian Trade). Two more members are to be co-opted to the Committee.



POWER GENERATION AND SUPPLY

THE demand for power throughout the country continues to be running ahead of available generating capacity. Unless the pattern of power development is drastically changed to meet this growing need, there will be no relief from power shortage even by the beginning of the fourth Plan. In the Bombay-Poona region, for instance, even after the completion, in the next few years, of the first and second stages of the Koyna Hydro-electric Project and the installation, before 1964, by the Tata Hydro Companies of a fourth thermal generating set of 125/150 M.W. at Trombay, the power situation is not going to change appreciably for the better. As the prospects for further hydro-power in this region are limited and the proposed nuclear power station at Tarapore—which can be expected to be commissioned during the fourth Plan period—can bring only some marginal relief to the region, energetic forward planning is called for in the direction of large-scale thermal expansion. It is for such expansion that Mr. A. N. Haksar, Chairman of the Bombay Suburban Electric Supply Ltd. (Managing Agents: Killick Industries Ltd.) has strongly pleaded in his review appended to the Company's annual report and accounts for 1961-62. The Company's offer of co-operation in this big task of thermal expansion suggests that the private sector can still play a bigger role in the field of power generation as in that of power distribution. The steadily rising cost of coal—it rose, for instance, from about Rs. 48 per tonne in April 1961 to Rs. 58 per tonne in October 1961 in the area of the Surat Electricity Company Ltd., managed by Killick Industries Ltd. and will tend to rise further in the coming years—should not be brought in as an argument against thermal expansion. If only coal could be transported more regularly and adequately to Western India, the electricity industry is not likely to mind its higher cost.

But will the private sector be in a position to raise, from the market, the needed capital for further development? This is an issue which, by and large, is bound up with the proposal now under the Union Government's consideration for liberalising the conditions under the Electricity (Supply) Act. It is the industry's hope that the process of amending the Act will be completed at least by April next year, if not earlier, and that the amended Act will provide for adequate incentives to the investor —incentives which will enable the electricity undertakings to raise new finance for development and also encourage the existing investor not to disinvest his holdings. The electricity undertakings, it may be noted in this context, are now faced with the anomalous position of having to pay on the new moneys invested a rate of interest higher than the "standard rate" which they are permitted to charge. It is this unsatisfactory position—which, if allowed to continue much longer, will lead to a further loss in equity value—that needs to be fully rectified by an amendment to the Electricity Supply Act.

NEYVELI POWER STATION

President Dr. Radhakrishnan inaugurated on Sunday this week the first of the five 50,000-kw. units of the thermal power station, which forms part of the Rs. 113-crore integrated Neyveli Lignite Project. The inauguration was, of course, a formal one, inasmuch as the unit had actually commenced operation much earlier —in May 1962—and has already supplied over 18 million kw. hours of power to the Madras Power Grid. Nevertheless, the function is quite significant for three important reasons. In the first place, it gives one the impression that, after all the delay in the execution of the power section of the Lignite Project leading to an increase in cost—the latest estimate of the outlay on the power station (comprising five generating stations of 50,000 kw. capacity each) is Rs. 28 crores, as against the original estimate of Rs. 20 crores—things have at last begun to move fast. Another unit is expected to begin functioning in November and the other units after that, at an interval of about five or six months. Secondly, the inaugural function raises hopes that the supply of power from the thermal station will facilitate the setting up of a number of medium and small-scale industries around Neyveli. And, thirdly, the function reminds the workers and technicians engaged not merely in this particular project but also elsewhere of the need to develop, as Dr. Radhakrishnan emphasised in his speech, a "sense of participation" in a project and to feel themselves "emotionally involved" in it.

The Neyveli power station, it will be recalled, is a product of Indo-Soviet economic co-operation, involving both technical and financial assistance from the Soviet Union. There are at present at the site more than 50 Soviet specialists who are not only helping to construct the power station but also training Indian personnel in operating its complicated equipment. Under the 112.5-million rouble credit agreement entered into between the Governments of the two countries in November 1957, it was envisaged that the power station would have a capacity of 250,000 kw. (of five units of 50,000 kw. each). Later, under the agreement of February 1960, a provision was made to step up the capacity by 150,000 kw. by the end of the third Plan; the Soviet Union agreed to supply additionally one turbo-generator of 50,000 kw. capacity and another of 100,000 kw. capacity. In all, therefore, the power station will have seven generators with an aggregate capacity of 400,000 kw. It will thus be the biggest thermal power station in the whole of India. Incidentally, this is the first power station in the country working on lignite—or "brown coal" as it is called—which is claimed to be much cheaper than coal. Located in close proximity to the lignite mine, the thermal plant is fed with lignite scrapped from a seam 150 feet below ground level by a giant bucket wheel excavator; a 6,000-foot belt conveyor brings lignite fresh from the pot to the plant.

When thermal power station at Neyveli is fully commissioned, the pace of industrial development in Madras State, which has all along been retarded as a result of erratic hydel power supply and its remoteness from India's coal basins, is bound to be accelerated. The Madras State, as readers are probably aware, does not have any coal (black) deposits. So its requirements of coal have to be hauled over long distances—over 1,000 miles, that is, from West Bengal and Bihar—entailing heavy freight charges. This void is now being filled, to some extent, by the Neyveli thermal power station which will also help, as Mr. T. M. S. Mani, Managing Director of the Neyveli Lignite Corporation, stated in his welcome speech, in conserving the equivalent coal resources for use elsewhere in the country.

TRUCKS FOR ROAD TRANSPORT

When the Chairman of the Tata Engineering and Locomotive Company Ltd., a leading manufacturer of commercial vehicles, pleads vigorously for greater encouragement to road transport, it may be thought that his is an interested plea. But it would be most uncharitable to take it so, for the facts pertaining to road transport are indisputable and objectively verifiable. For instance, the fact that road transport capacity can be built up more quickly and at a much lower cost than any other method of transportation has been established by now beyond the shadow of a doubt. Its extreme flexibility and large employment potential are also matters of common knowledge. India's planners have, of course, broadly recognised these special advantages and potentialities of road transport. But they are still in two minds about the extent to which this mode of transport can be developed, as witness their procrastination in the matter of evolving a long-term transport policy for the country. Sooner or later—sooner rather than later—they should evolve such a policy. They would do well, in this connection, to ponder seriously the following observations of Mr. J. R. D. Tata in his statement to the shareholders of T.E.L.Co. published elsewhere in this issue:

"In these days of acute transport shortage pointing to the urgent need for providing greater freight and passenger carrying capacity, road transport deserves, in my view, a higher priority and more sympathetic consideration than it has received so far. It seems, instead, to have been specially selected for a cascade of impositions and taxes as well as of innumerable restrictions and impediments in its intra-State and inter-State operations, in addition to the limitations imposed by the inadequacies, both in mileage and quality, of the country's road system. A vigorous development of the latter, coupled with an adequate and balanced production of commercial vehicles, would yield immeasurable benefits to our entire national economy."

But that is not all, for there is the additional factor pertaining to the financial contribution which road transport already makes and will continue to make to public revenues. It is something fantastic, for instance, that, out of the price of about Rs. 34,000 which the purchaser of a Tata Mercedes-Benz chassis pays in Bombay, as much as Rs. 10,000 goes to pay for duties and taxes to the State and Central Governments. What is more, every commercial vehicle continues, during its many years of operation, to be a fruitful source of revenue through fuel taxes and a variety of other taxes. This factor, namely, contribution to the public exchequer, and that on a relatively greater scale than by the railways, should not also be overlooked in determining relative priorities for the different modes of transport. It is good to find that Mr. J. R. D. Tata has lent his weight to the case for road transport by his forceful and cogent arguments.

The problem of according a higher priority to road transport will not, however, be solved unless the national highways are more systematically developed and the indigenous manufacture of commercial vehicles is more adequately increased. More I.D.A. credits would have to be sought for the purpose of highways development, although the foreign exchange component of highway projects is relatively small. Substantially more foreign exchange would be required for the manufacture of commercial vehicles, for the achievement of complete self-sufficiency in raw materials, components and ancillary products is not within the control of T.E.L.Co or of any other automobile manufacturer, for that matter. So long as the manufacture of special steels and of ancillary and proprietary products do not keep pace with the growth of capacity in the automobile industry, imports of such raw materials and components, to varying extents, will continue to be necessary. This, however, should not be taken to mean that automobile manufacturers have not been doing their best to achieve higher and still higher levels of indigenous content. It is heartening to know that T.E.L.Co. alone, thanks to the high level of indigenous content attained by it, was responsible for a saving of Rs. 12.5 crores in foreign exchange last year. Since 100 per cent indigenous content seems to be well-nigh impossible in the foreseeable future, some expenditure of foreign exchange on imported raw materials and components is inevitable. To think of reducing the foreign exchange allocation for this purpose would be to slow down further the rate of production of trucks which had actually registered a fall from 20,961 numbers in 1960 to 19,517 in 1961. This downward trend needs to be arrested and reversed, if Mr. K. D. Malaviya's plan for breaking the transport bottleneck is to succeed.

COTTON SUPPLY

The Cotton Advisory Board, at its meeting held in the city on 2nd August under the chairmanship of Mr. W. R. Natu, Textile Commissioner, took a close look at the present and prospective trend in the supply position of cotton and made certain specific recommendations to meet the shortage of cotton in the country and to ensure equitable distribution of available supplies. Although the Board did not take an alarmist view of the situation, it was seized of the problem of continuing shortage of cotton. The Board felt relieved that the critical situation envisaged earlier in respect of the months September to November 1962 had been averted due mainly to "timely imports and proper husbanding of the internal resources," but it was of the view that the carryover stocks at the end of the current season, namely, 1961-62, were still at a precariously low level. The crop prospects for 1962-63 were discussed and, though it was too early to make any firm estimate, the Board felt that the crop might not be larger than 5.2 million bales of 400 lbs. each even under favourable circumstances. The Board therefore recommended the import of at least one million bales of foreign cotton to be carried out in such a way that the cotton could arrive early in the next season. It also emphasised that, even with this import, the closing stocks at the end of the next season beginning on 1st September 1962 would be smaller than even the closing stocks of the current season. While the Board did not consider it advisable to release any further export quotas for Bengal *Deshi* during the current season (export quota so far released aggregate 278,000 bales), it recommended that a sizable quota should be announced for the next season sufficiently early as was done in the current season.

As the Board had thus no doubt about the precarious position of the supply of cotton, it unanimously recommended that the existing control measures such as compulsory survey, requisitioning, quota system, etc. should not only be continued but actually tightened up. Further, it suggested certain modifications in the machinery for implementing the control measures, the most notable of them being the replacement of the existing multiplicity of the regional survey committees by a few large, strong and expert zonal committees consisting of experienced surveyors.

It is evident from the foregoing account that one million bales is what the Board considers to be the minimum import requirement on the assumption of a crop of 5.2 million bales, as against the revised estimate of 4.6 million bales for the current season. Should production in the 1962-63 season fall short of the Board's estimate, all available indications at present are that imports would have to be correspondingly raised. But even then, stocks at the end of the next season would be lower than the opening stocks which themselves are expected to be thin at 1.43 million bales, as compared with 1.8 million bales at the beginning of the current season. If the stock position is to be maintained intact, imports should be of the order of 1.5 million bales even if the crop turns out to be a good one of 5.2 million bales. This indicates the magnitude of the import requirement and, since the foreign exchange position is by no means favourable for facilitating an import of even one million bales, the cotton position is precarious indeed.

The Government, according to Mr. S. K. Patil, Union Minister for Food and Agriculture, is making arrangements for a minimum buffer stock of 300,000 bales (he would prefer to have a buffer stock of as much as 5 million bales). If this requirement is also taken into consideration, the total imports in the next season will have to be roughly 2 million bales. Clearly, imports of such magnitude are definitely not possible for the reason just mentioned. One may hope that in the next season the U.S. will be more generous than it has been in the current season in supplying P.L. 480 cotton. But the grim fact remains that a good part of the requirements will have to be met through normal commercial imports. Well may Mr. Patil claim, as he is reported to have done, that he keeps everybody happy by giving them food but he certainly cannot say that he makes everbody happy by giving them clothing too.

PAPER INDUSTRY

Despite several handicaps, such as unremunerative prices and shortage of transport facilities for moving raw materials and finished products, the paper industry has made fairly satisfactory progress in recent years. The total output of paper and paperboard is estimated to have gone up from 350,000 tons in 1960-61 to 370,000 tons in 1961-62. Recent trends in the expansion of capacity have also been encouraging, the additional capacity licensed in 1961-62 being as much as 850,000 tons bringing the total licensed capacity to 1.26 million tons. If the licensed units are commissioned expeditiously, consumers will not have much difficulty in getting their requirements of paper at reasonable prices. But it is essential to ensure that production is diversified in such a way as to cater to the specific requirements of consumers. It may be recalled, in this connection, that the Tariff Commission, in its report of 1960, had recommended the production of common varieties of paper in the ratio of 60 : 40 with other varieties of board and paper. In suggesting this, the Commission was prompted by the acute shortage of common varieties of paper at that time. But the situation seems to have changed since then. This at least is what the traders say. Mr. C. C. Mukharji, President of the Calcutta Paper Traders' Association expressed the view, at the Association's meeting last week, that "the

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GUJARAT STATE DEVELOPMENT LOAN, 1974

ISSUE PRICES Rs. 100/- PER CENT

OPENS FOR SUBSCRIPTION ON 27th AUGUST 1962

The loan will be closed as soon as a total of approximately **Rs. six crores** has been subscribed, and in any case not later than the close of business on 1st September, 1962.

THE LOAN WILL BE UTILISED TOWARDS THE DEVELOPMENT PROGRAMME OF THE NEW STATE OF GUJARAT. ALL ARE REQUESTED TO SUBSCRIBE GENEROUSLY TO THE NEW LOAN.

The loan applications will be received at—

(1) Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi.

(2) State Bank of India, Patna.

(3) State Bank of Hyderabad, Hyderabad.

(4) Branches of State Bank of India and State Bank of Saurashtra conducting Government work in the State of Gujarat.

(5) Treasuries and Sub-treasuries in Gujarat (at places not covered by (4) above).

APPLICATION FORMS AND FULL PARTICULARS CAN BE OBTAINED AT ANY OF THE ABOVE OFFICES.

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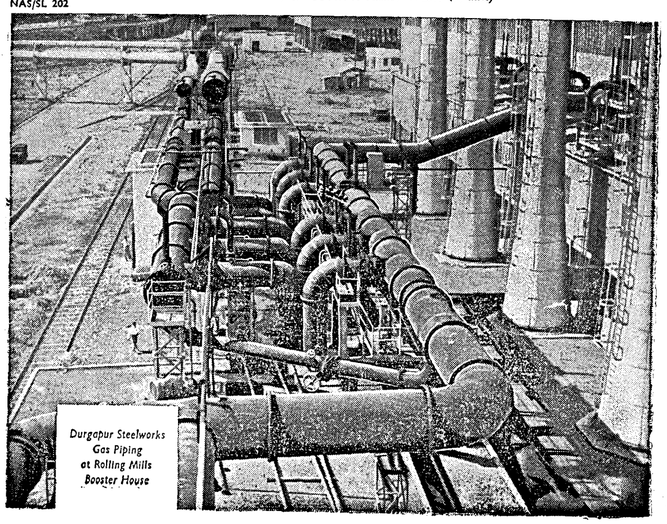


market is now surfeited" with common varieties of paper. He added that there had been, of late, a consistent demand from the consumers for better quality and a larger variety of paper.

There may be something valid in Mr. Mukharji's broad finding. It should not, therefore, be ignored of hand by the manufacturers and the Government. Although his remaks are not supported by sufficient statistical data, they should be given due attention, as traders who are in touch with consumers are likely to be in the know of consumer preferences. In support of his argument for enhancing the output of better quality paper, Mr. Mukharji observed as follows:

"The toils and troubles of the Indian Standards Institution would be in vain, if a situation conducive to the production of quality paper is not created in this country. Moreover, the country having been allowed to import top grade printing presses, it would be all to the waste now, if the types of paper necessary for use in such presses are not produced, particularly when many of our mills are well equipped for the purpose too."

The production of paper of better quality will certainly help paper exports, too, which are currently at a relatively low level. Shipments of paper and paperboard rose from Rs. 56 lakhs in 1960-61 to Rs. 64 lakhs only in 1961-62. If the quality of the paper is improved and prices maintained at competitive levels, there is no reason why India's export of paper, particularly to some of the Asian and African countries, should not increase substantially. In this connection, Mr. Mukharji made a plea to the Government of India to give effect to the recommendations of the Mudaliar Committee on foreign trade for granting tax concessions and other incentives. This plea, too, is, *prima facie*, worthy of consideration.

FISHERY INDUSTRY

The growth of fishery industry on modern lines is only of recent origin in this country. The industry admittedly has bright prospects ahead, considering the scope for exploiting the vast potential resources of fish in the Indian Ocean, for increasing consumption within the country and for promoting exports. The total catches in India have been rising steadily, as a result of increasing adoption of mechanisation of fishing vessels and the use of trawlers by some of the organised units. In 1960, the latest year for which figures are available, India's fish catches touched a record of 1.40 million tonnes. Although production has tended to go up, the recent trends in exports have not been uniformly encouraging. In fact, exports of fish suffered a distinct setback during the year ended March 1962, being only Rs. 3.91 crores, as compared with Rs. 4.62 crores in 1960-61 and as much as Rs. 5.83 crores in 1959-60. This is particularly disturbing, viewed against the ambitious export target of Rs. 12 crores per year laid down in the third Plan. The decline is mainly the result of a drastic setback in the two traditional markets, namely, Ceylon and Burma, for dried fishes. India's export of dried fish to Ceylon, for instance, fell sharply from about Rs. 248 lakhs in 1960-61 to just about Rs. 100 lakhs. Import restrictions and, to some extent, the development of the domestic industry in Ceylon and Burma account for their smaller offtake. While these are things beyond the control of producers or authorities in India, the Government can still make some efforts to persuade these two neighbouring countries to avoid further disruption of the traditional pattern of trade. If the present trends are allowed to continue, Indian fish exports to these countries are likely to be completely wiped out.

The only reassuring feature of fish exports is the upward trend in the shipment of frozen, and to some extent canned, prawns, mainly to the U.S. The total export of prawns (frozen) rose from no more than Rs. 146 lakhs in 1960-61 to about Rs. 215 lakhs in 1961-62. The offtake by the U.S. alone increased from Rs. 52 lakhs to Rs. 69 lakhs, by Australia from only Rs. 3 lakhs to Rs. 13 lakhs and by Hong Kong from about Rs. 8 lakhs to Rs. 10 lakhs. The diversification of the pattern and direction of fish exports is certainly welcome and deserves to be encouraged by all means. The U.S. is, perhaps, the world's largest market for shrimps and prawns. Although it produces annually about 140 million lbs. of shrimps, it imports a much larger quantity, that is, about 230 million lbs. per year (as of 1959). The U.S. imports its requirements from about 55 countries, of which eleven countries account for 90 per cent. India is said to be the sixth largest supplier, but its total supply is no more than five million lbs., being only a fraction of the total U.S. imports. The U.S. being a highly competitive market, it is of the utmost importance to ensure that fish and fish products sent to that country are of the highest quality, with attractive packing, etc. In this connection, one wonders what has been the fate of the proposed Fish Control Order, which the Government has been thinking of bringing into force for a long time. The Order was intended to enforce quality control on processed fish right from the stage of catching to packing. The earlier the Government gives effect to this order, the better. For, unlike in the past, when fish was exported to some of the neighbouring countries, Indian products are now entering the highly competitive markets like the U.S. and Australia. Unless Indian fish earns a name for its quality, it cannot have smooth sailing in these markets.

Steps are, of course, being taken in the country for the development of marine fisheries. A large number of mechanised crafts has also been pressed into service. There are now about 1,900 mechanised fishing boats, as against only 850 in 1957. A number of private parties, some with foreign collaboration, has taken to power fishing and introduced mechanised fishing on a large scale, especially in the Kerala coast, as also in Maharashtra. F.A.O., T.C.M. and the Norwegian Government have also been helping India in various ways in the development of fisheries on modern lines. Although these measures are undoubtedly welcome, they are not sufficient. As pointed out by Mr. K. R. P. Shroff, Chairman of the New India Fisheries Ltd., Bombay, in his statement circulated among shareholders in connection with the seventh annual meeting of the Company, there is an urgent need for conducting marine surveys in this country for assessing the potential and also for finding out the extent and reason for the disappearance of certain varieties of fishes from Indian seas. According to him, mackerel and the well-known Bombay duck, in particular, have been disappearing from India's west coast region. It is to be hoped that the forthcoming survey organised by the International Indian Ocean Expedition, involving 40 ships and participation of more than 20 countries, will result in a better knowledge of the Indian Ocean, the least-known ocean-bed in the world.

The smaller catches of mackerel and sardines have affected, to some extent, the profitability of the industry, as will be evident from the financial results of the New India Fisheries. This Company has, no doubt, registered some progress in expanding its operations by acquiring more trawlers, but its total catches declined from 4,313 tons in 1960-61 to 3,864 tons in 1961-62. Consequently, its sale proceeds have fallen from Rs. 26.93 lakhs to Rs. 26.38 lakhs. The net profit of the Company is also lower at Rs. 3.35 lakhs, as against Rs. 4.94 lakhs in the previous year. The prospects for the Company, which is run in collaboration with a leading Japanese fisheries concern, the Taiyo Fishery Company, Ltd., of Tokyo, are, however, good, with its plans for buying more trawlers and for expanding its operations for deep sea fishing.

4½ PER CENT STATE GOVERNMENT LOANS, 1974

State	Amount (In crores of Rs.)	Issue Price Per cent
1. Andhra Pradesh	10	Rs. 99.50
2. Assam	3	Rs. 99.50
3. Bihar	4	Rs. 99.50
4. Gujarat	6	Rs. 100.00
5. Kerala	4	Rs. 99.50
6. Madhya Pradesh	5	Rs. 99.50
7. Madras	12	Rs. 99.75
8. Maharashtra	12½	Rs. 100.00
9. Mysore	6	Rs. 99.75
10. Orissa	7	Rs. 99.50
11. Punjab	3½	Rs. 99.50
12. Rajasthan	4½	Rs. 99.50
13. Uttar Pradesh	9	Rs. 99.75
14. West Bengal	7	Rs. 99.75

All the State Governments reserve the right to retain subscriptions upto ten per cent in excess of the notified amount.

All the above loans will be repaid at par on 27th August 1974.

THE LOANS WILL OPEN FOR SUBSCRIPTION ON MONDAY, 27TH AUGUST 1962 AND CLOSE ON SATURDAY, 1ST SEPTEMBER 1962 OR EARLIER WITHOUT NOTICE AS SOON AS SUBSCRIPTIONS APPROXIMATE TO THE AMOUNT OF EACH ISSUE.

All the loans will bear interest from 27th August 1962.

Subscriptions may be in the form of CASH/CHEQUE in respect of all the loans.

Securities of 3 per cent Bombay Provincial Development Loan, 1962 and 3½ per cent Bombay State Development Loan, 1962 will be accepted AT PAR for conversion into the new loan of the Government of Maharashtra. Securities of 3½ per cent Madhya Pradesh Loan 1962, Madras Government 3½ per cent Loan 1962, 3½ per cent Uttar Pradesh Loan 1962 and 3½ per cent West Bengal Loan 1962 will also be accepted for conversion AT PAR into the new loans of the respective State Governments.

Interest on the securities of 3 per cent Bombay Provincial Development Loan 1962 tendered for conversion will be paid at the rate of 3 per cent per annum upto 31st July 1962 inclusive and at 4½ per cent per annum for the period 1st to 26th August 1962 inclusive. Interest on the other securities tendered for conversion will be paid at the rate of 3½ per cent per annum upto and inclusive of 26th August 1962.

APPLICATIONS FOR ALL THE LOANS WILL BE RECEIVED AT THE OFFICES OF THE RESERVE BANK OF INDIA AT BANGALORE, BOMBAY, CALCUTTA, MADRAS, NAGPUR AND NEW DELHI, THE BRANCH OF THE STATE BANK OF INDIA AT PATNA AND THE BRANCH OF THE STATE BANK OF HYDERABAD AT HYDERABAD.

Applications will also be received at OTHER PLACES WITHIN THE RESPECTIVE STATES as follows:—

(i) Branches of the State Bank of Bikaner, State Bank of Hyderabad, State Bank of Indore, State Bank of Jaipur, State Bank of Mysore, State Bank of Patiala and State Bank of Saurashtra, conducting Government work.

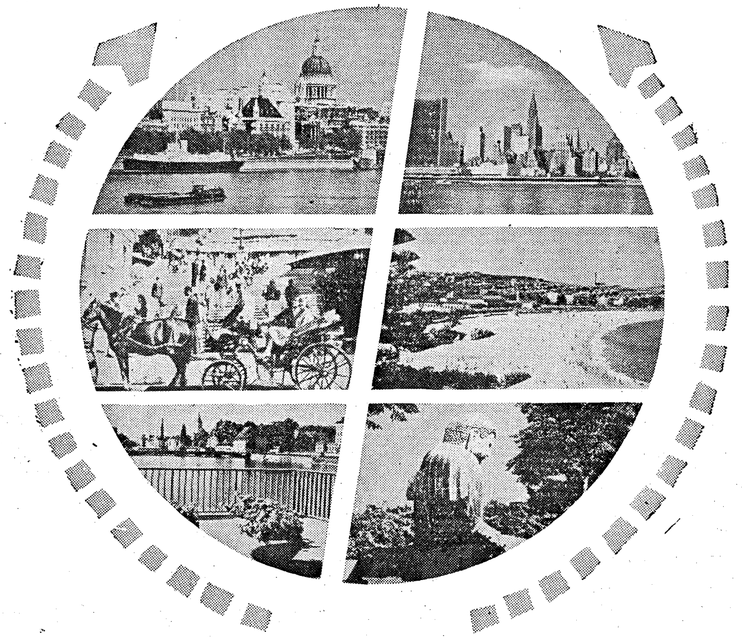
(ii) Branches of the State Bank of India at places where there is no branch of its Subsidiary Banks conducting Government work.

(iii) Treasuries and sub-treasuries (except in the States of Assam and West Bengal) at places not served by the aforesaid banks.

Copies of Notifications and Application Forms may be obtained at any Receiving Office.

Applicants tendering applications at the offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi will, in the event of oversubscription to the loan applied for, be given the option of transferring their cash refunds to any of the other State Government loans which may still be open for subscription. To avail of this facility, the applicants should complete the "Special Option Form" copies of which are available at any of the abovementioned offices of the Reserve Bank of India.

FLY WEST OR EAST



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GOLD AND MR. KENNEDY

A NOVEL IDEA REGARDING I.M.F.

(From Our Own Correspondent)

LONDON, *3rd August*

LONDON LETTER

SINCE the United States, in spite of its present image of poverty, still holds 40 per cent of the "free world's" gold, their views on how to handle the International Monetary Fund and what is to happen to the price of gold are as significant as ever. This country herself is also in a predominant position from the point of view of influence for the meeting of the International Monetary Fund next September by having paid off the £183 million balance of its drawing from the I.M.F. of a year ago. Although the U.K. still maintains a credit line with the I.M.F. which has been increased by each repayment of its debt, this is not the same thing as using the credit line.

Britain is not, then, a debtor in the I.M.F. and the fact that she is undoubtedly a debtor in a very substantial amount to a great number of unknown holders of sterling does not have the same significance, especially as the U.K.'s reserve at over £1,000 million is £165 million higher than it was a year ago. And to this must be added the fact that, for two quarters now, the U.K. has been running an active balance of payments.

The U.K. could, of course, come under heavy currency pressure, if for any reason the holders of the hot money balances decide to cash in and that is when the I.M.F. line of credit would have to be brought back into play. The United States, on the other hand, has probably suffered the worst of the lack of confidence in the dollar and President Kennedy's world-wide announcement in the Telstar television interchange between the U.S. and Europe that the dollar would not be devalued has in fact put an end to speculation on that score.

But the American President has not been satisfied with affirming the strength of the dollar *vis-a-vis* other currencies; he has added that he sees no point in a depreciation of the dollar in terms of gold accompanied by a like depreciation in all other currencies. A comment by the London *Economist* that any increase in the price of gold to less than $100 per ounce would bring more trouble than relief (the current price is of course $35.00 per ounce) seems somewhat extreme. An increase in the price of gold of under 50 per cent to, say, $150.00 per ounce would be of enormous world significance by correspondingly increasing the currency value of the world's gold reserves. It would make a tremendous addition to every country's liquidity and it is certain that the member-countries of the I.M.F. will not at their next meeting lightly dismiss the idea of a substantial upward revaluation in the price of gold in terms of all currencies—although the advantages that would accrue to the U.S.S.R., which is probably the world's largest gold producer today, might be decisive in causing the rejection of the idea.

There is unfortunately no reason to suppose that the world's central banks are yet ready for the introduction of an international currency unit by the I.M.F. backed by the I.M.F.'s holding of its members' currencies and therefore as effective as an increase in its gold stock. But an alternative suggestion is being canvassed: that is that the national currencies held by the I.M.F. should be guaranteed in terms of gold by the countries concerned—that is, the U.K. would guarantee the gold value of all sterling held by the I.M.F. America would guarantee the gold value of dollars held by the I.M.F., etc. This would mean that every country holding currencies with the I.M.F. could regard these currencies as the equivalent of gold and equally the I.M.F. could regard its holdings of all currencies as the equivalent of gold.

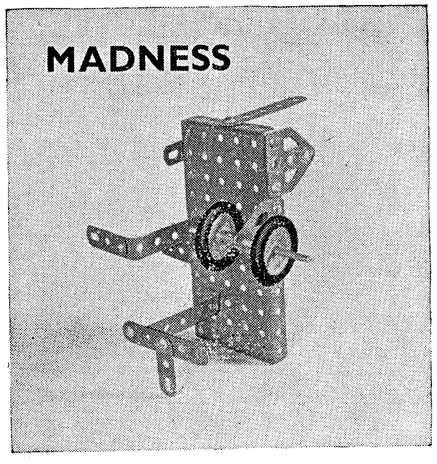
The suggestion would be of even greater value if the gold clause protection were extended to international currency balances held by central banks. That is, it should not be necessary if the Bank of England holds francs for those francs to be deposited with the I.M.F. for the gold clause protection to apply. After all, central banks can hold gold apart from their I.M.F. deposits and, if the idea is to extend the potential credit basis, then international currencies (to which the I.M.F. has given the seal of its approval, that is the seal of free transferability into gold) held by central banks should have the same security as gold, without it being necessary to deposit these currencies with the I.M.F. in order to acquire that security.

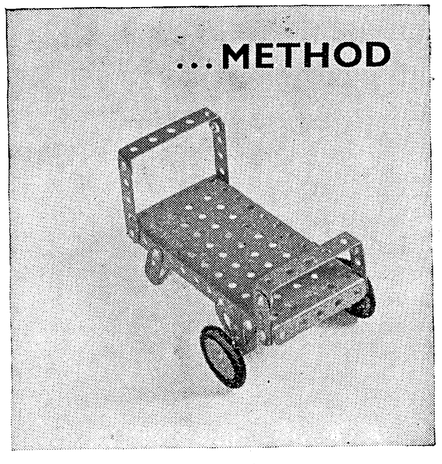
From Mr. Kennedy's point of view, this suggestion is purer than the thought of an upward revaluation in the price of gold. No one would be able to wag their heads and say: "But, after all, the dollar has been devalued in terms of gold while the rouble has not." But there is no doubt that the "eastern world" which does not suffer from the risks of capital movements could cash in on a "western" devaluation in terms of gold. An idea has already been put into practice by the Federal Reserve System in its application to certain dollar holdings of central European banks at a time when the Federal Reserve System wished to acquire foreign currencies to combat flight from the dollar. There is, therefore, no practical difficulty, although, in its world-wide application, the idea would be novel. It would also take time for the essentially conservative central banks to think of their reserves of foreign currencies as being indeed the equivalent of gold. Nor does all this pump more liquidity into a Western world, which is hovering on the brink of recession, but it does provide a credit basis which will enable currency measures to combat recession and to bring about progress unimpeded.

AUSTRIAN SCHILLING

The Government of Austria has accepted, effective from 1st August 1962, the obligations of convertibility for its currency, as set forth in Article VIII of the Articles of Agreement of the International Monetary Fund. The Austrian schilling was made externally convertible at the beginning of 1959 and since then the country's balance of payments and reserve position has continued to improve, reflecting the increased strength of the country's economy. These developments have permitted the removal by Austria of nearly all restrictions on current international payments.

Article VIII provides that members accepting its obligations are required to avoid the use of restrictions on current payments, multiple exchange rates and discriminatory currency practices, unless prior approval has been obtained from the Fund. The move by Austria to Article VIII brings to 22 the number of Fund members which have now accepted the Article VIII obligations.





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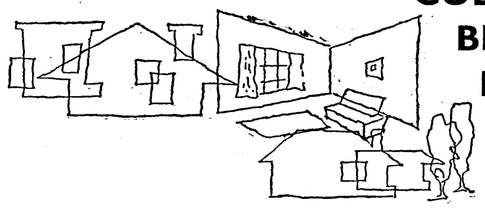

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J & N has produced paints for India's homes since 1922. The company has always believed that colour is vital to happy living. J & N use paint as a medium to reflect individual personality, to create mood and atmosphere, to enhance the warmth of a home...Towards this end, J & N has produced a range of decorative finishes second to none. It extends from the widely used Umbrella paints to Robbialac—a brand that spans the world.

LUCA DELLA ROBBIA—AN ITALIAN GENTLEMAN

Little is known about Robbia the man—but Robbia the artist has achieved lasting fame. He began his professional career circa 1500, as apprentice to a Florentine goldsmith. His talent carried him swiftly to sculpture. From there he passed on to terra-cotta and spent years of painstaking experiment before producing what the world was to know as 'Della Robbia Glaze'. A contemporary used the words 'endless durability' in describing Robbia's work. The first John Nicholson had admired Della Robbia's art ever since he received an order for a 'blue white...as in the Della Robbia Glaze'.

The day came when J & N produced a new product—an enamel of exceptional hardness, lustre and durability. It was fittingly named Robbialac, after the Italian with whom perfection was a norm.

Today, in the remotest corners of five continents, J & N equates with *'Maker's of Robbialac'*.

DID YOU KNOW ABOUT BERENICE?

She was an impulsive, golden-haired Cyrenean princess. One day she discovered Religion, cut off her tresses and dedicated them to the goddess Venus. To an angry husband she explained that the stars had stolen her locks. We now have a group of stars called Coma Berenices. The lady has yet another claim to fame. Her name was bestowed on a certain amber—widely used today in paint manufacture. Berenice is now pronounced 'Varnish'.

When next you buy a J & N paint, think of Berenice...

Q. WHAT HAS BUCKINGHAM PALACE IN COMMON WITH NO. 1 M. GANDHI ROAD?
A. J & N DECORATIVE FINISHES

Churches, hospitals, offices, cinema houses, universities, public buildings—all have been treated with J & N finishes. The list is international. It includes such historical landmarks as the Houses of Parliament, Buckingham Palace and the Tower of London, the Grand Theatre of Mexico City and the Stock Exchange, Valparaiso. At the Vatican, Rome, the private apartments of his Holiness, the Pope, are finished with J & N coatings. Among the many buildings in India treated with J & N finishes are Rastrapati Bhawan, the Prime Minister's residence, Parliament House, the World Health Organisation, National Museum, Vigyan Bhawan and the American Embassy, in New Delhi; Raj Bhawan, Tea Board Building, Telephone Bhawan, Woodlands Nursing Home, Calcutta Club, Statesman House and Firpo's, in Calcutta; 'Adelphi',

Metro Cinema, Bank of Baroda, Chartered Bank Building, Nataraj Hotel and Glaxo Laboratories in Bombay. The list is always increasing. There is no finer tribute to the consistent excellence of J & N decorative finishes.

WHEN IT'S A QUESTION OF COLOUR...

...for your flat or office, get in touch with J & N. Our Colour Advisory Service is specially organised and staffed to help you. The Service is managed by a Colour Consultant—an expert in interior decoration—and provides colour schemes *free of cost and without obligation to use J & N paints*. Though colour is largely a question of individual taste, the scientific use of colour is a precise and delicate skill. Correctly employed, colour can add warmth or coolness to a room, impart an illusion of space, transform a drab flat into a warm, inviting home.

FROM TOY TRAINS TO THE TAJ MAHAL HOTEL

Or, for that matter, from tables to ten-storey buildings—J & N has a paint for *every* decorative need. Enamels, emulsions, dry-distempers, porcelain lacquers, cement coatings...the range is exhaustive. It covers such national brands as Robbialac, 3 Umbrella, Jhilmil, Jensolin—leaders in their fields.

Behind the success of these brands lies J & N research. At the J & N factory near Calcutta, a fully-equipped laboratory, staffed with skilled chemists, pursues an unceasing programme of research, development and testing. Each batch of paint is tested to precise standards before leaving the factory. The result of all this care: *you take quality for granted in a J & N paint.*

*

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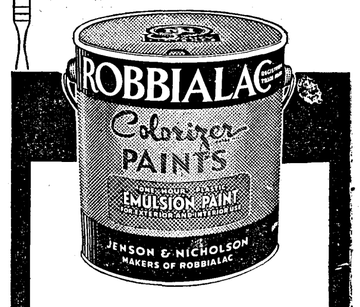
In which of J & N's shades?

*



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WORLD BANK COMPLETES SIXTEEN YEARS

INDIA LARGEST BENEFICIARY

THE International Bank for Reconstruction and Development has just completed its sixteenth year of operations. Its activities during the fiscal year ended 30th June 1962 indicate that, with every passing year, the Bank's contribution to the broadening stream of financial and technical assistance to the less developed countries has been increasing. New lending during the fiscal year ended 30th June 1962 amounted to $882 million in 29 loans, bringing the total number of loans granted by the Bank since its inception to 321 and the total amount of loan commitments to $6,673 million in 60 member-countries and territories. In the preceding fiscal year, it may be recalled, the Bank had made 27 loans covering a commitment of $610 million. The amount of loans sanctioned during the year under review is the highest on record in the Bank's history of sixteen years. Over the year, the loan commitments show a spectacular increase of $272 million or 44 per cent.

The countries to which loans were made during 1961-62 are: Argentine, Australia, Austria, Finland, Ghana, Iceland, Israel, Japan, Kenya, Peru, Trinidad and Tobago, Venezuela (one loan for each), Colombia (2 loans), Costa Rica (2 loans), Ethiopia (2 loans), India (five loans), Mexico (2 loans), Philippines (2 loans) and South Africa (2 loans). Actual loan disbursements during the year were also higher at $485.4 million, as compared with $398.5 million in the previous year, bringing the cumulative disbursements during the sixteen-year period (1946-47 to 1961-62) to $4,805 million.

The World Bank's new affiliate, namely, the I.D.A., which has just completed two years, has also had an active year. During 1961-62, it provided no less than 18 credits covering $134 million, bringing the total number of credits provided by it to 22, involving $235 million. It will be interesting to note here than the World Bank itself did not attain this rate of momentum in the initial years of its existence even though its resources were incomparably larger than those of the I.D.A. The following table gives the number and amount of loans provided by the Bank and the I.D.A. since their inception:

(In million dollars)

Fiscal year	World Bank		
	No. of loans	Amount	Disbursements
1946-47	1	250	92
1947-48	5	263	378
1948-49	10	137	56
1949-50	12	166	88
1950-51	21	297	78
1951-52	19	299	185
1952-53	10	179	227
1953-54	26	324	302
1954-55	20	410	274
1955-56	26	396	284
1956-57	20	388	332
1957-58	34	711	499
1958-59	30	703	583
1959-60	31	659	544
1960-61	27	610	398
1961-62	29	882	485
Total	321	6,673	4,805
I.D.A.—			
1960-61	4	101	..
1961-62	18	134	..
Total	22	235	..

Two-thirds of the Bank's lending so far has been for basic investment in transportation and electric power. Thus, out of the total net loans sanctioned amounting to $6,545 million, as much as $4,293 million, or 65.6 per cent, have been for developing transportation facilities and electric power generation. Of the balance, industry accounts for $1,017 million, agriculture and forestry for $504 million, reconstruction for $497 million, and general development for $205 million. The pronounced slant in favour of public utilities is evident in the programme of lending by the I.D.A. too. In fact, the I.D.A. is meant for assisting those projects which may not fully satisfy the tests applied for the loans to be given by the World Bank. Thus out of the total credit of $235 million provided by the I.D.A., $126 million was for transportation, $79.2 million for agriculture and forestry and $18 million for reconstruction, $6.4 million for water supply and only $5 million for industry.

A country-wise analysis of the loans given by the World Bank shows that the largest number of loans—30 to be exact—was provided to India for a total amount of $846 million ($817 million net, after taking into account cancellations, refundings and terminations). Japan was given 24 loans, but the amount involved is only slightly more than half of that sanctioned to India, being $488 million ($482 million net), Columbia ranked third according to the number of loans (20) though the amount involved is very much less than that of India or Japan, being only $270 million. The following are the principal recipients of loans, the figures in brackets being the original amount of sanctioned loans in million dollars. Australia (418); Pakistan (256); Brazil (292); Mexico (406); Peru (107); South Africa (222); Austria (106); Finland (127); Italy (300); Rhodesia and Nyasaland (147); Iran (194); Thailand (129); France (250); the Netherlands (244); Norway (120); Argentina (143) and Chile (113).

India is also the largest beneficiary of I.D.A. credit, both in terms of the number and the amount of loans. Thus, India was given 7 credits for $122 million out of the credits of $235 million, that is, more than 50 per cent. Pakistan ranked second with 3 credits involving a total of $21 million.

The Bank's gross income, exclusive of loan commissions amounting to $30 million, was $188.3 million, as compared with $166.6 million in the preceding year. Expenses, which included $99 million for interest on Bank borrowing and other financial expenses, aggregated $118 million, as compared with $103.4 million last year. The net income was $70.3 million, which together with loan commissions, was credited to the reserves, the total of which now stands at $699.3 million. At this level, the reserves provide a cover of 18.7 per cent to total loans outstanding.

Repayments

Repayments of principal received by the Bank during the year amounted to $104 million and repayments to purchasers of parts of loans amounted to $121.6 million. This brings total principal repayments to $1,075.4 million as on 30th June 1962, consisting of $542.5 million repaid to the Bank, and $532.9 million repaid to the purchasers of borrowers' obligations sold by the Bank.

The outstanding funded debt of the Bank as on 30th June 1962, amounted to $2,520.8 million, reflecting a net increase of $292.3 million in the past year. During that year, there was a gross increase in borrowings of $463 million. This consisted of the following: Public bond issues: an Italian lire issue in the amount of Lit. 15 billion (U.S. $24 million), a $100 million U.S. dollar issue and a Swiss franc issue in the amount of Sw. F 100 million ($23.3 million); the private placement of an issue of $100 million of U.S. dollar bonds; the drawing down of the Swiss franc borrowing of Sw.F 100 million ($23.2 million) of October 1961; the drawing down of U.S. $120 million and the balance of DM. 250 million ($62.5 million) of the German borrowing of August 1960; and the delivery of $10 million of bonds which had been subject to delayed delivery arrangements. The funded debt was decreased by $170.7 million, as a result of the maturing of $122.7 million of bonds, the redemption of Sw.F 100 million ($23.2 million), the revaluation of the Canadian dollar issues by $3.2 million, $4.5 million of unissued bonds which were subject to delayed delivery and sinking and purchase fund transactions amounting to $17.1 million.

It is clear from the foregoing account that the scope of the Bank's operations is truly world-wide. Five new countries became members of the Bank during the fiscal year ended 30th June 1962. They are Laos (capital subscription, $10 million), Liberia ($15 million), New Zealand ($166.7 million), Nepal ($10 million) and Cyprus ($15 million). The Dominican Republic was readmitted to membership in the Bank with a capital subscription of $8 million. Syria resumed separate membership in the Bank with a capital subscription of $20 million. With the addition of these countries, the membership of the Bank has increased to 75 countries, as on 30th June 1962 with capital subscription aggregating $20,484.8 million.

DEPRECIATION OF MONEY

For some years now, the First National City Bank of the U.S. has been publishing, once a year, a unique table giving the comparative rates of depreciation of money in a large number of countries over a ten-year period. This year's table, included in the August 1962 monthly *Letter* of the Bank, indicates the decline in the value of money in 44 countries during the decade 1951-61. The decline in value is measured, reciprocally, by the rise in official cost of living or consumer price indices. Figures are given for annual rates of depreciation, compounded, not only for the ten-year period as a whole but also for the two five-year periods. The table below indicates the rates of depreciation of money in 44 countries:

	Indices of value of money			Annual rates of depreciation (compounded)		
	1951	1956	1961	1951-56 %	1956-61 %	1951-61 %
Philippines	100	111	101	—2.1	1.9	—0.3
Ceylon	100	100	96	..	0.8	0.4
Guatemala	100	94	96	1.2	—0.4	0.4
Venezuela	100	99	92	0.2	1.5	0.9
El Salvador	100	89	91	2.4	—0.6	0.9
Portugal	100	97	91	0.6	1.3	1.0
Belgium	100	96	90	0.8	1.3	1.0
Ecuador	100	97	90	0.6	1.5	1.1
Switzerland	100	95	89	1.0	1.3	1.1
Lebanon	100	105	88	—1.0	3.4	1.2
Germany	100	96	88	0.8	1.8	1.3
Canada	100	96	87	0.8	1.9	1.3
United States	100	95	87	1.0	1.9	1.4
India	100	100	83	..	3.6	1.8
Italy	100	89	82	2.3	1.6	1.9
Netherlands	100	93	81	1.5	2.6	2.0
Denmark	100	87	78	2.8	2.2	2.5
Pakistan	100	91	77	1.9	3.3	2.6
Austria	100	82	75	3.8	1.8	2.8
South Africa	100	83	75	3.6	2.1	2.9
Japan	100	85	74	3.2	2.8	3.0
Ireland	100	81	73	4.1	2.3	3.2
Norway	100	83	73	3.8	2.5	3.2
Sweden	100	83	72	3.5	3.0	3.3
United Kingdom	100	79	71	4.5	2.2	3.3
New Zealand	100	79	71	4.5	2.2	3.4
Finland	100	87	69	2.7	4.5	3.6
Australia	100	75	67	5.5	2.4	4.0
France	100	87	65	2.7	5.7	4.2
Spain	100	89	65	2.2	6.3	4.3
Greece	100	69	63	7.2	1.8	4.5
Mexico	100	70	54	7.0	4.8	5.9
Colombia	100	83	52	3.7	8.9	6.3
Iran	100	67	50	7.7	5.8	6.8
Peru	100	74	50	5.8	7.7	6.8
Turkey	100	67	39	7.7	10.4	9.1
China (Taiwan)	100	55	35	11.1	9.0	10.1
Israel	100	40	32	16.9	4.1	10.7
Uruguay	100	63	20	8.8	20.7	15.0
Brazil	100	39	11	17.2	22.3	19.7
Argentina	100	52	10	12.2	27.7	20.3
Paraguay	100	14	8	32.1	11.6	22.5
Chile	100	14	5	32.5	17.7	25.5
Bolivia	100	4	1	48.6	20.8	36.2

Note: Depreciation computed from unrounded data and measured by reciprocals of official cost-of-living or consumer price indices.

It will be seen from the above table that the only currency which appreciated over the period is the Philippines pesos, the percentage increase in value being 0.3 per cent per annum. The rates of depreciation ranged from 0.4 per cent in Ceylon and Guatemala to as much as 36.2 per cent in Bolivia. They ranged from 5 to 10 per cent in five countries and exceeded 10 per cent in eight countries. The decline in the value of the U.S. dollar is 1.4 per cent a year over the decade, that of the pound sterling 3.3 per cent and that of the Indian rupee 1.8 per cent. The economists of the Bank make the following comment on the regional difference in the fall in the value of money:

"South America remains the major free world area most seriously afflicted with the inflation disease. In a few cases, rates offered on savings accounts substantially offset the annual losses in real value of their paper currencies, so that it is possible for people to save money even though the benefits of compound interest are lost. Elsewhere in the Southern continent, for the most part, capital accumulation through saving money is denied to people. This is a key to social unrest which, paradoxically, liberal Governments attempt to combat with public spending projects. These, financed by the printing press, feed the fires of inflation and perpetuate the problem."

In drawing any conclusion from the above table the following qualifying comment by the economists of the Bank must be borne in mind:

"In reviewing the table, it must be understood that the stability of money in some countries is more apparent than real, affected by the limited coverage of official indices or by Government policies directed at holding down prices of specific items that have large weights in cost-of-living indices. Contrariwise, there are some cases where indicated losses in buying power of money are more apparent than real. For example, the French figures for 1956-61 reflect President de Gaulle's financial reforms, which included removals of subsidies on cost-of-living items and a freeing of markets to a point where the French citizen today enjoys not only relative price stability but also the widest choice of products in the history of the nation."

DENA BANK OPENS THREE MORE BRANCHES IN SUBURBAN BOMBAY

The Devkaran Nanjee Banking Co., Ltd. has opened on Friday and Saturday this week three more branches in suburban Bombay at Malad (East), Jogeshwari and Wadala. With the addition of these three branches, the total number of the Bank's offices in Greater Bombay has reached 35—the largest among the banks in the City. Dena is also the first bank to open branches in East Malad and Jogeshwari and has now a branch in every suburb in West Bombay. The Bank's branches provide all the banking services and the facility of a safe deposit vault. The Bank promises to open more branches, whenever and wherever feasible.

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The Hongkong and Shanghai Banking Corporation has declared, for the period January-June 1962, an interim dividend of five shillings a share, the same as for the corresponding period of the previous year, on its paid-up capital of £4,940,383 in 3,161,845 shares. The dividend absorbs £790,461. The Corporation is the parent company of a group comprising the Mercantile Bank Ltd. and the British Bank of the Middle East.

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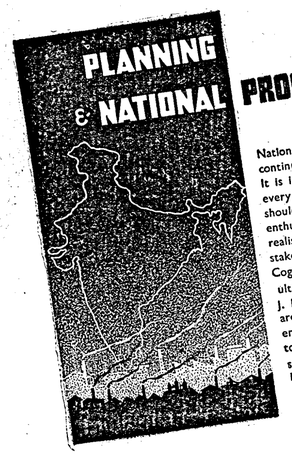

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SOME SIGNIFICANT DEVELOPMENTS IN BRITAIN

MR. MAUDLING IN NO HURRY TO REFLATE

By W. T. C. King
EDITOR, *THE BANKER*

LONDON, *4th August*

IF we exclude the uncertainties inherent in the decisive phase of the negotiations between Britain and the Six in Brussels, by far the most important new question raised for the City of London and the business world generally in the past month (July) has been that posed by the Prime Minister, Mr. Harold Macmillan's drastic and dramatic reconstruction of his Government. A sudden announcement on 13th July disclosed that seven Cabinet Ministers out of the total of 21 had left the Cabinet and had been replaced. And, when the reconstruction was completed a few days later, it was found that eight Ministers outside the Cabinet had been replaced, and an even larger number of junior Ministers, the whole process having permitted the promotion of younger men within the former team as well as the bringing in of an unusually large number of back-benchers.

Since the outstanding change was the departure of Mr. Selwyn Lloyd, who had been Chancellor of the Exchequer for the previous two years (he has now returned to the back-benches) and since the correspondence made clear that the Prime Minister had asked for his resignation, it seemed evident that economic policy had bulked large in the motivation of the changes. Many City observers, and a number of prominent commentators in the Press, promptly jumped to the conclusion that a major shift of economic policy must be afoot. I must emphasise forthwith, however, that, on one important aspect of that policy, there was virtually no such speculation. Significantly, there had been no change in the Ministers directly responsible for the negotiations with the Common Market, and whilst Mr. R. A. Butler had been moved from the Home Secretaryship to the new post of Deputy Prime Minister and the First Secretary of State, it had been made clear that he would continue to lead that ministerial group. It was on the future of domestic economic policy that City speculation mainly focussed.

The First Major Crack

In the period after the first major crack on Wall Street, as I pointed out in the last letter in the monthly series, much public discussion had been taking place about the risks of repercussions on Britain's economy. Special attention was being given to any indications of a sagging of demand, and the arguments of the reflationists were commanding a wider, and rather more sympathetic, hearing than previously. It was already high time, the pundits of this school of thought were proclaiming, to abandon the remainder of the restrictive measures operating on the economy and to take vigorous steps to stimulate additional demand. Many people of moderate views who remained unconvinced of this had, nonetheless, become persuaded that a good case could be made, and that the decision whether to apply new stimuli or not, and if so to what extent, was one requiring a delicate appraisal of the available economic data and a nice judgment in projecting the forward trends.

It was in such an atmosphere as this that the City learned of the sudden departure of the Minister to whose lot it had fallen to take the sharp disinflationary measures imposed in July 1961, and who had since played a vital and central part in administering the incomes policy then launched—the unpopular wages "pause," followed since last March by the aims of wage restraint with the help of the so-called "guiding light." Upon the news that Mr. Lloyd had been replaced by Mr. Reginald Maudling, a popular and buoyant personality, who at 45 is one of the youngest Chancellors of modern times, many commentators, not very surprisingly, concluded that Mr. Macmillan had been won over to the reflationary school—in spite of his broad assurances to Mr. Lloyd, in response to the latter's letter of resignation, that "we intend to continue on the path that you have prepared."

The investment markets, however, did not follow these views very far. Before the Cabinet changes, the London equity market had not responded fully to the fair rally on Wall Street, and, afterwards, it moved up only modestly in the interval before the new team faced its first major debate in Parliament—only to relapse again after the Prime Minister and the new Chancellor had spoken. By end-July the ordinary share index compiled by the *Financial Times* had dipped below 261, as compared with 266 at the date of my last letter and 265 on the eve of the debate.

The Prime Minister was not, it is true, very explicit about the future of economic policy. He contended himself with saying that the first phase of the battle that opened 12 months ago—the phase necessitated by the run on sterling involving measures that had his support—was now over. "We have achieved," he said, "a sound basis for growth, and we must confirm that and move to a new phase." Mr. Maudling's more detailed statement seemed to suggest, however, that this new phase was not to be any very different one from that envisaged by his predecessor at the time of the last Budget. Mr. Selwyn Lloyd himself, the new Chancellor recalled, had predicted a substantial expansion of the economy this year, reckoning upon an increase in exports and in public expenditure, a resumption of stockbuilding, and a growth of consumption over the year by about 4 per cent. If this hoped for expansion did not occur, Mr. Maudling affirmed, "we shall do something about it." But he saw no reason yet to dismiss the original hopes.

Exports Rising

Exports have, indeed, been rising well this year. An increase has been shown in each month, after allowing for seasonal fluctuations. And in June, the latest month for which figures are yet available, they rose more sharply, to a new high point. Public expenditure, meanwhile, had been "rising vigorously," and although the rise in consumption had fallen "a bit behind what we thought," Mr. Maudling still thought it "by no means certain that our estimates will be falsified." This conclusion was reached after taking due account of the fact that there is now spare capacity available in British industry and also on some sectors a distinct lack of confidence. But these factors, the Chancellor thought, could easily be exaggerated—in particular, the degree of slack was a good deal less than might be deduced from the availability of physical capacity in the factories. Because of the limits set by the supply of skilled labour, the economic indicators are, indeed, more than usually hard to interpret at the present juncture. Two of the more important ones could even be regarded as pointing in different directions.

Production Better

The latest available index of production—that for May—showed a sharp advance. After correction for seasonal influences, it jumped from 114 to 116 (1958: 100), as compared with the low point of 111 reached last January, and it was thus restored to the peak touched in July 1961. On the other hand, as the reflationary school of thought has been persistently emphasising, the trend of unemployment has been steadily upwards for some months past. After falling less than seasonally in the spring, it actually rose slightly at the mid-July count, so that, over a five-month period, it had shown a true increase of fully 70,000 (excluding movements in juveniles newly brought on to the registers). The aggregate at mid-July was just over 400,000 but this was still no more than 1.8 per cent of the labour force, as compared with 1.2 per cent 12 months previously, that is, just before the disinflationary measures were imposed.

Unemployment

The fact that unemployment has been rising whilst production has been recovering is partly explained by the growth in the total labour force. But it is also a characteristic of a phase in which spare capacity has arisen and

(*Continued on page 264*)

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DISQUIETING TRENDS IN COTTON INDUSTRY PERSIST

FOUR MORE BIG MILLS CLOSE DOWN

From Our Special Correspondent

MANCHESTER, *31st July*

MANCHESTER LETTER

AT the half-way stage in 1961, overseas trade in cotton goods was dominated by the unprecedented arrivals of foreign cloth which had entered British ports in the first quarter of the year. During the subsequent twelve months, as is well known, there has been a substantial reduction in purchases from abroad owing to the very depressed state of the industry and the difficulty in disposing of goods through the normal distributive channels.

These trends are fully illustrated in the returns now available for the first half of the current year, during which there has been no sharp alteration in the movement of supplies either in or out of this country. The figures for the past three quarters, in fact, are relatively stable, showing, in the case of cotton cloth, imports running at rather more than twice the comparable rate of exports. The table at the end gives the current situation, with corresponding figures going back as far as the post-war shipment peak.

Foreign Trade in Textiles

(Cloth in thousand sq. yards; yarn in thousand lbs.)

	Cotton cloth		Rayon, etc., cloth		Cotton yarn	
	Exports	Imports	Exports	Imports	Exports	Imports
1949 ..	903,578	348,800	160,708	51,600	82,061	1,960
1953 ..	709,905	98,640	176,826	44,400	41,920	3,360
1958 ..	384,078	386,763	84,404	47,171	26,797	14,637
1959 ..	347,637	537,145	63,725	37,764	22,921	21,512
1960 ..	327,090	727,707	54,355	58,419	21,113	38,648
1961 ..	286,660	731,026	48,894	69,825	14,658	43,723
1961						
1st quarter.	82,201	225,297	13,019	18,137	4,606	11,781
2nd quarter.	72,507	195,616	12,713	16,405	4,273	11,684
3rd quarter.	65,949	167,295	11,271	15,960	2,709	10,355
4th quarter.	66,003	142,818	11,891	19,323	3,070	9,903
1962						
1st quarter.	64,977	147,194	12,279	20,172	3,536	9,748
2nd quarter.	58,417	140,710	14,332	15,520	4,163	7,297

Total arrivals of foreign cloth during the first half of this year were 133 million yards smaller than in the same period of 1961, but the vast majority of this reduction was accounted for by lower imports of grey cloth, which fell by 120 million yards. Accordingly, the supplies of finished goods reaching this country were not very much smaller than twelve months previously.

Within the grey cloth import total, arrivals from India were reduced by 30 million yards at 80,504,000 yards and Hong Kong provided 36,897,000 yards, a fall of nearly 12 million yards. On the other hand, arrivals from Pakistan increased from 10,035,000 yards to 17,555,000 yards. Outside the Commonwealth, grey cloth imports from Japan were sharply cut to below 12 million yards, as against 35 million yards, while undesignated foreign countries sent barely 37 million yards, as against 94 million yards in the first half of last year.

Import Costs Cut

The cost of all imports of cotton yarns and manufactured goods this year has been cut by a quarter, the half-yearly total being £29,231,117, as against £40,300,076 in 1961. The value of imports of man-made fibre goods, however, has increased slightly from £7,534,694 to £8,409,012.

Meanwhile, the fall in both earnings and volume of exports of cotton goods has continued and no real improvement can be predicted. In the half-year, the value of exports was reduced from £30,855,272 to £24,685,006. Cotton yarn shipments fell from 8,879,208 lbs. to 7,698,880 lbs. and cloth exports were cut by a further 20 million yards from 154,708,000 yards to 123,394,000 yards.

On the Credit Side

Exporters of man-made fibre cloth managed to retain their markets by shipping 26,611,000 yards, as against 25,732,000 yards in the same period last year, but, on the credit side, a sharp gain was recorded in business in man-made fibre yarns with foreign outlets. Shipments in the half-year reached 34,226,000 lbs., as against 25,135,000 lbs. in 1961.

The most encouraging feature of this trade in man-made fibre yarns is the wide range of markets to which supplies have been sent. Among the countries which have absorbed more than 1,000,000 lbs. during the half-year are India, Australia, the Irish Republic, Sweden, Norway, Poland, Switzerland, South Africa, Syria and China.

In contrast, the limited range of outlets for cotton cloth is a disturbing factor. In the six months, only Australia, South Africa and Rhodesia and Nyasaland have taken more than 10 million yards of fabric shipped from Lancashire. In cotton yarn, only Australia and Canada have imported more than 1,000,000 lbs. from this country.

Four Mills to Close

One of the biggest mill closure operations outside the Government-sponsored cotton reorganisation scheme has been announced by the Lancashire Cotton Corporation, the giant spinning combine. In a brief statement from its Manchester headquarters, the Corporation, which owns more than 50 mills, said that four of them, affecting about 700 workers, will cease production "as soon as their present order book commitments have been provided for." The mills concerned are the Argyll, at Failsworth, Manchester; the Durban, at Hollinwood, Oldham; the Pilot, at Bury and the Welkin, at Woodley, Stockport. "Every effort will be made to absorb the displaced operatives into other units of the group," said a spokesman for the Corporation.

Difficult trading conditions in the cotton industry have resulted in more than a score of mills closing their doors since the beginning of the year—an average of nearly one a week. When the huge scrapping scheme was carried out early in 1960, half the machinery was broken up and upwards of 300 mills shut down.

The Corporation plans to concentrate its output in its own "little scrapping" scheme. The official statement disclosing the policy said: "Production will be concentrated into other units of the group engaged on similar yarns where re-equipment has reached a more advanced stage and where plans are in hand for a greater degree of shift working. Overall production should not therefore be affected."

Trade union leaders were shaken by the closure announcement. Mr. James Milhench, Secretary of the 120,000-strong United Textile Factory Workers' Association, said: "This is the biggest batch of sackings since the start of the industry's reorganisation scheme three years ago. Everything we told the Prime Minister recently about insecurity in the industry is borne out by this decision. People are getting out while the going is still good." He added: "There are bound to be more closures."

The Cotton Board in Manchester said: "This is really in line with the general policy of the reorganisation scheme which is designed to produce the same output from less capacity."

Mr. John McCann, leader of the militant Textile Action Group, which organised two "Save Cotton" marches to London, commented: "This proves to the people who took a jaundiced view of our campaign that we weren't shouting for nothing. Sooner or later this absorption will reach the limit, then there will be big unemployment."

New Methods to Ease Import Burden

A hint that Lancashire cotton men may now try to put renewed pressure on the merchanting section of the trade to stem the flow of cheap textile imports, was given by Sir Alfred Roberts, General Secretary of the 38,000-strong National Association of Cardroom Workers. Writing in his quarterly report, he said: "Now that we have had this last rebuff in Parliament, we must turn our attention to other methods of safeguarding the livelihood of our members and it may well be that a much closer examination of buying will provide means of further action and be more rewarding than our efforts to prevent selling have been."

Although imports were running at a lower figure than in 1961, this was undoubtedly because of a saturated market and the present recession. The probability was that, when trade began to improve, imports would get the benefit of a revival rather than Lancashire "unless we can find some means of persuading merchants otherwise."

Sir Alfred said that Hong Kong manufacturers, who had apparently found "a soft market" in this country because they had unrestricted entry with low-wage costs, had been able to sell because some merchants were willing to buy and make larger profits. In a bitter attack on the Board of Trade—which he suggested should be re-named the Board for the Restriction of the Cotton Trade—Sir Alfred said that they did not believe that the recent offer to maintain textile import ceilings came from Hong Kong, and added: "In our view, the initial proposal to do so came from the Board of Trade, who seem to have a tender regard for the well-being of the mainly Chinese industrialists in Hong Kong and a callous disregard for that of their countrymen and women in Lancashire."—*All Rights Reserved.*

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TRENDS IN SUGAR INDUSTRY AND TRADE

OBSERVATIONS OF MR. S. K. PATIL AND I.S.M.A. PRESIDENT

SOME stray remarks on the sugar situation in India were made by Mr. S. K. Patil, Union Minister for Food and Agriculture, at a Press conference at Delhi last week-end. Mr. Patil claimed that the conditions in sugar industry and trade would be "normal" in a year or two. In support of this claim, he pointed to the bright outlook for exports, decline in unsold stocks with mills, regulation of sugar output, expected reduction in the cost of manufacture following the new sugarcane price policy, under which the cane price is linked to sucrose-content, and fall in the retail prices of sugar. Lest this journal should be mistaken for not reporting Mr. Patil's observations correctly, we quote below, *in extenso*, the report as it has appeared in the daily Press:

"Things have brightened up on the export (sugar) side. About 350,000 tons have already been exported recently. India will have an exportable surplus of 500,000 tons. The Government has already concluded a deal for the export of 300,000 tons annually to Canada and Japan. And it would be quite easy to contract for the export of the balance of 200,000 tons. India hopes to have new markets for sugar. The U.K. is likely to evince interest in Indian sugar.

"The output of sugar mills has been reduced from 3,000,000 tons to 2,700,000 tons. The excess acreage under sugarcane has gone back to other crops and no new production restrictions will be imposed. The surplus stock of sugar has dwindled from 1,200,000 tons at the beginning of the year to less than 900,000 tons at present.

"I expect the price of sugar to fall by about one rupee per maund, assuming that there will be no increase in excise duty. The linking of cane prices to sucrose-content will result in a reduction in the cost of (sugar) production, and the Government proposes to pass on the benefit to consumers.

"The average price of cane will roughly work out to Re. 1.62 per maund in Maharashtra, Gujarat, Madras, Andhra and West Bengal. In other words, the revised prices will benefit growers in these areas. In Uttar Pradesh, on the other hand, growers will suffer a loss, since the average price here will work out at Re. 1.57 per maund. In Assam and Kerala, the price will be much less than in Uttar Pradesh (in the neighbourhood of Re. 1.50 per maund). In these areas, sugar mills will have to pay less for cane than in the past and, to this extent, the cost of production will go down.

"The Government will be able to bring about a reduction in the retail price of sugar by regulating releases from mills."

No Cut in Excise Duty

An important conclusion emerges from the aforesaid remarks of Mr. Patil. It is that the Government of India is not at all contemplating to reduce the high excise duty of Rs. 10.70 per maund on sugar; it proposes merely to pass on to consumers the benefit (?) of the reduction in the production cost of sugar following the linking of cane price to sugar recovery. The Government's persistent refusal to lower the excise duty is deplorable. Apart from the fact that the heavy incidence of taxation, which accounts for a third of the consumer price of sugar, is acting as a drag on consumption, the high excise duty has generated an economic disparity between the different users of cane—vacuum pan factories, on the one side, and *gur* and *khandsari* manufacturers, on the other. This aspect was impressively brought out by Mr. D. D. Puri, the retiring President of the Indian Sugar Mills Association (I.S.M.A.), in his speech at the twenty-ninth annual meeting of the Association held at New Delhi on Wednesday this week. Mr. Puri would have no objection to a high level of excise duty, if it did not undermine the stability of sugar industry, affecting everyone concerned, including the cane growers. But he reminded the audience that a major factor contributing to the instability, that is, the swing between shortages and surpluses of sugar, was the Government's inflexibility in regard to its tax on consumption. Elucidating this point of view, he observed:

"About one-third of the cane grown in the country finds its way to the vacuum pan sugar factory. The rest goes into the manufacture of *gur* and *khandsari*. There is no duty on *gur*. The duty on *khandsari* is nominal. Vacuum pan sugar alone bears this heavy burden. Whenever there is shortage of cane, the factories are unable to pay the price that *khandsari* and *gur* manufacturers can. In times like these, cane which is normally supplied to factories, is diverted to *gur* and *khandsari* manufacture. This is a national loss, for the factory is able to extract between 33 and 50 per cent more than the *gur* and *khandsari* manufacturer is able to. And it leads to idling of capacity, on the one hand, and an overall loss of sugar, on the other.... The phenomena act most acutely when there is a shortage and aggravate this shortage. This situation leads to control and control, in its turn, inhibits production. Sugar has swung between regularly recurring cycles of shortage, control, decontrol, glut and control again. In the three seasons ending 1955-56, we imported 13.17 lakh tons sugar and later had over a million tons to export. No one can look back with satisfaction on these violent fluctuations or on this almost perpetual state of crisis with which the sugar industry has lived over the last 15 or 20 years. Even at this time when stocks in hand stand at an all-time high figure, there is uncertainty in the air."

The above extract admirably sums up the position that has been obtaining in the Indian sugar economy for the last decade or two. And there is no exaggeration whatever in the note of warning struck by Mr. Puri that, if the present disparity perpetuates itself, the sugar industry will never be able to get out of regularly recurring cycles of surplus and shortage, for, while the vagaries of weather are bad enough by themselves, the man-made disparity created by high excise duty aggravates these vagaries, resulting in a perpetual state of instability, almost of crisis. Mr. Puri minced no words when he declared: "Pray do not imagine our sugar export programme can remain immune from these crises. Excise duty has to be reduced drastically. This Gordian knot has to be cut. No cheaper solution is available."

Three Basic Facts

As was only to be expected, the I.S.M.A. President dilated at some length on the sugarcane price aspect. He prefaced his reference to this subject by drawing attention to the disquieting consequence of the excessively high price of cane (Re. 1.62 per maund, as against Re. 1.44 prevailing in 1959-60). Within two years after the increase, he said, the area under cane registered a rise of 20 per cent in the Northern zone alone. The President warned that the rapidly expanding area under cane will, unless checked, lead to disaster. It was in the context of cane price that he stated the three basic facts of life in the sugar economy. They are:

"One, sugar is produced in the field; the factory only processes it. If India is one of the highest cost sugar producers in the world, the causes and the cures will have to be sought in the field.

"Two, when cane is sold, it is the sugar in cane that is or should be paid for. The rest is trash, literally and metaphorically.

"And three, the grower has to be helped into a correct concept of the common objective and provided with the wherewithal to achieve it."

New Cane Price Formula

In the light of these observations, Mr. Puri welcomed the recent decision of the Government to fix Re. 1.50 per maund as the minimum price of cane upto a recovery of 9 per cent and increasing it by a figure corresponding to the rise in recovery. He, however, suggested an improvement: a mechanism could be built into the scheme whereby factories should be enabled to pay a higher than minimum price for cane, at a time when competition from *gur* is particularly fierce, and adjust this additional payment later on without in any way deviating from the average minimum price payable to the growers. On behalf of the industry, he held out the assurance that the industry "is prepared to give it (the new policy) a fair trial so as to be able to make constructive suggestions after working it for one season." Mr. Puri would have done better if he had urged the fixation of the minimum price at a much lower level, retaining the present minimum as the maximum to be paid for cane with the highest sucrose-content, say, 11 per cent, if not 12 per cent. His silence on this issue gives one the impression that the scheme as devised now is wholly acceptable to the industry, even though it marks a fundamental departure from the industry's original suggestions.

Moreover, it has to be stressed that the policy of linking cane price to recovery alone will not lead to any significant improvement in the productivity of cane lands. What is equally wanted is more energetic action on the part of the State Governments in the sphere of cane development. Mr. Puri certainly did not flog a dead horse when he alluded to the "tragic fact" of these Governments continuing to spend a large part of the proceeds from cane cess for purposes other than cane development. "The most important single factor that can put sugar production on a sound footing," to quote him, "is the utilisation of cane cess for cane development. The biggest beneficiary, if this ever happens, will be the cane grower." It is gratifying to learn from Mr. Puri that the Punjab Government has already announced that the entire cane cess would be spent on cane development in the State. Details of the manner in which it will be spent are not available. They are even more important than the acceptance of the principle. The amount collected by way of cane cess is so large that the term is a misnomer. It is literally an excise duty. Anyway, this large amount can be spent not only on sugarcane research but on a variety of schemes designed to raise the output of more sugar per acre. Uttar Pradesh and Bihar, for instance, can use a part of the cane cess proceeds for providing better irrigation (even by tube-wells, if need be) facilities in those areas where they are not available now. Land development may be another useful avenue for spending cane cess.

Sugar Exports

A detailed reference was also made by Mr. Puri to the question of sugar exports. Making it clear that the stage of ifs, buts, and whethers has passed and that an all-out effort should be made to promote exports, he urged the removal of procedural difficulties, etc., in the refund of cane cess on sugar exported abroad. Mr. Puri also made special mention of the need for raw sugar manufacture for export. He said:

"It is not for me to dwell upon the ethics of sugar economies all over the world. We have to recognise the fact that a large part of the sugar that sells abroad is in the raw state. As more and more countries establish refineries, the raw market is expanding at the cost of white. The seller has no choice. He has to produce what the buyer wants.... It is clear that, with the exacting specifications demanded by some of the importers, the switch-over is not an easy matter. Apart from production, there are the problems of storage, handling and deterioration in transit. Nevertheless, I am confident that, with co-operation and understanding at the hands of Government, the industry will and it must make an all-out effort to produce two lakh tons of raw sugar in the next season. Personally, I have no doubts whatsoever that the target will be achieved and valuable experience gained for expanding this production in later years."

Since the question of raw sugar manufacture has been dealt with extensively only recently—in our issues dated 21st and 28th July 1962—it is unnecessary to refer to it again. Suffice it to say, once again, that, inasmuch as the net saving that can be achieved in raw sugar production in the case of factories having a high recovery per cent of sugar is negligible, it would be better if the scheme were confined only to mills having low recovery of white sugar, instead of being compulsorily enforced on all the mills.

SUGAR PRODUCTION AND STOCKS

Sugar production in India during the month of June 1962 was 41,370 metric tons, as against 43,000 tons in the same month last year. Total production for the season 1961-62 upto 30th June 1962 amounted to 2,710,000 tons (including 56,000 tons produced prior to November 1961 for the current season), as against 2,997,000 tons in the corresponding period last season (including 55,000 tons produced prior to November 1960).

The offtake of sugar from factories during the month of June was 243,000 tons (including 40,000 tons despatched for exports), as against 184,000 tons (11,000 tons for exports), the total despatches upto 30th June 1962 being 1,771,000 tons (173,000 metric tons for exports), as against 1,446,000 metric tons (109,000 tons for exports) in the same period last season.

The total closing stocks of sugar with the factories as on 30th June 1962 was 2,084,000 tons, as against 2,099,000 tons on the same date last season.

SUGAR EXPORT TO CANADA

The State Trading Corporation has concluded an agreement for the sale of approximately 100,000 tons of Indian crystal sugar to Canada next year (1963). Half of the sale proceeds will be utilised by the Corporation to import from Canada items such as newsprint, wood-pulp and fertilisers at international prices. The balance will be earned in cash in foreign exchange.

The agreement has been concluded on the normal Commonwealth contract terms with the average London daily price as the basis. The sugar will be supplied to the refineries in Canada. This arrangement is expected to put the sales of Indian sugar in Canada on a steady and scientific basis.

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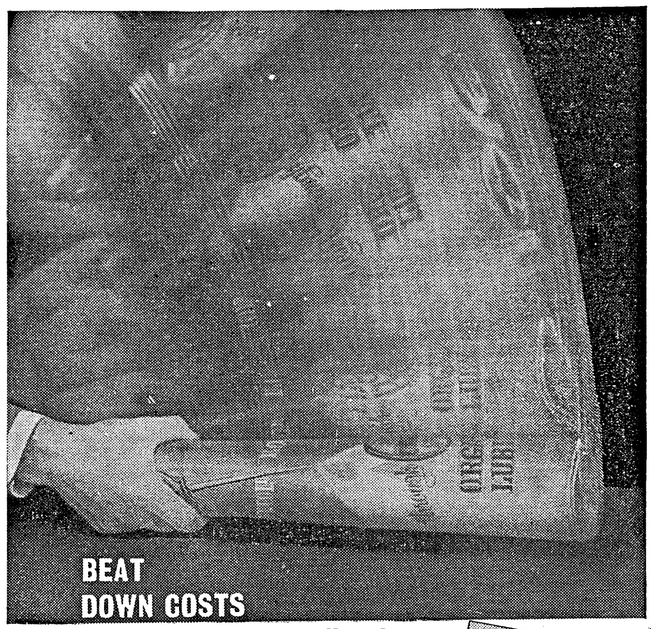

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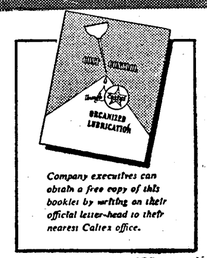

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SISTA'S SBB I-A

INDIAN TEA EXPORTS TO U.S. AND CANADA

FINDINGS OF THE DELEGATION

THE report of the Indian Tea Delegation to the U.S. and Canada is brief but to the point and quite valuable. In less than 32 pages of bold print, it contains the findings of the study of two markets by a competent delegation comprising one official and three experts on tea, namely, Mr. A. S. Bam (Chairman, Tea Board), who was the leader, Mr. N. S. Coldwell and Mr. C. V. Subbu, both planters from South India, and Mr. V. V. Parekh, a Director of a number of tea companies in North India. It is also an authentic document, in that it is based on the discussions which the delegation had with a cross-section of the tea trade and packing industry in the U.S. and Canada, as well as with the Tea Councils of the two countries, the Indian High Commissioner in Canada and other commercial officers at Ottawa, Indian Consuls-General and other officers at New York and San Francisco. The value of the report lies in the fact that it gives one a clear picture of the latest trends of the market for tea in the two countries, highlights some of the handicaps in the way of boosting exports of Indian tea, and makes suggestions for improvement. It is to be hoped that the findings of the Delegation will merit the attention they deserve at the hands of not only the Indian tea interests (that is, both producer and exporters) but also the Government of India.

The Tea Delegation's report is, indeed, quite timely, in the present context of the supreme urgency of stepping up India's exports. Tea, as is well known, is the second largest earner of foreign exchange preceded by jute goods; actually, it held the first place before 1960-61. The value of tea exported in the financial year 1961-62 was over Rs. 122 crores, representing almost one-fifth of the aggregate exports (Rs. 657 crores) of all commodities. It is true that the combined share of the U.S. and Canada in the total tea exports from India (about 440 million lbs. annually) is a bare 8 per cent or approximately 36 million lbs., but the prospects of raising this share are good, provided India launches a more vigorous export promotion drive. This proviso is important, as there is a danger of the existing share itself being reduced further and further as years roll by, thanks to the keen competition from other tea producing countries and other beverages. The percentage share of Indian tea in the total imports into the U.S. and Canada has already gone down markedly: from 40.0 in 1951 to 25.8 in 1961 in the case of the U.S. (it was lower still at 20.7 in 1960) and from 49.2 to 35.4 in respect of Canada. Table A shows at a glance how India's tea exports to the U.S.A. and Canada have fared *vis-a-vis* those from the other supplying countries in the past decade, while Table B indicates the trend of *per capita* tea consumption in the two countries.

A glance at Table B will show that, as compared with 1950, imports of tea into the U.S. have actually fallen, despite the 22 per cent increase in population, that is, from 150 to 183 million. The net addition to the U.S. population during this period is equal to 52 per cent of Britain's total population of some 53 million which consumes about 500 million lbs. of tea in a year.

Peculiarities of U.S. Tea Market

In assessing the outlook for Indian tea exports to the U.S. and Canada, it is necessary to bear in mind certain peculiarities in these two tea markets. The Tea Delegation has done well to pinpoint them lucidly. Briefly summed up, the peculiarities of the U.S. market are as follows:

1. The U.S. is essentially a coffee-drinking nation, with annual imports aggregating 2,300 million lbs., as compared with the imports of 108 million lbs. of tea.

2. The influence of tea importers is tending to diminish, with the packers resorting more and more to direct purchases largely from the countries of origin.

3. The share of tea bags has increased considerably in recent years (70 per cent of total), while sales of packaged tea are on the decline (24 per cent of the total) except in the South. Instant tea (6 per cent of the total) is also fast gaining in popularity, owing to convenience of preparation and labour-time saving factors. Instant tea is considered by some as a new drink and as such should assist towards increased sales of tea without any shift from the tea bag or package sales.

4. The increase in the use of tea bag has resulted in the housewife not being able to see the leaf which possibly may have led to the packing of lower standard teas. Such teas, because of price considerations, have been imported largely from countries other than India over the past few years. This naturally has had an adverse effect on India's exports to the U.S., though most packers find it necessary to use a proportion of Assam C.T.Cs in their blends.

5. Lower-priced teas, which form the bulk of U.S. packers' requirements, are obtained mostly from Ceylon, East Africa, Formosa, Indonesia and even Argentina. This trend is very likely to continue, so long as equivalent Indian teas are more expensive.

6. The majority of large packers now produce of market instant tea. Because of the future potential of this line, large sums of money are being spent on research so as to improve the quality of instant tea. The present standard of instant blends available in this country (and methods of preparation and serving especially in restaurants) are not considered to be satisfactory and research, therefore, assumes great importance in an endeavour to produce a more palatable beverage and thus promote larger sales.

7. Advertising is vitally necessary in the marketing structure of the U.S. and large sums of money are spent by all packers in promotion of their brand names through media advertising, point of sale material, publicity and public relations, etc. The expenditure on this account amounts to roughly 25 per cent of the annual budget of each company.

8. Of the retail price of tea in the U.S., the value of tea as such, we are told, accounts for only one-third, the balance representing the costs of packaging, marketing and administration (one-third) and advertising and sales promotion (one-third).

It is thus obvious that Indian tea has to be highly competitive. Emphasising this point, the Delegation says in its report:

"The large number of packers, importers and traders that the Delegation had the opportunity of meeting more or less unanimously pointed out that it was the unfavourable price factor which stood in the way of improved Indian exports to this market. While Indian quality teas were being purchased up to a certain degree at a premium to tone up the standard of the blend, this amounted to but a small percentage of the total purchases, and the bulk of the cheaper descriptions was often available at considerably lower rates from other producing area. The seasonal aspect of North Indian production also was slightly to the detriment of India, as regular supplies throughout the year were not available, which was not the case with Ceylon. They feared that, if Indian prices were to continue to be higher than those of other countries for equivalent teas, it was quite possible that India would lose still further ground."

The Delegation's inquiry about the possibility of holding auctions in the U.S. revealed that this would not be to the advantage of the producing countries, inasmuch as they would be completely at the mercy of the local buyers. It, therefore, seemed pointless to ship teas to the U.S. market on a consignment basis. The tea trade did not believe that introduction of auctions in this market would in any way assist the promotion of Indian tea.

Canada

As regards Canada, the Tea Delegation has drawn attention to the following trends:

Though the population of Canada has gone up considerably since the war, tea consumption has remained more or less static. This has been primarily due to the fact that a large proportion of the immigrants into Canada came from countries in Europe which are coffee-drinking.

Additionally, the switch to the tea bag, which now constitutes about 73 per cent of the total consumption, has had an adverse effect on the quantity of tea consumed. Although, as in the U.S.A., more liquid tea is now being drunk in Canada than before, consumption of packaged tea amounted to 26.5 per cent of the total, and the balance of 5 per cent is in instant tea.

Instant tea has not made much headway in Canada primarily because Canada, unlike the U.S.A., is essentially a hot tea-drinking nation. It is unlikely that iced tea will gain in Canada largely for climatic reasons.

The packers in Canada obtain their supplies in the same manner as packers in the U.S.A., although in comparison to the U.S.A. a rather greater proportion of the supplies was obtained through re-exports from the United Kingdom. Some of the Canadian packers also obtain supplies through their offices in New York which control purchase.

Although (as in the U.S.A.) most of the packers use some *quality* Indian teas, here again the proportion is relatively small. However, quite a number of packers use Indian teas particularly in the Maritimes. Nevertheless, because of the high prices of Indian *mediums* and low *mediums*, buyers have been looking elsewhere for their supplies of these types. Obviously, India's position has been sharply affected because of the advent of the economy pack or, as it is called, the private label, which is marketed at less than two-thirds the price of the standard pack. If, as is anticipated, the demand for private label pack continues to increase, it is feared that the imports of Indian tea into Canada may continue to decline.

Prospects for Indian Tea

It is against the background of the aforesaid market situation in the U.S. and Canada that the Bam Delegation has assessed the prospects for Indian teas in these markets. The Delegation does admit that quality teas (for which adequate substitutes from other producing countries are not available) have enjoyed a good demand and will continue to do so regardless of price consideration, but points out that such teas form only a small proportion of the total requirements. The types greatly in demand are common and low medium teas. The Delegation has drawn attention to the substantial ground India has lost in this sphere in favour of other producing countries, owing to the comparatively high prices. May be, prices of these types of tea may decline as production increases in India. It would, however, not be desirable to rely solely on higher production and what is wanted is, as the Delegation has rightly stressed, positive action to meet the situation. It is in this connection that the Delegation has urged a reduction or complete abolition of export duty which "would," to quote it, "be a step in the right direction and should help create a very favourable psychological atmosphere for Indian teas. There is no doubt in the minds of many American importers that the export duty is inconsistent with India's desire to increase its exports and is responsible for the high prices

(Continued on page 249)

TABLE A: *Tea Exports to U.S.A. and Canada*

(In thousand kg.)

From	To U.S.A.				To Canada			
	1961	1960	1959	1951	1961	1960	1959	1951
India	9,719	8,585	10,556	13,670	6,433	6,892	7,233	8,854
Pakistan	43	8	42	478	22	28	34	214
Ceylon	19,029	18,534	17,480	12,766	8,788	7,978	7,553	7,229
Indonesia	1,825	4,098	2,575	2,494	24	31	14	163
East Africa	N.A.	2,959	2,104	2,316	N.A.	919	1,230	1,143
Japan	958	1,015	1,031	1,504	..	..	..	..
Formosa	3,084	3,277	3,408	1,393	..	..	..	..
Others	N.A.	29	4	144	90	287	357	237
U.K. re-exports	2,890	2,928	4,426	171	2,883	2,654	3,328	166
Total ..	37,548	41,433	41,626	34,936	18,240	18,789	19,749	18,006

Source: Messrs. J. Thomas and Co. Private Ltd., Calcutta. N.A.—not available. 1 kg.=2.2046223 pounds.

TABLE B: *U.S. and Canada—Population and Tea Imports*

	1961	1960	1959	1958	1957	1956	1950	1940
U.S.A.—								
Population (millions)	183.60	180.67	177.10	174.78	174.00	168.09	150.70	131.67
Tea Imports (million lbs)	109.34	118.24	109.68	103.42	102.23	100.52	114.59	98.96
Per capita consumption (in lbs) ..	0.59	0.65	0.61	0.59	0.58	0.59	0.76	0.75
Canada—:								
Population (millions)	18.20	17.81	17.04	17.05	16.50	15.97	13.71	11.68
Tea Imports (million lbs)	44.90	42.86	44.66	43.69	45.92	45.62	54.88	42.09
Per capita consumption (lbs) ..	2.41	2.40	2.62	2.56	2.76	2.85	4.00	3.60

Note: It may be noted that the average per capita (annual) consumption of tea in the U.S.A. was as high as 1.016 lb. during the years 1916-20.

REFINING PETROLEUM CRUDE

MAXIMISATION OF THROUGHPUT DIFFERENT FROM EXPANSION

THE recent decision of the Government of India to allow, with effect from 1st July 1962, the Burmah-Shell and Esso Refineries to increase their throughputs *provisionally*, that is, pending a mutually satisfactory revision of the refinery agreements of 1951-52 by 30th September 1962, has been welcomed on the ground that it would lead to a valuable saving in foreign exchange expenditure on imported petroleum products. Thanks to this decision, the Burmah-Shell Refinery is now in a position to refine at the rate of 3.5 million tonnes of crude per annum (as against 2.9 million tonnes in 1961) and the Esso Refinery at the rate of 2.4 million tonnes (as against 2.0 million tonnes in 1961), respectively. In the present critical energy situation in the country, this is a boon to consumers of petroleum products. It is also a relief to the two refineries, in that it will enable them to attain the optimum throughput levels rendered possible by flexible operations and technical improvements and modifications. In short, such maximisation of throughput is a reward for technical enterprise and innovation, for which the Refineries can justly claim credit.

The allegation made in some quarters that the two Refineries had created, at the very beginning, *higher* "inbuilt" capacities than the permitted ones or that they had expanded them subsequently without the knowledge of the Government has to be examined in the light of some technical facts pertaining to the types of crude oil and the refining processes. Let us, for instance, take the case of the Burmah-Shell Refinery. The crude distillation unit of this refinery was designed to process not less than 6,000 tonnes per day of *normal Middle East* crudes or 2.13 million tonnes per annum. But its throughput now is 3.5 million tonnes per annum. No additional distillation unit and other facilities, involving material capital expansion, have been established, but yet the Refinery's actual throughput has been maximised much beyond its original capacity. How has this "miracle" taken place?

A Gradual Process

It is not so much a miracle as a gradual process of "maximisation of throughput," achieved over the last seven years at a negligible total cost. In 1955, when the Burmah-Shell Refinery commenced its operations, the crude intake was 1.8 million tonnes. It rose to 2.3 million tonnes in 1957, 2.5 million tonnes in 1959 and 2.9 million tonnes in 1961. This gradual but substantial increase in throughput year after year has been rendered possible (i) by the kind of "flexible" plant with which the Refinery had started and by the choice of different types of crude oil which could not only provide different product patterns according to demand but also make maximum use of the plant available, and (ii) by minor technical modifications whenever bottlenecks in processing have been revealed in practice.

The first method has consisted in different proportions of crude being used in different years in the flexible plant of the Refinery. For instance, in 1955, the proportion of Iranian crude was 42½ per cent, that of Kuwait crude 30½ per cent, and that of Qatar crude 27 per cent. In 1957, the proportion of Iranian crude was 55 per cent and that of Kuwait crude 45 per cent In 1959, Iranian crude represented 74 per cent and Kuwait crude 26 per cent. In 1961, it was 100 per cent Iranian crude. Currently, in 1962, it is 90 per cent Iranian crude and 10 per cent Ankleshwar crude. It may be noted here that the maximisation of throughput of a refinery depends on the type of crude oil available to it. In fact, a refinery is usually designed to process a particular type of crude and with reference to a particular pattern of product yield which is required by the market. Changes in either the crude or the product yield desired would mean alteration of output. For example, the Burmah-Shell Refinery, which has been designed to process Middle East crudes, would have to lower its total throughput if it were to include more than the optimum proportion of a totally different type of crude oil, say, the Ankleshwar type. Ankleshwar crude oil yields a lower residual content, as its residual content is lower than that of Middle East crudes; this means the under-utilisation of the pipes, pumps and columns handling residue. But the position is different with the motor spirit content; Ankleshwar has a larger motor spirit fraction which would be in excess of the capacity of the gasoline columns. Consequently, intake of a high proportion of this type of crude would mean a reduction in the maximum capacity of the Refinery for this particular mixture. However, the impact of this will not be too great as the proportion of Ankleshwar crude in the total throughput of the Refinery is expected to be only around 10 per cent.

Middle Distillates

That the different combinations of crude in different years have actually led to the maximisation of middle distillates in accordance with the changing pattern of demand will be seen from the following table:

Percentages by Weight

	1955	1957	1959	1961	*(Possible current and future product yield pattern)*
Burshane	..	0.07	0.17	0.3	0.4
Motor spirit	22.0	19.5	14.0	13.6	10.6
Motor spirit for export ..	..	..	0.7	1.7	4.8
Light naphtha	..	..	..	..	0.5
Kerosine	14.7	13.6	15.3	18.8	21.6
H. S. D.	10.8	14.2	19.2	19.5	17.0
J. B. O.	..	..	..	1.3	1.5
L. D. O.	5.0	5.1	5.5	6.0	6.0
Fuel oil	29.4	33.8	29.2	24.9	23.9
Bitumen/Cutbacks ..	4.3	7.2	10.2	10.0	8.1

Secondly, the technicians of the Refinery have constantly endeavoured, by a process of trial and error, to determine the various bottlenecks in the different units, so that these can be removed as and when additional capacity in the different sections is required. This process of "debottlenecking" has rendered possible a higher throughput than was originally envisaged. The various "simultaneous and subsequent" processes, all based on chemical engineering principles, have been adapted perfectly to variations, thereby maximising throughput. Higher throughputs in the individual sections of the plant have also resulted from technological investigation and minor material modifications to the plants and accessories. Minor additions to equipment have included the addition of tubes to furnaces and the transfer of various heat exchangers to more tactical services. Further, the standby facilities have also been put to the maximum productive use.

By these methods, the Burmah-Shell Refinery has been able to increase its crude intake capacity. Such a thing is quite common in the oil refining industry. The Government-owned refinery at Nunmati, for instance, has provision for an additional 10 per cent increase in capacity "without any cost." There is also the recent achievement of British Petroleum which has completed the expansion of processing capacity at its Aden refinery from 5.5 to 6.8 million tons a year purely "by modifications and minor additions to existing units, re-allocation of tankage and modifications and additions to pipelines," and not by the addition of any new processing plant. Processes like these call for time, experience, skill and continuous research. But the margin for further increases in crude intake capacity diminishes as each step is achieved, though the scope for a higher rate of capital productivity is certainly greater in a processing industry like oil refining than in many other manufacturing industries.

The technical facts given in the foregoing paragraphs should serve to meet the kind of uninformed criticism which has been made about the "creation" of additional capacity in the refineries. Nothing stealthy or mysterious seems to have taken place. The Government, it is reliably learned, was advised by the Burmah-Shell Refinery in January 1961 that it was capable of handling a throughput at the rate of 3.0 million tonnes a year. Again, in September 1961, the Refinery had advised the Government that it could manage 3.5 million tonnes a year. What is surprising is that the Government has taken ten months to give the sanction to the Refinery to increase the throughput to 3.5 million tonnes and, that too, provisionally for three months. Since the overall average saving of foreign exchange is about Rs. 3.25 crores *per million tons of crude* processed and the rate of saving is tending to increase, the Government would be well advised to make the "provisional" sanction permanent, whether or not a mutually satisfactory revision of the Refinery agreements is brought about in the next few months. Even if the current negotiations between the Government and the two Refineries fail by any chance, the Government should think twice before ordering reversion of throughputs to the 1960 levels to which they had been pegged before. To allow the two Refineries to operate permanently at their full capacity (nearly 6.0 million tonnes in all) would be to avoid annual imports of an additional 1.2 million tons of products, and import crude instead. The difference between the total cost of 1.2 million tons of products and that of equivalent crude imports would represent the saving in foreign exchange.

NICKEL IN "TELSTAR"

The world's first experimental communications satellite, "Telstar," which has been orbiting the earth since 10th July, contains nickel-cadmium batteries. The satellite, capable of amplifying ground signals 10 billion times, draws power for its electronic circuits directly from 19 rechargeable nickel-cadmium cells of the type used in flashlights, but specially designed with solid nickel cases for the space environment. They will be recharged by 3,600 solar cells on the skin of the satellite. The solar cell system will convert sunlight into electricity at the initial rate of about 15 watts when the satellite is on the sunny side of the earth. Whether the satellite is transmitting in full sunlight or in the earth's shadow, it is dependent on nickel-cadmium batteries for power. When in sunlight, half or more of its transmitting power must come from the batteries; while in the earth's shadow, all power must be drawn from the batteries.

The sintered plate type of nickel-cadmium battery is a scientific development perfected in recent years which makes use of a special high-purity, low-density, nickel powder. Noted for their mechanical ruggedness and long life, and unlike conventional storage batteries, nickel-cadmium batteries can be hermetically sealed to eliminate maintenance requirements and permit operation in the high vacuum of outer space. Apart from its role as an active electro-chemical material in the battery, nickel is used for the plates and cell cases, because it offers the corrosion resistance and mechanical and electrical properties required to provide maximum performance and durability.

COMMONWEALTH CABLE PROJECT

Six Commonwealth countries (the Federation of Malaya, the State of Singapore, Australia, New Zealand, Canada and Britain) have just reached an agreement on the capital contributions they will make to the cost of the £19-million South-East Asia section of the round-the-world Commonwealth telephone cable. It is envisaged that communications facilities under this project would be available to other countries also on suitable terms.

A management committee, on which each of the six Commonwealth countries concerned is to be represented, will be responsible for the rapid and efficient construction of the cable and for bringing it into service as an important part of the modern comprehensive Commonwealth cable system. Britain's representatives will be Col. D. Macmillan, of the General Post Office, and the Managing Director of Cable and Wireless Ltd., London. Cable and Wireless will be the owners of the British share, which will be approximately half.

It may be recalled here that the transatlantic section—called CANTAT, linking Britain and Canada—of the Commonwealth Cable was opened last December. Work has been proceeding on the trans-Pacific (COMPAC) section of the cable, with the Australia-New Zealand link just completed. As soon as COMPAC is completed, work on the South-East Asia section (SEACOM) will be taken up.

SEACOM, it is stated, will be capable of carrying 80 telephone calls simultaneously. A spur will connect the main Commonwealth cable at Jesselton, in North Borneo, with the Cable and Wireless Far Eastern centre in Hong Kong. The Singapore-Jesselton-Hong Kong section will be ready for service by about the middle of 1964, the part between Singapore and Jesselton being completed first.

FERRO-ALLOYS INDUSTRY

ITS IMPORTANCE—PLANS FOR DEVELOPMENT

By V. S. Swaminathan

IN our modern age of machines, steel spells power and progress. The nation that has the various raw materials from which steel and alloy steels can be made, as well as equipment for effecting their conversion into ploughshares or swords as the case may be, possesses the essentials for wielding power. It is not enough for a country to have iron ore, coking coal, refractories and fluxes. It must also possess, or have uninterrupted access to, or stockpile, a dozen or more key metals used in making tool, alloy or special steels or in providing corrosion-resistant coats to steel. Some of the ferro-alloying elements and the uses to which they are put follow.

From a strategic standpoint, the lack of a ton of manganese is just as bad as the lack of eighty tons of steel. Manganese is as vital for the production of steel in its finished form as yeast is for making bread. And every time new steel is made the manganese required must be forthcoming. Nearly 90 per cent of this mineral is consumed in the production of ordinary steels, special manganese steel or in foundry work.

Chrome ranks next only to manganese in regard to tonnage needed, and has important metallurgical, refractory and chemical applications. Chromium and its salts are vital for the production of stainless steel for naval construction, armour-plate, armour piercing projectiles, food manufacturing, petroleum processing and chemical plants, leather, dyeing military clothing, etc.

Compared to manganese or chromium, the amount of nickel needed is relatively small, but the qualities imparted by it to steel are such that it has acquired an importance out of all proportion to the quantity involved. Apart from an exceptionally wide range of industrial applications, the metal and its alloys are indispensable for armour-plates, gun forgings and as catalysts for accelerating a host of chemical reactions.

While manganese is used in the production of all steels, and chromium and nickel have found their way into a wide variety of ferrous and other alloys, the applications of tungsten are confined to a few types of special steel—high-speed tool steels and super-hard cutting tools which are of incalculable value in peace and war.

Molybdenum is a satisfactory partial substitute for tungsten, and is also valued in the construction of highly stressed parts of motor vehicles, aero-engines, drilling, pumping, oil refining and steam generating equipment.

Vanadium is a useful substitute for molybdenum in certain industrial applications, and is an indispensable catalyst in the manufacture of strong sulphuric acid (the life-blood of chemical industry) by the contact process.

Metal cutting and magnetic steels and all stellite alloys call for cobalt, which is also a versatile catalyst. Other significant ferro-alloying elements are titanium, tantalum, niobium, silicon and phosphorus.

Tin comes under a different category, however. Before steel stole its thunder, cannon made of bronze (an alloy of tin and copper) was in universal service. Today fighting forces carry their iron rations in tinned cans, and the tin opener is now to be found in most households. As bearing and type metals, tin alloys subserve the transport and printing industry.

A Symposium

Early in 1962, a symposium on "Ferro-alloy Industry in India" was held at the National Metallurgical Laboratory (N.M.L.), Jamshedpur. Its object was to focus attention on the latest technological and research developments in the field of ferro-alloy industry in India during the third Plan period with particular reference to domestic production. Based on the annual target of ten million tons of steel ingots envisaged for 1965-66, the iron and steel industry will demand requisite indigenous availability of ferro-alloys both in terms of quantity and range of quality.

The N.M.L. has embarked on some major research and development projects to study the availability of domestic ores for the production of diverse ferro-alloys to exact specifications and needs based on the application of the latest metallurgical techniques to yield economical production desiderata. A pilot smelting plant, with submerged electrode electric arc furnace with a capacity of producing one ton of ferro-alloy per day, has been installed at the N.M.L. to assess the customer's raw materials on contract basis for investigating their amenability to electro-thermal reduction, formulating smelting techniques *vis-a-vis* products aimed at, assessing electric power and electrode consumption, determining recovery yield data, etc. It is hoped that the technical data so obtained would result in an accurate appraisal of what could be expected on a large-scale industrial plant considering that indigenous resources for industrial production of certain types and qualities of ferro-chromium, ferro-titanium, ferro-vanadium, ferro-phosphorus are far from negligible.

The delegates (Indian and foreign) taking part in the symposium discussed the following five themes:

(1) The suitability of raw materials in terms of metallurgical quality, and reserves for the production of different grades of ferro-alloys in India.

(2) Beneficiation of raw materials for the indigenous ferro-alloy industry.

(3) Evaluation of electro-thermal, alumino-thermic, pyro-metallurgical techniques and other specific processes for the production of various types of ferro-alloys.

(4) Latest advances in the production, technology and utilisation of by-products obtained; standard specification for different grades of indigenous ferro-alloys based on corresponding specification of the raw materials needed.

(5) The present status of ferro-alloy industry in India, and future expansion plans during India's successive Five-year Plans in the general background of world production.

During and prior to the second Five-year Plan, the growth of the country's ferro-alloy industry has been slow and disproportionate in relation to the projected development in alloy, tool, special and stainless steel industry, and the production targets set forth in the Plans. The existing capacity is approximately 10,000 tons a year. For the manufacture of alloy steel castings and such steel alloys as do not need specialised rolling equipment, the capacity currently to hand is nearly 50,000 tons. It is therefore of basic importance to establish the industry covering the manufacture of as many types of ferro-alloys as possible to meet the multitude of indigenous requirements. India lacks an integrated industrial unit producing different ferro-alloys which have to be imported, except for the local output of ferro-silicon, ferro-manganese and sporadic production of some other ferro-alloys by the Tata Iron and Steel Company Ltd. (T.I.S.CO.).

Programme in Third Plan

The third Five-year Plan has set a production target of 200,000 tons of alloy, tool and special and stainless steels annually. This goal is proposed to be achieved by the output of 130,000 tons in the public sector, and the balance in the private sector. The demand for ferro-alloys can be gauged from their requirements from the alloy steel plant in the public sector being set up at Durgapur with an initial capacity of 80,000 tons. The ordnance factories of the Ministry of Defence are expected to function as a second source of supply, so that 85,000 tons of alloy and special steel can be obtained by 1965 from the public sector units at Durgapur and the ordnance factories. The rest of the output of alloy and special steels will come from the private sector, and the Government have granted licences for a further capacity of 120,000 tons, in addition to the 49,000 tons of finished alloy and tool steels already granted to T.I.S.CO. The anticipated demand of various categories of alloy, tool and special steels is reckoned to exceed 300,000 tons by 1965-66.

The Durgapur alloy and tool steel plant will account for an output of 48,000 tons a year. It has, however, a built-in capacity in certain primary units so that it could rapidly be expanded to 100,000 tons. This plant will incorporate some of the latest equipment and processes for the manufacture of these products developed recently in the West. It is proposed to install electric soaking pits in preference to gas-fired pits. The desirability of using sponge-iron instead of scrap as the starting raw material and of introducing continuous casting facilities is being kept in view in connection with further expansion of this plant. In the first phase of development, it is planned that the installation should draw supplies of pedigree scrap from the adjacent Durgapur Steel Works. Outlay on the project is estimated at Rs. 50 crores, of which Rs. 20 crores would be the foreign exchange component.

According to the latest available information, the Union Government have sanctioned eleven different projects for the manufacture of special and alloy steels with an estimated aggregate capacity of 185,200 tons a year. Of these, the three special alloy and tool steel projects, sponsored by T.I.S.CO., Mahindra and Mahindra Ltd. and All Steel Industries Corporation Ltd., stand out.

T.I.S.CO. has been granted a licence to set up a new undertaking at Jamshedpur for the manufacture of 49,000 tons of tool and alloy steels a year. The individual items comprise carbon tool steels 10,000 tons, direct hardening alloy steel 7,000 tons, case hardening steel 2,000 tons, high grade spring steel 2,000 tons, high-speed and tungsten tool-steel 3,000 tons, other quality alloy and high carbon steel 5,000 tons and stainless steel 20,000 tons. Mahindra and Mahindra Ltd. propose manufacturing alloy constructional steel and case hardening steels with a combined capacity of 15,000 tons. The All Steel Industries Corporation Ltd. visualise the manufacture of tool steels, 7,000 tons, constructional steels 12,500 tons, other alloy steels 17,600 tons and alloy steel castings 12,900 tons.

Based on the trends of demand, the requirements of alloy steels by the end of the fourth Plan are likely to be: free cutting steels, spring steels, etc. 150,000 tons, tool steel 70,000 tons, constructional steels 240,000 tons, stainless steels 70,000 tons, other high-grade alloy steels 10,000 tons and alloy steel castings 50,000 tons, making a total of 590,000 tons. While low-alloy steels are normally made in open-hearth furnaces and by Bessemer process, those with high alloy content are prepared in the electric furnace. The Central Government has decided to license capacity for special steels with the fourth Plan targets in view, as it generally takes more than three to five years for such plants to be installed and to achieve optimum production.

Experience of the U.S.

Now that the Indian ferro-alloy industry is in the throes of a vast expansion programme, it cannot fail to profit by the experience of its American counterpart. In 1961, the U.S. had over thirty producers of ferro-alloys, who supplied 1,900,000 gross tons, the three leaders in the field being the Union Carbide Metals Company, the Vanadium Corporation and the Pittsburgh Metallurgical Company. While the industry turns out over one hundred alloys, its three major products in terms of tonnage are ferro-manganese, ferro-silicon and ferro-chrome. Although the domestic steel industry is the principal market for ferro-alloys, automobile plants, iron foundries and aluminium fabricators use some 15 per cent of the industry's output.

Until World War I, most ferro-alloys used in the United States were imported. During that emergency, the U.S. Administration encouraged the growth of a domestic industry by permitting more rapid amortisation. The phenomenal progress of the automobile industry during the inter-war period, World War II, and the Korean War contributed greatly to the growth of the industry, which was also helped by the Government's policy of stockpiling strategic ores. The decline in domestic steel production following the strike of 1959 was a severe setback to the American ferro-alloy industry.

Instead of waiting for miracles to happen, the industry took prompt steps to put its house in order by trimming capacity and modernising the surviving units. The plants were located near deep water sites to reduce transport charges on imported ores. Other works were moved to areas of inexpensive thermal power, chiefly in the Ohio River basin, to bring down power costs. With a view to achieving economy in smelting, the industry designed furnaces which raised output by as much as 90 per cent while recovering a part of the scrap for re-use in the heating cycles. Automatic equipment mixes ores for feeding into the furnace. The Union Carbide has even put computers to work for analysing the many factors involved in making up a melt. Most American alloy producers still buy their ores abroad, and use their ingenuity to turn out superior finished products.

The biggest domestic market for ferro-chrome is stainless steel. The Union Carbide has designed a special vacuum furnace to turn out increasingly pure chromium under the trade name "Simplex." The latest product containing less than 0.01 per cent carbon impurities is said to be "revolutionising stainless steel technology." Other manufacturers are using pure manganese for a special form of stainless steel in place of nickel. Silicon is in growing demand for special electrical steels for the power generating industry. It is also finding increasing application in die-casting aluminium products.

The progressive firms are on the look out for new alloys that will withstand the rigours of the "space age." Already the steam generating industry has doubled its temperatures. The airline companies are talking of flying passengers at speeds of Mach 2 and even Mach 3. A space age furnace powered by a gun of electron beams, which generates very high temperatures, is on trial. In fine, by installing new and modern furnaces, by improving the quality of products, by cutting costs all down the line, by paying greater attention to customer services and by taking steps to meet the needs of tomorrow, the U.S. manufacturers of ferro-alloys have put the industry in good heart.

Standardisation

Realising the importance of developing the steel industry on right lines, the Indian Standards Institution took up in 1956 a programme of standardisation and rationalisation of carbon and alloy steels for use in India. The Technical Committee responsible for this work has brought out an Indian Standards Schedule for wrought steel for general engineering purposes which covers the following schedules:

Schedule I—Steels specified by tensile properties but without detailing chemical composition.

Schedule II—Carbon steels with specified chemical compositions and related mechanical properties.

Schedule IIA—Carbon steel wires with related mechanical properties.

Schedule III—Carbon and carbon-manganese free cutting steels with specified chemical properties.

Schedule IV—Alloy steels (other than stainless and heat resisting steels) with specified chemical composition and related mechanical properties.

Schedule V—High alloy steels—Indian Standards specifications for materials.

Only steels included in these schedules are expected to be produced in India in the future.

Notice

THE INDIAN IRON & STEEL COMPANY LIMITED

IT IS NOTIFIED THAT THE BOARD OF Directors of the Indian Iron and Steel Company Ltd., in meeting held on the 31st July 1962, have declared by way of interim dividend a first distribution of dividend in respect of the year ended 31st March 1962 of 80 nP gross per share on the Ordinary Share Capital, being at the rate of 8 per cent per annum. This action has been taken in view of the fact that closure of the Accounts for the year is unavoidably delayed pending notification by Government of the final sales retention prices of steel and iron to apply in respect of the two-year price fixation period ended the 31st March 1962. Payment of this dividend will be made under deduction of tax at the prescribed rates to those Shareholders whose names appear on the Company's Register of Members for Ordinary Shares on the 13th August 1962 or to their mandatees.

On closure of the Accounts the Directors will recommend the further and final distribution of dividend for the year on the Ordinary Share Capital for declaration by the Shareholders at the Annual General Meeting of the Company to be convened in due course. This further dividend, when declared, will be payable also to those registered as Shareholders on the 13th August 1962. In the meantime, in case of necessity, the Registrar of Companies, West Bengal, has granted an extension in the first instance of one and a half months from the 30th September 1962 of the last date for holding of the Annual General Meeting for the current year.

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

Registered Office:
12 MISSION ROW,
CALCUTTA.
31st July 1962.

INDIAN INSURANCE COMPANIES' ASSOCIATION

MR. P. U. PATEL SURVEYS CURRENT PROBLEMS

"INDIAN insurance is an integral part of the national economy and it is in the interests of the nation itself that our insurers should be helped to strengthen themselves," said Mr. P. U. Patel, Chairman of the Indian Insurance Companies' Association, in Bombay on 6th August, 1962.

Fire Premium Rates

Mr. Patel, who was addressing the thirty-fourth annual general meeting of the Association, discussed at some length the recent cut in the fire premium rates, coming on top of a similar reduction made 18 months ago. He disclosed that, as in the past, the present cut had been effected under official pressure and felt that the cut was bound to add to the Industry's difficulties. He stated that the continuous slashing of rates in the Fire Department would prevent Indian insurers from building up their reserves as fast as they would like to. "It is my fervent hope that we shall not be called upon to effect any further cut in our fire premium rates for years to come," he said.

Financial Guarantees

Proceeding, Mr. Patel referred to the practice adopted by some insurers of granting financial guarantees in favour of banks and other financial institutions with a view to acquiring a sort of "monopoly" control over the insurance business of new and old clients. This practice had prevented medium-sized and small insurers from having a fair and legitimate share in the fruits of the country's expanding economy. "It is my submission that it is no part of our business to furnish 'working' capital to the industries in general. The granting of a guarantee cover by an insurer, say, in favour of a bank in relation to somebody's overdraft account is certainly tantamount to providing 'working' capital in an indirect manner," he observed. Accordingly, Mr. Patel called for a healthy restraint on the part of insurers and the adoption of the motto of "live and let live."

While on this subject, Mr. Patel also referred to the practice of insurers participating in the capital structure of new industries. "While one does not question the right of any insurer to invest his funds in any manner he likes or on merits, it is certainly debatable whether it is fair for only a few insurers who are in possession of huge funds to try to create conditions of monopoly for themselves by this sort of financial tie-up," he said. His appeal to insurers was: "Invest your funds in any manner you like. But please desist from being aggressive. Leave the client free to select his own insurer."

After welcoming the growing demand for machinery-*cum*-erection insurance, Mr. Patel deplored the low and uneconomic rates being quoted nowadays for this type of cover. He believed that a stage had been reached where they should seriously think in terms of tariffing this business in the interests of all concerned. Indeed, he would go further and suggest that, to the extent it was practicable, they ought to tariff a major portion of their marine business.

Taxation of Reserves

Mr. Patel reiterated the plea made by his predecessors year after year for fiscal concession designed to build up reserves on a higher scale than allowed so far. He appealed to the Government to be realistic in this matter and permit insurers to accumulate tax-free reserves equal to 100 per cent in the fire and miscellaneous departments and 200 per cent in the marine department. He was convinced that the long-term gains from stronger insurance institutions would far outweigh any temporary loss to the exchequer through tax relief.

Latest Development

A development of far-reaching significance to general insurance, according to Mr. Patel, was the scheme adopted by the Executive Committee at its meeting held in Simla in May last. Under this scheme, the existing administrative machinery is to be considerably enlarged and it will be empowered to check all receipts and payments by insurers in relation to transactions taking place on and after 1st July 1962. Insurers controlling more than 80 to 85 per cent of the direct gross premium income in the country had already furnished or would shortly furnish an undertaking to implement the scheme. "Speaking for myself, I welcome this move and I am confident that it will go a long way in placing the industry on sound and healthy lines," he said. In this connection, he paid a well-deserved tribute to Mr. E. Kolet, Chairman of the Executive Committee of the General Insurance Council.

POLISH WAX FROM WOOL GREASE

Wool grease extracted from industrial effluent may become an important source of wax for floor, furniture and other polishes. Scientists who have been working on a project for three years at Leeds University, Yorkshire, claim to have developed ways of refining the wax from wool grease. They have shown that the grease, which is washed out of wool in the earliest stages of processing, can be substituted for traditional beeswax at much less cost. Beeswax costs about £500 a ton in Britain, but processed wool grease could sell at nearly half the price. Many products are already derived from wool grease. The best known is Lanolin, used mainly for cosmetics.

TATA ENGINEERING AND LOCOMOTIVE CO. LTD.

CHAIRMAN, MR. J. R. D. TATA'S ANNUAL STATEMENT

NEED FOR VIGOROUS DEVELOPMENT OF ROAD TRANSPORT STRESSED

MR. J. R. D. Tata, Chairman of Tata Engineering and Locomotive Company Ltd., has stressed, in his annual statement, circulated along with the seventeenth annual report of the Company covering the year ended 31st March 1962, the need for a vigorous development of the country's road transport system, which, together with an adequate and balanced production of commercial vehicles, would yield "immeasurable benefits to our entire national economy." Mr. Tata is not unaware of the "urgent need to improve and add" to the rail transport system, but has wondered whether our planners have sufficiently appreciated the special advantages and potentialities of road transport, for instance, a relatively quicker building of its capacity at a much lower cost than any other method of transportation as also its extreme flexibility and large employment potential. In this connection, he has regretted that road transport seems to have been specially selected for a cascade of impositions and taxes as well as innumerable restrictions and impediments in its intra-State and inter-State operations, in addition to the limitations imposed by the inadequacies, both in mileage and quality, of the system.

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

"The Company's performance during the past year has been good and sales and earnings have maintained their upward trend. During the course of the year, the Company's manufacturing facilities have been further improved and its capacity for the efficient production of high grade engineering products has been substantially enhanced. The details of output in each of the divisions and the present status of the projects under expansion are indicated in the Directors' report.

"The Company's operations during the past year have made substantial contributions to the national revenue and to the transport industries of the nation. Last year, the operations of this Company alone contributed to the national revenue by way of customs duties, excise, sales, income and other taxes as much as Rs. 13 crores, which incidentally is almost 1 per cent of the total tax revenue of the Central and State Governments combined.

Profit and Appropriations

"Although the gross profit for the year has exceeded the previous year's figure by Rs. 66 lakhs, the disposable profit for the year is about the same as last year's because of the larger provision for taxation necessitated by the increase in the taxable profits and also by the higher rates of tax under the Finance Act, 1962. The amount set aside for depreciation is higher by Rs. 39 lakhs, the increase being attributable partly to the amount provided on new assets created during the year and partly to depreciation being provided for a full year on fixed assets which, in the previous year, had qualified for depreciation for a few months only. The increase of Rs. 21 lakhs in interest charges is due to the higher interest rates paid as well as to large bank borrowings necessitated by increased manufacturing activities.

"As there is no appreciable increase in the net profit available for payment of dividends, your Directors have recommended the same dividend as in the previous year, namely, 14.5 per cent or 10.15 per cent tax-free, per share, subject to tax relief under Section 84 of the Income-tax Act, 1961, which will be somewhat higher than in the previous year. In viewing the dividend recommended this year, it is necessary to bear in mind the present uncertainties particularly in regard to the availability of foreign exchange, which may impede production in the current year, and the need to retain within the Company a reasonable share of current earnings to finance the further growth of the Company. It may also be noted that a good deal of the expenditure already incurred on various projects has not yet fructified and that it will be only during subsequent years that we shall be able to earn a return on our investment in production facilities now being set up.

"Substantial additional funds will be needed for the expansion and diversification of our manufacturing facilities. A part of these funds will be available from retained earnings and it is proposed to secure the balance partly from a long-term foreign credit which is being negotiated with the Agency for International Aid (A.I.D.), Washington, in consultation with the Government, and partly from an issue of Rs. 5 crores convertible debentures. The terms and conditions of the issue, including the conversion terms, are still under discussion with the Government, but I may mention that our intention is to offer the debentures for public subscription by prospectus, after reserving a proportion for direct subscription by holders of ordinary shares. The Directors have chosen this method of raising capital in the long-term interests of the Company and its shareholders.

"Last year, I gave an indication of the various schemes approved or under consideration for expanding and diversifying the Company's activities. I am glad to say that all of them are now taking concrete shape. The manufacture of Tata-P&H power shovels has been firmly established and high-grade capacity created for the production of machinery for paper and pulp. Apart from the major expansion of the automobile division about which I shall have more to say in subsequent paragraphs, the construction of factory buildings and services and the enlargement of the capacities of our foundries and forge shops are under way. All efforts are being directed towards increasing the efficiency and productivity of our manufacturing facilities and reducing our dependence on imported materials and components.

Automobile Division's Expansion

"You will note from the Directors' report that the Agency for International Development (A.I.D.) has under consideration a loan to this Company of $13.65 million, required for implementing the first stage of the automobile division expansion programme which, when completed, will step up the capacity of this division from 12,000 to 18,000 units per year.

"As stated in the Directors' report, the expansion programme of this division is being carried out in two stages at the specific request of the Government in the light of the current balance of payments crisis. As the production of commercial vehicles is a high priority element in the country's development plans, we hope that the Government will find it possible to sanction the second stage of the plan in time to avoid a costly hiatus between the two stages of the complete programme.

Foreign Exchange

The critical foreign exchange situation prevailing in the country today is a matter of deep interest to us. The vehicles we manufacture at Tatanagar contain an appreciable proportion of parts made from the imported raw materials and also some imported components and ancillary products. Our capacity to maintain the present level of production, let alone to increase it, must, therefore, at least for the time being, depend on adequate allocations of foreign exchange for such imports. Our foreign exchange allotments for the licensing periods April-September 1962 and October 1962-March 1963 have not yet been communicated to us, but from preliminary indications received, there is a possibility of some reduction in the foreign exchange allotment to us in respect of these two licensing periods.

"We are fully conscious of the gravity of the balance of payments position in the country and the imperative need to save foreign exchange. We hope, however, and have represented to the Government accordingly, that the revised allocations of foreign exchange during the two licensing periods mentioned earlier, will take into account the fact that, although we were the last to enter the automobile field, our output of commercial vehicles is by far the largest in the country and also has the largest indigenous content. This is reflected in the fact that in 1961-62 we were allotted 35 per cent of the total foreign exchange made available to the industry for the manufacture of such vehicles, while we produced over 50 per cent of the entire country's output. It is clear from these figures that, for every rupee by which our allotment is cut, the loss of production will be the largest and will have the most adverse impact on the country's economy. I might also mention that, since we began production of the Tata Mercedes-Benz vehicles, we have saved the country over Rs. 35 crores in foreign exchange, of which nearly Rs. 12½ crores were saved last year alone.

No Cause for Anxiety

"The shareholders will no doubt be concerned about the likely effect on our rate of production of any cut in foreign exchange. While such effect cannot be predicted until the exact extent of the cut, if any, in our foreign exchange allocation and the period for which it will apply, is known, there is in my view no cause for anxiety or pessimism. The Government is fully aware of the Company's performance and the consequences to it and to the economy as a whole of any substantial or prolonged cut in production at Tatanagar. They are to my knowledge as anxious as we are to see full production of our vehicles maintained. We have, therefore, every reason to hope that, if any cut is imposed upon us, it will be a relatively small one and of short duration.

"Before I leave this subject, I wish to point out that the achievement of complete self-sufficiency in raw materials is not within our control and only partially so in the case of components and ancillary products. Whatever our own efforts, we can never make ourselves every part and component entering into our vehicles, and like every other automobile manufacturer in the world, we shall always have to depend largely on outside supplies for our raw materials and for certain components and ancillary products. It is therefore of crucial importance that capacity for the manufacture of essential raw materials, particularly steels of the specifications and qualities required for the manufacture of automobiles and trucks and of ancillary and proprietary products, keep pace with the growth of the automobile industry. While substantial progress has already been made in this direction, a considerable gap still remains to be filled, and I would urge that the Government give their full and urgent support to the rapid development of these industries.

Exports

"Apart from the steps we are taking to increase still further the indigenous content of our vehicles, we have also launched a vigorous export drive as a further contribution to the solution of the country's foreign exchange problem. For exporting the products of our Company, not only from the automobile division but also from the other divisions, we have to face stiff international competition and also to surmount national barriers from industrially advanced countries. Despite the formidable obstacles in our way, we have already made a modest beginning and have secured a few orders from South Viet Nam, Malaya, Ceylon, Pakistan and Sweden.

"Although the Company's export field for commercial vehicles is restricted to certain territories in terms of our agreement with Messrs. Daimler-Benz, I have every hope that with its understanding and co-operation we shall before long be in a position to achieve a sizable volume of export business.

Road Transport

"In these days of acute transport shortage pointing to the urgent need for providing greater freight and passenger carrying capacity, road transport deserves, in my view, a higher priority and more sympathetic consideration than it has received so far. It seems, instead, to have been specially selected for a cascade of impositions and taxes as well as of innumerable restrictions and impediments in its intra-State and inter-State operations, in addition to the limitations imposed by the inadequacies, both in mileage and quality, of the country's road system. A vigorous development of the latter, coupled with an adequate and balanced production of commercial vehicles, would yield immeasurable benefits to our entire national economy. While India has one of the largest railway systems in the world, the mileage and quality of our roads and the number of commercial vehicles plying over them, are grossly inadequate to the needs of a developing economy such as ours. While there can be no question as to the urgent need to improve and add to the rail transport system of India, I wonder whether our planners have sufficiently appreciated the special advantages and potentialities of road transport: for instance, the fact that road transport capacity can be built up more quickly and at much lower cost than any other method of transportation; also its extreme flexibility and large employment potential. In this connection, the following conclusion by the National Council of Applied Economic Research in a detailed study made by them of the subject is worth quoting in full:

'The conclusion that emerges is: that the financial contribution of the road transport industry is far from negligible. Indeed, it is greater than that of the railways in absolute terms and in terms of return on capital invested. This is true for net as well as gross contribution (deducting the cost of offsetting payments made by the Government, for example, in road construction). Some items in the calculation may possibly be challenged, but the margin is so great that any adjustment that is conceivable is hardly likely to alter the main conclusion.'

"Quite apart from the immense value and importance of road transport to the physical needs of a developing economy, the financial contribution which road transport already makes and will make in future to public revenues is tremendous. For instance, out of the price of about Rs. 34,000 which the purchaser of a Tata Mercedes-Benz chassis pays in Bombay, as much as Rs. 10,000, or only slightly less than 30 per cent, go to pay for duties and taxes to the State and Central Governments. In addition, every commercial vehicle, during its many years of operation, continues to be a favourite source of national revenue through crushing fuel taxes and a variety of other taxes. These factors seem to be sometimes overlooked in determining relative priorities to be given to different types of transport.

Excavators

"The manufacture of Tata-P&H excavators has been established on a sound basis, your Company being the first in the country to produce this heavy line of equipment. We have started with the production of 2½ cubic yard machine. Our present output of three such machines a month will be increased to four from about September this year onwards. Our machines have received an excellent reception from users and are in operation in various locations in the country. The demand is a large and growing one; our order books are full for the next 12 months and we do not anticipate any difficulty in disposing of our total output.

Labour

"Whereas last year there was no interruption to production caused by action on the part of our workers, there was a brief stay-in strike in a few shops of our automobile division during the year under review.

"During the current year, the workmen as well as the management will have to face the challenge posed by the reduction in vehicle output which has been forced on us by external circumstances. There is need to consolidate still further our position to enable us to implement rapidly the expansion programmes and make the most intensive use of the expensive plant and machinery that will be installed. I earnestly hope that we shall have the co-operation of our union and our workmen in facing these problems.

"In conclusion, I wish on your behalf to thank all those responsible for the Company's operations and progress during the past year—workers, staff, supervisors and top management, particularly our General Manager, Mr. R. G. da Costa. Mr. Hans A. Stoehr, who was in charge of our automobile division from its very inception, retired from the Company's service during the year under review on being recalled by Messrs. Daimler-Benz for an important assignment in Germany. Mr. Stoehr's exceptional abilities, drive and leadership were largely responsible for the growth and success of the automobile division since its early beginnings in 1954 up to its present pre-eminent position. I would also like to record our appreciation of the valuable part played in the Company's growth and development over a period of 11 years by Mr. A. B. Parakh, who recently relinquished charge of the Company's head office in Bombay on taking up a senior appointment in Voltas Ltd."

NEW PRODUCTS AND PROCESSES

Illuminating Fuels from Coal Tar

A PROCESS for the production of middle distillates (kerosene substitutes) and diesel fuels from coal tar and its fractions has been developed at the Regional Research Laboratory, Hyderabad. The process consists in the extraction of coal tar and its fractions, before or after removal of tar acids and bases, by organic solvents or solvent mixture. The extract is distilled to recover the solvent for re-use. The residue is hydrogenated under pressure and the hydrogenated product is again extracted with suitable organic solvents to remove the bulk of saturated hydrocarbons. The raffinated oil thus obtained can be used in wick lamps as illuminating fuel. It can also be used as diesel fuel. A distinctive feature of the process is that the luminosity and smoke point of the fuel can be controlled by adjusting the solvent. The production of middle distillates from coal is expected to bring about a marked change in the oil economy of the country. At present middle distillates, like diesel, kerosene and bitumen, are in short supply and India imported in 1960-61, diesel and kerosene oil valued at Rs. 27 crores. The third Five-year Plan estimates that even after the two public sector refineries are brought into operation, the deficit in kerosene supply would be about 300 million gallons.

Decolourisation of Glass

Selenium has long been used for decolourising glass melted in tank furnaces. The Indian glass industry consumes about five tons of imported selenium annually for this purpose. A new process developed by the Central Glass and Ceramic Research Institute, Calcutta, does away with the use of selenium and uses instead a base mix containing cerium dioxide, cobalt oxide and manganese dioxide. A glass free from colour is thus obtained, and it can be fabricated to the desired shape by blowing, pressing or drawing or by a combination of these processes. The articles are then annealed at the appropriate temperature range.

Plasters from Gypsum

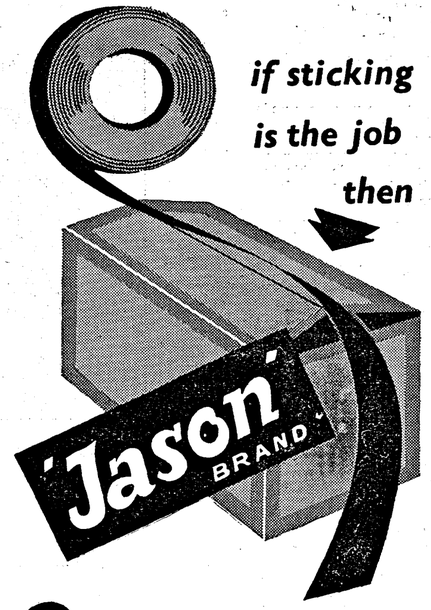
Specific end-uses of plasters from three different varieties of gypsum, namely, rock gypsum, have been suggested on the basis of studies on the specific characteristics of the gypsums carried out at the Central Salt and Marine Chemicals Research Institute, Bhavnagar. Plaster from rock gypsum being quick setting, can be employed for structural purposes; it also meets with the requirements of B.P.C. surgical plaster. Plaster made from marine salt works gypsum, although slightly lighter than that from rock gypsum, is also useful for structural purposes. Plaster prepared from precipitated gypsum, being lighter than others, is suitable only for preparing special moulds and decorative articles.

Leather-protecting Silicone

A silicone specifically prepared to protect leather against attack by rot, insects and fungus in tropical countries, or where high humidity calls for extra protection, has been developed by a British firm manufacturing water repellent silicones. Silicone Treatment Ltd., Sussex, England. The firm specialises in air-drying, self-curing silicones for fabrics, leather and carpets. Virtually indestructible, they can withstand temperatures up to 400° (204.4° C); and as low as −96° F (minus 67.8° C); they are inert, non-toxic, non-abrasive and invisible. When these silicones are used on fibrous materials, the penetrating solvent carries the silicone to each fibre of a thread. The surface tension of the fibre is thus lowered, and the liquid "beads" and rolls off. The silicone does not interfere with the normal passage of air through the material. As liquids are repelled, any dirt or stain media within is retained by the water or water-based liquid and is similarly repelled. If liquids containing dirt or stain dry on the materials, they are not absorbed and can be removed by sponging.

Soil Steriliser for Tomato Growing

A new soil steriliser in powder form, which needs no specialist equipment, has been developed for tomato growers by a British firm of chemists, Boots Pure Drug Co., Ltd. It is believed that the new chemical method of sterilising glass-house and market garden soils is the first to give the tomato grower the application advantages of a soil steriliser in powder form. It has been proved effective against soil fungi, nematodes and weeds. As a soil fungicide, the soil steriliser is recommended for use against Verticillium, Fusarium and Corkey Root of tomatoes, and the firm says that as a herbicide it is effective against many weeds, among them chickweed and oxalis. Another of its successful applications is against potato root eelworm. The use of a steriliser in powder form greatly simplifies application, since there is no need for the specialist metering equipment that is necessary to ensure accurate use of liquid soil sterilisers. Because the powder is visible, even distribution over the whole soil surface is more easily ensured and there are no objectionable fumes when the powder is applied.



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COMPETITION IN GENERAL INSURANCE

CALL FOR POLICY OF "LIVE AND LET LIVE"

IN a brief but forthright speech at the Thirty-fourth Annual General Meeting of the Indian Insurance Companies' Association, held at Bombay on Monday, 6th August, the Chairman, Mr. P. U. Patel, drew pointed attention to two recent trends in general insurance in the country which, according to him, are not conducive to its healthy growth. The first is the provision by certain insurers, with substantial financial resources at their command, of guarantees in favour of banks or other financial institutions, "with the sole aim of acquiring a sort of monopoly control" over the insurance of several new and old clients. This practice, according to him, had resulted in the complete denial of a fair share of the business accruing from the expansion in the economy to the small- and medium-sized companies as also in the loss of many of their old and valued clients. These companies are either unwilling or unable to furnish covers involving financial guarantees; unwilling because this type of business is regarded as unsound and unable because they do not have the resources to cover such risks. This is a recent development and was not heard of six or seven years ago. Mr. Patel was not sure whether the clients themselves asked for such covers, or the insurers volunteered to give them of their own accord. But he was certain that it was being mercilessly used by certain insurers to the detriment of the trade as a whole. It was detrimental, because it was not part of an insurer's function to supply working capital to industries and provision of such guarantees was, he averred, tantamount to providing working capital, albeit in an indirect manner.

Mr. Patel went on to point out that the very fact that financial guarantee cover was granted only if the client concerned agreed to place his entire business with the company providing such cover showed that it was not deemed something desirable in itself. If it were otherwise, he contended, such covers would be provided without any strings attached.

Risky Business

Admittedly, this is a hazarduous business. Mr. Patel did not mean to question the competence of those who dabbled in it. Nor did he object to their right to pursue whatever underwriting policy they thought fit. He was only concerned with the element of unfairness involved therein as it was used as a weapon to capture more and more of the desirable business. In this connection, he made the following further observations:

"What we are primarily concerned with is the manner in which the interests of several insurers are affected, because of the financial guarantees granted by two or three 'big' insurers who have huge funds at their disposal. It is legitimate to expect that the solicitude which is so often expressed by certain people for the welfare of others must be translated into actual practice. Indian insurance can grow on sound and healthy lines, only if all of us exercise 'a healthy restraint' on our own ambitions to expand. I think, I am mentioning the obvious, when I suggest that 'live and let live' must be the motto of everyone who has the real welfare of Indian insurance at heart. It appears to me that the only practical solution to the problem is to evolve a voluntary agreement aimed at severely restricting the issue of such covers subject to well-defined conditions or, better still, to stop issuing them altogether."

The Chairman also referred to another development which has close resemblance to the provision of financial guarantee and has the same end-result, namely, "grabbing" as much business as possible. This development is participation by a general insurer in the share capital of new industrial undertakings and, occasionally, of the right issues of even old ones. There, too, Mr. Patel was not questioning whether the insurer had a right to do so but whether it was fair for certain insurers, who were in possession of large funds, to try to create conditions of monopoly for themselves. He did not think that a proper analogy could be drawn between industrially advanced countries and India on this point, because of the wide disparity obtaining in the insurance sphere of the two regions. Thus, while in the West, there was not one but several insurers having large investible funds, in India the field was dominated by two or three insurers who were in a position to build up themselves by keeping out all others. He, therefore, appealed for fair competition.

This is no doubt an eloquent plea on behalf of the smaller fry for a fair share of the business. But will the so-called big insurers pay heed to it? And could anybody find fault with them, if they do not? After all, they are playing the game of competition and they cannot be accused of unfairness if they use their funds and the influence which money commands to get more business for them, so long as they do not violate the laws governing the use of funds. If the small insurers find it difficult to complete with the larger ones because of lack of funds they could pool their resources, and put up a united front against the giants or endeavour to attract and retain clients by offering better services such as prompt settlement of claims and personal attention to the needs of the clients.

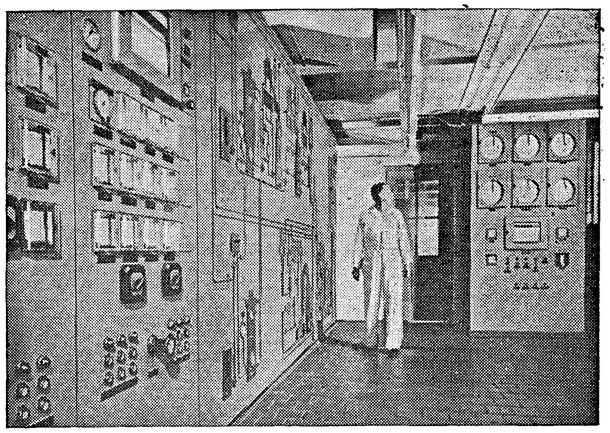
The fact that, even in advanced countries of the West, small insurers thrive alongside giants shows that smallness is not a disadvantage. Smallness is not desirable for its own sake in much the same way as bigness in itself is not bad. There is no virtue in having a large number of small companies struggling for existence and incapable of providing variety and efficiency in their service to policyholders. It is by the service provided, not by the size, that an insurer should be judged. And if an insurer is prepared to offer additional facilities and services, why should it be taken to task merely because others cannot afford it? Whether a particular type of business is sound or unsound depends on one's view of soundness. There may be some loss in one type of cover, but it may be more than offset by the gains from other businesses which the provision of that cover brings to the insurer concerned. In a competitive business, it must be left to the buyer to decide from whom he should obtain his requirements. The vast majority of the buyers of general insurance cover are shrewd businessmen competent enough to decide what is good for them without requiring the protection and guiding hands of the Government. If they make mistakes, they are strong enough to bear the cost involved.

The most important question that needs attention in the sphere of general insurance is the existence of unduly large number of small- and medium-sized insurers. Mr. Patel seems to have conveniently skipped this issue. Since there is no plan or concerted attempt to merge them into viable units to suit the requirements of a modern industrial nation, the only way of achieving this goal seems to be full-fledged competition, which will ensure survival of the fittest. The best thing to do, therefore, is to remove the vast majority of controls on general insurance, irrespective of whether they are voluntary or official.

Cut in Fire Premium Rates

Referring to the recent cut in fire premium rates, which came into effect from 1st July 1962, Mr. Patel said that though he did not question the theoretical soundness of the argument that one department ought not to subsidise another, the continuous slashing of premium rates in a department, whose profits were being used to offset losses in others, would prevent insurers from building up their reserves as fast as they could. This is a practical viewpoint which has consistently been ignored by the Government obsessed as it has been with the idea that there is too much profit in the fire department and that it is this which is the root cause of rebating and other malpractices widely prevalent in the trade. The very fact that successive reductions in fire premium rates have not eliminated malpractices shows that the basic cause lies elsewhere.

The Chairman of the Association welcomed the scheme devised by the Executive Committee of the General Insurance Council to regulate general insurance. The scheme, an outlone of which was given on page 24 of *Commerce* dated 7th July, envisages (1) the prohibition of deflection of field staff and transfer of business from one company to another by unfair means, (2) the establishment of a Mutual Assistance Pool, and (3) reorganisation of the Administrative Machinery of the Code of Conduct for insurers in order to implement the scheme. Considering that scheme is of great significance, and is likely to produce far-reaching effect on the industry, one naturally expected from Mr. Patel more than a passing reference to it. One was also eager to hear from him as to what had happened to the scheme of Non-Diversion and Mutual Assistance, to which his predecessor had referred and in the formulation of which Mr. Patel himself had played an active role. But he preferred to maintain a discreet silence. Perhaps, he was inwardly happy at the tribute to the Non-Diversion and Mutual Assistance Scheme implied in the incorporation of some of its basic principles in the Executive Committee's scheme.



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NEW INSURANCE PLAN TO AID U.S. EXPORTS

The United States has inaugurated a new export insurance system as part of that country's continuing efforts to increase its trade surplus and thus close its balance of payments deficit. For the first time, U.S. exporters will be able to insure against both credit and political risks on export credits of up to five years simply by applying to their insurance agent or broker. The U.S. Government's Export-Import Bank will assume all of the political risk. The Government and private insurance companies will share the credit risk. The export insurance is being offered through the Foreign Credit Insurance Association, set up last year by private U.S. insurance companies at the suggestion of the U.S. Government. The Association is open to all qualified U.S. insurance companies and operates in co-operation with the U.S. Export-Import Bank.

The Foreign Credit Insurance Association has been offering export insurance, on credits up to 180 days, since February. Now it will also offer insurance on medium-term export credits of 181 days to five years. Under the medium-term insurance, American exporters will be insured against losses of up to 85 per cent of the credit they extend to foreign buyers. The political risks covered by the policies include such actions as currency convertibility restrictions, war, civil commotion and expropriation.

The Export-Import Bank, in announcing the new arrangement, said that the export insurance is designed to "help American exporters meet increasing competition from foreign exporters who, for the most part, have the benefit of export credit insurance plants abroad." The Export-Import Bank provided some short-term political risk export insurance before the Credit Insurance Association was set up, but on a very small scale, as compared with the Association's programme. Since its short-term insurance programme came into effect five months ago, the Association has received 1,500 applications and written 700 policies covering $350 million of U.S. exports.

MOTOR INSURANCE

The Government of India has appointed a committee to make recommendations regarding compulsory insurance of motor vehicles against third party risks. The Committee has been asked to examine, among other things, how far the existing provisions relating to compensation, third party insurance and claims tribunals serve the purposes for which they are meant. It will also make specific suggestions regarding the following: (1) extension of the time limit for filing applications before claims tribunals, (2) the amount for which third party insurance policies should be taken, (3) the minimum and maximum compensation payable to third parties depending upon the nature of the loss sustained, (4) making the insurer a party in the compensation proceedings before claims tribunals and (5) authorising claims brokers to contest claims on behalf of aggrieved parties before claims tribunals.

Several suggestions had been received by the Government for amending the provisions of the Motor Vehicles Act relating to compulsory insurance of motor vehicles against third party risk. Since these involved substantial changes in the existing provisions in the Act, the Government thought it fit to appoint a committee to examine the issue thoroughly from the point of view of the insurer, the insured and the public. The Committee consists of six members, of which four are officials and two non-officials. The non-official members are the Chairman, Miscellaneous Section of the Insurance Association of India and President of the Council of Safety First Association of India.

PLANTING

(*Concluded from page 242*)

for Indian teas." The Delegation minces no words when it says:

"India can only improve her exports to the United States and Canada primarily by being able to offer the required teas at fully competitive prices; by fullest co-operation with the trade through the Tea Councils; by personal visits and contacts at all levels by the representatives of the industry and trade in India; by the appointment of a knowledgeable Indian tea expert in New York and by continuing to take all steps to improve the quality of her production."

The special plea for fullest co-operation with trade through the Trade Councils is clearly understandable. For, if India were to withdraw from the Councils, the vacuum created by such withdrawal, as the Delegation has warned, would be filled by Ceylon principally to India's detriment, not to speak of the great deal of consequent ill-will which will adversely affect the sale of Indian teas in this market. The Delegation categorically says that it cannot recommend withdrawal from the U.S. Tea Council and its replacement by a uninational promotion campaign for Indian tea in the U.S.

The expensive nature of uninational campaign and doubts regarding support for such campaign from U.S. tea packers apart, the point is that the Council would continue in being with the support of Ceylon and Indonesia, even if India were to withdraw. The Council may even be prompted to intensify its tea promotional activities on behalf of Ceylon and Indonesia. It is thus obvious that India's *continued* participation in the Tea Council is essential. The Delegation has forcefully driven home this aspect. Indeed, it recommends that India should exercise greater influence on the Council's activities through its representatives and generally take greater interest to put the Council to the best possible use.

In this connection, the Delegation has commended for acceptance five suggestions. One, it should be the endeavour to attract non-members of the tea trade to the Council and to enlist the support of the other producing countries which are not presently represented on the Council but which are benefiting from the Council's activities. Two, India should request investigation as to how the tea centres can be put to more effective use, thereby reaching a larger number of potential consumers. Three, it should be India's endeavour, through its Tea Adviser, to distribute (from the Tea Centre at New York) literature published by the Tea Board and to exhibit films not only on tea but on other cultural activities and thereby associate tea more directly with India than ever before. Four, there should be a free exchange of views and closer liaison between the Tea Councils of the U.S. and Canada. Five, a small working committee (composed of one representative each of India, Ceylon and Indonesia, one from the trade, and the Executive Director of the U.S. Tea Council) must be constituted to meet frequently and encourage the Council to greater activity in the right direction.

The findings of the Tea Delegation and the series of suggestions made by it merit, as mentioned at the outset of the article, due consideration of all the interests concerned. If action is launched on the lines indicated by the Delegation, there is no reason why one should be despondent of India's prospects for tea in the U.S. and Canadian markets. It is, however, necessary to qualify this remark by adding that the tea industry in India should spare no efforts to produce quality tea at an economic cost and that, in these efforts, the industry should receive a helping hand from the Governments, Central and State.

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EXPORT PROMOTION MEASURES IN JAPAN

NATURE AND ROLE OF INCENTIVES

JAPAN has made spectacular strides in the fields of industry and foreign trade during the post-war period. Its recovery in, and expansion of, foreign trade, in particular, has been the envy of several countries endowed with richer resources of men and materials. The total exports from Japan advanced by over three times, being as much as U.S. $4,236 million in 1961, as against only $1,355 million in 1951. This compares well with the total increase in world exports of about 55 per cent (or from $76,990 million to $118,500 million). What is the secret of Japanese success in export promotion? This is a question that is being asked, with understandable curiosity, by all other countries which have been making efforts to step up their exports. It is precisely this question that is sought to be answered in a booklet entitled *Export Incentives—A Study of Japanese Methods*, brought out by the Engineering Export Promotion Council, Calcutta (price Re. 1). The Council, it may be recalled, had made a similar study in 1958. The present study seeks to take into account the changes made in Japanese export promotion measures since then and to provide a detailed account of various measures of aids and incentives extended to exporters.

The success of the Japanese exporters, according to the study, is due to a combination of several factors arising out of organisational efficiency and incentives given from time to time. A striking feature of Japanese export promotion measures is the vigorous efforts being made at the levels of both Government and industry and their close co-ordination. At Government level, organisations like J.E.T.R.O., which have been set up with necessary financial support, carry out market research and other promotional work. At the level of industries, the Chambers of Commerce and export trade organisations have been playing an important part not only in creating export-consciousness among manufacturers but also in helping them by every possible means to step up exports. Taking all these factors into consideration, the Study observes that "the export apparatus in Japan has been perfected to a great degree of precision." Export houses, for instance, have sprung up in every branch of trade. Shipping, banking and insurance institutions have been established on a sound basis. The manufacturing firms themselves are not necessarily exporters; but bigger units have set up "export divisions" for the exclusive purpose of organising export. The export of goods produced by small and medium-sized firms is arranged by the export houses. A special branch of the Ministry of International Trade and Industry takes special care of the problems of the small-scale units.

Income-tax Relief

The creation of specialised bodies alone cannot be said to have contributed to the expansion of trade. This step has been supplemented by various direct and indirect incentives. An important incentive is income-tax relief. Trading companies are allowed to deduct from their taxable income one per cent of the proceeds from their export contracts, and manufacturing companies are allowed 3 per cent of the proceeds from export sales contract (5 per cent is permitted for the export of complete plants). In either case, the maximum amount deductible should not exceed 80 per cent of the income arising from such exports. Deduction is also allowed for the export of know-how upto the amount of 50 per cent of the proceeds therefrom (or the net income, whichever is less).

Another important benefit enjoyed by the exporter is the facility of accelerated depreciation. Under this system, if the percentage of export sales to total sales in a particular half-year is increased, say, by 10 per cent, over the percentage of export sales to total sales in the previous half-year, the depreciation allowance will also be raised by 10 per cent. The maximum for the special depreciation allowance is 50 per cent of the total sales. Under this scheme, "although the machinery or plant is merely depreciated over a shorter period so that the greater charge against tax in the earlier years is balanced by the fact that deduction to cover the profit is possible in later years because the asset has been wholly written off, assuming that the rate of corporation tax does not increase during the life period of the asset, the accelerated depreciation for exporters amounts to an interest-free loan to them at the time when depreciation is accelerated." In addition, there is provision for retention for foreign exchange earned from exports. Although this facility is reported to have been withdrawn, exporters are allowed to retain 5 per cent of the value of total exports which they could utilise for import of luxury items and are free to sell and make profit on them. It may be noted here that the G.A.T.T. has, it is said, informed the Government of Japan that as the payment position of the country has vastly improved, the continuance of the scheme for foreign exchange retention is not justified. Among the other export incentives, mention may be made of refund of import duty and excise duty on raw materials and components used in articles meant for export and other facilities for ensuring adequate supplies of raw materials.

Activities of J.E.T.R.O.

Apart from these direct incentives, several measures are adopted in Japan for promoting exports, particularly in the field of credit facilities, market research, publicity, etc. The key organ which deals with export promotion is J.E.T.R.O. (originally known as "Japan External Trade Recovery Organisation," but now rechristened "Japan External Trade Organisation). J.E.T.R.O. seeks to co-ordinate and effectively carry out export promotion measures. Its functions are: (1) research on matters of foreign trade, including research on industrial designs and publication of this information, (2) introduction and publicity on various industries and merchandise, (3) facilitation of trade transactions, (4) issue and distribution of various publications on foreign trade, (5) holding or participation in exhibitions, trade fairs and the like, or assisting in the holding of or participation in the same, (6) activities on promotion of trade with which J.E.T.R.O. is entrusted by the Government, and (7) other enterprises or activities deemed necessary to attain the foregoing objective.

J.E.T.R.O. has a capital of two billion yen, all from the Government. It also receives a subsidy every year for its activities. Its head office is in Tokyo with a branch in Osaka and sub-branches in eight other cities in the country. It has also a Design House in Tokyo and foreign trade information and service centres in more than 15 cities. Outside Japan, J.E.T.R.O. has trade centres in New York, San Francisco, Los Angeles, Cairo, Toronto, Bangkok, Hamburg, Sydney and trade offices in Chicago, Hongkong, Singapore. It has also two Machinery Centres, one in Bombay and the other in Mexico. It has also "Researcher's Offices" in more than 40 cities throughout the world. More than 400 employees are working at the head office and at branches in Japan. About 120 staff and non-staff members are working at the offices outside Japan. The total budget for the fiscal year of 1961-62 was 2 billion and 700 million yen (approximately U.S. $7,500,000) out of which one billion and 500 million yen was covered by Government 'subsidy.' The balance was collected from the following sources: (*a*) interest on the capital of 2 billion yen at the rate of 6.5 per cent, (*b*) voluntary contribution from the industry, and (*c*) special revenues arising out of exhibitions, sales of publications, etc.

Market Research

Research on matters of foreign trade, particularly on the markets of various commodities in foreign countries, is one of the fundamental objectives of J.E.T.R.O. Research is conducted by the Research Division, together with the research staffs stationed at Japan Trade Centres, Machinery Centres and Researcher's Offices. As for research on industrial designs, the Design Section of the Overseas Activities Division and Japan Design House work on this. It is the main work of the Public Information Division to make public the results of this research. In order to introduce and publicise industries and merchandise to foreign countries, the Overseas Activities Division works with "Japan Trade Centres" and other overseas organisations. "Japan Trade Centres" may, therefore, be of service to those in foreign countries who are interested in trade with Japan. Trade Information and Services Division and its local centres help those in Japan who are interested in trade with foreign countries. The Publications Division is in charge of issuing and distributing various publications on foreign trade for those in Japan and in foreign countries. The Exposition Division executives work in connection with the holding of and participation in exhibitions, trade fairs and the like or assisting in the holding or participation of them.

The Public Relations Department of J.E.T.R.O. is making valuable efforts in securing new markets abroad. Its work covers production of colour films, advertisement in foreign magazines and inviting foreign Press representatives to visit Japan. In the U.S. and Canada, the Department seeks the aid of television network for familiarising consumers with Japanese products. While industrial brand publicity is done by the firms concerned, the Department is engaged in general publicity for select Japanese products. J.E.T.R.O. also brings out over 25 illustrated publications, which are sent free to overseas customers. What is more, its offices abroad act virtually as agencies for overseas market research.

Credit Facilities

But for the facilities for adequate credit on concessional terms, exporters would not have probably taken advantage of the aforesaid measures of aids and incentives. While the city banks provide short-term loans (normally upto 180 days), the Export-Import Bank grants long-term loans for financing exports. The Exchange banks provide short-term finance either prior to shipment or after the shipment to exporters at a rate which is 3 to 4 per cent lower than the normal rate for borrowings. The Export-Import Bank, set up in 1950, provides long-term credit for accelerating the export mainly of capital equipment and heavy machinery, for promoting overseas investments and supply of technical know-how, besides other requisites for exports and imports. Its loans to exporters carry an interest rate which is 3 to 4 per cent lower than the rate at which other borrowers get loans. Its loans, which go upto a period of even 15 years, are subject to the condition that the application will be submitted through the Exchange banks and that the latter have individually or jointly guaranteed at least 20 per cent of the total finance required. The bank funds consist of its own capital and borrowings from Government.

The Bank of Japan is also assisting exporters to get loans. Under the export trade bill system, it finances exporters indirectly at low rates of interest by accepting the bills as security (in case of bills suitable for collateral securities) or by rediscounting them. Advances under this system are made according to the following arrangements:

(i) *Bill suitable for Collateral Securities:* A six-month bill prior to shipment may be accepted by the Bank of Japan as a bill suitable for collateral security against financing organ. The interest rate to be charged by a commercial bank on an exporter or a manufacturer against such a bill is Y. 0.017 per diem for Y. 100. The interest between the Bank of Japan and a commercial bank is Y. 0.016. The amount to be loaned against a collateral security is 85 per cent.

(ii) *Bill suitable for Rediscounting:* A three-month bill before shipment for which an L/C is received already may be rediscounted by the Bank of Japan. The discounting rates are Y. 0.016 per diem of Y. 100 between a commercial bank and an exporter or a manufacturer, and Y. 0.015 per diem between the Bank of Japan and the commercial bank.

There is another useful scheme operated by the Bank of Japan. This is the system under which it lends yen fund at low interest rates to an authorised foreign exchange bank that accepts a usance export bill, so that the latter may easily accept such usance bills. All these facilities enable a Japanese exporter to quote favourable credit terms in regard to both rate of interest and period of repayment.

Quality Control

The popularity of Japanese goods in the post-war era owes its origin to a large extent to their high quality. After the war, Japan had to live down its pre-war reputation as an exporter of cheap goods of unreliable quality. The Japanese Government, therefore, paid great attention to the quality of goods and insisted upon their manufacturers adopting high standards for this purpose. Without any hesitation, it introduced compulsory inspection of goods before they were shipped. As a result, 145 major export goods, accounting for about

(*Continued on page 257*)

SIMPLEX MILLS COMPANY, LIMITED

SPEECH OF CHAIRMAN, MR. S. R. DAMANI

MODIFICATION OF EXPORT INCENTIVES SCHEME URGED

A MODIFICATION of the existing export incentives scheme for cotton textiles was urged by Mr. S. R. Damani, Chairman of the Simplex Mills Company Ltd., in the course of his speech at the Fiftieth Annual General Meeting of the Company, held at Bombay on Thursday, 2nd August 1962. Mr. Damani suggested that the cotton entitlement of 66⅔ per cent of the f.o.b. value of the exports should be allowed to be retained by the exporting mills which might consume it either in full or in part or sell it in the open market. He urged that the present system of licensing of cotton to the actual users be abolished and such mills, which require foreign cotton, be allowed to earn it through the export of either their own products or those of others.

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

"GENTLEMEN,

"It gives me great pleasure in welcoming you today to the fiftieth annual general meeting of the Company. In keeping with the practice of the Company, the meeting has again been convened at the mills, the registered office of the Company, so that you may be apprised of the progress further made in your mills.

"The Directors' report and audited accounts for the period ended 31st March 1962 have been with you for quite some time and, with your permission, I shall take them as read.

"I am happy that my forecast, contained in my last year's speech about the working results for the year ended 31st March 1962 has come true. In view of the unforeseen rise in expenses and in particular high prices that had to be paid for cotton towards the last quarter of the year, the results should be considered very satisfactory.

"The gross profit has jumped up from Rs. 34.42 lakhs to Rs. 55.43 lakhs. Sales are slightly lower at Rs. 3.22 crores as against Rs. 3.32 crores in the previous year, but the gross profit on sales has risen sharply from 10.4 per cent to 17.2 per cent. Consumption of cotton in relation to sales is less by 5.7 per cent at 37.9 per cent and a saving of Rs. 7.48 lakhs has been made under the head salaries and wages after additional payments on account of retrenchment compensation and retirement gratuity amounting to Rs. 5.83 lakhs. Cost of repairs has gone up by Rs. 2.64 lakhs due to extensive repairs to the building and machinery and the same will continue further in a phased manner to accomplish the plan drawn in that regard.

Production

"The production programme launched by the management got momentum during the year, and all the qualities produced by the mills were in good demand. As a result, quick deliveries were effected and the stock of finished goods with the mills was reduced to a low figure of Rs. 25.31 lakhs. Total production during the year comprised 42 per cent wearable qualities, 34 per cent industrial qualities and 24 per cent yarn.

"Modernisation is a continuous process and the management has been progressively equipping the mills with the most modern machinery. A sum of Rs. 18.39 lakhs was spent during the year and orders for further machinery aggregating to Rs. 61.73 lakhs are outstanding and, with the installation of these machinery, your mills will be adequately modernised.

"The relation between the management and workers continued to be most cordial, and I feel certain that both will work together in the mutual interest and progress of the institution.

Export

"It must be admitted that the industry's efforts on the export front during the year 1961 have been disappointing, despite increased production by 93 million yards at 5,141 million yards. Export stood only at 572 million yards, worth Rs. 46 crores, as compared to 692 million yards, worth Rs. 54 crores, in 1960 and 810 million yards, worth Rs. 55 crores, in 1959. The estimates for the first six months' performance during the current year at 258 million yards are also not very encouraging. Further, the U.K.'s entry into the European Common Market will accentuate the problem, unless some safeguards for our exports are guaranteed.

"In view of the great strain on foreign exchange and the dwindling of the sterling balances which have gone below Rs. 100 crores, a vigorous export drive has to be initiated. While I appreciate the new scheme of compulsory exports by mills of 12½ per cent of their turnover of cloth and 3 per cent of the turnover of yarn, unless total production increases, the compulsory exports, as envisaged, will create other complications and have far-reaching repercussions. The scheme would lead to shortage of cloth for internal consumption, which would make it difficult to hold the price line. The crux of the problem, therefore, centres round increased production. In order to achieve higher production, it is necessary to liberalise the licensing policy for automatic looms and new spindles in favour of the existing units.

"I further suggest that, in order to meet increasing export and local demand for printed fabric, it is essential that the printing quota be freely allowed to the needy mills, with an export obligation attached. There should also be no difficulty in registering transfer of such quotas to the name of such mills having no such quota. Additionally, the existing regulation of allowing 25 per cent of the exports of printed fabric for local consumption should be substantially increased to, say, 50 per cent. This would have an overall favourable impact, as it would promote export and also enable mills to cater to the local demand.

Cotton

"According to me, the present export incentives require modification. The cotton entitlement of 66⅔ per cent against the f.o.b. value of export should be allowed to be retained by the exporting mills. It should be left to such mills whether to consume in part or in full and/or to sell in an open and free market the cotton entitlement. The present system of licensing of cotton to actual users should also be abolished and such mills which need foreign cotton be allowed to earn it through export of its own products or products of others. This would achieve the twofold objective and, therefore, the suggestion deserves due consideration.

"It is well known that a serious crisis in the availability of cotton has developed during recent months. Unless the Government takes radical steps to increase the production of cotton and, in particular, long-staple cotton, a great problem shall confront the industry.

Rising Cost and Government

"The rising cost structure of the industry has become an eye-sore. Prices of cotton and stores have sharply risen. The wages, the D.F.A. payable to the workers and staff, and the contribution to the Employees' State Insurance have also increased. This will naturally contribute to the higher cost of production. Further, the question of cost structure of the cotton mill industry was referred to the Tariff Commission quite some time back to ascertain fair ex-mill prices for various types of cloth and yarn. I hope the Tariff Commission would take into consideration the changing circumstances of the industry, while submitting its recommendations.

"The high cost of production and increase in corporate taxation from 45 to 50 per cent would leave much less for the industry for its modernisation programme. I am doubtful whether the industry would be able to put Rs. 80 crores out of the Rs. 180 crores during the five-year period as envisaged under the scheme of modernisation by the working group for the textile industry.

Prospects

"With the new machinery put into operation in the mills, I am confident that further economies would be effected. With the few months' results of the current year, I can say that the working results for the whole year are expected to be satisfactory.

"The members of the staff of the mills and selling agent deserve all praise and appreciation for their hard, sincere and efficient work, and I thank them all very sincerely and heartily."

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

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MODERNISATION PROGRAMME TO BE COMPLETED BY 1963

SPEECH OF MR. C. S. LOGANATHA MUDALIAR

ADDRESSING the Fifteenth Annual General Meeting of the shareholders of the Cauvery Spinning and Weaving Mills, Ltd., held at Madras on Monday, 30th July 1962, the Chairman, Mr. C. S. Loganatha Mudaliar, disclosed that the modernisation programme undertaken by the Company would be completed by the end of 1963. The installation of combers during the year had facilitated the manufacture of high quality yarn and contributed to the improved working results of the Company.

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

"GENTLEMEN,

"I have very great pleasure in extending to you all a very warm welcome to the fifteenth annual general meeting of the Company.

"The audited balance-sheet and the profit and loss account for the year ended 31st March 1962, along with the auditors' report, have been in your hands for some time and, with your permission, I take them as read.

"I regret very much to report the unexpected death of Sri C. R. Srinivasan, who had been the Chairman of the Board since the inception of the Company and who has rendered valuable services in guiding the destinies of the Company especially during the many difficult years.

Net Profits Up

"I am glad to inform you that the Company has kept up the usual progress in its working results and the net profit of Rs. 7,88,879.47 earned during the year after providing full depreciation and managing agency commission, is an improvement over the previous year, in spite of considerable increase in the cost of production.

"During the current year, these costs tend to mount up still further, owing to increased levy of E.S.I. contribution, increase in dearness allowance, 30 per cent surcharge on electricity, premium on cotton purchases and many other things.

"The results achieved have been partly made possible by the modernisation programmes taken up by the mills and implementing by the installation of combers during the year, facilitating the manufacture of high quality fine counts of yarn.

Modernisation

"Steps are now being taken to further modernise the equipment of the mills to improve the efficiency and productive capacity. As has been reported during last year, the fourteen new ring frames to replace the old ring frames in the mills are due to be delivered in August/September 1962, and will be installed and put into production before the end of the year. I expect, this replacement will further improve the working efficiency of the mills. We have also now taken on hand the renovation of the old preparatory machinery. Three drawing frames and one slubber inter of Swiss manufacture, for which we obtained import licences under the export incentive scheme, have been ordered for, and are also expected to be delivered early next year, which again will add to the efficiency of your unit. Steps are also being taken to replace the remaining old drawing and speed frames and also modernise the drafting system of the old ring frames. When all these things are completed, which we hope to do before the end of 1963, your unit will be completely modernised and will further improve the working efficiency.

Shortage of Cotton

"During the year under review, i.e. 1961-62, owing to crop failures, a variety-wise distribution scheme and control of prices of cotton have been introduced and this has resulted in many difficulties in the procurement of adequate quantities and also suitable qualities of our Indian cotton requirements.

"You are also aware that there has been in existence a voluntary control on prices of yarn for counts 40s and below since 31st December 1960, and even though the cotton prices have increased very much after the fixation of prices, I very much regret to say that there has been no revision of yarn prices. Just at present, there is no parity between the cotton prices and the yarn prices of counts 40s and below and an upward revision of prices is immediately necessary and also justifiable.

Tariff Enquiry

"You are also aware that the Government have now appointed a Tariff Commission to go into the entire price structure of cotton yarns and also cloth and it is expected that the Tariff Board will submit their report before the end of August and a revision of prices will be announced at least before the end of September.

"I have also to bring to your notice that the Government have now made it compulsory that all spinning mills should export at least 3 per cent of the value of their production during the year based on the total turnover of the previous year. Your mills are anxious to co-operate with the Government in fulfilling their quota of exports to augment the foreign exchange resources of the country, and we have already begun to export 3 to 4 per cent of our production.

"I am also happy to inform you that our relations with the labour continue to be cordial. I also take this opportunity to thank the technical and administrative staff of the mills, and also at the head office for their kind co-operation."

N.B.—*This does not purport to be a report of the proceedings of the meeting.*

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NEW STANDARD ENGINEERING

DIVIDEND MAINTAINED ON HIGHER CAPITAL

THANKS to the satisfactory working of its steel structural works to full capacity more or less throughout the year, there has been further progress in the operations of the New Standard Engineering Company Ltd. (Chairman: Mr. R. G. Saraiya, Bombay) during the year ended 31st March 1962. Sales and gross profit which were on the rise ever since the Company became a public limited concern in May 1959, have reached new high levels. Gross sales realisation at Rs. 158.87 lakhs is 33.4 per cent higher than the previous year's figure of Rs. 119.09 lakhs. During the past four years, they have more than trebled. The gross profit shows an even better improvement and amounts to Rs. 22.48 lakhs, as against Rs. 18.05 lakhs for 1960-61 and only Rs. 6.47 lakhs for 1958-59.

A large proportion of this growth in the gross profit position has, however, been neutralised by higher essential provisions, that for depreciation claiming Rs. 8.01 lakhs, as against Rs. 5.92 lakhs last year and for taxation Rs. 5.50 lakhs, as against Rs. 3.10 lakhs. The net profit is, therefore, slightly lower at Rs. 8.97 lakhs as compared with Rs. 9.03 lakhs a year ago. Nevertheless, the Directors have found no need to modify their policy of strengthening the final position of the Company through the retention of a substantial part of the profit in business. They have accordingly credited the various reserves with an agregate of Rs. 4.84 lakhs, or more than 50 per cent of the earned profit. It is true that a sum of Rs. 2.55 lakhs has been withdrawn from reserves and provisions, so that the net addition to reserves out of the profit for the year under review is only Rs. 2.26 lakhs. Even so, it is large enough to sustain our comment on the appropriation policy of the Company. A sum of Rs. 2.25 lakhs has been set aside for payment of preference dividends and of Rs. 4.50 lakhs for paying an ordinary dividend of 9 per cent subject to deduction of tax. Although the rate of dividend on the equity shares has been maintained, the amount required to meet it is actually higher since a full year's dividend has become payable on the new equity shares issued during the preceding years which had been eligible for only a proportionate amount previously. An interesting fact to note, however, is that only half the amount of dividend in respect of the year will be subject to deduction of tax, since the balance is being paid out of the tax-exempt profits earned by the Company.

The rapid progress made by the Company during the past four years is well brought out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales less returns	158.87	119.09	92.83	51.98
Other income	3.31	1.98	0.95	1.52
Closing stocks	23.88	18.09	7.12	5.10
Raw materials and stores consumed	83.20	69.88	49.84	29.97
Salaries, wages and bonus	42.14	31.33	26.22	13.32
Other expenses	20.10	12.78	8.44	3.93
Gross profit	22.48	18.05	11.30	6.47
Provision for—				
Depreciation	8.01	5.92	2.23	1.15
Taxation	5.50	3.10	3.90	1.75
Net profit	8.97	9.03	5.17	3.57
Withdrawls from reserves and provisions	2.55	..	..	3.73
To reserves	4.84	4.50	1.60	0.34
Dividends—				
Preference	2.25	1.55	0.09	..
Ordinary	4.50 (9%)†	3.72 (9%)†	2.81 (12½%)†	2.00 (9%)
Carry forward	0.12	0.18	0.92	0.25
Market price of ordinary shares in rupees:	1962	1961	1960	1959
High	262.00	210.00	182.00	..
Low	205.50	146.00	108.00	..

† Subject to deduction of tax.

The financial position of the Company as revealed by its balance-sheet as at 31st March is moderately strong and needs further strengthening. The gross block at cost is worth Rs. 113.44 lakhs and, even though this has been written down to Rs. 85.34 lakhs, the net block still very nearly equals the total of share capital at Rs. 74.90 lakhs and reserves and surplus at Rs. 12.62 lakhs. The Company is thus quite obviously starved of sufficient working capital and has had to resort to borrowings. The outstanding amount of such loans is Rs. 40.69 lakhs, over and above current liabilities aggregating Rs. 76.12 lakhs. Current assets, loans and advances and investments totalling Rs. 119.00 lakhs are just sufficient to cover all liabilities to outsiders.

The year under review witnessed satisfactory progress in the manufacture of blow room lines for textile mills, which was initiated towards the close of the previous year. As against one blow room supplied during the previous year, the Company was able to turn out and supply five lines during the year. Unfortunately, the same rate of progress could not be maintained in other collaboration projects due to the delay in the receipt of relevant licences for the import of the required prototypes and components and it was not possible to get started on the manufacture of electric furnaces and an extended range of power hammers and drop forgers. In order to widen the range of products further, the Company has entered into technical collaboration with yet another British firm for the manufacture of threading and screwing machines.

The present market quotation for the Rs. 100 fully paid ordinary shares is Rs. 232.00 *cum-div.* On the *ex-div.* basis, the net yield works out to a little over 3.4 per cent per annum.

T. STANES & CO., LTD.

The change in the accounting year which was made effective during 1961 naturally precludes a direct comparison between the working results achieved by T. Stanes and Company Ltd. (Managing Director: Mr. E. H. Stanes, Madras) during the half-yearly period ended 31st March 1961 and those for the year to 31st March 1962. One fact, nevertheless, emerges on a scrutiny of the figures and it is that the steady upward trend in the Company's turnover and profits still continues unchecked. Sales less returns for the year under review amounted to Rs. 90.18 lakhs, as compared with Rs. 42.29 lakhs for the preceding accounting period of six months and are, incidentally, the highest on record so far. Placed on a comparable basis, there was a slight decrease in other income which amounted to Rs. 9.56 lakhs for the year as against Rs. 5.53 lakhs for the preceding half-yearly period. Total receipts thus were of the order of Rs. 99.74 lakhs as against Rs. 47.82 lakhs for 1960-61. The increased trading activity, however, failed to bring about any saving in expenses which at Rs. 90.55 lakhs formed about 90.8 per cent of total receipts as against 89.4 per cent previously. The gross profit for the year under review thus amounts to Rs. 9.19 lakhs, as against Rs. 5.06 lakhs for the half-year, thereby showing a fall of about a lakh of rupees on a comparable basis.

After providing Rs. 0.66 lakh (Rs. 0.33 lakh) for depreciation and Rs. 3.81 lakhs (Rs. 1.55 lakh) for taxation, the net profit for the year under review works out to Rs. 4.71 lakhs as against Rs. 3.18 lakhs for the preceding half-year. The Directors propose to recommend an ordinary dividend of 32.5 per cent in respect of the year under review, as against 30 per cent previously. Although this appears on par with what was paid for 1959-60, it is to be remembered that the dividend paid during that year included a centenary bonus of 5 per cent gross and that the actual dividend was only 27.5 per cent. Despite a slight deterioration in the profit position, the Directors have stepped up the dividend for the second year in succession.

The working results of the Company for the three and a half years ended 31st March 1962 are presented synoptically in the comparative table below:

(In lakhs of rupees)

	For the year ended 31st Mar.	For six months ended 31st Mar.	For the year ended 30th September	
	1962	1961	1960	1959
Sales less returns	90.18	42.29	80.88	68.04
Other income	9.56	5.53	9.98	7.94
Expenses including raw materials, finished goods and trading stocks consumed, purchased and sold	90.55	42.76	81.96	68.83
Gross profit	9.19	5.06	8.90	7.15
Provision for—				
Depreciation	0.66	0.33	0.65	0.56
Taxation	3.82	1.55	3.25	2.35
Net profit	4.71	3.18	5.00	4.24
Withdrawals from reserves and provisions	0.11	0.10	0.04	0.83
To reserves	1.01	1.00	1.13	1.76
Dividends—				
Preference	0.09	0.05	0.09	0.11
Ordinary	3.76 (32½%)	1.73 (30%)	3.76 (32½%)*	3.18 (27½%)
Carry forward	0.72	0.92	0.41	0.42
Market price of ordinary shares in rupees:	1962	1961	1960	1959
High	31.50	33.75	35.10	25.00
Low	30.63	24.10	24.10	23.00

Dividends for individual years are subject to deduction of tax.
* Includes centenary bonus of 5 per cent., subject to tax.

Financially, the Company is in good shape. The share capital of Rs. 13.06 lakhs, of which only Rs. 1.50 lakh are in preference shares of Rs. 100 each, is supported by reserves amounting to Rs. 18.32 lakhs. Current liabilities and bank loans aggregate Rs. 26.75 lakhs and are well covered by current assets totalling Rs. 37.84 lakhs. Investments, mostly in subsidiaries, are valued in the Company's books at Rs. 13.41 lakhs. The net block is worth Rs. 6.88 lakhs against a gross block of Rs. 14.80 lakhs.

The Directors report that the working of the Company and its subsidiaries during the year under review has been satisfactory. A new fully owned subsidiary company, was formed during the year to take over the assets and liabilities of Tyresoles Division of Stanes Motors (South India) Ltd. and will operate under the name Stanes Tyre and Rubber Products Private Ltd.

The Rs. 10 fully paid shares of the Company are currently quoted at Rs. 31 *cum-div.* The net yield, on an *ex-div.* basis, works out to 7.9 per cent per annum.

INDIA CEMENTS SELLS AND EARNS MORE

NET PROFIT, HOWEVER, LOWER

DESPITE a 10 per cent shortfall in the production of clinker and cement as compared with the rated capacity, India Cements Ltd. [Managing Agents: Messrs. Essen (Private) Ltd., Madras] has reported, for the year ended 31st March 1962, yet higher sales of Rs. 390.17 lakhs as compared with Rs. 355.59 lakhs in the previous year, a smart rise in gross profit from Rs. 74.89 lakhs to Rs. 94.79 lakhs and a welcome recovery in the profit-margin (ratio of gross profit to sales) to 24.3 per cent from 21.3 per cent to which level it had fallen from 27 per cent a year before. While higher sales reflect the improved conditions in the market and the improvement in profit is due, in addition, to some small savings in prime costs, what appears to have really bettered the profit and profit-margin is the coming into force of the increase in cement prices from November last. Had the revised retention price come into force from July last year as expected, the Company would have been able to give a better account of itself. Relief in production costs is only marginal as can be seen from the table below and other expenses have, in fact, continued to be higher at Rs. 125.08 lakhs as compared with Rs. 110.56 lakhs in the year before, the bulk of the increase being again due to higher packing and other charges of Rs. 74.59 lakhs as compared with Rs. 60.83 lakhs in 1960-61. It will be interesting to know that, in 1958-59, such expenses amounted to a mere Rs. 25.62 lakhs.

The net profit for the year under report has, however, shrunk again by roughly Rs. 6 lakhs to Rs. 26.62 lakhs due to further substantial increases in the essential provisions. Depreciation has claimed about Rs. 10 lakhs more at Rs. 40.33 lakhs and taxation roughly Rs. 14 lakhs more at Rs. 23.50 lakhs. Due to inadequacy of profit, the Company has drawn Rs. 5 lakhs in order to maintain the dividend at 12 per cent per annum, subject to tax, on the Rs. 5 fully paid equity shares. The dividend for the year under review, however, requires a larger amount, Rs. 26.93 lakhs, as compared with Rs. 20.18 lakhs last year, due to the increase in paid-up capital in the previous year by a right issue of one share for every two shares held at par. Reserves, which had had a net addition of Rs. 8.74 lakhs last year, have been depleted by Rs. 2.06 lakhs, as the amount credited this year is smaller than the amount withdrawn. Of the sum of Rs. 2.94 lakhs transferred now, Rs. 2.07 lakhs represents the addition to rehabilitation, research, etc., reserve. This transfer is in accordance with the stipulation in the revised cement prices that every company would transfer Rs. 2 per tonne, subject to adjustment for tax, to such a reserve. The carry forward is Rs. 1.39 lakh as against Rs. 1.19 lakh brought in.

The table below compares the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Cement sales	390.17	355.59	270.87	176.90
Closing stock of cement	0.59	1.22	0.03	0.02
Other income	11.37	9.40	6.67	4.87
Raw materials and own quarrying including royalty	56.56	49.99	43.02	26.96
Power and fuel	94.71	99.39	69.01	39.95
Staff expenses	29.76	31.35	19.01	18.23
Other expenses	125.08	110.56	74.89	55.77
Gross profit	94.79	74.89	72.63	40.47
Provision for—				
Depreciation	40.33	30.10	18.68	11.58
Taxation	23.50	9.20	1.07	11.00
Managing Agents' remuneration	4.34	3.21	5.57	3.78
Net profit	26.62	32.38	47.31	14.11
Excess provisions written back and refunds	0.68	0.10	0.05	..
Transfer from reserves	5.00	24.00	5.00	..
To reserves	2.94	32.74	33.87	0.21
Dividends—	*			
Preference	2.22†	3.03†	2.28†	2.24†
Ordinary	26.93 (12%)†‡	20.18 (12%)†	16.11 (11%)†	11.67 (9%)§
Carry forward	1.39	1.19	0.79	0.70
Market value of equity shares in rupees:	1962	1961	1960	1959
High	6.45	6.72	7.33	6.90
Low	5.68	5.83	5.75xr	4.90

† Subject to deduction of tax.
§ On increased capital and on shares split up in five of Rs. 5 paid-up.
‡ On increased capital.

As regards the Vizag scheme of the Company, we are told that a survey conducted by its geologists has confirmed that adequate limestone suitable for the manufacture of portland cement is available in the region. But the scheme has been deferred, as the proposed railway line connecting the Borra Cave region to the Vizag port would be completed only by 1966.

(*Continued on page 264*)

T.E.L.CO.'S SALES AND PROFIT AT NEW HEIGHTS

NO CAUSE FOR PESSIMISM ABOUT OUTLOOK

A RECORD turnover, followed by a record gross profit and further improvement in profit-margin (ratio of gross profit to sales)—all in continuation of the previous year's striking all-round progress—highlights the working results of the Tata Engineering and Locomotive Company Ltd., T.E.L.Co., for short (Managing Agents: Messrs. Tata Industries (Private) Ltd., Bombay) for the year ended 31st March 1962. Sales, excluding excise, have improved by Rs. 3.66 crores (Rs. 6.24 crores in 1960-61) to Rs. 37.93 crores and the gross profit has gone up by Rs. 99.52 lakhs (Rs. 109.03 lakhs a year before) to Rs. 616.65 lakhs. Considering that the previous year's heavy growth in sales was quite an exception and emphasises that the Company has reached the take-off stage, the increase in turnover during the year under review can be viewed as satisfactory. Reassuringly enough, however, the profit-margin, which had just edged forward from 14.5 per cent to 15 per cent in the previous year, has moved up by more than a full point to 16.2 per cent during the year. This underlines that the year's higher production costs, which are detailed in the accompanying table, mainly reflects the larger output.

But the net profit at Rs. 190.65 lakhs is practically the same as that for the previous year, as all the improvement in gross profit has been absorbed by further sharp increases in the essential provisions. Depreciation has claimed roughly Rs. 39 lakhs more at Rs. 219.92 lakhs due partly to the amount provided on the new assets created during the year and partly to the provision being for a full year, as against for a few months a year before, on some of the fixed assets. Taxation has taken away nearly Rs. 65 lakhs more at Rs. 187.75 lakhs because of the increase in the taxable profits and the higher rate of corporate tax under the Finance Act of 1962.

The table below mirrors the growth of the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale of products and services, less excise	37,93.00	34,27.00	28,03.00	26,45.00
Stock accretion (+) or reduction (—)*	+73.47	—21.98	—60.93	+51.22
Other income	69.87	75.55	60.19	64.95
Raw materials and components consumed	21,37.33	19,12.32	15,98.76	16,75.86
Payments to and provisions for employees	495.69	448.80	364.51	292.68
Expenses for manufacture	642.67	562.95	411.81	458.45†
Excise duty	370.35	330.34	22.87	..
Interest and Directors' remuneration	73.65	52.65	51.53	72.24
Less expenditure on capital account	28.44	15.62	33.04	22.80
Gross profit	616.65	517.13	408.10	284.55
Depreciation	219.92	180.63	161.30	113.06
Taxation	187.75	122.23	93.30	13.25
Managing Agents' remuneration	18.33	23.32	25.24	16.96
Net profit	190.65	190.45	128.26	141.28
Withdrawals from reserves	..	10.55	..	..
To reserves	25.00	30.14	6.00	10.00
To development rebate reserve	40.18	44.88	14.04	74.62
Dividends—				
5 per cent. preference	8.33‡	9.76‡	8.00‡	6.85
Ordinary	116.00 (14.5%)‡	115.99 (14.5%)‡	99.95 (12.5%)‡	49.62 (9%)
Carry forward	3.62	2.47	2.24	1.96
Production—				
Boilers (Nos.)	71	92	100	106
Locomotives (Nos.)	72	96	101	103
Diesel vehicles (Nos.)	12,100	10,435	8,300	7,360
Steel ingots and pig iron (tons)	6,036	8,489	10,252	16,962
Steel castings (tons)	5,021	4,941	3,764	3,476
Iron castings (tons)	6,457	4,987	3,344	638
Excavators (Nos.)	5	..	..	..
Industrial shunters (Nos.)	1	..	..	..
	1962	1961	1960	1959
Market value of equity shares (In rupees):				
High	382.50	390.00	349.00	233.50
Low	313.00	278.00	200.00	154.75

* Stock of finished goods and work-in-progress being Rs. 308.76 lakhs for 1961-62, Rs. 235.29 lakhs for 1960-61, Rs. 257.27 lakhs for 1959-60 and Rs. 318.20 lakhs for 1958-59.
† Includes excise duty.
‡ Subject to deduction of tax.

With the distributable surplus showing hardly any improvement, the Directors had no choice in regard to the dividend but to maintain it at 14.5 per cent, taxable, per annum on the Rs. 100 fully paid shares, to which level, however, it was raised in the previous year from 12.5 per cent paid for 1959-60.

The net dividend, however, will be slightly higher than 11.33 per cent available a year before, because towards its distribution a larger amount (Rs. 47.61 lakhs as compared with Rs. 31.25 lakhs a year before) has been set apart from the past tax-free profits under Section 15C as also from the tax-free profit for the year under Section 84 of the Income-tax Act (the benefit under this section was *nil* in 1960-61). We are told that the dividend for the year has been recommended after bearing in mind the present uncertainties, particularly in regard to the availability of foreign exchange, which may impede production in the current year, and the need to retain in business a reasonable portion of the earnings to finance further growth of the Company. Besides, a good deal of expenditure incurred on various projects has not yet fructified. It is only in subsequent years that the benefits of this expenditure would be available.

Unlike the dividend to shareholders, bonus to workers has been raised to Rs. 53 lakhs from Rs. 51.09 lakhs paid for 1960-61. The profit retained in business is slightly lower than a year before; general reserve has got Rs. 5.14 lakhs less at Rs. 25 lakhs and development rebate reserve Rs. 4.78 lakhs less at Rs. 40.18 lakhs. The percentagewise distribution of the income as compared with the previous year figures for which are given in brackets is as follows:

Materials 48.1 (50), expenses 16.3 (15), freight, taxes and excise duties 14.3 (12.9), employees 11.7 (11.8), depreciation 5.2 (5.3), dividends 2.9 (3.3), and reserves 1.5 (1.7).

All the divisions of the Company are said to have been well employed throughout the year. The production of the Tata Mercedes-Benz vehicles, excavators, locomotives, foundry and forged products was up to schedule. The expansion plans in the various divisions also made satisfactory progress. From the table above, it will be clear that production of vehicles has been rising and that of locomotives declining in the past four years. After the completion of the 16-year agreement on 31st May 1961, the Railway Board has placed an order with the Company for 325 metre-gauge locomotives of the YG and YP classes to be delivered over a period of five years ending 31st March 1966. During the year, 72 locomotives were delivered. On the other hand, demand for trucks continues to be far in excess of supplies. Besides, the Company provides every assistance to the ancillary industries to produce quality products. During the year, a number of important ancillary components and parts produced in the country were incorporated as original equipment in the vehicles. We are told that there is scope for more expeditious development of a number of ancillary products. Efficient after-sales service was well maintained during the year. According to the Directors' report, there are now on the road more than 57,000 Tata Mercedes-Benz vehicles delivered from the T.E.L.Co. works. And, in order to maintain a steady and prompt supply of spare parts, 129 fully-equipped service centres have been located at strategic centres throughout the country.

The locomotives delivered during the year had an indigenous content of as much as 98 per cent. The proportion of the indigenous content even in the very first Tata-P & H excavator produced during the year was as high as 60 per cent. The demand for the excavators has continued to be satisfactory and their indigenous content would rise rapidly as soon as additional equipment on order is installed and commissioned. Production of spares for the excavators is making good progress and the business in them is bound to rise with the increasing popularity of the machines. The Company proposes to enter into an agreement with Voltas Ltd. for the distribution of the excavators, in view of the fact that Voltas had for many years been the distributors in India of the entire range of such machines produced by the Company's collaborators, Messrs. Harnischfeger Corporation, Milwaukee, U.S.A.

The Company produced and sold a number of standardised items of paper and pulp machinery, such as transport pumps, bamboo chippers, chipper discs, etc. Further orders for these items are on the Company's books and manufacture is in progress. It will be recalled that this line of activity was taken up only in June 1960, under an agreement with Messrs. A. Johnson and Company, Sweden. So far, the Company has not been successful in finding a buyer for large-scale paper and pulp plants. It, however, expects to secure orders for at least one large-scale pulp plant and one integrated paper and pulp plant in the near future.

There was an increase of 150 per cent in the output of the forge shops over that of the previous year. Production of forgings for the excavators has also commenced. Output of steel castings was better. In order to cater to an increasing demand from both the Company and outside parties, the capacity of the foundry is being raised from 500 to 700 tons a month. The heavy alloy iron foundry will start producing from the second half of the current year specialised high quality castings, such as rolls and cylinders for paper-making machinery. The use from the previous year of a part of the electric furnace capacity in the steel foundry for the production of special alloy steel ingots for leaf springs required for the diesel vehicles continued during the year, with the output exceeding 3,000 tons.

The Company's strenuous efforts to increase exports resulted in the sale of 60 diesel engines, five vehicles and spare parts to Ceylon and South Viet Nam. An order for steel castings was also secured from Malaya.

Discipline and morale of the employees continued to be high; the only interruption to production was the stoppage of work for a week in a section of the automobile division. The incentive bonus schemes worked satisfactorily in all the divisions. More than 500 additional quarters for the staff were completed during the year and the possibility of putting up more quarters under the subsidised industrial housing scheme is being explored.

The Company's major expansion plan for doubling the diesel vehicle output to 24,000 units a year is to be undertaken now, as desired by the Government, in two equal stages. In order to meet the foreign exchange cost of the first stage, the Company has submitted a revised application to the Agency for International Development for a loan of Rs. 6.5 crores ($13.65 million). The Government has agreed to release Rs. one crore from the "free" sources for the import of special items to be purchased from West Germany. The terms of the proposed issue of additional 5 per cent mortgage debentures of the value of Rs. 5 crores ranking *pari passu* in all respects, except the date of repayment, with the existing 1960-65 5 per cent Rs. 3 crores debentures, have been revised and facility of conversion of the stocks into equity shares provided. The terms and conditions of the issue are now under discussion with the Government. In addition, the Company has arranged for additional borrowings of Rs. 5.9 crores with its bankers to finance its expansion plans for the auto and other divisions.

Orders for the import of plant and equipment for the first stage of auto division's expansion will be placed as soon as the negotiations for the A.I.D. loan are completed. Meanwhile, the Chairman, Mr. J. R. D. Tata, has expressed the hope, in his statement for the year, that the Government would find it possible to sanction the second stage of the plan in time to avoid a costly hiatus between the two stages of the complete programme. According to Mr. Tata, the expansion and diversification schemes in hand are taking concrete shape. The manufacture of Tata-P & H power shovels has been firmly established and high-grade capacity created for the production of machinery for paper and pulp. The construction of the necessary factory buildings and services and the enlargement of the capacities of the foundries and forge shops are under way. The management is directing all its efforts towards increasing the efficiency and productivity of the works and reducing the dependence on imported materials and components.

Mr. Tata has thrown some light on the much-feared cut in the Company's foreign exchange allotments this year, which is a matter of deep concern to the management, as the vehicles manufactured at Tatanagar contain an appreciable proportion of parts made from imported raw materials and also some imported components and ancillary products. The allotments for the licensing periods April-September 1962 and October 1962 to March 1963 have not yet been communicated to the Company, but, from the preliminary indication received by it, there is a possibility of some reduction in the foreign exchange quota for the two periods. Therefore, until the exact extent of the cut, if any, is known, it is difficult to foresee its effect on the rate of production of the Company. However, Mr. Tata believes that there is no cause for anxiety or pessimism. For the Government is fully aware of the performance of the Company (it produced in 1961-62 50 per cent of the entire country's output of vehicles as against a foreign exchange allotment of 35 per cent and has saved the country, since it began the production of the Tata Mercedes-Benz vehicles, over Rs. 35 crores in foreign exchange, of which nearly Rs. 12.5 crores were saved in 1961-62 alone) and the consequences to it and to the economy as a whole of substantial or prolonged cut in production at Tatanagar. The Government is no less concerned than the Company's management to see that full production of the vehicles is maintained. There is, therefore, every reason to hope, as Mr. Tata does, that, if any cut is imposed upon the Company, it would be a relatively small one and for a short duration. Ruling out complete self-sufficiency in raw materials, components and ancillary products, Mr. Tata has expressed the view that, like every other automobile manufacturer in the world, the Company will always have to depend largely on outside supplies for some of its requirements.

It will be seen from the foregoing account of the Company's progress and its plans for the future that the pessimism, which characterises the current gossip in share market circles, is unwarranted. Those investors, who have patience, will find themselves rewarded in the years to come.

Financially, the Company's position is that of a growing enterprise, with a big expansion programme on hand. Its paid-up capital of Rs. 10 crores (Rs. 8 crores equity and the rest preference) is matched by the gross block of Rs. 28.27 crores (Rs. 24.51 crores in 1960-61), which has been written down by nearly 50 per cent to Rs. 14.91 crores and is shown, inclusive of capital work-in-progress of Rs. 1.27 crore, at Rs. 16.18 crores. Reserves and surplus aggregate Rs. 307.37 lakhs. The total loan liability, including debentures, increased during the year from Rs. 12.63 crores to Rs. 14.71 crores owing to increased manufacturing activities. Current liabilities and provisions totalled at the year-end Rs. 13.67 crores. Excluding debentures of Rs. 3 crores and the Bihar Government's housing loan of Rs. 95.35 lakhs, the total indebtedness to outsiders works out to as much as Rs. 24.43 crores. As against this, there are current assets aggregating Rs. 25.23 crores.

The average number of employees increased during the year from 12,664 to 13,454 whose average annual income per head went up from Rs. 3,320 to Rs. 3,390. The number of shareholders, however, contracted from 15,139 to 14,940, but those who held one to five shares numbered 5,941, or 39.8 per cent of the total, as against 4,951, or 32.7 per cent of the total in the previous year, while those who held 101 and more shares numbered 409, or 2.7 per cent of the total, as against 468, or 3.2 per cent of the total.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 331.50 *cum-div*. Taking the net dividend at 10.15 per cent per annum, the shares yield, on the *ex-div* basis, a net yield of 3.1 per cent per annum.

LARSEN AND TOUBRO LIMITED

PROFIT-MARGIN LOWER

THE most significant fact one has to bear in mind while commenting on the performance of Larsen and Toubro Ltd. [Managing Agents: Messrs. L. & T. (Management) Private Ltd., Bombay] during the year ended 31st March 1962 is that, despite the newly acquired but rapidly developing manufacturing side of its business, the Company still has a substantial interest in trading and construction work, an activity in which competition is keen and profit margins bear little relevance to the volume of turnover. During the year under review, for example, the Company's gross realisation on account of sales invoiced, charges for completed contracts and servicing and service fees expanded magnificently from Rs. 351.08 lakhs to Rs. 571.40 lakhs reflecting a rise of well over 60 per cent. But this improvement was hardly matched by a proportionate increase in gross profit which was of the order of only 6.5 per cent, from Rs. 55.53 lakhs to Rs. 59.13 lakhs. Reasons for this contraction in profit margin were several and have been aptly described by the Chairman in the following words:

"Market conditions and rising costs did not enable us to achieve a rate of profit as favourable as in previous years. There has been a general increase in expenses, mainly on, salaries, wages and bonus; employees' welfare, consumption of materials, power and fuel. The rise in expenses can be partly accounted for by growing production in our workshops, and is attributable, to a considerable extent, to major construction and erection jobs. The problems that arise in executing large contracts under difficult conditions, in the industrially undeveloped parts of India, are quite formidable and it is often impossible properly to forecast the ultimate results of such enterprises, even after the most careful estimates and planning.

"Moreover, during the year, large orders were secured, in the face of severe competition, for certain equipment imported on clients' licences, at narrow margins. These orders, the acceptance of which I feel was justified to keep ourselves established in those particular lines of business, increased our sales without showing a proportionate increase in the profit-margin. Towards the end of the year, last minute changes in procedures for importing equipment under Development Loan Fund allocations delayed the shipment of goods the sale of which would have added to the year's profit, the corresponding benefit of which will accrue to us during the current year."

As if this was not enough, there has been a further drag on the profit on account of higher essential provisions. Some saving, of course, has been effected on the Managing Agents' commission which has declined by Rs. 7,256 to Rs. 3.70 lakhs, but this has been quickly absorbed by the rise of Rs. 0.68 lakh to Rs. 12.20 lakhs in the provision for depreciation and of as much as Rs. 3.40 lakhs to Rs. 21.00 lakhs in that for taxation. These have, therefore, left a slightly lower net profit of Rs. 22.23 lakhs as compared with Rs. 22.84 lakhs earned for the preceding year. Nevertheless, the reserves have been further augmented by a total credit of Rs. 6.46 lakhs, as compared with Rs. 8.32 lakhs last year. The dividend on ordinary shares has been reduced to Re. 1.40 per share, subject to deduction of tax, from Re. 1.80 per share, subject to deduction of tax paid in the previous year. This reduction in the dividend is, of course, in keeping with the lower net profit, but the main reason is that an additional amount of Rs. 4.20 lakhs is distributable on the three lakh ordinary shares issued during 1960-61.

The rapid progress made by the Company during the past four years in terms of turnover, if not profit, will be clear from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales, servicing charges, etc.	571.40	351.08	320.65	278.25
Other income	85.89	19.48	17.18	13.34
Stock-in-trade	272.54	223.61	167.92	126.29
Raw materials, trading goods and stores consumed	299.09	161.76	150.06	154.25
Salaries, wages and bonus	144.94	84.31	83.93	59.03
Other expenses	94.13	68.96	54.79	42.25
Gross profit	59.13	55.53	49.05	36.06
Managing Agents' commission	3.70	3.77	4.17	3.10
Provision for—				
Depreciation	12.20	11.52	7.09	5.10
Taxation	21.00	17.40	16.00	16.60
Net profit	22.23	22.84	21.78	11.26
Withdrawals from provisions (net)	1.13	1.27	0.15	0.57
To reserves	6.46	8.32	8.07	4.30
Dividends—				
Preference	0.97	0.97*	1.07*	0.75
Ordinary	15.40 (14%)*	14.40 (13%)*	12.60 (18%)*	6.67 (12½)
Carry forward	1.51	0.99	0.56	0.37
Market price of ordinary shares —in rupees:	1962	1961	1960	1959
High	44.90xr	48.00	53.50	28.25
Low	25.00xr	33.75	25.75	16.40xr

* Subject to deduction of tax.

The Company's working during the year is described as having been highly satisfactory. The combined output from the Powai workshops of the Company and its subsidiaries increased by nearly 40 per cent over the previous year. The general machine and fabrication shops worked to full capacity throughout the year turning out a wide variety of factory plant and equipment.

The switchgear factory also continued to develop satisfactorily and produced an increasing volume of high quality products. On the contracting side of the business, contracts for the erection of the Gauhati Oil Refinery and one for the erection of machinery and equipment for the Worli Dairy project of the Government of Maharashtra were satisfactorily completed. The Madras Harbour extension works in which the Company is associated with another, progressed satisfactorily and is nearing completion.

As for the future, it appears well assured. The year 1961-62 witnessed substantial progress in further development and implementation of various production schemes partly in the Company's own account and partly on joint account with foreign manufacturers. Production facilities have been increased and further additions to fixed assets have been made. The Company is thus ensuring that the very capable selling organisation which has been so painstakingly built up over a number of years in the past continues to be in a position to offer the market with engineering goods of the highest quality.

The Powai workshop likewise continues to operate to capacity and a satisfactory backlog of orders appears on the Company's books. A considerable increase in the production of the switchgear factory has been planned for 1962-63 and sizable export orders have also been recently secured. The range of products is to be widened further by taking up the manufacture of flour milling, feed milling and the gram silo plants for which licences have been procured.

The financial position of the Company is satisfactory. The share capital which has remained unchanged at Rs. 129.00 lakhs (Rs. 15.00 lakhs in 5 per cent tax-free preference shares and the balance in equities) is supported by Rs. 44.74 lakhs in reserves. Borrowings appear on a higher side and amount to Rs. 195.20 lakhs in addition to current liabilities of Rs. 281.78 lakhs. But these are well covered by current assets, including loans and advances, aggregating Rs. 458.53 lakhs. Investments appear at Rs. 71.68 lakhs, which, incidentally, includes a further sum of Rs. 15.00 lakhs invested in shares of Utkal Machinery. During the year, new assets worth Rs. 31.77 lakhs were acquired and, consequently, the gross block has moved up to Rs. 150.58 lakhs. On this, the depreciation provided so far is Rs. 48.26 lakhs, so that the net block works out to Rs. 116.51 lakhs, including Rs. 14.22 lakhs being capital work-in-progress.

The Rs. 10 fully paid ordinary shares are now quoted at Rs. 30 to yield 3.5 per cent per annum net.

Notices

BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the Thirty-third Ordinary General Meeting) of BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED, will be held on Tuesday, the 28th August, 1962, at 3-30 p.m. or so soon thereafter as the Extraordinary General Meeting of the Company convened for the same day and place at 3-00 p.m. shall have been concluded or adjourned, at the Registered Office of the Company, Killick House, Home Street, Fort, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts made upto 31st March, 1962.
2. To declare a Dividend.
3. To elect a Director in the place of Mr. N. K. Petigara who retires by rotation but being eligible offers himself for re-election.
4. To elect a Director in the place of Mr. Ambalal Kilachand who retires by rotation but being eligible offers himself for re-election.
5. To appoint a Director in the place of Mr. D. P. R. Cassad who holds office as a Director of the Company only upto 28th August, 1962, i.e. the date of the Thirty-third Ordinary General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956, from a shareholder of his intention of moving the following resolution:—

   "THAT Mr. D. P. R. Cassad be and is hereby appointed a Director of the Company."
6. To appoint a Director in the place of Mr. L. V. Apte who holds office as a Director of the Company only upto 28th August, 1962, i.e. the date of the Thirty-third Ordinary General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956, from a shareholder of his intention of moving the following resolution:—

   "THAT Mr. L. V. Apte be and is hereby appointed a Director of the Company."
7. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.
8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:—

   "THAT Killick Industries Limited, the Managing Agents of the Company, be and are hereby authorised to retain all commission or other remuneration to be received or earned by them at any time hereafter as Agents of the Hercules Insurance Company Ltd., in regard to any contract for fire, marine or miscellaneous insurance against all risks which may at any time hereafter be entered into between the Company and the said Hercules Insurance Company Ltd., provided the premium rates are not less favourable to the Company than the prevailing market rate or rates which are otherwise reasonable."
9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:—

   "RESOLVED that the registers, indexes, returns, books, certificates and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956 and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301-304, 307, 356-360, 362, 370, 372 and Schedule VIII to the Act be kept open for such inspection by the persons entitled thereto to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the Registered Office of the Company between the hours of 11 a.m. and 1.30 p.m. on any working day except on Saturdays and on Saturdays between the hours of 11 a.m. and 1 p.m. except when the said Registers and Books are closed or the said documents are not available for inspection under the provisions of the Companies Act, 1956 or the Articles of Association of the Company, provided however that the register required to be maintained under Section 307 of the Act shall be open for inspection of the persons entitled thereto on the days and at the times mentioned above during the period prescribed by sub-section (5) (*a*) of Section 307."
10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:—

    "RESOLVED that the consent of the Company under the provisions of Section 293(1) (*d*) of the Companies Act, 1956 be and is hereby granted to the Board of Directors of the Company to borrow moneys for the purposes of the Company from time to time so that the total amount of such borrowings outstanding at one time shall not exceed a maximum of Rs. 3 crores even though the moneys so borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may be in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."
11. To consider and, if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution:—

    "THAT the authorised capital of the Company be increased from Rs. 2.5 crores to Rs. 5.00 crores by the creation of 250,000 Ordinary Shares of Rs. 100 each."
12. To consider and, if thought fit, to pass, with or without modification the following Ordinary Resolution:—

    "RESOLVED that the Company agrees and confirms that the Board of Directors be and is hereby authorised, subject to the consent of the Controller of Capital Issues, to issue Redeemable Debentures of the value of Rs. 1,00,00,000 carrying interest at 6½ per cent per annum, subject to tax, for deposit with financial institutions and the Board of Directors is hereby further authorised to issue Convertible Debentures of the value of Rs. 87,50,000 carrying interest at 6½ per cent per annum, subject to tax, which or any part thereof which, when offered to the shareholders of the Company in the ratio of one debenture for every two equity shares of the Company held by them, have not been so taken up, to any person or persons as the Board thinks fit."

SPECIAL RESOLUTIONS

13. To consider and, if thought fit, to pass, with or without modification as may be permissible, the following resolution as a Special Resolution:—

    "RESOLVED that, pursuant to the provisions of Section 81 of the Companies Act, 1956, and subject to the approval of the Central Government, the Company hereby approves of the term providing for the option being given to such persons who may be the holders of 87,500 Convertible Debentures of Rs. 100 each and carrying interest at 6½ per cent, subject to tax, to convert such Debentures into 87,500 Ordinary (Equity) Shares of Rs. 100 each in the Company in the ratio of one Ordinary (Equity) Share for every Convertible Debenture so held, such option to be exercisable within a period of two years commencing from 1st April, 1963, and ending on 31st March, 1965, and any Convertible Debentures not so converted within the stipulated period shall stand to be redeemed after the expiry of ten years of the date of issue."
14. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

    "RESOLVED that, pursuant to the provisions of Section 360 of the Companies Act, 1956, and subject to the approval of the Central Government being obtained, the approval of the Company be and it is hereby accorded to a contract, or arrangement (in terms of the draft initialled by a Director of the Company for the purpose of identification and produced before the meeting for inspection of the shareholders), with effect from 1st September, 1962, proposed to be entered into between the Company on the one hand and Killick Industries Ltd., who are Managing Agents of the Company, on the other hand (subject to any amendments as may be suggested by the Central Government and accepted by the Board of Directors of the Company and by Killick Industries Ltd.) such contract or arrangement to include the following material terms:—

    (1) The staff of the Central Administration Department be notionally divided between (*a*) The Company and (*b*) The Surat Electricity Company Ltd. (of which Killick Industries Limited are the Managing Agents).

    (2) The salaries and other emoluments (except the Provident Fund and Gratuity) payable to the Staff assigned to do the Company's work be directly paid by the Company out of its own funds.

    (3) The Company shall deduct income-tax in respect of such salaries and emoluments, and the amount of tax so deducted shall be paid over to Killick Industries Limited in order to enable the latter to pay the same to the Income-tax Authorities.

    (4) The amount of Company's contribution of Provident Fund in respect of such employees as are assigned to do the Company's work as also deduction from their salary for such Provident Fund shall be paid by the Company direct to the Trustees of the Provident Fund of Killick Industries Limited.

    (5) The Company shall pay every year an adequate amount to Killick Industries Limited as its contribution to meet the liability for payment of gratuity to the said employees assigned to do the Company's work, it being understood that such amount shall be taken by Killick Industries Limited to Gratuity Fund specially created for the purpose.

    (6) This arrangement shall commence from 1st September, 1962, and shall remain in force until terminated by either party by one month's notice in writing given to the other."
15. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

    "RESOLVED that pursuant to Section 31 of the Companies Act, 1956, the regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by a Director of the Company, be and are hereby approved, adopted with such modifications, if any, as may be agreed to at this meeting, as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof."

By Order of the Board,

For BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED,

Per Pro. KILLICK INDUSTRIES LIMITED,

R. P. AIYER,
Managing Agents.

BOMBAY, *5th July*, 1962.

N.B.—(*a*) *A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.*

(*b*) The Transfer Books of the Company will be closed from Wednesday, the 8th August, 1962, to Tuesday, 28th August, 1962, both days inclusive.

(*c*) The Dividend when declared, will be made payable at the Chartered Bank, Bombay on and after Thursday, the 30th August, 1962, to those shareholders whose names stand on the Register on Tuesday, the 28th August, 1962, to whom Dividend Warrants will be posted.

(*d*) Explanatory statements as required by Section 173(2) of the Companies Act, 1956, in respect of items Nos. 5, 6 and 8 to 15 inclusive, have been forwarded to the Members of the Company.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

AT A MEETING OF THE DIRECTORS HELD on 2nd August 1962, it was decided to recommend to the shareholders at the Annual General Meeting, to be held on 25th September 1962, the payment of a final dividend for the year ended 31st March 1962 of 4% (subject to tax), amounting to Rs. 60,64,000, on the issued Ordinary Shares, payable on 27th September 1962.

Two interim dividends, each of 2½% (subject to tax) amounting in total to Rs. 75,80,000, in respect of the year to 31st March 1962, were paid on 28th September 1961 and 11th April 1962 respectively.

The net profit for the year, after deducting all charges and expenses, and after providing for taxation amounting to Rs. 1,75,62,296, is Rs. 1,46,32,531 (previous year Rs. 1,87,99,207).

There has been a substantial reduction in net profits for the year, partly as a result of the retroactive increase in Company tax, but the Directors recommend that the total distribution should remain unchanged at 9% (subject to tax). In making this recommendation, they have taken into account the results of the last four months' trading and the good prospects for the current year and are confident that, subject to any unforeseen circumstances, they will be able to maintain a 9% distribution for the current year, at the same time appropriating an adequate sum to reserves.

The Directors also intend to declare a first interim dividend of 2½% (subject to tax) in respect of the year to 31st March 1963, payable on 27th September 1962.

The final dividend, if approved, and the interim dividend will be paid to the shareholders whose names appear on the register on 25th September 1962 and dividend warrants in respect thereof will be despatched to such shareholders or their mandatees on 26th September 1962. The share transfer books of the Company will be closed from 3rd to 25th September 1962, both days inclusive, and transfers received in order at the registered office of the Company up to 1st September 1962 will be in time to be passed for the payment of the dividends to the transferees.

By Order of the Board,

J. D. FARMER,
Assistant Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA.

3rd August 1962.

THE KARANPURA COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KARANPURA COLLIERIES LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta on Thursday, the 30th August, 1962 at 10.30 a.m., for the following purposes:—

1. To consider and adopt the Audited Accounts of the Company for the year ended 28th February, 1962, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS A SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

   "That in conformity with Article 97 of the Articles of Association of the Company and Section 309 of the Companies Act, 1956, authority be and is hereby accorded to the continuance of a payment to the Directors of the Company of a Commission (to be divided between them in such manner as they shall from time to time determine) of 1 per cent of the net profits of the Company in each financial year over the period of five years extending upto and including the financial year of the Company ending on 28th February, 1967."

The Share Transfer Registers of the Company will be closed from the 16th August, 1962 to the 30th August, 1962, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

CALCUTTA, *26th July*, 1962.

Notes: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 15th September, 1962, to those members so entitled whose names appear in the Company's books on the 30th August, 1962 or to their mandatees. No application for Dividend Warrants will be necessary.

(*c*) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above are being sent to the Shareholders.

THE KARANPURA COLLIERIES LTD

AT A MEETING OF THE BOARD OF Directors held on Thursday the 26th July, 1962, the Directors have decided to recommend to the forthcoming Annual General Meeting of the members the following dividends for the year ended 28th February, 1962, subject to deduction of tax.

On 5½% Cumulative (Taxable) Preference Shares at 4.579% per annum (being the dividend at the stipulated rate of Rs. 5.50 per cent, increased by 11% thereof and deducting therefrom Income Tax at Company's rate of 25% in accordance with the provisions of the Preference Shares (Regulation of Dividends Act 1960).

On Ordinary Shares at the rate of 10 per cent.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA.

SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A GENERAL meeting of the Members of the Company will be held at its Registered Office, Chartered Bank Buildings, Calcutta, on the 31st day of August, 1962, at 11 o'clock in the forenoon, to consider the following resolution to be proposed as a special resolution:—

"THAT the remuneration payable to F. W. HEILGERS & CO. (PRIVATE) LIMITED as the Secretary of the Company to perform the duties which may be performed by a Secretary under the Companies Act, 1956, and any other purely ministerial or administrative duties shall with effect from the 1st day of September, 1962, for the unexpired portion of the period of five years terminating on the 31st day of December, 1964, be seven hundred rupees (Rs. 700) per month; the terms and conditions upon which F. W. HEILGERS & CO. (PRIVATE) LIMITED shall continue to hold office as Secretary shall be such as are contained in the draft agreement submitted to the meeting and signed by the Chairman thereof for the purpose of identification, which said draft agreement be and is hereby approved; and the Board of Directors be and is hereby authorised and directed to execute the said agreement in the manner prescribed in the Company's Articles of Association."

By Order of the Board,

W. G. EASSON,
Director.

CHARTERED BANK BUILDINGS,
CALCUTTA-1
Dated 31st July, 1962.

N.B.—(i) An explanatory statement is annexed to the convening notice issued to the members of the Company.

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

COMMERCE AND INDUSTRY

(*Concluded from page* 250)

50 per cent of total items of exports, are now covered by statutory export inspection. Of these, there are 25 items of machinery and metal goods, 52 items of textiles, 36 items of agriculture, forestry and marine products and two items of medicinal preparations. The Export Inspection Law authorises neutral and impartial inspection organs to conduct inspection of export goods in respect of their quality and wrapping and ban sub-standard goods. Inspection covers not only the quality of the final product for exports but also the manufacturing process and constitutent materials as well as the quality of wrapping.

There are six Government inspection organs and 39 private inspection organs. The Government organs comprise one dealing with mining and manufacturing, one with agricultural, forestry and fishery, one with medical supplies and two with transportation. The inspectors appointed by the six Government organs total as many as 1,001. Of the 39 private organs, seven tackle machinery and metal goods, 13 sundries, 15 textiles and 4 agricultural, forestry and fishery. The total number of staff engaged by them is 3,567. The private inspection organs, it may be noted, are public utility corporations, as they are required to conduct export inspection in a completely neutral manner. The law also stipulates that the executives and staff of such a private corporation should not be those who may hamper fair conduct of expert inspection. The quality standards are prescribed in accordance with the Japan Industrial Standard (J.I.S.).

Export Risk Insurance

A wide range of risks associated with exports are covered by insurance in Japan. The Government itself underwrites risks which are not insurable through private insurance companies. The salient features of export risks insurance are: (1) An Export Association can take a comprehensive policy, so that the entire export contracts made by members of the Association are automatically insured. Premia for this type of comprehensive policy are relatively low because risks can be distributed. The risk covered is 90 per cent (2) Goods sent on consignment can be covered by exporters and the risk covered is upto 80 per cent. (3) Exporters can get their advertisement and publicity overseas covered. Compensation is made to the extent of 50 per cent of the loss which the exporter has suffered as a result of the export not being sufficient to cover the advertisement expense. (4) Investments abroad, approved under the Foreign Exchange Control Ordinance, are covered and compensation granted is 75 per cent of the amount of the loss. (5) Losses accruing to investors from inability of getting remittance of dividends on their investments abroad for more than two years due to risks such as ban on remittance or any such cause is covered to the extent of 75 per cent of the amount of losses.

PATENTS FOR NEW INVENTIONS

As many as 5,289 applications for patents were made in 1961, as against 4,503 applications in 1960, according to the latest annual report of the Patent Office (the Government of India) published recently. Of these, the number of applications originating in India was only 774, as compared with 721 applications in 1960. Maharashtra and West Bengal together contributed more than 57 per cent of the indigenous applications. The inventions forming the subjects of the patent applications covered almost all fields of industry and technology. As in previous years, chemical industries contributed the largest number of applications. Preparation of dyestuffs, polymeric resinous materials, synthetic rubber, synthetic drugs, artificial fibres, yarns and films were the subjects of a large number of inventions originating abroad. The indigenous inventions related to preparation of a number of organic compounds mainly drugs, cellulosive materials and resins.

The U.K., the U.S. and West Germany contributed most of the inventions relating to the iron and steel industry. There was also a number of inventions concerning alloys for use in electric heating appliances and extraction and refining of metals like plutonium, uranium and thorium. Indian inventors have developed a few inventions relating to manufacture and refining or iron, gold, kilns and furnaces.

Industrial production in West Germany during January-June 1962 rose by 3.3 per cent, as compared with the first half of the previous year. This growth rate was achieved in spite of a sluggish beginning to the seasonal spring expansion due largely to bad weather. In June, when the building industry was once again strong, the index of industrial production (1950 equals 100) came to 28.5 which was 7.5 per cent better than in June 1961. Increase in the production of machinery was 7.3 per cent and electrical engineering products 5.2 per cent.

SYNOPSES OF COMPANY REPORTS

Patrakola Tea Co., Ltd.

(*Agents*: Messrs. Duncan Brothers & Co., Ltd., Calcutta.)

Fifty-first Annual General Meeting—Held on 8th August 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Gross proceeds of tea	72,95	34,86
Proceeds of tea and waste sold in Chittagong	6,14	3,06
Gross profit	47,76	19,24
Transfer to Agents' remuneration	3,32	2,36
,, ,, depreciation	2,04	1,62
,, ,, provision for taxation	24,00	8,25
Net profit	18,40	7,01
Adjustments	2,34	12,13*
Appropriations:		
Total available balance	20,74	19,14
Transfer to revenue reserve	3,75	5,00
,, ,, development rebate reserve	18	10
Provision for dividend (taxable) ordinary	14,40 (40%)†	11,70 (32½%)†
Carry forward	2,41	2,34

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 5,42,470 being excess provision of taxation for previous years no longer required and excess tax paid in previous years now recoverable amounting to Rs. 4,44,990.

† The dividend for 1961 and 1960 are payable when funds are available in India from Pakistan.

Extracts from the Directors' report: *Dividend*: A sum of Rs. 14,40,000 has been provided against a dividend distribution at the rate of 40 per cent (subject to deduction of tax) for season 1961, when funds are available in India. Funds have not yet been made available from Pakistan to pay the dividends in respect of the years 1956 (part) and 1957 to 1961, and the total amount that will now be outstanding is Rs. 52,20,000.

Crop: The outturns and average selling prices realised compare with those of the previous year as under:

Crop	1961	1960
	Kgs.	Kgs.
Patrakola	484,991	312,807
Madabpore	265,828	166,553
Kurmah	578,691	346,940
Champarai	622,492	397,357
Average selling prices per kg.	Rs.	Rs.
Patrakola	4.91	5.53
Madabpore	4.94	5.56
Kurmah	5.09	5.44
Champarai	5.07	5.46

Planted area is now 4,260 acres. Estimates for 1962 provide for a total crop of 18,51,000 kgs. at an outlay of Rs. 63,66,000 including inland freight and sale charges.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	36,00,000	Gross block	72,50,006
Reserves and surplus	77,69,111	—Depreciation	30,76,610
Other liabilities	1,12,24,308	Net block	41,73,396
		Block in progress	7,06,785
		Current assets	69,82,795
		Investments	9,451
		Cash	1,07,21,992
	Rs. 2,25,93,419		Rs. 2,25,93,419

* Paid-up capital consists of 36,000 ordinary shares of Rs. 100 each fully paid up. Out of this 30,000 shares are allotted as fully paid bonus shares by way of capitalisation of reserves.

Surat Electricity Co., Ltd.

(*Managing Agents*: Messrs. Killick Industries Ltd., Bombay.)

Forty-second Annual General Meeting—24th August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Gross earnings from sale of energy	1,02,72	99,10
Cost of energy purchased	63,87	55,96
Salaries, wages and bonus	11,23	11,88
Gross profit	22,19	20,43
Transfer to depreciation	5,60	5,01
,, ,, employees' retiring gratuities	1,59	94
,, ,, Managing Agents' remuneration	1,47	1,61
,, ,, provision for taxation	6,13	3,90
Net profit	7,40	8,97
Adjustments	63*	5
Appropriations:		
Total available balance	8,03	9,02
To share capital issue expenses written off	2	3
Transfer to contingencies reserve	46	43
,, ,, consumers' benefit (for previous year)	10	Nil
,, ,, development reserve (for previous year)	61	2,05
,, equalisation of dividends reserve	70	47
To dividends (taxable) preference	42 (8.45%)	42 (8.45%)
,, ,, ordinary	5,69† (8%)	5,69† (8%)
Carry forward	12	2

N.B.—Adjustments represent the credit balance brought forward from the previous year.

* Includes Rs. 61,438 being adjustment in respect of provision for taxation for the previous years.

† Dividend for 1962=3% interim plus 5% final.

‡ Dividend for 1961=2½% interim plus 5½% final.

Extracts from the Directors' report: There was no change in the basic rates of supply during the year under review. 1,528 new consumers were connected to the Mains bringing the total number to 32,312.

The following table indicates the development of sales of energy since the year 1959-60:

Kilowatt hours sold for the year ended 31st March	Public and private lighting and fans	Motive power and domestic purposes	Total	% increase on previous year
1960	9,261,494	43,584,044	52,845,538	11.75
1961	10,062,191	47,132,303	57,194,494	8.23
1962	10,471,223	47,945,575	58,416,798	2.14

The restrictions on the supply and use of electricity imposed by the Government of Gujarat in March, 1961, continued to operate throughout the year under review.

Gujarat Electricity Board:—The Company continued to purchase bulk supplies of power from the Board's Thermal Station at Utran, which were supplemented from time to time by the Company's Diesel Plant. The Company's maximum demand on the Board during the year under review, was 13,164 kw. and kilowatt hours purchased were 63,476,735 kilowatt hours self-generated were 531,810. To increase the firm capacity of the Company's new 22 kV receiving station to 10,000 Kva, an order for the third 5,000 Kva transformer has been placed.

System Peak:—The maximum simultaneous peak load on the Company's system as a whole was 13,600 kw. as against 13,900 kw. during the previous year.

Mains:—The Company's transmission and distribution systems were maintained in good order and gave trouble-free service. To relieve some of the overloaded distributors and to cater for new demands, several extensions and reinforcements were carried out. At the close of the year, there were 127.609 Km. of underground and 72,45 Km. of overhead Mains. Two new substations were added to the System.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	75,00,000	Gross block	1,81,93,935
Reserves and surplus	34,16,558	—Depreciation	61,64,423
Other liabilities	51,71,039	Net block	1,20,29,512
		Block in progress	49,734
		Current assets	32,35,314
		Investments	4,89,639
		Cash	2,69,110
		Miscellaneous expenditure	14,288
	Rs. 1,60,87,597		Rs. 1,60,87,597

* Paid-up capital consists of 70,000 ordinary shares of Rs. 100 each fully paid up and 5,000—6½ per cent. (free of income-tax) cumulative preference shares of Rs. 100 each fully paid up.

Kingsley-Golaghat-Assam Tea Co., Ltd.

(*Board of Directors*: Mr. G. D. Kothari, Mr. K. C. Bagri and Mr. M. K. Saboo.)

Registered Office: 15, India Exchange Place, Calcutta 1.

Sixty-sixth Annual General Meeting—Held on 25th July 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Sale proceeds of tea	30,29	21,36
Dividend from investments (net)	69	60
Closing stock of tea	15,17	14,81
Salaries, wages and bonus	10,06	9,51
Gross profit	5,78	3,24
Transfer to depreciation	1,24	1,50
,, ,, provision for taxation	1,90	61
Net profit	2,64	1,33
Adjustments	82	98
Appropriations:		
Total available balance	3,46	2,31
Transfer to development rebate reserve	4	5
,, ,, general reserve	1,50	Nil
Proposed dividends (taxable) preference	21 (8.57%)	21 (8.57%)
,, ,, ordinary	1,26 (35%)	1,26 (35%)
Carry forward	45	79

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report: During the year under review the working results of the Company were satisfactory. Both exporters and local buyers showed keen interest in C.T.C. and good liquoring teas. The Directors have pleasure in informing the shareholders that a few lots of Gorunga Division of this Company were placed in the honour's list.

Total crop of tea harvested during the year was 5,52,301 kgs. as against the 1960 crop of 4,23,885 kgs. Average sale price of tea for the year was Rs. 5.10 per kg. compared with the 1960 average price of Rs. 5.39 per kg. Total value of tea exported during the year under review amounted to Rs. 12,57,812.

The area under tea is 1,226 acres. Plantation in all the three Divisions is in good condition.

In view of the greater demand for C.T.C. type of tea, 2 new C.T.C. machines were installed at Gorunga Tea Estate during the year under review.

Estimates for the Season 1962: These have been based on a crop of 5,08,000 kgs. at a total cost of Rs. 21,22,547.

Capital: As the directors want to expand the scope of activities of the Company it is thought desirable to increase its authorised capital to Rupees one Crore to meet the financial requirement of such new undertakings.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	6,00,000	Gross block	27,97,571
Reserves and surplus	17,07,807	—Depreciation	11,52,273
Other liabilities	28,67,747	Net block	16,45,298
		Current assets	24,78,619
		Investments	10,27,857
		Cash	7,89,756
		Miscellaneous expenditure	24,150
	Rs. 51,75,554		Rs. 51,75,554

* Paid-up capital consists of 3,600 ordinary shares of Rs. 100 each and 2,400—8.57 per cent. preference shares of Rs. 100 each. Of the ordinary shares 1,200 shares are issued as fully paid by way of bonus shares by capitalisation of reserve.

Bararee Coke Co., Ltd.

(*Managing Agents*: Messrs. Jardine Henderson Ltd., Calcutta.)

Eighty-first Annual General Meeting—13th August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales (gross)	52,57	35,12
Gross profit	11,01	4,04
Transfer to Managing Agents' remuneration	80	24
,, ,, depreciation	77	67
,, ,, provision for taxation	3,17	Nil
Net profit	6,27	3,13
Adjustments (credit items)	12*	Nil
Appropriations:		
Total available balance	6,39	3,13
Transfer to development rebate reserve	3	19
,, ,, deferred repairs reserve	1,00	Nil
,, ,, general reserve	50	Nil
Proposed dividend (taxable) ordinary	1,80 (15%)	Nil (Nil)
To adjustment of loss brought forward	2,59	5,53
Carry forward credit (+) or debit (—)	+47	—2,59

* Represents provision for doubtful debts no longer required and refund of taxes relating to previous years.

Extracts from the Directors' report: For the first time for a number of years it was found possible to work the coke plant without serious interruption and the production of hard coke, viz., 59,540 tons, was the highest achieved since the year ended 31st March 1957. There is an insistent and increasing demand in the country for hard coke of the quality produced by the Company and no difficulties were experienced in disposing of the output or in despatching it.

Reference was made in the last previous report of the Directors to the improvement in the performance of the sulphate of ammonia and sulphuric acid plants. An increased production of both commodities was achieved during the year but on account of their age the plants required continuous repairs and both had to be shut down for short periods.

Efforts continue to be made to effect economies in the cost of production, but it will be appreciated that having regard to the fact that the coke plant has been operating for upwards of forty years the expenditure on repairs is necessarily a heavy item. Furthermore, in order that it may be kept in production it is necessary from time to time to incur a large outlay on renovation. It is in these circumstances that the Directors have thought it prudent to make provision out of the profits for the year for some part of the heavy expenditure which will again have to be faced within a few years.

The Directors have under consideration a number of alternative schemes for the expansion of the Company's hard coke and by-product output. It will be appreciated that, in view of the very high cost of any additional installation of coke ovens, the feasibility of any of these schemes will depend upon the price policy for hard coke adopted by the Government of India, having regard to the cost of raising the finance required. There is no doubt that there is in the country today a shortage of hard coke and, as already indicated, a regular demand exists for coke of good quality.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,00,000	Gross block	41,39,531
Reserves and surplus	10,68,526	—Depreciation	35,55,067
Other liabilities	17,17,046	Net block	5,84,067
		Block in progress	12,499
		Current assets	26,94,616
		Investments	7,192
		Cash	6,87,198
	Rs. 39,85,572		Rs. 39,85,572

* Paid-up capital consists of 1,20,000 ordinary shares of Rs. 10 each, fully paid up.

Universal Electrics Ltd.

First Annual General Meeting—2nd August 1962. *Regd. Office*: 15, *India Exchange Place, Calcutta.* [*Secretary*: Mr. S. S. Banthia (Company Law).]

Extracts from the Directors' report for the period ended 31st March 1962: The Company was incorporated on 3rd February 1961 and completed its first year on 31st March 1962.

The Company has undertaken a project to manufacture *House-Service Meters* in collaboration with Messrs. Mitsubishi Electric Manufacturing Company, Ltd., of Japan. A public issue of its capital was made in January this year and was over-subscribed inspite of the list being closed on the fourth day.

Work at the factory site has since been begun and at present the building is under construction. The plant is expected to commence trial production by the middle of next year. Other necessary arrangements are also being made.

The expenditure as shown in the balance sheet under the heading "Construction Period Expenses" amounting to Rs. 63,284.49 will be allocated to the fixed assets on completion of the factory buildings and erection of the machinery.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	15,34,750	Fixed assets	3,07,742
Other liabilities	57,672	Construction period expenses	63,284
		Current assets	2,91,116
		Investments	7,89,756
		Miscellaneous expenditure	1,40,224
	Rs. 15,92,422		Rs. 15,92,422

* Paid-up capital consists of 20,000 equity shares of Rs. 10 each fully paid up and 3,30,000 equity shares of Rs. 10 each—Rs. 5 per share called up in cash. Calls unpaid amount to Rs. 3,15,250.

DEMAND FOR MONEY PICKS UP

(*From Our Own Correspondent*)

BOMBAY, *8th August*

There has been a slight revival of demand for funds in the short-term money market, especially since Monday this week. Even on Saturday last, there was some evidence that the extremely easy money conditions witnessed before were drawing to a close. For, on that day, a few banks were prepared to pay ¾ per cent per annum for inter-bank call money as against ½ per cent that had come to prevail since Tuesday 31st July. But, from Monday onwards, there was a perceptible increase in the demand for money, with banks willing to pay as much as 2 per cent for day-to-day money. The rate was higher still at 2½ per cent today. No precise explanation is, however, available for the reappearance of demand when the traditional slack season has still three months more to go. Obviously, what has happened is only the end of exceptionally easy money conditions.

There has been no change in the interest rates on short-term deposits.

The results of 91-day Treasury Bills of the Government of India sold under the weekly tender system are in keeping with the slight pull on the short-term money market experienced this week. Thus, the amount tendered against an invitation for Rs. 2 crores (same as in the previous week) was lower by Rs. one crore at Rs. 2.50 crores. The average rate of accepted tenders, which had consistently fallen in the previous fortnight, remained unchanged at 2.350 per cent per annum. Tenders for Rs. 2 crores of Bills have been invited for the coming week.

There was a heavy rush for the 91-days' intermediate Treasury Bills, but this was before the resurgence of the demand for money among banks. Sales of these Bills from 1st to 4th August fetched as much as Rs. 8.30 crores, as against Rs. 6.72 crores previously and Rs. 3.37 crores on 18th July to 21st July. The sales of these Bills during the week under review constitute a record high so far. They are being continued, albeit at a slightly higher rate of 2.296 per cent per annum.

A notable event of the week is the announcement by the Reserve Bank of the borrowing programme of 14 State Governments for the current fiscal year. The details can be found in the advertisement appearing on page 232. Our analysis of the terms, etc., also appears on an earlier page. Suffice it to record here that the total amount sought to be raised by the States (that is all except Jammu and Kashmir) is Rs. 93.5 crores that the rate of interest is uniformly 4½ per cent per annum for a usance of 12 years, that the redemption yield ranges from 4.50 per cent to 4.55 per cent as the issue price varies, Rs. 100 in the case of two States, Rs. 99.75 in the case of four States and Rs. 99.50 in the case of the remaining nine, and that the list will open on Monday 27th August and close on 1st September, or earlier.

Although the terms of the loans are ¼ per cent more favourable to the lenders, one does not find any significant setback in the value of the existing State loans since their announcement. This is not surprising, for they had been well anticipated and the values of State loans revised downward. As compared with the quotations a week ago, there has, however, been a drop of 10 nP in the 4½ per cent. 1972 loan of U.P. and Mysore and of 15 nP in that of Andhra. Among Central loans, 3 per cent 1964, 1966-68 and 1970-75 have picked up 10 nP, 15 nP and 10 nP, respectively. Similarly, both 3½ per cent 1964 and 1965 have gained 5 nP 3½ per cent 1969, however, has declined by 20 nP.

It was reported in these columns last week, that foreign assets held by the Reserve Bank had gone up by Rs. 9.25 crores in the week ended 27th July 1962, following the withdrawal of $25 million from out of the $100 million I.M.F. standby credit. In the week ended 3rd August 1962, there was a fall of Rs. 4.04 crores in these assets, so that they have once again fallen below Rs. 100 crores, to Rs. 99.06 crores to be exact.

There has been a further growth in the deposits of scheduled banks. This was Rs. 9.23 crores in the week ended 27th July; as against this, bank credit contracted by Rs. 9.45 crores and investments short up by Rs. 34.95 crores.

In the foreign exchange market, the rupee-dollar exchange rates remain unchanged at Rs. 477.25 and Rs. 473.75 per 100 dollars, the banks' selling and buying rates, respectively, for ready T.T. Abroad, the pound sterling has improved fractionally over the week in terms of the U.S. dollar. Spot sterling has moved up by 0.040 cent to 280.530-280.570 cents per £. The three months' forward, however, is a shade quiet at 280.000-280.040 cents per £.

SMALL BUSINESS IN KIPS

(*From Our Own Correspondent*)

MADRAS, *6th August*

In view of the August holidays in the U.K. and the Continent, export business in the local hides and skins market this week was small. There were inquiries for the light-weight cowhides and the inferior fifths cowhides in all averages, but business did not materialise because the overseas buyers were not prepared to pay the prices ruling here. There was good demand from the inland trade, which was a relieving feature to the stockholders. Tanned buffhides and buffcalf were neglected due to lack of support from the U.S. Arrivals from the tanneries were normal, but clearance was staggered.

Shipment business in tanned goat and middle class sheep skins was small and selective, as local prices hardened. There were several export inquiries for tanned skins, but only a few deals were put through after much bargaining. In view of the great resistance to the higher prices, the E.I. tanners will have to regulate their input, if they wish to stabilise prices at the prevailing levels.

Total shipments (in bales) during July were 2,850 of tanned cowhides, 358 of cowcalf, 33 of buffhides, 340 of buffcalf, 299 of goat skins and 238 of sheep skins to the U.K.; 98 of cowhides; 21 of cowcalf, 8 of buffcalf, 734 of goat skins and 309 of sheep skins to the Continental ports; 5 of cowcalf, 35 of buffhides, 159 of buffcalf and 330 of goat skins to the U.S. and one bale of goat skins and 159 bales of sheep skins to Japan. It will be noticed that shipments of tanned goat skins to the Continent were higher than those to the U.K. and the U.S. put together.

RECOVERY IN BULLION

(*From Our Own Correspondent*)

BOMBAY, *8th August*

The bullion market depicted a firm trend in the first two sessions of the week but developed a sagging tendency on Saturday which persisted till today when there was some recovery. The initial firmness was due to better offtake by upcountry interests, while arrivals were comparatively smaller. Consequently, both gold and silver registered a rise in values. On Saturday, the market turned quiet, thanks to lack of follow up support and reports suggesting heavy arrivals. The declining tendency of prices gathered further momentum in the subsequent two sessions also. At lower levels, profit-taking set in and a recovery was in evidence today. Not only were the earlier losses made up but the closing rates were higher than those at the end of last week except in the case of ready gold which was lower. The undertone of the market at the time of writing was firm.

Both the daily average offtake and the arrivals of the two metals during the week were lower as compared with the previous week. The relevant figures are given below:

	Week under review	Last week	Two years ago
Gold (tolas)			
Arrivals	6,100	6,200	6,800
Offtake	3,400	4,400	4,800
Floating stocks	20,000	20,000	30,000
Silver (bars)			
Arrivals	28	32	33
Offtake	6	11	6
Floating stocks	700	700	800

The *Bhadrapad* (15th September) settlement in gold met with good support early in the week and advanced from Rs. 124.80 to Rs. 125.30 on Friday the 3rd inst. Thereafter, the settlement receded and touched a low of Rs. 124.65 yesterday (Tuesday the 7th inst.), but recovered to Rs. 125 today before finishing at Rs. 124.95.

There was a sharp fall in the premium commanded by ready gold over the forward, from 65 nP on Wednesday last week to 10 nP yesterday, and today both were on a par. The spot rate, which had gone up from Rs. 125.45 to Rs. 125.70 on Friday, receded to Rs. 124,75 yesterday, but moved up again to Rs. 124.95 today.

In silver, the *Bhadrapad* (17th September) settlement began the week at Rs. 213.20, as against the previous close of Rs. 213.30, and, after rising to Rs. 214.35 on the 3rd inst., receded to Rs. 213.55 yesterday, but finished better at Rs. 214.05 today.

Ready silver fluctuated between Rs. 213.65 (3rd August) and Rs. 212.25 (2nd August) before winding up the week at Rs. 213.45, a rise of 95 nP as compared with the last week-end rate. At this level, it was quoted at a discount of 60 nP under the forward which was less than that (80 nP) prevailing a week ago.

The dollar price of gold in the London bullion market eased further from $35.11¾ to $35.11¼. But ready gold gained ¼d. to 250s. 4d. Ready silver moved up from 88¾d. to 89¼d. and forward from 88¾d. to 89¼d. The rise was in sympathy with the increase in silver price at New York from 104.75 cents to 105.50 cents.

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

	8-8-62 (closing)	High	Low	1-8-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	124.95	125.70	124.75	125.45
*Bhadrapad**	124.95	125.30	124.60	124.80
Sovereign	97.50	98.00	97.50	98.00
SILVER				
Ready (.996 fine)	213.45	213.65	212.25	212.50
Bhadrapad†	214.05	214.35	213.00	213.30
London—				
Gold	250s.4d.	250s.4d.	250s.¼d.	250s.¾d.
Silver Ready	89¼d.	89¼d.	88¾d.	88¾d.
Silver Forward	89¼d.	89¼d.	88¾d.	88¾d.
New York—				
Silver	105.50 cents	105.50 cents	104.75 cents	104.75 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

LINSEED RISES AGAIN

(*Messrs. A. Bradley and Co.*)

CALCUTTA, *6th August*

The local linseed market displayed an upward tendency again towards the latter part of this week, and there was an appreciable rise in prices. Arrivals from the upcountry were still very small and may not improve in the near future owing to the monsoon. The oil market was very firm. Only small ready business was done as stocks were very small. Sellers for forward position were not inclined to do any business at the current rates. The oilcake market was also firm. Local inquiries were good, but stocks with mills were limited. The latest quotation for the August-Sept. delivery was Rs. 87.08 per quintal.

COTTON FUTURES RALLY

(*From Our Own Correspondent*)

BOMBAY, *8th August*

Distinctly firm conditions prevailed in the cotton futures market during the week. Reports of unfavourable weather from certain growing regions and unsatisfactory crop progress and the apprehension that movement of new crop would be delayed prompted large-scale buying by local and upcountry operators. The recommendation of the Cotton Advisory Board that one million bales of cotton should be imported during the coming season had no bearish effect on the market. This was because it was generally felt that, even if this was possible, which was doubtful, the foreign exchange position being what it is, the supply position of cotton would still be precarious. Much, however, depends on the size of the new crop and, with the weather being none too satisfactory, the outlook for cotton is distinctly bullish. This consideration prompted large-scale support to the futures contract. Under pressure of persistent buying orders, Jarilla March contract rallied from last week-end's (31st July) closing of Rs. 730.25 to Rs. 745.75 on Monday. Profit-taking and some nervous selling prompted by the high price resulted in a mild setback and the contract finished today at Rs. 745, showing a net gain of Rs. 14.75 over the week.

In the spot market at Sewri, good mill demand was reported for such varieties as Laxmi, Co2, L.147, Kalyan, Wagad and 197/3. Disturbing crop reports from some of the growing areas prompted mills to quickly cover available lots of good quality cotton. Export inquiries were noted for superfine Bengal *Deshi*, and Zoda and Yellow Pickings. Announcement of an export quota for Bengal *Deshi* is expected to be delayed for sometime more as the Government seems to be anxious to assess the probable size of the crop. Demand for foreign cotton was confined to selected East African and Sudan varieties.

The second meeting of the reconstituted Cotton Advisory Board was held at Bombay on 2nd August under the chairmanship of Mr. W. R. Natu, the Textile Commissioner. The Board welcomed the Government of India's early decision to increase the ceiling prices for the 1962-63 season of the basic variety Jarilla Fine 25/32" by Rs. 35 per quintal (Rs. 125 per candy) with corresponding increases in the prices of other varieties. The Board recommended certain modifications in the basic staple length, definitions of varieties, change of groupings and premiums for improved varieties of Indian cotton for the 1962-63 season.

The question of the supply and demand of cotton was discussed. The Board felt that the crop may not be larger than 5.2 million bales even under favourable circumstances. It, therefore, recommended the import of at least one million bales of cotton so as to arrive early in the next season. As regards exports, the Board was of the view, that no quota of Bengal *Deshi* cotton should be issued during the current season. It, however, recommended that a statistical export quota should be announced for the next season early in the year as was done for the last season. The Board also suggested that instead of the existing multiplicity of the regional survey committees, a few large strong and expert zonal committees of experienced surveyors may be set up. It was of the view that the Textile Commissioner should exercise his powers for random requisitioning in an effective manner, and at his own discretion. There was general agreement that the quota system should be continued and suggestions were made for modifying the existing pattern of varietal distribution in certain respects. The timing and quantity for the first allocation of indigenous cotton to the mills was considered and the Board suggested that higher quotas should be given for the North Indian mills early in the season.

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

Ganganagar 770; Khamgaon 1,010; Gadag Laxmi 1,175; Co2 1,320; B.P. (U.N.U.G.) 1,262; Jinja 1,140; Giza 45, 1,975.

Dull conditions prevailed in the Karachi cotton futures market during the week. Uncertainty about the export duty and lack of mill support made traders cautious. Values moved in a narrow range, showing small change over the week. N.T.R.G. January 1963 receded from Rs. 75.20 last week-end to Rs. 74.90. The March contract was quiet at Rs. 74.45, as against Rs. 74.40 last week. The Karachi Cotton Association has urged the Government to abolish the export duty and sales tax on raw cotton so that growers might get a better return for their produce and export earnings increase.

Cotton futures at Liverpool suffered a mild setback during the week. Both the American and American type contracts declined on selling prompted by lower advices from New York and slack domestic mill demand. Sudan cotton contracts were quiet and nominally unchanged.

The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October 23.35; December 23.30.

American cotton mixed growth contract: October 23.70; December 23.65.

Sudan: September, November, January 29.50.

Easy conditions prevailed in the New York cotton futures market. Selling influenced by bearish private crop forecast and lower advices from the spot market led to a sharp break in values. The first official crop forecast, scheduled to be issued on the 8th inst., was eagerly awaited by operators.

The U.S. Agriculture Department has nounced the details of its new programme to Commodity Credit Corporation stocks of available for export sale on a competitive Under the programme, C.C.C. cotton wil

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only when, in the judgment of C.C.C. the domestic market price of cotton is sufficiently above the support price so that sales under the programme will not interfere with the orderly operation of the price support programme and will not unduly increase the quantity of cotton placed under price support loans. Sales will be made on a competitive offer and acceptance basis, but no offer will be accepted at less than the price determined by C.C.C. to be equivalent to the world export market prices plus the cotton export rate in effect on the date the offers are accepted. Such minimum sales price will take into account the value to the purchases of the right of reclassification, substitution and other relative advantages of purchases from C.C.C. inventory. Exporters can purchase this cotton from C.C.C. stocks, provided an equivalent quantity of cotton is exported. It is not necessary that the identical cotton purchases from C.C.C. be exported.

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

(In cents per lb.)

	7-8-62	30-7-62	24-7-62
New York Spot	35.80	35.90	36.00
October	33.80	34.08	33.87
December	33.96	34.25	33.98
March	34.32	34.49	34.22

RECOVERY IN PEPPER

(Messrs. Parekh and Co.)

BOMBAY, *8th August*

After ruling weak owing to liquidation by weak bulls, Malabar black pepper steadied during the latter part of the fortnight ending today, in view of unwillingness on the part of growers and holders to press sales at lower levels. Ready garbled, after touching the lowest of the year at Rs. 270, improved to Rs. 292. Ungarbled rallied from Rs. 362½ to Rs. 285. August delivery, after touching the new low level of Rs. 270, rallied under pressure of buying by strong holders among bulls. They tightened their grip on the August delivery as well as on ready supply so as to force the shorts to cover, as the due date for August was coming nearer.

Singapore, after dropping to Str.$102½ for black, improved to Str.$110, owing to short-covering and, broadening of foreign inquiries and white from Str.$137½ to Str.$150. Strong holders of Lampong are unwilling to release their stock at lower level. As a result, there is a shortage of supply.

Some sales to New York are reported by Indonesia at $0.31 per lb. C.I.F., owing to lower check price. This made Singapore and India nervous.

New York, which went down to $0.32 under pressure of unsold consignments, improved to $0.34 after the liquidation of the major part of the unsold parcels from India and Singapore. Though demand from grinders is reported slow, dealers in general are expecting the broadening of buying by grinders during the next few days.

Future depends upon the attitude of Lampong and the buying tempo of grinders in New York and the replacement thereof by dealers. Middle East and Pakistan were reported to be buyers in the local market. This was responsible for the present improvement in ready in Bombay which is now quoted at Rs. 155 per 50 kilos, the lowest being Rs. 152.

METALS RISE FURTHER

(From Our Own Correspondent)

CALCUTTA, *7th August*

Reports of a satisfactory outcome at the Aid India Consortium's meeting and the Union Finance Minister's sober optimism that the remaining gap of approximately $80 million in the Consortium's commitments for 1962-63 was expected to be closed were noted with particular enthusiasm in the metal market here this week. The expectation that more imports of non-ferrous metals would be permitted led to an easier trend in prices during the week under review. Mr. Morarji Desai has stated that most of the future aid would be tied to specific projects. In other words, the aid from the U.S. would have to be used for importing essential industrial requirements in addition to capital goods for specific projects. A good portion of the U.S. aid is, therefore, expected to be utilised for imports of copper, zinc, fertilisers, and spares from that country.

Advices from the London Metal Exchange depicted an easier trend following the news that the U.S. Government was disinclined to consider favourably the suggestions offered by the International Tin Council in regard to the plan for release from the strategic stockpiles. Prices declined to as low as £849½ a ton, but a modest recovery to £852 was recorded following good support from the Buffer Stock Manager. An easier trend was also in evidence in the Far Eastern market. Although the U.S. has rejected the I.T.C. proposals, it is expected that Washington would not rush to the market and release the entire quantity at one stretch. The releases would be in small quantities at intervals. Time and again, it has been explained on behalf of the U.S. that it would ensure that releases were so orderly and gradual that no disturbance to the market trend would be caused. In Calcutta, tin opened at Rs. 2,185, and, in line with the easier advices from abroad and also due to the comfortable supply stock position, eased to Rs. 2,066.75, while in Bombay a three-point recession was recorded.

In London, electrolytic copper was firm throughout the week at £234 a ton, while the three-months delivery eased from £230 to £229½. It was expected that the backwardation would widen now that production in Chile had gone up. Besides, the European demand in London has not emerged. An easier trend was also recorded in New York. Continued tightness in copper scrap supplies was a feature in Calcutta. Although recently there have been good arrivals under the D.L.F. scheme, consumers are not able to keep up to their programme of production. Clean wire scrap was quoted at Rs. 615.50 and utensil scrap at Rs. 562 per 100 kgs.

Electrolytic zinc opened here at Rs. 307 per 100 kgs. and eased to Rs. 293.25. The easiness was attributed to expectations of larger imports. In London, the metal opened at £65¾ a ton and eased to £64⅞, but following moderate dealings recovered to £65. At Rs. 157.50 per 100 kgs., virgin lead eased by Rs. 2 in Calcutta. Demand was poor.

ART SILK YARN PRICES TO BE RAISED?

(From Our Own Correspondent)

BOMBAY, *8th August*

The yarn market is thick with rumours of an early upward revision in the ex-mill selling prices of indigenous art silk yarn by 25 nP per lb. It is believed that the Central Government has already taken the decision to permit the spinners to effect such an increase and an official announcement is expected any day. The proposed increase would appear to have caused disappointment to spinners who seem to feel that it will just cover the payment of a cess at 25 nP per lb. on indigenous rayon yarn which the Government wants to levy with the object of providing cash incentives to exporters of rayon fabrics and does not compensate the industry for the all-round increases in the prices of raw materials, stores and accessories and heavier wage bill. The rumours of higher ex-mill prices of indigenous art silk yarns, however, failed to have any effect on price trend in the market. Nor was the Government's announcement raising the maximum entitlement for art silk yarn under the Export Promotion Scheme of any avail. The Press *communique* (dated 4th August) issued by the Textile Commissioner says:

"Under the Export Promotion Scheme for art silk fabrics since July 1959, the manufacturer-exporters of art silk fabrics in the power-loom sector were permitted to receive maximum entitlement under the scheme for art silk yarn of Rs. 6,000 per annum, which was subsequently enhanced to Rs. 7,500 with effect from 1st April 1961. Since October 1961, however, the manufacturer-exporters of art silk fabrics were permitted to receive maximum entitlement under the scheme for art silk yarn at Rs. 10 per loom per shift. As a result of the representations received from the art silk weaving industry, the Government has now raised the maximum entitlement under the Export Promotion Scheme for art silk yarn to Rs. 15,000 per loom per annum for the period April 1962-March 1963. It is expected that the above measure will further stimulate exports of art silk fabrics."

Staple fibre yarns tended to move up on reports of encouraging offtake from consuming centres. Traders expected that the offtake would increase the freight rate on oilcakes, referred to tion was based on two grounds. One, the rise in prices of art silk yarn might induce weavers to use more of staple fibre yarn than of art silk yarn. Two, the exports of fabrics will register an improvement following the official relaxation of individual ceilings for exports and the reduction of 5 nP per yard in the export price effected by shippers. If, in spite of all these reports, yarn prices did not show a marked rise, it was apparently because of fears regarding official intervention to check the rising tendency in prices.

Cotton yarns continue to rule dull in the absence of any fresh encouraging news. The supply position was quite comfortable. Demand from consuming centres was at a low ebb.

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

	8-8-1962	31-7-1962
	Rs.	Rs.
Art silk yarn—		
20/1 Amilon (100 kg.)—		
August	4,800.00	4,800.00
Nat. Ray. 150 Bt. 1 (per kg.)	14.23	14.26
Nat. Ray. 150 Bt. 1 (per kg.)	16.92	17.05
Staple fibre yarn (40 × 2)—		
August	820.00	817.00
October	843.00	842.00
Kohinoor (per kg.)	9.28	9.22
Century	9.02	8.93
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.00	18.00
32s Madura	30.00	30.00
40s Gokak	35.50	36.00
60s Finlay	73.50	73.50
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, *8th August*

Buoyant conditions prevailed in the oilseeds market during the week under review. The buoyancy was the result of pronounced speculative buying. Groundnuts staged a smart headway mainly on reports of insufficient rains in Saurashtra area where it was feared that the *1962-63 crop* would be lower by 50 per cent, as compared with last year's output of about 700,000 tons. There was also good offtake by *vanaspati* manufacturers and crushers. Castorseeds also evoked active buying enquiries and values moved up further, despite unconfirmed reports regarding the disposal of about 5,000 tons of castor oil from the U.S. stockpiles. In sympathy, linseed and cottonseeds ruled distinctly firm.

The imposition of a ceiling on mustard seed August 1962 contract (which has been ruling distinctly firm for sometime past) in North India did not have any perceptible effect on the local market. The ceiling fixed is Rs. 41 per 40 kgs. at Delhi, Agra and Kanpur and Rs. 40 per 40 kgs. at Bhatinda.

The Bombay Oilseeds and Oil Exchange has conveyed, in a telegraphic communication addressed to the Union Government, its protest against the decision of the Karmahom Conference Lines to increase the freight rate on oilcakes, referred to in these columns last week. The Exchange has urged official intervention so that the Conference may revise its decision. It has clearly warned that the move to increase freight would adversely affect the export trade in oilcakes which has been picking up of late.

Groundnut January 1963 contract jumped up by Rs. 10.87 to Rs. 239.37. September 1962 contract advanced by Rs. 8.88 to Rs. 234. Khandesh quality spurted by Rs. 2.13 to Rs. 50.25. Nizam bold rose by Re. 1.63 to Rs. 49.50. Oil September 1962 contract gathered 95 nP to Rs. 20. Oil ex-mill put on 90 nP to Rs. 20.20 and Railway receipts 75 nP to Rs. 19.80.

Castorseed March 1963 contract strengthened from Rs. 170 to Rs. 172.25 before closing at Rs. 171.25. September 1962 contract finished higher at Rs. 172.10 last week-end. Madras small and Kanpur improved by 38 nP each to Rs. 34.25 and Rs. 33, respectively. Oil B.S.S. hardened by 15 nP to Rs. 14. Oil Commercial gained a like amount to Rs. 13.

Linseed March 1963 contract rose by 87 nP to Rs. 41.37. September 1962 contract improved by 56 nP to Rs. 42.56. Bold ready was higher by 38 nP to Rs. 41.50. Linseed oil picked up 15 nP to Rs. 17.20.

Cottonseed September 1962 contract advanced by a rupee to Rs. 107. White rose by 25 nP to Rs. 21. Rerar improved by a similar amount to Rs. 22.50. Non-whites, however, shed 25 nP to Rs. 22.

The following table shows the closing prices of oilseeds and oils on Wednesday, 8th August, as compared with those of the two previous weeks:

	8-8-1962	31-7-1962	25-7-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	230.37	228.50	227.75
Groundnut January 1963 ..	234.60	225.12	220.50
Nizam bold	49.50	47.87	47.62
Khandesh quality	50.25	48.12	48.12
Oil ex-mill ready*	20.20	19.30	19.40
Railway receipts*	19.80	19.05	19.05
Castorseed			
September 1962	172.25	171.00	169.50
Castorseed March 1963	171.25	170.00	166.75
Ready Madras	34.25	33.87	33.75
Ready Kanpur	33.00	32.62	32.75
Oil B.S.S.†	14.00	13.85	13.80
Oil commercial†	13.00	12.85	12.80
Linseed			
September 1962	42.56	42.00	42.25
Bold ready	41.50	41.12	41.00
Oil ready†	17.20	17.05	16.90
Cottonseed September 1962 ..	107.00	106.00	105.50
Cottonseed January 1963 ..	—	102.00	100.00
Niger seed	38.00	37.00	37.00
Kardi seed	29.00	27.00	27.00

* Rates include excise duty but exclude sales tax
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

TEAS STRONG

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

COCHIN, *2nd August*

A total of 679,000 kgs. was on offer in sale No. 30 held on Tuesday, 31st July. Quality showed a general all-round improvement. There was strong demand. Highgrown brokens and fannings advanced considerably in price, particularly those with improved quality. Good medium and medium brokens were well supported at dearer rates, especially the brighter kinds. Their fannings were irregular but generally dearer. Low medium brokens were generally firm to dearer, whilst their fannings, though meeting better enquiry, were irregular. The brighter lines in this category, however, registered advances. Plainest brokens were barely steady, but there was better support for fannings in this category than in recent weeks. Black leaf descriptions were well supported. Whole leaf grades followed the general upward trend of the market. Teas of unorthodox manufacture met keen competition at enhanced rates, but the poorer types were easier. Tippy teas sold well.

The quotations (per kg.) were:

	1962	1961
Low mediums	3.10-4.00	4.45-4.55
Mediums	3.80-4.30	4.55-4.60
Good mediums	4.50-5.35	4.60-5.15
Nilgiri B.O.P. ...	4.30-7.10	4.75-5.70

The average price realised in No. 30 was Rs. 4.28 per kilo as against Rs. 4.00 a week ago and Rs. 4.68 in the corresponding sale last year.

In dust sale No. 30 held today, 340,000 kgs. were offered. A strong demand prevailed throughout the sale and prices registered a further general advance. Highgrowns, although irregular, were often dearer, while good medium descriptions also appreciated. Wynaad sorts met with keen competition at higher rates and Travancore dusts were generally fully firm at 10 nP dearer. Black grainy kinds sold at enhanced prices. Unorthodox descriptions were keenly sought after and advanced quite considerably.

The average price realised in dust sale No. 30 was Rs. 3.42 per kilo, as compared with Rs. 3.23 a week ago and Rs. 4.62 in the corresponding sale last year.

Colombo: Approximately 7 million lbs. were offered and met with a strong general demand with highgrowns distinctly dearer following improved quality, especially Uvas. Mediums advanced 10 cents, whilst low growns were 5-10 cents dearer. Fannings were strong and dearer.

London: North Indian and other growths: In Monday's auction the few new season's North India teas came to a firm market. Clean plain black leaf and bright liquoring coloury Africans were about steady but all others were easier, especially the plainest stalky kinds.

Ceylon and South Indians: In Tuesday's auction, there was good demand for best Ceylons and South Indians which were firm to dearer but others were irregular and sometimes lower.

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

"*Sale No.* 31: 662,000 kgs. offered. Good general demand. Low medium and mediums 10 to 20 nP dearer, where quality improved. Good mediums fully firm to dearer. Highgrowns strong and dearer with quality unorthodox fully firm."

SUGAR PRICES ADVANCE

(From Our Own Correspondent)

HAPUR, *6th August*

An all-round buying spree, mainly from *khandsari* and *gur* consuming centres, due to paucity of stocks of these commodities there resulted in a further advance of more than a rupee a maund in sugar prices here this week. The improvement was more pronounced in the inferior quality small crystal. Forward trading in the next quotas to be released in August and September was being done at higher prices. Trade circles are said to be persuading the Government to release an additional quota to check the current upward trend in prices. Brisk buying support continued from all parts of U.P., Punjab, Rajasthan and Delhi. Spot delivery prices advanced by about 50 nP per quintal to be quoted at Rs. 109.50. Retail prices, too, were higher by Rs. 1.09 per seer. The mill delivery prices (per maund) were: D-29 Amroha Rs. 39.94, Dhampur Rs. 40, Seohara Rs. 39.68, Meerut Rs. 40.50, E-29 Simbhoali Rs. 40.25, Bijnore Rs. 39.75 and Dhampur Rs. 39.87.

The Muzaffarnagar sugar market ruled firm this week on brisk demand from Rajasthan, Punjab, Delhi and parts of U.P. The small grains rose by 13 nP to 50 nP a maund. Forward transactions were done even at higher rates. The firm trend in *gur* and *khandsari* and the bright prospects of sugar exports to Canada and other countries aided the rise in prices. Spot prices advanced by 50 nP to Re. 1.25 a quintal. Sugar prices rose also in Kanpur, thanks to the brisk buying support.

Persistent demand from Rajasthan and Punjab in the face of depleted stocks produced gains in *khandsari* during the week. While the inferior quality was quoted at Rs. 85.74 to Rs. 91.09 per quintal, the superior one was lifted at Rs. 96.54 to Rs. 105.83 per quintal. Crystal *khandsari* continued to be quoted higher at Rs. 95.11 to Rs. 107 as was boora at Rs. 99.13 to Rs. 104.37 per quintal.

Ready *gur* prices were at a new peak due to the poor stock position and brisk demand from the South. Cane crop prospects also were considered poor owing to insufficient rains over a wide area. Total arrivals of *gur* here during the current season were put at 4.29 lakh maunds, as against 4.72 lakh maunds last year. *Shakker* continued to attract support from Punjab and Rajasthan and its prices were also at the best level of the session. Week-end prices were: *Gur* superior Rs. 66.31, kotha Rs. 53.58 and *shakker* Rs. 68.28 per quintal.

Continued demand from Rajasthan and Gujarat in the face of the meagre stocks left with the trade accounted for a sharp rise in ready *gur* prices in the Muzaffarnagar market. Prices improved by 50 nP to one rupee per maund to be quoted at Rs. 24.50 to Rs. 27.50 for dry chaku and at Rs. 22 to Rs. 22.50 for the quality produce.

Gur futures moved both ways during the week on alternate bouts of buying and selling. *Gur* fagun opened at Rs. 21.93 on 31st July, touched the highest and the lowest levels at Rs. 22.17 and Rs. 21.65, respectively, and was quoted today at Rs. 22.01. Sentiment was bullish on support influenced by the absence of rains over a wide area, which has adversely influenced the cane crop prospects.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, *6th August*

Quietly steady conditions were witnessed in foodgrains here this week owing to the late and inadequate rains resulting in uncertain prospects of *kharif* crops, mainly of paddy. The food situation in the country has, however, been described as comfortable by the Union Food Minister, Mr. S. K. Patil, and self-sufficiency is expected to be attained by the end of the third Plan. The stock position was "quite comfortable" and the decision to accelerate imports from America under the P.L. 480 agreement was expected to improve the situation. The current stock was placed at more than three million tons of wheat and rice. By December, 1.50 lakh tons of rice would be imported from America and from October onwards three lakh tons of American wheat would be coming every month. Additionally, 3.50 lakh tons of rice are expected to be imported from Burma and other sources during the year.

Due to poor arrivals and continued consumer and outside support, the average quality wheat prices were marked up by 32 to 67 nP a quintal to Rs. 41.53. The farm quality, however, was stationary at Rs. 43.54 to Rs. 46.89. The red quality was sold at Rs. 38.50 to Rs. 40.19. Arrivals were poor, averaging 200 maunds daily, and the stock declined to 66,000 maunds. During the week, two wagons were loaded for Sholapur. Rice prices fluctuated narrowly. The inferior quality advanced modestly on good consumer demand. Arrivals were negligible and the stock at the week-end was meagre at 7,000 maunds. Week-end prices were: Rice *basmati* superior Rs. 85.74 to Rs. 96.45, sela *basmati* Rs. 75.02 to Rs. 80.38, *mainpuri* Rs. 58.94, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 56.26 a quintal.

Gram prices were stationary at higher levels on improved advices from the Punjab and Rajasthan. Arrivals from Rajasthan totalled 500 maunds and the stock ran down to 17,500 maunds. The Punjab gram was quoted at Rs. 43.54 and the local produce at Rs. 42.87. Barley and bejhar registered small gains during the week on good demand. Prices were marked up by 67 nP in either case and at the week-end were quoted at Rs. 30.14 and Rs. 30.44, respectively. Stocks were meagre at around 8,000 maunds each. *Jowar* prices were stationary, but *guwar* prices tended to rise on good demand. Methi prices, however, drifted lower for want of support. Maize and other coarse grains were listless. Week-end prices (in rupees) were: *Jowar* 46.89 to 50.91, *guwar* 40.53, *methi* 58.94, *maize* 29.47, *bajra* 37.51 and oats 29.47 to 30.81 a quintal.

Among pulses, peas declined by 32 to 67 nP per quintal, as demand slackened. The dara quality was quoted at Rs. 34.48 to Rs. 34.83 and the farm quality at Rs. 36.17 to Rs. 37.51. Peas dal was quoted at Rs. 38.85. During the week, two wagons of peas was despatched to Madras. Arrivals were poor, at an average of 200 to 300 maunds daily, and the stock declined to 67,500 maunds. *Arhar* spurted by Rs. 2.67 to Rs. 5.34 on better demand against poor arrivals and meagre stocks. *Urd, moong* and other dals also sought higher levels in sympathy with peas and *arhar*. *Week-end prices* (in rupees) were: *Arhar* 57.62 to 64.30, *dal* 72.34 to 80.38, *urd* 83.06, *dal* 93.77, *moong* 52.25 to 54.26, *dal* 61.62, *masoor* 46.89 to 53.58, *moth* 36.17, *dal* 44.21 and gram *dal* 49.57 a quintal.

EASY TENDENCY IN TEA

(From Our Own Correspondent)

CALCUTTA, *7th August*

The easy tendency notice in last week's tea sales here for internal consumption has caused some anxiety in trade circles. The decline in prices should be attributed to the hesitancy of buyers who believe that there would probably be a glut in the market later this year. This has brought to the forefront the need for reviving the propaganda for increasing internal consumption. A continuous fall in prices would have a serious impact on the industry. India's inferior teas command only a very poor market abroad.

Although the discontinuance of internal propaganda and prospects of any large increase in domestic consumption should force the gardens to pay greater attention to increase the proportion of production of quality teas, there are so many difficulties in the way of producing quick results. Apart from the existence of several gardens which by virtue of elevation and other circumstances are capable of producing only common teas, shortage of fertilisers and the need to replace factory machinery together with financial stringency only leave two alternatives for the industry generally, namely, either to improve the quality or to restrict production. Restricting production would mean going against the interests of the country, as the Government has called upon the industry to make an all-out effort to realise the target of 900 million lbs. by 1966. Against such a background, the industry has time and again pointed out that only an increased internal market would act as a cushion in the event of a glut.

More governmental attention to providing adequate finance to the industry is needed, as certain gardens are facing acute difficulty in this regard and find it, therefore, difficult to expand their operations. For instance, the gardens in the Terai region have represented that their efforts to improve the quality of output have been hampered by lack of sufficient funds. Several gardens in the area, which are marginal producers, are unable to make use of the Government's offer of loans to purchase machinery, since they are unable to give the security demanded. Considering the Terai region's particular problems such as the high prevalence of plant diseases, the Government can relax the condition at least in the case of deserving gardens.

Dusts on offer in the sales last week totalled 29,628 packages. Demand was good at the start, but petered out as bidding progressed and, as a result, weakness developed. Orthodox teas eased by 20 nP and occasionally more; but good liquoring Assams were steady. Among C.T.C. dusts, the bright liquoring teas and the few small powdery lots were firm, but the rest were lower. Legg-cut teas were generally lower, but a few selected descriptions realised satisfactory prices. The quotations (in rupees) per one kg., inclusive of excise duty, were: good Assam C.T.C. dust 6.60 to 7, medium Assam C.T.C. 5.60 to 6.10, medium Assam dust 4.20 to 4.50, plain orthodox dust 3.40 to 3.70 and legg-cut dust 3.80 to 4.30.

After the recent conflicting news from Brussels, trade circles have been much relieved to note the latest information according to which the Ministers of the E.C.M. countries negotiating the terms with Britain for its entry into the Community, have now agreed on the desirability of abolishing Europe's common external tariff on tea. The prospects for increasing tea consumption in Europe once again look bright, and India for her part should leave no stone unturned in her efforts to conduct propaganda in the "Sixes." The present high tariff rates in some of the European countries make tea a costly drink.

According to the trade, another area which is capable of taking more tea, is East Europe. India has already bilateral trade agreements with some of the countries in that region, but, since there has so far been no striking results, it is emphasised that recourse be taken to more propaganda in these countries.

The industry's difficulties in securing import licences for replacement of the worn-out machinery are capable of solution, if the subject is linked with exports. For instance, the Government should examine the possibility of allowing a garden to make use of the foreign exchange it earns, if its exports exceed the best level of the last three years. Some such system would provide the gardens an additional incentive for increasing exports.

That there is going to be keener competition among producing countries in foreign markets is only natural in the face of increasing production. Reports suggesting the anxiety of the trade in Ceylon over the poor prices realised in the Colombo auctions in June last emphasise the same point. It is natural, therefore, that only improvement in the quality of output would attract more buyers. The recent trend in London auctions was that, although prices of quality teas hardened, poorer teas were neglected. With the knowledge that world production in this year is likely to exceed the very satisfactory figure of 1961, buyers can afford to be more discriminative.

In last week's auctions, held in London, the Assam teas rose above the brokers' valuations, while Dooars eased. African teas met with little attention. Tea stocks in the U.K. at 118 million lbs. for the week ended 27th July were slightly higher than the previous week. The increase reflected the commencement of arrivals of teas of this season, and, since bookings from Calcutta to the U.K. had been fairly heavy in the last three to four weeks, the U.K. stocks would continue to rise from now on.

During yesterday's export sales here, offerings totalled 50,828 packages, which met with good demand at lower prices. Keen demand was accorded to C.T.Cs and teas possessing bright liquor and clean appearance were about firm. However, prices for mediums eased by 20 to 40 nP. Legg-cut teas eased by 10 to 30 nP and there were withdrawals. Flavoury Darjeelings met with support at lower rates, but the plainer sorts were about firm. Orthodox teas eased by 20 to 40 nP; ordinary and plain sorts were quiet, but some selected lines recorded a hardening tendency. Bright liquoring Assams commanded fair attention. Whole leaf grades were quiet, and tippy teas met with little attention. The quotations (in rupees) per one kg., inclusive of excise duty, were: best Assam C.T.C. fannings 7 to 8, clean black pekoe 4.25 to 4.50, medium Assam C.T.C. B.P. 5.40 to 6, best Assam C.T.C. B.P. 7 to 8, medium Assam C.T.C. fannings 5.30 to 6, plain fannings 3.70 to 3.90 and plain B.P. 3.65 to 3.90.

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GOOD EXPORT BUSINESS IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, *7th August*

Overseas business in jute goods was lively during the week under review. Although the volume was good, because this was interspersed by intervals of lull attributed to buyers' anxiety to prevent a rise in prices, this week's gains were only small as compared with the extent of support accorded. Fibre prices recorded a fractional recession, attributed to "very satisfactory" early arrivals of new crop in both India and Pakistan. New crop arrivals in India are estimated at 50,000 maunds a day on an average, those in Pakistan being 70,000 maunds a day. The lack of any encouraging news as to the future of jute goods exports to the U.K. and the European Common Market caused anxiety and, though, according to the latest news from Brussels, the problem of jute exports from India and Pakistan was referred back to the Ministers' deputies for further examination, Britain's consent to the Six to end preference on cotton textiles caused some apprehension that this would be a forerunner for jute goods too not in the matter of preference but with the level of duties. If the duty is raised, evidently Indian goods would have to compete for markets with a greater area.

Raw jute arrivals in India and Pakistan are higher for this time of the year, and this demonstrates that the earlier reports of serious damage to crop on account of floods had been exaggerated. At the same time, it should be emphasised that the quality of early arrivals is decidedly lower than usual. Hence, trade circles are inclined to feel that, though floods may not reduce the estimated total output, quality has been affected. Also good quality fibre for manufacture of hessian is difficult to be obtained, and a serious shortage in the superior fibre is apprehended later in the season. The same apprehension is extended to Pakistan too. This is truly reflected in the way prices of heavy goods and hessian moved during this week. While business in heavy goods with overseas countries was comparatively larger than in hessian, prices of the former moved up by a slow pace; on the other hand, any sign of business was sufficient to raise the quotation of hessian. Against this background, the prospect of a further widening in the price differential of hessian and heavy goods is foreseen. It may be remembered that, towards the end of the last

(*Continued on page* 264)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 3rd August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund..	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	49,08,35,000
(ii) State Governments	36,07,17,000
(b) Banks—	
(i) Scheduled Banks	93,22,76,000
(ii) State Co-operative Banks	1,63,17,000
(iii) Other Banks	2,04,000
(c) Others	203,80,15,000
Bills Payable	29,97,94,000
Other Liabilities	19,24,21,000
Rupees	586,05,79,000
ASSETS	**Rs.**
Notes	18,72,15,000
Rupee Coin	3,61,000
Small Coin	3,94,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,29,000
(ii) State Co-operative Banks	12,18,07,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,82,84,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	60,16,22,000
Balances Held Abroad*	6,21,72,000
Loans and Advances to Governments†	3,74,00,000
Loans and Advances to—	
(i) Scheduled Banks‡	2,43,10,000
(ii) State Co-operative Banks§	115,78,65,000
(iii) Others	92,57,000
Investments	305,36,60,000
Other Assets	33,59,03,000
Rupees	586,05,79,000

* Includes Cash and Short-term Securities.

† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

‡ Includes Rs. 12,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,72,15,000	
Notes in circulation	2045,19,57,000	
Total Notes issued		2063,91,72,000
Total Liabilities		2063,91,72,000
ASSETS	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	92,84,17,000	
Total		210,60,27,000
Rupee Coin		119,82,73,000
Government of India Rupee Securities		1733,48,72,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2063,91,72,000

State Bank of India

Statement of Affairs for the week ended 3rd August, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL— Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each..	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		584,40,14,000
Borrowings from Other Banking Companies, Agents, etc.		43,00,000
Bills Payable		9,98,80,000
Bills for Collection being Bills receivable as per contra		2,56,79,000
Acceptances, Endorsements and Other Obligations per contra		8,99,05,000
Other Liabilities (including Inter-Office Adjustments)		13,66,11,000
Total .. Rs.		633,86,39,000
PROPERTY AND ASSETS		**Rs.**
Cash in hand and with Reserve Bank		21,87,71,000
Balances with other Banks		2,84,50,000
Money at Call and Short Notice		2,80,00,000
INVESTMENTS— Government and other Trustee Securities	276,29,35,000	
Other Authorised Investments	8,81,32,000	285,10,67,000
ADVANCES— Loans, Cash Credits, Overdrafts etc.	261,60,31,000	
Bills Discounted and Purchased	15,97,69,000	277,58,00,000
Bills Receivable being Bills for Collection as per contra		2,56,79,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,99,05,000
Premises less Depreciation		1,94,92,000
Furniture and Fixtures less Depreciation		1,58,82,000
Other Assets (including Inter-Office Adjustments)		28,55,93,000
Total .. Rs.		633,86,39,000

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 27-7-62	20-7-62	28-7-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	49,02	51,04	45,36
(ii) From others	794,45	786,48	715,32
(b) Borrowings from banks	20,39	15,49	21,43
(c) Others	54,55	57,24	50,71
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	26,09	25,54	25,95
(ii) From others	1,241,40	1,236,10	1,074,05
(b) Borrowings from banks	16,88	15,62	19,78
(c) Others	9,91	9,79	22,76
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,035,86	2,022,58	1,789,37
4. Borrowings from Reserve Bank	66	68	2,40
(a) Against usance bills and/or promissory notes	24	38	92
(b) Others	42	30	1,48
5. Borrowings from State Bank and/or a notified Bank	18,48	18,57	14,67
6. Cash	49,46	49,29	44,01
7. Balances with Reserve Bank	98,40	100,61	75,94
8. Cash and balances with Reserve Bank	147,87	149,91	119,95
9. 8 as per cent of 3	7.26	7.41	6.70
10. Balance with other banks in current account	18,44	18,90	16,07
11. Money at call and short notice	53,64	47,36	47,55
12. Investments in Government securities	655,00	620,05	578,95
13. 12 as per cent of 3	32.17	30.66	32.35
14. Advances—			
(a) Loans, cash credits and overdrafts	1,216,22	1,227,77	1,084,26
(b) Due from banks	7,37	7,20	5,20
15. Inland bills purchased and discounted	123,88	123,64	107,17
16. Foreign bills purchased and discounted	46,64	44,78	43,64
17. Total Bank Credit [14 (a)+15+16]	1,386,74	1,396,19	1,235,07
18. 17 as per cent of 3	68.12	69.03	69.02

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 28th July 1962P	21st July 1962	30th June 1962	29th July 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.5	100.7	101.0
2. Government of India	100 3	100.3	100.6	100.9
3. State Government	102.1	102.1	102.0	102.2
4. Municipal, Port Trust, etc.	99.1	99.0	99.2	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.0	99.1	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.3	81.4	81.6	83.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	183.3	182.8	188.3	181.5
8. *Agriculture and Allied Activities: Total**	154.3	155.3	159.6	169.2
9. Tea Plantations	145.8	147.4	151.3	165.5
10. Coffee Plantations	148.6	149.8	151.3	174.1
11. Rubber Plantations	163.8	164.1	170.1	170.5
12. *Mining and Quarrying: Total*	162.3	159.5	163.5	163.6
13. Coal	122.8	123.5	128.1	129.3
14. Other Mining	189.4	184.2	187.9	187.1
15. *Processing and Manufacturing: Total*	199.3	198.8	205.7	195.6
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	205.7	205.3	212.3	201.4
17. Sugar	137.5	136.9	138.4	158.9
18. Cotton Textiles	179.8	179.4	185.3	172.0
19. Jute Textiles	100.7	102.1	103.7	87.1
20. Silk and Woollen	1,200.4	1,191.8	1,249.9	1,179.4
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	205.2	204.2	209.7	205.8
22. Iron and Steel	163.3	162.7	164.1	172.9
23. Transport Equipment	386.6	378.7	392.2	404.7
24. Electrical Machinery	175.3	174.1	187.2	164.9
25. Machinery other than Transport and Electrical	233.1	232.6	243.2	212.6
26. Basic Industrial Chemicals	191.0	191.1	198.7	215.2
27. *Processing and Mfg. (Others): Total**	168.9	169.0	177.8	159.3
28. Cement	155.9	155.0	164.9	142.6
29. Paper	217.6	218.7	229.9	208.8
30. *Other Industries: Total**	111.3	111.0	113.6	110.0
31. Electricity Generation and Supply	87.0	86.7	86.2	84.6
32. Trading	116.6	116.3	125.2	121.9
33. Shipping and Other Transport	90.4	90.2	92.6	97.7
34. Construction	286.0	285.6	299.6	287.9
35. *Financial: Total*	208.7	207.1	207.6	202.9
36. Banks	233.3	231.6	230.9	230.0
37. Insurance	168.2	166.7	171.3	149.0
38. Investment Trusts	88.3	87.8	89.2	90.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	192.2	190.2	196.7	188.6
40. Calcutta	169.7	170.0	174.1	167 9
41. Madras	191.2	191.7	195.3	194.1
42. Delhi	237.8	236.4	244.6	244.5

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

EXCHANGE RATES

	8th August 1962	31st July 1962
London on New York $ per Dollar	2.8051-2.8054	2.8050-2.8053
New York on London Cents per £	280.530-280.570	280.490-280.530
London on Paris .. Fcs.	13.7440-13.7460	13.7440-13.7460
London on Berne .. Sw. Fcs.	12.125-12.1235	12.1265-12.285
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.25	477.25
Buyers T.T. Rs. to $ 100	473.75	473.00
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	445.00	444.75
Buyers T.T. .. "	437.00	436.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.60
Buyers T.T. .. "	103.60	103.60
Swiss Francs—		
Sellers T.T. D.D... "	90.40	90.50
Buyers T.T. .. "	91.40	91.40
Deutsche Marks—		
Sellers T.T. D.D... "	83.60	83.60
Buyers T.T. .. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,970	12,970
Buyers T.T. .. "	13,145	13,145
Swedish Kroner—		
Sellers T.T. D.D... "	107.70	107.80
Buyers T.T. .. "	108.80	108.90
Belgian Francs—		
Sellers T.T. D.D... "	1,038	1,038
Buyers T.T. .. "	1,054	1,054
Dutch Guilders—		
Sellers T.T. D.D... "	75.40	75.30
Buyers T.T. .. "	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.60
Buyers T.T. .. "	151.00	151.00
Danish Kroner—		
Sellers T.T. D.D... "	144.70	144.70
Buyers T.T. .. "	146.10	146.10

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	7th July 1962	30th June 1962	8th July 1961	April 1962	April 1961	Percentage of Increase (+) or Decrease (—) in April 1962 as compared with April 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	126.7	127.6R	123.3	120.5	117.6	+ 2.5	120.1	120.0
Cereals	192	105.8	105.5R	103.5	102.8	99.3	+ 3.5	102.3	104.4
Pulses	43	103.9	103.3	90.9	93.6R	87.6	+ 6.8	91.9	92.9
Fruits and Vegetables	23	148.9	145.6R	140.1	140.0	116.3	+20.4	137.6	118.5
Milk and Ghee	84	128.7	130.3	117.6	123.7	116.4	+ 6.3	116.4	116.0
Edible Oils	47	153.8	153.3	166.7	150.9	161.2	— 6.4	156.5	150.3R
Fish, Eggs and Meat	17	140.5	140.6	138.2	137.2R	125.1	+ 9.7	135.4	123.5
Sugar and *Gur*	48	145.1	151.6	122.4	124.8	118.5	+ 5.3	119.6	132.8
Others	50	169.1*	168.8	183.2	158.7	171.1	— 7.2	171.6	167.8
Liquor and Tobacco	21	99.1	99.1	98.2	98.8	112.0	—11.8	100.3	109.9R
Tobacco	..	95.3	95.5	94.5	95.2	109.2	—12.8	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.4	124.1R	122.1	122.4	121.5	+ 0.7	122.1	120.0R
Industrial Raw Materials	155	137.4	137.1R	150.4	135.1	153.1	—11.8	142.6	145.4
Fibres	61	128.8	127.9*R	150.3	126.0	164.7	—23.5	138.3	151.6
Oilseeds	60	154.0	153.9	164.9	149.9	157.0	— 4.6	156.4	149.9
Minerals	2	93.4*	93.4*	95.2*	94.5	95.2	— 0.7	94.9	97.4
Others	32	125.3*	126.0	126.8	127.3	127.0	+ 0.2	128.1	128.0
Manufacture	290	129.7	130.0R	127.5	126.8	127.5	— 0.5	126 6	123.9
Intermediate Products	41	142.1	140.3	142.7	136.9R	136.0	+ 0.7	138.8	130.6R
Finished Products	249	127.7	128.3R	125.0	125.2	126.1	— 0.7	124.6	122.8
Textiles	147	127.5	128.4R	126.8	125.1	129.8	— 3.6	125.5	125.8
Cotton	..	129.7*	129.7*R	127.4*	128.4	127.7	+ 0.5	127.9	128.1
Jute	..	120.3	123.9	128.8	115.0	142.2	—19.1	122.4	131.4
Woollen	..	141.2*	141.2*	123.7	128.1	116.6	+ 9.9	122.7	109.1
Silk and Rayon	..	128.8*	128.5*	119.1*	128.6	116.8	+10.1	119.9	104.4
Metal Products	12	160.4	160.4	151.6	152.0	151.4	— 0.4	151.6	147.9R
Chemicals	20	115.2	115.1R	110.4	112.5R	106.3	+ 5.8	110.7	104.4
Oil Cakes	9	154.8	156.4	147.6	150.6	143.6	+ 4.9	147.5	141.3
Machinery and Transport Equipment	31	117.6	117.6R	112.7	117.5	112.6	+ 4.4	114.5	111.9
Others	30	125.7	125.6R	120.8	123.3	118.9	+ 3.7	121.3	116.1R
All Commodities	1,000	128.6	129.1R	128.2	124.2	126.0	— 1.4	125.1	124.9R

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

State Bank of Pakistan

Statement of Affairs for the week ended 27th July, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	13,23,80,000
(b) Provincial Governments	50,02,000
(c) Banks	24,40,99,000
(d) Others	101,60,54,000
Bills Payable	27,30,000
Other Liabilities	16,40,95,000
Rupees	166,08,60,000
ASSETS	**Rs.**
Notes	16,97,12,000
Rupee Coin	23,000
Subsidiary Coin	42,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	21,29,12,000
Loans and Advances to Governments	3,30,00,000
Provincial Governments' Debtor Balances	1,57,02,000
Other Loans and Advances	40,19,74,000
Investments	71,62,08,000
Other Assets	11,12,87,000
Rupees	166,08,60,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,97,12,000	
Notes in circulation	357,73,96,000	
Total Notes issued		374,71,08,000
Total Liabilities	....	374,71,08,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	65,83,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	133,85,64,000
B. Rupee Coin	4,44,20,000	
Government of Pakistan Securities	230,51,18,000	
Internal bills of exchange and other commercial paper	....	234,95,38,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	374,71,08,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.22 per cent.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	398	143	120	107	103	120	100	146
1961 "	126	431	121	352	102	131	400	148	127	113	106	123	111	150
January 1961	123	419	119	358	100	131	387	146	122	111	103	120	109	148
February "	123	420	119	350	102	130	392	147	123	111	103	119	109	148
March "	124	423	119	349	101	129	395	148	124	111	104	121	109	149
April "	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May "	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June "	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July "	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August "	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. "	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February "	127	438	119	362	107	131	402	149	129	115	109	127	118P	152
March "	127P	439	121	357	105	131	405	149	129	113	109	127	..	152
April "	127P	439	121	355	102	..	413	149	129	113	111	127	..	152
May "	128P	443	..	361	..	..	418	..	127	113	111	128	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,17	99,14	83,24	221,68	210,40	260,66	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3 38	329,98	770,80
1961-62	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. "	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May "	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June "	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July "	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. "	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. "	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. "	89	1,93	67,31	5.58	339,65	17,64	310,05	17,39	—42,42	3.67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. "	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April "	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May "	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	98.85
3 % Loan	1950	80,33,10,400	1964	96.95
3 % Fg. Loan	1942	110,11,78,000	1966-68	96.70
3 % Dev. Loan	1945	115,05,83,200	1970-75	89 20
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.55
3½% N. P. Loan	1954	158,17,90,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.80
3½% N. P. Bonds	1956	197,93,00,000	1967	98.75
3¾% Loan	1956	86,64,00,000	1974	99.15
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.80
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	99.95
3½% Loan	1958	70,00,00,000	1968	98 25
3½% Loan N.P.B.	1958	156,59,00,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.25
3½% Loan	1959	147,91,00,000	1969	97.80
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98 60
3½% Bonds	1960	82,66,00,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	98.55
4½% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	70.25
3 % Loan	1946	248,91,37,168	K.	69.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	98.00
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.25
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	100.25
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.25
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99 10
4 % Maharastra	1960	10,98,36,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.35
4 % Bihar	1959	3,38,22,000	19th Aug. 1971	97.75
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.00
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.00
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,56,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98 25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.30
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,48,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.25
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.00
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	98.25
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	98.00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
38,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1969	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
£825,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000(f)	3	1947	1977	
3,00,000(f)	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909†	1963‡	£95.50
£328,600		1910	1970§	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
50,00,000	3	1937	1962	98.00
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest	Year	Repayable	Rs.
BOMBAY				
3,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.25
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.35
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00 00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	98.00
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100 00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	96.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99 00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1936. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th August 1962.

	Closing quotations 2-8-1962	High	Low	Closing quotations 9-8-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.50	—	—	170.50
Apollo (2)	2.46	2.50	2.30	2.34
Baroda Rayon (100)	142.50	143.00	138.50	138.50
Bombay Dyeing (25)	68.20	68.70	67.60	68.10
Bradbury (50)	186.25	189.00	186.25	189.00
Central India (100)	153.00	153.00	140.00	140.00
Century Mills (100)	636.00	640.50	626.00	628.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	172.00	170.00	167.00	167.00
Edward Textile (200)	349.00	—	—	349.00
Elphinstone (50)	115.00	119.00	116.00	118.00
Finlay (100)	313.00	317.00	312.00	312.00
Gokak (100)	194.00	194.00	190.00	190.00
Gold Mohur (100)	240.00	240.00	235.00	239.00
Gwalior Rayon (10)	62.00	62.30	60.50	60.50
Ind. Untd. Defd. (1)	3.32xd	3.44	3.30	3.44
Ind. Untd. Ord. (10)	23.40xd	24.12	23.40	24.12
Indian Rayon (100)	106.00	109.00	104.00	105.00
Indore Malwa (100)	178.00	180.00	178.50	178.50
Khatau (100)	475.00	492.50	475.00	482.50
Kohinoor (100)	315.50	322.00	315.00	319.00
Mafatlal (100)	826.25	835.00	826.25	835.00
Minerva Mills (100)	82.00	82.50	81.00	82.50
Model Nagpur (250)	125.00	130.00	125.00	130.00
Morarji (100)	419.00	420.00	412.00	414.00
Mysore (50)	63.00	65.00	62.80	64.00
National Rayons (100)	521.50	523.50	512.50	514.50
New City (100)	181.00	—	—	181.00
New Great (100)	282.00	282.00	280.00	280.00
Phoenix (100)	257.50	257.50	250.00	252.00
Podar Mills (100)	135.00	136.00	134.00	135.00
Raymond Woollen (100)	136.00xd	139.50	135.00	137.75
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	56.00	58.00	56.00	57.80
Shrinivas (100)	272.00	273.00	266.00	266.00
Simplex (50)	169.50	171.00	167.00	167.00
Standard (100)	942.00	947.00	903.00	915.00
Svadeshi (100)	273.50	273.00	270.00	271.00
Swan (100)	292.50	315.00	302.50	310.00
S. I. Viscose (100)	170.00	171.00	167.50	168.00
Tata Mills (25)	66.20	66.00	63.50	63.50
Lakshmi-Vishnu (100)	134.50	135.00	128.00	128.00
Western India (250)	860.00	—	—	860.00
BANKS				
Bank of India (50)	119.00	119.00	118.00	118.50
Do. (New) (50)	120.00	120.00	119.00	119.00
Bank of Baroda (50)	101.00	101.00	99.00	100.00
Central (25)	65.00	65.00	64.00	64.50
Central 'A' (25)	67.00	66.50	66.00	66.00
Dena Bank (50)	55.00	58.00	55.00	58.00
Punjab National (10)	20.60	—	—	20.60
Union Bank (5)	6.40	6.48	6.40	6.44
United Com. (50)	89.00	89.00CR	83.00XR	84.00XR
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	95.80	95.80	95.00	95.00
Amalgamated (10)	10.04	10.04XR	10.00XR	10.00XR
Andhra Valley (1,000)	1,030.00	1,042.50	1,040.00	1,042.50
Bom. Sub. El. (100)	103.50	104.50	103.50	104.50
Surat (100)	101.00	102.00	101.00	101.75
Tata *Hydro* (100)	112.50	112.75	112.50	112.75
Tata Power (1,000)	1,122.50	1,122.50	1,117.50	1,120.00
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile(40)	58.00	62.00	58.00	62.00
New India (15)	70.00	71.00	69.50	70.50
New India 'A' (15)	70.00	71.50	71.00	71.50
Vulcan (10)	18.00	18.00	17.72	17.72
STEEL COS.				
Ind. Iron (10)	26.45	26.85	26.45	26.55
Mukand Iron (10)	26.75	26.90	25.90	26.00
Tata Steel Ord. (75)	148.50	150.50	147.00	147.50
SUGAR COS.				
Belapur (50)	250.00	251.00	242.00	242.00
Bhopal (10)	21.24	—	—	21.24
Changdeo (12.50)	24.12	26.75	26.25	26.25
Maharashtra (50)	165.00	164.50	160.00	160.00
Phaltan (50)	107.00	107.50	103.00	103.00
Walchand Ind. (100)	163.00	162.00	159.00	160.00
CEMENT COS.				
Associated Cts (100)	157.50	157.75	156.50	157.00
Digvijay (100)	197.00	197.00	190.00	190.00
Orissa (10)	17.68	17.76	17.44	17.44
MISCELLANEOUS				
Alcock Ashdown (100)	340.00	340.00	332.00	335.00
Amar Dye-Chem (100)	288.75	287.50	270.00	270.00
Bom. Burmah (125)	673.00	675.50	661.00	664.00
Do. (New) (50)	260.00	258.75	256.25	256.25
Br. B. *Petrol* (1¼ sh.)	2.92	3.00	2.40	2.72
Br. I. Corpo. (5)	8.76	9.20	8.76	9.20
Cooper Eng. (100)	182.00	182.50	180.50	181.00
Colour Chem. (100)	460.00	462.50cd	435.00xd	435.00xd
Hind Cycle (100)	111.00	113.00	111.00	111.50
Hindustan Lever (10)	46.50	48.00	46.50	48.00
Hindustan Motors (10)	20.08	20.40	20.00	20.08
I. C. & Invest. Corporation (100)	89.50	—	—	89.50
Indian *Dyestuff* (100)	487.50	485.00	451.25	455.00
Indian Copper (2 sh.)	5.04	5.08	4.94	4.94
Ind. Inv. Tr. (100)	75.00	75.00	73.00	73.00
Killicks (100)	89.50	89.50	88.30	89.50
Larsen & Toubro (10)	29.70	30.25	29.50	29.70
Mahindra & Mahindra (10)	17.76	18.00	17.52	17.76
New Central Jute (10)	15.80	15.80	15.68	15.68
Polychem (50)	187.50	188.75	185.00	185.00
Polson (100)	187.00	188.00	186.00	188.00
Pre. Automobiles (100)	128.00	128.00	126.00	126.50
Premier Con. (80)	157.50	158.00	153.50	155.00
Scindia (20)	12.16	12.20	11.84	12.00
G. E. Shipping (10)	12.48	12.52	12.48	12.52
Shivrajpur (10)	34.50	35.00	34.00	34.50
Sirpur Paper (10)	13.88	14.04	13.76	13.92
Synthetics and Chem. (100)	226.00	226.00CR	190.00XR	191.00xd
Tata Chemicals (10)	15.96	15.96	15.36	15.52
Tata Locomotive (100)	333.50	336.00	327.50	331.50
Tata Oil (25)	75.70	75.70	72.50	74.00
Texmaco (10)	23.12	23.76	23.12	23.24
Voltas (100)	277.00	277.00	270.50	273.00
W. I. Match (100)	285.00	286.25	276.50	276.50
W. Coast Paper (100)	169.50	171.50	168.00	171.00

GOVERNMENT SECURITIES	2-8-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	9-8-1962 Rs.
2¾% 1962	99.55	—	4.10	99.55
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.49	98.90
3 % 1963-65	98.95	3.80	3.34	98.95
3 % 1966-68	96.60	3.86	3.58	96.75
3 % 1970-75 1st Dev.	89.20	4.56	4.08	89.25
3 % 1986 Con. Loan	69.00	—	4.34*	69.15
3½% 1964 N. P. Loan	99.90	—	3.50	100.00
3½% 1965 N. P. Bonds	99.75	—	3.60	99.75
3½% 1967 N. P. Bonds	98.70	—	3.79	98.70
3¾% 1974	99.20	—	3.83	99.20
3½% 1967 N.P. Bonds.	99.50	—	3.86	99.50
3½% 1969 Loan	98.00	—	3.83	98.00
3½% 1968	98.15	—	3.78	98.50
3½% 1963 N.P. Bonds.	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds.	99.35	—	3.86	99.35
4 % 1972 Loan	99.40	—	4.08	99.40
4 % 1973 Loan	99.20	—	4.11	99.20
4 % 1979 Loan	98.70	—	4.11	98.70
3½% 1966 Bonds	99.65	—	3.60	99.65
4 % 1980 Loan	98.70	—	4.11	98.70
4 % 1981 Loan	98.55	—	4.11	98.55
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend.

SOME SIGNIFICANT DEVELOPMENTS IN BRITAIN

(*Concluded from page 238*)

new investment projects have come into operation that output can for a time be expanded without requiring any corresponding intake of labour by the expanding industries, whilst other industries may still be releasing labour.

Mr. Maudling, like his predecessor, is evidently prepared to give full weight to considerations such as these, and is not disposed to act on partial evidence. While promising to intervene if the economy flags unduly, he has equally committed himself not to put more impetus behind it, "until I am convinced that that can be done without prejudicing the prospects of steady growth in the future, particularly in exports." Thus, although the economy may, indeed, be moving to a new phase, no sharp line will be discernible between the phase of restraint and the phase of expansion, and any line that does become discernible will not coincide with the ministerial changes. The first relaxations in policy had, after all, been made by Mr. Selwyn Lloyd by the further cut in Bank Rate that followed the Budget, the release of special deposits that keep a brake on bank liquidity, and the reduction in the minimum down payments required in hire-purchase sales of most consumer durables.

The main change foreshadowed already by the new phase does not, indeed, relate to the broad balance of demand within the economy, but to the incomes policy—to the problem of keeping rises in incomes, and especially in wages and salaries, within the bounds set by increments of productions and productivity. The Government's latest thinking on this problem proceeds from two basic assumptions: First, that control of demand—necessary though that is—will never be pushed to the point at which the possibility of excessive wage increases is ruled out by the threat of unemployment. Secondly, that, in a free economy, there can be no direct Governmental control of wages. The only other means of achieving a due wage restraint, it is argued, is by self-discipline, which must depend on the degree of understanding shown by the parties concerned and on the force of an informed public opinion.

To promote sanctions of this kind, the Government now proposes to set up a National Incomes Commission (already christened "Nicky") to work alongside "Neddy"—the Development Council established early this year. The Commission is projected as a body of independent experts which would deal, unlike "Neddy," with specific but specially important wage claims, if referred to it by agreement of the parties concerned, and with wage settlements already reached which the Government regarded as not in the national interest. The special role of the N.I.C. would be to consider the specific case in relation to the wider interest, and in the light of the broad conclusions as to the relationship between incomes and growth that might have been reached by "Neddy."

This new body would not, however, have any power to enforce its findings. Nor would the Government take such power itself. The purpose simply would be to promote understanding and to bring the essential issues before the bar of public opinion.

The aims are understandable. But it remains to be seen whether real headway can be made in this way—for, unfortunately, the first outline of the project has aroused the suspicion of leading trade unionists.

COMPANY AFFAIRS

(*Concluded from page 253*)

Meanwhile, the Company is exploring the possibilities of putting up a cement factory in Ramagundam in Andhra Pradesh, about 150 miles from Hyderabad on the Madras-Delhi trunk line. A geological and technical survey is being conducted. Should the limestone deposits prove to be adequate, the Directors propose to set up a factory for 200,000 tons cement per annum in the area. In the meantime, the Company has obtained the authorities' permission to utilise the import licences obtained for the Vizag factory for the purposes of putting up a factory in the Salem District, where enough limestone deposits for a large-sized cement factory are available and for which the necessary industrial licence has already been received. Construction work would start as soon as land is procured for the Company by the Madras Government. The factory is expected to go into production by the middle of 1963.

In January this year, the Company increased its capital again by the issue of 2,511,050 equity shares of Rs. 5 each and offered them to the existing shareholders as rights shares in the proportion of five shares for every nine shares held by them as on 28th February 1962. (Of the Rs. 5 each, only Rs. 2.50 has so far been called up.) Therefore, in the balance-sheet as at 31st March 1962, the issued capital is shown to have increased from Rs. 258.50 lakhs to Rs. 383.50 lakhs (of which Rs. 33.50 lakhs are in preference shares). The paid-up capital, however, is unchanged at Rs. 258.14 lakhs, as the subscription to the new shares was not due by the close of March 1962. Reserves and surplus aggregate only Rs. 68.05 lakhs. The previous year's rights issue has resulted in a reduction in bank borrowings from Rs. 165.60 lakhs to Rs. 144.14 lakhs. Other secured liability is unchanged at Rs. 71.54 lakhs. Current liabilities and provisions total Rs. 101.08 lakhs. The total indebtedness to outsiders works out to Rs. 316.77 lakhs, as against which current assets, loans and advances aggregate Rs. 311.68 lakhs. Investments stand at Rs. 19.85 lakhs, as against Rs. 9.90 lakhs a year before. The gross block of the Company increased during the year from Rs. 466.64 lakhs to Rs. 485.37 lakhs and has been written down to Rs. 311.75 lakhs.

The Rs. 5 fully paid shares of the Company are currently quoted at Rs. 6.45 *cum-div.* On an *ex-div.* basis, the yield on them works out to about 7 per cent per annum, free of tax.

MARKET REPORTS

(*Concluded from page 261*)

season, an acute shortage of superior fibre pushed up the differential to as high as Rs. 500 a ton. Reports of very satisfactory crop have made overseas buyers of goods already discriminating, and mills have been forced to raise quality. However, in view of the deterioration in the quality of fibre, competition from Pakistan mills may be keener.

Prices of heavy goods may be affected by the surplus nature of the inferior fibre and the expected shortage of the good fibre. For overseas buyers can afford to go slow in their purchases with the sure knowledge that plenty of goods would be available as and when needed. This possibility should be disturbing to mills, and it would be in their own interests, if the State Trading Corporation and other exporters are directed to find out markets abroad for a fixed quantity of the inferior fibre even now. Such a step would not only encourage the cultivators but also prevent any sharp decline in prices of heavy goods. Another anxiety for mills is the present acute foreign exchange shortage in the country, since, if only the willing mills are allowed to modernise and diversify their production, their cost of production can be lowered. This subject has been represented to the Government of India, but no decision has yet been taken.

During the week, good business was done in hessian with the United States. For a possible surplus in hessian had been feared, and that accounted for August futures in hessian 40" 10 oz. to be as low as Rs. 51.36. However, as the week progressed, the rate gained to Rs. 53.32 to close firm at Rs. 53.08. In ready goods, there was moderate support from Argentina. In heavy goods, there was a moderate number of inquiries from abroad, and purchases for Africa, to which destination two vessels are likely in this month, were sizable. Cuba made further purchases, and Australian buyers were active for small quantities of woolpacks and cornsacks. On Tuesday last, ready B. twills at Rs. 122.60 were quiet, as against Rs. 123.90 on the previous day; but hessian 40" 10 oz. was firmer at Rs. 53.65, as against Rs. 53.40.

The U.K. was in the market only for small quantities throughout the week, but more business with the Continent was anticipated. On Wednesday, ready hessian 40" 10 oz. scored to Rs. 54, while B. twills declined to Rs. 122. The fall in B. twills and other heavy goods was attributed to the surplus offerings. The feature on Thursday was the keener activity in the futures market and, though ready goods moved up for a time, hessian 40" 10 oz. closed at Rs. 53.80. However, ready B. twills scored to Rs. 123.75. At this time, reports of keener activity were received from the New York burlap market, where the support Argentina accorded to Calcutta market despite the former's foreign exchange difficulties was a cue for the upward movement. Early in the week, the duty paid hessian 7½ oz. was quoting in New York at 10.00 cents but it rose to 10.10; similarly, the 10 oz. hessian rose from 13.55 cents to 13.70 cents. As this spurred the futures market in Calcutta to greater activity, ready hessian 40" 10 oz. gained to Rs. 54.75. In sympathy, ready B. twills scored to Rs. 124.25. However, by the week-end, reports of increased arrivals of the new crop retarded sentiment in heavy goods, and B. twills gave way to Rs. 123.75, but apprehensions of a possible shortage in superior fibre towards the end of the season made hessian 40" 10 oz. firm up to Rs. 54.90 on Saturday. Conditions yesterday were featureless; the market was closed and only very little trading took place. Ready hessian 40" 10 oz. was quiet at Rs. 54.85 and ready B. twills at Rs. 123.40.

With the prevalence of fine weather in the jute districts and increased fibre arrivals, prices were affected. Sellers were anxious for business and, though mills purchased a fair quantity, the lifting was lower than arrivals. Good assortment commanded a premium. Mills were also eager to buy more middles than low assortment. New crop Assam bottoms eased from Rs. 30.50 to Rs. 30.00 for August-September delivery, daissee bottoms from Rs. 33.50 to Rs. 32.50, and northern bottoms from Rs. 30.00 to Rs. 29.50.

MARKET GOSSIP

(*Concluded from page 227*)

reduce the present cane acreage and ensure a rise in the per-acre yield of higher sucrose-content cane, they must, at least from the 1963-64 season onwards, fix the minimum price at a much lower level, retaining the present minimum as the maximum to be paid for cane with the highest sucrose-content, say, 11 per cent, if not 12 per cent.

Elders On Export Promotion

The debate in the Rajya Sabha on the Report of the Import and Export Policy Committee (Chairman: Dr. Ramaswami Mudaliar), held on Wednesday, turned out to be unexpectedly disappointing. One would have thought that the elders in the Rajya Sabha would give a purposeful direction to export promotion efforts by taking stock of the measures so far implemented and suggesting constructive solutions for tackling the problem at hand. Instead, the participants in the debate, with rare exceptions, were either preoccupied with insignificant details or bent on importing ideological issues which had no relevance to the basic problem under discussion. The overall impression one gets of the debate is that it was neither realistic nor based on a thorough study of the problem. What was still worse, the occasion was deftly used by the Communist Party to have another dig at businessmen. This is not surprising, as the communists are out to discredit democracy in this country by hook or by crook. Communists and even Congress men complain that huge profits are being made by certain industries and want a part of this profit to be used by them for compensating the loss in export. What they forget is that the joint-stock companies are run by public money, contributed by a large number of shareholders, most of whom are of moderate means. It is only a natural tendency for the management of such companies, being custodians of public money, to shirk risky ventures for exploring overseas markets, when internal market itself offers scope for good profits. But still some of the industries have already undertaken the task of exports even at a loss. The acceptance by the textile industry of the proposal for compulsory exports is also an instance to prove that the business community is prepared to undergo sacrifices for a national cause.

There is no use blaming the industry and trade for stagnation in exports. The major factor inhibiting the growth of exports has been the prohibitive cost of production. This is the cumulative result of wrong economic policies pursued by the Government and the failure of production, both industrial and agricultural, to increase at the rate planned. The tardy progress in the output of such commodities as cotton and oilseeds has had a telling effect on exports. Another important reason for the setback in exports is the shortage of other raw materials and fuels, besides transport bottlenecks. It would appear that these basic causes were forgotten by the elders in the Rajya Sabha.

It is surprising that some of the ill-conceived ideas and baseless allegations made by a few members were not adequately dealt with even by Mr. Manubhai Shah, Minister for International Trade. His reply, however, was notable for the disclosure of some of the important measures proposed by the Government for promoting exports. In the first place, a full-time committee of experts will be appointed to make cost studies. The Committee will make confidential investigation into the cost structure of agricultural and industrial products, with particular reference to the extent of increase in cost resulting from lower productivity, Government policies, taxation and problems of management. It remains to be seen to what extent and when the Committee will fulfil this task actually. Even now, there is no dearth of data on production costs. The Tariff Commission has already studied the cost structure of several industries such as textiles, cement, steel, sugar and various chemicals. Although the Commission's studies are not exhaustive, they do indicate the broad factors that tend to increase costs. But the real solution will depend not upon recommendations made by committees but upon the specific actions the Government will take to remedy the situation. Actions called for involve the supply of raw materials, fuels, transport, etc., and monetary, fiscal and labour policies.

It is gratifying to hear from Mr. Shah that the Government has accepted the recommendation of the Mudaliar Committee for setting up an import-export stabilisation fund. The fund, which will have an initial capital of Rs. 10 crores, will seek to ensure effective utilisation of credits that are likely to be advanced by some foreign commercial banks for the import of raw materials for export industries. This move is welcome, though the amount now proposed for the fund is meagre. Had the fund been proposed about four or five years ago, when India's foreign balances were above Rs. 700 crores or so, it would have attracted several major foreign banks for the scheme. It may be recalled that the Government had set aside previously similar suggestions by foreign banks sympathetic to India. Now that the foreign exchange reserves are less than Rs. 100 crores, foreign bankers cannot be expected to be enthusiastic about this venture.

The Government of India is certainly justified in rejecting the suggestion of the Mudaliar Committee that compulsory quality control on exports should not be introduced. The Committee, in its report, made only a passing reference to quality control and took a stand against the suggestion of the Expert Committee on Quality Control headed by the Director of the Indian Standards Institution, which had submitted its report early last year. Mr. Shah has promised in the Rajya Sabha that a Bill to enforce quality control would be introduced shortly, in pursuance of the recommendation of the Quality Control Committee. The earlier this is done the better. Unless Indian products are subject to strict quality control and pre-shipment inspection, as in Japan, the confidence of overseas buyers cannot be easily won and sustained.

COMMERCE

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

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FIFTEEN YEARS OF FREEDOM

FIFTEEN years cannot be regarded a long enough time in a nation's history for settling its destiny, but the eventful period since Indian Independence Day on 15th August 1947 has probably few parallels in history. In retrospect, it is evident that that day was as significant in the world's annals as in India's; it marked the changing phase of international relations in respect of colonial areas which has given birth to many newly independent countries and doubled the U.N. membership. In this part of the hemisphere, the retreat of the metropolitan powers from Indonesia and former Indo-China and the untenability of oil hegemony in Western Asia or control of strategic passes like the Suez Canal were the natural consequences of the exit of British power from the Indian sub-continent. This process has still to go some way before it can be regarded as complete, but its logic has been irresistible, even where resistance was as stubborn as in Algeria; it offers the best hope for those parts of Africa where the outlook is still dark. Another historical phenomenon first noticed in India but true elsewhere also was the softening of attitudes towards former colonial rulers and the willing acceptance of continued association on a new basis of equality and mutual trust; India's decision to remain within the Commonwealth even after the establishment of the Republic now stands vindicated by subsequent events.

These details are part of current history. In fifteen years, the face of India has changed and much has happened that could not have been anticipated. Partition was accepted then as the best way of ending a continuous feud, so that sustained cordial relations could be fostered between the two parts of the sub-continent; in the event, that has not happened. But some of the wounds inflicted by the drastic surgical operation—the distress of displaced persons, for example—have healed sooner than expected; economic inter-dependence of the two countries, broken deliberately by acts of Governments, has been replaced by new relationships with the rest of the world. Some other successes also have exceeded earlier hopes; integration of the former Princely States through a judicious blending of measures of conciliation and pressure before the inauguration of the Republic on 26th January 1950 was one such for which posterity will give an honoured place in history to Sardar Vallabhbhai Patel. It was an act of statesmanship which mocked British objections to self-government stated *ad nauseam* on earlier occasions and established the unity and integrity of the Indian Union firmly beyond question, except for the remaining Portuguese and French enclaves which called for different solutions and took long to be assimilated.

The Indian Constitution, framed with appropriate fervour in the dawn of freedom, has stood the test of time. On the basis of the universal franchise it conferred on the Indian people, three General Elections have been held, each giving a mandate not for mere governance of the vast country by Central and State authorities but for implementing plans for economic development. Thus, democracy and planning, either of which attempted singly might have been difficult enough in a country new to freedom, has been combined to make this the largest and most unique experiment in the world. That it has been carried on in conditions of stability is the most gratifying feature. In 1947, there was, perhaps, no more than a hope that the Army and the Civil Services, with their high traditions acquired under the British rule, and the Indian National Congress with its mettle tested by continuous opposition to it, would together provide the required stabilising influence; that has been more than fulfilled. In an age when military rule has easily superseded weak and amateurish administration in many underdeveloped countries and depressed the outlook for democracy, the Indian Army has upheld the highest traditions of deference to civil authority. The huge and expanding Indian administrative machinery has often creaked under the strain of new and growing responsibilities of a planned Welfare State but has shown no sign of cracking. The third General Election has proved that the Congress Party is still strong; it continues at the helm at the Centre and in the States, but it is clear that the change in its role from opposition to administration has caused a break with its earlier traditions. Its main source of inspiration was lost with the death of Mahatma Gandhi in 1948 and its internal cohesion has seriously suffered; though little efforts have been made to repair the damage, there is no reason to believe that it is irreparable.

Thus the Congress has succeeded in adding to its earlier historical roles as an instrument of Indian freedom and transferee of British authority, the credit for establishing the conventions and practices of parliamentary Government in this country. Not the least of them is the safeguarding of the Fundamental Rights of the citizen and the independence of the Judiciary. Every aggrieved person has free access to the courts to seek writs against executive wrongs and civil liberties have broadened with every judicial ruling. Even more significant is the impartial functioning of the election machinery and the acceptance of its non-partisan character even when political contention has been at its sharpest as it was in Andhra Pradesh, Kerala and Orissa in the mid-term elections. The Press in India is free, despite some early measures which gave rise to apprehension; though it has been very understanding and co-operative in its attitude to the Government—almost too obliging in the view of some observers—it has been able to take on the functions of constructive criticism, so essential in a vigorous democracy, to make up for the lack of a strong and united opposition party.

While the Rule of Law is ordained by the Constitution, the pursuit of economic progress, social justice and the welfare of its citizens is governed only by the Directive Principles of State Policy; though not justiciable, they have been taken as equally binding on the Government. The setting up of a Planning Commission in 1950 to facilitate this pursuit synchronised with the founding of the Colombo Plan at the international level; in the decade that followed, the country has been made Plan conscious and planning, despite its Marxian origins, has acquired such respectability abroad that the World Bank and the U.S. have made the preparation of meaningful plans a qualifying condition for aid. More countries are now emulating the Indian example and seeking lessons learnt in this laboratory; three Five-year Plans have defined the country's direction and constantly kept in view the objectives to be pursued and the methods of achieving them. They have shown that a nation's efforts could be maximised through careful planning; the Government's annual outlay on development has increased fivefold in the period, from Rs. 260 crores in 1951 to Rs. 1,446 crores in the current year. Difficulties, some of them serious, have arisen in this process, but there is greater confidence in meeting them and a disregard of the consequences of any failure in reaching ambitious goals.

Experience has had a chastening influence on attitudes all round, not merely of those responsible for implementation of plans. A softening of the approach to the question of foreign aid is a typical example; Mr. Desai's recent mission of persuasion to Europe for enlisting members and contributions before the Consortium meeting stands in contrast to the talk of "strings" and the querulous and ambivalent attitude towards aid which prevailed until the American Wheat Loan of 1951. The third Plan's dependence on external assistance seems almost excessive. This change is the economic counterpart of the transformation of political attitudes like the complete disillusionment with China, the slackening emphasis on anti-colonialism between Bandung and Belgrade, and the decision to grasp the Goa nettle even at some risk of injury to the moral postures adopted earlier. But non-alignment has remained basic throughout, though flexibly interpreted, just as in the economic sphere the mixed economy and the socialist pattern have remained integral parts of development, in spite of some modifications of doctrinaire policies and the acceptance of a pragmatic view on nationalisation and economic controls.

In concrete terms, the effects of political stability and economic endeavour over a decade and a half are seen in the doubling of industrial production and a 35 per cent increase in agricultural production; the latter, with the timely and generous assistance from the U.S. P.L. 480 surpluses, has banished the spectre of food shortages which haunted the economy until 1952. National income (at constant prices) has increased by 47 per cent since 1948-49 and, in spite of the rapid increase in population, *per capita* income has risen by 17 per cent during this period. Other indicators also confirm the story of substantial progress; electricity generated is more than three times its volume in 1950; goods transport by rail has been doubled; a wide range of consumer goods like cloth, sugar, paper, bicycles, electrical goods and drugs have been produced in larger quantities; at the same time, some progress has been made in establishing capital goods industries for producing steel, aluminium, heavy machinery, chemicals and electrical apparatus; and there has been considerable achievement in mining industries too. The number of students in schools has doubled in ten years. The average expectation of life at birth has increased by about ten years, compelling more urgent attention to methods of family planning.

Notwithstanding all these achievements, much yet remains to be done. Unemployment

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and underemployment are still high. Prices and cost of living have risen by over 25 per cent in statistical terms but much more in terms of sacrifices imposed on vulnerable sections of the community. Exports have hardly increased in terms of value and recurring foreign exchange crises, after the decline of the external reserves accumulated during the war and early post-war years, have led to import restrictions which have hurt the economy at many points. Taxation is increasing on certain groups and, though it provides evidence of the ability of the country to raise resources for economic development, there is less assurance now that these resources are employed most effectively.

These shortcomings only emphasise the onerous tasks ahead. The transformation of a traditional into a modern society, containing within it seeds of economic growth and social progress, is not easy indeed, and even to the extent it has been achieved in this country, credit is due as much to Western influences under British rule and the capacity of its middle classes to absorb scientific, professional, commercial and industrial techniques as to the efforts of the Government. India's good fortune lay largely in the quality of its leadership, but this is an uncertain factor now and there is less assurance about its continuance in the future. Emotional integration of all groups—linguistic, regional and communal—is incomplete; despite laws against untouchability and enactment of social reform measures like the Hindu Marriage and Succession Acts, some disabilities remain. Externally, the policy of peace and neutrality has not succeeded in reconciling China and the integrity of our frontiers has been seriously threatened; internally, the war against poverty has not proved sufficient to subordinate parochial loyalties to language or caste which seemed to have been kept aside during the common fight for freedom from foreign rule.

Such thoughts must induce humility even in the midst of the commemoration of an event of great significance to India and all humanity. Transfers of power have ceased to be the exciting things they were, and planning is no longer a novelty; but the continued functioning of democracy on the largest scale practised in the world and the maintenance of stability, political and economic, will still attract notice and earn approval. That accounts for the continued world-wide interest in India's well-being and progress. The country can look forward with confidence to the future in the light of what it has been able to achieve so far; and for overcoming its imperfections it can still draw on the large reservoirs of spiritual and moral strength which sustained it in its progress towards Independence.

THE STATE OF U. S. ECONOMY

PRESIDENT Kennedy came into office a year and a half ago when the American economy was passing through a recession and the gross national product was just being sustained at an annual rate of around $500 billion. Thanks to the co-operation of the Congress which passed his anti-recession measures promptly, the economy has not only made a recovery but registered a steady, though slow, uptrend. The gains of the last 80 weeks, as recapitulated, with some justifiable pride, by the U.S. President himself in his radio-T.V. address in Washington on the 13th instant, are certainly impressive. The gross national product, for instance, has reached an annual rate of $552 billion (as of the second quarter of 1962), representing a 10 per cent increase over the period. Industrial production has gone up by 16 per cent and about a million previously unemployed people have found jobs, thereby bringing down the rate of unemployment by 23 per cent. Wages and salaries have gone up by 10 per cent and corporate profits, after taxes, by 26 per cent. The disposable personal income (that is, the amount of income after taxes) has also increased, by 8 per cent to be precise. All this has happened during a period marked, at the same time, by some price stability. The fact that the increase in disposable personal income has not been robbed by any undue increase in the cost of living means that inflation, which President Kennedy has described as the arch enemy of consumers and housewives, has not been allowed to raise its ugly head. But the President's claim that inflation remains no longer a serious threat may be disputed by a reference to the fact of "creeping inflation," that is, slow but steady, and almost invisible, depreciation of money. This kind of inflation, which has caused a shrinkage in the value of the dollar at the rate of 1.4 per cent a year over the decade 1951-61, is probably going on still, and the possibility of its developing into something more serious cannot be completely ruled out.

Although the threat of inflation cannot be lightly or facilely discounted, the fact nevertheless remains that the internal value of the dollar has been relatively stable under the Kennedy Administration. The external value of the dollar, which had been subjected to serious pressure because of the huge deficit in the balance of payments account aggregating $12 billion in the three years 1958, 1959 and 1960, has also remained relatively stable in the last 18 months. With a continuous reduction in this deficit to about $1.8 billion in 1961 and to a still lower annual figure in the first half of 1962, the balance of payments position, there is reason to hope, will right itself by the end of 1963. Already, the U.S. Government has taken steps to reduce its military expenditure abroad by a sizable amount. Although the dollar is still not 100 per cent "as good as gold," the next 12 to 18 months, which are expected to wipe out the payments deficit, may well restore fuller confidence in it. That, at any rate, is the President's hope. The supreme importance of the question of dollar stability to the free world will be evident from the following observations of *The Morgan Guaranty Survey* of New York:

"In the case of the United States, ... the approach to balance of payments calculation must recognise this country's function as the world's leading banker. It also must recognise that the dollar has a tradition of absolute, across-the-board convertibility, the full maintenance of which is a matter of immense importance. These circumstances dictate that the international financial position of the U.S. must be appraised with much the same kind of strictness as is applied to the balance-sheet of a commercial bank. Because large withdrawals are an ever-present possibility, there must be constant attention to the relationship between current liabilities and the current assets available for meeting them."

The idea of reducing foreign aid drastically as a means of reducing the payments deficit has, of course, been canvassed by some in the United States. But it has not caught on because neither the U.S. Congress nor the U.S. Government, nor, for that matter, any responsible section of opinion in that country has thought (mistakenly) in terms of "saving" dollars in that way. *The Morgan Guaranty Survey* itself, for instance, has taken the line that, in the balance of payments, a dollar saved on foreign aid is not necessarily a dollar earned, for outpayments tend to generate inpayments. Economic aid to foreign countries and military expenditures abroad, as the *Survey* continues, "put dollars in the hands of foreigners. Some of those dollars are used to buy U.S. goods, and some may be used to prepay debt owned to the U.S.; either course would, in part, thus neutralise the effect of the aid or military expenditures on the balance of payments." It goes to the credit of the Kennedy Administration that it has severely discountenanced the idea of reducing foreign aid as a means of bringing the balance of payments into balance.

That Administration has, instead, thought, and continues to think, in terms of enlarging its export markets. This it proposes to do through the trade expansion bill which, it is hoped, will enable the United States to sell more goods abroad and get into the great European Common Market which is being built up. A further increase in the "credits" side of the balance of payments—merchandise exports by the U.S. in 1961 were, incidentally, to the tune of $19.9 billion, as against $14.5 billion of merchandise imports by that country—is expected to come about from enlarged exports. In their turn, however, enlarged exports are expected to be rendered possible by a reduction in net U.S. private investment abroad ($4.0 billion, as of 1961), albeit in developed countries, so that there would be more investment internally in modernisation of plant and machinery. The idea here is not only that a reduction in the "debits" side of the balance of payments should be brought about but that modernisation in industry be advanced further with a view to improving the competitive position of American goods in foreign markets. It will be found, in this context, that the following measures urged by President Kennedy in his latest speech are inter-related:

"We need enactment of the investment tax credit which would stimulate business outlays for modern machinery, the kind of taxes they have used successfully in Western Europe to stimulate their economy. As we produce more, business buys more machines and with depreciated allowances should put us in a better competitive position.

"We need to enlarge our export markets through the trade expansion bill, so that we can sell abroad, so that we can get into the great common market which is being built up, so that we won't have our money going abroad to invest in plants overseas but invest here in this country."

The aforesaid investment tax credit proposal forms part of the Kennedy Administration's programme of comprehensive tax revision. The Administration has set its heart on tax reduction as the most effective means of spurring the American economy forward. It may be noted, in this connection, that, though gross national product was running at an annual rate of $552 billion in the second quarter of this year, it was well below the $570 billion predicted by the Administration. The American economy is still rather sluggish and lacks momentum. This situation is attributed by President Kennedy to the present tax system which "is a drag on economic recovery and economic growth, biting heavily into the purchasing power of every taxpayer and every consumer." The arguments put forward by the President in favour of a tax cut bill to be presented to the U.S. Congress in January next are compelling in their logic. One argument is that, at full employment and full-time working of all factories, the present federal tax system would bring in a $7-billion or $8-billion surplus—something far too heavy for the purposes of curbing inflation and far too heavy to encourage investment and enterprise and risk-taking which are necessary for stimulating growth and providing more jobs to take care of the annual addition to the labour force. A related argument is that a lagging economy, in the absence of "creative" tax cuts, would surely produce an even greater budget deficit in due course—greater than what would be initially lost in revenue as a consequence of tax reduction. Another argument is to the effect that the proposed Bill will, if enacted, remove tax roadblocks to new jobs and new growth and thus eventually more than make up in new revenue all that it will initially cost.

That, in short, is the rationale behind the proposed "across-the-board, top-to-bottom cut in both corporate and personal income taxes." What is visualised is not a temporary tax cut for preventing a possible new recession. There is a lot of logic in the contention that the present state of the U.S. economy does not call for an emergency tax cut of the kind. All available business indices show (*vide* our American letter on page 274 of this issue) that the position is not that bad, for it is resilient enough to respond, albeit modestly, to anti-recession measures, as it has done in the last 15 months. But it is not currently dynamic enough to add a further $30 billion to the gross national product as the Kennedy Administration expects of it. Tax cuts on a more permanent basis alone, it is thought, will improve the competitive position of American business, encourage investment at home instead of abroad in developed countries, and improve the U.S. balance of payments. In that situation, inflation will also cease to be a serious threat, for, as the August *Monthly Letter* of the First National City Bank of New York has put it, "the unique quality of money put into circulation by employers for production is that buying power and supplies of goods are equivalently increased." With fuller employment and fuller utilisation of plant capacity expected to result from tax reduction, there is bound to be greater buoyancy and growth in the American economy, the state of which will then be analogous to that of the European Economic Community. If the initial loss in revenue can be made good by the proposed economy measures in the Department of Defence, by the ending of postal deficit, by some saving on farm surpluses and by new economy moves in other spending departments, the budget deficit resulting from the tax cut in the year in which it is given will not be as heavy as is feared—a point that may ensure the smooth passage of the forthcoming tax revision bill in the U.S. Congress.

MARKET GOSSIP

What An Agreement!

THE agreement between the Centre and West Bengal on the latter's right to own, to prospect and to exploit coal mines in its territory reflects the attitude of a person who grudgingly concedes a point after an acrimonious debate. This impression is strikingly borne out by the fact that the test case before the Supreme Court on the mining rights of a State Government is not to be withdrawn. Evidently, neither party thinks that the agreement is quite satisfactory and both are hoping that the Supreme Court's ruling will be in their favour. The Centre may be nursing the hope that the Court's verdict will make the agreement appear to be more favourable than it actually is to the State Government, while the West Bengal Government may be feeling that it will concede more than the agreement does. There are, of course, other evidences, too, in the agreement to support our impression. There are, for instance, all sorts of conditions in regard to the State Government's right to mine coal and market it. One, the State Government can, under the agreement, raise coal *primarily* for the purpose of meeting the requirements of its own coal-based industries in the public sector. It can, of course, produce coal to meet the requirements of other projects included in the all-India Plan as finalised by the Planning Commission, but that is only a secondary objective. The language of this part of the agreement suggests that only if there is a surplus after meeting the needs of the State's own industries in the public sector, will the question of marketing it arise. There is another stipulation to the effect that, in case the State Government's coal production in any year falls short of the requirements of its industries, the Central Government will be under no obligation to meet such deficits. It will, of course, endeavour to do so, but only subject to the general scheme of distribution of coal by the Coal Controller and the availability of transport. Other conditions of similar nature are: the State Government itself will have to find the funds required for mining and distributing coal. It will also have to do prospecting on its own. For this purpose, it must not use any foreign agency, except with the permission of the Central Government, but develop its own team of geologists and other technicians, though the Centre would render such assistance as is possible to the State to build up such an organisation.

All these stipulations, taken together, are tantamount to the Centre telling the West Bengal Government, in a sullen mood, the following: "You want to mine coal, because some of the richest collieries are in your area. Is it not so? Well, we do not think you have the right to do so. Still, as you insist, you are welcome to take up that job. But you must do it on your own. Although we shall try to help you whenever we can, you must find the money yourself and so also the men and machines. Of the coal you produce, take what you want to feed your coal-based industries and do not go out of your way to bother about the needs of others. Mind you, if you fail to meet your requirements, it is your funeral. Do not bank on us to help you out of your difficulties. If you still ask us, we shall try, but only after satisfying everybody else's needs."

One wonders whether this was what the late Dr. B. C. Roy wanted for his State. If the demands made at the inter-State Conference on coal mining in January last (*vide* the first editorial of *Commerce* dated 3rd February 1962) are any indication, the arrangement concluded with the Bengal Government falls far short of his expectations and those of other States which have large mineral wealth. What these States want, if we have understood them correctly, is a share in the profits accruing to the public sector corporations engaged in mining in their respective areas. Their contention is that they should be associated as a partner in such public sector corporations. If this demand is to be conceded, there will have to be a public sector corporation in each State jointly owned and managed by the Centre and the State Government concerned. This would be a sensible arrangement, taking care of the legitimate ambitions of State Governments and providing for efficient administration. It would also minimise the risks and pitfalls involved in leaving the bulk of the mineral wealth to be developed by two or three monolithic corporations formed by the Centre and controlled by one mighty Minister at New Delhi. Such a vast concentration of economic power in the hands of one Minister is in the interest neither of the person who holds that august office nor of the country as a whole. This concentration of power can be conveniently decentralised without in any way losing its advantages such as pooling of men and money, placing of orders for plant and machinery in the most economic manner possible, uniformity of operational policies and procedures, co-ordination of transport arrangements, etc., etc.

There are two mischievous implications in the agreement now concluded with the Bengal Government, notwithstanding the insertion in it of certain safeguards to protect the all-India interest and to ensure conformity with planning and control by the Centre. A recital of the safeguards may first be made before stating the implications. In the first place, the West Bengal Government should operate its coal mines without prejudice to the overall authority of the Central Government to control production, distribution and pricing of coal. Its entire production would be considered as an integral part of the total availability of coal in the country, but the needs of the public sector projects of the State would be the first charge on such production. Secondly, the State Government must first assess its requirements, precisely specify the areas in which it proposes to take up the operations and submit its development programme to the Centre for approval. Once the Centre sanctions it, any change in it would be possible only through mutual agreement. Thirdly, the Centre has the right of periodical inspection and review of the working of the State's projects at such intervals as might be agreed upon. Fourthly, the State Government must implement its development programme through a corporation wholly owned by it. This Corporation will be subject to the provisions of the Central laws or rules governing mining operations. And, fifthly, the objective of the State Government in undertaking mining operations will be not only production for its immediate requirements but also optimum production on the basis of assessment of the potentialities of the areas selected for exploitation. It will thus be seen that the West Bengal Coal Mining Corporation, if one may name it thus in advance, will be fully subject to Central control, though owned and managed by the State and that there has been no infringement of the Centre's rights. It is presumed, though it is not yet actually stated, that, as a *quid pro quo* for this freedom, the State Government will place no impediments to the operations of the National Coal Development Corporations in areas which it does not propose to exploit. It remains to be seen when and to what extent such division of areas between the two Governments will take place.

Now for the two implications of the agreement mentioned earlier. These are important, because Mr. K. D. Malaviya, Union Minister for Coal and Mines, stated in the Rajya Sabha, where he disclosed the details of the agreement on the 10th inst., that any State would be welcome to develop its mines on the pattern set by the agreement with West Bengal, though it is not clear whether that pattern would apply to mines other than coal also. The first implication stems from the concession that the State Government would have the first charge on the coal it produces. The principle underlining this concession is injurious to the claims of other States over all the coal produced in West Bengal. Surely, in the case of a commodity allocated by the Centre among all the claimants, the State Government cannot be given a prior claim merely because it owns the mines and exploits them. This is not done in the case of coal produced by a joint-stock company the management of which also has coal-based industries. Nor is this principle recognised in the case of other industries in the private sector. Birlas, for instance, have factories producing staple fibre, rayon yarn and rayon cloth. Their requirements of staple fibre for spinning yarn or of yarn for weaving rayon cloth are not allowed to enjoy the privilege of first charge, leaving only the balance for distribution among other spinners and weavers. What justification is there then to give special exemption to State Governments? Was this exclusive right demanded by the six States that held the inter-State conference in January last? There is no indication of it in published reports. If there was, this journal would have certainly criticised it in its article of 3rd February 1962. One may say that, in actual practice, the concession given to West Bengal will in no way injure the interests of the other States. That may be so, but a principle is a principle and provides a precedent for other States and for other purposes.

The second implication flows from the condition that the coal produced by the State-owned Corporation has to be used to cover the requirements of only the State-owned industries. Simply stated, the mischief here is that it (the condition) is an open invitation to State Governments to establish more industries in the public sector. Apart from the threat it poses to the private sector, it also means that each State has a prior claim on the coal (and perhaps also other minerals) found in its territory for establishing such coal-based industries as thermal power stations, coal gas, fertilisers, and a variety of chemical industries. Unless, therefore, the agreement with the Bengal Government is suitably modified without any delay to remove these implications to the rest of India and to the private sector, seeds of a new inter-State conflict, analogous to the endless water disputes, will have been sown.

World Silver

Silver in the local bullion market has staged a sharp rise of Rs. 2.50 to Rs. 215.55 per kilogram (85.7 tolas) within two weeks. The rise reflects largely the sympathetic effect of the marked advance in silver prices abroad, though it is true that India is completely cut off from the world markets, because of the ban on imports and exports of silver. At New York, silver is now standing at 109.25 cents per fine ounce, an increase of 6.50 cents in less than a month. The price is the highest effective since 1920 when the rate had touched as high as 137 cents; the lowest level reached thereafter was a mere 24.25 cents in 1932. The swift rise in silver during the last few days is due to the extremely small volume of sales in the face of continuous heavy demand from industrial users. This phenomenon is explained thus: the speculative stocks built up earlier this year are not being put back into circulation to any appreciable extent and it is now thought that their holders have decided to wait in the hope that prices will rise even further.

London bullion circles feel that the autumn rise in silver anticipated by sellers' hold-off of the market following the general shortage on cessation of the U.S. official sales ten months ago is not yet by any means overdiscounted and that prices would rise even further. The one factor that points to such a rise is the persistent pressure of heavy demand on available supplies, since the pace of expansion of free world silver production continues to fall far behind the rate at which industrial, artistic and coinage uses are currently running; the actual gap last year was 140 million ounces, as against 64 million ounces in 1959. Even so, it is believed in London that the world silver market may not show signs of getting out of hand. There are hopes that Mexico, the world's largest producer of silver, may soon enter the market as a seller, if the price rises above 110 cents per ounce. Again, Communist China, which has so far exported far less silver to the West than it did (55 million ounces) in 1961, may decide to step up its shipments, in view of the present high prices. There are also substantial holdings of silver bullion with the U.S. Treasury—the total of these holdings as on 31st December 1961 was 1,863 million ounces—a part of which may be sold. And, what is more, with so much silver held in private hands throughout the world, it is, to quote the London *Financial Times*, always impossible to know when an improvement in values will lead to a sudden increase in supply.

State Financial Corporations

When the idea to set up State Financial Corporations was first mooted some years ago, it received considerable support and high hopes were expressed that the Corporations would greatly accelerate the tempo of activity in the small-medium industrial sector. But the hopes have still not fully materialised and the working of the Corporations, many of which commenced operations eight or nine years ago, has not been as satisfactory as one would wish, though it would be wrong to condemn them to be utterly inefficient, much less to underrate their importance in the field of institutional finance. The total amount or loans actually disbursed by 13 of the 15 Corporations since their inception comes to no more than Rs. 24.30 crores (up to the end of March 1962). Even here, the Corporations have acted merely as mortgage banks and neglected the function of underwriting. And the majority of them continue to depend on their respective State Governments for subventions to pay guaranteed dividends. What are the factors responsible for the slow progress made by the Corporations and what steps are required to improve their efficiency? These questions have been well examined by the Bharat Chamber of Commerce in a memorandum submitted to the Working Group on State Financial Corporations appointed by the Reserve Bank. The memorandum contains the Chamber's replies to the questionnaire issued by the Working Group.

The one major defect in the working of the Corporations pinpointed by the Chamber pertains to the absence of any intelligence wing to render guidance service, particularly to the small-scale industries. It is these industries that need such service most. It is not, therefore, surprising that the proportion of rejections and/or withdrawals to total loan applications is pretty high. "There is a feeling," to quote the Chamber, "that the S.F.Cs. have, by and large, so far been more negative to reject applications than positive to guide and assist an entrepreneur to obtain benefits from them." What is worse, publicity arrangements are inadequate and there is no regular dissemination of ideas and knowledge of the benefits of financial help that can be availed of by small industries, with the result that the funds of the Corporations have not been profitably utilised. Clearly, the need for organising guidance services, wide propaganda and publicity for availability of loans through regular distribution of pamphlets, brochures and leaflets, and frequent advertisements in the Press cannot be stressed too strongly.

The overall approach of the Corporations in the matter of taking security against the loans advanced leaves much to be desired. No one will dispute that there should be adequate asset protection behind a loan, but, in examining loan proposals, the Corporations will also have to take into account the character of the applicant and the commercial profitability of the projects for which assistance is sought, besides the security offered. Drawing attention to this aspect, the Chamber has urged relaxation of the rules and conditions in respect of margin requirement and nature of security. The five specific modifications in the onerous lending criteria of the Corporations which the Chamber has suggested merit due consideration. The modifications are: (1) Loans should be given on fixed assets, both industrial and non-industrial, without insisting on ownership or lease of land and building. (2) Instead of legal mortgage, equitable mortgage could be regarded as adequate. (3) The margin condition requires reconsideration; the 50 per cent margin, which is considered as onerous by a large number of concerns, should be reduced to 25 per cent. (4) The period of repayment must be extended; it should range from 15 to 20 years, instead of 10-12 years generally imposed by the Corporations. (5) The rate of interest should not be more than 6½ per cent, with flexible provisions for prompt payment of instalments and interest; the rate structure for loans of different sizes and different periods may be re-examined.

A general criticism levelled against the State Financial Corporations is that their procedures and practices are dilatory as well as costly. As the Chamber has rightly pointed out, not only should the delay caused in considering applications be minimised but the procedures also should be simplified. There is the need, too, for reducing the heavy incidental expenses, including survey charges, stamp duty, legal and registration fees, etc. The Chamber does not, however, seem to be justified in urging the complete remission of registration and stamp charges in respect of mortgages and other legal documents to be executed by the borrowers of the Corporations. There is a limit for giving free service to business concerns even on the ground that they are small. Excessive spoon-feeding will not be conducive to the growth of healthy entrepreneurs.

Besides liberalisation of service conditions, there is also said to be a need for diversifying the

activities of the Corporations. Drawing attention to this need, the Chamber has put forward some interesting suggestions. It has, for instance, pleaded for an amendment of the terms and conditions for granting loans so as to include the financing of small-scale industries situated in Industrial Estates also. The other suggestions cover extension of the upper limit for loans (Rs. 20 lakhs for a single industrial concern) to all types of enterprises (instead of only to public limited companies and co-operatives); provision of loans for meeting working capital requirements; joint participation even in the case of small projects, the institutions like the I.C.I.C.I. and I.F.C. providing foreign exchange and the State Corporations providing the rupee part of the capital; joint arrangements with banks and other institutions for underwriting shares of larger projects; experiment with underwriting issue of shares and debentures of medium-sized concerns; guarantee for deferred payment in respect of purchase of machinery and equipment from indigenous sources.

If the State Financial Corporations are to serve the purpose for which they have been set up, they must broaden the scope of their activities which was determined over a decade ago. The credit requirements of small and medium industries are pretty large and will be larger still in the years to come. The Corporations must play a more vigorous role in providing medium-term and long-term finance to the industries operating within the respective areas. The Corporations should also endeavour their best to utilise intensively both the resources they already have and those that can be raised additionally. This does not mean that the Corporations should not function on business lines. On the contrary, they should take particular care to avoid wastage of funds. They have to take risks, of course, but they will be well rewarded, if they are good judges of men and their projects.

A Blue Chip From Braithwaite

Thanks generally to that fateful "Blue Monday" of 28th May 1962 and the events that followed thereafter on Wall Street, as also other principal stock exchanges of the world, and particularly to the serious bottlenecks in India's economy, which have recently come to the surface one after another, investors in shares and securities in this country have, once again, been thinking in terms of yield. And at this stage has come for them an offer of a blue chip from the famous Braithwaite and Company (India) Ltd.

The Company has specialised in the fabrication of structural steel work to the highest standards for bridges and heavy workshop buildings. It has also developed the manufacture of rolling stock for the Indian railways and has expanded the capacity to produce larger types of wagons. It is a well-known manufacturer and supplier of pressed steel tanks and troughs. It has now decided to diversify its activities and go in for the manufacture of various types of cranes. Up till now, there has been a great shortage of manufacturing capacity for cranes, with a consequential heavy drain on the country's foreign exchange resources for the import of these items which are essential for the creation of the machine building and other heavy industries, an aspect on which great emphasis is laid in the third Plan.

A licence has been obtained by the Company for the manufacture of the various types of cranes. It has entered into a technical collaboration agreement with Messrs. Thomas Smith and Sons (Rodley) Ltd. for the manufacture of dockside level luffing cranes and railway break-down cranes. It has also entered into a similar agreement with Messrs. John Smith (Keighley) Ltd. for the manufacture of electric overhead travelling cranes of various lifting capacities. The two collaborating companies are members of the well-known British engineering group of Thomas W. Ward Ltd. of Sheffield and both have been supplying cranes to the Indian market for some years. To implement its diversification scheme, the Company has also acquired on a 99-year lease from the Angus Company Ltd. its engineering works, comprising a cast iron foundry, a machine shop and a forge shop. After having taken them over on 1st February 1960, the Company has considerably rehabilitated and modernised these works, which occupy an area of 16.724 acres. In addition, the Company has acquired 57.283 acres of adjoining land.

The total financial requirements for the purchase of fixed assets and for increased working capital for the purpose of this proposed programme of development and diversification are estimated at roughly Rs. 4.40 crores, of which Rs. 88 lakhs will be raised by way of foreign exchange loans from the I.C.I.C.I. and the Commonwealth Development Finance Company and Rs. 3.12 crores will be provided from the Company's existing resources, future depreciation provisions and retained earnings and from bank borrowings. The remaining balance of Rs. 40 lakhs is proposed to be raised by the issue of 40,000 nine per cent. taxable, redeemable cumulative preference shares of Rs. 100 each. The issue has been fully underwritten by the Life Insurance Corporation of India and Calcutta's leading stock brokers, Place, Siddons and Gough (Private) Ltd. Firm applications have been received from the underwriters and their friends for 20,000 shares, which will be accepted in full. The balance of 20,000 shares are now offered to the public. The subscription lists will open on the 28th inst. and close on the 30th inst., or later at the discretion of the Directors. Applications have to be made for a minimum of 10 shares and multiples thereof.

At 9 per cent, taxable, the net return on the shares works out to 6.3 per cent per annum, which is quite attractive. For small investors whose rate of taxation is less than the 30 per cent deducted at source, the yield on this preference share will be proportionately higher. What is more, the share is redeemable at par after 12 years and in any case not later than 15 years. What is more, on the basis of the average annual profits of the five years ended 31st December 1961, after deducting depreciation and taxation payable under the latest rates but without taking into account the interest payable in future on the proposed I.C.I.C.I. and C.D.F.C. loans, the dividend payable on the preference shares would be covered more than five times and eventually much more than that following the substantial capital expenditure envisaged which would result in increased profits. In fact, the net profit of Rs. 41.14 lakhs for the year ended 31st December 1961 covers the dividend more than ten times. If the estimated net proceeds of the proposed preference share issue are added to the net assets of the Company of Rs. 161.20 lakhs as at 31st December 1961, the amount of the issue is covered practically five times by net assets.

The Company has bright prospects. Its order book is at present in a satisfactory state and, subject to continued availability of raw materials and electric power supplies, it is anticipated that production during the current year will exceed the figure for 1961 and further increases are to be expected in 1963 and 1964. In the longer term, the Directors believe that, having regard to the progressive development of the Indian economy, there will be an increasing demand and, therefore, a ready market for the Company's products.

Another Feather in the Soviet Cap

"The most remarkable development man has ever seen." This was how Sir Bernard Lovell, one of Britain's foremost space scientists, acclaimed Soviet Russia's breath-taking scientific feat of hurtling two manned space ships into outer space one after another at an interval of 24 hours and bringing them back to earth at an interval of six minutes with astonishing accuracy. What marks out the latest triumph of Soviet space programme is not the endurance record set by the two cosmonauts but its conclusive demonstration of the possibility of matching orbits. Both the space ships, Vostoks III and IV, were projected into the orbit in succession and they circled close to each other, with their occupants, Major Andrian Nikolayev and Col. Pavel Popovich, being in visual and radio contact. They could also communicate back and forth with the launching site on earth. Thus a three-way communication took place. This is considered to be a signal achievement and a prelude to a space rendezvous which might make it possible for man to land on the moon much earlier than one had hoped hitherto. "Space rendezvous" technique, it is pointed out, has three distinct advantages. First, huge space ships, much larger than could presently be launched from earth, could be assembled in space. Secondly, these space ships could be used as stations to carry out explorations into other planets of the solar system such as Mars and Venus. Thirdly, the space stations could be used as space laboratories and observation outposts. The lunar landing, as and when it occurs, will only be one of the major step towards manned exploration of outer space and expanding the frontiers of knowledge in meteorology, electronics, communications, fuels, metals, air navigation and geophysics.

This latest achievement indicates that Soviet Russia is far ahead of the U.S. in space exploration. Russia has a series of firsts to its credit. It launched the first earth satellite and put the first man in space. It fired the first successful shot at the moon and had its spacemen stay longer in orbit. But the achievements of the U.S. are not inconsiderable. Indeed, it is said to be superior in certain respects. It has orbited more unmanned space vehicles than the U.S.S.R. and has developed more sophisticated instruments such as the Telstar which could be of more direct and immediate use to mankind. Moreover, none can yet say whether the lunar landing will be accomplished first by the U.S. or by Soviet Russia. Under the Project Apollo, the American National Aeronautics and Space Administration plans to send a three-man spacecraft to the moon and bring it back safely to earth by the end of this decade.

Will the Soviet feat have any impact on the U.S. space programme? It is officially stated in Washington that the N.A.S.A. will not alter its programme and that it will go ahead with its plans as scheduled. But the Soviet achievement is not unlikely to have repercussions elsewhere. It lends added urgency to the efforts now being made to strengthen the U.S. economy. For only an economically-strong U.S. can support an expanded space programme that might be called for without having to shirk its other responsibilities throughout the world. It must be remembered here that the space programme costs an enormous amount of money, running into billions of dollars. It can be done only by the richest country in the democratic world or by a dictatorship backed by scientific and engineering talent of the highest order.

While the competition for mastering space is raging fiercely between the two giants on earth, some rethinking is going on in the smaller countries as to the rationale of some of the defence projects that has been planned. Britain, for instance, seems to have had second thoughts on its Blue Water Missile Project—a project for the development of guided missiles with a nuclear warhead for army use—and has now decided to abandon it. The reason given by the British Defence Ministry for the decision is that the Government does not consider it justifiable to continue the Project, in view of the increasing number and yield of tactical nuclear weapons which are available to the N.A.T.O. countries. The cancellation of the Blue Water Project, which has already cost it over £100 million, is expected to result in a saving of £50 million. There is a section of opinion in Britain which thinks, and rightly so, that had a part of the money that is being put into defence projects which are constantly under threat of being rendered obsolete been utilised for helping the poorer countries, the advantage to Britain, in terms of goodwill and increased trade, would have been more direct and enduring.

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FULL PARTICULARS CAN BE OBTAINED AT ANY OF THE OFFICES MENTIONED ABOVE.

NEWS IN BRIEF

THE first blast furnace in the Rourkela Steel plant has been completely repaired and is expected to be commissioned by the end of this month.

The Soviet Union will supply the equipment for the 200 m.w. thermal power station at Korba. The Madhya Pradesh Electricity Board has signed the necessary agreement in this respect.

The Pharmacy Council of India proposes to set up a Central Institute of Pharmacy at Delhi at a cost of about Rs. 100 lakhs. The Government of India has agreed to contribute Rs. 20 lakhs towards the cost.

The U.K. Government has agreed to grant a loan of £22 million for buying plant and equipment required to increase the output of the Durgapur Steel plant from one million to 1.6 million tons annually.

A factory for manufacturing automobile gears is proposed to be set up with American collaboration at Faridabad in the Punjab. Besides meeting domestic requirements, the factory is expected to export about one-third of its output.

Large sedimentary rocks indicative of favourable conditions for the occurrence of oil have been discovered in Eastern Bihar and West Bengal. It is proposed to drill a deep exploration well in the area in the near future.

The proposed fertiliser factory, which was to have been put up in the private sector, in Madhya Pradesh, will now be taken up in the public sector. The Fertiliser Corporation of India is working out details of the project, the execution of which is expected to start early next year.

Two banks in the Madras State, the Karur Bank Ltd. and the Salem Ammapet Sengunder Bank Ltd. are being amalgamated with the Canara Industrial and Banking Syndicate Ltd. The agreements covering the amalgamation have already been signed by the parties concerned.

The Union Defence Ministry has entered into an agreement with a French firm for the manufacture of helicopters in India. The manufacture of components and spare parts will be taken up progressively by the firm. Although details of the agreement are not disclosed, it is stated that India will pay a reasonable licence fee, but no royalties.

A Bill seeking to repeal the Atomic Energy Act 1948 has been introduced in the Lok Sabha. The Bill makes it obligatory on persons discovering uranium or thorium to report about it to the Government. It also empowers the Central Government to impose certain terms and conditions on persons engaged in mining substances from which uranium can be isolated or extracted.

An agriculture-*cum*-demonstration centre was inaugurated near Surat in Gujarat by Dr. K. Matsudaria, Japanese Ambassador to India, last week. At this centre, four Japanese agricultural experts will train ten local cultivators every year over a period of three years in a ten-acre farm. The centre is the second in the series of four allotted under an agreement signed with Japan in April last. The first one was opened in West Bengal only a few days ago. The third will be located in Orissa and the fourth in Bihar; these will be started shortly. The entire cost of these centres, along with technical know-how, is expected to be met by Japan.

The Union Government has so far sanctioned Rs. 25.75 crores to State Governments under the low-income group housing scheme. Of this amount, Rs. 22.65 crores have been disbursed. Under the scheme, the State Governments and the Union Territories have sanctioned 46.841 houses, out of which 39,350 have been completed. The Punjab has constructed the largest number of houses (6,886) under the scheme. The number of houses completed in some of the other States is 3,767 in Kerala, 3,657 in Uttar Pradesh, 3,589 in Rajasthan, 3,070 in Mysore, 2,725 in Andhra Pradesh, and 1,994 in Delhi.

The Government of India proposes to appoint shortly technical consultants to examine the economics of the second shipyard to be set up at Cochin. Disclosing this in the Lok Sabha, Mr. Raj Bahadur, Minister of Shipping in the Ministry of Transport and Communications, stated that, although the economics of the shipyard had already been worked out with the available data, the consultants were expected to go into them "more thoroughly." Among other things, the consultants would prepare an estimate of the requirements of the yard in regard to training of supervisory personnel. Quite apart from this, the Union Government was taking steps to train a certain number of skilled workers at the training school at the Hindustan Shipyard, Visakhapatnam. A scheme to train more persons, coming out of the Industrial Technical Institutes in Kerala, in some industries similar to shipbuilding was also receiving attention. The technical consultants would be asked to design the shipyard so as to incorporate the latest techniques and facilities for hull constructions.

The Institute of International Education, New York, will administer two Indian fellowships of two years' duration each in the U.S. for Golodetz and Company. The sponsoring firm, which deals in international commodities, has been trading with India in sugar, manganese ore, jute goods and fertilisers, for a number of years. The grants will cover full costs for graduate study in any field beginning from September 1963 and continuing through June 1965. Other American firms trading with India are also being contacted by the Golodetz group to provide educational opportunities for deserving Indian students in the U.S. The U.S. Educational Foundation in India will assist in the selection of scholars for the Golodetz scholarships. The Institute of International Education, which will administer the Golodetz fellowships, is a non-profit agency engaged in educational exchange projects between the U.S. and other countries on behalf of the U.S. Government, foreign Government foundations, corporations and private individuals. It also serves as a clearing house for information on educational and cultural exchanges.

* * * *

From Abroad

The Belgian Bank Rate has been reduced by ½ per cent to 3½ per cent, with effect from the 8th instant.

According to official estimates, Argentina's production of groundnuts in 1961-62 rose by over 45 per cent to 387,000 tons, as compared with the previous year.

Rubber exports from Malaya during January-July 1962 aggregated 681,500 tons, or an increase of 4.5 per cent above the corresponding period last year and the highest for that period since 1959.

A group of leading Japanese industrialists has left for Moscow to explore the possibilities of expanding exports to Russia. It may also assess the scope for negotiating a new bilateral trade agreement.

A pact providing for the association of Greece with the European Common Market will be formally ratified by the E.E.C. Council on the 24th inst. The association agreement, which was concluded in July 1961, will come into force from 1st November next.

Communist China had a favourable trade balance with Russia amounting to £66 million in 1961, as against £11 million in 1960, despite the decline in its exports to that country from £303 million in 1960 to £197 million. Russian sales to China fell more sharply, that is, by £161 million to £131 million.

(*Continued on page 308*)

PERSONAL

DR. S. P. Chablani, a former Joint Director of Export Promotion, Union Ministry of Commerce and Industry, has taken over charge as Managing Director of the Export Risks Insurance Corporation from Mr. T. C. Kapur, who has retired.

Mr. B. Barker, a former Secretary of the Bombay Chamber of Commerce and Industry, has been appointed Secretary of the Metal Box Company of India Ltd., *vice* Mr. F. P. Gilbert who is retiring.

Mr. Dharamsey M. Khatau, Chairman of the Associated Cement Companies Ltd., and Mr. Shanti Prasad Jain, Chairman of Ashok Cements Ltd., have been elected President and Vice-President, respectively, of the Cement Manufacturers' Association, Bombay, for 1962-63.

Mr. D. C. Baijal, a Member of the Railway Board, has been appointed Chairman of the Board and ex-officio Principal Secretary to the Government of India in the Ministry of Railways. He succeeds Mr. Karnail Singh who has retired. Mr. G. P. Shahani, at present General Manager, Diesel Locomotive Works, Varanasi, replaces Mr. Baijal as a Member of the Railway Board.

Mr. Salim Merchant, President of the Central Industrial Tribunal, has been appointed Chairman of the Wage Board for Coal Mining Industry, which will work out a wage structure based on the principles of fair wages as recommended by the Committee on Fair Wages. Besides the Chairman the Board will include Mr. P. R. Chakravarthy, M.P., Mr. S. S. Marathe (independent member), Mr. Rasiklal Worah, Mr. R. Lall (representatives of employers), Mr. Kanti Mehta and Mr. Devan Sen (representatives of workers). The Board will also consider the demands for an interim wage increase pending submission of the final report and for the introduction of a gratuity scheme on industry-wise basis. It has been asked to take into account the special features of the coal industry, its needs in a developing economy, the impact of the wage structure on the cost of production and the effect of these on other industries consuming coal. The Board will have its headquarters in Bombay. The terms of reference of the Board also include the study of the need for adjusting wage differentials in such a manner as to provide incentives to workmen for advancing their skill and the desirability of extending the system of payment by results.

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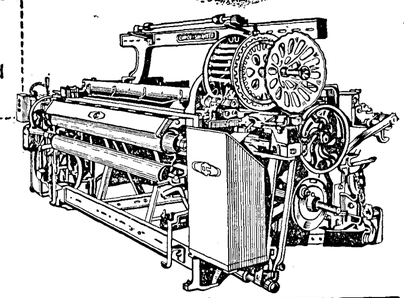

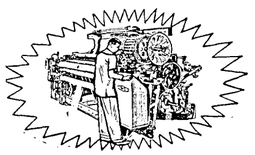

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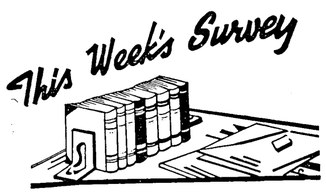

EXPORTS OF VEGETABLE OILS

AS a cumulative result of increase in domestic consumption of oils and fats and insufficient increase in the output of oilseeds, exports of vegetable oils have been steadily declining during the last five or six years. From as much as about Rs. 34 crores in 1955-56, foreign exchange earnings from non-essential vegetable oils have fallen to Rs. 8.54 crores in 1960-61 and still further to Rs. 5.83 crores in 1961-62. A part of this sharp decline reflects the ban imposed on the export of groundnut oil in 1957, except on the basis of special quotas, in order to conserve the supply to meet the domestic needs. But equally important is the setback in the two other major traditional export items, namely, castor and linseed oils, which are mainly used for industrial purposes. Indian oils have been consistently priced out of world markets, as a result of almost uninterrupted rise in domestic prices in the face of general weakness in world markets, induced by steadily increasing output in most of the other oilseeds producing countries.

In fact, the loss in India's export earnings from vegetable oils would have been still more marked, but for large purchases by Soviet Russia and other Communist countries from this country. In respect of castor oil, for instance, Soviet Russia became the largest buyer in 1961-62, for the first time ever, whereas the U.S., which had been the traditional market for this commodity, did not buy a single ton of oil. The growing dependence of India's traditional exports on Communist markets is of doubtful value, apart from the long-term uncertainties of a political nature involved in it. At any rate, exports to Communist countries do not always reflect the competitive capacity of Indian products, since these transactions are based on barter trade and liable to be influenced by extra-economic considerations. The total castor oil exports in 1961-62 was Rs. 400 lakhs (of which Russia accounted for as much as Rs. 192 lakhs), as against Rs. 671 lakhs in 1960-61 (with Russian offtake being only Rs. 92 lakhs). The export of linseed oil, too, fell in 1961-62, being only a mere Rs. 8 lakhs, as compared with Rs. 88 lakhs in the previous year. Export earnings from groundnut oil, however, recovered slightly from the very low level of Rs. 21 lakhs in 1960-61 to Rs. 103 lakhs in 1961-62. This recovery was due to the fact that the State Trading Corporation exported some oil rather stealthily giving no advance hint to a section of incorrigible speculators in forward markets. It may be noted, however, that shipments of hydrogenated groundnut oil (*vanaspati*) fell by 50 per cent during the same period to about Rs. 56 lakhs. The export of major oilseeds, in which India had a prominent place during the pre-war period has been generally banned, except mainly the hand-picked selected varieties of groundnuts. The export of H.P.S. groundnuts also were lower in 1961-62 at Rs. 397 lakhs, as compared with Rs. 495 lakhs in the previous year.

While both oils and oilseeds have continued to show disappointing performance on the export front, it is refreshing to note that there has been some improvement in the shipment of oilcakes. Even this improvement has been confined to groundnut deoiled cake, whereas exports of linseed cakes and coconut cakes, etc., have been shrinking. The groundnut extraction meal, in fact, has become the biggest export item in the oilseeds group and is still making perceptible headway. From only 27,000 tons in 1957, the shipment of meal has increased to 131,000 tons in 1958 and further to 269,000 tons in 1959, 295,000 tons in 1960 and 388,000 tons in 1961. The total value of its exports touched Rs. 14 crores in 1961-62, which compares well with Rs. 10 crores in 1960-61. As pointed out by Mr. R. M. Gandhi, President of the Indian Oil and Produce Exporters' Association at the annual meeting of the Association in Bombay last week, the export performance of groundnut meal has been creditable and is a sufficient proof that the official policy for encouraging solvent extraction industry within the country has been fruitful. According to Mr. Gandhi, there is still scope for expanding exports of oilcakes and meal to Europe, as also to some of the Communist countries. While he called for greater efforts to promote shipments to these markets, he cautioned against both barter deals and the interference by the State Trading Corporation in the export of this commodity.

A major handicap in the way of expanding exports of oilcakes has been the rather high freight rates. It is, therefore, disheartening to note that the Karmahom Conference has decided to raise further its freight rate on oilcakes and meal, which was referred to in this journal a fortnight ago. Emphasising that this measure would result in a setback to the export trade, Mr. Gandhi made a fervent plea to the shipping lines to reconsider their decision. It is to be hoped that the Government of India would take up the matter with the shipping lines concerned, as has already been suggested by the Board of the local Oilseeds Exchange. Mr. Gandhi was on firmer ground when he called for suspension of the deferred rebate system, which has led to the diminution of freedom of action by exporters. But for this system, the aforesaid increase in freight itself would not have been thought of by shipping lines without consulting the trade.

A review of exports of vegetable oils will be incomplete without a reference to production trends. It would appear that total production of five major oilseeds in the 1961-62 crop year was no more than the previous year's level of 6.53 million tons, in contrast to the increasing trend in world production. The official estimates of domestic output are available only for groundnuts so far; they show an increase of 330,000 tons to 4.68 million tons (in shell), as compared with 1960-61. Unofficial estimates place the output of rapeseed and mustard lower by a still greater margin, that is, by 380,000 tons at one million tons. The other three major seeds, castor, linseed and sesamum, are expected to show only marginal increases in output, if any. This is the position in the first year of the third Plan. The crop in 1962-63 is expected to be still lower, if the present reports of inadequate rains in groundnut growing areas like Saurashtra are true. It sounds ridiculous to talk of the question of achieving the third Plan targets for oilseeds production (9.8 million tons), when even the modest second Plan target of 7.6 million tons still remains to be fulfilled! So long as production lags behind and the domestic demand for edible and industrial purposes goes up, prospects for exports will remain bleak.

TEXTILE EXPORT PROMOTION

The Central Government's move to broadbase the functions of the Cotton Textiles Fund Committee, though belated, deserves to be welcomed in the context of the urgency of export promotion. The Government, Mr. Manubhai Shah disclosed while inaugurating a meeting of the Committee in Bombay last week-end, had approved of "a comprehensive self-contained" Bill to replace the Cotton Textiles Fund Ordinance of 1944. This Bill, which would soon go to Parliament for enactment, will ensure an independent status for the Committee, enlarge the scope of its work and enable it to continue to function in an efficient manner. Under such an enhanced status, the Committee can certainly be expected to play a more dynamic role in boosting the export trade in textiles, which, as is well known, constitute the third largest earner of foreign exchange, preceded by tea and jute manufactures. The Committee has already had seventeen years of rich experience in the field of textiles. It is this Committee that has (*a*) materially assisted the Ahmedabad Textile Industry's Research Association to develop and helped the establishment of the South Indian and Bombay Textile Research Associations; (*b*) aided, by means of annual grants, the Cotton Textiles Export Promotion Council; (*c*) provided facilities for pre-export inspection of textiles; and (*d*) undertaken market research studies in Indian cotton textiles in collaboration with the Cotton Council International (U.S.A.).

Even while the amending Bill is on the anvil, the Committee, it is gratifying, has put into operation a scheme of compulsory *ad hoc* survey inspection to assess the quality of cotton textiles for export. The scheme, as Mr. Manubhai Shah stated, is a good one, in that it will ensure that the quality of textiles produced for export by mills is upto the standard and, wherever it falls short of the standard, suggest rectification of defects. The need for making the scheme compulsory has become imperative, for the provision of free inspection facilities by the Committee has not been fully availed of by exporters and mills. The quantity of cloth actually handled by the Committee's Inspectorate, it may be noted, is now no more than 50 million yards (worth Rs. 5 crores) annually, which forms only a small percentage of the total exports of fabrics. In other words, a large bulk of the cloth is going out of the country without adequate inspection and this has obviously been responsible for the continuance of complaints from overseas importers regarding quality. Mr. Shah did well to draw pointed attention to this aspect. It would, he said, do immense good for the industry and trade if steps were taken to inspect all cloth and yarn prior to shipment. It must, however, be added that while the preshipment inspection of cotton textiles may obviate complaints regarding quality, there is no getting away from the fact that the competitive capacity of Indian textiles in world markets would ultimately depend on the price at which they are sold. The battle of cotton textile exports has, therefore, to be fought on the production front.

MATERIALS MANAGEMENT

The three-day Seminar on materials management, which concluded at New Delhi on the 10th inst., made three notable recommendations. They are: (1) Arrangements should be made for training materials managers and their staff in the scientific techniques of production planning, inventory control, materials handling and value analysis. (2) The Committee on Plan Projects of the Planning Commission should organise these training courses in collaboration with the National Productivity Council and other suitable agencies. (3) The Committee on Plan Projects should publish the results of its studies on inventory control in the form of case studies and distribute these widely, so that the various industrial concerns in the country may benefit by them.

The Seminar has served to focus attention on a vital but hitherto more or less neglected aspect of Plan cost. For it is not as widely realised as it should be that efficiency in the use of materials could lead to cost reduction far out of proportion to the effort made. This is especially important, because cost is a most important determinant of the competitive capacity of our products in world markets. An idea of what a rational materials management could do to reduce cost was given by Dr. A. N. Khosla, Member of the Planning Commission, in his address to the Seminar. According to him, in manufacturing and construction, costs of materials add up to more than 60 per cent of the total cost of production. Hence even a small change in materials cost could result in a loss or a saving of large sums of money. He illustrated this point by indicating the scope for economy through cost reduction in construction and manufacturing activities in the third Plan. Construction activities during the third Plan period, Dr. Khosla pointed out, would involve an expenditure of Rs. 3,600 crores, of which the cost of materials would account for more than Rs. 2,000 crores. In factory establishments, the consumption of materials is estimated to be of the order of Rs. 20,000 crores. Thus, in construction and manufacturing done, the outlay on materials is estimated to be about Rs. 22,000 crores. If, as a result of adoption of methods that will lead to a saving in the use of various materials, costs could be reduced by, say, five per cent, the total saving in cost to the economy would be as much as Rs. 1,000 crores. This in turn will enable the country to take up some of the projects which, for want of resources, had to be kept out of the Plan. Alternatively, it would go a long way towards keeping down the price levels.

Rational materials management is only one among the vast repertoire of tools that modern management could employ to achieve cost reduction. Full results, in the form of elimination of all avoidable expenditure and getting the maximum from the men, materials and machines employed can be achieved only if more attention is devoted to the other equally important aspects such as scientific selection and training of workers, evolution of work-loads and allotment of jobs, functional foremanship and planning, efficient cost accounting and quality control, and incentive wage payment. In fact, what is required for reducing cost and increasing production is less of unplanned, unco-ordinated and haphazard approach and more of what F. W. Taylor, an authority on efficient industrial administration, calls "scientific management."

COAL INDUSTRY

The problems of coal industry were discussed last week by the Union Minister for Mines and Fuel, Mr. K. D. Malaviya, with the Joint Working Committee on Coal—a high-level body consisting of representatives of the Indian Coal Mining Association, the Indian Mining Federation, the Indian Colliery Owners' Association and the Madhya Pradesh Vidharbha Mining Association. From the account given by the Minister of the discussions, it would seem that a turn for the better is coming about on the production front. The price increase recently ordered for higher grade coal, for instance, is a step in the right direction. But the increase is only modest, and this presumably explains the Government's readiness to grant some other concessions for increasing the production of higher grade coal. The Government has agreed in principle to various kinds of subsidies for meeting the difficulties in mining. The pattern of assistance for stowing in coal mines has recently been made more liberal. In the last two months, licences for the import of coal mining equipment and machinery against the loan of Rs. 17 crores given by the World Bank to the private sector of coal industry have been issued for the aggregate value of Rs. 15 crores. Mr. Malaviya has also done well to give the assurance that the Government would give favourable consideration to requests from the industry in connection with extension of mining to certain areas. He is also reported to have stated that the Government has no intention of nationalising the coal industry. If this is true, the assurance is most welcome, for his statement at Madras a few days ago that, ultimately, nationalisation of coal mines was inevitable, had given rise to misgivings among colliery owners and investors. No entrepreneur could work wholeheartedly for the development of an industry, if he is not sure about his future.

It is, however, feared that, in spite of all these measures the coal industry as a whole (in the public and private sectors together) might not be in a position to attain a higher level of production than 87 million tons by the end of the third Plan, as compared with the target of 97 million tons per annum. The Union Mines and Fuel Ministry itself is credited with this view in one report. If the Bokaro steel plant and some thermal power projects do not materialise in the third Plan period, the requirements for coal would be correspondingly less and so, it is said, a shortfall of 10 million tons in the coal production target would not be a disaster. This view seems to ignore that the Ministry itself, in consultation with the Planning Commission, had formerly suggested an upward revision of the target to about 107 million tons so as to provide for additional coal requirements. If the contingency about Bokaro Steel Project and some power projects does not arise, all that it would mean is that the need for a higher target felt by the Ministry would not be there. In other words, the original target of 97 million tons would more correctly reflect the country's expected requirements of coal.

On broader matters of this kind, in which the coal-consuming industries are vitally interested, Mr. Malaviya's Ministry should consult, without hesitation, representative commercial organisations like the Federation of Indian Chambers of Commerce and Industry. His stand that he would consult only the Joint Working Committee on Coal, though supported in a way by Mr. Pran Prasad, Chairman of the Indian Mining Association, does not seem to be quite pertinent. The coal industry's own organisations are presumably affiliated to the F.I.C.C.I. which can justifiably interest itself as much in coal production problems as in those of coal transport and distribution. But when Mr. Pran Prasad himself says that his and other organisations alone are directly concerned with coal production problems, and that they would not accept F.I.C.C.I. statements if these are likely to complicate matters with the Government, it is also difficult to disagree with him. What should the F.I.C.C.I. do in the circumstances? It would do well to issue public statements or make representations to the Government after fully consulting the four representative organisations of the coal industry. But, where it feels strongly on

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G. S. SUNDARAM, *Secretary.*

SISTA'S-18-2

any particular issue, its right to take the public into confidence or to represent to the Government cannot be questioned. If the Ministry concerned finds this freedom irksome, that cannot be helped. In a democracy, every one has the freedom to criticise the Government and, if the criticism is valid, it cannot be ignored merely on the ground that its source is not directly concerned with the interests affected.

INDIAN INVESTMENT CENTRE

It is, indeed, remarkable that the Indian Investment Centre—a very young organisation which came into full operation in New Delhi by September last year and opened its office in New York in the following month—has already made some striking progress in the pursuit of its main objective of attracting foreign private capital and techniques from the capital exporting countries. This progress is seen in the three types of services organised so far by the Centre. The first type of service relates to the supply of information on the various aspects of investment in India, such as Government's policy and rules and regulations governing investment of foreign capital, taxation, exchange control and other cognate matters. Another service which the Centre now offers fairly adequately relates to the provision of data on specific industries through industry notes containing particulars on target capacity, installed capacity, current production, demand, availability of raw material, power and other facilities. Under the third category, assistance is being given to Indian entrepreneurs in such a manner as would attract foreign investment and suitable partners are being sought, both in India and abroad, for possible joint-venture enterprises.

That all these services are being well availed of by Indian and foreign entrepreneurs is suggested by the triple fact that the Centre has received as many as 1,500 inquiries of various types so far, forwarded nearly 80 Indian proposals abroad for obtaining technical collaboration and financial participation and received 60 proposals from foreign firms. But that is not all, for the Centre has actually brought about collaboration between Indian and foreign businessmen in regard to three proposals and taken eight foreign inquiries to an advanced stage of negotiation. Thanks to the work of the Centre, some of the largest corporations have indicated their interest in coming to India and their inquiries have covered a very wide range of industries, including electronic small tools, piston pumps, plastic injection moulding machines, contraceptives, heavy chemicals, synthetic rubber machine tools, aluminium foil, glass-lined equipment, generators, and hydraulic equipment. It is against the background of these developments that Mr. G. L. Mehta, Chairman of the Centre, claimed, in his speech at the inaugural meeting of the Centre's Advisory Committee of Industrial Experts held on the 7th instant at Bombay, that "there is a growing interest among foreign firms in the industrial development of our country."

The Centre's task now is to sustain this interest. One of the ways in which this is sought to be done is to undertake industrial surveys and feasibility studies, with particular reference to certain sectors of the industrial structure which have been lagging behind. Such surveys and studies will be most useful, in that they can be elaborated in specific investment opportunities which both Indian and foreign entrepreneurs can pursue. The Centre, of course, maintains a list of (i) items in which capacity is still available for licence and (ii) items of industrial raw materials and components which could be taken up for indigenous manufacture. But further studies seem to be called for, if fuller information is to be made available to prospective foreign investors. The Advisory Committee, it is noteworthy, has just made a substantial beginning in this direction. It has constituted two sub-committees for studying the sectors in the economy where production is lagging behind the programme of development and for finding out the items suitable for manufacture by ancillary industries. One of these sub-committees will survey machinery and machinery parts. The other will survey raw materials needed by the chemical industry. Industrial surveys of machine tools, process and control instruments and a feasibility study of transport of coal by pipeline have also been approved by the Advisory Committee at its inaugural meeting. The Centre is thus taking on itself more practical responsibilities and getting into stride. It may be confidently expected that it will discharge such responsibilities efficiently with the assured assistance of foreign and Indian experts in diverse industrial fields.

LONDON LETTER

COMMON MARKET TALKS

THE REAL CRUX OF THE PROBLEM

(From Our Own Correspondent)

LONDON, 10*th August*

HOPE Deferred or Saved from the Abyss—that is how commentators and politicians are viewing the postponement of the negotiations of Britain's entry into the Common Market. Without subscribing to the latter view, it is nevertheless possible to say that the postponement of this last and difficult stage of the negotiations is undoubtedly all to the good. It is well known that the British Government had aimed to get general agreement and put this before the meeting of Commonwealth Prime Ministers in September and, although they have undertaken not to commit themselves to anything until both the Commonwealth and Parliament had agreed, it would have been the sort of commitment which is very difficult to get out of, because, naturally, the British Government would already be in agreement with the Governments of the Six.

Now the Commonwealth Conference will be presented not with a draft agreement but with a report on the negotiations in the course of which they will undoubtedly become far better informed than is so far the British Parliament. The Commonwealth Conference is not a public meeting and the truth in detail will be difficult and indeed unnecessary to evade. As far as Parliament and the country are concerned, however, these detailed truths have not so far emerged in any way to enable other than a very select few to understand what is going on. Some of the exchanges at question time in Parliament between Mr. Heath, the Minister charged with carrying on the negotiations, and Members of the House appear, except to initiates, highly esoteric.

Self-sufficiency, the Aim?

What then is the nub of the problem that is causing so much concentration on the terms of entry for Commonwealth foodstuffs? It is that there is a basic difference of approach between the Six and the United Kingdom on the development of the whole European economy. This country has always, while protecting a basic level of home agriculture, relied mainly upon overseas sources of supply of temperate foodstuffs. It had hitherto been assumed that there was no real intention on the part of the Six to change the existing pattern of trade but it seems that this assumption is wrong. Amidst all the discussions of preferences to the Commonwealth and so on, the underlying fact is that the Six wish to

(*Continued on page* 274)

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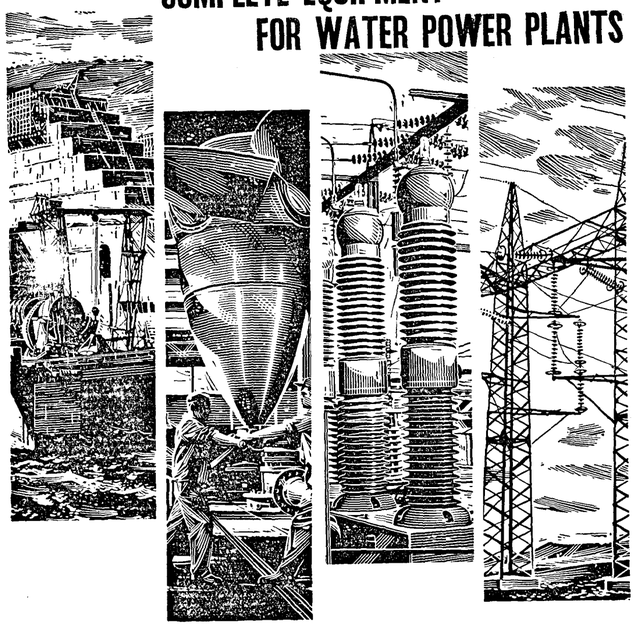

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Steel is the very life-blood of an economy. Industries, utilities, homes, all depend on steel. Steady steel production depends, in turn, on the uninterrupted supply of minerals to the nation's blast furnaces. Bird-Heilgers supplies these minerals. Between 1957 and 1961, the group's output of minerals—coal, dolomite, iron and manganese ore and limestone—shot up almost 100% to well over 6,000,000 tons. The group will continue to help meet demand...to feed the blast furnaces with the minerals they must have.

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BRD/3

AMERICAN LETTER

STEADINESS AMID AIR OF UNCERTAINTY

STEEL PRODUCERS WANT PROTECTION

From Our Special Correspondent

NEW YORK, 10*th August*

OVERALL economic indices continue favourable amid an air of uncertainty. This is particularly reflected in the stock market where there has been considerable recovery from the price crash but trading has been mixed for some time at moderate volume. In fact, some of the price recovery in stocks has been remarkable, particularly in view of the preceding losses. For example, in May and June, prices for aluminium shares had fallen by about 17 per cent. The July recovery was nearly 15 per cent. Drugs had lost 25 per cent, but the comeback amounted to more than 10 per cent. Automotive shares, which had lost less than 16 per cent, bounced back by 9 per cent.

The resiliency of stock markets here has been much greater than in Japan, West Germany, Holland, Switzerland and France, where stock prices turned weak long before the New York crash. In this connection, it is interesting to note the interdependence of the valuation placed on equities among the free trading centres of importance.

Much of the uncertainty here is caused by contemplated and pending Federal legislation. Uppermost in mind of the business community is an across-the-board tax cut. July statistics showed an improvement over June and the general expectation is that tax reduction will be deferred until next year. In the meantime, the effect of the new more liberal depreciation allowances for industry will be studied as time goes on, particularly on expenditures for plant and equipment.

There are other legislative measures, labelled as urgent for action by the White House, which have deep economic significance. They include a Bill to set up a communications satellite system. It was prompted by Telstar and is highly controversial. Then there is a new Farm Bill, a Public Works Bill, Federal grants to aid urban mass transit, proposed action to buy a part of the $200 million United Nations bond issue, the Trade Expansion Bill and tighter control over drugs. The proposed curbs on pharmaceuticals have received much additional support since the wide international publicity about the crippling effect of thalidomide on unborn babies.

Quiet Buying of Gold

There have been several interesting developments in gold, foreign trade and the U.S. international balance of payments. The U.S. Treasury has been quietly buying gold from foreign central banks. It has been offsetting the outflow and resulted in June in the first month-to-month increase in Exchange Stabilisation Fund reserves since mid-1961. The average purchase price was $34.12¾ an ounce and the principal seller was Canada.

U.S. exports in June were at the second highest level on record, up 5 per cent from May and just below the previous peak reached during the Suez Canal crisis. This will naturally help in reducing the unfavourable international payments position of this country.

Imports continue at their previous levels, but protectionist sentiment is rising, being specially promoted by industries which are not doing so well, such as steel and textiles. The steel industry, in particular, is incensed over foreign competition. It is charging that foreign competitors are selling steel here below their home price levels. The industry is now making studies to prove it in the hope of having the Government invoke the anti-dumping laws. Foreign steel makers got their real foothold into the U.S. market during the last prolonged steel strike, when the U.S. economy was crying for steel products and when steel management was more interested in some minute details of contract terms with its workers than in the long-range consequences of a steel shutdown.

Personal incomes are continuing their upward climb. They are now running at a level which is $27 billion higher than last year. So far, the figures have been rising every month this year. The Federal, State and Local Governments, as well as the service industries, account for an ever-increasing share of employment and pay-rolls. There has been a sharp drop in unemployment which is considered gratifying but not enough. Idle hands, at 4 million, now are at the lowest in two years.

Discussions about interest rates continue to be in the news. Moves are now under way to remove the interest rate ceiling from foreign bank deposits here, in order to attract more funds as another measure to ease the imbalance in international payments. The trend of other rates seems enigmatic. The U.S. Treasury did not do so well with its recent offerings of long-term 4¼ per cent bonds, even though shorter maturities at lower rates sold very well indeed. There is a tendency among investment managers, notably pension funds, to accept a definite coupon rather than speculate on the maturity value of a security, say, 20 years hence. It is another sign of the uncertainty which is prevailing in financial quarters. Many of these doubts will probably be dispelled later in the year. For, in the last quarter, the economy always perks up.—*All Rights Reserved.*

LONDON LETTER

(*Concluded from page* 272)

develop agriculture in their territories and, by increasing domestic output, reduce the market for imports. This has nothing to do with tariffs: tariffs may be used as a weapon to achieve this object and the fact that preference could be withdrawn from Commonwealth foodstuffs means that the weapon would apply as hardly against the Commonwealth as against other countries—but the really serious matter is this intent to change the economic pattern of Europe. Presumably a development of agriculture involving higher price for more expensively produced foodstuffs must mean that the European countries aim at a high level of self-sufficiency and this will also have its repercussions on the economy of the Commonwealth.

Admittedly, it is hard to believe that active steps would be taken to make a highly industrialised group of countries such as are the Six (or the Seven if one includes the U.K.) agriculturally self-sufficient and yet it is this philosophy which is at the root of the prolonged negotiations. Nor would it be possible for the U.K. to assist the Commonwealth countries to compete by reserving the proceeds of the import duties and using them to subsidise the primary producers. For it is proposed that the proceeds of the duties of agricultural products should be put into a common fund to be used for assisting the most hard-pressed farming communities. The proceeds of duty on Australian or Canadian wheat, for instance, might be used to encourage hill farming in Western Germany!

Commonwealth Preference Will be Gone

These financial provisions would make it impossible to preserve a Commonwealth preference even if there was no disagrement on basic philosophy. On the other hand, special arrangements might be made, as has been proposed for New Zealand, where a particular supplier would otherwise be seriously adversely affected. But this is a point which the Commonwealth could stomach, if given a reasonable period of time—after all, degrees of protection can never be regarded as permanent. But the philosophical approach which would, actually reduce the Commonwealth Market is something that they are bound to resist, and it is the British Government's appreciation of this that has slowed up these final stages. It is, therefore, all to the good that the Commonwealth countries should have a full opportunity at the forthcoming Conference to consider this philosophical problem and perhaps as a result to have the true issue more widely publicised. It is still possible for the Prime Minister of Australia to say that he cannot give a straight answer whether he does or does not favour Britain's entry, "because the position is confused." It is as well that, however confused the position, what is at stake should be fully and generally understood before commitments, however unofficial, are undertaken.

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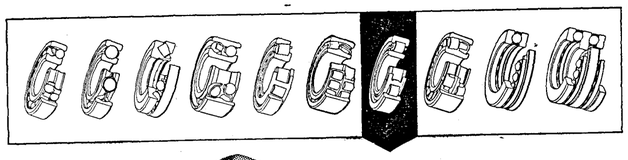

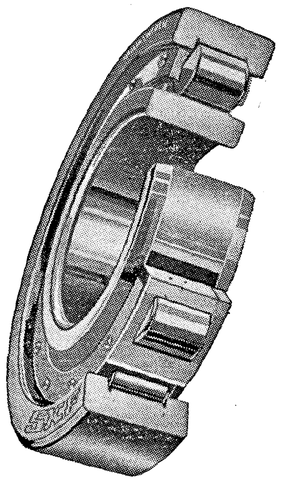

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The Company is one of the leading bridge and structural engineering companies and railway rolling stock manufacturers in the country and has heretofore specialised in the manufacture of structural steelwork to the highest standards for bridges and heavy workshop buildings. It has also developed the manufacture of rolling stock for the Indian railways and is well known as a manufacturer and supplier of pressed steel tanks and troughs. The capacity of the Company's wagon shops has been expanded in recent years to enable it to undertake the production of the larger types of wagons now required by the Indian railways and a further expansion of this activity is in progress.

The Company proposes to diversify its activities by undertaking the manufacture of dockside level luffing cranes, railway break-down cranes and electric overhead travelling cranes for which it has entered into technical collaboration agreements with two well-known British engineering companies who specialise in these types of cranes.

The business of the Company is carried on at its Hide Road Works, Calcutta, which extend to 13.872 acres and at Angus Works in the Hooghly District which extend to 16.724 acres with an additional area of 57.283 acres which is available for future development.

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(Merchant: Managing Director, Jardine Henderson, Limited.)

JOHN ENGLAND BINGHAM (*Managing Director*), 33, Chowringhee Road, Calcutta-16.
(Civil Engineer.)

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(Stockbroker: Managing Director, Place, Siddons & Gough (Private) Limited.)

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(Stockbroker: Managing Director, Place, Siddons & Gough (Private) Limited.)
(Alternate for Mr. J. L. Esplen.)

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(Solicitor: Partner in Orr, Dignam & Co.)

PERCIVAL WILLIAM GORDON ADAIR, 33, Chowringhee Road, Calcutta-16.
(Solicitor: Orr, Dignam & Co.) Alternate for Mr. T. C. Hornby.)

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(Company Director.)

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(Merchant: Managing Director, Jardine Henderson, Limited.)

SIR ASOKA KUMAR ROY, 3, Upper Wood Street, Calcutta-16.
(Company Director.)

SHARE CAPITAL

Authorised		Issued, Subscribed and Fully Paid.
Rs.		Rs.
40,00,000	40,000 9 per cent Redeemable Cumulative Preference Shares of Rs. 100 each.	
1,00,00,000	10,00,000 Ordinary Shares of Rs. 10 each	1,00,00,000
1,40,00,000		1,00,00,000

NOW BEING ISSUED

	Rs.
40,000 9 per cent Redeemable Cumulative Preference Shares of Rs. 100 each at par payable in full on Application	**40,00,000**

In respect of the above issue, which has been fully underwritten, firm applications have been received from the Underwriters and their friends for 20,000 shares and these will be accepted in full. The balance of the shares is now offered to the general public.

These shares will confer the right to a fixed cumulative preferential dividend at the rate of 9 per cent per annum (without deduction on account of income-tax payable by the Company *but subject to deduction of tax under* Section 194 of the Income-tax Act, 1961) and in a winding up to repayment of capital and arrears of dividend in priority to the Ordinary Shares but shall not confer any further right to participate in profits or assets.

They will be redeemable in whole or in part at the option of the Company at par on or after 31st December, 1974 on three months' notice but in any event not later than 31st December 1977. In the case of partial redemption the shares to be redeemed shall be determined by drawings.

The subscription List will open at the commencement of banking hours on Tuesday, 28th August, 1962 and will remain open until the close of banking hours on Thursday, 30th August, 1962 or later at the discretion of the Directors.

Application forms along with copies of the *Prospectus*, on the basis of which alone the redeemable preference shares will be allotted, can be had from the Registered Office of the Company, or from the Company's Underwriters, Bankers and Brokers whose names and addresses are given below:

UNDERWRITERS

PLACE, SIDDONS & GOUGH (PRIVATE) LIMITED, 6, Lyons Range, P.O. Box No. 592, Calcutta-1.

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Delhi ..	..	Lloyds Branch, Chandni Chawk.
New Delhi	..	Lloyds Branch, 10, Parliament Street.
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Madras	..	10, Armenian Street.
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Ahmedabad	..	Bhadra.
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LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

HARKISONDASS LUKHMIDASS, 5, Hamam Street, Fort, Bombay-1.

PATERSON & CO., Badsha Building, 22, Errabalu Chetty Street, P.O. Box No. 48, Madras-1.

RAJ PAUL CHADHA & CO., Delite Cinema Building, Asaf Ali Road, New Delhi-1.

REGULATION OF BRANCH EXPANSION

RESERVE BANK'S CIRCULAR TO BANKS

THE Reserve Bank of India has, in a circular issued to all Indian scheduled banks in the country, asked them to draw up in advance their respective branch expansion programmes for the next three years for approval before the end of December next. To begin with, banks are required to submit their branch expansion programmes for the twelve-month period ending 31st August 1963 by the end of this month. On receipt of the programme of the individual banks, the Reserve Bank will, among other things, examine the programme, co-ordinate the requests and indicate to each bank a programme of expansion which, in its view, would be regarded as fulfilling the basic requirements under Section 23 of the Banking Companies Act. This section, it may be recalled, provides that a bank should obtain a licence from the Reserve Bank for opening a new office and that the Reserve Bank may require, before granting such a licence, to be satisfied about the financial condition and history of the applicant bank, the general character of its management, capital structure and earning capacity and the public interest to be served by the opening of the proposed branch.

It is stated that, subject to these basic requirements, it has been the Reserve Bank's endeavour in the past to regulate the opening of new branches of banks in such a way as to assist in the development of the banking system to enable it to meet the growing banking requirements of the country. But there has not been a definite or clear-cut policy as such in respect of branch expansion. Banks have been applying for permission to open new branches as and when desired by them and such requests have been dealt with as and when received. This policy, or perhaps the lack of a policy, has had no ill effect on branch expansion. For, on the Reserve Bank's own admission, development of branch banking during the past ten years has been "generally satisfactory."

The total number of offices of Indian banks increased from 4,055 in 1951 to 5,040 at the end of 1961, an increase of 985 during the period. Of this increase, more than 50 per cent was accounted for by the State Bank of India, the exact increase being as many as 555, bringing its total number of offices to 946. The number of branches of other Indian scheduled banks increased by 1,180 to 3,371 during the period, but as 750 offices of non-scheduled banks, closed down, reducing their total to 723, the net increase in the number of branches of Indian commercial banks other than the State Bank of India was only 430. During this period, the branches of foreign banks rose only slightly from 64 to 71. Even so, out of 3,018 towns (according to the 1951 census) about 1,400 are still without any banking facility. It is the extension of banking facilities particularly to these areas which is now proposed to be stimulated by the Reserve Bank of India by the adoption of a systematic and planned expansion plan.

The circular issued by the Reserve Bank does not spell out in detail a new policy of regulation of branch expansion. Only, it emphasises certain points to be borne in mind by banks in preparing their branch expansion programmes. First, banks are advised to take into account the need for extension of banking facilities to unbanked areas. It has also enclosed a list of the 1,400 towns where no banking facilities exist at present. Secondly, banks have been asked to bear in mind the need for maintaining adequate control by the head office over the branches. The Reserve Bank maintains that it is not often possible to exercise such control if branches are situated far away from headquarters.

The Reserve Bank has reiterated the urgent need for the provision of banking facilities in the vast rural and semi-urban areas not at present served by any commercial banks. Opening of new branches in these areas, according to it, could not only assist in the further mobilisation of deposits but also provide better service to the community, "if done in a co-ordinated manner."

On the face of it, the Reserve Bank's advice sounds correct. But one wonders whether adequate thought has been given to the issues which its acceptance will raise and the problems that will be encountered in its practical application. The Reserve Bank wants the scheduled banks to draw up their branch expansion programmes for the next three years. The feasibility of preparing such a plan is in doubt when one bank does not know what the other one will do. Further, the list of unbanked areas prepared by the Reserve Bank is based on the 1951 census figures. The figures of the latest census have yet to be tabulated and it will certainly show that the number of unbanked areas has not only increased but new centres, especially industrial townships, which have emerged during the inter-census period, have also changed the order of priorities. Any scheme drawn up on the basis of the 1951 census figures might result in areas most in need being denied of banking facilities.

Further, there is the question whether the Reserve Bank should assume one more responsibility when it has enough work in regard to the regulation of banking practices, weeding out sub-standard banks and prevention of failures such as those of the Palai Bank and Laxmi Bank. All these problems require the undivided attention of the Reserve Bank. The practice hitherto followed by it in regard to licensing of branches has been fairly satisfactory, in that it has not encouraged unhealthy expansion of branches. Some have doubts whether the Bank has been right in allowing a large number of branches to be opened in the suburbs of big cities like Bombay and Calcutta. But it is too early to make any dogmatic comment. One has to wait and see. May be, the Bank will turn out to have been right in its judgment. Too much of planning in regard to branch banking by the central banking authority—the present move seems to fall under that category—is not a healthy thing, as it will not be conducive to the growth of a healthy spirit of initiative, enterprise and inquiry by individual banks. Let each bank find out for itself, as it has been doing hitherto, the places where it can function efficiently and profitably. If the Reserve Bank finds that a particular town or suburb is badly in need of banking services, it may draw the attention of commercial banks to that place. If it finds that none is interested, it can ask the State Bank of India or its associates to fill the gap. Beyond that it need not go. To insist upon advance planning by each bank for a three-year period would be to place a condition which may not suit all banks. In actual practice, it may prove to be a handicap to the medium and small banks. Care must also be taken to ensure that, in the name of planning and co-ordination, the scope for healthy competition is not restricted. It must be remembered that such competition is required not only for mobilising the savings of the people but also for encouraging establishment of productive enterprises through provision of credit. A surplus of banking services in an area is not always a bad thing, for it invariably results in stimulation of economy activity in that area.

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Open on the 27th August, 1962

The Loan will be closed without notice as soon as the subscriptions amount to Rs. 10 Crores approximately, and in any case not later than the close of business on the 1st September, 1962.

Applications will be received at (a) the offices of the Reserve Bank of India, Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi, (b) the branch of the State Bank of India at Patna, (c) the branches of the State Bank of Hyderabad conducting Government work in the State of Andhra Pradesh, (d) the branches of the State Bank of India in the State of Andhra Pradesh at places not covered by item (c), and (e) the Government treasuries and sub-treasuries in the State of Andhra Pradesh at places not covered by items (c) and (d).

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CONSUMER CHOICE OF NATURAL RUBBER

LOWER PRICES AND BETTER QUALITY IMPERATIVE

IT is only a cynic who can say that there is no future at all for natural rubber. May be, the production of synthetic rubber and its consumption are expanding pretty fast. Over half of the current world aggregate consumption of rubber is accounted for by synthetic rubber, as against 25 per cent in 1950. The world demand for rubber, which is now of the order of 4.9 million tons annually, including the estimated output within the Soviet bloc, is expected to reach as high as 6.4 million tons by 1970. As against this, natural rubber production is likely to rise from 2.0 million tons at present to just 2.7 million tons in 1970. The share of natural rubber will thus decline, but it will still be quite substantial. It is true swift technological developments are taking place not only to produce newer types of synthetic rubber but also to find fresh outlets for its use. This no doubt throws a challenge to natural rubber, but the challenge can be met and natural rubber can certainly hold its own against the impact of synthetic rubber, provided, of course, sustained efforts are made to enhance its competitive capacity *vis-a-vis* the new stereo-regular synthetic rubbers, particularly cis polybuto-diene which is finding increasing use in tyres, by lowering selling price through a reduction in cost of production and improve the quality. This at any rate is the conclusion that emerges from the perusal of two interesting papers read by well-known experts in rubber at the sixteenth meeting of the International Rubber Study Group held at Paris recently. The two experts are Dr. L. Bateman, Controller of Rubber Research, Malayan Rubber Fund Board and Mr. Dato H. A. Campbell, Managing Director, Socfin Co., Ltd.

In his paper, Dr. Bateman has focussed attention on the factors influencing the consumption and consumers' choice of natural rubber, while Mr. Dato Campbell has assessed the competitive prospects of natural rubber over the next ten years. The two papers are so interesting and contain so much valuable information that it is rather difficult to summarise them. Nevertheless, an attempt has been made to present in these columns the salient fatures of their papers.

Competitive Pressure

There are, according to Dr. Bateman, two dominant reasons for the formidable competitive pressure to which natural rubber has been subject for sometime now. The first is the failure of natural rubber production to keep pace with the large upsurge in total rubber consumption. Thus, between 1950 and 1960, the quantity of natural rubber actually produced has risen from 1.8 million tons to only 2.0 million tons per annum, whereas the world total consumption has gone up from 2.5 million tons to over 4.0 million tons, so that, necessarily, the large excess demand for rubber has had to be taken up by synthetic rubber. The second reason is that styrene butadiene synthetic rubber (S.B.R.) has been able to replace natural rubber in a number of large volume outlets, though not in all. Stating that the uniqueness of natural rubber has disappeared, Dr. Bateman has struck the following note of warning:

"No longer can it (natural rubber) generate a sellers' market; the buyer will be able to turn in other directions and the extent to which he does so will be determined (political and fiscal controls apart) by just those factors which determine the choice of everything in the same situation—price, availability, presentation and quality. The marketing of competitive synthetic rubbers has and will continue to set standards for these factors which will increasingly fashion the buyer's outlook and can only be ignored with penalty by the natural rubber industry. . . . The competitive strength of the natural rubber industry lies not in supplying a wide range of materials (whether these be tyres, grades, special or modified rubbers) but in providing the minimum variants on a single, versatile, general-purpose rubber, produced as efficiently, as cheaply and in as standardised a form as possible."

In the considered opinion of Dr. Bateman, the prosperity of the natural rubber industry will depend not on producing less and selling less at high prices but on producing and selling more at competitive and reasonably stable prices. It would seem prudent for the industry to plan to produce profitably for a selling price of 18 cents (U.S.) per lb., an objective which is considered to be well within the reach of efficient producers, especially with the agronomic advances still to be extensively applied; the reduced profit per lb. can be greatly offset by increased profit per acre. Further, the marketing of rubber must continue to be on the basis of visual grading system, though greater simplicity can be introduced; the recent move towards one international code of grades is a welcome first step. Again, special methods of control on export and shipment may be justified to counteract abuses such as iniquitous trading practices of all kinds from over-liberal application of bale coatings to "fiddling the grades" and to dockside "touching-up" of bale markings. As for quality, it is urged that particular attention be given to remove the two major defects commonly attributed to natural rubber, namely, dirtiness and variability.

Consumption of Rubber
(In '000 long tons)

Countries	Natural		Synthetic	
	1961	1950	1961	1950
India	43	18	10	..
U.S.A.	425	720	1,086	538
United Kingdom	166	220	117	3
France	127	103	96	7
W. Germany	141	79	120	3
Netherlands	21	14	13	..
Australia	29	34	24	..
Brazil	40	23	21	..
Canada	32	46	63	23
Japan	176	69	84	..
China	81	70	26	..

Synthetic-Natural Usage Ratio

An important point that Dr. Bateman has made is the progressively less use of natural rubber in relative amount for many years which, he says, will be reflected by a further rise in the synthetic-natural rubber usage ratio, especially in those countries where stereo-rubbers are being developed. Elucidating this point, Dr. Bateman observes:

"Inevitably, there will be greater selectivity in using NR (natural rubber), with substitution by blends making considerable inroads. NR is likely to continue to be favoured in high quality applications where design, construction and performance factors have more weight, within reason, than mere raw material cost. These applications include high performance tyres of all kinds (subject to certain reservations) and a wide range of other, less conventional engineering products. Somewhat paradoxically, NR will also be sought for very cheap products, since its superior strength properties permit it to be more heavily diluted with cheap fillers and extenders to give low cost compounds. The significant and fundamental feature of rubber usage, however, is that it continues in the main to be based on NR-type materials. From the discovery of a new polymer or process, the development of radically new rubbers with revolutionary technologies has been prophesied. This has been realised in the foam field by the polythers, but, for other than a very small minority of solid rubber applications, this possibility seems as distant as ever. In fact, the development of the stereo-rubbers, coupled with the existence of large volume SBR plans, serves to fortify the present usage pattern into which NR fits so well. What its place will be in the future, and how valuable this will be, depends on the efforts of the plantation industry and its addenda to achieve cost and quality competitiveness. That such efforts are needed as never before cannot be questioned; that they are worthwhile can be judged from the remarks of a distinguished pioneer of the synthetic rubber industry: "I have always looked upon NR as the great model substance which with respect to some properties might be surpassed but hardly duplicated as regards the totality of its wonderful properties.'"

Prospects

Mr. Dato Campbell has assessed the competitive prospects of natural rubber against the background of its past history. His review reveals that, although evidence of the existence of rubber goes back as far as 55,000 years B C., it was after the advent of the nineteenth century that research workers in many lands strove to make rubber usable for a variety of purposes. The break-through came when Goodyear (in 1839) and Harcock (two years later) discovered the process of vulcanisation. Mr. Dato Campbell has also drawn attention to the stereo-regular synthetic rubbers and points out that the development of these synthetics at low production cost, having properties which, if still not the absolute equivalent of natural rubber, are extremely equal to them, require the reduction in the production cost of natural rubber. He has indicated how the rubber estates in Malaya have made great progress towards this objective during the last ten years. The four main lines of approach, referred to by him, cover the following:

1. Replanting of large areas of old and low-yielding trees using new and improved high-yielding material.
2. Development of tree stimulation to give much greater yields than were originally thought possible.
3. The realisation that high stem tapping and tapping systems of greater intensity can be safely used to increase yields and at the same time prolong the economic life of the trees.
4. Improvement and development of planting technique.

In addition, recent work indicates a considerable potential for the future when the nutritional

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FERTILISERS FROM OIL AND REFINERY GASES

PROSPECTS FOR DEVELOPMENT

MORE than a third of the current world production of fertilisers consists of nitrogen compounds, of which some 80 per cent derive from synthetic ammonia in gaseous or liquid form. With almost 60 per cent of this ammonia now based on natural gas or oil, petroleum hydrocarbons thus provide roughly a fifth of all source materials for soil nutrients, but their share is certain to increase in the years ahead. For the mounting supplies of natural gas from newly opened prolific fields in Europe, North Africa and elsewhere, in conjunction with continuous advances in the technology of hydrogen manufacture from petroleum, will give added momentum to the shift in ammonia production from coke and coal to oil and gas. The beginnings of this shift date back to the early 1940s, when the United States started to use natural gas on a substantial scale for the synthesis of ammonia from nitrogen and hydrogen. It was, however, only during the past decade that petroleum hydrocarbons began to play a major part as basestocks for nitrogen production outside North America—a development which, in turn, considerably stimulated the expansion of ammonia and fertiliser manufacture as a whole.

In 1959, the global output of fertiliser nitrogen surpassed, for the first time, that of both phosphates and potash, the two other principal types of soil nutrients (but not producible from oil or gas). In the fertiliser year 1961-62 to last June, the world production of nitrogenous fertilisers was about 11⅞ million metric tons, as compared with some 4 million tons in 1950-51, while the output of phosphates rose during the same period from 5.8 million to just under 11 million tons, and that of potash fertilisers from 4.5 million to 9.6 million tons. These tonnages denote the respective nutrient contents of pure nitrogen, phosphoric acid and potassium oxide, which are the essential agents for plant propagation.

The most highly concentrated of the nitrogenous fertilisers is urea, with a nitrogen content of 45 per cent, but over half the world supply of fertiliser nitrogen is accounted for by ammonium sulphate and lime ammonium nitrate, both containing about 21 per cent of nitrogen. Other types include sodium and calcium nitrates, calcium cyanamide, aqueous and anhydrous (water-free) ammonia and combinations of ammonia with nitrate and urea dissolved in water, while so-called compound fertilisers contain nitrogen as well as phosphorus and/or potassium. In addition to the 11⅞ million tons of fertiliser nitrogen, about 2.2 million tons of nitrogen were produced last year for industrial uses in the manufacture of explosives, rocket fuels, plastics, fibres and in oil refining and metallurgical operations.

Routes to Ammonia Synthesis

The spectacular expansion of the nitrogen industry was, of course, sparked off in the first place by the inception in Germany, nearly 50 years ago, of the classical Haber-Bosch process for the synthesis of ammonia. Its subsequent introduction in many other parts of the world transformed the whole fertiliser scene by opening up vast new sources of raw materials for the large-scale manufacture of nitrogen compounds. Until then, these compounds had been available only in limited and insufficient quantities from natural substances, such as sodium nitrate (Chile saltpetre) and calcium carbide (cyanamide), or as by-product ammonium sulphate from coke-oven, blast furnace and other industrial operations. By the synthesis method, ammonia is produced directly by chemically combining ("fixing") the nitrogen from the atmosphere with hydrogen extracted from hydrocarbons and water by thermal or electrolytic means.

In the original German water-gas process the hydrogen needed was obtained by passing steam over red-hot coke, but it could also be derived from the distillation of liquefied coke-oven gases, or from water-gas made from lignite and brown coals. In countries where water power is abundant and electricity is therefore comparatively cheap, e.g., in Norway or Japan, it was found economically attractive to obtain the hydrogen by the electrolytic decomposition of water. All these sources of hydrogen, especially coal and coke, are still utilised to a considerable extent for the chemical fixation of atmospheric nitrogen, but since World War II their relative importance has rapidly diminished as they have been progressively displaced by natural gas, refinery gases and fuel oil.

According to the U.K. periodical *Nitrogen**, about 38 per cent of the world's synthetic ammonia capacity is now based in natural gas, 13 per cent on fuel oil, and seven per cent on refinery gas, while coal and coke provide 40 per cent, and other processes two per cent. So the contribution of coal and coke, which in 1939 was still over 90 per cent, has already fallen to less than half that proportion. But it has contracted even more sharply in countries endowed with abundant resources of natural gas.

In the United States, the combined share of coke-oven gas and water gas as raw materials for ammonia synthesis has declined to 10 per cent, while that of natural gas plus other gaseous and liquid hydrocarbons has risen to 87 per cent; in Italy, the respective proportions are at present roughly 20 and 80 per cent. In the Soviet Union, where natural gas provided less than one per cent of the total ammonia feedstock supply seven years ago, but nearly 30 per cent in 1960, its contribution is to be increased further to 65 per cent by 1965. Japan's ammonia industry proposes to reduce the use of coal- and coke-based source materials from 42 per cent in 1960 to 21.5 per cent in 1963, and that of electrolytic hydrogen from 11 to 2.5 per cent, while the share of crude oil, natural gas and refinery gases is to be raised from 47 to 76 per cent. On the other hand, Norway's entire production of synthetic ammonia rests on low-cost electrolytic hydrogen obtained from hydro-power.

The striking changes in the basestock pattern of ammonia manufacture during the past two decades bear an obvious resemblance to the equally rapid swing from coal and coal-tar derivatives to oil and gaseous petroleum hydrocarbon raw materials in the sphere of organic chemistry. But whereas in this latter field, both the hydrogen and the carbon components of olefins, paraffins, naphthenes and aromatics are transformed into an immense variety of organic chemicals, the importance of oil and gas for the synthesis of ammonia lies primarily in the utilisation of their hydrogen content for the fixation of nitrogen from the atmosphere.

Petrochemical Sources of Hydrogen

The cost of hydrogen has a very significant bearing upon the economics of ammonia production, and natural gas offers particular attractions as a source material as it combines the advantages of a high hydrogen content and of comparative cheapness in areas of ample supply. Indeed, natural gas was for some considerable time virtually the only petroleum hydrocarbon basestock used on a large scale for the fixation of nitrogen. The principal method employed for this purpose was, and still is, a methane reforming process by which the natural gas is reacted with steam over a catalyst. The synthesis gas thereby produced, a mixture of hydrogen and carbon monoxide, is then converted to ammonia by catalytically combining its hydrogen component with the atmospheric nitrogen in the air injected into that mixture. The carbon monoxide is transformed by further steam processing to a mixture of hydrogen and carbon dioxide, from which the carbon dioxide is subsequently removed. Alternative methods of ammonia synthesis involve the separation of nitrogen from the air under refrigeration in special fractionation plants.

In the United States, nearly two-thirds of the total domestic ammonia output is today based on steam methane reforming of natural gas, first introduced some 30 years ago; another 15-20 per cent is derived from more recently adopted processes for the partial oxidation of gaseous and liquid hydrocarbons. This latter route, by extending the range of source materials to refinery gases, crude petroleum, fuel oils and naphthas, has greatly widened the scope for producing nitrogen irrespectively of the local availability of natural gas. It, therefore, offered particular attractions for chemical and oil companies in European countries, where its technical development received initially its main impetus from Germany's former I.G. Farben, Shell, O.N.I.A. in France, and Montecatini in Italy. At present, however, the most widely applied version of this process is one brought into commercial use ten years ago by Texaco in the U.S., whose system is now used in over two-thirds of the fifty or more partial-oxidation plants in operation throughout the world.

Progressing Technology

While the partial-oxidation method has become the main route to the direct production of hydrogen for the synthesis of ammonia from liquid petroleum feed-stocks and refinery gases, it can also be used for obtaining hydrogen from natural gas. Steam reforming is, however, generally cheaper than partial oxidation, as the latter inevitably involves both higher capital expenditure and higher operating costs on account of its substantial requirements for high-purity oxygen and its greater energy consumption. As these factors adversely affect the overall economics of partial oxidation, further research on steam methane reforming sought to extend its range of application to other than gaseous petroleum hydrocarbons.

The notable success of these efforts is reflected in the fact that most of the modern steam reforming processes can now be used not only on natural gas but also on distillate fuels, residuals and refinery gases. These possibilities are already being exploited to an increasing extent. For instance, Britain's biggest producer of synthetic ammonia, Imperial Chemical Industries, which has long taken a prominent part in the development of steam reforming, has recently adopted its new process for making synthesis gas by continuous catalytic steam reforming of light oil fractions and hydrocarbon gases for its entire gas production at its previously coke-based fertiliser factory at Heysham. I.C.I., whose ammonia capacity currently totals about 475,000 tons a year, is carrying out similar conversions at its Billingham works, and will also use steam reforming at its new ammonia plant at Severnside. Shell's 75,000-ton ammonia plant at Shell Haven operates on the Company's own partial-oxidation process for making synthesis gas from oil.

Impact of Low-cost Natural Gas

On the European Continent, the switch from coal to petroleum hydrocarbon basestocks for ammonia-making has been progressing most rapidly in the countries with major resources of natural gas, whose unit costs per therm are invariably lower—in certain instances by over 50 per cent—than those of other sources of hydrogen. In Italy, where ten years ago nearly three-quarters of the domestic ammonia capacity was based on coke-oven gas and water gas, and a fifth on electrolytic hydrogen, over 60 per cent of the total production is now based on natural

*March 1962 issue of *Nitrogen*, published by The British Sulphur Corporation Ltd., London.

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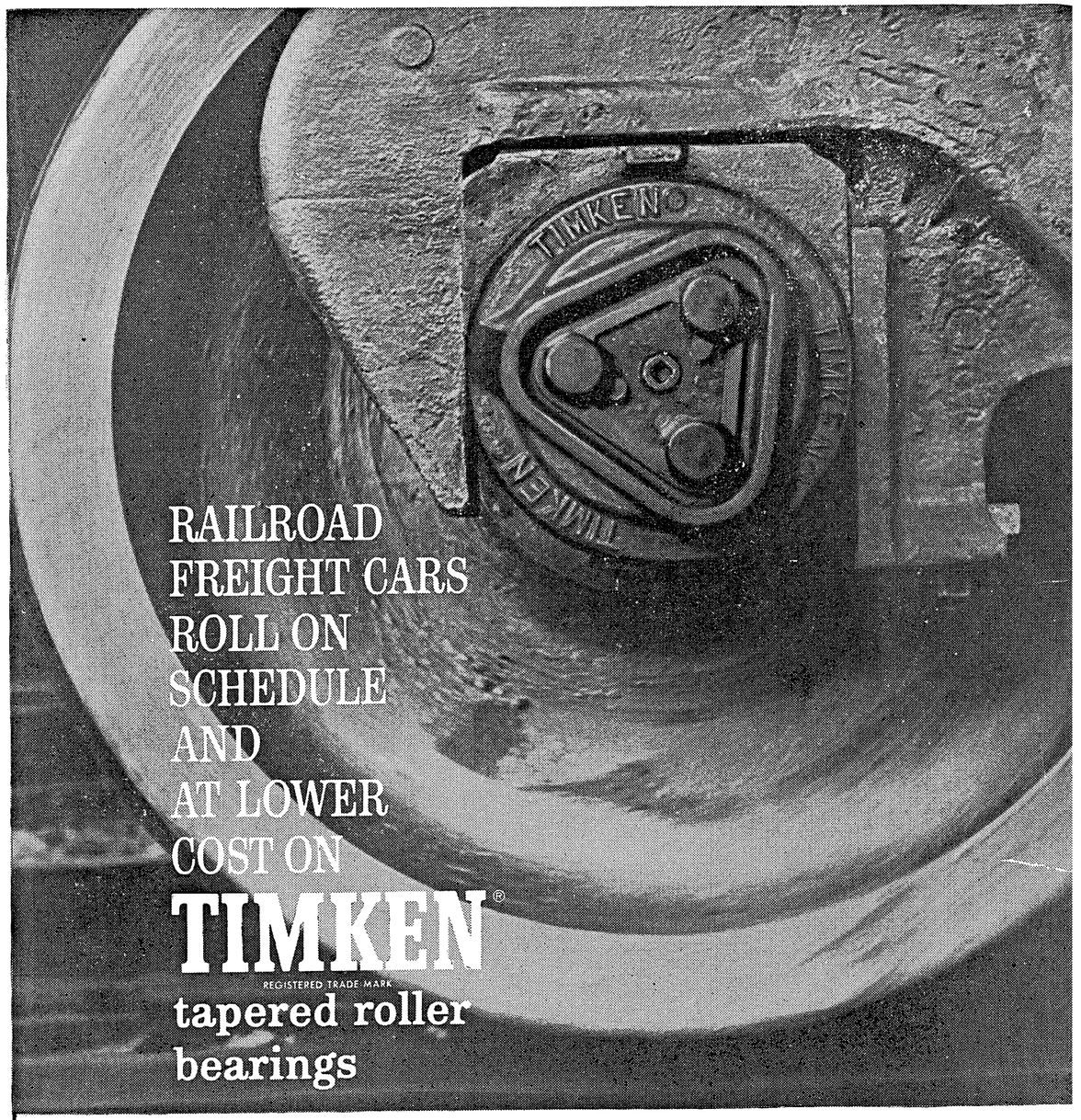

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gas, and nearly 20 per cent on refinery fractions and fuel oil. In France, the growing availability of Lacq gas has raised the contribution of natural gas to the country's ammonia feedstock supply from 18½ per cent in 1952-53 to some 30 per cent last year, while the share of refinery gas and fuel oil went up from 3½ to 15 per cent.

There have, however, so far been only minor departures from the traditional basestock pattern of ammonia manufacture in West Germany, the world's second largest producer of nitrogen and the largest exporter of nitrogenous fertilisers. Over 85 per cent of the country's current nitrogen output is still obtained from coke-oven gas and water gas, reflecting the German ammonia industry's high integration with coke production, mining and steel-making operations. Nevertheless, the prospect of wider use of petroleum hydrocarbon basestocks in the future is brought nearer by the possibility that part of the Netherlands' newly discovered huge reserves of natural gas at Slochteren, near the Dutch-German border, may be absorbed by Ruhr industries. In the Netherlands, the Verenigde Kunstmestfabrieken—recently set up as a joint venture of Mekog (B.P.M. and Hoogovens) and Albatros—are contemplating co-operation with Staatsmijnen for building a new ammonia plant based on gas from the Slochteren field, reserves of which are estimated at some 150,000 million cubic metres of gas.

More distant lies the prospect of supplying Europe by a large trunk pipeline system with natural gas from the Sahara's vast resources, of which the Hassi R'Mel reserves alone exceed 1,000,000 million cu. m. In that case, not only town gas concerns in Europe would benefit, but also petrochemical companies and ammonia producers might be induced to supplement their raw material supplies with Saharan gas, if this became available to them at lower cost than feedstocks from European sources. At its present well-head price of AF 1.80 per cu. m., which is equivalent to less than a penny per therm, Saharan gas is among the cheapest in the world. But the great expense of its long-distance transportation to Europe would raise delivered costs in European markets considerably above the prices charged to Algerian consumers, of which newly established industries in the coastal areas now enjoy preferential rates of AF 3.15-3.50 per cu. m. Algeria's first ammonia plant to operate on Saharan gas is now under construction at Arzew for Soc. Algérienne de l'Azote.

Growth of Ammonia Capacity

Whenever natural gas is in ample supply, the production of nitrogenous fertilisers is an early candidate for its use. In Mexico, Pemex recently commissioned its first natural-gas based ammonia plants at Minatitlan and Salamanca, whose output will suffice to meet the country's current nitrogen requirements, of which hitherto nearly four-fifths have been imported. In Trinidad where natural gas at the Penal oilfield costs as little as ¼d. a therm, W. R. Grace and Co. is erecting a new ammonia unit, whose output will be mostly exported in liquid form by refrigerated tankers. Intercol S.A. in Colombia is building at Cartogena a nitrogen plant to operate on refinery gas from Mamonal, and in Venezuela a fertiliser factory set up by the State-owned Institute of Petrochemicals is due for completion this year.

In the Middle and Far East, recent schemes for the inception of nitrogen production from oil and gas are now in operation or in varying stages of progress, *inter alia*, at Abul Floos in Iraq, at Homs in Syria, at Shiras in Iran, at Multan in West Pakistan, at Sylhet in East Pakistan, at Madras, Trombay, Nahorkatiya and other locations in India, and at Palembang in southern Sumatra. In Kuwait, the manufacture of ammonia is included in the programme of the newly formed Kuwait Petrochemicals Company, 80 per cent of whose initial capital is held in equal parts by the Kuwait Government and the Italian chemical engineering firm of Oronzio de Nora, and the rest by Kuwait National Petroleum Company, Kuwait National Industries and the general public.

With nearly three-quarters of the present world population of three billion people still subsisting on an inadequate diet, there is obviously a strong incentive for underdeveloped countries to produce low-cost fertilisers from their own resources of natural gas or oil. However, the commercial justification of such ventures depends foremost on suitable local preconditions for establishing ammonia plants. Vital determinants are, of course, the availability of capital, of technical skill and of adequate transport facilities and, not least, the scope for developing sufficiently large home and export markets for domestically produced nitrogen.

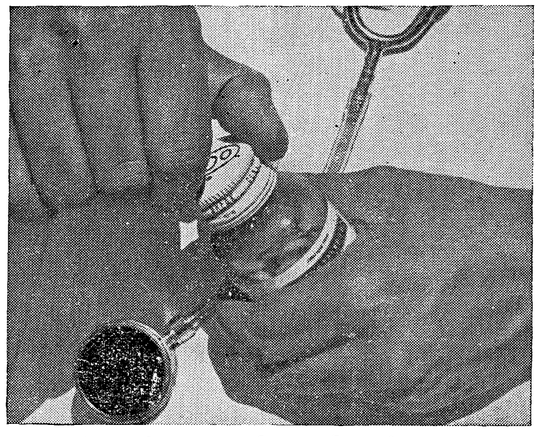
Sharpening competition already presents established ammonia producers with increasingly severe problems, which are bound to be aggravated by the steady influx of newcomers in countries that hitherto relied mainly on imported fertilisers. Global production of nitrogen has for some some time been running ahead of consumption by a widening margin, and the currently available plant capacity is far from being fully utilised. The excess of supply over demand within Western Europe, where it now finds its way into export markets, is currently as high as a million tons a year, though it is appreciably less for the world as a whole. This imbalance and the resultant heavy stock position in certain nitrogenous products are reflected in the downward trend of fertiliser prices, which producers strive to offset by economies in manufacture and by the increasing use of new low-cost processes based on petroleum hydrocarbons. Clearly, the least expensive feedstock is natural gas from fields close to major fertiliser markets.

In view of the growing availability of comparatively cheap petrochemical source materials for ammonia manufacture, the present overcapacity is unlikely to call a halt to the construction of new plants. All indications are indeed to the contrary, and this is hardly surprising. For, although the industry's supply potential today surpasses the global volume of nitrogen consumption, the level of demand still falls far short of actual needs for soil nutrients, especially in underdeveloped agricultural countries. Nearly four-fifths of the current world consumption of fertilisers is concentrated in Europe, North and Central America, and Australasia, while the remaining small proportion is absorbed in the much larger and densely populated areas of Asia, Africa, and South America, which between them contain two-thirds of the earth's arable land. This striking disparity serves to indicate the still immense scope for expanding ammonia production and for exploiting to a yet greater extent the advantages of using feedstocks from petroleum hydrocarbon sources.—(*By special arrangement with Petroleum Press Service.*)

World Nitrogen Production and Consumption (a)
(In thousand metric tons of pure nitrogen)

Fertiliser year	1957-58		1959-60		1961-62 (b)	
	Prod.	Con.	Prod.	Con.	Prod.	Con.
Western Europe						
W. Germany	1,217	737	1,274	847	1,420	870
France	550	531	664	584	830	660
Italy	482	278	677	426	710	425
United Kingdom	465	435	551	573	630	645
Others (13 countries)	1,227	1,022	1,429	1,202	1,502	1,308
	3,950	3,003	4,595	3,632	5,092	3,908
North America						
United States	3,029	2,960	3,500	3,600	3,820	3,910
Canada	259	75	322	85	403	100
	3,288	3,035	3,822	3,685	4,223	4,010
Latin America						
Chile	200	20	185	21	140	28
Mexico	17	118	25	120	32	150
Others (16 countries)	3	150	27	212	87	271
	220	288	237	353	259	449
Free World Asia Middle East						
Japan	970	677	1,029	770	1,225	880
India	82	165	95	240	140	300
Egypt	32	157	39	145	60	150
Others (app. 20 countries)	52	449	80	624	168	786
	1,136	1,448	1,243	1,779	1,593	2,116
Africa/Australia						
South Africa	58	70	63	81	90	95
Australia	24	36	22	25	24	38
Others (app. 10 countries)	..	60	..	81	..	104
	82	166	85	187	114	237
Total Free World	8,676	7,940	9,982	9,636	11,283	10,720
Eastern Europe						
Soviet Union	750	785	890	930	1,110	1,150
East Germany	347	275	380	310	410	350
Others (6 countries)	393	519	548	693	645	795
	1,490	1,579	1,818	1,933	2,165	2,295
Communist China (c)	191	511	360	680	465	785
Total Communist Bloc	1,681	2,090	2,178	2,613	2,630	3,080
World Total	10,357	10,030	12,160	12,249	13,913	13,800

(*a*) Including Industrial Nitrogen.
(*b*) Estimates.
(*c*) Including North Korea.
Source: Aikman (London), Ltd., and British Sulphur Corporation.



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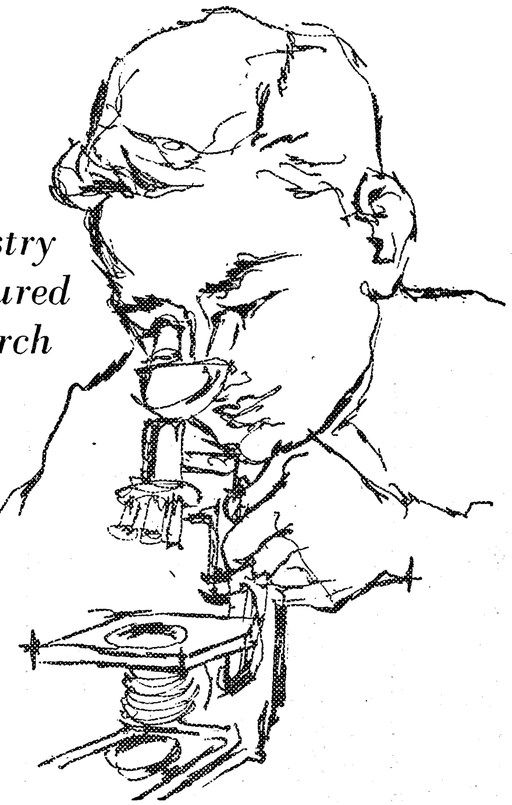

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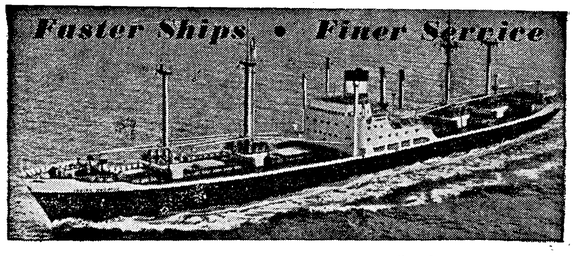

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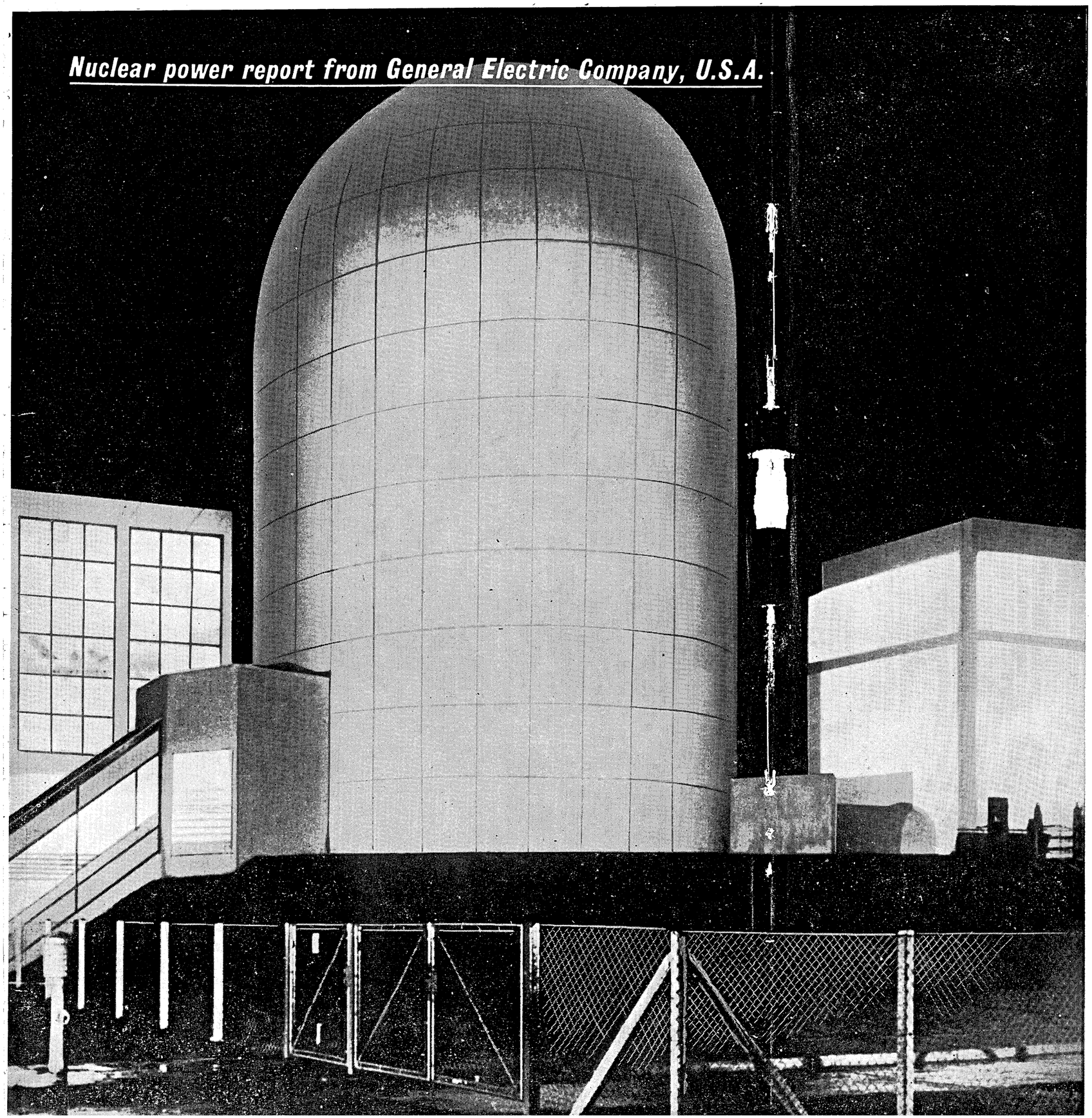
Nuclear power report from General Electric Company, U.S.A.



General Electric boiling water reactor powers West Germany's first atomic power plant

Kahl Nuclear Power Station, West Germany's first nuclear power station, completed in 1960, is now operating at full power and has generated approximately 75 million kilowatt hours. The station produced Europe's first privately financed atomic electric power in June 1961, and is being used for both power generation and research.

The heart of the 15,000 kwe plant is a G-E boiling water reactor which uses slightly enriched uranium oxide fuel. The plant, privately financed by two German utilities, Rheinisch-Westfaelisches Elektrizitatswerk and Bayernwerk (A.G.), is regarded as a forerunner of much larger nuclear power plants under consideration by German utilities.

In other parts of the world, other boiling water reactor power plants are under way. Near Naples, Italy, the 150,000 kwe Garigliano Nuclear Power Station for SENN, now more than 75 per cent complete, will be in operation next year.

In Japan, the 12,500 kwe BWR plant for the Japan Atomic Energy Research Institute (JAERI) is progressing on schedule. In the U.S.A., BWR plants are under construction for Consumers Power Company at Big Rock Point on Lake Michigan, and for Pacific Gas and Electric Company at the Humboldt Bay Power Plant site near Eureka, California. In addition, General Electric is building an experimental superheat reactor at its Vallecitos Atomic Laboratory in California in conjunction with the Empire State Atomic Development Associates.

Long identified as a leader in the development of nuclear power, G.E. is engaged in a widely diversified programme of nuclear application. BWR plants are now being offered up to 500,000 kwe, incorporating such advanced concepts as pressure suppression containment and internal steam separation. Other atomic products and services include reactor sub-systems, components, fuel, control and instrumentation, engineering studies, computer services, research, development and irradiation services. For further information, contact International General Electric Co. (India) Private Ltd., Thackersey House, Graham Road, Ballard Estate, Bombay-1.

International General Electric Company, Dept. 30-27R, 159 Madison Avenue, New York 16, N.Y., U.S.A.

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NEW PUBLICATIONS

Vegetable Oils and Oilseeds, 1962 (No. 12). Price: 10s. net (10s. 10d. post-free). Obtainable from H. M. Stationery Office or from the Executive Secretary, Commonwealth Economic Committee, Marlborough House, Pall Mall, London, S.W. 1— in India from the Sales Section, British Information Services, British High Commission, Chanakyapuri, New Delhi, 21.

WORLD vegetable oil supplies resumed their generally upward trend in 1961, when output is estimated to have increased by 5 per cent to a record 17.1 million tons, according to estimates contained in the latest edition of the Commonwealth Economic Committee's annual review *Vegetable Oils and Oilseeds*. Most of the increase took place in the edible group, where supplies rose to 12.6 million tons, following the heavier 1960-61 groundnut, sunflower, rapeseed and olive harvests. A continued high level of copra output in Asia was again the most important factor in the edible-industrial group (coconut, palm kernel and palm oils), where supplies again exceeded 3.2 million tons. In the industrial group, world supplies recovered to 1.3 million tons, thanks to heavier linseed and castor crops, but tung oil output again declined. Commonwealth total vegetable oil supplies, which had been low in the previous year, rose by 11 per cent to 3.8 million tons, largely owing to heavier groundnut crops in India and Nigeria and a record rapeseed harvest in Canada.

The latest available estimates indicate even heavier supplies of edible oils in 1962, largely on account of record 1961-62 crops of groundnuts, soya beans and sunflower seed. Copra output seems likely to be well maintained, but the prospects for linseed are still uncertain.

World trade in vegetable oils and oilseeds in 1961 did not reflect the improvement in supplies. In part, this was because the increases were in crops retained for domestic consumption, e.g., Indian groundnuts and Soviet sunflower seed. The main cause, however, of the reduction of 5 per cent in world trade in 1961 to 5.3 million tons in oil equivalent, its lowest level since 1958, was the decline of nearly 30 per cent in net exports of soya beans and oil. Shipments fell sharply from both the major suppliers, namely, China and the United States, from the former because of poor harvests, from the latter mainly as a result of switches by importing countries to cheaper items in the face of high soya prices. A further influence was some slackening in Western European import demand. In contrast to the decline in world trade in 1961, Commonwealth exports rose by 7 per cent to 1.4 million tons, in oil equivalent, the largest total since 1956; notable were larger exports from Canada, Ceylon, Malaya, Nigeria, and the Pacific Islands.

During 1961, imports by Western Europe were generally reduced. United Kingdom imports declined by 3 per cent to under 0.7 million tons in oil equivalent, the lowest level of the post-war period, while in the European Economic Community total imports of 2.25 million tons in oil equivalent were 6 per cent lighter than in 1960, although they were still well above the 1957-60 average. However, purchases by the Community in 1961 from Commonwealth sources, especially Nigeria, rose somewhat, accounting for 18 per cent of total imports as compared with only 15 per cent in the previous year.

An appendix to *Vegetable Oils and Oilseeds* analyses the European Economic Community's imports in 1960 and 1961 by types of oils and oilseeds, distinguishing between Commonwealth and non-Commonwealth sources, and also summarises the Commission's provisional proposals for the common policy in oils and fats announced in 1961. Other appendices are concerned with the tariffs and trade regulations of leading importing countries; annual available supplies of vegetable oils in various countries (including for the first time the Soviet Union); soap, margarine and compound cooking fat production; and whale oil production and trade. Among changes noted are the decline in Antarctic whale oil output in the 1961-62 season, and the growth in the usage of fish oils in margarine and compound cooking fat manufacture in 1960 and 1961.

The Third Five-year Plan and India's Economic Growth. Edited by B. C. Tandon. Published by the Chaitanya Publishing House, Allahabad. Pages: 324. Price: Rs. 15.

The book is a collection of essays on the various aspects of the third Plan, written by experts in their respective fields. The editor deserves to be complimented for having brought together in one volume several studies on the Plan, which appeared in different publications, to facilitate ready reference by the student community. The range of subjects covered includes monetary, fiscal and commercial policies, along with studies relating to general problems of development, agriculture, co-operation, population growth, employment and labour. The first article is by Vera Anstey, who examines the major impediments in the way of "take off" under Indian conditions and suggests solutions for overcoming them. There are two thought-provoking studies by Dr. P. S. Lokanathan, one on the problem of regional economic development and the other on taxation level in the country. In another article, Mr. B. C. Tandon examines, on the basis of certain readily available data, issues relating to inequality of incomes in India. A short, but critical, analysis of the means of financing the Plan forms the subject matter of the essay on "Resource Mobilisation" by Dr. K. N. Raj. "Fiscal Policy under Democratic Planning" by Mr. S. K. Mukerji, "Monetary Policy" by Mr. P. D. Hajela and "Comercial Policy" by Mr. S. L. Parmer are among the other very useful essays. The role of agriculture in the Plan has come in for critical examination in two excellent studies, one by Dr. C. H. Shah and Mrs. Tara Shukla and the other by Mr. G. C. Mandal and Mr. A. K. Gupta. The article on "Price Policy in a Developing Economy," by Khetramphan Patnaik, which appeared in *Commerce* sometime back, also finds a place in this volume. Among the other important topics dealt with mention may be made of "The Plan and Socialism" by Mr. A. K. Das Gupta, "Resources from the Rural Sector" by Mr. V. G. Ramakrishna Aiyar, "Price Stabilisation" by Prof. P. C. Jain and "Organisation and Administration of State Enterprices" by Dr. N. Das.

The book thus seeks to provide a rich fare of stimulating reading material on the various facets of the third Plan. It would have been more useful to students had the editor included in the volume some contributions appraising industrial development in the first and second Plans, investment pattern, planning models adopted in India and also such subjects as land reforms, transport and communications. The absence of a detailed introduction, with particular reference to the framework of the third Plan, is also conspicuous. This would have enabled lay readers to view the somewhat assorted collection of articles in the volume in the proper perspective.

Japan Trade Guide, with a Comprehensive Mercantile Directory—1962. Published by the Research Institute of Japan, c/o Jiji Press Ltd. (Jiji Tsushinsha), No. 2, Hibiya Park, Chiyoduku, Tokyo, Japan. Pages: 863.

The *Japan Trade Guide*, which is being prepared and published by the Research Institute of Japan every year, has already earned a good name as an authentic reference volume on Japanese industry and trade. Its twelfth edition, which has just been released, has incorporated the developments during the last one year in the field of Japanese foreign trade. The volume is divided into eight parts. The first part gives an account of major political and economic developments in Japan in 1961. The next chapter deals with the trends in production and shipment of the major export items. Included in this part is also general information on export services, such as aviation and shipping, advertising and the tourist industry. The next two chapters are devoted to an examination of Japanese laws and regulations affecting foreign trade. The sixth chapter contains statistical tables on certain economic indicators and production. It may be observed, in passing, that there is scope for expanding this short section to give a more detailed picture of recent trends in Japanese production and foreign trade. Making a detour, the seventh chapter takes us to some of the beauty spots and tourist centres of attraction in Japan. The last part is a "mercantile directory," containing a list of most of the industrial concerns in Japan. Printing and get up of the volume are excellent. The information given is sufficiently exhaustive and the language lucid and simple. It is indeed an ideal export trade directory.

A Survey of India's Export Trade. World Trade Department, Indian Chambers of Commerce, Calcutta. Pages : 117. Price: Rs. 5.

A Survey of India's Export Trade, brought out by the World Trade Department of the Indian Chambers of Commerce, Calcutta, is an analytical study of India's export trade over the last few years. This book examines the commodity-wise and country-wise trends in exports. It also contains some statistical tables. It is, however, disappointing to note that the analysis is rather scrappy. The book, of course, stresses the cliche that "stagnation in exports is not inevitable and, with energetic and appropriate measures, it should be possible to achieve a steady increase in India's export." Nowhere in the book is given a cogent and satisfactory thesis in support of this statement. What the authors have done is simply to collect the easily available data on exports and repeat well-known generalities on the basis of exoprt trends in the last three or four years. If the newly-created World Trade Department of the Chamber wants to be helpful to the business community, it should make a thorough study of the supply and demand prospects of Indian exports and related matters, examine the problems faced by some of the important export industries and suggest ways and means of solving them. It cannot claim to serve the cause of export promotion, if it contents itself with the easy task of merely compiling official figures and bringing them together in book form.

Yearbook of International Trade Statistics—1960. Prepared and Published by the Statistical Office of the United Nations, Department of Economic and Social Affairs, New York. Price: U.S. $7.00.

This U.N. publication gives a comprehensive statistical picture of the trends in, and pattern of, world trade over a period of thirty years, that is, 1930 to 1960. The wealth of data brought together in this volume includes those on the exports and imports of individual countries, along with the contribution of trade of each country to the trade of its region and to the world as a whole. What is more important, the *Yearbook* examines the trend of fluctuations in commodity prices and the movement in terms of trade between primary commodities and manufactures. The data are based on material published in the *Direction of International Trade*, issued every month by the Statistical Office of the U.N., the I.M.F. and the World Bank. For most countries, they represent official export figures converted to U.S. dollars. Another feature of the *Yearbook* is that it contains data on the foreign rade of communist countries—data based on official information given by the Governments concerned.

World exports, according to the *Yearbook*, touched a record of $127,500 million (f.o.b.) in 1960, as compared with $115,100 million in 1959 and $82,400 million a decade ago. (These figures exclude trade with one another of Mainland China, Mongolia, North Viet Nam and North Korea.) World imports, too, rose to a peak level in 1960 to $134,300 million, as compared with $120,300 million in 1959 and $87,200 million a decade ago. But the increase in trade has been accounted for mainly by developed countries during the last decade, their aggregate exports having gone up by as much as 65 per cent during 1951-60, that is, from $52,000 million to $82,300 million. On the contrary, the exports of underdeveloped areas were relatively stagnant, being $27,300 million in 1960, or an increase of just about 12 per cent over 1951 ($24,100 million). The terms of trade during the decade 1950-60 also moved unfavourably to the underdeveloped areas. Their terms of trade (unit value index of exports divided by unit value of imports; Base: 1953=100) deteriorated from 166 in 1950 to 96 in 1960. During the same period, the terms of trade of developed countries improved by 7 points to 105. This volume is available in India from (1) Orient Longmans, Bombay, Calcutta, Madras, New Delhi and Hyderabad, (2) Oxford Book and Stationery Company, New Delhi and Calcutta, and (3) P. Varadachari and Co., Madras.

JOURNAL OF LOCAL ADMINISTRATION OVERSEAS (ANNUAL SUBSCRIPTION: RS. 9.07)

On 1st January 1962 the Department of Technical Co-operation in Britain began publishing a quarterly journal, entitled the *Journal of Local Administration Overseas*. This is to be a professional technical journal aimed principally at local administrators, but it is also of value to workers and teachers in the field of contemporary history, anthropology, administration, government, rural economy, and the other social sciences. The aims of the *Journal* are: (*a*) to record developments, experiments, and experience in administration at the local level of Government; (*b*) to discuss problems and developments and compare them with similar problems and developments in other parts of the world; (*c*) to provide a link between research and administration; (*d*) to review current legislation, reports and other writings.

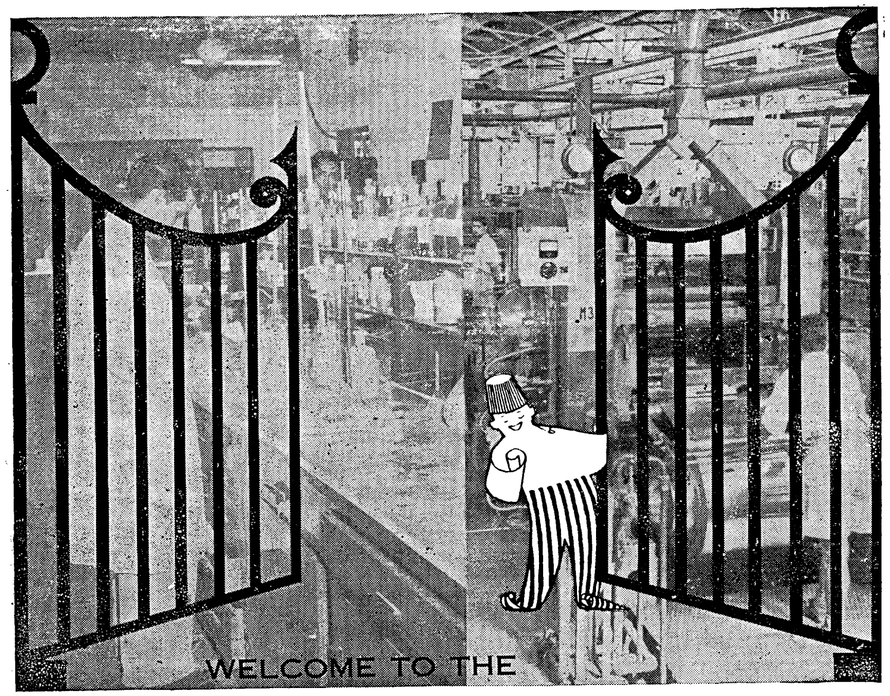
Lord Hailey in a recent message to the *Journal* said, "I gladly take the opportunity to commend it to all who may be concerned with the administrative aspects of Government at local levels as well as to those especially interested in local Government, land tenure, local courts and the development of customary law. I am delighted to know that the work of the former African Studies Branch and its *Journal* has now been extended to embrace a wider field than Africa alone and I hope that, through the medium of the *Journal of Local Administration Overseas*, information on all its subjects may be widely available. It will, I am convinced, prove to be information of exceptional value, for it will embody the experiences of those who have been personally engaged in the practical work of administration. The administrative experiences and experiments of India may well be relevant to the West Indies and those of Canada to Nigeria."

Local orders should be sent to the Sales Section, British Information Services, British High Commission, Chanakyapuri, New Delhi-21.

KOTHARI'S ECONOMIC GUIDE AND INVESTORS' HANDBOOK OF INDIA

Although delayed by a few months, the 1961 edition, which is the twenty-fourth in the series of what was formerly known as *Investors' Encyclopædia* and now rechristened as *Kothari's Economic Guide and Investors' Handbook of India*, is richer than the previous edition. The delay, we are told, was beyond the control of the compilers, Messrs. Kothari and Sons, the well-known share, stock and exchange brokers of Madras, as it was due to the "bottlenecks" in obtaining the necessary information and material. However, the time lost was not wasted. For the publication, in its present form, can be legitimately called the bible of investors in India. Addition of some considerable new information and a drastic revision of the entire publication have fattened its already bulky size by as much as 800 pages to 3,786 pages. In order to make it handy, this reference work has been divided into two volumes. The first volume confines itself to vital background information on industries and general economic development in India, which is appropriately illustrated by graphs, maps and charts. The volume carries for the first time some general articles by eminent persons in the field, including some Union Ministers. The second volume deals with information on, and progress statistics of, the innumerable companies in the country. Needless to say, the various particulars given have been revised and brought up-to-date. Even the data received after printing the main body have been included in the supplement to the first volume.

The compliers have also added in the edition under review information on a large number of companies recently floated, besides listing a sizable number of the existing companies whose details were lacking in the earlier editions. They have also given particulars of all new flotations separately as also a list of companies which raised capital in the market during the last two years. A number of companies on which only abstracts had been given in the previous editions, have been treated *in extenso* in the new edition. Besides, there are the usual details on the various taxes and the sources of industrial finance. The investor gets all this at a price of Rs. 50 as against Rs. 30 before. The publication has been edited and published by Mr. P. H. Parekh.



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CHAIRMAN, MR. J. W. EASSON'S ANNUAL SPEECH

STABILITY IN WORLD COPPER PRICES WELCOMED

ADDRESSING the shareholders of the Indian Copper Corporation Ltd., at their Thirty-eighth Annual General Meeting, held at Calcutta on Wednesday, 8th August 1962, the Chairman, Mr. J. W. Easson, C.A., welcomed the 'unusual' stability in copper prices on the London Metal Exchange from June 1961. According to Mr. Easson, the present stability in copper prices abroad is the result of a balance between supply and demand, which has been achieved by some of the largest producers who have reduced their output and given considerable support thereby to the price on the London Metal Exchange, Mr. Easson said there was no reason to believe that the present cut-back in production of 15 per cent of capacity would not be varied to keep the world copper output in balance.

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

"GENTLEMEN,

"The annual report of the Directors and the accounts for the year ended the 31st December 1961 were submitted to you several weeks ago and I am sure you will agree that the results are not unsatisfactory despite the economic hazards which your Company, in common with many others, experienced during the year. This is the first occasion on which I have had the pleasure of addressing you and I would like to continue the practice of my predecessors and tell you something about your Company's trading throughout the year, the progress achieved and future prospects.

General Review

"From June 1961, copper prices on the London Metal Exchange have been remarkably stable, and the difference between the highest and lowest quotations has been as little as £5 per ton. This compares with a fluctuation of £61 in 1960 and £33 in the first half of 1961. This unusual stability is the result of a balance between supply and demand, which has been achieved by some of the largest producers who have reduced their output and given some support to the London Metal Exchange price. The cut-back in production now stands at 15 per cent of capacity and there is no reason to suppose that this percentage will not be varied to keep the world copper output in balance. As long as there is no violent fluctuation in the demand for copper or labour unrest among the larger producers, I expect the price of copper to remain around the present level of £234 per ton.

"The selling prices of your Company's products are linked to the world prices of copper and vary in accordance therewith. Thus, the price stability in the world markets, which I have mentioned, has been reflected in the steadiness of the price structure of our products in the Indian markets. At the present selling rates, and if our production is maintained at approximately the current level, the profit-margin can be regarded as satisfactory and I think we can view the immediate future with confidence.

Working Review

"You will have noticed from your Directors' report that production of copper dropped by 574 tonnes in comparison with 1960, in which year you will recall production reached a record level. The fall in production during the year was due to a reduction in the number of days worked as the 1960 annual overhaul, when the plant which had to be shut down, was postponed to January 1961 and had to be extended by several days in order to modify the ropeway. A further shutdown of a few days later in the year was caused by a shortage of coal.

"I am, however, pleased to be able to tell you that due to an improvement in the copper recovery percentage the rate of production was actually higher than in the previous year.

"Development and prospecting continued throughout the year, but on a considerably reduced scale. Certain essential stores, in particular explosives and drill steel, were in short supply and development had to be suspended or curtailed in a number of areas. Nevertheless, I am glad to be able to report that despite the reduction in footage developed, the ore reserves increased by over 110,000 tonnes during the year. These reserves at 31st December 1961 reached the record figure of more than 4 million metric tonnes.

"Last year, your Chairman drew your attention to the adverse effect on production of cuts in import licences. Your Company's output of brass and yellow metal sheets and circles depends entirely on the availability of zinc, which must be imported and, as a result of the serious foreign exchange position, our full requirement of zinc was not sanctioned in 1961. The output of rolled products, therefore, fell substantially in comparison with the previous year and, with India's foreign exchange position still critical, the prospects of any improvement this year are rather remote.

Infra-structural Shortages

"Like most industrial undertakings, your Company has been greatly concerned with the serious shortage of power, coal and transport, but the overall effect, I am pleased to say, was not as bad as had been expected. Nevertheless, the threat remains and it is to be hoped that every effort will be made to bring about a definite and permanent improvement in the supply of these utilities on which all industry depends.

"Your Company is fortunate in that it possesses its own generating plant to augment the electric power supply from the Damodar Valley Corporation and thereby has largely been able to counteract power cuts. As a result, the Company suffered no serious power shortage during the year, but I trust that there will be a considerable improvement before the end of 1963, when we shall require substantially more power.

"Your Company has suffered an acute shortage of coal throughout the year and, despite full co-operation received from suppliers and the Coal Controller, it has been impossible to build up stocks which have remained at dangerously low levels. The facts of the national coal shortage are well known to you all and need no repetition here. Suffice it to say that energetic action is now being taken by the authorities concerned and, while the scarcity will undoubtedly remain with us in the immediate future, I hope that it will get no worse.

"The shortage of coal has been aggravated by the difficulties of rail transport and in an effort to avoid a recurrence of a stoppage of work it has become necessary to augment supplies by the far more expensive method of road transport.

Transport Problem

"The rail transport problem has also been reflected in a decrease in the despatches of finished goods from the works and in consequence there has been a further increase in stocks. This accumulation of stocks is, I am afraid, locking up more of the Company's finances than is desirable, but I am pleased to say that there have recently been signs of an improvement in the wagon allotments and, if this is maintained, despatches should improve and the stocks should come down to a more satisfactory level.

"The overall cost of production has increased, principally due to the lower output, but the facts that raw materials are now more expensive and labour costs are higher and mining is generally being carried out at greater depths, have also added to the increase.

"Modifications to and replacement of the existing plant and equipment continued according to schedule in conformity with the plans to increase production, and I am pleased to tell you that alterations necessary to increase the capacity of the aerial ropeway were successfully completed during the year.

"I am happy to inform you that in place of Consolidated Goldfields of South Africa Ltd. which, for domestic reasons, had to relinquish its appointment as the Company's technical consultants, we were most fortunate in being able to appoint John Miles and Partners (London) Ltd. as consulting engineers and technical advisers for a period of five years from the 1st July 1961 and the appointment has received the approval of the Government of India. John Miles and Partners (London) Ltd. has already been of considerable assistance in the progressing of our expansion programme.

"I am pleased to report that good relations between the management and labour were maintained throughout the year.

Kyanite Dispute

"A particularly satisfactory achievement of the year was the settlement, by way of a compromise, of the long-outstanding dispute with our superior landlord, the State of Bihar, over our lease to mine kyanite. Our thanks are due to all those persons who have brought these negotiations to a successful conclusion. I am pleased to report that the State Government has granted to your Company a fresh lease of the property to mine kyanite ore for a period of 20 years from the 1st September 1961, with an option of renewal. The claim of the Bihar Government on your Company including mesne profits for the period between the date that the old lease expired in 1955 to the date that the new lease was granted in 1961, was Rs. 1 crore which, in terms of the compromise settlement, stands satisfied by the Company undertaking to pay agreed annual instalments throughout the period of the lease.

"Despatches of kyanite increased from 21,659 tons in 1960 to 27,460 tons in 1961. The export of kyanite continues to earn the much-needed foreign exchange and, with this in view, we have increased our efforts to improve overseas trade and we now have contacts in most countries of the free world.

Electrolytic Project

"I am happy to report that work on the electrolytic copper refinery is now progressing satisfactorily. Work has suffered from the shortage of cement and certain delays in the issue of licences for equipment being imported from overseas, but these difficulties have now largely been overcome and there is no apparent reason why the project should not be completed by the end of 1963.

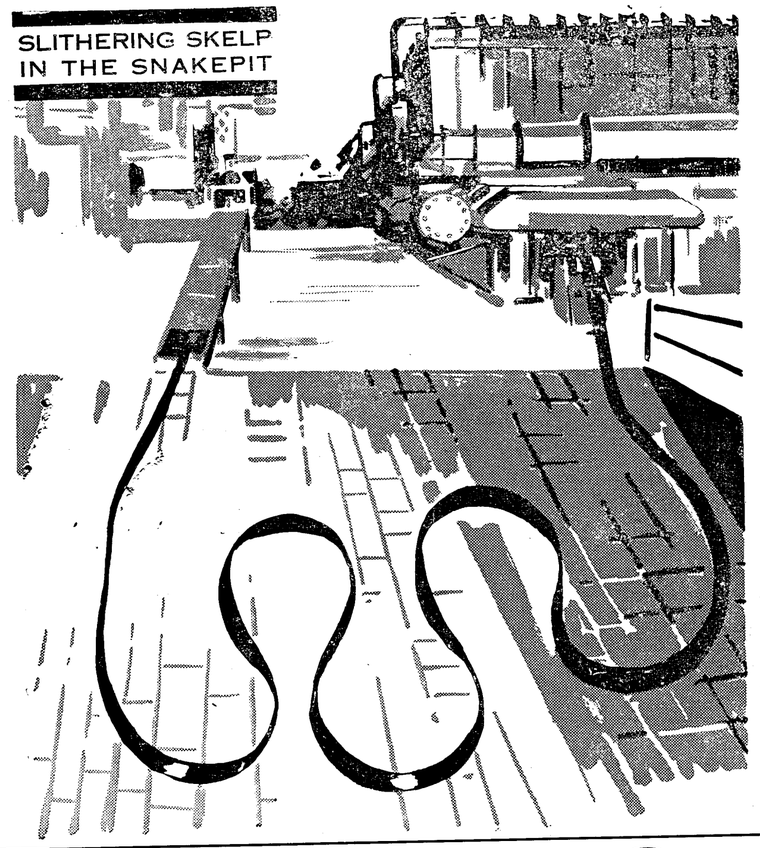
"Turning now to the accounts, the results disclosed reflect the conditions under which the Company has operated during the year and which I have outlined in my remarks to you today. The profit for the year before providing for taxation, depreciation and reserves amounts to £1,222,163 which compares with £1,307,982 for 1960. The provision for taxation requires £504,512, while your Directors have decided to place £165,000 to depreciation and £100,000 to general reserve. This year £56,250 goes to development rebate reserve.

"I mentioned earlier the settlement of the kyanite suit and you will no doubt have noticed in the balance-sheet that a sum of £280,964 has been transferred from general reserve to make provision against the decretal amount for previous years. In addition, £68,465 has been appropriated out of the profits for the year under review.

"The balance available for disposal, including the amount brought forward from the previous year, is £442,561 and your Directors are recommending the same dividend distribution as last year, namely 27 per cent, subject to tax. This will absorb £370,251, leaving a sum of £72,310 to be carried forward to next year.

"In conclusion, I am sure you will wish to join me in thanking Mr. N. A. B. Hill, the General Manager and the staff at the mines and at the works and all the workers for a year of loyal and industrious effort."

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



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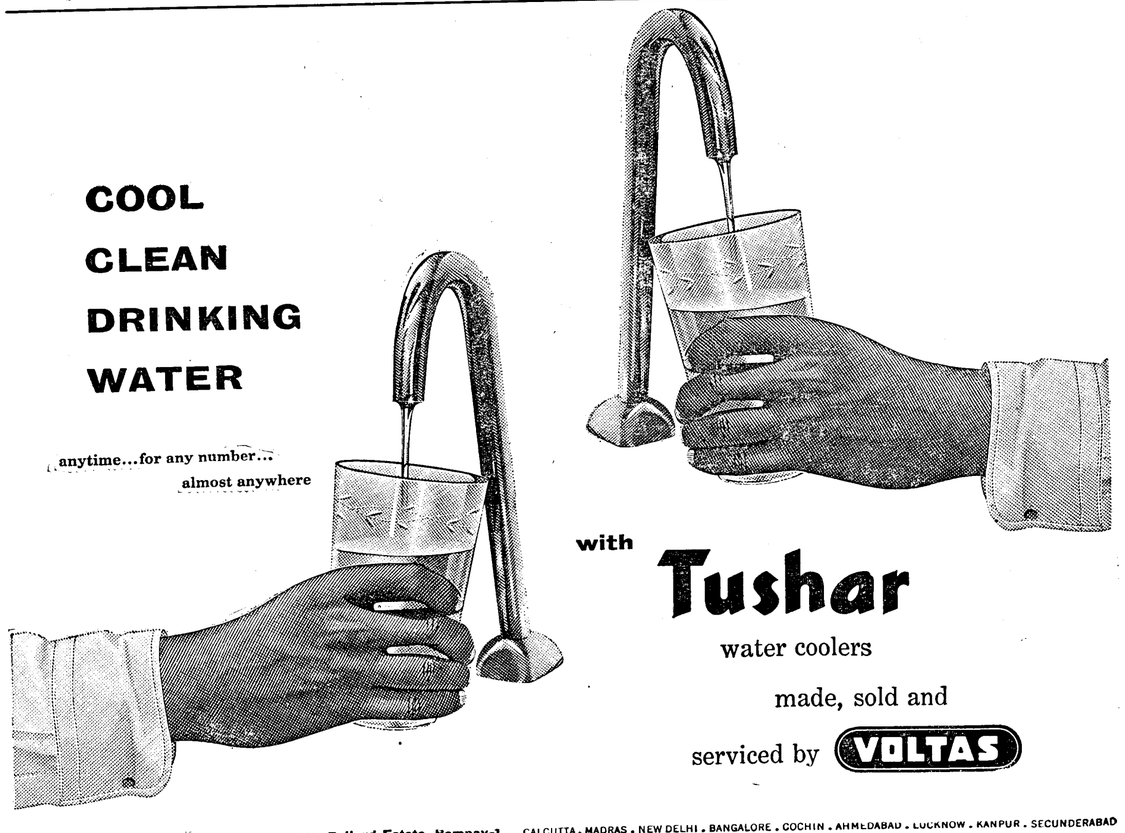

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TWENTIETH LABOUR CONFERENCE

ARBITRATION—RIGHTS OF UNIONS

THE Twentieth session of the Indian Labour Conference, held at New Delhi last week, made some important recommendations which have a vital bearing on industrial relations in the country. Significant among the recommendations is one relating to arbitration and another to recognition of unions. The Conference agreed that employers should accept voluntary arbitration invariably as the next step in the settlement of industrial disputes, if conciliation proceedings fail, except in cases where "arbitration might have repercussions in other sectors of the industry."

This conclusion was reached after considerable debate in which representatives of employers and workers advanced their respective points of view. Mr. G. L. Nanda, Union Minister for Labour, himself referred to the question of acceptance of voluntary arbitration as a method of settling disputes in his inaugural speech at the Conference. He said that complaints were flowing in from workers that employers, as a rule, did not accept arbitration on the failure of conciliation proceedings and that workers were consequently forced to have recourse to adjudication. He added that the question was often posed whether refusal to submit a dispute to arbitration was a breach of the Code of Discipline. In his opinion, arbitration was one of the important components of the Code and that employers were, therefore, bound to accept it. But he conceded that there might be occasions when the employers might have some grounds for preferring adjudication. But there were, according to him, numerous instances in which no justification whatever existed for not accepting arbitration. He seemed to suggest, albeit by implication, that a persistent refusal to go to arbitration, even in cases which involve no great stake to employers, was a violation of the spirit, if not letter, of the Code of Discipline.

It may be noted here that the Code only lays down that the existing machinery for the settlement of disputes should be utilised. Since both arbitration and adjudication form part of this machinery, preference of one method to another cannot be interpreted as a breach of the Code. But, as Mr. Nanda has always been at pains to emphasise, the Code had value only as long as it was observed in letter and spirit alike.

Panel of Arbitrators

Representatives of employers gave the assurance that employers were not opposed to arbitration and that every effort would be made to have increased recourse to arbitration with certain safeguards. But they maintained that the voluntary nature of arbitration should be preserved. This stipulation means that they should not be forced to accept arbitration. One of the main obstacles in the way of widespread adoption of arbitration for dispute settlement is that its scope is strictly limited. Its adoption, even in the limited field in which it could be usefully employed, is made difficult by political unionism, existence of a large number of unions and the absence of a panel of arbitrators which command the confidence of both the parties. The Conference, therefore, did well to recommend that a panel of arbitrators be selected on every State by the Labour Ministers concerned in consultation with representatives of employers and workers. This will obviate the difficulty of finding arbitrators acceptable to both the parties.

Another conclusion reached by the Conference pertains to the recognition of trade unions. The Conference recommended that employers should promptly recognise trade unions fulfilling the criteria for recognition as laid down under the Code of Discipline. Leading the discussion on the subject, the Labour Minister referred to complaints by trade unions that employers often refused to recognise any unions and pointed out that, as recognition of the majority union was one of the vital ingredients of the Code of Discipline, failure to do so was a serious breach of the Code. He, however, ruled out legislation to enforce recognition by employers.

The rights of recognised unions *versus* unrecognised unions formed the subject of a lively debate. In a working paper on the question prepared for the Conference, the Union Labour Ministry discussed the main issues involved. It has been contended, according to the working paper, that, in the absence of defined rights of a recognised union under the Code of Discipline, the very purpose of recognition is defeated. In some cases, it has happened that an unrecognised union raised disputes on issues which were settled by the management earlier with the recognised union. The conciliation machinery intervened and later the issues were referred to adjudication. This, it is pointed out, frustrates the very purpose of recognition and undermines the position of a recognised union. Certain rights of a recognised union are already prescribed under the B.I.R. Act, M.P. Industrial Relations Act and the Industrial Disputes (Rajasthan Amendment Act). If, therefore, recognition under the Code is to be purposeful, it is argued, it is necessary that the rights of a recognised union be defined.

Rights of Recognised Union

The Labour Ministry's suggestion, therefore, is that a union recognised under the Code should have the following rights:

To raise issues and enter into collective agreements with employers on general questions concerning the terms of employment and conditions of service of workers in an establishment or, in the case of a representative union, in an industry in a local area.

To collect membership fees/subscription payable by members to the union within the premises of the undertaking.

To put up or cause to put up a notice board on the premises of the undertaking in which its members are employed and affix or cause to be affixed thereon notices relating to meetings, statements of accounts of its income and expenditure and other non-controversial matters of general interest.

For the purpose of prevention or settlement of an industrial dispute:

(*a*) to hold discussions or meetings with the employees who are members of the union normally on open land outside the security zone of the office/factory premises of the undertaking and, in certain cases, also within the premises of the undertaking with prior consent of the management;

(*b*) to meet and discuss with an employer or any person appointed by him for the purpose, the grievances of its members employed in the undertaking;

(*c*) to inspect, if necessary, in an undertaking any place where any member of the union is employed.

To have the privilege of being given a premises—on certain conditions—by a management for the union's office.

To nominate its representatives on the Grievance Committee constituted under the Grievance Procedure in an establishment.

To nominate its representatives on joint management councils.

To nominate its representatives on non-statutory bipartite committees, e.g., production committees, welfare committees, canteen committees, house allotment committees, etc., set up by a management.

A registered union, which is not recognised under the Code, should have the following rights:

(i) to take up with the management grievance of its individual members, having no bearing on general principles applicable to other workmen; the management should negotiate with the union on such grievances but in no case should they enter into an agreement with it on matters of general interest. If a mutually agreed grievance procedure exists in an establishment, grievances of individual workmen must invariably be routed through that procedure.

(ii) to raise questions relating to violation of the Code of Discipline or of labour laws, awards, agreements and settlements with the concerned implementation machinery.

Exclusive Right

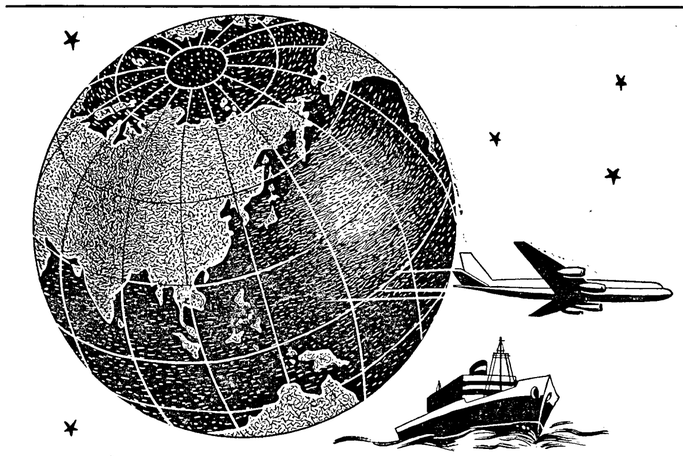
It will be seen from the above suggestions that the first and foremost exclusive right of a recognised union is to raise issues and enter into collective agreements with the employers on general questions concerning the terms of employment and conditions of service of the workers in an establishment or, in the case of a representative union in an industry, in a local area. This right conflicts with the right under the I.D. Act of 1947, whereby a registered but unrecognised (by management) union can raise an industrial dispute even on matters covered by an agreement mutually entered into by the management and the recognised union. This conflict can be avoided if all central organisations agree, on a voluntary basis, that an agreement between a recognised union and management on general questions will not be disturbed or challenged by an unrecognised union affiliated to any of them. Such an arrangement already exists in Bihar, *vide* the State Government's resolution dated 11th March 1959, which has the support of both employers and workers. Its main features are as follows:

"An employer should deal with all questions of general interest to the workmen with the recognised union only, but he shall not enter into any agreement with such union about specific grievances of individual character of workmen who are members of the unrecognised unions. The right of a recognised union will not debar and unrecognised union from taking up grievances of its individual members with the employer and from raising questions relating to the violation of the Code of Discipline, awards and agreements with the concerned implementation machinery. Further, cases of individual workmen, having no general application to others, can be brought up before an employer by a registered union of which the workmen are members even if the union is not recognised. It is obligatory for the employer to negotiate with such a union, but in no case can he enter into an agreement with it on matters of general interest."

It may be also noted that, at a tripartite meeting on labour-management relations in coal mines, held on 5th May 1962, it was agreed that if, in a colliery, a recognised union existed, the management should deal with that union only for general questions of terms of service and employment of workers. Unrecognised unions, if any, should not disturb the agreement on these questions between the recognised union and management.

During the discussions on the subject of the rights of recognised unions *vis-a-vis* those of

(*Continued on page* 308)



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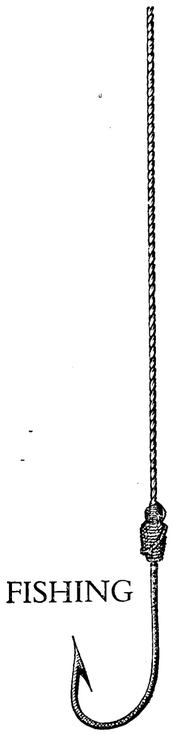

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THE INDIAN SUGAR MILLS ASSOCIATION

MR. D. D. PURI REVIEWS SUGAR INDUSTRY'S PROBLEMS

"EXCISE DUTY HAS TO BE REDUCED DRASTICALLY"

THE important problems confronting the sugar industry and the ways of solving them were both highlighted by Mr. D. D. Puri, M.P., Chairman of the Indian Sugar Mills Association, in the course of his speech at the Twenty-ninth Annual General Meeting of the Association held at New Delhi on Wednesday, 8th August 1962. Mr. Puri's review covered a wide ground, including sugarcane price, manufacture of sugar, exports with special reference to raw sugar production, tax burden, coal supply, etc. Speaking on tax burden, he drew attention to the heavy excise duty which, he said, was a major factor responsible for the instability in sugar industry. He warned that, if the duty were maintained at the present level, the country might rapidly move into another crisis of shortage, even though the country was still overwhelmed by the problems of surplus stocks. If the present disparity perpetuated itself, the sugar industry, he went on to add, would never be able to escape the regularly recurring cycles of surplus and shortage. He, therefore, urged that the excise duty must be reduced drastically.

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

Determination of Sugarcane Price

"For a realistic assessment of the problem of the sugar industry, it has to be borne in mind that the production of sugar in the world is much more than its consumption. The potential is even bigger than the production achieved hitherto. That is why most exporting countries and some importing ones, notably the U.S.A., have imposed statutory restrictions on cane and beet acreages. In India, however, control of this type would present insurmountable administrative problems because of the large number of growers involved. Here the only way to stabilise the production of cane is to fix its statutory price at a level that is not so low as to be unremunerative, as that would inevitably discourage cane cultivation and affect sugar production, and not so high as would divert additional land to cane cultivation and thereby disturb the economy of other food crops. Experience has proved that, whereas the price of Re. 1.44 was too low resulting in shortages in sugar production, the price of Re. 1.62 was definitely too high and caused the crisis of overproduction. The price was raised from Re. 1.44 to Re. 1.62 in 1959-60. Within two years, area under cane registered an increase of about 20 per cent in the Northern zone alone. Thus, in 1960-61, we produced 3 million tons of sugar when we consumed only 2.1 million tons. This rapidly expanding area under cane, unless checked, would lead to disaster. It would bring about a collapse of the sugar industry and with it widespread suffering to the millions of cane growers all over the country. That is why production of sugar had to be statutorily controlled in the last season. We have, therefore, to strike a balance between these two extremes to avoid measures like restriction on production becoming a recurring feature.

Basic Facts of Sugar Industry

"The basic concept of a statutory price of cane, irrespective of its sugar content, has been a major obstacle in the way of cane development. It has acted as an incentive in the wrong direction; it has encouraged the grower to grow cane without regard to the sugar content thereof. There is no getting away from some basic facts of life in sugar economy. Let me state these as clearly as I can.

"One, sugar is produced in the field; the factory only processes it. If India is one of the highest cost sugar producers in the world, the causes and the cures will have to be sought in the field.

"Two, when cane is sold, it is the sugar in cane that is or should be paid for. The rest is trash, literally and metaphorically.

"And three, the grower has to be helped into a correct concept of the common objective and provided with the wherewithal to achieve it.

"In the light of these observations I venture to suggest that the recent policy of Government fixing Re. 1.50 per maund as the minimum price of cane upto a recovery of 9 per cent and increasing it corresponding to increase in recovery is a welcome first step. One might be tempted into suggesting improvements even in this first step. For instance, a mechanism could be built into the scheme whereby factories should be enabled to pay a higher than minimum price for cane at a time when competition from *gur* is particularly fierce and adjust this additional payment later on without in any way deviating from the average minimum price payable to the growers. The industry, however, has an open mind on the scheme and is prepared to give it a fair trial so as to be able to make constructive suggestions after working it for one season. Later on, the scheme of incentives will have to be carried further to groups of growers and ultimately perhaps the individual grower.

Cane Development

"Alongside the quality incentive price scheme, we have to provide the grower with the wherewithal to improve the production of sugar in cane. State Governments raise crores of rupees every year on account of cane cess. They have done so for decades now. By and large, these moneys have not been spent on cane development. Let it be understood clearly and without doubt that diversion of cane cess to general revenues is carried out almost entirely at the expense of the grower. There is no getting away from the fact that cane cess was first proposed and levied in the name of cane development. The most important single factor that can put sugar production on a sound footing is the utilisation of cane cess for cane development. The biggest beneficiary, if this ever happens, will be the cane grower. And this step will bring about stability to all aspects of the sugar industry, including exports.

"I am happy to acknowledge here the welcome step taken by the Punjab Government when they announced that the entire cane cess would be spent on cane development in the State and sincerely hope other States will emulate the example. I also welcome the announcement of the Chief Minister, U.P., for setting up a high-power committee to suggest ways and means of improving the position of the industry in the State. I hope this committee will be formed soon, will go deep into the problems and suggest a corrective that could be implemented expeditiously.

Sugar Exports

"Moving now from sugarcane to sugar, I may express that an export target of 5 lakh tons for 1963 is a safe figure to start with. This could be improved upon progressively in the following years. Our national economy is entering a difficult phase. As time passes, the foreign exchange position is getting more and more difficult and there is no hope of checking the strain at least in the next few years. We, therefore, must export. Our failure on this front would rob our hard-won freedom of its content and meaning and deal an irreparable blow to our economic growth. We have passed the stage of ifs, buts and whethers and must get on with the job. My appeal to every one concerned is to make an all-out effort to promote exports.

Need to Produce Raw Sugar

"For the sugar industry, which is relatively a new-comer in this field, exports on a large scale will present many difficulties. Take raw brown, to start with. Technologically, switching over from the production of direct consumption white to raw brown, which has to undergo further refining, may appear to be a retrograde step. It may appear very easy. It may or may not be retrograde, but it is certainly not as easy as may appear at first sight. We have to recognise the fact that a large part of the sugar that sells abroad is in the raw state. As more and more countries establish refineries, the raw market is expanding at the cost of white. The seller has no choice. He has to produce what the buyer wants.

"This Association has given a very close look to the production of raw brown sugar. We convened two seminars followed by two meetings where the technologists discussed the problems involved. We have received valuable advice and assistance from the National Sugar Institute. As a result of all this, it is clear that, with the exacting specifications demanded by some of the importers, the switch-over is not an easy matter. Apart from production, there are the problems of storage, handling and deterioration in transit. Nevertheless, I am confident that, with co-operation and understanding at the hands of Government, the industry will and it must make an all-out effort to produce 2 lakh tons of raw sugar in the next season. Personally I have no doubts whatsoever that the target will be achieved and valuable experience gained for expanding this production in later years.

"During the last year, we exported about 2.47 lakh tons, of which more than half was for the U.S.A. and the balance for Malaya and other destinations in East and West Asia and East Africa. This was by far the largest quantity ever exported from India. Apart from affording some relief to the industry in disposing of its stocks, exports of sugar have enabled the country to earn a substantial amount in foreign exchange. Its contribution to the foreign exchange resources last year was about Rs. 13 crores at a time when the most unsatisfactory aspect of the country's economic situation, according to the Finance Minister, was 'the persistent attrition of our foreign exchange resources.'

"This year, we have already exported about 2.25 lakh tons and, according to the sales already contracted, should ship 1.10 lakh tons before the start of the next season. We have this year also made a first entry into the Canadian market by selling about one lakh tons there. This has given us confidence in being able to develop markets in far-off places also.

U.S. Quota

"I would also like to make a brief mention of our efforts to obtain a quota for our sugar under the new U.S. Sugar Act. I am sorry that our expectations in this regard have remained unfulfilled and that we have been able to secure only a nominal quota of 20,000 tons per annum for the next two and half years. We have not won a better quota in spite of our having successfully overcome the difficulties involved in shipping, bulk handling and making supplies available at short notice. I make bold to say, the performance of Indian sugar—and we have exported 1.37 lakh tons to the American Continent in a short span of three months—will bear comparison to that of any nation in the world, including those well established over decades in this business of exporting sugar to America.

Regulation of Releases

"Coming now to releases for sale within the country, we are at one with Government that a fair and stable price for sugar is desirable in national interest. We recognise that, in a large country like ours, transport and other problems tend to create bottlenecks leading to ups and downs in prices here and there. These limitations are inherent and have to be borne with patience, without panic. We believe that regulation of releases can help build a statutory corrective to the forces of instability. We thus state that the industry should be consulted at the time these releases are determined.

Reduction in Excise Duty Essential

"Excise duty on sugar was first levied in 1934 at 97 naye paise per maund. Over the years, it was increased to Rs. 4-12 per maund. In May 1957, this basic excise duty was doubled to Rs. 8.25 per maund. Further, an additional excise duty was levied in December 1957, in replacement of sales tax, which, together with the basic duty, amounted to Rs. 10.70 per maund.

"About one-third of the cane grown in the country finds its way to the vacuum pan sugar factory. The rest goes into the manufacture of *gur* and *khandsari*. There is no duty on *gur*. The duty on *khandsari* is nominal. Vacuum pan sugar alone bears this heavy burden. Whenever there is shortage of cane, the factories are unable to pay the price that *khandsari* and *gur* manufacturers can. In times like these, cane which is normally supplied to factories is diverted to *gur* and *khandsari* manufacture. This is a national loss, for the factory is able to extract between 33 and 50 per cent more than the *gur* and *khandsari* manufacturer is able to. And it leads to idling of capacity, on the one hand, and an overall loss of sugar, on the other. This phenomena acts most acutely when there is a shortage and aggravates this shortage. This situation leads to control and control in its turn inhibits production.

"Sugar has swung between regularly recurring cycles of shortage, control, decontrol, glut and control again. In the three seasons ending 1955-56, we have imported 13.17 lakh tons sugar and later had over a million tons to export. A major factor in this instability is the heavy excise duty on sugar and the economic disparity it generates between the different users of cane—vacuum pan factories, on the one hand, *gur* and *khandsari* manufacturers, on the other.

"The only way to get out of this vicious cycle is to reduce excise duty on sugar. If the basic duty is reduced to the 1957 level, a part of the loss of revenue would be offset by increased consumption. And yet the increase in production would easily take care of the increase in consumption, so that our export programme would not be endangered.

"If the present disparity perpetuates itself, the Indian sugar industry will never be able to get out of regularly recurring cycles of surplus and shortage. Vagaries of weather are bad enough by themselves. The man-made disparity, created by the excise duty, aggravates the climatic variations in both directions. This keeps every one connected with the sugar industry, the cane grower, the industry, the trade and the consumer in a perpetual state of instability, almost of crisis. Pray do not imagine our sugar export programme can remain immune from these crises. Excise duty has to be reduced drastically. This Gordian knot has to be cut. No cheaper solution is available.

Installation of New Units *vs.* Expansion of Uneconomic Units

"Another matter which I must touch is that, before licences for new factories are issued, the small uneconomic units must be allowed to expand to economic capacities. The latter must rank prior to the former.

Coal Shortage

"The country has been passing through a period of acute coal shortage due to which the coal quota of the sugar industry was drastically reduced to 185,000 tons for the season 1961-62, as against its demand for 250,000 tons. It was with considerable difficulty that the industry was able to carry on the season. For the year 1962-63, a drastic cut was again effected in the steam coal and hard-coke quotas of the industry from 711 wagons to 365 wagons per month. However, I am glad to state that, on repeated representations made, the cut in respect of steam coal has now been restored. But the cut on the hard-coke quota has yet to be restored. Hard-coke is essentially required by carbonation factories in the actual process of manufacture without which the factories cannot work. I would, therefore, like to urge upon the Mines and Fuel Ministry of the Government of India to reconsider the matter and arrange for early restoration of the cut in the hard-coke quota to enable the carbonation units to have sufficient supplies ensuring smooth and uninterrupted working during the coming season."

Notice

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FORTHCOMING EXTRAORDINARY GENERAL MEETING

REFERENCE IS MADE TO THE NOTICE dated 25th July 1962 convening an Extraordinary General Meeting of the members of the abovenamed Company to be held on Friday the 24th August 1962.

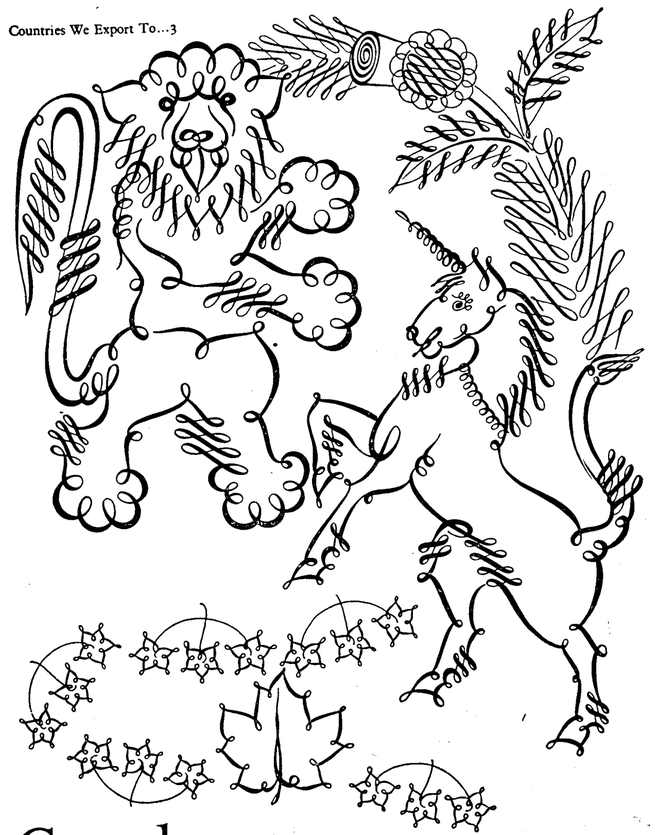
The purpose of that Meeting was to consider and, if thought fit, to pass certain resolutions to enable the subdivision of each equity share of Rs. 100 in the Company into 10 equity shares of Rs. 10 each.

It was announced in the Press on the 9th August 1962 that Fisons Limited have acquired a very large block of the shares of the Company, and that they intend to pass over some of those shares to other interests.

The Directors consider that it would be inopportune to pursue the proposal to subdivide the Company's shares while a large proportion of those shares is in the process of changing hands. Shareholders are therefore advised that it is the Directors' intention to adjourn *sine die* the Extraordinary General Meeting of the 24th August without transacting the business which it had been intended to put before the Meeting.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

11*th August* 1962.



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PEOPLE'S CAR FIASCO

NO JUSTIFICATION FOR KEEPING HOPES STILL ALIVE

THE much-talked-of small car project was bound to end in a fiasco, as it has done now. This journal had no doubt about it right from the beginning, because the case for it was based on flimsy grounds. The project was something like promising *badam halva* (almond pudding) made in pure ghee as part of the daily menu for the teeming millions of a nation which is not in a position to provide even for two square meals a day. Otherwise called "small car" or "economy car," the project was something to the implementation of which the lower middle-class people were looking forward, or made to look forward, whether or not they had the wherewithal to purchase and maintain even a car of that kind. Their hopes, which were so assiduously roused in 1960-61 by Mr. Manubhai Shah, the then Union Minister for Industry, have just been virtually killed by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. They have not been *completely* killed, for the Minister has sought to keep them alive by announcing that the "Government has decided that the small car project cannot be taken up for implementation *just now* and that the consideration of the project will have to be deferred." (Italics ours.)

Some at least of the "lower middle-class" people (for whom, Mr. Manubhai Shah had said originally, the small car was intended) may well ask now whether the project is worth pursuing even at some future date. To have roused hopes which were doomed to disappointment was bad enough. To keep alive these impossible hopes is worse still. If it has not been found possible so far to make good Mr. Manubhai Shah's promise that the manufacture of small cars would commence in the public sector from early 1963, there is still less chance of this being done in the foreseeable future, unless, of course, several related steps are taken to make "mass production methods," on Western lines, possible in the automobile industry and to develop large markets both inside and outside the country. Quite apart from the lack of foreign exchange resources required for a project of this kind, the crux of the problem is that, unless a large potential market for, say, 100,000 to 200,000 cars per annum can be reasonably foreseen, it will not be possible to adopt "mass production methods." If such methods are not adopted, it will not be possible to produce an economically cheap car, whatever be its other qualities. It would be far better to face this fact than to pursue visions of a "people's car" in the ex-factory price range of Rs. 5,000-6,000, exclusive of excise duty.

Government's Reasons

The reasons now given by Mr. C. Subramaniam, in his statement to the Lok Sabha on the 9th instant, for indefinitely postponing consideration of the project, which was to have been implemented in collaboration with the Renault Corporation of France, are as valid as they have always been and will continue to be so for a good many years to come. As stated by the Minister, these are broadly as follows:

"(1) In the context of our current economic situation both in regard to internal and external resources, the question is not whether the project is a good or sound one on merits but what its priority should be. Although the small car project had been approved by Government in principle before the third Five-year Plan was finalised, it had not been found possible to include the project in the Plan, because projects which were then judged to be of a higher priority added up to a larger figure than the resources in terms of rupees and foreign exchange which we could foresee. The position has not improved since. If anything, conditions have become more difficult. Consequently, the small car project cannot be moved up in any list of priorities.

"(2) The priority in the field of automobiles should, for some time to come, be definitely and overwhelmingly in favour of the manufacture of commercial vehicles which will provide the base for the transport of goods and for public passenger transport.

"(3) Although resources, particularly external resources, for this project appear to be in sight, the expectations in regard to export of cars abroad and of non-traditional goods to France are not absolutely certain; and, in the latter case, would impose a strain on our export surpluses which, on considerations of the priority of the project, it would be difficult to justify.

"(4) Although the credit offered for the project might be outside the French Government credits available to India under the Aid-to-India consortium arrangements, the size of present and future credits available to us from all sources would be based on the lenders' judgment of our overall capacity to make interest payments and payments on account of capital repayment. On this reckoning, any outgoings, whether in terms of foreign exchange, or in terms of goods on account of the small car project, would be a debit against our overall capacity to make payments.

"(5) The immediate implementation of the project would involve not only money resources—of which we are short enough in all conscience, especially in terms of foreign exchange—but also physical resources like building materials, steel (for production), power and transport. These are all in short supply and I do not see that we can expend any of these on what is, after all, not a project meriting high priority in our present situation."

Thus the project has been shelved, rightly in our opinion, after nearly three years of official effort and money spent on the preliminaries connected therewith. It may be recalled that the Jha Committee on the automobile industry set up in 1959 inquired into the possibilities of producing a low-cost car in India. That Committee was non-committal in its recommendations. Subsequently, in September 1960, the Pande Committee was appointed to examine the feasibility of producing a car which would be available to the major body of consumers at about Rs. 6,500, inclusive of all charges. It was also decided that, if the expert Committee's finding was in favour of the project, it would be undertaken in the public sector. This Committee, in its report submitted in June 1961, had expressed the view that it was possible to produce a car at about Rs. 5,100 ex-factory at a level of production of 50,000 cars a year and at about Rs. 6,150 ex-factory at a level of production of 20,000 cars a year, in both cases exclusive of excise duty. After making on-the-spot investigations in France the Committee had recommended that the "Dauphine" model of the French Government-owned Renault Corporation could be manufactured in India.

Wasted Effort

Thereafter, it may be further recalled, protracted negotiations were undertaken by the Government of India with the Renault Corporation. Proposals were worked out whereby it was envisaged that production of the "Dauphine" at the rate of 20,000 cars a year would be established in 3½ years after a comprehensive agreement was signed. Manufacture would commence with an indigenous content of 50 per cent and would be raised to 90 per cent in three years. The volume of production would also be increased to a rate of 50,000 cars a year within three years of *commencement* of manufacture, in order to bring down costs of production. It was also envisaged that the foreign exchange needed would be provided in the form of a 15-year credit, repayments starting five years after the commencement of production. An effort was to be made to earn the foreign exchange needed for interest payments, capital repayments and engineering fees by export, with the active co-operation of the Renault Corporation of about 71 per cent of the production of the factory. An effort was also to be made to pay for the components and other material imported in the first years by the export to France of goods in type and volume different from India's usual and traditional exports to that country.

But all this effort has now come to naught. The Government, however, has not abandoned the hope that more propitious conditions might emerge sometime in future. While this journal, too, would wish for the emergence of such conditions, it cannot help observing that whatever improvement comes about on the foreign exchange front should be availed of for the more vital purpose of developing the automobile industry on more efficient and economic lines. Possible amalgamation of the existing automobile manufacturing units into an economic unit with two large-scale "mass producing" factories —one for producing one model of truck in different sizes and weights and the other for producing one or two models of passenger cars —could be a way out of the present chaos of four or five uneconomic units in the automobile industry manufacturing different models of cars and trucks. To continue to think in terms of establishing another uneconomic unit, if future conditions permit, seems to be patently unwise and unrealistic. The objective of the authorities should be to get the cost of manufacture of the existing models reduced by bringing about amalgamation of the automobile manufacturing units in the private sector.

I.D.A. CREDIT FOR KOYNA PROJECT

The International Development Association (I.D.A.), affiliate of the World Bank, has just extended a credit of $17.5 million to the Government of India to help finance the second stage of the Koyna Hydro-electric Power Project which, when completed, will nearly double the capacity of the electricity system serving the highly industrialised Bombay-Poona region. The second stage is expected to increase the Project's capacity to 580,000 kilowatts. The United States Government, it may be recalled in this connection, has already given a loan and a grant totalling Rs. 11.5 crores to the Koyna Project from the sale proceeds of agricultural commodities supplied to India under P.L. 480.

Stage I of the Koyna project, assisted by a World Bank loan of $19 million given in 1959, is nearly finished. Its first 60,000-kilowatt unit came into operation in May 1962. But its three other 60,000-kilowatt generators are yet to be commissioned. Stage II envisages the installation of four 75,000-kilowatt units and one 40,000-kilowatt station. It is scheduled for completion by late 1967 at a total estimated cost of $35 million, of which the present I.D.A. credit represents exactly half. The I.D.A. credit, incidentally, is for a term of 50 years, free of interest, but a service charge at ¾ per cent per annum is payable on the amount withdrawn and outstanding. The repayment of principal will be annual at one per cent in the second ten-year period beginning from 15th January 1973 and at 3 per cent in the final 30 years. But the Maharashtra State Government will have to repay the rupee equivalent of the credit to the Central Government over a period of 20 years, after a ten-year period of grace, at a rate of interest to be determined annually; currently, the rate is 4½ per cent.

It may be of interest to know, in this connection, that the Bombay-Poona region already accounts for about 18 per cent of India's total use of electricity. At present, power for this region is supplied chiefly through an inter-connected system operated by the Tata Power Companies, which sell power wholesale to 178 large industrial consumers, 10 distribution companies and to the Maharashtra State Electricity Board. Some recent forecasts indicate that the demand for electricity in the Bombay-Poona-Koyna area will increase from 514,000 kilowatts at present to 1,060,000 kilowatts by the end of 1967. But these forecasts seem to be underestimates.

TRAINING FOR TOP EXECUTIVES IN ROAD TRANSPORT

A four-week training programme for the top executives of road transport undertakings, sponsored by the Union Ministry of Transport and Communications under the technical direction of the Management Development and Productivity Mission of the International Labour Office, was inaugurated on the 9th inst. at Bombay. The actual organisers of the programme are the Bombay Electric Supply and Transport (B.E.S.T.) undertaking and the Indian Institute of Road Transport. This programme is for senior managers from public and private road transport undertakings in India. It will enable executives participating in it to obtain an overall view of the B.E.S.T. enterprise in operation and the means of controlling its current performance and planning its future development. It will also enable them to improve their own faculties in policy-making and the taking of decisions in changing conditions through the use of exercises based on the development of a business over a period of years. The participants will obtain a fuller understanding of the influence of economic, social and technological factors, internal and external, on the conduct and performance of their organisations. It is claimed that the management exercises forming part of this programme represent the latest development in training methods for top management, as these exercises will be used to demonstrate the operation of the enterprise as an integrated whole.

MORE POWER FOR INDUSTRY

One of the largest thermal power station in India is now under construction at Chandrapura for the Damodar Valley Corporation, and will come into operation late in 1964. The Chandrapura station is in the 280-megawatt bracket and will feed power to the railways, new projects and to collieries in Bihar and Bengal. Although most of the equipment is being imported, the order for the clarification and filtration plants has been placed jointly with Paterson Engineering Co. (India) Private Ltd. and Bird & Co. (Private) Ltd., while the order for the demineralisation plant has been placed with Bird & Co., who are the leading designers and manufacturers of this type of equipment, having built similar plants for several other power stations in India. These plants will give, daily, a continuous supply of 8 million gallons of clarified, 1.8 million gallons of filtered water and 1,50,000 gallons of water demineralised down to the equivalent of "triple distilled" quality for make-up to the boilers operating at a pressure of 2,150 lbs. per square inch. The total value of the equipment ordered is Rs. 30 lakhs. A considerable saving of foreign exchange has been effected, as most of the equipment is designed and manufactured indigenously.

NEWS ABOUT STEEL

Question-hour in the Lok Sabha last week elicited the following information about the steel industry from the Treasury Benches:

(1) There is no proposal to set up a steel plant in Goa during the third Plan period.

(2) The West German Government has agreed in principle to grant a credit for meeting the foreign exchange cost (Rs. 50 crores) of the Rourkela Steel Plant Expansion Project, after certain action has been taken with a view to bringing the existing plant to full working.

(3) The U.S. Survey Team has not yet finalised its study of the economic and technical aspects of the Bokaro Steel Project.

(4) There is a proposal to evolve a scheme for the production of some special types of steel in the Bhadravati Iron and Steel Works.

(5) The technical committee set up by the Government of India to consider the question of setting up a big iron and steel plant in Andhra Pradesh is yet to submit its findings.

UNDER SECRETARY TO GOVT. 297
20 AUG 1962
PUBLIC DEPARTMENT

NEW PRODUCTS AND PROCESSES

Compositions for Derusting

A NEW process on compositions for derusting, surface treatment and temporary protection of ferrous surfaces has been developed at the Railway Testing and Research Centre at Chittaranjan in West Bengal. For derusting and surface treatment, the material is first mechanically derusted to remove the loose rust and degreased. The derusting solution is then applied with a hard brush and worked well, when dry, this is followed by wire brushing to remove the friable black iron tannate. Depending upon the thickness of the rust, the operation is repeated more than once. The composition for temporary protection against weathering is applied to naturally pre-rusted steel after mechanical cleaning to remove loose rust. To obtain satisfactory adhesion of the tannate film, good brushing by a hard brush is necessary. It has been found that a well brushed film coat gives a more durable film than that obtained by dipping or spraying. These films can withstand external weathering conditions for one to three weeks. The manufacture of the compositions has been studied on a pilot plant scale by making 5 to 10 gallon batches for surface trials on coaches and locomotives. Observations of painted coaches and panels, treated initially with these compositions, after two years, indicate that the condition of the paint is quite good from the point of adhesion and corrosion prevention.

The main raw materials for the process, namely, myrobalan and goran tannins are available indigenously. Formalin will, however, have to be imported for the time being.

Railways are likely to consume about 5,000 gallons annually for the treatment of coaches. The demand may be much more when this treatment is taken up for wagons, bridges, etc.

The process is simple and requires only a mixing kettle. Total capital outlay for a unit producing 100 gallons per day is estimated at about Rs. 42,000. Alternatively, all the ingredients without water can be mixed together and supplied in dry powder when the cost will come down.

Surgical Sewing Machine

The increasing use of stainless steel in hospitals is spotlighted in the manufacture of the semi-automatic "Stitch Gun"—the device for stitching up arteries after operations. It is "a surgical sewing machine" which can be employed by the surgeon for applying regular and consistent minute stitches at the completion of an arterial incision. It is designed to hold the needle and transfer from one "hand" to the other, so that at no time does the surgeon require both hands to do the job. At the same time, there is good clearance between the sewing point and the hand, making it easier to see where the stitches are being made. In the manufacture of the instrument, use is made of a number of stainless steel investment castings, produced at a precision foundry at Sheffield, in the English midlands.

Better Colours for Leather

A long period of research work at the Lancashire Tanning Co. Ltd., a leading British tannery, has resulted in the development of a new leather for ladies' shoes and accessories. Last year the company developed a special process which gave to the fashion world a leather with an exclusive pearlised finish which was as practical as it was elegant for it was completely stain and water repellent. Now they have gone a step further by producing an aniline two-tone effect which gives an unusual depth of colour to the leather and also includes the exclusive properties of the original development. Named Preciosa Calf, the leather is an important addition to the company's extensive range of top quality calf leathers.

Electroplating with a Brush

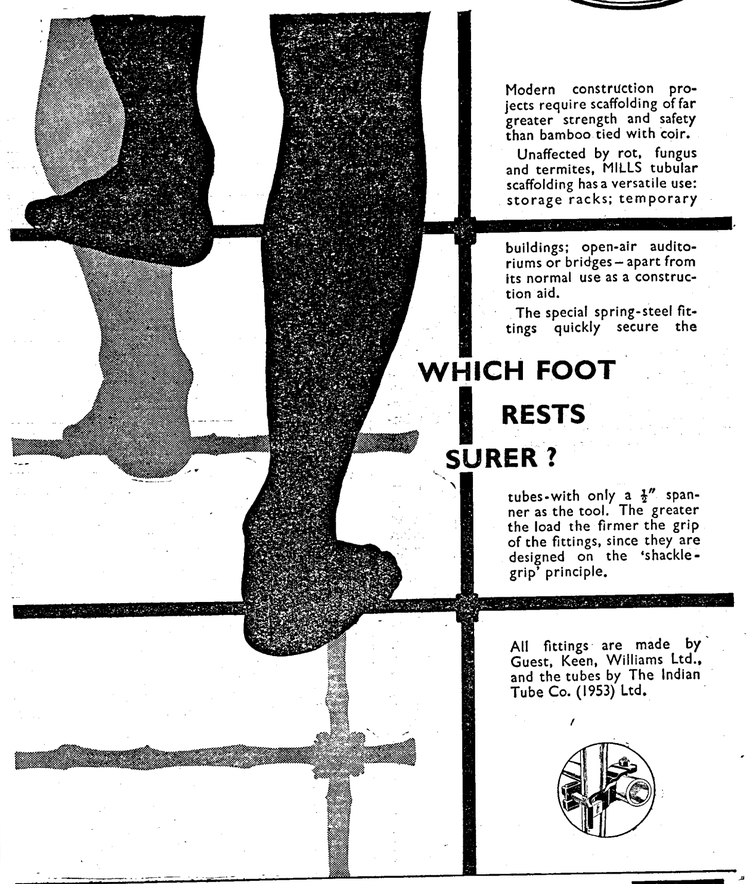
A method of applying metal coatings by means of a nylon brush has been devised by a Swiss company. The acid resistant bristles are dipped into a highly concentrated electrolyte solution of the metal being applied and a cathode clamp already wired to the brush is attached to the component. A direct current is then passed from a variable voltage supply as in ordinary plating. This "metallic painting" is claimed to make the coating of curved, uneven or almost inaccessible work pieces considerably easier. All the known plating metals can be deposited.

Flame-resistant Board

Negaflam is the latest addition to the range of insulating boards manufactured by a British firm, Powell Duffryn Timber Industries at its Queensferry, Flint mill. Each fibre is treated by flame retardant chemicals during production, resulting in a board with a Class I spread of flame protection under British Standard 476. The protection is not reduced, it is stated, if the board is cut or worked following manufacture. The board is available in thicknesses ranging from ¼ to 1 inch, in lengths from 4 to 12 feet and in widths of 2 and 4 feet.

Thread Cutter

An Austrian firm, Wolff and Co., Bregenz, has developed a thread cutting device for automatic circular knitting looms which puts an end to the time-wasting process of cutting threads. Whereas upto now the thread ends sticking out had to be shorn in two subsequent working stages, the new device cuts them during the knitting operation. The special arrangement of the knives of the new device permits, moreover, to cut the threads much closer to the material than was the case with the traditional shearing process. At the same time, any damage to the finished material, which formerly could never be avoided, becomes impossible.



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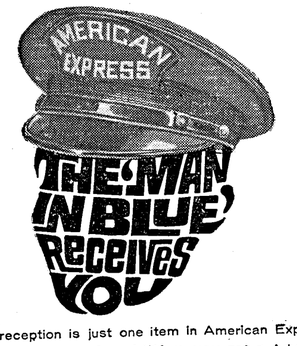

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PROTECTION TO PLASTICS INDUSTRY

PRODUCERS PLEAD FOR FURTHER EXTENSION

THE phenol formaldehyde moulding powder, an important intermediate plastics material, has been enjoying protection for the last twelve years. Although the industry has availed itself of the advantage of protection to improve its position by expanding installed capacity, increasing production and diversifying the grades produced, it still does not feel confident that it can stand on its own and has pleaded for continuance of protection for a further period of at least three years. The main ground on which the plea has been made is that, as compared with its counterpart in foreign countries, the cost of production of the indigenous industry is high "because of low capacity, higher prices of raw materials and lower productivity of labour." The industry's case for protection was examined at a public enquiry held by the Tariff Commission at Bombay last week. In his opening speech at the enquiry, Mr. J. N. Dutta, a Member of the Commission, gave a succinct account of the present position of, and the problems faced by, the industry. Some of the important points raised by Mr. Dutta form the subject matter of this article.

The scope of the present enquiry covers only one sector of the plastics industry, namely, phenol formaldehyde moulding powder. The Government has also asked the Commission to examine the question of modifying the Indian Customs Tariff item no. 82 (3), so as to cover all phenolic moulding powders. It may be recalled here, that protection to the plastics industry was granted for the first time in 1950 on the recommendations of the then Tariff Board by levy of protective duties on phenol formaldehyde moulding powder and electrical assessories. The period of protection was initially fixed for two years but later extended from year to year in consultation with the Commission upto 31st December 1956. Buttons (made of dum nut, mother-of-pearl, metals and plastics) were brought within the scheme of protection in 1951 after a separate inquiry by the Tariff Board. Protection was, however, withdrawn in respect of buttons made of dum nut, mother-of-pearl and metals with effect from 1st January 1954 and continued only in the case of plastic buttons upto 31st December 1956. In 1956, the Commission undertook an inquiry into all the protected articles of the plastics industry, namely, phenol formaldehyde moulding powder, plastic buttons and electrical accessories and recommended continuance of protection upto 31st December 1959 for the first two items only. This was accepted by the Government. Following the last inquiry in 1959, the plastic buttons, too, were deprotected. Thus phenol formaldehyde moulding powder is the only section of the plastics industry now enjoying tariff protection, the current rate of protective duty being 35 per cent *ad valorem plus* a countervailing excise duty of 20 per cent *ad valorem*. Upto 8th December 1959, the industry was also assisted by refund of duty paid on imported phenol, formaldehyde and hexamine, the concession being limited to manufacturers of p.f. moulding powder with an annual production of not less than 200 tons. The current period of protection is due to expire at the end of December 1962.

Installed Capacity

There has been a notable increase in the productive capacity of the industry since the last inquiry in 1959. The number of units engaged in the production of p.f. moulding powder was only four in 1959. These were: the Industrial Plastics Corporation Ltd., Bombay, the Indian Plastics Ltd., Bombay, the Plastics Products of India Ltd. (renamed Rawji Amsari), Satara, and the Bharat Electrical Manufacturing Co. Ltd., Sihore, Saurashtra (renamed Saurashtra Electrical and Metal Industries Private Ltd.). A new unit commenced commercial production in March 1960. Another unit has also started experimental production recently. Three units have technical collaboration with foreign manufacturers and, in the case of two others, negotiations are said to be in progress for such agreements. According to the figures furnished by the producers, the aggregate capacity of all these six units in the industry is 2,640 tonnes per year as at present, which compares with 1,500 tonnes in 1959. The figure of present capacity furnished by the producers, according to Mr. Dutta, is at variance with that of the Development Wing. But he did not disclose the exact figure furnished by the Development Wing. Apparently, the difference is due at least partly to the fact that only three of the units are registered under the Industries (Development and Regulation) Act.

Side by side with the increase in capacity, the output has also steadily gone up. The total production of moulding powder rose from 1,881 tonnes in 1959 to 2,219 tonnes in 1960 and further to 2,245 tonnes in 1961. During the first half of 1962, it touched 1,154 tonnes, or an annual rate of 2,308 tonnes. The following table shows the grade-wise breakdown of production of p.f. moulding powder since 1959:

(Tonnes)

Grade	1959	1960	1961	1962 (Jan.-June)
G. P.	1,254	1,466	1,476	714
G. X.	530	559	525	241
Telephone ..	59	88	83	29
Radio cabinet ..	25	85	143	129
Others	13	21	18	14
Total ..	1,881	2,219	2,245	1,154

The proportion of G.P. grade has been about 65 per cent of the total output. It is, however, somewhat disturbing to note that the production of G.X. grade powder has declined since 1960; though the demand for it has been rising. Surprisingly enough, no explanation for the decline in production was given by Mr. Dutta in his speech. It may be noted here that the demand for p.f. moulding powder is affected by competing thermo-setting and thermoplastic materials, like urea formaldehyde moulding powder and polythene, polystyrene.

It is only natural that the overall demand for p.f. moulding powder should have increased, considering the expansion of the plastics moulding industry. The estimates of increase, however, vary. In 1959, the Commission had expected the domestic demand to be 1,800 tonnes and thought that it would go up 20 per cent every year during the next three years. The present estimates of demand vary from 2,500 to 3,100 tonnes for 1962, 3,300 to 3,750 tonnes for 1963, 3,700 to 4,700 tonnes for 1964 and 4,000 to 6,000 tonnes for 1965. The actual quantities available (both domestic production and imports) were 2,164 tonnes in 1959, 2,467 tonnes in 1960 and 2,699 tonnes in 1961.

Raw Materials

The major handicap of the industry is its dependence on imports for the essential raw materials. The principal raw materials required for the manufacture of p.f. moulding powder are phenol, formaldehyde, hexamine, wood flour and small quantities of sulphuric acid, stearic acid, lime, some dyestuffs, pigments, etc. Of these, the first three important chemicals continue to be imported. But efforts are now being made to produce them in India. Three units are reported to have been licensed for the manufacture of phenol with an aggregate annual capacity of 19,600 tonnes, two units for formaldehyde having a total capacity of 13,200 tonnes, and two for hexamine with an aggregate capacity of 600 tonnes. According to the information furnished by these licensees, production of formaldehyde by one of them has already commenced and that of hexamine by another is expected to commence in September this year and phenol in March 1964.

Apart from these three chemicals, cellulose pulp, carbon black, some dyes and pigments are also imported. Some of the dyes and pigments, such as phthalocyanine blue are now indigenously available to some extent. The other raw materials are also available indigenously. The industry, however, has complained about the persistent difficulties in getting wood flour of proper grade. The Commission had, in its last report, recommended that the Forest Research Institute, Dehra Dun, should give producers proper advice on suitable Indian timber

(*Continued on page 308*)

HINDUSTAN MOTORS FARES QUITE WELL

EQUITY CAPITAL SOARS ON PREFERENCE CONVERSION

JUST a token increase in the equity dividend from 12 per cent to 12.5 per cent per annum, subject to deduction of tax, proposed by the Directors of the Hindustan Motors Ltd., (Managing Agents: Messrs. Birla Brothers (Private) Ltd., Calcutta) for the year ended 31st March 1962 did appear quite intriguing to many when it was announced. But few had realised then that the dividend is on a substantially higher capital of Rs. 791.92 lakhs as against Rs. 496.13 lakhs a year before. The capital has soared by Rs. 295.79 lakhs, or 59.62 per cent, following the conversion during the year of 295,784 cumulative convertible redeemable preference shares of Rs. 100 each (6.57 per cent, taxable), out of a total of 321,485, into 2,957,840 equity shares of Rs. 10 each. As a result of the conversion, the amount required to pay the ordinary dividend has shot up, despite the nominal rise in the dividend, from Rs. 59.54 lakhs to Rs. 98.99 lakhs—an increase of Rs. 39.45 lakhs, or 66.25 per cent. It is true that the amount taken up by the preference dividend has at the same time come down from Rs. 27.55 lakhs to Rs. 2.20 lakhs, but the relief is clearly very limited. In fact, out of the total earnings of the Company, the share of dividend has gone up from 2.88 per cent to 4 per cent. It may be recalled here that the preference shares are redeemable at par at any time after 30th June 1963 at the option of the Company by giving three calendar months' notice. Although the holders of preference shares can get their shares converted into equity shares any time from 1st July 1961 to 30th June 1966, it would be to their advantage to notify their decision to the Company, if they choose to convert their holding, before they fall due for redemption.

The results of the Company for the year are quite impressive, despite a prolonged strike for two months and shortage of electricity supply. Of course, as a result of the strike, sales have declined sharply from Rs. 30.45 crores to Rs. 24.90 crores, reflecting a setback in production, which is confirmed also in a reduced inventory of Rs. 96.98 lakhs as against Rs. 110.05 lakhs a year before and a decline in the cost of materials, stores and spares consumed from Rs. 18.77 crores to Rs. 13.73 crores. But continuing its upward march, the gross profit has gone up from Rs. 363.91 lakhs to Rs. 398.24 lakhs. Consequently, the profit-margin (ratio of gross profit to sales) has jumped up from 11.9 per cent, to nearly 16 per cent. But, with an increase of roughly Rs. 10 lakhs to Rs. 73 lakhs in the provision for depreciation and of Rs. 38.50 lakhs to Rs. 152 lakhs in that for taxation, the net profit has slipped down from Rs. 166.59 lakhs to Rs. 158.32 lakhs. Notwithstanding this as also the increase in the distribution to the equity shareholders, the credit to general reserve has been maintained at Rs. 50 lakhs. The development rebate reserve, however, has got only Rs. 11.50 lakhs as against no less than Rs. 36 lakhs in the previous year. The carry forward is Rs. 1.26 lakh as against Rs. 2.76 lakhs brought in.

The following table, containing the salient features of the Company's working, facilitates a comparison of the year's results with those for the preceding three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	24,90.41	30,45.40	21,77.26	869.08
Closing stock of finished goods and goods under process ..	96.98	110.05	57.59	92.91
Other income	17.29	10.55	11.67	20.51
Materials, stores and spares consumed	13,73.43	18,77.06	16,98.10	649.11
Customs, excise, port charges and sales tax	459.79	631.16	..	89.57
Staff expenses	158.40	152.91	117.62	48.51*
Other expenses	104.77	83.37	100.25*	118.99
Gross profit	398.24	363.91	237.64	
Provision for—				
Depreciation	73.00	63.07	51.80	69.03
Taxation	152.00	103.50	68.00	4.25
Managing Agents' remuneration	14.92	20.75	18.74	2.13
Net profit	158.32	166.59	99.10	42.98
Excess provisions written back..	2.88	5.62	..	..
Development rebate reserve ..	11.50	36.00	30.00	8.10
To reserves	50.00	50.00	..	..
Dividends—				
Preference	2.20†	27.55†	26.00†	14.28
Ordinary	98.99 (12.5%)†	59.54 (12%)†	44.65 (9%)†	24.81 (5%)
Carry forward	1.26	2.76	3.63	5.19
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	21.48	23.68	23.64	17.64
Low	18.28	17.68	14.32	6.44

* Includes customs, excise, etc.
† Subject to deduction of tax.

The percentage distribution of the income for the year compares with that for the previous year, figures for which are given in brackets, thus: Materials and services 59.75 (62.75), Union, State and local taxes 24.50 (24.37), staff expenses 6.37 (5.00), depreciation and development rebate 3.37 (3.37), dividends 4.00 (2.88) and working capital 2.00 (1.63).

Although the net profit is lower because of the setback in sales, the ratio of net income (after taking into account provisions written back and transfer to development rebate reserve) to sales for the year is higher at 6.01 per cent as compared with 4.46 per cent a year before. For the same reason, which has also meant a fall in other taxes (including customs, excise duty and other taxes) paid during the year from Rs. 631.16 lakhs to Rs. 459.94 lakhs, total taxes per ordinary share, (including taxes on dividends) have been lower at Rs. 8.11, as compared with Rs. 15.54 a year before. During the year, the number of ordinary shareholders increased from 23,014 to 24,859, while that of preference shareholders declined from 3,650 to 953. The year saw a rise in the net working capital from Rs. 459.31 lakhs to Rs. 503.96 lakhs, in the net real estate, plants and equipments from Rs. 498.56 lakhs to Rs. 513.92 lakhs and in the shareholders' net investment from Rs. 9.58 crores to Rs. 10.18 crores.

The Directors report that, after the strike was called off last year, every effort was made to increase production which reached a new peak of 2,365 vehicles in March 1962 and has since then been going on as scheduled. Demand for the vehicles is good and sales have been keeping pace with the production. During the current Plan period, demand would naturally rise further and the Directors feel that it is necessary to raise the Company's production. They have also spoken in the same tone as was done by Mr. J. R. D. Tata, Chairman of T.E.L.Co., last week, on the need for the fullest encouragement to road transport industry to overcome the problem of transport bottlenecks. They regret that, while the money spent on it is the least, the industry pays the highest tax in all forms to the Union and State Governments, as compared with any other industry and yet lacks the necessary encouragement. It is estimated by the Directors that, in addition to the taxes paid by the Company, buyers of its vehicles pay to the State another 10 per cent in the form of sales tax, road tax, registration fee, etc.

The Company could not make sufficient progress during the year in the production of shovels, scrapers, bulldozers and dumpers on account of the delay in getting import licences for components and raw materials. A part of the licences, however, was received in the last quarter of the year and orders have been placed with the suppliers for that part. Production of equipments must have commenced by now, as the first shovel was expected to be delivered in July last. Manufacture of cranes has been taken in hand and is making steady progress. The licence for the import of capital goods for the progressive manufacture and expansion of Bedford trucks in order to develop 80 per cent of their components locally, without which the Company would not be allowed to fit Bedford diesel engines into the trucks, has been delayed but expected to be received soon.

The application for a loan to the D.L.F. for the import of capital goods with a view to achieving the manufacture of a maximum number of components in India of cars and trucks as also to cover the production of shovels is pending with the Agency for International Development, U.S., which is expected to take a decision shortly. The loan is expected to enable the Company substantially to reduce the use of imported components. Meanwhile, machines already installed during the last two years have gone into production, resulting in improved working and reduction of foreign contents. In fact, the year saw a notable increase in the indigenous content of the vehicles. Besides, Bedford trucks have been fitted with gear boxes manufactured by it and would start using its rear axles shortly.

The financial position of the Company is satisfactory. Its paid-up capital of Rs. 819.60 lakhs is made up of Rs. 791.92 lakhs in equity shares, Rs. 25.70 lakhs in preference shares and Rs. 1.98 lakh being the amount of forfeited shares. As against this, reserves and surplus aggregate Rs. 198.28 lakhs. Borrowings declined during the year from Rs. 38.62 lakhs to Rs. 7.43 lakhs. Current liabilities and provisions are shown at Rs. 548.95 lakhs. On the other hand, current assets, loans and advances total Rs. 10.39 crores, excluding investments at Rs. 21.63 lakhs (Rs. 16.48 lakhs a year before), of which Rs. 5.19 lakhs are quoted and command a market value of Rs. 4.64 lakhs. The gross block, which increased during the year from Rs. 883.48 lakhs to Rs. 971.05 lakhs, has been written down to Rs. 513.92 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 20.32 *cum-div.* At this rate and, on *ex-div.* basis, they offer a net yield of 4.5 per cent per annum.

(*Concluded from next column*)

Current assets and loans and advances amount to Rs. 171.92 lakhs.

As regards the future of the Company, it is instructive to note what the Directors have to say in this respect. They report:

"The future is most vital. Our research division has been reorganised and expanded. A specially created department for forward planning and development is actively investigating new projects. During the year, a modern bread plant, manufactured in India, was brought into operation at Bombay and the sale of high quality bakery products has already made an important contribution to our overall results. Our export effort has been intensified and we have achieved further progress in overseas markets during the year. In spite of the losses we incur and regardless of the problems to be faced, we plan to achieve a significant increase in our exports during the current year."

The Rs. 10 fully paid ordinary shares of the Company are currently being quoted at Rs. 43.25 *cum* final dividend of 21 per cent. On an *ex-div.* basis the yield works out to 4.1 per cent per annum free of tax.

BRITANNIA BISCUIT

DIVIDEND WELL COVERED

WELL poised as the Company is to take advantage of the steadily rising standard of living in the country and to derive the benefits of prudent financial policy followed over a long period of years, there appears to be no reason why and where the upward trend in the sales and gross profit of the Britannia Biscuit Company Ltd. (Chairman: Mr. A. N. Khanna, Calcutta) should halt. During the ten-year period 1951-61 inclusive, the turnover of the Company nearly trebled from Rs. 90.93 lakhs to Rs. 271.57 lakhs and, even though the gross profit did not realise a parallel rise, its growth from Rs. 17.99 lakhs to Rs. 46.95 lakhs has, nevertheless, been impressive.

The year to 31st March 1962 has proved an equally propitious one. Realisation from sale has reached the record figure of Rs. 427.95 lakhs which is Rs. 98.46 lakhs or nearly 30 per cent higher than the previous year's level. Although costs of materials, supplies, wages and other expansions continued to rise and remained a cause of serious concern, they have once again been absorbed by improved efficiency in operation and proficient administrative procedures. These have been responsible for the further betterment in the gross profit by Rs. 18.97 lakhs to Rs. 81.36 lakhs. Unfortunately, by far the major portion of the improved gross profit has had to be set aside to cover the essential provisions for depreciation and taxation, the former getting Rs. 8.61 lakhs as against Rs. 6.71 lakhs during the preceding year and the latter as much as Rs. 38.26 lakhs in comparison with Rs. 24.00 lakhs a year ago. The rise in net profit has, therefore, been only marginal from Rs. 31.68 lakhs to Rs. 34.49 lakhs. One half of this amount has been retained in the business to replenish the reserves and only the balance has been utilised for payment of dividends. Although the rate of ordinary dividends has been maintained at 25 per cent, subject to deduction of tax, it has become payable on an enlarged number of shares following the bonus issue last year and consequently claims a higher sum of Rs. 17.24 lakhs. The amount carried forward at Rs. 2.84 lakhs is almost the same as that brought in.

The following comparative table clearly brings out the rapid progress made by the Company during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	427.95	329.49	271.57	204.35
Other income	0.44	0.03	0.53	0.70
Closing stocks of manufactured goods	10.34	8.19	6.99	5.56
Raw materials and stores consumed	206.29	154.41	129.16	94.05
Salaries, wages and benefits ..	61.95	51.04	45.10	35.71
Other expenses	80.94	62.88	52.32	39.06
Gross profit	81.36	62.39	46.95	35.79
Provision for—				
Depreciation	8.61	6.71	5.65	5.66
Taxation	38.26	24.00	19.40	16.78
Net profit	34.49	31.68	21.90	13.35
Transfer to reserves	17.24	17.16	10.42	6.93
Dividends—				
Preference	0.02	0.02	0.01‡	0.01
Ordinary	17.24 (25%)‡	13.79 (25%+ 15%)‡	11.49 (25%)‡	6.44 (14%)
Carry forward	2.84	2.84	2.14	2.16
Market price of ordinary shares in rupees—	1962	1961	1960	1959
High	65.00cr	45.00	29.50	20.56
Low	40.62xr	27.87	19.06	12.75

‡ Subject to deduction of tax.

It will be observed that sale proceeds more than doubled during the period and so did the closing stocks of finished goods. The gross profit, on the other hand, increased at a much faster rate, despite a marked rise in the cost of manufacture. This continued growth in the Company's business is predominantly attributable to four main factors. These are: (1) the relentless scientific and technical research which is devoted to manufacturing and marketing the products, (2) the persistent attention paid to maintaining the highest standard of value; (3) the care extended to improving methods and controlling operating costs; and (4) the constant efforts made to serve the customers, thus retaining their confidence and goodwill. In its endeavours to realise these objects, the Company has to run the factories in multiple shifts and operate the plant and machinery to full capacity, thereby placing considerable strain on the equipment. The problem of replacement and realisation will thus have to be tackled sooner or later. It is really disappointing to learn from the Directors that the Company still experiences extreme difficulties in obtaining import licences for essential plant and equipment, which are not yet manufactured in India.

The financial position of the Company is as strong as ever. Following the issue of bonus shares in the ratio of 1:2 made during the year under review, the share capital has increased to Rs. 69.11 lakhs—of this only Rs. 15,450 are in 8 per cent cumulative preference shares of Rs. 10 each and the balance in equities—but even then it is exceeded by reserves and surplus amounting to Rs. 70.82 lakhs. With the reappearance after a lapse of many years of a bank overdraft of Rs. 8.47 lakhs, secured loans have risen to Rs. 17.47 lakhs. In addition, current liabilities and provisions aggregate Rs. 117.35 lakhs. The net block is worth Rs. 101.23 lakhs and has been arrived at by reducing the gross block of Rs. 165.33 lakhs by the depreciation provided so far (amounting to Rs. 68.65 lakhs) and adding to it the balance of the cost (Rs. 4.55 lakhs) of buildings in progress.

(*Continued in previous column*)

METTUR CHEMICAL

SALES AND PROFIT HIGHER

THE production and offtake of main chemicals both maintaining satisfactory levels, there has been a further modest improvement in the working results of the Mettur Chemical and Industrial Corporation Ltd. (Managing Agents: Messrs. Seshasayee Brothers Private Ltd., Mettur Dam R.S.) for the year ended 31st March 1962. The total realisation from the sales of chemicals and other products has expanded from Rs. 133.89 lakhs to Rs. 150.09 lakhs and the gross profit is up by Rs. 5.05 lakhs to Rs. 33.41 lakhs. The results would indeed have been better still had it not been for the reduction in output following the restriction on power consumption imposed by the Electricity Department of the Government of Madras.

Although the increased gross profit has necessitated a slightly bigger provision of Rs. 1.63 lakh, as against Rs. 1.58 lakh, for Managing Agents' commission and the provision for depreciation has also had to be higher at Rs. 12.83 lakhs, as compared with Rs. 9.47 lakhs earlier because of a very much bigger depreciable block and enhanced rates of depreciation, there has been a saving of as much as Rs. 3.75 lakhs in the provision for taxation put at Rs. 2.85 lakhs, which has resulted in inflating the net profit by Rs. 5.39 lakhs to Rs. 16.10 lakhs. Out of this, a sum of Rs. 10.00 lakhs has been transferred to development rebate reserve. Since the balance is found inadequate for the payment of dividends, the Directors have been obliged to withdraw a total of Rs. 6.41 lakhs from reserves and provisions. Ordinary dividend has been maintained at 12½ per cent, subject to deduction of tax, but a special dividend of 1¼ per cent, has also been proposed in commemoration of the silver jubilee of the Company. The total dividend distribution, which will be at the rate of 13¾ per cent, subject to deduction of tax, claims Rs. 11.00 lakhs, leaving Rs. 11,275 as a carry forward, as against Rs. 15,829 brought in. An interesting point to note is that nearly 30 per cent of the dividend will be free of tax, since it is being paid out of the tax-exempt reserves of the Company.

The progress made by the Company since the year ended 31st March 1959 is synoptically presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	150.09	133.89	117.32	121.37
Other income	2.34	2.49	1.95	1.31
Closing stocks of finished goods	5.20	5.78	5.41	4.83
Raw materials and stores consumed	66.53	62.34	52.89	59.26
Salaries, wages and benefits ..	17.38	14.93	13.86	12.92
Other expenses	34.53	31.12	28.01	28.58
Gross profit	33.41	28.36	25.09	22.99
Managing Agents' remuneration	1.63	1.58	2.05	2.00
Provision for—				
Depreciation	12.83	9.47	6.96	6.55
Taxation	2.85	6.60	4.75	7.25
Net profit	16.10	10.71	11.33	7.19
Withdrawls from reserves ..	6.41	2.80	..	..
To reserves	10.00	3.50	3.50	2.54
Dividends—				
Preference	1.56†	1.56†	1.61†	1.20
Ordinary	11.00 (12½%+B1¼%)†	8.41 (12½%)†	6.28 (12½%)†	3.56 (8⅞%)
Carry forward	0.11	0.16	0.13	0.19
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	15.05	15.25	15.25cr	13.60
Low	12.30	12.20	12.00	11.10

† Subject to deduction of tax.

The year under review saw no change in the share capital of the Company which, as at 31st March 1962, stood at Rs. 100.00 lakhs, comprising Rs. 20.00 lakhs in 6 per cent tax-free cumulative preference shares of Rs. 10.00 each and Rs. 80.00 lakhs in equities. This is supplemented by Rs. 30.50 lakhs standing to the credit of various reserves. Bank and other borrowings have, however, increased from Rs. 58.01 lakhs to Rs. 68.47 lakhs and so have current liabilities and provisions to Rs. 44.63 lakhs from Rs. 25.11 lakhs a year ago.

With the acquisition of new assets worth Rs. 67.47 lakhs during the year, the gross block of the Company has expanded to Rs. 223.63 lakhs. On deducting therefrom Rs. 94.39 lakhs as the depreciation earned to date and adding Rs. 10.93 lakhs as the cost of machinery under erection and buildings under construction, the net block works out to Rs. 140.17 lakhs. Current assets and loans and advances aggregate Rs. 88.28 lakhs, besides investments valued at Rs. 15.15 lakhs.

The production of caustic soda during the year was 5,624 metric tonnes, as against 5,760 metric tonnes for the previous year. The output of stable bleaching powder at 6,760 metric tonnes was, however, 20 per cent higher than the previous year's level of 5,535 tonnes. The offtake of liquid chlorine and hydrochloric acid was well maintained around the level of the preceding year. There was no power cut but the restrictions imposed by the Electricity Department from time to time hampered production.

The expansion of the capacity of the caustic soda plant from 20 tonnes to 40 tonnes per day was almost completed and most of the sections were commissioned during the concluding month of the trading year. The remaining sections have since been commissioned, and the Company expects to reap full benefits of the augmented capacity during the current year.

The focal point of attraction from the point of view of the shareholders and investors, however, is the proposed issue of equity capital to be undertaken early in 1963. As readers are aware, the Company has under active consideration plans for the further expansion of the caustic soda capacity from 40 tonnes to 100 tonnes per day and for the manufacture of organic chemicals. The new venture is estimated to cost Rs. 3.00 crores which the Company proposes to finance partly by additional share capital and partly by borrowings. So far as the loan capital is concerned, the Company has already negotiated a loan of Rs. 140 lakhs with the Industrial Finances Corporation, inclusive of the foreign exchange quantum of the scheme. Out of the equity capital, Rs. 60 lakhs worth of shares, it will be recalled, were offered during 1962 and the offer was oversubscribed. The Company has now programmed to make a further issue of capital early in 1963 for the remaining finance required.

The Rs. 10.00 fully paid ordinary shares of the Company are currently priced at Rs. 13.62 *cum-div.* On an *ex-div.* basis, the net yield works out to 8.7 per cent per annum.

W. I. PLYWOODS

RESULTS ENCOURAGING

REFLECTING apparently a steady improvement in the demand for plywoods and hardboards in the country, the results of the Western India Plywoods Ltd. (Managing Director: Mr. A. K. Kaderkutty, Baliapatam, Kerala) for the year ended 31st March 1962 are encouraging. Sale proceeds have risen from Rs. 67.87 lakhs to Rs. 72.21 lakhs and the gross profit has improved quite appreciably from Rs. 19.91 lakhs to Rs. 24.08 lakhs. The higher profit has been due primarily to a decline in the cost of raw materials from Rs. 28.90 lakhs to Rs. 23.32 lakhs. The fact that the improvement in gross profit is much greater than that in sales is reflected in a sharp rise in the profit-margin (ratio of gross profit to sales) from 29.33 per cent to 33.34 per cent. The higher profit has attracted a larger provision for taxation, that is, Rs. 6 lakhs as compared with Rs. 3.75 lakhs a year before. But the provision for depreciation has been slightly reduced from Rs. 10.05 lakhs to Rs. 9.10 lakhs. With an improvement of Rs. 2.87 lakhs in the net profit at Rs. 8.98 lakhs, the Directors have been able to propose again a two-point increase in the gross equity dividend which is 14 per cent per annum on the Rs. 100 fully paid shares and set aside at the same time as much as Rs. 4.06 lakhs, as against a mere Rs. 1.85 lakh in the previous year, for reserves. The carry forward is some Rs. 10,000 against Rs. 7,000 brought in.

In the table below are compared the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds of finished goods and raw materials	72.21	67.87	58.01	59.22
Closing stocks of work-in-progress and finished goods ..	17.67	12.75	2.92	1.66
Other income	0.22	0.06	0.12	1.13
Raw materials consumed ..	23.32	28.90	22.27	27.11
Staff expenses	8.74	8.86	6.43	5.66
Other expenses	21.21	20.09	14.60	11.68
Gross profit	24.08	19.91	16.09	15.54
Provision for—				
Depreciation	9.10	10.05	2.02	1.46
Taxation	6.00	3.75	..	7.48
Net profit	8.98	6.11	14.07	6.60
Transfer to reserves	4.06	1.85	11.00	3.26
Dividends—				
Preference	0.48†	0.40†	0.37†	0.37
Ordinary	4.40 (14%)†	3.77 (12%)†	2.81 (10%)†	2.70 (10%)
Carry forward	0.10	0.07	0.05	0.16
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	220.00	255.00	320.00	200.00
Low	190.50	198.00	203.00	138.00

† Subject to deduction of tax.

The Company has been a steadily growing enterprise. In its past eight financial years (from 1955 to 1962), its paid-up capital has more than trebled from Rs. 11.59 lakhs to Rs. 37.64 lakhs, its profit, before taxation but after providing for depreciation and development rebate reserve, has improved nearly seven times from Rs. 2.36 lakhs to Rs. 14.82 lakhs, the dividend which was 9 per cent per annum, tax-free, for 1955 and maintained at 10 per cent per annum, tax-free in the subsequent four years was the same, but subject to tax, for 1960 and has been raised to 14 per cent per annum, taxable, in two equal instalments in the last two years and the profit retained in business, excluding transfer to development rebate reserve, has been progressively increased from Rs. 50,000 in 1955 to Rs. 3.90 lakhs in 1962.

The Company received a loan of Rs. 24.50 lakhs from the Industrial Finance Corporation of India in 1959, which increased to Rs. 30 lakhs the next year, but was brought down to Rs. 27.50 lakhs in 1961 and to Rs. 25 lakhs in 1962. Its financial position as at 31st March 1962 is quite satisfactory. The paid-up capital of Rs. 37.64 lakhs is made up of Rs. 6.18 lakhs in 6 per cent per annum, tax-free, cumulative preference shares of Rs. 100 each and Rs. 31.46 lakhs in equity shares is well supplemented by reserves and surplus aggregating Rs. 32.61 lakhs. As against nothing in the previous year, outstanding bank borrowings are shown at Rs. 9.28 lakhs at the end of last year, which, together with the I.F.C. loan of Rs. 25 lakhs, bring total secured borrowings to Rs. 34.28 lakhs. Then, there are unsecured loans of Rs. 5.19 lakhs, which, too, are higher as compared with Rs. 3.68 lakhs a year before. Current liabilities and provisions total Rs. 25.39 lakhs. Excluding the I.F.C. loan, the total indebtedness to outsiders works out to Rs. 39.85 lakhs, which, however, is comfortably covered by current assets at Rs. 71.20 lakhs. The gross block increased during the year from Rs. 102.79 lakhs to Rs. 108.39 lakhs and has been adequately written down to Rs. 63.90 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 203 *cum-div.* At this rate and on the *ex-div.* basis, they offer a net yield of about 5 per cent per annum.

SOUTH MADRAS ELECTRIC

DIVIDEND STEPPED UP

EXCEPTING a marginal setback in the realisations by way of sale of energy from Rs. 96.95 lakhs to Rs. 95.81 lakhs, the South Madras Electric Supply Corporation Ltd. (Managing Agents: Messrs. Seshasayee Brothers (Private) Ltd., Tiruchirapalli) has maintained satisfactory progress in all other respects during the year ending 31st March 1962. In fact, despite the lower income, the gross profit has staged a modest improvement from Rs. 30.25 lakhs to Rs. 32.77 lakhs, thanks to a decline in the cost of distribution from Rs. 46.62 lakhs to Rs. 40.75 lakhs. A part of the benefits accruing from this development has, however, been offset by an increase in other expenses from Rs. 23.52 lakhs to Rs. 25.22 lakhs. Even after making slightly higher essential provisions as compared with the preceding year, the net profit has improved from Rs. 12.35 lakhs to Rs. 13.52 lakhs and enabled the Directors to step up the taxable equity dividend by one point to 10 per cent per annum on the Rs. 10 fully paid shares, at which rate, however, it is still lower by two points as compared with 9 per cent, tax-free, paid in 1959. A clear idea of the Company's working in the past four years can be had from the table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds of energy ..	95.81	96.95	89.93	69.29
Other income	3.00	3.43	3.02	4.51
Cost of distribution	40.75	46.62	44.77	35.47
Other expenses	25.22	23.52	22.49	18.17
Gross profit	32.77	30.25	25.69	20.16
Provision for—				
Depreciation	8.95	8.40	8.20	7.61
Taxation	9.50	8.70	6.80	4.50
Managing Agents' commission..	0.80	0.80	0.80	0.80
Net profit	13.52	12.35	9.89	7.25
Transfer from reserves ..	0.36	..	..	0.94
To reserves and provisions ..	4.63	3.68	2.60	1.57
Dividends—				
5.5%, tax-free preference ..	3.15†	2.29†	2.00	1.65
Ordinary	7.00 (10%)†	6.30 (9%)†	5.30 (9%)†	5.04 (9%)
Carry forward	0.23	0.12	0.03	0.04
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	10.25	10.25	10.35	11.90
Low	9.83	9.70	9.99	10.12

† Subject to deduction of tax.

During the year, the Company increased its transmission lines by 169 miles, installed 34 new substations and added 31 villages to its list, as against the corresponding increases of 79 miles, 15 substations and nine villages in the previous year. The total capital expenditure on rural and urban extensions was also higher at Rs. 19.88 lakhs as compared with Rs. 17.46 lakhs in the previous year. The Government disbursed to the Company Rs. 2.02 lakhs, being the balance of the loan of Rs. 12 lakhs sanctioned in 1960-61 and advanced a further loan of Rs. 13.22 lakhs for the year under review. The amounts sanctioned are for specific rural extension schemes named by the Government, work on which is said to have been taken up and is in vigorous progress. However, the Government has yet to pay the Company dues aggregating Rs. 77,241, against acquisition of property, which have been outstanding for nearly six years.

Besides the specific rural extensions carried out during the year, the Company has, we are told, considerable works to be executed in urban and developed rural areas, both in the nature of new extensions and of improvements to the existing systems to carry the increasing loads. These extensions and works involve considerable capital expenditure and do not rank for Government loan assistance as at present envisaged. The Directors are, therefore, considering ways and means of procuring funds to meet these obligations either by way of additional loan assistance from the Government or from other lending institutions or otherwise from the public by the issue of debentures.

Conscious of the urgency of rural electrification needs of the Madras State, the Company has agreed with the Government and the State Electricity Board on a readjustment of the boundaries of the area of supply, enabling the Board to take over and execute works in areas which are not contiguous to the Company's existing transmission system and as such not capable of immediate development by the Company.

The financial position of the Company is stable. Its paid-up capital amounts to Rs. 100 lakhs, of which Rs. 70 lakhs are in equity shares and the rest in preference shares. As against this, reserves and surplus aggregate Rs. 31.12 lakhs. The debenture liability was reduced during the year from Rs. 5 lakhs to Rs. 3 lakhs. But, with an increase in the loan liability, including interest accrued, to the State Government from Rs. 27.17 lakhs to Rs. 38.65 lakhs, the secured loans have gone up from Rs. 32.17 lakhs to Rs. 41.65 lakhs. Current liabilities and provisions total Rs. 74.17 lakhs to cover which are available current assets, loans and advances of Rs. 81.17 lakhs and investments of Rs. 4.26 lakhs, of which those quoted amount to Rs. 1.62 lakh and command a market value of Rs. 1.57 lakh. During the year, there was a net addition of Rs. 19.88 lakhs to the gross block at Rs. 242.78 lakhs, on which a depreciation of Rs. 81.28 lakhs has been provided so far. The net block, therefore, is shown at Rs. 161.50 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 10.15 *cum-final* dividend of 55 nP gross per share. At this rate and on the *ex-div.* basis, the shares offer a net yield of 7.1 per cent per annum.

SYNOPSES OF COMPANY REPORTS

McLeod and Co., Ltd.

(*Secretary*: Mr. C. Hockley, Calcutta.)

Annual General Meeting—Held on 14th August 1962.

Working Results:

	For the year ended 31st December (In thousand rupees) 1961	1960
Sales	4,17,15	2,72,15
Closing stock	9,80	10,10
Agency commission and allowances, etc. ..	18,85	20,05
Dividends and interest on investments—net ..	9,14	10,15
Gross profit	15,28	19,43
Transfer to depreciation	1,19	98
,, ,, provision for taxation	2,68	5,20
Net profit	11,41	13,25
Adjustments	2,19	3,32*
Appropriations:		
Total available balance	13,60	16,57
Transfer to convertible notes redemption reserve	2,00	2,00
,, ,, development rebate reserve ..	5	9
,, ,, investment reserve	Nil	1,75
,, ,, general reserve	Nil	1,00
To dividends (taxable) 1st preference ..	44	44
,, ,, ,, 2nd preference ..	2,60	2,60
Proposed dividends (taxable) ordinary ..	6,00 (15%)	6,00 (15%)
,, ,, ,, defd. ordinary.	50 (10%)	50 (10%)
Carry forward	2,01	2,19

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.
* This includes Rs. 75,194 being profit on sales of investments and 'rights' and Rs. 14,462 being excess development rebate reserve transferred.

Extracts from the Directors' report: *Trading*. The profit for the year shows a decline when compared with that of the previous twelve months, due chiefly to reduced dividend income and lower earnings from the Jute Mills and Tea Companies under this Company's management.

The agency department, however, expanded its activities and with the establishment of a branch office at Bombay considerably improved results were achieved.

Revenue from the railway and shipping departments and from miscellaneous trading was slightly higher, but again there was a reduction in the earnings of the insurance department. Income from the engineering department showed little change from that of last year.

Accounts in brief as at 31st December 1961 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	95,00,000	Gross block ..	.. 32,81,864
Reserves and surplus..	82,85,372	—Depreciation	.. 14,58,191
Other liabilities ..	1,93,62,908		
		Net block ..	.. 18,23,673
		Current assets	.. 86,16,715
		Investments ..	.. 2,64,05,762
		Cash	.. 3,02,130
	Rs. 3,71,48,280		Rs. 3,71,48,280

* Paid-up capital consists of: (*a*) 40,000 ordinary shares of Rs. 100 each; (*b*) 10,000 five per cent. taxable first cumulative preference shares of Rs. 100 each; (*c*) 40,000 five per cent. cumulative second preference shares of Rs. 100 each; and (*d*) 50,000 deferred ordinary shares of Rs. 10 each.
Note:—18,000 ordinary shares of Rs. 100 each have been set aside for issue to the holders of the Rs. 45,00,000 four per cent. convertible notes in the event of the option to convert before 31st December, 1972, being exercised.

Velimalai Rubber Co., Ltd.

(*Managing Agents*: Messrs. Oopoottil Kurian and Co. Private Ltd., Kottayam Kerala State.)

Eighteenth Annual General Meeting—31st August 1962.

Working Results:

	For the year ended 28th February (In thousand rupees) 1962	1961
Sales of rubber (gross)	6,46	6,70
Sales of tea (gross)	86	96
Sales of pepper (gross)	55	..
Sales of minor products (gross)	16	12
Closing stock of tea and rubber	23	92
Gross profit	1,64	2,27
Transfer to Managing Agents' remuneration ..	14	21
,, ,, depreciation	21	21
,, ,, provision for taxation	44	55
Net profit	85	1,30
Adjustments	2	11
Appropriations:		
Total available balance	87	1,41
Transfer to debenture redemption reserve ..	40	40
,, ,, rubber replanting reserve ..	Nil	22
Proposed dividends (taxable) 7% preference.	17	17
,, ,, ,, equity ..	30 (5%)	60 (10%)
Carry forward	*	2

N.B.—Adjustments represent only the balance brought forward from the previous year.
* Only a small sum of Rs. 361.37.

Extracts from the Directors' report: *Crop, Cost and Prices*: A rubber crop of 1,72,771 kgs. was harvested at an estate cost of 212.76 nP per kg. against 1,88,372 kgs. at an estate cost of 220.72 nP, per kg. for the previous year. The crop was lower on account of adverse weather conditions, the north-east monsoon having failed. 35 acres replanted during 1954 have since come under tapping, and the crop is expected to show a substantial increase this year. The actual crop harvested till 30th June 1962 is 58,181 kgs. against 40,775 kgs. for the same period last year.

The tea crop harvested was 23,925 kgs. at an estate cost of 277.51 nP per kg. against 24,275 kgs. at an estate cost of 276.03 per kg. for the previous year.

The net average prices realised were 335.88 nP per kg. for rubber and 326.69 nP per kg. for tea, against 348.70 nP per kg. for rubber and 403.90 nP per kg. for tea for the previous year.

The maximum controlled price for No. 1 sheet remained at Rs. 155.75 per 100 kgs. during March and Rs. 164.80 per 50 kg. during the rest of the year (the liability of excise duty having been transferred to the manufacturers).

The estimates for the current year are for a crop of 1,86,185 kgs. of rubber at an estate cost of 202.10 nP per kg. and 25,000 kgs. of tea at an estate cost of 248.73 nP per kg.

Replanting: 9.03 acres have been replanted during the year, and the total acreage now replanted under the Rubber Board's subsidy scheme is 54.15 acres. 14.42 acres are being replanted this year.

Accounts in brief as at 28th February 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	8,50,000	Gross block ..	.. 19,21,238
6% debentures ..	3,41,500	—Depreciation	.. 1,64,746
Reserves and surplus..	5,97,861		
Other liabilities ..	2,59,928	Net block ..	.. 17,56,492
		Current assets	.. 2,14,756
		Investments ..	.. 1,000
		Cash	.. 13,930
	Rs. 20,49,289		Rs. 20,49,289

* Paid-up capital consists of 25,000 seven per cent. cumulative preference shares of Rs. 10 each fully called up and 1,20,000 equity shares of Rs. 5 each fully called up.

Mysore Glass and Enamel Works Ltd.

(*Director-in-charge*: Mr. Shankar Rao P. Ogale, Bangalore.)

Chairman: Mr. P. Hanumanthiah, Bangalore.

Twenty-third Annual General Meeting—14th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees) 1962	1961
Sales of glassware	6,56	6,19
Closing stock of finished products and work-in-progress	17	26
Gross profit	86	77
Transfer to depreciation	20	12
,, ,, development rebate	2	Nil
Net profit	64	65
Adjustments	11*	†
Appropriations:		
Total available balance	75	65
Transfer to general reserve	12	5
,, ,, reserve for bad debts	Nil	1
,, ,, reserve for payment of statutory compensation to employees ..	Nil	8
,, ,, provision for statutory compensation to employees	15	Nil
,, ,, reserve for rehabilitation ..	Nil	6
,, ,, provision for *ex-gratia* bonus to employees	11	11
,, ,, provision for gratuity to Director-in-charge	3	Nil
Proposed dividend (taxable) ordinary ..	32 (10%)	32 (10%)
Carry forward	2	2

N.B.—Adjustments represent the credit balance brought forward from the previous and other credit items if any.
* This includes Rs. 8,000 transferred from reserve for statutory compensation to employees.
† Balance brought forward is a small amount of Rs. 330.

Extracts from the Directors' report: The old *annealing chambers* are replaced by a modern type of *annealing lehr*, which will result in better annealing of the products and greater recovery of articles produced.

During the year under report, there was scarcity of Coal which is responsible for restricted production, and this situation is becoming graver and graver from time to time. Ways and means to change the type of furnace to the use of furnace oil are being thought of.

In order to finance expansion of the present unit by changing the type of furnace to the use of furnace oil instead of coal and increasing its melting capacity, it is necessary to sell the remaining part of the issued capital. 15,878 shares remaining unsubscribed from the issue of 80,000 shares of Rs. 5 each, are being offered to the existing shareholders.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	3,19,975	Gross block ..	.. 6,56,883
Reserves and surplus..	55,573	—Depreciation	.. 4,05,707
Other liabilities ..	1,45,577		
		Net block ..	.. 2,51,176
		Current assets	.. 2,33,945
		Cash	.. 36,004
	Rs. 5,21,125		Rs. 5,21,125

* Paid-up capital consists of 63,122 ordinary shares of Rs. 10 each reduced 63,122 shares of Rs. 5 each (as per High Court Order No. C.P. 543/59 dated 29th February 1960). This also includes Rs. 4,365 being shares forfeited.

Bombay Suburban Electric Supply Ltd.

(*Managing Agents*: Messrs. Killick Industries Ltd., Bombay.)

Thirty-third Annual General Meeting—28th August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees) 1962	1961
Gross earnings from sale of energy	1,75,51	1,47,97
Gross profit	59,98	51,22
Transfer to Managing Agents' remuneration ..	3,67	3,80
,, ,, depreciation	14,90	13,04
,, ,, employees' retiring gratuities ..	1,53	1,40
,, ,, provision for taxation	13,59	6,87
Net profit	26,29	26,11
Adjustments	1,63*	1,48†
Appropriations:		
Total available balance	27,92	27,59
Transfer to development reserve	4,33	6,54
,, ,, contingencies reserve	2,55	1,42
,, ,, tariffs and dividends control reserve	1,75	1,02
,, ,, equalisation of dividends reserve.	30	1,65
,, ,, reserve for augmenting production facilities	1,88	1,04
,, ,, consumers' benefit	2,10	90
To promotion expenditure written off ..	9	9
,, new share capital issue expenses written off	1	1
,, payment of ad-interim dividend equity ..	6,13 (3½%)	5,25 (3%)
Proposed dividend (taxable) equity	8,75 (5%)	9,63 (5½%)
Carry forward	3	4

N.B.—Adjustments represent the balance brought forward from the previous years and other credit items.
* Includes Rs. 1,58,741 being excess provisions for taxation for the years ended 31st March 1945 to 1951 written back.
† This includes Rs. 1,46,284 on account of consumers' benefit (adjustments for previous years).

Extracts from the Directors' report: *Finance*:—In order to finance the heavy capital expenditure to be incurred over the next five years, it is proposed to raise finance by the issue of redeemable and convertible debentures totalling Rs. 1,87,50,000. It is proposed to increase the Authorised Capital of the Company to Rs. 5 crores.

New Connections:—17,455 new consumers were connected to the mains, bringing the total number to 1,09,421 which represents an increase of 18.98 per cent over the previous year.

Energy Purchased:—The number of units purchased from the bulk suppliers rose by 21.02 per cent.

Energy Sales:—The following table indicates, in terms of units sold, the progress in the sales of energy since the year 1959-60:

Year	Kilowatt-hours sold: Public lighting and general purposes	Power purposes	Total	% increase on previous year
1959-60 ..	53,518,883	67,751,791	121,270,674	21.43
1960-61 ..	58,230,224	86,593,668	144,823,892	19.42
1961-62 ..	69,508,978	104,723,470	174,232,448	20.30

System Peak:—The maximum load on the Company's system was 40,910 kws. as against 35,130 kws. during the previous year, an increase of 16.45 per cent.

Distribution:—The Company's transmission and distribution systems were maintained in good order, and continued to give trouble free service. At the close of the year there were 361 Kilometres of high tension and 483 Kilometres of low tension mains on the Company's system.

Development:—During the year 18 new substations were added (making a total of 267) and the transformer capacity of 11 existing substations was augmented.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	1,75,00,000	Gross block ..	.. 5,11,22,126
Reserves and surplus..	1,[illegible]1,10,633	—Depreciation	.. 1,25,80,588
Other liabilities ..	1,94,51,374		
		Net block ..	.. 3,85,41,538
		Block-in-progress	.. 9,75,015
		Current assets	.. 76,79,604
		Investments ..	.. 14,71,669
		Cash	.. 2,51,219
		Miscellaneous expenditure	.. 1,42,962
	Rs. 4,90,62,007		Rs. 4,90,62,007

* Paid-up capital consists of 1,75,000 ordinary shares of Rs. 100 each. Of this 4,990 shares are allotted as fully paid up by way of bonus shares by transferring Rs. 1,70,020 from premium on shares and Rs. 3,28,980 from general reserve.

A TRIO OF SHORTAGES

(*Concluded from page* 285)

shortfalls that plague most industrial centres in the country.

The Union Minister of Irrigation and Power has recently given indications of his readiness to amend the Electricity Supply Act to permit a slight increase in the rate of return. This, I am sure, will be a welcome concession, but his continued insistence on meeting consumer demand from generating capacity in the public sector is, to say the least, unrealistic in the present circumstances. In fact, Government should encourage industrial units to step up their generating capacity. The cost in foreign exchange would be more than offset by the gains that should accrue from maintenance of production and fuller utilisation of capacity, both of which seem unlikely in many areas of shortage.

Talking of shortages, there seems little prospect of any early relief in this Eastern region. The Sachdev Committee has estimated that the shortfall may be as high as 171 MW in the Bengal-Bihar area. By far the greater part of this deficit—121 MW—is in the Calcutta region. The Planning Commission announcement sanctioning one more 75 MW unit at Durgapur was, therefore, particularly welcome, but this still leaves a gap of 46 MW to be met.

It is presumed a decision on the other West Bengal schemes has been deferred because of foreign exchange shortage. The dilemma of the planners is, indeed, very real. The foreign exchange crisis daily grows worse. In this situation, I appreciate how little room is left for New Delhi to manœuvre, but even now the foreign exchange budget could perhaps be readjusted with the consent of aiding countries provided the planners agreed to postpone some of their pet schemes and divert the funds to power. May I recall here the Sachdev Committee's recommendations that power projects for the fourth Plan should be sanctioned by 1962? This, of course, requires a fresh load survey, and I am glad to note that Government have enlisted World Bank assistance to have a countrywide assessment made.

I think all of us will agree to the proposition that the first charge on foreign exchange must be the needs of fuel, transport and power development. It is obviously pointless to make available components to an industry, if it cannot function for want of fuel or power, or cannot place its goods on the market for lack of transport.

Notices

THE MYSORE PAPER MILLS, LIMITED

BANGALORE 9

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Ordinary General Meeting of the Company will be held on Wednesday the 26th September 1962 at 2.30 p.m. at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore City, to transact the following business:

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1962 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors:
   (i) To appoint a Director in place of Sri K. Subbarao Ramaswamy, who retires under Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.
   (ii) To appoint a Director in place of Sri N. Narayanappa, who retires under Article 103 of the Articles of Association of the Company and being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

Note: (1) The Share Transfer Books of the Company will be closed from 30th August to 26th September 1962 (both days inclusive).

(2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a *Proxy need not be a member of the Company.*

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
POST BOX NO. 570,
GANDHI NAGAR P.O.,
BANGALORE 9.
Dated: 20th *June* 1962.

N.B.—The Board of Directors have recommended payment of dividend at 15% or Re. 1.50 nP subject to deduction of tax, on every Share of Rs. 10 each fully paid up for the year and proportionate dividend on partly paid up Shares of Rs. 2.50 each for the proportionate period subject to deduction of tax.

The Dividend when declared will be made payable at the State Bank of Mysore, Bangalore, or its branches on and after the 22nd October 1962.

The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 29th August 1962. Shareholders whose income is not taxable, are requested to obtain a Certificate from the Income-tax Officer of their respective circle and to send the same to the Company before 15th September 1962.

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

Registered Office:

31, NETAJI SUBHAS ROAD, CALCUTTA-1

NOTICE

THE DIRECTORS AT THEIR MEETING HELD on 6th August, 1962 decided to recommend to the Shareholders that the following dividends be declared at the Annual General Meeting to be held on 10th September, 1962 for the year ended 31st March 1962.

On Preference Shares @ 9.1% per annum (Rs. 9.10 per share) subject to deduction of income tax.

On Ordinary Shares @ 10% per annum (Rs. 10/- per share) subject to deduction of income tax.

The Register of Members and Share Transfer books of the Company will remain closed from 27th August to 10th September 1962, both days inclusive.

By Order of the Board,
DUNCAN BROTHERS & CO., LTD.,
Managing Agents.

CALCUTTA, 8*th August*, 1962.

THE ALUMINIUM INDUSTRIES LIMITED

No. 1, Ceramic Factory Road, Kundara

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, No. 1, Ceramic Factory Road, Kundara, on Thursday the 27th September 1962, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and audited Balance Sheet of the Company as at 31st March 1962 and Profit and Loss Account for the year ended 31st March 1962.
2. To declare a Dividend.
3. To appoint a Director in the vacancy created by the resignation of Sri. Chakola Palu.
4. To appoint a Director in the vacancy created by the demise of Sri. Parayath E. Raman Menon.
5. To appoint a Director in the place of Sri. T. T. Rathnasabapathy Pillai who retires by rotation under Article 102 of the Articles of Association of the Company, and who is eligible for re-election.
6. To appoint a Director in the place of Sri. V. Swamy Iyengar who retires by rotation under Article 102 of the Articles of Association of the Company, and who is eligible for re-election.
7. To appoint Auditors for the Company for the year 1962-63 and to fix their remuneration. The retiring Auditors, Sri. T. Velu Pillai, Alwaye, and Messrs. K. Venkitachalam Aiyer & Co., Trivandrum, are eligible for reappointment.
8. To consider and if thought fit, to pass the following resolution with or without modification, as a special resolution:

SPECIAL RESOLUTION:

"Resolved that the Articles of Association of the Company be and are hereby amended in the manner and to the extent detailed in the document 'A' submitted to this meeting and for purposes of identification subscribed by the Chairman thereof."

All Shareholders are requested to be present in person or by proxy. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

(By Order of the Board)
SESHASAYEE BROTHERS (TRAVANCORE) PRIVATE LIMITED
Managing Agents.
B. V. D. MENON,
Managing Director.

KUNDARA, 4*th August* 1962.

Note:—The Share Transfer Books of the Company will be closed from the 19th to the 27th September 1962 (both days inclusive). The dividend, if sanctioned, will be made payable on or after the 27th September 1962 to those shareholders whose names stand on the Register as on the 27th September 1962.

EXPLANATORY STATEMENT

annexed to the Notice of the Sixteenth Annual General Meeting of the Company

(as required by Section 173 of the Companies Act 1956)

ITEM 8: Consequent on the amendments by the Companies Amendment Act 1960 many of the Articles of Association of the Company need revision to bring the Articles in line with the Companies Act. It is proposed at the same time to make certain verbal and formal changes in the Articles and delete Articles which are rendered obsolete.

All the Directors of the Company are concerned or interested in the amendments to Articles relating to Directors. The Managing Agents, Messrs. Seshasayee Brothers (Travancore) Private Ltd., are concerned or interested in so far as the Articles relating to Managing Agents are proposed to be altered.

A copy of the present Articles of Association of the Company, and the amendments/alteration suggested covered by Document marked 'A' and signed by Chairman for purposes of identification are available for inspection of the members at the Registered Office of the Company, No. 1, Ceramic Factory Road, Kundara, Kerala State, between 10 a.m. and 4 p.m. on all working days.

(By Order of the Board)
SESHASAYEE BROTHERS (TRAVANCORE) PRIVATE LIMITED
Managing Agents.
B. V. D. MENON,
Managing Director.

KUNDARA, 4*th August* 1962.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 10th August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long Term Operations) Fund		61,00,00,000
National Agricultural Credit (Stabilisation) Fund		7,00,00,000
Deposits—		
(a) Government—		
(i) Central Government		58,23,35,000
(ii) State Governments		23,15,16,000
(b) Banks—		
(i) Scheduled Banks		89,37,97,000
(ii) State Co-operative Banks		2,07,64,000
(iii) Other Banks		2,04,000
(c) Others		204,64,04,000
Bills Payable		21,59,37,000
Other Liabilities		19,53,91,000
	Rupees	571,63,48,000

ASSETS	Rs.	Rs.
Notes		20,03,18,000
Rupee Coin		2,91,000
Small Coin		4,48,000
National Agricultural Credit (Long Term Operations) Fund—		
(a) Loans and Advances to—		
(i) State Governments		24,03,29,000
(ii) State Co-operative Banks		12,17,43,000
(iii) Central Land Mortgage Banks		....
(b) Investment in Central Land Mortgage Bank Debentures		2,84,90,000
National Agricultural Credit (Stabilisation) Fund		
Loans and Advances to State Co-operative Banks		....
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		70,08,37,000
Balances Held Abroad*		5,15,62,000
Loans and Advances to Governments†		6,59,00,000
Loans and Advances to—		
(i) Scheduled Banks‡		1,82,25,000
(ii) State Co-operative Banks§		116,21,83,000
(iii) Others		1,11,32,000
Investments		277,81,11,000
Other Assets		33,67,79,000
	Rupees	571,63,48,000

* Includes Cash and Short-term Securities.

† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

‡ Includes Rs. 6,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,03,18,000	
Notes in circulation	2063,70,91,000	
Total Notes issued		2083,74,09,000
Total Liabilities		2083,74,09,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India		
Foreign Securities	89,34,17,000	
Total		207,10,27,000
Rupee Coin		119,64,00,000
Government of India Rupee Securities		1756,99,82,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2083,74,09,000

State Bank of India

Statement of Affairs for the week ended 3rd August, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,50,00,000
Deposits and Other Accounts		584,40,14,000
Borrowings from Other Banking Companies, Agents, etc.		43,00,000
Bills Payable		9,98,80,000
Bills for Collection being Bills receivable as per contra		2,56,79,000
Acceptances, Endorsements and Other Obligations per contra		8,99,05,000
Other Liabilities (including Inter-Office Adjustments)		13,66,11,000
Total .. Rs.		633,86,39,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,87,71,000
Balances with other Banks		2,54,50,000
Money at Call and Short Notice		2,80,00,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 276,29,35,000	
Other Authorised Investments	8,81,32,000	
		285,10,67,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	Rs. 261,60,31,000	
Bills Discounted and Purchased	15,97,69,000	
		277,58,00,000
Bills Receivable being Bills for Collection as per contra		2,56,79,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,99,05,000
Premises less Depreciation		1,94,92,000
Furniture and Fixtures less Depreciation		1,58,82,000
Other Assets (including Inter-Office Adjustments)		28,55,93,000
Total .. Rs.		633,86,39,000

State Bank of Pakistan

Statement of Affairs for the week ended 3rd August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,65,00,000
Rural Credit Fund		2,00,00,000
Deposits:—		
(a) Central Government		4,14,27,000
(b) Provincial Governments		3,32,31,000
(c) Banks		23,17,93,000
(d) Others		105,17,33,000
Bills Payable		14,97,000
Other Liabilities		16,48,15,000
	Rupees	162,10,52,000

ASSETS	Rs.	Rs.
Notes		12,32,43,000
Rupee Coin		25,000
Subsidiary Coin		43,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		21,52,88,000
Balances held outside Pakistan*		2,62,00,000
Loans and Advances to Governments		
Provincial Governments' Debtor Balances		44,06,06,000
Other Loans and Advances		71,37,28,000
Investments		10,18,29,000
Other Assets		
	Rupees	162,10,52,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,32,43,000	
Notes in circulation	362,08,33,000	
Total Notes issued		374,40,76,000
Total Liabilities	....	374,40,76,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	65,85,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		133,85,64,000
B. Rupee Coin	4,13,88,000	
Government of Pakistan Securities	230,51,18,000	
Internal bills of exchange and other commercial paper	....	
		234,65,06,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	374,40,76,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 37.25 per cent.

EXCHANGE RATES

	8th August 1962	31st July 1962
London on New York $, per Dollar	2.8051-2.8054	2.8050-2.8053
New York on London Cents per £	280.530-280.570	280.490-280.530
London on Paris .. Frs.	13.7440-13.7460	13.7440-13.7460
London on Berne .. Sw. Frs.	12.1225-12.1235	12.1265-12.285
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.25	477.25
Buyers T.T. Rs. to $ 100	473.75	473.00
Canadian Dollars—		
Sellers T.T. D.D.. Rs. to $100	445.00	444.75
Buyers T.T. .. „	437.00	436.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.60
Buyers T.T. .. „	103.60	103.60
Swiss Francs—		
Sellers T.T. D.D... „	90.40	90.50
Buyers T.T. .. „	91.40	91.40
Deutsche Marks—		
Sellers T.T. D.D... „	83.60	83.60
Buyers T.T. .. „	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... „	12,970	12,970
Buyers T.T. .. „	13,145	13,145
Swedish Kroner—		
Sellers T.T. D.D... „	107.70	107.80
Buyers T.T. .. „	108.80	108.90
Belgian Francs—		
Sellers T.T. D.D... „	1,038	1,038
Buyers T.T. .. „	1,054	1,054
Dutch Guilders—		
Sellers T.T. D.D... „	75.40	75.30
Buyers T.T. .. „	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... „	119.90	119.90
Buyers T.T. .. „	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... „	149.60	149.60
Buyers T.T. .. „	151.00	151.00
Danish Kroner—		
Sellers T.T. D.D... „	144.70	144.70
Buyers T.T. .. „	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	3-8-62	27-7-62	4-8-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	49,01	49,02	46,79
(ii) From others	794,10	794,45	711,95
(b) Borrowings from banks	21,67	20,39	26,74
(c) Others	51,89	54,55	52,39
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,48	26,09	24,53
(ii) From others	1,251,69	1,241,40	1,074,66
(b) Borrowings from banks	18,35	16,88	20,68
(c) Others	10,71	9,91	23,72
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,045,80	2,035,86	1,786,61
4. Borrowings from Reserve Bank	2,41	66	2,19
(a) Against usance bills and/or promissory notes	17	24	76
(b) Others	2,24	42	1,43
5. Borrowings from State Bank and/or a notified Bank	17,04	18,43	15,53
6. Cash	48,45	49,46	46,24
7. Balances with Reserve Bank	92,99	98,40	78,96
8. Cash and balances with Reserve Bank	141,41	147,87	125,20
9. 8 as per cent of 3	6,91	7,26	7,01
10. Balance with other banks in current account	19,16	18,44	15,30
11. Money at call and short notice	55,88	53,64	53,45
12. Investments in Government securities	672,12	655,00	589,30
13. 12 as per cent of 3	32,35	32,17	32,99
14. Advances—			
(a) Loans, cash credits and overdrafts	1,211,97	1,216,22	1,084,71
(b) Due from banks	6,10	7,37	5,75
15. Inland bills purchased and discounted	129,62	123,88	109,16
16. Foreign bills purchased and discounted	47,85	46,64	44,04
17. Total Bank Credit [14 (a)+15+16]	1,389,44	1,386,74	1,237,90
18. 17 as per cent of 3	67,92	68,12	69,29

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended			
	4th Aug. 1962	28th July 1962	7th July 1962	5th Aug. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.5	100.4	100.7	101.1
2. Government of India	100.3	100.3	100.5	101.0
3. State Government	102.1	102.1	102.1	102.3
4. Municipal, Port Trust, etc.	99.1	99.1	99.2	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.1	99.1	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.3	81.5	83.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	186.7	183.3	185.6	180.4
8. *Agriculture and Allied Activities: Total**	155.1	154.3	158.1	168.4
9. Tea Plantations	145.9	145.8	150.1	164.6
10. Coffee Plantations	148.8	148.6	151.2	173.0
11. Rubber Plantations	164.4	163.8	167.5	169.6
12. *Mining and Quarrying: Total*	164.5	162.3	161.2	162.2
13. Coal	122.8	122.8	126.8	127.7
14. Other Mining	193.1	189.4	184.8	185.9
15. *Processing and Manufacturing: Total*	203.8	199.3	202.3	194.3
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	211.0	205.7	209.3	200.0
17. Sugar	139.2	137.5	137.7	159.3
18. Cotton Textiles	163.9	170.8	182.4	170.9
19. Jute Textiles	101.5	100.7	103.0	86.2
20. Silk and Woollen	1,247.3	1,200.4	1,228.2	1,170.1
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	208.5	205.2	206.7	203.7
22. Iron and Steel	166.4	163.3	162.6	170.5
23. Transport Equipment	390.9	386.6	386.1	400.1
24. Electrical Machinery	180.5	175.3	182.0	164.1
25. Machinery other than Transport and Electrical	236.2	233.1	237.5	210.5
26. Basic Industrial Chemicals	192.5	191.0	195.4	212.5
27. *Processing and Mfg. (Others): Total**	173.2	168.9	172.8	159.1
28. Cement	161.8	155.9	159.6	142.8
29. Paper	219.7	217.6	223.5	206.4
30. *Other Industries: Total**	112.5	111.3	112.5	109.9
31. Electricity Generation and Supply	87.6	87.0	86.2	85.1
32. Trading	118.7	116.6	122.5	120.6
33. Shipping and Other Transport	91.6	90.4	91.4	97.0
34. Construction	290.3	286.0	289.3	287.7
35. *Financial: Total*	209.4	208.7	206.8	202.8
36. Banks	233.8	233.3	230.2	230.5
37. Insurance	170.6	168.2	170.4	146.5
38. Investment Trusts	88.2	88.3	88.2	90.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	197.5	192.2	193.2	187.7
40. Calcutta	171.6	169.7	172.1	166.8
41. Madras	192.5	191.2	193.7	193.4
42. Delhi	241.2	237.8	240.7	241.6

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	14th July 1962	7th July 1962	15th July 1961	May 1962	May 1961	Percentage of Increase (+) or Decrease (−) in May 1962 as compared with May 1961	Financial Year Average 1961-62	Financial Year Average 1960-61
Food Articles	504	128.4	126.6 R	125.0	124.2	117.2	+ 6.0	120.1	120.0
Cereals	192	106.8	105.8	104.4	104.1	99.5	+ 4.6	102.3	104.4
Pulses	43	105.0	103.9	91.3	98.3	87.3	+12.6	91.9	92.9
Fruits and Vegetables	23	148.9	148.9	145.2	141.6	122.0	+16.1	137.6	118.5
Milk and Ghee	84	127.3	128.7	122.0	129.4	113.9	+13.1	116.4	116.0
Edible Oils	47	153.8	153.8	166.0	153.1	159.6	− 4.7	166.5	160.3 R
Fish, Eggs and Meat	17	146.0	138.0 R	141.5	127.3	+11.2	135.4	123.5	
Sugar and *Gur*	48	149.4	145.1	123.6	129.7	120.1	+ 8.0	119.6	132.8
Others	50	171.8	169.1*	186.0	168.9	167.4	+ 0.9	171.6	167.8
Liquor and Tobacco	21	99.1	99.1	98.2	102.0	104.1	− 2.0	100.3	109.9 R
Tobacco	..	95.5	95.3	94.5	98.6	100.9	− 2.3	96.8	108.3 R
Fuel, Power, Light and Lubricants	30	124.3	124.2 R	122.1	122.3	121.6	+ 0.6	122.1	120.9 R
Industrial Raw Materials	155	138.6	137.4	153.4	134.9	153.2	−11.9	142.6	145.4
Fibres	61	130.3	128.8	158.3	125.7	165.1	−23.9	138.3	151.6
Oilseeds	60	155.5	154.9	164.7	149.0	156.6	− 4.2	156.4	149.9
Minerals	2	93.4*	93.4*	95.2	93.8	95.4	− 1.7	94.9	97.4
Others	32	125.3*	125.3*	126.6*	128.7	127.6	− 0.7	128.1	128.0
Manufactures	290	128.5	128.3 R	127.5	125.9	125.9	+ 0.5	126.6	123.9
Intermediate Products	41	142.9	142.1	142.5	137.3	136.9	+ 0.3	138.8	130.6 R
Finished Products	249	127.3	127.7	125.6	125.9	125.3	+ 0.5	124.6	122.8
Textiles	147	126.7	127.5	127.9	129.2	125.5	+ 2.9	125.5	125.8
Cotton	..	129.2*	129.7*	127.4*	128.8	127.7	+ 0.9	127.9	128.1
Jute	..	118.0*	120.3	133.4	113.2	137.1	−17.4	122.4	131.4
Woollen	..	141.3*	141.3*R	139.6	119.1	141.4	+17.2	122.7	109.1
Silk and Rayon	..	129.1*	128.8*	119.1*	129.1	115.3	+12.0	119.9	104.4
Metal Products	12	160.4	160.4	151.6	159.9	151.4	+ 5.6	151.6	147.9 R
Chemicals	20	115.2	115.2	110.7	112.8	107.5	+ 4.9	110.7	104.4
Oil Cakes	9	157.3	154.8	147.2	152.3	142.3	+ 7.0	147.5	141.3
Machinery and Transport Equipment	31	117.8	117.8 R	112.7	117.6	112.8	+ 4.3	114.5	111.9
Others	30	125.7	125.7	120.8	124.8	119.1	+ 4.8	121.3	116.1 R
All Commodities	1,000	129.5	128.6	129.6	126.3	125.4	+ 0.7	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

(1949=100)

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average ..	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 ,, ...	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 ,, ...	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 ,, ...	126	431	121	352	102	131	400	148	127	113	106	123	111	150
April 1961 ..	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May ,, ..	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June ,, ..	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July ,, ..	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August ,, ..	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. ,, ..	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. ,, ..	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. ,, ..	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. ,, ..	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962 ..	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February ,, ..	127	438	119	362	107	131	402	149	129	115	109	127	118P	152
March ,, ..	127P	439	121	357	105	131	405	149	129	113	109	127	..	152
April ,, ..	127P	439	121	355	102	..	413	149	129	113	111	127	..	152
May ,, ..	128P	443	..	361	..	..	418	..	127	113	111	128	..	..
June ,, ..	..	443	..	..	..	..	..	..	..	..	..	..	..	..
July ,, ..	..	447	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% C Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1958-59 ..	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60 ..	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61 ..	1,24	2,46	81.50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3 38	329,98	770,80
1961-62 ..	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. ,, ..	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May ,, ..	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June ,, ..	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,80	42,43	3	3,43	28,02	777,66
July ,, ..	1,10	2,24	76,31	6,66	304,96	20,79	298,73	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. ,, ..	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. ,, ..	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962 ..	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. ,, ..	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3,67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. ,, ..	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April ,, ..	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May ,, ..	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	98.95
3 % Loan	1950	30,33,10,400	1964	96.95
3 % Fg. Loan	1948	110,11,78,000	1966-68	96.75
3 % Dev. Loan	1945	115,05,83,200	1970-75	89.15
2½% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.55
3½% N. P. Loan	1954	158,17,90,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.85
3½% N. P. Bonds	1956	197,93,00,000	1967	98.85
3¾% Loan	1956	86,64,00,000	1974	99.15
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	100.00
3¾% Loan	1958	70,00,00,000	1968	98.25
3½% Loan N.P.B.	1958	156,59,00,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.25
3½% Loan	1959	147,91,00,000	1969	97.90
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98.60
3½% Bonds	1960	82,66,00,000	1966	99.85
4 % Loan	1961	65,63,00,000	1981	98.55
4¼% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	70.25
3 % Loan	1946	248,91,37,168	K.	68.90
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	98.00
3¾% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,63,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.50
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.25
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.30
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.90
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	98.25
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.25
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.00
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.25
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.25
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.00
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	98.25
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	98.00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.25
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.35
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	98.00
4 % M. Bharat†	1953	1,04,77,000	15th July 1963	100.00
4 % M. Bharat†	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1918	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	83.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
28,46,275	3½	1947	1977	
9,88,000†f	3	1947	1977	A
3,00,000†f	3	1949	1979	
45,00,000†t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50‡
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
3,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99.0C
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
1,50,00,000	4½	1561	1971	97.75
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1936.
—Interest free for first 12 years. t—Interest free for first 3 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.

Notice

THE PULLANGODE RUBBER AND PRODUCE COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Annual General Meeting of the Shareholders will be held at 3 p.m. on Monday, the 17th September, 1962, at the Registered Office of the Company at Calvetty, Fort Cochin, to transact the following business:—

1. To receive and adopt the Audited Balance Sheet and Accounts for the year ended 31st March, 1962, and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect a Director.

   Note: As Mr. A. D. Peacock, the retiring Director, is an Officer of the Managing Agents, a Special Resolution is necessary for his re-election. Special Notice has been received and is given of the following Special Resolution which will be moved as a Special Resolution:—

   "Resolved that Mr. A. D. Peacock, an Officer of the Managing Agents of this Company, be and is hereby re-elected a Director of the Company."
4. To appoint Auditors.

AS SPECIAL BUSINESS

5. *As a Special Resolution*: To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:—

   "Resolved that the Regulations contained in the Printed Document submitted to this Meeting and for the purpose of identification signed by the Chairman of this Meeting, be and are hereby approved, and that such Regulations be and are hereby adopted as the Articles of Association of the Company for and to the exclusion of all existing Articles."
6. *As an Ordinary Resolution*: To consider and, if thought fit, to pass the following resolution with or without modification:—

   "Resolved that, subject to the approval of the Central Government, Messrs. Aspinwall & Co. Ltd. be and are hereby re-appointed Managing Agents of this Company for a further period of five years as from 1st April, 1964, on the existing remuneration and upon the terms and conditions mentioned in the draft Managing Agency Agreement produced before this meeting and signed by the Chairman for identification, which is hereby approved, and that the Directors be and are hereby authorised to execute the agreement on behalf of the Company with the Managing Agents in terms of the said draft Agreement but with such modifications, if any, as may be suggested by the Central Government."

The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 3, 5 and 6 above, as also a copy of the proposed draft new set of Articles of Association, are being posted to all members.

The Transfer Books and Register of Members of the Company will remain closed from 1st September, 1962, to 17th September, 1962, (both days inclusive).

Any shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to attend and vote instead of himself, subject to the provisions of Section 176 of the Companies Act, 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

(By Order of the Board)

THE PULLANGODE RUBBER & PRODUCE CO. LTD.,

Per pro ASPINWALL & CO. LTD.,

J. JOSEPH,

Managing Agents.

FORT COCHIN,
13*th August* 1962.

Note: The dividend, if declared, will be paid on or after the 1st October, 1962, to those shareholders whose names appear in the Company's books on 17th September, 1962, or to their Mandatees

TREND OF MARKETS

NOTHING NEW IN MONEY

(From Our Own Correspondents)

BOMBAY, 16*th August*

This has been a short week for the money market, in view of two consecutive bank holidays on Tuesday and Wednesday. There have been no outstanding developments during the remaining days. Before the holidays, there was a fall in the demand for funds and the conditions were comfortable. The inter-bank call money rate, which had gone up to 2½ per cent a week ago, came down to 1½ per cent on Monday. Today, however, the rate looked up a little to 2 per cent after the clearing hours, due to some pull from Calcutta where the rate had jumped up to 3 to 3½ per cent.

Although sales of 91-days' Intermediate Treasury Bills from 8th August to 11th August had fetched as much as Rs. 4.40 crores, the response to 91-days' Bills under the tender system was poor. The amount offered at Rs. 2 crores was no more than that invited, as against Rs. 2.50 crores in the previous week. The average rate of accepted tenders was unchanged at 2.350 per cent per annum. It is true that sales of Intermediate Bills too were relatively less as compared with Rs. 8.30 crores collected from 1st August to 4th August; nevertheless, they were still quite sizable. Sales of both the types of Bills are being continued.

The Gilt-edged market was listless. Whatever buying inquiries there were were for the short-dated securities, while the long-dated ones had more sellers. Little interest was evinced in the loans of State Governments.

BULLION EASY AT CLOSE

Both silver and gold scored handsome gains during the week under review, though a large part of the gains was erased today due to liquidation by tired bulls. In the earlier sessions, silver met with strong support induced by a hectic rise in prices at New York and London, bullish advices from upcountry markets, and reduced arrivals. In sympathy with silver and following enlarged buying inquiries, gold ruled firm. Today, however, the market depicted a distinctly easy trend, with a shake-out in values. Over the week, ready silver recorded a rise of Re. 1.05 to Rs. 214.50—the rate was higher still at Rs. 215.70 yesterday—the forward (*Bhadrapad*) advancing by Re. 1 to Rs. 215.05. In gold, the ready rate rose from Rs. 124.95 to Rs. 126.05 and the forward from Rs. 124.95 to Rs. 125.80.

The daily average arrivals of silver and gold during the week were 24 bars and 5,800 tolas, respectively. The corresponding figures for last week were 28 bars and 6,100 tolas. The actual offtake was at an average of 5 bars of silver (6 bars last week) and 4,400 tolas of gold (3,400 tolas).

Ready silver in the London bullion market jumped up this week from 89½*d*. to 92*d*. and forward from 89½*d*. to 92⅜*d*. This sudden spurt followed the hectic rise of 3.75 cents to 109.25 cents in the price at New York. Ready gold in London gained 1½*d*. to 2505.5½*d*. The dollar price of gold rose from $35.11⅛ to $35.12⅜.

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

	16-8-62 (closing)	High	Low	8-8-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	126.05	126.60	125.15	124.95
*Bhadrapad** ..	125.80	126.45	124.85	124.95
Sovereign	97.50	98.00	97.25	97.50
SILVER				
Ready (.996 fine) ..	214.55	215.70	213.20	213.45
Bhadrapad† ..	215.05	216.20	213.70	214.05
London—				
Gold	250*s*.5½*d*.	250*s*.5½*d*.	250*s*.3½*d*.	250*s*.4*d*.
Silver Ready	92*d*.	92*d*.	89⅝*d*.	89½*d*.
Silver Forward ..	92⅜*d*.	92⅜*d*.	89⅞*d*.	89½*d*.
New York—				
Silver	109.25 cents	109.25 cents	106.00 cents	105.50 cents

* 15th September settlement. † 17th September settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES SUBDUED

In contrast to the hectic trading and strident advance in values witnessed last week, the cotton futures market ruled subdued during the week under review. Reports of favourable rain in Khandesh and Berar tracts and other areas made bulls nervous. The fear that last week's rise was overdone also made for more cautious trading. Sentiment however, continued to be healthily bullish but it was tempered by the realisation that too steep a rise in price might attract some drastic measures from the F.M.C. Consequently, support was lacking at higher levels. Some profit-taking and selling by weak holders led to a decline in prices. The Jarilla March 1963 contract receded from Rs. 749 last week-end to Rs. 736.25 at close today, a net decline of Rs. 12.75 over the week.

The pattern of trading at the Sewri spot market remained practically unchanged from last week. Despite reports of favourable weather and satisfactory crop developments mills continued to be persistent buyers. Such varieties as Laxmi, Jaydhar, Co2, 197/3 and L147 were eagerly booked. Prices ruled firm. Export inquiries for Bengal Deshi were few and far between. Moderate demand was reported for foreign cotton. Lower grade Sudan cotton and selected East African styles attracted attention.

The folowing are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri: Ganganar 695; Kalyan 985; Nagar Co2 1,634. Sudan G6S 1,345; Jinje New 1,148; B.P.52 1,260-1,270. B.P. (U.N.U.G.) 1,275; Pakistan AC 134 New 1,150.

Publication of the first production estimate of the U.S. cotton crop was the most important development influencing the trend of cotton prices in New York and Liverpool during the week. The Department of Agriculture estimated the crop for the 1962-63 season, as on 1st August 1962, at 15.10 million bales of 500 lbs. each, as compared with last season's output of 14.32 million bales. This is to be harvested from an area of 15.72 million acres. The yield per acre thus works out to 461 lbs., as against 438 lbs. during the last season. The official estimate was higher than trade estimates which averaged about 14.85 milion bales.

Reacting to the news, cotton futures in the New York market eased slightly but they recovered the lost ground in subsequent dealings. Liverpool cotton futures market ruled fully steady. The bearish U.S. crop news had no adverse effect in Liverpool because futures prices there are already below parity with U.S. shipment offers.

ART SILK YARN RECEDES

There are conflicting reports in the yarn market about the upward revision in the ex-mill selling prices of indigenous art silk yarn for the purpose of providing cash incentives to exporters of rayon fabrics. Some continue to think that a general rise would be announced, while others totally discount such a possibility and a few feel that the rise would be made applicable only in the case of new units such as South India Viscose. At any rate, it is thought that there is no basis for the rumours (referred to in this report last week) of an early increase of 25 nP per lb. in price. Persistent selling has, therefore, ensued and prices have suffered a distinct setback. National Rayons 150 Bt. cones 1st grade has declined by 46 nP to Rs. 13.77 per kg., 100 Bt. Centurys by 36 nP to Rs. 18.96 and S.I. Viscose 120 deniers by 28 nP to Rs. 16.70. 20×1 Amilon August settlement is quiet at Rs. 4,800. Staple fibre yarn, however, has registered a handsome rise in values, thanks to reports of excellent offtake in consuming centres. 40×2 October delivery has risen by Rs. 10 to Rs. 853. Spot Kohinoors have advanced by 49 nP to Rs. 9.77. Cotton yarns continue to rule dull. Business put through is limited, with values moving narrowly.

OILSEEDS DECLINE

Oilseeds suffered a marked setback during the week under review. The break in the steadily upward trend noted for over a month followed reports of renewed rains in Gujarat and the South. Groundnuts rose initially to peak levels of the season, but encountered heavy bull liquidation on bearish crop reports towards the close. The decision of the Government of India to reduce Central excise duty on groundnut oil (produced by solvent extraction method) from Rs. 110 to Rs. 68.90 per tonne did not have any perceptible effect. The move, designed to provide an incentive for exports of deoiled cake, is said to be of only marginal significance, if any. Castorseeds moved down in the absence of good export inquiries for castor oil. Linseed ruled easy, thanks mainly to weakness of mustard seeds in the North. Cottonseeds too lost considerable ground.

The following table shows the closing prices of oilseeds and oils on Thursday, 16th August, as compared with those of the two previous weeks:

	16-9-1962	8-8-1962	31-7-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	240.00	239.37	228.50
Groundnut January 1963 ..	228.37	234.00	225.12
Nizam bold	49.00	49.50	47.87
Khandesh quality	49.75	50.25	48.12
Oil ex-mill ready*	20.00	20.20	19.30
Railway receipts*	19.80	19.80	19.05
Castorseed			
September 1962‡	169.75	172.25	171.00
Castorseed March 1963	168 25	171.25	170.00
Ready Madras	34.12	34.25	33.87
Ready Kanpur	32.75	33.00	32.62
Oil B.S.S.†	13.95	14.00	13.85
Oil commercial†	12.90	13.00	12.85
Linseed			
September 1962	40.94	42.56	42.00
Bold ready	40.62	41.50	41.12
Oil ready†	16.80	17.20	17.05
Cottonseed September 1962 ..	104.50	107.00	106.00
Cottonseed January 1963 ..	103.00	—	102.00
Niger seed	38.00	38.00	37.00
Kardi seed	29.00	29.00	27.00

* Rates include excise duty but exclude sales tax
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

QUALITY TEAS IMPROVE

CALCUTTA, 14*th August*

Fair demand was in evidence during the tea export sales held here yesterday. But, while prices of quality teas gained, those of others declined. Although there was good demand during last week's internal sales, prices eased noticeably with the exception of those for the bright liquoring Assams. Note was taken of the fall in the U.K. tea stocks from 118 million lbs. to 117 million lbs. for the week ended 3rd August 1962.

The weak conditions in sales for internal consumption have become a matter of anxiety for the industry. It was not surprising, therefore, that, speaking at an extraordinary meeting of the Terai branch of the Indian Tea Association, the I.T.A. Chairman, Sir Richard Duckworth, emphasised the importance of plain and common teas as a balancing factor not only for the industry but also for the trade. He said that the industry was making all-

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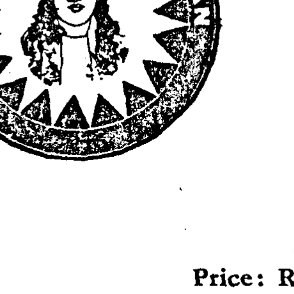

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out efforts to increase exports in accordance with the national interests and hoped that the propaganda now being made in foreign countries in favour of Indian tea would result in expanding markets to match with the industry's efforts to increase production. However, the tendency in foreign countries is to go in more and more for quality teas. All producing countries are engaged, therefore, in not only increasing production but also improving quality.

In the internal sales held here last week, dusts on offer totalled 29,794 packages, which met with a good general demand. The bright liquoring Assams were the strongest feature of the sale, and their prices appreciated. Plain orthodox dusts, however, eased by 20 nP and Medium C.T.C. dusts by 20 to 30 nP. Good support was accorded to the good C.T.C. dusts, prices of which were, however, lower by 30 to 40 nP. Non-wither legg-cut dusts were steady. The quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.80, medium Assam C.T.C. dust 5.50 to 6, medium Assam dust 4.60 to 5, legg-cut dust 3.80 to 4.30 and plain orthodox dust 3.30 to 3.60.

During yesterday's export sales, leaf on offer totalled 53,584 packages. Demand being poor, prices eased. Liquoring B.O.Ps were a strong feature, but generally orthodox teas eased by 10 to 30 nP. Darjeelings followed the general trend eased. Medium C.T.Cs also eased, while the best teas were fully firm. Legg-cut teas eased by 10 to 20 nP. Whole leaf grades were quiet. The quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 7 to 8.20, best Assam C.T.C. B.P. 7 to 8, clean plain pekoe 4.10 to 4.40, medium Assam C.T.C. fannings 5.20 to 5.90, plain fannings 3.50 to 3.75, plain B.P. 3.40 to 4.70 and medium Assam C.T.C. B.P. 5.20 to 5.90.

MEDIUM TEAS ADVANCE

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

COCHIN, *9th August*

A total of 662,000 kgs. was offered in sale No. 31 held on Tuesday, the 7th inst. Quality was generally maintained and there were a few invoices showing improvement. The market opened to a good general demand which continued throughout the sale. Low mediums and mediums met with good competition, particularly those which showed improvement and advanced by 10 to 20 nP. Good mediums elicited useful support at fully firm to dearer rates. The plainest kinds were barely steady. There was strong demand for highgrowns which were dearer, buyers following quality. Clean black leaf descriptions were a strong feature of the sale. Unorthodox teas were well competed for and the majority of them sold at rates above last. Leaf grades under this category however were easier. Whole leaf grades were irregularly dearer while a small selection of tippy teas sold readily.

The quotations per kg. were:

			1962	1961
			Rs.	Rs.
Low mediums	...	...	3.10-4.10	4.45-4.55
Mediums ...	...	...	4.00-4.50	4.50-4.60
Good mediums	...	...	4.50-5.40	4.60-5.20
Nilgiri B.O.P.	...	...	4.40-7.70	4.65-6.15

The average price realised in sale No. 31 was Rs. 4.38 per kilo, as against Rs. 4.18 a week ago and Rs. 4.82 in the corresponding sale last year.

Dust sale No. 31 was held today, whereat 341,300 kgs. were offered. There was good demand. Prices, although a little irregular, were generally firm to dearer, but there was a slightly easier tendency towards the close. Low mediums and mediums were well competed for and opened dearer by 5 to 10 nP but at the close these were barely steady. Wynaad types, however, did not receive the same support. Good mediums sold readily and sometimes appreciated. Plain fibrous kinds also shared in the upward trend of the market. There was strong inquiry for highgrowns which were dearer with quality. Black grainy descriptions continued in demand and sold at prices above last. Unorthodox descriptions were keenly contested for and these also registered advances.

The average price realised in dust sale No. 31 was Rs. 3.37 per kilo, as compared with Rs. 3.42 a week ago and Rs. 4.63 in the corresponding sale last year.

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

"*Sale No. 32*: 722,000 kgs. offered. Good demand. Low medium and medium brokens dearer, except plainest and stalky descriptions. Good mediums fully firm. Highgrowns dearer where quality improved. All fannings strong."

KIPS STEADY

(*From Our Own Correspondent*)

MADRAS, *13th August*

In the local hides and skins market this week, arrivals from tanneries were moderate and offtake was small. There was good demand for the low grade kips from the inland trade at prices which importers were disinclined to follow. However, inquiries from the U.K. dressers were good. Prices were, therefore, well maintained.

In the tanned skins section, demand was patchy and selective, with the emphasis on the better selections in 5½/6 lbs. and 11/12 lbs goat skins and 22/24 lbs.

Expecting rise in prices in the near future, sellers were restrained. Shipment business was, therefore, negligible. Demand for the prime and semi-prime sheepskins was lacking, but there was the usual volume of business in the middle class types. E. I. tanners expect a better demand from abroad after the August holidays. Inquiries from the U.S. were slack due to lower prices there.

The next series of German tanned skins public sales commences on the 20th instant, when about 70,000 goat-skins and 41,000 sheepskins will be offered for sale. Consigners here are not particularly optimistic about the sales in view of the current trend in the local market.

JUTE GOODS STOCKS HIGHER

(*From Our Own Correspondent*)

CALCUTTA, *14th August*

Although there was fair demand from overseas countries for jute goods and the outlook for the coming months was considered encouraging, prices recorded a decline, which was occasioned for no reason other than the very satisfactory arrivals of new crop for this time of the season. The announcement of details in respect of jute goods in stock with mills as at the end of July pleased the market. For, the stock no doubt showed an increase, but the increase in respect of hessian was below earlier expectations. Despite the increase in stock, the decision of the Indian Jute Mills Association to continue the present maximum level of production up to the end of September 1962, though in the fitness of things, affected sentiment. The I.J.M.A., at the same time, noted with concern that July was the third consecutive month registering an increase in sacking stocks. If the mills were to decide on restriction of output having regard to this factor, such a decision could not have been stated as being contrary to the interests of the industry; but the fact that mills are keeping the interests of the country above their own speaks volumes for their anxiety for not doing anything in a hurry that would depress an already depressed fibre market. Even at this time of the new season, arrivals of old crop have not stopped, and the new fibre is arriving in large quantities. Owing to a deterioration in quality, the fibre fit for production of heavy goods would show an unmanageable surplus. In such a context, if the mills were to restrict production, the harm inflicted on the fibre market could easily be imagined.

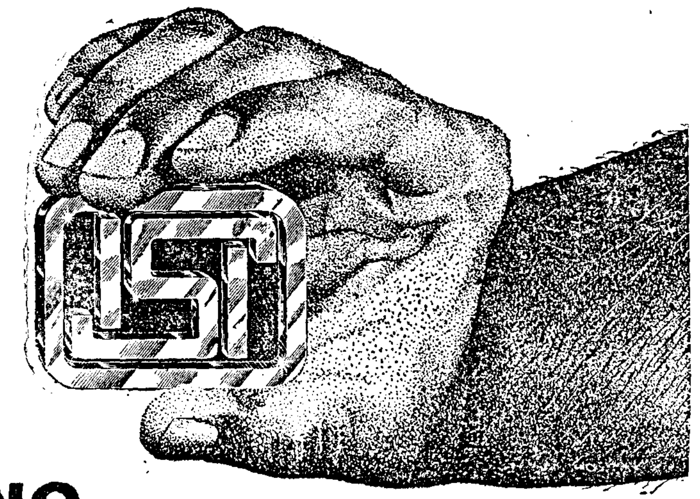
Last month, production in mills exceeded 100,000 tons, which was the highest production in any month since July 1946. It may be recalled that, in order to satisfy the growing demand for goods and also with a view to consuming as much fibre as possible, mills have been increasing production since the beginning of this year. The increased support which mills accorded to fibre, coupled with the stocks of fibre which mills built up despite financial implications, has been one of the causes for raising fibre prices to the minimum level. There was a time early this year when fibre prices had declined well below the Rs. 30 mark. This naturally caused anxiety to all concerned, and buffer stock purchases, together with increased offtake by mills, steadied the price trend in such a satisfactory manner that the Government of India abandoned all proposals for direct intervention. For months now, the prices have been maintained at or above the minimum levels. However, with increased arrivals of new crop, there has been a tendency for prices to fall, and the proposal to revive purchases by the Buffer Stock Agency is now being considered by the Union Commerce and Industry Ministry and the I.J.M.A. Recently, there had been a ministerial suggestion that the Government of India should take over the Buffer Stock Agency. However, in view of the close co-operation which the industry has given to Government with a view to ensuring fair prices to farmers and the good results that have followed, trade circles feel that the Government should not act in any hasty manner. For it is suggested that the Government's taking over buffer stock purchases and consequent distribution would only complicate the situation and bring in its trial numerous problems. Evidently, the conference now being convened at New Delhi between the representatives of the Government and the industry would survey the position *de novo*.

Possibly, purchases by the Buffer Stock Agency can be revived now. Also, now that it is certain that the inferior grades of fibre would be surplus, perhaps by an unmanageable proportion, an export quota can be fixed even now and exporters urged to find markets abroad early. With these two suggested measures, any tendency for fibre prices to fall below the minimum levels should be arrested. In this connection, it is interesting to note that, according to an overseas estimate, the output of fibre in India was expected to reach a new high of 1,119,000 tons or more than double the crop in 1960-61. The Pakistan output was estimated at 1,244,000 tons, representing an increase of 25 per cent as compared with 1961-62.

Stocks of heavy goods at the end of July increased by 6,600 tons to 45,000 tons, while those of other goods declined by 2,300 tons to 13,900 tons. As a result, total stocks increased by 5,600 tons at 85,900 tons. It is possible to expect that, in view of increase in the stocks of heavy goods and better demand for hessian, the mills may increase the production of hessian at the cost of sacking. However, the shortage of fibre fit for hessian production would weigh against any such possibility. The increase in stock followed by the decision of mills to maintain the existing level of production and also by the increased arrivals of fibre affected prices of heavy goods in particular during the week.

The details of stocks were released on Tuesday last and, as an immediate reaction, ready B. twills eased from Rs. 123.40 to Rs. 122.75. On the other hand, the satisfactory outlook for hessian raised ready hessian 40″ 10 oz. from Rs. 54.85 to Rs. 55. Overseas buyers became cautious and activity in the futures market was bearish. This led ready B. twills to fall to Rs. 122.25 and ready hessian 40″ 10 oz. to Rs. 54.80 on Wednesday. At this stage, there was the happy news of a Government tender for B. twills and, on Thursday, ready B. twills hardened to Rs. 123, while hessian 40″ 10 oz. eased to Rs. 54.40. Lack of buying interest pulled down the quotations further to Rs. 121.90 and Rs. 53, respectively, on Friday. During the week-end, quiet conditions prevailed. B. twills sagged to Rs. 121.25 and hessian 40″ 10 oz. to Rs. 52.75. There was a certain amount of buying interest in evidence yesterday and, as a result, ready B. twills rose to Rs. 122 and hessian 40″ 10 oz. to Rs. 53.00.

Fibre prices were maintained at the minimum levels. Buyers were reserved, as the very large arrivals of the new crop were threatening to cause storage difficulties. The quality of arrivals has been disappointing so far, and naturally good quality fibre continued to command a premium. The quotations per maund are: Daissee bottoms Rs. 32.00, Assam bottoms Rs. 30, northern bottoms Rs. 29.50.



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METALS QUIET

(*From Our Own Correspondent*)

CALCUTTA, *14th August*

Conditions in the local metals market were comparatively quiet during the week under review. Although demand was good, prices eased following expectations of higher imports, due to the notable improvement in foreign aid prospects. This week's decline in prices has gone a small way to bring prices in India in relation to foreign quotations. The acute scarcity in non-ferrous metals coupled with uncertainty in regard to imports had led prices here to rise to very high levels during the past few weeks, much in contrast with an easy trend in foreign markets. Against the background of the acute shortage for copper, it is refreshing to note that the project of the Indian Copper Corporation Ltd. for setting up an electrolytic copper refinery with an annual capacity of about 9,000 tons has made satisfactory progress, despite the delay in securing the import licences for equipment and shortage of cement.

On the London Metal Exchange, cash copper was unchanged at £234 a ton. Consequent on good support for the forward metal, the three-months' position improved from £229¼ to £229¾. Producer demand in London was encouraging. A hardening tendency was also in evidence in the New York Commodity Exchange. It was reported that, despite the cutback in production in Chile, this year's output there would be higher than last year. Chile would welcome sales to the U.S.S.R., provided payment is in dollars. Recently there had been a proposal for the U.S.S.R. to buy about 300,000 tons, spread over a period of three years. In Calcutta, there was good demand for copper scrap; but, while utensil scrap eased from Rs. 562 a quintal to Rs. 554.50, clean wire scrap rose from Rs. 615.50 to Rs. 616.25.

The feature of trading in tin was a tender for 107 tons on Government account, which was covered. Although the stock position is far from comfortable, the quotation eased from Rs. 2,117.00 per 100 kgs. to Rs. 2,106.25. This was in accordance with the weaker advices from the London Metal Exchange as well as the Far Eastern markets. Spot tin, in London, opened at £850½ a ton and, after improving to £852 on Buffer Stock Agency support, closed at £850½. More interest was shown in the three-months' position on behalf of the Buffer Stock Agency, but quotations were more or less the same as those for the cash metal. The fact that, despite the expected releases from the strategic stockpiles, the U.S. purchases of tin from Malaya continue to be on the same level as previously, should go a long way in reassuring Malaya and other producing countries that demand would be maintained on an even keel. Quiet conditions were in evidence in lead in the context of poor demand. Stocks were good. The quotation here opened at Rs. 158.50 per 100 kgs. and eased to Rs. 153.50. In London, the quotation was maintained at £51¾. Zinc was also unchanged at £65¼ a ton. In Calcutta, the price declined from Rs. 297.25 per 100 kgs. to Rs. 269.75 and closed at Rs. 279.50.

FOODGRAINS STEADIER

(*From Our Own Correspondent*)

HAPUR, *13th August*

A steadier trend continued in foodgrains here this week due to insufficient rains and uncertain prospects of *kharif* crop. Damage to the standing crops in west U.P., Punjab and Rajasthan by locust was also an influencing factor.

Good consumer and outside demand and poor arrivals accounted for a hardening trend in wheat prices during the week. The average quality advanced by 32 nP and the farm quality by 67 nP a quintal to be quoted at Rs. 40.87 to Rs. 41.53 and Rs. 44.21 to Rs. 46.89, respectively. Red wheat stood at Rs. 39.52. Arrivals during the week were poor, averaging 200 maunds daily. Stocks were almost stationary at 66,000 maunds. Rice ruled quiet, with *mainpuri* and *gadda* drifting lower on slack demand. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 96.45, *sela basmati* Rs. 75.02 to Rs. 80.38, *mainpuri* Rs. 56.26 to Rs. 57.60, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 54.22 a quintal.

Gram prices sought higher levels on Madras buying. Arrivals were negligible and stocks were placed around 17,500 maunds. Week-end prices were:—Punjab variety Rs. 44.21 and local Rs. 43.54. Barley and *bejhar*, however, were depressed at Rs. 29.47 and Rs. 30.14, respectively, due to slack buying inquiry. *Jowar* was quoted higher at Rs. 46.89 to Rs. 52.25, as stocks with the trade were meagre. *Guwar* eased fractionally to Rs. 38.85. Other coarse grains were listless. Week-end prices were:—*Maize* Rs. 29.47 *bajra* Rs. 37.51, *methi* Rs. 58.94 and oats Rs. 29.47 to Rs. 30.81.

Among pulses, peas tended to rise due to better buying support. The week's offtake in peas *dal* was one wagon, which went to Howrah. Arrivals were small. Local stocks were around 67,500 maunds. After early steadiness, *arhar* prices sought lower levels towards the close of the week, as demand slackened. Stocks at the week-end were meagre at 8,000 maunds. *Urd* also eased by Rs. 1.34. *Moong* and *arhar* were almost stationary. Moth was firm on better demand in the face of poor stocks. Week-end prices were:—*Peas dara* Rs. 34.48 to Rs. 34.83, *farm* Rs. 36.17 to Rs. 37.51, *dal* Rs. 38.50, *arhar* Rs. 56.26 to Rs. 58.94, *dal* Rs. 69.66 to Rs. 75.02, *urd* Rs. 83.06, *dal* Rs. 93.77, *moong* Rs. 52.25 to Rs. 53.58, *dal* Rs. 60.28, *masoor* Rs. 45.55 to Rs. 50.91, superior Rs. 64.30, *dal* Rs. 58.94, moth Rs. 40.19, *dal* Rs. 48.23 and gram *dal* Rs. 49.57 a quintal.

SUGAR FIRM

(*From Our Own Correspondent*)

HAPUR, *13th August*

Continued buying support from Rajasthan, Delhi, Punjab and some parts of U.P. accounted for a firm trend in the sugar market here this week. Demand for the inferior small crystal was more brisk and the mill delivery prices rose by 37 to 70 nP a maund and the spot delivery prices by a rupee per quintal. Nominal stocks of *gur* and *khandsari* at the producing centres, bright prospects of sugar exports and good demand for festivals were the main factors to influence the sentiment. The last sugar quota has been nearly sold out and trading in the next two releases was being done at still higher levels. The Government is being urged to release one more lakh tons to arrest the bullish fervour in the market.

Sales against the September release continued to be done at premia over the ruling prices, as it was expected by the trade that prices would rise further during the approaching festive season. Week-end ex-factory prices per maund were:—AA29 Iqbalpur Rs. 41.97, Daurala Rs. 41.99, Lhaksar Rs. 41.60, A29 Mawana Rs. 41.80, Rohana Rs. 41.85, Mansurpur Rs. 41.85, Iqbalpur Rs. 41.47, B29 Mansurpur Rs. 41.16, Lhaksar Rs. 40.19, Rampur Rs. 40.68, Panipat Rs. 41.12, C29 Deoband Rs. 40.50, Sharenpur Rs. 40.34, Rohana Rs. 40.34, Seohara Rs. 40.06, D29 Amroha Rs. 39.94 and Dhampur Rs. 39.81.

Khandsari also ruled firm due to the fast depleting stocks with producers and active demand from Rajasthan and Punjab. Prices improved by 32 to 67 nP per quintal. The inferior quality was quoted at Rs. 85.74 to Rs. 91.09, superior at Rs. 95.11 to Rs. 105.16, crystal at Rs. 95.11 to Rs. 103.25 and boora Rs. 99.17 to Rs. 107.17.

Trading in ready *gur* here was nominal, as stocks with traders as well as producers in rural areas were very small. Shakker continued to attract good demand against poor stocks, and hence prices rose to new heights. Week-end prices were:—*Gur* superior Rs. 66.98, *dara* Rs. 50.91 to Rs. 52.25, *kotha* selected Rs. 66.98, *kotha* dry wet Rs. 50.91 and *shakker* Rs. 72.34 a quintal.

After early gains on continued bull support, *gur* Fagun eased in the week-end following the imposition of the highest limit by the F.M.C. The Fagun contract opened at Rs. 22.09 on last Monday, touched the highest level of Rs. 22.16 on Thursday and the lowest of Rs. 21.65 on Wednesday and opened today at Rs. 21.90.

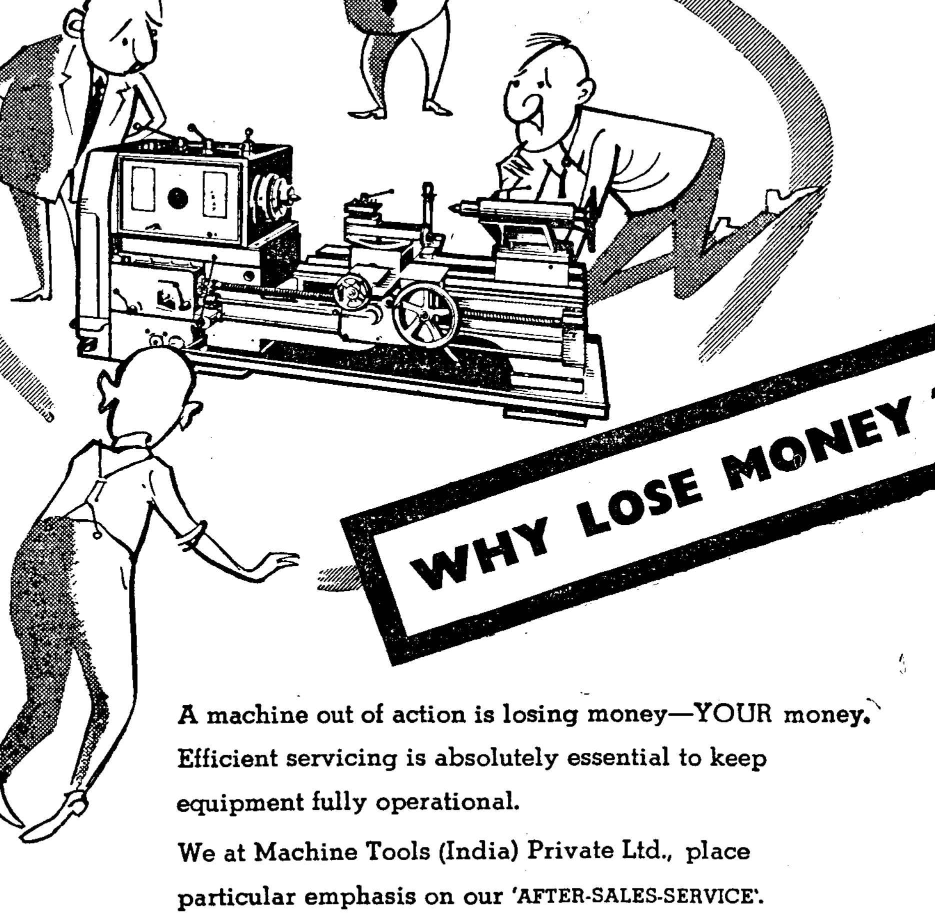
The following is the Press note issued by the Forward Markets Commission on Friday, 10th August 1962, in regard to the maximum price-limit for *gur* futures.

"The recognised associations at Delhi, Amritsar, Meerut, Hapur and Muzaffarnagar were permitted to commence forward trading in the Phagun 2019 (February-March, 1963) deliveries in *gur* in the month of May 1962, subject to restrictions on the 'open position' held by members and a limit of 60 nP per 50 kg. on the weekly price-rise. The recognised associations at Ludhiana and Agra commenced forward trading in the same deliveries in the month of June 1962.

"The Forward Markets Commision has been keeping a careful watch over the trend of prices in the aforesaid hedge contracts in *gur*. The Commission has received complaints about the rising trend of prices. Representatives of the recognised associations at Delhi, Agra, Meerut, Hapur, Muzaffarnagar and Ludhiana met the Commission in Bombay on 10th August 1962 to consider the situation. They felt that there was a fair amount of bull pressure in respect of the running contracts, and urged that a maximum price should be fixed in the interest of the trade, though there was no agreement amongst them on the level of the maximum price. In the light of the discussions and taking into account other relevant factors, the Commission has decided to impose the following maximum prices in respect of the Phagun 2019 *gur* deliveries:—

"Delhi Rs. 25.75 per 50 kg., Hapur Rs. 24.40 per 50 kg., Meerut Rs. 24.40 per 50 kg., Agra Rs. 23.90 per 50 kg., Muzaffarnagar Rs. 24.00 per 50 kg., Amritsar Rs. 26.00 per 50 kg., Ludhiana Rs. 26.00 per 50 kg.

"The restrictions imposed earlier on the weekly limit on price fluctuations and on the 'open position' held by members will continue to be in force."



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MT/G/3

LABOUR

(*Concluded from page 292*)

unrecognised unions, the representatives of the I.N.T.U.C. found themselves in agreement with the representatives of the Employers' Federation that unrecognised unions should have no right whatsoever beyond the right to exist and educate the workers until they gained recognition according to the procedures laid down by the Code. But the representatives of the *Hind Mazdoor Sabha* and A.I.T.U.C. agreed that unrecognised unions should have the right to represent the case of industrial workers belonging to the minority unions who might have grievances against the management. Disputing this argument, Mr. G. Ramanujam, Vice-President of I.N.T.U.C., contended that the majority union, after its recognition by the management, represented all the workers in the establishment concerned and to speak of the right of the minority union to represent any section of the workers was a contradiction in terms.

The Conference, however, broadly agreed with the rights of recognised and unrecognised unions as laid down in the working paper. Under this, as noted above, only recognised unions could raise issues and enter into collective agreements with employers on general questions concerning the terms of employment and conditions of service of workers in an establishment or industry. The recognised unions would have the right to collect subscription and put up notices on boards within the premises of the undertaking. It was agreed that besides notices about meetings and statement of accounts, only such matters could be put up on notice boards as were not of an abusive, indecent or inflammatory nature. These stipulations, if properly observed, should go some way in curbing the tendency towards multiplicity of unions and encourage the growth of responsible unionism. It may be noted here that this is the first time that the rights of recognised unions have been clearly laid down under the Code of Discipline.

Hunger Strike

Another major recommendation of the Conference was that hunger strike should not be recognised as a legitimate weapon to secure redressal of grievances. The Conference clearly expressed its disapproval of hunger strike. It, however, felt that it was not practicable to impose a ban on hunger strike by bringing it within purview of the Code. Both the Central and State Governments, Mr. Nanda disclosed, have decided not to take notice of hunger strikes. It was, however, emphasised that it was the duty of the Government, as well as employers, to ensure that conditions did not deteriorate to such an extent as to compel workers and their leaders to resort to hunger strikes out of desperation. This stipulation means that workers' grievances must be promptly looked into and, where they cannot be redressed through mutual discussion and understanding, the usual outside machinery for dealing with them should be set in motion without any undue delay.

A unique feature of this year's conference was that the public sector undertakings were separately represented on the Conference, thereby making them bound by the conclusions and recommendations of the tripartite body. This is in keeping with the Labour Ministry's avowed policy of non-discrimination between private and public sectors in regard to the applicability of labour laws and practices.

COMMERCE AND INDUSTRY

(*Concluded from page 298*)

for the purpose. But it would appear that nothing has been done so far in this connection. At best, "the matter is still in an exploratory stage," we are told.

On the question of quality of indigenous p.f. moulding powder, Mr. Dutta revealed that though consumers were generally satisfied, there were complaints from some consumers about the lack of good finish. The Indian Standards Institution, it may be noted here, has published three standards covering the p.f. moulding powder. But, only two units have joined the I.S.I. certification marks scheme. The application of two others are said to be kept pending, as they are not equipped with adequate testing equipments.

There has been no export of p.f. moulding powder so far. But articles made of p.f. moulding powder, particularly electrical accessories, have made some progress in securing markets abroad. Their exports aggregated Rs. 7.8 lakhs in 1961, as compared with Rs. 8.4 lakhs in 1960 and only Rs. 2.8 lakhs in 1959. There have been some imports of p.f. moulding powder, such being 385 tonnes, valued at Rs. 7.87 lakhs, in 1961, as against 428 tonnes (Rs. 10 lakhs) in 1960 and 331 tonnes (Rs. 7.96 lakhs) in 1959. West Germany has been the largest supplier, followed by the Netherlands and the U.K. Imports, which consist largely of G.X. grade p.f. moulding powder, are allowed to be made only by actual users, and not by established trade.

LEIPZIG TRADE FAIR

The autumn Trade Fair at Leipzig, a popular annual event in East Germany, will be held this year for a week from 2nd September. In keeping with its tradition of providing an international market for consumer goods and consumer durables, the Fair is expected to present this autumn over 870,000 exhibits, which will be contributed by over 6,500 firms from about 45 countries. The Fair grounds will occupy an area of 110,000 sq. metres. Exhibits will be grouped in 30 branches, accommodated in 16 buildings and a number of fair halls. The important exhibits include textiles, foodstuffs and processed foods, furniture and veneers, household appliances and books. There will also be a large number of technical consumer goods such as photographic, cinematographic and optical equipments, office machines and motor vehicles. The pride of place in the exhibits goes to East German products. Taking part in the exhibition are also over 1,000 firms from West European countries, besides those from other Communist countries, as also from America, Asia and Africa.

India will have a collective pavilion, bringing together 30 prominent exhibitors, displaying a wide range of traditional and non-traditional export products. Besides the collective pavilion, some of the Indian firms will participate in special commodities pavilions for textiles, foodstuffs and handicrafts. Mr. B. L. Anand of the India Linoleums Ltd., Calcutta, will be the Director of India's collective pavilion, which has been organised by Mr. M. B. Rao, under the directions of the Directorate of Exhibitions, Union Ministry of Commerce and Industry.

NEWS IN BRIEF

(*Concluded from page 269*)

The International Monetary Fund has entered into a stand-by arrangement with the Government of Bolivia which authorises drawings upto the equivalent of $10 million over the next twelve months in currencies held by the Fund. The present arrangement replaces an earlier one-year arrangement for $7.5 million which expired on 26th July 1962. A total of $2 million was drawn under that arrangement. Bolivia's outstanding drawings from the Fund amount to the equivalent of $6,041,666.

Sweden and West Germany have the shortest industrial work week in Europe, according to a survey by the United Nations' Economic Commission for Europe. Time actually worked amounted to an annual average of 40.6 hours a week in W. Germany in 1961 (lower by 3.3 per cent, as against 1960) and to 38.7 hours (down by 2 per cent) in Sweden. Comparable figures for other countries were: U.S. 44.7 hours, Britain 45 hours, France 45.6 hours, Switzerland 45.8 hours and the Netherlands 46.5 hours.

The U.K. firm, the British Insulated Callender's Cables Ltd., has been awarded a contract valued at over £250,000 by the Indian Railway Board for the supply and installation of overhead equipment for railway electrification in the Calcutta area. The contract is an extension of the £1,000,000-contract which was given by the Board for the Calcutta electrification scheme about 14 months ago. British Insulated Callender's Cables, one of the world's largest manufacturers of electrical cables and equipment, will be supplying materials direct from its factories in Britain and also through the Indian Cable Company, in which it has a financial interest.

The International Finance Corporation, in participation with six private banks in the U.S., Switzerland and West Germany, has made a commitment to invest $2 million in Compania Colombiana de Tejidos, S.A. (Coltejer), the largest cotton textile manufacturer in Latin America. The transaction provides assistance to a project of value to the Colombian economy, links leading banking houses on two continents with one of Colombia's pioneer industrial companies, and channels both U.S. and European capital into Latin American development at a time when broadening financial support is one of the objectives of the Western hemisphere nations co-operating in the Alliance for Progress. The six participants are taking up by far the greatest part of I.F.C's commitment, their participations amounting to $1,725,000, or about seven-eighths of the total. The investment is represented by two series of unsecured notes, each bearing interest of 7 per cent and each in the amount of $1 million. One series is repayable in seven semi-annual instalments due 1963-66. The other is repayable in seven semi-annual instalments due 1966-69, and may be tendered for payment of capital shares of the Company according to the stock option agreement.

Notice

THE COORLA SPINNING AND WEAVING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the above Company will be closed from Saturday the 1st September 1962 to Monday the 24th September 1962, both days inclusive.

By Order of the Board of Directors,
COWASJEE JEHANGIR & Co. PRIVATE LTD.,
Managing Agents,
COWASJEE JEHANGIR,
Chairman.

17*th August* 1962.

Registered Office:
READYMONEY MANSION,
43, VIR NARIMAN ROAD,
FORT, BOMBAY, 1.

TREND OF SHARES

SLIGHTLY REACTIONARY

(From Our Own Correspondent)

BOMBAY, 16*th August*

ABSENCE of fresh incentives, unexpected delay in the announcement of steel retention prices and the inability of leading speculative counters to break through the 3rd August high levels, all put together, contributed to a slightly reactionary trend on the stock exchanges this week. At higher levels, the tendency to book profits was felt greater this week than in the previous week and support was generally lacking. The intervening holidays and end-account considerations also induced mild realising. Movements continued to be narrow and irregular, underlining thereby a trading area between the 3rd August high levels and last week's low levels. But, finally, prices drifted lower and closed today around the lowest levels of the week, showing widespread moderate losses on balance. However, with both bulls and bears disinclined to be aggressive, the trading area was held intact and the tone was quiet but steady.

As nothing spectacular emerged from this week's Lok Sabha debate on the border issue, it had no perceptible effect on the share market. But the delay in the announcement of steel retention prices, which in turn delayed the T.I.S.Co's dividend, dampened the sentiment in Steel shares and induced persistent, though mild, realising in other sections too. Moreover, operators continued to be cautious in following the rise in values, especially after the swift recovery of some 50 per cent in the leading counters from the recent slump. In fact, as the popular shares repeatedly failed to break through the high levels during the week, this factor weighed heavily on the minds of marketmen near the close of the week, when it seemed that the resistance level might be broken, resulting in an extension of the reaction a little further in the coming week.

* * * *

Tata Steel Ordinary made a discouraging show. After having been done up to Rs. 148.75, the shares sagged to close one point lower over the week at Rs. 146.50 on bear pressure and selling against huge option deals on conflicting expectations about the dividend, the announcement of which was expected today, but did not materialise. Indian Iron, however, were comparatively steady on Calcutta support and closed with a minor loss of 5 nP at Rs. 26.50. Bull operators in the leading speculative counters like National Rayon, Century, Standard, Telco, Bombay Burmah and Hindustan Motors tried hard to lift values but failed to succeed, in view of the depressed sentiment in Steels. Thus, National Rayon found it hard to hold steady around Rs. 521.50 and slipped back to Rs. 514.50 to close a shade higher at Rs. 515. After being quoted thrice around Rs. 632 during the week, Century reacted to finish 50 nP lower on balance at Rs. 627.50. Telco were vainly bid up to Rs. 337, for they eased to Rs. 332.75 subsequently and closed with a net gain of Re. 1.50 at Rs. 333. Bombay Burmah receded from Rs. 669 to Rs. 663 and closed at Rs. 663.50 as against Rs. 664 a week ago. Although well held throughout the week, Hindustan Motors could not make much headway beyond Rs. 20.32 and closed only 8 nP lower over the week at Rs. 20. Standard Mills were also easy at close and disclosed a loss of three points at Rs. 912. Among others, Svadeshi were conspicuously easy and showed a loss of Rs. 4.50 at Rs. 266.50, but Kohinoor were in good demand and finished four points higher at Rs. 323. Cash scrips showed small changes either way, excepting Star Textile which reacted by Rs. 11 to Rs. 126 and Camphor which closed with a loss of Rs. 6.50 at Rs. 94.50.

* * * *

In Calcutta, Dunlop Rubber eased by 38 nP to Rs. 39.56, Rohtas by 32 nP to Rs. 14.12, Howrah by 25 nP to Rs. 20.12, Shree Gopal by 19 nP to Rs. 25 and Kesoram by 25 nP to Rs. 28.19, but GKW gained 69 nP at Rs. 38.75 and Indian Cable by 81 nP at Rs. 36.75. In the Cash section, Jute shares were distinctly weak. Fort Gloster declined sharply from Rs. 449 to Rs. 429 and Anglo-India were seven points lower at Rs. 218. Among Textiles, Bowreah reacted from Rs. 26.94 to Rs. 26.12. Reacting from Rs. 358 to Rs. 351.50, Bengal Coal lost half the gains of the previous week. Braithwaite moved down from Rs. 35.50 to Rs. 34.62 and Alkali, among Chemicals, slipped back from Rs. 45.62 to Rs. 44.75. Miscellaneous section showed a mixed price pattern. Britannia Biscuit showed a gain of Re. 1.75 at Rs. 45, but Goodyear closed Re. 1.06 lower at Rs. 45 as did Hindustan Twyford at Rs. 15. Indian Oxygen declined from Rs. 48.50 to Rs. 47. Sugars were steady, with Carew improving from Rs. 12.31 to Rs. 13. But Tea shares were easy, with Brooke Bond moving down from Rs. 14.62 to Rs. 13.70 and Dhelakhat from Rs. 20 to Rs. 19.62.

* * * *

Values closed with a mixed price pattern in Madras. Thus, among Textiles, Lakshmi declined from Rs. 157 to Rs. 147.25. South India Viscose lost two points at Rs. 165.50 and Travancore Rayon were easy by 75 nP at Rs. 37, but Cannanors gained five points at Rs. 132, Buckingham four points at Rs. 272 and Bangalore Woollen three points at Rs. 248. In the Miscellaneous section, Aluminium Industries disclosed a gain of 7 nP at Rs. 24.69, while Ashok Leyland were 5 nP lower at Rs. 8.10. Textools were up by two points at Rs. 152 and Indian Steel Rolling appreciated from Rs. 11.75 to Rs. 12.60, though Tube Investments moved down from Rs. 272 to Rs. 269. Among Plantings, Haileyburia disclosed a loss of 25 nP at Rs. 11.75, but Highland gained 37 nP at Rs. 12.87, Consolidated Coffee 50 nP at Rs. 18.70 and Midland 65 nP at Rs. 11.05. Among Cements, Andhra closed 17 nP higher, but Dalmia Cement showed a loss of 20 nP at Rs. 13.50.

COMMERCE

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

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THE DRUGS RACKET

THE debates in the Lok Sabha on matters falling under the purview of the Health Ministry have never been as stormy as this week's discussion on spurious and adulterated drugs. The members' indictment of the Government for its incapacity to check the widespread distribution of harmful drugs was certainly justifiable, though it might have come as an unpalatable surprise to the new Minister for Health, Dr. Sushila Nayar. Dr. Nayar, of course, faced the issues squarely and promised to take some steps to check the evil, but, realising the magnitude of the problem and the apparent failure of Administration and judiciary in the past, she took care to add that she was not promising much. Among the measures contemplated by her, three stand out prominently. In the first place, it is proposed to conduct an immediate inspection of 2,700 small units engaged in the manufacture of drugs to verify the quality of their products. Suitable action, according to the Minister, will be taken against offenders. Secondly, the Central Government proposes to appoint drug inspectors who will work in collaboration with the State Governments in checking production and distribution of sub-standard drugs. And, thirdly, it will amend the Central Drug Adulteration Act further to provide for heavy punishment to those convicted of offences under the Act.

It is admittedly essential to prescribe deterrent punishments and enforce them firmly in order to curb the manufacture of spurious drugs. In this respect, what has been done so far is negligible. True, the amendment of the Drugs Act in 1960 provides for a *minimum* punishment of one year's compulsory imprisonment to offenders in this respect. But, unfortunately, the Courts in this country have been unduly lenient and the Government, too, has failed to rectify this state of affairs promptly. It is really distressing to find that the judiciary has been showing much misplaced mercy to those whom Mr. H. V. Kamath aptly described as "merchants of death," with the result that the majority of convicted parties gets away without imprisonment. In 1959-60, for instance, out of 179 convictions, only 17 cases resulted in imprisonment. In 1960-61, the experience was still worse. Out of 207 convictions, only ten cases were covered by imprisonment. The pertinent point here is this: Why was the Government sleeping when it found that the intention of the 1960 amendment was not being fulfilled? Why did it not come out with an immediate amendment to the Act, even through an Ordinance if need be? The sluggishness of the Government in this sphere is in contrast to the speed with which it has been acting to restore any revenue measure which the courts have held *ultra vires* the Constitution. Anyway, it is some consolation to hear from Dr. Nayar that the Act would be so amended as to make it obligatory on the part of magistrates to award the maximum punishment of imprisonment to those found guilty. The amendment should also provide for the publication of the names of manufacturers, whose drugs are found spurious or sub-standard, as soon as their stocks are seized, so that the public may safeguard itself against further injury. At present, such disclosure is withheld on the ground that it is *sub judice* and would constitute contempt of court. This contention does not stand to reason considering the magnitude of damage done to public health. If the publication of names of persons who are accused of murders, assaults and robbery before they are actually convicted by the court is permissible and does not evoke the displeasure of courts, one does not see why an exception should be made in the case of those who are accused of adulteration and manufacture of spurious drugs.

The question of punishment can be satisfactorily tackled only when an effective machinery is created to detect malpractices. In this respect, the Central Government is certainly to be blamed for neglecting the duty entrusted to it under the 1960 amendment, namely, to make available the necessary inspection staff to every State. It is to be hoped that at least now Dr. Nayar's promise that drug inspectors will be appointed will be followed by prompt and adequate action. The work of the inspection staff will, however, be largely ineffective, if sufficient laboratory facilities are not provided for in every State to check the quality of products. There is at present only one such laboratory (at Calcutta) in the whole of the country. It is strange that the Minister had nothing tangible to say on this issue, even though some members did stress this point. The apparent indifference of some of the State Governments has also contributed to the widespread growth of adulteration and other like evils. Adulterators do not exclude even poison from their activities. The U.P. Chief Minister is happy that one man who took poison never died! The Andhra Chief Minister candidly admitted that 50 per cent of foodstuffs and drugs sold in his State was either adulterated or spurious. But did his Government ever press the Centre for more inspection staff or for checking laboratories for the State?

Prevention is better than cure, so goes the saying. And it is a wise one, indeed. It is, therefore, necessary to exercise vigilance even while granting licences for setting up a factory. All possible care must be taken to see that only deserving entrepreneurs get licences for manufacturing and distributing drugs and that the applicants have the necessary men and money. From what Dr. Nayar said in the House it is clear that politicians themselves have been using their position and power to secure manufacturing licences for all and sundry. This is a deplorable tendency, for which the party in power is more to blame than anyone else. The Health Minister deserves to be complimented for her courage to speak the truth. Her sincere appeal to every Member of Parliament to take "a solemn pledge here and now" to desist from using their influence to get licences for their friends and supporters merits absolute compliance. In any case, her revelation and appeal should serve to encourage civil servants to resist political pressures and decide the application for licences purely on their merits.

The suggestions made by some of the Members of Parliament who spoke on the occasion reflected a desire to make political capital out of an unfortunate situation. They, therefore, lacked sense of realism. A Communist member suggested nationalisation of the drug industry as the right solution. This remedy, however, is worse than the disease. It should not be forgotten that the offenders are invariably small manufacturers, whereas the big units of the pharmaceutical industry have on the whole been operating on a scientific basis, taking all possible care to maintain high quality. They have taken pains to secure the collaboration and assistance of some of the world's foremost manufacturers, whose contribution in terms of technical know-how, in particular, has been a great asset to the industry. The quality of their products is not inferior to those produced in the West, although, by and large, the industry is of only recent origin in this country. Further, the drug industry here is by no means the preserve of the private sector. The State has already taken up the major sector of basic drugs. Indeed, the trouble is that the State has not been able to fulfil in time the projects which it has reserved for itself. Further, if the State cannot even control the large number of units spread all over the country, how can it successfully run them? What is needed is not putting an end to the private sector in this industry, but weeding out that section of industry and trade which is indulging in anti-social activities.

Unfortunately, corruption is widespread and the Government machinery has become a serious victim of it. An idea of the extent to which this evil has penetrated the system can be had from some data given by Mr. Lal Bahadur Shastri at a meeting of the Informal Consultative Committee of Parliament for Home Affairs a few days ago. Between 1957 and June 1962, as many as 3,903 Central Government servants, including 128 gazetted officers, were subjected to "major penalties" such as dismissal, removal from service, compulsory retirement and reduction in rank. Their offence was corruption. For the same reason, other actions were taken against 25,566 Central Government servants, of whom 1,055 were gazetted officers. These figures, it must be noted, pertain only to the cases detected in Central services. The undetected cases of corruption must be legion. And then there are the services in States. In referring to these cases, it is not our intention to run down the Government. Corruption is not confined to the public sector alone; it is rampant in the private sector too in various ways. It has become a national evil and is traceable to inflation, controls and shortages. Our object in referring to corruption here is only to show that nationalisation by itself will not mean a panacea to drug racketeering.

Mr. Frank Anthony's suggestion for the creation of a strong public opinion against adulteration and sale of spurious goods is good as far as it goes. But, essentially, it is a case of begging the question, for the country is lacking in effective organisations of consumers, unlike in the U.K. and the U.S., to channel and represent

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public opinion and supplement official measures for controlling malpractices. A beginning has recently been made in this direction with the assistance of Indian Standards Institution, but it is a feeble one. Nevertheless, it needs to be encouraged, and persons like Mr. Frank Anthony must take active part in this movement, in addition to championing the consumers' cause in Parliament. Finance is as important a prerequisite for the success of this movement as leadership is. It would be a good thing if some charitable trusts could set aside a part of their funds for this purpose. Even the big industrial units would be well advised to contribute funds without strings to this deserving cause, as the success of consumer organisations in minimising the evil of spurious products will mean a bigger market for their quality goods.

In discussing the drugs racket, the Members of Parliament seem to have overlooked an important issue, namely, the scarcity of several drugs and the resultant high prices, a state of affairs quite congenial to blackmarketing, adulteration, etc. Statistics can always be quoted to prove that production has gone up substantially. But the basic question is whether it has gone up to the extent necessary. The population of India has been leaping forward. The incidence of disease is heavy and varied. Imports have been cut to save foreign exchange and to give protection to domestic producers. The rapid increase in urbanisation has aggravated the demand for modern drugs and the resort to the traditional home-made remedies even for tackling simple ailments is fast diminishing. Having regard to all these factors, the growth in production of drugs has been inadequate. The evil of adulteration and spurious, as well as sub-standard, drugs which thrives because of the scope for making easy money in a sellers' market, cannot be eliminated, unless the supply of quality drugs in pilfer-proof packing is stepped up substantially and the prices of drugs brought down. The Government has thus no reason to be complacent on the production front. It is only through this front that a positive and lasting solution can be found to this problem.

SOVIET AID TO DEVELOPING COUNTRIES

THE process of de-Stalinisation initiated by Mr. N. S. Khrushchev in the Soviet Union and the theory of "competitive co-existence between capitalism and communism" propounded by him have had varied effects in the last six years. One of these is that the U.S.S.R. has found itself engaged in a "race" with the advanced countries of the West, more especially the United States, for rendering economic assistance to the developing countries of Asia, Africa and Latin America. A lot of publicity and propaganda has accompanied Soviet aid to a few selected countries, among which the most important are India, Indonesia, Iraq, United Arab Republic, Ethiopia, Argentina and Cuba. The aggregate aid given or promised during the period 1956-61—the two years prior to the year of de-Stalinisation accounted for just $141 million, of which India alone claimed $138 million—has been of the order of $2,645 million, representing 50 per cent of the amount received by the European communist countries from the Soviet Union in 14-15 years and 100 per cent of the sums promised to Asian Communist countries. This is no doubt a big amount, but its impact even on the selected underdeveloped economies does not seem to stand comparison with that of U.S. aid to a whole range of developing countries. It will be seen from the table in this article that American economic aid to these countries (excluding Japan) has aggregated $25,427 million in the period 1946-61—roughly ten times the comparable Soviet aid in the period 1956-61. This comparison, which has been made possible by two authoritative foreign reports,* is in no way vitiated by the difference in the two relevant periods, for practically no economic aid had been given by the Soviets prior to 1956 to non-communist underdeveloped countries.

*(i) *U.S. Foreign Assistance and Assistance from International Organisation.* Issued by the International Co-operation Administration of the U.S. Government.

(ii) *The Soviet Bloc and the Developing Countries.* Published by the Friedrich-Ebert-Foundation, Bonn.

The comparative picture reveals, on closer analysis, several interesting aspects of the two (American and Soviet) patterns of aid. There is, firstly, the point that American aid has been largely in the form of grants aggregating $15,510 million, whereas Soviet aid has been entirely in the form of loans. Secondly, the Soviet Union seems to be engaged in a competition with the United States in the matter of aid-giving in five countries—namely, Burma, India, Indonesia, United Arab Republic and Ethiopia—inasmuch as its aggregate aid to them represents nearly half, 45 per cent to be precise, of the aggregate American aid to the same countries. But so far as individual countries are concerned, the proportion varies. In the case of India, for instance, Soviet aid is only about a quarter of the U.S. aid. Thirdly, relatively more Soviet aid has been given to Iraq, Ghana, Guinea, Mali, Nigeria, Somali Republic and Cuba—countries which have not been favoured by the United States to any substantial extent. Fourthly, countries aligned with the Western countries in regional military pacts have been virtually ignored by the Soviets in the allocation of its aid. These points pertaining to Soviet, as also some others, show that there is some method in the selection of countries for possible favours.

If there is any such strategy behind the Soviet pattern of aid, what is it? The Friedrich-Ebert Foundation's present study has sought to provide an answer. The theoreticians of the

Economic Aid to Developing Countries—from U.S.A., U.S.S.R., and International Organisations
(In million U.S. dollars)

Region and country	U.S. Economic Aid 1946-61		U.S.S.R. credits (1954-61)	Assistance from international organisations (predominantly loans) (1946-61)
	Total	Of which loans		
Asia:				
Burma	95	53	119	41
Ceylon	75	25	30	44
India	3,072	2,116	808	773
Indonesia ..	584	372	374	10
Iraq	21	1	133	13
Yemen	17	..	15	..
Nepal	44	1	8	3
Pakistan ..	1,431	541	30	277
U.A.R.	439	258	650	74
Other Countries..	13,138	2,235	..	583
Regional ..	336	..	..	27
Total ..	19,252	5,602	2,217	1,845
Africa:				
Ethiopia ..	124	67	100	29
Ghana	7	..	40	2
Guinea	4	..	35	1
Mali	3	..	45	5
Nigeria	10	1	45	34
Somaliland ..	13	2	45	4
Sudan	54	10	23	93
Tunisia	255	52	31	3
Other Countries..	702	339	..	685
Regional ..	50	47	..	5
Total ..	1,288	518	369	864
Latin America:				
Argentina ..	523	521	100	60
Cuba	41	38	100	2
Other Countries..	4,191	3,218	..	1,345
Regional ..	132	20	..	31
Total ..	4,887	3,797	200	1,438
Grand Total ..	25,427	9,917	2,786	4,147

Soviet bloc, according to the Foundation, distinguish the following four groups of developing countries:

1. Countries which have not yet achieved their political independence. In these countries, the Soviet bloc takes up the struggle for independence by means of propaganda, politics and organisation, in order to achieve a more satisfactory basis for operation after they have obtained their independence.

2. Countries "governed by reactionary pact-makers." By this is meant all nations which are linked in any way with the West. The primary activities of the Soviet bloc are engaged against the Governments of these countries and their Western agreements and by these means it strives to bring tactically into the front line all opponents of Western commitments in Asia and Africa.

3. Countries with Governments in which the "nationalist bourgeoisie" lends the tone. India, the U.A.R., Iraq, Burma, Ceylon and others are counted among their number. These are countries which claim to be uncommitted and neutral, but in which the Communist parties scarcely make an appearance. The Soviet bloc considers the Governments of these countries as possible allies, because, as is stated in the new Party Programme, the progressive role of their national leaders is not yet exhausted. So far as credit aid is concerned, these countries, as is shown, are for the U.S.S.R. the most costly.

4. "National democratic States." These are States which are considered to be transitional States towards "a higher phase of development" on the "non-capitalist road of development." Cuba is at present amongst these States. The pre-conditions for such a State are supposed to be maturing in Indonesia, Ghana, Guinea and Mali. Expatiation on Cuba is superfluous, for Fidel Castro has already committed himself to the founding of a single party of the same kind as the S.E.D. in the East zone of Germany and to the building up of a "socialist State" in Cuba.

In the aforesaid four groups of developing countries, the first one is *wholly* ineligible for Soviet aid. The second group, too, is *generally* not eligible for Soviet aid, a striking exception being Pakistan which was offered $30 million last year. The last two groups of developing countries alone have been actively assisted by the Soviets, presumably for the purpose of strengthening their economies "against those developing countries which are linked with the West and against the West in general." But aid in the form of credits and economic assistance, foreign trade, even the construction of industrial works and installations, and the sending of specialists, and the training of engineers and technicians from the Afro-Asian countries, according to the West German study, are *not* the only parts of the Soviet strategy. In its view, there are also such intangibles like activity of an organisational-political and cultural-political nature, as also the political-psychological influence of the Soviet bloc, in the developing countries. Since these cannot be expressed in terms of roubles, the usual comparisons drawn between Soviet and Western economic aid are imperfect to that extent. In other words, the political pull of Soviet economic aid forms a *part* of the total Communist pull exerted in a variety of ways. There is not much that is new in this interpretation with which students of international affairs in the "cold war" era are all too familiar. The most that it proves is that Soviet aid has a political purpose and that it is not quite so altruistic and disinterested as it has been made out to be.

There are some other aspects of the economic relations between the Soviet Union and the developing countries. In the sphere of foreign trade, for instance, the Soviet Union and other countries of the Soviet bloc are known to have expanded it with the countries of Asia, Africa and Latin America—both as regards the volume of exchange and the number of transactions—in the last two or three years, though precise figures are not readily available. Secondly, as many as 7,000 to 8,000 students from the developing countries are at present studying at the Universities and Institutes of the U.S.S.R. in technical and scientific fields. The Soviets have also promised, as revealed by the position at the end of 1960, to build more than 300 fitted-out industrial works in 14 developing countries —works providing for the training of engineers, technicians and skilled workers.

Further, the Soviet Union is estimated to have a reserve force of 30,000 experts on development who can be sent to the developing countries. This estimate, however, cannot be verified. The West German study, on the other hand, has estimated the current number of Soviet experts available for service in the developing countries at 10,000. This stock of experienced specialists in development and the rigid centralisation of economic aid will make for greater Soviet economic activity in the developing countries. Above all, as the Soviet Union has entered the lists against the West in the economic field, albeit in areas which suits its political strategy against the West, it has instituted a strict quality control in respect of equipment and plant sent to the developing countries. Thus the race is on between the U.S.S.R. and the West, particularly the United States, in the field of "competitive co-existence" with its paradoxical undertones. But it is yet to gain momentum, and the current Soviet Seven-year Plan (1959-65) is expected to release more resources for the purpose of aiding the developing countries. That there will be greater "competition" than "co-existence" in the field of economic aid by the Soviet bloc and the West is, therefore, a logical inference, though the fact remains that Russia has not so far agreed to raise its original offer of aid to India for the third Plan.

MARKET GOSSIP

Another Accord Among Banks

THE spirit of co-operation among banks is growing. Conversely, the competitive spirit is distinctly on the wane. The inter bank agreement on deposit rates has been in force for some four years now, having begun in October 1958. Although it was about to collapse at one time in the first half of this year, it was reinforced by a slight modification in favour of medium and small banks. Encouraged by the benefits which it is assumed to have conferred on the banks in the shape of lower cost of deposits and pressed by the ever-increasing operational costs which are gradually eating into their profit margin, the managing committee of the Indian Banks' Association has reached an understanding that member-banks should agree to a minimum lending rate of 6 per cent on all loans, advances and overdrafts, irrespective of the standing of the borrower or the type of the collateral. There is also a strong desire among a large number of banks to reach an understanding on service charges and it may fructify ere long. Further, the idea is gaining ground in some circles that there is too much of competition among banks in branch banking and that it must be regulated by drawing up a plan for opening branches for the remaining years of the third Plan and distributing the centres among the banks on a regional or some agreed basis. The Reserve Bank has already asked the banks to submit their branch expansion programmes for the next three years, so that it can co-ordinate them and permit a planned development. Thus, in every sphere, the scope for competition is being greatly narrowed down, which will ultimately leave little room for the banking clientele to choose between one bank and another.

The understanding among the members of the managing committee of the Indian Banks' Association is in the nature of a recommendation and will form the basis of a formal agreement to be negotiated with all the members of the Association, exchange banks and small banks. Considering the co-operative attitude always displayed by the exchange banks, it is confidently assumed that they will agree to the proposal. The first big question is whether the State Bank of India, which is not a member of the Association, will agree. The second question is whether the Reserve Bank will give its blessings. The third question is whether the Chambers of Commerce and Industry will accept it without demur. And the fourth question is whether all Members of Parliament will ignore it as being not important enough to merit their attention.

The attitude of the State Bank will depend more on that of the Reserve Bank. There is good reason to believe that the latter is not averse to the managing committee's proposal. The Reserve Bank itself has already subscribed, in principle, to the fixation of a minimum lending rate. As early as in October 1960, it directed all scheduled banks to adhere to a minimum lending rate of 5 per cent per annum on all advances existing or new, clean or secured, but excluding advances to other banks (including co-operative banks) and bank employees. In addition, all banks were required to raise their average lending rate by at least ½ per cent, the base period for comparison being the year ended 30th June 1960. The Reserve Bank's reason for taking this action was "to make credit dearer to the ultimate borrower, so as to restrain the growing demand for banks." The banks have no doubt other reasons, too, for wanting to raise the minimum lending rate to 6 per cent, but the reason given by the Reserve Bank for the measures it took in October 1960 has itself become stronger since then. It is common knowledge that, in the week ended 7th July last, the Reserve Bank made it pretty clear, both by action and by implication, that the banks must make their credit costlier than it was before. Indeed, towards the close of last month, some banks had revised their lending rates in an upward direction, the general increase being ½ per cent. With this rise, the consensus lending rate for first class advances must be 6 per cent or thereabout now. For other advances, the rates have been higher, ranging from 6½ to 8 per cent. So, in recommending an absolute minimum rate of 6 per cent, the managing committee of the Association has made no revolutionary proposal, though, in principle, it is adding one more instance of their inclination to resort to restrictive practices, thereby laying themselves open to attacks by politicians.

One may, of course, question the necessity for raising the minimum lending rate by as much as one per cent, if the general rate among them is already six per cent. If, by the forces generated by the Reserve Bank, the lending rates had themselves automatically gone up, why does the Indian Banks' Association want to resort to such a step which is unlikely to yield any tangible gains but very likely to provoke attacks against banks? If they are convinced that the minimum lending rate should be formally raised, why don't they persuade the Reserve Bank to issue a directive to that effect, instead of themselves taking the lead and thereby incurring the odium for it? These are pertinent questions which the managing committee of the Association will do well to answer.

That one of the big banks was strongly opposed to the proposal under discussion is no secret. Its reason must have been deeper than the fear of the State Bank of India under-cutting it and taking away a part of its first class large-scale advances, the cost of servicing which is very much less than that of advances to medium and small businessmen. It might have disclosed that as the reason for its reluctance to subscribe to this understanding. But its undisclosed reason might have been the feeling that, in view of the slow pace of industrial progress since last year on account of crucial shortages, the demand for bank credit, in the coming busy season at least, might not increase at a rate that would keep pace with the growth in deposits and that as such it should have the freedom to quote slightly more favourable rates to borrowers than is the case now or than those that may be quoted by its competitors in the near future. Such a possibility itself might be the real reason behind the managing committee's anxiety to forge a gentleman's agreement on the minimum lending rate. There is no doubt that a good number of bankers are worried over the rising cost of banking operations and that they would not like even slightly excessive competition that would adversely affect their profit-margin.

In addition to the Reserve Bank's rationale for keeping the cost of bank credit high, spokesman of the Indian Banks' Association invariably quote the undermentioned reasons for raising the minimum lending rate:

(*a*) The banks will have a higher capital to be serviced and will also have to provide a larger amount to the reserves; (*b*) they are being pressed to open branches in areas which are not fully developed economically and, in any case, new branches even in developed areas take four to five years to pay; (*c*) the increase in corporate taxation from 45 to 50 per cent has reduced their profit-margin; (*d*) the latest Bank Award has substantially pushed up the expenditure on staff.

The associations representing trade and industry are unlikely to raise any objections to the banks' move, as the bosses are the same for both lenders and borrowers. In any case, with Dena Bank's Managing Director, Mr. Pravinchandra V. Gandhi —one of the leaders of Indian banks—as President of the Indian Merchants' Chamber for this year, with the United Commercial Bank's General Manager, Mr. S. T. Sadasivan, holding the presidentship of the Indian Chamber of Commerce, and with Mr. Shriyans Prasad Jain, who is closely connected with the Punjab National Bank, as the President of the Federation of Indian Chambers of Commerce and Industry, there is little possibility of protests from the trade bodies, the watch-dogs of the private sector. It is a well-known fact that banks in this country are dominated by industrialists and that they have been actually slow in raising the rates of interest on advances.

The proposed inter-bank agreement on lending rate differs from that on deposit rates in some respects. The agreement on lending rate specifies the minimum that a bank should charge on advances, while that on deposits pertains to the maximum beyond which a bank should not pay depositors. Secondly, the maximum rates on deposits vary according to the period of deposits and the size of banks. The proposed minimum rate on advances is applicable to all classes of commercial banks and to all types of advances, whether it is clean or secured, whether the borrower is first class or otherwise, whether it is an overdraft or a term loan, whether the collateral is gilt-edged and gold or house property or equities. Will not the absence of any gradation in the minimum rate taking these finer points into account lead to circumvention of the agreement? The possibility cannot be ruled out. It may well happen, when the demand for funds is slack or grows at a slower pace than deposits. There is, however, a section among banks which feels that an attempt to go into such details and fix varying minimum lending rates, depending upon the quality of advances, their duration and the size of banks, will not prove a success, as it will be extremely difficult to reach an agreement with all the banks on this basis.

Automobile Tyres and Tubes

Two considerations seem to have prompted the Government of India to raise the third Plan target (capacity) of automobile tyres and tubes from 3.70 million to 5.14 million. One, the demand for tyres and tubes is growing at a much faster pace than had been anticipated earlier. And, two, the Government wants the industry to earn some foreign exchange by way of exports. The export target fixed for the calendar year 1963 is equivalent to 10 per cent of actual output; in the current half-year, the industry has been asked to export Rs. 100 lakhs worth of tyres and tubes. The additional capacity amounting to 1.44 million (the difference between the original and revised targets) is sought to be achieved partly through the establishment of seven new units—three of the five units already licensed are expected to commence production in about six months—and partly through the expansion of some of the existing five units.

While the upward revision of the automobile tyres and tubes target is to be welcomed, it is somewhat doubtful whether the revised target will, in fact, be hit. The manufacture of these products depends entirely on the availability of adequate supplies of a number of raw materials such as rubber, carbon black, rayon and nylon tyre cord, sulphur, zinc oxide, beadwire, tube valves, accelerators and antioxidants, plasticisers and tackifiers. The most important of these is rubber in which there is a big deficit and the deficit will be bigger still in the coming years, unless the Government takes energetic steps to increase output. The overall requirements of rubber in 1965 66 are estimated at 140,000 tons, whereas the actual aggregate production on the basis of capacity now licensed is expected to be no more than 90,000 tons comprising 40,000 tons of natural rubber, 30,000 tons of SBR type synthetic rubber (from the Bareilly plant) and 20,000 tons of reclaimed rubber. The gap between supply and demand will thus be 50,000 tons. This gap, it is pointed out, can be filled only by licensing two more units for the manufacture of two different types of stereo-specific synthetic rubbers, that is, CIS: 1.4 Polybutadeine and CIS:1.4 Isoprene. This question, we are told, is now engaging the attention of the Government.

It is, however, not so much the licensing of additional capacity for synthetic rubber manufacture as the ensuring of the requisite supply of raw materials for making such rubber that is very important. In other words, the creation of additional capacity for synthetic rubber will depend on the speed with which steps are taken to establish petro-chemical industry. It is well known that quite a few proposals have already been submitted to the Government, including one for the establishment of a large sized naptha-steam cracking unit by Esso. The petro-chemical industry will provide raw materials like ethylene, polyethylene, propylene, butylene, butadiene and benzene. Unfortunately, the Government's policy continues to be halting, thanks to the dilly-dallying tactics of Mr. Malaviya's Ministry. One is at a loss to know as to why the Government has still not taken a decision on the establishment of such a great import-saving, catalyst industry as petro-chemicals. Many months have elapsed since some of the parties submitted concrete proposals for petro-chemicals. Further, although a long time has passed since the Petrochemicals Committee (appointed in November 1960 with Dr. G. P. Kane as Chairman to prepare a plan for the development of petrochemical industry) rendered its report, the Government has not cared to release the report to the public. How much time does the Government need to study the findings of the Committee and take a decision thereon? When the private sector, especially Esso and Mafatlals, are prepared to put in money and secure technical know-how to establish petro-chemical projects, why should not the Government give them permission, as well as encouragement and assistance, to go ahead? Unnecessary delay will only compel the country to be dependent on imports entailing expenditure of much precious foreign exchange which it can ill-afford. Such delays and adoption of dubious economic policies in the past have been greatly responsible for the present foreign exchange difficulties. The repetition of such mistakes will only make the position worse in this respect in the coming years.

World Coffee Conference

The Friday of this week (24th August) was a crucial one for the United Nations Coffee Conference at New York, inasmuch as that day was the deadline fixed for reaching an agreement on the regulation of the world coffee market. The Conference, which began on 9th July, should have ended on Saturday the 18th inst., but the delegates decided to extend it by an additional six days, subject to one condition, namely, that, if no agreement was reached, the Conference would be reconvened in November or December next. At the time of writing (afternoon of Wednesday the 22nd inst.), no information is available as to whether the Conference did come to a successful conclusion or not.

The New York Conference, it will be recalled, was convened to thrash out the details of a long-term world coffee agreement to replace the present year-to-year agreement due to expire on 30th September 1962. The Conference went on smoothly for several days, but a deadlock arose on the 10th inst. when the delegates from Brazil and other Latin American coffee producing countries "walked out" in protest against the European Common Market's refusal to reconsider reduction of discriminatory tariffs and taxes on Latin American coffee. Brazil, the world's largest producer of coffee with almost half the aggregate output to its credit, made it clear that it would abstain from further participation in the Conference, unless the Latin American coffee producers were allowed access to the Common Market on the same terms as those shown to coffee producers in Africa and the C.M. agreed to remove the existing obstacles in the way of expansion of coffee consumption. The C.M. countries were not agreeable to this demand on the score that a relaxation of restrictions on coffee would encourage demands for similar relaxation in respect of other commodities from the developing countries.

The deadlock was, however, resolved, thanks to the U.S.—it was this country that took the major initiative in promoting the Conference—which worked hard behind the scenes "to save the Conference." The C.M. countries agreed to a compromise formula (suggested by the U.S. delegation) that commits them to come forward within six months of the signing of the long-term agreement with a specific programme for the reduction of discriminatory import tariff against Latin American countries during the five-year period of the agreement. The compromise formula also seeks to eliminate other taxes and restrictions on Latin American coffee, particularly those levied by West Germany, which decided to become a full member of the Conference. And it was agreed that the common external tariff should be lowered from 16 to 12 per cent, with a provision for further reduction in the duty to 9.6 per cent later. Brazil and other Latin American countries were quite satisfied with these assurances and resumed full co-operation in the task of finalising a long-term coffee agreement.

At the Conference, all the coffee producing countries generally agreed on the need to play their part in the new agreement. The major producers will have to retain a part of their exportable output and the smaller producers will have to retain a smaller proportion. But the point at issue pertained to export quotas to be based on a two year period, while the African producers whose latest crop has been smaller than would have been under normal conditions, pressed for a four-year base period. It is not known at the time of writing whether any agreement has been reached on this issue as well on the question whether the quota system should cover only the traditional markets in Western Europe, the U.S. and Latin America or include the new markets also. The implications of the agreement to India, as well as the question whether this country should be a party to it, can be judged only when it takes final shape.

TREND OF SHARES

STEADY TENDENCY

(From Our Own Correspondent)

BOMBAY, 22nd *August*

RENEWED speculation that the much delayed announcement of the steel retention prices might be made this week (Monday to Saturday) provided a steady tendency in the stock markets during the week under review. In fact, the return to steadiness from the previous week's slightly reactionary trend by the markets was due entirely to fresh speculative buying in Steel shares which rose again to strong resistance levels and, despite that, closed around the highest levels of the week and on a firm note. Other sections staged a moderate recovery mainly in sympathy with Steels. Activity was selective and largely professional. Turnover was small.

It is rather difficult to judge the market trend from the two to four days' trading this week in the new account. But, judging from the low carry-over charges for the past two settlements, the technical position of the markets seems to be healthy and indicates scope for further rise in values. Institutional buying apart, there have been talks of some big operators taking sizable deliveries in some pivotal counters against the last settlement. If that were to happen and looking at the comfortable conditions in the money market, the trend of *badla* charges would continue to be normal for sometime to come. Should the news background turn favourable, particularly in regard to the steel retention price announcement and the declaration of the dividend by T.I.S.Co., the prominent bull operators, who have continued to hold their sway on the markets, would easily succeed in turning the technical position to their advantage. The political storm across the border is there, but there are frequent and more reassuring statements from the leaders on the issue. And then, some leading companies are due to announce either their interim or final dividends. Clearly, the steel retention price announcement will have decisive effect on the market trend. Meanwhile, it is interesting to find the chartists attributing great significance to the current steadiness in the markets. In fact, they are contending that, since 3rd August 1962, the markets have been passing through an interesting phase. They believe that the current steadiness, following the past two weeks' mild reaction, should take the markets to new high ground, that is, above the 3rd August high levels, failing which it would mark the resumption of downward trend in view of the 50 per cent recovery between 19th July last and 3rd August from the preceding slump. All this is speculation, of course.

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Fresh speculative support for Tata Steel Ordinary from a prominent operator is said to have imparted considerable steadiness to the market in Bombay. In active dealings, Tata Ordinary improved from Rs. 146 to Rs. 148.50 to close with a gain of Re. 1.75 over the week at Rs. 148.25. Indian Iron recovered from Rs. 26.35 to Rs. 26.85 to close 30 nP higher on balance at Rs. 26.80. Quoted *ex-div.* Mukand Iron were up by 19 nP at Rs. 25.25. Among Textiles, Standard were up by 10 points at Rs. 922, Century by Rs. 9.50 at Rs. 637, Shree Niwas by five points at Rs. 271 and National Rayon by three points at Rs. 518. But Kohinoor showed a loss of Rs. 2.50 at Rs. 320.50. The shares of Ruia group of mills showed moderate gains on expectations of a better working and higher dividends for the year ended 31st March 1962. The firmly held Indu Mill shares recorded further modest gains. In the Miscellaneous section, Bombay Burmah closed with a gain of six points at Rs. 669.50, Indian Dyestuff of Rs. 5.82 at Rs. 451.25 *ex-div.* and T.E.L.Co. of Rs. 2.50 at Rs. 335.50. Hindustan Motors were a shade easy at Rs. 19.96, but Scindia staged a recovery of 44 nP at Rs. 12.28. Other sections were quiet. Cash scrips were dull, but New India Fisheries were up by four points at Rs. 121 as were Star Textiles at Rs. 130. Globe Auto rose by 10 points to Rs. 100, Jyoti (old) by Rs. 14.50 to Rs. 190 and Anil Hardboards by nine points to Rs. 200, while Kesar Sugar showed a loss of Rs. 12.50 at Rs. 187.50, Selected Satgram of 10 points at Rs. 132.50 and Brady Engineering of Rs. 8.75 at Rs. 101.25.

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Some fresh speculative support for the popular shares was discernible in Calcutta. Thus, Dunlop and Birla Jute showed a gain of 50 nP each at Rs. 40.06 and Rs. 33.69, respectively, Howrah improved by 38 nP to Rs. 20.50, Kesoram by 31 nP to Rs. 28.50, J.K. Cotton also by 31 nP to Rs. 17.50 and Rohtas by 32 nP to Rs. 14.44. But G.K.W. showed a loss of 50 nP at Rs. 38.25. In the Cash List, among Coals, the loss of Rs. 4.50 in Bengal at Rs. 347 was offset by a gain of Rs. 5.63 in K. Jherriah at Rs. 48.75. Jutes and Textiles were steady. Engineering issues showed minor changes, with the exception of Burn which were four points down at Rs. 681 and Raymond which showed a loss of 98 nP at Rs. 5.37, in contrast with a gain of 75 nP in Hindustan Wire at Rs. 11.50 and of 68 nP in Jessop at Rs. 23.12. The Miscellaneous section disclosed generally small changes either way, excepting Duncan Bros. which looked up from Rs. 154 to Rs. 157.50, B.I.C. which gained 97 nP at Rs. 10.31 and Isaac Holdens which improved from Rs. 16.37 to Rs. 17. Burmah Oil moved down by Re. 1.31 to Rs. 25.50 and Titaghur Paper declined sharply from Rs. 41 to Rs. 38.37. Tea shares had an even distribution of small gains and losses, but Methoni reacted quite sharply from Rs. 21.25 to Rs. 19.69, while N. Dooars rose by three points to Rs. 251.

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Trading was dull but the tone steady in Madras. Among Textiles, Cannanore rose further from Rs. 132 to Rs. 134.50 and other active shares showed small gains. In the Miscellaneous section, Aluminium Industries showed a gain of 11 nP at Rs. 24.80 and Mettur Chemical of 12 nP at Rs. 13.87, but Tube Investments reacted further from Rs. 269 to Rs. 267 and Madras Rubber declined from Rs. 22.87 to Rs. 22.50. Among Sugars, E.I.D. rose from Rs. 41.50 to Rs. 43 and India from Rs. 9.25 to Rs. 10.10. Plantings were generally weak, with Nonsuch showing a loss of 50 nP at Rs. 21.75, Parkside of 38 nP at Rs. 21.87, Consolidated Coffee of 12 nP at Rs. 18.58 and Midland of 15 nP at Rs. 10.90. Highland, as an exception, moved up from Rs. 12.87 to Rs. 13.

KALPETTA ESTATES TO RAISE CAPITAL

The Kalpetta Estates Ltd. of Alleppey, engaged in the production of rubber, tea and cardamom, proposes to raise its capital by 50 per cent from Rs. 8 lakhs to Rs. 12 lakhs. The new 40,000 equity shares of Rs. 10 each will be offered at par at the first instance to the existing shareholders of the Company in the proportion of one new share for every two shares held by them and the balance, if any, will be offered for public subscription. The lists will remain open for nine days from 4th September 1962. The proceeds of the issue will go to finance the proposed expansion envisaging the planting of 200 acres more in cardamom and 150 acres more in rubber. The expansion will be completed by 1966-67, when the Company will have a total planted acreage of 909 in mature rubber, 150 acres in immature rubber, 485 acres in cardamom (in full bearing) and 330 acres in tea (in full bearing). The Company also proposes to modernise and electrify its tea and rubber factories. On the existing 1,524 planted acres of the Company, the capitalisation per planted acre works out to Rs. 525 and will rise to Rs. 640 on the increased capital of Rs. 12 lakhs. As against this, tea and rubber estates are, it is claimed by the spokesmen for the issue, changing hands at Rs. 2,500 to Rs. 5,000 per acre. The Kalpetta Estates have a proud record of having paid attractive dividends for the past 10 years. The expectations are that, even after the capital is raised, the return to the investors would be maintained at a reasonable level.

At present, the Company's paid-up capital of Rs. 8 lakhs is backed by reserves and surplus aggregating Rs. 8.68 lakhs. The fixed assets of the Company are estimated at Rs. 16.91 lakhs. Mr. A. V. Thomas, the pioneer among South Indian planters, is the Chairman of the Company. The current quotation for the existing shares of the Company is Rs. 11.25 *ex-right*, as against Rs. 11.83 *cum-right* sometime ago.

WANDLESIDE NATIONAL CONDUCTORS LTD.

The management of Wandleside National Conductors Ltd. of Bombay has informed us that the pre-commissioning trials on the Company's plant at its works at Poona have now commenced and are progressing satisfactorily. The first bulk supply of copper ingots from the U.S. has already been shipped and is expected to be received in Bombay by the second week of September. Commercial production is, therefore, scheduled to commence sometime in October 1962.

INDIAN RAYON CORPORATION

The Indian Rayon Corporation Ltd. proposes to issue additional 30,000 ten per cent, taxable redeemable cumulative preference shares of Rs. 100 each and offer them to the existing shareholders in the proportion of six new shares for every 11 shares held by them. If any shares are unsubscribed, they will be placed privately through a leading firm of share and stock brokers. The Company has already issued 250,000 equity shares of Rs. 100 each and 55,000 preference shares of a like denomination.

GOVERNMENT OF UTTAR PRADESH

FINANCE DEPARTMENT

Dated Lucknow, August 7, 1962

PRESS NOTE

4½ per cent Uttar Pradesh State Development Loan, 1974

THE Government of Uttar Pradesh are floating a loan of Rs. 9 crores in order to finance development schemes particularly those relating to electricity, irrigation and industries. The loan will open for subscriptions on 27th August, 1962 and will close on 1st September, 1962 unless closed earlier. The main terms of the loan are that the issue price will be Rs. 99.75 for every Rs. 100 of the loan applied for; the loan will have a currency of 12 years from 27th August, 1962 and will be repaid at par on 27th August, 1974; the loan will carry interest at the rate of 4½ per cent per annum from 27th August, 1962 payable half-yearly on 27th February and 27th August, the payments being subject to tax under the Income Tax Act, 1961. Subscriptions for the loan can be made in the form of cash or cheque or securities of 3½ per cent Uttar Pradesh Loan, 1962 and will be received at the branches of the State Bank of India in Uttar Pradesh, the Government treasuries and sub-treasuries in the State of Uttar Pradesh where there is no branch of the State Bank of India, the offices of the Reserve Bank of India at Bombay, Calcutta, New Delhi, Madras, Nagpur and Bangalore, the branch of the State Bank of India at Patna and the branch of the State Bank of Hyderabad at Hyderabad.

Full details of the terms of the loan are contained in Finance Department Notification No. B—I-3393/X—88-62, dated August 7, 1962, copies of which, along with the application form, are obtainable at the receiving offices mentioned above.

2. *Financial position of the Government of Uttar Pradesh*:

Revenue Position—The revenue receipts and expenditure and the surpluses for the last nine years are as follows:

(Figures are in lakhs of rupees)

	Revenue receipts	Revenue expenditure	Surplus (+)
1953-54	7,564	7,281	+283
1954-55	7,819	7,713	+106
1955-56	8,553	8,423	+130
1956-57	8,996	8,984	+12
1957-58	10,493	9,942	+551
1958-59	11,723	11,614	+109
1959-60	12,955	12,816	+139
1960-61	14,835	14,431	+404
1961-62	15,298	14,841	+457

Balances in the Reserve Funds—The balances at the credit of the various reserve funds at the end of 1961-62 were 523 lakhs in the U.P. Road Fund, 3 lakhs in the Hospital Fund, 46 lakhs in the Famine Relief Fund, 1,231 lakhs in the Revenue Reserve Fund, 2,246 lakhs in Zamindari Abolition Fund, 264 lakhs in the Depreciation Reserve Fund —Irrigation, 495 lakhs in the Depreciation Reserve Fund—Government Bus Services, 432 lakhs in the Depreciation Reserve Fund—Electricity, 21 lakhs in the Contingency Reserve Fund—Electricity and 221 lakhs in the Depreciation Reserve Fund—Cement Factory. Most of these are invested in Government of India Securities. The total balance in these Reserve Funds amounts to 5,482 lakhs.

Debt Position—On March 31, 1962, the debt of the Uttar Pradesh Government amounted to 31,793 lakhs consisting of 896 lakhs representing the consolidated debt due to the Central Government, 22,495 lakhs taken from that Government for development purposes, 1,071 lakhs for Community Development Projects and 338 lakhs for Relief and Rehabilitation Schemes *plus* 6,337 lakhs representing the amount of public loans floated by this Government from time to time, 134 lakhs as Uttar Pradesh Encumbered Estates Act Bonds, 229 lakhs from the Reserve Bank of India, 121 lakhs from the Life Insurance Corporation of India, 105 lakhs from the National Co-operative Development and Warehousing Board for expansion of Co-operative Institutions and Marketing Societies and 67 lakhs from the Khadi and Village Industries Commission. Apart from this, the State Government have also issued Zamindari Abolition Compensation Bonds and Rehabilitation Grant Bonds, the outstanding balance of which on March 31, 1962 amounted to 8,201 lakhs. Sinking Funds have been constituted for all the public loans and the balance at the credit of these funds which amounted to 2,520 lakhs on March 31, 1962 are mostly invested in Government of India Securities. Besides this a sum of 1,765 lakhs is also available in the Sinking Fund built up for the amortization of loans obtained from Government of India, which are repayable in lump sums.

Assets of the Government—Against the outstanding debt of 31,793 lakhs there are assets in form of the Ganga, Yamuna and Sarda Canals, various other small canals, and the State Tube-wells, Cement Factory, Government Bus Services and Electricity Schemes, in which about 24,934 lakhs have been invested. Another asset is the balance due to Uttar Pradesh Government on account of loans and advances amounting to 15,382 lakhs. Besides these, there are a large number of buildings and roads for which no separate capital accounts are maintained.

Footnote—The accounts for 1961-62 have not yet been closed finally. The figures for 1961-62 mentioned in the Press Note are based on the latest available information and are liable to changes.

NEWS IN BRIEF

THE Government of India proposes to constitute a high-power panel of experts, with Mr. G. L. Mehta as Chairman, to examine the question of import substitution by indigenous manufacture.

The Madras Government has decided to open an industrial estate at Madhavaram specially for leather and leather products at an estimated cost of Rs. 12 lakhs.

The National Productivity Council proposes to set up a National Institute of Industrial Engineering in Bombay, with the assistance of U.N. Special Fund. The Institute will train 250 engineers annually.

The Government of India has approved the terms of collaboration concluded by a private firm with a Japanese company for putting up a plant in Kerala to manufacture transformers and electrical equipment.

A Central Dairy, including a milk processing and bottling plant with a capacity of 500 maunds of milk per day, is being set up at Ernakulam by the Kerala Government. The cost of the plant will be met by the Central Government partly as grant and partly as loans.

Two additional blast furnaces will be set up under the expansion programme of the Bhilai Steel Plant, according to Mr. C. Subramaniam, Minister for Steel and Heavy Industries. These furnaces are expected to be commissioned by December 1963 and December 1964, respectively.

Exports from India during the month of July 1962 amounted to Rs. 56.02 crores, showing an increase of Rs. 5.6 crores over those in July last year. The total exports during the first seven months of this year (January-July) were higher by Rs. 2.12 crores at Rs. 371.05 crores, as compared with the corresponding period in 1961.

The Central Food Technological Research Institute, Mysore, has developed a fumigation process known as the durofume process to ensure protection of stored grains against insects. The process, which makes use of a combination of ethylene dibromide and methyl bromide, is effective in checking reinfestation from neighbouring godowns or from incoming material.

A scheme for improvement of national highways and approach and feeder roads in the Bengal-Bihar coalfield area, it may be recalled, has been prepared in order to facilitate the movement of coal by road. This scheme, which is estimated to cost about Rs. 17.20 crores, has already been approved by the Planning Commission, and action is now being taken to provide the necessary funds.

The cost of producing newsprint at the Nepa Mills has doubled, from the original estimate of Rs. 478.00 per ton (excluding depreciation) to Rs. 870.62 as of 1961-62, according to Mr. N. Kanungo, Union Minister for Industry. The increase is attributed partly to the inclusion of a depreciation charge of Rs. 106 per ton in the price and partly to the rise in the cost of raw materials, power, fuels and labour.

The machine tool factory now being established in the public sector at Pinjore in the Punjab by the Hindustan Machine Tools Limited, Bangalore, is expected to go into production early next year. The total capital cost of the project, including the township, is estimated to be Rs. 7.5 crores. The capacity presently planned is about 1,000 machine tools per annum and the factory is being so designed as to double its capacity after a few years.

The Central Fuel Research Institute at Dhanbad has developed a new fertiliser from coal. The process involves oxidising coal in fluidised bed in air stream of 200 degrees C. and subsequent treatment with ammoniacal liquor and simultaneous oxidation and ammoniation of coal in a fluidisation column at 300 degrees C. in a mixture of air and ammonia. The cost of production has not yet been worked out. Preliminary field trials have been encouraging.

The Westinghouse Electric International Company in the U.S. has agreed to supply a 15,000-kilowatt steam turbine generator unit and associated electric equipments for a new paper mill to be built by Orient Paper Mills Ltd., at Amlai, Madhya Pradesh. The new mill, scheduled to be completed in early 1965, will produce bleached paper from bamboo. The mill, it is said, will be the largest of its kind in Asia. The U.S. Export-Import Bank will finance the export of machinery.

The net collections of small savings in 1961-62 amounted to Rs. 91 crores, as compared with Rs. 105 crores in 1960-61. Disclosing this in the Lok Sabha, the Finance Minister, Mr. Morarji Desai, explained that there was a large increase in 1960-61 due mainly to a diversion of the deposits in the post office savings bank, but this trend had been partly reversed in 1961-62, following the revival of public confidence in the commercial banks. It was not, therefore, correct, he added, to assume that there had been any continuing trend of a decline in these collections.

As a measure of export promotion, Indian exporters of "French coffee" will be allowed to import chicory powder to the extent of 15 per cent of the past exports of "French coffee" direct from any source. In cases where the quantity of chicory powder desired to be imported exceeds 15 per cent of the quantity of "French coffee" exported, the applications for import licences must be supported by a recommendation from the Coffee Board. Hitherto all imports of chicory powder were being canalised through the Coffee Board and the exporters of "French coffee" were required to register their names with the Coffee Board, Bangalore, for their requirements of chicory.

The National Coal Development Corporation has signed an agreement with the Polish firm, Cekop, for setting up a coal washery at Gidi in the Karanpur fields of Bihar. Estimated to cost a little over Rs. 8.31 crores, the washery will have an annual raw coal input capacity of 2.84 million metric tons. This will be the Corporation's second washery in Bihar, the first being at Kargali. Expected to be commissioned by April 1965, the washery will produce 1.1 million metric tons of washed blendable coal, besides 1.1 million metric tons of washed steam-size coal, suitable for the railways. The present agreement is in pursuance of the earlier agreement for economic co-operation concluded between the Governments of India and Poland in May 1960 providing for a credit of Rs. 14.3 crores.

* * * *

From Abroad

The U.S. automobile industry sold 3,446,563 cars in the first six months of this year, second only to the industry's record achieved in 1955.

Portugal has decided to abolish customs duties against imports from Portuguese territories over a transitional period ending 1971, in a bid to create a Portuguese Common Market.

The total exports (including re-exports) of the U.K. were higher at £340.1 million in July, as compared with £330.4 million in the previous month. Imports rose from £369.9 million in June to £388.4 million.

Japan proposes to buy increasing quantities of sugar from Australia, according to a 22-member Japanese sugar mission now visiting Sydney. The mission expects Japanese annual sugar purchase to go up from 1.2 million tons to 2 million tons in about ten years.

The U.S. Government has called for a meeting of the International Wool Study Group at London in November next to consider the problems of trade in wool and wool textiles. The Study Group, which was constituted in 1948, has not met since 1955. India, the U.S., the U.K., Australia and the Common Market countries are among its members.

The B.O.A.C. has decided to terminate its partnership agreement with the Ghana Airways, following the latter's agreement for similar revenue pooling arrangements with Alitalia. The B.O.A.C. has been in partnership with the Ghana Airways on the Accra-Europe-London route since July 1958, when the Ghana Airways was formed.

The current Five-year Plan of Czechoslovakia, which is due to expire in 1965, is expected to be discontinued at the end of this year as a result of shortfalls in key industries which are making Plan targets impossible to reach. Increase in industrial production during the year 1961 and in the first half of 1962 was at the rate of 7 per cent, whereas the planned rate was 8 per cent. The shortfall was particularly marked in two key sectors, namely, metallurgical and heavy engineerings.

An experimental passenger service by Hovercraft has been started in the U.K. between Portsmouth and the Isle of Wight, off southern England. The Hovercraft, Westland Aircraft's SRN-2, is three times as fast as the ferry boat. The service will be run every week-day for the next fortnight. There are also plans for a regular service. The world's first scheduled Hovercraft service began on 20th July between Wallasey and Rhyl across the estuary of the River Dee on the west coast of Britain. Hovercrafts travel on a cushion of air just above the surface of land or water and represent a revolutionary means of transport. The SRN-2 can carry 66 passengers. Much bigger craft accommodating several hundred passengers, will be used for a regular commercial service.

PERSONAL

MR. Ahmed Mohiuddin, Deputy Minister for Civil Aviation, and Mr. R. N. Katju, Director-General of Civil Aviation, left for Rome to attend the conference of International Civil Aviation Organisation.

Dr. S. Bhagavantham, Director of the Indian Institute of Science, Bangalore, has been appointed full-time Scientific Adviser to the Defence Minister and Director-General of Defence Research and Development.

Mr. Geoffrey M. Wilson, Director of Operations for South-East Asia and Middle East, World Bank, has been appointed a Vice-President of the Bank *vice* Mr. William Iliff who is retiring. Mr. Escott Reid will succeed Mr. Wilson as the Director of Operations.

Mr. Vincent Herbert Coelho, Joint Secretary in the Ministry of External Affairs, New Delhi, has been appointed Ambassador of India to Brazil. He is expected to assume charge of his new assignment in October next.

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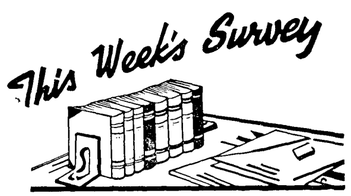


MORE ON RAILWAY ACCIDENTS

IN the Lok Sabha debate on the recent railway accidents, the Railway Minister, Sardar Swaran Singh, was in no position to claim that the incidence of accidents as a whole was significantly on the decline. Nor was he in a position to claim that the number of casualties (both killed and injured) had been relatively less in recent accidents than in those of previous years since 1957-58. Statistics were not quite so obliging as to sustain any such claims. The most that he could claim, after conveniently omitting to mention comparative figures of casualties, was that accidents were not *on the increase*. Even this he was able to substantiate only by a selective use of statistics confined to just four categories of accidents, namely, collisions, derailments, trains running into road traffic at level crossings, and fires on trains. The aggregate number of accidents under these selected categories, he said, was just about the same in the last three years—1,997 in 1959-60, 2,131 in 1960-61 and 1,954 in 1961-62. And he also gave the following more up-to-date figures in support of his contention that accidents were not on the increase even in recent months:

	First half of	
	1962 (No.)	1960 (No.)
Collisions	53	52
Derailments	636	646
Trains running into road traffic ..	119	105
Fires on trains	140	207
Total ..	948	1,010

To draw comfort from these figures (which do not include the crucial data pertaining to casualties), as the Minister did, was to slur over the fact of inefficiency, or of human negligence, or of failure of engines and permanent way. If, even after ten years of railway planning, all these factors continue to be in full operation, there must be something radically wrong in the working of the railways. So long as the Railway Ministry is in no position to claim that the incidence of accidents has been on the decline, the need for a searching probe into the working of the railways will remain. If, by any chance, the Kunzru Committee, which is currently inquiring into the question of accidents, takes a narrow view of its assignment, it will not have done full justice to the public. As the public is footing the bill of railway development, it has every right to expect that railway travel will be rendered much safer than it is today. The first step in this direction would necessarily have to be a searching probe which alone can lay bare all the serious defects and shortcomings for remedial treatment. The possible creation of an autonomous corporation for running the railways, as canvassed recently by the All-India Railwaymen's Federation, may not make much difference to the deplorable state of affairs caused, among others, by a continuing backlog of worn-out rails and sleepers and overworked engines.

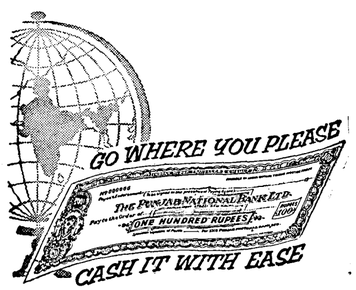
If the proposed increase in the size of the third Plan of the railways does not provide adequately for track and sleeper renewals, replacement of worn-out engines and strengthening of bridges, and assign to them still higher priorities, it will lack justification. It may be noted here that arrears of track renewals, as on 31st March 1961, were 6,291 kilometres of complete track renewals, 2,179 kilometres of through rail renewal and 2,165 kilometres of through sleeper renewals. There are still hundreds of "problem" and "vulnerable" bridges which have to be strengthened or protected. The over-age locomotives in service, as on 31st March 1961, represented 25 per cent of the total stock in service on the broad-gauge and just under 20 per cent on the metre-gauge sections. And, according to information provided by the Railway Minister, there are as many as 1,178 level crossings which would need to be manned, if accidents involving roads and road transport are to be avoided. With such a heavy backlog of worn-out rails, sleepers and engines, and defective bridges, and unmanned level crossings to boot, it is no wonder that railway accidents are proving to be more disastrous than in the past. This is an aspect of the matter which is no less important than the factor of human negligence. That the latter aspect, too, is pretty serious now can be inferred from the Railway Minister's reference to punitive action taken against 1,648 persons found guilty of dereliction or gross neglect of duty in 1961-62, as compared with 1,408 persons in the previous year. If there is growing indiscipline, especially among the lower ranks of the railway staff, as is frequently alleged, the matter calls for serious consideration not only by the authorities but by all railwaymen's organisations. Again, wherever inefficiency has resulted from the reported promotions of inexperienced men belonging to the Scheduled Castes to the ranks of drivers and firemen, there is frankly cause for concern. Such extraneous considerations as caste and war service can have no legitimate place in the field of promotions and appointments to highly responsible and technical posts on the railways. The Kunzru Committee would do well to investigate, without fear or favour, the actual state of affairs, for what is at stake is the morale of the entire railway staff.

OIL AND NATURAL GAS COMMISSION

The functions and powers of the Oil and Natural Gas Commission, which is "a body corporate having perpetual succession," have been defined by an Act of Parliament—Act No. 43 of 1959. The Commission's general functions are "to plan, promote, organise and implement programmes for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by it and to perform such functions as the Central Government may, from time to time, assign to the Commission." Under the Act, the Commission can exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions. But before exercising its powers in respect of three defined matters, it would have to obtain the prior approval of the Central Government. One such matter pertains to the implementation of any scheme or proposal involving a capital expenditure exceeding Rs. 30 lakhs. It is this limit that is now sought to be raised, presumably under an amending Bill, to Rs. 40 lakhs.

The reason given for the proposed amendment is that some schemes of the Commission are delayed because of the low financial limit. A similar move, it may be recalled in this context, has been initiated in the case of the Hindustan Steel Ltd., which can now incur capital expenditure, without prior reference to the Finance Ministry, upto a limit of Rs. 50 lakhs, as against the previous limit of Rs. 40 lakhs. To increase the financial powers of the O.N.G.C. also in like manner seems to be necessary, if exploration schemes are to be expedited and the third Plan target of 3.0 to 3.5 million tons of crude oil output is to be achieved. The Commission's revised third Plan allocation is Rs. 202 crores, as compared with the outlay of Rs. 115 crores envisaged originally in the Plan. An increase to the tune of Rs. 87 crores in the proposed outlay would involve, as a corollary, greater expedition in executing schemes and in incurring expenditure thereon.

In view of the success that has so far attended the Commission's drilling schemes in Cambay (where wells are mostly gas producing), Ankleshwar, Ahmedabad and Rudrasagar (Assam), the pace of its further work deserves to be quickened in other possible ways too. Decentralisation of authority and responsibility, in line with the current trend in several public-sector enterprises like the steel plants and the National Coal Development Corporation's collieries, has been proposed in the case of the O.N.G.C.'s field stations. The proposal to empower the technical members of the Commission to take on-the-spot decisions relating to technical matters without prior reference to the Commission is certainly well conceived, for it will enable them to function more effectively on behalf of the Commission in their various spheres of work. In much the same way, the current proposal to clothe the field officers at the oilfields and drilling site with greater powers may be expected to harness their enthusiasm and initiative in quicker and better execution of schemes. Such decentralisation of authority and responsibility is perhaps needed to a greater extent in the case of the O.N.G.C. with its widely scattered field stations and drilling sites than in that of any public-sector industrial enterprise with its main plant located at one place. But, then, the task of administrative co-ordination will also be rendered that much more difficult. How Mr. P. R. Naik, who has been just appointed as Member for Administrative Co-ordination in the O.N.G.C., will bring about greater decentralisation without prejudice to effective co-ordination would be interesting to watch.



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PHYTO-CHEMICALS PROJECT

An ambitious scheme to set up four drug projects in the public sector with Soviet collaboration, it may be remembered, was drawn up during the second Plan period. The scheme, estimated to cost Rs. 30 crores in all, envisaged the establishment of an antibiotics plant at Rishikesh in U.P. (to produce Rs. 25.8 crores worth of drugs annually), a synthetics drugs plant at Hyderabad (annual output worth Rs. 6.4 crores), a surgical instruments plant at Guindy in Madras (output worth Rs. 2.8 crores) and a phyto-chemicals plant at Munnar in Kerala (with an annual output worth Rs. 77 lakhs). All these projects, which have been carried over to the third Plan, are running behind schedule. The first three plants, however, are in the initial stages of construction, and according to officials, will be commissioned during the third Plan period. But the Kerala project has met with a surprising reverse. According to one report from Madras, a top official connected with the project has stated that the plant has been shelved for the present. Mr. A. M. Thomas, Union Deputy Minister for Food, however, observed the other day that the project could not be said to have been abandoned. The process now envisaged for production is said to be uneconomical and the Russians are being asked to prepare a revised project report. It is amazing that the Government of India has taken more than two years to find out that the project is uneconomical. Meanwhile, the Government of Kerala and the project authorities have so far spent Rs. 25 lakhs on the project, including the acquisition of land of about 400 acres. It may be noted that the phyto-chemicals plant is the only new industrial project envisaged for the Kerala State during the third Plan period, if we exclude the proposed second shipyard for which the necessary foreign exchange has yet to be found.

The phyto-chemicals plant was expected to produce a wide range of drugs, mainly caffeine (about 50 tons), and also other products like ephedrine, digitalis glycosides, papain and vitamin P. Under the manufacturing process, which was originally suggested by the Russian experts, the caffeine was to be produced from tea prunings and tea wastes in the ratio of 3:1. This process is based on the experience of Russian manufacturers. But it is now found that the adoption of this process will make the cost of production exorbitant, that is, about Rs. 1 lakh per ton of caffeine, which compares most unfavourably with the price of Rs. 18,000 per ton for the imported product. India's total imports of caffeine, it may be noted, amount to no more than Rs. 4 lakhs annually. It is also said that caffeine produced by a Calcutta firm is sold at Rs. 50,000 per ton.

The reason for the prohibitively high cost under the Russian process of manufacture is that the major part of raw materials is tea prunings which are costlier than tea wastes. What the Soviet collaborators are now asked to do is to find out a method to produce caffeine at a lower cost from tea wastes alone. The Russians seem to have agreed to this suggestion, albeit after considerable reluctance. In this context, one is rather puzzled to hear of the high cost of tea prunings in Kerala. In fact, following a meeting between the representatives of the Kerala Government and the Kannan Devan Hills Produce Ltd., a leading local tea producer, in May last, it was stated by the State Government's spokesmen that the Company was in a position to meet the full requirements of tea prunings for the project and that they would be given free of cost. One does not know what has happened to alter the reported agreement within such a short time as about three months. There is here probably something more than meets the eye.

MANAGEMENT CONSULTANTS

Let it be any industry, it owes an important obligation to the community, namely, that of producing goods as cheaply as possible, without detriment to its quality. This statement may appear elementary, but it requires to be specially emphasised in the context of the expanding domestic requirements and the increasingly competitive conditions in world trade. Reductions in costs and improvement in quality both entail a thorough survey of the industry's operations. How much importance is attached to the need for undertaking such surveys in Britain, the U.S. and elsewhere is evident from the growing trend towards employment of specialised consultants in industry. Even the big firms which are universally recognised to be efficient, such as Unilever, Shell and Esso, have made use of the services of consultants who are specialist in their lines. The I.C.I. (Imperial Chemical Industries) of Britain has just engaged the services of the U.S. management consultant firm of McKinsey and Co. to conduct a major survey of its operations. This is said to be the first time that I.C.I. has called in an outside firm of consultants to advise it on such a large scale. Three McKinsey officials have already arrived at I.C.I. headquarters for preliminary work, and the full investigation, we are told, will be a long-term project to which no definite time-limit has been set. Incidentally, McKinsey and Co. is one of the three blue chip management consultant firms in the U.S. and its talents "have been put to work on most of the top 50 of American industries as well as on the Federal Government in Washington." It was this firm that helped to reorganise Chryslers "when it was down in the dumps in 1953."

There is an important lesson that business firms in India can draw from the decision of I.C.I. of Britain and other companies to appoint outside competent firms of management consultants. The outside consultants, as the Industrial Editor of the *Financial Times*, London, states, can look at the structure with fresh eyes and bring to bear the experience acquired from other firms and industries. Moreover, they are not affected by office loyalties and traditions. A leading industrialist of the U.K. is quoted as saying: "Reorganisation usually involves sacking or moving some people in pretty senior posts. Even if we know who those people are and what can best be done with them, it is much easier to take action on the basis of a recommendation from an outsider with no axe to grind, rather than do it off our own bat."

In India, there are no doubt a few well-known firms of management consultants. But their services are being availed of only sparingly and that too by a limited number of business concerns. The one inhibiting factor is, perhaps, the misgiving among these concerns that the consultants may divulge the secrets of their business to competitors either deliberately or inadvertently. If this misgiving is to disappear, it is imperative that the firms of consultants should impose upon themselves a professional status which will ensure certain standards of conduct. Given such standards and provided the approach of these firms is rational, they will doubtless play a vital role in helping the managements of industries to make the maximum use of the factors of production with least wastage, thereby maintaining a high level of quality output at an economic cost.

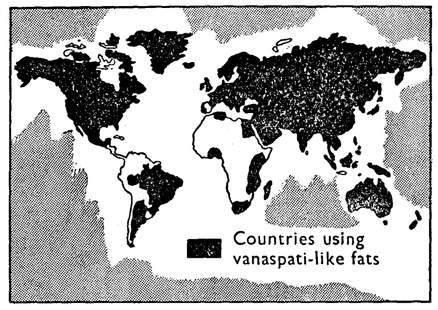
EXPORTS OF MINERAL ORES

The growth of indigenous iron and steel production and the need for earning foreign exchange through ore exports have alike contributed to the development of mineral ores like those of iron and manganese. Fortunately, India has substantial reserves of iron and manganese ores, the total deposits of the former being estimated at 21,000 million tons (one-fourth of world reserves) and the latter at 180 million tons (or the third largest reserves anywhere in the world). During the last decade of planning, output of these ores has been going up. From only about three million tons in 1950, the production of iron ore has risen to 12.8 million tons by 1961-62, the first year of the third Plan. The development of manganese ore industry, however, has been at a slower pace, the total output being only 1.6 million tons in 1960 (the latest year for which figures are available), as against 880,000 tons in 1950. During the third Plan period, production of iron ore is proposed to be stepped up to 32 million tons per year. The Planning Commission does not seem to have laid down a firm production target for manganese ore, but it estimates the annual requirements, for both domestic purposes and exports, at two million tons. The important role of these two ores in the field of exports can be gauged from the fact that the quantity of manganese ore earmarked for exports is as much as 1.5 million tons (or 75 per cent of output) and that of iron ore 10 million tons (over 30 per cent of output). Incidentally, these figures exclude those relating to Goa.

Export prospects of mineral ores can by no means be taken for granted, as competition in world markets has been becoming more and more intense, particularly so in the case of manganese ore. The situation has become all the more difficult because of the Government's inept policy on mineral ore exports. The export earnings from manganese ore, for instance, amounted to just Rs. 10 crores in 1961-62, which compare unfavourably with Rs. 14 crores in 1960-61 and annual average of about Rs. 17 crores in the second Plan period. The decline has been particularly marked in the offtake by the U.S., as well as by the U.K. and other West European countries. Iron ore has, of course, fared better, its exports being higher at Rs. 17.45 crores in 1961-62, as against Rs. 17.02 crores in the previous year and the second Plan average of Rs. 14 crores. The major buyers of iron ore have been Japan and Czechoslovakia, thanks to long-term agreements entered into with these countries by the State Trading Corporation, which has completely eliminated private trade from the field of exports. But the future is rather uncertain, with the emergence of growing competition from countries like Australia and South Africa.

In these circumstances, one would have expected that the Board of Trade, which discussed the problems facing mineral ores at its meeting at New Delhi last week, would suggest effective measures to remove the obstacles in the way of exports and improve the competitive capacity of Indian ores. Nothing of this sort seems to have happened at the meeting. The Board, according to a Press note, advised that "the long-term planning and development of iron ore should be pursued in an integrated manner and with vigour and that the perspective planning of development of mineral ores, particularly iron ore, should be given the highest priority." In this connection, there was need for encouraging and assisting "modernisation of mines, development of transport arrangements, construction of roads in mine areas and development of railway and port facilities." Besides, the Board suggested that the emphasis should be on exports of semi-processed materials (as, for instance, pig iron, instead of iron ore) as the value of foreign exchange earned would be higher. There is nothing new in these recommendations, as the relevant issues have already been considered by the Government Departments concerned and the Planning Commission. Besides, these are too vague and too general to be of any use in improving the present export situation. The Board has not made any new specific suggestion for promoting exports. It merely discussed the problems and indicated general lines of possible solutions. Its affirmation that exports of iron ore can be raised from the present level of about 10 million tons (including

(*Continued on page 343*)



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THE STATE OF U.K. ECONOMY

IS ADDITIONAL STIMULUS NEEDED?

(From Our Own Correspondent)

LONDON, *17th August*

THE signs multiply that the British economy is in need of additional stimulus. At the same time, there is a danger signal in the air that will give even the optimistic Mr. Maudling, the new Chancellor, pause. The only satisfactory index at the moment is that of share prices: these reached their lowest level for a year at the end of June and it will be recalled that, although they staged a rapid but minor recovery in July, by the latter part of July they were almost back again to the June low. However, the past three weeks have really shown a fantastic improvement varying according to the category of shares from between 8 per cent and 12 per cent. Something like a 10 per cent overall rise in three weeks is vastly encouraging and it only needs this rate of improvement to be carried on for another three weeks to find the general level of prices about as good as they were in the happy Springtime.

LONDON LETTER

But on other fronts the searcher after good augury only meets question marks. On the one hand, there is plenty of money about which accounts for heavy subscriptions to fixed interest loans (gilt-edged have been doing even better than commercials in the recent recovery) and, on the other, interest rates are high, indeed too high, which may account for the reluctance of borrowers to match up to the total amount of money available. The building societies who are great lenders are watching each other cautiously to see who is going to make the first cut but there is nothing very impressive going to come from that direction since it is considered that a forthcoming cut would only be about ¼ per cent. Other money rates are really due to drop by at least ½ per cent and, if the economy is to be stimulated, the drop will have to be even more.

The level of personal savings remains high and this again swells the general body of funds seeking investment. Yet on the commercial front the outlook is not attractive enough for the demand to mop it up.

If we look at the trade figures, there is the same perplexity: the second quarter of the year showed an enormous improvement on the first quarter, particularly in exports which gave rise to optimism and yet the first six months of 1962 can hardly have balanced on the basis of visible trade because imports were so high in the first quarter and exports had shown no rise over the 1961 average. Your correspondent calculates that in the first quarter there must have been a monthly deficit of the order of £10 million which is substantially higher than at any time since the first quarter of 1961 when the monthly deficit was running well in excess of £20 million. The second quarter of 1961 reduced the visible deficit to the order of £5 million and, against that, the second quarter of 1962 indicates a *favourable* balance of visible account of the order of £3 million. The question that everyone is now asking is whether the third quarter is going to repeat the improvement on the second which was witnessed over the comparable period last year or whether we are going to slide back into deficit. The July figures give no encouragement at all: exports, on the one hand, are being maintained but imports have shot up so that the deficit in July is of the same order as the average for the first quarter of this year.

One must repeat the old warning that one month's figures do not constitute a record and, therefore, the July imports are really a basis for speculation more than anything else. Last year the summer quarter showed a drop in imports on the earlier part of the year and that had some connection with the famous crisis measures. It is now widely suspected that the reduced level of imports through much of this year cannot be sustained because of the need to re-stock. And yet, if business recession was being retained, there ought to be no need to re-stock, but that sombody has been re-stocking in July there can be no doubt. The Chancellor of the Exchequer will be watching the August figures because, if the import trend remains up then in spite of his own predilection for a spur to the economy, he will be bound to recognise that he will be applying the spur to an economy which is operating with a deficit on its balances of payments and he is unlikely to want to take that chance.

On the side of industry, the demand for a spur continues with the argument that, if exports are to be expanded further, then the home market has also got to take its share of production. This is the sort of argument which Chancellors of the Exchequer usually regard with extreme suspicion and yet just as often industrialists are right in the event because they are able to say, in effect, that a poor home market has discouraged them from a level of production which would enable them to keep their export costs down to a competitive level.

If one is seeking long-term encouragement it could be found in the fact that for the first seven months of this year compared with the same period of last year, exports have increased by 2½ per cent while imports have only increased by 1½ per cent. Unfortunately, with this as with all the other economic indices what is going to happen in the future is so much more important than what has happened even in the most recent past, and on this issue no one really seems at all sure.

Back on the home front, July showed an increase in retail sales but, while from one point of view, such a rise in home demand is encouraging, from the point of view of the cautious souls who still reign at the Treasury it will be taken as evidence that no internal stimulus is necessary. On yet another hand, the reduction in employment underlines industry's fears that a stimulus is essential. Fortunately, with the holiday season in full swing, Ministers can sun themselves in relative tranquillity and be grateful that no one will expect them to do anything for a few weeks longer by which time the various trends may give a better indication of what they ought to do.

The International Monetary Fund has agreed to a drawing by the Government of Ghana of the equivalent of $14.25 million, to be made half in U.S. dollars and half in pounds sterling. Declining world market prices for cocoa, Ghana's principal export commodity, and rising domestic import demand led to increased balance of payments difficulties in 1960 and 1961. The assistance from the Fund will srengthen Ghana's reserve position and provide time for the corrective measures to take effect.

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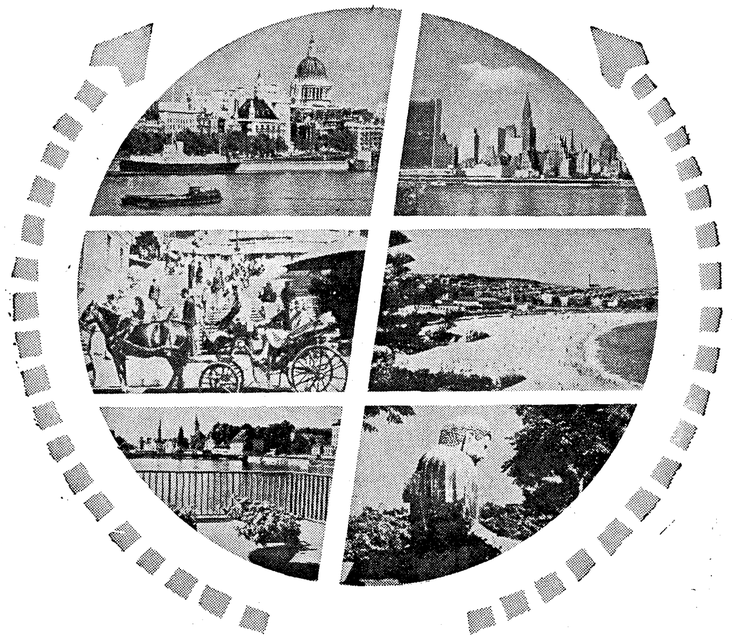

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THE U.N. STATISTICAL COMMISSION

FUNCTIONS—ACHIEVEMENTS—PROGRAMMES FOR THE FUTURE

By Professor M. D. McCarthy (of Ireland)
CHAIRMAN OF THE COMMISSION

THE Statistical Commission, a functional commission of the Economic and Social Council, was established in May 1946, when a small group of the world's leading statisticians met in New York and worked out recommendations for setting up a permanent Statistical Commission. Fifteen years ago, in January 1947, the permanent Commission held its first session. Under its original terms of reference, the Commission was to assist the Council (*a*) in promoting the development of National statistics and the improvement of their comparability; (*b*) in co-ordinating the statistical work of the specialised agencies; (*c*) in developing the central statistical services of the United Nations Secretariat; (*d*) in advising the organs of the United Nations on general questions relating to the collection, interpretation and dissemination of statistical information; and (*e*) in promoting the improvement of statistics and statistical methods generally.

As the membership of the United Nations grew, so the Commission's membership expanded —from 12 to 15 and, at its twelfth session, to 18. The 18 members in 1962 are Australia, Brazil, Canada, China, Cuba, France, India, Ireland, Japan, New Zealand, Norway, Rumania, the Sudan, the Ukrainian S.S.R., the U.S.S.R., the United Kingdom, the United States and Uruguay. Over the years, 30 countries have been members of the Commission. During the early days, when meetings were held annually, the members served three-year terms of office. After the meetings became biennial, the terms were extended to four years.

At the twelfth session which was held in New York from 24th April to 10th May 1962, I had the honour of being re-elected Chairman, having also served at the 1960 session. The other officers were Mr. Valentin Fedorovich Burlin (Ukrainian S.S.R.), Vice-Chairman and Mr. J. V. T. Baker (New Zealand), Rapporteur.

Speedy Dissemination

In most cases, the member-countries of the Commission have been represented on it by the Directors of their national statistical services, who have brought to the meetings both a full knowledge of the techniques and achievements of their own systems and an awareness of the kinds of data which are needed to assist in the solution of current social and economic problems. This situation makes possible the more ready adoption of the Commission's recommendations and ensures that they are such as will command acceptance by national statistical offices generally. Both the official and unofficial interchanges of ideas which take place between the Commission members help toward the speedy dissemination of new techniques and methods.

One of the earliest decisions of the Commission related to the establishment of the Statistical Office of the United Nations as a centre for international statistics. In the past 15 years, this office has amply fulfilled the intentions of the Commission in this regard. Its statistical publications provide the quantitative descriptions of international economic conditions which are required by both national and international institutions concerned with international economic relations. One has only to mention the *Statistical Yearbook*, the *Demographic Yearbook*, the *Yearbook of International Trade Statistics* and the *Yearbook of National Accounts Statistics* —all of which are in current use wherever international economic and social problems are studied—to realise the extent of progress that has been made in meeting the demand for international data. The Statistical Office also constitutes a centre to which national statisticians may refer for information on statistical methods used in different countries to solve particular problems. The existence of such a centre has, in a very concrete fashion, facilitated the work of Government statisticians in many countries.

The Commission keeps under review developments in national statistics. In addition to being a forum for the exchange of experience, it makes recommendations (in the light of the knowledge it acquires) on the best ways to carry out various statistical operations. Over the past 15 years, the Commission has recommended standard terminology and definitions, made suggestions on the choice of base years in compiling index numbers, recommended classifications of international trade and of all economic activities. It has developed international standards in such fields as population census, housing census, vital statistics, international migration statistics, industrial statistics, transport statistics, national accounts and capital formation. In order to facilitate the ready adoption of improved practices by national statisticians, the Commission has encouraged the Statistical Office of the United Nations to organise training centres and seminars in different parts of the world and, on request, to make statistical consultants available to Governments.

Technical Manuals

Perhaps one of the ways in which the Commission proves most useful to the world's statisticians is by bringing to their attention information on the methods used in collecting various kinds of statistics. The Commission has, therefore, recommended the preparation of technical manuals on a variety of subjects. Under the guidance of the Commission, the Statistical Office of the United Nations has issued a series of methodological studies (covering index numbers of industrial production, industrial censuses, population censuses, statistical organisation, vital statistics, national income estimation, sampling), with special emphasis on the application of international standards and recommendations. In order to promote the use of sampling, the Commission established a Sub-commission on Statistical Sampling made up of experts, to advise on the use of sampling methods in various fields.

At birth, the Commission was entrusted with the job of carrying on the various statistical activities of the League of Nations. In 1948, the Commission recommended the use of the *International Standard Industrial Classification of all Economic Activities* (I.S.I.C.) which it had developed as a substitute for and extension of the classification drawn up by the League. Ten years later, it approved a revision of this classification in the light of changes in economic organisation and experience in the interval.

In 1950, the Commission revised the League's *Minimum List of Commodities for International Trade Statistics*. Renamed the *Standard International Trade Classification* (S.I.T.C.), it won wide acceptance, and by 1961 85 countries and territories, accounting for approximately 80 per cent of world trade, were providing data on the basis of this classification. At its 1960 session, the Commission approved a revision of the classification which would make it possible for countries to base both customs nomenclature and statistical classification on a single list of goods.

The Commission realises that there may be good reasons for a country's not being able to use an internationally recommended classification for its own national purposes, but the Commission tries to persuade countries to collect data in enough detail to permit rearrangement for international comparison.

Both the Population Commission and the Statistical Commission have always been deeply interested in population censuses. The various international activities relating to national census-taking during the decade 1955-64 are known collectively as the 1960 World Population Census Programme. As part of the world programme, principles and recommendations for national population censuses were developed by the Statistical Commission, a three-volume methodological handbook was issued, and two regional census training centres were held in 1958—one for Asia and the Far East and one for Latin America. Both centres were sponsored by the United Nations and the Food and Agriculture Organisation; the one for Latin America was also sponsored by the Inter-American Statistical Institute.

A new approach used in this programme was the development of a United Nations/F.A.O. team of regional census (population and agriculture) advisers, which operated in Asia and the Far East between 1958 and 1961, financially supported by the Ford Foundation. Advice on a recurring basis (with respect to census-taking, including sampling and data processing) was given to most of the countries of the region through a series of visits.

At its twelfth session, the Commission was informed that, between 1955 and 1961, 195 censuses had been taken under the world programme and that 35 more were expected to be carried out by the end of 1964. Ever mindful of the need for early planning, the Commission asked that a time-table of international activities proposed for the 1970 round of population and housing censuses be prepared for its 1964 session.

In 1958, the Commission launched its 1963 World Programme of Basic Industrial Statistics, advising Governments on the minimum body of statistics that should be made available for the industrial sector of their economies, on an internationally comparable basis, for 1963 or a year close to 1963. In preparation for this widescale operation, a document was issued setting forth the Commission's detailed recommendations, and a series of regional seminars on industrial statistics was organised; Latin America (1960), Asia and the Far East (1961), Africa (1962). At its 1962 session, the Commission was pleased to learn that, by the end of 1961, more than 90 countries had already indicated their intention of participating in the world programme—about 20 of them planning industrial censuses for the first time.

In 1949, recognising the need for an exchange of experience and discussion of problems peculiar to regions, the Commission recommended the convening of meetings of regional statisticians. Out of these regional meetings there developed the Conference of European Statisticians, at which, annually, under the auspices of the United Nations Economic Commission for Europe, the heads of the national statistical offices of European countries meet to exchange experiences and to plan an annual programme of work. The Conference, through its working groups and expert groups, and with the assistance of the national offices, has sought to advance national statistics in Europe, to improve their comparability and to adapt to European conditions the recommendations of the Statistical Commission. More recently, similar conferences were established for Asian and African statisticians. The Inter-American Statistical Institute co-operates with the United Nations with respect to Latin American activities similar to those carried out by the regional conferences.

Advisory Service

In 1956, the Commission recommended that means be found to meet the need for more adequate and systematic arrangements for providing advisory services to Governments. As a result, regional statisticians were appointed to assist countries in the development and improvement of their statistical services by helping them to formulate requests for expert assistance, giving on-the-spot advice and assisting in the establishment of training activities. The four regional statisticians, stationed at the regional Economic Commissions in Europe, Asia and the Far East, Africa and Latin America, were all present at the twelfth session of the Commission and gave first-hand accounts of the activities and future plans in their regions.

The Commission has long been interested both in the training of statisticians (especially in the newly independent nations where a corps of statisticians does not yet exist) and in encouraging Governments to give proper recognition to the role of statistics and statisticians. At our recent session, the Commission heard a direct report from the regional statistician from Africa about the series of permanent training centres opened in Africa since October 1961—three for training middle-level personnel and one for university level—and about future plans. The Commission attached great importance to strengthening statistical training, in order to make possible the establishment of national statistical organisations adequate for planning economic and social development. It also emphasised the need for training statisticians for planning and advisory services as part of the programmes of training to be carried out in the regional economic development and planning institutes envisaged in General Assembly resolution 1708 (XVI). The Commission called for a special study to be made of statistical requirements for planning economic and social development, including training programmes at different levels.

The Commission has for some time felt a need to rationalise the collection and dissemination of international trade statistics. In view of recent advances in electronic computer techniques, which would not only permit faster and more efficient processing of international data but also give access to the full range of data to a degree not previously possible, the Commission this year recommended the establishment of a centre, attached to the Statistical Office of the United Nations, for the collection and publication of international data on external trade—data processed electronically. The centre is to make available to member-States, specialised agencies and other organisations, at their request, statistical information in the form of publications, tabulations, punched cards or magnetic tapes. This new centre will, it is hoped, eliminate the sending of duplicate requests by the various international and regional agencies to national offices for data on trade statistics and, thus, bring about savings to Governments, both in money and manpower.

At its twelfth session, the Commission approved of the revision, with appropriate expansion, of *Patterns of Industrial Growth* 1938-1958. The original version, issued in 1960, had been very favourably received and used by various governmental and international agencies, academic and other research workers and businesses. It has been called the first comprehensive compilation of comparable data on the dimensions, characteristics and expansion of industrial activity in various countries.

Regional Conferences

A particular concern of the Commission at its recent meeting was the problem of achieving an appropriate balance between the statistical programmes, not only of the United Nations Statistical Office, but also of the regional conferences and of the specialised agencies. It was felt that, with the decentralisation of many of these activities, measures would have to be taken to ensure substantive co-ordination and a realistic appraisal of priorities, so that the scarce technical manpower available might be deployed to the best advantage. The Commission concluded that it would be desirable to ask the specialised agencies and regional organisations concerned to draw up, for consideration at the next session of the Commission, a reasonably detailed programme of their proposed activities over the next five years with, in more general terms, an indication of their intentions for the remainder of the next decade. It was envisaged that such an exercise might bring to light areas of work which are not being adequately considered at the international level at present, and that it would make possible a reasoned assessment of the statistical work requirements associated with the United Nations Development Decade.

The widespread shortage of adequately trained statisticians has in recent years made more difficult the task of the United Nations Statistical Office in carrying out the programme of work laid down for it by the Statistical Commission. The terms of reference of the latter body make it possible for it to advise on the staffing, organisational structure and functions of the Office.

The almost universal shortage of skilled technical personnel and the demands of the national services make the recruitment of specialised staff of the type required to carry out successfully the future programme of work extremely difficult. In such circumstances, the Commission recommended that special measures should be taken to offset staff shortages over the next few years and that, in particular, more recourse might be had to such measures as the recruitment of individual experts in specific subjects, on loan from Governments or academic institutions, and the convening of small expert groups for very short periods to carry out specific tasks.

In addition to the matters already mentioned, the Commission has proposed, for the next two-year period, a substantial volume of work on a wide variety of topics. It has given high priority in the programme to such items as (*a*) a special study of the statistical requirements for the planning of economic and social development in less advanced countries, (*b*) a systematic investigation of the uses to be made of the material collected under the 1963 World Programme of Basic Industrial Statistics and of the various measures which can be derived from these data and used to show relationships between the elements of industrial output and input, (*c*) an examination designed to improve the concepts and techniques employed in deriving statistics of building and construction.

In the field of national accounting and related topics, a methodological supplement to the *Year Book of National Accounts Statistics* is to be completed, and a companion volume to *A System of National Accounts and Supporting Tables* is to be prepared dealing with the problems of principle involved in the system as well as their application in practice. Two outstanding technical problems in this field, that of estimating product and expenditure at constant prices and that of facilitating the comparison of national income, expenditure and product aggregates for different countries by use of a common basis of valuation, are to be tackled. In addition, the question of relating the United Nations system of national accounts and the system used in countries with centrally planned economies is to be pursued in co-operation with the Conference of European Statisticians.

Other tasks are the completion and publication of a *Handbook of Household Surveys* and of the first issue of the *Compendium of Social Statistics* as well as a revised set of recommendations to supersede *The Preparation of Sampling Survey Reports* which was issued in 1950. Among the other topics dealt with at the recent session were also the classification of Government accounts, balance of payments and tourist statistics, the statistics of the financial accounts of enterprises, the integrated accounts of income and financial statistics, and in the demographic field the uses of continuous population registers.

The importance of the national statistical services has been increasing in all countries, particularly over the past decade. This has been true both of the more advanced countries with relatively developed statistical systems, as well as of the less advanced countries where such organisations have to be established and staffed. Where the governmental system involves central planning of the economy, the statistics are required both for the formulation of the plan and for the assessment of its implementation. Where there is less central planning, the need for statistics for the formulation and criticism of Government's social and economic policy is no less. The national statistical offices have not only become the sources of data which are basic to the progress of the economy, but, in many instances, their services are coming to be more and more frequently utilised, not merely as collecting, processing and publication centres, but also in the interpretation and utilisation of the figures they produce. It is my personal belief that, in this latter respect, considerably more use could be made of the statistical services of many international bodies.

The continued preoccupation of the Statistical Commission is not only to aid the improvement of national statistics for national purposes, but also to improve their comparability with those of other countries, so that they may become more useful internationally. It is concerned not only with the technical problems of production of reliable and comparable statistical data but is also becoming more preoccupied with the ways in which they can best serve the community and contribute to economic and social progress. Considerable advances have taken place under the Commission's guidance—but much still remains to be done.

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U.S. EXPORT-IMPORT BANK

NEW ACTIVITIES TAKEN UP

By Harold F. Linder

PRESIDENT AND CHAIRMAN, EXPORT-IMPORT BANK OF WASHINGTON

THE Export-Import Bank of Washington is in business to finance and facilitate U.S. overseas trade, and is required by statute to make loans on which there is reasonable promise of repayment in dollars. We are enjoined to supplement and encourage and not compete with private capital interests.

Perhaps to over-simplify our operations: We lend to foreign purchasers of U.S. goods who repay in dollars *plus* interest and on terms appropriate for the types of goods sold in the international markets. We borrow our funds from the Treasury and we pay the Treasury interest on the borrowed money.

As is the case with all lending bankers, the difference between the interest we charge and the interest we pay enables us to pay a dividend to the Treasury and add to our own reserves. We are now paying an annual dividend of $30 million and have added to our reserves of approximately $63 million during the past fiscal year.

During 1961, Eximbank approved 907 loan and guarantee transactions, representing a total of $1,114 million. Of possible interest to the many who finance exports to Latin America is the fact that $490 million of the total authorisations by the Bank were for Latin American countries. In addition, loans and guarantees were authorised for all major geographical areas of the world, with Asia receiving the next largest amount after Latin America.

But aside from the relatively cold dollar totals of Bank business conducted, when we look at the year 1961 in retrospect we must call it a year of adjustment to new patterns in world trade. It has been a period in which we set in motion programmes for greatly enlarged assistance to U.S. manufacturers who wish to export more of their goods; this we have done in the hope of improving the balance of payments position of the United States.

World Market Competitive

The world market is once again a competitive market. Within two years, it will be a fiercely competitive market. To respond correctly and imaginatively to the reality of this new trading world will test the fibre and ingenuity of the American industrial, banking, export, and insurance communities as well as that of the Government. And respond correctly and imaginatively we must, for it is we as Americans who have so long been the world's dedicated proponents of the principles of free competitive trade. Not to accept the challenge now would be inconsistent with our tradition as well as our preaching.

What will win for us in a competitive world market is the heavy application of the initiative, inventiveness, and drive which made our industrialists great in the first place.

No one can doubt that the need to keep the United States competitive in world markets is crucial. With this in mind Eximbank has devised new measures to assist U.S. foreign trade.

One salient point we have kept before us is the desirability of getting small- and medium-sized U.S. firms into the export business. And the converse is true: we are equally interested to sell U.S. equipment to small- and medium-sized firms abroad. To help accomplish this, we are utilising a type of credit known as an "Industrial Bank Loan." To illustrate, last February, we authorised a $25-million credit to the Industrial Bank of Japan.

This Bank in turn made the money available, through Japanese commercial banks, to small- and medium-sized manufacturers for the purchase of U.S. equipment. Within a few months, the credit was completely allocated to a good many small buyers—in fact, applications were more than three times the amount made available. We place a ceiling of a few hundred thousand dollars on the amount of any individual loan and reserve the right to approve allocations above $100,000. Literally, hundreds of U.S. suppliers are receiving orders as the result of this kind of transaction.

A major effort of Eximbank during the past year has been to comply with President Kennedy's directive to assure that our Government provide assistance to American exporters at least equal to any such assistance to be found abroad. Two new programmes have been initiated which we think will be of prime importance to U.S. foreign trade in the competitive years ahead. One is broadening of our guarantee system offered directly to commercial banks. The other is a plan to provide export credit insurance directly to exporters.

Our programme with commercial banks and other financial institutions consists, essentially, of the offer of a combination of Eximbank guarantees on medium-term export transactions. It is designed to encourage non-recourse commercial bank participation in export sales and to facilitate the buying of export paper from commercial banks by other financial institutions should they and the banks so desire. Eximbank will offer a political risk guarantee on that part of each medium-term transaction for which a commercial bank assumes the credit risk, provided an Eximbank guarantee covering both political and credit risks is taken on the balance of the commercial bank's participation.

Comprehensive Guarantee

To put it succinctly, if the commercial bank is prepared to take the credit risk for its own account on the early maturities—and by early I mean the first 18 months of a 3- 4- or 5-year credit or 50 per cent of a 1 or 2-year credit—an Eximbank guarantee of the political risk on those early maturities is offered, provided the commercial bank agrees to carry or resell the later maturities on which the Eximbank will issue a comprehensive guarantee, including both the political and the credit risks.

If, on the other hand, the commercial bank elects to ask us to carry the later maturities, then no political risk guarantee will be offered on the early ones. It is our purpose, through the offering of these guarantees, to make commercial bank participation more attractive. It follows that this will result in both an increase in commercial bank participation and decrease in the volume of direct financial participation on the part of the Export-Import Bank. Moreover, if the commercial bank determines to take all maturities under our guarantees and wishes at any time to sell the paper which it is holding, our guarantees are assignable, the only restriction being that, in respect of the early maturities on which the credit risk is taken by the originating commercial bank, it must offer recourse on one-half of such early maturities.

The amount of cash payments to be made to the exporter by the foreign buyer in connection with medium-term credits also has been under review. This is a point which is basic alike to export credit insurance, non-recourse financing by banks, and exporter credits granted directly by Eximbank. The 20 per cent cash payment formerly required of the foreign buyer has now become more flexible and may be reduced in appropriate cases to as little as 10 per cent. This step was taken to allow American exporters to offer terms which in this respect are as advantageous as those sometimes offered by foreign exporters with the support of their Governments.

The second new major programme of Eximbank, as I mentioned, is in the area of direct export credit insurance to exporters. Since the spring of 1960, Eximbank had provided political risk insurance on short-term export transactions. But U.S. exporters, with varying degrees of heat, had been calling for a comprehensive insurance plan which would cover both political and credit risks, and which would include the medium-term field as well as the short-term. A great deal of our energy has been addressed to meeting this demand during the past year.

We concluded that, if comprehensive political and credit risk insurance was to be offered in this country, then, both in accordance with our mandate from the Congress and our own desire, we should do our utmost to bring in the private insurance companies and certainly to avoid competition with them.

It took us a bit of time to persuade those companies that this is a field into which they should enter, but once we were successful in so doing we have had a very full measure of co-operation. We explored throughout the spring and all last summer, through studies and frequent negotiation, and with the aid of consultants from outside the Bank, the possibility of creating an association of private insurance companies who would be prepared to issue a comprehensive policy to interested exporters. We now have an agreement with a considerable number of the leading insurance companies of this country under the terms of which Eximbank will underwrite 100 per cent of the political risk and the credit or commercial risks will be shared between the insurance association and our Bank. We hope that the time will come in the not too distant future when the private insurance companies will be prepared to take for their own account the whole of the credit risk.

President Kennedy, on 27th October, announced that the Export-Import Bank would soon inaugurate such a programme. Initially, 20 private U.S. insurance companies formed the Foreign Credit Insurance Association. They are engaged in casualty, property, and marine insurance. At the present time 35 additional companies have joined the Association, making a total of 55.

The F.C.I.A. has entered into a partnership with Eximbank for the issuance of comprehensive export insurance policies to U.S. exporters. This plan accomplishes two important things in addition to the issuance of policies. It brings about desirable private participation, and we believe it will solve a mechanical problem of issue. Since insurance agents and brokers throughout the country will be placed in a position to accept applications for insurance policies at or near the exporters' places of business, it will not be necessary for exporters to negotiate the policies with us in Washington. The two new programmes are complementary. Hence, Eximbank obviously will not offer guarantees to commercial banks on transactions for which an exporter has purchased F.C.I.A. insurance; and, conversely, of course, F.C.I.A. insurance will not be wanted or needed for transactions on which Eximbank has given guarantees to commercial banks.

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AB-22

I.M.F.'S BORROWING ARRANGEMENTS

The International Monetary Fund has been advised by the Netherlands Government of its formal adherence to the Fund's general arrangements to borrow. These arrangements will permit the Fund to borrow additional foreign exchange, if this becomes needed to forestall or cope with an impairment of the international monetary system. The maximum commitment of the Netherlands Government is equivalent to $200 million.

The borrowing arrangements become effective when adherences are received from not less than seven participants representing maximum commitments equivalent to $5.5 billion. To date, seven of the ten participants—the Governments of France, Italy, Japan, the Netherlands and the United Kingdom, the Deutsche Bundesbank and the Sveriges Riksbank—have communicated to the Fund their acceptance of maximum commitments aggregating $3,650 million.

The total maximum commitments will be equivalent to $6 billion when formal adherence is communicated by the three other participants—the Governments of Belgium, Canada and the United States—but the adherence of the United States, with a commitment of $2 billion, will be sufficient for the arrangement to become effective. The necessary steps to obtain legislative approval in these three countries are well advanced.

The Directors of National and Grindlays Bank Ltd. have declared an interim dividend of 7 per cent, less English income-tax at 7*s.* 9*d.* in the pound, for the current year. The interim dividend is payable on 5th October 1962.

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BY

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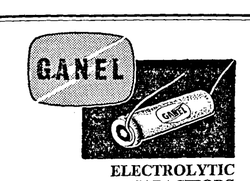

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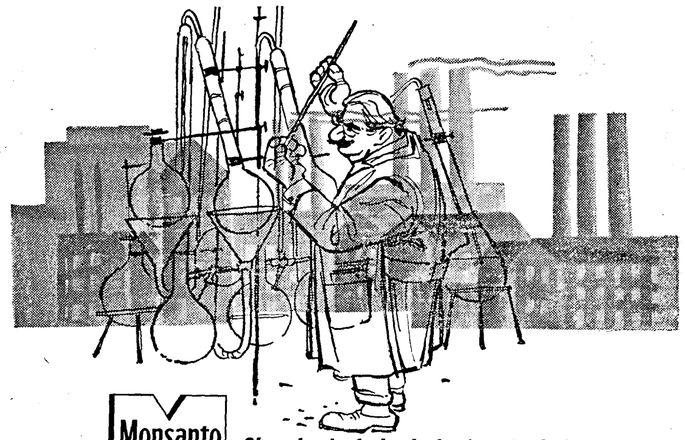

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PROSPECTS FOR COFFEE INDUSTRY

EXPORT POSSIBILITIES MUST BE FULLY UTILISED

IT is strange indeed that there are some coffee planters in this country who underrate the importance of coffee as a foreign exchange earner. To this section seems to belong Mr. M. A. Dharmaraja Iyer, who was the President of the Wynaad Coffee Growers' Association for 1961-62. Addressing the last annual general meeting of the Association recently held at Kalpetta, Mr. Dharmaraja Iyer declared: "There is no questioning the fact that the welfare of the coffee growing industry in our country lies only in being able to find a market for our entire production in our country and not in depending upon foreign markets." His statement that "there is no questioning the fact . . . " is very questionable. It is no doubt true that the potentialities of domestic market are quite large, that, at present, it absorbs the major portion of the coffee produced in the country, and that Indian coffee is facing keen competition abroad, in view of the continued huge surplus hanging on world markets and the persistently low prices, on the one side, and the high cost of producing coffee here, on the other. But is it rational to argue that the solution to the problem lies in the withdrawal of India from world coffee markets? Certainly not. The solution advocated by Mr. Dharmaraja Iyer is that of a person who wants to run away from his problem and dislikes the economic discipline imposed by keen competition. The right solution would be to make every effort to increase the competitive capacity of Indian coffee abroad by lowering costs and improving quality. The need for such effort at present is pressing to a degree and will continue to be for a long time to come. The country requires foreign exchange on a large scale and the requirements will be higher still in future. And coffee must be made to meet a part of these requirements. India did earn in the last financial year (1961-62) over Rs. 9 crores of foreign exchange by exporting 29,712 metric tons of coffee. The Indian coffee, as Mr. Iyer himself said, has a reputation for its fine cup quality and aroma, an advantage that should be fully exploited. The emphasis on exports does not at all imply that the domestic market should be neglected or receive less importance. On the contrary, the domestic market is pretty important because of the need for developing an export market on a significant scale, for, to the extent to which the domestic market for coffee expands, the loss, if any, suffered in exports can be made good.

Quality Important

This issue whether coffee is sold for domestic consumption or export apart, its quality must be preserved at all costs. Mr. Iyer did well to stress this aspect. He said:

"Of late, there have been complaints that Indian coffee has deteriorated in quality, owing to bad and indifferent processing. It is of the utmost importance that the quality must be preserved and stepped up, if it should have a demand in overseas markets at a competitive economic price. The Coffee Board is doing everything possible to improve the quality of coffee, by giving incentives to planters who prepare really good quality coffee and levying penalties on coffee that is below average quality. The full co-operation of planters must be forthcoming in abundant measure, if the reputation that our coffee has enjoyed before is to be restored and maintained."

The coffee growers are fully aware of the need to grow more and more of quality coffee in a given area of land. In other words, they do recognise the vast potentiality of raising the productivity of coffee lands. This potentiality can, however, be exploited to the maximum only if growers are assured of a reasonable return which should not merely cover the cost of production—the cost as worked out by the Coffee Board's Statistical Department for the 1960-61 season was Rs. 2.24 per point—but also leave a fair margin of profit. This point requires to be specially emphasised, because many coffee growers belong to the lower middle class group with very meagre financial resources of their own. How can the grower be expected to incur heavy additional expenditure in maintaining his estate when he is faced, as Mr. Iyer stated, with a situation of not being able to earn a return sufficient to meet his bare cost of production?

If the coffee growers are to give of their best, three things are essential. In the first place, the system of marketing must be modified on the lines suggested by the United Planters' Association of Southern India. Secondly, the Wage Board for Coffee Industry should fix the wages for estate labour at a level which will be well within the reach of even marginal units, due weightage being given to productivity of workers. Finally, the present heavy burden of taxation must be reduced. As Mr. Dharmaraja Iyer rightly urged, the Central Government and the Governments of the coffee producing States can come to the rescue of the coffee industry, especially the weaker section, by legislative enactments and amendments in the procedure of levying duties and taxes. The replacement of sales tax levies by a surcharge on Central excise duty will go a long way towards helping the trader, producer and consumer by removing the existing anomalies and by leading to an increase in consumption of Robusta coffee which is not in demand abroad. Further, it would be preferable to have the excise duty on an *ad-valorem* basis, instead of at a specific rate as is the case now. A specific rate of duty is disadvantageous to producers in a market of declining prices.

On their part, the coffee growers also must take steps to reduce the production cost. Mr. Dharmaraja Iyer certainly struck a note of realism when he stated that the only hope for the survival of coffee industry, in general, and Robusta, in particular, is to bring down the cost of production to the minimum possible, by bidding good-bye to conservative methods of cultivation and taking earnestly to new scientific methods of cultural practices. The adoption of such methods will, besides lowering costs, augment substantially the average yield of coffee per acre. The average yield, though it has gone up quite significantly in recent years—from 182 lbs. in 1950-51 to 372 lbs. in 1959-60—is still below the averages obtained in the other coffee-producing countries. The average per-acre yield is over 530 lbs. in El Salvador and Kenya, 500 lbs. in Costa Rica and Congo, and 400 lbs. in Colombia, Guatemala, Mexico, Uganda and Tanganyka. In India, too, the per-acre yields of coffee obtained in some of the best managed estates are pretty high, as will be seen from the figures given below:

Name of company	Year	Yield per acre (in lbs.)
Chembra Peak Estates	31st March 1961	1,323
Savamalai Estates	31st December 1960	949
Waterfall Estates	30th June 1961	862
Consolidated Coffee Estates ..	30th June 1960	841
Stanes Amalgamated Estates ..	30th June 1960	780
Puthutotam Estates	31st March 1961	725
Kurchermala Plantations	31st March 1961	702
Kumergode Estates	31st October 1960	697
Kil Kotagiri Tea and Coffee ..	31st October 1960	617
Blue Mountain Estates	30th June 1961	615
Mysore Amalgamated Coffee Estates.	31st March 1961	589
Balmadies Plantations	31st May 1961	585
Coffee Lands and Industries ..	30th June 1960	538

The yields of coffee, of course, depend greatly on climate, altitude, type of soil, and the species and age distribution of the coffee bushes cultivated. But, to an increasing extent, the differences in yield between the better managed farms and the rest are the result of differences in the amount of labour input, use of fertilisers, and adoption of measures to control diseases and pests. The E.C.L.A.-F.A.O. survey in Colombia and El Salvador has shown that a close relationship exists between labour input and yield, though "there is a limit beyond which a more intensive utilisation of labour becomes uneconomic." Moreover, fertiliser application is found to be closely related to yield which rose very steeply with increasing applications. In El Salvador, for example, coffee yields rose from an average of about 120 lbs. per acre with 1.8 lb. of fertilisers and manures to as much as 1,437 lbs. with 2,395 lbs. of fertilisers. In Colombia, it was calculated that higher yields in the range of 288 lbs. to 621 lbs. resulted from the application of fertilisers, whereas the average yield of farms covered by the survey was only 213 lbs.

There is thus little doubt that the average yields of coffee in India could be raised considerably by the more extended application of existing knowledge of good cultivation practices. In addition, research into new and improved varieties provides a promising way to obtain higher yields. The *mundo novo* variety developed in Brazil, for instance, has commonly resulted in yields of 890 to 1,780 lbs. of coffee per acre. The Coffee Board will do well to publish data relating to the trend of yields in the past few years from both existing acreage and the reclaimed abandoned tracts of established coffee, as well as the progress made in the field of new clearings and plantations.

COFFEE SALES

The total receipts of coffee into the 1961-62 pool (August 1961-July 1962) were substantially less than in 1960-61, being just 44,858 tonnes, as against 67,040 tonnes. The decline was shared by all the varieties. The receipts of Plantation coffee were lower at 22,138 tonnes (as against 28,940 tonnes), Arabica Cherry at 16,205 tonnes (28,022 tonnes) and Robusta at 6,515 tonnes (10,078 tonnes).

During the first seven months of 1962, about 19,913 tonnes of coffee were released for internal sale, as compared with 18,774 tonnes in the corresponding period last year. This quantity comprised 7,098 tonnes of Plantation coffee, 2,565 tonnes of Arabica Cherry and 10,250 tonnes of Robusta.

Inclusive of the export sale on the 8th of this month, a total of 9,552 tonnes has so far been sold for export from the 1961-62 crop, consisting of 7,314 tonnes of Plantation, 700 tonnes of Arabica Cherry and 1,438 tonnes of Robusta.

Since the beginning of this year, more than Rs. 33.53 lakhs have been sanctioned as coffee development loans to 534 applicants.

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CHANGES IN TEXTILE INDUSTRY

MOVE TO FORM A PRODUCERS' COUNCIL

From Our Special Correspondent

MANCHESTER, 14*th August*

SINCE news of the impending retirement of Lord Rochdale as Chairman of the Cotton Board was announced, Lancashire cotton men are taking the opportunity to call for a change in the structure and leadership of the industry.

MANCHESTER LETTER

There remains widespread frustration, but few if any spearheads of attack on which future action can be usefully carried out. As a result, individual views and comment take precedence over any concerted effort to bring about an improvement in business.

On the one hand, suggestions are being put forward of organised short-time working after the regular holidays end. At the other end of the scale, a proposal for a consortium of merchanting interests is being canvassed, with the possibility of financial support on similar terms to that provided for the spinning section more than 30 years ago.

Whatever its merits, the Establishment always invites criticism and the Cotton Board is no exception. Particularly in the mill towns, whose "rugged individualism" often resents rule from Manchester, there have lately been moves to form a Producrs' Council, consisting of the spinning and weaving sections, which would involve a breakaway from other branches of the trade whose members are represented on the present Board.

Such a campaign, if carried to its logical conclusion, would cut across the long-standing history of collaboration which originally started in the Joint Committee of Cotton Trade Organisations well before the war and later developed into the Cotton Board itself. Internal squabbling among the sections—such as occurred in the early stages of the rise in imports—cannot be avoided, but at least in the last few years the industry has appeared to be pulling one way in its relations with the Government and has generally spoken with one voice.

The public image of Lancashire textiles has suffered in many ways through ill-advised notoriety. Without wishing to camouflage its deficiencies or ignore the occasional intersectional strife, there are many favourable aspects of the trade's activities which have not been sufficiently emphasised, because either the firms or organisations concerned have failed to provide information in the right quarters.

It may well be true that the more irresponsible of our national Press prefers doom and disaster to tales of initiative and enterprise. The fact, however, cannot be denied that Lancashire's case has often been presented in a depressing light when a more healthy public relations attitude could have provided a brighter picture.

Europe—Friend Or Foe

Whatever the outcome of the negotiations aimed at Britain's entry into the European Community, the Common Market itself is a reality which has to be faced, whether as friend or foe, in a competitive world. The District Bank has rendered a service to businessmen by providing a series of articles surveying the economic development of the various Continental countries involved, culminating in a summary by Professor T. E. Chester of Manchester University.

This provides extensive comparative data about populations, industrial trends and the future outlook for the Common Market countries, coupled with the corresponding situation in Britain. Various factors emerge, particularly the genuine industrial revolution which occurred not only in Italy and France but also in the Netherlands in the 1950's. This follows a remarkable decline in the contribution made by agriculture in European countries to the national income.

Considering the publicity which has been given to the negotiations on the agricultural issues concerned with Britain's entry into Euromart, it may be a surprise in some quarters to realise that, whereas a quarter of France's working population in the middle 1950's still found their livelihood on the land, its share in the country's gross national product has fallen from 14.7 per cent in 1950 to less than 10 per cent.

In Western Germany, agriculture contributed more than 10 per cent to the gross national product in 1950 but now provides less than 7 per cent. The numbers employed on the land in the Netherlands have declined by 40 per cent since 1950 and, in Italy, a "flight from the land" is taking place at the rate of some 100,000 people per annum.

"Many British business people sincerely believe that full employment is still an exclusively British phenomenon, to which poor distribution of labour and lagging productivity can be attributed," says Professor Chester. Unemployment in the United Kingdom, currently around 2 per cent of the working population, compares with 0.5 per cent in France, 0.4 per cent in Germany and 0.7 per cent in the Netherlands. Of particular interest to the textile trades is a paragraph which points out that married women are probably now in many countries the only remaining internal source of recruitment.

Summing up, he observes that the economic and social pattern in the Common Market countries is by no means uniform or exclusively favourable. Population structures are undergoing rapid change; increasing industrialisation, coupled with the decline in the relative role of such traditional occupations as agriculture and handicraft provide tensions of varying magnitudes. Prices and costs are by no means held at a constant level, to the disadvantage of British manufacturers. The scope of Government activities is expanding everywhere. No nation has yet succeeded in combining permanently stability of employment, growth and avoidance of inflation.

To those who have misgivings about Britain's adherence to such a project, Professor Chester has this advice: "When in the 1950's the European countries began seriously to consider whether or not to join the Common Market, they were much more aware of the potential risks than certain of the benefits which might accrue. Their apprehension about an unknown future and their consciousness of their shortcomings led to hesitations very similar to those experienced today in Great Britain."

Events since 1957, he continues, have disproved many assumptions as unjustified or, at least, as greatly exaggerated. In fact, all five countries reaped considerable direct benefits, such as an increase in mutual trade.

Top-of-the-table Test

Yet another facility offered to the industry by the Productivity Centre of the Cotton Board has now reached full-scale commercial application. Inter-firm comparison makes its bow after an experimental scheme in which nearly a score of mills took part has proved its worth. The Centre's enterprise in sponsoring various ventures on behalf of the trade is by now well established. The new scheme offered should bring a response from all those firms anxious to find out not only whether they match up in profitability with their neighbours but at which point they lag behind.

By means of close scrutiny of financial accounts, balance-sheets and other confidential data, the investigators can put their fingers on the particular section of any business which does not appear to be pulling its weight. Under a cloak of anonymity, the identity of each firm will be kept secret from the others, but the "league tables" provided by those participating will show where the average lies. The forward-looking firms, however, will not only want to be well above the average but will be anxious to strengthen their weak points to improve their competitiveness. In so diversified an industry, one of the main problems is to ensure strict comparisons, but the organisers of the scheme believe that they have evolved a system which covers every department and can offer considerable benefits to those prepared to put the facts at their disposal.

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PROGRESS OF BALL BEARINGS INDUSTRY

TARIFF COMMISSION'S INQUIRY UNDER WAY

THE manufacture of ball bearings in India is a nascent industry and is still on a relatively small scale. It is also a vital industry, for, without an efficient and viable ball bearings industry, a vast country like India, with immense defence, social and economic responsibilities, cannot attain self-reliance in the economic sphere. Naturally, the industry has to be, and has been, given protection against unlimited imports, until it is able to stand on its own feet and has grown sufficiently big to meet at least the major portion of the country's need for ball bearings.

The first tariff inquiry into the ball bearings industry, it may be recalled, was held in 1952. On the recommendation of the Tariff Commission, the industry was accorded protection for a period of two years upto the end of 1954. The then revenue duty of 94½ per cent *ad valorem* was converted into a protective duty at the same rate on ball bearings not exceeding 2" bore diameter. Simultaneously, the duty on adapter bearings not exceeding 2" bore diameter was raised to 10 per cent *ad valorem*. The period of protection was later extended, in consultation with the Tariff Commission, upto the end of 1956.

The Commission's second inquiry into the industry was held in 1956. It was then recommended that protection be continued for a further period of four years with a duty of 94½ per cent *ad valorem* on ball bearings as well as on adapter bearings not exceeding 2" bore diameter. The Government gave effect to this recommendation and subsequently, in 1957, rounded off the rate of protective duty to 95 per cent *ad valorem*.

The Tariff Commission held its third inquiry into the industry in 1960 when it recommended continuance of protection for a further period of two years upto the end of 1962 at the then existing rate of duty, namely, 95 per cent *ad valorem*. Parts of ball bearings and adapter bearings upto 2" bore diameter, it was further recommended, were also to be protected on the basis of the same rate of duty. Both these recommendations were accepted by the Government.

Industry's Plea

As protection granted to the industry is due to expire on 31st December this year, the Tariff Commission has just undertaken its fourth inquiry, with a view to reporting on whether protection is to be increased, decreased, modified or abolished according to the circumstances of the case. It is seen from the speech of Mr. K. R. P. Aiyangar (Chairman, Tariff Commission) at the public inquiry which opened on the 17th instant, that one of the existing units of the industry has pleaded that import duty on ball bearings above 51 mm. bore diameter and upto 102 mm. should also be increased to 95 per cent. The industry as a whole has again pleaded for continuance of protection and, according to the Chairman of the Tariff Commission, other interests concerned have not demurred to this request.

The industry has been enjoying protection for the last ten years. Under conditions of protection and growing domestic demand, it has been making steady, if not spectacular, progress. In 1960, for instance, the aggregate output of bearings was three million, as compared with 1.4 million in 1957. The 1960 output was accounted for as follows:

National Engineering Industries Ltd. (large-scale)	2,700,000
Dhirajlal and Co. (small-scale) ...	25,000
Small-scale units in the Punjab ...	250,000

Since 1960, no new large-scale unit has gone into production. So the only large-scale producer of ball bearings in the country, as of today, is the National Engineering Industries Ltd., Jaipur, a Birla enterprise, which actually manufactured 3.2 million bearings upto 2" bore diameter in 1961 and 1.9 million in the first half (January-June) of the current year. Another concern, namely, Dhirajlal Company, which had commenced production of ball bearings on a small scale in early 1960, has recently been licensed under a new name, Anti-friction Bearing Corporation Ltd., Bombay. Its present capacity and production, however, continue to be on a small scale. There are, besides, 36 small-scale units now working in the country, of which 34 are in the Punjab. The annual installed capacity of these units is 1.1 million pieces on single shift, and their actual production in 1961 was 0.5 million pieces. Domestic production of ball bearings by these large-scale and small-scale units together has, however, not kept pace with increased domestic demand for this essential component from a wide variety of growing industries like electric fans, electric motors, pumps, machine tools, cotton textile machinery, automobiles, cycle rickshaws, cycles and chaff cutters. This explains why the total import of ball bearings in terms of value increased from Rs. 72 lakhs in 1960 to Rs. 105 lakhs in 1961.

Nine more large-scale units are stated to have been licensed for the manufacture of bearings. Three of these are to be located in Gujarat, two each in Maharashtra and Madras and one each in Bihar and Uttar Pradesh. But, according to the Development Wing of the Union Ministry of Commerce and Industry, only four of these units are likely to commence production within the next two or three years. Although the total licensed capacity of all the eleven units (the existing two units *plus* nine newly-licensed units) on double shift is stated to be 11.2 million bearings per annum, the likely aggregate capacity by 1965-66 would not be more than 7.1 million pieces.

Estimates of Demand

The industry would have to expedite the creation of additional capacity, for domestic demand in 1963 itself, according to the estimate of the Tariff Commission in its 1960 report, is likely to be 8.5 to 9.0 million pieces. How rapidly the demand has been going up in recent years could be seen from the figures of apparent consumption of ball bearings based on sales and imports. Such consumption was 4.6 million pieces in 1960 and 6.3 million in 1961. The latest estimates of demand, based on the requirements of different consuming industries for original equipment as well as for replacement and as submitted to the Tariff Commission, range widely from 7.5 million pieces to 17.8 million pieces for 1965-66, the last year of the third Plan. The Commission's own estimate of demand for 1965-66 will be known only after it completes its enquiries and discussions. That its estimate will be more than 10 million pieces may, however, be safely guessed.

The industry will, therefore, be called upon to expand rapidly to meet the increasing internal demand. At present, the industry is almost entirely dependent on imports for the principal raw materials used in the manufacture of ball bearings—raw materials like H.C.I. steel bars, tubes and wires. This dependence on imported raw materials is expected to continue for some years. The quality of indigenous bearings is stated to be generally satisfactory, though there is still scope for improving it. But their prices, according to some consumers, are relatively high. If protection is to be continued for the purpose of bringing about the required expansion of the industry, it will be equally necessary to take steps to improve the quality of ball bearings and bring down their prices, for the efficient performance and the comparative cheapness of a variety of finished products using indigenous bearings will depend on the quality and prices of the latter.

WORLD'S CRUDE OIL OUTPUT

The world's production of crude oil is now nearly equal, on a calorific basis, to the world production of coal. In January-June this year, crude output was about 591 million tons, being about 40 million tons or seven per cent higher than in January-June 1961 and about 24 million tons or four per cent higher than in July-December 1961. This estimate is contained in the August 1962 issue of the *Petroleum Press Service*. The area-wise figures of output are given below:

(In thousand metric tons)

		July-December 1961	January-June 1962
1.	North America	192,041	195,400
	Of which U.S.A.	176,316	179,200
2.	Caribbean Area	83,482	88,909
	Of which Venezuela	76,412	82,000
3.	Other Latin America	18,726	19,200
4.	Middle East (including Egypt)	143,179	150,043
5.	Africa (excluding Egypt)	10,706	14,430
6.	Western Europe	8,438	8,473
7.	Far East	14,104	14,712
	Of which India	223	458
8.	Eastern Europe and China	96,568	99,840
	Of which U.S.S.R.	86,100	89,300

It will be seen from the above table that output has increased in all the main areas. The number of oil-producing countries, incidentally, has now reached 53, as compared with 43 ten years ago.

With the continually increasing production in all parts of the world, the *Petroleum Press Service* concludes, oil is now rapidly moving towards the position where it will take first place among the world's sources of energy. World production in 1962 as a whole, it is estimated, will be of the order of 1,200 million tons which, on the conventional basis of 1 ton of oil=1.5 ton of coal, will be equivalent in calorific value to about 1,800 million tons of coal. As production of coal in all countries other than Communist China has been more or less static over the past four years at between 1,800 and 1,820 million tons, oil and natural gas, taken together, already cover more than half of the world's energy needs.

ROAD TRAFFIC ACCIDENTS IN EUROPE

The Economic Commission for Europe has just published statistics of road accidents for 1960 in seventeen European countries. The figures show that 51,154 persons were killed in the countries concerned, as compared with 37,302 in 1953. The estimates for the whole of Europe is 65,000 killed in 1960. Almost everywhere, according to the report, it is the pedestrians and, above all, the riders and passengers of bicycles and motor cycles who suffer most. Drivers and passengers of motor vehicles other than two-wheeled vehicles account for less than half the number of casualties.

The published statistics further show that 1.7 million persons were injured in road accidents in the year under review. In this category, the proportion of pedestrians is smaller than in the category of persons killed, but the proportion of riders and passengers of two-wheeled vehicles is generally at least as high.

In fifteen of the countries concerned, about 1.8 million vehicles were involved as causes or victims in some 1.1 million recorded accidents involving physical injuries; they consisted to the extent of 20 per cent of bicycles, or cycles with auxiliary engine and 16 per cent of other motor cycles, 40 per cent of private vehicles and 19 per cent of lorries or delivery vans, the remaining 5 per cent being made up of motor coaches or buses, trams and horse-drawn and other vehicles. These statistics show, *inter alia*, that an average of one private car out of thirty was involved in an accident causing physical injury in 1960.

CAPACITY OF PRIVATE SECTOR OIL REFINERIES

In the Lok Sabha last week the Government's permission to the Burmah-Shell and Esso refineries to operate to their maximum capacity, provisionally for three months from 1st July 1962, was the subject matter of questions. It was asked by some members whether the refineries had expanded their capacity without the knowledge of the Government. Mr. K. D. Malaviya, Minister for Mines and Fuel, replied to the effect that the so-called expansion of capacity was the result of operational efficiency. And he added that, due to such operational efficiency, existing capacity was in a position to undertake more throughput of crude oil, and from time to time, incidental increases in capacity flowing from operational efficiency were taken for granted and sanction was later accorded to them. Reference may be made, in this connection, to an article on page 243 of *Commerce* of 11th August 1962, wherein it has been brought out that maximisation of throughput is different from expansion in the sense of creation of additional distillation unit and other facilities. The Minister's reply, it is worthy of note, is a clear refutation of the allegation that some stealthy expansion by way of material capital additions might have taken place. Presumably his reply is also applicable to the case of the Caltex Refinery which too seems to have increased its throughput beyond its original capacity.

BRITISH RESEARCH ON NUCLEAR REACTORS

Scientists at Britain's Atomic Energy Research Establishment, Harwell, are reported to have succeeded in operating "wireless valve" type devices for converting atomic energy directly into electricity. These devices, which produced larger electric currents than previously announced, are known as "thermionic diodes." They are designed to explore the possibility of increasing the electrical output and efficiency of high-temperature nuclear reactor systems for a very small increase in overall cost. They would be used in place of high-temperature fuel elements in such a way that they would produce low-voltage high-current power without impeding the normal heat production of the reactor. This heat would be used in the normal way to produce steam for generating electricity in conventional machines. The combined effect of the two types of generation together would result in high efficiency, in better utilisation of fuel, and in even cheaper electricity.

The diodes have been designed at Harwell and tested as rig experiments in the high-power test-reactor PLUTO. In the reactor, fissions are caused in the uranium by flying neutrons and sufficient heat is produced to raise the temperature of the cathode to 2,000°C. At this temperature the cathode radiates heat and electrons. The former passes across the vacuum to form the normal heat output of the fuel. The electrons also pass across the vacuum and return to the cathode via the outer sheath. This constitutes the power output which in practice would be led out of the reactor for external use.

WORLD SHIPPING SITUATION

The increasing trend in the movement of world seaborne trade over recent years continued in 1961, although at a lower rate than in 1960 when it rose by 10 per cent. This is one of the conclusions of the latest report of the Maritime Transport Committee of the Organisation for Economic Co-operation and Development. The volume of world grain trade amounted to 61.6 million tons during the trade season July 1960-June 1961. Eighty per cent of this grain was exported by four countries—the Argentine, Australia, Canada and the United States. Seaborne imports of iron ore increased from 101.7 million tons in 1960 to 95.5 million tons, while seaborne coal export rose from 43.4 to 44.5 million tons. Oil represented about 50 per cent of the total tonnage carried by sea in the year under review.

The report also gives a description of the world merchant fleet which was 132.4 million gross registered tons in 1961, as compared with 126.3 million gross tons in the previous year. About 3 million gross tons of tanker tonnage were ordered in 1961, roughly double the previous year's figure. Practically all these new orders were for very large tankers which are economical to run. Increased speeds and modern improvements, the report continues, mean that the increase in the efficiency of the world merchant fleet is greater than would appear from the tonnage figures.

The report has referred to the depression in the freight market—a depression which has now lasted for four years. A rise in world freights is stated to be possible only if deliveries of new tonnage do not exceed the average annual deliveries during 1958-61. While referring to the discriminatory practices which many national Governments continue to apply in order to protect their own shipping, the report emphasises that these are detrimental to the efficient and economic conduct of world trade. The O.E.C.D. continues, therefore, to be guided in its work by the principle of free circulation of shipping in international trade in free and fair competition.

SPACE PROBE LAUNCHES

The first step in the joint Swedish-U.S. exploration of the noctilucent clouds—the faintly luminous, very high and fast-moving clouds whose origin and nature are as yet unknown—was completed recently. The first two of four sounding rockets of the American Nike-Cajun type were then fired from the Vidsel rocket field in Arctic Sweden. The first launch (on the 7th inst.) followed after four interrupted countdowns due to bad weather and is reported to have resulted in a 100 per cent data recovery, as did the second on the 11th inst. The rockets were sent to an altitude of about 68 statute miles (110 kilometres) to make scientific measurements and capture ample cloud particles. The scientists now hope to fire the remaining two rockets before the end of this month. An analysis of the scientific data will then be carried out both in Sweden and in the United States and the results will be published jointly. The project, which is the largest venture to investigate the upper atmosphere so far entered upon in Western Europe, is the outcome of an agreement between the Swedish Committee for Space Research and N.A.S.A., the U.S. National Aeronautics and Space Administration. A staff of 65 Swedish and American scientists are taking part in the project at Vidsel. An Arcas rocket, of the same type as that fired from Vidsel last summer and ten times smaller than the Nike-Cajun, was also launched from the Swedish field recently. The purpose of this test was to study the behaviour of small particles at high altitudes, which was atained by releasing an artificial cloud of magnesium oxide from the rocket.

NEW PRODUCTS AND PROCESSES

Roll-a-Print

AN Australian firm has developed a rubber stamping machine which can print on any surface, rough or smooth, flat or curved, concave or convex, and even round corners. The device, called "Roll-a-Print," consists of a chrome-plated metal frame supporting a felt covered inking roller. The rubber die containing the wording or design to be printed is attached to a second roller which does the printing. Both rollers can be removed and an unlimited number of rollers with different wordings and colours can be used. By using a divided die and and ink roller it is possible to obtain a multi-coloured effect in a single operation.

Instrument for Research and Chemical Analysis

A new instrument for use in research and chemical analysis has been invented by W. G. Pye Ltd., England. It is the result of extensive study of modern chromatographic requirements, and has been designed to accommodate new advances in technology as they occur. Called the Panchromatograph, the instrument separates a mixture of liquids or gases into their component parts and gives a measure of the concentration of each. It has applications in many fields, among them medical research, petroleum refining, drug manufacture and food processing. Specific applications include, for instance, the ability to detect minute traces of pesticide on crops, the study in detail of air pollution and checks on the purity of perfumes and flavours. A "sample" is fed into a column packed with special material and carried through in a stream of inert gas. Separation is achieved so that the component parts of the sample emerge at intervals and are measured by a variety of detecting and recording systems.

Battery-driven Electric Drill

The ¾-inch electric battery drill, development of which was announced by Black and Decker of Middlesex, England, some time ago, has now been generally released. A new departure in the electrical appliances field and the first of its type, the drill represents the outcome of a considerable amount of research and experimentation. The problems were much more difficult to solve than any encountered hitherto because, for instance, electrical consumption of a modern ¼-inch drill is 1,600 times higher than that of a transistor radio. In consequence a high performance demand is put on the drill's four nickel-cadmium cells and the watt-hour output of these has been improved by about 400 per cent in recent months to give satisfactory power to the drill. More than 200 holes of ¼-inch diameter can be drilled in 1-inch thick wood before the battery needs recharging and this operation can be performed 400 times before a replacement battery has to be inserted. Two recharging speeds are available —special charge in 10 hours and normal charge in a minimum of 16 hours. The drill can be left on normal charge indefinitely. Weight is 4 lbs. as against around 3¼ lbs. for conventional drills of the same type.

New Line in Locomotives

Two new locomotives, one driven directly by a gas turbine, the other designed to run on methane gas, have been developed in Britain. The gas turbine locomotive has completed successful trials that covered 11,000 miles on British Railways. Performance is said to compare favourably with some of Britain's latest diesel-electric locomotives, particularly in hauling heavy trains over steep gradients. Potential advantages include: simplicity, compactness, light weight, efficiency, low consumption of lubricating oil, and very low maintenance charges. Believed to be the first of its kind in the world, a new 40-ton shunting locomotive, designed to run on methane gas, has been developed by Rolls-Royce Ltd., Shrewsbury, England. Methane gas—the natural gas found in coal mines—is pumped from the coal face and fed to a compressor which in 15 minutes can refuel the locomotive with enough gas for four hours' work. The 230 h.p. engine which resembles a diesel shunting locomotive and is in the same price range, it is claimed, can haul up to 1,000 tons.

Standard Cargo Vessel Design

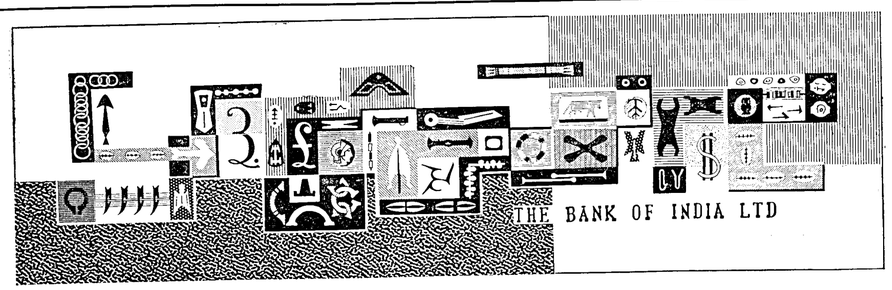
A standard design of dry cargo vessel which can cost up to 15 per cent less than the present comparative vessel, has been announced by one of Britain's leading shipbuilding groups, Swan, Hunter and Wigham Richardson. After detailed market research involving technical requirements of shipowners, speeds, cargo capacity and layout, the firm made an analysis of ports and harbours all over the world and estimate that a dry cargo vessel of 10,000-12,000 tons (d.w.) is the most prevalent type of vessel likely to be wanted for some years to come. The design allows two choices of main machinery—6,600 s.h.p. and 9,600 s.h.p. Whatever the tonnage in the stipulated range, speeds from 14 to 17 knots can be attained. The vessels will have electric deck machinery, derricks (one of 50-tons lift), air conditioning and an air-conditioned control room in the engine department. Modern material and layout for the comfort of crew and officers is standard including private toilets for the officers. An official of the group estimates that after the first vessel is built, construction time will be six months or under. Savings on design and draughting could be as much as £60,000 or more.

Detecting Gases in Steel

A spectrograph for analysing steel and other alloys to detect how much nitrogen, oxygen and hydrogen is present, as well as other elements, is reported by a French organisation, according to the *Financial Times*, London. Correct spark emission—usually the chief stumbling block—is achieved, under vacuum, using two pairs of electrodes. Those of the first pair are kept close together to produce a "pilot spark," while the others are kept far apart to provide a much larger and stronger spark. The large spark is initiated by the smaller one. One of the electrodes of the second pair is a piece of the material being analysed and the wave lengths of the light produced are, as usual, characteristic of the elements present. It is claimed that the system used produces a spark from which oxygen and other gases can be detected yet there is no fear that erroneous results will be produced due to contamination from external sources.

Extracting Excess Water from Paper

Paper made from pulp contains excess water that has to be removed towards the end of the production stage. Wool or cotton felt is normally used as a blotter. A Japanese company now claims to have found a cheap synthetic substitute for the felt which, it says, is much stronger and more able to withstand the strain when the water is subsequently sucked out of it. The substitute is made from polyvinyl alcohol and other chemicals and is prepared in the form of a narrow continuous strip. It is said to be unaffected by the chemicals normally encountered in paper making.



This is the impressive 84 feet x 18 feet mosaic mural on the outside of the Bank's new building in Kampala, East Africa. The mural depicts many of the tokens used as coinage in various parts of the world through the centuries.

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INDIAN ECONOMY—A PERSPECTIVE

CONCLUDING our editorial in our last Annual Number, we pointed out that India would have plenty of vexatious economic problems in the year 1962, with the most trying ones stemming from shortages of fuel, power, transport and foreign exchange. That there was no exaggeration whatever in this statement is abundantly borne out by the events of the past few months. Thanks to the most serious shortfalls in respect of fuel, power and transport—the trio of shortages as it has been aptly described—the rate of industrial expansion has slowed down considerably and even the maintenance of production in many industries at existing levels of capacity has turned out to be a pretty difficult job. The demand for the basic services is increasing at such a pace that, unless the Plan projects for these are executed according to schedule, the country is bound to be faced, as the latest *Annual Market Review* (1961) published by Messrs. Premchand Roychand and Sons, Bombay, says, with a spectacle of new factories remaining idle. Rightly has the *Review* urged that all these problems call for quick decisions and vigorous effort. Pinpointing the air of smug satisfaction that prevails in the country with the overall progress made since Independence and with its relatively better performance than all its neighbours on both the political and economic fronts, the *Review* has clearly warned: "Such a psychology is fatal for a developing country." After examining the developments that have rendered the implementation of the third Plan more difficult than was assumed by the planners, the *Review* has assessed the prospects for the private sector and the role it can effectively play thus:

"As a result of the country's present difficulties and the all-round shortage of financial resources, both foreign and domestic, during the third Plan, the private sector projects are likely to suffer to a much greater extent than public sector projects. And yet, there are a number of projects in the private sector which are vitally essential for a balanced growth. Because of shortage of financial resources, particularly foreign exchange, the private sector will have to find its requirements independently of Government resources. This can be done either through foreign private investment or loans and credits from abroad. If private sector projects have to depend upon foreign private investment, their fulfilment is very doubtful, because foreign private investment has so far been small and its future trend will largely depend on the international climate for investment. With the phenomenal growth of the European Common Market, the opening up of African countries and the attractive opportunities for investment in Latin America, much of the available private capital is likely to flow in those countries."

Broadly speaking, this assessment may be correct. Even so, a sizable part of the overseas private capital finding outlets for investment could be made to flow into India, if the powers-that-be in this country were to lift, or at least relax, the restrictions on foreign capital on ideological grounds. Foreign private capital will be more readily available for the development of petroleum and petro-chemicals, fertilisers, shipping services, aluminium, hotels, food processing and cattle feed industries, to name only a few. The amount available for investments in these spheres will be quite considerable, but the opposition to such investments stems not only from the Government but also from a powerful section of the private sector.

Emphasising the need for finding quick solutions to the critical economic issues facing the nation, the *Review* has impressively highlighted the need for keeping inflationary pressures under control. If the spiral of costs and prices rises further, the *Review* warns, the task of achieving the third Plan targets are likely to prove most onerous, especially in the field of exports. Discussing the critical balance of payments position, the *Review* rules out as undesirable either devaluation or reduction of all foreign trade to barters and observes:

"... the authorities have not been able to find a satisfactory answer to the problem of increasing exports. Against fierce competition from countries like Japan and Hong Kong, the products of India's nascent industries can only be sold in very limited quantities in the export markets, while traditional exports of agricultural produce and products of some of the well-established industries like cotton, jute and mining are outpriced because of rising internal costs. The various export promotion schemes have unfortunately proved to be of little assistance in mitigating the high cost and, because of inordinate delays, export incentives, which are in any case circumscribed with numerous conditions, have proved to be of very limited benefit. In fact, over a period of time, the policy of making each industry subsidise its exports by charging higher prices to the domestic consumer is likely to further accentuate the price spiral by increasing the overall cost of production. A flexible and simple method of promoting exports will have to be introduced if results are to be obtained effectively and promptly. The other alternatives would be to devalue the currency and thereafter try to hold the price line at all costs, or to reduce all foreign trade to barters so that exports can be offered at international prices irrespective of costs and imports can be priced up to suit the requirements of the situation. Neither of these alternatives would appear to be desirable. While, at long last, the authorities appear to be seized of the gravity of the balance of payments problem, they appear to be frittering away most of their energy and limited resources in their efforts to tackle minor questions, whereas what the situation demands is a bold approach to the problem on a very broad front."

In the absence of even an outline of this "bold approach," one cannot help remarking that the authors of the *Review* themselves have been content with making broad generalisations. They would have enhanced the value of their *Review* had they described their conception of "bold approach."

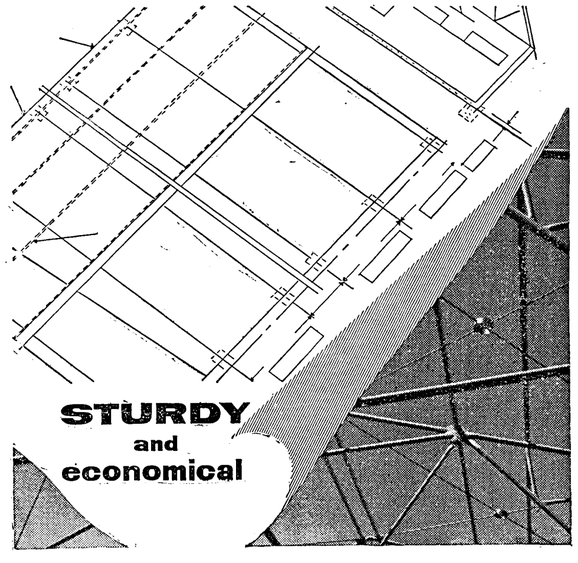
Summing up the outlook for the Indian economy, the *Review* concludes:

"During the coming months, India is likely to face growing shortages first of financial resources and subsequently of goods and services. In a free economy, shortages result in high prices and social injustice; in a controlled economy, they give rise to corruption and nepotism, but, in our mixed economy, shortages can generate both the evils. We sincerely hope that the authorities will find urgent solutions to the critical issues which face the country. We have no doubt that, properly guided, the people of India will give their wholehearted assistance to a truly democratic Government that is prepared to act dynamically to find the resources required for the successful implementation of the Plan. Foreign loans and credits can be utilised only to ease a temporary situation and it is a mistake to depend every year on such assistance to help us out of critical situations."

That Mr. Morarji Desai fully agrees with the last sentence of the above quotation is evident from his observations at a meeting of businessmen in Bombay on Sunday the 19th inst. But will he and his colleagues in the Government also appreciate the need for a reappraisal of their economic policies and programmes which is what is implied in the *Review's* conclusion?

CALCUTTA STOCK EXCHANGE
OFFICIAL YEAR BOOK

The twenty-sixth edition of the *Calcutta Stock Exchange Official Year Book* (compiled and edited by Mr. A. K. Sur and published by Mr. D. Chakravarty, 7, Lyons Range, Calcutta, pp. 586, price Rs. 12.50) is just out. As its name suggests, the *Year Book* is authentic, issued, as it is, annually by the Committee of the Calcutta Stock Exchange Association Ltd. The data collected by the Committee on the vast corporate sector in India, we are told, has been finally verified and endorsed by the managing agents and secretaries of the companies concerned. The *Year Book* is, therefore, quite a dependable guide to investors in shares, stocks, debentures and securities. What is more, besides helping the investor to select the scrips on the basis of past performance, it also explains to him how he can invest on the Calcutta Stock Exchange. This it does by giving an idea of the procedure and practice in that market. Besides, it briefly deals with the Securities Contract (Regulation) Act and the various taxes that investments attract in different circumstances. With a short review of the economic situation in the country in 1961 and vital information on a thousand and one companies, the *Year Book* is a handy publication for all concerned with stock exchanges and the corporate sector. The contents are said to have been thoroughly revised to bring the statistics of old companies up-to-date and to include the particulars relating to new companies, enlisted on the Exchange since the last edition was published. Several new features have also been added to enhance the utility of the *Year Book*.



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REACTIONS TO KENNEDY'S BROADCAST
DIVIDED OPINION AMONG BUSINESSMEN ON THE TIMING OF TAX CUT

NEW YORK, *17th August*

MANY leading businessmen in the U.S. endorsed President Kennedy's decision to postpone a tax cut until a comprehensive tax-reform legislation can be presented to Congress next year. But the majority of those contacted in a *Wall Street Journal* survey were sharply critical of the political aspects of the President's radio-TV address, and many expressed the view that a tax cut is not enough to correct deficiencies in the national economy. In Chicago, Mr. Joseph B. Lanterman, President of Amsted Industries, Inc., a capital goods producer, said that he was in favour of the decision to put off a tax cut. "We are going to be better off for the long pull with a sound tax structure than with an arbitrary quickie cut." Similar sentiments were expressed by Robert W. Galvin, President of Motorola, Inc. He, however, added that he was opposed to the President's six-point legislative provision, because it tended "to be inflationary."

In his speech, President Kennedy said that Congress should enact the following measures before it adjourned:

The investment tax credit, designed to stimulate capital spending; the Bill to step up Federal help for public works in areas where unemployment is serious; the Bill for youth employment opportunities, intended to help the million young people out of school and unemployed; legislation to continue the special extension on unemployment compensation; the Trade Expansion Bill, and measures to help finance higher education.

Mr. William Zeckendorf, Chairman of Webb and Knapp, Inc., New York, a real estate development company, termed the Kennedy speech a "very partisan effort." He said he favoured an immediate tax cut, but was not surprised that the President did not recommend such a course, since it would imply the economy had weakened under the Democrats. But he "took some satisfaction that Mr. Kennedy reiterated his plans to urge permanent tax cuts starting from 1st January next."

Optimism Challenged

One group of businessmen challenged the President's optimism about the economic outlook. For example, Mr. Wade Harris, President of Midland-Ross, Inc., Cleveland, declared: "I do not agree that all the indicators are good. It is all right to look at charts, but you should get out where the battle is. I sometimes think his economic advisers live in a glass cage."

There was no immediate official reaction to the speech from the 29-man A.F.L.-C.I.O. Executive Council, meeting in Chicago. But it is almost certain the Council will approve of a resolution repeating its demands for an immediate tax cut which will benefit the lower brackets.

While Mr. Kennedy was delivering his speech, there were critical comments from labour officials huddled around television sets in their Chicago hotel rooms. They noted that all the economy-boosting legislation Mr. Kennedy listed as having been passed by the present Congress was enacted last year, except for the Manpower Retraining Bill and a cut in transportation taxes. However, the labour leaders probably will not attack Mr. Kennedy openly for his failure to seek a tax cut now. In discussing programmes to spur the economy, they have been laying the blame for the lagging growth on Congress rather than on the President. The unions will be telling their members to support Democratic candidates for Congress this fall on the ground that Mr. Kennedy needs their support to get his programme through. Attacking the President now would blunt this drive to elect Democratic law-makers.

In Washington, Democratic Senators and Representatives endorsed the postponement of a tax cut, while a few Republicans argued against it. But many Republicans and at least one key Democrat, Senator Harry Byrd of Virginia, complained that there was too little emphasis on sizable reductions in Federal spending to accompany a tax cut.

Among economists, there was wide, but not unanimous, agreement with the President's decision. Several said that the economy needed stronger medicine than a tax cut. Mr. Clyde Phelps, a Professor of Economics at the University of Southern California, termed the speech "a good generalised statement of good sentiments, but what remains to be seen are the details." Mr. Phelps noted that the President compared the state of the economy today with the depressed levels of 18 months ago and commented: "I would expect, all things being equal, that some progress should have been made in the indices in the past 18 months." He added he does not expect a "sound base for a sustained recovery" to be achieved before the middle of next year. In the next few months, he said, the economy probably will "continue moving sideways." A tax cut is "way past due," according to Mr. Phelps, "but, a cut in Federal expenditures is just as important as a tax cut."

President Supported

In New York, Mr. William F. Butler, Vice-President and Economist of Chase Manhattan Bank, agreed with Mr. Kennedy that no immediate tax cut is needed. "Business news has been looking better and will continue better in the coming months," he asserted. "If Congress this year passes the pending Investment Tax Credit Bill, as the President has again urged, and hopefully follows up with a sound tax reduction measure next session, I believe we will have a very satisfactory arrangement for stimulating business investment and consumer spending." However, Mr. Howard Craven, Vice-President and Chief Economist of the Bank of America, declared in San Francisco: "I think it is necessary that we get an immediate tax cut—the sooner the better. This is not because of any recession, but as part of overall tax reform." In Chicago, Mr. Arnold C. Schumacher, Vice-President and Economist of Chicago Title and Trust Company, said "we need a business tax cut now"; he added: "Basically, the recovery is running out of steam." Mr. Schumacher opposed all of Mr. Kennedy's proposed legislation except the Trade Bill. "It is more important," he said, "to stimulate the private sector of the economy than to provide public works."

Businessmen who criticised the political aspects of Mr. Kennedy's speech included Mr. James J. Ling, Chairman of the Executive Committee of Ling-Temco-Vought, Inc., big Dallas aero-space concern. "To tell the truth, I am a little disillusioned by his approach," said Mr. Ling. "It was very politically oriented. Kennedy seemed to spend most of his speech justifying his programmes seeking the support of the people for them." Concerning the tax cut, Mr. Ling said that it seemed to him that the President was citing vague "economic barometers" indicating no need for a tax cut now, saying there should never be one except in cases of emergency, and then stating there would be one next year. "His excuse for not doing it today and that we should do it in January is incomplete," Mr. Ling declared. And the Senior Vice-President of a large New York City Bank asserted: "If the President really feels a tax cut is needed to help overcome an economic slowdown over the past five years, why does he want to wait until next year to get it through? The truth of the matter is he would really like to ask for a tax cut now but knows he could not get it through Congress this session."

Mr. Kennedy's views on taxes and his legislative recommendations were supported by Mr. Armand Hammer, President of Occidental Petroleum Corporation, Los Angeles, and Mr. Arnold Maremont, President of Maremont Automotive Products, Inc., Chicago. "On the whole, we interpret his message as very encouraging and we are going ahead with our biggest expansion ever with no alteration in plans," said Mr. Hammer. Mr. Maremont asserted that the legislative proposals were good for the economy. He said he saw no reason for the slightest pessimism about economic conditions.

Support for the tax-cut postponement combined with opposition to the legislative programme, was expressed by Mr. Herbert R. Silverman, President and Chairman of James Talcott, Inc., a New York commercial finance concern, as well as by Mr. Judson S. Sayre, Chairman and President of the Norge division of Borg-Warner Corporation, a Chicago appliance maker, Mr. Robert Loomis, President of American Electronics, Inc., Fullerton, California, and Mr. Jerome K. Crossman, Chairman of Ryan Consolidated Petroleum Corporation, Dallas. Mr. Crossman commented: "The cut (as proposed by Mr. Kennedy) will have a salutary effect. I believe it would incline myself and other businessmen toward increased capital spending."

Mr. Carter Kissell, President of National Castings Company, Cleveland, agreed with Mr. Kennedy on the need for a basic tax reform. But he said he did not share the President's optimism about the economy because there seemed to be more doubts now about which way the economy was going than his economists indicate.—*P. G. Krishnayya's Service.*

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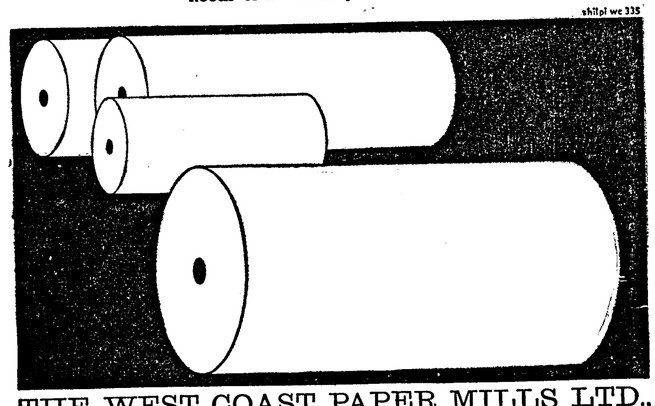

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THE BOMBAY GAS COMPANY LIMITED

CHAIRMAN, MR. N. K. JALAN'S ANNUAL SPEECH

ADEQUATE INCREASE IN SELLING PRICE URGED

MR. N. K. Jalan, Chairman of the Bombay Gas Company Ltd., devoted his speech at the Annual General Meeting of the Company, which was held at Bombay on Friday, 10th August 1962, largely to the unremunerative selling price fixed for the Company by the State Government under the Gas Advisory Committee's report based on the 1956 and 1957 accounts of the Company. Pointing out how the price had become unremunerative for the Company as a result of the various increases granted in the prices of several commodities, including coal from which as much as 80 per cent of the output of gas is raised, Mr. Jalan emphasised that the Company was now faced with such a critical situation that, failing prompt grant of relief by the Government by way of an adequate price increase, the Company would have to consider seriously whether it could continue to carry on its business any longer.

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

"GENTLEMEN,

"It gives me much pleasure to welcome you to the annual general meeting and to present to you the balance-sheet and the annual accounts together with your Directors' report for the year ended the 31st December, 1961. These have been in your hands for sometime now and, with your permission, we may take them as read.

Disappointing Results

"It is unfortunate that the said accounts reveal a very disappointing result of the working of the Company, showing deterioration year after year. I am also sorry to confess that upto now all our efforts to get a reasonable increase in gas price have not borne any fruit. In the past several annual meetings, I had given you a fervent hope of attaining success, but I am sorry, all our efforts so far have turned into failure and the financial position of the Company is worsening year after year.

"The Company's net profit for the year was a meagre sum. It is only by encroaching upon the general reserves to the extent of Rs. 110,000 that it has been possible for your Directors to recommend a dividend to the stockholders at 5 per cent, subject to deduction of income-tax at 30 per cent, i.e., a net dividend of 3.5 per cent which compares so very unfavourably with the current level of dividends paid by companies of similar status in this country.

"The poor profits of the Company in the year under review, as in the preceding three or four years, are due entirely to the fact that, while the costs of production and distribution of gas have been going up substantially year by year, the price of gas remains rigidly fixed at a level which is slightly lower than even what it was in 1926. The present management took over the Company in 1946. Sixteen years have passed by since then. Within this period, all major items of cost have gone up enormously due to the pull of economic expansion and the impact of inflation. Thus, the cost of coal has gone up by 112 per cent, the wage bill by 98 per cent and the cost of amenities for workers by as much as 591 per cent, to take only three major items of cost. All this time, however, the price of gas, as fixed by the Government, continues unchanged. In such a context, it is not at all surprising that the financial results of the operations of the Company continue to deteriorate year by year. The Company is now faced with such a critical situation that, failing prompt grant of relief by the Government by way of an adequate price increase for gas, the Company will have to consider seriously whether it can continue any longer to carry on its business at all.

Coal Price

"The price of coal, which is a basic raw material for the production of gas, had further gone up considerably during 1961 and is mounting up every now and then, as the coal price and the freight on coal are being revised. The full impact of the incidence of the rise in the cost of coal (from Rs. 52.36 to Rs. 57.64) in 1961 would be felt in the current year, i.e., 1962. Besides this rise, railway freight has also been increased from 1st July by Rs. 1.05 per tonne. The Government of India has further notified a rise in the coal price by Rs. 1.56 per tonne, effective from July 1962. This rate of increase, in conjunction with the rise which occurred in 1961, would thus mean that the Company's expenditure on account of the cost of coal alone will increase by Rs. 7.89 lakhs per year. Besides this, increases have occurred in wages, amenities, etc., and the following figures speak for themselves.

Items	1957	1961	*Difference*
Price of coal per tonne	Rs. 48.12 nP.	Rs. 57.64 nP.	Rs. 9.52 nP.
Cost of coal used ..	Rs. 43,14,192	Rs. 54,83,862	Rs. 11,69,730
Wages cost ..	,, 22,26,923	,, 26,51,363	,, 4,24,440
Amenities cost ..	,, 4,03,634	,, 5,41,602	,, 1,37,968

"You are also aware that the coal industry is clamouring for a higher price and, I believe, the Government will have to allow a further increase in its price, which will again mean a big increase in the cost of raw materials to the Company.

"Incidentally, I would like to mention that the Gas Company is the only industry in which the output from coal is as high as 80 per cent.

Supply of Coal

"Coal supplies have been a matter of constant concern during the last few years. The position deteriorated considerably in July last year, and in the months of July, August, September and part of October, coal gas production and consequently gas supply to the city were considerably affected due to erratic and inadequate supplies of coal.

"After strenuous efforts, supplies of coal were offered to the Company, but we were asked to take supplies in box wagons for which the Company has no arrangements. In spite of these difficulties, the Company agreed to accept supplies in box wagons. You are no doubt aware that a box wagon is 2½ times as large as a four-wheeler ordinary wagon. The Company has been hard hit on account of the supply of coal in box wagons in two ways. First, as the collieries are asked to load such huge quantities in prescribed time, they load whatever stock they have, without any regard for the quality. This is instrumental in affecting detrimentally the production to a very great extent, thereby causing abnormal financial loss to the Company. Secondly, on account of under-loading of these wagons, as they are charged on the basis of marking of loading height at 1.7 metres of steam coal, and there being no arrangements for weighment of these wagons anywhere in India, the Company is being charged excessively. In some instances, where the coal was weighed in the presence of the railway authorities, shortage as high as 20 per cent was found. On our representation, revised marking at 1.82 metres has been introduced by the railways, but it is regrettable that still the shortage found is very high. It is imperative that the Railway Ministry looked into it at a very early date. The Company is losing on account of a shorter supply of coal than paid for. It has also to pay additional railway freight, apart from the loss which the Company has to suffer on account of lower production due to the inferior quality of coal supplies.

"In spite of these short supplies of coal, the Company has been able to maintain production, which it would have been possible for the Company to step up further in 1961, if these difficulties of short supplies and poor quality of coal would not have adversely affected the same.

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BOMBAY 1

Gas Price

"The price structure was examined by the Gas Advisory Committee, appointed by the Maharashtra Government (then Bombay Government) in 1959, based on the 1956 and 1957 accounts. Over these last five years, the Company has not only been carrying on under a serious threat of financial crisis but has also been labouring all the time under an acute sense of injustice because repeated price increases are being granted by the authorities for several important commodities like iron and steel, cement, coal, paper and heavy chemicals. The rates for public utility services, viz. tram and bus fares, railway fares, airlines fares and telephone charges have also been increased. Even the rates of electricity have been revised, which are governed by the Electricity Act. The anomaly of the situation becomes still more palpable when it is pointed out that in the case of a substitute article, namely, the so-called 'bottled gas,' sold by Burmah-Shell and Stanvac Oil Companies, the Government has given complete freedom to the producers concerned to charge an 'economic price' for this particular commodity. Incidentally, the price charged by the oil companies for 'bottled gas' is three to four times as high as the rate fixed by the Government for 'town gas,' i.e., on a comparable basis. This entails, on the part of some 40,000 consumers of 'bottled gas,' an extra annual expenditure estimated at Rs. 72 lakhs.

"In this connection, I should also like to inform you that the selling price of our 'town gas' at Rs. 3.94 per thousand c.ft. is the lowest in the world, inasmuch as it is (equivalent to rupees) Rs. 7.15 in London, Rs. 7.18 in Cambridge, Rs. 9.69 in Melbourne and Rs. 11.75 in Colombo. Even in Calcutta, where the Gas Company is being managed by the West Bengal Government, the gas rate is Rs. 5.25 per thousand c.ft., while the railway freight for coal from Bengal-Bihar coalfields is only about 50 per cent of what we have to pay here in Bombay.

Saving in Foreign Exchange

"Besides what I have already told you, there will be a significant annual saving in foreign exchange to the extent of about Rs. 44.63 lakhs, if additional 20,000 consumers can get supply of 'town gas,' who are at present using kerosene oil for lighting and heating purposes. We have already given the calculation of this estimated saving in the foreign exchange to the Government. This foreign exchange can be profitably utilised in some other developmental projects in the State. This saving in foreign exchange is quite possible, if your Company gets the gas price adequately increased as also proper facilities and scope for expansion which the Company is quite willing to undertake.

"I have given you only a few out of so many factors which call for an immediate revision of our gas price by the Government. It is incomprehensible why no increase should be allowed in the case of gas while increases in the price of other essential commodities have been granted so often. The gas price today is unfortunately lower than what it was in 1926. The Gas Advisory Committee which examined the gas price structure altogether omitted to take into consideration depreciation, bonus, rehabilitation and other items which are recognised to be basic factors by the Tariff Commission.

"In this connection, I would like to inform you that, even according to the official method of calculation, the Department of the Deputy Director of Commercial Audit has come to the definite finding that the Company had incurred a deficit of 46.68 per cent for 1959 and 54.52 per cent for 1960 on the 'reasonable return on capital employed.' And although the auditing of accounts for 1961 has not yet been undertaken by the Department, it is estimated on the same basis of calculation that the corresponding deficit for 1961 would be as high as 76.89 per cent. It should be noted that, in calculating these deficits no allowance has been made for bonus, for rehabilitation and for contingencies, which are almost invariably provided for as normal items of cost in every modern industrial undertaking and are ordinarily allowed by price-fixing authorities, such as the Tariff Commission. In the case of your Company, it has been estimated that these three items would add up to approximately Rs. 10 lakhs. When this is taken into account, the deficits or shortfalls on the reasonable return would be still larger. You will observe that the recurring annual deficit is substantial and that it is going up appreciably year by year.

New Connections

"Your Company, on its part, has already expressed its willingness to give about 15,000 to 20,000 new gas connections gradually in three or four years, if the gas price is adequately increased to enable the Company to raise the necessary finance from the market for expansion and assure the prospective investors of a reasonable return on their investment in the present money market which has become dearer. You all know, our Union Government and some of the State Governments have issued new loans at an increased interest of 4½ per cent. The Reserve Bank of India has also brought into force a new four-tier scheme of slab rates of lending to scheduled banks, which has made the Reserve Bank credit costlier, being as high as 6½ per cent in some cases as against the Bank rate of 4 per cent. Thus, you can well appreciate the condition of the money market. In this context of things, the return on our capital is practically *nil*.

"In the light of the circumstances stated above, I have recently made a fresh appeal to the Hon'ble Chief Minister and to his Government for an early move to grant an adequate increase in the price of gas, which should cover the enhanced costs of production and distribution and leave a reasonable margin of profit so that the Company may be in a position to carry out the necessary replacement and rehabilitation of the plant and undertake further expansion of production and give a substantial number of new connections within a reasonable period. Your Company hopes very much that the Government will be kind enough to grant this relief to the Company at an early date and enable it to continue to render its good services to the City of Bombay on an extended basis.

Plant and Equipment

"You will be glad to know that gasholder No. 4, which, as I informed you on the last occasion, was under repair by two experts of Messrs. Clayton Son and Company Ltd., has since been repaired at a cost of about Rs. 10 lakhs and recommissioned in the last week of June 1962.

"The Company has also taken up in hand the construction of one overhead purifier box. This will ensure complete gas purity.

"I am glad to inform you that we have introduced a novel welfare scheme from 'lapse and forfeiture account' of the provident fund for the benefit of the members, ex-members and the children and other dependents of the members of the provident fund. The Hon'ble Minister for Labour was kind enough to inaugurate and bless the scheme. Extracts from the speech of the Minister, delivered on the occasion, were broadcast by the A.I.R. in the 'news reel' programme.

"I would like to express my warmest appreciation to the workers and members of the staff and officers for their wholehearted co-operation and specially to Mr. S. Chowdhary, your General Manager and Secretary, and Mr. A. S. Rao, your Deputy General Manager, without whose invaluable services it would not have been possible for your Company to carry on the production and distribution of gas with a wholly uneconomic selling price in the face of continually rising costs.

"Thank you."

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

4½ PER CENT

MAHARASHTRA STATE DEVELOPMENT LOAN, 1974

ISSUE PRICE AT PAR

OPEN ON MONDAY, THE 27TH AUGUST 1962

The loan will be closed as soon as the total amount of Rs. 12½ crores has been subscribed and in any case not later than the close of business on the 1st September 1962.

The applications for the loan will be received at—

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(b) the branch of the State Bank of India at Patna,

(c) the branch of the State Bank of Hyderabad at Hyderabad,

(d) the branches of the State Bank of Hyderabad, conducting Government work within the State of Maharashtra,

(e) the branches of the State Bank of India within the State of Maharashtra except at Bombay and Nagpur and at places covered by item (d),

(f) the Government treasuries and sub-treasuries in the State of Maharashtra at places not covered by items (d) and (e).

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PRICES, PRODUCTIVITY AND WAGES

ANOTHER LETTER FROM LABOUR MINISTRY

APROPOS our comments on Dr. Nigam's letter (*vide* page 164 of *Commerce* dated 28th July 1962), Mr. B. N. Datar, Labour and Employment Adviser, Union Ministry of Labour and Employment, writes as follows:

"The issue of *Commerce* dated 28th July 1962 has published a letter from the Union Labour Ministry on 'Prices, Productivity and Wages' together with an editorial comment on it. There are some statements in the editorial comment which do not conform to facts. The following paragraphs attempt to bring out these facts so that the editorial comment could be placed in its proper perspective:

"The Editor wants to know why 1953 has been chosen as the base year for working out indices of real wages of industrial workers and not 1951 or 1947. Public memories are short and require to be brushed up from time to time. At the time of the publication of the Draft Outline of the first Plan, the Development Committee on Industries constituted by the Planning Commission and consisting of leading industrialist in the country and some eminent trade unionists met in New Delhi to discuss the portions in the Draft Plan relating to industrial development and labour. The Committee unanimously accepted the recommendations on labour policy proposed to be set out in the Draft Outline. One of the elements of this policy was that an attempt should be made to restore the loss in the pre-war real wage of industrial workers. In 1947, the year which is recommended for comparison by the Editor, the real wage as compared to 1939 had more or less reached the lowest level. It was about 78, as compared to 100 in 1939. By 1950, there was some recovery, but, even so, the real wage index (1939=100) was 90. It is in the context of these facts that the recommendation in the Draft Outline was accepted by leading industrialists. In 1953, the real wage had nearly reached the pre-war level. The second Plan did not specifically mention a wage increase as an aspect of labour policy, in spite of insistent demands for the same in trade union circles. At the same time, the Wage Board approach for settlement of wages in different industries was adopted and has since been working to the satisfaction of employers and workers. Thus all subsequent comparisons of real wages are made with the position obtaining in the year 1953.

"It is not wholly appropriate to say that the interests of industrial workers have been safeguarded by the escalator clause linking wages to cost of living. The recent wage census has shown that only one-third of industrial workers have the benefit of such escalator clauses and, even here, neutralisation is only to the extent of 60 to 100 per cent of the minimum wage level fixed for the unit or industry. For instance, if Rs. 30 per month is accepted as the minimum wage for an industry in an area, the quantum of dearness allowance, which is the same for all workers in the industry, is worked out in such a manner that it will neutralise the effects of price increases to a varying extent referred to earlier (60 to 100 per cent) in case of persons drawing Rs. 30. But if the average wage in the industry is taken into account, the percentage neutralisation will require to be adjusted downwards.

"The Editor has suggested the policy of 'pay pause' on the basis of British experience to help the export drive. It is presumed that what he means by this 'pay pause' policy is the stopping of wage increases all round; for it cannot be his contention that there should be a pause in jute industry in Bengal unless there is a similar pause in other industries in that area. Also, within the industry, there may be some units which export and others which do not. 'Pay pause' for units which export cannot be operated without similar restrictions on the non-exporting units. Obviously a policy of partial 'pay pause' would not be practicable. A general 'pay pause' will have its own consequences, mainly a pause on the share of non-wage group which incidentally has been going up since 1953. If this implication is not accepted, the 'pay pause' argument becomes completely futile.

"The Editor has complained about some of the qualifying phrases used by Dr. Nigam in his letter in presenting statistics on increases in productivity. He asks: 'Could any firm conclusions be drawn or policy based on such uncertain facts and tentative inferences'? A reference to any publication on national income in this country, or for that matter in many developing countries, will show large gaps in statistics and also limitations in whatever statistics are available, but policies do get framed on the basis of such statistics and do operate with a fair measure of success. This should not be interpreted to mean that reliable statistics are unimportant. At the same time, if a caution is expressed by the user of statistics, it should not be construed in a way the Editor has chosen, namely, for questioning the whole basis of policy.

"The Editor goes on to complain about the obstructive attitude of the trade unions and the Union Labour Ministry in regard to attempts made by employers to increase productivity. He has chosen, however, a wrong instance to substantiate his point: the instance of textile industry. Because of the national objectives mentioned in the Plan of increasing employment, the Indian Labour Conference, in its 15th session, unanimously agreed on a formula for promoting rationalisation. The Working Group for the Cotton Textile Industry appointed by the National Industrial Development Corporation which reported in 1960, that is, three years after the tripartite agreement, has the following observations to make:

> 'We would strongly suggest agreements with labour being entered into so as to facilitate implementation in an atmosphere of mutual understanding and trust. We feel, however, that even the conclusions of the Fifteenth Labour Conference have not perhaps been acted upon in many places. The working arrangement in Ahmedabad has been within the framework of these conclusions and quite substantial results have been achieved.'

"And this is the report of a group consisting mainly of employers and their technicians.

"A recent study by the British Employers' Confederation is quoted to rebut Dr. Nigam's argument about wages in relation to cost of living. We saw a reference to this report in *Commerce* dated 14th April 1962 and, because of the interesting conclusions reached in the study, we wrote to the British Employers' Confederation to send us a copy of the same report. The reply received by us is reproduced below:

> 'I thank you for your letter of 25th April asking for a copy of a study on wages and cost of living. I would explain that we have not published any study on this subject and I think you have been misled by an article in the *Financial Times* which incorrectly reported that we had produced such a study.
>
> 'The question is one, of course, with which we are closely concerned, but I think it unlikely that we will publish anything on the matter, at any rate, in the near future.'

"Comment is superfluous.

"Finally, the Editor quotes from the reported finding of the Mahalanobis Committee. I do not know whether it is appropriate to quote such 'reported findings' of any committee, particularly, when it is the experience that many such findings get amended before they are finally presented to the public."

* * * *

[In his letter, Mr. Datar does not dispute the basic argument of the editorial note under reference. We have no comments to make on his elucidation of the background to and the reasons for adopting 1953 as a base year for the purpose of comparing the trend of real wages. We would, however, like to correct one erroneous impression he seems to have formed from our reference to the 'pay pause' in Britain. We did not say that this country should adopt a 'pay pause' policy. Our purpose in citing the pay pause policy in Britain was to illustrate the influence of wages on industrial costs and to underline the need for giving attention to the cost aspect in the export promotion drive. What we suggested was not pay pause or wage freezing, but wage restraint in the sense that wage rise should be related to increases in productivity. Accordingly, the implications and dangers of partial and total pay pause pointed out by Mr. Datar are irrelevant.

It is a matter of opinion whether the preliminary findings of an important committee like the Mahalanobis Committee could be employed for the purpose we chose to use them. The fact that there is a possibility of the preliminary findings getting amended before publication does make the final findings suspect, assuming that the latter will differ from the former.—ED.]

4½ PER CENT ORISSA GOVERNMENT LOAN, 1974

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The loan will be closed as soon as a total of Rs. 7 crores has been subscribed and in any case not later than the close of the business on the 1st September, 1962.

Applications for the loan will be received at (a) the Offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras, Nagpur and Bangalore, (b) the branch of the State Bank of India at Patna, (c) the branch of the State Bank of Hyderabad at Hyderabad, (d) the branches of the State Bank of India located in the State of Orissa, and (e) the Government Treasuries and Sub-Treasuries.

FULL PARTICULARS CAN BE OBTAINED AT ANY OF THE OFFICES MENTIONED ABOVE.

EXPORTS OF DEVELOPING COUNTRIES

G.A.T.T. URGES INDUSTRIAL NATIONS TO REMOVE TRADE BARRIERS

THE major obstacles in the way of expanding exports of both traditional and non-traditional goods from developing countries like India have been exhaustively examined by the G.A.T.T. Committee III, as part of the G.A.T.T. programme for expansion of international trade. It may be recalled that, under the programme, which was initiated in November 1958, three committees were formed to tackle the different factors that inhibit the rapid growth of world trade. The first committee was entrusted with the task of reduction of customs duties. Its work led to the world tariff conference which ended in Geneva a month ago. The Committee II examined the problems of trade in agricultural products, with particular reference to the use and effects of non-tariff measures on world trade in agricultural products. The findings of this Committee were reviewed in some detail in these columns sometime back (*vide* page 170, *Commerce* dated 28th July 1962). The function of the Committee III related to the study of factors hindering the trade of less-developed countries. The report of the Committee III formed the basis on which the Contracting Parties of the G.A.T.T. adopted the famous "Declaration on the promotion of the trade of less-developed countries" (urging developed countries to remove tariffs, quota restrictions and other barriers on goods exported from less-developed countries) at a Ministerial meeting in Geneva in November last. The Committee's work, however, was not wound up with the submission of its report. For it is still engaged in following up the actual implementation of the Declaration by the countries concerned. For this purpose, the Committee III met at Geneva twice this year, once in February and again in May.

G.A.T.T. Committee III

The findings and recommendation of the Committee III have now been brought out by the G.A.T.T. in the form of a brochure (*Trade of Less-Developed Countries—Special Report of Committee III*. Price: $1.50) which also incorporates a study on India's third Plan, with particular reference to the programmes for the expansion of exports. It is proposed to deal in this article with some of the findings of the Committee III which are of general importance, leaving its observations on India's Plan to a later article. Slim though it is with no more than 60 pages, the report is a very valuable document on the trade of less-developed countries, being the result of a three-year detailed study by an expert body, involving product-by-product examination of thirty products and detailed discussion with the Contracting Parties of the G.A.T.T.

The Committee has stressed that a rapid increase in the export earnings of less-developed countries is vital both in the short-term and the long-term for meeting import requirements, for servicing and amortising loans, for enabling developing countries to take full advantage of international specialisation and for providing a pattern for sound economic development. In order to attain these objectives, there must be, according to it, sufficient access to international markets, not only for the exports of traditional agricultural products and raw materials but also for the exports of semi-processed products and manufactures. Although these problems have been discussed and suggestions made time and again, only "insufficient progress has been made" by the industrially advanced countries in reducing import restrictions. The Committee has sought to remove the apparent fear of industrialised countries that such concessions to developing countries might harm their interests. It has emphasised the fact that "economic development policies by less-developed countries, which resulted in their fuller integration in the world economy, should promote rather than decrease the trade of industrialised countries by increasing the capacity of less-developed countries to import increasing quantities of the products of the industrialised countries." This conclusion is borne out by India's own experience. Despite heavy restrictions on imports of a wide range of goods, India's total imports today are far higher than they were before its planning era. Actually, its progress in industrialisation has raised its dependence on imports though the character of imports has changed.

The products which have been examined by the Committee with a view to identifying the major obstacles to the expansion of exports by less-developed countries fall under three major groups: (1) foodstuffs and major agricultural products (cocoa, coffee, tea, oilseeds and vegetable oils, cotton, tobacco and canned fish), (2) industrial raw materials and semi-manufactures (iron ore, copper, copper rollings, lead, ferrochrome and ferromanganese, bauxite, alumina and aluminium and timber), and (3) manufactured goods, including (*a*) manufactures of cotton, jute, coir, leather, and sports goods, and (*b*) new items like bicycles, sewing machines, electric fans, electric motors, diesel engines and steel furniture.

Quantitative Restrictions

One of the most serious barriers confronting the exports of less-developed countries, according to the Committee, relates to quantitative import restrictions. Exports of vegetable oils and seeds, coffee, raw cotton, tobacco, tropical timber, sewing machines and manufactures of jute, cotton and coir are often adversely affected by quantitative import restrictions which are sometimes applied in a discriminatory manner. The Committee observes, in this connection, that the less-developed countries as a group have not benefited significantly from the widely observed movement towards trade liberalisation by industrialised countries, following the improvement in their balance of payments difficulties. In certain instances, removal of restrictions, says the Committee, was confined to raw materials, whereas processed products from these materials have continued to be subject to restrictions. Further, certain industrialised countries have liberalised trade on an area basis, while maintaining restrictions against other areas "in which most of the less-developed countries are located." Calling upon the developed countries to remove these restrictions and implement the provisions of the G.A.T.T. conscientiously, the Committee observes as follows:

> "The maintenance of such restrictions by industrialised countries is a serious threat to the balanced expansion of exports of less-developed countries and to sound patterns of growth in the international economy; the maintenance of such restrictions does not only seriously affect export possibilities for less-developed countries, but also has the effect of concentrating imports in markets where goods can enter freely, thus sometimes contributing to strains on the capacity of these markets to absorb imports. Moreover, many of these restrictive measures, particularly discriminatory restrictions, are in clear contradiction with obligations of the importing countries under the General Agreement by all contracting parties will in itself go a long way towards removing many of the barriers at present still confronting exports from less-developed countries."

Tariff Barriers

Equally restrictive are the tariff barriers imposed by industrialised countries. High tariffs and tariffs which differentiate disproportionately in favour of imports of raw materials, as compared with duties on processed or manufactured goods, are also inhibiting the trade of the less-developed countries. The major commodities affected by these obstacles are vegetable oils, coffee, tea, cocoa products, cotton and coir manufactures, sports goods, aluminium, leather products, manufactured consumer goods, etc.

High revenue duties and internal fiscal charges are also considered major impediments to the intake of coffee, tea, cocoa and tobacco and a number of manufactured consumer products by the developed countries. In the case of coffee, tea, and cocoa in particular, these taxes apply, in effect, only to the imports from the less-developed countries, since there is no domestic production in the countries imposing these taxes. The incidence of revenue duties is particularly heavy in various European countries. In regard to tobacco, barring perhaps the U.S., the vast majority of exporters belong to the underdeveloped category.

State Monopolies

The Committee has also found that the activities of restrictive State monopolies, whether in countries with centrally planned or free market economies, are having an adverse impact on trade in such products as coffee, tea, cocoa and tobacco, particularly where retail prices fixed for these products are very high in relation to import costs. The Committee is of the view that if these monopolies and the purchasing agencies in State-trading countries were to import larger amounts of these products and to provide liberal access to imports from less-developed countries by reducing the internal prices, they would help promote a larger offtake of products from less-developed countries than is the case now.

Apart from the four types of obstacles enumerated above, there are also several other obstacles in some countries such as price support, surplus disposal operations and mixing regulations which are detrimental to the export trade of less-developed countries. The question of fluctuations in commodity prices also deserves mention in this context.

Recommendations

In the light of the aforesaid hindrances imposed by the developed countries, the Committee has made ten specific recommendations designed to improve the situation. The recommendations are:

> "(i) contracting parties should give immediate and special attention to the speedy removal of those remaining quantitative import restrictions which affects the export trade of less-developed countries,
>
> "(ii) contracting parties should consider the immediate removal of any element of discrimination in the application of their import restrictions which affects the export trade of less-developed countries,
>
> "(iii) contracting parties, especially industrialised countries, should examine their tariffs with a view to an early expansion of the export earnings of less-developed countries,
>
> "(iv) contracting parties, during tariff negotiations, should keep in mind the needs of less-developed countries, as stipulated in Article XXVIII *bis*:3(b) of the General Agreement, for a more flexible use of tariff protection, particularly to assist their economic development,
>
> "(v) contracting parties should adopt a sympathetic attitude to the question of reciprocity of tariff concessions to meet the special needs of less-developed countries,
>
> "(vi) contracting parties considering methods to bring about a general reduction of tariffs in the future should take account of the needs of less-developed countries,
>
> "(vii) contracting parties, especially those industrialised countries with favourable financial and economic situations, should re-examine the possibility of reducing substantially their internal revenue and fiscal charges on products of interest to less-developed countries,
>
> "(viii) contracting parties, especially industrialised countries, when formulating and implementing their commercial and economic policies, should give increasing emphasis to measures which would enable less-developed countries to enjoy a progressively increasing rate of growth; where their requirements of processed goods, semi-finished and finished components and of the simpler industrial products can be met by imports from less-developed countries, instead of being produced at home, contracting parties should give sympathetic consideration to moderating their tariff and non-tariff measures affecting these products,
>
> "(ix) contracting parties should take account of the long-term development plants of the less-developed countries and recognise that, important as financial assistance is to less-developed countries, an expansion of exports, both of manufactured goods and raw materials, is essential if less-developed countries are to develop on a sound economic basis, and
>
> "(x) contracting parties operating State import monopolies or purchasing agencies, should endeavour to improve access to their markets for products of less-developed countries by decisions to import larger quantities of the products concerned and, if necessary, by reductions in the difference between import and sales prices."

Some of the countries have already taken a few steps in pursuance of these suggestions, but much still remains to be done. As regards reduction of customs tariffs, the G.A.T.T. is expected to commence shortly the elaboration of a new general plan for this specific purpose. The Committee, at its meeting in May last, drew particular attention to the need for incorporating in the general plan the solutions to the special problems faced by less-developed countries. It may be noted, in conclusion, that, while the Commiitte has made a detailed study of the various obstacles, it has not devoted any attention to the impact of the formation of regional blocs on the prospects for exports by the developing countries. It has also not made any detailed study of the consequences of fluctuations in commodity prices.

The U.S. balance of payments deficit in April, May and June of this year was about half what it was in the previous three months—a drop of $250 million from $475 million. If the second half of the year bears out the usual seasonal relationship, the payments deficit for the whole year 1962 would be somewhat less than $1,500 million. In 1961, it was $2,500 million, and from 1958 to 1960 it ran between $3,500 million and $4,000 million a year. In the April-June quarter, the total purchases, investments, loans, and grants of the Government and people of the United States abroad exceeded receipts by $300 million. Adjusted for expected seasonal variations, that would be $250 million. Improvement in the merchandise trade balance accounted for about $160 million of this $225 million improvement over the first quarter. U.S. imports increased by $140 million from the first to second quarter, but exports increased by an even greater amount.

CALICO MILLS DISAPPOINT

SALES RISE, BUT PROFIT AND DIVIDEND LOWER

THE Ahmedabad Manufacturing and Calico Printing Company Ltd., better known as the Calico Mills [Managing Agents: Messrs. Karamchand Premchand (Private) Ltd., Ahmedabad], has disappointed its investors, in particular, and others, in general, with its working results for the year ended 31st March 1962. For, if the past were any guide to the future, its excellent performance in the previous year, extending the all-round progress seen since 1958-59 after the 1957-58 setback, was expected to be surpassed during the year under review. To the contrary, the only welcome feature of the year's results is the further improvement in sale proceeds from Rs. 10.83 crores to Rs. 11.08 crores. As for the other growth factors, gross profit has declined from Rs. 231.35 lakhs to Rs. 208.48 lakhs and profit-margin (ratio of gross profit to sales) has receded from 21.3 per cent to 18.8 per cent. The investor is the casualty of the disappointing results, as the taxable dividend has been pruned to 25.6 per cent per annum from 27.2 per cent, to which level it was raised only in the previous year from 24.8 per cent paid for 1959-60. The amount of profit retained in business is also lower at Rs. 25.28 lakhs as compared with Rs. 51.36 lakhs a year before. The following paragraph reproduced from the Directors' report for the year throws some light on why and how the Company fared rather badly:

"During the year, the cost of production continued to rise. Wages increased in accordance with the recommendations of the Cotton Textile Wage Board and the Technicians' Award. Due to the Government's import policy, prices of stores, chemicals and dyes were higher. The Government of Gujarat imposed a compulsory power cut in May 1961 on account of acute shortage of electric supply in the State. The Indian cotton crop was again badly affected, resulting in substantial price increases. Prices of cloth, on the other hand, were pegged to previous levels in conformity with the recommendations of the Indian Cotton Mills Federation in consultation with the Government of India with regard to price fixation."

It will be seen from the foregoing quotation that the causes for the setback in the financial results were beyond the management's control.

The table below gives a synoptical view of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	11,07.74	10,83.16	999.51	915.65
Other income	15.34	13.12	10.78	5.23
Closing stock of finished goods	117.44	81.54	67.33	82.38
Raw materials and stores consumed	513.48	473.42	435.64	414.96
Salaries, wages and bonus	264.38	251.41	240.94	220.56
Other expenses	198.84	153.81	138.75	137.22
Gross profit	208.48	231.35	180.40	137.89
Provision for—				
Depreciation	80.45	54.43	25.66	30.17
Taxation	28.35	67.31	59.03	50.75
Managing Agents' remuneration	6.83	12.66	15.37	10.88
Net profit	92.85	96.95	80.34	46.09
Provisions and appropriations written back	18.90	9.06	3.00	..
Past adjustments and transfer to tax-exempt reserve	15.80	9.50	5.43	1.09
Transfer from reserves	14.03	6.60	4.65	..
Transfer to reserves	25.28	51.36	12.88	14.60
Dividends—				
Preference	1.48*	1.48*	1.36*	1.32
Ordinary	52.80 (25.6%)*	56.10 (27.2%)*	51.15 (24.8%)*	36.30 (17.6%)
Carry forward	4.26	16.05	21.59	3.14
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	1,146.00	1,199.00	1,105.00	702.00
Low	968.50	872.00	707.00	501.00

* Subject to deduction of tax.

Vigorous efforts to promote cloth exports were continued by the Company during the year, when it was granted a licence to install 25,000 additional spindles under the export promotion scheme. It is, however, stated that the transfer of authority to issue licences for textile exports to Britain from that country to this resulted in a speculative rush for licences to the detriment of the relatively new comers to the field like the Calico Mills, which were making a genuine and determined effort to increase exports.

The Directors state that rapid modernisation, expansion and diversification of the Company's activities continued to be the most notable features of the year. Capital assets of over Rs. 6 crores have been added to the block in the last five years. While the Directors are convinced that this policy of modernisation and expansion is the best in the long-term interests of the Company, they have observed that it has inevitably put considerable strain on both its human and material resources. Sustained efforts have, therefore, been made to increase savings, thereby enhancing the amount of profits available for retention in business. Nevertheless, borrowings against the security of debentures have been heavy, raising the burden of interest charges from Rs. 13.92 lakhs for the previous year to Rs. 26.21 lakhs in 1961-62. In order to provide for the additional short-term finance for its expansion programme, the Company issued during the year under review debentures of the third and fourth series aggregating Rs. 2 crores and placed them as security with banks against borrowings. Since it is the intention of the Directors to repay the debenture liability through retention of profits, since the investment in expansion and modernisation will take quite some time to yield a reasonable rate of return and since the difficulties in the way of cotton textile industry that led to a fall in profit-margin in the past year are still continuing with no sign of abatement in the foreseeable future, there is little or no prospect of the Company being in a position to raise its dividend in the near future.

The polyvinyl chloride plant of the Company was put into commission in July 1961 and the quality of resins and compounds produced proved to be equal to the highest foreign standards. This is the first time that P.V.C. has been made in India entirely from the basic raw materials, such as salt, limestone and coke. In January 1962, the Government announced new prices for calcium carbide, which turned out to be lower than those recommended by the Tariff Commission. As the Company's plant was not yet in operation when the inquiry was conducted, its higher cost structure on account of heavier capital expenditure and raw materials prices was not reflected in the Tariff Commission's recommendations. The caustic soda expansion is said to be progressing satisfactorily and increased production is expected next year.

The financial position of the Company, though sound, underlines its heavy reliance on loan capital and short-term borrowings. It has an issued and paid-up capital of Rs. 235.58 lakhs, of which Rs. 206.25 lakhs are in equity shares and the balance in preference shares. This is supplemented by reserves and surplus aggregating Rs. 300.35 lakhs. But secured loans (part of which are secured against debentures of Rs. 360.75 lakhs) have increased from Rs. 403.81 lakhs to Rs. 559.43 lakhs, including a loan of Rs. 54.02 lakhs from the I.C.I.C.I. Besides, there are current liabilities and provisions aggregating Rs. 255.79 lakhs which are some Rs. 24.35 lakhs less than a year before. Current assets, loans and advances aggregate Rs. 769.83 lakhs and investments amount to Rs. 8.47 lakhs, the bulk of which are unquoted. The gross block, which increased during the year from Rs. 9.87 crores to Rs. 11.24 crores, has been written down to Rs. 5.73 crores.

The disappointing results for the year under review have currently kept the Rs. 125 fully paid ordinary shares a little subdued around Rs. 985 *cum*-final dividend (of Rs. 18 gross), as against Rs. 1,108 *cum*-final dividend (of Rs. 20 gross) roughly around this time last year. However, even the current rate appears to be quite high, reflecting the investor's confidence in the growth prospects of the Company and its sound management. How high the current rate is will be evident from the fact that, at that rate, the net yield on the shares works out to 1.8 per cent per annum.

(*Concluded from next column*)

Besides this, the mills were permitted to unseal, against their accumulated looms hours, the maximum number of looms with the object of increasing the output to the fullest extent possible.

Side by side with this improvement in operating conditions and raw material supply position, demand for jute goods has been extremely good since January 1962. For the first time in several years, the jute industry has thus been able to work to maximum capacity and indications are, as the Directors state in their report, that such conditions should continue for, at least, the next few months. On account of these favourable trading conditions, prospects for the current year are considered to be bright, unless the decline in U.S. business activity assumes serious proportions, since that country is the single largest buyer of Indian jute goods.

At present, the Rs. 100 fully paid ordinary shares of the Company are quoted at Rs. 304.00 *cum-div.* The net yield, on an *ex-div.* basis, works out to 6.1 per cent per annum.

BALLY JUTE REPEATS DIVIDEND

OUTLOOK ENCOURAGING

CONSIDERING the difficult conditions encountered by the jute mill industry particularly during the first half of the preceding year, the slight setback suffered by Bally Jute Company Ltd., another Birla group concern, during the year ended 31st March 1962 ought to appear as nothing of any serious concern. Realisation from sale of finished goods and scrap material declined from Rs. 258.34 lakhs in 1960-61 to Rs. 239.14 lakhs in 1961-62 and a parallel decrease has been witnessed in the gross profit which has gone down from Rs. 23.23 lakhs to Rs. 21.77 lakhs. In line with a lower gross profit, the provision for Managing Agents' commission has also been reduced from Rs. 1.22 lakh to Rs. 1.20 lakh and there has been a cut of Rs. 0.57 lakh to Rs. 6.96 lakhs in the provision for depreciation. These small savings, however, have been nearly absorbed by the increase in the provision for taxation, due to higher rates of corporate taxation, from Rs. 6.50 lakhs to Rs. 6.90 lakhs. The net profit, too, has, therefore, declined, from Rs. 7.98 lakhs to Rs. 6.71 lakhs to be exact. Even then, the Directors have found no reason to reduce the rate of ordinary dividend which has been maintained for the second year in succession at 25 per cent per annum, subject to deduction of tax. This absorbs Rs. 5.00 lakhs, leaving Rs. 60,074 as a carry forward as against Rs. 1,00,757 brought in. The working results of the Company for the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	239.14	258.34	197.72	195.17
Other income	0.69	0.82	0.68	1.03
Closing stocks	13.85	12.27	7.15	10.27
Raw materials, stores and finished goods consumed	164.83	184.63	110.45	118.00
Salaries, wages and benefits	34.87	36.20	37.85	37.49
Other expenses	19.94	20.22	20.23	18.76
Gross profit	21.77	23.23	26.75	19.00
Managing Agents' remuneration	1.20	1.22	2.36	2.00
Provision for—				
Depreciation	6.96	7.53	6.56	3.50
Taxation	6.90	6.50	4.20	7.31
Net profit	6.71	7.98	13.63	6.19
Withdrawal from reserves and provisions	0.07	0.04	1.11	0.06
To reserves	0.18	0.31	7.50	3.99
Dividend—				
Preference	2.00*	2.00*	2.00*	1.40
Ordinary	5.00 (25%)*	5.00 (25%)*	5.00 (25%)*	2.00 (10%)
Carry forward	0.60	1.01	0.28	0.04
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	319.00	267.00	253.00	216.00
Low	244.00	181.00	200.00	136.00

* Subject to deduction of tax.

The financial position of the Company is strong. The subscribed and paid-up share capital has remained unchanged at Rs. 40.00 lakhs divided equally between 10 per cent cumulative preference shares of Rs. 100 each and ordinary shares also of Rs. 100 each both fully paid. This is backed by reserves totalling Rs. 35.62 lakhs, giving the equity per share as Rs. 278.10. Secured loans aggregate Rs. 70.36 lakhs, of which Rs. 54.39 lakhs represent loan from the State Bank of India secured against all movable assets, while Rs. 15.97 lakhs loan from the National Industrial Development Corporation Ltd. against the security of all fixed assets of the Company. It is interesting to note that, though the latter loan was repayable in instalments by June 1974, it has been fully repaid, since the date of the balance-sheet. Unsecured loans stand at Rs. 0.91 lakh and current liabilities and provisions at Rs. 22.39 lakhs. The net block of the Company is worth Rs. 57.59 lakhs and has been obtained by deducting, from the gross block of Rs. 149.16 lakhs, the accumulated depreciation of Rs. 92.07 lakhs and adding to the balance Rs. 0.50 lakh representing the cost of capital work in progress. Current assets, loans and advances and investments aggregate Rs. 111.70 lakhs.

When the Company commenced its financial year on 1st April 1961, the jute mill industry was passing through a difficult situation. Because of the shortage of raw jute, production had to be curtailed by sealing additional looms, reducing working hours and resorting to block closure of mills for two periods of one week each in June and July 1961. The situation was transformed when the 1961-62 jute crop turned out to be a bumper one. With the arrival of the new crop in the market from September 1961, trading conditions began to improve and working hours were increased by stages to 48 as against 42½ as at the commencement of the year.

(*Continued in previous column*)

KESORAM INDUSTRIES' PROFIT-MARGIN SHRINKS AS COSTS AND EXCISE RISE

DIVIDEND MAINTAINED ON HIGHER CAPITAL

YET another victim of rising production costs and increasing burden of excise duty, which has not only been increased where it already existed but whose net has also been widened year after year to cover the previously uncovered commodities, is the Kesoram Industries and Cotton Mills Ltd., formerly known as only Kesoram Cotton Mills Ltd. (Managing Agents: Messrs. Birla Brothers (Private) Ltd., Calcutta). The Company's excellent sales performance for the year ended 31st March 1962 has unfortunately ended in a lower gross profit. In keeping with the preceding year's remarkable all-round progress, sale proceeds for the year under review have staged a further impressive rise of Rs. 143 lakhs to Rs. 11.61 crores. The enhanced burden of excise duty accounts for Rs. 51.45 lakhs of this increase. Even so, the gross profit has declined by Rs. 3.71 lakhs to Rs. 180.03 lakhs. While the decline in profit is just a little, the profit-margin (ratio of gross profit to sale proceeds exclusive of excise duty but inclusive of closing stocks) has beat a retreat from 18.6 per cent to 16 per cent.

The year under review saw further rise in all sorts of expenses. The cost of raw materials, stores and spares consumed increased sharply from Rs. 451.76 lakhs to Rs. 525.25 lakhs, staff expenses went up from Rs. 204.33 lakhs to Rs. 222.13 lakhs and other expenses rose from Rs. 102.41 lakhs to Rs. 125.89 lakhs. On top of this, the excise duty burden rose from Rs. 114.77 lakhs to Rs. 166.22 lakhs. In these circumstances, one can hardly blame the management for the setback in the profit-margin.

As regards appropriations, while the provision for depreciation is slightly lower at Rs. 69.43 lakhs as compared with Rs. 71.51 lakhs a year before, that for taxation has been raised pretty sharply from Rs. 6.67 lakhs to Rs. 36.16 lakhs and the Managing Agents' commission has absorbed Rs. 9.70 lakhs as against Rs. 8.92 lakhs in 1960-61. Consequently, the net profit at Rs. 64.74 lakhs shows a sizable setback of roughly Rs. 32 lakhs. Nonetheless, the Directors have maintained the dividend at Re. 1.20 per share, subject to tax, on the Rs. 10 fully paid-up shares and that too on the capital increased during the year by the issue of 400,000 shares at par in the form of rights shares in the proportion of one new share for every four old shares held by the shareholders as on 22nd July 1961. However, to maintain the dividend, the Directors have drawn Rs. 11.37 lakhs, as against a mere Rs. 2.03 lakhs a year before, from reserves. While increasing the transfer to development rebate reserve from Rs. 3.47 lakhs to Rs. 13.38 lakhs, they have reduced credit to general reserve from Rs. 62.37 lakhs to Rs. 30.91 lakhs. The net effect of these withdrawals from and additions to reserves is that the amount of profit conserved at Rs. 32.92 lakhs is less than half of that (Rs. 65.84 lakhs) last year.

The table below gives a clear idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	11,60.89	10,17.84	628.18	548.60
Closing stocks	125.40	81.15	182.25	140.38
Other income	14.37	24.88	18.02	4.89
Raw materials, stores and spares consumed	525.25	451.76	385.88	340.89
Staff expenses	222.13	204.33	170.90	153.64
Excise duty	166.22	114.77	..	..
Other expenses	125.89	102.41	75.41	59.12
Gross profit	180.03	183.74	49.78	9.42
Provision for—				
Depreciation	69.43	71.51	2.17	3.99
Taxation	36.16	6.67	..	2.11
Managing Agents' commission	9.70	8.92	0.50	0.50
Net profit	64.74	96.64	47.11	2.82
Transfer from reserves	11.37	2.03	14.73	8.15
To development rebate reserve	13.38	3.47	47.20	2.08
Transfer to reserves	30.91	62.37	..	0.03
Dividends—				
Preference	9.84*	11.86*	6.73*	4.15
Ordinary	24.00 (12%)*	19.20 (12%)*	8.00 (5%)*	4.00 (2.5%)
Carry forward	0.43	2.45	0.68	0.77
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	35.50	38.25	25.37	13.06
Low	27.06	24.62	12.87	10.06

* Subject to deduction of tax.

After some initial satisfactory working, the textile section of the Company experienced, in common with the industry as a whole, difficulties arising from slack demand, higher cotton prices, non-availability of and steep increases in the prices of stores, spares and dyes and higher wages from the beginning of 1962, all of which contrasted sharply with the *status quo* in the controlled ex-mill prices of cloth. The Directors regret that, while higher wages have been paid under the Wage Board award, little progress has been made in regard to the Board's recommendation on the introduction of rationalisation of various work-loads, in the absence of which the competitive power of the industry in West Bengal, in particular, will be greatly impaired. The rayon plant reached the target capacity, but did not enjoy satisfactory earning capacity owing to (*a*) the industry having to absorb 60 per cent of the increased excise duty, (*b*) import at higher cost of the export incentive rayon-grade pulp, (*c*) higher prices of raw materials and stores, (*d*) insufficient power supply and (*e*) fall in the prices of certain types of yarn. As regards raw materials, the price of sulphur was higher by 25 per cent and that of caustic soda by 15 per cent. The Directors have estimated the resultant burden of all these factors on the Company at Rs. 44 lakhs on the basis of 48 machines working for a full year. The industry has, therefore, represented to the Textile Commissioner the question of increase in yarn prices.

The transparent paper casting machine started working in June 1961 and production was gradually increased to the designed capacity. Subsequently, however, production was cut due to the slump in offtake. To improve sales, moisture-proofing, printing and bag-making machines have been ordered and are expected to arrive shortly. In addition to these shortcomings, the Company was affected by the shortage of power and coal, which still continues.

Fair progress has been reported by the Directors on modernisation of the textile section, which involved a capital expenditure of Rs. 47 lakhs during the year. In view of the present conditions of the industry, the Directors propose to continue the programme for several years. The second unit of the rayon plant, consisting of 24 spinning machines, went into production in April 1962 and should be working now at full capacity. The import licence for the steel tube project was delayed. But it is expected to be received soon. Meanwhile, land for the project has been purchased near Calcutta and arrangements for temporary supply of power have been finalised with the Calcutta Electric Supply Corporation Ltd. Efforts are being made for securing permanent power supply. The proposed spun pipe project is to be located near the steel tube project. Necessary intimation for the import licence has been received from the Government, subject to the sanction of a loan by the International Bank for Reconstruction and Development. Provisional orders for the plant have already been placed and the technical know-how has been arranged. All these formalities are expected to be finalised by the end of this year. In order to raise additional finance for the various projects, the Directors have approached the authorities with an application to issue debentures and the matter will be considered after the sanction has been obtained.

As for the outlook for the Company, the Directors are optimistic in view of the substantial expansion and diversification in activities, which will find further extension in future. The Directors add that the ultimate future of the Company is quite sound, though periods of unexpected difficulties now and then cannot be ruled out.

The Company's subsidiary, Bharat Kala Bhandar Ltd., reported for the year ended 31st March 1962 a setback in sales from Rs. 455.61 lakhs to Rs. 368.67 lakhs, but a substantial improvement in gross profit from some Rs. 66,000 to Rs. 7.75 lakhs. It has been licensed to install 12,500 additional spindles in its cotton spinning mill at Charduar.

The financial position of the Company is quite impressive. Its paid-up capital of Rs. 319.93 lakhs (of which Rs. 200.09 lakhs are in equity shares and the rest in preference shares) is backed by reserves and surplus aggregating Rs. 333.22 lakhs. Borrowings, the bulk of them from banks, went up during the year; secured loans from Rs. 170.84 lakhs to Rs. 232.73 lakhs and unsecured loans from Rs. 87.67 lakhs to Rs. 96.06 lakhs. Current liabilities and provisions, put together, also increased from Rs. 192.40 lakhs to Rs. 289.53 lakhs. Besides, there are contingent liabilities running into some hundred lakhs, including Rs. 68.75 lakhs by way of guarantees to the State Bank of India against the liabilities of the subsidiary company. As against this, current assets, loans and advances total Rs. 343.90 lakhs and investments amount to Rs. 46.16 lakhs, of which Rs. 27.37 lakhs are quoted and command a market value of Rs. 90.84 lakhs. The gross block expanded sharply during the year from Rs. 8.71 crores to Rs. 11.65 crores, following the erection of the second unit of the rayon plant which is valued at Rs. 240.69 lakhs. The net block is shown at Rs. 881.41 lakhs. The contingency reserve of Rs. 11.37 lakhs created last year in connection with the depreciation on the revalued amount of fixed assets has been transferred to general reserve following the receipt of the approval from the Union Ministry of Commerce and Industry, Department of Company Law Administration. No depreciation has been provided on the revalued amount of fixed assets during the year under review, but the same has been taken into consideration for calculating the Managing Agents' commission. The total depreciation provided so far is yet inadequate. The Company did not provide for any depreciation during the year ended 31st March 1958 and the provision for the years 1959 and 1960 was inadequate. The Directors say that "the arrears of depreciation will be made good gradually in future," as the quantum of depreciation required to be provided for under Section 205 of the Companies Act, 1956, is higher than what is required under the Income-tax Law.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 28.62 *cum-div.* At this rate and on the *ex-div.* basis, they yield a net return of 3 per cent per annum.

CAMPHOR AND ALLIED PRODUCTS LTD.

The Directors of the Camphor and Allied Products Ltd. (Managing Agents: Messrs. Dalal and Jhaveri [Private] Ltd., Bombay) have stated in their first annual report covering the period ended 31st March 1962 that, due to certain formalities beyond its control, the Company cannot go into production by December 1962 as expected at the time of the issue of the prospectus and that production would be delayed further by about three to four months. Meanwhile, the Company has purchased land admeasuring 9.97 acres from the Indian Bobbin Company Ltd., Clutterbuckganj. In addition it has paid deposit and taken possession of land admeasuring about 12 acres from the Forest Department of the U.P. Government, pending finalisation of the documents. Construction work has commenced and will be completed by October next. The superstructure of the plant building will be ready by November this year. According to the terms of the agreement for the purchase of technical documentation and equipment from abroad, the Company has paid $150,000 to its engineering consultant, Messrs. American Hydrotherm Overseas Corporation, which has placed orders for the supply of almost all the machinery required to be imported. The indigenous machinery has been ordered and will start arriving at the site from September next and the imported machinery will be received from November. The erection work, to commence in December next, will be completed by March-April 1963. The Special Director of the Company, Dr. Gastao Etzel, has arrived in India and started imparting training to its technicians in the technique and processes involved in the manufacture of camphor. He has almost finalised the research work for the maximum utilisation of the by-products of camphor.

During the period under review, the Company earned a sum of about Rs. 55,000. It incurred total expenditure of Rs. 3.03 lakhs, out of which Rs. 2.74 lakhs has been transferred to expenditure during construction account and, after providing Rs. 27,500 for taxation, there is a nominal loss of some Rs. 1,000, which is carried forward. The Company issued capital of Rs. 60 lakhs, consisting of 50,000 equity shares of Rs. 100 each and 10,000 9.23 per cent, taxable, cumulative redeemable preference shares, also of Rs. 100 each. The amount called up on both equity and preference shares up to 31st March 1962 was Rs. 75 per share. As against the subscribed capital of Rs. 45 lakhs, the paid-up capital, inclusive of the call arrears received, stood at Rs. 44.79 lakhs at the year-end.

DEVIDAYALS COMMISSION NEW FURNACE

Devidayal Metal Industries (Private) Ltd. of Bombay, which is one of the leading manufacturers of non-ferrous metal products in the country, has recently commissioned a new furnace which is known as controlled atmosphere bright annealing furnace. Supplied by the world-renowned Efco Furnace Ltd., U.K., the furnace is used for heating and cooling a metal or alloy and softening it by increasing its grain size. It is also used for eliminating gas pockets, etc. It is said to be producing the much-needed metal for cold rolling, especially for the manufacture of items undergoing drawing, bending or polishing. Devidayals have been continuously installing new equipment and would add some more this year, which would include also a complete new rolling mill.

SYNOPSES OF COMPANY REPORTS

Birla Cotton Spinning and Weaving Mills Ltd.

(*Managing Agents*: Messrs. Birla Brothers Private Ltd.)

Registered Office: Birla Lines, Delhi-6.

Sixty-sixth Annual General Meeting—3rd September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods (less discount, etc.) ..	7,40,31	5,51,42
Closing stock	78,78	86,14
Gross profit	51,44	46,06
Transfer to Managing Agents' remuneration ..	4,24	2,91
,, ,, depreciation	7,33	7,80
,, ,, provision for taxation	23,00	18,50
Net profit	16,77	15,85
Adjustments	1,34	83
Appropriations:		
Total available balance	18,11	16,68
Transfer to general reserve	6,00	7,00
,, ,, development rebate reserve ..	2,45	35
Proposed dividend (taxable) ordinary ..	7,99	7,99
	(20%)	(20%)
Carry forward	1,67	1,34

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report: During the year under review, there was a considerable increase in the cost of production in the textile industry by reason of steep rise in the price of cotton and substantial increase in wages, dearness allowance and prices of stores, dyes and spare parts. This adversely affected the working results of the mill. The ginning and pressing factories at Malout and Kesrisingpur and the tent factory worked satisfactorily and have shown good working results. On the whole the working results for the year under review are considered satisfactory.

Some more machines in the processing and finishing departments of the textile mill were added during the year. A few more machines are likely to be added during the current year. In view, however, of the great difficulty in getting requisite import licences, the plan for modernisation of more machines in the textile mill is being delayed. As mentioned in the last report, an application was made to the Government of India for permission to instal additional spindles for balancing the existing ratio of looms to spindles, but unfortunately the application has not been approved.

Since the close of the accounting year the rate of excise duty on cloth and yarn has been increased by the Central Government. Excise and custom duties have also been levied and/or increased on various items which are required by the textile industry. Due to failure of the cotton crop in the last season there is now an acute shortage of cotton leading to further increase in its price. All these factors are likely to affect the working results of the current year adversely.

The Directors are glad to inform that licences have been granted to this company to set up two textile units—one at Kathua in the State of Jammu and Kashmir with a capacity of 12,500 spindles and the other at Khurja in Uttar Pradesh with a capacity of 25,000 spindles. The Directors are taking necessary steps for setting up the units. Orders for plant and machinery for the Kathua Mills have already been placed.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital* ..	39,95,950	Gross block ..	1,88,65,730
Reserves and surplus..	1,22,70,307	—Depreciation	1,34,28,741
Other liabilities ..	1,63,95,504		
		Net block ..	54,36,989
		Block in progress	6,57,311
		Current assets	2,12,30,257
		Investments ..	47,26,095
		Cash	6,11,109
	Rs. 3,26,61,761		Rs. 3,26,61,761

* Paid-up capital consists of 3,99,595 ordinary shares of Rs. 10 each including 49 shares remaining to be allotted against surrender of shares of *Merchandise & Stores Ltd.* 39 fractional certificates of one-third ordinary shares each have not yet been surrendered for conversion into fully paid ordinary shares.

Central India Coal-fields Ltd.

(*Managing Agents*: Hindusthan Investment Corporation Ltd., Calcutta.)

Annual General Meeting—3rd September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales (gross)	94,45	92,60
Closing stock of coal and coke	1,01	1,34
Gross profit	20,73	21,27
Transfer to Managing Agents' remuneration ..	1,91	1,48
,, ,, depreciation	3,21	5,85
,, ,, provision for taxation	8,24	6,40
Net profit	7,37	7,54
Adjustments	1,13*	28
Appropriations:		
Total available balance	9,00	7,82
Transfer to development rebate reserve ..	42	1,45
,, ,, reserve for contingencies ..	Nil	25
Proposed dividend (taxable) equity	5,40	5,40
	(10%)	(10%)
Carry forward	3,58	1,12

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 1,350 being refund of income-tax for the assessment year 1960-61.

Extracts from the Directors' report:

Raisings and Workings:

	1960-61	1961-62
	Tonnes	Tonnes
Raisings	4,38,804	4,41,051
Despatches	4,25,572	4,32,194

As will be seen from the above figures, the Company has maintained satisfactory progress during the year. The Directors in their report last year, had mentioned about the depletion of reserves of coal at the Pure Chirimiri Colliery. It was mentioned that the colliery will be able to work only upto the end of 1961. However, by working out all available sources, the life of the colliery has been prolonged but the reserves will be completely exhausted by August, 1962, when that colliery shall be shut down. The Directors are considering possibilities of augmenting the raisings at the other collieries of the Company. The workings at the Orient Colliery suffered some setbacks but are now returning back to normal. At the Khas Badjna Colliery, the workings of Badjna seam were difficult due to intrusion in the seam and bad roof conditions. The sale of IIIB coal from the Brindabanpur seam at this colliery poses a difficult problem and attempts have been made to convert the coal into soft coke.

A part of the fixed assets worth Rs. 2,16,758 has been written off in the accounts this year. This is due to the closure of 2 out of the 3 inclines at the Pure Chirimiri Colliery. The value of mining rights pertaining to that colliery has also been written off proportionately.

The year under report was a difficult one for the coal industry due to difficult railway transport and accumulation of stock at the pitheads. The cost of coal mining has been increasing over the past few years due to increase in labour cost consequent upon implementation of various awards and also due to increase in prices of stores. The incidence of various increases in labour charges due to operation of labour awards have not been fully neutralised by corresponding adequate increase in prices. The industry had represented to the Government for a satisfactory price increase to compensate for all the losses. The Government has, however, responded by giving very meagre increases in the prices; these in the case of this Company being 75 nP per tonne for *Grade I* coal, 37 nP per tonne for *Grade II* coal. The industry has again taken up this matter with the Government but so far no decision has been taken by them.

The Chairman informed that pursuant to the resolution of the Board of Directors dated 9th April 1962, an Extraordinary meeting of the shareholders of the Company was held on 8th June 1962, to approve the appointment of the Hindusthan Investment Corporation Ltd. as Secretaries and Treasurers of the Company, subject to the approval of the Central Government. The resolution has been duly passed by the shareholders and the application is being made to the Central Government for sanction and approval of the necessary appointment.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital* ..	49,07,750	Gross block ..	84,52,322
Reserves and surplus..	10,43,393	—Depreciation	33,58,568
Other liabilities ..	31,51,069		
		Net block ..	50,93,754
		Current assets	34,62,926
		Investments ..	5,68,953
		Cash	66,579
	Rs. 91,02,212		Rs. 91,02,212

* Paid-up capital consists of 4,99,700 equity shares of Rs. 10 each fully paid up in cash. Amount of shares forfeited—Rs. 750.

Huldibari Tea Association, Ltd.

(*Managing Agents*: Messrs. Davenport & Co., Ltd., Calcutta.)

Annual General Meeting—31st August 1962.

Working Results:

	For the period ended 28th February (In thousand rupees)	
	1962	1960*
Proceeds of tea—		
Sold in U.K. (gross)	3,48	Nil
,, ,, Calcutta (gross)	31,31	26,68
Closing stock of tea	2,43	13,59
Gross profit	5,64	9,61
Transfer to Managing Agents' remuneration ..	37	74
,, ,, depreciation	1,69	2,29
,, ,, provision for taxation	98	2,81
,, ,, ,, ,, leave pay and passage.	13	14
,, ,, ,, bonus to labour ..	13	80
,, ,, development rebate reserve ..	25	3
Net profit	2,09	2,80
Adjustments	81	87
Appropriations:		
Total available balance	2,90	3,67
Transfer to general reserve	Nil	1,00
To dividend (taxable) ordinary ..	1,86†	1,86
	(22½%)	(22½%)
Carry forward	1,04	81

N.B.—Adjustments represent only the balance brought forward from the previous year.

* The company has changed the accounting year from December to February. Hence the comparative figures for the previous year are the year ended 31st December 1960.

† This consists of an interim dividend of 10 per cent. and a final dividend of 12½ per cent.

Extracts from the Directors' report: The season started with a welcome rain favourable to growth followed by a severe hailstorm in April resulting in a damage assessed at 63,067.48 kgs. of black tea and a crop of 889.068 (890.959 kgs. for 1960) kgs. of tea (excluding the tea damaged by hail assessed as above) was made against an estimate of 907.185 kgs.

Irrigation carried out in some sections proved beneficial and a scheme enabling further irrigation is under way.

Sale price and cost of working	*Season 1961*	*Season 1960*
	Per kg.	*Per kg.*
Total net average sale price	Rs. 4.02	Rs. 4.52
Working cost per kg. of tea produced ..	Rs. 3.81	Rs. 3.61

It has been found difficult to comply with the provisions of the Companies (Amendment) Act, 1960 which calls for the holding of an annual general meeting within six months of the close of the accounting year as the annual account show the profit or loss on each season's operation and the books cannot be closed until substantially the whole of the crop has been sold. The auction sales of the previous year's crop continue upto May of the following year and, therefore when the accounts are closed in December, very little time is left, for finalisation and completion of audit and convening of the annual general meeting. The Directors have, therefore, considered it advisable to change the accounting year of the Company from December to February and the reduced profit shown may be partly attributed to the provision in the accounts of expenses for fourteen months.

Estimates for 1961 have been based on a crop of 25,000 Mds. of tea at a total cost Rs. 32,25,900.

Katihar Jute Mills.—The Directors are pleased to advise that with a view to diversify the activities of the Company, the lease of Katihar Jute Mills in Katihar having 3,876 spindles and 220 looms has been taken from the 1st April, 1962 for a period of two years and nine months.

Accounts in brief as at 28th February 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital* ..	8,25,000	Gross block ..	36,11,384
Reserves and surplus..	23,96,901	—Depreciation	16,12,373
Other liabilities ..	15,14,024		
		Net block ..	19,99,011
		Block in progress	49,821
		Current assets	19,03,806
		Investments ..	5,88,194
		Cash	1,95,093
	Rs. 47,35,925		Rs. 47,35,925

* Paid-up capital consists of 82,500 shares of Rs. 10 each. Out of this 55,000 shares are allotted as fully paid up by way of bonus shares by capitalisation of general reserve. In an Extraordinary General Meeting held on 15th June 1962 the paid-up capital was increased to Rs. 10,50,000 by capitalising Rs. 8,25,000 from reserves. This bonus issue was in the proportion of one new share for every ordinary share held. These new shares do not participate in the dividend declared for the period ended 28th February 1962.

Chembra Peak Estates Ltd.

(*Managing Agents*: Messrs. Peirce Leslie & Co., Ltd., Calicut, Kerala.)

Thirtieth Annual General Meeting—8th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Income from crops—		
Tea	31,75	36,36
Coffee	4,78	4,60
Pepper	2	2
Gross profit	9,00	13,21
Transfer to Managing Agents' commission ..	58	92
,, ,, depreciation	1,26	1,21
,, ,, provision for taxation	3,58	6,01
Net profit	3,60	5,07
Adjustments	2,78*	1,39
Appropriations:		
Total available balance	6,38	6,46
Transfer to provision for gratuity ..	3,30	Nil
,, ,, development rebate reserve ..	3	6
,, ,, general reserve	Nil	2,17
,, ,, dividend equalisation reserve ..	Nil	1,00
Proposed dividend (taxable) ordinary ..	2,80	2,80
	(20%)	(20%)
Carry forward	25	43

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 34,536 being excess provision for taxation in previous years written back and Rs. 2,00,000 transferred from general reserve.

Extracts from the Directors' report: Now that gratuities to staff and labour have become a legal obligation, it is considered necessary to make suitable provisions in the accounts. To enable the initial provision to be made, Rs. 2,00,000 has been drawn from general reserve and the balance appropriated from the current season's surplus. After making the transfer for gratuity provision the general reserve stands at Rs. 11,00,000. Full provision has been made in the accounts for Income-tax and agricultural income-tax due on the year's profits.

Tea: A crop of 7,58,097 kgs. (1960-61—8,24,496 kgs.) was harvested at a cost of Rs. 3.61 per kg. The average price realised for the year was Rs. 4.19 per kg. as compared with Rs. 4.41 per kg. for 1960-61.

Year	*Tea crop*	*Estate cost of production*	*All-in cost*	*Average price realised*
	Kgs.	Rs.	Rs.	Rs.
1959-60	7,02,575	2.58	3.29	4.16
1960-61	8,24,496	2.47	3.32	4.41
1961-62	7,58,097	2.81	3.61	4.19

Coffee: The crop harvested amounted to 206.843 tonnes (1960-61—228.377 tonnes).

A comparative statement showing details of crop, costs and payments for our coffee for the past three years is given below:—

Year	*Crops*	*Estate cost of production*	*All-in cost*	*Payments received per tonne*
	M. tonnes	Rs.	Rs.	Rs.
1959-60	61.481	3,027	3,390	2,407
1960-61	228.377	1,191	1,341	2,079
1961-62	206.843	1,138	1,204	2,310 (est.)

Estimates for season 1962-63 are as follows:—

Tea .. .. 8,16,466 kgs.

Coffee .. .. 240 metric tonnes

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	14,00,100	Gross block	29,31,248
Reserves and surplus..	12,70,857	—Depreciation ..	10,48,175
Other liabilities ..	13,35,073		
		Net block	18,83,073
		Block in progress ..	22,810
		Current assets ..	10,43,564
		Investments	1,000
		Cash	10,55,283
	Rs. 40,06,030		Rs. 40,06,030

* Paid-up capital consists of 7,00,050 ordinary shares of Rs. 2 each fully paid. Of this 1,70,913 shares have been allotted as fully paid up pursuant to a contract without payments being received in cash and 4,66,700 shares have been allotted as fully paid up by way of bonus shares through the capitalisation of reserves.

Notices

ORIENT PAPER MILLS LIMITED

Registered Office:

BRAJRAJNAGAR, DIST. SAMBALPUR (ORISSA)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Orient Paper Mills Limited will be held at the registered office of the Company at Brajrajnagar in the District of Sambalpur (Orissa) on Friday, the 14th September, 1962, at 3 p.m., for the following purposes:—

(*a*) To receive and consider the report of the Directors and to adopt the audited accounts of the Company for the year ended 31st March, 1962.

(*b*) To declare dividends on Preference and Ordinary Shares.

(*c*) To elect Directors in place of Shri J. P. Poddar and Shri B. N. Chaturvedi who retire by rotation and are eligible for re-election.

(*d*) To appoint Auditors for the current year and to fix their remuneration.

(*e*) AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions to be proposed as special resolutions:—

(i) Resolved that the Articles of Association of the Company be amended by adding after Article 126(*b*) the following Article to be numbered as Article 126(*c*), viz.,

"The Board may appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly; but he shall not require any qualification and shall *ipso facto* vacate office if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director."

(ii) Resolved that the Company do hereby approve of the Contracts entered into or to be entered into from time to time with Messrs. Kesoram Industries and Cotton Mills Ltd. and/or its proprietary concerns who are or may be deemed to be the associates of the Managing Agents of the Company for purchase, sale or supply of stores and other goods in such quantities and in such manner as may be agreed upon between them and the Company upon the terms (i) that the price or amount charged to or received by the Company shall be at rates current in the market at the time of supply, and (ii) that payment for the goods sold and/or supplied by the Company shall be made within one month from the date of supply of goods.

By Order of the Board,

Per Pro BIRLA BROTHERS PRIVATE LTD.,

G. D. MAKHARIA,

Managing Agents.

15, INDIA EXCHANGE PLACE,

CALCUTTA, *the 6th August*, 1962.

N.B.—(i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(ii) The Share Registers and Transfer Books of the Company will remain closed from the 16th August to 29th August, 1962, both days inclusive.

(iii) The dividends, when declared, will be payable to registered shareholders as on the 29th August, 1962 or to their mandatees on or after the 15th October, 1962.

(iv) The Explanatory Statement as required under Section 173 of the Companies Act, 1956 has been forwarded to the members of the Company along with the Notice of the meeting.

THE DEHRI-ROHTAS LIGHT RAILWAY COMPANY LIMITED

Registered Office:

DALMIANAGAR (BIHAR)

NOTICE

THE ANNUAL GENERAL MEETING OF THE Company will be held on Saturday, the 8th September, 1962 at 11 a.m., at the Registered Office of the Company at Dalmianagar, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March, 1962.
2. To declare dividend.
3. To appoint a Director in place of Shri S. K. Bagla, who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Lovelock & Lewes, retiring Auditors, being eligible, offer themselves for re-appointment.

AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution, which will be proposed as Ordinary Resolution:—

"Resolved that the number of Directors of the Company be and is hereby increased to six."

6. To appoint a Director subject to the passing of the above Resolution No. 5. Notice from Shri Uma Shankar Bajoria signifying his candidature for the office of Director has been received by the Company and is hereby given to the members.
7. To appoint a Director subject to the passing of the above Resolution No. 5. Notice from Shri K. K. Jajodia signifying his candidature for the office of Director has been received by the Company and is hereby given to the members.

The Share Transfer Books of the Company will remain closed from 23rd August, 1962 to 1st September, 1962, both days inclusive.

By Order of the Board,

for SAHU JAIN LTD.,

A. K. JAIN,

Managing Director,

Managing Agents.

CALCUTTA,

6th August, 1962.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

Explanatory note as required under Section 173 of the Companies Act has been forwarded to the members of the Company with the notice.

THE JAIPUR UDYOG LIMITED

Registered Office:

SAWAI MADHOPUR (W. RLY.)

NOTICE

THE ANNUAL GENERAL MEETING OF THE shareholders of The Jaipur Udyog Limited will be held at the Registered Office of the Company at Sawai Madhopur on Tuesday, the 25th September, 1962, at 4 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statements of Accounts for the financial year ended 31st March, 1962.
2. To declare dividends.
3. To elect a Director in place of Sri Chunnilal Jaipuria who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors Messrs. R. D. Joshi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

Share Transfer Books and Members' Registers of the Company will remain closed from Wednesday, the 12th September, 1962 to Tuesday, the 25th September, 1962, both days inclusive.

By Order of the Board,

FOR THE JAIPUR UDYOG LIMITED,

FOR SAHU JAIN LIMITED,

A. K. JAIN,

Managing Director,

Managing Agents.

CALCUTTA,

6th August, 1962.

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

JARDINE HENDERSON LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Wednesday, the 26th September, 1962, at 11.30 a.m., for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.

(2) To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares of the Company.

(3) To appoint a Director in place of one retiring.

(4) To appoint Auditors and to fix their remuneration.

Notice is also given that the Transfer Books of the Ordinary Shares of the Company will be closed from the 13th September to the 26th September, 1962, both days inclusive.

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

By Order of the Board,

C. EVANS,

Acting Secretary.

4, CLIVE ROW, CALCUTTA-1,

10th August, 1962.

UNION JUTE COMPANY LIMITED

DIVIDEND FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on 18th August, 1962, Dividend on Cumulative Preference Shares at 9.10 per cent per annum subject to deduction of tax was recommended.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,

Managing Agents.

Registered Office:

CHARTERED BANK BUILDINGS,

CALCUTTA-1.

18th August, 1962.

THE DALHOUSIE JUTE COMPANY LIMITED

DIVIDEND FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on 18th August, 1962, Dividend on Cumulative Preference Shares at 9.10 per cent per annum subject to deduction of tax was recommended.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,

Secretaries & Treasurers.

Registered Office:

CHARTERED BANK BUILDINGS,

CALCUTTA-1.

18th August, 1962.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs	Paid-up Per Share Rs.	Dividend 1959 Rs. nP.	Dividend 1960 Rs. nP.	Dividend 1961 Rs. nP.	Dividend 1962 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	.	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.34	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	86,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	61.50	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	67.90	25	3.50	3.50	3.50		12	Y.
10,00,000	2,84,495	89,53,981	57,46,203	1,37,996	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	191.00	50	5.00	5.00	12.50		3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	637.00	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Cooria Spg. & Wvg.	152 50	100	7.50	11.00	11.00		3	Y.
28,00,000	29,03,230	1,02,39,816	68,42,312	2,06,873	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	178.50	50	10.00	15.00	15.00		3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	349.00xd	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	116.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	315.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,63,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	237.00	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	925.00xr	250	350.00	500.00	500.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	25.75 3.78	0 100. 0 1D.	Nil Nil	0.80 0.1325	1.40 0.3725		12	Y.
18,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	867.50	250	200.00	232.00	250.00		3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	483.75	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	320.50	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	60.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	421.00	100	21.50	21.50	24 00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	518.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	181.00	100	Nil	Nil			12	Y.
80,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	280.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	55,35,221	1,89,77,617	1,29,35,901	4,01,084	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	263.00	100	10.00	15.00	20.00		3	Y.
55,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	132.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	137.50	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	57.50	10	2.50	1.70	2.00		12	Y.
90,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	271.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	165.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	922.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	268.50	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,323	550	Swan Mills	310.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	63.70	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	417.50	100	20.00	25.00	25.00		12	Y.P.
12,00,000	1,18,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	860.00	250	81.25	116.00	125.00		12	Y.P.
					AHMEDABAD											
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.50	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	674.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	994.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95 35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	460.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	675.00	100	25.00	30.00	35.00		12	Y.P.
2,06 25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	994.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	490.00	250	36.00	..	50 00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,510.00	125	55.00*	60.00	45 00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	487.50	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	665.00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	25,73,702	1,66,60,167	94,85,502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	205.00	100	10.00	10.00			12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,282.00	100	45.00	50 00	Nil		12	Y.P.
					WEST BENGAL											
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	8.56	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,80,620 1,70,000	3,62,600	1,03,06,007	68,71,408	—2,60,950	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	985	Bengal Luxmi Cotton Mill	35.00N	40	Nil	Nil	2 00		3	Y.P.
60,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	27.69	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	26.12	10	Nil	1.00	2.00		12	Y.P.T.
33,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	32.00	10	1.00	2.00	2.00		12	Y.T.
30,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	15.37	10	0.80	1 00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	28 50	10	0.25	0 50	1.20	1.20	8	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	11.00N 2.50N	10 1D	Nil Nil	0.30 Nil	0.30 Nil		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	132.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,16,246	28,26,418	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	5.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	726	Azam Jahi Mills	81.00	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	248.00	100	10.00	10.00	8.00		12	Y.P
4,75,46,225	6,30,205	5,94,49,238	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.		..	Baroda Rayon Corporation	138.00	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	30,896	1,094	Birla Cotton Spg. & Wvg.	32.00	10	Nil	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	272.00	100	10.00	10.00	18.00		12	Y.P.T.
20,60,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	27,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,63,218	58,56,470	35,95,076	1,98,878	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	134.50cd	100	15.00	17.00	20.00		3	Y.
80,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.19	5	Nil	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25xd	10	0.90	1.30	1.50	1.50	3	Y.P
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	169.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	21,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	139.60	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	276.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	76.00cdcr	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	143.00	100	Nil	Nil	Nil		6	Y.P.
29,99,075	34,15,411	1,33,02,693	68,48,175	15,465	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00		3	Y.
3,38,36,225 1,00,568	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,686	2,333	Delhi Cloth & General Mills	52.44	25 2½	2.50 0.25	2.50 0.25	3.25 0.325		6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	20.12	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	190.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	58.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	102.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	184.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	72.00	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	17.62	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	14.25	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,868	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.24	10	0.07	Nil			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.87	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	147.00xd 74.12xd	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	815.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	35.20	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00xd	100	25.00	30.00	0.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	85.00	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. B. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	130.00	250	Nil	Nil	Nil		6	Y.
49,61,000	39,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	62.50	50	5.00	7.00	7.00		2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.37	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	72.00	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P
15,00,000	....	36,54,512	22,00,766	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	36.31	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	111.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	89.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	22,11,000	66,06,845	32,18,566	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	169.00cd	100	6.00	9.00	16.00		3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90xd	100	16.00	22.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	124.00	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	165.50	100	Nil	Nil	Nil		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.		..	Sirsilk Ltd.	10.19	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	28,74,204	1,12,40,198	76,76,284	14,497	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	79.50cd	50	4.00	5.50	5.50		3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,08,29,029	1,23,78,020	96,22,758	2,77,919	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	112.00	10	6.00	8.57	8.57		3	Y.
O. 17,50,000 P.O. 1,57,50,000	2,63,83,071	6,95,70,628	2,46,91,277	5,044	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.37N 8.19	10O. 10P.O.	Nil 0.571	0.50 1.071			12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.41xd	10	0.80	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	36.90	10	2.00	2.00	2.00		12	Y.P.T.
18,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.25	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48 175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	125.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

UNDER SECRETARY ... 27 AUG 1962 PUBLIC DEPARTMENT

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend 1959 Rs. nP.	Dividend 1960 Rs. nP.	Dividend 1961 Rs. nP.	Dividend 1962 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.31	10	0.50	1.00	0.25		3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	127.00	100	Nil	6.00	Nil		5	Y.P.
49,20,700	85,71,000	2,80,85,747	1,84,94,034	3,74,363	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	220.00	100	12.50	20.00	7.50		3	Y.P.
40,00,000	28,14,827	1,46,86,173	83,52,153	45,981	Bird & Co. Private Ltd.	810	Auckland	161.00	100	20.00	27.00	12.00		3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	304.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£842,859	£1,372,653	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	191.00	£5	10sh.	£1.10sh	10 Sh.		3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.31	10	0.50	0.50	0.50		6	Y.P.T.
91,26,000	3,08,27,813	8,17,03,760	2,90,00,714	1,83,905	Birla Brothers Private Ltd.	1,373	Birla	33.62	10	1.00	1.50	1.50		3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	157.00	100	15.00	10.00	Nil		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	212.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,14,54,087	1,21,65,795	1,87,286	James Finlay & Co., Ltd.	600	Champdany	140.00	100	7.00	10.00	5.00		3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.87	10	1.25	Nil	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.81	10	1.50	0.50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	9.00	10	Nil	Nil	Nil		3	Y.P.
31,49,200	14,68,891	1,10,14,699	69,67,318	9,802	Bird & Co. Private Ltd.	766	Dalhousie	130.00	100	Nil	1.00	1.00		3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	190 00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	16.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	431.00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	21,13,000	1,35,43,410	82,35,300	2,48,385	Bangur Bros., Ltd.	1,014	Fort William	26.50	10	1.50	2.25	2.25		3	Y.P.T.
84,32,100	28,01,919	2,57,48,659	1,51,54,062	1,59,711	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	15.56	10	Nil	1.00	1.00		3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	55.12	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	461.00	100	25.00	30.00	25.00		3	Y.P.
45,00,000	89,15,333	1,45,06,782	82,76,808	3,75,747	Bangur Bros., Ltd.	1,078	Hastings	115.00N	100	6.00	6.00	6.00		3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	29.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	20.50	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	38,73,191	3,21,24,274	1,88,99,274	1,62,375	Ramdutt Ramkissendas	2,272	Hukumchand	24.94	7.50	1.50	2.15	2.15		3	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	16.25	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B' 19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	178.00 178.00	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		12	Y.P.T.
30,00,000 'B' 24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	116.00 116.00	100 'B'100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	195.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	23,98,564	2,18,73,550	1,39,90,173	800	Anderson Wright Ltd.	1,530	Khardah	16.94	10	2.00	2.00	0.50		3	Y.P.
59,85,600	47,39,756	2,07,21,456	1,33,78,784	62,406	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	141.00	100	10.00	20.00	7.00		3	Y.P.T.
24,48,000	6,04,572	1,08,23,825	71,08,446	—3,54,448	Bird & Co. Private Ltd.	931	Lansdowne	125.00	100	Nil	Nil	Nil		3	Y.P.
28,00,000	14,13,430	65,77,636	42,23,242	54,949	Bird & Co. Private Ltd.	840	Lawrence	171.00	100	2.00	15.00	15.00		3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	14.06	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	9.00	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	24.50	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	11.81	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	Nil	Sahu Jain Ltd.	1,765	New Central	15.00	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,93,617	1,30,21,348	77,30,582	32,274	Bird & Co. Private Ltd.	567	Northbrook	37.06	10	1.25	3.00	3.00		3	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	61.50	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.50	5	0.50	0.40	0.30		7	Y.T.
20,00,000	73,604	36,55,345	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.44	10	Nil	Nil	Nil		3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	6.87	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	22.50	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	87,94,656	93,18,767	55,10,623	8,800	Bird & Co. Private Ltd.	1,326	Union	162.00	100	20.00	25.00	6.00		3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,831	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend 1959 Rs. nP.	Dividend 1960 Rs. nP.	Dividend 1961 Rs. nP.	Dividend 1962 Rs. nP.	Accounts Closed	Reference
					TEA COMPANIES										
10,98,990	5,60,324	18,03,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12 91	10	1.50	1.50	1.20	1.20	8	Y.P.
83,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.37	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.50	2	0.24	0.20	0.20		6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.63cd	2	0.30	0.40	0.40	0.40	8	Y.
5,66,420	18,30,938	24,06,623	2,29,883	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,889	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.95	2	0.40	0.40	0.40	0.30	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.05xd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	56,71,656	10,31,863	77,135	Parkins Private Ltd.	1,506	Halleyburia	11.75	10	1.25'C'	1.50			12	Y.P.
6,00,000	8,86,159	15,77,488	3,94,129	59,573	Peirce, Leslie & Co., Ltd.	469	Kalasa Tea	3.60cd	2	0.30	0.40	0.50		8	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.90	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40		8	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.40	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	1.80	2	0.10	0.20	0.10	0.10	8	Y.
8,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00	25	5.00	3.75	3.50		8	Y.P.
86,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.00	5	0.37	0.37	0.37		8	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.65	2	0.20	0.26	0.30		6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	9.10	10	0.50	0.80			8	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	21.75	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,814	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	22.25	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	19.75	10	2.25	2.25	2.50		12	Y.P.
57,94,880	80,24,711	1,13,81,238	39,12,993	65,407	Peirce, Leslie & Co., Ltd.	3,718	Periakaramalai	3.13c d	2	0.25	0.27	0.40		8	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.75	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	Y.
12,50,000	11,78,243	82,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.93	2	0.10	0.16	0.20		8	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.20	10	1.00'C'	1.00	0 60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	14,52,765	49,96,418	19,93,195	80,106	T. Stanes & Co., Ltd.	1,771	United Nilgiri	20.37cd	10	1.95	2.10	2.20		8	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.10	2	0.25	0.25	0.20		6	Y.P.
					RUBBER AND OTHERS										
6,00,000	5,52,435	16,85,453	4,57,025	80,365	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	3.00	2	0.15	0.15	0.30		8	Y.
6,75,000	2,35,527	19,88,033	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	11.06	10	0.75	1.00	1.00		8	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.15cd	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	576	Bababudin Coffee & Produce	6.05	5	0.625	0.40			6	Y.P.
8,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.55	8	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	82,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.40	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,313	2,26,719	..	8,232	Consolidated Coffee	18.65	10	2.50	2.00	2.00		6	Y.P.
6,00,000	5,09,735	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	10.10	10	1.50	1.00	1.00		8	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.06	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	12.87	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.40	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.22xr	10	1.25	1.25	1.25		4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.16	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,41,456	22,23,838	4,40,673	47	K. T. Thomas Kathanar, Esq.	2,143	Malankara Rubber	16.90	10	1.60	1.50	1.60*		8	Y.
3,25,000	2,50,009	8,43,098	81,358	3,894	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.40	5	1.00	1.00	1.00		6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	11 00	10	1.00	1.25	1.25		3	Y.P.
8,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23 60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45xd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.60	2	0.30	0.26	0.24		10	Y.P.T.
6,50 000	5.71.464	7,97,732	83,078	46,714	Peirce, Leslie & Co., Ltd.	532	Ossoor Estates Ltd.	2.95cd	2	0.30	0.30	0.30		8	Y.
16,50,000	2,29,315	23,27,018	7,37,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.75cd	2	0.10	0.10	0.12		8	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.20xd	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	11.12	5	2.50	1.25	1.25		8	Y.P.
5,50,170	8,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.20	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12		8	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.40	10	0.60	Nil			8	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.48	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11.41	10	1.00	1.30			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.25	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.50cd	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	31.70cd	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,15,277	1,52,156	1,12,012	Peirce, Leslie & Co., Ltd.	1,030	Wartyhully Estates Ltd.	3.00cd	2	0.30	0.30	0.30		8	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		8	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.12	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	32.50	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54.594	McLeod & Co., Ltd.	573	Baghmari	20.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	25.75	0	8.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.50	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.19	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	14.50	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15.38,736	97 20,006	35.63.381	1,63,299	M	2,834	Brooke Bond B.	14.19	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	47.50	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	142 00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.12	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	14.19xd	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.19	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	22.12	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.31	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.50	10	1.00	Nil	Nil		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	26.00N	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.00	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.75	5	0.70	0.30	0.30		12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.75	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	161.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.87	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	30.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	192 00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	15 00	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.69	10	1.50	0.50	1.40		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	12.12	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00	100	25.00	30.00	30.00		12	Y.
P. 1,75,000 / O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 / 27.00	O. 10 / P.O. 10	2.00 / 2.563	0.50 / 1.063	1.50 / 2.063		12	Y.
5,85,000	1,75,000	13.81,374	5.76,315	12,180	M.	830	Namburnadi	13.69	10	1.60				12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	106.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.25	10	3.50	4.00	1.35		12	Y.
9 00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	18.31	10	2.00	2.25			12	Y.
2.49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.06	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.00	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	35.12	10	3.00	1.00	1.50		12	Y.P.
							CACHAR								
5,00,000	5,000	5,43,677	2,03,160	41,902	M.	862	Arcuttipore	6.62	10	Nil				12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.37	10	0.50	Nil	0.80		12	Y.
3 60 000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	166.00xdN	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.50	10	Nil				12	Y.P.T.
							DARJEELING								
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.19	10	Nil	Nil	1.00		12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	97.00xd	100	5.00				12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.75	10	Nil	Nil			12	Y.P
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	28.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2 71,500	5 92 631	2.85 757	6,271	M.	505	Okayti	605.00	100	32.50	25.00			12	Y.P.
3,00 00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	7.25	10	Nil				12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	8,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	3.87	10	0.50				12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	49.87	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	14.62	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	13.37	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	273.00	100	82.50	22.50	21.00		12	Y.P
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.56	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55.377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.12	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	151 00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	68,141	11,42,495	3,47,423	4,521	M.	447	Ethelbarrie	8 44	10	Nil	0.50			12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	25.12	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	111.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	37,41,255	1,23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	14.25XB	10	1.25	1.70			12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	13.37XB	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Ni		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00N	10	0.50	1.00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15 54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	248.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3.11,000	6,44.083	2,40.357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	127.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.00	10	3.00	2.50	2.00		12	Y.
							SYLHET								
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.50	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.87	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	20.81	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	151.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.15	10	1.00	0.50			12	Y.P.T
5,00,000	5,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,42,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16 94	10	1 75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1.50	1.50			12	Y.
2,20,000	8,75,250	13,61,474	5,52,735	83,691	McLeod & Co. Ltd.	549	Tirrihannah	67.00N	10	5.00	6.00			12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
						CEMENT								
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.12	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,807	9,38,000	1,78,87,504	22,50,586	21,768	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.50	10	0.45	0.70	0.70		8	Y.T.
O.3,14,604 / D.4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	3.62 / 0 50	O. 10 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38.215	18,52,34,608	61.250	Cement Agencies (Private) Ltd.	Associated Cement Companies	159.75	100	11.00	12 00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.36	10	0.80	Nil	Nil		12	Y.
1,66,00,000 / D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.56 / 2 35	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.40cd	5	0.45	0 55	0.60	0.60	8	Y.P.
2,00,00,000	60,92,184	8,57,17,526	2,33,04,027	67,719	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13.12	10	Nil	0 60	0.80		8	Y.P.T.
90,00,000	....	....	....	....		Madras Cements	87.00	100	..	Nil	..		9	Y.P.
1,14,65,185	....	1,36,60,424	....	....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	7.70	10	Nil	Nil	Nil		6	Y.
2.25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10.784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	17.20	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	102 00	100	Nil	Ni	Nil		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	195.50	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.87	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors XB—Ex-Bonus 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					CERAMIC; MINING AND QUARRYING									
80,00,000	....	47,23,258	20,57'464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	15.06	10	Nil	0.60	0.60		8	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.24	10	2.00	2.00	3.00		9	Y.P.
65,23,146	19,77,396	1,61,24,989	63,22,100	1,703	Bharat Ram Bhagat & Co.	Bengal Potteries	6.19	2½	0.356	0.375			12	Y.
10,00,000	52,26,517	92,22,366	45,87,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	35.50	10	1.87	8.00	3.00		8	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197 50	100	12.86	12.86	15.00		9	Y.P.
80,00.000	18,84,086	1,31 10 248	35 98.333	29.968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	138.75	100	Nil	8.00	11.00		12	Y.P.
£1,871,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.94	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	16.31	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	8,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	77.50	100	Nil	Nil			12	Y.P.
80,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	12.75	10	Nil	Nil	Nil		8	Y.P.T.
6,00,000	5,82,678	14,95,136	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.50cd	10	1.00*	1.428	1.20		8	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	39.00	10	3.60	3.60	2.80		6	Y.
8,50,000	17,29,249	92,49,901	49,43,489	87,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co. Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	34.00	10	5.00	8.00*	Nil		11	Y.
4,83,840 / 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	29.00N / 14.50N	10 / 5	1.75 / 0.875	2.00 / 1.00	2.75 / 1.375	3.00 / 1.50	12	Y.
					CHEMICAL									
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	86.00	100	Nil	Nil	Nil		12	Y.P
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	213.00	100	16.00	14.00	14.00		12	Y.P.
8,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	44.00	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46 697	86,87,142	85,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	270.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	495.00	100	12.00	12.00	12.00		12	Y.
1,25,45,900	68,84,606	1,50,85,951	77,12,533	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	103.50	100	7.00	7 00	10.00		8	Y.P.T.
1,25,00,000	54,11,749	1,18,37 942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	430.00	100	Nil	Nil	8.00	12.00	8	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	31.00	25	2.50	2.50	3.00		12	Y.
81,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	160.00	50	10.00	Nil	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	113 00	100	4.00(c)	Nil	6.00		8	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	8.05	10	0.60	0.60	0.60		12	Y.
1,56 78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	451.25	100	Nil	6.00	6.00	7.00	8	Y.P.
12,00,000	6,60,911	27,89,148	14,86,985	55,617	Jai H. Mehta	Kemp & Co.	317.50	200	20.00	25.00	25.00		8	Y.
1,10,01,535	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.87cd	10	0.88	1.25'C'	1.25	1.375*	8	Y.P.T
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.15	10	0.50	1.00	1.00		8	Y.
8,00,000	4,55,261	12,57,587	6,70,322	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00'C'	2.00		8	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	165.00	50	3.00	5.50	7.50	7.50	8	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.12	10	..	Nil	Nil		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	263.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22.545	C. A. Buxton	Smith Stanistreet & Co.	16 44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	190.50	100	..	..	Nil	Nil	8	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,986	3,571	Tata Industries Private Ltd.	Tata Chemicals	15.28	100ld	0.525	0.60	0.65		6	Y.P.T.
18,00,000	2,92,249	21,75,764	7,74,231	56,348	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	22.25cd	10	1.80	1.50	2.00		8	Y.P.
25,20,000	....	8,87,362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-chemical Ind:	95.00	100	Nil	Nil			12	Y.
14,81,250	....	5,72,958	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	185.00	100	..	..	Nil		12	Y.
					ELECTRIC (BOMBAY)									
8,74,78,395	1,47,38,524	16,04,61,688	4,52,57,864	422	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.00	100	0 75	7.00	7.00		8	Y.T.
81,56,250	26,20,222	2,58,78,938	68.34,923	18,52,834	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.04	10	0.90	1.00*	0.90		8	Y.P.
3,02,77,000	1.23,89,917	12,25,61,084	3,04,61,313	86.154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,013.75xd	1,000	80.00*	85.00*	80.00*	80.00*	8	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	103.50	100	7.50	8.00	8.50	8.50	8	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,636	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.60	0.66	0.72		8	Y.T.
48.39,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	92.00	100	8.00	9.50	8.25		8	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	12,075	Killick Industries Ltd.	Surat Electricity	102.00	100	7.00	7.50	8.00	8.00	8	Y.P.
2,40,00.000	1,39,56,841	9,29,64.314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	110.50xd	100	8.00*	8.50*	8.00*	8.00*	8	Y.P.
5,15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,095.00xd	1,000	80.00*	85.00*	80.00*	80 00*	8	Y.P.
					West Bengal and Other Centres									
19,99,600	49,57,883	1,79,22,370	42,63,962	47,416	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	127.00	100	10.00	11.00	11.00		8	Y.T.
8,00,000	15,46,067	65,82,610	24,21,313	24,137	Martin Burn Ltd.	Bareilly Electric Supply	12.00	10	1.00	1.10	1.10		8	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.75	10	1.00	1.10	1.10		8	Y.T.
5,91,485	6,92,059	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		8	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,963	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.12	£1	7%	7½%	7½%		8	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	11.00	10	0.65	0.75	1.00		8	Y.
43,20,000	27,18,468	1,05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	97.00	100	7.50	10 00	10.00		8	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	Nil		8	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,573	32,593	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00		8	Y.
5,82,390	4,52,535	37,46,515	18,98,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.00	10	1.00	1.25			8	Y.
85,07,880	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50	10	0.75	1.00	1.00		8	Y.T.
9.10,000	2,56,304	15,86,883	6,29,467	5,342	Ostavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	9.00	10	0.50	0.625	0.625		8	Y.
16,80,000	14,98.612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	8.37	10	0.75	1.00	0.90		8	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.25cd	10	0.90	0 90'C'	0.90	1.00	8	Y.P.T
5,00,000	12,50,396	57,75,615	13,66,443	36,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35		8	Y.
56,00,000	78,01,913	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	126.50	00	10.00	11.00	11.00		8	Y.T.
8,00,000	11,41,474	46,63,814	18,15,572	8,34,013	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	14.60	10	1.00	1.50	1.429		8	Y.P.
					ENGINEERING (Bombay)									
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	332.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	101.25	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18.591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	181.00	100	13.00*	18.00*'C'	18.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,84,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	213.75	100	10.00	Nil	4.00		4	Y.P.
60'00,000	1,08,98,455	2,46,93,330	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	175.50	100	18.00	18.00'C'	18.00		6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,38,653	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	97 00	50	5.00	4.00	5.00		8	Y.
50,00,000	14,47,412	78,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	190.00	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.76	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,824	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	52.50	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26 696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	43.50	10	1.00	1.43	1.60		8	Y.
15,00,000	4,53,946	25,18.944	6,77,694	5,683	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50		8	Y.P.
10,00,000	43,23,121	1,50,55,030	48,26,014	1,50 895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	29.85	10	1.25	1.80'C'	1.80	1.40	8	Y.P.
5,28,000 / 15,50,000	1,28,086	1,03,47,668	28,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg.Director)	Lakshmiratan Eng.	— / 3.80	10 / 5	Nil / Nil	Nil / Nil	.. / ..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— / 7.00	10 / 10	.. / ..	.. / ..	Nil / Nil		11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.76	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	78,422	46,82,025	16,73,677	40,424	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	..		8	Y.P.
11.00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	151.00	100	Nil	10.00			7	Y.P.
80,62,845 / D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	25.25	10	1.00*	1.20	1.20	1.20	8	Y.P.
57,50,000	42,81,615	1.28,07,888	60,90,019	8,724	Kirloskar Associates	Mysore Kirloskar Ltd.	176.50 / 116.00	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00		6	Y.
15.55,000	11,14,347	82,30,008	12,76,286	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	86.00	50	4.50	6.00	6.50		8	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	218.00	100	9.00	12.00	9.00	9.00	8	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	156.00	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,819	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	130.00	100	17.00	12.00	18.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	84,084	Tata Industries Private Ltd.	Tata Iron and Steel	148.25	75 Old	6.80	9.72'C'	10.36*		8	Y.P.
7,99,97,300	2,88,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	335.50	100	9.00	12.50	14.50		8	Y.P.T.
19,81,000	8,85,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	675.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.00	10	3.00	3.00	3.25		6	Y.
55,00,000	30,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	273.00	100	13.00	13.00	14.00		8	Y.
70,00,000	....	10,49,952	4,291	23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	16.00	10	..	..	Nil		6	Y.
					West Bengal and Other Centres									
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	14.00	10	Nil	Nil			10	Y.P.T.
50,00,000	31,83,221	1,08,57 977	71,22,125	47,000	M.	Bhartia Electric Steel	12.69	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	11.12	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	34.50	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	56.00N	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,841	39,97,530	14.08.665	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.50	10	0.60	Nil	Nil		8	Y.P.
1,00,00,000	47,45,305	1,61.07.843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.50	10	1.00	1.00	1.00		12	Y.P.T
25,00,000	14,63,600	29,98,468	17,76,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.00XR	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	681.00xd	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00 000	12,29 727	65,44,625	11,79 153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	15.12	10	..	0.50	1.50	1.50	8	Y.
1,00,00,000	12,83,028	1,89,66,744	10,15,000	8,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil			8	Y.P.T
80,00,000	16,00,000	1,25.47.313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.75	10	Nil	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60			12	Y.P.
4,00,00,000	6.76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	38.25	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	111.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08.990	24,26,37,632	81,16,88,664	17,34,44.348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	26.80	10	1.00	1.50	1.60	0.80†	8	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	34.62	10	5.00	7.125	7.125		8	Y.P.
96,53,160 / 26,580	2,72,58,534	2,24,87.785	1.60,42,350	7,72,487	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	52.00 / 14.50	O.10 / O. 1	1.62½ / 0.16¼	2.80 / 0.28	2.40 / 0.24		8	Y.
48,82,732	3,71,841	36,01,297	18,94,384	10 662	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	12.60cd	10	0.70	..	1.25		8	Y.P.
1,51,87,500	90,64,293	4,34,86,950	1,69,45,698	7,173	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.62	10	1.20	1.715	1.715		8	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.50	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.31	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.56	8	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	10,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	3.44	2	0.20	Nil	Nil		6	Y.
49,96,000	13,58,398	1,44,34,142	86,32,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.00	10	0.75	Nil	Nil		8	Y.P.T.
60,00,000	24,06,943	76.55.140	24,16,318	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	9.50	4	0.25	0.85	0.40	0.50	8	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.00	10	2.00	1.00	1.00		12	Y.P.T.
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	152.00	100	15.00	15.00	15.00		4	Y.

* Includes bonus. † Subject to taxation. X.B.EX Bonus 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	24.75	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.36	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	70.00 72.00	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
15,99,270	40,70,395	1,05,96,078	....	89,231	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	10.12	8	0.80	0.80			12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	127.50xd	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	17.72	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.84	Sh. 1½	*Nil*	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.50	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	62.50	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	23.35	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	200.00	100	*Nil*	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	17.81	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.50	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	20.50	10	1.00	1.50'C'	1.30		3	Y.
25,00,000	*Nil*	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	82.00	100	*Nil*	*Nil*	*Nil*		3	Y.
1,39,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	9.24	10	....	....	*Nil*		6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.37	10	1.25*	1.50	1.50		3	Y.
1,46,82,500	3,51,86,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	41.80	10	1.50	2.25	2.25		3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.50	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25.12	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.00 10.00	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.60	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,51,10,345	9,55,90,235	4,92,58,077	1,48,295	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	39.50 39.50 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.323		3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	169.50	100	*Nil*	6.00	7.50		6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.87	3		....	....			Y.
89,25,000 42,00,000	6,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co.	Bombay-Burmah Trading Corpn.	669.50 258.75	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.12	10	2.50	3.00	3.00			Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.50	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	10.06	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	13.00	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.00	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.69	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	17.00	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	187.50	50	4.20	9.00	10.00		7	Y.P.
7,89,100	80,83,434	59,11,006	35,75,827	9,095	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	F.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	180.00	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,64,500	26,21,410	15,54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.25	10	0.30	0.40	0.40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.50	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.62	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.00	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	21.00	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	107.00	100	*Nil*	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	240.50	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	21.24	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.25	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.57	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	42.50cd	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.10	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.12	10	1.00	1.25	1.50		6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	162.50	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	102.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.31	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.30 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	19,90,000	71,92,482	36,48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	7.25	10	1.00	1.00	0.75		7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	159.50	100	20.00	15.00	15.00		9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	Dividend per Share 1960 Rs. nP	Dividend per Share 1961 Rs. nP	Dividend per Share 1962 Rs. nP	Accounts Closed	Reference
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	105.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	8.68	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	107.50	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 30,05,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 78.00	100 65	.. ..	20.00 10.00	45.00 22.50		3	Y.
25,00,000 9,37,500	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	130.00 125.00	100 100	5.00	8.10 2.70	9.50 4.50		3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	190.00	100	*Nil*	*Nill*	7.50		6	Y.
14,97,350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Manilal Private Ltd.	Estrela Batteries	68.00	50	3.50*	4.50	5.00		3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.25	20	2.00	2.50	2.50		3	Y.
75,20,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	63.00	60	..	..	*Nil*		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	176.25	75	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	180.00	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	60,57,845	24,11,651	8,20,848	16,714	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	206.50	100	7.50	11.00	13.00		3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	114.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	16.76	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	47.50	10	2.40	2.60	2.60	0.40	12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*		3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	202.50	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	94.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	73.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	120.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	89.70	100	9.00	8.00	*Nil*		11	Y.
12,50,000	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	157.00	100	9.00	13.00	13.00		3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
36,35,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	*Nil*		12	Y.P.
18,78,375	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	245.00	75	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	189.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	124.50	100	9.00	9.00	9.00		6	Y.P.
4,73,200 5,13,400	1,96,985	30,00,499	10,28,466	29,918	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50		3	Y.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	135.25	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*			8	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00		3	Y.
42,000 22,29,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	75	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	277.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	397.50	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	Dividend per Share 1960 Rs. nP.	Dividend per Share 1961 Rs. nP.	Dividend per Share 1962 Rs. nP.	Accounts Closed	Reference
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	16.94	10	1.00	1.20	1.20		3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	24.80cd	10	1.25	1.80	0.90		3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	23.37	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.98	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.75	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	30.06	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00N	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	257.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	11.75	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.00	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	10.31	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	22.75	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.25	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	40.13	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,47,93,934	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	34.19	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	126.00	100	14.00	14.00	14.00		12	Y.P.
12,49,250	....	4,92,055	6,366	33,611	M.	East Anglia Plastics (India) Ltd.	19.00	10	..	..	*Nil*		3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.45	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00		3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.00	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	6.12	5	..	..	*Nil*		6	Y.
65,00,000	39,28,753	31,81,679	17,28,900	1,92,551	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	15.25	10	1.00	1.00	1.10		3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	35.44	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director)	Goodyear India Ltd.	45.37	10	..	..	*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26 139	Birla Brothers Private Ltd.	Hindustan Motors	20.16	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	20.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	1,00,469	....	....	Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	14.75	10	..	..	*Nil*		3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,953	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.50	10	0.60	0.80	0.90		3	Y.
8,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	36.87	10	1.20	1.50	1.50		12	Y.P.T.
2,35,77,700	2,29,18,801	3,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	37.19	10	1.50*	2.25	2.25		3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	46.50	10	1.50	1.50	1.50		9	Y.
29,93,375	1,06,104	54,89,157	21,21,520	3,633	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	20.94	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.25	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	81.00	100	5.00	7.00	7.00		3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.75	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	31.94	10	2.75	2.75	2.75		9	Y.P.
10,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00			12	Y.
40,00,000O. 5,00,000D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	180.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.87	10	1.75	2.50	2.50	2.50	3	Y.P.
20,00,000	7,90,391	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00		3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.50	10	1.60	2.00	2.50		3	Y.P.
10,00,000	3,23,080	20,39,182	12,41,906	11,453	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.60	10	1.25	1.00	*Nil*		3	Y.
90,00,000	1,60,09,310	1,39,45,356	57,73,861	50,820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	31.00	10	2.00	2.50	2.50		3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	32.12	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	22.12	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.37	10	0.85	*Nil*	0.65		12	Y.P.
78,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.12	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.60	75	6.50	6.50	6.50		12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,31,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.05XR	1	0.20	0.30	0.20		3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	30.69	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	25.06	5	..	..	*Nil*		3	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	*Nil*			12	Y.
36,80,738	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	158.50	100	*Nil*	4.00	8.50		3	Y.P.
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	14.56	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45xd —	10 7.50	1.50 ..	1.30 0.225	.. ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.25	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.27	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13xd	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.09	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	31.00cd	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	267.00	100	10.00	10.00	10.00		7	Y.
80,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,80,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	48.12	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	93.00	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	203.00cd	100	10.00	10.00	12.00	14.00	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	Dividend per Share 1960 Rs. nP.	Dividend per Share 1961 Rs. nP.	Dividend per Share 1962 Rs. nP.	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.50	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 80,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.28 5.96	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	63.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	7.06	10	1.00	1.00	*Nil*		3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	12.28	20	1.30	0.60	0.60		6	Y.T.
0.8,40,800 P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.37 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	Dividend per Ordinary Share 1960 Rs. nP.	Dividend per Ordinary Share 1961 Rs. nP.	Dividend per Ordinary Share 1962 Rs. nP.	Accounts Closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.87	10	1.50	1.00	1.25		3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.00	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.50	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	347.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	18.00	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.25	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.56	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.62	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	11.19	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	5.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	6.12	10	*Nil*	*Nil*			12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	52.25	£1	1.25	1.00	2.00		4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	28.25	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	11.00N	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	42.00	50	*Nil*	*Nil*	*Nil*		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	7.00	10	*Nil*	*Nil*			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	20.69	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.75	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	13.25N	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	6.31	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	23.27	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	14.00	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 16.25N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125			12	Y.P.T.
15,75,000	23,34,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	17.50	10	1.00	1.00	1.00		3	Y.
23,99,500	39,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	14.25	10	1.00	1.50	1.70		3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00			12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	7.75	10	0.70	1.00			12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	44.75	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.87	10	0.35	0.50	0.35		12	Y.
8,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	9.06	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,12,000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	*Nil*	*Nil*			12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.62	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37N	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	81.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	119.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	18.90	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	82.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	116.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.25	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	100.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	81.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	47.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	83.63	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	405.00	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	113.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	100.00xd	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	..	..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	70.00	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	70.50	100
New Great	8,00,000	1913	5.50	Mar.	..	107.09	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	87.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.00	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	92.04	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	91.27	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr.	..	460.00	500
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	967.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	67.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.87	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.00cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.95cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	101.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,025.00	1,000
Vellore C.	1,25,000	1928	4.00	Dec.	..	6.00	10
ENGINEERING							
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	14.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	111.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	99.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	82.50	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	70.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.76	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	133.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	106.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	86.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	94.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	100.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	87.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	89.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	96.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	67.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	11.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	101.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	91.00	100
Do. (B) T.F.C.	10,00,000		5.50	Dec.	..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	86.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	91.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	78.00xd	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C	1,43,005	1944	6.25	..	..	1.97cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	77.36	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25xd	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	6.78	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.65	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.95	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.91	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	83.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)		..	91.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28xd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	48.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	97.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	61.25	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7 00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	107.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8 37	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	..	..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.50	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	104.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	75.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	54.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	46.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	186.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.81	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	75.25cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	33 00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	51 00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66 00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5 00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	60.00	100
Metal Box Co. C.R.	30,00,000		6.00		..	80.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6 00	Feb.	Sept.	9.25cd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6 00	June	..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5 00	Mar.	Sept.	66 00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4 50	Mar.	Sept.	56 00	100
Orient Paper T.F.C.R.	20,00,000	1936	5 50	Jan.	..	86.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5 50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9 00	Apr.	..	103.50	100
Do. do. (New) T.F.C.	85,04,700		4 25	Apr.	..	54.50	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10 00	Feb.	Aug.	75.00	50
Spencer & Co. "A" C.	23,20,000	1898	6 50	Jan.	July	6 69xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.53xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	85.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	85.50	100
Tata Oil Mills C.	29,88,800	1946	4 50	July	..	63.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 40,78,300	26,38,220	12,942	Andhra Bank	94.40 85.00	100 85	8.00 6.80	8.00 6.80	8.00 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	97.00	50	7.00	8.50	8.50	4.00*i*	12	Y.
2,50,00,000 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	118.00xd 119.00xd	50 50'A'	8.00 8.00	10.00 1.00	10.00 10.00	4.00*i* 4.00*i*	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	65.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16xR	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 'B' 16,00,000 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 16.75 1.18	100'A' 10'B' 1'C'	20.00‡ 2.00‡ 0.20	20.00‡ 2.00 0.20	20.00‡ 2.00‡ 0.20‡		12	Y.P.
2,62,50,000 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	64.50 67.00	25 25	4.30 4.30	5.10‡ 5.10‡	5.00 5.00	2.40*i* 2.40*i*	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	58.00	50	2.52	4.38	5.50	2.00*i*	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.06	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	15.50	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 25,19,374	60,60,000 28,60,000	1,48,636	Indian Bank	177.00cd 172.00cd	100 100	15.00‡ 12.00‡	15.00‡ 12.00‡	15.00 13.50		12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	165.50	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.36	10	2.00	2.00	2.00	1.00*i*	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	361.00	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.44	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	84.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.50	10	0.43	0.43	0.60		12	R.L.Y.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-16-0	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16¾	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-9xd	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (*a*)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (*a*)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December§ .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (*a*)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (*a*)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	98.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March§ .. 1965 (*a*)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75§
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December§ .. 1964 (*a*)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (*a*)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (*a*)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	83.00	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September .. 1960-65
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (*a*)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (*a*)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (*a*)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (*a*)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (*a*)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
RAILWAYS: STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (*a*)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (*a*)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.15	1st December .. 1963
PLANTING						
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	92.50	1st September .. 1965-69(*a*)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	94.00N	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102.00	1st January .. 1973 (*a*)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.00	30th June .. 1969 (*a*)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (*a*)
						30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.50	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (*a*)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(*a*) These debentures are registered and are transferable by transfer deeds. (*b*) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

SURVEY

(*Concluded from page 315*)

those from Goa) to 25 million tons, "provided all the developmental measures were undertaken" does not mean much. Nor has the Board assessed the extent of damage caused to exports by the S.T.C. The policy of selective buying of high grade ore followed by the S.T.C. has resulted in the wastage of a large part of the ore of other qualities produced in the course of mining. The private exporters, with their close contacts with buyers abroad, were formerly able to persuade the latter to accept some inferior varieties also; this is something which the State enterprise, by its very nature, is unable to do, particularly in its trade with private importers in free countries. Thus, the S.T.C.'s policy unwittingly results in wastage of precious national assets and loss of earnings for mining companies.

The woes of manganese ore trade, in which also the S.T.C. has interfered, albeit partially, are far greater. Particularly disturbing is the drastic reduction of offtake by India's traditional customer in this commodity, the U.S., following the growing competition from Brazil and other countries, stoppage of purchases for U.S. stockpiles and the beginning of an era of surplus disposal and the none-too-encouraging trends in the growth of steel industry in that country. Indian ore is also being priced out of all other markets. In this context, it is little consolation to miners and exporters to be told that they are free to export ore on their own and that they would get all transport facilities. Indian prices are much above world parity prices and, consequently, the mining operations have become uneconomic. The very fact that the largest mining-*cum*-exporting company, the Central Provinces Manganese Ore Company, has ungrudgingly agreed to Mr. K. D. Malaviya's formula for majority participation in the capital of the Company is an eloquent commentary on the outlook for the industry which is quite dismal, indeed. The Board's blessings to barter arrangements by individual parties merely reflect expediency. As is well known by now, in barter deals the bargaining power of domestic exporters is limited and they are usually framed on terms dictated by the foreign buyers. What is required, therefore, is that exporters who can really do the business should be given incentives which will compensate sufficiently for the loss involved in exports. The existing incentive scheme granting import entitlement for capital equipments is availed of neither by exporters nor by mine-owners. For only mine-owners (and not exporters) are at present entitled to essentiality certificates. The fact is that most of the mine-owners, except perhaps one or two large-scale units, are not in a position to undertake direct exports. The scheme is thus a virtual dead letter. Unless exporters are given adequate incentives and the interference of the S.T.C. is minimised, it would not be possible to recapture even partially the markets already lost. It is a pity that the Board of Trade did not care to study the basic problems of the manganese trade and take decisions on several suggestions made time and again by the representatives of trade and industry.

The Board, however, appears to have realised, although belatedly, the importance of exporters in promotional efforts. For it found it advisable to propose the formation of specialised organisations of exporters at the all-India level and at State levels. This, indeed, is a welcome step. Apart from encouraging exporters, such a step would be effective if foreigners themselves, who are conversant with the consumer preferences of their respective countries are encouraged to associate themselves with India's export promotion efforts by way of partners or technical consultants. The other proposals of the Board, including those for the appointment of four regional directors to look after the trade of different regions, for the creation of a non-official body to handle matters relating to trade fairs and for utilising the available facilities in universities and commercial institutions for undertaking surveys of markets and research, all sound quite good. But their value will depend on the speed and diligence with which they are implemented.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 17th August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	67,30,95,000
(ii) State Governments	16,90,05,000
(b) Banks—	
(i) Scheduled Banks	95,36,70,000
(ii) State Co-operative Banks	2,06,26,000
(iii) Other Banks	2,03,000
(c) Others	160,14,94,000
Bills Payable	24,41,94,000
Other Liabilities	19,88,01,000
Rupees	539,10,88,000

ASSETS	Rs.
Notes	15,80,98,000
Rupee Coin	2,53,000
Small Coin	2,70,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,29,000
(ii) State Co-operative Banks	12,03,39,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,90,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	75,12,19,000
Balances Held Abroad*	5,07,70,000
Loans and Advances to Governments†	11,41,26,000
Loans and Advances to—	
(i) Scheduled Banks‡	99,80,000
(ii) State Co-operative Banks§	119,16,16,000
(iii) Others	1,12,57,000
Investments	237,70,63,000
Other Assets	33,72,78,000
Rupees	539,10,88,000

* Includes Cash and Short-term Securities.

† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund but including temporary overdrafts to State Governments.

‡ Includes Rs. 1,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,80,98,000	
Notes in circulation	2054,06,62,000	
Total Notes issued		2069,87,60,000
Total Liabilities		2069,87,60,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	89,34,17,000	
Total		207,10,27,000
Rupee Coin		120,77,51,000
Government of India Rupee Securities		1741,99,82,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2069,87,60,000

State Bank of India

Statement of Affairs for the week ended 10th August, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		582,28,17,000
Borrowings from Other Banking Companies, Agents, etc.		35,50,000
Bills Payable		9,74,97,000
Bills for Collection being Bills receivable as per contra		2,61,99,000
Acceptances, Endorsements and Other Obligations per contra		9,05,24,000
Other Liabilities (including Inter-Office Adjustments)		13,83,43,000
Total Rs.		631,71,80,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,68,37,000
Balances with other Banks		2,51,55,000
Money at Call and Short Notice		2,86,66,000
INVESTMENTS—		
Government and other Trustee Securities	267,61,38,000	
Other Authorised Investments	8,81,31,000	276,42,69,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	260,87,27,000	
Bills Discounted and Purchased	16,04,77,000	276,92,04,000
Bills Receivable being Bills for Collection as per contra		2,61,99,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		9,05,24,000
Premises less Depreciation		1,95,05,000
Furniture and Fixtures less Depreciation		1,58,48,000
Other Assets (including Inter-Office Adjustments)		36,09,73,000
Total Rs.		631,71,80,000

EXCHANGE RATES

	22nd August 1962	16th August 1962
London on New York $ per Dollar	2.8028-2.8030	2.8049-2.8052
New York on London Cents per £	280.290-280.320	280.480-280.510
London on Paris .. Fcs.	13.7300-13.7320	13.7440-13.7460
London on Berne .. Sw. Fcs.	12.1130-12.1150	12.1180-12.1200
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477.25
Buyers T.T. Rs. to $ 100	474.00	473.75
Canadian Dollars—		
Sellers T.T. D.D. .. Rs. to $100	445.50	445.00
Buyers T.T. .. "	437.50	437.00
French Francs—		
Sellers T.T. D.D. .. per Rs. 100	102.50	102.60
Buyers T.T. .. "	103.50	103.60
Swiss Francs—		
Sellers T.T. D.D. .. "	90.40	90.40
Buyers T.T. .. "	91.30	91.40
Deutsche Marks—		
Sellers T.T. D.D. .. "	83.50	83.60
Buyers T.T. .. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D. .. "	12,955	12,970
Buyers T.T. .. "	13,130	13,145
Swedish Kroner—		
Sellers T.T. D.D. .. "	107.60	107.70
Buyers T.T. .. "	108.70	108.80
Belgian Francs—		
Sellers T.T. D.D. .. "	1,037	1,038
Buyers T.T. .. "	1,053	1,054
Dutch Guilders—		
Sellers T.T. D.D. .. "	75.40	75.40
Buyers T.T. .. "	76.20	76.30
Hongkong Dollars—		
Sellers T.T. D.D. .. "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D. .. "	149.60	149.60
Buyers T.T. .. "	150.90	151.00
Danish Kroner—		
Sellers T.T. D.D. .. "	144.80	144.80
Buyers T.T. .. "	146.10	146.10

State Bank of Pakistan

Statement of Affairs for the week ended 10th August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	13,97,68,000
(b) Provincial Governments	58,41,000
(c) Banks	21,92,68,000
(d) Others	108,63,06,000
Bills Payable	12,91,000
Other Liabilities	16,20,64,000
Rupees	171,10,38,000

ASSETS	Rs.
Notes	11,72,15,000
Rupee Coin	20,000
Subsidiary Coin	44,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	21,46,93,000
Loans and Advances to Governments	6,46,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	42,78,54,000
Investments	78,37,21,000
Other Assets	10,28,91,000
Rupees	171,10,38,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,72,15,000	
Notes in circulation	362,59,56,000	
Total Notes issued		374,31,71,000
Total Liabilities	....	374,31,71,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	65,83,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	133,85,64,000
B. Rupee Coin	4,04,83,000	
Government of Pakistan Securities	230,51,18,000	
Internal bills of exchange and other commercial paper	....	234,56,01,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	374,31,71,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.26 per cent.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 10-8-62	3-8-62	11-8-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	47,38	49,01	46,49
(ii) From others	785,05	794,10	710,03
(b) Borrowings from banks	18,71	21,67	25,63
(c) Others	52,23	51,89	51,47
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	25,24	24,48	23,92
(ii) From others	1,255,42	1,251,69	1,080,01
(b) Borrowings from banks	20,05	18,35	19,67
(c) Others	12,33	10,71	23,68
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	1,040,47	2,045,80	1,790,04
4. Borrowings from Reserve Bank	1,76	2,41	3,46
(a) Against usance bills and/or promissory notes	6	17	1,80
(b) Others	1,70	2,24	1,66
5. Borrowings from State Bank and/or a notified Bank	17,76	17,04	17,11
6. Cash	47,52	48,45	44,61
7. Balances with Reserve Bank	91,37	92,96	75,48
8. Cash and balances with Reserve Bank	138,89	141,41	120,08
9. 8 as per cent of 3	6.81	6.91	6.71
10. Balance with other banks in current account	19,19	19,16	15,68
11. Money at call and short notice	50,83	55,88	53,18
12. Investments in Government securities	670,25	672,12	582,40
13. 12 as per cent of 3	32.85	32.85	32.54
14. Advances—			
(a) Loans, cash credits and overdrafts	1,212,22	1,211,97	1,086,31
(b) Due from banks	5,87	6,10	5,51
15. Inland bills purchased and discounted	128,14	129,62	106,60
16. Foreign bills purchased and discounted	47,97	47,85	42,65
17. Total Bank Credit [14 (a)+15+16]	1,388,33	1,389,44	1,235,56
18. 17 as per cent of 3	68.04	67.92	69.02

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 11th Aug. 1962	4th Aug. 1962	14th July 1962	12th Aug. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.5	100.5	100.6	101.1
2. Government of India	100.3	100.3	100.4	101.0
3. State Government	102.1	102.1	102.1	102.3
4. Municipal, Port Trust, etc.	99.1	99.1	99.1	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.1	99.0	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.3	81.5	81.5	83.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	187.3	186.7	184.4	180.4
8. *Agriculture and Allied Activities : Total**	155.2	155.1	157.4	168.2
9. Tea Plantations	146.2	145.9	149.5	163.9
10. Coffee Plantations	148.7	148.8	150.8	173.5
11. Rubber Plantations	164.2	164.4	165.9	170.8
12. *Mining and Quarrying : Total*	164.3	164.5	159.8	161.3
13. Coal	124.2	122.8	124.6	127.1
14. Other Mining	191.8	193.1	183.9	184.7
15. *Processing and Manufacturing : Total*	204.4	203.8	201.0	194.3
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	212.1	211.0	208.1	201.1
17. Sugar	139.2	139.2	137.2	159.7
18. Cotton Textiles	184.4	183.9	181.3	172.7
19. Jute Textiles	101.5	101.5	102.3	86.0
20. Silk and Woollen	1,247.1	1,247.3	1,222.4	1,168.3
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	208.9	208.5	205.6	202.1
22. Iron and Steel	167.2	166.4	162.8	167.8
23. Transport Equipment	390.0	390.9	385.1	397.0
24. Electrical Machinery	182.7	180.5	176.9	163.9
25. Machinery other than Transport and Electrical	236.7	236.2	234.1	210.2
26. Basic Industrial Chemicals	192.2	192.5	193.5	212.5
27. *Processing and Mfg. (Others): Total**	172.9	173.2	171.1	159.0
28. Cement	160.6	161.8	157.2	143.4
29. Paper	221.0	219.7	220.0	205.1
30. *Other Industries : Total**	113.1	112.5	111.9	110.3
31. Electricity Generation and Supply	87.9	87.6	86.3	85.7
32. Trading	120.9	118.7	119.9	120.9
33. Shipping and Other Transport	91.5	91.6	90.6	96.8
34. Construction	290.8	290.3	288.2	290.3
35. *Financial : Total*	210.8	209.4	205.8	202.5
36. Banks	234.7	233.8	229.5	230.2
37. Insurance	174.1	170.6	168.1	146.7
38. Investment Trusts	88.6	88.2	87.5	89.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	197.4	197.5	192.3	187.6
40. Calcutta	172.7	171.6	170.7	166.5
41. Madras	193.2	192.5	193.0	194.6
42. Delhi	242.0	241.2	240.2	240.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P=Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	14th July 1962	7th July 1962	15th July 1961	May 1962	May 1961	Percentage of Increase (+) or Decrease (—) in May 1962 as compared with May 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	128.4	126.6 R	125.0	124.2	117.2	+ 6.0	120.1	120.0
Cereals	192	106.8	105.8	104.4	104.1	99.5	+ 4.6	102.3	104.4
Pulses	43	105.0	103.9	91.3	98.3	87.3	+12.6	91.9	92.9
Fruits and Vegetables	23	148.9	148.9	145.2	141.6	122.0	+16.1	137.6	118.5
Milk and Ghee	84	127.3	128.7	122.0	129.4	113.9	+13.1	116.4	116.0
Edible Oils	47	155.4	153.8	166.0	152.1	159.6	— 4.7	156.5	150.3 R
Fish, Eggs and Meat	17	146.0	138.0 R	138.9	141.5	127.3	+11.2	135.4	123.5
Sugar and Gur	48	149.4	145.1	123.6	129.7	120.1	+ 8.0	119.6	132.8
Others	50	171.8	169.1*	186.0	168.9	167.4	+ 0.9	171.6	167.8
Liquor and Tobacco	21	99.1	99.1	98.2	102.0	104.1	— 2.0	100.3	109.9 R
Tobacco	..	95.5	95.3	94.5	98.6	100.9	— 2.3	96.8	108.3 R
Fuel, Power, Light and Lubricants	30	124.3	124.2 R	122.1	122.3	121.6	+ 0.6	122.1	120.0 R
Industrial Raw Materials	155	138.6	137.4	153.4	134.9	153.2	—11.9	142.6	145.4
Fibres	61	130.3	128.8	158.3	125.7	165.1	—23.9	138.3	151.6
Oilseeds	60	155.5	154.0	164.7	150.0	156.6	— 4.2	156.4	149.9
Minerals	2	93.4*	93.4*	95.2	93.8	95.4	— 1.7	94.9	97.4
Others	32	125.3*	125.3*	126.6*	126.7	127.6	— 0.7	128.1	128.0
Manufacture	290	129.5	129.8 R	128.0	127.5	126.9	+ 0.5	126.6	123.9
Intermediate Products	41	142.9	142.1	142.5	137.3	136.9	+ 0.3	138.8	130.6 R
Finished Products	249	127.3	127.7	125.6	125.9	125.3	+ 0.5	124.6	122.8
Textiles	147	126.7	127.5	127.9	125.2	128.5	— 2.6	125.5	125.8
Cotton	..	129.2*	129.7*	127.4*	128.8	127.7	+ 0.9	127.9	128.1
Jute	..	118.0*	120.3	133.4	113.2	137.1	—17.4	122.4	131.4
Woollen	..	141.3*	141.3* R	123.1*	139.6	119.1	+17.2	122.7	109.1
Silk and Rayon	..	129.1*	128.8*	119.1*	129.1	115.3	+12.0	119.9	104.4
Metal Products	12	160.4	160.4	151.6	159.9	151.4	+ 5.6	151.6	147.9 R
Chemicals	20	115.2	115.2	110.7	112.8	107.5	+ 4.9	110.7	104.4
Oil Cakes	9	157.3	154.8	147.2	152.3	142.3	+ 7.0	147.5	141.3
Machinery and Transport Equipment	31	117.8	117.8 R	112.7	117.6	112.8	+ 4.3	114.5	111.9
Others	30	125.7	125.7	120.8	124.8	119.1	+ 4.8	121.3	116.1 R
All Commodities	1,000	129.5	128.6	129.6	126.3	125.4	+ 0.7	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	April 1962	April 1961	April to March (Twelve months) 1961-62	1960-61
Exports	48,49	51,95	656,82	632.42
Re-exports	2,36	48	5,17	5,57
Total Exports	50,85	52,43	661,99	637,99
Imports	83,73	95,69	1,038,62	1,121,62
Overall Balance of Trade	—32,88	—43,26	—376,63	—483,63
Exports—				
Tea	3,27	3,10	122,40	123,60
Jute yarns and manufactures	10,59	14,89	144,78	135,02
Cotton yarns and manufactures	3,68	5,04	53,31	62,09
Metallic ores and metal scrap	2,69	3,19	36,50	39,16
Cotton, raw and waste	97	1,02	20,36	11,56
Oils—vegetable, mineral and animal	98	75	19 99	13,87
Fruits and vegetables	2,31	2,40	25,51	25,98
Tobacco	3,91	3,49	14,96	15,75
Mica	88	72	9,66	10,15
Wool and other animal hair	48	79	9,20	7,72
Gums, resins and lac	58	36	6,64	8,61
Spices	1,29	1,60	17,57	16,61
Hides and skins, raw	1,22	56	8,33	10,02
Imports—				
Machinery	24,34	29,30	294,70	260,60
Iron and Steel	7,55	9,65	101,98	122,54
Oils—vegetable, mineral and animal	14,00	5,30	104,18	74,04
Chemicals, drugs and medicines	7,02	8,16	88,80	85,70
Electrical goods and apparatus	4,11	8,91	63,01	57,22
Vehicles (excluding aircraft, ships and boats)	3,09	3.24	42,32	61,57
Cotton, raw and waste	3,25	6,30	62,65	81,77
Fruits and vegetables	67	1,09	14,58	20,38
Paper, pasteboard, etc.	83	1,06	15,70	12,10
Dyes and colours	1,10	1,00	14,47	12,91
Spices	7	14	1,67	1,83
Woollen and worsted fabrics	1	3	16	21
Cotton fabrics	2	6	40	70
Rice	1,63	1,29	15,04	22,44
Wheat and spelt	3,83	10,46	77,55	153,20

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Nov., 1961	Dec., 1961	Jan., 1962	Jan., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	4.60	4.88	4.98	5.14
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	3,697‡	369	374	418	342
Yarn	million kgs.	781	788	862	72	77	75	70
Cloth	million metres	4,502	4,616	4,700	389	399	399	399
Cement	thousand metric tons	6,936	7,835	8,230	727	736	709	715
Jute	thousand metric tons	1,068	1,086	971	94	98	97	88
Paper and paper boards	thousand tons	299	345K	363K	30	30	32	31
Matches§	thousand cases	649	661	758	62	66	65	55
Sugar	thousand metric tons	2,117	2,591	2,841	119	419	545	541
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	761	76	78	86	65
Electric lamps	millions	34.84	41.39	46.89	3.96	4.14	4.59	3.73
Dry cells	millions	187.3	207.4	211.08	17.7	17.6	19.4	19.8
Power transformers	thousand K V.A.	1,248	1,116	1,761	176	177	230	126
Electric Motors	thousand H.P.	576	680	824	70	74	86	64
Electric fans	Nos.	726,000	991,200	1,074,000	80,200	103,500	93,400	87,300
Radio receivers	Nos.	213,864	266,700	326,340	30,932	30,063	29,752	21,002
Storage batteries	Nos.	442,800	510,000	528,000	35,700	46,700	48,900	45,300
Copper conductors	tons	6,624	10,068K	7,632K	665 K	675 K	—	917 K
Winding wires	tons	2,832	4,200K	5,652K	507 K	514 K	—	407 K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	211.08J	18.09J	17.89J	18.94 J	17.89J
Insulators—H.T.	Nos.	982,800	2,317,200 K	2,958,000 K	295,000K	276,000 K	346,000 K	210,000 K
Insulators—L.T.	million Nos.	6.25	3,662,400 K	4,257,600K	533,000K	88,000 K	—	300,000 K
Diesel engines—Vehicular	Nos.	8,712	9,703	9,816	559	767	—	855
Diesel engines—Stationary	Nos.	30,336	41,676	44,424	3,848	4,283	—	3,917
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	0.04	0.05	0.09	0.14
Caustic soda	metric tons	69,876	99,144	119,849	0,512	10,780	10,855	5,673
Soda ash	metric tons	95,328	145,284	176,639	17,907	14,642	17,625	14,437
Chlorine liquid	metric tons	24,780	31,656	33,908	2,841	2,965	4,068	3,021
Bleaching powder	metric tons	5,184	5,928	7,032	711	627	530	582
Bichromates	metric tons	4,404	5,472	5,233	429	583	457	436
Sulphuric acid	metric tons	296,880	350,400	413,520	33,350	37,944	41,723	31,000
Superphosphate	metric tons	251,652	322,464	381,684	32,986	34,715	37,124	27,000
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,360	1,520	2,000	2,124	1,536
Antimony	tons	664	809	614	40	80	65	41
Copper (virgin metal)	metric tons	7,764	8,992	8,725	765	900	470	440
Lead (virgin metal)	metric tons	3,958	3,778	3,665	150	372	—	369
Gold	ozs.	165,312	4,992Kgs	4,869 Kgs.	415 Kgs.	425 Kgs.	—	416 Kgs.
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,124	26,782	30,432	28,929	25,318
Bicycles	Nos.	990,744	1,050,744	1,054,500	95,578	95,250	89,431	90,343
Automobiles	Nos.	36,468	51,660	54,314	3,239	4,535	5,175	5,059
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.98	2.00	1.96	2.06
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.26	0.26	0.26	0.25
Cigarettes	million Nos.	32,166	38,334	41,064	3,371	3,541	3,595	3,570
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,072	680	766	—	804
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,264	464	497	—	541
Sheet glass	thousand sq. ft.	80,563	81,188	72,976	5,799	5,782	—	7,640
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	13,200	1,248	1,376	1,222	923
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	1,388	1,400	1,176	852
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.53	0.70	0.52	0.52
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.30	0.47	0.35	0.33
Alcohol—Industrial	million litres	57.84	58.94	82.26	7.98	8.72	8.85	8.14
Alcohol—Power Absolute	thousand litres	8.0 M	48.52	53.63	3.90	4.84	4.47	4.65
Railway Wagons	Nos.	10,044	7,320	11,052	875	1,033	950	950
General Index—(Base 1951=100 Revised)		152.1	169.7	180.9	185.1	183.1	—	182.8

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. — Not Available. K—Figures in metric tons. Kgs.—Kilograms. J—In million metres. ‡ Upto November only. M—Million bulk gallons. † Upto November only. †† Average for eleven months.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1962	96.3
	Corresponding month 1961	66.2
	Twelve months ended June, 1962	1,052.2
	Corresponding period 1961	1,006.3
Stocks	At the end of June, 1962	79.1
	Corresponding month, 1961	76.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July 1961 to May, 1962	679.9
	May, 1962	65.1
	May, 1961	52.9
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July 1961 to May, 1962	263.7
	May, 1962	23.5
	May, 1961	23.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	June, 1962	559
	Corresponding month, 1961	384
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R=Revised

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
June 1961	131,800	124,700	101,200
July "	133,900	137,200	107,900
Feb., 1962	139,400	138,300	108,000
Mar., "	156,600	146,900	128,000
April "	144,400	143,600	110,000
May "	146,400	145,600	115,600
June "	139,000	137,900	106,900
July "	145,100	143,200	114,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,499	734,951
June 1961	96,921	74,228	50,089
July "	100,407	77,595	65,720
Feb., 1962	97,258	75,949	53,600
Mar., "	113,176	88,241	89,294
April "	109,726	83,396	47,747
May "	112,269	85,155	68,574
June "	87,639	77,629	56,938
July "	96,151	78,352	63,006

T—Figures in Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
22nd May	2.00	2.00	2.00	2.590	99.350
23rd to 26th May*	0.11	—	0.11	—	99.371
29th May	2.00	2.00	2.00	2.540	99.365
30th May to 2nd June*	4.00	—	4.00	—	99.381
5th June	2.00	4.00	2.00	2.500	99.375
6th to 9th June*	1.30	—	1.30	—	99.391
12th June	2.00	3.25	2.00	2.510	99.370
13th to 16th June*	0.48	—	0.48	—	99.391
19th June	2.00	2.00	2.00	2.510	99.370
20th to 23rd June*	6.36	—	6.36	—	99.391
26th June	2.00	4.25	2.00	2.400	99.400
27th to 29th June*	7.10	—	7.10	—	99.416
3rd July	2.00	4.10	2.00	2.371	99.450
4th to 7th July*	0.57	—	0.57	—	99.421
9th to 14th July*	0.10	—	0.10	—	99.421
17th July	2.00	2.00	2.00	2.390	99.400
18th to 21st July*	3.37	—	3.37	—	99.421
24th July	2.00	3.10	2.00	2.376	99.380
25th to 28th July*	6.72	—	6.72	—	99.441
31st July	2.00	3.50	2.00	2.350	99.410
1st to 4th Aug.,*	8.30	—	8.30	—	99.431
7th August	2.00	2.50	2.00	2.350	99.410
8th to 11th Aug.,*	4.40	—	4.40	—	99.426
13th August	2.00	2.00	2.00	2.350	99.410
Total amount outstanding	66.81	..	66.81	..	..

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	400	148	127	113	106	123	111	150
July 1961	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August "	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. "	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February "	127	438	119	362	107	131	402	149	129	115	109	127	118P	152
March "	127P	439	121	357	105	131	405	149	129	113	109	127	..	152
April "	127P	439	121	355	102	..	413	149	129	113	111	127	..	152
May "	128P	443	..	361	..	..	418	..	127	113	111	128	..	..
June "	..	443	..	..	..	..	..	..	..	..	..	..	..	..
July "	..	447	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,80
1961-62	86	1,89	65,75	79,70	348,57	241,98	325,35	7,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
May 1961	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	778,46
June "	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July "	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. "	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. "	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. "	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3,67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. "	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April "	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May "	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note.—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 26th July, 1962*	11,611(J)
	Corresponding week 1961	19,990(J)
	1st Sept. to 26th July, 1961-62	1,779,144*
	Corresponding period, 1960-61	1,929,888*
Cotton Exports	Week ended 26th July, 1962	11,189
	Corresponding week 1961	1,933
	1st Sept. to 26th July, 1961-62	362,089
	Corresponding period. 1960-61	309,037
Mill Consumption (Estimated)	1st Sept. to 26th July, 1961-62	1,206,945
	Corresponding period, 1960-61	1,136,644
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 26th July, 1962	537,798
	Corresponding date, 1961	609,508
		In Bales of 392 lbs nett.
Consumption of Cotton— Indian	April, 1962	385,100
Foreign	April, 1962	73,209
Indian	Eight months ended April, 1961-62	3,092,536
Foreign	Eight months ended April, 1961-62	701,117
Indian	Same Period, 1960-61	2,717,455
Foreign	Same Period, 1960-61	783,087
Stocks (Mills and Elsewhere)— Indian	As on 30th April, 1962	1,300,479
Foreign	As on 30th April, 1962	261,894
Indian	As on 30th April, 1961	1,519,396
Foreign	As on 30th April, 1961	354,231

Particulars	From 1st Sept. to 23rd July 1961-62 In Bales of 180 Kilograms	From 1st Sept. to 23rd July 1960-61 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	3,559	2,696
Continent	24,426	15,049
Hongkong	12,311	14,334
China	—	67
Japan	172,976	169,593
U.S.A.	17,899	4,259
Other countries	561	334
Total to all foreign countries	231,732	206,332
Coastal Ports	121,839 (a)	102,205 (b)
Total	353,571	308,537

Particulars	Period	Quantity
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During June, 1962	27,571
	During June, 1961	21,188
	1st Sept. to 30th June, 1962	215,156
	1st Sept. to 30th June, 1961	204,749
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 6th July, 1962	....
	Corresponding week, 1961	12,132
	1st Sept. to 6th July, 1961-62	3,193,840
	Corresponding period, 1960-61	3,677,915
Karachi (Pakistan)— Receipts	1st Sept. to 5th July, 1961-62	999,111
	Corresponding period 1960-61	837,859
Exports	1st Sept. to 5th July, 1961-62	590,916
	Corresponding period, 1960-61	492,876

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to May, 1962. — Not Received A-Adjusted.

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 22*nd August*

Comfortable conditions prevail in the short-term money market. The inter-bank call money rate is back again at 1½ per cent per annum, after going up to 2 per cent on the 16th inst. In Calcutta, too, the rate has come down from 3-3½ per cent a week ago to 2 per cent lenders over. The slack season thus continues in full swing. No change has taken place in the rates of interest on term deposits which are still at the ceilings under the inter-bank agreement. With a view to reducing the cost of deposits, the banks are said to be seriously considering the abolition, through concerted action, of the ½ per cent interest that is being allowed on current accounts.

There has been a slight rise of Rs. 10 lakhs to Rs. 2.10 crores in the amount offered against an invitation of tenders for Rs. 2 crores of 91-days' Government of India Treasury Bills. The average rate of accepted tenders, however, was unchanged at 2.350 per cent per annum. There has been a further fall in the response to 91-days' Intermediate Treasury Bills. Sales of these during 14th to 18th August fetched only Rs. 80.50 lakhs, as compared with Rs. 4.40 crores in the past week and Rs. 8.30 crores in the first week of August.

The Gilt-edged market continues to be colourless. The trend is quietly steady, with small turnover confined mainly to short-dateds and short-medium datids. 3½ per cent 1965 has lost 5 nP to Rs. 99.70, 3½ per cent 1966 15 nP to Rs. 99.70, and 3½ per cent 1969 10 nP to Rs. 97.80, thus wiping out almost all the gains made by them last week. A rise of 5 nP has, however, taken place in 3 per cent 1966 68 and 3½ per cent 1967. Among State loans, 4 per cent 1964 issues of West Bengal and Madras are conspicuous by recording a gain of 25 nP, bringing up their value to par.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 20*th August*

Quiet to easy conditions prevailed in the food-grains market here this week, thanks to fairly good rains received all over in Northern India which have brightened the prospects for the *kharif* crops. Consequently, stockists preferred to liquidate on the eve of the new *kharif* crop arrivals. The harvesting of early maize has already begun and the new crop would soon reach the market. Maize crop in this part of the country has been very good. Preparation of land for the *rabi* sowings would commence after rains have been fairly heavy.

Wheat prices declined by 67 nP to Re. 1.34 per quintal. The average quality was quoted between Rs. 40.19 and Rs. 40.87 and the farm between Rs. 44.21 and Rs. 45.55. Red wheat prices stood at Rs. 39.52. Demand was not very brisk. Arrivals increased to 300 to 400 maunds daily, as stockists sold liberally. The local stocks stood at 66.000 maunds at the week-end. Two wagons of the commodity were despatched to the South. Poor demand and better arrivals accounted for an easy trend in rice. Prices of *mainpuri* quality and *gadda* quality declined by 67 nP to Re. 1.34 per quintal. Week-end prices were:—Rice *basmati superior* Rs. 85.74 to Rs. 96.45, *sela basmati* Rs. 75.02 to Rs. 80.38, *mainpuri* Rs. 56.26 to Rs. 57.60, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 52.92 a quintal.

Gram also sought lower levels on easy advices from Punjab and slack demand. The prices declined by 32 nP a quintal to be quoted at the week-end at Rs. 44.21 for the Punjab variety and Rs. 43.54 for the local produce. Total arrivals from Punjab were 500 maunds and the stock was stationary at 17.000 maunds. Barley and *bejhar* were quiet at Rs. 29.47 and between Rs. 28.13 to Rs. 29.47, respectively. *Juwar* prices were lower, but *methi* improved modestly on better demand. Other coarse grains were listless. Week-end prices were:—*Juwar* Rs. 45.55 to Rs. 50.91, *guwar* Rs. 40.19, *methi* Rs. 58.94 to Rs. 61.62, *bajra* Rs. 37.51, maize Rs. 29.47 and oats Rs. 29.47 to Rs. 30.81.

PEPPER FINISHES LOWER

(Messrs. Parekh and Co.)

BOMBAY, 22*nd August*

The rise in the price of Malabar black pepper was extended further in the earlier part of the fortnight, as New York came into the market and bought several parcels from both India and Singapore up to the parity of $0.34, the highest for the ungarbled, garbled and August delivery being Rs. 300, Rs. 310 and Rs. 312, respectively. Later in the fortnight, however, the market declined as fast as it improved, in sympathy with Singapore where prices of white and black were down to Str. $110 and Str. $147½, respectively, under pressure of heavy arrivals of Sarawak pepper. Malabar black suffered a setback, as New York withdrew and in sympathy with Singapore.

New York spot, after improving to $0.36, came down to $0.33½ to improve to $0.35.

Malabar ungarbled was quoted at Rs. 291, garbled at Rs. 300 and October delivery at Rs. 302, August delivery having been squared up at Rs. 300.

The improvement in local demand also proved to be a supporting factor. Yet, the *mofussil* traders refused to follow the rise and the demand tappered off. Singapore has started offering September shipment at discount and this had a psychologically bad effect on New York. As such, New York dealers refused to buy anything except early shipment.

Indonesia is reported to be offering cheaper Lampong to New York, as incentives are offered by the Government for export of pepper, coffee, etc.

Ready pepper in Bombay is nominally quoted at Rs. 158 per 50 kilos.

GOLD SCALES A FRESH PEAK

(From Our Own Correspondent)

BOMBAY, 22*nd August*

Gold in the bullion market scaled a fresh peak of Rs. 128.05 per 10 grams or Rs. 150.65 per tola yesterday (Tuesday) and today; the previous peak was Rs. 127.55 touched on 22nd May 1962. The scale-up followed speculative bull buying and nervous short-covering, while fresh offerings were scarce. The floating stocks in the market were said to have depleted considerably of late. One estimate places the total stocks at no more than 22.000 tolas, as against 80.000 to 90.000 tolas a few weeks ago. Operators were inclined to feel that the stocks would dwindle further, in view of the poor contraband arrivals, thanks to stricter customs vigilance, restrictions on overseas travel and rains hampering smuggling through country-crafts. Consequently, ready gold jumped up from Rs. 126.05 on Thursday last week to as high as Rs. 128.05 yesterday, the *Bhadrapad* (15th September) settlement advancing from Rs. 125.80 to Rs. 127.35. The premium commanded by ready gold over the forward increased from 25 nP to 80 nP. Today, however, there was a slight fall in the ready and forward rates, to Rs. 127.65 and Rs. 126.85 respectively, due to scattered selling induced by the Union Finance Minister's statement at New Delhi (yesterday) that the Government hoped to devise measures within a year or so to mobilise gold hoardings estimated at about 110 million ounces valued at Rs. 4.100 crores (at international prices, the hoardings amount to Rs. 1.850 crores).

Certain new gold ore shoots have been discovered recently in the Kolar Gold Mines, but it is too early, without further development in depth, to say whether they would prove to be rich veins, according to Mr. Morarji Desai. Meanwhile, the terms and conditions, as well as other arrangements for the transfer of administrative control of the Gold Fields from Mysore to the Central Government continue to be under negotiation.

The buoyancy of gold, coupled with the declining trend of arrivals and expectations of enlarged demand in view of better crop outlook, imparted strength to silver. Ready silver climbed up from Rs. 214.55 on Thursday last week to touch a high of Rs. 216.35 today before finishing at Rs. 216.15, a net rise of Re. 1.60, bringing the total rise since the beginning of this month to Rs. 4.10. The *Bhadrapad* (17th September) settlement was quoted today at Rs. 217.15—it was higher still at Rs. 217.40 at one time—a net rise of Rs. 2.20 in six days. The discount at which ready silver was quoted under the forward rose in the course of the week from 50 nP to Re. 1.10.

The daily average offtake of gold during the week was higher by 1,850 tolas at 6.250 tolas as compared with last week, while the average arrivals were higher by only 450 tolas at 6.250 tolas. The offtake of silver was 5 bars per day on an average (same as last week) and arrivals averaged 21 bars (as against 24 bars).

The dollar price of gold in the London bullion market improved further from $35.12¾ to $35.13 per fine ounce. Ready gold, too, continued its upward march, rising from 250*s.* 5¾*d.* to 250*s.* 7¼*d.* Ready and forward silver were maintained at the last week's high level of 92*d.* and 92¾*d.*, respectively, as also silver in New York at 109.25 cents. Silver prices might, perhaps, have risen further but for fears that China might consider the present price attractive enough and offer large quantities for export. What was more, there were rumours that Mexico, the world's largest producer of silver, had decided to enter the market as a seller if the price were to exceed the 110-cents-per-ounce level.

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

	22-8-62 (closing)	High	Low	16-8-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	127.65	128.05	126.45	126.05
*Bhadrapad** ..	126.85	127.35	126.00	125.80
Sovereign	97.75	97.75	97.50	97.50
SILVER				
Ready (.996 fine) ..	216.15	216.35	214.70	214.55
Bhadrapad† ..	217.25	217.60	216.20	215.05
London—				
Gold	250*s.* 7¼*d.*	250*s.*7¼*d.*	250*s.*6¼*d.*	250*s.*5¾*d.*
Silver Ready	92*d.*	—	—	92*d.*
Silver Forward ..	92¾*d.*	—	—	92¾*d.*
New York—				
Silver	109.25 cents	—	—	109.25 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

KIPS STEADIER

(From Our Own Correspondent)

MADRAS, 20*th August*

Kips in the local market were a shade steadier this week in view of several overseas inquiries. Sellers quoted higher prices which however, importers did not follow. Both export and internal demand for the lower grade cowhides was good. The market for buffhides, buffcalf and cowcalf was quiet. American buying was slack.

Importers of tanned goat skins seemed slightly active and a small volume of business was put through in the light weight goatskins of lower selections at slightly higher prices. Otherwise, the market was unchanged over last week's levels. Sellers of the middle class sheep skins were quoting 3*d.* to 6*d.* higher than the last established prices, which importers were hesitating to pay.

The next tanned skins public sales in London will commence on the 27th inst. and 100.000 goatskins and 100.000 sheepskins have been catalogued for sale. The following were the ruling prices (in rupees) in the local market for all-round lots, per lb :—tanned cow hides 8/8½ lbs. average 2 to 2/06, tanned cow calf 1½/2 lbs. average 3/70 to 3/80, tanned buff hides 12/14 lbs. average 1/70 to 1/75, tanned buff calf 1½/2 lbs. average 3/20 to 3/25.

COTTON FUTURES QUIET

(From Our Own Correspondent)

BOMBAY, 22*nd August*

Cotton futures were quiet this week. Sentiment continued to be influenced by reports of good rains recently in Khandesh, Berar and other cotton growing tracts. Bulges, therefore, met with further realising, which, however, was mild, because of bear covering induced by the strong statistical position of the market. Support was generally lacking, but sellers, too, were restrained. Turnover, therefore, was poor and trading unexciting. Owing to alternate spells of realising and bear covering, fluctuations were very irregular and confined to a narrow range. The Jarilla March 1963 contract, which stood at Rs. 736.25 last week-end, opened this week slightly higher at Rs. 738.50 and rallied to Rs. 740.25, but reacted the next day (18th August) to Rs. 735.25. After recovering to Rs. 741.25 on the 20th inst., the contract slipped back again to Rs. 735.75 today before finding at Rs. 737. Although the closing price indicated a small gain over the week, the trading pattern throughout suggested the continuation of the current reactionary trend in the market. However, as it is still too early to talk about the size of the new season's crop, there is no positive factor that can induce the prominent bull operators to revise their ideas of at least the near-term outlook for the market.

On representations made by the industry and in view of the delay in the next season's crop, the Textile Commissioner has decided that purchases by mills against the indigenous cotton quotas issued to them prior to 1st August 1962 might be made by them up to 30th September 1962, while those against the quotas issued from 1st August could be made up to 31st October next. Since the quotas relate to the cotton year 1961-62, it is stated, the purchases have to be confined to that year's and earlier seasons' crops and should not be in the new season's crop. As from 1st September 1962, deliveries of Indian cotton by mills against the quotas for 1961-62 are required to be taken only with the permission of the Textile Commissioner.

The extension of the validity of quotas kent the Sewri spot market active. Mills were reported to be keen buyers of ready lots of Co2, Laxmi, Surti, L-147, Kalyan, 197/3 and Wagad. Prices were unchanged. In the import section, spinner interest continued in Egyptian-Giza and Karnak for January shipment. Stray interest was also discernible in Sudan, African and Pakistan cottons.

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

Ganganagar 690, Gidharbha 685, Mansha 591 to 567, Barnala 551, Jagadia Yellow 751, Gadag Laxmi 1,290, Hubli-Laxmi 1,340 f.o.r. Ahmedabad, B.P. 52 1.260 c.i.f. February/March, Pakistan AC/137 1.150 c.i.f. October and Sudan G2L 1,371 to 1,375 c.i.f. January.

The Karachi cotton market was dull during the week. The futures contracts moved narrowly and closed with minor changes over the week. Thus, the January contract finished at Rs. 75.30, as against Rs. 75.25 a week ago, and the March contract was unaltered at Rs. 74.90. Spot prices were steady, with Sind *Deshi* done at Rs. 73.50. Punjab *Deshi* at Rs. 67.50, 4F Punjab R.G. at Rs. 80.50 and SG at Rs. 85.

In view of a largely bearish news background of expanding harvesting in the main belt, slow spot and export activity, and very slow textile business, the cotton market in New York was dull and quiet. Futures contracts showed further small losses over the week, with October closing at 33.70/33.72 cents per lb., as against 33.91 cents a week ago, December at 33.84 cents, as against 34.03 cents, and March at 34.22 cents as against 34 30/34.35 cents. The New York spot price moved down from 35.65 cents to 36.45 cents.

The Liverpool market was a shade steady. The October delivery closed slightly higher at 23.65 pence per lb., as against 23.45 pence a week ago.

OILSEEDS RECEDE

(From Our Own Correspondent)

BOMBAY, 22*nd August*

There was a marked setback in the values of oils and oilseeds during the week under review, thanks to bull liquidation induced by bearish crop reports. Groundnuts, in particular, were subjected to heavy selling pressure, following satisfactory rains in Gujarat and Andhra Pradesh which removed the earlier fears of sowing being adversely affected. In the absence of any encouraging export news, castorseeds gave way. Linseed ruled easy due to weakness of mustardseeds in North Indian markets. Cottonseeds moved down in sympathy.

The representatives of oilseeds trade (led by Mr. Ramdas Kilachand), had talks this week with a British delegation representing the Karmahom Conference Lines (led by Mr. L.G. Hudson) on the recent decision of the shipping lines to raise the freight on oilcakes by 12s. per 100 kg. from October next. The trade pleaded for a reduction of 5s., while the shipping lines were not prepared to grant a cut of more than two shillings, though they agreed to postpone the proposed increase by a month to November and to give better service by making available more steamers as well as by accepting cargoes even at minor ports.

Groundnut January 1963 contract fell by Re. 1.87 to Rs. 226.50. September 1962 contract, however, which had been pushed up earlier in the week from Rs. 240 to Rs. 244, closed easy at Rs. 240.75. Nizam bold declined by 25 nP to Rs. 48.75. Oil January 1962 contract eased by 27 nP to Rs. 31.15. Railway receipts shed 20 nP to Rs. 19.45 and ex-mill 10 nP to Rs. 19.90.

Castorseed September 1962 contract suffered a loss of Rs. 3.50, today's closing rate being Rs. 166.25. March 1963 contract fell by Re. 1.25 to Rs. 167. Madras small was lower by 87 nP at Rs. 33.25. Oil B.S.S, shed 45 nP to Rs. 13.50 and Commercial 30 nP to Rs. 12.60.

Linseed September 1962 contract fell by 44 nP to Rs. 40.50. Bold ready dropped 62 nP to Rs. 40. Linseed oil closed lower at Rs. 16.75, as against Rs. 16.80.

Cottonseed September 1962 contract receded by a rupee to Rs. 103.50. Berar shed 50 nP to Rs. 22.25. White was dull at Rs. 21.25 and non-white at Rs. 22.25.

The following table shows the closing prices of oilseeds and oils on Wednesday, 22nd August, as compared with those of the two previous weeks:

	22-8-1962	15-8-1962	8-8-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	240 75	240.00	239.37
Groundnut January 1963 ..	226 50	228.37	234 00
Nizam bold	48 75	49.00	49 50
Khandesh quality ..	50.00	49.75	50 25
Oil ex-mill ready* ..	19 90	20.00	20.20
Railway receipts*	19.45	19.80	19.80
Castorseed			
September 1962	166 25	169 75	172 25
Castorseed March 1963 ..	167 00	168 25	171 25
Ready Madras	33 25	34.12	34.25
Ready Kanpur	32 25	32 75	33.00
Oil B.S.S.†	12 50	13.05	14.00
Oil commercial†	12.60	12.90	13.00
Linseed			
September 1962	40.50	40 94	42.56
Bold ready	40.00	40 62	41.50
Oil ready†	16.75	16.80	17.20
Cottonseed September 1962	103 50	104.50	107.00
Cottonseed January 1963	103 00	103.00	—
Niger seed	37.75	38.00	38.00
Kardi seed	28.00	29.00	29.00

* Rates include excise duty but exclude sales tax

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 22*nd August*

Art silk yarns ruled distinctly easy during the week under review. The easiness was due to the marked drop to about 275 per cent in the premium commanded by import licences, as against as much as 350-360 per cent prevailing a few days ago. The drop in premium would appear to have been the result of reports suggesting (*a*) the early commencement of the pool scheme distribution of art silk yarn and (*b*) the possibility of Japan also joining the scheme. Amilon yarn (20 x 1) August contract encountered selling and fell by Rs. 100 to Rs. 4.700. Among indigenous art silk yarns, Centurys 100 deniers Bt. cones A grade receded by 36 nP to Rs. 18.57, S.I. Viscose 120 deniers by 20 nP to Rs. 16.50 and National Rayons 120 Bt. cones 1st grade by 13 nP to Rs. 16.37.

Staple fibre yarns also came in for selling and suffered losses. 40 x 1 August delivery declined by Rs. 14 to Rs. 812 and October contract by Rs. 16 to Rs. 837. Spot Kohinoors eased by 7 nP to Rs. 9.64. Centurys shed 4 nP to Rs. 9.02.

Cotton yarns were dull. The currently ruling prices were said to be much higher than the ceiling ex-mill prices (fixed by the Indian Cotton Mills Federation). This phenomenon is attributed to the high premium demanded by some mills. It is stated that the powerloom interests have drawn the attraction of the authorities to this and urged the supply of yarn at reasonable prices.

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

	21-8-1962	16-8-1962
Art silk yarn—	Rs.	Rs.
20/1 *Amilon* (100 kg.)—		
August	4,700.00	4,800.00
Nat. Ray. 150 Bt. 1 (per kg.)	13.75	13.77
Nat. Ray. 120 Bt. 1 (per kg.)	16.37	16.50
Staple fibre yarn (40 x 2)—		
August	812.00	826.00
October	837.00	853.00
Kohinoor (per kg.)	9.64	9.77
Century	9.02	9.06
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.25	18.00
32s Madura	30.00	30.00
40s Gokak	36.50	36.50
60s Finlay	73 50	73 50
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

LEGG-CUT TEAS DEARER

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

COCHIN, 16*th August*

A total of 720,000 kgs. was on offer in sale No. 32 held on Tuesday, 14th inst. Quality from the Nilgiris showed a slight decline, but from other districts it was about maintained. There was good general demand which strengthened towards the close. The best highgrown brokens and fannings were very strong with occasional invoices appreciating considerably in price. Other descriptions under this category came to an irregular, but generally firm market. Good medium brokens were firm but occasionally easier, while their fannings generally came to a dearer market. Medium brokens were irregular but may be quoted as being fully firm to dearer. Similar fannings followed the upward trend of the market for this grade. Low medium brokens were extremely irregular, some barely steady, others much dearer. Fannings in this category were generally dearer to buy. Plainest brokens were irregular but often lower. Their fannings, however, were strong. Black leaf brokens were about steady, but their fannings met with keen competition. The brighter liquoring whole leaf grades were strong while others were about steady. Legg-cut descriptions were firm to dearer, but C.T.C. types were often lower, particularly their whole leaf grades.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.20-4.20	4.45-4.55
Mediums	4.20-4.50	4.50-4.60
Good mediums	4.60-5.50	4.60-5.20
Nilgiri B.O.P.	4.40-8.40	4.65-6.15

The average price realised in sale No. 32 was Rs. 4.42 per kilo as against Rs. 4.38 a week ago and Rs. 4.75 in the corresponding sale last year.

In dust sale No. 32 held today, 416,000 kgs. were on offer. There was good general demand, but prices were somewhat irregular. Highgrowns though well supported, were often lower on last rates, while good medium descriptions followed a similar trend. Travancores sold readily, but prices were often in buyers' favour. There was more interest shown in Wynaad types and these may be quoted as being about firm. Black, grainy kinds sold readily. Unorthodox dusts were firm but occasional invoices were easier.

The average price realised in dust sale No. 32 was Rs. 3.39 per kilo, as compared with Rs. 3.37 a week ago and Rs. 4.71 in the corresponding sale last year.

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

"*Sale No.* 33: 691,000 kgs. offered. Fair demand. Brighter and cleaner mediums fully firm to dearer. Poorer sorts 10 nP to 20 nP easier Good mediums generally barely steady. Highgrowns strong and dearer. Unorthodox easier."

QUALITY TEAS IN DEMAND

(From Our Own Correspondent)

CALCUTTA, 21*st August*

There was good demand for the superior grade teas in the export auctions held here yesterday, but the lower grades were as usual neglected and quiet. A further recession in prices of dusts was seen in the internal sales held here last week. The poor demand for dusts has restricted interest in shares of tea companies on the local Stock Exchange. The lack of adequate demand for common teas and the fall in their prices—the average price realised for dusts in this season's sales so far works out to Rs. 4.69 per kg. as against Rs. 5.18 in the corresponding period of the last season—have increased the anxiety of the trade as well as the gardens in regard to the outlook for the rest of the season.

The North Indian crop up to the end of July totalled 206.35 million lbs. representing a decline of 9.76 million lbs. as compared with the production in the corresponding period of the 1961-62 season. August and September mark the end of the season's best period. It is, therefore, considered that the total production in North India this season would be the same as in the last season. Although the crop has so far been lower than in the previous season, demand has not shown any sign of a significant increase. For exports of North Indian tea so far have totalled 27.30 million lbs., as against 27.11 million lbs. previously.

In recent years, the better grades have been in short supply and therefore in good demand. That explains the small increase in the average price of leaf teas realised in the export auctions so far. The price has been Rs. 6.03 per kg., as against Rs. 5.95 in the corresponding period of the previous year. Taking prices of leaf and common teas together, the average price realised so far has been higher at Rs. 5.99 per kg., as against Rs. 5.91 previously. Up to the end of July, the quantity put through the Calcutta auctions was slightly higher at 11.52 million kg. as against 11.39 million kg. in the corresponding period of the last season.

The trade contends that the weak trend in dusts supports its assumption that demand for such teas has declined. Since supplies of these teas are expected to exceed demand, internal stockists are hesitating to build up their inventories as usual. Due to poor foreign demand, most of such teas have to be sold within India. These factors have depressed common teas. The trade strongly feels that, unless internal demand for dusts is increased, the prospects of India achieving the production target of 900 million lbs. by the end of 1966 look bleak.

World tea crop this year has so far totalled 585.2 million lbs., as against 584.1 million lbs. in the corresponding period for the previous year. East African production has increased by 9 million lbs. and Ceylonese by 4 million lbs. That India's production has not increased proportionately is to be regretted. The sharp increase in both acreage and crop of several producing countries is only too evident from a glance of the International Tea Committee's annual statistical bulletin recently published.

Dusts on offer at internal sales, held here last week, totalled 29,746 packages. Although there was a good demand, prices were lower at the opening. However, a general improvement was in evidence as the sales progressed. A strong feature was the non-wither legg-cut teas, prices of which hardened. The brighter liquoring lots received keen attention from the bidders. On the other hand, plain orthodox dusts eased up to 15 nP, while the brighter liquorings in this category were earnestly sought for at slightly higher prices. C.T.C. dusts eased up to 20 nP, with the good C.T.C. lots receiving good attention. The quotations in rupees per kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.80, medium Assam C.T.C. dust 5.50 to 6, medium Assam dusts 4.50 to 4.90, legg-cut dust 3.90 to 4.40 and plain orthodox dust 3.20 to 3.50.

Good demand was in evidence at yesterday's export sales, leaf on offer at which totalled 56.824 packages. The best lots in medium C.T.Cs met with good support and prices rose, but the other lots in this category were just firm. Legg-cut teas were maintained at about last prices. An irregular trend was recorded in orthodox teas, which however, met with useful inquiry. In particular, the bright liquoring teas attracted keen attention. The plainest teas were firm with selected fannings fully steady. Darjeelings eased by 40 nP, leading to a number of withdrawals. Whole leaf grades were about firm, but the more stylish teas eased. The tippiest teas were in good demand, but the lesser grades met with poor demand. The quotations in rupees per kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 7 to 8.20, best Assam C.T.C. B.P. 7 to 8, medium Assam C.T.C. fannings 5.40 to 5.90, clean plain pekoe 4.10 to 4.40, medium Assam C.T.C. B.P. 5.40 to 5.90, plain fannings 3.50 to 4, and plain B.P. 3.40 to 3.70.

JUTES STEADY

(From Our Own Correspondent)

CALCUTTA, 21*st August*

Jute markets, both goods and fibre, were steady during the week under review. Prices of goods were well maintained on good support from overseas buyers, but the tendency to make discounted offers in fibre continued to stay. This aspect of the fibre market trend has naturally caused a certain amount of anxiety to both the Government and the Indian Jute Mills Association. It is suggested that, in the present situation, the minimum prices are a little on the high side and that, if these are brought down by about Rs. 2 or Rs. 3 a maund, economic realism would have dawned on those concerned and, what is more, only the profit margin for the farmer would have been reduced and still his cost of production would be fully covered. However, to accept a suggestion of this type would require boldness at a governmental level, as any step to move the price downwards would be resisted by farmers' organisations and would have concomitant political implications. When the minimum prices were fixed last year, prices of goods were higher than at present. Now that conditions have changed and by growing a higher crop it is natural to infer that the marginal cost of production has been brought down, the time is very propitious for considering a revision of the minimum prices. The increase in the tendency to make offers at discounted rates makes it clear that, even at lower rates, the farmer does not stand to lose. It is believed that the conference between the Union Commerce and Industry Ministry and the I.J.M.A. held at New Delhi early last week discussed all these aspects of the situation, but evidently no firm decisions have yet been taken.

Meanwhile, the I.J.M.A., for its part, is determined to take such action as considered practicable within its orbit to support the market. It has accordingly favoured the reintroduction of the system of the weekly issue of minimum purchase quotas. The weekly quota to commence with will be about 500,000 maunds. The mills are disappointed at the fall in the offerings of good quality fibre which commands a good premium. Although there has been a deterioration in the quality of this year's crop and the proportion of superior fibre to inferior grades would indicate a decline, it is possible that not all the good quality is being released by farmers. For, with the gradual widening of the premium, the farmers anticipate that, as the season progresses and the shortage gets more and more felt, prices are bound to increase. This explains their anxiety to dispose of all the inferior fibre as and when cropped as early as possible, in order that what holding power and storage capacity they have can be exercised on good quality fibre. According to reports from jute districts in West Bengal and Assam, the total crop is expected to be higher than last year's. The monsoon has been very satisfactory, and sufficient water has accumulated for retting and cleaning operations. These reports make it possible to expect that, as the season progresses, quality may as well show an improvement; this would be welcome indeed, as, with the buoyant demand for hessian from overseas buyers, mills in India would require all the better quality fibre that the country can grow. The weak conditions in the fibre market in Pakistan has caused anxiety to the authorities there. Several measures to support the market have been considered, and it is reported that the Pakistan Jute Marketing Corporation has already commenced purchasing fibre from those areas where prices have moved down very markedly. Minimum prices are shortly to be fixed with the stipulation that nobody should purchase fibre from the growers below the minimum prices.

On Tuesday last, ready hessian 40" 10 oz. was steady at Rs. 53.00, as activity in the futures market was keen and August futures opening at Rs. 51.54 rose to Rs. 52.04. However, lack of business forced down ready B. twills from Rs. 122 to Rs. 121.40. The market was closed on Wednesday and the reopening on Thursday evidenced a good number of inquiries from foreign buyers. Covering business was done on a good scale, and that accounted for the rise in ready hessian 40" 10 oz. to Rs. 54 and B. twills to Rs. 121.85. Actual business done, however, was confined to non-standard constructions. Hessian 40" 10 oz. August futures was as high as Rs. 53 and same B. twills hardened from Rs. 120.10 to Rs. 121.10. At this stage, bearishness set in in the futures market, reflecting which August B. twills closed lower at Rs. 119.80 on Friday, as against the opening of Rs. 120.40 on that day, and August hessian 40" 10 oz. at Rs. 52.24, as against Rs. 52.80. This affected the ready mar-

ket, and B, twills eased to Rs. 121 and hessian 40" 10 oz. to Rs. 53. Over the week-end, a small recovery was in evidence and this aided ready hessian 40" 10 oz. to close steadier at Rs. 53.25 and ready B. twills at Rs. 121.25. Jute goods shipped during the week continued to be encouraging in respect of both quantity and destinations, and continued inquiries for all constructions, including specialities showed that there exists good demand. As a result, it is to be expected that mills would continue production at the existing high rate. Keener activity was in evidence in the futures, market yesterday, and speculative manipulations, coupled with the steadier trend in fibre prices following reports of heavy rainfall in some jute districts, lent support. As a result, ready B. twills rose to Rs. 122.25 and ready hessian 40" 10 oz. to Rs. 54.00.

Prices of fibre were maintained as follows: Daisee bottoms Rs. 32 for Sep.-Oct. delivery, northern bottoms Rs. 29.50 for Aug.-Sep. and Assam bottoms Rs. 30 for Aug.-Sep. Sellers were anxious for business, but the reported decision of mills to reintroduce the issue of minimum purchase quota every week restrained sellers from discounting. With the transfer of more sacking looms to the production of hessian, mills were naturally interested in the offerings of superior grades. They displayed only little interest in the low varieties. Trade circles here referred to the E.P.C. registrations in Pakistan for the second half of last month and noted that Poland topped the list of foreign countries with its offtake amounting to as much as 88,459 bales. They, therefore, thought that, if only more efforts were made to secure market for India's lower varieties in Poland and other Communist countries, the problem of a surplus in these varieties could be eased.

QUIET TONE IN METALS

(From Our Own Correspondent)

CALCUTTA, 21*st August*

Quiet conditions were in evidence in the metal market here during the week under review. Although copper scrap supplies were tight, prices declined due to restricted demand. Prices of electrolytic zinc and tin hardened, as it was apprehended that the recent expectations of import liberalisation were unlikely to materialise immediately. Lead, in contrast, receded, as supplies exceeded demand.

The trade fully endorsed the demands made by Mr. P. P. Dey in his presidential address to the annual meeting of the East India Metal Merchants' Association. For he appropriately referred to the acute shortage of non-ferrous metals and urged that, having regard to the increased requirements of non-ferrous metal products and castings for machinery-making, the imports of these essential metals should be increased. He said that at present the manufacturing industry could hardly get adequate raw materials to run even a single shift.

If India is to progress in machinery-making, there is no alternative to increased imports of non-ferrous metals. When manufacturers are not even able to work to full capacity on a single-shift basis, there is evidently no point in setting up more manufacturing units, consuming non-ferrous metals. Owing to inadequate utilisation of the existing capacity the country stands to lose. At the same time, considerable foreign exchange is being spent on importing non-ferrous metal products and castings which can be made within India, if only imports of these strategic metals were increased. Indigenous copper meets only a very small portion of the domestic needs, and imports during recent years have shown a rapid increase in line with the tempo of industrial development. Against this background, Mr. Dey observed that the present restrictions on imports amounted to spoon-feeding the industry.

During the week, spot copper was maintained at £234 a ton on the London Metal Exchange. The three-month delivery opened at £234½ and hardened to £231½. The maintenance of the spot rate at £234 a ton for the past several weeks has been due to the cut-back in production in the United States and Chile. The output by big Chilean mines in July was only 40,517 tons, showing a decline of 4,204 tons over the previous month. In July 1961, production was higher at 43,062 tons. Production of Kennecotts for the six months to June 1962 amounted to 299,000 tons, recording a decline of 2,000 tons has compared to the corresponding figure for 1961. Shipments in the same period totalled 305,000 tons, showing a fall of 12,000 tons. The cut-back in production and the maintenance of the price at a steady level in recent months indicate that a proper balance between demand and supply has been reached. In Calcutta, following a fall in demand, utensil copper scrap declined from Rs. 556.50 per 100 kgs. to Rs. 552. The fractional rise on the New York Commodity Exchange was attributed to the confused political situation in the Congo.

Tin supplies in India being extremely limited, the price rose here during the week from Rs. 2,102.25 per 100 kgs. to Rs. 2,194.75. However, demand was low. Improved advices from Singapore and the prospect of greater support by the buffer stock manager in London hardened the sentiment. The buffer stock manager has funds to the extent of £14 million, and he has been buying at £845 for last two weeks, arresting thereby any further fall in the price. In London, the spot quotation was steady throughout the week at £849½ a ton. The erratic movement in the world price for last one year has been due to the uncertainty arising from the expected U.S. releases.

Electrolytic zinc gained from Rs. 279.50 per 100 kgs. to Rs. 297.25, as it was doubted if at all the Government would be able to raise the import quota. A good portion of the foreign aid represents tied loans. In London, zinc eased from £65¼ a ton to £64¾ and lead from £52 a ton to £51. In Calcutta, lead eased from Rs. 149.75 to Rs. 147.75 due to poor demand.

Notices

THE LAWRENCE JUTE COMPANY LIMITED

DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on 18th August, 1962, the following Dividends were recommended subject to deduction of Tax.

On Cumulative 'A' Preference Shares @ 9.10 per cent per annum.

On Cumulative 'B' Preference Shares @ 7.15 per cent per annum.

On Ordinary Shares @ Rs. 10 per share.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
18*th August*, 1962.

THE NORTHBROOK JUTE COMPANY LIMITED

DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on 18th August, 1962, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 7.15 per cent per annum.

On Ordinary Shares @ Rs. 2 per share.

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

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
18*th August*, 1962.

THE AUCKLAND JUTE COMPANY LIMITED

DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on 18th August, 1962, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 7.15 per cent per annum.

On Redeemable Cumulative Preference Shares @ 5.85 per cent per annum.

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

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
18*th August*, 1962.

THE KINNISON JUTE MILLS COMPANY LIMITED

DIVIDEND FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on 18th August, 1962, Dividend on Cumulative Preference Shares at 9.10 per cent per annum subject to deduction of tax was recommended.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
18*th August*, 1962.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 21st August 1962.

	Closing quotations 16-8-1962	High	Low	Closing quotations 21-8-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.50	—	—	170.50
Apollo (2)	2 32	2.36	2.28	2 34
Baroda Rayon (100)	136 00	139 00	135 50	138 00
Bombay Dyeing (25)	67 90	68.10	67 80	67 90
Bradbury (50)	188 50	191.00	190.00	191 00
Central India (100)	142 00	143.00	141 50	143 00
Century Mills (100)	627 50	639 50	625.50	637 00
Coorla Sp. (100)	150 00	152.50	150.00	152 50
Dawn (50)	171 50	178.00	172.00	178.50
Edward Textile (200)	349 00	—	—	349 00
Elphinstone (50)	117 00	117.00	115.00	116 00
Finlay (100)	313 00	315.00	312.00	315.00
Gokak (100)	190 00	191.00	189.50	190.00
Gold Mohur (100)	237 00	237.00	236.25	237.00
Gwalior Rayon (10)	59 20	58 80	58 20	58 50
Ind. Untd. Defd. (1)	3 64	3 84	3 58	3 78
Ind. Untd. Ord. (10)	25 50	26 10	25 50	25 75
Indian Rayon (100)	103 00	103 00	100 50	102 00
Indore Malwa (100)	180 00	185 00	181 00	184 00
Khatau (100)	481 25	480 25	474 25	483 75
Kohinoor (100)	323 00	325 50	320 50	320 50
Mafatlal (100)	830 00	815.00	800.00	815 00
Minerva Mills (100)	82 50	—	—	82 50
Model Nagpur (250)	130.00	—	—	130.00
Morarji (100)	422 00	424.00	420 00	421 00
Mysore (50)	64 30	64 50	63 80	64 50
National Rayons (100)	515 00	519.00	512 50	518 00
New City (100)	181 00	—	—	181.00
New Great (100)	280 00	—	—	280.00
Phoenix (100)	258 00	267 00	258 00	263 00
Podar Mills (100)	133 00	133.00	130.00	132.00
Raymond Woollen (100)	139 00	139.00	137.50	137.50
Sassoon Silk (10)	57 50	—	57.20	57.50
Sassoon Spg. (10)	268 00	271 00	266 00	271 00
Shrinivas (100)	167 00	165 00	164 00	165 00
Simplex (50)	912 00	929 00	906 00	922 00
Swadeshi (100)	266 50	269.00	266 50	268 50
Swan (100)	310.00	—	—	310 00
T. I. Viscose (100)	167 00	168 00	166 00	166 00
Tata Mills (25)	64.50	64.50	63 00	63 70
Lakshmi-Vishnu (100)	128 00	128.00	125.00	125 00
Western India (250)	860.00	—	—	860.00
BANKS				
Bank of India (50)	119 00cd	119.50cd	117.00xd	118 00xd
Do. (New) (50)	119 5 cd	—	—	119 00xd
Bank of Baroda (50)	99 50cd	99 50cd	99.00xd	97 0 xd
Central (25)	64 50	64 50	64 00	64 50
Central 'A' (25)	64 00	67 00	66 00	67 00
Dena Bank (50)	58.00	—	—	58 00
Punjab National (100)	20 00	—	—	20.00
Union Bank (5)	6.52	6.44	6.40	6 44
United Com. (50)	84.00	—	—	84.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	95.20	95.50	94 80	95.00
Amalgamated (10)	10.00	10.04	10.00	10 04
Andhra Valley (1,000)	1,042 50cd	1,042.50cd	1,040.00xd	1,013 75xd
Bom. Sub. El. (100)	105 50	—	—	106 00
Surat (100)	101.75	102.00	101.75	102 00
Tata Hydro (100)	113.50cd	114 00cd	110 00xd	110 50xd
Tata Power (1,000)	1,121.25cd	1,125.00cd	1,093.75xd	1,095.00xd
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile (40)	62 00	—	—	62 00
New India (15)	70 50	—	—	70 00
New India 'A' (15)	72.00	72.30	71.50	72 00
Vulcan (10)	17.72	—	—	17.72
STEEL COS.				
Ind. Iron (10)	26.50	26.85	26.35	26.80
Mukand Iron (10)	25 90cd	25 90cd	25.10xd	25 25xd
Tata Steel Ord. (75)	146.50	148.50	146.00	148.25
SUGAR COS.				
Belapur (50)	240 00	242.00	237.00	240.50
Bhopal (10)	21 24	—	—	21 24
Chandpur (12.50)	26 25	27.25	26.50	27 25
Maharashtra (50)	160 50	165 00	160.00	162 50
Phaltan (50)	101.50	—	—	102 00
Walchand Ind. (100)	160.00	160.00	158.75	159.50
CEMENT COS.				
Associated Cts (100)	157 75	160.25	156.50	159.75
Digvijay (100)	192 00	192 00	190 00	192 00
Orissa (10)	17.24	17.36	17.16	17.20
MISCELLANEOUS				
Alcock Ashdown (100)	332 00	332 00	328.00	332 00
Amar Dye-Chem (100)	271 25	270 00	268.75	270 00
Bom. Burmah (125)	663 50	670 50	661.00	669 50
Do. (New) (50)	257 50	260 00	257.50	258 75
Br. B. Petrol (1½ sh.)	2 78	2 88	2 66	2 84
Br. I. Corpo. (5)	10 24	10.36	10.24	10 36
Cooper Eng. (100)	181 00	181 50	181.00	181.00
Colour Chem. (100)	430 00	—	—	430.00
Hind Cycle (100)	112 00	114.00	112.00	114 00
Hindustan Lever (10)	47 75	—	—	47 50
Hindustan Motors (10)	20.00	20.12	19.92	19 96
I. C. & Invest. Corpo. (100)	94 00	—	—	94.00
Indian Dyestuff (100)	451 25cd	456 25xd	448 75xd	451 25xd
Indian Copper (2 sh.)	4 90	4 90	4.86	4 94
Ind. Inv. Tr. (100)	73 00	—	—	73 00
Killicks (100)	89 50	89 70	89 00	89 70
Larsen & Toubro (10)	29 60	30.00	29.25	29.85
Mahindra & Mahindra (10)	17.60	17.80	17.64	17.76
New Central Jute (10)	14 36	—	—	14 36
Polychem (50)	186 25	185 00	183 75	185 00
Polson (100)	188 00	189.00	188.00	189 00
Pre. Automobiles (100)	125 25	125.50	123 00	124 50
Premier Con. (80)	155 00	156 50	154 00	156 00
Scindia (20)	11 84	12.32	11.76	12 28
G. E. Shipping (10)	12 28	—	—	12.28
Shivrajpur (10)	34 00	34 00	33.50	34 00
Sirpur Paper (10)	13.60	13.64	13.56	13.60
Synthetics and Chem. (100)	192 00xR	193.00	190.00	190 50
Tata Chemicals (10)	15 32	15 48	15.12	15 28
Tata Locomotive (100)	333 00	337 00	331 25	335 50
Tata Oil (25)	74 50cd	74 50cr	60.00xR	62.50xRxd
Texmaco (10)	23 24	—	—	23.24
Voltas (100)	272 50	274 00	271 50	273 00
W. I. Match (100)	278 00	277 00	276 00	277 00
W. Coast Paper (100)	170.00	170 00	169.00	169.50

GOVERNMENT SECURITIES	16-8-1962	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	21-8-1962
	Rs.			Rs.
2½% 1962	99.60	—	3.75	99.75
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.49	98.90
3% 1963-65	98.95	3.80	3.34	98.95
3% 1966-68	96 70	3.87	3.58	96.85
3% 1970-75 1st Def.	89.05	4.76	4.10	89.05
3% 1968 Con. Loan	68.80	—	4.35*	69 00
3½% 1964 N. P. Loan	100 00	—	3.50	100.00
3½% 1965 N. P. Bonds	99.75	—	3.58	99 80
3½% 1966 N. P. Bonds	98.90	—	3.75	98.90
3½% 1974	99.20	—	3.83	99.20
3½% 1967 N.P. Bonds	99.50	—	3.86	99.50
3½% 1969 Loan	97.90	—	3.83	98.00
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.86	99.35
4 % 1972 Loan	99.40	—	4.08	99.40
4 % 1973 Loan	99.30	—	4.08	99.30
4 % 1979 Loan	98.70	—	4.11	98.70
3½% 1966 Bonds	99.65	—	3.80	99.65
4 % 1980 Loan	98.60	—	4.11	98.60
4 % 1981 Loan	98.55	—	4.11	98.55
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—) x-dividend. X.R.—Ex-Right.
CR.—Cum-Right. ed—Cum-dividend.

COMMERCE

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

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FURTHER BANKING REFORM

THE two Bills introduced in the Lok Sabha with the object of improving the soundness of banks and their utility to trade and industry belong to the category of desirable and necessary legislation. One of them seeks to amend the Banking Companies Act and the other the Reserve Bank of India Act, though both the Bills are inter-related. Banks may find that some of the provisions of these Bills are irksome, but so are all the disciplinary measures designed to ensure healthy behaviour and to prevent excesses. A feature of the present legislative move is that it has been preceded by considerable discussion over a prolonged period with the interests concerned. Further, the necessity for at least a good part of the legislation on the anvil has been felt by experience in recent years. It is true that, originally, the intention was to get at least two of the purposes served through gentlemen's agreement between banks and the Reserve Bank and that an agreement covering one of them has actually been in force since the beginning of this year. But the authorities seem to have felt the necessity to reinforce this gentlemen's agreement by statutory sanction to the crucial part of it. It is said that one of the big banks did not abide by the gentlemen's agreement while appropriating its profit for 1961. It is further said that the authorities had reasons to believe that not all the foreign banks operating in India would comply with such an agreement and that they had no means of enforcing it without resorting to unpleasant methods if any of them failed to toe the accepted line. Significantly enough, the Indian Banks' Association, which is the party to the gentlemen's agreement with the Reserve Bank on the six per cent ratio of "own funds" to deposits, has not objected—at any rate, not in public—to the Reserve Bank's sudden abandonment of the experiment in the gentlemen's agreement.

The amendments now before Parliament have four principal purposes in view. One, to compel banks to maintain a larger liquidity ratio; two, to compel banks to earmark every year a specific percentage of their published profits to the reserve fund, irrespective of its size in relation to paid-up capital; three, to enable the Reserve Bank to collect more detailed information from banks on the credits provided to its customers and to disseminate such information to other banks; and four, to facilitate the provision of more liberal credit by the Reserve Bank to member-banks against export bills. The first two objectives have been before the public for quite some time more prominently than the other two, having been specifically mooted by the Reserve Bank when Mr. H. V. R. Iengar was its Governor and having received detailed discussion in the Press. The failures of the Palai Central Bank and the Laxmi Bank have been principally responsible for compelling the authorities to pay attention to these aspects of banking and for stimulating the interest of a wide section of the Press.

At present, banks are required to maintain a liquidity ratio of 20 per cent of their total liabilities, the liquid assets being cash on hand, balances with the Reserve Bank, gold (if any) and Government securities. This 20 per cent is inclusive of the statutory cash reserves which banks have to maintain with the Reserve Bank at the rate of 2 per cent of their time liabilities and 5 per cent of their demand liabilities. In addition, the Reserve Bank has powers to enforce a variable reserve ratio up to 15 per cent, that is, to raise the statutory cash reserve up to 15 per cent of total liabilities, in times when there is a tendency among banks to indulge in excessive credit creation. It is now proposed to introduce a uniform cash ratio of 3 per cent of total liabilities, instead of the existing two ratios of 2 per cent and 5 per cent of time and demand liabilities, respectively, leaving the highest level to which it can be raised on exceptional occasions unchanged at 15 per cent. At one time, the Reserve Bank had proposed a minimum reserve of 4 per cent, but it was to be on net deposit liabilities, excluding inter-bank borrowings, and not on total liabilities as is now mentioned in the Bill. If regard be had to this point, no major concession has been given to the banks' plea for a lower figure. Nevertheless, it must be said that the figure of 3 per cent is not very much higher than the average minimum ratio the banks are currently maintaining with the Reserve Bank. On the contrary, it may work out to be lower in the case of some banks. It can, therefore, be safely stated that no attempt has been made to increase the effective minimum cash reserve on which the banks earn no interest. An important advantage of the new system is that it will save the time of both the banks and the Reserve Bank which is now spent in calculating the reserve on the basis of two rates.

It is the proposal to raise the overall liquidity ratio from 20 per cent to 28 per cent, with a specific minimum requirement of 25 per cent in liquid assets exclusive of the statutory cash reserve to be maintained with the Reserve Bank, that will prove to be of some hardship to banks. The maximum liquidity ratio in times of credit inflation could go up to as high as 40 per cent, so that, on such occasions, banks might not try to boost their statutory cash ratio at the expense of other liquid assets, including Government securities. It must be further noted that the percentage of liquid assets to be maintained is related to total liabilities and not net deposits. Accordingly, in reducing the overall ratio for normal conditions from the originally proposed figure of 29 per cent of deposit liabilities to 28 per cent, no significant concession has been made by the authorities to the bankers' contention that the proposed ratio was so high that it would adversely affect their capacity to meet the credit requirements of trade and industry in an expanding economy as well as their profit-margin. An increase of 8 points or 40 per cent in the overall ratio of liquid assets is undoubtedly a big jump. Of late, the majority of big banks have been keeping a cash ratio of 7 to 9 per cent and an investment ratio of 27 to 32 per cent. For the scheduled banks as a whole, the ratios had gone down in the last busy season to as low as 6.45 per cent and 29 per cent, respectively. In other words, to be on the safe side, the banks have to maintain their total liquidity ratio at a level which is 10 to 15 per cent above the statutory minimum requirement. Their capacity to create credit will, therefore, be affected to the extent to which the liquidity ratio is raised. Likewise, their earning capacity, too, will be affected, as the return on investments in Gilt-edged securities is substantially less than that on credit to trade and industry.

There will, however, be some compensating features. 1. Since a higher liquidity ratio will induce confidence among depositors, banks may be able to attract more deposits. 2. During the busy season when the demand for credit is high, banks need not maintain the same level of safety-margin as they have been doing hitherto when the minimum liquidity ratio has been as low as 20 per cent. 3. The yields on Government securities have gone up and so also the rates of interest on bank credit. 4. The rediscounting facilities for banks have been greatly increased as compared with what they used to be until recently. From the point of view of the general public, the proposed increase in the liquidity ratio will mean (*a*) an improvement in the stability of the banking system, (*b*) larger resources from banks to Governments for economic development and other purposes, and (*c*) a more effective weapon for restraining the volume of bank credit than hitherto.

In the absence of the full text of the Bills at the time of writing, it is not clear to what extent the convention on the 6 per cent ratio of "own funds" to deposits has been sought to be given legal effect. The convention is flexible, in that it contains no time limit for reaching the goal of 6 per cent. From the reports published in the daily Press it look as though no specific ratio has been laid down; in any case, it was not there in the draft Bill. All that this part of the Bill seems to lay down is that banks should continue to transfer 20 per cent of their declared profits to reserves even after they reach a level which is equal to the paid-up capital. This is a simpler proposition than the terms of the convention and is in keeping with the suggestion made by us before the Reserve Bank had circulated its proposals last year. But this does not mean that the spirit of the convention need not be followed. Indeed, the banks should continue to have the ratio of 6 per cent of "own funds" to deposits as their goal and raise their paid-up capital from time to time. So far as the foreign banks are concerned, they are required to deposit with the Reserve Bank 20 per cent of the net profit made in India until such time as an exemption, if any, is granted to them. Unlike the unreasonable demand of Pakistan, it will suffice if this deposit is made in rupees. This compulsion on foreign banks is in keeping with the gentlemen's agreement reached by the Reserve Bank with the Exchange banks; the primary object of imposing this condition on them is to see that they do not have an advantage over domestic banks in India. That this is a fair objective cannot be denied. Equally fair is the increase in the minimum paid-up capital which a new bank must have to start with from Rs. 50,000 or Rs. 1 lakh to Rs. 5 lakhs. There is really no point in allowing very small banks to be started, as they cannot be quite equal to the task in a modern economy. It is also necessary to make sure that those who promote a small bank have a sizable stake in it, so that they may behave in a responsible manner.

To come to the third purpose of the amendments to banking legislation, namely, export promotion. As recommended by the Kapur Committee, the Reserve Bank of India Act is to

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be amended to enable the Bank to purchase or rediscount, or to lend against export bills with a maturity of up to 180 days and with only one signature, namely, that of the borrowing bank. At present, the Bank can accept export trade bills with a maximum maturity of only 90 days. Further, such bills must have two signatures, that is, those of the customer and the borrowing banker. When the amendment comes into force, all that a bank which wants to rediscount an export bill has to do is to make a declaration to the Reserve Bank in writing "that it holds and will hold, as long as the loan from the Reserve Bank is outstanding, export bills, the value of which will not be less than the amount lent by the Reserve Bank." This is a great improvement over the existing position and should help banks to extend larger credits to exporters. But, as the cost of central bank credit has gone up in the past two years, it will be necessary for the Reserve Bank to charge a lower rate of interest on loans against export bills, if these new facilities are to be fully effective.

The fourth purpose of the legislation now before Parliament is to enable the Reserve Bank to build a credit information bureau in order to prevent overtrading by individual borrowers. It is necessary to provide the banks with legal protection for giving information to the Reserve Bank about the credit limits to their customers and the amounts drawn by them. The Reserve Bank will pass on to member-banks the information about the total indebtedness of each borrower without disclosing the details, so that the banks dealing with him may be cautious. Further, the Reserve Bank itself can direct the bank or banks concerned to curtail the limits, if it finds that a particular borrower has been enjoying unduly large credit facilities. This implies one more onerous responsibility for the Reserve Bank and care must be taken to ensure that it will be in a position to discharge it fairly and competently.

PROGRESS OF THIRD PLAN

"GOD is in His Heaven, and all's well with the world." That has not exactly been the approach of the Planning Commission and the Minister for Planning to the progress of the third Plan, for planners can hardly be expected to throw up their hands and say that everything is in God's hands. There is, all the same, an element of complacency or fatalism in their treatment of the problems of development planning. This is particularly noticeable in the Planning Commission's note on the Plan's progress in 1961-62 and the development aimed at in 1962-63 (*vide* page 365 of this issue of *Commerce*). When the note says that the problems of co-ordination in the related sectors of industry, transport and power are *inevitably* related to past trends and developments and decisions taken in different sectors of the economy in the earlier years and that the *very* process of expansion in an economy creates new pressures on the available facilities, critics are bound to draw some inferences which cannot be wholly flattering to planners.

The accent on *inevitability* in the Commission's diagnosis of some of the serious bottlenecks in the economy almost borders on fatalism. This is as good as admitting defective planning and failure in administering the crucial sectors. What is planning worth, one may ask, if it cannot anticipate all the physical needs of forced or accelerated growth and make advance provision for meeting them? If the present difficulties have flowed from past decisions which were presumably wrong, one may further ask: why has not the Commission frankly listed them and also indicated how the damage caused by those decisions is going to be corrected? To say, as the Commission does in its note, that "under conditions of rapid economic development new stresses may continue to arise and suitable safeguards have to be devised from time to time" is to opt for hurried improvisations or makeshift arrangements in the wake of stresses and strains. Leaving so many imponderables for *ad hoc* treatment as and when they emerge is hardly the way of planning. If the Commission facilely thinks that effective remedial measures can be successfully devised from time to time, it is nothing short of complacency, and there is no certainty that its expectations will be fulfilled.

To take a few recent examples in this context. There is, firstly, the instance of resort to coastal shipping for hauling more coal in the wake of the transport crisis; this has led to the discovery that there is no adequate tonnage for the purpose. Again, a road transport scheme, which was originally not part of the third Plan, has just been approved to meet the coal transport crisis in the West Bengal (Calcutta) area; this postulates the availability of heavy trucks which, however, are not being manufactured in the country. It has also been decided to use the rivers and canals to move coal, but, as the necessary vehicles are not there and the river ports have to be developed, one will have to wait for three to four years for the proposal to fructify. The proposed use of furnace oil as a substitute for coal provides another example of newer difficulties arising from makeshift arrangements. If furnace oil is to be used, it has to be imported in the absence of expansion of refineries, and a simultaneous reconversion of boiler equipment has to take place. All this will involve additional expenditure of foreign exchange and rupee resources. Improvisations to meet the power crisis in different parts of the country are also illustrative of the drawbacks of *ad hoc* remedial measures after the emergence of shortages. One can cite many other examples of such hurried measures to meet crises in the various sections of the economy.

The Planning Minister's disarming candour in his reply to the Lok Sabha debate last week on the serious shortfalls in Plan implementation cannot cover up the Planning Commission's deficiencies in the matter of planning and the Government's mistakes in the execution of schemes and projects. Mr. Nanda's admission that mistakes have been made and there are consequential deficiencies and shortfalls in physical achievements does not amount to much. Such self-criticism made in a general way is at best theatrical and is no guarantee against the repetition of the same mistakes. The streak of bravado, as also of fatalism, in the Planning Minister's remark—"I am not going to be ashamed of coming to the House and saying that we could not rise to your expectations in some cases, because the conditions were beyond our control and things happened which no human agency could prevent"—is no answer to the criticism that many of the mistakes *could* have been avoided by more intelligent anticipation, by more pragmatism in the implementation of policies and programmes, by less rigidity in the interpretation of the Industrial Policy Resolution of 1956, and by heeding the suggestions of well-meaning critics and observers, instead of rejecting them as those of interested parties.

If the same mistakes are not to be repeated and if the growth potential of the economy is to be increased more substantially, certain practical measures would need to be boldly taken even if they represent a negation of some doctrinaire considerations. One of the first steps, in this connection, would be to allot a bigger role to the private sector in industries like coal, iron and steel, fertilisers, oil, petro-chemicals, power generation and mineral development and to permit foreign private capital also to participate liberally in their development. These are industries which are crucial to the growth of industrial and agricultural production. The public sector's performance in some of these industries has by no means been outstanding. The National Coal Development Corporation's unsatisfactory working in 1961-62, for instance, has had the effect of keeping down the level of coal production to 55.2 million tonnes (from both the public and private sectors)—0.3 million tonnes less than in the last year of the second Plan. In the iron and steel industry, the public sector steel plants at Rourkela and Durgapur are yet to reach capacity production, while there is some uncertainty about the launching of the Bokaro steel plant project in the third Plan period. The fertiliser industry, in which the private sector has been permitted, albeit after much avoidable delay, to establish some new units, has not progressed fast enough, because the public sector plant at Sindri has fared badly in recent years and its new units elsewhere are coming up very slowly.

According to present plans, the public sector will have an aggregate petroleum refining capacity of 4.8 million tons by the end of 1965-66 and the private oil refineries, if they are not permitted to expand further, will have the same capacity as they have now, namely, 7.6 million tons. The entire capacity of 12.4 million tons in both the sectors will fall very much short of the Oil Advisory Council's latest estimate of demand at 17 million tons by 1966 for petroleum products. In the field of power development, which is mostly the public sector's responsibility, aggregate installed capacity as at the end of 1961-62 has fallen short of the target for the year by 130,000 kw.; its revised target for the current year is 6.88 million kw., as against the original target of 7.03 million kw. As for mineral development, the public sector is yet to show results by mining and refining non-ferrous metals like copper, lead and zinc. In all these industries, the private sector can show better and quicker results, if it is more liberally permitted to expand existing units and if the more competent among the entrepreneurs are encouraged to come forward. It has been contended that the private sector, too, has been lagging behind in implementing some of the projects allotted to it. That may be so, but the responsibility for this slow performance cannot be laid entirely at its door. The Government, too, has been at fault. It should have exercised greater care in giving licences by enquiring into the capacity of the parties concerned to execute the projects in time. Again, the Government has taken too long a time to approve the terms of arrangements concluded by the entrepreneurs.

Another step would be to expedite the preliminaries connected with the projects for which foreign credits are available and ensure their execution according to schedule. Most of these projects are in the public sector, but they are crucial to the success of industrial programmes as they are related to power, coal, iron and steel, oil, heavy machinery, minerals, and so on. Unless these projects are implemented economically and in time, their costs will go up, and that will add to the Plan's difficulties. The current official effort to effect economies in the construction costs of projects must also be marked by a high degree of earnestness. The private sector projects, too, must be enabled to be implemented with the utmost possible speed and economy. If, thus, the capital costs of projects, whether they be in the public sector or private sector, are kept down, the unit costs of things to be produced by many of these projects will also correspondingly go down. At the same time, the cost reduction studies which, according to the Planning Minister, are under way in six industries (cement, jute, bicycles, electric motors, transformers and rayon) would need to be extended to other export industries and their recommendations implemented in co-operation with the industries concerned. All-round cost reduction is something crucial to the success of export promotion which alone, in the ultimate analysis, will enable the country to service and repay its foreign debts and also finance its maintenance imports without much difficulty.

So far as transport is concerned, it is reassuring to be told that an additional outlay of Rs. 120 crores has been approved to enable the railways to expand facilities mainly for the movement of coal and that wagon building has been stepped up by more than 50 per cent in the first year of the Plan. But there is no indication that any additional impetus to road transport has been given. If anything, recent onerous levies on this mode of transport in States like Maharashtra and Madras seem to suggest a contrary trend of discouragement, and it would have to be reversed forthwith. A higher priority to road transport in terms of a clear long-term policy, a bigger construction programme pertaining to national highways, and rationalisation of the automobile industry for the purpose of producing bigger and cheaper vehicles—all these are called for, if the transport bottleneck is to be removed in the next few years of the third Plan. Much is expected, in this connection, from the recently-appointed high-power committee which is to assess the country's transport requirements and suggest measures for the development of modes of transport other than railways. Only, this committee, unlike the Neogy Committee on Transport Policy and Co-ordination, should finish its labours promptly without time-consuming enquiries.

As the foreign exchange requirements of the Plan are likely to be largely, though not fully, met and the expected internal resources, too, are not beyond the country's capacity, it only remains to readjust and co-ordinate the programmes in both sectors and to implement them more economically and expeditiously. The sooner this rephasing is done, the better, for the momentum of development even in the second year (1962-63) is not quite heartening on present indications.

MARKET GOSSIP

Outlook for T.E.L.Co.

AT their seventeenth annual general meeting, the shareholders of the Tata Engineering and Locomotive Company Ltd. naturally tried to find out from their Chairman as to what the near-term outlook for the Company was like. For some weeks now, there have been persistent rumours in the share market that the Company's production would suffer on account of foreign exchange shortage. This was one of the chief reasons for the sharp fall in the market value of the Company's shares from a high of Rs. 382.50 towards the close of May last to a low of Rs. 313 on 19th July. The other reason was, of course, the absence of any increase in the Company's dividend for 1961-62 which was contrary to the expectations of some speculators. Subsequently, there was a partial recovery on account of short-covering and some replacement buying and the scrip came up to remain steady at a little over Rs. 335. But the enthusiasm for the scrip had definitely disappeared, as there were always nagging doubts in the minds of operators about the growth prospects for the Company.

In his replies to the shareholders' queries, Mr. J. R. D. Tata was quite non-committal. They were characterised by 'ifs' and 'buts.' He, for instance, said that production in 1962-63 (April-March) could be maintained at the rate of 12,000 trucks per annum, provided there was no cut in the foreign exchange allocation for imports of components. At the same time, he seemed to suggest that one could not rule out the possibility of a 10 per cent fall in production. The shareholders, therefore, came out of the meeting in a confused state of mind about the near-term outlook for the Company. Their confusion was worse confounded, because only a few days before the meeting Mr. C. Subramaniam, Minister for Steel and Heavy Industries, had told the Lok Sabha that there would be no decrease in the production of T.E.L.Co. vehicles on the ground of inadequate foreign exchange allotment. He had added that the Government would try and secure, in consultation with the Company, substitutes for imported components from indigenous sources. Apparently Mr. Tata is not so sanguine as the Minister. That apart, such substitution, even if feasible, would add to the cost of vehicles and, if the addition were not offset by an appropriate increase in the selling price of vehicles, there would be a fall in the profit-margin. Be that as it may, the production figures given by Mr. Tata for the first four months of the current year showed that the output in July was a shade lower at 950 vehicles after being maintained at 1,000 per month in the first three months. No wonder then that, after the meeting, T.E.L.Co. shares dropped in value from Rs. 336 to Rs. 330. This shows a sense of disappointment amongst market circles.

The observations of Mr. Tata on the expansion programme, under which production is to be doubled to 24,000 vehicles per annum, are also not wholly encouraging. At any rate, they are not in consonance with earlier optimistic expectations. As readers are already aware, the expansion programme is now to be implemented, as desired by the Government, in two equal stages. The first phase, to be implemented by 1965, is dependent on the negotiations for the D.L.F. loans (*vide* page 254 of *Commerce* dated 11th August) which are yet to be concluded and expected to be finalised by the end of 1962. Mr. Tata observed that orders for plant and machinery could not be placed, unless all the details of the loans were worked out. He, however, believed that the second phase of the programme would be undertaken soon after the first stage was completed and it would not only be quicker but also less expensive, as the foundry and the forge shop would have been equipped for the entire expansion from the initial stage. From all this, it seems that the target of 24,000 vehicles would be hit only in the fourth Plan period, perhaps, some five years from now.

It is because of the possible delay in implementing the expansion programme that the Company might reduce, according to Mr. Tata, the amount of the proposed convertible debenture issue; the figure mentioned earlier was Rs. 5 crores. At the meeting, Mr. Tata disclosed that the rate of interest on the debentures would be 6.5 per cent per annum taxable. He also disclosed that the Company had asked the Government to allow it to convert the debentures at three optional rates, namely, Rs. 400 in 1964, Rs. 450 in 1965 and Rs. 500 in 1966, but that the authorities had expressed that there should be only one option and that the conversion rate should not be fixed in advance. Besides, the Government would not, he said, allow that the conversion rate to be lower than the present market rate for the equity shares. The Company had proposed to make the major part of the debenture issue to the public. But a shareholder suggested that it should be offered first to the equity shareholders and that only the balance left over should be thrown open to the public. Mr. Tata explained that the whole issue of debentures was under discussion with the Government, which, he said, held "strange notions" about convertible debentures. He, however, promised to consider the whole proposition carefully and place the final decision of the Directors before the shareholders by October-November.

Several other interesting points were made by the Chairman at the meeting. To record some of them here. Out of a total turnover of Rs. 41.64 crores in 1961-62, Rs. 38 crores were accounted for by the automobile division alone. While the sales of trucks this year might decline due to a possible cut in production, those of excavators, shunters, etc., would rise to Rs. 2.5 crores. The Company has orders on hand worth Rs. 1.5 crore for the paper and pulp division. Last year, it made a modest beginning in the field of exports and sold trucks worth Rs. 6 lakhs. It intends to export about 10 per cent of its output in the next three years. The export prices are approximately 30 per cent lower than the domestic prices. The indigenous content in the auto division is to be raised from 82 per cent at present to 90 per cent and in the excavators from 60 per cent to about 85 per cent in the next two years. The Company's provision for depreciation exceeds that allowed by the tax authorities by Rs. 39 lakhs last year and Rs. 1.30 crore in all in a total provision of Rs. 13.36 crores so far. The royalty payable to West German collaborators, Messrs. Daimler-Benz, has now come to an end. Henceforth, they will be entitled only to a 7.5 per cent share in the profit of the auto division for the supply of the latest results of their research as also for training Indian technicians. While Mr. Tata conceded a shareholder's argument that the possibility of a higher dividend for the current year might be considered, he stated that the relief under Section 15C, enjoyed by the Company so far, might not be available for the current year.

To sum up, Mr. Tata's observations suggest that, while he is cautious about the near-range outlook for the Company, he is quite optimistic about the long-term outlook. Many an investor shares this view. Hence the absence of any sizable unloading of T.E.L.Co. shares in the market. The vast majority of investors seem to be confident that the present uncertainty is only a passing phase and that, ultimately, the Company's position will greatly improve in their favour.

Sugarcane Farms in Maharashtra

The joint-stock sugar mills in Maharashtra will have no control at all over the bulk of their cane farms aggregating about 95,000 acres after 1st April 1963, if everything goes according to schedule. For it is on this day that the State Government will requisition these cane farms under the Agricultural Lands (Ceiling on Holdings) Act, 1961. Many are the problems that will arise during the process of transfer of farms from the mills to the Government. A delegation of the Deccan Sugar Factories Association waited on the Chief Minister of Maharashtra, Mr. Y. B. Chavan, on Wednesday this week to discuss these problems. The delegation was told by Mr. Chavan that the Government would constitute an advisory committee, consisting of five Government and five sugar industry representatives, with Mr. Vasantarao P. Naik, Minister for Revenue, as Chairman, "to deal with the questions relating to the transfer of land and other assets." The Chief Minister is understood to have assured the sugar millowners that the Government would ensure not only the continuance of the present level of cane output in these farms (the total annual yield from the 95,000 acres is put at 2.2 million tons) but also the uninterrupted supply of cane to the factories concerned.

On the issue of compensation to mills for the farms to be acquired, Mr. Chavan stated that it would be in accordance with the provisions in the Act, namely, 20-year bonds bearing interest at 3 per cent per annum. The sugar millowners' contention is that this method of paying compensation is most unfair. And they are right, for, having fixed the compensation amount itself at a very low rate, the least the Government should do is to pay the sugar companies in cash. If this is not possible, then it should pay in bonds at a rate which is in keeping with the current yields on Gilt-edged securities. When the Maharashtra Government is paying 4½ per cent interest on the 12-year loan issued this week, are not the sugar mills entitled to get at least similar terms for the farms they are forced to give away to the Government? Even the Central Government is paying 4½ per cent when it borrows for a period of 20 years. If the Maharashtra sugar mills are paid in 20-year bonds carrying interest at 3 per cent, it will mean effecting a further cut in the already ridiculously low rate of compensation, for the market value of such loan on today's yield basis will be no more than Rs. 80.35 per cent. What is more, all available indications are that the future trend of interest rates is upward which means that there will be a further fall in the market value of the proposed compensation bonds. It is gratifying to learn that Mr. Chavan appreciates the justice of this point and has assured the sugar millowners that he would sympathetically consider their viewpoints on the subject of compensation.

Now that the Maharashtra Government has firmly decided to apply the ceiling legislation to the sugar mills' cane farms with effect from 1st April 1963, the question arises as to what would happen to the cane crop that will still be remaining unutilised by mills as on that day, as well as the crop which the mills will be sowing in the next two-three months and which will be ready for harvesting only in the ensuing (1963-64) season. If the Government wants to adhere to the deadline for taking over the farms, it must allow the sugar mills to utilise such cane as would still remain unharvested. In other words, this means that the ceiling legislation should be applied in the first instance only to the farms the crop on which will have been harvested by then. By doing so, the Government will avoid a lot of botheration to itself and to the factories concerned such as determination of the size of standing crop, assessment of quality and calculation of yield in terms of value, all of which will vary from factory to factory and from farm to farm. It is to be hoped that the Government will accept this sensible suggestion.

Another important question relates to the various "assets" used for growing and transporting sugarcane such as tractors, agricultural implements, railway track, locomotives, diesel engines and wagons. The ceiling legislation does not vest in the Government powers to take over these assets as well. Along with cane farms, it is just as well that the Government should take over these assets too. After all, these assets will be required for the use of those who will cultivate the lands taken over from the mills. The mills, we are told, will readily transfer them to the Government. How this should be done and what compensation must be paid are matters that will have to be discussed between the Government and the individual mills concerned.

What will the Government do with the cane farms acquired from the joint-stock sugar mills? The Chief Minister of Maharashtra stated at a Press Conference on Wednesday that the Government had ruled out the choice of transferring ownership to the ex-landlords. Instead, the Government would, he said, run the farms as State-managed farms for some years and ultimately convert them into co-operative farms. Whatever be the nature of ownership, it is imperative that the farms will be run as efficiently as has been done by the sugar mills. This, however, will depend on the persons engaged on the farms, especially the number of top experts who have been on the staff of mills for many years now and who have acquired considerable experience in cane cultivation. One cannot say now whether these experts would agree to work as Government servants initially and as employees of co-operative enterprise later. The best among them will naturally wish to work elsewhere where conditions will be more congenial than in a State enterprise. It will be interesting to see how the State Government proposes to tackle this important issue.

W. German Wage Crisis

Both the West German Government and the industrialists alike are perturbed by the insistent and widespread demand from workers for increases in their wages. In the next few days, negotiations are scheduled to take place over the claims of as many as two million industrial workers. Several thousands of workers of railways as well as paper and leather industries are either already on strike or have declared their intention to do so to press their claims for higher wages. The demand for higher wages would not have been a source of concern to German authorities but for the declining rate of growth of industrial production and the narrowing down of the favourable balance of trade. The cost of production of most of the industries has gone up considerably of late, and their products are becoming less and less competitive, in terms of price, in world markets. The increased cost has been accounted for mainly by the larger burden of wages. For the past five years, wages have been rising on an average of 3 to 8 per cent annually. What is more, the increase has been of the order of 8 per cent during the first six months of 1962, which is expected to go up to 12 per cent by the year-end. Thus, for the first time in Germany's post-war recovery, the rise in wages and prices has not been matched by expansion of production. The fear of a wage-push inflation in W. Germany is well-founded.

No wonder then that investors are becoming chary of new ventures and stock markets have turned bearish again. Dr. Hans-Constantin Paulssen, President of the Confederation of German Employers' Associations, is of the view that wage demands have created a real threat to stability, "endangering not only the industry but the West German economy as a whole." Disclosing this in a circular to the member-associations, Dr. Paulssen has called upon the industry to "oppose unjustifiable wage claims made by the trade unions with every means, if necessary." He has drawn particular attention to the fact that new orders received by the industry from foreign countries in June was lower by 9 per cent and domestic orders by 3 per cent, as compared with the position a year before. His stand is that productivity alone should be made the yardstick for determining wage increases. The labour, however, does not seem to be in a mood to relent. Trade unions have already characterised Dr. Paulssen's circular as a "clear declaration of war," thereby refusing to realise the danger ahead.

Dr. Paulssen's statement does not appear to be an exaggeration. For a clear indication of these unsavoury trends in the economy were given a few days ago by the West German Federal Bank itself, in its latest monthly report. The report warns that the rising wage-price spiral is steadily taking the wind out of the economy's sales. The industry, according to it, is already arming itself against the expected lean years in accepting numerous contracts which give no promise of profits, "but offer protection against the anticipated recession and a guarantee against going out of business." The German economy, still climbing rather like a burnt-out rocket, is being propelled by the impetus which it had gained from the boom of 1959-61. It is only a matter of time, says the report, before the economic rocket turns to a slow descent.

The most unhappy person over this plight of W. Germany must be Dr. Erhard, Economics Minister, described as the architect of the spectacular post-war recovery of that country. He must be unhappy, because his belief in the virtues of free market economy (he is the author of the well-known treatise *Prosperity Through Competition*), with the State keeping aloof from it, is on severe trial now. It now looks as though the German Government will have to intervene, in the same way the British Government did in July 1961 under the Chancellorship of Mr. Selwyn Lloyd. Already, the German Government is reported to be planning for a wage-pause, in a bid to prevent a cost-price inflation. The latest quarterly report of the Economics Ministry, published last week, warns that the present rush for wage increases is a short-sighted policy, taking advantage of the acute labour shortage that exists in that country, and that it will ultimately endanger Germany's competitive position in world markets.

(*Continued on next page*)

TREND OF SHARES

QUIET AT CLOSE

(From Our Own Correspondent)

BOMBAY, *30th August*

NEITHER bulls nor bears had a smooth sailing in the stock markets this week, as the remarkable strength in Steel shares restrained sellers, while there was nothing beyond it to induce buyers to extend commitments in other sections. However, after a fairly steady going during the major part of the week, the market turned quiet near the close, as some of the well-held pivotals gave way on professional selling which was partly in the nature of realising and partly by way of hedge against purchases in other counters. Nonetheless, while the bright spots were only a few, weak spots were not many. The tone at the close can best be described as uncertain, as the bulls still hold the trump card in the form of the steel retention price announcement, the delay in which strangely seems to sustain the bullish activity in the market.

Trading was unexciting and turnover restricted due to several intervening holidays. Activity was selective and confined to the popular speculative counters. Initially, prices improved under the lead of pivotal issues which rose once more to the strongly-resisted high levels near the middle of the week only to react once again at the close. The weak saw the few prominent operators in the rival camps at loggerheads, with either side trying to test the strength of the other. While neither yielded much ground, the small fry suffered, as it bought on the rise in values and sold on the decline. It appears that the announcement of the steel retention prices, due any time now, and the declaration of the T.I.S.Co. dividend would decidedly influence the immediate trend.

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With Bombay Dyeing maintaining the current year's interim dividend at 4 per cent, Century proposing to pay the same interim of 12 per cent even on the increased capital following the one-for-four bonus issue in October last and Kohinoor Mills stepping up the interim dividend from Rs. 6 to Rs. 7 per share, Dalal Street did not find it difficult to put up a brave show of steadiness early in the week. Subsequently, however, the market turned lower at first becausê of a sudden spell of fresh selling in National Rayon and later because of easiness in T.E.L.Co. following the speech of the Chairman of the Company at the annual general meeting. But, while National Rayon closed with a loss of Rs. 6.50 at Rs. 511.50 and T.E.L.Co. finished four points lower at Rs. 331.50, other counters did not show a big drop and a few of them, in fact, disclosed small gains. Thus, Century were only two points lower at Rs. 635, Standard were down by 10 points at Rs. 912, Bombay Dyeing showed a loss of 40 nP at Rs. 67.50, Kohinoor finished Rs. 2.50 lower at Rs. 3.18 and Indian Dyestuff receded by five points to Rs. 446.25. Among the other popular counters, Bombay Burmah closed with a gain of Rs. 2.50 at Rs. 672, Hindustan Motors of 24 nP at Rs. 20.20 and A.C.C. of Rs. 3.25 at Rs. 163.

Among Steels, Indian Iron were exceptionally firm and closed at the highest level of the week at Rs. 27.35 as against Rs. 26.80 a week ago. The lethargic Tata Ordinary finished only 75 nP higher at Rs. 149. Among others, Shree Niwas were up by six points at Rs. 277 and Morarjee by five points at Rs. 426, but Dawn reacted rather sharply by Rs. 9.50 to Rs. 169 and Phœnix showed a big loss of 11 points at Rs. 252 following the bear maintenance of the dividend at Rs. 15 and Rs. 20 per share, respectively, for the year ended 31st March 1962 despite higher profits. Bradbury, in the Cash List, however, showed a gain of four points at Rs. 195 following the increase in the dividend from Rs. 12.50 to Rs. 15 per share. Electrics and Cements were generally better, but Shippings closed easy. Cash shares showed only minor changes either way.

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Fresh support for leading speculative counters provided for active trading in Calcutta. Closing prices generally showed plus signs. Thus, in the Forward List, Birla Jute rose sharply from Rs. 33.69 to Rs. 36.56 and Howrah improved in sympathy from Rs. 20.50 to Rs. 21.25. Kesoram rose further from Rs. 28.50 to Rs. 29.31 as did Texmaco from Rs. 23 to Rs. 23.70. Indian Cable staged a smart recovery from Rs. 37.31 to Rs. 38, Burrakur gained as much as 69 nP at Rs. 18.31 and Indian Aluminium recovered from Rs. 36.87 to Rs. 37.25. In the Cash section, Bharat Commerce showed a gain of Re. 1.50 at Rs. 29.50, Jay Shree rose from Rs. 15.37 to Rs. 16.75, Bengal Coal recovered from Rs. 347 to Rs. 353, but Ghusick closed two points lower at Rs. 12. Jutes showed a mixed trend. Anglo-French spurted by 12 points to Rs. 232, Bally gained six points at Rs. 310, Budge Budge were up by seven points at Rs. 164, Champdany improved by Rs. 4 to Rs. 143.50, Nuddea moved up by Rs. 3.50 to Rs. 64.50 and Soorah disclosed a gain of Rs. 2.37 at Rs. 24.87, but Alliance eased by Rs. 4 to Rs. 123, Fort Gloster showed a loss of six points at Rs. 425 and Kelvin reacted sharply by 10 points to Rs. 185.

The spurt from Rs. 681 to Rs. 707 in Burn featured trading in Engineering shares, where otherwise small losses predominated. Calcutta Chemical rose sharply from Rs. 15.25 to Rs. 19.06 and Alkali also showed a gain of Re. 1.62 at Rs. 45.62. Miscellaneous issues showed small changes, but Balmer Lawrie were up Rs. 2 at Rs. 259 and Indian Oxygen improved by Rs. 1.50 to Rs. 48, while Union Carbide showed a loss of Re. 1.12 at Rs. 47. Titaghur Paper reacted sharply from Rs. 38.37 to Rs. 36.44 following the 50 per cent cut in the dividend at 10 per cent per annum for the year ended 31st March 1962. Other Paper shares were steady and Seshasayee gained Re. 1.13 at Rs. 9. Dyer Meakin were fancied among Sugars and rose from Rs. 34 to Rs. 36.25. Tea shares were generally better, with Hantapara improving from Rs. 110 to Rs. 111.50 and Hasimara from Rs. 14.25 to Rs. 15.62. N. Doars rose swiftly from Rs. 251 to Rs. 260.50.

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Active shares showed fair gains in Madras. Trading was featured by a spurt in Textools from Rs. 152 to Rs. 167. Lakshmi gained one point at Rs. 148, Madura 45 nP at Rs. 35.65 and Travancore Rayon 30 nP at Rs. 37.40. Buckingham improved further from Rs. 272 to Rs. 277. But Coimbatore Spinning reacted from Rs. 76 to Rs. 73. Cleared Miscellaneous shares showed small gains further, with Dalmia Cement rising from Rs. 13.56 to Rs. 13.81. Madras Rubber also showed a gain of 25 nP at Rs. 22.75. Sugars were in demand, with Cauvery gaining five points at Rs 112 and United Breweries Rs. 5.50 at Rs. 98.50. But the Cleared share, Deccan, eased from Rs. 10.57 to Rs. 10.20. Plantings displayed mixed trends. Peermades were up from Rs. 19.15 to Rs. 20 and Cochin Malabar from Rs. 6.55 to Rs. 7, but Consolidated Coffee eased from Rs. 18.58 to Rs. 18.50.

CAPITAL MARKET NEWS

NEW ISSUE

THE Upper Doab Sugar Mills Ltd. of Shamli, U.P., is issuing 25,000 additional equity shares of Rs. 100 each at par, of which 10,000 shares have been reserved for allotment to existing shareholders and the balance of the value of Rs. 15 lakhs have been offered to the public. The entire public issue has been underwritten. The subscription lists will open on the 6th inst. and close on the 13th, or earlier, but not before the 10th. The additional capital will go to meet a part of the capital outlay on the expansion plan, which is estimated at Rs. 75 lakhs. The balance of the outlay will be raised by way of bank borrowings.

The Company has a modern sugar factory at Shamli and two distilleries, one at Shamli and the other at Pilkhani, for the production of power alcohol and spirit from molasses. It has now obtained licences from the Government to raise its cane crushing capacity from 3.000 tons to 3,750 tons per day and to increase the production of power alcohol and spirit at its distillery at Shamli from 800,000 gallons to 1.2 million gallons a year. It has already started the construction of additional factory buildings, godowns, etc. The bulk of the machinery has arrived at the site and is being erected. The additional plant is expected to go into production by the start of the crushing season in November 1963.

Nearing its thirtieth year of working, the Company has a good dividend record. It paid a gross dividend of 15 per cent per annum for both 1958-59 and 1959-60, but was obliged to prune it to 12 per cent for 1960-61, as that was a generally bad year for the sugar industry as a whole in the country. In 1948, it issued bonus shares of the face value of Rs. 5 lakhs by capitalisation of reserves. The subscribed and paid-up capital of the Company, as at 30th September 1961, amounted to Rs. 63.76 lakhs, of which Rs. 50 lakhs were in equity shares and the balance in 6 per cent cumulative redeemable preference shares of Rs. 100 each.

BONUS ISSUE

With a view to bringing its share capital in line with the capital employed in business, having regard particularly to the expansion of its activities in the past few years, the **Indian Oxygen Ltd.** of Calcutta has decided to issue 1,040,000 new ordinary shares of Rs. 10 each as fully paid bonus shares to the existing shareholders in the proportion of two shares for every five shares held by them as on 27th September 1962. The shares are to be issued by capitalising Rs. 48 lakhs from the share premium account and Rs. 56 lakhs from the general reserve. The proposed issue has been sanctioned by the Controller of Capital Issues. The Company also proposes to double its authorised capital from Rs. 4 crores to Rs. 8 crores by creating 40 lakh ordinary shares of Rs. 10 each. It had, as at 30th September 1961, a paid-up capital of Rs. 2.60 crores and fixed assets at a written down value of Rs. 4.75 crores. The proposed bonus issue will raise the paid-up capital to Rs. 3.64 crores.

The proposal to issue bonus shares and that to double the authorised capital will come up for consideration and approval at the general meeting of the Company to be held on 27th September 1962. The meeting will also consider and, if thought fit, approve a special resolution seeking to alter clause 3 of the Memorandum of Association of the Company by adding some new subclauses, one of which is to enable the Company to manufacture and deal in plant and machinery for producing and using gases and for manufacturing electrodes, gas using equipment, welding transformers, etc.

GENERAL TYRES LIMITED

The management of General Tyres Ltd. informs us that the construction of production sheds, stores and other buildings at the factory site at Kankinarah, District 24-Parganas, West Bengal, has been almost completed. Most of the plant and machinery supplied by Messrs. Technoexport Foreign Trade Corporation, Praha, Czechoslovakia, have been received at the factory site. A large number of technical experts deputed by Messrs. Technoexport arrived in Calcutta in June 1962 for erecting the plant and machinery. Good progress has since been achieved in regard to the installation of machinery and equipment. Some of the raw materials required for initial production have been acquired from imported sources.

According to the present plans, the factory is expected to go into trial production during the last quarter of 1962. Meanwhile, the Company has been contemplating substantial expansion of its present licensed capacity of 180,000 each of automobile tyres and tubes per year.

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This year, West German exports have been going up at a slower pace. In the first six months of 1962, exports aggregated DM 25,844 million, an increase of just DM 784 million, which compares unfavourably with an increase of as much as DM 2,130 million recorded during January-June 1961. Imports have risen sharply, being DM 24,193 million in the first half of 1962, as compared with DM 21,300 million in the corresponding half-year of 1961. There was, therefore, a distinct contraction in the trade surplus, that is, from DM 3,760 million to DM 1,650 million. Portents on the production front are no less disturbing. In May, the latest month for which data are available, industrial output fell—contrary to the seasonal trend—albeit slightly (by 0.4 per cent) from the level of the previous month. Though still 3 per cent higher than in May 1961, it represented a decline, as compared with April, when production had been 4 per cent higher over the same month of 1961. The point to be noted here is that there is only a decline in the growth rate and not a reversal of the upward trend. And yet the German authorities are worried, probably because they feel that it is only a question of time before a definite recession sets in. Apparently, they seem to hold the view that even a highly developed economy with full employment should grow continuously, as, otherwise, its economy will get into the reverse gear. Incidentally, this dilemma of West Germany, more or less akin to the various stresses and strains experienced by other "market" countries, such as Japan, Switzerland and Holland, is expected to give a new edge to the controversy on the relative importance of growth *versus* stability.

Five-year World Coffee Pact

The seven-week deliberations of the United Nations Coffee Conference at New York have not been in vain. The Conference, which began on 9th July and ended on 24th August, did succeed in evolving a new five-year world coffee agreement, though the agreement may not fully satisfy all the coffee importing and exporting countries, including India. The news is heartening indeed. For, until Friday, 24th August, the deadline fixed for reaching an agreement, fears had been expressed that the Conference might be "deadlocked" on the isssue of export quota allocations. If the Conference had failed to reach an agreement on this last day, one would have had to wait till November or December for another meeting.

Four features mark the latest coffee agreement. In the first place, it is a fairly long-term agreement running for five years, as against the present year-to-year agreement. Secondly, it is more comprehensive in coverage, including, as it does for the first time, both producing and consuming nations, whereas the present agreement embraces only the producing countries. Thirdly, the agreement covers coffee in all its forms, a departure from the short-term arrangements which have been confined to green coffee. Finally, the new agreement seeks to prevent producers from shipping instant coffee outside their export quotas, as has been the case in the past.

As is only to be expected, the major provision in the five-year coffee pact pertains to export quotas for producing countries. The total of these quotas is put at 45.6 million bags (45,587.183 bags of 60 kg. each to be precise), which represents more than two-thirds of the aggregate world production of 67.3 million bags and over 87 per cent of the estimated exportable output of 52.2 million bags. Apparently, the aim of the agreement is to bring exports into line with consumption and avoid huge surpluses. It is clearly laid down in the agreement that all coffee exports be accompanied by certificates of origin. And the importers have agreed to prohibit imports from any member-country which are not accompanied by such a certificate. Almost two-fifths of the aggregate world export quota have been allotted to Brazil, its actual quota being 18 million bags. Brazil, as is well known, is the world's largest producer and exporter of coffee. The export quotas of member-countries do not include exports to "new markets" (for example, Japan and Soviet Russia) which are defined as countries where coffee is not a traditional beverage but is considered to have a potential consumption. The agreement, however, provides for a close control on the exports to these "new markets" in order to prevent the possibility of such exports being diverted later to the traditional markets.

The agreement will be administered by an International Coffee Council with headquarters at London. All member-countries will be represented on the Council, with producing and importing countries having an equal number of votes—1,000 to each group. The agreement will come into force only after declarations of intent to ratify are made by at least 20 exporting countries representing 85 per cent of world coffee exports and 10 importing countries representing the same percentage of world imports, the base-year for both being 1961-62.

Should India join the new world coffee agreement? This question requires to be examined very carefully. It would appear that India will have to join the agreement. For, otherwise, the country will not enjoy any advantage of expanding coffee exports, since the importing countries have agreed not to increase their purchases from non-agreement countries. Indeed, India's coffee may be gradually shut out of world markets. There are, however, two vital factors that will have to be borne in mind in taking a final decision. One, India's right to regulate coffee output, which, by world's standards, is small, should not be interfered with. Two, the export quota allotted to India, namely, 360,000 bags or less than 20,000 tons, must be raised in keeping with this country's pressing need to earn foreign exchange to finance economic development. This point needs to be specially stressed, because, under the third Plan, coffee production is to be stepped up to touch 80,000 tons by 1965-66 and the prospects of any sizable exports to the so-called "new markets" are limited.

NEWS IN BRIEF

A JOINT meeting of the Import and the Export Promotion Advisory Councils will be held at New Delhi on the 8th inst.

A team of the Geological Survey of India has been sent to Goa to conduct a survey of mineral resources there. The Indian Bureau of Mines is also contemplating to send a party to Goa.

The total value of prize bonds sold so far amounts to about Rs. 20 crores. A sum of Rs. 86 lakhs has been distributed as prizes, while Rs. 23 lakhs remain unclaimed.

A licence for establishing a cement factory at Rajban in Sirmur district in Himachal Pradesh in the private sector has been approved. The party has still to finalise details of the proposed project.

The coal washery at Bhojudih near Ranchi, put up by the Hindustan Steel Ltd., went into production on Saturday last. The washery has a capacity to produce 75,000 tons of washed coal per month.

The Hindustan Machine Tools Ltd., Bangalore, is currently exploring the possibilities of exporting machines to the U.S. It has already exported 21 milling machines to West Germany. Exports to Switzerland are also being arranged.

The revenue realised from items on which duties are levied and collected by the Central Government in the first three months of the financial year 1962-63 amounted to Rs. 230.19 crores, as compared with Rs. 202.24 crores in the corresponding quarter of 1961-62.

The Garden Reach Workshops Ltd. of Calcutta will undertake the construction of larger merchant ships, if the scheme now being considered by the Union Defence Ministry is finalised. With the existing facilities, the Calcutta Workshops and also the Bombay Mazagon Docks are in a position to construct ships up to 5,000 d.w.t.

The question of setting up a reactor for the manufacture of zirconium in Kerala will be considered when a final decision is taken by the Union Government about the type of atomic reactor to be set up in the country. Zirconium is used as canning and structural material in certain types of reactors like the Canada type.

A well-known Dutch trading firm, Internatio of Rotterdam, proposes to enter into a collaboration agreement with a New Delhi firm, Triven. The New Delhi firm has been doing export business. The Dutch firm is said to be interested in undertaking trade in sugar, cocoa, rubber, wool, oilseeds, coffee, tea, spices and cattlefeeds.

A Rs. 15-lakh company, to be called the Guardian Oil and Refining Corporation of India, is being set up in Madras for refining 360,000 gallons of waste oil and 120,000 tons of waste rubber annually. It has a scheme to commence refining of waste oil and reclaim 70 per cent of it as lubricating oil, besides manufacturing synthetic petrol, diesel and lubricating oil from waste rubber.

A West German firm has been invited by the Government of India for negotiations on possible collaboration in the building up of the second shipyard at Cochin. Offers for collaboration have also been received from two more parties, one from West Germany and the other from Holland. Meanwhile, negotiations are going on with some Japanese firms.

The Government of India has decided to place the merchant-exporters on a par with manufacturer-exporters providing for import entitlements for raw materials, components and machinery, under the export promotion schemes. The articles imported by exporters, however, will have to be sold only to manufacturers of export products covered by the scheme.

A tea delegation led by the Chairman of the Tea Board will be sent to Australia and New Zealand this month to explore the possibilities of market for Indian tea. Three tea centres are being set up in London, Dublin and Edinburgh to propagate Indian tea and promote its export. A proposal to set up seven other centres in European countries is under consideration.

The Government of India proposes to set up five overseas regional export promotion councils, one each in Western Europe, Eastern Europe, America, Africa and South-East Asia, according to Mr. Manubhai Shah, Union Minister for International Trade. Of these, the council for Western Europe is already being formed. In addition, it is proposed to appoint a high official in each continent for directing export trade.

Messrs. Ramakrishna Industrials of Coimbatore and the Japanese firm of O.M. Co. Ltd. of Osaka have entered into an agreement, under which the latter will offer technical collaboration to the Coimbatore firm for the manufacture of ring frames. To begin with, the factory will manufacture 30 ring frames a month. Five Japanese technicians are expected to arrive in Coimbatore shortly for supervising the manufacture of these frames.

The Government of India has under consideration a scheme to introduce a limited competitive examination confined to certain categories of Government servants, with four to five years of service and between 29 and 32 years in age, as a regular feature of recruitment to the Indian Administrative Service. Steps have already been taken to increase the annual intake of direct recruits selected on the results of competitive examinations for All-India Services.

Foreign tourists will now be able to travel in air-conditioned comfort on Indian railways for thirty days for a payment of only Rs. 560. Intended to provide less expensive, but comfortable, journey, "travel as you like" tickets will be available for first class on sections where air-conditioned class is not available. As the facility is open to foreign tourists only, a certificate of eligibility from the Tourist Office will be essential. The concession is being offered for two years.

A Bill for the formation of the National Seed Corporation will be introduced in the next session of Parliament. Among other things, the Corporation will promote production of improved seeds by giving financial aid and technical guidance, establishing a suitable production and marketing organisation and by sponsoring training programmes. To begin with, the Corporation will take up hybrid maize, and later on seeds of all types would be produced.

The wheel and axle plant of Durgapur Steelworks, which went into production early this year, has so far supplied nearly 2,000 broad-gauge axles to the Indian railways. The annual rated capacity of the plant is 45,000 finished wheel sets, of which 38,000 will be for broad gauge and 6,000 for metre gauge. The plant has already put up a creditable performance by producing 160 wheels in a single shift, 10 above the target in the first week of August 1962. The formal commissioning of the plant is likely to take place towards the end of this month.

The Government of India has reconstituted the membership of the Life Insurance Corporation of India with effect from 1st September, 1962. The normal tenure of the membership is two years. The Corporation will now consist of Mr. B. K. Kaul, Chairman and the following 14 members: (1) B. Venkatappiah, (2) Gorakh Nath Sinha, (3) N. R. Mody, (4) B. Venkataratnam, (5) Amolakh Chand, (6) A. Baksi, (7) R. G. Saraiya, (8) N. R. M. Swamy, (9) K. C. Maitra, (10) Mrs. Tara Cherian, (11) Y. A. Fazalbhoy, (12) Bawa Bachittar Singh, (13) C. C. Chokshi, (14) P. D. Chaliha.

A Bill to give effect to the Government's decision on the additional price payable to cane growers for the four seasons from 1958-59 to 1961-62 was introduced in the Lok Sabha on Monday this week by Mr. S. K. Patil. The Bill, called the Sugarcane Control (Additional Powers) Bill, seeks to empower the Government to amend the Sugarcane Control Order of 1955 (which does not enable the Government to pass orders on such matters with retrospective effect) in certain specified respects with retrospective effect from 1st November 1958.

The Central Water and Power Commission has prepared a perspective plan (1966-81) and a draft outline of the fourth Plan. The draft outline envisages the addition of 11.46 million kw. of power. It has been sent to the State Governments for their consideration. A planning group consisting of representatives of the Commission, Planning Commission and the various Ministries concerned, it may be recalled, was set up sometime back with a view to drawing up a long-term power development programme for the period up to 1976 and in particular for the preparation of the fourth Plan.

* * * *

From Abroad

Trans-World Airlines and Pan-American World Airways are planning to merge their interests.

The Japanese mineral industry proposes to send shortly survey missions to Indonesia and Ecuador to study the mineral resources position of these countries.

The monthly net income of a four-person wage or salary earner's household in West Germany was almost DM 722 in the first quarter of this year. This was about DM 64, or nearly 10 per cent, more than in the first quarter of 1961.

Bank account saving in West Germany rose to DM 4,576 million during the first half of 1962, which was DM 952 million more than in the first half of 1961 and DM 289 million more than in the first half of 1960.

Per capita consumption of eggs in West Germany rose to 236 during the year ended July 1962. This was eight eggs more than in the corresponding 1960-61 period, and 103 eggs more than the average pre-war consumption (1935-38).

Production of automobiles in West Germany amounted to 1,316,795 units in the first seven months of this year, which is about 5 per cent more than in the same period in 1961. Exports accounted for 46.1 per cent of the production in the period under review, as compared with 48.6 per cent in the first seven months of 1961.

A Canadian trade delegation, with Mr. Alvin Hamilton, Minister for Agriculture, as leader, is expected to go on a tour of Poland, Yugoslavia and Czechoslovakia shortly to explore possibilities of selling wheat to these countries. Poland has already agreed to buy 300,000 tons of Canadian wheat, which may be followed by another contract for 200,000 tons.

The total number of cars to be sold in the U.S. next year would exceed seven million (including imports of 300,000-400,000), according to Mr. Simon Knudsen, Vice-President of General Motors. This forecast is based on "consumer confidence and expectation of a growing U.S. economy." A Ford spokesman had, however, predicted recently that sales would decline to about 6.2 million, from 6.8 million in 1962.

The Newall Engineering of U.K. has secured a £1.25-million contract from Russia for the supply of machine tools. The contract, claimed to be one of the largest foreign contracts secured by any British machine tool manufacturer, is for automatic crankshaft grinders, multi-wheel grinding machines and cylindrical grinders tooled for large-scale production of components for internal combustion engines. Delivery is to take place over an 18-month period commencing at the end of 1963.

The Australian Government has decided, in principle, to appoint an independent expert body to enquire into the effects of tariff protection and other factors affecting costs in the economy. The decision follows strong criticism by primary producer organisations and chambers of commerce of recent extensions of tariff protection for secondary industries. Primary producers have claimed that tariff protection for manufacturers has added unnecessarily to the costs of primary industries which have to compete in world markets.

The Italian Government has reduced customs duties by 10 per cent, with effect from the 18th inst. The reduction does, not, however, apply to lead, zinc, aluminium, sulphur, silk and certain of their derivatives, agricultural products covered by the Common Market agreement, as well as steel and coal covered by the Coal and Steel Community. It is emphasised that the cut is a temporary measure which will be reabsorbed by the duty reductions provided for by the Treaty of Rome. As regards countries outside the Common Market, the cut will not be carried out in cases in which it would reduce the duties to a level below that of the common external tariff.

The Soviet Union has awarded a contract worth about $100 million to three Japanese companies for the supply of 17 ships, aggregating 480,000 d.w.t. tons, besides six dredgers, 12 tugs and 10 floating cranes. The shipping companies concerned are the Ishikawajima Harima Heavy Industries and Mitsubishi Shipbuilding and Engineering and Hitachis. The contract, awarded to a trade mission which was on a visit to Moscow, is said to be the biggest single contract ever concluded by Japanese shipyards. The Japanese Government, however, does not seem to be quite satisfied with the deal, because, under the trade agreement between the two countries, Japan will have to buy reciprocally Soviet goods equal in value to the contract now awarded.

PERSONAL

MR. M. P. Alexander, Deputy Secretary to the Union Government in the Ministry of Commerce and Industry, has assumed charge as the Chairman of the Coir Board.

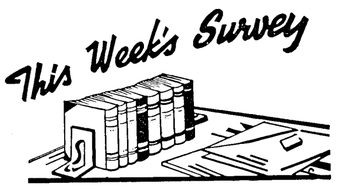
Mr. K. N. R. Ramanujam, Director of Research in the Reserve Bank, Bombay, has been selected by the U. N. to serve as its Economic Adviser in Ghana. Mr. Ramanujam, who is expected to be away for a year initially, will leave for Accra shortly.

Mr. Selwyn Lloyd, who relinquished the post of Britain's Chancellor of the Exchequer in July last, has been appointed a Director of the British Alliance Assurance Company and also of its parent company, the Sun Alliance Insurance. Mr. Lloyd had resigned from the Directorship of the Alliance Assurance in 1951 on joining the Government as a Minister of State.

Mr. Michael Galli has been appointed Deputy Chief of the Agriculture Division of U.S. Agency for International Development Mission to India *vice* Mr. Ralph N. Gleason who has served in India since 1958. Mr. Galli will guide more than 40 American experts presently in India helping in the development of agricultural education and research.

Mr. J. R. D. Tata and Mr. S. S. Khera have been appointed Members of the Atomic Energy Commission for a period of one year, with effect from 27th August 1962. Mr. S. Jagannathan, Member for Finance on the Commission, will be ex-officio Secretary, Atomic Energy Department, for financial matters. Dr. H. J. Bhabha will continue to be Chairman of the Commission.

Mr. D. Das Gupta of the Hindustan General Insurance Society Ltd. has been elected President of the Indian Insurance Companies Association, Calcutta, for the year 1962. The members of the committee are: Mr. P. S. Bhandari (General Assurance Society), Mr. K. P. Chakrabertti (New Great Insurance), Mr. P. K. Ghose (National Insurance), Mr. A. C. Mukherjee (New India Assurance), Mr. K. P. Modi (Ruby General Insurance), and Mr. R. K. Seth (Concord of India Insurance).



ATTITUDE TO AID

THE advanced nations seem to have a stake in world-wide development, notwithstanding the fact that the phenomenal progress registered in recent years in the countries of the European Economic Community has led some politicians and economists in the West to believe that "prosperity is divisible." It is rather difficult to subscribe to the latter view, for it can be shown that prosperity, like peace, continues to be indivisible. But there will always be some critics of foreign aid, both in the West and in the underdeveloped countries, taking their stand either on some sort of economic isolationism or on narrow nationalism. They have something to ponder in the following observations quoted from Mr. Jehangir Ghandy's address at the Calcutta Rotary Club last week:

"Prosperity, like peace, is indivisible. This is not a platitude, it derives substance from the stark reality that productive capacity in the United States cannot be fully utilised, unless surplus goods can be marketed overseas. Two-thirds of the world live today in want and misery, constituting, therefore, a very poor market. If the income of these underdeveloped countries could be raised by 5 per cent a year—the target set for the U.N. Development Decade—then imports would rise by as much every year, if not more. This is what gives affluent nations a stake in world-wide development, and forms the basis on which the expectations of greater international aid are based. . . . The expansion of the world market that will accompany the Decade of Development will not only bring more jobs and more sales to the affluent nations but will also provide a hedge against economic recession. Enlightened self-interest thus reinforces the moral appeal of good-neighbourliness."

There is, of course, a hard core of truth in these observations. But it is something which is better recognised and told by economists and leaders of opinion in the West. Telling the affluent nations that, when they are giving aid, they are doing so in their own interest is illustrative of the kind of psychological difficulties in the way of aid-giving and aid-receiving. What is true of individuals may be true of nations too. If an individual's acute awareness of his continued dependence on others is more likely to breed ingratitude than gratitude towards the latter and lead him to adopt postures involving a sort of mental liberation from all moral obligation, a nation, too, may strike up distorted and unnatural attitudes towards aid-givers who will, as a consequence, be piqued into saying unpleasant things. By far the best course which a developing country in need of aid can usefully adopt is to make out a case for such aid in the light of its needs over a reasonable period of time, say, ten or fifteen years, as well as for expanded trade so as to strengthen its capacity for repayment. This kind of approach, adopted recently by India's Finance Minister, is as sensible as it is commendable.

FINANCE FOR INDUSTRY

One of the important problems that came up for discussion at the quarterly meeting of the All-India Manufacturers' Organisation held at Poona on Sunday last related to the supply of credit for industrial development and export promotion. Mr. Prabhu V. Mehta, Chairman of the A.-I.M.O., in his speech at the meeting, made a particular reference to the difficulties faced by industry and trade in securing adequate credit. He was firmly of the opinion that, although facilities for credit had improved in recent years, there was still room for improvement both in respect of the quantum of assistance available and the speed of disposal of applications for credit. In his inaugural speech, Mr. P. C. Bhattacharyya, Governor of the Reserve Bank of India, exhaustively dealt with some of the points raised by Mr. Mehta. While dealing with the question of export finance, he touched upon the facility being offered to exporters by the Export Risk Insurance Corporation to secure credit from banks and under the Bill Market Scheme. The amendment to the Reserve Bank of India Act, now on the anvil would, according to him, facilitate the borrowing further. The proposed amendment, it may be noted, seeks to empower the Reserve Bank to lend against the declaration of the borrowing banks in writing that it will hold, as long as the loan from the Reserve Bank of India is outstanding, export bills, the value of which will not be less than the amount lent by the Reserve Bank. The period of maturity of export bills is also being extended from 90 to 180 days.

Referring to Mr. Mehta's suggestion that scheduled banks should be enabled to provide long-term loans for industrial development, Mr. Bhattacharyya opined that the question was being tackled by specialised financial institutions and that the banks were intended to play only a supplementary role. Giving an account of the difficulties in the way of providing term finance by banks in this country, he observed as follows:

"In examining this point, one has to bear in mind that the loans granted by banks to industry on a short-term basis are not short-term in the real sense. The main difference between a short-term loan and a term loan is that the security available for the former is much more easily realisable. Generally speaking, the banking system of a country, prefers to grant the former type of loans, because, as financial intermediaries in the money market, they obtain command over the resources of the community on a short-term basis. In the case of those countries, where the banking system has been able to meet term requirements of industry for purposes of acquisition of fixed assets on a large scale, they adapted themselves in the context of the institutional structure prevailing there. As far as India is concerned, as a matter of deliberate policy, several special financial institutions have been set up to cater to the requirements of industry for investment and the banking system is intended to play only a supplemental role in catering to the term finance requirements of industries.

"The grant of term-loans is a specialised business. It needs a comprehensive appraisal of a project for which banks are not normally equipped. In spite of this, I hope, you will agree that banks have taken some interest in extending term loans on a formal basis to facilitate purchase of plant and machinery. It was in order to induce banks to take greater interest in this direction that the Reserve Bank of India and the Central Government took the initiative to set up the Refinance Corporation in 1958 with a view to providing re-lending facilities to banks extending term loans. I have every hope that, with the accretion in the deposit resources of banks and with the steps that are being taken by them to gradually equip themselves to undertake appraisals of such term loan proposals, their contribution to the provision of such type of finance to industry would also reach a sizable proportion."

The foregoing observations of Mr. Bhattacharyya clearly explain the present position and the limitations on commercial banks to their going in for term loan business on any significant scale. If still there is a dearth of term loan facilities, it only reflects the inadequate growth of savings in the country and the increasing preference of industrialists to rely more on borrowings than on equity capital. The remedy for this state of affairs lies elsewhere, that is, in the fiscal and interest rates policies.

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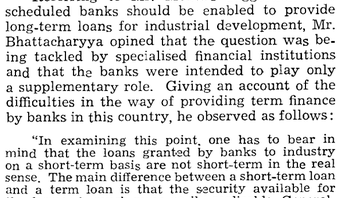

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PLASTICS INDUSTRY

The plastics industry has been able to maintain good progress, despite the shortage of basic raw materials and machinery. The total output of plastics intermediates (such as polyethylene, p.v.c. and polystyrene), which was no more than 7,000 tons in 1955-56, rose to about 10,000 tons by 1960-61. In the third Plan, the output target is fixed at 74,000 tons, with an annual installed capacity of 85,000 tons. This means that production will have to record a sevenfold increase. Mr. J. W. L. Russel, President of the Indian Plastics Federation, has, however, expressed the view (*vide* his speech at a convention held at Calcutta last Sunday) that there is need for stepping up the tempo of development of the industry still further. In his view, a higher capacity target of 133.000 tons, as suggested by the Development Council for Organic Chemical Industries, is not beyond the reach of the industry. But the difficulties in the way are by no means easy of solution, for the attainment of the target will depend, *inter alia*, on whether it is possible to step up investment in the industry by Rs. 60 crores, during the Plan period, from the present level of Rs. 35 crores.

A still more crucial problem is the insufficient progress in the development of basic chemicals for feeding the plastics industry. The growth of plastics industry depends, it may be noted, on the expansion of coal, petroleum and natural gas industries which are the source of basic chemicals (like benzene, menthol and phthalic anhydride) and synthetic organic building blocks (methane, ethylene, propylene, butane, etc.). As is well known, the development of petroleum and petro-chemical industries, in particular, is hampered by the doctrinaire policies of the Government of India. Had the Union Ministry of Mines and Fuel actively promoted the growth of petro-chemicals industry, the plastics industry would have received a good boost. Let us, in this connection, take the case of the polyethylene plant of the Union Carbide at Trombay. Its expansion has been obstructed by the delay in receiving petro-chemicals, as previously envisaged, from the oil refineries at Trombay. The manufacturing process, now based on industrial alcohol, is costlier, as compared with petro-chemicals. Besides, the supply of alcohol itself has not been regular and the demand for it for other uses has greatly increased. It is high time the Government took measures to expand the petro-chemical industry for which the private sector can secure the necessary facilities. In this context, Mr. Russel's plea to plan for the provision of feedstocks and basic chemicals on a long-term basis is quite pertinent and deserves to be given due consideration by the Planning Commission and the Government of India.

There is also a strong case for removing the burden of Government levies on the raw materials of the plastics industry. Mr. Russel himself has urged the Government of India to withdraw excise duty, import duty, taxes or other levies on naphtha and other hydrocarbon feedstocks which are employed in the manufacture of basic plastics, organic chemicals, including petro-chemicals and aromatics. The Development Council, it may be recalled, has already made such a recommendation. It is to be hoped that the Government will give favourable consideration to this legitimate demand of the industry. Removal of Government levies may not reduce the quantum of revenue, for any loss resulting from tax cuts in respect of raw materials will, as pointed out by Mr. Russel, be made good by larger earnings through taxation on profits of the new industries.

The high level of taxes and multiple levies by the Centre, States and Municipalities has pushed up the cost of production considerably, with the result that exports of plastics have become extremely difficult. According to Mr. Russel, export prices of Indian plastics products are much higher than those of other countries. There is, however, scope for expanding exports, provided prices are maintained at competitive levels. But this will be possible only if the industry improves its productivity and the Government provides the encouragement needed on the lines outlined in this note.

LABOUR FORCE PATTERNS

Many and varied are the structural contrasts between the industrialised countries and the under-developed ones. These differences explain why the former are highly advanced and the latter relatively backward. The United Nations Organisation and its affiliated agencies have, by their innumerable studies, added to the world's knowledge of the imbalances and weak spots in the economies of the less-developed countries. One of the latest in the series of U.N. studies pertains to the demographic aspects of manpower. The findings of this study, which is based on an analysis of census data from about 100 countries, show that the advanced countries have some demographic advantages which the underdeveloped countries lack. There is, for instance, the advantage arising from the higher ratio of workers to dependents in the populations of industrialised countries. The unfavourable position of the underdeveloped countries with respect to worker/dependency ratios stems from the age structure of their populations in which there are few adults in relation to the number of children below working age. If the age structures in the underdeveloped countries are heavily weighted with child dependents, it is because of their higher birth rates. It is quite revealing to know, in this connection, that 40-45 per cent of the populations of the less-developed countries are children under 15 years of age, whereas in the industrialised countries this figure is more often in the range of 20-25 per cent.

A related factor which makes for better manpower training in the advanced countries is that only about 4 per cent of boys in the 10-14 age group and 38 per cent of males aged 65 years and over are actually employed. It is an advantage to these countries that these age groups, which cannot be easily trained for work in urban industries or which lack the requisite physical strength for employment therein, are represented in their labour force to a much lesser extent than in that of the underdeveloped countries. As agriculture constitutes the principal means of livelihood in the underdeveloped countries and as the labour of young boys and elderly men can be readily utilised in many agricultural operations, it is no wonder that as much as 25 per cent of boys in the 10-14 age group and 70 per cent of males aged 65 years and over remain in the labour force of these countries. It would also be pertinent to note here that the extensive systems of retirement and social security schemes, which exist in the advanced countries and which enable elderly men to withdraw from the labour force, are not to be found in the poorer countries. Nor do these countries have uniformly extended the years of compulsory schooling which could reduce the proportion of child labour in their economically active populations.

There is another major difference between the advanced and the less-developed countries. This pertains to the higher proportion of working male population in the former. The relevant finding of the U.N. study is that 64 per cent of the male population is in the labour force in European countries, whereas this proportion is only 57 per cent in Africa, Asia and Latin America. Female labour, which is not quite suitable for skilled or hard work in urban industries, is thus represented to a lesser extent in the labour force of advanced countries. If more married women in the age group 35-64 have come into the labour force of industrialised countries in the last 15 years, the proportion of young, single women in their labour force has simultaneously tended to fall. The net result seems to be that the labour force participation rate pertaining to women continues, on the whole, to be substantially less in the advanced countries than in the underdeveloped countries where middle-aged women are very often occupied as family helpers on the farms. The U.N. study, however, admits that the statistics on economically active women are subject to many shortcomings.

WORLD CIVIL AVIATION

The state of world civil aviation in the recent past, at the present time and in the foreseeable future has been pointedly dealt with in the report of the President of the Council of the International Civil Aviation Organisation, an affiliated agency of the United Nations. In the recent past, according to the report which is just being discussed by the I.C.A.O. assembly at Rome, a declining trend in the profit-making capacity of world airlines has been in evidence. The relevant figures show that, in 1960, profits were only $70 million, as compared with $105 million in the previous year, while 1961 ended with a loss of more than $100 million. As far as the current year is concerned, the situation, according to I.C.A.O. sources, seems to have changed for the worse rather than for the better. The outlook for the immediate future, too, may be no less gloomy, unless, of course, a substantial increase in the load factor—this was 51.6 per cent in 1961 for all the world airlines together—comes about.

For the present, the process of readjustment to the large-scale use of jet aircraft—a process which is not yet completed—is bound to keep net revenues down or cause losses. Some figures pertaining to jets would be quite relevant in this connection. There were, for instance, only 12 jet aircraft in operation in scheduled air services at the beginning of 1959; their number rose to 609 by the end of 1961. The increase in seating capacity (international and domestic) offered by the introduction of jets during that period was 46 per cent, but the gain in passenger kilometres performed during the same period was only 38 per cent. At the beginning of the current year, there were still 402 jet aircraft on order. When these, too, are introduced into the air services, the proportion of jets in the estimated aggregate number of aircraft (approximately 4,000) will be about 25 per cent. But, in terms of productive capacity, the fleet of about 1,000 jets will represent nearly 80 per cent of the aggregate capacity of the entire fleet of aircraft. It would appear from these figures that there is bound to be some very substantial unutilised capacity till the process of readjustment to the use of jets is completed. Any such continuance of unutilised capacity is, in turn, bound to eat into the otherwise possible profits.

If a similar situation is not to arise again after seven years with the expected replacement of the present types of jet aircraft by supersonic airliners, the I.C.A.O.'s four-point advice to member-Governments and airlines may have to be given favourable consideration. The four basic points urged by the I.C.A.O. are: (i) the supersonic airliners to be produced should be such that they can be operated economically; (ii) these airliners should be such that they will not cause a revolution in areas near airports, and in inhabited areas to be overflown, with their sonic boom; (iii) the new airliners should not require *completely new* infrastructures by rendering all the existing airports in the world obsolete; and (iv) costs on new infrastructures, if any, must be kept within reason. Unless this sound advice is accepted by the world airlines, they will find themselves in the same predicament as they are in today. The lag between rapid technical and technological advance and slow growth in traffic and profits cannot obviously continue for long without detriment to the economic viability of the world's airlines.

Facilities for the amicable settlement of commercial disputes arising between parties in India and the Hungarian People's Republic are now available as a result of an agreement entered into between the Arbitration Tribunal of the Federation of Indian Chambers of Commerce and Industry, New Delhi, and the Hungarian Chamber of Commerce, Budapest. This is the sixth agreement in the field of international commercial arbitration to be entered into by the Federation with commercial organisations of foreign countries. The other five agreements were signed with the U.S., Japan, the German Democratic Republic, the U.S.S.R. and Poland.

From Cochin to California

PRAWN CANNING is an industry wholly dependent on foreign markets. Prawn exports from the Malabar coast-line to the United States and other parts of the globe are today earning foreign exchange worth several crore rupees. Metal Box has helped the enterprise of India's exporters of prawns—and many other products—by supplying packages made to exacting international standards.

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IN DEFENCE OF THE ECONOMIST

SOME REMINISCENCES

By Prof. C. N. Vakil

ECONOMIC problems affect everybody; for example, changes in prices are a matter of concern for most people, particularly for the housewife. Most of us are engaged in some activity or other which has economic significance. In consequence, everybody tries to form an economic opinion regarding those economic events which seem to affect him or her directly or indirectly. Some of these opinions based on experience may have some value; others may be guess-work and may take the form of efforts either to convince oneself about a situation or to explain away a particular effect.

The economist does not make economic facts. He observes and analyses facts made by others, and tries to establish economic tendencies based on such observation and analysis. He may use statistics in his effort. Statistical figures have, however, the appearance of mathematical exactness; economic tendencies cannot be mathematically exact, though the economist may have to use statistics for his purpose. This is so because the variety of changes in economic facts with which the economist has to deal are due to actions and decisions of millions of people, with their changing moods and attitudes. The variability of human behaviour in connection with economic affairs results in the vagueness of economic analysis. In other words, such imperfections are inherent in the subject, though the economist is often blamed for the same. It is, therefore, that the economist talks of tendencies and not of conclusions.

Black Market

When Government tries to control the economy, we have a new factor introducing complications in the work of the economist. In a mixed economy like ours, there are continuous conflicts between the operation of Government controls, on the one hand and the operation of economic laws, on the other. For example, when Government controls the price of a commodity, it has an administrative machinery to bring about the controlled price, usually by controlling the supply of the commodity in accordance with some legislation or regulation. In spite of the existence of such machinery, we are aware of the phenomenon of what is called the black market price. Perhaps the black market price is the result of the conflict between the self-interest of people, expressed through the operation of the laws of demand and supply, on the one hand, and the efforts of the administrative machinery to operate the controlled price of the commodity, on the other. If the control machinery were perfect and if there was conscious co-operation of the people in its operation, the black market price could not arise. Such a price arises, because, for one reason or another, it is not possible to make the control machinery perfect, the co-operation of the people in its operation is absent, and the self-interest of some people takes advantage of such imperfection by ignoring the law; the result is the black market price; it is called black because it is not legal. The black market price may be higher than the economic price because it makes allowance for the risk of illegality.

When this simplified operation in a given case is multiplied several times over, with such conflicting forces working simultaneously in many spheres in different degrees in a controlled economy, the task of the economist to disentangle such forces and to arrive at conclusions based on such situations is most unenviable. The vagueness of his conclusions increases in direct proportion to the success of the black market; as such transactions cannot be recorded in official statistics, the known imperfection of official statistics which the economist has to use becomes greater still.

It is obvious why any two economists may legitimately differ in their assessment of a particular economic phenomenon, because of the limitations of their experience or knowledge or data or bias, conscious or unconscious, or a combination of these factors. We all know that doctors differ in their diagnosis and, therefore, in their prescription; lawyers differ in their advice on given legal problems. But, because the layman is not able to act for the doctor or the lawyer, he submits to the uncertain advice of the doctor and the lawyer, sometimes with disastrous consequences. In the case of economic problems, the layman has his own views, which he tries to compare with the opinions of the economist and, if the latter does not suit him, it is easy for him to find fault with the economist. The so-called man of business and affairs is happy if the economist whom he consults agrees with him; he does not mind condemning him if he does not agree with him. Hence the curious statement that, where there are five economists, there are six opinions, suggesting that economists as a body are a divided lot and, therefore, cannot be trusted.

I propose to refer to a few cases in which economists have agreed or disagreed—cases of some significance in the economic affairs of the country. In doing so, I must apologise to all those persons whom I shall refer by name without their permission. I should also apologise for references to myself, as I was involved in the cases referred to. I may add that this is done in good faith in the defence of the economist, because the practical man wants something concrete, before he can be convinced about a situation regarding which he suffers from either prejudice or ignorance.

Some Instances

The Government of India sent a food delegation to the FAO Commission in Washington in the winter of 1946-47, with Dr. Katju as the leader. This delegation by some curious coincidence had three economists on it. During the discussion of the delegation, the economists had naturally an opportunity to take part. Dr. Radhakamal Mukherjee gave a sociological turn to his views and used phrases and words which the delegation could not always follow. At the other end, Dr. V. K. R. V. Rao held strong views and spoke rapidly in technical economic language also with the result that the delegation felt for a time that the economists did not agree and, therefore, they should go their own way on an economic problem. Realising this unfortunate situation after some time, when these two colleagues found themselves frustrated and were in a mood to listen, I succeeded in persuading them to agree to a joint effort. The result was that, in future discussions, only one of us spoke and the others did not contradict. More often we gave an agreed statement in simple language in writing. The delegation was, thereafter, surprised that the economists did not disagree, because, if they did, they could ignore them.

In 1943, when the British Government was carrying on the war with inflationary methods, when additions to the currency were of the order of a crore a day, when inflation was not yet understood in the country, it fell to my lot to explain the phenomenon in simple language in a small pamphlet called *The Falling Rupee*. This did not suit a leading industrialist, who considered it as an effort on my part to starve the people of the country of currency. The British Government was determined to carry on the war at all costs. The war operations resulted in substantial gains to certain businessmen who had Government contracts for war supplies. The greater the inflation the greater the gain to such persons and hence the propaganda of certain leading businessmen against my explanation of inflation. In answer to this, an Economists' Manifesto was issued, signed by leading economists of the country of the time, some of whom were known to have sharply different views on various questions. Among other things, the Economists' Manifesto being unanimous, had some effect and, though inflation was denied by the Finance Member during the Budget discussion in March 1943, anti-inflationary measures were introduced by the Government in May 1943 by Ordinances.

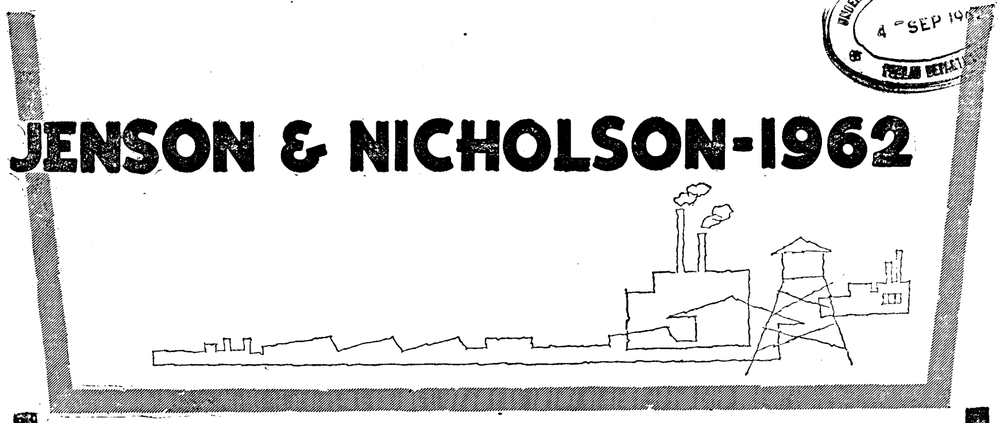
Before the end of the Second World War, during the latter part of 1945, there was a feeling in the then Government of India that the conclusion of hostilities would be followed by a depression as war-time activities would suddenly stop and that the Government should be ready to meet such a depression. The Finance Department issued instructions to Central Departments and the Provincial Governments to keep their plans for expenditure on Public Works ready so that Government activity of this nature could be injected into the economy as an anti-depression measure. Financial provision was also made for all this. The Government of India had created a Department of Planning and Development at that time, with Sir Ardeshir Dalal as the Member-in-charge. I happened to be the Economic Adviser to this Department. I held the contrary view, namely, that there would be a post-war inflation, because of the pent-up demand kept under control by anti-inflationary measures, during a period when the money supply had increased, which could not be matched by supplies of goods. I wrote a brief note in support of my view. This came up for discussion at a meeting of the Consultative Committee of Economists, with Sir Ardeshir Dalal as the Chairman. I found myself in a minority of one in a group consisting of both economists and officials as well as my chief; they all disagreed with me. The *Eastern Economist*, of which Dr. Lokanathan was the Editor at the time, came out with comments on my note ridiculing my attitude, though the note and the proceedings of the Committee were confidential. The war ended soon after. The anti-depression measures of the Government of India added to the post-war inflation and the views of the majority who had advocated the same proved utterly wrong.

It was in such circumstances that the National Government assumed power and found themselves faced with an acute post-war inflation-any crisis in 1948. They thought of calling a group of economists together to suggest remedies. Nine of us were summoned to Delhi at short notice for this purpose and were expected to produce a document giving a prescription for the inflationary disease. Realising that, in the absence of an agreed statement, the effort would be open to ridicule, the group agreed to find a common measure of agreement and to put aside individual differences. After working strenuously for a few days partly overnight, the group produced their report. This was presented in person to the Cabinet by the members of the group, who were called in for a discussion. The seniormost member of the group was Prof. K. T. Shah. Sardar Vallabhbhai Patel knew of the strong views of Prof. K. T. Shah on most questions. He believed that there would be a minute of dissent by Prof. Shah in any case. As the members of the Cabinet sat down, Sardar Patel asked the question whether the group was unanimous. One of us said "yes." Has Shah agreed? came the query, pointing a finger at him. Prof. Shah had somewhat weak eyesight and the glare of the sun coming from the window of the small room in which we met, did not enable him to see the members of the Cabinet properly. As Prof. Shah was not able to follow this rapid exchange of words, I gave the reply that Prof. Shah was signatory number one to this unanimous document.

Even Prosecution was Thought of

Whereas economists can and have agreed on such vital questions as inflation, I may be permitted to point out that Governments are, as a rule, anxious to conceal the fact of inflation, as they do not like to admit that they are the authors of the evil. This may be carried to extremes. For example, there was a move in the Government of India (1943) to prosecute the author of *The Falling Rupee* under the section of the Penal Code which says that anyone who takes away the confidence of the public from the currency is liable to two years' imprisonment. Whereas this did not materialise directly, Dr. Kumarappa, Gandhiji's economist, who wrote articles on the subject in the *Harijan*, in which he profusely quoted from *The Falling Rupee*, was prosecuted. Mr. Vaikunthbhai Mehta, who was collecting material for his defence, enquired of me why Kumarappa should be prosecuted for quoting me and how was it that I escaped. My answer was that the Finance Member was the guilty party, inasmuch as, by inflating the currency and thus reducing the value of the rupee, he was taking away confidence of the people from the currency; I was doing my job as an economist by correctly and scientifically interpreting the action of the Government and, if I was prosecuted, I would call Sir Theodore Gregory, then Economic Adviser, to the witness box and he would have to agree to my interpretation. Gregory and I had one thing in common —namely, the same Economic guru, Dr. Edwin Cannan. But Kumarappa put the case in such manner that the posecution could argue against him and he got two years' imprisonment.

The question is whether politicians and administrators who try to determine the working of a controlled economy are willing to listen to even the unanimous advice of economists or go their own way. I believe that the layman will appreciate that, though the economist can try to explain economic phenomena and may even look into the future, he is not responsible for them; the layman must find out for himself whether the economic expert has the appropriate role in the shaping and in the conduct of the economic affairs of the country, at a time when the State is assuming more and more economic functions and powers.—*Adapted from an address to the Bombay Rotary Club.*



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AMERICAN LETTER

LIGHTS AND SHADOWS IN U.S. ECONOMY

ROAD TRANSPORT BOOMING

From Our Special Correspondent

NEW YORK, *24th August*

THE business situation in the United States continues good but spotty. I did a good deal of travelling recently and I was surprised to hear completely different and completely contradictory remarks in various parts of the country, good and bad, and all component parts of the slowly rising overall statistics.

Travelling by automobile, rather than by train or airplane, conveys the truest picture. One has to stop at filling stations, road stands and restaurants. One sees the number of automobiles driven along the highways and their age. One does also get a fair opinion of the type of people who are on the road and for what purpose.

The samplings I did would seem to show that there are more automobiles on the roads than ever. Most of the cars here in the East are new or of recent vintage, although there are also older cars. In fact, I saw a Model A Ford yesterday on a highway in New Jersey which dated back to the early 1930s. Since a good part of the American population is constantly "on the go," business related to such activities is generally good. The filling station operators are doing well, so are roadside stands and restaurants as well as the roadside motels. It seems to me that short-haul and long-range travel is one of the "industries" which does not operate below capacity level. Automotive travel certainly is not in the luxury category. It is now looked upon as an old entrenched necessity. Except on the highways from cities to the suburbs, there are no chauffeur-driven luxury cars on the roads.

Road-rail Competition

On the great inter-State and intra-State throughways, one sees predominantly cars of the "average American," be they salesmen, families of wage or salary earners and an enormous amount of commercial traffic. In fact, most of the road space is taken up by huge trailer trucks which have the capacity of nearly a railroad car. Equally dominant are passenger buses. The latest of these autobuses in service over coast-to-coast routes are air-conditioned, they have a small rest room and a small kitchen like a galley aboard a yacht.

Bus schedules are much more frequent than those of the rails and are about one-half to one-third less expensive than railway fares. It is no wonder the railroad companies are in such straits and, through mergers, are endeavouring to improve their competitive position.

Coming back to the lights and shadows in the U.S. economy, Texas and many parts of the South-west are definitely booming. In the Dallas and Houston areas alone there are at least 200 multi-multi-millionaires who think nothing of building houses costing $2 million. I know, I visited some of them. The only soft spots in the South-west are in the mining and refining areas.

California and other parts of the Far West enjoy a very good economy climate. The vast aircraft plants, working on missiles electronics under Government contracts, provide steady employment. The motion picture industry is muddling through, but in the fastest growing part of the State in the North, unemployment has been a problem—not because there have been many lay-offs but because immigration from other States by people who seek a better climate continues at the rate of about 5,000 persons a day.

Industry and Agriculture

In the middle-Western, Southern and Eastern States conditions are just plain spotty. This means a slight downturn in a few sectors of the economy, or a substantially reduced rate of improvement in many other sectors, but still improvement. The overall figures for industrial production, personal income and the gross national product are still rising.

Federal Reserve economists and those in the U.S. Treasury have become quite cautious in their appraisal of the future. The Federal Reserve points out that "the economy continues to operate well below capacity levels. Moreover, mid-year figures, especially those for new orders for durable goods and the number of housing starts, raise questions about the strength of underlying demand in the months ahead."

The new depreciation rules may give a boost to industry, but a possible tax cut has now been postponed until next year so that rates for the current year will remain as they are at present. Both wholesale and retail prices have shown little change. So far this year, consumer prices have moved up by about 0.8 per cent and have reached a level 1.2 per cent above that of a year ago. In other years, the increase has been much more pronounced.

Farm output in 1962 is expected to be down only slightly from that of last year. At present, it is estimated at only 2 per cent below the record level of 1960. Total production of feed grains will be down from the level of a year ago. If expectations prove correct, 1962 will be the lowest feed grain production year since the 132.7 million tons in 1957. The maize crop will be about 3 per cent lower than last year and 10 per cent below 1960. Wheat output will probably be off 15 per cent from 1961 and 7 per cent from the 1951-60 average.

Balance of Payments

There has been an improvement in the U.S. balance of international payments. One factor in this development seems to be attributable chiefly to repayment of certain obligations and to a further decline in the movement of speculative funds abroad, although a certain amount of pressure remained. Up to a point, the U.S. Treasury carried the brunt of the dollar defence through the Stabilisation Fund.

As mentioned previously, it was decided that the Federal Reserve should share in this endeavour. In due course, the Federal Open Market Committee authorised the Federal Reserve Bank of New York to undertake transactions in foreign currencies for System Open Market Account. Some of the objectives are making the existing system of international payments more efficient and avoiding disorderly conditions in the foreign exchange markets.

There are four specific aims: (1) to offset or compensate the effects on U.S. gold reserves or dollar liabilities of price fluctuations reflecting temporary disequilibrating forces; (2) to temper and smooth out abrupt changes in spot exchange rates and to moderate forward premiums and discounts; (3) to supplement international exchange arrangements such as those made through the International Monetary Fund; and (4) in the long run to provide a means whereby reciprocal holdings of foreign currencies may contribute to meeting needs for international liquidity as required in terms of an expanding world economy. Against this background, the System moved to acquire foreign currency balances. Reciprocal currency agreements are now in force with France, England, Holland, Belgium, Canada, Switzerland, West Germany and the Bank for International Settlements.

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LONDON LETTER

DULL SUMMER

SOME INDICATORS EXAMINED

(From Our Own Correspondent)

LONDON, *25th August*

AS the summer progresses further, statistics present themselves as uncertain guides to the predominant question—has the U.K. economy got room for expansion? Unfortunately all the vital statistics do not appear at the same time and thus they seem to be telling contrary stories. The index of industrial production, which is a major indicator of the state of the economy, only just now reveals that, by the end of June—six weeks ago—that month and the whole of the second quarter show an exciting and profitable increase. Whereas, in 1961, the index rose from a January figure of 112 to a June figure of 115, a rise of only 2.7 per cent, this year the index has risen from 111 in January to 117 in June, a rise of 5½ per cent. Between the end of March and the end of June, there has, indeed, been a rise of 2 per cent. For the British economy in recent years these percentage increases are something novel and the second quarter is all the more startling for showing a rise during its course of nearly 3 per cent as compared with no rise whatsoever in the same period last year.

In the manufacturing industries, the increase is even more marked and can be described as a jump; thus, the month of June registered an all-time post-war record in production and, undoubtedly, the export industries have played the major part. June also showed a rise in export orders not only as compared with the previous two months but as compared with June of the previous year.

But, when we turn from this encouraging picture to the up-to-the-minute figures of employment, we find a record figure of unemployed and this August is described as the worst for fourteen years, with 2.1 per cent out of work.

Slump in Bank Advances

Even if one allows for the number of young persons leaving school and looking for jobs at this time of the year, the rise among unemployed adult workers is still just as marked. The grand total is now some 464,000 and is accompanied by a corresponding drop in the number of vacant jobs looking for occupants. These figures are particularly significant, as indicating that there is room for stimulus in the economy and this is borne out by the slump in bank advances. Over the past month, the fall in the total outstanding was £3¾ million, a figure compounded of a substantial rise in the advances to nationalised industries and a fall of no less than £9 million in the advances to private industry. The grand total of advances is very little above the corresponding figure for last year when they were drastically slashed by the special crisis measures. Should the authorities, however, consider that the British economy could do with some stimulus, the drop in bank advances indicates that it will have to be something more than a mere financial prod; for instance, up to now, it has been assumed that, if the Bank of England released the special deposits taken from the clearing banks and gave them a broader credit base, then credit would automatically be more used. But, unfortunately, it is now clear that the existing credit base is not being fully exploited.

The next most likely line of attack and one being constantly pressed in many City quarters is a further reduction of Bank and other money rates. On this issue, most economists are at one with the financiers and foresee a fall in the long-term rate on the gilt-edged to between 4 and 5 per cent. The boost this would give the Gilt-edged market would alone be helpful in stimulating the financial side of the economy.

If one wanders beyond the spheres mentioned, then a great number of budgetary factors could be used in various forms of tax reduction that are possible not only in the form of lower taxes on goods and on incomes, but also by cheapening the cost of industrial investment by making a part of such investment tax-free.

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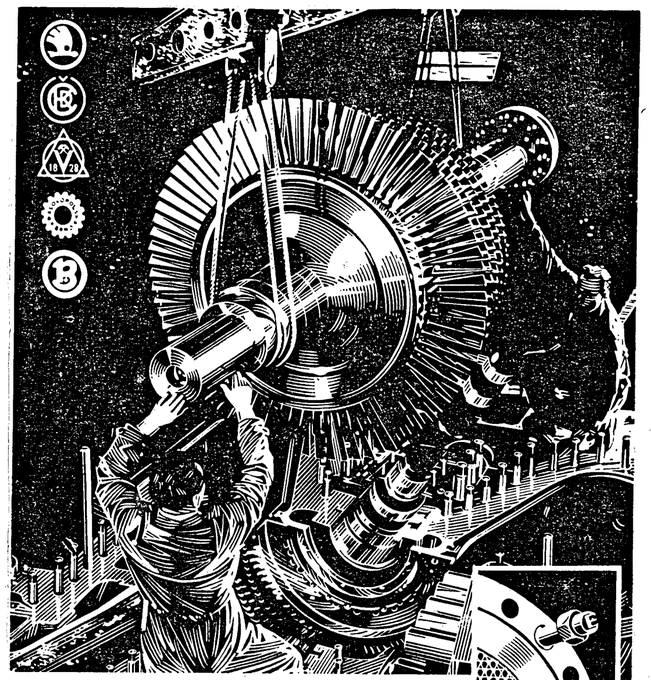

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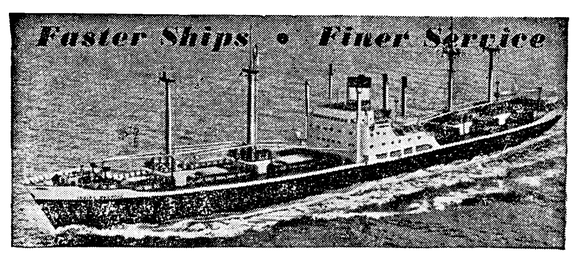

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STATE FINANCIAL CORPORATIONS

I.M.C'S SUGGESTIONS FOR IMPROVING EFFICIENCY

BY and large, the views of the Indian Merchants' Chamber on the working of State Financial Corporations are in line with those expressed in this journal from time to time. The Chamber, in the course of its replies to the questionnaire (Part II) issued by the Reserve Bank Working Group on S.F.Cs, has impressively pinpointed some of the factors responsible for the slow progress made by the Corporations and indicated in clear-cut terms the steps that should be taken to improve the usefulness of the corporations and the modifications needed to make them function more efficiently. In particular, the Chamber has drawn attention to the dilatory and costly procedures and practices adopted by the Corporations. But for such procedures and practices, the Corporations would certainly have by now met a considerably larger part of the credit requirements of the medium and small-scale industries than they actually have. Since the vast majority of persons who run such industries are persons with moderate means and many of them do not have a high educational background, it is essential that the procedural formalities prescribed by the Corporations should be simple and easily intelligible.

The Chamber has done well to highlight this need, as also to urge an intensified publicity drive. Its suggestions for opening intelligence wings is, indeed, quite pertinent, their objectives being to publicise the functions and duties of the Corporations, the services offered to industries in the different parts of the State, and to render necessary guidance to small-scale units in regard to the procedural formalities to be gone through by the parties securing loans from the Corporations. Further, the Corporations should, as the Chamber has pointed out, utilise fully the services of chambers of commerce and other commercial organisations, publish literature, and insert display advertisements in the appropriate sections of the Press.

Attention has also been drawn to the legal formalities connected with the obtaining of loans. It has been found that the number of solicitors' firms approved at present by the various Corporations is rather restricted. The lists of such firms should be enlarged and they should also include the solicitors' firms or reputed, experienced advocates in mofussil towns. As for the cost aspect, the Chamber has urged the State Governments concerned to bear fully or partly charges such as stamp duties and registration fees in respect of mortages and other legal documents to be executed by the borrowers of the Corporations. A lead, it is stated, has already been given by the Governments of Assam, Rajasthan and the Punjab, and it will be in the fitness of things if the other State Governments also emulate this example. Only we would like to reiterate here what we said a fortnight ago, namely, "that there is a limit for giving free service to business concerns even on the ground that they are small and that excessive spoon-feeding will not be conducive to the growth of healthy entrepreneurs."

Another factor militating against the grant of adequate and timely loans to industries by the State Financial Corporations to which the Chamber has referred pertains to the rigid, conservative lending criteria. In a number of cases, it is noticed that undue emphasis is placed on security without any regard to the profit-earning capacity of the project in question. Pleading for a more dynamic and liberal attitude, the Chamber has made the following suggestions:

The profit-earning capacity is an important criterion which should be considered in taking decisions on applications for loans and advances by the Corporations and for deciding the extent of the accommodation to be given to the applicants. Further, the technical knowledge of the entrepreneur applicant should be prominently taken into consideration, in addition to the security offered, while deciding the quantum of accommodation. These two criteria should be considered for reducing the margin on security and a larger quantum of advance.

Hypothecation of machinery should also be accepted in cases where the applicant has rented premises. It would be a facility to the industrial units, if equitable mortgage is accepted in place of legal mortgage. The present State Financial Corporations Act, however, does not allow acceptance of equitable mortgage and the Act will, therefore, have to be amended for this purpose.

The basis for arriving at the value of the assets for purposes of security should be the ex-site value of the machinery, etc.

The margin of 50 per cent of the net value of fixed assets for the purpose of advancing loans is rather high and should be suitably reduced.

The limit of loans granted to industrial units run as private limited companies must be stepped up to Rs. 20 lakhs as in the case of public limited companies and industrial co-operatives.

There should be some flexibility in the policy of Corporations in respect of meeting the working capital needs of particular units that are not in a position to secure such accommodation from other alternative sources. The Indian Merchants Chamber has also advocated diversification of the activities of the Corporations. Thus, it favours underwriting of debentures and shares of industrial units on an increasing scale and giving guarantee to deferred payments in respect of purchases of equipments from indigenous sources. The importance of this suggestion lies in the fact that, since the small and medium-scale units are not in a position to raise capital by a public issue successfully, the underwriting by the State Financial Corporations will give them additional credit for attracting such capital and assuring them of their needs.

Besides liberalisation of procedures and practices, a more liberal lending policy and diversification of activities, the I.M.C. wants the Corporations to render better service to industries without raising the cost of credit to any large extent. This, it thinks, would be possible if the Corporations were to establish branch offices at important centres in the respective States. Such a step will, it feels, considerably help the industries situated in the mofussil which are at present unable to take advantage of the services offered by the Corporations. But this may prove to be a very expensive service to the Corporations, especially when turnover in such branches is inadequate. The better thing to do would be for the Corporations to work in collaboration with commercial banks having branches in upcountry centres. Some of them are developing their facilities for term loans. The State Bank of India and its associates also are catering to the credit needs of small and medium-scale industries. It should, therefore, be perfectly feasible for the State Financial Corporation to make use of their services. This arrangement will definitely be cheaper than opening branches. The I.M.C. is of the view that, if its proposal were implemented, the Corporations would be in a better position to know the local conditions. This is, of course, an important point, but that objective could be achieved equally effectively through periodical visits to the important centres by the top officials of the Corporations and establishing personal contacts with the entrepreneurs.

The I.M.C. wants the Corporations generally to resrrict the scope of their activities to extension of loans and advances to medium and small-scale industries. This does not mean that the Chamber is opposed to joint lending along with other credit agencies, such as banks, Industrial Finance Corporation and I.C.I.C.I. Only it emphasises that, where in particular deserving cases it is necessary to participate in joint lending, the statutory limit of accommodation as stipulated in the statute should not be overstepped.

An aspect which, according to the Chamber, deserves the serious consideration of the Working Group pertains to the grant of fiscal incentives to the State Financial Corporations. Reiterating the recommendation made at the conference convened by it in June last, the Chamber observes:

"The State Financial Corporations are, at present, taxed like other corporate sectors . . . The Government should consider the advisability of extending fiscal relief to the State Financial Corporations, with a view to enabling them to augment their resources. It appears that the Government of Pakistan have given some tax concessions to the industrial corporations operating in that country. The development corporations in some of the foreign countries are also granted similar concessions and facilities. The Chamber would suggest the following specific measures in this regard:

1. The State Financial Corporations should be given a tax holiday for a sufficinet period of time as is the case with new industrial units.

2. The Reserve Bank of India and the State Government concerned should forgo the dividends on their respective holidays in the Corporations. This will give the much-needed relief to the Corporations and held them to strengthen their resources."

It is somewhat difficult to agree with these suggestions. The Corporations cannot be considered as new units for purposes of giving a tax holiday, inasmuch as many of them commenced operations eight or nine years ago. We also do not think that either the tax burden or the dividend collected by the Reserve Bank and the State Governments concerned—the rate of dividend is just 3½ per cent except in the case of Mysore and Punjab where the rate is 4 per cent and 3 per cent, respectively—is weighing heavily on the finances of the Corporations. In any case, they are being given subventions by the Government to maintain the guaranteed dividend. They can certainly improve their financial position if only they take vigorous steps to expand their turnover and function on business lines. One may say that they improve their turnover only if they have sufficient funds at their disposal. That the authorities appreciate this point is evident from the fact that they have enabled the Corporations to borrow money from the Refinance Corporation for Industry. The Government has also agreed to lend to the Refinance Corporation the rupee equivalent of $55 million reserved by the U.S. Government under the first P.L. 480 agreement. The State Financial Corporations have also been authorised to act as the agents of the Industrial Credit and Investment Corporation. The important thing to be borne in mind in any discussion about assistance to small businessmen is the availability of credit in adequate sums and not the terms of credit. The terms should, of course, be reasonable and not usurious. But they need not necessarily be so cheap as to make the working of the Financial Corporations uneconomic for ever. Surely, a good business-like enterprise should be able to bear the reasonable cost of the capital employed in it.

LOMBARD SEEKS MINORITY SHARE IN NEW ZEALAND UNIT

A cash offer of 12s. 6d. a share for the minority shareholding in Lombard New Zealand Ltd. has been received from the Parent company, Lombard Banking Ltd., London. The offer, which is subject to Government approval, will be considered at an early meeting of the directors of the New Zealand company.

In 1957, Lombard Banking Ltd. obtained a controlling interest in the New Zealand Guarantee Corporation Ltd., paying 2s. 10½d. for the 2s. shares it acquired. In 1959, the name of the company was changed to Lombard New Zealand Ltd., and the capital was consolidated and divided into 5s. shares.

A delivery contract for 500 bookkeeping machines at an aggregate export value of Kr. 1,500,000 ($300,000) has been signed between Original Odhner, Gothenburg, large makers of office machines, and Australia and New Zealand Bank Ltd. The order is the largest single one ever received by the Swedish company. Delivery will be made successively during the next two years. The Australia and New Zealand Bank is Australia's second largest private bank with 8,000 employees and 600 offices. Since the last three years, the Bank has been using the Swedish company's calculating machines. The new order forms part of a large modernisation scheme. Original Odhner at present covers one fifth of the entire Australian market for office machinery.

The Film Finance Corporation Ltd. has sanctioned two loans, one of Rs. 3.5 lakhs to Nagina Films, Bombay, for the completion of the picture *Punar Milan* in Hindi and the other of Rs. 2.5 lakhs to the Maheshwari Pictures, Bombay, for the production of two films, one in Marathi and the other in Punjabi. The loans will be paid in instalments and bear interest of 9 per cent per annum, subject to a rebate of interest for early repayment as provided in the by-laws and regulations of the Corporation.

An agreement has been signed between the Bank of Foreign Trade of Russia and the Bank of Tokyo (Japan), under which the two banks propose to give reciprocal terms granting short-term loans for exports and imports of goods.

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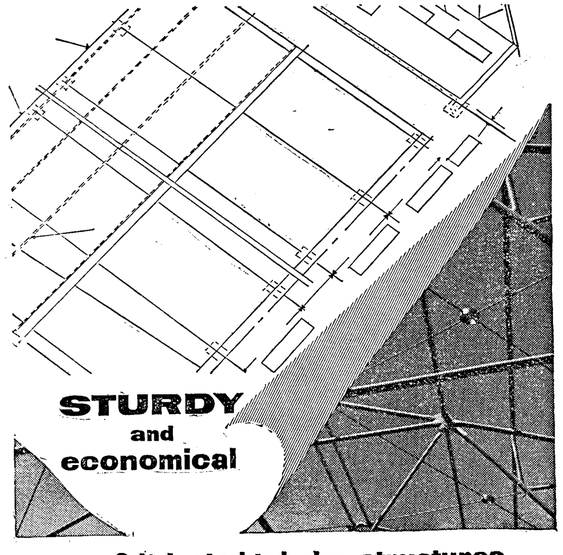

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ANNOUNCEMENT REGARDING ISSUE OF FURTHER CAPITAL

THE KALPETTA ESTATES LIMITED

(INCORPORATED IN INDIA)

Registered Office: W-15/9847, BEACH ROAD, ALLEPPEY

EXISTING AND PROPOSED ACTIVITIES AND LOCATION:

The Company carries on Tea, Rubber and Cardamom plantations in its estates, viz., Chulika and Poonoor, situated in Wynaad Planting District in Kerala State.

The present planted acreages are as under :—

Tea	330
Rubber	909
Cardamom	285

It is proposed to expand the planted acreage on Poonoor Estate by 150 Acres of Rubber and on Chulika Estate by 200 Acres of Cardamom, raising the total planted acreage in Rubber and Cardamom to 1,059 and 485 Acres respectively. Including Tea (330 Acres), total planted acreage will be 1,874 Acres.

BOARD OF DIRECTORS:

1. Sri A. V. THOMAS (*Chairman*), Madras.
2. ,, K. VENKATARAGHAVAN, Alleppey.
3. ,, K. V. SURYANARAYANA IYER, Ernakulam.
4. ,, J. R. MOTISHAW, Bombay.
5. ,, P. R. SUBRAMANYAM, Bombay.

MANAGING AGENTS:

Messrs. A. V. THOMAS & CO., LTD., W-15/9847, Beach Road, Alleppey.

Directors of Managing Agents:—

1. Sri A. V. THOMAS, *Managing Director.*
2. ,, J. THOMAS.
3. ,, K. S. KRISHNAMURTHY.
4. ,, K. L. NARASIMHA RAO.

AUTHORISED CAPITAL:

1,50,000 Equity Shares of Rs. 10/- each - - - Rs. 15,00,000/-

SUBSCRIBED AND PAID-UP CAPITAL:

80,000 Equity Shares of Rs. 10/- each - - - Rs. 8,00,000/-

Of this 40,000 Equity Shares were issued as bonus shares by Capitalisation of Share Premium.

PROPOSED ISSUE:

It is proposed to issue 40,000 Equity Shares of Rs. 10 each at par payable in cash Rs. 5 along with application and the balance Rs. 5 within a month of allotment. The Shares are being offered in the first instance to the Shareholders on the Register of the Company as on 30th July 1962 in the proportion of one new Equity Share for every 2 Shares held on that date. Acceptance from shareholders and their renouncees will have to be lodged with the Company on or before 30th August, 1962. Applications from the public will be considered only in respect of shares, if any, remaining unabsorbed by way of right shares and additional shares by the registered shareholders or their renouncees as per letter of offer.

DATES OF OPENING AND CLOSING THE SUBSCRIPTION LIST:

The subscription list will open at commencement of banking hours on the 4th September 1962 and will close at the close of banking hours on the 12th September 1962 or later at the discretion of the Directors.

APPLICATION AND SUBSCRIPTION:

Application forms along with copies of the prospectus can be had from the registered office of the Company at Alleppey or from the underwriters to the issue, Messrs. P. R. Subramanyam, Members, Bombay Stock Exchange, Bombay, at their Office at No. 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay.

WORLD TRENDS IN INDUSTRIAL FIBRES

COMMONWEALTH'S POSITION ANALYSED

[The annual reviews of industrial fibres published by the Commonwealth Economic Committee in London are always looked forward to with much interest. For they contain comprehensive, authentic analyses of world trends, with particular reference to the part played by the Commonwealth countries and to their interest, whether as producers or consumers. The latest review, that pertaining to the year 1960-61 (the twelfth in the post-war series), is no exception. Indeed, it not only contains all the regular features of the earlier editions brought up-to-date but also much new material. The review, which can be had for 10s. net from H.M. Stationery Office, London, presents in a convenient form trends in world production, trade, consumption, stocks, prices and customs duties in respect of industrial fibres. The fibres covered are cotton, wool, rayon and other man-made fibres, mohair and other fine hair, silk, flax, jute and jute manufactures, sisal and other hemps, coir and kapok. The present volume traces in detail developments up to the close of the 1960-61 season, while, at the same time, comparisons are given for the four immediately preceding seasons, as well as the averages of earlier post-war years. A brief summary of the review is given on this page.—Ed.]

WORLD production of the chief industrial fibres in the 1960-61 season is estimated to have risen by about 1½ per cent above the previous season's record to reach a new peak of some 43,200 million lbs. Output of natural fibres was only fractionally higher in aggregate, but production of man-made fibres reached a peak of 7,300 million lbs. in 1960 or 7 per cent up on the previous year. The preliminary information covering the 1961-62 season indicates that, on balance, the total world output of industrial fibres will again be higher than in the previous season. Increases are expected in wool, silk, man-made fibres and hard hemps, while the latest official estimates for jute put the crop at one of the highest on record. For cotton, however, a slight fall is anticipated.

On balance, the Commonwealth's position as a major supplier of industrial fibres remained substantially unchanged in 1960-61 as compared with the previous season, although wool production fell fractionally and there were poor jute harvests in India and Pakistan. On the other hand, cotton production increased by a quarter (due to larger crops in India, Nigeria and Uganda), while the further rise in East African sisal production raised the Commonwealth share of world output of hard hemps to its highest level since 1954. The United Kingdom, Canada and India are the main producers of man-made fibres within the Commonwealth, and their share of world output remained at about 10 per cent in 1960-61.

Consumption

The estimated world consumption of the main apparel fibres rose by a further 4 per cent in 1960, following a 9 per cent rise in 1959. Consumption of cotton and the cellulosic man-made fibres rose in each case by about 3 per cent, while that of wool was up by 4 per cent and the usage of non-cellulosic man-made fibres increased by nearly a quarter. By contrast, silk was in short supply during 1960 and consumption fell 2 per cent below the previous year's post-war peak. Among sacking and cordage fibres, the world usage of jute dropped by 9 per cent in 1960-61, due to acute fibre shortage, while consumption of hard hemp was about 7 per cent lower than in the previous year.

During the seasons ended in 1961, conditions were again reasonably favourable in most of the textile manufacturing industries and the general tendency was for stocks of raw fibres, apart from hard hemps, to fall. The supply stocks of raw wool were low; the poor jute harvests in India and Pakistan reduced the stocks of that fibre to record low levels. Cotton stocks fell further (although in the free world there was a rise of 4 per cent), whereas the Japanese Government's silk stocks were practically all disposed of.

Prices

Prices of natural fibres, apart from wool, were all higher during the 1960-61 season than in the previous season. In most cases, they continued their recovery from the depressed 1957-58 levels; in the case of silk, mohair and jute, demand far outran supply and so their prices rose to record levels. Wool values were very depressed early in the season and, despite a good recovery in the spring of 1961, the seasonal average was about 8 per cent lower than in 1959-60. Following the announcement of changes in the United States Government price policy, medium-staple cotton quotations rose slightly in 1960-61. Prices of flax, sisal and henequen all rose quite sharply in 1960, due to supply shortages, but those of abaca weakened in the second half of the year from the high levels reached in the first half.

At the start of the 1961-62 season, there was a sharp reaction in jute prices under the influence of a bumper crop. Prices of hard hemp (including sisal), flax and silk also declined somewhat in the latter part of 1961 following larger output of these fibres. Cotton remained stable at the enhanced level reached at the end of the previous season, while wool prices were in general slightly above their depressed 1960-61 levels. The United Kingdom price indices for selected industrial fibres (Base: 1947=100 except for flax for which the base was 1952=100) are given below:

	Calendar year				
	1957	1958	1959	1960	1961
Wool	257	185	194	195	195
Cotton (American) ..	124	118	105	106	114
Silk	126	112	112	127	144
Flax	67	55	60	72	70
Sisal	95	96	119	135	124
Jute	119	109	105	147	187

The trends in world production, export and consumption of different industrial fibres over the past decade are indicated in Table A, while Table B pertains to Commonwealth countries alone.

Production

During 1960-61, the overall output of natural fibres was fractionally higher than in 1959-60, a one per cent rise in production of fibres for apparel, household and industrial purposes offsetting a fall in sacking and cordage fibres. Production of man-made fibres made a further marked advance during 1960 and accounted for almost 17 per cent of world fibre output, or slightly above the previous highest percentage reached three years ago. The Commonwealth provided a slightly smaller proportion of world output of wool, while the share of rayon yarn and staple was unchanged. Following the sharp fall in the previous season, Commonwealth production of cotton made a full recovery in 1960-61, its proportion of the world total rising by 3 points to 14 per cent. As a result of the poor 1960-61 crops of jute and allied fibres in India and Pakistan, the percentage supplied by the Commonwealth was reduced further to 76 per cent. On the other hand, the Commonwealth's share of world production of hard hemp rose to nearly 34 per cent, its highest level since 1954.

Among the chief apparel and household fibres, wool production during 1960-61 was practically unaltered as compared with the previous season. Carpet wool production was unchanged between the two seasons, but, among apparel wools, merino qualities fell by 2 per cent (due to a fall in the Australian clip), while crossbreds increased by the same proportion. The 1960-61 world cotton crop was fractionally lower than in the previous season. Output in the United States fell by 2 per cent and the Communist countries produced less, but increases were recorded in India, Mexico, Brazil and Egypt. Silk production fell for the second year running; it is estimated to have been 5 per cent lower than in the previous year, as the result of a fall in Japanese output. Production of man-made fibres reached a new peak in 1960, exceeding the previous year's record by 7 per cent. In the case of rayon and acetate, the increase was rather over 3 per cent, while production of the newer non-cellulosic fibres (nylon, Terylene, Orlon, Acrilan, etc.) showed a sharper rise of 23 per cent and, by the end of 1962, productive capacity is expected to reach nearly 11,000 million lbs., of which over 3,000 million lbs. will consist of non-cellulosics. The production of sacking and cordage fibres was slightly lower than in 1959-60. Output of jute showed little alteration and soft hemp fell, but that of hard hemp was one per cent greater.

Trade in Fibres

The Commonwealth is an important supplier of industrial fibres to the rest of the world. The great bulk of the raw jute entering international trade is of Commonwealth origin, together with just over three-quarters of wool, nearly two-fifths of hemp, and about a tenth of cotton and man-made fibres.

A substantial proportion of the United Kingdom's imports of wool, hemp, jute, coir and kapok are of Commonwealth origin, but a much smaller share of its cotton, mohair and man-made fibres. About 80 per cent of this country's wool and hemp supplies are normally drawn from the Commonwealth and practically all its jute, coir and kapok. In the case of the United States,

(Continued on next page)

TABLE A: *World Position of Industrial Fibres at A Glance*

(In million lbs.)

Fibres	Production			Exports			Consumption		
	1960-61	1959-60	Average 1946-47 to 1950-51	1960	1959	Average 1946-50	1960	1959	1950
Cotton	22,926	22,973	13,393	8,550	7,042	5,220	22,961	22,377	15,583
Wool	3,222	3,216	2,186	2,930	3,063	2,478	3,281	3,142	2,652
Rayon filament yarn	2,512	2,423	1,507	578	500	154	2,513	2,423	1,927
Rayon staple fibre	3,241	3,141	998	572	548	133	3,241	3,141	1,570
Other man-made fibres	1,562	1,274	86	—	—	—	1,562	1,274	152
Silk	68	72	38	18	20	12	53	54	35
Flax	1,384	1,149	986	412	473	184	—	—	—
Hemp (including sisal)	2,585	2,645	1,944	1,516	1,631	1,024	—	—	—
Jute and allied fibres	5,658	5,640	3,465	1,819	1,967	2,173	—	—	—
Total ..	43,158 (16.9)*	42,533 (16.1)*	24,603 (10.5)*	16,395 (30.0)†	15,244 (34.0)†	11,378 (42.0)†	33,611 (10.91)‡	32,411 (10.65)‡	21,919 (8.23)‡

* Percentage share of man-made fibres in the total.
† Commonwealth countries' percentage share in the total.
‡ *Per capita* consumption.
— Not available.

TABLE B: *Industrial Fibres in Commonwealth*

(In million lbs.)

Fibres	Production				Exports			
	1960-61		1950-51		1960-61		1946-50 average	
	Production	Percentage share in world total	Production	Percentage share in world total	Actual exports	Percentage share in world total	Actual exports	Percentage share in world total
Cotton	3,247	14.0	1,829	14.0	573	6.7	545	12.4
Wool	2,478	44.0	1,652	42.0	1,973	67.3	1,552	62.6
Rayon yarn	292	12.0	176	12.0	63	10.9	21	13.6
Rayon staple	353	11.0	111	11.0	46	8.0	24	18.0
Other man-made fibres	175	11.0	6	7.0	—	—	—	—
Silk	*	*	*	*	†	§	†	§
Hemp	793	31.0	515	26.0	627	41.4	383	37.4
Jute and allied fibres	4,301	76.0	3,246	94.0	1,673	92.0	2,134	9.2
Flax	*	*	*	*	—	—	16	7.0
Total ..	11,639	27.0	7,535	30.6	4,955	30.0	4,775	42.0

* Very small. † Less than 500,000 lbs. § Less than 0.1 per cent. — Nil.

TABLE C: *Percentage Share of Commonwealth in the Total Imports of Main Fibres*

	United Kingdom		United States		Common Market		E.F.T.A.		Japan		Soviet Union	
	1957	1960	1957	1960	1957	1960	1957	1960	1957	1960	1957	1960
Wool	77	72	44	46	71	67	61	66	88	90	11	40
Cotton	8	11	14	15	8	3	1	1	17	10	2	..
Jute	100	98	99	99	95	86	97	89	87	79	70	94
Hemp	84	82	10	24	35	30	34	32	28	38	..	..

COTTON GOODS OUTPUT DECLINES

PROSPECTS CAUTIOUSLY OPTIMISTIC

From Our Special Correspondent

MANCHESTER, 21*st August*

FORECASTING by means of statistics has its dangers, but the level of availability of supplies in the home market has been a reasonably accurate guide to future events within the Lancashire textile industry, particularly since the last war. The fluctuations in activity have so often been preceded by either an apparent surplus or a dwindling of stocks that the trade cycle has taken on a very definite form.

MANCHESTER LETTER

For this reason, even amid the encircling gloom of the trade today, it is permissible to take a cautiously optimistic view of the prospects. Most people involved in the industry are racking their brains to imagine what stimulating influence can arise to start the ball rolling, but, in the table below, the figures for the first half of the current year show that the availability of cotton and rayon cloth is now back to its 1958-59 level, before the phenomenal change which occurred soon after the redundancy scheme was launched:

(In million yards)

Year	Output	Imports	Total	Exports	Balance for home trade
1937	4,122	75	4,197	2,001	2,196
1949	2,592	400	2,992	1,078	1,914
1950	2,840	342	3,182	1,017	2,165
1951	2,960	476	3,436	1,105	2,331
1952	2,192	210	2,402	871	1,531
1953	2,632	143	2,775	895	1,880
1954	2,775	335	3,110	812	2,298
1955	2,479	365	2,844	688	2,156
1956	2,314	380	2,694	595	2,099
1957	2,287	490	2,777	567	2,210
1958	2,030	434	2,464	468	1,996
1959	1,927	575	2,502	411	2,091
1960	1,911	786	2,697	383	2,314
1961	1,842	801	2,643	336	2,307
First 6 months					
1955	1,350	200	1,550	351	1,199
1956	1,215	201	1,416	301	1,115
1957	1,212	250	1,462	295	1,167
1958	1,105	229	1,334	257	1,077
1959	977	257	1,234	201	1,033
1960	903	382	1,375	201	1,174
1961	975	455	1,430	180	1,250
1962	868	324	1,192	150	1,042

On the assumption that industrial history repeats itself, the low point in the present phase would appear to have been reached. Whether buying power can be expected to gain momentum depends, as always, greatly on market sentiment, and as yet the mood of customers is overwhelmingly cautious.

The Major Concern

The major concern of producers on this side is to what extent their foreign competitors will benefit from any upsurge in demand which is encountered. With the door wide open for foreign imports, despite all governmental protests to the contrary, the overseas menace cannot be overlooked. Will only the crumbs be the diet for Lancashire spinners and weavers?

It seems a little strange that, just when the negotiations about Britain's entry into the European Common Market have apparently reached a point of stalemate, further documentary evidence about the effects of such an important step should be issued. The latest booklet prepared by the Cotton Board goes into very considerable detail, analyses the trade's prospects in the event of British association with the Six, and is more downright than usual about how individual firms should grasp the opportunities provided.

"More to Gain than to Lose"

There is no sign of a "sitting-on-the-fence" attitude about this report, clearly written by one who believes that Britain has far more to gain than to lose by entry into the Community. The summing-up says bluntly: "The E.E.C. may be the U.K. cotton industry's last chance." Calling for determination by British firms to attack the European markets, the document warns that the Continental cotton industries will certainly move into Britain's home market. "Indeed," it says, "they are already doing so and enjoying certain advantages arising out of the mainly horizontal organisation of the British industry, with its readily available merchanting system. If the U.K. industry is not to lose on balance, it must attack the Continental markets with at least equal vigour."

Touching forcibly on topics where the Cotton Board normally keeps in the background, the report urges not only more verticalisation, but larger groupings within the industry. "There is a trend towards verticalisation in Lancashire," it says, "but it must be carried very much further if the industry is to succeed in the Common Market. More important, verticalisation must be pursued well beyond the more usual spinner-weaver union."

Quoting figures to indicate the degree of concentration in some sections, the document observes that about two-thirds of Lancashire's yarn output comes from only 30 firms and two-thirds of finishing output from 20 firms. Of the 776 firms engaged in spinning, doubling, weaving and finishing in March last year, 36 accounted for half the numbers employed and 26 of these were predominantly vertical. "There is still, however, not only enormous scope, but also a great need for much closer links, both formal and informal, between firms in the industry," the survey adds. "Even if secrecy were justified in earlier years there seems to be little point in it now."

Co-operative Marketing

Another aspect of the trade's structure on which the report has much to say, is the marketing sector. After calling for the creation of mergers, aimed at greater concentration of resources, the document advocates co-operative or combined marketing. British trade within the European Economic Community would be likely at first to consist predominantly of small orders, but many of the disadvantages of the short-run order position could be overcome by co-operative marketing, according to the report.

The report contains numerous facts and figures about the trend of trade on the Continent, with comparative British figures. It contends that current costs in the E.E.C. countries are on average lower than in the U.K. and that the increase in productivity in the European industries over the past 10 years has been much more rapid than in Britain. To be fully competitive Lancashire mills will have to run their machinery for a similar number of hours to those across the Channel, involving an extension of shift working, which will raise a number of social, transport and staffing problems.

Getting down to details, the report provides comfort for some sections. It observes: "There appears to be scope for good trade in combed cotton yarns in the 30's count range, quality shirtings and some coloured wovens. The man-made filament weaving section, with a larger proportion of automatic looms and more extensive shift working than the cotton weaving section, should be competitive. Various finishing processes, especially the resin finishes, should be successful."

A Timely Warning

Oddly enough, the document deals briefly in a single paragraph with what it admits is probably the predominant consideration behind the support which has been forthcoming from most of the industry for British membership of the Community. This is the prospect that the "crippling effect" of Commonwealth low-wage, duty-free competition will be removed by entry into the Common Market.

The Cotton Board warns that too sanguine hopes on this matter may lead later to disappointment. The Government has repeatedly affirmed that Commonwealth interest must be safeguarded and the special position of Hong Kong taken into consideration. It suggests the possibility of a compromise being reached in the negotiations whereby at least part of the 422 million yards of Commonwealth quota cloth might continue to enter British ports on special terms, with re-export to other E.E.C. countries prevented.

Restraint On Output

Production returns issued monthly by the Cotton Board give a regular picture of the situation, occasionally distorted by holiday influences. Over a six-month period, however, it is fair to draw comparisons and the following figures showing the position over the past four years underline the improvement which occurred over the final stages of the redundancy programme, and the unbroken decline which has since followed:

	First Half			
	1962	1961	1960	1959
Cloth (million yards)				
Cotton	566.96	659.53	674.61	680.33
Man-made	262.28	273.35	272.93	253.85
Mixtures	39.05	41.98	45.78	42.35
Total ..	868.29	974.86	993.32	976.53
Yarn (million lbs.)				
Cotton	203.91	241.61	252.32	253.63
Spun rayon ..	43.42	50.25	58.52	51.92
Mixtures	19.16	20.01	16.64	18.32
Waste	51.56	51.52	48.07	53.94
Total ..	318.05	363.39	385.55	377.81

Once again, it is clear that purely cotton goods have borne the brunt of the reduction, as the comparable returns for man-made fibres and mixtures show up by no means unfavourably against 1959. This trend has now been in progress for so long, with the man-made fibres retaining their place and cotton steadily losing ground, that traders find it difficult to imagine when a halt will be called to the erosion of the market.—*All Rights Reserved.*

(Concluded from previous page)

about two-thirds of its imports of wool and the bulk of its raw jute and jute manufactures come from Commonwealth sources, but much smaller proportions of other fibres. There was a falling off, however, in the volume of U.S. imports from the Commonwealth in 1960. The European Common Market countries and the E.F.T.A. group (excluding the U.K.) normally take over 90 per cent of their raw jute, about two-thirds of their wool and one-third of their hemp imports from Commonwealth sources. By contrast, they import only marginal quantities of Commonwealth cotton, and they are themselves important producers of man-made fibres. Imports from the Commonwealth account for nearly nine-tenths of Japan's imports of wool and raw jute, about a third of its hemp imports and from 10-20 per cent of its cotton. Japan imports only very small quantities of man-made fibres and jute manufactures. Until 1959, the Commonwealth supplied only about 10 per cent of wool imported into the Soviet Union, but, in 1960, following the resumption of diplomatic relations with Australia, the proportion rose sharply. Of the relatively small quantities of jute imported, the Commonwealth supplies nine-tenths. The Soviet Union draws most of its foreign supplies of cotton from Egypt and China. Table C shows the percentages supplied by the Commonwealth of total imports of the main raw fibres into the United Kingdom, the United States, the Common Market countries, E.F.T.A., Japan and the Soviet Union in 1957 and 1960.

TEXTILE EXPORT INCENTIVE SCHEME

The decision of the Government of India to introduce from the 1st of this month a simplified procedure for calculating incentives for exports of cotton cloth and yarn marks a significant step towards encouraging the export effort. Under the new procedure, the mills and exporters will receive their entitlements very much quicker than hitherto and the time lag is expected to be cut by at least two to three months. The calculation of incentives, which has now become a joint endeavour of the Textile Commissioner, the Indian Cotton Mills' Federation and the Cotton Textiles Export Promotion Council, it is claimed, will expedite grant of incentives; changes have been made in the following two directions:

1. The actual calculation work has been transferred from the Office of the Textile Commissioner to the Federation. This will make for great elasticity in adjusting the staff to volume of work.

2. Certain basic changes have been introduced in the procedure through the co-operation of Textile Commissioner, mills and exporters.

As regards the second factor, it may be noted, the mills were hitherto entitled to receive 90 per cent of their export incentives immediately on ex-mill delivery of cloth and yarn meant for export. The remaining 10 per cent became available to them only when the proof of actual export of the goods in question became available. This proof was supplied to the Textile Commissioner by different exporters as and when the goods were actually shipped by them, a few weeks or months after the ex-mill delivery. The necessity to establish a link between the ex-mill deliveries from a number of mills and the proof of export received from a number of exporters at different periods, had proved a virtual bottleneck, and the receipt of the remaining 10 per cent of the mills' entitlement was delayed by six months to a year, and even longer in certain cases. Mills have agreed to forgo their claim for receiving 90 per cent of the entitlement on ex-mill delivery, and to postpone receipt of the whole of the entitlement on proof of actual export. On their part, the exporters have agreed to a change in the export contract, under which they will be required to place with mills certain deposits in case the actual export does not take place within three months from ex-mill deliveries. The Textile Commissioner on his part has agreed to transfer the control over the calculation of incentives to a tripartite Committee consisting of representatives of the Textile Commissioner, the Indian Cotton Mills' Federation and the Cotton Textiles Export Promotion Council.

"SUGAR PRICE LINKING FORMULA"

GOVERNMENT'S DECISION ON FINDINGS OF TARIFF COMMISSION

A TYPICAL instance of the lethargic way in which the administrative machinery functions is provided by the decision of the Government of India in regard to the Tariff Commission's report on sugar. Although the report was submitted more than fourteen months ago—on 8th June 1961—it was only last week that the Government released the report together with its resolution thereon. Did the Government really need such a long time to take a decision on the findings especially of a competent and impartial body such as the Tariff Commission? After all, the issue involved was a fairly simple one, pertaining as it did to the revision of the price-linking formula for sharing the price realised on the sale of sugar between factories and cane growers in respect of the past four seasons (1958-59 to 1961-62). The scope of the Commission's investigation was limited to an examination of the pros and cons of the case of the two parties for sharing the extra price realised on sugar sold in accordance with the statutory formula or any other reasonable basis. For the Commission was not required to examine the cost structure of the industry *de novo;* an exhaustive report on this question had been rendered in September 1959. Nor was it called upon to determine a fair price for sugar cane on the basis of actual production cost. And, what is more, even a quick perusal of the Commission's findings will indicate the well-balanced, rational nature of the recommendations made by the Commission, and it could not have been difficult for the Government to "digest" the report and to take a quick decision. The explanation for the delay implied in the Press note issued by the Union Food and Agriculture Ministry is not that convincing. The Press note says :

"After the report of the Commission was received, sugar prices were decontrolled and the incentives offered for increasing the manufacture of sugar were withdrawn. The promotion of export of sugar also assumed increased tempo. The question of linking the price of sugarcane to recovery also assumed importance and urgency on the recommendations of the Commission. The Commission's recommendations had to be examined in the context of these matters."

Scheme Must be Terminated

The major recommendation which the Government of India has done well to accept is that the scheme of linking the price of cane to that of sugar should be terminated with effect from the 1962-63 crushing season. The scheme, as this journal has not felt tired of repeating time and again and which has been reiterated most forcefully by the Commission, was absolutely irrational, in that it did not take into account the quality of cane, completely ignored the interests of sugar consumers, had not promoted good relations between cane growers and sugar millowners—on the contrary, it engendered bickering and agitation—and was not in the larger interests of the country as a whole. Indeed "the scheme," to quote the Commission, "has no parallel either in this country or elsewhere . . . We are apprehensive of the many risks to which the operation of such a scheme must expose our sugar economy and, in our opinion, these risks are likely to be aggravated the longer such a formula is allowed to operate. There is even a danger that the inevitable growth of pockets of vested interests might even imperil the implementation of the permanent solution which is ardently desired by all interests." If, however, the Commission thought it fit to suggest the continuance of the scheme for the seasons 1958-59 to 1961-62—the suggestion has been accepted by the Government—it was solely because of the historical background in which the formula was evolved and of the expectations which the undertaking given by the Government had nursed among cane growers. The Government has conceded, too, the plea of the Commission for applying the scheme of deferred cane price to areas where the price of sugar was under statutory control.

The Government has, however, turned down the Commission's new formula for sharing the "additional sugar price." Under this formula, the share of cane growers was fixed at 45 per cent of the additional sugar price realised by the mills and that of mills at 30 per cent, the balance of 25 per cent being represented by taxes on the share of mills. Rejecting this formula, the Government says :

"The new formula . . . has been examined from all angles and aspects and its implications and effect have been carefully considered. After reviewing the matter, Government consider that it would be more appropriate, equitable and reasonable to apply the existing formula set out in the Sugarcane (Control) Order 1955 after suitable adaptations and amendments in order to incorporate the suggestions of the Commission for the inclusion of allowances for rehabilitation and export losses, for adjustment of costs and for the sharing of incentives, than to accept the new formula for retrospective application. Government have, therefore, decided to retain the existing formula, after making suitable changes, for determining the additional price that might be found due to the growers for the years 1958-59 to 1961-62. The changes would involve the incorporation in the existing formula of a more precise determination of the share of the cultivator in the net price, the inclusion of a suitable rehabilitation allowance and amount of export loss in the deductions from the gross realisation and a modification in the portion of incentives to be included in the realisations to be shared. Steps are being taken to work out suitable legislation to amend the existing formula and to make it applicable retrospectively."

Sharing of Incentives

But the Government is generally in agreement with the Commission's recommendation pertaining to the sharing of incentives for increasing sugar production. The incentives, the Commission had urged, should be shared in the same ratio as that suggested for sharing the additional realisations over and above the fair ex-factory price of sugar, but the amount calculated as growers' share out of the incentives should be treated separately from the amount calculated as growers' share out of additional realisations; that is to say, the deficit under one should not be allowed to be set off against the growers' share under the other. The Government has decided to permit the sugar industry to retain 25 per cent of the realisations from the incentive (given by way of 50 per cent rebate in basic excise duty) allowed in 1959-60 and 1960-61 for taxes and other outgoings. The balance of 75 per cent will be shared between the cane growers and mills in the same proportion as the rest of realisations. It is made clear that rebates of cane cess or cane purchase tax and other rebates must be taken into account in full for the purpose of such determination.

Rehabilitation Allowance

An important recommendation made by the Tariff Commission was that pertaining to rehabilitation allowance. The Commission wanted an *ad hoc* provision of 40 nP per maund of sugar on the basis of 10 per cent recovery and a duration of 150 days as rehabilitation allowance when applying the formula in the Northern Region and 20 nP for Madhya Pradesh and Rajasthan, while, for other regions, no such allowance was considered necessary. The Government, however, feels that this recommendation needs modification. For, in its opinion, the acceptance of the recommendation would lead to discrimination and, further, the allowance for rehabilitation would have no relation to actual allocations made for the purpose. The Government has, therefore, decided that a suitable allowance should be authorised only in the case of those factories which have, in fact, set apart funds or utilised some amount on rehabilitation during the years 1958-59 to 1961-62.

The other findings of the Tariff Commission accepted by the Government are :

"As an interim arrangement, that is, after the termination of the present arrangement and pending introduction of payment by quality, arrangement should be made to offer a collective incentive, as in Maharashtra, to all cane growers attached to a factory in the form of a premium element in the price of cane depending on the extent to which the average recovery of the preceding season is an improvement on the previous average.

"New factories should be exempted from payment of deferred cane price and the share in the incentives for a period of three years from the date of their establishment.

"The price linking formula for sharing of advantage of incentives need not be applied to the States of Maharashtra and Gujarat.

"There is no objection to co-operative factories being exempted from the operation of the formula so far as the member-growers are concerned. The formula should, however, apply to the quantities of cane purchased from non-members.

"If a sugar mill desires that, on grounds of financial stringency, it should be exempted wholly or partially from payment of deferred price, it should apply to Government for such exemption with all relevant documents regarding its production, sales, financial account, etc., of the particular year."

The exclusion of Maharashtra and Gujarat from the application of the price linking formula for sharing of advantages of incentives is only as was expected. For the system of paying for cane in vogue in these States is not in line with that adopted in the rest of India. It is a slab system for payment of a consolidated price for sugarcane. The price is based on the average sugar recovery per cent obtained in the preceding season. There is, as the Government of Maharashtra told the Commission, considerable advantage in adhering to this system of paying a total minimum price for cane once and for all, instead of the statutory minimum price, coupled with the deferred price payable after the close of the season. The Government rightly claimed that the cane growers and the sugar mills alike got the advantage of stability in regard to cost of production and that the cause for disputes was also eliminated.

Cost Schedules

Another important recommendation accepted by the Government relates to cost schedules. The Commission had emphasised that the cost schedules, prepared by it in 1959 for determining the cost structure of sugar and the fair price payable to the industry, should be brought up-to-date by adjusting changes not covered by the allowance for contingencies in the original schedules and that allowance should be made for export loss also.

Long-term Solution

While all this pertains to the payment of cane price in respect of the current (1961-62) season, which is over for all practical purposes, and three preceding seasons, the more important question is about the future. The Commission has given a clear answer to this question, though it has not itself suggested a concrete scheme. The Commission observes :

"We do not support the existing system of payment for cane based as it is on an *ad hoc* minimum price of cane and a future share in the profits of the manufacturer. The recent changes in cane price, which bore no relationship to trends of sugar price, clearly bring out their empirical character. The *ad hoc* price thus tends merely to stimulate expectations and agitations which have no relationship to objective facts. The prospect and computation of the share in sugar price has proved a prolific cause of strained relations between cane-growers and sugar millers. The guarantee of payment by mere weight has blasted all incentives to improvement in the quality of the raw material. We have no doubt that the only way out of this stalemate would be to institute a system of payment which combines a floor price for cane of average or minimum quality with a proportionate or progressive scale for quality differentials. We were pleased to note that all interests in the industry recognise payment on quality as the most rational and appropriate basis for cane-sugar relationship.

"Under a system of payment by quality, the floor price for cane will have to be determined in relation to the costs of cultivation, including profits of cane of average quality and profit from other alternative crops. The costs of cultivation and average quality of cane will no doubt vary from region to region. But we would not support for this reason different floor prices for different regions. If the floor price protects adequately the cultivator of cane under relatively disadvantageous conditions, it will be more than enough to cover cultivators of all other regions with higher average quality of cane and higher yields per acre, since it is contemplated that these cultivators will receive a progressive bonus for their better quality cane so as to compensate them adequately for their higher investment, if any. If more favourable regions as in Maharashtra and the South were allowed to establish higher floor prices which are out of relationship with their costs of cultivation, there is a risk that the growth of sugar factories in these areas will be slower. This is not in the long-term interests of the country. As indicated above, the scale of premiums to be paid for each step in quality improvement will have to be so framed on a proportionate or progressive basis as to cover the higher investment in regions where the sugar content starts on a higher level and attains much higher peaks than elsewhere.

"We understand that the cost of working out a scheme outlined above for each factory would not work out to more than one nP per maund of cane supplied. Considering the fact that the scheme for payment on quality is one which has the most direct bearing and acts as an incentive for production of quality cane, we recommend that steps should be taken by both the Central and State Governments to introduce it on an all-India basis as early as possible. Further, the State Governments which are levying the development cess on sugarcane should consider favourably the question of meeting the expenditure on the establishment of a testing unit for each sugar factory. An independent agency not dependent on the mill will alone ensure confidence of the growers."

On this recommendation, the Union Food and Agriculture Ministry has the following to say :

"After careful consideration of all aspects, the Government of India decided to adopt a system of linking the sugarcane price with the recovery of the preceding season with effect from the sugar year 1962-63. An announcement in this regard has already been made. Experiments are in progress to evolve a suitable system of payment of price on the basis of the quality of sugarcane delivered to the factory by the sugarcane grower. That, however, as stated by the Commission, is a long-term development and will take some years to finalise. Government will not, however, relax efforts to achieve this aim as soon as practicable.

"In coming to their decisions on the Commission's recommendations, Government have had before them the history of the question of prices of sugarcane, the effect of these prices on the economy of sugar industry, the need for maintaining adequate supply of sugarcane for the factories, the requirements of ensuring for the cultivator, in the interests of the industry itself, an adequate fair price, and the long-term needs of development of sugarcane cultivation and manufacture of sugar in the country in the wider national interests. They also took note of the present position whereunder sugar prices are decontrolled, but are being kept within reasonable

(*Continued on next page*)

FIRST YEAR OF THIRD PLAN

GOVERNMENT'S ASSESSMENT OF PROGRESS

[*This note, placed on the table of the Lok Sabha by Mr. Gulzari Lal Nanda, Union Minister for Planning, Labour and Employment, on 22nd August, reviews in short compass the progress achieved in different sectors of the third Plan during* 1961-62 *and the development aimed at during* 1962-63. *The main facts regarding the economic trends in* 1961-62 *have been set out in the* Economic Survey *presented with the Budget. This note limits itself to tracing developments concerning some of the more important programmes of development embodied in the Plan, specially in the sectors of industry, transport, power, agriculture and education.*]

THE outlay on the Plan during 1961-62 amounted to Rs. 1,148 crores, as against Rs. 1,071 crores in 1960-61 and Rs. 1,011 crores in 1959-60. This represented a step-up of Rs. 77 crores as against Rs. 60 crores in the preceding year. It may be noted that, at the end of each Plan, substantial amounts of expenditure on social services, etc., are taken as "committed expenditure" for the next Plan period and are provided for outside the Plan. In this sense, the increase in development outlays in 1961-62 over the preceding year amounted to Rs. 217 crores.

During 1962-63, the Plan outlay is being raised beyond last year's level by about Rs. 300 crores.

The distribution of Plan outlay during 1961-62 and 1962-63 as compared with 1960-61 is as follows :—

(Rs. crores)

	1960-61	1961-62	1962-63
Agriculture, community development and co-operation	140	151	192
Irrigation and flood control	93	98	125
Power	108	131	165
Industry	219	240	333
Transport and communications	278	302	349
Social services	206	203	257
Miscellaneous	27	14	25
Total	1,071	1,148	1,446

Industry, Transport and Power

Problems of co-ordination in the related sectors of industry, transport and power have been a subject of special concern over the past year. Some of these problems are inevitably related to past trends and developments and decisions taken in different sectors of the economy in the earlier years. The very process of expansion in an economy creates new pressures on the available facilities. While improvements in planning and execution and better economic and statistical intelligence are vital, under conditions of rapid economic development, new stresses may continue to arise and suitable safeguards have to be devised from time to time.

Industrial production during 1961-62 rose by about 5 per cent. Apart from cotton textiles, jute and sugar industries, in which special conditions prevailed, the rise in industrial production during 1961-62 is reckoned at about 8 per cent. Progress in certain key industries is shown below. Where new plants are being established and long gestation periods are involved, the rise from year to year is necessarily uneven as between different industries.

	1960-61	1961-62 (estimated)	1962-63 (projected)
Finished steel (million tons)	2.4	2.9	3.9
Aluminium (000 tons)	18.2	19.4	38.0
Nitrogenous fertilisers (000 tons) in terms of nitrogen	97.1	140.0	200.0
Phosphatic fertilisers (000 tons)	53.0	61.9	90.0
Sulphuric acid (000 tons)	353.0*	423.0*	523.0*
Machine tools (value in Rs. crores)	7.24*	8.50*	10.50
Cement (million tons)	7.8	8.2	9.5
Paper and paper board (million tons)	343.0	362.8	400.0
Iron ore (million tons)	10.7	12.1	13.5
Coal (million metric tonnes)	55.5	55.2	62.0

* Calendar year.

During 1961-62, there was a significant increase in installed capacity in several important industries, notably in aluminium, industrial machinery, machine tools, electrical equipment, fertilisers, heavy chemicals and cement. Several new products were manufactured for the first time in the country during the year. Among the more important of these may be mentioned hydraulic presses, gear cutting machines, timepieces, watches, radio valves, compressors (sealed unit), reduction gear units, argon gas, polyvinyl chloride, butyl alcohol, plasticisers and rayon tyre cord.

Construction work on a large number of industrial projects proceeded during the year according to approved schedules. Thus, the construction of the three fertilisers plants in the public sector initiated in the second Plan was virtually completed during the year. Preliminary steps in connection with their expansion were initiated. The implementation of the projects under the Heavy Engineering Corporation progressed satisfactorily. By the end of 1961-62, the Heavy Machine Building Project had progressed to the stage of commencement of construction. Civil construction on the Foundry/Forge Project had commenced and the delivery of the plant equipment for the first stage had begun. The Coal Mining Machinery Projects had also progressed to the stage of civil construction. The project report for the Heavy Machine Tools Plant, Ranchi, was received before the end of the year. The expansion of the Hindustan Machine Tools, Bangalore, was completed during 1961-62. The site for the second Machine Tool Plant at Chandigarh was selected and orders for plant and equipment placed. The Heavy Electricals Project, Bhopal, which went into production in July 1960, took up a number of new items of production and stepped up the volume of its manufacturing capacity. The construction of the Rourkela Fertiliser Plant reached an advanced stage in 1961-62.

The progress of the construction of the Neyveli Fertiliser Plant was also satisfactory. In the case of Trombay Fertilisers, a considerable amount of preliminary work was completed and orders were placed in respect of the major items of plant and equipment. The second stage of expansion of F.A.C.T. was also nearly completed by the end of 1961-62. For Naharkatiya Fertilisers, the site was acquired and contracts for the main plant were given out.

In the private sector, during 1961-62, industrial licences were issued covering the entire targeted capacity of a fair number of industries. The number of applications for licences under the Industries Development and Regulation Act rose from 3,467 in 1960 to 4,012 in 1961. Several industries in which adequate capacity in relation to the third Plan targets had been licensed were placed on the 'banned' list. Projects which would save or earn foreign exchange were given priority in licensing. A large share of the capital goods for which imports were allowed went to paper and pulp, chemicals, textiles other than cotton, automobiles and engineering industries. A notable development in 1961-62 was the expansion of facilities for designing and fabrication.

Coal

The output of coal in 1961-62 was 55.2 million tonnes as compared with 55.5 million tonnes in the preceding year. For a variety of reasons, the output of the National Coal Development Corporation was less than in the previous year. A series of measures have been taken in recent months to expand transport facilities for the movement of coal; the programme of coal washeries is being pushed forward; and, by way of incentive, the price structure for coal has been recently revised. In spite of lower production, actual supply of coal was stepped up by three million tons.

Transport

To enable the railways to expand facilities mainly for the movement of coal, an additional outlay of Rs. 120 crores has been approved. A further provision of Rs. 25 crores has been accepted for line capacity works for general goods traffic and, as an advance measure, related to the movement of coal for the early period of the fourth Plan.

During 1961-62, the production of wagons increased from 11,984 in the preceding year to 19,115. Doublings and conversions were completed on about 422 miles of track. Electrification was completed on 327 route miles.

Roads

Seventy miles of missing links and five major bridges were constructed during 1961-62, under the programme for developing roads. Further 300 miles of existing highways were improved. The plan for 1962-63 provides for the construction of 70 miles of missing links and 10 major bridges and improvement of 400 miles of existing highways. The total addition to road mileage in the country was about 4,000 miles and is expected to be about 4,500 miles during 1962-63.

Power

Estimates of installed generating capacity, generation of power and towns and villages electrified in 1960-61, 1961-62 and 1962-63 are given below :

	1960-61	1961-62	1962-63 (*Target*)
Installed generating capacity (in MW).	5,595	6,174	6,881
Generation of power (million kw hrs.).	20,040	22,900	25,500
Additional towns and villages electrified	1,600	3,100	3,500

The generation of power during 1961-62 increased by about 13 per cent; however, in several areas, the demand for power increased more rapidly, and shortages were experienced. Foreign exchange has now been arranged for a large proportion of the power projects included in the third Plan and the implementation of the power programme is being accelerated as much as possible. To meet shortages in certain regions additions to the programme for power generating capacity amounting to about 500 MW have been agreed to.

Agriculture

While the year 1960-61 enjoyed unusually good weather conditions resulting in a large increase in agricultural production over the previous year, weather conditions were somewhat below normal during 1961-62. The following table gives the figures of production of agricultural crops in 1961-62 for which final estimates are available :

		1960-61	1961-62
Wheat	(million tons)	10.8	11.6
Barley	(")	2.8	3.1
Rice	(")	33.7	33.6
Jowar	(")	9.2	7.7
Bajra	(")	3.2	3.5
Maize	(")	3.9	4.0
Ragi	(")	1.7	1.8
Small millets	(")	1.9	1.9
Oilseeds	(")	6.5	6.8
Sugarcane	(")	10.4	9.7
Cotton	(million bales)	5.4	4.5
Jute	(")	4.0	6.3
Mesta	(")	1.1	1.7

The total potential at outlet created by major and medium irrigation schemes increased from 12.24 million acres in 1960-61 to 13.75 million acres in 1961-62. The target for 1962-63 is about 16 million acres. In minor irrigation, an additional 1.67 million acres were benefited in 1961-62, the target for 1962-63 being over two million acres.

Steps are being taken to intensify the minor irrigation and soil conservation programmes so as to raise the area to be benefited over the plan period by about 20 per cent.

For cotton and oilseeds, where the shortage is particularly marked, areas of intensive development are being specially marked out, and additional agricultural personnel, plant protection facilities and other assistance are being provided.

The consumption of nitrogenous fertilisers increased from about a little over 200,000 tons in terms of nitrogen in 1960-61 to nearly 300,000 tons in 1961-62. During the current year, the consumption will increase to about 400,000 tons (N).

Short and medium-term credit advanced by co-operative societies amounted to Rs. 256 crores in 1961-62, as against Rs. 200 crores in 1960-61 and is expected to go up to Rs. 300 crores in 1962-63.

Education

Progress in the fields of education is shown below :

	1960-61	1961-62	1962-63
Enrolment in primary schools (millions)	34.3	37.8	41.5
Enrolment in middle schools (millions)	6.3	6.9	7.6
Enrolment in secondary schools (millions)	2.8	3.1	3.4

In the third Plan, considerable emphasis is being placed on the provision of scholarships for needy children. Under the scheme of national scholarships for outstanding students for post-matric education, 2,400 awards were made in 1961-62. In addition to these, 61,000 scholarships were awarded in 1961-62 under the programme of assistance to scheduled castes, scheduled tribes and other backward classes.

Considerable progress is being made in technical education, as will be seen from the following figures :

Year	Degree courses		Diploma courses		Craftsmen training	
	No. of institutions	Admission capacity	No. of institutions	Admission capacity	No. of institutions	Admission capacity
1960-61 ..	100	13,860	196	25,570	167	49,830
1961-62 ..	108	15,300	210	26,450	260	84,559
1962-63 (target) ..	112	15,940	220	28,270	323	107,670

The Apprentices Bill 1961 has been passed by Parliament, Action has been taken to set up Central Apprenticeship Councils as laid down in the Act and also for other steps for the implementation of the Act. The four Central Training Institutes for the training of crafts instructors were expanded during 1961-62 for an admission capacity of 820, as against 530 in 1960-61.

Employment

Additional employment opportunities created are estimated at two million in 1961-62 and are expected to be 2.4 million in 1962-63.

Two new programmes of great importance for the expansion of employment opportunities in rural areas have been initiated under the third Plan. The Rural Works Programme, aiming at the fuller utilisation of manpower resources of the rural areas, specially for agricultural development, now extends to more than 200 development blocks. Given adequate organisation at the technical and administrative levels, it is proposed to expand this programme fourfold early next year.

The high-level Rural Industries Planning Committee constituted by the Planning Commission a few months ago has drawn up a scheme for the intensive development of small industries in rural areas. With the object of gaining experience in the intensive development of small industries, 46 areas are being selected, each comprising a population of three to four lakhs and consisting of complete development blocks situated within the same district. The projects will be directed to all kinds of small industries and processing industries which can be developed in rural areas, and will be undertaken as part of a wider and well co-ordinated plan of local development. On the basis of surveys to be shortly undertaken, steps will be taken in the selected areas to prepare area or regional development plans and to co-ordinate effectively the various development programmes under agriculture, irrigation, communications, industries, rural electrification, social services, etc.

SUGAR

(*Concluded from previous page*)

limits, having regard to the scheduled costs of manufacture, through a system of periodic releases. Government are convinced that, in the light of these factors and the considerations stated by the Commission and, in particular, by the linking of sugarcane prices to recovery from 1962-63, the justification for the formula no longer exists and have, therefore, accepted the recommendation of the Commission that the formula should cease to operate from 1962-63. They would, however, like to make it clear that, should prices of sugar show a different trend from the expectation on which this decision is based, they will consider appropriate measures to ensure that any benefit from such rise is passed on equitably to the grower.

"Government are also convinced that the decisions on the recommendations of the Commission and on the linking of sugarcane prices to recovery, on one side, settle an accumulated problem of the growers and the industry and, on the other, constitute a break from the past which would be conducive to the interests of both and would safeguard the national stake in the development of an industry and a line of agricultural production which constitutes the mainstay and economic strength of millions of cultivators. Government are fully determinded to realise this development on a long-term basis and hope that, in the achievement of this objective, it will have the co-operation of the industry and growers alike, whose interests are not mutually exclusive, but are interlinked and at the same time inextricably bound up with national interests."

While the Government's statement that it will not relax its efforts to evolve a suitable system of paying for cane as soon as practicable is reassuring, one wonders whether the Government could not have made a bold beginning right now. The new scheme for linking cane price to both quantity and quality that will be implemented with effect from the ensuing season due to commence on 1st November next—the details of the scheme have been given in our earlier issues (*vide Commerce* dated 30th June and 21st July)—is defective in that the enhanced price of Re. 1.62 per maund is to be paid for cane with a recovery of just 9.8 per cent and not the usual basis of 10 per cent regarded as the norm all these years. In effect, therefore, the minimum price for cane with 10 per cent recovery will be higher still, at Re. $1.64\frac{2}{3}$ per maund, a rise of another 2.4 nP. The need of the hour is to bring down the price of sugarcane in such a way as would cause the transfer of sub-marginal lands to other crops and compel growers to pay attention to the vital question of raising better quality cane. A defective beginning is surely not a good one. If in the beginning itself a liberal minimum price were fixed, how could the Government hope to lower it in subsequent years? That would be politically impossible. Actually, taking advantage of the occasion to switch over to a new system, the Government ought to have fixed the minimum price at a lower level, retaining the present minimum as the maximum to be paid for cane with the highest sucrose-content, say, 11 per cent, if not 12 per cent. Obviously, the powers-that-be lack the political courage.

THE INDIA CEMENTS LIMITED

MR. P. SURYANARAYANA URGES UPWARD REVISION OF CEMENT OUTPUT TARGET

EXPANSION PLANS UNDER WAY

THE view that the third Plan target for the production of cement (15 million tonnes per annum) will require an upward revision in order to meet the growing demand was expressed by Mr. P. Suryanarayana, Chairman of the India Cements Ltd., at the Sixteenth Annual General Meeting of the Company, held at Madras on Saturday, 18th August 1962. He was confident that the industry had a bright future and added that it was in a position to meet the growing demand for cement. Commenting on the expansion programme of the Company, Mr. Suryanarayana observed that the new factory, now under construction at Salem, would be commissioned by the middle of next year. The factory was designed to produce 20,000 tons of cement per year. He disclosed that the scheme for starting another cement factory in Andhra Pradesh was progressing satisfactorily.

The following is the full text of the speech of Mr. Suryanarayana:

"LADIES AND GENTLEMEN,

"On behalf of the management and on my own behalf, I extend to you all a cordial welcome to the sixteenth annual general meeting of your Company and place before you the annual accounts of the Company for the year ended 31st March 1962 and the Board's report and the Auditors' report thereon. Printed copies of these have been circulated to all the members and with your kind permission I will take them as read.

"The year under review marks the completion of the first year of the third Five-year Plan. The third Plan, as I mentioned on the last occasion, was presented to the nation on the 7th July 1961. Economic growth in the first year of the third Plan is satisfactory, though it has not been up to the full expectations of the planners. I feel that the progress in the first year is largely due to the increase in industrial production in the country. An idea of the growth is had, if one looks at the national income data provisionally estimated by the Planning Commission. The estimate for the first year of the third Plan at current prices is Rs. 14,690 crores, as compared with the preliminary estimate of Rs. 14,200 crores for the first year of the second Plan. The percentage increase in the 1961-62 National Income is said to be about 3.5, as compared with the previous year. I need hardly point out that the cement industry has contributed its mite to the increase in the industrial production of the country.

Production

"Your Company was formed in the year 1946 and went into production by September 1949 and got on to full rated capacity production of 100,000 tons per annum in 1950. The plant was doubled after six years in 1956 and the production was again doubled in 1959 and the production today stands at nearly half a million tons.

"The scheme for putting up a cement factory in Sankaridrug (Salem District), with an annual production of 200,000 tons of cement, has just been taken on hand and speedy steps are being taken to bring this unit into production by June-September next year. Necessary lands for the construction of the factory as well as mining have already been purchased and the first sod of earth has been turned yesterday. Deliveries of machinery are also expected to start almost immediately. It is my earnest hope that I will be in the very happy position of announcing to you at the next annual general meeting that Sankari Unit of your Company has gone into production or is about to go into production. Your Directors and the Managing Agents are anxious that this project should go into production at a very early date, so that we can to the extent possible relieve the acute shortage of cement now prevailing in the country.

"The scheme for starting a cement factory in Andhra Pradesh is also progressing, and would be in production in the next two years.

"When these schemes are completed, the total production of your Company, which had an installed capacity of 100,000 tons in 1950, will be more than one million tons of cement, which is an achievement which should be considered creditable judging from any standards. We may, therefore, feel proud of our share of contribution to the rapid industrialisation of the country and the attendant economic progress.

"Your Company has, during the year under review, produced 4,57,116 tonnes of cement, as against 4,64,295 tonnes in the previous year. The slight fall in production is largely due to the shortage of coal supplies and restriction on power consumption.

Installed Capacity

"The present installed capacity of the cement industry in this country is about 9.5 million tonnes, as against which production is in the region of 8.5 to 9 million tonnes. The target for production of cement for the second Five-year Plan was at first fixed at 14 million tons, but, subsequently in 1958, when a review of the Plan was made, the target was reduced to 9 million tons. This target has practically been achieved in the second Plan. The target for the third Plan has been fixed at 15 million tonnes and it would now appear that this would require a revision upwards, if we are to meet the growing demand of this essential commodity, so vital to the development of every phase of our planning. I once again emphasise, as I did on the previous occasion, that the industry has a bright future. I for one see no reason why the industry should not be able to live up to its expectations and at the end of the present Plan, 'deliver the goods,' if I may say so, or even do better by exceeding the estimated target.

Foreign Exchange

"In this connection, I may be permitted to refer to a matter, which of late is seriously engaging the minds of the planners, the Government and the entire business community, namely, the gravity of the position of our balance of foreign payments and the imperative need of not only conserving our present slender foreign exchange resources but also increasing the same by stepping up our exports. I have no doubt that every industrialist and businessman is alive to the situation and there is a growing realisation on the part of everybody that the huge foreign exchange resources required for the import of capital goods for new industries for maintenance equipment and essential raw materials for the existing industries and the fulfilment of our ambitious third Five-year Plan can be achieved only by increasing our exports. Unless there is a marked increase, I should say, almost a doubling or trebling of the present level of exports, one cannot think of any appreciable improvement in the foreign exchange position. The Government's policy of effecting drastic cuts in imports will not solve the problem to any great measure. Perhaps, such a policy, far from solving the problem, will only aggravate the difficulties. The solution to this problem can, therefore, lie only in a greater volume of exports and a highly imaginative export promotion programme. We cannot afford to halt the pace of industrialisation, nor reduce the pace of our exports, if we are to achieve any success in fulfilling the Plan targets. Besides increasing the exports of important traditional items such a cotton and jute products, tea, vegetable oils, etc., we should explore and gain new markets for the products of other industries, such as engineering industry and other miscellaneous industries. The target for exports in the third Plan has been set at Rs. 850 crores and, therefore, calls for a vigorous export drive on the part of the business and industrial communities. No doubt, our path is strewn with difficulties and calls for considerable sacrifices. We have the paradoxical problem of shortages and high prices at home and resistance of increasing competition abroad.

"In this context, it is a matter of gratification that the Government has been very much alive to this problem and in order to encourage exports, are formulating various schemes to make the business of exports advantageous for the industry. I may, in fact, say with some degree of confidence that the Government are doing and will do their utmost towards this end.

"You may perhaps be aware that as a first step in the export promotion campaign, the Government has appointed a Director of Transport and established machinery for quality control with a view to avoiding any bottlenecks in the export trade.

"It is a matter of sacred duty that we in the private sector of industry and trade should stand solidly behind the Government in the matter of export promotion.

Shipment of Cement

"The cement industry has not lagged behind in the export trade. I am happy to say that your Company has exported cement for a total value of Rs. 16 lakhs during the year under review. Most of the Company's exports go to Ceylon, where there is a great demand for Sankar Brand cement. It is hoped that, with our expansion schemes in view, we will not only be able to meet the growing demand in this established market, but also explore markets in other foreign countries and thus contribute to the country's exports in augmenting foreign exchange.

"The statement of accounts has been in your hands for some time now and members may have noted that the gross profit before deducting depreciation and Managing Agents' commission has increased by Rs. 20,18,070, as compared with the previous year. Production of clinker, cement and shales were slightly lower at 4,45,768, 4,57,116 and 4,58,382 metric tonnes, respectively. The fall is due to continued coal shortage and restriction on power supply.

Fair Prices

"I mentioned to you on the last occasion that the Tariff Commission were then considering the revision of cement prices. The Commission submitted its report in August 1961 to the Government recommending ex-works retention price in respect of each cement unit. The Government of India, however, did not approve of differential prices based on individual costs and felt that there should be a uniform price for the industry as a whole, so that the more efficient units will have the benefit of their economies. The Government, therefore, fixed a uniform ex-works price of cement at Rs. 69.50 per tonne, with provision for adjustment in the case of high-cost units subject to adjustments, whenever called for, for variations consequent on Governmental action, including escalation for fuel and power.

"Since the fixation of the price from 1st November 1961, there has already been increase in the cost of pit's-mouth price of coal, railway freight on movement of all goods traffic including coal, surcharge on power levied by the State Government and also increase in the Corporation tax, brought about by Governmental action. Suitable representations have been made by the Cement Manufacturers Association on behalf of the industry for suitable revision in the retention prices consequent on the above increases.

"The Commission recommended to the Government that the revised prices should be made effective from 1st July 1961. The Government, however, has thought fit to make the revised prices effective only from 1st November 1961. Your Company has, therefore, had the benefit of the revised price for a period of five months only during the accounting year.

"I am glad to inform you that the Government has recently sanctioned an increase of Rs. 2.37 per tonne in the retention price of your Company's cement to offset the increase in cost arising out of the use of furnace oil for one of its kilns.

"Members would have noted that we have, along with the statement of accounts, given graphically illustrated charts showing details of distribution of Sankar Brand cement, fixed assets of the Company and sales and dividends. We hope the information furnished therein will be of interest and give a full background to the Company's working.

Increase in Capital

"In order to meet additional capital that will be required for the expansion schemes of your Company, you are aware that a decision was taken by your Board to increase its subscribed capital by Rs. 1,25,55,250. In pursuance thereof, right shares were offered to the members of the Company in February 1962. I am

(*Continued on page 388*)

UNDER SECRETARY 4 PUBLIC LIBRARY

J. K. COTTON SPINNING & WEAVING MILLS CO., LTD.

CHAIRMAN, MR. PADAMPAT SINGHANIA'S SPEECH

RAYON YARN PRICES MUST BE RAISED

THE increase in excise duty on bleached, mercerised and sanforized cotton piecegoods was criticised by Mr. Padampat Singhania, Chairman of the Juggilal Kamlapat Cotton Spinning and Weaving Mills Co., Ltd., in his speech at the Thirty-ninth Annual General Meeting of the Company held at Kanpur on Wednesday, 25th July 1962. The increase, Mr. Singhania declared, was much too high and was bound to retard the trend of expanded production of these sorts. Referring to rayon yarn, he described how the object of imposing control on yarn was frustrated by the activities of the weaving sector. The weavers who get allotment of rayon yarn, according to him, sold their products at fancy prices, since there was no control on the prices of cloth, and earned huge profits and they did not pay any excise duty. Mr. Singhania urged the Government to do away with the stepmotherly treatment being given to yarn producers. He warned that, unless the burden of excise duty on rayon yarn was fully passed on to buyers and prices of yarn were raised to an economic level, it would be difficult for the rayon industry to survive.

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

"GENTLEMEN,

"I have great pleasure in welcoming you all to the thirty-ninth annual general meeting of your Company. The Directors' report and accounts of the Company for the year ended 31st December 1961 having been circulated to you in advance, I propose to take the same as read with your kind permission.

"You will notice from the accounts that, although our sales during the year have increased from Rs. 463.10 lakhs to Rs. 517.05 lakhs as compared with the previous year, the gross profits declined from Rs. 91.90 lakhs to Rs. 73.39 lakhs. This may appear to be surprising to a layman; but, if you will please look into the accounts closely, you will find that the profits have fallen due to increase in the rates of excise duty and cost of raw materials, stores and wages. The excise duty alone accounted for an increase of about Rs. 16 lakhs as compared with the previous year. During the year under review, the Company had to pay a sum of Rs. 63.74 lakhs on account of excise duty, as compared with Rs. 47.80 lakhs in the preceding year. Its impact was much greater in the rayon unit. From April 1961, the Government increased the excise duty on rayon yarn by 66⅔ per cent (from 90 nP. per kg. to 150 nP. per kg.), with a condition that 60 per cent of the increase should be borne by the producers. Normally when excise duty is levied on any article, it is understood that it will be passed on to consumers; but, in the case of rayon industry which is still in its infancy in this country, the Government deviated from this general principle and chose to throw the burden on the industry itself. The duty on rayon yarn has been further increased by 50 nP. per kg. as from April 1962. In the cotton textile industry, too, the Government has recently increased the rates of excise duty on bleached, mercerised and sanforized cloth. This increase is much too high and is bound to retard the trend of increased production of these sorts.

Rayon Yarn Prices

"Another important point to which I would like to draw the attention of the Government is that, while the distribution and prices of rayon yarn are controlled by the Government, there is no control whatsoever on the price of cloth made out of rayon yarn, with the result that the weaving units are able to sell their products at fancy prices and the very object of imposing control on the yarn, that is to say, the cloth woven out of it should be available to the consumers at reasonable prices, is frustrated. If it is desired that the people should get rayon cloth also at fair price, the prices of rayon cloth should also be fixed by the Government. It is common knowledge that the weavers who get allotment of rayon yarn sell their products at fancy prices and earn huge profits and have to pay no excise duty. Thus there is loss to the State Exchequer also. I hope the Government would give this point their due consideration and do away with the stepmotherly treatment being given to the yarn producers. I strongly feel that, unless the burden of excise duty on rayon yarn is fully passed on to the buyers and the prices of rayon yarn are increased to an economic level, it will be difficult for the rayon yarn industry to survive, more particularly the rayon plants of smaller capacity. As you know, ours is a small plant of 5 tons capacity. Its production costs are, therefore, bound to be higher as compared with the larger units. Besides this, as our plant is situated in Uttar Pradesh, the expenses on the transport of raw materials from Port towns to Kanpur further add to our cost. A representation has been made to the Textile Commissioner in this connection urging upon him to increase the selling prices and the Government's decision thereon is anxiously awaited.

"As mentioned in the Directors' report, the working results of the rayon unit were adversely affected by the closure of the factory for about 30 days during the year on account of illegal strikes by workers. The labour disturbances continued during the current year also and the Company has suffered loss of production for about three months due to disturbed working in the unit.

Cotton Textile Unit

"Coming to the cotton textile unit, I am pleased to state that, due to continuous efforts of the management to improve production and to introduce new varieties and better qualities suited to the taste of the consumers, the working results of this unit were better as compared with the previous year. The production costs, however, continued to be high, due to scarcity in the supply of cotton and increased prices of stores, dyes and chemicals and higher wage bill.

"You are fully aware that, in the cotton textile trade, two sections are operating in the country—(i) organised industry, and (ii) handloom industry. The organised industry, as you know, is subjected to heavy excise duty, whereas the handloom industry is free from it. While I fully realise that, from the social point of view, it is necessary to afford some protection to the handloom industry, it must not be done at the cost of the organised industry. The cost of production in the organised industry is already very high due to rising prices of raw materials, stores, dyes, chemicals and labour. It is, therefore, very difficult for the organised industry to stand in competition with the handloom industry.

Notice

THE CHAMPDANY JUTE CO. LTD.

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend of 5 per cent for the year ending 31st March, 1963, has been declared payable on 26th September, 1962; the dividend is subject to deduction of tax under the Income-tax Act, 1961. Dividend Warrants will be issued to the registered shareholders whose names appear in the Register on 26th September 1962 or to their mandatees.

The Share Register of the Company will be closed from 10th to 26th September 1962, both days inclusive.

By Order of the Board,
JAMES FINLAY & COMPANY LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *24th August*, 1962.

Cotton Supply

"Towards the end of the year, the supply position of cotton deteriorated rapidly on account of adverse climatic conditions and there was a big crisis in the cotton market. Due to low cotton crop of 1961-62 season, the supply of raw cotton became very scarce and the prices soared high. It is most unfortunate that the question of availability of raw cotton at reasonable prices has become a standing problem with the cotton textile industry. Since cotton is the basic raw material of the industry and forms the biggest component of the cost of production, it deserves serious and constant attention of the Government; and unless effective measures are taken by the Government to increase the production of indigenous cotton, the future of the cotton textile industry cannot be bright. Efforts should also be made to increase the cultivation of long-staple cotton in the country in order to save the valuable foreign exchange which is spent at present in the imports of this cotton. Another important step to ease the cotton supply position is to find out a substitute. As suggested in my last year's speech, 'rayon' is a very good substitute for cotton fibre. It is, therefore, essential that Government take effective steps to ensure speedy growth and development of the rayon industry in India.

"A further rise in the wage bill of the cotton textile industry has been brought about by an increase of Rs. 2 per month effected in the wages of workers from 1st January 1962 in terms of the recommendations of the Central Wage Board for Cotton Textile Industry. This is an addition to the increase of Rs. 6 per month which was enforced from 1st January 1960. The cost of living index, with which the dearness allowance is linked, has a continuous upward trend. Recently, the Government has increased the rate of employers' contribution to the Employees' State Insurance Scheme from 1¼ per cent to 2½ per cent with effect from 1st April 1962.

"Keeping in view the adverse trading conditions which prevailed during the year, the working results of both the units of your Company are considered satisfactory and your Directors deserve to be commended for having decided to maintain the same rate of dividend on equity shares as last year, that is, 12½ per cent subject to tax, in spite of adverse results as compared with the preceding year.

Modernisation

"In spite of all these difficulties, the management has continued its programme of modernisation and renovation of the plant and machinery and has incurred a capital expenditure to the tune of Rs. 42.5 lakhs during the year. In the cotton textile unit, a number of modern machines, such as sanforising plant, Barber Colman winding and warping machine and combers were installed during the year. We are sorry that, due to difficulty of getting import licences, it has not been possible to execute our scheme to modernise the finishing department. The need for modernisation of plant cannot be over-emphasised. In every part of the world, modernisation is taking place at a much faster speed. Japan has been able to introduce a cotton mill with continuous process in which you only have to feed cotton in the blow room and you will get yarn at the delivery point. In other words, the entire process from blow room to spinning is continuous and automatic. It is, therefore, imperative for the cotton textile industry in India that it must keep pace with the technological and scientific developments which are taking place in the world.

Doubling Rayon Plant's Capacity

"In the rayon unit also, a sodium sulphate plant has been installed during the year and I hope it will go into production in the near future. The scheme for doubling the capacity of the present rayon plant is also being followed up and we are negotiating with the Government for the clearance of import licence formalities, etc.

"Before I conclude, I wish to thank my colleagues on the Board and express my feeling of appreciation for the valued contribution made by the officers, staff and workers of the Company during the year in showing satisfactory working results.

"With these observations, I propose that the Directors' report and the audited balance-sheet and profit and loss account of the Company for the year ended 31st December 1961 be approved and adopted."

PRICE PERSPECTIVE AND PROSPECTIVE

IMPLICATIONS OF DEVELOPMENT PLANS

By Prof. P. C. Malhotra

Head of the Economics Department, Government Hamidia College, Bhopal

"Abundance and cheapness are not wealth, scarcity and dearness are misery, abundance and dearness are opulence."—QUESNAY.

THE concern over rising prices that is now being voiced all over India is understandable. Prices influence volume and direction of production; consumption through incomes and distribution of national wealth; and the monetary demand and supply. Targets for investments under planning assume a given price level with a more or less certainty about its stability in the given plan period. Revision of financial targets in the upward directions causes ripples in the national economy which, as the Plan gathers momentum, turn into uncontrollable tides, influencing the "affairs of men" and also that of the national economy. Price changes may bring about a silent revolution in a way different from what is desired. It may disturb a given social stratification which may not be desired or is unwanted.

In a Welfare State of an underdeveloped or a developing economy the State itself becomes an instrument and a party to the price rise which it finds helpless to control. A Welfare State under democracy can meet a situation only if the people are properly educated about a policy measure, its working and mechanism, the co-operation and attitude expected of the citizens, the sacrifices, overt or covert, it calls from them and the outspokenness with which they express themselves of the way in which the policy is working. A Welfare State assumes that no vested interests' will be permitted to distort the functioning of agreed economic policies by the people, who are active and not sleeping partners in the State. The citizens in a democratic Welfare State must learn to blame or even curse themselves for situations arising in the society out of their ignorance, apathy, willing or unwilling collusion.

The index numbers of wholesale prices (Revised series—Base 1952-53=100) show the following variations:

Period average of	Food articles	Liquor and tobacco	Fuel, power, light	Industrial raw materials	Manufactures	All commodities
1956 ..	99	82	102	113	105	102.6
1957 ..	107	92	112	118	108	108.7
1958 ..	112	94	115	115	108	110.0
1959 ..	118	101	116	120	110	115.5
1960 ..	120	106	119	139	121	123.0
1961 ..	120	104	122	148	127	125.8
June 1962 ..	126	96	123	127	129	127.5

The above may be compared with the index number of wholesale prices in 1950 which was 108.3 for food articles; 91.6 for liquor and tobacco; 91.1 for fuel, power, light and lubricants; 119.1 for industrial raw materials; 98.3 for manufactures and 106.4 for all commodities. The aggregative variations in prices as indicated by index numbers under main classification of commodities as given above fails to show the sub-sectoral changes in price level, as it is these which directly concern the individuals. But the trends in changes in price levels as revealed by the index number as given above do depict the broad changes in price level unmistakably.

Between 1950 and 1961 the wholesale prices of all commodities rose by 19 per cent (Index number rose from 106.4 in 1950 to 125 in 1961). If we compare the index number of price level in 1951 with the old series of index numbers with base year ending August 1939=100 we have the following figures:

Food articles 409.8, industrial raw materials 608.2, manufactured goods 395.5, all commodities 439.3.

For purposes of studying the deeper and wider consequences of changes in price level, it is more important to examine the price changes between 1939 and 1961 rather than between 1950 and 1961. The generation that lived in 1939, it must be noted, is not run out yet. The earning members belonging to the generation of 'forties of the present century are presumably still battling their way in life and shouldering the responsibility of supporting families. The generation of earning members in society commencing with 1950 does not form the bulk of this class of the generation dating from the 'forties of the twentieth century. The ways of life are dominated by the generation that had seen a rupee commanding much higher value than it is today. The generation of earners commencing with the 'fifties of the twentieth century with purchasing power of the rupee reduced to one-fourth of that of 1939 has to support dependents with more costlier habits without any substantial compensation in the form of increased money incomes.

In examining the price prospective in the third Five-year Plan, the volume of consumption indicated by the growing population of the country, the patterns of consumption and the race for increasing consumption, both quantitatively (due to release of pent-up demand on account of low incomes) and qualitatively due to a desire and the right to have better living, are important matters. Prof. J. K. Galbraith, in one of his lectures delivered in India in 1961 "On the Theory of Development Planning" remarked: "A theory of consumption—a view of what the production is ultimately for—has been surprisingly little discussed and has been too little missed." He added: "The final requirement of modern development planning is that it has to have a theory of consumption." To quote him further: "More important, what kind of consumption should be planned? Should it take consumption of the more highly developed countries as a model? Should it be guided by whatever market demand exists, which in most of the underdeveloped countries will reflect a considerable inequality of incomes with the result that production will be heavily influenced by the wants of the well-to-do minority? Or should production be tailored above all to serving as cheaply as possible the recognisable needs and desires of the average low-income consumer?"

There is a danger of consumption patterns of the more developed countries being followed as a matter of course and assuming a prestige value. But, in low income countries, cheap bicycles are more important than cheap automobiles[2]. An inexpensive electric lighting system for the villages should receive preference over a high capacity system which uses expensive equipment.

At the First Asian Conference of the International Association for Research in Income and Wealth, held at the University of Hongkong in August 1960, Prof. V. K. R. V. Rao observed that it was essential to study the composition of consumption in order to examine the possibility of increasing savings through the reduction of "non-functional," "non-basic," "non-productive consumption."

Consumption not only maintains production but determines the quality of the producer and hence productivity. The justification for a higher standard of living, in the words of Dr. Marshall is: "....a rise in the standard of life implies an increase of intelligence and energy and self-respect, leading to more care, judgment in expenditure and to an avoidance of food and drink that gratify the appetite but afford no strength, and of ways of living that are unwholesome, physically and morally."

In the context of the need for more capital for investment for economic development, in the midst of urgency for saving for capital accumulation, in the face of the policy commitment to reduce inequalities of income and the existence of a very large population of the country living in what is called primary poverty (the situation in which "earnings are insufficient to obtain the minimum necessaries for the maintenance of physical efficiency"), wasteful and conspicuous consumption (having more of show value giving the consumer a feeling of distinction, which has very little relation between the expenditure on it and its utility) is a social sin. While taxation and other regulations may penalise conspicuous consumption in the case of high-income group or the affluent class, public men have to impose self-discipline and deny themselves the luxuries which the official position place in their way. This would check the wanton irritation which conspicuous consumption is apt to cause in the less privileged classes.

According to Prof. Kaldor, if the rate of increase in population is 2 per cent per annum (in India this rate of increase is 2.3 per cent) and the rate of increase in productivity is also 2 per cent and if the capital-output ratio (the ratio of net investment to increases in national income) is 4:1, the proportion of income saved must be 16 per cent, since it is with a saving of 16 per cent that the rate of capital accumulation exactly matches the required rate of increase in output capacity. In the third Plan, capital-output ratio is not likely to be lower than 3 : 1. In fact, experience of advanced countries indicate that the capital-output ratio is likely to rise gradually during the process of development and would tend to fall only after several decades of development. The third Plan points out that, for achieving a cumulative rate of growth of over 5 per cent per annum, it will be necessary to undertake net investment to the extent of more than 14 per cent of the national income as compared with the present level of about 11.5 per cent. This involves raising the rate of domestic savings from 8.5 per cent at present to about 11.5 per cent by the end of the third Plan. Domestic savings can grow only if there are restraints on consumption, enforced and built-in (voluntary).

We have to be realistic about the price situation. Jeremiads over the cheap prices prevailing in the 'forties of the present century are going to be of no help. They can only remind us of days which can never come back. Much water has flowed down the river Ganges since then. In fact, we have now to live with and believe in Quesnay who said: "Abundance and cheapness are not wealth, scarcity and dearness are misery, abundance and dearness are opulence." It would, therefore, appear that the days of low prices are past. General prosperity would be in terms of high prices, higher incomes, higher productivity leading to high production and affluence. But, even under this affluent situation, stable prosperity would demand savings and avoidance of *bonanza* or spending spree.

Prof. T. Balogh, in the course of a lecture delivered at the National Council of Applied Economic Research in New Delhi in 1961, made a remark which emphasised realism in the matter of the price prospective: "To think," he said, "that, in India, you can get by a stable price level over the next ten years, with the type of development programme which must be contemplated, is to me extraordinarily naive. What one ought to do now is to educate people to expect a conscious increase in price, not an unwanted one, and explain to them what the function of those price rises is, that is to say, to help in accumulation through profits in the public or taxes on the private sector." Thus people in India must learn to be taxed more and more smilingly and also accept a price policy in the public sector which enables it to make increasing profits. (To accept rising prices in the public sector is, however, not to countenance waste and inefficiency. Higher prices should cover higher costs of material and labour and be incentive to higher production and higher productivity.) In the third Plan, income from the public sector is expected to be an important source of finance—contribution from railways Rs. 100 crores; surpluses from other public enterprises Rs. 450 crores additional taxation, including measures to increase the surpluses of public enterprises, is expected to contribute Rs. 1,710 crores.

It is common knowledge that price level is linked to the quantity of money supply. It may, however, be noted that, in the case of India, 11 per cent of the transactions in the cities and urban areas and 43 per cent in the rural areas take place without money. This may be called the non-monetised sector of Indian economy. And these sectors are not geographically separate or even separate in terms of commodities and services. But the existence of non-monetised sector enlarges the proportion relatively to the size of the monetised sector (field in which exchange takes place through the use of money) of money supply—currency, demand deposits (current or floating account) of banks and in the wider sense time deposits (fixed deposits for a particular period) also. The percentage of money supply, inclusive of time deposits, to national income is 27 in India, as against 53 in the U.S., 51 in West Germany and 45 in the U.K. In relation to national income in the monetised sector, the proportion in India would be about 40 per cent. This shows the gap between the relation of money supply to national income in India (a developing economy) and that of a developed economy like the U.S., West Germany or U.K. That the money supply in India will increase in years to come is, therefore, anybody's guess. The Working Group of the Reserve Bank of India have estimated that the expansion of money supply in the third Plan period would be little over Rs. 1,000 crores or approximately 35 per cent of the level at the end of the second Plan (Rs. 2,000 crores). The related factors to money supply that will influence price level are agricultural production, mill-made cloth, national income, *per capita* income, population.

To get a clear idea of the increase in total money supply with the public we take over first bench mark 1939 as we have done in the case of price rise. The total volume of notes in circulation in September 1939 was Rs. 196.14 crores which increased to Rs. 1,147.14 crores in September 1945. The same expansion took place in regard to the deposits of the scheduled banks, the total deposits of which increased from Rs. 222.33 crores in September 1939 to Rs. 897.58 crores in September 1945. The total money supply with the public increased from Rs. 341.68 crores in September 1939 to Rs. 1,961.38 crores in September 1945 and to Rs. 1,975.7 crores on 30th March 1951. On 30th March 1961, the money supply with the public (consisting of currency with the public Rs. 2,026.9 crores, other deposits with Reserve Bank Rs. 19 crores, and bank money Rs. 855.8 crores) was Rs. 2,901.7 crores.

The Achilles heel of the Welfare State is that it has a strong tendency to run into inflation as every popular Government, supported by the popularly elected Parliament, has the temptation to please the citizens and, on account of the ideological commitment of the State being run in the interests of the welfare of the people; it is unable to discipline itself to the level of tax burdens it is prepared to impose or the tax burdens people are prepared to accept. This tends to introduce inflationary pressures in the economy. Price inflation leads to income inflation and cost inflation. "In the present phase of the development of the Welfare State," says Prof. Myrdal, "it is a most important fact that the structure of interest organisations, and also the pressures exerted within Parliament and other elected assemblies at the provincial and even municipal level, are strongly biased in favour of the producer's interest in higher incomes and profits. This situation simply means that the institutional setting is such that all people in all walks of life are even more effectively directing their strivings for higher levels of living into attempts to protect and increase their money incomes. They may grumble about rising prices and costs of living—and use such a trend as a motivation when pressing for higher income—but they have usually no effective means to stop, by concerted action, the rising trend of prices."

In a Welfare State based on democracy, a certain balance needs to be evolved between different contending groups organised for defence and also for offence of group of interest. People are mostly organised for bargaining in their capacity as savers of an income or a profit, not as consumers. Out of the bargainings come compromise agreements which may be arrived at the risk of prolonging industrial conflicts by the bargaining parties being a little more generous to each other than current prices can afford. And the very producers who are organised for bargaining are also consumers. But as consumers they are so widely dispersed that there is no effective organisation to give them lower prices, unadulterated quality and restraint on living costs. The only escape from the incidence of rising living costs, therefore, appears in strengthening the bargaining organisations for raising incomes. But adoption of this method leads to a further widening of the gap between prices and incomes, based on the big lag between income rise and increased output of supplies of commodities and services.

A Welfare State is also committed to create an egalitarian society in which irrational disparities in incomes would be reduced, if not eliminated. The following view expressed by Prof. T. Balogh with reference to India has to be reckoned with even by the crusading egalitarian and taken note of by the active and the inert citizen alike, as the egalitarian in authority is acting on behalf of the citizen:

"It should be realised, in this connection, that policies pursued to promote what appears to be equality in this country at this stage but which decrease efficiency, are really inimical to the attainment of equality. You cannot give employment to the whole increment of the rapidly growing population. Unemployment and underemployment are still growing. Therefore any measure which impinges on the rate of increase in income will postpone the day at which India can give employment to all the new entrants in the labour market. Therefore, many of the 'popular' measures of redistributing income by, say, an enforced location of industrial plant and the enforced reduction of the size of the plant against the best and most efficient location of labour, in fact really increase inequality. It will create further little pockets of privileged labour and decrease the possibility of accelerating investment; it will increase the capital-output ratio and thus decrease the possibility of expanding employment. This, in India, *ipso facto* also increases inequality. And it will increase inequality so long as the number of unemployed is continuing to increase. You can begin to think in terms of whether social goals or economic goals are more urgent when unemployment is beginning to diminish. So long as unemployment is increasing any sort of aberration from concentrating on the size and the effectiveness of the planned investment also is anti-social."

The working of price mechanism in industrial nations is different from that in non-industrial societies, the economies of which are not so easily tractable as the optimal conditions like full employment, appropriate distribution of income, free operation of consumer's tastes, competitiveness in the product and factor markets, integration of the capital markets, etc., do not exist. The study of the phenomenon of continuously rising prices unrelated to the corresponding increase in volume of production generating excess monetary demand or inflationary price is different in underdeveloped or developing society from that in developed economic systems. "The importance of the non-monetised sector and the absence of integrated markets in the monetised sector in the underdeveloped economies bring out the material differences in the role of the monetary media, the emergence of prices and the representative character of the price indices in these economies from those in the developed ones."[3] Further, in underdeveloped economies, nearly half or more of the total national product is derived from agriculture. Agricultural production in the short run is very largely governed by natural factors like weather, rainfall, hailstorm, locusts, etc., and total agricultural production does not vary sensitively to changes in prices, as in the developed economies where agriculture is a business and not a way of life. In an undeveloped and predominantly agricultural country, 80 per cent of the people produce food for the entire population and the agriculturists sell on balance only one-fifth of their output.[4] Such a situation permits low level of productivity in agriculture and price lethargy. The role of demand for foodgrains[5] in underdeveloped economies is different from that in the developed economies. The initial rise in incomes in the former gives rise to increase in demand for foodgrains as the consumption of these is at a low level. The production of foodgrains in the short run is conditioned also by weather and rainfall variations. The problem of prices ceases to be importantly a monetary problem as it is in developed economies. It is a problem which is also rooted in the question of raising levels of agricultural productivity on the supply side, a situation under which agriculture comes to be looked upon as a business linked to the currents of price variations. A stagnant agriculture is a stolid anachronism in a planned economic development.

After the Second World War, something around a third of the national income has been passing through Treasury accounts. The proportion of taxation alone to national income in the U.K. is 28 per cent; in the U.S.A. 22 per cent and in Japan 21 per cent. In India, this proportion is as low as 9 per cent. The scope for fiscal measures to influence price movements in the country is, therefore, large, as, in India, planned development is bound to be linked, as it is actually being linked, to rising levels of taxation. Fiscal policy including budgetary policy and taxation measures cause a direct draft on the financial resources and purchasing power of the public as of the individuals which has its impact on prices. The power of taxation to promote, divert or restrict both production and consumption is great.

The problem of price policy in the third and subsequent plans may be summed up in the broad problem of finding adequate finances, without producing serious inflationary whirlpools which draw in their vortex investment and consumption patterns and distort the objectives. Accordingly, the objectives of price policy under our planning should be: (*a*) to ensure that the movements of relative prices accord with the priorities and targets that have been set in the plan; (*b*) to prevent sharp fluctuations and spurts. (The year-to-year fluctuations in prices have been unduly sharp in India. Between 1950 and 1955, the Economic Adviser's Index Number of wholesale prices of "all commodities" declined by 16 per cent, while between 1955 and 1960, it rose by 34 per cent); (*c*) to prevent any considerable rise in prices of essential goods that enter into consumption of low-income groups; (*d*) to goad and permit a constant effort at improving the productivity of enterprises in the private and public sectors, be they large or small.

An attempt has been made in this article at understanding of the price problem in the Welfare State and the factors involved in it, without giving any specific remedy or remedies for the inflationary or near-inflationary situation that exists or may arise in the country that has launched itself on the voyage of economic planning. To know is to forgive. To know is to be prepared. To know is to be responsible. As Prof. Gunnar Myrdal aptly remarks, "In a democracy of the Western type (India is a democracy of this type—Ed.), this problem of securing monetary stability with full employment can only be solved in a fully satisfactory way by raising the general level of education, intensifying still more the active participation of the people in decisions on all levels, strengthening very much the awareness which all should have of the common interest that the price level should not get out of hand...." It is thus clear that more intensive efforts should be made by our leaders to educate and not to mislead the public on the implications of forcing the pace of economic growth to price structure and cost of living.

[1] Professor Gunnar Myrdal, in his book, *Beyond the Welfare State* (page 39), refers to the various categories of vested interests which are a danger for democracy and planning both. He says: "The big and anonymous interests of the corporations exert in various ways an influence which is seldom democratically balanced by the power of the workers and consumers. They are highly skilled at concealment and at accepting public controls which appear to be far-reaching, but which can be evaded. Reforms in the interest of the lower income brackets are often no more than bribes to conceal much bigger advantages given to the higher brackets. The rich are usually left free to 'vote with the dollar' by making financial contributions to political parties that defend their interests. ... They are, indeed often in a position to deduct them from the income for which they are taxable, so that this privately directed buying of influence is actually subsidised to a large extent by the State itself."

[2] "It is absurd obviously artificially to increase the demand for bottleneck sectors, especially because these bottleneck sectors are also exactly those sectors which have the highest capital-output ratio. These are heavily capital-intensive industries, so that, if you encourage them, that means you have to earmark a great deal of new investment."—Dr. Thomas Balogh, "Growth and Price Mechanism" in *Some Aspects of Economic Growth of Underdeveloped Areas* (National Council of Applied Economic Research, New Delhi.)

[3] N.V. Sovani, *Analysis of Inflation in Underdeveloped Economies in Changing India*. Edited by Sovani and Dandekar.

[4] Kaldor, "Characteristics of Economic Development," page 19, in *A Decade of Economic Development and Planning in India*. Edited by M. R. Sinha.

[5] For India as a whole, between 60 and 70 per cent of the total expenditure of the household is devoted to food items and of this about 60 per cent is on foodgrains. Only one-third of this expenditure was against money and the rest by barter. (*Consumer Expenditure*—National Sample Survey.)

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NEW BUSINESS DONE UP BY MORE THAN RS. 100 CRORES

STATEMENT BY MR. B. K. KAUL, I.C.S., CHAIRMAN

ADDRESSING the Seventy-fifth Meeting of the Life Insurance Corporation of India, held in Bombay on Monday, 27th August 1962, the Chairman, Mr. B. K. Kaul, I.C.S., said that, in the context of the conditions prevailing in our country during 1961, progress of the Corporation in the sphere of new business might be considered satisfactory, inasmuch as the total completed business had shown an increase of 22.4 per cent—the number of policies issued during the year being 1,469,664, as against 1,257,557 issued in the previous year, and the new sums assured being Rs. 608.82 crores, as against Rs. 497.54 crores in 1960. He disclosed that the renewal expense ratio had come down a little from 12.9 per cent in 1960 to 12.4 per cent in the year under review.

The following is the full text of Mr. Kaul's address:

"I have great pleasure in welcoming you to this sixth anniversary meeting of the Corporation. The draft of the annual report and the statement of accounts for the year 1961 have been circulated and are now before us for our consideration.

New Business

"During the year, our new business amounted to Rs. 608.82 crores under 14.70 lakhs policies, as against Rs. 497.54 crores under 12.58 lakhs policies in the previous year, thus showing an increase of 22.4 per cent. In the context of the rise in the price level during the year and of the natural calamities like floods in some parts of the country, the increase of more than Rs. 100 crores in the level of new business may be considered very satisfactory.

"It is also gratifying to note that, as many as 10.24 lakhs policies were taken by persons who were insuring for the first time. Thus, out of every three persons insuring with us, two were seeking life insurance protection for the first time.

Rural Development

"Out of the new business, as many as 5.3 lakhs policies, assuring Rs. 182.59 crores, were issued to people in the rural areas. I may mention that, for the purpose of the definition of rural area, we have now adopted the same criterion as was used in the 1961 census. As the earlier statistics were compiled on a different basis, we do not have the comparative figures for the previous year. There is, however, little doubt that we have made considerable headway in our efforts of systematically expanding the business in the rural areas.

"The main difficulty that constantly crops up in regard to the rural business is the lack of facilities for collection of premiums. We have launched early this year a pilot scheme in Rajasthan for collection of premiums through selected post offices. We are proposing to extend this scheme in due course to other areas, where banking facilities are not available, in consultation with the postal authorities.

Non-medical Business

"Another difficulty in propagating the message of life insurance in rural areas has been the paucity of medical examiners for conducting the medical examination of the lives to be assured. This has, to some extent, been solved by a wider application of non-medical schemes.

"Under the general scheme, which now extends throughout the country, the medical examination is waived in respect of proponents within certain age groups, provided the total insurance on their lives does not exceed Rs. 2,000. Under this scheme, new business of Rs. 38.30 crores under 2.5 lakhs policies was completed during the year.

"Besides this general scheme, we are also insuring, without medical examination, special categories of persons in civil employment upto a total sum assured of Rs. 5,000, which limit was increased, during the course of the year, to Rs. 10,000 in the case of eligible persons, whose ages at entry do not exceed 30 years nearer birthday and also in the case of Category "A-1" of the commissioned officers in the Armed Forces. Under this scheme, new business of Rs. 58.46 crores under 2.4 lakhs policies was completed, bringing the total non-medical business to Rs. 96.76 crores under 4.9 lakhs policies. Thus, one out of every three proposers was insured by the Corporation without medical examination.

"The Corporation has no doubt provided adequate safeguards to ensure that the class of lives coming under the purview of these schemes are of the usual standard who would experience a favourable mortality.

"It is my desire that the scope of the scheme is gradually enlarged as we gain further experience of this class of business.

Foreign Business

"In some of the foreign countries, where we operate, the political and economic conditions were not quite favourable for the development of our business. However, due to sustained efforts of our officers and agents, our total foreign business in 1961 came to Rs. 10.03 crores under 8,056 policies, as against Rs. 9.70 crores under 7,736 policies in the previous year. Special mention must be made here of our London Branch which wrote in 1961 a new business amounting to Rs. 92 lakhs.

Business in Goa

"Since the beginning of this year we have started transacting new business in Goa, Diu and Daman. Details of the scheme for taking over the life insurance business of the former Portuguese companies are being worked out. In the meantime, we have extended to the Indian policyholders of these companies facilities for the collection of premiums.

Business in Force

"The total business in force at the end of 1961 was Rs. 2,737 crores under 86 lakhs policies, as against Rs. 2,285 crores under 77 lakhs policies at the end of 1960, thus showing an increase of 19.8 per cent during the year.

Lapse Ratio

"The ratio of net lapses to the mean business in force was 7.0 per cent in 1961, as compared with 6.6 per cent in 1960. The rise in the net lapse ratio of the Corporation seems to reflect the deleterious effect of the increase in the general price level on the saving capacity of the insured population. Apart from the monetary loss to the policyholders as well as to the Corporation, which the lapses bring in their trail, the termination of life insurance protection for several lakhs of families every year is a matter of vital concern to us. Accordingly, I have been impressing, in the course of my discussions with the Development and other Officers, the imperative necessity to reduce the lapsation of policies to the minimum and to improve the quality of business to the maximum extent. The necessary machinery has been set up to review the lapse position periodically so that any adverse trend may be detected at an early stage and checked by taking suitable remedial action without loss of time.

Premium and Other Income

"For the first time in the history of life insurance in this country, the premium income has crossed the Rs. 100-crore mark, the actual premium in 1961 being Rs. 112.30 crores as against Rs. 96.89 crores in 1960. It may be mentioned that the total premium income in the year preceding nationalisation, that is, in 1955, was Rs. 58.55 crores only.

"The total income for the year 1961 was of the order of Rs. 141 crores, as against Rs. 116 crores in the previous year.

Life Fund, Investments and Total Assets

"The Corporation's life fund as at 31st December 1961 was Rs. 631.59 crores registering a handsome rise of Rs. 72.46 crores after taking into account the adjustments made to the life fund at the beginning of the year.

"Of the total investments in India of Rs. 503.56 crores, the public sector accounted for 77.9 per cent and the private sector 22.1 per cent. During the year, 52 new issues were underwritten to the extent of an aggregate sum of Rs. 759 lakhs.

"The total assets of the Corporation as at the end of 1961 amounted to Rs. 696.31 crores as against Rs. 622.85 crores in 1960. The net increase in the assets of the Corporation, since its inception, amounted to Rs. 281 crores.

Rate of Interest

"The income from interest, dividends and rents before deduction of income-tax rose to Rs. 27.95 crores in 1961 from Rs. 23.97 crores in 1960. The gross rate of interest at 4.80 per cent on the mean life insurance fund (4.58 per cent in 1960) is the highest during the last five years. I expect that the Corporation will be able to maintain this rate in future, if not improve upon it.

"The steep rise in the net yield from 3.55 per cent in 1960 to 4.68 per cent in 1961 is, however, largely due to the fact that the net rate in 1960 was depressed, whereas the net rate in 1961 has been pushed up as tax refunds, accounted for in 1961, comprise refunds in respect of two years.

Expenses of Management

"The overall expense ratio of the Corporation fell from 28.4 per cent in 1960 to 28.0 per cent in 1961, although the full effect of the *ad hoc* increase in dearness allowance sanctioned in 1960 was felt for the first time in 1961. The renewal expense ratio, which provides a better indicator of the economy of management, also fell from 12.9 per cent in 1960 to 12.4 per cent in 1961.

"In the larger interests of the policyholders, the majority of whom consist of middle class people, there is an imperative need to keep a constant vigil on the expenses and to eliminate unproductive expenditure by strict budgetary control.

"Claims for the year amounted to Rs. 25.4 crores under matured policies and Rs. 8.7 crores under policies becoming claims by death. The total claims for the year amounted to Rs. 34.1 crores, as compared with Rs. 30.7 crores in 1960. The total benefits by way of claims during the period, 1st September 1956 to 31st December 1961, amounted to Rs. 147 crores.

Mortality Investigation

"The Actuarial Department at the Central Office set up, during the year, the necessary machinery for the collection of statistics for the purpose of continuous investigations into the mortality of lives assured with the Corporation. The object of this step is to keep the mortality experience under constant review so as to facilitate the construction of up-to-date mortality tables.

Valuations

"In exercise of the powers conferred by Section 49(2)(*k*) of the Life Insurance Corporation Act 1956, the Corporation framed regulations, with the prior approval of the Central Government, for the purpose of classification of policies for declaration of differential bonuses, and published the same during the year. These regulations came into force on 15th October 1961. The bonuses on policies which became claims by death or maturity before this date, were settled on the basis of the provisional classification of policies which was also approved by the Government.

"The second biennial valuation of the Corporation's business as at 31st December 1959 was completed during the year and, as a result thereof, Rs. 24.29 crores were allocated amongst participating policyholders, the rates of reversionary bonus allotted both for policies issued by the Corporation as well as for policies issued by the erstwhile insurers being the same as those declared in respect of the first valuation as at 31st December 1957. The amount allocated to the Central Government was Rs. 1.28 crore.

"The third biennial valuation of the Corporation as at 31st December 1961 is in progress and the results of the same are expected to be available before the end of the year.

Building Activities

"We have on hand construction of a large number of buildings to house our offices and also for investment purposes. Although the shortage of building materials has hindered our building activities to some extent, special efforts are being made to complete the various buildings, at different stages of construction, as early as possible. The housing of our offices in our buildings would relieve the present congestion and would lead to more efficient working. It is my idea that the Corporation should have its own buildings for its offices. Suitable plots of land are, therefore, being purchased for our Divisional and Branch office buildings at various centres.

Mortgages

"The scheme for grant of loans on mortgage of immovable properties has now been extended to 21 cities. It is expected that an increasing number of property owners would avail of this facility. The scheme for grant of loans to policyholders for construction of houses is being revised, with a view to enabling the middle class people to own their homes with the help of loan facilities to be provided by the Corporation. The scheme is to operate in the first instance in 56 cities.

Administrative and Development Training

"I am glad to report that the work of training the administrative staff is progressing satisfactorily, the total number of assistants trained till 31st December 1961 being 5,597. The Officers' Training College at Nagpur is also doing good and systematic work and has by now trained 741 officers. The effect of this training will, in course of time, be reflected in the increased efficiency of our offices. On the development side too, the training centres are doing useful work. So far 6,617 Development Officers and 10,665 agents have been trained.

"I have always received sincere co-operation and valuable advice from my colleagues on the Board and on the Investment Committee. I offer my grateful thanks to them. I take this opportunity to record my appreciation of the services rendered by the officers and staff at all levels. It is their services which have solely contributed to the fine results achieved by the Corporation. Finally, I thank all the agents who have done such excellent work in enabling the Corporation to break its previous records in the matter of our new business."

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Total Assets of Skandia Group of Companies
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Phone: 246058 Grams: SKANINCO
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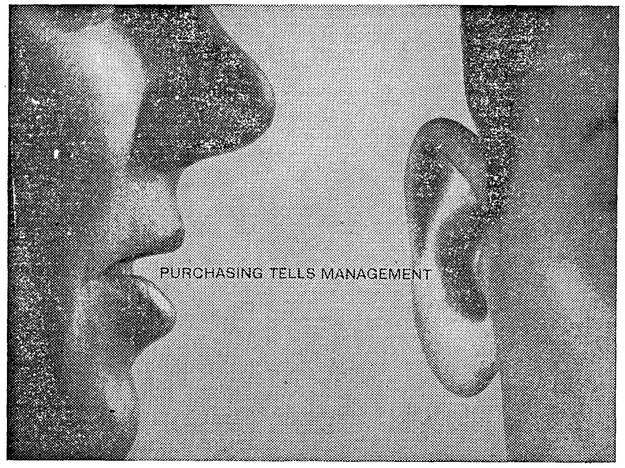

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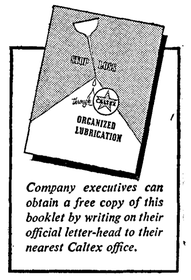

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FINANCING PETROLEUM EXPLORATION

U.N. STUDY'S FINDINGS

THE growing importance of petroleum resources to modern economies is brought out by the high proportion of liquid fuels and natural gas in the current pattern of world consumption of energy. This proportion, as of 1960, is as much as 45.7 per cent, as compared with 39.3 per cent in 1952. Whether it be on the side of consumption or on that of production, crude petroleum (liquid fuel) now accounts for about 32 per cent, as compared with 27 per cent in 1952, of the relevant world aggregate. This explains the substantial expansion of exploration and the extension of prospecting to increasingly numerous and less accessible areas in the last decade. In the period 1951-60 alone, for instance, exploration and production of petroleum crude have accounted for 57.4 per cent of the aggregate investment in the petroleum industry, as will be seen from the following table :

Investment in the Petroleum Industry

(1951-60)

(In billions of U.S. dollars)

Branches of the Industry	United States	Other non-Communist countries	Total	
			Investment	Percentage of total
Exploration and production	37.5	14.2	51.7	57.4
Pipelines	2.4	2.1	4.5	5.0
Sea transport	0.7	7.3	8.0	8.9
Refineries	5.8	6.7	12.5	14.0
Petro-chemicals	0.9	0.8	1.7	1.8
Marketing	3.9	5.9	9.8	10.8
Other	1.0	0.9	1.9	2.1
Total ..	52.2	37.9	90.1	100.0

N.B.—Figures include investment in natural gas. But they exclude costs of geological and geophysical surveys and leases—costs which account for $8.9 billion, of which $6.0 billion was incurred in the United States.

The above figures, taken from a U.N. study,* entitled *Petroleum Exploration—Capital Requirements and Methods of Financing*, reflect the world-wide tendency for exploration (including preliminary geological and geophysical surveys) to account for the larger part of investment in the petroleum industry. This is partly due to the fact that exploration is often unsuccessful. The highly speculative nature of petroleum exploration adds, therefore, to its cost. "Exploration," in this context, is the stage of operations during which various techniques are applied with a view to finding out whether there is a commercially exploitable accumulation of hydrocarbons in a given region. It essentially comprises preliminary reconnaissance work and prospecting.

Capital Requirements

Preliminary reconnaissance includes general geological surveys of the whole area or basin, photogeological mapping and, where necessary, gravimetric surveys. *Prospecting* consists of a series of intensive field surveys to determine the possible structures of the area under study, leading, where appropriate, to core-drilling. The next step is test-drilling, the only method of ascertaining that a deposit exists. In many cases, supplementary seismic surveys are necessary. When the results of exploration are favourable, development drilling, which is the only means of determining the extent of the deposit and of estimating its reserves, is taken up. Such *development work* is also included in the "exploration" stage, because a great many uncertainties are still present even after oil has been struck. With so much to be done in the stage of "exploration," it is no wonder that it involves heavy capital investments—far too heavy for the developing countries, most of which are concerned to secure petroleum resources that will free them from reliance on imports by enabling them to cover their domestic needs. The U.N. study, therefore, advises the developing countries to make themselves fully aware of possibilities in this field. In other words, they should know to what extent large-scale exploration may be worthwhile before they decide to go in for it.

They should also have an idea of the capital requirements of petroleum exploration before they venture into this field. The exploration stage, as the U.N. study points out, is marked by a very high degree of uncertainty and requires substantial financial resources, whereas the extraction, transportation and processing of crude petroleum and the distribution of petroleum products involve only a *normal* margin of uncertainty. The latter stages will constitute the relatively stable element on which the more risky venture of exploration can be based, only if the petroleum industry as a whole is characterised by a very high degree of integration. In fact, the leading oil companies of the world have been, and continue to be, highly integrated enterprises. In their case, the distinction between "exploration" and "exploitation" might be regarded as somewhat artificial, for it is impossible to make a complete separation between "exploration" and its objectives—the production and, ultimately, the marketing of petroleum. It is, therefore, difficult, if not impossible, to separate strictly exploration costs from production costs in the industry's accounts. Nevertheless, according to the U.N. study, the special problems of financing in the petroleum industry are principally attributable to the exploration stage and far less to the later stages. The U.N. study has referred, in this connection, to the estimated "exploration" and "development" costs in Canada and the United States. Figures show that, strictly exploration costs aggregating 2,216 million U.S. dollars and development costs aggregating $1,657 million in the period 1947-58 have represented 57 per cent and 43 per cent, respectively, of total expenditure on petroleum exploration in Canada. The proportion of strictly exploration costs in the United States has ranged from 42 per cent to 47 per cent in the period 1948-56, while the proportion of development costs has ranged from 53 per cent to 58 per cent. A hypothetical seven-year exploration programme budget reproduced in the U.N. study indicates a possible total outlay of about $40 million in the area of a potential oilfield where the transport system required is simple and inexpensive.

Methods of Financing

The U.N. study has also dealt with the question of methods of financing petroleum exploration. In one specific instance referred to in the study, 75 per cent of the overall requirements, amounting to over $700 million, were financed by the companies concerned from their own resources, and loan funds were obtained by them to cover only a part of the development costs. It is clearly brought out that it would be contrary to the principles of sound management to finance exploration with funds from outside sources. On the other hand, borrowed money should be used for undertaking whose economic viability is sufficient to ensure the regular payment of interest and repayment of the principal; many examples prove that exploration operations cannot furnish this kind of security. It is, therefore, the practice of international oil companies to rely on their own resources to finance exploration. Although individual exploration programmes inevitably involve an element of risk, the international companies find it possible, on the basis of a series of operations spread over a long period in different areas, to achieve a rate of return that offsets the risks of single operations.

But this method of financing exploration with the exclusive help of international companies is of declining importance so far as the developing countries are concerned. Some of these countries, of course, continue to rely on private, frequently foreign, capital to finance exploration programmes. But some others like Mexico and Brazil work through an exclusive State monopoly. A few other countries like Argentina, Turkey and Bolivia, while retaining their State enterprises, have either deprived them of their monopoly character or sought to enlist the co-operation of private or foreign companies in the search for oil. In many developing countries, however, there appears to be a growing trend towards mixed types of financing in which public capital and private capital are associated. In India such a trend, which started with the Union Government's agreement with the Burmah Oil Company in respect of Oil India Ltd., is yet to work itself out more fully by way of agreements with other foreign oil companies. In 1960, the United Arab Republic invited bids for the exploration of the Western desert on the basis of a 50-50 division of profits in the case of companies which would accept domestic (not necessarily State) participation; but no tender has yet been made under this condition. In Indonesia, where State enterprises are already functioning, negotiations between the three main foreign companies and the Government for a new agreement governing petroleum exploration and development have been suspended. But the State enterprises in Indonesia seem unlikely to obtain the necessary funds for exploration and development due to the increase in the budgetary deficit and the exhaustion of financial aid received from abroad on other industrial projects.

Some Vital Considerations

The U.N. study has done well to emphasise, in the light of difficulties faced by several developing countries which have drawn up ambitious programmes of exploration involving large capital outlay, that no such programme should be launched before there is an assurance that the necessary means of financing it are available. After all, the great bulk of petroleum exploration and production throughout the non-communist world continues to be financed from private sources. These sources alone, accounting as they do for about 94 per cent of all petroleum production, are likely to command ready resources of their own for large-scale investment in oil exploration programmes. Developing countries, with their limited resources which are better used in other sectors, can ill-afford to spurn the services of big international oil companies in this highly risky and expensive field of petroleum exploration by insisting on terms that do not take into account their integrated nature, with world-wide operations. The U.N. study, of course, has not specifically made any such recommendation for obvious reasons.

But it has outlined the considerations that a country should bear in mind before launching on the adventure of petroleum business. They must remember at the very outset that the capital it invests on exploration in its fullest sense, that is, including the highly speculative exploratory phase, may well be lost and the losses may be pretty heavy. After making this preliminary point, the U.N. study ends with the following observations :

"The more that is known about a country's petroleum potential, the easier it will be to obtain the capital needed to finance the development of its petroleum resources. Even if preliminary reconnaissance does not furnish certain evidence, it may provide a guide for subsequent operations and encourage prospectors to undertake them. This phase is relatively inexpensive and has been completed or is on the point of completion in many countries. The surveying of possibilities should undoubtedly be continued or started, where necessary. Subsequent phases of development cannot be undertaken without a detailed economic analysis of the different factors involved. The decision to go ahead is obviously influenced by political or other considerations, but it can only be made in the context of an economic model of which all the elements are known. If the 'petroleum adventure' demands the allocation of a large part of a country's economic potential, the uncertain profitability of this investment will have to be weighed against the safer yield of other investments in different sectors of the national economy. Such an analysis becomes easier, if only by reason of the alternatives which may be available, if it is undertaken in an international context. The problem of exploration, production and supply in a given country can then be studied in broader perspective. *Except in special and essentially temporary conditions, it may be stated that isolationism makes for insecurity and that autarchy is inconsistent with the optimum use of a country's economic potential. This is particularly true of petroleum development. For both technical and economic reasons, petroleum development, in every country, requires to be undertaken in an international framework.* (Italics ours.—ED.)

"Many possibilities exist within this broader framework. The future depends at the international level on increasingly close co-operation between the industrialised and the developing countries. It is only by unwearying efforts in this spirit that it will, perhaps, be possible to solve the continuing problem of maintaining supplies in the context of expanding consumption."

It will be seen from the foregoing extract that petroleum industry is essentially an international business and that it would be folly for a developing country, which wants to make quick progress under the democratic way of life and the foreign trade of which is largely with the non-communist countries, to take upon itself the major part of the risk involved in developing this industry on a national scale. One may, of course, ask: Has not Russia done it? Its production of crude petroleum has shot up from 37.9 million tons in 1950 to 166.0 million tons in 1961, so that it is today the second largest producer of oil in the world. The answer to this question is simply this: Every country in the world is not blessed with the resources which Russia possesses, even if it is prepared to go the Russian way. Russia is the second largest, if not the largest, producer of gold and does not have the problem of either foreign exchange or of heavy population still leaping forward.

* The Study, which is priced at $0.50, consists of three parts : (*a*) the Introduction—pointing out the increasing importance of hydrocarbons among the primary energy resources and noting the peculiar character of the search for petroleum ; (*b*) Part I—investigating capital requirements for exploration of petroleum and attempting to establish the range of unit costs for the various operations entailed—such as aerial photography, geological and geophysical methods of exploration, drilling and so forth and, (*c*) Part II, briefly analysing in a number of typical cases the total volume of capital required and the methods of securing these funds under varying conditions particularly under different economic systems and policies.

Notice

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE TITAGHUR PAPER MILLS COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3 p.m. on Thursday, the 27th day of September, 1962, for the following purposes :—

1. To consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 1962, the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of the retiring Directors.
4. To appoint Auditors and to fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th to 27th September, 1962, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office :
CHARTERED BANK BUILDINGS,
CALCUTTA, 17th *August*, 1962.

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

(*b*) The Dividends, if declared, will be paid on or after the 26th October, 1962, to those Shareholders so entitled whose names appear in the Company's books on the 27th September, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

U.N. STATISTICAL YEAR BOOK 1961

Like all the previous issues, the *Statistical Year Book* 1961 has been prepared by the Statistical Office of the United Nations with the co-operation of the national statistical offices. Improved statistical coverage, it is claimed, has enabled the latest *Yearbook* to provide more accurate world aggregates. It is seen from the publication that the world's aggregate population, as of 1960, is just under 3,000 million, having increased at an annual rate of 1.8 per cent during the decade 1950-60. Reference may be made here to some other world aggregates. For instance, world energy production in terms of coal equivalent was 4,311 million metric tons in 1960, as compared with 4,061 million tonnes in 1959 and 3,827 million tonnes in 1958. As much as 60 per cent of the absolute increase of 250 million tonnes (4,311 million tonnes *minus* 4,061 million tonnes) in 1960 was accounted for by crude petroleum and natural gas. World consumption of fertilisers in 1960-61 had also substantially increased, as compared with the previous year. The relevant aggregates are 10 million tonnes in terms of phosphoric acid, 9.9 million tonnes in terms of nitrogen and 8.5 million tonnes of potash fertilisers in terms of K_2O, as against 9.5 million tonnes, 9.2 million tonnes and 8.4 million tonnes, respectively, in 1959-60. World railway freight traffic increased from 3,079 billion net ton-kilometres in 1959 to 3,185 billion net ton-kilometres in 1960. The world aggregates in respect of motor vehicles in use in 1960 are 96.9 million passenger cars and 23.9 million commercial vehicles, as compared with 91.2 million and 23.8 million, respectively, in the previous year. But these figures pertaining to motor vehicles do not include those of the communist countries. In like manner several other world aggregates are not complete for want of data about the communist countries.

An analysis of the industrial undertakings licensed by the Government of India in respect of engineering stores, under the Industries (Development and Regulation) Act 1951, during the period June 1960—December 1961 is contained in a publication recently issued by the Engineering Association of India (India Exchange, Calcutta-1). It may be recalled that the Association brought out a similar publication sometime back, providing the relevant information upto May 1960. The present volume lists, industry-wise, 1,076 licences issued during the period June 1960-December 1961 either to new entrepreneurs or to existing units for substantial expansion in the sphere of engineering industries. It contains summary tables in respect of major engineering industries, showing State-wise additional capacity created. Prospective entrepreneurs can find out the field which has already been covered, while trade can have an idea of the fresh sources of supply. The publication, priced at Rs. 10, has thus good reference value.

NEW PRODUCTS AND PROCESSES

Use of Radioisotopes for Measuring Water Flow

A NEW technique for measuring the rate of flow of water in rivers, using a radioactive isotope, has been successfully employed in the Mutha river at Poona by scientists from the Atomic Energy Establishment, Trombay, and the Central Water Power Research Station, Poona. The method involved injection in the river of the radioisotope Bromine-82. The flow of water was then calculated by measuring the amount of radioactivity in the water about a mile downstream from the injection point. This technique is more efficient and accurate than the conventional method of measuring the water flow by using a current meter. The new method is particularly advantageous during the monsoon, when the water flow in a river is large and difficult to measure by conventional methods. The safety aspects of the Poona experiment were investigated by medical experts and was found that the radioactivity introduced in the river was far below the established tolerance levels for drinking water. The radioisotopes and the electronic instruments used were produced at Trombay.

Rapid Determination of Impurities in Lac

A rapid method for the determination of impurities in lac, developed at the Indian Lac Research Institute, Ranchi, has been reported in the June 1962 issue of the Journal of Scientific and Industrial Research. An estimate of the impurities, representing insoluble matter in hot alcohol, constitutes the most important among the analytical data required by the lac trade. The methods currently available for the purpose are tedious and time-consuming, one determination taking about two days for completion. Compared with this, only four hours are required to complete one determination by the new method. The main steps involved in the new method are the extraction of lac with hot alcohol directly on a fluted filter paper, followed by washing the filter paper and the residue with ether to expedite drying.

Stabilisation of Vitamins in Pharmaceutical Preparations

As part of the series of investigations on the stabilisation of vitamins in pharmaceutical preparations, being pursued at the Central Drug Research Institute, Lucknow, the influence of other B-complex vitamins on the stability of thiamine (vitamin B_1) has been studied. The effect of air space, temperature of storage, nature of vehicle and stabilisers on the stability of vitamin B_1, when present in different combinations, has also been studied. The deterioration of vitamin B_1 in the presence of riboflavin (vitamin B_2) is dependent on the concentration of niacinamide. On the basis of results obtained, a concentration of 1 mg./ml. each of vitamins B_1, B_2 and B_6 and 5 mg./ml. of niacinamide are suggested for a stable B-complex preparation in syrup-glycerol water base. In order to make the formulation stable at 37°C. for a period of one year, the use of thiamine in 70 per cent excess over and above the amount normally used is recommended.

Preservation of Fruit Pickles

A proper balance between salt and organic acids is essential for the preservation of brine pickle. Faulty practices leading to imbalance in these constituents are often the cause of microbial spoilage during storage. An emulsion which can make up the deficiency of salt or acids and prevent microbial spoilage in brine pickle at 10 per cent level, has been developed at the Central Food Technological Research Institute, Mysore. It contains acetic acid and naturally occurring microbe inhibitory factors, like orange peel oil, mustard powder and turmeric powder, as active ingredients. The emulsion can also be used to cure fruits in low strength brine.

A New Tactical Computer

The task of a navigator on board a modern military aircraft is not confined only to helping the pilot fly from one place to another or to pin-pointing the position of the aircraft during flight at any given time. Besides these things, he has to, amongst others, (i) calculate the radius of action of the aircraft, i.e. the farthest distance that the particular type of aircraft can go upto, execute its role and return safely to its base; (ii) calculate and give changes in speed to his pilot which will enable the aircraft to reach its destination at the exact time assigned to it; (iii) calculate the speed, height and course of his own aircraft and that of the intruding one, and help his pilot to intercept the intruder; and (iv) determine the point of no return, that is the point from which, due to weather and fuel considerations, it is safer for the aircraft to fly to its destination rather than to turn back and try to make it for the base. The navigator upto now had to solve all these problems by the graphic method and by going through laborious calculations, consuming minutes that are so precious in present-day high-speed aircraft.

To Sqn. Ldr. Vir Narain, a navigator himself, goes the credit of having invented a computer, which makes the solution of such tactical problems a matter of seconds. For his work on this computer, he has been rewarded by the Council of Scientific and Industrial Research and has received a letter of commendation from the Chief of the Air Staff. The computer has been adopted as standard equipment by the Air Force.

Compositions for Derusting

A new process on compositions for derusting, surface treatment and temporary protection of ferrous surfaces has been developed at the Railway Testing and Research Centre at Chittaranjan, in West Bengal. For derusting and surface treatment, the material is first mechanically derusted to remove the loose rust and degreased. The derusting solution is then applied with a hard brush and worked well. When dry, this is followed by wire brushing to remove the friable black iron tannate. Depending upon the thickness of the rust, the operation is repeated more than once. The composition for temporary protection against weathering is applied to naturally pre-rusted steel after mechanical cleaning to remove loose rust. To obtain satisfactory adhesion of the tannate film, good brushing by a hard brush is necessary. It has been found that a well brushed film coat gives a more durable film than that obtained by dipping or spraying. These films can withstand external weathering conditions for one to three weeks. The manufacture of the compositions has been studied on a pilot plant scale by making 5 to 10-gallon batches for surface trials on coaches and locomotives. Observations of painted complex coaches and panels, treated initially with these compositions, after two years, indicate that the condition of the paint is quite good from the point of adhesion and corrosion prevention. The main raw materials for the process, namely, myrobalan and goran tannins, are available indigenously. Formalin will have to be imported for the time being. These compositions can also be used for the surface preparation, derusting and temporary protection of all types of ferrous surfaces. The process is simple and requires only a mixing kettle. Total capital outlay for a unit producing 100 gallons per day is estimated at about Rs. 42,000. Alternatively, all the ingredients without water can be mixed together and supplied in dry powder when the cost will come down.

Viscosity-control in Oil Blending

An on/off type of viscosity-controller invented by the Industrial Division of S. Smith and Sons, London, is already widely used in oil blending. The controller compares a laboratory sample of the required blend of oil with a 'line' blend. It then corrects for discrepancies in viscosity by despatching impulse signals to motorised valves in the blending equipment. A further development has now been announced that greatly extends the scope of the instrument, by providing a proportional output signal that enables 'on blend' conditions to be established very quickly. The basic mechanism comprises two parallel viscometers each consisting of two co-axial cylinders, the outer cylinder being driven at the same speed in each case. The oil occupies the annular space between the cylinder walls and exerts a viscous drag on the inner cylinder, this drag being transmitted to a torque-comparison mechanism above the viscometers. A laboratory sample of the required blend is fed to the reference viscometer. The differential-torque output between the reference and 'line' viscometers actuates a potentiometer which provides the proportional signal. This information may be used for control purposes, and also to provide visual indication of viscosity deviation from standard. Proportional pneumatic output may also be obtained by means of an electro-pneumatic converter.

Polyester Facing Panels

A company in Breda (Holland), is marketing reinforced polyester facing panels in a wide range of profiles, colours and compositions that meet the architectural and æsthetic demands placed on such panels in the building of flats and office blocks. The standard panels supplied by the company consist of two layers, namely, an outer layer of polyester reinforced with glass fibre and an inner layer of extra hard masonite about 6½ mm. (0.3 in.) thick to reinforce the outside layer. The latter it is claimed, is very strong and light, has excellent weathering properties and can be made in attractive standard colours. The standard panels measure 122 by 244 cm. (47.5 by 95 in.). The company also supplies panels with a third sheet fixed to the second for extra insulation. This extra sheet is of polyurethane foam and is about 10 mm. (0.4 in.) thick. Moreover, a fourth sheet, of any material desired, can be attached to act as a finishing layer and at the same time seal off the inside. Panels can also be supplied with reinforcing sheets of steel, multi-ply, fibreboard, aluminium, etc. For heat-insulating purposes cork, or any other insulating sheet desired, can also be used. The panels can be made to measure and supplied up to maximum dimensions of 400 x 400 cw. (157 in. x 157 in.).

Cold-cathode Tubes

Two new tubes with long-life pure-metal cathodes for an operating voltage of 300 v. such as results from direct rectification of mains current of 220 v. A.C. have been put on the market by the Cerberus A.G., Männedorf, Switzerland. The GR 31 noval tube is particularly suitable for actuating robust relays. The GR 41 sub-miniature, with its extremely compact dimensions and free wire connections, was developed for soldering into printed electronic circuits. A large number of methods of control are made possible by the two starter electrodes. These cold-cathode tubes for operating relays have the characteristics typical of such tubes with pure-metal cathodes: optical indication of whether switched on or off and temperature-independent characteristic stable over long periods of time with little variation.

Recovering Wool from Blended Fabric

British scientists at Leeds University, Yorkshire, have discovered a way of separating wool from man-made fibres in blended fabric so that the reclaimed material can be used again. For several years, large supplies of potentially valuable wool rags containing the newer man-made fabrics have been rendered almost commercially unusalable for re-manufacture because it was impossible to remove the man-made fibre content. Now the problem has been overcome at the laboratory stage and the next step is to adapt the discovery to commercial use. Further tests are being carried out on a pilot plant. If the discovery fulfils its initial promise, it will mark a new era in the woollen rag trade and waste reclamation section of the wool textile industry.

BARRIERS IN THE WAY OF INDIA'S EXPORTS

AN OBJECTIVE STUDY BY G.A.T.T.

THE major findings of the G.A.T.T. Committee III, contained in its report on *Trade of Less-Developed Countries*, were examined in some detail in these columns last week. Incorporated in this report is a special study on India's third Plan, with particular reference to the supply and demand prospects for exports from this country. The Committee recognises India's need for larger foreign exchange resources both for continuing investment and for servicing current loans. This, according to it, was a matter of importance not only for India, but also for other trading countries for, in the absence of larger earnings from exports, "India would have to rely," to quote the G.A.T.T. Report, "increasingly on policies aimed at import substitution rather than on development leading to increased levels of trade and a more rational division of labour." Similar conditions would also apply to the development of other less-developed countries. The Committee has highlighted the fact that "many Indian products continued to be subject to tariff and non-tariff barriers to trade which limited the possibilities open to India for substantially increasing its foreign exchange earnings."

The Committee is on strong grounds when it asks the developed countries to relax (and thereafter quickly remove) restrictions on exports from India. For, by reason of the availability of raw materials, manpower and skills, actual or potential, India will be able to expand several industries if these barriers were removed. Such action, according to the Committee, will lead to channelling of investment into directions of expanding existing industries or developing new industries with a view to securing efficient allocation of resources and the maximum expansion of trade. "This will," says the Committee, "lead to a higher level of international trade which will not only be beneficial to the Indian economy, but will also be of value to other countries having an interest in seeing an expansion in the Indian market."

Slow Growth In Exports

The study on the third Plan is based on a paper prepared by the G.A.T.T. Secretariat, taking into account the official third Plan documents and explanations given by the Government representatives on various aspects of the export problem. No attempt, however, has been made to discuss the political, social or institutional aspects of the third Plan. In its evaluation of the export targets envisaged in the third Plan, the Committee observes that an increase of just about 12 per cent expected in overall exports during the Plan period reflects the "cautious realism" of Indian planners. The table at the bottom of the page shows the anticipated trends in exports of a large number of major commodities during the third Plan periods. As the third Plan does not contain these breakdown figures, the table is adapted from the G.A.T.T. Report to give a clear picture. It may be noted, however, that the G.A.T.T. figures were collected towards the end of last year and some small changes might possibly have been made in these targets since then. It will be seen that the expected increase in exports in the third Plan is only marginal. In some instances, no doubt, this is being influenced by difficulties in developing larger export surpluses. But, as the Committee rightly says, the export forecasts are conditioned to a considerable extent by the various restrictions in force in a number of important markets which had the effect of limiting export possibilities for several major products of interest to India.

Although every effort is being made to diversify production and exports, the country continued to depend for the bulk of its export earnings on a few traditional export commodities, with tea, jute goods and cotton textiles accounting for 50 per cent of the total shipments. The Committee candidly concedes that about two-thirds of India's export trade is faced with obstacles in exporting countries, if account is taken of the restrictions of various kinds facing exports of tea, jute and cotton textiles and other commodities such as leather goods and footwear, coir manufactures, carpets, coffee, vegetable oils, fruits and vegetable products, fish and fish products and tobacco. In regard to some of the newer export items also, such as sewing machines and bicycles, according to the Committee, export opportunities are limited because of the imposition by certain countries of quantitative restrictions and high tariffs.

Commenting on the prospects for exports of tea, the Indian representative informed the Committee about the lack of progress in removing obstacles to expansion of exports of this commodity. As a result of the very high fiscal charges on tea, the retail price is in many countries considerably higher than that for coffee. India being the largest exporter of tea, market limitations on this commodity affect India most. Were it not for measures inhibiting the consumption of tea, particularly in Western Europe, the export of this commodity would have gone up substantially. Alluding to the trends in the development of tea industry in recent years, the Committee expresses the view that even a small increase in investment in the industry for replanting and increased use of fertilisers could lead to a substantial increase in output. But further investment in the industry, says the Committee, is hardly justified, in view of India's scarce capital resources so long as market outlets for this commodity remained unfavourable. It is to be hoped, therefore, that the high tariffs, revenue duties and fiscal charges on tea will be brought down by the industrialised countries.

Jute and Cotton Textiles

The problem is no less acute in the case of jute manufactures. Although world trade in raw jute is expected to expand slightly, export prospects for jute goods are limited "as long as these products continue to be affected by severe quota restrictions in a number of potentially important markets." The scope for exports of cotton textiles is also circumscribed, as in the case of tea and jute, by demand conditions rather than supply. In a number of potentially important markets in Western Europe, Indian textiles continue to be subject to quantitative restrictions. In a number of other countries, high tariffs are an effective brake on imports. In respect of difficulties faced by other traditional goods, the Report gives an account of what the Indian representative had to inform the Committee. The relevant portion of the Report is as follows:

"The representative of India explained to the Committee that exports of such items as gums, resins and lac, raw hides and skins, raw cotton and waste, raw wool and hair, mica, spices, cashew nuts and most metal ores, were on the whole not significantly affected by tariff or non-tariff measures. On the other hand, some of these products, for example, mica, gums, resins and lac, were affected by the use of substitutes which had the effect, at any rate, of limiting the growth of the market. Similarly, export demand for manganese ores was affected by changing industrial requirements as also by procurement through monopolies and bilateral barter arrangements. Other items in the category of goods having relatively unimpeded access to foreign markets were either specialities such as spices and cashew nuts or raw materials such as raw hides and skins, raw cotton, and iron ores, for which there existed a ready market in industrialised countries, particularly for some of the special varieties exported by India. While India was anxious to expand its export earnings by making available for export all types of products for which there existed a ready export market, some of the items for which this was true were in short supply domestically. While provision was made in the Plan for increasing production of products in short supply in order to meet the growing domestic as well as foreign demand, it was obviously desirable, where economically justified, to progress towards more processing of raw materials in order to increase the country's foreign exchange earning capacity.

"In this connection, the representative of India pointed out that it was to be regretted that tariff and licensing policies continued to be in force in many industrialised countries which, by providing more favourable import treatment for raw materials than for processed products, were a factor in retarding the development of processing industries in less-developed countries. Examples of products which suffered from this differentiation in import treatment and of export interest to India were vegetable oils, leather goods and footwear, woollen manufactures and rugs and carpets. It had to be realised that whatever justification might have existed for this differentiation in import treatment when these measures were first introduced, the effect of their continued operation was primarily to discriminate against imports from less-developed countries which were dependent on exports of raw materials and products processed therefrom. He expressed the hope that this matter would find the serious and sympathetic consideration by Governments it deserved in order to find measures which would be of assistance to less-developed countries in developing and expanding processing industries and in increasing their foreign exchange earning capacity. He also pointed out that, with respect to other commodities which less-developed countries like India were in a position to export, such as fruit and vegetable products, tobacco, fish and fish products, many important markets were subject to restrictions imposed in connection with the implementation of the various aims of national agricultural and fishery policies. Moreover, such items as tobacco, for which there existed State trading and monopoly procurement in a number of countries, were handicapped by purchasing policies which often did not take full account of commercial consideration. In these circumstances it was difficult for a country like India to obtain a share in such markets, for example, in some markets in Western Europe."

The G.A.T.T. Committee was also asked to study the scope for expanding exports of non-traditional goods, that is, those of engineering, chemical and pharmaceutical industries. According to the Committee, although exports of such items as agricultural implements, machinery, builders' hardware, electric motors and pumps are not on the whole subject to quantitative restrictions in markets of industrialised countries, there are such restrictions on other items such as sewing machines and bicycles, which are "among the potentially more important exchange earners in this category of exports." Besides, many of these products are subject to customs duties at such a level as to affect trading opportunities.

While the Committee has welcomed the broad programmes of export promotion, it feels that there is scope for further efforts in this direction by both the Government and the business community. It has, however, not given an indication of what exactly are the other measures which it has in mind. It has warned that there is little point in undertaking export promotion in importing countries on those items which are severely restricted. But where markets were open, the Committee stresses, market research and trade promotion should lead to considerable trade gains. The Committee's findings briefly outlined above are objective and it is to be hoped that they will receive due attention at the hands of the Government of industrialised countries.

Anticipated Trends in Exports During Third Plan Period

(Value in rupees crores)

	Annual average Second Plan	Expected annual average Third Plan	Forecast 1965-66	Third Plan total
Major traditional exports				
Tea	130	135	139	675
Jute manufactures	109	110	115	550
Cotton textiles	59	65	67	325
Other traditional exports				
Fish and fish preparations	6	7	8	36
Cashew nuts	15	18	20	91
Other fruits and vegetables	5	6	6	30
Spices	10	11	11	53
Sugar	4	4	6	22
Coffee	7	7	9	37
Tobacco	15	15	15	77
Vegetable oils (including essential oils)	14	21	24	105
Oilcakes	11	20	22	100
Hides and skins	8	6	6	30
Leather and leather manufactures	23	22	21	110
Footwear	3	4	5	20
Raw cotton and waste	18	21	25	104
Raw wool and hair	11	10	10	52
Other textile fibres	4	3	3	15
Woollen manufactures	5	6	7	30
Yarns	11	12	13	61
Art silk fabrics	4	6	7	27
Coir manufactures	3	5	6	25
Gums, resins, lac	6	8	7	39
Mica	9	10	10	50
Manganese ore	17	13	12	65
Other ores and scrap	7	10	11	50
Coal and coke	6	7	8	37
Petroleum products	4	4	5	21
Iron ore and new export commodities				
Iron ore	14	35	45	176
Iron and steel	2	1	..	3
Ferro manganese	2	8	8	38
Metal manufactures	1	5	7	23
Machinery and transport equipment	2	7	6	36

Source: "Trade of Less-Developed Countries"—Special Report of the G.A.T.T. Committee III (1962).

INDUSTRIAL INDIA—ANNUAL 1962.

The annual number of *Industrial India* (Editor: Mr. H. R. Aiyer), the official organ of the All-India Manufacturers Organisation, provides a sumptuous fare of reading material on the various aspects of industrial development in the country. Packed in this 264-page bumper volume are no less than 75 articles, grouped in three main categories, namely, general, technical and miscellaneous, in addition to a supplement on Japan. In the leading article, the editor makes a fervent plea for removing regional disparities in development in the country, against the background of a critical review of the policy being pursued by the Planning Commission. As a corollary, he advocates decentralisation of the powers and functions of the Planning Commission through the constitution of planning commissions in every State. Every State, he emphasises, should have a planning commission responsible not only for the development of the State concerned, but also for co-ordinating development with the neighbouring States under the supervision of the Central Planning Commission.

Some of the notable contributions in this volume are "Industrial growth and the Role of Private Sector *vis-a-vis* the Public Sector" by Dr. V. K. R. V. Rao, "Distribution of National Income" by Mr. Eric da Costa, "Provision for Consumption in the Third Plan" by Dr. K. S. Gill, "Prospects for Cloth Consumption" by Mr. Arvind Narottam, "Indian Economy Meets the Basic Problems of Development" by Prof. J. K. Galbraith and "Outlook for Joint Ventures" by Prof. V. G. R. Aiyer. There are also several technical articles on a wide range of industries, including textiles, food preservation, mineral oil and vegetable oils, glass and ceramics, aluminium, light engineering, dyestuffs, etc, rubber, etc. The annual is priced at Rs. 7.50.

EMPLOYMENT FORECASTING

TECHNIQUES DISCUSSED AT O.E.C.D. SEMINAR

AT an international seminar on employment forecasting techniques recently organised by the Organisation for Economic Co-operation and Development (O.E.C.D.) in Brussels, four reports were presented discussing different aspects of this problem*. Three of these reports referred more especially to employment forecasting methods used in the last few years in three European countries, namely, France (J. Fourastié), the Netherlands (P. de Wolff) and Sweden (Sten-Olof Döös), while Professor J. Tinbergen, the General Rapporteur, was responsible for a comprehensive report on the work. The principal topics treated in these reports and discussed at the Brussels Seminar are outlined in this article.

Employment and Economic Growth

If it is true that "it is not a case of consuming what is produced but of producing what the population wants to consume," production must be adapted to consumer demand; this cannot be accomplished except by switching manpower from one activity or sector to another. Moreover, under the pressure of technical progress, workers released from agriculture or certain industrial branches are moving every day to other sectors in expansion. It would, therefore, be a serious error to neglect employment forecasts in overall economic planning.

According to Professor Fourastié, "the proper distribution of active population over the various sectors of activity needed for the welfare of the total population is the keystone of any long-term economic policy." Professor Fourastié stresses this point, for, in his opinion, "full employment in a period of economic growth is incompatible with stability of employment. Economic growth and equilibrium depend on the shifts in manpower which are required to adjust production to consumption and on the proper orientation of newcomers to the labour force."

Supply of Manpower

Studies of employment forecasting should, therefore, give consideration in the first place to the supply of manpower, that is, the demographical data for its assessment and the sociological factors likely to affect it in the medium or long-term. Factors influencing employment should likewise be analysed; these are of economic origin, and the most decisive are consumption and productivity.

A detailed study of the above leads to employment forecasts which can be global (determination of the total manpower availabilities) or more specific: by activity or by geographical area; or again, which is more difficult, by skill when taking technical progress into account. Forecasts by skill are doubtless the most valuable since they enable education and training to be intelligently planned in relation to future needs. From a strictly demographic point of view, forecasting of the total active population is a relatively simple process, for the people who will be of working age in 15 years' time have already been born. Moreover, the death rate is slow to vary and activity rates between the ages of 25 and 65 are practically constant. The raising of the school-leaving age or the retirement age are the only factors likely to affect it to any extent. The trend in female employment should also be kept in mind; the latter may depend on the tax regulations applying to married women or, because of measures taken in this connection, the number of women in part-time employment may increase. One fact is confirmed almost everywhere, namely the increase in the school attendence rate for girls. In the Netherlands this increase has been roughly estimated as affecting 50 per cent of the active population of a given age group. Finally, allowance must be made for regional or domestic migration which, as in the case of the United States, is sometimes considerable.

The experts meeting at Brussels agreed that the population censuses supplying such data were often taken at too long intervals. To overcome this difficulty, "micro-census" or sample surveys might be made for purposes of employment forecasting.

Demand for Manpower

By studying trends in consumption, production and productivity it is possible to forecast the main trends on the employment market in the coming years. However, some adjustments are unavoidable for it is virtually impossible to predict the effects of new techniques and of new industrial branches and activities.

With regard to the instability of employment, Professor Fourastié's opinion is shared by Professor de Wolff who says that the "relation does not hold for registered unemployment and short-term supply changes.... This proves that the participation ratios (or at least part of them) are subject to short-term fluctuations generated by and parallel to employment fluctuations." It is recalled that provision is made in a Netherlands long-term development plan for action to influence the rate of emigration in order to avoid disparity between supply and demand.

Short-term Policies

However, temporary solutions can always be found for labour shortages in specific sectors by having recourse either to overtime or to international co-operation in the form of temporary migration. This is at present the case in France where Spanish workers are employed for seasonal work and in Germany which has concluded an agreement with Spain for obtaining specialised Spanish workers.

If it is not possible to take emergency measures, the system of accelerated vocational training may be adopted, but this must be readily adjustable to all circumstances and must satisfy actual and immediate requirements. This brings us to the intricate problem of forecasts by skill and the corresponding educational and training policies.

Long-term Policies

While some shortages can be relieved in the short-term by accelerated vocational training, in the long-term it is essential to adopt an educational policy in the light of assumptions based on the trend in occupational structures. Thus, from surveys made by the French Ministry of Labour on industry and transport, Prof. Fourastié predicts that in 1975 the labour force index on the basis 1959=100 will be 171 for technicians and draftsmen, 148 for engineers, 151 for other top executives, foremen and supervisors, 130 for clerical staff and skilled operatives and 108 for unskilled operatives.

While the above data provide valuable information, it is nonetheless true, as pointed out by Prof. Fourastié "that the main cause of error in employment forecasting is the difficulty of accurately predicting technical progress, which has steadily been gaining speed in recent years." However, from a qualitative point of view, the effects of technical progress requiring more highly skilled labour will certainly be further intensified. In this connection the experts at the seminar unanimously recognised the need for an active population with an increasingly high level of general and scientific education.

Action in this direction is already being taken in Germany where specialisation is being increasingly held over to the last stage of vocational training.

Value of Employment Forecasts

It is still too early to give any value judgment on the employment forecasts made in various European countries. France is the only country that can give some information concerning the results of such forecasting for the second Plan (1952-57) and the third Plan (1956-61): generally speaking, the objectives in industrial production seem to have been exceeded, but with a smaller labour force than originally forecast. Growth of productivity has been greater than warranted by employment assumptions. In agriculture, the annual reduction in the labour force seems to have been approximately 100,000 persons in 1961 as against the 85,000 forecast in 1958.

France seems to have obtained from this first experiment useful data for the preparation of the fourth Plan and many European countries are more and more adopting a policy of economic forecasting in general and employment forecasting in particular on which to base a wages and employment reclassification policy in agreement with industry and the trade unions.

Among the recommendations adopted by the participants at the international seminar in Brussels, attention may be drawn to the following:

(1) The request for fuller and more detailed statistical information.

(2) The need for closer international co-operation, particularly in respect of small countries whose economy is largely dependent on exports. The latter (Ireland, Luxembourg, Denmark, the Netherlands) would like to be able to forecast consumer needs of importing countries, for any changes in the demand for goods exported by these countries greatly influence their labour market.

(3) Exchanges of information on educational classification. Such classification varies greatly from one country to another, as pointed out by Mr. Sten-Olof Döös who gives a tentative classification in Appendix 3 to his report.

(4) Greater standardisation and co-ordination of statistical data. The experts laid special emphasis on the need for information compiled at the same date and satisfying the same criteria.

Developing Countries

Finally, Professor Tinbergen discussed the question of developing countries. For them the most important aim is to increase the national product, but as they suffer from widespread unemployment, the number of jobs must likewise be increased. The inconsistency of these two main aims constitutes one of the fundamental difficulties. It is often thought, and to some extent justifiably, that one of the swiftest ways of increasing production is to create industries with a large amount of capital. Such industries do not, however, create many additional jobs owing to their high level of mechanisation. Employment forecasting in these countries is therefore closely related to economic development targets. According to Professor Tinbergen, among available projects "a choice has to be made satisfying as much as possible the conditions that all capital and all labour available be used and that a maximum contribution to national product be made.... The need for education must be then derived from the production structure thus chosen."

*(i) *Employment Forecasting: General Report*, by Jan Tinbergen, Director of the Netherlands Economic Institute, Rotterdam.

(ii) *Employment Forecasting in France*, by Jean Fourastié, Professor at the Conservatoire National des Arts et Métiers, Paris.

(iii) *Employment Forecasting Techniques in the Netherlands*, by Professor P. de Wolff, Central Planning Bureau of the Netherlands, The Hague.

(iv) *Long-term Employment Forecasting: Some Problems with special reference to current organisation and methods in Sweden*, by Sten-Olof Döös, Chief of Forecasting Unit, Royal Labour Market Board, Stockholm.

Notice

GANNON DUNKERLEY AND COMPANY LIMITED

Registered Office:
CHARTERED BANK BLDG., BOMBAY 1

NOTICE

THE 39TH ANNUAL GENERAL MEETING OF the Company will be held at its Registered Office, Chartered Bank Building, Fort, Bombay, on Friday, the 28th September 1962, at 4-00 p.m. to transact the following business:

1. To receive and adopt the Directors' report for the year ended 31st March 1962 together with the audited statement of accounts for the period.
2. To declare a dividend.
3. To elect a Director in place of Mr. M. R. Morarka who retires by rotation but being eligible offers himself for re-election.
4. To elect a Director in place of Shri Shivnath Kanoria who retires by rotation but being eligible offers himself for re-election.
5. To appoint auditors for the financial year ending 31st March, 1963.

By Order of the Board,

R. MORARKA,
Governing Director.

Dated: 20*th August* 1962.

N.B. (i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(ii) The Transfer Books of the Company will be closed from 21st September 1962 to 5th October 1962, both days inclusive.

ORIENT PAPER SCRAPES THROUGH

PROFIT-MARGIN DECLINES FURTHER

THE uneconomic working of the paper industry as a whole, which called for (and has since been granted) an increase in selling prices, is reflected in the results of the Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers (Private) Ltd., Calcutta) for the year ended 31st March 1962. As the *ad hoc* increase of 6 nP per kg. in the selling prices of paper and board and the discontinuance of the rebate on reels took effect only from 21st June 1962, they had no bearing on the Company's working during the year under review. This turned out to be more uneconomical than in the previous year because of further increases in the costs of raw materials, chemicals, stores and power and fuel. Undeterred by the unencouraging working conditions, the Company expanded its operations and realised gross sale proceeds of Rs. 10.11 crores as against Rs. 8.94 crores in the previous year. But this meant, at the same time, a higher excise burden of Rs. 191.79 lakhs as compared with Rs. 137.07 lakhs a year before. In such circumstances, all that the Company could do and, in fact, did, was to scrape through.

Better Efficiency

A redeeming feature of the year's working is an increase of Rs. 62.98 lakhs, or 8.3 per cent, in net realisations (sales, less discount and excise duty) at Rs. 814.58 lakhs, thanks to higher production and increased efficiency in the working of the factory. It will be recalled that the modernisation programme of the Company was to be practically completed by the end of the year under report and would help it in its efforts to further improve production as also to achieve a still higher level of efficiency. As for the year under report, however, the increase in net sales has meant only a minor improvement in gross profit from Rs. 203.66 lakhs to Rs. 210.22 lakhs and actually a lower profit-margin (ratio of gross profit to net sales) of 25.7 per cent as compared with 27 per cent to which level it had dropped in the previous year from 29 per cent in 1959-60. While the provision for depreciation has been reduced by about Rs. 14 lakhs to Rs. 56.94 lakhs, that for taxation has been raised by as much as Rs. 17 lakhs to Rs. 65 lakhs. Consequently, the net profit has looked up just slightly from Rs. 74.90 lakhs to Rs. 76.20 lakhs. Nonetheless, the Company has not only maintained the taxable dividend at 22.5 per cent per annum *pro rata* on the increased capital following the issue of 440,475 shares of Rs. 10 each at a premium of Rs. 12 per share to the existing shareholders as on 27th May 1961 in the proportion of three new ordinary shares for every ten such shares held by them but also ploughed back Rs. 27.50 lakhs—just Rs. 2.50 lakhs less than that in the previous year—to reserves. The carry forward is Rs. 2.26 lakhs, as against Rs. 1.80 lakh brought in.

A clear idea of the Company's working in the past four years can be had from the comparative table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds (gross)	10,11.29	894.21	785.22	701.22
Less: Discount	4.92	5.55	0.11	0.10
Excise duty	191.79	137.07	106.05	98.28
Net realisations	814.58	751.60	679.07	602.84
Other income, including adjustments	28.43	20.68	21.21	9.39
Closing stocks of finished goods and stock-in-process ..	17.11	20.97	14.20	6.27
Raw materials, stores, spares, etc., consumed	334.31	308.85	269.10	252.78
Staff expenses	109.22	106.12	98.82	81.95
Other expenses	179.19	157.24	141.71	118.22
Gross profit	210.22	203.66	197.71	158.12
Provision for—				
Depreciation	56.94	70.03	72.50	51.00
Taxation	65.00	48.00	40.00	30.65
Managing Agents' remuneration.	12.08	10.73	12.77	10.70
Net profit	76.20	74.90	72.44	65.77
To reserves	27.50	30.00	30.00	37.00
Dividends—				
5.50 and 7.86 per cent preference	12.73*	12.73*†	8.43*	6.26
Ordinary	35.51	33.04	33.04	22.02
	(22.5%)*	(22.5%)*	(22.5%)*	(15%)
Carry forward	2.26	1.80	4.23	1.69
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	44.90	48.85	42.65	38.00
Low	39.60	39.00	35.10	27.90

* Subject to deduction of tax.
† Includes Rs. 1.56 lakh paid later under Preference Shares (Regulation of Dividends) Act, 1960.

No doubt, the current year's working of the Company would reflect the benefit of the concession granted to the industry by the Government this year. However, it would also reflect the impact of the excise duty on gases, hessian and other goods, levied in the Central budget for 1962-63. Besides, the Orissa Government has imposed a duty on the consumption of electrical energy at the rate of 15 per cent of the rate charged by the suppliers under the provisions of the Orissa Electricity (Duty) Act, 1961, with effect from 16th October last. The same rate of duty is also payable by the Company on the electrical energy which it generates for its own consumption. The writ petition filed in the High Court of Orissa at Cuttack, challenging the validity of the levy under the Orissa Taxation (on goods carried by roads or inland waterways) Act, 1959, is still pending final orders.

Amlai Project

The Government has granted the Company the import licence for its paper mill project at Amlai and approved the credit sanctioned in its favour by the Export-Import Bank of Washington. Orders for plant and machinery have been finalised and the construction work is in progress.

Pursuant to orders dated 2nd January 1962 and 10th March 1962 of the High Court of Orissa and an order dated 20th February 1962 made by the High Court at Calcutta, the Hindusthan Cellulose and Paper Mills Ltd., a wholly-owned subsidiary of the Company, has been amalgamated with the Orient General Industries Ltd., another wholly-owned subsidiary, and dissolved with effect from 2nd April 1962. As a result of the amalgamation, the Company has been allotted one lakh equity shares of Rs. 10 each fully paid-up in the Orient General Industries Ltd. in lieu of an equal number of shares held in the amalgamated unit. During the year, the amalgamated unit earned a higher profit of Rs. 3.33 lakhs as compared with Rs. 1.02 lakh in the previous year. As against a loss of Rs. 6.82 lakhs for the previous year, the Orient General Industries Ltd. showed a surplus of Rs. 3,397 for the year under report, after providing Rs. 9.06 lakhs for depreciation and Rs. 1.39 lakh for taxation. The surplus, together with the credit balance of Rs. 9.78 lakhs brought forward, making a total of Rs. 9.82 lakhs, has been carried forward. The Air Conditioning Corporation Ltd., another subsidiary, earned a profit of Rs. 5.21 lakhs as against Rs. 3.20 lakhs in the previous year, but Motolite Ltd. made a loss of Rs. 879, as against a profit of Rs. 9,043, despite an improvement in sales from Rs. 7.82 lakhs to Rs. 18.25 lakhs.

Capital Increased

The Company has received the entire amount against the call for the balance amount of Rs. 16.50 per share (including the premium of Rs. 9) made payable between 2nd and 12th April 1962 on the 440,475 shares issued last year, which, naturally, is not reflected in the accounts for the year under review, which show Rs. 5.50 per share (including Rs. 3 by way of premium) received on application. The paid-up capital, therefore, has increased from Rs. 326.84 lakhs to Rs. 340.21 lakhs and is made up of Rs. 157.84 lakhs in equity shares and Rs. 180 lakhs in preference shares. As against this, reserves and surplus aggregate Rs. 395.04 lakhs. It will be recalled that, following the addition to the share capital account, the Company redeemed debentures worth Rs. 1 crore on 30th June 1961. The amount paid to the holders of the debentures during the year under report amounted to Rs. 97.80 lakhs and, inclusive of the unclaimed and unpaid interest, there is still an outstanding liability of Rs. 2.62 lakhs. Bank loans were reduced from Rs. 76.52 lakhs to Rs. 20.46 lakhs, but unsecured loans increased from Rs. 13.39 lakhs to Rs. 55.96 lakhs. Then, there are current liabilities and provisions shown at Rs. 181.55 lakhs. Excluding the debenture liability, the total indebtedness of the Company to outsiders works out to Rs. 257.95 lakhs, which, however, is comfortably covered by current assets, loans and advances, aggregating Rs. 314.67 lakhs, and investments of Rs. 31.17 lakhs, of which Rs. 15.20 lakhs are quoted and command a market value of Rs. 19.22 lakhs. The gross block of the Company, which expanded from Rs. 10.31 crores to Rs. 10.81 crores, has been written down to Rs. 6.50 crores.

Taking the net dividend per share at Rs. 1.50, the Rs. 10 fully paid ordinary shares of the Company offer at their current rate of Rs. 42.70 *cum-div.* a net yield of 3.6 per cent per annum.

UNITED NILGIRI TEA

EFFECTS OF LOWER CROP OFFSET BY BETTER SALE PRICE

THANKS to a slightly better average sale price of Rs. 5.14 per kg., the United Nilgiri Tea Estates Company Ltd. (Managing Agents: Messrs. T. Stanes and Company Ltd., Coimbatore) has fared fairly well during the year ended 31st March 1962, despite the fact that its tea crop for the period was lower at 755,000 kgs., as compared with 828,976 kgs. for the previous year. However, the crop was higher than the estimate of 725,000 kgs. Besides, the previous year's crop was the record for the Company and was obtained due to exceptionally favourable weather conditions both early in the season and at its close. The Directors have argued that the 1960-61 crop was obtained, therefore, at the expense of the 1961-62 crop. The short-fall in the crop for the year under report was particularly great at 97,442 kgs. in the first two months, that is, April and May.

The gross profit for the year shows only a small setback at Rs. 15.22 lakhs as compared with Rs. 16.12 lakhs for the preceding year. Therefore, the allocations and appropriations for the year do not show any drastic change from the previous year's levels. Thus, while the provision for taxation has naturally been reduced from Rs. 6.50 lakhs to Rs. 5.78 lakhs, that for depreciation has been put up from Rs. 2.15 lakhs to Rs. 2.22 lakhs. Credit to reserves amounts to Rs. 1.54 lakh, as against Rs. 1.88 lakh a year before. The total dividend has been maintained at 22 per cent per annum, subject to tax, although the interim was pruned from 10 per cent to 7.5 per cent. The amount to be carried forward (Rs. 0.29 lakh) is nearly the same as the sum brought in.

The synopses of the Company's working in the past four years are contained in the comparative table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds, less excise duty*	39.14	40.17	34.80	39.45
Closing stocks	4.50	3.41	2.45	2.88
Other income	0.88	0.98	0.74	1.66
Staff expenses	13.10	14.18	12.94	14.39
Other expenses	12.79	11.81	10.51	10.48
Gross profit	15.22	16.12	11.66	14.40
Provision for—				
Depreciation	2.22	2.15	2.20	2.02
Taxation	5.78	6.50	4.31	6.15
Managing Agents' commission..	1.00	1.11	0.89	1.01
Net profit	6.22	6.36	4.26	5.22
Excess provisions written back and refunds	0.12	0.41	0.27	0.21
To reserves	1.54	1.88	0.70	1.32
Dividend	4.82	4.82	4.61	4.27
	(22%)†	(22%)†	(22%)†	(19.5%)
Carry forward	0.29	0.30	0.24	1.02
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	23.50	26.50	23.31	21.87
Low	20.25	23.00	21.37	16.80

* Excise duty amounted to Rs. 291 in 1962, Rs. 110 in 1961 Rs. 221 in 1960 and Rs. 100,019 in 1959.
† Subject to deduction of tax.

From 1st December 1961, the Company awarded, under the Wage Board recommendations, an increase of 15 nP in the daily wages for male workers, of 11 nP in those for female workers, of 9 nP in those for adolescents and of 8 nP in those for children. Uncovenanted staff in all grades was granted an increase of Rs. 10 in the monthly wages. Gratuities paid for the year amounted to some Rs. 36,000 against an estimated liability of Rs. 40,000. A final settlement was arrived at for bonus to labourers for 1961 on the same basis as for the preceding year and a provision for the same has been made in the accounts. Bonus to staff and assistants at Rs. 35,000, calculated at the agreed rate of a percentage of profits as before, has also been reserved.

The cost on the estates was Rs. 3.21 per kg. of made tea and, including the excise duty, the all-in cost amounted to Rs. 3.98 per kg., as against the gross selling price of Rs. 5.14 per kg. The estimated crop for the current year is 700,000 kgs. The five estates of the Company have a total area of 1,472.07 hectares, made up of 735 hectares mature, one hectare immature, 259.13 hectares under timber fuel and accacia and 476.94 hectares representing reserves, roads, buildings and waste.

During the year, the Company expended Rs. 1.58 lakh on buildings, Rs. 1.71 lakh on machinery, factory and furniture and Rs. 66,200 on vehicles. The capital expenditure for the current year is estimated at Rs. 3.9 lakhs, of which Rs. 1.50 lakh will be on machinery and factory, Rs. 1.69 lakh on buildings and Rs. 70,036 on vehicles. The first of the double set of four banks of withering troughs was installed in March 1962. The results have been most encouraging, although, to obtain maximum efficiency, it would be necessary to have a heater for use in the cold damp weather. The second set of four troughs is being installed now. One of the two rollers on order for more than a year was received and has been installed and the other is expected shortly. To drive this machinery and to put extra pressure on the existing rollers more power became necessary and, accordingly, the Company has installed a second 150 kVA transformer. Meanwhile, shortage of cement, steel and asbestos cement sheets continues to restrict the operations of the Company.

The financial position of the Company is sound. It has a paid-up capital of Rs. 21.93 lakhs, which is supplemented by reserves and surplus aggregating Rs. 18.63 lakhs. Current liabilities and provisions total Rs. 13.56 lakhs and are well exceeded by current assets, loans and advances aggregating Rs. 17.34 lakhs, of which Rs. 10.38 lakhs represent cash and bank balances. Investments have shrunk from Rs. 5.40 lakhs to Rs. 5.03 lakhs. The quoted investments amount to Rs. 4.86 lakhs and command a market value of Rs. 5.28 lakhs. The gross block, which increased from Rs. 49.96 lakhs to Rs. 53.85 lakhs during the year, has been written down to Rs. 31.75 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 20.37 *cum-div.*, final of 14.5 per cent. On the *ex-div.* basis, the net yield on them works out to almost 8 per cent per annum.

BIRLA JUTE'S RESULTS SATISFACTORY

FINANCES SOUND—OUTLOOK STEADY

HOW suddenly the fortunes of jute mill industry can change has been amply demonstrated by the financial results of those jute companies, the latest annual reports of which have been reviewed in *Commerce* so far this year. After passing through a serious crisis in the first half of the preceding year, the tide turned for the better all of a sudden and the second half of the year brought the most favourable trading conditions that the industry had experienced in recent years. On account of drought in the jute growing areas for the second year in succession, there was, it will be recalled, an acute scarcity of crop to meet the full requirements of the jute industry and as a result prices of raw jute soared to abnormally high levels. Production of jute mills had to be curtailed by sealing additional looms, reduction in working hours and block closure of mills for two periods of one week each in June and July 1961. Things continued in this difficult strain till the middle of September 1961. The situation, however, underwent a quick transformation when the 1961-62 jute crop turned out to be a bumper one. With the arrival of the new crop in the market in abundant quantities, trading conditions began to improve and the weekly working hours of jute mills were gradually increased to 45 from 42½ as at the commencement of the year. Moreover, mills were permitted to unseal, against their accumulated loom-hours, the maximum number of looms with a view to increasing the output to the fullest extent possible. At the same time, and this is important, the demand for jute goods was well maintained. Consequently, most of the jute companies were able to end their trading year 1961-62 on a happy note and retrieve at least a part of the lost ground in sales and profits.

The annual report of the Birla Jute Manufacturing Company [Managing Agents: Messrs. Birla Brothers (Private) Ltd., Calcutta] which still has a major interest in jute for the year ended 31st March 1962 provides one more instance of the welcome change in the fortunes of the jute mill industry. It further shows that the working of its other departments such as the cement plant at Sutna, the staple fibre spinning mill and the calcium carbide factory at Calcutta was also satisfactory.

The combined sales turnover of jute goods, cement, staple fibre yarn and calcium carbide during 1961-62 increased by Rs. 119.36 lakhs over and above the rise of Rs. 208.44 lakhs recorded during the previous year, and touched the peak level of Rs. 917.48 lakhs. In keeping with this improvement, the gross profit, too, has risen from Rs. 140.08 lakhs to Rs. 170.64 lakhs. What is interesting about this improvement is that the ratio of gross profit to turnover has actually improved from 17.6 per cent during 1960-61 to 18.6 per cent for 1961-62. If against this growth, the net profit has registered a rise of only Rs. 7.84 lakhs to Rs. 54.65 lakhs, it is because of much large allocations for the prior provisions, particularly the allocation for taxation which has nearly doubled from Rs. 21.30 lakhs to Rs. 42.00 lakhs owing partly to a higher taxable profit and partly to the increase in the rate of corporate taxation. In distributing the net profit, the Directors have followed a conservative policy. Thus, they have transferred Rs. 22.15 lakhs or nearly 45 per cent to the reserves. The equity shareholders get only the same rate of dividend as in the past two years, namely, 15 per cent subject to deduction of tax, but it actually claims a much higher amount of Rs. 23.93 lakhs as against Rs. 13.69 lakhs previously because of the increase in the number of shares consequent upon the right and bonus share issues made during the year. A sum of Rs. 1.08 lakh is being carried forward as against Rs. 1.84 lakh brought in.

The rapid progress made by the Company during the past four years is clearly brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	917.48	798.12	589.68	474.73
Other income	39.57	33.04	23.95	18.55
Closing stocks of finished goods	43.32	27.59	26.32	21.48
Raw materials, stores and finished goods consumed	551.30	469.05	313.39	287.43
Salaries, wages and benefits ..	111.33	103.27	93.88	77.76
Other expenses	139.46	120.04	98.87	63.21
Gross profit	170.64	140.08	112.33	80.44
Managing Agents' remuneration.	10.37	7.11	6.83	6.08
Provision for—				
Depreciation	63.62	64.86	42.28	17.69
Taxation	42.00	21.30	16.10	5.00
Net profit	54.65	46.81	47.12	51.67
To reserves	22.15	22.78	23.16	35.78
Dividends—				
Preference	9.34*	9.43*	9.63*	6.71
Ordinary	23.93	13.69	13.69	9.13
	(15%)*	(15%)*	(15%)*	(10%)*
Carry forward	1.08	1.84	0.93	0.29
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	38.00	36.12	29.56	21.87
Low	28.37	25.50	20.00	14.81

* Subject to deduction of tax.

It will be recalled that, during the year under review, the Company issued 456,300 new equity shares of Rs. 10 each at a premium of Rs. 6 per share besides capitalising a part of the reserves by issuing 228,150 bonus shares in the proportion of one for four existing shares. This has raised the equity share capital from Rs. 91.26 lakhs to Rs. 160.37 lakhs. The Company has also preference shares of two varieties: Rs. one crore in 7.86 per cent redeemable cumulative and Rs. 23.64 lakhs in 11 per cent (original 7½ per cent) non-redeemable cumulative. The paid-up capital is supplemented by as much as Rs. 336.40 lakhs in reserves and surplus, of which Rs. 27.29 lakhs constitute the share premium account. The increase in paid-up capital and reserves has enabled the Company to reduce its borrowings heavily from Rs. 173.01 lakhs to Rs. 104.20 lakhs. Of this total, Rs. 24.24 lakhs represent the loan availed of from the National Industries Development Corporation secured against mortgage of fixed assets of the Company. It is heartening to note from the Directors' report that even this loan has been liquidated since the close of the year under review, though it was repayable in instalments upto July 1974. Besides the secured and unsecured loans just referred to, the Company has current liabilities and provisions aggregating Rs. 178.83 lakhs. These show a sharp rise from Rs. 106.62 lakhs a year before. Additions to fixed assets during the year amounted to Rs. 43.77 lakhs, of which Rs. 10.11 lakhs pertain to jute mills, Rs. 17.49 lakhs to the staple fibre spinning department and Rs. 14.40 lakhs to the cement factory. Consequent on these additions the cost of the gross block has risen to Rs. 856.67 lakhs. On deducting therefrom Rs. 353.44 lakhs as the depreciation provided so far and adding Rs. 20.62 lakhs being the cost of capital work in progress, the net block works out to Rs. 525.85 lakhs. Investments at book value stand at Rs. 79.64 lakhs, of which Rs. 24.24 lakhs only are in fully paid ordinary shares of subsidiary companies. Of the rest all but Rs. 1.66 lakh are in the shares of a variety of joint-stock companies, including three newspaper enterprises. The market value of quoted investments at Rs. 88.38 lakhs is, however, twice as much as their book value at Rs. 44.41 lakhs, though unquoted investments are substantially high at Rs. 35.13 lakhs. As the income from investments in joint-stock companies by way of dividends was Rs. 5.52 lakhs in the year under review, the return works out to a little more than 4 per cent only. Current assets, loans, advances and deposits all together amount to Rs. 298.18 lakhs. The net worth per equity share of Rs. 10 each works out to Rs. 31.15, as compared with Rs. 44.09 a year before and Rs. 34.91 four years before.

On account of the favourable trading conditions now prevailing, prospects for the Company's jute unit for the current year are, in the opinion of the Directors, bright, unless the decline in business activity in the U.S.A., which happens to be the single largest consumer of jute goods from this country, assumes serious proportions. As for the other departments, satisfactory progress was made during the year in the expansion programme under which the capacity of the cement factory at Sutna is to be raised from 750 tons to 1,750 tons per day. Plant and machinery have begun to arrive and it is expected that the new capacity will be put into commission by about the middle of 1963. A licence for a refractory plant has also been obtained, but no decision has as yet been taken regarding the setting up of the plant. The staple fibre spinning mill worked satisfactorily throughout the year. Prices of staple fibre yarn have, however, declined much below the previous year's levels and, consequently, profits for the current year are likely to be adversely affected to some extent. The availability of adequate supplies of electrical power enabled the calcium carbide factory to operate both its furnaces regularly and attain a combined output of 35 tons of carbide per day, as against only 25 tons per day during the preceding year. Unfortunately, the cost of electricity is unusually high and the Company has taken up the matter with the State Electricity Department. The Government chose to disregard the expert opinion of the Tariff Commission as to what should be a fair ex-factory price for calcium carbide and fixed it at a level lower than that recommended by the Commission. Not much progress could be made on the scheme for the production of oxygen and acetylene, a licence for which has already been received. This is due to the delay in getting relevant import licences.

The Rs. 10 fully paid ordinary shares which were elevated to the cleared list on the Calcutta Stock Exchange during the year are currently being quoted around Rs. 33.87 *cum-div.* and fetch a net yield of 3.2 per cent per annum on an *ex-div.* basis. As the Company had issued right shares and bonus shares only last year, an investor who buys this scrip at the current price will have to wait for quite a few years to reap any substantial benefits. Beyond securing two new industrial licences, the Company has made no significant progress in regard to further diversification of its activities.

MANDYA PAPER ATTAINS CAPACITY

In less than a month after President Dr. Radhakrishnan inaugurated it on 2nd August 1962, the Mandya National Paper Mills Ltd. has attained the rated capacity of 35 tons of paper per day. It now looks forward to doubling its capacity which would make it the biggest enterprise of its kind in the country. Incidentally, Mandya Paper is said to be the first unit in Asia to make use of an unconventional raw material like bagasse for the manufacture of paper, which is available in bulk from the Mandya Sugar Factory and from the neighbourhood of Belagula, Mysore State, where the mills are situated. Besides, in the Company's factory is installed the 'Pandia' continuous system which, unlike the conventional digestion system, is capable of utilising a variety of raw materials such as bagasse, straw, bamboo, wood, etc., for pulping with equal facility. The quality of paper now being manufactured by the Company is claimed to be very superior. Mandya Paper, which has paved the way for meeting the third Plan production target of 7 lakh tons for paper, which is double the second Plan target, has been promoted by its Managing Agents, Messrs. Bedi and Company Management (Private) Ltd., well known in the field of civil construction and mining, in collaboration with Messrs. Parsons and Whittemore Lyddon Organisation of the U.S., which has pioneered the use of unconventional raw materials for making paper and has supplied, since its establishment in 1853, pulp and paper machinery to mills in more than 60 countries.

ASSAM SILLIMANITE SHARE ALLOTMENT

The Directors of the Assam Sillimanite Ltd. have finalised, in consultation with the authorities of the Calcutta Stock Exchange, the basis for allotment of shares to the public in regard to the issue of 240,000 equity shares of Rs. 10 each at par made in the third week of June last. The minimum number of shares to be allotted is 150 shares which will go to those who had asked for either 150 shares or 160 to 210 shares. The maximum number of shares to be allotted is 1,260 shares, to be given to the applicants for 20,000 shares. Two hundred shares will be allotted to the applicants for 220 to 300 shares, 250 to those for 310 to 500 shares and 300 to those for 510 to 600 shares. The applicants for 650 shares will be allotted 320 shares. The allotment will be exactly half the applications for 660 shares and will be more than 50 per cent, that is, 410 in the case of applications for 810 shares. Five hundred shares will be allotted to those who had asked for 1,000 to 1,600 shares, 600 shares to those who had applied for 2,000 to 3,000 shares, 700 shares to those having sought 6,000 shares and 800 shares to those who wanted 7,000 shares.

INDIA PAPER PULP'S PROFIT LOWER

DIVIDEND AND ALLOCATIONS REDUCED

FOR the India Paper Pulp Company Ltd. (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) the year ended 31st March 1962 was one of further erosion of profits, notwithstanding a slightly higher turnover. Gross realisation from sales has risen by Rs. 3.81 lakhs to Rs. 233.08 lakhs due probably to a bigger quantity of paper sold—as evidenced by a reduction in the closing stocks of paper and wrapper and a higher charge on account of excise duty. But this small increase has been more than neutralised by a substantial increase in expenses, particularly cost of bamboos, coal and chemicals. There has, therefore, been a shrinkage in profit-margin and the gross profit has, as compared with 1960-61, declined by Rs. 6.28 lakhs to Rs. 38.28 lakhs; the fall is nearly 40 per cent when compared with the high level of Rs. 63.19 lakhs achieved in 1959-60.

The lower profit has naturally necessitated a reduced provision for the Managing Agents' commission, of Rs. 2.25 lakhs as against Rs. 2.84 lakhs, and for taxation, of Rs. 11.55 lakhs as against Rs. 12.10 lakhs previously. It may be noted that the tax provision is lower, despite the increase in the rate of taxation, and had it not been for this increase, the saving would have been bigger still. The transfer to depreciation account has also declined by Rs. 1.20 lakh to Rs. 12.56 lakhs. After these essential provisions, the net profit works out to Rs. 11.92 lakhs, showing a fall of 24.6 per cent as compared with Rs. 15.86 lakhs earned in the previous year. This has necessitated an all-round cut in appropriations. The amount ploughed back has been reduced from Rs. 4.11 lakhs to Rs. 1.52 lakh and the dividend which had been pruned from 15 per cent to 13 per cent last year has been lowered further to 12 per cent per annum.

The vicissitudes in the fortunes of the Company during the past four years are clearly brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales of paper	233.08	229.27	250.58	154.75
Other income	4.27	2.65	1.58	0.89
Closing stocks	8.28	11.78	7.99	11.02
Excise duty	33.66	31.73	32.17	20.20
Manufacturing expenses	98.52	97.90	92.88	62.98
Other expenses	63.39	61.43	63.93	44.49
Gross profit	38.28	44.56	63.19	27.97
Managing Agents' commission	2.25	2.84	5.29	2.02
Provision for—				
Depreciation	12.56	13.76	15.73	14.70
Taxation	11.55	12.10	19.40	0.74
Net profit	11.92	15.86	22.77	10.50
Withdrawal from reserves	1.08	..	0.06	7.64
Sundry write offs	1.12	..	..	..
To reserves	1.52	4.11	9.75	11.59
Dividend	10.58	11.47	13.23	6.30
	(12%)*	(13%)*	(15%)*	(10%)
Carryf orward	0.46	0.69	0.40	0.55
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	22.50	22.75	26.44	25.56
Low	16.44	18.69	18.44	18.69

* Subject to deduction of tax.

Consequent upon the foreign exchange difficulties, there were further restrictions on the import by the Company of wood-pulp and the situation was further aggravated by the restricted working for several months of the digester plant on account of major renovations. In consequence, there was a further curtailment of production of finished paper which at 13,181 tonnes, was 1,225 tonnes lower than in the previous year. In order to get over these persistent difficulties regarding the import of wood-pulp, the Company, it will be recalled, had sponsored the formation of the Assam Pulp Mills. Unfortunately, certain difficulties regarding the raising of loan capital for this company could not be resolved and it had to be wound up. The Company's shareholding in the new project worth Rs. 1.12 lakh has, therefore, been written off.

As a further step towards obviating the reliance on imported pulp for making paper or on the use of bamboo as the essential raw material for making good quality pulp, the Company conducted during the previous years experiments at its mill with jute sticks as a substitute for bamboo. These were highly successful and it has now been proved that a good quality of paper can be made by the existing magnesium sulphite process from pulp manufactured from jute sticks. Encouraged by these results, the Company had approached the Government for a licence. The Directors now say that a licence for the expansion of the Company's pulp-making capacity using jute sticks as raw material has been received and that a licence for the import of the additional plant required is awaited.

These are welcome developments which may go a long way towards ensuring a smooth and efficient working of the paper mill, but they are of long-term import. Meanwhile certain developments which have taken place since the close of the previous accounting year have tended to blacken the immediate outlook. Costs have increased still further, owing to additional or increased levies introduced by the Finance Act, 1962 which affect several commodities and chemicals used by the paper industry, the enhancement of coal prices, the very substantial freight increase and the rise in wages. In addition, since May 1962, the severe power shortage in the Calcutta area has been necessitating both load shedding and periodic shut-downs at the hill plant, resulting in loss of production and considerable dislocation of the running of the plant.

The Company's financial position is strong. The issued and subscribed share capital stands unchanged at Rs. 88.20 lakhs, of which only Rs. 3.80 lakhs are in preference shares of Rs. 10 each, the balance being in equities. This is supported by Rs. 85.27 lakhs in reserves and surplus, an amount higher than the paid-up equity capital itself. Loans or borrowings are conspicuous by their absence and current liabilities and provisions aggregating Rs. 39.23 lakhs are very well covered by current assets, loans and advances, and investments amounting to Rs. 93.74 lakhs. A gross block of Rs. 251.05 lakhs has been written down to Rs. 105.96 lakhs or less than half its book value and the net block at Rs. 118.96 lakhs (inclusive of Rs. 13.00 lakhs worth of capital work in progress) forms only 68.6 per cent of the capital funds, thereby ensuring a comfortable working capital position.

Currently, the Rs. 10 paid ordinary shares are quoted at Rs. 20.25 *cum-final div.* On reducing the price to an *ex-div.* basis, the net yield on the full year dividend works out to about 4.3 per cent per annum.

FOUNDATION-STONE OF ORIENTAL POWER CABLES' FACTORY LAID

Mr. Mohanlal Sukhadia, Chief Minister of Rajasthan, laid the foundation-stone of the factory of the Oriental Power Cables Ltd. at Cable Nagar, Ainia, near Kotah, on Thursday, 30th August 1962. The ceremonial function marked the substantial progress made by the Company in regard to its Rs. 250-lakh project for the manufacture of 600 miles of paper-insulated power cables a year within about three months from the day (Thursday, 24th May last) it entered the capital market with a public issue of Rs. 80 lakhs, of which Rs. 53 lakhs were in equity shares of Rs. 100 each and Rs. 27 lakhs were in 9.5 per cent, taxable, preference shares, also of Rs. 100 each.

Arrangements for imports of plant and equipment are said to be well under way. Construction work for the factory and living quarters will be started soon. The plant, to be located on a 400-acre plot allotted by the Government of Rajasthan, is expected to go into production within a year. It will be powered by 2,000 K.V. of electricity at concessional rates. The Company's manufacturing activities will be in collaboration with Messrs. Sumitomo Electric Industries Ltd., a leading member of the Sumitomo Group of industries—the largest in Japan. Plant and equipment are being supplied by that firm under yen credit.

MORARJI INAUGURATES BLUE MOUNTAIN'S SUPERPHOSPHATE FACTORY

Mr. Morarji Desai, Union Finance Minister, inaugurated on Thursday, 23rd August 1962, the Rs. 50-lakh superphosphate factory of the Blue Mountain Estates and Industries Ltd. (Managing Agents: Messrs. Kothari and Sons (Agencies) (Private) Ltd.) at Ennore, ten miles from Madras City. The factory is designed to produce 44,000 tons of superphosphate and 16,500 tons of sulphuric acid per annum. The finance for the project has been arranged by the Company by the additional share capital issue of Rs. 21 lakhs, a sterling loan of £60,000 and bank borrowings of Rs. 13.7 lakhs. The plant and machinery have been supplied by Messrs. Simon-Carves Ltd., International Combustion Export Ltd., and Montecatini of Italy.

(*Concluded from next column*)

for 1959 stood at Rs. 200.71 lakhs, of which the share of National was Rs. 70.82 lakhs and of Asiatic Rs. 21.24 lakhs. The comparable figures for 1958 amounted to Rs. 156.39 lakhs, Rs. 64.29 lakhs and Rs. 17.27 lakhs, respectively. The net premia of the three units put together amounted to Rs. 84.34 lakhs for 1956 and to Rs. 121.24 lakhs for 1957, with the share of Orient rising from Rs. 28.94 lakhs to Rs. 53.05 lakhs, of National from Rs. 43.81 lakhs to Rs. 54.19 lakhs and of Asiatic from Rs. 11.58 lakhs to Rs. 13.99 lakhs.

The total assets of the Company as at 31st December 1962 stood at Rs. 784.18 lakhs, of which those held in India were Rs. 703.22 lakhs, including investments aggregating Rs. 213.79 lakhs and having a market value of Rs. 219.27 lakhs and cash balances of Rs. 219.51 lakhs.

ORIENTAL MAKES FURTHER HEADWAY

NATIONAL AND ASIATIC AMALGAMATED

A SIGNIFICANT development for the Oriental Fire and General Insurance Company Ltd. (Chairman: Mr. B. K. Kaul, Bombay) during the year ended 31st December 1961 was the completion of the amalgamation with it of the National Fire and General Insurance Company Ltd. and the Asiatic Government Security Fire and General Assurance Company Ltd. The merger was sanctioned by the High Court of Judicature at Bombay by an order dated 15th December 1961 effective from 1st January 1961. In pursuance of that order, the Company allotted to each of the members of National 10 'A' equity shares of Rs. 5 each credited as fully paid-up for every one share of National of Rs. 100 and to each of the members of Asiatic one 'A' equity share of Rs. 5 credited as fully paid-up for every one share of Asiatic of a like denomination. Now the paid-up capital of the Company is Rs. 110 lakhs, divided into 15,000 equity shares of Rs. 1,000 each with Rs. 500 paid-up and 700,000 'A' equity shares of Rs. 5 each fully paid-up, as against Rs. 135 lakhs of Oriental, National and Asiatic as at the end of the previous year. The balance of Rs. 25 lakhs has been taken to capital reserve.

The table below, carrying figures for 1960 and 1961 of the three combined units, gives an idea of the Company's department-wise working in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1961	1960	1959	1958
Fire:				
Net premium	120.77	93.79	37.02	28.62
Claims paid and outstanding	34.99	27.24	9.83	9.90
	(28.9)	(29)	(26.5)	(34.5)
Commission, expenses, etc.	43.94	33.99	12.84	11.07
	(36.3)	(36.2)	(36.2)	(34.6)
Underwriting profit	+27.38	+21.32	+10.78	+6.72
Increase in underwriting reserve	16.97	11.89	4.20	1.46
Marine:				
Net premium	53.84	51.02	15.42	18.93
Claims paid and outstanding	51.93	43.03	14.67	12.00
	(96.4)	(84.3)	(95.1)	(63.3)
Commission, expenses, etc.	8.97	11.75	1.80	1.40
	(16.6)	(23)	(11.6)	(7.4)
Underwriting profit (+) or loss (—)	—16.97	—15.58	+0.67	—7.79
Increase or decrease in underwriting reserve	12.17	12.69	—1.01	13.80
Miscellaneous:				
Net premium	259.69	170.94	56.22	27.29
Claims paid and outstanding	126.12	87.63	27.63	15.77
	(48.5)	(51.2)	(49.1)	(57.7)
Commission, expenses, etc.	87.78	55.10	14.05	7.47
	(33.8)	(32.2)	(24.9)	(27.3)
Underwriting profit (+) or loss (—)	+2.63	—5.99	+0.94	+1.17
Increase in underwriting reserve	48.25	36.36	14.47	3.38
Profit before taxation	20.29	9.58	17.32	2.89
Transfer from reserves, adjustments, etc.	..	0.26	..	..
Provision for taxation	12.00	1.83	7.25	0.50
Transfer to reserves	1.61	3.49	5.25	3.00
Dividend	6.60	4.50	4.50	..
	(6%)*	(6%)*	(6%)*	
Carry forward	0.29	0.31	0.42	0.09

* Subject to deduction of tax.

Note:—The figures in brackets represent percentage to net premium income.

The combined results for the last calendar year of the three companies, as compared with the grouped results for 1960 indicate commendable progress during the year under report. The net premia rose by 38.80 per cent from Rs. 315.73 lakhs to Rs. 434.30 lakhs. The funds under the three departments, fire, marine and miscellaneous, registered a further accretion of Rs. 77.39 lakhs, or 44.8 per cent, to stand at Rs. 250.07 lakhs. The total of 'own' funds, that is, capital, the three department funds and other reserves and surplus, without providing for the year's dividend, and excluding reserve for bad and doubtful debts of Rs. 3.51 lakhs and staff gratuity account of Rs. 3.56 lakhs, rose by Rs. 79.48 lakhs, or 24.2 per cent, to Rs. 408.1 lakhs. A sum of Rs. 3 lakhs has been provided as an additional reserve over and above the normal reserve required under the Code of Conduct in each of the departments. In spite of the strain caused by the increase in the allocations to departmental reserves, the profit before taxation has staged a sharp improvement of Rs. 10.62 lakhs, or as much as 110.85 per cent, to Rs. 20.20 lakhs. The provision for taxation has been raised sizably from a mere Rs. 1.83 lakh to Rs. 12 lakhs. A sum of Rs. 1.61 lakh (Rs. 3.49 lakhs a year before) has been set apart for reserves. The dividend has been maintained at 6 per cent per annum, subject to tax, but the amount required for this purpose has increased from Rs. 4.50 lakhs to Rs. 6.60 lakhs presumably following the change in the capital structure on the amalgamation of the two units as mentioned at the outset.

Readers would find it interesting to know that the combined net premia of the three units

(*Continued in previous column*)

Notices

GREAVES COTTON AND COMPANY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Forty-second Annual General Meeting of the Shareholders of GREAVES COTTON & COMPANY LIMITED, will be held on Thursday the 27th September 1962, at 4-30 p.m. (I.S.T.), at Bombay House Auditorium, 24 Bruce Street, Bombay 1, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance-Sheet and Profit and Loss Account for the year ended 31st March 1962.
2. To declare dividends on preference and equity shares.
3. To elect a Director in place of Mr. Surendr Lall who retires by rotation and, being eligible for re-election under Article 148 of the Articles of Association, offers himself for re-election.
4. To appoint a Director in place of Khan Bahadur C. B. Taraporvala who retires by rotation and to consider and, if thought fit, to pass the following Ordinary Resolution of which special notice in writing as required under Section 281 of the Companies Act, 1956, has been received:—

   "RESOLVED that pursuant to Section 281 of the Companies Act, 1956 and any other relevant provisions of the Companies Act, 1956, Khan Bahadur C. B. Taraporvala who has attained the age of 65 years and will at the date of this Forty-second Annual General Meeting be 66 years of age and who retires by rotation be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age limit for directors prescribed under Section 280 of the said Act shall not apply to him."
5. To appoint Auditors to hold office for the period from the conclusion of the meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To elect a Chairman of the Board of Directors in accordance with the provisions of Article 164(b) of the Articles of Association in place of late Lala Karam Chand Thapar who was the Chairman of the Board of Directors until his death on 29th March 1962.
7. To consider and, if thought fit, to pass with or without modifications the under-noted Resolution as a Special Resolution:

   "RESOLVED that, subject to the approval of the Central Government, Mr. Ajit Kumar Datta be and is hereby appointed a Director of the Company with effect from the date of the Government's approval and that the Company hereby consents to Mr. Ajit Kumar Datta who is a whole-time paid officer of the Company holding an office of profit under the Company on the terms and conditions set out in the draft agreement placed before the meeting and signed by the Chairman thereof for the purpose of identification, subject to modifications, if any, that may be effected by the Central Government, provided such modifications are not more favourable to Mr. Ajit Kumar Datta and are acceptable to him."
8. To consider and, if thought fit, to pass with or without modifications the following Resolution as a Special Resolution:

   "RESOLVED that the commission payable to the Directors of the Company other than working directors and special directors under Article 135 of the Articles of Association of the Company shall continue to be payable for a further period of five years commencing from 1st April 1962."

Notes:—(*a*) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956 in regard to the special business under items 4, 6, 7 and 8 set out above has been forwarded to the members of the Company.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

According to Article 118 of the Articles of Association, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting; in default the instrument of proxy shall not be treated as valid.

(*c*) The Share Transfer Books of the Company will be closed from the 11th day of September 1962 to 25th day of September 1962 both days inclusive.

(*d*) The dividend when sanctioned at the Annual General Meeting will be payable at National & Grindlays Bank Ltd., Lloyds Branch, Bombay, and its branches in India to those members whose names have been registered on the Company's Register on 11th September 1962 and Dividend Warrants will be despatched to them on and after 23rd October 1962.

By Order of the Board of Directors,

N. M. WAGLE,
Managing Director.

Registered Office:
1, FORBES STREET,
BOMBAY 1.
28*th August* 1962.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Fifty-first Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at Virginia House, 37 Chowringhee, Calcutta, on Tuesday 25th September 1962 at 3-30 p.m. for the transaction of the following business:—

To receive and adopt the Accounts for the year ended 31st March 1962 and the Reports of the Directors and Auditors thereon.

To declare a dividend.

To elect and re-elect Directors.

To appoint Auditors and fix their remuneration.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"that in accordance with Section 163 of the Companies Act, 1956, with effect from 1st October 1962, the Register and Index of Members and copies of the annual returns prepared under Section 159 of the Companies Act, 1956, together with copies of certificates and documents required to be annexed thereto under Section 161 of the said Act, be kept at the office of Jardine Henderson, Limited, situated at 4, Clive Row, Calcutta."

The share transfer books of the Company will be closed from 3rd to 25th September 1962, both days inclusive, and transfers received in order at the Registered Office of the Company by 1st September 1962 will be in time to be passed for payment of the dividend, if approved, to the transferees.

The dividend, if approved, will be paid on 27th September 1962 to the Shareholders whose names appear on the Company's Register on 25th September 1962, or to their mandatees.

By Order of the Board,

J. D. Farmer,
Assistant Secretary.

2*nd August* 1962.
VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA.

Note:—(1) A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

(2) In accordance with Sections 269 and 412 of the Companies Act, 1956, notice is hereby given that application will be made to the Government of India for approval of the election and re-election of Mr. W. K. Foster, Mr. F. A. Collett and Mr. H. C. Reeve.

(3) An Explanatory Statement has been sent to all members in accordance with Section 173 of the Companies Act, 1956.

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(*Registered Office*: ERNAKULAM)

NOTICE OF THE 26th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 26th Annual General Meeting of the Shareholders of THE COCHIN STATE POWER & LIGHT CORPORATION LTD., will be held at the Registered Office of the Company at Huzur Jetty, Foreshore, Ernakulam, on Thursday the 27th September, 1962 at 11.00 a.m.

AGENDA

1. To consider and adopt the Directors' Report and the audited Statements of Account for the year ended 31st March, 1962.
2. To consider the declaration of a Dividend for the year 1961-62.
3. (*a*) To appoint a Director in the place of Sri S. S. Thiyagarajan who retires by rotation and to consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution for which special notice as required by Section 261 of the Companies Act, 1956 has been received by the Company:

   "RESOLVED that Sri S. S. Thiyagarajan who is a Director and member of Messrs. Chandrie & Co. Private Ltd., the Managing Agents of the Company, be and is hereby appointed as a Director of this Company by this Special Resolution as required under Section 261 of the Companies Act, 1956."

   (*b*) To appoint a Director in the place of Sri G. A. Krishnamurthi, who retires by rotation.
4. To appoint Auditors for the current year and fix their remuneration and
5. Any other subject that may be brought up before the meeting.

The Share Transfer Books of the Company will remain closed from 20th September 1962 to 27th September 1962 (both days inclusive).

(By Order of the Board)

FOR CHANDRIE & CO. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS,
Dated 16th August, 1962.

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

(ii) The dividend when sanctioned at the Annual General Meeting will be paid on or after 28th September 1962 to those members whose names stand on the Register of Members on the 19th September 1962.

(iii) The explanatory statement concerning Resolution 3(*a*) above is being sent to the members individually.

THE TITAGHUR PAPER MILLS COMPANY LIMITED

DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1962

AT A MEETING OF THE DIRECTORS HELD on Friday, the 17th August, 1962, the following Dividends were recommended subject to deduction of Tax under Section 194 of the Indian Income Tax Act, 1961.

On First Cumulative Preference Shares at 10.4% p.a.

On Second Cumulative Preference Shares at 5.85% p.a.

On Preferred Ordinary Shares at 13% p.a.

On 'A' and 'B' Ordinary Shares at Re. 1/- per share p.a.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
18*th August*, 1962.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE DALHOUSIE JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.00 a.m. on Saturday, the 29th day of September, 1962, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1962 and to receive the Directors' and Auditors' Reports thereon.
2. To declare dividend recommended by the Directors.
3. To appoint Directors in the place of retiring Directors and in this connection to consider and if thought fit, to pass the following resolution of which a special notice as prescribed by Section 281 of the Companies Act, 1956 has been given to the Company.

   "That Gobind Lall Bangur who has attained the age of 67 years and who retires from the Board by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit prescribed by Section 280 of the Companies Act 1956, shall not apply to him."
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 13th September 1962 to 29th September 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

Note : (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

(*b*) The Dividend, if declared, will be paid on or after 18th October 1962, to those shareholders whose names appear in the Company's books on the 29th September 1962 or to their mandatees. No application for Dividend Warrants will be necessary.

Explanatory Statement in respect of item 3 has been sent to the Shareholders.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE AUCKLAND JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-10 a.m. on Saturday, the 29th day of September, 1962, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 13th September, 1962 to 29th September, 1962, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

Note : (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 18th October, 1962, to those shareholders whose names appear in the Company's books on 29th September, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

UNION JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of UNION JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta at 10-20 a.m. on Saturday, the 29th day of September, 1962, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividend recommended by the Directors.
3. To appoint Directors in the place of retiring Directors and in this connection to consider and if thought fit to pass the following resolution of which a special notice as prescribed by Section 281 of the Companies Act, 1956, has been given to the Company.

   "That Gobind Lall Bangur who has attained the age of 67 years and who retires from the Board by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 13th September, 1962 to 29th September, 1962, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

Note : (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 18th October, 1962, to those shareholders whose names appear in the Company's books on the 29th September, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

Explanatory Statement in respect of item 3 has been sent to the Shareholders.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE NORTHBROOK JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-50 a.m. on Saturday, the 29th day of September, 1962, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 13th September, 1962 to 29th September, 1962, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

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

(*b*) The Dividends, if declared, will be paid on or after 18th October, 1962, to those shareholders whose names appear in the Company's books on the 29th September, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

THE LANSDOWNE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LANSDOWNE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11-00 a.m. on Saturday, the 29th day of September, 1962, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To appoint Directors in the place of retiring Directors.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 13th September, 1962, to 29th September, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

Note :—(*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

THE STANDARD JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.20 a.m. on Saturday the 29th day of September, 1962, for the following purposes :

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To appoint a Director in the place of a retiring Director.
3. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

4. To pass the following resolution of which a special notice as prescribed by Section 281 of the Companies Act, 1956 has been given to the Company :

   "That Mr. K. C. Sen who has attained the age of 66 years be and is hereby elected as a Director of the Company whose period of office is liable to termination by retirement of Directors by rotation and it is hereby specifically declared that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to him."

The Share Transfer Registers of the Company will be closed from 13th September, 1962 to 29th September, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

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

Explanatory Statement in respect of item 4 has been sent to the Shareholders.

THE EAST INDIAN COAL COMPANY LIMITED

(*Incorporated in England with Limited Liability*)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Tenth Annual General Meeting of the Members will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Wednesday, the 3rd October, 1962, at 11.30 a.m., for the following purposes :—

1. To receive and consider the audited Accounts for the year ended 30th April, 1962, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of the one retiring.
4. To fix the Auditors' remuneration.

AS SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as an Ordinary Resolution :—

   "That the authorised capital of the Company be increased from £240,000 to £900,000 by the creation of 660,000 Ordinary Shares of £1 each.
6. To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as a Special Resolution :—

   "That the Articles of Association of the Company be altered in the manner following, viz :

   By substituting for Article 4 the following new Article, viz :

   "4. The share capital of the Company is £900,000 divided into 900,000 Ordinary Shares of £1 each."
7. To consider and, if thought fit, to pass with or without modification the following resolutions which will be proposed as Ordinary Resolutions :—

   (*a*) That subject to the consent of the Controller of Capital Issues of the Government of India 144,000 new Ordinary Shares of £1 each in the authorised capital of the Company be issued at a price of £1.13.0 per share including a premium of 13 shillings per share or as the case may be at the Indian rupee equivalent of Rs. 22 per share including a premium of the equivalent of Rs. 8.67 nP. for each new Ordinary Share on the footing that such new Ordinary Shares shall rank in all respects *pari passu* with the existing Ordinary Shares in the Company save and except that they shall not participate in any dividend which may be declared in respect of any period ended on or prior to 30th April, 1962.

   (*b*) That the said new Ordinary Shares so issued be offered subject to the approval of the Reserve Bank of India and/or any other statutory consents that may be required to those members of the Company whose names shall appear on the Company's United Kingdom Share Register on the 3rd day of October, 1962, in the proportion of three new Ordinary Shares of £1 each for every five existing Ordinary Shares then held by such members, at a premium of 13 shillings per share with a right to renounce all or any of the shares so offered to them in favour of any other person or persons whose names shall appear on the Company's United Kingdom Share Register on the date of renunciation or to persons whose names shall appear on the Company's Indian Share Register on the date of renunciation and whose registered address on that date shall be in India.

   Provided that if the offer of the new shares be accepted in full or in part by any members, whose names shall appear on the Company's United Kingdom Share Register as aforesaid, the required payment shall be made by the members concerned to the Company's bankers in London ; provided further that all fractional entitlements resulting from such offer as aforesaid shall be dealt with in the manner provided for in the resolution set out in paragraph (*h*) hereof.

   (*c*) That the said new Ordinary Shares so issued be offered subject to the approval of the Reserve Bank of India and/or any other statutory consents that may be required to those members of the Company whose names shall appear on the Company's Indian Share Register on the 3rd day of October, 1962, but whose registered address shall be outside India on that date, in the proportion of three new Ordinary Shares of £1 each for every five existing Ordinary Shares then held by such members at a premium of Rs. 8.67 nP. for each share with a right to renounce all or any of the shares so offered to them in favour of any other person or persons whose names shall appear on the Company's Indian Share Register on the date of renunciation and whose registered address shall on that date be within India or to other persons resident in India who are not at present shareholders.

   Provided that if the offer of the new shares be accepted in full or in part by such members whose registered address shall be outside India and that permission has been received from the Reserve Bank of India for accepting such offer, payment shall be made by the members concerned in Indian rupees to the Company's bankers in India at the rate of Rs. 22 (including the premium of Rs. 8.67) per share ; provided further that all fractional entitlements resulting from such offer as aforesaid shall be dealt with in the manner provided for in the resolution set out in paragraph (*h*) hereof.

   (*d*) That the said new Ordinary Shares so issued be offered to those members of the Company whose names shall appear on the Company's Indian Share Register on the 3rd day of October, 1962 and whose registered address shall on that date be in India in the proportion of three Ordinary Shares of £1 each for every five existing Ordinary Shares then held by such members at the rate of Rs. 22.00 (including a premium of Rs. 8.67) per share payable to the Company's bankers in India and with a right to renounce all or any of the shares so offered to them in favour of any other person or persons resident in India, provided that all fractional entitlements resulting from such offer as aforesaid shall be dealt with in the manner provided for in the resolution set out in paragraph (*h*) hereof.

   (*e*) That the 144,000 new Ordinary Shares of £1 each so issued be offered on the 25th October, 1962 to the members as aforesaid by a notice specifying the number of shares to which they are entitled provided that the offer, if not accepted on or before the 22nd December, 1962 either by the member to whom the offer has been made or by any other person or persons in whose favour the offer might be renounced as aforesaid, shall be deemed to have been declined and further specifying that the payment for such shares at the rate of £1.13.0 each payable in the United Kingdom or Rs. 22.00 payable in India as the case may be, for each new Ordinary Share so offered shall be payable in full on application, provided that the abovementioned date of offer, viz. 25th October, 1962 and the date of closure of offer, viz. the 22nd December, 1962 can be varied at its discretion by the Committee appointed by the Board in this behalf.

   (*f*) That any new Ordinary Share so issued not taken up by the said members in response to the above offer shall be available for subscription by those members of the Company who take up their rights under the said offer in full and who desire to apply for additional shares but so that the allotment of any such additional shares shall be subject to any condition which may be imposed by the Controller of Capital Issues, Government of India, and, in the case of a member with a registered address outside India, subject further to the approval of the Reserve Bank of India.

   (*g*) That the right to apply for additional shares shall not be renounceable in favour of any other person and in the event of the applications for additional shares exceeding the number of shares available, the allotment shall, subject to any condition that the Controller of Capital Issues, Government of India, may impose, be made in proportion to the respective existing holdings of Ordinary Shares of the applicants for additional shares as on the 3rd day of October, 1962.

   (*h*) That if the offer of the said new Ordinary Shares so issued results in any member becoming entitled to a fraction of a share, any such member who takes up his rights shall be required to pay for such fractional share in cash at the rate of £1.13.0 in the United Kingdom or Rs. 22.00 in India as the case may be, for every new share but the Company shall not issue any certificate in respect of fractional shares ; that the total number of shares representing such fractions shall be allotted by the Company to a person or persons appointed by the Board as nominees of the members entitled to fractional shares and the Company shall issue in favour of such person or persons certificates for the whole shares comprising such fractional shares which shall be sold by such person or persons in the open market as soon as practicable at the best price obtainable and the net proceeds of the sale of such whole shares shall be distributed amongst the members entitled to fractional shares in accordance with their respective entitlements.

Notice is also given that the Share Transfer Books of the Company will be closed from the 19th September to the 3rd October, 1962, both days inclusive.

A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
C. EVANS,
Acting Secretary,
Managing Agents & Secretaries.

4, CLIVE ROW,
CALCUTTA-1,
13*th August*, 1962.

THE KINNISON JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KINNISON JUTE MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-35 a.m. on Saturday, the 29th day of September, 1962, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividend recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 13th September, 1962 to 29th September, 1962, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

Note :—(*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 18th October, 1962, to those Shareholders whose names appear in the Company's books on the 29th September, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LAWRENCE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.10 a.m. on Saturday the 29th day of September, 1962, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To pass the following resolution of which a special notice as prescribed by Section 281 of the Companies Act, 1956 has been given to the Company :

"That Mr. K. C. Sen who has attained the age of 66 years be and is hereby elected as a Director of the Company whose period of office is liable to termination by retirement of Directors by rotation and it is hereby specifically declared that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to him."

The Share Transfer Registers of the Company will be closed from 13th September, 1962 to 29th September, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, 18*th August*, 1962.

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

(*b*) The Dividends, if declared, will be paid on or after 18th October, 1962, to those shareholders whose names appear in the Company's books on 29th September, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

Explanatory Statement in respect of item 5 has been sent to the Shareholders.

THE VELLORE ELECTRIC CORPORATION, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 33rd Annual General Meeting of the Shareholders of the Vellore Electric Corporation Ltd. will be held at the Registered Office of the Company, at No. 20, Second Line Beach, Madras-1, on Saturday the 29th September 1962, at 12 noon.

AGENDA

1. To consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1962.
2. To declare Dividend on Preference and Ordinary Shares.
3. To elect Directors in the place of those retiring :
   (*a*) Sri V. Anandakrishna Chetty retires by rotation and is eligible for re-election.
   (*b*) To appoint a Director in the place of Sri M. Subbaraya Aiyar who retires by rotation and to consider and if thought fit, to pass the following resolution as a Special Resolution. Special Notices under Sections 261 and 281 of the Companies Act 1956 have been received by the Company in regard to this.

"RESOLVED that the age limit prescribed in Section 280 of the Companies Act, 1956 shall not apply to Sri M. Subbaraya Aiyar who is aged 77 years and that he be reappointed a Director of the Company notwithstanding the fact that he is an Associate of Messrs. Chandrie & Co. Private Ltd., who are the Managing Agents of the Company."

4. To appoint Auditors for the year 1962-63 and fix their remuneration.
5. Any other subject that may be brought up before the meeting.

The Share Transfer Books of the Company will remain closed from 22nd September 1962 to 29th September 1962, both days inclusive.

(By Order of the Board)
For CHANDRIE & CO. PRIVATE LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, 25*th August*, 1962.

N.B.—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.

(*b*) The Dividend when sanctioned will be paid on and from 1st October 1962 to those members whose names stand on the Register of Members on the 21st September 1962.

(*c*) Explanatory Statement concerning Resolution 3(*b*) above is being posted to Members individually.

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 28th Annual General Meeting of THE WEST COAST ELECTRIC SUPPLY CORPORATION, LTD., will be held at the Registered Office of the Company, at No. 20, Second Line Beach, Madras-1, on Saturday the 29th September, 1962, at 1 p.m.

AGENDA

1. To consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1962.
2. To declare Dividends on Preference and Ordinary Shares.
3. To elect Directors in the place of those retiring:
   (*a*) To appoint a Director in the place of Sri K. V. Suryanarayana Iyer who retires by rotation and to consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution of which a Special Notice as required under Section 281 of the Companies Act, 1956 has been received by the Company.

"RESOLVED that Sri K. V. Suryanarayana Iyer be reappointed a Director of the Company notwithstanding the fact that he is aged 69 years and that the age limit under Section 280 of the Companies Act, 1956 shall not apply to him."

   (*b*) To appoint a Director in the place of Sri S. Viswanatha Mudaliar who retires by rotation and to consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company.

"RESOLVED that Sri S. Viswanatha Mudaliar who is a Director and a Member of Messrs. Chandrie & Co. Private Ltd., the Managing Agents of the Company, be and is hereby appointed as a Director of this Company by this Special Resolution as required under Section 261 of the Companies Act, 1956."

4. To appoint Auditors for the year 1962-63 and fix their remuneration.
5. Any other subject that may be brought up before the meeting.

The Share Transfer Books of the Company will remain closed from 22nd September, 1962 to 29th September, 1962, both days inclusive.

(By Order of the Board)
For CHANDRIE & CO. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS,
25*th August*, 1962.

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

(ii) The dividend when sanctioned at the Annual General Meeting will be paid on or after 1st October, 1962 to those members whose names stand on the Register of Members on the 21st September, 1962.

(iii) Explanatory Note concerning the Special Resolutions referred to in Items 3(*a*) and (*b*) above is being posted to the members individually.

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held on Saturday the 29th September 1962 at 2 p.m. at the Registered Office of the Company for the purpose of considering and if thought fit passing with or without modifications the following resolutions which will be proposed as Special Resolutions :

1. "RESOLVED that the restrictions on investment contained in Section 293(*c*) of the Companies Act shall not apply to the compensation amount received for the acquisition of the Cannanore-Tellicherry Undertaking of the Company and that the Directors may deal with the same as they deem fit."
2. "RESOLVED that the Directors of the Company be and are hereby authorised to start any new manufacturing industry which they may think fit and utilise therefor the amount received by the Company as compensation for the acquisition of the Cannanore-Tellicherry Undertaking of the Company by the Kerala Government."
3. "RESOLVED to approve and confirm the payment of additional remuneration at the rate of Rs. 400 per mensem from 1st April, 1957 to 31st July, 1962 to Sri S. Venkataraman, the Accredited Representative of the Cannanore-Tellicherry Electric Undertaking."

(By Order of the Board)
For and on behalf of
THE WEST COAST ELECTRIC SUPPLY CORPORATION, LTD.
For CHANDRIE & COMPANY (PRIVATE) LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

Registered Office :
20, SECOND LINE BEACH,
MADRAS-1,
25*th August*, 1962.

Note : 1. Any member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

2. Explanatory Note concerning the above resolutions is being sent to the members individually.

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

THE REGISTER OF MEMBERS AND Transfer Books of the Company will be closed from 15th September to 4th October 1962, both days inclusive, in connection with dividend payable on or after 15th October, 1962.

By Order of the Board,
For THE AMALGAMATED ELECTRICITY CO. LTD.
For N. C. JAVERI & CO.,
N. C. JAVERI,
Partner,
Managing Agents.

Registered Office :
17-B, HORNIMAN CIRCLE,
FORT, BOMBAY-1.
27*th August*, 1962.

SYNOPSES OF COMPANY REPORTS

Saran Engineering Co., Ltd.

(*Secretaries and Treasurers*: The British India Corporation Ltd., Kanpur, U.P.)

Fifty-fifth Annual General Meeting—8th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	36,54	37,42
Closing stock	5,81	4,12
Gross profit	8,63	8,41
Transfer to Managing Agents' remuneration	Nil	21
" " Ex-Managing Agents' remuneration	4	*Nil*
" " Secretaries of Treasurers' remuneration	56	35
" " depreciation	1,21	1,10
" " provision for taxation	3,50	4,00
Net profit	3,37	2,75
Adjustments	79	23
Appropriations :		
Total available balance	4,16	2,98
To expenses relating to previous years	2	2
Transfer to rehabilitation reserve	2,00	2,00
" " general reserve	1,25	20
" " development rebate reserve	2	1
Proposed dividend (taxable) ordinary	75	60
	(12½%)	(10%)
Carry forward	12	15

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items like profit on sale of motor car and excess provisions no longer required.

Extracts from the Directors' report: Trading conditions during the year have not been entirely upto expectations, as sales have gone down slightly; the reasons for the fall being—firstly—a shorter period for overhaul, repairs and replacement of machinery owing to the prolonged crushing season and, secondly—the growing competition from new Engineering firms. Nevertheless, the profits have been somewhat better because of increased realisations from scrap sales, savings in interest on Bank Overdraft and economies effected in other directions.

The recent establishment of engineering firms which also cater for the requirements of the sugar factories, has naturally resulted in splitting up of the Company's monopolistic business. The Directors have, therefore, started diversifying the Company's activities and have succeeded in securing and executing substantial orders from other firms. Besides, a firm of consulting engineers was engaged to advise on the possibility of expanding the Company's activities and utilising the idle capacity of the existing machinery. The report of the firm has been received and is receiving the Directors' attention. In view of the report of the consulting engineers that expansion would be spread over a period of some years and would involve an expenditure of several lakhs of rupees, the Directors have considered it necessary to increase the rehabilitation and general reserves.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	6,00,000	Gross block	31,36,550
Reserves and surplus	18,98,234	—Depreciation	21,35,182
Other liabilities	18,81,508	Net block	10,01,368
		Block in progress	11,886
		Current assets	32,26,118
		Investments	49,375
		Cash	90,495
	43,79,742		43,79,742

* Paid-up capital consists of 1,50,000 ordinary shares of Rs. 4 each fully paid up. Out of this, on 1 lakh Ordinary shares Rs. 2 per share was paid in cash and Rs. 2 per share credited as capital Bonus. 50,000 shares are allotted as fully paid by way of Bonus shares.

ACC-Vickers-Babcock Ltd.

(*Chairman*: Dharamsey M. Khatau, Esq. Managing Director: J. M. Marks, Esq.)

Registered Office: 16, Queen's Road Estate, Bombay 1.

Works: Durgapur, West Bengal.

Third Annual General Meeting—19th September 1962.

Extracts from the Directors' report for the year ended 31st March 1962: The Company has issued 4,00,000 equity shares of Rs. 100 each against which payment has been made in full. During the year, first mortgage debentures of the face value of Rs. 3.3 crores were issued in favour of the State Bank of India as security against cash-credit arrangements of upto Rs. 3.3 crores. 7 per cent third mortgage debentures of a total value of Rs. 2,02,00,000 (on which interest is not payable upto 31st March 1964) were issued in favour of the Associated Cement Companies Ltd., Vickers Ltd., London, and Babcock & Wilcox Ltd., London, in the proportions of 50 per cent, 25 per cent and 25 per cent. Negotiations for the loan of £1 million Sterling from Babcock & Wilcox Ltd., London, or their nominees are progressing and it is expected that this loan against the pledge of second Mortgage debentures will be made available before the end of the current year.

The greater part of the construction work at Durgapur has been completed ahead of schedule. Certain of the heavier machine tools are yet to be received from overseas but it is expected that the initial construction programme will be completed and the Works fully equipped by the end of September of this year.

The formal opening of the Works was performed by the late Dr. B. C. Roy, who was the Chief Minister of West Bengal, on 6th February 1962 at an impressive ceremony which was attended by many distinguished visitors including Sir Paul Gore-Booth, U.K. High Commissioner in India. The visitors were most impressed with the layout of the Works and the quality of the machine tools and equipment and spoke very highly of the Housing Colony which is reputed to be one of the best of its kind in India.

The Company has received firm orders for the manufacture and delivery of boiler plant to the extent of an estimated value of Rs. 8.23 crores. Further projects are in hand and it is estimated that orders will be received for further five boiler units of an estimated value of Rs. 7.5 crores under the Indian Power Projects programme.

Orders for cement-making machinery and ancillary plant thereto have been received to an estimated value of Rs. 68,76,000.

After providing for depreciation of fixed assets amounting to Rs. 22,46,248, the deficit for the year is Rs. 44,31,318. To this has to be added the deficit for the previous years carried forward of Rs. 171,760 making a total to be carried forward as a loss to the balance sheet of Rs. 46,03,078.

It is not immediately possible to take advantage of the development rebate allowed under the Income Tax Act and which is estimated at Rs. 58 lakhs until such time as the Company is able to earn taxable income. Owing to the considerable time-lag between the placing of orders and the final handing over of the Company's type of plant, it has to be appreciated that it is not possible to show the true financial results until some units have been finally handed over.

During the year ending 30th September, 1961 the working of Babcock & Wilcox of India Ltd. was satisfactory. The subsidiary company made a profit of Rs. 69,660.74 nP as against a loss of Rs. 45,574.82 nP during the previous year. The Company has not, however, declared any dividend as the profits made were inadequate for the purpose.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	4,00,00,000	Gross block	5,92,28,508
Debentures	2,02,00,000	—Depreciation	22,46,268
Other liabilities	3,04,85,917	Net block	5,69,82,240
		Current assets	1,79,14,984
		Investments	23,55,167
		Cash	78,20,000
		Miscellaneous expenditure	10,10,448
		P.L. a/c deficit	46,03,078
	Rs. 9,06,85,917		Rs. 9,06,85,917

* Paid-up capital consists of 4,00,000 equity shares of Rs. 100 each, fully paid up.

Anglo-India Jute Mills Co., Ltd.

(*Managing Agents*: Messrs. Duncan Brothers & Co., Ltd., Calcutta.)

Eighty-fifth Annual General Meeting—10th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales (including sales of gunnies purchased)	7,62,64	7,30,96
Closing stock :		
Gunnies	40,98	37,15
Work-in-progress—gunnies	2,11	3,86
" " —jute and yarn	7,67	10,95
Gross profit	35,03	28,83
Transfer to provision for Managing Agents' remuneration	2,25	1,24
" " provision for doubtful debts	Nil	80
" " depreciation	12,17	11,59
" " provision for taxation	9,00	5,25
Net profit	11,61	9,95
Adjustments	3,74	3,46*
Appropriations :		
Total available balance	15,35	13,41
To loss on investments (written off)	50	Nil
Transfer to development rebate reserve	2,04	1,50
" " investment reserve	1,50	Nil
Proposed dividends (taxable) C. preference	3,64	1,48†
	(9.1%)	(9.1%)
" " " "	4,92	3,69
	(10%)	(7½%)
Carry forward	2,75	3,74

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes a sum of Rs. 1,20,000 transferred from contingency reserve.

† The preference dividend for 1961 includes Rs. 84,000 being additional preference dividend for the year ended 31st March 1960. Calculated at 2.1 per cent, in accordance with the Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: Trading Conditions. The period from April, 1961 to March, 1962 was the most critical of recent years. The position was mitigated after October when quantity arrivals of new crop eased the shortage of raw material experienced prior to that date, and supplies became available at economic prices. During the latter part of the year adequate supplies of raw material and the continued overseas demand for gunnies at reasonable levels were the main features of trading which has been carried on at profitable margins.

The abundance of fibre supply brought in its wake the problem of assuring the cultivators of a fair price for raw jute. In order to achieve this and to ensure the supply of raw material to the industry at reasonable prices, the Jute Buffer Stock Association was formed and commenced trading in April.

Prospects for the current year are satisfactory. It is expected that the new crop, together with the carry over from last season will be sufficient for the industry's requirements, and overseas demand for jute goods would appear to have stabilised at a lower level of prices. The vigorous expansion programme of Pakistan mills however continues to present a growing threat to Indian exports of sacking.

The recent restriction on power supply is a matter of grave concern since its continuation is likely not only to undermine the industry's competitive position in the world markets but also to reduce the country's foreign exchange earnings.

Modernisation: The modernisation of the weaving departments continues to engage the attention of the Directors. The comparative merits of the various types of machinery on offer will be carefully assessed prior to determining the eventual choice of equipment.

Avenues are also being explored to extend this Company's activities to cover the manufacture of other specialised fabrics.

Investments: Although teething troubles in commencing production caused the results of Messrs. Isaac Holdens (India) Ltd., in which this company has a substantial interest, to be disappointing during the year ended 31st December 1961, the current year's working of that company is satisfactory.

The value of this company's investment in Messrs. Landale & Clark Ltd. being considerably below par, a further allocation of Rs. 1½ lakhs is being made to the investment reserve. The value of this company's shares in Landale & Clark (Pakistan) Ltd. has been written down to Re. 1 only and steps are being taken to put this company into voluntary liquidation.

The salvage department of Messrs. Landale & Clark Ltd. continues to work profitably. Settlements have been reached in respect of market differences on jute contracts which the company incurred during 1960 and the earlier part of 1961. The company's results for the year ended 28th February 1962, show a small profit.

Accounts in brief as at 31st March 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	89,20,700	Gross block	2,94,99,598
Reserves and surplus	92,00,227	—Depreciation	1,96,84,535
Other liabilities	2,47,81,575	Net block	98,15,063
		Block in progress	6,00,371
		Current assets	2,61,64,501
		Investments	61,89,436
		Cash	1,33,131
	Rs. 4,29,02,502		Rs. 4,29,02,502

* Paid-up capital consists of 40,000 seven per cent. cumulative preference shares of Rs. 100 each fully paid in cash and 49,207 ordinary shares of Rs. 100 each fully paid in cash.

Badra Coffee Estates Ltd.

(*Managing Agents*: Young India Agencies Private Ltd., Bangalore.)

Nineteenth Annual General Meeting—1st September 1962.

Working Results:

	For the year ended 31st May (In thousand rupees)	
	1962	1961
Sales :		
Coffee	6,73	3,94
Timber	5	Nil
Income from paddy, areca and pepper	4	7
Closing stock	4,44	5,67
Gross profit	23	2,10
Transfer to Managing Agents' commission	Nil	19
" " depreciation	18	18
" " provision for taxation	Nil	50
Net profit	5	1,23
Adjustments	43*	25
Appropriations :		
Total available balance	48	1,48
Transfer to general reserve	Nil	50
Proposed dividends (taxable) 7½% preference	11	11
" " " equity	32	64
	(7½%)	(15%)
Carry forward	5	23

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 20,000 transferred from dividend equalisation fund.

Extracts from the Directors' report: Coffee: The crop for the year was 197,803 tonnes from Badra and Gudiathota estate taken over this year as against the previous year's crop of 254,981 tonnes for Badra and 46,529 tonnes for Gudiathota Coffee Estate. The stock of coffee has been valued at Rs. 2 per point, same as previous year.

Estimate for 1962-63: Coffee crop is estimated at 190 tonnes.

Dividend on Equity shares: The profit of the year is lower owing to the lower coffee crop and the Directors consider it advisable to transfer a sum of Rs. 20,000 from the dividend equalisation reserve and recommend a dividend of 7½ per cent subject to tax on equity shares.

Accounts in brief as at 31st May 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	5,75,000	Gross block	11,46,430
Reserves and surplus	4,34,681	—Depreciation	1,25,948
Other liabilities	6,77,719	Net block	10,20,482
		Current assets	5,06,361
		Cash	1,60,557
	Rs. 16,87,400		Rs. 16,87,400

* Paid-up capital consists of 15,000 redeemable cumulative 7½% preference shares of Rs. 10 each and 1,75,000 ordinary shares of Rs. 2 each.

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STATE LOANS A SUCCESS

(From Our Own Correspondent)

BOMBAY, 29*th August*

The State loans have been a bigger success this year than in the previous year or in any of the preceding years, even though the amount sought to be raised by them was much larger. This provides a striking commentary on the extent to which the long-term capital market in this country has grown both in depth and width. It is said in Gilt-edged market circles that some of the State loans are already being offered at a discount varying from 75 nP to Re. 1.25 and that offerings are substantial in Andhra Pradesh loan in particular, suggesting thereby that there has been pressure on investors to extend support to these loans. That may be so; canvassing by State Government officials, including Ministers, for the issues of their respective States has become a regular feature since some years now. Nevertheless, it cannot be denied that the market for State loans has greatly broadened. One important reason for the marked success of State loans this year is the availability of large resources with banks, provident funds and the Life Insurance Corporation. Scheduled banks' deposits are at a record high level. It is learned from reliable circles that the support to be extended by the Reserve Bank to these loans was much less than in the previous years in terms of both amount and the number of States.

Although provision had been made in the announcement of State loans to keep the lists open from 27th August to the closing hours of 1st September, the response was so good that the lists for the issues of seven States were closed on the first day itself, the seven States being Maharashtra, Gujarat, Uttar Pradesh, Mysore, West Bengal, Bihar and Orissa. The lists for the issues of four more States—Assam, Andhra, Madras and Rajasthan—were closed on the second day and those for the remaining three—Kerala, Madhya Pradesh and the Punjab—on the third day, that is today. Five State loans were oversubscribed, as per following details:

(In crores of rupees)

State	Amount invited	Amount offered	Percentage of allotment
U.P.	9.00	11.81	81
Mysore	6.00	7.94	83
Maharashtra ..	12.50	15.07	89
Gujarat	6.00	7.11	92
Orissa	7.00	8.15	94
Total ..	40.50	50.08	..

Subscribers who had asked for Rs. 10,000 and below have been given full allotment.

The loans of the remaining nine States were, it is said, "fully subscribed." This means that allotment will be in full to all the subscribers to these loans. Subscriptions to West Bengal and Bihar issues amounted to Rs. 7.03 crores and Rs. 4.36 crores, as against Rs. 7 crores and Rs. 4 crores, respectively, the amount invited.

Full details of the results of conversion of maturing loans into new loans are not available at the time of writing; those available are as follows:

(In crores of rupees)

State	Amount maturing	Amount converted	Balance payable in cash
Maharashtra ..	7.99	2.09	5.90
Uttar Pradesh ..	1.86	0.50	1.36
West Bengal ..	1.75	0.73	1.02

All the applicants for conversion have been given full allotment.

It will be noted that only a small fraction of the maturing loans have been converted, leaving the major portion to be paid in cash. This tendency is not in consonance with the trend of overall response to the new loans.

The conversion results of Madras and Madhya Pradesh, having maturities of the order of Rs. 3.01 crores and Rs. 1.02 crore respectively, are not available at the time of writing. There is, however, no reason to think that they will have fared better than the others.

The preoccupation of the money market with the State loans requiring Rs. 93.50 crores—the total amount offered has been nearly Rs. 105 crores—led to temporary stringency in the call money market, with the inter-bank call rate jumping up from 1½ per cent before the lists opened to 3½ per cent thereafter. Even today, that is, after 12 States had closed their lists, the call rate stayed at 3½ per cent, with lenders scarce. Some banks are actually said to have borrowed from the Reserve Bank in order to ease their position.

The short-term money market was comfortable in all other respects. Trade and industry had no difficulty in getting their needs of bank credit satisfied. Nor was there any change in the rates of interest on short-term deposits, with the ceilings under the inter-bank agreement holding good.

In the Gilt-edged market, there were some offerings. Among the Central loans, 3 per cent 1970-75 lost 15 nP to quote at Rs. 89, 3½ per cent 1967 5 nP at Rs. 93.85, and 3½ per cent 1974 65 nP at Rs. 98.50. Among the State loans, 4½ per cent 1972 issue of U.P., Mysore, Madras, Kerala and Orissa had sellers, all losing 25 nP in their value.

FURTHER RISE IN TIN

(From Our Own Correspondent)

CALCUTTA, 28*th August*

This week's trading in the local metals market was featured by a hardening trend in the price of tin. Lead was unchanged, while copper scrap was quiet. On the London Metal Exchange, tin improved following further purchases by the buffer stock manager. The spot metal opened at £849½ a ton and rose to close firm at £851¼. The same

GOLD: RS. 151.51 PER TOLA

(From Our Own Correspondent)

BOMBAY, 29*th August*

Another new all-time peak was reached by gold in the bullion market this week which had only four working sessions, as it remained closed on Thursday (*Krishna Janmastami*) and Friday (as a mark of respect to the memory of Mr. W. R. Natu, Textile Commissioner, who passed away on Thursday). Today, ready gold was quoted at as high as Rs. 129.90 per 10 grams or Rs. 151.51 per tola, as against Rs. 128.05 on the 22nd inst. Bull support was well sustained, thanks to excellent offtake at upcountry centres and seizure of contraband arrivals in Bombay estimated at 7,000 tolas on Wednesday last week and 700 tolas today. There was also large-scale bear-covering by parties who had sold heavily immediately after the Union Finance Minister's statement that the Government was planning to mobilise gold hoardings. The daily average arrivals and offtake were both the same—4,670 tolas, as against 6,250 tolas last week.

The premium commanded by ready gold over the forward (*Bhadrapad*) increased from 80 nP on Wednesday last week to Re. 1.05 today when the *Bhadrapad* settlement stood at Rs. 128.50, as against Rs. 126.85.

In sympathy with gold and on hopes of better demand, silver registered further gains. Ready silver advanced from Rs. 216.15 to touch a high of Rs. 218.90 today. At this level, it was quoted at a discount of 35 nP under the *Bhadrapad* settlement—the actual discount last week-end was Re. 1.10—which rose in the course of the week from Rs. 217.25 to Rs. 219.25. The average daily offtake of silver was higher at 6 bars, as against 5 bars, while arrivals were unchanged at 21 bars.

Business in the *Margashir* settlement in gold and silver is due to commence on Friday the 31st inst.; the Bombay Bullion Association has already obtained the sanction of the Forward Markets Commission. The conditions governing the new settlement are similar to those applicable to the existing (*Bhadrapad*) settlement.

The dollar price of gold in the London bullion market, which had gone up successively in the past two weeks from $35.11½ to $35.13 per fine ounce, declined this week to $35.11⅞. Ready gold, however, improved further from 250*s.* 7½*d.* to 250*s.* 8½*d.*, owing to the easiness of the pound sterling *vis-a-vis* the dollar. Both ready and forward silver scored handsome gains, the former rising from 92*d.* to 94½*d.* and the latter from 92½*d.* to 95*d.* The gains followed the increase in silver price at New York, from 109.25 cents to 110 cents, due to heavy demand from domestic refiners and the Continental interests.

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

	29-8-62 (closing)	High	Low	22-8-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine) ..	129.55	129.90	127.80	127.65
*Bhadrapad** ..	128.50	128.85	126.75	126.85
Sovereign	98.00	98.00	97.50	97.75
SILVER				
Ready (.996 fine)	218.90	218.90	216.85	216.15
Bhadrapad† ..	219.25	219.25	217.40	217.25
London—				
Gold	250*s.*8½*d.*	250*s.*8½*d.*	250*s.*7½*d.*	250*s.*7½*d.*
Silver Ready ..	94½*d.*	94½*d.*	92½*d.*	92*d.*
Silver Forward	95*d.*	95*d.*	92¾*d.*	92¾*d.*
New York—				
Silver	110.00 cents	110.00 cents	109.25 cents	109.25 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

quotation was available for the three-months' delivery. The announcement from Washington that the weekly releases of tin from the national stockpile for disposal in the open market would be only 200 tons as against 300 tons planned earlier also influenced the sentiment in London. The General Services Administration proposes weekly releases for the first six months to commence with. At the end of this period, the situation *vis-a-vis* the world market trends would be reviewed and further releases would be regulated accordingly. Besides, at the end of the six months, the U.S. State Department would consult foreign producers and the International Tin Council on the policy to be followed for further releases. It was announced in Washington that, although the maximum release a week would be 200 tons only, about 160 tons only would be available to the commercial market. At this rate, it is expected that the time required for selling 50,000 tons would be more than five years.

In Calcutta, tin opened at Rs. 2,224.25 per 100 kgs. and, after improving to Rs. 2,273.50, closed firm at Rs. 2,263.75. There was good demand, but supplies were limited. The trade is keenly awaiting the Government of India's import policy statement next month. In his recent address to the Varnasi Brass Merchants' Association, the Union Minister for Industry, Mr. N. Kanungo, stated that by the middle of next month the Government would have reviewed the foreign exchange position and would be ready with measures to ease the acute shortage in non-ferrous metals. He also said that it was expected that imports would be maintained at last year's level.

Spot copper was firm at £234 a ton in London. The trend in Calcutta was easier, and this week's small fall in the price of copper scrap was a step towards equilization of quotations in India with those in the foreign markets. The easiness was also due to the quota allotments to actual users and also to the expectations of relaxation in the import quota now that the foreign exchange crisis has been less acute. According to the figures released by the U.S. Copper Institute, world stocks of copper at the end of July with mines and awaiting disposal amounted to 324,691 tons, showing an increase of 32,561 tons over the previous month. Production of refined copper during the month was higher at 174,675 tons as against 145,341 tons in June 1962. Stocks with the U.S. mines at the end of July were 100,517 tons as against 69,838 tons in June. These figures no doubt indicate that copper production in the world is in excess of consumption.

Electrolytic zinc,in Calcutta closed lower at Rs. 283.50 per 100 kgs., as against the opening level of Rs. 297.25.

COTTON FUTURES RISE FURTHER

(From Our Own Correspondent)

BOMBAY, 29*th August*

Cotton futures looked up again this week on short-covering induced by fears of damage to the crop in Berar and Khandesh, as also due to the general belief that there would be some inevitable delay in the arrivals of new season crop. Firm spot advices continued to act as a bullish factor. Enthusiasm to follow the rise in prices was lacking, as, at higher levels, the erstwhile buyers themselves were sellers. The tone at close, however, was fully firm. As against the previous week's closing level of Rs. 737, Jarilla March opened at Rs. 740.75 on Saturday the 25th inst. and, after declining to Rs. 739.75, rose to Rs. 744.50—the lowest and highest levels of the week, respectively—on that day. Thereafter, it moved narrowly both ways to close six points higher over the week at Rs. 743. Trading was dull and turnover limited, as the market was closed on three days during the week—on Thursday (*Janmashtmi*) Friday (due to the demise of the Textile Commissioner, Mr. W. R. Natu), and Monday (as a mark of respect to the memory of the late Mr. Venilal N. Patwa, a Director of the Association).

Activity in the spot market was limited for want of adequate supplies. The tone was firm. Mills lifted the available choice quality indigenous cotton, but the demand for imported growths was not broad and the import section, therefore, displayed an easy tendency.

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

Bhagalkot Co2 1,525, Dhulia Co2 1,610, Karmala Co2 1,620, Amravati 1,280 f.o.r. Ahmedabad, Bijpur Laxmi 1,190, Ganganagar 700-k/720-k, Sudan XG3L 1,355 c.i.f. January, Sudan G2L 1,731 c.i.f. January. Pakistan NT new 1,090 c.i.f. September and American ready 1,300.

Mr. Manubhai Shah, Minister of International Trade, told the Lok Sabha on the 27th that the creation of a buffer stock in cotton would be possible only when indigenous production had risen appreciably.

The State Governments have been requested by the Union Ministry of Community Development, Panchayati Raj and Co-operation, to take measures to provide co-operative marketing and processing facilities in the new areas under river valley projects which would become available for cotton cultivation. According to a special Sub-Committee appointed by the Indian Central Cotton Committee for considering proposals for intensification of cotton cultivation, the total new area that is expected to come under cotton cultivation in the river valley projects and rice fallows is estimated at nearly 2.13 million acres. Of these, 730,000 acres are in Punjab, 350,000 acres in the Nagarjuna Sagar area of Andhra Pradesh, the other States being Rasthan, Madhya Pradesh, Orissa and Madras. Many of these areas will be new to cotton cultivation and marketing and processing facilities may have to be provided to enthuse the cultivators to take to cotton in the initial years. It has, therefore, been pointed out to the States that the development of marketing and processing of cotton on a co-operative basis in these areas will offer a significant potential which should be fully utilised.

As the estimated production of cotton during 1961-62 was only 4.63 million bales, as against the third Plan target of 7.0 million bales, the Union Ministry of Food and Agriculture has conveyed to the States a number of suggestions for intensification of the programme of cotton production. It has also been suggested that the State Governments might demarcate the principal cotton growing tracts and take up intensive development in these areas on the lines of the package programme. The Ministry of Community Development and Co-operation has suggested that the State Co-operative Departments should obtain the requisite information from the Agricultural Departments regarding these specific areas and take early steps to strengthen the co-operative marketing institutions there for the marketing and processing of cotton.

The Karachi cotton market was easy this week, with the futures January contract closing at Rs. 73.70, as against Rs. 75.30 a week ago, and the March contract finishing at Rs. 73.60, as against Rs. 74.90. Some of the spot prices in rupees were: Sind *Deshi* 73.50, Punjab *Deshi* 67.50, 4F Punjab RG 77, Sawginned 81.50 and L.S.S. Punjab RG 80.50.

The New York cotton market was quiet in narrow movements. The news background furnished little or no incentive and lack of demand stemmed primarily from a further easing in the average spot price, quiet export trade and slow conditions in the goods market. The futures contracts closed with minor variations over the week. October finished unchanged at 33.68 cents. December closed a shade lower at 33.79/33.80 cents, as against 33.81 cents a week ago, and so did March at 34.15 cents, as against 34.18 cents. The New York spot price moved down during the week from 35.45 cents to 35.20 cents.

In the Liverpool market, the October delivery slipped down from 23.60 pence to 23.45 pence per lb.

YARNS EASY AGAIN

(From Our Own Correspondent)

BOMBAY, 29*th August*

The yarn market continued to rule distinctly easy during the week under review. Art silk yarns encountered persistent selling induced by the reported sizable arrivals of imported yarn and fears of further large arrivals in view of higher exports

of fabrics. Even the statement of Mr. Manubhai Shah in the Rajya Sabha yesterday (28th inst.) that the Government could not afford to spend more foreign exchange on import of art silk yarn failed to have any effect. Replying to a question as to whether restrictions on imports had severely hit weavers in Madras, he said that there was no difficulty so far as weavers working on cotton yarn were concerned. In the current year, imports of art silk yarn amounting to Rs. 12 crores had been permitted. He stated that he had received representations about the paucity of imports, because there was "continuous pressure of rising demand and the supply is not matching the rising demand."

Among spot yarns, National Rayons 150 Bt. cones 1st grade fell by 29 nP to Rs. 13.46 and 120 Bt. cones 1st grade by 16 nP to Rs. 16.21. South Indian Viscose 150 deniers climbed down from Rs. 13.46 to Rs. 13.20. Centurys 100 deniers declined by 49 nP to Rs. 18.08 and 75 deniers by 55 nP to Rs. 23.52. Amilan yarn (20×1) August contract, however, spurted by Rs. 100 to Rs. 4,800, owing to covering by spots.

Staple fibre yarn (40×2) drifted downward on fears of heavy delivery, against the maturing (August) contract. This contract was done today at Rs. 809, as against Rs. 809 last week-end. October delivery shed Rs. 3 to Rs. 834. Spot Centurys receded by 9 nP to Rs. 8.93. Kohinoors lost 3 nP to Rs. 9.61.

There was no change in cotton yarns which were maintained practically at last week's levels. Business put through was limited. The Textile Commissioner is arranging for the supply of grey yarn to hand-knitting wool processing units which have made representations about non-availability of grey yarn to meet their immediate requirements, according to Mr. Manubhai Shah. A scheme for the regular supply of yarn to these units is proposed to be introduced.

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

	29-8-1962	21-8-1962
	Rs.	Rs.
Art silk yarn—		
20/1 Amilon (100 kg.)—		
August	4,800.00	4,700.00
Nat. Ray. 150 Bt. 1 (per kg.) ..	13.46	13.75
Nat. Ray. 120 Bt. 1 (per kg.) ..	16.21	16.37
Staple fibre yarn (40×2)—		
August	809.00	812.00
October..	834.00	837.00
Kohinoor (per kg.)	9.61	9.64
Century	8.93	9.02
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.25	18.25
32s Madura	30.00	30.00
40s Gokak	36.50	36.50
60s Finlay	73.50	73.50
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GOOD CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, 27*th August*

Arrivals of kips in the local market this week from the tanneries were of fairly good, and the clearance kept pace with the arrivals. Prices were steadier than last week. Shipment business was difficult to conclude because most of the tanners were holding firm to their price ideas and were not inclined to follow importers counterbids. Small business was put through in the heavy weight cowhides for shipment to the East European countries, which lent some strength to the market. The U.K. importers also took some quantities of the inferior fifth cowhides. Inland demand for low grade cowhides continued brisk.

In the tanned goat skins section, tanners were quoting high prices for the top grades in good marks for which demand was good. Lower grades in secondary marks were sold to the Continent in small quantities at good prices. American buyers were not in the market yet. As regards sheep skins, demand for middle class tannages was brisk at firm prices, but for other classes it was restricted. Inquiries for suedes selection from the Continent were in evidence and these are expected to mature into orders within a week or two.

In the German skins auctions, only 40 per cent of the tanned goat skins on offer found buyers and that too at 3*d.* to 6*d.* lower than the current levels, while sheep skins met with little or no response.

GROUNDNUTS STEADY

(From Our Own Correspondent)

BOMBAY, 29*th August*

Oilseeds and oils suffered a setback in values later in the week after staging a smart rally in the earlier sessions. The setback was so sharp as to erase the initial gains completely. Groundnuts, however, proved an exception, in that they continued to receive bull support, induced by firm spot advices. There was persistent squeeze by crushers who feared a shortfall in 1962-63 crop. Note was taken of reports from Saurashtra suggesting pest attack in certain groundnut-growing areas. Hopes of new export quota for groundnut oil, too, imparted strength. Indeed, but for apprehensions regarding official intervention to check an undue rise in prices, as hinted at by Mr. G. L. Nanda, Union Minister for Planning in the Parliament, groundnuts would have gone up still further.

Controls on exports of some oils and oilcakes have been removed, according to an announcement by the Joint Chief Controller of Exports. The measure covers cottonseed oil, kardiseed oil, nigerseed oil, salad oil, sesame oil, and oilcakes (other than groundnut expeller cake, deoiled groundnut meal—solvent extraction variety having less than 1.5 per cent oil content—linseed cake and coconut oilcake).

The Government of India has decided to raise the third Plan production target for oilseeds from the present level of 9.4 million tons. This decision did not, however, have any effect on the market.

Groundnut September 1962 contract spurted from Rs. 240.75 to Rs. 249.50, before declining to Rs. 247.75. The net gain over the week was Rs. 7. January 1963 contract rose from Rs. 226.50 to Rs. 234.50 but today it was lower at Rs. 231.87. Nizam bold improved by 75 nP at Rs. 49.50 and Coromandel by 50 nP at Rs. 50.50. Oil January 1963 contract gained 55 nP to Rs. 31.70. Oil railway receipts gathered 45 nP to Rs. 19.90 and ex-mill 25 nP to Rs. 20.15.

Castorseeds September 1962 contract fell by 50 nP to Rs. 165.75. Ready Madras eased by 25 nP to Rs. 33. Oil B.S.S. shed 10 nP to Rs. 13.40. But oil commercial picked up 5 nP to Rs. 12.65.

Among linseeds, September 1962 contract lost 56 nP to Rs. 39.94. Bold ready finished lower at Rs. 39.75, as against Rs. 40. Linseed oil declined by 5 nP to Rs. 16.70.

Cottonseed September contract fell by Re. 1.50 to Rs. 102. Both non-white and Berar declined by 5 nP each to Rs. 22.20.

The following table shows the closing prices of oilseeds and oils on Wednesday, 29th August, as compared with those of the two previous weeks:

	29-8-1962	22-8-1962	16-8-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	247.75	240.75	240.00
Groundnut January 1963 ..	231.87	226.50	228.37
Nizam bold	49.50	48.75	49.00
Khandesh quality	50.50	50.00	49.75
Oil ex-mill ready*	20.15	19.90	20.00
Railway receipts*	19.90	19.45	19.80
Castorseed			
September 1962	165.75	166.25	169.75
Castorseed March 1963 ..	168.75	167.00	168.25
Ready Madras	33.00	33.25	34.12
Ready Kanpur	31.75	32.25	32.75
Oil B.S.S.†	13.40	13.50	13.95
Oil commercial†	12.65	12.60	12.90
Linseed			
September 1962	39.94	40.50	40 94
Bold ready	39.75	40.00	40.62
Oil ready†	16.70	16.75	16.80
Cottonseed September 1962	102.00	103.50	104.50
Cottonseed January 1963	103.50	103.00	103.00
Niger seed	38.50	37.75	38.00
Kardi seed	28.50	28.00	29.00

* Rates include excise duty but exclude sales tax

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

QUALITY TEAS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 28*th August*

Quality teas were in keen demand during the export sales held here yesterday, and their prices appreciated. Better support was accorded to dust teas on offer at the internal consumption sales held last week. The change in the pattern of demand is attributed to the decline in the North Indian production so far by 10 million lbs. as compared with the figure for the corresponding period last year. Evidently, those who were anticipating a decline in prices based on earlier estimates of a likely increase in production now think that the prices have reached the bottom levels and that the circumstances are propitious for a rapid recovery.

Concern has been rightly expressed over the rapid fall in India's share in the U.S. market for tea. The total imports of tea by the U.S. amounted to 108.9 million lbs. in 1961; of this India's share was only 23.74 million lbs., while Ceylon's was as much as 41.95 million lbs. In 1960, Indian tea exports to the U.S. were only 19 million lbs. due to high prices. Ceylon's exports to the U.S. touched the peak of 45 million lbs. in 1946, while India's maximum exports to that country have been 39 million lbs. In 1959-60, the quantity of the North Indian tea imported into the U.S. amounted to 16.02 million lbs., but in 1960-61 it was only 13.43 million lbs. However, it improved to 16.38 million lbs. in 1961-62.

Both Ceylon and East Africa are offering keen competition to India in overseas markets generally, and in the U.K. and the U.S. in particular, because of our much higher cost of production. The Minister for International Trade, Mr. Manubhai Shah, told the Lok Sabha recently that India's share in the U.S. and Canadian markets fell in the 1953-60 period and while since then the exports to the U.S. had gradually improved, those to Canada had been almost static at around 45 million lbs. a year.

It may be noted that, in 1948-49, India's tea exports to the U.S. totalled 23.32 million lbs. and Ceylon's 26.43 million lbs.; a lead of 3.21 million lbs. for Ceylon over India. But, in 1961, Ceylon exported to the U.S. 41.95 million lbs., taking a lead over India of 18.21 million lbs. In other words, India's exports remained unchanged, while Ceylon made considerable progress and captured a good portion of the increase in the American consumption. The trade and industry strongly feel that this is a point which should catch the immediate attention of the Union Finance Minister. Unless early fiscal reliefs are accorded to the tea industry, its ability to expand its share in overseas markets is almost ruled out. While overseas markets are expanding the Indian industry has to be a silent spectator to the aggressive sales campaigns of other producing countries, the cost of production and the taxation structure in which are decidedly advantageous to the industry. While the recent concessions given to the industry in India have indeed been gratefully acknowledged, it is pointed out that more is required to be done to place the industry on a competitive position with other producing areas.

Exports from North India totalled only 364 million lbs. in 1961-62 (July-June), marking a small gain of 12 million lbs. over the year 1960-61, when exports were generally lower due to high prices and a lower output. In 1959-60, exports were higher at 369 million lbs. The trade has noted cheerfully that exports of tea from India to Germany, France, the Netherlands, Italy and Ireland have gradually increased in recent years. Since with the proposed entry of the U.K. in the Common Market—of course, this subject is now hanging like the sword of Damocles—it has been provisionally agreed by the European nations that the common tariff on tea should be abolished, prospects for a striking increase in the exports to these countries are bright.

Dusts on offer at the internal sale held here last week totalled 29,340 packages. Good demand was in evidence and the non-wither legg-cut dusts were the strongest feature and appreciated in prices. Good support was accorded to C.T.C. dusts, and the bright liquoring and fibrous secondary teas were fully steady. Good C.T.Cs were dearer. Plain orthodox teas eased by 10 nP., while Assam dusts were better. Darjeelings were a poor market. The quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.90, medium Assam C.T.C. dust 5.50 to 6.10, medium Assam dust 4.60 to 5, legg-cut dust 4.20 to 4.60 and plain orthodox dust 3.20 to 3.50.

The keen competition for the best tippy teas evidenced was a feature during yesterday's export sales, when the total quantity on offer amounted to 60,352 packages. Generally, prices followed an irregular pattern, with quality teas rising further and the inferior stuff declining. Other tippy teas had a week market. Plain orthodox teas were fully steady and improved, while the better liquoring grades eased on selective inquiry. This led to some withdrawals. But fannings were fully firm. Selected C.T.Cs met with good support, but others eased. Legg-cut teas were pushed up. There were some withdrawals in whole leaf grades, while the plainer varieties met with a strong demand. The quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 7 to 8, medium Assam C.T.C. fannings 5.40 to 5.90, best Assam C.T.C. B.P. 7 to 8, medium Assam C.T.C. B.P. 5.40 to 5.90, clean plain pekoe 4.10 to 4.50, plain fannings 3.60 to 4.10 and plain B.P. 3.40 to 3.80.

HIGHGROWN TEAS STRONG

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

COCHIN, 23*rd August*

Export sale No. 33 was held on the 21st inst., with offerings amounting to 691,090 kgs. A few Nilgiri invoices showed improvement in quality, while others showed a slight decline. The market met with fair demand. Brighter and cleaner mediums were well supported and these were fully firm to dearer, especially their fannings whereas others and plainer sorts were in less demand and declined by up to 10 to 20 nP. Good mediums brokens received useful support and sold at around last rates. Similar fannings were better supported and in some cases were dearer. There was strong inquiry for highgrowns but the prices realised for these were ir egular. The best invoices realised useful prices, while the lesser kinds were irregular and a few teas where quality showed a decline realised lower prices. Clean black leaf descriptions were steady, with their fannings receiving more support. Unorthodox descriptions met with less demand than of late and were irregularly much easier. Whole leaf grades were in less demand and generally sold at lower rates whilst tippy teas were strong.

The quotations (per kg.) were:

	1962 Rs.	1961 Rs.
Low mediums	3.30-4.20	4.40-4.50
Mediums	4.20-4.45	4.40-4.55
Good mediums	4.55-5.50	4.55-5.10
Nilgiri B.O.P.	4.40-7.70	4.70-6.50

The average price realised in sale No. 33 was Rs. 4.43 per kilo as against Rs. 4.42 a week ago and Rs. 4.75 in the corresponding sale last year.

In dust sale No. 33 held today, 310,000 kgs. were offered. The market met with strong general demand. Low mediums and mediums were well supported and were irregularly fully firm and sometimes dearer. Wynaad descriptions, particularly the colourv ones, were strong and sold at rates above last. Good mediums met with strong demand at firm rates. Milled and residuals shared the upward trend of the market. Highgrowns were well supported and are quoted steady. Clean black grainy descriptions sold readily. True C.T.C. dusts were about steady, while other unorthodox types met with keen competition and were mostly dearer.

The average price realised in sale No. 33 was Rs. 3.41 per kilo as against Rs. 3.39 a week ago and Rs. 4.77 in the corresponding sale last year.

Colombo : There was good general demand. Uvas were irregularly dearer. There was strong competition for Western brokens which were 10 to 15 cents dearer and sometimes more. Mediums were also dearer by 5 to 10 cents. Lowgrowns, however, tended a little easier. Offgrades were generally dearer, while dusts were fully firm.

London : North Indian and other growths : There was a strong market on Monday. New season's Assams, Dooars and bright liquoring Africans were steady. Poor leaf sorts were a little easier.

Ceylon and South Indians : 32,945 packages were offered in Tuesday's sale of which 5,141 packages were from South India. There was limited demand. Ceylons were generally easier by 1*d.* to 3*d.*, excepting the best liquoring kinds. South Indians were irregular with fannings receiving better support.

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

"*Sale No.* 34 : 755,000 kgs. offered. Fair demand. Low medium and mediums generally 10 to 15 nP easier. Good mediums barely steady. Highgrowns irregular, sometimes dearer with quality. Unorthodox better, demand at lower prices."

JUTE GOODS WELL MAINTAINED

(From Our Own Correspondent)

CALCUTTA, 28*th August*

Reports of flood and consequent apprehensions of widespread damage to the jute crop in Assam and Pakistan districts led to steady conditions in the fibre market during the week under review, though, thanks to the anxiety exhibited by sellers to find buyers attributed to fears of imminent price revision, prices did not improve. The volume of business for export being good, prices of goods were well maintained. Shipments during the week were satisfactory. Reports from the New York burlap market were not quite encouraging, and prices there tended downwards, as purchases were confined to cover the day-to-day requirements of users who hoped

(*Continued on page* 388)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 24th August, 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	59,07,42,000
(ii) State Governments	11,91,96,000
(b) Banks—	
(i) Scheduled Banks	106,29,26,000
(ii) State Co-operative Banks	1,91,24,000
(iii) Other Banks	2,54,000
(c) Others	173,83,50,000
Bills Payable	30,23,87,000
Other Liabilities	20,04,57,000
Rupees	556,34,36,000

Assets	Rs.
Notes	22,84,81,000
Rupee Coin	1,48,000
Small Coin	2,75,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,29,000
(ii) State Co-operative Banks	11,97,64,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,90,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	67,03,39,000
Balances Held Abroad*	5,05,78,000
Loans and Advances to Governments†	10,87,68,000
Loans and Advances to—	
(i) Scheduled Banks‡	74,90,000
(ii) State Co-operative Banks§	119,07,80,000
(iii) Others	1,11,57,000
Investments	256,96,57,000
Other Assets	33,71,80,000
Rupees	556,34,36,000

* Includes Cash and Short-term Securities.

† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

‡ Includes Rs. Nil advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

§ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	22,84,81,000	
Notes in circulation	2029,06,29,000	
Total Notes issued		2051,91,10,000
Total Liabilities		2051,91,10,000

Assets	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,84,17,000	
Total		206,60,27,000
Rupee Coin		122,81,01,000
Government of India Rupee Securities		1722,49,82,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2051,91,10,000

State Bank of Pakistan

Statement of Affairs for the week ended 17th August, 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	5,91,19,000
(b) Provincial Governments	3,62,42,000
(c) Banks	20,44,89,000
(d) Others	109,70,73,000
Bills Payable	13,07,000
Other Liabilities	17,56,50,000
Rupees	167,03,80,000

Assets	Rs.
Notes	14,38,13,000
Rupee Coin	20,000
Subsidiary Coin	40,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	20,63,03,000
Loans and Advances to Governments	2,54,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	42,45,83,000
Investments	76,85,06,000
Other Assets	10,17,15,000
Rupees	167,03,80,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	14,38,13,000	
Notes in circulation	360,09,19,000	
Total Notes issued		374,47,32,000
Total Liabilities	....	374,47,32,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	64,32,41,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		132,34,49,000
B. Rupee Coin	4,20,44,000	
Government of Pakistan Securities	232,02,33,000	
Internal bills of exchange and other commercial paper	....	
		236,22,77,000
II. Held with the Reserve Bank of India pending transfer of Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	374,47,32,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 36.84 per cent.

State Bank of India

Statement of Affairs for the week ended 24th August, 1962

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital—20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up—5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		583,66,29,000
Borrowings from Other Banking Companies, Agents, etc.		38,00,000
Bills Payable		9,10,92,000
Bills for Collection being Bills receivable as per contra		2,63,37,000
Acceptances, Endorsements and Other Obligations per contra		9,13,01,000
Other Liabilities (including Inter-Office Adjustments)		14,18,14,000
Total		632,92,23,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		25,48,15,000
Balances with other Banks		2,13,97,000
Money at Call and Short Notice		2,80,00,000
Investments—		
Government and other Trustee Securities	277,19,57,000	
Other Authorised Investments	8,70,31,000	
		285,89,88,000
Advances—		
Loans, Cash Credits, Overdrafts etc.	253,35,49,000	
Bills Discounted and Purchased	14,38,14,000	
		267,73,63,000
Bills Receivable being Bills for Collection as per contra		2,63,37,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		9,13,01,000
Premises less Depreciation		1,94,96,000
Furniture and Fixtures less Depreciation		1,59,36,000
Other Assets (including Inter-Office Adjustments)		33,55,90,000
Total		632,92,23,000

EXCHANGE RATES

	29th August 1962	22nd August 1962
London on New York S. per Dollar	2.8013-2.8016	2.8028-2.8030
New York on London Cents per £	280.140-280.170	280.290-280.320
London on Paris .. Fcs.	13.7265-13.7285	13.7300-13.7320
London on Berne .. Sw. Fcs.	12.1100-12.1120	12.1130-12.1150
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	477.50
Buyers T.T. Rs. to $ 100	474.50	474.00
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	445.75	445.50
Buyers T.T. .. "	438.00	437.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.50
Buyers T.T. .. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.30	90.40
Buyers T.T. .. "	91.30	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.60	83.50
Buyers T.T. .. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,950	12,955
Buyers T.T. .. "	13,125	13,130
Swedish Kroner—		
Sellers T.T. D.D... "	107.60	107.60
Buyers T.T. .. "	108.70	108.70
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. .. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.40
Buyers T.T. .. "	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.60
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.70	144.80
Buyers T.T. .. "	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 17-8-62	10-8-62	18-8-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	46,46	47,38	49,96
(ii) From others	794,46	785.05	714,88
(b) Borrowings from banks	19,39	18,71	22,18
(c) Others	52,41	52,23	51,29
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,73	25,24	24,05
(ii) From others	1,254,87	1,255,42	1,083,11
(b) Borrowings from banks	19,39	20,05	18,68
(c) Others	12,27	12,33	23,41
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,049,33	1,040,47	1,797,99
4. Borrowings from Reserve Bank	1,00	1,76	1,54
(a) Against usance bills and/or promissory notes	1	6	51
(b) Others	99	1,70	1,03
5. Borrowings from State Bank and/or a notified Bank	17,32	17,76	18,01
6. Cash	53,43	47,52	46,82
7. Balances with Reserve Bank	90,93	91,37	80,80
8. Cash and balances with Reserve Bank	144,36	138,89	127,62
9. 8 as per cent of 3	7.04	6.81	7.10
10. Balance with other banks in current account	19,06	19,19	16,43
11. Money at call and short notice	52,84	50,83	50,83
12. Investments in Government securities	668,63	670,25	585,85
13. 12 as per cent of 3	32.63	32.85	32.58
14. Advances—			
(a) Loans, cash credits and overdrafts	1,208,49	1,212,22	1,080,70
(b) Due from banks	7,14	5,87	6,83
15. Inland bills purchased and discounted	129,58	128,14	106,92
16. Foreign bills purchased and discounted	47,45	47,97	43,67
17. Total Bank Credit [14 (a)+15+16]	1,385,53	1,388,33	1,231,28
18. 17 as per cent of 3	67.61	68.04	68.48

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 18th Aug. 1962	11th Aug. 1962	21st July 1962	19th Aug. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.5	100.5	100.5	101.2
2. Government of India	100.3	100.3	100.3	101.1
3. State Government	102.1	102.1	102.1	102.3
4. Municipal, Port Trust, etc.	99.0	99.1	99.0	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.1	99.0	101.5
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.3	81.4	83.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	186.7	187.3	182.8	178.2
8. *Agriculture and Allied Activities : Total**	154.9	155.2	155.3	166.8
9. Tea Plantations	145.6	146.2	147.4	162.3
10. Coffee Plantations	149.2	148.7	149.8	173.1
11. Rubber Plantations	166.9	164.2	164.1	172.0
12. *Mining and Quarrying : Total*	163.7	164.3	159.5	158.5
13. Coal	124.3	124.2	123.5	126.1
14. Other Mining	190.7	191.8	184.2	180.7
15. *Processing and Manufacturing : Total*	203.6	204.4	198.8	191.6
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	211.5	212.1	205.3	198.7
17. Sugar	139.1	139.2	136.9	157.9
18. Cotton Textiles	184.0	184.4	179.4	171.5
19. Jute Textiles	101.2	101.5	102.1	85.0
20. Silk and Woollen	1,227.0	1,247.1	1,191.8	1,146.5
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	207.8	208.9	204.2	198.6
22. Iron and Steel	166.0	167.2	162.7	164.3
23. Transport Equipment	386.7	390.0	378.7	387.9
24. Electrical Machinery	182.5	182.7	174.1	163.0
25. Machinery other than Transport and Electrical	236.4	236.7	232.6	207.3
26. Basic Industrial Chemicals	191.5	192.2	191.1	209.4
27. *Processing and Mfg. (Others): Total**	171.9	172.9	169.0	156.8
28. Cement	159.2	160.6	155.0	141.5
29. Paper	220.3	221.0	218.7	203.0
30. *Other Industries : Total**	113.1	113.1	111.0	109.3
31. Electricity Generation and Supply	88.3	87.9	86.7	85.4
32. Trading	120.0	120.9	116.3	117.2
33. Shipping and Other Transport	91.1	91.5	90.2	95.0
34. Construction	289.0	290.8	285.6	285.6
35. *Financial : Total*	210.8	210.8	207.1	202.1
36. Banks	234.8	234.7	231.6	230.1
37. Insurance	173.5	174.1	166.7	145.3
38. Investment Trusts	89.5	88.6	87.8	88.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	196.4	197.4	190.2	184.9
40. Calcutta	172.7	172.7	170.0	164.6
41. Madras	193.0	193.2	191.7	194.3
42. Delhi	239.5	242.0	236.4	235.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	28th July 1962	21st July 1962	29th July 1961	June 1962	June 1961	Percentage of Increase (+) or Decrease (—) in June 1962 as compared with June 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	129.9	128.7R	124.5	125.5	120.6	+ 4.1	120.1	120.0
Cereals	192	108.6	107.5	104.4	105.0	101.9	+ 3.0	102.3	104.4
Pulses	43	108.5	104.6	91.9	102.5	90.6	+13.1	91.9	92.9
Fruits and Vegetables	23	145.8	148.2R	159.7	142.0	126.1	+12.6	137.6	118.5
Milk and Ghee	84	130.6	127.7R	118.3	126.7	113.3	+11.5	116.4	116.0
Edible Oils	47	156.0	156.0	162.9	152.2	163.3	— 6.8	156.5	150.3R
Fish, Eggs and Meat	17	147.7	145.0R	140.1	141.4	128.2	+10.3	135.4	123.5
Sugar and *Gur*	48	151.2	149.6	123.1	138.9	123.7	+12.3	119.6	132.8
Others	50	170.2	172.0	184.1	170.3	181.1	— 6.0	171.6	167.8
Liquor and Tobacco	21	97.9	97.9	89.5	99.7	100.1	— 0.4	100.3	109.9R
Tobacco	..	94.2	94.2	95.9	96.2	96.6	— 0.4	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.7	124.6	122.1	123.3	123.3	..	122.1	120.0R
Industrial Raw Materials	155	139.9	139.3	149.9	136.1	148.8	— 8.5	142.6	145.4
Fibres	61	130.5	130.8	149.8	127.3	150.6	—15.5	138.3	151.6
Oilseeds	60	158.9	156.8	164.2	151.6	160.5	— 5.5	156.4	149.9
Minerals	2	93.4*	93.4	95.2*	93.6	95.2	— 1.7	94.9	97.4
Others	32	125.2*	125.3*	126.8*	126.7	126.9	— 0.2	128.1	128.0
Manufacture	290	129.3	129.0	128.1	128.9	126.2	+ 2.1	126.6	123.9
Intermediate Products	41	143.5	142.5	141.4	139.5	139.7	— 0.1	138.8	130.6R
Finished Products	249	126.9	126.8	125.9	127.2	123.9	+ 2.7	124.6	122.8
Textiles	147	126.0	125.7	128.2	126.9	125.5	+ 1.1	125.5	125.8
Cotton	..	129.3*	129.3*	127.7*	129.5	127.3	+ 1.7	127.9	128.1
Jute	..	114.4	113.1	134.0	118.1	125.1	— 5.6	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.7	+14.2	122.7	109.1
Silk and Rayon	..	130.5*	130.5*	119.1*	129.1	116.5	+10.8	119.9	104.4
Metal Products	12	160.4	160.4	151.6	160.3	151.6	+ 5.7	151.6	147.9R
Chemicals	20	115.2	114.9R	111.7	113.7	109.4	+ 3.9	110.7	104.4
Oil Cakes	9	157.8*	158.6	147.4	154.7	143.4	+ 7.9	147.5	141.3
Machinery and Transport Equipment	31	117.9	117.9R	112.8	117.7	112.8	+ 4.3	114.5	111.9
Others	30	125.7	125.7	120.8	125.3	120.3	+ 4.2	121.3	116.1R
All Commodities	1,000	130.4	129.7R	128.9	127.5	126.2	+ 1.0	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961	126	431	121	352	102	131	400	148	127	113	106	123	111	150
April 1961	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May "	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June "	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July "	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August "	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. "	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February "	127	438	119	362	107	131	402	149	129	115	109	127	118	152
March "	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April "	128	439	121	355	102	131	413	149	129	113	111	127	131	152
May "	129	443	..	361	..	..	418	..	127	113	111	128	133P	152
June "	130P	443	..	..	..	..	..	..	130	112	110	128	133P	..
July "	..	447	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year NPSC C Outstandings	Post Office Savings Bank Deposits Receipts	POSB Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,80
1961-62	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. "	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May "	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June "	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July "	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. "	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. "	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. "	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3,67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. "	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,99	53,35	5	3,63	48,83	850,12
April "	82	1,85	64,48	5,32	332,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May "	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities : repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	98.95
3 % Loan	1950	30,33,10,400	1964	96.95
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.75
3 % Dev. Loan	1945	115,05,83,200	1970-75	89.00
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.70
3½% N. P. Loan	1954	158,17,90,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.85
3½% N. P. Bonds	1956	197,93,00,000	1967	98.85
3¾% Loan	1956	86,64,00,000	1974	99.15
3¾% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	100.00
3½% Loan	1958	70,00,00,000	1968	98.25
3¾% Loan N.P.B.	1958	156,59,00,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.25
3½% Loan	1959	147,91,00,000	1969	97.90
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98.60
3½% Bonds	1960	82,66,00,000	1966	99.85
4 % Loan	1961	65,63,00,000	1981	98.55
4½% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	70.25
3 % Loan	1946	248,91,37,168	K.	69.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	97.90
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.50
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.50
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.25
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.30
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.90
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	98.25
4½% Bihar	1961	3,30,00,000	Sept. 1972	98.25
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.00
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	00.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.00
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	97.90
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July 1970	98.25
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	97.75
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.00
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.35
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	97.90
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	96.00
35,00,000	4	1905	1965	96.00
15,00,000	4	1906	1967	96.00
44,00,000	4	1907	1968	96.00
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	96.00
56,00,000	4	1910	1971	96.00
75,00,000	4	1911	1972	96.00
1,10,00,000	4	1912	1973	96.00
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	D
13,50,000	3½	1932*	1962	D
24,58,000	3¾	1935*	1975	D
15,00,000	3¾	1936*	1966	D
48,04,000	3½	1936*	1960	D
10,00,000	3¾	1938*	1968	D
7,00,000	3¾	1941	1971	D
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4‡	1931	1991	93.00
60,00,000	3¾	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	83.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4¼	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000if	3	1947	1977	A
3,00,000if	3	1949	1979	A
45,00,000it	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	97.57 N
60,00,000	4	1903	1963	97.57 N
50,00,000	4	1904	1964	97.57 N
30,00,000	4	1905	1965	97.57 N
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	97.57 N
30,00,000	4	1908	1968	97.57 N
25,00,000	4	1912	1972	97.57 N
13,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	97.50 N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4¼	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3¼	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3¾	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.50
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	98.00
4,40,00,000	4¼	1958	1970	99.00
5,30,00,000	4	1959	1971	98.00
3,00,00,000	4½	1960	1972	97.50
2,75,00,000	4¼	1961	1973	99.00
1,50,00,000	4¼	1961	1971	97.75
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4¾	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3¼	1951	1961	107.00N
15,00,000	3¾	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. i—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Governmen after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th August 1962.

	Closing quotations 21-8-1962	High	Low	Closing quotations 29-8-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.50	172.00	170.00	170.00
Apollo (2)	2.34	2.38	2.26	2.28
Baroda Rayon (100)	138.00	139.00	135.00	135.50
Bombay Dyeing (25)	67.90	68.20	67.40	67.50
Bradbury (50)	191.00	195.00	191.00	195.00
Central India (100)	143.00	145.00	140.00	140.00
Century Mills (100)	637.00	644.50	632.50	635.00
Coorla Sp. (100)	152.50	152.50	151.25	152.50
Dawn (50)	178.50	171.00	167.00	169.00
Edward Textile (200)	349.00	—	—	349.00
Elphinstone (50)	116.00	118.00	114.00	115.00
Finlay (100)	315.00	315.50	314.00	314.00
Gokak (100)	190.00	190.50	189.50	189.50
Gold Mohur (100)	237.00	—	—	237.00
Gwalior Rayon (10)	58.50	61.00	58.50	61.00
Ind. Untd. Defd. (1)	3.78	4.02	3.76	3.88
Ind. Untd. Ord. (10)	25.75	26.50	25.50	26.00
Indian Rayon (100)	102.00	102.50	100.00	100.00
Indore Malwa (100)	184.00	240.00	185.00	220.00
Khatau (100)	483.75	486.25	478.75	480.00
Kohinoor (100)	320.50	321.50	317.00	318.00
Mafatlal (100)	815.00	835.00	815.00	830.00
Minerva Mills (100)	82.50	—	—	82.50
Model Nagpur (250)	130.00	130.00	120.00	121.00
Morarji (100)	421.00	429.00	424.00	426.00
Mysore (50)	64.50	64.50CR	60.50XR	60.50XR
National Rayons (100)	518.00	521.50	508.50	511.50
New City (100)	181.00	—	—	181.00
New Great (100)	280.00	280.00	279.00	280.00
Phoenix (100)	263.00	260.00	250.00	252.00
Podar Mills (100)	132.00	134.00	132.00	133.00
Raymond Woollen (100)	137.50	137.50	134.00	134.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	57.50	58.00	57.50	58.00
Shrinivas (100)	271.00	278.00	270.00	277.00
Simplex (50)	165.00	165.00	163.75	165.00
Standard (100)	922.00	931.00	910.00	912.00
Svadeshi (100)	268.50	269.00	266.00	266.75
Swan (100)	310.00	310.00	307.50	310.00
S. I. Viscose (100)	166.00	167.50	166.00	166.00
Tata Mills (25)	63.70	64.00	62.50	63.00
Lakshmi-Vishnu (100)	125.00	—	—	125.00
Western India (250)	860.00	—	—	860.00
BANKS				
Bank of India (50)	118.00xd	118.00	116.00	116.00
Do. (New) (50)	119.00xd	119.50	199.00	119.50
Bank of Baroda (50)	97.00xd	97.00	95.00	96.50
Central (25)	64.50	64.50cd	61.50xd	61.50xd
Central 'A' (25)	67.00	67.00cd	65.00xd	65.00xd
Dena Bank (50)	58.00	58.00	57.00	57.50
Punjab National (10)	20.60	21.00	20.60	21.00
Union Bank (5)	6.44	6.44	6.32	6.32
United Com. (50)	84.00	84.00	83.00	83.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	95.00	95.30	94.50	94.70
Amalgamated (10)	10.04	10.64	10.04	10.60
Andhra Valley (1,000)	1,013.00xd	1,020.00	1,010.00	1,020.00
Bom. Sub. El. (100)	106.00	107.00	106.00	107.00
Surat (100)	102.00	103.00cd	100.00xd	100.00xd
Tata Hydro (100)	110.50xd	110.50	109.50xd	110.25
Tata Power (1,000)	1,095.00xd	1,105.00	1,060.00	1,100.00
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile (40)	62.00	62.50	62.00	62.50
New India (15)	70.00	70.00	68.50	69.00
New India 'A' (15)	72.00	72.50	71.50	72.00
Vulcan (10)	17.72	—	—	17.72
STEEL COS.				
Ind. Iron (10)	26.80	27.35	26.90	27.35
Mukand Iron (10)	25.25xd	25.40	25.20	25.20
Tata Steel Ord. (75)	148.25	149.50	148.00	149.00
SUGAR COS.				
Belapur (50)	240.50	244.00	239.00	239.00
Bhopal (10)	21.24	21.24	20.00	20.00
Changdeo (12.50)	27.25	27.50	27.20	27.50
Maharashtra (50)	162.50	164.00	160.00	161.00
Phaltan (50)	102.00	101.75	100.00	100.00
Walchand Ind. (100)	159.50	161.00	159.50	160.00
CEMENT COS.				
Associated Cts (100)	159.75	164.00	160.25	163.00
Digvijay (100)	192.00	198.00	194.00	196.50
Orissa (10)	17.20	17.64	17.20	17.48
MISCELLANEOUS				
Alcock Ashdown (100)	332.00	336.00	330.00	330.00
Amar Dye-Chem (100)	270.00	278.75	270.00	270.00
Bom. Burmah (125)	669.50	675.00	667.50	672.00
Do. (New) (50)	258.75	260.00	258.75	260.00
Br. B. Petrol (1½ sh.)	2.84	3.02	2.78	2.88
Br. I. Corpo. (5)	10.36	10.36	10.12	10.16
Cooper Eng. (100)	181.00	181.00	179.50	180.00
Colour Chem. (100)	430.00	442.50	430.00	440.00
Hind Cycle (100)	114.00	116.50	113.00	116.50
Hindustan Lever (10)	47.50	48.25	47.25	48.00
Hindustan Motors (10)	19.96	20.36	19.92	20.20
I. C. & Invest. Corporation (100)	94.00	—	—	94.00
Indian Dyestuff (100)	451.25xd	456.25	445.00	446.25
Indian Copper (2 sh.)	4.94	5.04	4.96	5.04
Ind. Inv. Tr. (100)	73.00	73.00	72.00	72.30
Killicks (100)	89.70	89.70	88.50	89.50
Larsen & Toubro (10)	29.85	29.90	29.40	29.50
Mahindra & Mahindra (10)	17.76	18.12	17.76	18.12
New Central Jute (10)	14.36	15.36	14.36	15.36
Polychem (50)	185.00	187.50	182.50	183.75
Polson (100)	189.00	190.50	189.00	190.50
Pre. Automobiles (100)	124.50	125.00	120.50	121.50
Premier Con. (80)	156.00	157.00	154.00	155.00
Scindia (20)	12.28	12.36	12.04	12.08
G. E. Shipping (10)	12.28	12.36	12.00	12.00
Shivrajpur (10)	34.00	34.75	33.50	34.00
Sirpur Paper (10)	13.60	14.12	13.52	13.80
Synthetics and Chem. (100)	190.50	194.00	190.00	192.00
Tata Chemicals (10)	15.28	15.48	15.20	15.28
Tata Locomotive (100)	335.50	338.50	330.00	331.50
Tata Oil (25)	62.50xRxd	63.20	61.20	61.20
Texmaco (10)	23.24	23.20	22.76	23.20
Voltas (100)	273.00	278.00	271.50	272.50
W. I. Match (100)	277.00	279.00	277.00	278.50
W. Coast Paper (100)	169.50	169.50	167.50	268.50

GOVERNMENT SECURITIES	21-8-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	29-8-1962 Rs.
2½% 1962	99.57	—	3.75	99.75
2½% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.49	98.90
3 % 1963-65	98.95	3.80	3.34	98.95
3 % 1966-68	96.85	3.84	3.58	96.85
3 % 1970-75 1st Dev.	89.05	4.76	4.10	89.05
3 % 1986 Con. Loan	69.00	—	4.35*	69.05
3½% 1964 N.P. Loan	100.00	—	3.52	99.95
3½% 1965 N.P. Bonds	99.80	—	3.58	99.80
3½% 1967 N.P. Bonds	98.90	—	3.76	98.85
3½% 1974	99.20	—	3.91	98.50
3½% 1967 N.P. Bonds	99.50	—	3.86	99.50
3½% 1969 Loan	97.90	—	3.87	97.80
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.86	99.35
4 % 1972 Loan	99.40	—	4.08	99.40
4 % 1973 Loan	99.30	—	4.09	99.20
4 % 1979 Loan	98.70	—	4.11	98.70
3½% 1966 Bonds	99.65	—	3.60	99.65
4 % 1980 Loan	98.60	—	4.11	98.60
4 % 1981 Loan	98.55	—	4.11	98.55
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend.

THE INDIA CEMENTS LIMITED

(*Concluded from page 366*)

glad to inform you that the entire issue was oversubscribed. The Directors had reluctantly to refuse full allotment of additional shares applied for by members.

"I am glad to inform you that the Sankar Institute of Polytechnic has recently moved into its own building near your factory at Talaiyuthu. The new building was declared open by Mr. R. Venkataraman, Minister for Industries, on 17th June 1962. The new building has been well planned and designed to meet the growing needs of the Institute.

Technical School

"A Junior Technical School has also been started from this academic year as an adjunct to the Polytechnic. The School is at present housed in temporary quarters, but plans have been approved to construct necessary buildings and workshops for the School in the Company's lands near the Polytechnic.

"Your Directors decided that there should be a *pucca* hospital, with 50 beds, at the factory area in Talaiyuthu to cater to the medical needs of the staff and employees of the Company. The first phase of construction is over and the hospital will be complete in all respects in the next one year's time.

"Government has large programmes under community development schemes. I would only like to mention in this connection that the starting of industries away from urban areas does, in fact, create opportunities for large-scale employment, in the wake of which schools, technical training centre, hospitals, etc., spring up, thereby creating a well-contented community. With each such industry, the community is developed. Your Company has contributed in a large measure towards this achievement of ideal community development.

Labour Relations

"I am indeed happy to report that our relations with the labour at our factory and the staff at the head office continue to be very cordial as usual. I take this opportunity both on your behalf and on my own behalf, to tender our thanks to all the employees of the Company for their unstinted co-operation and hard work during the year. The Company looks forward to their continued loyal and devoted service and co-operation in the years to come.

"I thank you all, ladies and gentlemen, for the indulgence you have shown and the patient hearing you have given. I am afraid, I have taken a little longer time, but I thought it my duty to present to you all these facts."

N.B.—*This does not purport to be a report of the proceedings.*

MARKET REPORTS

(*Concluded from page 385*)

that prices would decline. This caused the duty-paid 10 oz. hessian to ease from 13.65 cents per yard to 13.55 cents and the 7½ oz. hessian from 10.10 cents to 10 cents. The news that U.S. burlap consumption in the month of July increased by 2 million yards to 63 million yards was noted with satisfaction. As compared with July 1961, consumption was higher by 7 million yards. The monthly average so far has been 73 million yards or 10 million yards higher than the corresponding previous period. This comparison should be read against the background that U.S. consumption was abnormally low last year. At 45.8 million yards and 17.6 million yards, last month's bag cut-up and piecegoods deliveries were higher by 7 million yards and 0.4 million yards, respectively. The higher consumption was duly reflected in U.S. stocks falling by 4 million yards to 237 million yards at the end of July.

Note was taken of the threat of strike by jute mill workers in Pakistan. Lower wages and cheaper fibre have made it possible for Pakistan manufacturers to undercquote Indian prices and thus divert business from Calcutta to Dacca. The Pakistan Jute Mills Workers' Federation has submitted a 10-point charter of demands and unless this is met by 3rd September, workers would resort to strike. The Pakistan mills are at present unable to make export offerings, since their order books are completely filled for months to come. As a result, much business that should have normally gone to the Pakistan mills is being attracted to Calcutta. However, it should be noted that Pakistan has launched on a big expansion scheme of production in mills and it is thought that, within two to three years, the mills across the border would have increased production consistent with demand. Against such a background, the prospect of an increase in labour charges should restrict one of the advantages which enable the Pakistan mills to offer unfair competition against Indian mills.

During the week, U.S. buyers were more active than previously, and this indicated that they had commenced buying against replenishment of stocks. About 1,000 bales of hessian were bought on behalf of Argentina against August shipment. It was believed that Argentina has yet to buy about 5,000 bales in order to complete August shipments; but the delay in opening letters of credit consequent on the foreign exchange difficulties which that country is experiencing has caused an initial setback in the purchasing programme. In heavy goods, Australia accorded moderate support, and indications were that that country would lift as much as 9,000 bales before the end of September. This seems likely, as reports have indicated that Australian farm output this year would be substantially higher than last year. Australian purchases of cornsacks were for September shipments and of woolpacks for shipment up to November. Interest on behalf of West Africa pleased the market, as if the expected business materialised heavy goods would before long be a short commodity, and possibly a portion of the hessian looms would have to be switched back for the production of heavy goods. Cuban interest was also lively during the week, and purchases were completed in respect of two steamers expected to sail early in September. Also forward deals were put through. Buyers, too, were active on behalf of South American countries and East Africa for immediate shipment. The Sudan was expected to lift 15,000 bales of grainsacks for October shipment.

On Tuesday last, the feature in the goods section was some short-covering in nine porter hessians; other constructions were also the subject of foreign inquiries. However, since business actually put through was inadequate, ready hessian 40" 10 oz. declined from Rs. 54.00 to Rs. 53.80. Heavy goods were a dull market, and ready B. twills gave way from Rs. 122.25 to Rs. 122.15. The earlier part of Wednesday evidenced listless conditions, but, as prices fell, more interest was accorded and covering business took place on a good scale. Also, activity in the futures market was keener. Thus, ready B. twills at Rs. 121.10 made good a portion of the decline earlier in the day. Ready hessian 40" 10 oz. finished at Rs. 53. The market remained closed on Wednesday on account of *Janmashtami*. On reopening on Friday, there was very little of note excepting some scattered business. Ready B. twills recovered to Rs. 121.25 and hessian 40" 10 oz. was unchanged at Rs. 53. Over the week-end, overseas buyers showed interest in both hessian and heavy goods. The U.S. lifted a fair quantity in hessian and there were indications of greater support from that country in the coming weeks. As a result, ready hessian 40" 10 oz. scored to Rs. 54.25. Overseas inquiries for heavy goods were received from several countries and, over the week as a whole, business done was substantial. This realisation on the part of the market put up B. twills to Rs. 122.75 over the week-end. Conditions were fully firm yesterday, as the market was buoyed to excitement following limited delivery in respect of settlement of August futures contracts. This aided ready B. twills to score to Rs. 125.50 and ready hessian 40" 10 oz. to Rs. 55. In futures trading, November B. twills rose to as high as Rs. 123.20 after opening at Rs. 121.50.

The fibre market was steady. However, mills displayed greater interest in middles than in lower assortments. The latter was freely available at discounted rates. The report that the revision of minimum prices was being considered was circulating, and this restricted actual business. On behalf of the industry, it has been pointed out that, since prices of goods are determined by the extent of demand from foreign markets, a rigid system of prices cannot be applied to fibre. When the ruling minimum prices were fixed last year, prices of goods were far higher than existing levels, and this circumstance alone would justify a downward revision of the minimum prices. Further, it is believed that the cost of production for cultivators is much lower than generally believed and represented. When early last year there was a fibre famine, cultivators reaped a good fortune, and there has been a tendency on the part of cultivators' organisations to compare the existing prices with those of that time. It is believed that the Government of India has not yet been fully convinced of the arguments for a revision of the minimum prices. However, the Government thinks that it is not necessary to resume purchases by the Buffer Stock Agency at present and that the revival of the issue of the weekly purchase quota by the L.J.M.A. would be sufficient to support prices. The L.J.M.A. has already started issuing the weekly purchase quotas to mills.

This week's steadiness in prices should also be attributed to reports of damages to crop as a result of floods in Assam. Heavy rains have also curtailed movement of the new fibre. The quotations for September-October. delivery remained unchanged as follows: Daissee bottoms Rs. 32.00, Assam bottoms Rs. 30.00, and northern bottoms Rs. 29.50. Reports of floods from several jute districts in East Pakistan are of a greatly alarming nature and, if damages to crop have occurred as apprehended, the carry-over to next season would be nil.

BEARISH TREND IN FOODGRAINS

(*From Our Own Correspondent*)

HAPUR, *27th August*

Fairly good rains all over North India after the long dry spell, which have brightened the *kharif* crop prospects, accounted for a bearish trend in the foodgrains market here this week. Stockists were said to have sold liberally, and arrivals of new maize also commenced.

Wheat prices declined during the week by 67 nP. to Rs. 1.34 per quintal according to quality on slack demand in the face heavy stock position. The average quality was quoted at Rs. 40.87 and the farm between Rs. 42.87 to Rs. 44.88. Red wheat stood at Rs. 39.52. Arrivals were at an average of 200 to 300 maunds daily and stocks stood at 66,000 maunds. Rice basmati was quoted higher due to inadequate rains in some of the producing areas and its prices were marked up by Rs. 2.67 to Rs. 5.34 per quintal. Prices of the mainpuri quality also ruled steadier. Arrivals from mainpuri side were small and stocks left were poor. Week-end prices were:—Rice basmati superior Rs. 85.74 to Rs. 101.82, sela basmati Rs. 80.38 to Rs. 88.41, mainpuri Rs. 58.94, inferior Rs. 57.60, ramajwayan Rs. 64.30, raimunia Rs. 66.98 and gadda Rs. 52.92 per quintal.

Gram eased fractionally due to easy advices from Punjab and slack demand. The prices declined by 32 nP. to 67 nP. per quintal. The Punjab quality was quoted at Rs. 43.54 and the local variety at Rs. 42.87 per quintal. Arrivals were poor and the local stock was put around at 17,000 maunds. Arrivals of new maize were small and lifted at Rs. 34.83 by consumers, but old maize prices declined slightly and were quoted at Rs. 28.13 to Rs. 29.47. Barley and bejhar prices were stationary at Rs. 29.47 and Rs. 28.13 to Rs. 29.47, respectively. Stocks were poor at 10,000 and 5,000 maunds, respectively. Juwar ruled quiet and guwar prices declined on slack demand. Methi, however, sought higher levels. Other coarse grains were listless. Week-end prices were:—Juwar Rs. 45.55 to Rs. 50.91, guwar Rs. 38.85, methi Rs. 58.94, bajra Rs. 37.51, maize Rs. 28.13 to Rs. 29.47, new Rs. 34.83, and oats Rs. 29.47 to Rs. 30.81 per quintal.

In pulses, peas declined by 67 nP. to Rs. 1.34 per quintal according to quality. Dara was quoted between Rs. 32.82 to Rs. 33.49 and farm between Rs. 34.83 to Rs. 35.50. Peas dal was quoted at Rs. 37.51. Arrivals were poor and local stocks declined to 65,000 maunds. Arhar prices also eased by Rs. 1.34 and were quoted between at Rs. 52.25 to Rs. 57.60. Stocks were stationary at 7,500 maunds. Urd prices also ruled easy. Masoor prices eased slightly. Moth was listless. Week-end prices were :—Urd Rs. 80.38, urd dal Rs. 91.09, moong Rs. 50.91 to Rs. 53.58, moong dal Rs. 58.94 to Rs. 60.28, masoor Rs. 48.23 to Rs. 53.58, masoor dal Rs. 57.60, moth Rs. 40.19, moth dal Rs. 48.23, gram dal Rs. 49.57 and arhar dal Rs. 66.98 to Rs. 72.34.

INFERIOR SUGAR MARKED UP

(*From Our Own Correspondent*)

HAPUR, *27th August*

Sugar prices continued firm here this week on brisk buying support from Punjab, Delhi, Rajasthan and local centres. Bright export prospects also were a bullish factor. Improvement was more pronounced in the inferior C, D and E qualities. Prices of bold crystal also rose in sympathy. Mill delivery prices improved by about one rupee per maund to touch new peak levels. Week-end prices were :—Spot delivery, wholesale Rs. 112 (per quintal), retail Rs. 1.09 per seer; mill delivery (per maund) (D 29) Amroha Rs. 40.87, Dhampur Rs. 41, Seohara Rs. 40.87, Meerut Rs. 41.44; (E 29) Simbhoali Rs. 41.50, Bijnore Rs. 40.81 and Dhampur Rs. 40.87.

After earlier firmness, sugar prices reacted slightly in the Muzaffarnagar market during the week owing to slack demand from Delhi and consuming centres of the Punjab at the present high levels. Mill delivery prices rose earlier by 12 nP. to 44 nP. a maund on brisk demand from Punjab and Delhi. Later, prices reacted modestly by 6 nP. to 19 nP. a maund, but the tone at the close remained firm. Forward transactions for the September quota were concluded at higher prices. Spot sugar prices recorded gains of one rupee to Rs. 1.25 a quintal on good buying support influenced by the sharp rise in the mill delivery prices, but later eased by 50 nP. per quintal, as demand tapered off. Mansurpur C 29 and D 29 were both quoted at Rs. 112 a quintal. Deoband D 29 was also quoted at Rs. 112. Retail prices improved by 16 nP. to Rs. 1.16 per seer.

Sugar prices also declined in the Kanpur market due to heavy arrivals and poor offtake. Sugar D 29 was quoted lower by a rupee at Rs. 108/109 a quintal in the spot sections, while ex-mill prices ranged from Rs. 106.50 to Rs. 108. Nervous selling by a section of the trade following weaker advices from Saurashtra and Maharashtra also weakened the sentiment.

Khandsari ruled firm in the face of depleting stocks and on good demand from the Punjab and Rajasthan. Noncrystal *khandsari* was quoted from Rs. 37.50 to Rs. 40.50 a maund, while *khandsari* boora fetched Rs. 39 to Rs. 40 a maund. Crystal boora prices declined by 25 nP. to Re. 1 a maund to be quoted at Rs. 40.50 to Rs. 41.62.

Ready *gur* prices touched new high levels, with the stocks being nominal and demand from consuming areas brisk. The week's offtake was two wagon loads to the South. Price at the week-end were :—*Gur* superior Rs. 66.98, dara Rs. 50.91 to Rs. 53.58 and shakker Rs. 72.34. In the Muzaffarnagar market, *gur* chaku prices remained static. *Gur* chaku wet was quoted from Rs. 32 to Rs. 22.25 a maund. Shakker masala and dara were in demand from Punjab and Rajasthan and the prices ranged from Rs. 26.50 to Rs. 27.50 and Rs. 27 to Rs. 28 a maund, respectively.

Gur futures moved both ways during the week on alternate bouts of buying and selling. The *fagun* delivery moved between Rs. 21.68 and Rs. 22.09, before closing the week at Rs. 21.82.

Notice

CALTEX OIL REFINING (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent Debenture Stocks 1966-70 will be closed for transfers from the 17th September 1962 to 30th September 1962, both days inclusive.

R. N. CHETTUR,
Secretary & Treasurer.
State Bank of India,
Agents for Caltex Oil Refining (India) Ltd.,
for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *1st September* 1962.

COMMERCE

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

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PRIVATE SECTOR AND THE PLAN

THERE was a distinct slow-down in economic growth in the first year of the third Plan. A telling indicator of this slow growth is provided by the currently estimated three per cent increase in national income in 1961-62, as compared with the average annual rate of 5 per cent in the last three years of the second Plan and of 6 per cent envisaged for the third Plan period. How did it happen that the economy failed to maintain the momentum of growth registered in the last few years of the second Plan? There is, of course, one solid explanation. Production of foodgrains in 1961-62 increased only marginally to around 80 million tons from the level of 79.3 million tons in the previous year. Similarly, commercial crops other than jute did not record any very striking increases in output. On the contrary, there was a big fall in the production of raw cotton. But this cannot be the *whole* explanation, for industrial production, too, in the year rose only by about 5 per cent, as compared with about 11 per cent in 1960-61, the last year of the second Plan. It would thus appear that the slow-down in economic growth was due as much to lagging agricultural production as to lagging industrial production.

Which sector was responsible for this failure—public or private? It may be supposed that the failure was that of the private sector covering almost the entire field of agriculture and the larger part of the industrial field. To apportion blame in that manner would be to ignore the crucial dependence of the *private sector* in both agriculture and industry on the *public sector* in irrigation, power generation, industry and transport. The two sectors are now so intertwined that it looks as if both would rise or fall together. To the extent that this was also the state of affairs in the first year of the third Plan, the failure of the public sector to perform as well as it should have done in the crucial or strategic fields spelled simultaneous failure in the private sector too. But let us leave it at that, assuming, for the nonce, that the public sector will set its house in order and see to it that agriculture gets more irrigation facilities, fertilisers, pesticides, etc., and private industry more transport facilities, coal, power, steel, machinery, and so on.

The performance of the private sector in industries does not, of course, depend only on that of the public sector. For the Government's policies and procedures governing the expansion of existing units and the establishment of new units, the allocation of foreign exchange for development and maintenance imports, the arrangements for foreign collaboration, the provision of credit facilities, the retention of some profits for self-financing, and so on, are no less responsible for determining the pace of capital formation and production in the private sector. But this aspect of the matter is one on which all sections of businessmen—big, medium and small—may not have unanimous opinions, because either their respective interests are not wholly identical or they are not affected by the Government's policies in a uniformly identical manner. Still, the approach of the Federation of Indian Chambers of Commerce and Industry, which claims to represent all sections of business opinion, is generally and broadly reasonable whenever there is an official attempt to put the private sector in the dock.

An occasion for defending the private sector seems to have just arisen, judging by the reported vigorous reply of the Federation to the Planning Commission which had stated that the progress in the private sector industries had been uneven and that many essential industries had not come up to expectations. The Federation's reply to the Commission's charge is impressive and cogent. One of the points in this reply is that the delays and uncertainties in the matter of industrial and import licences, which have increased considerably of late, have been responsible for the slow progress in production and actual installation of new capacity in many industries. Some specific instances have been cited in this connection. Firstly, the initial official hostility to proposals from the private sector has been responsible for the lag in fertiliser capacity. A policy decision to sanction capacity in the private sector for nitrogenous fertilisers, it may be recalled here, was taken only late in 1960. Secondly, proposals from private parties for the alloy, tools and special steels industry were kept pending for a long time. It was only in May last year that certain private sector schemes for special steels were cleared by the Licensing Committee, while some more schemes were sanctioned subsequently. Thirdly, the pace of clearance of applications for steel castings capacity has been painfully slow. The capacity so far licensed for this industry is just 200,000 tons, as against the third Plan target of 300,000 tons.

These are probably not the only instances of delay and hesitation in the issue of licences which have set limits to progress in the establishment of new capacity. Available figures show that the process of licensing has slowed down in the last 1½ years, for the new undertakings licensed under the Industries (Development and Regulation) Act were only 682 in the 17-month period October 1960-February 1962, as compared with 536 in the 12-month period October 1959-September 1960. A fuller picture giving up-to-date figures (pertaining to third Plan capacity targets, existing capacity, additional licensed capacity covered by foreign exchange and additional licensed capacity not covered by foreign exchange) for all the 75 organised industries subjected to planned development will probably emerge at the next meeting of the Central Advisory Council of Industries. Pending that meeting, the Federation itself would do well to obtain the relevant data and analyse them for the benefit of the public. Even if it is found from such an analysis that the gap between third Plan target and total capacity licensed has narrowed greatly in all or most industries, that, by itself, may not mean much. For it takes a fairly long time for a project to fructify even in the private sector, because the obstacles to be overcome are many. The more vital factor is foreign exchange, and it is here that the latest position pertaining to additional licensed capacity not yet covered by foreign exchange allocation will show where the private sector stands in its progress towards the third Plan targets.

That the private sector has been in a position in recent years to go ahead with company flotations on a big scale is proved by the figures of aggregate authorised capital of new companies formed. The relevant figures are Rs. 256 crores in 1960-61 and Rs. 202 crores in 1961-62. There has also been a substantial increase in paid-up capital. The relevant figures for public limited companies show an increase of about Rs. 60 crores in each of the two years—1960-61 and 1961-62. Similar up-to-date figures for private limited companies are, however, not readily available. These trends, incidentally, lend substance to the Federation's point that the private sector has demonstrated its ability to raise resources and to implement projects fairly expeditiously.

The Federation has also drawn pointed attention to dilatory procedures in the granting of import licences and to some wrong policy decisions which have flowed from a rigid interpretation of the Industrial Policy Resolution of 1956. As for import licences, applications therefor in the case of licensed wood-pulp projects were kept pending for more than a year. The delay in implementing some other licensed schemes has also been due to uncertainties about the supply of raw materials. As for wrong policy decisions, the reference in the Federation's reply to the decision to produce diesel locomotives in the public sector is noteworthy. Applications for the manufacture of heavy electrical equipment, wool combing plant, petro-chemicals, etc., have been kept pending presumably on the ground that the items concerned are proposed to be manufactured in the public sector. To the delays or hold-ups caused by such rigid policy considerations may be added the long time taken by the Government for approving the terms of collaboration arrangements. No wonder, therefore, that foreign participation in equity capital as well as in overall project financing has been noticeably on the decline this year, having fallen by 50 per cent from last year's level, according to one report. There have been suggestions in the last few days that the Industrial Policy Resolution of 1956 needs to be revised in order to speed up the rate of economic growth. This is a case of misplaced emphasis. What requires to be revised is not the resolution, which is as flexible as india-rubber, but the policy followed in applying it to the various industrial projects. Who will implement a project quickly and cheaply, the private or the public sector? This, indeed, should be the primary consideration in deciding the question as to which sector a project should be allotted. A similar pragmatic attitude is also called for in regard to participation of private capital and import of technical know-how. One has to bear in mind that the galloping population of India, with its aggravating effect on unemployment, underemployment and inflation, will swallow up the powers-that-be if they fail to ensure a high rate of economic growth.

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PLANTERS' PROBLEMS

THE speech of Mr. W. C. F. Simmonds, the retiring President of the United Planters' Association of Southern India (U.P.A.S.I.), delivered at the sixty-ninth annual conference of the Association held at Coonoor last week-end, was notable for its brevity and pointedness. Mr. Simmonds did not use any high-sounding words or phrases to highlight the difficulties of planters. Nor did he make a scathing attack against the policies of the Governments, Central and State. Instead, he merely stated the facts about the industry,

with special reference to the tax burden on it. The most important point he made was that there was no conflict in the objectives of the U.P.A.S.I. and those of the Government. Both wanted a plantation industry that was economically sound, so that it could serve well the cause of labour, capital and export promotion. This attitude of Mr. Simmonds evoked a sympathetic response from Mr. Gulzarilal Nanda, Union Minister for Labour, Employment and Planning, who inaugurated the conference. He was quite helpful in his replies. He assured the planters that the Government would provide the industry with the necessary equipment to maintain a high level of quality output at an economic cost, and broadly agreed with Mr. Simmonds' view that there should not be any unnecessary duplication of non-productive work regarding the number of returns required to be submitted to the authorities.

The metaphor used by Mr. Simmonds to describe the economic plight of his industry is very apt. He said: "We have heard a lot about the goose that lays the golden eggs; the poor bird has been overworked." The tax impost in particular is weighing heavily on the industry. The agricultural income-tax alone takes a pretty big slice of the planters' profits—as much as 62 per cent in Kerala, over 50 per cent in Madras and about 45 per cent in Mysore. Besides, the tea industry has to pay the Union income-tax on that portion of the profit which is regarded as industrial. Again, it has to pay a number of indirect taxes. By all means, let the Governments (Central and State) collect their due share of taxes from the plantation industry. But only they must take care to see that the "goose" will not be squeezed so much that either the "egg" laid by it is reduced in size or its quality is poor. In his characteristic way, Mr. Simmonds impressively pleaded for relief in taxation. Here are his words addressed to the authorities:

"Please leave us with enough finance to keep our gardens in good order and enable us to face the future with confidence and stability.

"Please leave us with enough finance to enable us to comply with the onerous requirements of the Plantations Labour Act or lower those requirements.

"Please let us have one tax and one tax collector, instead of the innumerable taxes and tax collectors we have at the moment."

At no time before was the need for tax relief to the plantation industry so pressing as it is today. The industry is required to augment its output (tea, coffee, rubber and spices) considerably in keeping with the continuously expanding domestic demand and to earn for the country as much precious foreign exchange as possible through exports. How can the industry discharge this task when it is finding it exceedingly difficult to keep its production costs within reasonable limits? The difficulty is all the greater because the industry's costs, as Mr. Simmonds said, are governed mainly by inflexible workers' wages, cost of essential supplies and the state of the weather which is unpredictable.

The reduction in tax burden is especially urgent in regard to tea and coffee, the two principal plantation crops that are experiencing stiff competition in world markets. In the case of rubber, the need for tax relief arises from the fact that the commodity is a product of strategic importance and that, to the extent to which its output is raised, there will be considerable saving of foreign exchange that would otherwise be spent on imports. Every 100 metric tons of rubber imported, it may be noted here, involves a foreign exchange expenditure of Rs. 2.76 lakhs. A lot of this exchange can be saved if, as Mr. Simmonds pointed out, sufficient incentive is given to producers to expand and replant. This aspect was recognised by no less a body than the Tariff Commission. This body had recommended that, as rubber tree is a wasting asset, the industry should be allowed a depreciation element at Rs. 9 per 100 lbs. as a charge against taxation. The Central Government accepted the recommendation and asked the State Governments (profits of rubber estates are liable only to agricultural income-tax) to give effect to it. It is creditable that the Madras Government has not only accepted the recommendation but has gone a step further in agreeing to treat expenses on replanting also as a legitimate revenue charge. The Mysore Government also has favourably responded to the Centre's suggestion.

It is, however, deplorable that the Government of Kerala has still not agreed to give the relief, despite repeated appeals by the industry for nearly two years now. It is deplorable not only because the recommendation of an impartial body backed by the consent of the Centre is being flouted but also because Kerala accounts for the bulk of rubber grown in India, having as it does 94 per cent of the total acreage under rubber. Mr. Simmonds was mildly mild when he remarked: "I am sorry that the Government of Kerala is relying on a short-term policy of immediate taxation." Actually, he should have described the Kerala Government's attitude as being extremely short-sighted both Kerala-wise and India-wise. The State Government may initially lose some revenue by recognising the depreciation allowance, but the loss will be more than compensated in due course, for the incentive is designed to encourage the industry to grow and, when it does, the taxable base will get broadened and the State will get more revenue.

It is not the tax burden alone that is weighing heavily on the plantation industry. The incidence of wages is also quite heavy. In respect of tea plantations, for instance, the production cost is expected to go up by six to seven per cent due to payment of enhanced wages as per the interim recommendations of the Wage Board. One does not know to what extent this burden will go up as a result of the final recommendations of the Board which are yet to be framed. The planters do not mind the increase in wages or the grant of maternity and other fringe benefits which together now account for nine per cent of the income of labour, provided they are compensated adequately by higher productivity. But this has not been the case. It is rather disquieting to hear that absenteeism in plantations has increased lately to about 18 to 20 per cent. This is high in all conscience, because, in plantations, there is work to be done all round the year. The industry is certainly entitled to a fair day's work for a fair day's wage. Appropriately enough, Mr. Simmonds observed:

"That is what we ask for and, once the industry obtains this, we shall have a contented and stable labour force. No individual and no country which is developing its resources can exist economically, if five-hours-work-a-day is considered reasonable. ... Surplus labour is a drain on the economy of any industry and affects the earning capacity of our permanent labour force. We do not ask for retrenchment; we are prepared to accept a natural reduction of our labour force. But the days of carrying surplus labour to compensate for absenteeism, seasonal crops and agricultural practices have gone. The industry cannot afford it, neither can our labour."

This is a simple truth which is unfortunately not recognised by labour leaders. Mr. Nanda did well, therefore, to call upon the workers to put in their best and be more efficient and disciplined before they ask for more. Discipline, he rightly declared, was the foundation for efficiency; it came not by shouting but out of certain standard of human relationship, and it could be generated and developed. Elucidating this point further, he said: "That which comes from within is much more enduring and much more valuable." Reassuring is Mr. Nanda's statement that labour legislations affecting plantations would be *very cautiously* introduced and implemented.

LAND ACQUISITION FOR INDUSTRIES

THE validity of acquisition of land for companies wanting to establish industries under the Land Acquisition Act of 1894 had always been taken for granted till it was called in question early this year in the case of *R. L. Aurora* vs. *The State of U.P.* before the Supreme Court. Land acquisitions in the past were made, among others, for the erection of dwelling houses for workmen employed by a company or for the provision of amenities directly connected therewith [Section 40(1)(*a*)], or for the construction of some work likely to prove useful to the public [Section 40(1)(*b*)]. Presumably land required by a company for the construction of factory buildings and works proper was all along being acquired in terms of the procedure prescribed in Sections 6 to 37 of the principal Act, as there was *no prohibition as such* against the Government acquiring lands for a company when there was a public purpose. In retrospect and in the light of the Supreme Court judgment, all this was not quite in order, for the Court held that land could be acquired under Section 40(1)(*b*) only when the work to be constructed would be directly useful to the public and the public would be entitled to use the work as of right for its own benefit in accordance with the terms of the agreement (Section 41) between the company and the appropriate Government. Following the judgment several State Governments represented to the Centre that the Court's findings might have the effect of rendering planned development of industries extremely difficult and that acquisitions of land made for companies in the past might be questioned by previous owners in courts of law. The sequel to this representation was the promulgation of the Land Acquisition (Amendment) Ordinance on 20th July 1962, whereby Sections 40 and 41 of the principal Act were suitably amended and all past acquisitions of land made for companies were also validated.

The central purpose of the amendment was to insert the following as an additional clause in section 40(1) of the principal Act:

"That such acquisition is needed for the construction of some building or work for a company engaged or to be engaged in an industry which is essential to the life of the community or is likely to promote the economic development of the country."

The ordinance was sought to be replaced by an Act of Parliament and an official Bill for the purpose was introduced in the Lok Sabha last month. But, unfortunately, a controversy arose over the aforesaid new clause on the ground that it might be misused in the interests of private parties and that the interests of owners of agricultural land might be jeopardised. What finally emerged from the Lok Sabha on 30th August was a compromise clause replacing the one proposed originally in the amending Bill. This compromise clause, as now passed, is as follows:

"That such acquisition is needed for the construction of some building or work for a company which is engaged or is taking steps for engaging itself in any industry or work which is for a public purpose."

The use of the expression "for a public purpose" in the vital clause pertaining to acquisition of land for companies is, on the whole, a happy one, for it brings the newly inserted clause in tune with the spirit of the principal Act. Although the Act of 1894 has not provided a precise definition of the expression "public purpose," the rules to be framed by the Government under the amending Act may be expected to define it in such a way as to convey that the public purpose or good would be served when land acquisitions for factory buildings or works are made on behalf of companies engaged or to be engaged in industries which are essential to the life of the community or likely to promote the economic development of the country. Industrial development, whether it is in the public sector or in the private sector, serves a public purpose as much as irrigation, roads and railways, for instance, do. It would be most relevant in this context to quote the following from the Legal Reference pertaining to the scope of the Land Acquisition Act of 1894 included in the *Civil Court Manual* (*Central Acts*), published by the Madras Law Journal Office:

"The power of the State to acquire property compulsorily is a power to acquire it only for a public purpose. The expression "public purpose" is not capable of a precise definition and has not a rigid meaning. The State has both the right and is under a duty to regulate the distribution of irrigation water in the interests of the public. The Government has to provide major distribution channels and smaller channels which ultimately lead the water to the several fields. An acquisition for carrying out any part of such irrigation scheme will certainly be acquisition for a public purpose which is also a State purpose. Though, initially, a channel for which land is acquired will serve only one part of land owned by a single individual, as, in course of time, it would also serve other lands as well, it must be held that the acquisition is for a public and State purpose, namely, extension of irrigation. *The fact that, initially, only one individual stands to benefit by the proposed channel would not make the acquisition any the less an acquisition for a public purpose.*" (Italics ours.)

If irrigation (or agricultural) development is a public purpose, industrial development is no less so. No apology, therefore, is needed for acquisition of land for companies, whether they be private limited companies or public limited companies. Although the extent of agricultural lands that have been, and will be, acquired for industrial purposes will be a negligible proportion of the country's cultivated area, still safeguards to owners of land are certainly necessary. Many of these safeguards are already there in the principal Act and some more will form part of the Rules to be framed under the amending Act in terms of the Food and Agriculture Minister's assurance. If a generous premium or solatium well above the market value of land is expected by landowners, there is nothing to prevent a provision therefor being made in the Rules. All other objections to land acquisition on behalf of companies seem to be irrelevant or to ignore the compelling needs of industrialisation which everybody desires.

MARKET GOSSIP

Wild-goose Chase

GOLD is very much in the news again, thanks to the Government of India. In the past fortnight, Mr. Morarji Desai, Union Finance Minister, has stated both in and outside Parliament that the Government of India is actively considering ways and means of mobilising the hoarded gold for the benefit of the country's economic development. He has also conceded the need for taking more effective measures to check smuggling of gold. Naturally, the objectives are such that neither he nor any of his colleagues can disclose in advance the exact steps to be taken by the Government to achieve them. Efforts made by some members of the Lok Sabha on Wednesday this week to fathom the Government's mind proved futile. The opportunity was provided by the discussion on the Bill to amend the Industries (Development and Regulation) Act with a view to enabling the Government to exercise control over the supply, production and distribution of gold and silver as in the case of non-ferrous metals. Mr. K. C. Reddy, who moved the Bill, cleverly left the members to retain their curiosity. All that he could say was that the amendment had an indirect bearing on the Government's desire to bring to the surface hoarded gold and that it was specifically intended to check smuggling, as well as to prevent hoarding of gold. The amendment was also necessary, Mr. Reddy added, to facilitate the Central Government's proposed take-over of the Kolar gold mines from the hands of the Mysore Government. The Bill, incidentally, was adopted by the Lok Sabha on the same day, after a two-hour debate.

Before taking up the subject of mobilising the private gold hoards, one may as well deal with the amending legislation mentioned above. The necessity for this measure is not quite clear. Gold and silver are metals and are, therefore, covered by the term metallurgical industries included in the schedule of industries reserved for the public sector under the Industrial Policy Resolution. Further, gold mining has been in the public sector ever since the Kolar mines were taken over by the Government of Mysore from Messrs. John Taylor and Sons. The entire amount of domestically produced gold, including the small quantity obtained from the Hatti mines, is being taken over by the Centre and put into a special reserve. This policy has been in force since July 1958. Accordingly, the question of distribution of domestically mined gold does not arise. This only leaves the distribution of gold already privately held and that which is smuggled. But no industrial operation is involved here. Perhaps, the Government is having in mind the melting and refining operations. By and large, they are being carried out by individuals with one or two helpers, who are invariably family members. In any case, the enterprises are so small that they are not covered by even the Factories Act.

Some are inclined to feel that the Government may be thinking in terms of licensing all dealers in gold and silver, including goldsmiths and jewellery-makers, and bringing their operations under control. The feasibility of this proposition is doubtful. But how is an amendment to the Industries (Development and Regulation) Act going to be helpful for this purpose?

The bullion dealers in big cities like Bombay and Calcutta are already under the control of the Forward Markets Commission. Much of the smuggled gold is processed in upcountry centres, stealthily of course, and then brought to cities. If the Government thinks that it can catch this gold and thereby strike terror into the hearts of smugglers, it is under an illusion. It will be adding only one more to the controls that are more honoured in the breach than in observance. Some ask: If dealers in foodgrains can be controlled and licensed, why not the dealers in bullion, jewellers and goldsmiths? There should be no difficulty at all in licensing them; in any case, most of them must have been registered for the purposes of sales tax. The real difficulty will arise in tackling their black market operations. It is worth remembering, in this connection, that controls on foodgrains and other articles of food were by no means a great success. The greater the controls, the larger was the black market in food articles. Further, food controls covered only a fraction of India's population, as they were not enforced in rural areas and in small towns.

There is a fundamental difference between food controls and those on bullion, apart from the fact that food is a daily necessity, whereas gold is an article of luxury, except for certain essential social purposes such as marriage. For food articles, the Government fixed a fair price as the ceiling and tried to maintain it by ensuring adequate supplies. Surely, it would sound absurd to suggest that the Government should determine a fair market price for gold and take steps to sustain it.

There is a school of thought which feels that the Government should have before it only the limited objective of restraining sizable purchases of gold (and silver) and not those for small amounts, say, 5 or 10, or even 20 tolas a year. Those who buy 100 tolas and onwards are, it is pointed out, persons who must have made a lot of easy money and paid no taxes on it. Once bullion is subjected to some sort of control, these persons will have to pay, so it is argued, a much higher price for the gold and/or silver than is the case now, for they can do so only without allowing their deals to go on record, whereas those who wish to buy small quantities with taxed savings or white money will be able to get their requirements from the licensed dealers at a price lower than the black market price.

This remedy seems to be worse than the disease. For it will breed a new set of middlemen who will be used for buying gold in small quantities. The gold thus bought will be collected and passed on to persons who wish to store away their ill-gotten wealth in precious metals. After a temporary fall in the wake of shocks given by the Government, prices of bullion will rise again and perhaps to new heights which in turn will attract more smuggling.

Equally difficult will be the task of making people to disgorge gold through civilised methods of law. The entire issue was discussed threadbare four years ago (*vide* pages 211 and 255 of *Commerce* dated 9th and 16th August 1958) and Mr. Morarji Desai himself had come to the conclusion that the problem of mobilising gold hoards with the people was intractable and, as the outcome of any reasonable solution was highly uncertain, the game was not worth the candle. If the idea was not feasible four years ago, it is much less so now. Since August 1958, the price of spot gold has gone up by nearly 50 per cent, from about Rs. 105 to Rs. 151 per tola. Commodity price levels in the country have also gone up by 20 to 30 per cent and the further additions to purchasing power that will follow as a result of monetising the gold hoards will accentuate the inflationary forces, besides encouraging the expenditure on luxuries. It is, therefore, surprising that Mr. Desai should have entertained the idea, again, and given rise to expectations that, sooner or later, the Government would take appropriate action. Mr. Desai himself has clearly gone on record to the effect that any step the Government takes should not lead to harassment of the people and that it should not provide a fresh impetus to smuggling and hoarding or to a further rise in the price of gold. Further, Mr. K. C. Reddy averred in the Lok Sabha on Wednesday that it was mischievous to suggest that the Government intended to take away *all* the jewellery in the country. If regard be had to these assurances and if the hoarded gold is to be mobilised in a manner which will not be expropriatory, without at the same time imposing a heavy burden on the taxpayer, there is precious little the Government can do for getting any sizable quantity of gold from the people.

The difficult foreign exchange situation and the information gathered by the Government from the wealth tax returns may have prompted Mr. Morarji Desai to take the idea out of cold storage. He may have felt that even a few crores worth of gold would be better than nothing. He may also be thinking of directing his attack only against the rich people having gold in considerable quantity. He may also be feeling that, despite all the measures that have already been taken to arrest smuggling, arrivals of contraband gold continue to be sizable, resulting in a heavy invisible drain on India's foreign exchange earnings, and that something more drastic must be done to check the drain. Knowledgeable circles in the bullion market say that, according to estimates published in West Asian countries, gold smuggled into India in 1961-62 was of the order of three million ounces, involving a foreign exchange loss of approximately 200 million U.S. dollars or Rs. 96 crores. In short, the Government must have come to the view that it cannot be a silent and helpless spectator of the gaping, ever-widening hole in its foreign exchange basket. Something must be done to close it. And the only effective way would be to wean away the people from the gold habit, for it is this habit that is encouraging the surreptitious influx of gold into the country. Any measure taken in this direction, the Government must be feeling further, will have the additional advantage of releasing a sizable amount of gold that has already gone into the hoard, whether in the form of jewellery or bullion.

If the gold habit is to be discouraged, no mild solution will be effective. The Government will have to take drastic measures, such as a fiat that no one individual (here an individual should also mean a family) should have gold equivalent to more than five tolas, that all gold in surplus of this quantity should be turned over to the Government and that anyone who contravenes this order would be liable to five years' rigorous imprisonment. But, as no democratic Government can issue such a fiat, one cannot think of solutions of this nature. Alternatively, the Government can pass a law, placing a ceiling on the amount of gold an individual can possess in the form of bullion, jewellery and others, and make it a criminal offence to hold gold in excess of the ceiling. But, as its enforcement will be difficult, the Government should leave the crime to be brought to its notice. Or it can rest content, by allowing it to the conscience of the person to obey the law. There are some in this country who feel that, if this is done, at least the law-abiding persons will not buy gold in excess of the ceiling. This solution, too, is unsatisfactory, for, if conscience were an effective agent for enforcing economic controls, there would not be that much tax evasion, black-marketing and adulteration as there is in India or in any other country subject to similar controls.

The best thing to do, therefore, would be to give up this wild-goose chase, whatever may be the attractions of the game, and concentrate on efficient, clean and honest administration. If taxes are collected properly and if the other economic controls are enforced ruthlessly without fear or favour the scope for black-marketing will diminish and with that the market for gold, too. At the same time, Government should launch a country-wide educational campaign to discourage people from buying gold. Monetary incentives for investing one's savings in Government obligations must be made more attractive than at present. Ministers, officials, politicians, and social workers should give a lead to the people by showing that it is neither fashionable nor patriotic to wear or to possess gold in any form. Some suitable incentives, which do not impose any heavy burden on the taxpayer, may also be offered to encourage voluntary immobilisation of holdings in gold.

Mica Exports

India is the world's largest supplier of good quality mica, which is used largely in the manufacture of electrical instruments and appliances. But it is fast losing its near-monopoly position, particularly in respect of mica blocks, on account of growing competition from other mica producers like Brazil and Madagascar and also from new synthetic substitutes developed in industrially advanced countries. The discontinuance of the U.S. offtake for stockpiles has created fresh difficulties for the mica trade. There is, however, no reason to be pessimistic. For so long as electrical industries continue to expand, as in Western Europe, Japan, Russia and East European countries, the world demand for this commodity is bound to go up. It will be well-nigh impossible to find in the foreseeable future a perfect substitute for natural mica which has a distinctive dielectric strength. With its large deposits of good quality mica, India is, in fact, in a better position to withstand competition from new substitutes than its confreres abroad. Deposits of mica are found mainly in three large belts in the country, one each in Bihar (of 1,500 sq. miles), Rajasthan (1,200 sq. miles) and Andhra Pradesh (600 sq. miles). Most of the mica produced in these tracts now is sold abroad, as the domestic market it still small, though it is bound to expand in coming years.

India's exports of mica have been fluctuating from year to year. From about Rs. 13.2 crores in 1951-52, mica shipments actually fell to Rs. 7 crores by 1954-55, but recovered subsequently to Rs. 10.7 crores by 1961-62. This recovery, though welcome, conceals an important handicap faced by the trade. For the unit values of several types of mica have declined, with the result that larger quantities had to be exported to secure the same or smaller earnings. Another feature of exports has been the decline in U.S. buying. This decline has, however, been neutralised to some extent by the entry of customers from the Communist bloc, particularly Russia.

Because of keen competition in mica trade, some of the exporters have been indulging in under-cutting, which helps nobody but the overseas buyers. The suggestion made at the annual meeting of the Mica Export Promotion Council held at Calcutta last week that domestic exporters should organise themselves on a strong footing and shed their complacency is quite timely and appropriate. It is certainly a reflection of the lack of co-operation among exporters that several of them have not even cared to become members of the Export Promotion Council. Apparently, it is due to the lack of co-operation that the price of mica has come to be controlled by buyers abroad, as disclosed by Mr. S. K. Sen, Chairman of the Council. Mr. Sen felt that it was essential to increase the price of mica by avoiding rate-cutting. Probably, he was thus endorsing the suggestion of the Bihar Chief Minister for fixing floor prices for mica. While price stability is essential, no less important is the need for adhering to strict quality standards. In this context, the pre-shipment inspection scheme introduced by the Council and the various standard specifications brought out by the Indian Standards Institution are steps in the right direction.

These are, no doubt, short-term measures of export promotion. The long-term prospects for mica will depend, as Mr. Sen rightly pointed out, on finding out new uses for mica through scientific research. Besides, his plea for establishing plants for processing of mica is quite sound. At present, almost the whole of the commodity is exported in the raw form as blocks, splittings or wastes. The processed products (exports of which at present amount to less than a crore of rupees annually), will help fetch better prices for this commodity. It may be recalled that the National Council of Applied Economic Research, in its techno-economic survey of Bihar, published a couple of years ago, suggested the possibility of setting up plants for manufacturing mica products in that State. The establishment of a micanite factory some time back in Bihar and another unit in Rajasthan recently to produce fine mesh mica should be considered as a good beginning. It should not be forgotten, however, that these processed products are subject to higher tariff barriers than those on raw mica in some of the importing countries. It is, therefore, necessary to take into account the leanings of importing countries and make sure that, in trying to thrust the processed mica on them, India will not be providing an advantage to its competitors. In other words, the pros and cons must be carefully weighed and the switch-over must be gradual.

The *autobahns*, as the super-motorways in the Federal Republic of Germany are called, will be expanded from the present 2,200 miles to 3,700 miles by 1970 under an expansion programme costing DM 13,000 million. Construction work is to be undertaken in two phases of four years each. Simultaneously with the expansion of the *autobahns*, the network of federal highways, too, will be improved. Altogether some 4,800 new bridges and 2,400 miles of new federal highways are to be constructed under this major plan.

TREND OF SHARES

RENEWED WEAKNESS

(From Our Own Correspondent)

BOMBAY, *6th September*

A SUDDEN and sharp break in steel shares led to renewed weakness in the stock markets this week. Steels fell particularly in the latter half of the week on sizable liquidation by a prominent Calcutta operator which gave credence to reports that the increase in steel retention prices might not come up to market expectations. For quite some time now, strength in steel shares had imparted a steadiness to the markets. Accordingly, once Steels broke, the tendency to sell all-round gained fresh momentum. Prices declined. The setback uncovered weak bull positions in several counters. Bears tended to become aggressive on the decline. Sentiment was depressed and the tone was distinctly quiet. The week closed at about the lowest levels, with a majority of minus signs, although losses on balance were only small, except in Steels where they were quite substantial.

Clipped by holidays, trading continued to be restricted. Turnover was below normal. The week's setback highlighted again the fact that for some time past, the bulk of the interest in the markets has been on account of a handful of big operators, who, being in the rival camps, have resorted more often than not to cut-throat operations, resulting in rather erratic, though not wide, fluctuations. The small fry has naturally been scared away by such a trading pattern.

Besides, the public has been disinclined to take up fresh commitments, in view of the prevailing economic uncertainties. Of primary importance for industries is the financing of maintenance imports, and there is no knowing still how that will be done by the Government. The authorities have drawn up a list of industries to be accorded priority in the foreign exchange allocation, of which not many are in the private sector. What does the Government propose to do for the majority of private sector industries excluded from the list of priority? Are they to be neglected for some time to come? These are pertinent questions, particularly when one hears from Mr. K. C. Reddy, Union Minister for Commerce and Industry, that the private sector was licensed a sizable additional capacity before the commencement of the third Plan. Of course, this was necessary to avoid a hiatus in industrial development in the initial years of the Plan, but today, unfortunately, the shortage of maintenance imports has rendered an increasing proportion of industrial capacity idle.

As for the markets' internal factors, one of them is of immediate importance, namely, the carry forward charges. These charges have been significantly low for the past few settlements. But, with the State loans having mopped up much of the excess liquidity of banks, interest rates have of late hardened again, and the busy season is not too far off.

Although the current levels may not attract any big selling pressure, bullish activity in the markets is definitely an uphill task and needs some big incentive. It is mainly because of the lack of a broadbased sweeping incentive that chemical and dyes shares failed to draw much comfort this week from the ban on import of coal tar dyes.

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After a fairly long interval, Steels suffered a major setback in Bombay. Tata Steel Ordinary, the barometer of the market, slumped from Rs. 148 to Rs. 144.50 and closed four points lower over the week at Rs. 145. Indian Iron fell from Rs. 26.95 to Rs. 26.15 and closed at Rs. 26.25 as against Rs. 27.35 a week ago. Mukand Iron showed a loss of 44 nP at Rs. 24.76. In other sections, most of the leaders were marked down. Century declined by Rs. 7.50 to Rs. 627.50, Standard by 16 points to Rs. 896, National Rayon by eight points to Rs. 503.50 and Bombay Burmah by Rs. 6.50 to Rs. 665.50. However, Bombay Dyeing closed with a small gain of 20 nP at Rs. 67.70 due to short-covering at lower levels induced by the very low carry forward charges for the past few settlements. Hindustan Motors finished unchanged at Rs. 20.20. Other leading issues were fractionally shaded. Among others, A.C.C. showed a loss of Rs. 4.50 at Rs. 158.50, Khatau of Rs. 11.25 at Rs. 468.75 and Scindia of 24 nP at Rs. 11.84.

Dyes and Chemicals were easy. But Electrics rose further, and Tata Power, in particular, shot up by Rs. 42.50 to Rs. 1,142.50 on revival of investment support. Andhra Valley, too, were conspicuous by a gain of Rs. 12.50 at Rs. 1,032.50. There were some notable gains among the backbenchers. Thus, on expectations of a bonus share issue, Mororjee spurted by Rs. 50 to Rs. 476 and attracted in the process an interim margin of Rs. 27.50 per share against bulls. B.R. Cotton shot up by 17 points to Rs. 85 and attracted for a third time in the current settlement an interim margin which was fixed this week at Rs. 5.50 per share against bulls. At close, these shares reacted to Rs. 80. The remarkable strength in these shares is attributed to reports that the Morarjee Goculdas Mills was negotiating to buy the gross block of the Company and run it as a separate entity.

In the Cash section, changes were minor. But W. H. Brady spurted by Rs. 52.50 to Rs. 450 as compared with the last available quotation of Rs. 397.50 as on 2nd August 1962. T. Maneklal were down by 15 points to Rs. 455, New Standard Engineering by 11 points to Rs. 210 and Star Textiles by nine points to Rs. 123.

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Values declined in Calcutta over a broad front. Among cleared shares, Dunlop reacted by Re. 1.06 to Rs. 39.50, G.K.W. by 62 nP to Rs. 37.94, Kesoram by 81 nP to Rs. 28.50, Orient by 75 nP to Rs. 43.05, Texmaco by 45 nP to Rs. 23.25, Indian Cable by 50 nP to Rs. 37.50 and Indian Aluminium by 31 nP to Rs. 36.94. In the Cash section, Textiles and Coals displayed mixed trends. While Bharat Commerce were down by Re. 1.06 to Rs. 28.44 and Birla by 50 nP to Rs. 26.69, Elgin moved up by 44 nP to Rs. 19.56 and Jayshree by 62 nP to Rs. 17.37. Similarly, Amalgamated Coal declined by 25 nP to Rs. 21.62 and S. Karanpura by 37 nP to Rs. 8.69, but Raneegunge improved by Re. 1.37 to Rs. 15.62. Selected jute shares were better; Champadany improved by Rs. 7.50 to Rs. 151, Anglo-India by Rs. 7 to Rs. 239, Fort Gloster by Rs. 9 to Rs. 434 and Kelvin by Rs. 7 to Rs. 192.

In the Engineering section, Braithwaite showed a gain of Re. 1.13 at Rs. 35 in contrast with a loss of Re. 1.25 in Escorts at Rs. 18.37 and of three points in Burn at Rs. 704. Alkali Chemical rose further from Rs. 45.62 to Rs. 46.69. Among Miscellaneous issues, Angelo Brothers showed a gain of Re. 1.19 at Rs. 24.69 and Associated Battery of 50 nP at Rs. 30.50 as did H.P. Glass at Rs. 20.56 with Indian Oxygen improving by Re. 1.75 to Rs. 49.75, but East Anglia were down by 75 nP at Rs. 18.25 and Dr. Paul by 63 nP at Rs. 21.37, with other issues showing generally small losses. Titaghur Paper declined further by 69 nP to Rs. 35.75, but Bengal were up by 75 nP at Rs. 33.75. Teas were generally steady, excepting Duffaghur which closed 88 nP lower at Rs. 27.87, Marga-Hope which showed a loss of 63 nP at Rs. 11.62, Hasimara which were 62 nP lower at Rs. 15 and North Dooars which declined by Rs. 2.50 to Rs. 258.

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The Madras Stock Exchange closed with small changes either way. But Coimbatore Cotton was an exception, in that it advanced by 10 points to Rs. 179. Lakshmi eased by 50 nP to Rs. 147.50 and Travancore Rayon by 80 nP to Rs. 36.60. S.I. Viscose closed fractionally lower at Rs. 165. F.A.C.Ts eased by 30 nP to Rs. 7.50 and Madras Rubber by 25 nP to Rs. 22.50, but Mettur Chemicals showed a gain of 17 nP at Rs. 14.12 and Travancore Chemicals of Rs. 1.25 at Rs. 23.50. Sugars were better, with Deccan closing with a gain of 95 nP at Rs. 11.15, Cauvery of Rs. 4 at Rs. 116 and Travancore of Re. 1.10 at Rs. 8.35. Plantings were listless, excepting Peermades which showed a gain of 50 nP at Rs. 20.50. Consolidated Coffee which closed with a loss of 30 nP at Rs. 18.20 and Cochin Malabar which were 25 nP lower at Rs. 6.75.

CAPITAL MARKET NEWS

NEW ISSUES

CHITALE Sugar Works Ltd. is offering for public subscription 201,919 equity shares of Rs. 10 each and 8,648 (9.28% per cent, taxable) cumulative redeemable preference shares of Rs. 100 each. The lists will remain open for a week from the 12th inst. The Company's factory at Chitalenagar, which is about 90 miles from Poona, has a crushing capacity of 800 tons of sugarcane per day and will produce approximately 138,000 bags of sugar by crushing about 120,000 tons of cane during an average crushing season of 150 days. Construction of the main factory buildings has already been completed and the bulk of the plant and machinery purchased from indigenous sources at rates believed to be comparatively cheap. As the construction of buildings and the erection of machinery have reached an advanced stage, the Company expects to go into production during the manufacturing season of 1962-63.

The capital outlay on the project is estimated at Rs. 89.81 lakhs, of which Rs. 63.90 lakhs have already been expended. The Company's other financial requirements are placed at Rs. 26.43 lakhs. The Industrial Finance Corporation of India has sanctioned the Company a loan of Rs. 32 lakhs, of which Rs. 20 lakhs have already been given. The Company has a strong Board, with Mr. Morarji Vaidya as the Chairman. Mr. S. D. Chitale and Mr. W. D. Chitale are the Directors of Messrs. Chitale and Company (Private) Ltd., the Managing Agents of the Company.

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Arlabs Ltd. of Bombay, which is increasing its paid-up capital from Rs. 16.69 lakhs to Rs. 36.69 lakhs by the issue of 20,000 equity shares of Rs. 100 each at a premium of Rs. 50 per share, has offered 10,000 of the additional shares for public subscription. The lists will open on the 10th inst. and close either on the 15th inst. or on the 12th inst. The Company claims to be the pioneer in India in the manufacture of solubilised vats and azoic type of textile dyestuffs. It produces at present 1,400 kgs. of vat dyes per month. It now proposes to raise the output to 6,000 kgs. It has also been licensed to manufacture textile printing colours of solubilised vats and azoic type, vat dyes, naphthols, bases, phthalocyanine pigments and derivatives, textile auxiliaries, etc.

RAKA CHEMICALS AND FOOD PRODUCTS LTD.

The Raka Chemicals and Food Products Ltd., a new company incorporated in Madras with an authorised capital of Rs. 25 lakhs, will manufacture basic chemicals and food products from indigenous raw materials. The items to be produced include strontium nitrate, barium nitrate, barium sulphate, barium carbonate, barium sulphide and stearates and malted food products. It will use the raw materials available in Madras and the neighbouring States. Besides, it will employ indigenous plant and equipment. Thus, the project involves no drain on the country's foreign exchange resources. Land for the factory has already been acquired near Guduvancheri railway station, adjoining the Grand Southern Trunk Road and building construction is under way. Production is to start shortly. Messrs. Raka Corporation (Private) Ltd. will be the Managing Agents of the Company.

NEWS IN BRIEF

THE Government of India has requested the World Bank to send a team of experts for studying the coal transport problems in the country.

A factory for the manufacture of fish cans is proposed to be established at Cochin by a Bombay firm in collaboration with a U.S. firm. The Bombay firm has also a plan to establish another can manufacturing factory elsewhere in the country.

An Export Promotion Council for finished leather and leather products is proposed to be set up, with headquarters at Kanpur in U.P. A similar Council dealing only with semi-finished hides and skins is already functioning at Madras.

The Soviet Union has offered to buy from India 1.8 million metres of printed cotton textiles (worth about Rs. 25 lakhs) and 700,000 metres of bleached sheeting (Rs. 10 lakhs). The offer is now being considered by the Central Government.

An official Bill seeking to give independent status to the Central Warehousing Corporation, which is now functioning under the guidance of the National Co-operative Development Board, was introduced in the Lok Sabha last week.

The Union Defence Ministry proposes to put up a plant for the manufacture of power barges at Mokameh in Bihar at a cost of Rs. 50 lakhs. The barges are expected to be used for carrying coal from the Jharia and Raniganj coalfields to U.P. and North Bihar along the Ganges.

The Maharashtra Government proposes to set up a prefabricated housing factory with a view to relieving the acute shortage of housing among low-income groups. Prefabricated houses, it is claimed, can be erected at moderate cost and within a short period of four to six weeks.

Extensive drilling and other experiments have been started at the Mangalore port with the object of developing it as an all-weather port. The experiments are expected to be over in a few months. Technical experts will then be asked to decide the final layout and design of the harbour.

The Governments of Andhra and Orissa have signed an agreement on the use of the Sileru river water. The agreement provides for the construction of a dam at Balimela, a weir at Guntawada, and generation of power jointly by the two States by sharing waters equally and building a reservoir at Balimela. The construction of the dam will be undertaken by a joint control board.

The Government of India has decided to raise the rate of provident fund contributions under the Coal Mines Provident Fund Schemes from 6¼ per cent to 8 per cent of the total emoluments with effect from 1st October 1962. About 408,000 colliery workers in Assam, West Bengal, Bihar, Orissa, Madhya Pradesh, Maharashtra, Andhra Pradesh and Rajasthan subscribe to the Fund. The total accumulations in the Coal Mines Provident Fund amounted to Rs. 28.96 crores at the end of June 1962.

The State Trading Corporation of India handled exports worth Rs. 15.15 crores and imports of Rs. 13.54 crores during the first six months of 1962. The exports consisted mainly of iron ore, cement, manganese ore, shoes and bauxite. Besides, some other commodities like mica, pulses, tobacco, salt, cotton, yarn, lemongrass oil, groundnut oil and oilcakes were also exported. Imports comprised caustic soda, soda ash, ammonium sulphate, newsprint, camphor, polythene, muriate of potash, mercury and urea.

Agreements for two more loans from the British Government to India for financing the third Plan were signed at New Delhi on Tuesday this week. The first loan of £13 million (Rs. 17.3 crores) is to provide finance for a number of important projects, including equipment for the Heavy Electrical Plant at Bhopal, a ropeway system and other equipment for the coal mines and supplies for the river steamer companies operating in eastern India. The second, of £5 million (Rs. 6.7 crores), is available for spending on a wide range of essential imports from the U.K. Both the loans are to be repaid over 25 years, including a grace period of seven years before repayments of principal begin. The rate of interest will be the same as that applied by the British Government at the date of issue to loans for a comparable period from its domestic Consolidated Fund, *plus* an administrative charge of one-quarter per cent.

The Government of India has constituted a high-level expert technical panel on import substitution, with Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation, as Chairman. The members of the panel are S. Mulgaonkar, Dr. M. D. Parekh, S. K. Kirloskar, K. Sreenivasan, Dr. Lal C. Verman, Dr. G. P. Kane, Dr. B. D. Kalelkar, S. T. Thadani and a representative of the Planning Commission. Mr. K. Rajagopalan will be the Secretary of the Panel. The panel will examine technical and other possibilities of replacing maintenance imports, formulating specific programmes and recommending appropriate measures in respect of specified industries. These are: industrial machinery and parts, including boilers, cement machinery, paper-making machinery, dairy machinery and cranes; automobiles and ancillaries, including diesel and petrol engines; construction equipment, including pile driving equipment, earthmoving machinery and agricultural tractors; railway rolling stock, equipment and materials; electrical industries; metal working machines such as rolling mills, foundry equipment, wire drawing machinery, machine tools, etc.; scientific and industrial instruments; substitutes for non-ferrous metals, fibres, rubber, tinplate, etc., and chemicals and dyes. The panel is expected to make recommendations concerning individual industries as and when its studies are completed and might also submit interim reports.

* * * *

From Abroad

Japan proposes to set up a trade centre at Paris in order to promote trade with France.

Pakistan is reported to be planning to reduce, and perhaps abolish, export duty on raw cotton, in order to increase its exports.

Ethiopia has secured Soviet collaboration in designing and building an oil refinery in Assale. The refinery, which will have an annual capacity of 500,000 tons, will be built under the direction of Soviet specialists, the outlay being met out of a long-term Russian loan.

The first Japanese commercial airliner since the Second World War has been developed by the Japan Aircraft Manufacturing Company. The airliner, which made its inaugural flight last week, has been designated the YS-11 and is expected to replace the DC-3 on domestic routes in Japan and Asia. It has a cruising range of 2,400 kilometres and a capacity to carry 60 persons. It is powered by two Rolls-Royce Dart engines.

Acute labour shortage is becoming an important problem facing industrial expansion in the Common Market, except perhaps in Italy, according to the annual report of the E.E.C. Commission. The development of West Germany, Holland and Luxemburg has been adversely affected by the overall labour shortage, particularly of skilled labour. In France and Belgium, the shortage is confined only to certain areas and industries. As possible solutions, the Council suggests decentralisation of industries and establishment of training centres for unskilled persons.

A proposal for the establishment of a buffer stock for coconut oil and copra among the E.C.A.F.E. countries is being considered by the Governments of countries concerned, including India. There are also some other proposals for stabilising coconut oil prices, including the establishment of an international copra exchange, a coconut advisory board and joint shipping service among E.C.A.F.E. countries, besides an international agreement on fats and oils.

PERSONAL

MR. N. K. Lakshmana Gouda, a prominent coffee planter of Mysore, has been elected President of the United Planters' Association of Southern India for 1962-63.

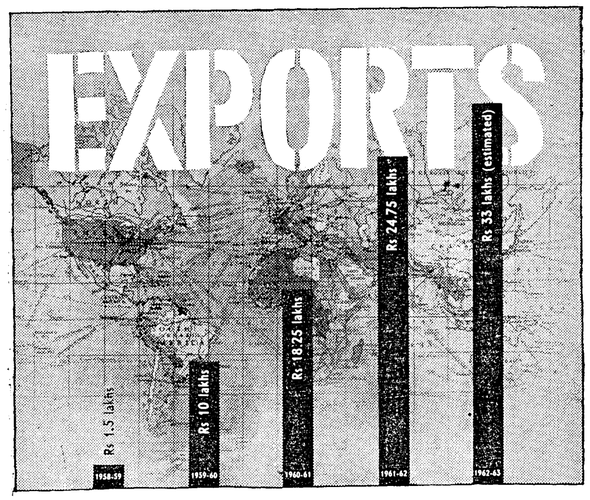
Mr. Bharat Ram, Vice President of the Federation of Indian Chambers of Commerce and Industry, has been re-elected Chairman of the Indian Society of Advertisers for 1962-63.

Mr. R. K. Sirkar of the Dunlop Rubber Company (India) Ltd., has been awarded the annual I.S.A.-Khatau gold medal, sponsored by the Indian Society of Advertisers.

Mr. Tarlok Singh, I.C.S., Additional Secretary, Planning Commission, has been appointed a member of the Commission in charge of administration and transport. He has resigned from the Indian Civil Service.

Dr. Syed Husain Zaheer, Director of the Regional Research Laboratory, Hyderabad, has been appointed officiating Director-General of the Council of Scientific and Industrial Research with effect from the 1st inst., in place of Prof. M. S. Thacker, who has proceeded on leave for three months for reasons of health.

Mr. W. B. Metre, Director and Technical Adviser of Oil India Limited, a joint venture of the Government of India and the Burmah Oil Company, is the leader of the Indian delegation to the Second Symposium on Development of Petroleum Resources of the E.C.A.F.E. region now being held at Teheran. The other members of the delegation are Dr. B. C. Deshpande, Director of Geology in the Oil and Natural Gas Commission, Mr. M. Damodaran, Senior Engineer, Indian Refineries Limited, and Dr. I. B. Gulati, Senior Scientific Officer (Cr.), Indian Institute of Petroleum. The delegation also includes Mr. Y. L. Gladil as a Technical Adviser and Mr. Prough of Esso Eastern as an observer.



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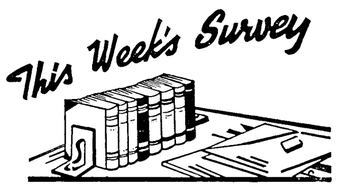

POWER GENERATION BY PRIVATE SECTOR

THE scheme submitted nearly a year ago by a group of industrialists in Madras for the establishment of a big thermal power plant in that city as a private-sector unit is reported to have been rejected by the Planning Commission presumably in terms of the Industrial Policy Resolution of 1956. As power generation has been listed as one of the Schedule-A industries reserved to the public sector for further development in the sense of establishment of new units, the Planning Commission might have taken the line that an entirely new unit like the one envisaged by the Madras proposal could not be permitted to be established in the private sector. If the Commission had thought so, it would not have been in keeping with the spirit of the Resolution which has envisaged "the possibility of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require" and which has further laid down that "whenever co-operation with private enterprise is necessary, the State will ensure, either through majority participation in the capital or *otherwise* (italics ours), that it has the requisite powers to guide the policy and control the operations of the undertaking." In view of the acute power shortage in Madras, as elsewhere in the country, the national interests clearly demanded the Centre's prompt approval of the proposal and permission to the promoters to go ahead with the project. It may be noted here that the proposal had the blessings of the State Government. The public interest in Madras or elsewhere would have been fully safeguarded, for the State has the requisite powers to guide and control electricity undertakings under the Indian Electricity Act and the Electricity (Supply) Act. As readers are aware, electricity generators and distributors in the private sector cannot even raise their little finger without the consent of either Central or State Government, for almost all aspects of their activities are strictly controlled. If, nevertheless, the private sector in that State wanted to establish a power generator, it was because of the inability of the public sector to supply adequate power and the consequent loss of production, as well as of opportunities for creating more employment. Moreover, a favourable decision on the private sector's proposal would have been wholly consistent with the policy of liberalisation initiated last year through the permission to the private sector for establishing medium-size pig-iron plants.

Perhaps, the Planning Commission may yet reconsider the Madras proposal, if the Union Planning Minister's reported reactions at Coimbatore on the 2nd instant mean anything. While reiterating the Government's policy of not allowing new power units in the private sector, Mr. Nanda is said to have added, in the same breath, that the policy was not inflexible, that a change in it might be thought of if a scheme was for the good of the nation and that, if a proposal for power generation came from the private sector, it had to be carefully examined. But the Planning Minister's subsequent remark in the same place was to the effect that, as the private sponsors would have to seek governmental help to obtain foreign assistance and machinery for their power projects, the Government itself could as well undertake them. This remark seemed to contradict his earlier approach to the question which sounded pragmatic. Obviously, Mr. Nanda was not clear in his own mind about the whole thing. Thanks to the all-pervading Government controls in this country, no industry can be started by the private sector without the help of the Government. This is much more so in the case of power generation, for the rate of return on investment in this industry is relatively low and strictly regulated. Consequently, dependence on the Government for securing capital, etc., is no disqualification for the private sector to establish a power generating unit. But, in the case under reference, the Madras industrialists were prepared to find the rupee capital, which itself was a great thing. They were also prepared to find some foreign capital, though the Government might have had to release some foreign exchange out of the foreign aid secured by it. Mr. Nanda has stated on numerous occasions that the Government of India is not pursuing doctrinaire socialism and that it takes policy decisions on practical considerations. If that is true, the Planning Commission and the Government should have jumped at the offer of the private sector in Madras. He has not shown how his consent to this offer will be injurious to public interest. Nor has he denied the fact that the public sector has been unable to meet the growing power needs of industries in the Madras State. The Planning Minister's proclaimed preference for locating big-sized power plants near coalfields would mean that all new thermal power generation would be confined to five States, namely, West Bengal, Bihar, Orissa, Madhya Pradesh and Andhra Pradesh. That surely would not be in the interests of other States like Madras and Maharashtra where the possibilities of further hydro-power generation are limited and where even the existing hydel-power units are at the mercy of monsoons, the vagaries of which have greatly increased in recent years.

AGRICULTURAL PRODUCTION

It is all to the good that Mr. S. K. Patil, Food and Agriculture Minister, has sought to dispel the impression that there are conflicting views within the Cabinet on the feasibility of achieving the third Plan production target of 100 million tons of foodgrains. Mr. Patil is quite confident that the third Plan target is within India's reach, as "the country is sound both from the industrial and the agricultural point of view and the peasant is shrewd and responsive to modern techniques of food production." Not many in this country will, however, so easily share Mr. Patil's optimism, for the none-too-encouraging performance on the agricultural front during the 1961-62 crop year is a grim reminder of the uphill task ahead. In 1961-62, the output of wheat, of course, touched a record of 11.6 million tons, or an increase of 800,000 tons over 1960-61. But India's major crop, rice, suffered a modest setback, having declined by 100,000 tons to 33.6 million tons. The production of *jowar*, too, fell. Besides, there was hardly any perceptible increase in the acre-yields of any of the agricultural commodities. As compared with the net increase of over 20 million tons of foodgrains envisaged in the Plan, or an annual average of 4 million tons, the actual increase in 1961-62, it would appear, was no more than one million tons, bringing the total to about 80 million tons. If the third Plan target is to be fulfilled, output would have to be stepped up by 19 million tons during the next four years, that is, by an annual average of just less than 5 million tons—an unprecedented rate of growth for this country. It is, therefore, gratifying to hear that the State Agricultural Ministers, at a two-day conference at New Delhi last week, gave serious thought to the question of expediting agricultural programmes, particularly those designed to improve unit area yields.

The major issues which were considered by the Agricultural Ministers related to minor irrigation and soil conservation programmes, selection of seeds and measures for better utilisation of available fertilisers. The question of accelerating minor irrigation schemes was uppermost in their minds. And, as suggested by Mr. Shriman Narayan, Member, Planning Commission, the Conference decided to set up a working group to devise methods for better distribution of iron and steel, cement and coal dust for minor irrigation purposes. The working group will consist of representatives of the Central Ministries of Food and Agriculture, Heavy Industries and Steel and Community Development as well as of the State Governments. If it is not just a propaganda stunt but is seriously meant to remove the bottlenecks in the supply of essential construction materials, this step will go some way towards promoting the cause of intensive farming. Mr. Shriman Narayan's plea for unified agencies in all States to handle minor irrigation and ensure proper maintenance of minor irrigation works deserves the urgent attention of State Governments. The latter aspect is of particular importance in the case of minor irrigation works and the State Ministers will do well to heed his advice that legislation should be enacted to empower State Governments to take over the upkeep and repair of small irrigation projects and recover the expenses from *panchayats* and other local bodies, if these institutions failed to do their duties.

In their discussion of problems relating to fertilisers, the Ministers have emphasised the need for removing the "prejudices" of farmers against chemical fertilisers. The harping on "prejudices" is only an excuse, it would appear, for Government's inability to encourage the production of fertilisers within the country in time. It is well known that the supply of fertilisers has fallen far short of demand in the last few years. So the farmers are not to be blamed. It is doubtful, in this context, whether a reduction in the price of fertilisers, as suggested at the conference, would be currently of much value. If anything, any such price reduction might have an adverse impact on the development and expansion of the fertiliser industry. This is not to suggest that there is no need for reducing domestic fertiliser prices, which are said to be the highest in the world but that can be met only through increased production.

ANIMAL HUSBANDRY IN RAJASTHAN

Whatever be the reasons compelling the planners in Rajasthan to cut the State's third Plan outlay (exclusive of the Rajasthan Canal Project) from Rs. 173 crores to Rs. 122 crores, there does not seem to be any justification for the sharp reduction in the provision for animal husbandry from Rs. 4.80 crores to just Rs. 2.11 crores. Animal husbandry occupies a pivotal place in the economy of Rajasthan where more than half the area is arid and livestock raising is an important occupation of the people. Accordingly, there is no better source of income growth for the rural areas of Rajasthan and expenditure incurred in this sector is highly productive. The schemes of animal husbandry development were introduced for the first time only in 1954-55, since when there has been a notable increase in livestock population. In the first two years of the second Plan alone, the animal population rose by 1.46 million to 33.89 million. Concentrated attention was paid during the Plan period to proper breeding, feeding and management of cattle, as well as control of their diseases, improvement of camel breeds, piggery development, poultry development and sheep rearing, and provision of better facilities to consumers for purchase of dairy products. By the end of 1960-61, there were 107 veterinary hospitals and 148 dispensaries, as against 57 hospitals and 138 dispensaries in 1955-56; 16 key village centres benefited nearly 86,000 livestock in 307 villages; two urban A. I centres, three sheep-breeding farms, 12 poultry extension centres and three poultry farms were functioning; 46 sheep shearing sheds had been constructed.

While all this progress is quite notable, much yet remains to be done in the field of animal husbandry. With long distances and poor communication facilities in Rajasthan, a large number of people in many places continue to find it difficult to take advantage of the aforesaid institutions. It is, therefore, necessary to take the veterinary aids closer to the cattle through the establishment of more hospitals, dispensaries and mass immunisation units. The pace of progress made so far in animal husbandry development will slow down considerably as a result of the cut in allotment of funds. The revised third Plan outlay of Rs. 211.00 lakhs is, it may be noted, actually less than the Rs. 211.19 lakhs provided for in the second Plan.

Viewed thus, the cut in Plan outlay on animal husbandry is certainly ill-advised. The Rajasthan Government will, however, do well at least to see that the cut does not affect the all-India sheep and wool research centre proposed to be set up at Malpura in Jaipur division. The U.N. Special Fund has already sanctioned Rs. 75 lakhs in dollars for financing the foreign exchange component of this centre. The Indian Council of Agricultural Research has also offered assistance. Surely, one fails to understand as to why the planners and powers-that-be in Rajasthan have still not come forward with the offer of funds to cover the State's share of expenditure. Since it is Rajasthan which will benefit most from the research centre, the State Government ought to have seized this opportunity by promptly earmarking in its capital budget its share of investment. Rajasthan, as readers are aware, has a large sheep population and vast potentialities for increasing it. It is strange, indeed, that the State Government has to be prodded to come to a prompt decision on this project.

SCREW INDUSTRY

The screw industry continues to make headway. The total production of wood-screws (from 20 units registered with the Development Wing) rose from 7.8 million gross in 1959 to 9.9 million gross in 1960 and still further to 10.6 million gross in 1961. The rate of growth, however, was slower in 1961, the net increase being only 700,000 gross last year, as compared with 2.1 million gross in 1960. But the industry is making some progress in certain other desirable directions. Some of the large units, for instance, have diversified the pattern of production by taking up the manufacture of precision machine screws and fasteners. The industry's installed capacity, on a single-shift basis, was 7.3 million gross per annum as of 1961. A large number of small-scale units is also engaged in the production of screws. According to unofficial estimates, the total output in this sector is about 5 million gross annually, bringing the aggregate production to about 15 million gross. Altogether there are now 51 units, including both big and small. Among the twenty units coming within the purview of the Development Wing, the Punjab State accounts for six, West Bengal four, Maharashtra three, Gujarat, Madras and Delhi two each and U.P. one. Thus the industry is now fairly well decentralised, although it was concentrated in the Punjab alone, when it first developed, that is, during the period of the last war.

The progress of the industry would have been much more marked but for the difficulties in getting the main raw materials, namely, steel wires of requisite quality. The problem of shortage of this raw material has been a constant source of headache to the industry. But it is regrettable that, even after making some progress in iron and steel and other mechanical engineering industries during the last few years, the industry should continue to face this problem. Pointed attention to this problem was drawn by Mr. S. K. Mazumdar, President of the Screw Manufacturers Association, at the annual meeting of the Association held at New Delhi last week-end. As many as ten units have recently been encouraged to take up the manufacture of steel wires in the country, in addition to the Indian Steel and Wire Products Ltd. of Indranagar, which has been the pioneer supplier of this product. These units together have a drawing capacity of 54,500 tons (on a double-shift basis). But, according to Mr. Mazumdar, it is still not possible to obtain the wire of proper specifications, except from the Indian Steel and Wire Products Ltd. of Tatanagar. The reasons for this state of affairs are not clear. The wire manufacturers may, of course, complain of scarcity of billets of the specifications required by them. But is that all? It is to be hoped that the Development Wing will watch the raw material requirements of both wire manufacturers and screw makers and try to remove avoidable difficulties.

The screw manufacturers' claim for export promotion incentives is also justified. It is certainly a reflection of the growing competition in world markets that India's exports of screws have sharply fallen from as much as Rs. 12 lakhs in 1960 to only Rs. 3 lakhs in 1961. This setback is presumably the result of relatively high cost of India-made screws. Mr. Mazumdar, however, has called upon the manufacturers to set apart at least 25 per cent of their respective outputs for exports. In order to achieve this, he has urged the Government to make available to the industry steel at concessional prices and grant some cash subvention to cover the loss suffered in exports. In this context, one does not know why the Association has dropped its earlier scheme to set up an export pool. It would be wise on the part of the Association to revive the scheme which will, incidentally, strengthen its hands while pleading for export reliefs and other help from the Government.

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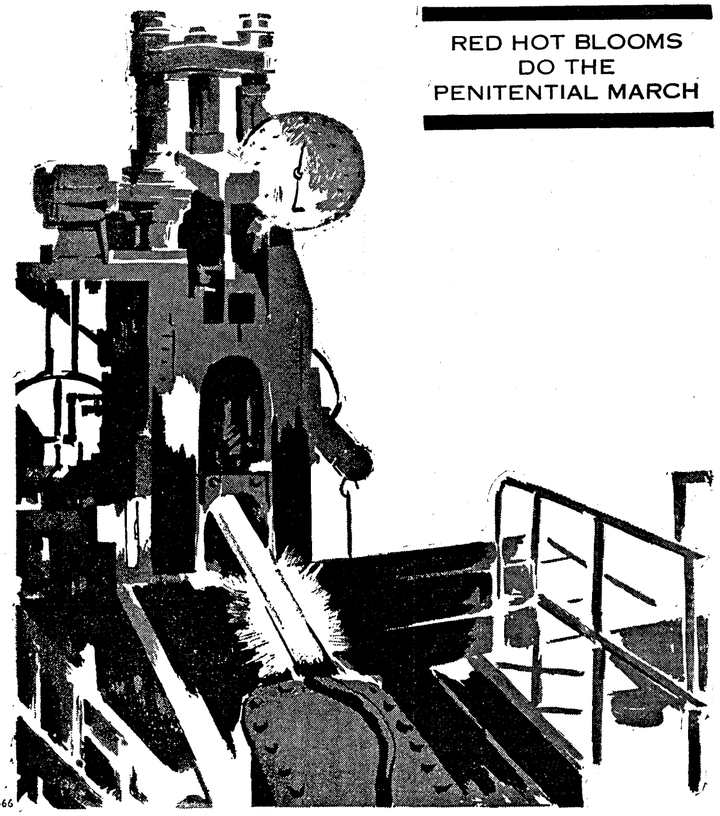

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TOUGHER DRUGS REGULATION IN U.S.

NO CURE-ALL FOR SAFETY COMPLICATIONS

WITH the public alarmed over the thalidomide-connected birth deformities, U.S. drug makers are reluctantly ready to accept tougher Federal regulation. But they are far from sure how effective the new regulation can be. The Food and Drug Administration plans to put into effect shortly a series of new rules, the chief result of which will be to bring the agency into testing of new drugs at an earlier stage. The Pharmaceutical Manufacturers Association, according to a spokesman, will agree to the objectives of the new rules, partly because the companies don't think they have any choice. In addition, the Senate last week unanimously approved a Bill to tighten Federal drug laws.

Ruefully, the industry admits it could do little to block new controls, even if it tried. "In the past month or so, our political situation has changed and we can't get anycne's ear in Washington," laments one company official. The reason is thalidomide, the German-developed sleeping tablet suspected of causing thousands of women in Europe and Canada to give birth to deformed infants. The drug was not sold in the U.S., although the licensee here, the Wm. S. Merrell Company, a subsidiary of Richardson-Merrell, Inc., tested the drug on some 16,000 patients. These included about 200 pregnant women, at least three of whom gave birth to deformed babies. The Company vouched for the drug's safety, but an F.D.A. physician, Dr. Frances Kelsey, refused to clear it until further tests were run. The drug application was withdrawn when news arrived of European deformities linked to thalidomide.

New Standards for Tests

Ironically, some of the most important new drug control measures now proposed seem to have nothing to do with the issues of the thalidomide case. Yet the President, the Congress, and the F.D.A. are pointing to thalidomide in justifying requests for stiffer regulations. Drug company scientists note that the F.D.A. had ample power, which it used, to keep thalidomide off the U.S. market. Furthermore, they assert, the F.D.A., without any new grants of legislative or administrative authority, could set new standards for drug tests.

"If the F.D.A. wanted to, it could make us test every new drug on a pregnant camel without any changes in present rules," comments one industry official with slight exaggeration. Thorough testing on pregnant animals has been one frequent suggestion from pharmacologists in the aftermath of thalidomide. Actually, several major drug makers have already begun using such tests.

In Congress last week, the Senate restored to the watered-down Drug Control Bill, a section that would grant significant new authority to the F.D.A. The restored section would give the agency the right to pass on effectiveness or medical "efficacy" of new drugs. The F.D.A. now rules only on safety, on the theory that only practising physicians can determine a drug's usefulness. The thalidomide case, it should be noted, involved only the drug's safety. It was acknowledged to be one of the most effective sedatives of its type ever developed. It is still used in England under carefully controlled hospital conditions.

The Real Problem

Another criticism of new drug proposals, perhaps more serious, is being levelled by some scientists. Their criticisms suggest that the commotion in Washington, while reassuring the public and satisfying election-year pressures, will do little for the real problem. That problem, these scientists argue, stems from the nature of the present drug marketing rather than drug testing. And its solution, they say, is far from being a simple matter of arming the F.D.A. with new regulatory weapons. It will require thoughtful analysis and unusual voluntary co-operation from the industry, the doctors, the Government, and the public.

According to this view, thalidomide was a freak occurrence for which no one is to blame. Its apparent tendency to cause birth defects was totally unexpected by pharmacologists and could not be forecast from tests considered standard by the Government and industry. Thus, in this sense, thalidomide is relatively unimportant in determining any real deficiencies in the U.S. system for new drug introduction.

More important are such drugs as MER-29, another Merrell drug designed to lower cholesterol levels of heart patients, which was withdrawn from the market recently due to suspected side effects; several drugs used to combat mental depression which were removed from the market, because they possibly caused blood diseases; and a host of antibiotics, tranquilisers, and other medicines which show possible dangers, but thus far have remained on sale, either because the evidence of danger is insufficient or because the drugs are very valuable, despite side effects.

All these drugs received the benefit of animal and clinical tests that are probably as thorough as any in the world. The F.D.A. cleared them for sale, thus endorsing their safety. Only after massive marketing campaigns which quickly introduced the drugs to many thousands of patients did side effects begin to appear.

Serious Side Effects

Because of the large numbers of patients exposed concurrently to new drugs, serious side effects that occur are likely to be widespread before doctors suspect something is wrong. This was certainly true of thalidomide in Europe. Yet manufacturers feel they must market new drugs with great speed, according to Dr. Walter Modell, Director of Clinical Pharmacology at Cornell University Medical College and a noted drug authority. He points out that new drug patents give a manufacturer no security in this age of synthetic chemistry. After an important new drug is marketed, chemists in competitors' laboratories, within months or a few years, will synthesise a drug with a slight molecular difference but with similar effects. This second drug can then be patented. The imitator's drug is quickly brought to market, often benefiting from knowledge obtained in tests of the original drug.

In such a situation, the manufacturer of the original drug is compelled to use mass marketing techniques as soon as his drug is cleared. The company blankets the nation with maximum advertising in medical journals, promotion at medical meetings, and an army of "detail men" who sell the doctors personally.

Extensive Clinical Trials

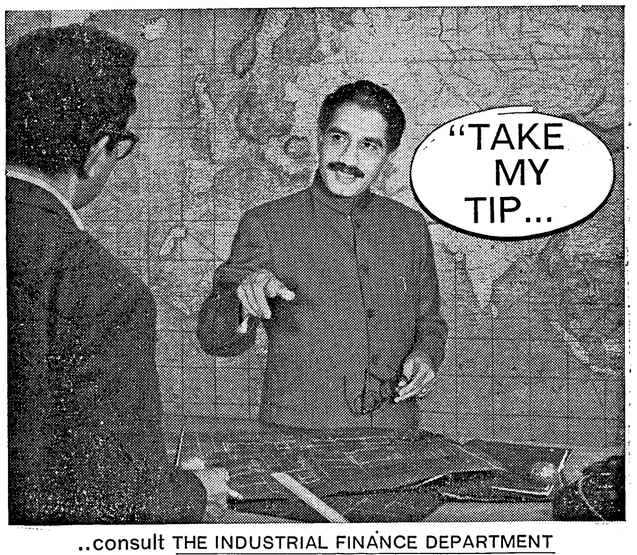
More extensive clinical trials before F.D.A. clearance could diagnose more drug dangers. But this is an expensive, and at some point impractical, approach. Sterling Drug, Inc., for example, estimates that already each new drug that reaches the market costs the Company an average of $5 million in development expense, including costs of drugs that fail to pass the tests. To increase clinical trials fivefold or tenfold would mean a significant increase in the price the public pays for drugs. And it would still not disclose side effects of very rare incidence.

The other solution is for a drug to be marketed more slowly in co-operation with recognised medical authorities in the field in which the drug is used. Then clinical experience would gradually accumulate and side effects would be noted at the earliest possible moment. But this means a drug company would give competitors a better chance to introduce and establish similar drugs.

The drug companies are not solely responsible for this dilemma, says Dr. William Spring, Secretary of the American Medical Association's Council on Drugs. He argues that doctors are often eager to prescribe new drugs liberally. He adds that physicians must learn to use them cautiously until their margins of safety are established by long practice.

The solution to this marketing dilemma will not be an easy one. Certainly it will require restraint on the part of manufacturers eager to capitalise on significant drug discoveries. Doctors may have to restrain a natural temptation to seize upon new drugs that promise the latest medical miracle. And the public may have to learn to accept a certain risk as the price of medical progress.

The question remains whether this attitude of restraint needed from so many people—industry, medicine, and the public—can be legislated. The only certain thing is that the Government, rightly or wrongly, is going to try.—*P. G. Krishnayya's Service.*



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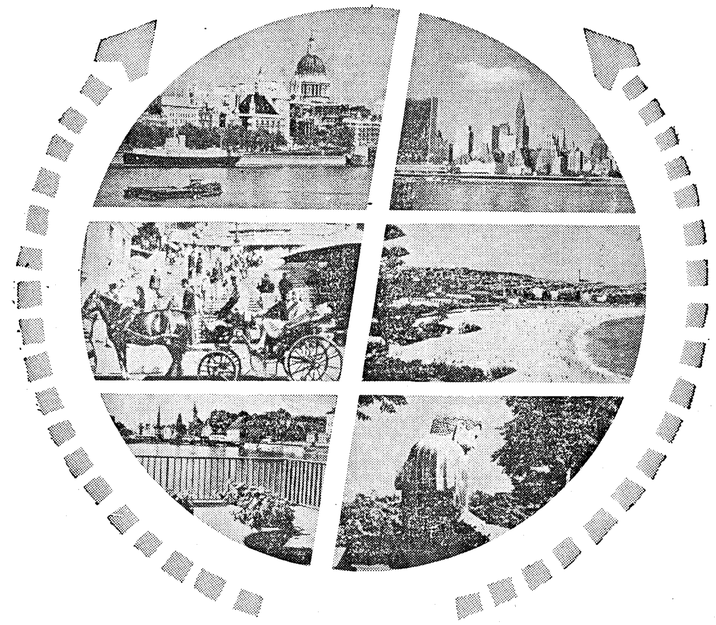

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DOLLAR AND WORLD IMBALANCE

A TIMELY BACKGROUND SURVEY FOR FUND-BANK MEETINGS

[The present position of the U.S. dollar in the world is critically examined by the Monthly Letter of the First National City Bank in its September issue published in New York this week. After drawing attention to the welcome shrinkage in the balance of payments deficit of the U.S. so far in the current year and the decline in the comparative advantages of the countries in Western Europe, the Monthly Letter comes to the conclusion that this development may prove to be a temporary phase, as there is still considerable scope for European economies to attain the American productivity levels. How will the U.S. face the situation when this happens? The Monthly Letter's answer is: "keep the lid on wage costs" and "change the attitudes, laws and public policies that raise our (the U.S.) costs in general." The increasing preference of European countries to keep the major portion of their external reserves in gold rather than in dollars has been clearly brought out by the Monthly Letter as also the disquieting implications of the arrangements with the Central banks of Western Europe under which the latter agree to hold dollar balances for short periods, with option to renew them on maturity. The authors of the survey are not satisfied even with this arrangement, let alone the suggestion of European commentators that the U.S. should extend a gold guarantee. They feel that such arrangements do not touch the roots of international imbalance and are afraid that they will help shield the deficiencies in the trade and fiscal policies pursued by the U.S. as well as other countries. The only effective solution to the international imbalance lie, according to the Monthly Letter, in a bold rectification of the defects in these policies and in a wider sharing of the defence burdens by Western Europe. The full text of the Monthly Letter's survey is reproduced here, as it provides an appropriate background to this year's annual meetings of the I.M.F. and the World Bank scheduled to begin at Washington on 17th September 1962.—ED.]

THIS month Finance Ministers and Central Bankers will gather in Washington for the 17th annual meetings of the International Monetary Fund (I.M.F.) and the World Bank. As on similar occasions in the past, they will review the state of the world's economic and financial affairs. Nothing spectacular is in the wind. While individual nations have problems, there is no evidence of a general shortage of international liquidity that would hamper the growth of world trade and investment. There is no lack of credit to creditworthy countries. Gold is better distributed than at any time during the past quarter century, and further liquidity is available from the I.M.F. The two key world currencies—the dollar and the pound sterling—are faring better than a year ago.

The U.S. balance of payments, though still in deficit to the tune of $1.5 billion a year, has shown in 1962 a considerable improvement from the $3.4 billion average annual deficit during 1958-61. This better showing reflects a number of special factors, including temporary inflows of funds from Canada, now reversed. Basically, however, it has its main counterpart in smaller balance-of-payments surpluses—or in the emergence of deficits—among Continental European nations. In other words, these countries, with the main exception of France, have stopped accumulating gold and dollars at the rapid rates that had prevailed a year or two ago; some of them have actually registered declines.

The recent changes in balance-of-payments relationships reflect in large part the overstretching of domestic economies throughout much of Continental Europe. In a climate of very high demand and overfull employment, Germany and other countries have lost some of their competitive advantages in world markets; the upvaluation of the German Mark and the Dutch guilder in March 1961 was still another influence. This shows itself in the marked slowdown of export expansion rates and a further rise in imports; Germany's merchandise trade surplus during the first seven months of 1962 was $450 million, as compared with $1,025 million a year ago.

A particularly clear signal of the changing economic environment abroad is the sharp rise in consumer prices and wages; wage increases are out of line with attainable increments in productivity.

Greater inflation among our competitors than in the United States is not the path along which an improvement in international balance should be sought. Current trends in prices and costs abroad tend to help the U.S. competitive position in world trade, but we cannot count on continuing relief. Productivity in U.S. industry, it is true, averages almost twice that of Europe; this explains why U.S. wages can be so much higher. Productivity margins will, however, be narrowing as Europe catches up to American productivity levels and increasingly benefits from economies of scale in its enlarged mass-production markets. The need to keep the lid on our wage costs—and to change the attitudes, laws, and public policies that raise our costs in general—remains imperative.

TABLE 1: *Gold and Foreign Exchange Reserves of Selected Countries*

	Percentage Change in Total Reserves			Amounts Held in July '62 (In millions of dollars)		
	1960	1961	1962*	Gold	Foreign Exchange†	Total
	%	%	%	$	$	$
Germany ..	+40	— 2	— 5	3,667	2,534	6,201
U.K. ..	+18	+ 3	—12	2,450‡	1,002‡	3,452‡
France ..	+20	+42	+13	2,417	915	3,332
Italy ..	— 4	+11	— 8	2,244	908	3,152
Switzerland ..	+13	+19	— 3	2,461	226	2,687
Netherlands ..	+30	— 2	+ 6	1,583	234	1,817
Belgium ..	+16	+17	— 2	1,335	296	1,631
Canada ..	— 2	+12	+ 3	674	1,440	2,114
Japan ..	+38	—19	+10	288	1,347	1,635

* Through July. † The bulk of official foreign exchange reserves of the countries shown in the table consists of U.S. dollars.
‡ March 1962; U.K.'s total reserves in July stood at $2,915 million.
Source: International Monetary Fund's *International Financial Statistics* and central bank and treasury statements.

While the change away from large balance-of-payments surpluses in Continental Europe and large deficits here stems from the working of fundamental economic forces, it also reflects special transactions by Governments designed to hold down payments imbalances. The United States has tied a growing portion of its economic aid to purchases here, and has negotiated agreements with Germany and other nations for increased buying of defence goods here and for special debt prepayments. Germany has stepped up its foreign lending. France, which now has the largest balance-of-payments surplus in Europe, will—as the Finance Minister, M. Giscard d'Estaing, stated recently—use future dollar accumulations to pay off debts it owes to the United States; last July, France prepaid $293 million. Enlarged borrowings of non-dollar currencies from, and sizable repayments of dollars to, the I.M.F. have also been helpful in reducing the international imbalance.

Buying Time

Adjustments of the kind needed to redress the U.S. balance of payments necessarily take time. The dollar is not yet like Cæsar's wife—above suspicion. Besides, near-term problems of the business cycle here as well as in Europe, changing constellations of interest rates in the principal money markets, and ups and downs in confidence may all be troublesome.

With the growing freedom of international payments and the new respect gained by European currencies, the market for short-term funds has become increasingly internationalised. Outflows of such funds represent, as it were, short-term loans to countries where investors are assured of an attractive income and the risk of currency depreciation is either absent or can be covered in the forward exchange market. The movement of short-term funds has greatly facilitated the financing of the expansion in international trade. At a time when "hot money" is often blamed for weakening the monetary structure of the Free World, it is refreshing to note the views stated just a few weeks ago by the Board of Directors of the European Monetary Agreement: many of these short-term capital movements are "a sound and indispensable accompaniment to the growing integration of the Western world and are less volatile and irrational than is sometimes assumed."

TABLE 2: *Percentage Increases in Cost of Living and Wages*
(Years ended July*)

	Cost of Living		Wages†	
	1961	1962	1961	1962
	%	%	%	%
France ..	2	7	10	8
Japan ..	6	7	6	13
Sweden ..	2	6	10	6
United Kingdom	3	6	4	3
Italy ..	2	5	4	7
Netherlands ..	2	5	7	5
Switzerland ..	2	5	3	5
Germany ..	1	4	11	13
Belgium ..	1	3	3	5
Canada ..	2	1	2	3
United States ..	1	1	3	3

* Or the latest twelve-month period for which data are available.
† Average earnings in manufacturing and mining industries.
Source: Derived from the International Monetary Fund's *International Financial Statistics*.

Many efforts are presently directed at strengthening the monetary defences of the Free World against the threats of instability arising from undesirable movements of short-term capital from one country to another. These efforts are, as a rule, designed to have general applicability. No one can predict which of the world's leading currencies may, a year or two hence, come under pressure. But over the past year or so, the thought has been to prepare for another period of strain on the dollar.

These efforts date back to the flare-up in the London gold market in October 1960, which led to arrangements under which the Bank of England could replenish from the U.S. Treasury gold sold in the market to keep it on an even keel. This "gold bridge" was later supplemented by a wider informal co-operation among central banks to refrain from buying gold in London when the supply is short and to participate with the United States in channeling gold to the market.

Eighteen months ago, the United States began—for the first time in a generation—to intervene in foreign exchange markets, notably in the forward exchange markets. The aim is to smooth and moderate exchange fluctuations, and reduce incentives to shift funds from New York to other international money centres. Initially, such operations were conducted by the New York Federal Reserve Bank for account of the Treasury, which secured the necessary ammunition from German Marks received in the spring of 1961 as part of a debt prepayment, from outright purchases of modest amounts of foreign currencies, and from borrowings in Switzerland and Italy.

This year, the Federal Reserve, in close co-operation with the Treasury, has engaged in foreign exchange operations for its own account. It has acquired the needed foreign currencies mainly through a series of reciprocal credit facilities with foreign central banks. Under these so-called "currency swaps," one participant supplies to the other its own currency up to a stated amount and for 90 days; the swaps are renewable and outstanding balances are protected by forward exchange cover. Federal Reserve borrowing abroad does not come under the legal public debt ceiling, as does the Treasury's.

The circumstances and the purpose of the Canadian swap differ from those with European banks. For one thing, the amount involved was much larger; and for another, it was designed as part of a package of international credit lines to help Canada overcome its exchange crisis last June. The other swaps, made public in a continuing stream of announcements, have been arranged to accommodate—at least in their initial impact—the United States. Taken individually, each of them has been small, but their aggregate, $450 million, is a sum of some consequence.*

Much larger borrowings of international reserves were made by the United Kingdom at times when sterling was under pressure. During the two most recent exchange crises, in 1957 and in 1961, Britain borrowed substantial amounts from the I.M.F. and American as well as European official sources. Subsequently, it made repayments partly because of some improvement in current-account balance but mostly because its reserves were bolstered by inflows of short-term funds attracted on both occasions by 7 per cent Bank rate and restored confidence. One result of borrowing reserves is that it obviates an immediate visible loss of gold. There is a growing feeling that the practice of borrowing reserves makes it more and more difficult to interpret the official figures of gold stocks and foreign exchange holdings. Markets are, of course, aware of this dilution of reserves.

TABLE 3: *U.S. Credit Arrangements Abroad*

Agency	Date	Arrangement with:	Amount in Million $
U.S. TREASURY:			
	Oct. 1961	Swiss Confederation§	46
	Jan. 1962	Government of Italy	25
	Mar. 1962	Government of Italy	50
FEDERAL RESERVE:			
	Mar. 1962	Bank of France†	50
	May 1962	Bank of England	50
	Jun. 1962	Netherlands Bank	50
	Jun. 1962	National Bank of Belgium	50
	Jun. 1962	Bank of Canada	250
	Jul. 1962	Bank for Int. Settlements‡	100
	Jul. 1962	Swiss National Bank‡	100
	Aug. 1962	German Federal Bank‡	50

§ Repaid in January and March 1962.
† Converted in August 1962 into a stand-by arrangement.
‡ Stand-by arrangement; the Swiss and B.I.S. swaps have reportedly been used in part.
Note: Compiled on the basis of information available as of 27th August.

*Data of actual holdings of foreign currencies by the United States are published with a considerable lag. In June, the Federal Reserve Banks held $439 million; in May, when they reported $134 million, the combined Federal Reserve and Treasury holdings stood at $260 million.

Another thought, put forward a few months ago by Treasury Under Secretary Robert V. Roosa, stems from the fact that, when the U.S. balance of payments is in deficit, gold flows out of New York. But, when some improvement takes place, gold does not return; other countries simply reduce their dollar holdings. If the United States permanently held other currencies as well as gold in its reserves, it would be possible to reduce these holdings when payments deteriorated instead of losing gold. Mr. Roosa felt that this would have the further advantage of avoiding apprehensions about the dollar that now arise when the U.S. gold stock is seen to drop. Briefly:

"It may well turn out that some contribution toward resolving part of our problem may be found in building up—in time of surplus—holdings of other currencies that are not thought of as reserve currencies in the same way that the dollar and the pound sterling are viewed.... We need to provide a means of further economising on gold reserves, while ensuring that the liquidity needs of our expanding world economy will be met in a manner consistent with the sovereignty of individual countries and with heavy reliance on the discipline provided by the balance of payments....

Looking to the Future

Looking to the future, the thought of much larger operations calls for searching examination. It has been suggested that, in certain circumstances, the United States might borrow from the I.M.F.; and to increase availabilities of currencies suitable for lending in an emergency, an agreement is soon expected to enter into force under which the Fund might itself borrow currencies from its leading members. The United States would use foreign currencies obtained from the Fund to buy up dollars offered in the market by private holders and to redeem the dollars acquired by foreign central banks in excess of what they would be willing to hold. This would tend to preclude dollar holdings of foreign central banks from becoming a drain on our monetary gold stock. As in all Fund transactions, these operations would be subject to a "gold clause" guaranteeing reimbursement in terms of the equivalent in gold of the amount lent.

Where there are a number of strong countries—as there are today—a plausible case would seem to exist for some sharing of the burdens placed on the key currency."

The Federal Reserve Open Market Committee, setting down last February the guiding principles for System foreign exchange operations, mentioned not only the specific aims of tempering exchange fluctuations and moderating U.S. gold flows, but noted that, "in the long run," reciprocal holdings of currencies "may contribute to meeting needs for international liquidity as required in terms of an expanding world economy."

How far the United States is prepared to go is not at all clear. Apart from borrowings and outright purchases for gold, the United States can build up stocks of foreign currencies only if it achieves a surplus in its international payments. Are we ready to accumulate foreign currencies when other countries experience difficulties in settling their international accounts? Nor is it clear how far other nations may be ready to move toward holding a smaller proportion of reserves in gold. The Table 1 shows that most of the principal trading nations keep the bulk of their reserves in gold. The large repayment by the United Kingdom to the I.M.F. brought at the end of July a sharp increase in the ratio of gold in Britain's reserves; the ratio had been considerably reduced by last year's borrowing. In the British view, a country which is an international financial centre should hold most of its reserves in gold. For Germany, the proportion is lower than in the neighbouring countries, but, in absolute terms, its gold stock is by far the largest after the United States' (and, presumably, Russia's).

Techniques *vs.* Fundamentals

It is sometimes suggested that the United States extend a gold guarantee to foreign Governments and central banks so that dollars held by them would become as good as gold. The idea is unpalatable to American citizens who must live under the 1933 Congressional Resolution declaring gold clauses contrary to public policy. It is harmful, because, by removing the threat of dollar conversion into gold, it might weaken the determination of the Administration to prevent any inflationary relapse. It is ineffective, because it would do nothing to deal with the hard core of the strains in the international monetary structure.

The dollar is a key currency not by divine right but only so long as it is sought and retained voluntarily. It has achieved its international standing because of the productivity, flexibility, and efficiency of the American economy, capable of producing exportable goods eagerly in demand throughout the world. Europe today also has strong economies and currencies worthy of respect. This has greatly strengthened the world monetary system, which can be only as strong as each of the individual links in the chain.

This calls for policies in the United States that will maintain the dollar as a reliable currency. It also calls for policies on the part of a greatly strengthened Europe designed to achieve a wider sharing of the burdens of defence and economic aid, further liberalisation of trade (including trade in agricultural products), and removal of controls over capital outflows. These are the necessary prerequisites for a smooth and efficient functioning of *any* international monetary system.

Indeed, what has gone wrong in recent years is not a failure of our international institutional arrangements and practices but a deficiency of policies. Ingenious new exchange techniques, including borrowings of international reserves, may be helpful to support each other's currency. They do not, however, touch the roots of international imbalance. They can spare a currency the manifest symptoms of weakness in exchange markets. They will be positively harmful if, through their technical success, they distract attention from fundamentals.

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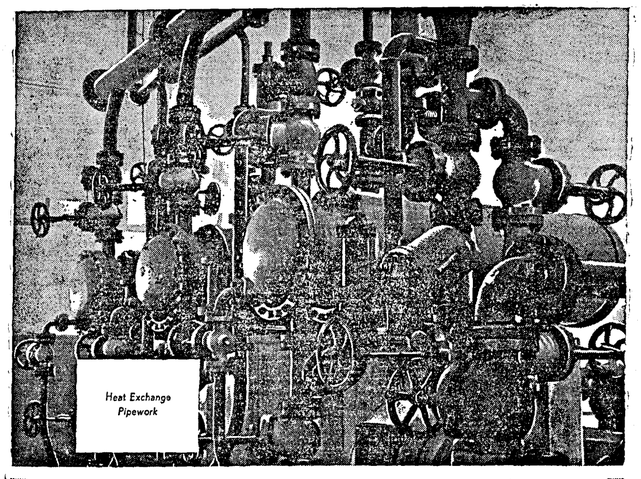

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WORLD POPULATION EXCEEDS THREE BILLION

ANNUAL GROWTH RATE 1.8 PER CENT

BY mid-1961, the world population had passed the three-billion mark, representing an increase of almost one-half billion since 1950. An average rate of population growth of 1.8 per cent a year, greater than in any earlier 10-year period, has been shown in the results of population censuses taken during 1960 and 1961 in many countries, stimulated by the U.N. World Population Census Programme. There are now 22 persons for each square kilometre of land, as compared with 18 only 10 years ago. Baby girls in Sweden have the longest expectation of life—slightly over 75 years. Boy babies, with few expectation of life close to 72 years, is also in Sweden. Married persons, the world over, have lower death rates than the single, widowed or divorced. Half, or more, of all the deaths in 1960 in the United Kingdom, Canada, the United States, Australia, New Zealand and Israel were caused by heart disease or cancer.

These facts and figures are given in two U.N. publications issued this week, namely, the quarterly *Population and Vital Statistics Report* (Statistical Papers Series A, Vol. XIV, No. 3), which includes date available as of 1st July 1962 on total population, births and deaths; and the 1961 *Demographic Yearbook*, which deals with international statistics on area, population, birth, death, fetal death, marriage and divorce. For the first time since 1957, the present situation and time trends in mortality are featured in the *Yearbook*.

The rate of growth continued through 1961 and brought the total population to 3.06 billion at the mid-year. One of the facts which recent census results have revealed is that, among 15 countries of Asia, the total population is approximately 35 million persons greater than had been anticipated. But the fastest growing region of the world is Central America, where the average annual rate of growth is 2.7 per cent, though the countries of South-west Asia have grown almost as rapidly, with an average annual increase of 2.6 per cent. The slowest growth is found among the countries of Northern and Western Europe, in which the population increased by an average of only 0.7 per cent a year.

Population Density Increases

The increase in the total population of the world has been accompanied by an increase in the density of the population. The greatest absolute increase has taken place in South Central Asia, where there are now 109 persons for each square kilometre of land. Although this region as a whole is still not as crowded as is Central Europe—the most densely populated region of the world with 137 persons per square kilometre—South Central Asia had added 12 persons for each square kilometre since 1955, while Central Europe has added only five.

The Netherlands has the highest density of any country—342 persons per square kilometre, followed by England and Wales with 303 persons, Belgium with 300 and Japan with 252.

Much greater densities than these occur in certain " city states," such as Ceuta and Melilla (in North Africa), Macau, Gibraltar, Hong Kong, Singapore, Monaco and the Holy See, where densities of between 2,800 and 15,000 are found.

High densities also exist in island areas. Malta and its neighbouring island of Gozo have a density of 1,040 persons per square kilometre, while Bermuda has 805, Barbados 564 and the Channel Islands 561. In Puerto Rico, China (Taiwan), Grenada, the Republic of Korea, the Maldive Islands in the Indian Ocean, and the Ryukyu Islands, densities are 250 or more. At the other extreme are Australia, Bechuanaland, Greenland and South West Africa, with not more than 1 person per square kilometre.

The 1961 *Demographic Yearbook*, in dealing with total, infant or perinatal mortality, presents such characteristics as sex, age, illegitimacy, cause, medical certification, marital status and occupation. Twenty-year series of life-table mortality rates, survivors and expectation of life are also shown.

The estimated world birth rate is now 36 per 1,000 population and the estimated death rate is 18 per 1,000. The highest regional birth rate (48 per 1,000 population) and the highest death rate (27 per 1,000 population) are found in Tropical and Southern Africa. Although the birth rate in South-west Asia is at the same high level, the death rate in that region is somewhat lower (22 per 1,000). The lowest regional birth rate (18 per 1,000) is that of Northern and Western Europe. The lowest regional death rate (8 per 1,000) is that of the U.S.S.R. With the exception of those for the U.S.S.R., regional rates are only estimates and cannot be considered as exact, because birth and death rates for many countries are not known and estimates vary greatly in reliability.

Sweden and Norway Lead in Life Expectancy

Although some of the apparent increase in the population is the result of the fact that methods of counting have become more exact, there is no doubt, according to U.N. statisticians, that the major reason is the decline in mortality. One of the reflections of this decline is the increase in the expectation of life in various countries. The most recent information received at the United Nations shows the longest expectation of life is for baby girls in Sweden, who can now expect to live for slightly over 75 years. Norwegian baby girls have an expectation of almost 75 years, while, in the Netherlands, England and Wales, and France, their expectation is 74 years, and in New Zealand and the United States it is 73 years. In addition, there are 18 other countries, making a total of 25 countries where baby girls can look forward to living for over 70 years.

The longest male expectation of life is close to 72 years, in Sweden, with the Netherlands, Norway, and Israel following closely with 71 years, and Denmark with 70 years. So far, only these five countries have achieved an expectation of life of 70 years or more for boy babies, contrasted with 25 girls live in these ages. It is possible, however, that even longer expectations than these are already, or will shortly, be evident, as more countries revise their life tables on the basis of recent population census results.

World Death Rate Decreases

The *Yearbook* shows that the long-term downward trend in the death rate can be illustrated by a comparison of average death rates for 1945-49 in individual countries with the rates for 1958, 1959 or 1960. Out of 144 series of death rates covering this period, only 10 failed to show a decrease. In 17 cases, the death rate has been cut in half or even more; in 71 cases, the rate decreased by between 20 and 49 per cent; and in 46 cases, the decrease was between 1 and 19 per cent.

The reliability of the figures for over half of the countries of the world for which death rates are available is questionable. In a report prepared for the Population Commission of the United Nations at the end of 1960, it was pointed out that, around 1958, death registration statistics considered to be " complete " (that is, representing at least 90 per cent of the deaths occurring in each year) were available for only 36 per cent of the population of the world. For another 50 per cent of the people, some inadequate data existed, while for 14 per cent there was no indication that any death registration at all existed. That there has been little change in the situation since that time is demonstrated by the fact that the figures for over half of the areas shown in the current *Yearbook* are still considered incomplete.

Even less adequate is the coverage of specific types of statistics relating to deaths. Only 28 per cent of the world's population was included in complete reporting of deaths by age and sex around 1958, and only 25 per cent for deaths by cause. Thirty-five per cent of the population was covered by complete reporting of infant deaths but only 28 per cent for infant deaths by age.

Lower Death Rate Among Women and Girls

Together with their generally greater life expectancy, women and girls usually have a lower death rate than do men and boys. In only seven of the almost 90 countries for which death rates by sex are shown in the *Yearbook* does the crude death rate for women and girls exceed that for men and boys. Of these seven countries, only two are considered to have reliable death statistics.

Among the much larger group of countries where the male death rate is higher than the female, the male excess is 36 per cent in the United States, 38 per cent in Canada, 33 per cent in Argentina and 26 per cent in Australia. These differences are about the same as they were four or five years ago.

The relative weight of environmental factors and of innate biological factors in effecting the differential is not yet known. It might, for example, result from the fact that males are faced with greater stresses of living or, conversely, that females have a greater capacity to withstand physical and emotional stress.

Regardless of the general level of mortality, the age-specific death rates in individual countries usually conform to a standard pattern, starting at a high peak immediately after birth, falling to a minimum in the early teens, and then rising, gradually at first and more and more rapidly as age advances. The decline in mortality in the world during modern times has tended to accentuate, rather than diminish, the differences in the mortality experience at different ages, because death rates in childhood and young adulthood have been cut by proportionally greater amounts than the rates among older persons.

In all parts of the world, married men and women have lower death rates than either the single, the widowed or the divorced population

(*Continued on page* 431)

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From Our Special Correspondent

MANCHESTER, *28th August*

MANCHESTER LETTER

TRUE as the old saying, "One swallow doesn't make a summer," may be, just an inkling of good news can have the effect of brightening the horizon—and that is just what Lancashire needs at the moment. Market sentiment is a fickle emotion and can be varied by sudden whims, particularly on the all-important buying side. The turning of the tide, in fact, is often practically imperceptible, although those with "hindsight" claim to have judged the changing mood almost before it happens. To the trader keenly attuned to the atmosphere of the market, however, the intangible feeling that "something is in the wind" can offer a fractional start when business is on the move.

Economic indicators provide a fair guide to the future and the draining away of surplus stocks as evinced in the recent availability returns, must have a bearing on the activities of buyers. Many other considerations are needed to convince the customer that the time to put down more orders has arrived, but basically price and ability to offer quick delivery must be the primary factors.

Orders for Lancashire

Two Directors of a Manchester manufacturing company have returned home from a tour of mills in Hong Kong, Formosa, Japan and India and placed an order for 1,000,000 yards of cotton fabric—stipulating that every yard of it must be made in Lancashire. The order, worth about £150,000, is the biggest ever placed by Mr. Bernard Terry and Mr. Sidney Terry, Directors of Customagic Manufacturing Company, which employs 150 workers at a factory in Hulme, Manchester, producing loose covers for furniture.

The decision to "Buy Lancashire" has come as a tonic to an industry which has known little cheerful news in recent months. The Textile Action Group, which has been waging a campaign against the flood of overseas cotton textiles pouring into Britain, has sent a letter of congratulation to the Terry brothers—and some Lancashire red roses. Mr. Sidney Terry explained:

"We have travelled the world in recent weeks looking at cotton cloth. We've come back home and made a decision—to buy Lancashire. Our own cotton industry has a better standard of merchandise and is becoming competitive, if only customers would realise it. Too many of them are looking overseas instead of on their own doorstep."

The 1,000,000-yard order is for delivery within three months. "We are impressed by the delivery terms Lancashire can now offer," said Mr. Terry. Another board meeting has been called for January to review buying policy and it could mean another substantial order for Lancashire.

New Export Links

Branching out into new direct manufacturing projects in Italy and South Africa is Vantona Ltd., the Manchester-based manufacturers and merchants of drapery, household goods and dresswear. Mr. Stanley Beddow, the group's 70-year-old Chairman, who announced his impending retirement at last week's annual meeting, also told shareholders of fresh links with foreign textile firms in countries where direct exports have become difficult. An agreement is expected within the next few days between the group and a trio of young and dynamic textile enthusiasts in Milan, the brothers Zucchi, makers of household textiles.

Another project is with the Constantia Textile Mills of Cape Town, which will manufacture the group's woven speciality cloth in South Africa. Vantona already has a foreign manufacturing network involving links with firms in France, Holland, Ireland and Jersey.

Uncertainties surrounding industry in North West England, caused particularly by the possibility of Common Market entry and talk of "profitless prosperity," have led to many companies thinking in terms of consolidation rather than expansion, said a report of the Lancashire and Merseyside Industrial Development Association in Manchester. Very few firms are looking for more manufacturing space to expand production, it added. A "regrettable" feature in the past eight months was the number of closures affecting many industries and towns—not all of them concerned with textiles. The textile trade continued to be the worst hit, adds the report, pointing out that 17 mills had closed during the year.

Redundancies had occurred in Burnley, Hindley and Widnes because of closures in industries outside the textile trade and Liverpool was especially affected, although several large developments planned in Liverpool and Widnes were expected to improve the situation. The Association says that the present situation will continue until the economic climate shows visible signs of improvement. But the report adds: "There are signs in the past few weeks of a slight change for the better."

Cotton Supplies Curtailed

Imports of raw cotton are invariably governed by the condition of the spinning and weaving industry, so that it is scarcely surprising to learn that arrivals reaching the United Kingdom during the season just ended were in fact the lowest recorded since 1834. Had it not been for the unloading of cargoes of nearly 20,000 bales in the final week of the season, the total would not have reached the 1,000,000-bale mark. This represents a reduction of about 140,000 bales compared with the previous season, while, in some recent years, the quantity procured for local spinners has been nearer 1,500,000 bales. Some indication of the past glories of the trade can be gained from the records, which show that, 50 years ago, arrivals exceeded five million bales and, in the early part of the century, the mills in Lancashire were regularly consuming an annual average of about 4 million bales.

No explanation is required to give reasons for the current reluctance of shippers to secure supplies or of millowners to take up deliveries. The outlook remains far too uncertain to encourage more than hand-to-mouth buying. The following table shows details of the arrivals of raw cotton by growths during the past three seasons:

(In bales)

	1961-62	1960-61	1959-60
American	294,011	450,551	566,906
Mexican	58,396	43,983	78,997
Nicaraguan	23,084	14,848	18,379
Brazilian	61,141	71,488	47,674
Argentine	23,932	13,132	9,642
Peruvian	56,741	46,617	60,750
Egyptian	22,048	9,320	19,174
Sudan	98,912	127,696	213,509
East African	20,102	30,127	36,268
Nigerian	49,119	86,366	92,071
Congo	22,416	2,821	17,794
Turkish	71,476	35,084	78,890
Syrian	21,634	11,689	16,187
Iranian	69,779	89,382	51,345
Pakistan	12,522	5,597	23,382
Indian	7,515	2,719	2,827
Russian	8,975	36,438	41,796
Others	95,660	76,555	73,516
Total	1,017,463	1,156,413	1,449,107

Perhaps the most interesting feature of the current rate of imports is the evening out of the volume of supplies obtained from the various sources. Although the quantity of cotton shipped from the United States is still far in excess of any other, the gap is narrowing. Purchases from the Sudan have been more than halved during the past two seasons, but the curtailment of the crop in that country has been a major factor. In other directions, notably South and Central America, Egypt, Turkey and Syria, the recent level of imports has shown a marked improvement, although a sharp contraction has occurred in supplies obtained from Russia.

The stock position during the past season has emphasised the low level of supplies available for immediate purchase in this country. Rarely, if ever, has the volume of visible supplies been so low. In November, the position was reached when less than 120,000 bales of cotton were held in Liverpool, Manchester or afloat, and the most favourable moment was in March when nearly 170,000 bales were on hand.

At the end of the season, the quantity of cotton available for disposal was 145,000 bales, comprising 68,000 bales in stock at Liverpool, 18,000 bales in Manchester and 59,000 bales afloat. At least, within this total, the number of growths covered a fair spread, including 29,000 bales American, 21,000 bales Argentinian, 15,000 bales Iranian and 13,000 bales Brazilian.

Forwardings to spinners during the past season at 1,032,998 bales were some 15,000 bales larger than actual arrivals. Spinners took about 10,000 bales more Iranian cotton than was imported, using up supplies carried over from the previous season. Forwardings of American cotton were about 6,000 bales more than arrivals.

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INTERNATIONAL SILK SITUATION

PRODUCTION DECLINES—PRICES RISE MARKEDLY

"QUEEN of fibres": This is how silk has all along been described the world over. Although silk has declined in importance as an apparel fibre, it continues to retain its supremacy, especially for textiles of the highest quality, in view of its excellent colour affinity, adaptability to various forms of throwing, and heat preserving property and absorbency. The place occupied by silk on the world textile map was broadly indicated in the latest general review of industrial fibres published by the Commonwealth Economic Committee (London), a summary of which was given in these columns last week. It is proposed to give this week more details of the Committee's review of the recent trends in silk economy. The review will no doubt be found useful, considering that the available literature pertaining to silk is scrappy and that India is one of the world's largest producers and consumers of silk.

Silk is a fine element extruded by the silkworm. There may be anything upto 4,000 yards of filament on one cocoon, but, of this, only about one-fifth can be reeled into continuous filament known as "nett silk"; the tough outer husk and soft inner portions, which are unreelable, can be combed and spun into "spun silk." The Far East and Central and North America are the main silk producing areas, the principal countries being Japan, India, China, Korea and Italy. The so-called "wild silk" (as distinct from raw silk obtained from the mulberry silk cocoon) is also grown in the Far East.

Competition from Man-made Fibres

The extent to which silk has declined in international trade in recent years will be evident from the fact that, over the decade ended 1960, though world production of raw silk increased, world exports of that commodity went down from nearly 33 per cent in 1946-50 to 26 per cent in 1960. Thus, the total world output of silk rose by 80 per cent, from 38.10 million lbs. to 68.20 million lbs., whereas exports (excluding those from Hong Kong) have risen by only 42 per cent, from 12.48 million lbs. to 17.72 million lbs. As for the consumption of silk, however, the past few years have witnessed a distinct improvement. The quantity of silk actually used in the eight biggest consuming countries (Japan, U.S., Italy, India, France, Switzerland, W. Germany and U.K.) in 1960 was 52.7 million lbs. as against 30.1 per cent in 1946-50 (average), representing a rise of 75 per cent. The improvement would have been more marked but for the competition from man-made fibres which has been in evidence for quite sometime now. Here is what the Commonwealth Economic Committee's review says on the demand for silk:

"Silk has been highly valued throughout the centuries for its luxurious qualities and, due mainly to its uses in very expensive apparel and luxury goods, demand has been considerably more elastic than for other fibres. Competition from man-made fibres began to take effect during the middle thirties. Rayon was widely used in apparel fabrics and nylon entered the hosiery market just before the war. During the war, the area under mulberries was drastically curtailed in favour of food crops, so that, by 1946, total silk production was less than a quarter of the 1938 level. In post-war years, the man-made fibres have established themselves in many of silk's former uses; nylon has almost ousted silk from the hosiery markets of the world, due to its durability and uniformity and silk has recently lost ground to the non-cellulosic man-made fibres in tie fabrics."

The trend of world silk production and exports during the years 1959 and 1960 as compared with the annual average for the period 1946-50 is indicated in Table A, while Table B shows the consumption in the main countries. The data bring out clearly the dominant position occupied by Japan in the world sericulture industry. It accounts for as much as seven-eighths of the free world output, almost two-thirds of exports and over three-eighths of consumption.

The world production of raw silk during the year 1960 was 5 per cent lower than in 1959 and 1958, being 68.2 million lbs., as against 71.6 million lbs. and 74.4 million lbs. in the two previous years, respectively. The persistent decline was due largely to the fall in the Japanese production, following the official policy of discouragement and certain weaknesses in the industry itself. Over the next ten years, however, we are told that it is proposed to rehabilitate the Japanese industry by increasing its scale and efficiency, as well as by encouraging collective management of mulberry fields and co-operative silkworm rearing. These plans are expected to augment the production of raw silk from less than 40 million lbs. in 1960 to 65 million lbs. by 1965 and 79 million lbs. five years later.

Silk in India

The only significant producer of silk in the Commonwealth is India. The production of mulberry silk in 1960 was practically unchanged at the previous year's level of 2.5 million lbs., while that of non-mulberry silk actually declined by 8 per cent to 800,000 lbs., so that the total output was only 3.3 million lbs. or 700,000 lbs. below the second Plan target of 4.0 million lbs. The shortfall is attributed to lower productivity in the mulberry industry. In the calendar year 1961, mulberry silk output increased slightly to 2.75 million lbs., while the production of non-mulberry silk declined further to 770,000 lbs. or a total of 3.52 million lbs. The third Five-year Plan has fixed a production target of 5.0 million lbs. to be achieved by 1965-66. The Plan's chief aim is to reduce production cost through programmes for increasing the pre-acre yield of mulberry, to create a sound seed organisation and to replace a large number of traditional *charkhas* by cottage basins. The Government has also extended protection until 1963.

So large a proportion of Japan's silk output is used within the country that only about a quarter of world production enters international trade in the form of raw silk. During the year 1960, world exports fell by 12 per cent from the previous year's comparatively high level to 17.7 million lbs. The fall was due primarily to reduced shipments from China and Russia and, to a lesser extent, Japan, thereby reflecting a shortage of supplies rather than any significant contraction of demand. Exports of Japan during 1960 fell by 2 per cent to 11.7 million lbs., but that country's share of the world silk trade was seven points higher at 66 per cent. Exports from China are estimated to have dropped by 29 per cent to 4.6 million lbs., owing to reduced purchases by Soviet Union and West European markets. India exported in 1960 just 6,000 lbs. of raw silk, as against 3,000 lbs. in 1959.

Silk Waste

After declining between 1957 and 1959, exports of silk waste recovered in the following year to 5.4 million lbs. which was 24 per cent greater than in 1959, although still only half as great as in 1956. Larger shipments from Japan and India were mainly responsible for the higher 1960 total. Exports from Japan rose by 44 per cent to 2.1 million lbs. Shipments from India advanced by 41 per cent to 1.2 million lbs. and were directed mainly to Italy, France, Switzerland and Japan. Exports from China (according to importing countries' returns) dropped by a further 18 per cent to 600,000 lbs., as a result of smaller shipments to Japan and West Germany, but exports from Italy were 19 per cent higher than in 1959.

The U.S. is the world's largest buyer of raw silk, its actual imports in 1960 being more than 6.45 million lbs., representing as much as 36.3 per cent of the aggregate world imports of 17.77 million lbs. Japan alone supplied 5.79 million lbs. of silk to the U.S. The other larger importers of raw silk are Italy, Soviet Union, France and Switzerland. The Commonwealth countries together imported in 1960 over 1.05 million lbs., the main supplying countries being Japan (697,000 lbs.) and China (331,000 lbs.). Of the total imports during 1960, India accounted for 114,000 lbs. The aggregate imports into the Common Market were of the order of 5.88 million lbs. of raw silk and 5.03 million lbs. of cocoons and silk waste, the corresponding figures for 1959 being 4.79 million lbs. and 4.36

(*Continued on page 431*)

TABLE A: *World Raw Silk At A Glance*

(In thousand lbs.)

Country	Production			Exports		
	1960	1959	Average 1946-50	1960	1959	Average 1946-50
Free World:						
India	2,500	2,500	2,100	.. 6	3	6
				(1,157)	(820)	(351)
Japan	39,700	42,100	18,800	11,719	11,921	8,793
				(2,136)	(1,485)	(—)
Italy	2,000	2,000	3,600	121	173	2,246
S. Korea ..	1,000	1,200	3,300	249	228	22
Turkey	600	600	700	(94)	(165)	(578)
Brazil	200	200	300	—	—	—
Iran	300	300	400	(500)	(525)	(245)
Spain	100	100	100	N.A.	N.A.	N.A.
Other countries..	600	600	600			
Total free world.	47,000	49,600	29,900	12,134	12,333	11,112
Communist countries:						
China	15,000	15,400	3,900	4,590	6,450	1,370
Russia	6,000	6,100	4,100	994	1,367	—
Others	200	200	200	N.A.	N.A.	N.A.
Total Communist countries ..	21,200	22,000	8,200	5,584	7,817	1,370
Grand total ..	68,200	71,600	38,100	17,722	20,150	12,482

Note:—Figures in brackets relate to silk waste.
N.A.—Not available.

TABLE B: *Raw Silk Imports*

(In thousand lbs.)

Country	1960	1959	1946-50 (Average)
Commonwealth:			
India	114	307	776
U.K.*	642	784	1,218
Hong Kong†	253	187	..
Canada‡	39	41	96
Australia§	6	11	280
Total Commonwealth ..	1,054	1,330	2,370
Common Market:			
Italy	2,708	2,083	261
France	2,463	2,014	1,456
W. Germany	704	696	266
Total Common Market ..	5,875	4,793	1,983
Other Countries:			
U.S.A.	6,454	6,598	6,383
Russia	2,646	3,748	606
Switzerland	1,520	1,296	..
Cambodia	212	26	..
Japan	6	130	..
Grand total	17,767	17,921	11,342

* Retained imports. † Imports *minus* exports.
‡ Including cocoons. § Year ended June.

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TRAVEL UNDER ONE'S OWN STEAM

WILL THIS BE FEASIBLE IN AIR AS FREELY AS IT IS ON ROAD?

By Our Aviation Correspondent

IT is now almost sixty years since Wilbur and Orville Wright first demonstrated the fulfilment of mankind's long cherished ambition—controllable flight in a heavier-than-air machine. It is a very far cry from the flimsy contraption of wood, fabric, and piano-wire which, on that historic occasion, rose a few feet from the ground. Air travel, from the realms of fantasy, has become a normal feature of everyday life—the world's total air traffic now tops the 200 million passenger mark each year. The modern jetliner, flying at, 40,000 feet, and conveying 150 passengers in considerable comfort over vast distances, transcends, no doubt, the wildest dreams of the early pioneers. And yet, in one important respect, the aeroplane is far from filling the principal role for which, in the popular view, it was originally cast, namely, an individual conveyance for millions of people.

Light Aeroplane

The reasons, of course, are fairly obvious, though cost, which might seem of primary importance, is not, in fact, the most compelling. Had the light aeroplane been built in anything approaching the quantity of the private automobile, it would probably be almost comparable in price. Then there is the question of skill—an important, but by no means all-important factor. The skill required to fly a light aeroplane is not excessive. Most people possess it and, in any event, manufactured in thousands, something pretty foolproof would have been evolved. Few people today will remember the "Flying Flea"—the build-it-yourself aeroplane of the nineteen thirties. It was not all that easy to fly but its French designer certainly had the right idea.

The real, the fundamental reason for the light aeroplane's lack of success is its very limited utility. Whilst it does not need the vast acreage of concrete which the airliner demands, it still requires an aerodrome for its operation. It lacks, in other words, that door-to-door convenience which the private motor car provides. Convenience—that, perhaps, is the keynote of the motor car's universal appeal. Its other qualities—the freedom of movement which it confers, the independence from crowds, queues, and timetables, the almost God-like sense of power—are all more than matched by the aeroplane. But the motor car, unlike the aeroplane, is a genie always at immediate call. One mile, or a thousand miles, so long as there is a road, the motor car will take you, from door to door, with a minimum of fuss or preparation.

Automobiles by Leaps and Bounds

It is hardly surprising, in the circumstances, that the cult of the private motor car is growing by leaps and bounds. So powerful a factor has it become that it is now a serious threat to all forms of public transport—including the queenly airliner. Take the U.S.A., for example—a country of vast distances, with the most comprehensive system of rail, road and air transport in the world. A recent survey—conducted, incidentally, by one of the airlines—shows that, during the last decade, the combined total of passenger-miles operated by all common carriers, road, rail, and air, has declined by 13 per cent. Although, over the same period, the volume of air traffic has steadily increased, the hard fact remains that the air is merely getting a larger share of a diminishing total.

In other words, the air has created no new traffic and, having exhausted—as many now believe—its capacity to attract traffic from the older forms of transport, its future rate of expansion will mainly depend on the growth of individual prosperity in the country. It is in these circumstances that the constantly increasing number of private automobiles is by no means a negligible factor in the airlines situation. It is computed that, over the past seven years, the private automobile increased its share of short-haul, inter-city carriage by more than 140 per cent.

Exactly the same trend is discernible in Western Europe and the United Kingdom. In almost every country, ownership of private motor cars has risen—and is continuing to rise—by an annual 10 per cent. As a result of popular demand, the progressive building of motorways, the elimination of traffic bottlenecks, and the improvement of motoring facilities generally, are matters of high priority. The European Common Market, removing, as it does, many customs and other formalities at national frontiers, is also a powerful factor.

Just as in the U.S.A., so in Europe, the private motor car is affecting—and will continue progressively to affect—all forms of short-haul transport. The fact of the matter is that a great majority of people, whenever and wherever it is possible, prefer to travel "under their own steam." It is, of course, very often much cheaper to do so. For a family party of four or five persons, for example, the private car offers holiday travel at about a quarter of the cost involved in fares by any form of public transport. It is not, however, entirely—or, perhaps, even mainly—a matter of cost. It is the freedom of movement the sense of independence, which counts for a great deal.

Easy-to-fly Version

And, here, perhaps, it is appropriate to return to one's original theme—the private aeroplane. Just as the short-haul air carrier has got to find some answer to the inordinate proportion of "ground time" involved in every short air journey, so, one suggests, may the aircraft industry find a market—and a very extensive market too—for the private aeroplane. In both cases, so far as we can foresee at presence, the obvious answer is the vertical take-off and landing aeroplane. For the airlines, the VTOL is not very far distant. Another three or four years should witness a considerable advance in its development. For the private owner, a comparatively cheap, easy-to-fly version is still a long way off.

One does not suggest, of course, that the small VTOL aeroplane will become as popular as the motor car. One does argue, however, that fully developed for the private owner market, it will have the same kind of appeal—particularly, perhaps, for the commercial firm and the business executive. If, by any stretch of imagination, it were eventually to rival the motor car in popularity, the air traffic problem hardly bears contemplation. The imagination reels at the prospect of a helicopter policeman on point duty directing VTOL traffic during the "rush hour" in any busy city! But, then, who in, say, 1920, foresaw the kind of traffic congestion we now have on the roads? In many countries, new cities are being planned and built with the special problems of the motor car in view. The U.S.A. is currently spending $3,000 million every year on roads. Future generations may have to make similar provision for the private aeroplane!

Indeed, he would be a very bold prophet who would venture to predict the changes which the rising generation are certainly going to see in our present systems of transport. The possibilities are immense. Even today, some of these are foreshadowed by the VTOL, the supersonic airliner, the air cushion or ground effect vehicle and now the GETOL—an aircraft which takes off and lands on its own air cushion and thus, presumably, requires no aerodrome. And this is to say nothing of space exploration, now getting well into its stride. The possibility—even the probability—of large numbers of private aeroplanes in our skies, and landing on our rooftops, pales into insignificance before the scenes which the exercise of a little imagination could conjure up!

FARNBOROUGH AIR SHOW

Equipment which will take the "if" out of the complex requirements of super-high-speed flying, and electronic devices which serve air and ground communications, are among the stand exhibits at Britain's Farnborough Air Show this week. A comprehensive electrical control system for supersonic engines, which can be controlled by a single pilot's lever, is being shown by Ultra Electronics Ltd., of London. It is fully automatic and does not require special action by the pilot when calling-up engine power changes. The control unit of the electric system can be divorced from the engine—an important factor in supersonic aircraft where there are exceptionally high temperatures in the vicinity of the engine. There is automatic control of compressor speed, thrust, acceleration and turbine temperature.

The all-electric throttle control system was designed, developed and manufactured by the firm for the Proteus engine on the Bristol Britannia and it has proved its reliability over some 3,000,000 hours of flying time.

Of interest to air traffic control organisations are two equipments shown for the first time by another British firm. They are Marconi's transistorised plan-position indicator display types 3001 and the transistorised tabular display system types 3101. The plan-position indicator gives on one tube information which previously required four or five units, and the tabular display system provides a complete display of flight data to air controllers.

TRIDENT JET LINER

The third de Havilland Trident jet airliner has successfully completed its maiden flight. It joins the first two Tridents in the test-flying programme for a full Certificate of Airworthiness by the middle of 1963, says an announcement by Hawker Siddeley Aviation, of which de Havilland Aircraft is a member. The Trident is powered by three Rolls-Royce Spey turbo-jet engines. Twenty-four of this airliner have been ordered by British European Airways, with an option on 12 more, and two by Kuwait Airways, with an option on a third. The first Trident flew on 9th January and the second on 20th May this year. They have accumulated 255 hours of flying. The first phase of the tests was mainly concerned with general handling trials, during which the aircraft was flown at speeds close to the speed of sound at heights up to 32,000 ft.

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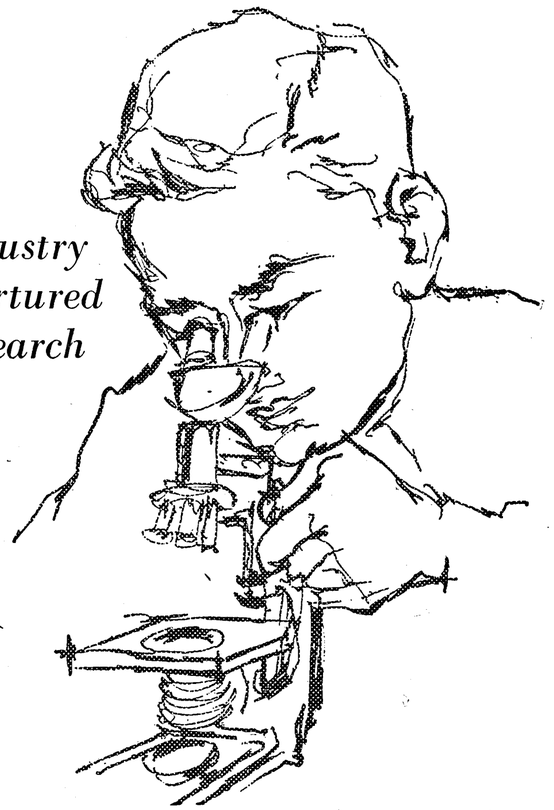

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SUGAR INDUSTRY AND THE CONSUMER

PRICES MUST BE REDUCED

A LOOK back at the history of Indian sugar industry in the past two decades will reveal that the fruits of whatever qualitative and quantitative progress that has taken place have been enjoyed by cane growers, sugar mills and workers employed by them, while the interests of consumers have remained neglected. Since it is the consumers who have made a heavy sacrifice to nourish the sugar industry all these years, especially during the long period of tariff protection, they can now legitimately expect to be assured of regular, adequate supplies at a reasonable price. The supplies of sugar are, of course, plentiful at present and they are also easily available in practically every nook and corner of the country. But the prices paid are high in all conscience, thanks to the defective cane price policy of the Government and the heavy tax burden. The Tariff Commission must, indeed, be complemented for having ably championed the cause of consumers in its report on the revision of sugar price linking formula referred to in these columns last week. The scheme of deferred cane price, says the Commission, completely ignores the interests of consumers who have borne patiently the burden of high protection granted to this industry and of periodic shortages. In fact, the Sugarcane (Control) Order, the Commission has taken care to point out, enjoins the Government to bear this point in mind, as price control of sugar is intended mainly in the consumer's interests. It is, however, necessary to mention that this statement was made before the Government decontrolled sugar prices. Concluding its findings, the Commission has the following observations to make:

"It has not been easy for us to arrive at the conclusion we have reached. At each stage of our inquiry, we had an increasing awareness of the emotion and vehemence which permeate the whole controversy. In this situation, it was no pleasure for us to reject any views on either side held with obvious conviction and sincerity. What seems to add to the passions aroused on the issues is the psychological illusion of a struggle between poverty and affluence. The needs of thousands of poor cultivators of factory cane could be visualised. But, it requires a special mental effort to conjure before the mind's eye thousands of other cultivators of cane and other crops, thousands of investors most of whom are not affluent and not organised, and millions of consumers who are on the same economic level as suppliers of factory cane and *who have suffered and are suffering the consequences of high costs and inefficient production* (Italics ours). In our report, as during the inquiry proceedings, we have not aimed at passing any judgment on these issues. Our endeavour has been rather to bring the parties together and to make our final recommendations with due care that expediency does not prevail over permanent interests of the economy and that the interests of the country are placed above sectional pressures. It is in this spirit that we expect our conclusions to be judged."

The Tariff Commission has forcefully pinpointed the fact that, because of the high price of sugar, its consumption in this country has remained low. The high price is attributed to the heavy incidence of the cost of sugarcane and taxation. Sugarcane accounts for as much as 75 per cent of the total cost of sugar in India, while the corresponding ratio in other important sugar producing countries is much less. The incidence of the various levies on sugar is also as high as 35 per cent of the sugar price. The Commission has done well to urge "a proper, progressive, unwavering, well-planned and vigorous policy of cost reduction," but has refrained from offering any comments on the tax policy in regard to the industry. The reason given for not doing so is that, apart from the specific circumstances of the industry from time to time, it also involves the general issues of the fiscal policy of Government. Nevertheless, by implication, the Commission's specific description of the incidence of taxation as heavy and that too in the context of safeguarding the interests of consumers underlines the need for lowering the high level of excise duty on sugar; currently, it is Rs. 10.70 per maund to which level it was raised from Rs. 4.18 in 1957.

At every relevant place in its report, the Commission, it is gratifying to find, has emphasised the importance of reviewing the present minimum price for sugarcane on a strictly economic basis. At the same time, it has sought to drive home the point that a mere economic floor price of cane would be of little avail, unless steps were initiated to raise the quality and per-acre yield of cane. Notwithstanding all the stress on intensive cane development for the past several years, the all-India average yield of sugar per acre is no more than 1.44 ton, which is well below that obtained elsewhere: 8.83 tons in Hawaii, 6.44 tons in Java, 5.08 tons in Peru and 4.06 tons in Australia. The figure for India is much less than even that for Egypt (3.03 tons), South Africa (2.44 tons) and Louisiana (1.80 ton). It is with the object of augmenting the productivity of land devoted to sugarcane in view that the Commission has pressed for the earliest introduction of a system of cane payment by quality.

We do not know what the Commission means when it says that it disapproves "of any scheme of restriction on acreage or output at the expense of improvement in quality or yield of sugarcane." But the Commission is quite explicit when it observes:

"Better return from cane can only accrue from proper crop planning and intensive cultivation of quality cane in suitable areas. In this regeneration of our cane agriculture, the Central and State Governments have also to play a large role which must cover provision of irrigation facilities, construction of feeder roads in cane areas, dissemination of disease-free and improved varieties of seeds, control of pests and diseases, supply of manures and fertilisers at economic prices, etc. The activities of cane co-operatives need to be properly oriented for this purpose. We must record here that, during the course of our inquiry, complaints on these and other grounds like the use of cess funds were *painfully frequent* (italics ours), particularly in Bihar and Uttar Pradesh. The magnitude of the task and national interests at stake are well indicated by the fact that, in 1958-59 and 1959-60, the figures for acreage under cane were 4.8 million and 5.2 million, respectively, and those for outturn were 70.5 million tons and 75 million tons, respectively. The target for the third Plan for cane production is as high as 100 million tons."

Although the aforesaid aspect has been dealt with in this journal on more than one occasion, it requires to be reiterated. For dynamism and energetic action on the part of Agriculture Departments in States in the sphere of cane development are still lacking. Indeed, even in regions where the sugar mills are endeavouring their best to develop cane culture, some State Governments have not only failed to extend full co-operation but have actually placed hurdles. A deplorable instance is provided by the Maharashtra Government's doggedness in taking over the most efficiently run cane farms of joint-stock sugar mills.

Be that as it may, the Tariff Commission has rightly called upon the sugar mills to make their contribution by carrying out modernisation and expansion as rapidly as possible. To quote it: "It is with this purpose in view that we have agreed to an element for rehabilitation and other concessions or exemptions." Evidently, the Commission has been prompted to make this remark by the continuously expanding domestic demand for sugar and the exigency of earning foreign exchange from exports.

In stressing the need for quick modernisation and expansion, the Tariff Commission has been fair enough to draw attention to a possible emergence of an unsatisfactory state of affairs in future consequent upon the establishment of a large number of co-operative sugar factories. Says the Commission:

"In this connection, note has to be taken of the fact that of 53 new factories licensed during the first and second Plans, not less than 38 were co-operatives and that this trend is likely to continue. It is clear that the responsibility for future expansion will, therefore, fall only partly on private enterprise but very largely on social forces which shape co-operatives in which normal economic forces operate but feebly. We ardently desire that the implications of this situation should be properly appreciated in the proper quarters."

The stories that one hears about the working of co-operative sugar factories are by no means complimentary to the movement. The Commission has, therefore, been quite pertinent in sounding a note of caution, which the powers-that-be should heed if they do not wish their reputation to suffer at the hands of prosterity.

The Tariff Commission has made a dispassionate assessment of the problem of heavy sugar surplus. The Commission declares that, unfortunately, the sudden expansion of output (during 1959-60 and 1960-61) is a national embarrassment and not a matter for self-congratulation. For, according to it, the expansion has been achieved not by increased efficiency and falling costs (either of cane cultivation or of sugar manufacture) but by the stimulus of higher cane price and rebate in excise duty. Despite expansion in production, little perceptible fall in costs is, therefore, visible which, in the opinion of the Commission, explains "the peculiar hothouse character of these surpluses." By way of a solution to this problem, it observes:

"With little margin for reduction in manufacturing costs, the heavy accumulating sugar surpluses could be disposed of in either or both of two ways. There is cogent social compulsion for unloading the surpluses on the domestic market with such reduction and adjustment of excise duty, etc., as would involve the exchequer in little or no loss. The surpluses could also be exported but only at a loss in the present conditions of domestic and foreign prices. The export potential of sugar-based industries is also affected by high prices of our sugar. But, rebate in taxation, etc., has its ultimate limit and must, in the end, raise the issue whether the costs are in line with the incomes of consumers. *Ad hoc* exports at a loss offer no long-term solution; rather they only highlight the absence of a policy."

The Commission, it will be noted, has been explicit in its view on this issue, though not categorical in suggesting solutions. Since it has ruled out sugar exports as an economic means to reduce the burdensome surplus, it clearly implies that the price of sugar should be brought to a level that will stimulate domestic consumption. And, since the Commission has broadly recognised that there is little room to reduce the mills' profit-margin, it is obvious that the Government must lower the burden of taxation on sugar consumption or bring down the cost of sugarcane. Now that the Government is prepared to do neither, consumers in India have no choice but to eat less sugar and subsidise exports to other parts of the world having better living standards.

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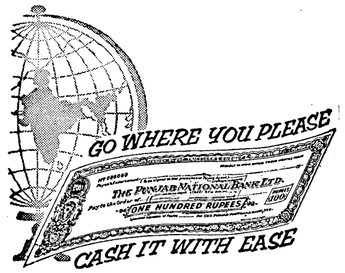

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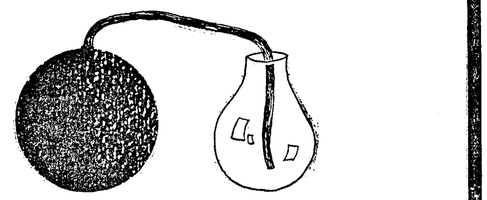

The modern thermometer owes much to the pioneering of an ancient Greek. Physicist and philosopher, Philo of Byzantium invented the thermoscope about 200 B. C. It was a simple apparatus consisting of a lead globe and a flask filled with water. A tube connected the two. When the globe was heated, the air within expanded, flowed through the tube and produced air bubbles in the flask of water. Philo proved that a temperature rise causes air to expand. He did not calibrate his thermoscope and could not therefore measure temperature. But his basic experiment was invaluable: it paved the way for the modern thermometer.

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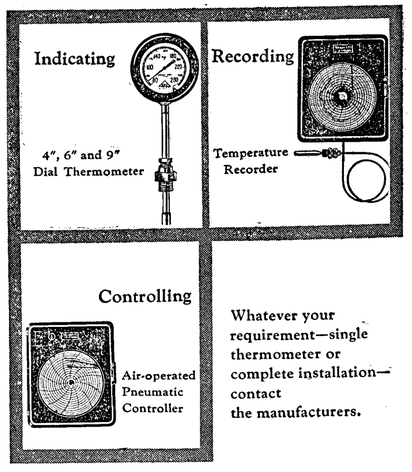

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BUS TRANSPORT IN BOMBAY CITY

I.L.O. PRODUCTIVITY MISSION'S RECOMMENDATIONS

THE Bombay Electric Supply and Transport (B.E.S. & T.) Undertaking of the Bombay Municipal Corporation is a big and growing public enterprise. The funds employed in it for general working purposes have increased from Rs. 12 crores in 1947 to Rs. 33 crores by 1962 (as of 31st March). Of the latter amount, Rs. 13 crores has been raised by direct public loan subscription, while the balance, which has come from the retained revenues of the Undertaking, represents the share of the Municipality. The municipal investment represents the real risk capital in the Undertaking. But the return on this capital works out to only 1.6 per cent, as the present statutory annual contribution from the Undertaking to Municipal funds is just Rs. 40 lakhs. This may be compared with the interest of 3¼ to 4¼ per cent paid on public loans raised by the Undertaking and as much as 4½ per cent which the State Governments had to pay when they came to the capital market last week. The Corporation will have to pay at least 4¾ per cent, if not 5 per cent, per annum on its borrowings this year. The I.L.O. Productivity Mission, which recently submitted a comprehensive report on the working of the Undertaking, has referred to some of these facts for the purpose of driving home the point that the Municipality is now getting too small a return on its share of the funds employed. In its view, there is no reason why the Municipality, representing the citizens at large, should not get a return on its investment at least equal to that paid to individual lenders.

But the current health of the Undertaking is such that it is in no position to pay a higher return to its owner, unless, of course, revenues are increased and/or costs are reduced. The Bus Section of the Undertaking, for instance, has been able to yield, in the last three years, a return "very close to zero" on the funds employed in it. The Tramways Section has never made any return on the funds invested in it; on the contrary, there has been a steady loss of capital in this section, increasing year by year to the present rate of between 3 and 4 per cent per annum. In other words, the transport undertaking has been eating into the capital. If it does so for long, it will go bankrupt.

Even the Electric Supply Section, which is regarded as the money-spinner in the Undertaking, is far from being that; the net return in this section has never been much above 6 per cent and, at present, it is less than the cost of borrowing money. For the Undertaking as a whole, the highest return on funds employed was reached in 1949-50 when it was a modest 5 per cent. Since then, there has been a steady trend downwards until now the Undertaking uses public money which it has borrowed at 3¼ to 4¼ per cent and, after all the work of running transport and distributing electricity, manages only to make the equivalent of 1.3 per cent on it, out of which interest on borrowings and the statutory contribution (Rs. 40 lakhs) have to be paid. At this stage of its examination of the Undertaking's finances the I.L.O. Mission has observed as follows:

"The conclusion is inescapable. The economic health of the Undertaking, and the necessity for sound trusteeship of the public funds invested in it, require that the return on funds employed be increased as quickly as possible: by increasing revenue, by reducing costs, or by both together. The present negligible return being achieved is bound to affect the views of investors who may be called upon to subscribe to further Public Loan issues, even though these are backed by the credit of the Municipality, for the persistent downward trend, if allowed to continue unchecked, must eventually jeopardise the Undertaking's ability to continue paying interest and Sinking Fund contributions."

If this state of affairs were to prevail in a private undertaking, no bank would lend money and no investor would buy its shares. Because the Municipality's liabilities are guaranteed by the State Government which, in turn, has the backing of the Centre, the B.E.S. & T. is able to get on without any sense of crisis. But even a nation cannot live beyond its means for all time to come. There is, therefore, no doubt that the B.E.S. & T. must set its house in order.

There is another important aspect of the Undertaking's finances. This pertains to the provisions for the renewal of assets. The Undertaking has no doubt adopted the sound policy of basing revenue retentions for asset renewal on the replacement cost of the assets. But its achievement in this direction has fallen short of intention so far. Although about half the life, on average, of the Electric Supply assets, 80 per cent of the Tramways assets and 44 per cent of the Bus assets, representing a total of Rs. 27.6 crores (*on low estimates*) by way of cost of consumption of assets, have expired as of 31st March 1962, the revenue retentions for asset renewal have amounted to only Rs. 22.9 crores by that date.

These, in brief, are the findings of the I.L.O. Mission which has subjected the finances of the Undertaking to a searching examination. The facts are clear enough and they reveal a very unsatisfactory state of affairs in the premier municipal undertaking in India. The question, therefore, arises whether the Undertaking will be able to grow fast enough to meet the growing power and transport needs of Greater Bombay with its teeming population, which may increase, over the next five or six years, to about 5.0 million from the present level of 4.2 million. According to the I.L.O. Mission, it will be necessary to increase revenue, to raise further public loans, or both, if growth is to continue. As the Undertaking's self-financing over the years has resulted in an excess of assets worth over external liability of Rs. 14.5 crores, it would be a sound proposition to raise fresh loans for financing growth. At the same time, a part of further growth could also be financed internally. It is here that the I.L.O. Mission has made a controversial recommendation—controversial because it will involve increasing revenues through steep increases in bus fares and, presumably, through surcharges on electricity rates, and so on. The Mission has urged that the objective should be to finance *at least half* of future growth from internal sources and that a return of 10 per cent on the investment should be aimed at to make that much self-financing possible.

What will this objective involve in the case of the Bus Section of the Undertaking? It will involve bus revenue increases of 29 per cent in 1962 and 37.5 per cent by 1966-67 after taking into account the possible cost reductions. The Mission has recommended, in this connection, a revision of the fare structure in the following manner:

Fare nP	Distance allowed, kilometres: Present	Proposed
5	—	1.5
7	2.8	—
10	3.6	3.0
15	6.4	4.5
20	9.2	6.0
25	12.0	7.5
30	14.8	9.0
35	17.6	11.0
40	20.4	13.0
45	23.2	15.0
50	26.0	18.0
55	—	21.0
60	—	24.0
65	—	27.0

There is, of course, no doubt that the public of Bombay will not cheerfully accept the proposed steep upward revision of fares above 10-15 nP, particularly when, in spite of the recent railway fare increase, travel by electric trains, especially with season tickets, is relatively much cheaper than bus travel even at the existing level of fares. If the proposed revision in bus fares is brought into force, it may lead to a large-scale diversion of passengers to electric trains which will then be subjected to further overcrowding. To the extent that such diversion takes place to that extent the expected additional revenue from buses may be reduced. The wisdom of steeply increasing bus fares without reference to the prevailing railway fares on the electrified sections catering to the City is, therefore, open to question. This aspect apart, political leaders in Opposition will try to exploit the situation in their favour by organising all forms of mass protest. Actually, the present predicament is the result of past neglect to work the Undertaking on economic lines. If there had been a gradual increase in fares, the position would not have been so bad as it is now.

It must, however, be conceded that the I.L.O. Mission has made out a pretty strong case for revenue increase on the basis of the current and future costs of bus operation. The total operating cost per bus per annum in 1961-62 was Rs. 80,239; it is estimated to be Rs. 81,876 in the current year and expected to rise to Rs. 96,050 by 1966-67 and Rs. 1,10,000 by 1971-72. Possible cost reduction per bus within 10 years is estimated at only Rs. 13,720. But the scope for immediate cost reduction is stated to be negligible. The minimum immediate need for additional revenue is estimated at Rs. 22,000 per bus—partly to cover the increase in cost and partly to provide a bigger margin for depreciation and debt charges and for a higher return on investment. The I.L.O. Mission's estimates have taken into account the likely growth of buses in service from the present level of 1,000 units to 1,250 by 1966-67 and 1,500 by 1971-72. To provide for this growth, it has recommended, as referred to earlier, a 10 per cent return which would make possible self-financing of half of future growth. As public opposition to the proposed fare increases can be foreseen, the following three-point approach may be found useful:

(i) The objective of self-financing of future growth should be sought to be achieved in two stages, the second stage starting five years after the first, so that a sudden steep increase in the existing fares can be avoided.

(ii) The scope for increasing revenue without raising fares to be fully exploited. The I.L.O. Mission itself has given these findings in this connection: (1) Certain improvements which could be made on minor items, such as lost trips and advertising, which together ought to yield a revenue increases of 1-1½ per cent in service within five years; (2) improving the operating ratio from the present 78 per cent to at least 90 per cent, which should be achievable by better maintenance within ten years. This would increase the Undertaking's revenue by Rs. 176 lakhs then (at present fares), and ought to yield a net benefit of Rs. 15 lakhs, within five years, from the extra buses scheduled into operation; (3) increasing the revenue potential of the Schedules. It would be reasonable to assume that careful re-scheduling on technical bases would yield at least a 10 per cent increase, and that the work could be completed so that all of this would be realised well within five years. This would be a substantial benefit, and one which could help the Undertaking to absorb some of the price increases expected in future years without immediate recourse to further fare increases then.

(iii) The immediate revision of the basic fare structure to be such as to involve only marginal increases which will not unduly upset the present balance between electric trains and buses.

Much can be gained through better maintenance, for this will make for increased revenue and cost reduction alike. The 20-point plan, recommended by the I.L.O. Mission, for this purpose would have to be seriously taken up for implementation. The cardinal features of this plan are standardisation of buses and working methods, reduction of the range of types handled, purging the fleet of the over-age vehicles, adoption of the unit-replacement system of maintenance, the setting up of training schools, overhaul and repair shops for bodies, chassis components, engine components and transmisson units, etc. As much of the maintenance work now, according to the I.L.O. Mission, is not done well, the B.E.S. & T. Undertaking's first attention should be given to better maintenance so as to increase the operating ratio from the present 78 per cent, that is, 78 buses in service out of every 100 buses owned. The present ratio is much too low and results in higher costs of operation and reduced revenue. The B.E.S. & T. Undertaking should aim at an operating ratio of 90 per cent, if not the 95 per cent common in European city fleets, instead of thinking in terms of a steep fare increase to finance the cost of its inefficiency.

OIL INDIA PIPELINE

The 720-mile long Oil India Pipeline, which connects the oilfields at Nahorkatiya and Moran with the public sector refineries at Nunmati and Barauni, is the second longest in the East, including the Middle East and, when complete, it will be one of the most modern and automatic of its kind in the world. Complete automatic control of Oil India Pipeline is centralised at Nunmati.

The Burmah Oil Company (Pipelines) Limited, which is the construction authority for Oil India (a joint 50 : 50 venture of the Government of India and Burmah Oil Company), is building this pipeline under its supervision in two stages on a no-profit no-loss basis. Having completed the 250-mile long 16" sector from Nahorkatiya to Nunmati, the B.O.C. (PL) Ltd., has in hand the 14" sector which takes the line further from Nunmati to Barauni (Bihar), covering a distance of 470 miles passing through three States, and a very difficult terrain. The pumping station at Nunmati is a part of the 14" sector.

Work on the 14" sector has progressed satisfactorily. The entire pipelaying operations have been completed. All the 40 rail crossings have been done; of the 66 river crossings, 56 have been completed; and work is progressing in respect of others. Of the five pumping stations on this sector, three are already in operational readiness and the remaining two will also be completed soon. The pipeline is being pressurised for initial testing and, unless leakages take place due to faulty pipe, the entire operation is expected to be completed very soon.

Of the eight pumping stations on the entire 720-mile long pipeline route (including both 16" and 14" sectors), the Nunmati station is the biggest with a capacity to receive 2.75 million tonnes of crude oil and pump two million tonnes to Barauni.

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A RANGE of four diffusion cells has been introduced in Britain for the production of high purity hydrogen gas from impure hydrogen supplies, cracked ammonia, reformer gas, or other hydrogen-bearing gases, according to the *Financial Times*. The diffusion membrane used is a palladium-silver alloy which was recently developed. This is highly permeable to hydrogen at temperatures above 200° C but offers a practically impermeable barrier to other gases. Moreover, unlike pure palladium, it is completely stable when repeatedly heated and cooled in hydrogen. The cells consist of thin-walled tubes closed at one end and manifolded together at the other, enclosed in a stainless steel shell designed for safe operation at temperatures up to 500° C and pressures up to 34 atmospheres. Impurities in the hydrogen produced by this method are of the order of one part per milllion, which is much lower than can be obtained by any other method. The smallest cell in the range will deliver over 20 cubic feet per hour of pure hydrogen and the largest 350 cubic feet per hour.

Removing Impurities from Molten Iron

When molten iron is being converted into steel it is desirable that silicon, sulphur, phosphorous and other impurities should be removed as quickly as possible. They have to be converted into a slag or scum that floats harmlessly on the surface. A German concern has found an excellent method of removing these impurities. Lime and other chemicals are added to the bath, as usual, but beforehand they are intimately mixed with either coal dust, powdered coke or sawdust. The dust burns as soon as it comes into contact with the molten metal and gives up its heat to the chemicals. They thus become fluid much more quickly than they otherwise would and the impurities are rapidly absorbed. It is claimed that phosphorous can be reduced from over 2 per cent to under 0.1 per cent within six minutes using this technique.

Ointment for Skin Diseases

A Japanese chemist has patented a vegetable-based ointment claimed to be particularly effective in the treatment of eczema, dermatitis and athletes foot. An aqueous mixture of tobacco leaves, flowers and citrus fruit rinds is heated until the residue has been carbonised and all the distillate collected. This is then separated into an oily and an aqueous portion, the oily one being further heated and distilled at 240 degrees Centigrade. The final product is an ointment which is said to have a high sterilisation effect against skin diseases which have not responded to known lotions, as well as being good for the treatment of burns and frostbite.

High Output Batteries

Dry storage batteries that have a high electrical output in proportion to their size and weight have recently been reported from France. The reason for the increased efficiency claimed (as compared with conventional batteries) is that the negative electrode is made from somewhat unusual materials. Metals such as lithium, magnesium and silver are used. The electrolyte or fuel of the battery is dissolved in an organic solvent so that it cannot attack or corrode the electrodes.

Method of Purifying Non-ferrous Metals

The application of a new method of continuous vacuumisation sharply increases the output and purity of refined heavy non-ferrous metals. The method is claimed to have been evolved at the Metallurgy and Ore Dressing Research Institute of the Kazakh Academy of Sciences, in Soviet Russia. The method of removing zinc from rough lead and the removal of admixtures from tin in a vacuum opened up possibilities not only for a sharp increase in the productivity of labour, but also for the automation of these production processes. The facilities for the application of this method have been designed and will be built at two non-ferrous metal enterprises in the Soviet Union this year.

Cavity-resistant Steel

A group of scientists, under the direction of the Urals Professor, Ivan Bogachev, has produced a steel which resists to cavitation, the age-old enemy of metal. (This destructive effect on metal takes place in those components of hydraulic machines which experience pressure by strong currents of water or other liquid.) Prof. Bogachev succeeded in producing a steel which is not destroyed but strengthened by the effect by cavitation. He compelled the air holes bombarding the metal to act as a kind of "drop forge man"; by hitting the metal they thicken it, and its structure is being improved. Tests of hydro-turbine parts, made of new steel, have shown that they have a service life which is six times longer than that of parts from the more expensive stainless steel. Such cavity-resistant pig iron and bronze has been developed in Bogachev's laboratory. The discovery of the Urals scientists is held to be of great importance. The new steel can be used for fusing on parts of hydraulic machines from the cheapest grades of steel, and they will have a service life several times longer than usual.

Passenger Lifts

A new control system for gearless passenger lifts, developed by The Express Lift Company Ltd., England, automatically and precisely matches lift service to demand and provides an instant response to any one of an infinite variety of traffic conditions. The system takes into account the fact that traffic varies, not only with the type of building, but also with the time of day, and that traffic "surges" can be of short or long duration, in either direction or both. It is designed to meet all these peak requirements, as well as the occasional call. The group of lift cars under its control operate only as they are required to match the traffic demand. The "brains" of the system is a computing device, called a differential integrator, which electronically calculates and evaluates the traffic demand, automatically divides the demand, and assigns the cars to handle the traffic in the most efficient way. It continually computes and analyses the passenger waiting time and allocates cars to particular sectors on a time preference basis. On completing their assignments, cars are immediately allocated to the nearest demand sector as computed by the integrator. Each car, when assigned, travels directly to the sector, ignoring any secondary calls. In delivering the passengers to their selected destinations, it again ignores secondary calls, unless they happen to be from floors that the passengers are going to.

Natural *Vs.* Synthetic Rubber

By extending natural rubber with a cheap commercially available rubber processing oil, the price of natural rubber compounds can be made fully competitive with synthetic S.B.R., and considerably less expensive than the various polybutadiene rubbers. This view is expressed in an article in *Rubber Developments*, the quarterly magazine issued by the Natural Rubber Bureau in London. The article says that the use of extenders in rubber compounding is as old as the rubber industry itself. The main object is to lower the cost by adding as much as possible of a cheap material while retaining adequate properties for the particular use to which the rubber is to be put. Low-cost oils, resins, tars and pitches are examples of the usual extenders. It is claimed that, when due regard is made to compounding, the wear resistance of oil-extended natural rubber, particularly in tyres, may equal and even surpass that of non-extended rubber. Natural rubber, which costs 25*d.* a pound, can be made near competitive with oil extended S.B.R. (grade 1710) by replacing 33 parts by weight of the natural rubber by oil selling at 3*d.* a pound. This degree of oil-extension of natural rubber can be carried out on conventional mixing machinery without difficulty and offers many technical possibilities to cheapen products and improve the competitive position of natural rubber.

Multi-bin Feed Units

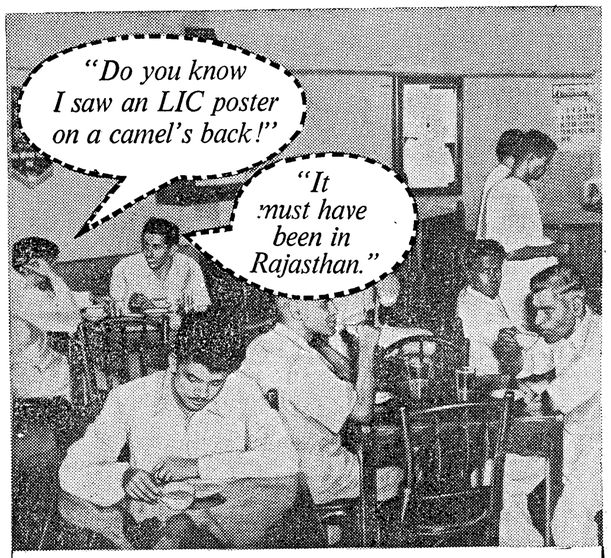
Multi-bin feed units specially designed for releasing and conveying fixed amounts of materials to asphalt and tar-macadam plants are now being produced by Frederick Parker Ltd., England, whose road surfacing machinery is in use in many overseas countries. The required quantities are discharged through the bottom of the hoppers on to a conveyor belt which delivers the materials to the plant's drying section. The multi-bin units, it is claimed, will produce a constantly proportioned flow of all required sizes of material to an asphalt and tarmacadam plant, or any other type of plant requiring a proportioned feed. Immediate change of proportions to meet a new specification is obtainable, and accurate proportioning ensures stable drying performance and prevents starving or overflowing of hot material storage bins.

Spring Platform

A constant level platform designed to speed up work done by man on the shop floor or attendants at a loading bay has been developed by WCB Containers Ltd., England. The platform, which can be fixed or mobile, comprises a false-bottomed unit supported on a stable spring mechanism giving up to 300 lb. (136 kg.) resistance. The springs coil and uncoil during loading and unloading and keep materials at a constant pre-determined level. By this method time, and the strain of stooping to clear the contents from the bottom of a truck or bin, is reduced much.

Hurricane Research

The United States is undertaking an expanded three-year research programme aimed at reducing the fury of hurricanes. It will be carried out by the Weather Bureau and the Navy. Using new devices for making and releasing silver iodide crystals, the specially modified Navy jet aircraft will "seed" hurricanes in an effort to diminish their destructive force. Cloud-seeding of a portion of hurricane Esther last year briefly reduced maximum winds at the hurricane's eye by about ten per cent. Radar readings and analysis indicated that supercooled water in the seeded area turned to ice. There followed an outward movement of energy to the storm's edge, causing a monetary drop in the storm's force. The Weather Bureau says that the new experiments will be conducted to confirm that this change did not occur naturally. According to it, if equivalent results are obtained in additional experiments, little question will remain that this approach (cloud-seeding) can be effective in systematically reducing the destructive fury of hurricanes.



PEOPLE ARE TALKING ABOUT LIC

One of LIC's objectives is to extend the protection of Life Insurance to every insurable person who can afford it. Since most of our people live in villages, LIC have intensified rural publicity. Travelling by jeep and bullock-cart and even by boat and camel, LIC workers spread the message of Life Insurance to every nook and corner. They take films and cine-projectors with them to explain the benefits of Life Insurance more effectiveiy. Such intensive publicity pays handsome dividends; often villagers come forward to take Insurance policies immediately after such a propaganda session.

Life Insurance Corporation of India

ASP/LIC-E-30

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS AND PERSONS INTERESTED IN THE MATTER ARE REQUESTED TO APPLY FOR A COPY OF THE PROSPECTUS FOR FULL DETAILS.

"An Industrial Licence has been obtained from the Central Government for the establishment of this new Industrial Undertaking of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it."

"Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company."

A copy of the Prospectus with the documents required to be attached thereto has been filed with the Registrar of Companies, Maharashtra, Bombay, for registration. Applications are invited only on the basis of the Prospectus, copies whereof may be obtained at the Registered Office of the Company, its Bankers, Underwriters and Brokers mentioned herein.

Applications will be made to the Stock Exchange, Bombay, for admission of the Company's shares to dealings on the exchange and for an official quotation.

CHITALE SUGAR WORKS LIMITED

AUTHORISED CAPITAL:		Rs.	Rs.
3,60,000	Equity Shares of Rs. 10 each ..	36,00,000	
9,000	Cumulative Redeemable Preference Shares of Rs. 100 each, carrying a rate of dividend of 9.285 per cent. free of Company's Income-tax but subject to deduction of tax at source at the prescribed rates	9,00,000	
			45,00,000

ISSUED, SUBSCRIBED AND PAID-UP:			
1,48,250	Equity Shares of Rs. 10 each held by Chitale Agricultural Products Ltd., the Holding Company of this Company	14,82,500	
9,831	Equity Shares of Rs. 10 each ..	98,310	
			15,80,810
352	Cumulative Redeemable Preference Shares of Rs. 100 each carrying dividend as described above ..		35,200
			16,16,010
	Less calls unpaid		300
	PAID-UP CAPITAL ..		16,15,710

PRESENT ISSUE CONSISTS OF:		Rs.	Rs.
2,01,919	Equity Shares of Rs. 10 each ..	20,19,190	
8,648	Cumulative Redeemable Preference Shares of Rs. 100 each, carrying a rate of dividend of 9.285 per cent. free of Company's Income-tax but subject to deduction of tax at source at the prescribed rates	8,64,800	
			28,83,990

TERMS OF PAYMENT:

	On Equity Shares of Rs. 10 each	On Cumulative Redeemable Preference Shares of Rs. 100 each
On application	Rs. 5 per share	Rs. 50 per share
On allotment	Rs. 5 per share	Rs. 50 per share

UNDERWRITING

The whole of the above Issue of Equity and Preference Shares offered for public subscriptions has been underwritten by the Union Bank of India Limited, Bombay. There is no contract or arrangement entered into in respect of any preferential right to subscribe for these shares.

BOARD OF DIRECTORS

SHRI MURARJI JADAVJI VAIDYA (*Chairman*), Businessman, Jadavji Mansion, 3, Cuffe Parade, Colaba, Bombay-5.

Director: The Indian Rayon Corp. Ltd., Bombay; The Polson Limited, Bombay; The United Bank of India Ltd., Calcutta; West Coast Paper Mills Ltd., Bombay; Bhopal Sugar Industries Ltd. (Sehore), (M.P.); Asian Cables Corp. Ltd., Bombay, etc.

RAJE MALOJIRAO MUDHOJIRAO NAIK NIMBALKAR, Public Worker, At and Post—Phaltan, Dist. Satara.

Ex-Minister, Labour, Industry and P.W.D., Government of Bombay; Ex-President, Maharashtra Vibhag Congress Committee.

LT.-CMDR. HIS HIGHNESS IQBAL MOHAMED KHAN, Nawab of Palanpur, Windmere, New Cuffe Parade, Colaba, Bombay-5.

Director: Asian Cables Corp. Ltd., Bombay; Indian Aluminium Cables Ltd., New Delhi; Rohit Pulp & Paper Mills Ltd., Bombay, etc.

SHRI LIMJEE KAIKHUSHROO PANDAY, Member, Stock Exchange, Kilachand Bldg., 45/47, Apollo Street, Bombay-1.

Director: Indian Rubber Regenerating Co., Ltd., Indian Rayon Corp. Ltd., Bombay; Travancore Electro Chemical Industries Ltd., Kerala; United Wire Ropes Ltd., Bombay; Freight Carriers Pvt. Ltd., Bombay, etc.

SHRI GANPATRAO DEOJI TAPASE, Public Worker, 71/2, Jahangir Bldg., Hughes Road, Bombay-7.

Ex-Minister for Backward Classes, Industry, Rehabilitation, Housing, Local Self Government, Bombay, Member, Rajyasabha.

SHRI CHATURBHUJ VITHALDAS JASANI, Businessman, Gondia, Dist. Bhandara (Maharashtra State).

Rice Mills, Tendu Leaves, Agriculture.

SHRI DATTATRAYA RAMCHANDRA NAIK, Landlord and Merchant, Sitaram Building, Crawford Market, Bombay-1.

Director: Chitale Agricultural Products Ltd., Bombay; Chitale Syrups & Allied Products Ltd., Bombay; Dattatraya Industries Pvt. Ltd., Poona; Dhootpapeshwar Industries Ltd., Panvel, etc.

SHRI GOVIND DATTATRAYA MODAK, Business, Sangli Bank Bldg., 296, Bazargate Street, Bombay.

Director: Modak and Modak.

MRS. LEELABAI GANESH KHARE, Social Worker and Writer, Pallonji Mansion, Colaba, Bombay-5.

Director: Chitale Agricultural Products Ltd., Bombay.

SHRI SHRIKISHNA DATTATRAYA CHITALE, Merchant, Flat No. 8, 'Fair Field', Churchgate Reclamation, Road No. 4, Bombay-1.

Director: Chitale & Company Pvt. Ltd., Bombay; Chitale Agricultural Products Ltd., Bombay; Chitale Syrups & Allied Products Ltd., Bombay, etc.

SHRI WAMAN DATTATRAYA CHITALE, Ex-Officio Director, Sugarcane Expert and Merchant, At and Post—Chitalenagar, Dist. Sholapur.

Director: Chitale Agricultural Products Ltd., Bombay; Chitale Syrups & Allied Products Ltd., Bombay; Chitale & Company Pvt. Ltd., Bombay, etc.

BANKERS

THE STATE BANK OF INDIA, Bombay-1.

THE BANK OF INDIA LTD., Bombay-1.

THE UNITED BANK OF INDIA LTD., Bombay-1.

THE UNION BANK OF INDIA LIMITED, Bombay-1.

THE CENTRAL BANK OF INDIA LTD., Bombay-1.

THE PUNJAB NATIONAL BANK LTD., Bombay-1.

THE UNITED WESTERN BANK LTD., Bombay-1.

AUDITORS

MESSRS. KIRTANE & PANDIT, Poona-2.

LEGAL ADVISERS

MESSRS. RAMANLAL & HIMATLAL, Solicitors, Bombay-1.

SHRI J. L. JOSHI, B.A., L.L.B., Bombay-7.

UNDERWRITERS

THE UNION BANK OF INDIA LIMITED, Apollo Street, Bombay-1.

MANAGING BROKER

SHRI L. K. PANDAY, Kilachand Building, 45/47, Apollo Street, Bombay-1.

BROKERS TO THE ISSUE

Bombay

BATLIVALA & KARANI, Union Bank Building, Apollo Street, Bombay-1.

P. R. SUBRAMANYAM, 70/A, Stock Exchange New Bldg., Apollo Street, Bombay-1.

CHIMANLAL J. DALAL & CO., 107, Stock Exchange New Bldg., Dalal Street, Bombay-1.

J. R. MOTISHAW & COMPANY, 32, Apollo Street, Bombay-1.

MAHADEVIA BROS., Stock Exchange Old Bldg., Dalal Street, Bombay-1.

Calcutta

M/s. G. M. PYNE, Allahabad Bank Bldg., 14, India Exchange Place, Calcutta-1.

PLACE, SIDDONS & GOUGH PVT. LTD., 6, Lyons Range, Calcutta-1.

Delhi

RAJ PAUL CHADHA & CO., Delite Cinema Building, Asaf Ali Road, New Delhi.

K. B. MALIK & COMPANY, 7, Prem House, Opp. Odeon Cinema, Connaught Place, New Delhi.

P. S. KHAMBETE & CO., M-45, Cannaught Circus, New Delhi-1.

DESH BANDHU GUPTA & COMPANY, 45, Stock Exchange Bldg., Asaf Ali Road, New Delhi.

RAJA RAM BHASIN & CO., 13, Stock Exchange Bldg., New Delhi.

Madras

PATTERSON & CO., 22, Errabalu Chetty Street, Madras-1.

MACONOCHIE & COMPANY, Mercantile Bank Building, Madras-1.

CHITRA & COMPANY, 322/323, Linghi Chetty Street, Bombay Mutual Bldg., Annexe, Madras-1.

Ahmedabad

CHINUBHAI CHIMANLAL DALAL, Manek Chawk, Ahmedabad.

M/s. CHIMANLAL LALBHAI, Manek Chawk, Ahmedabad.

Bangalore

M. NANJAPPAIAH JAHGIRDAR, 181, Cavalry Road, Bangalore-1.

MANAGING AGENTS

MESSRS. CHITALE & COMPANY PRIVATE LTD., 31, Western India House, Pherozshah Mehta Road, Fort, Bombay-1.

REGISTERED OFFICE

31, WESTERN INDIA HOUSE, PHEROZSHAH MEHTA ROAD, FORT, BOMBAY-1.

OBJECTS OF THE COMPANY

The Company was incorporated for establishing a Sugar Factory at Chitalenagar in District Sholapur (Maharashtra State) at a distance of 90 miles from Poona. The Factory having a crushing capacity of 800 tons of sugarcane per day will produce approximately 1,38,000 bags of sugar by crushing about 1,20,000 tons of sugarcane during an average crushing season of 150 days.

PROGRESS MADE BY THE COMPANY

Construction of the main Factory Buildings has been already completed. After proper investigation the bulk of the plant and machinery has been purchased from indigenous sources at comparatively cheap prices thereby bringing down the capital cost to a considerable extent. The experts have opined that the selection of the machinery has been well planned, and efficiently made with modest capital cost. The Company has already spent Rs. 63,90,000 towards the project.

START OF PRODUCTION

As the construction of the Buildings and the erection of the machinery have reached an advanced stage, the Company expects to go into production during the manufacturing season of 1962-63.

LOCATION AND ITS ADVANTAGES

The Factory is ideally situated at Chitalenagar, in frost-free canal zone. The supply of water is abundant and labour comparatively cheap. The supply of sugarcane in the neighbouring areas is quite adequate with an average yield of about 50 to 60 tons of sugarcane per acre and an average sugar recovery of about 11½ per cent to 12 per cent, the yield and recovery both being reckoned as amongst the highest in India.

There is a ready market for sugar in the area surrounding Chitalenagar which obviates necessity of long-distance transport.

The Holding Company has assured this Company that it will make available to this Company adequate sums towards any unexpected increase in the estimated capital cost of the project, if any, or towards working funds that may be required over and above borrowings from Banks, out of its loan of Rs. 23,78,000 proposed to be repaid by this Company, as shown above.

LOAN FROM THE INDUSTRIAL FINANCE CORPORATION

After a very careful study of the Company's project, the Industrial Finance Corporation of India has sanctioned a loan of Rs. 32 lakhs on the first mortgage of the fixed assets of the Company, and has already paid an interim loan of Rs. 20 lakhs.

MAHARASHTRA AGRICULTURAL LANDS (CEILING ON HOLDINGS) ACT, 1961

The Company is not covered by the provisions of the abovementioned Act as it does not have sugarcane plantations of its own.

SCOPE AND PROSPECTS

The Industrial Licence granted to this Company is so far the last in the private sector in the State of Maharashtra, as further licensing of new units has been suspended.

ESTIMATED CAPITAL OUTLAY, AND FINANCIAL REQUIREMENTS

Particulars. (1)	Expenses Incurred. (2)	Expenses to be incurred. (3)	Total (4)	Other financial requirements. (5)
	Rs.	Rs.	Rs.	Rs.
1. Expenditure on Land and Buildings, Plant and Machinery, etc.	63,90,000	20,91,000	84,81,000	....
2. Margin for working capital	Nil	5,00,000	5,00,000	....
3. Expenses of this issue	....	....	....	1,27,000
4. Repayment of dues to Holding Company	....	....	....	23,78,000
5. Repayment of dues to Sundry Creditors	....	....	....	1,38,000
Total .. Rs.	63,90,000	25,91,000	89,81,000	26,43,000

FINANCIAL RESOURCES

It is proposed to raise the above amount of Rs. 25,91,000 and Rs. 26,43,000 totalling Rs. 52,34,000 from the following resources:—

	Rs.
(1) Proceeds of this issue	28,83,990
(2) Balance amount of the loan from Industrial Finance Corporation of India	12,00,000
(3) Borrowings from Banks and others	11,50,010
Rs.	52,34,000

With growing population of the country, demand for sugar is continuously increasing. The demand for sugar will further increase with exports rising.

During the last year India produced about 27.10 lac tons of sugar against a target of sugar production of 35 lac tons at the end of the third Five-year Plan. There is, thus a wide gap to be filled. With exports growing and internal consumption of sugar increasing, experts believe the present surplus position of the sugar stocks is likely to be a temporary phase.

ESTIMATED PROFITS

On the basis of existing prices and manufacturing cost arrived at after careful investigation, and also after considering the substantial savings effected in capital outlay, it is estimated that in the absence of any unforeseen circumstances, the Company will be in a position to provide an attractive return to the shareholders. As the plant is expected to go into production during the manufacturing season of 1962-63, it is expected that the Company will earn profits earlier than similar new units which usually take about two to three years to start operation.

UNDERWRITING COMMISSION AND BROKERAGE

The Underwriters will be paid an underwriting commission of 2 per cent on the face value of the shares in terms of the underwriting agreement with them.

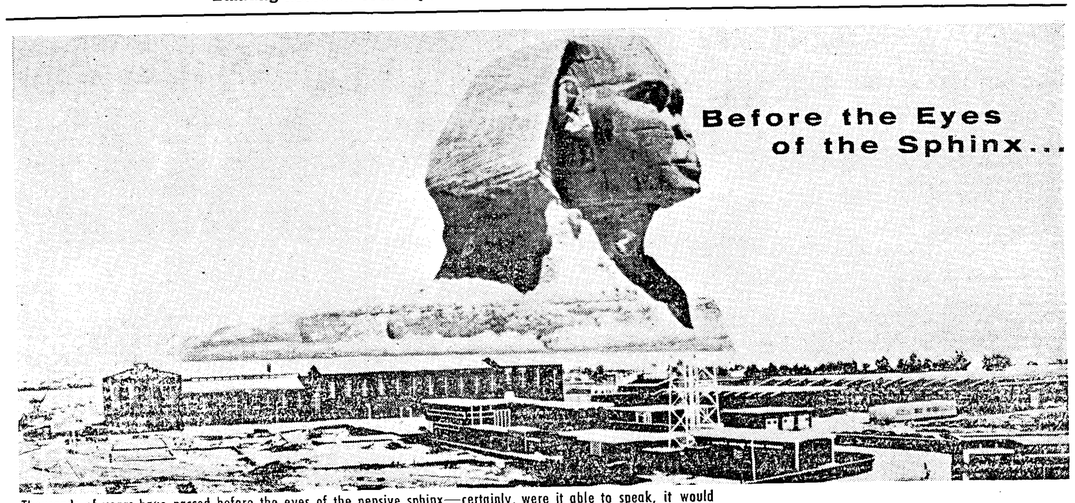
Brokerage at the rate of 1 per cent will be paid on all allotments made in respect of applications bearing the stamp of a Bank or a recognised broker including the Managing Broker. Brokerage on the same basis is payable to the underwriters, in addition to the underwriting commission, on all allotments in respect of applications made or procured by them and bearing their rubber stamp.

No commission and/or Brokerage will be payable to the Underwriter, Managing Broker, Brokers or Bankers to this issue in respect of shares which may be allotted to Chitale Agricultural Products Limited, the Holding Company of this Company.

APPLICATION FOR SHARES

Application for shares should be made on forms accompanying the Prospectus and should be sent before the closing date of the subscription list to the Bankers of the Company at their Head Office or any of their Branches in India or the Managing Broker or Brokers to this issue or to the Registered Office of the Company, duly accompanied by the amount payable on application. Up-country drafts or cheques should not include Bank Charges, as the Collection Charges will be borne by the Company.

The Subscription List will open at the commencement of Banking hours on 12th September 1962 and will close at the close of Banking hours on 19th September 1962 or later at the discretion of the Directors.



Thousands of years have passed before the eyes of the pensive sphinx—certainly, were it able to speak, it would have marvelled at the new sugar refinery at Edfu in the Nile River basin. The advanced technology of this completely up-to-date plant with a capacity of 4,000 tons per day, built by Shin Mitsubishi, has earned the plaudits of the industrial world. Fertilizer, Paper mill, textile, and bottling plants have also been built in Asian and other countries.

The Company's eight departments cover all of man's activities on land, sea, and air, producing ships, prime movers, steel structures, railway rolling stock, motor vehicles, agricultural machinery, aircraft, and numerous other types of industrial equipment.

SHIN MITSUBISHI
HEAVY INDUSTRIES LIMITED
HEAD OFFICE: No. 10, 2-chome, Marunouchi, Chiyoda-ku, Tokyo Tel.: Tokyo (211)3411
Cable Address: "HISHIJU TOKYO" Telex No.: 2218 "HISHIJU TOK"

OVERSEAS OFFICES:
NEW YORK OFFICE: c/o Mitsubishi International Corp., 120 Broadway, New York 5, N.Y., U.S.A.
DUESSELDORF OFFICE: Deutsche Mitsubishi Export & Import Gesellschaft m.b.h., 12 Gruenstrasse, Duesseldorf, West Germany
BOMBAY OFFICE: Kasturi Building, Jamashedji tata Road, Churchgate Reclamation, Bombay-1, India
SINGAPORE OFFICE: 44, Cecil Street, P.O. Box 1578, Singapore 1
HONG KONG OFFICE: c/o Pioneer Engineering Co., 1106-1107, Man Yee Bldg., 60-70 Des Vouex Road, Central, Hong Kong

RUBY GENERAL INSURANCE COMPANY LIMITED

CHAIRMAN, MR. B. M. BIRLA'S SPEECH AT ANNUAL MEETING

REDUCTION IN FIRE PREMIUM RATES CRITICISED

ADDRESSING the shareholders of the Twenty-sixth Annual General Meeting of the Ruby General Insurance Company Ltd., held at Calcutta on Thursday, 30th August 1962, Mr. B. M. Birla, Chairman of the Company, criticised the further reduction in the fire premium rates by the Tariff Committee from July 1962. Pointing out that the last reduction in the rates was made only in January 1960, Mr. Birla observed that the latest cut had hardly any justification. He stressed the need to enable Indian insurers to build up their reserves and thereby emerge as strong units to serve the country in a better way.

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

"GENTLEMEN,

"It gives me great pleasure to welcome you to the twenty-sixth annual general meeting of the Company. Your Company was established in the later part of the year 1936 and has thus completed 25 years of its working at the close of the year under review. A study of the progress of the Company during these years will reveal that there has been very satisfactory progress in its all-round activities, and the Company occupies today the position of one of the leading insurers in the country.

"The figures given below depict the growth of the Company during the past decade. The net premium has increased from Rs. 74,24,000 in 1951 to Rs. 1,81,80,000 in 1961, which is an increase of 246 per cent.

NET PREMIUMS	1951 Rupees	1961 Rupees
Fire	22,51,756	71,99,127
Miscellaneous Accident	39 07,657	94,02,600
Marine	12,64,536	15,78,516
Total ...	74,23,949	1,81,80,243
CAPITAL and FUNDS ...	79,48,263	1,56,98,056

Fire Department

"The fire premium income for the year amounts to Rs. 71,99,000 as against Rs. 70,50,000 during the year 1960. The working has resulted in a profit of Rs. 16,13,000 as against Rs. 4,99,000 in the previous year. The reserves have increased from Rs. 34,19,000 to Rs. 35,99,000.

"The fire premium rates have again been reduced considerably from July this year by the Tariff Committee. The last rate reduction was from January, 1960, and there seems to be hardly any justification for any further cut so soon. The Indian insurers are passing through a period of transition and they should be allowed to build up their reserves, so that they can serve the country in a better way as strong units. They can meet catastrophic losses, only if they have satisfactory reserves.

Motor and Miscellaneous Department

"The net premium in this department has increased from Rs. 87,38,000 in 1960 to Rs. 94,02,000 in the year under review, with a corresponding increase in the reserves from Rs. 43,69,000 to Rs. 47,01,000. It is a matter of some satisfaction that this department, which has always been showing heavy losses, has this year shown only a small loss of Rs. 39,000. The policy of cautious underwriting being followed by the Company may show better results in future.

"The development of road transport industry in the country has been very rapid in recent years, but the road development has not kept pace with the same, resulting in heavier traffic load on the roads than the normal capacity. The road accidents can, however, be minimised, if the traffic regulations and road rules are strictly followed.

"The Insurance Association should give more encouragement to the careful and accident-free motorists by way of increased 'no claim bonus.'

"There is large scope for development of the miscellaneous accident business other than automobiles, particularly in respect of the engineering insurances and personal accident policies. Your Company has already taken steps in this direction.

Marine Department

"The net premium income is Rs. 15,78,000 this year as against Rs. 14,76,000 during the previous year. The department shows a loss of Rs. 7,41,000, but this has been mainly due to the increase in the reserves which have increased from Rs. 10,33,000 in 1960 to Rs. 15,78,000 in 1961. The reserves on the cargo business has now been increased from 58½ per cent to 100 per cent.

"The marine underwriting is a problem all over the world. The business being non-tariff, there is an unhealthy competition leading to the uneconomical rate-cuts by the insurers. The unsatisfactory conditions prevailing in the ports in many countries are responsible in aggravating the losses. More careful handling of the cargo and stricter measures for watch and ward to avoid pilferage at ports and during the transit can minimise the national loss on this account. I understand, there is a move to have a comprehensive marine tariff. This will help in improving the results in the marine department. The Government should encourage exporters and importers to obtain policies in the country itself as far as possible. This will help in conserving foreign exchange to some extent.

General

"Your Company has further strengthened its financial position during the year under review. The capital and funds stand at Rs. 1,56,98,000 as against Rs. 1,46,74,000 at the end of 1960.

"The increased profit has enabled your Directors to recommend an additional silver jubilee bonus of 25 nP per share, in addition to the dividend of 80 nP per share.

"Your Company has purchased a valuable plot of land in India Exchange Place for its office premises. It is proposed to put up a multi-storeyed building on the site, the plans for which are under preparation.

"The efforts by the Executive Committee of the General Insurance Council to put the insurance industry on sound footing are commendable. The scheme of prepayment of premium introduced several years back has been working successfully and has enabled the companies to strengthen their financial position. The new measures by the Executive Committee, effective from 1st July for further improving the working of the insurance industry, should receive all-round support.

"The total premium income of all insurers in India in 1960 was only Rs. 38 crores. This is too small for a big country like ours. There is much scope for development and all-out efforts should be made by our insurance industry to educate the public of the benefits of general insurance.

"Before concluding, I would like to express my sincerest thanks to the executives, staff, field-workers, agents and other representatives, both in India and abroad, for their close co-operation which has enabled the Company in rendering satisfactory service to the clients and achieving the excellent results.

"I would also like to thank our patrons whose valuable support has been the main factor for the Company's achievements during all these years.

"Thank you gentlemen."

N.B.—*This does not purport to be a record of the proceedings of the above annual general meeting.*

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD.

CHAIRMAN, MR. K. A. P. VISVANATHAM'S ANNUAL SPEECH

INCREASES IN ELECTRICITY TARIFFS IN THE STATE INEVITABLE

THE Madras State might suffer a setback in its longstanding reputation of having the lowest tariffs for electricity in the whole of India, according to Mr. K. A. P. Visvanatham, Chairman of the South Madras Electric Supply Corporation Ltd. Expressing this view at the Twenty-second Annual General Meeting of the Corporation, held at Tiruchirapalli on Thursday, 30th August 1962, Mr. Visvanatham observed: "We should be prepared to accept soon increases in all tariffs (for electricity for industries, agricultural and domestic lighting), and I may say that this is inevitable, if we take into account the enormous increases in cost of construction and management." In this context, he also referred to the decision of the State Government to levy a graded tax on electricity supplies made to different classes of consumers in order to augment the resources of the State mainly to meet the capital requirements for the third Plan.

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

"It is my privilege to once again preside over and welcome you to an annual general meeting, being the twenty-second meeting.

"Since we met last year about this time, I am glad to say that we have generally done well as would have been revealed to you by the Directors' report, the auditors' report on the accounts, the balance-sheet and the other statements which have been in your hands for sometime now and which I have no doubt have had your careful scrutiny and attention. I, therefore, will take these documents as read, and will invite your comments on them after the close of this address.

Capital Extensions

"As has been mentioned in the Directors' report, we executed capital extensions to the value of nearly Rs. 20 lakhs, which I consider a fair and satisfactory achievement. At the same time, I hasten to add that the demand for electric power is so great that there is yet a large measure of dissatisfaction from the unsatisfied applicants for agricultural and other categories of power, a state of affairs which, while causing us a lot of mental excercise, is from the national point of view a healthy sign, being an index of the rate of growth of our prosperity.

"The Government of Madras was pleased to give us loans to the extent of Rs. 15,24,634 for executing rural schemes in the year under review. We propose to execute all these schemes in the current year besides urban extensions and system improvements to the extent of Rs. 10 lakhs from our internal finances.

"It is the declared policy of the Madras Government to electrify all the villages in the State in this Plan period and we have agreed to wholeheartedly participate in this venture by accelerating and executing construction programmes on the one hand and also by handing over to the State Electricity Board such parts of the area which are more contiguous to their expansion plans. We have also submitted to the Government of Madras that the loan assistance should be substantially increased to meet the demands of such an enlarged programme of work and we expect that this request will receive the Government's sympathetic consideration.

"The position as regards construction materials like po'es, conductors and cement has not been too good and this contributed in some measure to delays in construction. But our Managing Agents and Chief Engineers have been alert and have risen to the occasion by scouting round and securing substitute materials wherever possible. I have every confidence that, with their ingenuity and enthusiasm, our engineers can fulfil any reasonable programmes we place before them.

Power Shortage

"We had a short spell of grave power shortage towards the end of June 1962. This was on account of the delayed onset of the monsoon. Fortunately the crisis was over in a few days, thanks to rains. It is a matter for gratification that one 50-MW. set of the Neyveli Lignite Corporation has been put into commission recently. We are informed that the storage position in most of the hydro-electric reservoirs is satisfactory and, with the expected commissioning of further power plant at Neyveli in the course of this year, we may not be put to any inconvenience this year. It is, however, pertinent to point out that the demand for power far exceeds the pace of development throughout the country and this critical race between demand and supply is bound to be there, in spite of the vast and ambitious power development programmes envisaged in the Plan. You would have read in the papers of power shortages in Delhi, Bombay as well as Calcutta areas. I think we got out of the trouble much earlier than the others.

"In this context, I would like to pay a special tribute to Mr. V. P. Appadurai who has been the architect of the Madras State Electricity development over the last decade and has been a worthy successor to such stalwarts as Mr. Henry Howard and Mr. G. Sundaram. He is doing a wonderful piece of work and has successfully placed the Madras State in the forefront of all the Indian States (why, all the Asian countries!) in rural electrification and in the planned development of the State's power resources. He has been recently elevated to the position of the Chairman of the Madras State Electricity Board, and I would like to tender to him on your behalf and mine our sincerest good wishes and many years of association with the Madras State Electricity Board as its chief administrator.

Costlier Thermal Power

"Besides leading in rural electrification, this State had also the reputation of having had the lowest tariffs in the Republic for electricity supply to industries, in particular, and comparably advantageous tariffs for agricultural and domestic lighting. This position is likely to suffer a setback now—I mean the enviable status as a producer and seller of cheap power—in view of the costlier thermal power that has to be injected into the power system from Neyveli, Madras and Madurai thermal stations. We should be prepared to accept soon increases in all tariffs, and I may say that this is inevitable, if we take into account the enormous increases in cost of construction and management.

"The Government has also decided to levy a graded tax on the electricity supplies made to different classes of consumers to augment the resources of the State mainly to meet the capital requirements for the current Plan period. This proposed levy has been received by the consumer-public with mixed feelings—the industrial consumers feeling particularly apprehensive, as even with cheap power they have been at a disadvantage when compared to manufacturers of the Bengal area. I sincerely hope the Government will take cognisance of these indications and afford whatever relief is possible in the interests of industrial growth.

"The longstanding disputes with the Income-tax authorities, which related mainly to rates of depreciation on fixed assets, were settled in our favour by the Income-tax Appellate Tribunal; but the Income-tax authorities have appealed against these decisions to the High Court. I should imagine that this will take some further considerable time for a decision to be reached.

Service to Consumers

"Relationship with consumers and power supply applicants has been satisfactory in spite of the inevitable delays in extending supplies to villages. The Directors and the executive of the Company have been constantly exercising their minds as to how best to improve consumer services and accelerate supplies. (If in spite of their efforts there are delays, I appeal to the consumers for patience, with the assurance that every effort will be made by us to serve them better and that these delays are mainly because of the enormous demand which necessarily involves a planned execution of schemes.)

"The Company has made a special appropriation of Rs. 1,21,600 this year also (making up the total of such appropriation to Rs. 2,47,600) for augmenting the Company's capital resources. The appropriation is with reference to the suggestion given by the Federation of Electricity Undertakings of India as a result of their talks with the Government of India and is subject to approval by the Madras Government.

"The Federation of Electricity Undertakings has also been ceaselessly working to get some of the stringent provisions of the Electricity Supply Act relaxed or modified so that profitability in electricity investments is made more attractive to enable private capital to flow in in larger measure. I hope this effort will succeed. The indications are that the Government of India is sympathetic and is appreciative of the need of some such measure, if capital is to be attracted to the supply industry.

"At the level of the Government of Madras, the fact that Mr. R. Venkataraman has been assigned charge of Electricity, besides industry, augurs well for both. He has been an outstanding success as Minister of Industries in placing Madras truly on the industrial field. He is fully aware and conscious of the role played by electricity as a tool to industry, and I have no doubt that as Electricity Minister he will bring to bear his unbounded enthusiasm to increase our power resources and power distribution and have always a soft corner 'for the private sector' which promises to implement his programmes.

Higher Dividend

"Your Directors have recommended to you for consideration a slight increase in dividend, making up 10 per cent for this year as against 9 per cent in the previous years. This has been possible due to slightly increased earnings, and I hope we will be able to keep this up in future years.

"The Company's staff has been, as usual, hardworking and devoted to its duties, and relations with the workers' union have been cordial. I take this opportunity to thank all ranks of the staff for their rewarding work.

"I would also like to record my sincere thanks to the Managing Agents for their continued and efficient services and take this opportunity to congratulate Mr. H. K. Ramaswami, the Director of the Managing Agents in charge of the South Madras Electric Supply Corporation Ltd., on his nomination by the Government to the Electricity Board's Consultative Council to represent electricity supply undertakings. I also thank the Government for having selected the right person for the post.

"I now move that the Directors' report, the auditors' report and the balance-sheet as on 31st March 1962 and the profit and loss account for the year ended 31st March 1962 be approved and adopted."

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

FRESH ISSUES SANCTIONED

The following are the details of the fresh capital issues sanctioned by the Controller of Capital Issues recently; the consent of the Controller is valid for 12 months in all cases.

Duncan Brothers and Company Ltd., Calcutta, carrying on the business of non-industrial nature and having a paid-up capital of Rs. 1.35 crore, is to issue further capital of Rs. 18 lakhs divided into 18,000 equity shares of Rs. 100 each to be issued as rights for cash at a premium of Rs. 10 per share.

H. M. Kashiparekh and Company Ltd., Ahmedabad, will issue 81,972 bonus shares of Re. 1 each on capitalisation of the Company's reserves to a like extent.

Indofil Chemicals (Private) Ltd., Maharashtra, is issuing capital of Rs. 40 lakhs in equity shares of Rs. 100 each, for cash at par. Out of this, shares worth Rs. 23 lakhs will be offered to Rohm and Haas Company, Philadelphia, U.S.A. The money will be used for establishing the manufacture of Dithane fungicides, etc.

Bellary Spinning and Weaving Company Ltd., Mysore, is to issue capital of Rs. 25 lakhs in equity shares of Rs. 100 each for cash at par for establishing a spinning mill.

Indore Wire Company Ltd., Bombay, established to undertake the manufacture of high tensile wire, will issue capital of Rs. 20 lakhs divided into 15,000 equity and 5,000 cumulative redeemable preference shares of Rs. 100 each carrying dividend at the rate of 7.5 per cent (gross) per annum for cash at par.

Rajasthan Spinning and Weaving Mills Ltd., Calcutta, is issuing capital of Rs. 10 lakhs divided into Rs. 2 lakhs in 9 per cent cumulative redeemable preference shares and Rs. 8 lakhs in equity shares. The existing subscribed capital of the Company is Rs. 30 lakhs.

SOME THOUGHTS ON VOLUNTARY ASSOCIATIONS IN INDUSTRY

By W. Wilson Mayne

ONE of the most significant features of a free society is the existence of voluntary associations. In fact, it would be true to say that a society without such institutions can hardly be described as, in any real sense, free. The variety and state of health of voluntary groups—social, political or economic—provide a sensitive barometer of the reality of democracy, whatever particular form the actual Government machine may take. A glance at that barometer from time to time is a useful guide to the social and political climate and may provide an early warning of unfavourable winds.

The growing complexity of the modern State and its increasing concern with the totality of human activities, makes it very important that those who value freedom should guard with care those institutions which have grown up over the years to express the views and guard the interests of men and groups engaged in specialised activities within our society. At the same time, these institutions themselves cannot be immune to change and only by a readiness to meet the problems of the mid-twentieth century with imagination and courage can they expect to survive and preserve the values for which they stand.

Rapid Change in India

In India, the past fifteen years have been marked by a rapidity of change which has placed a heavy strain on all the institutions, both State and private, concerned with the country's affairs. In the economic field, the need for a rapid expansion and the prevailing political philosophy has determined a massive intervention of the State into spheres which not so long ago were considered as appropriate to private enterprise. Even where fields have been left to private enterprise, the State has developed organs to supervise, co-ordinate and control its activities to an extent previously unparalleled in economic affairs in a free society. Opinions differ quite naturally, on the extent to which these extensions of State activity are justified and as long as society is free, such differences will persist and be the legitimate issues of political controversy.

It is unfortunate that, in the issue of private *versus* public enterprise, there has been a tendency among prominent leaders of the country to invoke moral judgments which are in appropriate to the problems involved. It is most laudable that India's leaders should call for a united effort to raise the country's wealth and resources and deprecate acrimonious discussion of the relative merits of private or public enterprise to produce the goods and services required. It is not helpful, however, when the same leaders so frequently equate private enterprise with greed and exploitation and promulgate their opinion that there is a special moral purity of State enterprise before which the evils of private capitalism must wither away. They can only expect to continue to receive the embittered criticism of sloth, waste and rigidity to which public enterprises only too frequently succumb.

The result of this conflict has been to throw private enterprise on the defensive and, however regrettable this may be, it does focuss attention on the role of organs developed by private enterprise for consultation and common action. It is highly significant that one can only conceive of a voluntary association of interests engaged in common economic activities in a society where private enterprise has a substantial and honoured place. Once ultimate accountability is to the State, there is no place for any voluntary association of the individuals who together constitute an industry. This fact must be an important item in the balance between the merits of public ownership of the means of production, distribution and exchange and the continuance of private economic activities within the rule of law.

Common Characteristic Features

Voluntary associations in economic affairs are of a bewildering variety, but their common characteristic is the coming together of independent units of production, distribution or exchange for the discussion of common problems, the promotion of common policies and the provision of common services. To the purist, they may seem to sully the clear stream of perfect competition, but this idealised concept of the academic economist is not likely seriously to worry the practical man in the market place. Such associations imply a range of activities in which the members act independently and a range in which they agree to act in concert. If activities in the latter group expand beyond a certain point, the association will tend to become a cartel. A profound belief in the place of voluntary associations in society is not incompatible with a distrust of cartels as potentially dangerous concentrations of irresponsible power.

It need hardly be said that a specific character of a voluntary association is the ability of a member to leave it. This has very important consequences which impose both limitations and advantages on the working of the organisations. While voluntary associations normally have voting procedures for the conduct of their affairs, except for a limited field such as the election of committees, they represent a last resort in the process of reaching decisions. This means that decisions normally depend on discussion and the attainment of a common mind. For the continued health of an association, the decision it makes must be usually unanimous, or at least *nemine contradicente*. Proponents of any policy must, therefore, develop the arts of persuasion and shun the weight of the vote—a procedure which has the disadvantage that decisions take time and often have to be compromises reflecting the reconciliation of differences of opinion. They may not always be the worse for that, and may sometimes be the better, but one cannot normally look to associations for major innovations in spheres where members have agreed to common action.

Freedom to Resign

It is on this account that the ability to resign from an association without too great difficulty is desirable, even though at times it may be awkward for the association. If an association is any good at all, there will be undoubtedly disadvantages from resignation which will give a member reason for very careful consideration before taking such a step. It is reasonable that associations should make resignations contingent on substantial notice, if ony to enable them to adjust their affairs to meet the situation. On the other side, it is quite possible that the future development of the industry may be safeguarded by the resignation of a member with unorthodox ideas and the independence and courage to back his opinion against the weight of his fellows. Such individuals, however, tend to remain independent as a matter of predilection and, it must be admitted, are often a trial to their neighbours. Resignations are in fact more likely to occur among members who are less adaptable to change and their departure need not seriously damage an association as long as the losses are relatively small.

While the freedom to belong to—or to leave—an association is fundamental, it is a negative quality. Obviously, the continued existence of an association depends on a wide measure of general agreement among its members as to programmes and policies and on a group loyalty which will support some sacrifices in the common interest. Both these positive qualities can only result from a gradual process of growth. Nowhere is practice more rewarding than in the development of a common outlook and a common loyalty.

The planting industry of South India offers an illuminating commentary on the growth and purpose of voluntary associations since the local district bodies date back a century and the United Planters' Association of Southern India is approaching its seventieth birthday. An industry which at its inception consisted of small scattered units in undeveloped forest regions of the Western Ghauts found the need for joint action at an early date. At first, the needs were simple—a road, a post office, a police outpost—but it was in the presentation of these needs that the early lessons of reaching an agreement by discussion and compromise were learnt. In the course of time, the range of subjects tackled in the associations widened and a confidence in the usefulness of joint action grew.

These early simple needs generally involved an approach to the State for the extension of services which were universally regarded as falling within the sphere of State action—communication, civil order, public health. A significant step forward—how significant was hardly appreciated at the time and the promoters would have been horrified at the consequences—when the tea industry asked Government to levy a cess for the promotion of tea exports. At the time, the promotion of trade was a novel undertaking for the State and, although the Government of the day was quite ready to accede to the industry's request to collect a levy from its own product, it was equally ready to leave the spending of it very largely in the hands of a committee drawn from the industry's associations, subject to a fatherly eye from the Finance Department.

Weaknesses

This request to Government was a reflection of one of the weaknesses of voluntary associations—the difficulty of ensuring a stability of income for more than a very limited range of services. While the need for a secretariat is obvious and the provision of funds to support it has never proved insuperable, the extension of the voluntary collection of funds for other purposes has rarely been an unqualified success. A voluntary levy has a reasonable chance of success only when there is virtual unanimity about both objects and methods and when any benefits can be largely restricted to the paying members. Situations where these conditions can be met are comparatively few and sometimes a promising beginning lacks staying power with changes of circumstances and personalities. In so far as projects need skilled staff, such uncertainties are a serious handicap to recruitment and this adds a further source of dissatisfaction among subscribing members.

Under pressure of circumstances, a degree of unanimity may sometimes be attained which permits agreement on the desirability of a project and an incentive to ensure its continuance in spite of the possibility of future divergences. The provision of funds by a statutory levy is a means of assuring the continuance of a project if the State can be persuaded to enact the necessary legislation. It is true that legislation can be repealed, but that is a more tedious undertaking than simply ceasing to pay a voluntary subscription and therefore offers a greater likelihood of continuity. More schemes have probably foundered from the growth of indifference than from the development of active opposition. Nevertheless, the association with the machinery of the State involved in accepting a statutory levy gives a hostage to fortune.

Commodity Boards

As long as the State saw its function as that of a passive regulator in economic affairs, the danger of seeking Government help in assuring the finances of projects in the interests of an industry were relatively small. With the tendency to active intervention which has marked recent developments, the situation has changed radically. The existence of committees and boards to regulate the affairs of industries offers ready-made machinery for the more active control and supervision which accords with current Government philosophy. All the present statutory boards concerned with the planting industry had their origin in bodies set up at the request of the industry.

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There can be little question that the plantation commodity boards have been increasingly used by Government to impose policies on the industry rather than to formulate policies for the industry. The changes in the structure of the boards in the course of the last fifteen years have consistently reduced the representation of the organised industry. The increasing use of nomination of members and the pointed removal of the representation of the associations in favour of electoral procedures in the case of the Coffee and Rubber Boards have further weakened the ability of the voluntary associations to influence the affairs of the industry. While the resources of these boards continue to be drawn wholly from the industry, the industry's control over their use has been steadily eroded. This illustration of the State's subtle extension of power by the emasculation of the relatively independent bodies should cause concern to all who value free institutions.

A Serious Challenge

The situation presents a serious challenge to the voluntary associations, requiring some reappraisal of their future role. It need hardly be said that their aims remain unaltered, but changed circumstances may well require a change in the methods required to achieve them. It is also evident that the need for vigorous voluntary associations is greater than ever it was, if policies for the industry are not to be made without the benefit of specialist advice which can only come from those directly concerned. It is possible that the advice may not be taken and one must also recognise that there will be times when the rejection of such advice may be in the general public interest; nevertheless, public knowledge that the advice has been given is of fundamental importance so that responsibility for the consequences of any decision can be placed where it belongs.

The disappointments and frustrations associated with the Commodity Boards should not be allowed to discount the importance of continuing to work in them and through them. Any opportunity to move them nearer to organs of real consultation and to effective control of their resources should be eagerly seized. In these days, when the processes of democracy tend to reduce the possibility of industrial and economic leaders being represented in the legislatures, no avenue of access to the centres of power can be ignored by those who are responsible for the organisation of production in private industry.

This problem of power is fundamental to the process of Government and it is the Government which creates the environment in which industry has to operate. The problem for the voluntary associations is the location of the centres of power and the sources which influence them, so that an industry's views and needs can be presented to the best advantage. In earlier, simpler days, this presented no great difficulty but the growth of democracy in the country has brought serious complications. The nature of the problem can be illustrated by a personal experience with a Minister. A case of difficulty in the affairs of the industry was placed before him and his understanding of the situation suggested great hopes of a successful outcome for the representation. However, he was quick to point out that he was a politician as well as a Minister and it was not only he who needed to be persuaded if action was to be taken.

Sources of Influence

The issue becomes one of identifying the sources which influence the action of Ministers in a democracy. In theory, this is, of course, the people—the electorate—and their elected representatives, Parliament. However, in practice, to a considerable extent, opinion is formed by a comparatively small circle of people, not all within the legislatures. It is to this circle that education and persuasion must be directed, so that a body of opinion can be built up which can be expected to bring an informed understanding when the industry's problems become a matter of public debate. It is natural to hope that, with the development of political maturity, the body of informed public opinion will grow and this must be taken into account in devising policies and programmes for voluntary associations concerned with the care of special interests.

Of course, voluntary associations are concerned with other matters than their relationships with the State, though the extent of the State's intervention in economic affairs makes this part of their functions of overwhelming importance. Even in other fields—labour relations, provision for research, for example—the State is increasingly involved and it is difficult to consider them separately. However, perhaps the biggest difficulty that associations have had to face in the past fifteen years has been the growth of the organisation of labour and the problems of negotiation that this development has engendered. The strains have been very great and nowhere has the existence of a group loyalty been of more importance than in the sphere of negotiations on wages and conditions of service. Never have such heavy responsibilities fallen on the officers elected to represent the associations in their negotiation, the outcome of which may well involve large financial commitments on the part of every member. Individual members vary enormously in their estimate of the risks involved in resisting workers' demands and of the equity of demands themselves and it is rare that agreements can be reached without criticism of one sort or another.

Duty of Members

There is no easy answer to this question but any solution required the development of efficient communications within the association to ensure that no member's voice is unheard and that no member is left unaware of the issues involved. While this demands the most careful thought on organisation—and justifies what sometimes appears to be an excessive concern with internal organisational problems—it also requires the active involvement of every member in the association's affairs. If a members' attitude is to leave the work to others, then he has no case if the decisions reached are not to his liking. The health of an association can only be assured by the active participation of all its members in reaching decisions. This takes time when the problems are complex, as they usually are, and requires a readiness to compromise. There has been ample complaint from Unions—and from Governments—on the time taken by employers to reach decisions but little recognition that this is an inevitable consequence of free institutions.

The importance of voluntary associations as a bulwark of free institutions cannot be overestimated. It is usual for such associations concerned with industry or commerce to declare that they are not political and there is a sense in which this is true. They do not attach themselves to any particular party in any formal sense and indeed, so long as the form of Government visualises, the possibility of the peaceful change of the party in power, it would be folly to do so. Nevertheless, if a major cleavage of political principle should develop between those who believe there is a place for private enterprise in the economic order and those who do not, it would be difficult, if not impossible, for voluntary associations to remain impartial. If one is attacked, it may be wicked, but it is certainly natural to defend oneself.

It would be a mistake to underestimate the strength of the trend towards State domination of all economic activities or to deny that some of the suspicion of private enterprise and

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its associations is not without foundation. One of the problems before voluntary associations is to break down that suspicion and create a public image of useful and efficient activity in the public interest. It must be an honest image and the case must not be overstated—one of the besetting sins of organisations representing special interests. This requires, of course, that the members themselves have high standards of public responsibility, for the whole cannot be better than its parts. It may seem overoptimistic to assume that a time will soon come when the antithesis between capitalism and socialism ceases to be the focal point of political controversy, but it is a worthy end to strive for. There is much evidence from many sources pointing to the tremendous possibilities of a mixed economy but realisation requires the changing of many habits of thought. Without the development of mutual respect for the parts to be played by the State and by private interests, the chances of the peaceful development of a flourishing society will be diminished.

In the last analysis, voluntary associations depend on their members and it is upon the thinking of each individual member on his role in society that their future must rest. They afford a forum in which ideas can be moulded to meet the challenge of these revolutionary times and a platform from which they can be proclaimed. The disappearance of such associations would be an impoverishment of society and a blow to real freedom, which rests on a belief that institutions are made for man, not man for institutions.

PLANTATION HOUSING

A Working Group on Plantation Housing, with Mr. N. N. Chatterjee, Joint Secretary, Union Ministry of Labour and Employment, as the Convenor, has been constituted by the Government of India to suggest measures for accelerating the pace of implementation of the housing programme for plantation workers. The terms of reference of the Group are as follows:

To asess the total cost involved for providing houses to workers and the resources available with the employers for this purpose, including loan facilities under the plantation labour housing scheme and facilities provided by banks;

to suggest how the existing loan facilities may be improved, whether further facilities for loans should be provided and whether loans can be had from the Life Insurance Corporation;

to recommend whether, in addition to loans, assistance by way of subsidies should be provided by the Government; it will decide how and to what extent such assistance should be given;

to consider whether the entire cost of construction could be charged to the revenue account so that 100 per cent development rebate can be allowable to employers for purposes of income-tax without affecting the disbursement of bonus to workers; and

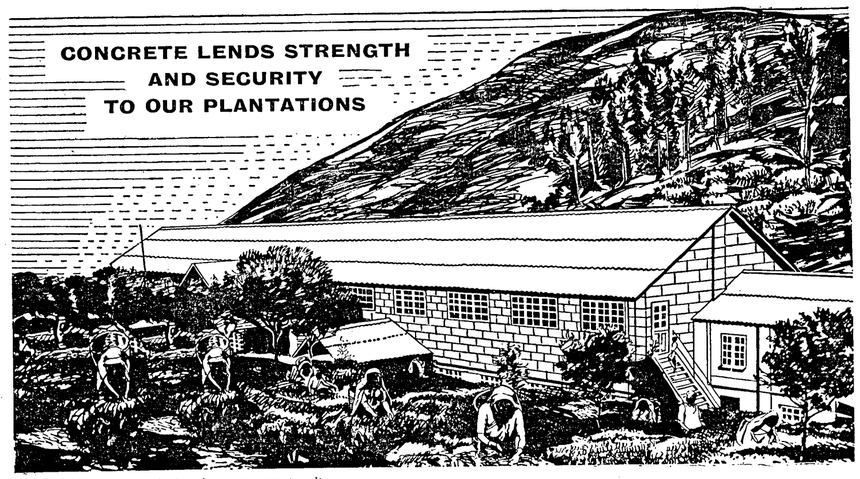
to examine whether the annual rate of construction of houses prescribed in the plantation labour rules should be modified.

The Group has been set up in pursuance of a recommendation made by the tripartite industrial committee on plantations. The other members are: Mr. K. N. Valenkar, Deputy Housing Adviser, Ministry of Works, Housing and Supply, Mr. H. K. Kochar, Deputy Secretary, Ministry of Commerce and Industry, Mr. A. S. Bam, Chairman, Tea Board, or alternatively, Mr. W. Simpson, Director of Tea Development, Tea Board, Mr. Gurdev Saran, Under-Secretary Ministry of Finance, and Mr. S. S. B. Raghavan of the Planning Commission.

RUBBER STUDY TEAM

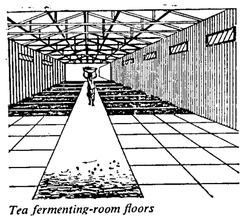
The Indian Rubber Board is sending shortly a six-man delegation, led by its Chairman, Dr. Rama Varma, to Malaya to study the improved methods of cultivation, co-operative movement, possibility of importing rubber on rupee basis and replanting schemes being implemented in that country. The delegation will include two representatives of large growers and one each of small growers, manufacturers and labour. A three-man delegation is also proposed to be sent to Ceylon.

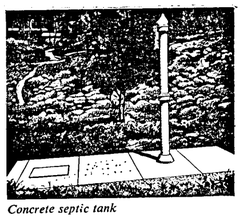
Meanwhile, the Rubber Board has requested the Government of India to conduct a survey of the Andaman and Nicobar group of Islands for the successful implementation of the proposed pilot project on rubber there. The Board wants the Andamans Administration to survey the Islands and it has offered to provide the requisite technical assistance.



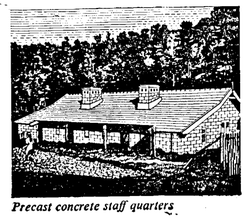
Glen Morgan factory built with precast concrete units

Concrete fence posts and creteways


Tea fermenting-room floors


Concrete septic tank

ACC and Sankar Brand Cements


Precast concrete staff quarters

Concrete structures in Plantations, whether they are built with

a) precast units such as concrete hollow blocks, door and window frames, T-joists for roof, lamp standards, fence posts...

OR

b) in-situ constructions such as creteways, tea fermenting-room floors, coffee curing plant floors...

make estate life more healthy and comfortable. Concrete construction is becoming more popular in plantations because it is * maintenance-free * durable * economical * fire and weather proof * immune to attacks by termites

For free technical advice on any concrete construction write to the Concrete Association of India, 175/1 Mount Road, Madras 2.

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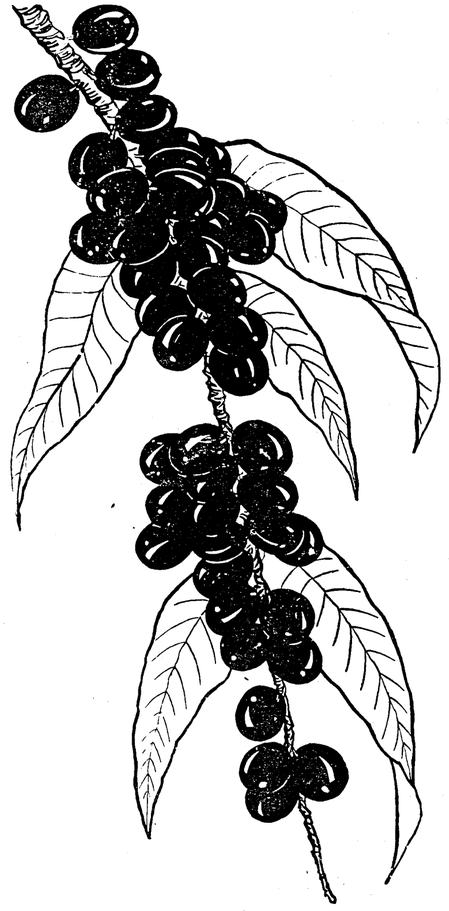

Pioneers in Plantations

One of the largest groups of planting companies in South India today lies within the Peirce Leslie & Company Limited fold. Resources, experience and skill have combined in PL & Co. to command wide confidence. The diversification of interests from fertilisers to estate stationery has firmly emphasised that PL & Co., are now part of the planter's life. Tea, rubber and coffee interests are blended in the PL & Co. group.

The Rupee companies that Peirce Leslie & Co. Ltd., look after as Managing Agents are:

The Perla Karamalai Tea & Produce Company Limited; The Ouchterlony Valley Estates (1938) Limited; The Kil Kotagiri Tea and Coffee Estates Company Limited; Chembra Peak Estates Limited; The Cochin Malabar Estates Limited; Kumergode Estates Limited; The Kalasa Tea & Produce Company Limited.

Peirce Leslie & Co. Ltd., are also Secretaries and Treasurers of: The Savamalai Estates Limited; The Thirumbadi Rubber Company Limited; Cowcoody Estates Limited and Lingapur Estates Limited.

Peirce Leslie & Company Limited
Incorporated in England with liability of members limited.

Offices at:
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PL-1 II-A

SELF-SUFFICIENCY IN NATURAL RUBBER

By Sat Pal Malhotra

AN idea of production, imports (raw and manufactured) and consumption of rubber in India for the years 1950, 1955 and 1960 are given in Table I on this page. Home production of natural rubber has invariably lagged behind the requirements. It is estimated that the future demand for this raw material will be still higher. This raises an important question of increasing the home production of rubber, which can either be synthetic or natural. We have tried to examine in this paper the technological possibilities of increasing the production of natural rubber and also the economics of natural and synthetic rubber. The production of natural rubber can be increased both by intensive and extensive measures.

TABLE I
(In thousand tons)

	1950	1955	1960
Production of natural rubber ..	15.6	22.4	24.8
Imports of raw rubber	1.1	4.4	34.5
Consumption of			
(a) raw-rubber	17.7	30.6	57.8
(b) imported rubber† manufacture	—1.7	—0.1	+2.3
(c) Total	16.0	30.5	60.1

† In terms of rubber contents.

It is a well-known fact that the average yield of rubber in India, about 336 kgs./hectare, is quite low, as compared with the major rubber producing countries of the world. Way back in 1947, the average yield of rubber in India was about 325 kgs./hectare. Since then, the average has ranged between 283 kgs./hectare and 358 kgs./hectare. As against this, the corresponding figure for Ceylon, for instance, has gone up to nearly 465 kgs./hectare in recent years. Ceylon, it may be noted, is closer to Kerala, the principal rubber State of India, than Malaya or Indonesia, the world's largest producers of natural rubber. It is, therefore, a more relevant country for purposes of comparison with India.

The primary reason for low yields in India is that a major portion of our total rubber area is under ordinary clones. It is estimated that about 80 per cent of the total acreage under natural rubber is planted with old and low yielding seedling trees. Of the total area of the order of 123,000 hectares in India, 83,000 hectares, representing 67 per cent, is under ordinary clones. Besides this, progress in replantation is rather slow. The result is that about 40,000 hectares of our rubber trees, having outlived their economic life, are over 30 years old.

The first step towards intensification of rubber, therefore, is to reorientate our policy towards replanting and new plantings. As for replanting, consideration has to be given to all the factors which have so far stood in our way. We have also to see that practically all the replanted and newly planted area is put under improved varieties. The cultivator has to be compensated for the loss he suffers for uprooting an old plant, which continues to give him some return. He has also to be encouraged for the care he has to bestow on the new plant for a long period of about 7-8 years before it starts yielding latex.

Rehabilitation of Existing Plants

There has been a very slow progress in replanting the aged trees. During the past ten years upto 1959, only 400 to 800 hectares were replanted annually. However, in view of the urgent necessity to accelerate the process of replanting, the Rubber Board launched a Replanting Subsidy Scheme in 1957. It was felt that the slow progress in replanting was due to the reluctance of small growers to uproot the aged plants because of loss of income for some years and the large expenses involved in replanting and maintenance of young plants.

Large estates have the practice of setting aside a rehabilitation fund for which purpose a replanting element has been included in the controlled price of rubber. It was with a view to providing an incentive to planters, especially to small holders, that the Replanting Subsidy Scheme was evolved and put into operation. The scales of subsidy, as shown in the following Table 2, were on a slab basis.

TABLE 2—*Rates of Subsidy Offered to Growers in India, Malaya and Ceylon*
(Rs. per acres)

Category of holders	*India*	*Malaya*	*Ceylon*
Below 10 acres	400	960	1,000
100 acre and below	350	870	900
above 100 acres	275	625	700

As compared with other countries, the rate of subsidy given in India was quite low. Even otherwise, this was rather inadequate as compared with nearly Rs. 2,000 which is the cost involved in planting one acre. The response was naturally not satisfactory. Recently, the rate of the subsidy was raised to Rs. 1,000 per acre on a flat rate. Besides the subsidy in cash, small holders with holdings less than 5 acres in area are supplied manures at half the market price and are also given other concessions. All these measures are bound to command a good response from the cultivators.

Table 3 shows the area replanted from 1957 to 1959 and the targets of replanting proposed for the next five years. There is every reason to believe that the enhanced rate of subsidy and other concessions will give a sufficient incentive and new records will be achieved.

TABLE 3—*Area Replanted, Proposed to be Replanted under Rubber in India,* 1957-65
(In thousand hectares)

Years	*Area*
1957	1.3
1958	1.4
1959	1.5
1960*	3.0
1961*	3.2
1962*	3.4
1963*	3.9
1964*	3.8
1965*	4.0

* Targets.

Table 4 gives the area under different ages of rubber trees in 1959 in the country.

TABLE 4—*Age of Rubber Plants in India*
(In thousand hectares)

	Estates	*Holding*	*Total*
Total area	51	72	123
Area older than 30 years	25	12	37
Area replanted upto 1959	9	29	11
Replanted area under ordinary variety	1	0.4	1.4
Area with trees aged 30 years and less but under low yielding material	8	37	45

Out of 40,000 hectares under rubber plantation which have already crossed the economic age, only 11,000 hectares have been replanted so far. A phased programme in respect of replanting this area in each plan period is given in Table 6.

Both with regard to new plantations and replantations, an effort has to be made that a cent per cent of this area is put under improved varieties. Although total area replanted during the last 25 years is rather small, yet most of it is under improved varieties. Of the total of 11,000 hectares, only a small area of 1,400 hectares have been replanted under ordinary seedlings.

On the other hand, the tendency of putting new area under ordinary material continues unabated. For instance, during the last decade, as much as 29,000 hectares have been put under ordinary material, as against 51,000 hectares brought under new plantation. This tendency has certainly to be checked.

Extension of Areas

Table 5 shows tapped, untapped and total area, total production and yield per hectare from tapped area under rubber during the last 10 years in the country. We have today nearly 123,000 hectares of area under rubber, of which the tapped area is about 71,000 hectares:

TABLE 5—*Area, Production and Yield of Rubber in India,* 1950-59

Years	Total area under rubber (000 hectares)	Tapped area (000 hectares)	Untapped area (000 hectares)	Production of natural rubber (000 tons)	Yield per hectare from tapped area (Kgs.)
1950 ..	58.2	42.3	15.9	15.6	342
1951 ..	59.7	42.3	16.4	17.1	344
1952 ..	68.3	45.0	15.4	19.9	362
1953 ..	68.4	61.5	14.7	21.1	329
1954 ..	69.5	63.9	5.5	21.5	307
1955 ..	70.4	64.5	6.4	22.4	351
1956 ..	77.4	65.0	12.1	23.4	362
1957 ..	88.7	63.6	25.1	23.8	338
1958 ..	115.3	72.7	42.6	24.3	338
1959 ..	122.6	71.4	51.3	23.4	333

The rubber tree is found to grow most satisfactorily in the humid, tropical rain-fed regions with a rainfall of 70 to 120 inches evenly distributed throughout the year and an equable warm temperature of 80° to 90° F on deep, well-drained and fairly fertile soil up to an elevation of 800 feet from sea level.

Scope for Expansion

Kerala, Kanya Kumari District of Madras State and Andaman and Nicobar Islands are the only important areas where most suitable agro-climatic conditions are available for the cultivation of rubber. From the land utilisation pattern for these three areas, it seems that, in Kerala alone, there are more than 162,000 hectares classified as culturable waste and another 81,000 hectares non-reporting area. According to some rough estimates, there are at least 101,000 hectares out of this total area which can immediately be put under rubber plantations.

In Kerala, there are another one million hectares of forests. Rubber cultivation creates forests on scientific line and also prevents soil erosion. The whole forest policy in that State calls for a re-examination. It is quite possible that vast tracts of land may be available for rubber plantations which may serve the dual purpose of conservation of forests and aforestation as well.

Andaman and Nicobar Islands are potential areas for rubber and coconut plantations. There land is extremely suitable for rubber plantations. Rainfall is evenly distributed and generally the climate is more akin to the fertile rubber areas of Malaya. According to tentative estimates, nearly 81,000 hectares are immediately available for rubber plantations. This group of islands is, however, rather underdeveloped and considerable developmental activities will have to be undertaken before plantations on any large scale can be started. It would, perhaps, be necessary to undertake a comprehensive survey of the area, before resorting to any large-scale deforestation. This may have an immediate effect on the natural climate of the area.

It may also be added that a proper plantation scheme for this area will call for huge investment. Labour and heavy capital equipment will have to be imported to the place, quarters built for labour and staff, and roads and buildings constructed. This is a job which can be undertaken either by the Government or big corporations having sufficient resources of their own. These are rather urgent matters which need an immediate decision.

One thing which will have to be kept in mind while allocating the new area is that, as far as possible, the land should be parcelled into big estates rather than small holdings.

Keeping in view the fact that the measures suggested above will be fully implemented, an attempt has been made in the following table to chalk out a 15-year programme for development of natural rubber in the country:

TABLE 6—*Rubber Balance-sheet for the Coming 15 Years*

	Unit	1960	1965	1970	1975
1. Total area	(000 hectares)	130	192	239	255
2. Area tapped	Do.	n.a.	115	154	198
3. Area untapped	Do.	n.a.	77	85	57
4. Area with over 30 years old trees	Do.	40	41	45	60
5. Area replanted/required to be replanted ..	Do.	12*	20 (32)	13 (45)	15 (60)
6. 30 years old area under ordinary material	Do.	38	39	40	46
7. Area with 30 years old trees under ordinary material which will be replanted with improved material	Do.	9	20 (30)	12 (42)	— (42)
8. Total area under ordinary material	Do.	83	53	41	41
9. Yield per hectare of tapped area	(Kgms.)	336	392	426	515
10. Total production ..	(000 tons)	26	45	65	100

Data for the first year in respect of item Nos. 4-8 relate to the year 1959.
N.B.—Figures in brackets are cumulative total.
* Already replanted upto 1959.

In the aforesaid estimates, the average yield per hectare has been placed at 515 kgms., an increase of roughly 50 per cent over the existing level. It has been estimated that the use of manures, proper spraying, chemical regeneration of trees by hormones and proper tapping methods can immediately increase the yield of the existing trees by at least 25 per cent.

New areas in Andaman and Nicobar Islands, recommended for being put under rubber plantations, are ideally suited for the cultivation of high yielding planting material now available. This area has got potentialities of yielding 1,680 to 2.241 kgs. per hectare of rubber.

Of the total area of 130,000 hectares, as much as two-thirds of area is at present under ordinary seedlings. Average yearly yield from ordinary seedlings is estimated at about 224 kgms. per hectare. Corresponding figure for clonal and budded seedlings is 840 kgms. per hectare. According to the balance-sheet as given above, by the end of the coming 15 years, out of the total of 255,000 hectares, hardly 40,000 hectares will be left with ordinary seedlings. This change in itself will help to raise per acre yields appreciably.

If regard is had for all these considerations, it will be appreciated that our estimate of an average yield of 515 kgs. per hectare may prove an underestimate, and it should be quite within the reach of the country to produce about 100,000 tons of natural rubber by 1975-76.

These technological possibilities of raising the production of natural rubber to 100,000 tons or so apart, we have also to examine how far it would be economical for the country to concentrate on the production of natural rubber. This, in other words, means a comparison of the cost of production of natural with synthetic rubber.

Cost of Production

The question regarding the cost of production of natural rubber in India has been thoroughly examined by the Tariff Commission. According to them, the cost of production of latex works out to Rs. 65.86 per 100 lbs., as detailed below:

TABLE 7—*Cultivation, Upkeep and Collection Charges for* 100 *lbs. of Rubber*

	Rs.
A. Cultivation and upkeep	
Wages	
Weeding and pruning	2.84
Forking and manuring	0.14
Spraying, dusting and other pest control measures	1.99
Cover crops, shade tress, etc.	0.12
Fences and boundaries	1.08
Maintenances of tools	0.08
Miscellaneous	1.12
Total wages ..	7.37
Stores	
Manuring	0.77
Spraying, dusting and other pest control measures	3.65
Miscellaneous	0.32
Total stores ..	4.74
General expenses	6.61
Total ..	18.72
B. Collection	
Wages	24.50
Stores	1.07
Transport	0.33
General expenses	21.24
Total ..	47.14
Grand total ..	65.86

Out of this total cost of Rs. 67 for 100 lbs., as much as 80 per cent represents wages and other general expenses. Again, the biggest item in labour costs relates to tapping which may be described as the task of a skilled worker. The task in the industry is limited to about 250 trees per man-day, as compared with 350 to 400 or more in Ceylon and Malaya. With improvement in labour efficiency and higher yields per tree, it can be reasonably assumed that the cost of production of latex may be reduced to some extent. If we reach near about the Ceylonese or the Malayan level, it may come down by, say, about 10 per cent.

But, for determining the future cost, we have also to take into consideration some of the new factors like amenities for labour, provision for gratuity and bonus, depreciation on the cost of existing stand of rubber trees, provision for replanting, new planting and return on capital employed, etc. It is essential to take all these factors into consideration while calculating the price at which rubber may be available to the consumer in future. The table below gives an idea of the present and future estimates of prices of rubber:

TABLE 8—*Price of Raw Rubber of P.M.A.I. Grade*
(Rs. per 100 lbs.)

	As in 1955	*Future estimate*
1. Cost of latex	65.17	60.00
2. Processing charges including packing ..	15.29	15.29
3. Provision for gratuity	..	2.00
4. Provision for contingencies	4.00	5.00
5. Freight and handling f.o.b. Cochin ..	3.45	3.45
	87.91	85.74
6. Depreciation on plantation cost f.o.b. Cochin	6.82	9.00
	94.73	94.74
7. Grade differential to equate cost of production to R.M.A.I. grade	2.30	3.19
8. Cost of R.M.A.I. grade f.o.b. Cochin ..	96.93	97.93
9. Return at 12.5 per cent on employed capital	38.57	40.25
	135.50	N.A.
10. *Ad hoc* increase in 1955	12.00	..
11. Total price for R.M.A.I. grade to be retained by the growers	147.50	138.18
12. Cess existing	6.25	6.25
13. Additional cess recommended	..	7.00
14. Sales tax	2.04	2.04
15. Price f.o.b Cochin for consumers	155.79	153.47

N.B.—For the year 1955, figures for items 1-5 is on the basis of estimates; others are as given by the Tariff Commission, 1960.

Synthetic Rubber

On the basis of this calculation, the price of natural rubber works out to about Rs. 1.6 per lb. to the consumer. Rough calculations for synthetic rubber also indicate that the product from Bareilly may be available at about Rs. 1.5 per lb.

But besides the cost to the consumer, we have also to take into consideration the initial investment. The authorised capital for the Bareilly plant with a target production of 20,000 tons is Rs. 15 crores. Foreign exchange element in this is Rs. 7.5 crores. When the plant is geared to raise its production to about 30,000 tons, total capital investment may be of the order of Rs. 20 crores.

As regards natural rubber, it has been estimated that a new plantation in a most congenial area, like that of Andamans where yields may be of the order of 770 kilogrammes per hectare, would call for an investment of about Rs. 20 crores for a plantation of 100,000 acres. The yield from such a plantation would be roughly 30,000 tons of natural rubber.

Although initial investment in the case of both natural and synthetic rubber is practically the same, returns from synthetic plant are available after about four years. The gestation period for natural rubber, on the other hand, is nearly eight years. This would mean that the price of the final product, being roughly the same, it would be far more easier and cheaper to set up a synthetic plant as compared with that of the natural rubber. All the same, it has to be borne in mind that the major proportion of the investment in the case of natural rubber being on labour, it is a labour-intensive programme. Further, hardly any foreign exchange will be involved in the production of natural rubber.

Given all these factors, the substitutability of synthetic with natural and the possibility of having the necessary raw material for meeting the total demand of raw rubber have also to be examined. The table below would give an idea of the consumption of natural synthetic and reclaimed rubber in different countries:

TABLE 9—*Proportion of Natural Synthetic and Reclaimed Rubber Consumed in Some Industrial Countries*
(Per cent)

Country	*N.R.*	*S.R.*	*R.R.*
U.S.A. (1959)	30	55	15
U.K. (1958)	65	23	11
French (1957)	64	24	12
Germany (1957)	63	22	52
India (1960)	80	11	0

N.R.—Natural rubber. *S.R.*—Synthetic rubber.
R.R.—Reclaimed rubber.

Even a country like the U.S.A. which has to import 100 per cent of its requirements of natural rubber is using this commodity to the extent of 30 per cent. Opinion in our country indicates that, because of the rough nature of our roads and other factors, it may not be possible for India to replace natural rubber by more than 50-60 per cent. This is a point which must be thoroughly gone into. If this is true, all the problems pertaining to economics of production of one or other type will be superfluous. This is because the demand for each of the varieties is independent.

Doubts have also been expressed that the necessary raw material for the manufacture of synthetic rubber is not available in India so as to meet the ever-increasing demand for rubber which is expected to be about 250,000 tons by 1970-71. If so, the programme for natural rubber, as given on the previous pages, will have to be given top priority.

Note:—The views expressed in this article are the personal views of the author.

Notice

MYSORE CHEMICAL MANUFACTURES LIMITED

Registered Office:
CHIKBANAVAR P.O. (Bangalore Dist.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of the shareholders of MYSORE CHEMICAL MANUFACTURES LTD. will be held at the Registered Office of the Company at Chikbanavar P.O., Bangalore District, on Saturday the 29th September 1962, at 11-30 a.m., to transact the following business:—

(1) To receive and adopt the Directors' Report, the audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1962 and the Auditor's report thereon.

(2) To declare Dividends.

(3) To elect Directors.

(4) To appoint Auditors for the year 1962-63.

The Share Transfer Books of the Company will be closed from 15th to 29th September 1962, both days inclusive, for payment of Dividends and also in connection with the issue of new shares.

By Order of the Board,
S. RAMANATHAN,
Managing Director.

BANGALORE,
26th August, 1962.

The Board of Directors have recommended payment of a Dividend of 7.80 per cent on Preference shares and 20 per cent on Ordinary shares for the year, both subject to deduction of tax. The Dividend Warrants will be posted to those shareholders whose names stand on the Register as on 15th September 1962.

Note:—A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

THE CONSOLIDATED COFFEE ESTATES (1943) LTD.

Registered Office: **POLLIBETTA, Coorg**

CAPITAL

	Rs.
Authorised	1,00,00,000
Issued and Subscribed:	
7,15,500 Ordinary Shares of Rs. 10 each	71,55,000
75,000 6 per cent Cumulative T. F. Preference Shares of Rs. 25 each	18,75,000
Total Reserve Funds exceed	66,57,000

PROPRIETORS OF

KUSHALNAGAR WORKS, KUDIGE P.O., COORG

Coffee Curers and "A" Class Agents to the Coffee Board; Dealers and Suppliers of Raw Coffee; Suppliers of Fertilisers and all Estate requisites.

Acreage: The Company owns 7,282 Acres of Coffee and 950 Acres of Minor Produce situated in North and South Coorg.

THE MANAGEMENT OF COFFEE ESTATES IN COORG AND MYSORE IS UNDERTAKEN.

SIXTY-NINTH ANNUAL CONFERENCE OF U.P.A.S.I.

MR. SIMMONDS PINPOINTS INDUSTRY'S PROBLEMS

THE Sixty-ninth Annual Conference of the United Planters' Association of Southern India (U.P.A.S.I.) was held at Coonoor on 1st September 1962. It was inaugurated by Mr. Gulzarilal Nanda, Union Minister for Planning, Labour and Employment. The problems of the industry were succinctly presented by the retiring President of the Association, Mr. W. C. F. Simmonds, in his presidential address. The following is an extract from it:

"We are a non-political organisation whose job in life is to further the interests of the plantation industry to the benefit of our labour, our shareholders and, of course, the largest beneficiaries of all, our Central and State revenues.

"It naturally follows that I should now go into a detailed criticism of the tax burdens the industry has to bear. I will try and make my criticism constructive:

1. We have heard a lot about the goose that lays the golden eggs; the poor bird has been overworked;

2. Please leave us with enough finance to keep our gardens in good order and enable us to face the future with confidence and stability;

3. Please leave us with enough finance to enable us to comply with the onerous requirements of the Plantations Labour Act or lower those requirements; and, finally,

4. Please let us have one tax and one tax collector instead of the innumerable taxes and tax collectors we have at the moment. The number of returns we have to make to the various authorities is fantastic. The number of masters we have to serve is legion. We do not carry dead wood in the industry, let us not carry it in Government service by unnecessary duplication of non-productive work. We are very pleased that this problem is appreciated by the Government of India and a committee is now sitting to examine the possibilities of a reduction in the number of returns we have to make.

"We appreciate that it is essential we earn foreign exchange, but it does not benefit the country if we increase our exports by 30 per cent only to earn the same amount of foreign exchange.

Sheet Anchor

"Let us realise that our internal market with its future potential, is the sheet anchor which could well save the plantation industry from finishing on the rocks.

"We have been given a tremendous target in the third Five-year Plan for all our crops consisting of tea, coffee, rubber and spices. This industry will try its utmost to reach this target, but, and it is a large but, we cannot produce good tea, coffee or rubber unless we have the necessary equipment. I am happy to report a realisation of this fact by those in charge of imports but only when related to exports.

"Whilst on the subject of planning, I would like to say we appreciate and support the necessity for careful planning. It might be advisable for the Government in future to associate bodies like the U.P.A.S.I. in the task of planning for this industry, so that the best experience in practical planting matters is available to the Government.

"Our new Ministry of Export has formed a Board of Trade. This is an excellent step forward and welcomed by the industry. I also see that a Cost Reduction Programme Committee has been formed within the Board of Trade. Our biggest headache is to keep our cost of production within reasonable limits taking into account that this industry's costs are governed mainly by (a) labour wages, (b) cost of essential supplies, and (c) weather which controls our crops.

Tea

"Production is increasing, as we spend more money on agricultural practices. Unfortunately, prices this year have eased and we have to ask ourselves two questions:

1. Have prices eased because increased production means poorer quality? or

2. Does the additional weight of tea in world markets bring down the price?

"If our costs are high, that is the producers' worry not the buyers,' and our costs do not affect the selling price which is controlled by the law of 'supply and demand.'

"Our liaison with the Tea Board has improved considerably and the approach by the Board to sales propaganda is very interesting. We trust the efforts made by the Board will result in increased sales. Our thanks to Mr. Bam for his response to our suggestions and help in our difficulties. This Association will continue to support the efforts of the Tea Board which become more important to the industry year by year.

Coffee

"This unpredictable crop which is entirely dependent on the weather, had a bad cropping year with a shortfall of 22,000 tonnes in comparison with the previous year. Thanks to the efforts of the Coffee Board and sales on the internal market, a slight improvement in price per kilo is envisaged when the total crop is sold, but this will not offset the loss due to the drop in crop. When world prices are well below our cost of production, we must concentrate on quality for our exportable grades.

"Our Association has put many suggestions to the Coffee Board and we hope that they will receive the consideration they deserve, as we restrict our suggestions to those of a practical nature. We look forward to increased co-operation with the Coffee Board under the able leadership of Mr. Sitarama Reddy.

"The International Coffee Agreement is a difficult problem. We cannot agree to limit or restrict exports or production because of (a) our increasing internal market, and (b) our need to export and earn foreign exchange. By keeping out of the International Agreement, we may, however, lose some of our established markets. As a personal opinion only, I think that for exports we must concentrate on quality coffees and ensure that the producers of such coffee receive a satisfactory premium for their crop.

Rubber

"The strategic value of this crop does not seem to have been appreciated by all concerned. Rubber saves crores of foreign exchange and further crores could be saved, if sufficient incentive is given to producers to expand and replant. The Tariff Commission recognised this position, so have the Central Government and the Government of Madras, by allowing the depreciation element as a charge against taxation. The Government of Kerala, in which State most of our rubber is grown, has not so far allowed this very important incentive, and although repeated appeals have been made, they have not yet come to a decision. I am sorry that the Government of Kerala is relying on a short-term policy of immediate taxation, when by agreeing to such a small allowance to be set off against taxation, the future resources of Kerala and the Government of India of this strategic product would be consolidated. Let us realise that major crops in this plantation industry are long-term investments and not investments for immediate gain.

"The Rubber Board, under the chairmanship of Dr. Rama Varma, has given us continued co-operation. Our members know how to grow rubber and know the type of inports it requires for replanting and extending their acreage. On the other hand, there may be difficulties that we, as growers, do not understand. The only way to overcome these difficulties is by close liaison between all sections of the Board. I am sure we can rely on the Chairman to ensure that the industry's requirements are adequately met.

Spices

"As always, spices have had a fluctuating demand, the most noticeable being the fall in the price of cardamoms. This particular product, hard hit by disease, is now an uneconomic crop. India is the largest producer of cardamoms. Why is it that the price received by the grower has fallen so much? One reason is that quality has fallen and to overcome this, exports are examined by the Cardamom Grading and Marking Committee. Another reason is that the majority of cardamoms are grown by small growers as a cash crop to finance expenditure on other crops.

Land Ceilings

"We trust that our State Governments will continue to realise the importance of plantation economy when applying ceilings to land. Some Governments already have appreciated the fact that fragmentation of plantations will be a step backward in the economy of the State and indeed of the country.

Labour Relations

"Apart from a few politically inspired strikes, our relationship with labour has improved. In this connection, we have much to be thankful for a stable Central Government taking a considered view of all aspects of the industry. Most State Governments are taking a realistic and practical approach to our difficulties. Wage Boards are considering the whole aspect of wages and benefits to plantation labour and staff. The Code of Discipline is beginning to work, and, most important of all, an appreciation by our labour leaders that the industry is entitled to a fair day's work for a fair day's wage. That is what we ask for and once the industry obtains this, we shall have a contented and stable labour force.

"No individual and no country which is developing its resources can exist economically if five hours' work a day is considered reasonable. Having made this statement, I would like to say that our female workers are the most industrious and happy people I have met.

"Surplus labour is a drain on the economy of any industry and affects the earning capacity of our permanent labour force. We do not ask for retrenchment, we are prepared to accept a natural reduction of our labour force, but the days of carrying surplus labour to compensate for absenteeism, seasonal crops and agricultural practices have gone. The industry cannot afford it, neither can our labour.

"Replies have been sent to the Bonus Commission and we trust we shall have an opportunity of addressing the Commission as an Association. With our various crops, our large labour force and the peculiarities of plantations, our case cannot be compared with manufacturing industries; we are essentially an agricultural industry.

"We express our appreciation that a Working Group has been formed to enquire into the problems facing the industry on plantation housing. Some manufacturing industries receive assistance from Government by direct financial aid for labour housing; the plantation industry does not enjoy any subsidy for labour housing. However, we have made satisfactory progress with our labour housing. As an industry, we can state without fear of contradiction, we are doing our very best (subject to the limitations imposed by shortage of cement, asbestos cement sheets and other essential materials.

Panchayat Raj

"We agree the Panchayat Raj is sound when considered in the context in which it was planned. That is the improvement of village welfare throughout India. Unfortunately, the peculiar position of the plantation industry does not appear to have been considered. We have been told that Panchayats are correct in levying full taxation on plantations, even though the Panchayat Boards are unable to use such income for the benefit of plantations. The majority of services are a legal liability of plantations under the Plantations Labour Act. We even have extreme cases where there are no villages within miles of plantations, but Panchayat Boards have been formed, with intense rivalry developing between Unions. Management in these cases will have to ask their own Labour for permission to install or move machinery, build houses, etc., etc. We do ask our Governments to consider this position and give the necessary power to responsible authority to grant exemptions and remove the above anomaly where it is found necessary."

INTERNATIONAL COFFEE COUNCIL

An International Coffee Council, with headquarters in London, is to be set up to administer a new international agreement which is expected to come into operation shortly, according to a spokesman of Britain's Ministry of Agriculture. There is to be another meeting on 28th September when the new international agreement will be given final approval. The main aim of the five-year agreement is to fix export quotas for the participating countries, and to prevent the steady decline that overproduction has brought in world coffee prices.

TEA ESTATES INDIA PRIVATE LIMITED

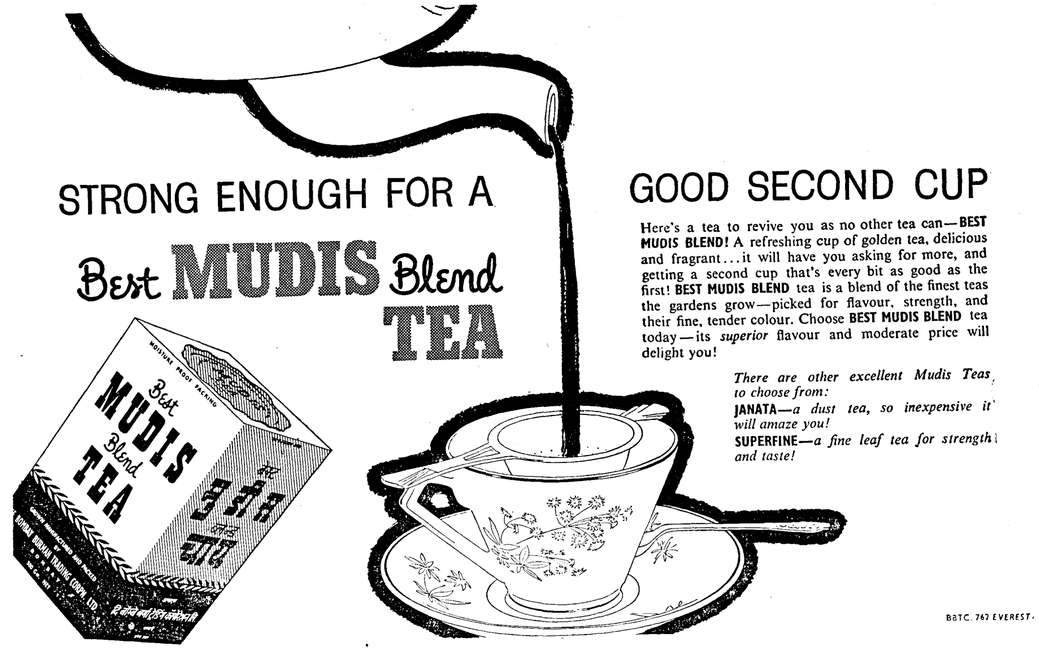
P. B. No. 13

COIMBATORE

ESTATES

ROCKWOOD	NILGIRI DIST.	STANMORE	COIMBATORE DIST.
ROUSDON MULLAI	–do–	SIRIKUNDRA	–do–
THIASHOLA	–do–	NULLACATHU	–do–
DAVERASHOLA	–do–	HIGHWAVYS	MADURAI DIST.
DEVON	–do	VENNIAR	–do–
MONICA	COIMBATORE DIST.	CLOUDLAND	–do–
INJIPARA	–do–	KADAMANE	HASSAN DIST. MYSORE STATE

Member of the **BROOKE BOND** *Group*



WORLD OILSEEDS OUTPUT HIGHER

EXPORTS, HOWEVER, DECLINE

THE world production of vegetable oils and oilseeds continues to show steady improvement. The total world supply of oils and fats in 1962, according to the latest estimate by Unilever Ltd., will touch a record level of 33.62 million tons, or an increase of 620,000 tons over 1962. These figures relate to the output of edible liquid oils, coconut and palm oils and other industrial oils, as also animal fats and marine oils. As a result of larger output and heavy carry-over from last year, exportable surplus of oils and fats is estimated to have gone up from 8.12 million tons in 1960 to 8.70 million tons in 1961. World consumption, however, has not picked up as fast as production. This is reflected in the trend of exports, which declined from 8.28 million tons to 8.12 million tons in 1961. World stocks, according to Mr. J. C. A. Faure of Unilever, was as high as about a million tons at the close of 1961, as against only a quarter of a million tons at the end of 1960. It is against this background that Unilever sources pinpoint the possibility of supply of fats and oils outstripping consumption by as much as 1.5 million tons by the end of this year.

The following table shows the region-wise estimates of output of fats and oils and their exports, as compared with the previous two years and pre-war period:

Table I

Quantity in thousand metric tons (oil or fat equivalent)

World Production (region-wise)	Pre-war	1960	1961 Preliminary	1962 Forecast
United States*	3,543	7,550	7,660	7,850
Rest of America	1,557	3,100	3,265	3,370
West Europe	3,337	4,400	4,550	4,555
Rest of Europe	1,231	1,790	1,840	1,860
Africa	1,502	2,920	3,165	3,135
India and Pakistan	3,274	2,605	2,780	2,800
China	3,341	3,050	2,825	2,865
Philippines	452	840	765	785
Rest of Asia	1,775	2,005	2,085	2,170
Soviet Union	2,000	3,105	3,270	3,430
Oceania	575	770	795	800
World total	21,587	32,135	33,000	33,620

World Exports (commodity-wise)	Average 1934-38	1960	1961 Partly Estimated	1962 Forecast
Copra and Coconut	1,057	1,212	1,246	1,254
Palm Kernels	320	385	371	380
Palm Oil	447	586	582	595
Groundnuts	826	747	811	867
Soyabeans	432	1,348	973	1,322
Cottonseed	189	285	266	232
Linseed	572	404	426	372
All other Vegetable Oils	523	802	800	845
Butter (Fat Content)	500	437	476	501
Lard	173	387	309	342
Tallow	102	970	1,048	1,072
Whale Oil (Including Sperm)	507	490	503	474
Fish Oils	121	231	307	351
Total	5,829	7,817	8,118	8,697

* Based on domestic crushing and oil equivalent of seed exports.
Source: Unilever Ltd.

The Unilever estimates seem to be generally supported by the latest crop estimates of oilseeds for 1961-62 compiled by the Commonwealth Economic Committee, London. The Committee, in its latest *Tropical Products Quarterly*, says that supplies of edible oils and oilseeds, in particular, touched a record in the 1961-62 season. The table at the foot of this page shows the latest estimates of production in 1961-62, as compared with the figures for the previous two years. The production of soyabeans in 1961-62 touched a peak, mainly on account of a spectacular increase in the U.S. output from 14.87 million tons in 1960-61 to 18.56 million tons. The acreage under soyabean has gone up still further, by about 2 per cent, to 28.8 million acres during the 1962-63 season. But the actual production, it would appear, would be small, because the yield per acre is not likely to be as high as in 1961-62. The output of groundnuts (outside China) reached a new record of about 11 million tons (in shell) in 1961-62, thanks to larger crops in India, West Africa, Sudan and Argentina. The sunflowerseed has also fared better. But the output of cottonseed in 1961-62 is said to be lower as a result of smaller crop in East Africa, Mexico, Egypt, and India. The setback in India's production of rapeseed has led to a decline in the world total. Castorseeds output has also been higher, despite the fall in Brazilian production. Linseed supplies, however, are likely to remain tight, in view of sharp reduction in Canadian output. Due to the heavy supplies of copra in 1961, its output in 1962 is placed lower.

In the contrast to the overall trend in production, exports suffered a setback. The total exports of vegetable oils and oilseeds in 1961 was only 5.3 million tons (oil equivalent), which was five per cent below the 1960 level. The main reason for this decline was the drastic reduction in exports of soyabean oil from both the U.S. and China. Exports of oils used predominantly for edible purposes fell by 354,000 tons to 2.48 million tons. Among these, soyabean oil alone fell from 1.3 million tons in 1960 to just 971,000 tons in 1961. Shipments of some of the other oils also fell, for instance, cottonseed oil (from 287,000 to 239,000 tons), rapeseed (from 86,000 to 70,000 tons), sesame oil (from 70,000 tons to 57,000 tons) and olive oil (from 188,000 tons to 180,000 tons). Exports of groundnut oil for edible uses, however, showed improvement (from 742,000 to 824,000 tons); so also of sunflower oil from 105,000 tons to 137,000 tons.

Exports of edible-industrial and industrial oils showed a perceptible improvement. Shipments of edible-industrial oils rose by 34,000 tons to 2.16 million tons in 1961. The increase was accounted for by coconut oil (by 76,000 to 1.23 million tons), despite smaller exports from the Philippines, as other countries had stepped up their share considerably. There was, however, some decline in exports of oil palm products from Nigeria and Congo. Exports of purely industrial oils went up by 46,000 tons to 682,000 tons, particularly, linseed oil (by 40,000 tons to 461,000 tons) and castor oil (by 15,000 tons to 176,000 tons). India's exports of vegetable oils, it may be noted dropped to just 40,000 tons in 1961—the lowest post-war figure—as against 88,000 tons in 1960 and 125,000 tons in 1956.

The Independence Number of the *Southern Economist* (Editor: Mrs. Susheela Subramanya), published from Bangalore, contains a number of articles covering the progress made in the implementation of Plan programmes in the different Southern States. One striking feature highlighted in practically all these articles is the comparative backwardness of the economy of Southern India *vis-a-vis* other regions. Appropriately enough, the Editor, in the course of the editorial, has stressed the need for accentuating the pace of economic development in the Southern region. The Number has reproduced Dr. M. H. Gopal's interesting paper on the concept of regional development read at the seminar on public enterprises recently held at Hyderabad. It also contains articles on mobilisation of bank resources, investment climate and sugar industry problems.

Table II—World Production of Oilseeds

(In thousand tons)

	1959-60	1960-61	1961-62
Groundnuts (unshelled):			
Gambia	56	77	84
India	3,942	4,391	4,682
Nigeria	636	884	985
Rhodesia and Nyasaland	230	270	270*
Uganda	150	145*	..
Other Commonwealth	90	88	..
Argentina	206	262	354
Brazil	402	482	380*
Burma	271	275	..
Congo (Leopoldville)	171	147	140*
Indonesia	362	380*	..
South Africa	187	238	176
Sudan	168	134	215
United States	709	796	787
West Africa †	929	1,097	1,140
Other foreign	816	868	..
Total	9,334	10,534	10,900
China	2,230*	2,230*	..
Soyabeans:			
Canada	183	152	233
Nigeria	4	14	15*
Other Commonwealth	1	1	1
Indonesia	424	430	433
Japan	419	411	381
United States	14,274	14,874	18,563
Other foreign	878	953	..
Total	16,183	16,835	20,600
China	11,300	10,000*	10,200*
Cottonseed:			
East Africa	210	201	140*
India	1,287	1,888	1,600*
Nigeria	56	60	50*
Pakistan	580	599	600*
Other Commonwealth	8	8	..
Brazil	870	904	980*
Egypt	841	878	600*
Mexico	659	890	760*
Soviet Union	3,000	2,790	3,070*
Sudan	236	245	395
United States	5,349	5,255	5,296
Other foreign	2,030	2,114	..
Total	15,126	15,832	15,600
China	3,625*	3,200*	3,100*
Sunflower Seed:			
Canada	17	10	9
Other Commonwealth	12	10	14
Argentina	789	591	807
Bulgaria	276	338	350
Hungary	113	67	145
Roumania	522	513	474
South Africa	88	109	97
Soviet Union	2,971	3,904	4,600
Turkey	126	121	95
Yugoslavia	112	97	115
Other foreign	163	177	194
Total	5,189	5,937	6,900
Rapeseed:			
Canada	79	248	249
India	1,047	1,380	1,025
Pakistan	318	308	..
France	129	82	105
Germany, Eastern	186	180	..
Japan	258	259	275
Sweden	165	54	103
Other foreign	412	414	..
Total	2,594	2,925	2,700*
China	935*	985*	..

	1959-60	1960-61	1961-62
Copra:			
Borneo	25	..	..
Ceylon	186	250*	..
India	250	..	..
Malaya	173	162	..
N. Guinea and Papua	105	106*	..
Pacific Islands	123	132*	..
Other Commonwealth	80	..	..
Indonesia	740	800*	..
Mexico	178	..	..
Philippines	1,250	1,220*	..
Other foreign	157	..	..
Total	3,267	3,350*	..
Palm Kernels:			
Nigeria	423	430	..
Sierra Leone	56	60	..
Other Commonwealth	29	29*	..
Cameroon, East	16	16	..
Congo (Leopoldville)	140*	125*	..
Dahomey	60	48	..
Guinea	23	23*	..
Indonesia	32	34	..
Ivory Coast	18	13*	..
Other foreign	95	..	..
Total	892	875*	..
Palm Oil:			
Malaya	90	93	..
Nigeria	190	173	..
Congo (Leopoldville)	230*	220*	..
Dahomey	13	11*	..
Indonesia	139	146	..
Other foreign	55	..	..
Total	717	690*	..
Linseed:			
Canada	443	576	383
India	431	410	420*
Other Commonwealth	46	39	..
Argentina	812	553	758
Soviet Union	380	440*	..
United States	531	760	546
Other foreign	363	434	..
Total	3,015	3,212	3,000*
Castor Seed:			
East Africa	25	30	15*
India	106	98	130*
Other Commonwealth	6	7	..
Brazil	178	221	161
Thailand	34	38	44
United States	12	16	16
Other foreign	145	159	..
Total	506	569	530*

N.B.—(i) In this table, the Southern Hemisphere harvests are, in general, combined with the previous harvests of the Northern Hemisphere. Thus, under 1960-61 are given the Northern harvests, occurring mainly in the latter half of 1960 and the Southern harvests occurring in the first half of 1961. For copra, palm kernels and palm oil, however, production figures are on a calendar year basis, e.g., those in the 1960-61 column refer to 1961.

(ii) The production of China is excluded from this table, except where shown separately beneath the crop totals. There is some production of sunflower seed, linseed and castor seed in China, but no very reliable indications of the size of the crops are available.

(iii) Figures of copra, palm kernel and palm oil output represent commercial production only.

* Unofficial estimates.

† Senegal, Mali, Niger, Dahomey, and Upper Volat.

NATIONAL INSULATED CABLE

LOWER PROFIT—DIVIDEND SAME

THE smart improvement in turnover and overall profit position achieved by the National Insulated Cable Company of India Ltd. [Managing Agents: Messrs. Associated Industrial Development Company (Private) Ltd., Calcutta] during the year ended 31st March 1961 has most unfortunately proved to be a short-lived affair and both sale proceeds and profits for the year ended 31st March 1962 have slipped down rather badly. Thus, realisation from sale of cables, wires, etc., has declined by Rs. 76.91 lakhs to Rs. 390.61 lakhs to stand midway between the levels recorded during the past two years. The gross profit has, by shedding Rs. 15.67 lakhs, decreased to Rs. 80.74 lakhs or nearly Rs. 2.14 lakhs less than what was earned two years previously, namely, during 1959-60. The factors responsible for this setback are three. First, the Company has had to readjust its manufacturing programme within the limit of copper allocated by the Government and restrict the sale of bare copper conductors, so as to utilise the available metal for the maximum output of cables and winding wires. Second, a cut in electric power was imposed during the year, with the result that many machines could not be engaged on multi-shift working, as in previous periods. Consequently, there was a drop in output of certain types of products and a fall in total sales as compared with those in the previous year. And, finally, owing to increased expenditure under various heads, particularly the wage bill, cost of electric power and selling expenses, there was a further dimunition in the profit-margin.

Although the provision for Managing Agents' commission has been reduced from Rs. 7.05 lakhs to Rs. 5.01 lakhs in conformity with decline in profit, a larger amount, that is, Rs. 7.20 lakhs as against Rs. 6.42 lakhs, has been provided for depreciation because of the increases in fixed assets. Moreover, the stepping up of the rate of corporate taxation by 5 per cent to 50 per cent has also necessitated a comparatively higher provision of Rs. 33.15 lakhs as against Rs. 36.50 lakhs for the tax liability. All these have, therefore, weighed down rather heavily on the net profit which has dwindled to Rs. 35.38 lakhs from Rs. 46.44 lakhs a year ago and Rs. 41.72 lakhs for the year 1959-60. If in spite of this fall in net profit, the dividend has been maintained at Rs. 2.50 per share, subject to deduction of tax, it is entirely at the cost of the reserves which have received Rs. 11.12 lakhs or less than half of what was credited to them a year ago.

The working results of the Company for the year under review are set forth in the following comparative table together with those for the three immediately preceding years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	390.61	467.52	349.14	192.50
Other income	4.20	1.97	0.67	0.74
Closing stocks	63.50	55.18	36.07	19.91
Raw materials and stores consumed	234.52	307.91	217.92	108.97
Salaries, wages and bonus	39.05	34.80	28.87	20.46
Other expenses	48.82	49.48	36.30	23.18
Gross profit	80.74	96.41	82.88	43.16
Managing Agents' commission	5.01	7.05	7.86	4.09
Provision for—				
Depreciation	7.20	6.42	4.28	2.30
Taxation	33.15	36.50	29.02	20.77
Net profit	35.38	46.44	41.72	16.01
Short provisions for previous years (net)	0.54	..	0.50	0.16
To reserves and provisions	11.12	24.30	18.31	4.00
Dividend	22.50 (25%)*	22.50 (25%)*	22.50 (25%)*	11.99 (20%)
Carry forward	1.73	0.51	0.86	0.46
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	49.23 C.B.	39.12	39.50	33.00
Low	28.25	28.75	25.62	23.56

* Subject to deduction of tax.
C.B.—Cum bonus issue at the ratio of one for two.

In order to get an idea as to what is in store for the Company during the current year and may be for the years to come, the following extract from the Directors' report would prove useful:

"The first stage of conversion from copper to aluminium in insulated cables mentioned in last year's report, has been implemented by the Company with effect from 2nd April 1962. Some balancing plant and testing equipment are being obtained in order to maintain the level of production.

"The machine for the manufacture of armoured cables for railway signalling and other purposes has been received and installed. It has been put on successful trial runs. The aluminium wire drawing machine for cable sizes and a modern high speed P.V.C. extrusion line mentioned in the last report have been shipped and are expected to be installed shortly. These machines will contribute substantially to increased output from the latter half of the current financial year onwards.

"As a result of visits of the Company's representatives to the Middle East and to Ceylon, several inquiries were received from those countries for the Company's products, against which competitive quotations were submitted. Shareholders will be glad to know that a few orders for export were received and shipments have been made. Although the foreign markets reveal severe competition and less scope for Indian wires and cables, the Company is keenly pursuing the export drive."

Financially, the Company is in quite a sound state. Out of an authorised share capital of Rs. 175 lakhs—of which Rs. 25 lakhs are in preference shares and the balance in equities —only ordinary shares worth Rs. 90 lakhs had been issued and made fully paid as at 31st March 1962. No preference shares figure in the issued capital. The equity capital is backed by Rs. 170.75 lakhs in reserves, giving a reserve cover of Rs. 18.96 per share of Rs. 10. There has been a further rise during the year in borrowings from Rs. 85.23 lakhs to Rs. 108.14 lakhs and in current liabilities and provisions, too, from Rs. 166.69 lakhs to Rs. 183.40 lakhs, but both of these put together are abundantly covered by current assets, loans and advances and investments aggregating Rs. 474.02 lakhs. The gross block, including the additions of Rs. 3.83 lakhs made thereto during the year, stands at Rs. 142.95 lakhs and has been written down substantially to a net block of Rs. 78.17 lakhs or nearly half its original cost.

Since the closure of its accounting year, the Company has issued bonus equity shares in the ratio of one for two already held. This has raised the number of shares from nine lakhs to 13.5 lakhs. During the past three years, the Company has consistently made a total dividend distribution of Rs. 22.50 lakhs out of an average net profit of Rs. 41.18 lakhs. It will thus be observed that, even if the Company continues to earn at the present rate and proposes to maintain the dividend at Rs. 2.50 per share on the enlarged capital it can very easily do so without drawing upon the reserves. It is perhaps this confidence about the Company's ability to maintain the dividend and even to increase it that has been responsible for sustaining the market price of the Company's shares at the fairly high level of Rs. 31.50 *cum-div.* On an *ex-div.* basis, the net yield works out to 5.9 per cent per annum.

FRESH CAPITAL ISSUES SANCTIONED

The Controller of Capital Issues has authorised the following six companies to make fresh capital issues aggregating Rs. 2.15 crores within a year. Given below are the details of the issues:

Jayanti Shipping Company (Private) Ltd., Delhi, is issuing 200,000 equity shares of Rs. 100 each for cash at par. The proceeds of the issue will be utilised in paying off the balance of amount to the sellers of the oil tanker *Adi Jayanti* and getting it released from mortgage.

The Panipat Woollen and General Mills Company Ltd., Kharar (Punjab), having a paid-up capital of Rs. 10,51,984, will raise further capital of Rs. 3,12,630, divided into 31,263 equity shares of Rs. 10 each to be issued as bonus shares on capitalisation of the Company's general reserve to a like extent.

Sri Mayuram Bank Ltd., Mayuram, is to issue capital of Rs. 2,54,000 in 2,540 'A' class shares of Rs. 100 each, for cash at par. The proposed issue will strengthen its capital base.

Indian Mercantile Insurance Company Ltd., will capitalise Rs. 4,23,060 from its reserves for the purpose of raising the paid-up value of 42,306 shares already issued from Rs. 40 per share to Rs. 50 per share.

The Chettinad Mercantile Bank Ltd., is to issue capital of Rs. 1,800 in 18 shares of Rs. 100 each, for cash at par, Rs. 60 per share paid-up. The proposed issue will strengthen its capital base.

(Concluded from next column)

Rs. 49.06 lakhs and is adequately covered by current assets, loans and advances totalling Rs. 78.65 lakhs. The gross block expanded during the year by Rs. 14.18 lakhs to Rs. 147.21 lakhs and has been written down by nearly 50 per cent to Rs. 70.98 lakhs.

The Rs. 100 fully-paid ordinary shares of the Company are currently quoted at Rs. 128 *cum-div.* On the *ex-div.* basis, they offer a net yield of about 7 per cent per annum. While the yield is quite attractive, the Directors feel that due to the abnormal rise in the prices of cotton, it would be difficult for the Company to maintain the 1961-62 level of profit in the current year.

DAVANGERE COTTON

SMALL DECLINE IN PROFIT

IN contrast to its encouraging performance during the year 1960-61, when it celebrated its silver jubilee, the Davangere Cotton Mills Ltd. (Managing Agents: Messrs. R. Hanumanthappa and Son, Davangere, Mysore) has reported, for the year ended 31st March 1962, a mild setback in its gross profit from Rs. 36.93 lakhs to Rs. 34.85 lakhs. The decline in profit is all the more regrettable, because it has occurred despite an improvement of about Rs. 10 lakhs in sales at Rs. 177.18 lakhs. However, the lower profit, we are told, was the result of circumstances beyond the control of the Company, such as very high prices of cotton following deterioration in supply and the resultant substantial increase in manufacturing expenses, though it was possible to counter this, to some extent, by cost-saving devices. The exact increase in production costs is shown in the accompanying table. The provision for depreciation has been reduced from Rs. 10.78 lakhs to Rs. 7.90 lakhs and that for taxation by Rs. 1 lakh to Rs. 11.50 lakhs. The Managing Agents' remuneration is also slightly lower at Rs. 2.64 lakhs. The net profit is, therefore, higher at Rs. 12.81 lakhs as compared with Rs. 10.74 lakhs a year before. The dividend has been comfortably maintained at 12 per cent per annum. It will be recalled that, in the previous year, the Company had paid an additional 5 per cent silver jubilee bonus. The credit to reserves has been raised by Rs. 3 lakhs to Rs. 8.60 lakhs.

The table below gives a fair idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	177.18	167.85	141.39	135.39
Other income	2.56	1.68	1.14	0.89
Closing stocks of yarn, cloth and waste	8.04	9.87	10.04	10.95
Raw materials and stores consumed	105.28	98.60	90.62	80.65
Staff expenses	22.66	22.82	18.90	16.84
Other expenses	15.17	11.01	11.83	9.50
Gross profit	34.85	36.93	21.17	17.35
Provision for—				
Depreciation	7.90	10.78	7.27	7.19
Taxation	11.50	12.50	4.60	1.85
Managing Agents' remuneration	2.64	2.91	1.56	1.00
Net profit	12.81	10.74	7.74	7.31
Bonus to employees	0.54	..	..	0.05
To reserves	8.60	5.60	4.25	4.75
Dividend	3.60 (12%)*	5.08 (12%+15%)*	3.56 (12%)*	2.62 (9%)
Carry forward	0.23	0.15	0.09	0.15
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	128.00	128.00	155.00	150.00
Low	128.00	128.00	140.00	133.00

* Subject to deduction of tax. B—Jubilee bonus.

The Government has granted the Company a licence to install 12,000 spindles, 218 plain looms and 82 automatic looms in the Narayandas Chunilal Mills, Gadag, which it purchased in the previous year in court auction. The unit is expected to be commissioned by March next.

During the year, the Company added one single process blowroom machinery, one ring-frame and one cone winding machine. With a view to modernising the preparatory section of the weaving section and as part of the expansion scheme, the Company has placed orders for one unit of Barber-Colman and warping machinery, one set of Whitin combers, 80 spindles of pirn winders, one Hibbert sizing machine, one ring frame and two doubling frames. All these machines will be commissioned to production by March next. Besides, the Company is expected to receive a licence to expand the weaving unit by 500 automatic looms on the condition that 75 per cent of the output from such looms be exported. The looms will be commissioned to production in the next two years. The total cost of the expansion schemes is estimated at Rs. 1.5 crore; the Directors are considering the best and economic way of raising this amount.

The financial position of the Company is sound. Its paid-up capital of Rs. 29.99 lakhs is supplemented by reserves and surplus aggregating Rs. 43.10 lakhs. Secured loans have increased from Rs. 30.50 lakhs to Rs. 32.95 lakhs because of a key loan of Rs. 4.07 lakhs raised from bank as against a small reduction of Rs. 2.50 lakhs in the Industrial Finance Corporation mortgage loan to Rs. 27.50 lakhs. On the other hand, short-term bank borrowings have been brought down by Rs. 27,000 to Rs. 5,000. Current liabilities and provisions making a total of Rs. 43.56 lakhs are some Rs. 7 lakhs higher than a year before. The total short-term indebtedness to outsiders amounts to

(Continued in previous column)

MYSORE PAPER SUFFERS FURTHER SMALL SETBACK

SAME DIVIDEND ON HIGHER CAPITAL

LOWER sales and gross profit have been reported again by the Mysore Paper Mills Ltd. (Chairman and Managing Director: Mr. M. D. Shivananjappa, Bangalore) for the year ended 31st March 1962. But, in comparison with the previous year, the setback is small. Thus, sales realisations at Rs. 119.30 lakhs are lower by only Rs. 3.92 lakhs as against by Rs. 18.09 lakhs at Rs. 123.22 lakhs a year before and the gross profit has dipped by Rs. 1.63 lakhs to Rs. 19.40 lakhs as against by Rs. 2.68 lakhs to Rs. 21.03 lakhs in the previous year. However, the investor has been unaffected by the year's setback and, in fact, the dividend has been maintained at 15 per cent per annum, subject to tax, on the capital increased by the issue of 10 lakh ordinary shares of Rs. 10 each at a premium of Rs. 2 per share, of which Rs. 2.50 per share have been called up on the capital account and 50 nP on the premium account. As at the end of the year, this Rs. 3 per share had been paid on 999,640 shares. The dividend on the additional capital is naturally *pro rata*. Therefore, the amount required for dividend distribution has increased only modestly from Rs. 3.75 lakhs to Rs. 5.47 lakhs. This the Company has been able to provide only by reducing the credit to reserves from Rs. 4.20 lakhs to a mere Rs. 1.38 lakh. It is very likely that, in view of its expansion and modernisation programme, the Company would raise the paid-up value of the new shares by making a further call during the current year. If that were to happen, the amount to be distributed by way of dividend would be much larger. It remains to be seen whether, in that case, the Company would be able to maintain the dividend for the current year. The essential provisions for the year under review have, however, been well maintained, with depreciation claiming nearly the same as last year at Rs. 6.68 lakhs and taxation taking away Rs. 6 lakhs, as against Rs. 6.50 lakhs a year before. The net profit at Rs. 6.72 lakhs shows a setback of Rs. 1.12 lakh as compared with the previous year.

Total expenses during the year amounted to Rs. 102.08 lakhs as against Rs. 106.84 lakhs. Considering the industry's general complaint of rising costs, the lower expenses of the Company suggests a drop in production, an inference further confirmed by the reduction in the inventory by a lakh of rupees. Taking account of the fact that the Company had been licensed in the previous year to raise its output from 8,000 tons to 18,000 tons a year, which it proposes to do soon, the decline in production during the year under review is particularly disappointing.

The drop in the turnover in the year under review is attributed by the Directors to the reduced selling prices fixed by the Government, in accordance with the recommendations of the Tariff Commission, from January 1960. The slight fall in sale proceeds during the year under report was due, we are told, to the manufacture of a larger proportion of lower-priced papers, as the production of higher-priced papers, could not be maintained on account of inadequate supply of wood-pulp due to import restrictions. As the production of lower-priced papers was more, the gross profit should have shown a sizable fall; if it has not, it is because of the higher income from other sources amounting to Rs. 3.78 lakhs as compared with a mere Rs. 1.96 lakh in the previous year.

In the table below are brought together the salient features of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	119.30	123.22	141.31	125.35
Other income	3.78	1.94	1.96	1.76
Closing stock	3.06	4.07	1.96	4.01
Raw materials, stores and spares consumed	45.26	53.70	60.44	56.05
Staff expenses	25.44	24.89	23.67	20.88
Other expenses	31.38	28.25	33.39	33.09
Gross profit	19.40	21.03	25.71	17.28
Provision for—				
Depreciation	6.68	6.69	7.63	8.94
Taxation	6.00	6.50	8.00	1.00
Net profit	6.72	7.84	8.08	7.34
Provisions written back	0.64	0.50	3.64	3.24
To reserves	1.38	4.20	..	..
To gratuity fund	0.50	0.55	0.60	0.80
Dividend	5.47 (15%)†	3.75 (15%)†	3.75 (15%)†	3.12 (10% + 2.5%)
Carry forward	0.38	0.37	0.52	0.44
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	15.12	26.75ex.r.	30.10	24.25
Low	13.50	12.95x.r.	23.70	17.30

† Subject to deduction of tax.

We are told that, with the installation of re-causticising unit, the working of the soda recovery plant has improved considerably, resulting in smooth operations in the bamboo pulp plant and a higher percentage of recovery of caustic soda contributing to an increase in production and a reduction in costs. Negotiations on the terms of loans aggregating Rs. 200 lakhs, of which Rs. 70 lakhs are from the Commonwealth Development Finance Company Ltd., London, Rs. 70 lakhs are from the Industrial Credit and Investment Corporation of India Ltd. and Rs. 60 lakhs from the Industrial Finance Corporation of India, have been concluded and the necessary documents executed and registered. The State Bank of Mysore has been appointed as trustees under the trust deed. Orders for the supply of the bulk of equipments necessary to step up production to 18,000 tons have been placed with suppliers abroad; the first shipment of the boiler (coal-fired) has been received at the site and a part of the soda recovery plant and oil-fired boilers have reached the Madras Port.

In addition to the share capital issue as mentioned earlier, the Company called up Rs. 56 lakhs (£4.20 lakhs) out of a total of Rs. 56 lakhs (£5.25 lakhs) 7.75 per cent 1970-76 debenture-stocks subscribed by the Commonwealth Development Finance Company Ltd. and Rs. 19.34 lakhs (in DM5.17 lakhs and in new French francs of 13.56 lakhs) out of a total of Rs. 70 lakhs (equivalent to U.S. $14.70 lakhs) 7.75 per cent 1965-71 debenture-stocks subscribed in foreign currencies by the I.C.I.C.I. However, the Rs. 60 lakhs 7 per cent 1965-79 debenture-stocks subscribed by the I.F.C. were uncalled up to the end of the year. The aggregate secured loans, including interest and commitment charges accrued thereon, have, therefore, increased from Rs. 13.07 lakhs to Rs. 76.05 lakhs. But, at the same time, the Company has been able to liquidate bank borrowings which had stood at Rs. 13.06 lakhs at the end of March 1961. The paid-up capital, excluding some Rs. 13,000 being the total of application and allotment money received and calls received in advance, has increased from Rs. 25 lakhs to Rs. 49.99 lakhs and is still well supplemented by reserves and surplus aggregating Rs. 43.88 lakhs. Current liabilities and provisions total Rs. 49.23 lakhs, as against which are available current assets of Rs. 92.24 lakhs, including cash and bank balances of Rs. 43.81 lakhs, and loans, advances and deposits aggregating Rs. 15.36 lakhs. Besides, the Company has advanced Rs. 51.21 lakhs for the supply of machinery. The Company has yet to write off development expenditure of the order of Rs. 7.35 lakhs, as also expenses for the issue of additional shares amounting to Rs. 1.75 lakh. The gross block, which increased during the year from Rs. 166.15 lakhs to Rs. 168.58 lakhs, has been written down to Rs. 51.37 lakhs, that is, to less than one-third of the book value.

At their current market value of Rs. 14.37 *cum-div.*, the Rs. 10 fully paid ordinary shares offer on the *ex-div.* basis, a net yield of 7.8 per cent per annum.

CLAIMS AGAINST NEW CITIZEN BANK

Out of a total of 32,325 depositors in the New Citizen Bank of India, 23,541, with claims for amounts not exceeding Rs. 250 each, have been paid in full. Disclosing this to the Lok Sabha on Wednesday, 29th August 1962, the Union Finance Minister, Mr. Morarji Desai, added that the remaining 8,784 had received the initial payment of Rs. 250 *plus* the equivalent of 66 per cent of the balance. It will be recalled that the Central Government issued the order of moratorium in respect of the Bank on an application made by the Reserve Bank under the Banking Companies Act and subsequently sanctioned a scheme for its amalgamation with the Bank of Baroda. The realisation of the value of the assets of the Bank and the other amounts due to it, the Finance Minister said, had not been very easy and was expected to take some more time.

Speaking about payment to depositors in the Indo-Commercial Bank which is now merged with the Punjab National Bank, Mr. Desai said that, besides the initial payment of Rs. 250, or the balance at credit, whichever was less, the depositors had been paid or credited with amounts equal to 37.5 per cent of the balance outstanding and further payments at the rate of 12.5 per cent of the residual deposits had also been made recently. Additional payments, Mr. Desai added, would depend on the extent of the recoveries from the remaining assets of the Bank.

(*Concluded from next column*)

payable to the Bank for borrowings up to Rs. 100 lakhs will be 2 per cent over the Bank rate, with a minimum of 6 per cent per annum, and on the balances over Rs. 100 lakhs at 2.5 per cent over the Bank rate, with a minimum of 6.5 per cent per annum. At the end of the year under report, the Company's borrowings from the bank stood at Rs. 16.04 lakhs as against Rs. 12.97 lakhs a year ago. Besides, it received during the year loans from the Agency for International Development, Washington, which are shown at Rs. 159.08 lakhs. The total indebtedness, excluding debentures and the A.I.D. loans, works out to Rs. 212.72 lakhs, after taking into account current liabilities and provisions aggregating Rs. 196.68 lakhs. As against this, current assets, loans and advances aggregate Rs. 184.24 lakhs and the contingencies reserve investments amount to Rs. 36.30 lakhs. These assets exceed the total short-term indebtedness by Rs. 10.32 lakhs. Unwritten off miscellaneous expenditure amounts to Rs. 13.84 lakhs as against Rs. 14.90 lakhs a year before. The share capital is unchanged at Rs. 874.78 lakhs and is supplemented by reserves and surplus aggregating Rs. 185.13 lakhs. The gross block, which increased during the year from Rs. 16.05 crores to Rs. 18.98 crores, has been written down to Rs. 13.97 crores and, inclusive of capital work-in-progress of Rs. one crore, is shown at Rs. 14.97 crores.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at a discount at Rs. 94.70 *cum-div.*, final of Rs. 5 per share. On the *ex-div.* basis, they offer a net yield of 6.1 per cent per annum.

AHMEDABAD ELECTRICITY

PROFIT AND DIVIDEND BETTER

THE fast increasing need of industries for power in the two-year old Gujarat State due to greater stress placed now on industrial development in that region is clearly mirrored in the further sizable improvement made by the Ahmedabad Electricity Company Ltd. (Managing Agents: Messrs. Killick Industries Ltd., Bombay) in its working during the year ended 31st March 1962. The highlight of the year's working is the further rise of Rs. 57.77 lakhs, or 10.6 per cent, to Rs. 600.32 lakhs in realisations by way of sale of energy. The improvement in the previous year was of Rs. 49.28 lakhs, or a little less than 10 per cent, to Rs. 542.55 lakhs. Generation of power by the Company was higher and the cost of coal and fuel consumed increased from Rs. 288.42 lakhs to Rs. 323.12 lakhs. Other items of expenses have been slightly higher. But, notwithstanding that, the gross profit has jumped up by Rs. 20 lakhs to Rs. 165.76 lakhs, after having improved by only Rs. 5 lakhs to Rs. 145.23 lakhs in the previous year.

The provision for depreciation has been raised again from Rs. 49.68 lakhs to Rs. 51.41 lakhs and a sum of Rs. 5.07 lakhs has been set apart to meet the tax liability, as against nothing in the preceding two years, presumably because the benefit of accelerated depreciation allowances has now ceased. The Managing Agents' remuneration has also increased from Rs. 8.46 lakhs to Rs. 9.29 lakhs. Despite these higher allocations, the net profit has increased by more than Rs. 12 lakhs to Rs. 99.99 lakhs. A part of this increase has been rightly passed on to shareholders who have contented themselves with a rather unattractive return particularly from 1960, since when the dividend became taxable. Inclusive of the final distribution of Rs. 5, as against Rs. 4.50 a year before, the total dividend has been raised by one point to Rs. 8 per share which in recent years has rarely been quoted at or above its paid-up value of Rs. 100. A part of the increase in net profit has been utilised to strengthen the reserves position, too; the credits to reserves have been raised from Rs. 19.73 lakhs to Rs. 26.64 lakhs, a sum equal to 25 per cent of the distributable surplus.

The table below gives a synoptical view of the working of the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale of energy, less discount	600.32	542.55	493.27	455.76
Other income	12.48	11.60	9.57	7.96
Consumption of coal and fuel	323.12	288.42	255.61	241.23
Staff expenses	43.59	42.04	41.23	38.14
Other expenses	80.33	78.46	65.42	54.23
Gross profit	165.76	145.23	140.58	130.12
Provision for—				
Depreciation	51.41	49.68	48.52	45.34
Taxation	5.07	..	..	5.06
Managing Agents' remuneration	9.29	8.46	7.95	6.96
Net profit	99.99	87.09	84.11	72.76
Transfer from reserves or excess provisions written back	1.36	..	..	0.13
Capital expenses written off	1.06	1.07	0.36	0.37
Provision for staff gratuity	3.66	5.06	5.68	3.77
To reserves	26.64	19.73	16.87	9.67
Dividend	69.98 (8%)†	61.23 (7%)†	61.23 (7%)†	59.05 (6.75%)
Carry forward	..	..	0.01	0.04
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	96.80	97.20	93.50	98.50
Low	88.00	83.50	78.20	87.20

† Subject to deduction of tax.

In terms of kilowatt hours, the sale of energy by way of public and private lighting and fans increased by 4.92 million (6.75 million a year before) to 46.43 million and by way of power by 21.73 million (39.69 million) to 586.48 million. The supply of energy to the North Gujarat Grid was also higher by 7.93 million kw.h. (10.78 million kw.h. in the previous year) at 157.09 kw.h. The total sales went up by 34.59 million kw.h., or 4.58 per cent to 790.01 million kw.h., as against by 57.21 million kw.h., or 8.2 per cent, to 755.42 million kw.h. in 1960-61.

The first 200,000 lbs./hour boiler and the 30 MW turbo-alternator set and associated equipment, signifying 'C-2' extensions, were commissioned in February 1962. The second 200,000 lbs./hour boiler was commissioned the next month. With the commissioning of the turbo-alternator set, power position in Ahmedabad eased slightly, and the State Government lifted, as a temporary measure subject to review later, some of the restrictions imposed in the middle of 1961. The 'C-3' extensions, comprising 1×30 MW turbo-alternator set with the associated boilers, are being erected and the plant is expected to be commissioned by the target date, namely, March next.

To help finance the capital cost of the plant and equipment for meeting the increasing demand for electricity in its area of operations, the Company proposes to issue Rs. 2-crore debentures under the third trust deed and to deposit the same with the Bank of India Ltd. against an increased cash credit facility. The Company has an outstanding liability of Rs. 3 crores by way of 5.24 per cent mortgage debenture loan, redeemable at par on 14th June 1970, or earlier, in a period of four years, from 14th June 1965 onwards. The new debentures will rank *pari passu* with the existing debentures and carry a higher interest rate of 6.5 per cent per annum, subject to tax. They will be originally issued in the name of the Bank, or as it directs, and deposited with it, with the Bank advancing credit up to 90 per cent of the face value or the market value, if and after the debentures are listed on the stock exchange. The actual interest

(*Continued in previous column*)

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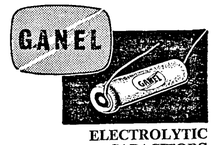

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SYNOPSES OF COMPANY REPORTS

Karanpura Collieries, Ltd.

(*Secretaries & Treasurers*: Messrs. Bird & Co. (Private) Ltd., Calcutta.)

Annual General Meeting—Held on 30th August 1962.

Working Results:

	For the year ended 28th February (In thousand rupees)	
	1962	1961
Sales	50,11	46,85
Closing stock	2,12	1,97
Gross profit	11,87	12,19
Transfer to Managing Agents' commission ..	Nil	45
,, ,, Secretaries and Treasurers' commission	70	39
,, ,, depreciation	2,25	2,30
,, ,, provision for taxation	4,38	3,89
Net profit	4,54	5,16
Adjustments	40	11
Appropriations:		
Total available balance	4,94	5,27
Transfer to statutory development rebate reserve	41	84
,, ,, siding reserve	1,00	50
,, ,, general reserve	75	1,00
Proposed dividends (taxable) preference ..	45	48
,, ,, ordinary ..	2,00 (16%)	2,00 (16%)
To additional preference dividend for 1960 ..	Nil	5
Carry forward	33	40

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: Raisings and Despatches.—Raisings were 236,790 tonnes and despatches 237,594 tonnes as compared with 236,959 tonnes and 224,269 tonnes respectively, in the previous year. Output had to be restricted for a period due to difficulties of transport and power.

Transport.—As reported last year, the wagon supplies showed no improvement during the current year also.

Siding.—It is hoped that the extension to the present siding will be completed within a few months.

Accounts in brief as at 28th February 1962 are as follows:

Liabilities	Rs.	Assets	Rs.
Capital*	29,67,375	Gross block	49,02,919
Reserves and surplus..	10,18,828	—Depreciation ..	15,19,022
Other liabilities ..	14,09,345	Net block	33,83,897
		Block in progress ..	31,638
		Current assets ..	16,37,321
		Investments	4,900
		Cash	3,67,702
	Rs. 54,25,548		Rs. 54,25,548

* Paid-up capital consists of 20,000 ordinary shares of Rs. 100 each converted to 200,000 ordinary shares of Rs. 10 each, fully called up and 9,855—5.50 per cent cumulative (taxable) preference shares of Rs. 100 each, fully called up. Of the ordinary shares, 2,466 shares have been allotted as fully paid pursuant to a contract without payments being received in cash.

Sitalakshmi Mills Ltd.

(*Managing Agents*: Messrs. C. S. Ramachary & Co., Madurai.)

Mr. A. S. Subbaraj (Chairman) Sixth Annual Report.

Working Results:

Working spindles 12,096.

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales:		
Yarn	60,85	62,56
Waste	3	3
Closing stock:		
Staple fibre	1,72	35
Fibre and yarn-in-process	1,11	59
Gross profit	16,37	22,36
Transfer to Managing Agents' remuneration ..	1,24	1,79
,, ,, depreciation	3,41	4,29
,, ,, provision for taxation	4,65	6,40
Net profit	7,07	9,88
Adjustments	12	2
Appropriations:		
Total available balance	7,19	9,90
To balance of bonus for 1961	5	25
,, donations	51	50
Transfer to development rebate reserve ..	25	74
,, ,, general reserve	4,00	6,00
Proposed dividends C. Preference	10 (7.80%)	10 (7.80%)†
,, ,, Equity	2,19 (25%)	2,19 (25%)†
Carry forward	9	12

N.B.—Adjustments represent the balance brought forward from the previous year.

† Dividend subject to tax.

Extracts from the Directors' report: According to Rule 20 of the Income Tax Rules 1962, the dividend now recommended shall be deemed to have come first out of the profits of the Company exempt under Section 15 (c) of the Income Tax Act, 1922 and/or Section 34 of the Income Tax Act, 1961. Under the said rule, the entire dividend proposed to be declared for this year is out of such exempted profits and hence no tax is deductible out of the said dividend under Section 194 of the Income Tax Act, 1961.

The preference shareholders too have been recommended a dividend at the rate of 7-80 per cent as required under the provisions of Preference Shares (regulation of dividends) Act 1960 as it is not liable for any deduction under Section 194 of the Income Tax Act, 1961.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	10,00,000	Gross block	39,04,807
Reserves and surplus..	17,30,689	—Depreciation ..	11,82,317
Other liabilities ..	25,22,904	Net block	27,22,490
		Current assets ..	7,73,228
		Investments	2,85,507
		Cash	14,81,268
	Rs. 52,62,593		Rs. 52,62,593

* Paid up capital consists of 2,500 six per cent. (Net, after deduction of Tax under Section 18—3D) cumulative preference shares of Rs. 50 each and 17,500 Equity shares of Rs. 50 each.

Mysore Stoneware Pipes and Potteries Ltd.

(*Managing Agents*: The Mysore Industrial Development Co., Ltd., Bangalore.)

Twenty-fifth Annual General Meeting—10th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales (less commission on sales)	14,00	11,03
Closing stock—finished goods and process stock.	1,97	2,31
Other income	4	5
Gross profit	3,92	2,70
Transfer to Managing Agents' remuneration ..	30	20
,, ,, depreciation	77	71
,, ,, provision for taxation	1,00	56
Net profit	1,25	1,23
Adjustments	2	7
Appropriations:		
Total available balance	1,27	1,30
Transfer to development rebate reserve ..	5	44
,, ,, provision for gratuity	20	Nil
,, ,, rehabilitation reserve	10	Nil
,, ,, contingency reserve	Nil	12
Proposed dividend (taxable) Equity ..	90 (15%)	72 (12%)
Carry forward	2	2

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report: The competition in the market for *Stoneware Pipes* which started sometime ago, continues unabated. However, a slight reduction of rates which was instituted early during the year, obtained record sales (for the year). The Company also cleared the old stocks of jars and pipes, while there was heavy sale of acid-resisting chemical stoneware, channels, etc.

But for inadequate stock of coal, production of pipes and refractories would have been much better. Anxiety in regard to coal supplies continues. Despite all this, the production of pipes this year has been better than last year and highest so far. As the Company had brisk demand for pipes and as there has not been as good a demand for fire bricks, the *Fire Bricks* department worked only for three months.

The *Kilns* and *Plant* are being replaced and rehabilitated as required. The building constructions, etc., for the expansion contemplated for the output of stoneware pipes is practically complete. These programmes could have been completed earlier if supply of cement and other building materials was timely and adequate.

The Directors wish to bring to the shareholders' notice the experiments being conducted for the production of sanitaryware. The experiments have so far shown encouraging results and have provided a basis to consider the large scale commercial production of white glaze sanitaryware.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	6,00,000	Gross block	16,44,071
Reserves and surplus .	6,00,283	—Depreciation ..	8,70,796
Other liabilities ..	5,49,301	Net block	7,73,275
		Block-in-progress ..	32,362
		Current assets ..	8,81,129
		Investments	32,894
		Cash	25,336
		Miscellaneous expenditure ..	4,588
	Rs. 17,49,584		Rs. 17,49,584

* Paid-up capital consists of 60,000 Equity shares of Rs. 10 each, fully paid up in cash.

Universal Cables Ltd.

(*Managing Agents*: Messrs. Birla Gwalior Private Ltd., Calcutta.)

Annual General Meeting—31st August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of woollen goods	6	6
Dividend on investments (gross)	72	1,86
Interest earned	3,64	2,37
Gross profit	94	6,62
Adjustments	26	3
Appropriations:		
Total available balance	1,20	6,65
Transfer to Managing Agents' commission ..	6	Nil
,, ,, depreciation	1	Nil
,, ,, provision for taxation	1,07	2,64
,, ,, general reserve	Nil	2,00
To payment of dividend (taxable) ordinary..	Nil	1,75
Carry forward	(Nil) 6	(5%) 26

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

Extracts from the Directors' report: The Directors have thought it advisable not to recommend payment of an ordinary dividend for this year as they consider it desirable to conserve the Company's resources in view of the development expenditure which will have to be incurred in the near future in putting up the Cable plant.

As the shareholders are aware, the issued capital of the Company has been increased to Rs. 1,05,00,000 following the issue of 7,00,000 equity shares of Rs. 10 each at par since the last meeting. The Directors expect that the final call of Rs. 5 per share on the new capital will be made before the end of the current year.

The Directors are glad to report that all orders for plant and equipment have been placed and all the necessary import licences have been obtained.

In their last report, the Directors' mentioned that the Company had applied to the Industrial Credit and Investment Corporation of India Limited and to the Commonwealth Development Finance Corporation Limited, London, for foreign exchange loans amounting to Rs. 80 lakhs to meet the cost of imported machinery. These loan agreements have since been satisfactorily concluded.

Good progress has been made on buildings and other construction work at Satna and the Cable plant is expected to go into production in the later half of 1963.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	69,98,625	Gross block	1,09,290
Reserves and surplus. .	2,50,282	—Depreciation ..	1,561
Other liabilities ..	1,62,738	Net block	1,07,729
		Block in progress ..	26,903
		Current assets ..	65,78,583
		Investments	5,71,275
		Cash	95,749
		Miscellaneous expenditure ..	31,406
	Rs. 74,11,645		Rs. 74,11,645

* Paid-up capital consists of 3,49,725 ordinary shares of Rs. 10 each fully paid up in cash and 7,00,000 ordinary shares of Rs. 10 each, Rs. 5 per share called and paid up in cash. Forfeited shares (amount originally paid up) comes to Rs. 1,375.

Kailas Rubber Co., Ltd.

(*Managing Agents*: Messrs. A. V. George & Co., Ltd., Kottayam, Kerala State.)

Nineteenth Annual General Meeting—29th August 1962.

Working Results:

	For the year ended 28th February (In thousand rupees)	
	1962	1961
Sale of rubber, latex and rubber seeds, etc. ..	15,25	16,59
Closing stock of rubber	1,61	2,75
Gross profit	7,45	8,62
Transfer to Managing Agents' remuneration ..	70	81
,, ,, depreciation	57	60
,, ,, provision for taxation	2,75	3,20
Net profit	3,43	4,01
Adjustments	32	27
Appropriations:		
Total available balance	3,75	4,28
Transfer to debenture redemption reserve ..	Nil	1,00
To interim dividend (taxable) equity ..	1,48 (12½%)	1,18 (10%)
Proposed final dividend (taxable) equity ..	2,08 (17½%)	1,78 (15%)
Total dividend	[30%]	[25%]
Carry forward	19	32

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: Estates: Paalali, Pathanapuram & Kutikul Estates are reported to be in good condition and well managed. 5 acres in Pathanapuram Estate and 20 acres in Kutikul Estate have been replanted during 1961-62 with high yielding rubber, under the subsidy scheme of the Rubber Board. 113.75 acres of old mature rubber in Pathanapuram Estate was given out for slaughter tapping from March 1962 for three years.

Crop & Prices: The rubber crop secured during the year was 4,46,326 kg. at an estate cost of 163.62 nP per kg. against an estimate of 4,26,000 kg. at 167.83 nP per kg. The rubber was sold at an average price of Rs. 3.60 per kg. A portion of the Kutikul crop was sold as sole crepe.

The rubber crop estimated for 1962-63 is 4,02,000 kg. at an estate cost of 182.70 nP per kg.

Accounts in brief as at 28th February 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	11,85,700	Gross block	31,47,127
Reserves and surplus..	11,96,632	—Depreciation ..	4,06,127
Other liabilities ..	8,79,789	Net block	27,41,000
		Current assets ..	2,15,953
		Investments	17,500
		Cash	2,87,668
	Rs. 32,62,121		Rs. 32,62,121

* Paid-up capital consists of 5,92,850 equity shares of Rs. 2 each, fully paid up in cash.

Notice

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting (being the Seventy-second Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 2, Netaji Subhas Road, Calcutta, on 25th September, 1962, at 12 noon, to transact the following business:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To appoint Directors in the place of the retiring Directors.

(3) To appoint Auditors for the current year and to fix their remuneration.

The Share Register of the Company will be closed from 10th to 25th September, 1962, both days inclusive.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *29th August*, 1962.

Note:—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member. The instrument appointing the proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Notices

THE KATAKHAL-LALA BAZAR RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-second Annual General Meeting of the Members of THE KATAKHAL-LALA BAZAR RAILWAY COMPANY, LIMITED, will be held at "McLeod House," No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Saturday, the 29th day of September, 1962, at 12-30 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1962, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. O. N. Goenka the Director retiring by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th September, 1962 to 29th September, 1962, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
(Sd.) C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated, 30th August, 1962.

Notes:—1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

2. Payment of the proposed Dividend, if declared, will be made on or after 23rd October, 1962, only to those Members whose names are registered in the books of the Company on 29th September, 1962, or to their mandatees.

Application for Warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE BURDWAN-CUTWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-sixth Annual General Meeting of the Members of THE BURDWAN-CUTWA RAILWAY COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Saturday the 29th day of September 1962, at 12.35 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1962, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. C. Hockley the Director retiring by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th September 1962 to 29th September 1962 both days inclusive.

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,
MCLEOD & CO., LTD.,
(Sd.) C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated, 28th August, 1962.

Note.—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those Members whose names are registered in the Books of the Company on the 29th September 1962 or to their mandatees.

Application for Warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE AHMADPUR-KATWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Annual General Meeting of the Members of THE AHMADPUR-KATWA RAILWAY COMPANY, LIMITED, will be held at "McLeod House," No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Saturday, the 29th day of September 1962, at 12-40 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. C. Hockley, the Director retiring by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th September, 1962 to 29th September, 1962 both days inclusive.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,
MCLEOD & CO., LTD.,
(Sd.) C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated, 28th August, 1962.

Note:—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those Members whose names are registered in the Books of the Company on the 29th September, 1962, or to their mandatees.

Application for Warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-sixth Annual General Meeting of the Members of THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Saturday the 29th day of September, 1962, at 12-45 o'clock in the afternoon, for the following purposes:

1. To receive and consider the Profit and Loss Account for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in Place of Mr. C. Hockley the Director retiring by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th September 1962 to 29th September 1962 both days inclusive.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,
MCLEOD & CO., LTD.,
(Sd.) C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated, 28th August, 1962.

Note.—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those Members whose names are registered in the Books of the Company on the 29th September 1962 or to their Mandatees.

Application for Warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE NAIHATI JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the above-named Company will be held at the Registered Office, No. 33, Netaji Subhas Road, Calcutta-1, on Thursday the 27th September, 1962, at 3 p.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1962, and to receive the Directors' and Auditors' Report thereon.
2. To appoint Directors in place of a retiring Director.
3. To declare dividend on Preference Shares.
4. To appoint Auditors and fix their remuneration.
5. As special business to consider and if thought fit to pass with or without modification the following resolution:—

As Special Resolution:

"Resolved that the Regulations contained in the document submitted to the meeting and for the purpose of identification subscribed by the Chairman of the Board, be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof."

The share transfer Registers of the Company will be closed from 14th September, 1962 to 27th September, 1962, both days inclusive.

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

By Order of the Board,
BHAGAT AGENCIES LTD.,
J. K. BHAGAT,
Director,
Managing Agents.

Registered Office:
33, NETAJI SUBHAS ROAD, CALCUTTA-1.
The 29th August, 1962.

N.B.—An explanatory statement in respect of item of Special Business is being forwarded to the members of the Company along with the convening Notice of the meeting.

HUKUMCHAND JUTE MILLS LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, 9, Brabourne Road, Calcutta, on Thursday, the 27th September, 1962, at 4.00 p.m., for the following purposes:—

(1) To receive and pass the Directors Report and Audited Accounts for the year ended 31st March, 1962.

(2) To declare dividends.

(3) To elect Directors in place of those retiring.

(4) To appoint Auditors.

(5) As special business to consider and if thought fit to pass with or without modification the following Resolution as Special Resolution.

"RESOLVED that Sri Debi Prasad Goenka, a Director of the Company retiring by rotation, who is a partner of the Managing Agents be and is hereby re-elected a Director of the Company."

Dividends, if declared, will be paid to Registered Shareholders only.

The Share Transfer Register of the Company will be closed from the 17th September, 1962, to 27th September, 1962, both days inclusive.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Managing Agents.

CALCUTTA,
30th August, 1962.

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

Explanatory Statements in connection with the special business will be sent to the individual shareholders.

THE PHOENIX MILLS, LIMITED

State Bank Building, Bank Street,
BOMBAY 1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-seventh Annual General Meeting of the shareholders of the Phoenix Mills Ltd. will be held on Thursday the 27th September 1962, at 4.30 p.m. (S.T.), at the Ardeshir Namdar Hall, Cama Oriental Institute, 5th Floor, 136, Apollo Street, opp. Lion Gate, Bombay 1, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Balance Sheet as on and Profit and Loss Account for the year ended 31st March 1962.
2. To declare a dividend.
3. To elect a Director in place of Mr. Madanmohan Ramnarain Ruia who retires by rotation and who offers himself for re-election, and to consider and, if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Madanmohan Ramnarain Ruia who retires by rotation from his office as Director and who is a Director and member of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of the Company, be and he is hereby appointed a Director of the Company whose period of office he is liable to determination by retirement of Directors by rotation."
4. To appoint Auditors for the current year and to fix their remuneration.

   To consider and if thought fit, to pass either with or without modifications, the following Resolutions as Special Resolutions.
5. "Resolved that the contracts respectively entered into between the Company and Messrs. Indokem Ltd., Vinaya Trading Co. Private Ltd., Bradbury Mills Ltd., Dawn Mills Co. Ltd., and Shri L. V. Bhave who are associates of Ramnarain Sons Private Ltd., the Managing Agents of the Company, during the year 1961-62 pursuant to approval of the Company granted by the Special Resolutions passed at the Annual General Meeting of the Company held on 22nd September 1959 and particulars whereof are entered in the Register of Contracts maintained under the provisions of Section 360 of the Companies Act 1956 be and they are hereby ratified and confirmed."
6. "That the Company hereby approves of contracts being entered into with Indokem Ltd., an associate of Ramnarain Sons Private Ltd., the Managing Agents of the Company, for the period from the date of this meeting upto the date of the Annual General Meeting of the Company to be held in the year 1965 for the purchase by and/or supply to the Company of dyes, colours and chemicals on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, such purchase and supply not to exceed in any one financial year of the Company Rs. 25,00,000."
7. "That the Company hereby approves of contracts being entered into with Vinaya Trading Co. Private Ltd., an associate of Ramnarain Sons Private Ltd., the Managing Agents of the Company, for the period from the date of this meeting upto the date of the Annual General Meeting of the Company to be held in the year 1965 for the purchase by and/or supply to the Company of Indian or Foreign cotton and Staple Fibre on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company and/or for the supply or rendering of service by them as cotton brokers and/or insurance agents, provided the prices or amounts charged to the Company are at rates which are not less favourable to the Company than market rates or which are otherwise reasonable and the aggregate value of such purchase and supply together with charges for supply or rendering of services do not exceed in any one financial year of the Company Rs. 30,00,000 and the Company hereby authorises the said Vinaya Trading Co. Private Ltd. to retain any commission or other remuneration earned or to be earned by them from the aforesaid business of supply of Indian or Foreign cotton and Staple Fibre or the aforesaid business of cotton brokers and/or insurance Agents."
8. "That the Company hereby approves of contracts being entered into with the Bradbury Mills Ltd., an associate of Ramnarain Sons Private Ltd., the Managing Agents of the Company for the period from the date of this meeting upto the date of the Annual General Meeting of the Company to be held in the year 1965 for the sale, purchase or supply of any goods on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, or for the supply or rendering of service as dyers and/or processors, such purchase and supply together with the charges for supply or rendering of service above, not to exceed in any one financial year of the Company Rs. 30,00,000 and on the terms that in respect of any goods supplied or sold or any service supplied or rendered by the Company to the said associate company, the associate company shall make payment to the Company within one month from the date of the supply or sale of the goods or for the supply or rendering of service as the case may be."
9. "That the Company hereby approves of contracts being entered into with the Dawn Mills Co. Ltd., an associate of Ramnarain Sons Private Ltd., the Managing Agents of the Company for the period from the date of this meeting upto the date of the Annual General Meeting of the Company to be held in the year 1965 for the sale, purchase or supply of any goods on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, or for the supply or rendering of services as dyers and/or processors, such purchase and supply together with the charges for supply or rendering of service not to exceed in any one financial year of the Company Rs. 10,00,000 and on the terms that in respect of any goods supplied or sold any service supplied or rendered by the Company to the said associate company, the associate company shall make payment to the Company within one month from the date of the supply or sale of the goods or for the supply or rendering of service as the case may be."
10. "That the Company hereby approves of contracts being entered into with Shri L. V. Bhave an associate of Ramnarain Sons Private Ltd., the Managing Agents of the Company, for the period from the date of this meeting upto the date of the Annual General Meeting of the Company to be held in the year 1965 for the purchase of its requirements of salt on terms of ready or forward delivery and either for cash or on credit and in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, such purchase not to exceed in any one financial year of the Company Rs. 75,000."

The relative explanatory statement concerning the above special business as required by Section 173 of the Companies Act 1956 is forwarded to the members of the Company.

The Share Transfer Books of the Company will be closed from Thursday, the 6th September 1962 to Thursday, the 4th October, 1962, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 22*nd August*, 1962.

Notes: 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The Register of Contracts referred to in Special Resolution No. 5 above is open for inspection of the shareholders at the Registered Office of the Company during office hours.

3. Dividend, if sanctioned, will be payable at the Bank of India Ltd., Bombay, on and from Friday, the 5th October 1962 to those shareholders whose names stand on the Register on 6th September 1962.

4. Shareholders are requested to notify change in address, if any, to the Company.

THE DAWN MILLS COMPANY LIMITED

State Bank Building, Bank Street,
BOMBAY 1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual General Meeting of the shareholders of the Dawn Mills Co. Ltd., will be held on Wednesday the 26th September, 1962 at 4-30 p.m. (S.T.), at the Ardeshir Namdar Hall, Cama Oriental Institute, 5th Floor, 136, Apollo Street, opp. Lion Gate, Bombay-1, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet as on and Profit and Loss Account for the year ended 31st March, 1962.
2. To declare a dividend.
3. To elect a Director in place of Mr. Madanmohan Ramnarain Ruia who retires by rotation and who offers himself for re-election and to consider and, if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Madanmohan Ramnarain Ruia who retires by rotation from his office as Director and who is a Director of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of the Company, be and he is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."
4. To elect a Director in place of Mr. Lalitkumar M. Khatau who retires by rotation and who offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and, if thought fit, to pass either with or without modifications, the following Resolution as a Special Resolution:

   "Resolved that the contracts respectively entered into between the Company and Messrs. Indokem Ltd., Vinaya Trading Co. Private Ltd., Bradbury Mills Ltd. and Phoenix Mills Ltd. who are associates of Ramnarain Sons Private Ltd., the Managing Agents of the Company, during the year 1961-62 pursuant to approval of the Special Resolutions passed at the Extraordinary General Meeting of the Company held on 4th December, 1958 and at the Annual General Meeting held on 28th September, 1961 and particulars whereof are entered in the Register of Contracts maintained under the provisions of Section 360 of the Companies Act 1956 be and they are hereby ratified and confirmed."

The relative explanatory statement concerning the above special business as required by Section 173 of the Companies Act 1956 is forwarded to the members of the Company.

The Share Transfer Books of the Company will be closed from Thursday, the 6th September, 1962 to Thursday, the 4th October, 1962, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 22*nd August*, 1962.

Notes: 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

2. The Register of Contracts referred to in Special Resolution No. 6 above is open for inspection of the shareholders at the Registered Office of the Company during office hours.

3. Dividend, if sanctioned, will be payable at the State Bank of India, Bombay, on and from Thursday the 4th October, 1962 to those shareholders whose names stand on the Register on 6th September, 1962.

4. Shareholders are requested to notify change in address, if any, to the Company.

THE BRADBURY MILLS, LIMITED

State Bank Building, Bank Street, Fort,
BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual General Meeting of the shareholders of the Bradbury Mills, Ltd. will be held on Tuesday the 25th September 1962 at the Ardeshir Namdar Hall, Cama Oriental Institute, 5th Floor, 136, Apollo Street, opp. Lion Gate, Fort, Bombay 1, at 5-00 p.m. or so soon thereafter as the proceedings of the separate meeting of the holders of the Preference Shares of the Company convened at 4-45 p.m. at the same place and on the same day shall conclude, to transact the following business:

1. To consider and, if thought fit, to pass the following Resolution, with or without modifications as a Special Resolution:—

   "RESOLVED that the Memorandum and Articles of Association of the Company be altered in the manner following:

   (*a*) The existing Clause 5 of the Memorandum shall be substituted by the following clause:

   (5) The capital of the Company is Rs. 25,00,000 divided into 30,000 7 per cent income-tax-free Cumulative Preference Shares of Rs. 50 each and 20,000 Equity Shares of Rs. 50 each subject to be increased or decreased or to its shares being sub-divided in accordance with the regulations of the Company and legislative provisions for the time being in force in this behalf:

   "*Explanation*:—In respect of the financial year ended 31st March 1962 and for each subsequent year or other period, the Cumulative Preferential Dividend on Preference Shares shall be payable (or deemed to have been payable) at the rate of 10 per cent without any deduction therefrom on account of income-tax payable by the Company, but subject to such deduction of tax at source in respect of tax payable by the shareholder as is provided by Section 194 of the Income-tax Act, 1961 or any statutory modification, replacement or re-enactment thereof or any Finance Act or any other Act or Rule or Regulation for the time being in force and at such rates as may be prescribed thereby or by any competent authority.

   (*b*) In Article 5(*b*) of the Articles of Association the following explanation shall be added at the end.

   "*Explanation*:—In respect of the financial year ended 31st March 1962 and for each subsequent year or other period the fixed cumulative preferential dividend on Preference Shares shall be payable (or deemed to have been payable) at the rate of 10 per cent without any deduction therefrom on account of income-tax payable by the Company but subject to such deduction of tax at source in respect of tax payable by the shareholder as is provided by Section 194 of the Income-tax Act 1961 or any statutory modification, replacement or re-enactment thereof or any Finance Act or any other Act or Rule or Regulation for the time being in force and at such rates as may be prescribed thereby or by any competent authority."
2. To receive and adopt the Directors' Report and the Audited Balance Sheet as on and Profit and Loss Account for the year ended 31st March 1962.
3. (*a*) To declare a Dividend on Preference Shares for the year ended 31st March 1962.

   (*b*) To declare a Dividend on Ordinary Shares.
4. To elect a Director in place of Mr. Rustomjee Jeejeebhoy who retires by rotation and offers himself for re-election.
5. To elect a Director in place of Mr. Madanmohan Ramnarain Ruia who retires by rotation and who offers himself for re-election, and to consider and, if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Madanmohan Ramnarain Ruia who retires by rotation from his office as Director and who is a Director and member of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of the Company, be and he is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."
6. To appoint Auditors for the current year and to fix their remuneration.

To consider and if thought fit, to pass either with or without modifications, the following Resolutions as Special Resolutions:

7. "Resolved that the contracts respectively entered into between the Company and Messrs. Vinaya Trading Co. Private Ltd., Dawn Mills, Co. Ltd., and Phoenix Mills, Ltd., who are associates of Ramnarain Sons Private Ltd., the Managing Agents of the Company, during the year 1961-62 pursuant to approval of the Company granted by the Special Resolutions passed at the Extra Ordinary General Meeting of the Company held on 5th December 1958 and at the Annual General Meeting of the Company held on 26th September 1961 and particulars whereof are entered in the Register of Contracts maintained under the provisions of Section 360 of the Companies Act 1956 be and they are hereby ratified and confirmed."
8. "Resolved that in supersession of Resolution No. 8 passed at the Annual General Meeting of the Company held on 26th September 1961, the Company hereby approves of contracts being entered into with Phoenix Mills Ltd. an associate of Ramnarain Sons Private Ltd., the Managing Agents of the Company, for the period from the date of this meeting upto the date of the Annual General Meeting of the Company to be held in the year 1966, for the sale, purchase or supply of any goods on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates or for the supply of or rendering of service as dyers, and/or processors, such purchase and supply together with the charges for supply or rendering of services not to exceed in any one financial year of the Company Rs. 30,00,000 and on the terms that in respect of any goods supplied or sold or any service supplied or rendered by the Company to the said associate Company, the associate Company shall make payment to the Company within one month from the date of the supply or sale of the goods or for the supply or rendering of service as the case may be."

The relative explanatory statement concerning the above special business as required by Section 173 of the Companies Act, 1956 is forwarded to the members of the Company.

The Share Transfer Books of the Company will be closed from Thursday the 6th September 1962 to Thursday the 4th October 1962, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, *Dated 22nd August*, 1962.

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

(2) The Register of Contracts referred to in Special Resolution No. 7 above is open for inspection of the shareholders at the Registered Office of the Company during office hours.

(3) Dividend, if sanctioned, will be payable at the United Commercial Bank Ltd., Bombay, to those shareholders whose names stand on the Register on 6th September 1962, as under:

(*a*) Ordinary Shares from Wednesday the 3rd October 1962.

(*b*) Preference Shares from Tuesday the 30th October 1962.

(4) Shareholders are requested to notify change in address, if any, to the Company.

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of Members of The Champdany Jute Company, Limited, will be held at the Registered Office of the Company at No. 2, Netaji Subhas Road, Calcutta, on the 25th day of September, 1962, at 12-30 p.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as

SPECIAL RESOLUTIONS

(a) That the capital of the Company be reduced from Rs. 60 lakhs divided into 60,000 shares of Rs. 100 each to Rs. 30 lakhs divided into 60,000 shares of Rs. 50 each, and that such reduction be effected by returning to the holders of the said shares paid-up capital to the extent of Rs. 50 per share, and by reducing the nominal amount of the said shares from Rs. 100 to Rs. 50.

(b) That immediately and contingently upon the said reduction of capital taking effect each of the resulting shares of Rs. 50 each in the capital of the Company be sub-divided into 5 shares of Rs. 10 each.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

CALCUTTA, 29*th August*, 1962.

Notes:—(i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

(ii) The Share Transfer Books of the Company will be closed from the 10th day of September 1962 to the 25th day of September 1962 both days inclusive.

Explanatory Statement and Statement of Interest of Directors under Section 173(2) of the Companies Act, 1956.

The position arising from the sale is as follows:—

Champdany Mill fixed assets as per the Books of Account as at 31st March, 1962.

			Rs.
Land			58,394
Buildings			12,96,201
Machinery :—		Rs.	
Mechanical		72,824	
Electrical		2,07,969	
Sprinkler		29,203	
			3,09,996
			16,64,591
PRICE REALISED		48,20,000	
Estimated Cost of Sale		50,000	
			47,70,000
Estimated Realisable Profit			31,05,409

The Directors recommend that of this sum of Rs. 31,05,409, the amount of Rs. 17,04,690 representing the compensation to the redundant workers of Champdany Mill arising out of the sale of the property, and in the debit of the Profit and Loss Account as at 31st March last be written off during the current year. This will leave a balance of profit on the Sale of Champdany Mill estimated at Rs. 14,00,719 to be carried to Capital Reserve.

		Rs.
As regards the disposal of the cash proceeds of the sale of the Champdany Mill property amounting to		48,20,000
the Directors recommend that this be applied towards recouping the cash position of the Company as follows:—		
To meeting the estimated cost of the sale	Rs. 50,000	
To meeting the redundancy payments mentioned above.	17,04,690	
		17,54,690
Leaving an estimated balance of cash of		30,65,310

The Directors consider that this amount of cash is in excess of the wants of the Company and they recommend that as large a portion of this as can be conveniently arranged should be

returned to the Shareholders. The paid-up Capital of the Company is Rs. 59,16,400 in 59,164 Ordinary Shares of Rs. 100 each. The Directors accordingly recommend that Rs. 50 per fully paid-up share of Rs. 100 be repaid. This will absorb Rs. 29,58,200 of the estimated surplus cash, leaving a balance of about Rs. 1,07,110 which after meeting the legal cost of Capital reduction and repayment will comprise a small but useful addition to the Company's liquid resources.

As a result of the foregoing, the shares will then be of Rs. 50 each denomination. This is an awkward denomination and in order to provide a wider market for the shares, the Directors recommend that the shares be divided so as to reduce the nominal value to Rs. 10 each.

The Directors and Managing Agents of the Company are interested to the extent of their shareholdings in the Company as set out below:—

Mr. A. I. Murison	10 shares
„ B. Gill	10 shares
„ R. G. Edwards	10 shares
„ N. S. Coldwell	10 shares
James Finlay & Co., Ltd. ...	27,315 shares

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

CALCUTTA, *29th August*, 1962.

SRI KRISHNARAJENDRA MILLS LIMITED
MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-second Annual General Meeting of the shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 22nd September 1962, at 4 p.m., to transact the following business:—

1. To receive, and if thought fit, to adopt the Directors' Report and the Profit and Loss Account for the year ended 31st March 1962 and the Balance Sheet as on that date, together with the Auditors' Report.
2. To declare dividend.
3. To elect Directors:—
   (i) to appoint a Director in place of Sri Chandrakant Mulraj Khatau, who retires under Article 115 of the Articles of Association of the Company, and being eligible offers himself for re-election.
   (ii) to appoint a Director in place of Sri S. N. Gundu Rao who retires under Article 115 of the Articles of Association of the Company, and being eligible offers himself for re-election.
   (iii) to appoint a Director in place of Sri M. H. Mariyanna who retires under Article 115 of the Articles of Association of the Company, and being eligible, offers himself for re-election.
4. To appoint Auditors for the Company to hold office from the conclusion of this Annual General Meeting to the close of the subsequent Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors,
H. N. PALLEGAR,
Managing Director.

MYSORE,
6th August, 1962.

(i) Any member entitled to attend and vote may appoint a proxy to attend and vote instead of himself. The proxy need not be a member.

(ii) The transfer books of the Company will be closed from 14th September 1962 to 22nd September 1962, both days inclusive, and the dividend will be paid to all the shareholders whose names appear in the books on 14th September 1962.

(iii) Dividend when declared will be payable on and after 10th October 1962.

(iv) Changes in the address of shareholders should be notified to the Company as early as possible.

THE MYSORE SPINNING AND MANUFACTURING COMPANY LTD.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 69th Annual General Meeting of the above Company will be held at its Registered Office, Temple Bar Building, 70, Forbes Street, Bombay-1, on Friday the 28th September 1962, at 4-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 28th February, 1962.
2. To declare a dividend.
3. To appoint Directors in place of those who retire but are eligible for reappointment.
4. To pass a Special Resolution pursuant to the provisions of Section 306 and other applicable provisions, if any, of the Companies Act, 1956 (as amended) approving the proposed appointment of Messrs. Chandavarkar and Karekar as the Company's Architects, subject to the approval of the Central Government being obtained in that behalf.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To appoint Auditors for the current year for doing the local audit of the account books of the Company's Mills at Bangalore and to fix their remuneration.

By Order of the Board,
N. SIRUR & COMPANY PRIVATE LTD.,
Managing Agents,
G. V. SIRUR,
Director.

BOMBAY, 21*st August*, 1962.

Notes:—(1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(2) Detailed Notice of the above Meeting is being published in the Press and is also being posted to the shareholders individually.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE OF INTERIM DIVIDEND

AT A MEETING OF THE BOARD HELD on 30th August, 1962 the Directors have decided to pay the following Interim Dividends subject to deduction of Tax, in respect of the Company's financial year ended 30th June, 1962.

On 1st Preference Shares at the rate of Rs. 4.55 per cent.

On 2nd Preference Shares at the rate of Rs. 2.497 per cent.

The above dividends will be paid on or after the 4th October, 1962 to those Shareholders (or their mandatees) whose names appear in the Company's books as the registered Shareholders of the above Shares on 22nd September, 1962.

The Preference Share Transfer Registers will be closed from the 10th September, 1962 to 22nd September, 1962, both days inclusive.

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

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1962.

THE RAGHUVANSHI MILLS LIMITED
BOMBAY-13

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Annual General Meeting of the Company will be held at 3.30 p.m. on Saturday, the 29th September 1962, at the Registered Office of the Company, 11-12 Haines Road, Mahalaxmi, Bombay-13, to (*a*) receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March 1962, (*b*) declare a dividend on Ordinary Shares, (*c*) elect Directors, (*d*) to appoint Auditors for the current financial year and fix their remuneration, and (*e*) as and by way of Special Business to consider and if thought fit, to pass with or without modification Special Resolutions amending the Memorandum of Association of the Company (subject to confirmation by the Court) enabling the Company to contribute to any Political Party, or for any Political Purpose and approving transactions with the Associate Concerns and increasing the limits of such transactions.

Copies of the Notice in detail together with the Explanatory Statement and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1962 have been posted to the Members at their last given addresses.

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

The Register of Members of the Company will be closed for transfers from 26th September 1962 to 30th September 1962 (both days inclusive) and from 6th October to 16th October 1962 (both days inclusive). Payment of dividend as declared will be made to those Shareholders whose names stand on the Register of Members as on 6th October 1962.

By Order of the Board of Directors,
For THE RAGHUVANSHI MILLS LIMITED,
For RAVINDRA MAGANLAL AND CO. PRIVATE LTD.,
RAVINDRA MAGANLAL,
Managing Director,
Managing Agents.

BOMBAY, *5th September*, 1962.

ASHOKA CEMENT LIMITED
Registered Office:
DALMIANAGAR (BIHAR)

NOTICE

THE ANNUAL GENERAL MEETING OF THE Shareholders of Ashoka Cement Limited will be held at the Registered Office of the Company at Dalmianagar on Saturday, the 29th September, 1962, at 11 a.m., to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March, 1962.
(2) To declare dividend.
(3) To elect a Director in place of Shri M. L. Jalan, who retires by rotation, but, being eligible, offers himself for re-election.
(4) To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. N. C. Jain & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, the 19th September to Saturday, the 29th September, 1962, both days inclusive.

By Order of the Board,
For ASHOKA CEMENT LIMITED,
For SAHUJAIN SERVICES LIMITED,
S. SRIKRISHNA AYYAR,
Director,
Secretaries.

CALCUTTA,
24th August, 1962.

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

Senegal and Somalia have become members of the International Monetary Fund, the World Bank, the International Finance Corporation and the International Development Association. The initial quota of Senegal in the Fund is $7.5 million, the quota of Somalia is $11.25 million. This raises the total of members' quotas in the Fund to $15,092.45 million and the number of member countries to 79. Senegal and Somalia's subscriptions to the capital stock of the Bank are, respectively, 333 and 150 shares, with total par values of $33.3 million and $15 million. The total subscribed capital to the Bank is now increased to $20,548.1 million and the number of member countries to 78. Senegal's subscription to the I.F.C. is $184,000 and that of Somalia $83,000. The Corporation has now 67 member nations and a total subscribed capital of about $97.26 million. The International Development Association's membership has now been raised to 66 countries and its total subscriptions amounts to $939.19 million. Senegal's subscriptions to I.D.A. is $1.68 million and that of Somalia $760,000.

WORLD POPULATION EXCEEDS THREE BILLION

(*Concluded from page 400*)

in the same sex and age groups. Among the figures on the death rate by age, sex and marital status, appearing in the *Yearbook* for the first time, the countries where an exception to this rule occasionally occurs (usually at ages under 20 and over 65) can be counted almost literally on the fingers of one hand. This relationship holds true regardless of how individual countries classify persons by marital status (whether, for instance, persons not legally married but living in consensual unions are classified as single or as married) and in spite of the fact that the ways in which persons report their marital status at a census and the ways in which it is reported at their death seem to vary.

The relationship among the death rates for persons not married, i.e., single, widowed or divorced, is not nearly so clear, varying from country to country and from age group to age group, with perhaps a slight tendency for divorced persons to have a lower death rate than the widowed. In the view of United Nations' statisticians, no single satisfactory explanation for this phenomenon has yet been found. The higher death rate of the single as compared with the married might be the result of the fact that marriage is a selective process, people with serious physical impairments or chronic diseases being less likely to marry than healthier people. On the other hand, it is, perhaps, true that marriage itself has a salutary effect on health, the family situation giving rise to reciprocal concern about each partner's well-being and a sense of responsibility about preserving one's own health.

The possible effect of divorce or widowhood is open to even more speculation, according to the *Yearbook*. The lives of some divorced persons might be lengthened by contrast with the single or widowed, simply because they have escaped an unsatisfactory marriage. The lives of widowed persons might be shortened by grief or they may have a greater likelihood of having contracted any communicable disease from which their spouses died. There can only be speculation until it is possible to study data on the cause of death for persons in different age and marital status groups, combined with information on the duration of marriage and of no married states.

Infant Mortality Rates Decrease

For each 1,000 babies born alive in Iceland, 13.3 die in the first year of life; in the Netherlands, 15.4; and in Sweden, 15.5. In one West African country, it has been estimated, death claims 250 of each 1,000 live-born babies before they reach one year of age. This contrast in infant mortality rates, according to the *Yearbook*, typifies a situation which has existed for some time. The average rate among a relatively large number of countries decreased from 106 in 1930 to 51 in 1956—a decline of over 50 per cent in 26 years. For the most part, this decrease is continuing. The low rates cited above are substantially below the lowest recorded in 1956. Nevertheless, the spread among the rates throughout the world continues.

An examination of the latest recorded rate in 168 areas shows that about 23 per cent are below 30 per 1,000 live births, 34 per cent are between 30 and 60, 27 per cent are between 60 and 100, and 16 per cent are above 100. Furthermore, some of the lowest rates pertain to very small groups of persons, such as the non-indigenous populations in parts of Africa and Oceania and the small European States such as Liechtenstein and Monaco. In addition to Liechtenstein, Gibraltar, Monaco, Iceland, the Netherlands and Sweden, countries with recorded rates below 20 per 1,000 live births include Norway, Australia, Finland, as well as some non-self-governing territories. Among all of these, the United States, with a rate of 25.2 in 1961, ranks 29th in ascending order.

The infant mortality rate is considered to be a good indicator of the general level of health and welfare among a population, because it can be affected strongly by culture, environment, sanitation and nutrition—or, in other words, by the "level of living." As such, the high rates point clearly to the low level of living which still exists in more than half the countries of the world. As infant mortality rates are reduced, deaths in the first week of life assume an increasingly larger part of the total infant mortality in many countries. Where infant mortality rates are lowest, more infants die in the first week of life than in all the remainder of the first year. In one European country, 7.3 of each 1,000 babies born alive die in the first week of life, while only 6.1 die in the remainder of the first year. By contrast, in one Latin American country, with a total infant mortality rate of 91.9, only 19.9 of each 1,000 live-born infants die at under one week of age, while 72.0 die between the ages of one week and under one year. The large death rate among babies after one week of life in various countries is probably due, in large part, to environmental causes.

Deaths Caused by Heart Disease, Cancer

Half or more of all the deaths during 1960 in Australia, Canada, England and Wales, Iceland, Ireland, New Zealand, Northern Ireland, Scotland, and the United States were caused by heart disease or cancer. These two causes also accounted for almost half the deaths in Austria, the Channel Islands, Finland, Israel and the Netherlands, and for over 35 per cent of the deaths in Bulgaria, France, Hungary, Luxembourg, and Malta and Gozo. In each of these countries, deaths from the infectious and parasitic diseases, pneumonia and bronchitis, gastritis, duodenitis, enteritis and colitis, and from birth injuries and diseases peculiar to early infancy, accounted for fewer than 20 per cent of all deaths.

Almost exactly the reverse situation is found in the Cape Verde Islands, Mauritius, Costa Rica, Gautemala, Panama, Grenada, St. Lucia, Colombia, China (Taiwan), Hong Kong, Jordan, Singapore and North Borneo, where the latter group of causes accounted for from 35 per cent to 65 per cent of all the deaths, while the former group was responsible for less than 20 per cent of the total.

The situation in these two groups of countries, according to U.N. statistics, generally typifies the broad differences in the economically more advanced countries, where heart disease and cancer form an increasingly important part of the causes of death, as contrasted with the less developed countries, both because of the control of infectious diseases and because of differences in age structure of the population where the latter group of causes still does not approach the magnitude of the former.

Deaths Through Accidents

In most countries, particularly those with a higher degree of economic development, accidents take more lives than tuberculosis, and, with very few exceptions, they claim more lives than does childbirth. In 40 out of 47 countries, they are the leading cause of death among young men aged 15 to 24 years and, in 36, they are the leading cause among boys of 5 to 14 years. Girls and young women also lose their lives with notable frequency in accidents, but not to the same extent as the males. In 25 of the 40 countries, accidents are the chief cause of death for females at ages 5 to 14 years, and in 19 countries they are the principal cause among females aged 15-24 years.

Motor vehicle accidents are taking an increasing toll of lives in most countries, while the death rate from other accidents is tending to decrease. The rate from motor vehicle accidents has increased in 37 out of 53 areas, for which rates are shown in the *Yearbook* for more than one year since 1955, while the death rate from other accidents decreased in 35 areas. While deaths from non-motor vehicle accidents are still substantially greater than motor-vehicle-accident deaths in most countries, in Australia and Luxembourg the two causes are almost at the same level.

The highest death rate from motor vehicle accidents is 27.5 per 100,000 population in Austria, followed by 24.8 in the Federal Republic of Germany. Among other motor-vehicle-accident death rates are 23.6 in Luxembourg, 20.8 in Canada, 20.6 in the United States and 20.2 in Switzerland.

The highest death rate from all other types of accidents is 42.6 per 100,000 population in Austria. In France and Mexico, the rate is 41.1, while Peru, Grenada, Finland, Scotland, Panama, Burma, Canada, the United States, New Zealand and Costa Rica have rates between 30 and 37 per 100,000 population.

Europe and Japan Lead in Suicide Rates

The highest suicide rates are found in the European countries and Japan. Hungary suffers the highest rate (24.9 per 100,000 population), exceeded only by West Berlin (34.0). A number of other countries have rates almost as high as in Hungary, namely Austria (23.0), Japan (21.3), Denmark (21.0), Finland (20.4), Switzerland (19.4) and Sweden (18.1).

Rates of below 5 are found in countries throughout the world, including Jordan, North Borneo, Turkey, Greece, Ireland, Malta and Gozo, the Cape Verde Islands, Mauritius, Costa Rica, Guatemala, Nicaragua, Barbados, Grenada, Trinidad and Tobago, Colombia, Peru and Northern Ireland.

The accuracy of statistics on cause of death throughout the world is not really known but must be assumed to be quite poor in many countries, say U.N. statisticians. One of the reasons for this assumption is the large number of deaths for which cause is reported only by lay persons, that is, persons with no medical training at all. In 41 of 84 countries supplying information on this subject, fewer than 90 per cent of all deaths are medically certified. In 15 of the 41, less than half the deaths are so certified. For the remainder of the countries of the world, there is no information on the extent of such certification, but it is not unreasonable to assume that it occurs even less frequently. The reliability of any distribution of deaths by cause will be determined to a great extent by whether the causes of death have been certified by a physician or other medically trained person or reported by a person with no medical training. Although the extent of medical certification has increased somewhat in the past several years, there is still much room for improvement.

TEXTILES

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million lbs., respectively. The most important destination for Chinese raw silk is the Soviet Union which accounted for some 58 per cent of Chinese exports in both 1959 and 1960, the actual quantity being 3.75 million lbs. and 2.65 million lbs., respectively, out of their total exports of 6.45 million lbs. in 1959 and 4.59 million lbs. in 1960.

The total imports of silk waste (including cocoons) into the seven biggest purchasing countries (Italy, Switzerland, W. Germany, France, U.K., U.S. and Hong Kong) were also lower in 1960 than in the previous year; they amounted to 6.6 million lbs. or a fall of 10 per cent. Italy remained the largest single importer, taking 4 million lbs. which was 9 per cent more than in 1959; the chief sources of supply were Turkey, Japan, India, the Soviet Union and Iran. By contrast, United States imports tailed off further to only 400,000 lbs. or less than one-third of the previous year's total; production of spun silk in that country has now practically ceased. West German, United Kingdom and French imports were in each case higher than in 1959, but those into Switzerland dropped by 36 per cent.

Raw Silk Consumption

The aggregate consumption of raw silk in the eight main non-Communist manufacturing countries (India, Japan, U.S., U.K., Italy, France, Switzerland and W. Germany) dropped 3 per cent below the previous year's post-war peak to 53 million lbs. The reduction, which was particularly marked in Japan, stemmed from a shortfall in supplies, rather than from a falling off in demand. In Japan, the world's largest consuming country, usage declined by 7 per cent from its high point of 1959 to 34 million lbs. In the United States, the marked advance in silk prices checked the upward trend in demand for silk fabrics, and usage was 2 per cent lower than in 1959. Indian consumption was 7 per cent lower than in 1959 on account of smaller imports. On the other hand, in Europe, there were noteworthy increases in consumption; Italian usage rose by a further 15 per cent to a new peak of 4.7 million lbs. and in France it advanced by a quarter to 2.5 million lbs.

A striking feature of the world raw silk economy in recent years has been the marked reduction in stocks, from 15.9 million lbs. in 1958 to 3.84 million lbs. in 1960. In Japan alone, the stocks declined from 14.30 million lbs. to 2.26 million lbs. The decline has been due to the marked expansion of world imports (from 13.92 million lbs. in 1958 to 17.77 million lbs. in 1960), whereas the world output has fallen from 74.4 million lbs. to 68.2 million lbs. It is not surprising, therefore, that the world raw silk prices have staged a smart rise. The average price of Japanese silk (20/22 AA) in 1961 was 38.00s. per lb., as against 33.55s. in 1960 and 29.46s. in 1959. Similarly, the average price of Chinese silk (same grade and quality) was 37.41s., as against 32.25s. in 1960 and 28.92s. in 1959. The prices of raw silk in India, it may be noted here, are much higher than the world prices. The latest available average quotation for 20/22 denier filature raw silk from Bangalore is about Rs. 410.41 per lb., as against the f.o.b. price and landed cost of Japanese silk of Rs. 144.43 and Rs. 221.21, respectively (as on 15th July 1962).

FLOATING FUNDS DRY UP

(From Our Own Correspondent)

BOMBAY, *5th September*

With short-term deposit rates subject to ceilings fixed under the inter-bank agreement and with banks' lending rates (that is, the rates of interest on advances, overdrafts, and bills purchased and discounted) rarely altered, the only visible indicator of the state of the short-term money market is the inter-bank call money rate. The dependability of this indicator, however, is limited, because its movements are not quite representative of the volume of transactions. At times, the demand for, or offer of, even a few crores of rupees causes a sharp rise or fall, as the case may be, in the call money rate. There are, of course, the weekly statements of the Reserve Bank, the State Bank of India and the scheduled banks as a whole. But they are published after a time lag of 10 to 14 days. If, therefore, the weekly reviews of money market are dull and sound monotonous, the reviewer is not to be blamed. And in weeks with bank holidays such as the one under review, it is a real problem for him to produce a worthwhile report. It may be noted in passing that Bombay gets 24 to 26 bank holidays in a year.

With 14 new State loans floated last week having drained away a very large part of the floating funds in the market and with some trade demand for funds emerging in the Calcutta side, the banks were keen borrowers this week shortened by two holidays, one on Monday and another today. The inter-bank call money rate, which had spurted from 1½ per cent to 3½ per cent last week, rose further in quick succession to touch 4½ per cent yesterday; in Calcutta, it was as high as 5½ per cent. It is said that some banks even borrowed from the Reserve Bank. This is understandable, because before the States launched their borrowing programme the banks' indebtedness to the lender of last resort was practically *nil* and most of them could get their requirements from that lender at the basic Bank rate of 4 per cent, that is, at ½ per cent below the rate of interest offered by the State Governments.

Some idea of the effects of the States' borrowing programme (put through on 27th, 28th and 29th August) can be had from the Reserve Bank's statement for the week ended 31st August. It shows, as compared with that for the previous week, a contraction of Rs. 26.99 crores in the deposits of scheduled banks with the Reserve Bank and an increase of Rs. 15.18 crores in their borrowings from the Bank. In other words, the scheduled banks had mobilised in that week resources of the order of Rs. 42 crores from the Reserve Bank alone. Besides, one sees an increase of Rs. 7.93 crores in the Bank's loans to State co-operative banks.

So far as the State Governments are concerned, they seem to have used the funds received by them (1) to reduce their borrowings from the Reserve Bank to some extent, (2) to repay some of their debts to the Centre and (3) to replenish their cash balances with the Reserve Bank. Thus, (1) shows a fall of Rs. 8.64 crores (under loans and advances to Governments), (2) a rise of Rs. 33.04 crores and (3) also a rise of Rs. 22.93 crores.

The Treasury Bill results for the week under review reflects the preoccupation of banks with State loans. Even though the weekly tender system was resumed after a break of one week, the response to these 91-day Bills was poor. It looks as though the amount invited was met by the usual "special sources," considering that the total amount offered at Rs. 2 crores was exactly the same as that invited. The average rate of accepted tenders was higher at 2.370 per cent as against 2.350 per cent under the previous tender a fortnight before. There were no sales of 91-day Intermediate Treasury Bills from 27th August to 1st September; they were resumed only on the 5th inst. and would be continued upto the 8th inst.

Details of the results of State loans received after our last week's report went to press are as follows:

State	(In crores of rupees) Amount invited	Amount offered	% of allotment
Andhra	10.00	13.25	82
Assam	3.00	3.02	100
Kerala	4.00	4.15	100
Madhya Pradesh ...	5.00	5.06	100
Madras	12.00	13.38	97
Punjab	3.50	3.65	100
Rajasthan	4.50	5.02	98

So far as conversion of maturing loans are concerned, only Rs. 17 lakhs out of Rs. 102 lakhs of Madhya Pradesh and Rs. 124 lakhs out of Rs. 301 lakhs of Madras were converted and the applicants received full allotment.

The results of the States' borrowing programme for this year are summed up below:

	(In crores of rupees)	
Total amount sought to be raised ...		93.50
Maturing loans		15.60
Subscriptions:		
In cash	104.27	
In conversion	4.73	
Total ...	109.00	
Estimated net borrowings, making allowance for State Governments' option to take up 10 per cent more out of the excess subscriptions		85.37

The total amount offered to all State loans exceeded the amount invited by 16.5 per cent, as compared with 14 per cent last year. The total net borrowings by States in the first two years of the third Plan amount to Rs. 157 crores, leaving a balance of Rs. 168 crores to be raised in the remaining three years to hit the target of Rs. 325 crores.

GOLD MOVES DOWN

(From Our Own Correspondent)

BOMBAY, *5th September*

The firmness of gold noted in the past three weeks abated during the week under review. In fact, the metal ruled distinctly easy. For the bulls who had built up long positions on hopes of a further sharp rise in prices sought to liquidate as much of their holdings as possible on fears of possible official intervention to check the rising trend of prices. There was also large-scale bear pressure induced by weak spot advices. The daily average offtake of gold was markedly lower at 4,000 tolas, as against 6,250 tolas in the previous week, while the average arrivals were higher at 5,500 tolas, as against 4,670 tolas. Over the week, ready gold fell by Rs. 2.05 to Rs. 127.50 and forward (*Bhadrapad* 15th September settlement) by Re. 1.25 to Rs. 127.25. The *Margashir* (December) settlement receded from the starting rate of Rs. 127.00 on Friday, 31st August, to Rs. 126.85 today. Since the rate for transferring commitments from the *Bhadrapad* to *Margashir* settlement was more than 50 nP against bears on the fourth day of the opening of new contract, that is, yesterday, the bulls in the maturing settlement were obliged to pay a margin at Rs. 8 per 10 grams under by-law 33(*d*) of the Bullion Association. The margin, however, was not in force today. The decline in gold would have been steeper but for the seizure of 15,000 tolas of contraband gold in Bombay on Tuesday the 4th inst.

Silver ruled buoyant in the first three sessions of the week, but developed a sagging tendency yesterday, in sympathy with gold, which persisted today too. A large part of the earlier gains was erased. Nevertheless, the closing rates today were well above those prevailing a week ago. The daily average arrivals of silver were lower than in the previous week, being 15 bars, as against 21 bars, whereas offtake was higher at 9 bars per day on an average, as against 6 bars. The floating stocks are estimated at 700 bars. Ready silver moved up from Rs. 218.90 last week-end to Rs. 220.80 on the 1st inst., but receded to Rs. 220 today before finishing at Rs. 220.15. The *Bhadrapad* (17th September) settlement, after rising from Rs. 219.25 to Rs. 221.10 in the first three sessions, moved down later to touch a low of Rs. 220.30 today. The closing was Rs. 220.45. Business in the *Margashir* (December) settlement commenced at Rs. 219.75 on Friday, 31st August. After moving up to Rs. 221.85 on the following day, the settlement declined to Rs. 221.30 today. The distant settlement commanded a premium over the maturing settlement, while the reverse was the case in gold.

The Government of India's declared intention to mobilise a part of private gold hoards for development purposes has not taken any shape yet. This was stated by Mr. B. R. Bhagat, Deputy Minister for Finance, in the Rajya Sabha yesterday (Tuesday the 4th inst.). The Minister said: "Measures to utilise gold hoards for developmental purposes and to discourage people from investing in gold so that there is no continuing strain on the balance of payments through illegal imports are under consideration. Such action as the Government may be considering on the question of this kind cannot, in public interest, be disclosed except at the appropriate time." Answering a supplementary, Mr. Morarji Desai observed that he was not aware of any stored-up gold bullion with the former Princes, but the ornaments and jewellery in their possession had already been declared.

The dollar price of gold in the London bullion market advanced from $35.11⅜ to $35.12½ per fine ounce. The rise followed good demand mainly from Continental buyers, while supplies were restricted. Ready gold, too, improved by ½*d.* to 250s. 8¾*d.* Silver prices jumped up this week to touch an all-time peak: 97½*d.* for spot and 98*d.* for forward. Turnover was quite large, the buyers being both domestic and Continental consumers. A London bullion dealer is reported to have said: "This is a genuine consumer movement. There is not very much silver to be had." Silver at New York spurted further from 110 cents to 113 cents. There was as yet no indication of Mexico entering the market as a seller. A few days ago, there were rumours that Mexico might decide to sell silver if the price were to exceed the 110-cents-per-ounce level. Mexico, it may be noted here, is the world's biggest producer of silver. The actual output in 1961 was 1,254,789 kgs. worth 460.9 million pesos, or 130,139 kgs. more than what was produced in 1960.

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

	5-9-62 (closing)	High	Low	29-8-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	127.50	129.65	127.40	129.55
*Bhadrapad** ..	127.25	128.45	127.15	128.50
Margashir	126.85	126.95	126.80	127.00§
Sovereign	98.00	98.25	98.00	98.00
SILVER				
Ready (.996 fine) ..	220.15	220.80	218.75	218.90
Bhadrapad† ..	220.45	221.20	219.00	219.25
Margashir	221.30	221.85	219.75	219.75§
London—				
Gold	250s.8¾d.	—	—	250s.8¾d.
Silver Ready ..	97¼d.	97¼d.	95d.	94¼d.
Silver Forward ..	98d.	98d.	95¼d.	95d.
New York—				
Silver	113.00 cents	113.00 cents	110.00 cents	110.00 cents

* 15th September settlement. † 17th September settlement.
§ Starting rate on 31st August.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *5th September*

After some initial easiness, cotton futures emerged firm later in the week. Jarilla March, which began at the last week's closing level of Rs. 743, eased at first to Rs. 739.50 on the 1st inst., due to scattered realising, but shot up to Rs. 747.25 yesterday on anxious short-covering and scarcity of offerings. Extreme gains were, however, pared on realising at higher levels, and the contract drifted lower and finished at Rs. 745.25. The reports regarding absence of repeat rains in the Gujarat region boosted the sentiment which continued to be influenced additionally by very firm spot advices and strong statistical position. However, turnover showed no signs of expansion in the week's three official sessions.

The week saw the announcement of both import and export quotas. But, as the announcement was well anticipated, it was widely discounted. On Wednesday, 29th August, the Government announced an import quota of 175,000 bales of 400 lbs. each of raw cotton stapling 1-1/16" and above from any area, the shipment period being from 1st January to 31st May 1963. Of this quota, 25,000 bales will be allocated to mills against their retention quotas under the export incentive scheme. The balance of 150,000 bales would be allocated as follows:

75,000 bales of cotton stapling 1-1/16" and above but below 1-3/16" to consumers of foreign cotton of the same staple on the basis of their consumption of such cotton during the calendar year 1960; and

75,000 bales to consumers of foreign cotton stapling 1-3/16" and above on a similar basis of their consumption.

On Tuesday, 4th September, the Government decided to release for export 200,000 bales of Bengal *Deshi* cotton during the shipment period commencing from the 11th of this month and ending on 31st August 1963. Excluding 10,000 bales which are earmarked for distribution among co-operative societies in areas growing such cotton, the entire quantity would be licensed according to the terms and conditions laid down by the Joint Chief Controller of Imports and Exports, Bombay.

The Government has also announced (on the 4th inst.) import of 55,000 bales of cotton stapling 1-1/16" and above but below 1-3/16" from the U.S. in pursuance of the Agricultural Trade Agreement between the two countries. This quota would be allocated to mills on the basis of their consumption of cotton of similar staple length during the calendar year 1960.

The import and export quotas have been welcomed by the industry and the trade as having been well-timed and well-conceived.

Stocks with mills at the end of June 1962 aggregated 15.99 lakh bales, made up of 13.71 lakh bales of Indian cotton and 2.28 lakh bales of foreign cotton. These compare with 19.70 lakh bales (15.76 lakh bales of Indian and 3.94 lakh bales of foreign cottons) held by them at the end of June 1961 and 15.90 lakh bales (13.60 lakh bales of Indian and 2.30 lakh bales of foreign cotton) held at the end of May 1962.

In the absence of the new season's cotton policy annoucement, activity was limited in the Sewri spot market. Stray business was reported in popular styles like Surti, Laxmi, 197-3, Kalyan and Wagad. Prices were firm.

The following are some of latest available spot quotations—in rupees per candy of 784 lbs:

Akola 1,020, Bailhongal Co2 1,400, Nagar Co2 1,620, Kadi 1,050, Manavadar 920, Pakistan N.T. new 1,045 c.i.f. September and Sudan G4L 1,335 c.i.f. October.

In the Karachi cotton market, the January futures contract rallied from Rs. 73.75 to Rs. 75.65 and the March futures contract moved up from Rs. 73.65 to Rs. 74.50. Some of the spot prices in rupees were: Sind *Deshi* 73.50, Punjab *Deshi* 76.50, Punjab R.G. 77 and S.G. 82.50.

Cotton futures in New York were quietly steady, with the October contract closing at 33.60 cents, as against 33.66 cents before, December at 33.72 cents, as against 33.79 cents and March at 34.07 cents, as against 34.15 cents.

In Liverpool, a limited spinner inquiry was centred on shipment offers of the South Brazilian styles and to a lesser extent on the American, Colombian and Peruvian growths. Futures contracts were shaded, with October receding from 23.45 pence to 23.30 pence.

STAPLE FIBRE YARN WEAK

(From Our Own Correspondent)

BOMBAY, *5th September*

Staple fibre yarns suffered a setback in value during the week under review, thanks to heavy deliveries against the August contract and pressure of sales by mills. The October settlement (40 x 2) climbed down from Rs. 834 to Rs. 801. December delivery was neglected at Rs. 824.

Turnover in art silk yarns was limited, as fresh large-scale buying support from consuming centres was absent. The supply position in respect of both indigenous and foreign yarns was fairly comfortable. The Amilan (20 x 1) yarn August delivery went off the board at Rs. 4,800, same as last week.

Cotton yarns continued to rule dull. Business put through was restricted, with values moving narrowly.

The decision of the Government of India not to issue import licences for art silk yarn for the current financial year since it is proposed to meet the industry's requirements from imports through the State Trading Corporation has been severely criticised by the Central Development Committee of the Surat Weaving Industry in the course of a memorandum submitted to the Union Finance Minister. The Committee has urged the issue of import licences direct to the industry and not to the S.T.C. as at present. In support of this plea, the Committee makes the following points:

The S.T.C. was issued a licence to import art silk yarn worth Rs. 1.5 crore in the middle of 1961. Against the licence, it has been able to import yarn worth Rs. 67 lakhs only and, as such, the industry has been supplied with hardly 50 per cent of the allotment made against the licensing period October 1961-March 1962. The yarn imported by the S.T.C. does not correspond with the industry for which it has placed indents. The yarn is found to be very costly and the handling expenses are also found to be exorbitantly high. In the circumstances, when the S.T.C. has not been able successfully to import art silk yarn to the extent of import licences issued, even though more than a year has elapsed, it is doubtful whether the S.T.C. would be able to get yarn for the licensing period April 1962-March 1963. The art silk industry has been experiencing an acute shortage of art silk yarn and its prices have shot up considerably. If the S.T.C. is not able to procure and import art silk yarn, the position of the weaving industry will become precarious.

The Committee has also urged that steps should be taken to reduce the time lag between the issue of import licences and the actual imports against them. The time lag results in the locking up of finance and adversely affects exports and it is, therefore, essential that necessary steps must be taken to expedite the issue of incentive certificates and import licences against exports of art silk fabrics. Further, the Committee has pleaded for speedy revision of the rates of drawback of duty against exports of art silk fabrics and exemption of certain processes from excise duty on pressed art silk fabrics.

OILSEEDS RETREAT

(From Our Own Correspondent)

BOMBAY, *5th September*

Distinctly easy conditions prevailed in the oilseeds market during the week under review, thanks to nervous bull liquidation which followed reports of favourable weather in the main oilseeds growing areas. Spot groundnuts were particularly weak, for crop reports from Gujarat were bearish. The crushers and *vanaspati* manufacturers were also reluctant to enter into fresh commitments pending the emergence of a clear picture of price trends. Groundnut futures ruled subdued during the major part of the week, though, later in the week, they met with renewed buying on sporadic reports of pest attacks on groundnuts in Saurashtra. Castorseed and oil continued to seek lower levels as there were hardly any encouraging export enquiries for oil. Linseed was listless as a result of weakness in mustard-seeds in North India. Cottonseeds suffered a setback, despite firmness of raw cotton. The market was closed today on account of *Khordad Sal*.

The Karmahom Conference Lines has announced an increase in freight rates on oilcake by only 10*s.* per 1,000 kgs., instead of by 12*s.* as previously announced. The new rate will be 125/6*s.* per 1,000 kgs. This modification is a sequel to the meeting between representatives of the Conference and oilcake trade interests held at Bombay last month. The trade had protested against the increase and suggested that it should be reduced by 5*s.* The Conference has also decided to reduce the proposed increase in the freight rates for manioc meal and rice bran extraction. The rate for manioc meal will now be 127/6*s.* per 1,000 kgs., and for rice bran extraction, it will be 107/6*s.* per 1,000 kgs. These revised rates will come into force next month.

The Forward Markets Commission has decided to permit regulated hedge trading in groundnut oilcake (expeller variety) at five centres, namely, Bombay, Saurashtra, Adoni, Hyderabad and Madras. The decision was announced today, following discussions with the representatives of the exchanges concerned and other trade interests. A Press note issued by the F.M.C. lays down the basis as 52 per cent O and A, subject to appropriate discounts for tenders of below 52 per cent a minimum tenderable quality of 47 per cent and premia for goods upto 54 per cent O and A. The months of delivery will be January, April, July and September at both Bombay and Saurashtra (five rings). The associations concerned will draft trading bye-laws on this basis. Regulated trading in groundnut expeller is expected to commence in about six weeks' time.

Groundnut Nizam Bold lost 50 nP to Rs. 49. Khandesh quality shed a like amount to Rs. 50. Oil Commercial closed lower at Rs. 20, as against Rs. 20.15 last week-end. Oil railway receipts declined by 25 nP to Rs. 19.65. Groundnut September 1962 contract fell from Rs. 247.75 to Rs. 247, before improving to close at Rs. 248.50. January 1963 contract hardened by 75 nP to Rs. 232.62; it had touched Rs. 230.37 earlier during the week.

Castorseed September 1962 contract was marked down by Rs. 3.75 to Rs. 162. March 1963 contract fell from Rs. 168.75 to Rs. 166.75. Ready *Madras* and Kanpur eased by 63 nP each, the former to Rs. 32.37 and the latter to Rs. 31.12. Oil B.S.S. closed lower by 30 nP at Rs. 13.10. Oil Commercial shed 25 nP to Rs. 12.40.

Among cottonseeds, September 1962 and January 1963 contracts dropped 50 nP each to Rs. 101.50 and Rs. 103, respectively. Both Berar and non-white were quiet at Rs. 22.20.

Linseed bold ready fell from Rs. 39.75 to Rs. 39.62 initially, but improved to Rs. 39.75 towards the close. Linseed oil suffered a setback of 30 nP to Rs. 16.40. March 1963 contract, which had fallen from Rs. 40.19 to Rs. 39.94, recovered to finish at Rs. 40.19. September 1962 contract was higher by 25 nP at Rs. 40.19.

The following table shows the closing prices of oilseeds and oils on Wednesday, 4th September, as compared with those of the two previous weeks:

	5-9-1962	29-8-1962	22-8-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	248.50	247.75	240.75
Groundnut January 1963 ..	232.62	231.87	226.50
Niam bold	49.00	49.50	48.75
Khandesh quality	50.00	50.50	50.00
Oil ex-mill ready*	20.00	20.15	19.90
Railway receipts*	19.65	19.90	19.45
Castorseed			
September 1962	162.10	165.75	166.25
Castorseed March 1963	166.75	168.75	167.00
Ready Madras	32.37	33.00	33.25
Ready Kanpur	31.12	31.75	32.25
Oil B.S.S.†	13.10	13.40	13.50
Oil commercial†	12.40	12.65	12.60
Linseed			
September 1962	40.19	39.94	40.50
Bold ready	39.75	39.75	40.00
Oil ready†	16.40	16.70	16.75
Cottonseed September 1962 ..	101.50	102.00	103.50
Cottonseed January 1963 ..	103.00	103.50	103.00
Niger seed	37.50	38.50	37.75
Kardi seed	28.50	28.50	28.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FOODGRAINS EASE FURTHER

(From Our Own Correspondent)

HAPUR, *3rd September*

Barring gram and rice which ruled steady on higher Punjab advices, foodgrains eased further here this week on reports of beneficial rains over a wide area.

Wheat prices declined by 67 nP per quintal on slack demand and larger arrivals. The average quality was quoted between Rs. 39.52 and Rs. 40.19 and the farm between Rs. 42.87 and Rs. 44.21. The red quality wheat stood at Rs. 39.52 per quintal. Daily arrivals increased to 300 to 400 maunds and stocks stood at 65,000 maunds. Rice was steadier and prices of basmati sela, *mainpuri* and *gadda* quality, in particular, sought higher levels. Arrivals from mainpuri side were very poor and stocks too meagre. Week-end prices were:—*Rice basmati* superior Rs. 91.09 to Rs. 101.81, sela *basmati* Rs. 80.38 to Rs. 88.41, *mainpuri sela* Rs. 58.94, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 56.26 a quintal.

Gram prices improved by 32 nP during the week on firm advices from Punjab. The Punjab quality was quoted at the week-end at Rs. 43.86 and the local variety at Rs. 42.87. Arrivals were scanty and the local stock declined to 15,500 maunds. Barley and *bejhar* prices also declined by 67 nP and 32 nP per quintal, respectively, to be quoted between Rs. 28.80 and Rs. 29.47 and between Rs. 28.13 and Rs. 29.15. Maize prices sought lower levels. New crop arrivals were lifted between Rs. 33.49 and Rs. 34.16. *Guwar* prices were stationary, while *juwar* hardened by Rs. 1.34 on brisk demand against poor stocks. Methi and other coarse grains were listless. Week-end prices were:—*Juwar* Rs. 46.89 to Rs. 50.91, *methi* Rs. 58.94, *guwar* Rs. 38.85, *bajra* Rs. 37.51, *maize* Rs. 28.13 to Rs. 29.47 new Rs. 33.49 to Rs. 34.16 and oats Rs. 29.47 to Rs. 30.81 a quintal.

In pulses, peas sought lower levels on slack demand and declined by 32 nP to 67 nP. Peas *dara* was quoted between Rs. 32.82 and Rs. 33.14 and the farm quality between Rs. 34.83 and Rs. 35.50. Peas *dal* was lifted at Rs. 36.84. Arrivals were small and stocks declined to 63,000 maunds. Offtake was two wagons to the south. *Arhar* prices also eased Re. 1.34 in the absence of new urges and *urd* prices too, sought lower levels. Moong was depressed on easy advices from the South. Prices in other sections were unchanged. Week-end prices were: *Arhar* Rs. 50.91 to Rs. 54.22, *dal* Rs. 66.98 to Rs. 72.34, *urd* Rs. 77.70 to Rs. 80.38, *dal* Rs. 88.41, *moong* Rs. 50.91 to Rs. 53.58, *dal* Rs. 58.94, *masoor* Rs. 48.23 to Rs. 53.58, *dal* Rs. 57.60, *moth* Rs. 4.19, *dal* Rs. 48.23 and gram *dal* Rs. 49.57 per quintal.

GOOD MEDIUM TEAS FIRM

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

COCHIN, *29th August*

A total of 755,000 kgs. was on offer in export sale No. 34 held on 28th August. Quality showed a general decline. There was fair demand at reduced rates. Highgrowns were irregular with buyers closely following quality, the few brighter invoices realised useful prices but on average rates were lower than last. The brighter good mediums were firm, but others were lower with quality. Medium and low medium brokens faced less inquiry and eased in price. The cleaner medium fannings were about steady, but others declined, whilst low medium fannings met with less competition than in recent weeks and were often much lower. Plainest kinds were generally steady. Black leaf varieties were usually a little lower than last. Whole leaf grades evoked better inquiry at easier rates. Unorthodox teas enjoyed better demand but at lower levels. Tippy teas were strong.

The quotations (per kg.) were:

	1962 Rs.	1961 Rs.
Low mediums	3.20-4.00	4.35-4.45
Mediums	4.10-4.40	4.45-4.55
Good mediums	4.50-5.40	4.50-5.00
Nilgiri B.O.P.	4.40-8.30	5.00-7.00

The average price realised in sale No. 34 was Rs. 4.25 per kilo as against Rs. 4.43 a week ago and Rs. 4.79 in the corresponding sale last year.

In dust sale No. 34 held today, 340,000 kgs. were offered. There was strong general demand. Highgrowns were well supported and may be quoted as fully firm. Good medium descriptions followed a similar trend. Wynaad teas were firm to about 10 nP dearer, whilst those from Travancore often advanced by a little more. Black, grainy types were well supported. Unorthodox descriptions shared in the strong demand, but prices were irregular.

The average price realised in dust sale No. 34 was Rs. 3.46 per kilo as compared with Rs. 3.41 a week ago and Rs. 4.78 in the corresponding sale last year.

Colombo: Approximately 6¼ million lbs. were offered. The market opened to a good demand. Best Uvas were easier, but the lesser sorts were strong and may be quoted as 20-50 cents dearer. The brighter Dimbulas were steady, but others were irregular and often appreciably easier. Best mediums were fully firm, whilst others in the category eased 5-10 cents. Lowgrowns showed a slight decline in price. Highgrown and medium fannings were well supported.

London: North Indian and other growths: In Monday's auction there was a selective demand and prices for new season's Assams were irregular. Dooars and Africans came to a fully firm market but thinnest liquoring types were barely steady.

Ceylon and South Indians: In the sale held on Tuesday, best liquoring South *Indians* were steady, whilst all others were irregular.

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

"*Sale No.* 35: 685,000 kgs. offered. *Good* general demand. Better low mediums and mediums *fully firm to dearer, particularly fannings. Others* barely steady. Good mediums steady. Highgrown brokens irregular and sometimes easier. Fannings lower. Unorthodox irregular, generally steady."

SUGAR EASY

(From Our Own Correspondent)

HAPUR, *3rd September*

Absence of demand at higher levels and fears that the Government might take steps to check the rising trend in prices resulted in a slight fall in sugar prices here this week. However, as stocks of *gur* and *khandsari* were very poor and consumer demand was likely to increase in the coming weeks, trade circles ruled out a substantial fall in prices. The small crystal sugar was lifted by Delhi and Punjab, while the bold crystal was in request from Gujarat. But, as demand was not encouraging, prices of the superior quality also drifted lower. Week-end prices were: *Spot* delivery simbhoali Rs. 111.25 and Meerut Rs. 111 (per quintal), retail Rs. 1.09 per seer, mill delivery (per maund) (D-29) Amroha Rs. 40.12, Dhampur Rs. 40, Seohara Rs. 40.12, Meerut Rs. 40.75; (E-29) Simbhoali Rs. 40.75, Bijnore Rs. 40 and Dhampur Rs. 39.87.

Sugar prices also eased during the week in the Muzaffarnagar market following sizable arrivals of the commodity in Punjab, Rajasthan and Delhi against the previous commitments, which, in turn, slackened demand from those consuming areas. Smaller grains eased by 23 nP to 69 nP a maund. The Gujarat and Saurashtra buyers were also restrained from making fresh commitments. On account of the fall in prices, the dealers, who had earlier made bulk purchases, were trying to liquidate outstanding deals at lower rates. Following were the latest mill delivery prices: Daurala AA 29 Rs. 41.99, Mawana A 29 41.80, Rampur B 29 Rs. 41.24, Daurala Rs. 41.62, Mansurpur C 29 Rs. 41.24, Saharanpur Rs. 41.25, Seohara Rs. 40.44, Panipat Rs. 41.25, Amroha D 29 Rs. 40.31, Meerut Rs. 40.75, Simbhoali (E-29) Rs. 40.75, Bijnore Rs. 40 and Dhampur Rs. 39.87.

After ruling steady earlier, *khandsari* also declined in sympathy with sugar. Both crystal and non-crystal were depressed by 50 nP a maund. While the crystal quality was quoted between Rs. 37 and Rs. 40, the non-crystal white quality fetched higher prices between Rs. 37.50 and Rs. 40.50. *Khandsari* boora was quoted between Rs. 39 and Rs. 40 and crystal boora between Rs. 41 and Rs. 41.62.

Ready *gur* prices touched fresh peak levels, as stocks were meagre and demand from the consuming areas was brisk. Shakker continued to attract good buying support and was steadier, as stocks were poor. Week-end prices were: *Gur* superior Rs. 66.98 and shakker Rs. 72.34 to Rs. 75.02.

Lack of buying interest and poor quality of the stocks left in the market accounted for a subdued trend in *gur* prices in Muzaffarnagar market. Chaku received little inquiries from Gujarat and Rajasthan. Wet chaku, too, was out of favour of Delhi, Saurashtra and Rajasthan. Chaku dry was quoted between Rs. 24.50 and Rs. 26.50, that is, 50 nP per maund lower than the previous week's level. Chaku wet was sold between Rs. 22 and Rs. 22.25. Rusket khurpa was quoted between Rs. 10 and Rs. 12 and shakker dara red between Rs. 26.50 and Rs. 27.50. Dana minja was in demand from eastern U.P. between Rs. 23 and Rs. 26. *Gur masala* was transacted at Rs. 32.50. *Khandsari* galawat received good inquiries from Punjab and Rajasthan around Rs. 32 to Rs. 36. Stocks of shakker and masala were small.

Gur futures moved both ways during the week in alternate bouts of selling and buying. Opening

at Rs. 21.82 on last Monday, the *Fagun* contract touched the highest level of the week of Rs. 21.94 the same day, and then eased in successive sessions to Rs. 21.58, but rallied today to Rs. 21.80.

KIPS FIRMER

(From Our Own Correspondent)

MADRAS, *3rd September*

The Madras kips market ruled firmer this week. Both export and internal prices were a shade higher. Importers in the U.K. showed interest in good standards of the light-weight cowhides at improved prices and in mediums at last prices. Local demand from North India for the inferior fifths was brisk. Inquiries for cowcalf was selective. Buffhides and calf ruled unchanged.

Demand for the superior tannage goat skins covered all selections in the light and heavy weights. There were no inquiries from the U.S. or the Continent. Prices of raw goods ruled firm due to steady buying by tanners. As regards sheep skins, there was sustained call for the middle class tannages from the U.K. and the Continent, and prices hardened. Other tannages were unchanged.

In the London tanned skins public sales held last week, fresh parcels of goat skins fetched current sellers' prices in Madras. Other parcels were neglected. As regards sheep skins, most of the lots remained unsold. The following were the ruling prices per lb. for all-round lots in the local market: Tanned cowhides 8/8½ lbs. average Rs. 2.06 to Rs. 2.12, tanned cowcalf 1½/2 lbs. average Rs. 3.65 to Rs. 3.85, tanned buffhides 12/14 lbs. average Rs. 1.65 to Rs. 1.85 and tanned buffcalf 1½/2 lbs. average Rs. 3.25 to Rs. 3.50.

QUALITY TEAS FANCIED

(From Our Own Correspondent)

CALCUTTA, *4th September*

Quality teas continued to meet with increased support at the export sales held here last week. But, at the auctions for internal consumption held last week, demand petered out as the sales progressed, due to which some of the poorer teas weakened towards the close.

Dusts on offer last week totalled 30,487 packages. A particular feature was the strong demand for plain orthodox teas after several weeks of quietness. Prices of these varieties hardened by 20 nP and on occasions more. Good support was also accorded to bright liquoring Assams. Keen competition was in evidence for the few flavoury Darjeelings, with the powdery teas receving special attention. However, the strongest feature was provided by non-wither legg-cut teas. C.T.Cs were a weak market, with medium C.T.Cs and good C.T.Cs declining by 20 nP. The quotations per one kg. (in rupees), inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.80, medium Assam C.T.C. dust 5.50 to 5.90, legg-cut dust 4.50 to 5, medium Assam dust 4.70 to 5.10 and plain orthodox dust 3.40 to 3.60.

The keen attention which export offerings have been receiving here as well as in London auctions is an index of the realisation among buyers that, contrary to the earlier expectations, the North Indian crop would show a marginal decline this year. With the best plucking season for North India nearly over, the crop so far has shown a decline of 10 million lbs. as compared with the corresponding previous figure, although it is higher by 10 million lbs. as compared to 1960. The firm tone in London last week received special attention here. Good Dooars were an extremely strong feature in London and good Assams received more attention.

There is no indication that tea would be surplus this year. Current trend all over the world shows that quality teas would be in short supply and buyers would, therefore, be forced to take a good proportion of common teas. That explains the improved tone at the internal sales. Already Pakistan is faced with an acute shortage of tea for internal consumption and to cope with the situation the Government there had to suspend export sales for a few weeks. Export sales for this season have not commenced, and it is doubtful if that country would have any exportable surplus. It is also a fact that just as in North India, production in East Pakistan also is lower. The production in Pakistan up to the end of July was estimated at 17 million lbs., a shortfall of 6 million lbs. over the actual figure for the corresponding period in 1961. When actual figures are available, this estimate may prove to be on the high side.

The production in Pakistan last year totalled 59 million lbs. and this year it should not be more than 52 million lbs. Early in the year, that country had hoped for a striking increase in production and to increase in export. Now that such hopes are difficult of materialisation, both Ceylon and India stand to benefit by diversion of the export demand from Pakistan. Shortage of tea in both wings of Pakistan goes to show that consumption is outstripping production, and it is hardly likely that Pakistan would have any mentionable surplus for export for a few years to come. It may even be necessary for that country to import tea from India.

The Indian tea delegation, which recently visited the United States and other countries to explore possibilities for increasing exports, has recommended that the export duty be further reduced or done away with. The tea industry has time and again urged proper fiscal reliefs so that Indian tea can be made more competitive in foreign markets. In this connection, the President of the United Planters' Association of Southern India, Mr. W. C. F. Simmond's remarks are very appropriate. For, in reply to the question on the advisability of India joining the International Tea Agreement, he said at Coimbatore that the industry would welcome measures for controlling exports but not production. He said that, if India could produce the quality of tea the world wanted and could offer the same at reasonable prices, Indian tea could find its own level.

Mr. Simmonds declared that due to high taxation the plantation industry was finding it difficulty to finance expansion and re-plantation schemes. While addressing the annual meeting of the Association at Coonoor, Mr. Simmonds stressed the need to combine the various taxes into one and thus avoid the large number of returns which the industry is called upon to file. He urged all concerned to realise that the internal market with its future potentiality, was the sheet anchor for the industry. He called on the Government to provide the necessary import licences for equipment in order that the industry could fulfil the production target for the third Plan.

That more propaganda is necessary in both the U.K. and the U.S. has time and again been stressed by spokesmen of the industry. Against this background, it is good news to note that the opening of more tea centres in foreign countries is being actively considered by New Delhi. The trade would suggest that the mere opening of a centre is not sufficient; its proper working must be actively reviewed from time to time and results obtained should be assessed.

JUTE GOODS STEADIER

(From Our Own Correspondent)

CALCUTTA, *4th September*

Following good overseas inquiries and satisfactory volume of business in both hessian and heavy goods constructions, steadier conditions were in evidence in the jute goods market during the week under review, and prices remained fully firm. Fibre prices were also steady at the minimum levels and, due to the widespread belief of heavy damages to crop consequent on floods in Assam and West Bengal, the tendency among sellers to discount quotations was conspicuous by its absence. Prices in the mofussil were rising to parity levels of Calcutta, and cultivators were pronouncedly preferring to hold back their stocks in expectation of higher prices. With the result, despatches to mills' stations declined. A clearer estimate of the crop is not possible until the floods recede and the extent of damages is assessed properly. Floods at this time of the year are a normal feature, but, in view of the severity of the same in Assam and Bihar, it is apprehended both quality and quantity would be affected more noticeably than usual. There is also the apprehension that arrivals in the coming few weeks would be lower than demand. As such fibre prices are expected to steady around the minimum levels even in the mofussil areas also. However, lower arrivals will not cause difficulties to mills, as they have ample stocks of the last year's crop.

Floods have also occurred in East Pakistan on an extensive scale and have affected new crop movements. Reports indicate that quality has been affected and, although overseas buyers have refrained from becoming nervous, the fact that they had been purchasing slowly in recent weeks encouraged by indications of a bumper crop should be noted. If they rush to the market now, prices are bound to rise. Harvesting operations in Pakistan have been slowed down, as farmers are preoccupied with measures to save the paddy crop. Since the jute plants have grown up fairly well, it is expected that quantity may not visibly be affected but that quality due to overgrowth may be subjected to serious deterioration. Due to transportation difficulties, farmers are not able to despatch their produce already cropped. This circumstance is bound to raise prices, although for the present in view of farmers' need for cash, prices have fallen. For instance, in the Narayanganj market, cuttings were thus quoted at Rs. 57, as against Rs. 80 some time ago.

In Calcutta, the delay caused to gunny shipments as a result of the need by the Customs authority to verify shipping documents has now reached serious proportions. In recent weeks, shipments, particularly to the United States, the largest buyer of hessian constructions from this country, have been considerably delayed so as to cause financial losses for importers in the U.S. This has roused the U.S. trade to much understandable anger, and it is feared that, if a regular flow of shipments is not resumed in accordance with the schedule of deliveries in contracts, consumers in the U.S. would be forced to change over to substitutes, even costlier substitutes. However, the U.S. tufted carpet industry is solely dependent on Indian hessian. Information received in Calcutta indicates that stocks of hessian in the U.S. for production of carpets have touched low levels, and in the event early replenishment supplies were not received, production would have to be curtailed in the near future. And this means much foreign exchange loss to India at a time when the Government of India is exhorting all concerned to undertake a vigorous export campaign and thus reduce the country's dependence on foreign aid. The U.S. trade is unable to appreciate the procedure of the Customs authorities in Calcutta which cause considerable delays to shipments. While, it points out, customs authorities should be vigilant and all rules must be enforced, mere suspicion arising from rates in shipping documents being lower than current market rates is unfair to the system of the trade. On behalf of the trade here, it is pointed out that a foreign importer enters into contract with a shipper in India when prices are favourable to the former and the latter considers that the deal is also profitable to him. The consignments cannot be shipped until several days after, and, if by the time the shipments are made prices have risen, it is palpably most unfair to call on the importer in the foreign country to pay the difference between the ruling prices and the contract rates.

Such a criteria has been termed arbitrary at a joint meeting in New York of the Jute Carpet Backing Council, the Burlap and Jute Association, and the Textile Bag Manufacturers Association. The meeting has stated that the action of the Calcutta customs authorities leading to delay to shipments and in certain cases preventing shipments is causing much harm to the Indian export trade in hessian. In a cable addressed to the Indian Jute Mills Association, the Textile Bag Manufacturers Association and the Burlap and Jute Association of the U.S. have expressed concern at the existing state of affairs. This anxiety has already been represented to the Government of India by the Textile Bag Manufacturers' Association, the Burlap and Jute Association and the Jute Carpet Backing Council of the U.S.

During the week under review, fair business was done in heavy goods with overseas countries. Africa bought small quantities and Australia placed orders for a small quantity of woolpacks. Australia also bought cornsacks, but much remains to be bought for completing September shipments. A tender from Khartoum for a good quantity of heavy goods is expected. In hessian, the U.S. accounted for moderate business, while Argentina had to slow down purchases on account of foreign exchange difficulties. On Tuesday last, ready hessian 40" 10 oz. was firm at Rs. 55. There was a good amount of short-covering, following business with overseas countries. Buying interest in the futures market was also keen and November futures rose from Rs. 51.50 to Rs. 52.38 to close firm at Rs. 52.12. Ready B. twills firmed from Rs. 124.50 to Rs. 124.75 in sympathy. Following business in hessian with the United Kingdom and in heavy goods with Australia on Wednesday, ready B. twills advanced to Rs. 125 and ready hessian 40" 10 oz. to Rs. 55.25. At this stage, there was selling pressure in the futures market and, as a result, on Thursday, ready B. twills eased to Rs. 124.10 and hessian 40" 10 oz. to Rs. 54.85. Due-date activities were a feature on Friday, and hessian 40" 10 oz. recovered to Rs. 55. Support for heavy goods being meagre, B. twills eased to Rs. 123.50. Over the week-end, there was some short-covering. However, overseas interests were silent. B. twills were lower at Rs. 122.65 and hessian 40" 10 oz. at Rs. 54.60. The market was closed during yesterday on account of *Sri Ganesh Pooja*.

Fibre prices were firm. Reports of damages to crop in Assam, North Bengal and Bihar were reflected in prices tending to rise to minimum levels in the mofussil markets. Although the volume of arrivals has declined due to transport difficulties consequent on floods and also to the tendency in the mofussil areas to hold on to stocks in expectation of higher prices, the I.J.M.A. is continuing to issue the weekly minimum purchase quotas to mills. With the changed trend, sellers were disinclined to discount prices. Mills accorded support sparingly, and sellers were keen for business for lower assortments. The quotations were: Daissee bottoms Rs. 32.50; Assam bottoms Rs. 30; and northern bottoms Rs. 29.50.

TIN FORGES AHEAD

(From Our Own Correspondent)

CALCUTTA, *4th September*

Tin forged ahead in the local market during the week under review due to the existing shortage of the metal in the country. Lead, on the other hand, displayed an easy tendency, as interest was inadequate. Copper scrap was firm, while zinc was quiet. Utensil scrap was at one time quoted lower at Rs. 543.25 per 100 kgs., as against the opening of Rs. 548.50, but towards the close it recovered to Rs. 549.25. The commencement of issue of import licences for virgin copper arrested the hardening tendency in copper scrap prices. Following a good amount of covering, there was active trading on the London Metal Exchange, but the quotation for the cash metal remained unchanged at £234 a ton.

Tin, in Calcutta, rose to Rs. 2,330.50 per 100 kgs. from Rs. 2,263.75. The metal was in short supply and demand was keen. That explains the rise in the price, despite the fact that on the London Metal Exchange the metal declined from £857½ to £854½ a ton. The fall in London should be attributed to the imminent commencement of releases from U.S. stockpiles. To start with, the weekly release would be only 200 tons, of which 30 tons would be used for the U.S. foreign aid programme and 10 tons for meeting the needs of the U.S. Government agencies. Thus, only 160 tons a week would be available for commercial sale. At present, it is proposed to continue the releases for only fifteen weeks. This means that of the 3,000 tons that would be released during this period, 2,400 tons would be commercially available. As against this, the world's deficit this year has been estimated between 5,000 and 15,000 tons. The U.S. State Department has assured that the selling prices would not affect the world's markets. However, the Department's reluctance to agree to the proposal made by the International Tin Council that the U.S. releases should not be below £910 a ton has caused concern on the London Metal Exchange.

Zinc, in London, opened at £63⅜ a ton and, following the upward movement in lead, closed higher at £64⅜. In Calcutta, it eased from Rs. 281.50 per 100 kgs. to Rs. 273.75, but soon recovered to Rs. 289.25 following the hardening trend in London. Lead here eased from Rs. 145.75 to Rs. 143.75 per 100 kgs.

LINSEED A SHADE LOWER

(Messrs. A. Bradley and Co.)

CALCUTTA, *3rd September*

There had not been much activity in the linseeds market this week. Prices were a little lower, as arrivals improved somewhat. The oil section was fairly steady in sympathy with other edible oils, but business was restricted, as buyers were restrained. The oilcake market ruled steady with a good local demand. Stocks were still small. The latest quotation for the September delivery was Rs. 82 per quintal.

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STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1959	1960	1961	1962	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
					BOMBAY CITY AND ISLAND											
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180		Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.30	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,252	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.00	100	Nil	Nil	Nil		8	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	67.70	25	3.50	3.50	3.50		12	Y.
10,00,000	2,84,495	89,53,981	57,46,203	1,37,996	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	195.00	50	5.00	5.00	12.50		8	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	631.00	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,13,005	1,36,00,428	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	152.50	100	7.50	11.00	11.00		8	Y.
28,00,000	29,03,230	1,02,39,816	68,42,312	2,06,873	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	168.50	50	10.00	15.00	15.00		8	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	349.00xd	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	115.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	313.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	237.00	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	925.00xr	250	87.50	125.00	125.00		8	Y.P.
O. 2,00,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	26.00	O. 100.	Nil	0.80	1.40		12	Y.
D. 50,00,000									3.88	0.1D.	Nil	0.1325	0.3725			
18,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	867.50	250	50.00	58.00	62.50		8	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	475.00	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	316.50	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	60.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	470.00	100	21.50	21.50	24.00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	505.50	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	486	New City of Bombay Mfg.	181.00	100	Nil	Nil			12	Y.
80,00,000	5,24,710	1,40,92,286	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	280.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	55,35,221	1,89,77,617	1,29,35,901	4,01,064	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	249.00	100	10.00	15.00	20.00		8	Y.
55,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	131.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	132.50	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	58.00	10	2.50	1.70	2.00		12	Y.
90,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	274.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	163.50	50	5.00	7.50	Nil	11.00	8	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,538	2,409	Standard Mills	906.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	265.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	310.00	100	36.00	36.00	21.60		12	Y.†
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	62.70	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	417.50	100	20.00	25.00	25.00		12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	860.00xr	250	81.25	116.00	125.00		12	Y.P.
					AHMEDABAD											
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	721.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	965.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	458.00	200	....	30.00	30.00		8	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	†36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	695.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	989.00	125	22.00	31.00	34.00§	32.00	8	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,826	866	New Commercial Mills	460.00	250	26.00	..	50.00		8	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,497.50	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	490.25	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	667.50	100	35.00	40.00	40.00		12	Y.P.
48,75,000	25,73,702	1,68,60,167	94,85,502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	205.00	100	10.00	10.00			12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,282.00	100	45.00	50.00	Nil		12	Y.P.
					WEST BENGAL											
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	10.31	10	Nil	0.30	0.30		12	Y.P.
7,11,280 / 1,30,620 / 1,70,000	3,62,400	1,03,06,007	68,71,498	—2,60,950	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	Nil	Nil	2.00		8	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	29.00	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co. Ltd.	42,912	841	Bowreah Cotton Mills	26.69	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co. Ltd.	43,064	500	Dunbar Mills	32.00	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,352	206	Jay Shree Textiles Ltd.	17.09	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Keseram Ind. & Cotton Mills	28.94	10	0.25	0.50	1.20	1.20	8	Y.P.
O. 19,47,750	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	11.00N	10	Nil	Nil	Nil		6	Y.
D. 5,00,000									2.50N	1D	Nil	Nil	Nil			
					SOUTH INDIA AND OTHER CENTRES											
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
80,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,656	Anglo-French Textiles Ltd.	132.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.00	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	248.00	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.		..	Baroda Rayon Corporation	134.50	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	32.00	10	Nil	1.00	2.00	2.00	8	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	277.00	100	10.00	15.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,586	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,63,218	58,56,470	35,95,076	1,98,878	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	127.00	100	15.00	17.00	20.00		8	Y.
80,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	Nil	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25xd	10	0.90	1.30	1.50	1.50	8	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	179.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	139.60	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	276.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	73.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	141.00	100	Nil	Nil	Nil		6	Y.P.
29,99,075	34,15,411	1,88,02,698	66,48,175	15,485	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00		8	Y.
3,38,36,225 / 31,00,563	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,686	2,338	Delhi Cloth & General Mills	52.50	25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325		6	Y.P.T.
48,60,000	29,78,882	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	20.12	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	189.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	60.50	10	1.00	2.00	2.25	2.50	8	Y.P.
1,45,00,000 / 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	100.50	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	230.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	72.00	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	17.06	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	14.25	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,866	—26,36,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.24	10	0.07	Nil			8	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.87	10	1.00	1.00	0.80		12	Y.P.
71,00,000 / A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	148.00 / 74.12xd	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 / 6.25	8	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	886	Mafatlal Fine Spg. & Mfg. Co. Ltd.	825.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	35.75	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00xd	100	25.00	30.00	0.00	22.50	8	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	82.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. B. T. Desai (Secretary)	52,406	952	Model Mills (Nagpur)	121.00	250	Nil	Nil	Nil		6	Y.
49,61,000	39,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	61.00	50	5.00	7.00	7.00		2	Y.P.
81,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.37	10	Nil	Nil	Nil		8	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,758	902	Osmanshahi Mills	72.00	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 / 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 / 268.75	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		12	Y.P
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	36.31	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	111.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	101.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	22,11,000	66,06,845	32,18,566	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	169.00cd	100	6.00	9.00	16.00		8	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90xd	100	16.00	23.00	23.00	23.00	8	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	129.00	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	164.50	100	Nil	Nil	Nil		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	10.19	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	28,74,204	1,12,40,198	76,76,284	14,497	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	79.50cd	50	4.00	5.50	5.50		8	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,08,29,029	1,23,78,020	96,22,753	2,77,919	Birla Brothers Private Ltd.	56,212	1,244	Sutlej Cotton Mills	112.00	10	6.00	8.57	8.57		8	Y.
17,50,000 / 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.37N / 8.19	10O. / 10P.O.	Nil / 0.571	0.50 / 1.071	Nil / 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,900	..	Tirupati Cotton Mills Ltd.	12.41xd	10	Nil	0.80	1.20	1.20	8	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Bmoete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	36.80	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	125.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.06	10	0.50	1.00	0.25		3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,928	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	119.00	100	Nil	6.00	Nil		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	239.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	28,14,827	1,46,86,173	83,52,158	45,981	Bird & Co. Private Ltd.	810	Auckland	151.00	100	20.00	27.00	12.00		3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	310.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£842,859	£1,372,658	£967,108	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	191.00	£5	10sh.	£1.10sh	10 Sh.		3	Y.P.
45,00,000	27,09,209	73,32,018	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.81	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	36.62	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	165.50	100	15.00	10 00	Nil		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	212.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	151.00	100	7.00	10.00	5.00		3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,181	Cheviot	25.12	10	1.25	Nil	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.69	10	1.50	0.50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.37	10	Nil	Nil	Nil		3	Y.P.
31,49,200	14,68,891	1,10,14,699	69,67,318	9,802	Bird & Co. Private Ltd.	766	Dalhousie	130.00	100	Nil	1.00	1.00		3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	192.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	16.62	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	434.00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	21,13,000	1,85,43,410	82,35,300	2,48,385	Bangur Bros., Ltd.	1,014	Fort William	27.87	10	1.50	2.25	2.25		8	Y.P.T.
84,32,100	28,01,919	2,57,48,659	1,51,54,062	1,59,711	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	16.00	10	Nil	1.00	1.00		3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	55.12	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	461.00	100	25.00	30.00	25.00		3	Y.P.
45,00,000	89,15,333	1,45,06,782	82,76,808	3,75,747	Bangur Bros.. Ltd.	1,078	Hastings	115.00N	100	6.00	6.00	6.00		3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,778	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	29.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	20.50	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	38,78,191	3,21,24,274	1,88,99,274	1,62,375	Ramdutt Ramkissendas	2,272	Hukumchand	24.94	7.50	1.50	2.15	2.15		8	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	16.81	12.50	1.24	1.75	1.50		8	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	181.00 181.00	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	136.50 136.50	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	192.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	28,98,564	2,18,73,550	1,89,90,178	300	Anderson Wright Ltd.	1,530	Khardah	17.62	10	2.00	2.00	0.50		3	Y.P.
59,85,600	47,39,756	2,07,21,456	1,33,78,784	62,406	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	141.00	100	10.00	20.00	7.00		3	Y.P.T.
24,48,000	6,04,572	1,08,23,825	71,08,446	—3,54,448	Bird & Co. Private Ltd.	931	Lansdowne	138.00	100	Nil	Nil	Nil		3	Y.P.
28,00,000	14,13,430	65,77,636	42,23,242	54,949	Bird & Co. Private Ltd.	840	Lawrence	171.00	100	2.00	15.00	15.00		3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	18.62	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	9.00	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	24.25	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	11.81	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	Nil	Sahu Jain Ltd.	1,765	New Central	14.87	10	1.50'C'	1.50	1.50		8	Y.P.T.
16,79,880	51,93,617	1,30,21,348	77,80,582	82,274	Bird & Co. Private Ltd.	567	Northbrook	36.00	10	1.25	3.00	3.00		8	Y.P.T.
66,79,500	41,28,236	2,28,60,331	1,19,81,074	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	64.50	50	3.00	4.00	3.00		8	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.69	5	0.50	0.40	0.80		7	Y.T.
20,00,000	73,604	36,55,345	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.12	10	Nil	Nil	Nil		3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.81	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
80,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.00	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
85,98,600	87,94,656	98,18,767	55,10,623	8,800	Bird & Co. Private Ltd.	1,326	Union	160.00	100	20.00	25.00	6.00		3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	6.12	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	3	Y.P.
38,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	8,523	Blue Mountain	2.43	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director).	848	Chandramalai Estates Ltd.	2.50	2	0.24	0.20	0.20		6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.55	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	18,30,938	24,06,623	2,29,383	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	28.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.95	2	0.40	0.40	0.40	0 30	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.05xd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	5 8,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	11.87	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.60cd	2	0.30	0.40	0.50	0.30	8	Y.T.
17,17,076	9,40'446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.80	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40		3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.40	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	1.80	2	0.10	0.20	0.10	0.10	3	Y.
3,00,000	6,18,504	14,43,867	8,15,782	1.740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00	25	5.00	3.75	3.50		3	Y.P.
36,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	3.90	5	0.37	0.37	0.37		8	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.95	2	0.20	0.26	0.30		6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	9.10	10	0.50	0.80		1.00	8	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	21.62	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	21.87	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	20.50	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.19	2	0.25	0.27	0.40	0.25	3	Y.P.
18,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.75	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	11,78,243	32,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.93	2	0.10	0.16	0.20		8	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	8.90	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19.35	10	1.95	2.10	2.20	2.20	8	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.12	2	0.25	0.25	0.20		6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	16,85,458	4,57,025	80,865	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	3.00	2	0.15	0.15	0.30		3	Y.
6,75,000	2,35,527	19,88,033	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	11.06	10	0.75	1.00	1.00		8	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,843	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.15cd	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,488	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	6.05	5	0.625	0.40			6	Y.P.
3,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.75	8	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	32.61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.40	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,318	2,26,719	..	8,232	Consolidated Coffee	18.15	10	2.50	2.00	2.00		6	Y.P.
6,00,000	5,09,735	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	10.10	10	1.50	1.00	1.00		8	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.10	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.00	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.40	2	0.50	0.40	0.50	0.60	2	Y.P.
8,00,000	8,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.83	10	1.25	1.25	1.25		4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.16	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	16.90	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.40	5	1.00	1.00	1.00		6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	11.12	10	1.00	1.25	1.25		8	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45xd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.60	2	0.80	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.96	2	0.80	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	23,27,018	7,37,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.90	2	0.10	0.10	0.12		3	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.20xd	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10.62	5	2.50	1.25	1.25		3	Y.P.
5,50,170	3.25.000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.36	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12		3	Y.P.T.
10,00,000	2,03,130	22,50,808	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.40	10	0.60	Nil			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.48	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11.41	10	1.00	1.30			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.20	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	83,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.50cd	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	31.70cd	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.90	2	0.30	0.30	0.30	0.20	8	Y.
6,95,000	97,309	13,35,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

'V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	25.94	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.12	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	32.50	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	19.25	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.62	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	,194H	Bokakhat	13.19	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97 20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	14.50	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	47.50	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	142 00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.12	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	16.00xd	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	35.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	22.12	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	25.44N	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.50	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	9.19	5	0.70	0.30	0.30		12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.44	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	161.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.87	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	192.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	15.00	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	19.12	10	1.50	0.50	1.40		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	11.50	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 27.00	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,35,000	1,75,000	13.81,374	5,76,315	12,180	M.	830	Namburnadi	13.69	10	1.60				12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	106.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.25	10	3.50	4.00	1.35		12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	18.31	10	2.00	2.25			12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.06	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.62	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	35.12	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.62	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.37	10	0.50	Nil	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	166.00xdN	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.50	10	Nil				12	Y.P.T
					DARJEELING										
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	97.00xd	100	5.00				12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.75	10	Nil	Nil			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	25.44	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	5,92,631	2,85,757	6,271	M.	505	Okayti	605.00	100	32.50	25.00			12	Y.P.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	7.25	10	Nil				12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	8,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	3.87	10	0.50				12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	49.87	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	14.62	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	13.37	10	Nil	Nil			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	273.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	24.25	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.12	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	151.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	149.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	68,141	11,42,495	3,47,423	4,521	M.	447	Ethelbarrie	8.44	10	Nil	0.50			12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	25.12	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	112.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	37,41,255	*23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	15.00	10	1.25	1.70			12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	14.69	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Ni		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00N	10	0.50	1.00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50	100	17.50	25.00	15.00		12	Y.P.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	35.00	20.00		12	Y.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	127.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.00	10	3.00	2.50	2.00		12	Y.
					SYLHET										
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.50	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.87	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	20.81	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	151.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Tellapara	97.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.15	10	1.00	0.50			12	Y.P.T.
5,00,000	5,25,000	....	....	80,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,48,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16.94	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,887	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1.50	1.50			12	Y.
2,20,000	8,75,250	13,61,474	5,52,735	83,691	McLeod & Co. Ltd.	549	Tirrihannah	67.00N	10	5.00	6.00			12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.30	B. 10	1.00	1.00	1.00		12	Y.P.
39,90,807	9,38,000	1,78,87,504	22,50,586	21,768	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.00	10	0.45	0.70	0.70		8	Y.T.
43,14,6D4 4,70,9763.0	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	3.62 0.50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	162.25	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.36	10	0.80	Nil	Nil		12	Y.
1,66,00,000 D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.84 2.35	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.35	5	0.45	0.55	0.60	0.60	8	Y.P.
2,00,00,000	60,92,184	8,57,17,526	2,33,04,027	67,719	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13.12	10	Nil	0 60	0.80		8	Y.P.T.
90,00,000	....	....	....	....	....	Madras Cements	86.00	100	..	Nil	..		9	Y.P.
1,14,65,185	....	1,36,60,424			Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	Nil	Nil	Nil		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	17.60	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	102.00	100	Nil	Ni	Nil		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	194.75	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.87	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.R.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.62	10	*Nil*	0.60	0.60		3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	21.24	10	2.00	2.00	3.00		9	Y.P.
55,23,146	19,77,396	1,61,24,989	63,22,100	1,703	Bharat Ram Bhagat & Co.	Bengal Potteries	5.69	2½	0.356	0.375			12	Y.
10,00,000	52,26,517	92,22,366	45,37,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	35.50	10	1.87	3.00	3.00		3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	138.75	100	*Nil*	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.96	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 } O.15,00,000 }	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	16.31	10	1.50 0.50	1.50 0.50	1.50 } 0.50 }		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	72.00	100	*Nil*	*Nil*			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	12.75	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,82,678	14,95,136	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.50cd	10	1.00*	1.428	1.20		3	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	39.00	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	32.50	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 } 4,80,680 }	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	{ 29.00N { 14.50N	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 } 1.50 }	12	Y.
CHEMICAL														
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	86.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	213.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	46.47	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	268.75	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	495.00	100	12.00	12.00	12.00		12	Y.
1,25,45,900	68,84,606	1,50,85,951	77,12,533	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	94.50	100	7.00	7.00	10.00		3	Y.P.T.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	430.00	100	*Nil*	*Nil*	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	31.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	158.75	50	10.00	*Nil*	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.50	100	4.00(c)	*Nil*	6.00		3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.50	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	442.50	100	*Nil*	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	313.75	200	20.00	25.00	25.00		3	Y.
1,10,01,535	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.12	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.15	10	0.50	1.00	1.00		3	Y.
8,00,000	4,55,261	12,57,587	6,70,322	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00'C'	2.00		3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	185.00	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.12	10	..	*Nil*	*Nil*		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	263.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	16.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	190.50	100	..	..	*Nil*	*Nil*	3	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,386	3,571	Tata Industries Private Ltd.	Tata Chemicals	15.12	10Old	0.525	0.60	0.65		6	Y.P.T.
13,00,000	2,92,249	21,75,764	7,74,231	56,348	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	23.50	10	1.00	1.50	2.00		3	Y.P.
25,20,000	....	8,87,362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	*Nil*	*Nil*			12	Y.
14,81,250	....	5,72,958	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	185.00	100	..	..	*Nil*		12	Y.
ELECTRIC (BOMBAY)														
8,74,78,395	1,47,38,524	16,04,61,688	4,52,57,864	422	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	94.70	100	0.75	7.00	7.00		3	Y.T.
81,56,250	26,20,222	2,58,78,938	68,34,923	13,52,834	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.00	10	0.90	1.00*	0.90		3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,020.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	107.50	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	12,075	Killick Industries Ltd.	Surat Electricity	100.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Hydro-Electric Power Supply	110.50xd	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Power Co.	1,165.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	49,57,883	1,79,22,370	42,63,962	47,416	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	127.00	100	10.00	11.00	11.00		3	Y.T.
8,00,000	15,46,067	65,82,610	24,21,313	24,137	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10		3	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.00	10	1.00	1.10	1.10		3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		3	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,963	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.19	£1	7%	7½%	7½%		3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	27,18,468	1,05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00		3	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	*Nil*		3	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,573	32,593	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00		3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	9.00	10	0.50	0.625	0.625		3	Y.
16,80,000	14,98,612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	8.37	10	0.75	1.00	0.90		3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.10	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	12,50,396	57,75,615	13,66,443	36,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35		3	Y.
56,00,000	78,01,913	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	126.50	100	10.00	11.00	11.00		3	Y.T.
8,00,000	11,41,474	46,63,814	13,15,572	3,34,013	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	14.60	10	1.00	1.50	1.429		3	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	331.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.00	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	180.00	100	13.00*	13.00*'C'	13.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	213.75	100	10.00	*Nil*	4.00		4	Y.P.
60,00,000	1,08,98,455	2,46,93,330	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	175.50	100	13.00	13.00'C'	13.00		6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,38,653	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	97.00	50	5.00	4.00	5.00		3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	195.00	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.52	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	51.50	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	42.25	10	1.00	1.43	1.60		3	Y.
15,00,000	4,53,946	25,18,944	6,77,694	5,683	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50		3	Y.P.
10,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	29.30	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 } 15,50,000 }	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq.(Mg. Director)	Lakshmiratan Eng.	{ — { 3.80	10 5	*Nil* *Nil*	*Nil* *Nil*	.. 		} 9	Y.P.
14,15,040 } 45,85,000 }	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	{ — { 7.00	10 10	.. 	.. 	*Nil* *Nil*		} 11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	11.00	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	78,422	46,82,025	16,73,677	40,424	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	..		3	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	152.00	100	*Nil*	10.00			7	Y.P.
80,62,845 } D. 1,24,830 }	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	25.10	10	1.00*	1.20	1.20	1.20	3	Y.P.
57,50,000	42,31,615	1,28,07,838	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	{ 177.50 { 116.00	100 50	12.00 6.00	12.00 6.00	12.00 } 6.00 }		6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	86.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	218.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	154.50	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	132.50	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	147.50	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	331.00	100	9.00	12.50	14.50		3	Y.P.T.
19,81,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	655.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.00	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	271.25	100	13.00	13.00	14.00		8	Y.
70,00,000	....	10,49,952	4,291	23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	16.20	10	..	..	*Nil*		6	Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	14.50	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.06	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	11.37	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.00	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.65	10	0.60	*Nil*	*Nil*		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.44	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.00XR	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	705.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	15.37	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*			3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.87	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	18.37	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	38.25	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	111.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	26.80	10	1.00	1.50	1.60	0.80i	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	34.75	10	5.00	7.125	7.125		3	Y.P.
96,53,160 } 26,580 }	2,72,58,534	2,24,87,785	1,60,42,350	7,72,487	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	{ 55.50 { 14.50	O.10 O. 1	1.62½ 0.16½	2.30 0.23	2.40 0.24	}	3	Y.
48,82,732	3,71,841	36,01,297	18,94,384	10,662	C. R. Ramaswamy, Esq.(Mg. Director)	Indian Steel Rolling Mills Ltd.	12.50	10	0.70	..	1.25		3	Y.P.
1,51,87,500	90,64,293	4,34,86,950	1,69,45,698	7,173	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.62	10	1.20	1.715	1.715		3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17.19	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	23.00	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.69	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.50	2	0.20	*Nil*	*Nil*		6	Y.
49,96,000	13,58,398	1,44,34,142	86,32,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.12	10	0.75	*Nil*	*Nil*		3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	9.50	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.00	10	2.00	1.00	1.00		12	Y.P.T.
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	168.00	100	15.00	15.00	15.00		4	Y.

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.00	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	23.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.17	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.36	20	2.50	2.50	3.00		12	Y.
1,42,42,125 } A.15,60,535 }	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	{ 70.00 { 72.00	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		} 12	Y.
15,99,270	40,70,395	1,05,96,078	....	89,231	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.87	8	0.80	0.80			12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	127.50xd	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	17.72	10	2.00	2.00	2.00		12	Y.
OIL														
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.84	Sh. 1¼	*Nil*	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.75	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	60.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	23.31	10	2.20	3.00	3.50		10	Y.
PAPER														
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	201.25	100	*Nil*	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	18.25	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,49,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	33.31	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	20.50	10	1.00	1.50'C'	1.30		3	Y.
25,00,000	*Nil*	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	80.00	100	*Nil*	*Nil*	*Nil*		3	Y.
1,89,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	9.00	10	....	....	*Nil*		6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.37	10	1.25*	1.50	1.50		3	Y.
1,46,82,500	3,51,86,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	40.85	10	1.50	2.25	2.25		3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	9.25	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25.12	10	1.78	1.78			12	Y.P.T.
50,00,000 } A.10,00,000 }	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	{ 10.00 { 10.00	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		} 9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.60	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 } B.56,04,800 } P.O.4,37,500 }	3,51,10,345	9,55,90,235	4,92,58,077	1,48,295	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	{ 39.50 { 39.50 { 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.323		} 3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	169.50	100	*Nil*	6.00	7.50		6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.87	3	....	....	....			Y.
89,25,000 } 42,00,000 }	6,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 669.00 { 258.75	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50		}	Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.12	10	2.50	3.00	3.00			Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.50	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 } B.3,00,000 }	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	{ 122.00 { 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		} 4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	10.00	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	13.12	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.25	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.69	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	17.12	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.06	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	192.50	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	F.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	179.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,64,500	26,21,410	15,54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.25	10	0.30	0.40	0.40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.75	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.62	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.00	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.06	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	20.75	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	114.50	100	*Nil*	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	237.00	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725 }	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	{ Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455 }		{ Shree Changdeo Sugar	27.50	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11.15	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	43.75	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.10	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.12	10	1.00	1.25	1.50		6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	160.50	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	98.50	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.31	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 } D.4,00,000 }	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	{ 55.30 { 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		} 9	Y.P.T.
30,00,000	19,90,000	71,92,482	36,48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	8.35	10	1.00	1.00	0.75		7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	160.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	104.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	8.60	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	110.00	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 } 30,05,000 }	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	{ { 76.00	100 65	.. ..	20.00 10.00	45.00 22.50		} 3	Y.
25,00,000 } 9,37,500 }	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	{ 127.00 { 125.00	100 100	5.00 ..	8.10 2.70	9.50 4.50		} 3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	195.00	100	*Nil*	*Nill*	7.50		6	Y.
14,97,350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Manilal Private Ltd.	Estrela Batteries	72.00	50	3.50*	4.50	5.00		3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.25	20	2.00	2.50	2.50		3	Y.
75,20,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	55.00	60	..	..	*Nil*		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	176.25	75	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	180.00	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	60,57,845	24,11,651	8,20,848	16,714	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	208.00	100	7.50	11.00	13.00		3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	116.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	16.76	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	47.75	10	2.40	2.60	2.60	0.40	12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*		3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	202.50	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	94.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman).	Industrial Investment Trust	73.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	117.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	89.50	100	9.00	8.00	*Nil*		11	Y.
12,50,000	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	157.00	100	9.00	13.00	13.00		3	Y.
10,73,800 } D.5,51,300 }	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
36,35,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	*Nil*		12	Y.P.
18,78,375	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	242.50	75	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	190.50	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	121.50	100	9.00	9.00	9.00		6	Y.P.
4,73,200 } 5,13,400 }	1,96,985	30,00,499	10,28,466	29,918	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	{ 100.00N { 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50		} 3	Y.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	135.50	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*			3	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00		3	Y.
42,000 } 22,29,000 }	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	75	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	275.50	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
						UNCLASSIFIED (Other Centres)								
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.00	10	1.00	1.20	1.20		3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	24.80cd	10	1.25	1.80	0.90		3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	24.56	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.00	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	29.81	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	30.06	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00N	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	259.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	87,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.00	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	10.06	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	22.25	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.25	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	40.13	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,47,93,934	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	34.19	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	126.00	100	14.00	14.00	14.00		12	Y.P.
12,49,250	....	4,92,055	6,366	33,611	M.	East Anglia Plastics (India) Ltd.	18.25	10	..	..	*Nil*		3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.45	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00		3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.00	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	6.37	5	..	..	*Nil*		6	Y.
65,00,000	39,28,753	31,81,679	17,28,900	1,92,551	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	15.25	10	1.00	1.00	1.10		3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	44.75	10	..	..	*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26 139	Birla Brothers Private Ltd.	Hindustan Motors	20.16	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	20.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	1,00,469	....	....	Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	15.62	10	..	..	*Nil*		3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,953	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.50	10	0.60	0.80	0.90		3	Y.
8,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	36.87	10	1.20	1.50	1.50		12	Y.P.T.
2,35,77,700	2,29,18,801	3,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	37.19	10	1.50*	2.25	2.25		3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	49.75	10	1.50	1.50	1.50		9	Y.
29,93,375	1,06,104	54,89,157	21,21,520	3,633	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	20.94	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.50	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	79.50	100	5.00	7.00	7.00		3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.75	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	31.50	10	2.75	2.75	2.75		9	Y.P.
10,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00			12	Y.
40,00,000O. 5,00,000D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	250.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.50	10	1.75	2.50	2.50	2.50	3	Y.P.
20,00,000	7,90,391	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00		3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.50	10	1.60	2.00	2.50		3	Y.P.
10,00,000	3,23,080	20,39,182	12,41,906	11,453	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.60	10	1.25	1.00	*Nil*		3	Y.
90,00,000	1,60,09,310	1,39,45,356	57,73,861	50,820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	31.00	10	2.00	2.50	2.50		3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	32.12	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	22.12	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.37	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.12	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.60	75	6.50	6.50	6.50		12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,31,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.25	1	0.20	0.30	0.20		3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	30.75	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	22.25	5	..	..	*Nil*		3	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	*Nil*			12	Y.
36,80,738	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	156.00	100	*Nil*	4.00	8.50		3	Y.P.
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	14.56	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
81,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45xd —	10 7.50	1.50 ..	1.30 0.225	.. ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.19	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.27	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13xd	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.09	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	31.00cd	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	267.00	100	10.00	10.00	10.00		7	Y.
80,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,80,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	48.25	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	93.00	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	204.00	100	10.00	10.00	12.00	14.00	3	Y.P.
						TRANSPORT								
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.50	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.28 5.96	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	64.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	7.06	10	1.00	1.00	*Nil*		3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	12.00	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.37 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.87	10	1.50	1.00	1.25		3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.00	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.50	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	353.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	18.00	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	2.62	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.56	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.62	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	11.19	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.97	10	*Nil*	*Nil*			12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	52.75	£1	1.25	1.00	2.00		4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	28.31	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	11.00N	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	42.00	50	*Nil*	*Nil*	*Nil*		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	*Nil*	*Nil*			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	20.69	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.75	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	13.25N	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	6.50	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	23.72	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	14.00	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 16.25N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125			12	Y.P.T.
15,75,000	23,34,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	15.37	10	1.00	1.00	1.00		3	Y.
22,99,500	39,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	15.62	10	1.00	1.50	1.70		3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00			12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	7.75	10	0.70	1.00			12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	44.75	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.87	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	8.75	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,12,000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	*Nil*	*Nil*			12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.56	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.00	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 40,78,300	26,38,220	12,942	Andhra Bank	94.40 85.00	100 85	8.00 6.80	8.00 6.80	8.00 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	96.00	50	7.00	8.50	8.50	4.00*i*	12	Y.
2,50,00,000 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	117.00cd 119.00	50 50'A'	8.00 8.00	10.00 1.00	10.00 10.00	4.00*i* 4.00*i*	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	65.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16xR	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 'B' 16,00,000 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 16.75 1.18	100'A' 10'B' 1'C'	20.00‡ 2.00‡ 0.20	20.00‡ 2.00 0.20	20.00‡ 2.00‡ 0.20‡		12	Y.P.
2,62,50,000 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	61.70 64.70	25 25	4.30 4.30	5.10‡ 5.10‡	5.00 5.00	2.40*i* 2.40*i*	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	57.50	50	2.52	4.38	5.50	2.00*i*	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	19.52	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	16.00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 25,19,374	60,60,000 28,60,000	1,48,636	Indian Bank	179.00cd 172.00cd	100 100	15.00‡ 12.00‡	15.00‡ 12.00‡	15.00 13.50		12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	169.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	21.00	10	2.00	2.00	2.00	1.00*i*	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	365.00	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.32	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	83.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.50	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-16-0	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16½	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-9xd	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30 00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	98.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	83.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.15	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1958-66†
2,50,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	92 90	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	94.00N	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.50	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th September 1962.

	Closing quotations 29-8-1962	High	Low	Closing quotations 6-9-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.28	2.34	2.24	2.32
Baroda Rayon (100)	135.50	135.50	132.50	132 50
Bombay Dyeing (25)	67.50	67.90	67.20	67.70
Bradbury (50)	195.00	195.00	192.00	192.00
Central India (100)	140.00	141.50	138.00	138.00
Century Mills (100)	635.00	634.00	624.50	627.50
Coorla Sp. (100)	152.50	—	—	152.50
Dawn (50)	169.00	169.00	162.00	164.00
Edward Textile (200)	349.00	—	—	349.00
Elphinstone (50)	115.00	115.00	112.00	113.00
Finlay (100)	314.00	313.00	312.00	313.00
Gokak (100)	189.50	190.50	186.00	190.50
Gold Mohur (100)	237.00	—	—	237.00
Gwalior Rayon (10)	61.00	61.00	60.00	60.00
Ind. Untd. Defd. (1)	3.88	3.88	3.80	3.58
Ind. Untd. Ord. (10)	26.00	26.00	25.50	25.90
Indian Rayon (100)	100.00	100.50	99 00	99.00
Indore Malwa (100)	220.00	240.00	223.00	224.00
Khatau (100)	480 00	477.50	467.50	468.75
Kohinoor (100)	318.00	317.50	314.50	316.00
Mafatlal (100)	830.00	830.00	825.00	825.00
Minerva Mills (100)	82.50	—	—	82.50
Model Nagpur (250)	121.00	—	—	121.00
Morarji (100)	426.00	477.00	432.00	476.00
Mysore (50)	60.50xR	61.00	60.50	61.00
National Rayons (100)	511.50	507.00	500.00	503.50
New City (100)	181.00	—	—	181.00
New Great (100)	280.00	280.00	274.00	275.00
Phoenix (100)	252.00	252.00	245.00	247.00
Podar Mills (100)	133.00	132.00	130.00	130.00
Raymond Woollen (100)	134.00	135.00	132.50	132.50
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	58.00	—	—	58.00
Shrinivas (100)	277.00	276.00	270.00	272.00
Simplex (50)	165.00	163.50	163.00	163.00
Standard (100)	912.00	912.00	890.00	896.00
Svadeshi (100)	266.75	265.50	263.50	264.75
Swan (100)	310.00	—	—	310.00
S. I. Viscose (100)	166.00	167.00	162.00	163.00
Tata Mills (25)	63.00	63.00	62.00	62.50
Lakshmi-Vishnu (100)	125.00	—	—	125.00
Western India (250)	860.00	—	—	860.00
BANKS				
Bank of India (50)	116.00	117.00	115.00	116.50
Do. (New) (50)	119.50	119.00	118.00	119 00
Bank of Baroda (50)	96 50	96.00	95.00	96.00
Central (25)	61.50xd	62.00	61 20	61.70
Central 'A' (25)	65.00xd	65.00	64.00	64.50
Dena Bank (50)	57.50	—	—	57.50
Punjab National (10)	21.00	—	—	21.00
Union Bank (5)	6.32	—	—	6.32
United Com. (50)	83.00	83.00	82.50	82.50
Maharashtra (50)	65.00	65.00	62.00	62.00
ELECTRIC COS.				
Ahmedabad (100)	94.70	95.50	94.00	95.50
Amalgamated (10)	10.60	11.20	10.60	11.20
Andhra Valley (1,000)	1,020.00	1,032.50	1,017.50	1,032.50
Bom. Sub. El. (100)	107.00	107.50	107.00	107.50
Surat (100)	100 00xd	—	—	100.00
Tata Hydro (100)	110.25	111.00	109.50	111.00
Tata Power (1,000)	1,100.00	1,170.00	1,105.00	1,142.50
INSURANCE COS.				
British India (10)	12.52	—	—	12.52
Indian Mercantile (40)	62.50	—	—	62.50
New India (15)	69.00	69.00	68.20	68.70
New India 'A' (15)	72.00	72.00	70.80	70.80
Vulcan (10)	17.72	—	—	17.72
STEEL COS.				
Ind. Iron (10)	27.35	26.95	26.15	26.25
Mukand Iron (10)	25.20	25.20	24.75	24.75
Tata Steel Ord. (75)	149.00	148.00	144.50	145.00
SUGAR COS.				
Belapur (50)	239.00	239.00	235.00	236.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.50	—	—	27.50
Maharashtra (50)	161.00	160.50	158.00	158.00
Phaltan (50)	100.00	99.00	97.50	97.50
Walchand Ind. (100)	160.00	160.00	159.00	160.00
CEMENT COS.				
Associated Cts (100)	163.00	163.00	158.50	158.50
Digvijay (100)	196.50	196.00	194.00	194.00
Orissa (10)	17.48	17.48	17.20	17.20
MISCELLANEOUS				
Alcock Ashdown (100)	330.00	332.00	326.00	330.00
Amar Dye-Chem (100)	270.00	271.25	267.50	267.50
Bom. Burmah (125)	672.00	670.00	663 00	665.50
Do. (New) (50)	260.00	258.75	256.25	256.25
Br. B. Petrol (1½ sh.)	2.88	2.86	2.72	2.78
Br. I. Corpo. (5)	10.16	10.20	10.12	10.20
Cooper Eng. (100)	180.00	180.00	179.50	180.00
Colour Chem. (100)	440.00	435.00	430.00	430.00
Hind Cycle (100)	116.50	116.50	116.00	116.00
Hindustan Lever (10)	48.00	48.00	47.00	47.00
Hindustan Motors (10)	20.20	20.40	20.08	20.20
I. C. & Invest. Corporation (100)	94.00	—	—	94.00
Indian Dyestuff (100)	446.25	445.00	435.00	443.75
Indian Copper (2 sh.)	5.04	5.00	4.90	4.94
Ind. Inv. Tr. (100)	72.30	—	—	73.00
Killicks (100)	89.50	89.50	86.00	86.00
Larsen & Toubro (10)	29.50	29.50	29.00	29.10
Mahindra & Mahindra (10)	18.12	18.12	17.76	17.76
New Central Jute (10)	15.36	—	—	15.36
Polychem (50)	183.75	186.25	181.25	181 25
Polson (100)	190.50	192.50	190.50	192.50
Pre. Automobiles (100)	121.50	122.25	120.50	121.00
Premier Con. (80)	155 00	154.50	151.50	153.00
Scindia (20)	12.08	12.04	11.84	11.84
G. E. Shipping (10)	12.00	—	—	12.00
Shivrajpur (10)	34.00	33.50	31.00	32 00
Sirpur Paper (10)	13.80	13.84	13.60	13.60
Synthetics and Chem. (100)	192.00	192.50	188.00	189.00
Tata Chemicals (10)	15.28	15.24	14.84	14.84
Tata Locomotive (100)	331.50	332.00	327.50	330.50
Tata Oil (25)	61.20	62.00	59.20	60.00
Texmaco (10)	23.20	—	—	23.20
Voltas (100)	272 50	272.00	270 00	271.25
W. I. Match (100)	278.50	278.00	274.50	275.00
W. Coast Paper (100)	268.50	170.50	166.00	169.00

GOVERNMENT SECURITIES	29-8-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	6-9-1962 Rs.
2½% 1962	99.75	—	3.75	99.75
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.49	98.90
3% 1963-65	98.95	3.75	3.30	99.10
3% 1966-68	96.85	3.82	3.57	96.95
3% 1970-75 1st Dev.	89.05	4.76	4.10	89.00
3% 1986 Con. Loan	69.05	—	4.35*	69.00
3½% 1964 N. P. Loan	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.80	—	3.58	99.95
3½% 1967 N. P. Bonds	98.85	—	3.76	98.85
3½% 1974	99.50	—	3.91	98.50
3½% 1967 N.P. Bonds	99.50	—	3.86	99.50
3½% 1969 Loan	97.90	—	3.87	97.80
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.86	99.35
4% 1972 Loan	99.40	—	4.08	99.40
4% 1973 Loan	99.20	—	4.09	99.20
4% 1979 Loan	98.70	—	4.11	98.70
3½% 1966 Bonds	99.65	—	3.60	99.65
4% 1980 Loan	98.60	—	4.11	98.60
4% 1981 Loan	98.55	—	4.11	98.60
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	76.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	119.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	18.90	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	82.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C	3,50,000	....	10.00	April	May	116.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	100.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	81.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	47.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	83.63	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	407.50	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	114.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	100.00xd	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	..	..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	72.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	71.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	87.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.00	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	92.04	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	91.27	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr.	..	460.00	500
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	967.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	65.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.87	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.00cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.95cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	99.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,000.00	1,000
Vellore C.	1,25,000	1928	4.00	Dec.	..	6.00	10
ENGINEERING							
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	14.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	111.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	99.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	85.50	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	101.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	70.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.76	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	133.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	106.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	86.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	91.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	100.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	87.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	89.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	96.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	67.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	11.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	101.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	86.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	91.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	78.00xd	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.97cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	77.36	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25xd	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	6.78	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.65	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.95	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.91	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	83.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	91.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28xd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	48.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	97.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	61.25	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	107.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.37	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	..	..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.50	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	104.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	75.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	54.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	46.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	188.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.81	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	75.25cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	33.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	51.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	60.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	80.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	9.25cd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	86.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr.	..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	57.25	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	75.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.53xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	86.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	85.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	63.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 31st August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	92,11,73,000
(ii) State Governments	34,85,24,000
(b) Banks—	
(i) Scheduled Banks	79,30,37,000
(ii) State Co-operative Banks	1,81,06,000
(iii) Other Banks	1,83,000
(c) Others	164,18,64,000
Bills Payable	29,86,84,000
Other Liabilities	22,13,51,000
Rupees	577,29,22,000
ASSETS	**Rs.**
Notes	42,14,76,000
Rupee Coin	2,37,000
Small Coin	2,67,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,29,000
(ii) State Co-operative Banks	11,95,66,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,90,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	73,74,36,000
Balances Held Abroad*	5,75,40,000
Loans and Advances to Governments**	2,24,00,000
Loans and Advances to—	
(i) Scheduled Banks†	15,93,35,000
(ii) State Co-operative Banks‡	127,00,99,000
(iii) Others	1,17,32,000
Investments	236,32,36,000
Other Assets	34,07,79,000
Rupees	577,29,22,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

† Includes Rs. 8,66,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	42,14,76,000	
Notes in circulation	2011,38,19,000	
Total Notes issued		2053,52,95,000
Total Liabilities		2053,52,95,000
ASSETS	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,34,17,000	
Total		206,10,27,000
Rupee Coin		124,42,77,000
Government of India Rupee Securities		1722,99,91,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2053,52,95,000

State Bank of Pakistan

Statement of Affairs for the week ended 24th August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	8,65,62,000
(b) Provincial Governments	4,90,31,000
(c) Banks	20,55,07,000
(d) Others	112,08,32,000
Bills Payable	17,15,000
Other Liabilities	11,06,63,000
Rupees	167,08,10,000
ASSETS	**Rs.**
Notes	14,68,35,000
Rupee Coin	21,000
Subsidiary Coin	45,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	20,65,70,000
Loans and Advances to Governments	2,43,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	37,99,36,000
Investments	81,18,15,000
Other Assets	10,12,88,000
Rupees	167,08,10,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,68,35,000	
Notes in circulation	355,11,57,000	
Total Notes issued		369,79,92,000
Total Liabilities	....	369,79,92,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	63,65,51,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,67,59,000
B. Rupee Coin	4,53,04,000	
Government of Pakistan Securities	227,69,23,000	
Internal bills of exchange and other commercial paper	....	
		232,22,27,000
II. Held with the Reserve Bank of India pending transfer of Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	369,79,92,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.12 per cent.

State Bank of India

Statement of Affairs for the week ended 24th August, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		583,66,29,000
Borrowings from Other Banking Companies, Agents, etc.		38,00,000
Bills Payable		9,10,92,000
Bills for Collection being Bills receivable as per contra		2,63,37,000
Acceptances, Endorsements and Other Obligations per contra		9,13,01,000
Other Liabilities (including Inter-Office Adjustments)		14,18,14,000
Total		632,92,23,000
PROPERTY AND ASSETS		**Rs.**
Cash in hand and with Reserve Bank		25,48,15,000
Balances with other Banks		2,13,97,000
Money at Call and Short Notice		2,80,00,000
INVESTMENTS—	Rs.	
Government and other Trustee Securities	277,19,57,000	
Other Authorised Investments	8,70,31,000	
		285,89,88,000
ADVANCES—	Rs.	
Loans, Cash Credits, Overdrafts etc.	253,35,49,000	
Bills Discounted and Purchased	14,38,14,000	
		267,73,63,000
Bills Receivable being Bills for Collection as per contra		2,63,37,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		9,13,01,000
Premises less Depreciation		1,94,96,000
Furniture and Fixtures less Depreciation		1,59,36,000
Other Assets (including Inter-Office Adjustments)		33,55,90,000
Total		632,92,23,000

EXCHANGE RATES

	5th September 1962	29th August 1962
London on New York S. per Dollar	2.8014-2.8017	2.8013-2.8016
New York on London Cents per £	280.140-280.170	280.140-280.170
London on Paris .. Fcs.	13.7250-13.7270	13.7265-13.7285
London on Berne .. Sw. Fcs.	12.1090-12.1110	12.1100-12.1120
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	478.00
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	445.75	445.75
Buyers T.T.	437.75	438.00
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T.	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.40	90.30
Buyers T.T. "	91.30	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.60	83.60
Buyers T.T. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,950	12,950
Buyers T.T. "	13,125	13,125
Swedish Kroner—		
Sellers T.T. D.D... "	107.60	107.60
Buyers T.T. "	108.70	108.70
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.30
Buyers T.T. "	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.50
Buyers T.T. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.80	144.70
Buyers T.T. "	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 24-8-62	17-8-62	25-8-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	48,39	46,46	50,58
(ii) From others	798,01	794,46	716,48
(b) Borrowings from banks	19,51	19,39	19,44
(c) Others	54,81	52,41	53,48
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,70	24,73	23,26
(ii) From others	1,256,14	1,254,87	1,091,00
(b) Borrowings from banks	18,47	19,39	18,91
(c) Others	12,23	12,27	23,66
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,054,15	2,049,33	1,807,48
4. Borrowings from Reserve Bank	73	1,00	1,27
(a) Against usance bills and/or promissory notes	—	1	11
(b) Others	73	99	1,16
5. Borrowings from State Bank and/or a notified Bank	17,76	17,32	19,30
6. Cash	52,21	53,43	45,59
7. Balances with Reserve Bank	98,78	90,93	97,11
8. Cash and balances with Reserve Bank	151,00	144,36	142,70
9. 8 as per cent of 3	7.35	7.04	7.89
10. Balance with other banks in current account	20,24	19,06	16,12
11. Money at call and short notice	49,61	52,84	48,87
12. Investments in Government securities	680,84	668,63	600,35
13. 12 as per cent of 3	33.14	32.63	33.21
14. Advances—			
(a) Loans, cash credits and overdrafts	1,195,10	1,208,49	1,071,87
(b) Due from banks	7,18	7,14	7,63
15. Inland bills purchased and discounted	130,47	129,58	107,10
16. Foreign bills purchased and discounted	48,66	47,45	44,68
17. Total Bank Credit [14 (a)+15+16]	1,374,23	1,385,53	1,223,66
18. 17 as per cent of 3	66.90	67.61	67.70

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 25th Aug. 1962	18th Aug. 1962	11st Aug. 1962	26th Aug. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.5	100.5	100.5	101.1
2. Government of India	100.3	100.3	100.3	101.0
3. State Government	102.1	102.1	102.1	102.2
4. Municipal, Port Trust, etc.	99.0	99.0	99.1	99.7
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.1	99.1	101.5
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.4	81.3	83.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	187.2	186.7	187.3	176.3
8. *Agriculture and Allied Activities : Total**	154.6	154.9	155.2	165.8
9. Tea Plantations	145.0	145.6	146.2	161.1
10. Coffee Plantations	149.4	149.2	148.7	172.5
11. Rubber Plantations	166.2	166.9	164.2	173.7
12. *Mining and Quarrying : Total*	163.9	163.7	164.3	157.5
13. Coal	124.5	124.3	124.2	125.6
14. Other Mining	191.0	190.7	191.8	179.3
15. *Processing and Manufacturing : Total*	204.4	203.6	204.4	190.0
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	212.6	211.5	212.1	197.4
17. Sugar	140.3	139.1	139.2	155.1
18. Cotton Textiles	184.8	184.0	184.4	170.3
19. Jute Textiles	101.8	101.2	101.5	83.9
20. Silk and Woollen	1,229.2	1,227.0	1,247.1	1,141.2
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	208.8	207.8	208.9	196.6
22. Iron and Steel	168.5	166.0	167.2	162.5
23. Transport Equipment	380.2	386.7	390.0	382.5
24. Electrical Machinery	184.1	182.5	182.7	161.3
25. Machinery other than Transport and Electrical	237.3	236.4	236.7	205.3
26. Basic Industrial Chemicals	192.2	191.5	192.2	207.6
27. *Processing and Mfg. (Others): Total**	171.4	171.9	172.9	155.1
28. Cement	159.5	159.2	160.6	140.8
29. Paper	218.3	220.3	221.0	200.0
30. *Other Industries : Total**	112.9	113.1	113.1	108.4
31. Electricity Generation and Supply	87.4	88.3	87.9	85.0
32. Trading	120.3	120.0	120.9	113.4
33. Shipping and Other Transport	91.6	91.1	91.5	93.0
34. Construction	289.8	289.0	290.8	285.5
35. *Financial : Total*	210.5	210.8	210.8	200.9
36. Banks	234.3	234.8	234.7	228.7
37. Insurance	173.5	173.5	174.1	144.2
38. Investment Trusts	89.9	89.5	88.6	88.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	197.3	196.4	197.4	183.4
40. Calcutta	173.1	172.7	172.7	163.2
41. Madras	193.5	193.0	193.2	193.9
42. Delhi	236.9	239.5	242.0	231.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	4th Aug. 1962	28th July 1962	5th Aug. 1961	June 1962	June 1961	Percentage of Increase (+) or Decrease (—) in June 1962 as compared with June 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	132.9	130.8R	124.1	125.5	120.6	+ 4.1	120.1	120.0
Cereals	192	108.9	108.6	104.9	105.0	101.9	+ 3.0	102.3	104.4
Pulses	43	112.2	108.5	91.7	102.5	90.6	+13.1	91.9	92.9
Fruits and Vegetables	23	149.2	145.8	158.5	142.0	126.1	+12.6	137.6	118.5
Milk and Ghee	84	138.0	130.6	115.9	126.7	113.3	+11.5	116.4	116.0
Edible Oils	47	155.8	156.0	160.9	152.2	163.3	— 6.8	156.5	150.3R
Fish, Eggs and Meat	17	149.2	147.7	141.2	141.4	128.2	+10.3	135.4	123.5
Sugar and *Gur*	48	165.4	160.4R	123.1	138.9	123.7	+12.3	119.6	132.8
Others	50	169.0	170.2	183.5	170.3	181.1	— 6.0	171.6	167.8
Liquor and Tobacco	21	98.6	97.9	100.1	99.7	100.1	— 0.4	100.3	109.9R
Tobacco	..	95.0	94.2	96.6	96.2	96.6	— 0.4	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.5	124.7	122.3	123.3	123.3	..	122.1	120.0R
Industrial Raw Materials	155	139.5	140.0R	150.5	136.1	148.8	— 8.5	142.6	145.4
Fibres	61	129.0	130.7R	152.4	127.3	150.6	—15.5	138.3	151.6
Oilseeds	60	159.5	158.9	162.9	151.6	160.5	— 5.5	156.4	149.9
Minerals	2	93.4	93.4*	95.2	93.6	95.2	— 1.7	94.9	97.4
Others	32	125.0*	125.2*	127.0*	126.7	126.9	— 0.2	128.1	128.0
Manufactures	290	129.0	129.3	127.9	128.9	126.2	+ 2.1	126.6	123.9
Intermediate Products	41	143.6	143.5	141.8	139.5	139.7	— 0.1	138.8	130.6R
Finished Products	249	126.6	126.9	125.6	127.2	123.9	+ 2.7	124.6	122.8
Textiles	147	125.2	126.0	127.8	126.9	125.5	+ 1.1	125.5	125.8
Cotton	..	129.5*	129.3*	127.4*	129.5	127.3	+ 1.7	127.9	128.1
Jute	..	110.6	114.4	133.3	118.1	125.1	— 5.6	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.7	+14.2	122.7	109.1
Silk and Rayon	..	130.8*	130.5*	118.0*	129.1	116.5	+10.8	119.9	104.4
Metal Products	12	160.4	160.4	151.6	160.3	151.6	+ 5.7	151.6	147.9R
Chemicals	20	115.2	115.2	111.5	113.7	109.4	+ 3.9	110.7	104.4
Oil Cakes	9	162.6	157.8*	146.7	154.7	143.4	+ 7.9	147.5	141.3
Machinery and Transport Equipment	31	117.9	117.9	112.8	117.7	112.8	+ 4.3	114.5	111.9
Others	30	125.6	125.6R	120.9	125.3	120.3	+ 4.2	121.3	116.1R
All Commodities	1,000	131.8	130.9R	128.7	127.5	126.2	+ 1.0	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	12,850†	13,170††	10,818†	10,251††
Jowar	final	17,041†	17,061††	9,231†	8,132††
Bajra	final	11,357†	10,826††	3,184†	3,575††
Barley	final	3,204†	3,377††	2,778†	2,717††
Maize	final	4,354†	4,333††	3,978†	4,070††
Ragi	final	2,331†	2,414††	1,666†	1,934††
Small millets ..	final	4,956†	5,026††	1,980†	2,062††
Total cereals ..	final	89,818†	89,728††	67,874†	64,199††
Pulses—					
Gram	final	9,503†	10,268††	6,306†	5,590††
Tur	final	2,359†	2,383††	2,077†	1,694††
Other Kharif pulses§ ..	final	6,239	6,003	1,557	1,483
Rabi pulses‡ ..	final	5,424†	5,297††	2,805†	2,879††
Total pulses ..	final	23,337†	24,338††	12,666†	11,719††
Total foodgrains..		113,155†	114,066††	80,540†	75,918††
Oilseeds—					
Groundnut ..	final	6,413	6,257	4,757	4,462
Castorseed ..	final	459†	473††	100†	108††
Sesamum ..	final	1,966†	2,195††	293†	365††
Rape and Mustard ..	final	2,940†	2,894††	1,402†	1,064††
Linseed ..	final	1,713†	1,944††	417†	438††
Total oilseeds ..	final	13,333†	13,521††	6,636†	5,980††
Fibres—					
Cotton* ..	final	7,678†	7,610††	5,394†	3,678††
Jute A. ..	final	914	612	6,319	4,104
Mesta A. ..	final	385	279	1,719	1,140
Sannhemp ₪ ..	final	320†	328††	77†	77††
Other crops—					
Potato	final	358†	357††	2,699†	2,766††
Sugarcane@ ..	final	2,321†	2,112††	86,406†	76,404††
Ginger (Dry) ..	final	18†	17††	17†	15††
Pepper (Black)..	final	103	103	28	28
Chillies (Dry) ..	final	604†	596††	369†	342††
Tobacco ..	final	392†	370††	299†	285††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In terms of lint cotton and in thousand bales of 177.8 Kgs. each.
‡ Excluding Gram and Tur. A.—In thousand bales of 181.4 Kgms each. ₪ Relates to fibre crop only.
@ Yield in terms of cane. † Relates to 1960-61.
†† Relates to 1959-60.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958 ..	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959 ..	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960 ..	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961 ..	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962 ..	1,647,800	1,643,400	1,317,700
June 1961 ..	131,800	124,700	101,200
July „ ..	133,900	137,200	107,900
Feb., 1962 ..	139,400	138,300	108,000
Mar., „ ..	156,600	146,900	128,000
April „ ..	144,400	143,600	110,000
May „ ..	146,400	145,600	115,600
June „ ..	139,000	137,900	106,900
July „ ..	145,100	143,200	114,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958 ..	733,946T	507,580T	412,042T
Do. 31st March, 1959 ..	959,933T	608,205T	497,551T
Do. 31st March, 1960 ..	1,070,470	840,305	672,707
Do. 31st March, 1961 ..	1,160,576	914,159	722,934
Do. 31st March, 1962 ..	1,187,397	934,499	734,951
July 1961 ..	100,407	77,595	65,720
Feb., 1962 ..	97,258	75,949	53,600
Mar., „ ..	113,176	88,241	89,294
April „ ..	109,726	83,396	47,747
May „ ..	112,269	85,155	68,574
June „ ..	87,639	77,029	56,938
July „ ..	96,151	78,352	63,006
August „ ..	105,296	79,708	69,349

T—Figures in Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
5th June	2.00	4.00	2.00	2.500	99.375
6th to 9th June* ..	1.30	—	1.30	—	99.391
12th June	2.00	3.25	2.00	2.510	99.370
13th to 16th June* ..	0.48	—	0.48	—	99.391
19th June	2.00	2.00	2.00	2.510	99.370
20th to 23rd June* ..	6.36	—	6.36	—	99.391
26th June	2.00	4.25	2.00	2.400	99.400
27th to 29th June* ..	7.10	—	7.10	—	99.416
3rd July	2.00	4.10	2.00	2.371	99.450
4th to 7th July* ..	0.57	—	0.57	—	99.421
9th to 14th July* ..	0.10	—	0.10	—	99.421
17th July	2.00	2.00	2.00	2.390	99.400
18th to 21st July* ..	3.37	—	3.37	—	99.421
24th July	2.00	3.10	2.00	2.376	99.380
25th to 28th July* ..	6.72	—	6.72	—	99.441
31st July	2.00	3.50	2.00	2.350	99.410
1st to 4th Aug.* ..	8.30	—	8.30	—	99.431
7th August	2.00	2.50	2.00	2.350	99.410
8th to 11th Aug.* ..	4.40	—	4.40	—	99.426
13th August	2.00	2.00	2.00	2.350	99.410
21st August	2.00	2.10	2.00	2.350	99.415
14th to 18th August* ..	0.80	—	0.80	—	99.431
22nd to 25th August* ..	0.55	—	0.55	—	99.431
4th September ..	2.00	2.00	2.00	2.370	99.405
Total amount outstanding	64.05	..	64.05	..	..

CLEARING HOUSE RETURNS

Centre	Week ended 31st August, 1962 Number of Cheques	Amount Rs.	Week ended 24th August, 1962 Number of Cheques	Amount Rs.
Bombay ..	3,64,000	1,44,05,00,000	3,78,000	82,36,00,000
Calcutta ..	2,28,000	99,99,00,000	1,88,000	74,15,00,000
Madras ..	1,00,000	18,32,00,000	95,000	13,77,00,000
New Delhi ..	56,000	18,98,00,000	51,000	12,06,00,000
Kanpur ..	23,000	4,20,00,000	20,000	3,46,00,000
Bangalore ..	34,000	6,29,00,000	34,000	5,75,00,000
Nagpur ..	9,000	1,55,00,000	9,000	1,39,00,000
All Centres—				
1959-60 ..	..	..	50,196,000	10,999,00,00,000
1960-61 ..	..	..	54,809,000	12,550,66,00,000
1961-62 ..	..	..	59,946,000	13,602,34,00,000
April 1961..	..	..	4,971,000	1,164,75,00,000
Oct., „ ..	..	..	4,770,000	1,047,02,00,000
Nov., „ ..	..	..	4,986,000	1,095,59,00,000
Dec., „ ..	..	..	4,940,000	1,173,93,00,000
Jan., 1962..	..	..	5,608,000	1,244,75,00,000
Feb., „ ..	..	..	4,850,000	1,107,18,00,000
Mar., „ ..	..	..	5,533,000	1,331,65,00,000
April „ ..	..	..	5,159,000	1,159,92,00,000

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Nov., 1961	Dec., 1961	Jan., 1962	Jan., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	4.60	4.88	4.98	5.14
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	3,697‡	369	374	418	342
Yarn	million kgs.	781	788	862	72	77	75	70
Cloth	million metres	4,502	4,616	4,700	389	399	399	399
Cement	thousand metric tons	6,936	7,835	8,230	727	736	709	715
Jute	thousand metric tons	1,068	1,085	971	94	98	97	88
Paper and paper boards	thousand tons	299	345K	363K	30	30	32	31
Matches§	thousand cases	649	661	758	62	66	65	55
Sugar	thousand metric tons	2,117	2,591	2,841	119	419	545	541
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	761	76	78	86	65
Electric lamps	millions	34.84	41.39	46.89	3.96	4.14	4.59	3.73
Dry cells	millions	187.3	207.4	211.08	17.7	17.6	19.4	19.8
Power transformers	thousand K.V.A.	1,248	1,116	1,761	176	177	230	126
Electric Motors	thousand H.P.	576	680	824	70	74	86	64
Electric fans	Nos.	726,000	991,200	1,074,000	80,200	103,500	93,400	87,300
Radio receivers	Nos.	213,864	266,700	326,340	30,932	30,063	29,752	21,002
Storage batteries	Nos.	442,800	510,000	528,000	35,700	46,700	48,900	45,300
Copper conductors	tons	6,624	10,068K	7,632K	665 K	675 K	—	917 K
Winding wires	tons	2,832	4,200K	5,652K	507 K	514 K	—	407 K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	211.08J	18.09J	17.89J	18.94J	17.89J
Insulators—H.T.	Nos.	982,800	2,317,200K	2,958,000K	295,000K	276,000K	346,000K	210,000K
Insulators—L.T.	million Nos.	6.25	3,662,400K	4,257,600K	533,000K	88,000K	—	300,000K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	559	767	—	855
Diesel engines—Stationary	Nos.	30,336	41,676	44,424	3,848	4,283	—	3,917
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	0.04	0.05	0.09	0.14
Caustic soda	metric tons	69,876	99,144	119,849	0,512	10,780	10,855	5,673
Soda ash	metric tons	95,328	145,284	176,639	17,907	14,642	17,625	14,437
Chlorine liquid	metric tons	24,780	31,656	33,908	2,841	2,965	4,068	3,021
Bleaching powder	metric tons	5,184	5,928	7,032	711	627	530	582
Bichromates	metric tons	4,404	5,472	5,233	429	583	457	436
Sulphuric acid	metric tons	296,880	359,400	413,520	33,350	37,944	41,723	31,000
Superphosphate	metric tons	251,652	322,464	381,684	32,986	34,715	37,124	27,000
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,360	1,520	2,000	2,124	1,536
Antimony	tons	664	809	614	40	80	65	41
Copper (virgin metal)	metric tons	7,764	8,992	8,725	765	900	470	440
Lead (virgin metal)	metric tons	3,958	3,778	3,665	150	372	—	369
Gold	ozs.	165,312	4,992Kgs	4,869 Kgs.	415 Kgs.	425 Kgs.	—	416 Kgs.
Miscellaneous (Minor) Industries —								
Sewing Machines	Nos.	252,612	295,788	317,124	26,782	30,432	28,929	25,318
Bicycles	Nos.	990,744	1,050,744	1,054,500	95,578	95,250	89,431	90,343
Automobiles	Nos.	36,468	51,660	54,314	3,239	4,535	5,175	5,059
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.98	2.00	1.96	2.06
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.26	0.26	0.26	0.25
Cigarettes	million Nos.	32,166	38,334	41,064	3,371	3,541	3,595	3,570
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,072	680	766	—	804
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,264	464	497	—	541
Sheet glass	thousand sq. ft.	80,563	81,188	72,976	5,799	5,782	—	7,640
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	13,200	1,248	1,376	1,222	928
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	1,388	1,400	1,176	852
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.53	0.70	0.52	0.52
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.30	0.47	0.35	0.33
Alcohol—Industrial	million litres	57.84	58.94	82.26	7.98	8.72	8.85	8.14
Alcohol—Power Absolute	thousand litres	8.0 M	48.52	53.63	3.90	4.84	4.47	4.65
Railway Wagons	Nos.	10,044	7,320	11,052	875	1,033	950	950
General Index—(Base 1951=100 Revised)		152.1	169.7	180.9	185.1	183.1	—	182.8

* Figures are subject to revision month to month. § Includes figure for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs.—Kilograms. J—In million metres. ‡ Upto November only. M—Million bulk gallons.
† Upto November only. †† Average for eleven months.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average ..	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 „ ..	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 „ ..	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 „ ..	126	431	121	352	102	131	400	148	127	113	106	123	111	150
April 1961	124	428	119	348	99	130	392	149	125	111	104	120	109	150
May „	124	431	119	345	97	130	392	148	126	112	106	120	110	149
June „	125	433	122	349	99	132	392	148	127	112	104	121	110	150
July „	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August „	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. „	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. „	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. „	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. „	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February „	127	438	119	362	107	131	402	149	129	115	109	127	118	152
March „	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April „	128	439	121	355	102	131	413	149	129	113	111	127	131	152
May „	129	443	122	361	103	132	418	150	127	113	111	128	132	153
June „	130P	447	..	370	..	..	..	..	127	112	110	128	133P	..
July „	..	448	..	378	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59 ..	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60 ..	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61 ..	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,80
1961-62 ..	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. „ ..	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May „ ..	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June „ ..	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July „ ..	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. „ ..	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. „ ..	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962 ..	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. „ ..	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3,67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. „ ..	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April „ ..	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May „ ..	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities : repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar., 1962 amount to 19.08 crores of rupees.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 23rd Aug., 1962* ..	15,116
	Corresponding week, 1961 ..	18,629
	1st Sept. to 23rd Aug., 1961-62 ..	1,848,122
	Corresponding period, 1960-61 ..	1,994,610
Cotton Exports	Week ended 23rd Aug., 1962 ..	7,278
	Corresponding week, 1961 ..	6,802
	1st Sept. to 23rd Aug., 1961-62 ..	390,542
	Corresponding period, 1960-61 ..	338,261
Mill Consumption (Estimated)	1st Sept. to 23rd Aug., 1961-62 ..	1,303,145
	Corresponding period, 1960-61 ..	1,247,895
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 23rd Aug., 1962 ..	476,452
	Corresponding date, 1961 ..	515,615
Consumption of Cotton—		
Indian ..	May, 1962	398,756
Foreign ..	May, 1962	71,884
Indian ..	Nine months ended May, 1961-62	3,491,292
Foreign ..	Nine months ended May, 1961-62	773,001
Indian ..	Same Period, 1960-61	3,078,906
Foreign ..	Same Period, 1960-61	866,066
Stocks (Mills and Elsewhere)—		
Indian ..	As on 30th April, 1962	1,300,479
Foreign ..	As on 30th April, 1962	261,894
Indian ..	As on 30th April, 1961	1,519,396
Foreign ..	As on 30th April, 1961	354,231

Particulars	From 1st Sept. to 27th August 1961-62 In Bales of 180 Kilograms	From 1st Sept. to 27th August 1960-61 In Bales of 180 Kilograms
From Bombay		
Cotton Shipments to—		
United Kingdom ..	4,053	3,863
Continent ..	28,341	19,478
Hongkong ..	13,778	14,717
China	—	67
Japan	208,850	179,490
U.S.A. ..	17,977	8,330
Other countries ..	561	334
Total to all foreign countries ..	273,560	226,279
Coastal Ports ..	122,605 (a)	115,894 (b)
Total	396,165	342,173

Particulars	Details of Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During June, 1962 ..	27,57[illegible]
	During June, 1961 ..	21,18[illegible]
	1st Sept. to 30th June, 1962 ..	215,150
	1st Sept. to 30th June, 1961 ..	204,749
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 10th Aug., 1962 ..	..
	Corresponding week, 1961 ..	19,956
	1st Sept. to 10th Aug., 1961-62 ..	3,383,838
	Corresponding period, 1960-61 ..	3,940,445
Karachi (Pakistan)—		
Receipts ..	1st Sept. to 9th Aug., 1961-62 ..	1,010,504
	Corresponding period, 1960-61 ..	840,089
Exports ..	1st Sept. to 9th Aug., 1961-62 ..	670,545
	Corresponding period, 1960-61 ..	514,493

(J) By Rail and Sea. — Not Received. † Incomplete. A-Adjusted. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to June, 1962.

COMMERCE

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

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UNFAIR TO TARIFF COMMISSION

THE Central Government's decision on "fair ex-works retention prices of steel" recommended by the Tariff Commission is clearly unfair and, what is more, the way in which Mr. C. Subramaniam, Minister for Steel and Heavy Industries, defended it in Bombay during the last week-end is highly deplorable. It is true that the Tariff Commission is only an advisory body and that the Government is not bound to accept its recommendations *in toto*. Indeed, the Government has, in recent years, amended the Commission's proposals in a number of cases involving fixation of fair prices. But it would be a healthy principle, if, as a rule, the Commission's conclusions and suggestions were accepted by the Government, for they represent the result of patient study and detailed examination by a group of competent persons with an impartial attitude. This is not a radical suggestion, especially when it is remembered that the Commission frames its recommendations only within terms of reference outlined by the Government and after taking into account the Government's broad economic policies. Accordingly, the occasions when the Government differs from the Commission should be few and far between. And when it does, the reasons must be weighty enough to carry public opinion with it. Further, these reasons must be spelt out in detail, with facts and figures.

Failure to follow this healthy convention will undermine the confidence of investors and entrepreneurs in the Government's price policy. Still worse will be the outcome when Ministers run down a quasi-judicial body like the Commission by declaring in public that it is an outmoded institution or that it is not progressive in its outlook. It is a common saying that one resorts to abusive language when one has no sound argument to advance. Mr. Subramaniam did nothing else when he declared last week-end that "the Tariff Commission had become completely out of date" and hinted that "other machinery would have to be evolved." If this is the Government's view, it would be better to withdraw the cases that have already been referred to the Commission and to cease making any further references. Currently, the Commission must be busy tackling the issue of fair ex-mill prices for cloth and yarn. It is a sheer waste of public money to continue this price inquiry or any other, if the Government is going to amend the Commission's fundamental recommendations in the same arbitrary manner in which it has dealt with the steel price issue. There is also another reason why the treatment that is being given to the Tariff Commission's work is injurious. And that is the human angle. However stoic the members of the Commission may be, they are, after all, human beings. Would it be conducive to their efficiency and enthusiasm in the onerous tasks assigned to them, if both in action and saying the Ministers went on mutilating and deprecating the major work done by them?

The contention that the Tariff Commission is out of date is baseless. Mr. C. Subramaniam's elucidation of his remark suggests that he is suffering from some confusion. The Tariff Commission in this country has a twofold function, namely, (1) determining the quantum of protection to indigenous industries against foreign competitors, and (2) fixing the fair prices of commodities that are referred to it by the Government. Nowadays, the Commission has very little work under the former in view of the severe import restrictions, but plenty under the latter, as more and more goods are being subjected to price control. In the early 'fifties, the Government deliberately assigned this second function to the Commission, so that it might not be accused of being partial to either any industry or a section of industry. It had also found from experience that *ad hoc* bodies for tackling price fixation were not a satisfactory means. There are already allegations in certain quarters that the Government has meted out harsh treatment to the T.I.S.Co. and I.I.S.Co., because they dared to support the Swatantra Party, dubbed by Congress and Communist leaders alike as a rightist reactionary party.

This allegation apart, one fails to see how the Tariff Commission is an outmoded body for determining fair prices. The fact that the Government finds itself increasingly in conflict with the crucial conclusions and recommendations of the Commission is no justification for holding that view. Anybody who goes through the report of the Commission on paper, cement and steel, to mention only a few instances, will find that the Commission has been adopting stringent norms and policies, that it has by no means been generous to investors and that it has not spared the manufacturers wherever they were found wanting. In its anxiety to hold the price level, the Government may not be able to see eye to eye with the Commission's recommendations, but that is not the fault of the Commission. If anyone is to be blamed for inflation, it is the Government itself, because more often than not inflation is the cumulative result of pursuing a series of defective economic policies. There are several instances where there was no necessity at all to go to the Tariff Commission for price fixation, cotton textiles and sugar being two typical instances. But still the Government invoked the services of the Commission in order to save itself from an embarrassing position or to postpone an unpleasant task as long as possible. Unfortunately for it, the Tariff Commission has not been diplomatic enough to oblige its creator in this respect and has severely left the unrewarding role of King Canute to be played by the respective Ministers concerned.

After a detailed examination of the costs, capital employed, production in relation to capacity created and after taking into account the difficulties experienced by the two private sector steel companies in regard to raw materials and transport, the Tariff Commission came to the conclusion that, for the two years ended March 1962, a uniform average retention price of Rs. 550 per tonne would be fair for both T.I.S.Co. and I.I.S.Co. This meant an increase of Rs. 38 per tonne over the provisional price that had been fixed by the Government, pending the Commission's finding. Of this increase, Rs. 8 represented a special element to enable the companies to repay the special advances they had taken from the Government under agreements, signed in 1953 and 1954. The Commission was of the view that the repayment of this loan together with interest at the rate of 5 per cent per annum from 1st July 1958 should be spread over a period of 20 years. The Government has taken the view that the Commission has been too liberal to the manufacturers. It has, therefore, cut the increase to a mere Rs. 10.50 per tonne and fixed the uniform average price at Rs. 522.50 per tonne. This is too sharp a reduction, unsettling all the premises laboriously worked out and substantiated by the Commission. The reasons given by the Government for doing so are sketchy and unconvincing. In refusing to allow the special element for repaying the loans given by it, the Government has gone back on its own terms of reference to the Commission. These aspects of the Government's decision, as well as the Commission's observations on the state of the steel industry in general, will be examined at some length in our next issue.

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WANTED: MORE LAND REVENUE

THE share of agriculture proper in India's national income, at current prices, in 1960-61 (the last year of the second Plan), was about Rs. 5,700 crores, representing as much as 45 per cent of the latter. But the aggregate receipts to the exchequers of the State Governments from land revenue (Rs. 98.0 crores), agricultural income-tax (Rs. 8.5 crores) and irrigation (Rs. 10.3 crores) amounted, in that year, to just Rs. 117 crores in round figure, representing 2.1 per cent of the aggregate agricultural income. This may be compared with the position in 1955-56, the last year of the first Plan. In that year, it may be recalled, the aggregate receipts from land revenue (Rs. 80.3 crores), agricultural income-tax (Rs. 5.7 crores) and irrigation (Rs. 8.5 crores) came to about Rs. 95 crores in round figure, representing 2.7 per cent of the relevant agricultural income (Rs. 3,470 crores). It would thus be seen that, while the aggregate agricultural income had increased by 64 per cent over the second Plan period (from Rs. 3,470 crores in 1955-56 to Rs. 5,700 crores in 1960-61), the incidence of land revenue (including agricultural income-tax and irrigation charges) in relation to that income had perceptibly decreased. If a proportionate increase had taken place in land revenue receipts, the aggregate of such receipts in 1960-61 should have been at least Rs. 156 crores, representing 2.7 per cent of the relevant aggregate agricultural income (Rs. 5,700 crores). The comparison brings out the deplorable fact that the incidence of land revenue, which was far too low in relation to income from land even in 1955-56, was still lower in 1960-61. That means the State Governments did not have—rather, did not attempt to have—a reasonable share for their exchequers in the all-round agricultural prosperity that had come about, thanks to larger production and higher prices for which the increased demand from urban areas for foodgrains and from industries for raw materials was largely responsible.

The third Plan has inherited this legacy of the second Plan's failure to step up land

revenue at least by stages, if not in one sweep. Such increase as there has been in the aggregate revenue from land in the first year (1961-62) is a modest Rs. 8 crores for the country as a whole. Most State Governments have, therefore, proposed in the current year (1962-63) increases in land revenue assessments. Andhra Pradesh, for instance, hopes to get an additional revenue of about Rs. 4 crores per annum from the proposed increase in assessment on land. Assam has proposed to increase the land revenue rate from 25 nP in the rupee to 50 nP in all plains districts. Gujarat's proposal is to have a surcharge on land revenue at 20 nP per rupee. Jammu and Kashmir is to have an agricultural income-tax on incomes over Rs. 3,000 per annum at the same rate as under the Central Income-tax Act. Madhya Pradesh hopes to get an additional revenue of Rs. 1.5 crore through rationalisation of land revenue. Madras has proposed to increase the assessment on wet lands by 40-50 per cent, the water rate on dry lands by 50-100 per cent, and the sugarcane cess from Rs. 2 per ton to Rs. 5. Maharashtra has decided to collect a special education cess in the form of a cash levy per acre principally from irrigated lands growing cash crops. And Uttar Pradesh, with its estimated budget deficit of Rs. 13.3 crores, has brought forward a proposal to levy a fresh tax on landholdings, amounting roughly to 50 per cent of the land revenue now being paid by landholders and estimated to yield an additional Rs. 8.5 crores.

Currently it is the U.P. proposal that has to sail against rough weather, whereas in most other States there has been no such serious agitation against the proposed increases in land revenue assessments and rates. The determined (but short-sighted) opposition of a section of the ruling Congress Party and the Opposition parties to the Land Holdings Tax Bill in Uttar Pradesh has brought things to such a pass that the Central Government has directed the Planning Commission to give its advice to the U.P. Government on the Bill and the State Government itself has just offered to raise the limit of holdings exempt from the tax from one acre, as provided in the Bill, to three acres. The said compromise offer of the State Government is calculated to slash the additional yield from Rs. 8.5 crores to a little over Rs. 4.0 crores. There is no certainty, as of today, that the Government will not compromise further on the issue. Whatever political capital the Opposition parties might try to make out of such land tax proposals, the Congress Party, which is wedded to planned development, would be well advised to close up its ranks and enable the State Governments to raise more resources from the agricultural sector. After all, this sector, while continuing to benefit from planned development, contributes very much less than its due share of resources for such development. The problem of securing a substantially bigger surplus from agriculture for national development will confront any responsible party that may come to power in future—a problem which it will be compelled to solve in some way or other, whatever unrealistic or disruptive stand it may now take as an Opposition party.

PUBLIC-SECTOR UNDERTAKINGS

INDIA'S public sector in industry and commerce has grown to a mammoth size, judged by the magnitude of investment, predominantly by the Central Government, in 42 "autonomous," as distinct from "departmentally-run," undertakings. As at the end of 1960-61, the aggregate investment in these 42 undertakings alone was Rs. 953 crores, of which equity capital accounted for Rs. 556 crores and long-term loans for Rs. 397 crores. Most of this investment—as much as Rs. 872 crores—was made only during the second Plan period. The third Plan is expected to add a further investment of the order of Rs. 1,500 crores in these and other newer undertakings (excluding the departmentally-run units like the Chittaranjan Locomotive Works, Integral Coach Factory, Ordnance Factories, P. & T. Workshops, etc.). When so much public money has been, and continues to be, invested in fields in which the Government has had virtually no experience till recently, the anxious interest displayed by the public, Press, Parliament and businessmen alike in the working of these undertakings is quite legitimate and natural.

Whether the State undertakings are run on prudent, commercial lines and whether they are making reasonable profits are matters of vital interest to the public which, whether or not invited to participate directly in their capital structure by taking up shares, has obviously a big stake in their successful working. The Union Ministry of Finance has, therefore, done well to provide an overall assessment of the performance of at least the "non-departmental" undertakings in its first annual report on them presented to Parliament on the 7th instant. It would not be easy to find fault with the Ministry in its overall financial assessment, for it has taken care to classify the 42 undertakings into four categories, namely, (i) undertakings under construction, like the Nangal and Trombay Fertiliser Units, Heavy Electricals, Heavy Engineering Corporation, Hindustan Organic Chemicals, Hindustan Photo Films Manufacturing Company, Hindustan Teleprinters, Indian Refineries, Neyveli Lignite Corporation and National Mineral Development Corporation, (ii) completed undertakings not fully commissioned, like Hindustan Steel covering the Bhilai, Rourkela and Durgapur steel plants, (iii) running concerns, numbering 26 or 27, the names of which are given in the table on the next page, and (iv) promotional and developmental undertakings like the Central Warehousing Corporation, Export Risks Insurance Corporation, Indian Handicrafts Development Corporation, National Small Industries Corporation, National Industrial Development Corporation and Rehabilitation Industrial Corporation.

From the point of view of an assessment of profit-earning performance, the immediately relevant category is the one pertaining to "running concerns." The accent in this article is on this category, because the relevant undertakings have been working for a number of years now and their financial results lend themselves to a fuller analysis than is possible in the case of either the first category or the second. Still some overall figures and general observations pertaining to all the four categories would need to be highlighted here. First, a break-up of the aggregate investment of Rs. 953 crores shows that the Central Government's share thereof is 97.3 per cent, that of the State Governments 0.7 per cent, that of private Indian parties 0.3 per cent, and that of private foreign parties 1.7 per cent. Secondly, a category-wise break-up of this aggregate investment shows Rs. 109 crores of equity and Rs. 12 crores of loan capital under the first category, Rs. 300 crores of equity and Rs. 306 crores of loan capital under the second (Hindustan Steel alone), Rs. 142 crores of equity and Rs. 70 crores of loan capital under the third and Rs. 4 crores of equity and Rs. 10 crores of loan capital under the fourth. Thirdly, as compared with the total investment of Rs. 953 crores, the total value of fixed assets or gross block, as it is called, stood at Rs. 917 crores, covering land, buildings, plant and machinery and capital works-in-progress. The difference of Rs. 36 crores between the total investment and the gross block represents partly deferred revenue expenditure (Rs. 15 crores) and partly working capital (Rs. 21 crores). Fourthly, the loan capital advanced by the Government has been charged interest at the rate of 5 per cent for 2- to 4-year loans, 5½ per cent for 5- to 9-year loans and 6 per cent for 10- to 15-year loans. These rates of interest, it must be said to the credit of the Government, are higher than what it pays on its borrowings from the capital market and are not unduly low as compared with what first class companies have to pay on the secured loans they raise either from banks or the long-term capital market. It may be presumed that more of loan capital will be provided in future to the undertakings concerned in pursuance of the Government's recent decision to the effect that the ratio of equity investment should, more or less, equal loans for each undertaking, a decision which is in keeping with the criterion favoured by the World Bank for judging the soundness of the approach made by entrepreneurs in the private sector to the capital requirements of their industrial projects. In effect, this would mean that, whether or not an undertaking declares a dividend on equity capital, the Government will at least have a guaranteed return of 5 to 6 per cent on loan capital amounting to nearly half of its total investment, assuming, of course, the interest liability will be regularly met by the units concerned.

Specifically in regard to "running concerns," a broad picture of the capital structure and working results, as of 1960-61, is given in the table on the next page. Although the Finance Ministry's report, in its overall assessment, has lumped together all the 26 or 27 units, we have sub-divided the category into (*a*) industrial and mining units and (*b*) commercial and other units. The Finance Ministry's analysis has led to the conclusion that the 26 or 27 undertakings, taken as a whole, made a net profit representing 5.5 per cent of their aggregate equity capital in 1960-61. Our analysis, however, shows that, during the year under review, the 18 purely industrial and mining units, taken as a whole, made a net profit representing 5.1 per cent of their aggregate equity capital, whereas the 8 or 9 commercial and industrial units together made a net profit representing 6.3 per cent of their aggregate equity capital. Considering that the proportion of equity capital to the total capital investment is considerably higher than in the case of the vast majority of industrial concerns of comparable age in the private sector, this performance is encouraging and belies the earlier pessimistic reports. Although the unit-wise picture is rather uneven, most units, whether industrial or non-industrial, seem to be well set on the road of profit-earning. *Prima facie*, the aggregate provision of about Rs. 55 crores for depreciation, representing 30 per cent of the gross block (Rs. 185 crores as of 1960-61) seems to be fairly adequate, considering that most of the units were less than 10 years old in that year. Likewise, the aggregate amount (Rs. 24 crores) allocated to reserves represented a not insignificant percentage (17) of equity capital.

That internal resources of the order of about Rs. 80 crores (representing depreciation provision, reserves, etc.) have been available for financing development and that such resources will increase further as more projects go into operation are no doubt heartening trends. But allocations to reserves, after providing for depreciation, seem to have been largely responsible for non-declaration of dividends by most concerns. The Finance Ministry's report, however, has sought to explain this position in the following passage:

"In judging the profitability of public-sector undertakings, the sole criterion adopted in some quarters is the dividends declared by them. This basis overlooks the fact that, even though most public-sector units have made profits, not all of them have declared dividends. The total net profit earned by 23 concerns, after taking into account the loss sustained by three, was Rs. 7.7 crores. However, dividends were declared only by 9 units aggregating Rs. 1.4 crore, which works out to an average of 4.2 per cent on the total paid-up capital of these concerns. The amounts representing the difference between the net profit earned and the dividends declared were retained by them for being appropriated as reserves or ploughed back into business. To that extent further investment by Government in these concerns has been avoided."

The above explanation, amounting to a justification, may be valid in the circumstances of State undertakings which do not have to depend on the market for raising capital. But it ignores the vital consideration that the public money represented by the equity capital of these undertakings is entitled to a fair return, inasmuch as the public loans floated by the Government carry interest which is currently ranging between 4 and 4½ per cent. Assuming that all the equity capital provided by the Government has come out of public loans, the public would rightly expect of the State undertakings to declare at least 5 to 6 per cent dividends, besides setting apart a sizable part of their net profits to reserves. Further, as these undertakings are now being worked nearly, though not fully, on the same lines as private-sector enterprises, thanks to public criticism and Parliament's scrutiny, it would not be too much to expect that every State undertaking should also aim at declaring decent dividends at least for psychological reasons. A more important reason why they should do so is, of course, the need for finding resources to finance the other projects in the Plan.

MARKET GOSSIP

The Washington Meet

THE Sheraton Park Hotel at Washington will hum with activity for five days from Monday next week when over 400 leading financial officials (and their advisers) from 79 countries get together in connection with the annual meetings of the Bretton Woods twins (I.M.F. and World Bank) and the two offspring of the latter (International Finance Corporation and International Development Association). The meetings will be held against the background of the continuing imbalance in the overall world payments situation, the symptoms of possible world-wide deflation hinted at by no less a person than Mr. Per Jacobsson, the I.M.F.'s Managing Director, and the pressing claims of a host of underdeveloped nations for more liberal assistance for economic development. Unless these problems are satisfactorily dealt with, the progress that has been achieved so far to strengthen international economic and financial relations cannot be well sustained in the coming years.

On the eve of the aforesaid meetings, it may perhaps be useful to indicate the change in international liquidity that has taken place in recent years. Between the end of December 1952 and March 1962, Continental Europe's aggregate gold and foreign exchange holdings have risen by as much as $15,000 million, whereas those of the U.S. have declined by $6,380 million. The table below shows the actual position in respect of the different regions (free world) at the end of March 1962, as compared with that obtaining at the end of December 1961, 1960 and 1952:

*International Liquidity**

(In million $)

	End of March 1962	End of December		
		1961	1960	1952
U.S.A.	16,873	17,063	17,804	23,252
Europe	23,290	23,680	21,425	8,250
U.K.	3,458	3,324	3,239	1,058
Other sterling areas ..	7,150	7,280	6,755	7,155
Canada	1,716	2,064	1,836	1,864
Latin America ..	2,615	2,840	2,930	3,005
Rest of world ..	5,290	5,160	5,710	4,080
Total ..	60,390	61,415	59,700	49,565

* Represented by official gold and foreign exchange holdings.

As is only to be expected, it is the I.M.F.'s meeting that will be most important. A large African representation, we are told, will lend special emphasis to the financial problems of underdeveloped countries at this year's meeting. There will be representatives of 30 African countries, of which 13 are already members of the Fund and 17 are applicants for membership. Many of the African countries will be represented for the first time. The African delegates, as well as the representatives of many non-industrial, developing Asian, Middle Eastern and Latin American nations, will doubtless express much concern over the price and demand trends in world commodity markets, with a vigorous plea for adequate assistance from the Fund. Gone are the days when the resources of the Fund were intended merely to help its members deal with temporary payments problems. For the Fund is now required to play a more active "financial role" in the adjustment of world payments difficulties. The aggregate drawings on the Fund's resources in 1961 touched a record of $2,500 million, as against $1,000 million in 1957, the previous highest figure. What is more, the various shifts in the world payments situation, as the I.M.F. Press release itself points out, have suggested the possibility of increased calls on the Fund's resources in the future. In particular, the achievement of currency convertibility in many countries has facilitated large-scale movements of funds which are capable of creating considerable strain on the world payments system.

It is true that the lending capacity of the Fund has been considerably augmented in recent years partly through the general increase in members' quota from the equivalent of $9,200 million to over $15,000 million and partly through arrangements by which the Fund has been enabled to borrow additional resources. It is also true that ten of the Fund's industrial members have committed themselves to stand ready to lend up to $6,000 million of their own currencies "to forestall or cope with an impairment of the international monetary system." Even so, some economists and financial experts are doubtful whether the Fund would succeed in meeting the mounting pressure on its resources. A section of opinion believes that the Fund should embark upon a long-term plan for increasing its resources. To this section belongs Mr. Reginald Maudling, Britain's Chancellor of the Exchequer. Mr. Maudling is expected to suggest, in his speech at the meeting, the creation of a pool of currencies which would be much less hedged around by lending restriction than is the $6,000-million fund set up at Vienna last year. Such a pool, it is felt, would improve the world's supply of liquid assets and enhance the Fund's usefulness in the world's payments system.

The above proposal is no doubt quite an interesting one, but there are doubts about its efficacy too. The doubts arise from the current "dangerous obsession" with gold. Such an obsession, according to a section of opinion, can be removed only through extension of a gold guarantee over official holdings of various currencies. Here is what the London *Economist* said recently:

"To remove the current dangerous obsession with gold, which is by no means appeased by all the official efforts to disguise published figures and to economise in gold shipments, it is necessary to extend guarantees over official balances generally. One useful way in which this could be done would be to confine the guarantee to balances that are transferred as deposits with the International Monetary Fund. These deposits, in contrast with the initial subscriptions to I.M.F., would naturally bear interest, in the same way as loans to I.M.F. under the Paris Club facilities. And these deposits would also be available for immediate use, with even less formality than a drawing on the existing 'gold tranche' of the quota now involves. They should certainly be freely transferable, and thereby acquire an independent form. For the holder, they would be as good as existing foreign currency balances, only better by virtue of the guarantee. For the country granting the guarantee on its currency, the advantage would be that the I.M.F. would automatically be a considerate holder of the balances, drawing them down only when the currency was scarce because the country concerned was in basic payments surplus. Such a move could then be a voluntary first step towards the creation of a new international currency, a goal towards which present piecemeal credit arrangements must ultimately lead."

It would appear that the scheme of gold guarantees may be strongly opposed by the U.S. which seems to favour an entirely different scheme. The U.S. Administration, it is stated, may canvas support for its plea that it would be far more satisfactory if all the European countries refrained from asking for conversion of dollar accumulations into gold until the U.S. payments position improved, rather than by formal U.S. borrowings abroad to deal with the backwash (on gold stock) of the functioning of convertibility during this difficult period. The U.S. plea is presumably based on apprehensions of a serious impact on its economy of a continued gold drain. Mr. Per Jacobsson, however, has described the U.S. concern about gold outflow as excessive, in view of the steady improvement in that country's financial position. Addressing the Advertising Club of Washington the other day, Mr. Jacobsson expressed his confidence about an early solution to the gold-dollar problem and said: "It is time to worry less about the outflow of U.S. gold and more about the possible world-wide deflation.... We ought to begin to pay as much attention to a decline in prices as we did in the past to inflation.... There is as much danger of deflation as inflation." He thought that the question of possible deflation would be a major topic at the forthcoming Fund meeting.

The meeting of the World Bank, unlike that of the Fund, will be a routine affair—a review of the Bank's activities and policies. On Tuesday the 18th inst., Mr. Eugene R. Black, President of the Bank, the I.F.C. and the I.D.A., will address the respective Boards of Governors and present the annual reports. Discussion of their activities will follow thereafter. An important item on the agenda pertains to suggestions for enhancing the I.D.A.'s usefulness to member-nations which at present remains restricted, in view of inadequate resources. Since it commenced operations about two years ago, the I.D.A. has practically exhausted the amount effectively available for long-term lending, namely, $800 million, out of the total subscribed capital of $1,000 million. If the I.D.A. is to play a more prominent role in accelerating the tempo of economic development in underdeveloped countries, a substantial rise in its resources is imperative. This is proposed to be done partly by broadening the capital base of the I.D.A. The I.D.A. credits have been of immense value to many countries, including India, inasmuch as they are interest-free (only a surcharge of ¾ per cent per annum is payable on the amount withdrawn and outstanding) and the period for repayment is long enough to suit their needs.

Titaghur Paper in Loss

Reporting a net loss of Rs. 11.38 lakhs for the year ended 31st March 1962, as against a net profit of Rs. 23.92 lakhs in the previous year, the Titaghur Paper Mills Company Ltd. has run into a bad patch for the first time in the past many years. The gross profit for the year at Rs. 23.51 lakhs is miserably poor in comparison with Rs. 106.08 lakhs in the previous year, which again was lower in relation to Rs. 124.59 lakhs earned in 1959-60. That the profit should have fallen so sharply is, indeed, baffling, especially because net sales (that is, excluding excise duty paid) which had declined from Rs. 858.22 lakhs to Rs. 823.53 lakhs in the previous year, have recovered nearly fully to Rs. 857.43 lakhs. The profit-margin (ratio of gross profit to net sales) for the year has slumped to a paltry 2.7 per cent from 12.8 per cent to which level it had slipped back in the previous year from 14.5 per cent in 1959-60. The dividend on ordinary shares has been halved to one rupee per share, subject to tax, after maintaining that on preferred ordinary shares at 13 per cent per annum, taxable, and paying the preference shareholders in full. To provide for the dividends and set off the loss, the Directors have withdrawn Rs. 20.50 lakhs from reserves. The news that this 80-year old Company, enjoying a wide reputation as a leading unit in the field with a first rate efficient management, has suffered so heavily has come as a shock to a large section of investors in this part of India. It would have had a demoralising effect on stock exchanges but for the cushion provided by the management's decision to issue both bonus shares and new shares, the latter at a modest premium.

Sir Walter Michelmore, Chairman of the Company, has explained in detail the circumstances in which the Company had to suffer a setback. This he has done in a statement to the shareholders and published in full elsewhere in this issue. According to Sir Walter, the Company has suffered from seven major drawbacks, namely, (i) uneconomic selling prices even with the latest increase of 6 nP per kilo in relation to rising costs, (ii) insufficient coal supplies and exorbitant cost of transporting at least 50 per cent of them by road, (iii) inadequate wagon supplies for transporting bamboo to the Works, (iv) unremunerative working of the No. 2 mill due to labour troubles and poor management, (v) uneconomic working of the No. 3 mill unit its output reached the level of 18,000 tons per annum as provided by the original industrial licence, (vi) small setback to production owing to the transfer of some machinery from the No. 2 to the No. 3 mill, and (vii) write-off of Rs. 23 lakhs from bamboo stocks due to revaluation. Of these, while the last four are within the control of the Company which has taken steps to overcome them, the first three are beyond the Company's control and, unless urgently remedied, will affect the Company more severely in the current year as well as in the subsequent years. Besides, they affect the industry as a whole. Their detailed examination, as Sir Walter sees them, will prove useful.

According to Sir Walter, when, in 1960, the Tariff Commission gave its award based on 1958 costs, those most closely concerned with the industry predicted a difficult time ahead, and this has certainly proved to be the case. In the first place, the 12 per cent return on capital employed covering as it does taxation, provision for rehabilitation, managing agents' remuneration, bonuses to labour and preference dividends, does not leave a sufficient balance to provide an adequate return by way of ordinary dividends on the

(*Continued on page* 484)

Public Sector Running Concerns

As of 1960-61

(Rupees in lakhs; 1 lakh = 100,000)

Name of Concern	Year of establishment	Equity capital	Loans from Government	Depreciation	Reserves	Gross profit (*a*)	Net profit (*b*)	Net profit as per cent of equity capital
Industrial and Mining Units :								
Bharat Electronics	1954	521	—	56	10	12	12	2.3
Sindri Fertilisers	1951	1,700	1,095	1,836	439	93	48	2.8
Hindustan Aircraft	1940	1,875	3	300	314	65	62	3.3
Hindustan Antibiotics	1954	247	—	82	272	140	81	32.8
Hindustan Cables	1952	125	74	49	56	26	16	13.0
Hindustan Housing Factory	1953	40	35	3	2	6	—	0.3
Hindustan Insecticides	1954	97	27	38	61	27	18	19.0
Hindustan Machine Tools	1953	531	98	37	9	78	74	13.9
Hindustan Salt Co.	1958	24	—	14	—	6	6	—
Hindustan Shipyard	1952	560	21	142	—	2	1	0.4
Indian Telephone Industries	1950	400	102	152	50	54	19	4.7
Indian Rare Earths	1950	100	—	42	—	4	5	5.2
Nahan Foundry	1952	40	8	34	1	5	3	6.5
National Instruments	1957	91	23	15	2	5	5	4.9
National Coal Dev. Corporation	1956	2,540	2,384	731	207	152	104	4.1
National Newsprint Paper Mills	1947	495	88	171	8	32	33	6.7
Praga Tools Corporation	1943	137	—	53	3	2	3	2.3
Travancore Minerals	1956	50	—	5	21	13	8	16.2
TOTAL ..	—	9,573	4,111	3,811	1,444	703	486	5.1
Commercial and Other Units :								
Air-India	1953	913	913	752	313	117	68	7.4
Ashoka Hotels	1955	150	88	55	14	31	26	17.3
Indian Airlines	1953	848	848	496	13	7	5	0.6
Indian Oil Co.	1959	57	—	—	—	—3	—3	—
National Projects Construction Corporation ..	1957	113	—	30	4	2	1	1.0
National Building Construction Corporation ..	1960	3	—	—	—	—1	—1	—
State Trading Corporation	1956	200	—	7	510	273	145	72.2
Eastern Shipping Corporation (*c*)	—	1,000	58	252	91	12	18	1.8
Western Shipping Corporation (*c*)	—	1,290	191	84	36	41	29	2.3
TOTAL ..	—	4,574	2,098	1,676	981	479	288	6.3

Foot notes : (*a*) "Gross profit."—After allowing for depreciation but before providing for interest, taxation or allocations to reserves.
(*b*) "Net profit."—After providing for depreciation, interest, tax provision but before allocating to reserves.
(*c*) The two shipping corporations were merged in 1961 into a single corporation called the "Shipping Corporation of India Ltd."

TREND OF SHARES

IN DOLDRUMS AGAIN

(From Our Own Correspondent)

BOMBAY, 13*th September*

A TOTALLY disappointing increase of Rs. 10.50 per tonne in the long delayed steel retention price, as against the Tariff Commission's conservative recommendation of Rs. 38, which was announced on Friday, the 7th, demoralised sentiment completely and touched off a wave of heavy selling in the stock markets this week. Equities were thus left in the doldrums once again, barely two months after they had gradually recovered apart of the ground lost in the last slump. Panicked by a landslide in Steels, particularly in Tata Ordinary, bulls liquidated nervously all round. Bears grasped fully the God-sent opportunity to hammer. Values simply tumbled down, with some leading counters sinking to fresh low levels for the year. However, during the past two days, pressure subsided, and bears covered. But the reports today that the Chinese had made fresh inroads in the N.E.F.A. region produced nervousness again, though the lower levels induced renewed bear covering. Nevertheless, closing prices disclosed widespread losses over the week.

Clearly, bulls have now no wind left in their sails. Oddly enough, while their minimum and reasonable hopes have been shattered, bears have been favoured with an enviable stroke of luck following the emergence of new bearish factors. This week saw a new bearish factor in the statement by Mr. K. C. Reddy, Union Minister of Commerce and Industry, that there would be a further cut in imports in the ensuing licensing period. Economic uncertainties have been growing all the more and political troubles seem to have come to stay. The trend in shares is thus still bearish. But this week's setback has been exceptionally sharp, especially as a couple of bulls were caught napping. The investor, in particular, would be well advised to be restrained and calm at the current low levels in equity values. While bulls have been unloading, bears have been eagerly covering their short sales. A sharp shake-out is always followed by a small or big technical correction. Meanwhile, let not the investor sell and find the next day that the L.I.C. has made fresh purchases at the low levels. As for the steel retention price, certain influential circles are credited with the speculation of a possible reconsideration and revision by the Government. Whether that speculation materialises or not would be known before long. In the meantime, it will be worth waiting for the reactions of the chairmen of the two steel companies.

* * * *

In an orgy of bear raids and panicky bull liquidation, Tata Steel Ordinary, the erstwhile barometer of Dalal Street, slumped from Rs. 144.50 to Rs. 133.50—a level two points lower than the last year's low of Rs. 135.50—to close at Rs. 135.25 as against Rs. 145 a week ago. In the process, a principal Calcutta bull operator was said to have turned a bear and a leading Southern bear operator was said to have gone long in this scrip. The debacle was caused by the paltry increase in the steel retention price and the consequent uncertainty about the dividend. Indian Iron fell from Rs. 26.30 to Rs. 25.25 to close 90 nP lower over the week at Rs. 25.35. Mukand Iron showed a loss of 64 nP at Rs. 24.12.

Among Textiles, the volatile Standard closed 36 points lower at Rs. 860, followed by Khatau which showed a loss of Rs. 15 at Rs. 453.75 and National Rayon which declined by Rs. 8.50 to Rs. 495. Other shares in this section were also lower, Century by Rs. 3.50 at Rs. 624, Kohinoor by Rs. 5.50 at Rs. 310.50, Bombay Dyeing by 80 nP at Rs. 66.90, Swan by Rs. 7 at Rs. 303, Mafatlal by Rs. 32.50 at Rs. 792.50, New City by Rs. 31 at Rs. 150 and Gwalior Rayon by Rs. 3.50 at Rs. 56.50.

In the Miscellaneous section, Telco suffered on bear hammering and closed with a loss of Rs. 17.56 at Rs. 301 *ex-div.* Bombay Burmah also declined sharply from Rs. 665.50 to Rs. 651. The firmly held Hindustan Motors disclosed a loss of 33 nP at the *ex-div.* closing price of Rs. 19. Voltas were down by nine points to Rs. 262. In an otherwise easy dyes and chemicals section, Indian Dyestuff closed with a minor gain of Rs. 2.50 at Rs. 446.25. Cements were quiet, Sugars and Shippings easy and Electrics shed some of their recent gains. In the Cash section, new issues were less affected by the weakness in the Forward List. But T. Maneklal were down by 15 points at Rs. 640, Colour Chem by 10 points at Rs. 420, New Standard by seven points at Rs. 203 and the offside National Electric by 14 points at Rs. 100 and Mackenzie by 12 points at Rs. 140.

* * * *

In Calcutta, among Forward shares, the market leaders closed with further losses. Kesoram and Burrakur were down by 69 nP each at Rs. 27.81 and Rs. 17.25, respectively. Howrah showed a loss of 37 nP at Rs. 20.69, Texmaco of 30 nP at Rs. 22.95 and Indian Aluminium of 25 nP at Rs. 36.69. Both Dunlop and G.K.W. closed 19 nP lower at Rs. 39.31 and Rs. 37.75, respectively. Others showed small losses. In the Cash section, Textiles were generally easy, with Bharat Commerce declining by Re. 1.19 to Rs. 27.25 and Dunbar by 50 nP to Rs. 31.50. Among Coals, Bengal moved down by two points to Rs. 351 and Central India by 94 nP to Rs. 10.25, but Pench Valley disclosed a gain of Re. 1.13 at Rs. 16.50.

Jutes were generally easier. Anglo India were down by five points at Rs. 234 and so were Delta at Rs. 187 with Dalhousie showing a loss of four points at Rs. 126. Engineering issues showed small losses, with Burn declining from Rs. 704 to Rs. 695. While Alkali Chemical reacted by 94 nP to Rs. 45.75, Bengal Chemical rose from Rs. 94.50 to Rs. 101. In the Miscellaneous section, small losses predominated, with Martin Burn showing a loss of 88 nP at Rs. 30.87 as did Philips India at Rs. 29.87. Paper, Sugar and Tea shares were generally lower.

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The Madras Stock Exchange closed on a subdued note. Textiles bore the brunt of bull liquidation. S.I. Viscose showed a rather big loss of Rs. 4.75 at Rs. 160.25. Travancore Rayon declined from Rs. 36.60 to Rs. 34.80. Both Madura and Cannanore showed a loss of 50 nP at Rs. 35.25 and Rs. 126.50, respectively. In the Miscellaneous section, Ashok Leyland declined from Rs. 8 to Rs. 7.70, Mettur Chemicals from Rs. 14.12 to Rs. 13.75 and India Cements from Rs. 6.35 to Rs. 6.20. But W.I. Products closed with a gain of Rs. 5.80 at Rs. 200. Deccan Sugar showed a loss of 15 nP at Rs. 11 and E.I.D. of 25 nP at Rs. 43.25. Among Plantings, Consolidated Coffee were down by 20 nP to Rs. 18 and Parkside by 12 nP to Rs. 21.75, while Coffee Lands disclosed a gain of 30 nP at Rs. 14.70 and Haileyburia of 23 nP at Rs. 12.10.

CAPITAL MARKET NEWS

NEW ISSUE

ASIAN Refractories Ltd., a new venture promoted by Calcutta's well-known industrial house of Rampurias, is expected to enter the market, possibly on the 27th inst., with a capital issue of Rs. 40 lakhs divided into 7,000 cumulative redeemable preference shares of Rs. 100 each entitled to a dividend of 9.3 per cent taxable and 330,000 equity shares of Rs. 10 each. The entire issue has been underwritten by leading stock-brokers. The Company has been licensed to manufacture 24,000 tons of firebricks and 6,000 tons of silica bricks per year. Initially, it proposes to manufacture high alumina firebricks, shapes and blocks and castable refractories. At a later stage, it will also produce magnesite bricks and chemically bonded bricks. The plant will be put up at Hazaribagh District, Bihar, and the site is said to be enjoying special advantage in respect of the necessary raw materials, power, water and transport by both road and rail. The Company has concluded an agreement with Messrs. Cekop, the Polish State undertaking, for the supply of plant and machinery. The Polish firm will also supply the technical know-how and the technical personnel to erect, assemble and put the plant into operation.

The refractory industry in India has been expanding along with the iron and steel industry which consumes 75 per cent of the indigenous output of refractories and still depends on the import of a substantial quantity to meet its requirements. Asian Refractories has, therefore, a ready and fast growing internal market to exploit. The Company will have in Dr. Subhamay Banerjee, who is highly qualified and has had considerable experience in refractory industry both in India and the U.K., a competent general manager of the factory. Hoare Miller and Company Ltd., which has got an efficient sales organisation, has been appointed the sole selling agents of the Company. The Industrial Finance Corporation of India has sanctioned the Company a long-term loan of Rs. 35 lakhs in addition to agreeing to underwrite the ordinary share issue to the extent of Rs. 5 lakhs. Messrs. R. L. Rampuria, J. L. Rampuria, David Duncan Smith, M. L. Pyne, D. N. Patker and Dr. S. C. Law are on the Board of the Company.

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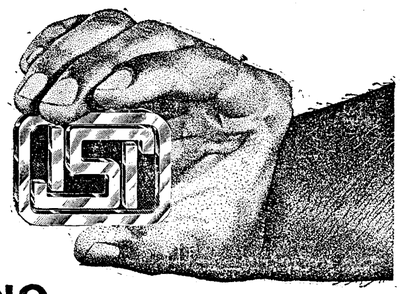
BONUS ISSUE

To rectify the imbalance between its paid-up capital and value of assets, the **Titaghur Paper Mills Company Ltd.** has made an application to the Controller of Capital Issues for a bonus and a rights issue. The Company proposes to capitalise Rs. 56 lakhs from the general reserve and issue bonus shares in the proportion of one new "A" equity share for every two ordinary "A" and "B" shares held by the existing shareholders. The rights issue will follow the bonus issue and will be made in the proportion of two new shares for every three old shares at a premium of Rs. 5 per share. The proceeds of rights issue will be utilised to finance the modernisation and expansion programme of the Company. Both the "A" and "B" ordinary shares of the Company are Rs. 10 fully paid.

The Government of India has constituted a study group to consider the problems relating to the organisation and promotion of transport co-operatives in the country and formulate concrete programmes for the third Plan. The terms of reference of the Study Group are to examine the scope for the co-operative form of organisation in the field of transport, to draw up a pattern of organisation for transport co-operatives, to assess the financial requirements of transport co-operatives and suggest ways and means of meeting them and to suggest patterns of financial assistance from the Central and State Governments to transport co-operatives. The Study Group is headed by Mr. S. N. Bilgrami, Chairman, Inter-State Transport Commission. It will submit its report within three months.

Morocco has become a member of the International Finance Corporation. Its subscription to the Corporation is 388 shares, with a total par value of $388,000. In June, the Syrian Arab Republic joined the Corporation with a subscription of $72,000. Tunisia, with a subscription of $133,000, joined I.F.C. in July. The adherence of these three countries raises the total membership of the Corporation to 65 countries. The total subscribed capital of I.F.C. is now $96.99 million.



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PERSPECTIVES & PROJECTIONS

By Mercator

Somersaults in Policy

PARLIAMENT showed unusual vigilance in safeguarding property rights during the last session and the manner in which some members worried Mr. S. K. Patil—who is by no means unfriendly to the property-owner or the agriculturist—showed the real basis of Indian democracy. But while they strained at some gnats to which they were allergic, they could swallow whole camels of doubtful measures which did not specifically prejudice any special interest. The Fourteenth Amendment to the Constitution was one such. Exuberating enthusiasm for introducing democratic institutions everywhere and at any cost enabled the Government to have its way without questions asked about its somersaults in policy. Since Goa and Pondicherry were included in the list of Union Territories for which legislatures and Ministers were to be installed for popular participation, some critics were diverted to the question of the eventual absorption of the areas in adjacent States. The Prime Minister intervened to make it clear that there was no going back on assurances about maintenance of the special character of the former French and Portuguese territories; after this there came the question of a popular set-up on the same model for Delhi for which an agitation had been started by local politicians. In the midst of these controversies, the constitutional changes proposed for Himachal Pradesh, Manipur and Tripura, went almost unnoticed.

And thereby hangs a tale. On 7th December 1961, the Home Minister, Mr. Lal Bahadur Shastri, made a statement in Parliament regarding the demand for a popular set-up in these areas in which he traced the constitutional position under the old Article 240 and the Part C States Act, 1951, which were repealed after the S.R.C. report and Territorial Councils were created for them as Union Territories. He then added: "It would be very awkward that Government should again totally reverse the old decision and consider amending the Constitution. To make such radical changes so frequently will not speak well either of the Government or of Parliament." Yet, such restoration of Article 240 has now been made, without anyone apparently asking why, or the Home Minister offering any explanation in advance. The earlier policy statement was hardly recalled. An official committee appointed soon after that statement under the Union Law Minister had examined the scope for popular participation within that framework, and also submitted a report, which has not been made public, though the Government was purporting to act in accordance with its suggestions. Thus, the very strong reasons given by the S.R.C. for a different kind of administration in these areas, which were accepted by the Government and reiterated only recently, have been overruled without special justification being shown. These three Territories, already dependent on the Centre for the upkeep of their administration which costs thrice their revenue, will now get the full paraphernalia of other States without having to feel the financial pinch. No wonder that Delhi politicians are also getting restive and clamorous since pressure properly exerted pays dividends; the Government will have to find new reasons for accepting the S.R.C's views on the position of the capital city alone while throwing overboard the rest of its arguments.

* * * *

Rationale for Nationalisation

It is remarkable how quickly the idea that private enterprise in this country is on probation has caught on. Originally, it seemed a happy and forceful way of reminding the private sector of its social obligations which it may tend to forget in the excitement of its pursuit of profit. Now there are many good and well-meaning friends of private enterprise who consider it a kind of *sutra* and try to interpret it literally or discover its deeper implications. In the British economy, it had limited validity so long as the Labour Party was wedded to nationalisation of certain sectors and these latter had to keep on their toes to see that they never gave sufficient provocation to the electorate or the Labour Party. Here the position under our mixed economy, as laid down by the Industrial Policy Resolution, is different; the public sector may, with equal truth, be said to be on probation, considering the numerous proposals for reform of procedures, supervision by Parliament, delegation of powers and earning of surpluses, which have all been widely discussed. In Britain, the existence of a Conservative Party to check and reverse nationalisation gave meaning to the idea of probation; at least until the Swatantra Party shows itself to be capable and willing in this respect, nationalisation will depend on what suits the Congress Party at any time than the actual behaviour of any industry.

Even when the motto is "all hands to the pump"—and the N.C.D.C's hands have not been unflagging—Mr. K. D. Malaviya has lost no opportunity of reminding every one that, one day, the coal industry should be nationalised. Here it is not a case of probation but an indefinitely suspended death sentence. At the same time, this is no reason for the private collieries to feel demoralised in their present operations or their immediate expansion plans; did not the Coalfields Committee, presided over by the leading foreign coal company chairman, recommend the ultimate public ownership of the coal industry? Similar considerations should apply also to the recent moves to have the question of nationalisation of general insurance examined. Some instances of abuse or grounds of public policy can always be discovered to provide pretexts for any step of this kind, but one can see that these fields have always been kept in reserve for those occasions in which the Congress Party finds it necessary to have a shot in its socialist arm to maintain its morale or enthusiasm. Similarly in the States, public ownership of passenger or goods transport on roads depends not on the actual efficiency of the private operator (as it may be supposed) but often on which method offers the maximum scope for a Minister to exercise patronage—licensing of private operators, who, however undesirable, may be politically useful, or setting up a State Transport department with wide scope for awarding contracts and jobs. The real deciding factor is expediency not efficiency; the probation analogy may, therefore, be overworked.

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T.T.K. on Decentralisation

Two distinct strands of thought on the Indian Constitution have been noticeable in recent years in respect of trends favouring both centralisation and State autonomy. Rarely does it happen that a leader who works long at the Centre will advocate more decentralisation of authority. Mr. T. T. Krishnamachari's Feroze Memorial Lecture last week makes him one of these exceptions; it was clear that he favoured leaving more initiative to the States, though (conscious of his present position as a member of the Union Cabinet) he chose to indicate his ideas in a subtle manner. The logic of the trend towards *Panchayati Raj*, according to him, also compelled a similar delegation of responsibility for economic development from the Centre to the States. Reorganisation of States on a linguistic basis was in itself a move in the direction of greater autonomy, but its effect has been to stress cultural factors which tend to breed an insular outlook and create discord (over issues concerning borders, sharing of waters and co-ordination of transport), instead of a healthy rivalry in development activity. There is much to be said for this view, though it may be difficult at this stage to divert attention from these trivial disputes which local politicians find it convenient to exploit for their own ends.

The pros and cons of greater autonomy can be argued at length. Even now, State Governments prepare their own plans and the Planning Commission may only process them, point out lacunæ and prune them, in order to establish some visible relationship between resources and schemes. Partly because every Five-year Plan provides a good party manifesto for the next General Election, States have not shown that degree of responsibility expected of them and the Planning Commission has been put to the necessity of preparing annual plans, reviewing progress of schemes and linking Central assistance to execution of projects. The Third Finance Commission recommended a radical change in this system by making all revenue grants for Plan schemes unconditional on performance. But there is a natural fear, even in quarters not inclined to support the Centre, that State Governments, being more exposed to political pressures than the Centre, may find it advantageous to fritter away their resources on dubious schemes to placate powerful local groups. On this reasoning, the guidance now offered by the Centre is not to be deprecated, though the Planning Commission can sometimes become too paternalistic, stern and unimaginative in dealing with the States, especially those which have no strong personality at the helm. Those which have can even now snap their fingers at the Planning Commission; at the other extreme, there are some States which are too chaotic to be amenable to the Commission. U.P. has now shattered the Planning Commission's thesis slowly built up over a decade that land tax, irrigation rates and betterment levies offer resources for State Plans.

* * * *

L.I.C. and Morality

A shocking example of questionable public morality is provided by the recent judgment of the Madras High Court in a case in which the Life Insurance Corporation has deprived a policyholder of his due by entering the plea of limitation as a bar to his claim, though the delay was almost entirely caused by the Corporations own dilatory tactics. In this case (as in many others), justice was helpless before the law and the Judge had to give the benefit of the rule of limitation to the L.I.C. but only after characterising its conduct as regrettable. The particular claim relates to a period immediately following nationalisation and there were, perhaps, some good causes for the delay of three years in informing the beneficiaries under that policy that the insured person had suppressed vital particulars, a charge which the Court found difficult to sustain when the insured had several other policies which have all been honoured. This defence having failed, the honourable course would have been to settle the claim; this should commend itself to the L.I.C. even now, though the Court has dismissed the suit as barred.

It is likely, however, that, audit being what it is, the L.I.C's efforts to pay when there is no legal obligation may be questioned, unless it is regularised by a special sanction. There are, however, strong reasons why such sanction should be made without delay. Public confidence in the L.I.C. is bound to suffer a setback if the matter is allowed to rest here. Its delays in settling claims are common knowledge and the Estimates Committee brought them to light; improvements made since are not known, since there is apparently no statutory or other obligation on the L.I.C. to disclose the number of claims pending for various long periods (though its other exploits are paraded from time to time and *Yogakshema*, its house journal advertises its officials through a meticulous compilation in prose and picture of their observations and other trivialities). Perhaps, an amendment of the law is also necessary, since it is wrong to treat a claim by a beneficiary under a policy as a mere claim for money, attracting the normal rule of limitation. This position is obviously anomalous and particularly so after repeated declarations of the L.I.C's social objectives. A result of leaving the matter in its present state (if no appeal is filed) will be to encourage every claimant under a policy to file a suit for recovery even before getting a reply from the L.I.C. to be on the safe side; liability for costs in such proceedings may more than offset whatever advantage the Corporation can gain by re-agitating concluded contracts for life insurance in this way.

* * * *

Tailpiece: A large firm advertised for a "one-armed" economist. This proved futile and when the managing director was asked by the University Appointments Board why he was particular about a mutilated specimen, he replied, "We must have a one-armed one to advise us. All the others keep saying, 'On the one hand you could do *this*, but on the other hand you could do *that*.'"

ROLE OF ADVERTISING

A LEADING British economist once said that advertising was half business. This statement admirably highlights the importance of advertising, be it in a sellers' market or a buyers' market. The importance is all the greater in India in the context of its expanding economy and the need to earn as much foreign exchange as possible through exports. The vital role that advertising plays in this a context was well brought out by both Mr. Bharat Ram, Chairman of the Indian Society of Advertisers, and Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, in their respective speeches at the tenth anniversary of the Society held at Bombay on Monday this week. Incidentally, it may be noted here that the Society has, during the brief ten-year period of its existence, made a large contribution to the development of healthy and productive advertising. Having as its members nearly a hundred leading manufacturers, including public sector enterprises, the Society accounts for almost 75 per cent of all national advertising in India.

Although the primary objective of advertising is to educate consumers to choose and buy the products best suited to meet their requirements, it is also being increasingly used, as Mr. Subramaniam aptly remarked, in the service of social needs and the growth of social ideas. A typical example of this service is provided by the liberal space donated by advertisers to encourage people to patronise blood bank, to help blind and other handicapped people, to contribute to flood relief funds and Prime Minister's fund, to assist the Red Cross, to invest in National Savings Certificates and so on. Again, the Government is constantly calling for more and more exports. There seems to be no weapon in this job of selling so important and vital to its success as advertising, provided, of course, every care is taken to see that the exportable items compare favourably with those supplied by other countries from the point of view of quality, price and delivery. Mr. Bharat Ram certainly struck a note of realism when he declared that one of the positive steps towards export promotion is to advertise our goods abroad, to undertake intensive and extensive market research and merchandising programmes, to create a good image both for branded goods and for standards of Indian manufacturers—in short, to engage in aggressive salesmanship. Mr. Subramaniam, too, agreed with this view, though he stated with reference to sales for domestic consumption that it was doubtful whether there should be "aggressive salesmanship" particularly in our country where saving is so necessary. He also admitted that there was scope for persuasive advertising, but wondered if competitive advertising between one firm and another served any purpose. Indeed, he went to the extent of saying that such advertising involved much "social waste" which should be avoided.

There is some relevance in these remarks of Mr. Subramaniam, in the context of the closed market that India is today in view of the severe restrictions on imports and of regulated growth of productive capacity necessitated by scarcity of resources. An additional factor is shortage of newsprint. In these circumstances, collective advertising, rather than advertising by individual manufacturers, may be appropriate. But there are also other, perhaps weightier, considerations to be borne in mind. Even if certain products are well known, they have to be advertised in the press, because (*a*) the domestic market is pretty vast (430 million consumers), (*b*) the consumers are widely scattered, and (*c*) every manufacturer has to build an image in the public mind about his product, so that, by the time production expands and competition increases, he may build up sufficient goodwill and market for his goods.

The Indian manufacturer, as Mr. Bharat Ram rightly averred, has a very diffused market, diffused both geographically and linguistically and, therefore, his campaigns have to be widespread; this does not give him the opportunity to concentrate on a limited area or restrict his operations to select languages. Moreover, the Press depends largely for its sustenance on advertisement support from firms manufacturing and distributing well-known products, especially as the financial position of small firms or the firms producing goods not sufficiently known does not permit them to take liberal space in newspapers and journals. It is needless to say that, without adequate advertising revenue, the Press will not be able to reach a wider section of the Society by improving the quality of its contents and lowering the price. Again, if the Press is to be independent and completely free from pressure from advertisers, it is desirable to have as large a number of advertisers as possible and this will be feasible only if each manufacturer advertises his product separately. As a free and fearless Press, an indispensable condition for the survival of democracy, the "social waste" referred to by Mr. Subramaniam is not such a waste at all. It is precisely on this ground rests the plea that the Government should not grudge the Press a liberal quota for import of newsprint.

STEEL AND HEAVY INDUSTRIES

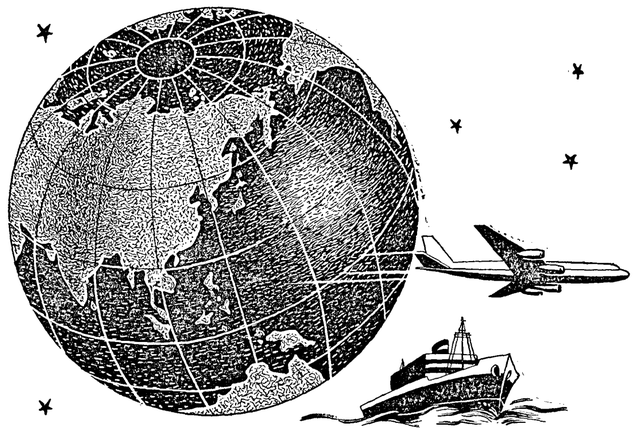
For more than a year now, engineering industries have been afflicted with serious shortages of pig-iron, mild steel, alloy and special steels, steel castings, machine tools, and so on. These shortages, together with inadequate and fitful supplies of coal, coke and power, have doubtless been responsible for the steep fall in utilisation of capacity in the industries concerned. The situation is such that it can be remedied only by greater drive and dynamism on the part of the Government as well as the private sector. As far as the Government is concerned, the need for these qualities is all the greater, because it has assumed the larger responsibility for the development of steel and other heavy industries. Happily the current signs point to some vigorous activity in the Union Ministry of Steel and Heavy Industries, thanks to the initiative taken by Mr. C. Subramaniam who is in charge of it.

Some at least of the Minister's utterances in Bombay on the 8th inst. have encouraged businessmen to believe that his Ministry means business. There is, for instance, the proposal currently under consideration for establishing pig-iron complexes in the public sector. As integrated iron and steel works in either sector are not interested in producing more pig-iron for the market and medium-scale pig-iron plants licensed in the private sector have also not fructified so far, the proposal to establish pig-iron complexes in the public sector deserves to be pursued. Mr. C. Subramaniam has given the assurance, in this connection, that the possibility of establishing a pig-iron plant in Goa would be immediately examined. With its abundant supplies of iron ore and with practically no large-scale industries there, Goa should naturally claim the first attention. But it will take 30 months to put up even a purely pig-iron plant, and so the Ministry should take a prompt decision in the matter.

As for supplies of mild steel, the situation is expected to improve only gradually. Even the Minister has not held out the hope that the full commissioning of the Rourkela plant would be possible before March next. That things are being set right there is the only heartening piece of information given by him. Engineering industries would, therefore, have to await the recommendations of the recently-constituted Iron and Steel Distribution Committee which is expected to report before the end of this year. There is the Minister's assurance, in this connection, that he would take prompt decisions on the Committee's report, and that may be deemed good enough for the present.

The supply situation pertaining to alloy, tool and special steels cannot be expected to improve in the near future. The licences issued to the private sector for establishing their manufacture are not being utilised fully and the public-sector plant at Durgapur, too, has been slow in coming up. The proposal to convert the Bhadravati Iron and Steel Works into an alloy and special steel plant is still hanging fire. Now that the German experts, who examined the possibilities of such conversion, have reported that it would be feasible to produce 40,000 tons of alloy and special steels by the end of 1963, it is high time the Government took early steps to implement the project.

In the case of steel castings and forgings, the failure of the private sector to implement the licensed projects is difficult to understand. The Minister's disclosure that 19 unutilised licences for an aggregate capacity of 64,000 tons of castings and 25 unutilised licences for an aggregate capacity of 65,000 tons of forgings are going to be revoked is rather disquieting. Similarly, his disclosure that as many as 60 unutilised licences for an aggregate capacity of Rs. 21 crores worth of machine tools are also going to be revoked is tantamount to a stricture on the private sector. Why have the parties, who obtained these licences, not cared to take appropriate steps for establishing the manufacture of the products concerned? They might have had real difficulties in the way, and so their lapses might be excusable. The crux of the matter is that there are not enough competent entrepreneurs in the private sector to implement the projects earmarked for it. That apart, the engineering industries cannot entirely blame the public sector for shortages, for their vital raw material requirements have also to be met, albeit to a smaller extent, by the private sector itself.



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WORLD FOOD BANK

The programme drawn up by the Food and Agriculture Organisation of the United Nations for multilateral food utilisation, has begun to take concrete shape. Pledges, amounting to $86 million, towards the creation of a World Food Bank have just been made by about 30 countries. The aggregate target is $100 million. This target is likely to be fulfilled completely as a few other countries are expected to bring in more contributions. The pledges are made in the form of food, cash and services. Of the total amount now pledged, the U.S. has made the largest contribution, that is, $50 million, mostly in terms of commodities and the rest by way of cash and ocean transport facilities. It may be recalled that the suggestion for the World Food Bank first came from the U.S. at a meeting of the F.A.O. Inter-Governmental Advisory Committee in April 1961. The U.S. delegate then offered to provide $40 million in commodities, with the possibility of a supplementary cash contribution. While making this offer, he made it clear that the U.S. favoured a multilateral approach towards utilisation of food surplus as a supplement to bilateral arrangements, with the widest possible contribution by member-countries.

Several other countries have since followed the lead given by the U.S. West Germany, for instance, has offered $8 million and the U.K. and Canada $5 million each for the project. True to the spirit of world co-operation and give-and-take policies, developing countries, too, have agreed to help the cause according to their mite. India, for instance, has pledged $500,000, of which one-third will be in rupees and the rest in commodities and services. But conspicuous by its absence in these efforts is Russia. Presumably under Russia's inspiration none of the Soviet bloc countries, except Rumania, has participated in this programme. It is, indeed, unfortunate that Russia, the leader of the Communist bloc, has chosen to boycott a movement designed to help meet some of the food needs of underdeveloped countries. The disappointing trends in Soviet agricultural production cannot be the only reason for Russian indifference, for this is not the first time that the Soviet Union has declined to participate in multilateral aid programmes. That country, possibly, is intent on resorting only to bilateral disposal of agricultural commodities and not participate in an international agency in which the free countries are in the majority. It is regrettable that Russia should look at such humanitarian services of the U.N. also from a political angle.

The Food Bank, with resources of only $100 million, is only a modest programme, but it has also only modest objectives. It does not seek to cater to all food needs of less-developed countries during their development stage. It is meant largely for emergency situations, apart from providing food for those working on certain pilot projects for economic development. Consequently, the World Food Bank deserves the ungrudging support of all countries.

FOREIGN TRADE

The joint meeting of the Export Promotion and Import Advisory Councils at New Delhi last week-end was a drab and dreary affair. Their deliberations treaded the beaten track and appeared almost redundant in the context of the monthly discussions of the Board of Trade. The only element of surprise was sprung by Mr. K. C. Reddy, when he hinted at the possibility of further import curbs during the next half-yearly licensing period beginning October. This must have been unpalatable to business men, particularly to the Vice-President of the Federation of Indian Chambers of Commerce and Industry, Mr. Bharat Ram, who had made a strong plea for the relaxation of import restrictions earlier at the meeting. The Government's anxiety to maintain and extend import cuts is understandable, in view of the persistent foreign exchange scarcity. But, in doing so, it will do well to maintain crucial imports, particularly essential raw materials and components, which have a close bearing on industrial production and exports. It may be recalled here that imports, which had been steadily rising from 1958-59 (Rs. 906 crores) to 1960-61 (Rs. 1,122 crores) had been brought down in 1961-62 (Rs. 1,088 crores). During the seven months ended July 1962, imports were lower at Rs. 575 crores, as compared with Rs. 625 crores during the corresponding period of 1961. There is no doubt that the slower rate of growth of industrial output in 1961-62 (just 5 per cent, as compared with 11 per cent in 1960-61), has been caused, among others, by the curb on imports.

Strict control on imports, all the same, is a necessary evil so long as exports do not pick up. But the prospects for export promotion are by no means encouraging, what with the shortages of coal, power and transport within the country and the continuing decline in world commodity prices. Mr. Reddy was certainly right when he averred that the "export outlook still remains difficult." India's actual performance on the export front during the first seven months of 1962 only confirms Mr. Reddy's assessment of the situation. Exports, no doubt, increased by Rs. 4.14 crores to Rs. 372.17 crores during January-July 1962, as compared with the corresponding period last year. But this rate of growth is virtually insignificant, for the current annual average is less than Rs. 640 crores, as against the target of Rs. 720 crores set for 1962-63. Further, some of our major traditional commodities have suffered setbacks. Although the quantity of tea exported during January-July increased by 6 million kgs. to 87 million kgs., actual earnings at Rs. 49 crores have not registered any increase.

What is still worse, exports of cotton textiles, which had touched the lowest level of the last decade in 1961, continued to face rough weather and, during the first seven months of 1962, went down further to Rs. 25 crores, or a decline of Rs. 7 crores from the corresponding period in 1961. There have been declines in the export of several other important commodities, such as manganese ore, coffee, raw cotton and waste, leather and leather manufactures and fish and fish preparations. Besides, India's exports to the U.K., the major customer, fell by Rs. 6 crores to Rs. 66 crores in the first half of 1962 and those to the Common Market Six by Rs. 7 crores to Rs. 22 crores, as compared with the first half of 1961. It is only natural, in this context, that Mr. Reddy should have expressed his dissatisfaction over the terms which the U.K. has agreed for its entry into the Common Market, particularly those relating to cotton textiles. His plea to advanced countries to desist from protecting and subsidising simpler forms of manufactures in the production of which less-developed countries have a

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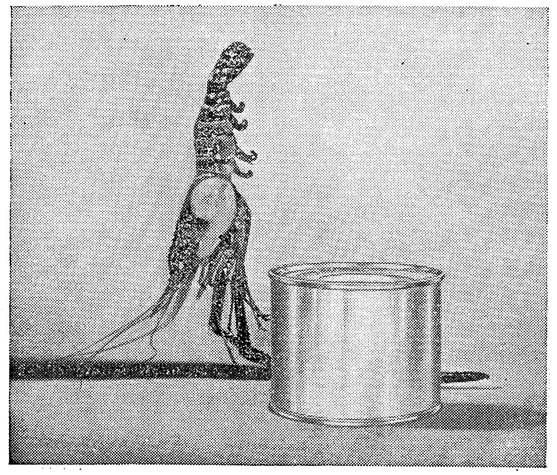

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IS PRACTICAL RECONCILIATION POSSIBLE?

By Prof. V. G. Ramakrishna Aiyer

SO long as India is a single political unit and movement of goods and personnel is free throughout its territory, the economic development of any part of India in broad terms benefits every other part of the country. A narrow regional view insisting on meticulous proportional development of every State or region is likely to slow down progress. The Indian federation is not built on the States' rights concept (like the American federation) but on the Centre's devolution of power to the States. The States have no rights beyond what is vouchsafed to them by the Centre, and the more or less nominal nature of the federal structure has been reinforced in the last ten years by the machinery of the Congress Party which is also highly centralised. The economic autonomy of the States was even more circumscribed than their political autonomy. It was therefore inevitable that the development of States as individual entities or of two or more of them or of contiguous areas of two or more of them as regions should become in practice a matter to be determined broadly by the Centre.

Regional prosperity in so far as prosperity is divisible depends to a considerable extent on Central decisions. The priorities of planning that we have adopted also work the same way. For instance, Railways, Communications and Ocean Transport are the concern of the Centre, and the Centre determines how much these should be developed mainly in relation to the requirements of its own projects in other sectors of planning, such as industry and trade. In very many cases the answer to the question whether any State has benefited from planning and how much, depends upon what the Centre has done for its own plan in that State. State or regional development has rarely been determined by the priorities of the region or State. It has been the resultant of the priorities of the Centre, and it is well that in the early stages of economic development an overall view is taken of economic development, and the apparently conflicting objectives as between the Centre and the States as well as between the States is lessened.

Inter-State Projects

Though we often hear more of inter-State disputes, there has been more impressive evidence recently of the readiness of the States, particularly in the South, to recognise their common interests in specific projects and co-operate for their success. The frequency of inter-State disputes over the sharing of waters only indicates the extent to which the interests of the people are bound up without regard to political borders which have been often arbitrarily drawn or redrawn in recent times. It is necessary to emphasise that State Governments and State plans must be viewed as an administrative convenience and not as a device with which to guard the real or imaginary rights of any group of people. This is particularly the case where the configuration of the land presents special problems in respect of the irrigation of certain tracts, and it would be detrimental to national integration to insist that the source of water and the irrigated areas should be within the boundaries of the same State. The Mysore Government, for instance, is reported to be opposed to the Madras Government's claim for a share of the Krishna and Godavari waters on the ground that the waters of the river cannot be taken outside the river basin while the new Andhra Pradesh Cabinet of Sanjeeva Reddy is favourable to the settlement of such questions by inter-State agreements in the larger interests of national integration.

Modern engineering technology has made it possible to take river waters to distant points. The deciding criteria have been technical possibility, the cost and the need. Many of the conventions and codes that have been developed to resolve disputes over the sharing of waters of a river flowing through more than one country cannot obviously apply to rivers within a single country, and it is up to the people of the different regions forming part of the same nation to see that the natural resources—manpower, coal, mineral ores, water—are utilised in the best interests of the nation at the minimum cost and the shortest possible time. While recognising the special needs of the different regions as a relevant consideration, it is necessary to stress the priority of national over sectional considerations, and we may expect the Gulhati Commission's findings on these questions will help to iron out the differences and provide a formula for reaching mutual agreement on a none-too-legalistic basis.*

Though there is Central machinery authorised by the Inter-State River Disputes Act to settle problems of inter-State rivers, the better way will surely be to settle them by mutual agreement. Though each State concerned may no doubt exhibit understandable concern for the welfare of its people, the argument cannot be pressed unduly.

Parambikulam-Aliyar Project

The Parambikulam-Aliyar project in the South is a recent noteworthy instance of constructive co-operation between Madras and Kerala, which envisages the prospect of lands in one State benefiting from the irrigation sources in another. It is worthwhile to state the salient details of the agreement that has been reached between the engineers of the two Governments. Broadly it will benefit 63,500 acres of land in the Chittue Puzha valley of Kerala which falls under four categories. Of the 20,000 acres of double crop land which are already under irrigation in the first category, for 5,000 acres the Madras Government will release water from the Aliyar reservoir. Under the second category of 7,500 acres which could be brought under double-crop irrigation, water will be found from the Kerala share of the Parambikulam flows, and the exact quantity available is to be determined by gauging to be done jointly by the Madras and Kerala Governments; it has been agreed that the joint gauging should start from 1st April. In the third category of 23,000 acres that could be irrigated, the two Governments have agreed regarding the manner the waters should be utilised from the Thekkadi Reservoir of Parambikulam-Aliyar project. Regarding the fourth category of land relating to 13,000 acres uncommanded by any of the Kerala schemes but commandable by extending the Madras canals, water could be given from Kerala's share and the proportionate cost could be met from Kerala.

River valley schemes and electricity projects are related mainly to regional requirements. It is true that they are financed mostly from the States' plans but the Centre planned them in close collaboration with the States. There has been an under-utilisation of irrigation waters. For instance, schemes of the first two Plans created an irrigation potential of 13.2 million acres and the utilisation came to nearly 10 million acres, and if we go into the figures State-wise, we can realise the seriousness of the problem. In Gujarat utilisation is said to be one-third of the potential, and in Maharashtra and Mysore, less than half; it is two-thirds in W. Bengal and three-fourths in U.P. and Orissa. It is an encouraging feature of the third Plan that it seeks to reduce substantially the gap between potential and utilisation particularly in those States where it is widest, and Central and inter-State co-operation may help realisation of the targets.

Power Generation

As in the case of utilising irrigation waters, the realisation of benefits from power programmes has been made worse by each State fending for itself in meeting the demands of its energy consumers. Inter-State grids are yet to be organised, and a beginning has been made in the southern States, and it is expected that they will receive some attention in the third Plan. If the electricity loads in the States are pooled, and the energy is generated to the fullest extent of installed capacity, power shortage could be mitigated to some extent. There is no doubt there is great scope for inter-State co-operation in power generation and supply. Though it is true that no State can experience a surplus of power, the differences in the rate of increase in the demand for power, and in the progress of specific schemes in the different States are sure to create scope for give-and-take. The four southern States of Andhra, Kerala, Madras and Mysore have agreed to have a common grid for the region and the southern Regional Council has approved of the proposal in principle, and the Central Water and Power Commission has undertaken studies into its application. Already the construction of a 220-kV inter-State link for interchange of power to a limited extent is being taken up. Recently Mysore made a request to be allowed to tap the Madras State Grid near Hosur to meet the pressing needs of its industrial plants in and around Bangalore. The necessity to share power is inherent in the present set-up in which hydel power is predominant, since such interchange is a matter of vital necessity on account of differences in the time and extent of rainfall of the territories of the States. This is the case with the hydel power schemes of the Western Ghats where power exchange is possible with Kerala State areas, while Madras power that might be in excess could be tapped to meet the needs of South Mysore industries and of Bangalore, in particular. For instance, though the Sharavathi scheme being situated in the northern area of Mysore State has a heavier output, it is likely that power linking with the Koyna system of Bombay would be more economical than taking the power down to Bangalore for which the Madras projects are nearer. The newly conceived Hogenekal scheme in Salem district would also be more convenient for this area when it is implemented. The same holds good for the Balimela-Guntawada project which has to share power and costs between Orissa and Andhra. The integration that is possible in power should lead to its extension in other directions which should help the development of the southern region. In conclusion, the foregoing account of recent developments indicate how conflicting regional and national objectives—State and Central goals, and inter-State rivalries in the matter of river valley development, mineral development, industrial location etc.—can be reconciled in a practical manner in the larger interests of national integration and overall economic development.

*[The Gulhati Commission is already stated to have finalised its report. The development potential of the Krishna and Godavari rivers, as assessed by the Commission, is to be utilised in an agreed and co-ordinated manner for the benefit of each one of the four States concerned, namely, Andhra Pradesh, Maharashtra, Mysore and Orissa. Full details of the report, which is presumably under the consideration of the Union Ministry of Irrigation and Power now, are not yet available.—ED.]

SURVEY

(*Concluded from previous page*)

comparative advantage is no less unexceptionable.

One does not know how far the West will help developing countries like India by offering liberal export opportunities. Self-help, as the old saying goes, is perhaps the best help. Export promotion efforts would, therefore, have to be strengthened and made more effective. In this context, the Government's move to established regional councils for looking after India's trade with the different continents is to be welcomed. Already, a Council has been set up for Europe. But regional councils of the kind will be fruitful, only if they are able to help the business community in undertaking market research and publicity campaigns and to ascertain the consumer preferences characteristic to each region. For this purpose, it is necessary to strengthen the commercial sections of embassies abroad by increasing the number of qualified staff and making arrangements for getting from them market surveys of interest to the Indian business community in a systematic and regular way. In this connection, one does not know what has happened to a scheme of the Export Risk Insurance Corporation, worked out over a year ago, for underwriting the risks involved in market research and other exploratory work. So far as we know, the scheme is yet to be implemented. This is one of the instances which show that, despite big initial talk, concerted and sustained efforts are not made in time to tackle basic issues of export promotion. The Corporation's new scheme for issuing policies to small exporters to cover risk of "non-acceptance" in the case of credit needed by them is also apparently good, but it will serve the purpose of export promotion, only if it is implemented expeditiously.

NEWS IN BRIEF

THE Government of India has sanctioned foreign exchange worth Rs. 3 crores for the installation of 2,100 broad jute looms.

The raw film plant now being set up at Ootacamund (Madras) by the Hindustan Photo Films Manufacturing Company is expected to go into production next year. The total cost of the plant is estimated at Rs. 8.35 crores, including the expenditure on township.

The National Physical Laboratory has invented an instrument, called "metal detector," which is useful in locating metal close to the skin, but not embedded within the body. The laboratory has made a certain number of instruments for the use of Customs authorities.

The total population of India is now 439.235 million, according to the final figures of the latest Census released by the Census Commissioner. This figure includes the population of Dadra, Nagar Haveli, Goa, Daman and Diu, Manipur, North East Frontier Agency, Nagaland, Sikkim and Pondicherry.

The agricultural farm to demonstrate Japanese methods of intensive cultivation to Indian farmers, established by a group of Japanese farmers at Chakuli, about 23 miles from Sambalpur near Bombay-Calcutta National Highway, was inaugurated by the Japanese Ambassador in India, Mr. Kota Matsudaira, on Monday, the 10th inst.

The foundation-stone of the public sector synthetic drugs factory at Hyderabad was laid by Mr. K. C. Reddy, Union Minister for Commerce and Industry, early this week. The factory, estimated to cost Rs. 20 crores is being put up with Soviet collaboration. It will have a capacity to produce 850 tons of modern synthetic sulpha group drugs, anti-T.B. drugs, anti-pyretics, vitamins, etc., and 4,600 tons of intermediates from which these drugs will be manufactured.

An agreement has been signed between the Governments of India and the Soviet Union, under which the latter will collaborate with the National Coal Development Corporation in building up a Central Workshop at Korba in Madhya Pradesh. The workshop will cost Rs. 2 crores, including the cost of supply of Russian equipment worth Rs. 79 lakhs. The finance for the project is covered by earlier 500-million rouble credit granted to India. Besides manufacturing spare parts, the Workshop will carry out overhaul and major repairs to mining machinery and equipment.

An agreement, providing for an additional rebate of 5 per cent in freight on imports on account of Central and State Governments as well as public sector undertakings fully owned or controlled by the Government, has been signed at London between the representatives of the Government of India and the U.K.-Continent-India-Pakistan Conference Lines. So far the Conference Lines have been allowing an immediate rebate of 9½ per cent or a deferred rebate of 10 per cent, except in case of shipments arranged through the India Stores Department, London, for Defence, Railways, Posts and Telegraphs and Ports, where a rebate of 15 per cent was allowed. The new rebate is expected to save foreign exchange to the tune of Rs. 50 lakhs annually.

Five contracts for the supply of plant and equipment by Russia for the 400,000-kw. thermal power station to be set up at Patratu in Hazaribagh district in Bihar have been signed. Under the contracts, the Soviet Union will send specialists to render technical assistance in building the power station and in running the equipment. The contracts also cover the designing work and training of 24 Indian power specialists in the Soviet Union. The Soviet Union will depute 54 Soviet experts to India for rendering technical assistance in construction, adjustment and commissioning of this power station. The total estimated cost of the power station, including the dam, building and road, is Rs. 42 crores. Payments for the equipment for the plant will be made in Indian rupees.

The Export Risk Insurance Corporation (E.R.I.C.) has decided to issue a new insurance cover to help the small exporters who often find difficulty in getting a line of credit from banks. Normally, credit insurers the world over do not cover risks of "non-acceptance" by the overseas buyers. In view of the peculiar difficulties of small exporters in India and the imperative necessity to augment the country's exports, a new insurance policy will be issued by the E.R.I.C. which will take care of their risk, subject to proof of the credit-worthiness of the exporter and the quality of goods. The "non-acceptance" risk policy will serve as an important collateral security for banks and will considerably ease the position in regard to credit availability for small exporters.

* * * *

From Abroad

In a referendum held recently in Singapore, the majority of voters have favoured the country's merger with the Federation of Malaya for the establishment of Malaysia.

There was an average of one car for every 30 persons in the Common Market countries in 1960, as compared with one for 17 persons in 1958 and 30 persons in 1954.

Foodgrains production in West Germany is expected to go up to 15 million metric tons in the current calendar year, representing an increase of 20 per cent over the previous years and 8.5 per cent over the 1956-61 average.

A Canadian company, Autair Helecopters, has entered into an agreement with the Westland Aircrafts of the U.K. for the joint operational exploitation of the Westland hovercrafts in Canada. Hovercrafts have been developed only recently by the British Company.

The Ceylon Government proposes to set up a plant to manufacture "instant tea," a tea extract powder which dissolves in hot water, in collaboration with a West German firm, Haelssen und Lyon. Instant tea is proposed to be exported in large quantities by Ceylon.

The *per capita* national income in Japan rose by 17.2 per cent to 143,686 yen ($399) in 1961, as compared with the previous year. Japan's gross national product (G.N.P.) in 1961 at about 16.98 million yen was higher by 21.5 per cent nominal and by 15.2 per cent actual over 1960.

The average hourly wage increase in West Germany during the year 1961 was 10 per cent, as compared with 8.9 per cent in 1960 and 5.1 per cent in 1959, according to E.E.C. Commission's latest annual report. Wages in 1961 rose by 8 per cent in France, 5 per cent in the Netherlands and 2 per cent in Italy.

Ten leading Japanese steel mills have decided to effect a further cut in their production of crude steel and ship plates during the last quarter of 1962 from the level of the corresponding quarter of 1961, according to the Japan Iron and Steel Federation. The decision is said to be a sequel to the need for allowing market prices to recover from the current low levels.

World steel output touched 193.06 million tons during the first half of 1962, which was 5.8 per cent higher than that in the first half of 1961 (182.55 million tons) and 2 per cent more than the record output during the corresponding period in 1960. The U.S. output was higher at 54.1 million tons (or 28 per cent of world production), as compared with 44.86 million tons during the first half of 1961 (about 25 per cent of the world output). Steel output in the Soviet Union was also higher, but there were declines in that of the European Coal and Steel Community, the U.K. and Japan.

PERSONAL

MR. Jawaharlal Nehru, Prime Minister of India, left last week-end for London to participate in the Commonwealth Prime Ministers' Conference. He will be back home on 1st October, after paying visits to Paris, Lagos, Accra and Cairo. Mr. Nehru was accompanied by Mr. Morarji Desai, Union Finance Minister. From London Mr. Desai will proceed to Washington to attend the annual meeting of the World Bank and the I.M.F. due to begin there on the 17th inst.

Mr. Sankardas Banerji was sworn in as West Bengal's Minister for Finance and Transport on Sunday this week.

Mr. R. L. N. Vijayanagar, acting Secretary of the Millowners' Association, Bombay, has been confirmed in the post.

Mr. R. Doraiswamy, Chairman of the Forward Markets Commission, has been appointed Textile Commissioner to the Government of India.

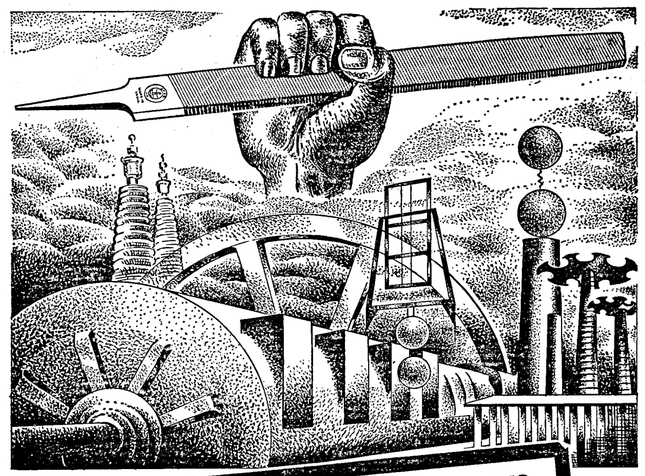
Mr. Bhaskar Ganesh Kakatkar, Honorary Secretary of the Indian Cotton Mills' Federation, has been appointed Secretary-General of the Federation, with effect from the 1st inst.

Mr. Manubhai Shah, Union Minister for International Trade, has left for Kabul to review the existing trade agreement with Afghanistan and finalise matters relating to ceilings for the next year.

Mr. K. M. Bhujpuria has been elected President of the Indian Grain Dealers' Federation, Bombay, for 1962-63. Mr. V. N. Salia and Mr. J. S. Sharma have been elected Senior and Junior Vice-Presidents, respectively.

Mr. Prakash Chandra Sethi, Union Deputy Minister for Steel and Heavy Industries, will visit Czechoslovakia in the third week of this month on an invitation from the Czech Government. Besides attending the industries fair there, Mr. Sethi will visit the steel and heavy engineering works in that country.

Mr. R. D. Char, Chairman of Standard Batteries and Fuel Injections, has left for the U.K., Continent and the U.S. to discuss and finalise collaboration arrangements for the expansion of existing works, particularly for boiler plant, water treatment plant, air filters, etc.



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LONDON LETTERS

WHITHER SILVER?

DEMAND EXCEEDING SUPPLY

(From Our Own Correspondent)

LONDON, *8th September*

THE principal fact behind the rise in the London price of silver over the past fortnight is that, whereas world production is only around 210 million ounces, world consumption has risen to around 350 ounces per annum. Nor is this consumption substantially reducible, since the major part of it is industrial and over a quarter is used by one principal consumer, the photographic industry. Unless some substitute can be found for silver nitrate, there is little elasticity in demand.

In the light of all this, the rise of just over 6*d.* per ounce over the past fortnight is not inordinate; what has attracted attention is that the metal has now gone to a price of 82*d.* that is, 2*d.* above the historic maximum reached in February 1920, the year in which India switched its currency base from silver to gold.

The gap between supply and demand is no *new thing*, but *it has hitherto* been filled mainly by sales from the vast stocks hoarded by the U.S.A. which has taken so long to reconcile itself to abandoning bimetalism. It is barely a year since the Americans felt that the pressure of demand was sufficiently great for them to unpeg the price of silver and provisionally suspend sales from its so-called "free stock." It is reported that the amount of free stock left at that time was just over thirty million ounces or rather less than 10 per cent of national demand. In short, that free stock is neither here nor there in the long-term and it is dubious whether the stocks bought up by Mexico earlier this year would, if at all released, make an appreciable contribution.

Of course, on top of the industrial demand, there are at the moment substantial speculative possessors, although the latter live in fear that the market might be increasingly flooded by released hoards. In this country, the 1920 debasement of the silver coinage, or rather its replacement by a copper nickel coinage, removed the temptation to melt the currency down for its intrinsic value. A substantial quantity of pre-1920 silver coins still circulate and these will shortly be looking for the melting pot. In America, the price of silver must rise by another 10 per cent before melting points is reached. Then there is a supply of unknown size in silver articles of little worth except their intrinsic metal value and the publicity now being given to the high price of silver may well bring out many "an unwanted cup." This is a poor time for France and Germany to consider the re-introduction of a real silver coinage—a new franc piece and a mark piece—and the present rise in price may make both Presidents consider that, perhaps, their *amour propre* would be satisfied with cupro-nickel. If the future supply of silver is to depend upon a revival of interest in base metal mining, then there is no saying to what level the price might go to make this economic. Any experiment in recreating a silver coinage for sentimental reasons is, therefore, bound to be risky.

In the short run, the large gap between supply and demand can be met by releases from hoards in Mexico, China, India and South America—to say nothing of possible releases by European countries who may decide to abandon the idea of silver coinage and possible releases from the vast monetary stocks held by the U.S.A.; the latter can, of course, be done with impunity, once the silver lobby is satisfied that the market is going to look after their interests without need of recourse to the U.S. Treasury.

In principle, the short-term position is obscure to the extent that we do not know at what rate the big hoarders, official and unofficial, will release their stocks. In practice, each rise and pause in price is likely to bring out some more but fractional increase in supplies. But now that the indispensable industrial role of silver is established, quite apart from its continued desirability in artistic objects, the long-term price trend must surely be upward until a closer equilibrium is established between annual production and demand.

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RUNNING A TREASURY

LONDON, *1st September*

Ever since the Rooseveltian era in America and the end of the 'thirties in this country, it has been a growing matter of controversy how one could combine in a Treasury or Finance Ministry the functions of control of the budget and control of the economy. This controversy has raged not least hotly among British economists and British civil servants of war-time vintage. The reason why the war is important is that it involved a vast increase in direct Government activity. Much business was wholely swallowed up by the Government and the problem became acute of keeping production moving at an economic financial cost and keeping overall control of Government spending; under the special conditions of war, the last went by the board—even the Treasury had to bow its head to the overall importance of getting things done.

In those days, the production departments, such, for instance, as those engaged in the production of munitions, became all-important. At first, they were saddled with finance divisions whose function was to supervise all proposed expenditure before it was submitted to the Treasury for approval, but it soon became clear that these departments were merely fifth wheels and the production men quickly got their own direct contacts with the Treasury and there, as noted above, the Treasury had to accept whatever was in the war interest. Nevertheless, its effective standing in the British political and administrative scene has rarely been lower. In the post-war years, it climbed at first slowly and then swiftly back to power. In the new political atmosphere in which the Government was held responsible for the economy, the controversy blossomed anew and caused immense concern. It may be noted, in this connection, that, in the recent political changes in the Government, there have been parallel changes in the Treasury. The two are not, in fact, linked, but the Treasury changes represent a new attempt to resolve the problem of financial control.

In the "good old days," when the Treasury was only responsible for the budget, there were no problems. The Government agreed that so much public money should be spent and the Treasury showed how it was to be obtained and then checked to see that no more than had been agreed was, in fact, spent. No economic considerations intervened. How different is the position nowadays, when the Government is not only expected to balance the Budget but also the balance of payments and to ensure full employment and stable prices. At first, it was urged that the combinations of all these tasks could not be trusted to the Treasury alone—in some countries, indeed, one finds Ministries of Economic Affairs and Ministries of Finance. The former are responsible for matters affecting the well-being of the economy as a whole and the latter for budget matters. But this is not in itself a solution to the problem, since it may often be that the objects aimed at by the two departments are incompatible and then someone else has to resolve them.

Thus, whenever it was argued that the British Treasury was only competent to look after the British budget and that, since the thinking of its civil servants was dominated by this, the control of the economy, the control of the Bank of England, money market policy, balance of payments matters, the gold reserve and so forth: all these must be retained somewhere else. And yet it is obvious that these two aspects cannot be separated: taxation and the vast volume of public spending are in themselves important factors in the national economy.

For this reason, an opposing school considered that the necessary reform to have a proper balance between these various aspects must take place within the Treasury but that the Chancellor of the Exchequer should be responsible for the economy as a whole including in that—and as only *one* of his roles—responsibility for the budget.

The changes recently agreed upon put this thinking into effect. The Treasury becomes, indeed, divided into two parts, with that part concerned with controlling departmental expenditure, taxation and all other budget matters now to be distinct from the part concerned with economic policy and national monetary and financial matters, all of which circled around the balance of payments. The economists are still not fully integrated with what might be termed the "Department of Economic Affairs." They are kept in a special section of their own whence they will hand down advice to the economic department or hand it up directly to the Chancellor. It is never unfortunately very desirable to separate economists from financial executives, since the latter then tend to regard the former as long-haired impractical persons: as far as possible, the economist must be drawn into the department in which he is working, so that he can see, in practice, the results of his economic thinking and draw directly from that his views on policy. But this possible further development is a relatively minor matter; the great thing is that, at last, it has been recognised that the balances of payments and the control of the economy can be even more important than the control of the domestic budget and that, indeed, the latter it itself only a factor in a much larger picture. There is every prospect, therefore, of the Treasury becoming a more effective part of the British economic administrative machine.

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RELUCTANCE TO GO ON WITH RURAL TAX

From Our Special Correspondent

NEW DELHI, 11*th September*

DELHI LETTER

"WHATEVER be the recommendations of the Planning Commission nobody can dare tax the uneconomic holdings; small farmers are the backbone of democracy and they look forward to us with hope to give them succour. Their claims cannot be treated lightly." This statement by Mr. Mahavir Tyagi, a former Central Minister hailing from the State of Uttar Pradesh, whose backward policies are a drag on the national economy, explains the conflict between the politician and the planner which has crystallised in the fields of prices, land tax and sugar. The Planning Commission had to make a sustained effort before it could persuade State Ministers to come round to the idea that the rural sector should start paying at least in part for the benefits from a planned economy being diverted to it. Last year, there was the State leaders' excuse that nothing should be done to offend the powerful farmers' section before the elections.

The Praja Socialists and the Communists had everything to gain from posing themselves as the True champions of the "poor farmers," when, after considerable trepidation, the Uttar Pradesh Government decided to introduce a Land Holdings Tax Bill, which sought to bring the archaic land tax structure of Uttar Pradesh nearer to modern requirements. The threat of two Uttar Pradesh Ministers to quit on the issue and pressure from at least one Central Minister led to Prime Minister Nehru sounding a temporary strategic retreat on the issue.

While many other States in the country have gone ahead with land tax measures, Mr. Gupta does not have much support from his State Cabinet colleagues for the view that every sector of the population must bear the burden of new taxes for development. Mr. Gupta's Minister for Agriculture, Mr. Charan Singh, and Minister for Finance, Mr. Kamalapati Tripathi, are horrified at the prospect of having to tax the rural sector. The Uttar Pradesh third Plan calls for an expenditure of around Rs. 250 crores in the rural sector. Of the total outlay of Rs. 497 crores on the Plan for the State, the Centre is to give Rs. 350 crores. The original estimates were for the State raising Rs. 109 crores through taxation and the balance through savings and loans. Mr. Nehru's reference of the U.P. Bill for further study by the Planning Commission could at best be a delaying action to give time to the politicians to try heal the rift among the Ministers of the State.

In view of its policy directive on the need to tax the rural sector, the Planning Commission could scarcely afford now to advise the U.P. Government to retract. That would also be unfair to the other States which had gone ahead with land taxes. Talks between U.P. leaders and members of the Planning Commission yesterday are led to have resulted in a decision to raise the exemption ceiling from one acre to three and a half acres. This would mean an annual collection of less than Rs. 6 crores against the original Land Tax Bill estimate of Rs. 10 crores. The U.P. lobby has also developed a new theory on continued flow of Central assistance. Its view is that the planners and the Centre should not worry about the extent to which the State can come up with the matching resources. If a State cannot raise its matching resources, it would at least be able to progress to the extent of the Central grants available! The vacillation over the U.P. Land Tax Bill certainly gives more ammunition for the Opposition parties to exploit.

The overriding consideration to dole out more money into the hands of the village voter in Uttar Pradesh or Bihar has all along been obvious from the discussions in the Lok Sabha on sugar prices, and the chorus of the agriculturists' spokesmen that drowned the Land Acquisition Act Amendment Bill.

Price Situation

Less than a fortnight ago, Mr. Gulzarilal Nanda, Planning Minister, gave an assurance in the Lok Sabha that the "Government will take effective measures to check the rising prices and deal sternly with the hoarders." His way out was partly State trading and co-operative marketing as price regulatory measures. The price facts, according to Mr. Nanda, were: in 1961-62 there was a fall of 3.6 per cent in the price index but comparison of August 1962 figures with August 1961 levels show a rise of 3.1 points. Food Minister S. K. Patil has been at pains for some months to paint a picture of the advances on the agricultural front, but the trend of thinking at Yojana Bhavan is to put a major part of the blame for the price troubles on the shortfalls in agricultural production.

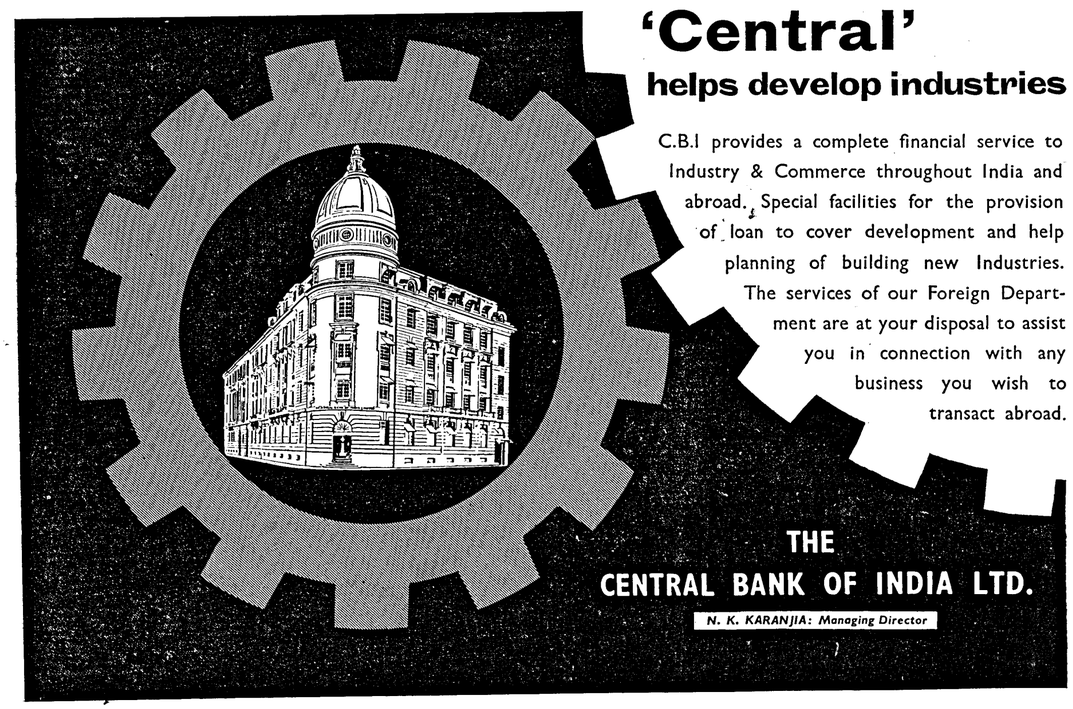
The Planning Commission and the Food Ministry are at loggerheads with one another on the interpretation of the price situation. The Food Ministry's thesis comes back to the old political problem: 70 per cent of the population will be hit by any agricultural price reduction. The Food Ministry is in favour of some action on the fringe to curtail the middleman's profit, so that the consumer may have some gain without picking the farmers' pocket.

Atomic Power Plans

Although plans for the first nuclear power station are snarled by international complications, the Government is going ahead with proposals for the second nuclear power plant at Rana Pratap Sagar, in Rajasthan, and is working on the choice of the site for the third plant in the south. The Tarapur project will be built by a foreign contractor on a turnkey basis, but, at Rana Pratap Sagar, the Government hopes to build the plant through a subsidiary organisation of the Atomic Energy Department. This is justifying Dr. Homi Bhabha's confidence that, once the first station is built, there will be Indians capable of building new plants.

Three United States firms, two British firms, a French group and a Canadian organisation comprise the seven who have submitted tenders for the Tarapur project. The Americans have not yet thought out a solution to the atomic dilemma India has placed them in. The American Government is committed to the idea that all nuclear plants sold abroad should be subject to controls and safeguards exercised by the International Atomic Energy Agency. But India will have none of these safeguards.

The French have now come as a close competitor in the bid to build the Tarapur station. They are willing to supply the economic aid to meet the foreign exchange requirements of the Tarapur station. The French have a row with the Americans on exchange of nuclear information and do not subscribe to the American restrictions, especially as they are developing their own nuclear armoury. The French will not ask Delhi to open the doors of the Tarapur station for international inspection.



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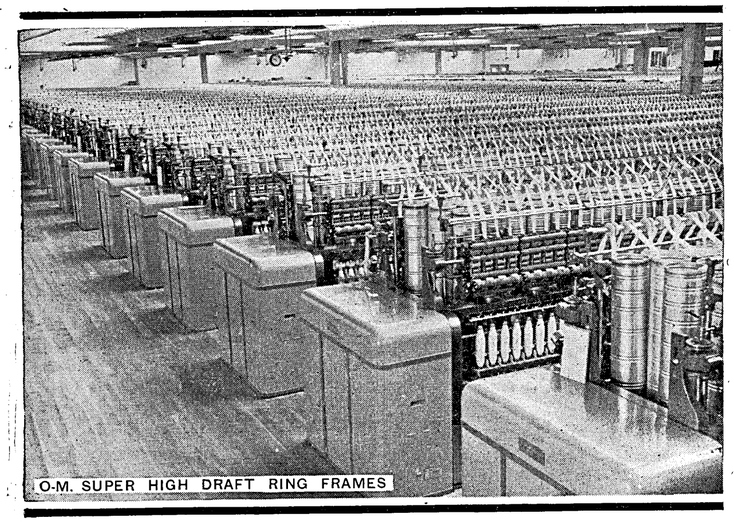

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TEXTILE INDUSTRY IN CHINA

CLOTH AND YARN EXPORTS RISE MARKEDLY

THE past few years have witnessed the emergence of Communist China as one of the formidable competitors to India in world textile markets. The actual exports of Chinese cotton cloth into fifteen main importing countries other than Russia went up from a bare 1,626 metric tons (about 14 million yards) to a record high of 50,344 tons (444 million yards) in 1960, though they declined to 45,000 tons (397 million yards) last year. Among the countries importing larger and larger quantities of cloth from China are those which have been traditional customers for Indian piecegoods, as the accompanying table shows. The countries include Australia, Ceylon, Malaya, Nigeria, Sudan and the U.K. China is today exporting not merely cotton cloth but also sizable quantities of cotton yarn and rayon piecegoods. Since utmost emphasis is now being laid on augmenting exports of Indian textiles in order to earn the badly needed foreign exchange, it will be better for us to know the latest trends in China's textile industry, so that India can take such measures as would enhance the competitive capacity of its textiles *vis-a-vis* those of China. An interesting review of these trends is provided by the International Cotton Advisory Committee (Washington) in the July 1962 issue of its *Monthly Review*.

Expansion of Capacity

If China has been able to offer competition to other countries in the world cotton textile markets, it is due largely to the remarkable expansion in production in recent years. This in turn is attributed to two chief factors, namely, rapid growth in the textile machinery industry and rise in raw cotton production. The textile machinery industry, according to the *Review*, was almost completely responsible for more than doubling the number of spindles (installed) from 5.0 million in 1949 to nearly 10.0 million in 1959. Over the same period, the number of looms installed rose from 75,000 to 300,000. Incidentally, China has also been supplying, since 1954, textile machinery to Mangolia, North Korea, North Viet Nam and some of the East European countries. The production of raw cotton went up from 6.3 million bales (of 478 lbs. each) in 1955-56 to 8.7 million bales in 1958-59, since when there has been a setback, due to "serious natural calamities." The estimate of the 1960-61 crop places the output at no more than 7.0 million bales; even this estimate is considered questionable, for China has not released any data beyond 1959, so that one has had to rely on secondary sources.

Dual Price System

The competitive capacity of Chinese textiles in world markets must also be attributed to the dual price system adopted by that country. Under this system, the domestic price of cotton textiles is maintained at a higher level than the export price. Commenting on this system, the *Review* observes:

"A large gap between the cost of production and the retail price of textiles sold in the domestic market enables the State-owned enterprises to earn large profits. These profits become a major source of new investment funds. It would not, therefore, be surprising in the event that production of raw cotton were increased if an effort were made to relax to some extent present strict cloth rationing. But, 'fulfilling of foreign trade tasks' is not only a major aim but a necessity forced, among other factors, by grain imports. Bearing this in mind, it is considered likely that China will continue to be active in world textile markets. China must have one of the lowest wage structures in the world, as well as considerable experience in the field of manufacturing textiles, and more than one-half of their installed equipment is fairly new. No information is available, however, as to the actual efficiency of operation. The necessity to export textiles, coupled with a desire to maintain export outlets, explains why Chinese exports of textiles did not experience a significant decline in spite of major shortfalls in China's domestic output."

The marked decline in the production of cotton textiles in China in recent years is described as the direct consequence of the dwindling raw cotton supply. The serious failures in the agricultural field were openly admitted by the Chinese Peoples Congress at its three-week secret session on 16th April 1962. The Congress, however, declared that the national economic effort would be focussed on agriculture, top priority being given to cotton along with grains and oil-bearing crops. Alluding to this declaration, the *Review* says:

"At the same time, programmes pertaining to the development of heavy industry are being curtailed in favour of light industries. If the Chinese are able to raise their output of raw cotton and consequently the output of yarn and cloth, it is interesting to speculate whether the additional textile production will be used for export to correct the imbalance in their foreign trade or whether it will be largely used to meet domestic needs."

Yarn Exports

Besides cotton cloth, China exports large quantities of cotton yarn, too. The actual shipments in 1960 aggregated 14,887 metric tons, as against 7,004 tons in 1959, 4,763 tons in 1958, 526 tons in 1957 and 1,143 tons in 1954. The entire shipments (barring 27 tons exported to Hong Kong) in 1960 went to Indonesia, the corresponding figures for the three preceding years as well as for 1954 being 6,768 tons, 3,148 tons, 54 tons and 18 tons, respectively. Such large-scale imports of Chinese cotton yarn by Indonesia are somewhat surprising. For the U.S. embarked in 1959 on a triangular assistance programme under P.L. 480 whereby cotton was processed in third countries, including India, Japan, Hong Kong, Singapore and Yugoslavia, and exported as yarn to Indonesia. Concurrently small mills in Indonesia were reactivated or re-equipped to expand domestic weaving facilities. It is, therefore, conceivable, according to the *Review*, that the Chinese may have stepped up their yarn exports to Indonesia by offering attractive terms so as to retain a share of the Indonesian market.

Cotton Cloth Exports from China

(In metric tons)

Importing country	1961	1960	1959	1954
Hong Kong	16,675*	17,744	14,311	933
Indonesia	5,378*	13,577	7,503	489
Netherlands ..	3,570	4,329	5,184	..
Australia	693*	1,137	1,737	..
Austria	227*	429	232	..
Ceylon	1,357	1,100	1,084	..
Denmark	382	351	780	..
Ghana	603*	1,279	925	..
Iraq	N.A.	814	726	..
Malaga†	1,749*	2,773	3,588	204
Nigeria	3,060*	1,762	2,118	..
Sudan	1,805*	614	703	..
Sweden	627*	1,324	1,176	..
Switzerland ..	285	256	312	..
U.K.‡	3,326	2,855	3,175	..
Total above ..	45,000	50,344	43,554	1,626
U.S.S.R.	N.A.	12,429	18,467	..
Grand Total ..	N.A.	62,773	62,021	1,626

Note.—The exports are converted, wherever necessary, at 4 yards to a pound or 8,060 metres to a ton.
* Projected on the basis of latest available figures.
† Includes imports for re-export.
‡ Includes imports for process and re-export.
N.A.—Not available.

Rayon Cloth

Exports of rayon cloth from China have also increased in recent years, though there was a setback last year. The exports, which aggregated only 32 tons in 1956, rose to as high as 2,419 tons in 1959 and 4,782 tons in 1960, but declined to 4,000 tons in 1961. The chief buyers of Chinese rayon cloth have been Malaya, Iraq, Hong Kong and Ceylon. Malaya bought about 1,746 tons of cloth in 1960 and 693 tons in the first half of 1961. Iraq's purchases amounted to 1,460 tons in 1960. Hong Kong's offtake in the first nine months of 1961 was 742 tons. The increase in Chinese exports of rayon fabric has followed a notable rise in output. The actual production in 1961 was 6,800 tons of rayon and acetate staple, 5,000 tons of rayon and acetate filament yarn, and 450 tons of synthetic fibres, as against 5,400 tons, 3,200 tons and 400 tons, respectively, in 1960. Production of these man-made fibres began in China only recently, rayon and acetate staple in 1957, rayon and acetate filament yarn in 1958 and synthetic fibres in 1959. Despite the notable rise in output, the supply of man-made fibres in China remains of relatively minor importance. Plans are, however, afoot for setting up new plants, with a view to reducing imports which in 1960 aggregated as much as 11,500 tons of rayon staple, 13,400 tons of rayon yarn and 800 tons of synthetic fibres.

Will China be a major contender for a larger share of world textile markets in the coming years? It is rather difficult to give a categorical reply to this question. For much will depend, as the *Review* points out, on its ability to achieve a breakthrough in agriculture, since the balance of payments difficulty may not permit China to import large quantities of cotton. The foreign exchange squeeze, according to the *Review*, has hit so hard that Chinese imports from West Germany (which usually ran around $200-250 million per annum) and the rest of Continental Western Europe had to be all but abandoned. At the same time, China has been selling silver in the London market in order to compensate for or rectify the balance of payments deficit. Except for possible barter transactions, it is, therefore, unlikely that any significant increase in Chinese imports of raw cotton will occur in the near future and textile industry will have to continue to rely largely on domestic production.

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TEXTILE INDUSTRY LACKS CONFIDENCE

TALKS ON WAGE RISE FAIL

From Our Special Correspondent

MANCHESTER, *4th September*

ALTHOUGH business in some parts of the Lancashire cotton market has lately shown fresh impetus, the general level of activity remains far below the full-scale revival needed to stimulate any important change in conditions. The hesitancy of buyers persists, encouraged, no doubt, by the fresh series of complications which have arisen over the Common Market talks.

MANCHESTER LETTER

Brief glimpses of the "summer-which-should-have-been" are far too interspersed with gloomy weather to induce retail customers into any thought of a buying spree, and even a belated burst of interest would now be too late to save the day, as the seasonal peak is long past. It is small wonder that traders are discouraged and view the outlook with distinct trepidation.

Their reaction for some months past, as exemplified in the Textile Action Group's agitation, has been to lash out somewhat indiscriminately at their representatives at central or even district level. Hard words have been spoken, some of which were unfair and verging on the slanderous, but at such a crucial stage in the industry's affairs, when livelihoods are at stake, exaggeration and criticism tend to mount.

Conflicting views on the long-term prospects have been expressed, with some commentators even daring to "tip" the purchase of textile shares to be locked away. Such advice, however dubious it seems at the moment, could be justified if greater collaboration between sectional interests is secured in the future.

Closer Relationship

Moves are taking place between individuals and groups having the well-being of the trade at heart to stimulate a better relationship, particularly between the weaving and merchanting communities. More liaison to link output with design and salesmanship is an objective which needs fostering at whatever level a scheme is evolved.

Reports of mill closures almost from week to week are themselves a dismal feature of the current scene. Strangely enough, they do not apparently worry the Government, whose attitude is characterised by a belief that the industry still needs further pruning until some stability is reached whereby local output, plus the intended maximum of imports from Commonwealth countries, covers the anticipated demand for cotton and allied products.

Still on the subject of organisation, to which much obvious thought is being given today throughout the industry, only brief mention can yet be made about the keenly-debated contribution given to the British Association conference by Mr. Allen Ormerod, Managing Director of Ashton Brothers. When the full text of his paper and the relevant statistics have been digested, it will be possible to assess its importance in guiding the trade towards future stability.

In the meantime, it must suffice that Mr. Ormerod was far from complacent about the part played by management in Lancashire, the role of the Government and the measures adopted by the various trade associations. More contraction, he believed, must come—to a point indeed where imports and a home producing industry of fewer than 100,000 looms and little more than 5 million spindles will be enough to cater for our domestic needs.

Pay talks on the year-old application for a 10 per cent increase for 160,000 Lancashire cotton workers have collapsed, it was revealed in Manchester. The claim has been passed to the Industrial Court, which is expected to deal with it within the next few weeks. The Ministry of Labour has been told of the dispute. Union leaders, who had asked for a 2*s*.-in-the-£ increase, swiftly rejected an offer from the employers to step up the basic rates by 5*s*. 8*d*.

The employers' offer was described by Mr. Lewis Wright, General Secretary of the Weavers' Amalgamation, as "ludicrous" when compared with increases received by other industrial workers over the last two and a half years. A spokesman of the United Kingdom Textile Manufacturers' Association confirmed in Manchester that talks had broken down, but said they had no comment to make.

The original claim was made in August last year, and was rejected outright by mill-owners. Informal approaches from unions led to a resumption of talks in February. The last pay increase in the industry was in March 1960 when cotton workers were given an extra 1*s*. 6*d*. in the £.

Shorter Hours

The average number of hours being worked by men in spinning and doubling in April was 45.7, as against 46.2 in the previous October. Women workers in this section were employed for 38.8 hours, as against 39.1 hours six months previously.

In the weaving branch, the latest returns show men operating looms for 43.4 hours as against 43.9 hours in October last. In the case of women, the figure was 39.5 hours, as against 39.9 hours. In the textile finishing trade, average hours worked by men were reduced from 48.8 to 48.5.

Cost of Imports

At the end of seven months of 1962, the pattern of import-export trade in cotton and allied goods has not assumed any different shape from that displayed in the earlier part of the year. Both arrivals to and shipments from this country have declined, although certain important changes have occurred in the balance of purchases from abroad.

Imports of cotton grey cloth in the seven months barely exceeded 250 million yards, as against 381 million yards in the same period last year. Arrivals of finished fabrics, however, amounted to 84,301,000 yards, as against 95,653,000 yards. On this basis, the ratio of processed cloth arrivals to unbleached materials narrowed from about one-fifth of the total to a quarter.

More important yet was the fact that the cost of purchases from overseas of finished goods amounted to £14,543,000, as against the outlay of £15,187,000 on grey cloth. Twelve months ago, the gap between the payments for such goods exceeded £8,000,000.

Less Non-Commonwealth Cloth

The major change in arrivals of unfinished material from abroad was in the purchases from "other foreign countries" outside the Commonwealth, the Irish Republic, France, China and Japan. To the end of July, these amounted to 41,910,000 yards, as against 105,594,000 yards in the same period last year. So far in 1962, Japan has only sent 14,390,000 yards, as against 40,698,000 yards.

A somewhat varying performance has been achieved by Commonwealth suppliers, with India showing the chief reduction. Shipments in the first seven months of the year were cut from 121,772,000 yards to 90,187,000 yards. Smaller quantities arrived from Hong Kong, the figure being 47,588,000 yards, as against 57,040,000 yards, but arrivals from Pakistan have nearly doubled at 23,631,000 yards, as against 12,071,000 yards.

On the export side, average monthly shipments of cotton cloth of around 20 million yards were maintained, bringing the total to the end of July to 144,205,000 yards, a reduction of nearly 34 million yards on last year's level. Earnings from this source were over £5,000,000 down at £20,196,000.

Common Market in Focus

Trade with Europe, whatever any interim decisions may be taken, will provide the focal point of this year's Cotton Board conference, to be held at Harrogate as usual in mid-October. Virtually every session of the gathering will concentrate on this vital factor, whose implications have already been dealt with in considerable detail in the booklet prepared by officials of the Board.

The three main speakers in successive sessions will be Mr. Anthony Barber, Financial Secretary to the Treasury, Mr. A. M. Alfred of Courtaulds, Ltd., and Mr. Michael Grey, Chairman of the Textile Manufacturers' Association. Subsequently, there will be a return to the "questions-and-answers" arrangement wherein a joint panel of representatives of the Export Council for Europe and the Cotton Board will deal with queries related to the Common Market issue. Lord Rochdale's valedictory address will be left until the Sunday morning, when he will presumably be able to report not only on the past year's activities of the Board, but will be able to outline the many important phases of his work as head of the organisation during five momentous years.—*All Rights Reserved.*

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SUGARCANE CONTROL ORDER AMENDED

OPPORTUNISM DOMINATES DEBATE IN LOK SABHA

THERE was more heat than light in both Lok Sabha and Rajya Sabha last week when the two Houses debated the Sugarcane Control (Additional Powers) Bill. The heat could have been avoided if only the members who participated in the debate had realised the simple objective of the Bill, instead of allowing their vision to be clouded by an excessive zeal for the welfare of sugarcane growers. The objective was merely to give effect to the Government of India's decision on the additional price payable to cane growers for the four seasons from 1958-59 to 1961-62, as the original Sugarcane Control Order of 1955 did not empower the Government to pass orders on such matters with retrospective effect (from 1st November 1958). Even the decision on the so-called additional price was in accordance with the recommendation of the Tariff Commission, which, everyone will agree, is a competent and impartial body. One had thought that the Bill would provide an opportunity for a constructive discussion on the problems of sugar industry. This, however, was not to be, thanks to the political considerations imported into the discussion by several members, including some Congress members who are supposed to have well-balanced views such as Mr. Ajit Prasad Jain, a former Union Food and Agriculture Minister, Dr. Panjabrao Deshmukh, Minister for Agriculture in the last Cabinet, and Mr. Mahavir Tyagi. The sympathy expressed by the members for cane growers is no doubt understandable, but it should not be extended so far as to overlook completely the interests of the other sections of the community. Incidentally, the Bill was passed by the Lok Sabha on the 4th inst. and the Rajya Sabha on the 6th inst.

Uncharitable Criticisms

That the criticisms made by some of the members were uncharitable and that they were inspired more by a deep-rooted prejudice for the sugar millowners or by a desire to be popular with sugarcane growers, who in U.P. and Bihar in particular are the most inefficient among agriculturists in India, will be evident from the following summaries of their speeches:

Mr. A. P. Jain (Cong.): The Bill is anti-farmer and anti-social. It signifies an attempt to divert to millowners the money due to the growers. Since 1958, the Government has not declared the x price, which is a kind of bonus paid to cane growers as additional price. This is calculated on the profits of mills. If the Bill seeks to give power to declare this x price be paid retrospectively to cane growers, it is well and good. But, if it is meant to reimburse millowners to rehabilitate and modernise their plants, it will be a retrograde step. There is no justification for paying a rehabilitation allowance to millowners.

Dr. P. S. Deshmukh (Cong.): The Government's proposal that rehabilitation allowance should come out of the deferred price is fantastic and unheard of. It will be wrong from every point of view to deny the growers their due in the name of giving money for rehabilitation of mills. I have the strongest possible objection to the Government's acceptance of the Tariff Commission's proposal to give money to millowners for rehabilitation of mills and to meet export losses. It has not been heard of in any other industry that men who supply the raw material should be made to contribute to the rehabilitation of mills.

Mr. Mahavir Tyagi (Cong.): I am alarmed at the recommendation of the Tariff Commission that the scheme for deferred payment of additional price to the growers should be discontinued. I cannot understand how crores of rupees due to the growers can be written off like this. I ask why every time care is taken to see that the margin of profit of the sugar factory is maintained.

Mr. T. K. Chaudhury (P.S.P.): It is not right to deprive the farmer of his dues. The formula of linking the price with recovery will hit production.

Mr. Bhupesh Gupta (Com.): The sugar millowners are making huge profits, while the cane growers continue to suffer. It is regrettable that sugar industrialists manage to flout law with immunity and deprive the cane growers of their due share of profits.

These members of Parliament have thus sung the same old song which has no rhyme or reason. If there was any aspect of the Government's sugar policy that was most irrational, it pertained to the cane growers' share in the profit (not in the loss, be it noted) of sugar mills. One can understand the Communists and Socialists talking as they did. But surely, Mr. A. P. Jain and Dr. Panjabrao Deshmukh know better. The former was the Minister for Food and Agriculture, who failed to solve the problem of sugar shortage and resigned out of despair. He proved to be an unworthy successor to Mr. Rafi Ahmed Kidwai. The latter, too, was a Minister of State for Agriculture. Neither of them was successful in raising Indian agriculture out of the rut, which is essentially the outcome of low productivity. During the regime of Mr. A. P. Jain, drift, drift was the only policy of the Union Food Ministry so far as sugar industry was concerned. During his long tenure of Ministership, he had the opportunity to devise a perfect sugarcane price policy that would have been fair to all the interests. Why did he not do it? Because he lacked the political courage. He knew that he could not produce a rational formula without displeasing the much pampered cane growers and their self-appointed leaders. Mr. Patil at least had the guts to break the ice, though not as perfectly as we would have liked, for he, too, has been pampering cane growers. Nevertheless, Mr. Patil at least saw to it that the country was out of sugar scarcity. And none can deny that, during his regime, cane growers have had more income than during Mr. Jain's Ministership. As for Dr. Deshmukh, it is fantastic that he should have dubbed the Bill as "fantastic, unheard of, anti-farmer and anti-social." May we ask him to cite any industry other than sugar in the profits of which the producers of raw materials have a share? Further, would Dr. Deshmukh pay, as a consumer, the same price for both superior and inferior quality products? Naturally, he would not. And yet when he was a Minister he allowed that to happen. Neither he nor his chief, Mr. A. P. Jain, took pains to see that a farmer growing superior quality cane received a better price than his confrere who raised a poor quality of cane. It is but sheer political opportunism for them to point an accusing finger at those who are now trying to clear the mess created by these two ex-Ministers and introduce some rationale as well as order in sugar policy.

Earning Popularity

As readers are aware, the enhanced minimum price of sugarcane, namely, Re. 1.62 per maund, was itself unduly high, accounting as it did for three-fourths of the cost of making sugar. The price bore no relation whatever either to the sugar contained in the cane (that is, recovery per cent) or to the prices of quite a few other agricultural crops. On top of such a high minimum, the cane growers were entitled to a share in the profit of mills under the scheme of deferred price. The scheme has no parallel either in this country or elsewhere. Commenting on the scheme that was in force hitherto, the Tariff Commission clearly warned that the operation of the scheme would expose the sugar economy to many risks which would be aggravated the longer the scheme was allowed to operate and that there was a danger of the "inevitable growth of pockets of vested interests" imperilling the implementation of the permanent solution so ardently desired by all interests. Nonetheless, the Commission took a generous stand and recommended the continuance of the scheme for the four seasons 1958-59 to 1961-62, in view of the historical background in which the formula was evolved and of the expectations which the Government's undertaking had nursed among cane growers. In urging the discontinuance of the scheme of

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deferred price, the Commission only placed the larger interests of the country above the sectional pressures. Instead of judging its conclusion in this spirit, it is regrettable that members of Parliament who had participated in the debate should have availed themselves of the opportunity to earn some popularity for themselves among sugarcane growers.

It was Mr. D. D. Puri (the erstwhile President of the Indian Sugar Mills' Association) who put the whole issue in its proper perspective in the course of his speech in the Lok Sabha. Here is what he said:

"The price-linking and profit-sharing formula had been conceived of as an alternative to price control on sugar. During the control period, the factories received a statutory price which was based on the cost of production plus 12 per cent gross return on the capital employed. Since there were no excess realisations by factories, there was no question of making any additional payment. It will be unfair to the sugar industry, if it is now asked to bear a burden by way of rehabilitation costs and export losses when these elements had not been taken into account by the Tariff Commission at that time (September 1959) in calculating the cost of production."

In its latest report (June 1961), the Tariff Commission had put forward a new formula for sharing the additional sugar price. This was quite realistic and justified. But the Government has, in its wisdom, rejected the formula and decided to continue (for the four seasons 1958-59 to 1961-62) the same old formula which gives the cane growers much more than what the Commission had considered reasonable. Accordingly, the contention of some members of Parliament that the Government had accepted the Tariff Commission's recommendation is far from the truth. Under the formula that has been in force so far, the growers share with the factory owner the net surplus in the same ratio as the cost of cane bears to the factory's cost of sugar production, excluding taxes. It would be better to quote the Commission's own words to bring the defects in this formula:

"Quite apart from the fact that the formula requires amendment in view of the acceptance by Government of the regional cost schedules suggested in our report of 1959, the main defect of the formula is that, with every rise in the minimum price of cane, the share of the grower rises. Prices of sugarcane may be raised in terms of Article 3(1) of the Sugarcane (Control) Order, 1955, on considerations other than a rise in the cost of production of cane and, therefore, a correlation of the sugar price with the cane price is unsound. It should be remembered that, while the manufacturing cost of sugar is properly regulated in our schedule, there has been no proper determination of cost of cane. Hence the basis of sharing of price on an alleged cost basis under the formula is non-existent and fallacious."

Rehabilitation Allowance

By rejecting the Commission's formula, the Government has sought to serve the interests not of sugar mills but of cane growers. Indeed, Mr. S. K. Patil went so far as to say: "I would try to get as much as possible for the growers. The Tariff Commission had proposed that the share of the cultivator should be 45 per cent of the additional price of sugar. The Government is examining whether the growers' share can be fixed at 65 per cent." Again, while the Commission had recommended rehabilitation allowance at 40 nP per maund of sugar (basis 10 per cent recovery and 150 working days) in Northern region and 20 nP for Madhya Pradesh and Rajasthan, the Government has decided that the allowance is payable only on a limited basis to factories which have rehabilitated their machinery or those which have set apart some funds for rehabilitation. How then can anyone accuse the Government of depriving the farmer of his dues for the sake of rehabilitating the sugar mills? If anything, the Government continues to be over-generous to cane growers in utter disregard of the interests of consumers who are more numerous than sugarcane growers. Proof of this, if any were needed, is provided by its decision to continue for the 1962-63 season the enhanced minimum price of Re. 1.62 per maund of cane with a low recovery of just 9.8 per cent. The only consolation, however, is that this price formula is a temporary arrangement. The Government has stated, in its resolution on the Tariff Commission's report, that it would not relax efforts to finalise a suitable system of payment of cane price on the basis of quality "as soon as practicable." Even this assurance is a qualified one, for the words "as soon as practicable" impart a vagueness to it. God only knows, when the Government will find a solution that will be practicable.

In the course of his replies to the debates in both Houses of Parliament, Mr. Patil held out the assurance that the Government would take into account the interests of the farmers in deciding the exact share of farmers in the additional sugar price realised by the factories in the seasons 1958-59 to 1961-62. Why has the Government still not finalised the farmer's quantum, although the Commission's findings were rendered as far back as in June 1961? The question came up for consideration before the Executive Committee of the Congress Parliamentary Party on Friday last week. Prime Minister Nehru informed the Members that the formula was not ready yet and that it could be taken up for consideration after his return from Europe early next month, the intervening period being availed of for circulating the facts of the sugar situation to members. Incidentally, Mr. K. Hanumanthaiya suggested at this meeting the appointment of a committee of experts to examine the point of view of sugar consumers. The suggestion was no doubt interesting and Mr. Patil agreed to it. But one wonders whether there is any need at all for such a committee. Who does not know the answer to the question as to how the interests of sugar consumers should be safeguarded? Only last week, we reiterated in these columns that the present high prices of sugar could be lowered only if the Government were to reduce the heavy incidence of taxation —taxation accounts for one-third of the sugar price—and follow a realistic cane price policy which would prompt the agriculturist to pay attention to the vital question of raising a larger quantum of cane with richer sucrose-content from a given piece of land.

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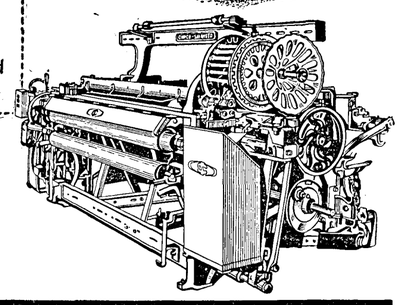

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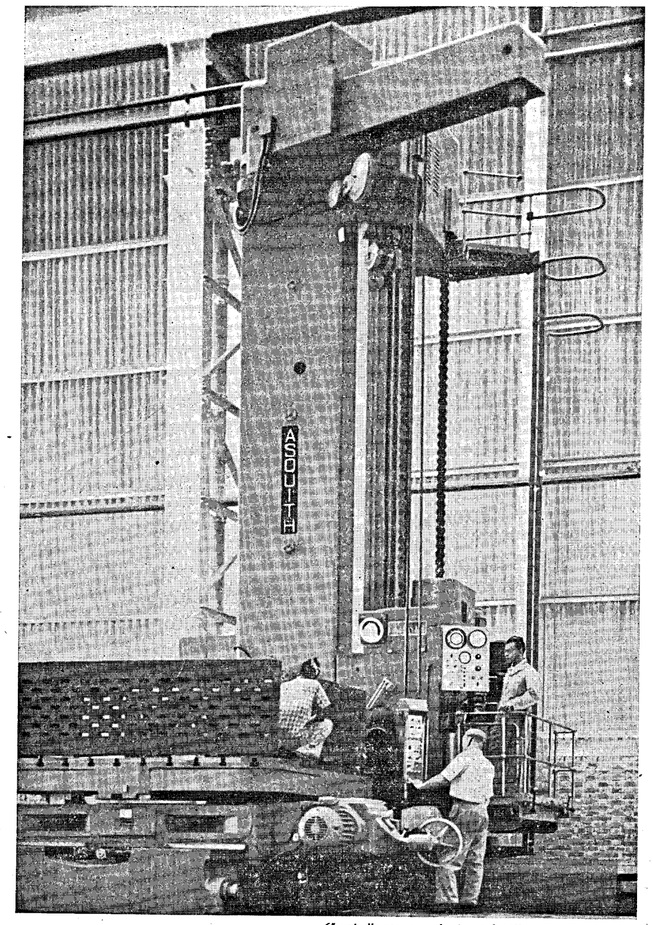

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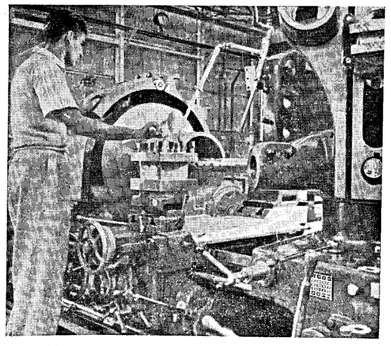

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CHAIRMAN, SIR WALTER MICHELMORE'S ANNUAL STATEMENT

IN his statement to the shareholders circulated along with the annual report and accounts covering the period ended 31st March 1962, Sir Walter Michelmore, Chairman of the Titaghur Paper Mills Company Ltd., has expressed the hope that the Government would agree to a further price increase of a substantial nature. Citing facts and figures, Sir Walter has pointed out that there has been a further substantial rise in costs which the recent increase in paper prices of 6 nP per kilo, based on the 1958 costs, does not cover. He has, therefore, urged the Government to turn a sympathetic ear to the industry's case before long.

The following is the full text of Sir Walter's statement:

"When, in 1960, the Tariff Commission gave its award on paper prices based on 1958 costs, those most closely concerned with the industry predicted a difficult time ahead, and this has certainly proved to be the case. In the first place the 12 per cent return on capital employed covering as it does taxation, provision for rehabilitation, Managing Agents' remuneration, bonuses to labour and preference dividends, does not leave a sufficient balance to provide an adequate return by way of ordinary dividends on the capital employed. In the second place, the cost of virtually every raw material and service used by the paper industry has increased sharply, often as a result of Governmental action. Coal has increased in price and so has the freight on it—the Calcutta Electric Supply Corporation rates for power have been increased—every single chemical, whether caustic soda, lime or sodium sulphate, to mention only a few, is more expensive than in 1958—and the same applies to the basic raw materials, whether bamboo or waste paper. In March 1962, it was estimated that the total increase in cost since 1958 was Rs. 160 per metric ton or 16 nP per kilo. The 1962-63 budget and the Railway budget added a further Rs. 20 per ton to the industry's costs—or an additional 2 nP per kilo.

"The recent increase in paper prices of 6 nP per kilo was granted with commendable promptitude, and it does not do to look a gift horse in the mouth. The inadequacy of the increase will however be apparent from the figures quoted above, and it is sincerely to be hoped that the Government will, before long, turn a sympathetic ear to the industry's case and agree to a further price increase of a substantial nature. To illustrate the difficulties of, at any rate, certain units in the industry, in the case of your No. 2 Mill the price increase has been virtually entirely absorbed by having to transport 50 per cent of the mill's coal requirements by road—a cost factor that was not even taken into account in determining the recent price increase.

Coal

"This raw material has been a continuous headache throughout the year. In the first place, coal stocks have been down to below one day's consumption on several occasions. Secondly, the mills now receive—and cannot expect anything better—Grade I coal which has to be burnt in boilers, many of which were designed for Selected A rubble. Finally, as mentioned above, 50 per cent of the coal has to be transported by road. In the case of industrial units consuming under 1,000 tons of coal per month, road transport of 50 per cent of consumption is expensive and inconvenient. In the case of your Nos. 1 and 2 Mills, which consume 16,000 tons per month, road transport is ruinous—spelt out in rupees, an additional 18 lakhs is added to the annual coal bill. Having spent considerable sums to strengthen the mill sidings to take full rates of BOX wagons, it would seem only reasonable that concerns such as yours, should be permitted to take their full coal requirements in this manner. This procedure was in force for a limited period and it is believed suited the railways as well as your company—why it should have been terminated is difficult to understand. If, however, the paper industry with its high coal consumption has to take 50 per cent of its requirements by road, it would appear to have just as good a case for a subsidy or an increase in paper prices as industries in the country who are compelled to take their coal by sea.

Bamboo

"Gregarious flowering of bamboos in Assam and Orissa has created difficulties, but by stepping up cutting in the Company's own forest areas to 60,000 tons, adequate supplies have been made available at despatching points. Wagon supplies have, however, been totally inadequate—a situation not peculiar to your Company—with the result that 50,000 tons of bamboo are awaiting despatch at the time of writing, and as with coal, stocks at the mills have on occasion fallen below one day's consumption.

"Longer term, one of the difficulties your Company is faced with is that, with new paper mills going up in the States adjoining West Bengal, they tend to be given preference over your Company in respect of bamboo leases, even in respect of areas from which supplies have been drawn continuously for many years. It is evident that the paper industry as a whole will have to rely to an increasing extent on alternative raw materials, such as, bagasse and jute sticks, and this is receiving careful attention as far as your Company is concerned.

Market

"The market has remained firm throughout the year and it would appear that demand will remain in excess of supply until some time in 1963. With additional mills coming into production, it is quite possible that there may be a surplus of paper in 1964 or 1965, but it is hoped that on a longer term basis, with the increase in literacy, this will be only a temporary feature.

"In the reorganisation of your Company's affairs, to which reference is made later in this statement, particular attention is being paid to the improvement of quality in all the various types of paper produced. Even allowing for the difficulties with which the paper industry as a whole has been faced, shareholders will naturally wish to know why your Company's results compare so unfavourably with those of other units in the industry of comparable size. I will, therefore, deal with this matter in some detail and, at the same time, outline the remedial measures that either have been taken already or are in process of implementation.

Bamboo Forest Areas

"It will be noted that some Rs. 23 lakhs has had to be written off bamboo stocks. Your Company's policy was to value bamboo stocks in the forest areas at a figure well below cost. A few years ago, this method of valuation was objected to and stocks were valued on the basis of average cost irrespective of location. A very poor cutting year resulted in an extremely high cost figure, and it was regrettably not realised, until the current year, that this resulted in an overvaluation of bamboo stocks lying at points distant from the despatching points to the mills. The revaluation in this year's accounts provides for the cost of moving forest stocks to railhead and in addition strict budgetary control has been introduced throughout the bamboo forest areas.

No. 3 Mill

"It was always realised that this mill would not be a fully economic unit, until output reached the level of 18,000 tons per annum as provided by the original industrial licence—12,000 tons per annum plus an expansion licence of 6,000 tons per annum. The mill was, however, planned in 1955 on the basis of bamboo at Rs. 71 per ton delivered, other chemicals at ruling rates, and paper at the prices that prevailed before the reduction imposed by the Tariff Commission. On this basis, it was expected that, as a one-machine mill, it would nearly break square and that on a two-machine or 12,000 tons per annum basis, a small profit would be made. Unfortunately, many factors have combined to make this projection of profit very wide off the mark.

"With the increase in the cost of bamboo, chemicals and all other raw materials, and the reduction in the price of paper, it is now evident that No. 3 Mill will not break square under 30 tons of paper per day.

"For part of the year, only one machine was operating with a rated capacity of 15 tons per day. The second machine was installed in the course of the year, increasing the rated capacity to 35 tons per day. In practice, the average daily output in the year under review did not exceed 23 tons per day. The financial result of this most unsatisfactory state of affairs has been a gross loss of Rs. 39.41 lakhs to which must be added depreciation of Rs. 11.49 lakhs.

"Many factors have been responsible for the low production and the high loss, and, in fact, there is practically no misfortune this mill has not experienced. A go-slow movement in the crusher house and roaster section—wagon shortages leading to chlorine and lime running out so that unbleached paper had to be made on many occasions—power cuts as often as twelve times in a week, some probably due to sabotage. These are only a few of the unexpected problems that have had to be faced up to in the past year.

No. 2 Mill

"This mill has made practically no contribution to the Company's profits during the past year. The two main causes have been labour problems, particularly in the receiving section, and poor management. The former is being dealt with and the latter has been dealt with, as will be explained later.

"The recovery side at this mill has been giving very poor results, and as always this is a most expensive weakness in any paper mill. While improved results are expected, a modern recovery boiler is essential at this mill—partly because the existing obsolete recovery plant will never give a recovery percentage above 55 per cent, however efficiently operated, and partly because it is vital to provide additional steam from this source, thus enabling a reduction in the very high ratio of coal per ton of paper. Mention has been made earlier of the high cost of moving coal by road, and No. 2 Mill suffers badly from the other factors of having to burn low grade coal in boilers designed for the best coal India can produce.

"The No. 1 Mill has worked with reasonable efficiency during the year and has contributed all the Company's profits.

Reorganisation

"The Directors of your Company, and the Managing Agents, have been acutely conscious of the decline in management efficiency in the recent past. This can often occur, and not only in India, after a long period of prosperity when the going has been too easy. A severe shock is often the best cure and this has certainly been administered by the current year's results, assisted by the Tariff Commission. I would, therefore, now like to touch on what remedial action has and is being taken and the results that have been achieved so far.

"As already intimated to you in a previous statement, Messrs. Urwick, Orr and Partners Limited were commissioned to do both a survey of the Company's mills and bamboo forest organisation and to undertake the preliminary implementation of their reports. I should like to take this occasion of congratulating them on the excellent job they have done. It is, therefore, most unfortunate that, when there are not yet available in this country management consultants of this calibre, the Government should have refused sanction to remit them their dues, with the result that the Company has not yet been able to pay them for the greater part of their work—which for this reason had to be brought to a premature end.

"Quite considerable savings, in costs have already been achieved as a result of their reports and there are more to come now that work study engineers have been engaged at all three mills.

"Apart from cost savings, the whole senior management structure has been recast and there are new faces in virtually every senior post. A superintendent of mills has been appointed, there are three new mill managers, a new superintendent of engineering services, and a new cost accountant. In my opinion, the Company now has a most excellent team of senior executives. Almost equally radical changes have been and are being made in the lower staff levels.

"Many other changes are also being made, such as a complete overhaul of the labour relations organisation, the introduction of a modern training scheme, a new cost accounts system—to mention only a few.

"While it will be appreciated that a major reorganisation of this nature cannot achieve a complete cure overnight, shareholders will no doubt be interested to know what results have been achieved so far.

Current Working

"The No. 1 Mill is now earning satisfactory profits. The output in July at 2,330 tons was the highest in its history and in August 98 tons was manufactured in one day which again is the highest figure ever achieved. In my view, even further improvements can be expected in certain directions such as the recovery percentage, quality control—and even output.

"The No. 2 Mill reverted to a profit-making basis—albeit small—in June. A progressive improvement is now expected and it is hoped that by the end of 1962 satisfactory profits will be being earned. A reduction in the percentage of broke and an increase in the recovery percentage are the two main technical problems but getting a full day's work out of a percentage of the labour force is equally important.

"The No. 3 Mill is still making a substantial loss, although on a lower scale than last year. However, in August over 30 tons was reached as daily output on several occasions and given co-operation by the labour—there have been several recent instances of sabotage—it is hoped to get on to a break square or small profit basis towards the end of 1962. As at the other two mills, the new management deserves congratulations at the extremely good job being done, often under difficulties—as recently as July, six wagons of lime were lost on the railways, forcing the mill to make wrappers only for seven days.

"From the above brief survey, it will be seen that substantial progress has been made in recent months. It is, therefore, expected that the 1962-63 results will show a substantial improvement, but it may be 1963-64 before the Company can claim that its results bear favourable comparison with those of other companies of equivalent size.

Capital Reorganisation

"The Company's paid-up capital is unduly small in relation to the scale of its operation and the value of its assets. On the other hand, its borrowings from the I.C.I.C.I. and the bank are on the high side in relation to its paid-up capital. To rectify this situation and to provide funds for the modernisation and expansion programme that is completely essential, application has been made to the Controller of Capital Issues for a bonus and rights issue. It is hoped that sanction will be obtained in the near future, although details of the capital expenditure proposed will still have to be cleared with the Development Wing of the commerce and Industry Ministry.

Modernisation and Expansion

"The Adamson Engineering Corporation were appointed technical consultants to the Company in June 1962. Mr. George Adamson and Mr. Mac Coston have paid two visits to India in the course of their survey of the three mills and their report has been received and is being studied. Mr. Adamson has been responsible for erecting and commissioning the new bamboo pulp and paper mill at Bataan in the Philippines and thus is the rare combination of a technical expert with knowledge of the latest techniques in the world's paper industries plus a special knowledge of the problems involved in bamboo-based paper manufacture.

"Until the consultants' report has been carefully studied, it is impossible to say with exactitude how the funds to be raised by the rights issue will be spent. There are, however, certain general observations that can usefully be made. While it is expected to increase output at No. 1 and 2 Mills by increased efficiency, the expansion licence for 6,000 tons is specifically for No. 3 Mill and the greater part of the capital expenditure will therefore be concentrated on that mill. Apart from this consideration it is quite essential to make No. 3 Mill a contributor to the Company's profits instead of a liability as hitherto, and this postulates increasing the output to 18,000 tons per annum which is today the minimum economic size, bearing in mind the competition to be faced from large and modern mills shortly coming into production.

"In restrospect, it is evident that No. 3 Mill was planned on too small a scale, and with the desire to save foreign exchange and the Company's funds undue reliance was placed on reconditioned plant—undoubtedly a false economy. Both these errors of judgment must be rectified.

"Apart from No. 3 Mill, a modern recovery until at No. 2 Mill is essential—there are, in fact, many other directions in which capital expenditure can improve efficiency and cut costs—one example is installing chippers for bamboo at despatching point to save freight and wagon capacity—but the governing factor will be the availability of funds until the Company resumes making profits on a scale that permits a generous plough back.

Labour

"Since the close of the year, agreement has been reached with the representatives of labour on a long outstanding dispute. An increase in dearness allowance has been granted and an improvement in the clerical grade scales. On the other hand, a retiring age has been accepted coupled with a gratuity scheme. It is also hoped that by the time shareholders read this speech, gate control will have been introduced at Nos. 1 and 2 Mills. Urwick Orr's investigations have shown up what a large surplus of labour exists at all mills, but with give and take on both sides it should be possible over a period to resolve this problem with the minimum of hardship, if any.

"In conclusion, I would say that I well appreciate the concern shareholders will feel at the extremely poor results shown in the accounts now in their hands. Nevertheless, I feel confident that this year is a turning point—that the mistakes of the past are being corrected, and that the increased efficiency now evident at the three mills plus the modernisation programme being planned, and I hope sympathetic treatment by the Government of the problems of increased costs, will restore your Company to the high standing it has so long enjoyed."

Note: *The above statement is not a report of the proceedings of the annual general meeting, which will be held on 27th September* 1962.

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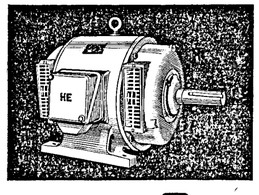

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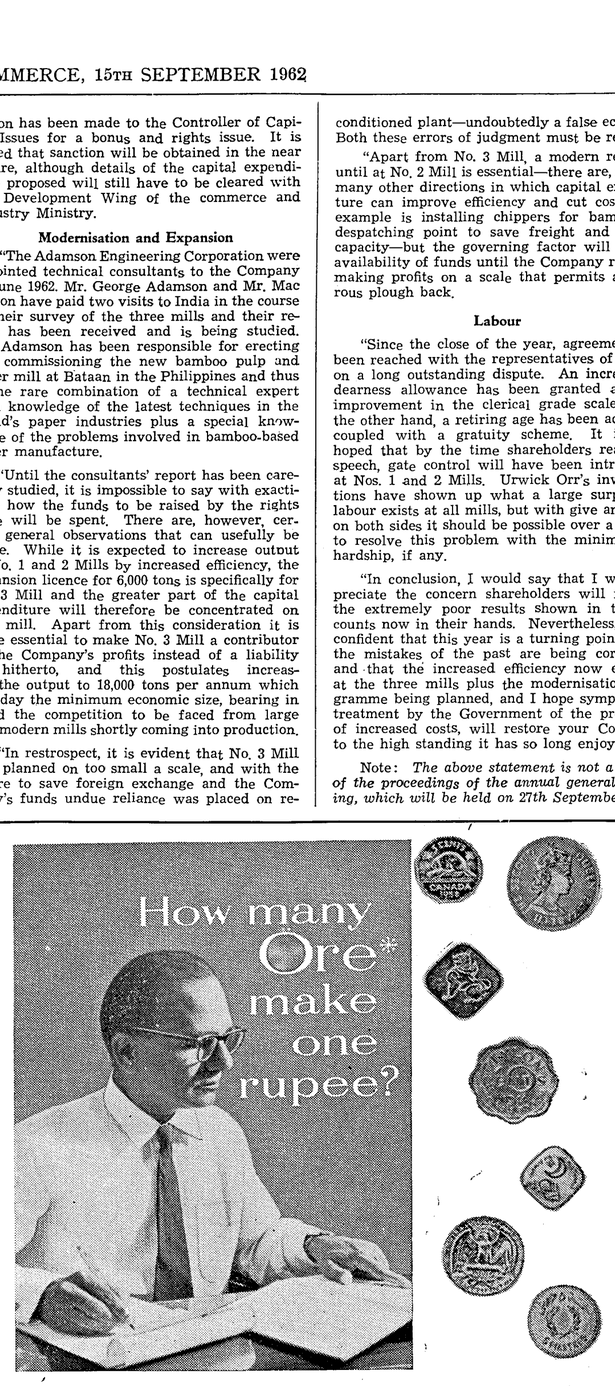

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A STOCK EXCHANGE QUOTATION—I

IMPLICATIONS TO INVESTORS AND COMPANIES

By D. R. Pendse, M.A. (Cantab.)

IN recent years, Indian company managements have shown a growing appreciation of the importance and utility of a stock exchange quotation for the shares of their companies. Almost all new companies, which are eligible for such a quotation, seem to apply for it. While several old companies, which were averse to applying for such a quotation, are now veering round to the views of their younger colleagues. An attempt will be made in this article to trace briefly the reasons for this welcome change of attitude and to examine the implications of such a quotation to investors and companies. A comparison of the law and practices of the stock exchanges in India with that in the United States is made at appropriate places with a view to assessing as to what extent the Indian practices are geared to meet the demands of the day.

In this article, "stock exchanges" refer only to those seven that are recognised by the Government of India under the Securities Contracts (Regulation) Act (No. 42 of 1956) or S.C.R. Act, to be brief. There are two stages in which shares of a company initially get quoted on a stock exchange. First the exchange agrees to grant a quotation and thereafter permission is given to deal in the said shares. Although there are conditions attached to each of these two stages, the difference between them is, in fact, mainly of time, there being very few cases where the first stage was approved but never the second. In this article, reference to "the grant of a quotation" generally implies the completion of both these stages.

Importance of Quotation

Until a few years ago, company promoters had generally to depend on their friends, associates, and on institutional investors like banks, insurance companies, trusts, etc. to obtain subscription to the capital issues of their companies. It was far from a subject in which the general public as such seemed to show any tangible interest. During the last three or four years, however, the Indian capital market has witnessed a remarkable change and the so-called "small individual investor" has come to be a force to reckon with. Why and how this change came about would undoubtedly be an interesting subject of analysis by itself, but it is entirely beyond the scope of the present article. Much has also been said about this emergence of the new investing class. For the present purpose, it would be sufficient to note the principal characteristics of this "small investor." First, he (and there are many 'shes' too) usually belongs to the middle class is salary earning (or, in a few cases, engaged in small business) and is inflation-conscious. His little savings seem to take him nowhere. Secondly, as he is in active duty, he is not worried about an immediate return from his savings, but wants to see them appreciate in value and to be capable of giving him a decent return after some years, when, perhaps, he will retire. Thirdly, he is enamoured by the conspicuously large premiums commanded by some new issues, would like to try his own luck at the "game," and, therefore, has a strong preference for equity shares. Fourthly, he is not yet initiated in the mechanism of stock exchanges, and is still rather shy of getting "involved" in buying old quoted shares and the manifold procedures attendant thereto. He, therefore, concentrates on applying for new equity issues of his choice, in making which he is as gullible as ever. Last, and the most important for the present purpose, he is not interested in any shares unless he is assured of a stock exchange quotation to them.

New Companies

The attitudes of new and old companies towards the question of applying for a stock exchange quotation are not identical, though there is some inevitable overlapping. To the new companies, a stock exchange quotation is, first of all, a prerequisite for attracting the new investing class to subscribe to the issue capital. Secondly, before the issue of prospectus, the schemes of activities of companies are, in many cases, examined by various Government departments like the Development Wing, the Controller of Capital Issues and these as well as stock exchange authorities informally "recommend" to the promoters that, in the interest of the small investor, they should seek a stock exchange quotation. Lastly, stock exchanges make it a rule not to permit their members to act as brokers, underwriters, etc., to any new issue, unless the company undertakes (*a*) to apply for a quotation on at least one of the seven recognised stock exchanges, and (*b*) to publish this undertaking on the body of the prospectus or advertisements. Companies can ill-afford the non-co-operation of all stockbrokers in the country, and they concede the point by applying, even if, in some exceptional cases, companies would have liked to postpone the application.

Old Companies

In the case of old but unlisted companies, the growing tendency to apply for a quotation is, perhaps, due to three other factors. In the first place, with the popularity and success of several recent new issues, there has been an ever-increasing pressure of the shareholders of such old companies on the managements to seek a quotation on a stock exchange so that they, too, would be able to reap the fruits of their patience. Secondly, in the absence of such a quotation, the marketability of their shares is so restricted that often shareholders of companies with excellent management, dividend record, etc., find it difficult to sell their shares at anything like a reasonable price. Lastly, the income-tax authorities generally give due weight to the stock exchange quotation for the purpose of valuation of assets of an assessee. If shares of any particular company are not listed, they are valued at rates which the shareholders sometimes complain to be arbitrary. The utility and the need for a stock exchange quotation, therefore, seems to be readily accepted by new and old companies alike.

There are, however, still some high-stature large public companies who seem to be hesitant to apply for a quotation. Stock exchanges and the Government naturally insist that a quotation be not granted if the shareholding is unduly concentrated. These companies seem to find it difficult to comply with this condition, presumably because of shortage of sellers. Since it is in public interest that shares of such companies are quoted on stock exchanges so that the investing public could have an opportunity of buying them, the stock exchanges, on the advice of the Government, take a lenient view at present as to the extent of this spread of shareholding and thus encourage such companies to seek a quotation. The fact that under the S.C.R. Act the Government is empowered to force a company to comply with requirements for a quotation, seems to indicate the importance which the Government attaches to this question. But, in view of the healthy trend of the past, there is reason to believe that this section of the Act would continue to remain uninvoked.

Legal Framework

The growing eagerness on the part of companies to seek a stock exchange quotation is, however, not without a curious implication. There is great rush to get past this gateway to marketability, dignity and popularity, and there emerges an urgent need (*a*) to restrict admissions only to those that are really eligible, (*b*) to ensure that those admitted maintain decorum and strictly follow the rules of the game, and (*c*) to remove those who insist on misbehaving despite warnings. As prevention is better than cure, great emphasis is rightly placed on the first, and the Companies Act, the Securities Contracts (Regulation) Act and Rules, and the By-laws and Regulations of Stock Exchanges all contain elaborate provisions for ensuring that only the really eligible companies are permitted. The standardised Listing Agreement, by which every listed company commits itself to a code of conduct after listing, takes care of the second; and the power of stock exchanges to delist a listed company is meant to achieve the third. In the following paragraphs, the framework of laws, rules, and conventions on these three aspects is examined in turn.

A useful starting point for considering the legal framework at a stage prior to the grant of a stock exchange quotation would be Section 73 of the Companies Act. Under this section, once a public company seeking capital from the market makes a statement on its prospectus to the effect that a quotation from a recognised stock exchange would be or is applied for, not only does it have actually to seek such a quotation but it has also to receive the permission of the concerned stock exchange for such quotation. Otherwise, the promoters have to refund forthwith all the application money to the applicants for the issued capital. Wilful negligence to refund the money within eight days of the refund being due, make the Directors of the Company liable to repayment.

The scheme of this section seems to be quite clear. In order to attract the investors, a stock exchange quotation has now become almost a necessity. But the receipt of approval for a quotation is rarely possible before the prospectus is issued and applications for shares are invited. The interests of investors would be seriously prejudiced, if those who had applied for shares in the fond hope of a quotation were later told by the management that the company's application had been rejected, and still had no right even to get back their application money. This section, therefore, throws the onus of responsibility on the promoters, who, as a matter of prudence, should hold informal consultations with the stock exchange authorities before the issue of prospectus to determine if they would be able to comply with all the requirements of the exchange.

By far the most important requirement imposed on the stock exchanges under the Rules framed under the S.C.R. Act is that at least 49 per cent of the capital issued should be offered to the public and whatever is offered should be allotted among applicants fairly and unconditionally. Shares to be held by the Central or State Governments, or by a Government company, etc., and by foreign collaborators, if any, are ignored in calculating this percentage. Presumably, it is intended that 49 per cent is the maximum that promoters can invariably be asked to release for a public offer, consistent with stability of control and management; and it cannot be denied that, despite several controversies, this rule is having a tonic effect on the 'public' ownership of shares.

Scope for Relaxation

Under the Rules, stock exchanges, with the previous approval of the Central Government, have been given power to relax this requirement on "satisfactory evidence being produced by the company concerned that securities sought to be listed are not unduly concentrated in a few hands." In the case of new companies, that is, companies formed after the Rules came into effect in 1957, the Government has generally refused to approve such a proposal. In the case of old companies, the Government has issued certain instructions, whereunder, except for some exceptions, the capital issued and held by the general public has to be about 40 per cent of the issued capital, if the Government has to consider sympathetically the grant of such approval. These instructions also include related matters about further issue of capital, etc. These relaxations tend to help older companies to seek a quotation before they are withdrawn and both old and new companies are placed on par.

There are several other requirements which are laid down in the Rules, by-laws, etc. and they relate to (*a*) provisions that each company should make in its Articles of Association; (*b*) documents and returns to be filed with the exchange; (*c*) matters connected with dividend declaration, closure of transfer books, etc. Rarely is there any controversy over these requirements.

In addition, in the light of experience of the working of the new issue market, stock exchange authorities have evolved some further requirements. Some of these may be briefly stated: (i) In case of oversubscription, allotment of shares should be in consultation with the stock exchanges; (ii) application money should be accepted at par at least at the seven centres at which recognised stock exchanges function; (iii) dividend vouchers should be payable at par at places where company's bankers have branches; (iv) companies should not, as far as possible, charge transfer fees; (v) when right shares are issued, existing shareholders should be allowed to apply for additional shares and these applications should be allotted the surplus shares, if any, in consultation with the stock exchanges, etc. Some of these and similar other requirements are still in the form of conventions. But their force is by no means less, and this fact is correctly appreciated by the applicant companies.

Rejection Very Rare

It would, however, be wrong to conclude that, since a stock exchange quotation presupposes the fulfilment of all these and several other rigorous conditions, there will, perhaps, be quite a number of rejected applications. The rigours of the Companies Act (Section 73) discourage companies from making a formal application, unless they are willing to comply with these conditions and are reasonably confident of the favourable verdict of the stock exchange. In some other cases, the companies themselves prefer to withdraw their applications. In effect, cases of rejection are extremely rare. This is essentially the result of the practice, as mentioned earlier, of having several informal discussions between the representatives of the stock exchange and the company at a very early stage, generally well before the issue of the prospectus. There is a noticeable tendency to have a stock-broker on the Board, which also, plausibly, smoothens the course of the application.

It is, nevertheless, conceivable that, in some stray cases, the decision-making body of any particular stock exchange might be unnecessarily prejudiced against a particular company and might refuse to grant a quotation to it, resulting in hardship to the promoters and the applicants for shares. This possibility is visualised by the law makers; and the S.C.R. Act authorises such a company to file an appeal with the Central Government. If it is upheld, the concerned stock exchange is obliged to accept the company's shares for a quotation. The very presence of such a clause has, perhaps, made stock exchanges conscious of their responsibility; because, during the last five years, the Government did not have to invoke this section even in a single case.

No Guarantee of Soundness

It is useful to state here that, while every application for a quotation is subjected to all the above requirements, the stock exchanges do not accept any responsibility about the profitability or the future prospects of any particular company. On the contrary, they have meticulously avoided expressing any opinions on such issues and it is made clear that permission to grant a quotation is in no way an assurance to the investor that the shares will be quoted at a premium or they will fetch some dividends to him or anything of that sort. Save in cases of known fraud, or proved bad record, they also refuse to give any weight to the quality of management of any particular company in considering its application for a quotation. These questions are left all to the investor for himself to find an answer to. It is the stock-broker who is likely to express his personal opinion to his clients while recommending any particular shares for purchase or sale: the importance of taking the advice of an honest broker thus remains paramount to an investor.

This attitude of the stock exchanges in India is frequently criticised as passive and negative. It is argued that there is too much insistence on, and only on, compliance with technical conditions. Such compliance does not invariably give an assurance that only good companies will be quoted on the stock exchanges. The prescribed form of listing application is itself a very detailed document and the impression gathered is that the stock exchange office-bearers examine the answers to the various questions in the form perhaps on the basis of certain formulæ and then grant quotations to the companies which seem to score a minimum of passing marks. It is appreciated that the stock exchanges would not like to take any responsibility, legal or otherwise, as regards the prospects for any company quoted on the stock exchange; yet, it is felt that the stock exchanges should be a place for transactions in shares of only prosperous and sound companies and should not be either a playground for manipulation or a dumping ground for unsaleable shares. For this purpose, the stock exchange authorities should, so runs the argument, lay down certain criteria as regards (*a*) the minimum size of the company as expressed by its earnings and tangible assets; (*b*) the types of excluded activities; (*c*) the record of management, etc. Above all, the authorities should be ready to make appropriate use of the absolute discretion with which they are armed under their by-lays and regulations on this subject. Fortunately, the members of the Board of Directors of stock exchanges, by virtue of their background, have among them persons of wide experience and knowledge of markets and men. Collectively, they are perhaps the most qualified to take a *bona fide* decision as to whether a stock exchange quotation to be granted to a particular company would be genuinely in the public interest or the interest of the trade. Despite this, the criticism goes, these very Boards of Directors, in their tendency to be meekly satisfied with checking compliance with routine conditions, only count the trees and can miss the wood.

Comparison with New York

A strong contrast is provided by the approach of some of the stock exchanges in the United States towards this question. For example, the New York Stock Exchange (N.Y.S.E.), which is by far the most important one in the United States, refuses to have even any prescribed form for listing applications; the applicant companies have to state various details in the form of a narration. The application is examined on the basis of certain guiding principles. For example first, the company must be a going concern and must have substantial assets or demonstrated earning power, or both. Secondly, the Exchange should be satisfied about the national interest in the shares of the company; the standing of the company in the particular industry; the character of the market for its products; its relative stability and position in the industry; and whether or not it is engaged in an expanding industry with prospects of maintaining its position. Thirdly, shareholding should not be unduly concentrated and an adequate market therein should exist. These abstract principles are translated into figures for the guidance of the applicant companies. Thus, for example, the Exchange expects (*a*) a demonstrated earning power of over 1 million dollars annually; (b) tangible assets of eight million dollars or above; and (*c*) at least 400,000 ordinary shares outstanding (i.e. excluding concentrated or family holdings) among at least 1,500 shareholders (excluding odd-lot holders). The Exchange naturally retains the discretion to add to these or relax one or more of these conditions in suitable cases.

Besides satisfying these conditions, applicant companies to the N.Y.S.E. have to furnish full details on several points such as (*a*) brief history of business; (b) dependence on patents, secret formulæ, etc.; and (*c*) description of property, employer-labour relations, shareholders' relations, litigations, etc. The exchange also requires the company to file an opinion of a lawyer, "of satisfactory standing to the Exchange," on certain matters concerning the legality of the organisation, business activities, etc., of the company. Distribution schedules of shareholdings are required not only on the basis of shares held by each holder, but of shares held by holders in different States of the country. Once a quotation is granted, the Exchange makes it a practice to print (at the company's cost) the listing application in all the details and make copies available on request to any member of the public.

The Securities and Exchange Commission (S.E.C.), the high-power body of the U.S. Government, also has vast powers in this matter. Each approval by a stock exchange of the application of a company for a quotation has to be filed with the S.E.C. and normally becomes effective only thirty days after such filing. The S.E.C. itself has the power, in any particular case, to postpone by a year the listing of shares, to deny listing altogether or even to delist shares, when the interests of investors so demand. The latest reports of the S.E.C. indicate that, when the situations warrant it, the Commission did not hesitate to make use of these powers. In India, as mentioned earlier, the S.C.R. Act empowers the Government to force a company to seek a quotation, but there is no power either to postpone or to refuse the grant of a quotation to any company.

The absence of such a power in the hands of the Government under the present scheme of the Act only enhances the responsibility of stock exchanges in India to take utmost care to protect the interests of the investors while considering the applications of companies for listing. Although the stock exchanges in India have admittedly not adopted as positive an approach as their American counterparts, there are signs of efforts in the right direction which would be welcomed equally by the Government and the investors.

(To be continued)

Note: The author is indebted to Mr. P. S. Nadkarni, Chief of the Government of India's Stock Exchange Division, for the benefit of several discussions. The views expressed in this article are, however, entirely the author's personal views.

Notices

INDIA STEAMSHIP COMPANY LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

NOTICE is hereby given that the Annual General Meeting of the Members of the INDIA STEAMSHIP CO. LTD., will be held at the Registered Office of the Company, "India Steamship House," 21, Old Court House Street, Calcutta, on Tuesday, the 25th September, 1962, at 3-30 p.m. in order to transact the following business:—

1. To receive the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1962.
2. To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March, 1962.
3. To appoint a Director in place of Dr. S. C. Law, M.A., Ph.D., who retires by rotation and is eligible for re-appointment and to consider and if thought fit to pass the following resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

   RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Dr. S. C. Law, M.A., Ph.D., who has attained the age of 70 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him.
4. To elect Maharaja Sir Pratap Chandra Bhanj Deo Bahadur of Mayurbhanj, G.C.I.E., a Director of the Company, who retires by rotation and is eligible for re-election.
5. To appoint Auditors for Head Office and Branch Office, Bombay, and fix their remuneration.

The Share Transfer Register of the Company will be closed from Monday the 10th September, 1962 to Tuesday the 25th September, 1962, both days inclusive.

BY ORDER OF THE BOARD,
A. MUKERJI,
Secretary,
India Steamship Company Ltd.

CALCUTTA,
The 30th July, 1962.

The dividend, if sanctioned, will be payable on and from 1st October, 1962, to those Shareholders whose names stand on the Register of the Company on Monday, the 10th September, 1962.

N.B.—Member entitled to attend and vote is entitled to appoint a Proxy and the Proxy so appointed need not be a member of the Company.

NOTE: The Explanatory Statement as required u/s 173 of the Companies Act, 1956, is annexed to the convening notice issued to the Members of the Company.

THE ELLORE ELECTRIC SUPPLY CORPORATION, LIMITED

Registered Office—MADRAS-1

NOTICE IS HEREBY GIVEN THAT THE 28th Annual General Meeting of the Shareholders of this Company will be held on 29th September, 1962 at 10-45 a.m., at the Registered Office of the Company at No. 20, Second Line Beach, Madras-1, for the adoption of Audited Accounts, Election of Directors in the place of those retiring by rotation, appointment of Auditors for the year 1962-63 and fixing their remuneration as per notice sent to the members individually. The Share Transfer Books will be closed from 22nd September, 1962 to 29th September 1962.

By Order of the Board,
For CHANDRIE & CO., PRIVATE, LIMITED,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS-1,
3rd September 1962.

PROBLEMS OF INTERNATIONAL LIQUIDITY

STERLING AND D-MARK EASIER

By W. T. C. King
EDITOR OF *THE BANKER*

LONDON, *5th September*

AN easier tendency in sterling in the international exchange markets has attracted some attention during the past month (August 1962). In terms of the U.S. dollar, the rate has dropped almost to parity—actually to $2.803/16—for the first time since the exchange crisis of 1961. There seems to be no reason to suppose, however, that this movement reflects any fundamental new trend. Traditionally, indeed, this is the time of year when weakness is to be expected, because heavy payments fall to be made for imports of foodgrains and raw materials and for outlays by British tourists overseas at the peak of Britain's holiday season. On these grounds, some depreciation of sterling during August would have aroused little comment had it not been for the fact that, in recent years, these purely seasonal strains have been somewhat less evident than they used to be. They are certainly still present, however, in some degree.

In addition, sterling has been feeling the effects of changes in the weight (and perhaps also the direction) of movements of short-term capital. A few months ago, when there was a huge spate of international suspicions of the dollar, the strength of sterling was almost embarrassing. But, since the blaze of publicity given by the first Telstar relay on television to President Kennedy's denial of any possibility of devaluation of the dollar, these suspicions have notably subsided; and sterling has felt the backwash of this shifting view. In recent months, moreover, changes in the relative levels of short-term interest rates have narrowed down the formerly wide differential which favoured movements of short-term money to London. While some overseas rates have been rising, the trend in London has been downwards. Six months ago, the London Treasury Bill rate was over 5½ per cent; by mid-June, it had dipped below 3¾ per cent, but then hardened to 3-15/16 per cent, when it became clear that no further reduction in Bank Rate was imminent (the last reduction, from 5 to 4½ per cent, took place at end-April). Now the Treasury Bill rate is back to 3¾ per cent.

D-Mark

Another important influence of the pattern of international capital movements recently has been the striking change in attitude towards the Deutschemark. One of the strongest performers in the world's exchange markets for long periods, the D-Mark has lately come under fire—in part in consequence of the new nervousness about East-West relations in Berlin and in part because of the rising pressure, especially from wage-rates, on internal costs in Western Germany. It is certainly a novel experience for the modern exchange markets when ministerial spokesmen in Bonn deem it necessary to give reassurances about the strength of the D-Mark, as happened last month; after all, it is only 18 months since the unilateral upvaluation of West Germany's currency—by a 5 per cent which most international bankers still regard as having been insufficient. Yet, in recent weeks, the D-Mark has actually dipped below its parity with the U.S. dollar. Except to the extent that it springs from the political uncertainties surrounding Berlin, this change of mood probably arises much more from Germany's own deep-rooted fears of inflation (fears aroused anew by the trend of domestic costs) than from any radical re-thinking overseas. International bankers have, however, not yet been shaken out of their conviction that the D-Mark is indeed, as Dr. Erhard claimed, "among the world's hardest currencies."

Since this easing of sterling and of the D-Mark has occurred on the eve of the annual meetings of Governors of the International Monetary Fund and World Bank—to be held this year in Washington—it should perhaps be remarked that there is no sign whatever of any causal connection between these events. All too often in the past the approach of these gatherings of the world's Finance Ministers and Central Bankers has been the sign for the spreading of gravely dislocating rumours through the exchange markets—generally on the hypothesis that some new exchange alignment, possibly affecting the parities of one or more of the leading currencies, might be worked out or receive informal sanction behind the scenes. Perhaps because of the repeated falsification of such rumours, the exchange markets have this year been spared that sort of disturbance. The impending meeting in Washington will certainly be the occasion for further important exchanges of views on the problems of international liquidity, but there has been no expectation of far-reaching decisions of a kind that would impinge upon the exchange markets in the short run.

Shortage of Means of Payment

This does not mean, of course, that the leading Finance Ministers and Central Bankers are content with the international monetary arrangements as they now are, after the improvements made in recent years. The underlying aim is to ensure that the growth of world trade, and of the several national economies, shall not be retarded—now or in the future—by shortage of international means of payment. This is the purpose that is served by the mechanism of the International Monetary Fund, with its central pool and gold and of holdings of national currencies, on which member-countries can draw, under certain conditions, to meet short-term deficiencies in their balances of overseas payments if their own reserves would otherwise be unduly strained. To improve the facilities for this sort of smoothing out of the effects of international fluctuations, the resources available to the I.M.F. have lately been increased in two ways: First, by enlarging its central pool through increases in the quotas directly contributed by the members, and, secondly, by the arranging of credit lines on which the I.M.F. can draw in local currency up to defined amounts in 10 principal countries. This last reinforcement of the Fund, to the extent of the equivalent of $6,000 million, was the outcome of the scheme agreed in principle at the I.M.F. meeting in Vienna 12 months ago. But, welcome though it was, there is widespread agreement that it does not dispose of the problem of international liquidity.

In particular, the total supply of international means of payment still depends to a very large extent upon the available supply in international hands of holdings of the two currencies that are largely held as "reserve" currencies—sterling and the U.S. dollar. So long as these two currencies make up the major part of international reserves and means of payment other than gold itself, it follows that a rising volume of international payments (or, more strictly, of temporary disequilibria arising on national balances of external payments) can be accommodated only if there is a broadly corresponding growth in international holdings of those currencies—apart from whatever growth takes place in the monetary value of available gold reserves. In this system as it operated at present there is an inherent weakness.

British Chancellor's View

Mr. Reginald Maudling, Britain's new Chancellor of the Exchequer, pointed out, in his first major speech as Chancellor, that, if the growth of international holdings of the reserve currencies, in response to the growth in world trade, occurs rapidly "it can create distrust over the future value of the reserve currencies, with difficulties that we can all foresee. We know from experience the constraint that this danger can impose on our domestic policies." In other words, the growth of world trade, which cannot take place without an increase in the supply of sterling and dollars internationally, is liable to put pressure on those currencies in the exchange markets and to threaten the national reserves held against them, and thus to compel the British or American Governments to impose a brake on the rise in domestic activity in the effort to conserve the reserves—restrictions that will not only involve sacrifices within the domestic economies concerned but will also recoil on world trade and tend to retard its growth.

In this sphere, the most immediate need is to find a way of breaking out of the vicious circle thus set up. As Mr. Maudling emphasised last July, if world trade is to expand as we wish, it is necessary to improve the arrangements for international co-operation in support of the key currencies. We must "continue to look for some method of settling international deficits without either promoting world inflation or throwing an undue burden on the reserve currencies." In such an exercise, as the Chancellor immediately acknowledged, there are many difficulties—financial and technical as well as political—to be overcome. This evidently will not daunt him from taking the initiative at the forthcoming meeting, as he hinted he would do last July, in focussing discussion on these problems. It is much to be hoped that some solid progress can be made. But none of the preliminary comments about the meeting has suggested that any grand new plan is in the offing; but there is plenty of scope on the sober, technical plane.

World production of crude oil touched a new peak of 591 million tons during the first six months of 1962, as compared with 551 million tons in the corresponding half of 1961 and 567 tons in the second half of last year, according to the *Petroleum Press Service*. Production in Russia, Eastern Europe and Communist China rose by as much as 11 per cent over the first half of 1961, whereas the total world increase was only 6.6 per cent. Russian output alone was 89.3 million tons. The Middle East continued to be the largest producer of crude oil, its actual output having gone up by 10 million tons to 150 million tons.

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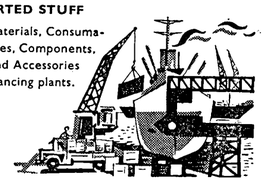

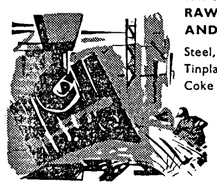

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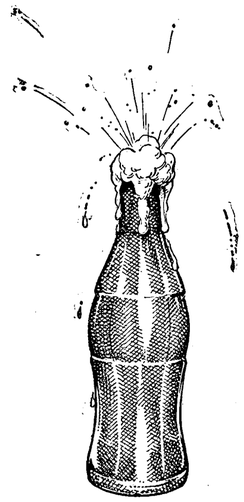

GAS COMING UP

When a successful well has been completed the oil that has entered the bottom of the hole has to be brought to the surface. Sometimes the oil will flow to the top of the well of its own accord, rather in the way that a bottle of warm soda-water will empty itself when the cap is taken off—the gas bubbles out strongly and carries the liquid with it.

Sometimes the oil has not enough gas associated with it to flow in this way, but it can be encouraged to do so if extra gas is forced down the well. Sometimes again the oil has so little gas that the easiest way to get it out is by pumping it up with a special type of pump.

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TRENDS IN E.E.C.'S STEEL INDUSTRY

EXPANSION PROCEEDING AGAINST BACKGROUND OF TECHNICAL INNOVATION

THE year 1961 was not a particularly good one for the iron and steel industry of the European Economic Community. As a sequel to the weakened market conditions, prices fell and many iron and steel works had to limit their production. Steel ingot production within the Coal and Steel Community (Federal Republic of Germany, Belgium, France, Italy, Luxembourg and the Netherlands) was practically unchanged during the year, in contrast to a rise of over 15 per cent recorded during 1960. In absolute terms, crude steel production aggregated 73.3 million tonnes in 1961, as compared with 72.8 million tonnes in 1960 and 63.2 million tonnes in 1959. In spite of the small increase in production in the year under review, the Community's aggregate steel output accounted for a fifth, 20.1 per cent to be precise, of the aggregate world production of steel (363.6 million tonnes) in the same year. Still the fact that, out of the total increase of 19.9 million tonnes in world output over the 1960 level of 343.5 million tonnes, the Community's share was no more than 0.5 million tonnes is too significant to be ignored. A certain falling-off in the volume of *new orders* from consumers in a number of Community countries and a slight reduction in exports of semi-finished and finished products from 10.8 million tonnes in 1960 to 10.5 million tonnes in 1961 were, together, responsible for the slow-down in crude steel production.

The gradual movement in the direction of a buyers' market from the end of 1960 onwards, according to the recently-published tenth General Report on the Activities of the Community (1st February 1961 to 31st January 1962), caused a general tendency during 1961 to adjust prices downwards and to reduce price disparities as between different products and different markets. Taken overall, the *price spread* for the different rolled products closed up fairly markedly during 1961. The narrowing of the gap between prices of flats and of other products, it is pointed out in the report, reflects the progressive adjustment of these to the modern production techniques which have been coming into use in the course of the last ten years. As for export prices which are the most changeable prices of all, these in general declined, despite temporary upturns, throughout 1961. On 1st January 1962, the Community's export prices were, on an average, 10 per cent lower than on 1st January 1961 and 20 per cent lower than on 1st January 1960. Prices for flats, in particular, were below the lowest point touched during 1958 and early 1959. By way of comparison, it may be noted that the United Kingdom's published export prices remained practically unchanged during the year, while the United States prices were reduced only in respect of sections, heavy plate and hoop and strip. These official British and American prices, along with the Community's export prices, are given in the table below:

($ per metric ton f.o.b. port of shipment)

Steel products	Community (overall)		U.K.		U.S.	
	January		January		January	
	1961	1962	1961	1962	1960	1962
Reinforcing bars ..	92–97	77– 84	110.35	110.35	127	127
Merchant bars ..	99–102	94– 96	109.75–116.65	109.75–116.65	131.85–134.25	126.30–134.25
Joists	94– 96	94– 95	..	..	131.85	126.30
Wire-rod	105–107	88– 90	123.45–124.85	123.45–124.85	146.15	146.15
Hoop and strip ..	109–111	92– 94	114.65	114.65	117.95	114.65
Plate	97–101	89– 92			126.75	118.60
Sheet (hot-rolled) (2.75—<3 mm.)	131–138	106–115	..	..	141.75	141.75
Sheet (cold-rolled) (1 mm.) ..	142–150	116–121	..	..	156.75	156.75

Although official British and American prices are appreciably higher than the Community's, they do not necessarily represent, according to the E.C. & S.C.'s report, the prices actually charged, which may be a good deal lower. However, the American steel industry, whose home prices are high and which is essentially geared to the home market, has generally refrained up till now from differentiating its export prices, which thus lessens its power to compete. As far as the Community's competitive capacity *vis-a-vis* Japan, for instance, is concerned, it is being increasingly challenged, although the general level of exports from the Community was more or less maintained during 1961. The fact that considerable progress has been made by Japan in regard to production techniques and types of products is significant in this connection. The Community's steel industry has, therefore, been urged to work fast on further improvements—technical and other—in order to maintain its competitive capacity in the future.

It is in this context that the Community's General objectives for Steel for the period 1962-65 have to be viewed. If the Community's iron and steel enterprises implement in full their present investment plans, their production potential will be raised to 99 million metric tons of crude steel by 1965. They should then be able to cover the probable requirements of the internal and export markets, which are estimated at 89 million tonnes if 1965 is an average year for business, and at 94 million tonnes if it is a particularly active one. According to the Community's current projections, a quantitative balance is likely to be ensured between production and demand in respect of most steel products, the only exception visualised here being the flat-products sector in which an imbalance may develop inasmuch as estimated capacity is several years ahead of the probable consumption trend.

The problems facing the Community's iron and steel industry are thus of a different nature. Instead of concentrating simply on how to produce the tonnages required and to secure the necessary raw materials, the report points out, the industry will have to devote its attention more specifically to economic aspects. Besides, the European steel industry will also have to consider, first, which production techniques to employ and how quickly to adapt its plant in line with technical progress, and, secondly, which qualities of product will best meet consumers' requirements, due account being taken of the relative prices. Thus, the general background to developments in the iron and steel industry during the next few years may be expected to be one of far-reaching changes both in general economic set-up and in production techniques.

Already in the iron and steel industry the present expansion of production capacity is proceeding against a background of radical technical innovation. Thus, at the blast furnaces, several major improvements, including in particular better burden—preparation methods and the injection of fuel oil, have enabled the coke rate to be very considerably reduced and the capacity of the existing furnaces increased, with a resulting drop in production costs. At the steel works, the most striking development has been the advance of the oxygen steel-making processes, which yield metal of much better quality than the traditional basic Bessemer converter. There have been a number of other improvements, too, as, for instance, the development of oxygen-blowing devices which can be fitted to most types of existing plant. Thanks to these technical changes, a steep rise is already observable in the proportion of high-grade products. This trend will be accelerated in the next few years. It may be noted, in this connection, that the electric-furnace process and the oxygen-blown process will account for 10.4 million tonnes and 26.2 million tonnes, respectively, of the projected production potential of 99 million tonnes in 1965, as against 7.6 million tonnes and 1.8 million tonnes, respectively, of the actual production of 72.8 million tonnes in 1960.

These and other improvements introduced in steel making in recent years have broadened the range of qualities available to the consumer. At the same time, the very rapid development of certain potential competitor products, such as plastics, is obliging the steel industry to devote special attention to problems of quality. The use of the new types of product, reductions in the gauges, and improvements in the intrinsic properties of the metal are likely to cause a change in specific steel consumption in the various manufacturing industries. The end-result need not be a falling-off in steel sales, for the reduction in the cost of steel for any given purpose could enable this metal to maintain, and even expand, its competitive position.

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BRITAIN'S ATOMIC POWER STATIONS

Britain's first two commercial atomic power stations at Bradwell (Essex) and Berkeley (Gloucestershire) have each produced electricity sufficient for the annual needs of some 50,000 people since they first went into service a short time ago. An output of more than 60 million units has been achieved by each station during the first stages of its commercial life with equipment being tried out under working conditions for the first time. When fully operational in 1963, the stations at Bradwell and Berkeley are expected to deliver 300,000 and 275,000 kw. respectively to the National Grid.

Britain's atomic power programme, the largest in the world, is designed to produce between five million and six million kilowatts of electric power by 1968. Nine stations which will have a total output of 4.5 million kilowatts are already being built or have been ordered.

The advanced gas cooled reactor built by the Atomic Energy Authority Establishment at Windscale, in north-west England, went into operation recently. Its main objective is to make a significant reduction in the cost of electricity generation by lowering capital costs and increasing thermal efficiency. The advanced gas cooled reactor represents a phase of deveolpment beyond the basic Calder Hall designed adopted as the basis for the early British nuclear power stations like the aforesaid Bradwell and Berkeley stations.

DECISIONS ON SCRAP COMMITTEE'S REPORT

Following the scrap Committee's recommendations, the Government of India recently decided to: (i) ban the export of heavy melting, No. 1 sheet outtings and re-rollable scrap, (ii) permit exports of steel turnings and borings at the discretion of the Iron and Steel Controller, (iii) re-examine the railway freight structure pertaining to scrap, (iv) remove price and distribution controls on all categories of scrap other than fresh unused defectives, re-rollable scrap and ingot moulds, and (v) encourage a rapid development of additional scrap melting capacity by indigenous electric furnaces. The Steel Furnaces Association of India (Chairman: Mr. Viren J. Shah) has fully welcomed decisions (i), (iii) and (v). Although the Association's suggestion that exports of steel turnings and borings should be banned completely has not been accepted, Mr. Shah has expressed the hope that the Iron and Steel Controller will exercise his discretion [decision (ii)] without prejudice to the overall interests of the industrial users. As for the removal of price and disribution controls, the Association's view is that it may have the effect of raising the internal prices of scrap. The question of prices, according to the Association, may have to be reviewed in the not distant future.

"MARAGING" NICKEL STEELS

A range of super-strength steels of great interest to the aircraft, missile and general engineering industries has just been developed by International Nickel Company (Mond) Ltd. Known as "Maraging Steels," these new materials offer exceptionally high strength without the brittleness often associated with conventional high-strength steels.

Containing up to 25 per cent nickel, the "Maraging Steels" gain their unique combination of properties from structural changes which take place in the metal during a simple heat treatment at low temperature. "Maraging Steels" combine high-tensile strength (95-140 tons per square inch) and high proof stress (90-135 tons per square inch) with a toughness and ductility unobtainable from other steels of comparable strength. The development of these important alloys will enable designers to produce stronger and lighter structures and will encourage a much wider use of ultra-high-strength steels in many branches of engineering.

NEW PRODUCTS AND PROCESSES

Telescopic Camera Mast

A NEW technique for obtaining bird's-eye view shots with a still or film camera has been developed by Simon Engineering Dudley Ltd., England. They have produced a mobile telescopic mast that will lift a remote-controlled camera weighing up to 10-lb. to heights of 100 ft. The mast consists of six light alloy tubes, five of them telescoping into the sixth which has a pivoting attachment to the frame of a carrying vehicle. When not in use the mast is stowed horizontally across the top of the vehicle. For filming, manually operated outrigger jacks are extended at the rear to provide a stable base. The mast is raised to a near vertical position by means of an hydraulic ram and is then extended by a system of cables and pulleys operated by a hydraulic winch. The camera is operated from a panel at the foot of the mast with the aid of a small electric motor which controls the camera shutter release, rotation and elevation.

Elimination of Pitch in Baby Car

A rubber-and-fluid system of suspension, called Hydrolast.c, which gives a smoother ride and better cornering is a main feature of the new Morris 1100 announced recently by the British Motor Corporation. A family saloon with a top speed of nearly 80 m.p.h., it has rubber cone springs which are connected longitudinally front to rear by narrow-bore pipes running beneath the car. In the cones are traps containing an anti-freeze, water-based fluid. When the front wheel encounters a bump, a tapered piston rises in the front cone, forcing water out of a trap in the cone, and along the pipe to the rear suspension unit which reacts by causing the rear of the car to rise to the level attained by the front. On rebound, the reverse procedure occurs. Pitch is consequently eliminated.

Automatic Drain Valve

A new automatic drain valve which can deal with a large volume of water condensate in an air line without any appreciable pressure drop has been invented by Nuquip Ltd., England. Compressed air enters an inlet port and passes through a filter which collects large particles of pipe scale and other solids. Drops of moisture then fall into a main reservoir which is sealed by a plastic float resting on an escape nozzle. When the water level in the reservoir rises sufficiently to give buoyancy to the float, water is ejected through the escape nozzle until the reservoir is empty; the float then immediately re-seals the nozzle.

Variable Energy Cyclotron

A new variable energy cyclotron to be used chiefly for studies in the field of radiation chemistry, radiation damage, radio-chemistry and solid state physics is to be built for Britain's Atomic Energy Authority at their Harwell establishment. The machine will be the most versatile of its kind in Western Europe, and the building in which it will be housed, will cost £1,600,000. The Atomic Energy Authority says that it is believed that the experiments in which the cyclotron will be used will provide a more fundamental insight into the chemical and metallurgical effects of intense nuclear radiation more simply and more quickly than experiments using nuclear reactors.

Foolproof Cooker

A Swedish firm, Husqvarna Vapenfabrik, has manufactured an electric "Regina" cooker with two ovens. Described as a "self-cooking robot," the cooker has an automatic time clock which starts the oven or the hot-plates at a pre-set hour. The cooking is governed by a thermostatic button. By the turn of the finger, the housewife can switch the regulator from position I for melting butter to position II for frying eggs and bacon. Naturally, the "robot" stove never allows the food to boil over or to get burnt at the bottom of a saucepan.

Portable Television Set

One of the major new products at the National Radio Show held in London recently was a portable television set with an 8½-inch screen, weighing only 20 lbs. It can be run off its own battery, a 12-volt car system or off the mains. It measures 13 ins. long and 10½ ins. square. Exhibitors also showed such devices as a TV baby alarm—an adapter which gives parents a warning through the sound system of child's cries—super-fine tuning controls and TV screens that do not attract dust. The British General Post Office had a stand on which 500 people at a time were taken on a movable circular table past scenes depicting 60 years of radio history. The climax of this show was a model of the Telstar tracking station in Southwest England.

Gas Forging Machine

Some signal advances in high energy rate technique have been made with a gas forging machine manufactured by U.S. Industries Inc. For the conventional hammer and anvil principle it substitutes two reciprocating 2½-ton chrome molybdenum steel platens which are driven at each other at equal velocities of nearly 60 m.p.h. The energy source is dry nitrogen compressed hydraulically to 1,500 lb./sq. in., giving a maximum rated energy of 145,000 ft.lb. on the medium capacity machine. This very high pressure and velocity stroke forces material to flow plastically into the shape of the dies: at a recent demonstration steel plates 6 in. square and ½ in. thick were hot forged into discs of 9 in. diameter and 0.33 in. width without excess material. The forming takes place in 1/1,000 sec., so problems like die heating, shrinkage and scale are minimized. The circuitry permits a 10-sec. cycle; operation is assisted by inching on both platens to facilitate die setting, and the provision of three methods of ejection. The range comprises five machines, the largest of which has a maximum low energy of 600,000 ft. lb. Lower production costs (reduced by up to 50 per cent) are claimed. Floor space would certainly be saved: the 32,000-lb. machine (ex-works American price about £25,000) is 12 ft. by 6 ft. 6 in. by 3 ft. A final advantage is that the reciprocating action of the platens absorbs most of the impact, so that no special pit or cast iron foundation is required. A 12-in. reinforced concrete bed sufficed for the medium machine.

Fixing Buttons Without Needle and Thread

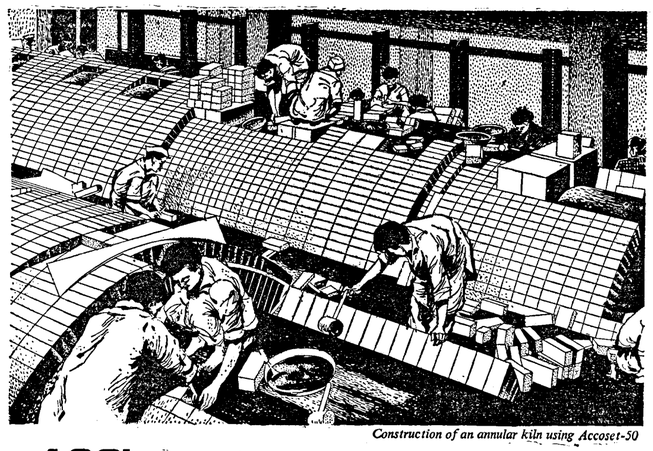
The BOVI Industrie en Handelsonderneming N.V., at Diemen in Holland, has invented a method for securing all kinds of buttons without using needle and thread. Only three small aids are required, namely, a U-shaped, stainless steel pin or staple, a small rubber ring and a counterbutton. The procedure for fixing a button is as follows: the two points of the U-pin are pushed through two opposite holes in the button. Next, the rubber ring is slipped over the two arms of the pin and pushed up against the back of the button. Since the rubber ring can be cut in several different widths, it is possible to vary the distance between button and cloth. After the arms of the pin have been pushed through the material at the point where the button is to be fixed on, the counterbutton is slid over the arms of the pin against the inside of the cloth. At the top of the counterbutton is a small slot that must remain visible. The two arms of the pin are then bent outwards as far as they will go in such a way that the unbent ends fit exactly into the straight slot. By working the projecting ends of the pin arms to and fro in a groove round the side edge of the counterbutton, they can be broken off.

Machine for Cleaning Industrial Equipment

A company at Vlaardingen in Holland (the Metalas) has produced a machine which can clean and degrease in a single operation all industrial equipment and other objects (engine cases, radiators, typewriters, air filters, gearboxes, metal goods, sumps, ball bearings, etc.). The machine consists of a tank with a lid and a grating. The grating is connected to a piston moving up and down in a cylinder and therefore also described a similar motion in the tank. The tank is completely or partly filled with a cleaning fluid such as paraffin, trichloroethylene, perchloroethylene, water, caustic solutions, acids, turpentine and the like. The object to be cleaned is placed on the grating. The capacity of the machine is dependent on the pneumatic servo cylinder. Grating load capacities suppliable range from 60 to 600 kg. Objects can be immersed in the fluid at speeds of up to 60 strokes a minute. The number of strokes per minute can be continuously controlled, as can the length of the cylinder stroke. During dipping and rinsing, the fluid level is constantly passed and, as a result, all blind holes and hidden corners in the objects being cleaned are well flushed out. Grating and load can be lifted out of the fluid so slowly that no liquid is lost and the objects leave the machine clean, degreased, free from shavings, chips and powdery scale. The machine is pneumatically operated and can be connected direct to a compressed air system. A built-in air filter and a spray greaser see to the cleaning of the air and the lubrication of the pneumatic equipment, respectively. If desirable, in view of the cleaning agent employed, the fluid can be heated or the vapours condensed by a cooling coil, so that the lid need not be closed. In addition, where necessary, automatic time switches or filters can be incorporated. When serially or mass-produced articles are cleaned, the moving grating can be replaced by a roller conveyor which, in its highest position, can be connected up to a conveyor belt on which the objects can be brought to the machine. By lining up several machines filled with different cleaning fluids, mass-produced articles can undergo several successive cleansing treatments.

Soundproof Hangar

At a cost of $2,400,000, Hamburg's City Council has built a soundproof hangar for LUFTHANSA at the city's world-famous airport. The ceiling and the walls of the new hangar, a steel and concrete construction, have been padded with material which absorbs sound. The sound is also prevented from penetrating outside the walls by a segmented arrangement of the angular sidewalls, a special design which ensures that the sound waves are reflected back into the interior of the hall and absorbed by the ceiling.



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WORLD AGRICULTURAL OUTPUT IN 1961-62

GROWING IMBALANCE BETWEEN DEMAND AND SUPPLY

WORLD agriculture during the crop year 1961-62 was characterised by a high level of output of most important commodities. The production of jute, coffee, tea and cocoa, for instance, rose above that in the previous year and, in a few instances (meat, rubber, wool), even new records were established. The major exception to this general trend was wheat, the output of which was substantially smaller than the record crop witnessed in 1960-61. Most of the decline in wheat output was accounted for by North American exporting countries, where drought affected the growing crops in Canada and the spring wheat areas of the United States. The production of coarse grains was also lower, as a result of marked reductions in acreage sown to maize and sorghum in the U.S., following official restrictions. Sugar output also failed to reach the record level of the previous year, due mainly to lower beet harvests in Western Europe. The rice position remained practically unchanged from the previous year's level.

These are some of the important conclusions reached by the *F.A.O. Commodity Review*—1962. This publication, it may be noted, is the second in a series of annual commodity reviews prepared by the Commodities' Division of the F.A.O.'s Economics Department. The volume, priced at Rs. 5, is available from Orient Longman's Ltd., Bombay, and other authorised sales agents elsewhere. According to it, the salient features of the world agricultural commodity situation continued to be: (1) a continuing upward trend in output of most commodities due mainly to technological progress and national agricultural policies, (2) persistent disequilibria of supply and demand for certain commodities, despite the continuance of inadequate nutritional levels in large areas, (3) further deterioration in the terms of trade of agricultural exporting countries and (4) the trend towards regional integration. Some of the salient points arising from this commodity review are proposed to be examined in this article.

Trend of Production

The following table shows the production of major agricultural commodities in 1961-62, as compared with that of 1960-61 and the average of the quinquennium, 1953-54—1957-58:

(In million metric tons)

	†1953-54—1957-58 average	1960-61	1961-62*
Grains and rice:			
Wheat	211.00	249.00	241.00
Coarse grains‡	263.00	297.00	285.00
Rice (paddy)	203.00	239.00	..
Live stock products and oils:			
Butter§	2.85	3.12	3.25
Cheese§	2.33	2.82	2.95
Meat‖	50.10	57.81	59.76
Fats and oils	20.80	23.70	24.50
Eggs	10.62	12.30	12.58
Tropical export crops:			
Sugar	40.80	56.50	53.10
Coffee	2.70	3.92	4.67
Cocoa	0.82	1.17	1.18
Tea	0.79	1.00	1.04
Other tree and field crops:			
Citrus	17.76	20.09	..
Apples and pears	13.78	18.96	..
Dried fruits	2.03	2.00	2.12
Agricultural raw materials:			
Cotton	9.11	10.36	10.48
Wool	1.25	1.46	1.47
Jute	1.71	1.92	2.44
Hard fibres	0.74	0.89	0.89
Rubber	1.88	2.03	2.12

† Season or calendar year of the first year shown. Figures include those of Communist countries, unless otherwise mentioned.
* Estimated.
‡ Excluding Sino-Soviet area (Russia, China, Eastern Europe, North Vietnam, North Korea and Outer Mongolia).
§ Major countries.
‖ Carcass weight, excluding edible offals, and slaughter fats, and Mainland China production.

It will be seen from the table that production of all the main tropical export crops was higher than in the previous year. It is estimated by the F.A.O. that the output of cocoa exceeded the record level of 1960-61. Coffee production was influenced by the upswing in the two-year cycle characteristic of this crop, particularly in Brazil, and fell below the peak of 1960-61. The output of jute increased sharply, with record harvests in India and Pakistan.

It may be noted that the *F.A.O. Review* has not given the estimate of rice output for 1961-62. An idea of rice production, however, can be had from the latest estimates of the Commonwealth Economic Committee. According to the Committee, world production of rice (including that of China) fell from the record level of 151 million tons in terms of paddy in 1960-61 to 150 million tons in 1961-62.

Among the commodities produced predominantly in temperate zones, animal products registered the most consistent advances. The world wool clip of 1.5 million tons (on clean basis) set a new record, following larger production in Australia and, to a lesser extent, in New Zealand, South Africa and Uruguay. There were notable increases in the production of meat and dairy products. Among other commodities, fish catches rose in 1961 to over 40 million tons, with substantial gains being registered by all the leading producers. In Europe, Soviet Russia and North America, the recent trends of raising industrial wood and felling fuelwood were maintained in 1961.

Production in Communist Countries

The *F.A.O. Review* says that the agricultural output tended to go up in Communist countries, except perhaps in China. The position is summed up by the *Review* in these words:

"The Soviet Union reported increased areas and production of grains, sunflower and cotton, with the harvest of the latter particularly favourable. Regional differences were, however, larger; thus, while the grain crops of Kazakstan and the other virgin land areas were heavily down, those of the Ukraine are reported to have been at a record level. In total, Soviet grain production in 1961 reached 137 million tons, including 65.5 million tons of wheat, as compared with the record 141 million tons three years before. Livestock production increased slightly after the setback of the previous year, and animal numbers continued to grow rapidly.

"Poland experienced a record grain harvest of about 16 million tons and agricultural output rose to a new peak, over 8 per cent above the previous year. In Rumania, the main grain-producing country of south-eastern Europe, both acreages and yields were above the level of 1960, and in Hungary, a record wheat yield was recorded. Hungarian maize production was, however, considerably down on the previous year's and in Bulgaria grain production was also lower. Production of most of the south-eastern region's other export crops, including grapes and tomatoes, was favourable. Increases in livestock numbers and production were reported from most eastern European countries.

"Only fragmentary information is available concerning agricultural production in China, where the situation has been dominated by the series of natural disasters in 1959-61. However, it appears that the summer brought little substantial improvement in the Chinese food situation. The wheat and cotton crops in North China suffered badly from drought, but the rice harvest in the southern provinces seems to have been reasonably favourable."

World stocks of a number of commodities carried into the current season remained excessive and continued to over-shadow markets. Opening stocks of wheat, coarse grains, coffee, sugar, butter and soyabean oil, in particular, were higher, though those of rice, soyabeans, cotton, wool and jute were either lower or unchanged. Generally speaking, total supplies of all major commodities were more than adequate to meet the demand and the only important stock reductions anticipated at the end of the current season are in grains. Stocks of rubber, cocoa, coffee, butter and soyabeans, according to the *Review*, are likely to increase.

Decline in Prices

The increase in agricultural output was accompanied by decline in their prices. Only, the pace of fall was slower than in 1960. Food prices, which had fallen less rapidly than other items in 1960, showed the largest declines last year. Prices of the non-food group tended to strengthen in the middle of the year, but there was a sharp relapse in the final quarter, when prices for both groups combined were about 5 per cent lower than in the final quarter of 1960. Some of the most notable price movements, according to the *Review*, occurred in the agricultural raw material group. Under the influence of the abnormally low 1960 harvests, jute prices continued to climb steeply until February-March 1961, when they attained the highest levels since the Korean War. Following the imposition of price controls in India, and later reports of larger current harvests in both India and Pakistan, there was a sharp decline throughout most of the remainder of the year. This levelled out in the later stages, following the establishment of minimum export prices for Pakistani jute, together with a noticeable response in the demand for jute products. Rubber prices also firmed up moderately until April, but a downward movement then set in which was accelerated in October by revisions to United States and United Kingdom stockpile release policies. Sisal and abaca prices have been steadily declining from the relatively high levels reached in 1960, and failed to show any improvement during the summer when demand usually increases. Among the apparel fibres, Egyptian cotton prices also weakened consistently, but American cotton and wool prices have tended to be firm. In the case of wool, there was a setback soon after the opening of the new season's auctions, caused partly by the imposition of credit restrictions in Japan, but this proved to be short-lived and the year ended on a more buoyant note.

As a result of these diverse movements, the prices of some commodities, including sugar and fats and oils generally, at the year's end were at the lowest level since the war. Sugar prices were the lowest in twenty-five years and cocoa and coffee prices had been cut to about one-third and one-half, respectively, of their 1954 peaks. Many other prices, including those of rubber, cotton and wool, while not at their lowest ebb, were nevertheless below those of most other recent years. Prices of only a few commodities such as grains, jute and sisal, compared favourably with recent averages, and the market for some of these has recently been tending downwards.

The following table shows at a glance the decline in price indices of agricultural commodities entering into world-wide trade during the last five years:

(Base: 1957=100)

	1958	1959	1960	1961
All agricultural commodities:				
U.N. index	93	92	92	..
N.I.E.S.R. index	90	91	91	84
Food group:				
U.N.	96	91	90	..
N.I.E.S.R.	95	91	88	82
Non-food group:				
U.N.	89	93	95	..
N.I.E.S.R.	83	91	95	88

N.B.—(1) U.N. index refers to the United Nations price index of primary commodities in international trade. Original index base: 1953=100.

(2) The N.I.E.S.R. index refers to the price index of agricultural exports, from the primary producing countries, worked out by the National Institute of Economic and Social Research of the U.K. *vide* the Institute's *Economic Review*.

Stimulated by the low prices, a high level of economic activity in the main industrial countries and continued surplus disposal, world trade in most commodities increased. World wheat exports in 1961-62 are expected to have exceeded the record established in 1960-61. The trade in sugar is also said to have risen, thanks to larger purchases by the Sino-Soviet area. Most other commodities recorded gains, the only important exceptions being cotton and some classes of meat, the first of which felt the influence of running down of stocks in consuming countries and the second, the competition from increased domestic supplies.

Outlook for 1962-63

On the question of outlook for commodities in 1962-63, the *Review* points out that, under favourable seasonal conditions, production of most agricultural commodities will expand further this year. Tropical tree crops, such as rubber, coffee and cocoa, will continue to show the influence of replanting schemes, the coming into bearing of extensive new areas planted during the fifties, and improved cultural practices. Cane sugar production will also be stimulated in a number of countries by the larger outlets available to them in the United States, following the exclusion of Cuban sugar and by the cessation of export controls under the International Sugar Agreement. In the majority of temperate countries, animal numbers are at record or near-record levels, and this is expected to be reflected in higher production of meat, dairy products and wool. However, further reductions in United States grain production now appear certain, and world production of vegetable fibres (cotton, jute, and hard fibres) may show little change.

According to the *Review*, most agricultural commodities are likely to experience a continuing strong demand in the immediate future, but the supply position and competition from synthetics seem to rule out any significant general advance in prices. The trade in wheat in 1962-63 may decline slightly from the record level of the current season, and supplies of rice for export in 1962 are much the same as in 1961. Exporters of meat and dairy products are likely to encounter the greatest marketing difficulties. In both cases, world trade will continue to be restrained, says the *Review* by the high level of domestic production in the main consuming areas and the failure to develop any important new outlets.

(*Continued on page* 484)

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

CHAIRMAN, DR. P. S. LOKANATHAN'S STATEMENT

ADDRESSING the shareholders at the Twenty-fifth Annual General Meeting of the Mettur Chemical and Industrial Corporation Ltd., which was held at Mettur Dam, R.S., Salem District, Madras, Dr. P. S. Lokanathan, Chairman of the Company, disclosed that the Company proposes to make a further capital issue of 600,000 ordinary shares and 300,000 preference shares early in 1963. Recently, the Company had issued 600,000 ordinary shares of Rs. 10 each at a premium of 50 nP per share. The proposed additional issue would go to finance the further expansion in the caustic soda capacity from 40 tons to 100 tons per day. The Chairman said that progress in the matter of this further expansion had been satisfactory.

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

"LADIES AND GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the twenty-fifth annual general meeting of your Company.

"The Directors' report, audited balance-sheet and profit and loss account for the period from 1st April 1961 to 31st March 1962 have been in your hands for some time now and, with your permission, I shall take them as read.

Caustic Soda Capacity

"The Company celebrated its silver jubilee in the last week of December 1961, and it is a matter for gratification to us that production capacity for caustic soda has increased from the original 5 tons per day to 40 tons per day—eight times the original installed capacity. Considering the vicissitudes through which the Company has had to pass, particularly during the initial years when it was no easy task to find the comparatively smaller capital involved and in the early 1950s when an unfavourable import policy and pegging of prices at uneconomic levels rendered our operations extremely difficult, I believe we may look back on our past achievements with pardonable pride.

"Sales at just over Rs. 1.5 crores were the highest recorded so far, in spite of the fact that in March 1962 only a part of the expansion plant units was commissioned. Divisible profit would have been slightly better but for the increase in the Corporation tax from 45 per cent to 50 per cent. Shareholders will recall that we had stated in the Directors' report that the Company had approached the Income-tax Officer for a certificate in respect of the balance of relief under Section 15C of the Income-tax Act so that they may pass on the same to the shareholders. The Income-tax Officer, Salem, has since determined the appropriate proportion of the dividend at about 45.95 per cent on which tax is not payable by the recipients.

Production Trend

"I am very glad to be able to report that we have already reached production of our full installed capacity of 40 tons caustic soda per day, thus marking the completion of a significant stage in our expansion programme.

"Production was, however, again adversely affected during June-July this year on account of electricity cuts following the low water conditions in the hydro-electric reservoirs. Fortunately, however, the cuts did not last long, as the hydro-electric reservoirs were again full. Also the first 50 MW. Neyveli thermal unit, based on lignite, was commissioned early in August. The second unit is likely to be commissioned by November next and the other three units later at intervals of five to six months. There have also been proposals to expand the capacity of the plant to 400 MW. against the present 250 MW. during the third Plan period, with further Soviet technical and financial aid. I earnestly hope that these and other hydro-electric schemes in Madras State will materialise as programmed and that power shortages will be a matter of the past.

Further Expansion

"Progress in the matter of the further expansion from 40 to 100 tons caustic soda per day has been satisfactory. The entire additional 60 tons caustic soda will be of the rayon grade quality. The recent initial issue of 6 lakh equity shares of Rs. 10 each at a premium of 50 nP per share was oversubscribed by the existing shareholders. In view of our 40-ton expansion having gone into commission, we expect to be able to maintain the usual dividend level for the current year also, despite the increased capital. We expect to make the further issue of 6 lakh equity shares and 3 lakh preference shares early in 1963. I am also glad to state that the Industrial Finance Corporation of India has advised us that the loan of Rs. 140 lakhs for financing the further expansion scheme including the foreign exchange part of it has been sanctioned by them subject to certain conditions. We have received the fullest co-operation and assistance from the Industrial Finance Corporation of India in all our expansion schemes, and I take this opportunity of expressing our gratefulness to it for the assistance it has agreed to extend to us for the further expansion scheme.

"With the foreign exchange allotment already made to us by the Government, we have placed orders for part of the plant and machinery from Switzerland. The balance of the equipment for the expansion scheme will be ordered from the United States of America under D.L.F. loan allotments.

"The chlorine from the further expansion plant will be fully utilised, partly by converting into organic chlorine chemicals, for which there is a good demand in the country and partly by sale to a neighbouring factory for the production of polyvinyl chloride plastics. Such diversification of production, I am confident, will lead to better operating results and more satisfactory return to our shareholders in the years to come.

Excise Burden

"During the year, fresh excise duties were imposed on liquid chlorine and hydrochloric acid at 10 per cent of the tariff value of Rs. 425 per metric ton and Rs. 180 per metric ton, respectively. These Central excise duties are charged not only in respect of sales of these products but also on internal consumption, thus adding to our cost of production. An electricity surcharge, which, in the case of energy-intensive industries like ours, has been fixed at 5 per cent of the cost of power, was also imposed by the State Government. A duty was also imposed on steel packing sheets used for packing of our products. A higher rate of depreciation has to be provided in respect of plant and machinery coming in contact with corrosive chemicals in chemical works like ours. These and other factors have served to considerably increase our production cost. As, however, ex-works ceiling prices have been fixed by the Government in respect of caustic soda, liquid chlorine, hydrochloric acid and bleaching powder, we have had to seek Government's permission for increased selling prices.

Case for Price Increase

"We do hope that the Government will see the reasonableness of the industry's request and grant the increase in selling prices without delay. Incidentally, I wish to suggest that the Government must establish a body which can promptly consider and decide on manufacturers' representations in regard to increased selling prices, wherever the Government has already fixed ceiling prices. The capacity of the industry to absorb increased costs is very limited, having regard to the factors which the Tariff Commission takes into consideration in recommendng the fixation of ceiling prices to the Government, and it will cause avoidable hardship to industry, if reasonable requests for price increases are not promptly met.

"We have derived some benefit from the decision of the railways to charge only half the freight on consignments of furnace oil booked in wagon-loads, which is leviable in accordance with the normal tariff rates in force at the time of booking with effect from 1st July 1962. This reduction has been proposed in order to facilitate the use of furnace oil by industries located at some distance from the ports, having regard to the unsatisfactory coal supply position.

Maintenance Imports

"I understand that, having regard to the deteriorating foreign exchange situation, the Government of India, which have already cut down established importers' quotas, has under consideration a proposal to cut down the maintenance import quotas as well. Maintenance import quotas have already been fixed at a bare minimum and any reduction in maintenance import quotas will directly result in reduced production in industries like ours. The supply position in regard to chemicals like caustic soda and bleaching powder is already not very satisfactory and the need to maintain indigenous production at the maximum possible level is therefore paramount. I, therefore, hope that nothing will be done by the Government which would cause loss of industrial production for lack of maintenance imports.

"In closing, I wish to convey my cordial appreciation of the valuable services rendered by the Managing Agents, the general superintendent and all ranks of staff and workers."

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

U.S. TEXTILE IMPORTS

President Kennedy has accepted the decision of the Tariff Commission rejecting the Department of Agriculture's recommendation for an import fee of 8½ cents per lb. on the cotton content of textile imports to offset the difference between the cost of raw cotton to foreign mills and that which our mills are required by law to pay. He is, however, requesting the Agriculture Department to give immediate attention to the formulation of a domestic programme that would eliminate the two-price cotton system.

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ALIND PAYS ONLY SAME DIVIDEND

EMPLOYEES CHIEF BENEFICIARY OF HIGHER TURNOVER

THE working results of the Aluminium Industries Ltd. [Managing Agents: Messrs. Seshasayee Brothers (Travancore) (Private) Ltd., Alwaye], the only concern at present to be engaged in the manufacture of aluminium cables, wires and accessories in a wide range of varieties, for the year ended 31st March 1962, are far more encouraging than those for the previous year for a good many reasons. As the demand for aluminium conductors and accessories continued to be brisk, there was a sharp upsurge in turnover. The gross realisation from sale of products has, therefore, increased by as much as Rs. 181.84 lakhs to Rs. 617.57 lakhs. The Company was able not only to sell a large portion of the year's production but also to dispose of substantially the accumulated stocks of the previous year, thus bringing down the value of closing stock from Rs. 145.38 lakhs to a more manageable level of Rs. 86.52 lakhs. Due to the inclusion of the previous year's stocks in the sales made during the year under review, the cost of raw materials and stores consumed actually debited to the year's account has risen only moderately in comparison with sales, the exact increase being Rs. 22.52 lakhs bringing the total to Rs. 408.43 lakhs. Nevertheless, the gross profit has expanded by only 17.4 per cent, that is from Rs. 48.64 lakhs to Rs. 57.11 lakhs, as against the rise of 41.7 per cent in sale proceeds. One explanation for this phenomenon is the sharp rise in salaries, wages, employee benefits and other expenses. So far as the wage bill is concerned, it is interesting to note that, since 1958-59, the average annual earnings per employee has materially advanced from Rs. 2,757 to Rs. 3,327, to say nothing of the welfare and other expenses incurred by the Company on employees' account.

With the commissioning of the wire drawing unit of the factory, the Company became liable for providing depreciation on the plant so employed and this has raised the provision for depreciation by Rs. 1.98 lakh to Rs. 12.96 lakhs. For the same reason, however, the Company could also avail of the benefit of development rebate mainly on the plant and machinery in the steel wire unit and some other equipment commissioned during the year. Because of this, the provision for taxation has risen by a mere Rs. 1.79 lakh to Rs. 18.20 lakhs despite the large improvement in the taxable profit and the rise in the rate of corporate taxation. Managing Agents' commission has actually gone down, in contrast to the other two provisions, by Rs. 0.18 lakh to Rs. 2.78 lakhs. The net profit works out to Rs. 23.17 lakhs or Rs. 4.88 lakhs more than what was earned a year ago. Of this, Rs. 4.91 lakhs, as against *nil*, has been transferred to the statutory development rebate reserve. The dividend has been kept unchanged at 18 per cent per annum subject to deduction of tax. This has claimed Rs. 18 lakhs, leaving Rs. 3.27 lakhs as carry forward as against Rs. 3.02 lakhs brought in.

The working results of the Company for the past four years are summarised in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	617.57	435.73	340.72	335.89
Closing stocks	86.52	145.38	74.60	40.24
Raw materials and stores consumed	408.43	385.91	273.55	261.48
Salaries, wages and benefits	29.77	26.27	21.78	21.78
Other expenses	34.40	46.14	28.43	16.01
Gross profit	57.11	48.64	51.67	36.26
Managing Agents' commission	2.78	2.96	3.98	2.71
Provision for—				
Depreciation	12.96	10.98	11.89	9.14
Taxation	18.20	16.41	16.31	10.35
Net profit	23.17	18.29	19.81	14.06
To reserves	4.91	..	4.37	4.07
Dividend	18.00 (18%)*	16.80 (18%)*	14.40 (18%)*	10.00 (12½%)
Carry forward	3.27	3.02	1.52	0.49
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	25.00	24.80	29.20	23.10
Low	23.30	21.87	21.70	17.60

* Subject to deduction of tax.

On the production side, the performance of the Company was encouraging. Production of covered aluminium conductors touched a peak of 9.86 million core metres. Aluminium rods and accessories manufactured were also higher than during the preceding year. The output of bare conductor was, on the other hand, a little lower at 62,000 kilometres, as against 66,300 kilometres produced during 1960-61. The restricted availability of aluminium metal, however, did not permit the full utilisation of the Company's rod milling capacity. The highlight of operation during the year under review was the commissioning of the high tensile galvanised steel wire plant at Kundara, in spite of some difficulties in the timely and adequate provisioning of raw materials.

The history of the Company over the past ten years has been one of continuous progress barring minor and temporary declines in production, sales and profits. This besides, the Company has a number of 'firsts' to its credit; in fact, its brief history of manufacturing activity is literally studded with such 'firsts.' Alind has not only been the first to undertake the large-scale manufacture of aluminium conductors steel reinforced (ACSR) and all aluminium conductors (AAC) and the necessary conductor accessories and tools, but it has also been the first to manufacture covered aluminium conductors (CAC) for outdoor weatherproof and indoor wiring applications. Particularly in the context of the contemplated switchover to aluminium from copper for electrical purposes, Alind's adoption of aluminium as far back as 1957 seems an act of remarkable prescience. And now the Company is to be the first to manufacture a special type of low voltage solid aluminium underground cable, necessary licence for the production of which has already been procured. The plant will be located at Kundara and is expected to go into production towards the end of 1963. Prospects for the future are therefore distinctly encouraging.

The Company's capital structure is simple in that it has only an equity capital which, as at 31st March, is of Rs. 100 lakhs in shares of Rs. 10 each. It is backed by Rs. 55.06 lakhs in reserves and surplus. There is a debenture loan of Rs. 45 lakhs supplemented by other loans aggregating Rs. 152.58 lakhs. Then there are current liabilities and provisions amounting to Rs. 137.58 lakhs. On the assets side, the gross block is worth Rs. 200.54 lakhs; this has been written down to Rs. 121.04 lakhs. Capital work in progress and other expenses yet to be capitalised are put around Rs. 8.32 lakhs, so as to give a total net block of Rs. 129.37 lakhs. Investments are carried in the books at Rs. 0.91 lakh and current assets, loans and advances at Rs. 359.94 lakhs.

The present market quotation for the Rs. 10 fully paid ordinary shares of the Company is Rs. 25 *cum-div.* Reducing it to an *ex-div.* basis, the net yield works out to about 5.3 per cent per annum.

INDIA STEAMSHIP CONTINUES IN RED

Disappointing again! We use these words with an exclamation mark to describe the results of the India Steamship Company Ltd. (Managing Agents: Messrs. Lionel Edwards (Private) Ltd., Calcutta) for the year ended 31st March 1962. For, despite the 10-year money pool arrangement reached by all the Conference Lines operating on the India-U.K.-Continent route from January 1961, which was expected to improve the Company's trading results during the year under review, the Company has continued to be in the red and closed the year with a net loss of Rs. 41.42 lakhs, which again is not less than Rs. 41.05 lakhs incurred in the previous year. We are told that the total benefit of the pool arrangement, which was introduced with a view to eliminating undesirable competition and partly rationalising the service, has not been reflected in the year's accounts due primarily to the lack of experience in operation under the new conditions and various other incidental difficulties. On the other hand, the depression in the world freight market both in volume and in rates of freight continued and the continuous increase in the operational cost rendered rates of freight uneconomic. Although there was a rise in the number of voyages from 49 to 54 liner and from seven to eight coastal, the total freight earned went up less than proportionately, from Rs. 863.01 lakhs to Rs. 897.27 lakhs. Further, though port expenses came down from Rs. 337.27 lakhs to Rs. 331.48 lakhs, staff expenses rose from Rs. 95.21 lakhs to Rs. 100.94 lakhs and so did other expenses from Rs. 393.49 lakhs to Rs. 397.74 lakhs. Accordingly, the gross profit turned out to be only Rs. 72.63 lakhs and lower than the Rs. 77.65 lakhs earned in the previous year. After providing Rs. 127.55 lakhs (Rs. 118.20 lakhs in the previous year) for depreciation and maintaining the Managing Agents' remuneration at the nominal sum of Rs. 50,000, the net result is a loss of Rs. 55.42 lakhs. Following a transfer of Rs. 14 lakhs from the development rebate reserve due to excess provision in 1958-59, the loss is reduced to Rs. 41.42 lakhs and adjusted against the general reserve account which now stands at no more than Rs. 16.77 lakhs. The ordinary dividend has been passed over again. The last dividend paid was for 1959-60 at the modest rate of 10 per cent per annum, taxable. The preference dividend absorbing Rs. 1.63 lakh is paid again from the dividend equalisation reserve. Past tax liability amounting to Rs. 52.816 has been adjusted against the reserve for taxation account.

Lest somebody should get away with the belief that the pool arrangement did not benefit the Company at all, it is necessary to add that the Company drew some advantage from it. Actually, if the insurance claim surplus of Rs. 25.91 lakhs obtained by the Company in the previous year on the total loss of the s.s. *Indian Navigator* were to be ignored, the trading profit for the year shows considerable improvement over that for the preceding year. The Directors are confident that the Company has passed through many of the difficulties which restricted the benefit of the pool arrangement and that the current year's results would fully reflect the advantage from it. If the Company turns the corner this year, the Directors will surely look first to the interests of the shareholders. And, in that case, the ordinary shares (of Rs. 10 each), currently quoted at a discount of nearly 30 per cent, that is at Rs. 6.93, seem to be attractive.

(*Concluded from next column*)

lakhs and investments amount to Rs. 21.32 lakhs, of which Rs. 20.37 lakhs are quoted and command a market value of Rs. 32.93 lakhs. The gross block, which expanded from Rs. 129.63 lakhs to Rs. 159.20 lakhs, has been written down adequately to Rs. 78.31 lakhs.

At their current quotation of Rs. 61 *cum-div.*, the Rs. 50 fully paid ordinary shares of the Company offer a net yield of 7.4 per cent per annum on the *ex-div.* basis.

MYSORE SPG.'S RESULTS ENCOURAGING

PRODUCTIVITY BEING RAISED

SEVERAL significant and encouraging features highlight the improved results of the Mysore Spinning and Manufacturing Company Ltd. [Managing Agents: Messrs. N. Sirur and Company (Private) Ltd., Bombay] for the year ended 28th February 1962. The foremost among them is the substantial rise in sales from Rs. 168.12 lakhs to Rs. 195.81 lakhs after a downward trend in the preceding two years. At the improved level, the turnover is just a shade lower than the recent best of Rs. 197.64 lakhs recorded in 1958-59. With the inventory well maintained at Rs. 44 lakhs, the improvement in sales has been the result of higher production. Costs have, therefore, been higher, though partly also due to inflationary pressures. Nonetheless, the gross profit has continued its upward trend and risen rather more promisingly by about Rs. 4 lakhs to Rs. 13.63 lakhs and the profit-margin has, therefore, gone up by almost one point to 7 per cent. The provision for depreciation is a shade higher at Rs. 6.40 lakhs and that for taxation is Rs. 0.83 lakh as against nothing in the previous year. The Managing Agents' remuneration has also gone up from Rs. 0.45 lakh to Rs. 0.67 lakh. The net profit at Rs. 5.73 lakhs shows an improvement of more than Rs. 2 lakhs. But the dividend has been reduced from 14 per cent to 12 per cent per annum, taxable, on the Rs. 50 fully paid shares, as the surplus available after allowing for past expenses and making other provisions is insufficient to maintain it on the increased capital following the issue of rights shares in the proportion of one for two. Even to pay the reduced dividend, the Directors have had to withdraw Rs. 2.50 lakhs from reserves, though they have transferred Rs. 1.12 lakh (Rs. 0.81 lakh a year before) to development rebate reserve. But, then, the previous year's dividend was paid entirely out of reserves.

The following comparative table gives a clear idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 28th/29th February			
	1962	1961	1960	1959
Sales	195.81	168.12	171.17	197.64
Other income	5.56	4.79	3.70	2.76
Closing stocks	44.00	43.99	34.16	34.93
Cotton, stores, power, etc., consumed	120.87	113.03	111.70	111.48
Staff expenses	51.45	48.33	44.49	40.59
Other expenses	15.43	11.39	9.42	9.41
Gross profit	13.63	9.98	7.64	5.50
Provisions for—				
Depreciation	6.40	6.04	0.05	0.05
Taxation	0.83	..	..	0.30
Managing Agents' remuneration	0.67	0.45	0.45	0.48
Net profit	5.73	3.49	7.14	4.67
Excess provisions written back	..	0.40	3.06	0.06
Transfer from reserves	2.50	6.28	..	..
Expenditure relating to previous years	0.50	2.49	0.99	..
Provision for gratuity	1.41	1.44	1.23	1.22
To reserves	1.12	0.81	4.35	0.64
Dividends—				
4.5 per cent preference	0.34*	0.34*	0.34*	0.34
Ordinary	4.87 (12%)*	4.86 (14%)*	4.17 (14%)*	2.48 (10%)
Carry forward	..	..	0.25	0.34
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	71.00	75.00	95.00	87.50
Low	57.50	59.00	62.50	68.00

* Subject to deduction of tax.

From the year under review, the Company has embarked on a three-year programme of rebuilding and renovating the existing plain looms. Last year, 130 looms were rebuilt at a cost of some Rs. 85,000 which have been capitalised. During the latter part of the year, one set of Whitin's high speed combing equipment, comprising one drawing frame, one super lap machine and five combers, was commissioned. The effect of the renovation is being gradually felt in the working of the weaving and spinning sections. The Company has ordered its first Barber Colman warper and spooler which may be commissioned this year. The bleach and dye house, acquired from the sister company, the Minerva Mills Ltd., commenced operations on 1st March 1962. The entire processing factory, with its latest equipment, will work to full capacity by the close of 1962-63.

Since the close of the year under report, the Company has ordered pneumatic broken end collectors for 12 ring frames at a cost of Rs. 34,959 and 20 cylinder drying ranges with padding mangle at a cost of Rs. 68,523.

As for the expansion programme for which purpose the additional capital was raised during the year, the foreign manufacturers of the waste spinning plant have started shipping it in part consignments. The whole plant will be delivered by the end of this year and commissioned early next year. The 144 automatic looms to be installed under the Export Promotion Scheme, which were not ordered because of the power shortage in Bangalore, are now proposed to be imported early next year, now that a thermal station is to be built at Bangalore by the State Electricity Board. The Company has received Rs. 9.48 lakhs against the first and final call of Rs. 25 per share on the 39,585 shares issued during the year.

The paid-up capital, which has increased from Rs. 47.15 lakhs to Rs. 56.73 lakhs, includes Rs. 7.45 lakhs in preference shares, and is backed by reserves and surplus aggregating Rs. 38.29 lakhs. Borrowings have increased from Rs. 66.59 lakhs to Rs. 104.28 lakhs, of which Rs. 87.71 lakhs (Rs. 51.29 lakhs a year before) represent secured loans. Current liabilities and provisions together amount to Rs. 34.42 lakhs. As against the total indebtedness to outsiders of Rs. 138.70 lakhs, current assets, loans and advances aggregate Rs. 133.15

(*Continued in previous column*)

COST INFLATION HITS INDIAN CABLE

FIRST SETBACK TO PROFIT IN PAST FOUR YEARS

AN all-round increase in costs, resulting from a combination of factors, including higher manufacturing expenses mainly under the head of staff expenses and a substantial increase in distribution charges, especially freight costs necessitated by the large-scale use of road transport, has hit the Indian Cable Company Ltd., (Chairman, Sir John Brown, Calcutta) during the year ended 31st March 1962. While the turnover has expanded further by Rs. 56.22 lakhs to Rs. 10.04 crores, rising for the first time in the Company's history to the ten-crore mark, the gross profit has suffered a setback, for the first time in the past four years, of Rs. 12 lakhs to Rs. 157.84 lakhs. The profit-margin (ratio of gross profit to sales), which had already declined in the previous year from 21.2 per cent to 17.9 per cent, has slipped back further to 15.7 per cent. In spite of increasing competition from several new units, the turnover in all the departments increased, except in the rod and wire mills, the working of which was greatly handicapped by shortage of copper due to restrictions on imports. In addition, a considerable amount of business in rod rolling was lost, for a leading cable manufacturer, who was getting all his requirements of copper rods rolled by the Company, had established his own non-ferrous rod rolling mill.

The increases in costs, which could not be set off by raising the selling prices, are indicated in the accompanying comparative table. In spite of the lower profit, the provision for taxation has been raised by Rs. 2.50 lakhs to Rs. 69.50 lakhs, obviously because of the higher rate of corporate taxation, while that for depreciation has been reduced slightly from Rs. 17.37 lakhs to Rs. 16.86 lakhs. The net profit at Rs. 71.48 lakhs is down by about Rs. 14 lakhs, though the effect of the setback has been cushioned by a transfer of Rs. 9.09 lakhs, as against Rs. 2.03 lakhs a year before, from the unwanted past provisions. The dividend has been maintained at 22.5 per cent per annum, taxable, on the Rs. 10 fully paid shares. But this has meant a reduction in the amount of profit retained in business by Rs. 7.51 lakhs to Rs. 18.68 lakhs. The carry forward is again substantial at Rs. 50.15 lakhs as against Rs. 48.73 lakhs brought in.

A synopsis of the Company's working in the past four years is given in the table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	1,004.42	948.20	791.36	720.36
Internal consumption of goods	15.68	12.69	17.89	9.76
Closing stock of finished goods	75.27	76.13	50.88	47.32
Other income	5.26	5.71	7.23	5.69
Raw materials, finished goods and stores consumed	616.54	600.38	463.39	405.00
Staff expenses	170.72	148.52	130.00	109.45
Other expenses	79.40	73.15	64.71	108.79
Gross profit	157.84	169.80	167.94	144.80
Provision for—				
Depreciation	16.86	17.37	17.24	17.15
Taxation	69.50	67.00	66.50	48.00
Net profit	71.48	85.43	80.28	77.04
Provisions no longer required	9.09	2.03	1.96	13.34
Miscellaneous write offs	..	..	..	9.28
To reserves and provisions	21.90	28.43	20.58	27.62
Dividends—				
Preference	2.90*	2.90*	2.90*	1.93
Ordinary	53.05 (D. 22.5%)*	53.05 (D. 22.5%)*	53.05 (D. 22.5%)*	35.37 (D. 12.5%+ 12.5%)
Carry forward	50.15	48.73	45.64	40.00
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	39.69	38.25	34.44	35.87 cr
Low	35.19	31.25	29.12	28.80 cr

* Subject to deduction of tax.

The Company's claims for tax reliefs under Section 15C with regard to the profits of the rod rolling mill for the years ended 31st March 1954 and 31st March 1955 have now been upheld. No decision has yet been taken by the authorities with regard to a similar claim in respect of the profits of the paper insulated power cables factory. References are now pending for the years 1959-60 and 1960-61.

Capital expenditure during the year amounted to Rs. 15.37 lakhs, of which Rs. 13 lakhs were on modifications and renewals and Rs. 2.37 lakhs on modernisation and expansion plans which were proposed in the previous year and envisage substantial expansion of the production of paper insulated power cables, thermoplastic insulated cables and flexibles, enamelled copper wires and cotton and paper covered wires and strips. The plans have been delayed due to the unduly late receipt of import licences. The projects will be completed and be in full production in the next two years. An agreement with the Industrial Credit and Investment Corporation of India on the terms of a foreign exchange loan of Rs. 35 lakhs was reached in the previous year and negotiations with the Commonwealth Development Finance Company for a sterling loan of £262,500 were successfully concluded last year. Construction work has been moving apace and orders for imported plant and machinery have been placed.

Chairman Sir John Brown has observed, in his statement to the shareholders, that, on account of the raw material and electric power supply difficulties, which might persist for some time yet, the ultimate net effect of the licensing delays might not prove to be so great as it might otherwise have been. He believes that competition is bound to increase over the next year or two; but so also demand. Nevertheless, he has cautioned the shareholders that, until adequate supplies of aluminium electrical conductor grade from indigenous sources are forthcoming, the pegging of the level of imports of electrolytic copper and aluminium at the present level or any reduction in it, especially when surplus will have to be spread over a greater number of cable makers, will adversely affect the Company's production and raise its costs further. The short-term outlook is, therefore, clouded by the uncertainty about raw material and power supplies. The long-term prospects can, however, be viewed with sober confidence, if not with a degree of optimism. As for the immediate outlook, Sir John hopes that the Company would be able to regain the 1960-61 profit level.

A meeting of the preference shareholders on the 26th inst. will consider a special resolution proposing to modify the rights of the preference shares by the removal of the preferential rights to dividend and in a winding-up. The practical effect of the resolution, subject to the shareholders' approval, will be that the ordinary and preference classes of the share capital will be consolidated. the present paid-up capital of Rs. 248.66 lakhs is made up of Rs. 235.78 lakhs in equity shares of Rs. 10 each and Rs. 12.88 lakhs in preference shares of Rs. 10 each. Reserves and surplus, aggregating Rs. 298.02 lakhs, provide full cover to the entire capital. Secured loans in the form of 1964-69 debentures are unchanged at Rs. 97.80 lakhs. Current liabilities and provisions make a total of Rs. 292.48 lakhs, as against Rs. 310.79 lakhs a year before. Current assets, loans and advances aggregate Rs. 867.13 lakhs and exceed more than twice the short-term indebtedness. Investments are unchanged at Rs. 7.92 lakhs, of which Rs. 7.83 lakhs are quoted and command a market value of Rs. 7.72 lakhs. The gross block, which increased from Rs. 317.94 lakhs to Rs. 330.04 lakhs, has been written down by nearly 50 per cent to Rs. 159.54 lakhs and, inclusive of capital work in progress (of Rs. 2.36 lakhs) is shown at Rs. 161.91 lakhs.

Currently quoted at Rs. 37.62 *cum-div.*, the Rs. 10 fully paid ordinary shares offer, on the *ex-div.* basis, a net yield of 4.2 per cent per annum.

RUBY GENERAL INSURANCE COMPANY LTD.

Substantial progress has been made by the Ruby General Insurance Company Ltd. (Chairman: Mr. B. M. Birla, Calcutta) during its silver jubilee year which ended on 31st December 1961. The total net premium income from the three departments, fire, marine and miscellaneous, improved from Rs. 172.65 lakhs to Rs. 181.81 lakhs. The aggregate amount of claims paid and outstanding stood at Rs. 103.66 lakhs as against Rs. 88.32 lakhs in the previous year. Thanks to a decline in the total commission and expenses from Rs. 63.78 lakhs to Rs. 57.11 lakhs, the profit for the year, after taking into account the taxes paid, has increased threefold from Rs. 4.17 lakhs to Rs. 12.75 lakhs. Besides maintaining the dividend at 10 per cent per annum, taxable, on the Rs. 8 paid-up shares which have the face value of Rs. 25 each, the Directors have proposed a cash bonus of 25 nP per share, which works out to about 3.1 per cent, subject to tax. The total distribution to shareholders takes up Rs. 1 lakh more at Rs. 4.20 lakhs. A sum of Rs. 4.60 lakhs has been set apart for the taxation reserve. This is in addition to Rs. 2.96 lakhs (as against Rs. 2.69 lakhs in 1960-61) debited to the profit and loss account on account of Indian Union and foreign taxes paid. In the previous year, the only credit to reserves was Rs. 5,000 which went to the doubtful debts reserve. The carry forward is large at Rs. 4.95 lakhs, as against Rs. 1 lakh brought in.

The share capital is unchanged at Rs. 32 lakhs. Reserves and surplus aggregate Rs. 26.19 lakhs. The special reserves under the three departments make a total of Rs. 98.79 lakhs. The fire insurance reserve, including additional reserve, now stands at Rs. 35.99 lakhs and is 50 per cent of the premium income of the year, as against Rs. 34.20 lakhs being 48.5 per cent of the premium income of the previous year. The marine insurance reserve, including additional reserve, now stands at Rs. 15.79 lakhs and is 100 per cent of the cargo and hull premium income. The miscellaneous insurance reserve, including additional reserve, now stands at Rs. 47.01 lakhs, equal to 50 per cent of the premium income.

The table below gives an idea of the Company's working in the past three years:

(In lakhs of rupees)

	For the year ended 31st December		
	1961	1960	1959
Fire:			
Net premium	71.99	70.51	57.01
Claims paid and outstanding	31.46	29.15	20.76
	(43.0)	(41.3)	(36.4)
Commission, expenses, etc.	21.24	28.19	22.12
	(29.5)	(39.9)	(38.8)
Underwriting profit	16.13	4.99	11.51
Increase in underwriting reserve	1.80	7.69	1.41
Marine:			
Net premium	15.79	14.76	20.04
Claims paid and outstanding	13.98	12.99	19.12
	(88.5)	(88.0)	(95.4)
Commission, expenses, etc.	3.33	3.55	3.55
	(21.0)	(24.0)	(17.7)
Underwriting profit (+) or loss (—)	—7.41	+3.91	—8.06
Increase or decrease in underwriting reserve	5.46	—5.71	+5.04
Miscellaneous:			
Net premium	94.03	87.38	57.13
Claims paid and outstanding	58.22	46.18	33.65
	(61.9)	(52.8)	(58.5)
Commission, expenses, etc.	32.54	32.04	23.56
	(34.6)	(36.6)	(41.2)
Underwriting profit (+) or loss (—)	—0.39	—7.25	—0.08
Increase in underwriting reserve	3.32	15.98	0.23
Profit	12.75	4.17	4.52
Transfer from reserves, adjustments, etc.			
Provision for taxation	2.96	2.69	0.95
Transfer to reserves	4.60	0.05	1.32
Dividend	4.20	3.20	3.20
	(D. 10% + B. 3.1%)†	(10%)†	(10%)
Carry forward	4.95	1.00	0.08
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	10.62	10.00	11.06	7.87
Low	8.12	7.62	6.50	6.12

† Subject to deduction of tax.

Note.—The figures in brackets represent percentage to net premium account.

It will be evident from the above table that bulk of the improvement in the premium income (Rs. 6.65 lakhs to be precise in a total of Rs. 9.16 lakhs) came from the miscellaneous department, the loss in which also came down from Rs. 7.25 lakhs to Rs. 38,945. Although the fire department did not repeat the sharp rise in the net premium income of Rs. 13.50 lakhs seen in the previous year (the improvement during the year turned out to be only minor from Rs. 70.51 lakhs to Rs. 71.99 lakhs), it contributed to most of the increase in the total profit with its underwriting profit having jumped up from Rs. 4.99 lakhs to Rs. 16.13 lakhs. The marine department fared badly and reported a loss of Rs. 7.41 lakhs, as against a profit of Rs. 3.91 lakhs in the previous year.

West German private investment abroad increased by 40 per cent to DM4,100 million in 1961, as compared with the previous year. Investments in other European countries rose by 69 per cent to DM 1,750 million. Thus they accounted for 42.6 per cent of the total private investment abroad. Investment in developing countries increased only by 29 per cent to DM1,500 million, which corresponds to a share of 36.5 per cent in the total overseas private investment. As regards the developing countries, West German investors have concentrated so far only on a few countries, mainly in South America.

The International Development Association has extended a development credit of $3 million to Nicaragua for financing the expansion and improvement of the water-supply system in the capital city of Managua. This is the first I.D.A. credit to Nicaragua and is for a term of 50 years. Repayment of the principal will begin on 1st February 1973. Thereafter, 1 per cent of the principal will be repayable annually for ten years and 3 per cent will be repayable annually for the final 30 years. The credit is free of interest, but a service charge of ¾ of 1 per cent per annum on the amount withdrawn and outstanding will be made to meet I.D.A's administrative costs.

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OUTLOOK FOR GREAVES COTTON PROMISING

CONSERVATION OF PROFIT GETS PRIORITY

EVEN a superficial scrutiny of the annual report of Greaves Cotton and Co., Ltd. (Managing Director: Mr. N. M. Wagle, Bombay) for the year ended 31st March 1962 is enough to reveal that, *prima facie*, there is little justification for the decision of the Directors to prune the ordinary dividend in respect of the year by one per cent point to 12 per cent, subject to deduction of tax, after having raised it successively from 7½ per cent to 13 per cent during the past two years. Proceeds from sale of agency and manufactured products have expanded further by Rs. 91.23 lakhs to Rs. 752.34 lakhs. The gross profit, despite heavier cost incidence, is a shade better at Rs. 55.14 lakhs as against Rs. 52.25 lakhs for 1960-61. Similarly, the net profit has gained Rs. 0.23 lakh to Rs. 30.61 lakhs, notwithstanding higher provisions for depreciation (Rs. 2.28 lakhs as against Rs. 1.62 lakh) and taxation (Rs. 22.25 lakhs as compared with Rs. 20.25 lakhs). The only reason advanced by the Directors in support of their decision is that, whereas during the preceding year no provision on account of staff retiring gratuity and doubtful debts was deemed necessary—on the contrary, a sum of Rs. 0.82 lakh could be withdrawn from the provision made during earlier years—this year sizable amounts had to be set aside for these contingencies. Besides, a sum of Rs. 10.10 lakhs has had to be credited to reserves "in keeping with the policy of ploughing back as large a proportion of profits as possible." Since the balance of profit available was hardly large enough to maintain the dividend at the previous year's level, a cut was inevitable. This argument would lose much of its force, if one were to bear in mind that a dividend at the previous rate of 13 per cent would have claimed but a small extra amount of Rs. 1.35 lakh. If, despite this cut in dividend, the market price of the share still maintains itself well above the preceding year's highest level, it is solely because of the Company's growth potential. The following comparative table shows the Company's growth in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	752.34	661.11	495.13	450.98
Other income	35.11	34.03	31.49	24.37
Closing stocks of finished goods and in-process	211.12	148.15	131.19	89.43
Materials and stores consumed	691.54	576.67	447.97	366.68
Salaries, wages and bonus	47.95	42.62	39.98	34.44
Other expenses	55.79	40.66	32.87	25.25
Gross profit	55.14	52.25	47.66	39.72
Provision for—				
Depreciation	2.28	1.62	1.24	0.99
Taxation	22.25	20.25	18.50	18.25
Net profit	30.61	30.38	27.82	20.48
Withdrawals from reserves	..	0.82	1.28	..
To reserves and provisions	10.87	10.35	10.13	7.58
Dividends—				
Preference	3.57	3.57	3.02	2.75
Ordinary	16.20 (12%)*	17.55 (13%)*	14.85 (11%)*	10.12 (7½%)
Carry forward	0.13	0.17	0.44	0.25
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	219.00	180.00	135.00	118.50
Low	181.00	132.00	96.00	94.50

* Subject to deduction of tax.

The first thing to note is that the turnover has expanded—from Rs. 450.98 lakhs to Rs. 752.34 lakhs or by 66.8 per cent. Closing stocks of finished goods and work-in-progress have more than doubled, thus underlining a growing trading activity. There has been a marked rise in expenses and consequently gross profit could improve only at a much lower rate than the sales from Rs. 39.72 lakhs to Rs. 55.14 lakhs.

With the emphasis now in favour of indigenous manufacture through a chain of subsidiaries and associated companies, it is but natural to expect the Company to entertain a large interest in the share capital of such companies. During the year under report, the Company's investment in the shares of subsidiary and associated companies increased by Rs. 24.09 lakhs to Rs. 182.80 lakhs and is likely to grow further during the current year. Unfortunately, a substantial portion of this interest has been acquired through bank and other borrowings which, as on the date of the balance-sheet, namely, 31st March 1962, aggregated Rs. 211.22 lakhs. Besides, there are outstanding current liabilities worth Rs. 197.97 lakhs but both are very adequately covered by current assets, loans and advances amounting to Rs. 461.89 lakhs. The gross block is carried in the books at a cost of Rs. 32.22 lakhs and has so far been written down to Rs. 21.86 lakhs. There has been no change in the Company's issued and paid-up share capital which currently stands at Rs. 185 lakhs of which Rs. 50 lakhs are in preference shares of Rs. 100 each. The share capital is supported by Rs. 72.68 lakhs standing to the credit of various reserves and the surplus account.

A none too insignificant portion of the progress made by the Company during 1961-62 was due to the satisfactory working of the subsidiary and associated companies. Crompton Parkinson (Works) Ltd., for example, maintained the progress achieved during the preceding year and this resulted in the Company receiving a higher net dividend of Rs. 3.76 lakhs, as against Rs. 3.01 lakhs a year ago. It is heartening to learn from the Directors that "this associated company continues to expand the range and volume of its products, despite rising costs and severe competition.

Increasing competition, combined with a steady rise in the level of costs, resulted in a reduced profit-margin for Greaves Cotton and Crompton Parkinson Ltd., in spite of an appreciable improvement in turnover. In the result, the Company could receive only an amount of Rs. 3.20 lakhs as net dividend as against Rs. 4.11 lakhs previously.

The expansion in the production of Ruston and Hornsby (India) Ltd. was maintained and this brought about a material improvement in its dividend contribution to the Company. The net dividend for the year ended 31st December 1960 was Rs. 2.59 lakhs as against Rs. 2.07 lakhs for 1959. This increase was achieved in face of dislocation in production due to the initiation of the programme for the manufacture of vertical oil engines, increasing competition in the industry and the fall in demand consequent on a fall in the price of cash crops during the 1961-62 season. Production of vertical air-cooled engines which was frustrated so long by delays in supplies of cement, essential raw materials and electrical power, has at last commenced and output is expected to reach the installed capacity by the end of the year. As there are indications that the demand for the new range of engines is much in excess of installed capacity, necessary expansion of capacity is under consideration.

Mather Greaves commenced production of calender bowls in March 1961, initial teething troubles having been overcome. From November last year, the installed capacity is being fully utilised and, in view of the excellent demand for these products, steps are being taken to increase the capacity.

The implementation of the production programme of David Brown Greaves was hampered by shortage of cement. Some production was achieved by utilising the Company's productive facilities in Bombay which has resulted in a modest profit. The subsidiary's working during the current year is expected to show appreciable improvement both in production and profits.

Of the Company's own manufacturing division, the cone and tube plant made further progress during the year. Additional plant has been imported and installed and this is expected to widen the range and value of production during the current year. Actual production of diamond drilling bits, however, could not commence during the year for want of power and the receipt of import licences for industrial diamonds. Pending receipt of the promised power supply, the Directors authorised the installation of a generating set which made possible commencement of production in April this year. Trial deliveries to customers have served to establish the quality of this unit's production. With the demand for this unit's products rising, the Directors expect a worthwhile contribution by this unit to the current year's trading and profits.

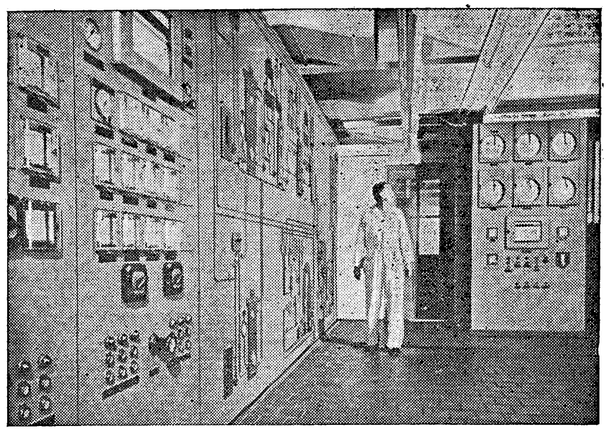
The Rs. 100 fully paid shares of the Company, which have been continuously rising in price over the past four years, are currently quoted at Rs. 207 *cum-div.* to fetch, on an *ex-div.* basis, a net return of 4.3 per cent.

EAST INDIAN COAL COMPANY LTD.

The East Indian Coal Company Ltd., which has increased its dividend from Rs. 2 to Rs. 2.75 per share, subject to tax, for the year ended 30th April 1962, has shown substantial improvement in its results for the year. The gross profit has increased from £178,571 to £347,298. The provision for depreciation has been more than doubled from £27,219 to £58,836 and that for taxation raised sharply from £39,000 to £116,250. A sum of £30,823 (£61,763 in the previous year) has been transferred to the development rebate reserve. Allocation to the sand stowing and development reserve which claimed £20,000 in 1960-61 has been skipped. General reserve has been credited with £125,000 as against *nil* in the previous year. The dividend absorbs £49,500 as against £36,000 a year before. The carry forward is £6,234 as against £16,220 brought in.

DENA BANK'S ISSUE OVERSUBSCRIBED

The further share capital issue by the Devkaran Nanjee Banking Company Ltd. of Rs. 50 lakhs in ordinary shares of Rs. 50 each at a premium of Rs. 2 per share, the lists for which were closed on Tuesday, 11th September 1962, has been oversubscribed. This issue has raised the Bank's paid-up capital to Rs. 100 lakhs, which is supplemented by reserve funds aggregating Rs. 77 lakhs, including the transfer of Rs. 2 lakhs to the share premium account, being the amount collected from the new issue.



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BAJAJ ELECTRICALS LIMITED

CHAIRMAN WELCOMES PROPOSAL TO RAISE PLAN TARGET FOR LAMPS

THE recommendation of the Development Council for Light Electrical Industries suggesting an increase in the production target of electric lamps has been welcomed by Mr. Kamalnayan Bajaj, Chairman of Messrs. Bajaj Electricals Ltd., in the course of a statement circulated to the shareholders of the Company along with the Directors' report and statement of accounts for the year ended 31st March 1962. Mr. Bajaj has also given an account of the Company's plans for expansion and diversification. The most important among these is the scheme for the establishment of a unit at Poona for the production of precision instruments—both industrial and scientific.

The following is the full text of the Chairman's statement:

"Instead of addressing the shareholders at the General Meeting, I am incorporating what I would have normally said in this statement.

"Last year, I had mentioned that the targets fixed by the Planning Commission for electric lamps were too low and the annual demand for lamps would not be less than 90 million by 1965-66. I took up the matter with the Planning Commission. I am glad to say that the Development Council for Light Electrical Industries has recommended revision of the production targets for G.L.S. and similar lamps as well as for fluorescent tubes from 75 million and 6 million per annum to 90 million and 8 million, respectively.

Expansion of Hind Lamps

"Hind Lamps Limited, half of whose production of general lighting service and miniature lamps and fluorescent tubes is supplied to this Company, have submitted applications to the Government of India for expansion of production in lamps, fluorescent tubes and components during the third Plan. This will involve an increase in the capital of Hind and, consequently, of our Company.

"To celebrate the completion of ten years of working, Hind held a function at Shikohabad on the 26th of November 1961, at which I had the honour to preside. Amongst our distinguished guests were the Union Finance Minister, Mr. Morarji Desai who inaugurated the Fluorescent Tube Plant and the Automatic Bulb Blowing Plant, completing Hind's second Plan expansion programme; the Chief Minister of U.P., Mr. C. B. Gupta who laid the foundation-stone of the new factory building; and Mr. Manubhai Shah, the then Minister for Industry in the Government of India, who laid the foundation-stone of the new Community Centre. Our Partners were represented by Mr. A. J. Deenen, member of the Board of Management of N. V. Philips of Holland, who presented Hind Lamps with a large bell as a symbol of goodwill and friendship, and Mr. A. E. Page, Managing Director of the Osram Group of the General Electric Company Ltd. of U.K. All the distinguished visitors planted saplings to commemorate the event.

Instrument Factory

"With the growth of industrialisation, there will be a tremendous increase in demand for precision instruments—both industrial and scientific. The Company is busy on a comprehensive scheme to expand the production of instruments and to undertake the manufacture of various types of industrial control equipment. The new instrument factory and a development centre in the field of instrumentation and industrial controls are proposed to be located at Poona.

"Last month, the Union Finance Minister, Mr. Morarji Desai, and the Chief Minister of Maharashtra, Mr. Yeshwantrao Chavan, paid a visit to our Poona factory.

New Lines of Activities

"Besides electric lamps, instruments, transformers and fittings, the Company has for the last few years been taking interest in developing and marketing other products like fans, accessories, heating appliances, Rotaflex shades, and hardware fittings. Efforts are continued to obtain new products for sale by the Company.

"While initially there were several difficulties, the progress made in the last year in developing the sale of other products is encouraging. The Company proposes to provide technical, and, where necessary, financial assistance to some of the manufacturers who supply goods to the Company to enable them to improve the quality and quantity of their production. I think that, in due course, substantial business could be developed in these products.

Productivity

"The Directors and Managing Agents are making efforts to reduce the unit cost of sales and thus improve the productivity and profit ratio, both in relation to sales and capital employed.

"I thank the management, staff and workers for their willing co-operation."

Notices

THE NATIONAL NEWSPRINT AND PAPER MILLS LIMITED

NEPANAGAR

NOTICE

THE FIFTEENTH ANNUAL GENERAL Meeting of the Shareholders of the National Newsprint and Paper Mills Limited will be held at Nepanagar on Monday the 15th October 1962 at 3.30 p.m. to transact the following business:

(1) To receive and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1962 and the Reports of the Directors and Auditors thereon and also the comments of the Comptroller and Auditor General of India.

(2) To elect a Director in place of Shri S. N. Mehta who retires under Article 140 of the Articles of Association and is eligible for re-election.

(3) To elect a Director in place of Major Raja Bahadur Birendra Bahadur Singh, M.P., who retires under Article 132 of the Articles of Association and is eligible for re-election.

(4) To elect a Director in place of Shri K. N. Mishra who retires under Article 132 of the Articles of Association and is eligible for re-election.

(5) To elect a Director in place of Shri R. Prasad who retires under Article 132 of the Articles of Association and is eligible for re-election.

(6) To transact any other business with the permission of the Chair.

By Order of the Board of Directors,
S. L. VISVANADHAN,
Managing Director.

NEPANAGAR,
Dated 10th September, 1962.

The Share Transfer Books of the Company will remain closed from 1st October 1962 to 15th October 1962 (both days inclusive).

Shareholders desirous of having at the Annual General Meeting any information concerning the Accounts of the Company are requested to send a written requisition to the Managing Director so as to reach him seven (7) days before the meeting.

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

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Books of the Corporation will remain closed from 27th September to 10th October, 1962, both days inclusive.

By Order of the Board,
R. P. MATHUR,
Deputy Secretary.

KANPUR,
1st September 1962.

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SYNOPSES OF COMPANY REPORTS

Rajapalayam Mills Ltd.

(Managing Agents: Ramco Agencies Co., Rajapalayam.)

Annual General Meeting: Held on 6th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods	1,17,68	1,17,89
Sale of dyes	4	18
Sale of waste	1,73	1,75
Closing stock	5,84	5,64
Closing stock (raw materials)	22,59	11,88
Closing stock-in-process	1,22	1,36
Gross profit	18,21	20,66
Transfer to Managing Agents' remuneration	98	1,01
,, ,, depreciation	4,64	4,62
,, ,, provision for taxation	3,71	5,76
Net profit	8,88	9,37
Appropriations:		
Transfer to donation	54	25
,, ,, bonus for the year 1961	3,25	2,29
,, ,, development rebate reserve	1,50	27
,, ,, general reserve	1,00	3,97
Proposed dividends	2,58	2,58
	(16%)	(16%)
Carry forward	Nil	Nil

Extracts from the Directors' report: Trade conditions: The Company's old unit worked 2 shifts for 306½ days and the new unit worked 2 shifts for 296½ days. There was 50 per cent power cut during May, 1961 and 30 per cent power cut during the last week of March, 1962 and the consequent shortage of electric energy was compensated to a certain extent by working our generators. Purchase of both indigenous and imported cotton were, as during last year, subject to allotment of quota by the Textile Commissioner. Besides quantity restrictions, variety-war restrictions also were in force during the year. With a view to standardising the quality of our yarns, the Company had to build up our cotton stocks on a seasonal basis. Due to general short-fall in the cotton crop during the year, it could not spread-over its purchases, but had to cover its requirements in full during the respective peak arrivals with the result that the cotton stock during the major part of the year was substantial and this has contributed to increased interest charges.

The workers were paid bonus for the year 1960-61 at the rate of 6 months basic wages. As per wage board recommendations, the dearness allowance was increased by 2 nP. per point from June, 1961 and the basic wages were raised by Rs. 2 per head from January, 1962.

Additions and Replacements: A new blowroom with auto-mixer and four new ring frames were erected and commissioned during the year replacing the respective old ones. Besides, one imported doubler winder and one indigenous doubling machine were erected and commissioned. A new bailing press was also erected replacing an old one. Another imported doubling machine is under order.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	16,14,300	Gross block	75,47,569
Reserves and surplus	25,61,000	—Depreciation	36,74,752
Other liabilities	49,92,805		
		Net block	38,72,817
		Current assets	48,22,154
		Investments	20,587
		Cash	4,52,547
	Rs. 91,68,105		Rs. 91,68,105

* Paid-up capital consists of 16,143 equity shares of Rs. 100 each fully called up. Of the above 10,762 shares are allotted as fully paid up by way of bonus shares issued by capitalisation of reserves.

Pench Valley Coal Co., Ltd.

(Managing Agents: Messrs. Shaw Wallace and Co. Ltd., Calcutta.)

Annual General Meeting: 25th September, 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	1,24,12	1,12,13
Closing stock	1,32	1,59
Gross profit	9,86	8,23
Transfer to Managing Agents' remuneration	59	52
,, depreciation	3,85	3,83
Net profit	5,42	3,88
Adjustments	52	99
Appropriations:		
Total available balance	5,94	4,87
Transfer to provision for taxation	2,59	1,55
,, ,, general reserve	69	Nil
,, ,, development rebate reserve	54	1,11
,, ,, capital reserve fund	1	Nil
Proposed dividend (taxable) ordinary	1,57	1,57
	(10%)	(10%)
Carry forward	54	52

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: Output and despatches of steam and other grades of coal for the last three years are as follows:

Year ended	Raisings Tonnes	Despatches Tonnes
31st March, 1962	573,599	575,000
31st March, 1961	529,153	523,464
31st March, 1960	504,046	505,886

Raisings and despatches show considerable improvement over the last year. Wagon supply, though inadequate in the beginning of the year, improved considerably at a later stage and the position was maintained throughout the year.

The Company, even though producing only lower grade coals, was fortunate enough to participate in the World Bank Loan Scheme for importation of capital equipment for carrying out expansion plans.

To meet the upward trend in the raising cost, the Government, since the close of the year, allowed an increase in the selling price but this Company producing Grade III only, is able to derive no benefit at all.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	15,75,000	Gross block	87,88,044
Reserves and surplus	25,13,378	—Depreciation	54,94,852
Other liabilities	30,56,096		
		Net block	32,93,192
		Current assets	34,40,227
		Investments	2,44,740
		Cash	1,66,315
	Rs. 71,44,474		Rs. 71,44,474

* Paid-up capital consists of 1,57,500 ordinary shares of Rs. 10 each. Of these 1,03,750 shares have been called up and fully paid, 10,000 shares have been treated as fully paid up pursuant to a contract without payment being received in cash. The remaining 43,750 shares have been issued as bonus shares by way of capitalisation reserves.

Shri Krishnarajendra Mills, Ltd.

(Chairman: S. M. Ramakrishna Rao, Esq., Mysore.)

Annual General Meeting: 22nd September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of finished goods	1,55,83	1,37,40
Closing stocks	91,21	25,44
Stock-in-process	18,53	12,07
Gross profit	10,98	15,22
Transfer to Managing Directors' remuneration	27	27
,, ,, depreciation	8,15	4,53
,, ,, depreciation in market value of investments	Nil	3
Net profit	2,56	10,39
Adjustments	5,94	3,50
Appropriations:		
Total available balance	8,50	13,89
Transfer to provision for taxation	1,48	1,45
,, ,, donation	Nil	Nil
,, ,, development rebate reserve	2,57	8,24
Proposed dividends	4,04	4,04
	(11%)	(11%)
Carry forward	23	14

N.B.—Adjustments include the balance brought forward from the previous year, sundry credits written back, premium received on surrender of cotton import quota, amount withdrawn from dividend equalisation reserve, etc.

Extracts from the Directors' report: During the year under review, the prices of cotton ruled fairly high. Added to this, the costs of labour, stores, spare parts and chemicals have also been continuously on the increase while the prices of the finished products have been fixed at particular levels under a system of voluntary price control. Considering these aspects, the working of the Company can be taken as satisfactory. At the Company's Mysore mills, a printing plant has been installed and the working has commenced since March, 1962. Three units of humidification plants are being installed in the Company's old weaving shed at a cost of Rs. 1,25,000. By this installation, the humidification of the entire mill will be complete.

The replacement scheme of John Hetherington plant installed in the year 1924 will be commenced from the month of August 1962. This could not be taken up earlier as originally proposed, owing to the delayed delivery periods stipulated by the manufacturers of machinery. However, the three old doubling frames have been replaced during the year by the installation of three new frames.

In the Chitradurga Mills, it has been compelled to run from the beginning only one shift during night time owing to non-supply of day power. A part power supply has been sanctioned during the day time since April 1962 and the working has been steadily improving. It will be possible to run two shifts continuously only when power supply is given in full both during day and night.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	36,69,700	Gross block	1,62,32,508
Reserves and surplus	27,03,882	—Depreciation	84,91,089
Other liabilities	99,57,189		
		Net block	77,41,419
		Current assets	77,42,839
		Investments	7,46,775
		Cash	99,738
	Rs. 1,63,30,771		Rs. 1,63,30,771

* Paid-up capital consists of 73,394 equity shares of Rs. 25 each and 73,394 bonus shares of Rs. 25 each consolidated into 73,394 shares of Rs. 50 each.

Amalgamated Coalfields Ltd.

(Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta.)

Annual General Meeting—25th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	2,24,32	2,18,94
Closing stock	1,73	1,62
Gross profit	23,71	[20,80 illegible]
Transfer to Managing Agents' remuneration	1,72	1,58
,, depreciation	5,59	5,35
Net profit	16,40	13,87
Adjustments	28	12
Appropriations:		
Total available balance	16,68	13,99
Transfer to provision for taxation	7,90	5,82
,, ,, development rebate reserve	92	1,26
,, ,, general reserve	3,65	3,75
Proposed dividends (taxable) ordinary	3,82	3,19
	(15%)	(12.50%)
Carry forward	39	28

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: Output and despatches of steam and other grades of coal for the last three years are as follows:—

Year ended	Raisings Tonnes	Despatches Tonnes
31st March, 1962	10,16,253	10,15,616
31st March, 1961	10,04,283	10,02,147
31st March, 1960	9,14,754	9,20,244

Capital expenditure during the year was Rs. 10,40,732, the corresponding figure for the previous year being Rs. 16,48,585.

Heavy Capital expenditure has been planned for the third Five-year Plan and the necessary foreign exchange for the first two years will be provided for by the World Bank Loan.

To meet the above contingencies, the Company has transferred Rs. 3,65,000 to general reserve in addition to the development rebate reserve of Rs. 92,100.

To meet the raising costs, the Government of India, since the close of the year, has allowed some increase in the selling price, the quantum being higher for higher grades of coal and this company, therefore, has benefited only partially.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,50,000	Gross block	1,49,30,452
Reserves and surplus	69,66,806	—Depreciation	90,79,765
Other liabilities	36,59,713		
		Net block	58,50,687
		Block in progress	1,597
		Current assets	69,33,841
		Investments	Nil
		Cash	3,90,484
	Rs. 1,31,76,609		Rs. 1,31,76,609

* Paid-up capital consists of 1,48,534 ordinary shares of Rs. 10 each fully paid. Of these, 1,06,466 have been treated as fully paid pursuant to a contract without payment being received in cash.

Estrela Batteries Ltd.

(Managing Agents: Messrs. Choonilal Manilal Private Ltd., Bombay.)

Annual General Meeting: 26th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	1,29,80	1,22,55
Closing stock	11,79	12,40
Gross profit	10,49	9,68
Transfer to Managing Agents' commission	87	77
,, ,, depreciation	1,78	2,00
,, ,, provision for taxation	3,91	3,16
Net profit	3,93	3,75
Adjustments	18	18
Appropriations:		
Total available balance	4,11	3,93
Transfer to development rebate reserve	4	4
,, ,, general reserve	1,75	1,50
Proposed dividends:		
On 1st preference shares	71	71
On ordinary shares (taxable)	1,50	1,50
	(10)%	(10%)
Carry forward	11	18

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' Report:—The year would have ended with better results had there been no strike of the daily-rated employees lasting for 45 days during the year under review. In spite of this setback, the sales of the Company during the year have increased by Rs. 7.25 lakhs. The production of dry cells was, however, restricted in spite of heavy demands due to the restrictions on imported Raw Materials. The directors are further glad to inform that the technical collaboration agreement has been concluded with Messrs. Societe Des Accumulateurs Fixes Et De Traction of France, the well-known Manufacturers of dry batteries in Europe. The Government of India has also principally accepted the basic terms and conditions of the agreement. Under one of the terms of the agreement the collaborators have to be given equity shares of the Company to the equivalent value of New Francs 2.50 lakhs, without payment being received in cash, in consideration of technical know-how which they will be imparting. The Government of India, while sanctioning this agreement, has made a condition to bring the equity Capital of the Company on such a level so that the foreign participation is 10 per cent of it. Hence, the directors have thought it desirable to issue new equity capital of Rs. 7.50 lakhs to the existing shareholders in the ratio of one share to the two shares held, out of the authorised capital of Rs. 50 lakhs, consisting of 100,000 unclassified shares. The production capacity of the factory was fully utilised and an application was, therefore, made to the ministry of commerce and industry, Government of India, to allow substantial expansion, and the Government has, accordingly sanctioned to increase the production capacity of the factory from 40 million cells to 65 million cells. Application for the import of necessary capital equipments has already been made to the Government of India and it is hoped that the import licence will be received in the near future.

The expansion of the ball mill section of the factory is progressing satisfactorily and the ball mill received during the year will be commissioned very shortly. Hence the amount for the purchase of the ball mill and the building to house it, which is under construction, has been shown as contingent liability in the balance sheet. The contingent liability shown in the balance sheet also includes the expected liability for the godown under construction, which is now completed.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	24,97,680	Gross block	38,61,373
Reserves and surplus	8,67,106	—Depreciation	24,86,340
Other liabilities	28,54,958		
		Net block	13,75,024
		Current assets	46,72,907
		Investments	5,059
		Cash	1,66,754
	Rs. 62,19,744		R. 62,19,744

* Paid-up capital consists of 19,947—7.14 per cent. cumulative redeemable first preference shares of Rs. 50 fully paid and 29,947 equity shares of Rs. 50 fully paid. Of the equity shares, 1,200 shares are allotted as fully paid up pursuant to a contract with the vendor for sale without payment being received in cash.

MONEY SCARCE

(From Our Own Correspondent)

BOMBAY, 12*th September*

The short-term money market continues to be characterised by a perceptible scarcity of floating funds. The inter-bank call money rate, which had gone up to 4½ per cent last week, has moved up further to stand at 5 per cent. In Calcutta, the rate is as high as 5½-5¾ per cent. There has, however, been no change in short-term deposit rates.

It was pointed out in this column last week that the Scheduled banks' borrowings from the Reserve Bank during the week ended 31st August 1962 had recorded an increase of Rs. 15.18 crores. They have gone up further by as much as Rs. 26.71 crores, taking the total to Rs. 42.65 crores, according to the Reserve Bank's statement for the week ended 7th September 1962. Of the increase of Rs. 26.71 crores, as much as Rs. 12.94 crores has been against usance bills. The present level of Scheduled banks' borrowings is a record for the slack season.

The Treasury Bill results for the week under review show that for the Bills under the tender system the special source is the only supporter. This is evident from the fact that the total amount offered at Rs. 2 crores was the same as that invited and that the average rate of accepted tenders remained unchanged at Rs. 2.370 per cent per annum.

91 days' Intermediate Treasury Bills, however, fared a little better, in that they fetched Rs. 129.75 lakhs during 5th September to 8th September, both days inclusive.

The Gilt-edged market is dull with hardly any turnover. The trend is a shade quiet. 3¾ per cent 1968 has come down by 15 nP, and so also 3½ per cent 1967 albeit by 5 nP. The short-dated 3 per cent 1963-65, however, has gone up by 5 nP. Among State loans, a loss of 25 nP is noted in the recently floated 4½ per cent 1974 loans of Andhra Pradesh, Orissa and of 10 nP in that of the U.P.

In the foreign exchange market, the rupee-dollar rate has been ruling quite steady. The Banks' selling rate at Rs. 477.75 and their buying rate at Rs. 474.50 per 100 dollars are unchanged over the week. This is in consonance with the steadiness of the £ sterling in the New York market where spot is quoted at 280.120-280.150 cents and three months' forward at 279.710-279.740 cents per £.

GOOD CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, 10*th September*

In the Madras hides and skins market, arrivals of stocks from the tanneries were restricted and clearance kept pace with the output this week. Prices ruled steady. Export trading with the U.K. was good and important quantities in the light weight and medium kips of good marks were freely sold. Local demand for the inferior grade kips slackened, but the prices were still out of U.K. buyers' reach. There were fair inquiries for cowcalf run selection, but sellers were few, as stocks were small. Importers in the U.S. did not evince interest in buffcalf and hides.

There was good call for the superior tannage goat skins 8/9 lbs. run and 11/12 lbs. all grades as also for the middle class sheep skins. Other lines ruled quiet. Inquiries for sueda selections were in evidence and tanners hope to get regular orders for them after the Paris Leather Fair.

Shipments (in bales) during August were 1945 of cowhides, 193 of cowcalf, 20 of buff hides, 146 of buffcalf, 207 of goatskins and 231 of sheepskins to the U.K. ports; 7 of cowhides, 10 of cowcalf, 9 of buffcalf, 653 of goatskins and 310 of sheep skins to the Continental ports; 10 of buffs, 72 of buffcalf, 317 goat and 17 of sheepskins to the U.S. and 176 of sheepskins to Japan.

FOODGRAINS EASE FURTHER

(From Our Own Correspondent)

HAPUR, 10*th September*

Easy conditions prevailed in foodgrains here this week. Wheat, rice, maize and other coarser grains drifted lower owing to liquidation by stockists. Fairly heavy rains received during the week would prove beneficial to the standing *kharif* crops including paddy, and also enable timely preparation of the land for *rabi* sowings.

Wheat prices declined, by 67 nP to Rs. 2.01 per quintal on selling pressure from stockists to be quoted between Rs. 39.52 and Rs. 40.19 for the average quality and between Rs. 40.87 and Rs. 42.87 for the farm produce. The prices of the red quality also sought lower levels at Rs. 38.18. Daily arrivals increased to 400 to 500 maunds, while demand was slack. Local stocks at the week-end were stationary around 64,000 maunds. Offtake was two wagonload to the South. Rice was quiet, with the mainpuri quality declining by Re. 1.34 on better arrivals. Demand was not brisk, but stocks left were also poor. Week-end prices were:—Rice *basmati* superior Rs. 91.09 to Rs. 101.80, *sela basmati* Rs. 80.38 to Rs. 88.41, *mainpuri* Rs. 56.26 to Rs. 57.60, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 54.92 a quintal.

Gram was, however, unchanged. The Punjab quality was quoted at Rs. 43.54 and the local variety at Rs. 42.87. Arrivals were negligible, and the stocks declined to 14,000 maunds. New maize the stocks declined to 14,000 maunds. New maize arrivals were still poor, but prices declined by 67 nP to Re. 1.34 per quintal. Barley and *bejhar* prices also sought lower levels on poor demand to be quoted at Rs. 28.13 and between Rs. 26.79 and Rs. 28.13, respectively. While *guwar* was stationary, *jowar* prices improved by Re. 1.34 on better demand against poor stocks. Other coarse grains were listless. Week-end prices were:—*Jowar* Rs. 46.89 to Rs. 50.91, *guwar* Rs. 38.85, maize Rs. 28.13 to Rs. 29.47, new Rs. 30.81 to Rs. 34.83, *bajra* Rs. 37.51, *methi* Rs. 58.94 and oats Rs. 29.47 to Rs. 30.81.

Prices of pulses also receded. Peas declined by Re. 1.34 to Rs. 2.01 according to quality due to slack demand in the face of heavy stocks and selling pressure by stockists. The *dara* quality was quoted between Rs. 31.48 and Rs. 31.82 and farm between Rs. 32.82 and Rs. 34.16. Peas *dal* was also lower at Rs. 36.17. Five wagons of peas and peas *dal* were despatched to the South. Arrivals were poor, and stocks declined to 60,000 maunds. *Arhar* and *arhar dal* eased by Rs. 2.67 in restricted poor trading. *Arhar* was quoted between Rs. 50.24 and Rs. 54.22. Stocks left were poor, around 7,000 maunds. During the week, one wagon of *dal* was sent to the Salem market. *Urd* and *moong* prices also declined by Re. 1.34 and Rs. 2.67 per quintal, respectively. *Massoor* and *moth* ruled steady. Week-end prices were:—*Urd* Rs. 76.36 to Rs. 80.38, *urd dal* Rs. 88.41, *moong* Rs. 48.23 to Rs. 50.91, *moong dal* Rs. 58.94, *masoor* Rs. 45.55 to Rs. 53.58, *masoor dal* Rs. 56.26, *moth* Rs. 40.19, *moth dal* Rs. 48.23 and *gram dal* Rs. 48.23 per quintal.

RECOVERY IN BULLION

(From Our Own Correspondent)

BOMBAY, 12*th September*

The bullion market exhibited a distinctly easy trend in the first three sessions of the week under review, but staged a recovery on Monday the 10th inst. The recovery gathered further momentum in the subsequent two sessions. The initial easiness was due to nervous liquidation by bulls who feared that the Union Government might soon clamp down controls on transactions in bullion. Rumours to the effect that the Government was contemplating to freeze gold lying in the safe deposit vaults of banks, together with the reports that about 80.000 tolas of gold had been withdrawn from lockers in Delhi on Friday the 7th inst., also imparted weakness. It was reported that one businessman sold hundreds of tolas of gold at several centres. Consequently, gold suffered a sharp setback in value. In sympathy, silver drifted downward. On Monday, however, both the metals tended to move up following brisk short-covering. The upward trend persisted yesterday and today, too, thanks to good buying support from upcountry centres and seizure of 185 bars of contraband gold worth Rs. 22 lakhs from a tourist motor car at Bangaon on West Bengal-East Pakistan border on the 10th inst. But the recovery was not marked enough to make good the earlier losses, so that today's closing quotations for both gold and silver were below those prevailing on Wednesday last week.

The daily average arrivals of gold during the week were higher by 3.750 tolas at 9.250 tolas as compared with last week; offtake, too, was higher albeit by just 1.500 tolas at 5,500 tolas. In the case of silver, arrivals were at an average of 22 bars, as against 15 bars, and offtake was of the order of 6 bars per day, as against 9 bars.

Over the week, the *Bhadrapad* (15th September) settlement in gold fell by Re. 1.50 to Rs. 125.75 and *Margashir* (December) settlement by Rs. 2.20 to Rs. 124.65. The rate for transferring commitments from the *Bhadrapad* to *Margashir* settlement continued to be against bears throughout the week, the actual rate increasing from 40 nP to Re. 1.10.

The premium commanded by ready gold over the forward (*Bhadrapad* settlement) rose from 25 nP last week-end to 50 nP today when the ready rate stood at Rs. 126.25, as against Rs. 127.50 a week ago, a drop of Re. 1.25.

In silver, the *Bhadrapad* settlement receded from Rs. 220.45 to Rs. 216.70 on Saturday the 8th inst., but recovered thereafter and touched Rs. 220.10 today before finishing at Rs. 219.20. The net loss over the week was Re. 1.25. The *Margashir* settlement fluctuated between Rs. 220.70 and Rs. 217.50 and finished at Rs. 220.35, a fall of 95 nP over the week. The carryforward rate was against bulls throughout the week, the actual rate today being Re. 1.15, as against 85 nP on Wednesday last week.

Ready silver began the week at Rs. 219.40, as against the previous close of Rs. 220.15, and, after declining to Rs. 216.50 on Saturday, spurted subsequently to touch a high of Rs. 219.90 today. The closing was lower at Rs. 219.10. At this rate, ready silver was quoted at a discount of 10 nP under the maturing (*Bhadrapad*) settlement.

The dollar price of gold in the London bullion market rose further from $35.12½ to $35.13 per fine ounce. Ready gold also advanced from 250s. 8¾d. to 250s. 9¾d. Ready and forward silver moved up again, the former by ¼d. and the latter by ⅜d. Silver in New York was unaltered at 113 cents.

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

	12-9-62 (closing)	High	Low	5-9-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	126.25	127.00	122.50	127.50
*Bhadrapad**	125.75	126.75	122.30	127.25
Margashir	124.65	126.20	121.75	126.85
Sovereign	97.00	98.00	96.00	98.00
SILVER				
Ready (.996 fine)	219.10	219.90	216.50	220.15
Bhadrapad†	219.20	220.10	216.70	220.45
Margashir	220.35	221.15	217.50	221.30
London—				
Gold	250s.9¾d.	250s.9¾d.	250s.9d.	250s.8¾d.
Silver Ready	97¼d.	—	—	97¼d.
Silver Forward	98¾d.	—	—	98d.
New York—				
Silver	113.00 cents	—	—	113.00 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

EASY TENDENCY IN COTTON

(From Our Own Correspondent)

BOMBAY, 12*th September*

Cotton futures which had ruled firm last week developed a reactionary trend during the week under review. The tendency at close was easy, with sentiment influenced by reports of satisfactory progress of the current season's crop in almost all the producing areas. Initial strength petered out, as, at higher levels, bulls themselves turned sellers and support was generally lacking. The setback in values induced bear covering, leading to intermittent rallies which, however, proved short-lived, due to renewed offerings. Fluctuations were, therefore, irregular and trading was active, though turnover was still below normal. Jarilla March, which closed last week at Rs. 745.25, was done at Rs. 745.75 on the 6th inst. The contract hovered between that level and Rs. 740 in the next two sessions and reacted to Rs. 737.25 on the 10th. After recovering to Rs. 741.50 on the next day, it declined again to Rs. 736 today. Over the week, it showed a loss of Rs. 9.25.

The Sewri spot market was dull. Stray business was reported in L147, Co2, Laxmi, Surti and 197/3. The following are some of the latest available spot quotations—in rupees per candy of 784 lbs.:

Manavadar 930-K, Nagar Co2 1.635, Sanand Kalyan 1,039 spot, Surendranagar Kalyan 1,005, Bombay Press 950, Malegaon Co2 uncertified 1,050, Guiza 45 on sample 1.830 c.i.f. January-February, California 1-5/32″ 1,225 c.i.f. October-November and Sudan GL 1,473 c.i.f. January.

The Government of India's cotton policy for the 1962-63 season was announced on the 7th. It was welcomed by the trade here. Although the policy makes no important departure from that followed in the past, it has three interesting features. First, the number of zonal committees has been made compact at six. Second, the compulsory surveys will be made at the last stage, that is, at the time of delivery of cotton to mills. Third, Bengal *Deshi* has been exempted from compulsory survey, if it is intended for export. The new policy also makes a reference to random requisitioning which the Government may resort to in case prices tend to rise above ceiling levels. Such a possibility may not, however, arise, if the crop turns out to be satisfactory.

According to the new price schedule published, an increase of more than Rs. 35 has been awarded to Khandesh Virnar 197/3, Digvijay 'A' and 'B' and Surti, Buri American has been awarded a rise of only Rs. 27. L 147 cotton is no longer grouped with Buri American and granted a separate price which is higher than that of Cambodia C. The change has been effected perhaps in response to the demands of the Berar cotton cultivators. The basic staple has been raised by 1/32″ in respect of Vidarbha M.P. 197/3, Khandesh Virnar 197/3, Digvijay 'A', Surti, Karunganni, Buri American and Laxmi.

The Committee of the Indian Cotton Mills Federation, at its meeting held at Bombay on the 11th inst., considered the very difficult cotton supply position and expressed the hope that the Government would find it possible to arrange for necessary imports with a view to ensuring adequate supplies of cloth and yarn. It urged the adoption of strict measures right from the beginning of the current season to maintain prices within the new ceilings which have been fixed Rs. 125 higher than in the last season.

The Karachi cotton market was distinctly easy this week, with the January futures contract declining from Rs. 71.85 to Rs. 69.65 and the March contract from Rs. 71.75 to Rs. 69.45. Some of the spot prices in rupees were: 289F Punjab R.G. 83.50, S.G. 91.50, A.C. 134, R.G. 87, S.G. 93, L.S.S. Punjab R.G. 74 and Punjab Deshi 76.50.

Cotton futures in New York were steady. October closed at 33.71/33.75 cents, as against 33.62 cents before, December at 33.87 cents, as against 33.76/33.77 cents, and March at 34.27/34.30 cents, as against 34.09/34.11 cents. The second official production estimate of the season placed the crop at 14,687,000 bales or 415,000 bales below the August forecast and this imparted some steadiness to the market.

In Liverpool, too, the tendency was steady, after the previous week's slight easiness. Futures contracts closed slightly higher, with October edging forward from 23.30 pence to 23.35 pence.

BLACK PEPPER RECOVERS

(Messrs. Parekh and Co.)

BOMBAY, 11*th September*

Malabar black garbled pepper, after touching the lowest at Rs. 300, improved to Rs. 310, as New York was reported to have bought several parcels at rates ranging from $34 to $36. Ungarbled rallied from Rs. 287 to Rs. 300. October delivery at Cochin moved between Rs. 303 and Rs. 317. Improvement in inland demand, together with a boarding of inquiries from New York, proved to be a supporting factor.

Black pepper in Singapore ruled comparatively firmer, as New York remained continuous buyers. Anxiety on the part of short-sellers to cover proved a timely support. White pepper showed sympathetic rise, but was neglected at a higher level. Black pepper improved to $115 to come down to $112½.

Spot in New York, after climbing up to $0.38, came down to $0.36, as the dealers there covered their immediate requirements. Thereafter, they

were quoting to buy according to the tendency at the origins.

Future depends upon the buying policy of New York, as all supplying centres like Singapore, Indonesia and India are willing sellers at every rise.

Ready pepper in Bombay is nominally quoted at Rs. 158 per 50 kilos.

ART SILK YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, 12*th September*

The Government of India has revised the rates of drawback of duty on exports of staple fibre yarn, staple fibre fabrics and mixed fabrics made from staple fibre yarn and art silk yarn. The drawback of duty against exports of staple fibre yarn and staple fibre fabrics will be allowed at the rate of Re. 1.14 per kg. of staple fibre yarn content. The drawback against exports of mixed fabrics containing staple fibre yarn and art silk yarn will be allowed at the rate as specified in Serial No. 1 of Schedule 1 on the art silk yarn content. The Government proposes to revise the rates of drawback of duty on exports of fabrics, hosiery and fishnet twine or cord manufactured wholly or in admixture with other yarn, from artificial silk yarn of all varieties other than staple fibre yarn and readymade garments made from such fabrics. The proposals in this regard will be finalised on or after 2nd October after taking into consideration suggestions from the parties concerned. It is proposed that, in the case of such fabrics, hosiery, fishnet twine or cord and readymade garments containing art silk yarn consisting entirely of cellulose derivates or generated cellulose or of both, the rates of drawback are to be as follows (rates per kg. of yarn content of deniers concerned):

Crimped and stretched yarn—below 23D Rs. 19; 24D to 28D Rs. 15.57; 49D and more Rs. 17.38.

Terylene yarn: 50D Rs. 16.90; 75D Rs. 15.82; 100D Rs. 14.8; over 100D Rs. 12.60.

Yarns other than crimped, stretched and terylene: Below 18D Rs. 18.13; 18D to 23D Rs. 14.18; 24D Rs. 11.

In the case of fabrics containing art silk yarn consisting entirely of cellulose or both, the revised rates proposed by the Government are as follows:

Below 75D Rs. 8.85; 75D to 105D Rs. 5.24; above 105D to 175D Rs. 2.54 and above 176D Rs. 4.31.

The above announcement did not have any effect on the market. Art silk yarns drifted downward. Spot National Rayons 150 Bt. cones 1st grade fell by 25 nP to Rs. 13.20 per kg. and 150 Bt. cones 1st grade by 7 nP to Rs. 16.50. Centurys 100 deniers Bt. cones were marked down from Rs. 18.28 to Rs. 17.73. South Indian Viscose 150D was quoted at Rs. 13.33 and 120D at Rs. 17.18.

Staple fibre yarn encountered selling induced by renewed offerings by mills and suffered a setback in values. 40 x 2 October delivery slumped by Rs. 29 to Rs. 772 per case of 100 kg. December settlement receded by Rs. 32 to Rs. 792. Spot Centurys were done at Rs. 8.45 per kg., Kohinoors at Rs. 9.42 and Citys at Rs. 11.42.

Activity in the cotton yarn section continued, with values moving narrowly. The latest available quotations—in rupees per bundle of 10 lbs.—are: 10s Podar 18.50 and Prahlad 18; 30s Madura 29; 32s Madura 29.75; 40s Gokak 36.50 and Meenakshi 37; 60s Finlay 60 and Gokak 59.50; 80s Madura 81.

OILSEEDS EASY AGAIN

(From Our Own Correspondent)

BOMBAY, 12*th September*

For the second week in succession, oilseeds ruled easy. There was persistent bull liquidation in groundnuts, following reports of favourable rains in producing areas, particularly in Saurashtra. Further offtake by crushers and *vanaspati* manufacturers was poor. In sympathy with groundnuts, other seeds and oils also tended to move down. The weakness in the stock markets, too, adversely affected the market sentiment.

The decision of the Government of India to grant exporters of *vanaspati* import entitlements for copra did not have any perceptible effect on the market. According to a trade control notice released last week-end, import licences for copra will be issued to manufacturers-*cum*-exporters of *vanaspati* and hydrogenated oil up to 75 per cent of the f.o.b. value realised from exports of *vanaspati* and hydrogenated oil. Manufacturers-*cum*-exporters will have the option to utilise 10 per cent of this entitlement for such items as chemicals, spares and machinery as approved by the Directorate of Sugar and *Vanaspati* and the Development Wing in the Ministry of Commerce and Industry. The import entitlement for chemicals, spares and machinery as well as copra should be within the maximum limit of 75 per cent of the f.o.b. value realised.

A development of interest to the oilseeds trade was the commencement this week of trading in groundnuts at Latur by the Shri Grain Seeds and Oil Merchants Chamber Ltd. with effect from the 9th inst. The hedge contract traded by this Exchange has as its basis Nizam Bold variety of groundnut. In addition to the basic variety, Madras Bold is also tenderable against the hedge contract, subject to the payment of appropriate tendering difference to be prescribed by the Board of Directors of the Chamber from time to time. The months of delivery are February, April, June and August. The unit of trading is fixed at 100 quintals. Latur is the fourth forward market in groundnut set up under the Forward Contracts (Regulation) Act, 1952, the other three being at Bombay, Saurashtra and Sangli.

Groundnut January 1963 contract was marked down by Rs. 8.50 to Rs. 224.12. September 1962 contract fell by Rs. 3.50 to Rs. 245. Nizam bold dropped Re. 1.25 to Rs. 47.75. Oil ex-mill eased by 60 nP to Rs. 19.40 and railway receipts by 55 nP to Rs. 19.10.

Castorseed March 1963 contract suffered a setback of Rs. 3 to Rs. 163.75. September 1962 contract fell by Rs. 2 to Rs. 160. Madras small was lower by 87 nP at Rs. 31.50. Oil Commercial declined by 15 nP to Rs. 12.25.

Linseed March 1963 gave way from Rs. 40.19 to Rs. 39.44. September 1962 contract lost 19 nP to Rs. 40. Bold ready fell initially from Rs. 39.75 to Rs. 39.25, but improved towards the close to Rs. 39.75. Linseed oil hardened by 10 nP to Rs. 16.50.

Cottonseed January 1963 contract closed lower today at Rs. 101.75, as against Rs. 103. Both Berar and white declined by 45 nP to Rs. 21.75.

The following table shows the closing prices of oilseeds and oils on Wednesday, 12th September, as compared with those of the two previous weeks:

	12-9-1962	5-9-1962	29-8-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	245.00	248.50	247.75
Groundnut January 1963 ..	224.12	232.62	231.87
Nizam bold	47.75	49.00	49.50
Khandesh quality	48.00	50.00	50.50
Oil ex-mill ready*	19.40	20.00	20.15
Railway receipts*	19.10	19.65	19.90
Castorseed			
September 1962	160.00	162.10	165.75
Castorseed March 1963	163.75	166.75	168.75
Ready Madras	31.50	32.37	33.00
Ready Kanpur	30.25	31.12	31.75
Oil B.S.S.†	12.90	13.10	13.40
Oil commercial†	12.25	12.40	12.65
Linseed			
September 1962	40.00	40.19	39.94
Bold ready	39.75	39.75	39.75
Oil ready†	16.50	16.40	16.70
Cottonseed September 1962 ..	102.00	101.50	102.00
Cottonseed January 1963 ..	101.75	103.00	103.40
Niger seed	37.00	37.50	38.50
Kardi seed	27.50	28.50	28.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

ORANGE PEKOE TEAS DEARER

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

COCHIN, 6*th September*

In sale No. 35 held on the 4th inst., 685,000 kgs. were offered. Quality from the Nilgiris was slightly irregular, while that from other districts was about maintained. The market met with good general demand, but prices were irregular for all descriptions. The better liquoring low medium and mediums met with useful support and these were fully firm and in some cases dearer, buyers emphasising more on fannings grades. The plainer kinds under this category did not receive the same support and inclined easier, particularly towards the close. There was good inquiry for good mediums which sold at around last rates. Highgrowns met with irregular support. A few improved invoices realised prices above last, whilst others, particularly fannings, were generally lower. Clean black leaf brokens were steady. Similar fannings elicited better support and were often dearer. There was useful demand for unorthodox descriptions which were irregular but generally steady. Leaf grades under this category, however, sold at rates below last. Flowery pekoes were a little easier, while orange pekoes were sometimes dearer. A small selection of tippy teas were strong.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.20-4.00	4.20-4.40
Mediums	4.10-4.40	4.25-4.45
Good mediums	4.50-5.50	...
Nilgiri B.O.P.	4.75-8.50	5.00-7.70

The average price realised in sale No. 34 was Rs. 4.00 per kilo as against Rs. 4.25 a week ago and Rs. 4.66 in the corresponding sale last year.

In dust sale No. 35 held today, 266,000 kgs. were offered. The market met with strong general demand. There was good competition for good mediums, mediums and low mediums which were dearer by 10 to 20 nP. The cleaner types under this category sometimes registered further advances. There was useful support for highgrowns which sold at around last rates. Unorthodox descriptions also received good support and these are quoted firm. Clean black grainy descriptions continued in demand and sold at rates above last.

The average price realised in dust sale No. 35 was Rs. 3.70 per kilo as compared with Rs. 3.46 a week ago and Rs. 4.69 in the corresponding sale last year.

Colombo: There was good demand. Uvas were strong and generally dearer, but Dimbula brokens were irregular and slightly easier. Mediums were firm to dearer whilst lowgrown Middle East types were weak and easier. Liquoring offgrades met with strong demand at dearer rates.

London: North Indian and other growths: In Monday's sale, there was good demand, particularly for good Assams which were appreciably dearer. Other descriptions also were well supported and tended dearer.

Ceylon and South Indians: In Tuesday's sale, there was strong support for improved quality Ceylons. Best liquoring South Indians were well supported whilst the plainer kinds were easier and often neglected.

The sale held on Wednesday followed the pattern of Tuesday.

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

"*Sale No.* 36. 630,000 kgs. offered. Strong demand. Low mediums and mediums much dearer, particularly fannings. Good mediums fully firm to dearer. Highgrowns irregularly dearer. Unorthodox stronger."

DUST TEA WEAK

(From Our Own Correspondent)

CALCUTTA, 11*th September*

Good demand was in evidence at the tea export sales held here yesterday, but the internal sales last week, displayed a weak tendency. This week's shipments to the U.K. were satisfactory, though those to Canada, the U.S., West Asia and the Continent were lower. Demand at the U.K. auctions was strong, presumably due to the low level of stocks there, which, in the week ended 31st August, declined to 114.68 million lbs. from 121.54 million lbs. in the previous week. The average price realised in London was 52.57*d.* per lb., as against 52.50*d.* in the corresponding period of last year and 54.15*d.* in the previous week. The lower level has been due to the weaker trend in the prices of plain and medium teas; though, good Assams and Dooars teas have been taken in London bids at higher rates.

Dusts on offer at last week's sales for internal consumption totalled 29,523 packages. As the sales opened, there was a strong general demand, but gradually a weak tendency set in. Legg-cut teas provided the strongest feature of the sales and prices of the favoured varieties rose by 50 nP. C.T.C. teas opened on a firm tone, but soon demand receded and led to some withdrawals of the better varieties. Good demand was seen for the bright liquoring Assams and the plain orthodox teas. The quotations per one kg., inclusive of excise duty (in rupees) were: Good Assam C.T.C. dust 6.40 to 6.70, medium Assam C.T.C. dust 5.50 to 5.90, legg-cut dust 4.80 to 5.20, plain orthodox dust 4.00 to 4.40 and medium Assam dust 4.80 to 5.20.

Speaking at the annual meeting of the United Planters' Association of Southern India, held at Coonoor on last inst., Mr. W. C. F. Simmonds, President of the Association, declared that entry of the U.K. into the E.C.M. would be a challenge to the trade to open new markets. He said that this aim could be achieved by a dynamic propaganda and effective sales efforts to increase consumption not only in the European nations but in other countries also. The trade here would call upon the Tea Board to draw up a comprehensive programme of propaganda in consultation with it.

The E.C.M. countries have already agreed at the recent Brussels negotiations that the common tariff for tea from India, Ceylon and Pakistan should be abolished. This means that India cannot only maintain its exports of tea to the U.K. but gain a strong foothold in the existing E.C.M. countries, where tea is now subjected to heavy duty varying from one country to another. However, it has now been reported that the U.S. is insisting that other Asian producers of tea, viz. Formosa and Indonesia should also be permitted to send tea duty-free to the U.K. The proposal from the U.S. is stated to be in its capacity as a member of the G.A.T.T. If the E.C.M. accepts the American view, it would mean increasing the area of competition for Commonwealth tea. Besides, although India and Ceylon are the major producers, other producing countries in Asia would expand acreage.

This development focusses attention on the recent view of the F.A.O. that tea is very likely to show an unmanageable surplus by 1966. The U.S.S.R. is believed to be aiming at a phenomenal increase in output with the aid of modern scientific methods. However, the fact that the U.S.S.R. has been increasing purchases of tea from India in the past few years shows that consumption in that country is increasing and that production there is yet insufficient to meet fully internal demand. Considering the trend in world production and the F.A.O.'s view, is thought that there is some substance in the suggestion of the South Indian plantation industry that India should enter into an international tea agreement with other producing countries in order to avoid the impending glut in production.

Rejecting this plea, Mr. Manubhai Shah, Minister for International Trade, stated in the Lok Sabha last week that the emphasis for larger exports should be on higher production. Apparently, the Government of India does not share the F.A.O.'s apprehension of a world surplus within the next few years. The Minister stated on another occasion that the Government was considering a scheme for granting financial assistance to tea gardens to make arrangements for artificial irrigation. The cost of the scheme was estimated between Rs. 4 and 5 crores.

A strong feature of the export sale held here yesterday, when leaf on offer totalled 70,026 packages, was plain brokens which met with useful competition with a price rise of 20 nP. Generally, there was a strong demand, and fannings in the above category were fully firm to realise dearer prices. However, medium B.O.Ps. eased, with the more useful liquoring teas being firm. Although Darjeelings were in good demand, prices were irregular. Prices for C.T.Cs. were also irregular, although demand was good. Legg-cut teas met with buyers at hardening rates. In whole leaf grades, the plainer teas met with better support at dearer rates, but Assams were neglected. Tippy teas were fully steady, but the prices were unchanged. The quotations per one kg., inclusive of excise duty, (in rupees) were: Best Assam C.T.C. fannings 7 to 8, medium Assam C.T.C. fannings 5.40 to 6, clean plain pekoe 4.30 to 4.70, best Assam C.T.C. B.P. 7 to 8, medium Assam C.T.C. fannings 5.40 to 6, plain fannings 3.75 to 4.25 and plain B.P. 3.60 to 4.

JUTE GOODS MAINTAINED

(From Our Own Correspondent)

CALCUTTA, 11*th September*

With good support, jute goods were maintained steady during the week under review. Raw jute was unchanged. The announcement that goods in stock with mills as at the end of last month increased by 5,600 tons imparted subsequent weakness to heavy goods, but, when it was realised that several overseas inquiries were pending, steadiness set in. Heavy goods in stock increased by 6,600 tons, but hessian declined by 1,000 tons. Another news noted in the market was that the threatened strike by workers in Pakistan mills was called off following a settlement between the workers' representatives and the Pakistan Jute Mills Association. This means that there would be no diversion of business from Dacca in goods on this score. On the other hand, encouraging note was taken of the Government of India's eagerness to help the jute industry to enable it to increase exports of jute backing cloth to the U.S. Exports of these to that country in 1961-62 aggregated about 41,000 tons, realising foreign exchange to the tune of Rs. 11.65 crores. Stating this in Parliament, Mr. Manubhai Shah, Union Minister for International Trade, disclosed that adequate foreign exchange had been placed at the disposal of the industry to enable it to install broad jute looms.

In the hessian market during the week, U.S. buyers accorded meagre support, as they were reluctant to lift on the rise. Since a decline in the price of hessian is hardly likely, U.S. buyers should begin to be more active now, according to the trade. Argentina has not yet started to buy against September shipments. The U.K. continued to buy small quantities, and orders from the Continent continued to be received. Considering the overall demand for hessian, it is clear that production is insufficient. Mills' difficulties in this regard have only increased as a result of the fall in the quality of the crop. Regarding sacking goods, although stocks at the end of last month increased, undue importance to the same was not attached in the market, as, with several overseas inquiries now being received, it is expected that there would be no excess production. In the week, there was an inquiry for sacking from the Dominican Republic. The expected tender from the Sudan in respect of 20,000 bales of cotton packs and grainsacks has been received. The Government of India was also an active buyer.

Referring to the encouraging view contained in the *Jute Bulletin* of the Central Jute Committee that foreign demand for Indian jute goods should hold strong for the remainder of the year, trade circles say that this would be dependent on the maintenance of competitive prices. In this connection, the hesitant tendency among U.S. buyers to place orders on the plea that prices are high should be emphasised. The U.S. has not yet begun to operate in a big way. The *Bulletin's* assessment is based on the encouraging crop reports in the main sacking goods consuming countries and the return of price stability in prices here. Indeed, orders for heavy goods from West Africa, Cuba and Australia are satisfactory, and indications are that this tendency would continue. Further, Pakistan mills are fully booked up to November. Internal offtake is also satisfactory. Against this background, the *Bulletin* rightly welcomes the mills' decision to maintain the higher rate of production. At the same time, note should be taken of the significant rise in the stock of heavy goods with mills, and this focusses attention on the need to balance production between the two main constructions which is dependent on the availability of adequate quantity of the superior fibre fit for hessian manufacture at present in short supply. In other words, if output of sacking increased at the cost of hessian, the sacking market would be inviting only depression.

Recent delays to shipment of jute goods as a result of the need of the customs authorities in Calcutta to verify prices on shipping documents have rightly received attention in New Delhi, and the Government of India has now set up machinery to scrutinise the contract rates. A three-man committee has accordingly been announced (Chairman: Mr. Bam, the Tea Board Chairman, and members: Mr. Cirvante of the Reserve Bank of India, Calcutta, and Mr. Srivastava, Additional Collector, Customs, Calcutta). The committee will scrutinise the contracts as and when placed by foreign importers on the trade in Calcutta. Export contracts are accordingly required to be registered with the Committee as and when finalised. Such a system would be welcome to all concerned and has been designed to ensure that no inconvenience is caused either to shippers or to overseas importers at the time of actual shipments.

The steady trend in fibre prices was attributed to reports coming from New Delhi relating to the decision by the Government of India to fix a minimum prices of Rs. 30 a maund for new raw jute crop, basis Assam bottoms for delivery in Calcutta. Further, it was stated that a decision to inaugurate a price support scheme had been taken. Accordingly, the Department of International Trade, the Jute Buffer Stock Agency and the State Trading Corporation would participate in the scheme. The trade here points out that the system of minimum prices based on Assam bottoms at Rs. 30 a maund is already in existence since the past year and that as such there is nothing new in regard to Government's decision in this regard. When this report was received here, there was some misunderstanding, since it was not clear if the price was in respect of all varieties of the crop. However, it soon became evident that the price of Rs. 30 a maund is based on Assam bottoms quality and for delivery in Calcutta. It follows, therefore, that lower varieties such as northern bottoms, jungli bottoms, and white *deshi* bottoms of the West Bengal fibre and good, medium and lower quality bottoms of the Bihar crop would be subjected to discounts as hitherto, and that the higher varieties such as Daisee bottoms and middles would command a premium. Also, because the minimum price is in respect of fibre delivered in Calcutta, the price includes transportation cost from mofussil to Calcutta, insurance, handling charges, etc. These factors explain why prices in the interior are lower than Calcutta's parity.

The trade would welcome a price support scheme and also fixation of an export quota for this year. In the last season, the export quota was fixed almost at the end of the season, and naturally overseas buyers were not very enthusiastic to buy fibre from India, in view of the availability of the new crop within a very short time then. Now that it is apparent that India would have a large surplus of the inferior fibre, export inquiries should be initiated from now on, the trade strongly feels. The Jute Buffer Stock Association has announced its decision to purchase a further quantity of 2¼ lakh maunds. Buffer stocks already total 11¾ lakh maunds which were purchased up to June last when the Association discontinued its activiy due to the steady trend in prices. In view of the proposed purchases by the B.S.A., the I.J.M.A. would not issue any purchase quota to mills. Adding the proposed purchases, stocks with the B.S.A. will total 13¾ lakh maunds valued at Rs. 3 crores. This announcement made fibre prices steadier, and, with Assam bottoms quoting at Rs. 30.50, Daissee bottoms Rs. 33 and northern bottoms at Rs. 30 fibre, prices recorded a rise by 50 nP.

On Tuesday last, ready B. twills were better at Rs. 124.15 on prospects of a good order from the Sudan. Encouraging note was also made of the Government of India's tender for 15,000 bales of B. twills for Oct-Nov. shipment. Ready hessian 40″ 10 oz. was also steady at Rs. 55.25, although excepting for some covering business in the 11 porter goods, there was nothing of note otherwise. On Wednesday, conditions were dull as overseas inquiries were few and far between. As a result, B. twills eased to Rs. 123.50 and hessian 40″ 10 oz. to Rs. 54.75. These lower levels generated covering demand, and hessian 40″ 10 oz. recovered to Rs. 55.25 and B. twills to Rs. 123.80 on Thursday. The announcement of a decrease in the stock of hessian at the end of the last month resulted in pushing up hessian 40″ 10 oz. to Rs. 55.75 on Friday. Although the stock of heavy goods rose the price was steady at Rs. 124 in view of the belief that there would not be ultimately any shortfall in demand compared to production. Over the week-end, overseas inquiries were very satisfactory and, although business taking place was not much, expectations led to B. twills rising to Rs. 125. Hessian 40″ 10 oz. improved to Rs. 56.50, as ready goods were keenly sought after. Although officially closed yesterday, the market was fully firm. Overseas buyers displayed interest in ready hessian, and speculation was rife in the futures market. As a result ready hessian 40″ 10 oz. gained to Rs. 56.75 and B. twills to Rs. 125.75. The I.J.M.A., after a Committee meeting yesterday, announced the decision of mills to continue the present maximum level of production up to the end of November. It stated that, despite the increase in stocks of sacking, demand for hessian was being continued at a high rate.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 11*th September*

The statement this week by Mr. K. C. Reddy, Union Minister of Commerce and Industry, that the October-March import policy would see more restrictions, has caused great concern to the metal trade here. Meanwhile, prices in the local market during the week turned steady, as the Minister, who was addressing the joint meeting of the Import and Export Advisory Councils at New Delhi, said that the foreign exchange available for imports in the next licensing period would be appreciably less than what was allocated for the current licensing period.

It would be most unfortunate, if the axe falls on non-ferrous metals imports, the trade feels. Already in the current licensing period imports of the three principal metals, viz. copper, zinc and tin have declined following the blanket cut of 50 per cent imposed by the Government on all import licences as a result of the deepening crisis in the foreign exchange resources of the country. For the six months ended June last, copper imports totalled 28,500 tonnes, showing a fall of 4,600 tonnes as compared from the level in the corresponding previous period. Zinc imports at 35,600 tonnes declined by 2,600 tonnes. Tin imports at 2,600 tonnes were almost the same as before, while, in the case of lead, imports increased impressively by 2,400 tonnes to 17,500 tonnes. It will be seen that the annual copper imports average 57,000 tonnes as against the estimated requirement for this year of 85,000 tonnes. This year's estimated imports would decline fur-

(*Continued on page* 484)

Firestone

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GIVES MORE KILOMETRES PER RUPEE INVESTED

As an end product of over 20 years experience in the manufacture of tyres in India for Indian road conditions, and backed by Firestone world-wide technical research, the Firestone New DeLuxe Champion is a tyre exclusive in quality and construction. The specially compounded wear-resistant tread and strongly reinforced cord body ensure more trouble-free mileage—means more kilometres per rupee invested.

Your Mark of Quality

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 7th Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	114,74,39,000
(ii) State Governments	21,63,72,000
(b) Banks—	
(i) Scheduled Banks	88,06,70,000
(ii) State Co-operative Banks	1,88,40,000
(iii) Other Banks	1,83,000
(c) Others	162,24,54,000
Bills Payable	26,99,67,000
Other Liabilities	24,31,73,000
Rupees	592,90,98,000

ASSETS	Rs.
Notes	12,30,72,000
Rupee Coin	2,37,000
Small Coin	2,93,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,28,000
(ii) State Co-operative Banks	11,87,80,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,90,000
National Agricultural Credit (Stabilisation) Fund	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	105,66,95,000
Balances Held Abroad*	5,44,48,000
Loans and Advances to Governments**	3,09,00,000
Loans and Advances to—	
(i) Scheduled Banks†	42,64,70,000
(ii) State Co-operative Banks‡	127,62,10,000
(iii) Others	2,09,07,000
Investments	221,01,79,000
Other Assets	34,20,89,000
Rupees	592,90,98,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

† Includes Rs. 21,60,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,30,72,000	
Notes in circulation	2044,06,20,000	
Total Notes issued		2056,36,92,000
Total Liabilities		2056,36,92,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,34,17,000	
Total		206,10,27,000
Rupee Coin		122,26,74,000
Government of India Rupee Securities		1727,99,91,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2056,36,92,000

State Bank of Pakistan

Statement of Affairs for the week ended 31st August, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,65,00,000
Rural Credit Fund	2,00,00,000
Deposits :—	
(a) Central Government	20,47,37,000
(b) Provincial Governments	5,19,77,000
(c) Banks	22,68,19,000
(d) Others	98,40,15,000
Bills Payable	15,52,000
Other Liabilities	11,28,31,000
Rupees	167,84,31,000

ASSETS	Rs.
Notes	16,36,39,000
Rupee Coin	20,000
Subsidiary Coin	48,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	22,04,37,000
Loans and Advances to Governments	1,71,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	36,24,76,000
Investments	81,18,15,000
Other Assets	10,28,96,000
Rupees	167,84,31,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,36,39,000	
Notes in circulation	353,41,54,000	
Total Notes issued		369,77,93,000
Total Liabilities	....	369,77,93,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	63,65,51,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,67,59,000
B. Rupee Coin	4,51,05,000	
Government of Pakistan Securities	227,69,23,000	
Internal bills of exchange and other commercial paper	....	
		232,20,28,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	369,77,93,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.13 per cent.

State Bank of India

Statement of Affairs for the week ended 7th Sept. 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		570,50,43,000
Borrowings from Other Banking Companies, Agents, etc.		46,00,000
Bills Payable		8,71,86,000
Bills for Collection being Bills receivable as per contra		2,64,45,000
Acceptances, Endorsements and Other Obligations per contra		8,78,98,000
Other Liabilities (including Inter-Office Adjustments)		15,37,74,000
Total .. Rs.		620,31,96,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		27,21,78,000
Balances with other Banks		2,46,60,000
Money at Call and Short Notice		2,60,00,000
INVESTMENTS—		
Government and other Trustee Securities	266,91,95,000	
Other Authorised Investments	8,66,32,000	
		275,58,27,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	262,80,59,000	
Bills Discounted and Purchased	14,22,11,000	
		277,02,70,000
Bills Receivable being Bills for Collection as per contra		2,64,45,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,78,98,000
Premises less Depreciation		1,95,55,000
Furniture and Fixtures less Depreciation		1,59,65,000
Other Assets (including Inter-Office Adjustments)		20,43,98,000
Total .. Rs.		620,31,96,000

EXCHANGE RATES

	12th September 1962	5th September 1962
London on New York S. per Dollar	2.8014-2.8016	2.8014-2.8017
New York on London Cents per £	280.120-280.150	280.140-280.170
London on Paris .. Fcs.	13.7250-13.7270	13.7250-13.7270
London on Berne .. Sw. Fcs.	12.0990-12.1010	12.1090-12.1110
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D. ..Rs. to $100	446.00	445.75
Buyers T.T. "	438.00	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.30	90.40
Buyers T.T. "	91.20	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.60	83.60
Buyers T.T. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,950	12,950
Buyers T.T. "	13,125	13,125
Swedish Kroner—		
Sellers T.T. D.D... "	107.50	107.60
Buyers T.T. "	108.80	108.70
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.30
Buyers T.T. "	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.60
Buyers T.T. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.80	144.80
Buyers T.T. "	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 31-8-62	24-8-62	1-9-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	44,23	48,39	50,18
(ii) From others	806,22	798,01	719,28
(b) Borrowings from banks	19,30	19,51	23,13
(c) Others	54,17	54,81	51,70
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	22,98	24,70	22,66
(ii) From others	1,234,62	1,256,14	1,090,41
(b) Borrowings from banks	17,30	18,47	18,58
(c) Others	—	12,23	23,74
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,040,84	2,054,15	1,809,68
4. Borrowings from Reserve Bank	15,77	73	1,55
(a) Against usance bills and/or promissory notes	8,46	—	36
(b) Others	7,31	73	1,19
5. Borrowings from State Bank and/or a notified Bank	17,69	17,76	19,91
6. Cash	48,57	52,21	45,10
7. Balances with Reserve Bank	77,06	98,78	92,44
8. Cash and balances with Reserve Bank	125,63	151,00	137,55
9. 8 as per cent of 3	6.16	7.35	7.60
10. Balance with other banks in current account	17,90	20,24	17,49
11. Money at call and short notice	44,72	49,61	51,06
12. Investments in Government securities	699,35	680,84	608,75
13. 12 as per cent of 3	34.27	33.14	33.64
14. Advances—			
(a) Loans, cash credits and overdrafts	1,204,19	1,195,10	1,067,05
(b) Due from banks	9,12	7,18	8,08
15. Inland bills purchased and discounted	140,63	130,47	108,35
16. Foreign bills purchased and discounted	50,05	48,66	45,26
17. Total Bank Credit [14 (a)+15+16]	1,394,87	1,374,23	1,220,65
18. 17 as per cent of 3	68.35	66.90	67.45

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 1st Sept. 1962	25th Aug. 1962	18th Aug. 1962	2nd Sept. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.5	100.5	101.2
2. Government of India	100.3	100.3	100.3	101.1
3. State Government	102.1	102.1	102.1	102.2
4. Municipal, Port Trust, etc.	98.9	99.0	99.0	99.6
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.6	99.0	99.1	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.6	81.5	81.4	83.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	188.0	187.2	186.7	175.8
8. *Agriculture and Allied Activities : Total**	155.4	154.6	154.9	165.1
9. Tea Plantations	145.7	145.0	145.6	160.3
10. Coffee Plantations	149.4	149.4	149.2	172.9
11. Rubber Plantations	168.8	166.2	166.9	173.2
12. *Mining and Quarrying : Total*	163.7	163.9	163.7	156.7
13. Coal	124.9	124.5	124.3	125.0
14. Other Mining	190.4	191.0	190.7	178.4
15. *Processing and Manufacturing : Total*	205.5	204.4	203.6	188.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	213.8	212.6	211.5	196.0
17. Sugar	140.2	140.3	139.1	159.1
18. Cotton Textiles	185.9	184.8	184.0	168.7
19. Jute Textiles	102.9	101.8	101.2	83.2
20. Silk and Woollen	1,239.5	1,229.2	1,227.0	1,131.0
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	209.9	208.8	207.8	195.5
22. Iron and Steel	169.2	168.5	166.0	161.9
23. Transport Equipment	383.1	380.2	386.7	378.5
24. Electrical Machinery	186.0	184.1	182.5	160.5
25. Machinery other than Transport and Electrical	238.9	237.3	236.4	203.3
26. Basic Industrial Chemicals	191.5	192.2	191.5	205.7
27. *Processing and Mfg. (Others): Total**	172.3	171.4	171.9	154.8
28. Cement	161.5	159.5	159.2	140.8
29. Paper	217.7	218.3	220.3	200.5
30. *Other Industries : Total**	112.5	112.9	113.1	108.1
31. Electricity Generation and Supply	87.5	87.4	88.3	84.9
32. Trading	120.8	120.3	120.0	111.8
33. Shipping and Other Transport	91.1	91.6	91.1	91.9
34. Construction	289.1	289.8	289.0	285.0
35. *Financial : Total*	211.1	210.5	210.8	200.0
36. Banks	235.1	234.3	234.8	227.7
37. Insurance	173.9	173.5	173.5	143.2
38. Investment Trusts	89.8	89.9	89.5	89.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	197.9	196.4	196.4	182.3
40. Calcutta	173.9	173.1	172.7	162.5
41. Madras	194.1	193.5	193.0	193.1
42. Delhi	238.8	239.9	239.5	229.3

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	25th Aug. 1962	18th Aug. 1962	26th Aug. 1961	August 1962	July 1962	August 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	131.5	131.2R	124.2	131.5	128.6R	124.3	120.1	120.0
Cereals	192	109.8	109.7	104.9	109.5	107.2	105.0	102.3	104.4
Pulses	43	113.2	112.7R	89.9	113.0	105.5	90.6	91.9	92.9
Fruits and Vegetables	23	141.0	148.0	165.5	146.5	148.0	164.6	137.6	118.5
Milk and Ghee	84	130.4	129.0	115.4	133.0	127.3	116.4	116.4	116.0
Edible Oils	47	160.6	160.9	158.4	159.4	155.3	159.0	156.5	150.3R
Fish, Eggs and Meat	17	148.9	149.3R	142.1	149.1	144.7R	141.6	135.4	123.5
Sugar and Gur	48	154.8	152.3R	123.8	151.2	152.1R	124.6	119.6	132.8
Others	50	172.0	171.0R	185.7	171.0	170.8	183.4	171.6	167.8
Liquor and Tobacco	21	99.5	99.6	100.0	99.2	98.5	99.9	100.3	109.9R
Tobacco	..	96.0	96.1	96.5	95.7	94.9	96.4	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.4	124.5	122.3	124.5	124.5	122.3	122.1	120.0R
Industrial Raw Materials	155	139.6	139.9	138.8	139.6	138.8	144.6	142.6	145.4
Fibres	61	128.3	128.2	121.9	128.6	130.2R	137.7	138.3	151.6
Oilseeds	60	160.6	161.6R	163.9	160.4	156.3	162.7	156.4	149.9
Minerals	2	93.4*	93.4*	94.8*	93.4	93.4	94.9	94.9	97.4
Others	32	125.0*	124.3*	126.6*	124.7	125.3	126.9	128.1	128.0
Manufacture	290	129.0	128.8R	124.9	129.0	129.4	126.3	126.6	123.9
Intermediate Products	41	142.5	142.8R	141.0	143.1	142.6	140.9	138.8	130.6R
Finished Products	249	126.7	126.6R	122.3	126.7	127.2	123.9	124.6	122.8
Textiles	147	125.2	125.1	122.1	125.3	126.5	124.8	125.5	125.8
Cotton	..	129.2*	129.2*	127.5*	129.3	129.4	127.5	127.9	128.1
Jute	..	111.0	110.7	110.2	111.1	116.5	121.1	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	141.3	123.1	122.7	109.1
Silk and Rayon	..	131.5*	131.5*	118.0*	131.3	129.7	118.0	119.9	104.4
Metal Products	12	160.4	160.4	151.6	160.4	160.4	151.6	151.6	147.9R
Chemicals	20	115.2	114.6	111.4	115.0	115.3R	111.6	110.7	104.4
Oil Cakes	9	165.1	164.2	146.1	163.9	157.1	146.0	147.5	141.3
Machinery and Transport Equipment	31	117.9	117.9	112.8	117.9	117.9	112.8	114.5	111.9
Others	30	125.3	125.2R	120.9	125.4	125.7	120.9	121.3	116.1R
All Commodities	1,000	131.1	131.0R	126.1	131.1	129.7R	127.5	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 30th Aug., 1962*	44,737
	Corresponding week, 1961	25,547
	1st Sept. to 30th Aug., 1961-62	1,893,922
	Corresponding period, 1960-61	2,022,063
Cotton Exports	Week ended 30th Aug., 1962	9,842
	Corresponding week, 1961	4,362
	1st Sept. to 30th Aug., 1961-62	401,150
	Corresponding period, 1960-61	349,353
Mill Consumption (Estimated)	1st Sept. to 30th Aug., 1961-62	1,329,791
	Corresponding period, 1960-61	1,288,240
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 30th Aug., 1962	480,037
	Corresponding date, 1961	491,148
Consumption of Cotton—		
Indian	May, 1962	398,756
Foreign		71,884
Indian	Nine months ended May, 1961-62	3,491,292
Foreign		773,001
Indian	Same Period, 1960-61	3,078,906
Foreign		866,066
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April, 1962	1,300,479
Foreign		261,894
Indian	As on 30th April, 1961	1,519,396
Foreign		354,231

Particulars	From 1st Sept. to 31st August 1961-62 In Bales of 180 Kilograms	From 1st Sept. to 31st August 1960-61 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	4,053	3,857
Continent	29,744	19,835
Hongkong	13,828	15,342
China	—	67
Japan	212,182	184,552
U.S.A.	18,177	9,372
Other countries	561	434
Total to all foreign countries	278,545	233,459
Coastal Ports	122,605 (a)	120,227 (b)
Total	401,150	353,686

Particulars	Period	
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During June, 1962	27,571
	During June, 1961	21,188
	1st Sept. to 30th June, 1962	215,156
	1st Sept. to 30th June, 1961	204,749
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 24th Aug., 1962	1,299
	Corresponding week, 1961	16,939
	1st Sept. to 24th Aug., 1961-62	3,460,017
	Corresponding period, 1960-61	4,389,065
Karachi (Pakistan)—		
Receipts	1st Sept. to 23rd Aug., 1961-62	1,021,178
	Corresponding period, 1960-61	841,158
Exports	1st Sept. to 23rd Aug., 1961-62	694,837
	Corresponding period, 1960-61	522,963

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to 30th June, 1962. — Not Received. A-Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.95
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.80
3 % Dev. Loan	1945	115,05,83,200	1970-75	89.00
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.70
3½% N. P. Loan	1954	158,17,90,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.80
3½% N. P. Bonds	1956	197,93,00,000	1967	98.85
3¾% Loan	1956	86,64,00,000	1974	99.15
3¾% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	100.00
3½% Loan	1958	70,00,00,000	1968	98.25
3¾% Loan N.P.B.	1958	156,59,00,000	1968	99.20
4 % Loan	1958	49,51,44,000	1973	99.25
3½% Loan	1959	147,91,00,000	1969	97.80
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98.60
3½% Bonds	1960	82,66,00,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	98.55
4½% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	70.25
3 % Loan	1946	248,91,37,168	K.	68.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.25
4½% Andhra	1958	5,48,92,000	15th July 1970	98.50
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.25
4½% Andhra	1961	11,00,00,000	Sept. 1972	97.90
4½% Andhra	1962	10,00,00,000	Aug. 1974	98.50
3½% Maharastra	1951	2,78,41,000	17th Sept. 1962	100.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.50
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.45
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.45
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4½% Maharastra	1962	12,50,00,000	Aug. 1974	100.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.30
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.90
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	97.90
4½% Bihar	1962	4,00,00,000	Aug. 1974	99.50
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	99.00
4½% Gujarat	1962	6,00,00,000	Aug. 1974	100.00
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.85
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	00.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.00
4½% Madras	1962	12,00,00,000	Aug. 1974	99.75
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.85
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	99.75
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	100.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	97.90
4½% M.P.	1962	5,00,00,000	Aug. 1974	99.50
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July 1970	98.25
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	97.75
4½% Kerala	1962	4,00,00,000	Aug. 1974	99.50
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
3½% U.P.	1951	1,82,99,000	17th Sept. 1962	99.90
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3¾	1935*	1975	
15,00,000	3¾	1936*	1966	
48,04,000	3½	1936*	1960	D
10,00,000	3¾	1938*	1968	
7,00,000	3¾	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4‡	1931	1991	93.00
60,00,000	3¾	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	83.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000if	3	1947	1977	A
3,00,000if	3	1949	1979	
45,00,000it	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.57
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3¾	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.00
1,57,50,000	4	1956	1968	98.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.50
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
1,50,00,000	4½	1961	1971	97.75
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,83,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4¾	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4¾	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3¾	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.65
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	98.65
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.35
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.00
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	99.50
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	98.35
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	97.90
4½% Orissa	1962	7,00,00,000	Aug. 1974	98.50
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	100.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	99.75
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.05
4½% Assam	1962	3,00,00,000	Aug. 1974	99.50
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00
4½% Punjab	1962	3,50,00,000	Aug. 1974	99.50

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th September 1962.

	Closing quotations 6-9-1962	High	Low	Closing quotations 13-9-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.32	2.56	2.34	2.40
Baroda Rayon (100)	132.50	133.50	129.00	131.00
Bombay Dyeing (25)	67.70	67.70	66.30	66.90
Bradbury (50)	192.00	193.75	192.00	193.25
Central India (100)	138.00	138.00	112.50	114.00XR
Century Mills (100)	627.50	629.00	614.50	624.00
Coorla Sp. (100)	152.50	152.50	147.50	147.50
Dawn (50)	164.00	165.00	158.00	163.50
Edward Textile (200)	349.00	—	—	349.00
Elphinstone (50)	113.00	113.00	111.00	112.00
Finlay (100)	313.00	314.00	311.00	311.00
Gokak (100)	190.50	190.50	186.00	189.50
Gold Mohur (100)	237.00	237.00	232.50	232.50
Gwalior Rayon (10)	60.00	60.30	56.50	56.50
Ind. Untd. Defd. (1)	3.58	3.92	3.60	3.72
Ind. Untd. Ord. (10)	25.90	26.00	24.24	25.50
Indian Rayon (100)	99.00	100.00	95.50	97.00
Indore Malwa (100)	224.00	230.00	195.00	220.00
Khatau (100)	468.75	467.50	447.50	453.75
Kohinoor (100)	316.00	317.25	309.50	310.50
Mafatlal (100)	825.00	820.00	790.00	792.50
Minerva Mills (100)	82.50	—	—	82.50
Model Nagpur (250)	121.00	—	—	121.00
Morarji (100)	476.00	482.00	472.00	474.00
Mysore (50)	61.00	61.50	60.50	60.80
National Rayons (100)	503.50	505.00	492.50	498.00
New City (100)	181.00	181.00	150.00	150.00
New Great (100)	275.00	280.00	274.00	274.00
Phoenix (100)	247.00	244.00	233.00	242.00
Podar Mills (100)	130.00	130.00	125.00	129.00
Raymond Woollen (100)	132.50	134.00	132.00	132.50
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	58.00	57.60	55.50	55.50
Shrinivas (100)	272.00	272.00	268.00	268.00
Simplex (50)	163.00	165.00	160.00	160.00xd
Standard (100)	896.00	900.00	850.00	862.00
Svadeshi (100)	264.75	265.00	260.00	262.00
Swan (100)	310.00	310.00	303.00	303.00
S. I. Viscose (100)	163.00	163.00	175.50	160.00
Tata Mills (25)	62.50	62.50	61.50	62.50
Lakshmi-Vishnu (100)	125.00	—	—	125.00
Western India (250)	860.00	880.00	860.00	880.00
BANKS				
Bank of India (50)	116.50	117.00	115.00	115.00
Do. (New) (50)	119.00	119.00	118.00	118.00
Bank of Baroda (50)	96.00	96.00	95.00	96.00
Central (25)	61.70	61.50	60.70	61.00
Central 'A' (25)	64.50	64.50	63.50	64.00
Dena Bank (50)	57.50	—	—	57.50
Punjab National (10)	21.00	—	—	20.32
Union Bank (5)	6.32	6.32	6.24	6.32
United Com. (50)	82.50	82.50	80.00	80.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	95.50	95.70	94.80	95.00
Amalgamated (10)	11.20	11.20	10.88	10.88
Andhra Valley (1,000)	1,032.50	1,032.50	1,027.50	1,030.00
Bom. Sub. El. (100)	107.50	107.50	103.00	104.00
Surat (100)	100.00	100.00	99.50	100.00
Tata Hydro (100)	111.00	111.00	110.00	110.00
Tata Power (1,000)	1,142.50	1,146.25	1,127.50	1,127.50
INSURANCE COS.				
British India (10)	12.52	—	—	12.24
Indian Mercantile (40)	62.50	—	—	62.50
New India (15)	68.70	69.00	67.00	67.00
New India 'A' (15)	70.80	70.50	69.50	69.50
Vulcan (10)	17.72	17.22	16.32	16.32
STEEL COS.				
Ind. Iron (10)	26.25	26.30	25.25	25.35
Mukand Iron (10)	24.75	24.96	23.76	24.20
Tata Steel Ord. (75)	145.00	144.50	133.50	135.25
SUGAR COS.				
Belapur (50)	236.00	236.00	229.00	231.50
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.50	—	—	27.50
Maharashtra (50)	158.00	160.00	156.00	158.00
Phaltan (50)	97.50	97.50	93.00	96.00
Walchand Ind. (100)	160.00	160.00	155.00	155.50
CEMENT COS.				
Associated Cts (100)	158.50	160.00	155.50	159.00
Digvijay (100)	194.00	194.00	189.00	189.50
Orissa (10)	17.20	17.32	16.88	16.92
MISCELLANEOUS				
Alcock Ashdown (100)	330.00	330.00	322.00	326.00
Amar Dye-Chem (100)	267.50	272.50	265.00	267.50
Bom. Burmah (125)	665.50	666.50	644.00	651.00
Do. (New) (50)	256.25	256.25	250.00	255.00
Br. B. Petrol (1½ sh.)	2.78	2.88	2.68	2.80
Br. I. Corpo. (5)	10.20	10.20	9.60	9.60
Cooper Eng. (100)	180.00	176.50	174.00	175.00
Colour Chem. (100)	430.00	430.00	420.00	420.00
Hind Cycle (100)	116.00	116.00	113.00	113.00
Hindustan Lever (10)	47.00	47.00	46.00	46.50
Hindustan Motors (10)	20.20	20.36	18.88	19.00xd
I. C. & Invest. Corporation (100)	94.00	94.00	91.50	92.50
Indian Dyestuff (100)	443.75	457.50	440.00	446.25
Indian Copper (2 sh.)	4.94	4.94	4.62	4.64
Ind. Inv. Tr. (100)	73.00	—	—	73.00
Killicks (100)	86.00	88.50	85.00	88.50
Larsen & Toubro (10)	29.10	29.00	27.60	27.90
Mahindra & Mahindra (10)	17.76	18.00	17.24	17.76
New Central Jute (10)	15.36	—	—	15.56
Polychem (50)	181.25	182.50	176.25	177.50
Polson (100)	192.50	192.50	192.00	192.00
Pre. Automobiles (100)	121.00	121.00	117.25	117.50
Premier Con. (80)	153.00	153.00	148.00	149.00
Scindia (20)	11.84	11.92	11.52	11.68
G. E. Shipping (10)	12.00	12.00	11.24	11.60
Shivrajpur (10)	32.00	32.50	30.00	31.00
Sirpur Paper (10)	13.60	13.64	13.32	13.40
Synthetics and Chem. (100)	189.00	192.00	176.00	181.00
Tata Chemicals (10)	14.84	14.96	14.52	14.60
Tata Locomotive (100)	330.50	333.50	300.00	301.00xd
Tata Oil (25)	60.00	60.50	57.50	57.50
Texmaco (10)	23.20	23.20	23.00	23.00
Voltas (100)	271.25	271.00	261.00	262.00
W. I. Match (100)	275.00	274.00	270.00	271.00
W. Coast Paper (100)	169.00	168.50	165.00	166.00

GOVERNMENT SECURITIES	6-9-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	13-9-1962 Rs.
2¾% 1962	99.75	—	3.75	99.75
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.49	98.90
3 % 1963-65	98.10	3.75	3.30	99.00
3 % 1966-68	96.95	3.82	3.57	96.95
3 % 1970-75 1st Dev.	89.00	4.76	4.10	89.90
3 % 1986 Con. Loan	69.00	—	4.35*	69.95
3½% 1964 N. P. Loan	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.95	—	3.58	99.95
3½% 1967 N. P. Bonds	98.85	—	3.76	98.85
3¾% 1974	99.50	—	3.91	98.50
3¾% 1967 N.P. Bonds	99.50	—	3.86	99.50
3½% 1969 Loan	97.80	—	3.87	97.80
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3¾% 1968 N.P. Bonds	99.35	—	3.86	99.35
4 % 1972 Loan	99.40	—	4.08	99.35
4 % 1973 Loan	99.20	—	4.09	99.20
4 % 1979 Loan	98.70	—	4.11	98.70
3½% 1966 Bonds	99.65	—	3.60	99.65
4 % 1980 Loan	98.60	—	4.11	98.60
4 % 1981 Loan	98.55	—	4.11	98.60
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend.

MARKET GOSSIP

(*Concluded from page 447*)

capital employed. Secondly, the cost of virtually every raw material and service used by the industry has gone up further, often as a result of Government action. In March 1962, Sir Walter says, it was estimated that the total increase in cost since 1958 was Rs. 160 per tonne, or 16 nP per kilo. The 1962-63 Central budget and the Railway budget added a further Rs. 20 per ton to the industry's costs—or an additional 2 nP per kilo.

Coal was a continuous headache with the Company throughout last year and often stocks fell below one day's consumption. The Company now receives—and cannot expect anything better—Grade 1 coal which has to be burnt in boilers, many of which were designed for Selected A rubble. Transporting 50 per cent of coal by road is expensive and inconvenient for industrial units consuming under 1,000 tons per month; but it is ruinous in the case of the No. 1 and No. 2 mills of the Company, which consume 16,000 tons per month, spelt out in rupees, it means an additional 18 lakhs to the coal bill.

As a result of inadequate wagon supplies, 50,000 tons of bamboo awaited despatch only recently, and, as with coal, so also stocks of bamboo at the mills had, on occasion, fallen below one day's consumption. Further, the new paper mills coming up in the States adjoining West Bengal tend to be given preference over the Company in respect of bamboo leases, even in respect of areas from which supplies have been taken by it continuously for many years.

Sir Walter has stressed the need for the industry to rely increasingly on alternative raw materials, such as, bagasse and jute sticks. So far as the Titaghur is concerned, it is carefully considering the alternative sources. The Company's Chairman has expressed the hope that the Government will, before long, lend a sympathetic ear to the industry's case and agree to a further substantial increase in its selling prices. As for transport of coal by road, he has observed that units such as the Company which have spent considerable sums to strengthen the mill sidings to take full rakes of BOX wagons be permitted to take all their requirements of coal in this manner, an arrangement which was in force for a limited period and suited both the Railways and the Company. If, however, the paper industry, with its high coal consumption, has to take 50 per cent of its requirements by road, it would appear to have just as good a case for a subsidy or an increase in paper prices as industries which are compelled to take coal by sea have.

As for the factors within the control of the Company, Sir Walter has explained the remedial measures already taken. The most important among them is the restoration of management efficiency which is said to have declined in the recent past. According to the Chairman, the whole senior management structure has been recast and there are new faces virtually in every senior post. Many other changes are also being made, such as, a complete overhaul of the labour relations organisation, the introduction of a modern training scheme and a new cost accounts system. Quite considerable savings in costs have already been achieved, we are told, following a report from a specially appointed management consultant. With all this and the big expansion programme on hand, the going should be good again for the Company before long, provided the transport bottleneck and coal scarcity are successfully solved without any prolonged delay.

Britain's Dilemma

The ten-day Commonwealth Prime Ministers' Conference, which commenced on Monday this week at Marlborough House, London, has already embarrassed the British Government to a greater extent than it might have been prepared for. For almost all the participants in the conference have chosen to throw cold water on the British Government's enthusiasm to join the European Common Market. Some of them, particularly the Canadian Prime Minister, have not concealed their hostility to the very idea of Britain's move, while some others have been content with expressing their dissatisfaction over the specific terms which the U.K. has already agreed to abide by in the event of its joining the Six. The point-by-point reply given by Mr. John Diefenbaker to Mr. Macmillan's studied case is a master-piece. Every one, however, is fully aware that the meeting has no right of veto over any of the U.K.'s decision. It was, therefore, unnecessary for the British Prime Minister to have reiterated this point in his welcome speech. The Conference will not decide whether Britain should or should not join the Common Market; it will only "consider Britain's entry in a consultative capacity." Nevertheless, this is no ground to imagine that the almost unanimous voice of the Commonwealth leaders will be lost on the British Government. The growing tide of domestic public opinion against Britain's entry and the gradually toughening attitude of the Labour Party are two other factors which cannot be brushed aside by Mr. Macmillan in one sweep. While there is little likelihood of Britain retracing the steps already taken to befriend the Six, the opposition from the Commonwealth and the domestic front is likely to influence materially the British position, when the U.K.-Six negotiations are resumed, as scheduled, at the end of this month at Brussels.

Although the British case for entering the Common Market and be one of the founder-members of the European political union was ably put forward by Mr. Macmillan, it has not cut much ice with the vast majority of Commonwealth Prime Ministers. Mr. Macmillan declared his conviction that "the tide of diplomacy and economics demanded Britain's membership in the Common Market." His point was that only a unified Western Europe would be able to compete with the two super-powers which had emerged from the last World War, namely, the U.S. and the Soviet Union. Britain, which is only 20 miles away from the Continent, Mr. Macmillan said, could not afford to stand aloof from the new Europe which was emerging. He had no intention, however, to weaken the Commonwealth bonds. On the contrary, he felt that Britain's entry into the Common Market would be beneficial to the Commonwealth, as continued economic growth of the U.K. was in the interest of the Commonwealth itself. For, if Britain did not join the Six, its ability to import goods from other Commonwealth countries and export capital to them would be severely affected. Mr. Macmillan believed that Britain's entry would strengthen what he called the "outward looking" and liberalising forces at work in Europe, besides increasing its influence with the Six for granting better terms to Commonwealth trade. He also reminded his guests that, since the time of the Ottawa trade agreements, which established the Imperial preference system, great changes had taken place in the Commonwealth trading relations. He, however, rejected the thesis that Britain had to choose between the Continent and the Commonwealth.

Mr. Macmillan's laborious arguments came in for critical examination at the hands of Canadian Prime Minister, Mr. John Diefenbaker. The Canadian Prime Minister did not believe that geographic proximity was a compelling reason for the U.K. to join the Six. He recalled, in this connection, that Canada itself had resisted several times in the last century and the present century moves to align it with its immediate neighbour, the U.S., and leave the Commonwealth. It was equally difficult for him to understand how Britain's merger into the Six would increase its influence on the policies of the Six. He asked: "Can this not equally give Europe a greater influence over Britain?" He also posed the question whether it was not possible for the U.K. to retain its influence on the world, if it remained outside the Six. He held the view that, by joining the Six, the U.K. would only impair its freedom of action in international affairs.

India's position was explained by Prime Minister Nehru, whose thinking on these matters provided new dimensions to the conference's deliberations. Unlike Mr. Macmillan, Mr. Nehru felt that British entry into the Common Market would weaken the Commonwealth. While he preferred not to sit in judgment whether this move was good or bad for the U.K., he failed to understand "how any good can come to the United Kingdom, if it causes harm to the Commonwealth." So far as India was concerned, Mr. Nehru was of the view that the U.K.'s move would adversely affect India in the short-term, particularly if exports of textiles and other goods were not safeguarded. He added that it would upset the third Plan and change the pattern of trade completely. He made an important point when he said that Britain's desire to end the Ottawa Pact just when it was proving useful to the developing members of the Commonwealth was contrary to the assurances given in the earlier years of the Pact. He recalled, in this connection, that the supporters of the Pact used to defend it by saying that the Pact would greatly benefit India and other underdeveloped countries when they established more and more industries.

On the question of changes needed in the Commonwealth, Mr. Nehru apparently agreed with Mr. Macmillan. But, according to Mr. Nehru, such changes should be in the direction leading to wider associations rather than to "newer forms of colonialism in which the developing countries would be compelled to be suppliers of raw materials, and those industrialising would be shut out of world markets and discriminated against." He was of the view that Britain's closer association with the Six both politically and economically would only increase tensions between the East and the West. The speeches of other Prime Ministers and Presidents followed more or less a similar pattern. The Nigerian Prime Minister's rejection of the offer of associated status in an expanded Common Market must have been unsavoury to the British Government, for, while Ghana's opposition to this inferior status was known, Whitehall was hopeful that the bait would work with Nigeria.

COMMERCE AND INDUSTRY

(*Concluded from page 472*)

An indication of the long-term outlook of the various agricultural commodities is also given in the *Review*. This section is based on a detailed study, entitled *Agricultural Commodities—Projections for* 1970, brought out by the F.A.O. as a special supplement. A somewhat disquieting but not surprising, conclusion of this study is that, over the next decade, "the market situation for most agricultural commodities appears likely to be characterised by a *general tendency towards surpluses, unless measures are taken either on the demand or the supply side to alter current trends.*" In brief, the important points made by the *F.A.O. Review* regarding the long-term outlook are as follows:

"Consumption of most staple foodstuffs is unlikely to grow as rapidly as production in high-income countries, while, on the other hand, food production in most low-income countries may not grow sufficiently fast to meet domestic needs. There will be scope for food-aid programmes, particularly for some of the temperate-zone commodities, notably grains, of which export availabilities from high-income areas are likely to continue to exceed commercial requirements.

"For tropical export commodities, the chief problem will be that of maintaining or raising export exchange earnings, particularly for those developing countries whose economies are largely dependent on such exports, and especially as prospects for the rate of increase in consumption of these products in the high-income countries are rather conjectural. For agricultural raw materials, the existence and further development of synthetic substitutes, as well as other technical factors, imply that strong competition will be met with in most areas of utilisation.

"In general, on optimistic assumptions about the rates of growth of national income in the economically developed countries, which constitute the principal markets for agricultural exports, demand may expand sufficiently to absorb the likely supply (with the exception of those commodities such as grains, milk and coffee already in surplus). At the same time, the absorption of larger quantities by the world market will not necessarily imply a commensurate increase in export earnings in real terms, because of the possible adverse movements of relative prices. On less favourable assumptions about income growth, considerable additional surplus problems could arise, while, in the low-income countries, food supplies would continue to lag seriously behind requirements."

The aforesaid projections by the F.A.O. for the next decade are based on the assumption that the present trends in production, income growth, demand and national policies continue approximately as they have done in the recent past. Nevertheless, for agricultural countries like India these projections are of considerable importance and deserve to be carefully examined before they frame their policies for the future.

PLANTATION HOUSING

A Working Group on Plantation Housing, with Mr. N. N. Chatterjee, Joint Secretary, Union Ministry of Labour and Employment, as the Convenor, has been constituted by the Government of India to suggest measures for accelerating the pace of implementation of the housing programme for plantation workers. The terms of reference of the Group are as follows:

To assess the total cost involved for providing houses to workers and the resources available with the employers for this purpose, including loan facilities under the plantation labour housing scheme and facilities provided by banks;

to suggest how the existing loan facilities may be improved, whether further facilities for loans should be provided and whether loans can be had from the Life Insurance Corporation;

to recommend whether, in addition to loans, assistance by way of subsidies should be provided by the Government; it will decide how and to what extent such assistance should be given;

to consider whether the entire cost of construction could be charged to the revenue account so that 100 per cent development rebate can be allowable to employers for purposes of income-tax without affecting the disbursement of bonus to workers; and

to examine whether the annual rate of construction of houses prescribed in the plantation labour rules should be modified.

MARKET REPORTS

(*Concluded from page 481*)

ther in view of the strong possibility of a further cut. Although the Government's policy of getting cable manufacturers switch over to aluminium is progressing satisfactorily, it is apprehended that, if copper imports do not come within the neighbourhood of 85,000 tonnes this year, industrial progress would suffer.

The Federation of Indian Chambers of Commerce and Industry has called upon the Government not to enforce any cuts on imports of non-ferrous metals. This is an important feeder industry, which mirrors the nation's development as a whole. Requirements of electrolytic zinc this year has been estimated at 85,000 tonnes, but the annual imports average 71,200 tonnes only. Tin requirements are estimated at 7,000 tonnes, but the imports fall short. Since the U.S. prices for zinc and copper are higher in relation to those in other producing countries, the trade has urged the Government that import licences should be valid also for import from other countries. However, in view of the foreign exchange shortage, it is difficult for the Government to accept this suggestion. At present, copper and zinc are imported only from the U.S. These imports are against the D.L.F. licences.

In Calcutta, tin was marked up at one time during the week to Rs. 2,448 per 100 kgs., after it opened at Rs. 2,381.75. The shortage of the metal was acutely felt, and that explained the hardening tendency in the price trend. On the London Metal Exchange, tin dropped from £855 to £850 a ton. Due to this the Calcutta price reacted later to Rs. 2,391.50. Singapore was satisfied over the General Services Administration in the U.S. having now reduced the proposed releases to 200 tons a week. If the releases were to affect the international price trend, Malaya would insist on the U.S. to curtail the quantity further. The U.S. releases are expected to commence from tomorrow. Following more releases of the virgin metal against permits, copper scrap here received less attention. Utensil scrap declined from Rs. 548.50 per 100 kgs. to Rs. 546, but soon firmed up to Rs. 549.25. Electrolytic zinc declined from Rs. 289.50 to Rs. 285.50 per 100 kgs. Lead remained unchanged at Rs. 143.75 per 100 kgs.

COMMERCE

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

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COMMONWEALTH AND COMMON MARKET

IT almost looks as if it would be easier for a camel to pass through the eye of a needle than for Britain to enter the European Common Market. Of course, things may not be exactly that difficult, for public opinion on the Continent, especially in the Federal Republic of Germany, seems to be overwhelmingly in favour of British entry. But he would be a bold prophet who could say that the road to Brussels will be easily or quickly cleared of all its other obstructions, now that the roadblock represented by the Commonwealth is as good as removed. There is still a long way to go, for the vital final negotiations between Britain and the Six are yet to take place and British public opinion is yet to assert itself fully and unequivocally in support of entry into the Common Market. Anything like a national decision on a matter involving Britain's sovereignty to some extent and its economic future to an equal extent is not likely to be reached except through a General Election, if current indications are any guide. If, thus, it is supposed that the British electorate will have its final say in the matter, the final *communique* issued by the Commonwealth Prime Ministers at the conclusion of their conference in London this week may be expected to provide some ammunition as much to pro-marketeers as to anti-marketeers.

Pro-marketeers in Britain will draw comfort from the fact that the Commonwealth Prime Ministers have not imposed a mandate, so to say, on the British Government to get better terms in its final negotiations, scheduled to begin next month, with the Six—better than the ones provisionally agreed upon at Brussels at the last Ministerial meeting which ended on 5th August 1962. In the absence of any such "mandate" and in the light of the Prime Ministers' recognition that "the responsibility for the final decision would rest with the British Government," the pro-marketeers would be free to interpret that the Commonwealth has virtually shown the "green light" to Britain for going into the Common Market. Since, however, the fears and expectations of Commonwealth countries have been written into the final *communique* and several African members of the Commonwealth have declined to accept the associate status in the Common Market, anti-marketeers would be equally free to interpret that Britain will be taking with it, if at all, only a reluctant and divided Commonwealth. This possible stand of anti-marketeers will, however, be effectively neutralised by the more plausible stand of pro-marketeers. The net effect on British public opinion will be next to nothing, and so the guess hazarded in our leading article of 11th August last can now be reiterated more safely and confidently. The guess is that the Commonwealth question is least likely to prejudice the chances of British entry into the Common Market.

Let us assume, for the present, that no other prejudicial factor will come into play and that Britain's entry into the Common Market will be a reality sometime next year. The crucial final negotiations at the next Ministerial meeting in October will be of great significance in the light of that supposition. They can still be of some significance or benefit to the different Commonwealth countries, for the British Government has agreed to continue its efforts to safeguard essential Commonwealth interests and also undertaken to arrange for the closest consultation with the other Commonwealth Governments during the remainder of its negotiations with the Common Market. It may be thought that this assurance by the British Government is rather vague and general and that it may not be able to wring out more concessions than those contained in the provisional arrangements already worked out. Any such interpretation would be rather premature, for several details have still to be worked out. It is here that Australia, New Zealand and Canada—the three Commonwealth countries which now export to the British market large quantities of temperate agricultural products like beef and veal, mutton and lamb, butter and cheese, wheat and sugar—may well look forward to more concrete and specific concessions in terms of the following principles governing two declarations to be made by the enlarged Community at the time of British accession:

(i) The first declaration would express its intention to initiate discussions on international commodity agreements for temperate foodstuffs on a world-wide basis.

(ii) The second declaration would relate to the agricultural price policy of the Community.

The Six have already agreed to offer reasonable opportunities in the markets of the enlarged Community for temperate foodstuffs and have also confirmed that the Community's agricultural regulations would require the abolition of quantitative restrictions both between member-States and on imports from third countries. All these, including the proposed declarations, relate to the longer term. The arrangements for the transitional period in respect of a number of major commodities remain to be worked out, but the Six have already offered safeguards for all products where there would be an intra-community preference. With such safeguards assured for temperate foodstuffs and with special provisions promised in the case of New Zealand in view of its high degree of dependence on the U.K. market, the chances are that the three leading exporters of temperate agricultural products will derive concrete benefits when the precise commodity-wise application of these safeguards is discussed and settled in the course of the final negotiations.

Can the three older Commonwealth countries in Asia—India, Pakistan and Ceylon—also hope to get some more concrete concessions? The Commonwealth Prime Ministers' final *communique* has recorded that "the representatives of these countries urged (at the conference), that, if Britain entered the Community, the trade agreements which the enlarged Community had offered to negotiate with their Governments should be concluded as soon as possible and that, meanwhile, no change should be made in their existing trade arrangements with Britain." This is a very reasonable demand, quite consistent with the spirit of G.A.T.T. provisions. There is not the slightest exaggeration in their apprehension that, if the treatment of their products in the U.K. is altered before wider trading arrangements have been worked out with the enlarged Community, their foreign exchange earnings and investment in export industries would be adversely affected at a critical stage in the implementation of their development plans. Between 1963, when Britain's entry into the Common Market may take place, and 1966, when comprehensive trade agreements are to be negotiated by the enlarged Community with India, Pakistan and Ceylon, there will be only three years during which the heavens are not going to fall, if the existing trade of these countries with at least Britain is left undisturbed. The affluent countries of the European Economic Community can certainly afford to agree to this condition, and the risks (if any) involved are by no means beyond their capacity to bear.

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STEEL RETENTION PRICES

IT was contended in our last issue that the Central Government's decision on the Tariff Commission's recommendations on fair ex-works retention prices of pig iron and steel payable to I.I.S.Co. and T.I.S.Co. were unfair to the companies. Owing to considerations of space, the grounds on which this conclusion was arrived at could not be covered. It is proposed to address ourselves to this task now and, in doing so, we shall be confining ourselves only to steel, as the pig iron and steel ingots are only subsidiary, constituting only a small proportion of the products sold by the producers. In any case, the main issues involved in both these cases are the same as those concerning steel.

The Tariff Commission was asked by the Government on 13th March 1961 to determine (*a*) the fair ex-works prices payable to the two companies for the years 1960-61 and 1961-62, having regard to the various agreements which they have with the Government, and (*b*) the special element that should be allowed in the price for payment by the companies of interest on and repayment of the special advances given to them by the Government under the agreement signed in the years 1953 and 1954. By the time the Commission started its work on this subject, more than three-fourths of the period to be covered by it had been over, so that much of its inquiry was a sort of post-mortem with very little projections to be done. This was in contrast to the Commission's inquiry in 1955 which covered a period of five years, that is, up to 31st March 1960. Since a post-mortem is a relatively easier job than making estimates about the future, the Commission's task this time was simpler than in 1955 and its conclusions, based mostly on actual performance, must *ipso facto* be less controversial. It is all the more surprising, therefore, that the Government should have found itself in great disagreement with the Tariff Commission this time, whereas it had quietly accepted the Commission's price recommendation in 1955. The Commission has not made many fundamental departures from the approach it took in 1955 and, where it has, as in the case of allowance for depreciation and determination of standard block, it has been less generous to the companies than on the previous

occasion. Further, the Government itself had laid down that the main producers of steel should be paid uniform retention prices for common varieties and that, for varieties which are not common to the main producers, prices should be fixed in relation to common categories, taking into account the known or standard differentials. These qualifications to the terms of reference to the Commission are important, for, if the Government subsequently found that the Commission's recommendations meant a larger margin of profit to one producer than to the other, the fault, if it were really a fault, was not of the Commission but its own.

It was plain as a pikestaff to all competent persons when the terms of reference were drawn up in March 1961 that T.I.S.Co. and I.I.S.Co. were not units of identical sizes, that the former was twice as big as that of the latter and that a uniform retention price based on capital employed would surely mean a bigger margin of profit to that unit which used less capital per ton of steel produced. So what is the point in one complaining now, as Mr. C. Subramaniam does, that I.I.S.Co. would have got away with a bigger profit-margin than T.I.S.Co., if the Commission's recommendations had been accepted as they were? In 1955, it may be recalled, the Government itself had asked the Commission to take I.I.S.Co.'s costs as the basis, as they were higher than those of T.I.S.Co. This time, the Government did not say that the Commission should follow the same principle, namely, the high cost producer to be taken as the basis. If it had, the costs of T.I.S.Co. would have formed the basis, for they have turned out to be higher than those of I.I.S.Co., the fact that the former is a bigger producer than the latter notwithstanding. Instead, it wanted the Commission to consider the adoption of standard costs as a basis for determining depreciation and profits.

If in spite of adopting a new basis, I.I.S.Co. looked like earning a little more than T.I.S.Co. per tonne of steel, it was due to its better efficiency. In trying to trim that profit-margin, the Government has committed a twofold mistake: it has cut the legitimate profit-margin of T.I.S.Co. and penalised I.I.S.Co. for having improved its efficiency in the past seven years despite heavy odds. Having decided in favour of uniform retention prices earlier and given an undertaking to both the producers that they would be continued till the end of March 1962, the Government had no choice in this matter. Apart from everything else, to modify the Commission's recommendations just because they meant a bigger margin of profit to one producer than the Government thought was reasonable is to run counter to the spirit of the Government's earlier undertaking to the companies.

In its enquiry, the Tariff Commission left out no aspect of the cost of producing steel. Although it was asked to confine its recommendations only to T.I.S.Co. and I.I.S.Co., as the public sector units had not attained a representative capacity production, it made a study of the working of all these three units as well, in order to get a broad comparative idea. The Commission's findings about the position of raw materials and transport generally confirm the complaints of producers. Coal supply has not only been short but also irregular, with a progressive deterioration in the quality of coal. The average ash content in coal used by I.I.S.Co. has risen from 15.86 per cent in 1955-56 to 18.06 per cent in 1961-62 and from 16.73 per cent to 18.04 per cent in the case of T.I.S.Co. Higher ash content means lower production of coke, larger intake of coke and limestone, increase in the volume of slag (a waste product), decreased yield of carbon in coke, lower yield of tar and gas, and higher content of sulphur and phosphorus in pig iron. The removal of these impurities in pig iron will require longer-heating during steel melting, increased limestone and fuel requirements for steel making and large incidence of off-heats in steel produced. Most of these losses could have been avoided, if it were possible to ensure full supply of washed coal. But the programme for increasing the output of washed coal has been lagging behind mainly due to the defects in the Government's policy. Following mechanisation of iron ore mines, the quality of iron ores, too, has deteriorated, necessitating installation of beneficiating plants. But till this method of rectification is carried out in full, the deterioration in the quality of iron ore means an increase in the cost of production. Shortage of limestone of requisite quality is also increasing and can be relieved only by developing new mines which, however, are some 300 miles away from the steel plants, as compared with the close proximity of the existing sources.

In view of the difficulties involved in getting adequate and regular supply of the right types of coal, the Government itself has directed the steel companies to attain self-sufficiency in coal as far as possible by developing their captive mines, having their own washeries, ropeways, etc. But this means additional capital expenditure for the companies, some Rs. 42 crores for Tata Steel and Rs. 18 crores for Indian Iron. Further, this self-sufficiency does not mean that the cost of raw materials will be cheaper than buying them from outside producers. On the contrary, experience to-date is that the cost of own coal is Rs. 6 to Rs. 12 per ton higher than market coal in the case of both the companies. Similarly, the cost of own iron ore is higher than that of bought ore. The Commission has, of course, criticised the companies for not trying to keep down the cost of operating their mines, but the blinking fact is that, currently, the policy of self-sufficiency in raw materials is a disadvantage to the companies. They have not only to find more capital for developing and operating their own mines but also to incur a higher cost per tonne of ore.

No concession has been shown to the companies by the Tariff Commission in recognition of (*a*) the adverse conditions faced by them in regard to quality of raw materials, and (*b*) of the dislocations in smooth working of the plants caused by the erratic and inadequate railway transport both for bringing raw materials and for taking out finished products. The producers had suggested that, in view of these difficulties, the Commission should adopt 80 per cent of designed capacity as production potential for purposes of calculating the fair ex-works price. But the Commission turned down this suggestion and assumed 90 per cent of rated capacity as a fair norm. As against this, the actual production performance by T.I.S.Co. was 80 per cent of ingot capacity in 1960-61 and 81 per cent in 1961-62, the corresponding figures for finished steel being 83 per cent and 87 per cent, respectively. I.I.S.Co.'s performance was a little better: 90 and 91 per cent in respect of ingots and 89 and 91 per cent in respect of saleable steel. The performance of Bhilai steel plant, the best of the three public sector plants, was well below that of both the companies, though, occasionally, its monthly production of ingots was over 100 per cent. Bhilai's output of pig iron at 91 per cent of capacity in 1961-62 was, however, much higher than T.I.S.Co.'s 86 per cent, though lower than Indian Iron's 93 per cent. It will thus be seen that the norm adopted by the Commission is higher than T.I.S.Co.'s performance and just about the same as I.I.S.Co.'s. It must be remembered, in this connection, that, in the previous five-year price fixation period (1955-56 to 1959-60), too, T.I.S.Co.'s production fell very much below the levels that had been assumed by the Commission, resulting in lower realisations for development reserve and lower margin of profit. This was due to the effective capacity being very much lower than the planned capacity. In the case of I.I.S.Co., however, the Commission's estimates were considerably exceeded by actual production, with the result that, financially, it was better off than its confrere in Bombay.

The Commission did not also concede many other demands made by producers. These include the demand for including annual bonus to workers and managing agency commission as part of production costs, an increase in the contingency allowances of Rs. 5 per ton fixed as far back as 1949, T.I.S.Co.'s demand for some allowance to cover the shortfall in its revenue during the period 1955-60 as a result of actual production falling far short of estimates of production assumed by the Commission, and the plea of both the producers for including an element, similar to the development element now discontinued, in the retention price to cover the amortisation of World Bank loans. Again, whereas both the producers had suggested that depreciation should be allowed at 6¼ per cent on the additions to gross block since March 1952 and a consolidated amount of depreciation on the old block—in other words, continuation of the system in force upto the end of March 1960—the Tariff Commission allowed an overall rate of only 5 per cent, describing it as "more than adequate."

On the concept of a standard block also, the Commission adopted a more stringent basis than the one proposed by T.I.S.Co. The standard block has been arrived at by assessing the capital block per tonne of saleable steel of T.I.S.Co. and by making certain adjustments to it, in order to make it a reasonable standard. The figure arrived at by the Commission is Rs. 1,300 per tonne of saleable steel. This compares with Rs. 1,450 per tonne on the basis suggested by T.I.S.Co., namely, actual production performance. The comparable figure for I.I.S.Co. is Rs. 1,000 per tonne and for Hindustan Steel Ltd. (the public sector undertaking) Rs. 1,900 per tonne. Requirements of working capital assessed by the Commission for determining the cost of such capital were also conservative estimates. Although the companies had pleaded that the working capital needs had increased not only because of higher costs of materials but also because of accumulation of stocks of finished goods due to delays in their movement for want of transport, the Commission decided to continue the same old basis, namely, six months' works costs, with interest to be calculated at no more than 5 per cent. It may be noted here that I.I.S.Co. had suggested that working capital should be computed at eight months' cost of production and that the rate of interest on such capital should be higher than 5 per cent. So far as the rate of return on capital employed is concerned—the most important issue of all—T.I.S.Co. wanted a minimum of 12 per cent per annum on employed capital, so that there may be a net return of 6 per cent after taxes. I.I.S.Co. did not suggest any specific figure, but stressed the need for a higher rate than the 8 per cent on the gross block allowed under the previous enquiry. The Commission remained unmoved by all these pleas and recommended a rate of return of 8 per cent (gross) on the standard or representative block of Rs. 1,300 per tonne of saleable steel. After payment of taxes, the net return to producers would only be 4 per cent, out of which they will have to meet the bonus to workers and managing 'agents' commission (which Tatas have been forgoing for several years now but cannot do so for ever), set apart sufficient sums to reserves to enable repayment of the loans and modernisation of the works and, finally, pay a reasonable rate of dividend. Even a financial wizard cannot manage all these needs out of a meagre 4 per cent net return.

It will be seen from what has been stated so far that the Tariff Commission has by no means been liberal to steel producers in determining the factors to be taken into account for fixing the fair retention prices. The Government's contention that the Commission has been generous to the companies is, therefore, not convincing. The most important point to be borne in mind is that the Commission itself had penalised T.I.S.Co. by taking 90 per cent of its capacity as production potential which is some 6 to 7 points higher than the actual production achieved by the Company. By whittling down the Commission's recommendations, the Government has hit the Company further and subjected I.I.S.Co. to a more stringent norm than that intended by the Commission.

Three grounds have been mentioned by Mr. C. Subramaniam, Minister for Steel and Heavy Industries, for differing from the Tariff Commission and sharply reducing the retention price recommended by it from Rs. 550 to Rs. 522.50 per tonne. One of them pertains to the element of Rs. 8 per tonne included by the Commission for financing the repayment of the special advances given by the Government out of the Steel Price Equalisation Fund. This is an issue by itself and may, therefore, be dealt with separately. Suffice it to mention here that, on 13th March 1961, it was the Government which wanted the Commission to consider this issue and recommend the special element and, if it has changed its mind now on this specific point, it is not the fault of the Commission. The Government's somersault here is a striking commentary on its fickle-mindedness. As for the other two grounds. One is that the Commission's basis of a standard block of Rs. 1,300 per tonne is unjustifiably high. The Government's contention is that the Commission should have taken 100 per cent of capacity as the optimum, instead of 90 per cent. Accordingly, the Government has reduced the Commission's assumption of standard block to Rs. 1,176 per tonne. This reduction has accounted for Rs. 16.50 of the Rs. 27.50 slashed out of the Rs. 38 increase recommended by the Commission. This argument of the Government totally ignores the difficulties experienced by the companies in achieving full rated capacity production. The Commission itself has testified to the existence of these difficulties. It may suit an all-powerful political body like the Government to brush aside this consideration, but not a semi-judicial body like the Tariff Commission which has to respect the facts of the situation. Further, not all the difficulties were companies' own making; on the contrary, for most of them, the Government itself has been responsible directly or indirectly. In fact, most industries in this country are not able to work to full capacity, though the demand for their products is high enough to enable them to do so. In asserting that 100 per cent capacity should have been taken as the basis for calculating the cost of production, the Government has also conveniently ignored the performance of its own factories not only in the field of steel but also in others. One does not wish to be misunderstood here. It is not suggested that two wrongs make a right. Nor is it suggested that inefficiency should be rewarded. That T.I.S.Co.'s expansion programme has not been free from flaws must be apparent to anyone who has read the Tariff Commission's report. Equally apparent is the fact that I.I.S.Co. has been able to work more efficiently than T.I.S.Co., thereby belying the general belief based on the benefits of large-scale mass production. But the Commission itself has given exemplary punishment to T.I.S.Co. for its failings, as has already been shown. Why punish it again? And, in doing so, why penalise the other company also which did not deserve it at all?

The third reason given by the Government is that the Commission's allowance for working capital is too high and that the equivalent of four months' works cost (as opposed to the Commission's basis of six months') should be adequate. By cutting the estimate of working capital requirement thus, the Government has saved another Rs. 3 per tonne of the increase suggested by the Commission. Mr. Subramaniam has sought to strengthen this point by adding that, as every buyer of steel has to deposit earnest money representing 25 per cent of the price at the time of indenting and as the time lag between the placing of order and the delivery of goods is as much as six months in most cases, the companies enjoy the benefit of interest-free deposits of considerable size. This is a relatively minor point, though there is some force in it. But the companies may as well contend that, whereas the costs have gone up all round and larger inventories have to be maintained on account of various bottlenecks, the Tariff Commission had only maintained the allowance that was fixed as early as 1955. They may also add with some justifiable indignation that they have had to wait for 2½ years to know and receive in full the fair retention prices due to them.

What next? The Government has solved a problem by issuing its order, but it is still faced with two more. The prices payable to the steel companies for the years beginning from 1st April this year have yet to be decided. And so also the issues pertaining to the repayment of the special advances together with interest. So far as the companies are concerned, the Government's harsh decision on retention prices for the past two years has made the task of raising additional capital extremely difficult. As it is, the companies are not able to pay a rate of dividend that will enable them to compete in the equity market with other industrial concerns enjoying a better margin of profit. With the unfavourable price policy now pursued by the Government and the confidence of investors severely shaken, the task has been rendered well-nigh impossible.

STEEL MINISTER ERRS

In a talk with Pressmen at New Delhi, Mr. C. Subramaniam is reported to have stated that T.I.S.Co. and I.I.S.Co. had not paid the Government the interest due on the special advances given to them, although they carried interest at 5 per cent per annum from 1st July 1958. If this is true, the Steel Minister has erred badly. Payment of interest by companies has not fallen due and, by turning down the Tariff Commission's recommendations on this subject, the Minister has unwittingly left the issue still open. It may be recalled that, in 1959, the Government had accepted the Tariff Commission's recommendation of 1959 that the recovery of interest should be postponed until a decision was taken regarding the common retention price payable to producers after 31st March 1960. As regards raising fresh equity capital to repay the special advances, the companies are not liable to follow this alternative before 1st April 1963.—This date is specifically mentioned in the T.I.S.Co. agreement with the Government.

MARKET GOSSIP

Scare Among General Insurers

MR. Nehru's statement on nationalisation of general insurance, at the recent meeting of the Congress Parliamentary Party's Executive, has caused apprehension in the minds of general insurers about their future. Speaking on the resolution moved by Mr. Mahavir Tyagi, calling for nationalisation of general insurance, Mr. Nehru said that the question as to what extent nationalisation of general insurance was feasible should be examined by the Finance Ministry. He emphasised that nationalisation should be considered on its merits.

This statement, on the face of it, looks innocuous. But it knocks off the confidence inspired by the earlier assurances of the Finance Minister, Mr. Morarji Desai, that general insurance would not be nationalised, at any rate, not in the near future. Mr. Nehru's remarks, on the other hand, takes the issue back to where it was and leaves nationalisation of general insurance an open question.

One fails to understand what useful purpose is sought to be served by raising the bogy of nationalisation off and on. Mr. Tyagi is a respected and responsible member of Parliament, who has also held the high office of a Minister in the Government of India. He should know better the psychological damage frequent threats of nationalisation can do to the industry's morale and to investors in general. And what is more surprising is the strange argument advanced by him in support of nationalisation. He is satisfied at the "significant progress" made by life insurance and believes, apparently, that the same success story would be repeated in general insurance also if it were nationalised. Apart from the question whether new business or premium figures could be taken, without regard to the qualitative aspect, as an index of the progress of life insurance, there is an important distinction between general and life insurance.

The latter can be taken as an essential service, by virtue of the fact that, in a country, where there is no national scheme of social insurance, it insures millions of people against indigence and poverty. But general insurance, by no stretch of imagination, can be regarded in that light and no ground of grave national interest can be advanced to justify its takeover by the Government. It cannot even be contended that nationalisation of general insurance will help finance the Plan. That there is little money in general insurance, to finance the Plan has been conceded by no less a person than Mr. Morarji Desai, the Finance Minister, who has gone on record that the risks attendant on nationalisation are grave and great. It is true that there are malpractices in general insurance, but malpractices there are in every branch of industry and trade, not to speak of the Government departments themselves. It cannot, therefore, be given as a convincing argument for nationalisation. Moreover, the Government has been empowered by the Insurance Act, with sufficient means to regulate and control general insurance. And general insurance is full of official controls. So, if malpractices prevail despite these controls, it only shows that controls only breed malpractices. It is only clean, healthy competition and respect for the law of survival of the fittest that will rid general insurance of malpractices.

The Government already owns a sizable share of general insurance business. The public sector in general insurance is sufficiently big and is still growing. 75 per cent of the pool business at present goes to the Government-controlled companies which also account for a sizable portion of the fire, marine and miscellaneous business. In addition, a substantial part of the reinsurance business is controlled by the Indian Guarantee, a public sector reinsurance company. Not content with all these, the Government has been consistently trying by various methods to build up the public sector companies. In these circumstances, one fails to understand the urgency for swallowing up that section of the insurance trade which is in private hands. The advocates of nationalisation do not seem to realise the damage such an unwise step will do to the confidence of foreign investors in India and the financial implications of having to pay compensation to foreign insurance companies operating in the country in the event of nationalisation. Further, general insurance, unlike life insurance, is international in character and is a two-way traffic. Already it has established itself as an important source of invisible export. Once it is nationalised, India may lose the opportunity of operation in a number of foreign markets. So there will be a double loss of foreign exchange at a time when the country can ill afford it. Did Mr. Tyagi consider all these aspects before raising the subject at his party meeting?

Fund-Bank Meetings

India and other developing countries have reason to feel gratified over the deliberations of this year's annual meetings of the I.M.F. and World Bank held at Washington. For they engender the hope that a fresh, more dynamic action will be launched to set right the persistent widening trade gap between the developed and developing nations. That the need for such action is urgent in all conscience was most forcefully brought out by both Mr. Per Jacobsson, Managing Director of the Fund, and Mr. Eugene R. Black, President of the World Bank, in their respective speeches. Mr. Jacobsson declared that, while it was the responsibility of developing countries to pursue policies which facilitated exports, it was, at the same time, the responsibility of the industrial countries to pursue liberal trade policies, opening their markets to imports from the less developed areas. And he added: "Certainly, these (developing) countries would all be greatly helped by a reduction of artificial barriers impeding the free flow of trade and payments with other countries and by mutual arrangements designed to make the best possible use of the scarce resources at their disposal." Echoing more or less this statement, Mr. Black observed:

"While tariffs or quotas do not at present unduly restrict the exports of primary products from the developing countries, there are manufactured goods—notably cotton textiles—where discrimination is an important factor. I feel considerably more anxious about the effects of trade restrictions in the future when we ought to be able to hope for rising exports from the developing countries and especially of the products of their growing manufacturing industries. . . . A serious situation is facing the developing countries, because they are having to pay more for their purchases from the developed countries, while their own sales are bringing lower prices."

This brief extract from Mr. Black's speech not merely pinpoints one of the basic causes for the growing imbalance in world trade and payments but also provides the solution for the same. Which of the industrialised countries can dispute the remark of Mr. Black that their own balances of payments have benefited from the swing of the terms of trade in their favour? Nor can anyone deny that "the developing countries in many cases have mortgaged a dangerously high proportion of their future export earnings to the task of paying off their aid debts." How can the countries which have received large loans from friendly countries for economic development expect to repay them, as Mr. Morarji Desai, India's Finance Minister, very aptly asked in his speech at the Fund-Bank meetings, except through larger exports of things produced in their new factories? Characterising the reluctance of the industrialised countries to facilitate imports of manufactured goods from developing countries as "the most disheartening feature of the present situation," Mr. Desai made it clear that the developing countries could become viable in the long run *only* through larger exports of manufactures; higher exports of primary products alone would not help.

Between 1958 and 1961, it may be noted here, the combined share of the developing (primary producing) countries in the aggregate world exports has come down from 38.7 per cent to 35.6 per cent. The declining trend is bound to be more pronounced in the coming years, unless the impediments to exports from these countries that remain in many industrial countries are removed, if not immediately, over a reasonable period of time. It was Mr. Ahmed Zaaki Saad of Saudi Arabia, who presided over the meeting, that put the whole issue in its proper perspective when he averred: "It is futile to encourage development and growth without making provision for expanding international markets for the products of this development and growth." He even went to the extent of warning that increased export capacity (in developing countries) without access to foreign markets could only lead to frustration and bitterness. The warning is, indeed, most timely and pertinent.

Against the aforesaid background, it may be said that the success of the I.M.F. meeting will depend on the extent to which its deliberations will pave the way for the introduction of more flexibility into world trade and payments. It is somewhat reassuring to be told by Mr. Per Jacobsson that the present monetary structure of the world can be effectively maintained on a foundation of stable exchange rates, thus providing a reliable basis for further economic development and for the shaping of official policies. There is reason to believe, according to him, that further corrective policies (for maladjustments in cost and price relations, as is reflected in capital movements between individual countries) will not have to be so extensive that their effects should prove too disturbing, nationally or internationally. Again, the efforts already made and those which may still be required will prove successful in assuring a stable exchange rate structure without any alteration in the present price of gold. It is equally reassuring to hear from Mr. Jacobsson that the fears of possible competitive efforts on the part of many countries to increase their reserves, which would give rise to what has been called "a scramble for reserves" or "a scramble for international liquidity," are exaggerated out of all proportion to reality. To quote him:

"It seems to me that, after the redistribution of reserves which has occurred in the last few years, very much as a result of the deficit in the U.S. balance of payments, one industrial country after the other is beginning to think that its monetary reserves are sufficient from its balance of payments' point of view. This change in attitude may prove to be very important, for it gives an increasing number of these countries the opportunity to shape their fiscal and credit policies without feeling a need to strengthen their reserve positions. It is true that many developing countries have very low reserves, but what these countries need most is long-term capital to finance their development programmes. Although many of them would no doubt be wise to pay some attention to building up their reserves to a safer level, whatever efforts may be made by them to do so will presumably not cause any appreciable difficulties from a general liquidity point of view."

In his speech, the U.K.'s Chancellor of the Exchequer, Mr. Reginald Maudling, no doubt admitted that the immediate outlook for the world monetary system was more encouraging than

(*Continued on page 535*)

TREND OF SHARES

BEAR GRIP EXTENDED

(From Our Own Correspondent)

BOMBAY, 20*th September*

BEARS extended their grip on the stock markets from Steels to other sections this week. And, virtually devoid of any support, the markets moved the way bears manoeuvred. Closing prices, therefore, disclosed widespread sizable losses. Steels were, however, only fractionally lower over the week. Turnover was small, and activity tended to be increasingly on account of big operators. The small fry was mostly bewildered by the seemingly non-stop fall in values.

Selling in steel shares subsided at lower levels, as bears preferred to book profits, because they did not want to miss the opportunity. But, in the absence of any positive indication about the T.I.S.Co. dividend and the final distribution by the I.I.S.Co., bulls were in no mood to make fresh commitments. There was a strong feeling in the markets that the two steel companies would at least maintain the dividends at the last year's levels. The feeling was all the more pronounced following the news on Monday that the T.I.S.Co. had decided to pay for the year ended March 1962 a higher amount of Rs. 135 lakhs by way of bonus to the workers as compared with Rs. 125 lakhs paid in the previous year. As the bonus is linked to profit and is for 55 days for 1961-62, as against 51.6 days in the previous year, marketmen presumed that the profit must be higher and that the Directors might not find it difficult to maintain at least the dividend at Rs. 6.80 net per share, if not the bonus of 45 nP (net) also. The dividend results are expected to be announced next Thursday.

In view of the above surmise, bears turned their attention from their popular target, namely, steel shares, to other sections, wherein they resorted to relentless and indiscriminate selling. Bulls were forced to sell on the decline in order to cut their losses. Even around the lowest levels of the week, buyers were few and far between. The smooth passage of the payment against the last settlement and the news on Wednesday that the rayon yarn weavers and spinners had reached an agreement on an increase in the prices of certain deniers of the yarn induced some bear covering yesterday and today. But the closing prices were only a shade above the lowest levels of the week. The prospect of strike in Bombay cotton mills acted as a restraining factor.

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Considerable weakness in automobile shares was the talk of the day and the week in Dalal Street. These shares broke sharply on heavy selling prompted by indications that the current foreign exchange crisis would hit the automobile and spares industry the most. Premier Auto, which had closed the previous week four points lower on balance at Rs. 117, tumbled down from Rs. 115.50 to Rs. 104—a new low level for the past several years—on Monday this week. Later, the shares rallied to close at Rs. 109.50. The volatile Hindustan Motors, which at the previous week's closing level of Rs. 19 *ex-div.* were 33 nP lower on balance, slumped this week from Rs. 19.16 to Rs. 17.92 to rally at close to Rs. 18.40. Bajaj Auto were weak at Rs. 74, as against Rs. 75 in the previous week.

Leading Textiles were marked down on selling pressure. Century were sold down from Rs. 627.50 to Rs. 603, before closing at Rs. 612.50, as against Rs. 624 a week ago. National Rayon fell from Rs. 496.50 to Rs. 474 and closed Rs. 16.50 lower over the week at Rs. 478.50. Standard were 20 points lower at Rs. 840, after having been down earlier from Rs. 862 to Rs. 821. Other shares showed small losses. But Indian Manufacturing and Western closed with a gain of Rs. 15 and Rs. 40 at Rs. 882.50 and Rs. 1,020, respectively.

Bombay Burmah, in the Miscellaneous section, were 12 points lower at Rs. 639. Amar Dye-Chem closed 10 points lower at Rs. 257.50 and Polychem showed a loss of Rs. 7.50 at Rs. 170 Telco were down by Rs. 3.50 at Rs. 297.50, Voltas by Rs. 4.50 at Rs. 257.50 and Alcock by six points at Rs. 320. In Steels, Tata Ordinary finished 25 nP lower at Rs. 135. Indian Iron were 10 nP lower at Rs. 25.25, but Mukand showed a big loss of 72 nP at Rs. 23.40. Other sections were weak. Cash shares were generally lower, with Hindustan Electric showing a big fall of 27 points at Rs. 190, Colour Chem of 25 points at Rs. 395, Permanent Magnets of 15 points at Rs. 215 and Hindustan Wired Glass of 13 points at Rs. 143, as against which T. Maneklal jumped up by Rs. 90 to Rs. 730, Bharat Bijlee spurted by Rs. 21.25 to Rs. 220.

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The cleared securities developed further weakness in Calcutta. Birla Jute, showing a loss of Rs. 2.25 at Rs. 34.31, and Kesoram closing Re. 1.81 lower at Rs. 26, were the worst affected counters. Among others, Dunlop were 81 nP lower at Rs. 38.50, Texmaco 70 nP lower at Rs. 22.25, J.K. Cotton 75 nP lower at Rs. 16.12 and G.K.W. 50 nP lower at Rs. 37.25. Cash jute shares were also generally lower. Bally declined from Rs. 310 to Rs. 293, Delta from Rs. 187 to Rs. 181 and New Central from Rs. 14.78 to Rs. 14.12. But, as an exception, Alliance looked up from Rs. 119 to Rs. 123 and so did Union from Rs. 160 to Rs. 165.

Textiles and Coals showed small losses, but K. Jherriah, among the latter, closed with a gain of Rs. 2.75 at Rs. 46. Among engineering issues, Escorts showed a gain of Re. 1.25 at Rs. 19.62 and Braithwaite closed 50 nP higher at Rs. 36, but others finished with losses on balance. Chemical shares moved down: Alkali from Rs. 45.75 to Rs. 42.75 and Bengal from Rs. 101 to Rs. 94.50. Losses predominated in the Miscellaneous section, where East Anglia Plastics moved down from Rs. 18.25 to Rs. 16.75, Indian Oxygen from Rs. 50 to Rs. 48 and Union Carbide from Rs. 48.25 to Rs. 44.50. Sugar, Paper and Tea shares disclosed small losses.

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The trend was downward in Madras. Textiles continued to be particularly weak, with S.I. Viscose declining from Rs. 160.25 to Rs. 156, Coimbatore Pioneer from Rs. 276 to Rs. 273, Travancore Rayon from Rs. 34.80 to Rs. 32.85 and Lakshmi from Rs. 147.50 to Rs. 146. Coimbatore Cotton showed, however, a gain of Rs. 2.50 at Rs. 112.50. In the Miscellaneous section, Mettur Chemicals were down by 38 nP at Rs. 13.37, Indian Steel Rolling by 70 nP at Rs. 11.80 and Textools and Tube Investments by Rs. 2 each at Rs. 165 and Rs. 269, respectively. But Aluminium Industries showed a gain of 15 nP at Rs. 25.10 and Travancore Chemicals recovered 13 nP at Rs. 23.50. E.I.D., among Sugars, were down by Re. 1.42 at Rs. 41.83 and Cauvery by 50 nP at Rs. 115.50. Haileyburia Tea rose smartly from Rs. 12.10 to Rs. 12.62. Consolidated Coffee disclosed a loss of 25 nP at Rs. 17.75 as did Cochin Malabar at Rs. 6.50, with Travancore Rubber declining from Rs. 11.41 to Rs. 11.

CAPITAL MARKET NEWS

NEW ISSUES

ASIAN Refractories Ltd., which will be in the market from the 27th inst. to 4th October next with a capital issue of Rs. 40 lakhs divided into 9.3 per cent. taxable, 7,000 cumulative redeemable preference shares of Rs. 100 each and 330,000 equity shares of Rs. 10 each, has a sound project on hand. The Company has been licensed to manufacture 24,000 tons of firebricks and 6,000 tons of silica bricks per year. Refractory products are utilised in several industries, particularly pig iron and steel, chemicals, glass, cement and power generation. Demand for the products has of late risen steeply, following the large expansion of steel and other industries. It is but natural, therefore, that the third Plan envisages a very substantial increase in production of refractory products. As against the present annual output of 500,000 tons and the installed capacity of 800,000 tons, the Plan target for 1965-66 is 1.6 million tons. On account of the wide gap between domestic production and demand, imports have been quite large; they aggregated approximately Rs. 2.25 crores in 1961.

Considering that the iron and steel industry alone consumes 75 per cent of the indigenous production of refractory products and that it continues to depend on imports to meet a sizable part of its requirements, the location of the Company's plant in the district of Hazaribagh in Bihar is ideal, as the site is near the proposed Bokaro steel plant. Application for acquiring 100 acres of land at the site has already been made to the State Government. The region is served by both railway and road transport. Adequate supply of electric power has been assured by the Bihar State Electricity Board and sufficient water will be available from the nearby Damodar Valley. The Bokaro coalfields are situated within about five miles of the site. Fireclay, the principal raw material, is available in close proximity. For its project, the Company has entered into a technical collaboration agreement with Messrs. Cekop, the Polish State undertaking, which will also supply the plant and machinery, as well as the technical personnel to erect, assemble and put them into operation.

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The increasing pace of demand for industrial credit in the country has given rise to pressing claims, particularly on the limited resources of development banks. It is with a view to meeting such claims that the **Industrial Finance Corporation of India** has decided, with the approval of the Central Government and the Reserve Bank of India, to augment its resources by the issue of bonds for Rs. 6 crores. The bonds will be Rs. 100 each and issued at Rs. 99.50. They will have a maturity of 12 years and will carry interest at the rate of 4.5 per cent per annum. They will be fully guaranteed by the Central Government in regard to repayment of principal and payment of interest and will be treated as approved securities under the Indian Trusts Act, the Insurance Act and the Banking Companies Act. Subscription lists will open at the offices of the Reserve Bank at Bombay, Calcutta, Madras, New Delhi, Bangalore and Nagpur on 28th September 1962 and close on 5th October 1962, or earlier as soon as the issue is fully subscribed.

Being eligible securities for the purposes of advances to scheduled banks by the Reserve Bank under Section 17(4)(*a*) of the R.B.I. Act and being also included in the list of approved securities of the State Bank of India, the bonds should prove to be an attractive investment to institutional investors, as also to the general public. Arrangements will be made for listing the bonds on the Bombay, Calcutta and Madras Stock Exchanges.

STAINLESS STEEL SHEETS PROJECT

A project for the manufacture of stainless steel sheets according to international standard specifications for industrial and commercial uses—claimed to be the first of its kind in India—has been sponsored by Mr. Vithaldas H. Shah, Managing Director of Messrs. Lallubhai Amichand (Private) Ltd. Mr. Shah has received an industrial licence with a capacity of 10,000 tons a year. It is proposed to raise the capacity to 20,000 tons per annum in two equal stages and save thereby for the country annually Rs. 12 crores in foreign exchange. The plant is to be located at Vatva, near Ahmedabad. A new public limited company, with an authorised capital of Rs. 5 crores, will be formed to implement the project.

The project, to be undertaken in collaboration with a foreign manufacturer in the field, envisages the manufacture of stainless steel and its rolling into sheets and strips. Except for nickel, all the raw materials, namely, steel ingots, low carbon steel ingots, process rejects and ferro-chrome, are available indigenously. The price of the stainless steel manufactured is, therefore, expected to be slightly lower than the prevailing international rates. Stainless steel sheets are used in the manufacture of a number of finished products and are in short supply in the country.

Messrs. Lallubhai Amichand (Private) Ltd., it may be noted here, has been manufacturing aluminium and stainless steel utensils. This firm exports about 22 per cent of its annual production. In value, the exports of aluminium utensils (at prices 33 per cent lower than the internal rates) amount to Rs. 16 lakhs and those of stainless steel utensils (at half the domestic prices) aggregate Rs. 2 lakhs a year.

ASIAN CABLES CORPORATION LTD.

The Asian Cables Corporation Ltd., which has already reached normal production of rubber insulated cables of both standard and special types, such as arc welding cables and mining cables, is now concentrating on its project No. II for the manufacture of paper insulated and P.V.C. insulated mains cables and winding wires. The land is being developed and the foundation-stone of the factory buildings will be laid after the monsoon. Construction work is expected to be completed before the end of 1963, when the plant and machinery will also have arrived. A senior technical executive of the Company is to visit Britain shortly to finalise the relevant details, including purchase of plant and machinery, with the collaborators. He will also acquaint himself with the latest techniques in the manufacture of high tension power cables of voltages up to 33 kV as also magnet wires.

Meanwhile, with its proposal to expand its capacity from 360 tons to 1,200 tons a year having been approved by the Government, the Company proposes to switch on soon to double-shift working. The Company has also been licensed recently for plant with a capacity of 1,000 tons per annum of paper and cotton covered wires and strips, which it proposes to install in the near future. The project for the manufacture of P.V.C. insulated low tension cables and wires is said to be progressing satisfactorily. Building construction is over. Part of the P.V.C. machinery and raw materials have been shipped and the balance will be delivered before the end of this year. Production is expected to start early next year.

The General Tyres Ltd. has been assured by the Government of the necessary licence for expanding its capacity substantially to 120,000 units each of tyres and tubes and 600 tonnes of tyre repair materials per annum on the basis of three-shift working. Construction of production sheds, stores and other buildings at the factory site has been almost completed. The estimated cost for the completion of the construction work including land is Rs. 20 lakhs. More than 90 per cent of the plant and machinery to be obtained from Czechoslovakia have been received at the factory site. A team of technical experts deputed by Messrs. Techno-export, the collaborators of the Company, is said to be supervising erection of the plant and machinery. Major portion of the important machinery has been installed. The outlay on plant and machinery is estimated at Rs. 1.15 crore.

OFFICE OF THE INDUSTRIAL OFFICER
DANDAKARANYA PROJECT

SALE OF NIGER OIL AND NIGER CAKE

An Oil Extraction Scheme for edible oils of Dandakaranya has gone into production at Ambaguda (near Jeypore) District Koraput, Orissa, on the National Highway 43.

This centre will produce niger and mustard oil at the present one shift capacity of 700 maunds of oil and 1,400 maunds of oil cake per month.

Parties interested in either their purchase or sale on commission basis may send in their terms in sealed cover by October 3, 1962, to:—

Suraj S. J. Bahadur, Industrial Officer, Head of Industrial Organisation, Dandakaranya Project, Koraput (Orissa).

DA—1000 (20)/62.

PERSPECTIVES & PROJECTIONS

By "Mercator"

Party Politics and Corruption

ONE of the embarrassing tasks of the Santhanam Committee on prevention of corruption will be the suggestion of measures "calculated to produce a social climate both amongst public servants and in the general public in which bribery and corruption may not flourish." If the Committee's terms of reference had not restricted its scope to the Central Services, it may be in a position to say, for example, that Congress Party members should avoid interference with the work of officials, that a Minister should not act on the advice of party members against the considered views of departments without strong and convincing reasons. Party politics is, in the opinion of most dispassionate observers, the largest single factor hindering enforcement of higher standards of administrative morality. One instance is the grant of industrial licences in one State to party politicians or their friends who had neither the means nor the knowledge required for making proper use of them; little wonder, then, that they have not been utilised till now. Such infructuous licensing makes nonsense of planning targets, gets a bad name for the private sector as a whole and leads to a profitable trade in licences without the sellers having earned the right to the profit by any enterprise except that of acquiring sufficient local influence helpful at election time. Worse still is the demoralising effect on members of the services who are encouraged to indulge in other equally reprehensible activities on their own while the honest few who disapprove of both types of corruption are driven to despair and adopt a can't-care-less attitude.

All this the Committee will not be able to say. Nor can it recommend further changes in the law relating to corruption and disciplinary action against Government servants, without restricting their minimum personal liberties or their right to get a fair trial even in respect of a charge of corruption. Corruption, said Gibbon, was "the most infallible symptom of constitutional liberty," and this is true in more than one sense. A parliamentary party depending on the democratic processes of periodical elections on a large scale, requiring the support of men and money, may be no more able to avoid the temptations of patronage and distribution of spoils than a bureaucracy which has considerable discretionary powers under a system of controls, licences and high taxation. The latter may well invoke the saying of the New Testament, "Physician, heal thyself." But the point to be noted is that, besides setting a bad example of public morality, party politics is also responsible for making the climate in the services worse for preserving integrity by creating pressures for more and more regulatory measures. Whenever the question of integrity of the administration as a whole is mooted, Congress leaders readily assume that it has reference only to the services, not to themselves though the public will no longer be deceived or diverted by such devices.

Corruption in the Railways was the subject of a recent inquiry and it does not appear that the results have been far-reaching. I have heard it said that even catering contracts which were formerly within the powers of zonal officials to award are now centralised in Delhi and applicants have to satisfy in more than one way several persons in a hierarchy of authority before some such small favours could be secured. At the State level, licensing of road transport is, it appears, such a rewarding occupation that defeated candidates consider it sufficient consolation if they can get on to one of the Boards.

The law is already strict enough. The onus of proof in regard to sudden substantial acquisitions of wealth is already on the Government servant concerned; the giver of a bribe is as much liable for punishment as the taker, though the need for prosecution witnesses often turns the givers into respectable men helping the State. Only a general atmosphere of cleanliness can reduce the wide range of tacit understandings in granting favours and jobs which the S.P.E. cannot detect or bring before a Court; for that the prospects are not indeed bright.

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The D.M.K. Challenge

That Congress leadership is genuinely worried by the separatist demand of the D.M.K. is seen in the recent spate of condemnatory speeches by senior South Indian leaders like Mr. T. T. Krishnamachari, who have generally refrained from direct attacks on the party which may be given a communal complexion besides dubbing the Congress as intolerant of all opposition (considering that the attack on the Swatantra Party has been no less severe). At the same time, there are others crying for a ban on the D.M.K. on the technical ground that, since it advocates secession (though it has not actually used that word) which is not permitted in the Constitution, it is guilty of treason. Such an attitude ignores all the lessons of history and psychology which the Congress had learnt first-hand during its long period of opposition to British rule. On the main issue of the separate constitution of the four Southern States—Kerala, Madras, Mysore and Andhra Pradesh—"into a Co-operative Socialist Republic," the D.M.K. is already very vulnerable because, except in Madras, it has not gained any foothold and is unlikely ever to make headway as its leadership and following have no roots or interest in the other States. The D.M.K. has never pleaded for the separation of Tamil Nad alone from the Indian Union and the danger may, therefore, be greatly exaggerated by those who do not know the fact that there is little risk of the separatist cry spreading to adjacent States. There is, however, a real danger of the D.M.K. acquiring more strength on Madras in course of time to challenge the Congress Government in the State but this cannot be prevented by stifling a constitutional opposition which the D.M.K. proclaims itself to be in its Election Manifesto.

The recent disturbances which resulted in violence and disorder amounted to a deviation from the path of rectitude and democratic agitation which the party professed to follow. If it is able to avoid a repetition of such mistakes in political strategy, the D.M.K. cannot be convicted for its objectives however misguided they may appear to be. So long as there is a fanaticism in the North about hastening the introduction of Hindi as the national language, there will be sufficient public sympathy in the South for the D.M.K. Also by profession and practice it is showing itself as a party of the under-privileged and there are many in Madras State who are socially and economically so backward that they have nothing to lose but their inferiority. It is not surprising that Rajaji who knows the local terrain very well should brush aside remonstrances from his Bombay Swatantra colleagues about the company the Party keeps in Madras State through electoral understandings with the D.M.K. Any long-term alliance between the two may be ruled out because the D.M.K. is as socialist as, if not more than, the Congress; its manifesto calls for "real" socialism, nationalisation of banks, road transport and the expansion of the public sector. It also calls for Rs. 1,000-crore Plan for Madras. All these must seem anathema to the Swatantra Party. It is shrewd political sense, however, to avoid triangular or quadrangular contests as the only way of defeating the Congress, at least to keep the latter on its best behaviour in between elections.

A far more important consideration in the eyes of many is that the D.M.K. cannot be considered more disloyal (to deserve being banned) than those which have openly shown extra-national loyalties but are still regarded as democratic national parties.

* * * *

Plan Pruning in Rajasthan

Rajasthan, one of the States to begin the Third Plan most hopefully, has already encountered serious difficulties and is now thinking of the "core" which means a reduction of the State Government's outlay from Rs. 235 crores to Rs. 208 crores. As one of the States with large overdrafts from the Reserve Bank, which it has been warned to avoid in future, Rajasthan might have found it prudent to take this cautious step. Many others will have to follow, as the same problem of inability to find local resources through taxation will face them when the precedent set up in U.P. is invoked widely by the opposition in other States to all tax measures. Perhaps this pruning is not entirely regrettable since only some of the frills may be cut; the Rajasthan Government has tried to effect some administrative economies resulting in an annual saving of about Rs. 2 crores in non-Plan expenditure, which (according to the Planning Commission) has increased in all the States. This inevitable go-slow in States in which the Congress faces tough opposition since the last elections (besides much internecine strife) must prove that a large plan which Congressmen wanted before the elections is not necessarily a good advertisement before the electorate.

Instead of Rs. 32 crores, the Rajasthan Government will be able to raise only Rs. 24 crores through fresh taxation, but it may be still less if the current political uncertainties are not soon cleared up. Major projects like the Rajasthan Canal and the Pong Dam will go on in any case. It is the Planning Commission which now stands exposed for its failure to check the exuberance of ambitious project-makers and for accepting unrealistic estimates of additional taxation seriously as the basis of planning. But these, I suppose, are still insignificant compared with the larger miscalculations on foreign aid and on the country's capacity in the public sector to execute projects.

* * * *

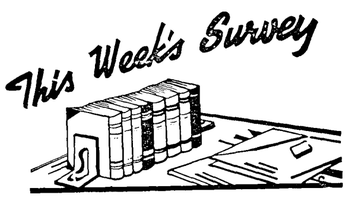
Parkinson's Third Law

Northcote Parkinson, who has now established his right to fame by propounding 'laws' which have aptly caricatured public services and business managements, has come forward with a third law, which is much less interesting and amusing than his first two. Expansion means complexity, he says in his latest book, *In-laws and Outlaws*, and complexity, decay. Apart from the fact that in an age of expansion in which limits to that process are far from evident, such a conclusion does not follow from the earlier Parkinson laws, that work expands to fill the time available and expenditure rises to meet the income. In other words, the new law seems to overlook the infinite capacity for self-perpetuation which the earlier propositions comprehended with extraordinary insight into the workings of public organisations and the minds of those controlling and guiding them. Complexity increases the indispensability of those who create it; with electronic computers now at hand to ease the work of the human brain nothing, it seems, is too much for those who are in a position to hire them.

This third law promises to be the last of the Parkinson laws. His classification of the gender of corporations according to the qualities they display on occasions is even less amusing but Parkinson's name will always evoke memories of those sparkling passages in his earlier books. The formula for forcing retirement on the unwilling top executive—by making him combine the maximum of air travel and filling in of forms—is unforgettable. So is Injelititis, the malady affecting organisations in which the higher officials are plodding and dull, those less senior are active only in intrigue against each other and the junior men are frustrated or frivolous. The most brilliant and imaginative of them all was the clue to the enigma of Chinese tax evasion which ran thus:

"According to this supposition the Chinese millionaire does not wait for his assessment but prefers to send the tax collector a cheque in advance for, say $329.83. A covering note refers briefly to earlier correspondence and a previous sum paid in cash. The effect of this manœuvre is to throw the whole tax collecting machine out of gear.... Officials are so perturbed and mystified that they produce no response of any kind for about eighteen months—and another cheque reaches them before that period has elapsed...."

The All-India Handloom Board decided, at its eighteenth meeting held at Bombay on Saturday last week, to set up an export promotion committee for launching a concerted drive to boost exports of handloom goods of all varieties. The meeting stressed the need to reorient the handloom development programme in the direction of technological and organisational improvements designed to increase production and improve quality. Mr. Manubhai Shah, Union Minister for International Trade, who inaugurated the meeting, urged the State Governments to make fuller use of the credit facilities now being made available by the Reserve Bank of India in order to facilitate increased production. He also called upon them to take more active steps to implement the scheme of pilot centres set up for intensive development of the handloom industry. The Board was informed that the procedure for sanction of handloom development schemes had been further simplified, so that the annual programmes could be implemented by the State Governments more expeditiously. The Union Minister announced the enhancement of the cash incentive in respect of handloom exports from 5 per cent to 8.4 per cent.



MORE POWER FROM KOYNA

THE second of the four 60,000-kilowatt units of the Koyna Hydro-electric Project in Maharashtra was commissioned on the 16th inst., exactly after four months from the date of inauguration of the first unit. If the other two units are also commissioned, according to present schedule, within the next 12 months, stage I of the project will have been successfully completed. That will be no mean achievement, considering that the planning and execution of this great project had posed many difficult problems which taxed the ingenuity of Indian engineers and foreign consultants. Such delay as there has been in its execution may also be condoned, if not entirely forgotten, by the public, now that the power supply position in the Bombay-Poona region has improved with the commissioning of the second Koyna unit.

The Maharashtra Government's decision to lift, with effect from the 17th inst., the peak-hour restrictions imposed on consumption of power in this highly industrialised region (which accounts for about 18 per cent of India's total use of electricity) should be most heartening to industrial consumers. Even non-industrial consumption of power in Bombay City will not be unduly restricted, for the State Government has also simultaneously decided to restore to the licensees the power to connect loads for temporary illuminations for marriages, carnivals, exhibitions, etc., in view of the improvement resulting not only from the commissioning of the second Koyna unit but also from the overhaul, just completed, of the third set of the Tata power companies at Trombay. The power supply position in the Bombay-Poona region has thus taken a turn for the better, whereas the situation in that other highly industrialised region in and around Calcutta seems to be continuously deteriorating.

The consuming public, especially the expanding industries, in the Bombay-Poona region should not, however, imagine that from now onwards everything will be all right on the power supply front. Even if the Tata power companies are enabled to complete their expansion project (involving the installation of a fourth thermal unit of 125,000-kilowatt capacity) at Trombay in time and the other two units (with an aggregate generating capacity of 120,000-kilowatts) of the Koyna project are commissioned according to schedule, a crisis may develop again in the near future. The demand for electricity in the Bombay-Poona-Koyna region is most likely, according to some recent forecasts, to reach the level of one million kilowatts in 1966, as compared with about half a million kilowatts in 1961. But stage II of the Koyna project, envisaging the installation of four 75,000-kilowatt units and one 40,000-kilowatt station, will not be completed before the end of 1967. Nor will any power be available before then from the proposed atomic power station at Tarapore. The possibility of demand again outstripping supply in the next few years cannot, therefore, be ruled out. Neither the authorities nor the industries can afford to be lulled into quiescence by the present improvement in power supply.

OILSEEDS PRODUCTION

One of the disappointing features of agricultural production in recent years has been the deplorably low rate of growth of output of oilseeds. According to official estimates, the production of five major oilseeds rose by about a million tons during the second Plan period to about 6.5 million tons by 1960-61. This compared unfavourably with the second Plan target of 7.6 million tons. During the crop year 1961-62, the aggregate output seems to have been still smaller than in 1960-61. In view of this unsatisfactory performance, it might look as if the third Plan production target of 9.8 million tons itself errs on the side of excessive optimism. The planners, however, seem to be in no mood to learn from experience, for they are now making a bid to raise the third Plan target to 10 million tons or so. The targets, at any rate, are only of academic significance when viewed against the background of persistently slow growth of production of oilseeds in recent years. There is no doubt that demand for oilseeds for edible purposes and for industries within the country, as also for exports, is increasing fast. But mere rehashing of targets on paper is certainly not the way out.

The responsibility for the slack in the growth of oilseeds production should be laid at the door of State Governments. Barring a few States, which have shown some enthusiasm, albeit belatedly, there is a lack of appreciation of the urgency of this matter on the part of several State Agriculture Ministers. It is only appropriate, therefore, that Mr. A. D. Pandit, President of the Central Oilseeds Committee, at a meeting of the Committee held at Madras last week-end, should have hinted at the insufficient response of State Governments. A "package programme" for promoting intensive cultivation of groundnuts was sanctioned by the Committee last year. Although the programme costing Rs. 15.19 lakhs was meant to be introduced in seven States, only three of them, namely Madras, Maharashtra and Gujarat, implemented the scheme during the current *kharif* season. It is a pity that the other major oilseeds-producing States, such as Andhra Pradesh and U.P., should have failed to avail themselves of the programme. In fact, the package programme for groundnuts is of added significance to this country in that it seeks to increase oilseeds output by improving productive techniques rather than by extension of area under the cultivation of the crop. As Mr. S. K. Patil, Union Minister for Food and Agriculture, pointed out in his inaugural speech at the meeting, the country cannot afford to increase the acreage under commercial crops at the expense of that under food crops.

The following table shows the changes in acreage and output of oilseeds recorded since 1950-51.

	1961-62	1960-61	1955-56	1950-51
Production ('000 tons)				
Groundnut	4,757	4,462	3,862	3,481
Castorseed	103	90	125	103
Sesamum	372	321	467	445
Rape and mustard	1,000*	1,402	860	762
Linseed	418*	417	421	367
Total ..	6,650*	6,692	5,735	5,158
Acreage ('000 hectares)				
Groundnut	6,413	6,257	5,134	4,494
Castorseed	448	420	574	555
Sesamum	2,250	2,160	2,293	2,204
Rape and mustard	2,960*	2,940	2,556	2,071
Linseed	1,700*	1,713	1,529	1,403
Total ..	13,771*	13,499	12,086	10,727

* Private estimates.

The slow growth in output (despite the increase in acreage) has led to a sharp decline in exports of vegetable oils and oilseeds. It may be recalled that it was planned originally to export about 214,000 tons of vegetable oils annually during the second Plan period. As against this, the actual shipments were only 61,000 tons in 1960-61. There has been a further decline in exports in 1961-62 and thereafter. Mr. Patil has stressed the need for regaining lost markets. This is certainly not beyond India's reach, provided the State Governments shake off their indifference and extend the necessary help to farmers for increasing production. That there is large scope in India for increasing the unit-area yield of oilseeds can hardly be denied. The per-acre yield of groundnuts, for instance, is only about 700 lbs. in India, which compares unfavourably with that in some of India's major competitors in world markets, being 1,137 lbs. in Brazil, about 1,000 lbs. each in Nigeria and the U.S. The provision of adequate irrigation facilities, better seeds and more fertilisers is bound to step up production substantially.

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PHARMACEUTICAL INDUSTRY

The pharmaceutical industry has, of late, attracted nation-wide attention, following the discovery of certain spurious drug rackets in Calcutta. That the anti-social activities of those who produce or distribute spurious drugs should be curbed in the interests of public health is self-evident. But equally important will it be to ensure fair prices for essential genuine drugs. It may be true that the prices of drugs in India, as pointed out by Dr. Sushila Nayar, the other day in Bombay, are exorbitant. Dr. Nayar, while speaking at a meeting of the All-India Manufacturers Organisation last week, stressed the need for evolving a machinery to examine the cost structure of the drug industry. It may be that she has in mind some sort of cost investigation as is done by the Tariff Commission. Here one fails to understand how cost studies alone will solve the problem of high prices. The basic reason for high prices is the inadequate supply of essential drugs in the face of growing demand which, incidentally, seems to have sustained the rackets in "cheaper" but spurious drugs. It is only by increasing production at a much faster rate, both in the public and private sectors, that a solution can be found. Cost studies, though apparently good, may only result in tighter control on efficient units, which are anyhow run on satisfactory lines now, both in respect of price and quality. At the same time, small units, which are not always run on efficient lines, will remain outside the purview of controls; this will only render the field fertile for the manufacture of spurious drugs.

How inadvisable it is to resort to price controls in respect of drugs has been clearly explained by Mr. Prabhu V. Mehta, Chairman of the A.-I.M.O. He has observed:

"Of late, there has been a certain amount of loose talk about price control of pharmaceutical products. There is a section which seems to think that control is the solution for all evils. Our experience has taught us otherwise. Control has been the root cause of many evils which we are fighting to eradicate now. Therefore, a solution to the problem of scarcity is neither price control, nor distribution control. The solution is more production, enlightening public and strict enforcement of the rules under the Drugs Act. Pharmaceutical is a research-borne industry. In these days, when very rapid advances are being made by the pharmaceutical industry abroad, if our industry is not allowed to make adequate profit, which it can reinvest in research and development of new products, give the consumer more benefit by way of prevention of disease and maintenance of health, then the Indian pharmaceutical industry will not be able to serve the nation's need. It will be inadvisable to consider the pharmaceutical industry as just any other industry, as pointed out already, and we do believe, therefore, that Government will take very sound counsel and avoid coming to any decision hastily in regard to price control or distribution control."

What is necessary at this juncture is to encourage the flow of capital into this industry, not to discourage it. The industry is also facing several difficulties which demand early solution. According to Mr. Mehta, the major problem facing the industry is the inadequacy of raw materials. Indigenous production of several raw materials, according to him, has lagged behind demand. Imports, too, have been restricted. Mr. Mehta, however, has made a plea to the Government that the industry should be given adequate raw materials, if it is to expand at a faster pace. He has also urged the Government to remove the procedural difficulties involved in the supply of imported raw materials through the State Trading Corporation.

Another important complaint of the industry relates to the definition of patent and proprietory drugs for the purpose of excise. Pointing out that the present definition helps, ironically enough, spurious drug manufacturers, Mr. Mehta has called upon the Government to evolve a workable formula for patent and proprietory drugs which "while serving the purpose of levy of excise, will not detract in any way from consumer protection and the brand name popularity." These and other difficulties of the industry are patently genuine, and their early removal will certainly make for greater production of genuine drugs.

STEEL TECHNICIANS

The Fourth Plan Steering Group for Iron and Steel, which discussed the requirements of technical personnel for steel plants during the fourth Plan period at its meeting held at New Delhi this week, emphasised the need for expansion of training facilities well in advance lest the fulfilment of Plan targets be rendered difficult for want of qualified personnel. The Steering Group suggested that the training facilities available in the country for steel technicians and engineers should be assessed and a blue print for expansion of these facilities be prepared in consultation with the manpower directorates.

The demand for technicians and engineers will depend on the size of the target for iron and steel laid down in the fourth Plan. The Steering Group is yet to decide as to what, in its opinion, should be the fourth Plan target for steel. But the five sub-committees of the Steering Group, which have been asked to examine the different aspects of the steel capacity targets, have been working on the assumption that the fourth Plan target would be 18 million tons of ingot steel.

There is considerable agreement among experts, both official and non-official, that, in the training of technicians and engineers for steel plants, a longer perspective should be adopted. Thus the Planning Commission, in a note submitted for the consideration of the sub-committee on personnel and training of the Steering Group, has suggested a perspective of at least 15 years. According to it, the estimated current requirement of technical personnel for the three public sector steel plants is 350 senior engineers and 1,650 junior engineers for supervisory jobs and 19,000 operators and skilled workers for actual operation and maintenance of the plants. In addition, about 1,300 engineers and 2,000 diploma holders would be required to take care of the additional plants and facilities to be set up as part of the expansion programme for steel during the third Plan.

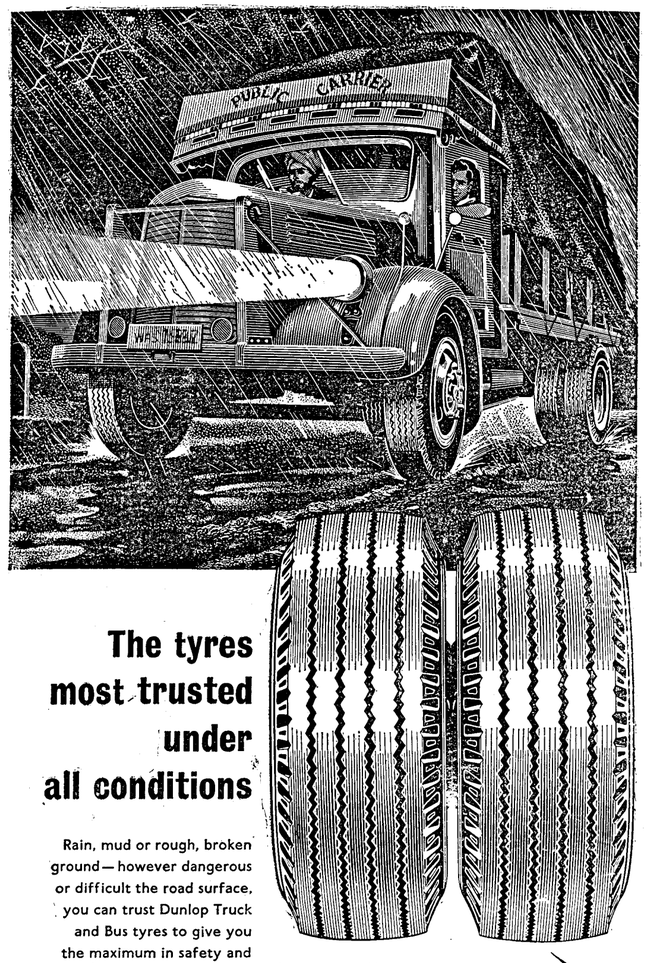
The inadequacy of training facilities and the need for advance action in regard to training and manpower development have also been stressed by Mr. S. K. Nanavati, General Manager of the Tata Iron and Steel Company, in his note on the subject submitted to the sub-committee. He has urged that the selection of the trainees and the scope of training to be provided must be determined on the basis of a careful study of the requirements over the period of the fourth, fifth and even the sixth Plans. He estimates that each million tons of steel requires 4,500 steel personnel, of which at least 10 per cent will need to be of the supervisory engineer category. The additional requirements of personnel under each successive plan would depend on the additional steel-making capacity envisaged by it. The greatest shortage at present is in respect of technical personnel at the craftsman level. The reorganisation and expansion of existing training institutions and the opening of a large number of new institutions and special facilities for training teachers and instructors are necessary if the requisite number of qualified persons are to be turned out in time to enable the plan targets to be fulfilled.

MAJOR PORTS

The approved second Plan provision for the development of major ports (Calcutta, Bombay, Madras, Cochin, Visakhapatnam and Kandla) was about Rs. 98 crores. But the actual capital expenditure incurred during that Plan period was only Rs. 49.2 crores, of which non-Plan schemes accounted for Rs. 3.7 crores. The schemes which have been carried forward to the third Plan would involve an aggregate expenditure of Rs. 43.8 crores, while new schemes included in this Plan call for a total outlay of Rs. 42.7 crores. The entire physical programme approved for the development of major ports under the third Plan is, however, estimated to cost Rs. 96.5 crores (Rs. 43.8 crores *plus* Rs. 42.7 crores *plus* Rs. 10 crores for the Tuticorin and Mangalore ports which are to be developed as major ports). Since a financial ceiling has been fixed by the Planning Commission at Rs. 75 crores therefor under the third Plan, the actual outlay on major port development over the ten-year period 1956-66 will have come to no more than Rs. 120 crores in all on the assumption that there will be no carry-forward schemes for the fourth Plan. But no such assumption can be made, and so it may be broadly taken that the physical achievements in this field from the beginning of the second Plan to the end of the third will correspond, more or less, to what had been hoped for in the five-year period ended March 1961.

It is against this background of slow performance—past and prospective—that the "assurance" given by the Union Transport Minister at the meeting of the National Harbour Board at Visakhapatnam on the 16th instant would have to be judged. The assurance is to the effect that lack of funds will not be allowed to stand in the way of achieving the physical targets laid down under the third Plan for the development of major ports and that, if it is found that the funds provided in the Plan for achieving the targets are inadequate, money will be found by reallocation or other means. This does not seem to be a meaningful assurance because the Planning Commission has already fixed a financial limit for major ports development at about 75 per cent of the entire cost of the programme designed to achieve certain physical targets. It is difficult to conceive of any reallocation within the financial limit of Rs. 75 crores, for as much as Rs. 44 crores out of that amount would have necessarily to be spent on the carry-forward schemes from the second Plan and the balance of Rs. 31 crores would cover only three-fourths of the aggregate cost of new schemes. After all, the new schemes covering the ports of Bombay (Rs. 8.9 crores), Madras (Rs. 2.6 crores), Visakhapatnam (Rs. 1.3 crore), Cochin (Rs. 0.4 crore) and Kandla (Rs. 3.6 crores) are relatively modest. It is only in the case of Calcutta that the new schemes will be very substantial, costing as much as Rs. 25.9 crores. As Calcutta Port's need is most pressing, no pruning of its schemes can be thought of without detriment to its rapid development. If more funds can be made available through reallocation of schemes in other sectors of development, it is just possible that the physical programme covering major ports may be implemented in full. If, however, no such reallocation is possible, it will be interesting to know what "other means" the Transport Ministry will devise to achieve all the physical targets in the field of major port development.

As the foreign exchange component of Rs. 44.5 crores will be largely covered by foreign credits already sanctioned—Rs. 22 crores by the World Bank for the Calcutta Port, Rs. 5 crores by the World Bank for the Madras Port and Rs. 9 crores by the I.D.A. for the Bombay Port—it should not also be too difficult for the Ministry to press its claim for the balance of Rs. 8.5 crores of foreign exchange required for the development of other major ports.



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LOOKING TOWARDS EAST EUROPE

PLANS FOR STEPPING UP TRADE

From Our Special Correspondent

NEW DELHI, 18*th September*

IN a series of reassessments of the trading prospects with countries in Eastern Europe, Indian officials by the end of the year will study measures to promote exports to the communist bloc at a rate higher than hitherto.

DELHI LETTER

The measures will be to consolidate the gains already made in the past seven years and to expand and diversify the exports to a greater range of products While the general export plan still continues to be linked to the ambition of doubling exports in a decade, some officials today talk of raising the trade with the communist bloc four times and even six times. Soviet trading with India was put on an organised basis after the Khruschev decision in 1955 to support the non-aligned countries economically through aid and trade. In the first six months of 1962, Indian exports to the communist bloc countries rose to Rs. 40 crores, an increase of Rs. 13 crores from the exports in the comparable period of 1961. This increase of exports to the Soviet bloc helped offset the decline of Rs. 13 crores in exports to the United Kingdom and the European Common Market countries. As compared with the exports in 1955, the figures for January-July 1962 show a twentyfold spurt.

In the financial year 1955-56, India's exports to the U.S.S.R. aggregated only Rs. 3.2 crores. The exports rose to Rs. 32 crores by 1961-62. From Rs. 4.3 crores in 1955, the exports to all the East European countries together rose to Rs. 64 crores in 1961-62. The imports in this period rose from Rs. 8.3 crores to Rs. 81 crores. In 1961-62, India had an adverse balance of Rs. 17 crores in trading with the Soviet bloc, while, in the three previous financial years, India had a favourable balance of Rs. 3.5 crores in 1958-59, Rs. 13.5 crores in 1959-60 and more than Rs. 5 crores in 1960-61. Export steps have been taken to see that, in the current financial year, there will be a smaller gap in trading with East Europe. Tables I and II give the country-wise breakup of Indian exports to and imports from East European countries.

Indo-Soviet Trade

Indo-Soviet trade in 1960 aggregated Rs. 43 crores and, under the trade agreement with the Soviet Union, the total trade is sought to be doubled by 1963. Under the terms of the rupee payments agreements with the communist countries, the trade is on a balanced bilateral basis, but trading with some East European countries like Czechoslovakia has not been as balanced as Delhi would like it to be. Except in 1959-60, when there was a small favourable balance of Rs. 55 lakhs, the balance of trade with Czechoslovakia has been continuously adverse in the years 1955-56 to 1961-62. The adverse balance was as high as Rs. 6.10 crores in 1961-62, the imports being Rs. 14.2 crores and exports Rs. 8.1 crores. Seven years of trading with Russia gave India a net favourable balance of more than Rs. 20 crores. In trading with Czechoslovakia the unfavourable balance totals nearly Rs. 17 crores in 1955-62.

Russia became India's best customer for wool last year and its imports from India have been in the traditional commodities, including tea, spices, hides and skins, wool, tobacco, shellac, cashewnuts, vegetable and essential oils, jute goods, footwear and handicrafts. Delhi is satisfied with the progress maintained in geographical diversification of exports to the East European countries and now hopes to sell to Russia more manufactures like chemicals, hardware and textiles. There is one school of thought which believes that Russia could be persuaded to become a major purchaser of textile goods.

Between 1958-59 and 1961-62, the imports from Russia increased from about Rs. 17 crores to about Rs. 35 crores, while imports from other communist countries rose from Rs. 14 crores to Rs. 45 crores. Exports to Russia rose from Rs. 26 crores to Rs. 32 crores, while exports to other communist countries increased from Rs. 8 crores to a little less than Rs. 32 crores. The total exports to communist countries rose from Rs. 34 crores to Rs. 64 crores in four years. A 30 per cent annual increase in exports to communist countries is the ambition of some officials in Delhi. There is also a trend of opinion that, as imports from communist countries increase, some provision should be made for the import of maintenance goods from these countries. Today the imports are almost exclusively of capital goods.

Imports

Some of the drawbacks in increasing reliance on imports from the communist countries were emphasised some time ago by the Federation of Indian Chambers of Commerce and Industry which said:

"The experience of importers in purchasing goods from the rupee payment countries has not been of a uniform nature. It has been pointed out that goods of the exact specifications are not offered by the countries willing to accept rupee payment and an impression is prevalent that there is an attempt to supply inferior quality goods on rupee account while the better quality goods are reserved for normal exports. It has also been reported that items like steel of special quality and tested specifications required by engineering industries, stainless steel, and alloy steel, carbon black for rubber industry, bright cold rolled steel strip and wires and a host of other items are not available in these countries or if available are of poor quality. There are also reports that machinery and equipment supplied to India by these countries were imported in some cases from West European countries. It has been stated by some of our constituents that, if imports are made from rupee payment countries, prices are higher by 15 per cent to 30 per cent. The delivery periods are stated to be uncertain and no after-sales service is generally offered by these countries."

There is another allegation that East European countries overbuy in India to unload their rupee surpluses and sell the goods in Western Europe. This has not happened anyway on a large-scale and the Mudaliar Committee, for example, could not find positive evidence of this practice.

Other new problems that may emanate as a result of rapid expansion of trading with the Soviet bloc are illustrated by the issues evolving in Soviet trade with Japan. The Russians are concentrating on increased trade with Japan whose exports to the Soviet Union in 1961 were worth $65.8 million and whose imports from the U.S.S.R. were worth $145 million. These represented an increase of nine per cent in Japanese exports to the U.S.S.R. over the 1960 figures and a 67 per cent increase in imports. A group of seventeen Japanese industrialists went to the Soviet Union in August and it was announced in Tokyo last week that they were able to sign contracts for supplies of goods worth $150 million. These include $96 million contracts for three major Japanese shipyards for five 12,000-dwt. freighters, some 35,000 dwt. tankers and 28 other smaller vessels.

A Japanese Trade Ministry official in Tokyo some time ago explained to this correspondent the dilemma Japan was being placed in as a result of Soviet pressure to increase trade. If Japan unreservedly accepts the policy of increased trading with the communists, Japan will become more dependent on that bloc and less dependent on the West and non-communist countries. The restrictive trade policies in the United States and West Europe are affecting Japanese exports and there will be political unrest if the Japanese Government restricts trading with the Russians. One of the products which Russia wants to sell in increasing quantities to Japan is crude oil.

Oil

The Russians, who at one time offered to supply India with all her oil import needs if it wanted, are seeking to export up to 15 million tons of oil a year to Japan. Another attractive offer coupled with the oil supplies was made by Mr. Anastas Mikoyan when he visited Japan this year. Russia is prepared to buy steel pipes from Japan for a trans-Siberian oil pipeline, if Japan will buy sufficient quantities of Soviet oil to justify the pipeline project. Just as the Indian Government cannot force the Western oil companies operating in India to use Soviet crude the Japanese too will be unable to make the American and Dutch oil firms refining in Japan to use Soviet oil, although it will be far cheaper than the Middle East oil which comprises 80 per cent of Japanese oil imports.

In India, there may not be the same pressure of opinion in favour of "loyalty to the West" as in Japan. But there are other long-range aspects. The underdeveloped countries still have a very small role in Soviet foreign trade. It is estimated to be in the range of five per cent. As long as the proportion of Soviet trade with underdeveloped countries remains at a low level, Russia is not dependent on these commodities. This gives the Soviet Union a greater flexibility in using trade for political purposes. The bilateralism in Soviet trade with underdeveloped countries is at the moment a great help in foreign exchange saving for India. Today Indian exports to the Soviet bloc comprise less than ten per cent of the total exports, on the basis of the 1961-62 figures. This could rise to anywhere between 16 and 20 per cent by the end of the third Plan. Egypt is an example of a country demonstrating the difficulties from a high rate of bilateral trade on a restricted currency account. In 1958, nearly 50 per cent of Egypt's exports went to the Soviet bloc countries which supplied less than 30 per cent of Egypt's imports. Russia's generous gesture of importing Egyptian cotton at premium prices ultimately recoiled on Soviet-Egypt relations, because in the process Egypt lost some of the traditional customers.

TABLE I—*Indian Exports to East Europe*
(In million rupees)

Destination	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
U.S.S.R.	32.6	155.0	166.0	259.0	306.2	288.4	320.7
Czechoslovakia ..	13.3	32.6	33.8	40.2	51.2	71.1	81.0
Hungary	0.8	4.9	3.8	7.6	7.1	13.7	48.5
Poland	3.3	12.4	9.2	8.8	49.3	38.8	45.7
East Germany ..	0.2	4.6	15.0	11.7	29.4	32.7	44.7
Rumania	0.1	2.2	5.6	4.4	23.8	13.8	26.1
Bulgaria	0.2	0.5	0.2	1.4	1.9	1.9	8.8
Yugoslavia	2.4	2.6	7.9	9.3	25.8	33.2	61.5

TABLE II—*India's Imports from East Europe*
(In million rupees)

Source	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
U.S.S.R.	62.1	169.1	249.7	172.1	160.5	152.1	353.2
Czechoslovakia ..	28.0	72.7	54.8	57.8	45.7	88.0	142.0
Hungary	4.1	6.6	7.9	12.9	19.5	20.2	56.0
Poland	4.3	44.4	30.0	23.0	41.2	43.4	83.1
East Germany ..	3.7	4.9	6.3	20.0	25.8	33.1	55.8
Rumania	3.2	1.9	6.3	5.4	14.0	49.5	38.3
Bulgaria	0.3	2.2	1.3	0.8	2.4	5.4	9.6
Yugoslavia	2.9	20.0	30.6	16.0	30.6	41.9	69.0

TABLE III—*Balance in Favour of India in trade with East Europe*
(In million rupees)

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
U.S.S.R.	— 29.5	— 14.1	— 78.1	+ 86.9	+145.7	+136.3	— 32.5
Czechoslovakia ..	— 15.6	— 40.1	— 20.0	— 17.6	+ 5.5	— 16.8	— 61.0
Hungary	— 3.3	— 1.7	— 4.1	— 5.3	— 12.4	— 6.5	— 7.5
Poland	— 1.0	— 32.0	— 20.6	— 14.2	+ 8.1	— 4.6	— 37.4
East Germany ..	— 3.5	— 0.3	+ 8.7	— 8.3	+ 3.6	— 0.4	— 11.1
Rumania	— 3.1	+ 0.3	— 0.7	— 1.0	— 9.8	— 35.7	— 12.2
Bulgaria	— 0.1	— 1.7	— 1.1	+ 0.6	— 0.5	— 3.5	— 0.8
Yugoslavia	— 0.5	— 17.4	— 22.7	— 6.7	— 4.8	— 8.7	— 8.4

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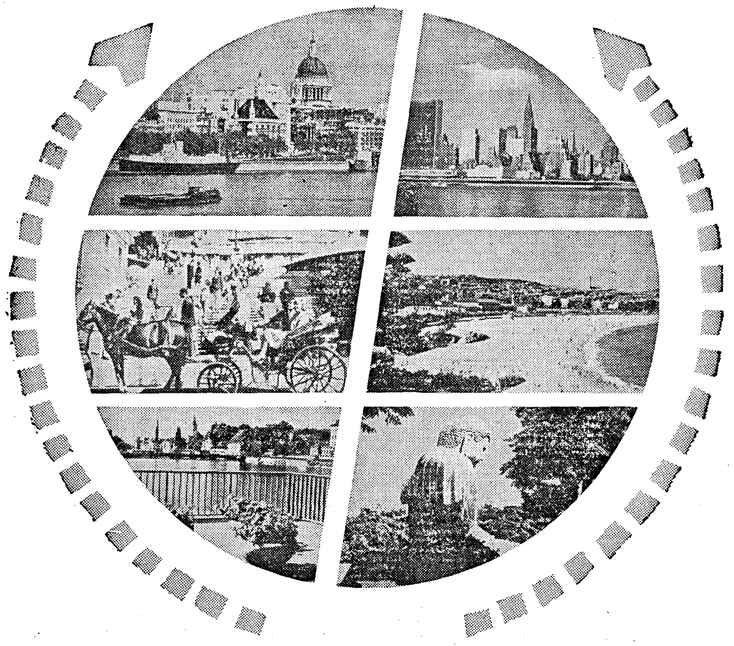

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AMERICAN LETTER

MORE BUSINESS-GOVERNMENT FEUDS

STOCK EXCHANGE DOES NOT REFLECT SUSTAINED OPTIMISM

From Our Special Correspondent

NEW YORK, *7th September*

LABOUR Day in the United States has come and gone. It always marks the beginning of a new season even though summer lingers on so far as the calendar is concerned. The summer let-down in economic activity was not more pronounced than in other years and most economic indicators have remained at a fairly even level.

A new business-Government feud broke out again—this time between the U.S. Senate and the steel industry. The worst part of it is that it is not a reassuring element so far as public confidence is concerned. The nub of the matter is that top executives of four big steel companies defied subpœnas from the Senate Anti-trust Sub-committee and thus failed to appear and produce data on production costs.

Both the subpœnas and the failure to answer them were ill-advised and very bad public relations. The four companies involved, Bethlehem, Republic, National and Armco, have challenged the Sub-committee's jurisdiction and they suggest that public disclosure of production costs would impair their competitive position here and abroad. Moreover, they insist such information is confidential and not the business of the U.S. Senate. The companies, undoubtedly, have a point there but it could have been presented more diplomatically and Senator Kefauver, Chairman of the Sub-committee, should have anticipated this argument before issuing the subpœnas. He is now talking of "premeditated contempt of Congress" which on the books is punishable by a $1,000 fine or a year imprisonment, or both.

The controversy goes back to the contemplated increase in steel prices and President Kennedy's intervention which led to cancellation of price boosts. Senator Kefauver also has attacked the drug and pharmaceutical industries for alledged overpricing and that feud has been long and bitter. The chances are that there will be no contempt proceedings against the four steel companies, but Senator Kefauver may have scored with some of his constituents.

Investment Trust Industry

Another business-Government feud was precipitated by the Securities and Exchange Commission's publication of an independent study of the $20,000-million investment trust industry. The study was made at a cost of $95,700 by four professors of the University of Pennsylvania's Wharton School. The findings were not particularly profound. They merely indicated that anybody with as much investment diversification as that used by investment companies would achieve the same result. The implication by the Government agency was that "the load" charged to buyers of between 6 and 8 per cent for investment management was too high and that more and stiffer Government regulations were in order. The fact of the matter is that commissions on the purchase and sale of both listed and unlisted securities on small volume on occasions are almost equal, but hidden in the price rather than stated as an extra charge.

All such things are disturbing psychologically. They undermine confidence. These are some of the underlying reasons for the caution displayed by the New York Stock Market. The traditional summer rally, such as it was, recouped much of the losses sustained in the "Blue Monday" crash of 28th May but there has been no sustained upward push reflecting optimism. In addition to the business-Government feuds, perhaps the main point of worry among analysts has been that many U.S. industries are operating well below capacity.

There is less talk of a forthcoming business recession than there was a month or two ago. The question of possible tax revision is kept alive by occasional announcements that studies are being made by the Administration what could and should be done if the need arises in the opinion of the experts. There are also official promises of restraint in Federal spending in the financial programmes to be submitted to the next Congress in January.

Recovery in steel production is progressing. In fact, it was better than seasonal. The model change-over in the automobile industry has been completed and there is considerable optimism for that particular field which is being fortified, of course, by Government defence orders of all descriptions. But the rate of unemployment in relation to the labour force remains stubbornly at previous levels.

The extraordinary West European boom has been running out of steam, it is pointed out. Expansion rates have been falling, but are still satisfactory, but Governments are becoming aware of the dangers of inflation brought about by wage increases over and above productivity boosts which has been accompanied by an upswing in consumer prices.

The co-operation of Western fiscal and central bank authorities has been excellent and a further strengthening of that is expected to come out of the forthcoming meetings. The easing in the U.S. payments position has been strengthened particularly by repayment of debts owned to the U.S. by such countries as West Germany and France. Buying of defence goods here has also been a factor. Since revaluation of the French currency, France has now the largest balance of payments surplus in Europe and will use future dollar accumulations to pay off more of its debts. These are some of the topics of discussion expected to be in the news.—*All Rights Reserved.*

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LONDON LETTER

THE NEW REFORMATION

ANTI-COMMON MARKET FORCES GROWING?

(*From Our Own Correspondent*)

LONDON, *14th September*

IT is not much more than four hundred years since the European Community of States, loosely united under the spiritual power of the Pope, broke up into a group of national communities, themselves divided into those who still, although in spiritual matters only, look to the Pope and those, the Protestant faction, who do not look to him at all.

It is no coincidence that the Christian Churches of the West have in recent years been considering the possibility of a re-uniting of all their factions with the See of Rome. This is all part of the new Reformation: the thinking that against the heathen menace (this time in the shape of Eastern European Communism) the cultures of the West must get together again. Nor is it, therefore, a coincidence that the Tory Party in the United Kingdom, itself traditionally Catholic-leaning (once the ancient families had made sure they would not have to disgorge their loot of the rape of the monasteries) should be in the forefront of this movement. And for exactly the same reason the leftward, more traditionally Protestant, feeling in this country should be uneasily dubious of a re-entry into a Catholic Europe.

The long strings of history are tenuous but they are there. It is very much a question of sympathy: the traditionalists of Europe embodied in Dr. Adenauer and in President de Gaulle find their counterparts in this country. On top of this sympathy and more brashly evident are the industrial economic advantages. Thus is the old Reformation position reversed, for then it was the rising mercantile class and the Protestants who wanted to break away from Europe and now it is the mercantile class which is allied with the Catholics and the traditionalists to bring Europe together again.

Labour Opinion Divided

Not surprisingly the Labour Party has found itself very divided on this issue. This has been well brought out at the Annual Conference of the Trade Unions at Blackpool this year. There has been an uneasy feeling that, if the Government wants it, it must be wrong for Labour to want it too and, on the other hand, an uneasy feeling that economically it seems to make sense. The bogey of free entry of labour into this country has not had much success. The Trade Unions for the most part have accepted the argument that industry here has got to be competitive with industry on the Continent and that a bigger market for all the nations concerned does not mean reduced opportunities for those of the United Kingdom.

But Labour's economists have been less sure of all this. They see that food prices here will be higher; that Commonwealth links are liable to be disrupted and, above all, they fear a shackling of the British economy to European Continental interests. At the Trade Unions Council Conference an anti-Common Market vote was taken which was roundly defeated but this does not mean that the Trade Unions accept the idea of entry—it only means that they refuse to take a decision at this time and that they are prepared to wait and see what definite proposals emerge from Brussels and what it is that they and the Commonwealth are likely to have to sacrifice and to receive before committing themselves.

Indeed, the anti-Common Market forces dominated by this reasonable outlook of "waiting to see" can be said to be growing. Time is running against the Government. They lost the attempt to obtain a decision before the summer recess and now they have a Commonwealth Conference on their hands and after that will come an Annual Conference of the political parties in which opinion against entry is likely to harden. And it is understood that the leaders of France and Germany will, if anything, become more intransigent, making Britain's choice between Common Market and Commonwealth more difficult.

What the present still lacks is substantial alternative proposals by the Commonwealth countries to offer good cause why the Commonwealth should turn itself into a Common Market rather than being sacrificed to the Continental alliance.

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WORLD BANK LOANS AT RECORD LEVEL

LAST YEAR'S HIGH RATE OF LENDING CANNOT CONTINUE, SAYS MR. BLACK

PEAK level of financing operations, a notable increase in technical assistance and training programmes, and continued broadening of resources base: These were the outstanding features that marked the activities of the World Bank during the year July 1961-June 1962. The total amount actually lent by the Bank in this year was much greater than in any previous year, amounting to $882.3 million, the number of countries receiving loans being 19 (29 new loans). The previous highest figure was $711 million in 1957-58. As compared with the new loans granted in 1960-61, the aggregate for 1961-62 represents a rise of as much as $272 million. The rise is especially significant considering that the new loans sanctioned by the Bank had continuously declined in the three previous years, from a total of $711 million in 1957-58 to $703 million in 1958-59, $659 million in 1959-60 and $610 million in 1960-61. But the World Bank President, Mr. Eugene R. Black, made it clear, in his speech at the Bank's annual meeting on Tuesday this week, that the rate of lending noted in 1961-62 could not continue in the coming years and that more liberal aid on easy terms of payments should be made available through the International Development Association (I.D.A.). For Mr. Black said:

"Many of the Bank's present member-countries cannot prudently assume further hard debts without jeopardising their future and, of about 20 new members expected to join the Bank within the next year or two, few will be in a position to service loans from the Bank. It is to the I.D.A., not to the Bank, that most of them will have to look for help. The future of I.D.A. is, therefore, the most important issue that I commend to your sympathetic consideration during this week's meetings."

Financial Highlights

The financial highlights of the World Bank in respect of 1961-62 as compared with the previous year are indicated below:

(In million $)

	Year ended June	
	1962	1961
New loans	882	610
Sales of parts of Bank loans	319	202
Repayments of loans to Bank	104	101
Gross income	188	167
Net income	70	63
Total reserves	699	602
Of which : Supplemental	476	408
Special	223	194
Borrowings (gross)	270	787
Net increase in funded debt	292	155
Subscribed capital	20,485	20,093

Almost 47 per cent of the new loans made by the World Bank in 1961-62 is accounted for by the Latin American countries, their combined actual share being $412 million, according to the sixteenth annual report of the Bank. Loans in Asia and the Middle East aggregated $253 million, in Africa $85 million, and in Australia and Europe $132 million. The largest beneficiary of the World Bank loans in 1961-62 was Mexico with two loans aggregating $160.5 million, of which power development accounted for $130 million and roads for $30.5 million. India was the second largest recipient receiving as it did a total of $145.5 million ($54.5 million for coal industry, $50 million for railways, $21 million for port development and $20 million for I.C.I.C.I.). The shares of other countries—in million dollars—are: Australia 100; Argentina 95; Colombia 69.5; Ghana 47; Venezuela 45; Philippines 42.5; Japan 40; Finland 25; Israel 25; South Africa 25; Trinidad and Tobago 23.5; Peru 10; Costa Rica 8.5; Kenya 8.4; Austria 5; Ethiopia 4.9; Iceland 2.

Electric power was the largest single purpose of Bank lending, at $493 million, which included three of the largest loans yet made by the Bank—$95 million for power in Buenos Aires, $100 million for the Snowy Mountains project in Australia, and $130 million for additional power in Mexico. Loans for transport facilities came second at $241 million. Of this, lending for highway programmes was the largest element, with loans to Colombia, Costa Rica, Japan, Mexico, Peru and Venezuela aggregating $150 million. Industrial lending was $134 million, including two important loans for coal supply in India, and a loan to Israel to develop the potash deposits of the Dead Sea. An unusual loan of the year was of $2 million to Iceland to expand the system which supplies hot water from natural springs for heating and domestic use in the capital city of Reykjavik.

The Bank also made important extensions of its technical assistance services during the year. A new Development Services Department was set up to administer all the technical assistance services of the Bank and a new Development Advisory Service was established. This Service is intended to provide a corps of experts to advise Governments on economic and financial questions, particularly in connection with development programming. The Service has now recruited a number of highly qualified experts, several of whom are already in posts in member-countries. During the year, the Bank also increased its expenditure in the less developed countries on studies, both of specific projects and of sectors of the economy. The studies included general transportation study in Colombia, a new bridge over the Hooghly River in Calcutta, and feeder roads in north-east Nigeria. The estimated cost (to the Bank) of these studies is approximately $1.7 million, of which more than $1 million will be spent in the coming year.

The Bank continued to act during the year as executing agency for projects receiving financial assistance from the U.N. Special Fund. In all cases, this work is carried out under Bank supervision by outside consultants chosen jointly by the Bank and the country concerned. By the end of the fiscal year, a number of Bank advisers were in posts overseas.

The seventh course of the Economic Development Institute, the Bank's staff college on economic development, took place from October 1961 until March 1962. A total of 143 officials from member-countries and five from the Bank have attended the regular courses of the Institute since it opened in January 1956.

Membership

The membership of the Bank rose from 68 to 75 countries during the year. Two countries, the Dominician Republic and the Syrian Arab Republic, resumed earlier membership, and the new members were Cyprus, Laos, Liberia, Nepal and New Zealand. The subscriptions of these new members and other changes raised the subscribed capital of the Bank to $20,485 million. In addition, applications for membership were received from 15 other countries, mostly the newly independent countries of Africa.

The net earnings of the Bank (exclusive of receipts from the 1 per cent annual commission payable on all Bank loans) were $70 million, an increase of $7 million over the previous year and the highest earnings figure yet reached. Sales of Bank loans, (all made without the Bank's guarantee) reached $319 million, also the highest figure yet reached. The total was made up of $32 million of participations, where other investors assumed parts of Bank loans at the time the loans were signed, as well as of $287 million of sales from the Bank's loan portfolio. Disbursements on loans were $485 million. Net borrowing was $292 million, bringing the total outstanding funded debt to $2,521 million.

The Bank's total reserves, comprising the supplemental reserve and the special reserve, stood at $699 million, an increase of $97 million during the year. The supplemental reserve, accumulated from net earnings, stood at $476 million at the end of the fiscal year, as compared with $408 million a year earlier. The increase of $68 million consists of the $70 million of net earnings, less $2 million representing losses resulting from revaluation of the Bank's holdings of the currencies of various member-countries, debited directly to the supplemental reserve. The special reserve, which is held in liquid form to meet liabilities of the Bank in case of defaults and to which are credited receipts from the 1 per cent annual loan commission, increased by $30 million to $223 million.

Repayments to the Bank amounted to $104 million and repayments to other investors holding maturities of Bank loans were $122 million; the total of $226 million compared with $191 million a year before. The rate of interest on new Bank loans, including the 1 per cent annual commission, remained at 5¾ per cent throughout the year. The year's disbursements were $485 million, as compared with $398 million the year before.

There were five new borrowing transactions during the year, all but one of them outside the United States. The amount borrowed was $270.5 million. In addition, the Bank received $130 million in dollars and the equivalent of $62.5 million in Deutschemarks as a result of borrowing transactions arranged in previous years. The gross increase in debt was, therefore, $463 million. The year 1961-62 witnessed not only the seventeenth issue of Bank bonds on the U.S. market but also the first sale of Bank lire bonds in Italy, the eleventh public issue of Swiss franc bonds and the fourth public issue in Netherlands guilders.

The Bank's annual report shows how widespread are the sources from which it now draws funds for its lending operations. It observes:

"The situation today is very different from what it was in the early days of the Bank. During the immediate post-war period, for well-known reasons, the Bank was obliged to depend on the United States for virtually all its funds. The United States paid-in capital subscription of $635 million was the first to be made freely available to the Bank for lending, and the Bank's first borrowing operation was the sale in 1947 of $250 million of Bank bonds in the United States. The economic recovery of other countries has since been reflected in a sustained broadening of international support for the Bank's finances. These countries have increasingly made their paid-in capital subscriptions available for lending, mostly on a convertible basis; by 1962, the capital contributions made available by members other than the United States had risen to $1,021 million. Other countries have also opened their capital markets to Bank bond and note issues; at the end of June 1962, about 56 per cent of the Bank's outstanding funded debt of $2,521 million was held by non-U.S. investors."

Loans to India

Including the $882.3 million of new loans announced by the World Bank in 1961-62, the total amount of loan commitments since its inception comes to $6,672.83 million (as on 30th June 1962) in 60 member-countries and territories, the number of loans being 321. Of the total, the share of India alone is $846.11 million. The bulk of this, amounting to $536.61 million, is accounted for by the public sector projects, the share of the private sector being $299.50. The breakdown figures are given in the following table:

World Bank Loans to India

As on 30th June 1962

(In million $)

Projects for which loans are given	Original principal amount	Amount actually disbursed	Cancellations, terminations and refundings	Principal repayment to Bank
Public sector :				
Railways	379.01	336.97	1.20	14.92
Power	68.50	48.19	11.08	2.03
Multi-purpose projects	19.50	10.50	9.00	1.43
Ports	64.00	20.66	..	..
Airlines	5.60	5.60	..	..
Total public sector	536.61	421.92	21.28	18.38
Private sector :				
Coal mining	54.50*	..	..	..
Power (Tata group)	26.00	22.61	2.30	2.34
I. C. I. C. I.†	60.00	17.92	..	1.46
Tata Iron & Steel	107.50	107.50	..	12.64
Indian Iron & Steel	51.50	48.81	2.30	13.11
Total private sector	299.50	196.84	4.60	29.55
Repaid—one loan	10.00	7.20	2.79	2.26
Grand Total	846.11	625.96	28.67	50.19

* Includes $19.5 million given to the Indian Iron and Steel Company for coal mining.
† Industrial Credit and Investment Corporation of India; loans given to this Corporation are for industrial purposes.

In recent years, the number of countries in a position to offer substantial amounts of development aid, according to the Bank's annual report, has markedly increased. At the same time, more of the less developed countries have succeeded in formulating national development plans or large-scale priority development projects which cannot be carried out with their own resources. The situation, it is urged, calls for international efforts to mobilise the potentially available assistance and to direct it where it is most needed and where it can be put to most productive use, in support of well conceived investment programmes and projects. There is a number of possible techniques to this end, whose appropriateness and effectiveness vary, depending upon circumstances. At the moment, international efforts are in an experimental stage, and there is a range of devices in operation. There is the informal exchange of information on the part of assisting countries and institutions; another stage is the co-ordination of external assistance by means of so-called "consultative groups"; and there are the international financial Consortia. The Bank's work in the field of development programming has led to its active participation in these efforts to mobilise and co-ordinate development finance.

I.D.A.'S OPERATIONS EXPAND MARKEDLY

NEED TO REPLENISH RESOURCES

"THE new lending agency (International Development Association) is soft and alluring; but will she cook?" This query of the *Fortune* Magazine of the U.S. reflected the scepticism entertained in some quarters about the new affiliate of the World Bank when it came into being on 26th September 1960. The I.D.A. is now hardly two years old; and two years is too short a period to prove that it can "cook." Moreover, it should be borne in mind that the primary purpose underlying the establishment of the I.D.A. was the creation of a supplementary source of capital for those developing countries whose balance of payments prospects would not justify their incurring, or continuing to incur, external debt entirely on conventional terms. The financial terms of I.D.A. credits have, therefore, been designed with due regard to this purpose which, admittedly, will take a long time to fructify. The terms, in broad outline, are as follows:

I.D.A. credits are repayable in foreign exchange, but on very lenient terms. In each of the credits so far made, a Government has been the borrower; the credits are repayable over a period of 50 years, free of interest; there is a 10-year period of grace, following which 1 per cent per annum is repayable over the next 10 years, and 3 per cent per annum over the final 30 years; to help to meet I.D.A.'s administrative costs, a service charge of ¾ per cent per annum is payable on amounts withdrawn and outstanding. Compared with conventional loans, these terms bring substantial alleviation to the repayment obligations of borrowing countries and bear much less heavily on their balance of payments.

Terms of Financing

It was not intended that these concessionary terms of I.D.A. financing should result in the extension of financial subsidies to the actual projects on which I.D.A. funds are employed, or that I.D.A. funds should be used to finance a project which could not satisfy normal criteria of economic and financial viability. Hence, a project submitted for I.D.A. financing is expected to meet the same technical, economic, financial and administrative standards as the World Bank itself would look for if the Bank were making a loan for that project on conventional terms. Furthermore, in the case of revenue-producing projects, I.D.A. requires that the proceeds of the I.D.A. credit be invested in the project on a normal business-like basis and that the price of the goods or services produced by the project be fixed at levels which will make the investment remunerative.

The activities of the I.D.A. during the brief period of its existence have produced enough evidence to confound the sceptics who doubted its soundness and questioned its effectiveness in providing the much-needed development capital to underdeveloped countries.

The latest annual report of the I.D.A. for the year ended 30th June 1962, the first full year of operations, gives a comprehensive review of the activities of the I.D.A. during the year. Eighteen new credits for a total of $134 million were granted during the year, bringing the total commitment till the end of June 1962 to $235 million. Of this, credits amounting to $174.0 million have become effective, while credits aggregating $60.5 million are not yet effective. Of the effective credits of $174 million, only $12.17 million have been disbursed.

The year's credits were given to finance development projects in eight countries. Of these, six credits were given to India, four to Taiwan (China), three to Pakistan and one each to Colombia, Jordan, Costa Rica, Paraguay and Swaziland. The accompanying table indicates the credits granted to India by the I.D.A. since its inception till the end of June 1962.

Agricultural improvement received the largest amount of I.D.A. credit during the year; a total of $66.2 million was lent principally for irrigation and drainage in farming areas in India and Pakistan where greater agricultural output is vitally needed to keep pace with the food needs of the growing populations. Credits for the transport sector ranked second, aggregating $38 million. The major part of this, as much as $31 million, was for projects in Latin America. In most cases, these credits will also be of direct benefit to agriculture because transport development will open up new areas for farming and provide farm-to-market road systems.

Of the remaining credits, one of $18.5 million was made for electric power to assist development in the Damodar Valley in India. Credits of $2 million and $4.4 million, respectively, were extended to finance municipal water-supply system in Jordan and Taiwan. The only I.D.A. credit for industry was of $5 million to assist the China Development Corporation in the promotion of private industrial ventures in Taiwan (China).

Commenting on last year's operations, the report observes:

"The experience of the past year has amply confirmed the need for more development capital on terms imposing a minimum burden on the balance of payments of less developed countries. Many of these countries are now bringing a growing number of sound projects to the point where construction can begin, given the required external capital. At the same time, because of fresh borrowing for development purposes, the external debt of many of these countries continues to grow, much of it on short and medium-term, and weighing more and more heavily on their balance of payments."

These developments, combined with the fact that within the I.D.A. itself the preparatory processing work is now being brought to completion on an increasing number of deserving projects, are causing the commitments of I.D.A. to increase. By 30th June 1962, I.D.A.

I.D.A. Credits to India

(In thousand $)

Projects	Principal amount of credits	Effective credits	Principal amount disbursed*	Undisbursed balance of effective credits*
Highway construction and equipment	60,000	60,000	3,894	56,106
Tubewell irrigation	6,000	6,000	—	6,000
Shetrunji irrigation	4,500	4,500	451	4,049
Salandi irrigation	8,000	8,000	484	7,516
Punjab flood protection and drainage	10,000	10,000	1,839	8,161
Durgapur Power Extension	15,500	—	—	—
Sone Irrigation	15,000	—	—	—
Total	122,000	88,500	6,668	81,832

* Amounts have been rounded off to the nearest digit.

Note : I. D. A. has extended four more credits to India during its current fiscal year : $14.7 million for Bombay Port Development, $13 million for Purna Irrigation Project in Maharashtra, $17.5 million for Koyna Project and $42 million for expansion of telephone and telegraph facilities in the country. This brings the principal amount of credits given to the country to date to $209.2 million.

had signed credit agreements requiring $235 million out of the $575 million of freely convertible resources available from its initial subscription. Considering that about another $250 million would be needed for credits to India and Pakistan alone by June 1963 to fulfil the promises made to these countries at the Consortium meetings, and also, in view of the mounting requirements for granting credits to other member-countries, it is clear that most or all of I.D.A.'s initial resources might well be committed by mid-1963. The question of replenishment of these resources has, therefore, been placed on the agenda of the Fund-Bank Meetings currently taking place at Washington. It is to be hoped that the member-countries would persuade themselves to put more funds at the disposal of the I.D.A. so that it can supplement the World Bank's activities much more effectively than is the case at present. It is noteworthy that Sweden has already given a lead to other countries in this matter by making a supplementary contribution of $5.8 million in May last to I.D.A.'s resources. This is the first supplementary contribution to I.D.A.'s resources from any of its member-countries. The current expectations are that other affluent countries will follow suit, offering substantially bigger supplementary contributions. It may be recalled that the U.N. Secretary-General himself has emphasised that such an increase in the resources of the I.D.A. is one of the primary requirements for the success of the current development decade.

I.D.A. CREDIT FOR BOMBAY PORT

The development credit of $18 million to India for improvements at the Port of Bombay, approved by the International Development Association's Executive Directors on 11th July 1962, has now been signed. Certain documents were executed at Bombay by the Trustees of the Port of Bombay and the credit agreement and related documents were signed at Washington on the 14th inst. by the Ambassador for India, Mr. B. K. Nehru, on behalf of the Government of India, and by Sir William Iliff, Vice-President, on behalf of the World Bank The Government of India is making the proceeds of I.D.A. credit available to the Trustees of the Port of Bombay for a five-year programme to eliminate congestion by expanding capacity of the port, and to improve facilities for the handling of passenger and cargo traffic.

ACTIVITIES OF I.M.F.

1961-62—A RECORD YEAR

THE year ended April 1962 was a record one for the International Monetary Fund in every phase of its operational activity. Not only did the total sales of currency and the amount of stand-by arrangements agreed exceed by far the comparable figures for any year in the Fund's history, but the repurchases by members were also substantially above any previous year's figures. Of the 30 members which received financial assistance from the Fund, either through direct purchase transactions or in the form of stand-by arrangements, 16 were in Latin America, 4 in Europe, 3 in the Middle East, 6 in the Far East (including Australia), and 1 in Africa. Repurchases were made by 24 members. The greatest number of repurchasing members was also in Latin America, namely 9; 4 were in Europe, 3 in the Middle East, 4 in the Far East (including Australia), and 4 in Africa. As in previous years, improvements in the monetary reserve positions of several members enabled them to make large purchases, in accordance with Fund policy, before the expiration of the maximum period (three to five years), thus strengthening their secondary line of reserves as represented by potential recourse to the Fund's resources. New stand-by arrangements or extensions of existing arrangements were agreed with 24 members, for a total amount equivalent to $1,633 million. The total amount available to members under these arrangements at the end of the financial year was $1,942.9 million ($2,012.9 million effective on 1st May 1962).

The use of the Fund's resources during the year required in each case a waiver of the provision of Article V, Section 3, of the Fund Agreement, which limits purchases by a member to amounts based on 25 per cent of quota in any 12-month period. The use of an increasing number of members' currencies in purchases from the Fund continued and, for the first time, there was also a wide use of member currencies in repurchases. In the year under review, the Fund has served much more fully than in any other year of its history as the multilateral revolving fund envisaged at Bretton Woods.

From the beginning of Fund operations until 30th April 1962, exchange transactions were consummated with 44 members, many of which used Fund resources on several occasions. Three members received financial assistance in the form of stand-by arrangements without drawing on them. Of this total of 47 members, 19 are in Latin America, 12 in Europe, 5 in the Middle East, 7 in the Far East, and 4 in Africa. Total Fund sales were equivalent to $6,265.5 million.

Assistance Rendered

A picture of the aggregate financial assistance accorded by the Fund to members is given by combining the amount of new stand-by arrangements granted in each period with the amount of exchange transactions not effected under stand-by arrangements (thus eliminating the duplication which results from listing drawings under stand-by arrangements in both categories). The total assistance given by the Fund, so measured, has amounted to $9.1 billion. To the end of April 1962, repayments to the Fund had been made by 38 members either by repurchases in gold or convertible currencies or by purchases of the drawing members' currencies by other members. As on 30th April 1962, the total amount of purchases still outstanding was equivalent to $2,015.2 million.

Currently, 27 members are paying the charges levied by the Fund on holdings of a member's currency in excess of quota. The amount of such charges incurred during the year under review was $21.4 million, as compared with $11.0 million during the preceding year.

The members of the Fund that maintain exchange restrictions under Article XIV of the Agreement are required to consult with the Fund annually concerning the retention of these restrictions. In accordance with this requirement, consultations were held during the financial year 1961-62 with 36 such member-countries; for all but one of them, Fund missions were sent to the countries concerned. These annual consultations continued to provide opportunities for useful collaboration between the Fund and its members.

At the request of member-countries, the Fund continued to provide technical advice and assistance directed towards specific problems and tasks in the monetary and financial field. Fund staff teams have assisted several member-countries to formulate appropriate monetary, fiscal

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PROGRESS OF TEXTILE MACHINERY MANUFACTURE

"INDUSTRY HAS COME OF AGE"

DESPITE its very recent origin, the Indian textile machinery manufacturing industry has made remarkable progress in terms of volume of production as well as the quality of its products. The industry now manufactures a wide range of textile machinery, including many new items such as blow room lines, continuous dyeing ranges, open-width bleaching plants, hot air stenters, chainless mercerisers and different types of padders. Plans are also afoot to produce many more items which have not been manufactured in the country hitherto. Mr. Manubhai Shah, Union Minister for International Trade, in his speech at the third annual general meeting of the Textile Machinery Manufacturers' Association, held at Bombay this week, rightly observed that the industry has come of age. Mr. Shah expressed satisfaction at the progress made by the industry. He noted that the major textile machinery manufacturers produced machinery worth about Rs. 12 crores in 1961. The production during the current year is estimated at an annual rate of Rs. 15 crores. The estimated production of textile spares and accessories, including small-scale production, is Rs. 14 to 15 crores per annum. The Minister described this as a "proud record," as indeed it is, considering the very recent origin of the industry.

The following table gives the production figures pertaining to some of the main items of textile machinery during the four-year period 1958-61:

(In numbers)

	1958	1959	1960	1961
Spinning and weaving machinery :				
Carding engines	1,148	763	1,075	1,308
Ring frames	877	1,077	1,127	1,380
Looms (plain)	3,151	3,870	5,177	7,586
Looms (automatic)	36	356	375	67
Augusta pneumatic suction system	52	427	590	626
High draft conversion system	136	210	287	348
Total value (Rs. in crores)	6.56	7.49	9.22	10.45
Processing machinery :				
Kier and heater	23	27	24	28
Washing machines	26	21	28	33
Water mangle	27	31	50	39
Dyeing jiggers	174	157	174	162
Cloth printing machine	11	14	10	6
Stentering machine	3	4	5	18
Drying cylinders	59	78	120	113
Soapers	11	1	9	3
Total value (Rs. in crores).	1.10	1.36	1.86	2.49
Grand Total (value in crores of rupees)	7.66	8.85	11.08	12.94

Imports of main items of textile machinery and parts during 1961 were valued at Rs. 20.37 crores, as against Rs. 16.12 crores in 1960, Rs. 9.37 crores in 1959, Rs. 10.89 crores in 1958 and Rs. 19.08 crores in 1957. In the matter of exports, the indigenous industry has made only a beginning but the trend is encouraging. The main items of textile machinery exported in 1961 were valued at Rs. 19.13 lakhs, as against Rs. 3.47 lakhs in 1960 and Rs. 1.7 lakh in 1957.

Demand Position

The demand for textile machinery during the third Plan period is expected to increase, thanks to the programmes of rehabilitation and modernisation of the industry and the planned expansion of spindleage by 3 to 4 million and the installation of 25,000 automatic looms envisaged in the Plan. The Committee appointed to assess the requirement of capital goods and components for the textile machinery manufacturing industry has estimated the demand for textile machinery (including the requirement of the cotton, art silk, and woollen industry) on account of these expansion programmes at Rs. 309 crores—Rs. 157 crores for replacement and Rs. 152 crores for expansion. As against this, the production programme of the textile machinery manufacturers envisages an output of machinery valued at Rs. 129 crores. Even if the planned production is achieved, indigenous production of textile machinery would cover only about 42 per cent of the demand. In view of this, the Government has granted licences to new manufacturers, especially for the production of specialised items for which the gap between anticipated demand and supply is considerably wide. The present annual licensed capacity of the industry, in terms of value, is about Rs. 33 crores, and Rs. 44 crores, if account is also taken of the additional capacity licensed to newcomers. As against this, the annual average production of textile machinery during the third Plan period is not expected to exceed Rs. 26 crores in terms of value.

The textile machinery manufacturers are well aware of the need for increasing production. The chief obstacles in the way of increasing production and the main problems faced by the industry were pinpointed by Mr. Prabhu V. Mehta, Chairman of the Association, in his speech at the annual meeting. One such handicap is the shortage of building materials like cement, iron and steel and, in certain areas, of electric power. Another is the difficulty of importing essential components and raw materials, thanks to import restrictions. The imported components generally consist of very specialised equipment and parts not normally manufactured by the textile machinery manufacturers anywhere in the world. Mr. Mehta said that the industry appreciated that these restrictions were inevitable as it was due to the difficult foreign exchange situation. It also conceded that the careful scrutiny of all import applications by the Textile Commissioner was in the interest of the industry. But he pleaded that, in respect of items normally not manufactured by the textile machinery manufacturers anywhere in the world, imports should not be cut, even if the object of the cut was to encourage indigenous manufacture of such machinery. For this would result in the production of machinery of sub-standard design and construction.

A third handicap is the delay in granting industrial licences and approving collaboration agreements. In spite of repeated representations, he pointed out, the position has only deteriorated. Citing a specific instance, Mr. Mehta said that if the Government had not delayed the granting of licence and approval of the collaboration agreement submitted by a well-known manufacturer fourteen months ago, the firm would now have been manufacturing high speed draw frames in the country and thus obviated the need for most of the imports of draw frames.

As regards quality standards, the Chairman disagreed with the official view that an inspectorate should be formed under the Cotton Textiles Fund Committee to inspect the quality of textile machinery and that the textile machinery manufacturing industry and the mill industry should jointly bear the cost. According to him, if at all there is need for an inspectorate, it should be created by the millowners and textile machinery manufacturers. In Mr. Mehta's opinion, which is shared by his colleagues in the industry, an inspectorate alone will not serve the purpose of improving the quality of the machines produced. What is required is an inspectorate, staffed by highly qualified people, not only for the limited purpose of inspection but also for suggesting improvements and modifications in the manufacture of machines.

Import Duty

The Chairman of the Association called for a revision of the customs duty on imported components and raw materials and made certain suggestions in this regard. The following are the relevant observations:

"The industry has been allowed reduction of import duty on imported components, and it is our submission that raw materials should also be treated on the same basis. The Government of India has partly accepted the contention that the import duty on components should not be more than that on complete machines. Duty exemption certificates are issued by the Textile Commissioner's Office, and this procedure is working satisfactorily. However, there are instances where the Customs do not accept these certificates and differently classify certain items and collect very heavy import duties. These duties are being collected in spite of the fact that the importers produce duty exemption certificates from the competent authority. We have represented the

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DRIFT TOWARDS EXTINCTION?

MORE MILL CLOSURES INEVITABLE, IF POOR DEMAND PERSISTS

From Our Special Correspondent

MANCHESTER, 11*th September*

MANCHESTER LETTER

A LACK of ability among management was blamed by Mr. Allan Ormerod, Managing Director of Ashton Bros., a big Lancashire cotton group, for the decline in the cotton industry in Britain. Speaking in Manchester at the annual meeting of the British Association for the Advancement of Science before visitors from all over the world, he said: "I consider that inept and ineffective leadership—both Governmental and internal—have played a greater part in the uncontrolled and wasteful contraction of the cotton industry than all the external circumstances considered collectively." But he added that, during his visits to a large number of mills in many parts of the world, his belief that more was known in Britain about the mechanical handling of fibres, yarns and fabrics than anywhere else, had been substantiated. He suggested that future efforts of the industry should be directed to capitalising on this knowledge.

Comparative figures quoted in his paper underline the big technical improvements brought into operation in Western European mills in the post-war period. Between 1950 and 1957, for example, output per head in spinning mills in Western Germany, Belgium and France increased by 56 per cent, 39 per cent and 59 per cent, respectively, as compared with a rise of only 3 per cent in the United Kingdom. Output in weaving sheds in Western Germany and France improved by 30 per cent and 60 per cent, respectively, as against a mere 4 per cent in Britain.

A great deal of this difference rests on the wider use of shift working in Continental mills, no less than in those of Lancashire's rivals in the Far East. A point which emerges from these statistics is that Lancashire firms are now the coarsest spinners in Europe, with the exception of Belgium, on the basis of average counts spun.

Salvage Operation

The complicated structure of the industry in Lancashire is the fundamental problem facing all those who attempt to suggest means of improving or even, at this stage, of salvaging the trade from an apparently permanent drift towards extinction. The basically horizontal set-up which served its purpose well up to the outbreak of the 1914 war has subsequently been disparaged by practically every commentator. The intensification of this structure by the formation of large spinning combines in the 1920's is now equally condemned by the protagonists of verticalisation.

Mr. Ormerod contends that the Cripps scheme, which followed the Working Party report, and the recent reorganisation scheme of three years ago were just as detrimental in upholding an out-of-date system and supporting a policy "the objective of which would appear to have been the protection of the unprotectable and the penalising of the progressive." The Working Party, he says, advocated the production of a wide range of products through a short series of processes. What was, and still is required, in his opinion, is the production of a narrow range of products through a long series of processes. The vertical firms ought to have been supported as the organically sound nucleus on which to build, but no credit was received for weaving or finishing machinery under the earlier scheme and unless they possessed a large number of spindles such firms were excluded from participation.

Weavers Close Weekly

Among the numerous statistics provided from various sources by Mr. Ormerod is an interesting table showing the type of mills which "capitulated to competition" in the four years before the implementation of the 1959 reorganisation scheme. Horizontal weaving concerns were, in fact, going out of business at the rate of more than one per week. The actual figure was 264, of which 249 were solely weaving units. In the same period, 71 firms involved in spinning ceased production, of which 40 confined their activities to spinning. In the doubling branch 63 firms went out, including 38 individual doublers, while 30 finishing firms closed down.

It should be added that, of the 264 weaving units, 109 were also converters and a further 62 formed parts of groups or combines including converting among their activities. When the Working Party made its report in 1946, 22½ per cent of installed looms were owned by "combined operators." When the reorganisation scheme was launched, this figure had increased to 33 per cent and, at the end of last year, the proportion had been raised to 42½ per cent.

Cotton's Fate in Balance

The fate of a large portion of the Lancashire cotton industry and that of thousands of cotton workers is in the balance, according to a Lancashire cotton trade union leader. Mr. James Whitworth, General Secretary of the Operative Cotton Spinners' Amalgamation—one of the big three Lancashire cotton unions—said in his quarterly report that the last rush of modernisation "blue-prints" submitted by millowners to beat the deadline for a Government grant should on the surface put an end to fears of further recession in the industry. But he warned that millowners have only submitted modernisation plans and the extent to which the applications will be actually put into operation depended on cotton's profitability and prospects during the next six to nine months.

If the present lack of demand continued for several months longer, the prospect of additional mill closures was inevitable. The future of the Lancashire cotton industry was precarious, he said. But one of the features of the Lancashire cotton trade over the past generation and more had been the relatively small difference of opinion between employers and unions in the producing sectors over many fundamental aspects of policy.

On the question of imports, for example, the representatives of the operatives have always joined in approaches made to the authorities in London, both on an official and unofficial basis. In his report, Mr. Whitworth said: "We in the trade recognise equally with other people that the underdeveloped nations need assistance and that such help can only be given by countries with higher living standards." At the same time, like everyone else in the trade, he insists that "this commendable principle" is a world problem and that nations other than Britain must help in the assistance, which must not be to the detriment of one industry alone.

Dealing in some detail with the recently published financial results of cotton companies, Mr. Whitworth adds that these unsatisfactory returns have been brought about not only by a considerable fall in machine activity but also by the same sort of price-cutting within the industry experienced before the formation of the Yarn Spinners' Association which was set up to prevent this very thing. "We are wondering what overall additional business has been gained by this insane practice of price-cutting," he asks. "We remember its disastrous effects in former years and the experience in the past few months has again demonstrated the inevitable. In the long-term it can neither be in the interests of the trade as a whole nor of the employees engaged in it."—*All Rights Reserved.*

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IMPERMO Cement Waterproofing Compound
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SIR C.E.M. DENTAL COLLEGE & HOSPITAL, BOMBAY.
Architect: Mr. M. K. Jadhav,
Chief Architect, Government of Maharashtra, Bombay.

SN.G.45

THIS ANNOUNCEMENT IS NOT A PROSPECTUS, AND PERSONS INTERESTED IN THE MATTER ARE REQUESTED TO APPLY FOR A COPY OF THE PROSPECTUS FOR FULL DETAILS.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for correctness of any of the statements made or opinions expressed with regard to them.

The Central Government has granted necessary licences and/or approvals, viz., Industrial Licences, Import Licence, etc., for the manufacturing programme of the Company, copies of which are open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting these licences and/or approvals, the Government of India do not take any responsibility for the financial soundness of these undertakings or for the correctness of any of the statements made or opinions expressed in regard to them.

A copy of the Prospectus together with the copies of the documents specified therein as required under Section 60 of the Companies Act, 1956, has been duly filed with the Registrar of Companies, West Bengal, for registration.

Application has been made to the Calcutta Stock Exchange for permission to deal in and for official quotation for the shares of the Company.

The Subscription List will open both in respect of Equity and Preference shares at the commencement of banking hours on Thursday the 27th September 1962 and will remain open until the close of banking hours on Thursday the 4th October 1962, unless closed earlier at the discretion of the Directors, but not earlier than the close of banking hours on Wednesday the 3rd October 1962.

ASIAN REFRACTORIES LIMITED

(INCORPORATED AS A PUBLIC COMPANY ON 20TH SEPTEMBER 1960, UNDER THE COMPANIES ACT, 1956.)

Registered Office: **5, Fairlie Place, CALCUTTA**

SHARE CAPITAL

AUTHORIZED CAPITAL .. .. **Rs. 1,00,00,000**

Divided into :

(1)	25,000	9.3 per cent cumulative Redeemable Preference shares of Rs. 100 each (free of Company's tax but subject to deduction of tax at source at the prescribed rates)..	Rs. 25,00,000
(2)	7,50,000	Equity shares of Rs. 10 each ..	Rs. 75,00,000
			Rs. 1,00,00,000

ISSUED CAPITAL:

(1)	3,30,000	Equity shares of Rs. 10 each ..	Rs. 33,00,000
(2)	7,000	9.3 per cent cumulative Redeemable Preference shares of Rs. 100 each (free of Company's tax but subject to deduction of tax at source at the prescribed rates)..	Rs. 7,00,000
			Rs. 40,00,000

SUBSCRIBED AND FULLY AND PARTLY PAID-UP:

1,45,000 Equity shares of Rs. 10 each .. Rs. 14,50,000

PRESENT ISSUE:

(a)	1,85,000	Equity shares of Rs. 10 each at par.	Rs. 18,50,000
(b)	7,000	(9.3 per cent cumulative Preference shares of Rs. 100 each at par redeemable at the option of the Company after 10 years from the date of allotment)	Rs. 7,00,000

Out of the present issue 30,000 Equity shares of Rs. 10 each are expected to be taken by the Bihar State Industrial Development Corporation, but their final consent is awaited and covered by a personal undertaking of the two Directors of the Company mentioned below.

TERMS OF PAYMENT FOR THE SHARES UNDER ISSUE.

Equity :

On application .. .. Rs. 2.50 nP.
On allotment .. .. Rs. 2.50 nP.

Balance on call or calls to be made not earlier than three months from the date of allotment.

Preference :

On application .. .. Rs. 25

Balance: Rs. 25 per share on a call to be made not earlier than four months after allotment.

Rs. 50 per share on call or calls to be made not earlier than six months after allotment.

Applications for Equity shares must be for a minimum of 50 shares or multiples thereof.

Applications for Preference shares must be for a minimum of 5 shares or multiples thereof.

Applications for shares should be made on the printed form accompanying the Prospectus and must be completed in accordance with the directions contained therein and delivered before the closing of the Subscription List to any branch of the Bankers to this issue, mentioned in the application form.

BOARD OF DIRECTORS

(1) *Chairman*:—MR. R. L. RAMPURIA, 3 Woodburn Road, Calcutta. Industrialist.

Chairman of: Hoare Miller & Co. Ltd.,

Director of: 1. Rampooria Cotton Mills Ltd., 2. Scott & Pickstock Ltd., 3. Singell Tea Co. Ltd., 4. Rampooria Bros. Pte. Ltd., 5. National Insurance Co. Ltd., 6. Calcutta Steam Navigation Co. Ltd., etc., etc.

(2) DR. S. C. LAW, M.A., B.L. Ph.D., 50 Kailash Bose St., Calcutta. Banker and Landlord.

Director of: 1. Budge Budge Jute Mills Co. Ltd., 2. The Agarpara Co. Ltd., 3. India Steamship Co. Ltd., 4. United Industrial Bank Ltd., 5. Textile Machinery Corporation Ltd., etc., etc.

(3) SHRI J. L. RAMPURIA, 3 Woodburn Road, Calcutta. Industrialist.

Director of: 1. Hoare Miller & Co. Ltd., 2. Scott & Pickstock Ltd., 3. Rampooria Cotton Mills Ltd., 4. Bikaner Gypsums Ltd., etc., etc.

(4) MR. D. DUNCAN SMITH, 5 Fairlie Place, Calcutta. Business Executive.

Director of: 1. Hoare Miller & Co. Ltd., 2. Calcutta Steam Navigation Co. Ltd., 3. Innes Watson & Co. Pte. Ltd., 4. Containers & Closures Ltd., etc., etc.

(5) SHRI M. L. PYNE, 14 India Exchange Place, Calcutta. Share and Stock Broker.

Director of: 1. Great Eastern Hotel Ltd., 2. Ramnuggar Cane & Sugar Co. Ltd., 3. Equitable Coal Co. Ltd., 4. Window Glass Ltd., etc., etc.

(6) MR. D. N. PATKAR, 32 Apollo Street, Fort, Bombay. Stock and Share Broker.

Director of: 1. Window Glass Ltd., Calcutta, 2. Rex Engineering Co. Ltd., Calcutta.

THE ENTIRE ISSUE OF 1,55,000 EQUITY SHARES HAS BEEN UNDERWRITTEN.

Out of the Preference Shares of the nominal value of Rs. 7,00,000, shares valued at Rs. 1,50,000 have been underwritten by Messrs. G. M. Pyne, jointly with Messrs. A. B. Pandit & Co., Bombay, and shares valued at Rs. 3,00,000 by Messrs. Bagla & Co. In respect of the balance shares which are not underwritten, Sri R. L. Rampuria and Sri J. L. Rampuria have given a personal undertaking to the Company that they or their friends would subscribe for such Preference shares as are not subscribed to by the public. In respect of the above-mentioned 30 thousand Equity shares which are expected to be taken by the Bihar State Industrial Development Corporation, the said two Directors have given a personal undertaking to the Company that they or their friends will subscribe for such Equity shares if they are not taken by the said Corporation or subscribed to by the public. No underwriting commission or brokerage is payable to the said Directors in respect of the said undertakings.

UNDERWRITERS

The following are the underwriters to the present issue:—

1. INDUSTRIAL FINANCE CORPORATION OF INDA, New Delhi—Rs. 5 lacs Equity shares.
2. MESSRS. G. M. PYNE, Calcutta and MESSRS. A. B. PANDIT & CO., Bombay (Jointly)—Rs. 7 lacs Equity, Rs. 1½ lac Preference.
3. MESSRS. ROY BROS., Calcutta—Rs. 1 lac Equity.
4. MESSRS. RAJ PAUL CHADHA & CO., New Delhi—Rs. 1½ lac Equity.
5. MESSRS. RAJA RAM BHASIN & CO., Delhi—Rs. 1 lac Equity.

BANKERS

1. NATIONAL AND GRINDLAYS BANK LTD., Netaji Subhas Road, Calcutta.
2. CENTRAL BANK OF INDIA LTD., Netaji Subhas Road, Calcutta.
3. THE UNION BANK OF INDIA LTD., Clive Row, Calcutta.
4. STATE BANK OF BIKANER, Netaji Subhas Road, Calcutta.

BROKERS TO THE ISSUE

Calcutta

1. Messrs. G. M. Pyne, Allahabad Bank Buildings, 14 India Exchange Place, Calcutta.
2. Place, Siddons & Gough (P) Ltd., No. 6 Lyons Range, Calcutta.
3. Messrs. Kishanchand Jhunjhunwala, No. 7 Lyons Range, Calcutta.
4. Messrs. Brijnath Khandelwal & Co., 13, India Exchange Place, Calcutta.
5. Messrs. Ram Narain Kayan & Co., No. 7 Lyons Range, Calcutta.
6. Messrs Bagla & Company, No. 8 Lyons Range, Calcutta.
7. Messrs. Roy Bros., No. 7, Lyons Range, Calcutta.

Bombay

1. Messrs. A. B. Pandit & Co., 32 Apollo Street, Bombay.
2. Messrs. Jaswantlal V. Bhagat, 5 Hamam St., Fort, Bombay.
3. Messrs. P. R. Subramanyan, 70A Stock Exchange Bldg., Bombay.
4. Messrs. Navalchand T. Shah & Co., Union Bank Bldg., Dalal St., Bombay.
5. Messrs. Dhirajlal Maganlal Purshotomdas, Stock Exchange Bldg., Apollo St., Bombay.

Bangalore

1. Messrs. M. Nanjappaiah Jahgirdan, 181 Cavalry Road, Bangalore.

Delhi

1. Raj Paul Chadha & Co., Delite Cinema Building, Asaf Ali Road, New Delhi.
2. M. R. Dhawan & Co., 4/8, Asaf Ali Road, New Delhi.
3. Harbahs Singh Mehta & Co., 33, Regal Building, Parliament Street, New Delhi.
4. Raja Ram Bhasin & Co., "Ashiana," Faiz Bazar, Delhi.

Madras

1. Messrs. Maconochie & Co., Mercantile Bank Building, Madras.
2. Chitra & Co., 322/323, Linghi Chetty Street, Bombay Mutual Building Annexe, Room No. 16, Madras-1.

SOLICITORS

MESSRS. FOX & MANDAL, 12, Old Post Office Street, Calcutta.

AUDITORS

MESSRS. SINGHI & CO., Chartered Accountants, 1/B, Old Post Office Street, Calcutta-1.

SOLE SELLING AGENTS

MESSRS. HOARE MILLER & CO., LTD., 5, FAIRLIE PLACE, CALCUTTA-1.

PROSPECTS/PROFITABILITY AND TECHNICAL COLLABORATION

The Company propose to manufacture high alumina firebricks shapes and blocks and castable refractories which have got a ready market.

The necessary licences have been granted for production of 24,000 tons firebricks and 6,000 tons silica bricks a year. Its machinery and equipment which will be of the latest type will be imported from Poland and will have a guaranteed capacity of 30,000 tons firebricks and silica bricks a year. The erection and operation of the plant will be carried out under the technical advice and guidance of Polish technicians belonging to Messrs. Cokop, Warsaw.

Dr. S. Banerjee, M.Sc., Cal., Ph.D. (Sheffield), A.M. Inst. F. (London), A.M.I.I. Chem.E. (India) F.I.C. (India), who has had considerable experience in the refractory industry both in India and the United Kingdom, has been appointed General Manager of the Factory.

Messrs. Cokop has also accepted the deferred payment terms under which the prices of machineries supplied by them shall be paid by 8 half-yearly instalments over a period of 4 years and the rate of interest shall not exceed 4½ per cent. The deferred payment terms as mentioned above has received the approval of the Government of India.

On the basis of existing prices the Directors are of the opinion that in the absence of any unforeseen circumstances, the estimated profits after providing for dividends on Preference Shares, payment on instalment to the Industrial Finance Corporation of India and the allocation of reserves, will be such that the Company should be in a position to pay a reasonable dividend on Equity Shares. The commercial production is expected to begin by the end of 1963.

INDUSTRIAL FINANCE CORPORATION

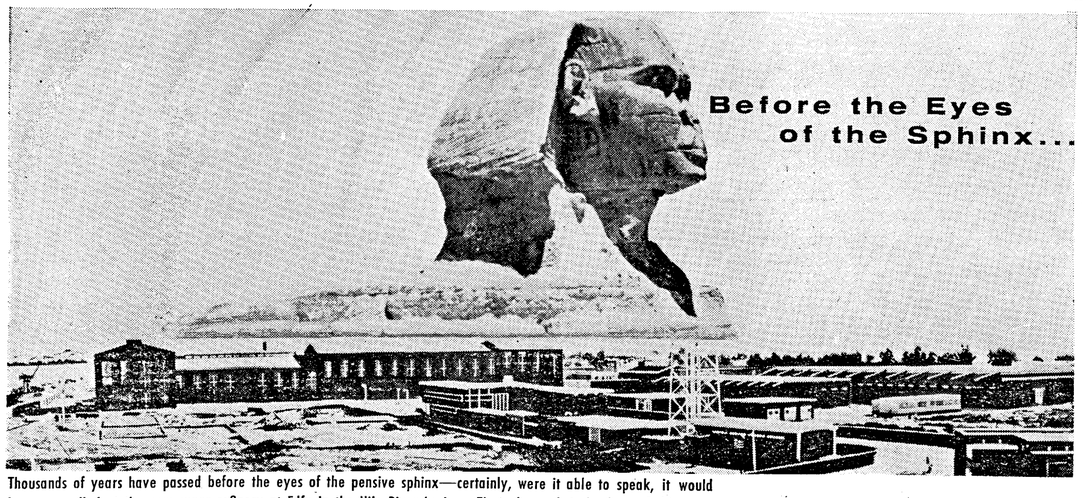
The Industrial Finance Corporation of India has sanctioned a loan of Rs. 35 lacs to the Company against its block assets and has also agreed to underwrite the shares under issue to the extent of Rs. 5 lacs. The interest on the loan granted shall be 7½ per cent and the instalments for repayment of the loan are easy, as usual.

LOCATION

Availability of necessary raw materials and power, advantageous transport and communication facilities, etc., have made the State of Bihar most conducive to the establishment of a Refractory Plant there. Hence, the technical personnel of the Company as well as the collaborating Polish technicians opined that the Plant be situated somewhere in Bihar, Preferably in the District of Hazaribagh. In accordance with that the Company provisionally chose a plot of land and has moved the Department of Land Acquisition, Government of Bihar, for acquiring the said plot. It is expected that the matter shall be finalised very shortly.

Application forms along with copies of the Prospectus on the basis of which alone the shares will be allotted can be had from the Underwriters and Brokers to this issue as mentioned above or from any of such branches of the Bankers to the issue, the names of which appear in the application forms appended to the Prospectus.

Copies of the Prospectus and documents mentioned therein are open for inspection at the Registered Office of the Company on any working day during office hours until the subscription list is closed.



Thousands of years have passed before the eyes of the pensive sphinx—certainly, were it able to speak, it would have marvelled at the new sugar refinery at Edfu in the Nile River basin. The advanced technology of this completely up-to-date plant with a capacity of 4,000 tons per day, built by Shin Mitsubishi, has earned the plaudits of the industrial world. Fertilizer, Paper mill, textile, and bottling plants have also been built in Asian and other countries.

The Company's eight departments cover all of man's activities on land, sea, and air, producing ships, prime movers, steel structures, railway rolling stock, motor vehicles, agricultural machinery, aircraft, and numerous other types of industrial equipment.

SHIN MITSUBISHI HEAVY INDUSTRIES LIMITED

HEAD OFFICE: No. 10, 2-chome, Marunouchi, Chiyoda-ku, Tokyo Tel.: Tokyo (211)3411
Cable Address: "HISHIJU TOKYO" Telex No.: 2218 "HISHIJU TOK"

OVERSEAS OFFICES:
NEW YORK OFFICE: c/o Mitsubishi International Corp., 120 Broadway, New York 5, N.Y., U.S.A.
DUESSELDORF OFFICE: Deutsche Mitsubishi Export & Import Gesellschaft m.b.h., 12 Gruenstrasse, Duesseldorf, West Germany
BOMBAY OFFICE: Kasturi Building, Jamashedji tata Road, Churchgate Reclamation, Bombay-1, India
SINGAPORE OFFICE: 44, Cecil Street, P.O. Box 1578, Singapore 1
HONG KONG OFFICE: c/o Pioneer Engineering Co., 1106-1107, Man Yee Bldg., 60-70 Des Vouex Road, Central, Hong Kong

INTERNATIONAL FINANCE CORPORATION

COMMITMENTS SO FAR AGGREGATE OVER $62 MILLION

THE International Finance Corporation made nine investment commitments aggregating $18.4 million and one underwriting commitment of $2.9 million during the year ended 30th June 1962 for the financing of productive private enterprises in seven different countries, according to the sixth annual report of the Corporation. The investments were components of larger financing transactions, usually helping to complete projects in which entrepreneurs and other investors, both domestic and international, had provided substantially more than the I.F.C. commitments. Inclusive of these commitments, the total investment commitments made by the Corporation to date amount to over $62.46 million, the number of commitments being 53 in 20 countries. A summary of the commitments is given in the accompanying table.

An important development of the year 1961-62 was the approval by the Board of Governors of an amendment to the Articles of Agreement removing the restriction on equity investment and enabling the Corporation to make its first investments in equity form and to agree to participate for the first time in an underwriting of common shares. A new Development Bank Services Department was organised and other changes were made in staff organisation. The Department is responsible for taking the lead in the consideration of all proposals for financial and technical assistance to industrial development banks by the World Bank and its affiliates, I.F.C., and the International Development Association. An international advisory panel of five distinguished investment bankers was created to serve as advisers to the I.F.C. The five bankers are Dr. Herman J. Abs, Director, Deutsche Bank A.G., Frankfurt; Viscount Harcourt, Managing Director, Morgan Grenfell & Company, London; Mr. Andre Meyer, Senior Partner, Lazard Freres & Company, New York; Baron Guy de Rothschild, a partner in de Rothschild Freres, Paris; and Mr. George D. Woods, Chairman of the First Boston Corporation, New York. From time to time throughout the fiscal year, these bankers provided counsel on investment problems. Their advice enabled the I.F.C., as a development institution, to have the benefit of the private investor's judgment on investments. Mr. Woods, in addition, has given assistance in efforts being made by I.F.C. to advise in the organising of a privately owned development bank in the Philippines.

The I.F.C. completed in two of its member-countries its first studies of the possibilities of developing particular industries. One of these pertained to the survey of the potentialities for private investment in the chemical industry of Iran. In Venezuela, the I.F.C. collaborated with the Corporation de Fomento, a Government agency which supports private industrial development, in making a feasibility study of the potentialities for the development of meat packing and related industries.

The I.F.C. investments of 1961-62 were in various types of productive private enterprises. It made its first investment in Spain, assisting a manufacturer of electrical components for automobiles to expand operations. Its $3-million investment was partly in loan form and partly in equity and was the first in which capital stock was purchased directly as part of the Corporation's original investment commitment. The other investments included $4 million in a new cement plant in Pakistan, $2.4 million in the expansion of a cement plant in Peru, $3,050,000 in a petro-chemical plant in Argentina, $600,000 in a new fertiliser plant in Greece, I.F.C.'s first undertaking in that country, and a small supplemental investment in a fertiliser plant in Peru.

In another phase of equity financing, the I.F.C.'s first underwriting took place in Mexico. In June, it formed a syndicate with Credito Bursatil, S.A., a Mexican investment house, to underwrite an issue of capital shares of the largest private steel company in Mexico. Three private investment banks, two U.S. and one European, joined the Corporation as participants, taking up about one-third of its underwriting commitment. The offering to the shareholders aggregated an equivalent of about $4 million. The commitment of the I.F.C. and its participants in the underwriting syndicate was 75 per cent. Credito Bursatil's commitment was 25 per cent. In addition to the underwriting, the I.F.C. agreed to purchase outright 128,000 shares of Fundidora common stock.

I.F.C.'s Commitments—A Summary
(As on 30th June 1962)

Name of country	No. of commitments	Net commitment in U.S. dollars	Type of business
India ..	2	1,575,000	Refractory bricks; pumps, compressers and valves.
Pakistan ..	3	5,379,705	Steel products; cotton textiles; cement.
Argentina ..	3	8,210,000	Steel; automotive transmissions and gears; petrochemical.
Australia ..	3	975,000	Lumber and mill products; rubber.
Brazil ..	6	10,057,000	Electrical equipment; pulp and paper; automotive parts; motor vehicles; cement; pulp.
Chile ..	4	5,800,000	Copper mining and smelting; food products; cement.
Colombia ..	7	6,893,730	Fibreboard; food products; metal cans; home furniture; electrical equipment; industrial financing.
El Salvador ..	1	140,000	Textiles.
Finland ..	2	2,031,000	Textiles; pulp, lumber, machinery and shipbuilding.
Greece ..	1	600,000	Fertilisers.
Guatemala ..	1	200,000	Flour milling.
Iran ..	2	300,000	Ceramic tiles.
Italy ..	1	960,000	Electrical equipment.
Jamaica ..	1	224,000	Pre-mixed concrete.
Mexico ..	4	2,526,400	Industrial equipment; aircraft engine overhaul; twist drills; steel.
Peru ..	5	7,313,290	Household appliances; limestone and bricks; building material; ammonia and fertilisers; cement.
Spain ..	2	3,000,000	Automotive electrical equipment.
Tanganyika ..	2	2,500,000	Sugar.
Thailand ..	1	300,000	Concrete products.
Venezuela ..	2	3,176,000	Steel; food products.
Total ..	53	62,461,125	—

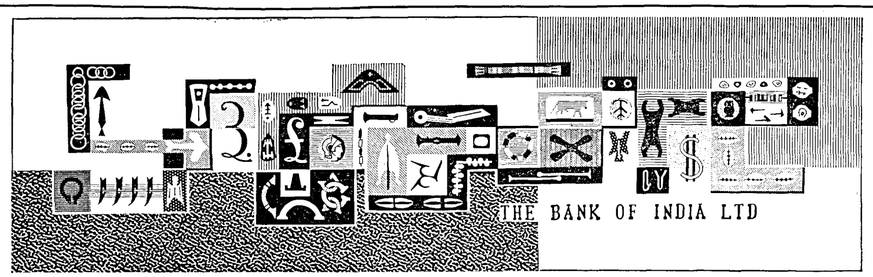
The total funds available with the I.F.C. for operational activities increased during the year under review by $4.5 million to a cumulative total of $120.7 million. The cumulative total of investment commitments (net of cancellations) reached $62.5 million (plus the $2.9 million underwriting commitment), while uncommitted funds available for operational activities as of 30th June 1962 declined to $55.3 million. Net income for the year was $2.6 million.

Disbursements were $11.9 million, bringing the cumulative total of funds disbursed as of 30th June 1962 to approximately $45 million.

Five new countries joined the I.F.C. during the year, including the Dominican Republic which rejoined. The others were Cyprus, Liberia, New Zealand, and the Syrian Arab Republic. Indonesia withdrew in February. The net effect of the changes in membership was a reduction of $107,000 in subscribed capital. At the close of the year (June 1962), 63 countries were members of the I.F.C., their paid-in subscriptions aggregating $96,469,000.

WORLD BANK'S BOND ISSUE

The World Bank has arranged the sale, entirely outside the U.S., of a $100-million issue of U.S. dollar bonds. The sale, at par, was made by private placement with 53 institutional investors in 25 countries. The new bonds will be known as the "Two-Year Bonds of 1962," and will bear interest of 3¾ per cent, payable semi-annually, with the first payment due on 1st April 1963. The issue is dated 1st October 1962 and matures on 1st October 1964. Subscriptions received for the issue were greatly in excess of the principal amount of bonds to be sold, indicating keen investor interests in them. Purchasers included central banks, government special accounts, and privately-owned commercial banks, insurance companies and corporations.



This is the impressive 84 feet x 18 feet mosaic mural on the outside of the Bank's new building in Kampala, East Africa. The mural depicts many of the tokens used as coinage in various parts of the world through the centuries.

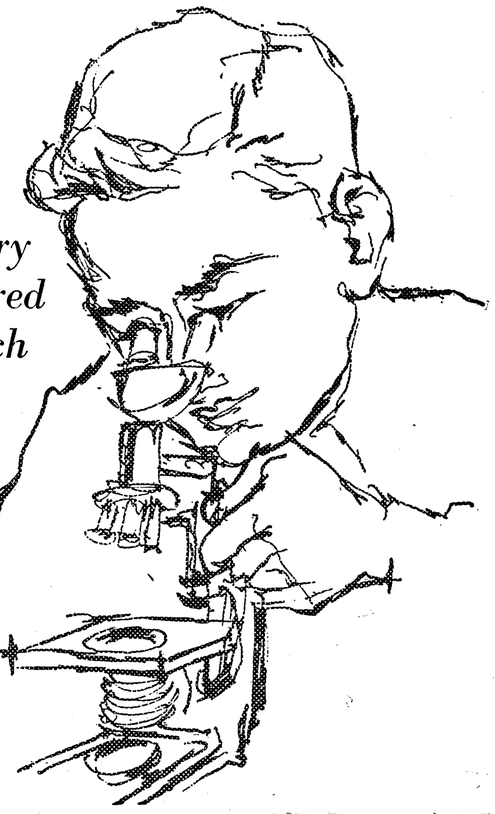
THE BANK OF INDIA LTD., at present has Overseas Branches at: LONDON, MANCHESTER, NAIROBI, KAMPALA, MOMBASA, JINJA, DAR-ES-SALAAM, ADEN, KARACHI, SINGAPORE, HONG KONG, TOKYO & OSAKA. With these Overseas Branches and a network of over 500 correspondents in almost all parts of the world, THE BANK OF INDIA LTD., is well equipped to handle Foreign Exchange Business of every description.

THE BANK OF INDIA LTD.

T. D. Kansara, General Manager

B/C/.126/A

An Industry Nurtured by Research



'More than any other industry,' someone has said rightly, 'the Dyestuffs Industry has been nurtured by Research'. Dyestuffs is a complicated industry, comprising hundreds of intermediates and complex processes. An important feature of this industry is that it is DYNAMIC and PROGRESSIVE...it keeps on changing with the tastes and preferences of people. Its prosperity, therefore, depends primarily on the extent to which research in Organic Chemistry—with particular accent on the Chemistry of Dyes—advances in the country. ■ A sound foundation for Research has been laid at AMAR DYE to enable it to keep its standards abreast of the latest trends in the world of dyes. AMAR DYE's ambitious research plans are based on a bid to secure rapidly for the country a firm place among the important dyestuff manufacturers of the world.

AMAR DYE-CHEM LIMITED

Rang Udyan, Sitladevi Temple Road, Mahim, Bombay-16

IWT-AD. 3771

For Service and Security

PANDYAN BANK LTD.

Registered Office: TIRUMANGALAM *Central Office:* MADURAI

Stop at the Sign of PANDYAN PB BANK LTD *and Put By in Pandyan Bank*

3% Interest on Savings Account
and higher attractive rates for Fixed Deposits

83 OFFICES AT YOUR SERVICE

Safe Deposit Lockers are available at our Madurai and Bombay offices

P. V. MACKAY, *Chairman.* K. L. SUBRAMANIAN, *General Manager.*

A Policy Issued By
The
Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)
Your Symbol of Security in the Event of
FIRE, ACCIDENT OR MARINE PERIL

Head Office:
Moti Mahal (6th Floor), Junction of Jamshedji Tata Road, Churchgate Reclamation, BOMBAY 1

WORLD GOLD OUTPUT TOUCHES A PEAK

LARGE-SCALE DIVERSION TO PRIVATE HOARDS PERSISTS

WITHIN a fortnight after the Lok Sabha passed the Industries (Development and Regulation) Amendment Bill empowering the Government of India to exercise control over the supply, production and distribution of gold (and silver), the Reserve Bank is understood to have launched the first major step in making a detailed study of the volume and purpose of trading in gold (spot) in the different bullion markets. It is reported that the Bank has sent a circular to all the bullion associations to submit data relating to arrivals, offtake and other details of spot gold transactions in the past ten years. From out of the data collected, the Reserve Bank will estimate (a) the quantity of smuggled gold that has found its way into the open market at different centres of trading at different times in the past ten years, and (b) the volume of additions to private gold hoardings or de-hoarding from time to time at different centres. The findings of the Reserve Bank will presumably form the basis for the Government to finalise the ways and means of mobilising the hoarded gold for the benefit of the country's economic development. Whatever be the merits or demerits of the Government's move to mobilise hoarded gold, the fact remains that the continued diversion of gold to private hoards is causing great concern to the monetary authorities. The Government may, perhaps, justify its move by quoting the International Monetary Fund which, in its latest annual report, observes:

"Even with the improvements that have taken place in the reserve strength of many countries, it is still in the best interest of Fund members that, as far as possible, gold should be channelled into official reserves, rather than into private hoards. Only as gold is held in official reserves can it be used by monetary authorities to maintain stability of exchange rates and to meet balance of payments needs."

The I.M.F. has naturally been prompted to make this remark by the large-scale diversion of gold into private hoards. Its estimate is that as much as $7.3 billion worth of gold was used in the arts and industries or disappeared into private hoards during the twelve years ended December 1961. This is equivalent to well over half the total supply during the same period of gold from new production outside the Soviet area and sales by the U.S.S.R. and countries associated with it.

35 Million Ounces

The aggregate free world production of gold continued to expand during 1961, touching a new post-war peak for the eighth consecutive year. The quantity actually produced was 35.0 million oz., as against 33.7 million oz., representing a rise of nearly 4 per cent. Valued at the internationally fixed price of $35 per fine oz., the free world output amounted to $1.220 million, as compared with $1.175 million in 1960 and $1.125 million in 1959. The value in 1961 was about 66 per cent more than the post-war minimum of $736 million in 1945 and only about 4 per cent less than the all-time peak of $1.264 million attained in 1940.

Almost two-thirds of the world production of gold in 1961 were accounted for by South Africa which produced 22.9 million oz. ($802.9 million), an increase of 1.6 million oz. ($54.5 million) or more than 7 per cent over 1960 and was double the 1951 level. Further increases are considered likely, as the new mines in the Orange Free State and on the Far East Rand develop. The second largest absolute rise in gold production during 1961 was recorded in Japan, where output improved by the equivalent of $1.4 million to about $13.2 million. Gold production also increased in Nicaragua by $1 million to $7.9 million. The output in India, Australia and the Philippines was practically unchanged. There was, however, a fall in gold output in most of the other producing countries, as will be seen in Table A.

The gold mining industry in several countries, we are told, is concerned about rising costs and declining production. Where possible, mines have shifted to the production of higher grade ore, but some mines have been unable to do this and some Governments have found it necessary to render financial assistance to producers by means of tax reductions or direct subsidy schemes.

The aggregate stocks of gold held by the monetary authorities in the free world (including the I.M.F., the Bank for International Settlements and the European Fund) are estimated to have gone up during 1961 by about $605 million to $41,100 million, as against the actual increase of $340 million in 1960 and $230 million in 1951. The rise was more marked in the years 1959, 1958 and 1957, being $695 million, $680 million and $705 million, respectively. The changes in world gold reserves that took place during 1961 are indicated in Table B, while Table C shows the variations in the official holdings of gold in different countries.

Less than half the gold becoming available since 1950 has been added to official stocks. In 1960, the proportion fell to about 25 per cent and in 1961 it was 40 per cent. Since changes in private hoarding are affected chiefly by changes in confidence, there is some relation between additions to official reserves and the world balance of payments. However, this connection, according to the I.M.F. review, is likely to be imperfect, because the state of confidence is not necessarily based on a sound appraisal of current and prospective economic developments.

In the last five years, countries other than the U.S. and the U.K. have increased their gold holdings much more rapidly than their foreign exchange assets. They held 39 per cent of their reserves in gold at the end of 1956, and 48 per cent of a greatly increased total at the end of 1961. This rise reflected in part an increased preference of individual countries for gold; but it was also due to a larger-than-average increase in the reserves of some countries whose established policies called for a high percentage of gold to total reserves.

Between the end of 1958 and the end of 1961, several individual countries altered substantially the proportion of their reserves held in gold. The U.K.'s reserves over the three years increased by $219 million, but its estimated gold holdings fell by $550 million, reducing these holdings from 92 per cent to 69 per cent of its total reserves. West Germany and the Netherlands, on the other hand, added $1,025 million and $531 million respectively, to their holdings of gold, which thus rose from 46 per cent of the total reserves in Germany, and from 71 per cent to 92 per cent in the Netherlands. At the end of 1958, however, the reserves of both countries included large amounts of E.P.U. credit balances which are excluded entirely from the 1961 figures (having been converted after 1958 into bilateral claims, of which about $260 million were still due to Germany and $9 million to the Netherlands at the end of 1961). The German reserves at the end of 1958 also included relatively large amounts of assets having only limited usability. If these and the E.P.U. balances are both excluded from the figures of total reserves, the proportion of gold held by Germany fell from 60 per cent at the end of 1958 to 56 per cent at the end of 1961, and the proportion of gold held by the Netherlands rose only from 82 per cent to 92 per cent. Italy added $1.139 million to its gold holdings and $200 million to its foreign exchange, increasing the proportion of the former from 52 per cent to 65 per cent of total reserves.

Russian Sales

Russian sales of gold in Western Europe during 1961 have been estimated at $275 million. Since the value of gold output outside the U.S.S.R. was $1.220 million, the total increase in the amount of gold available to the rest of the world may be estimated as being of the order of $1,500 million. A comparison of these supplies with the estimated aggregate increase of about $605 million in official gold holdings suggests that, in 1961, the equivalent of about $890 million was absorbed by private holders and the arts and industries, about $150 million less than in 1960.

During and since World War II, New York has been the principal centre of the world for transactions in monetary gold by Governments, central banks, and international financial institutions. It does not provide a gold market like London, Paris, and Zurich, where the price fluctuates from day to day, or where private purchases may be made for various purposes. It is the centre through which the U.S. Treasury is prepared to buy gold for official monetary purposes in unlimited amounts at $34.9125 a fine ounce and to sell it at $35.0875. In this way, the world official price for gold has been kept stable since 1934. Many central banks, governments, and international financial institutions find it to their advantage to have a substantial portion of their gold reserves earmarked at the Federal Reserve Bank of New York, to meet their monetary requirements. Substantial movements in and out of these reserve accounts have been recorded over the years.

Monetary Gold Holdings

Of the total gold holdings of the monetary authorities of the world, excluding those of the U.S.S.R. and associated countries, $28.9 billion (70 per cent) were physically located in the U.S. at the end of 1961. Between the end of 1957 and 1961, the U.S. Treasury's net sales of gold, principally to Western European countries, amounted to $5.9 billion. During the same period, gold held under earmark by the Federal Reserve Bank of New York for the account of foreign central banks and governments and international financial institutions rose by an equivalent amount to a total of $11.9 billion. In addition to substantial purchases from, and sales to, the U.S. by foreign monetary authorities, there were other movements of gold in 1961 between foreign accounts as a result of gold transactions facilitated by the services of the Bank for International Settlements and of the Fund.

While changes in normal market factors of supply and demand were mainly responsible for the lower level of gold prices, the extension of international financial co-operation to the London gold market also added to the stability of gold prices. The understanding between central banks participating in the "Basle arrangements" has been of an informal character, subject to change from time to time as circumstances warrant. Important elements in this co-operative approach included the avoidance of competitive buying, and the supply of gold to the market in certain circumstances.

During 1961, a total of 2,505 bars of gold, weighing 1,010,000 fine ounces, was sold by the South African Reserve Bank to buyers resident outside the sterling area. Early in February 1962, the Republic of South Africa announced a decision, in response to an approach made by "financial circles abroad," to export a "test consignment" of South African two-rand gold pieces. It was said that larger quantities of these coins would be sold later on the foreign market if the experiment were successful.

In other markets where bar gold is traded directly for U.S. dollars, the prices deviated very little from the London dollar price during the period under review. In markets where gold is traded in local currencies, the prices in general tended to move in the same direction as those in the London market, even though in these markets the day-to-day movements of the U.S. dollar equivalent prices may diverge from those of the London prices because of exchange rate fluctuations and the special characteristics of each market.

The price of gold coins in most free markets continued the general upward trend that had begun in mid-1960, reaching in January 1962 the highest premiums over the value of bar gold that have been recorded in recent years.

Gold Transaction Service

The I.M.F. facilitated last year, under the Gold Transactions Service, the completion of five transactions amounting to a total of $27 million. Including these, the aggregate number of transactions since this Service was inaugurated in March 1952 comes to 119 through which 25 member countries and five international organisations have purchased or sold gold equivalent of $1,083 million.

The review of the changes in national policies affecting gold as contained in the I.M.F.'s survey reveals that, pursuant to the Foreign Trade and Payments Law which came into force in West Germany on 1st September 1961, there are now no restrictions in that country on gold transactions between residents and non-residents or on the export and import of gold. The import of gold originating from any one of the countries in the Soviet area, however, requires a special licence. Since December 1961, import of gold into Iran, except by the central bank itself, has been prohibited. The Government of Hungary has minted gold coins in denominations of 500, 100, and 50 forints in commemoration of the 150th anniversary of the birth of Franz Liszt and the 80th anniversary of the birth of Bela Bartok.

Gold Subsidy

The gold subsidy programme of the Governments of Australia, Canada, and Colombia were still in operation during the year. In October 1961, Australia consulted the Fund with regard to a modification of its system of gold subsidies, designed to remove inequities which had arisen because of the previous sharp distinction between "small" and "large" producers. The modification makes it possible for those "large producers" whose annual output is more than 500 but not more than 1,075 ounces to become eligible, if they so elect, for payment of a flat-rate subsidy irrespective of costs and profits. The rate of subsidy that is payable to such producers diminishes from £A2 8s. an ounce at an annual output of 500 ounces to *nil* at an annual output of 1,076 ounces. The amendment involves no change in the basic structure of the subsidy scheme described in the Fund's Annual Reports for 1955, 1958 and 1960, which has been extended to 30th June 1965. In June 1961, the Philippine Republic reintroduced direct subsidies to gold producers. The Fund deemed the modified system of Australia and the new arrangements adopted by the Philippines to be consistent with the objectives of the Fund's statement of 11th December 1947 on gold subsidies. The Fund members considering the introduction of subsidy schemes to prevent the reduction of output of gold, as well as those desiring to amend existing programmes, have an obligation to consult with the Fund on the measures proposed.

TABLE A—*Trend of Gold Production*
(In million $ at $35 per fine oz.)

	1961	1960	1959	1940
South Africa	803	748	702	492
Canada	155	162	157	186
U.S.A.	58	59	57	170
Australia	37	38	38	57
Ghana	28	31	32	31
S. Rhodesia	20	20	20	29
Philippines	15	14	14	39
Colombia	13	15	14	22
Congo (Leopoldville)	..	..	12	26
Mexico	9	11	11	31
Other countries	87	77	68	187
Total	1,220	1,175	1,125	1,264
India* (in oz.)	157,000	161,000	165,312	253,260†

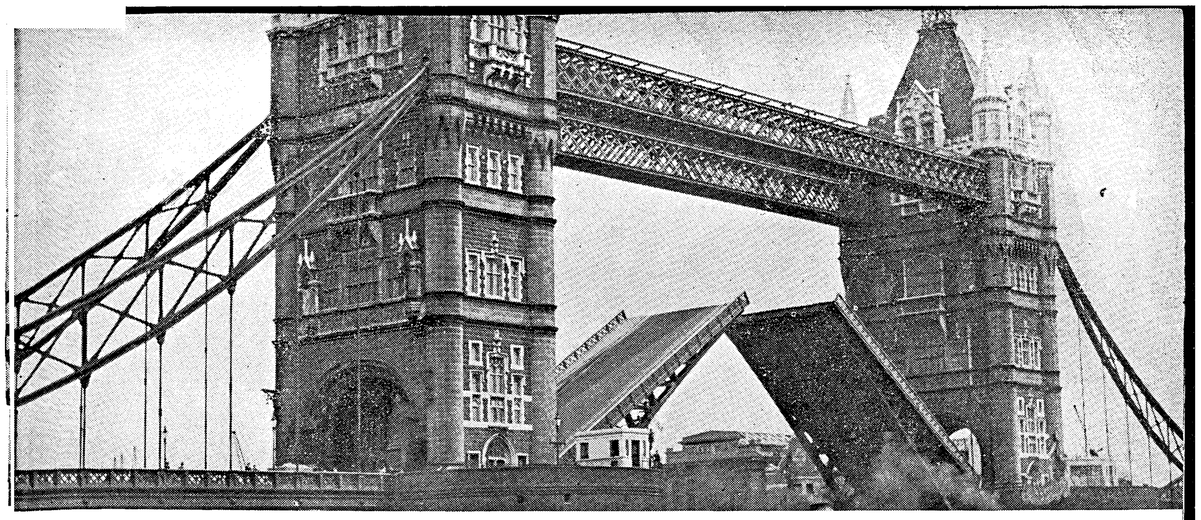
* In terms of mine's assay. † Relates to 1952.

TABLE B—*Changes in Gold Reserves*
(In million $)

	1961	1960	1959
Production	1,220	1,175	1,125
Soviet sales	275	200	255
Total supply available	1,495	1,375	1,380
Less consumption in industry and arts and private holding	—890	—1,035	—685
Total added to world monetary gold stock	605	340	695
I.M.F. gold transactions:			
Subscriptions	—72	—189	—1,201
Sales to countries	500	300	300
Repayments, etc.	—66	—143	—174
B.I.S. and E.P.U.-E.F. gold transactions	—135	—130	178
Total added to countries' monetary gold stock	832	178	—202

TABLE C—*Official Gold Holdings*
(In million $)

	1961	1960	1959
U.S.A.	16,947	17,804	19,507
U.K.	2,300	2,800	2,500
France	2,121	1,641	1,290
W. Germany	3,664	2,971	2,637
Italy	2,225	2,203	1,749
Netherlands	1,581	1,451	1,312
Switzerland	2,500	2,185	1,934
Austria, Norway, Belgium and Sweden	1,761	1,563	1,647
India	247	247	247
Other countries	7,709	7,660	7,542
Total world official gold holdings	41,115	40,525	40,185



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CAMPHOR AND ALLIED PRODUCTS LTD.

MR. N. K. PETIGARA EXPLAINS DELAY IN PRODUCTION

MR. N. K. Petigara, Director of the Camphor and Allied Products Ltd., told the shareholders at the First Annual General Meeting of the Company, held at Bombay on Wednesday, 12th September 1962, that the Company's plant would go into production in April or May 1963. The original schedule of putting the plant into operation, by December 1962, he said, had to be modified on account of two factors beyond the control of management, namely delay in the matter of land for the factory site and the unduly late opening of the letter of credit in favour of the Company by the World Bank owing to the technical requirements arising from the agreement between the I.C.I.C.I. and the Bank.

The following are extracts from Mr. Petigara's speech at the annual meeting:

"LADIES AND GENTLEMEN,

"The total land requirement for the project is about 22 acres. Land admeasuring 9.97 acres has been purchased from the Indian Bobbin Company Ltd., Clutterbuckganj, which is four miles from Bareilly. The Company has paid a deposit and already taken possession of the adjoining land admeasuring about 12 acres from the Forest Department of the Government of Uttar Pradesh. The purchase deed is now under finalisation. The total cost of the land is expected to be approximately Rs. 3.05 lakhs.

"The construction of the buildings for the various factory units is proceeding at a satisfactory rate. The power requirement not only for the camphor plant but also for future expansion, rising, in stages, up to 2,000 KVA., has been sanctioned by the authorities and will be drawn from the Harduaganj Extension Hydel Scheme. Two tube-wells are being sunk and pumps and auxiliary equipment are being installed to ensure adequate water-supply for the entire project.

"Arrangements are being made for the construction of suitable sidings between the metre-gauge and broad-gauge railway tracks which are adjoining the plant site to facilitate the receipt of plant equipment, raw materials and the despatch of finished goods.

Supply of Machinery

"As stated in the Directors' report, the superstructure of the plant building is expected to be completed by November 1962. As regards the supply of machinery, I am very happy to state that since the printing of the Directors' report, the first consignment has already been shipped from the U.S.A., and, the first consignment of indigenous machinery has been received at site. Most of the equipment, both foreign and indigenous, is expected to reach the site by the end of the year. The erection work is expected to be completed by March or April 1963, and thereafter, the trials, for which we have obtained performance guarantee jointly from Messrs. American Hydrotherm Overseas Corporation and Messrs. R. L. Dalal and Co., will be undertaken. The plant should go into production, barring accidents and unforeseen delays, by April or May 1963.

"On the above basis, the plant can be in production for only eight months of 1963, and it may be expected to produce about 500 to 600 tons of synthetic camphor. It is believed that the annual demand for camphor in India is about 1,000 tons. Officially, imports through the State Trading Corporation of India Ltd. are to the extent of approximately 300 tons. There are grounds to believe that a major portion of the residual demand is met by illegal imports and/or by spurious products said to contain camphor. The present market price of powder camphor is about Rs. 30 per kilogram, while the wholesale price of the State Trading Corporation for the same powder is about Rs. 11.50 per kg. In view of the demand which should increase, and the prevailing prices, there should not be any particular difficulty in the sale of the Company's production at reasonable profit.

"It was anticipated that the factory would be set up and the production would be commenced by about December 1962. The original schedule for putting the plant into operation has had to be modified due to two factors over which the Company had no control. First, there was delay in the matter of the land for our factory site. Second, although the Industrial Credit and Investment Corporation of India Ltd. had asked the World Bank to open the Letter of Credit in favour of the Company, as early as May 1962, owing to the technical requirements arising out of the agreement between the Industrial Credit and Investment Corporation of India Ltd. and the World Bank, the Letter of Credit could not be confirmed till last month. These delays were unavoidable.

"Your Company will not only be a pioneer in the large-scale manufacture of synthetic camphor in the country but it will also be an organisation well equipped to exploit gainfully various intermediate and by-products. I would like, with your permission, to indicate briefly the potential of your Company.

"The basic raw materials for major organic chemical industries such as synthetic rubber, plastics and resins, synthetic fibres, dyes, drugs and industrial perfumes, are derived from: (i) petroleum and natural gas, (ii) coal and coke, (iii) industrial alcohol, and (iv) gum turpentine.

Turpentine as a Base

"The resources of the first three in the country are certainly not unlimited, and, therefore, your Company's pioneering effort, namely, the utilisation of turpentine as a base not only for the production of camphor but also of a wide range of intermediate chemicals for use in various industries, acquires particular significance.

"The Company has decided to take the initiative and to explore the possibility and profitability of these processes. A short-term project relating to the conversion of residual turpentine into an industrial solvent, for the paint, varnish and insecticides industries, and the manufacture of polyterpene resins from beta pinene has been planned. The long-term project visualised is concerned with the conversion of carenes into various useful and saleable products of high commercial value.

"Another matter which has received the attention of your Directors, is, ensuring the continued availability of formic acid which is one of the major chemicals involved in the camphor process. In order to minimise, and, if possible, to obviate, dependence on imports and other sources, your Directors have applied to the Government for a licence to set up a formic acid plant.

"In order to prepare for all the development plans, to which I have referred above, suitable research and pilot plant facilities are being provided to our personnel. You will be happy to know that our technical personnel are at the plant site and our Technical Director has already commenced acquainting our personnel with the technicalities involved in the various processes.

"To implement the above, the Company has obtained the services of Dr. Gastao Etzel who has specialised knowledge of this field. The Board is satisfied that Dr. Etzel formerly of 'Du Pont' and who is now your Technical Director, will be able to help the Company achieve both its immediate as well as long-term objects. He has come here not only to set up the camphor plant but also to implement other projects for the fullest industrial utilisation of residual turpentine, which I have outlined above. You are aware that Dr. Etzel was one of the senior chemists with Messrs. E. I. Du Pont De Nemours and Company, better known as 'Du Pont,' for several years. Incidentally, it may be added that ours is the only Indian concern so far to obtain technical 'know-how' from this internationally known firm.

"It was decided to shift the site to the State of Uttar Pradesh, where the largest number of tappable *Pinus longifolia* trees grow. The largest turpentine factory in the country is also situated in that State. The advantages of setting up our plant near that factory at Clutterbuckganj in Uttar Pradesh are thus obvious.

"Apart from being assured of the supply of a large quantity of turpentine from the State of Uttar Pradesh, steps have been taken to procure sufficient quantities from other States, and, as such, your Company does not anticipate any raw material problem in the foreseeable future. Indicative of the reasonable adequacy of raw material for your industry is the fact that the Government of India have decided not to permit the import of *Alpha pinene*."

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

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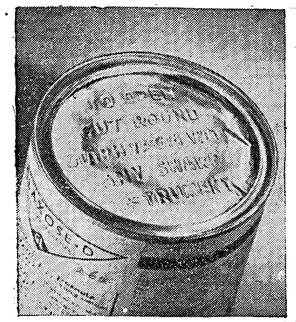

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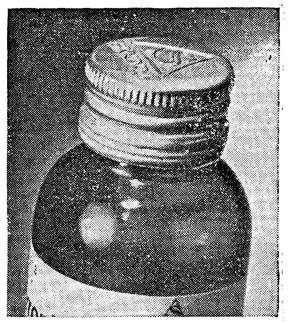

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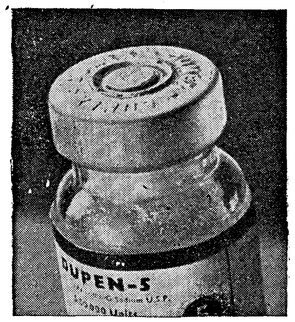

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GROWING DEMAND FOR SPECIAL STEELS

PROSPECTS FOR EARLY MANUFACTURE AT BHADRAVATI

WITH the growth of engineering industries in recent years there has been an acceleration in their demand not only for pig iron and mild steel but also for alloy, tool and special steels which constitute some very essential raw materials. The imports of these alloy and special steels in 1960, for instance, were nearly 50,000 tons, as compared with just 21,000 tons in 1959. In the first eight months of 1961 alone, their imports came to as much as 45,000 tons, valued at nearly Rs. 10 crores. The figures thus show that the demand for special steels has been increasing at a very fast rate in recent years. Since they also happen to be high-priced steels—on an average, they cost more than Rs. 2,000 per ton, as compared with an average of Rs. 850 per ton in the case of ordinary steel products—their increased imports have added to the country's foreign exchange difficulties on maintenance account. Here, as in some other fields, the third Plan has inherited the legacy of the second Plan's failure to establish in the public sector an alloy, tool and special steels plant for which project reports were received from some foreign producers as early as in 1958.

Actually, it was only in November 1960 that the Government took the decision to establish at Durgapur an alloy and tool steels plant with an initial capacity of about 48,000 tons which could be later expanded to about 100,000 tons. Even this project, which now forms part of the third Plan and which will involve an outlay of Rs. 50 crores (with a foreign exchange component of Rs. 20 crores), does not seem to be progressing according to schedule. From what the Union Minister for Steel and Heavy Industries said recently at Bombay, it could be inferred that the Durgapur plant, which would incorporate some of the latest equipment and processes developed recently in advanced countries, might not start production before 1964 or 1965. But it is expected that the ordnance factories of the Ministry of Defence might function as a source of supply of alloy steels in the public sector. What part of their aggregate output, estimated at 50,000 tons per annum, will be available for civilian purposes is, however, not definitely known. As the projected demand for alloy and special steels is 200,000 tons by 1965 and the Durgapur plant and ordnance factories may meet, at best, only a third of this demand, either the private sector, to which a number of licences for establishing an aggregate capacity of about 150,000 tons has been given, should expedite its programmes or some other alternative project would have to be devised. As things stand, several licences issued to the private sector are stated to be dormant, and these run the risk of being revoked. From the point of view of foreign exchange expenditure, it will be a bad thing if the larger part of projected demand (200,000 tons) is not met by indigenous production by 1965.

Conversion Project

It is in this context that the Government's proposal to convert the projected "expansion" part of the Bhadravati Iron and Steel Works in Mysore into an alloy and special steel plant at a very early date seems to be most appropriate. It may be recalled here that the Union Minister for Steel and Heavy Industries, Mr. C. Subramaniam, offered recently to the Mysore Government Central assistance if it agreed to switch over its proposed ordinary steel expansion scheme (for raising steel production from 30,000 tons to 120,000 tons at a capital cost of Rs. 7 crores) to one of special steel manufacture. The Government has just received a project report from the West German firm of Demag whose experts were commissioned to draw up a programme for such conversion. This project report, which has just been brought from West Germany by the Mysore team, considers it possible to start the production of special steels by the end of 1963. It envisages the completion of the special steel manufacturing plant in three phases. In the first phase, 42,000 tons of alloy steel and 38,000 tons of commercial grade steel products could be produced annually. At the end of the second phase, the plant could produce exclusively special and alloy steel products to the tune of 77,000 tons a year. The third phase aims at 100 per cent utilisation of the L.D. steel works, the output of which could be increased from 80,000 tons to 120,000 tons a year provided the hot metal capacity is also correspondingly increased. It is envisaged that the alloy steel plant would have an annual capacity of 145,000 tons of alloy steel products on completion of the third phase.

The Demag report has assigned a number of reasons for the choice of Bhadravati. These are:

(i) Iron and steel have been produced in Bhadravati for a long time, and so experienced personnel and an efficient organisation are available there.

(ii) For many years, a charcoal blast furnace and two electric reduction furnaces have been operated at the Bhadravati Factory and the pig iron it is producing is, therefore, of very good quality, highly suitable for the production of special steels.

(iii) When the Demag plants, at present under construction at Bhadravati, are completed, it would be possible to employ the two existing 25-ton open-hearth furnaces, the two 12-ton converters at present under construction and the 20-ton arc furnace also under construction, with a few minor additions, in the production of alloy and special steels by the end of 1963.

(iv) The existing ferro-alloy furnaces in the Factory could produce different types of ferro-alloys, required in the manufacture of special steels.

(v) The conversion of the ordinary steel plant (expansion project) at Bhadravati into a special steel plant will involve a capital expenditure of only Rs. 15 crores.

Considering that an entirely new 48,000-100,000-ton alloy and special steel plant like the one under construction at Durgapur will cost as much as Rs. 50 crores, the Bhadravati conversion project, with an ultimate annual capacity of 145,000 tons and involving a capital outlay of only Rs. 15 crores, is any day a very attractive proposition. The Government of India should, therefore, lose no time in finalising the Bhadravati project. It will be a great relief to the engineering industries if this project is completed in time to produce those special and alloy steels so very necessary for the manufacture of machines and machine parts.

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EUROPE USING MORE ELECTRICITY

Consumption of electricity in Europe is increasing faster than industrial production. This is one of the main findings of the *Twelfth Report on the Electricity Supply Industry in Europe*, published last week by the Organisation for Economic Co-operation and Development. The difference between the rate of increase in electricity consumption and that for gross national product is attributed not only to the switch-over from other forms of energy but also to the rising standard of living which has led to increased household consumption.

The report, which covers the period 1959-60 and includes forecasts for 1961-66, notes that of the various fuels used in thermal plants coal, despite growing competition from fuel oil and gas, still is responsible for about 73 per cent of total conventional thermal output in a year such as 1959 when hydro conditions were about normal. 1960 was an exceptional year for hydro-electricity with the result that thermal production showed only a relatively small increase.

Production of electricity by nuclear power has already become a factor to be reckoned with in Europe, rising from 0.4 to 0.7 per cent of total thermal production between 1959 and 1960. This new means of producing electricity, the Report adds, is bound to develop considerably in the next 10 or 15 years.

The report draws special attention to the selection of sites for modern thermal power plants. Some 50 years ago thermal power plants were nearly always located inside the boundaries of the town for which it had to cater. Today, as a result of the development of grid systems and their high efficiency, it is often preferable to locate these power stations in industrial areas far away from residential districts. The siting of nuclear power stations also poses problems, due to the need for facilities to dispose of radio-active waste. On the other hand, fuel transport need not be taken into consideration.

Power station capacity in the O.E.C.D. European member-countries rose from 134,566 M.W. in 1959 to 143,714 M.W. in 1960—an increase of 6.8 per cent. In many cases, this increase in generating capacity has been achieved by introducing increasingly powerful generators. 125 M.W. units are now being replaced by 250 or 275 M.W. units and in the near future this will be superseded by 500 or 550 M.W. units.

With regard to the future, the report states that the increase in consumption of electricity is likely to remain fairly steady despite fluctuations in economic activity due to an ever-growing use of electricity. The fact that this trend is continuing in countries where annual consumption is above the European average, for example the United States, suggests that it will persist for some time. In Europe it will therefore be necessary, during the next 10 years, to build a generating capacity equivalent to that in service in 1960. This need, the report states, is now all the more cogent in view of the decision of the Council of O.E.C.D. to increase the aggregate gross national product by 50 per cent between 1960 and 1970.

The unit capacity of the thermal generating units and power stations is growing considerably in step with consumer density and the development of highly concentrated areas of electricity consumption. This means that in the future very high capacity units must be installed to make production rational. This fact and its implications for the siting of stations suggests that the development of transmission in the countries of Western Europe will take the form of power lines which are comparatively short but of very high capacity with the exception, of course, of special cases where long distances have to be covered, such as in Scandinavia.

NEW TYPE OF BRITISH CARGO SHIP

A new cargo ship which introduces an extensive system of remote and automatic controls left Britain on the 17th inst. on her maiden voyage to India and Pakistan. She is the 9,039-ton (gross) *Clan MacGillivray*. The new system of remote and automatic controls has been built in to overcome the problem of a shortage of seagoing engineers and, at the same time, reduce running costs. It has resulted in a total saving in manpower in the engine room of 20 per cent—a figure that is thought likely to improve when operating experience has been gained.

The engineers, it is claimed, will be able to work under more favourable conditions than in other ships. The remote and automatic controls and the main control board are located in an air-conditioned room. The main engine-manœuvring controls in the control room are mechanically connected to the engine. The oil-burning installations for the boiler are fully automatic. There are push-button starting and stopping controls for all the main pumps.

Another new development is the provision of a salt-water main supplied by four centrifugal pumps which, with other modifications, has led to a reduction in the number of salt-water pumps and of some 250 pipes in the engine room. Fitted with 17 derricks for cargo-handling, the ship has one derrick with a lifting capacity of 60 tons. The wheelhouse and chartroom are combined, and a departure from tradition is the provision of an adjustable seat for the helmsman. The *Clan MacGillivray* has a service speed of 16½ knots.

NEW PRODUCTS AND PROCESSES

Lifting Magnet

A STURDY self-contained battery-operated lifting magnet suitable for use with fork lift trucks, mobile and overhead cranes, for the loading and unloading or movement of machine tools, machine parts, has been produced by Rapid Magnetic Ltd., England. This new magnet is available in three types to handle loads of one, two or three tons. Advantages claimed over conventional lifting magnets of similar capacity are: low running costs; independence from external electricity supply; and complete absence of slings and ropes. Normal operation is by a switch contained on the units, marked Lift, Drop and Off, but remote control facilities are also available. An ammeter is fitted to the units to indicate the need for recharging and a plug for a trickle charger.

Wireless Equipment for Light Planes

A new transmitter-receiver, offering economical ground-to-air communications for light planes and gliders, produced by Burndept Ltd., England, has 11 channel selections among the 400 channels available in the 116-136 mc/s VHF at 50 kc/s spacings. Its main economy advantage is lower power drainage resulting from part-transistorisation; and it is also suitable for use with stations still equipped with transmitters employing 100 kc/s-spaced channels. The "transceiver" consists of two units—transmitter-receiver and modulator-power supply. The set is crystal-controlled on both "transmit" and "receive" with the crystals being easily changed. Input voltage is either 12-V or 24-V according to the setting of a subminiature multi-way plug on the power unit.

Control Valve

Many of the problems which occur in the high speed pressure refuelling of modern airliners may be overcome by the use of a new hose and pressure controller produced by Zwicky Ltd., England. Developed in collaboration with a major British petroleum company, the device is about the same size and weight as the standard valves in use, but contains apparatus for sensing and controlling the pressure at which fuel is fed into an aircraft. It is estimated that with the new controller, fuel can be delivered at "full pressure through to the last pint," at the maximum permitted pressure, when the valve will automatically close more quickly than the reaction time of a standard valve. Any change in the surges of pressure coming back from the tank is sensed immediately with an instantaneous valve closure reaction.

Electronic Seam Scanner for Textile Webs

An electronic measuring and control equipment factory, Electrotex, in Enschede, Holland, has designed a seam scanner which scans, fully electronically, all seams present in textile webs. The device can be supplied in two different models. In the simpler of these, the device only produces a signal when detecting various types of seams, such as chainstitch seams, so-called overlock seams, and calender seams, in a continuous web of fabric. Scanning performance cannot be affected by such occurrences as, say, a thick side thread or local thickening of the fabric itself. The more intricate version of the scanner, after signalling the seam, controls: (a) the time which elapses between the passage of the seam through the detector head and the raising of the calender or shearing roller; (b) the roller lifting time. These time intervals, which can be set to suit relevant operating conditions, are regulated by an electronic control mechanism which receives its initial impulse from the detector head as the seam passes through it. The impulse for raising the roller, emitted by the control mechanism, may be passed, for instance, to a magnetic valve incorporated in the calender's pneumatic or hydraulic system. In the case of a shearer, the impulse can be made to actuate the mechanical raising device by means of a lifting magnet. The advantages of the scanner are: labour-saving. The element of human error is thereby removed, and hence, damage to expensive rollers and shearing gear is no longer likely.

Pneumatic Steel-making Process

A pneumatic steel-making process has been invented in Luxemburg, according to the *Financial Times*, London. This method converts iron containing more than 0.3 per cent phosphorus into steel of a quality as high as that produced by the open hearth process. The iron is placed in a converter with slag-forming material and top-blowing carried out in three stages. First, commercially pure oxygen is top-blown into the melt through a lance held at a constant height above it. Then top-blowing using a lime-oxygen suspension is carried out while the top of the lance is gradually lowered. The third stage involves continued top blowing with oxygen containing a finely divided slag-forming compound such as lime. The process is said to have the advantages of being simple and economical and not needing large and expensive installations. Absolute control over the slag-forming operation is achieved, it is claimed.

Gas Compressor

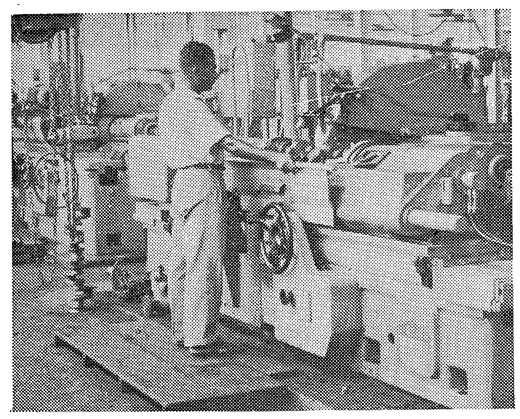
Claimed to have particular applications in the chemical and food industries, the Type 2½ gas compressor is also said to be suitable for research laboratories and for providing pure air in pneumatic control systems. It can be used for pumping or compressing corrosive, poisonous or costly gases because its glandless construction prevent leakage and contamination of the gas. The drive unit is enclosed and its main shaft runs in ball bearings. All reciprocating parts are oil immersed and the diaphragm heads may, if required, be mounted remotely from the operating unit. Full technical details have been published jointly by E.C.D., of Tonbridge, Kent, and Wallace and Tiernan, of Power Road, London.

Compressor Units for Installation in Machines

The installation of compressor units in machines requiring air pressure for operation or control manufactured by Electron-Co., Cannstatt, has many advantages. This unit, in which compressor and electric motor are mounted on one shaft for direct drive, requires only the minimum amount of installation space and enables the cheapest form of construction. Apart from better cooling, the extensive use of aluminium means lower weight. The elemination of a belt drive also substantially reduces accident risk. The capacity of these compressors was increased by 28 per cent without any increase in dimensions. Simultaneously, rationalisation in manufacture kept production cost low despite the increased capacity. The compact construction clearly demonstrates the extraordinary space saving which is of particular advantage when the unit is to be installed in the very small space available in machines using compressed air. Despite the increased capacity, the double shell cooling system enabled an improved degree of delivery to be obtained. With this cooling system both motor and compressor are cooled by a single fan fitted at the free end of the motor. Motor cooling is effected by the flow through the inner shell and compressor cooling via the outer shell flow. The increase in capacity means that more compressed air is available than with previous compressors of the same dimensions. This makes it possible, depending on what the compressed air is to be used for, to increase the capacity of the machines without having to worry about providing space for the installation of a larger compressor.

Automatic Pleuger Water Supply Plant

For the economical water supply in agricultural enterprises, country estates, dwelling houses, etc. from deep wells, Pleuger Unterwasserpumpen GmbH., Hamburg, Germany, supply the automatic Pleuger domestic water supply systems. The advantages offered by these plants: always clean and sterile ground water from wells of 4 in. and above at capacities of 80 l/min. (17.6 imp. gall./min.) and heads up to 100 m. (328 ft.); low initial cost of the fully automatic plant; extremely easy installation of the plant; maintenance-free continuous operation of the plant; optimum economy at low power consumption. The automatic Pleuger water supply plant consists of a Pleuger submersible pump with a special cable, a pressure water tank with pressure switch, an additional ventilator, a capacitor for single-phase A.C., a motor protection and a mounting clamp. An ordinary gas pipe of 1¼ in. is used as a riser. The pressure tank normally allows pressures up to 4 atü (57 lb./sq. in.) so that an adequate pressure in the pipe system can always be maintained. The installation of the plant is very simple. The pressure tank can be installed in any convenient position in the house. It is best, however, to install it in the cellar to eliminate the risk of freezing. As the pump operates silently the well may be very close to the house.



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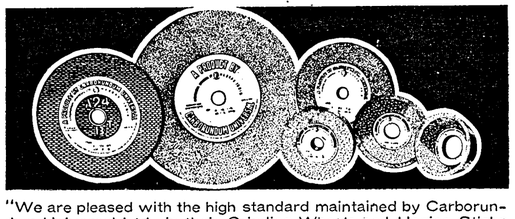

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A STOCK EXCHANGE QUOTATION—II

CONDITIONS FOR LISTING AND DELISTING

By D. R. Pendse, M.A. (Cantab.)

ONCE a quotation is granted, further relations between the company and the stock exchange are governed by the clauses of the Listing Agreement, which is mostly derived from the relevant portions of the Rules framed under the S.C.R. Act. Prior to 1957-58, when these Rules came into force, not only was there no uniformity in the matter of the Listing Agreement, but there was no Listing Agreement, at all in some stock exchanges. The grant of a quotation was often a matter informally settled between the members of the stock exchanges and the promoters of the company. With the passing of the Securities Contracts (Regulation) Act, 1956, the need for a uniform listing agreement was felt by all the concerned interests and prolonged consultations were held by the Government with the representatives of stock exchanges, chambers of commerce, etc. The present Listing Agreement, which is standardised in all respects for all the stock exchanges, was adopted as a result of these consultations. By now, almost all listed companies in India have signed this Agreement and have assigned themselves to compliance with its clauses.

With a view to providing the investor with a basis for intelligent judgment of the value of shares of the companies, the Listing Agreement is aimed at the fulfilment of two main objectives, namely, (i) timely and adequate disclosure of all material information, whether good or bad, to the exchange and to the shareholders of the company; and (ii) an obligation not to indulge in practices which would be detrimental to smooth trading in its shares.

Principal Clauses

Apart from some procedural and miscellaneous provisions (e.g. regarding listing fees), the principal clauses of the Agreement can be divided into four broad groups:

First, the Agreement provides for the submission of periodical returns by the company, such as copies of annual audited accounts, dividend announcements, etc. In addition, a "distribution schedule" has to be filed which gives the frequency distribution of shareholdings by numbers of shares held as also the names, addresses and shareholdings of the 10 largest shareholders of the company. This schedule facilitates the periodical review by the stock exchange as regards concentration of shareholdings in the company. It can also enable the investors to study for themselves changes in the structure of the shareholdings and give them a fair idea as to the manner in which the company is controlled.

Secondly, there are certain *ad hoc* returns to be submitted as and when necessary. These include information regarding any change in the nature of business of the company, redemption of any securities, proposals to issue rights or bonus shares, copies of circulars to shareholders, details regarding changes in the Board, amendments to the Articles of Association of the company and some other information which is thought to be likely to have a bearing on the market value of the shares.

Thirdly, the Agreement makes it obligatory for the company to make certain provisions in its Articles of Association; e.g. (i) the company would use a common form of transfer; (ii) fully paid shares of the company would be free from all lien and the lien on partly paid shares would be restricted to the amounts called or payable; (iii) there will be no forfeiture of unclaimed dividends, unless debarred by law; (iv) the company would not refuse to register the transfers in the name of transferee when proper documents have been lodged, unless (in exceptional cases) the company has consulted the President of the concerned stock exchange and apprised him of the position.

Lastly, the Agreement contains several other clauses laying down certain practices that are calculated to protect the interests of the investor, e.g., (i) if required by the stock exchange, the company has to make arrangements for having an office or register etc., in the city in which the stock exchange is located and where transfers of shares can be effected; (ii) letters of allotment, letters of rights, etc., would be issued simultaneously, (iii) the company has to issue free of charge new share certificates in place of those that are old or used up and it cannot charge more than a prescribed amount as fee for registration of transfer, sub-division, consolidation, etc.; (iv) the company would fix the dates for the closure of transfer books after consultations with the stock exchange; (v) the company would inform the stock exchange immediately of any decisions taken by its Board regarding dividends, issue of capital, etc.

Three Omnibus Clauses

There are, of course, three omnibus clauses in the agreement. Under clause 18, the company has to publish, in a form approved by the stock exchange, such periodical/interim statements of its working and earnings as it shall, from time to time, agree upon with the exchange. Under clause 36, the company is bound to furnish to the exchange on request such information concerning the company as may be reasonably required, and, under clause 39, the company agrees to abide by all the rules, by-laws, regulations of the stock exchange in force from time to time and also to comply with such further regulations as may be promulgated by the exchange as a general requirement for new listings.

In the U.S., the Listing Agreement does not seem to have been standardised in respect of all the stock exchanges. But the pattern of the Indian form seems to tally roughly with the one used by the New York Stock Exchange. Some of the interesting provisions in that form which are not contained in our form may be mentioned: (i) If dealings are permitted by the N.Y.S.E. in temporary documents like allotment letters, etc., share certificates have to be made ready by the company within 30 days from the commencement of such dealings; (ii) a listed company has to notify the Exchange if any change in accounting principles is visualised, e.g. a change in respect of provisions for depreciation allowance; (iii) every listed company has to have an office within a certain area of the city of New York where the work of share transfers, etc., would be done by the company. The company has also to make an arrangement to receive and pay cheques at par within that area of the city of New York; (iv) it has to give details of all transactions in the company's shares by its directors and certain office-bearers of the company. These details are published by the Exchange for the general information of investors. As compared to the Indian distribution schedules, these details are likely to give a more correct picture of dealings in the company's shares by interested and knowledgeable parties.

On the whole, however, our listing agreement, as it stands now, seems to cover most of the important points for the protection of the investors. But there is a suspicion that some companies are reluctant to submit these returns or for that matter to give any information about their activities. Pressure is sometimes brought on the stock exchanges that some of the returns filed under the listing requirements should be treated as confidential and the general public should not be allowed to have access thereto. In this connection, it is difficult to improve upon some observations made by a Committee in the U.S., as early as in 1934:

"Just as artificial manipulation tends to upset the true function of an open market, so the hiding and secreting of important information obstructs the operation of the markets as indices of real value. There cannot be honest markets without honest publicity. Manipulations and dishonest practices of the market place thrive upon mystery and secrecy. . . . Delayed, inaccurate and misleading reports are the tools of the unconscionable market operator and the recreant corporate (i.e. company) officials who speculate on inside information.... A business that gathers its capital from the investing public has not the same right to secrecy as a small privately owned and managed business. ..."

The last clause in the uniform Listing Agreement, of course, provides that listing facilities would continue at the entire discretion and pleasure of the stock exchanges who have an unquestionable right to suspend trading in the shares of any particular company or to remove such shares from the official list. Such a removal is known as delisting. In certain contingencies, such delisting becomes an accomplished fact only remaining to be recorded by the stock exchange, e.g. (1) redemption or conversion of particular shares; (2) merger in an unlisted company or liquidation; (3) holding of shares by single parties with no possibility of any sale in the foreseeable future, etc. Such contingencies are ignored in these paragraphs which refer primarily only to those occasions of delisting when continuation of listing is feasible and the company remains eligible for such continued listing. Interpreted in this light, delisting at once emerges as the first (ignoring, of course, such measures as warnings, reminders, etc.) and the last sanction which a stock exchange can invoke against listed companies. The decisions of the stock exchanges in this matter are final. The Government has only an indirect role in the sense that a delisted company can apply for listing again and if that application is rejected, can file an appeal with the Central Government.

Still, the sanction is by no means insignificant. On the one hand, listed companies detest the stamp of being thrown out of the stock exchange. On the other, investors themselves find their interest being seriously injured, if, for no fault of theirs, delisting deprives them of the facilities of marketability to their shares. The stock exchanges, whose Boards of Directors include well-wishers of both these groups, are, therefore, very much disinclined to invoke this power. As a result, cases of delisting by stock exchange in the face of opposition of the company concerned are hard to find.

It is, however, possible to visualise two different sets of circumstances under which stock exchanges might need to invoke this power. First, when there is no public or investor interest at all left in the shares of a particular company. This may be the result of either extraordinary concentration of shareholding over the years or simply the failure of the company's activities to evoke investors' interest. For example, there have been some cases of preference shares (which continue to be listed on stock exchanges year after year) where not a single transaction is reported for several years. The quotations marked in the official list are at best nominal and, since they fail to reflect the real price of the particular share, it is only correct that the official list of quotations should never be burdened by such deadweight. But the stock exchanges, in keeping with their attitude of not expressing any comments on the merits of any shares, loathe doing anything even when the lack of investor interest is complete. They would, perhaps, do well to exhibit a greater readiness and diligence in the matter of pruning their official list from time to time.

Delisting as a Penalty

Delisting might become necessary as a penalty when a listed company fails, even after repeated reminders, to comply with any of the requirements in the listing agreement. This is understandably a more delicate question and the caution practised by the Indian stock exchanges can partly be justified in this case, as innocent shareholders will unnecessarily be denied the facilities of a stock exchange quotation for their shares. In such cases, the method of persuasion could be usefully tried more than once before the extreme penalty of delisting is imposed on a company and, unwittingly, on the shareholders.

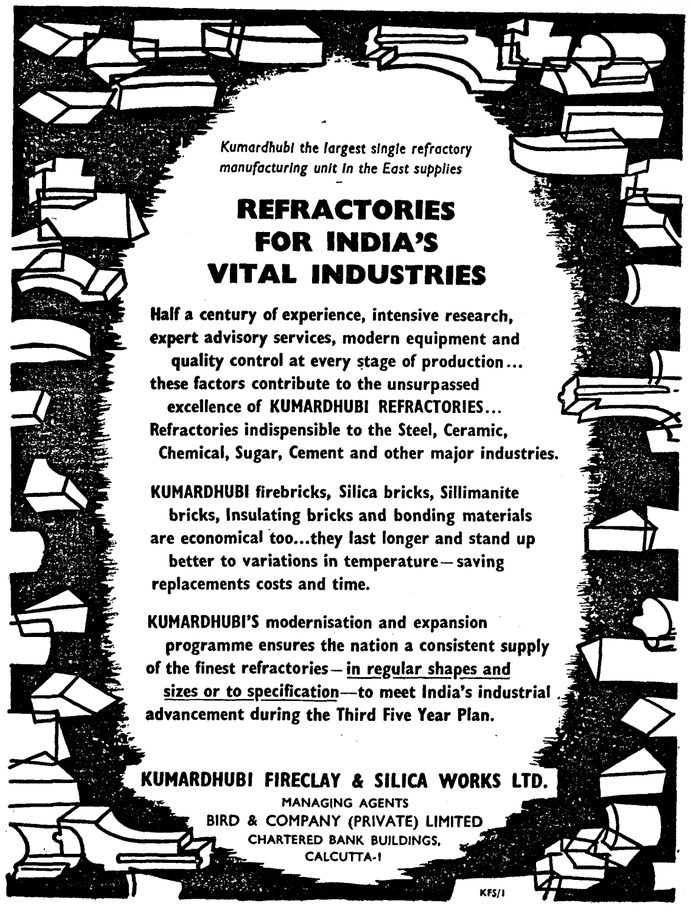
In the United States also, delisting is looked upon as a measure with manifold implications. For example, the N.Y.S.E. includes the following among the criteria for initiating consideration of delisting the equity shares of a company, namely, (i) the market value of outstanding shares in the hands of the public, exclusive of concentrated holdings falls below 500,000 dollars; or (ii) the number of such outstanding shares falls below 30,000; or (iii) the number of shareholders falls below 250 (after substantially disregarding the number of odd-lot holders); or (iv) the net tangible assets of the company fall below 2 million dollars; or (v) the average net earnings (after taxes) for the last three years continue to remain below 200,000 dollars. Similar suitable criteria have also been laid down for preference shares, debentures, etc. When a stock exchange considers that the shares of a company should be delisted, it has to make an application to the Securities Exchange Commission. Delisting becomes effective after the application has been filed with the Commission for a prescribed period, but the Commission has the right (*a*) to postpone the effective date of the application, or (*b*) to initiate delisting proceedings on its own motion.

A situation which has not arisen often presents itself when a company on its own makes an application for delisting of its shares. In many cases, such applications are prompted by genuine causes some of which have been mentioned above. It is possible, however, that, in some stray cases, company managements would not like to comply with some of the conditions of the listing agreement, particularly those relating to the submission of material information to the stock exchange and might, therefore, prefer to see their shares removed from the official list. This is all the more possible, when, originally, a quotation was sought mainly to encourage investors to subscribe to the capital. Similarly, managements might desire to acquire further shares of the Company and with that end might feel that the removal of the shares from the stock exchange list would enable them to purchase them at a lower price than otherwise. To meet such cases, some stock exchanges in the U.S. make it obligatory on listed companies to obtain the approval of at least two-thirds of their shareholders for any move on the part of the company to make an application for delisting of its shares. The S.E.C. also seems to examine the applications made by the companies themselves in the light of these possible motives. In India, happily, in the few cases of companies applying for delisting of their own shares, there is no evidence to trace such intentions behind their applications.

It was observed at the outset that company promoters in search of capital have now accepted the importance of tapping the investments of the new class of individual investors. The growing interest shown by them in the stock exchange quotation was seen to be in no small way related to their desire to attract these investors. Although the law and rules provide a skeleton framework for the protection of the investors, the responsibility to transform the present enthusiasm of the investors into a stable and dependable source of company finance in future continues to rest essentially on the good intentions of the companies and a proper use of discretionary powers by the stock exchanges. A few cases of unscrupulous company promotions and even fewer cases of negligent and careless stock exchange decisions on this matter are enough to make this new source of support to industry to evaporate quickly and it would be a Herculean task to revive the confidence of small investors in stocks and shares.

(Concluded)

Note: The author is indebted to Mr. P. S. Nadkarni, Chief of the Government of India's Stock Exchange Division, for the benefit of several discussions. The views expressed in this article are, however, entirely the author's personal views.



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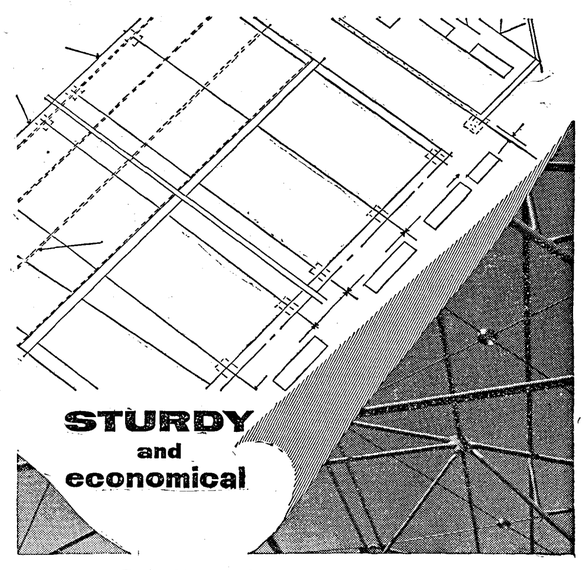
The allocation for investment in telecommunications during the third Plan, it may be recalled here, has been set at Rs. 134.5 crores, of which about $100 million will be in foreign exchange. The programme will be carried out by the Telecommunication Branch of the Posts and Telegraphs Department.



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WORKS COMMITTEES IN INDIA

WHY THEY HAVE LARGELY FAILED

By Dr. J. L. Rastogi

THE idea of joint consultation between the management and workers at the plant level in India was first introduced by the Industrial Disputes Act, 1947. It authorises the appropriate Governments to require any industrial establishment, employing 100 or more workers on any day in the preceding twelve months, to set up a works committee consisting of employers' and workers' representatives. Employees' representatives are not to be less than those of the employers in any case. The purpose of these committees, according to the same Act, is to promote measures for securing and preserving amity and good relations between the employer and workmen, and to that end to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters. Subject to these provisions, each Government is to define the scope, character and functions of works committees to suit its own needs, circumstances, degree of industrial development and growth of trade unions.

Accordingly, orders were issued for the formation of works committees in industrial establishments in the public sector of the Central sphere, in industrial establishments in the mines, in the port trusts of Bombay, Calcutta and Madras, and, also in banking and insurance companies falling under the public sector and having branches in more than one State, provided substantial numbers of workmen apply for the formation of such committees. Similarly, different State Governments passed their own legislations/rules dealing with the formation and working of works committees.

Thus, works committees have been formed in a large number of establishments employing more than the prescribed number of workers in different regions. Out of 2,839 works committees in 1961, 893 were functioning in the Central sphere, 626 in West Bengal, 301 in Madras, 181 in Maharashtra, 141 in Bihar, 125 in Mysore, 117 in Punjab, 106 in Kerala, 73 in Andhra Pradesh, and 65 in Gujarat. In order to promote co-operation and raise productivity these have been granted a very wide jurisdiction and all types of matters have been covered. Besides serving as a regular means of communication between the management and workers and *vice versa*, these have also been made responsible for the enforcement of collective agreements, Government orders and adjudicators' awards.

Scope Redefined

In 1959, a tripartite committee was set up to lay down guiding principles for the composition and functioning of works committees. It suggested certain changes in the composition of these committees and drew up a list of items normally to be dealt with by these. The scope of these committees, according to the sub-committee, should extend to conditions of work such as ventilation, lighting, temperature and sanitation; amenities such as drinking water, canteens, dining rooms, creches, rest rooms, medical and health services; safety and accident prevention, occupational diseases and protective equipment; adjustment of festival and national holidays; administration of welfare and fine funds, educational and recreational activities; promotion of thrifts and savings and implementation and review of decisions arrived at the meetings of works committees. It also laid down that subjects like wages and allowances, bonus and profit-sharing schemes, rationalisation and workload fixation, fixation of standard labour force, programmes of planning and development; retrenchment and lay-off, victimisation for trade union activities, provident fund, gratuity and other retirement benefits, quantum of leave and national and festival holidays, incentive schemes and housing and transport services should not normally be discussed by works committees. However, the recommendations of the sub-committee have not so far been implemented.

Critical Appraisal

The success achieved by works committees in creating mutual trust and goodwill among the management and workers has varied not only from State to State but also from industry to industry and from unit to unit according to the quality of relations between them and their consciousness regarding the need of co-operation. Sometimes, in spite of legislative provisions formation of works committees has been made impossible due to practical difficulties and lack of proper understanding of their true role in promoting mutual understanding and confidence. So far it has not been possible to establish works committees at Bombay and Calcutta ports or in banking and insurance companies. In Uttar Pradesh these had to be dissolved soon after their formation. However, in 1958 fresh orders were issued for the establishment of works councils in all State-owned industrial undertakings employing 100 or more workers and also in U.P. Co-operative Bank, Co-operative Federation and Milk Supply Unions.

Again, while in certain States like Maharashtra, these have fairly succeeded in changing the approach of labour and capital towards each other, elsewhere, they have largely failed to secure adequate support of either the management or workers/unions. These have been reduced to defunct bodies and exist only in name. There are numerous reasons for the failure of these statutory negotiating bodies within the undertaking.

1. As these committees have been formed under legislative compulsion and are not a result of self-realisation, they fail to infuse correct spirit in the parties to come closer and discuss matters of common interest and settle their differences around the table.

2. Industrial Dispute Act, 1947 defines the jurisdiction of these committees in general terms. State Governments tried to extend it as widely as possible. Thus the scope of works committees extends to all types of matters including those which should be sole managerial prerogatives or are more appropriate for collective bargaining.

3. Except in undertakings in the Central sphere where sub-committees have been formed to deal with special subjects, there is, generally, only one works committee in each establishment irrespective of the number of employees. The system has, therefore, failed to establish direct and close contact between the rank and file and the managerial personnel. Again, most of the works committees have been unable to deal with the problems requiring expert opinion and special knowledge.

4. The jurisdiction of most of these committees has been only advisory. Thus they fail to educate workers in administrative difficulties and problems. Cases are not even uncommon where unanimous decisions of works committees remain unheeded.

5. Illiteracy and ignorance of the working masses of the purposes and benefits of works committees and of the general working and problems of the firm have also been responsible for the failure of joint consultation in our country. As employees are provided with very little information regarding the affairs of the concern, their representatives have failed to collaborate effectively in improving techniques, relations and productivity.

6. Absence of representative trade unions or presence of more than one union in an establishment has also made the formation of works committees difficult. While in the former workers' interests are not properly represented, the latter threatens the very existence of such a machinery.

7. Sometimes trade unions themselves have opposed the formation of works committees. The latter are considered as their rivals by the former which might undermine their authority and following.

8. Non-co-operation and unsympathetic attitude of the supervisors and managerial executives also contribute towards failure of works committees. These are regarded as agencies which would take away managerial prerogatives.

9. One of the important reasons for failure of works committees and for apathy of management/workers/unions towards them has been the confusion created due to the introduction of labour participation in management.

Works Committees and Labour Participation

Works committees and labour participation are two different approaches for the promotion of common interests of labour and capital. While the first owe themselves to legislative provisions, the latter depends on voluntary recognition and efforts. But their basic philosophy remains the same. Their object is to raise productivity by promoting direct contacts between the rank and file and management and better understanding of the viewpoints of each other. These, moreover, serve as a regular means of communication and provide facilities to workers and their representatives for self-expression and better education in the needs and problems of the industry/concern and training in their obligations.

However, labour participation offers much larger scope for the purpose. While the Industrial Disputes Act, 1947 provides only for the formation of works committees consisting of workers' and management representatives in concerns employing more than a certain number of persons, the form and degree of participation varies with the quality of industrial relations, extent of co-operation between workers and management and their consciousness of its utility and benefits. Besides formation of joint worker-management councils, the latter may also envisage workers' suggestion schemes or sometimes even appointment of labour representatives on the management board or other managerial bodies.

Again, while works committees have only advisory jurisdiction and take up ordinarily routine matters, under labour participation all those constituting the firm are given wider responsibilities not only in actual performance but also in certain aspects of management. Joint councils under the latter are generally given supervisory and/or executive powers over welfare matters. Every one may be provided with an opportunity to criticise freely the managerial policies and actions and, at the same time, offer suggestions for improvement in working, production, techniques and welfare.

Western Experience

Thus efforts to associate labour with management in India have been made through the establishment of both statutory works committees and voluntary joint councils. Nowhere in the world these are found to exist side by side. While in some countries these joint councils/committees owe themselves to voluntary agreements as in the U.K., Sweden, Switzerland, Norway, Canada, Israel, Japan, etc., in others they have their origin in legislation as in W. Germany, Austria, France, Belgium, Finland and Communist countries like U.S.S.R., Czechoslovakia, Yugoslavia, Poland, etc. Irrespective of the method of formation, these committees/councils seek to promote amity and goodwill among workers and management. These bodies are meant to serve economic and social purposes by promoting co-operation in the undertaking. The economic motive is to ensure increased production and the moral/social motive is to secure full recognition of the importance of the human element and accordingly to give staff a greater interest in the general operation of the undertaking. Their structure and functions, however, vary from country to country according to their political systems, degree of industrialisation, quality of industrial relations, enlightenment of the management and education and consciousness of the workers. In Western countries they are generally joint bodies, while in communist countries these are composed of workers' representatives. Depending on the countries and the regulations in force, the functions of these councils range from social questions (welfare) to technical and economic matters. Frequently, it has been considered best to limit the scope of councils to matters of joint interest not covered by collective agreements and in such cases the councils are advisory bodies pure and simple. But very often supervisory and executive functions in certain aspects of management have also been assigned to make these bodies more responsible and useful.

Measures Suggested

Whatever might have been the reasons for the establishment of statutory works committees and the formation of voluntary joint councils in our country, there is no justification for their existence side by side. In fact, such a duplication of joint machinery is not conducive to better understanding between the management and workers. It creates unnecessary confusion and shakes their confidence in them. In view of illiteracy and ignorance in the working masses, it becomes difficult to find requisite personnel for various committees/councils. Again, a multiplicity of these creates various administrative difficulties like those of relieving the members to take part in committee meetings etc. Thus, in the interest of harmonious industrial relations a multiplicity of committee/councils should be avoided. It would be worthwhile to scrap works committees in favour of voluntary joint councils. However, a large-scale conversion of works committees into joint councils may not be feasible immediately, because the latter themselves are in an experimental stage and could be installed only in a few establishments. Thus, until voluntary joint collaboration is accepted as a basic philosophy of industrial relations works committees should be allowed to function. They will provide basic knowledge and experience for guidance in future.

In order to avoid confusion, the scope of works committees should be clearly defined. Merely limiting the scope of these committees to matters of welfare and safety as suggested by the sub-committee is not enough. It would reduce these to merely welfare and safety committees and leave little incentive to workers to take initiative and active interest in the working of the firm. Jurisdiction of works committees should extend to all matters of common interest. However, subjects which are the sole prerogatives of the management or are more suited to collective bargaining or which are of direct concern to trade unions should be purposely excluded. Again, to generate the confidence of workers in the functioning of works committees, their unanimous decisions should be immediately given effect to and certain supervisory and executive functions should also be assigned to these to make the members more responsible and conscious.

For the success of works committees is needed the correct spirit among the management and workers. These are neither against the interest of the workers/management nor are rivals of trade unions. In fact, works committees are the bodies to promote co-operation and ensure justice and fairplay—and their success largely depends on the willing support of trade unions. Thus, objectives, benefits and utility of works committees should be given wide publicity. Frequent seminars on the functioning of works committees should be organised to ensure uniformity, pool experience and solve difficulties.

Proper Training

What is more important is proper training of particularly those who are to collaborate around the table in the organisation and working of works committees. The rank and file should also be given adequate education in the objectives and working of these committees. It should be an integral part of the induction courses given to workers on their joining and of that of the courses offered by the Central Board for Workers' Education. For this purpose, audio-visual media may be made use of. Again, adequate information should be supplied to workers to enable them to understand their work and managerial decisions and policies better and to collaborate more effectively.

Besides, a healthy and responsible trade union movement is necessary for the success of any such move. In the interest of the workers trade unionism should be above politics and one union in each establishment should be the general rule. However, until a unified unionism obtains in our country, different unions should be encouraged to come to an understanding with regard to the formation of the works committees.

These steps would remove much of the confusion and make the machinery more useful in promoting the common interests of the management and workers.

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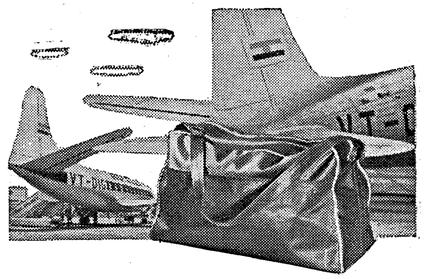

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IMBALANCE IN WORLD PAYMENTS

DEVELOPING COUNTRIES CONTINUE TO FACE DIFFICULTIES

THE overall world payments position continues to have certain important elements of imbalance. This assessment of the current payments situation is contained in the *Annual Report* (1962) of the International Monetary Fund, just released. But the *Report* hastens to add that the imbalances evident at any point of time should not be too readily regarded as "symptoms of an incurable malady of the world's payments structure." The payments situation in 1961 was influenced by important shifts in the foreign trade positions of a number of major countries, leading to the reduction in imbalances. During the year, the payments positions of the U.K. and West Germany moved closer to balance, as the deficit of the former and the surplus of the latter on goods and services were both greatly reduced. But at the same time, the trade surplus of other industrialised countries of Europe showed a sharp increase. The U.S., which had a large surplus in the first half of 1961 owing to increase in exports and decline in imports, had a depletion of the surplus during the latter half, owing to larger imports in response to economic recovery and also larger outflow of capital. In the case of Japan, there was a sharp deterioration in its trade position, although there was an inflow of short-term capital earlier during the year. The position of the primary producing countries, as a group, was marked by "some improvement" in the course of the year under review, but these countries continued to be in deficit on current and long-term capital account throughout the year.

World Industrial Output

The payments situation was influenced by the changing trends in industrial output and foreign trade in the various countries. In the aggregate, world industrial production (excluding the countries in the Soviet area) rose by 3.5 per cent in 1961 over the previous year, but this compares unfavourably with an increase of as much as 7 per cent during the previous year. The year 1961, says the *Report*, was one of general expansion in industrial countries. In the U.S. and Canada, industrial production and real national product resumed their upward course during the spring of 1961, following the mild recession of 1960. The total industrial output in North America during the whole year 1961, however, was higher by only 1 per cent, as compared with 3 per cent in 1960. Besides, expansion continued in Europe and Japan, although at a slower rate than in the previous year (6 per cent, as compared with 11 per cent), as "production approached the available supplies of labour and, in some countries, investment demand became less insistent."

TABLE I—*Value of World Trade*
(Value in billion U.S. dollars)

	1958	1959	1960	1961
World exports (a)	**94.4**	**100.4**	**112.4**	**117.6**
Exports of the U.S. (b)	16.4	16.4	19.6	20.1
Exports of other developed countries:				
Of which:				
E.E.C. countries	22.8	25.2	29.7	32.3
E.F.T.A. countries (c)	15.8	16.8	18.3	19.2
Japan	2.9	3.5	4.1	4.2
Exports of primary producing countries	36.5	38.5	40.7	41.8
Trade among developed countries:				
Exports of U.S. to other developed countries	5.0	5.2	7.4	7.7
Exports of developed countries to the U.S.	3.7	5.1	4.9	4.7
Trade between other developed countries	18.5	20.8	25.0	28.0
Of which:				
Trade between E.E.C.	6.9	8.2	10.3	11.9
Total	27.2	31.1	37.3	40.4
Exports of developed countries to primary producers:				
From the U.S.	11.2	11.2	12.0	12.3
From other developed countries	17.7	17.8	20.1	20.8
Total	28.9	29.0	32.1	33.1
Exports of primary producers to developed countries:				
To the U.S.	9.2	9.8	9.4	9.5
To other developed countries	16.3	17.3	19.5	20.0
Total	25.5	27.1	28.9	29.5
Trade of developed countries with Soviet bloc and China:				
Exports of developed countries	1.8	1.7	2.3	2.3
Exports of Soviet area and China	1.5	1.8	2.0	2.3

(a) Excluding exports of Soviet area and Mainland China, as also U.S. military aid.
(b) Excluding military aid.
(c) Except Portugal.
N.B.—The term "primary producing countries" refers to those countries exporting mainly primary products and semi-manufactures, i.e., that is all countries excluding those classified as "developed countries" and also Soviet bloc.
1961 figures for primary producing countries and for Soviet bloc are partly estimated.

The movement in world trade was more or less similar to that of industrial production. For world trade, which had gone up by 12 per cent in 1960 in terms of value, failed to maintain the tempo and showed an improvement of only 5 per cent during the year under review. The Table I on this page shows the value of world trade by various regions, as also the U.S. and Japan, in 1961, as compared with the previous three years. The increase in trade was largely accounted for by industrialised countries. Since the recession year of 1958, the expansion of world trade has, to a large extent, been in the form of an increase in trade of the industrial countries among themselves. By 1961, this trade was about 50 per cent above that in 1958. But it is significant that their im- 1960. The *Report* pertinently points out, in creased by no more than 15 per cent during the same period. Persistent price weakness of primary commodities in recent years, according to the *Report*, was an important factor in the relatively unsatisfactory development of exports of the primary producing countries.

Incidentally, I.M.F's transactions with the primary producing countries designed to tide over their short-term payment difficulties were larger in 1961 than in the preceding year. Drawings by 21 such countries aggregated an equivalent of $979 million, and undrawn balances under standby arrangements at the end of the year amounted to an equivalent of $495 million, as against $383 million at the end of 1960. The *Report* pertinently points out, in this context, that "the postponement for a relatively short period, by means of credit, of the impact of balance of payments difficulties is of limited value, unless there is a reasonable expectation that exports will recover or import demand will decline." The demand for the products of less-developed countries can be raised, as it rightly says, only if access to their products in developed countries is improved, reinforced by a vigorous and sustained expansion in the developed countries.

Terms of Trade

The world trade situation as it exists today is unfavourable to the growth of less-developed countries, particularly because of the fact that their terms of trade have continued to deteriorate. The *Report* reveals that further deterioration of the terms of trade of primary producing countries took place in 1961. For the year as a whole, the prices of primary products were, on the average, about 4 per cent below the level in 1960, foodstuffs and industrial raw materials being equally affected. Export prices of manufactures, on the contrary, rose by a little over one per cent.

The prices of individual primary products, and of major groups of products, moved diversely in 1961, in contrast to the rather uniform movements in the previous year, according to the *Report*. These changes, in turn, were reflected in the divergent behaviour of exports of countries. Table II shows the trends in exports and imports of primary producing countries in 1960 and 1961. The prices of most tropical foodstuffs were lower in 1961 than in 1960, and some of them, notably cocoa, copra and African robusta coffee, fell by as much as 20 per cent. Consequently, there was a decline in the total receipts of countries exporting mainly tropical foods (other than coffee).

No wonder, in this context, that the primary producing countries continued to be in deficit in their basic balance of payments accounts, despite 1961 being a year of high activity in Europe and of increasing output in the U.S. and Canada. In the primary producing countries, as well as in industrialised countries, changes in the basic balance of payments (those arising out of international transactions on current and long-term capital account excluding certain special transactions) occurred mainly in current account items. Disequilibrating movements of short-term capital between major financial centres, which imposed exceptionally severe pressures in 1960, continued to prevail in the early months of 1961, but were checked in the latter half of the year.

Among the most important changes in the basic accounts of industrialised countries were the reappearance of a large deficit in the U.S. balance of payments in the second half of 1961 and the emergence of a considerable deficit for Japan. The changes were directly related to increased economic activity in these two countries. The striking change in the West German position, to a slight basic deficit in the second half of 1961 after years of substantial surpluses, was associated with a renewed expansion of activity on a seasonally adjusted basis and a very high level of employment, accompanied by strong demand pressures and rising costs. A further factor was the appreciation of the Deutschemark, the effects of which were felt only gradually in the course of the year. A sharp reduction in the basic balance of the Netherlands arose from similar circumstances, but occurred in the first half of the year. A rise in the basic deficit of Switzerland was also associated with the expansion of production at full employment. Conversely, the virtual elimination of the basic deficit of the United Kingdom, following a further increase in the first half of 1961, was brought about largely by a decline in imports as a consequence of the measures to restrain domestic demand. France and Italy—although their output rose more rapidly than that in some of the other industrial countries—continued to be favoured by greater structural possibilities of expanding industrial production and exports than existed in most of the other countries; their basic surpluses increased considerably from 1960 to 1961. An improvement in the payments position of Belgium was in part a reflection of easier conditions in the labour market there than in Germany and the Netherlands, and probably of the advantage gained from the appreciation of the Deutschemark and the guilder.

TABLE II—*Trade of Primary Producing Countries*
(Value in millions of U.S. dollars)

	Exports (f.o.b.)		Imports (c.i.f.)	
	1960	1961	1960	1961
Countries exporting mainly coffee:				
Brazil	1,269	1,403	1,462	1,460
Others (a)	953	928	1,078	1,062
Other tropical foods (b):				
Nigeria	462	486	603	622
Philippines	560	499	713	721
Ceylon	385	364	412	358
Others (c)	1,637	1,660	1,917	1,876
Other agricultural products (d):				
Australia	1,962	2,325	2,704	2,395
Argentina	1,079	964	1,249	1,460
New Zealand	846	793	786	907
Thailand	408	478	453	486
U.A.R.	550	492	646	662
Pakistan	393	400	654	642
Others (e)	1,823	1,981	2,980	3,073
Metals and rubber:				
Malaya	956	857	703	728
Indonesia	840	784	574	794
Rhodesia, Nyasaland	576	579	495	489
Chile	488	496	500	570
Others (f)	631	698	636	590
Petroleum:				
Venezuela	2,432	2,415	1,188	1,161
Netherlands Antilles	658	709	824	866
Others (g)	3,934	4,031	1,928	2,022
Other major exporters:				
Canada	5,575	5,833	6,150	6,195
India	1,331	1,396	2,293	2,131
South Africa	1,237	1,331	1,711	1,549
Singapore	1,136	1,081	1,332	1,296
Finland	989	1,054	1,062	1,151
Mexico	765	826	1,186	1,139
Spain	725	709	922	1,092
Hongkong	689	688	1,026	1,045
Yugoslavia	566	569	826	910
Peru	480	494	373	468
Morocco	354	343	413	452
All other countries	4,100	4,250	6,910	7,050
Grand Total	40,740	41,830	46,410	47,420

(a) Columbia, Costa Rica, El Salvador, Ethiopia, Gautemala, Haiti and Nicaragua (1961 figures for these countries are partly estimated).
(b) Cocoa, tea, sugar (cane), bananas, oilseeds and vegetable oils.
(c) China (Taiwan), Cuba, Dominican Republic, Ecuador, Ghana, Honduras, Jamaica and Panama.
(d) Grains, livestock products, textile fibres and tobacco.
(e) Burma, Greece, Ireland, Kenya, Sudan, Syrian Arab Republic, Turkey, Uganda and Uruguay.
(f) Bolivia, Congo (Leopoldville) and Viet Nam.
(g) Brunei, Iran, Iraq, Kuwait, Saudi Arabia, Sarawak and Trinidad.

Some progress has been made in dealing with sudden movements of short-term capital, which had been extremely disturbing in 1960 and the early part of 1961. Commenting on the movements of short-term capital in 1961, the *Report* observes as follows:

"In addition to the impact of certain speculative developments, large differentials in short-term interest rates not offset by costs of forward exchange cover had drawn funds away from the United States in 1960 and early 1961. During this period, for example, roughly $500 million flowed out into assets expressed in sterling and Canadian dollars alone. Since the middle of 1961, however, the conditions in the money markets in the main industrial countries have become less divergent, and there has also been a deliberate and increasing tendency in the industrial countries to influence short-term interest rates in such a manner that they would not induce disturbing capital movements. The discount rates in the main centres have moved closer together. While the U.S. discount rate has stayed at 3 per cent since mid-1960, **the rate in Germany** has been brought down from 5 per cent to 3 per cent and the rate in the United Kingdom, which was raised sharply to 7 per cent to deal with the serious situation in July 1961, was lowered by stages to 4½ per cent by the end of April 1962. When account is also taken of the difference between spot

(*Continued on page* 521)

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RISE IN IMPERIAL TOBACCO'S EARNINGS GOES LARGELY TO THE EXCHEQUER

PROFIT DECLINES, BUT DIVIDEND SAME

THANKS to the increasing burden of excise and other duties on tobacco, the Imperial Tobacco Company of India Ltd. (Chairman: Mr. F. A. Collett, Calcutta) has realised a lower profit of Rs. 382.70 lakhs during the year ended 31st March 1962 as compared with Rs. 411.85 lakhs in the previous year, despite a further handsome improvement of Rs. 3.73 crores in gross sales at Rs. 45.91 crores. For the bulk of the increase of Rs. 3.73 crores in earnings from the business of the Company—more than 61 per cent to be precise—has gone to the Exchequer by way of customs and excise duties, the total of which has soared by Rs. 2.08 crores to Rs. 20.17 crores. Of the total sales realisations, these duties together have claimed about 44 per cent, as against 42.8 per cent in the previous year. Such a large incidence of taxation has itself been sufficient to pull down profit, besides lower income from other sources, Rs. 41.97 lakhs, as against Rs. 62.85 lakhs a year before. Costs, too, have gone up, though presumably largely because of a higher production as reflected in the larger sales and increased inventory of Rs. 275.83 lakhs, as against of Rs. 250.98 lakhs in the preceding year. The cost of raw materials consumed has increased from Rs. 13.03 crores to Rs. 14.38 crores, staff expenses have gone up from Rs. 506.16 lakhs to Rs. 529.96 lakhs and other expenses have been higher by about Rs. 17 lakhs at Rs. 289.87 lakhs.

Following the retroactive increase in company tax in the last budget, provision for taxation has been raised from Rs. 171.19 lakhs to Rs. 177.16 lakhs, at which level it claims about 46 per cent of the gross profit, as against roughly 41 per cent a year before. Provision for depreciation has also been stepped up from Rs. 44.05 lakhs to Rs. 46.76 lakhs. The net profit, therefore, shows a sizable fall of Rs. 37.83 lakhs at Rs. 158.78 lakhs. The last setback in profit was seen in 1958-59, when the gross profit had declined from Rs. 356.79 lakhs to Rs. 333.35 lakhs and the net profit from Rs. 132.12 lakhs to Rs. 114.98 lakhs. Notwithstanding the year's lower profit, the Directors have recommended that the total distribution of the Rs. 10 fully paid ordinary shares be left unchanged at 9 per cent per annum (of this, 4 per cent is final and the balance of 5 per cent was paid in two equal interim dividends), to which level it had been stepped up from 8 per cent paid in 1960-61. The maintenance of dividend has meant a substantial reduction in the profit ploughed back into business from Rs. 48.20 lakhs to Rs. 8.55 lakhs. Provision for staff gratuity has been raised from Rs. 8.62 lakhs to Rs. 12.45 lakhs. The carry-forward is Rs. 24.56 lakhs, as against Rs. 26.96 lakhs brought in.

The table below mirrors the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	4,590.59	4,217.62	3,688.07	3,420.40
Other income	41.97	62.85	54.46	63.06
Stock of cigarettes and tobaccos	275.83	250.98	229.51	256.92
Raw materials consumed	1,437.70	1,302.73	1,115.45	1,066.79
Customs and excise duties	2,017.17	1,808.97	1,547.27	1,369.15
Staff expenses	529.96	506.16	494.71	482.41
Other expenses	289.87	272.52	215.05	196.80
Gross profit	382.70	411.85	342.65	333.35
Provision for—				
Depreciation	46.76	44.05	44.81	46.17
Taxation	177.16	171.19	156.23	172.20
Net profit	158.78	196.61	141.62	114.98
Transfer from reserves	..	1.45	..	..
To development rebate reserve	3.74	2.62	5.07	5.13
Provision for staff gratuity	12.45	8.62	..	..
To reserves	8.55	48.20	15.13	13.29
Dividend	130.44	136.44	121.28	90.96
	(9%)*	(9%)*	(8%)*	(6%)
Carry forward	24.56	26.96	24.78	24.64
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	13.31	13.19	14.25	13.25
Low	10.75	10.80	10.50	10.69

* Subject to deduction of tax.

Lest last year's results should unduly disappoint shareholders, the Directors have expressed the confidence that, subject to any unforeseen circumstances, they would be able to maintain a 9 per cent distribution for the current year and appropriate at the same time an adequate sum to reserves. Actually, it was only after taking into account the results of the first four months of the current year and the generally good prospects for the remaining period that the Directors proposed to maintain the dividend for 1961-62.

To protect its interests in paper and board required to wrap its products, the Company had made an initial investment of Rs. 1.13 lakh in the Assam Pulp Mills Ltd. But the project had to be abandoned, since certain difficulties in arranging the required loan capital could not be resolved. The Assam Pulp Mills Ltd. is now in liquidation and the investment made in it has been written off. The Company has no further liability in this regard.

The financial position of the Company is sound. Its paid-up capital of Rs. 15.16 crores is supplemented by reserves and surplus aggregating Rs. 10.12 crores. Current liabilities and provisions total Rs. 318.93 lakhs and are far exceeded by current assets, loans and advances aggregating Rs. 19.57 crores, of which cash and bank balances amount to Rs. 1.67 crore. Investments have declined from Rs. 131.75 lakhs to Rs. 51.14 lakhs, of which those quoted amount to Rs. 42.19 lakhs (Rs. 121.46 lakhs a year before) and command a market value of Rs. 42.62 lakhs. The gross block increased during the year from Rs. 11.57 crores to Rs. 12.05 crores, and this has been written down to Rs. 8.39 crores.

The Delhi and Orient Tobacco Company Ltd., a subsidiary of the Company, earned last year a profit of Rs. 4,313, as against Rs. 4,477 in the previous year, before providing for taxation.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 11.62 *cum-div.* On the *ex-div.* basis, they offer an attractive yield of roughly 8 per cent per annum, free of tax.

EAST ANGLIA PLASTICS (INDIA) LTD.

The Directors of the East Anglia Plastics (India) Ltd. have stated, in their report for the year ended 31st March 1962, that, although the Company's compounding factory at Dum Dum, Calcutta, which was completed in December 1961, is now ready to be worked at its rated capacity, it cannot be run for the time being at its full capacity because of difficulties in importing raw materials due to the acute shortage of foreign exchange. The maximum use of the installed capacity, we are told, will be possible as soon as imported raw materials are obtained or, in the alternative, when the Company's proposed integrated scheme to produce raw materials indigenously is implemented.

The Government of India has allocated 50 per cent in value of the quota of imported cellulose acetate moulding powders for importing raw materials to be processed at the Company's factory. Although the allocation will enable only partial operation of the factory, it will be of some help in respect of the integrated scheme. The compounding unit is capable of producing the entire quantity of cellulose acetate moulding granules now being imported, provided adequate quantities of raw materials are available.

Satisfactory progress has been reported on the implementation of the integrated scheme. Collaboration of an internationally known group of industries for the manufacture of cellulose acetate flakes has been obtained and approved by the Government. In addition to providing the technical know-how, the collaborators will participate in the share capital. Arrangements for the supply of machinery have also been made with them. Their representatives have visited different sites in Andhra Pradesh and recommended a suitable site for the plant. Preliminary work on construction will start soon after the monsoon. The capital outlay on the project is Rs. 5 crores, of which Rs. 3 crores represent the foreign exchange component, to be met through credits on deferred payment basis. Application for imports of plant and machinery under the foreign credit arrangement has been made and will be sanctioned on the availability of the credit.

The Company has also applied for a licence for the manufacture of plasticisers which are also required as raw materials for producing cellulose acetate compounds. It has received several offers for collaboration in this project. It is proposed to produce plasticisers and flakes simultaneously and thereby make the Company self-sufficient in raw materials.

(Concluded from next column)

The balance-sheet of the Company as at 31st March 1962 shows that the share capital in equity shares of Rs. 100 each has remained unchanged at Rs. 36.00 lakhs. This is supplemented by Rs. 17.79 lakhs in reserves. Loans and current liabilities and provisions, too, have remained more or less unchanged at Rs. 20.91 lakhs and Rs. 73.53 lakhs, respectively. The net block is worth Rs. 31.01 lakhs and has been obtained by reducing a gross block of Rs. 46.96 lakhs by the accumulated depreciation of Rs. 15.91 lakhs. Investments, mostly in subsidiaries, are a little higher at Rs. 6.24 lakhs, while current assets, loans and advances aggregate Rs. 110.93 lakhs.

GANNON DUNKERLEY & CO.

EXPANSION OF ACTIVITY

DESPITE the continuously substantial improvement in turnover in the past three years, the gross profit of Gannon Dunkerley and Co. Ltd. (Chairman: Mr. M. R. Morarka, Bombay) has been growing at snail's pace. During the year ended 31st March 1960, for instance, the Company earned from manufactured and trading goods sold and completed contracts invoiced a total realisation of Rs. 186.08 lakhs, against which a gross profit of Rs. 12.23 lakhs was booked. In the following year, that is, 1960-61, it reported a much higher turnover of Rs. 259.26 lakhs, but the rise in gross profit was only of the order of Rs. 1.08 lakh to Rs. 13.31 lakhs. And now, for the year ended 31st March 1962, the Company reports total sale proceeds of Rs. 267.57 lakhs or Rs. 8.31 lakhs more than those for the preceding year, but the accretion to gross profit is only Rs. 0.21 lakh, the actual profit being Rs. 13.52 lakhs. The two chief factors responsible for the slow rate of increase in gross profit during the previous two years were: First, keen competition prevailing in the contracting field in which the Company has a main interest and, second, the need to replace, due to foreign exchange difficulties, imported goods by those of indigenous manufacture which afford a much reduced margin of profit than the imported ones. This situation not only remained basically unchanged during the year under review but actually worsened further due to the closing down of the cylinder manufacturing factory for a few months, owing to non-receipt of licences for imports of raw materials.

After providing out of the aforesaid gross profit of Rs. 13.52 lakhs, a slightly reduced amount of Rs. 2.62 lakhs (as against Rs. 2.88 lakhs) for depreciation and making an enlarged provision of Rs. 4.40 lakhs (as against Rs. 3.60 lakhs) for taxation, the net profit amounts to Rs. 6.50 lakhs which is only fractionally lower than what was earned a year ago. Adding to this Rs. 31,000 as the net withdrawal from reserves and provisions and Rs. 8,499 brought in from the previous year, the amount available for disposal works out to Rs. 6.89 lakhs. From this, Rs. 39,000 (Rs. 87,596) have been transferred to the development rebate reserve, Rs. 1.90 lakh (Rs. 7.25 lakhs) to general reserves and Rs. 1.00 lakh (*nil*) as additional provision for taxation. The balance has been utilised to propose a dividend of 10 per cent subject to deduction of tax, same as that paid in the past two years, absorbing Rs. 3.60 lakhs.

The following comparative table presents the working of the Company during each of the past four years.

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	267.57	259.26	186.08	160.57
Other Income	12.15	9.02	9.23	9.89
Closing stocks	71.82	78.99	62.55	56.30
Expenses	259.03	271.40	193.33	165.45
Gross profit	13.52	13.31	12.23	7.35
Provision for—				
Depreciation	2.62	2.88	2.35	1.26
Taxation	4.40	3.60	3.50	2.20
Net profit	6.50	6.83	6.38	3.89
Withdrawal from reserves and provisions (net)*	0.31	4.88	..	0.70
To reserves	3.29	8.13	1.63	2.66
Dividend	3.60	3.60	3.60	2.17
	(10%)†	(10%)†	(10%)†	(6%)
Carry forward	0.10	0.08	0.10	0.05

* That is after deducting expenses in respect of prior years.
† Subject to deduction of tax.

Notwithstanding the competition that prevails, the Company continues to enjoy comfortable order position. Apart from the contracts already on hand at the commencement of the year, the Company secured, during the year under review, a contract worth Rs. 1.90 crore from the Bombay Port Trust for dredging the harbour channel for its principals in Holland. Work on the same commenced from the middle of December 1961 and good progress in excution was maintained.

Urged by import restrictions and prevailing keen competition, the Company has constantly been seeking new avenues of diversifying the manufacturing side of its activity. During the year under review, an agreement was entered into with Indian Casablancas High Draft Company, Private, Ltd. for the manufacture of machinery for their high-draft spinning system and parts thereof, and a new company, to be named as Casablancas Gannon Engineering Private, Ltd., is under formation in which the Company will be an equal partner. Similarly, negotiations with foreign firms are currently afoot for technical collaboration for the manufacture of valves and small tools.

(Continued in previous column)

RUIA GROUP MILLS FARE QUITE WELL

LARGER TURNOVER—HIGHER PROFIT

IF the details revealed by their respective annual accounts are any indication—the Directors' reports have unfortunately continued to be as uncommunicative on this point as ever—the three mills belonging to the Ruia Group, namely, the Bradbury Mills Ltd., the Dawn Mills Ltd., and the Phœnix Mills Ltd. (Agents: Messrs. Ramnarain Sons Private Ltd., Bombay) appear to have encountered favourable trading conditions during the year ended 31st March 1962 in common with most of the cotton textile companies in the country. In all three cases, the gross turnover has recorded a fair amount of improvement and, despite the all-round increase in practically every item of expenditure, the gross profit in each case is higher than that in the preceding year, whereas the net profit has touched a new high level, notwithstanding the increase in essential provisions. With the exception of Bradbury, which has raised the dividend for the second year in succession, the other two have maintained the dividend at the previous year's level. A feature common to all the three, however, is that each one of them has ploughed back a fairly large portion of available profits into business without in any way affecting the interest of shareholders.

Although the sales proceeds of the Bradbury Mills have risen during the year under review from Rs. 196.15 lakhs to Rs. 212.57 lakhs or barely 8.4 per cent, thanks to enlarged closing stocks of finished goods and some betterment in other income, the gross profit has expanded by 19.6 per cent from Rs. 17.31 lakhs to Rs. 20.71 lakhs, despite the disproportionate increase in the cost of cotton consumed. Provision for Agents' remuneration has quite naturally been raised by Rs. 0.27 lakh to Rs. 1.48 lakh and that for depreciation from Rs. 4.51 lakhs to Rs. 4.72 lakhs. There has, on the other hand, been some saving in the provision for taxation which has declined by Rs. 0.50 lakh to Rs. 4.50 lakhs. As a result, the net profit fully reflects the gains in the gross profit and stands improved by Rs. 3.42 lakhs to Rs. 10.01 lakhs. From this, a sum of Rs. 4.96 lakhs, as against Rs. 1.70 lakh, has been credited to reserve and, after setting aside Rs. 1.47 lakh for payment of preferred dividend in respect of the year, the Directors have proposed a higher ordinary dividend of 30 per cent, subject to deduction of tax, as compared with 25 per cent, subject to deduction of tax, for the previous year. This has claimed Rs. 3.00 lakhs, leaving Rs. 1.96 lakh to be carried forward, as against the Rs. 1.38 lakh brought in.

During 1960-61, the turnover of the Dawn Mills Ltd. had increased by approximately 5.7 per cent. The same rate of progress was maintained during the year under review, and the gross realisation from sale of yarn, waste and hosiery products has gone by Rs. 10.71 lakhs to Rs. 201.19 lakhs. As a result of this but due more to savings in expenses partly through, perhaps, operational efficiencies and partly because of a heavier carry-forward of stocks, the gross profit has staged a smart improvement of Rs. 9.03 lakhs to stand at the impressive figure of Rs. 40.32 lakhs. Unluckily, the major portion of this rise has been annulled by the increase in the provision for Agents' commission from Rs. 2.57 lakhs to Rs. 3.09 lakhs, and for taxation by as much as Rs. 5.50 lakhs to Rs. 17.00 lakhs, even though the depreciation allocation has been a shade lower at Rs. 4.39 lakhs, as against Rs. 4.74 lakhs previously.

There has been an all-round improvement in the working of the Phœnix Mills Ltd. during the year under review. Thanks to higher output of cloth, yarn, surgical dressing and waste, improved sales of Rs. 349.62 lakhs, as against Rs. 314.90 lakhs previously, and increased income of Rs. 27.13 lakhs, as compared with Rs. 18.33 lakhs, from other sources, the gross profit has advanced by Rs. 7.88 lakhs to Rs. 44.50 lakhs. Since, however, there has been a corresponding rise in all essential provisions—that for Agents' commission having gone up to Rs. 3.10 lakhs (Rs. 2.75 lakhs), for depreciation to Rs. 8.06 lakhs (Rs. 6.78 lakhs) and for taxation to Rs. 16.00 lakhs (Rs. 12.00 lakhs)—the increase in net profit has been only nominal, being Rs. 2.25 lakhs to Rs. 17.34 lakhs. Of this, Rs. 7.90 lakhs go to replenish the reserves, while the ordinary dividend, which has been maintained at 20 per cent subject to deduction of tax, absorbs Rs. 9.60 lakhs. The sum carried forward is Rs. 3.85 lakhs, as against Rs. 4.01 lakhs brought in.

The current market prices for the ordinary shares of these three companies and the yield thereon worked out on an *ex-div.* basis are given below:

	Price (Rs.)	Yield (%)
Bradbury	192.00	5.8
Dawn	162.00	6.9
Phœnix	241.00	6.2

A synopsis of the balance-sheets of the three companies as at 31st March 1962 is given below:

(In lakhs of rupees)

	Bradbury	Dawn	Phœnix
LIABILITIES			
Paid-up share capital	24.85	23.00	48.00
Reserves and surplus	40.60	38.54	76.29
Borrowings	53.39	22.10	117.41
Current liabilities and provisions	38.34	90.78	115.75
Total	157.18	179.42	357.45
ASSETS			
Gross block	96.39	111.94	224.30
Less—Depreciation	62.17	72.82	137.42
Net block	34.22	39.12	86.88
Investments	4.81	4.39	5.46
Current assets, loans and advances	118.15	135.91	265.11
Total	157.18	179.42	357.45

It will be seen from the above table that the financial position of all the three mills is quite satisfactory. Accumulated reserves in each case far exceed the paid-up share capital, which, with the exception of Bradbury, is exclusively in equity shares. In the case of Bradbury, the share capital consists of Rs. 14.85 lakhs in preference shares of Rs. 100 each and the balance in equities. The total of borrowings and current liabilities and provisions in all the cases is fully covered by current assets, while the gross block of each mill has been well written down to nearly one-third of its book value.

Efforts towards renovation and rehabilitation of plant and machinery progressed well during the year under review. The Bradbury Mills acquired new machine worth Rs. 6.95 lakhs and has placed orders for warp tying equipments and conversion material for ring frames. Additions to plant and equipments during the year cost the Dawn Mills an aggregate amount of Rs. 8.13 lakhs. Extension of the bleach house undertaken earlier is in progress and is expected to be completed during the current year. Large-scale additions to productive facilities were made by the Phœnix Mills during the year at a total cost of Rs. 34.04 lakhs. These included one winding and warping machine, two steam boilers, 145 looms and other equipment. Additional machinery is expected to be installed during the current year.

(In lakhs of rupees)

	BRADBURY			DAWN			PHŒNIX		
	1961-62	1960-61	1959-60	1961-62	1960-61	1959-60	1961-62	1960-61	1959-60
Sales (gross)	212.57	196.15	155.80	201.19	190.48	180.23	349.62	314.90	297.48
Other income	3.35	2.67	2.40	0.98	0.33	0.66	27.13	18.33	13.80
Closing stocks	62.93	52.09	52.27	47.08	39.30	38.13	118.18	107.63	102.41
Cotton consumed	94.82	79.49	62.79	85.41	81.39	75.04	137.83	120.65	109.24
Salaries, wages and benefits	64.05	60.48	51.85	50.13	47.56	46.35	110.90	103.08	98.01
Other expenses	46.28	41.36	39.31	34.09	32.24	34.54	94.07	77.20	78.54
Gross profit	20.71	17.31	8.95	40.32	31.29	30.45	44.50	36.62	31.28
Agents' commission	1.48	1.21	0.52	3.09	2.57	2.90	3.10	2.75	2.64
Provision for—									
Depreciation	4.72	4.51	4.20	4.39	4.74	4.59	8.06	6.78	6.75
Taxation	4.50	5.00	..	17.00	11.50	13.00	16.00	12.00	10.50
Net profit	10.01	6.59	4.23	15.84	12.48	10.96	17.34	15.09	11.39
Withdrawal from reserves and provisions	..	..	..	..	..	2.09	..	..	..
To reserves	4.96	1.70	2.03	5.83	1.16	1.13	7.90	4.31	1.73
Miscellaneous write-offs	..	..	..	..	4.50	..	..	..	..
Dividends—									
Preference	1.47	1.65	1.03	8.40	8.40	8.40	9.60	9.60	7.20
Ordinary	3.00	2.50	1.00	(30%)	(30%)	(30%)	(20%)	(20%)	(15%)
	(30%)	(25%)	(10%)	3.63	2.07	3.65	3.85	4.01	2.83
Carry forward	1.96	1.38	0.64						
Market price for ordinary shares (In rupees):	1962	1961	1960	1962	1961	1960	1962	1961	1960
High	215.00	155.00	149.00	182.00	155.00	146.00	302.00	219.00	156.00
Low	155.00	113.50	117.50	150.00	111.00	104.00	225.00	126.00	127.00

All dividends are subject to deduction of tax.

ASHOKA CEMENT LTD.

DIVIDEND MAINTAINED

LOSS of about a month's production due to stoppage of the kiln for the installation of an electro-static precipitator for the elimination of dust and the inadequate and interrupted supply of electric power are reported to have been mainly responsible for the somewhat sharp setback in the turnover of Ashoka Cement Ltd. (Chairman: Mr. S. P. Jain, Calcutta) during the year ended 31st March 1962. Production of clinker declined from 166,512 metric tonnes to 133,695 tonnes, while that of cement was as low as 138,597 tonnes during the year under review, as compared with 173,733 tonnes in 1960-61 and 164,206 tonnes in 1959-60. The effect of this decline in output would really have been serious had it not been for the rise in the retention price of cement made effective from 1st November 1961. Even though, as against an average increase of Rs. 10 per tonne for the industry as a whole, the increase in respect of the Company worked out to Rs. 2 per tonne only which again accrued for a period of five months during the year, its impact on the sale proceeds has been fairly encouraging. Gross realisation from sales has amounted to Rs. 161.80 lakhs, as against Rs. 200.02 lakhs a year ago, or nearly equal to what was earned during 1959-60, notwithstanding the sharp drop in despatches of cement as compared with that year. The lower output has naturally had its effect on the cost of consumption of raw materials, stores, etc., as well as other expenses, but the decline in these has been more than proportionate to that in the turnover, with the consequence that the gross profit has actually staged a rise, though quite a nominal one, from Rs. 16.68 lakhs to Rs. 17.22 lakhs. Unluckily this modest increase has been fully absorbed by the enhanced provision for depreciation, amounting to Rs. 10.05 lakhs, as against Rs. 8.97 lakhs, and the net profit has, therefore, decreased to Rs. 7.17 lakhs or about Rs. 0.54 lakh below the previous year's level. Of this, Rs. 0.40 lakh has been utilised towards writing off the debenture issue expenses, while Rs. 2.64 lakhs have been credited to reserves. From the balance that remains, including the amount brought in from the preceding year, a dividend of 7 per cent subject to deduction of tax has been proposed which claims, as during the past two years, a sum of Rs. 4.20 lakhs.

The performance of the Company during the past four years is presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	161.80	200.02	166.08	105.54
Other income	6.31	5.76	4.35	2.22
Closing stocks	8.97	5.02	10.84	20.46
Raw materials, stores, etc., consumed	70.97	85.33	58.83	49.64
Excise duty	32.42	41.26	38.71	25.12
Other expenses	51.45	56.74	49.33	40.90
Gross profit	17.22	16.68	13.94	12.04
Provision for depreciation	10.05	8.97	6.90	6.52
Net profit	7.17	7.71	7.04	5.52
Miscellaneous write-offs	0.40	..	..	..
To reserves	2.64	3.33	2.83	2.99
Dividends	4.20	4.20	4.20	2.70
	(7%)*	(7%)*	(7%)*	(4½%)
Carry forward	0.15	0.22	0.04	0.03
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	9.31	10.02	10.87	10.37
Low	8.00	8.62	7.94	6.94

* Subject to deduction of tax.

The capital structure of the Company appears highly geared or leveraged in that the combined total of the share capital and reserves is far below the outstanding amount of loans, including the debenture-stock. As at 21st March 1962, the issued share capital, all in equity shares of Rs. 10 each fully paid, has stood unchanged at Rs. 59.91 lakhs, backed by Rs. 12.17 lakhs standing to the credit of several reserves and the surplus account. Against these owned funds of Rs. 72.08 lakhs, secured and unsecured loans aggregate Rs. 127.94 lakhs, in addition to current liabilities of Rs. 27.76 lakhs. On the assets side, the gross block at cost is worth Rs. 197.26 lakhs and has so far been written down to Rs. 164.85 lakhs.

Although the Company has consistently paid a dividend for the past four years out of the eight during which it has been in production, the rate of dividend has been too low to merit a serious attention from investors, despite fairly attractive growth prospects. The price has, therefore, continually been depressed; in the current year, it has been confined to a level well below the par value. At present, it stands at Rs. 8 *cum-div.* which is the lowest level so far achieved. A purchase at this price would entitle the holder to a net return of over 6.5 per cent per annum (worked on an *ex-div.* price).

JAY ENGINEERING'S SALES RISE AGAIN

WELL SET TO ACHIEVE HIGHER PROFITS

NEITHER the moderate improvement in gross profit for the year ended 31st March 1962 despite a large increase in turnover nor the reduction in ordinary dividend from 17.15 per cent to 15 per cent (both subject to deduction of tax) should cause the shareholders of the Jay Engineering Works Ltd. (Managing Agents: Messrs. Madan Mohan Lall Shri Ram Ltd., Delhi) any serious concern. For the Company appears well set to achieve higher profits not only during the current year but on a steadily rising basis in the years to come, inasmuch as a bold policy of expanding both internal and export markets is now receiving careful and continued attention. Moreover, the factors which brought about the decline in net profits, namely, power shortage in the Calcutta region and higher incidence of excise and import duty on various raw materials, may themselves either prove short-lived or be annulled through a continually rising production, thereby leading to the widening of profit margin. As for the dividend, the shareholders should note that, though the rate has been cut down, the total distribution as such has actually increased, consequent on the rise in the number of shares following the equity issue made during the previous year.

Notwithstanding the drop of Rs. 22.00 lakhs in the value of exports, earnings by way of sales, on both cash term and hire-purchase accounts, have once again registered handsome gains, the former going up by Rs. 41.08 lakhs to Rs. 916.21 lakhs and the latter nearly doubling from Rs. 14.21 lakhs to Rs. 27.02 lakhs. The total realisation has thus been of the order of Rs. 943.23 lakhs, as against Rs. 889.34 lakhs a year ago. This achievement has been possible because of higher output during the year under review and even more so because of the sales keeping pace with rising production. A notable feature of operation during the year has been the fact that, in spite of the spurt in production, the cost of raw materials, stores and spare parts consumed has increased only marginally from Rs. 411.13 lakhs to Rs. 411.47 lakhs. This state of affairs has, however, not unfortunately prevailed in the case of other expenses which have continued to grow. Indeed, such an increase has been principally responsible for restricting the growth in gross profit of a bare Rs. 2.97 lakhs to Rs. 94.82 lakhs. Despite this betterment in gross profit, the net profit has fallen by Rs. 1.91 lakh to Rs. 32.79 lakhs which was the level registered during 1959-60, because of increased total essential provisions. Provision for Managing Agents' commission has been a shade lower at Rs. 4.56 lakhs, as against Rs. 4.94 lakhs earlier, but increased provisions have become necessary for depreciation and taxation, the former getting Rs. 31.47 lakhs, as against Rs. 29.36 lakhs, and the latter Rs. 26.00 lakhs, as against Rs. 22.85 lakhs. A sum of Rs. 5.00 lakhs has been transferred to reserve and an identical amount has been set aside to meet the liability on account of preferred dividend in respect of the year. The balance falling short of the requirement to maintain the dividend on the enlarged capital, the Directors have proposed a lower dividend of 15 per cent or Re. 1.5 per share subject to deduction of tax.

The following comparative table clearly brings out the progress achieved by the Company during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales	916.21	875.13	715.71	529.28
Hire purchase sales	27.02	14.21	4.93	3.96
Other income	15.44	7.24	2.71	2.15
Closing stocks	244.07	207.27	147.98	127.10
Raw materials and stores consumed	411.47	411.13	310.81	251.13
Excise duty	50.95	47.77	26.02	17.95
Salaries, wages and benefits ..	302.07	289.57	241.24	199.81
Other expenses	136.16	115.55	84.22	64.81
Gross profit	94.82	91.85	81.94	71.61
Managing Agents' commission ..	4.56	4.94	6.65	5.83
Provision for—				
Depreciation	31.47	29.36	23.55	21.56
Taxation	26.00	22.85	19.50	25.00
Net profit	32.79	34.70	32.24	19.22
To reserves	5.00	11.26	11.80	5.04
Dividends—				
7 per cent. preference ..	5.00	5.00	5.00	3.24
Ordinary	22.77 (15%)*	18.43 (17.15 %)*	15.63 (17.15 %)*	10.91 (12%)
Carry forward	0.09	0.07	0.06	0.05
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	30.87	35.06	18.06	13.50
Low	26.50	15.44	12.62	10.00

* Subject to deduction of tax.

The year under review witnessed a further improvement in the output of sewing machines from 256,000 to 273,000, but the number of fans produced declined by 10,000 to 513,000. On the sales side, however the story was different: Sewing machines fetched Rs. 386.38 lakhs, as against Rs. 384.03 lakhs previously, whereas fans fetched substantially more, Rs. 552.25 lakhs, as against Rs. 501.71 lakhs. The relatively small increase in the sales of sewing machines was, perhaps, due to the import restrictions imposed by the Governments of Yugoslavia, Burma, Ceylon and Egypt which are some of the principal export markets for these machines. The aggregate value of exports to these four countries alone declined from Rs. 52.00 lakhs to Rs. 19.00 lakhs, the overall drop in export earning being of the order of Rs. 22.00 lakhs to Rs. 91.00 lakhs.

In a bid to restore its export earnings to a respectable level and also to develop export markets, the Company has decided to take two steps. First, it has made arrangements to produce new designs in the 16" and 12" table fans range suitable for the export market, the production of which will commence in the current year. Second, it has formed a new company under the name of Usha Industries Ltd. in Ceylon in which the Company will hold 51 per cent interest. This company will undertake the assembly of sewing machines and fans from components and parts, sent from the Company's main factory at Calcutta. Assembly operations have already started and these are expected to add to the export earnings and profits of the Company.

It will be recalled that, in the preceding year, the Company had received the Government's approval for putting up a factory at Hyderabad to manufacture sewing machines with a capacity of 100,000 machines per annum. The construction work of this factory was started during the year under review and installation of machinery and equipment is reported to be in progress. The production of parts for the Zig-Zag machines has already commenced and is gradually being built up.

With the receipts during the year of the call amount remaining unpaid in the preceding year, as also of the balance amount on the 607,500 new equity shares, the share capital of the Company has increased to Rs. 201.86 lakhs, of which Rs. 50.00 lakhs only are in preference shares of Rs. 100 each. This is supported by reserves and surplus amounting to Rs. 130.88 lakhs, including Rs. 45.54 lakhs standing to the credit of the share premium account. Since the expansion is financed chiefly out of loans there has been a further recourse to borrowings during the year and secured and unsecured loans on that account have increased further to Rs. 514.58 lakhs. Besides these, current liabilities and provisions aggregate Rs. 274.94 lakhs. With the inclusion of new assets worth Rs. 18.93 lakhs acquired during the year, the gross block has inflated to Rs. 445.06 lakhs, but this has been fairly well written down to Rs. 275.25 lakhs, with Rs. 28.15 lakhs standing to the debit of the Hyderabad Project yet to be properly allocated to the various classes of fixed assets. Current assets, loans and advances and investments altogether amount to Rs. 847.01 lakhs.

The present market quotation for the Company's Rs. 10 fully paid ordinary share is Rs. 27.62 *cum-div.* Reducing this to an *ex-div.* figure, the net yield works out to nearly 4 per cent per annum.

FORT GLOSTER INDUSTRIES LTD.

The working results of the Fort Gloster Industries Ltd. (Managing Agents: Messrs. Kettlewell Bullen and Company Ltd., Calcutta) for the year ended 31st March 1962 show a distinct improvement over those for the previous year, when the Company had to slash the dividend by 15 points to 10 per cent per annum, subject to tax. Sales realisations have improved further from Rs. 616.60 lakhs to Rs. 695.80 lakhs and the gross profit has risen substantially from Rs. 36.09 lakhs to Rs. 59.59 lakhs. The profit-margin (ratio of gross profit to sales), which had dipped by four points to 5.8 per cent in the previous year, has looked up reassuringly to 7.2 per cent. The improved results have naturally drawn the Directors' attention to the interests of shareholders, and the return to them has been stepped up to 12.5 per cent per annum, subject to tax.

During the year, raw materials cost the Company Rs. 459.18 lakhs, as against Rs. 431.63 lakhs in the previous year. Staff expenses increased from Rs. 107.58 lakhs to Rs. 109.71 lakhs. Other expenses, too, went up from Rs. 74.26 lakhs to Rs. 87.92 lakhs. After providing Rs. 22.01 lakhs (Rs. 21.79 lakhs a year before) for depreciation and Rs. 12.30 lakhs (Rs. 7.10 lakhs) for taxation and allowing Rs. 2.43 lakhs (Rs. 1.32 lakh) for Managing Agents' remuneration, the net profit amounts to Rs. 13.85 lakhs, as against Rs. 5.88 lakhs. Unlike in the previous year, when Rs. 4.50 lakhs were drawn from general reserve, no amount has been transferred from reserves this year, but the past surplus tax provision of Rs. 50,000 has been written back. Credit to reserves is higher at Rs. 5.32 lakhs, as compared with Rs. 2.52 lakhs a year before. The amount carried forward is Rs. 14,938, as against Rs. 72,385 brought in.

The mills of the Company have been modernised to the extent of about 62 per cent up to the spinning stage and application for the import of further machinery has been submitted. Production in the cable division increased substantially last year and so also sales. The Company's products are well received in the market. The proposed rights issue of 50,000 equity shares of Rs. 100 each at a premium of Rs. 90 per share in the proportion of one share for every three shares held, which has been sanctioned by the authorities, will be made after the import licence for plant and machinery to manufacture large sections of V.I.R. cables, mining cables and railway signalling cables is received.

Financially, the Company is in a sound position. Its paid-up capital of Rs. 84 lakhs, Rs. 63 lakhs of which are in equity shares and the rest in two types of preference shares, is backed by reserves and surplus to the extent of Rs. 87.21 lakhs. Secured loans increased during the year from Rs. 176.80 lakhs to Rs. 230.20 lakhs. Of this amount, Rs. 201.70 lakhs were borrowed from banks, the balance of Rs. 28.50 lakhs being made up of debentures of Rs. 10.55 lakhs and the outstanding National Industrial Development Corporation loan of Rs. 17.95 lakhs. Unsecured loans are shown at Rs. 25.25 lakhs—Rs. 5 lakhs more than in the previous year. Current liabilities and provisions aggregate Rs. 79.86 lakhs, as against Rs. 67.65 lakhs a year before. The total short-term indebtedness to outsiders amounts to Rs. 306.81 lakhs and is comfortably covered by current assets, loans and advances aggregating Rs. 335.19 lakhs. Investments are unchanged at Rs. 2.36 lakhs. All of them are quoted and command a market value of Rs. 2.27 lakhs. The gross block under the jute division, which expanded from Rs. 269.67 lakhs to Rs. 291.90 lakhs last year, has been written down to Rs. 101.02 lakhs and that under the cable division, which increased from Rs. 83.15 lakhs to Rs. 88.86 lakhs, has been written down to Rs. 66.95 lakhs. The total net block amounts to Rs. 167.97 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 412 *cum-div.* On the *ex-div.* basis, they offer a net yield of 2.1 per cent per annum.

ALUMINIUM CORPORATION SUFFERS SMALL SETBACK

Following lower despatches in the face of a slightly higher production, the Aluminium Corporation of India Ltd. [Managing Agents: Messrs. J.K. Industries (Private) Ltd., Calcutta] suffered a small setback in its financial results for the year ended 31st March 1962. Net sales (that is, excluding excise duty paid and returns allowed) receded from Rs. 116.04 lakhs to Rs. 114.63 lakhs and the gross profit moved down from Rs. 33.89 lakhs to Rs. 30.45 lakhs. The cost of raw materials, stores and spares consumed increased from Rs. 31.89 lakhs to Rs. 35.14 lakhs. Staff expenses at Rs. 42.20 lakhs were nearly the same as in the previous year, but other expenses rose from Rs. 19.90 lakhs to Rs. 22.34 lakhs. The excise duty (not included in other expenses) amounted to Rs. 11.10 lakhs, as against Rs. 12.08 lakhs in the previous year.

Out of the year's profit, a sum of Rs. 7.35 lakhs has been provided for depreciation, as against Rs. 4.76 lakhs in the previous year. Taxation absorbs Rs. 11.50 lakhs as against Rs. 13 lakhs and Managing Agents' commission Rs. 1.70 lakh, as against Rs. 2.06 lakhs. After making these allocations, the net profit works out to Rs. 9.90 lakhs, that for the year 1960-61 being Rs. 14.07 lakhs. Notwithstanding this rather sharp drop in net profit, the Directors have maintained the dividend on the Rs. 10 fully paid ordinary shares at 12 per cent per annum, subject to tax. But this has meant a substantial reduction in the credit to reserves from Rs. 14.07 lakhs to a mere Rs. 1.86 lakh. The carry forward is Rs. 1.20 lakh, as against Rs. 1.33 lakh brought in.

The first phase of the expansion programme, which is designed to treble metal production capacity of the Company, commenced from the middle of June 1962. This phase of the expansion programme has been completed according to schedule and most economically. Work on second phase relating to fabrication and third phase concerning the alumina section is proceeding well. The necessary machinery and plant will arrive shortly and the expansion will be completed as scheduled.

Against the Company's paid-up capital of Rs. 133.75 lakhs, Rs. 93.75 lakhs of which are in equity shares and the rest divided equally in two types of preference shares, reserves, and surplus aggregate only Rs. 46.83 lakhs. Secured loans have doubled during the year from Rs. 30 lakhs to Rs. 61.22 lakhs and, excepting State Government loan of Rs. 1.26 lakh, the loans represent debenture liability. Current liabilities and provisions amount to Rs. 183.37 lakhs and are not fully covered by current assets, loans and advances aggregating Rs. 130.97 lakhs. Investments of Rs. 1.74 lakh have nearly the same market value. The gross block, which expanded during the year from Rs. 423.35 lakhs to Rs. 587.71 lakhs, has been written down to Rs. 466.18 lakhs.

At their current market value of Rs. 17 *cum-div.*, the Rs. 10 fully paid ordinary shares offer, on the *ex-div.* basis, a net yield of roughly 5.2 per cent per annum.

SYNOPSES OF COMPANY REPORTS

Ganges Manufacturing Co., Ltd.

(*Managing Agents*: Messrs. J. K. Industries Private Ltd., Calcutta.)

Annual General Meeting—25th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	6,66,61	5,19,28
Closing stocks (finished goods)	25,37	23,85
Gross profit	48,94	36,57
Transfer to Managing Agents' commission ..	1,94	Nil
,, ,, depreciation	5,52	3,54
Net profit	41,38	33,03
Adjustments	1,70	61
Appropriations:		
Total available balance	43,08	33,64
Transfer to development rebate reserve ..	2,91	5,85
,, ,, provision for taxation	15,00	Nil
,, ,, general reserve	10,00	17,00
,, ,, extra dividend on preference shares for 1960	Nil	14
Proposed dividend on 8% cumulative preference shares ..	62	62
,, ,, on ordinary shares (taxable).	12,65 (15%)	8,43 (10%)
Carry forward	1,90	1,60

N.B.—Adjustments include the balance brought forward from last year, profit on sale of fixed assets, provision for doubtful debts no longer required and liabilities no longer required.

Extracts from the Directors' report: The modernisation of the company's mills up to spinning was completed and the mill was completely reorganised for double shift working which it is doing now. This has made it more economical than hitherto before. In addition to modernisation the company has already installed 20 wide looms for manufacture of carpet backing cloth which are working satisfactorily. The product of these looms has been well received by the foreign buyers. The company has further received a licence for installation of 10 more wide looms, the machinery for which has already been ordered and it is hoped that they will be installed in the very near future. The company is further making attempts to obtain the permission of the Government of India for installation of further wide looms and it is hoped that licence for sufficient number of looms will be available in the near future.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	90,32,100	Gross block	2,77,93,250
Reserves and surplus..	42,83,046	—Depreciation ..	1,57,04,703
Other liabilities ..	1,60,23,282	Net block	1,20,88,547
		Current assets ..	1,67,23,759
		Investments	23,264
		Cash	5,02,858
	Rs. 2,93,38,428		Rs. 2,93,38,428

* Paid-up capital consists of 6,000 8 per cent cumulative preference shares of Rs. 100 each fully paid and 843,210 ordinary shares of Rs. 10 each fully paid. Of the ordinary shares, 602,310 shares were allotted as fully paid up by way of bonus shares and 194,640 shares were allotted to the extent of Rs. 8.50 per share for cash and Rs. 1.50 per share by way of bonus on 10th January 1921.

Union Jute Co., Ltd.

[*Managing Agents*: Bird and Co., (Private) Ltd., Calcutta.]

Annual General Meeting—29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	2,28,00	2,11,03
Closing stocks	41,75	44,87
Gross profit	6,91	11,61
Transfer to Managing Agents' remuneration ..	50	68
,, ,, provision for taxation	1,17	2,26
,, ,, depreciation	4,71	4,91
Net profit	53	3,16
Adjustments	60	29
Appropriations:		
Total available balance	1,13	3,45
Transfer to statutory development rebate reserve	41	66
,, ,, interim dividend for the year ..	Nil	2,07
Proposed dividends on cumulative preference shares	55	27
,, ,, on ordinary shares (taxable)	Nil	36
Carry forward	18	(Nil) 9

N.B.—Adjustments include the balance brought down from the previous year's account, refund of tax, adjustment in respect of previous years and transfer from general reserve.

Extracts from the Directors' report: Power cuts, which from the month of February 1961, had become an upsetting factor in the working arrangements of the mill, continued until 28th May 1961, after which date a revised working schedule was introduced making power available for six days per week and in the case of the mill, Monday was declared as the weekly non-working day. This system of working is still in force at the time of writing.

Even after two block closures of one week each in June and July on account of the acute shortage of raw jute it was still found necessary to close one day weekly during the period 6th August to 16th September 1961. All workers affected by these measures were paid lay-off compensation as provided under the Industrial Disputes Act.

The labour situation was quiet throughout the period under review and the mill worked with a full labour force.

The Wage Board has not yet completed its investigations into the wage structure for Jute Mill workers at the time of this report but interim relief amounting to Rs. 3.42 monthly continues to be paid to all workers.

The year ended March, 1962 will long be remembered as one of the most difficult in the long history of the Indian jute mill industry. The reason for this has been the inadequate supply of fibre consequent on two successive short crops which in turn resulted in a period of heavy financial losses due to the disparity in prices between raw jute and manufactured goods. The short crop of 1959-60 due to inadequate sowing was followed by a poor harvest in 1960-61 caused by drought and mills found themselves with insufficient fibre to carry them through the season until the new crop arrived in August-September. Prices for fibre advanced rapidly and with overseas markets resisting the rise in prices for manufactured goods, the disparity widened to such an extent that at one period for every ton of goods produced the mills suffered a loss of Rs. 300 on simultaneous business.

Turning to the current year, the prospects can be regarded as favourable. The growing crop although subject to flooding in certain areas is on the whole satisfactory and although the acreage under cultivation is somewhat less than that of last year it is estimated this will yield 70 lakhs bales and with a carryover of 25 lakhs bales from the previous season there will be ample fibre for the Industry's needs.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	41,98,000	Gross block	96,49,730
Reserves and surplus..	58,06,875	—Depreciation ..	59,81,764
Other liabilities ..	45,21,403	Net block	36,67,966
		Block-in-progress ..	1,01,686
			37,69,652
		Current assets ..	74,15,999
		Investments	12,66,385
		Cash	74,842
	Rs. 1,25,26,878		Rs. 1,25,26,878

* Paid-up capital consists of 6,000 7% cumulative preference shares, Rs. 100 each fully paid up and 25,986 ordinary shares of Rs. 100 each fully paid up. Of the above 7,000 and 16,986 ordinary shares have been allotted as fully paid up by way of bonus shares by way of capitalisation of capital reserves and general reserve respectively.

Northbrook Jute Co., Ltd.

[*Managing Agents*: Bird and Co. (Private) Ltd., Calcutta.]

Annual General Meeting—29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	2,61,13	2,62,19
Closing stocks	73,39	64,59
Gross profit	17,52	45,72
Transfer to Managing Agents' remuneration ..	1,09	3,77
,, ,, depreciation	6,29	6,09
,, ,, provision for taxation	6,18	16,39
Net profit	3,96	19,47
Adjustments	1,41	43
Appropriations:		
Total available balance	5,37	19,90
Transfer to statutory development rebate reserve	62	1,48
,, ,, machinery replacement reserve ..	Nil	3,00
,, ,, general reserve	Nil	9,00
,, ,, interim dividends (taxable) for the year	Nil	1,80
Proposed dividends on cumulative preference shares	1,07	54
Proposed dividends on ordinary shares (taxable)	3,36 (2.00)	3,78 (3.00)
Carry forward	32	32

N.B.—Adjustments include the balance brought down from the previous year, adjustment in respect of previous years, and transfer from taxation contingencies reserve.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	31,79,880	Gross block	1,34,46,436
Reserves and surplus..	52,03,097	—Depreciation ..	83,58,686
Other liabilities ..	1,05,34,152	Net block	50,87,750
		Block-in-progress ..	26,146
		Current assets ..	1,33,16,452
		Investments	4,68,387
		Cash	18,394
	Rs. 1,89,17,129		Rs. 1,89,17,129

* Paid-up capital consists of 15,000 5½ per cent. cumulative preference shares of Rs. 100 each fully paid and 1,67,988 ordinary shares of Rs. 10 each fully paid. Of the above, 40,000 and 47,988 ordinary shares have been allotted as fully paid up by way of bonus shares by capitalising the capital reserve and general reserve, respectively.

Lawrence Jute Co., Ltd.

[*Managing Agents*: Bird and Co. (Private) Ltd., Calcutta.]

Annual General Meeting—29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	39,31	37,23
Closing stocks	..	..
Gross profit	10,69	13,14
Transfer to Managing Agents' commission ..	Nil	29
,, ,, Secretaries' and Treasurers' commission	62	35
,, ,, provision for taxation	5,53	1,65
,, ,, depreciation	2,04	2,16
Net profit	2,50	8,69
Adjustments	4,08	23
Appropriations:		
Total available balance	6,58	8,92
Transfer to statutory development rebate reserve	23	Nil
,, ,, general reserve	1,00	3,00
,, ,, interim dividends for the year ..	Nil	2,54
Proposed dividends on cumulative 'A' preference shares	46	23
Proposed dividends on cumulative 'B' preference shares	71	36
Proposed dividends on ordinary shares (taxable)	2,80 (10.00)	2,24 (15.00)
Carry forward	1,38	55

N.B.—Adjustments include the balance brought from previous year, transfer from taxation contingencies reserve, provision for doubtful debts written back and adjustments in respect of previous years.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	43,00,000	Gross block	66,06,825
Reserves and surplus..	13,28,462	—Depreciation ..	43,84,567
Other liabilities ..	15,93,252	Net block	22,22,258
		Current assets ..	7,00,430
		Investments	25,14,445
		Cash	17,84,581
	Rs. 72,21,714		Rs. 72,21,714

* Paid-up capital consists of 5,000 7% cumulative 'A' preference shares of Rs. 100 each, 10,000 5½% cumulative 'B' preference shares of Rs. 100 each and 28,000 ordinary shares of Rs. 100 each fully paid up. Of the ordinary shares 18,000 have been allotted as fully paid by way of bonus shares by way of capitalisation of reserve.

Parrys Confectionery Ltd.

(*Managing Agents*: Parry and Co., Ltd., Madras.)

Annual General Meeting—29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	1,33,77	1,16,65
Closing stocks	25,19	24,60
Gross profit	14,98	12,23
Transfer to Managing Agents' commission ..	1,03	38
,, ,, depreciation	1,48	1,34
,, ,, provision for taxation	7,13	4,36
,, ,, provision made in previous years no longer required	9	35
Net profit	5,25	5,80
Adjustments	1,81	1,52
Appropriations:		
Total available balance	7,06	7,32
Transfer to development rebate reserve ..	30	50
,, ,, general reserve	50	1,00
Proposed dividends (taxable) ordinary shares.	4,70 (25%)†	4,00 (30%)†
Carry forward	1,56	1,31

N.B.—Adjustments include only the balance brought forward from the previous year.

† Dividend on the increased capital.

Extracts from the Directors' report: *Review of operations*: Sales during the year touched a new record of Rs. 1.34 crores—an increase of 14 per cent over the preceding year. This increase was achieved mainly from sales of wrapped varieties. As a result of import restrictions and the increase in customs duty on wrapping paper the cost of production continued to rise and some price increases had to be made to absorb part of these rising costs.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	15,00,000	Gross block	17,20,669
Reserves and surplus..	14,38,302	—Depreciation ..	8,37,458
Other liabilities ..	45,33,245	Net block	8,83,211
		Block in progress ..	47,755
		Current assets ..	64,90,029
		Investments	10,000
		Cash	40,552
	Rs. 74,71,547		Rs. 74,71,547

* Paid-up capital consists of 15,00,000 ordinary shares of Re. 1 each. Of the above, 200,000 shares have been allotted as fully paid up pursuant to a contract without payment being received in cash and 250,000 shares have been allotted as bonus shares by capitalisation of share premium account.

Wartyhully Estates Ltd.

(*Secretaries and Treasurers*: Messrs. Peirce Leslie and Co., Ltd., Mangalore.)

Annual General Meeting: 22nd September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
By coffee crop	6,76	9,07
Gross profit	2,36	3,89
Transfer to Secretaries' remuneration	10	10
,, ,, depreciation	35	33
,, ,, provision for taxation	60	1,20
Net profit	1,31	2,26
Adjustments	1,12	1,15
Appropriation:		
Total available balance	2,43	3,41
Transfer to general reserve	Nil	50
Proposed dividend (taxable)	1,80 (15%)	1,80 (15%)
Carry forward	64	1,12

N.B.—Adjustments include only the balance brought forward from the previous year.

Crop and Costs.—A total crop of 195.261 metric tonnes was harvested during the year and delivered to the Coffee Board. This has been valued at Rs. 2.30 per point or Rs. 3,463 per metric tonne. A comparative statement of production and costs for the previous 2 years is given below:

Year	Crop (metric tonnes)	Estate expenditure per metric tonne	All-in-cost per metric tonne
1959-60	171.045	Rs. 2,914	Rs. 3,260
1960-61	321.525	Rs. 1,825	Rs. 1,977
1961-62	195.261	Rs. 2,742	Rs. 3,044

A further payment of 2 nP per point has been received on 1959-60 crop making the total for the year Rs. 2.24 per point and this is equivalent to Rs. 3,396 per metric tonne.

The 1960-61 season's crop has been revalued at Re. 1.95 per point which has so far been paid. This is the equivalent of Rs. 2,957 per metric tonne when compared to the valuation of Re. 1.90 per point or Rs. 2,821 per metric tonne adopted last year.

The 1962-63 crop has been estimated at 200 metric tonnes and the all-in-cost of production at Rs. 3,044 per metric tonne.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,00,000	Gross block	16,42,976
Reserves and surplus..	13,04,503	—Depreciation ..	1,87,592
Other liabilities ..	6,37,892	Net block	14,55,384
		Current assets ..	5,40,650
		Investments	6,54,313
		Cash	4,92,048
	Rs. 31,42,395		Rs. 31,42,395

* Paid-up capital consists of 6,00,000 ordinary shares of Rs. 2 each fully paid up.

KINNISON JUTE MILLS COMPANY LIMITED

CHAIRMAN, MR. D. C. B. PILKINGTON'S ANNUAL STATEMENT

ACTION TO AVERT LIKELY THREAT TO SACKING EXPORTS CALLED FOR

SWIFT action to avert a likely threat to India's exports of sackings has been urged by Mr. D. C. B. Pilkington, Chairman of the Kinnison Jute Mills Company Ltd., in his annual statement to the shareholders circulated along with the annual report and accounts of the Company for the year ended 31st March 1962. Mr. Pilkington has recalled that, for some time past, India has succeeded only in obtaining such overseas sacking business, as is available after Pakistan has sold its full production. He admits that during the first half of 1962, both India and Pakistan disposed of their full sacking production due to the rebuilding of stocks overseas, but points out that indications today are somewhat ominous, inasmuch as India's sacking stocks are already rising, while Pakistan's production of sacking is increasing. India's monthly exports of sacking, according to him, amount to between 30,000 and 32,000 tons per month, and this is approximately the extra monthly production of sacking that will come off the additional looms that will be installed in Pakistan by the end of 1964. Mr. Pilkington has, therefore, cautioned that India would stand to lose the Rs. 55 crores earned annually from sacking exports, unless some effective action is taken. For he believes that the world demand is unlikely to rise rapidly due to the installation of a number of sacking mills in other countries.

The following is the full text of Mr. Pilkington's statement:

"Dear Sir/Madam,

"The year 1961-62 will long be remembered as one of the most uncomfortable years the jute mill industry has experienced, redeemed in the latter half of the year by a favourable swing in market conditions that was certainly not foreseeable in the dark days of April/June 1961. Enough has already been spoken and written about the chaotic situation created by the physical shortage of raw jute to make repetition in this statement a waste of time and space and most of my remarks will be devoted to the present and future of your Company and the industry as a whole. It is well known that, in the April/September 1961 period, the Indian jute mill industry as a whole lost some 6 crores of rupees, but shareholders will require some explanation as to why your Company—even allowing for the fact that at the height of the crisis the bigger the mill the more money lost—has made an even poorer showing than most units in the industry.

Unfavourable Results Explained

"Leaving aside the current year, which is exceptional, there have only been two periods in the past five years when it has been possible to purchase raw jute, and sell jute goods simultaneously at a profit. This has left those responsible for managing the various groups in the industry no option but to take views on the future prices of both the raw material and the finished product. Taking a view of the market thus becomes the only alternative to booking a certain loss and, as with all types of speculation, it is impossible to win all the time. Over the five years as a whole the record of the management of your Company in taking a correct view of the market has been extremely good, but this cannot be claimed for 1961. As so often occurs in this industry, the determining factor was unforeseeable—in this instance, what is known as the Bharat Commercial case—a legal action by the Customs on the issue of under-invoicing which was largely responsible for breaking the high level of prices then ruling in the jute goods market. At that juncture, your Company was just about to square a long position in raw jute which would have resulted in a relatively small loss—the break in the goods market and the mistaken impression that the market would recover turned this into a very substantial loss. This is one reason why your Company's results, and indeed those of most companies in the Birds/Heilgers Group, compare unfavourably with those of some other units in the industry.

"The second reason is that labour relations in your mill were far from happy during the major portion of the year. Disciplinary action against certain malpractices led to several cases of 'go slow' with the result that the factory was starved of yarn and production was much lower than should have been the case. It is, therefore, satisfactory to report that there has been a major change for the better in the current year and that, as from June 1962, your Company is once again in its rightful position of making the highest monthly profit in the Birds/Heilgers Group.

"With the transfer of Lawrence machinery and loom-hours from Lansdowne Jute Mill and the subsequent gradual closure of Lansdowne Jute Mill itself from the 25th August, your Company will receive additional machinery on hire and matching loom hours that will increase the loom complement to 2,180. In the difficult times that lie ahead, as well as in the current period of prosperity, your Directors are convinced that the larger the unit, the better its prospects and they are, therefore, gratified at this development which they are confident will be beneficial to all the three companies concerned.

Carpet Backing

"To Jute Industries Ltd., of Dundee, and the Ludlow Jute Company goes the credit for being the first in the field in developing jute backing for the tufted carpet industry. The Birds/Heilgers Group was, however, the first in the Indian Jute Mills Association to install carpet backing looms ordered in 1954 and operating in early 1955—and as far as your Company is concerned 50 looms are now installed with an eventual target of around 60 looms by mid-1963. The tufted carpet industry in America is subject to the same wide fluctuations of fortune as the Indian jute mill industry, and over the last seven years your Company's management has become inured to the alternating periods of surplus and shortage of jute backing cloth—the last period of surplus being in mid-1961 and the latest period of shortage being with us today. There can be no doubt that in America and elsewhere in the world the tufted carpet industry is a growth industry, but it is possible that those with relatively recent experience of the industry may read into the current shortage of backing material that the sky is the limit as regards the installation of additional carpet backing looms. Taking a round figure of 12 rolls per month per loom, it is arguable that any number between 300 and 600 looms will meet the current deficit between supply and demand—a demand based on a period of great activity in the American carpet industry. It is, however, virtually certain that, if the number of additional looms planned for India is installed, plus the sizable number of looms starting to operate in Jamaica as well as those ordered for Pakistan there will, before many months have passed, be a surplus of supply over demand, which may well persist for a considerable period. Cut-throat competition, as was experienced in 1961, will certainly affect India's foreign exchange earnings and may well also hit any newcomers to this somewhat mercurial speciality fabric, who have devoted an undue percentage of their total resources to additional looms and ancillary machinery.

The Standard Jute Company Ltd.

"With a reduced stake in the actual manufacture of jute goods, your subsidiary company has had a relatively satisfactory year. Payment of a dividend would have been possible, but apart from the extra tax liability involved this would not have enabled your Company to pay an ordinary dividend out of current earnings. The Directors of the Standard Jute Company, Ltd., decided, therefore, to conserve that company's cash resources and continue with the policy of diversification which will undoubtedly benefit your Company before long.

"'Standard' now has holdings in:

(a) Coates of India Ltd.—An established company in the printing ink industry with good growth prospects.

(b) McNally-Bird Engineering Co. Ltd.—This company is now in a position to accept contracts on a turnkey basis.

(c) George Salter and Co. (India) Ltd.—This company—despite many delays out with its control—should be in production by early 1963.

"In addition to the above, 'Standard' is constructing a block of 6 flats in the Titaghur area at a cost of around 4 lakhs and has arranged to let these on a rental giving a satisfactory return on the money invested.

Future Prospects

"With the Company's production virtually fully sold up to the end of March 1963 and the great majority of the raw jute required secured, it is satisfactory to report that the current year will be an exceptionally good one barring any unforeseen calamity. This is due to a large jute crop coupled with a strong demand for jute goods arising partly from the present building up of stocks overseas after the famine conditions of 1961 and partly from an increased world consumption of hessian fabrics. The latter, it is hoped, will continue, but the former influence on prices is of a non-recurring nature.

"Prospects for the early part of the 1963-64 year are promising, but the steady increase in sacking stocks is already causing concern and the future outlook for late 1963 and 1964 is obscure and, in fact, many consider gloomy. For some time past, India has only succeeded in obtaining such overseas sacking business as is available after Pakistan has sold her full production. The first half of 1962 has seen both India and Pakistan disposing of their full sacking production due to the rebuilding of stocks overseas mentioned earlier. The indications today are, however, somewhat ominous—India's sacking stocks are already rising, while month by month Pakistan's production of sacking is increasing. India's monthly exports of sacking amount to between 30 and 32 thousand tons per month, and this is approximately the extra monthly production of sacking that will come off the additional looms that will be installed in Pakistan by the end of 1964. Unless, therefore, there is a rapid rise in world demand for sacking—and this is unlikely due to a number of sacking mills being installed in other countries—India stands to lose the 55 crores per annum earned from sacking exports, unless some effective action is taken. A switch to hessian may be a partial solution, but the possibilities in this direction are limited both by demand and by the availability of the quality jute required.

"It is not my intention to propound here a solution to this problem—the Government of India is well aware of the importance of the issue and the Indian industry is confident that it will be dealt with realistically and as soon as the necessity arises. It is, however, desirable to summarise briefly just what the Indian industry is faced with in endeavouring to compete with its counterpart in Pakistan. The export subsidy bonus gives Pakistan a competitive advantage of around Rs. 150 per ton—the lower price of jute in Pakistan gives a further advantage of around Rs. 280 per ton. Factors in India's favour total a net amount of around Rs. 30 per ton. With Rs. 400 per ton to play with—Rs. 40 per 100 'B' Twills—Pakistan has only to decide by how much to underquote Calcutta prices to obtain all the world's sacking business as soon as her production permits.

"The Indian jute mill industry, while having no feeling of hostility towards its Pakistan counterpart, is quite prepared to compete for its share of world sacking markets given the opportunity to do so—and has considerable confidence in its technical ability and dynamism. At the moment, however, it is in the position of a boxer with not one but both hands tied behind his back.

Raw Jute

"With the vital importance in today's conditions of foreign exchange earnings, the jute industry has received more attention from the Government of India than was normal in the past. In talks with the Government on the problems of raw jute, it has been encouraging to note the very wide field over which there is unanimity of opinion, that India must be fully self-sufficient in jute even to cuttings, when raw jute exports are re-established in volume; that yields must be increased and that prices must not fall to levels where the cultivation of jute is uneconomic to the ryot. Unfortunately but not surprisingly, in view of the number of interests involved, unanimity on what is the minimum economic price for raw jute, is much less easy to achieve.

"In the somewhat abnormal, because of non-competitive conditions of 1961 to mid-1962, Rs. 30 for Assam bottoms could be regarded as a suitable minimum price and the I.J.M.A.'s success in basically maintaining this minimum is a matter for congratulation. If the jute industry was an internal industry instead of an export industry, again Rs. 30 might be justified as a reasonable minimum price—or if the price of raw jute in Pakistan was Rs. 30 or even Rs. 28. Unfortunately, these conditions do not prevail—the Indian jute mill industry has to export 85 per cent. of its production and the price of equivalent jute in Pakistan ranges between Rs. 20 and Rs. 24 per maund. If, therefore, jute prices are for other very worthy reasons to be maintained at between Rs. 6 to Rs. 10 above world parity, then the alternatives are losing all overseas sacking markets to Pakistan or a massive subsidy to the Indian jute mill industry. Other overseas jute mill industries which draw their raw material supplies from Pakistan will also be restored to a competitive position in the market for hessian. The moral is that to draw long-term conclusions on the right price for raw jute from the most exceptional 1961-62 year, could have very serious consequences.

"Viewed from the internal angle, there are two points to be made. The first is that the yield per acre must be increased. At 3.7 bales per acre, a price can be remunerative to the Pakistan cultivator that is certainly not so to the Indian cultivator, with a yield of 2.8 bales per acre. The multiplication of improved seeds, more fertilisers and more sowing, must be treated as a matter of real top priority—it has certainly never yet been regarded as of this degree of importance.

"The second is the wide disparity of prosperity between the jute-growing States of India. With top quality jute at Rs. 45 to Rs. 50 per maund and Calcutta not very far away, cultivators in West Bengal and even Assam can make very reasonable profits with prices for bottom and X bottom jute ruling well below Rs. 30 per maund. Bihar is, however, a very different proposition—the lowest yields, the lowest quality and the highest railway freight, result in the cultivator getting less than a reasonable return as soon as prices fall to levels that are even approximately competitive with Pakistan. The long-term answer is higher yields in Bihar and lower railway rates, but much marginal land in Bihar is hardly suitable for jute cultivation. The discontent that results from such low prices to the cultivator leads to demands for totally unrealistic prices for raw jute in India as a whole, hampers the imports of cuttings from Pakistan which are another essential for competitive sacking production, and encourages the impression that the Indian jute mill industry is grinding the face of the Bihar ryot. It is difficult to see how the problem of Bihar jute can be resolved on a short-term basis, but it is essential that the question of the correct price for India as a whole should not be unduly influenced by the special disadvantages of one section of the growers—anything that can be done, however, to assist these growers within a reasonable price structure should be welcomed and supported.

Jute Buffer Stock Association

"This Association which arose out of the I.J.M.A.'s determination that another jute famine should not recur due to human failings, started operation in April 1962. The original intention was that operations should start as soon as a physical surplus of jute occurred; that is, with the second successive good jute crop and at a price level slightly above the minimum economic price to the cultivator. It was, however, found necessary to utilise this weapon in the course of implementing the I.J.M.A.'s undertaking to maintain jute prices at Rs. 30 per maund during the 1961-62 jute season. A delay in setting up the Association occurred due to the original contention of the West Bengal Government that an association with such objectives could not be registered under the Trades Union Act. As a result, the Association was called upon to start purchases very soon after registration, with no financial arrangements finalised, no staff recruited and none of the documentation organised. In the circumstances, great credit is due to all concerned in the successful initial operation covering nearly 2½ lakh bales. While there was some controversy as to the correct moment for the Association to begin active life, the tremendous number of points of detail, thrown up in the limited 1962 purchases, indicate in retrospect how fortunate it was that the Association had the opportunity of this pilot run before dealing with the volume of purchases that will be necessary with a real surplus of jute—possibly in the 1962-63 season. The key to the success of the Association's operations is the fact that individual mills purchase, stock and insure the jute that they will eventually take over from the Buffer Stock Association and consume. Any other method of operating the buffer stock would lead to innumerable complications and almost certain failure.

Labour

"In conclusion, a word of praise is due to the labour force in the industry as a whole for the way they adapted themselves to the unavoidable but nevertheless disagreeable cuts in working hours, including block closures, in 1961. Today, for the first time for many years, there is an acute shortage of labour in many categories and one can but hope—mingled with some apprehension—that the industry will be able to continue to provide employment on something approaching the current level, despite the paramount need for further modernisation and rationalisation."

COMMERCE AND INDUSTRY

(Concluded from page 514).

and forward exchange quotations, the profitability of moving funds from one centre to another on a covered basis has, on the whole, been greatly reduced in the last two years."

The aggregate basic deficit in the balance of payments of the primary producing countries, according to the *Report*, showed only small changes during the year under review. But changes in individual countries showed divergent trends. The industrial group of countries (among the primary producing countries) considerably reduced their basic deficit in 1961, whereas that of developing countries increased slightly. This is explained by the fact that, while exports of the industrial group were considerably higher and imports lower, as compared with the previous year, shipments of developing countries rose only by a minor amount which was insufficient to sustain the increase in imports by about 3 per cent. This difference between the two groups of countries appears to have been accentuated by movements of short-term capital, which supported the improvement in the position of the more industrialised countries and brought about a major deterioration in that of the developing countries. As a result, the industrial group showed a striking improvement in its overall balance of payments; an increase of about $700 million in official reserves and net positions with the Fund, contrasted with a decline of $640 million in 1960. The overall position of developing countries, which had shown a surplus of about $500 million in 1960, showed a deficit of about $700 million in 1961. A large part of this deficit was financed by the Fund's resources; the net drawings on the Fund by the developing countries amounted to about $450 million.

The following table shows the trends in the basic balance of payments in 1960 and 1961:

(In billions of U.S. dollars)

	1960		1961	
	First half	Second half	First half	Second half
United States	—1.1	—0.7	0.2	—1.3
United Kingdom	—0.5	—0.5	—0.8	—0.1
France (a)	0.5	0.3	0.7	0.5
Italy (b)	—0.1	0.4	..	0.6
West Germany	0.3	0.7	0.8	—0.1
Other industrial countries :				
In Europe	0.1	..	—0.5	0.4
Japan	—0.1	0.2	—0.6	—0.5
Primary producing countries :				
Australia, New Zealand, Canada and South Africa	—0.2	—0.6	—0.3	—0.1
Others	0.3	—0.5	—0.1	—0.2
Balancing entry	0.8	0.7	0.6	0.6

The basic balance of payments covers goods, services, transfer payments, and long-term capital transactions *less* certain transactions that are considered to be of an extraordinary character. The main part of these extraordinary transaction consists of repayments on post-E.P.U. debts and advance debt repayments. No sign indicates credit; minus sign indicates debt.

(a) Covering transactions with the non-franc area only.

(b) Including inflows of Italian bank notes; accordingly, the entries for Italy should be regarded as quite tentative.

Note.—If it were not for statistical errors, the sum of basic balances for all countries could be expected to show a small excess of surpluses over deficits in 1960 and 1961. Conceptually, the sum covers (1) non-monetary gold transactions of the countries included in the table, the counterparts of which—changes in world official gold holdings—is not part of the basic balance, and (2) the balance of these countries' current and long-term capital transactions with (*a*) international organisations, and (*b*) other countries, mainly those in the Soviet area. In 1960 and 1961, the balance with international organisations was negative, but slightly smaller than the positive entry for non-monetary gold. The fact that the table records an excess of deficits thus implies that the country figures tend to err more frequently in the direction of overstating deficits or understating surpluses than in the opposite direction.

TEXTILES

(Concluded from page 498)

matter to the authorities concerned and it is being examined by the Customs. We hope that a decision will be taken soon, enabling the Customs to accept the duty exemption certificates issued by the Textile Commissioner in every case.

"Another interesting question has now been raised by the Customs in regard to the clearance of components for ring frames. According to the Notification No. OSR 322 of March 1961, the components for the cotton spinning and weaving machinery are permitted to be imported at a rate of 10 per cent duty. However, the Customs demand a higher rate of duty on inserts, jockery pulleys and high drafting material. Their contention is that these components can also be used in doubling frames. Another important issue raised by the Customs in this regard is that the ring frames manufactured out of these components can also be used for spinning staple fibre. It is contended by the Customs that ring frames used to spin cotton yarn only can be allowed at 10 per cent import duty and therefore only the components for such ring frames can be allowed at 10 per cent. The argument, on the face of it, seems to be reasonable. But...no manufacturer in the world can prove to the Customs that particular ring frame can only spin cotton yarn and not staple fibre yarn. No manufacturer with responsibility is willing to make such an incorrect affidavit.

"In regard to higher import duty on components for ring frames, we understand that, by dint of our representations in the past, the Textile Commissioner has taken up this matter with the Central Board of Revenue through the Ministry. However, we still find, on investigation with the Finance Ministry, that the matter has been referred back to the Ministry of Commerce and Industry for their opinion. An early action in this regard will greatly assist our industry.

"The Customs also demand 50 per cent import duty on setting gauges and tools, classifying the setting tools for drafting system as any other tools. This matter also requires to be looked into.

"There are some items—required for special drafting systems and certain other highly specialised equipments such as bolts, washers, nuts and rivets of special sizes and types which are required to be imported. The quantity required is so small that it does not justify its economic production in India. These items are imported as components. The Customs classify these items as ordinary nuts, bolts, washers, etc. and assess duty at 55 per cent. In this connection, I have a suggestion to make, that a meeting of the officers of Customs and the Textile Commissioner's Office and representatives of machinery manufacturers may be called to clarify various issues and to arrive at some decisions. This will enable the machinery manufacturers to clear their consignments at the earliest without any trouble."

Answering some of the points raised by the Chairman, Mr. Manubhai Shah said that, as far as the delay in granting licences was concerned, it was due, in most cases, to the fact that applications were submitted without proper data. For instance, where foreign collaboration was involved, applications were sometimes submitted without a draft copy of the agreement. Submission of unrealistic manufacturing programmes with high percentages of import content, also resulted in delays.

As regards reliefs in customs duty on imported components, the Minister disclosed that the matter was being looked into and efforts were being made to provide adequate relief.

Notice

ROHTAS INDUSTRIES LIMITED

Registered Office:
DALMIANAGAR (BIHAR)

THE DIRECTORS OF ROHTAS INDUSTRIES Ltd., have decided to recommend the following dividends subject to deduction of tax to the forthcoming Annual General Meeting of the Company in respect of the financial year ended 31st March, 1962:—

'A' Preference Shares 10.1%
'B' Preference Shares 5.525%
Ordinary Shares 8%

The Share Transfer Books and Register of Members of the Company shall remain closed from 29th September, 1962 to 12th October, 1962, both days inclusive.

By Order of the Board,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA,
8th September, 1962.

KERALA STATE INDUSTRIAL DEVELOPMENT CORPN., LTD.

CHAIRMAN, MR. K. R. K. MENON'S ANNUAL STATEMENT

MORE LARGE-SCALE INDUSTRIES MUST BE SET UP IN THE STATE

IN his speech at the First Annual General Meeting of the Kerala State Industrial Development Corporation Ltd, held at Trivandrum on Tuesday, 18th September 1962, Mr. K. R. K. Menon, Chairman of the Corporation, dwelt on the problems of industrialisation in the State. Mr. Menon was critical of the backwardness of Kerala in the field of industrialisation and attributed it to the dearth of risk capital and the lack of adventurist spirit in those who had the resources in the State. He laid particular emphasis on setting up large-scale industries in Kerala.

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

"GENTLEMEN,

"I have great pleasure in placing before you the accounts of the Kerala State Industrial Development Corporation Ltd., for the year ending 31st March 1962, and the report of the Board of Directors of the Corporation on the working of the Corporation during that period. With your permission, I shall take the report as read.

"As stated in the report, the Kerala State Government was one of the pioneers in setting up Government-sponsored Industrial Development Corporations for assisting in the promotion and development of large-scale industries in the private sector. Despite whatever differences of opinion may exist on the political front and on many subjects, it is fortunately commonly agreed by all political parties and all schools of economic thought in Kerala that by far the most emergent need of the State at present is industrial expansion at a very rapid pace. The unanimity of opinion on this objective had indeed been an encouraging factor.

Dearth of Risk Capital

"So far as large-scale industries are concerned, the main obstacle in the path of expansion at even a moderate pace has been, and continues to be, the non-availability, within the State, of an adequate amount of risk capital. This is attributable, in my opinion, partly to a deficiency in total savings and largely to lack of a spirit of venturesomeness among those who have capital. Entrepreneurs of the right type, who are prepared to risk their capital in putting up large-scale industrial units and to shoulder the responsibility of running them efficiently, are unfortunately very few in Kerala. That this should be so in spite of the undoubted advantages that our State has in the matter of raw material, power, transport facilities and above all, labour supply, is certainly most deplorable, and perhaps even ununderstandable. Whatever be the reason for this, the result is that Kerala is obliged to turn to parties outside the State for bringing in risk capital and managerial skill on the requisite scale in order that large-scale industrial units could be set up within the State in sufficiently large numbers. It is indeed encouraging to find that parties outside our State are beginning to realise that the State is in a position to offer them special attractions, such as plenty of raw material, cheap electric power, and excellent rail, road and sea transport facilities, all relatively superior to those obtaining in many other States, combined with the inestimable advantage of an almost inexhaustible supply of intelligent and skilled labour. Even so, the task of attracting outside risk capital in sufficient volume to the State has been found to be an extremely difficult one, largely because of what I surmise is essentially a psychological factor, namely, the doubts and uncertainties that assail the minds of outside businessmen on account of the distance that separates their place of business from our State. Distance is a factor which definitely does not lend very much enchantment to the view of the prospective investor in Kerala.

"I trust it is not necessary that I should dilate on this occasion on the importance of establishing *large-scale* industrial units in Kerala, as distinct from small-scale and cottage industries. Kerala's case in this regard is not exceptional at all, and the pattern of industrialisation in our State need be no different from the one adopted for India as a whole, namely, the one based on a rational and equitable distribution of industrial units among all these three categories, viz., cottage, small-scale and large-scale industries. Each category has its own place in our economy and, however tempting the thought is, we must not succumb to the facile but defeatist assumption that the salvation of Kerala alone lies in concentrating on small-scale and cottage industries, to the exclusion of large-scale ones. On the contrary, I believe it will be more correct to assume that once a sufficiently large number of large-scale industrial units are set up in Kerala, small-scale and cottage industrial units will follow almost automatically in the role of feeders and subsidiaries. If, therefore, more emphasis is laid in the present initial stages, as I feel it must be, on large-scale industrial units, it will only be in accordance with the well-known maxim that first things must come first.

The Solution

"What then is the solution to this large-scale industries problem faced by a backward State like Kerala which labours under the double disadvantage of lack of indigenous risk capital on the one hand and long distance from the larger capital markets of the country on the other? I do not think I can offer a simple solution to this problem today, but before I even attempt it, I feel I must point out that this is a problem which obviously cannot be left to be solved by the normal operation of economic forces. To do so, particularly in this socialistic patterned welfare State of India, would be as illogical as it would be unfair, and, may I add in all humility, it would also be suicidal to the body politic of the country as a whole. It is not only that ours is a welfare State, but we also function under a highly controlled economy; and to let the principle of the survival of the fittest guide the economic destiny of even the smallest State in India would do grave violence to our socialistic objective. A solution to Kerala's large-scale industrial development problem must, therefore, necessarily be looked for in the direction of positive intervention by the one all-powerful authority in our controlled economy of today, namely, the Central Government. The Central Government's duty in this regard is, to my mind, as clear as my layman's understanding of the manner in which the human body marshalls all its fighting strength to despatch its forces to even the most distant diseased organ, be it ever so small, in order to save it from the onset of gangrene. As in the human body, so in the body politic, the safety and well-being of the smallest and the most distant entity must be the subject of the most anxious concern and solicitude to the seat of power at the Centre. This duty may be ignored only at the peril of fatal consequences to the entire body politic.

"Effective assistance from the Central Government in the matter of industrial expansion in Kerala must in the very nature of things relate closely to the pattern of the grant by the Centre of industrial and import licences. But in the matter of industrial licences and import permits, it will *not* suffice, if the special assistance that will be rendered by the Central Government is confined to those applicants who themselves voluntarily apply for locating their industrial units in Kerala. As I have already said, the crux of the Kerala problem is that, for various reasons, an adequate number of applications from the right parties for locating industries in Kerala has not been coming forward, and there seems no prospect of any appreciable improvement in the position in the near future. Therefore, the urgent need today is to ensure that out of the large number of licences granted throughout the country an adequate number is diverted to Kerala till such time as this backward State attains a minimum level of industrialisation, suited to the requirements of its large population. This is by no means a revolutionary proposition, being quite consistent with the well-known principle of co-operative endeavour, namely, one for all and all for one, and needs no special pleading on my part for its justification. In fact, the Central Government has made a start already in implementing this principle by the allocation it made recently to Kerala of one lakh spindles out of the total spindleage sanctioned by them for the country as a whole. Kerala, which cannot claim to be a cotton-growing area, and has therefore had very few spinning mills till now, has reason to be grateful to the Centre for the gesture, and we may well hope that this will soon be followed by many more examples of this kind in other industries besides textiles.

"Any preferential treatment of this kind must of course be treated as an altogether special one and must obviously be of limited duration only. It will be for the entrepreneurs who set up industrial units in Kerala to ensure that the maximum production targets are achieved as speedily as possible; the State Government has also an important role to play in assisting the industrial units to achieve this. For example, it could help considerably by speeding up land acquisition proceedings, supply of electric power, and the institution of civic amenities in industrial areas. The State Government must also take steps to provide technical training institutes for ensuring a regular supply of trained personnel to fill supervisory posts in the factories, particularly in the lower and middle grades. Kerala has no doubt the highest percentage of literacy, but literacy alone, as is well known, will not suffice to produce the necessary number of trained supervisory staff to man the posts in the factories once we get going briskly with our industrialisation programme.

"An economic survey of the State, with special reference to the availability of raw material of various kinds, is another matter of great importance and urgency which must claim the attention of the Kerala State Government. The K.I.D.C. has had on many occasions during the last few months to cut a sorry figure in their conversations with outside businessmen due to the lack of adequate and reliable data relating to our industrial raw material. This is, therefore, a matter which I would commend for immediate attention of the State Government.

"Another important suggestion, which I have already made to the State Government and which I take the liberty of repeating again, in order to enable more industrial licences being procured for the setting up of industries in Kerala, is the appointment of a suitable liaison officer in New Delhi who will among other things, function as a close and effective link between the Government of Kerala and the Central Government. I understand that this suggestion is currently under consideration of Government; I hope that a decision will be taken without further delay.

Role of K.I.D.C.

"As and when the pace at which industrial licences and import permits are issued for the setting up of industrial units in Kerala is accelerated, institutions like the K.I.D.C. would be called upon to take adequate steps to ensure that the necessary finances are forthcoming for the use of these units, in the shape of share capital, long-term loans and working capital. The financial resources of the K.I.D.C. will then have to be considerably augmented in order to enable it to cope with the demand, and it is my hope that, when the time comes for raising additional funds for the K.I.D.C., we shall be able to tap the general money market also, besides relying on Governmental finances. The success of our direct approach to the money market for augmenting our funds will naturally depend on the reputation that we shall have built up as a dynamic and virile institution. I should like to assure the Government of Kerala that we shall dedicate ourselves to this task with all the earnestness and enthusiasm at our command.

"In closing, I take this opportunity to express my grateful thanks to all my colleagues on the Board of Directors, and particularly to the Managing Director, Mr. Abdussalam, for their very cordial and enthusiastic co-operation, and to our honorary public relations officers and to all the members of the staff for their loyal and devoted application to their work during the period under report."

Note: *This does not purport to be a record of the proceedings of the Annual General Meeting.*

NEWS IN BRIEF

THE next monthly meeting of the Board of Trade will be held at Bombay on the 28th inst.

A panel of top economists of the country is proposed to be set up by the Planning Commission to advise it on measures to control prices on a long-term basis.

An agreement has been signed between the Governments of India and the Soviet Union, under which the latter will supply larger quantities of oil products to India.

The Government of India has decided to drop the idea of entrusting the State Trading Corporation with certain supervisory functions in regard to exports of dried fish to Ceylon.

An International Trade and Industries Fair is proposed to be organised by the All-India Manufacturers' Organisation at Bangalore from 15th December 1962 to 15th January 1964. About 33 countries are expected to participate in the fair.

The State Trading Corporation has finalised a barter agreement with a British firm which provides for the import of textile machinery worth Rs. 3.5 crores in exchange for manganese ore and ferro-manganese.

The revenue realised from items on which duties are levied and collected by the Central Government during the first four months of the financial year 1962-63 amounted to Rs. 305.63 crores, as against only Rs. 269.48 crores in the corresponding period of the previous year.

The Government of India has decided to purchase the Alnavar-Dandeli railway line in Mysore with effect from 1st October 1962. This is a metre-gauge line, 19.12 miles long, owned by the Government of Mysore. This line is already being run by the Southern Railway.

The Bombay Stamp (Increase of Duties and Amendment) Act, 1962, has come into force in the Maharashtra State with effect from the 15th inst., under the Act, stamp duties on certain instruments have been specifically increased, while those on others are subjected to a flat surcharge of 10 per cent of the duty.

Under a new trade agreement signed between India and Afghanistan, India will export some manufactured goods in addition to traditional items like tea. The new agreement, which will come into force from next month, will be valid upto the end of November 1963. The value of Indo-Afghan trade at present is about Rs. 5 crores each way.

A new series of Rs. 100-denomination notes will be issued shortly by the Reserve Bank of India. While the design will remain unchanged, the new notes will bear the signature of the present Governor, Mr. P. C. Bhattacharyya. Notes with the emblem of Ashoka Pillar and bearing the signature of Mr. H. V. R. Iengar or Mr. B. Rama Rau will continue to be legal tender.

A $1.2 million zinc smelter and refinery is proposed to be put up at Alwaye in Kerala by the Comilco Binani Inc., Ltd., in which the Consolidated Mining and Smelting Company of Canada Ltd. of Montreal will have 40 per cent interest. The plant is expected to be completed by 1965. It will have an annual capacity of 22,000 tons of zinc. Attached to the plant will be a unit for the manufacture of sulphuric acid, with a capacity of 53,000 tons per year.

Applications for import licences under the export promotion scheme will be entertained even during the month in which the exports are effected and payments received, provided the necessary documents regarding the export of the goods and earning of foreign exchange are produced by the applicants, according to an Import Trade Control Public Notice just issued. Applications for import licences under the scheme are being entertained on quarterly or monthly basis.

A seminar on foreign trade will be organised at Calcutta by the World Trade Department of the Indian Chamber of Commerce on 20th and 21st October 1962. The seminar, which will be inaugurated by Mr. Manubhai Shah, Union Minister for International Trade, will focus attention on the urgency of export promotion, consider ways and means of stepping up the exports of traditional and non-traditional items as well as to explore new markets, and suggest measures for saving foreign exchange.

It has been decided that permanent and quasi-permanent employees will not be registered with the Employment Exchanges unless they produce a "No Objection" certificate from their employers. Temporary employees will, however, be allowed to register themselves under two conditions. One, the Employment Exchange and the employee will inform the head of office of the fact of registration. Two, if the head of office has any objection, he will communicate it to the employee and the Employment Exchange concerned.

Production of pig iron at the Durgapur steel plant touched the highest level so far in August 1962 when the three blast furnaces together produced 90,136 tonnes of iron, of which 43,942 tonnes were sent to the pig casting machines. During the same month, three batteries of coke ovens produced 121,614 tonnes of coke, a quantity which is more than their rated capacity. Correspondingly, there was a rise in the coke ovens by-products also. About 4,700 tonnes of crude tar and 1,300 tonnes of ammonium sulphate were produced.

The Government of Maharashtra has guaranteed the repayment of principal and payment of interest at 4½ per cent per annum, subject to reduction of income-tax, in respect of the Maharashtra State Financial Corporation Bonds, 1971. Consequent upon the formation of the Maharashtra State Financial Corporation on 16th August 1962, with a share capital of Rs. 1 crore, from the erstwhile Bombay State Financial Corporation, the Government of India has allowed the Maharashtra State Financial Corporation to convert the share capital into bonds of equivalent value repayable at par at the end of a period of 10 years from the date of issue.

The Research Department of the Indian Co-operative Union, New Delhi, has undertaken a survey of retail trade in the urban areas of the Union Territory of Delhi, with a view to studying the pattern of retail trade, its nature and composition, the range and volume of consumer goods sold in different markets, factors affecting different prices and practices, composition of the consumers served, the problems and difficulties confronting wholesalers, retailers and consumers, and their suggestions to improve such conditions. The survey will cover four wholesale markets dealing in grain, cloth, spices and toilet goods, including hosiery, about 750 retail shops trading in consumer goods and about 1,500 consumers.

In view of the adequate supply of nitrophosphate fertiliser, the Government of Maharashtra has decided to supply it on indent to any individual, firm, institution or co-operative society for purposes of resale to cultivators. The rate of supply will be Rs. 595 per metric ton to co-operative societies and Rs. 605 per metric ton to traders at any destination railway station or railway out-agency open for goods booking. The freight will have to be paid separately. Indents for the supply of the fertiliser have to be placed with the Accounts Officer, Agriculture and Forest Department, in terms of wagon-loads of 24 metric tons, in the prescribed form, accompanied by a treasury chalan for advance payment of Rs. 50 per metric ton, the balance being payable on presentation of the railway receipts.

* * * *

From Abroad

The Government of Ceylon has sanctioned the establishment of thirteen industrial enterprises involving foreign capital investment of Rs. 9.4 million in partnership with indigenous capital. It also proposes to sign with the U.S. Government an Investment Guarantee Agreement.

The U.S. has granted a credit of $31.3 million to Turkey for the expansion of power resources and addition of two 40-million watt hydro-generators to the Sariyar power station, which is the largest of its kind in that country. The credit will be for 40 years and will carry interest of 0.75 per cent. Repayments will start after a period of ten years. The loan is granted on the condition that all equipment and services should be purchased from the U.S.

The Imperial Chemical Industries (U.K.) and Fisons of Britain have reached a long-term agreement, under which the former will manufacture in the U.K. additional ammonia to meet the foreseeable requirements of both the companies. I.C.I. has undertaken to spend between £5-6 million on a new low-cost ammonium producing plant at Immingham (Lancashire), which will supply ammonia for a £9-million plant for the manufacture of nitrogenous fertilisers to be put up there by Fisons.

West Germany's share in world exports rose from 3.6 per cent in 1950 to 10.7 per cent in 1961. The share of the U.S., the world's largest trading nation, fell from 18.3 per cent to 17.4 per cent in the same period. The U.K.'s share declined from 11 per cent to 8.7 per cent. West German imports accounted for 8.9 per cent of the world imports in 1961, as against 4.6 per cent in 1950. The U.S. share was 12.7 per cent and the British share 9.6 per cent last year. West Germany was thus the world's second largest exporter and the third largest importer in 1961.

A loan equivalent to $4 million has been granted by the World Bank to Panama for the expansion of electric power facilities in its Central Provinces. The loan is for a term of 25 years and bears interest at 5¼ per cent per annum, including the 1 per cent commission which is allocated to the Bank's Special Reserve. Amortisation will begin on 1st July 1967. The loan is guaranteed by the Republic of Panama. Including the present loan, the Bank has now lent $18.59 million to Panama.

Tanganyika and Sierra Leone have become members of both the International Monetary Fund and the World Bank. The initial quota of Tanganyika in the Fund is $25 million; the quota of Sierra Leone is $11.25 million. This raises the total of members' quotas in the Fund to $15.128.7 million and the number of member-countries to 91. The subscriptions of Tanganyika and Sierra Leone to the capital stock of the Bank are 333 shares and 150 shares, respectively, with total par values of $33.3 million and $15 million.

The International Rice Commission, at its meeting in Kuala Lumpur last week, adopted a long-term programme seeking to remove the bottlenecks in the way of increasing productivity. It constituted three working parties to pursue the objective. One of the working parties will undertake a co-operative programme on blast research, besides a review on nitrogen and nutrient uptake. The party on rice soils and fertiliser practices will deal with problems concerning field response of crops to plant nutrients. The third party will devote its attention to engineering aspects of rice cultivation, including the question of mechanisation upto the harvesting stage.

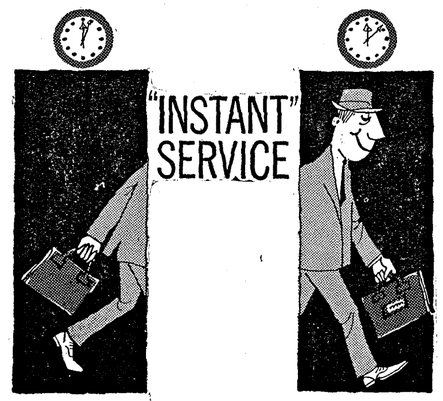
PERSONAL

MR. P. Brahmayya and Dr. Rustom C. Cooper have been elected President and Vice-President, respectively, of the Institute of Chartered Accountants of India for the year 1962-63.

Mr. N. D. J. Rao, who was till recently Deputy Secretary in charge of the social welfare division of the Union Ministry of Education, has been appointed Managing Director of the Hindustan Photo Films Manufacturing Company Ltd., Ootacamund, Madras.

Mr. A. N. Jha, Director of the National Academy of Administration, has been appointed Additional Secretary in the Planning Commission, *vice* Mr. Tarlok Singh, who has now become a Member of the Commission.

Mr. Tarlok Singh, Member of the Planning Commission, has been appointed convener of the two study groups set up by the Commission to work out proposals for bringing down prices of agricultural commodities as well as industrial goods of common consumption.



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MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 19*th September*

The short-term money market was comfortable during the week under review. The volume of floating funds was quite large, in contrast to the perceptible scarcity noted in the past two weeks, while the demand for funds was relatively small. Interest rates, as a consequence, drifted downward. The inter-bank call money rate stood at 4 per cent, as against 5 per cent a week ago and 4½ per cent two weeks ago. Fresh money was done at the same rate. In Calcutta, the rate for renewals was 4½-4¾ per cent, as against 5¼-5¾ per cent. The short-term deposit rates continued unchanged.

The results of the 91-day Treasury Bills of the Government of India for the week under review reveal that the total amount offered at Rs. 2 crores was the same as that invited and the average rate of accepted tenders was slightly lower at Rs. 2.365 per cent per annum, as against Rs. 2.370 per cent last week. Tenders for Rs. 2 crores of Bills have been invited for the coming week.

The demand for the 91-days' intermediate Treasury Bills has waned. Sales of these Bills from 15th to 18th September fetched no more than Rs. 75 lakhs, as against Rs. 129.75 lakhs from 5th to 8th September.

Notes in circulation have declined by Rs. 2.36 crores to Rs. 2,041.70 crores, according to the Reserve Bank's statement for the week ended 14th September. Since, however, the notes held in the Banking Department have risen by Rs. 3.07 crores, the total notes issued are higher by Rs. 71.08 lakhs. There has been a slight accretion of Rs. 32 lakhs to foreign assets which stand at Rs. 94.10 crores. The accretion is entirely accounted for by balances held abroad, while foreign securities are unchanged at Rs. 88.34 crores. The deposits of Central Government with the Reserve Bank have dropped by Rs. 3.03 crores and of scheduled banks by Rs. 5.26 crores, whereas those of State Governments have risen by Rs. 7.77 crores. Bills payable are higher by Rs. 2.49 crores, but other liabilities show a fall of Rs. 2.34 crores. Advances to scheduled banks have gone up further by Rs. 23.96 crores, taking the total for the three weeks to Rs. 66.61 crores.

There has been a further rise of Rs. 15.75 crores in credit made available by the scheduled banks in the week ended 7th September, bringing the total for two weeks to Rs. 36.39 crores. As against the continued rise in bank credit, the deposits of scheduled banks have declined again by Rs. 20.78 crores. Consequently, the banks have had to borrow heavily from the Reserve Bank. The actual borrowings in the aforesaid week aggregated Rs. 39.54 crores, of which borrowings against usance bills accounted for Rs. 13.31 crores. Investments have also declined by Rs. 20.72 crores, in contrast to the improvement of Rs. 18.51 crores noted in the previous week.

The Gilt-edged market ruled easy. 3 per cent 1986 Conversion fell by 25 nP to Rs. 68.60, 3 per cent 1970-75 and 3½ per cent 1974 dropped 10 nP each to Rs. 88.90 and Rs. 98.40, respectively. Among State loans, 4½ per cent 1974 West Bengal and Madras both climbed down by 75 nP to Rs. 99. 4½ per cent 1970 Bihar declined by 55 nP to Rs. 98 and 4½ per cent 1974 Gujarat by 10 nP to Rs. 99.90.

The rupee-dollar rate in the foreign exchange market has been ruling slightly easy. The banks' selling rate is Rs. 478 per 100 dollars, as against Rs. 477.75 on Wednesday last week, and their buying rate was Rs. 474.75, as against Rs. 474.50. The easiness is in sympathy with the weakness of the £ sterling in the New York market where spot is quoted at 279.970-280.020 cents per £ and three months forward at 279.340-279.720 cents. The corresponding rates a week ago were 280.120-280.150 cents and 279.710-279.740 cents, respectively.

SUGAR PRICES FALL

(From Our Own Correspondent)

HAPUR, 17*th September*

Sugar prices here fell this week, reflecting a comfortable supply position following the release of a larger quota of 110,000 tonnes in addition to the monthly quota of 225,000 tons. Mills were anxious sellers and the prices fell by Rs. 4 per quintal. The future quotas were also quoted lower. Demand was slack, as the prices were likely to fall further. Week-end prices were: Spot delivery (per quintal) Rs. 108.75, mill delivery Amroha Rs. 103.15, Dhampur Rs. 103.15, Seohara Rs. 103.15, Meerut Rs. 104.49, Simbhoali (E-29) Rs. 104.80, Bijnore Rs. 102.80 and Dhampur Rs. 102.95.

Following the release of more than 350,000 tonnes of sugar within eight days and the Government's determination to bring down the prices of the commodity to the pre-decontrol level, sugar prices declined heavily in the Muzaffarnagar market. Almost panicky conditions prevailed in the market. Mills were anxious sellers, but there was virtually no demand. Mill delivery prices declined by Rs. 2.26 to Rs. 3.87 per quintal. A few hundred bags were reported to have been sold at lower levels. Against a daily average of 30,000 to 40,000 bags, business during the last fortnight was confined to a few hundred bags a day. Latest quotations (in rupees per quintal) were: Sharanpur (D-29) 106.50; Lakhsar (A29) 108.50; (B29) 107.75; (C29) 106.75; Mansurpur (A29) 109; Deoband (B29) 108.50; (C29) 107; Meerut (D29) 104.49; Bijnore (E29) 102.80; Amroha (D29) 103.15 and Seohara (D29) 103.15.

Khandsari prices drifted lower mainly in sympathy with the trend in sugar prices. Besides, demand from Punjab and Rajasthan was poor. Stocks left with the trade were small. Week-end prices were: *Khandsari* inferior Rs. 85.74 to Rs. 93.77, superior Rs. 96.45 to Rs. 104.49 crystal Rs. 96.45 to Rs. 103.15 and boora Rs. 99.13 to Rs. 107.17. In Muzaffarnagar the commodity lost Rs. 1.34 to Rs. 2.68. *Khandsari* crystal was quoted at the week-end between Rs. 96.45 and Rs. 103.49 and the non-crystal quality between Rs. 96.45 and Rs. 104.49. *Khandsari* galawat declined steeply by Rs. 2.68 to Rs. 5.36 to be quoted between Rs. 80.38 and Rs. 91.08, as between Rs. 66.98 and Rs. 77.70 around this time last year.

Trading in *gur* was almost at a standstill partly due to the rains and partly due to paucity of stocks. Shakker prices were depressed, as the stocks left here were of poor quality. Cane crop prospects have brightened following fairly heavy rains during the week. Week-end prices were: *Gur* superior Rs. 65.64, dara Rs. 64.30 and shakker Rs. 66.98 to Rs. 72.34, a quintal.

Lack of buying interest from Gujarat and Rajasthan and the poor quality stocks left with the trade accounted for a decline of Rs. 1.34 in the *gur* chaku prices. Chaku dry was quoted between Rs. 63.30 and Rs. 69.66 and chaku wet between Rs. 58.94 and Rs. 59.61. Rusket khurpa was done between Rs 26.79 and Rs. 32.15. Shakker dara and masala prices also fell by Rs. 2.68 to Rs. 5.36 in the absence of inquiries from Punjab and Rajasthan. Slackness in demand from Maharashtra and eastern U.P. resulted in a fall of Re. 1.34 in the dana minia prices. Gur masala was unchanged at Rs. 87.08.

Gur futures moved both ways during the week. *Gur Fagun* having opened at Rs. 21.23 last Monday, touched the highest and the lowest at Rs. 21.60 and Rs. 21.16, respectively, mid-week and was quoted today at Rs. 21.52.

DIVERGENT TRENDS IN BULLION

(From Our Own Correspondent)

BOMBAY, 19*th September*

Renewed weakness in gold was the feature of trading in the bullion market this week while silver ruled distinctly firm. The market opened a shade lower due to scattered realising induced by the previous week's smart recovery. But, while silver gradually improved, gold reacted rather sharply, particularly from mid-week. The divergent trends continued well up to the close today, when silver finished with moderate gains, whereas gold disclosed quite substantial losses.

Gold suffered following reports that the Reserve Bank of India had asked the bullion associations in the different parts of the country to submit data relating to arrivals, offtake and other relevant details of spot gold transactions conducted by their members during the past ten years. Coming close on the heels of fears that the Government might clamp down controls on trading in bullion, this announcement unnerved bulls and induced bears to hammer afresh. With support lacking, the *Margashir* (December) settlement lost ground steadily, from Rs. 124.75 on the 15th to Rs. 121.80 today before closing at Rs. 121.90, as against Rs. 124.65 a week ago. Ready gold, which was done at Rs. 126.20 on the 14th, fell to Rs. 122.40 today and closed Rs. 3.75 lower at Rs. 122.50. The *Bhadrapad* (15th September) went off the board on the 14th at Rs. 125.05, as against Rs. 125.75 on Wednesday last week. The delivery order rate for the *Bhadrapad* settlement was fixed at Rs. 124.50 and the clearing rate for the *Margashir* contract at Rs. 123.75. The daily average arrivals of gold declined by 3,250 tolas to 6,000 tolas. The daily offtake was also lower by 2,000 tolas at 3,500 tolas.

Improvement in silver was attributed to support based on the belief that, in view of the likely official measures against hoarding of gold, buyers' attention would be concentrated in future on the white metal. Traders estimate the present floating stocks of silver in all leading centres at only 2,200 bars. Higher overseas advices, too, contributed to the improvement in prices. The *Margashir* settlement, after being done at Rs. 219.55 from the opening rate of Rs. 220.40, improved gradually to Rs. 222.40 today but eased slightly on realising to close at Rs. 221.40, as against Rs. 220.35 a week ago. The *Bhadrapad* contract ran out on the 15th at Rs. 219.10, as against Rs. 219.20 last week-end. The delivery order rate for *Bhadrapad* was fixed at Rs. 219 and the clearing rate for *Margashir* at Rs. 220.25. Ready silver moved between Rs. 218.55 and Rs. 221.15 before closing at Rs. 220.15, as against Rs. 219.10 a week ago. The average daily arrivals rose from 22 bars to 30 bars, but offtake was stationary at 6 bars.

The dollar price of gold in the London bullion market was steady around $35.12½ to $35.14½ per fine ounce. Ready gold was done at 250s. 11*d.*, as against 250s. 9¾*d.* a week ago. Silver forward rose sharply from 98*d.* to 99¾*d.* and so did the ready price from 97¾*d.* to 99¼*d.* In New York, silver improved from 113 cents to 116 cents.

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

	19-9-62 (closing)	High	Low	12-9-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	122.50	126.20	122.40	126.25 –
*Bhadrapad**	125.05	126.15	124.80	125.75
Margashir	121.90	124.75	121.80	124.65
Sovereign	95.00	96.25	95.00	97.00
SILVER				
Ready (.996 fine) ..	220.15	221.15	218.55	219.10
Bhadrapad†	219.10	219.35	218.70	219.20
Margashir	221.40	222.40	219.55	220.35
London—			n.q.	
Gold	250s.11*d.*	251s.	250s.10¼*d.*	250s.9¾*d.*
Silver Ready ..	99¼*d.*	—	—	97¾*d.*
Silver Forward ..	99¾*d.*	—	—	98¼*d.*
New York—				
Silver	116.00 cents	—	—	113.00 cents

* 15th September settlement. † 17th September settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES SPURT

(From Our Own Correspondent)

BOMBAY, 19*th September*

In contrast to the easy trend witnessed last week, the cotton futures market ruled distinctly firm during the week under review. The firmness was influenced by reports of adverse weather and the consequent fear of damage to the crop. Excessive rains in the Punjab, Berar and C.P. tracts prompted large-scale speculative support by bulls while bears too rushed to cover their sales. Consequently, the futures contract, namely I.C.C. March 1963, rallied, the quotation rising steadily from the last week-end rate of Rs. 736 to a peak of Rs. 752 today. The finish was, however, lower at Rs. 748, showing a net loss of Rs. 12 over the week.

The uncertainty about the marketing policy for cotton during the new season and the cotton trade's opposition to the scheme proposed by the Indian Cotton Mills' Federation affected business in the ready section during most part of the week. The absence of official permission for new crop trading and lack of quota for indigenous cotton also restricted business. Nevertheless, needy mills were found to be interested in such qualities as Co2, L.147, Kalyan and 197/3.

A notable development of the week was the emergence of export demand for Bengal *Deshi*. Among foreign cotton, stray business was reported in African and American cotton. Pakistan growths were well favoured. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Ganganagar 548; Kalyan (Anjar) 1,037. Abohar 695.

Pakistan N.T. 31/32" (Superfine) 1,030; Jinja 1,135; B.P. 52 1,235. American on sample 1,297.

The Karachi cotton futures market ruled easy during the week. The January contract declined from Rs. 69.65 to Rs. 69.15. The March contract eased by 45 nP to Rs. 69. The following are the latest available spot quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 72.00; Punjab *Deshi* 66.00; 4F Punjab Roller 71.00; S.G. 76; L.S.S. Punjab Roller 72.50; S.G. 77.00 N.T. Roller 86.00 S.G. 92.

Cotton futures in Liverpool receded on scattered commission house selling and liquidation which met with only limited absorption in trade buyings. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing rates:

October 23.25 (23.35); December 23.20 (23.30) September (Sudan) 29.50 (29.50).

In New York, too, the trend of the market was easy. Although trading was thin, prices tended to decline. Uncertainty over the possibility of new farm legislation, providing for a one-price system for cotton, caused turnover to be limited. The October contract receded from 33.71 cents to 33.44 cents. December eased from 33.86 cents to 33.74 cents. March was quoted lower at 34.15 cents, as against 34.21 cents. Spot prices, however, were steady. New York spot rate remained unchanged at 34.95 cents.

TIPPY TEAS STRONG

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

COCHIN, 13*th September*

A total of 630,000 kgs. was offered in sale No. 36 held on Monday the 10th inst. Quality generally showed little change, but there were a few useful invoices on offer from the Nilgiris. There was good general demand. The best highgrown brokens were often dearer with buyers closely following quality. Others in this category, however, were barely steady. Fannings followed a similar trend. Good mediums were well supported and may be quoted firm to dearer. Medium and low medium brokens met with strong inquiry, some brighter liquoring kinds being irregularly dearer. Fannings grades were better supported than in recent weeks and in some cases appreciated considerably. Plainest descriptions encountered more competition than in the last few sales, particularly fannings grades. Black leaf varieties were a strong feature and sold well. Whole leaf grades may be quoted about steady. Teas of unorthodox manufacture were strong and generally dearer. Leaf grades in this category, however, were again easier. Tippy teas continued strong.

	1962	1961
	Rs.	Rs.
The quotations (per kg.) were:		
Low medium	3.30-4.05	4.20-4.40
Mediums	4.15-4.50	4.25-4.45
Good mediums	4.55-5.70	N.Q.
Nilgiri B.O.P.	4.90-9.00	5.00-7.70

N.Q.=No quotation

The average price realised in sale No. 36 was Rs. 4.22 per kilo as against Rs. 4.00 a week ago and Rs. 4.66 in the corresponding sale last year.

In dust sale No. 36 held today 284,000 kgs. were on offer. There was strong and active demand. Highgrowns were fully firm and sometimes dearer. Good mediums were also strong and irregularly dearer by approximately 20 nP. Low mediums and mediums were dearer by some 20-30 nP, a few invoices sometimes registering further advances. Black, grainy types met with strong support at dearer rates. Unorthodox descriptions followed the general trend of the market and may be quoted firm to dearer.

The average price realised in dust sale No. 36 was Rs. 3.95 per kilo as compared with Rs. 3.70 a week ago and Rs. 4.67 in the corresponding sale last year.

Colombo: Approximately 4½ million lbs. were offered. The market opened to a strong demand.

Best dimbulas were steady, but the lighter liquoring types were slightly easier. B.O.P. fannings in this category were dearer. Uvas met with good demand. Better mediums were steady, whilst others were 5/10 cents easier; B.O.P. fannings were dearer, while lowgrowns were firm to dearer.

London: North Indian and other growths: There was very strong demand in Monday's sale with prices generally dearer for all descriptons, except the plainest.

Ceylon and South Indians: South Indians elicited fair but selective demand at about last rates.

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

"*Sale No.* 37.—643,000 kgs. offered. Good demand. Low medium and medium brokens irregularly firm. Fannings often dearer. Good mediums stronger. Highgrowns barely steady. Unorthodox higher."

REVISION OF ART SILK YARN PRICES

(From Our Own Correspondent)

BOMBAY, 19*th September*

The art silk weaving mills will have to pay higher prices for certain deniers of indigenous yarn with effect from 1st October next, if the Government of India accepts the recommendations made by the high-power committee of spinners and weavers. The price (exclusive of excise duty) of 100 deniers will be increased by 58 nP to Rs. 8.84 per kg. and that of 120 deniers by 25 nP to Rs. 7.89. There will, however, be no change in the price of 150 deniers, while the rate for 300 deniers will be cut by 14 nP to Rs. 6.80. Besides agreeing to pay higher prices, the weaving interests have undertaken to meet the spinners' full requirements of imported pulp through larger exports of fabrics. On their behalf, the spinning mills have assured an increased supply of art silk yarn (0.85 lb., as against 0.75 lb. at present) for every rupee entitlement surrendered by the weaver-exporter at a concession of 49 nP per lb., as well as to make available only first quality yarn of required denier on cones to weavers under the export promotion scheme.

Thanks to the aforesaid reports, art silk yarns tended to move up. Centurys 75D advanced by 55 nP to Rs. 22.55 per kg. National 120D spurted by Rs. 26 to Rs. 16.76 and South India Viscose 150D by 13 nP to Rs. 17.46. National Rayons 150 Bt. cones 1st grade was fully maintained at Rs. 13.20. Centurys 100D, however, encountered selling and dropped 6 nP to Rs. 17.67.

Staple fibre yarns suffered a sharp setback in values, following bull liquidation and bearish advices from consuming centres. 40 x 2 October delivery moved down from Rs. 772 to Rs. 720. December contract receded by Rs. 52 to Rs. 740. Spot Centurys fell by 49 nP to Rs. 7.96. Kohinoors declined by 36 nP to Rs. 9.06.

Cotton yarns ruled firm. 20 counts Gokaks increased by 50 nP to Rs. 24.37 per bundle of 10 lbs. 32 counts Madras gathered 25 nP to Rs. 30. 60 counts Gokaks rose by 50 nP to Rs. 60.

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

	19-9-1962	12-9-1962
Art silk yarn (per kg.)—	Rs.	Rs.
National Rayon 120	16.76	16.50
Century 75	22.55	22.00
S. I. Viscose 150	13.46	13.33
Staple fibre yarn (40 x 2)—		
October	720.00	772.00
December	740.00	792.00
Kohinoor (per kg.)	9.06	9.42
Century	7.96	8.45
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.50	18.50
32s Madura	30.00	29.75
40s Gokak	36.25	36.50
60s Finlay	69.00	69.00
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GROUNDNUT RECEDES

(From Our Own Correspondent)

BOMBAY, 19*th September*

Trading in the oilseeds market during the week was characterised by sharp two-way fluctuations. Most seeds and oils firmed up in the earlier sessions, but, towards the close, there was renewed setback on persistent selling, induced mainly by bearish crop reports. The closing prices, however, were still generally higher than those a week ago. Groundnuts, which were pushed up early during the week on account of bull squeeze, lost considerable ground later in the week, following tired bull liquidation. A major bearish factor was the beginning of substantial new crop arrivals from the South. Reports from Gujarat also indicated the possibility of better crop this year than what had been estimated a few weeks ago. Castorseed too made headway initially, but subsequently a part of the gains was lost in the absence of export business in castor oil. Linseed and cottonseeds followed the price pattern of other major seeds.

Groundnut September 1962 contract rose from Rs. 245 to Rs. 252, before winding up the week at Rs. 248. January 1963 contract, which had risen from Rs. 224.12 to Rs. 227.25, fell to Rs. 221.62. Nizam bold closed 25 nP higher at Rs. 48; it had touched Rs. 49.50 earlier. Oil ex-mill lost 15 nP to Rs. 19.25.

Castorseed September 1962 contract closed at Rs. 161.75, as against Rs. 160. March 1963 contract moved up initially from Rs. 163.75 to Rs. 165.25, but declined subsequently to Rs. 164, with a net gain of 25 nP. Ready Madras was higher by a rupee at Rs. 32.50. Oil B.S.S. improved from Rs. 12.90 to Rs. 13.05, before finishing at Rs. 12.95.

Among linseed, March 1963 contract, which rose from Rs. 39.44 to Rs. 40 by Saturday, encountered selling and receded to Rs. 39.37. Bold ready put on Re. 1.25 to Rs. 41. Linseed oil, after rising from Rs. 16.50 to Rs. 17.10, declined to Rs. 16.90.

Cottonseed January 1963 contract finished higher at Rs. 103, as against Rs. 101.75. Both Berar and white picked up 75 nP to Rs. 22.50.

The following table shows the closing prices of oilseeds and oils on Wednesday, 19th September, as compared with those of the two previous weeks:

	19-9-1962	12-9-1962	5-9-1962
Groundnut	Rs.	Rs.	Rs.
September 1962	248.00	245.00	248.50
Groundnut January 1963 ..	221.62	224.12	232.62
Nizam bold	48.00	47.75	49.00
Khandesh quality	48.50	48.00	50.00
Oil ex-mill ready*	19.25	19.40	20.00
Railway receipts*	18.90	19.10	19.65
Castorseed			
September 1962	161.75	160.00	162.10
Castorseed March 1963 ..	164.00	163.75	166.75
Ready Madras	32.50	31.50	32.37
Ready Kanpur	31.12	30.25	31.12
Oil B.S.S.†	12.95	12.90	13.10
Oil, commercial†	12.40	12.25	12.40
Linseed			
September 1962	42.00	40.00	40.19
Bold ready	41.00	39.75	39.75
Oil ready†	16.90	16.50	16.40
Cottonseed September 1962 ..	105.50	102.00	101.50
Cottonseed January 1963 ..	103.00	101.75	103.00
Niger seed	37.00	37.00	37.50
Kardi seed	28.00	27.50	28.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

RAW JUTE HARDENS

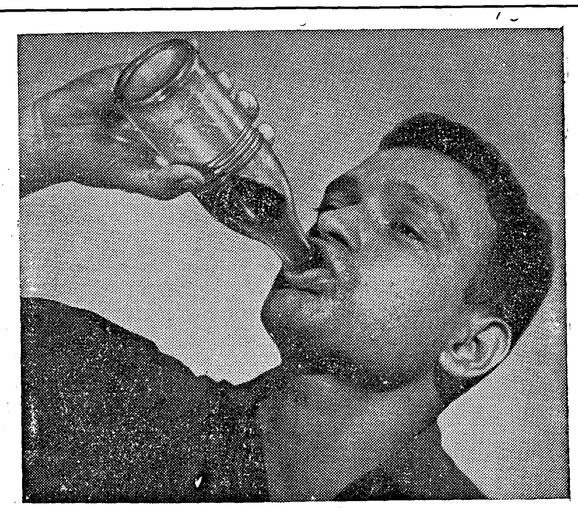
(From Our Own Correspondent)

CALCUTTA, 18*th September*

While fibre prices in the local jute market tended to harden further this week on greater support by mills, the goods section closed lower on balance, as overseas buyers refrained from entering into commitments at higher levels. Further, the output figures for August and the decision of mills to maintain the present rate of high production up to the end of October went in favour of buyers. The total output in the last month at 105,100 tonnes recorded an increase of 1,600 tonnes as compared with the previous month and of 26,800 tonnes as compared with August 1961. The hessian production at 42,000 tonnes added 800 tonnes and the heavy goods output amounted to 49,200 tonnes as against 47,700 tonnes in the previous month. On the other hand, miscellaneous goods produced declined by 600 tonnes to 13,700 tonnes. The month of August began with 86,300 tonnes of goods in stock with mills which means that the total goods available for the month amounted to 191,400 tonnes. Stocks at the end of August being 91,800 tonnes, demand was of the order of 99,600 tonnes, which was 5,500 tonnes lower than the production in the month. Such an analysis also contributed to chilling the market sentiment this week. Although demand for hessian is expected to be maintained at the present high level, the trade is not as hopeful as before about the prospects for sacking goods.

In the absence of the availability of adequate supplies of the superior fibre for hessian production, mills are faced with a difficult situation. That is why both the output and stock of sacking goods are rising month after month. Only those of the overseas inquiries, which are rejected by Pakistan, are being received by the Indian mills. Mills in Pakistan are expected to complete expansion of looms for heavy goods within two years, and it is believed that the output of these additional looms would be equivalent to the present rate of export of sacking goods from India. Of course, by that time, world demand is also expected to increase, as also the quality of Indian fibre, and although the proposed expansion in Pakistan mills should not be considered alarming, such frequent reports are imparting dullness to the Indian market. At the same time, with the sure knowledge that sacking output would leave an unmanageable surplus by the end of this year, overseas buyers have preferred to place orders for meeting their day-to-day requirements only. The Government of India has shown firm indications of their intention to strengthen the competitive position of sacking goods in overseas markets. The Jute Buffer Stock Association has, therefore, been allowed to import 100,000 bales of jute cuttings from Pakistan. The import of such a small quantity of fibre which is this season's first allotment for cuttings, is not expected to affect fibre prices here.

In recent months, the good demand from U.S. for carpet backing cloth has enabled mills in India to install broad looms. The progress in this re-



You can't postpone thirst!

DURING THE HOT DRY MONTHS, Metal Box manufactures crown corks for bottled 'cold drinks' at a rate almost three times the annual average. Similarly, fruits, vegetables and fish have a short canning season dependent on the harvest. Cans and closures, therefore, have to be manufactured and delivered quickly at short notice, to satisfy seasonal expansion in demand, to catch crops before they spoil and to meet strict export shipping deadlines.

This is why manufacturing capacity in the packaging industry must be flexible enough to react almost instantly to calls for increased production. It is also the reason why packaging is a technically complex, mass production industry requiring large investments in men, machinery and raw materials.

Metal Box, pioneer and leader of the packaging industry, can match seasonal fluctuations in demand because it relies on a high degree of mechanisation, sound technology and resourceful engineering.

METAL BOX
pilferproof and protective packaging

IVT/MB 5307A

gard has been satisfactory, as mills have found no difficulty in securing orders for all of their production in this speciality. However, signs are not wanting of possible international competition in this regard, and the supply of this cloth to the U.S. is no longer to remain India's near-monopoly. Pakistan and Jamaica have taken steps to install broad looms, and before long suppliers to the U.S. would increase in number. From the present steady demand, it can be inferred that all production should find an outlet, but indeed there would be price-cutting and the Indian industry should be prepared in this regard, as in the case of sacking and hessian. Although the export bonus scheme and the availability of superior fibre at cheaper rates have given advantages to mills in Pakistan, there are reports that in Pakistan, too, the crop would be damaged due to the floods. Prices in the Narayanganj market have, therefore, been fully steady, and buyers are now eager to obtain their requirements.

Another cause for the comparative strength of the Pakistan market was the keener activity by mills on the apprehension that minimum prices for internal consumption would soon be fixed. Pakistan has already decided to constitute a buffer stock on the same lines as in India. An amount of Rs. 8 crores is to be placed at the disposal of the Jute Marketing Corporation to purchase fibre under the supervision of the Jute Board.

On Tuesday last, genuine business that took place in goods was paltry, and such covering demand as was in evidence was inadequate to maintain prices. Further, the higher levels also induced profit-taking. Thus, ready B. twills eased from Rs. 125.75 to Rs. 124.75 and hessian 40″ 10 oz. from Rs. 56.75 to Rs. 56.50. Covering business was again a feature on Wednesday, but buyers were scarce. Possibly, the higher output figures for August and increased stock at the end of August were taken to indicate a glut in heavy goods in the offing. However, from the present level of demand such pessimism is hardly justifiable; all the same, such an apprehension made weak holders nervous. In the process, ready B. twills eased to Rs. 124.25. On the other hand, hessian 40″ 10 oz. recorded a fractional gain at Rs. 56.65, as it was clear that the output would be lower than demand and that, due to the shortage of the superior fibre, mills would be unable to produce enough hessian. On Thursday, there was only a limited overseas buying, while covering business was also in evidence. B. twills eased to Rs. 124.25 and hessian 40″ 10 oz. to Rs. 56.50. Selling pressure in the futures market developed on Friday with ready B. twills pushed down to Rs. 122.25 and hessian 40″ 10 oz. to Rs. 55.75. Over the week-end, conditions were worse in the absence of interest; B. twills closed as low as Rs. 121.25 and hessian 40″ 10 oz. eased to Rs. 55.70. Keen buying interest was shown yesterday in hessian and the U.S. turned a major buyer. This explains the rise in ready hessian 40″ 10 oz. to Rs. 56. In sympathy, B. twills hardened to Rs. 121.50.

Mills provided active support to the fibre market, with mesta and tossa receiving keen attention. Prices of these good varieties were quoted one rupee a maund higher than the minimum levels. With the fall in the levels of rivers and the recession of flood waters, transport improved. The buffer stock quota of 250,000 maunds will be completed by November only. No immediate delivery is envisaged, as the present arrivals having a considerable moisture are not fit for storage for a longer period. Prices were firm as follows: Daisee bottoms Rs. 33, Assam bottoms Rs. 30 and northern bottoms Rs. 29.50.

FOODGRAINS DECLINE

(From Our Own Correspondent)

HAPUR, *17th September*

A bearish trend was witnessed in the foodgrains market here this week, thanks to good *kharif* crop prospects and the Government's determination to bring down prices.

Wheat dara declined by 67 nP a quintal to be quoted at Rs. 38.85 to Rs. 40.19. The farm produce was quoted between Rs. 40.87 and Rs. 42.87, as against Rs. 40.19 around the time in 1961 and Rs. 46.22 in 1960. Red wheat prices also eased by 67 nP to be quoted at Rs. 37.51. Due to rains, arrivals were poor, averaging 200 to 300 maunds daily, and the stocks were placed around 64,000 maunds. During the week, two wagons of wheat were despatched to Goa. Rice registered easy tendency due to better arrivals from east U.P. in the face of slack demand. Paddy crop prospects improved due to fairly heavy rains. Week-end prices were: Rice *basmati* superior Rs. 85.74 to Rs. 96.45, *sela basmati* Rs. 75.02 to Rs. 85.74, *mainpuri* Rs. 54.92 to Rs. 57.60, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 54.92, a quintal.

Gram prices were lower due to slack demand and lower advices from Punjab. Prices declined 67 nP a quintal. The Punjab variety was quoted at Rs. 42.87 and the local produce at Rs. 42.20. Arrivals were negligible, and the stocks declined to 14,000 maunds. Arrivals of new maize were again delayed by the rains, but the prices eased by 67 nP to Re. 1.34 to Rs. 29.47 to Rs. 32.82. *Barley* and *bejhar* prices eased Rs. 2.01 and Re. 1.34, respectively, in the absence of demand. Stocks left were poor. *Jowar* and *guwar* were steady. *Methi* improved owing to the poor stock position. Other coarse grains were quiet. Week-end prices were: Barley Rs. 26.79 to Rs. 27.46, *bejhar* Rs. 26.79 to Rs. 27.46, *maize* Rs. 28.13 to Rs. 29.47, new Rs. 29.47 to Rs. 32.82, methi Rs. 61.62, bajra Rs. 37.51, jowar Rs. 46.89 to Rs. 50.91, *guwar* Rs. 38.85 and oats Rs. 29.47.

Among pulses, peas declined by 67 nP, with Dara quoted between Rs. 30.81 and Rs. 31.48 and farm between Rs. 33.49 and Rs. 34.17. During the week, 18 wagons were loaded to Madras and Goa. Stocks declined to 55,000 maunds. *Arhar* prices eased by Re. 1.34 to Rs. 50.91 and Rs. 56.26. Arrivals were almost *nil* and the stocks left with the trade were poor around 5,000 maunds. *Urd*, *moong* and *masoor* declined owing to small demand. Week-end prices were: *Urd* Rs. 72.34 to Rs. 75.02, *urd dal* Rs. 85.72, *moong* Rs. 48.23 to Rs. 50.91, *moong dal* Rs. 57.60, *masoor* Rs. 42.87 to Rs. 53.58, *masoor dal* Rs. 56.26, *moth* Rs. 40.19, *moth dal* Rs. 48.23, *gram dal* Rs. 48.23, *arhar dal* Rs. 64.30 to Rs. 66.98 and *peas dal Rs.* 36.17, a quintal.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, *17th September*

The Madras kips market ruled steady this week. Arrivals of stocks from the tanneries were of moderate volume and the offtake was slow. Demand from the inland trade was slack. Despite several persistent inquiries for the light weight kips from the importers in the U.K., shippers were finding it difficult to conclude business in bulk; a difference of ½*d.* to 1*d.* per lb. stood in the way. There was good demand for cowcalf fourths in the heavy weights and all grades in lights; but the stocks were small and sellers few. Inquiries for buffcalf were poor. Importers are expected to show in with the start of the new season's raw stocks from next month onwards.

In the tanned skins section, importers were interested in goat skins 5½/6 lbs. and 11/12 lbs. average lower ends and middle class sheep; and the quantities booked were small due to the stiff prices quoted by the E.I. tanners.

ACTIVITIES OF I.M.F.

(Concluded from page 497)

and exchange policies, and stabilisation programmes. The services of the Fund staff have also been made available to certain member-countries to help them in the establishment and reform of central banking arrangements, and of monetary and balance of payments statistics. A number of non-member countries, particularly in Africa, have been assisted in the preparatory work leading to membership in the Fund and in matters relating to the organisation of new monetary and central banking arrangements.

Since 1951 the Fund has operated in Washington training programmes for qualified nationals of member-countries. In 1961-62, the number of participants in the programme was 24.

The Fund continues to maintain close relations, both on the technical level and on matters of broader scope, with other international organisations in related fields of interest, especially with the United Nations and its regional commissions and technical bodies, Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.), Organisation for Economic Co-operation and Development, World Bank, the Bank for International Settlements, and Inter-American Development Bank.

Five new members (Laos, New Zealand, Nepal, Cyprus and Liberia) joined the Fund during the year 1961-62, bringing the total membership to 76. Following the admission of these five members and as a result of payments, by nine members, of annual instalments of increases in their quotas, the aggregate of Fund quotas as on 30th April 1962 stood higher at $15,056.9 million, as against $14,850.7 million a year before. As on 30th April 1962, the Board of Governors had approved terms and conditions for the admission to membership of Senegal, Sierra Leone, Somalia, and Togo. Applications had also been received from the Federal Republic of Cameroon, the Central African Republic, the Republics of Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Gabon, Guinea, the Ivory Coast, Mali, the Niger, and the Upper Volta, and from Jamaica, Kuwait and Tanganyika.

THE UNITED COMMERCIAL BANK LTD.

(Head Office: **Calcutta**)

G. D. BIRLA

Chairman

SUBSCRIBED CAPITAL .. **Rs. 4,00,00,000**

PAID-UP CAPITAL .. **Rs. 2,00,00,000**

RESERVE FUND .. **Rs. 2,35,00,000**

DEPOSITS & BILLS PAYABLE (31-12-61) .. **Rs. 1,00,15,00,000**

* Branches throughout India.
* Foreign Branches in Pakistan, Burma, Malaya, Singapore, Hongkong and United Kingdom.
* Agents in other places.
* Provides world-wide Banking Service for Business and Individuals.

S. T. SADASIVAN,
General Manager.

Notices

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

THE DIRECTORS OF THE CALCUTTA TRAMWAYS COMPANY LIMITED announce that subject to final audit, the result of the working for the year ended 31st December, 1961, was as follows :—

The Revenue for the year after transferring £100,000 to Renewals and Replacements Account was ..		£144,397
Against this has been debited		
Provision for Indian Income Tax	£72,000	
Debenture Interest ..	20,341	
	£92,341	
Less—Income Tax deducted from Debenture Interest, less Tax deducted from Investment Income ..	1,196	
		91,145
Leaving a balance of ..		£53,252
In accordance with the Agreement dated 30th August, 1951 between the Governor of the State of West Bengal and the Company, the above balance has been credited to Shareholders' Account		£53,252
Out of which is payable :—		
2nd Debenture Stock Redemption	£8,590	
Preference Dividend, less tax	7,656	
Proposed Ordinary Dividend at 5 per cent f.o.t.	35,000	
		51,246
Leaving to be added to the amount carried forward to Shareholders' Account ..		£2,006

The Annual General Meeting will be held in London at twelve o'clock noon on Monday the 15th October, 1962, on which day, Warrants for the Ordinary Dividend, if sanctioned, will be posted.

The Ordinary Share Transfer Books will be closed from the 2nd to the 15th October, 1962, inclusive.

By Order of the Board,

E. H. GASKELL,
Acting Agent.

P-4 MISSION ROW EXTENSION,
CALCUTTA, *14th September*, 1962.

ESCORTS LIMITED

Registered Office:
26, FAIZ BAZAR, DELHI-6

NOTICE

IT IS HEREBY NOTIFIED FOR THE INFORmation of all concerned that the Company has decided to call balance amount of Rs. 7 per share on the new Equity shares offered as right capital on 9th November, 1961 and allotted on 27th January, 1962 by 11th September, 1963 instead of by 11th September, 1962 as originally notified, to which arrangement the Controller of Capital Issues has kindly accorded his approval.

By Order of the Board,

P. L. JAITLY,
Secretary.

September 5, 1962.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 14th Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	84,41,56,000
(ii) State Governments	29,40,44,000
(b) Banks—	
(i) Scheduled Banks	82,81,00,000
(ii) State Co-operative Banks	1,64,33,000
(iii) Other Banks	2,01,000
(c) Others	160,25,40,000
Bills Payable	29,48,17,000
Other Liabilities	21,97,71,000
Rupees	563,00,62,000

ASSETS	Rs.
Notes	15,38,25,000
Rupee Coin	1,66,000
Small Coin	2,98,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,29,000
(ii) State Co-operative Banks	11,80,66,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,90,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	127,25,42,000
Balances Held Abroad*	5,76,14,000
Loans and Advances to Governments**	85,00,000
Loans and Advances to—	
(i) Scheduled Banks†	18,68,60,000
(ii) State Co-operative Banks‡	127,14,68,000
(iii) Others	1,26,57,000
Investments	193,46,85,000
Other Assets	34,45,62,000
Rupees	563,00,62,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

† Includes Rs. 12,50,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,38,25,000	
Notes in circulation	2041,69,75,000	
Total Notes issued		2057,08,00,000
Total Liabilities		2057,08,00,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,34,17,000	
Total		206,10,27,000
Rupee Coin		122,94,84,000
Government of India Rupee Securities		1728,02,89,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2057,08,00,000

State Bank of Pakistan

Statement of Affairs for the week ended 7th September 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	8,84,07,000
(b) Provincial Governments	7,52,20,000
(c) Banks	23,63,50,000
(d) Others	99,77,18,000
Bills Payable	12,76,000
Other Liabilities	12,11,87,000
Rupees	163,16,58,000

ASSETS	Rs.
Notes	8,96,24,000
Rupee Coin	19,000
Subsidiary Coin	45,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	21,85,62,000
Loans and Advances to Governments	1,12,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	39,71,18,000
Investments	81,18,15,000
Other Assets	10,32,75,000
Rupees	163,16,58,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,96,24,000	
Notes in circulation	360,37,59,000	
Total Notes issued		369,33,83,000
Total Liabilities	....	369,33,83,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	63,65,51,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	131,67,59,000
B. Rupee Coin	4,06,95,000	
Government of Pakistan Securities	227,69,23,000	
Internal bills of exchange and other commercial paper	....	231,76,18,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	369,33,83,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.17 per cent.

State Bank of India

Statement of Affairs for the week ended 14th Sept. 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		571,49,29,000
Borrowings from Other Banking Companies, Agents, etc.		45,00,000
Bills Payable		9,04,90,000
Bills for Collection being Bills receivable as per contra		2,71,54,000
Acceptances, Endorsements and Other Obligations per contra		8,77,57,000
Other Liabilities (including Inter-Office Adjustments)		15,18,55,000
Total .. Rs.		621,49,35,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,09,14,000
Balances with other Banks		3,10,02,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS—		
Government and other Trustee Securities	252,20,56,000	
Other Authorised Investments	8,70,31,000	260,90,87,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	263,69,51,000	
Bills Discounted and Purchased	13,64,04,000	277,33,55,000
Bills Receivable being Bills for Collection as per contra		2,71,54,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,77,57,000
Premises less Depreciation		1,95,82,000
Furniture and Fixtures less Depreciation		1,61,57,000
Other Assets (including Inter-Office Adjustments)		38,25,94,000
Total .. Rs.		621,49,35,000

EXCHANGE RATES

	19th September 1962	12th September 1962
London on New York $ per Dollar	2.7996-2.7999	2.8014-2.8016
New York on London Cents per £	279.970-280.020	280.120-280.150
London on Paris .. Fcs.	13.7190-13.7210	13.7250-13.7270
London on Berne .. Sw. Fcs.	12.1080-12.1160	12.0990-12.1010
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	477.75
Buyers T.T. Rs. to $ 100	474.75	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446.25	446.00
Buyers T.T. "	438.25	438.00
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. "	103.40	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.30	90.30
Buyers T.T. "	91.30	91.20
Deutsche Marks—		
Sellers T.T. D.D... "	83.60	83.60
Buyers T.T. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,945	12,950
Buyers T.T. "	13,120	13,125
Swedish Kroner—		
Sellers T.T. D.D... "	107.70	107.50
Buyers T.T. "	108.80	108.80
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.20	75.30
Buyers T.T. "	76.10	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.60
Buyers T.T. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.70	144.80
Buyers T.T. "	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 7-9-62	31-8-62	8-9-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	44,57	44,23	49,13
(ii) From others	790,52	806,22	718,32
(b) Borrowings from banks	16,69	19,30	16,01
(c) Others	53,17	54,17	52,38
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	22,57	22,98	20,27
(ii) From others	1,230,45	1,234,62	1,074,04
(b) Borrowings from banks	14,28	17,30	19,08
(c) Others	12,81	—	23,54
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,020,67	2,040,84	1,792,36
4. Borrowings from Reserve Bank	42,01	15,77	14,98
(a) Against usance bills and/or promissory notes	21,77	8,46	5,49
(b) Others	20,24	7,31	9,49
5. Borrowings from State Bank and/or a notified Bank	17,58	17,69	19,61
6. Cash	49,04	48,57	44,94
7. Balances with Reserve Bank	87,28	77,06	72,87
8. Cash and balances with Reserve Bank	136,32	125,63	117,82
9. 8 as per cent of 3	6,75	6.16	6,57
10. Balance with other banks in current account	17,30	17,90	16,82
11. Money at call and short notice	41,00	44,72	40,68
12. Investments in Government securities	678,63	699,35	611,82
13. 12 as per cent of 3	33,58	34.27	34.13
14. Advances—			
(a) Loans, cash credits and overdrafts	1,210,64	1,204,19	1,079,76
(b) Due from banks	8,82	9,12	11,72
15. Inland bills purchased and discounted	149,96	140,63	110,92
16. Foreign bills purchased and discounted	50,02	50,05	44,37
17. Total Bank Credit [14 (a)+15+16]	1,410,62	1,394,87	1,235,06
18. 17 as per cent of 3	69,80	68.35	68,91

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 8th Sept. 1962	1st Sept. 1962	25th Aug. 1962	9th Sept. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.5	101.2
2. Government of India	100.3	100.3	100.3	101.1
3. State Government	102.1	102.1	102.1	102.2
4. Municipal, Port Trust, etc.	98.9	98.9	99.0	99.6
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.6	98.6	99.0	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.6	81.5	83.
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	186.4	188.0	187.2	176.0
8. *Agriculture and Allied Activities: Total**	155.2	155.4	154.6	164.7
9. Tea Plantations	145.6	145.7	145.0	159.7
10. Coffee Plantations	149.0	149.4	149.4	173.1
11. Rubber Plantations	169.7	168.8	166.2	173.3
12. *Mining and Quarrying: Total*	161.6	163.7	163.9	156.7
13. Coal	124.0	124.9	124.5	123.4
14. Other Mining	187.4	190.4	191.0	179.6
15. *Processing and Manufacturing: Total*	203.8	205.5	204.4	189.4
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	212.6	213.8	212.6	196.8
17. Sugar	140.4	140.2	140.3	159.6
18. Cotton Textiles	185.9	185.9	184.8	170.0
19. Jute Textiles	103.6	102.9	101.8	82.9
20. Silk and Woollen	1,222.0	1,239.5	1,229.2	1,138.2
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	206.7	209.9	208.8	195.0
22. Iron and Steel	163.8	169.2	168.5	165.4
23. Transport Equipment	383.0	383.1	380.2	374.4
24. Electrical Machinery	185.6	186.0	184.1	160.0
25. Machinery other than Transport and Electrical	238.1	238.9	237.3	203.1
26. Basic Industrial Chemicals	190.0	191.5	192.2	205.1
27. *Processing and Mfg. (Others): Total**	171.5	172.3	171.4	156.3
28. Cement	160.3	161.5	159.5	142.5
29. Paper	217.2	217.7	218.3	202.2
30. *Other Industries: Total**	112.2	112.5	112.9	108.5
31. Electricity Generation and Supply	88.3	87.5	87.4	85.1
32. Trading	121.0	120.8	120.3	113.4
33. Shipping and Other Transport	90.4	91.1	91.6	91.9
34. Construction	283.0	289.1	289.8	283.8
35. *Financial: Total*	208.2	211.1	210.5	198.0
36. Banks	231.3	235.1	234.3	224.8
37. Insurance	172.7	173.9	173.5	143.3
38. Investment Trusts	89.8	89.8	89.9	90.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	195.6	197.9	196.4	183.2
40. Calcutta	172.2	173.9	173.1	161.8
41. Madras	193.8	194.1	193.5	193.3
42. Delhi	238.7	238.8	239.9	229.1

* Including 'Miscellaneous.' † Including Eadible and Vegetable Oils.
P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	25th Aug. 1962	18th Aug. 1962	26th Aug. 1961	August 1962	July 1962	August 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	131.5	131.2R	124.2	131.5	128.6R	124.3	120.1	120.0
Cereals	192	109.8	109.7	104.9	109 5	107.2	105.0	102.3	104.4
Pulses	43	113.2	112.7R	89.9	113.0	105.5	90.6	91.9	92.9
Fruits and Vegetables	23	141.0	148.0	165.5	146.5	148.0	164.6	137.6	118.5
Milk and Ghee	84	130.4	129.0	115.4	133.0	127.3	116.4	116.4	116.0
Edible Oils	47	160.6	160.9	158.4	159.4	155.3	159.0	155.5	150.3R
Fish, Eggs and Meat	17	148.9	149.3R	142.1	149.1	144.7R	141.6	135.4	123.5
Sugar and *Gur*	48	154.8	152.3R	123.8	151.2	152.1R	124.6	119.6	132.8
Others	50	172.0	171.0R	185.7	171.0	170.8	[illegible]	171.6	167.8
Liquor and Tobacco	21	99.5	99.6	100.0	99.2	98.5	99.9	100.3	109.9R
Tobacco	..	96.0	96.1	96.5	95.7	94.9	96.4	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.4	124.5	122.3	124.5	124.5	122.3	122.1	120 0R
Industrial Raw Materials	155	139.6	139.9	138.8	139.6	138.8	144.6	142.6	145.4
Fibres	61	128.3	128.2	121.9	128.6	130.2R	137.7	138.3	151.6
Oilseeds	60	160.6	161.6R	163.9	160.4	156.3	162.7	156.4	149.9
Minerals	2	93.4*	93.4*	94.8*	93.4	93.4	94 9	94.9	97.4
Others	32	125.0*	124.3*	126 6*	124.7	125.3	126.9	128.1	128.0
Manufacture	290	129.0	128.8R	124.9	129.0	129.4	126.3	126 6	123.9
Intermediate Products	41	142.5	142.8R	141.0	143.1	142.6	140.9	138.8	130.6R
Finished Products	249	126.7	126.6R	122.3	126.7	127.2	123.9	124.6	122.8
Textiles	147	125.2	125.1	122.1	125.3	126.5	124.8	125.5	125.8
Cotton	..	129.2*	129.2*	127.5*	129.3	129.4	127.5	127.9	128.1
Jute	..	111.0	110.7	110.2	111.1	116.5	121.1	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	141.3	123.1	122.7	109.1
Silk and Rayon	..	131.5*	131.5*	118.0*	131.3	129.7	118.0	119.9	104.4
Metal Products	12	160.4	160.4	151.6	160.4	160.4	151.6	151.6	147.9R
Chemicals	20	115.2	114.6	111.4	115.0	115.3R	111.6	110.7	104.4
Oil Cakes	9	165.1	164.2	146.1	163.9	157.1	146.0	147.5	141.3
Machinery and Transport Equipment	31	117.9	117.9	112.8	117.9	117.9	112.8	114.5	111.9
Others	30	125.3	125.2R	120.9	125.4	125.7	120.9	121.3	116.1R
All Commodities	1,000	131.1	131.0R	126.1	131.1	129.7R	127.5	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	May 1962	May 1961	April to March (Twelve months) 1961-62	April to March (Twelve months) 1960-61
Exports	51,16	55,15	656,82	632,42
Re-exports	46	40	5,17	5,57
Total Exports	51,62	55,55	661,99	637,99
Imports	76,25	97,49	1,038,62	1,121,62
Overall Balance of Trade	—24,63	—41,94	—376,63	—483,63
Exports—				
Tea	4,16	4,09	122,40	123,60
Jute yarns and manufactures	13,67	6,65	144,78	135,02
Cotton yarns and manufactures	5,05	4,49	53,31	62,09
Metallic ores and metal scrap	2,83	3,45	36,50	39,16
Cotton, raw and waste	1,52	5,23	20,36	11,56
Oils—vegetable, mineral and animal	1,41	1,30	19,99	13,87
Fruits and vegetables	2,34	2,67	25,51	25,98
Tobacco	2,64	2,07	14,96	15,75
Mica	90	88	9,66	10,15
Wool and other animal hair	72	84	9,20	7,72
Gums, resins and lac	60	48	6,64	8,61
Spices	1,12	1,18	17,57	16,61
Hides and skins, raw	66	73	8,33	10,02
Imports—				
Machinery	22,06	22,14	294,70	260,60
Iron and Steel	5,83	8,63	101,98	122,54
Oils—vegetable, mineral and animal	3,82	7,64	104,18	74,04
Chemicals, drugs and medicines	4,52	4,87	88,80	85,70
Electrical goods and apparatus	5,40	5,60	63,01	57,22
Vehicles (excluding aircraft, ships and boats)	3,29	4,32	42,32	61,57
Cotton, raw and waste	3,28	4,00	62,65	81,77
Fruits and vegetables	1,67	1,19	14,58	20,38
Paper, pasteboard, etc.	70	1,21	15,70	12,10
Dyes and colours	1,01	1,58	14,47	12,91
Spices	5	13	1,67	1,83
Woollen and worsted fabrics	1	2	16	21
Cotton fabrics	1	3	40	70
Rice	1,97	4,27	15,04	22,44
Wheat and spelt	75	7,50	77,55	153,20

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
June 1961	2,476	414	212	34	12	4	16	3	29	98	15	86	3	23
Jan., 1962	8,099	1,432	669	94	30	11	97	10	108	333	43	299	33	65
Feb., ,,	8,947	1,559	738	104	35	13	111	10	18	364	46	330	34	69
Mar., ,,	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
April ,,	870	142	65	11	5	1	12	2	13	32	4	32	..	6
May ,,	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June ,,	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and Incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION*

Industries	Unit	1959	1960	1961	Nov., 1961	Dec., 1961	Jan., 1962	Jan., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	4.60	4.88	4.98	5.14
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	3,697‡	369	374	418	342
Yarn	million kgs.	781	788	862	72	77	75	70
Cloth	million metres	4,502	4,616	4,700	389	399	399	399
Cement	thousand metric tons	6,936	7,835	8,230	727	736	709	715
Jute	thousand metric tons	1,068	1,085	971	94	98	97	88
Paper and paper boards	thousand tons	299	345K	363K	30	30	32	31
Matches§	thousand cases	649	661	758	62	66	65	55
Sugar	thousand metric tons	2,117	2,591	2,841	119	419	545	541
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	761	76	78	86	65
Electric lamps	millions	34.84	41.39	46.89	3.96	4.14	4.59	3.73
Dry cells	millions	187.3	207.4	211.08	17.7	17.6	19.4	19.8
Power transformers	thousand K.V.A.	1,248	1,116	1,761	176	177	230	126
Electric Motors	thousand H.P.	576	680	824	70	74	86	64
Electric fans	Nos.	726,000	991,200	1,074,000	80,200	103,500	93,400	87,300
Radio receivers	Nos.	213,864	266,700	326,340	30,932	30,063	29,752	21,002
Storage batteries	Nos.	442,800	510,000	528,000	35,700	46,700	48,900	45,300
Copper conductors	tons	6,624	10,068K	7,632K	665 K	675 K	—	917 K
Winding wires	tons	2,832	4,200K	5,652K	507 K	514 K	—	407 K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	211.08J	18.09J	17.89J	18.94 J	17.89J
Insulators—H.T.	Nos.	982,800	2,317,200K	2,958,000K	295,000K	276,000 K	346,000 K	210,000K
Insulators—L.T.	million Nos.	6.25	3,662,400K	4,257,600K	533,000K	88,000 K	—	300,000 K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	559	767	—	855
Diesel engines—Stationary	Nos.	30,886	41,676	44,424	3,848	4,283	—	3,917
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	0.04	0.05	0.09	0.14
Caustic soda	metric tons	69,876	99,144	119,849	0,512	10,780	10,855	5,673
Soda ash	metric tons	95,328	145,284	176,639	17,907	14,642	17,625	14,437
Chlorine liquid	metric tons	24,780	31,656	33,908	2,841	2,965	4,068	3,021
Bleaching powder	metric tons	5,184	5,928	7,032	711	627	530	582
Bichromates	metric tons	4,404	5,472	5,233	429	583	457	436
Sulphuric acid	metric tons	296,880	359,400	413,520	33,350	37,944	41,723	31,000
Superphosphate	metric tons	251,652	322,464	381,684	32,986	34,715	37,124	27,000
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,360	1,520	2,000	2,124	1,536
Antimony	tons	664	809	614	40	80	65	41
Copper (virgin metal)	metric tons	7,764	8,992	8,725	765	900	470	440
Lead (virgin metal)	metric tons	3,958	3,778	3,665	150	372	—	369
Gold	ozs.	165,312	4,992Kgs	4,869 Kgs.	415 Kgs.	425 Kgs.	—	416 Kgs.
Miscellaneous (Minor) Industries —								
Sewing Machines	Nos.	252,612	295,788	317,124	26,782	30,432	28,929	25,318
Bicycles	Nos.	990,744	1,050,744	1,054,500	95,578	95,250	89,431	90,343
Automobiles	Nos.	36,468	51,660	54,314	3,239	4,535	5,175	5,059
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.98	2.00	1.96	2.06
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.26	0.26	0.26	0.25
Cigarettes	million Nos.	32,166	38,334	41,064	3,371	3,541	3,595	3,570
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,072	680	766	—	804
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,264	464	497	—	541
Sheet glass	thousand sq. ft.	80,563	81,188	72,976	5,799	5,782	—	7,640
§Woollen manufactures — Worsted Fabrics	thousand metres	13,752	13,980	13,200	1,248	1,376	1,222	928
§Woollen manufactures — Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	1,388	1,400	1,176	852
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.53	0.70	0.52	0.52
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.30	0.47	0.35	0.33
Alcohol—Industrial	million litres	57.84	58.94	82.26	7.98	8.72	8.85	8.14
Alcohol—Power Absolute	thousand litres	8.0 M	48.52	53.63	3.90	4.84	4.47	4.65
Railway Wagons	Nos.	10,044	7,320	11,052	875	1,033	950	950
General Index—(Base 1951=100 Revised)		152.1	169.7	180.9	185.1	183.1	—	182.8

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs.—Kilograms. J—In million metres. ‡ Upto November only. M—Million bulk gallons.
† Upto November only. †† Average for eleven months.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
19th June	2.00	4.25	2.00	2.400	99.400
20th to 23rd June*	7.10	—	7.10	—	99.416
26th June	2.00	4.10	2.00	2.371	99.450
27th to 29th June*	0.57	—	0.57	—	99.421
3rd July	0.10	—	0.10	—	99.421
4th to 7th July*	2.00	2.00	2.00	2.390	99.400
9th to 14th July*	3.37	—	3.37	—	99.421
17th July	2.00	3.10	2.00	2.376	99.380
18th to 21st July*	6.72	—	6.72	—	99.441
24th July	2.00	3.50	2.00	2.350	99.410
25th to 28th July*	8.30	—	8.30	—	99.431
31st July	2.00	2.50	2.00	2.350	99.410
1st to 4th Aug.*	4.40	—	4.40	—	99.426
7th August	2.00	2.00	2.00	2.350	99.410
8th to 11th Aug.*	2.00	2.10	2.00	2.350	99.415
13th August	0.80	—	0.80	—	99.431
21st August	0.55	—	0.55	—	99.431
14th to 18th August*	2.00	2.00	2.00	2.370	99.405
22nd to 25th August*	1.30	—	1.30	—	99.426
4th September	2.00	2.00	2.00	2.370	99.405
5th to 8th September*	1.30	—	1.30	—	99.426
11th September	2.00	2.00	2.00	2.370	99.405
12th to 15th Sept.*	0.76	—	0.76	—	99.426
18th September	2.00	2.00	2.00	2.365	99.405
Total amount outstanding	64.33	..	64.33	..	..

* Intermediate Treasury Bills sold.

CLEARING HOUSE RETURNS

Centre	Week ended 14th September, 1962 Number of Cheques	Amount Rs.	Week ended 7th September, 1962 Number of Cheques	Amount Rs.
Bombay	4,48,000	1,08,89,00,000	3,66,000	99,94,00,000
Calcutta	2,29,000	84,08,00,000	2,30,000	1,05,77,00,000
Madras	1,07,000	14,49,00,000	87,000	14,99,00,000
New Delhi	62,000	14,31,00,000	64,000	15,22,00,000
Kanpur	24,000	4,02,00,000	19,000	4,36,00,000
Bangalore	36,000	5,92,00,000	32,000	6,17,00,000
Nagpur	11,000	1,31,00,000	9,000	1,29,00,000
All Centres—				
1959-60	..	..	50,196,000	10,999,00,00,000
1960-61	..	..	54,809,000	12,550,66,00,000
1961-62	..	..	59,946,000	13,602,34,00,000
June 1961	..	..	4,655,000	1,061,70,00,000
Oct., ,,	..	..	4,770,000	1,047,02,00,000
Nov., ,,	..	..	4,986,000	1,095,59,00,000
Dec., ,,	..	..	4,940,000	1,173,93,00,000
Jan., 1962	..	..	5,608,000	1,244,75,00,000
Feb., ,,	..	..	4,850,000	1,107,18,00,000
Mar., ,,	..	..	5,533,000	1,331,65,00,000
April ,,	..	..	5,159,000	1,159,92,00,000
May ,,	..	..	5,522,000	1,211,33,00,000
June	..	..	5,046,000	1,147,12,00,000

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilowatt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	834	11,176.9	9,011.1
1958-59	813	12,837.0	10,860.7
1959-60	850	15,029.2	12,130.8
1960-61	1,013	17,037.3	13,831.8
January 1961	1,013	1,482.3	1,216.1
February ,,	1,013	1,641.3	1,370.0
March ,,	1,013	1,596.1	1,282.7
April ,,	1,013	1,556.2	1,288.9
May ,,	1,013	1,612.8	1,329.1
Jan., 1962	1,013	1,749.0	1,422.5
Feb., ,,	1,013	1,643.9	1,378.2
March ,,	1,013	1,759.8	1,476.0
April ,,	1,013	1,764.7	1,455.8
May ,,	1,013	1,790.7	1,488.4

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

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	150	142	122	128	148
July 1961	108	88	118	145	81	220	122	127	122	93	107	215	171	145	141	131	126	147
August ,,	110	89	113	142	82	218	117	127	123	95	105	180	167	143	141	121	128	147
Sept. ,,	110	87	107	128	81	190	117	127	122	95	104	155	156	143	141	114	128	147
Oct. ,,	108	89	110	130	82	205	118	125	118	95	107	150	143	145	141	119	128	147
Nov. ,,	106	92	108	128	86	180	114	125	118	93	108	149	143	143	141	116	128	147
Dec. ,,	102	94	109	126	88	164	114	124	109	89	109	145	144	141	141	118	128	147
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February ,,	102	100	120	131	90	181	119	122	108	94	112	148	149	140	143	113	128	152
March ,,	103	94	120	126	82	163	120	124	118	95	113	148	149	140	145	117	128	152
April ,,	106	92	122	123	81	155	127	131	121	94	112	141	149	143	145	115	128	152
May ,,	109	88	126	125	84	166	134	131	129	95	113	139	145	149	145	113	129	158
June ,,	110	88	131	128	86	169	127	130	144	92	113	144	144	151	149	118	130	160
July ,,	112	91	137	135	89	172	124	131	161	91	115	149	146	152	152	117	129	161

IRON AND STEEL PRODUCTION (In metric tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
July 1961	133,900	137,200	107,900
Feb. 1962	139,400	138,300	108,000
Mar. ,,	156,600	146,900	128,000
April ,,	144,400	143,600	110,000
May ,,	146,400	145,600	115,600
June ,,	139,000	137,900	106,900
July ,,	145,100	143,200	114,500
August ,,	141,300	137,000	108,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,934
Do. 31st March, 1962	1,187,397	934,499	734,951
July 1961	100,407	77,595	65,720
Feb. 1962	97,258	75,949	53,600
Mar. ,,	113,176	88,241	89,294
April ,,	109,726	83,396	47,747
May ,,	112,269	85,155	68,574
June ,,	87,639	77,029	56,938
July ,,	96,151	78,352	63,006
August ,,	105,296	79,708	69,349

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1962	103.4
	Corresponding month, 1961	77.0
	Twelve months ended June, 1962	1,052.2
	Corresponding period, 1961	1,006.3
Stocks	At the end of August, 1962	90.3
	Corresponding month, 1961	64.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	July, 1962	75.5
	July, 1961	50.0
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	July, 1962	19.7
	July, 1961	18.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	June, 1962	559
	Corresponding month, 1961	384
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.34	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	67.70	25	3.50	3.50	3.50		12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	192.00	50	5.00	5.00	12.50	5.00	3	Y.P.
54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	611.00	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,18,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	130.50	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	161.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	349.00xd	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	115.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	311.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	232.00	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	925.00xr	250	87.50	125.00	125.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat Esq. (Chairman)	2,44,932	6,284	India United Mills	25.50 3.74	O 100. D 1D.	Nil Nil	0.80 0.1325	1.40 0.3725		12	Y.
18,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	867.50	250	50.00	58.00	62.50		3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	450.00	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	305.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	60.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	469.00	100	21.50	21.50	24.00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	480.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	150.00	100	Nil	Nil			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	243.00	100	10.00	15.00	20.00	20.00	3	Y.
55,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	131.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	33,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	130.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	55.00	10	2.50	1.70	2.00		12	Y.
90,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	273.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	157.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	841.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,023	2,000	Svadeshi Mills	259.75	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,323	550	Swan Mills	310.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	61.20	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	417.50	100	20.00	25.00	25.00		12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	860.00xr	250	81.25	116.00	125.00		12	Y.P.
					AHMEDABAD											
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	675.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	907.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	570.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	655.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	903.50	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	366	New Commercial Mills	460.00	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,400.50	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	455.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	667.50	100	35.00	40.00	40.00		12	Y.P.
48,75,000	25,73,702	1,66,60,167	94,85,502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	200.00	100	10.00	10.00			12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,201.00	100	45.00	50.00	Nil		12	Y.P.
					WEST BENGAL											
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	10.00	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,30,620 1,70,000	3,62,600	1,03,06,007	68,71,408	—2,60,950	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	Nil	Nil	2.00		3	Y.P.
60,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	26.62	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co. Ltd.	42,912	841	Bowreah Cotton Mills	26.75	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co. Ltd.	43,064	500	Dunbar Mills	31.50	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,352	206	Jay Shree Textiles Ltd.	17.09	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,892	Kesoram Ind. & Cotton Mills	28.94	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	12.00N 2.50N	10 1D	Nil Nil	Nil Nil	Nil Nil		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	135.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,418	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	241.00	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233		4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	127.00	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	32.00	10	Nil	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	280.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,63,218	58,56,470	35,95,076	1,98,878	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	126.50	100	15.00	17.00	20.00		3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.50	5	Nil	0.36	0.50		12	Y.
9,26,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25xd	10	0.90	1.30	1.50	1.50	3	Y.P.
25,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	180.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	160	Coimbatore Murugan Mills	139.60	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	73.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	141.00	100	Nil	Nil	Nil		6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,052	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	3	Y.
3,38,36,225 1,00,563	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,686	2,333	Delhi Cloth & General Mills	52.50	25 2½	2.50 0.25	2.50 0.25	3.25 0.325		6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	20.12	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,48,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	187.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	52.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	92.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	217.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	72.00	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	17.06	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	14.25	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253		Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,808	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.24	10	0.07	Nil			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.87	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 25,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	146.00 74.12xd	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	2.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	780.00	100	20.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	35.75	15	1.875	2.25	‡2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00xd	100	25.00	30.00	0.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	82.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850		1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	121.00	250	Nil	Nil	Nil		6	Y.
49,61,000	39,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	60.80xr	50	5.00	7.00	7.00		2	Y.P.
81,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000		2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.37	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	72.00	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
68,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	36.31	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	111.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. B. Naidu & Sons	50,000	..	Rajalakshmi Mills	101.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	169.00cd	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90xd	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	129.00	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	157.00	100	Nil	Nil	Nil		12	Y.
94,27,380		5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	10.19	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	79.50cd	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,03,29,029	1,23,78,020	96,22,753	2,77,919	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	112.00	10	6.00	3.57	3.57		3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.37N 8.19	100. 10P.O.	Nil 0.571	0.50 1.071	Nil 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.41xd	10	Nil	0.80	1.20	1.20	3	Y.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	33.00	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	125.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.75	10	0.50	1.00	0.25		3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
80,00,000	6,06,850	1,44,87,735	1,04,88,928	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	123.00	100	*Nil*	6.00	*Nil*		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	236.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	*Nil*	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	293.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£842,859	£1,372,653	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	191.00	£5	10sh.	£1.10sb	10 Sh.		3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.12	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	34.44	10	1.00	1.50	1.50	1.50	3	Y.P.
86,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	165.50	100	15.00	10.00	*Nil*		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	148.00	100	7.00	10.00	5.00		3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	25.06	10	1.25	*Nil*	0.50		11	Y.P.
80,15,000	81,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.69	10	1.50	0.50	*Nil.*		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
81,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	126.00	100	*Nil*	1.00	1.00	*Nil*	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	181.00	100	14.00	7.50	*Nil*		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	16.62	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	434.00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	21,13,000	1,35,43,410	82,35,300	2,48,385	Bangur Bros., Ltd.	1,014	Fort William	28.37	10	1.50	2.25	2.25		3	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	15.62	10	*Nil*	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	55.12	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	461.00	100	25.00	30.00	25.00		3	Y.P.
45,00,000	89,15,333	1,45,06,782	82,76,808	3,75,747	Bangur Bros., Ltd.	1,078	Hastings	115.00N	100	6.00	6.00	6.00		3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	29.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	20.50	10	1.00	1.25	1.00	*Nil*	3	Y.P.T.
52,50,000	38,73,191	3,21,24,274	1,88,99,274	1,62,375	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15		3	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	17.44	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	169.00 169.00	100 'B'100	20.00 20.00	5.00 5.00	*Nil* *Nil*		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	132.00 132.00	100 'B'100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	190.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	28,98,564	2,18,73,550	1,89,90,178	300	Anderson Wright Ltd.	1,530	Khardah	17.62	10	2.00	2.00	0.50		3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	158.00	100	10.00	20.00	7.00	*Nil*	3	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	138.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	134.50	100	2.00	15.00	15.00	10.00	3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.31	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	9.00	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	24.75	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.81	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	*Nil*	Sahu Jain Ltd.	1,765	New Central	14.25	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	35.25	10	1.25	3.00	3.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,074	1,08,822	Macneill & Barry Ltd.	1,092	Nuddea	64.50	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.50	5	0.50	0.40	0.30		7	Y.T.
20,00,000	73,604	36,55,345	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.12	10	*Nil*	*Nil*	*Nil*		3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.00	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
85,98,600	27,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	167.00	100	20.00	25.00	6.60	*Nil*	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	3	Y.P.
88,92,542	23,76,747	84,18,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.35	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.50	2	0.24	0.20	0.20		6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.22xd	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,388	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,889	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.95	2	0.40	0.40	0.40	0.30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.05xd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.40	....	*Nil*		12	Y.
25,00,000	18,55,500	5 8,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.62	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.60cd	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.75	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40		3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.40	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	1.80	2	0.10	0.20	0.10	0.10	3	Y.
3,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00	25	5.00	3.75	3.50		3	Y.P.
36,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	3.90	5	0.37	0.37	0.37		3	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.87	2	0.20	0.26	0.30		6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	9.10	10	0.50	0.80		1.00	3	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	21.62	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	21.75	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	20.50	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.19	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,778	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.75	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	11,78,243	32,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.93	2	0.10	0.16	0.20		3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.62	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19.35	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.09	2	0.25	0.25	0.20		6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	16,85,453	4,57,025	80,865	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	3.00	2	0.15	0.15	0.30		3	Y.
6,75,000	2,35,527	19,88,033	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	11.06	10	0.75	1.00	1.00		3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,843	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,80,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.15cd	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	578	Bababudin Coffee & Produce	6.05	5	0.625	0.40			6	Y.P.
3,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.75	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	82,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.70	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,318	2,26,719	....	8,232	Consolidated Coffee	17.85	10	2.50	2.00	2.00		6	Y.P.
6,00,000	5,09,735	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9.75	10	1.50	1.00	1.00		3	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.10	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.00	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	16,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.40	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.83	10	1.25	1.25	1.25		4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.16	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	16.90	10	1.60	1.50	1.60*	1.40	3	Y.
5,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	9.75	5	1.00	1.00	1.00		6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	11.12	10	1.00	1.25	1.25		3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45xd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.63	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.96	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	23,27,018	7,37,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.90	2	0.10	0.10	0.12		3	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,368	Rajagiri Rubber	21.20xd	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10.50	5	2.50	1.25	1.25		3	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.90	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12		3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.45	10	0.60	*Nil*			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.48	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11.00	10	1.00	1.30			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.20	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.60cd	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	80.65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.90	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,35,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.12	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	32.50	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.69	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.19	10	0.80	*Nil*	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	14.50	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	47.50	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	142.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.12	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	14.00	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	35.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	22.12	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.50	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	25.44N	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.37	10	1.00	*Nil*	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.56	5	0.70	0.30	0.30		12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.44	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hooiangooree	161.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.87	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	192.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.50	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	15.00	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.94	10	1.50	0.50	1.40		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	11.50	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 27.00	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	13.69	10	1.60				12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	106.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.25	10	3.50	4.00	1.35		12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	18.31	10	2.00	2.25			12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.06	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,03,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.69	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	35.12	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.62	10	*Nil*	*Nil*	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.37	10	0.50	*Nil*	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.50	10	*Nil*				12	Y.P.T

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	*Nil*	*Nil*	1.00		12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	97.00xd	100	5.00				12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.75	10	*Nil*	*Nil*			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	25.44	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	5,92,631	2,85,757	6,271	M.	505	Okayti	605.00	100	32.50	25.00			12	Y.P.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	7.25	10	*Nil*				12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	3.87	10	0.50				12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	49.87	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.19	10	*Nil*	*Nil*			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	273.00	100	82.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.94	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.12	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	151.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	8.44	10	*Nil*	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	25.12	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	113.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	37,41,255	1,23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	14.25	10	1.25	1.70			12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	14.99	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00N	10	0.50	1.00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	263.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.00	10	3.00	2.50	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	8,41,647	17,74,541	6,33,029	9,72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.87	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	20.81	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	151.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.15	10	1.00	0.50			12	Y.P.T.
5,00,000	5,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16.94	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1.50	1.50			12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	83,691	McLeod & Co. Ltd.	549	Tirrihannah	67.00N	10	5.00	6.00			12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.25	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.25	10	0.45	0.70	0.70	0.70	8	Y.T
43,14,600 D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	3.62 0.50	O. 10 D. 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	157.25	100	11.00	12 00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.36	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.94 2.35	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.25	5	0.45	0.55	0.60	0.60	8	Y.P.
2 50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13.12	10	*Nil*	0.60	0.80	0.84	3	Y.P.T.
90,00,000	....	....	....	....	....	Madras Cements	86.00	100	..	*Nil*	..		9	Y.P.
1,14,65,185	....	1,36,60,424		....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	*Nil*	*Nil*	*Nil*		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	17.60	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	102.00	100	*Nil*	*Ni*	*Nil*		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	186.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.87	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.R.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.25	10	*Nil*	0.60	0.60		3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	21.24	10	2.00	2.00	3.00		9	Y.P.
55,23,146	19,77,396	1,61,24,989	63,22,100	1,703	Bharat Ram Bhagat & Co.	Bengal Potteries	6.05	2½	0.356	0.375			12	Y.
10,00,000	52,26,517	92,22,366	45,37,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	35.50	10	1.87	3.00	3.00		3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	138.75	100	*Nil*	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.62xd	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	16.31	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	62.00	100	*Nil*	*Nil*			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	10.06	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,82,678	14,95,136	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.50cd	10	1.00*	1.428	1.20		3	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	39.00	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	30.50	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	29.00N 14.50N	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y.
CHEMICAL														
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	92.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	201.25	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	42.50	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	260.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	495.00	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	68,84,606	1,50,85,951	77,12,533	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	94.50	100	7.00	7.00	10.00		3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	395.00	100	*Nil*	*Nil*	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	31.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	155.00	50	10.00	*Nil*	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	104.50	100	4.00(c)	*Nil*	6.00		3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.50	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	445.00	100	*Nil*	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	310.00	200	20.00	25.00	25.00		3	Y.
1,10,01,535	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.37	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.15	10	0.50	1.00	1.00		3	Y.
8,00,000	4,55,261	12,57,587	6,70,322	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00'C'	2.00		3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	170.00	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.12	10	..	*Nil*	*Nil*		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	263.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	16.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	73.00	100	..	..	*Nil*	*Nil*	3	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,386	3,571	Tata Industries Private Ltd.	Tata Chemicals	14.40	10Old	0.525	0.60	0.65		6	Y.P.T.
13,00,000	2,92,249	21,75,764	7,74,231	56,348	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	23.50	10	1.00	1.50	2.00		3	Y.P.
25,20,000	....	8,87,362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	*Nil*	*Nil*			12	Y.
14,81,250	....	5,72,958	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	185.00	100	..	..	*Nil*		12	Y.
ELECTRIC (BOMBAY)														
8,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	94.30	100	0.75	7.00	7.00	8.00	3	Y.T.
81,56,250	26,20,222	2,58,78,938	68,34,923	13,52,834	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.00	10	0.90	1.00*	0.90		3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,030.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	12,075	Killick Industries Ltd.	Surat Electricity	100.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Hydro-Electric Power Supply	110.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Power Co.	1,111.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	49,57,883	1,79,22,370	42,63,962	47,416	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	127.00	100	10.00	11.00	11.00		3	Y.T.
8,00,000	15,46,067	65,82,610	24,21,313	24,137	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10		3	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.12	10	1.00	1.10	1.10		3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		3	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,963	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.19	£1	7%	7¼%	7¼%		3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	27,18,468	1,05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00		3	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	*Nil*		3	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,573	32,593	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00		3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	9.00	10	0.50	0.625	0.625		3	Y.
16,80,000	14,98,612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	8.37	10	0.75	1.00	0.90		3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.10	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	12,50,396	57,75,615	13,66,443	36,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35		3	Y.
56,00,000	78,01,913	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	126.00	100	10.00	11.00	11.00		3	Y.T.
8,00,000	11,41,474	46,63,814	13,15,572	3,34,013	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	14.60	10	1.00	1.50	1.429		3	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	318.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	175.00	100	13.00*	13.00*'C'	13.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	213.75	100	10.00	*Nil*	4.00		4	Y.P.
60,00,000	1,08,98,455	2,46,93,330	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	175.50	100	13.00	13.00'C'	13.00		6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,38,653	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	97.00	50	5.00	4.00	5.00		3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	195.00	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.52	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	51.50	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	42.75	10	1.00	1.43	1.60		3	Y.
15,00,000	4,53,946	25,18,944	6,77,694	5,683	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50		3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	27.15	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 3.80	10 5	*Nil* *Nil*	*Nil* *Nil*	.. ..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 6.52	10 10	.. ..	.. ..	*Nil* *Nil*		11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.56	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	78,422	46,82,025	16,73,677	40,424	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	..		3	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	152.00	100	*Nil*	10.00			7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	23.24	10	1.00*	1.20	1.20	1.20	3	Y.P.
57,50,000	42,31,615	1,28,07,838	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	177.50 116.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00		6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	86.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	218.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	144.50	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	132.50	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	135.00	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	295.50	100	9.00	12.50	14.50		3	Y.P.T.
19,81,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	700.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.10	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	256.50	100	13.00	13.00	14.00		8	Y.
70,00,000	....	10,49,952	4,291	‖23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	16.20	10	..	..	*Nil*		6	Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.06	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.69	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.19	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	*Nil*	*Nil*		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.37	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.00XR	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	695.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	15.00	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*			3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.44	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	38.25	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	111.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	25.25	10	1.00	1.50	1.60	0.801	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	34.75	10	5.00	7.125	7.125		3	Y.P.
96,53,160 26,580	2,72,58,534	2,24,87,785	1,60,42,350	7,72,487	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	55.50 14.50	0.10 O. 1	1.62½ 0.16¼	2.30 0.23	2.40 0.24		3	Y.
48,82,732	3,71,841	36,01,297	18,94,384	10,662	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	12.50	10	0.70	..	1.25		3	Y.P.
1,51,87,500	90,64,293	4,34,86,950	1,69,45,698	7,173	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.62	10	1.20	1.715	1.715		3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.69	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.62	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.69	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.31	2	0.20	*Nil*	*Nil*		6	Y.
49,96,000	13,58,398	1,44,34,142	86,32,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.09	10	0.75	*Nil*	*Nil*		3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	9.12	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.00	10	2.00	1.00	1.00		12	Y.P.T.
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	165.00	100	15.00	15.00	15.00		4	Y.

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.36	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	62.00 66.00	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
15,99,270	40,70,395	1,05,96,078	....	89,231	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80			12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	127.50xd	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.32	10	2.00	2.00	2.00		12	Y.
OIL														
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.84	Sh. 1½	*Nil*	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.00	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	57.00xd	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	27.12	10	2.20	3.00	3.50		10	Y.
PAPER														
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	203.75	100	*Nil*	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	5.37	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.50	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	33.31	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	19.87	10	1.00	1.50'C'	1.30		3	Y.
25,00,000	*Nil*	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	86.00	100	*Nil*	*Nil*	*Nil*		3	Y.
1,39,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.52	10	....	....	*Nil*		6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.37	10	1.25*	1.50	1.50		3	Y.
1,46,82,500	3,51,86,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	40.85	10	1.50	2.25	2.25		3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	9.25	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25.12	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.00 10.00	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.08	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,51,10,345	9,55,90,235	4,92,58,077	1,48,295	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.69 36.69 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.323		3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	162.00	100	*Nil*	6.00	7.50		6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.87	3	....	....	....			Y.
89,25,000 42,00,000	6,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co.	Bombay-Burmah Trading Corpn.	641.50 255.00	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50			Y.
20,00,000	‖25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.12	10	2.50	3.00	3.00			Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.28	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.81	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	13.00	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.06	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.81	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	17.12	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.06	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	192.50	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	F.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	179.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,64,500	26,21,410	15,54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.25	10	0.30	0.40	0.40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.75	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.00	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	20.75	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	113.50	100	*Nil*	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	225.00	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455		Shree Changdeo Sugar	27.50	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11.00	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	43.75	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.10	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.12	10	1.00	1.25	1.50		6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	160.50	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	93.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.31	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	57.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	19,90,000	71,92,482	36,48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	8.35	10	1.00	1.00	0.75		7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	151.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	104.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.88	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	110.00	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 30,05,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 73.00	100 65	.. ..	20.00 10.00	45.00 22.50		3	Y.
25,00,000 9,37,500	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	132.00 125.00	100 100	5.00 ..	8.10 2.70	9.50 4.50		3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	195.00	100	*Nil*	*Nill*	7.50		6	Y.
14,97,350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Manilal Private Ltd.	Estrela Batteries	71.00	50	3.50*	4.50	5.00		3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.25	20	2.00	2.50	2.50		3	Y.
75,20,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	55.00	60	..	..	*Nil*		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	176.25	75	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	172.50	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	60,57,845	24,11,651	8,20,848	16,714	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	206.00	100	7.50	11.00	13.00		3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	16.76	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	47.00	10	2.40	2.60	2.60	0.40	12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*		3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	202.50	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	94.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	73.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	117.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	88.50	100	9.00	8.00	*Nil*		11	Y.
12,50,000	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	157.00	100	9.00	13.00	13.00		3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
36,35,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	*Nil*		12	Y.P.
18,78,375	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	242.50	75	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	192.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	107.25	100	9.00	9.00	9.00		6	Y.P.
4,73,200 5,13,400	1,96,985	30,00,499	10,28,466	29,918	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50		3	Y.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	131.50	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*			3	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00		3	Y.
42,000 22,29,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	75	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	269.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ *On old capital.* * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	16.56	10	1.00	1.20	1.20		3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	25.10	10	1.25	1.80	0.90		3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	24.56	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.63	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.75	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	30.06	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00N	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	261.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.00	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.80	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	22.25	10	1 00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.25	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	40.13	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,47,93,934	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	34.19	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	126.00	100	14.00	14.00	14.00		12	Y.P.
12,49,250	....	4,92,055	6,366	33,611	M.	East Anglia Plastics (India) Ltd.	17.50	10			*Nil*		3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.45	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00		3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.00	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	6.37	5			*Nil*		6	Y.
65,00,000	39,28,753	31,81,679	17,28,900	1,92,551	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	15.25	10	1.00	1.00	1.10		3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	44.75	10			*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26 139	Birla Brothers Private Ltd.	Hindustan Motors	18.24xd	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	20.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	1,00,469	....	....	Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	15.62	10	..	..	*Nil*		3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,958	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.37	10	0.60	0.80	0.90		3	Y.
8,98,80,840	3,45,09,860	13,72,61,810	4,12,80,119	62,31,753	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	36.44	10	1.20	1.50	1.50		12	Y.P.T.
2,35,77,700	2,29,18,801	3,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	37.25	10	1.50*	2.25	2.25		3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	48.75	10	1.50	1.50	1.50		9	Y.
29,93,875	1,06,104	54,89,157	21,21,520	3,633	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	20.94	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.50	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	79.50	100	5.00	7.00	7.00		3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.75	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.15	10	2.75	2.75	2.75		9	Y.P.
10,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00			12	Y.
40,00,000 O. / 5,00,000 D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	250.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.50	10	1.75	2.50	2.50	2.50	8	Y.P.
20,00,000	7,90,391	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00		3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.50	10	1.60	2.00	2.50		8	Y.P.
10,00,000	3,28,080	20,39,182	12,41,906	11,458	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.60	10	1.25	1.00	*Nil*		8	Y.
90,00,000	1,60,09,310	1,39,45,356	57,73,861	50,820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	30.75	10	2.00	2.50	2.50		3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	32.12	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	22.12	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.37	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.12	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,31,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.12cd	1	0.20	0.30	0.20		3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	29.00	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081		—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.75	5	..	..	*Nil*		3	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	*Nil*			12	Y.
36,80,738	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	151.00	100	*Nil*	4.00	8.50		3	Y.P.
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	14.06	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	22.00	10	0.80	0.80	0.80		9	Y.P.
81,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 / 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45xd / —	10 / 7.50	1.50 / ..	1.30 / 0.225	.. / ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	21.37	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.27	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13xd	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.09	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	31.00cd	10	2.75	3.25*	1.50	3 25	9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	271.00	100	10.00	10.00	10.00		7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	46.00	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	93.00	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	204.00	100	10.00	10.00	12.00	14.00	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.50	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 / 30,00,000	2,08,62,445	‡8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.52 / 5.96	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	64.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.80	10	1.00	1.00	*Nil*		3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.60	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 / P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.37 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.00	10	1.50	1.00	1.25		3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.00	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.50	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	351.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	18.00	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.00	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	22.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.62	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	11.19	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.97	10	*Nil*	*Nil*			12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	52.37	£1	1.25	1.00	2.00		4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	28.31	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	14.00	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	42.00	50	*Nil*	*Nil*	*Nil*		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	*Nil*	*Nil*			12	Y.
20,00,000	9.86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.69	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	46.00	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	13.25N	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	6.50	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	23.37	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	14.00	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 16.25N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125			12	Y.P.T.
15,75,000	23,84,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00		3	Y.
23,99,500	89,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	15.62	10	1.00	1.50	1.70		3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	29.44	10	1 00	2.00			12	Y.
37,50,000	88,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	7.75	10	0.70	1.00			12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	44.75	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.87	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	8.12	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,12,000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	*Nil*	*Nil*			12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.25	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

MARKET GOSSIP

(*Concluded from page 487*)

might have been expected a year ago, particularly with respect to the U.S. dollar. But he felt that the monetary reserves, which, in his opinion, were largely limited to each country's holdings of gold, dollars and pound sterling, should be augmented to finance a growing volume of world trade. Such an increase, he suggested, could be brought about by (*a*) instituting an international monetary reserve guarantee against losses arising from devaluation of currencies and (*b*) encouraging the hard currency countries to hold other countries' currencies in their own reserve funds.

The first part of Mr. Maudling's proposal, though it is interesting, is woolly and it is highly doubtful whether it will find favour with the U.S. and a number of other countries. No one can, of course, discount completely the possibility of a sudden devaluation of even key currencies, although the I.M.F. can be relied upon to continue to provide an effective basis for preventing, as far as possible, such an outcome. But this much is certain that devaluation by one key-currency country will doubtless lead to competitive devaluation by several others. In such a case, an international monetary reserve guarantee against losses arising from devaluation as the one suggested by Mr. Maudling may not be of much help. What is more important is, therefore, greater co-operation among the monetary authorities of the world. Appropriately enough, Mr. Jacobsson said:

"Situations may arise in which different countries have to pursue contrasting but complementary policies, involving a more cautious policy in one country or one group of countries and a more expansionary policy in others. The choice of the right combination of policies should be the subject of common discussion and co-ordination. But the object of all these efforts must be to provide in the individual countries, and thus for the world as a whole, the volume of credit creation required to meet the legitimate needs of growing economies. I cannot help adding that, as monetary confidence increases, and I have every reason to expect that it will, there should be less eagerness on the part of private individuals to hoard gold. One consequence of reduced hoarding would be that more and more of the current gold output, which has been increasing from year to year, would become available for monetary purposes, and this in turn would facilitate the pursuit of appropriate credit policies. Co-operation among monetary authorities does not, of course, mean that gold is discarded as a basis for currencies; it can still play a useful role in the pursuit of credit policies in the framework of a managed gold standard."

The approach of Mr. Jacobsson is, indeed, sensible and quite practical. The leading countries of the free world have to stick together in fair as well as foul weather. There is no other alternative.

Price Control

The need for maximum vigilance in controlling inflationary pressure, particularly in a developing economy, cannot be overemphasised. But the way some of the Central Government Ministers and the Planning Commission are going about tackling the job is questionable. It is certainly undesirable to build up a scare of rising prices, without ascertaining the realities of the price situation, as is being done by Mr. T. T. Krishnamachari. It is true that the price situation became critical during the second Plan period with an increase of as much as 30 per cent in the wholesale prices. In fact, during the last three years of the second Plan (1958-59, 1959-60 and 1960-61), prices persistently followed an upward trend. But, in 1961-62, the first year of the third Plan, the situation had come under control. Over the year, the general index of wholesale prices (monthly average of weekly prices, base 1952-53=100) declined by 3.1 per cent to 123.6, in distinct contrast to an increase of 7.2 per cent in 1960-61, 5.8 per cent in 1959-60 and 6.6 per cent in 1958-59. The price index, which had gone up from 126.2 in early April 1961 to a new high of 130.1 in the middle of July, fell to a low level of 122.6 by the end of December last. In the subsequent three months, the price level hovered around the lower level, the index at the end of March 1962 being no more than 122.9.

From April 1962 onwards, prices once again tended to move up. Thus the general index of wholesale prices rose to 131 in August, as against 125 in April and 124 in the beginning of the year. It should not be forgotten here that the increase in prices during this part of the year is a seasonal phenomenon, as can be seen from the price movements in the past. Over the period January-August 1962, the rise in general index has been about 6 per cent. The price index of food articles group, which has a weightage of about 50 per cent in the aggregate index, accounted for the major part of the increase, such having gone up by 10 per cent during January-August, whereas the rise in the index of manufactures was only 4 per cent and that of industrial raw materials less than 2 per cent. Among food groups, prices of most of the important commodities, except perhaps wheat and tea, have risen. Between January and July, the price index for rice rose by about 12 per cent to 112; this compares with an increase of 9 per cent during the corresponding period in 1961. There has also been a marked increase in the price index of pulses, that is, by 10 per cent to 113 (during January-August). Another notable feature has been the sharp increase in prices of some of the subsidiary foods. In particular, price index of fruits and vegetables rose from 125 to 147 and that of milk and ghee from 119 to 133.

Too much is heard nowadays about the rise in prices of sugar and *gur*, the combined index of which has spurted from 114 in January to 151 in August. But it must be stressed that *gur*, which has a greater weightage than white sugar in this group, accounted for the major part of the increase. Thus, the price index of *gur* jumped up from 108 in January 1962 to as much as 161 by July, or an increase of as much as 50 per cent in seven months. There has been some increase in the price of white sugar, but it is small, the index having gone up by only 7 per cent to 131. In a free market, small fluctuations of this type cannot be ruled out. Those who want to control prices must, therefore, turn to the actual villain, which is *gur*. It is time an enquiry was made to find out the cause of the phenomenal increase in *gur* prices, despite record output of sugarcane. Probably more *gur* is being consumed in illicit distillation of liquor than is commonly believed.

Among other commodities, jute and jute goods, which had declined sharply last year in the wake of better jute crop, have been maintained during this year so far with marginal increases in their prices. It is significant to note here that the impact of the movement of jute prices on the general index is not of much significance. Prices of cotton and cotton textiles also followed this year so far more or less the pattern set by jute and jute goods. The prices of edible oils and oilseeds too rose, but only at a small pace, despite the period under review being the fag-end of the crop year.

Two important conclusions emerge from this review of the recent price situation. One, the increase in prices in recent months may mainly be a seasonal phenomenon and not too exhorbitant to call for any drastic action. When the new crops start moving in, they may, therefore, come down. It is, therefore, better to wait for some more time, before initiating unpopular, expensive controls. Two, the upward trend in prices has been fairly widespread, except in the case of two or three commodities. This only shows that the Planning Commission's latest decision to release stocks of wheat and white sugar (the prices of both have not shown any undue increase) cannot have any significant impact on the price front, though it may ease the position of consumers to some extent. It further suggests that mere control on foodgrains alone will not suffice, so long as the basic causes such as increasing pressure of population and money supply remain as they are.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th September 1962.

	Closing quotations 13-9-1962 Rs.	High Rs.	Low Rs.	Closing quotations 20-9-1962 Rs.
TEXTILES				
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.40	2.42	2.30	2.32
Baroda Rayon (100)	131.00	132.50	124.50	126 00
Bombay Dyeing (25)	66.90	66.90	65 50	66.00
Bradbury (50)	193.25	193.75	192.00	192.00
Central India (100)	114.00XR	114.50	110.00	114.00
Century Mills (100)	624.00	627.50	603.00	612.50
Coorla Sp. (100)	147.50	147.50	130.50	130.50
Dawn (50)	163.50	162.00	157.00	160.00
Edward Textile (200)	349.00	—	—	349.00
Elphinstone (50)	112.00	112.00	108.00	109.00
Finlay (100)	311.00	311.00	303.00	303.00
Gokak (100)	189.50	188.50	185.00	187.00
Gold Mohur (100)	232.50	—	—	232.50
Gwalior Rayon (10)	56.50	56.50	50.00	53.00
Ind. Untd. Defd. (1)	3.72	3.78	3.50	3.78
Ind. Untd. Ord. (10)	25.50	26.10	23 52	26.00
Indian Rayon (100)	97.00	97.00	90 00	92.00
Indore Malwa (100)	220.00	220.00	205.00	220.00
Khatau (100)	453.75	456.25	447.50	450.00
Kohinoor (100)	310·50	311.50	303.00	305.00
Mafatlal (100)	792.50	795.00	770.00	790.00
Minerva Mills (100)	82.50	—	—	82.50
Model Nagpur (250)	121.00	122.00	115.00	122.00
Morarji (100)	474.00	478.00	452.00	466.00
Mysore (50)	60.80	60.80	59.00	59.50
National Rayons (100)	498.00	496.50	472.00	478.50
New City (100)	150.00	—	—	150.00
New Great (100)	274.00	274.00	265.00	271.00
Phoenix (100)	242.00	243.00	232.00	242 50
Podar Mills (100)	129.00	130.00	128.00	128.00
Raymond Woollen (100)	132.50	132.50	130.00	130.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	55.50	55.20	55.00	55.00
Shrinivas (100)	268.00	268.00	260.00	262.00
Simplex (50)	160.00xd	160.00	154.00	157.00
Standard (100)	862.00	862.00	821.00	840.00
Svadeshi (100)	262.00	263.00	257.00	261.00
Swan (100)	303.00	303.00	290.00	290.00
S. I. Viscose (100)	160.00	160.00	152.50	158.00
Tata Mills (25)	62.50	62.20	60.00	61.50
Lakshmi-Vishnu (100)	125.00	—	—	125.00
Western India (250)	880.00	1,020.00	880.00	1,020.00
BANKS				
Bank of India (50)	115.00	114.00	112.00	113.00
Do. (New) (50)	118.00	118.00	114.00	114.50
Bank of Baroda (50)	96.00	96.00	95.00	95.00
Central (25)	61.00	61.50	60 50	61.00
Central 'A' (25)	64.00	64.00	62 00	62.50
Dena Bank (50)	57.50	57.50	57.00	57.00
Punjab National (10)	20.32	20.52	20.12	20.24
Union Bank (5)	6.32	6.24	6.12	6.20
United Com. (50)	80.00	81.00	78.00	80.00
Maharashtra (50)	62.00	62.00	61.00	61.00
ELECTRIC COS.				
Ahmedabad (100)	95.00	95.00	94.00	94.50
Amalgamated (10)	10.88	11.00	10.68	10.88
Andhra Valley (1,000)	1,030.00	1,032.50	1,027.50	1,030.00
Bom. Sub. El. (100)	104.00	104.50	103.50	104.00
Surat (100)	100 00	100.00	99.00	99.50
Tata Hydro (100)	110.00	110.50	110.00	110.00
Tata Power (1,000)	1,127.50	1,127.50	1,107.50	1,110.00
INSURANCE COS.				
British India (10)	12.24	12.36	12.12	12.36
Indian Mercantile (40)	62.50	62.50	60.50	62.50
New India (15)	67.00	65.00	61.20	62.00
New India 'A' (15)	69.50	69.50	63.70	64.20
Vulcan (10)	16.32	16.52	16.32	16.52
STEEL COS.				
Ind. Iron (10)	25.35	25.50	25.05	25.25
Mukand Iron (10)	24.20	24.12	23.00	23.40
Tata Steel Ord. (75)	135·25	136.75	132.25	135.00
SUGAR COS.				
Belapur (50)	231.50	231.00	221.00	224.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.50	—	—	27.50
Maharashtra (50)	158.00	159.00	156.00	156.50
Phaltan (50)	96.00	96.50	93.00	93.00
Walchand Ind. (100)	155.50	155.50	150.00	150.00
CEMENT COS.				
Associated Cts (100)	159.00	159.50	155.75	157.25
Digvijay (100)	189.50	190.00	183.00	186.00
Orissa (10)	16.92	17.04	16.72	16.80
MISCELLANEOUS				
Alcock Ashdown (100)	326.00	326.00	318.00	320.00
Amar Dye-Chem (100)	267.50	267.50	257.50	257.50
Bom. Burmah (125)	651.00	653.50	638.00	639.00
Do. (New) (50)	255.00	255.00	250.00	255.00
Br. B. Petrol (1½ sh.)	2.80	2.96	2.60	2.94
Br. I. Corpo. (5)	9.60	9.88	9.60	9.80
Cooper Eng. (100)	175.00	175.00	169.50	169.50
Colour Chem. (100)	420.00	417.50	380.00	395.00
Hind Cycle (100)	113 00	—	—	113.00
Hindustan Lever (10)	46 50	47.00	46.25	46.25
Hindustan Motors (10)	19.00xd	19.16	18.04	18.40
I. C. & Invest. Corporation (100)	92.50	92.50	92.00	92.00
Indian Dyestuff (100)	446.25	450.00	435.00	447.50
Indian Copper (2 sh.)	4.64	4.64	4.56	4.56
Ind. Inv. Tr. (100)	73.00	—	—	72.00
Killicks (100)	88.50	89.00	88.00	88.50
Larsen & Toubro (10)	27.90	27.90	26.80	27.10
Mahindra & Mahindra (10)	17.76	17.76	17.36	17.56
New Central Jute (10)	15.56	15.56	14.12	14.12
Polychem (50)	177.50	178.75	167.50	170 00
Polson (100)	192.00	—	—	192.00
Pre. Automobiles (100)	117.50	117.25	104.00	109.50
Premier Cen. (80)	149.00	150.00	143.00	145.50
Scindia (20)	11.68	11.76	11.44	11.60
G. E. Shipping (10)	11.60	11.60	11.48	11.52
Shivrajpur (10)	31.00	31.50	30.00	31.00
Sirpur Paper (10)	13.40	13.40	13.00	13.00
Synthetics and Chem. (100)	181.00	181.00	173.00	177.00
Tata Chemicals (10)	14.60	14.64	14.04	14.60
Tata Locomotive (100)	301 00xd	302.50	258.50	297.50
Tata Oil (25)	57.50	58.00	56.50	57.20
Texmaco (10)	23.00	23.00	22.60	22.60
Voltas (100)	262 00	263.25	252.50	257.50
W. I. Match (100)	271.00	271.00	264.50	267.00
W. Coast Paper (100)	166.00	166.00	160.00	162.00

GOVERNMENT SECURITIES	13-9-1962 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	20-9-1962 Rs.
2½% 1962	99.75	—	3.75	99.75
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.49	98.90
3 % 1963-65	99.10	3.75	3.30	99.00
3 % 1966-68	96.95	3.82	3.57	96.95
3 % 1970-75 1st Dev.	89.00	4.76	4.10	88.70
3 % 1986 Con. Loan.	69.00	--	4.35*	68.60
3½% 1964 N. P. Loan.	99 95	—	3.52	99.95
3½% 1965 N. P. Bonds	99 85	—	3.58	99.95
3½% 1967 N. P. Bonds	98 85	—	3.76	98.80
3½% 1974	99.50	—	3.91	98.50
3½% 1967 N.P. Bonds.	99.50	—	3.86	99 50
3½% 1969 Loan	97.80	—	3.87	97.80
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds.	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds.	99.35	—	3.86	99.85
4 % 1972 Loan	99.40	—	4.08	99.35
4 % 1973 Loan	99.20	—	4.09	99.30
4 % 1979 Loan	98.70	—	4.11	98.70
3¾% 1966 Bonds	99.65	—	3.60	99.65
4 % 1980 Loan	98.60	—	4.11	98.55
4 % 1981 Loan	98.55	—	4.11	98.60
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 / 40,78,300	26,38,220	12,942	Andhra Bank	94.40 / 85.00	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	96.00	50	7.00	8.50	8.50	4.00*i*	12	Y.
2,50,00,000 / 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	113.00 / 114.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	4.00*i* / 4.00*i*	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	61.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16XR	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 / 'B' 16,00,000 / 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 16.75 / 1.18	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡		12	Y.P.
2,62,50,000 / 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	64.00 / 57.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	2.40*i* / 2.40*i*	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	57.00	50	2.52	4.38	5.50	2.00*i*	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	19.52	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	16.00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 / 25,19,374	60,60,000 / 28,60,000	1,48,636	Indian Bank	174.00 / 167.27	100 / 100	15.00‡ / 12.00‡	15.00‡ / 12.00‡	15.00 / 13.50		12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	176.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25 50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.52	10	2.00	2.00	2.00	1.00*i*	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	368.75	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.24	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	80.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.50	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-16-0	£1	15†	15†	15‡†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16¾	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-9xd	sh.15	15†	12‡†	13‡†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (*i*) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

PREFERENCE SHARES

BANK

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100

BREWERIES AND SUGAR

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	81.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	119.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	18.90	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	82.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C	8,50,000	....	10.00	April	May	116.00	100

COAL

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00N	100

COTTON

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	100.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	81.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	47.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	83.63	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	415.00	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	113.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	100.00xd	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	..	..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	72.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	72.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	87.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.00	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	92.04	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	91.27	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr.	..	460.00	500

ELECTRICS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	967.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	71.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.64	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept.	Dec.	{ 8.00cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50 }			7.95cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	99.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,002.50	1,000
Vellore C.	1,25,000	1928	4.00	Dec.	..	6.00	10

ENGINEERING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	14.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	111.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	101.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	72.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.76	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov	..	133.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	106.75	100

JUTE

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	86.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	91.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	100.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	87.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	89.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	96.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	67.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	11.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	101.00	100

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	86.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	91.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00	100

TEA

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	78.00xd	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	12.00	10

PLANTING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.97cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	77.36	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25xd	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	6.78	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.65	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.95	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.91	10

MISCELLANEOUS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	91.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28xd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	48.60	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	97.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	61.25	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	107.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.37	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	..	..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	104.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	75.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	54.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	46.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	188.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.81	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	75.25cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	33.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	51.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	80.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	9.25cd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	90.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr.	..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	57.25	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	75.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.53xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	86.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	87.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	63.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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ADMINISTRATIVE SERVICES

EVEN in that Utopia of ultimate communism where the State, it is supposed, will have completely withered away, there will be need, it is envisaged, for administration of things, if not for administration of men in the sense of managing them. It is not, therefore, surprising that, in the world of today, no country—be it communist or non-communist—is anywhere near divesting the State of even a part of its functions pertaining to law and order, development or welfare. On the contrary, the governing organs of almost every country are being saddled with a multitude of new functions in the context of the "welfare State" or of social and economic planning. The emerging role of government as everybody's Lady Bountiful is thus a universal phenomenon. Those who expect so much from the State must likewise expect to be increasingly administered. They cannot, therefore, grumble, if the ever-increasing development-and-welfare functions of the State have the effect of augmenting the power, as well as the numerical strength, of administrative bureaucracy, especially in its higher echelons. The most they can hope for, in the context of things as they are, is a judicious check on bureaucratic excesses or abuses.

That is by way of introducing the subject matter of this article on Mr. V. T. Krishnamachari's report on Indian and State administrative services and problems of district administration. The report, published by the Planning Commission a few days ago, mentions at the very outset that the strength of the I.A.S. (Indian Administrative Service) cadre rose from 803 in 1948 to 2,147 on 1st January 1962 and that the additional requirements of officers, estimated at 525 upto 1966, will be mainly on account of the increased tempo of social and economic development under the third and fourth Plans. The said number, that is, 525, represents the total gap to be filled by direct recruitment in the next four years. It is composed of 264 recruits to fill the existing gap, 146 in the place of retirements and casualties and 115 to take care of the expected increase. So many additional hands cannot, however, be recruited and trained overnight, for it is a question of selecting candidates of the requisite calibre—a scarce commodity indeed. But shortages of higher administrative personnel for the implementation of development programmes are undoubtedly there, and something has to be done to overcome them.

Mr. Krishnamachari has estimated, in this connection, that, even after recruiting about 100 candidates a year to the I.A.S., as against an annual average of about 50 in the period 1947-59, there would be left a gap of about 125 in the cadre in April 1966. The full effects of even the increase proposed in the rate of annual recruitment will be felt only in the later part of the fourth Plan period. The position will, therefore, continue to be difficult in the intervening period. A solution to this difficulty, in the considered opinion of Mr. Krishnamachari who has carefully assessed the additional requirements by checking and rechecking the relevant figures with the Central and State Governments, can be found by raising the age of superannuation to 58. It may be recalled here that the Second Pay Commission, too, in its report dated 24th August 1959, had made this recommendation. But this was not accepted by the Government. What Mr. Krishnamachari has to say on this question is better quoted *in extenso*:

"The reasons given by the Commission in favour of the proposal appear to me to be strong and I recommend a re examination of the original decision. Pending such re-examination, I recommend the adoption of a more liberal policy in regard to extension of services or re-employment of I.A.S. officers, as this will help materially in tiding over the present difficulties. The orders of Government make a distinction between scientific and technical personnel and members of other services for purposes of extension of service or re-employment mainly on the ground of paucity of trained scientific and technical manpower. As we are now faced with shortages of administrative personnel for the implementation of development programmes, I recommend that I.A.S. officers who are capable of efficient service may be continued in service or re employed on a basis similar to that now adopted for scientific and technical officers."

If the reasons in favour of a superannuation age of 58 (as against 55 at present) are compelling in their logic, as they undoubtedly are, there would be no point in selective extension of service or re-employment of I.A.S. officers due to retire in accordance with the existing rules. After all, thanks to many-sided planning in the last 12 years, officers approaching the age of 55 must have acquired a good deal of experience in diverse development fields. Such experienced senior officers, who are being coveted by employers in the private sector and many of whom are in a position to work for five or ten years after retirement, should not be lost to the Government when they complete 55 years. Raising the age of superannuation to 58, if not to 60, would thus be quite justified. Nobody suggests that India should adopt the high age of compulsory retirement obtaining in several foreign countries—70 in the United States, 70 in Norway, 63 to 66 in Sweden, and 65 in France, Australia, New Zealand, Canada and the United Kingdom. Even in Ceylon, the age for retirement is 60. The Second Pay Commission, it may be recalled, had made out a cogent case for raising the age of superannuation not only on the strength of the age of retirement for civil servants in other countries but also on the strength of India's own vital statistics and the commonly prescribed pensionable ages under social security schemes. Since a single jump from 55 to 60 might reduce the flow of fresh blood into the public services, the Commission had wisely recommended "that the age of superannuation should be 58 for all classes of public servants, including those for whom the retirement age at present is 60, with the reservation, however, that persons already in service may continue upto the age of 60, if they are at present entitled to do so." Now that an experienced administrator of Mr. Krishnamachari's standing has lent his powerful support to this recommendation, the Government would do well to accept it and take a prompt decision.

So much about the I.A.S. As for the State Civil Services, Mr. Krishnamachari has given the finding that there will have to be annual recruitments on a fairly large scale to them if the needs in the coming five years are to be met. And he has also recommended that all State Governments should amend their rules to enable a minimum of 50 per cent of the posts in the State Civil Service Class I and 50 per cent of the posts in the State Civil Service Class II to be recruited by competitive examinations held by the State Public Service Commissions. This recommendation has been specifically made, because direct recruitments in the States have been irregular in the past. It is needless to add that direct recruitment to the extent recommended will at least *partially* restore merit as the basic criterion for filling administrative vacancies in several States—a criterion which has receded to the background in recent years because of some political and caste or communal pulls. The demands of Community Development, Panchayati Raj and Co-operation programmes are such that only men of ability, integrity and broad human sympathies (instead of narrow caste or communal loyalties)

can bring credit to Class I and Class II Services in States.

That brings the subject to the area of district administration about which Mr. Krishnamachari has much to say in the context of the democratic decentralisation under way. Since the proclaimed objective is the "establishment of a well-organised democratic structure of administration within the district for meeting the demands of a welfare State," the State Civil Services at the block and district levels are expected to operate in a new way. They will have, in short, to think less in terms of administrative governance and more in terms of enabling such people's institutions as panchayat samitis and zila parishads to govern themselves. As Mr. Krishnamachari sees it, the block development officers and the technical specialists at the block level should function together as a well-knit team to assist and advise the panchayat samiti in working out technically sound block and village plans and in executing these efficiently and impartially in accordance with the laws and rules. While the State organisation will be responsible for the implementation of projects requiring high technical competence, the district level officials are expected to assist zila parishads and panchayat samitis, as also development and extension officers at the block level, in the preparation of all other plans. They will also supervise the execution of these plans and ensure that essential supplies and services are provided in time and on an adequate scale.

By and large, therefore, the emerging pattern of district administration will be increasingly oriented to development through local self-government. This is a matter of faith and enthusiasm, as also a matter of confidence in the local people—something that is contrary to the general trend of bureaucratic, sometimes even authoritarian, administration in most countries. Whether it will work will depend *not so much* on rules and regulations as on the patient guidance and assistance, rather than governance, expected of the district administrative cadres. It will be vastly more difficult to teach the art of self-government to rural areas in the context of economic development than to teach the three R's or improved agricultural practices.

FEEDING THE WORLD

"ONE of the basic problems facing the world, particularly the greater parts of Asia, Africa and Latin America, over the next decade will still be hunger." This is how the U.N. Secretary-General views the world food problem in his report on *Development Decade* (Proposals for Action). There is no exaggeration whatever in the aforesaid statement. For about one-sixth of the world population—roughly 500 million people—today suffers from insufficient calories, and twice that number from malnutrition or diet deficiencies in terms of vitamins, minerals and proteins. In most of the developing countries, population increased by over 2 per cent per annum in the fifties, while expansion of food supplies was about 2.5-3 per cent; consequently, *per caput* supplies rose by only one per cent per annum. This does not mean that all parts of the world had enough food, for much of the increase in production took place in more developed regions, while the more rapid population growth was in underdeveloped areas. In order to ensure even a marginal improvement in the intake of calories and animal proteins, food supplies in the various regions will have to be stepped up, according to the *Development Decade*, by 45-52 per cent by 1970. This increase in food supplies has to come mainly through an increase in agricultural productivity. This can be accomplished only by the extensive use of scientific methods of land use and modern technology.

It is a moot question whether the requisite degree of improvement in modern techniques will be forthcoming in the developing countries in the next few years. But it is certainly encouraging to find that more and more experts in science and technology all the world over are devoting serious thought to this problem. The International Congress of Food Science and Technology held at London last week is only an instance in point. In our own region, a F.A.O. conference is now in progress at Kuala Lumpur, which was the venue of a meeting of the International Rice Commission only a few days ago. The need for increasing food production was impressively brought out by Dr. B. R. Sen, Director-General of the F.A.O., while inaugurating the F.A.O. regional conference. He made a fervent plea to Asian nations to "make the earth and the sea around us yield their full bounty so that the growing population may be free from hunger and want." At the current rate of growth, world supplies would have to be doubled, according to him, by the end of this century even "to maintain the present inadequate levels of nutrition." Naturally, Dr. Sen called upon Asian nations to devote more attention to agricultural research. It is gratifying to hear from him that the F.A.O. has decided to establish agrarian research and training centres in various Asian countries.

Rice being the basic food for about half of the world population, the deliberations of the Rice Commission have a close bearing on the F.A.O.'s campaign for promoting food production. It may be interesting to note that world production of rice (excluding China and Russia) rose from 78 million tons (in terms of paddy) in 1909 to 130 million tons in 1960. But the increase was due almost wholly to extension of area under rice cultivation and not to any increase in unit acre-yields. Some of the countries like Japan, however, have clearly demonstrated the feasibility of increasing yields by improvement in the techniques of cultivation. At the Kuala Lumpur session, the Commission approved of a six-point plan to help cultivators increase their yield from land. The plan, which lays stress on technological improvements, called upon rice producing countries to: (1) breed varieties with high fertiliser response and wide adaptability, (2) strengthen fundamental research on the use of irrigation in rice breeding, (3) extend and expand current breeding work and improve the exchange of information on such experiments, (4) study and popularise the increased use of fertilisers in rice fields, (5) investigate the "optimum" requirement of water for rice crop, and (6) encourage the design and use of inexpensive farming machinery to cut down "toil and sweat" in rice production, storage and processing. Not content with these recommendations, the Commission also constituted three working parties of experts to

Calorie and Protein Content of Food Supplies in Select Countries

Per capita per day

	Calories	Total protein (grams)	Animal protein (grams)
India	1,990	53	6
Pakistan	2,080	48	7
Ceylon	2,150	47	9
Japan	2,240	68	18
Israel	2,770	83	34
United Arab Republic	2,520	73	12
Argentina	2,950	91	48
Brazil	2,650	67	19
Mexico	2,440	68	20
Canada	3,100	94	62
U.S.	3,120	92	65
U.K.	3,270	87	52
France	2,990	99	53
West Germany ..	2,950	80	42
Denmark	3,330	93	57
Australia	3,260	93	61
New Zealand	3,490	110	75

study the prospects of employing scientific research to remove the obstacles in the way of expanding productivity in developing countries.

Expansion of food production is only one of the measures to increase food supply. Elimination of wastages of food through bad storage and warehousing is equally important. As Dr. A. J. Amos says, in the course of an article in the London *Financial Times*, the annual loss of spoilage of foodgrains in the world now is as much as over 60 million tons, "a quantity sufficient to supply the protein and caloric requirements of over 200 million people." A much more important aspect of increasing food supply is the need for developing non-traditional sources of food. Yeast and algæ, for example, are potential sources of food. According to Dr. Amos, "these are edible and high in protein content and, moreover, can be cultivated speedily; 200 tons of yeast, which has a food value, in terms of protein, equal to that of 500 bullocks, can be produced by a large factory in one week." It is only a few days ago that we heard of a technique developed by a British research institution—the Vegetarian Nutritional Research Centre at Garston—to produce milk from outer cabbage leaves, pea pods and other green stuffs. This Research Centre, it may be noted, is also now collaborating with the Central Food Technological Research Institute in Mysore to produce milk out of groundnuts, cereals and greenstuffs available in India. Such efforts deserve to be encouraged, for they are bound to yield results that will help the world to supplement the traditional sources of staple and subsidiary food. But all these efforts will not be of much avail, unless people are persuaded so to adapt their eating habits as to include the new types of food also in their regular diet.

COMMONWEALTH DISCONCERT

By Our London Correspondent

IF the Prime Ministers' Conference in London has done nothing else, it has, in its immediate aftermath, made quite clear where everybody stands. The British Government is determined to go into the Common Market, because the U.K. is too weak to stay out. The Common Market countries are prepared to have the U.K. in if she wants to, but are not prepared to make any special terms contrary to their own Continental interests. The Commonwealth Premiers are sorry to see it all happen, fear the worst for themselves, will get ready to do the best they can for themselves, but cannot criticise the British Government, because they have no alternative to offer. The British Conservative Party remains divided, but the majority are for Mr. Macmillan's policy, for he says it is the right one. While their new challengers—the Liberal Party—enthusiastically support the idea of Britain into Europe, the Labour Party has been forced off its fence and has declared themselves opposed to entry (except with better and clearly set out terms—which they will not get), though a strong minority want to go in: a minority incidentally consisting of right-wingers and trade unionists.

Here is the substance of British Premier's contention: a lone Britain won't be able to exercise her political influence "in a world of giants." But Mr. Nehru took an opposite view: that the Commonwealth was an extremely flexible body which could discuss questions frankly and yet come to general conclusions. Its very diversity was its strength—and Mr. Macmillan has said much the same thing. Yet, while the British Premier sees no conflict between the Commonwealth Association and the European Association, Mr. Nehru, more sensibly, said it would all depend on how the Common Market developed. But the former African colonies are in no doubt—they intend to refuse association with the Common Market, because they regard the member-countries as "colonial-minded" (not one of them has a good past colonial record) and content to keep the ex-colonies as sources of raw materials. Already, the split in interest is showing and Britain's influence, as leader of the Commonwealth, is likely to decline once she is firmly part of Europe.

On the economic issue, the British Premier has said that Britain needs to become a bigger market for the manufactures of the developing countries (he actually said "newly developed"!) but that she cannot do this, unless she is strong enough economically and she will not be, unless she gets a bigger market for her "sophisticated production"—electronics, nuclear, supersonic and the like. At present, Britain has one-sixth of her exports to the Common Market and three times as much to the Commonwealth and the rest of Europe. Accordingly, Mr. Gaitskell regards the economic advantages and disadvantages of entry as about evenly balanced. But, in addition, if Britain does expand her trade to Europe, will this in fact make her or Europe (for there will be no tariff walls between the member-countries) a better market for Asiatic and African manufacturers? The great danger is surely that just as agriculturally the Common Market countries are inward looking so they will be industrially. A comparison has been made with the vast economic blocs of America and the Soviet Union. But these are perfect examples of inward-looking protectionist economies. Of course, they seek to export their surpluses, but their whole trading attitude has been and is protectionist. Why should the new Europe be any different?

What about the "right conditions" for British entry? There will be *none*—merely hopes and intentions. Britain will go in because, industrially, the Government considers that she will benefit from being part of a larger market and accept the disadvantages of a protectionist food import policy. So even Mr. Macmillan: on corn, meat and dairy produce, we "hope by world agreements to get a marriage market on a fair basis." The crucial words are "hope" and "world agreements." Mr. Heath, the British negotiator, said of India, Pakistan and Ceylon that *he did not know* "when comprehensive trade agreements might be signed between these countries and the enlarged community," but, if agreements were concluded by 1965, a year after British entry, there would be a gap for high tariffs of only a year. Mr. Nehru hopes that no high tariff would be imposed for so short a time. So much for the field of hope—he and the other Commonwealth Premiers are perforce reconciled to seeking salvation in comprehensive trade agreements in lieu of Commonwealth preference.

MARKET GOSSIP

Silver in U.S. Soars

THERE has been a sharp rise of seven cents to 120 cents per fine ounce in silver prices at New York in the past fortnight. Expressed in terms of Indian currency per tola, the rise works out to 14 nP, the actual New York quotation being Rs. 2.35, as against the currently ruling price of Rs. 2.57 in the local market. Never in the history of the New York silver market after 1920 had the price touched 120 cents, a level which shows a rise of 29 cents since the U.S. Treasury stopped its sales of free stocks on 28th November 1961. The sudden jump of seven cents in silver price at New York in an interval of less than fifteen days follows the withdrawal of the Bank of Mexico from the market. This Bank was reported to have recently sold more than half of its stocks aggregating 15 million ounces held a month ago. The Bank resumed sales of silver at New York towards the close of August after an interval of eight months. Mexico, it may be noted here, is the world's largest producer and exporter of silver. Last year (1961), this country produced about 42 million ounces of silver (out of the aggregate free world output of 211 million ounces) and exported 33.5 million ounces, representing almost one-tenth of the total world consumption of 350.7 million ounces.

Will there be a further increase in New York silver prices? This is the question now being discussed by bullion circles the world over. Some are inclined to believe that Mexico's withdrawal would not be deemed sufficient reason for the U.S. Treasury to intervene in the market by selling a part of its 1,863-million-ounce stock, of which some 40 million ounces are "expressly available to maintain an orderly market." Others, however, feel that such an intervention would definitely come. For this section points out that silver is now within 9 cents of its U.S. monetary value of 129 cents and, in the light of recent experience, this cannot be considered a wide gap.

* * * *

In our "London Letter" dated 8th September 1962 and published on page 454 of *Commerce* dated 15th September, it was stated that the price of silver had gone up to 82d. per fine ounce, that is, 2d. above the historic maximum reached in February 1920. The price of silver here should have been 98d. and not 82d. The latest available price of silver in the London market is 102¾d.

I. D. A.

A very important outcome of last week's annual meetings of Fund-Bank at Washington is the wide recognition of the urgent need for replenishing the resources of the International Development Association—I.D.A. for short—so that it could supplement the World Bank's activities effectively in the coming years. Indeed, the meeting approved of a resolution calling on the Executive Directors to consider I.D.A.'s prospective financial requirements and to report back, if possible, before the year-end. It was Mr. Eugene R. Black, President of the World Bank, who took the initiative and pleaded most forcefully for "very substantial additions" to the resources of the I.D.A. Mr. Black made it clear that the momentum of development in underdeveloped countries could be maintained *only* by grants or loans at very long term and very low rates of interest and that the most appropriate multilateral organisation to give such aid was none other than the I.D.A. In order to drive home this fact, he mentioned that, whereas 34 underdeveloped countries had more than doubled their total external debts between 1955 and 1961, their export earnings had risen by just over 15 per cent (*vide* page 547 for details of Mr. Black's speech). Mr. Black's plea was widely endorsed by a number of other delegates, particularly Mr. Maudling of Britain, Dr. Erhard of West Germany and Mr. Morarji Desai of India, as well as by President Kennedy. Dr. Erhard pointed out that the I.D.A. would, in the next few years, need three times the volume of convertible resources as compared with original subscriptions. Mr. Maudling held out the assurance that his country was prepared to play a "substantial role" in replenishing the I.D.A. resources.

While it is gratifying that the member-countries of the World Bank have persuaded themselves to put more funds at the disposal of the I.D.A., the questions now remaining to be decided are: (1) what must be the quantum of additional resources? and (2) how should this extra contribution be shared? The U.S., West Germany and practically all the developing nations want the I.D.A.'s total resources to be augmented from the present level of less than $1,000 million ($917.16 million as on 30th June 1962) to at least 3,000 million. Actually the U.S. has been quite generous in offering to subscribe an additional amount equivalent to the combined share of all the other countries, whereas, at present, its subscription ($320.29 million) accounts for only one-third of the aggregate initial subscriptions ($917.16 million) or a little over 43 per cent of the combined subscriptions ($739.36 million) of 15 Part I members.

The "matching formula" of the U.S. does not, however, seem to have found favour with some of the developed countries, especially Britain, the Netherlands and Belgium. These countries are reported to have stated that they have lost their colonies since 1944, when their World Bank quotas (which subsequently became the basis for fixing the initial I.D.A. quotas also) were drawn up and that they are, therefore, today not as rich as they were then. In their opinion, new subscriptions should not exceed the quantum of original subscriptions. By implication, these countries have thus suggested that the newly rich countries such as West Germany and others in Western Europe should subscribe to the major part of the *additional funds*. The argument does not bear scrutiny. The loss of colonies has meant a deflation only in the political power and not in economic power of the erstwhile colonial nations. If anything, it has added to their economic strength, as the colonies would have been a great liability had they stuck on to them today. Further, judged by their present level of national income, full employment, standard of living and technological advance, Britain, France, the Netherlands and Belgium were never so rich as they are now.

The final decision on the question of enlarging I.D.A.'s resources cannot be delayed long. Most or all of its resources might well be committed by the middle of next year and, unless the I.D.A. receives *new commitment authority before that time*, "a serious hiatus could occur in its operations." Many underdeveloped countries, particularly those having the persistently unfavourable swing in the terms of trade, cannot afford to borrow more and more from the World Bank, because such borrowing entails hard terms in respect of interest and repayment of capital. Nor can they rely largely on the International Finance Corporation which, as is well known, operates on a relatively small scale and its terms of lending are stiffer than those of the World Bank. Further, the I.F.C.'s resources will be available for investment *only* in the private sector and that, too, only in limited quantities. The financial terms attaching to I.D.A. credits, however, admirably suit the underdeveloped countries whose balance of payments prospects would not justify their incurring or continuing to incur external debt entirely on conventional terms. For the I.D.A. credits are free of interest (only a service charge of ¾ per cent is payable) and are returnable over a period of 50 years, with a 10-year period of grace. They are, of course, repayable in foreign exchange, but the terms are liberal. Further, the credits can be obtained for projects which are not merely of economic importance but also of great social value such as education and health. What is more, this form of aid (when professionally equipped and independent of political influence), as Mr. Black very aptly stressed, enables a developing country to draw on the experience of all nations to buy in the cheapest market and to avoid compromising its sovereignty by regulating its affairs at the behest of other countries.

Distress Sale in Cuban Sugar

Export prospects for Indian sugar continue to be none too encouraging, thanks to the persistent weakness of world sugar markets. Raw sugar in London is currently quoted at £25¾ per ton, a drop of £1¼ in just four weeks. The decline in price has followed sales of cheap East European beet sugar and offerings of "second-hand" cane sugar by a Cuban agency to which has lately been resold a part of sugar sold to Russia and communist countries. Russia is said to have sold recently sugar at as low a price as £20-17-6 per ton (for shipment early next year) which is well below the export price of £33-15 (October shipment) quoted by the London sugar firm Messrs. Tate and Lyle. The gap is, indeed, too wide even after taking into account the differences in shipment dates and quality. A portion of the sugar sold by Russia may be Cuban sugar.

Cuba, it may be recalled, has been depending to a considerable extent on the communist countries for the disposal of its sugar crop since the U.S. imposed a blanket ban on imports of Cuban sugar. Out of Cuba's export total of 4.3 million tons in the first seven months of 1962, Russia alone purchased almost two million tons, China being the second biggest buyer with 750,000 tons.

If Cuba has not been able to sell a larger quantity to Russia and other communist countries immediately after the U.S. stopped importing Cuban sugar, Russia had given a firm guarantee to buy whatever Cuba offered—it is because of the sharp setback to the Cuban sugar harvest. The estimated actual production in the 1961-62 season (ended June 1962) was no more than 4.80 million tons, as against 6.77 million tons produced in the previous season. Even as early as in the spring of this year, Cuba had announced a cut in the planned total exports to communist countries from 4.90 million tons to 4.36 million tons. Since (*a*) the 1961-62 crop has already been fully sold (500,000 tons for domestic consumption and 4.3 million tons for export to communist countries), (*b*) the limited stocks are being reduced, and (*c*) the current season's output is expected to be only a little better than in 1961-62, it is considered unlikely that Cuban sugar will be sold "first hand" to the world market in the remaining months of 1962 or next year. This, however, does not mean, according to the *Financial Times*, London, that Cuban sugar will be taken off the world market. For some sugar has been resold to a Cuban agency by the communist buyers and has not been shipped from Cuba at all. This is now being sold "second hand" on the world market. More of this sugar is being shipped to Eastern Europe and partly disposed of by cheap sales to Western Europe.

Economics of the British Press

The British newspaper industry has come in for sharp criticism at the hands of the Royal Commission on the Press (Chairman: Lord Shawcross, Q. C.) which has found it "gravely inefficient" in its production. The high cost of production of British newspapers, in the Commission's view, is not due to the high cost of newsprint or uneconomic distributive arrangements. It is the result of a large wage bill resulting from redundancy of labour in the printing, publishing and transport departments of the newspapers themselves. The Commission was appointed in March 1961 as a sequel to public concern over the growing trend towards concentration in newspaper industry. The takeover of the *Odhams Press* by the *Daily Mirror* and the merger of the *News Chronicle* with the *Daily Mail* had made the public wonder whether there was something wrong with the economics of British newspaper industry. The Commission, with the help of a London firm of management consultants, made a special study of the economic ills of the industry. It found that production was inefficient, due largely to overstaffing in the production and distribution departments and the practice of giving special payments for work that is really part of normal employment. In its view, manpower, including highly paid technical personnel, in the national newspapers was being squandered and that co-operation between managements and men to ensure efficient use of manpower and machinery was inadequate. In the Commission's opinion, some newspapers could conveniently effect a saving of about 34 per cent in manpower employed on production and distribution. It, however, found utilisation of editorial and administrative staff to be fairly good. The Commission's comment on overstaffing in the production and distribution departments of national newspapers (the provisional newspapers in this respect emerge in a more favourable light) is devastating. "There can be no doubt," it says, "that in national newspapers manpower is being squandered; if conditions there were to form a pattern for industries which have no shelter from foreign competition, it would be disastrous to the economy of the nation." It is mentioned that, in four national newspapers, for instance, productive labour alone cost them some £2.4 million a year more than it ought to have done.

The Commission holds both sides of the industry, namely, management and trade unions, responsible for this state of affairs. In order to improve efficiency, it has suggested (1) improved machinery for consultation and negotiation, common standards and conditions in all newspaper offices, (2) unity on the part of employers, and (3) more constructive spirit on both sides of industry and a genuine will to work the consultative machinery.

The Commission has rejected all proposals for modifying the economic forces of competition to assist weaker newspapers. It considers it quite improper to use statutory devices to solve the difficulties of these newspapers on the ground that they would be deliberately discriminatory against papers which were achieving commercial success. It is also opposed to any kind of Government subsidy for the Press. Its argument is that, if the subsidy were available to all newspapers, it would leave their respective competitive positions unchanged. If, on the other hand, the subsidy were discriminatory, "it would involve, in an obvious way, the dangers of governmental interference with the Press which we think would follow from other artificial attempts to regulate the incidence of market forces."

The Commission feels that a newspaper should run on its own steam. Those which are inefficient and which cannot stand on their own feet have no right to exist. It, therefore, sheds no tears for the *News Chronicle*, the failure of which was due not to "an inevitable law of newspaper economics" but to inefficient management and uninspired editorial policy. The Commission does not think that efficiency and diversity could be secured through official spoon-feeding or legislative fiats. Emphasising that there is no way to success but through quality of management and editorial direction both of which cannot be secured by legislation, the Commission declares:

"There is no acceptable legislative or fiscal way of regulating the competitive and economic forces so as to secure a sufficient diversity of newspapers. The only hope of the weaker newspapers is to secure—as some have done in the past—managers and editors of such enterprise and originality as will enable these publications to overcome the economic forces affecting them."

The Commission does not favour wholesale prohibition of all future amalgamation of newspapers. It has, however, suggested the establishment of a Press Amalgamations Court, composed of High Court Judges and lay members, whose consent would have to be obtained for all future purchases of newspapers where the buyer controls or would control aggregate weekly circulations of three million copies. The buyer would have to prove to the satisfaction of the Court "either that the freedom and variety of opinion would not be reduced by the proposed transaction or that these would be more reduced by refusing the transfer than by allowing it." The Commission has also recommended that newspaper undertakings should be prohibited from having a controlling interest, as distinct from an investment interest, in television. Legislation to enforce reform of the Press Council, so that it will have a lay chairman and substantial lay membership, has also been suggested.

T.E.L.Co.

It is reliably learned that the management of T.E.L.Co. has abandoned the idea of issuing convertible debentures, presumably because of the desirability of not having a high debt ratio. It is common knowledge that the authorities in the U.S., from where the Company is hoping to raise a big dollar loan, are highly critical of such ratio and want companies to have a large ratio of equity to the capital employed by them. Accordingly, the Company proposes to raise the additional capital required by it by offering new shares. The surmise in market circles is that the rights issue will be in the proportion of one : five. This will bring the Company about Rs. 1·60 crore. Besides the premium which may be anything between Rs. 75 and Rs. 100 per share. There is, however, plenty of time yet for a final decision to be taken on this issue.

TREND OF SHARES

RECOVERY NEAR CLOSE

(From Our Own Correspondent)

BOMBAY, 27*th September*

STOCK exchanges displayed further weakness initially this week, but recovered rather promisingly from Wednesday, as selling pressure subsided and bears were a bit anxious to cover a part of their short sales and book profits. At close, however, prices were lower over the week, though well above this week's lowest levels, and the tendency was still weak, as confidence was lacking. Turnover increased slightly, but was far from normal.

Several leading counters broke to yet new low levels this week due to renewed bear pressure and virtual absence of support. The border skirmishes at N.E.F.A. and economic uncertainties continued to sway the sentiment which was additionally affected on Monday this week by the annual report of the Central Board of Directors of the Reserve Bank of India containing a caution against recourse to deficit financing during the remaining years of the third Plan and a suggestion that vigorous steps be taken for mopping up the surplus purchasing power in the hands of the people. The Bank Directors' report was viewed by marketmen with some concern, as its observations on raising resources for the Plan were interpreted to be in favour of a further heavy dose of taxation.

Yet another bearish factor that cropped up during the week was the rumoured failure of a couple of brokers in Ahmedabad to honour their commitments. It was feared that, due to intermarket operations, the likely default by the Ahmedabad brokers might also affect the payments position in Bombay.

The prospects of further cuts in imports in the ensuing licensing period, tight money conditions due to a hardening tendency in interest rates, which were clearly reflected in the none-too-low *badla* charges last week in spite of a heavy shake-out in the markets and lack of any incentives accounted for the continued despondency of the markets and virtual absence of support even at the fairly attractive low levels.

Bears were, however, induced to cover some of their sales largely by technical considerations. For, throughout the week, there was clear evidence of absence of any selling otherwise than by the big operators. Further, no sooner did the prominent bear operators stop selling than the markets turned idle and hovered around the low levels. In fact, some of the heavily battered counters like Tata Steel Ordinary, Indian Iron, Hindustan Motors, National Rayon and Telco, to mention a few, did resist fresh bouts of selling at lower levels. Moreover, several market leaders had come too close to the last year's low levels. All these factors induced some precautionary bear-covering. In addition, there was also the fear that the current low levels might tempt the L.I.C. to re-enter the market anytime now.

One redeeming feature of the past one-and-a half month's continuous decline in equities has been the absence of heavy selling by investors. Most of them have steadfastly stuck to their holdings. At the same time, however, they have been markedly restrained in rushing into the market to make fresh purchases, as the picture of industrial profits is not as rosy as it was six months ago. Nonetheless, the odds are in favour of technical rallies in the coming weeks, though much would depend on the quantum of T.I.S.Co.'s equity dividend which is positively expected to be announced next week.

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Bears on Dalal Street succeeded in keeping the market at bay up to mid-week and even succeeded partially in turning the announcement of the maintenance of the dividend at Rs. 41.25 gross (Rs. 12 interim and Rs. 29.25 final) per share of Rs. 125 each by the Bombay Burmah Trading Corporation on Tuesday as a handle to demoralise the sentiment further. Subsequently, however, the market recovered on all-round buying by the erstwhile sellers and some revival of fresh bull support. Bombay Burmah, in particular, which had been sold down from Rs. 641 on Monday to a new low level of Rs. 622 on Wednesday, rallied to Rs. 634.50 today and closed at Rs. 632.50, as against Rs. 639 a week ago.

Sectionwise, Textiles were again in a bad shape. Sellers predominated, while buyers were scared by the bonus hang-over in the industry in Bombay, fears of lower profit for the industry as a whole for the current year and the uncertainty associated with the outcome of the Tariff Commission's inquiry into fair prices for cotton textiles. Almost all the counters in this section closed with further losses. Standard were down by 30 points at Rs. 810, Century by seven points at Rs. 605.50, National Rayon by Rs. 9.50 at Rs. 469, Kohinoor by Rs. 4.10 at Rs. 296 *ex-div.*, Bombay Dyeing by one point at Rs. 65, Svadeshi by Rs. 6.50 at Rs. 254.50, Finlay by eight points at Rs. 295, Gold Mohur by Rs. 11.50 at Rs. 221 and Mafatlal by 15 points at Rs. 775. Even the offside scrip like New Great declined by Rs. 11 to Rs. 260.

Losses were also widespread in the Miscellaneous section. Indian Dyestuff lost Rs. 12.50 at Rs. 435 and Amar Dye Chem Rs. 7.50 at Rs. 250. Voltas fell from Rs. 258 to Rs. 247 to recover to close at Rs. 252.50, as against Rs. 257.50 a week ago. Telco were down by Re. 1.50 at Rs. 296 and Cooper Engineering by Rs. 4 at Rs. 165.50. Premier Construction receded further by four points to Rs. 141.50. Hindustan Motors closed with a loss of 32 nP at Rs. 18.08, but Premier Automobiles showed a small gain of Re. 1.50 at Rs. 111.

Among Steels, Tata Ordinary disclosed a loss of Re. 1.75 at Rs. 133.25, Indian Iron of 25 nP at Rs. 25 and Mukand Iron of 40 nP at Rs. 23.

Digvijay Cement were weak at Rs. 182, as against Rs. 186 a week ago. Shippings were quiet. Belapur Sugar were down by three points at Rs. 221 and Maharashtra Sugar and Phaltan showed a loss of Re. 1.50 each at Rs. 155 and Rs. 91.50, respectively. In the Cash section, net changes were minor. However, Hindustan Electric moved down further by ten points to Rs. 180, Alembic showed a loss of Rs. 7.50 at Rs. 190 as did Dharamsi Chemical at Rs. 147.50 and Ceat Tyres declined by Rs. 6.25 to Rs. 165. Among new issues, Elecon Engineering lost Rs. 7.50 to close at Rs. 39.50.

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Leading counters in the forward list showed further losses in Calcutta. Birla Jute were down by 69 nP at Rs. 33.62, Dunlop by 75 nP at Rs. 37.75. G.K.W. by 56 nP at Rs. 36.69 and Orient Paper by 60 nP at Rs. 41.35. Others showed minor variations either way.

Among Cash scrips, Jutes presented a steady front and some shares looked up from the low levels to close with small gains. However, Alliance slipped back by seven points to Rs. 116 and Nuddea by four points to Rs. 57.75. Textiles were quiet, with Bowreah and Cawnpore recording a loss of one point at Rs. 25.75 and Rs. 6.50, respectively. Among Coals, Equitable moved down by Re. 1.31 to Rs. 27 and Ghusick by Rs. 2 to Rs. 12. Braithwaite, in the Engineering section, closed with a rather big loss of Rs. 3.75 at Rs. 32.25 and Escorts slipped back to Rs. 18.37, after having improved in the previous week to Rs. 19.62.

Trading in Chemical shares was featured by a smart recovery in Bengal from Rs. 94.50 to Rs. 101.50. But Alkali faltered to close at Rs. 42.62, as against Rs. 42.75 a week ago. Miscellaneous issues showed generally small losses. Aluminium Corporation declined by 87 nP to Rs. 15.69, Angelo Bros. by 81 nP to Rs. 24.25, Associated Battery by 63 nP to Rs. 28.87 and Jayshree by 57 nP to Rs. 16.62. On the other hand, Dr. Paul were up from Rs. 21.37 to Rs. 23, as were Union Carbide from Rs. 44.50 to Rs. 45.75 and Sen Raleigh from Rs. 18.87 to Rs. 21.25. Among Papers, Indian Paper Pulp were conspicuously weak with a loss of 93 nP at Rs. 18.94. Sugars and Tea shares were quiet.

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In Madras, Textiles weakened further, with Travancore Rayon declining from Rs. 32.85 to Rs. 31, Madura from Rs. 35 to Rs. 34.75 and S.I. Viscose from Rs. 156 to Rs. 155. Buckingham, as an exception, looked up by two points to Rs. 282. Miscellaneous issues made a mixed show. Aluminium Industries showed a loss of 20 nP at Rs. 24.90, Madras Rubber of 50 nP at Rs. 21.50 and W.I. Products of 50 nP at Rs. 199.50, but Indian Steel Rolling recovered by 70 nP to Rs. 12.50 and Ashok Leyland by 7 nP to Rs. 7.70. Sugars were down; E.I.D. from Rs. 41.83 to Rs. 41.50, Cauvery from Rs. 115.50 to Rs. 115 and Deccan from Rs. 11 to Rs. 10.75. Plantings were steady, with Peermades appreciating by a full one point to Rs. 21.50.

SILVER JUBILEE OF MADRAS STOCK EXCHANGE

"The turnover in our Exchange is very much restricted and this is really disheartening." Thus observed Mr. C. R. Chandrasekariya, President of the Madras Stock Exchange, in his speech at the annual general meeting of the Exchange held on Saturday, the 22nd inst.—a day after the Exchange celebrated its silver jubilee. The celebrations were inaugurated by Mr. H. V. R. Iengar, a former Governor of the Reserve Bank of India and Chairman of the Parry Group of concerns in Madra. It may sound strange that, within a few hours of a pleasant occasion like silver jubilee, the retiring President of the Exchange should have struck an unhappy note. But it was time somebody spoke the truth and somebody wrote about it. For it is greatly disappointing, to say the least, that this 25-year old Exchange should stand the last, activity-wise, among the country's five stock exchanges (the other four being Bombay, Calcutta, Ahmedabad and Delhi), where dealings in both cash and cleared securities is allowed. Actually, in terms of volume of business, Madras can hardly boast to be any better than the Indore and Hyderabad Stock Exchanges, where trading is confined only to cash scrips. This is deplorable because, as Mr. Chandrasekariya pointed out, a wide choice of scrips giving a fairly good return is easily available to any investor from the list of the shares quoted on the Madras Stock Exchange and particularly so when Madras monopolises in shares of almost all the companies in South India.

The President of the Exchange regretted that sometimes even popular scrips in the cleared list could not be bought or sold easily. The main reason for that, he said, was the absence of jobbers in the market. The investors in the market were by and large conservative. 'It is, therefore, necessary," he added, "that our efforts should be in the direction of augmenting the number of members and the introduction of a few jobbers who will help in creating a freer market." Mr. Chandrasekariya said it was necessary that the stock exchanges should advertise the opportunities available for investment in stocks and shares to attract new investors and commended the system of monthly investment plan in vogue on the New York Stock Exchange. He referred, in this connection, to the efforts made by his Exchange by bringing out the *Madras Stock Exchange Year Book* which is in its tenth year of publication. He hoped that, with the acquisition of a building in Second Line Beach in May 1961, the Exchange would be housed in a modern structure.

The bulk of the shares listed on the Madras Stock Exchange are of planting and textile companies. And, according to Mr. Chandrasekariya, it is because of the adverse factors affecting these two industries that the volume of business on the Exchange has shrunk considerably. The controlled price of rubber, the fall in the price of coffee in the world markets and the downward trend in the price of tea, particularly the common tea, the continuing rise in the cost of fertilisers, wages, etc., all had contributed, the President said, to take away the charm of growth in the planting group and to reduce their attraction to investors. He pointed out that textile shares, which were active until recently, had turned dormant because of the present shortage of cotton and the ceiling on the price of yarn, which had led to fears of lower profits for the companies for the current year.

Whatever the limitations on its activity, the Madras Stock Exchange has played a significant part in the recent phase of industrial expansion, particularly in the South, by helping to channel savings into productive investments. It is felt that the establishment of more new industrial units in the South, covering the various basic and ancillary industries, will, in the near future, give the Exchange the fillip it requires "very badly" and increase the activity in the market.

It will be pertinent to jot down here the views of Mr. Chandrasekariya on two subjects which concern all the stock exchanges in the country, namely, the role of the L.I.C. as the largest single investor in shares and the present trend in equities.

With resources of the order of over Rs. 30 crores per annum seeking investment, Mr. Chandrasekariya said, the L.I.C. had acquired shares in almost all the well-known companies listed on all the recognised stock exchanges in the country and also contributed liberally to many of the new issues by underwriting them. He pointed out that the L.I.C. had all along been only a buyer of securities and even when prices improved steeply it did not sell. In this connection, he observed that many felt that the Corporation should sell at least a portion of its share holdings wherever prices soared and help maintain thereby a steady level of prices. He referred to the negligible floating stocks of shares of the good companies and the difficulty of trading in them because of the continuous investments made by the L.I.C. in such shares. He stated, therefore, that the L.I.C. should limit its investments in the existing companies and contribute more liberally to new issues.

In his speech on the occasion of the silver jubilee celebrations Mr. Chandrasekariya traced the history of the Madras Stock Exchange. He said that, out of the 262 companies the shares of which were listed on the Exchange, dealings in the shares of no less than 247 companies were done exclusively on cash basis. Sometimes, the authorities of his Exchange had been dubbed as too rigid, when they followed the rules and regulations strictly, but he averred that, by and large, that had stood the Exchange in good stead in the long run. He observed that to a considerable extent investment in South India shares was made by people in the North and he attributed such preference for the Madras shares to the absence of any violent fluctuations in the Exchange.

Inaugurating the celebrations, Mr. H. V. R. Iengar observed that thanks to a considerable degree of Government regulations, the Indian stock exchanges had played their role well. He pointed out that, in the last ten years, the rise in the index of share prices had amounted to only 31 per cent in the case of India, as against 150 per cent in the U.K., 199 per cent in the U.S., 743 per cent in West Germany and 847 per cent in Japan. Nevertheless, he proposed that a systematic study of the functions of stock exchanges should be made to find out whether they had been discharged properly.

Some significant observations on stock exchanges were made by Mr. S. Narayanaswami of Chitra and Company, the well-known firm of stock brokers in Madras. Mr. Narayanaswami rightly stated that stock markets and speculation were intertwined and that, without a degree of speculative activity, liquidity could not be imparted to any stock market. His suggestion that the subject of stock exchange should form a part of the university curriculum merits serious consideration.

TREND OF EQUITIES

Reserve Bank's Index Numbers (Base 1952-53=100)

	Latest (15-9-62)*	Beginning of 1962 (6-1-62)	A year ago (16-9-61)	Approximate highest during peak of boom*	
				In 1962 (May)	In 1961 (Nov.)
Gilt-edged	100.4	100.7	101.1	100.6	100.9
Preference shares ..	81.4	82.0	83.3	82.5	82.4
Equities	183.6	187.0	177.6	195.6	189.1
Among equities :					
Coal	122.0	120.5	122.3	135.3	121.3
Steel	157.3	160.5	156.2	168.0	165.0
Cement	158.4	160.5	144.0	169.6	156.5
Sugar	139.3	151.8	159.6	143.3	157.0
Textiles :					
Cotton	183.9	189.8	173.8	196.7	190.9
Jute	103.1	91.2	82.7	107.6	95.0
Paper	216.6	214.5	206.2	225.9	156.6
Chemicals†	186.9	211.8	204.9	207.1	223.6
Machinery :					
Transport equipment ..	374.2	412.9	394.0	404.2	419.5
Electricals	184.6	150.7	163.4	183.7	167.4
Others	234.4	216.7	208.4	253.4	221.0
Shipping	89.3	93.7	93.3	99.7	94.5
Tea	145.4	154.7	159.0	158.1	158.6
Coffee	148.7	161.5	172.3	180.7	169.6
Electricity	87.7	84.2	85.2	86.8	85.6

* For equities only. † Basic Industrial.

Reports have appeared in a section of the press that the Tariff Commission has already submitted its recommendations to the Government of India relating to cloth and yarn prices. The Indian Cotton Mills' Federation, however, reliably understands that there is no basis for this report and that the matter is still under the consideration of the Commission.

PERSPECTIVES & PROJECTIONS

By Mercator

Businessman as Critic

IN a mixed economy, the businessman in the private sector is inevitably drawn into political controversy since what he has to say on current policies affecting his position and interests will involve criticism of the Government. The style and temper of such criticism have undergone several changes in the last decade; at one stage, when special virtues were claimed for the public sector, the private sector missed no opportunity of publicising the shortcomings of State undertakings. Thereafter, the striking growth of the private sector under the influence of large Plan outlays caused a change of attitude; now, except for a small part of the investment in industry which the private sector may like to have allotted to it, there is little complaint on this score. Businessmen now want the public sector to spend even more than it does today on transport and power, which, of course, must be in addition to the State's inescapable and admitted obligations for agriculture, irrigation, health and education. The efficiency of the public sector in organising and co-ordinating these programmes is now increasingly being questioned but the narrowing of differences in principles of planning is an important development.

In the conference on Transport and Power convened by the F.I.C.C.I. last week, Mr. Jain prefaced his speech with the observation that fault-finding was not his object and it seems to me that Mr Nanda fully reciprocated this attitude with equal candour. He did not omit to point out that, in the alternative third Plan once drawn up by the Federation, it had provided for a total outlay of only Rs. 1,100 crores on transport and communications, as against Rs. 4,000 crores demanded for industries and mining. Such inconsistency weakens the private sector's case and shows it up as shortsighted or concerned only with making debating points; such an impression can hardly advance the private sector's interests. The F.I.C.C.I.'s secretariat work, in preparing points for its spokesmen, is obviously far from perfect, though this organisation has expanded considerably in recent years and has been actively sponsoring conferences of all kinds. It should have been clear to the Federation (as it was to its critics at that time) that the movement of coal and other raw materials and finished goods besides construction material for a Rs. 4,000-crore outlay on industry would be of such dimensions that an equal amount of investment would be required for transport as well as power.

I think a similar tactical mistake was made when Mr. Jain pleaded for the abolition of the electricity duty levied by State Governments on the ground that it added to the total cost to the user. The real issue at the present time is not cost but availability (as some others at the conference stressed) and, while no one can hold a brief for unreasonable increases in the tariff, we have passed the stage when subsidised rates can be demanded as a promotional device. If any such incentive has to be offered at all, it can only be on a selective basis such as, for example, for small industries in industrial estates. The World Bank and I.D.A., which are assisting power schemes, have called for commercial pricing policies which can yield surpluses and the Plan also has assumed resources from this method. Whether the cost of power is pushed up by suitable pricing or by taxes, thers is no question at this stage of mere cheapness, since somebody will ultimately have to pay for it. That electricity for irrigation and rural electrification is charged less and that the share of power cost in multi-purpose projects is "loaded" to reduce the burden on irrigation is not due purely to political reasons, though they also come into the picture and are not wholly irrelevant.

The private sector does not stand to gain much by being prolific with advice which is doubtful economics and is certainly bad public relations, since the States become the favourite whipping boys for all ills. It is not surprising that Mr. Nanda was quite firm in ruling out any relief in this matter but businessmen will do well to show at least occasionally that they are equally interested in the successful completion of States' schemes which also have a direct relation to the smooth operation of industry and for which local resources will have to be found. With rural interests resisting land taxation on the one hand and industrial interests on the other opposing all others (like sales taxes and road transport levies), the situation becomes amusing; the States will become as bald as the bigamous husband whose grey hairs were pulled out by the younger wife while the senior removed the darker ones. The effect of such attitudes will be to harden resistance to even reasonable proposals for modification of the rigours of tax or other policies.

I think businessmen should always take their stand on certain firm economic principles which they consider valid for themselves. For instance, they cannot afford to have one stand on private property when it is a question of compensation for nationalising industry and another equivocal stand when it is a matter of acquiring land for a private industrial purpose at less than market price; similarly, they should not acquiesce in control when it is for supplying raw materials for industry but protest strongly when the consumer demands the same relief. The sugar industry for long agitated against regulation but eventually found it safety in it when production increased and controlled releases of stocks were needed to prevent a steep fall in prices. Dogmatic stands could be avoided with some careful study of long-term needs and it is here that a well organised expert staff on the secretariat of chambers of commerce could help. In a country like Britain, businessmen could enter politics to make their influence felt and in turn also feel the pulse of the public; Tory ranks are full of such men, but, in India, this has not been possible on any large scale for historical and ideological reasons. This has not placed the private sector at a serious disadvantage and the public sector's charms have not been so overwhelmingly attractive as to tempt any but the dogmatic socialists. For the undecided and still indecisive middle, which is numerically large, a consistent stand which shows deep awareness of the social obligations of the private sector should eventually have much appeal.

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Trends in Newspaper Circulation

Municipal bodies in India have the reputation of not being able to mind their own business; they discuss and pass resolutions on most of the world's problems and often adjourn before they reach their agenda of local maladies. Considering the paucity of comment on the report of the Registrar of Newspapers for 1961, journalists, never known for lack of self-importance, appear to have been struck down with inexplicable shyness or reticence. Is the overall increase of 4.7 per cent (4.6 per cent for dailies alone) in circulation a satisfactory rate in the context of the educational advance, on the one hand, and the rising incomes, on the other? Or is the question a matter of indifference since there is a newsprint shortage anyway and a larger increase in demand cannot be met by printing more copies? The report points out that the rate of increase has been declining from 11.2 in 1959 to 8.3 in 1960 and 4.7 in 1961; some of the decline is apparently attributable to the steps taken to verify publishers' claims of circulation. Curiously enough, there was a decline in circulation of newspapers in Hindi, a language claimed as having the widest measure of popular appeal and the highest number of dailies.

English papers have the largest circulation of 4.7 million and Hindi papers come second with 3.6 million; but, in relation to the much smaller population speaking Tamil and Malayalam, the respective figures of circulation of 2.5 million and 1.2 million show that, to the extent to which the power of the printed word could sway millions, these count for as much in our democracy as Hindi journalism. With high literacy, a volatile people and an exciting political climate, Malayalam papers have been increasing their circulation at a rate next only to those in Telugu.

The importance of periodicals in the country is indicated by the low proportion of circulation of dailies (4.7 million) to the total (18.8 million); Hindi has three times the number of newspapers in English (45) but has only half the latter's circulation; of the eight weekly editions of daily newspapers, seven are in English. But apart from circulation, English newspapers exercise more influence indirectly on the language press by its capacity to disseminate ideas and mould the opinion of those who run the latter. This may be of much greater importance than whether chains or groups actually control the Press; even if they did control 33.2 per cent of the circulation of papers and periodicals in the country, the other two-thirds can be an effective antidote to the effects of close control if they are really independent. In this country, there is nothing comparable to the techniques employed by the newspaper chains in Britain or the U.S.A. or the influence of Sunday editions. Much of it is sober journalism, agency-inspired news, which is well doctored; comment is often timid and respectable and only occasionally peppery when some dear or near interests are affected—which is perhaps as it should be. Contrast this with A. P. Herbert's wailing lines on the British Press, especially the Sunday newspapers:

> How seldom can you find in this maniacal affair,
> A simple piece of news in type that doesn't tear its hair
> You grope about and get, between a bosom and an ad,
> A tragedy so silly that it isn't even sad,
> For bits are in italics, and some other bits in black,
> While *asterisks* and arrows keep the reader on the track,
> Or else, if it is high among the scandals and the shocks,
> It's penned by wriggly borders in a fascinating 'box'.

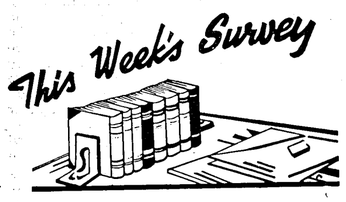
The economics of the newspaper industry have not been studied as carefully as it deserves to be and the reports of the Registrar are hardly any help in this matter. The Press Commission's figures are, perhaps, now quite out of date regarding the total investment and number of persons employed in all branches. Future growth, for which the scope is indeed immense, depends on the willingness to invest on a large scale. With newsprint shortages, difficulty in importing equipment for setting up new units and the advent of sensational journalism which deters the more sober enterprises, some limits on free growth seem inevitable and the only ones who can profit by the present situation are those already well settled and having resources to plough back into expansion and diversification of existing units. It will not be surprising if the next report also shows a rise in circulation of papers held by groups and chains but I shall be the last person to worry as long as there is as much competition and rivalry between them as there are at present. Smallness in this field will be no virtue, since it means, in a daily newspaper, inefficiency and inability to think on the scale in which a modern journal of information and opinion should be conducted.

NEW COMPANY REGISTRATIONS

As compared with the earlier four months of the current year 1962-63, there was a noticeable increase in the number of new registrations during the month of August 1962. According to the reports received in the Research and Statistics Division of the Department of Company Law Administration from the Registrars of Companies in the various States, 158 new companies were registered with a total authorised capital of Rs. 23,20 lakhs in the various States of the Indian Union in that month. In the preceding month, 127 new companies were registered with a total authorised capital of Rs. 19,72 lakhs. In the corresponding month of the preceding year, that is, August 1961, 115 companies with an aggregate authorised capital of Rs. 11,47 lakhs were registered in the country.

The new companies registered during the month under review included 11 giant-sized companies having an authorised capital of Rs. 1 crore and above. Four of these giant-sized companies, namely, Bhaskar Textiles Mills Ltd., Cominco Binani Zinc Ltd., Multimetals Ltd. and National Standard Duncan Ltd. were registered in the State of West Bengal with an authorised capital of Rs. 1 crore, Rs. 3 crores, Rs. 1 crore and Rs. 2 crores, respectively. Another two of these companies, namely, Gopichand Textiles Mills Ltd. and New India Spinning and Weaving Mills Ltd. were registered in the State of Punjab with an authorised capital of Rs. 1 crore each, and one company each was registered in the State of Madras (Facit Asia Ltd. Rs. 1 crore), Mysore (Bellary Spinning and Weaving Company Ltd. Rs. 1 crore), Orissa (Orissa Fisheries Development Corporation Ltd. Rs. 2 crores), Uttar Pradesh (Hind Auto Industries Ltd. Rs. 1 crore), and Delhi (Frick India Ltd. Rs. 1 crore).

Besides these giant-sized companies, the total new registrations during August 1962 included five big-sized companies having an authorised capital of Rs. 50 lakhs and less than Rs. 1 crore. Two of these big-sized companies, namely, Natraj Spinning and Weaving Mills Ltd. and Suryalakshmi Cotton Mills Ltd., were registered in the State of Andhra Pradesh with an authorised capital of Rs. 50 lakhs each. One company, namely, Unichem Laboratories Ltd. (Rs. 75 lakhs), was registered in the State of Maharashtra, and the remaining two companies, namely G.T.N. Textiles Ltd. and Orient Spinning Mills Private Ltd., were registered in the State of Kerala and Orissa respectively with an authorised capital of Rs. 50 lakhs each.



SOME PROBLEMS OF SHIPPING

AS a foreign exchange earner, Indian shipping in overseas trade has fared well—if not too well—since 1955-56. The increase of about Rs. 15 crores—from Rs. 13 crores in 1955-56 to Rs. 28 crores in 1959-60—in the level of foreign exchange earnings by this industry has been due largely to the increase in the quantity of cargo carried—from 1.6 million tons in the former year to 2.6 million tons in the latter. Such expansion in overseas tonnage as was brought about in the second Plan period has rendered all this possible. The results would have been still better if greater expansion and earlier replacement of obsolescent shipping had taken place. But that was not to be. Even the third Plan provision for shipping expansion is known to be inadequate, and the National Shipping Board has, therefore, continuously kept the issue in the forefront.

Both expansion and replacement of old shipping can yet be accelerated if the Board's recommendations regarding loan repayments and development rebate requirements are fully implemented by the Government. A longer period of repayment has, of course, been fixed in respect of the more recent loans—longer than in the case of loans taken between 1953 and 1960. The same principle can very well be applied to the remaining instalments on previous loans. In fact, the National Shipping Board has pleaded for this assistance, and Dr. A. Ramaswami Mudaliar, Chairman, India Steamship Company Ltd., has also forcefully reiterated the plea in his speech at the annual general meeting of the Company held at Calcutta on the 25th instant. As for the development rebate, the present requirement that 75 per cent of the relevant allowances should be provided from the profits before dividend declaration has proved to be a serious handicap to the shipping companies in their efforts to modernise and expand their fleet. That the development rebate, in the circumstances, should be spread over a period of five or six years seems to be a reasonable demand. That would enable the shipping companies to pay some dividend to shareholders. It is unnecessary to add that, unless a reasonable rate of dividend is paid on the existing equity capital, the companies would find it extremely difficult to raise the additional capital required for financing modernisation and expansion.

Another direction in which relief is expected by shipping companies in overseas trade is some judicious allocation of freight between the public-sector shipping corporation and the private-sector companies. Here, happily, a beginning has recently been made by the agreement between the three Indian Lines engaged in the India-U.K.-Continent trade both ways, namely, the Shipping Corporation of India, the Scindia Steam Navigation Company and the India Steamship Company. This agreement provides, on a pooled basis, equal carriage of freight and equal earnings for the three Lines in the Indo-Polish trade, the Indo-German trade, the Indo-Soviet and Indo-Rumanian trade in the Black Sea, and in the trade to the Egyptian and Levantine ports, and Indo-Adriatic trade. It is a happy augury for the future of Indian shipping that the agreement has introduced an element of friendliness and co-operation in the relations between the public-sector shipping corporation and the private shipping concerns.

The problem of freight rates, however, continues to be difficult. It is true that the recent increases in coastal freight rates—by 15 per cent for general cargo and about 10 per cent for coal carryings—would go some way towards relieving the revenue situation of all shipping companies which do some amount of coasting trade or other. But the overseas freight rates in respect of westward voyages have virtually remained the same as in 1957. Only since 1st October 1961 have the rates for eastward voyages been increased. In view of the rising costs of operation, Dr. Ramaswami Mudaliar has pleaded for a farsighted approach on the part of Government, as well as of shippers of any importance, to the question of overseas freight rates. The tendency on the part of the Government to limit the freedom of shipping companies to increase such rates after full discussion at conference meetings is sought to be justified on the ground of export promotion. But the Government, which is also very much interested in the foreign exchange earnings of shipping companies, should see to it that they work without any loss so that they can operate efficiently and expand their services for the transport of goods. As the shipping companies cannot afford to fix such rates as will preclude the transport of goods which is their only function, they can be depended upon to be reasonable. After all, overseas shipping is a highly competitive field with a large surplus tonnage. There cannot, therefore, be much scope for any undue increase in freight rates.

EXPORTS OF PROCESSED FOODS

The establishment of an export promotion council for processed foods is indeed a welcome step. The Council, which was inaugurated by Mr. Manubhai Shah, Union Minister for International Trade, on the 24th instant, will tackle export promotion measures relating to such processed foods as preserved fruits and vegetables, biscuits and confectionery. The total exports of preserved vegetables and their preparations alone amounted to Rs. 73 lakhs in 1961-62 (as compared with Rs. 90 lakhs in 1960-61) and those of preserved fruits and fruit preparations Rs. 10 lakhs (as against Rs. 7 lakhs). Exports of biscuits fetched Rs. 5 lakhs in 1961-62 and confectionery about Rs. 1.5 lakh. As Mr. Shah pointed out, these exports have not been very encouraging, for they account for only a very small proportion of total output. As production is proposed to be stepped up further during the third Plan, it is only appropriate that concerted efforts should be made at this juncture to promote exports.

It is proposed to increase the total output of fruit and vegetable products to as much as 100,000 tons by the end of the third Plan, as compared with the current actual output of only 40,000 tons, and 20,000 tons in the beginning of the second Plan. Similarly, the third Plan target for the output of biscuits is 40,000 tons (as against 24,000 tons in 1960-61) and that for confectionery 25,000 tons (as against 17,000 tons). These figures, it may be noted, relate to the organised sector alone. In view of the planned increase in production, exports are also expected to be stepped up. For exports of fruits and vegetables, the target is 10,000 tons, which means an increase of about three times the present level. Similarly, shipments of biscuits are proposed to be raised ten times to 1,000 tons and those of confectionery from just over 20 tons to as much as 500 tons.

The third Plan export targets are certainly ambitious in the context of current performance. This will call for the utmost possible enterprise and initiative on the part of the new Council. Moreover, as Mr. Shah urged, the manufacturers, too, would have to rise to the occasion. It is to be noted, however, that the industry is suffering from several handicaps like the shortage and high prices of tinplate required for packaging and the exorbitant prices of sugar. There are, of course, a few incentive schemes in operation, granting drawback on duties on tin containers and rebate of excise duty on sugar used by food products meant for exports. These have turned out to be of negligible significance. Unless early measures are taken to make available to the industry tinplate, as also sugar, at international prices to exporters of processed products, India will not be able to compete with similar products exported by such advanced countries as Japan, Australia and the U.K.

COTTON CONTROL

The controversy over the new scheme of cotton distribution proposed by the Indian Cotton Mills' Federation, which has been raging fierce for some time now, is continuing. At a meeting held on Friday, the 21st inst., representatives of the cotton trade and the Federation found themselves unable to resolve the differences in their respective points of view and to evolve a scheme acceptable to mills as well as the trade. The Federation's original scheme envisaged the appointment of nominees in different areas in the country who were required to ensure that every bale of cotton sold to mills was within the statutory ceiling price. The trade opposed this tooth and nail on the ground that it would undermine the very existence of the trade and interfere with the free marketing of cotton. Thereupon, the Federation put forward an alternative scheme. The main features of this scheme are:

Mills will purchase cotton through the normal trade channels but will report these purchases to district controllers chosen for the purpose who will not be connected with the mills' usual dealers. The entire purchase price of the cotton bought will be deposited by the mills with the controllers who will pay 90 per cent of the amount to the seller, take samples from the cotton and send them to the zonal committee for survey. If the sale price agreed upon between the mill and the seller happens to be equal to or lower than the price fixed by the zonal committee in survey, the balance of 10 per cent of the purchase price will be paid to the seller by the controller. If, however, the price fixed in survey is lower than the sale price, the controller will pay to the seller only the price fixed by the survey committee. The balance will be returned to the mills. This procedure will apply to purchase of *kapas* also. The controller will report all such transactions to the Textile Commissioner who will thus be enabled to keep a watch over the total purchases made by each and every mill. At least twenty-five per cent of the cotton purchased by each mill will be compulsorily requisitioned by the regional committee and transferred to other mills in the region at the ceiling price. This stipulation is intended to minimise the risk of mills indulging in malpractices.

This alternative scheme, too, was not acceptable to the trade. Representatives of three leading associations of traders, namely, the East India Cotton Association, the Bombay Cotton Merchants' and Muccadums' Association and the Cotton Buyers' Association put forward a scheme of their own as an alternative to the one evolved by the Indian Cotton Mills' Federation. The trade's scheme is similar to the Federation's scheme in some respects but it is different from it in some significant respects. Two vital points of difference may be mentioned. First, the trade's scheme lays down that no mill, including those having their own ginning and pressing factories, shall buy *kapas*. Secondly, it is also laid down that no mill shall be permitted to hold in stock more than three months' average consumption of cotton, both Indian and foreign. The Federation considers this modified scheme unacceptable. Unless, therefore, one of the parties climbs down a solution will be impossible.

The chief objective of any scheme of distribution control is to ensure uninterrupted supply and equitable distribution of available cotton to mills at prices not in excess of the ceiling. The inability of mills and the trade to agree upon a scheme of distribution that is mutually beneficial is due to the fact that each party looks at the question from the point of view of its own sectional interest. If both mills and the trade sincerely desire that cotton prices should be held within the ceiling, the existing control (comprising the quota system, power for requisitioning cotton, compulsory survey and restrictions on the quantum of cotton that a mill can hold, namely, five months' average consumption) is itself sufficient, provided it is strictly enforced. The difficulty lies in enforcing this control, judiciously, without fear or favour. There is, of course much to be said for a voluntary scheme of distribution, if one can be jointly evolved by the mills and the trade and pursued by them faithfully. But the fact that they are unable to see eye to eye even on the question of evolving a scheme, let alone its working, leaves no alternative to maintaining the *status quo* with all its deficiencies.

TARAPORE ATOMIC POWER STATION

Thanks to the energetic steps taken by the Atomic Energy Commission, the preliminaries pertaining to the proposed atomic power station at Tarapore near Bombay have now reached an advanced stage. As many as seven tenders in all have been received from Canada, France, Britain and the United States for the design and construction of the Tarapore station, and these are claimed to have been carefully scrutinised from the technical, economic and contractual points of view. Of the seven offers, the one from the International General Electric Company (I.G.E.C.) of the United States, according to Dr. H. J. Bhabha, Chairman of the Atomic Energy Commission, has been found most acceptable. Although the Commission has thus announced its preference for the I.G.E.C. offer, some more months will elapse before it is finally accepted. If everything goes well, as Dr. Bhabha hopes it will, satisfactory arrangements may be concluded in the next few months with the United States Government in respect of two major things, namely, (i) financial aid covering the foreign exchange cost (Rs. 32 crores) of the project, and (ii) supply of the fuel raw material, that is, enriched uranium, costing Rs. 1.7 crore to Rs. 2 crores. As soon as an agreement is reached with the U.S. Government on these and other allied matters, a formal agreement between the I.G.E.C. and the Commission will also be concluded.

The American offer, it is worthy of note, covers the design and construction of a 380,000-kilowatt station which, with a gross capacity of 400,000-kilowatts, will be a third bigger than the 300,000-kilowatt station orginally envisaged in the third Plan. What is more, the entire estimated capital outlay of Rs. 48.5 crores (Rs. 42 crores being the tender price, including customs duty and spares, quoted by the I.G.E.C. *plus* Rs. 6.5 crores on account of site development, housing colony, taxes, escalation and contingencies) on the currently planned bigger station is a little less than the originally proposed outlay of Rs. 51 crores on a smaller station. That the capital cost per kilowatt sent out is going to be distinctly less now—Rs. 1,275, as compared with the original estimate of Rs. 1,700 per kilowatt—is the most favourable point about the current proposal. Another favourable point is that the unit cost, that is, cost per kilowatt-hour, of Tarapore nuclear power is expected to be about 3.25 nP—less than the 3.76 nP to 4.07 nP in the case of conventional thermal power in the Western Region which has to draw its coal supplies from the Madhya Pradesh and Bihar-Bengal coalfields. It is claimed or expected that this unit cost, as well as the capital cost per kilowatt, will be less than in the case of the Bradwell and Berkeley nuclear power stations which have been recently commissioned in Britain. The third point in favour of the current proposal is that it is based on boiling water reactors of the kind already in successful operation in the United States and Germany and also being built in Italy and Japan. With such distinct advantages, the Tarapore station, if completed by the end of 1966 according to present schedule, will add immeasurably to the experience of the Atomic Energy Commission which, in due course, will be called upon to build more nuclear power stations—in Rajasthan, South India and elsewhere. And, above all, the Tarapore station, which is expected to supply power in nearly equal proportion to Maharashtra and Gujarat, will, when successfully completed, be a personal triumph for Dr. H. J. Bhabha, the dynamic Chairman of the Atomic Energy Commission.

FOODGRAINS PRICES

The reported move of the Government of India to introduce statutory controls on wholesale trade in foodgrains has caused a flutter in the dovecots of distributive trade. Some of the leading organisations of the trade all over the country have already expressed their grave apprehensions about the proposed controls. In a memorandum submitted to Mr. Gulzarilal Nanda and Mr. S. K. Patil, the Grain and Oilseeds Merchants' Association, Bombay, for instance, has made it clear that controls on distribution of foodgrains by the Government will not be able to ensure distribution at fixed prices, for "market operations are not guided by artificial price fixation, but dictated by the law of demand and supply." The Association is, therefore, on strong grounds when it suggests that, instead of resorting to artificial measures, efforts should be made to increase production and supply larger quantity of foodgrains to fair price shops. The view seems to have been apparently shared by no less a person than Mr. Patil, who observed, at a meeting arranged by the aforesaid Association in Bombay last week-end, that controls were no solution to the rise in prices of foodgrains. A permanent solution to the problem, he emphasised, would come only by increasing agricultural productivity and through diversification of food habits. He stressed that the recent upward trend in prices was seasonal and confined to certain deficit areas like West Bengal and Orissa, where there had been a marked shift in the area under cultivation from rice to commercial crops like jute.

Controls on foodgrains distribution, as the Association rightly says, will only deprive the farmers of a fair return for their produce and retard production. It is a truism to say that declining output will create a vicious circle of scarcity and price rise, which everybody wants to avoid. Experience has shown that controls do not serve the purpose for which they are intended. The fiasco of State Trading in foodgrains introduced during the Second Plan period is still green in public memory. The Association's contention that any move for controls now would be a hasty step is sensible. As the prospects for the next crop (1962-63 season) are better, the present prices "which are somewhat high because of lean season will surely go down" when new crops start arriving in the market. In the meantime, the Government can increase the supply to the market by releasing more out of its stocks of foodgrains. Mr. Patil disclosed, in this connection, that the Government would soon build up a stockpile of four million tons of wheat and two million tons of rice. At present, the Government has a stock of 2.5 million tons of rice and wheat together in the Central reserves. Besides, during the next two years, about eight million tons of wheat are expected from the U.S. under P.L. 480. There is also the possibility of importing more rice from the U.S. If the Government can maintain strategic controls by judicious operation of buffer stocks, there is no meaning in creating a bogus scare of rising prices, which will only lead to a built-in crisis and encourage farmers, traders and consumers to indulge in more hoarding.

It is true that wholesale prices of foodgrains have gone up slightly during the last four or five months (*vide* page 535, *Commerce* dated 22nd September 1962). As will be seen from the table below, rice and jowar have accounted for the major part of the increase in prices of foodgrains. The reason is that production of both these crops was lower in 1961-62.

(Base: 1952-53=100)

	August 1962	Dec. 1961	August 1961	Average 1961-62	Average 1960-61
Cereals	109.5	101.0	124.3	102.0	100.0
Rice	112.0*	102.0	108.0*	105.0	108.0
Wheat	91.0*	94.0	88.0*	91.0	90.0
Jowar	137.0*	109.0	118.0*	112.0	122.0
Bajra	135.0*	126.0	145.0*	132.0	130.0
Pulses	113.0	93.0	99.9	91.0	92.0
Gram	89.0*	88.0	81.0*	83.0	87.0
Other pulses ..	114.0*	97.0	97.0*	97.0	96.0
Fruits and vegetables.	146.5	133.0	164.6	131.0	109.0
Milk and *ghee* ..	133.0	114.0	116.4	119.0	118.0
Edible oils	159.4	152.0	159.0	150.0	164.0
Fish, eggs and meat. .	149.1	143.0	141.6	143.0	120.0
Sugar and *gur* ..	151.2	113.0	124.6	122.0	117.0
Others	171.0	163.0	183.4	158.0	169.0
Total food articles ..	131.5	117.2	124.3	118.4	118.1
All commodities ..	131.1	122.6	127.5	122.9	127.5

* These figures relate to the month of July.

The Association is at pains to establish that the increase in foodgrain prices has been due, at least partly, to an increase in the cost of agricultural production and distribution. It has listed various factors contributing to higher distribution cost, namely, successive additions in tax burdens (sales tax, it may be noted, is levied on foodgrains in certain producing centres), increase in railway freights, transport charges, levy of town duty, cost of packing and labour charges. That the incidence of taxes and freights on foodgrains should be rendered lighter is a reasonable demand. The factors responsible for higher agricultural costs would have to be neutralised by greater agricultural productivity. The programmes for minor irrigation, fuller utilisation of the irrigation potential of the major and medium projects, distribution of fertilisers, production of compost manure, cultivation of green manure crops, distribution of better seeds and improved implements, and so on, are already there. If they are implemented more efficiently and energetically, productivity is bound to go up and that will ultimately restrain the rise in foodgrain prices, provided politicians allow the effect of higher production to be felt on the price front at least to a reasonable extent.

ECONOMIC SITUATION

The Central Board of Directors of the Reserve Bank of India must indeed be complimented for having impressively highlighted, in its latest annual report (for the year ended June 1962), some of the pressing economic problems facing the country, and indicated the lines on which they could be solved. The Board records evidence of strains and stresses arising from fuel-power-transport bottlenecks and deficiencies in technical-managerial skill and organisational ability which have together slowed down rate of economic development. It also records the major role played by deficit financing in the growth of money supply as well as the worsening of the balance of payments position. In doing so, the Board has, of course, not painted any alarmist view of the situation. All that it has done is to emphasise that there is now an urgency for intensifying the efforts to overcome the immediate hazards and pitfalls that have been observed so as to make, on the whole, for a smoother pace of economic growth.

Since the economic fortunes of India are closely linked to the conditions in the agricultural sector, the Reserve Bank Board of Directors has naturally underlined the supreme urgency of the need to pursue intensively the various measures already accepted for raising both production and productivity. Without such an improvement, it will be difficult, nay impossible, to broaden the industrial base internally and to ensure an increasingly larger flow of exports. No less urgent is the need for the adoption of appropriate price policies, including institution of buffer stocks for the principal foodgrains and commercial crops, and simultaneously for the more vigorous execution of agricultural storage and warehousing programmes. The Board has done well to emphasise this fundamental need of the Indian economy today. As for industry, the Board has rightly urged "every effort" to produce indigenously, as far as technically feasible, the raw materials and intermediate products required to reduce dependence on imports. Drawing attention to the growing problem of underutilisation of capacity which has lately been intensified by foreign exchange shortage, it has called for the largest measure of import substitution through research, inventiveness and adaptation. "This need," to quote it, "would be all the greater if untied loans from abroad are not forthcoming on the scale desired."

In regard to export promotion, the Board has not hesitated to point out that the difficulties of exporters have been considered piecemeal from time to time and measures introduced to provide additional assistance or special incentives to facilitate exports. It has certainly struck a note of realism when it observes that what is needed is a comprehensive approach to the entire export problem, with special stress on the all-round increase in productivity. It does admit that business and industry are getting increasingly aware of the need to reduce costs, and there is now a sense of determination about the job. Only it seeks to drive home the fact that cost reduction is not a once-for-all but a continuous operation.

While the promotion of exports remains the long-term and near-term necessity, the gap in payments, as the Board pertinently remarks, can be filled immediately only through adequate foreign assistance. With refreshing candour, it admits that the present foreign exchange difficulties have arisen in some measure from procedural delays involved in the utilisation of external assistance, as also in obtaining reimbursements for the payment for imports against foreign aid. In its considered opinion, efforts need to be directed towards removing the bottlenecks, administrative and others, which make for slower utilisation. Incidentally, the Board suggests that a certain proportion of aid in untied form should improve its general efficacy and provide greater flexibility in the execution of Plans.

The Board is quite forthright in its remarks pertaining to the price situation, as will be seen from the relevant extract from the report quoted below:

"In the context of not merely exports but the health of the economy, the need to hold the price line cannot be overemphasised. The development process involves, almost unavoidably, a certain degree of inflationary pressure in a less developed country. But such pressure has to be contained by suitable policies which would mop up surplus purchasing power. There is an inescapable dilemma here. While the object of development is to raise the living standards particularly of those sections in the community who are at or below subsistence levels, there is equally the need to spread the costs of development so as not to exempt these very sections from the scope of the tax net, if the pace of economic development is not to be retarded. This undoubtedly causes some hardship, but development demands sacrifice from all sections of the community. From this point of view, the mobilisation of substantial resources by taxation becomes an inescapable constituent of our planning. In fact, since savings in the economy are low—a characteristic of less developed economies generally—this method of levying what in substance is forced savings is unavoidable and is preferable to forced savings by deficit financing beyond the limits set by the growth of the economy. The latter is a form of indiscriminate taxation whose incidence is greatest on those least able to bear it. To make a plea for greater tax effort is, of course, not to understate the role of voluntary savings, both institutional and personal, whether through large public borrowing or maximum mobilisation of small savings. In short, the price line will be better held, if the task of financing the Plan expenditure is executed effectively."

As a general statement of principles, these observations are unexceptionable and commonplace. But the stage for such generalisation was over a long time ago. The questions are whether the tax efforts made so far are adequate, whether there is still scope for raising additional taxation, and if so to what extent and in what directions. On these questions, the observations of the Central Board of the Reserve Bank are not as illuminating as could be expected

(*Continued on page* 546)

WHERE ARE THE BUYERS?

TONE OF DESPAIR IN EXPORT MOVES

From Our Special Correspondent

NEW DELHI, 25*th September*

DELHI LETTER

THERE is an element of despair in the shriller notes of recent calls by Ministers for a more intensive drive on the export front. The figures for trading in the first eight months of the year show that there has virtually been no expansion in export dispatches. In January-August 1962, the total exports, including re-exports, were worth Rs. 432.68 crores, scarcely Rs. 4.32 crores more than the performance in the comparable period of last year. Exports stagnated at an annual average of Rs. 613 crores in the five years of the First Plan and in the second Plan the annual average was Rs. 622 crores. The target of Rs. 3,700 crores in the five years of the third Plan works out to an average of Rs. 740 crores per year and Rs. 662 crores of exports (provisional estimates) in 1961-62 were lower than the phased target for the first year of the third Plan. The target for the current Plan year is Rs. 720 crores worth of exports and, in the period April-August, the increase has been Rs. 4.73 crores or less than Rs. 1 crore monthly average.

Increased exports to the Communist countries have more than compensated for the decline this year in the level of exports to Britain and West European countries (see last week's Delhi Letter on page 492). Side by side with efforts to increase trading with East Europe, officials of the Department of International Trade are seeking ways to open up the avenues in the European Economic Community. Soon after the Commonwealth Prime Ministers' conference dispersed, British Prime Minister Macmillan, to the chagrin of officials in Delhi, has poured cold water on some hopes retained by India and Pakistan. In the early stages of the negotiations with the European Six, Mr. Macmillan, as well as Mr. Thorneycroft and Mr. Sandys, declared that Britain's going into Europe would be conditional on appropriate safeguards for the Commonwealth countries which will be affected by the decline in their traditional trade with Britain under the preferential system. Now Mr. Macmillan has made it clear that he will take Britain into Europe whatever the consequences for the Commonwealth colleagues. Both Mr. Nehru and President Ayub Khan had considered the terms which have emerged from Brussels as totally unsatisfactory, but Mr. Macmillan said, in a broadcast last week that the terms which Britain has got for the Asian countries were "on the whole very good terms—very good."

At one time, some hope remained that the uproar of the Commonwealth Prime Ministers would lead to Mr. Macmillan seeking better concessions from Europe. But British negotiators, who have already suffered much humiliation at the hands of the European delegates at the Brussels talks, are in no mood to oblige the Commonwealth partners. Mr. Macmillan in effect has told India and Pakistan that the concessions already achieved are worthwhile and the best they can hope for is the offer of a bilateral trade agreement by 1966. There are no assurances in sight for India, Pakistan and Ceylon between next year, when Britain will enter the Common Market, and 1966 when the trade pact may be negotiated.

Trade With Western Europe

India's adverse balance in trading with Europe was about Rs. 135 crores in 1958-59, Rs. 168 crores in 1959-60, Rs. 201 crores in 1960-61 and about Rs. 130 crores in 1961-62. The total adverse balance in India's world trade was about Rs. 334 crores in 1961-62. In the past few years, the adverse balance with West Germany has been around Rs. 100 crores. In 1961-62, the adverse balance with West Germany was Rs. 97.5 crores, with Italy Rs. 14.3 crores, with the Netherlands Rs. 4.5 crores, with France Rs. 7.9 crores and with Belgium Rs. 5.5 crores.

Special attention to increasing exports to this region will be paid by the Council for Trade with Western Europe, which started functioning earlier this month. Its initial modest aims include the preparation of special commoditywise studies and market surveys. That Indian exporters have been unable to make use of even the limited facilities offered by West Europe in some instances is illustrated by the non-utilisation of a 250,000 new francs quota for 1961 for export of canned fruits into France. Canned fruits were referred to as a prospective export item for West Europe by the Council for Trade with Western Europe at its first meeting.

Inaugurating the Processed Foods Export Promotion Council, Mr. Manubhai Shah, Minister for International Trade, yesterday pointed out that the exports of food products in the last three years were not very heartening. Mr. Shah pointed out that exports of preserved vegetables and fruits in 1961 totalled only Rs. 84 lakhs out of the estimated production worth about Rs. 5 crores. Mr. Shah advised the leading Indian producers in this field to put their heads together in the export drive. Mr. Shah also referred to the disappointing performance of the biscuit and confectionery industry which exported in 1961 only Rs. 7 lakhs worth out of a total production valued at Rs. 8 crores. The incentives for the processed foods industries include a subsidy of Rs. 500 per ton on tin plate used for open top cans for fruit products, condensed milk and meat industries. There is also the rebate of drawback on tin containers at the rate of Rs. 272 per metric ton and of Rs. 106.90 per metric ton on glass containers. Another incentive seeks to compensate for the high level of sugar prices in comparison to world rates.

Exporting Films

The South Indian Films Chamber is to try and start work on subtitling of Indian films for exports. The Export Promotion Committee for Films, which met in New Delhi recently, suggested that a trade delegation should go to West Asia soon and the delegation should also include a leading Indian actor and an actress. It called for the organisation of festivals of Indian films in Tunisia, Morocco, Sudan, Ghana, Nigeria and Ethiopia. The Indian Motion Picture Producers Association and the Film Producers' Guild of India will jointly prepare a scheme for a central agency to look after film export problems. The Committee considered the State Trading Corporation to be the appropriate agency for handling exports of films to countries with whom trade is on a Government-to-Government basis.

Four years after its inception the Film Export Committee is still devoted to a lot of preliminary work. It has brought out a souvenir on the Indian film industry, in English, French, Spanish and Arabic. Another of its booklets, called *Market for Your Films*, gives details of foreign distributors and capacity and number of cinema houses in various countries. Festivals of Indian films were also organised in Cairo and Djakarta. Earnings from exports of Indian films amounted to Rs. 101 lakhs in 1958-59, Rs. 173 lakhs in 1959-60, Rs. 192 lakhs in 1960-61 and Rs. 161 lakhs in 1961-62. These export earnings are insignificant, in view of the fact that India is one of the world's largest film producers and almost 90 per cent of the feature films produced in this country have an export market.

In 1956, 1957 and 1958, India produced 295 feature films and the production was 312 in 1959 and 324 in 1960 and 303 in 1961. The motion picture industry in the country has a capital investment of around Rs. 90 crores and gives employment to more than one lakh people. Nearly half of them are employed in cinema houses which number a little over 4,000. The cinema houses have a total of 140 crore customers every year. The cinema industry is the fourth in respect of wages paid and fifth in the number of people employed.

Threat to Jute Exports

Apart from the tariff walls which will make exports to Europe harder and the continuing fall in exports of cotton textile goods, another big threat to exports is in jute goods. In 1959-60, jute goods exports earned for India Rs. 111.9 crores, as against Rs. 135.1 crores in 1960-61 and Rs. 144.8 crores in 1961-62. The higher jute goods earnings in 1961-62 were despite a fall in the quantity exported, 785,400 tons against 855,600 tons in 1959-60. In the first half of this year, jute goods exports were higher than in any comparable period since 1948. For 1962-63 the Government target for jute goods exports is 850,000 tons to earn around Rs. 140 crores. In order to get a firmer market for specialities, the Government is adopting a liberal policy in licensing the installation of broad looms and granting the necessary foreign exchange quickly. From 500 in 1959, the number of broad looms has been doubled and, in another year, the installed capacity in broad looms is expected to be further doubled.

The Pakistani competition will have its worst impact on Indian jute goods exports in the next few years. In 1961, Pakistan exported about 206,000 tons of jute goods, that is, 18,000 tons more than in 1960. Between 1960 and 1961, Pakistan increased its sales in Australia from 26,000 tons to 34,000 tons while Indian sales fell from 78,000 tons to 51,500 tons. Pakistani sales to Cuba nearly doubled to 22,000 tons, while Indian sales rose from 41,600 tons to 44,100 tons only. In Burma, Pakistani sales increased from 12,785 tons to 17,134 tons, while Indian sales rose only fractionally from 6,200 tons to 7,900 tons. Not so long ago, Burma was buying only Indian jute goods.

The current capacity of the Pakistani jute industry is about 8,000 looms. The Pakistani Jute Inquiry Commission has suggested a higher target of 16,000 looms, while the Pakistan Plan target is 12,000 looms. In 1955, India accounted for 94 per cent of the exports from the subcontinent. In 1961, its share fell to 80.9 per cent and Pakistan's share rose from 5.9 per cent in 1955 to 19.1 per cent. In sacking too, India's share fell from 87.6 per cent in 1957 to 71.6 per cent in 1960. It will be interesting to know how the industry and the Government of India propose to meet the growing competition from Pakistan.

India's Trade With Some Continental Countries

(In crores of rupees)

	Exports to and imports from				
	W. Germany	Italy	France	Belgium	Netherlands
EXPORTS—					
1955-56	14.92	9.59	7.11	9.00	15.42
1956-57	15.03	6.93	8.01	6.85	10.71
1957-58	15.52	6.66	8.84	5.96	7.67
1958-59	15.18	5.30	7.28	4.42	7.04
1959-60	21.06	6.08	8.39	5.77	9.01
1960-61	19.99	9.22	8.83	5.26	8.56
1961-62	20.68	9.38	8.08	5.93	8.05
IMPORTS—					
1955-56	60.28	16.50	15.54	12.08	14.13
1956-57	90.00	26.31	21.41	24.53	13.92
1957-58	124.07	32.26	25.54	20.02	12.15
1958-59	104.50	27.49	17.64	15.98	9.78
1959-60	114.87	22.79	19.08	14.56	14.65
1960-61	124.11	25.54	19.90	14.74	16.9
1961-62	118.21	23.68	15.98	11.47	12.51

BRITISH FARMING IN THE COMMON MARKET

Britain's Minister of Agriculture, Fisheries and Food, Mr. Christopher Soames, told farmers at Bedford, England, on the 22nd inst. that, if Britain entered the European Economic Community (the Common Market), the present system of agricultural support would gradually be changed to a managed market in which—through levies, tariffs and support buying—the market price for agricultural products would be sustained at a reasonable level. "Such a system, Mr. Soames said, well conceived and properly run, could have many advantages for our farmers over the present one where the bill to the Exchequer and the taxpayer in recent years has been rising at an alarming rate."

In the negotiations so far, the Minister went on, Britain still had lot to agree with the six Common Market countries on the detailed arrangements on how the Community market should be managed for the different commodities. This would be the test in the negotiations ahead, and the Government would have to satisfy itself on the outcome before any decision was taken. Those Commonwealth countries which had a traditional trade with Britain in temperate foodstuffs feared that the system of a managed market could give rise to production in Britain, and in Europe as a whole, expanding at such a pace as seriously to affect the level of their exports to Britain and to Europe. Therefore, in negotiations with the Six, Britain had agreed that if she were to join, the Community would take the initiative in working for international commodity agreements.

The British National Farmers' Union had said that it favoured international commodity agreements even if Britain did not join the Common Market. But there was no doubt that they had been brought much nearer reality by the negotiations in Brussels. The Six had not expressed any intention of working for international agreements until British negotiations with them began. These agreements represented the policy of the Government as a means of preserving the trading interests of the Commonwealth if Britain joined the Common Market.

UNDER SECRETARY TO GOVERNMENT
1 OCT 1962
PUBLIC DEPARTMENT

CHAIRMAN'S STATEMENT

Alind's Sixteenth Annual General Meeting

Production and sales touch new peak levels

MR. S. NARAYANASWAMY REVIEWS ACTIVITIES

Dislocating effect of increased corporate levy
Need for free and adequate flow of aluminium metal
Commissioning of high-tensile steelwire plant
Central Government clearances for "Solidal" project
Export of aluminium conductors

Addressing the Sixteenth Annual General Meeting of the Aluminium Industries *Limited held at the Registered Office*, Kundara, on September 27, 1962, Mr. S. Narayanaswamy, Chairman, said:

The year 1961-'62 has, in several ways, been a memorable year in Alind's history. It has been a year of record turnover, our sales having reached a peak of Rs. 6.17 crores in money value, our production being 62.000 kilometers in bare conductors and 9.86 million core yards of covered conductors. It is perhaps inevitable that such a turnover should produce profits of the order of Rs. 23.16 lakhs enabling the Company, despite higher tax commitments to distribute without much effort, the now familiar 18-per cent dividend on its paid-up capital of Rs. 1 crore, after making appropriate provisions. You will have observed that despite a quantum of development rebate, of which the company was able to avail on its high-tensile steelwire plant, tax provisions have had to be of the order of Rs. 18.20 lakhs. The total tax the company will be paying on its own behalf and on behalf of shareholders by deduction from dividend packets will be of the order of Rs. 23.60 lakhs, which gives you some idea of the suction effect of direct Central taxation on the profits of the Company—distributed and undistributed.

TAX IMPACT

It is interesting to observe that over a three-year period, changes in the pattern of corporate taxation have been such as to add considerably to the burdens of industry. Companies which made reasonable profits exercised prudence in distribution of dividends and ploughed back chunks of residual profits for development in the past, felt that in so fashioning the disposition of their finances, they were achieving a golden mean between distribution on the one hand and the build-up of enhanced earning capacity on the other. I am happy to say that this latter feature has been as welcome to shareholders as the dividend packet itself.

With the stepping up of the Company Tax to 50 per cent and the reduction in development rebate allowance to 20 per cent, the residual profit available for ploughing back has shrunk to levels that are bound to cause concern to all those interested in expansion of industry. The element of internal capital formation involved in ploughed-back profits enabled companies in the past to restrict their additional share issues to a minimum, and apart from this, provided a cushion against the inflationary impact of high-priced plant and machinery involved in latter-day expansion. The incresed corporate levy has the effect of dislocating all medium or long-term managerial programmes of investing retained profits, apart from imposing on the corporate sector as a whole, stresses and strains that will lead to both curtailment of inventories and creation of liquidity problems, compelling the corporate sector to lean more heavily on the banking system—at a time when the banking system itself is not particularly equipped to take on such additional burdens. All told, the pattern of corporate taxation today is not such as to provide incentives for companies taking on the added responsibilities and burdens of expansion. Curiously, the Third-Plan contemplated enhanced installed capacity and diversification of activity by existing industrial units.

EXCISE DUTY

The Finance Act of 1962 has imposed an Excise duty of 5 per cent on finished conductors. As I observed on a previous occasion, the customer pattern in bare conductors being what it is—comprising in the main, Electricity Boards, Project Bodies and State Governments, such Excise duty will only swell projects' bill of costs. All new taxes are meant to augment Plan resources. In this instance, the duty will augment Plan expenditure. In other words, such imposts have financially only a cancelling-out effect, with Excise collection costs thrown in as an addition to the Civil Administration budget.

POWER TARIFF

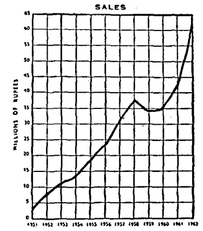
Some time ago, we made representations to the Orissa Government that the rates of power supply to our Hirakud Unit rendered the operations of our Rod Mill uneconomic. We were hoping for some relief in power rates, but far from affording such relief, the Orissa Government have imposed a 15-per cent duty on electric power consumed and this is bound to add to our rod production costs at Hirakud. Your Directors feel that in the circumstances expansion of our activities at Hirakud would be far from purposeful.

ALUMINIUM METAL

I now come to the more crucial problem of raw material. Allocation of raw material to the Company during the current year has been far from satisfactory. In a cycle of stepped-up demand for conductors, any shortfall in aluminium metal supplies, would result in curtailed production of conductors, with which to transmit electricity from hydel or thermal centres of generation in this country of distances—and thus have far-reaching consequences on the pace of electrification. Meagre and perfunctory allocation of aluminium metal, at a time when copper conductor producers have been asked to accept reduced supplies of copper and switch over to aluminium conductor production, is likely to have an unwholesome effect on the morale of the cable industry in India. Until such time as indigenous sources of aluminium supply are able to ensure a free and adequate flow of metal to the cable industry, it would be advisable for Central Government to programme for adequate imports and prompt allocations of such imports to the Conductor industry, in order that the latter may be freed from hesitancies in booking orders. Uncertain deliveries of metal will inhibit production programmes.

EXPANSION SCHEMES

As you are aware, the company has a programme of expanding its Covered Conductor capacity at Kundara and to establish a Covered Conductor unit at Hyderabad. The Company will be trebling its current Covered Conductor capacity before the end of the financial year. Alind Covered Conductors have proved their worth in consuming markets and our increased capacity will help us to meet the increased consumer demand. In respect of the underground cable manufacturing programme known as the "Solidal" project, we have now obtained clearances from Central Government for importing the necessary equipment. We expect to establish the "Solidal" unit before the end of 1963.



ROD ROLLING

Alind has had the privilege of establishing the first Properzi rod-rolling mill in India and of following it up by a modern Properzi unit in Hirakud. The Company has now full command of the technique of rolling rods by the Properzi process, which is now established as the most economic method of producing rod for conductor manufacture. The Company has applied for a licence to enhance rod-rolling capacity from 250 to 600 tons per month. With the step-up of primary metal production within the country, it appears essential that the country should be concurrently equipped to manufacture rod out of ingots, by the economic Properzi process and free the country from dependence on external sources for rod supplies. It is our hope that the small quantum of foreign exchange involved in our programme to augment rod rolling capacity will be weighed by Government against the vastly larger foreign exchange saved by non-import of rod—which is what will be secured by an increase in our rolling capacity. It is hoped that Government will afford us facilities to import the necessary Properzi rod mill unit and ensure larger production of rod by the cheapest and most efficient process.

STEEL PLANT

The performance of our high-tensile steelwire plant commissioned in November 1961 has been fully up to expectations, though we have been battling against inadequate availability of zinc at economic prices. The Japanese technicians who helped us with the erection and smooth commissioning of the plant left Kundara a few weeks ago after satisfying themselves about the efficient operation of the unit.

SWITCH-OVER FROM COPPER

Consequent on slender indigenous supply of copper and our limited foreign exchange resources, Government have decided on asking copper-using cable manufacturers to switch over to aluminium. In view of the large and well-spread bauxite resources of India and the licensing of several primary metal producing units, the production of aluminium is bound to be stepped up substantially in the next three to five years, making available to the conductor industry its full requirements of raw material. There is little doubt that this phased programme of displacing copper by aluminium cables will be implemented satisfactorily.

CABLE STUDY TEAM

Having regard to the spectacular strides taken by the cable industry in India and the increasing importance of maintaining the highest standards of production in the industry, it was very appropriate that the National Productivity Council should have sponsored a tour of U.S.A. and Japan by a Team of Indian Experts, who will visit cable factories in these countries that have made so notable an advance in cable-making techniques on the basis of research carried out over the years. I am happy to say that the National Productivity Council Study Team has paid Aluminium Industries the compliment of appointing the Company's General Manager, Sri V. G. G. Nayar, its accredited leader This, I believe, implies a recognition of the significant role Alind plays in the cable economy of India. The report of this team, when made available, will undoubtedly constitute a valuable addition to the none-too-voluminous literature and know-how on the subject of cable manufacture in India and help the Indian industry as a whole to improve and refine its techniques.

EXPORT

I should not omit to refer to Alind's part in helping export promotion. A few export orders for bare and covered conductors and accessories were received from South East Asian Countries and are in the process of being executed, the first bare conductor reel to be exported having been kindly released by the Kerala Chief Minister earlier this year. I am glad to say these exports are not uneconomic nor are they subsidised, while margins of profit are no doubt modest.

CAPITAL ISSUE

The Company has received Government sanction for a further issue of capital—namely, 3,50,000 shares at a premium of Rs. 3.50 per share. This issue when made will bring our paid-up capital to Rs. 1.35 crores, while adding Rs. 12.25 lakhs to our Share Premium Reserve. Such an issue will relieve the company of pressure on ways-and-means, caused by continuous plough-back of funds into expansions—a process which will become more and more difficult under the new tax dispensation. The company expects to make the capital issue early in 1963, when our expansion projects will get under way.

That about sums up our doing during the years and our plans for the future which I hope will be implemented with the same smoothness and promptitude as our earlier projects. Notwithstanding difficulties I have catalogued already, there is reason to look forward with confidence to a period of augmented and gainful activity for Alind.

N.B.—This does not purport to be a record of the proceedings of the Annual General Meeting.

AMERICAN LETTER

ECONOMIC PULSE NOT SATISFACTORY

JUSTICE DEPARTMENT MAY PROSECUTE BANKING UNDER ANTI-TRUST LAWS

From Our Special Correspondent

NEW YORK, *22nd September*

BUSINESS is still good and should remain so, but Secretary of Commerce Hodges, surveying all indicators, said that the economic pulse is "not entirely satisfactory."

Industrial output in August was unchanged from July on an overall basis. Consumer spending was lagging. August retail sales slipped 0.5 per cent below the July level. Personal income posted its smallest gain in seven months—it gained only $900 million. Steel mills, operating at about 54 per cent of capacity, said that incoming orders were "disappointing."

Pre-tax profits this year are expected to top last year's figures for most U.S. manufacturing companies. This prediction is based on a survey made by the National Industrial Conference Board. Some of the findings are somewhat interesting.

An overwhelming majority of those surveyed predict that their new orders and billings in the second half of this year will surpass those registered last year. Also, more than half of the companies polled plan to increase their capital expenditures this year over 1961. Most companies expect employment to remain stable and many executives forecast a continuation of intense competition and price pressures in their markets for some time to come. In my opinion, this is a very realistic picture.

Specifically, capital outlays are expected to be higher this year for 55 per cent of the firms, with jumps of 50 per cent or more predicted by more than one-fifth of the companies polled. About 38 per cent of the companies expect inventories to be lower at the end of this year than they were in spring, 33 per cent believe they will be higher and the remaining 29 per cent anticipate little change.

Generally speaking, the most favourable expectations are reported by consumer products' manufacturers. Taking all factors into consideration, the business community has optimism.

Steel Controversy

The steel-Government controversy, mentioned in my last despatch, has quieted down. The four steel manufacturers who were asked to testify before Congress finally came to Washington and pleaded with a Senate Sub-committee for exemption from the Congressional order to divulge confidential data on production costs and pricing policies, because publication may jeopardize their competitive position at home and abroad. The steel group got a sympathetic ear from the full Senate Judiciary Committee and it looks at this writing as though the Committee may allow all four companies to ignore the Committee's original subpœna.

But the Government moved against another segment of the metal industry. In Hartford, Connecticut, 11 copper fabricators were indicted by a Federal Grand Jury on charges of conspiring to fix prices for six years. The usual procedure is that, after lengthy and costly litigation, a consent decree is issued and the Department of Justice moves to indict another industry. This is almost routine.

One business the Justice Department has not tackled yet, but would like to prosecute, is banking. The anti-trust philosophy which is part and parcel of U.S. Federal statutes is, of course, price fixing which tends to lessen competition. These laws go back to the second decade of this century, when the Rockefeller oil monopoly was broken up.

U.S. Investments Overseas

U.S. corporations and individuals now hold a record $34,700 million in direct investment abroad. This is more than three times the 1950 total. Last year's rise amounted to $2,000 million over 1960. This was despite the fact that nearly $960 million of direct investments in Cuba were written off because of expropriations by the Castro regime.

At this point, more than one-third of U.S. direct investments outside of the country are in Canada which accounts for about $11,800 million, followed by Great Britain with $3,500 million and Venezuela with $3,000 million, mostly petroleum and mineral properties. Indeed, U.S. foreign investments in oil have outpaced those in other industries during the last 12 years. They now account for 35 per cent of U.S. foreign investment abroad. Manufacturing is now about 34 per cent of the total, mining and smelting 9 per cent, trade 8 per cent and public utilities 6 per cent, against 12 per cent in 1950.

United Nations News

The opening of the General Assembly produced no particular or spectacular news. Abiding by its previous commitments, the U.S. Congress between the House of Representatives and the Senate assured the United Nations of financial support to the extent of $100 million. The measure has been sent to the White House for signature.

It would match the contributions and pledges of all other member-nations which, at this point, are at about $73 million and are anticipated to reach $100 million. This would take care of the $200 million bond issue which became necessary as a result of extraordinary expenditures and the failure of member-nations to contribute their share.

Mr. Adlai E. Stevenson, U.S. Representative to the U.N., said in his formal address at the opening, "our organization has today a deficit of more than $150 million, brought about largely by defaults or delays in payment for peace-keeping operations which have proved as expensive as they were necessary. The emergency plan to meet this deficit through the sale of bonds is good as a stopgap . . . but this is a palliative not a solution . . . this Assembly now faces the compelling obligation of affirming a policy of collective financial responsibility for the policy and actions of the U.N. . . . this session of the Assembly should accept and act upon the advisory opinion of the International Court of Justice as past Assemblies have . . . the financial integrity and independence of the U.N. are at stake."

A new permanent financing plan, he said, should require every member to meet its obligations when an assessment is duly voted; otherwise "we doom our organization to impotence." A good deal of this, of course, is wishful thinking, particularly in view of the crisis here over Cuba which is shaping up as a *casus belli*.—*All Rights Reserved.*

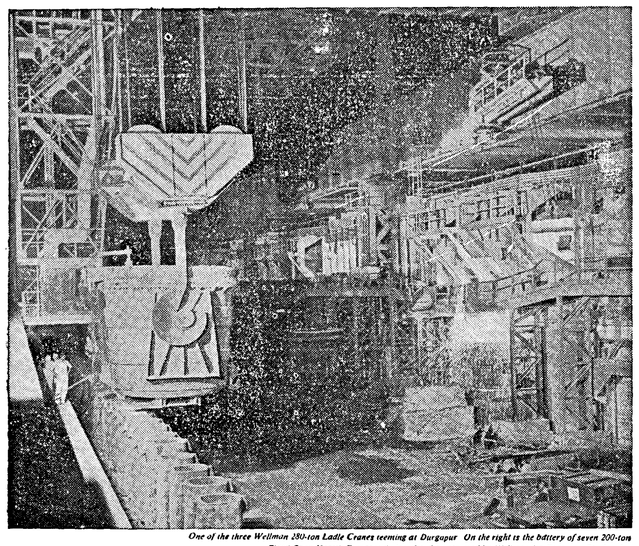
SURVEY

(*Concluded from page 543*)

from this august body. The following quotation from the report will bear out our contention:

'Central and State tax revenues as a proportion of national income rose from about 9.5 per cent at the end of the second Plan to around 10 per cent in 1961-62; the proportion was around 8 per cent at the end of the first Plan. As measured by the ratio of tax revenues to national income, taxation as an instrument for mobilising resources appears to show a slow response, though, in view of the increase in national income during the period, the absolute amounts raised through taxation are considerably large. The proposed increase in assessments on land in a few States would break new ground in the attempt to mobilise tax resources for the Plan. This is a sector of the tax field the obvious potentialities of which deserve to be more fully exploited in the interest of adequate fulfilment of State programme of development."

While the emphasis on taxing the agricultural sector to a greater extent than has been the case so far is quite pertinent and represents a categorical statement, the observations on the other questions are rather vague. It would be helpful to those who have to educate public opinion, if the Directors of the Reserve Bank could be forthright in their remarks on the crucial issues confronting the nation.



One of the three Wellman 280-ton Ladle Cranes teeming at Durgapur On the right is the battery of seven 200-ton Fixed Open Hearth Furnaces designed and constructed by Wellman for Durgapur Steelworks.

WELLMAN INCANDESCENT

OFFER COMPLETE SERVICES IN MECHANICAL HANDLING EQUIPMENT

Wellman Incandescent are backed by the vast resources and technical knowledge of Wellman Smith Owen Engineering Corporation, their collaborators who have more than 50 years experience in pioneering and developing Mechanical Handling Equipment for diverse industries. During this period Wellman Mechanical Handling Equipment have won an enviable reputation for outstanding reliability and service.

Lately, as a member of the ISCON Group, Wellman Smith Owen, collaborators of Wellman Incandescent, designed and supplied 33 cranes including seven 150-ton and three 280-ton Ladle Cranes and two 200-ton Ingot Stripping Cranes, for the Durgapur Steelworks.

Wellman Incandescent are also specialists in Industrial Heat Engineering. They design and erect a very wide range of furnaces, ovens—ferrous or non-ferrous, for use in diverse industries and are now in a position to manufacture the entire range of products which hitherto have been supplied by Wellman Smith Owen and Incandescent Heat Company.

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AIDING UNDERDEVELOPED COUNTRIES

MR. BLACK LAYS EMPHASIS ON MULTILATERAL AID

[In our last issue, vide page 487, we made a brief review of the Fund-Bank annual meetings at Washington. Since then, we have received the full text of the speech of Mr. Eugene R. Black, President of the World Bank. The main themes of his speech pertain to some long-range considerations that affect the prospects for economic growth in the less developed countries and the urgent need for enlarging I.D.A.'s resources. While developing these themes, Mr. Black dwelt at length on the desirability of extending more and more multilateral aid to underdeveloped countries, as opposed to bilateral aid. Since both the themes are of great interest to this country, as it is to all the other members of the I.M.F. and the World Bank, we are recording here in extenso the relevant portion of Mr. Black's address.—ED.]

IN 1948, when the World Bank made its first development loans, the belief was widely held that, if enough money could be found and channelled into the financing of the more obviously productive projects in a country, economic development would be almost sure to follow. Experience since then has shown both that there are usually internal obstacles to development that no amount of finance alone can overcome, and that the developing countries also face external economic difficulties—namely, adverse factors in their international trade—that affect the amount and kind of aid they need.

One such difficulty is sometimes created by the trade policies of the industrialised countries themselves. Generally speaking, tariffs or quotas do not at present unduly restrict the exports of primary products from the developing countries, but there are manufactured products—notably cotton textiles—where discrimination is an important factor. I feel considerable more anxiety about the effects of trade restrictions in the future, when we ought to be able to hope for rising exports from the developing countries, and especially of the products of their growing manufacturing industries. The new regional economic groupings of countries in Europe and elsewhere are obviously one source of concern to the developing countries. The possibility that the nations within these groupings may surround themselves with high protective barriers, offering discriminatory concessions only to countries with whom they feel special ties, clouds the economic prospects of those who feel they may be excluded. If, however, these groupings adopt liberal trade policies, the underdeveloped countries will have nothing to fear: on the contrary they can be certain of sharing in the prosperity of the group's members.

Terms of Trade

A more serious situation arises from unfavourable movement in the terms of trade of most of the underdeveloped countries. In recent years, the prices of what they buy from the developed countries have continued to rise, while, with very few exceptions, there has been a fall in the prices of what they sell. Clearly, there is no easy way out, since, in almost every case, the recent decline in price reflects a fundamental tendency for production of the commodity concerned to run ahead of world demand for it. Nevertheless, it does seem to me that the industrialised countries ought to recognise that their own balances of payments have benefited from the swing of the terms of trade in their favour. To give you an instance, in one European country whose experience is reasonably typical, this swing was sufficient to make the nation's total import bill in 1961 about 8 per cent less than it would have been had 1956 prices still prevailed. This is one reason—and there are many others—why most of the industrialised countries are today in a much better position to increase their contributions to the international development effort than they were a few years ago.

What with the continuing need for technical assistance, the implications of international trade policies and the performance of the prices of internationally traded commodities, quite sufficient complications have been introduced into that former simple vision which saw an inflow of external capital as the sole prerequisite of economic progress. But one has to go a stage further. Not only must there be more aid, if development is to continue: the aid must often be different in kind as well as greater in amount.

Repaying Capacity

Many countries are finding that their capacity to make effective use of aid is growing faster than their capacity to repay. During the early nineteen-fifties, when external debt was still comparatively small and well-prepared projects were few, most less developed countries could still prudently accept loans at conventional rates of interest and repayable over the conventional period of time. But today, in many cases, a dangerously high proportion of export earnings (the prospects for which are themselves clouded) are mortgaged to future debt service. Our own figures show that, between 1955 and 1961, a group of 34 countries, accounting for some 70 per cent of the population of the underdeveloped world, more than doubled its total external public debt. Yet over the same period, the export earnings of the same group increased by little more than 15 per cent.

If the momentum of development is to be maintained, it can only be by grants or by loans largely at very long term and at very low interest. This is why the International Development Association was brought into existence.

The needs of the poorer countries are great, and they certainly are not likely to diminish over the next few years. At the same time, if foreign aid is to be a real help to the recipient countries, and is not to become an intolerable burden upon the lenders, it must be offered and applied as economically and effectively as possible. I should like to discuss one factor in particular which, I believe, has a great influence on the effectiveness of aid; this is the choice of the channels through which the aid is made available.

Foreign Private Capital

An important part of the capital needs of the less developed countries can and should be met from foreign private sources. But, for reasons that are well known, private capital is not willing to venture into these countries on the scale needed. In particular, capital for direct investment in roads, railroads, and other basic services, or for social investments such as schools or hospitals, is almost unobtainable from private sources on *any* basis.

This means that private capital investment must be supplemented on a large scale, by funds from public sources. The question remains: Are we likely to get the best results if these funds are supplied on a bilateral basis—direct from one Government to another—or should they be channelled through and administered by a multilateral agency?

Realistically, this cannot be a stark choice between two extreme positions—all aid bilateral or all aid multilateral. It is a question of emphasis. Like it or not, bilateral aid is an instrument of foreign policy, and mixed up with cultural ties, regional loyalties and other circumstances extraneous to purely economic considerations. The aid-giving countries are naturally disposed to direct their help especially to those countries whose friendship or stability they particularly value. Nor do I expect them to stop stinting aid to countries they hold in less regard.

Bilateral and Multilateral

But I do believe that the emphasis should and can be changed, away from bilateral and toward multilateral aid. Bilateral aid is usually—and unfortunately, increasingly—tied to purchases of the giver's products. However well intentioned a lending Government, it is vulnerable to pressure from its own commercial interests to help finance the sale of particular goods for projects abroad, whether the projects themselves are well justified or not. And, however sensible the Government of the recipient country, it may have difficulty in resisting offers of finance, even for low-priority projects and on terms that often are not suited either to the circumstances of the country or the requirements of the project.

My most serious criticism of bilateral aid programmes, however, is their susceptibility to political influences, whether overt or otherwise. At its worst, aid is offered or exacted as a price in political bargaining that takes no account of the actual economic requirements of the recipients. But even at best, there is always the risk that political influences may misdirect development aid, since they may bring in considerations that are irrelevant to the real needs. I have known cases where, as a result, a splendid new sports stadium has been built, while the highway system remains primitive; or where the national airport has acquired a strikingly modern terminal building, while parched but fertile land is left without irrigation. Economic priorities are inevitably confused when economic objectivity is lost—and economic objectivity is not easy when aid is influenced by political ends. Moreover, the problem goes deeper than the simple waste of a given amount of money. Aid directed to a Government that is unwilling to meet the real needs of a country has one consequence that is pernicious. The most obvious result of some of the bilateral lending of the past decade has been to make it possible for countries to put off undertaking needed reforms; because well-meant but ill-judged offers of aid have been forthcoming, Governments have been able to postpone such essential but disagreeable tasks as the overhaul of systems of taxation or essential currency reforms.

I doubt, moreover, whether bilateral aid is any more efficient as a method of achieving political ends than as a means of furthering development. My own acquaintance among leaders of the less developed countries does not suggest to me that they are persons who would be easily bent to any foreigner's purposes: they value their own and their countries' independence too highly. In any case, it is clear that aid which is at the mercy of the variable winds of diplomacy offers a poor basis for the rational programming of economic development.

Admittedly, bilateral programmes have been known to work well, avoiding friction, furthering development, and even garnering some political returns as well. And development aid on a multilateral basis has not always been a success. Having said this, however, I would still assert that multilateral aid, when it is professionally equipped and independent of political pressures, offers advantages that bilateral assistance cannot equal.

No Political Influence

The international aid organisations are objective, and are known to be so. They enable a developing country to draw on the experience of all nations; to buy in the cheapest market; and to avoid compromising its sovereignty by regulating its internal affairs at the behest of other countries. An international organisation will make aid available with the sole purpose of helping the country receiving that aid. The Bank, and I.D.A., for example, can apply what should be the real criterion—the practical merits of the particular case. Because they are known to have no ulterior motive, they can exert more influence over the use of a loan than is possible for a bilateral lender: they can insist that the projects for which they lend are established on a sound basis, and—most important—they can make their lending conditional upon commensurate efforts being made by the recipient country itself.

This objectivity provides the chief reason for expecting that aid can be most effective if channelled through an international agency—but there are other reasons. Countries receiving aid from a multilateral organisation to which many nations have contributed, and under international administrations, will be likely to take a more responsible attitude toward the use and repayment of that aid than toward aid received bilaterally. An international organisation can also spread its net more widely than any single country. It can provide advice on all aspects of development planning, based on experience drawn from many nations, including the underdeveloped countries themselves. If offers a framework within which can be put to good use the resources and knowledge of industrialised countries too small to be able to justify the administrative effort needed to mount effective aid programmes of their own. It may, like the Bank, be able to raise development funds on a world-wide scale in the private market. And, in the long run, I am convinced, multilateral aid programmes must exert a much healthier influence than bilateral lending upon international relations as a whole.

I have advanced a number of arguments whose relation to one another may not have seemed very clear. But, in fact, they are all relevant to a single and urgent issue—the future of the International Development Association.

I have argued that more aid is needed; that, in particular, more aid is needed on comparatively easy terms of repayment; and that there are cogent reasons for preferring that

(*Continued on page 576*)

CLOTH OUTPUT AND EXPORTS DECLINE

MILLS CARRY MORE STOCKS

IT would appear from data available so far that the production of mill cloth in the current calendar year (that is, 1962) will be less than that in 1961 and 1960. The quantity of cloth woven in the mills during the first eight months of the year was just 3,363 million yards, as against 3,439 million yards in the corresponding period of 1961. Reasons for the downward trend of output are not far to seek. The raw cotton supply position has continued to be difficult, with prices being pretty high. Moreover, several mills have been finding it difficult to secure the right type and quality of cotton. The cost of other items that enter into production of cloth has also gone up, thanks to the all-round increase in the prices of a number of stores and accessories. The wage bill, too, has been heavier. In several parts of India, as, for instance, Madras State, West Bengal and Gujarat, production was adversely affected by scarcity of power and fuel.

Even at an inflated cost base, the mills may be expected to maintain as high a level of production as possible, provided, of course, they are adequately compensated by higher realisations on sales. The fact, however, is different. Sales realisations of many units have tended to decline, following the voluntary price regulation scheme, on the one side, and reduced offtake, on the other. The actual exports of cloth during the eight months ended August 1962 are estimated at no more than 325 million yards, as against 405 million yards in the same period last year. The offtake for domestic consumption has also been moving at a slow pace: about 375-380 million yards a month, as against 390-395 million yards in the past year. Consequently, the stocks lying with mills have risen. The total of these stocks, as at the close of August 1962, stood at 620 million yards, as against 550 million yards a year before, or an increase of 70 million yards. The increase is accounted for by both unsold cloth and cloth sold but delivery not taken; the former is higher by 43.4 million yards at 286.8 million yards and the latter by 26.6 million yards at 333.5 million yards.

The following table shows the statistical position of mill cloth during the first eight months of 1962 and 1961, as well as during the whole of 1961 and 1960:

(In million yards)

	January-August		Whole of	
	1962*	1961	1961	1960
Opening stocks	593.9	617.3	617.3	410.6
Production	3,363.3	3,439.3	5,141.5	5,052.0
Imports	4.0	4.0	5.0	5.0
Total supply	3,961.2	4,060.6	5,763.8	5,467.6
Exports	324.7	405.0	572.0	692.0
Domestic consumption	3,016.2	3,105.2	4,597.9	4,158.3
Closing stocks	620.3	550.4	593.9	617.3

* Estimates projected on the basis of latest available data.

Despite the comfortable supply position, slackness in offtake and the scheme of voluntary regulation of prices enforced by the Indian Cotton Mills' Federation, cotton textile prices have tended to rise in recent months. The average all-India index of wholesale prices of cotton manufactures (base: 1952-53=100) for the week ended 1st September 1962 was 129.3, as against 127.5 a year before. The index was, however, lower than the average of 130 for the month of June 1962. Evidently, this modest rise in the index number reflects the higher excise duty on certain varieties of cloth. The actual price paid by the consumer must have been much higher. The index number, it is common knowledge, does not fully reflect the prices paid by consumers. For one thing, the cloth produced by powerlooms and handlooms accounts for nearly a third of cloth consumed in the country and the prices of these varieties are not comprehensively taken into account in the calculation of the index number. In computing this number, it may be noted, the authorities take into account 12 items of mill-made cloth, four items of handloom cloth and some items of hosiery goods. The entire range of powerloom goods which constitute the major portion of production in the decentralised sector is not represented in the index number. For another, in many centres, the retail prices of mill-made cloth are higher than the stamped price, as both wholesalers and retailers have been exploiting scarcity of popular varieties.

The total production of mill cloth in the first eight months of 1962, as already noted, was lower by 76 million yards (at 3,363.3 million yards) as compared with the same period last year. The decline occurred although the yarn output registered a rise, the quantity actually spun in the aforesaid period being 1,263.11 million lbs., as against 1,236.89 million lbs. a year before. The trend of mill cloth and yarn output month by month is indicated below:

Month	Cloth (Million yards)		Yarn (Million lbs.)	
	1962	1961	1962	1961
January	436.31	437.24	160.12	155.07
February	390.22	408.02	150.72	145.60
March	416.97	422.38	159.66	151.35
April	412.35	421.45	154.56	150.63
May	422.69	429.67	158.63	152.13
June	418.73	435.27	155.42	150.83
July	431.00	444.68	157.00	165.79
August	428.00	440.56	161.00	165.49
Total—Jan.-August	3,363.27	3,439.27	1,263.11	1,236.89
Whole of 1961	5,141.51	..	1,901.12	..
Whole of 1960	5,052.00	..	1,733.12	..

The decline in mill cloth production in the current year is accounted for by all the categories excepting the upper medium and superfine counts. The figures for the first half of 1962 reveal that the actual fall (over the corresponding half of last year) was 54.86 million yards in lower medium cloth, 18.13 million yards in coarse counts, and 6.46 million yards in fine piecegoods. The production of upper medium cloth was, however, higher by 22.81 million yards and that of superfine categories by 11.68 million yards. This trend is in consonance with the shift in consumer preference for finer varieties of cloth. The table below shows the actual level of output of different categories:

(In million yards)

Categories	January-June		Whole of	
	1962	1961	1961	1960
Coarse	377.38	395.51	864.12	705.29
Medium	1,898.47	1,930.52	3,842.82	3,814.69
of which:				
Lower medium	788.28	843.14	1,670.69	1,739.26
Upper medium	1,110.19	1,087.38	2,172.13	2,075.43
Fine	96.32	102.78	196.11	229.80
Superfine	132.09	120.41	238.46	302.26
Total	2,504.26	2,549.22	5,141.51	5,052.04

Since the beginning of this year, machine activity in the spinning sector has remained at a high pitch, with more spindles being put into effective use. The number of spindles actually worked in the first shift during the month of June 1962 was over 12.32 million, as against 12.03 million in June 1961. Similarly, the spindles run in second and third shifts were high at 12.13 million and 7.94 million, as against 11.87 million and 7.44 million, respectively. The number of looms working, however, was lower at 181,788 in the first shift and 176,929 in the second shift, as against 182,000 and 177,000, respectively, in June 1961.

The mills' performance on the export front continues to be disquieting. The quantity actually shipped in the first eight months of 1962 is estimated at no more than 325 million yards which is well below the 405 million yards shipped in the same period last year. How cloth exports from Bombay Port, through which passes the bulk of the cloth sold for foreign markets, fared in the first eight months of 1962 and 1961 is indicated in the following table:

(In million yards)

Processing sorts	January-August		Whole of	
	1962	1961	1961	1960
Grey	162.70 (12.17)	213.53 (15.82)	295.22 (21.65)	370.71 (27.17)
White	52.95 (4.38)	69.31 (5.03)	98.88 (7.44)	209.74 (8.41)
Coloured	76.56 (7.07)	86.11 (7.81)	127.26 (11.43)	121.31 (10.92)
Total	292.20 (23.61)	368.95 (28.66)	521.36 (40.52)	601.76 (46.49)
Apparel	(0.14)	(0.12)	(0.18)	(0.23)
Other textiles	(4.99)	(4.95)	(7.08)	(7.80)

N.B.—Figures in brackets represent value in crores of rupees.

It is true that the scheme of compulsory textile exports (12½ per cent of the annual turnover in cloth) has been in force since 1st July 1962. Even so, a section of the textile trade does not expect the total exports of cloth from India during the whole of 1962 to exceed 500 million yards, as against the actual shipment of 572 million yards in 1961, 692 million yards in 1960 and 815 million yards in 1959. The estimated shipment of 500 million yards falls considerably short of the third Plan target of 800 million yards and the peak level of exports amounting to 1,120 million yards touched in 1950. The foreign exchange earned from cotton textile exports has steadily declined from Rs. 64.27 crores in 1959-60 to Rs. 57.55 crores in 1960-61 and further to Rs. 48.40 crores in 1961-62. The persistently downward trend of cloth exports has been due to stiffer competition offered by other countries, particularly Japan, Hong Kong, communist China and Spain. Indian textiles are getting priced out in world markets. The situation can be corrected not by compulsion of the type now in force or by means of a more liberal export incentive scheme but by energetic action directed towards reducing production cost and improving quality of piecegoods through speedy rehabilitation and modernisation of mills.

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Copies of the Bond prospectus announcing the terms of issue and the application forms are available at the receiving offices mentioned above.

U.K. TEXTILES IN COMMONWEALTH

TRADERS GENERALLY FAVOUR ENTRY INTO COMMON MARKET

From Our Special Correspondent

MANCHESTER, *18th September*

HISTORY has undoubtedly been in the making at the conference of Commonwealth Prime Ministers in London and, whatever the eventual outcome of the deliberations, Britain's industrial future hangs in the balance. The protagonists of Common Market and Commonwealth each have their individual opinions, which are unlikely to be shaken by oratory, but it was surprising that, in a recent public opinion poll taken in Britain, so many of those questioned on such a momentous topic were among the "don't-knows."

MANCHESTER LETTER

Cotton textile traders have their own views on the subject, but, if the statements of company chairmen in this and other industries are to be accepted, the general consensus of opinion would be very much in favour of Britain's participation in Europe. The, anonymous booklet produced by the Cotton Board has gone so far as to describe it as "Lancashire's last chance."

The opposition of the Commonwealth to the project was scarcely unexpected and the Premiers of the countries concerned have made their views crystal clear. At the same time, they should recognise that Britain has to look ahead, taking a long-term view of her industrial future.

It has frequently been suggested in recent years that what has happened to exports of cotton goods from this country will eventually be reflected in numerous other trades. From being a world supplier, Britain now imports a substantial quantity of her domestic textile requirements. Few local traders need any reminder of this situation, but, for those whose memories may be shorter, the accompanying table, showing the volume of cotton cloth exported to the major Commonwealth countries from the United Kingdom over the past 25 years, may serve to indicate how quickly erosion of an industry can take place.

Although South Africa is no longer a member of the Commonwealth, its importance as a market to Lancashire merits its inclusion in the above analysis. The rest of the figures can be left to speak for themselves, but it will be appreciated that some of the pre-war African returns are not strictly comparable with current shipments, due to political changes in the various territories.

Marking Time in Geneva

Coinciding with the top-level discussions in London on Britain's application to join the European Community, equally vital talks affecting the future of world traders in cotton textiles have been preceding in Geneva. Their adjournment until the end of the month leaves many questions still unanswered, but, as the five-year pact on imports is scheduled to begin from 1st October, some definite conclusions must very shortly emerge.

The general pattern of trading in cotton goods envisaged under the arrangement has already been widely publicised. Very broadly, the aim is to provide additional scope for the developing countries, mainly in the Far East, to increase their shipments but in an orderly manner, so that no one particular importing nation should be unduly affected nor would any single section suffer excess pressure from overseas arrivals.

Needless to say, such an arrangement reads well on paper but presents innumerable problems when details have to be drawn up. Most of the countries involved in these negotiations have accepted the terms in principle, but the intentions of the major importers when it comes to accepting more supplies from the underdeveloped areas are awaited with keen interest, especially in Lancashire. The traditional Continental manufacturing countries provide perhaps the chief focal point of attention, but, again, their readiness to absorb more imports is linked with the even more fundamental aspect of the Common Market negotiations.

There is reason to believe that progress has already been made in establishing a basis more favourable to Britain in the course of those discussions which have already taken place. Any shifting of the burden of imports from Lancashire's shoulders would be welcome and a general European acceptance of bigger supplies would ease the situation considerably.

Redundancy Compensation

A further demand for a compensation scheme for Lancashire cotton workers who are thrown out of work by mill closures has been made in Manchester by union leaders. After a meeting of the Legislative Council of the United Textile Factory Workers' Association, which represents 120,000 cotton workers, the President, Alderman Harold Chorlton, said that feeling was very strong on the subject.

Under the Government-sponsored reorganisation scheme, redundant cotton workers were paid compensation, but now, because of the indifference of the Government, employers were not forced to pay compensation at a time when further mill closures were threatened, he said.

The Association wants to see the setting-up of a central organisation for handling compensation claims, and is to approach employers on the subject. Employers' organisations have already rejected the idea, because they say that some firms which decide to close do not have the resources to make compensation payments to their staff.

Cotton Mission

A second team of Lancashire cotton men are visiting Common Market countries on a fact-finding mission. The six-man team comprising five members representing the industry's merchanting, weaving and finishing sections, and one Cotton Board official will visit Belgium and France. The Cotton Board mission will be calling at Brussels, Ghent, Antwerp, Paris, Lille and Strasbourg. The reports of the mission will be included in a survey which the Cotton Board is preparing of textile marketing in the E.E.C.

In a paper presented to the British Association for the Advancement of Science, which held its annual conference in Manchester recently, Mr. Alan Ormerod, Managing Director of Ashton Bros., the big Lancashire cotton firm, predicted the future of the trade, and suggested how its structure should be changed to meet modern needs. He said that the annual yarn and cloth requirements for Lancashire mills, after making adjustments for imports, could be produced on double-shift rings and looms and three-shift finishing equipment on 5,500,000 spindles and 95,000 automatic looms.

Using more astronomical totals, he estimated that to eliminate all non-automatic looms and obsolete plant would cost over £400 million, using existing buildings, but, if replacement of buildings was needed, a further investment of about £260 million would be necessary. In his submission, the whole of the resources of the 1959 Act should have been made available to support re-equipment.

Accepting that the £30-million figure was only a notional amount, which could be exceeded if necessary, Mr. Ormerod suggested that, if £50 million had been made available as a 33⅓ per cent re-equipment grant for technically screened projects and an assurance given not to meddle with importation ceilings during the implementation of the scheme, Lancashire would have been well on the way to technical parity with her competitors.

Iron Hand Needed?

When it comes to outlining big schemes of this kind, with many millions of pounds at stake, to say nothing of the lives and livelihood of many thousands of people, there must come a point at which compulsion takes precedence over the voluntary system. Throughout the series of officially supported measures to contract the trade, the object has been to encourage firms to concentrate or retire from the scene; except in the emergency of wartime, no dictatorial powers have ever been granted to either an individual or even a small committee.

The railways in Britain are now undergoing intense pruning and the nationalised coal mines are being dealt with in like manner. Will the eventual outcome be a Commissar for Cotton? There seems to be no other way of interpreting the views of those who believe that the structure of Lancashire's textile industry must be fundamentally altered. Agreeable mergers between companies which are as independent as their managements and shareholders will allow, can only be settled over a length of time during which the trade is constantly dwindling in size.

On the staffing problem alone, Mr. Ormerod is convinced that the industry is incapable of surviving at its present size as the necessary management material to control the sort of operations he envisages would not be available. "As vertical groupings are desirable," he says, "management and technical personnel with knowledge and experience of the three sections will be essential to integrate and co-ordinate the re-equipment, and subsequently to organise and control it."—*All Rights Reserved.*

U.K.'s Cloth Exports to Commonwealth

(In million square yards)

	1937	1949	1959	1960	1961	1962 Jan.-June
Australia	152.4	123.6	52.2	44.4	31.7	15.7
New Zealand	35.7	45.7	26.6	28.0	21.8	8.2
Canada	76.4	23.5	6.5	6.4	4.4	2.6
Rhodesia and Nyasaland	16.1	31.4	22.4	18.3	15.9	10.3
Nigeria	116.8	100.2	28.1	36.8	31.3	8.4
Ghana	43.5	63.3	22.3	24.8	23.7	8.5
Sierra Leone	11.5	7.6	6.7	10.0	10.8	4.4
India	224.5	51.4	3.0	1.0	0.5	0.2
Ceylon	27.6	12.6	4.8	4.1	3.2	1.4
South Africa	132.9	74.6	40.6	40.9	33.6	14.7

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CHAIRMAN, DR. A. RAMASWAMI MUDALIAR, OPTIMISTIC ABOUT OUTLOOK

SPEECH AT ANNUAL GENERAL MEETING

A NOTE of optimism about the outlook for the India Steamship Company Ltd. was expressed by its Chairman, Dr. A. Ramaswami Mudaliar, in his speech at the Company's Annual General Meeting, held at Calcutta on Tuesday, 25th September 1962. Dr. Mudaliar based his optimism mainly on two "redeeming" factors of recent origin, namely, the increase granted in coastal freight of 15 per cent for general cargo and about 10 per cent for coal carryings and the agreement reached between the Indian and British Lines as members of the India/U.K./Continent Conference pool arrangement to raise the former's pool quota from 30.5 per cent to 39 per cent with effect from September 1962 and to increase the percentage every year by an escalation of one point. Yet another important recent development, the Chairman said, was the agreement reached between the three Indian Lines (the Scindia Steam, the Shipping Corporation and the India Steamship), which are the members of the pool arrangement, to share, on a pooled basis, equal carriage of freight and equal earnings for the three Lines in the Indo-Polish, Indo-German, Indo-Soviet and Indo-Rumanian trades in the Black Sea and in the trade to the Egyptian and Levantine ports and the Indo-Adriatic trade.

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

"GENTLEMEN,

"The audited accounts and Directors' report for the period ending March 1962 have been in your possession for some time and, with your permission, I shall take them as read.

Death of Devoted Champion

"I have to refer to the great loss that the Company sustained in the demise of my esteemed friend and colleague, Sir Bijoy Prosad Singh Roy. The place that he had in the public life of India and of Bengal, in particular, can hardly be filled, and your Company has lost a most valued and devoted champion of Indian shipping. May I request you to pass a resolution conveying the deep sense of sorrow of the shareholders of the Company at this great loss and offering our condolences to the members of the bereaved family.

"The Directors' report shows that the freight earned during the year was Rs. 8,97,26,920, as against Rs. 8,63,00,835 in the previous year. The total number of liner voyages during the year was, however, 54 as compared with 49 voyages in 1961, and the number of ports called at was 947, as against 942 in the previous year. In spite of the larger earnings of freight, it is regretted that the year has ended in a loss. It was hoped that when the pooling system was introduced, the Company would show much better results. Though the loss is somewhat less than in the previous year, various factors have combined to make the position less satisfactory than was expected. The number of freight tons carried during the year was 956,332 as compared with 880,070 in the previous year.

Two Adverse Factors

"The earnings reflect two factors. The first is the low rate of freight which continued for goods carried from East to West throughout the year and for goods from West to East during most of the year. The second factor was that the volume of high-freighted cargo had fallen to some extent and the vessels had to carry low-freighted cargo like oilcakes, ore and fertilisers, which swelled the volume of freight tons carried without substantial benefit to the companies concerned. The increase in items of expenditure are due to incremental increases of salary, revision of scales in some cases, and repair and maintenance charges. The insurance charge has also gone up on account of the unfortunate loss sustained by the Company last year of the *Indian Navigator*. The depreciation charges have also gone up as the latest steamer, *Indian Trust*, was throughout the year in service and the full depreciation amount had to be provided for. The picture is admittedly a gloomy one, but I venture to express the belief that it is not of unrelieved gloom, as there are factors which have recently come into existence and redeemed the situation to some extent. These factors will be referred to at the end of my speech.

"The financial results of the working of your Company are not satisfactory, though perhaps slightly less unsatisfactory than those of the previous year. The fact that almost all the shipping companies, both Indian and foreign, have shown either losses or considerably less profit than in the previous year may be noted but does not afford any consolation to your Company. This is particularly so in regard to the companies whose fleets are mainly engaged in the India/U.K./Continent trade.

Same Freight, Higher Costs

"In my last year's report to you, I referred to the fact that the freight rates have not been revised since 1957. During part of the financial year under review, the freight rates Eastward remained the same and were increasd only from 1st October 1961, the consequence being that the result of such increase is recorded only in the voyages of three months of the year. The freight Westwards remains the same virtually as in 1957.

"The costs have, however, been increasing, a state of affairs which cannot long be maintained. The difficulties and delays at ports, the strikes—official and unofficial—in no case justified, have all aggravated to bring about a serious financial situation for all companies. The drafts in the river Hooghly during the year under review have caused a great deal of anxiety to shipping companies. There are only a few days in the month when a ship can carry a load of more than 5,000 tons either to the port or down the river.

"In this state of affairs, the increased rate of dock levies seem to be thoroughly unjustified, particularly when they are meant for providing special amenities to the dock labour staff. In February of this year, the levy amounted to 90 per cent over the normal rate and from 1st April, it is 100 per cent. These matters require careful reconsideration. The remedy lies in either providing for adequate freight rates or for decreasing the costs. It may be stated that more efficient management may also reduce the financial gulf between receipts and expenditure. But the outcry against what has been termed rationalisation of sailings by shipping companies and the demands of shippers of small quantities of freight from almost every port in the country which was hardly ever served by an ocean-going vessel a few years back poses a problem which is not easily soluble, consistent with the principles of efficient management. I place these facts before you and the public not with a view to minimising any shortfall on the part of the management of this or any other company, but to present the picture clearly and unambiguously both to the authorities and the public.

Indian Lines in the Pool

"Last year, I referred to the pooling arrangement that was arrived at, which gave some sort of security to the share of the trade to the Indian flag, and I based my optimistic hope of better results in freight earnings on the fact that undue and unfair competition will be less and perhaps completely eliminated. I must candidly state that the results of the short period prove that some of the most serious abuses have been eliminated in the particular sector that I have referred to. The result would have been far better if the quantity of freight moving, particularly high-value freight, had not fallen during the year.

"I also referred to the fact that the Western Shipping Corporation, a public sector company, has been admitted as a member of the Conference, with the agreement and approval of the two Indian Lines on the India/U.K./Continent route. I emphasised then that this would be the beginning of a harmonious working of the two sectors and that there would be a growing appreciation of the difficulties of shipping in all quarters. A further step has been taken in this direction and negotiations have been carried on by all the three shipping lines, the India Steamship Company, the Scindia Steam Navigation Company and the Shipping Corporation of India, with the United Kingdom Lines, with a veiw to increasing the pool percentage allotment to the Indian Lines as a whole and with a view also eventually to bring about an absolute parity in the India/U.K. trade between the Indian Lines and the British Lines. I hope that the negotiations, which have come to an advanced stage, will shortly result in definite agreements and that all chances of rivalry, as between the Indian Lines and the British Lines, will cease and that this will be fortified by an agreement among the Indian Lines themselves, allotting certain percentages to each of the three companies concerned. These matters have occupied a great deal of the attention and time of your Directors who were resolved to seek a lasting solution for the problems, international and internal, in regard to shipping.

Freight Increases

"I must emphasise that the future of shipping depends largely on a farsighted policy that the shipping companies and the shippers of any importance take in regard to the freight rates of commodities. Whether it is a general increase demanded by the rising costs of shipping companies or an increase in the freight rates of individual commodities, there has recently been a tendency on the part of Governments not merely in India, to limit the freedom that once existed of shipping companies to increase such rates after full discussion at Conference meetings. It cannot be denied that the earning of foreign exchange has become a very serious preoccupation of most Governments, particularly Governments of developing countries. It is also a matter of serious concern for those countries which depend on invisible earnings from shipping for securing a balance of payments position for their countries. Export promotion is an acute problem for many Governments and the Government of India is no exception to it. It is making every effort to increase its exports, to diversify the destinations of such exports, to find new markets and to give incentives or rather to remove disincentives which stand in the way of exports by reasonably efficient units of production in the country. It is a well-known fact that the first obstacle to exports, which a shipper feels he has to encounter, is the rate of freight he has to pay for movement of his goods by road, rail or sea. If only what he produces can, by a miracle, be transported to its ultimate destination without any charge, some at least of the shippers will be most happy. But this is obviously impossible. And if shipping services have to be maintained for the transport of goods, they have also to work certainly without loss and indeed with a little profit. The shipping companies cannot on the one hand afford to fix such rates as will preclude the transport of goods which is their only function, and on the other, carry freight at uneconomic rates. It is therefore necessary to set up agencies which will really find whether the shipper can afford the freight charged or not and whether in fact the export of goods has been prevented or their quantity unduly diminished by freight rates. The profit, which the shipper is making, has also, therefore, to be very carefully considered by the Government and by the shipping companies, before any conclusion can be drawn as to the unreasonableness of a freight rate. It is my hope that these essential economic factors affecting all interests concerned will be given due consideration and freight policies evolved as a result of these considerations.

Official Attitude

"I shall not refer to the port delays that have occurred from time to time and I do not wish to refer to the strike in the Calcutta port which over a period of time seriously affected shipping companies. Nor do I wish to comment on the present rate of development rebate which requires that 75 per cent of the allowances has to be provided from the profits before any dividend can be declared. The National Shipping Board, which is the body responsible for advising the Government in matters of policy, has recently reiterated its recommendation that the development rebate may be spread over a period of years—five or six—a reasonable proposal in my opinion, and I hope the Government will give further consideration to it and give effect to the proposal.

"Apart from expansion of shipping, replacement of old shipping has to be undertaken seriously. New ships have to be built in our shipyards and in foreign yards where necessary, and the development rebate requirements are proving a serious handicap according to the Shipping Board itself.

"There is another matter on which the National Shipping Board has made its recommendations. Recently, the Government has been pleased to order that the instalments on loan received from the Government may be repaid over a longer period than was fixed for loans taken between 1953 and 1960. The National Shipping Board has suggested that the same principle may be applied, that is, payment over a longer period for those instalments on the previous loans which have yet to be paid by shipping companies. I hope that, in fairness to the older applicants, this principle may be accepted.

"There has recently been a change in the Cabinet Minister in charge of Transport. Mr. Jagjivan Ram has replaced Dr. P. Subbarayan as Minister of Transport and Mr. Raj Bahadur continues to be the Minister of Shipping. Both of them are enthusiastic and eager for the promotion of Indian shipping and have helped with support and advice all reasonable demands of shipping. I only hope that their voice will prevail and their recommendations accepted in the ultimate decisions that may be arrived at by the Cabinet of the Union Government. The Secretary to the Ministry of Transport, the Director-General of Shipping, who has since been promoted as an Additional Secretary, the deputy and assistants of the Director-General of Shipping, have all shown a real interest in helping Indian shipping and we have been greatly profited by their advice and assistance. It is not a formal record of thanks that I wish to place before you.

"It would have been noted that the freight earnings of the year are the largest on record, though for reasons already stated the net results are not what we may expect from such earnings. The gross freight earning is an indication of the zealous and devoted services of all your staff, both afloat and ashore. I am personally aware of the exceedingly arduous duties that fell upon them both in consequence of the first year of the working of the pool and as a result of falling freights and low freight rates, and I should like to express the appreciation of the Board for their services. I should also like to convey the thanks of the Company to the shippers, who have extended their continued and firm support to us, and to the brokers and forwarding agents who have shown confidence in us and in the quality of our shipping services.

Redeeming Factors

"Since the above paragraphs were written, I would like to refer to some redeeming factors of recent date which would go to relieve the situation in the current year. The coastal freight has, after prolonged investigation and thorough study, been increased by 15 per cent for general cargo and about 10 per cent for coal carryings. This will benefit all companies, including yours, which do some amount of coastal trade. A second factor, which has been publicised widely, is the fact that the three Indian companies have come to an agreement with the British companies to raise with immediate effect, from 1st September, the pool quota from 30.5 per cent to 39 per cent and to increase that percentage every year by an escalation of one per cent. Though the bulk of the advantage of increased percentage would go to the Shipping Corporation of India, the other two Indian Lines engaged in this trade, your Company and the Scindia Steam Navigation Company, will have a fair advantage in freight earnings.

"The last and most important factor which enables me to feel optimistic, is the agreement that has been come to between the three Indian Lines engaged in the India/U.K./Continent trade both ways, the Shipping Corporation, the Scindia Steam Navigation Company and your Company. The agreement provides, on a pooled basis, equal carriage of freight and equal earnings for the three Lines in the Indo-Polish trade, the Indo-German trade, the Indo-Soviet and Indo-Rumanian trade in the Black Sea, and in the trade to the Egyptian and Levantine ports, and Indo-Adriatic trade. This agreement has great possibilities, both because of the friendly and co-operative atmosphere it has created and of the fact that there is no rivalry and no clash of interests between the three companies.

Need for Fairplay

"I have tried to be severely practical in my estimate of the position, but I would like to state that the Government of India must realise that Indian shipping companies play an important part in foreign exchange earnings and they should have—as I have reason to believe they have—an interest in promoting Indian shipping and enabling them to earn reasonable profits on their ventures. It has to be emphasised that, as against the small voice of Indian shipping companies, the loud and uncontrolled, menacing voice of shippers of small exports sometimes prevails. I hope that shareholders of shipping companies will join with the managements to impress on the Government and the public the need for fairplay as between Indian shipping companies and Indian exporters and importers."

N.B.—*This does not purport to be a record of the proceedings of the annual general meeting.*

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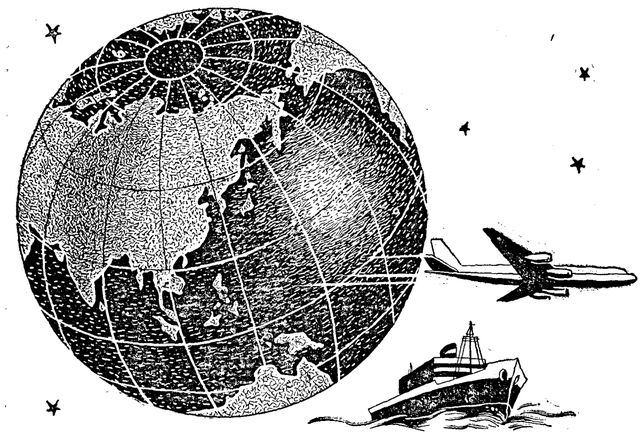

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WORLD COTTON PRODUCTION PROSPECTS

RECORD CROP ANTICIPATED

A RECORD high world cotton crop of 42.4 million bales (of 478 lbs. each) during the current season (1962-63) is predicted by the International Cotton Advisory Committee, Washington. This prediction is based on three assumptions: (1) near record yields in the U.S., (2) probability of a further expansion in cotton acreage in many countries, and (3) a return to normal yields in India, U.A.R. and Uganda. The first official estimate of the current season put the U.S. crop at 15.1 million bales, an increase of 800,000 bales over last season's output. The higher production is attributed mainly to the excellent yield prospects in the Central Belt. The estimated yield per acre of 461 lbs. is only slightly less than the record high yield of 466 lbs. per acre in 1958. The September estimate, however, indicated a lower production figure of 14.68 million bales, which is still over 300,000 bales higher than last season's output of 14.3 million bales.

A factor affecting yield prospects in the U.S. this year is the ending of the restrictions on "skip-row" planting. Previously, if less than four rows were skipped, the skip-rows still counted as part of the cotton acreage. This four-row limitation will not apply to the 1962-63 cotton crop. Henceforth, only rows actually planted to cotton will be counted as cotton land in determining compliance with acreage allotment and marketing quotas. As a result, many growers have probably shifted to a two and two pattern (two rows of cotton and two rows left idle or planted to other crops). Because of the narrowness of such skip-rows, it is likely that this land will often be clean cultivated and left idle. On balance, this change in policy on skip-row planting is likely to make for an improvement in average yield.

Elsewhere in the free world, acreage under cotton is expected to rise to a new peak. Although the net increase is modest by comparison with the last season, acreage continues to expand, rather noticeably, in many important cotton-growing areas, particularly Central and South America and the Middle East. Some shift away from cotton, however, is apparent in certain countries, notably the U.A.R. and Mexico, which is attributable to poor yields and to some dissatisfaction among growers over the price trend last season. Equally important in assessing the probable level of production is the yield per acre. A return to normal yields in India, Egypt and Uganda would materially improve the total production potential in these countries and for the world as a whole. On the other hand, chances are that production in some countries, even after taking into account any possible increase in acreage, will be lower than in 1961-62, thanks to a probable decline in yield per acre.

In the U.S.S.R., acreage planted to cotton is lower at 5.6 million acres, as compared with 5.75 million acres in 1961-62 and production is expected to be correspondingly lower. However, in the communist bloc countries as a whole, excluding China, output is expected to be higher at 7.3 million bales, as compared with 7.1 million bales last season. In regard to China, no estimates of production are available, but it is clear that prolonged drought and heavy insect damage have adversely affected production prospects this season as it did during the last season.

The table at the foot of column I gives the estimated acreage, yield per acre and production of cotton in the major producing areas during the current season (1962-63) as compared with the past three seasons.

The analysis of the overall production prospects is supplemented by the Committee by a country-by-country assessment of the production potential. The position in respect of the major free world producing countries other than the U.S. may be summarised as follows:

Mexico: Acreage is believed to be down slightly by comparison with last season. The main reduction has been in Matamoros where poor yields last season caused some to switch to grain sorghums and corn. Acreage is also noticeably smaller in Delicias as a result of some switch to wheat and peanuts, but production in both these regions is expected to be larger than in 1961-62 because of a prospective improvement in yield. Water salinity is given as a factor explaining the reduction in acreage in Mexicali. Preliminary ideas are for a total crop of about 2 million bales or slightly larger than the final 1961-62 outturn.

India: In view of the short supply situation, an all-out effort is being made to increase cotton production in India. The official target for 1962-63 is 4¾ million bales (of 478 lbs. each). This compares with an actual crop of about 3¾ million bales in 1961-62. Though there may be some increase in acreage, the key to production prospects in this country is yield per acre. Additional facilities, such as the allocation of organic fertilisers exclusively for cotton, subsidies for the supply of improved seed, larger supplies of insecticides and other chemicals, agricultural implements, etc. are being made available to cotton farmers. The recent sharp increase in ceiling prices for raw cotton is also expected to offer a strong incentive to higher cotton production this year. Planting in the irrigated areas, which last season amounted to about 13 per cent of the total cotton area, was completed by the beginning of July. Planting in the raingrown areas, however, was delayed by the lateness of the monsoon but recent reports now indicate that fairly heavy rains have fallen in all cotton-growing areas. By mid-July, sowing was completed in the Khandesh, Berar, and Moghlai districts. The critical period seems to be in September and October and until this time, therefore, there can be no real estimate of cotton production.

Pakistan: Planting is now complete in Pakistan and preliminary opinion is that total acreage may turn out to be slightly higher this season. In an effort to maintain and improve yields, the Government introduced last season a "crash" programme on an experimental basis. This has been intensified for the present season and the amount of fertilisers distributed has been increased.

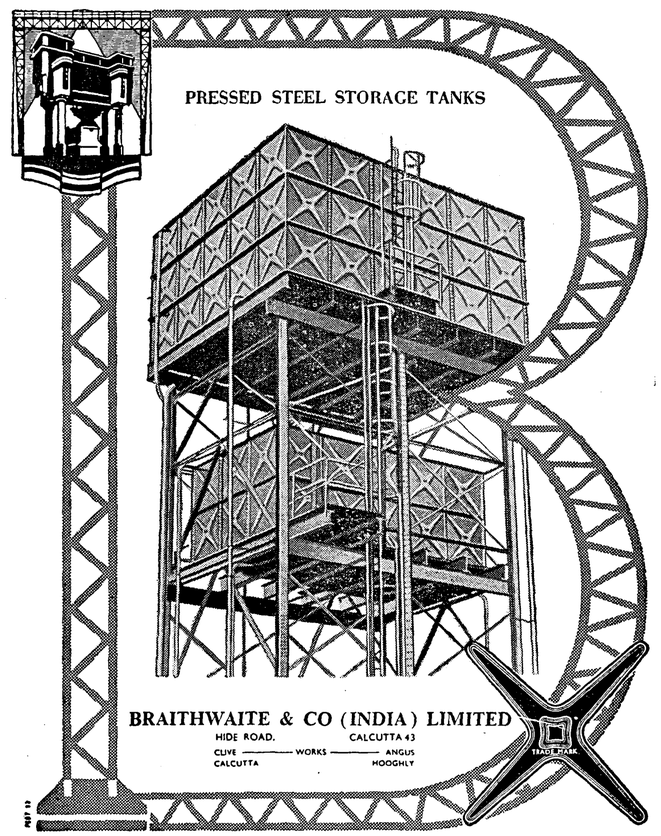
U.A.R.: It was announced some time ago that the maximum permissible acreage that could be planted to cotton in the U.A.R. would be reduced for the 1962-63 season but the extent of the actual reduction in planted acreage has been quite unexpected. According to the first official estimate, planted acreage is down by no less than 17 per cent by comparison with 1961-62 and is at the lowest level since 1954-55. With the exception of Giza 47, acreage of all the major varieties is down sharply this year. The main reason for this has apparently been the abnormally poor yield obtained last season as a result of leaf worm damage, which has caused many farmers to switch to other crops, such as cereals, onions, sugarcane and rice. Leaf worm attacks have been kept well under control this year and the crop is generally reported to be making good progress. Even so, prospects are that production will still be on the low side though noticeably larger than that season. A trade source estimates a total crop of around 1.75 million bales, as against 1,548,000 bales in 1961-62. Picking is already under way in Upper Egypt and early indications concerning yield prospects are very favourable.

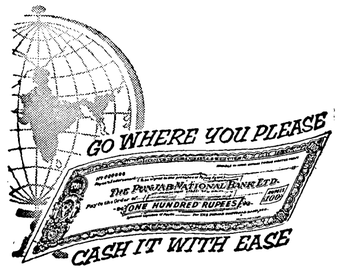
(*Continued on page* 563)

World Cotton Position

Acreage, Yield and Production

	1959-60	1960-61	1961-62	1962-63
Acreage (in million acres):				
United States ..	15.1	15.3	15.6	15.7
Other free-world countries ..	45.1	45.7	47.9	48.7
Total ..	60.2	61.0	63.5	64.4
U.S.S.R.	5.6	5.7	6.0	5.8
Total world ..	65.8	66.7	69.5	70.2
Yield (in lbs. per acre):				
United States ..	461	446	438	461
Other free-world countries ..	176	199	187	194
Total ..	248	262	248	260
U.S.S.R.	540	587	574	591
Total world ..	281	290	277	287
Production (in million bales):				
United States ..	14.6	14.4	14.3	15.1
Other free-world countries ..	16.6	19.0	19.0	20.0
Total ..	31.2	33.4	33.3	35.1
U.S.S.R.	7.5	7.0	7.1	7.3
Total world ..	38.7	40.4	40.4	42.4





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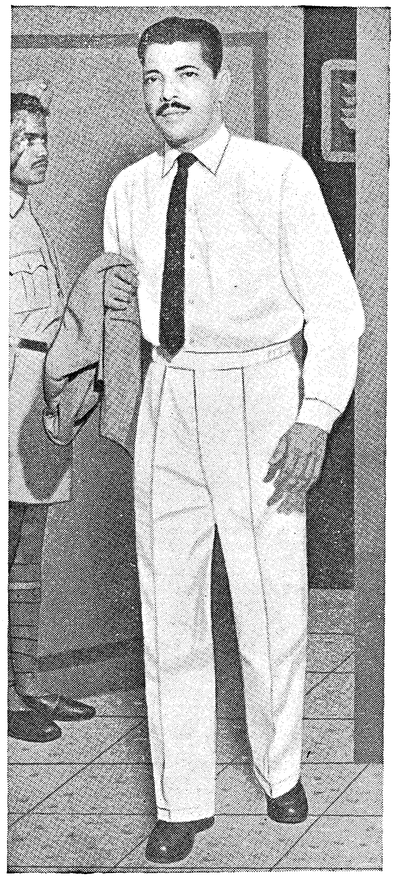

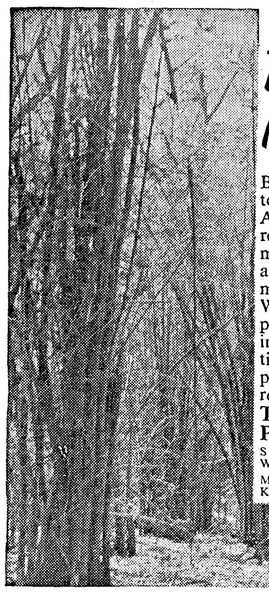

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INTENSIFYING SUGARCANE DEVELOPMENT

PACKAGE PROGRAMME TO BE LAUNCHED

INASMUCH as sugarcane accounts for almost three-fourths of the actual cost of making sugar (white), any appreciable cut in that cost will not be possible without a reduction in the heavy incidence of cane cost. How such a reduction can be brought about is too well known to bear repetition. Briefly stated, the solution lies in augmenting the productivity of cane lands, so that a larger quantity of sugarcane with richer sucrose-content can be obtained from a given piece of land, instead of through an increase in acreage. Viewed thus, the latest move of the Union Food and Agriculture Ministry to launch shortly a package programme of cane cultivation in selected sugar factory zones in the country, though belated, is to be widely welcomed. The programme, it is said, will lay particular emphasis on the need to demonstrate to farmers how the acre-yields of cane can be stepped up. As a preliminary to the programme, a meeting of cane development officers and other research workers in Uttar Pradesh and Bihar for considering the problems of cane development in the two States and ascertaining the extent of additional help required from the Governments for the implementation of development programmes was held in Lucknow recently at the Indian Institute of Sugarcane Research. Discussions at the meeting covered, among others, reservation of land for cane cultivation on long-term basis, bounding of areas before sowing, rezoning of areas with a view to increasing supply of gate deliveries of cane, improvement in transport facilities, and scheme for cultivation of sugar-beet in suitable areas. The proposal of the U.P. Cane Commissioner that intensive cultivation of sugarcane might be undertaken on 5,000 acres of land in the gate areas of sugar mills was accepted.

Presiding over the meeting, Mr. L. G. Rajwade, Joint Secretary in the Ministry of Food and Agriculture and President of the Indian Central Sugarcane Committee, stressed the importance of raising cane output without extending the area under it, but laid greater emphasis on the quality aspect. Improvement in quality with a view to stepping up the output of sugar per acre, he said, was imperative. He indicated that a survey for assessing the quality of cane in various zones in Uttar Pradesh could be undertaken by the National Sugar Institute, Kanpur, with the help of the State Government. Mr. Rajwade also commended for acceptance the proposal of dividing the factory areas on zonal quality basis for the purpose of distributing the cane price in excess of the minimum on a zonal basis according to quality.

Progress Not Satisfactory

The need for intensifying sugarcane development activity is especially urgent in Uttar Pradesh and Bihar, as it is in these States that the conditions in sugarcane economy continue to be none too encouraging. Even allowing for climatic variations, the per-acre yields and quality of cane grown in U.P. and Bihar are much less than those obtained in other States, as, for instance, Maharashtra. The table below gives the progress actually made in cane cultivation in these three States during the first and second Plan periods.

(Area in '000 acres ; production in '000 tons)

	1960-61	1959-60	1955-56	1950-51
Uttar Pradesh :				
Area	3,289	2,944	2,720	2,505
Production	38,984	32,232	29,403	28,603
Per-acre yield (tons) ..	11.85	11.00	10.81	11.40
Recovery (per cent.) ..	9.53	9.69	9.71	9.81
Bihar :				
Area	458	443	378	4,10
Production	6,927	6,644	2,918	3,086
Per-acre yield (tons) ..	15.12	14.60	7.72	7.50
Recovery (per cent.) ..	9.22	9.43	9.76	10.26
Maharashtra :				
Per-acre yield (tons) ..	28.51	27.50	24.53*	25.70*
Recovery (per cent.) ..	11.65	11.75	11.64*	11.62*
All-India average :				
Per-acre yield (tons) ..	14.83	14.41	12.98	13.20
Recovery (per cent.) ..	9.72	9.52	9.83	10.03

* Figures relate to undivided Bombay State.

It will be seen from the above figures that the rise in sugarcane production in U.P. and Bihar has occurred largely as a result of a substantial increase in acreage and that the recovery per cent is very poor. How else could the position be? Barring a few here and there, the cane growers in these two States have simply not cared to pay any attention to the quality aspect of the cane. Why, after all, should they care? They are assured of a high minimum price per maund of cane supplied to the sugar mills, whatever be the actual sugar that can be obtained from crushing this cane. Even the new scheme for linking cane price to both quantity and quality that will be implemented with effect from the ensuing season is defective, in that the enhanced price of Re. 1.62 per maund is to be paid for cane with a recovery of just 9.8 per cent and not the usual basis of 10 per cent regarded as the norm all these years.

Be that as it may, the urgency of intensifying cane development was impressively highlighted in the course of a resolution adopted at the annual meeting of the Indian Sugar Mills Association's East U.P. Branch held at Gorakhpur a few days ago. The resolution urged the State Government (*a*) to raise the Karaghat Cane Research Station to a full-fledged breeding and research station with sufficient land, staff and equipment to cope with the requirements of East U.P., (*b*) to spend the entire cane purchase tax on intensive development activity in respective factory areas, (*c*) to persuade the Central Government to restore one-third contribution for construction of roads, and (*d*) to make available guaranteed irrigation, as in Maharashtra, to cane growers.

Financial Assistance

In his speech, Mr. V. D. Jhunjhunwala, the retiring President of the Association, dwelt at length on the several handicaps confronting the sugar mills in East U.P. such as poor yield of cane per-acre, erratic cane supplies to factories, freight disadvantage due to distant markets and low cane-crushing capacity of many units. Stating that these handicaps had been responsible for high production cost and low realisation and, consequently, for poor profitability, Mr. Jhunjhunwala called upon the State Government to give all possible encouragement and assistance "to rehabilitate the sugar industry" in East U.P. the economy of which is closely linked to that of the sugar industry. A specific suggestion which he put forward pertained to Government's assistance for rehabilitation. The suggestion merits due consideration. It will be recalled that the Central Wage Board for Sugar Industry had clearly pointed out that most of the sugar plants which had outlived their life were located in East U.P. The Tariff Commission had also asked the industry to approach the Government seeking financial assistance for renovation and modernisation of mills.

Mergers

Another pertinent suggestion of Mr. Jhunjhunwala related to the merger of all small units with a daily cane-crushing capacity of 700-800 tons each with units of 1,500-2,000 tons capacity. He wanted the Government to assist the sugar mills voluntarily to merge, reducing the number of mills in East U.P. from 33 to 10 or 15 units of economic size. Surely, the mergers, together with modernisation scheme, will bring about higher efficiency and reduction in manufacturing cost. The Indian sugar productivity team to Philippines, Hawaii, Louisiana and Puerto Rico has categorically recommended that, wherever possible, efforts should be made to reduce the number of mills by combining two or three units into one unit. The Planning Commission, too, is of the view that economical capacity is 2,000 tons. Apropos this issue of mergers, Mr. C. B. Gupta, Chief Minister of Uttar Pradesh, who inaugurated the meeting, also admitted that the idea appealed to him as a viable economic and rational proposition, but felt that such mergers might result in displacement of labour. He, therefore, proposed that the issue be examined by the high-power committee now reviewing the problems of sugar industry in the State. Incidentally, he assured the sugar industry that this committee would consider the demands of the East U.P. mills sympathetically and evolve schemes for stabilising the industry.

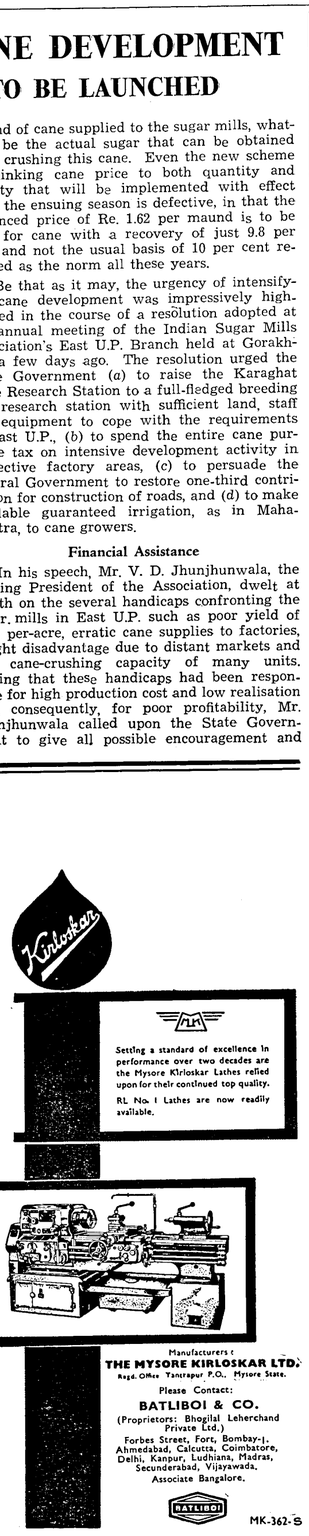
Concerted Effort Wanted

Referring to the difficulties confronting the sugar mills in Eastern districts, Mr. Gupta made it clear that a concerted effort by the State Government, cane growers, sugar millowners and the general taxpayer would be needed "to save the industry from going to the wall." Indeed, he warned that, if the industry now passing through a grave crisis were eliminated in the face of competition from other States, it would leave behind a trail of misery in the Eastern districts the people of which are almost totally dependent on this industry for their livelihood. Proceeding, he said:

"In this predicament, it is no use raking up the past to find out who is more to blame. For one thing, I would not hesitate to say that the sugar industrialists who have the run of the place and earned profits twice or thrice the cost of their factory should have laid something for future contingencies like the present when competition is turning the scale against them. Instead, they took those profits outside the State to Calcutta and Bombay and invested in new enterprises."

Whatever be the validity of the allegation against the sugar millowners made by Mr. Gupta, it is somewhat surprising that he accused the millowners of investing the profits outside the State. If these millowners have invested a large part of their profits outside the State, it may be either because the profitable outlets for investment within the State are limited or because of the absence of adequate Government assistance to the industry. After all, capital flows to regions where it can earn a sufficiently attractive return.

To revert to Mr. Jhunjhunwala's speech. The three suggestions which he made are quite important and deserve attention. One, workload study recommended by the Wage Board should be undertaken with the least possible delay. Two, cane cess-purchase tax collected by the Government must be spent on development of cane. Three, the sugar factory farms must be exempted from ceiling legislation. The farms, as Mr. Jhunjhunwala rightly declared, are mechanised and give better yield and, if these farms are taken over by the Government, the production and productivity may suffer, which will not be in the interest of the State or the country. The sugar factory farms have been a good nucleus for propagating improved varieties and supply of good seed in the past. It is, therefore, desirable, according to Mr. Jhunjhunwala, that a very serious consideration be given to this aspect, so that there is no setback. The matter should be re-examined and the existing Act amended. The Planning Commission has categorically recommended exemption of farms owned by sugar mills.



ROLE OF DEVELOPMENT BANKS

VEHICLE FOR BRINGING TOGETHER CAPITAL, KNOW-HOW AND ENTREPRENEUR

By Mrs. Shirley Boskey

DEVELOPMENT banks are in fashion. During the last 20 years, the number of these institutions in the less developed countries has greatly increased. What is more, they cannot be dismissed as a fad, for their popularity is firmly based upon their demonstrated usefulness as instruments of economic development. Exactly what is a development bank? The versatility of these organisations makes it difficult to define the term with precision, or to describe a "typical" development bank. The label attaches to a wide variety of institutions, differing in ownership, capital structure, and type of activity. Some are public agencies, with funds and management supplied by the Government. Some—considerably fewer but growing in number—are wholly owned and controlled by private investors. Still others are financed and run by Government and private interests in partnership.

Some development banks are concerned solely with the public sector; they have been created to set up and operate Government-owned enterprises or to engage in broad development planning. Other banks, including both Governmental and private institutions, have been made responsible for assistance to the private sector only.

Some development banks deal only with the field of agriculture, some with industry, some with mining; still others range over the entire economy. The geographic scope of the banks' operations may be country-wide or merely regional. The financing operations of some banks are restricted to lending; others may invest in any appropriate form. There are banks which are purely financial institutions and others which may also offer technical assistance or engage in promotional activities.

This diversity among development banks reflects the differing needs of developing countries and the varied political economic and social environments in which the banks operate. The sponsors of a new bank, whether local businessmen or Government officials, must consider carefully the purposes the bank is to serve before deciding how to organise it, what sources to approach for capital, and, at a later stage, what the bank's operational policies shall be.

Common Elements

Despite the variety in characteristics and functions of development banks, some common elements can be discerned. A development bank is a vehicle for bringing together capital, initiative, and technical skills for the purpose of stimulating economic development. The many different approaches which a development bank may take in performing its task are best illustrated by those banks which are created to stimulate the growth of the private industrial sector.

In most developing countries, there is normally a shortage of long-term investment capital; short-term working capital needs can usually be met by the commercial banks. Before the development bank can serve as a source of investment capital, however, it must have funds of its own. These may in principle come from a number of sources: Governmental and private, domestic and foreign.

In some cases, the Government has contributed a bank's entire capital. It may do this, for example, by subscribing to shares, by annual appropriations, or by earmarking a portion of tax revenues. In other instances, the equity (share capital) has been subscribed in whole or part by private investors, individual and institional, such as banks and insurance companies.

The bank's loan capital may be borrowed from the local Government (usually on highly favourable terms permitting repayment over a long period with low or no interest), or may come from foreign national or from international sources such as the U.S. Agency for International Development (A.I.D.), the World Bank (I.B.R.D.), the International Development Association (I.D.A.), or the Inter-American Development Bank. The International Finance Corporation (I.F.C.) is now a potential source of equity capital for development banks.

The Industrial Mining and Development Bank of Iran provides an illustration of the variety of sources from which a development bank's capital funds may originate. Shares in this bank have been purchased both by individuals and institutions. Shareholders include not only Iranians but Belgian, Dutch, French, German, Italian, U.K., and U.S. investors as well. Loan capital has come from the Government of Iran, the U.S. Development Loan Fund, and the World Bank. As this example shows, the very creation of a development bank affords the possibility of marshalling capital from within and outside a country for industrial investment. An infusion of foreign funds not only adds to the country's supply of foreign exchange and provides a point of contact with capital markets in the industrialised countries; it may bring with it the managerial, professional, and technical skills which a developing country so greatly needs.

Terms and Forms of Financing

In deciding upon the terms and the form of its financing, a development bank must take into account a number of factors. These include the source and cost of its own capital, the economic environment, and the preferences and needs of applicant enterprises. Normally, the bank will try to assure that it does not compete with other sources of finance, by restricting assistance to types and maturities of financing which other institutions are not prepared to provide. In contrast to the commercial banks, for example, the development bank normally relies more heavily on an applicant's earnings prospects and the quality of its management than upon its current worth and its ability to put up conventional security.

The willingness to take risks and to combine banking and developmental criteria in making its investment decisions is the hallmark of a development bank. This approach makes the development bank particularly a source of capital for new enterprises. Usually, about half of the enterprises financed by a development bank are new. Since new enterprises find it harder to raise capital, they have greater need of development bank assistance.

In addition, equity financing which most development banks offer, is often the most appropriate kind of financing for new concerns, since, unlike a loan, it imposes no repayment or interest burden. Development banks frequently make equity investments in their own interests. This type of investment affords the development bank an opportunity to share in the profits of a successful and growing concern. The bank thereby acquires a cushion against possible losses on unsuccessful ventures.

Developing countries are not only short of capital for industrial investment; they also lack the financial machinery necessary to divert into industry a substantial portion of such savings as do exist. Through the operations of the development bank, the growth of a capital market mechanism can be encouraged, and there may be developed a greater willingness on the part of owners of capital to invest directly in industrial securities. The equities which the bank itself purchases are a means to this end.

The bank must be prepared to hold the shares in its portfolio until the enterprise has become "seasoned" and has begun to show a profit. Thereafter, it may offer these shares to the public. Each sale increases the supply of marketable securities and broadens existing and potential investor-participation in industry. These portfolio sales also release development bank funds for new investments.

Number of Techniques

Development banks employ a number of other techniques in helping to foster a capital market. For example, they can underwrite new issues of shares or bonds of industrial concerns. Using this technique, instead of financing an enterprise directly, the development bank may agree to purchase whatever part of the issue the enterprise is unable to place elsewhere. Even in the industrialised countries, underwriting is a relatively new financing technique. Only a few development banks have done much in this field. The Industrial Investment and Credit Corporation of India (I.C.I.C.I.) is a notable example.

In other cases, bank officials may offer investors the opportunity to participate in an investment the bank is about to make with its own funds. The Government Development Bank of Puerto Rico and the Industrial Development Corporation of South Africa (I.D.C.) have employed with considerable success this technique of inviting participations.

Finally, a development bank may offer its own bonds or other obligations to the public. This is essentially a means of adding to the bank's own funds through public borrowing, but has the consequence of making the public more familiar with investment techniques and financial instruments. This contributes to a change in attitude toward investment in industrial securities.

A development bank may also introduce or encourage the use of financial instruments utilised in the capital markets of industrialised countries, but not in developing countries, such as convertible debentures, share options, preference shares, and income notes. In some countries use of certain of these instruments has been precluded under prevailing law. The development bank may assume the role not only of educator and innovator but also of legislative lobbyist. This was the experience of I.C.I.C.I. At least one development bank, the Investment Corporation of Nigeria, took an active part in the creation of stock exchange.

Where the business community has been reluctant to investigate new fields or slow to embark on new ventures, the development bank has engaged in promotional activities. For instance, the bank may undertake research or engage in surveys with the object of uncovering investment opportunities. The Pakistan Industrial Credit and Investment Corporation (P.I.C.I.C.) has conducted at its own expense a survey of the potential of a cement industry.

When promising investment opportunities come to the bank's attention, through its own efforts or otherwise, it may try to induce private investors and businessmen to enter the field. If these attempts prove unsuccessful, the bank may even establish an enterprise itself, hoping ultimately to attract private capital partners or purchasers of the bank's entire interest. The I.D.C. (South Africa) and the Puerto Rico Industrial Development Company, for example, set up new enterprises which were later taken over by private investors.

A development bank is only one of a number of instruments of economic development. The simple fact of its establishment will not, in itself, assure a faster growth of the economy in general or of the industrial sector in particular. The full effectiveness of any development bank depends upon co-ordinated action of related institutions and policies. Nevertheless, the potential of a soundly organised development bank is great. It fully justifies the interest which development banks have awakened and the broad support they enjoy.

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NOTICE IS HEREBY GIVEN THAT SHARE certificates in respect of the allotments made on 27th January, 1962 against issue of 5,60,000 Equity and 8,000, 9 per cent (free of Company's tax) Redeemable Cumulative Preference shares as Right capital, are ready for exchange with the Allotment Letters duly discharged, for which individual notices are being sent. Shareholders are requested to please send the Allotment Letters duly discharged to the Registered Office to enable the Company to despatch the certificates.

By Order of the Board,

P. L. JAITLY,
Secretary.

Date, 17th September 1962.

SEPARATION OF AUDIT FROM ACCOUNTS—I

HISTORICAL BACKGROUND OF AN ISSUE THAT IS STILL CURRENT

By A. Premchand

"Reason creates Science. Sentiment and creed shape history."—LE BORN

ONE of the conspicuous features of the organisation of the Indian Audit and Accounts Department is the combination of accounting and auditing duties in the same authority. The combination of these two duties and their inclusion in the range of the activities of the Comptroller and Auditor General have been the subject of many a controversy. Time and again attempts were made to separate the Audit from Accounting; in certain cases, the attempts met with partial success. But, as it is, a large part of the organisation still involves a combination of these duties. The separation of audit from accounts was argued on many counts. What is, however, surprising is that an equal number of arguments were given against the separation. This was the one subject which perhaps witnessed a long and historical controversy. Opinions of the Comptroller and Auditors General after independence differed sharply from one another, while, during the period prior to independence, there was no unanimity of opinion between the Finance Department and the Audit Department.

The separation of audit from accounts is favoured on the grounds that audit should be an independent agency from the accounting agency, as in commercial concerns, that accounting responsibilities should be transferred to the Administrative Departments as in the U.K. and merged with administrative authority and responsibility; that it is not desirable that audit and accounts should be combined together, as it would mean that the auditor is auditing his own accounts, and that the introduction of exchequer control requires the separation of audit from accounts. These arguments have their own validity and so, perhaps, the arguments against it.

Before attempting an analysis of the strength and weakness of these arguments and counter-arguments, we may, in the first instance, trace the attempts made at various stages to separate audit from accounts. It may then be followed by a study of the arguments for and against separation, and an analysis of the techniques used in the separated offices. Thus, the study will be in three parts: (i) history of the attempts, (ii) accounting techniques in the separated offices, and (iii) arguments for and against separation.

The Past and the Present

Almost from the initiation of the work of the Auditor-General, there has been a feeling in support of the separation of audit from accounts. These proposals were either dropped or were forgotten in the flux of time, and, when they were dropped, there were two overwhelming reasons which were against separation—one was the extra cost involved in the maintenance of two sets of officers and another was the feeling that the existence of an independent Auditor-General would undermine the prestige of the then colonial government. The first proposal to separate audit from accounts was made in 1880 by the India Office Committee inquiring into the set up of the Military Accounts Department. The second attempt was made by the Secretary of State himself in 1889, when the question of his powers of control on the Indian Government came up for discussion. In both these attempts, though opinions were expressed regarding the need for an independent audit and, therefore, for a separation of audit from accounts, it was finally dropped, as the authorities concerned did not consider it necessary to have an independent audit, and also for the reason that they were satisfied with the organisational set-up of the combined audit and accounts office machinery. Later, the question came up for an exhaustive review and survey by the Royal Commission on Expenditure in 1896. The Commission, as pointed out earlier, was working against a background and a situation where reduction in expenditure on the Government account was absolutely necessary. It was, therefore, natural that the Commission should have favoured the continuance of the existing set-up. But, before making such a recommendation, the Commission made a study of the dissimilarities that existed between the Comptroller and Auditor-General of the U.K. and the Auditor-General of India. Pointing out these differences, the Commission stated that "for many years the principle of an effective audit was carefully discussed (1866 Act) at home (the U.K.) and the present system was introduced (1866 Act) step by step. The last step made the audit power independent of the executive power. This decision gave the force of law to the principle which Englishmen consider sound. A different principle has been adopted in India." The Commission considered that the need for a "different principle was embedded in the system itself." The Commission was also highly satisfied with the progress of audit as already obtaining, which it considered to be "well organised and effective" and to be more "immediate and direct" in its action in India than in England, and therefore suggested the continuance of the system.

Note: The views presented in the course of the article are the personal views of the author.

Sir Gauntlett's Views

The system continued, as it did earlier, but the question, once again, came up when the 1919 Montford Reforms were under consideration. A full and complete examination of this question was made by Sir Frederick Gauntlett, himself an Auditor-General. While conceding that there should be an independent audit as a part of the new reforms, he observed that the problem of the day was essentially a question of choice, either (i) "to retain one officer with dual functions and to hand over the complete control of the department—the Government and the Finance Department absolving themselves from all responsibility"—or (ii) "to separate the two functions and to have a Comptroller-General who will administer the Department and to have an Auditor-General incharge of Audit." Having regard to the different factors of the situation, Sir Gauntlett, preferred the former course.

The history following this stage has run on the choice made by Sir Gauntlett in 1919, for the provision in the 1919 Act was generally based on his choice. Although the Act made provision, under Article 39, only for an Auditor-General, without specifying his duties, the Government of India later interpreted it to include the accounting functions also. The Government of India's dispatch, dated 19th August 1920, to the Secretary of State read thus: "We consider it to be essential that there should be some officer in India who will be responsible to the Secretary of State in Council for the proper computation and due submission of these accounts, and we are advised that it is not inconsistent with the provisions of the Act to entrust this work to the Auditor-General in addition to his duties in connection with audit proper." Thus another opportunity for separation was allowed to go into oblivion.

The question, however, was reopened by the Inchcape Committee on retrenchment in 1923. As the name itself indicates, it was a committee appointed with the sole purpose of economising expenditure at the Centre. An important factor to be remembered while considering the recommendation of the Inchcape Committee is the fact that the Provincial accounts and audit were (and they are still) being maintained and conducted by the Auditor-General of India through his Accountant-Generals' offices and the extra expenditure incurred in respect of the States was also being borne by the Centre. (In fact, this factor was repeatedly brought to the forefront, as we shall see later.) This presented an opportunity to the Inchcape Committee to suggest that the separation of audit and accounts and the separation of Provincial balances should be considered again. The Committee suggested that, "in view of the constitutional difficulties arising under the Reform Scheme, from the fact that a Provincial Government can require the Audit and Accounts Department to maintain an account for which the Central Government pay, it is desirable to reopen the question of separation of the audit from accounts." The objective behind this suggestion was no more than to relieve the Central Government of a part of the financial burden which it was then shouldering.

During the same period, there was a growing consciousness in the Government in favour of separating audit from accounts and bringing the accounts under the administrative responsibility of the departments. Such a course, it was considered, would be far more effective for the control of expenditure than the then existing system. The chief advocate of these reforms in 1923 was Mr. J. C. E. Jukes of the Finance Department of the Government of India. During this period, he initiated fairly extensive experiments in the separation of audit from accounts and the introduction of "Pay and Accounts Officers under each department or for a group of departments." Simultaneously with these experiments, an impassioned plea for separation came from the Reforms Enquiry Committee, also known as the Muddiman Committee, which, on the basis of the evidence given before them by Mr. Jukes and Sir Frederick Gauntlett, stated, "we are desirous that such administrative steps as are necessary to pave the way for provincial autonomy should be taken and we are, therefore, much interested in the experiments which are now being undertaken to test the feasibility of the separation of accounts from audit and in the examination of the feasibility of separating provincial accounts from the accounts of the Central Government." The Committee also assumed that, "with the separation of audit from accounts, the later function would of course become a provincial subject under the control of the Finance Department.

The combined impact of all these forces working in different spheres was considerable. It led to certain significant developments in two fields: (i) At the Central Government level, it was decided* that the Railway Accounts should be separated from the Auditor-General's control and purview, though the audit would be continued by the Auditor-General and (ii) a scheme for separation of Audit from Accounts was introduced in U.P. The story of the separation of the Railway Finance is not, however, within the scope of this study.

U.P. Experiment

In U.P., the new scheme was first introduced in 1926, as an experimental measure, in the Police and Educational Departments. In that year, a beginning was also made in the East India Railway, as a prelude to the general scheme of separation in Railways of audit from accounts which came into force fully in 1929. The purpose of this experiment in U.P. was to see how a separated accounts system would affect the control of expenditure. Explaining the objective of the scheme, Mr. Jukes, the man behind the scheme, wrote: "Under the ordinary accounting system of India, control of the desired kind is very difficult. In order to exercise it, the controlling officer requires to be in close touch with the progress of his expenditure in the accounts. The accounts are, however, kept by a usually distant Accountant-General whose returns reach the controlling officer many weeks after the incurring of expenditures which they record. Another drawback of the ordinary system is that expert financial advice cannot as a rule be quickly obtained by the controlling officer. It is largely in order to remove these defects that the Pay and Accounts Officers have been instituted." The utility of this system, Mr. Jukes explained, contained in getting up-to-date accounting data. He added: "The Accounts (under the new system) are kept in many instances under the same roof which covers the office of the head of the department and in any case in close proximity to it. The controlling officer is thus in a position to know practically from day to day the progress of expenditure from his grant under the various minor and detailed needs and to secure at the shortest notice any information which is derivable from the accounts. Further, he has the help in the person of the Pay and Accounts Officer, of a Financial Adviser who is an expert in all rules and orders bearing upon expenditure and accounts and can be consulted before any financial commitment is incurred."

Features of the Scheme

The salient features of the scheme introduced in U.P. included the system of centralisation of payments with the various accounting officers and the issue of cheques payable all over India by the latter. This system reduced the importance of exchange accounts and made the watching of the progress of expenditure easier. Under this system, the heads of departments had to see that the amounts voted by the Legislature were not exceeded and that his accounts were compiled and maintained by the Pay and Accounts Officer—a new office created under the scheme. If at any time he had to incur any more expenditure, he had to ask for extra funds which were either allowed to be met by re-appropriation or by a supplementary grant with the approval of the Legislature. The Pay and Accounts Officers were appointed by the Finance Department and were answerable to it. His duties included scrutiny of all claims to money, verification of the rules and regulations before making a disbursement and compilation and consolidation of the accounts. He had also to watch the progress of expenditure, especially during the last four months of the financial year, so that the need for supplementary grants could be verified and, where there was a need, he was to bring it to the notice of the head of the department. However, the controlling officer alone was responsible for the expenditure and where certain expenditure was to be incurred. Contrary to the opinion of the Pay and Accounts Officer the controlling officer was to issue written orders which were to be shown by the Pay and Accounts Officer to the audit office attached to it. But the role of the Pay and Accounts Officer essentially was one of a helping agent and it was only with a view to preventing irregularities that the controlling officers were asked to consult the Pay and Accounts Officers in financial matters. The Pay and Accounts Officers, as envisaged in the scheme, were eventually expected to assume the role of a Financial Adviser.

This scheme proved, according to the Public Accounts Committee, a success in regard to control of expenditure. The Committee recorded its "very favourable impressions" which the new system made on them. As a result of these impressions, the possibility of its extension to other Provinces was discussed in a meeting of the Financial Representatives in 1926. Though the consensus of the general opinion was in favour of the extension of the scheme they wanted to wait further and watch the continued working of the scheme. The Auditor-General also felt that "there has been considerable improvement in financial control" and he had "no doubt that, as new accounts offices gain more experience, the scheme of separation will produce even more valuable results in this direction." Sir Ernest Burdon, however, did not share this opinion. On the basis of this general feeling, the scheme was extended, albeit on an experimental basis, to the North West Frontier Province. Its extension to all the Provinces and all the central offices was, however, beyond question, for it involved large expenditures.

Good Testimonials

The Simon Commission (May 1930) commented wryly on the contemporary scene thus:

"A peculiar feature of the Indian Financial System imposes on him (Auditor-General) a third function—the computation of accounts and their audit are, except in Provinces in which the Secretary of State in Council has declared otherwise, entrusted to the same agency, the Indian Audit Department. The Auditor-General is, therefore, responsible not only for audit but also for the preparation of accounts he audits. The explanation of this anomalous combination of duties (a relic of the highly centralised system of administration, which obtained in India before 1920) lies in the transitional nature of India's constitutional and administrative arrangements. Audit and accounts have already been separated in several departments of the Government of India and in the United Provinces, and the extension of this financial form to other Provinces, which was strongly recommended by the Muddiman Committee of 1924, has been hindered only by consideration of the cost involved."

Notwithstanding these good testimonials, the separation scheme was scheduled for an early demise. The growth of support for the separation scheme was unfortunately moving against a background of economic depression. The Government's considerations, naturally, were diverted more to the counteraction of the economic holocaust. The Secretary of State, therefore, decided that the separation scheme, the abandonment of which was to yield a saving of Rs 3.50 lakhs, might be abolished. Accordingly, the abolition took place and this, once again, led to the establishment of combined audit and accounts offices. The separation of audit, which had been introduced in the Railways and which was already functioning for well over four years by that time was, however, allowed to continue. But the Secretary of State made it plain that the abandonment of the scheme was influenced by considerations of 'economy' alone and that it did not indicate the Government's disapproval of the principle of separation.

The combined offices thus continued since that time until 1955, when a scheme of separation was introduced. Meanwhile, however, there was one development which, though not of great significance from the practical point of view, was important enough from the historical view. This was the development that took place at the time of the consideration of the 1935 Reform. The objective of the Government and public alike during the period was to do all that was possible to make provincial autonomy a reality. This movement resulted in a provision included in the 1935 Act to the effect that Provinces would be free to appoint their own Audit or Accountant-Generals. The Joint Committee on Indian Constitutional Reform (1933-34) stated in this respect thus:

"It is desirable both on grounds of economy and other reasons, that the present centralised system of audit and accounts should be maintained, and it is hoped that the Provinces will realise the advantages of such a course. Nevertheless, it would be difficult to withhold it if an autonomous Province wants to have its own auditing arrangement."

The provision in the 1935 Act, as indicated earlier was not availed of by any Province and thus the accounting arrangements in the Provinces which, together with the centralised accounting system, formed part of the duties of the Auditor-General continued as it were and remained unseparated.

Exchequer Control

The issue of separation received "no attention" from 1936 until the commencement of India's independent Constitution. However, with the implicit inclusion of the "exchequer control" in the duties of the Comptroller and Auditor-General, the question once again came up for consideration. The first Comptroller and Auditor-General of the Indian Republic, who was a strong protagonist of 'separation,' lost no time for voicing his opinions through his Audit Reports* through the Annual Reports of the Ministry of Finance and through the Public Accounts Committee. He was firmly of the opinion that the existing arrangements of the sharing of responsibilities are highly defective. He added: "The separation of audit from accounts and the organisation of the necessary accounting machinery under the administrative departments with a view to removing these serious defects and the enforcement of effective exchequer control are essential and overdue, and I, as the Comptroller and Auditor-General, attach the greatest importance to these reforms being carried out." These arguments received further support from the cases of embezzlements in the Audit Departments itself. The Comptroller and Auditor-General was quick to point out that these cases were "an illustration of the continuance of the ancient practice in this country of imposing upon combined accounts and audit offices the duties of pre-audit and payment at headquarters towns. This practice has been condemned as dangerous and improper times without number by the Auditor-General and Public Accounts Committee."† Almost at the same time, a conference of the Commonwealth Auditors-General came to the conclusion that the system of an Auditor-General making payments or keeping accounts was undesirable.

The combined impact of all these developments was considerable. It was particularly discernible on the Public Accounts Committee, which, on the basis of a forceful plea made by the Comptroller and Auditor-General, recommended that separate accounts offices for various Ministries should be set up. The Committee also stated that maintenance of accounts of the States is not a Union subject and that, therefore, "the acceptance of responsibilities for the maintenance of State accounts by the States themselves is constitutionally right and proper." They recommended that early steps should be taken to separate the Provincial accounts also.

Programme of Separation

The programme of separation, as offered by the Comptroller and Auditor-General, consisted of three stages: (i) The immediate transfer of the work of disbursements of money by the Audit Department at certain capital towns to separate pay and accounts offices established for the purpose; (ii) The separation of accounting functions from audit and the entrustment of the former to the spending Departments; and (iii) following (ii), the introduction of the system of Exchequer issues and control as in the U.K.

These recommendations of the Public Accounts Committee were accepted by the Government, in principle, but the implementation of it had necessarily to be in stages. As the then Finance Minister stated, in the course of a debate in the Lok Sabha, "the question of phasing the change in such a way that it does not dislocate the administration is really the practical issue for consideration, at least so far as the Central Government is concerned . . . the House will realise that such a fundamental change would have to be spread over a period of years and cannot be introduced at once. Thus, despite the acceptance of separation in principle, little or no progress was made. All that was done during the tenure of the first C. and A.-G. was the establishment of separate Payment Offices at State headquarters and, before any further progress could be made, there was a change in the incumbancy of the post of the Comptroller and Auditor-General.

The second Auditor-General was also in favour of the separation of Audit and Accounts and he, too, considered it as essential. He stated: "the malaise of our administration has been this unnatural divorce of authority from responsibility. I feel that the transfer of accounting responsibilities to the Ministries should, therefore, be the first step towards the evolution of an acceptable and logical pattern of administration." With this as the objective, he started consultations with Government for the implementation of the separation programme. A result of these efforts was the introduction, on 1st April 1955, of the Separation Scheme in respect of three selected Ministries—Food, Rehabilitation and the Supply Department of the Ministry of Works, Housing and Supply. The introduction of this scheme in these Ministries was considered to be highly convenient because it had a minimum of dislocation in work, for the transactions of these three departments were conducted until then by a separate Accountant-General. The scheme was later on (1st October 1955) extended to the Lok Sabha and Rajya Sabha offices. In the same year, a limited scheme of separation covering two departments was introduced in West Bengal. A scheme covering only one department was introduced in Saurashtra also in the same year.

(To be continued)

*See Audit Report 1952; Annual Reports of the Ministry of Finance for the years 52-53 and 54-55; Among the P.A.C. Reports see the Third Report 1952-53.

†Audit Report 1952. This point was raised by Purshottom Das Tandon in the House also.

*For arriving at this decision, the recommendations of the Acworth Committee were mainly responsible, the factors mentioned earlier having created the proper atmosphere.

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NEW PUBLICATIONS

Techno-Economic Survey of Orissa. Published by the National Council of Applied Economic Research, New Delhi. Pages: 309. Price: Rs. 20.

DEVELOPMENT of backward areas is one of the objectives of our National Plans. Among the backward States Orissa provides a paradoxical picture, with its vast potential of raw materials and mineral resources. Despite this large potential of natural resources, the economy of Orissa does not secure a high *per capita* income and reasonable standards of living for the inhabitants of the State. In 1956-57, the *per capita* income in Orissa was only Rs. 190, as compared with Rs. 294 in all-India; the level of consumption expenditure was low and standards of public health and general education were inferior to those in other States.

The reason for this backwardness is that the exploitation of rich mineral resources is at an early stage even now. Backward technique of production is another characteristic of this early stage of economic development. This is reflected in lower output per worker in every sector in comparison with the average for all India. In agriculture, the net output per worker in 1956-57 was about 83 per cent, in factory industry roughly 70 per cent and in non-factory industry 70 per cent of the all-India averages. For raising *per capita* income in Orissa, therefore, a two-pronged attack on under-utilisation of resources and low per-worker productivity is necessary.

Structurally, according to the N.A.A.E.R.'s survey, Orissa's economy is dependent on agriculture to a greater extent than the economy of the country as a whole and the manufacturing industry is relatively less important. Agricultural productivity both in relation to land and working force is very low, because of relatively low crop yields and the poor harvest price of rice—a crop which covers over 62 per cent of the State's cultivated area. Lack of transport and organised marketing facilities, and backward techniques are mainly responsible for poor yields. Industry in Orissa is dominated to a greater extent by cottage and village type of manufacturing activity than in all India. Agriculture-based industry contributes the major part of total industrial output. But the State is rich in natural resources. Its forests cover 4 per cent of the State's areas (as against 17 per cent in all India) and are a large potential source of industrial raw material. Its mineral deposits, chiefly iron ore, coal, manganese, limestone, fireclay and chromite are among the best in the country.

The establishment of the Rourkela Steel Plant and the development of other mineral-based industries (refractories, ferro-manganese and cement) have no doubt resulted in a large expansion of the State's industrial output in recent years. It is also true that this provides a firm foundation for the industrialisation of the State. But, industrially, Orissa is among the backward States of India. Its share of industrial sector in the total income generated in the State (8 per cent) is much lower than in all India (16.3 per cent). The composition of the factory industry in 1956-57 in Orissa shows that agriculture-based industries were the most important, followed by forest-based industries, while mineral-based industries were relatively unimportant.

Considering the natural resources of Orissa in the context of the pattern of development envisaged for India as a whole, all-India demand trends, and availability of power, water, transport and labour, the Council envisages a 10-year (1961-71) programme for investing Rs. 550 crores in large-scale industry. This would represent 39 per cent of the suggested overall investment of Rs. 1,400 crores over that period, while agriculture, power and mining account for 22 per cent, 13 per cent and 4 per cent respectively. The Council suggests that the additional output expected from this investment is Rs. 146 crores and the additional direct employment about 90,000. Pointing to the estimated 8,000 million tons of iron ore deposits in the State, the Council emphasises that the establishment of mineral-based industries would depend on improved mining methods and techniques, rapid expansion of transport (including the development of Paradip Port) and training of mining labour and upgrading of skills by the Orissa Mining Corporation.

The survey points out that, despite the recent development of mineral-based industries like steel, aluminium and ferro-manganese, the installed capacities in Orissa are very small relative to the available mineral resources. The Council suggests that a large increase in the demand for steel and the products of other mineral-based industries is likely. A considerable expansion in the capacity of steel production, besides that already planned for the Rourkela Steel Plant, is suggested to be achieved by the installation of a new plant at Bonaigarh. In addition, demand and resource considerations indicate the scope for development of ferro-chrome, ferro-silicon, ceramics, and glass manufacture, for which plans have been suggested by the N.C.A.E.R. The by-products of the coke oven plants at Rourkela an later at Bonaigarh can provide the basis for the expansion of the chemical industry. Plants for producing styrene, polystyrene, ammonium sulphate and nitrogenous fertilisers have also been suggested. Engineering industries which form the bulk of metal-based industries are market-oriented and are bound to have a great future in the State.

Of the suggested total investment of Rs. 1,400 crores, it is estimated that the share of the public sector will be Rs. 576 crores. The Council feels, however, that the Orissa Government will be able to raise only Rs. 203.2 crores in the 10-year period, including Rs. 46 crores of additional taxation and Rs. 73 crores of market borrowings. The gap of over Rs. 372 crores will have to be met through Central assistance. These estimates exclude the current outlay under the plans, for which the State has itself to find the resources. Improvement of land taxation and rationalisation of the structure of commercial taxes are some of the suggestions made to augment State's revenue in the next decade.

Regarding agriculture, the Council observes that the main effort should be to bring about a substantial increase in the double-cropped area and a step-up of paddy yields. Propagation of better cultivation practices, application of better seeds, and fertilisers and soil conservation should all help in increasing farm output by 100 per cent. By 1971, according to the Council, the State should be in a position to export two million tons of rice to other States against the current level of 3 lakh tons.

The National Council has also laid great stress on the expansion of medical and health facilities in Orissa. It recommends an expenditure of Rs. 50 crores in the next 10 years to cover various programmes like malaria and filaria control, protected water supply, modern drainage and sanitation, and medical and health facilities. This would bring the *per capita* allocation on public health to the all-India level in 1970-71.

If the Council's Rs. 1,400-crore programme is fully implemented, the State income will grow at the rate of 14 per cent per annum and *per capita* income will double and catch up with the all-India level in 1970-71. The increase in overall productivity will be 250 per cent in factory industry and 50 per cent in other sectors. The survey brings to the fore the potentialities of this backward State in a co-ordinated form and is a welcome addition to the literature on economic planning in our country.

Law and Practice of Banking. By R. M. Mitra. Published by Suneja Book Centre, 24/90 Connaught Circus, New Delhi 1. Pages: 359. Price: Rs. 10.

Commerce is a very highly developed and specialised subject. Commercial laws cover contracts, negotiable instruments, insurance, banking, companies etc. Law and practice of banking is only a small part of the vast field of commercial laws. Knowledge of this subject is essential to all those carrying on the business of banking, employees in those firms and companies carrying on the business of banking, customers and constituents who form the bulk of the business community in every country.

There are very many good books on the subject from the legal point of view, but there are very few good books thereon to help students of the law and practice of banking. Mitra has ventured into this line and it should be said to his credit that he has done his job successfully. Mitra's book will be useful to students as well as to the employees of banks. The book is divided into six chapters. The appendices contain Statutes, Rules, Bankers' Books Evidence Act, etc. But the author would have done well to include a bare text of the Negotiable Instruments Act.

The commentary deals with the origin and development of the system of banking, status of parties and lending by banks, business organisation and the Negotiable Instruments Act. The discussion is written in simple and precise language. A dry subject like this has been made quite interesting. Case law has been referred to wherever necessary, but the author has not provided a table of cases. The commentary is divided into numerous sub-headings, which makes reference to each topic easy. There is no index to the book, and this is a serious drawback in a law book. The author will do well to incorporate an index and a table of cases in his next edition.

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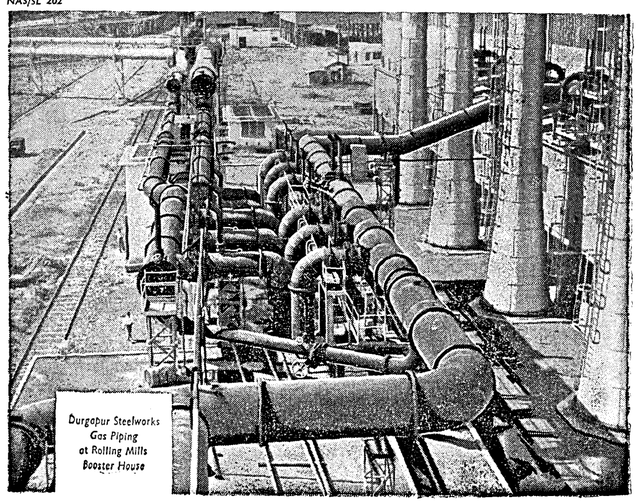

Durgapur Steelworks Gas Piping at Rolling Mills Booster House

The Indian Advertising Year Book 1962. Editors: V. K. Narasimhan and V. K. M. Chari. Publishers: Our India Directories and Publications Private Ltd., 16, Nandanam, Madras 35. Pages: 664. Price: Rs. 25.

The *Year Book* provides a wealth of information on institutions and personalities concerned with the advertising profession in India. The scope of the volume is rather comprehensive, in that, apart from dealing with matters of immediate interest to advertisers, the authors have made a rather detailed study of the structure of, and recent trends in, India's industrial economy, which have a direct relevance to their field of work.

The *Year Book* has been divided into three parts, namely, "Referindia", "Advertisers' Guide" and "Advertisers' Cyclopædia". The first section is devoted to a study of the Indian economy, with particular reference to population, agricultural and industrial patterns, mineral resources and development plans. The authors have done well to make a State-wise study of economic conditions, giving succinct information about important cities and towns in each State, as well as in the Union Territories. This section also contains important details regarding literacy, educational institutions, major industrial units, cinema theatres and newspapers and periodicals in various districts, hill stations, etc., which are of importance to enterprising advertisers and those interested in market research.

The second section seeks to study the impact of the growth in industrial and commercial activities in the third Plan on the advertising profession. A description of the organisations engaged in advertising and publishing and a "Who's Who" in the advertising profession, are added in this part. Now we come to the third section, in which is compiled information on the various forms of advertising media available in the country, including press, transport, outdoor and the like, in sufficient detail. The authors seem to be justified in their claim that the book fills a real gap in the reference literature on Indian Advertising. Some of its sections will also be interesting to students of economics and laymen alike. But there would appear to be room for improvement in the get-up of this useful *Year Book*.

The Bombay Chamber of Commerce and Industry —Directory of Members 1961. Published by Mr. Barker, Secretary, the Bombay Chamber of Commerce and Industry, Mackinnon Mackenzie Building, Ballard Estate, Bombay, 1.

This *Directory*, brought out by the Bombay Chamber of Commerce and Industry as part of the celebration of its 125th anniversary, contains detailed information on the members of the Chamber. A major part of the Directory is covered by particulars about the manufacturing and trading activities of the members of the Chamber. One separate section gives the list of all the members of the Chamber, grouped on the basis of the commodities in which they deal. A small chapter is devoted to a history of the institution, the inception of which dates back to 1836. The authors of the volume claim that the Directory is intended for assisting the export drive. With its beautiful design and get-up, this volume will serve as a handy source of reference for matters relating to a large segment of Bombay commerce and industry.

B.D.I. Germany Supplies, 1961-62 (West German Export Directory). Official Export Register of the Federation of German Industries and the Federation of German Handicraft Organisations. Published by Gemein Schaftsverlag GmbH., P. O. B. 508, Darmstadt, West Germany.

The *B.D.I. Germany Supplies*, the annual publication brought out jointly by the Federation of German Industries and the Federation of German Handicraft Organisations, Bonn, is an authoritative directory of West German export products and exporting firms. The fifth edition of this book, recently published, is divided into three sections. The first section gives a comprehensive list of West German export products and trade marks. In the second section, export goods, their manufacturers and trade marks have been classified according to broad industrial groups. The third section, alphabetical directory, seeks to provide detailed information about exporters of various products, including their postal and telegraphic addresses, telephone numbers and other details of the products in which they deal. All the information is given in four languages, namely, German, French, Spanish and English. The volume will undoubtedly be of great value to those who wish to have business connections with West Germany.

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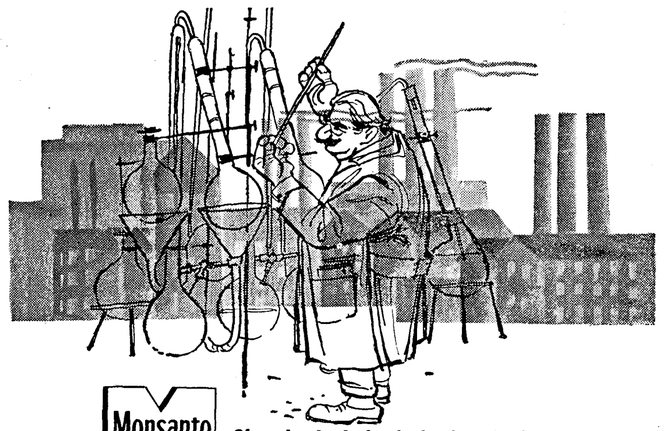

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POWER SHORTAGE IN EASTERN INDIA

BENGAL CHAMBER OF COMMERCE URGES REMEDIAL STEPS

THE vital Bihar-West Bengal industrial belt has come to be known as the Ruhr of India. In this belt are situated a large proportion of the country's basic industries and those upon which it relies largely for foreign exchange. It contains about 95 per cent of the jute industry, a very large proportion of the coal industry based on the country's best deposits of high grade coals, the larger section of the steel industry and also paper, engineering and a number of other important industries. These industries were relatively well supplied with power in the recent past, and shortages were unknown. But, in the last one or two years, on account of various causes, the power supply position has deteriorated considerably, with the result that production in several industries has been seriously affected.

It has been estimated, in this connection, that the jute industry, which is the biggest single consumer of electricity in Eastern India, lost over four million man-hours and 12,000 tons of production due to power cuts in the period February-June 1961. During the same period, the engineering industry is estimated to have suffered production losses of as much as 10 per cent in the Calcutta industrial area alone. The most serious single effect on this industry has been the disruption of the coal wagon fabrication programme in the private sector units. Electro-chemical plants, which are designed for continuous working, have also been affected by the unsteadiness in the supply of power. In the coal industry, a recent census taken by one colliery in the Raniganj field has revealed the staggering figure of 108 stoppages in the mine due to power failure from 1959 to April 1962. Since power for the majority of collieries in this field is supplied from the Damodar Valley Corporation, the overall loss of output during that period, assuming that other collieries were similarly affected, can be easily figured out. These inadequacies in the availability of power, which have slowed down production in varying degree, are particularly serious in the Calcutta area, about which the Bengal Chamber of Commerce and Industry has the following to say in its latest survey entitled *Electrical Power in Eastern India* 1962:

"In regard to Calcutta, it must be emphasised that there are few expanding urban areas where the possible effect of such a shortage is so considerable, where the strain on the existing generating plant is so great, and where such a long time lag must occur before relief can be expected—and where the demand is continuing to expand at so remarkable a rate.

"In Calcutta, during the second Plan, the private sector was not allowed to undertake a power expansion programme which, in its opinion, was essential for the future of the city. It was anticipated that in its place the public sector would erect the equivalent supply units. Unfortunately, although schemes for the generation of electricity from hydro-electric projects and coal-fired stations in the Damodar Valley were put in hand, these projects have proved to be inadequate. In spite of the fact that the quantity of electricity generated has increased considerably, the increase in consumption has been such that it is not possible to connect freely new industrial loads and avoid pockets of scarcity."

Power Supplies for Calcutta

It is a truism that electric power supply controls the production and expansion of practically every industry. So much so, it is essential that the total amount of power available must at all times exceed the total demand if the industries which it supports are to be successful. The very fact that there is a continuing power shortage in Eastern India proves that power availability is not even keeping pace with power demand. Will this situation be remedied at least by the end of the third Plan? There is no certainty, on present indications, that it will be remedied. On the contrary, the indications are that demand will continue to exceed supply. The Bengal Chamber's survey has referred, in this connection, to the estimated power supplies of 964 M.W. by 1965-66 within West Bengal (excluding the vital area of the D.V.C. and also the West Bengal State Electricity Board's loads in Kharagpur, Midnapur and Purulia and traction loads in Howrah, Belmuri, Purulia, Kharagpur and Kolaghat). The table in column 1 shows the generating plants through which the estimated supplies will be obtained.

Estimated Supplies, 1965-66, in M.W.

	Installed	*Firm*
(a) C.E.S.C.	334	306
(b) Durgapur	210	210
(c) Bandel	332	247
(d) Gouripore	45	24
(e) Darjeeling	2	1.2
	923	788.2
*(f) Additions by W.B.S.E.B.		
(i) Durgapur	75	75
(ii) Katwa	150	75
(iii) Mayurakshi	4	2
	1,152	940.2
Less: 12 per cent auxiliaries and other losses items (b) to (f)	98	76
	1,054	864.2
(g) Imported from D.V.C.	100	100
	1,154	964.2

* The commissioning dates of these installations are still doubtful.

If it is assumed that all the additional plants indicated in the above table will come into operation by 1966, there will be an aggregate supply potential of 964 M.W. But the aggregate power demand, it is estimated, will also have risen to 1,002 M.W. at the minimum. That will mean a shortfall of 38 M.W. which, it is stressed, is the minimum amount by which demand will exceed supply and which makes no allowance for unforeseen breakdowns in generation and transmission equipment. This is a disturbing prospect, indeed, for the Calcutta area.

D.V.C. Industrial Area

As for the position within the D.V.C. industrial area, it is estimated that power demand by 1965-66 will be 178 M.W. in West Bengal territory and 217 M.W. in Bihar territory. In addition, a total demand of 225 M.W. outside the delineated area is expected to be met by the D.V.C. But the saleable capacity of the D.V.C. system by 1965-66, it is estimated, will be 720 M.W. Thus, by the end of the third Plan, adequate supplies of power may be available in the D.V.C. area. But, in the interim period, that is, between now and the end of the third Plan, serious dislocation may be caused in the D.V.C. area too, if adequate supplies are not available on a progressively accelerated basis. It may be noted here that the D.V.C.'s new generating units are expected to be commissioned only during the years 1964 to 1966 and that its Durgapur and Bokaro thermal stations, which have been commissioned after inordinate delay, cannot be said to be operating satisfactorily even today. How the power crisis has arisen in the Calcutta and D.V.C. areas and why remedial steps are urgently required, have been indicated in the Chamber's survey as follows:

"In planning the generating capacity, the demand-supply equation appears, unfortunately, to have been overlooked. While the delay in sanctioning new generating units may have been due to the overlapping of responsibilities for feeding the industrial belts of West Bengal-Bihar between the Damodar Valley Corporation, the State Electricity Boards and the Licensees, the position has become so precarious that even the outage of a single machine in the area reflects adversely on all industries and particularly on basic industries such as jute, coal and engineering. Such defects underline the fact that an adequate margin of safety must be kept by way of spinning reserve, hot reserve, and cold reserve when calculating the total installed capacity required. Unless urgent remedial steps are taken, the adverse effects on production due to breakdowns in generating units are bound to continue."

The present temporary expedient of diverting some power from Rihand and Hirakud to Eastern India will not solve the problem. So some remedial steps are necessary. These, in the considered opinion of the Bengal Chamber of Commerce, are:

"In order to ensure that the requirements of industry are met, surveys of its requirements must be made at frequent intervals, every six months or so, under the auspices of the Central Water and Power Commission.

"To make the best use of the country's resources, maximum use should be made of well-proven equipment and, as far as possible, installations should be standardised in order to simplify maintenance and repair and reduce the quantity of spares necessary.

"In view of the importance of Calcutta and its hinterland to the economy of the country, it is a matter of the utmost urgency that additional generating plant is installed in this area.

"To ensure the efficient working of the new thermal plant at Bandel, immediate steps should be taken to ensure the availability of adequate supplies of coal either by rail or by other means and, as the railways may well experience difficulties in the future, consideration should be given to siting thermal stations in, or close to, the coalfields.

"With these points in mind, it is recommended that very high priority for the utilisation of foreign exchange should be given to the country's electrical power requirements. This is a matter of considerable importance and it is felt that urgent consideration should be given to deferring, if necessary, some other projects in order that the necessary foreign exchange facilities may be made available for power."

It will be seen from the above suggestions that there is no specific plea for encouraging a power expansion programme in the private sector. Perhaps, this is implicit in the general suggestion that additional generating plant should be installed in the Calcutta area as a matter of urgency.

DIESEL-ELECTRIC LOCOMOTIVES IN BRITAIN

British Railways are stated to have the world's largest fleet of diesel locomotives outside North America. Nearly 1,500 main-line diesel-electric and diesel-hydraulic locomotives are now in service, as well as 1,900 diesel shunting engines and more than 4,000 diesel railcars and multiple-unit vehicles. Six years ago, it may be recalled, there were only seven diesel main-liners, 62 railcars and 309 shunters in service. The bulk of the change from steam, however, has been made only in the last four years. Thanks to this change, diesel locomotives and trains have this summer enabled the greatest speed-up in the history of British Railways. More than 200 trains—nearly twice the pre-war number—are averaging speeds in excess of 60 miles an hour.

Two diesel locomotives are now doing the work of upto five steam locomotives. This is because daily they need only refuelling, compared with time-consuming tasks like coaling, watering, ash removal and lighting up, which keep a steam locomotive out of service for at least 10 hours out of the 24. A diesel locomotive is ready at the touch of a button and can be used for 22 hours a day.

Two of Britain's biggest industrial groups, it is further reported, are to collaborate in the manufacture of diesel and electric locomotives. They are Brush Electrical Engineering Company Ltd., a member of the Hawker Siddeley Group, and the General Electric Company, Ltd. Both companies have long experience in the field of traction. The collaboration, the firms say, will provide "an organisation covering every aspect of railway electrification and diesel-powered locomotives." Brush pioneered the manufacture of electric tramway and railway equipment, but has since concentrated on diesel-electric locomotives. G.E.C. has concentrated on straight electric traction. It has also made transmissions and parts for electric locomotives.

KAISER STEEL'S EXPANSION PROGRAMME

The Kaiser Steel Corporation in the United States is just engaged in a $25-million expansion programme to diversify its production and improve quality, service and efficiency. The programme includes expenditures at all the six of Kaiser Steel's major plants and mines.

At the Fontana Steel Mill, the major improvements include equipment to increase production of double reduced thin tin plate, the new product which has gained wide acceptance in the container industry. Other installations include Tocco annealers in the electric weld pipe mill to improve pipe quality; added coil handling capacity and skelp slitting equipment in the hot strip mill to improve efficiency; an 86-inch skin pass mill to upgrade quality and increase capacity in the hot rolled sheet mill; a new machine scarfer, which will automatically condition slabs from the slabbing mill; and an extension of the slab yard.

Now under way at the Corporation's Eagle Mountain Iron Ore Mine in Southern California is a major expansion of facilities which will make it possible for the mine to increase the volume of shipment and reduce costs. The following facilities have also been installed at other locations: a long wall miner at the Company's Sunnyside, Utah, Coal Mine; a 5,000-ton forming press at the Company's Fabricating Division Plant at Fontana, California; machinery to produce automatically welded built-up beams at the Fabricating Division Plant at Montebellow, California; and non-destructive testing equipment at the large diameter pipe facility at Napa, California.

LATEST U.S. WEATHER SATELLITE

America's new Tiros Six weather satellite began sending down excellent quality pictures of weather patterns around the world within hours of launching on the 19th instant. The first pictures were of cloud cover over the Mediterranean Sea and North Africa, taken during Tiros' second pass around the earth.

The new Tiros, originally set for a November launching, was sent up in advance to help Tiros Five hunt hurricanes during the latter part of the season in both the Atlantic and Pacific Oceans. The satellite has an anticipated lifetime of four months. During the first two weeks it will be moving about the earth in the Northern Hemisphere, then moving into the Southern Hemisphere for about 30 days before returning north again.

Tiros (television infra-red observation satellite) vehicles are forerunners of permanent space weather stations. The U.S. hopes to keep two in orbit simultaneously until the more advanced Nimbus satellite is ready in about one year.

NEW PRODUCTS AND PROCESSES

Suspension System for Ceiling Panels

A NEW fully concealed suspension system for ceiling panels, in which every panel is easily demountable, has been developed by an Australian company, Mapco Pty. Limited, of Sydney. The system is claimed to have great simplicity combined with high quality and is also very suitable for combination with exposed ceiling members, in one or two directions. It is known as the "G.C.S." (Goyer Concealed Suspension) system, named after its inventor, Mr. G. Goyer, who is managing director of Mapco. The G.C.S. system consists of bearer members, made of aluminium extrusions running in one direction, and installed normally 2 feet apart. Suspension is provided by ¼ in. galvanised rods. Cadmium plated steel channels are used along the panel edges to avoid sag of the panels. These channels have a spring steel clip at each end, designed to be clipped into the aluminium extrusions used as bearer members for suspension of the panels. A special and very important feature of the system is that at the same time as this "clipping-in" of the panels takes effect, the steel channels along the panel edges lock into a fixed position horizontally with the bearer members, and thereby also act as precision spacers between the bearers. In this way, cross members in the suspension system are eliminated and installation of the panels is fast and easy. Since correct positioning of the panels in both vertical and horizontal direction is predetermined by the design of the system, a first class installation is easily obtained.

Dry Lubricant

In a patent taken out by the English Electric Company, it is stated that a mixture of lead sulphide and colloidal graphite in the ratio of 3:7 by weight provides an effective dry lubricant capable of operating at very high temperatures in a carbon dioxide atmosphere. The mixture can either be brushed or sprayed on to bearing surfaces—a thickness of about 0.0004 inch being the optimum. A film of the mixture has been found to work well in dry carbon dioxide and under vacuum continuously up to 200 degrees C., for limited periods up to 400 degrees C. and in dry air for limited periods up to at least 350 degrees C.

Punch-card Operated Concrete Mixer

The first punch-card operated concrete mixing station in Sweden has recently been taken into use by A-Betong, Strangnas, concrete producers. The plant has cost about Kr. 500,000 ($100,000). The station has a capacity exceeding 400 cu.m. of concrete per day. The weighing of the various mixing materials as well as adding of water are handled automatically by electronic devices with extremely small margins of error. The entire process, which is reported to result in higher and more uniform qualities, can be supervised by one single operator.

New Method of Laying Roofs

A new method of laying roofs of stainless plate has been launched by Rostfria Tak AB, Skara, a roofing enterprise partially owned by and collaborating with Fagersta Bruks AB, the large Central Swedish steelworks. The materials used are 500-mm. wide stainless strips, which are welded on the building site by means of an electric seam welding machine. Since the strips and the joints are completely leakproof, the roof can be designed with the smallest possible slant or even completely flat. Resisting all types of "atmospheric" wear—besides having great strength and impact-resistance—stainless steel roofing is claimed to be particularly suitable in corrosive environments, such as in chemical plants, in smoke-polluted and seaside areas, etc. In order to reduce reflection, the roofing sheet has been subjected to special treatment for giving it a tarnished surface.

Ventilated Jacket for Heat Protection

A ventilated garment, served by an air-cooling unit, has been produced by a British steel firm, United Steel Companies Ltd., Yorkshire. For use in steelworks' crane cabs and other hot surroundings, the jacket, weighing less than 1 lb., is made from "Terylene" sailcloth with a series of ventilation ducts served by a single air intake—a flexible plastics tube. The "coat" has a number of small holes in its outer and inner surfaces which allow a wide distribution of air and gives overall diffusion for the worker's outer garment—such as a boiler suit. The effect is a barrier of cool air insulating the wearer from the surrounding heat. This principle of "dynamic insulation" has been the subject of investigation by a climate and working efficiency unit of Britain's Medical Research Council, working in conjunction with the British Iron and Steel Research Association, and has been shown to be an efficient method of protecting the human body against radiant heat. "Terylene" sailcloth is virtually impervious to air at the pressures involved and, being a woven material, can readily be sewn.

Container and Dispenser for Corrosive Liquids

A combined container and dispenser to meet the requirements of industry for an economical method of handling relatively small quantities of corrosive liquids is now being marketed by a British firm, Turner and Brown Ltd., Lancashire. The unit consists of a circular container made from 18 in. (45.71 cm.) diameter extruded P.V.C. (Polyvinylchloride) tube with a welded plastic base and with a layer of resin-impregnated glass fibre bonded to the outside to give it added rigidity and longer life. A close fitted cover of ⅜ in. (9.52 mm.) P.V.C. can be securely bolted to the tank through a 1½ in. (3.81 cm.) plastic flange welded to the rim of the container. A patent hand pump is in turn bolted to the cover. The pump, which works on the piston and non-return valve principle, is simple and is made entirely of P.V.C. with a minimum of working parts. It is claimed to be completely non-reactive to all the more common liquids used in industry and the hard-wearing nature of P.V.C. enables the piston, cylinder and non-return valve to remain dimensionally accurate for an indefinite period. It requires no servicing other than a rinse when different liquids are dispensed. The pump is capable of delivering a maximum of 11 gallons (50.006 litres) of liquid per minute and by a valve being incorporated in the outflow pipe the flow of liquid can be accurately controlled.

Fibre Glass Filter

Special filters made of glass fibre which can extract particles of 0.3 micron diameters at an efficiency level of 99.9 per cent and at high temperatures, have been developed by a firm in Gloucestershire, Evans Adlard and Co., Ltd. Designed for use where the highest possible filtration efficiency is required, where long life is essential and where humidities of up to 100 per cent exist, the filters can be operated at constant temperatures of 500°C. They have the advantage over esparto grass-based filters of being rot and insect proof, are unaffected by acids, and bacteria will not grow through them. Their efficiency never varies—unlike natural fibres. The filters are already being used in nuclear power stations, where large volumes of absolutely clean air are required. One filter is capable of handling 1,000 cu. ft. (16387.1 cu.m.) of air a minute. The filters are also being used for hospital operating theatres, laboratories, precision engineering and pharmaceutical manufacturing.

Cryosurgery System Control Unit

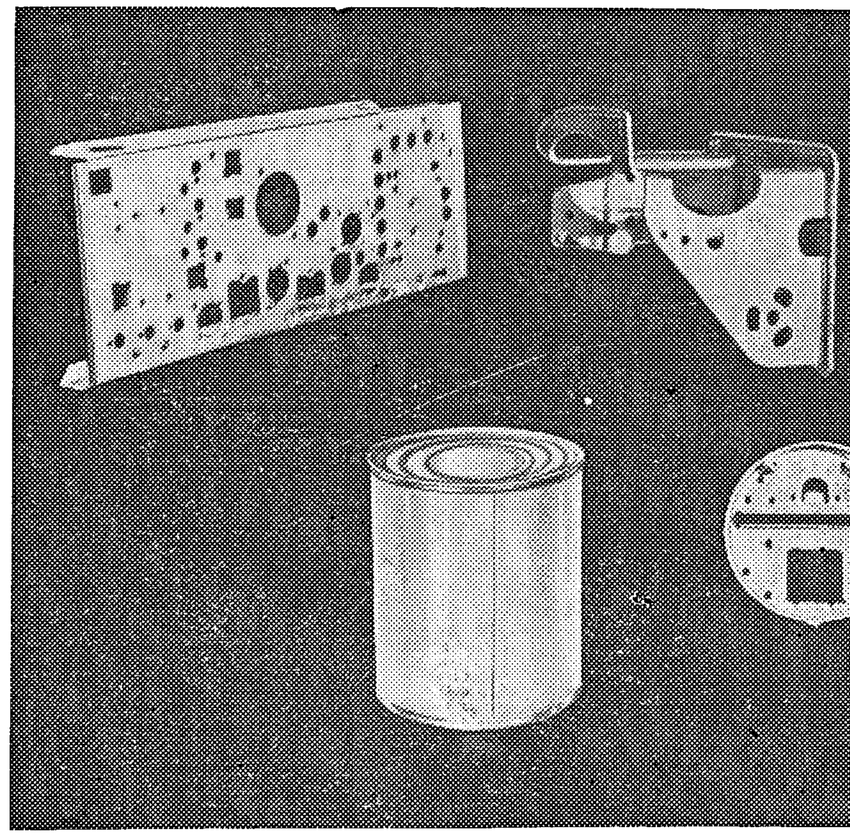
Special equipment for use with the radically new surgical freezing technique developed by Dr. Irving S. Cooper, Director of the Department of Neurosurgery at New York's St. Barnabas Hospital, is now available from Union Carbide Corporation. The Cooper technique makes use of freezing as a surgical tool—at temperatures as low as 100 degrees below zero centigrade (minus 150 degrees Fahrenheit). The control unit made by Union Carbide for the Cooper cryosurgery system regulates the flow of liquid nitrogen, which provides the ultra-low temperature. The nitrogen is delivered through the tip of an insulated instrument known as a cannula—sometimes referred to as the "cold knife." The cannula freezes the affected tissue so that it is destroyed and eventually absorbed in the body. This cryosurgery evolved out of more than 10 years of research by Dr. Cooper on cases of parkinsonism, or "shaking palsy" as it was once known, in which he treated patients successfully in more than 1,400 operations by destroying small localised areas of brain tissue. The key operating features of the cryosurgical control unit include automatic temperature control of the cannula tip to within one degree centigrade of the preselected temperature, continuous monitoring and recording of the temperature, and electronically controlled circuits that permit the neurosurgeon to regulate temperature.

Safety Net

One of the biggest safety nets ever used in Britain is being employed in the construction of the £2¼ million Medway Bridge in Kent. Manufactured by London Spinning Co., London, from lightweight nylon, the net covers more than a quarter of an acre when fully extended. The new bridge carries the 25-mile long M.2 motorway, which will relieve traffic congestion in the Medway towns when it opens in summer, 1963. The safety net has been erected above a railway line which passes between piers five and six on the west bank. Although it has ample strength to catch a man if he should fall, its main purpose is to prevent debris and materials from falling onto the track or trains while the work is going on. The net has a 4 in. mesh and is made from braided nylon cord with a 500-lb. breaking load. This is overlaid with a ¾-in. mesh net made from black bitumen-treated nylon with a 50-lb. breaking load which is designed to catch small particles. Nylon is chosen for its combination of strength and durability with lightness in weight. The netting is 160 ft. by 80 ft. when fully extended and the total weight is about 8½ cwt. A natural fibre net of comparable size and strength would have weighed several times as much and would have presented formidable handling difficulties.

New Loading Platform

A new loading platform which operates through a photo-electric cell is being produced by a London firm, G. Hunter (London) Ltd. When a lorry passes a beam of light the platform or "dock leveller" rises to maximum height. On passing a second beam the platform lowers slowly to fit safely against the lorry tailboard. When the loading or unloading is finished and the lorry is leaving, the reverse action takes place, the platform rising to clear the lorry and then lowering to its original position as an integral part of the loading bay.



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BONUS FOR BANK EMPLOYEES

DESAI TRIBUNAL LAYS DOWN PRINCIPLES AND CONDITIONS OF ELIGIBILITY

THE fate of the Desai Award on wage scales and other conditions of service of bank staff is still hanging fire. While the Indian Banks' Association has accepted the award in full, the All-India Bank Employees' Association, led by the Communist Party, has denounced the award. It has been trying, albeit unsuccessfully, to persuade the Banks' Association to agree to direct negotiations for ensuring a better deal for bank employees than the one given in the Desai Award. There have also been frequent threats of strike. In this atmosphere of continued discontentment among bank employees, the publication of the second part of the Desai Award relating to bonus has caused little enthusiasm either among bankers or bank employees in the country. In fact, this bonus award has received hardly any notice. The award does not specify the quantum of bonus a bank should pay. Instead, it merely lays down the principles and conditions under which bonus is payable to bank employees, the qualification for eligibility for bonus and the method of computing the same.

One of the preliminary objections raised by the All-India Bank Employees' Association before the Tribunal was that, since all aspects of bonus were being examined by the Bonus Commission, the Desai Tribunal should not entertain a reference relating to bonus and should direct the parties to appear before the Commission and place their views before it, if they so desired. Mr. Justice Desai rejected the plea on the ground that the functions of a Tribunal and a Commission were distinct and separate. He defined the functions of the Tribunal *vis-a-vis* the Commission as follows:

"Merely because a Commission is appointed, a National Tribunal cannot cease to function or reject the reference. One cannot predict and say that the recommendations of the Commission would be incorporated in an Act of Parliament. A National Tribunal has to function within the limits of the industrial law as laid down by the legislature and as set out by the Supreme Court. The reference to this Tribunal relates to certain banking companies and their workmen and this Tribunal has to examine the question of bonus within the limits of the industrial law and within the limits of the terms of reference. It is not open to this Tribunal to direct any parties to appear and place their views before the Bonus Commission. The mere fact that Government has appointed a Bonus Commission would not constitute a valid ground for rejecting the reference, and the demand made in that connection cannot be acceded to."

Rationale of the Reference

The Tribunal also rejected the Bank Employees' contention that the reference was bad in law, because the subject under reference did not constitute a valid industrial dispute under the Industrial Disputes Act, 1947. It was contended on behalf of the employees that there could not be a reference in connection with the general principles governing bonus without there being a reference in connection with the quantum of bonus to be awarded. Dismissing these arguments as untenable, Mr. Justice Desai made the following observations which sums up the rationale of the reference:

"A dispute concerning bonus may relate to the general principles on which bonus can be claimed or be awarded, including the method of computation of bonus, the qualification for eligibility and conditions under which it is payable. It may also relate to the quantum thereof, having regard to the application of those principles to the facts pertaining to a bank or banks in each year. A dispute may relate to either of these matters or both these matters. Where numerous banks are concerned and where the disputes relate both to the general principles and to the quantum of bonus payable by the banks for any particular year or years, it is open to the Government to refer the disputes relating to principles governing bonus applicable for any particular year or years. A similar reference was made by the Government when the Sen Tribunal was appointed and also when the Sastry Tribunal was appointed. In a dispute relating to general principles governing bonus, all the banking companies may be interested, whilst, in a dispute governing the quantum of bonus payable for a particular year, if bonus is payable unitwise, the particular bank concerned alone may be interested, and if bonus is payable by banks classwise, a particular class of banks alone may be interested. It is both lawful and eminently just and convenient that, where general principles relating to bonus are in dispute, all banking companies interested therein should be made parties to one reference. There is no merit in the plea that there cannot be an industrial dispute in connection with the matter referred to this Tribunal "for reasons of vagueness and uncertainty," as alleged. There is no vagueness or uncertainty in the reference. If a dispute concerning principles governing bonus involve a question of national importance and also is of such a nature that industrial establishments situated in more than one State are likely to be interested in, or affected by, such dispute, it can be referred for adjudication by a National Tribunal, without the Tribunal being burdened with a reference relating to the quantum of bonus which may have to be paid as a result of the working out and application of the principles so evolved for particular years by particular banks or a class of banks. In my view, Government had sufficient reason to come to the conclusion that an industrial dispute existed or was apprehended, as stated in the reference, and was empowered and entitled to make the reference."

The terms of reference required that the Tribunal should lay down principles and conditions under which bonus, that is, profit-bonus, as distinct from production bonus, bonus as an implied term of contract, festival bonus or goodwill bonus, would become payable and the qualification for eligibility and the method of computation in connection with such bonus. There was an overriding provision in the terms of reference that this had to be done after taking into account all matters for which provision is necessary by or under any of the Acts applicable to banks or which are usually provided for by banks. The concept of profit bonus and the conditions which have to be satisfied before a bonus demand could be justifiably made have been set down by the Supreme Court in several cases. In Muir Mills case, for instance, the Supreme Court ruled as follows:

"There are two conditions which have to be satisfied before a demand for bonus can be justified and they are: (1) when wages fall short of the living standard and (2) the industry makes huge profits a part of which are due to the contribution which the workmen make in increasing production. As both labour and capital contribute to the earning of the industrial concern, it is fair that labour should derive some benefit, if there is a surplus after meeting prior or necessary charges."

Nature of Bonus

Within the limits set by this definition and the overriding provision contained in the terms of reference, the Tribunal examined the claims of the employees and banks. It rejected the plea of the All-India Bank Employees' Association that bonus is a deferred wage and that workers have a right to claim bonus, when wages fall short of the living standard, irrespective of whether or not the industry made a profit. The contention by one of the banks that the bonus was only ex-gratia payment was also not upheld by the Tribunal. Its line of reasoning was as follows:

"Bonus is neither an ex-gratia payment made by the employer to his workmen nor is to be regarded as a deferred wage. The broad idea underlying this concept is that capital invested by the employer and labour contributed by workmen jointly produce profits of an industry. The two-fold basis of the formula that labour is entitled to claim a share in the trading profits of an industry because it has partially contributed to the same and that labour is entitled to claim that the gap between its actual wage and the living wage should, within reasonable limits, be filled up, has always to be kept in mind. The claim made on behalf of the All-India Bank Employees' Association that so long as a living wage was not obtained, workmen have a right to claim bonus, even in cases where the industry was making a loss, runs counter to the very concept of profit bonus enunciated above. It is implicit in the concept of bonus, which constitutes the subject matter of the reference, that its payment depends upon the making of profit and that, when there is a loss, bonus cannot be claimed."

Bonus and Dividend

The Tribunal also did not accept the plea of the All-India Bank Employees' Association that bonus should be linked to dividend. The grounds adduced by it are as follows:

"Linking of bonus to dividends no doubt provides a simple formula for the award of bonus which would avoid recurring annual disputes. By and large, dividends are declared out of profits, though not necessarily of the same year. There are, however, fundamental objections to doing so. If bonus is linked to dividends, a year would no longer be a self-sufficient unit and payment of bonus given in a year would no longer be a payment made necessarily out of the profits of a particular year and in the making of which all the workmen concerned may have participated. The claim of workmen is liable to be circumvented by devices which may lawfully be adopted. In my view, the linking of bonus to dividend, though attractive at first sight by reason of the simplicity of the application of the formula, is opposed to the concept of bonus so far evolved and may not satisfy the claims of labour based on social justice."

The contention of the Indian Banks' Association that payment of bonus should not be made compulsory in the case of banks, as in the case of other industries, and that it should be left to the good sense of the management of the banks concerned was also rejected by the Tribunal. It conceded that banking industry had peculiar features which marked it out from other industries. Nonetheless, banking was not, the Tribunal maintained, above industrial law and workmen employed in it were not to be treated differently from workmen employed in other industries. The Tribunal advanced the following argument in support of its decision:

"It is an industry which is not above industrial law and workmen employed in it are entitled to the same consideration which the workmen in other industries are entitled to at the hands of Industrial Tribunals. Their needs are the same as those of other workmen and the priciples of social justice are equally applicable to them. If anything, the industry being a key industry, it is more necessary than in the case of other industries that labour should be contented and peace should prevail in the industry and that the reasonable demands of workmen should be met and their just expectations should be fulfilled. The fundamental concept that bonus is required to be paid to bridge the gulf between the actual wage and the living wage where an industry makes large profits is applicable to them. Wages in the banking industry are below the level of the living wage. The industry is prospering and by and large substantial profits are made. The mere fact that the Full Bench formula as evolved may not be fully applicable in view of the fact that a bank is required to set apart a certain percentage of its profits to build up reserves upto a certain limit and is permitted, out of the income of any particular year, to provide for unforeseen liabilities and losses which might be incurred in future years and for other "usual or necessary provisions" without disclosing the same, does not render the claim for bonus nugatory."

Full Bench Formula

After examining the applicability of the Supreme Court's Full Bench formula to the banking industry, the Tribunal came to the conclusion that the "formula cannot, in its entirety, be applied to banking, in view of the special protection afforded to the industry under the Banking Companies Act. The Full Bench formula is not a rigid formula and, even in the peculiar circumstances affecting the banking industry and within the limits set by the terms of reference, may still serve for calculating bonus in the banking industry, if suitably modified and applied and if the available surplus is suitably dealt with."

Prior Charges and Deductions

Mr. Justice Desai has discussed at considerable length the question of arriving at the profit on which the bonus should be based, as well as the considerations that should be borne in mind in determining the workers' share. It is well known that certain allocations have a prior charge on the gross profit. In the case of banks, the published profits nowadays do not generally reveal the amounts set aside for taxation, depreciation, bad and doubtful debts, and secret reserves. The banks have also to set aside under law a specified percentage of their published profit to a statutory reserve. Mr. Desai has observed that, in all these respects, the Tribunal has no choice but to respect the requirements under Sections 17 and 34A of the Banking Companies Act. What in effect this means is that these transfers have a prior claim on the profits of banks. If workers contend that a bank has set aside too much to secret reserve in various ways, their contention can be resolved by the Tribunal only on the basis of the Reserve Bank's decision, for it is only the Reserve Bank that has the final say on the question whether a bank has overprovided for secret reserve. Of the balance of profit available after the transfers to these essential reserves, the capital invested in a bank has to be allowed a fair rate of interest. Mr. Desai has fixed this rate at 6 per cent per annum for the paid-up capital, 4 per cent for non-statutory reserves and 4½ per cent for statutory reserves. He has turned down the suggestion of workers' representatives that for that portion of paid-up capital created by the issue of bonus shares the rate of return should be no more than 2 per cent. His reason is that "there is no reason to differentiate bonus share capital from ordinary share capital." He has allowed the provision for rehabilitation, replacement and modernisation as a prior charge, but turned down the banks' plea for similarly allowing the provision for expansion.

The surplus arrived at on the aforesaid basis has three claimants, namely, (1) industry which claims a share for the purpose of its stability, expansion and other needs, (2) shareholders, who claim a share by way of additional return on capital invested by them, and (3) labour, claiming bonus. As regards (1) Mr. Desai has held that the provision of secret reserves and other statutory reserves are sufficient to take care of the banks' needs for protection, stability and growth. He has, therefore, allowed no share in the divisible profit for this purpose. As regards the claims of shareholders and workers, he says:

"The shareholders would be getting not merely the interest provided for them by way of return on paid-up capital but would benefit by the return provided in connection with reserves used as working capital. Money is the stock in trade of banks and reserves would ordinarily be used as working capital. The building up of reserves is obligatory upto a limit in the banking industry and is further required to be done under the convention sought to be established. The extent of the reserves which have been built up and the return provided thereon would have to be taken into account by tribunals whilst distributing the available surplus. In distributing the available surplus, the reduction in income-tax by reason of the payment of bonus will have to be taken into account. In this connection, however, it will have to be borne in mind that where appropriation for payment of bonus has been made in the balance-sheet and directors' report, the reduction in the amount of tax payable by reason thereof to that extent is generally taken into account by banks whilst making a provision for tax on income. In view of the provisions made as aforesaid under the scheme as evolved, generally speaking, labour in the case of a number of banks will become the *major claimant*. The term labour will cover both workmen and non-workmen."

Ceiling on Bonus

The one-man Tribunal has turned down the suggestion of banks that there should be a ceiling on bonus. Quoting the relevant judgments of the Supreme Court, the Tribunal has held that "it would be inadvisable and inexpedient to put a ceiling in the matter of awarding bonus." In conclusion, it says:

"The formula as evolved in order to satisfy the requirements of law relating to banking companies and the limitations imposed by the necessities of the situation and the terms of the reference is sufficiently elastic to meet the just claims of labour if what is implicity in the formula as evolved is kept in view and given effect to. The Tribunal dealing with the question of bonus for a given year will have to attempt to do justice between the parties without some of the relevant matters being disclosed to the Tribunal. Such a procedure may not appeal to a judicial mind. Non-disclosure of these matters has become necessary for the maintenance of this delicate instrument of credit in the larger interests of the public and the best that is possible will have to be done within the limitations imposed by law and public policy."

So far as the Exchange banks are concerned after bringing out the differences between the Indian banks and Exchange banks in regard to paid-up capital and reserves and after saying that the Tribunal should bear in mind the special considerations conceded by the Reserve Bank for purposes of retaining a part of their profits in India, Mr. Desai has held that his general observation that, in the case of a large number of banks, labour will be the claimant for the major share in the available surplus will not apply and is not intended to apply to the Exchange banks, "One cannot," he says, "predicate and say what the share of labour will be in the available surplus in the case of Exchange banks in any given year."

Eligibility for Bonus

On the question of the qualification for eligibility to bonus, the Desai Tribunal largely agrees with the conditions laid down by the Sastry Tribunal. The main qualifications for eligibility are:

(1) There should be no rule laying down any minimum period of service during the year for which bonus is declared.

(2) An employee will be eligible for bonus, even if he is not in the actual service of the bank on the date when bonus is declared.

(3) An employee who is dismissed for misconduct shall not by reason thereof alone be ineligible for bonus. Any financial damages suffered by the bank will, however, be recoverable against this bonus.

(4) Apprentices would not be eligible for bonus.

(5) Bonus should be paid on a percentage basis, that is to say, a percentage of the basic pay plus allowances, if any, exclusive of overtime.

It will thus be seen that the Desai Tribunal has only laid down the principles to be followed in determining the bonus and not the precise formula for dividing the divisible surplus between a bank and its workers. The Tribunal is very vague when it says that the workers should be the major claimant. What exactly should be the share of the workers in the divisible surplus—51 per cent, or 60 per cent or 70 per cent? There is no answer to this crucial question in the award. So the battle for bonus has not been decided and will go on endlessly. Perhaps, each bank will have to go to a tribunal to determine the dispute, if it fails to reach a mutually satisfactory agreement with its workers.

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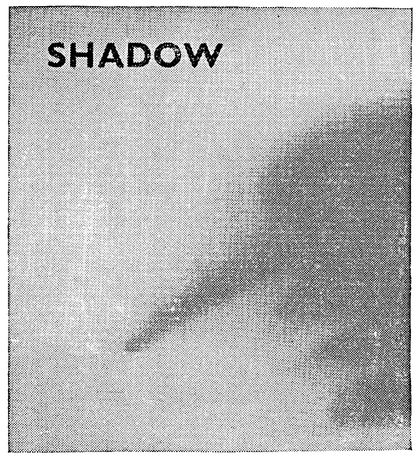
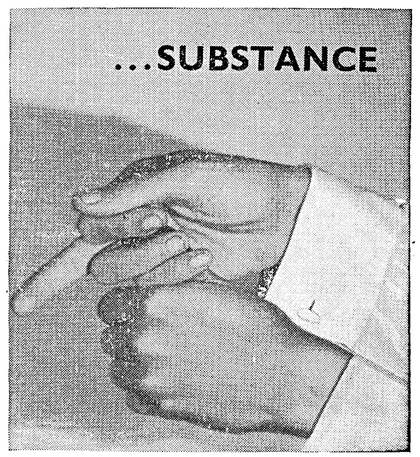
COTTON

(*Concluded from page 552*)

Sudan: Both acreage and yield in Sudan last season were higher than could reasonably be expected. With the completion of Phase III and Part I Phase IV of the Managil Extension, acreage under extra-long staples increased by nearly 50,000 acres. Exceptional flooding of the Tokar Delta and a marked increase in the rain-grown area resulted in a total increase in short-staple acreage of almost 190,000 acres. Conditions during the growing and harvesting periods were almost ideal, infestation and disease were held to a minimum, and yield, accordingly, rose to an all-time record high. Assuming more normal conditions, neither acreage nor yield would be as high as last season. There will, in all probability, be a further increase in extra-long staple acreage with the completion of Final Phase IV of the Managil extension. In American types, although there could be a further expansion in the raingrown areas, Tokar acreage is hardly likely to be as large as in 1961-62. The major factor concerning production prospects this season, however, is yield and, on the assumption of average yields, total production in Sudan would decline to around 750,000 bales, as compared with 900,000 bales in 1961-62. This must not be construed as an actual estimate, however. Yield, and therefore production, can vary widely and about the only thing that can be said at this stage is that the chances are that production will be lower.

The higher world production is, however, likely to be partly offset by the lower carry-over stock at the beginning of the season. Thus, as against an estimated increase in production of 2 million bales, carryover stocks, at 18 million bales (7.7 million bales in the U.S., 8.7 million bales in free-world countries outside the U.S. and 1.6 million bales in the U.S.S.R.), are lower by one million bales, as compared with the stocks brought in. Hence total supply is expected to increase by only one million bales to 60.4 million bales, as compared with 59.4 million bales during the last season. The free world accounts for stocks of the order of 16.4 million bales and production of 35.1 million bales and U.S.S.R., including Eastern Europe, for stocks aggregating 1.6 million bales and production of 7.3 million bales.





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PROGRESS OF PLASTICS INDUSTRY

MANUFACTURERS PLEAD FOR MORE IMPORTS OF RAW MATERIALS

THE plastics industry has made rapid progress during the last decade, despite the non-availability of primary organic raw materials within the country. The moulding powder sector of the industry, in particular, has made great strides enabling the development and diversification of the processing sector. Thus the growth of a wide range of processed goods, such as phenolic laminates, p.v.c. (unsupported sheets) and consumer goods like tooth brushes, fountain pens and spectacle frames, has received considerable stimulus. The recent trends in the growth of installed capacity and production of processed goods are shown in Table I. In the moulding powder sector, the installed capacity at the end of the second Plan actually exceeded the targets originally envisaged by about 2,700 tons to touch 9,463 tons. The output aggregated 12,745 tons, as against only 700 tons in 1955. The progress would have been much more striking but for the scarcity of basic raw materials. Until a few years ago, almost all moulding powders were based on imported intermediates, with the exception of polyethylene derived from ethylene from alcohol. But the situation has now changed perceptibly, with the commissioning of new large units for the manufacture of polystyrene, polyethylene and polyvinyl chloride, during the last few years. Table II shows the recent trends in production and installed capacity of various types of moulding powders.

The industry is likely to receive a big boost, if some of the primary raw materials become indigenously available, as is planned, during the third Plan period. So far only polyethylene, it may be noted, has been based on wholly indigenous raw materials. It is now expected that styrene monomer will also be produced during the third Plan period. Phenol is also expected to be produced in large quantities from the Durgapur Coke Ovens in West Bengal and Basic Chemicals and Intermediates plant to be set up in Maharashtra in the public sector, besides some other units in the private sector. Urea and formaldehyde are also expected to be available indigenously within the next three or four years. If all the third Plan projects go on stream, as scheduled, and the proposed petro-chemical projects of the private sector are also actively encouraged, almost all the major primary raw materials will be produced within the country itself.

Third Plan Targets

The development of domestic sources of raw materials will remove the major hurdle in the way of the industry's progress. The Planning Commission has estimated that, in order to meet fully the domestic demand and exports, production of moulding powders has to be raised by over sevenfold to 74,000 tons, with an installed capacity of 85,000 tons. Licences have already been granted for the establishment of several new units and expansion of existing ones for raising the installed capacity for moulding powders. The third Plan's *Programmes of Industrial Development* gives the list of moulding powder manufacturers who have been licensed for setting up new units and for expansion. This list is reproduced (in Table III) in order to enable the readers to get a clear idea about the growth of the industry.

It will, of course, take time for these units to commence production. So, in the meantime, the plastics industry will continue to face shortage of raw materials, which needs to be eased. It is only appropriate, therefore, that the conference organised by the All-India Plastics Manufacturers' Association in Bombay this week should have devoted special attention to this aspect of the industry's problems. The conference was inaugurated by Mr. S. K. Wankhede, the State Minister for Industries, and presided over by Mr. Lalchand Hirachand. In his welcome speech, Mr. K. K. Mody, Chairman of the Conference, drew pointed attention to the fact that the scarcity of raw materials has deteriorated during the current year. He was particularly concerned about the slash, ranging from 15 to 40 per cent, in the import licences granted to actual users recently, as a result of foreign exchange difficulties. This cut, according to him, affected adversely many units "resulting in dislocation of production." Mr. Mody made a fervant plea to the Government of India to restore the cut in import licences for plastics raw materials. This plea deserves to be considered sympathetically by the Government of India, for the country can ill-afford to starve fast-developing industries like plastics of raw materials. The industry certainly is justified in asking for a share of the untied foreign aid now granted for the import of essential maintenance items.

Shortage of Machinery

Another major difficulty of the plastics industry relates to the non-availability of machinery and equipments. Having chalked out an ambitious programme of development for the industry, involving an additional investment of Rs. 25 crores, it is only proper that the industry's requirements of plant and machinery be met adequately. It is reported that a licence has been granted to a Calcutta firm for putting up a plant to manufacture plastics machinery, in technical collaboration with an Austrian company. This is a welcome development, but it does not relieve the difficulties in the short run. Therefore, for the time being, India has to depend on imported machinery. Mr. Mody was, therefore, on strong grounds when he requested the Government to allow import of machinery and equipments "on a scale that will take into consideration the increase in production of raw materials envisaged in the third Plan." In this connection, it may be recalled that a plastics convention held in Calcutta last month too voiced the grievance of the industry in this respect. The convention called upon the Government to allow the import of prototypes of machines, mother machines and component parts to manufacture such machinery, apart from encouraging the establishment of units within the country in collaboration with reputed foreign firms.

These shortages of raw materials and machinery have not prevented the Government from levying high rates of excise duty. According to Mr. Mody, the incidence of excise levy at 20 per cent *ad valorem* is too heavy. Another point stressed by him relates to the prices of raw materials. He called upon manufacturers of raw materials to reduce prices of their products to a "reasonable level." This, of course, has a close bearing on the cost of production and the prospects for exports. Exports of plastics have been increasing of late, being as much as Rs. 83 lakhs in 1961-62, as against only Rs. 73 lakhs in 1959-60. In order to promote exports, the Calcutta convention last month made certain important suggestions which deserve to be widely known. The suggestions are:

1. Provision should be made for making raw materials, indigenous or imported, available to the manufacturers-exporters at international *c.i.f.* prices to the extent of twice the value of raw material contents in export or 75 per cent of the *f.o.b.* value thereof, whichever is lower, and if the manufacturers-exporters so require, the entire entitlement against export should be allowed to them for import of up-to-date machinery for the manufacture of quality goods for export.

2. Advance allocation of imported or indigenous raw materials at international prices should be made, if there is no entitlement against export or confirmed order in hand in order to enable the firm to explore possibilities of exports of its products, basing prices thereof on the international prices of raw material.

3. There should be no discrimination against exporters dealing with rupee payment countries in respect of the grant of licences for the import of raw matrials under the export promotion special scheme for the manufacture of goods for exports.

4. A liberal import policy on an *ad hoc* basis should be adopted in respect of up-to-date machinery required for manufacturing exportable goods.

5. Shipping companies now charge freight on the basis of weight or volume, whichever is higher. They should be persuaded to charge freight on the basis of weight in respect of plastic goods, which generally are light in weight and cannot bear the charges if made on volume basis.

6. If any change in the customs and excise duty is made, an immediate revision of the drawback rates should also be made. Drawback procedure should be so simplified as to enable exporters to get speedy refund of duty.

7. Costing is an approved method in the plastics industry. Plastic coated packaging material even in case of jute fabrics should be regarded as products of the plastics industry and exports of such packaging material should be recognised as exports of plastic goods to the extent of the value of the plastic content.

8. The present scheme for release of imported polythene granules ex A.C.C.I. stock allows a wastage of only 5 per cent. In the small-scale sector where the plastic products are manufactured by hand-operated machines, the wastage may sometimes go upto 30 per cent. The material should therefore be released, including wastage plus incentive to exporters for exports promotion in the extent of 50 per cent. This imported polythene from A.C.C.I. should be allowed to be released at 150 per cent of the polythene contents in the goods exported or to be exported.

9. Prospective licences for raw materials should be issued to exporters who have obtained repeat business without insisting on the formality of completion of obligation against a previous licence. New licence may, however, contain a clause restricting its usage until after completion of 50 per cent of the previous obligation. This will enable the exporters to be better placed when negotiating fresh business.

10. Merchant exporters should be given a direct incentive against exports made by them.

In view of the emphasis now laid on export promotion, the aforesaid suggestions assume special significance. The Government and the Board of Trade will do well to examine them and help the industry export more.

TABLE I—*Production of Processed Goods*

	Production		Installed capacity	
	1955	1960	1955	1960
Phenolic laminates (tons) ..	140	614	450	450
P.V.C. unsupported sheets (tons)	155	1,088	210	1,250
Polyethylene film and tubing (tons) ..	382	1,416	263	1,090
Leather cloth ('000 yards) ..	2,624	6,392	6,879	9,052
Moulded goods (million gross) ..	2.5	7.1	..	..
Consumer goods:				
Tooth brush (million nos.) ..	5.2	11.6	24	27
Spectacle frames (million nos.)	1.8	3.0	1.8	3.0
Fountain pens (million nos.) ..	6.0	10.0	..	..
Plastic buttons ('000 gross) ..	1,322	5,737	2,487	3,062

TABLE II—*Production of Moulding Powders*

(In tons)

	Present installed capacity	Production		
		1959	1960	1961
P. F. moulding powder ..	1,600	1,810	2,041	2,111
U. F. moulding powder ..	940	321	353	433
Polystyrene powder	5,400	3,314	3,361	3,484
Polyethylene powder ..	6,200	2,000	4,000	5,800
Polyvinyl chloride	3,600	..	..	917†

† Production started in September, 1961.

TABLE III—*New Industrial Licences*

(In tons)

	Capacity
P. F. Moulding Powders:	
Saurashtra Electrical and Metal Industries Ltd., Bombay ..	900
Hyderabad Laminated Products Ltd., Secunderabad ..	600
U. F. Moulding Powder:	
Saurashtra Electricals	300
Polystyrene:	
Polychem Ltd.	1,500†
Hindustan Polymers Ltd., Andhra	7,500
Polyethylene:	
Alkali and Chemical Corporation Ltd., W. Bengal ..	5,000†
Union Carbide Ltd., Bombay	9,000
Duncan Bros. Gauhati	4,000
P.V.C.:	
Ahmedabad Manufacturing and Calico Printing Co. Ltd., Bombay	3,600†
D.C.M. Chemical Works, Rajasthan	6,000
India Cements Ltd., Madras	6,000
Standard Mills Ltd., Bombay	5,000
Dhrangadhra Chemicals, Madras	12,000

† Expansion.

INDUSTRIAL ESTATES

As many as 1,384 factories are now functioning in 69 industrial estates set up in different parts of the country. These estates employ about 19,000 persons and produce goods worth Rs. 16 crores annually. Almost the entire allocation of Rs. 11.38 crores earmarked under the second Plan for the establishment of estates was made use of during the Plan period. For the third Plan period, a much larger allocation of Rs. 30.2 crores has been made. It is proposed to set up 300 new industrial estates of varying sizes and types to be located as far as possible near small and medium-sized towns. Of special interest is the programme to start a number of such estates in those rural areas where power, water supply and other essential facilities would be readily available. A scheme for setting up industrial estates by private agencies, including co-operative societies, has also been evolved. The establishment of functional industrial estates to meet the special requirements of particular industries, such as automobile ancillaries, light machine tools, radio components, timepieces, clocks and watches, etc., has also been taken in hand.

The establishment of a central agency for tackling the problems connected with exports of Indian films has been recommended by the Export Promotion Committee for Films. The Committee is of the view that, in the case of countries where trade is conducted on a Government-to-Government basis, the State Trading Corporation should undertake this work. A detailed scheme for the central agency is proposed to be prepared by the Indian Motion Picture Producers' Associations and the Film Producers' Guild of India. Among other things, the central agency is expected to take steps to secure full benefits from exports by devising measures to prevent unauthorised export and exhibition of films. It will also study and investigate the potential markets, open sales promotion offices, arrange for theatres for exhibiting films and undertake intensive publicity in various countries.

INDIAN STEEL ROLLING MILLS

LESS RETURN ON HIGHER CAPITAL

IT is from the year ended 31st March 1962 that the Indian Steel Rolling Mills Ltd. (Chairman: Mr. C. R. Ramaswamy, Madras) has really come into its own. For, founded in 1934 to establish a steel re-rolling mill and to manufacture mild steel products, such as rounds, flats and squares from 3/16" to 2" and cotton baling hoops which are in good demand in Madras State, the Company worked with the Tata Iron and Steel Company Ltd. on a profit-sharing basis from April 1940 to March 1961 under an agreement which laid down that T.I.S.Co. would run the Company's factory as contractors and provide it with the necessary billets for rolling. Under the agreement, the Company was given a certain share in Tata Steel's profit and the T.I.S.Co. was given a 50 per cent share in the Company's profit. Since the expiry of the agreement on 1st April 1961, the Company has been managing its affairs itself with the technical assistance and advice from Tata Steel for a fee not exceeding 10 per cent of the Company's net profit.

The results for 1961-62 reflect, therefore, the benefits of direct control and management by the Company of its affairs. During the year, production and sales of steel bars/rods amounted to 26,198 tonnes and 24,849 tonnes, respectively, as against 30,744 tonnes and 30,681 tonnes in the previous accounting period which covered 15 months following a change in the year-end from December to March. On the annual basis, both production and sales during the year were higher as compared with 23,725 tonnes and 23,858 tonnes, respectively, in the calendar year 1960. Since January 1961, production of baling hoops has been stopped. In 1960, it amounted to 515 tonnes and sales thereof stood at 559 tonnes. Production in the wire mill also showed improvement on the annual basis. In 1961-62, 2,767 tonnes of wires were produced and 437 tonnes sold, as against 2,579 tonnes and 390 tonnes in the calendar year 1960. Likewise, production of wire nails improved from 2,046 tonnes to 2,067 tonnes and so did sales thereof from 2,055 tonnes to 2,082 tonnes. The aggregate figures of production and sales in the previous 15-month accounting period were: wires 3,266 tonnes and 565 tonnes, respectively, and wire nails 2,626 tonnes and 2,638 tonnes, respectively.

The sale proceeds for the year amounted to Rs. 162.40 lakhs. After meeting the manufacturing and other expenses, the gross profit works out to Rs. 12.53 lakhs as against Rs. 11.81 lakhs in the previous year. Depreciation has claimed Rs. 2.40 lakhs (Rs. 3.06 lakhs a year before) and taxation Rs. 4.30 lakhs (Rs. 4 lakhs). The net profit at Rs. 5.83 lakhs is higher by Rs. 1.08 lakh. A provision of Rs. 1.01 lakh is made for the technical assistance given by the T.I.S.Co. A sum of Rs. 1.10 lakh has been drawn from reserves, as against nothing in the previous year, and some Rs. 55,000 have been ploughed back as against Rs. 1.20 lakh. The return on the Rs. 10 equity shares has been pruned from 12.5 per cent per annum to 10 per cent per annum, subject to tax, which is, however, on an increased capital of Rs. 48.79 lakhs as against Rs. 23.79 lakhs a year before. The total amount distributed by way of dividend has increased from Rs. 2.97 lakhs to Rs. 4.88 lakhs.

The table below gives an idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March 1962	From 1st January 1960 to 31st March 1961	For the year ended 31st December 1959	1958
Sales or share of gross profit from T.I.S. Co.	162.40	10.43	3.50	3.47
Other income	4.52	2.81	2.18	2.09
Closing stock of finished goods ..	20.72	..	..	..
Raw materials consumed ..	132.75	..	..	..
Staff expenses	13.58	0.10	0.07	0.07
Interest to T.I.S. Co.		0.34	0.61	0.89
Other expenses	17.58	0.99	0.65	0.71
Gross profit	12.53	11.81	4.35	3.89
Provision on—				
Depreciation	2.40	3.06	0.97	1.00
Taxation	4.30	4.00	1.15	1.01
Net profit	5.83	4.75	2.23	1.88
Transer from reserves	1.10	..	..	1.08
Provision for technical assistance	1.01	..	..	..
Capital issue expenses written off	0.14	0.05	..	0.02
To reserves	0.55	1.20	0.09	0.07
Dividends—				
Preference	0.36†	0.45†	0.39†	0.27
Ordinary	4.88	2.97	1.67	1.67
	(10%)†	(12.5%)†	(7%)†	(7%)
Carry forward	0.10	0.11	0.03	0.01
Market value of equity shares (In rupees):	1962	1961	1959	1958
High	12.70	14.00	16.00	14.80
Low	11.20	10.15	12.90	11.00

† Subject to deduction of tax.

We are told that but for the difficulties in transporting billets by sea from Calcutta to the factory site at Negapatam, the output of bars and rods would have reached a record figure of 30,000 tonnes last year. The transport situation has, however, improved since then and efforts are being made to attain a higher level of production. In this respect, the adaptation of the existing coal-fired furnace to oil, made last year, would prove quite helpful. All the components of a new billet re-heating furnace of a larger capacity, which were ordered last year, have been received and the furnace will be commissioned before the end of the current year. The Company has received proposals from Messrs. Demag, A.G., Germany, for modernising, improving and replacing the worn-out equipments of the 10" and 14" mill and for installing a new four-stand continuous wire rod finishing mill to roll wire rods and hoops. The proposals are said to have been approved by the Government in principle and release of the necessary foreign exchange for the project is said to be under consideration. The work connected with the extension of the crane runway has been completed and has been of great help at the finishing end of the mills. The additional crane ordered last year is expected to be received and installed shortly. To diversify the production in the wire mill plant, it is proposed to increase the output of galvanised wires and tested and special steel wires.

The Company is in a fairly satisfactory financial position. Its paid-up capital of Rs. 53.83 lakhs is made up of Rs. 5 lakhs in preference shares, Rs. 48.79 lakhs in ordinary shares and some Rs. 4,000 being forfeited shares. As against this, reserves and surplus aggregate just Rs. 3.29 lakhs, but this can be explained by the fact that the Company hardly had any opportunity to build up reserves in the past. Secured loans at Rs. 27.92 lakhs represent bank borrowings. Last year, the secured loan liability amounted to Rs. 5.60 lakhs, representing debentures Rs. 5 lakhs and interest accrued thereon Rs. 60,000. Current liabilities and provisions aggregate Rs. 18.81 lakhs as against which are available current assets, loans and advances aggregating Rs. 84.16 lakhs. Investments total some Rs. 9,000. Miscellaneous expenditure of Rs. 30,000 is yet to be written off The gross block, which increased during the year from Rs. 37.44 lakhs to Rs. 40.64 lakhs, has been written down to Rs. 19.30 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 11.80 *cum-div.* On the *ex-div.* basis, they offer a net yield of 6.3 per cent per annum.

(THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS)

INDUSTRIAL FINANCE CORPORATION OF INDIA

INCORPORATED UNDER THE INDUSTRIAL FINANCE CORPORATION ACT, 1948 (XV OF 1948)

ISSUE OF 4½% BONDS, 1974

(Guaranteed by the Central Government under Section 21 (2) of the I.F.C. Act, 1948)

REPAYABLE AT PAR ON THE 28th SEPTEMBER, 1974

Amount of Issue: Rs. 6,00,00,000/-

Issue Price: Rs. 99.50 for every Rs. 100/-

1. The bonds are being issued for augmenting the resources of the Corporation to meet the demands of industries for financial assistance.

2. The bonds are approved securities under the Indian Trusts Act, the Insurance Act and the Banking Companies Act and are also eligible for grant of advances to scheduled banks by the Reserve Bank of India. They are on the approved list of securities of the State Bank of India.

3. Applications will be received at the branches of the Reserve Bank of India at Bombay, Calcutta, Madras, New Delhi, Nagpur and Bangalore from the 28th September, 1962 to the 5th October, 1962, both days inclusive, unless the subscription list is closed earlier. Copies of the prospectus and application forms can be had from the above offices of the Reserve Bank of India as also from the Head Office of the Corporation at Reserve Bank Building, 6 Parliament Street, New Delhi, and branches at Liberty Building, 8 Marine Lines, Bombay-1, P 11 Mission Row Extension, Calcutta-1, and 38, White's Road, Royapettah, Madras-14.

4. Interest will be paid half-yearly by the Head Office and the above branches of the Corporation.

5. The Corporation reserves the right to retain subscriptions received up to 10 per cent in excess of the sum of Rs. 6 crores.

6. Arrangements will be made for listing of these Bonds at the Calcutta, Bombay and Madras Stock Exchanges.

7. Brokerage will be paid at the rate of 6 nP per Rs. 100/- to recognized banks and brokers on allotments made in respect of applications for the Bonds bearing their stamp.

K. P. MATHRANI,
Chairman.

NEW DELHI,
Dated: 14*th September*, 1962.

DA-1036 (5)/62

PERIA KARAMALAI TEA

SHARP ALL-ROUND SETBACK

FOLLOWING a perceptible fall in the harvest of tea crop from 2,332,142 kgs. to 2,135,550 kgs. at an all-in-cost of Rs. 3.90 per kg., as against Rs. 3.14 per kg. in the previous year, the Peria Karamalai Tea and Produce Company Ltd. (Managing Agents: Messrs. Peirce Leslie and Company Ltd., Coimbatore) has suffered a sharp all-round setback during the year to 31st March 1962. The setback has been accentuated by a lower average price realised for tea at Rs. 4.60 per kg. as compared with Rs. 4.88 per kg. in the preceding year. Thus, sales proceeds of tea have declined sharply from Rs. 112.90 lakhs to Rs. 97.70 lakhs, which is the lowest level recorded in the past four years. The Company has fared badly in its other items of interest, namely, coffee and cardamom. The coffee crop harvested during the year was 2,139 tonnes, as against 5,907 tonnes during 1960-61. It was, however, valued higher at Rs. 2.20 per point as compared with Re. 1.90 per point in the previous year. The 1960-61 valuation was subsequently revised to Re. 1.95 per point and this increase has been credited in the 1961-62 accounts. The cardamom crop at 602 kgs. turned out to be higher as compared with 416 kgs. in the previous year, but the average price realised was lower at Rs. 10.66 per kg., as against Rs. 15.89 per kg. in 1960-61. Realisations from these two crops have, therefore, come down from Rs. 0.24 lakh to Rs. 0.14 lakh. The total income from sales of crops has fallen from Rs. 113.14 lakhs to Rs. 97.84 lakhs.

The substantial decline in the tea crop has not been accompanied by a fall in production costs. The estate expenditure is actually a little higher at Rs. 62.75 lakhs as compared with Rs. 62.59 lakhs a year before, and there is only a marginal relief in selling expenses amounting to Rs. 12.57 lakhs, as against Rs. 13.89 lakhs, and other expenses at Rs. 1.28 lakh, as against Rs. 3.98 lakhs. Therefore, the gross profit has come down with a bang from Rs. 33.83 lakhs to Rs. 22.29 lakhs; a drop of Rs. 11.54 lakhs. The net profit at Rs. 9.31 lakhs also shows a sizable setback of Rs. 4.21 lakhs. The Directors have drawn Rs. 10 lakhs from reserves, as against nothing in the previous year, presumably to provide for gratuity which has claimed the entire sum. The profit ploughed back is a mere Rs. 26,500 (and that too has been set apart for development rebate reserve), as against Rs. 2.07 lakhs a year before. The shareholders have been the worst hit by the year's setback; the interim dividend of 7.5 per cent per annum, taxable, on the Rs. 2 fully paid equity shares was skipped and the final dividend has been just maintained at 12.5 per cent per annum, subject to tax. The total dividend was raised in the previous year to 20 per cent from 13.5 per cent paid for 1959-60. It will be seen that the return for 1961-62 is even lower than what was paid two years ago.

The comparative table below clearly brings out the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales of tea	97.70	112.90	100.60	106.52
Sales of other crops	0.14	0.24	0.40	0.65
Other income	0.50	0.26	0.24	0.54
Profit on previous season's stocks	0.54	0.89	..	..
Closing stocks	15.12	17.38	15.79	16.39
Estate expenditure	62.75	62.59	60.84	64.04
Selling expenses	12.57	13.89	14.14	19.55
Other expenses	1.28	3.98	0.74	0.91
Gross profit	22.29	33.83	23.01	21.20
Provision for—				
Depreciation	4.56	4.52	3.41	3.31
Taxation	7.05	13.35	6.40	6.70
Managing Agents' remuneration	1.37	2.44	1.19	1.45
Net profit	9.31	13.52	12.41	10.44
Excess provisions written back and refunds	..	..	1.31	0.42
Transfer from reserves	10.00	..	..	..
Provisions relating to previous years	1.51	..	4.69	..
Provision for gratuity	10.00	..	..	..
To reserves	0.27	2.07	1.47	2.50
Dividend	7.24	11.59	7.92	7.94
	(12.5%)*	(20%)*	(13.5%)*	(12.5%)
Carry forward	0.94	0.65	0.80	1.46
Tea crop (in million kgms.)	2.14	2.33	1.99	2.21
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	3.67	4.20	4.10	4.33
Low	3.16	3.35	3.45	3.63

* Subject to deduction of tax.

Mr. J. N. A. Hobbs, Chairman of the Company, has traced, in his statement accompanying the year's accounts, the causes for the drop in the tea crop harvested during the year. He has attributed the fall to the delay in rains which curtailed the April-May crops. Subsequently, the monsoon was severe and suppressed growth of tea plants, resulting in depressed crops between June and August. The rainfall was the highest since 1933-34 and caused many landslips. The prices ruled at a satisfactory level until mid-August, whereafter they declined due to the greatly increased production in North India. In fact, they were extremely low in November and December, though they recovered substantially thereafter.

The crop for 1962-63 is estimated at 2,345,750 kgs. at an all-in cost of Rs. 3.62 per kg. Thanks to favourable weather conditions, the Company got off to an excellent start and, at the end of July last, harvested 962,456 kgs. of tea, that is, 232,519 kgs. more than at the same time last year. This is a record crop for the period. One of the estates of the Company has gone over completely to C.T.C. manufacture. The Company will benefit from this, because the produce has been well received in the market and prices have recorded an increase. Mr. Hobbs has observed that, although tea prices generally have been lower this year on account of the large crops being harvested, the outlook has been firmer recently. He has clearly hinted at further increases in costs as a result of the interim increase in wages recommended by the Tea Wage Board (with effect from 1st December 1961) and the enhanced duties on several articles used by tea factories, such as, plywood, aluminium linings, etc. The wage increase would mean for the Company an additional expenditure of Rs. 1,64,373 per annum. Staff expenses last year totalled Rs. 35.80 lakhs, including Rs. 28.02 lakhs paid by way of salaries, wages and bonus. Nevertheless, Mr. Hobbs has assured the shareholders that every effort would be made to keep down costs wherever possible and hopes that the future working of the Company would show satisfactory results.

The financial position of the Company is fairly satisfactory. It has a paid-up capital of Rs. 57.95 lakhs divided into 2,897,440 ordinary shares of Rs. 2 each, which is supplemented by reserves and surplus aggregating Rs. 21.45 lakhs. Current liabilities and provisions total Rs. 32.56 lakhs and are covered by current assets, loans and advances aggregating Rs. 33.55 lakhs. The gross block expanded during the year by about Rs. 6 lakhs to Rs. 119.36 lakhs and has been written down to Rs. 76 lakhs. Inclusive of capital work-in-progress of Rs. 1.76 lakh, it is shown at Rs. 77.76 lakhs.

At their current market value of Rs. 3.19 *cum-div.*, the Rs. 2 fully paid ordinary shares offer, on the *ex-div.* basis, a yield of about 6 per cent per annum, free of tax.

EAST INDIAN COAL FORGES AHEAD

Reporting substantial improvement further in all the fields (production, sales and profit), the East Indian Coal Company Ltd. (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) has forged ahead during the year ended 30th April 1962. Raisings increased from 1,087,040 tons to 1,219,095 tons and despatches from 1,020,537 tons to 1,184,905 tons. Profits, after deducting the colliery and Calcutta expenditure, shot up from £2.07 lakhs to £3.76 lakhs. After meeting the expenditure made at London and other expenses, including cesses of £18.387, as against £13,388 a year before, the gross profit has gone up from £1.89 lakh to £2.47 lakhs. The provision for depreciation has been more than doubled from £27,219 to £58.836 and that for taxation has been increased threefold from £39 000 to £116,250, of which £114,344 (£37,051 in the previous year) are provided for the liability in India and £1.906 (£1,949) for the liability in the U.K. In spite of such a sharp increase in these essential allocations, the net profit at £1.72 lakh shows a rise of roughly £50,000. Together with £16,220 brought forward from the previous year and £23,125 transferred from reserve for contingencies, the total surplus amounts to £211.557, as against £133.983 a year before. The dividend on the £1 fully paid shares has been raised again to Rs. 2.75 per share, subject to tax, from Rs. 2 per share, to which level it was raised in the previous year from Re. 1 paid in 1959-60. The dividend takes away £49.500, as against £36.000 in 1960-61. Transfers to reserves aggregate £155.823 (£81.763 in the previous year) and comprise £125.000 to general reserve and £30.823 to development rebate reserve. In the previous year, development rebate reserve had got £51.763 and a sum of £20.000 was set apart for sand stowing and development reserve. The carry forward is £6.234.

As such, from the very beginning of the year, production ran slightly behind the planned increase of 20 per cent and it became impossible to make up the shortfall subsequently. Underground mining contributed the most to the increase in production during the year in relation to open cast workings which continued to yield less. Further increases in output are projected for the current year and for the remainder of the third Plan period, involving increased mechanisation and development both in virgin seams and in seams which are already being worked. Increased depreciation charges and the higher costs of working areas at greater distances from shaft bottoms are inevitably adding to the overall cost per ton, but every effort is being made by the management to control costs.

Production during the first three months of the current financial year, although substantially less than planned, has been notably higher than the output during the corresponding period a year ago, and it is expected that the planned increase of 33 per cent will materialise during the year. Irregular and insufficient despatches, resulting in accumulation of stocks at the pit heads, have led to a slight reduction in production for the time being. Continued shortages of explosives and electric power have been further limiting factors. In this connection, the Directors hope that the proposed scheme for the movement of coal by road for short hauls could be implemented on a basis equitable to all consumers. In the absence of the facility of road transport, the Company's collieries in the Mugma field were worked on a restricted scale again last year. With the proposed establishment of electric power generating capacity in the area within the next two or three years, the movement position would improve and so would production.

According to the Directors, the recent increases in the coal price have left it yet well short of the level which is required to yield profits on the scale necessary to amortise the heavy capital expenditure involved in increasing production from what are, after all, wasting assets and, at the same time, making it possible to raise and service some part of the capital required for this purpose, which capital must be raised to support larger borrowings. It is in this context that the Directors have expressed the hope that the recently appointed wage board would not, while considering the industry's ability to pay higher wages, lose sight of the urgent need to increase the industry's profit-margin, for they believe that there is no margin available for increased wage costs and these, if imposed, would have to be fully compensated by increased selling prices.

Following the decision of the Supreme Court, the Sutikdih property of the Company is now being developed by the National Coal Development Corporation. The Company has lodged a claim for compensation. The sand stowing scheme has been delayed further, but the plant is expected to work to full capacity by the end of this year. A considerable quantity of coal was recovered last year from the sealed off areas in the Bararee colliery. Efforts to reopen the No. 3 pit at the Kendwadih colliery continue and would prove fully successful this year. The No. 1 pit at the Jealgora colliery and the No. 1 pit at the Bararee colliery have been brought back into production following the installation of electric winders and work has progressed on the development of the No. 2 pit at Jealgora which is now in production; but the planned output will be attained after nine months. The Company has acquired 86 per cent of the issued capital of the Bhulanbararee Coal Company Ltd. with the object of securing a close link with this adjoining property, so that the maximum immediate and economical use could be made of the sand stowing facilities available while at the same time acquiring at minimum cost the opportunity for further increasing the output of high grade coking coal during the fourth Plan period.

All these developments have meant more capital expenditure. Hence the Directors' decision to issue 144,000 ordinary shares as right shares in the proportion of three new shares for every five shares held at a price of Rs. 22 (£1 13s.) per share, in addition to the recent issue of Rs. 50 lakhs 6.5 per cent debentures. Consent to the issue from the authorities in the U.K. has been received but that from the authorities in India is awaited.

The Company's financial position is sound. Its issued capital of £2.40 lakhs is backed by revenue reserves and surplus aggregating £4.79 lakhs. Capital reserves amount to £0.90 lakh. Current liabilities and provisions total £9.01 lakhs and exceed slightly the current assets of £8.39 lakhs, which include quoted investments of £1.35 lakh, of which £1.23 lakh are quoted in Great Britain and command a market value of £0.90 lakh and the balance of £0.12 lakh are quoted outside Britain and command a market value of £0.11 lakh. The gross block expanded during the year from £7.67 lakhs to £9.79 lakhs. It has been written down to £7.61 lakhs. Capital work-in-progress is valued at £1.08 lakh.

The £1 fully paid shares of the Company are currently quoted in Calcutta at Rs. 52.37 *cum-div.* On the *ex-div.* basis, they offer a net yield of roughly 2 per cent per annum.

AMALGAMATED ELECTRICITY DOES WELL AGAIN

With the ever-increasing demand for electricity for both industrial and domestic uses in the country, the Amalgamated Electricity Company Ltd. (Managing Agents: Messrs. N. C. Javeri and Company, Bombay) has naturally done well again during the year ended 31st March 1962. The revenue from sale of energy has gone up further from Rs. 105.75 lakhs to Rs. 122.51 lakhs. Income from other sources has also turned out to be higher at Rs. 7.09 lakhs, as compared with Rs. 5.49 lakhs a year before. Total earnings at Rs. 129.60 lakhs show a rise of more than Rs. 18 lakhs. For an electricity company, which has no inventory to carry, improvement in sales means improvement in production and, therefore, increase in costs. Amalgamated Electricity spent during the year Rs. 22.72 lakhs (Rs. 18.14 lakhs in the previous year) on the purchase of energy. Rs. 51.91 lakhs (Rs. 44.27 lakhs) on generation of power, and Rs. 15.76 lakhs (Rs. 14.95 lakhs) on distribution and sale of energy. Other expenses at Rs. 3.95 lakhs were a shade lower as compared with Rs. 4.98 lakhs in the previous year.

Despite a general increase in costs, the Company has benefited substantially from higher turnover, inasmuch as the gross profit has risen from Rs. 28.98 lakhs to Rs. 35.34 lakhs. Provision for

(Continued on page 576)

SYNOPSES OF COMPANY REPORTS

Fort William Co., Ltd.

(*Managing Agents*: Messrs. Bangur Brothers Ltd., Calcutta.)

Annual General Meeting: 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods	2,88,81	2,96,79
Sale of raw materials	3,83	45
Closing stocks	60,32	62,02
Gross profit	11,77	23,95
Transfer to Managing Agents' remuneration	54	1,62
" " depreciation	6,23	6,83
" " provision for taxation	3,50	8,20
Net profit	1,50	7,30
Adjustments	2,48	2,34
Appropriations:		
Total available balance	3,98	9,64
Transfer to development rebate reserve	15	31
" " general reserve	Nil	1,00
" " provision for taxation for previous year	75	Nil
" " additional dividend on preference shares	Nil	21
Proposed dividends on preference shares	91	91
" " on ordinary shares	2,10	4,73
	(10%)	(22½%)
Carry forward	7	2,48

N.B.—Adjustments include the balance brought forward from the previous year, supplementary dividend in respect of preference shares written back and dividend forfeited.

Extracts from the Directors' report: Jute Mills Division: During the period under review, the jute industry passed through many diversities. On account of drought in the Jute growing belts for the last two consecutive seasons, the crop was insufficient to meet the requirements of the industry. Because of severe shortage of jute, production was curtailed by mills in accordance with the working time agreement of the Indian Jute Mills Association by working on increased number of sealed looms and also on reduced hours. The mills worked 42½ hours a week upto 15th October 1961 when the trading conditions of the industry showed some improvement and the working hours were increased to 45 per week from 16th October 1961 to 31st March 1962. Though the weekly working hours according to the Working Time Agreement were 45 with 12 per cent looms sealed, mills were, in fact, allowed to work 48 hours and unseal as many looms as possible against their accumulated loom hours. The limitation in the power supply every now and then hampered production and the situation further deteriorated due to the failure of the generating plants of electric supply companies.

The working for the first half of the year was adversely affected by a wide disparity between the prices of raw material and finished products. The early arrival of the new crop, however, enabled the industry to turn the corner during the latter half of the year and the mills were able to secure business at reasonable margins. Because of the constant rise in the prices of finished goods during the last year, buyers were reluctant to purchase and as such, consumed their own stocks and created thereby a big vacuum. Consequently the demand from overseas markets was steady and with a view to meet it, the Indian Jute Mills Association allowed its member mills to run their looms to the maximum possible extent. Fortunately the bumper crop during the year 1961-62 not only enabled mills to meet their consumption requirements but left large quantities to be carried over to the next year.

The introduction of excise duty by the Government in its buget for the year 1962-63 at the rate of Rs. 250 and Rs. 125 per metric ton on hessian and all other jute products including sacking, respectively has the effect of increased internal consumption cost.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	36,24,812	Gross block	1,36,20,162
Reserves and surplus	25,02,402	—Depreciation	88,01,742
Other liabilities	1,08,41,688	Net block	48,18,420
		Block-in-progress	13,240
		Current assets	1,08,77,332
		Investments	1,17,998
		Cash	11,48,912
	1,69,68,902		1,69,68,902

* Paid-up capital consists of 10,000 7 per cent. cumulative preference shares of Rs. 100 each fully paid up, 2,10,000 ordinary shares of Rs. 10 each and 2,09,925 ordinary shares of Rs. 10 each, Rs. 2 50 called up. Of the above shares 6,000 7 per cent. cumulative preference shares and 1,40,000 ordinary shares are allotted as fully paid up pursuant to a contract without payment being received in cash and 70,000 ordinary shares are allotted as fully paid-up bonus shares by way of capitalisation of reserve.

Hastings Mill Ltd.

(*Managing Agents*: Messrs. Bangur Brothers Ltd., Calcutta.)

Annual General Meeting: 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods	3,51,22	3,39,65
Sale of raw materials	7,12	17,43
Closing stocks	90,21	68,62
Gross profit	15,50	31,26
Transfer to Managing Agents' remuneration	50	2,05
" " depreciation	8,72	8,14
" " provision for taxation	1,60	8,30
Net profit	4,68	12,77
Adjustments	3,85	4,50
Appropriations:		
Total available balance	8,53	17,27
Transfer to general reserve	Nil	9,00
" development rebate reserve	3,16	2,71
Proposed dividends (additional preference shares on preference shares for the year	Nil	45
" " on ordinary shares	1,95	1,95
	2,40	2,40
	(6%)	(6%)
Carry forward	1,02	3,76

N.B.—Adjustments include the balance brought down from the previous year, excess provision for taxation and excess provision for expenses written back.

Silk Department: Demand for the silk products maintained a good trend. Efforts are being made to promote exports and in fact, repeated orders received from various countries were executed during the year. On account of foreign exchange shortage, the Government imposed restriction on the import of yarn which has resulted in increased price of the raw materials.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	65,00,000	Gross block	1,61,83,743
Reserves and surplus	93,33,109	—Depreciation	90,90,776
Other liabilities	1,17,24,360	Net block	70,83,067
		Current assets	1,50,87,063
		Investments	55,00,387
		Cash	1,86,052
	Rs. 2,75,57,469		Rs. 2,75,57,469

* Paid-up capital consists of 25,000 6 per cent. cumulative preference shares of Rs. 100 each and 40,000 ordinary shares of Rs. 100 each fully paid. Of the above, 25,000 6 per cent. preference shares and 19,969 ordinary shares are allotted as fully paid up pursuant to a contract without payment being received in cash. 20,000 ordinary shares all allotted as bonus shares by capitalisation of reserves.

Hukumchand Jute Mills Ltd.

(*Managing Agents*: Ramdutt Ramkissendass, Calcutta.)

Annual General Meeting: Held on 27th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	6,14,78	5,80,69
Sale of jute	3,54	5
Closing stocks	1,78,12	1,70,48
Gross profit	40,28	55,18
Transfer to Managing Agents' remuneration	2,70	3,88
" " depreciation	10,39	11,42
" " provision for taxation	9,00	20,40
Net profit	18,19	19,46
Adjustments	1,58	1,64
Appropriations:		
Total available balance	19,77	21,10
Transfer to provision for contingencies	Nil	20
" " development rebate reserve	1,56	45
" " supplementary dividend on preference shares for the previous year	Nil	14
Proposed dividends (taxable) preference	3,64	3,64
" " ordinary	14,00	15,50
	(Rs. 2·00)	(Rs. 2·15)
Carry forward	57	1,62

N.B.—Adjustments include the balance brought down from the previous year only.

Extracts from the Directors' report: The bumper crop during the second half of the year under review led to a gradual fall in raw jute prices and profitable working was restored in November 1961.

Prospects for the current year appear to be bright with the sufficient supplies of raw jute and world offtake of jute goods maintained a high level.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	92,50,000	Gross block	3,30,36,124
Reserves and surplus	40,64,366	—Depreciation	1,99,36,124
Other liabilities	2,37,54,337	Net block	1,31,00,000
		Current assets	2,16,20,413
		Investments	12,33,957
		Cash	11,14,333
	Rs. 3,70,68,703		Rs. 3,70,68,703

* Paid up capital consists of 40,000 7 per cent cumulative preference shares of Rs. 100 each and 7,00,000 equity shares of Rs. 7 50 each. Of the equity shares, 300,000 shares have been treated as fully paid up by way of bonus shares out of general reserve.

Bisra Stone Lime Co., Ltd.

(*Managing Agents*: Messrs. Bird & Co., Calcutta.)

Annual General Meeting: Held on 27th September, 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	2,35,60	1,94,21
Closing stocks	10,59	5,11
Gross block	33,29	33,73
Transfer to Managing Agents' commission	2,12	3,28
" " depreciation	8,07	5,48
" " provision for taxation	11,85	13,28
Net profit	11,25	14,69
Adjustments	59	35
Appropriations:		
Total available balance	11,84	15,04
Transfer to statutory development rebate reserve	3,72	2,45
" " general reserve	2,50	9,00
" " capital reserve	1,12	Nil
Proposed dividends (taxable)	4,00	3,00
	(10%)	(30%)
Carry forward	50	59

N.B.—Adjustments include only the balance brought forward from the last year's account.

Extracts from the Directors' Report: Limestone.—Raisings increased from 1,270.442 tonnes to 1.534,561 tonnes, as compared with the previous year. Sales also rose correspondingly from 1,224,389 tonnes to 1,466,391 tonnes.

Dolomite.—Output at 455,052 and sales at 445.723 tonnes during the year under review were almost at the same level as last year when the output and sales were 446,297 tonnes and 435,193 tonnes respectively. With the expansion of the Steel Industry, a progressive increase in the demand of limestone and dolomite is visualised.

Lime.—Production declined appreciably from 1,031,763 maunds to 548.557 maunds and sales also fell from 893,120 maunds to 692,855 maunds as compared with last year. Owing to the irregular and inadequate supplies of coal for burning lime coupled with the chronic shortage of wagons for disposal of lime, it was decided to close down the kilns with effect from 1st February, 1962.

Expenses.—Increased expenses, due largely to increase in the removal of overburden and high-insoluble stone and the hire of contract transport, resulted in a rise in costs which, however, are expected to be stabilised now that the Company's own fleet of mechanical equipment has been augmented.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	1,22,44,032
Reserves and surplus	28,81,279	—Depreciation	53,39,187
Other liabilities	1,11,00,977	Net block	69,04,845
		Block-in-progress	4,50,905
		Current assets	1,03,39,782
		Investments	95,693
		Cash	2,81,071
	Rs. 1,80,72,256		Rs. 1,80,72,256

* Paid-up capital consists of 4,00,000 ordinary shares of Rs. 10 each. Of the above 35,000 shares have been allotted as fully paid up pursuant to a contract without payment being received in cash and 3,50,000 shares have been allotted as bonus shares by capitalisation of general reserve.

Midland Rubber and Produce Co., Ltd.

(*Managing Agents*: Messrs. A. V. Thomas and Co., Ltd., Alleppey.)

Annual General Meeting: 29 September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of tea and rubber	42,85	49,25
Closing stocks	4,09	4,11
Gross profit	10,49	15,84
Transfer to Managing Agents' commission	60	1,11
" " depreciation	83	83
" " provision for taxation	3,70	8,20
Net profit	5,36	5,70
Adjustments	88	66
Appropriations:		
Total available balance	6,24	6,36
Transfer to development rebate reserve	3	5
Proposed additional dividend on preference shares for 1959-60	Nil	7
" dividends on cumulative preference shares	1,10	1,10
" on equity shares	5,00	5,06
	(12½%)	(12½%)
Carry forward	5	8

N.B.—Adjustments include the balance brought forward from the previous year and a transfer from dividend equalisation reserve.

Extracts from the Directors' report: Tea.—The decrease in crop was due to adverse weather conditions during the year. On account of unusually severe monsoon there was a sharp drop in output in May and June last year which months are usually heavy yielding. In spite of the better agricultural practices adopted to even out the production throughout the year, this unusual shortfall could not be made up particularly because of increase of pest infection to which the weather conditions were conducive.

The cost of production was Rs. 3.29 per kg. as against an estimate of Rs. 2.75, the increase being due mainly to the shortfall in production.

The average sale price realised during the year amounted to Rs. 4.39 per kg. as against Rs. 4.47 per kg. in the previous year. A portion of the Company's teas was shipped for sale in the U.K. and U.S.A. as usual and the prices realised were satisfactory.

Rubber: It is satisfactory to note that in spite of the sale of Mukampala Estate on 1-9-1961, the total production is over 4,35,000 kgs. With new areas being brought under tapping on Sittar Estate, the total crop in the coming years will be definitely on the upward trend.

The cost of production was Re. 1.83 per kg. as against an estimate of Rs. 2.11 per kg. The estimate included rubber depreciation allowance at 19.84 nP per kg. which, however has not been provided for in the final accounts.

The average sale price during the year was Rs. 3.23 against Rs. 3.35 in the previous year. The reduction is due to the change in procedure of collection of Rubber Cess which is now payable by the manufacturers.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	57,70,000	Gross block	77,14,126
Reserves and surplus	20,94,024	—Depreciation	12,77,095
Other liabilities	18,98,521	Net block	64,37,031
		Current assets	14,90,698
		Investments	1,69,627
		Cash	16,65,189
	Rs. 97,62,545		Rs. 97,62,545

* Paid-up capital consists of 1,72,000 6 per cent. cumulative preference shares of Rs. 10 each and 4,05,000 equity shares of Rs. 10 each. Of the above, 1,35,000 equity shares are allotted as fully paid up by way of bonus shares by capitalisation of Rs. 8,43,500 from share premium account together with Rs. 5,06,500 from general reserve.

Machinery Manufacturers Corporation Ltd.

(*Managing Agents*: Messrs. Mahindra and Mahindra Ltd., Bombay.)

Annual General Meeting: Held on 26th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	1,44,66	1,12,78
Closing stocks	54,18	42,32
Gross profit	34,37	34,41
Transfer to Managing Agents' remuneration	2,32	1,32
" " depreciation	9,61	8,95
Net profit	22,44	24,14
Adjustments	22	1,39
Appropriations:		
Total available balance	22,66	25,53
Transfer to development rebate reserve	3,50	2,21
" " general reserve	10,00	Nil
" " depreciation in respect of previous years	Nil	15,78
" written off on reduction of capital	Nil	7,33
Proposed dividends (taxable) on preference shares	4,38	Nil
" (taxable) on equity shares	3,51	Nil
	(12½%)	(Nil)
Carry forward	1,28	22

N.B.—Adjustments include the balance brought down from the previous year and a transfer from capital reserve account.

Extracts from the Directors' report: Operation: There was a notable improvement in production and in the despatch and intake of fresh orders as compared to the previous year.

Production of Cards increased to 944 as compared with last year's figure of 777. Despatch figures similarly increased to 910 from 789 in the previous year. Firm orders for 1943 Cards (net figure after cancellation) were secured during the year. No serious interruption was suffered at Sonai Works, but difficulties were experienced in connection with power shortage in Calcutta and interrupted supply of Pig Iron and Coke; the quality of both Pig Iron and Coke was not upto specifications as needed for the manufacture of precision and quality machinery. As anticipated in last year's report there was a substantial drop in the Company's commission receipts in respect of sale of Whitin's equipment. During the year only Rs. 4.45 lakhs of commission was earned as compared to Rs. 10.29 lakhs during the last year. The quantum of sales of Whitin's machinery depends entirely upon the availability of D.L.F. Loans and prompt Licensing by Government, in both of which respects there has been a hold-up during the year. It would not be judicious to forecast the extent or duration of this particular aspect of your Company's trading.

Diversification: Difficulties in the procurement of additional machine tools and the higher utilisation of the factory on Carding engines caused some delay in implementing our programme in respect of speed frames. In the meantime considerable improvement has been made to the original design of the speed frame and subject to the availability of additional machine tools for which licence has now been received, batch production of speed frames may be expected to commence next year. The manufacture of the air cooled diesel engine components commenced from March 1962.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	69,71,335	Gross block	1,57,77,205
Reserves and surplus	17,44,715	—Depreciation	71,84,529
Other liabilities	1,31,07,261	Net block	88,92,676
		Block-in-progress	80,393
		Current assets	1,20,27,953
		Investments	20,300
		Cash	8,02,079
	Rs. 2,18,23,311		Rs. 2,18,23,311

* Paid-up capital consists of 25,000 4½ per cent. tax-free special cumulative preference shares of Rs. 100 each, fully called up, issued to the Government of India, 13,955 4 per cent. tax-free cumulative preference shares of Rs. 100 fully paid and 3,01,216 equity shares of Rs. 10 each.

Ossoor Estates Ltd.

(*Secretaries and Treasurers*: Messrs. Peirce Leslie & Co., Ltd., Mangalore.)

Annual General Meeting—Held on 22nd September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
By coffee crop	3,44	3,91
Gross profit	1,66	1,58
Transfer to Secretaries' remuneration	5	5
,, ,, depreciation	15	16
,, ,, provision for taxation	50	35
Net profit	96	1,02
Adjustments	49	42
Appropriations:		
Total available balance	1,45	1,44
Transfer to proposed dividends (taxable)	98 (15%)	98 (15%)
Carry forward	47	46

N.B.—Adjustments include the balance brought forward from the previous year and excess provision for central income-tax in previous year no longer required.

Extracts from the Directors' report: With the purchase of its entire share capital Sulgodu Estate Ltd., became a wholly owned subsidiary of the Company. The Directors therefore applied to the Mysore High Court for the amalgamation of the Sulgodu Company with Ossoor Estates Ltd., and by virtue of the orders subsequently passed by the High Court all the assets and liabilities of the subsidiary Company are now vested in Ossoor Estates Ltd., and Sulgodu Estate Ltd., stands dissolved from 11th July 1962. No Directors Report of the Subsidiary Company is available as required by the provisions of Section 212 of the Companies Act as the Company was dissolved before its Directors could make such a Report. An application has therefore been made to the Central Government under Section 212 (8) of the Companies Act for exemption in connection with such provision.

Crop and Costs. A total crop of 118.355 metric tonnes was harvested during the year and delivered to the Coffee Board. This has been valued at Rs. 2.30 per point or Rs. 2,905 per metric tonne. A comparative statement of production and costs for the previous 2 years is given below:—

Year	*Crop (metric tonnes)*	*Estate expenditure per metric tonne*	*All-in-cost per metric tonne*
		Rs.	Rs.
1959-60	135.230	1,070	2,225
1960-61	145.996	1,821	1,990
1961-62	118.355	2,213	2,517

A further payment of 2 nP per point has been received on 1959 60 crop making the total for the year Rs. 2.24 per point and this is equivalent to Rs. 2,926 per metric tonne.

The 1960-61 season's crop has been revalued at Rs. 1.95 per point which has so far been received. This is the equivalent of Rs. 2,794 per metric tonne when compared to the valuation of Rs. 1.90 per point or Rs. 2,680 per metric tonne adopted last year.

The 1962 63 crop inclusive of Sulgodu Estate crop has been estimated at 165 metric tonnes and the all-in-cost of production at Rs. 2.517 per metric tonne.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	6,50,000	Gross block	8,02,791
Reserves and surplus	6,18,175	—Depreciation	98,452
Other liabilities	6,50,863	Net block	7,04,339
		Current assets	3,55,030
		Investments	7,05,258
		Cash	1,54,411
	Rs. 19,19,038		Rs. 19,19,038

* Paid-up capital consists of 3,25,000 ordinary shares of Rs. 2 each fully paid up.

United Breweries Ltd.

(*Chairman*: Vittal Mallya, Esq., Bangalore.)

Annual General Meeting: 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	52,95	45,93
Closing stocks	4,09	1,80
Gross profit	33,20	26,06
Transfer to Directors' fees	2	8
,, ,, depreciation	2,63	2,14
,, ,, provision for taxation	14,50	10,00
Net profit	16,05	13,84
Adjustments	1,55	9,19
Appropriations:		
Total available balance	17,60	23,03
Transfer to general reserve	Nil	12,35
,, ,, development rebate reserve	1,40	15
Proposed dividend (taxable) interim (at 2.50)	5,00	3,00
,, ,, final	Nil	7,00
Carry forward	11,20	54

N.B.—Adjustments include balance brought down from the previous year, provision for taxation made in previous years no longer required, etc.

Extracts from the Directors' report: An application has been made to the controller of capital issues for permission to issue bonus shares of the nominal value of Rs. 2,500.000. In view of this proposal and the need to conserve the Company's resources to meet the capital investment programme during the next year, your directors are not recommending the payment of a final dividend for the year and a relatively large balance is being carried forward.

Operations: Both production and sales increased appreciably and this trend continues during the current year.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,00,000	Gross block	68,47,267
Reserves and surplus	72,59,844	—Depreciation	23,46,627
Other liabilities	36,83,947	Net block	45,00,640
		Current assets	30,74,582
		Investments	58,58,883
		Cash	9,686
	Rs. 1,34,43,791		Rs. 1,34,43,791

* Paid-up capital consists of 2,50,000 equity shares of Rs. 10 each paid. Of the above, 56,680 shares are allotted as paid up to the extent of Rs. 7.50 per share without payment being received in cash.

Bengal Chemical and Pharmaceutical Works Ltd.

(*Chairman and Managing Director*: Dr. Balindra Nath Ghose, Calcutta.)

Annual General Meeting: Held on 14th August 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	2,12,50	2,08,84
Closing stocks	29,32	26,21
Gross profit	15,30	24,49
Transfer to Managerial remuneration	65	97
,, ,, depreciation	5,49	5,46
,, ,, provision for taxation	5,00	8,50
Net profit	4,16	9,56
Adjustments	3,61	41
Appropriations:		
Total available balance	7,77	9,97
Transfer to provision for taxation for previous year	8	Nil
,, ,, development rebate reserve	22	29
,, ,, general reserve No. 2	Nil	1,00
,, ,, debenture redemption reserve	70	70
Proposed dividends (taxable)	6,70	6,67
Carry forward	6	1,31

N.B.—Adjustments include the balance brought forward from the previous year, an amount transferred from general reserve No. 2 and excess provision of income-tax.

Extracts from the Directors' report: Although the sale of the company registered an increase of over Rs. 4 lakhs, due to increase in cost of raw materials, package, transport and operating expenses the margin of profit was lower than that of the previous year. The company's production was also affected due to non-availability of some of the imported raw materials and coal and also due to shortage of crude coal tar. The directors are of the opinion that the company will be able to tide over these difficulties in course of a short period and as such they have transferred Rs. 2.30 000 from general reserve No. II for the purpose of distribution of dividends.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	78,85,900	Gross block	1,59,19,707
Reserves and surplus	67,64,552	—Depreciation	81,89,070
Other liabilities	89,37,791	Net block	77,30,637
		Current assets	1,37,39,975
		Investments	16,38,091
		Cash	4,87,840
	Rs. 2,35,87,543		Rs. 2,35,87,543

* Paid-up capital consists of 90,000 7¼ per cent. cumulative preference shares of Rs. 10 each, 11,904 4½ per cent. cumulative 2nd preference shares of Rs. 100 each, 21,315 ordinary shares of Rs. 100 each, 11,080 'A' ordinary shares of Rs. 100 each, 22,547 'B' ordinary shares of Rs. 100 each and 3,000 medical ordinary shares of Rs. 100 each.

Notices

THE KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED

Laxmi Building, 6 Ballard Road, Fort, Bombay

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-eighth Annual General Meeting of the Shareholders of the Company will be held on Friday the 19th October 1962 at 4.00 p.m., (S.T.), at Laxmi Building, 6, Ballard Road, Fort, Bombay, to transact the business as per the Notice dated the 20th September 1962 sent to the Shareholders of the Company at their registered addresses.

By Order of the Board of Directors,
LALDAS TRIBHOWANDAS,
Secretary.

Dated, 20th September 1962.

Notes: (*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.

(*b*) The Share Transfer Books of the Company will be closed from Monday the 1st October 1962 to Tuesday the 23rd October 1962 both days inclusive.

(*c*) If dividends on Shares as recommended by the Directors are passed at the Meeting, the payments will be made on and after Thursday the 25th October 1962 to those shareholders whose names are on the Company's Register on 1st October 1962.

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the Sixty-fourth Ordinary General Meeting of the Company) of the abovenamed Company will be held at its Registered Office, No. 15, Shib Thakur Lane, Calcutta-7, on Thursday, the 25th October, 1962, at 11 a.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1962, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on the Ordinary Shares.
3. To appoint Auditors and fix their remuneration.
4. To elect Directors in place of those retiring.

The Register of Ordinary Shareholders of the Company and the Transfer Books will be closed from the 19th October, 1962 to the 25th October, 1962, both days inclusive.

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

By Order of the Board,
R. K. KANORIA,
Chairman.

15, SHIB THAKUR LANE,
CALCUTTA-7,
The 19th September, 1962.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA LIMITED

Registered Office:
34, Chowringhee, Calcutta-16

PAYMENT OF DIVIDEND ON PREFERENCE SHARES

IN CONNECTION WITH THE PAYMENT OF the above dividend for the half-year ending 30th September 1962, the Preference Registers of the Company will be closed from the 3rd October 1962 to the 5th October 1962, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES
(INDIA) PRIVATE LIMITED,
Secretaries.

CALCUTTA, *20th September*, 1962.

PARRYS CONFECTIONERY LIMITED

STATEMENT BY CHAIRMAN, MR. H. V. R. IENGAR

FURTHER INCENTIVES FOR EXPORT CALLED FOR

THE inadequacy of the incentives for export provided by the Government to confectionery manufacturers is pinpointed by Mr. H. V. R. Iengar, Chairman of Parrys Confectionery Ltd., Madras in his statement to shareholders circulated along with the Directors' report and statement of accounts of the Company for the year ended 31st March 1962. According to him, the net prices realised on exports, even after taking into account the incentives already provided, are so low that exports entail a heavy loss to the industry. He, therefore, calls for further measures of assistance.

The following is the full text of the Chairman's statement:

"I am this year taking the step of having the speech from the chair printed and sent with the accounts. I hope shareholders will agree that this is a useful innovation.

"My first duty is to record my profound regret that this, the first annual general meeting of the Company over which I shall preside, should be without the presence of the previous Chairman, Mr. C. R. Srinivasan, B.A., who passed away on 29th January 1962.

"It is also my unfortunate duty to record the death, on 24th November 1961, of Mr. H. I. Wonfor, C.B.E., F.C.A., who was a Director of this Company since its inception.

"Both Mr. C. R. Srinivasan and Mr. H. I. Wonfor played a vital part in the development of the Company and in pioneering many new ideas introduced over the years.

"In connection with the accounts, the points of greatest interest to shareholders are probably the rights issue during the year and the very recent bonus issue. The result of the rights issue was to increase the issued share capital to Rs. 15 lakhs; and, in addition, the premium on the rights shares brought in a further Rs. 5 lakhs which has been shown as a reserve under the heading of share premium account. At the Directors' meeting held on 17th August 1962 it was decided that the share premium account should be utilised for issuing bonus shares in the ratio of one bonus share for every existing three shares held.

Higher Dividend

"The interim dividend paid for the year was at the rate of 10 per cent on the share capital of Rs. 15 lakhs while the final dividend, which will be proposed later at this meeting, will be payable on the increased share capital of Rs. 20 lakhs. You will see that the total quantum of dividend proposed for year is larger than in the previous year.

"The net profit after taxation, which includes the provision of Rs. 62,500 for super-tax on the bonus shares, stands at Rs. 5.25 lakhs, as compared with last year's figure of Rs. 5.80 lakhs. From this profit and the "brought forward" of Rs. 1,81,361, appropriations have been made, or are proposed, totalling Rs. 5.50 lakhs. This figure includes an amount of Rs. 50,000 placed to general reserve and Rs. 30,000 transferred to the development rebate reserve. The carry forward to next year stands at Rs. 1,56,302.

Record Sales

"The operations of the Company during the year under review were satisfactory. You will have noted from the report of the Directors that the sales turnover of Rs. 1.34 crores constituted a new record, the increase over the previous year being 14 per cent in value as well as volume. A noteworthy feature is that approximately 50 per cent of the increase in sales occurred in North India. Considering that this is an area away from what has been traditionally considered to be our normal area of operations, this is an encouraging sign and augurs well for the future.

"Yet another encouraging feature of the sales in the year under review is the increased volume achieved from sales of wrapped varieties. In consonance with the steady rise in the living standards of the people, there is undoubtedly more discriminative buying on the part of consumers who attach increasing importance to hygienic packing and quality, and our progress is in keeping with this development.

"During the year, supply of sugar continued to be easier and it was available at lower prices than previously. However, costs of other raw materials, notably items for which we still depend on imports, have been rising with the consequence that we have been forced to make some price increases. I see no prospect in the near future of prices of raw materials coming down. On the other hand, the position has since worsened as, from the beginning of the current financial year, the price of sugar has substantially moved up and new tax levies have added to the cost of tin containers and packing materials. Owing to the rise in price of sugar alone, our costs of production this year will increase by over Rs. 1 lakh. Due to the additional tax levies on tin and aluminium foil, our packing costs will go up by approximately Rs. 0.5 lakh. In addition, our wage bill will rise by Rs. 0.5 lakh. Against this background of rising costs, it becomes specially important that we achieve, higher turnover and, wherever possible, operating economies.

"In response to the Government's call to step up exports to augment the country's foreign exchange earnings, your Company is intensifying its efforts in this direction and will naturally do everything possible to co-operate with Government.

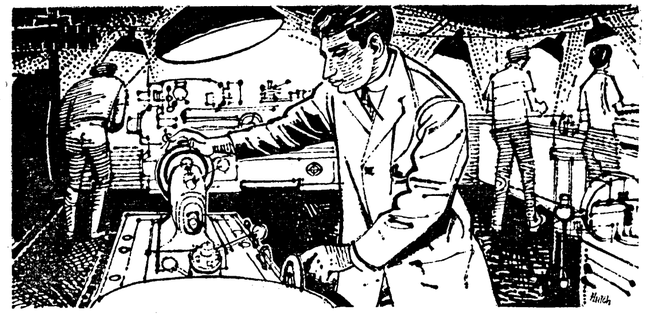
Incentives for Export

"While the industry is grateful to Government for the incentives afforded for export promotion by way of rebates of excise and customs duties, it is pertinent to observe that, even with these incentives, the net prices which can be realised from exports are so low that the resultant loss is still too heavy a burden for the industry to bear. It is therefore necessary to ask for further measures of assistance. The industry is aware that Government have been considering supply of sugar at the international price for manufacture of confectionery for exports, and an early decision on this question will be welcome. Apart from the question of price, the quality of sweets offered for export must stand comparison with those offered by other exporting countries and we have therefore to keep pace with refinements in manufacture, using up-to-date machinery. Owing to the difficult foreign exchange situation obtaining over the last few years, the industry has been facing difficulties in importing machinery required for replacement and rehabilitation. I would urge the authorities to view this problem with sympathy and, if necessary, link the import of machinery with exports, fixing a reasonable ratio between the two.

"During the year under review our relations with staff and labour have been most cordial and I take this opportunity to record our sincere appreciation of the excellent work done by them."

Note: *The above statement is not a report of the proceedings of the Annual General Meeting, which will be held on the 29th September*, 1962.

The World Bank has made two loans of $23 million to Pakistan for the improvement and expansion of the railway systems in West and East Pakistan. The loans, comprising $18.25 million for the Western Railway and $4.75 million for the Eastern Railway, will cover part of the foreign exchange costs of the Railways' programme during the third and fourth year of Pakistan's second Five-year Plan. Nine U.S. private banks are participating in the loans, without the World Bank's guarantee, to the extent of $1,182,000 representing the first two maturities and part of the third maturities of both loans. The two loans are for a term of 20 years and bear interest at the rate of 5½ per cent per annum, including the 1 per cent commission which is allocated to the Bank's Special Reserve. Amortisation will begin on 1st March 1966.



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In factories sudden darkness can cause injury and damage to machinery. Emergency lighting is the obvious safeguard—and that's where Keepalite comes into its own. Keepalite is an automatic emergency lighting system employing lead-acid storage batteries which are automatically triggered into operation by the actual mains failure. Modern methods of control and 'trickle' charging mean that Keepalite equipment has outstandingly long life and requires minimum of maintenance. That's why architects everywhere specify Keepalite as sure inexpensive protection for factories, hospitals, schools, banks and public places.

KEEPALITE

AUTOMATIC EMERGENCY LIGHTING EQUIPMENT
—a product of Chloride and Exide Batteries (Eastern) Limited.

EBSC-69

NEWS IN BRIEF

THE Union Defence Ministry has entered into an agreement with a U.S. firm for the manufacture in India of heavy earth-moving and mining equipment. The manufacture of these items is expected to reduce the imports of a wide range of machinery.

The State Trading Corporation has finalised a barter deal with the U.K. and West Germany for export of 120,000 tons of manganese ore and 24,000 tons of ferro-manganese against import of Rs. 1.75 crore worth of machinery and Rs. 1.75 crore worth of staple cotton fibre.

The Cotton Textiles Export Promotion Council proposes to conduct next month a series of fashion shows in various parts of East Africa, particularly Kampala, Nairobi, Mombasa and Dar-es-Salam. India has been a traditional exporter of cheaper category of textiles to East Africa.

The National Metallurgical Laboratory, Jamshedpur, is understood to have devised a process for replacing the use of zinc by aluminium in galvanising steel sheets and other ferrous products. About 30,000 tons of tin, or about half of its total imports, are now used for purposes of galvanising.

The Employees' Provident Funds Act, 1952, will be made applicable to saw mills, wood seasoning kilns, wood preservation plants, wood workshops and units engaged in the processing or treatment of wood, with effect from 31st October 1962. All establishments employing 20 or more persons will be covered under the scheme.

The wheel and axle plant of the Durgapur Steel Works in West Bengal was inaugurated this week by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. The plant is claimed to be the largest of its kind in India and will meet the demand of railways for wheel sets. It has a rated capacity of 45,000 wheel sets annually, of which 38,800 will be for broad-gauge.

The foundation-stone of a machine building factory was laid on Monday at Kothrud, near Poona, by Mr. S. L. Kirloskar, Chairman of the Company. Coastal vessels will also be built at the factory which is being set up with American collaboration. The project costing nearly Rs. 3 crores will go into production in 1965, but the assembly of high-power diesel engines will be undertaken from March next year.

The Union Ministry of Food and Agriculture has set up an export promotion division under the charge of a Deputy Secretary with a view to studying export possibilities of agricultural commodities. The division will deal with the work relating to export of food and other agricultural commodities. The study is intended to help boost export of traditional items and also explore possibilities in respect of new commodities.

The Government of India has drawn up a list of 19 industries for which priority is given for importing capital goods. The industries include alloy and special tool steels, steel castings and forgings, heavy structurals (including cranes), railway wagons and other railway equipment, industrial machinery for textiles, jute, tea, mining, washeries, cement and paper making, machine tools on a selective basis, fertilisers, rayon grade pulp, ball bearings, special refractories and trucks and ancillaries.

India's exports in the month of August 1962 were higher at Rs. 63.28 crores, as compared with Rs. 57.41 crores in the previous month and Rs. 60.15 crores in the corresponding month last year. Imports aggregated Rs. 79.76 crores, as against Rs. 75.64 crores and Rs. 77.24 crores, respectively. The deficit in the balance of trade in August 1962 thus amounted to Rs. 16.48 crores, which compared favourably with Rs. 18.23 crores in July 1962 and Rs. 17.09 crores in August 1961.

The Central Government has decided to permit imports of fruits (dried and fresh), asafœtida, cumin seeds and medicinal herbs from Afghanistan on an *ad hoc* basis through approved importers during the present trade agreement period (October 1962 to November 1963). Those who participated in the Indo-Afghan trade in these commodities during the four years ended June 1956 and who had already been registered as approved importers are eligible to apply for licences. Those approved importers, whose names have been de-registered, will not be eligible for any permits. Imports will be allowed within a limited monetary ceiling and, in no case, imports in excess of the ceiling will be allowed.

The Life Insurance Corporation proposes to switch over from calendar year to financial year (April-March) for accounting purposes. In the course of a press release, the Corporation says that the change would have a beneficial effect on its business. The first three months, January to March, are from the point of view of climate and business potentiality, the best months during which the Corporation could achieve maximum mobility. This period of intensive activity would now cover six months from October to March instead of three months, from October to December. The farmers, especially, have cash available during this period and generally more people will be interested in taking out life insurance policies.

A fully automatic lighthouse is now being constructed at East-Point near Visakhapatnam and is expected to go into commission very soon. It will provide night navigation facilities at the port by emitting a revolving red light with an intensity of one lakh candles, with two flashes every 10 seconds. The power will be supplied by a set of 24 batteries, which will switch on and off automatically at scheduled times. Fuel for the generating sets will be provided by two tanks with a capacity of 100 gallons each. The tanks will work on alternate days. The almost only human attention required for this lighthouse will be periodical cleaning and refuelling of the tanks. The total cost of buildings and equipment is Rs. 5 lakhs. The machinery is being assembled for the first time by Indian engineers. The new automatic lighthouse will be the first of its kind in Asia.

The Government of India has nominated Mr. N. N. Chatterjee, Joint Secretary, Ministry of Labour and Employment, as the Chairman of the Advisory Board for Minimum Wages for a period of two years. Mr. H. C. Kothari, Mr. Crombie, Mr. K. S. Smith, Mr. R. M. Agrawal and Dr. Y. S. Parmer will represent employers, while the workers' representatives will be Mr. M. N. Sarmah, Mr. Shantilal Shah, Mr. N. Satyanarayana Reddy, Mr. S. R. Kulkarni, Mr. Jatin Chakravati and Mr. L. K. Shroff. The Labour Commissioners of Rajasthan, Madhya Pradesh, Bengal, and Ahmedabad and Additional Secretary, Department of Industries, Labour and Co-operation, Madras, will also be represented on the Board. The Board, it will be recalled, was constituted in November 1959 by the Union Government for advising the Central and State Governments on all matters relating to wage revision under the Minimum Wages Act, 1948.

The Government of India has issued an order, under Section 2 of the Essential Commodities Act, declaring aluminium utensils an essential commodity. The order empowers the Governments to assume requisite powers under the provisions of the Essential Commodities Act to control the quality of aluminium utensils produced for internal consumption. The order, which *prima facie* declares manufactures and semi-manufactures of non-ferrous metals to be essential commodities, is intended to cover aluminium utensils only at this stage. With the increasing use of aluminium utensils in the country, the question of ensuring the quality of the products has been engaging the attention of the Government. Quality control has already been imposed on aluminium utensils manufactured in the country for export purposes. It is that aluminium utensils manufactured out of sub-standard material constitute a threat to the health of the consumer.

* * * *

From Abroad

Communist China has agreed to buy 33,000 tons of rubber from Ceylon in exchange for 200,000 tons of rice in 1963.

The United Arab Republic has decided to open a trade centre in London to act as a link between British exporters and U.A.R. importers. The Centre will also market U.A.R. products in London.

France and Czechoslovakia have signed a new trade agreement providing for trebling the two-way trade in mechanical equipments during the next three years. France will import Czech machine tools in exchange for capital equipments.

West Germany will extend to Egypt a credit of DM 20 million (about £1.8 million) from aid funds in order to help build a fleet of 56 river freighters. The fleet will be used for carrying 450,000 tons of iron ore annually from Aswan to the German-built steelworks at Helwan.

The foreign trade surplus of West Germany fell to DM 187 million in August, from DM 280 million in July and DM 591 million in August 1961. For the first eight months of 1962 the surplus was distinctly smaller at DM 2,000 million, as compared with DM 4,700 million in the same period last year.

The capital cost of Britain's first ten nuclear power stations will amount to over £500 million, according to the Chairman of the United Kingdom Atomic Energy Authority. Last year, the Authority spent £25 million on all forms of reactor development, and employed some 1,750 fully qualified scientists and engineers.

A new export credit institution, called A B Svensk Exportkredit, to provide such long-term credit to exporters as cannot be given by Government and commercial banks under the present banking law, has been established in Sweden. The Swedish Government and commercial banks have each contributed half of the Kr. 100 million share capital.

Forty-seven items of articles, which were hitherto under open general licence, will require licences for being imported into Ceylon. These items include cheese, fruits and vegetables, cigar, snuff, domestic furniture, waste paper and old paper, perfumery and curios. The new import control order is interpreted as a virtual ban since no licence will be issued to any trader to import them.

PERSONAL

MR. PR. Arunachalam and Mr. V. Rangachari have been elected President and Vice-President, respectively, of the Madras Stock Exchange Ltd. for the year 1962-63.

Mr. Frank A. Southard of the U.S. has been appointed a Deputy Director of the U.N. Special Fund in the place of Mr. H. Merle Cochran, who will retire at the end of next month.

Mr. Y. N. Sukthankar, till recently Governor of Orissa, has been appointed Chairman of the Indian Oil Company *vice* Mr. S. Nijalingappa who has become the Chief Minister of Mysore.

Mr. D. N. Shroff and Mr. Shantilal M. Mehta have been re-elected President and Vice-President, respectively, of the Silk and Art Silk Mills' Research Association for the year 1962-63.

Dr. A. Ramaswami Mudaliar, Chairman, India Steamship Company, Ltd., and Mrs. Sumati Morarjee, Director, Scindia Steam Navigation Company, have been elected Chairman and Vice-Chairman, respectively, of the Indian Coastal Conference.

Mr. T. K. Parameswaran Nambiar, Secretary of the Madras Port Trust, and Mr. S. K. Bhattacharya, Executive Engineer, Calcutta Port Commissioners, have been deputed to participate in a seminar on ports and harbours being organised by the Japanese Government under the Colombo Plan for a month from 3rd October.

Dr. K. N. Raj, Director, Delhi School of Economics, has been named the head of a four-man committee constituted by the Government of India to examine the entire system of planning and distribution of iron and steel. The other members of the Committee are: Dr. Raj Krishna of the Institute of Economic Growth, Delhi, Dr. K. S. Krishnaswamy of the Planning Commission and Mr. C. A. Nair, Department of Iron and Steel, Government of India (Secretary).

Canada's exports of five major foodgrains touched 410.3 million bushels during the year ended July 1962, showing an increase of 4 million bushels over the previous year; the previous record level was 582 million bushels touched in 1952-53. Wheat and wheat flour shipments aggregated 357.8 million bushels, of which the U.K. accounted for 74 million bushels and Communist China for 72 million bushels.

Japan and West Germany have signed a trade protocol under which the mutual trade is expected to increase by about 20 per cent next year. West Germany has agreed to sign a pact on cotton textiles with the former (outside the World agreement) designed to increase the purchase of Japanese cotton textiles by 60 per cent over the next five years. West Germany has also agreed to buy more of other textiles, sewing machines, binoculars, etc. from Japan.

The Government of Egypt has granted a £3-million contract to the Montecatini Chemical Group of Italy for the construction of Egypt's first textile dyestuff plant. The new plant will have a capacity of 700 tons per year and it will meet the entire needs of Egyptian textile industry. The Acne Company of the Montecatini Group will design the new plant and provide technical know-how. The Italian firm will also supply the necessary raw materials.

Britain is sending laboratory equipment worth £1,770 to the Central Drugs Laboratory, Calcutta, under the technical co-operation scheme of the Colombo Plan. The equipment consists of centrifuges, steriliser ovens, compressors and analytical balances. It will be used for the development of Indian national standards for biological and allied drugs, for research and development concerning standardisation of new drugs and multi-drug formulations and to effect improvements in the existing methods of drug analysis.

The International Development Association has extended a credit of $5 million to Tunisia for the building up of secondary and technical schools. The credit is the first made by I.D.A. for education, and is also the first operation in Tunisia by either I.D.A. or the World Bank. The I.D.A. credit is for a term of 50 years. Repayment of the principal will begin on 1st February 1973. Thereafter, 1 per cent of the principal will be repayable annually for ten years and 3 per cent will be repayable annually for the final 30 years. The credit is free of interest, but a service charge of ¾ of 1 per cent per annum on the amount withdrawn and outstanding will be made to meet I.D.A.'s administrative costs.

A working party of the Cocoa Study Group of the U.N. Food and Agriculture Organisation has completed a draft of an international agreement on cocoa. It is based on control of international marketing through sales quotas. It will be considered by the group's executive committee in preparation for a U.N. negotiating conference. The working party examined the implications of a sales-quota system from the standpoint of market operations, regulations and control, and other aspects, and concluded that a sales-quota system did not appear to present insurmountable difficulties. A sales-quota system limits the quantity of produce a producing country may contract for sale now or at a future date, that is, it includes forward selling,

MONEY EASY

(From Our Own Correspondent)

BOMBAY, *26th September*

Signs of the usual slack season are in full evidence again in the short-term money market. Banks are once again flushed with funds, with most of them turning lenders. Inter-bank call money rate, which had gone up to 5 per cent a fortnight ago and come down to 4 per cent, is now as low as 2½ per cent. In Calcutta, the rate has fallen to 3⅛-3⅜ per cent, as compared with 5½-5¾ per cent two weeks before. One of the chief reasons for the extreme easiness of the money market is the arrival of a large amount of money following payment of half-yearly interest on the Central Government's 3 per cent 1986 Conversion loan which fell due on 16th September. Interest payments by the Centre are also due on 1st, 15th and 19th October.

The 91-days' Treasury Bill results are colourless, excepting that the average rate of accepted tenders has slightly declined, from 2.365 per cent per annum to 2.360 per cent per annum. The amount for which tenders were invited was unchanged at Rs. 2 crores and has been kept unchanged at that level for the coming week also. The total amount offered this week was no more than Rs. 2 crores. Apparently, the support for these Bills is still from special sources. 91 days' Intermediate Treasury Bills sold from 19th September 1962 to 22nd September 1962 amounted to Rs. 20 lakhs, as compared with Rs. 75.50 lakhs sold from 12th to 15th September 1962.

The Reserve Bank's statement for the week ended 21st September 1962 shows, as compared with that for the previous week, the following main variations:

Notes in circulation are down by Rs. 21.90 crores. Foreign assets are up by Rs. 1.12 crore at Rs. 95.92 crores. Loans and advances to scheduled banks have shrunk by Rs. 12.40 crores, of which Rs. 7.46 crores are against usance bills, while their cash balances with the Bank are better by Rs. 1.85 crore.

Scheduled banks' borrowings from the Reserve Bank had gone up to a peak of Rs. 42.64 crores, as of 7th September, after the States' borrowing programme. They have come down to Rs. 6.28 crores as of 21st September.

Listless conditions continue to prevail in the Gilt-edged market. The trend is distinctly quiet, with some offerings in the recently floated 4½ per cent 1974 State loans. The Kerala issue has lost Re. 1.50, Mysore 75 nP, Madhya Pradesh Re. 1, Bihar Re. 1, Punjab Re. 1, Rajasthan 50 nP and Orissa 40 nP. Among Central loans, 3½ per cent 1974, 4 per cent 1972, 4 per cent 1973, 3½ per cent 1967 and 3 per cent 1986 Conversion are all down, the fall ranging from 5 nP to 70 nP. The substantial marking down in several State loans issued this year suggests that some of the investors who had supported them to please the State Governments must have been encashing their investments. If they had borrowed from banks for taking up State loans, they might have used the sale proceeds to repay the loans. This, too, could have been one of the reasons for the return of easy money conditions referred to at the outset of this report.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *25th September*

Steady conditions were in evidence in the local metal market this week. Prices improved for a time under the influence of good demand following apprehensions of import cuts. The New Delhi announcement that the import policy for the six months commencing from next month would be framed after the Union Finance Minister's present foreign tour and would be published at the end instead of the beginning of next month added force to the import cut apprehensions. Advices from the London Metal Exchange showed a hardening trend in three months copper, which at £233 a ton reduced the backwardation to £1. The spot metal was firm, but unchanged at £234. A slightly hardening trend was also seen on the New York Commodity Exchange.

The hardening trend in the world price of copper was attributed to the recent cutback in production in the United States, Chile and Rhodesia in an attempt to bring effective demand in line with the aggregate supply. The recognition among producers that this objective has been achieved is indicated in the announcement by the Anaconda Copper Company that no further cutback was proposed in the near future. Anacondas as well as Phelps Dodge, it would be recalled, had recently curtailed production by about 5 per cent. A prominent South African producer, the O'okiep Copper Company, has announced that it has curtailed production by 7 per cent from the beginning of this month. The reason given is accumulation of unsold copper. Statistics made available by the Rhodesian Selection Trust Group show that the Group's production in the year to June 1962 increased. At 78,878 tonnes, the production of the Roan Antelope division for the year to June last was lower by 2,927 tonnes, and Chibulma's output at 16,693 tonnes declined by 2,507 tonnes. However, Mufulira increased output by 12,569 tonnes to 113,805 tonnes. In other words, the overall production of the three mines increased by 7,135 tonnes. In the same year, Antelope's sales declined by 5,658 tonnes to 75,464 tonnes and Chibulma's by 2,176 tonnes to 16,773 tonnes. However, Mufulira's sales rose by 9,073 tonnes to 109,794 tonnes. Thus, overall sales rose by 1,239 tonnes, while production increased by 7,135 tonnes, showing that the output exceeded demand by 5,896 tonnes. Such an analysis also possibly applies to other world producers, and this explains the recent cutback in production.

Following further releases of copper against permits and the issue of D.L.F. licences to established importers, copper scrap received less attention here this week, with users' scrap declining at first from Rs. 548.50 per 100 kgs. to Rs. 546.50. However, soon the basic shortage asserted itself and the price recovered to Rs. 549.25. Due to the acute shortage, tin ruled firm at Rs. 2,448 per 100 kgs. On the London Metal Exchange, spot tin opened at £851½ a ton, and after gaining to £852½, returned to £851½. The inability of the General Services Administration in the United States to release the proposed 200 tons of tin on 12th September following its rejection of all bids was construed here as a hint that the U.S. consumers were in no mood to build up stocks on expectation of a rise in prices. In London, spot zinc opened at £64 a ton and hardened to close at £64½. In Calcutta, the metal was quoted high early at Rs. 290, but since there were liberal releases, the price soon eased to Rs. 280. Virgin lead eased from Rs. 143.75 to Rs. 141.75 per 100 kgs. In London, the spot metal was maintained at £52½ a ton.

BULLION PRICES LOWER

(From Our Own Correspondent)

BOMBAY, *26th September*

The bullion market ruled firm in the first three sessions of the week under review, but developed a sagging tendency on Monday which persisted till the close today. The earlier firmness was due to revival of buying support and short-covering induced by expectations that the Government might not enforce controls on bullion trading in the near future. Consequently, both gold and silver tended to move up. On Monday, however, gold turned distinctly easy following fresh offers from upcountry operators, while silver continued firm. Subsequently, the market presented a quiet trend. Over the week, both the metals disclosed losses.

The daily average offtake of gold was higher at 5,500 tolas, as against 3,500 tolas in the previous week, while arrivals were unaltered at 6,000 tolas per day. About 200 tolas of contraband gold were confiscated by the customs authorities at the Santa Cruz airport on Tuesday the 25th inst. In silver, the daily average offtake as well as arrivals were higher, the former by 2 bars at 8 bars and the latter by 4 bars at 24 bars.

Speaking at a meeting in Bombay this week, Mrs. Tarakeshwari Sinha, Union Deputy Finance Minister, declared that the Government was determined to put down smuggling with a heavy hand. Simultaneously, the Government, she added, also intended to find out ways and means of channelising the hoarded gold in the country into productive investments. She indicated that the Government might enforce, if it became necessary, some sort of strategic controls as distinguished from overall controls.

The *Margashir* (11th December) settlement in gold began the week at Rs. 122.00, as against the previous close of Rs. 121.90, and moved up to touch a high of Rs. 123.70 on Saturday the 22nd inst. The settlement, however, receded thereafter to Rs. 121.30 today before finishing at Rs. 121.60.

Ready gold which commanded a premium of 60 nP over the forward last week-end was quoted at par yesterday but at a discount of 55 nP today. The closing spot rate was Rs. 121.05, as against Rs. 122.50 a week ago, the highest and lowest levels touched being Rs. 125 (Saturday) and Rs. 120.75 (today).

In silver, the *Margashir* (12th December) settlement rose from Rs. 221.40 to Rs. 221.75 in the first three sessions, but drifted downward later and touched Rs. 221 today. The closing was a shade better at Rs. 221.05.

Ready silver fluctuated between Rs. 220.65 and Rs. 219.35 before winding up the week at Rs. 220.05. At this level, the discount under the forward was Re. 1, as against Re. 1.25 on Wednesday last week.

Silver at New York which had gone up from 113 cents to 116 cents last week spurted by a further 2 cents to touch a new 42-year peak of 118 cents yesterday (Tuesday the 25th inst.), following the withdrawal of Mexico as a seller in the silver market. Turnover yesterday amounted to over 500,000 oz. Bullion circles in the U.S. feel that the Mexican withdrawal is unlikely to be deemed sufficient reason for the Treasury to re-enter the market by resuming limited selling. It is recalled that President Kennedy had stated last year that the Treasury would resume selling only if the market became disorderly. Bullish advices from New York lifted up silver prices in the London bullion market to new record levels, ready and forward rising by 2*d.* each to 101½*d.* and 101¾*d.*, respectively. The dollar price of gold in London eased from $35.14¾ to $35.11 per fine ounce. Ready gold also dropped 2½*d.* to 250*s.* 8¾*d.*

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

	26-9-62 (closing)	High	Low	19-9-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	121.05	125.00	120.75	122.50
*Margashir**	121.60	123.70	121.30	121.90
Sovereign	94.50	95.50	94.50	95.00
SILVER				
Ready (.996 fine) ..	220.05	220.65	219.35	220.15
Margashir†	221.05	221.75	220.60	221.40
London—				
Gold	250*s.* 8¾*d.*	250*s.* 11¼*d.*	250*s.* 8¾*d.*	250*s.* 11*d.*
Silver Ready ..	101¼*d.*	101¾*d.*	99¼*d.*	99¼*d.*
Silver Forward ..	101¼*d.*	101¾*d.*	99¼*d.*	99¼*d.*
New York—				
Silver	118.00 cents	118.00 cents	116.00 cents	116.00 cents

* 11th December settlement. † 12th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RECEDE

(From Our Own Correspondent)

BOMBAY, *26th September*

Cotton futures ruled easy during the week under review. Values declined on widespread selling by both local and upcountry operators. After last week's hectic rise, which took the Jarilla March 1963 contract to a new peak of Rs. 752.50 on Wednesday, the 19th inst., a reaction was bound to follow. The downward trend was accelerated by reports of favourable weather from the growing areas, especially from Gujarat, where the Vijay crop was expected to start moving as early as by January next. The Jarilla March contract steadily declined from last week's closing rate of Rs. 747.25 to Rs. 739.25 on Monday. The mild recovery witnessed yesterday, which led to the contract rising to Rs. 743.25, proved short-lived. The contract again relapsed to Rs. 737.50 today on renewed selling, although the finish was a shade higher at Rs. 740.

The attention of mills and trade is focussed on weather and crop developments for they virtually determine the trend of futures prices. A prominent cotton firm has estimated the current season's crop at 4.9 million bales of 400 lbs. each, which is 200,000 bales higher than last season's crop. It sums up the crop position, as at the end of August 1962, as follows:

"In the Punjab-U.P.-Rajasthan, the crop got off to a normal start and thrived under favourable weather conditions through early September. In mid-September, there was heavy rainfall throughout the Punjab, causing considerable damage to crops in some areas. Since these rains were followed by clear weather, the overall damage to the cotton crop seems to be negligible. Any further rains from now onwards will, however, damage the crop both quantity and quality-wise.

"In the monsoon-fed tracts of the Oomras, Gujarat and Saurashtra, sowings were delayed by almost a month due to the late arrival of this year's monsoon. Thereafter, the weather conditions were fairly favourable with ample and well-spaced rainfall. So far, the crop is doing fine, but the crop movement might start somewhat later than the normal due to the late sowings. Any further heavy rains from now onwards would retard the crop development further and adversely affect the quality of outturn.

"In the South, the main crop sowings are progressing satisfactorily and well in time. It is feared that the recent very heavy rainfall in the Westerns and Comptahs areas might cause some damage here and there. There is, however, still ample time for the crop to make good, provided weather conditions from now onwards are favourable."

Demand for ready cotton was moderate. The uncertainty about the distribution scheme for the new crop cotton restricted activity. Mills showed interest in such varieties as L.147; Co2, Laxmi, 197/3 and Kalyan.

Export demand centred largely round old crop of Bengal *Deshi* for prompt shipment. Good business was reported in zoda and yellow pickings. Among foreign cotton, American growths attracted the attention of Bombay, Ahmedabad and Southern mills. East African and Sudan cotton were also in demand and a sizable business was put through. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Kalyan (Anjar) 1,040; Dhulia Co2 1,455; B.P. 52 (new) 1,250; Busoge (U.N.U.G.) 1,235; Sudan XG55 1,360.

Cotton futures in Karachi moved narrowly during the week, showing negligible net changes. The January contract was quoted 5 nP higher at Rs. 69.20. The March contract, however, declined from Rs. 69.00 to Rs. 68.70, thanks to selling pressure. *Deshi* prices tended to harden. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 73.50; Punjab *Deshi* 66.00; 4F Punjab Roller 71.00; S.G. 76.00. L.S.S. Punjab Roller 72.50; S.G. 77.00; N.T. Roller 85.15; S.G. 91.15.

Listless conditions prevailed in the Liverpool cotton futures market during the week. Turnover was limited and price movements narrow. Moderate hedging pressure in the forward positions of both the American and American type contract was a feature of trading. The nearby deliveries attracted some support. Sudan contracts were neglected. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing quotations:

October 23.20 (23.25); December 23.15 (23.20); September (Sudan) 29.50 (29.50).

Cotton futures in New York advanced during the week on commission house support and trade covering in 1963 crop months. Selling was, however, pronounced in nearby October which declined from 33.44 cents last week to 33.29 cents. The December delivery rose from 33.74 cents to 33.83 cents and March from 34.15 cents to 34.32 cents. Spot prices were steady with New York spot quoting unchanged at 34.95 cents per lb.

STAPLE FIBRE AND YARN IMPORTS

(From Our Own Correspondent)

BOMBAY, *26th September*

It is reported that the Government of India is contemplating to ask the State Trading Corporation to import about Rs. 2 crores worth of staple fibre yarn from Japan (in exchange for sugar and manganese ore or ferro-manganese) and Rs. 3 crores worth of staple fibre under rupee payment arrangements from East European countries as

well as under D.L.F. The report has not, however, had any marked effect on the market. Actually, spot prices are ruling firm. 40 x 2 Kohinoor has risen by 22 nP to Rs. 9.28 per kg. Centurys are fully maintained at Rs. 7.96 and Citys at Rs. 9.35. Staple fibre yarn forward deliveries have, of course, staged a decline, but the extent of the decline is negligible. October settlement has dropped Rs. 2 to Rs. 718 and December settlement Rs. 4 to Rs. 736.

In the art silk yarn section, 120 deniers indigenous yarns have registered an improvement, presumably due to the upward revision in their prices with effect from 1st October next (*vide* our reference in last week's report). Thus, National Rayons have risen by 18 nP to Rs. 16.94 and S.I. Viscose by 11 nP to Rs. 17.25. Centurys 75 deniers have also advanced by 13 nP to Rs. 22.68. National Rayons 150 Bt. cones 1st grade is fully steady at Rs. 13.20, while 100 deniers Centurys Bt. yarn has declined by 14 nP to Rs. 17.53.

Imports of art silk yarn into the Port of Bombay during the month of August aggregated 855.065 kg., as against 408,390 kg. in the previous month, bringing the total imports for the first eight months of the year to 5,972,848 kg. Imports of synthetic yarn amounted to 383,468 kg., an increase of 182,719 kg. Total import of synthetic yarn for the eight months amounted to 1,832,303 kg.

There has practically been no change in cotton yarn prices. Business put through is limited. The cotton mills in India produced 73 million kg. of cotton yarn during the month of August, as against 71 million kg. in the previous month. Imports of cotton yarn from Bombay port during the same month amounted to 127,522 kg. and those of sewing thread were of the order of 13,948 kg.

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

	26-9-1962	19-9-1962
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	16.94	16.76
Century 75D	22.68	22.55
S. I. Viscose 150D	13.33	13.46
Staple fibre yarn **(40 x 2)—**		
October (per 90.72 kg.)	718.00	720.00
December (,,)	736.00	740.00
Kohinoor (per kg.)	9.28	9.06
Century	7.96	7.96
Cotton yarn **(per bundle of 10 lbs.)**		
10s Podar	18.50	18.50
20s Modern	24.50	24.50
30s Madura	29.00	29.00
40s Gokak	36.50	36.25
60s Finlay	69.00	69.00
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

TIPPY TEAS STRONG

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

COCHIN, *20th September*

In sale No. 37 held on the 18th inst., 643,000 kgs. were offered. Quality in general was about maintained. The market met with good demand. Low medium and medium brokens opened irregular to fully firm, but, as the sale progressed, these did not receive the same support and eased by 5 to 10 nP. Corresponding fannings, however, met with strong inquiry and sold at dearer rates. Good mediums were well competed for and sold at rates above last with buyers' emphasis more on fannings. Highgrowns met with useful support, but these were quoted only barely steady and often were lower. Clean black leaf descriptions, particularly fannings, continued strong and realised higher prices. There was strong inquiry for unorthodox descriptions which were dearer, but whole leaf grades under this category were again easier. Whole leaf grades sold at around last rates whilst tippy teas were strong.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.30-4.00	4.00-4.20
Mediums	4.10 4.50	4.20-4.30
Good mediums	4.65-5.70	4.30-4.90

The average price realised in sale No. 37 was Rs. 4.38 per kilo as against Rs. 4.22 a week ago and Rs. 4.63 in the corresponding sale last year.

Offering in dust sale No. 37 held today amounted to 211,000 kgs. The market was strong and active. Low mediums and mediums were well competed for and these were again much dearer, a few lines sometimes advancing by up to 30 nP. Highgrowns were also supported and sold at around last rates. Unorthodox descriptions were fully firm, while clean black grainy descriptions also shared in the upward trend of the market.

The average price realised in dust sale No. 37 was Rs. 4.12 per kilo as compared with Rs. 3.95 a week ago and Rs. 4.46 in the corresponding sale last year.

Colombo: Five million pounds were offered during this week. There was good general demand. Uvas were irregularly dearer. Western brokens were also well supported at firm to dearer rates. Best mediums were dearer whereas others in this category were irregular. Gulf types met with less support and were weak except tippy fannings.

London: North Indian and other growths: In Monday's sale, there was good demand. Best Assams met with good competition and sold well above brokens' valuations, whilst other descriptions were fully firm.

Ceylon and South Indians: 33,066 packages were offered in Tuesday's sale of which 13,908 packages were from South India. There was strong demand for Ceylons which were dearer. South Indians were generally easier except the best which were firm. Plainest declined by 1d. to 2d.

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

"*Sale No.* 38: 457,000 kgs. offered. Strong and active demand. Low medium and medium brokens firm. Similar fannings irregular, but often much higher. Good mediums strong. Highgrown brokens dearer. Fannings less demand and easier. Unorthodox steady."

OILSEEDS EASY

(*From Our Own Correspondent*)

BOMBAY, *26th September*

There was a modest decline in values of oils and oilseeds during the week under review. Groundnuts encountered selling, following reports of better crop position in Gujarat and larger arrivals of new crop from Mysore side. Offtake by *vanaspati* manufacturers and crushers were small, as they were awaiting a further fall in prices. But for reports of damage to standing crops in the Punjab and hoarding by a leading operator in the maturing contract, groundnut prices would have fallen sharply. Castorseeds ruled easy in the absence of any encouraging enquiries for castor oil export. Linseed, too, was weak. Cottonseeds tended to move down in sympathy with the bearish trend of the raw cotton market.

Groundnut September 1962 contract fell from Rs. 248 to Rs. 246.50 by Saturday, but picked up some strength subsequently to close at Rs. 247, with a net loss of a rupee. January 1963 contract was initially hammered down from Rs. 221.62 to Rs. 219.87, but, in sympathy with late recovery in the maturing contract, rose to finish at Rs. 22.12. Oil ex-mill and railway receipts shed 10 nP each to Rs. 19.15 and Rs. 18.80, respectively. Oil futures were also weak, the September contract receding by about 15 nP to Rs. 18.60 (per 10 kgs.) and January 1963 contract by 5 nP to Rs. 30.30 (per 16 kgs.). Nizam bo'd declined initially from Rs. 48 to Rs. 47.50, but improved towards the close to Rs. 48.75, with a net gain of 25 nP.

Castorseed March 1963 contract closed on a depressed note at Rs. 162.87, as against Rs. 164. Madras small dropped 38 nP to Rs. 32.12. Kanpur bold softened by 12 nP to Rs. 31. Oil commercial was quiet at Rs. 12.40. But oil B.S.S. picked up 5 nP to Rs. 13.

Linseed September 1962 contract closed lower by 50 nP (over the week) to Rs. 41.50, after fluctuating both ways between Rs. 40.75 and Rs. 42.50. March 1963 contract changed hands at Rs. 39.31, as against Rs. 39.37. Bold ready, however, hardened by 50 nP to Rs. 41.50 and oil by 10 nP to Rs. 17.

Among cottonseeds January 1963 fell by a rupee to Rs. 102. January 1963 was unaltered at Rs. 105.50. White receded by 60 nP to Rs. 21.90. But Berar strengthened by Re. 1.10 to Rs. 22.60.

The following table shows the closing prices of oilseeds and oils on Wednesday, 26th September, as compared with those of the two previous weeks:

	26-9-1962	19-9-1962	12-9-1962
	Rs.	Rs.	Rs.
Groundnut			
September 1962	247.00	248.00	245.00
Groundnut January 1963	222.12	221.62	224.12
Nizam bold	48.75	48.00	47.75
Khandesh quality	48.75	48.00	48.00
Oil ex-mill ready*	19.15	19.25	19.40
Railway receipts*	18.80	18.90	19.10
Castorseed			
September 1962	—	161.75	160.00
Castorseed March 1963	162.87	164.00	163.75
Ready Madras	32.12	32.50	31.50
Ready Kanpur	31.00	31.12	30.25
Oil B.S.S.†	13.00	12.95	12.90
Oil commercial†	12.40	12.40	12.25
Linseed			
September 1962	41.50	42.00	40.00
Bold ready	41.50	41.00	39.75
Oil ready†	17.00	16.90	16.50
Cottonseed September 1962	105.50	105.50	102.00
Cottonseed January 1963	102.00	103.00	101.75
Niger seed	36.75	37.00	37.00
Kardi seed	28.50	28.00	27.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

GOOD EXPORT DEMAND FOR TEA

(*From Our Own Correspondent*)

CALCUTTA, *25th September*

Export demand for tea at yesterday's sales here was good, but weak conditions were in evidence at the internal sales held last week. During the week, forward booking in liners continued to be heavy, but actual shipments to the United Kingdom were comparatively lower, with the result that ships sailed with vacant space. Heavy bookings to the U.K. in the last two months or so are now reflected in the London stocks, which, in the week ended 7th September, amounted to 114 million lbs., almost the same as in the previous week. In that week the average price realised in London sales was higher at 54.74d. a lb., as against 52.57d. in the previous week and 53.56d. in the corresponding period of last year. It should be noted that, in last week's sales in Mincing Lane, North Indian teas were in good demand with best Assams and Dooars being fully firm to dearer. The strong demand during last week's sales at Colombo also is an index of the need in foreign countries to replenish stocks before prices rise further.

The imperative need for incentives with a view to realise the Government's objective of increased exports so that not only the country would earn more foreign exchange but the output target of 900 million lbs. by 1966 would become a reality, was stressed by Mr. B. L. Lahoty, when he recently addressed here the annual meeting of the Bharatiya Cha Parishad. He said that tea had to be sold at more competitive prices in overseas markets. The industry was indeed grateful for the recent reduction in export duty, but Mr. Lahoty relented that this measure had not reduced costs of production, as labour charges, excise duty and freight rates had been increased, and plywood had been made excisable. With increased production the world over, all producing countries are earnestly doing all they can to increase their sales to the U.K. and since, with several levies and the industry's obligations under the Plantations Labour Act, India's cost of production is higher than in other producing countries, such as Ceylon and East Africa, Indian teas in the U.K. auctions are at a price disadvantage. Bearing in mind that the U.K. is India's principal market, the trade would implore the Government to review the industry's position in the U.K. market and grant adequate tax concessions so that Indian tea could be priced competitively.

Mr. Lahoty stressed, at the same time, the need for effective measures to increase internal consumption and also for the revival and intensification of internal propaganda. The trade has been urging this ever since the Tea Board discontinued the internal campaigns. Mr. Lahoty also referred to the tendency for labour to demand increased wages, and he connected this with the growing increase in the number of unemployed depending on tea garden workers. Demand for increased wages is usually related to growing expenditure of workers but seldom to increased productivity, and Mr. Lahoty appropriately cautioned that unless some measures were evolved in this respect, the tea industry would be in for more difficulties in the near future.

Mr. A. S. Bam, Chairman of the Tea Board, whose speech at the above meeting had been already referred to in these columns, readily agreed with the trade's view that Indian tea was losing foreign markets because its prices were higher than those of comparable grades produced in other countries. The trade cannot, however, appreciate his view that this disadvantage should have been removed by the recent duty reduction, since for reasons already stated the industry's cost of production has in fact increased. Mr. Bam announced that the Board would soon undertake extensive sampling surveys, through its cinema-*cum*-tea vans in rural areas in Saudi Arabia, Iraq, the Sudan and Afghanistan.

The industry is grateful to the Government of India for the reported decision of the latter to make available fertilisers to the North Indian gardens at the same prices that are being paid by the South Indian gardens. This will make fertilisers considerably cheaper for the gardens in this part of the country. With this concession, it is stated, the f.o.r. prices of the various fertilisers will be as follows: Rs. 310 per ton for calcium ammonium nitrate, Rs. 400 for ammonium sulphate nitrate, Rs. 354.60 for sulphate of ammonia and Rs. 670 for urea. The retail prices would not exceed Rs. 354, Rs. 435, Rs. 384.60 and Rs. 715, respectively.

Dusts on offer during last week's internal sales totalled 30,367 packages. Although demand was good, prices eased on a wide front. Medium C.T.Cs eased up to 20 nP, but good C.T.Cs were in keen demand. Plain orthodox teas fell by 10 nP to 15 nP, and Assams up to 20 nP. Legg-cut teas, though in good demand, followed the general trend, with the small and powdery teas receiving good attention. The quotations per one kg. in rupees, inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.80, medium Assam C.T.C. dust 5.50 to 5.80, legg-cut dust 4.90 to 5.30, medium Assam dust 4.75 to 5.10 and plain orthodox dust 4.10 to 4.50.

Tippy teas were one of the strongest features during yesterday's export sales and prices for these improved. Total offerings were 74,233 packages which met with a fair general demand. However, whole leaf grades were in poor demand and eased. Selected Darjeelings met with good demand, but in others there were liberal withdrawals. Medium C.T.Cs were irregular and eased but some selected lots in the best category were often dearer. Legg-cut teas were about firm at last rates. Good demand was in evidence for plain orthodox teas, and the plainest teas hardened. Orthodox Assams were nearly absorbed at lower rates, but the liquoring B.O.Ps were firm. The quotations per one kg. in rupees, inclusive of excise duty, were: Best Assam C.T.C. fannings 6.60 to 7.40, medium Assam C.T.C. B.P. 5.30 to 5.80, clean plain pekoe 4.10 to 4.50, best Assam C.T.C. B.P. 6.60 to 7.40, medium Assam C.T.C. fannings 5.30 to 5.80, plain fannings 3.85 to 4.20 and plain B.P. 3.80 to 4.10.

JUTE GOODS DECLINE

(*From Our Own Correspondent*)

CALCUTTA, *25th September*

On moderate support, raw jute remained firm, though unchanged, during the week under review. In the goods section, hessian was livelier on reports of increased consumption in the United States and fresh interest shown on behalf of U.S. buyers. However, heavy goods, under the impetus of increasing stocks with mills, eased, and the market-reckoner, B. twills, lost about a rupee over the week. The progressive loss of foreign markets to Pakistan has become a matter of anxiety for mills in India. With the advantages of superior and cheaper fibre, labour less assertive than in India, cheap labour, and with the existence of export incentive schemes, the mills across the border are not only able to provide foreign markets with higher-quality goods but under-cut Indian quotations. At the same time, mills in India have been compelled to increase the production of sacking even while restricting the output

of hessian, in view of limited availability of fibre fit for manufacture of hessian. Consequently, sacking goods in stock with mills have been rising month after month and this, in addition to a depressed foreign demand, is also a cause for the gradual decline in the prices of heavy goods constructions in recent weeks. As such, it is felt that the limit for such adjustment in production as determined by the demand factor for both the main constructions has been reached and that any further increase in stock of heavy goods must be avoided.

The fact that production of sacking goods is outpacing demand is emphasised not only by increased stocks but also by an analysis of despatch figures. The total of despatches of all constructions at 99,900 tonnes in August increased by 3,200 tonnes. Hessian increased from 40,000 to 43,400 tonnes; in other words, the proportion of hessian to total despatches increased impressively from a little over 41 per cent to slightly over 43 per cent. On the other hand, although sacking goods despatched increased in quantity by 1,700 tonnes to 42,300 tonnes, the proportion for August was the same as 42 per cent for July. In other words, although despatches increased in volume, they could not equal production, and thus stocks rose. Since this imbalance is reflected in prices and it affects the competitive capacity of Indian goods, trade circles would suggest early corrective measures. Although it is highly essential that, in the interests of a steady fibre market, mills should continue to operate up to their maximum capacity at present, it is suggested that overseas buyers are refraining from large buying, in view of the present slump conditions in the market. The Pakistan mills are fully booked with orders for three months to come and thus it would not be surprising if Calcutta were to receive a greater volume of business. But this has not been so, since overseas buyers are content to cover for their day-to-day requirements only. In these circumstances, some traders think that demand can be boosted if a small export quota for the inferior fibre is fixed even now, rather than in fact, as was done last year. Towards the end of last season, an export quota of 200,000 bales (inferior fibre) was fixed. East European and other countries have up to now bought 36,000 bales, and the Government has now extended the date for completing the quota up to 31st December. That overseas demand for Indian fibre is poor is explained in that prices are higher than in Pakistan.

Last week, the premium for superior fibre tended to increase. Although the daily arrivals have now increased to about 125,000 maunds from 100,000 maunds a week ago, the proportion of the inferior fibre has only increased. At the same time, with the need for mills to produce as much hessian and specialities as possible, demand for superior fibre has increased. The quality of fibre is generally lower than last year, as floods have delayed cropping and the fully-grown plants deteriorated by standing too long in flood waters. Moisture content is heavy, and mills are finding it difficult to find storage space. Their godowns are already full with last year's fibre and purchases in recent months. Therefore, most of current purchases have to be stored in the open air. With heavy rains for about three days this week, the moisture content in the fibre stored has only increased. The report which referred to the possibility that the State Trading Corporation would soon purchase jute from co-operative societies firmed up conditions in the fibre market as the week progressed. Quotations were unchanged as follows: Northern bottoms Rs. 29.50 a maund, daisee bottoms Rs. 32.50, and Assam bottoms Rs. 30.00. Middles commanded a premium up to Re. 1 a maund. At this premium, mills were reserved, but, at the same time, sellers were disinclined to lower the premium. Mills accorded support sparingly. Sellers were eager for business in white bottoms, prices of which were below the minimum level. There were some purchases towards the fresh quota for buffer stocks.

Conditions in fibre market in Pakistan were firm. Growers were reported to be enthusiastic, since the Government was contemplating to fix minimum prices at grower's level. Minimum prices would now be fixed for *kutcha* bales as well as *pucca* bales; however, these would naturally be related to grower's prices. The minimum prices for bottoms would vary from Rs. 18.25 to Rs. 20.25 a maund. Pakistan cuttings were bought by India at Rs. 80 a bale c.i.f. Calcutta. The U.S. buyers were reported to be showing keen interest in cuttings and an increase in price was thus anticipated.

The report that burlap consumption in the U.S. during August increased to 73 million yards from 67 million yards in July enlivened activity in the goods market during the week. Note was taken that consumption so far this year aggregated 581 million yards, an increase of 71 million yards over the corresponding previous figure. As a result, the monthly average has increased by 9 million yards to 73 million yards. Despite increased consumption, the fact that stocks at the end of August in the U.S. increased by 6 million to 243 million yards was not surprising to trade circles since U.S. buyers have been lifting more fibre. During the current week also, business done with the U.S. was good. Piecegoods deliveries in the U.S. last month were 18.3 million yards, as against 16.9 million yards in August 1961, and bag cut-up 54.5 million, as against 50.3 million yards. Prices in New York burlap market were steady. The market ignored the fact that stocks as compared with August 1961 rose by 26 million to 243 million yards, since last year's stocks were abnormally low in view of the acute shortage for fibre in Calcutta. On Tuesday last, ready hessian 40" 10 oz. here was maintained firm at Rs. 56, following some buying interest shown on behalf of the U.S. There was also covering business. On the other hand, the sacking section was neglected, and ready B. twills eased from Rs. 121.50 to Rs. 121.15. Prices fluctuated widely on Wednesday, but the higher levels were erased due to subsequent selling pressure. Thus B. twills eased to Rs. 120.60 but hessian 40" 10 oz. was fractionally higher at Rs. 56.10. In the latter, there was some overseas business and covering business too. At this stage, the U.K. also showed interest in hessian with the U.S. continuing to buy on Thursday. As a result, hessian 40" 10 oz. improved to Rs. 56.20 and in sympathy B. twills recovered to Rs. 120.65. The report which referred to the possibility that the East India Jute and Hessian Exchange would fix margins to curb speculation was circulating in the market. Conditions eased on Friday, and there was nothing of interest excepting some short-covering. B. twills eased to Rs. 120.35 and hessian 40" 10 oz. to Rs. 56. Over the week-end, hessian 40" 10 oz. was maintained firm at Rs. 56, but in the absence of interest B. twills were forced down to Rs. 120.25. Yesterday, hessian 40" 10 oz. improved to Rs. 56.75, for, although not much interest was shown by overseas buyers, there was good covering demand and keen activity in the futures market. In sympathy, B. twills picked up to Rs. 120.50.

FOODGRAINS REACT AT CLOSE

(*From Our Own Correspondent*)

HAPUR, *24th September*

After recording early gains on support induced by reports of damage to crops in Punjab and U.P. due to heavy rains, foodgrains here turned quiet near the close of this week, thanks to the return of sunny weather. Harvesting of maize is nearly finished and new crop arrivals will soon mount. Paddy, too, is being harvested now. Preparation of land for *rabi* sowings has commenced and due to the recent heavy rains all land used for *kharif* crops will be available for such sowings which are likely to increase.

Wheat prices improved by 67 nP to Rs. 1.94 per quintal on good consumer demand and outside buying, but declined in the week-end on better arrivals. The *dara* quality declined by Rs. 1.34 per quintal to Rs. 40.19 and so did the farm produce to Rs. 42.87. Arrivals averaged 200 maunds daily and local stocks were put around 6400 maunds. Rice prices eased by Re. 1 to Rs. 1.34 on better crop prospects. Arrivals increased and were mostly from East U.P., while demand was slack. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 93.77, *sela basmati* Rs. 75.02 to Rs. 85.74, *mangnuri* Rs. 53.58 to Rs. 56.26, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 53.58.

Gram prices hardened by 67 nP on firm advices from Punjab as also due to poor stocks. The Punjab variety was quoted at Rs. 43.54 and the local produce at Rs. 42.87. Arrivals were almost *nil* and stocks stationary at 14,000 maunds. Maize prices declined by Re. 1.34 to be quoted between Rs. 29.47 and Rs. 32.15 on better arrivals. Arrivals increased to 300 maunds daily during mid-week, but declined towards the week-end due to inclement weather. Barley and *bejhar* prices were stationary and quoted between Rs. 26.79 and Rs. 27.46 and Rs. 26.79 and Rs. 27.46, respectively, per quintal. *Jowar* ruled steady while *guwar* prices declined sharply by Rs. 2.67 to Rs. 4.01 on good crop prospects and slack demand. Other coarse grains were listless. Week-end prices were: *Jowar* Rs. 43.89 to Rs. 50.91, *guwar* Rs. 33.49 to Rs. 34.83, maize Rs. 28.13 to Rs. 29.47, new Rs. 29.47 to Rs. 32.15, *bajra* Rs. 37.51, *methi* Rs. 61.62 and oats Rs. 29.47 to Rs. 30.14 a quintal.

Among pulses, peas advanced on brisk outside demand. The *dara* quality improved by 67 nP to Rs. 31.48 to Rs. 32.15 and so did the farm quality to Rs. 32.88 to Rs. 84.16. During the week, nine wagons were loaded to Madras. *Arhar* prices also hardened by Rs. 1.34 on better demand against poor stock position to be quoted between Rs. 52.25 and Rs. 56.26. *Urd* and *moong* prices improved by Rs. 2 to Rs. 3 a quintal due to better demand. However, *masoor* and *moth* prices tended to ease, as demand slackened. Week-end prices were:—*Urd* Rs. 77.70, *urd dal* Rs. 88.41, *moong* Rs. 50.91 to Rs. 53.58, *moong dal* Rs. 57.60, *masoor* Rs. 42.87, *malka* Rs. 53.58, *masoor dal* Rs. 55.59, *moth* Rs. 40.19 *moth dal* Rs. 46.89, peas *dal* Rs. 36.17, gram *dal* Rs. 48.23 and *arhar dal* Rs. 66.98 to Rs. 69.66 a quintal.

SUGAR WEAK

(*From Our Own Correspondent*)

HAPUR, *24th September*

Weakness persisted in the sugar market here this week, as mills were anxious sellers due to easy supply position, while demand from the consuming areas of Gujarat, Saurashtra, Rajasthan and Delhi was conspicuously lacking. Spot delivery prices eased by Rs. 2 a quintal. Mill delivery prices also fell heavily. However, some demand at lower prices led to a mild rally in prices later. Week-end prices were: Spot delivery Rs. 105.75 a quintal; mill delivery (D-29) Amroha Rs. 103.15, Dhampur Rs. 103.15, Seohara Rs. 103.15, Meerut Rs. 104.65, (E-29) Simbhaali Rs. 101.49, Dhampur Rs. 102.80 and Bijnore Rs. 102.80.

Expectations of further large releases of sugar for free sale in the open market to meet the forthcoming festival demand kept the Muzaffarnagar sugar market subdued during the week. Prices drifted lower by 25 nP to Rs. 1.50 per quintal. Buyers were hesitant, although mills offered heavy discounts in a bid to clear stocks. Forward deals were few and far between. Delhi, which is a major buyer here, abstained from making fresh commitments in view of the reported formation of a syndicate there. Offtake in the spot section was small. Prices of the D-29 variety of Mansurpur and Deoband were placed at Rs. 107 per quintal. Mansurpur C-29 fetched Rs. 108 per quintal. Week-end prices were:—Saharanpur (D-29) Rs. 106.50; Meerut (D-29) Rs. 104.65; Rohana (B-29) Rs. 107; (C-29) Rs. 105.75; Modinagar (E-29) Rs. 105.16; Seohara (E-29) Rs. 103.15; Dhampur (D-29) Rs. 103.15; Samli (A-29) Rs. 106.50; (B-29) Rs. 107.25; (C-29) Rs. 106.25; Simbhoali (E-29) Rs. 101.49, Panipat (C-29) Rs. 106.50 and Rampur (A-29) Rs. 107.50.

Khandsari prices fell during the week by Rs. 1.34 per quintal on reduced enquiry from Punjab and Rajasthan. The *galawat* quality declined sharply by Rs. 2.68 per quintal in the absence of demand. The non-crystal quality was quoted between Rs. 96.45 and Rs. 104.49 and the crystal variety between Rs. 96.45 and Rs. 101.81 per quintal.

Trading in *gur* was nominal, as stocks were nearly exhausted. *Shakker* prices touched new peak levels due to good demand in the face of poor stocks. Week-end prices were: *Gur* superior Rs. 65.64 and *shakker* Rs. 66.88 to Rs. 72.34. In the Muzaffarnagar market poor buying interest from Rajasthan and Gujarat centres led to a sharp fall in *gur* prices. Demand from the South was at a low ebb in view of the commencement of new crop arrivals there.

Gur futures ruled easy on bear pressure influenced by reports of good rains. *Gur fagun* opened last Monday at Rs. 21.52, touched the highest and the lowest at Rs. 21.65 and Rs. 21.17, respectively, in the mid-session and was quoted today at Rs. 21.22.

KIPS QUIET

(*From Our Own Correspondent*)

MADRAS, *24th September*

The E.I. kips market here was quiet this week. Exporters showed only moderate interest because the price quoted by shippers was above their ideas. Orders with tanners seemed to be enough to cover their tannery output but not the raw stocks awaiting process. Inland demand for the low grade cowhides was poor. There were good inquiries for cowcalf, but buffcalf and buffhides were neglected. The E. I. Tanners have been keenly operating in the new season's buffcalf skins in the Northern markets. These skins have started arriving in the markets, and the prices paid are reported to be unusually high.

Importers in the Continent were interested in the higher selections of goat skins, while sellers tried in vain to sell them these skins together with the lower ends. Patchy sales of tanned goat skins heavy weights fifths and inferior fifths selections were made to the Continent. The market for sheep skins ruled quiet, despite a few transactions in the middle class skins.

The next German tanned skins public auctions were to take place today, when 81,700 goat and 41,800 sheep skins were to be offered for sale.

The following were the ruling prices per lb. in the local market, of all-round parcels:—Tanned cow hides 8/8½ lbs. average Rs. 2 to Rs. 2.06, tanned cow calf 1½/2 lbs. average Rs. 3.70 to Rs. 3.80, tanned buff hides 12/14 lbs. average Re. 1.65 to Re. 1.75, and tanned buff calf 1½/2 lbs. average Rs. 3.25 to Rs. 3.30.

Notice

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

FINAL DIVIDEND FOR THE YEAR ENDED 31st MAY, 1962

AT A MEETING OF THE DIRECTORS held on the 25th September, 1962, the following Final Dividend was recommended for the year ended 31st May, 1962, subject to deduction of Tax under Section 194 of the Income Tax Act 1961.

Rs. 585 per share on the 100 original shares of Rs. 2,500 each.

Rs. 29.25 per share on the 71,400 Old shares of Rs. 125 each.

Rs. 11.70 per share on the 84,000 New shares of Rs. 125 each (Rs. 50 paid up).

This, together with the Interim Dividend paid in June, 1962, will make a total distribution for the year, subject to Income Tax, of:

Rs. 825 per share on the 100 original shares of Rs. 2,500 each.

Rs. 41.25 per share on the 71,400 Old shares of Rs. 125 each.

Rs. 16.50 per share on the 84,000 New shares of Rs. 125 each (Rs. 50 paid up).

Notice is hereby given that the Register of Members and the Transfer Books of the Corporation will be closed from the 15th October 1962 to the 5th November 1962, both days inclusive.

Final Dividend for the year ended 31st May, 1962, if declared, will be made payable to those Shareholders whose names stand on the Share Registers of the Corporation at the close of business on the 13th October, 1962, and to holders of Fractional Certificates after such Fractional Certificates have been exchanged for Bonus Shares in accordance with the prescribed procedure.

By Order of the Board,
WALLACE & COMPANY,
Secretaries & Treasurers.

Registered Office:
9 WALLACE STREET,
BOMBAY 1,
25th September 1962.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 21st Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	73,78,49,000
(ii) State Governments	15,70,87,000
(b) Banks—	
(i) Scheduled Banks	84,65,77,000
(ii) State Co-operative Banks	1,89,92,000
(iii) Other Banks	2,00,000
(c) Others	160,13,22,000
Bills Payable	25,14,35,000
Other Liabilities	23,13,14,000
Rupees	537,47,76,000

ASSETS	Rs.
Notes	18,96,51,000
Rupee Coin	2,78,000
Small Coin	3,44,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,03,29,000
(ii) State Co-operative Banks	11,77,08,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,00,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	125,24,20,000
Balances Held Abroad*	7,58,17,000
Loans and Advances to Governments**	3,85,00,000
Loans and Advances to—	
(i) Scheduled Banks†	6,28,50,000
(ii) State Co-operative Banks‡	127,76,92,000
(iii) Others	1,34,07,000
Investments	173,30,63,000
Other Assets	34,42,27,000
Rupees	537,47,76,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

† Includes Rs. 5,04,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,96,51,000	
Notes in circulation	2019,79,38,000	
Total Notes issued		2038,75,89,000
Total Liabilities		2038,75,89,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,34,17,000	
Total		206,10,27,000
Rupee Coin		124,62,73,000
Government of India Rupee Securities		1708,02,89,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2038,75,89,000

State Bank of India

Statement of Affairs for the week ended 21st Sept. 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		573,82,56,000
Borrowings from Other Banking Companies, Agents, etc.		38,00,000
Bills Payable		8,53,21,000
Bills for Collection being Bills receivable as per contra		2,76,38,000
Acceptances, Endorsements and Other Obligations per contra		8,72,87,000
Other Liabilities (including Inter-Office Adjustments)		15,56,57,000
Total .. Rs.		623,62,09,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,05,50,000
Balances with other Banks		2,69,21,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS—		
Government and other Trustee Securities	275,32,47,000	
Other Authorised Investments	8,71,30,000	
		284,03,77,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	256,92,26,000	
Bills Discounted and Purchased	13,07,65,000	
		269,99,91,000
Bills Receivable being Bills for Collection as per contra		2,76,38,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,72,87,000
Premises less Depreciation		1,96,75,000
Furniture and Fixtures less Depreciation		1,60,72,000
Other Assets (including Inter-Office Adjustments)		27,03,65,000
Total .. Rs.		623,62,09,000

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 14-9-62	7-9-62	15-9-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	44 26	44,57	47.06
(ii) From others	796.85	790,52	717.70
(b) Borrowings from banks	20,04	16,69	18,79
(c) Others	52,31	53,17	54,33
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24.14	22.57	19.42
(ii) From others	1,232.43	1,230.45	1,074.25
(b) Borrowings from banks	11,75	14,28	19.07
(c) Others	12,50	12,81	26,63
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,029,28	2,020.67	1,791,95
4. Borrowings from Reserve Bank	18,88	42,01	17,25
(a) Against usance bills and/or promissory notes	12.20	21,77	6,59
(b) Others	6,68	20.24	10,66
5. Borrowings from State Bank and/or a notified Bank	17.71	17,58	18.55
6. Cash	49.75	49,04	46,47
7. Balances with Reserve Bank	80,37	87,28	76,61
8. Cash and balances with Reserve Bank	130,12	136,32	123.09
9. 8 as per cent of 3	6,41	6,75	6.87
10. Balance with other banks in current account	17,89	17,30	15,61
11. Money at call and short notice	42,91	41,00	43,55
12. Investments in Government securities	662,13	678,63	606,27
13. 12 as per cent of 3	32.63	33,58	33.83
14. Advances—			
(a) Loans, cash credits and overdrafts	1,204.38	1,210,64	1,074,09
(b) Due from banks	7,93	8,82	11,12
15. Inland bills purchased and discounted	147,77	149,96	114,60
16. Foreign bills purchased and discounted	48.19	50,02	43.62
17. Total Bank Credit [14 (a)+15+16]	1,400.34	1,410,62	1,232 31
18. 17 as per cent of 3	69,01	69,80	68.77

EXCHANGE RATES

	26th September 1962	19th September 1962
London on New York S. per Dollar	2 8009-2.8011	2 7996-2.7999
New York on London Cents per £	280.090 280 120	279 970-280.020
London on Paris .. Fcs.	13.7230-13.7250	13 7190-13.7210
London on Berne .. Sw. Fcs.	12.1080-12.1100	12.1080-12.1160
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	478.00
Buyers T.T. Rs. to $ 100	474.50	474.75
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	446.00	446.25
Buyers T.T. .. "	438.25	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	104.20	102.40
Buyers T.T. .. "	103.50	103.40
Swiss Francs—		
Sellers T.T. D.D... "	90.30	90.30
Buyers T.T. .. "	91.30	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.60	83.60
Buyers T.T. .. "	84.50	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,950	12,945
Buyers T.T. .. "	13,125	13,120
Swedish Kroner—		
Sellers T.T. D.D... "	107.60	107 70
Buyers T.T. .. "	108.70	108.80
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. .. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.20	75.20
Buyers T.T. .. "	76.00	76.10
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.50
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.70	144.70
Buyers T.T. .. "	146.10	146.10

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 15th Sept. 1962	8th Sept. 1962	1st Sept. 1962	16th Sept. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100 4	100.4	101 1
2. Government of India	100.2	100.3	100 3	101.0
3. State Government	102 1	102 1	102.1	102 0
4. Municipal, Port Trust, etc.	99.0	98 9	98.9	99 6
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.6	98.6	98.6	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.5	81.6	83.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	183.6	186.4	188.0	177.6
8. *Agriculture and Allied Activities: Total**	154.5	155.2	155.4	164.5
9. Tea Plantations	145.4	145.6	145.7	159 0
10. Coffee Plantations	148 7	149.0	149.4	172 3
11. Rubber Plantations	169.9	169 7	168 8	174 1
12. *Mining and Quarrying: Total*	157 5	161 6	163 7	157 1
13. Coal	122 0	124 0	124.9	122 3
14. Other Mining	181.9	187.4	190.4	181.0
15. *Processing and Manufacturing: Total*	200.2	203.8	205.5	191.4
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	209 0	212.6	213.8	199 7
17. Sugar	139 3	140.4	140.2	159 6
18. Cotton Textiles	183 9	185 9	185.9	173 8
19. Jute Textiles	103.1	103.6	102.9	82
20. Silk and Woollen	1,172.4	1,222.0	1,239.5	1,154.0
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	201.8	206.7	209.9	195.0
22. Iron and Steel	157.3	163 8	169.2	156 2
23. Transport Equipment	374 2	383 0	383.1	394 0
24. Electrical Machinery	184.6	185.6	186.0	163.4
25. Machinery other than Transport and Electrical	234.4	238.1	238.9	206.4
26. Basic Industrial Chemicals	186.9	190.0	191.5	204.9
27. *Processing and Mfg. (Others): Total**	170.3	171.5	172.3	159.1
28. Cement	158.4	160.3	161.5	144 9
29. Paper	216.6	217 2	217 7	206 2
30. *Other Industries: Total**	111 6	112.2	112.5	109 5
31. Electricity Generation and Supply	87 7	88.3	87.5	85 2
32. Trading	119.7	121.0	120 8	116 9
33. Shipping and Other Transport	89.3	90.4	91 1	93 3
34. Construction	280 2	283.0	289 1	286 9
35. *Financial: Total*	207.4	208 2	211 1	198.9
36. Banks	230 7	231 3	235.1	225.7
37. Insurance	170.8	172.7	173.9	144 2
38. Investment Trusts	89.9	89.8	89.8	90.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	190 3	195.6	197.9	184.2
40. Calcutta	171.2	172 2	173 9	163.5
41. Madras	193 0	193.8	194.1	194.2
42. Delhi	236.5	238 7	238.8	234.1

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

State Bank of Pakistan

Statement of Affairs for the week ended 14th Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	7,30,05,000
(b) Provincial Governments	13,26,21,000
(c) Banks	22,92,11,000
(d) Others	100,69,67,000
Bills Payable	13,03,000
Other Liabilities	10,41,68,000
Rupees	165,87,75,000

ASSETS	Rs.
Notes	9,48,23,000
Rupee Coin	13,000
Subsidiary Coin	12,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	2,57,77,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	39,40,06,000
Investments	84,07,46,000
Other Assets	10,33,98,000
Rupees	165,87,75,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,48,23,000	
Notes in circulation	359,83,74,000	
Total Notes issued		369,31,97,000
Total Liabilities	....	369,31,97,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	63,65,51,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,67,59,000
B. Rupee Coin	4,05,09,000	
Government of Pakistan Securities	227,69,23,000	
Internal bills of exchange and other commercial paper	....	
		231,74,32,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	369,31,97,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.17 per cent.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	1st Sept. 1962	25th Aug 1962	2nd Sept. 1961	August 1962	July 1962	August 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	130.6	131.5	122 4	131 5	128 6R	124.3	120 1	120 0
Cereals	192	109.9	109.9	104 1	109 5	107 2	105 0	102 3	104 4
Pulses	43	111 8	113.2	89.8	113 0	105 5	90.6	91 9	92.9
Fruits and Vegetables	23	133 0	141 0	158.4	146 5	148 0	164 6	137 6	118 5
Milk and Ghee	84	125.9	130.4	118.6	133 0	127 3	116 4	116.4	116.0
Edible Oils	47	160 4	160 6	155 7	159 4	155 3	159.0	156 5	150.3R
Fish, Eggs and Meat	17	155 5	148 9	139 0	149 1	144 7R	141 6	135 4	123.5
Sugar and Gur	48	155 0	154 8	124.3	151 2	152 1R	124.6	119 6	132 8
Others	50	173 0	172 0	171 9	171 0	170 8	183 4	171 6	167.8
Liquor and Tobacco	21	99 5	99 5	100.0	99.2	98 5	99 9	100 3	109 9R
Tobacco	..	96.0	96 0	96 5	95 7	94 9	96 4	96 8	108 3R
Fuel, Power, Light and Lubricants	30	124 4	124 4	121 5	124 5	124 5	122.3	122 1	120 0R
Industrial Raw Materials	155	140 2	139 6	138 7	139 6	138 8	144 6	142 6	145.4
Fibres	61	130 2	128 3	125 1	128 6	130 2R	137 7	138.3	151.6
Oilseeds	60	160 0	160 6	160 6	160 4	156 3	162.7	156.4	149.9
Minerals	2	93.4	93 4*	94.8*	93 4	93 4	94 9	94.9	97.4
Others	32	124 9*	125 0*	126 5*	124 7	125 3	126 9	128.1	128.0
Manufacture	290	129 4	129 0	125 3	129 0	129 4	126.3	126 6	123 9
Intermediate Products	41	142 3	142 5	140 7	143 1	142 6	140 9	138 8	130 6R
Finished Products	249	127.2	126 7	122.8	126 7	127.2	123 9	124 6	122 8
Textiles	147	126 1	125.2	122.9	125 3	126 5	124 8	125.5	125.8
Cotton	..	129 3*	129 2*	127 5*	129 3	129 4	127 5	127.9	128 1
Jute	..	114 3	111 0	113.0	111 1	116 5	121 1	122.4	131.4
Woollen	..	141 3*	141 3*	123.1*	141 3	141 3	123 1	122.7	109 1
Silk and Rayon	..	131 5*	131 5*	119 4*	131 3	129 7	118 0	119 9	101 4
Metal Products	12	160 4	160 4	151 6	160 4	160 4	151 6	151.6	147 9R
Chemicals	20	115 2	115 2	111 7	115 0	115 3R	111 6	110 7	104 4
Oil Cakes	9	164 9	165 1	144 3	163 9	157 1	146 0	147 5	141 3
Machinery and Transport Equipment	31	117 9	117 9	113 4	117 9	117 9	112 8	114.5	111 9
Others	30	125.3	125.3	121.0	125 4	125.7	120.9	121 3	116 1R
All Commodities	1,000	130.9	131.1	125.3	131.1	129.7R	127.5	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 20th Sept., 1962*	63,106
	Corresponding week, 1961	40,514
	1st Sept. to 20th Sept., 1962	121,683
	Corresponding period, 1961	70,927
Cotton Exports	Week ended 20th Sept., 1962	1,972
	Corresponding week, 1961	1,663
	1st Sept. to 20th Sept., 1962	23,784
	Corresponding period, 1961	15,691
Mill Consumption (Estimated)	1st Sept. to 20th Sept., 1962	74,000
	Corresponding period, 1961	73,500
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 20th Sept., 1962	474,422
	Corresponding date, 1961	514,369
Consumption of Cotton—		
Indian	May, 1962	398,756
Foreign	May, 1962	71,884
Indian	Nine months ended May, 1961-62	3,491,292
Foreign	Nine months ended May, 1961-62	773,001
Indian	Same Period, 1960-61	3,073,906
Foreign	Same Period, 1960-61	866,066
Stocks (Mills and Elsewhere)—		
Indian	As on 31st May, 1962	1,360,310
Foreign	As on 31st May, 1962	230,447
Indian	As on 31st May, 1961	1,523,311
Foreign	As on 31st May, 1961	323,735

Particulars	From 1st Sept. to 20th September 1962 In Bales of 180 Kilograms	From 1st Sept. to 20th September 1961 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	317	405
Continent	1,983	684
Hongkong	1,045	427
China	—	—
Japan	18,056	10,295
U.S.A.	1,894	3,730
Other countries	489	150
Total to all foreign countries	23,784	15,691
Coastal Ports	—	—
Total	23,784	15,691

Particulars	Period	(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During July, 1962	31,884
	During July, 1961	7,681
	1st Sept. to 31st July, 1962	247,040
	1st Sept. to 31st July, 1961	212,430
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 31st Aug., 1962	1,260
	Corresponding week, 1961	13,072
	1st Sept. to 31st Aug., 1961-62	3,466,074
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)—		
Receipts	1st Sept. to 23rd Aug., 1961-62	1,021,178
	Corresponding period, 1960-61	841,158
Exports	1st Sept. to 23rd Aug., 1961-62	694,837
	Corresponding period, 1960-61	522,963

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to 30th June, 1962. — Not Received. A-Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.05
3 % Loan	1950	30,33,10,400	1964	98.95
3 % Fg. Loan	1943	110,11,78,000	1966-68	96 70
3 % Dev. Loan	1945	115,05,83,200	1970-75	89.00
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.75
3¼% N. P. Loan	1954	158,17,90,000	1964	99.95
3¼% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.80
3½% N. P. Bonds	1956	197,93,00,000	1967	98.85
3½% Loan	1956	86,64,00,000	1974	99.15
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	100.00
3¾% Loan	1958	70,00,00,000	1968	98.25
3¾% Loan N.P.B.	1958	156,59,00,000	1968	99.20
4 % Loan	1958	49,51,44,000	1973	99.25
3¾% Loan	1959	147,91,00,000	1969	97.80
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98.60
3½% Bonds	1960	82,66,00,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	98.55
4¼% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	68.25
3 % Loan	1946	248,91,37,168	K.	68.75
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.00
4½% Andhra	1958	5,48,92,000	15th July 1970	98.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	97 90
4½% Andhra	1962	10,00,00,000	Aug. 1974	98.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.50
4½% Maharastra	1958	6,48,62,000	15th July 1970	99 45
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.45
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.90
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	97.90
4½% Bihar	1962	4,00,00,000	Aug. 1974	98.50
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	98.75
4½% Gujarat	1962	6,00,00,000	Aug. 1974	99.90
3½% Howrah Bridge (New)	1936-37	1,95,98,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	00.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	98.00
4½% Madras	1962	12,00,00,000	Aug. 1974	98 35
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	99.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.00
4½% M.P.	1962	5,00,00,000	Aug. 1974	98 35
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98 00
4½% Kerala	1958	3,27,10,000	15th July 1970	98.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98 00
4½% Kerala	1961	4,04,00,000	Sept. 1972	97.75
4½% Kerala	1962	4,00,00,000	Aug. 1974	98 00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144 00N
60,00,000	4‡	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73 75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78 50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97 25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000if	3	1947	1977	A
3,00,000if	3	1949	1979	
45,00,000it	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.57
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97 50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£333,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,37,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.00
1,57,50,000	4	1956	1968	98.00
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.50
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
1,50,00,000	4½	1961	1971	97.75
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92 50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	98.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	98 35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98 00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98 00
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	99.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98 00
4½% Orissa	1958	3,28,58,000	15th July 1970	98.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.25
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98 25
4½% Orissa	1961	5,50,00,000	Sept. 1972	97.90
4½% Orissa	1962	7,00,00,000	Aug. 1974	98.00
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.25
4½% Assam	1962	3,00,00,000	Aug. 1974	99 50
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00
4½% Punjab	1962	3,50,00,000	Aug. 1974	99 50

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th September 1962.

	Closing quotations 20-9-1962	High	Low	Closing quotations 27-9-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2 32	2.36	2.16	2 22
Baroda Rayon (100)	126 00	127 50	125 00	126 50
Bombay Dyeing (25)	66 00	66.20	64 40	65 00
Bradbury (50)	192 00	192.00	185.00	187.50
Central India (100)	114 00	113 50	110.00	112 00
Century Mills (100)	612 50	613.50	59?.00	605 50
Coorla Sp. (100)	130 50	—	—	130 50
Dawn (50)	160 00	160 00	156.00	157.00
Edward Textile (200)	349.00	352.00	349.00	352 00xd
Elphinstone (50)	109 00	109 00	105 00	105.00
Finlay (100)	303 00	303.00	289 00	295.00
Gokak (100)	187.00	187 00	185.50	186 00
Gold Mohur (100)	232 50	232.50	221.00	221 00
Gwalior Rayon (10)	53 00	54 00	52 50	53.00
Ind. Untd. Defd. (1)	3 78	3 80	3 56	3 58
Ind. Untd. Ord. (10)	26 00	26.50	24.76	25 25
Indian Rayon (100)	92 00	93 00	89 50	93 00
Indore Malwa (100)	220 00	222 00	212 00	212.00
Khatau (100)	450 00	457 50	445 00	457 50
Kohinoor (100)	305 00	306 00	293 00	296 00xd
Mafatlal (100)	790.00	790.00	765.00	775.00
Minerva Mills (100)	82 50	—	—	82.50
Model Nagpur (250)	122 00	—	—	122 00
Morarji (100)	466 00	475.00	456 00	464 00
Mysore (50)	59 50	59 50	58 50	59.50
National Rayons (100)	478 50	480 00	464 50	469 00
New City (100)	150 00	150.00	140 00	140.00
New Great (100)	271 00	270.00	259.00	260 00
Phoenix (100)	242 50	242 00	235.00	239 00
Podar Mills (100)	128.00	129.00	127.00	129.00
Raymond Woollen (100)	130 00	130.00	126.00	128 00
Sassoon Silk (10)	14 88	—	—	14.88
Sassoon Spg. (10)	55 00	55.00	54.20	54 50
Shrinivas (100)	262 00	266 00	259 00	262 00
Simplex (50)	157.00	156.00	153 50	155.00
Standard (100)	840.00	844 00	790 00	810 00
Svadeshi (100)	261.00	261 00	251 50	254 50
Swan (100)	290 00	290.00	285.00	285 00
S. I. Viscose (100)	158 00	159 00	154 50	157 00
Tata Mills (25)	61 50	62.50	60 00	61.20
Lakshmi-Vishnu (100)	125.00	—	—	125 00
Western India (250)	1,020.00	—	—	881.25
BANKS				
Bank of India (50)	113 00	113.00	112.00	112 50
Do. (New) (50)	114 50	—	—	114 50
Bank of Baroda (50)	95.00	96 00	95.00	96 00
Central (25)	61 00	61 00	60 50	61 00
Central 'A' (25)	62 50	62 50	60 50	62 00
Dena Bank (50)	57.00	58.00	57.50	57 50
Punjab National (10)	20 24	20.52	20.48	20 48
Union Bank (5)	6.20	6.20	6.00	6 08
United Com. (50)	80 00	80.00	78.50	78 50
Maharashtra (50)	61.00	—	—	61.00
ELECTRIC COS.				
Ahmedabad (100)	94 50	95 00	94 00	95 00
Amalgamated (10)	10 88	10.76	10.16	10 16
Andhra Valley (1,000)	1,030 00	1,031.25	1,025 00	1,025 00
Bom. Sub. El. (100)	104 00	—	—	104.00
Surat (100)	99 50	99.50	99.00	99 00
Tata Hydro (100)	110 00	110 00	109 00	110 00
Tata Power (1,000)	1,110.00	1,116.25	1,105.00	1,105.00
INSURANCE COS.				
British India (10)	12 36	12.40	12.20	12.40
Indian Mercantile (40)	62 50	—	—	62.50
New India (15)	62.00	63.00	62.00	62 50
New India 'A' (15)	64.20	64.00	63.70	64 00
Vulcan (10)	16.52	—	—	16.52
STEEL COS.				
Ind. Iron (10)	25.25	25 25	24 92	25.00
Mukand Iron (10)	23.40	23.48	22.76	23.00
Tata Steel Ord. (75)	135.00	134.50	133.00	133 25
SUGAR COS.				
Belapur (50)	224 00	223.50	217.50	221.00
Bhopal (10)	20 00	—	—	20 00
Changdeo (12.50)	27 50	—	—	27 50
Maharashtra (50)	156 50	156 50	153.50	155 00
Phaltan (50)	93.00	93.50	90.00	91 50
Walchand Ind. (100)	150.00	150.00	148.00	150.00
CEMENT COS.				
Associated Cts (100)	157.25	158 00	155.00	156 75
Digvijay (100)	186 00	187 00	181 00	182 00
Orissa (10)	16.80	16.84	16.60	16.68
MISCELLANEOUS				
Alcock Ashdown (100)	320.00	322 00	315 00	321 00
Amar Dye-Chem (100)	257 50	260 00	250 00	250 00
Bom. Burmah (125)	639 00	641.00	622.00	632.50
Do. (New) (50)	255 00	255 00	246 25	248 75
Br. B. Petrol (1¼ sh.)	2 94	3 36	2 86	3 20
Br. I. Corpo. (5)	9 80	10 00	9.60	10.00
Cooper Eng. (100)	169 50	169 00	164 00	165 50
Colour Chem. (100)	395 00	397.50	387.50	395 00
Hind Cycle (100)	113 00	—	—	113 00
Hindustan Lever (10)	46 25	46.50	45.00	45 50
Hindustan Motors (10)	18.40	18.40	17.88	18 08
I. C. & Invest. Corporation (100)	92 00	92.00	91.00	92 00
Indian Dyestuff (100)	447.50	448 75	425 00	435.00
Indian Copper (2 sh.)	4 56	4 64	4.52	4 60
Ind. Inv. Tr. (100)	72 00	—	—	72 00
Killicks (100)	88 50	—	—	88 50
Larsen & Toubro (10)	27.10	27 25	25.40	25 65
Mahindra & Mahindra (10)	17 56	17 76	17 24	17.48
New Central Jute (10)	14 12	14.12	14.00	14 00
Polychem (50)	170 00	168 75	161.25	167 50
Polson (100)	192 00	192.00	188.75	188 75
Pre. Automobiles (100)	109 50	111 25	107 25	111 00
Premier Con. (80)	145 50	145 00	138 00	141 50
Scindia (20)	11 60	11.68	11 36	11 60
G. E. Shipping (10)	11 52	11.68	11.32	11 56
Shivrajpur (10)	31 00	32.00	31 00	31.50
Sirpur Paper (10)	13.00	13.12	12.92	12 96
Synthetics and Chem. (100)	177 00	178 00	165.00	166 00
Tata Chemicals (10)	14 60	14 56	14.12	14 32
Tata Locomotive (100)	297 50	301.00	291 50	296 00
Tata Oil (25)	57 20	58.50	54.50	57.20
Texmaco (10)	22 60	22.76	22.24	22 24
Voltas (100)	257 50	258 00	247 00	252 50
W. I. Match (100)	267 00	268 00	266 00	268 00
W. Coast Paper (100)	162.00	162 00	157.50	160.00

GOVERNMENT SECURITIES	20-9-1962 Rs.	Gross Yield Earlier Redemption	Later Redemption	27-9-1962 Rs.
2¾% 1962	99 75	—	3.75	99.75
2¾% 1976	83.50	—	4 33	83 50
3 % 1964	98 90	—	3.49	98.90
3 % 1963-65	99.00	3.75	3 30	99 05
3 % 1966-68	96 95	3.82	3.57	96.90
3 % 1970-75 1st Dev.	8.70	4.76	4.10	88.70
3 % 1986 Con. Loan	8.60	—	4.35*	68.00
3¼% 1964 N. P. Loan	99 95	—	3.52	99.95
3¼% 1965 N. P. Bonds	99 95	—	3.58	99 95
3½% 1967 N. P. Bonds	98 80	—	3.76	98 80
3½% 1974	99 50	—	3 91	98.50
3½% 1967 N.P. Bonds	99.50	—	3 86	99 60
3½% 1969 Loan	97.80	—	3 87	97.80
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds	99 95	—	3.54	99 95
3½% 1968 N.P. Bonds	99.35	—	3 86	99 20
4 % 1972 Loan	99.35	—	4 08	99 35
4 % 1973 Loan	99.30	—	4.09	99 30
4 % 1979 Loan	98.70	—	4.11	98.65
3½% 1966 Bonds	99 65	—	3 60	99 70
4 % 1980 Loan	98.55	—	4 11	98 55
4 % 1981 Loan	98.60	—	4.11	98.60
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend.

TRENDS IN NEW ISSUES

FOREIGN INVESTORS SHY AGAIN?

THE study of capital issues, based on the prospectuses published by companies during the period 1st April 1961 to 31st March 1962, made by Dr. Raj K. Nigam, Director of Research and Statistics, and Mr. S. M. Dugar, Senior Accounts Officer, of the Department of Company Law Administration, Union Ministry of Commerce and Industry, is a very useful analysis of the recent trends in the capital market. Second in the series (the first one related to the period 1st April 1960 to 31st March 1961), the study relates to the methods of promotion of public companies in the country, financing of their project costs, formation expenses, including brokerage and underwriting commission paid by the companies, etc. As against 43 company prospectuses examined in the previous year, 72 company prospectuses have been examined in the latest study. Of the 72 prospectuses, 18 were issued during the first quarter of the period, 19 in the second quarter, 14 in the third quarter and 21 in the last quarter. Although the number of issues covered was larger, the amount of capital raised by them was markedly lower, being only Rs. 23.8 crores, as against Rs. 31.12 crores in the previous year. Nearly two-thirds of this issue was offered to the public in the first and last quarters of the period, the exact amounts being Rs. 7.38 crores and Rs. 7.25 crores, respectively. In the second quarter, the issue to the public aggregated Rs. 4.98 crores and in the third quarter it aggregated Rs. 4.20 crores. It is common knowledge that, generally, the period May to the end of September is reserved for putting through the borrowing programmes of the Central and State Governments, as well as of the Local bodies and public sector undertakings like Electricity Boards and Port Trusts.

Of the 72 prospectuses issued during the year, 30 related to companies registered in the Western region, 18 in the Eastern region, 13 in the Southern region and 11 in the Northern region. Of the total issued capital aggregating Rs. 23.8 crores, about Rs. 11.5 crores related to companies in the Western region and Rs. 5.8 crores to companies in the Eastern region. The companies registered in the Southern region and in the Northern region issued capital to the tune of Rs. 3.3 crores and Rs. 3.2 crores, respectively.

The most striking feature of the capital issues was an increase in the offtake of preference shares from the second quarter onwards. This is attributed by the authors of the study to the passing of the Preference Shares (Dividend Regulation) Act 1960, and the correction of the imbalance created earlier by the Financial Act reducing the net dividend rate on the preference shares. To a certain extent, the improvement in the offtake of preference shares reflected the revival of investors' confidence in these shares, despite limitations to their growth prospects.

About 9.1 per cent, or Rs. 2.16 crores, of the total capital issues of Rs. 23.8 crores was offered in the form of preference shares. Of the amount offered in preference shares, Rs. 22 lakhs were offered in the first quarter (as against Rs. 40 lakhs in the last quarter of 1960-61), Rs. 60 lakhs in the second quarter, Rs. 54 lakhs in the third quarter and Rs. 80 lakhs in the fourth quarter. The proportion of the preference shares issue to the total issue in different quarters was 2.9 per cent in the first quarter (as against 6.1 per cent in the last quarter of 1960-61), 11.9 per cent in the second quarter, 12.9 per cent in the third quarter and 11 per cent in the last quarter.

Of the total capital issues, Rs. 21.64 crores, or 90.9 per cent, were offered in equity shares. The proportion of equity and preference shares to the total was not far different from the pattern (90.3 per cent and 9.7 per cent) noticed in 1960-61. It confirmed the investors' preference for ordinary shares.

The authors of the study have also noted that, while the stock exchange regulations prescribe that 49 per cent of the issued capital has to be compulsorily offered to the public for subscription, the general enthusiasm exhibited by the public, particularly the small investors, encouraged the company promoters to offer a larger proportion of the share capital to the public. As compared with the experience in the previous year, a larger number of issues was reported to have been several times oversubscribed. The study notes that it was this phenomenon of oversubscription that helped the promoters in following the course of putting high amounts of issued capital on sale to the public without risking the success of the issue which, were it to fail, would have seriously affected the reputation and goodwill of the enterprise at a "critical" period.

The share of the public in the total issue of Rs. 23.8 crores amounted to Rs. 14.65 crores, or 61.6 per cent, as against 49.4 per-cent in the previous year. The next important participation came from the promoters, directors, and their friends, who took up Rs. 6.11 crores, or 25.7 per cent. The share of the foreign collaborators, was no more than Rs. 188 lakhs or 7.9 per cent as against roughly Rs. 380 lakhs in 1960-61. The financial institutions, such as the L.I.C., I.C.I.C.I., I.F.C. and the State Financial Corporations, took up Rs. 87 lakhs, or 3.6 per cent. In the previous year (that is, 1960-61), the share of the promoters was 27.3 per cent, of the foreign collaborators 12.1 per cent and of the financial institutions 11.9 per cent. There was an improvement in the offtake of the share capital by the Central and State Governments from 0.3 per cent to 1.2 per cent.

It will thus be seen that there has been a large reduction in the proportion, as well as amount, of share capital taken up by foreign collaborators. The main reason for this reduction, in the opinion of the authors of the study, is a shift in the interest of foreign collaborators to technical collaboration, instead of direct financial participation. In the context of India's forsign exchange position, this is a disquieting trend. It looks as though the difficulties that are being experienced by the industrialists in this country in regard to supply of raw materials, transport and power, as well as India's poor performance on the export front have cumulatively undermined the confidence of foreign investors in India. Evidently, they must be of the view that, with all these difficulties, investments in India may not turn out to be as remunerative as it appears on the surface and that the facilities for remittance of profit may be curtailed.

The study reveals that not only did direct capital participation by foreigners decline but the contribution by foreigners through other forms, namely, loans and credit, also fell. In absolute terms, foreign contributions aggregated Rs. 4.1 crores in a total project cost of Rs. 47 crores, making a percentage to the total of about 10, as against which in the preceding period, about 30 per cent, or Rs. 18.3 crores, of the total project cost of Rs. 61 crores, came from this source.

The financial institutions appear to have opted for more long-term accommodation and less equity participation. This explains the fall in their absorption of equities.

The study discloses that the cost of raising capital was higher at 4.5 per cent of the issued capital from 3.5 per cent in the preceding period. The increase in the cost has been observed to have taken place under the miscellaneous head which includes pre-incorporation expenses, for example, cost of travelling by promoters, initial survey expenses, advertising expenses, etc. The remuneration to promoters was found to have fallen. The percentage cost by way of underwriting commission and brokerage increased from 0.8 to 1.0. The total cost of raising the capital as percentage of the total project cost amounted to 2.4 per cent, as against 1.6 per cent in the previous period. As between the four quarters of the period, the cost of raising capital as related to capital issue and to the total project cost showed a rising trend, with the ratio of cost to the capital issued settling around 5.1 per cent and that of the cost to the project cost around 2.4 per cent in the fourth quarter of the year.

A redeeming feature of the new issues in 1961-62 was that the reliance on debt capital tended to decline to some extent, as evidenced by the hardening of the debt-equity ratio in favour of equity.

COMPANY MATTERS

(Concluded from page 566)

taxation, including the past liability, has been raised sharply to Rs. 8.33 lakhs from a mere Rs. 1.93 lakh in the previous year and that for depreciation is also higher at Rs. 10.59 lakhs, as compared with Rs. 9.25 lakhs. The Managing Agents' remuneration has increased from Rs. 3.70 lakhs to Rs. 4.31 lakhs. In view of these higher allocations, the net profit has dropped by almost Rs. 2 lakhs to Rs. 12.11 lakhs.

Credit obtained on account of past adjustments amounts to some Rs. 83,000, as against Rs. 50,000 a year before. Miscellaneous expenditure of Rs. 38,208 (Rs. 27,142 in the previous year) has been written off and a sum of Rs. 1.24 lakh (Rs. 1.90 lakh) has been set apart for employees' retiring gratuity. Development reserve has got Rs. 1.52 lakh (Rs. 1.92 lakh), tax relief reserve Rs. 24.769 (Rs. 18.958) and other reserves Rs. 1.54 lakh (Rs. 1.29 lakh). The return on the Rs. 10 fully paid equity shares has been maintained at 9 per cent per annum, subject to tax, and it absorbs Rs. 7.68 lakhs. The distribution to preference shareholders takes away Rs. 3.05 lakhs. The carry forward is Rs. 10.73 lakhs, as against Rs. 13.53 lakhs brought in.

The total units of electricity generated (and purchased) by the Company during the year under review amounted to 82,800,971 kilowatt hours, as against 71,295,327 kilowatt hours in the preceding year. The total load increased from 39,355 kw. to 42,657 kw. Consumers numbered 82,594, as against 77,177 a year before. A power set was put into commission at Belgaum. Two more sets have been erected at Aimer and Malegaon and these are under trial. There has, however, been a pressing demand for power at these stations as well as at Bulsar. Negotiations for the purchase of three generating sets of 1,800 b.h.p. each and one of 600 b.h.p. have been finalised, but the import licences for them have still not been received. The financial commitment for these sets and auxiliaries is estimated at about Rs. 15 lakhs, of which Rs. 5 lakhs are expected to be spent this year, the balance being payable in four six-monthly instalments. Transmission lines are being extended to meet the growing demand. It is already known that the solvent extraction plant of the Company went into production about a month ago. Last year, the Company spent about Rs. 10 lakhs on the plant. It will spend Rs. 8 lakhs more this year.

Financially, the Company has run into some sizable indebtedness to outsiders, which can, however, be explained by the commitments on the expansion programme, including the solvent extraction plant. Thus, bank borrowings have increased from Rs. 14.27 lakhs to Rs. 21.02 lakhs, unsecured loans from Rs. 9.25 lakhs to Rs. 10.46 lakhs and the aggregate current liabilities and provisions from Rs. 61.57 lakhs to Rs. 80.63 lakhs. The total indebtedness to outsiders works out to Rs. 112.11 lakhs, as against Rs. 85.09 lakhs in the previous year, and this is not fully covered by current assets, loans and advances aggregating Rs. 58.26 lakhs. Investments amount to Rs. 3.64 lakhs. The paid-up capital of Rs. 130.30 lakhs is backed by reserves and surplus aggregating Rs. 41.84 lakhs. The gross block, which increased during the year from Rs. 258.79 lakhs to Rs. 231.74 lakhs, has been written down to Rs. 202.93 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 10.76 *cum-div*. On the *ex-div*. basis, they offer a net yield of 6.2 per cent per annum.

RS. 300-LAKH LOAN OF GUJARAT ELECTRICITY BOARD

With a view to meeting the growing demand for electricity in Gujarat State, the Gujarat Electricity Board is setting up a new thermal power station at Dhuvaran, with an installed capacity of 254,000 kw. in addition to extending the capacity of the Shapur and Kandla steam stations by 10,000 kw. each. Work on these projects is progressing as per schedule and the Dhuvaran station will be commissioned in 1964 as programmed. These are the major projects of the Board which is to raise, during the third Plan period, the generating capacity of the installations owned by it by 300,000 kw., excluding the 150,000 kw. to be obtained from the proposed Tarapore nuclear power station. The total funds required by the Board for implementing its expansion programme during the Plan period are estimated at Rs. 47 crores, of which the bulk will come from the State Government by way of loans, the balance having to be raised from the Board's internal resources and through public loans.

The Board is, therefore, to float a public loan of Rs. 300 lakhs in bonds carrying interest at the rate of 4.75 per cent per annum. The bonds, which will have a currency of 12 years, are being issued at par. The lists will open on 3rd October next and close on the 6th. The bonds are fully guaranteed by the Government of Gujarat in regard to both interest and principal.

BANKING

(Concluded from page 547)

such aid be made available on a multilateral basis. I.D.A. is a major source of development aid, and the principal international instrument for the provision of aid on lenient terms of repayment. But I.D.A. faces the imminent full commitment of its initial funds.

The facts are set out in the report of the Executive Directors regarding the replenishment of I.D.A.'s resources. I.D.A. now has about $765 million in usable funds, including the very welcome supplementary contribution recently made by Sweden. We estimate that, by mid-1963, most or all of these funds are likely to have been committed. This does not, of course, mean that all of I.D.A.'s funds will actually have been disbursed by then: it is quite certain that they will not; we would not expect to pay out the last of our usable funds until 1965. But unless we can be assured—very soon—that further funds will be available from 1965 onward, I.D.A. will not be able to enter into any new lending commitment after about the middle of next year. This is not a situation that can be ignored and allowed to drift. To do nothing would in itself constitute a decision to bring I.D.A.'s operations to a halt.

If I.D.A. continues to operate at its normal pace, it seems probable that it will, during the current fiscal year, commit something like $500 million. This money will be directed only to high priority developmental purposes, in countries whose capacity to attract and repay loans from conventional sources is limited or non-existent. There is no reason, that I can see, to suppose that the demand for worthwhile credits will be any lower in subsequent years. On the contrary, it is my conviction that the demand will continue to increase, and to increase greatly. Experience has already demonstrated, I believe, that I.D.A. is capable of meeting a very real and important need and, in relation to this need, the original capital of I.D.A. was obviously inadequate. But if it is to meet this need—if it is to become a principal instrument for the development of the poorer countries, and not just a minor gesture of goodwill toward them—it will clearly require a very substantial addition to its resources.

There is one point that I feel should be made clear. The total amount lent by the Bank this year was much greater than in any previous year. But we cannot expect the rate of lending by the Bank to continue to expand in future years. Indeed, it may prove difficult to maintain the Bank's operations at their recent level. Many of the Bank's present member-countries cannot prudently assume further hard debt without jeopardising their future, and, of about 20 new members expected to join the Bank within the next year or two, few will be in a position to service loans from the Bank. It is to I.D.A., not to the Bank, that most of them will have to look for help. The future of I.D.A. is, therefore, the most important issue.

COMMERCE

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

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OUTLOOK FOR EQUITIES

EQUITIES are now at about the lowest level for the current year so far. The Reserve Bank's index number of all-India variable industrial securities stood at 181.4 (Base: 1952-53=100) in the week ended 22nd September, the latest available at the time of writing. Since then, there has been a further, albeit slight, fall in prices. As compared with the peak levels touched in the boom last summer—the Reserve Bank's index touched 195.6 in the week ended 19th May 1962—the loss in value works out to 14.2 points or about 7.3 per cent. As compared with the level (177.9) prevailing a year before, the latest level is no doubt higher by 3.5 points or 2 per cent. But it must be remembered that September 1961 was a period of downward trend for equities due to uncertainties about control on stock exchanges and the contents of the Congress Party's election manifesto. The decline in percentage terms from the peak level of this year may appear to be modest, but it is quite substantial in the case of popular counters in iron and steel, cotton and rayon textiles, chemical, engineering, paper, coal, tea, coffee, sugar and shipping sections. The only section to register an improvement over the level witnessed even during the peak of the boom is electricity. A full picture of the trend can be had from the comparative table published on the next page. It will be noted therefrom that all sections are down as compared not only with the peak levels registered when the boom was at its height in May last but also with those in the first week of the current year. As for the new issues, the fancy premium commanded by several of them has shrunk to negligible levels and has yielded place to a discount in some cases.

Considering that equity values last summer were undeservingly high and the boom had reached unhealthy proportions, the fall suffered by equities in the past three months was quite justified. Those investors who had stuck on to their holdings without booking their profit as well as those who bought afresh at the higher levels have themselves to thank. There were clear indications then that their optimism was that of a gambler on the race-course. Even now one cannot confidently assert that equities as a whole are undervalued, having regard to the current economic and political climate. Here and there one may find scrips that are attractive on their individual merits, but, generally speaking, the vast majority are still so high that the net return on them is not adequate to cover the risks ahead. For an investor of moderate means, equities must go down a little further to merit their attention, though for the very rich individual investors and institutional investors they may appear to be tempting at current levels. But it looks as though these classes of large investors do not have much surplus funds left with them. Big individual investors have all gone in for industries of their own, supplementing their savings with heavy bank borrowings, as they hope to make anything between 10 and 20 per cent per annum in due course of time. As for institutional investors, they have just had to take up, in large junks, new Gilt-edged issues. There are, of course, big speculators who try their fortunes as bulls when equities are pretty low and as bears when they are unduly high. The climate is still unfavourable for them to play the role of bulls. Sentiment has been badly hurt by Government actions, as we shall presently show, and it is difficult for a bull to command a sufficient following. It is common knowledge that no bull can carry the market alone.

The Central Government's Budget for 1962-63, presented by Mr. Morarji Desai in the last week of April, contained heavy taxation. Excise duties on many items were increased and the number of goods that was free from this levy was reduced further. The corporate taxation was raised from 45 per cent to 50 per cent. The increase in Central taxation had been preceded by a rise in railway fares and freights and was soon followed by a rise in taxes on road transport also. And yet the boom on stock exchanges continued, gathering new momentum, for over a month after Mr. Desai's budget. This phenomenon was the combined result of a number of factors. First, the general opinion in stock market circles was that the incidence of higher rate of corporate taxation would be absorbed by better profits through larger turnover. Secondly, one or two first class companies announced bonus shares. And, thirdly, Mr. K. D. Malaviya's initial observations as the Minister for Mines and Fuel were favourable to the private sector and gave rise to high hopes that, in fixation of producers' prices, the Government would be fair to them. Soon they were disillusioned. Although it was the historical crash on Wall Street on 28th May 1962 that pricked the bubble on the Stock Exchanges in this country and set in motion the corrective long overdue, the downward trend was sustained in the past few months by the growing realisation that the assumptions about profit-margins of industries were not tenable. Mr. Malaviya gave but a niggardly increase in the controlled price of coal, thereby belying the earlier optimism. The corporate results of a number of industrial concerns for 1961-62 failed to come up to expectations, most of them disclosing a shrinkage in their profit-margin. And, what was more, the assessment of outlook for the current year was far from promising. The directors' report of almost every company, and/or its chairman's statement, was a song of difficulties. The general theme was high cost of production, heavier taxation, shortage and/or deterioration in the quality of raw materials, inadequate supply of power and fuel, and cuts in the import of components, as well as of plant and machinery, due to foreign exchange scarcity. Most of these handicaps were, of course, there even before. Where they were not in operation, it was clear to discerning eyes that they would be experienced sooner or later. But, in the heat of the boom, they were either ignored or minimised. Once the bullish enthusiasm subsided and sanity returned to the markets, the facts of Indian economic situation began to assert themselves in the calculation of investors and professional operators.

By force of habit, as it were, equities had tended to recover after the collapse of the boom in the first week of June. The Reserve Bank's index number, which had gone down from the peak of 195.6 in the week ended 19th May to a low of 182.8 in the week ended 21st July, recovered by stages to 188 in the week ended 1st September. The subsequent slump, bringing the index down to 181.4 in the week-ended 22nd September, was largely the result of the Government's drastic decision on retention prices of steel. That decision has more than wiped out the 50 per cent recovery that had taken place in equity values after the black (or blue, as Americans call it) Monday, 28th May 1962. In other words, the steel price decision has been responsible for more than half of the fall in equity values from the boom levels of May last. Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, to whom fell the lot of announcing the Government's decision on retention prices, has thus left an indelible mark of his own, quite comparable with that T.T.K. imprinted on the history of stock exchanges in the initial years of the second Plan. Cynics say, as is their wont, that, by hugging the bears on the stock exchanges, Mr. Subramaniam has endeared himself to India's staunch socialist Prime Minister. The Government's decision on steel prices, coupled with Mr. Subramaniam's indictment of the Tariff Commission, has a significance that goes beyond the iron and steel industry. It implies that the Government is out to deflate industrial profits by compelling manufacturers wherever possible not to pass on the full incidence of the increase in their cost of production. It is the realisation of this point that has upset the confidence of investors. The Government can, of course, undo the damage it has already done by suitably amending its decision, but Mr. Subramaniam has banged the door, by reiterating his stand in regard to both steel prices and the Tariff Commission.

The revival of upward trend in general price levels has revived the attacks on capitalists again. The report of Mahalanobis Committee on concentration of economic power and distribution of benefits of two Plans among the people is yet due. Firm steps to hold the price line through physical controls are being discussed. Pleas for extending the public sector's area of operations on the ground that the private sector is lagging behind in implementing the third Plan goals in a number of industries are being vigorously aired. Mr. T. T. Krishnamachari has been hinting, off and on, at the need for placing a ceiling on urban incomes also. One cannot say at this stage as to what will be the outcome of these new veiled, as well as open, attacks on the private sector. If the objective is no more than finding a scapegoat for the failure of the Government's economic policies and programmes, not much harm to investors will follow. If, however, it means preparing the ground for giving another powerful push to socialism, they may suffer perceptibly. Anyway, these are disturbing signs, calling for caution on the part of investors. Meanwhile, the Government of India has started applying stricter terms for the issue of additional capital. It is insisting on high rates of premium for rights issues which means that it can receive a larger amount of tax, if and when the share premium

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accounts are capitalised through issue of bonus shares.

More disquieting than the possibility of a recurrence of ideological 'aberrations' are the growing shortage of real resources, the worsening of the malady of high costs, and the disappearance of discontentment among labour. Scarcity of foreign exchange, arising from the failure of exports to expand and the non-availability of adequate foreign aid to cover maintenance imports, is compelling several industries to work below capacity which in turn adds to their per unit cost. Transport facilities are lagging behind the demand and so are the fuel and power supplies. Shortages of cement, steel, and other building materials are retarding the progress of many new units and expansion of existing ones. Scarcity of trained manpower and experienced technical-*cum*-managerial personnel is another handicap. The cost of credit, too, is going up, a disturbing prospect for those industrial projects that are heavily dependent upon borrowings. They will either have to call for additional capital or be prepared to foot a bigger bill of interest charges. Consequently, a number of new units may not be able to fulfil the rosy expectations of the investors who have supplied the capital. It is, therefore, quite possible that several of the new equities may seek still lower levels before regaining the investors' regard and fancy for them. So far as the existing industrial units are concerned, a shrinkage in profit-margins of many of them is clearly discernible.

So much for the general trend. The position of individual industries may vary from one another to some extent and so also that of individual units in the same industry. By increasing production as a result of expansion in capacity, the absolute amount of profit may be higher in certain industries for the current year. A typical instance is cement. Steel, paper, engineering and chemicals may be others. But the improvement may be disproportionately low as compared with the effort and labour put in as well as with the need for building up reserves to take care of modernisation and expansion. It is possible that some units may be in a position to enhance their equity dividends, but it is a moot point whether it will be to the extent anticipated by investors. Of course, over a period of time, the efforts that have been made in recent years and are being vigorously continued will yield results that would sufficiently reward the patience of investors. Only, the difficulties that are now restraining the rate of economic growth have lengthened this interval far beyond the earlier expectations. And, during this interval, there may well be developments, political and economic alike, that may be a source of much concern to investors.

TREND OF EQUITIES

Reserve Bank's Index Numbers (Base 1952-53=100)

	Latest (22-9-62)	Beginning of 1962 (6-1-62)	A year ago (23-9-61)	Approximate highest during peak of boom*	
				In 1962 (May)	In 1961 (Nov.)
Gilt-edged ..	100.4	100.7	101.1	100.6	100.9
Preference shares ..	81.4	82.0	83.1	82.5	82.4
Equities ..	181.4	187.0	177.9	195.6	189.1
Among equities :					
Coal	121.6	120.5	120.5	135.3	121.3
Steel	156.1	160.5	155.5	168.0	165.0
Cement	157.8	150.5	148.5	169.6	156.5
Sugar	157.7	151.8	160.6	143.3	167.0
Textiles :					
Cotton ..	182.4	189.8	175.0	196.7	190.9
Jute	92.7	91.2	83.3	107.6	95.0
Paper	214.3	214.2	210.0	235.9	216.0
Chemicals† ..	184.1	211.8	205.0	207.1	223.6
Machinery :					
Transport equipment ..	362.9	412.9	390.3	404.2	419.5
Electricals ..	183.1	159.7	167.0	183.7	167.4
Others ..	231.5	216.7	207.8	253.4	221.0
Shipping	89.2	93.7	94.4	99.7	94.5
Tea	144.5	154.7	158.6	158.1	158.5
Coffee	147.3	161.5	171.0	160.7	169.0
Electricity ..	87.4	84.2	86.1	86.8	85.6

* For equities only. † Basic industrial.

There is, however, one redeeming feature. While the pace of economic growth may be slower than that planned for, there is bound to be some growth and no recession. Accordingly, funds seeking investment will continue to grow and the bulk of them has nowhere to go but into equities. It is true that yields on first class preference shares are still much higher than those on equities and, with growth prospects under discount, the fixed-yielders are likely to receive good attention. But the flow of even a relatively small amount into them will quickly narrow down their attraction. Barring any untoward event, the danger of any further sharp fall in equities is, therefore, less. At the same time, the chances for the re-emergence of a strong bull market are remote, unless there is an unexpected turn for the better in industrial growth and profits.

FORESTS AND INDUSTRIES

FORESTS constitute a renewable resource which is intimately linked with agriculture. How intimate the link is may be seen from the self-defeating experience of people in several parts of India. It is well known that the large tracts of land—in the plains, on undulating ground and in the hills—which have been cleared of forests for the purpose of cultivation have lost their soil fertility and begun to erode after yielding excellent crops for a couple of years or so. The result is that, on these lands, there is now, as Dr. Ram Subhag Singh, Union Minister for Agriculture, so pithily put it in his Convocation Address at the Dehra Dun Forest College on 30th September, "neither forest nor agriculture." But that is not the whole story, for flood incidence, too, has increased as a consequence of excessive deforestation in the hills and mountains from which the rivers originate. Deforestation, especially in the plains, has also been responsible for droughts and reduction in rainfall. Last year's severe floods in Kerala and Madras, for instance, have been attributed to such deforestation, while this year's poor flows of water in those areas are also stated to be due to the same cause.

If, thus, forests are not there to regulate water supplies for agriculture, the result can only be a slow but sure disaster for the latter. Everybody knows in theory that forests protect and promote agriculture, but not everybody takes care, in actual practice, to conserve them or to exploit them in a prudent and scientific manner. Where forests and agriculture are so intimately linked with each other, it stands to reason that the policies pertaining to them must be organically co-ordinated at appropriate points or in appropriate areas. There is need for such co-ordination at those points which call for an integrated programme of forest conservation and soil conservation, afforestation and control of soil erosion. Even in those parts of the plains where soil erosion caused by winds has to be controlled, planting of shelter belts would need to be co-ordinated with agricultural programmes. Rural afforestation—planting of trees for the supply of fuelwood, fodder or green manure and of timber for village industries and housing construction—would likewise have to be co-ordinated with rural development programmes.

Economic growth can also be significantly promoted through such integration of forestry plans or programmes with plans for rural and agricultural development, or with plans for urban and industrial development, inasmuch as forests provide wood and timber for urban housing and raw materials for a variety of industries. But enough attention is not paid to the implementation of these forestry plans in India, as in other developing countries, because less priority is accorded to them than to plans in other sectors. Unless the forestry services make a social evaluation of forests in order to show the importance of forestry, forest industries and forest-based industries to the overall economy, the public authorities cannot be easily persuaded to give the necessary higher priority to the forestry sector. This implies that there should be a strong and well-equipped forestry service. Unfortunately, in India, the forest department is a much neglected arm of agriculture. The fact that in the third Plan an outlay of only Rs. 51 crores for all the five years has been proposed for the various forest development programmes is indicative of the low priority assigned to forests. Incidentally, it may be recalled that currently the forests yield an annual revenue of as much as Rs. 54 crores. The priority is also undoubtedly low in relation to the magnitude of the problem, as recognised by the planners themselves in the following passages:

"In view of India's tropical climate, periodic monsoons, low forest productivity and predominantly agricultural economy, it has been urged that at least a third of the total land area in the country should be under forests. But, as against this, the actual proportion is only 21.8 per cent. Moreover, most of the forests are concentrated in a few States only. . . . There is great need not only for increasing the forest area for the country as a whole but also for more intensive development in areas which are lacking in forest wealth.

"It is estimated that the requirements of industrial wood (including pulp material for paper and rayon), which amount to 4.5 million tons per annum at present, would increase to about 9.5 million tons in 1975. . . . As new plantations take as many as 25 to 30 years to develop, in the ordinary course production may not increase beyond 5.5 million tons by 1975. . . . Due to acute shortage of fuelwood, nearly 400 million tons of cowdung (wet weight) equivalent to 60 million tons of firewood is annually burnt instead of being put in land as manure. The shortage of firewood is anticipated to be about 100 million tons by 1975. . . . As regards minor produce, the present requirement of tanning materials is about 30,000 tons of pure tannin, 30 per cent of which still comes from abroad. . . .

"For several reasons, the average yield of forests in India is extremely low. Large areas of unclassed State forests and the former private forests acquired by Government after the abolition of *zamindari* are under-stocked and require to be rehabilitated. In forests in inaccessible hilly areas a proportion of the timber is lost because of lack of adequate facilities for transportation. Large quantities of inferior woods which could be put to economic use through seasoning and preservation treatment remain only partially utilised. . . . As economic development proceeds and river valley and other projects are undertaken, to an extent forest areas are even apt to diminish. There are obvious difficulties in expanding the area under forests. In the circumstances, the principal objective of forest policy must be to raise productivity progressively and to undertake cultivation of quick-growing species so as to meet the growing requirements of the economy."

That primary objective is a very limited objective as far as the third Plan is concerned. The programme of new plantations—covering 210,000 acres under teak, 40,000 acres under bamboo, 60,000 acres under matchwood, 22,000 acres under wattle, 46,000 acres under fuelwood including casuarina, 300,000 acres under fast growing species of industrial wood and 325,000 acres under miscellaneous trees and amounting in all to a million acres—cannot obviously meet the increasing requirements of industry during the third Plan period even where fast growing species are planted. If, as has been estimated, the country's deficit of industrial wood by 1975 is going to be of the order of 215 million cubic feet (equivalent to four million tons) and if it is assumed that new plantations will take at least 20 years for development, only a small part of that deficit is going to be met by the new plantations of the second and third Plan periods on about 1.5 million acres in all. These plantations can be expected to yield, probably at the average rate of 2.5 tons per acre, mostly after 1975, but by that time the deficit, too, will have increased. Already the prices of timber have gone up so high that steel is relatively cheaper, with the result that one finds it more economical to use steel in the manufacture of furniture for both domestic and office uses.

Is there no hope, then, of increasing the output of industrial wood in other ways from the present level of about 4.5 million tons per annum to at least 9.0 million tons by 1975? There are, of course, some possibilities in this connection. Firstly, the area (300,000 acres according to the third Plan report, but 137,000 acres according to Dr. Ram Subhag Singh) proposed to be planted with fast growing species of industrial wood must be raised to one million acres so that an additional 2.5 million tons could be produced from this source. As this will probably involve an additional outlay of no more than Rs. 5 crores and that, too, mostly in terms of rupee resources, the Union Government should draw up a suitable bigger scheme for Central assistance. Unless this is done, the paper and pulp industries in particular will be thrown into an even graver crisis in the fifth Plan period than at the present time.

Secondly, there would have to be much greater attention to additional yield through reduction in wastage rather than through excessive felling. For instance, considerable wastages, according to the Report (September 1960) of the Tariff Commission on the plywood and tea chests industry, take place for lack of prophylactic treatment of logs immediately after felling. But it is not known whether the Wood Preservation Branch of the Forest Research Institute (Dehra Dun) has by now evolved any widely applicable methods of improving the keeping quality of logs without driage and of preventing wastages due to heart rot, fungus diseases, etc. One direction in which wastages can be reduced is the adoption of improved logging tools and mechanical contrivances. Here, again, the Forest Research Institute should be called upon to complete its research work expeditiously. Above all, there is need, as the third Plan has recognised, for a comprehensive appraisal of the country's forest resources with a view to developing forest-based industries such as rayon, chipboard, particle board, fibreboard, and so on. The provision made in the Plan for such a survey should be expeditiously availed of, for the formulation of a long-term (15-year) programme for planting quick-growing species, for opening up forest regions in the interior and for assessing the economic prospects of forest-based industries can brook no delay. If suitable measures, such as improved transport facilities and wood seasoning and wood utilisation units, are also taken in the light of the proposed survey, the estimated deficit in industrial wood supplies can be substantially met by 1975. Meanwhile, the current tendency among State Governments to part with forest lands increasingly for other purposes would need to be curbed.

MARKET GOSSIP

Margins on Shares

ON Thursday last week, the Governing Board of the Bombay Stock Exchange took a step in retrospect, though in effect it meant taking two steps forward, when it decided at a special meeting to give powers to the President of the Exchange to fix special deposit making-up prices for shares and to revive thereby a system of margins on shares, which was discarded not long ago—from the close of last year to be precise—in favour of the present system of automatic margins. The Board was provoked to take the decision, we are told, by the excessive speculative business in the market at present, which, if unchecked, might lead to a payment crisis. Few would dispute the authority of the Board to act in a situation which it finds would otherwise get out of hand. Indeed, being directly responsible for maintaining a healthy market, the Board is obliged to act promptly to prevent anything that might lead to an unhealthy situation. Prevention is undoubtedly better than cure. It is generally conceded that the Board's action last week was warranted by the circumstances. The main object was to check the slump in shares which, though basically rooted in the prevailing political and economic uncertainties in the country, had been rather accentuated by some excessive speculation. The fact that, soon after it was known that the Board would take some measures to arrest a further fall in values, prices rallied swiftly on heavy covering by big bear operators was sufficient to prove that speculation had been overdone. So far, the Board's decision has not yet been implemented. Only its intention to act was made known and that itself has had some salutary effect.

One can see, however, in the Board's action its preference for the once rejected system of special deposit making-up prices to the system of automatic margins. Does this mean that this latter has failed? If so, why? There is evidence to support the belief that the automatic margin system has not served its purpose. In its form, the margin is automatically attracted by a share, if (*a*) the price rises or falls by 10 per cent over the last making-up price in one settlement, (*b*) the price rises or falls by a further 5 per cent over the making-up price fixed for the application of the margin under (*a*), and (*c*) the price rises or falls by 15 per cent in two consecutive settlements. Experience has shown that this system has not affected the leading speculative shares, as such shares rarely fluctuate by the specified limits during the specified period. On the other hand, only the less active shares, appreciating or falling suddenly on some news pertaining to them, and the small-priced shares because of their being priced small have come under it. Thus, the automatic margin system, while leaving the speculative issues unaffected, has tended to restrain free price variations in the other counters engendered largely by some genuine developments affecting such shares and seldom by a burst of speculative activity.

If the system of automatic margins has not proved effective, it is because of the liberal nature of its terms. If it has acted harshly on certain scrips, it is because these scrips are unfit to be in the forward list. This peculiar feature is confined only to the Bombay Stock Exchange, the forward list of which was drawn up decades ago and contains quite a few counters which deserve to be depromoted to the cash list. In principle, the system of automatic margins is preferable any day to any other, because it has the special advantage of uniform and automatic application to all shares in all the stock exchanges of the country. And that is why the Standing Committee of the Stock Exchange Presidents voted for it last year in preference to the system of special deposit making-up prices, which was in vogue for a couple of years on the Bombay Stock Exchange. Nobody disputes the integrity of the person who operates the latter system. But, certainly, it will be unwise to leave the choice of what margin to be imposed on which share and when only to one person. That is the defect in the system of special deposit making-up prices, and it is a grave one.

The alternative to the system of automatic interim margin is not special deposit making-up prices but a more effective system of automatic margins. Perhaps, the Governing Board of the Bombay Stock Exchange has conveniently ignored this alternative. But it passes one's understanding as to why the Deputy Secretary in charge of the Stock Exchange Division of the Ministry of Finance, who is also the convener of the Standing Committee of the Presidents of the recognised Stock Exchanges, should not have explored the possibility of making the system of automatic margins effective.

The system can be made effective by fixing the percentage of fluctuation, at which the leading speculative shares attract the automatic margins, at a lower level. If necessary, the percentage can vary from scrip to scrip. In the case of highly volatile shares, the percentage can be as low as three to five. The past behaviour of such shares can be the best guide in determining the percentage. At any rate, the system of automatic margins, adopted for the first time in this country, deserves a fair trial before being condemned in favour of a scheme which is most undemocratic and authoritarian.

T. I. S. Co. Dividend

In unofficial dealings in Dalal Street late on Thursday evening, Tata Steel Ordinaries staged a smart rise from Rs. 134-135 to Rs. 139-140. The spurt reflects the pleasant surprise caused by the T.I.S.Co.'s dividend results for 1961-62. Ever since the Government's disappointing decision on the retention prices of steel, there were grave doubts whether the Directors of the Company would maintain the dividend at the previous year's level of Rs. 9.72 plus a bonus of 64 nP, both subject to deduction of tax. The surmise of some was that Tatas might drastically prune the return to shareholders, as they had every justification to do in the light of the Government's raw deal to the Company. A few even suggested that they should actually axe the dividend, in order to teach a lesson to the Government. But Tatas have belied the pessimism of the market and spurned the suggestions that smacked of vindictiveness towards the Government. Not only has the rate of distribution to equity shareholders been maintained, but, significantly enough, the portion that was treated as bonus last year has been merged with the dividend proper. This action represents a slap to pessimists and exceeds the maximum expectation of optimists.

The T.I.S.Co's dividend announcement reflects the solicitude of its management to investors. But it may indirectly strengthen the hands of Mr. C. Subramaniam. He may say that the Company's decision supports the Government's action and belies the Tariff Commission's recommendation that an increase of Rs. 38 per tonne in the retention price was necessary in order to enable the Company to pay, among other things, a reasonable rate of dividend.

The T.I.S.Co.'s Directors have recommended the dividend only as an interim, but that is only a technical device to expedite the payment of dividend that is already overdue, though the accounts for 1961-62 are yet to be finalised because of the delay on the Government's part in announcing the details of retention prices for all the Company's products. They have also made it clear that there would be no more dividend for 1961-62 and that the equity dividend is being paid out of taxed reserves. It remains to be seen whether the maintenance of dividend will be justified by the Company's profits for the year under review, after making allowance for all the prior claims on it and the need for strengthening the reserves. This will be known only when full details of the Company's results are published. Meanwhile, by merging the bonus part of the distribution with the dividend proper, the Directors have implied that they are confident of maintaining the dividend at the current level next year also. The Company's production performance in the first half of 1962-63 has been encouraging enough to support this implication, albeit only weakly. As compared with the corresponding half-year of the previous year, there has been a rise of 6.89 per cent in pig iron, 7.89 per cent in steel ingots and 5.77 per cent in saleable steel production. It is, however, premature to jump to any firm conclusion from these figures about the profit-margin, for one must know to what extent costs have gone up and what would be the retention prices for the current year; these are yet to be decided by the Government.

Nangal Fertilisers

It is a sad commentary on the efficiency of Administration in this country that fertilisers should accumulate in State-owned factories at a time when they are badly needed in farms for increasing agricultural productivity. In one of the largest public sector plants, namely, the Nangal Fertiliser Factory, as much as about 41,000 tons of fertilisers are said to have piled up, as a result of the apathy of State Governments to lift the quotas granted to them. The Nangal factory, it may be noted, has been equipped to produce calcium ammonium nitrate equivalent to 80,000 tons of nitrogen annually. There is, however, no point in condemning State Governments for this development. For calcium ammonium nitrate being relatively new chemical fertiliser, average farmers are apparently not very enthusiastic about using it. It was the duty of the authorities of the Nangal Fertilisers to have educated farmers sufficiently well in advance in the application of this new product by demonstrating to them their utility. This has not been done on an adequate scale. In other words, the authorities concerned have failed to synchronise sales promotion with actual production. This is unbusinesslike, for no competent businessman will launch on an industry of this magnitude without making satisfactory arrangements for selling the product as and when it gets ready for marketing. The Union Minister for Agriculture, Dr. Ram Subhag Singh, observed recently at New Delhi that the number of demonstration farms would be stepped up from about 100,000 at present to 300,000 for popularising Nangal fertilisers. Though belated, this is a step in the right direction. It is, however, amusing to note that the Government has waited for such a long time to realise the need for creating a market for the fertilisers produced in the public sector plants. That the Government should have bungled again in fertiliser business after all its experience with Sindri suggests that it rarely learns from past mistakes. This is not surprising, because, in Government undertakings, there is no continuity of personnel and those in charge of them have no incentives to make them a commercial success.

It is, however, to be hoped that this state of affairs will soon be rectified. Otherwise, the distribution will become an insuperable problem when the ambitious projects for development and expansion of nitrogenous and phosphoric fertilisers envisaged in the third Plan are implemented. It will be necessary for the Government to examine closely why the farmer develops resistance, if any, to new chemicals. Dr. Singh appeared to be of the opinion that farmers, who had been using ammonium sulphate, had become averse to switching over to calcium ammonium nitrate. If this is so, how does he explain the fact that, in the last two or three years, imports of this type of fertiliser have been of the order of 75,000 tons per annum? There is thus reason to believe that the low offtake of fertilisers is not the result of farmers' reluctance alone. The whole machinery for distribution has become obsolete in the present context. The system of sale and distribution of fertilisers, as administered by the Union Ministry of Food and Agriculture, has been found wanting in several respects. It is, therefore, only appropriate that the Government should think of entrusting these responsibilities to private commercial agencies which can do the job efficiently and quickly.

World Cotton Textile Pact

Monday, 1st October 1962, is a notable landmark in the history of world cotton textile trade, for it was on this day that the long-term (five-year) textile agreement came into force, replacing the short-term arrangement which expired on the previous day. The agreement, it will be recalled, was negotiated at the meeting of the G.A.T.T. Cotton Textiles Committee held at Geneva from 29th January to 9th February last. The basic objectives of the long-term agreement are similar to those of the short-term agreement: to help economic expansion and promote development of the less-developed countries by providing larger opportunities for increasing their exchange earnings through the sale in world markets of products they can efficiently manufacture, provided that this trade develops in such a way as to avoid disruptive effects in individual markets and on individual lines of production. How this objective is sought to be achieved through the imposition of certain well-defined obligations on the part of both importing and exporting nations was discussed in detail in our issue of 24th February 1962 (*vide* page 322), so that it is unnecessary to dwell on it again. It is, however, necessary to recall that the long-term agreement combines the following two main principles:

1. The participating countries still maintaining import restrictions on cotton textiles undertake progressively to relax them and to expand, by stages, the access to their markets over the next five years. An "escape clause" from the undertaking to expand access to its markets can be availed of by any country which experiences a *substantial contraction* in its cotton textile industry in recent years and which is already importing a *substantial volume* of cotton textiles particularly from the less-developed countries and Japan.

2. A participating country can limit imports of specified cotton textile products which are now not subject to import restriction, if they cause or threaten to cause disruption in the market of the importing country.

From this brief account, it is difficult to say categorically as to what would be the pattern of world cotton textile trade in the next five years. It may, of course, be reasonably supposed that, in future, the question of "disruption" will not be decided by high-pressure lobbying but by definite and determinable criteria; nor will discriminatory measures be applied as between two countries or groups of countries which are signatories to the agreement. Even so, the fact cannot be disputed that some sort of protectionism has been introduced in markets where imports were free or relatively free hitherto, though, in a few other markets, where some restrictions have been in force, there will be some relaxation subject to successful bilateral negotiations. In other words, there will be keener competition among the textile exporting countries to secure as much of the available markets in the importing countries as possible. It may be mentioned, in passing, that, soon after the last Commonwealth Prime Ministers' Conference, Mr. Harold Macmillan made it clear that it would not be possible for Britain to allow any further increase in its imports of cotton textiles.

Since the preamble of the long-term agreement clearly emphasises that the main objective is to increase the export earnings and promote the development of the less-developed countries and that the approach will be constructive and not restrictive, the prospects for Indian cotton textile exports may be said to have improved. It is particularly gratifying that the six European Common Market countries have agreed to increase gradually their cotton goods imports (from all sources) from 6,300 tons to 12,000 tons over the next five years. What is more, inasmuch as India's exploitation of most of the Continental countries has been at a negligible pace, these countries will not be in a position to take shelter under the escape clause in the agreement.

Will the Indian cotton textile industry be able to take full advantage of the opportunities created by the long-term agreement and step up exports to the maximum extent possible? We wonder. The industry is working today on an inflated cost base; it no longer enjoys the advantages of low-priced cotton and cheap labour. It has not been able to use in full the quota allotted to it by Britain, even though the latter levies no duty on Commonwealth textiles. Considering this and the fact that Japan will make an all-out bid to make full use of the long-term world agreement, the need for immediate, energetic action to enhance the competitive capacity of Indian textiles cannot be stressed too strongly.

Coffee Firmer

World coffee prices have been a little firmer of late, though there is as yet no sign of a strong upward trend. Uganda Robusta coffee (standard grade) is currently quoted in the London market at £7-3-6 (Rs. 96 per cwt., as against £6-6-0 (Rs. 84) at this time last year. The firmer tone of coffee may persist for some time to come, but an appreciable increase in price is very unlikely, the operation of the proposed international coffee agreement notwithstanding. For the world stocks of coffee still lying unsold are pretty heavy in relation to the level of international trade. The total of these stocks is put at over four million

tons, which is about one and a half times as large as annual exports; the bulk of the stocks—3.4 million tons—is accounted for by one country, that is, Brazil. Such huge stocks would have definitely depressed the world coffee markets further but for the attempts to stabilise prices at international levels. Another United Nations Coffee Conference was held in New York on Friday last week whereat the five-year international coffee agreement, evolved at the previous conference (9th July-24th August 1962), was finally approved. The agreement as such will, however, come into force only after declarations of intent to ratify are made by at least 20 exporting countries accounting for 85 per cent of world coffee exports and 10 importing countries representing the same percentage of world imports, the base year for both being 1961-62.

It is still not known whether the Government of India has made up its mind about participating in the world agreement. It is, however, gathered from Press reports that the Government has pleaded for an upward revision in the export quota (20,000 tons) allotted to it and sought an assurance that an agreement will not encroach upon the country's right to regulate output. Only after a reply to these requests is received will the Government, it is said, take a final decision. Meanwhile, it is reported that Guatemala, an important Latin American coffee producer, has refused to join the agreement on the score that its export quota is small. And indications are that the Netherlands, Switzerland, Sweden, Austria, Ethiopia, Nicaragua, Honduras and some other countries may also not participate in the agreement.

Comecon and E.C.M.

The formation of the Common Market in Western Europe and the U.K.'s anxiety to join it have been viewed with understandable discomfiture by Soviet Russia and Eastern Europe. The initial reaction of Russia to the new trade alignments in Western Europe was tinged with anger, and perhaps some cynicism. It was only about three months ago that Premier Khrushchev lashed out against the Common Market at a meeting in Moscow. But since then, according to international observers, there has been a welcome change in the tone of his comments on the Common Market. It would appear that Russia has come round to the view that West European integration is a *fait accompli*. So instead of simply decrying this move, Russia has decided to take up the gauntlet straightaway. Its emerging policy towards the Common Market appears to be twofold. In the first place, Russia has been insisting on organising a world trade conference; this was repeated by the Soviet delegate in the United Nations only a few days ago. While the need for a world conference has been stressed by a large number of non-communist countries also, the Russian idea of setting up a "world-wide non-discriminatory trade organisation" is likely to fall flat in such a conference.

Secondly, Russia and other countries of the Communist bloc have decided to strengthen their own trade bloc, the Council for Mutual Economic Aid, abbreviated to "Comecon," in a bid to strengthen their position *vis-a-vis* the Common Market. The Comecon, it may be recalled, was established as early as in 1948, but its activities have been confined to a limited field. Besides Russia, the other members of this group are East Germany, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria and Outer Mongolia. This group has no common tariff against third countries, unlike in the Six. But tariffs are of no significance so long as the State controls all exports and imports. Further, Comecon is not a free trading area, as each country seeks to balance its trade with each other on a bilateral basis. But, despite all these limitations, the intra-regional trade has increased considerably since the formation of Comecon. Between 1950 and 1961, intra-regional trade among Comecon countries has gone up by 3.5 times. The members have been able to reorient their trade among themselves to a considerable extent. Thus, half of Russia's imports now come from East European associates, which, in turn, transact 37 per cent of their trade with Russia and a further 27 per cent with each other. Another advantage gained by them is that they have been able to promote an element of specialisation in certain fields. Thus Poland and Czechoslovakia have become large exporters of machine tools, whereas such exports from East Germany have declined. But, in diesel motor production, East Germany has become more important, with a decline in the share of Czechoslovakia.

This trend in collective partnership is likely to be developed fast in the coming years. Mr. Khrushchev claims, in an article written in one of the recent issues of *Kommunist*, that communist planners now have the necessary statistical and theoretical equipment to embark on collective policies, particularly in relation to co-ordination of investment. A few other measures are also being conceived by the Comecon in furtherance of its objectives. In the first place, trade among members is proposed to be shifted from bilateral to a multilateral level. A clearing bank on the lines of the European Payments Union is also under contemplation. Secondly, the Comecon has a plan to set up an international communist bank with the object of financing combined projects. Thirdly, a proposal to grant subsidies for encouraging intra-regional trade is also being considered. The move to resort to subsidies apparently reflects the divergence of price levels in the different countries of the bloc. Above all, the communist countries have started feeling that they can withstand the possible adverse effect of the Common Market on their trade only by rallying together under a single trade bloc and consolidating their bonds of association. It thus looks as though the economic integration of Western Europe has only strengthened the hands of Mr. Khrushchev to galvanise East Europe and Russia into a vast single unit.

TREND OF SHARES

IRREGULAR MOVEMENTS

(From Our Own Correspondent)

BOMBAY, *4th October*

THE previous week's recovery in share values did find an extension this week, but it was accompanied with irregular movements, suggesting that confidence continued to be lacking and the tone remained uncertain. Prices rose swiftly at first, but declined abruptly later, and, at close, were just a shade above the week's lowest levels—a bad sign for a promising recovery. Nonetheless, closing prices indicated small gains over the week in a majority of shares. Trading was active, but turnover was still below normal.

Bears were at their game in full strength. If the recovery was caused by some heavy all-round bear covering, the subsequent sudden reaction was also due to renewed pressure from the big bear operators. This buying and selling by prominent operators caused some fast, two-sided and even wide movements in prices. Due to the oversold position of the markets, the recovery was quite brisk and sharp. But, as prices came in the vicinity of the last clearing rates, bears reappeared on the scene, not to cover but to sell afresh. Apart from the strength of technical forces, there was hardly any encouraging development to favour an improvement in values, and that explains why support faltered at higher levels. The uncertainty about the T.I.S.Co. dividend was a major factor largely responsible for the lack of enthusiasm to follow the recovery. Besides, in view of the unresolved economic and political problems, buyers continued to be restrained.

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Dalal Street was officially open today but operators refrained from transacting any business as a token of protest against the proposed construction of a modern slaughter house at Deonar in Bombay. Late in the evening the T.I.S.Co. announced that the dividend on ordinary shares for the year ended 31st March 1962 was proposed to be maintained at Rs. 7.25 net per share of Rs. 75, as against Rs. 6.80 net per share plus 45 nP cash bonus, making a total of Rs. 7.25 paid in the previous year. Following this announcement, Tata Ordinary, which had closed at Rs. 134 yesterday, were in demand at Rs. 139 to Rs. 140 in the kerb. Apparently, those who had sold heavily in anticipation of a lower dividend, rushed in to cover their short sales in order to restrict their losses. The maintenance of the T.I.S.Co. dividend should help the market to put up a brave show for some time.

During the week, the market staged a smart recovery from Friday to Monday only to react sharply on Wednesday, after having remained closed on Tuesday on account of *Gandhi Jayanti*. The recovery was led by Steels. Tata Ordinary improved from Rs. 131 to Rs. 136 on reports that the Company would not issue any new shares in the near future. Indian Iron jumped up from Rs. 24.72 to Rs. 25.30. Later, Tata Ordinary reacted to Rs. 133.50 and Indian Iron to Rs. 24.96, before closing at Rs. 134 and Rs. 25.05, as against Rs. 133.25 and Rs. 25, respectively, a week ago. Textiles were active and improved quickly, notwithstanding the threat of a strike by a section of workers in the mill industry over the bonus issue. Century, among the leading counters, staged an impressive recovery from Rs. 602 to Rs. 619, before turning lower to close at Rs. 612, as against Rs. 605.50 a week ago. Standard improved from Rs. 805 to Rs. 844 to close at Rs. 825, as against Rs. 810 in the previous week. National Rayon failed to retain the early gains from Rs. 466 to Rs. 480.50 and closed, in fact, one point lower at Rs. 468. Bombay Dyeing also finished 10 nP lower at Rs. 64.90 and Kohinoor were one point down over the week at Rs. 295. Other issues showed, however, small gains.

In the Miscellaneous section, Bombay Burmah improved over the week by five points to Rs. 637.50, T.E.L.Co. by Rs. 5.50 to Rs. 301.50, Hindustan Motors by 17 nP to Rs. 18.25 and West Coast Paper by four points to Rs. 164. Dyes and Chemicals were better, with Indian Dyestuff showing a gain of Rs. 5 at Rs. 440, Amar Dye-Chem of Rs. 7.50 at Rs. 257.50 and Tata Chemicals of 32 nP at Rs. 14.64. A.C.C. reacted from Rs. 158.75 to Rs. 154.75, as against the previous week's closing level of Rs. 156.75, due to the proximity of the book closure. But other cement shares were steady. Electrics, Sugars and Shippings showed small gains. Trading in Cash scrips was highlighted by a spurt of Rs. 28.75 to Rs. 242.50 in Permanent Magnets. Colour Chem also rose sharply by Rs. 8.75 to Rs. 403.75. Others were steady.

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Excepting Jutes which were easy, values showed small gains in Calcutta. Bally and Dalhousie, among Jutes, showed a loss of five points each at Rs. 288 and Rs. 121, respectively. Barnagore and Budge Budge were down by three points each at Rs. 188 and Rs. 160, respectively. New Central receded from Rs. 14.44 to Rs. 13.87. Birla Jute, in the Forward List, were, however, up from Rs. 33.62 to Rs. 34. Among other cleared shares, Dunlop showed a gain of 44 nP at Rs. 38.19, G.K.W. of 81 nP at Rs. 37.50 and Kesorams, Rohtas and Shree Gopal of 19 nP each at Rs. 25.94, Rs. 14.25 and Rs. 24.94, respectively. The proposed rights issue at a premium of Rs. 15.50 per share brought down Indian Aluminium from Rs. 36.25 to Rs. 35.06. Indian Cable also showed a big loss of Rs. 1.25 at Rs. 36.

In the Cash section, Textiles were well held, with Bharat Commerce showing a gain of 31 nP at Rs. 28.31 and Jayshree of 13 nP at Rs. 16.94. Coal shares were unchanged, except Bengal which showed a fall of ten points at Rs. 341. Engineering shares were in demand and recorded some handsome gains, with Braithwaite, in particular, rising from Rs. 32.25 to Rs. 35 and Jessop from Rs. 22.56 to Rs. 23.06. Miscellaneous issues provided a mixed fare. American Refrigerator were up by two points at Rs. 9.62, Britannia Biscuits by 62 nP at Rs. 45.12 and J.K. Synthetics by 56 nP at Rs. 13.56, but I.W. Products showed a loss of Re. 1.26 at Rs. 32 and Associated Battery of 62 nP at Rs. 28.25. Titaghur Paper were conspicuously firm at Rs. 38.87, as against Rs. 36.25 a week ago. Sugar and Tea shares showed small changes either way.

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Small gains in Textiles and Miscellaneous issues featured trading in Madras. Both Madura and Travancore Rayon, among the cleared shares, were better; the former improved from Rs. 34.75 to Rs. 35.10 and the latter from Rs. 31 to Rs. 32.10. Carnamore rose from Rs. 126 to Rs. 128 and S.I. Viscose staged a brisk recovery from Rs. 155 to Rs. 159. Mettur Chemicals, in the Miscellaneous section, showed a gain of 25 nP at Rs. 23.60, Dalmia Cement were up by 15 nP at Rs. 14 and F.A.C.Ts improved by 10 nP at Rs. 7.50. However, Travancore Chemicals dropped by 88 nP to Rs. 22.62 and Aluminium Industries by 50 nP to Rs. 24.40. Sugars were quiet, with Cauvery easing from Rs. 115 to Rs. 114.50 and E.I.D. from Rs. 41.50 to Rs. 41.25. Among Plantings, while Nonsuch showed a gain of 38 nP at Rs. 22 and Ouchterlony Valley rose smartly from Rs. 3.63 to Rs. 3.80, Midland fell by 88 nP to Rs. 10.32, Consolidated Coffee by 70 nP to Rs. 17.05 and T.R. and T. by 30 nP to Rs. 8.90.

MADRAS STOCK EXCHANGE SILVER JUBILEE SOUVENIR

It is usual to find that a big event is accompanied with a souvenir to commemorate it. And so the trustees of the Madras Stock Exchange Silver Jubilee Memorial Trust have published a souvenir to mark the silver jubilee of the Exchange, which was celebrated but a few days ago. Richly produced on fine art paper, the publication, edited by Mr. E. R. Krishnamurti, wears a bright get-up which is highlighted quite suggestively by silver coating the cover, and yet it is moderately priced at Rs. 5. It deals not only with the Madras Stock Exchange and its past 25 years, but covers the various aspects of stock markets as a whole, besides agriculture and industry that make up the economy. Penned by eminent persons—who should and do know—in the field of industry, capital market, financial journalism and politics, the thirty and odd articles, which are compiled within the 299 pages of the souvenir, make informative and instructive reading.

It would be appropriate to refer here to the article, "History of the Madras Stock Exchange" by Mr. S. Narayanswamy, whose association with the Exchange dates far back to the period preceding the formation of the Exchange. Mr. Narayanswamy, who now heads Chitra and Company, the well-known firm of stock-brokers in Madras, has given a graphic account of the development and growth of stock market in Madras. In April 1920, Mr. Narayanswamy recalls, the then demure city of Madras had the maiden thrill of a stock exchange functioning in its midst at the elegant Broadway. It had about 100 members on its rolls, of whom 25 were active. It achieved a fair degree of parity with its counterpart in Dalal Street, Bombay, and in Lyons Range, Calcutta, in the brass-throated shouting tempo, though not perhaps in the quantum of business transacted on its floor. In 1923, however, it abruptly closed.

From 1923 to 1937, Madras City got on as well as it could without a stock exchange, though stock-broking firms were functioning and were in fact growing like the green bay tree. There were, however, only three firms functioning—two European and one Indian—until the early and middle thirties, when several new firms commenced stock-broking business. This led to a demand for a stock exchange, and the Madras Stock Exchange Association (Private) Ltd. was registered on 12th August 1937 and inaugurated by Sir William Wright on 4th September 1937. There were seven firms which became the founder-members of the Exchange. About 97 scrips were listed on the Exchange in 1937.

The Madras Stock Exchange, as a reconstituted body fulfilling in detail all the requirements of the Securities Contracts (Regulation) Act, came into existence on 29th April 1957. It was registered as a public company, limited by guarantee. The membership of the Exchange under the Act is individual, and the old anomalies of firm membership and founder-members were swept away. There are 35 members on the rolls of the Exchange and 14 firms comprise them, of which 12 are active today. Out of the 262 companies the shares of which are listed on the Exchange, dealings in shares of no less than 247 companies are done exclusively on cash basis. In conclusion, Mr. Narayanswamy observes that the Madras Stock Exchange has done nothing sensational, has not engineered booms and slumps nor made the Government sit up and notify disapproval. For even today, in the absence of a properly developed jobber community in this market, a broker depends on an opposite number having an opposite order—with rates and quantities that would render transactions possible—to conclude a deal.

PERSPECTIVES & PROJECTIONS

By Mercator

Drift, Drift, Drift . . .

THE annual meeting of the Central Advisory Council of Industries has for long become a ritual. One session for a day in a year with two possible meetings of its standing committee for brief periods may provide no more than a formality of consultation, but, even so, some purposeful discussion of industrial problems will not become possible, unless its present procedure of making set speeches on well-known lines is altered. No one seems to be interested in making a change. Mr. K. C. Reddy's address this year must surely rank as the most doleful ever uttered; it was an unrelieved tale of shortcomings of various kinds in the face of which the Minister and (since he speaks for it) his Government, are helpless. So, we are told that we must accept all the limitations, resign ourselves to the unkind fate that has overtaken us and, perhaps, pray for better times. Power cannot be generated in the private sector except in a limited way and at higher cost; foreign exchange considerations prevent more extensive use of furnace oil even in places where coal cannot reach; and Mr. Reddy is quite certain that he cannot hold out any hope of improvement of the imported categories of steel. And thus he went on to exhaust the rest of his repertory of platitudes about improvisation of imported raw materials, hope for external assistance, inability to measure unused installed capacity in industry and his general preference to keep unutilised capacity rather than import more components. Two policy statements sneaked into this melancholy account; the first was that, in future, additional units will be licensed only when more output cannot be secured through better use of existing capacity and, second, that, consistently with regional dispersal of industry, economies of scale will be kept in view. This, in other words, confirmed what Mr. Subramaniam had stated earlier at Durgapur, that the preference for the small-scale sector will not continue. Capital goods imports will be limited to 21 industries, list of no-licence industries will be enlarged and revocation of unused licences stepped up. No wonder that this retreat all along the line has raised doubts about the wisdom of the Kolar constituency insisting on its elected nominee holding on to his present post and sacrificing other, and possibly more congenial, opportunities.

The piling up of unused licences should, to anyone with some familiarity with the trends, signify the failure of the policy of preferring untried newcomers to those with experience. Yet, almost in the same breath in which Mr. Reddy complained of failures in implementation, he affirmed that the Government would not "hesitate to take any further steps that may be appropriate to prevent undue concentration"; he had the good sense, however, to follow it with the statement that freedom of action is inhibited by the limited number of industrial groups in the country which can effectively undertake large projects. What is the net result of all these many conflicting considerations? We do not know and perhaps the Advisory Council was in no better position to understand it. The impression left is that, when the Plan is running into difficulties for various reasons and some practical measures are needed to pull the economy out of the rut into which it seems to be falling, the Government is singularly lacking in the capacity to take an initiative or provide guidance.

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A Hydra-headed Monster in Mysore

Communalism is a monster anywhere, but, in Mysore State, it is hydra-headed. Four times in the last four years, the State High Court has quashed the State Government's orders purporting to lay down some principle of reservation for the backward classes in educational institutions and public services, but again and again the impugned principle has reappeared in another guise. It is difficult to find a parallel case of flagrant violation of both the Constitution and the Courts and it is hardly surprising that the Supreme Court, faced with a fifth order of the Mysore Government which left only less than one-third of the seats in medical and engineering colleges to persons claiming them on the basis of merit, was constrained to observe that it was a fraud on the Constitution. The Constitutional Amendment of 1951 which introduced Article 15(4) was itself designed to protect a certain modified form of communalism in Madras; in retrospect, the wisdom of that step can be questioned. Instead of State Governments making special provision for advancement of the backward classes through provision of special educational facilities, scholarships and other assistance, they have shown their solicitude for the welfare of these classes by reserving the major part of existing facilities for them; even this may be forgiven had not subterfuges been adopted to include among the backward the castes and sects which have a political pull in each State.

In its lucid analysis of the issues in this case, the Supreme Court has pointed out that, by adopting a caste basis, the State Government was left without any guiding principles for the non-Hindu sections which had no caste, that backwardness should be demonstrable in terms of a lower-than-average student representation and, finally, that those other than backward are not without equally strong claims against society for educational and other facilities. The most significant point is that it has been left to a Court to point out that these matters have some relevance to our planning and the training of technical personnel and that considerations of merit could not be wholly ignored as in Mysore. Even if the communal outlook could not be eradicated in the Congress Party at lower levels, its disciplinary control and the general authority of the Centre under planning should have been sufficient to ensure that long-term national interests do not suffer through shortsighted policies of exclusion of merit. It has been the complaint of politicians that Courts tend to adopt narrow, legalistic and property-based concepts while ignoring larger social considerations; but here is a notorious example of the reverse, in which politicians, steeped in their parochial prejudices and partialities are unable to look beyond their noses or visualise conditions in which the population has to put up with substandard doctors or engineers, merely because it is temporarily expedient that some individual should hold office and satisfy his whims. The idea that, in much of social legislation which courts often find it difficult to approve, the Governments (not excluding the Centre) are actuated by the highest motives of national interests which traditional judicial concepts cannot comprehend requires much more proof than is so far available, before it can be accepted. It is possible that the new Ministry in Mysore may give the latest ruling of the Supreme Court greater respect than the previous one gave to the High Court's orders; but there can be no room for wide variations in the principle of equal opportunities for all. There is a case for setting up a special high level body of senior leaders belonging to all groups to define what "special provision" should mean in the context of the problems of each State.

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Mr. Khrushchev Retracts

Mr. Khrushchev has gone back on his promise of abolition of income-tax in the Soviet Union by 1965. The need for more resources for planning and defence is given as the reason, but, since income-tax contributed only 7½ per cent of the total budgetary resources when Mr. Khrushchev announced his proposal in May 1960, the loss could not have been great. The idea then was to raise the exemption limit year after year (from 50 roubles a month in 1960 to 100 roubles in 1965), to give tax-free incomes in that range and to effect a wage-cut corresponding to the tax at the higher levels to reduce some disparities in incomes. Though income-tax in the Soviet Union had little redistributive significance in the past, a slightly larger take-home pay in the lower groups would undoubtedly have proved a popular measure, provided, of course, the benefit in real terms was not taken away by the other hand through purchase taxes or higher prices.

Even though there is no need to make extravagant promises in a monolithic society which cannot be fulfilled, the people of the Soviet Union have been disappointed so often in matters concerning their living standards that this latest reversal of policy may not cause chagrin. They were in a sense prepared for it by the price increases of last June; except sugar and rayon textiles which were slightly reduced, the Soviet Government raised prices for deliveries of foodstuffs which in turn increased retail prices by about 30 per cent for meat and meat products. One of the reasons given for the step was that there had been an increase of 27 per cent in the workers' real income since 1956; but this, however, is not the reason now given for suspension of the programme of income-tax abolition in the second year.

Mr. Khrushchev was, perhaps, in a rash mood when he made the promise in 1960 as part of his challenge to the West in economic competition; he, perhaps, expected Russian citizens to feel that they will be living in a taxless heaven when those in capitalist countries groaned under heavy direct taxation. The Russian counterpart of our Central Board of Revenue, however, cannot be very different from what it is here in its down-to-earth realism about money matters and, gradually, it might have worked its influence on the authorities and persuaded them that revenue was much more important than popularity, especially because of more and more costly space ventures. The Russian income-tax, never very high in its incidence, would be a small price to pay for spacemanship and its glories which have really kept the United States at a disadvantage. Perhaps, the income-tax will also wither away when the Communist State does likewise on the basis of theory; will not the Marxian doctrine of unity of opposites justify retention of the tax while speaking of abolition? Or am I being very irreverent?

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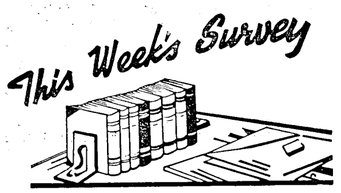
A Revealing Trend

One of the conclusions of the recent Census Report which may come as a surprise to many of us is that the rate of growth in urban population is about the same as in the first half of this century, not more as many would expect it to be. The recent Census has adopted different criteria for classification of rural and urban areas which affects comparability; consequently, the total number of towns and cities is now 2,690 as against 3,057 in 1951 and while some new areas have been included, some of the older "towns" have been excluded. The report, however, points out that two-thirds of decennial population increase have occurred in cities with a population of over one lakh. The conclusion to be drawn is that these centres absorb much of the investments and prevent a wider distribution of development among other smaller towns. There has been a 50 per cent increase in the number of towns with over one lakh people (from 74 to 107) and a corresponding increase of their total population from 24 to 35 million; of these, seven cities—Bombay, Calcutta, Delhi, Madras, Hyderabad, Ahmedabad and Bangalore—had an increase of 3.3 million. The areas in which priority is obviously required for housing and other amenities are thus indicated but, except in Bombay and to a much smaller extent in Bangalore, these facilities have not been expanding on the scale needed.

The public sector's efforts to disperse heavy industry in new townships have not materially affected the trend towards expansion of manufacturing activity in the big towns. The lesson is that location of industry will follow the availability of facilities, not merely of raw materials, land and transport but also of skilled labour and space for accommodating it without calling for fresh outlay on new housing colonies. The effect of the trend, however, is to create slums such as those seen in Delhi. In one sense, perhaps this must be regarded as a failure of planning and licensing of industry, though, in the present circumstances, the Government may have no practicable alternative. But it could certainly have helped to reduce the congestion and the tensions arising out of it through better control of land speculation, a more vigorous housing policy and adequate advance precautions against the growth of squatters' colonies and slums. If the rate of urbanisation is lower than the rate of population increase, the main objective of planning, namely, reducing dependence on agriculture, may take longer to achieve than at first expected; at the same time, some new pressures may be introduced in the villages due to lack of employment or adequacy of cultivable land.



TOURISM AND HOTEL INDUSTRY

THE reconstituted Tourist Development Council, at its sixth meeting held at Ootacamund on 28th and 29th September, recommended various measures for promoting tourism. Two of these are: (1) integrated development of a few selected tourist centres, and (2) provision of more hotel accommodation to suit the needs of different categories of tourists. On the first, the Council endorsed the decision to set up a technical working group to prepare a model scheme for this purpose in consultation with State Governments. On the second, it recognised that the existing facilities were inadequate for both home and foreign tourists and that due attention should be paid to the question of augmenting hotel accommodation. Of the two, the second needs, in our opinion, prior attention, because availability of adequate hotel accommodation at reasonable rates is one of the chief stumbling blocks in the way of enhancing the tourist attraction of this country. In spite of the existence of many incentives such as tax holiday and loan facilities for hotel industry, there has not been any significant increase in hotel accommodation. Is it because hotel industry is not considered as attractive an avenue of investment as other industries or because the incentives provided are insufficient? With the demand far exceeding supply, hotel industry should prove a profitable field of investment. If the incentives and facilities provided are either insufficient or subject to too many qualifications, there is a case for examining this aspect. The Tourist Development Council does not appear to have considered this question. For it has made no constructive proposal to increase the tempo of hotel construction. Mr. Jagjivan Ram, Union Minister for Transport and Communications, in his speech at the meeting, suggested that the State Governments might consider the desirability of participating financially in the establishment of new hotels. He did not indicate as to what form participation should take, whether it should be participation in equity capital or in debenture capital. The former might raise the issue of a right to have a share in management. Most hoteliers may not relish the idea of associating the Government in management of hotels and may, on that score, refuse the offer to participate in the equity capital. The provision of loans at reasonable rates of interest is the best encouragement that could be given. But hotels have already been made eligible for loans from the Central and State Finance Corporations. This arrangement is far more desirable than direct Government loans to entrepreneurs. One of the reasons why these facilities are not being availed of is that loans to individual entrepreneurs or private limited companies are not viewed with favour. In fact, the tax concessions are available only to public limited companies. But the hotel industry is, by and large, an individual enterprise. Further, the investing public has no fancy for the shares of companies engaged in hotel industry. These are hard facts. Unless they are recognised, the facilities offered by the Government will not yield the results expected in good time. In addition, the Government may allow foreign private capital to put up hotels in centres of great tourist interest, provided their charges are reasonable and suit the pockets of average tourists.

Difficulties in securing suitable sites in big cities like Bombay, Calcutta and Delhi is one of the major hurdles in the way of constructing more hotels. The Minister, therefore, did well to recommend that the State Government should earmark suitable sites in large cities for building hotels. It may be noted that some State Governments have already expressed their willingness to do so. But in actual practice it is found that administrative delays and other procedural difficulties make acquisition of land a long-drawn-out process.

Closely connected with the question of expanding hotel accommodation is the rates to be charged. A common misconception is that what the foreign tourists require is luxury accommodation and that cost is immaterial to them. This might have been the case a quarter of a century ago when most of the tourists were rich people to whom money was no problem. But a distinct change has occurred in the character and composition of tourists. More and more people of moderate means, egged on by a desire to see new lands and new people, are taking to international travel. Their desire is to cover as many centres of tourist attraction as possible with a limited budget. To them cost of accommodation, food and travel are important considerations. What they look for is not costly luxuries but clean and comfortable accommodation and healthy food at reasonable rates. The rates charged by the luxury hotels in this country are unduly high, even according to foreign standards. In fact, it is more a scarcity price than one based on cost considerations. Tourists are being regularly fleeced in cities like Calcutta, Delhi, Bombay and Srinagar. This aspect of the question, too, does not appear to have engaged the serious attention of the Tourist Development Council or the Department of Tourism. The Hotel and Restaurants Convention held at Kashmir last month dwelt at length on shortage of hotel accommodation and the steps necessary to facilitate the construction of more hotels. But the question of a reasonable rate structure for hotels would appear to have escaped its attention too. It is true that the Convention recognised the need for an adequate number of clean hotels, providing reasonable comforts, at moderate cost. But the issue whether the rates charged by existing hotels are reasonable was hardly raised, much less discussed.

Hong Kong and Japan are two countries which have much to offer by way of guidance to our country. Hotel accommodation in Hong Kong has been increasing fast and it is proposed to double hotel rooms from the present 3,500 to 7,000 by 1964. In Japan, the number of hotels and hotel rooms available at present represents a hundred per cent increase over those in 1959. Besides the vast number of inns, the number of registered hotels in the principal cities of Japan is 94 with more than 8,000 rooms. Hotel industry in Japan is included in the list of industries qualified for financial assistance from the Japan Development Bank. Another Asian country which actively encourage hotel industry is Thailand where equipment for new hotels could be imported free of duty if the hotel is classified as a tourist promotion venture.

EXPORT PROMOTION

The main theme of Lala Charat Ram's speech delivered at the annual meeting of the Jay Engineering Works Limited, held at Calcutta last week, pertained to export promotion. Indeed, practically the whole of the speech was devoted to a discussion of this subject. The importance attached thus to the question of exports by Lala Charat Ram has been prompted not so much by the large-scale export business of the Company as by the exigency of circumstances which has brought to the fore the supreme need for a vigorous export drive by the Indian industries as a whole. Without mincing words in the least, Lala Charat Ram declared that it was in the enlightened self-interest of Indian industry itself that it realised "the absolute importance of self-reliance and maximum individual export effort." Every one, he said, must be aware of the country's very difficult foreign exchange situation and its impact on economic development. He was not for any pruning down of the Plan, for continued retardation in the growth of economy would necessarily have an adverse impact on employment opportunities.

The urgency of export promotion stems from two chief considerations, namely, financing of increased current imports not covered by foreign assistance and repayment of loans (as well as interest) obtained from friendly countries in the past few years. The urgency is all the greater because India no longer enjoys the cushion of foreign assets which came in very handy during the first and second Plan periods. But export promotion is an uphill task, what with growing competition in world markets. The competition can be successfully met only through lower price, better quality and improved marketing methods, the three keys to export promotion. This is the lesson which the past few years' experience, with all the incentive schemes in operation, has taught us.

Among the three 'keys' mentioned above, it is price reduction that is the most important. Appropriately enough, Lala Charat Ram said that both management and operating personnel owed a duty towards a constant reduction in cost. But he hastened to add that, as it would be unrealistic to wait for working aggressively for exports till such time as our costs became comparable to those of other countries, sacrifice by the domestic consumer was inevitable. To quote him:

'The selling prices in export markets bear little relationship to the costs of manufacture, even as they do not in the domestic market, and exports will need to be done only at competitive prices, and very often at prices below costs. Almost all countries follow a dual price policy, there being a much lower price for the export market than for the domestic market. The incidence of all export loss has to be borne by the home consumer through increases in domestic prices. There is no escape from this situation."

Prima facie, the argument is quite logical. But Lala Charat Ram must not forget that there is a limit upto which the domestic prices can be raised for the sake of export. Any undue rise in domestic prices is bound to prove a boomerang, for higher prices for domestic consumers will strengthen further the wage-price spiral which is already quite pronounced. What Lala Charat Ram had in mind when he talked of higher domestic prices was, of course, the marginal increase in price. This presupposes that the export losses are shared by Governments (by way of reduced taxes), workers (in the shape of lower bonus), managements of industries (through a cut in remuneration) and investors (through lower dividends). But who is to see that these losses are equitably distributed? The fact is that what appears perfect on paper is not always feasible in actual practice. All this boils down to the hard reality that there is no short-cut to export promotion, when each one of the four claimants to the cake wants the others to make all the sacrifice and when on top of it the politicians butts in with an eye to votes.

There is no gainsaying the fact that the series of bottlenecks hampering production, especially fuel, transport and power shortages, must first be removed. Simultaneously, the export industries must be given all posible encouragement and assistance to rehabilitate their worn-out equipment, modernise their plant and machinery, and rationalise manufacturing processes. The export battle has to be fought and won on the production and distribution fronts. Incentives and persuasion or voluntary and/or statutory scheme of compulsion will only prove to be palliatives. They will, in course of time, turn out to be more expensive, as they will help our ills to become chronic by shielding them for the present. A determined bid to reduce unit cost of production, good marketing organisation, "unflagging heed to quality maintenance," provision of technical service-after-sales, and adequate refinancing facilities, to all of which Lala Charat Ram drew pointed attention, are the only ways in which sustained progress can be made on the export front.

DEMAND FOR ALUMINIUM

Estimates of demand for aluminium in the third Plan period have been frequently revised. A projection made at the beginning of the first Plan estimated the 1965-66 demand at about 50,000 tons. Before the third Plan started, this estimate was revised upwards to 87,000 tons. The Development Wing has now revised the estimate further upwards to 120,000 tons. As aluminium is a versatile metal which can replace other metals and, in addition, generate a number of new uses of its own, the demand for it has been, and continues to be, growing. Particularly, the use of aluminium as a substitute for imported copper in the transmission of high tension and low tension power and in transport and other engineering industries has become increasingly important in recent years. In the opinion of Mr. Lakshmipat Singhania, who addressed the twenty-fourth annual general meeting of the Aluminium Corporation of India Ltd. on the 24th September, the substitution possibilities are so great that, given larger supplies of aluminium, consumption of this metal can be still higher than the Development Wing's recent estimate of 120,000 tons for 1965-66. Indigenous production of aluminium in larger quantities is, therefore, essential. It is even more essential from the point of view of direct savings in foreign exchange, as well as of indirect savings in foreign exchange as a result of replacement of other metals. But larger domestic production on the scale required will not be possible if more and cheaper electric power and sufficient foreign exchange for importing components are not made available to the industry.

These two vital requirements should be met on a high priority basis at least for the licensed projects—namely, the expansion of the Indian Aluminium Company's plants at Alwaye and Hirakud and the three new units—one in U.P., based on Rihand power, one in Maharashtra based on Koyna power and one in Madras based on Mettur power. It is not clear whether the Maharashtra project will materialise in the near future, as the entrepreneur who has been given the licence is believed to be in difficulties. At the moment, a search is on to find a suitable substitute for him. Accordingly, it is doubtful whether the third Plan target will at all be realised in time. In this context, the following observations of Mr. Lakshmipat Singhania are pertinent:

"The rosy picture that was before the country upto last year in respect of production of metal by collaboration with major world producers is now gradually fading out. Some of the licences granted are still in suspense and the progress is either slow or there is no progress at all. This shows lack of interest on the part of those who originally made these schemes. Of course, this also means blocking of licensing for others who might be able to do better and here it is a matter of policy for the Government to decide whether those who have contributed towards this industry should be encouraged or not."

This is one aspect. There is also another aspect. When the expansion of the existing projects, as well as the new units, are completed, only three plants will be having a capacity of 20,000 tons each. This capacity, however, is relatively small for an aluminium plant, for a fairly economic size is known to be 50,000 tons. In view of the expected demand of 120,000 tons by 1965-66, both the Government and the industry should lose no time in exploring the possibilities of expanding at least the existing and newly-completed projects to a more economic size. Such expansion will take less time and involve smaller capital outlays than wholly new projects. As the Government's copper projects are slow in coming up and, in any case, are expected to meet only a small part of the estimated demand for copper, the more practical alternative would be to expand the production of aluminium.

FOUNDRY INDUSTRY

There are now, according to one estimate, as many as 2,000 foundries in the country, with an aggregate installed capacity of 1.4 million tons. While most of these foundries are turning out conventional items like cast iron pans, weights and measures, pipes, municipal and conservancy items, etc., some of them are producing new items like heavy castings for the machine-building industry. This new line of manufacture in the private sector will be increasingly important, for the total public sector capacity that will be available in the foundry/forge shop now under construction at Ranchi and in the foundries attached to the steel plants at Durgapur, Bhilai and Rourkela, the Mining Machinery Plant at Durgapur, the Hindustan Machine Tools, the Chittaranjan Locomotive Works and the railway workshops is expected to be only 139,000 tons of grey iron castings and 153,000 tons of steel castings and forgings. Further capacity, about which no estimate is available, will be created in the public sector either through existing foundry/forges or through independent units for catering to several other public-sector machinery projects included in the third Plan. A substantial part of the entire targeted capacity (1.2 million tons of grey iron castings and 200,000 tons of steel castings and forgings) is to be contributed by the private sector foundries for meeting the requirements of the automobile industry and the industries manufacturing machinery for textile, cement, sugar, paper and other capital goods industries.

As foundry/forge capacity is thus of crucial importance for the machinery manufacturing programmes and the private-sector foundries have been assigned a big role in this field, their problems pertaining to raw materials are much too crucial and pressing to be ignored. Mr. K. Agarwalla, President of the Indian Foundry Association has, therefore, devoted most of his speech, at the Eleventh Annual General Meeting of the Association held on 27th September 1962, to the question of raw materials. Pig iron, the basic raw material of the industry, has been in short supply for the last one year, and its current availability is no more than 600,000 tons, as against the estimated demand of 1.5 million tons per annum. As the total availability of foundry grade pig iron in the third Plan period will go up to only 850,000 tons from the existing sources, namely, Bhilai and Durgapur steel plants and the private sector steel plants, it is a matter of great urgency that either the licensed small or medium-size pig iron plants with low-shaft furnaces (other than the Kalinga Industries Company which has already established a capacity of 30,000 tons per annum) should be encouraged to come up or a fairly big public sector plant be established preferably in Goa, as recently suggested by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. If the licensed private-sector units are not established at an early date, some short-term remedial measures would be necessary to ease the supply situation. These, according to Mr. Agarwalla, are:

(i) The Railway Ministry should arrange for the regular allotment of scrap to the foundries through the Association.

(ii) Ingot mould from steel plants should be made available to the Association for distribution among foundries.

(iii) The steel plants should be advised to put up machinery for breaking C.I. skull into smaller sizes. Such skull scrap should be made available to the Association for distribution among the foundries.

(iv) One blast furnace in each of the steel plants should be exclusively engaged for production of foundry grade pig iron.

This last suggestion in particular has been made because the steel plants are now insisting on the use of basic pig iron in the manufacture of cast iron products. It is pointed out, in this connection that basic pig iron is suitable only for steel making and not at all suitable for cast iron products. Mr. Agarwalla's suggestion, however, may not be practicable, for it may drastically reduce the supply of pig iron for steel making. Perhaps, a *via media* can be found by requiring two steel plants—one in the public sector and the other in the private sector—to devote one blast furnace each exclusively to the production of foundry grade pig iron. Mr. C. Subramaniam's recent admission that integrated steel plants are not very much interested in producing pig iron for sale has only explained away the difficulty. That is no answer to the problem.

The price of pig iron has also been increased recently by Rs. 25 per metric ton, and this has added to the cost of production in the industry. The fair ex-works retention prices recommended by the Tariff Commission for the period 1st April 1960 to 31st March 1962 ranged only from Rs. 177 to Rs. 203 per tonne for different grades of foundry iron. This represented an average increase of Rs. 3 per tonne, but the Government has allowed an increase of only Rs. 2 per tonne. The prices at which different grades of pig iron are sold to the foundries, like the selling prices of steel, must be much higher than the retention prices. Mr. Agarwalla's plea that the price of pig iron should be reduced seems to be reasonable in the context of inadequate supply of that raw material. If plentiful supplies of pig iron are available, the foundries will be working to capacity and their costs of production will, to that extent, be reduced. They will probably not mind paying the present high prices for pig iron in that situation.

The other vital raw material, namely hard coke, would also have to be supplied to the foundries on the required scale. The facts revealed by a survey conducted by the Foundry Association have shown that foundries in West Bengal have been receiving only 56 per cent of their requirements of hard coke. The corresponding figures for the Western Region, the Southern Region, U.P., Bihar and the Punjab are 69 per cent, 39 per cent, 29 per cent, 23 per cent and 25 per cent, respectively. The figures reveal a very critical state of affairs. No wonder, therefore, that production in the foundry industry has been gravely hampered. Some drastic short-term steps would have to be taken, so that fuller utilisation of installed capacities in the foundry industry can come about at a time when there is acute internal demand for its products, and also growing export demand which is currently of the order of Rs. 30 lakhs per annum, as compared with Rs. 22 lakhs in 1960.

ISCON COMPLETES THE JOB

The public-sector steel plant at Durgapur has, as readers are aware, a built-in capacity for producing one million tons of ingot steel per annum. Its output of ingots is to be processed into various items of saleable steel (800,000 tons) like forging blooms and billets, merchant bar sections, sleepers, billets for re-rolling industry, light and medium sections, and wheels and axles. The capacity of the wheel and axle plant is 50 000 tons per annum. With the formal inauguration of this plant by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, on the 26th September, the entire Durgapur Steel Project, involving an aggregate outlay of about Rs. 200 crores, now stands practically completed. For the completion of the different units of this integrated steel plant according to schedule, the credit goes, in no small measure, to ISCON and its Chairman, Sir Cyril Jones. And the warmth and appreciation in Mr. Subramaniam's tribute to ISCON seems to have stemmed from the knowledge that the Durgapur Steel Plant is a well-designed, well-built and highly efficient plant.

For reaching capacity production which does not seem to be far off, the Durgapur Steel Plant will be engaged in a close race with the Rourkela Plant by next year. Its planned expansion to an aggregate capacity of 1.6 million tons during the rest of the third Plan period may also be expected to get under way very soon, for the member-companies of ISCON are already in the process of tendering for the various parts of the expansion project. There is also the hope that the capacity of the Durgapur Plant which has been laid out for even greater expansion in the future could be increased to more than three million ingot tons per annum, possibly in the fourth Plan period. That ISCON and its member-companies, with the goodwill of the British Government, will rise to the occasion is as good as certain, now that Sir Cyril Jones himself has assured the Union Minister of all possible help in expanding the plant to the level of three million tons.

LABOUR PARTY ON COMMONWEALTH

The outcome of the recent Conference of Commonwealth Prime Ministers at London has been interpreted in European capitals and in the United States as a personal triumph for Mr. Macmillan and a tribute to his diplomacy. But within his own country, the British Prime Minister has to face now increasing opposition to the proposed entry into the European Common Market. The Labour Party's latest policy statement, for instance, is an embarrassing reminder to Mr. Macmillan that the battle on the Common Market front is not yet over, and possibly it has only just begun. In the policy statement, the National Executive Committee of the Labour Party has put forward a set of demands as prior conditions for Britain's entry into the Common Market and has approved of the "wait and see" policy of Mr. Hugh Gaitskell. The Party has strongly urged that, unless its demands are met, Britain should not join the Six. Its major complaint is that the terms provisionally agreed upon for British entry into the Common Market are wholly inadequate. The policy statement makes it clear that, until alternative arrangements like comprehensive trade agreements with Commonwealth countries like India, Pakistan and Ceylon are concluded, the U.K. should not commit itself to entering the Common Market.

The main plank of the Labour Party is that Commonwealth interests should be adequately safeguarded before a final decision is taken by the British Government. Referring to the promise given by the Six for a satisfactory price policy for agricultural products, the Labour Party's statement observes that this gives no guarantee that Commonwealth farmers will continue to have any substantial volume of exports to the U.K. or the Six. It has also expressed its concern that "there is no certainty that India and Pakistan will secure, under the proposed 'comprehensive trade agreements,' easier access to the Common Market to compensate them for the disadvantages they will suffer." The statement, therefore, has emphasised that the talks pertaining to the proposed world commodity agreements, special arrangements for New Zealand and comprehensive trade agreements with India, Pakistan and Ceylon as well as proposals to safeguard the trade of African and Caribbean Commonwealth countries, should be held not after Britain had joined, but should commence here and now. Until these negotiations are brought to a satisfactory conclusion, the present system of Commonwealth preferences, in the opinion of the Labour Party, should remain unimpaired.

The Labour Party's insistence on finalising terms before U.K.'s entry into the Common Market arises from the uncertainty about securing adequate safeguards from the Six. This fear is not unjustified, viewed against the background of tough bargaining involved in the present U.K.-E.E.C. negotiations. The failure of the U.K. to secure adequate terms suggests, according to the Labour Party's policy statement, three important conclusions. These are: First, "in pursuing its present course—with no mandate from the British people—the Government has succeeded in causing a major crisis in Commonwealth affairs." If this is allowed to continue, it may "well damage Commonwealth relations beyond repair." Secondly, the U.K. Government's readiness to surrender on

(*Continued on next page*)

LONDON LETTER

MR. MAUDLING IN THE LION'S DEN

(From Our Own Correspondent)

LONDON, *29th September*

WHEN the British Treasury briefed the new Chancellor of the Exchequer, Mr. Maudling, for his visit to Washington for the annual meeting of the International Monetary Fund, they thought that they were being simply mildly progressive. Apparently, the Americans were afraid that his proposals—in spite of the way in which they had been broadly canvassed beforehand—would be revolutionary and they and the Germans had, it seemed, already made up their minds for no change. In the event, they were also joined by the French. Thus, instead of this meeting of the I.M.F. making any provisions to expand the world's credit base, provisions which would be of special significance to the underdeveloped countries in giving them hope of more capital assistance, we have seen a shut-down on the thought of any change whatsoever.

The American Secretary of the Treasury, Mr. Roosa, and his European counterpart have decided that not only is the dollar perfectly sound, not only has the U.S. no balance of payments problem, but that the existing international credit machinery is adequate and that there is no need to expand the world credit base.

Proposal Outlined

Now all this represents a considerable snub for the British Chancellor and it is as well to see just what he was proposing. In the first place, he pointed out that the I.M.F. had in the past year done more business than ever before. More business means more buying of members' currencies and more selling—a movement away from earlier practice which was largely confined to dealing in dollars. Thus, the Fund is finding an increasingly wider range of currencies acceptable in its dealings. Among those it has helped have been the primary producing countries, twenty-one of which drew the equivalent of $743 million in the year covered by the Report and were left at the end of the period with outstanding drawings of $1,300 million. But the official I.M.F. and American view about all this is that these primary producing countries have really been getting a great deal of help and it is not satisfactory to find them relying upon this help, instead of developing their own exports.

But the British Chancellor's point was to show the extent to which the Fund is handling a wide range of currencies. He also showed that the U.S.A. has begun to follow the British practice in dealing substantially in foreign currencies for the purpose of making international settlements instead of always settling in gold.

Gold Standard Opposed

Mr. Maudling does not regard what has been done as sufficient. He dismissed the idea of any return to the classical gold standard on the grounds that gold output alone could not be relied upon to bring about the necessary increase in the world's money supply. He also found it unsatisfactory that gold should normally be supplemented by the pound and the dollar since each of these currencies, when circulated internationally, represented a debt to the issuing country. He had in mind the liability imposed on the U.K. by large overseas-owned sterling holdings.

After this preamble, he came out with the positive proposition that "we shall have to be prepared to supplement the present international payments arrangements, if we are to make certain that they do not act as a brake upon the possible expansion of world trade and production." It is this proposition which has been shot down.

Mr. Maudling then asked whether the Fund could not "provide the basis of a multilateral system of a more regular and automatic character which would be capable of expansion to the extent necessary at any time." The multilateral system would be the holding by member-countries of acceptable foreign currencies in their accounts with the I.M.F. These holdings would then attract the guaranty that attaches to all holdings in the Fund which is a gold guaranty. "We would hope," said Mr. Maudling, "that such a system would enable world liquidity to be expanded without additional strains on the reserve currencies or avoidable setbacks to their economic growth and, at the same time, without requiring countries whose currencies were temporarily strong to accumulate larger holdings of weaker currencies than they would find tolerable."

Mr. Maudling was expounding the ideas forecast by your Correspondent in an earlier article, that is, that the world credit base should be enlarged by *monetising* currency balances. It would be for the I.M.F. to say which currencies were acceptable. But it is one thing for an international organisation to take the risk, on behalf of members, of holding large quantities of an acceptable, albeit relatively weak, currency and another thing for an individual member to take that risk.

An Example

To take an example of how it is visualised here that Mr. Maudling's scheme would work out: Continental countries might be holding large quantities of sterling and they might wish to dispose of that sterling (what the U.K. would normally see as an outflow of hot money). Under the present system, the U.K. would find itself running to the I.M.F. to buy gold, dollars and other currencies with which to meet the outflow. Under the new proposals, the creditor countries, that is, the holders of sterling, could sell their sterling balances to other countries who could deposit them with the I.M.F., where they would then be covered by a gold guaranty. This would not obviate the U.K. from the necessity of finding currency with which to meet direct demands on itself, but it would mean that every sale of sterling at such a time would not involve a direct drain on the U.K.'s currency resources. This would happen, because any country acquiring sterling (and the same argument applies to any other acceptable currency) could make a deposit of that currency at the I.M.F. and that currency would be as good as gold.

The essence of the matter is that, in international financial transactions, if something is as good as gold then it is gold, and once the world's major currencies are accepted *when they take the form of deposits at the I.M.F.* as being gold, then the world's credit base is expanded by as much.

It is very depressing that the world's rich countries such as America and Germany should turn down such proposals. It means that they are content to operate on the present credit base with all the inhibitions which that implies for countries like the U.K. liable to have their reserves heavily drawn upon and all the inhibitions that follow in extending overseas loans. If the U.K. did not have to be obsessed with the need for maintaining reserves—including the stand-by arrangement it has with the I.M.F.—to meet the possible drains on sterling, how much more liberal could its overseas investment policy not be? The same argument goes for every would-be investing country overseas, but for the moment all such ideas are at a standstill.

SURVEY

(Concluded from previous page)

the Commonwealth issue makes clear to the Six its desperate anxiety to join and that they, for their part, need make no further serious concessions to bring Britain in. Thirdly, "the apparent unwillingness" of the Six themselves to pay due regard to the economic problems of millions of desperately poor people in Asian and African Commonwealth countries, raises most seriously the doubt whether they are basically an inward-looking or an outward-looking community.

It is clear from the policy statement that the Labour Party is not against the U.K.'s entry into the Common Market as such. It is only insisting on adequate safeguards for Commonwealth trade before the U.K. takes a final plunge. There is, however, nothing to suggest that the Labour Party's stand will change the U.K. Government's decision to pursue its efforts to enter the Common Market. It is not inconceivable that seeking the support of the British electorate may also form a part of these efforts.

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KFS/72

TRADE EXPANSION BILL AN ACCOMPLISHED FACT

EUROPEAN CENTRAL BANKS TO DEFEND DOLLAR

THE United States is set to embark on the oldest trading venture since the New World colonists first bartered their tobacco for Mother England's tea. Congress has decided that in order to meet the challenge of rich new markets and aggressive competitors, this country must grant its President sweeping authority to negotiate trade and tariff pacts with foreign nations. To some American traders, such unprecedented power in the hands of the Chief Executive seems a greater threat to their commerce than the raging seas to a Yankee clipper ship. But to many others in the business community, the rewards of a growing world market for their products far outweigh the risks. Even the most ardent protectionists have now conceded that the Administration's trade expansion Bill is all but an accomplished fact. All that remains is for the House and the Senate to work out a few minor differences and for the President to sign the Bill into law. Both the proponents and opponents of the measure have now turned their attention to learning to live with it.

Essentially, the final Bill will give the President the power to eliminate tariffs altogether on some goods and to raise tariffs, withdraw concessions or impose quotas on other imports. The Bill would also provide help for domestic industries hurt by imports, including Federal assistance in the form of wage compensations, technical aid and other benefits. The intent of the legislation is to allow freer trade between the United States and the Free World countries, particularly the European Common Market. But die-hard protectionists like Washington lobbyist O. R. Strackbein "cannot believe the Bill will do what it is held out to do." "It is a great illusion," Mr. Strackbein contends, "to think we will have a booming export market for durable consumer goods in Europe." Proceeding, he argues that as Europe increases its mass production facilities, its productivity rate will be on a par with ours and it will continue to enjoy a wage-productivity advantage over U.S. producers.

Two-edged Sword

Another spokesman for a protectionist group described the Bill as "something like a two-edged sword." Said Richard H. Anthony, Executive Vice-President of the Trade Relations Council: "If it is the Administration's intent to cut down tariffs on our exports, that will be good. But on the backswing, the other edge of the sword could do some damage to domestic industry and to jobs."

Among the industries which feel themselves most likely to be hurt by the tariff cutting provisions of the Bill is the chemical industry. "Now that Congressional approval of the Act appears imminent," commented David H. Dawson, Vice-President of E.I. du Pont de Nemours & Co., Inc., "we hope that the President will exercise his tariff reducing authority with full appreciation of its possible effects on our industry and the nation's balance of payments." Mr. Dawson concedes that the chemical industry has enjoyed an "unusually favourable trade balance," but he warns that the European Common Market countries are catching up fast and "we are now in the process of losing the advantage of size and advanced technology." Meanwhile, the industry will, according to another major chemical producer, attempt to stay competitive by cutting costs, modernising its plants, and spending more money for new product research and development. Other industries likely to be hard-hit by imports have accepted the inevitable with less protest than had been expected. But the textile makers, glass, watch and shoe producers are highly sceptical of claims that trade liberalisation will be the boon to the U.S. industry its supporters envision.

Two of the nation's biggest industries—autos and steel—however, are stoutly in support of freer trade. The car makers have long favoured measures to reduce trade barriers. They point out that tariff walls against U.S. autos are higher now than on auto imports into this country. American-made cars are also kept out of foreign markets by quotas, exchange controls, fuel taxes and other restrictions which their manufacturers hope may now be reduced.

The steel industry's support to the trade Bill is more surprising. For the first time in more than a half century, the United States has become a net importer of steel tonnage and there is no indication that this trend will be reduced. Cheaper foreign steel imports are hurting domestic producers. Nevertheless, the American Iron and Steel Institute, speaking for the industry, has declared that "improved and more permanent governmental machinery should be devised to administer tariffs as well as all other phases of international trade in the best interests of the country."

Key companies in a number of different industries actually lobbied for the Administration's Bill through a non-profit group called the Committee for a National Trade Policy. The Committee included the chiefs of such firms as Gillette Company, International Business Machines Corporation, H.J. Heinz, Lockheed Aircraft, Crown Zellerbach, General Mills, Standard Oil Company (New Jersey), Burroughs Corporation, Ford Motor Company, Gulf Oil and Pillsbury Company.

U.S. Acts to Protect Dollar

The United States monetary authorities, who are neophytes at trading in foreign exchange, are giving European banks lessons in the use of currency dealings to stem speculative excesses. The U.S. foreign exchange operations began in March 1961, when the Treasury started trading. But the major move started in February this year, when the Federal Reserve System took over from the Treasury and bought and sold currencies for quick or future delivery—and "swapped" exchange with other Governments.

It was the first time that any United States agency had made an effort to defend the dollar against waves of speculation as European nations have done for decades. The activity is credited with saving the United States from the unwarranted loss of millions of dollars of gold during the past year. The trading is not designed to aid our structural balance of payments problem but to fight off temporary flights of capital due to short-term, non-recurring factors such as a stock market slump. It has been found that every time dollars move into the possession of foreign businessmen or other individuals, they find their way to European central banks which turn back a part or all to the Treasury in exchange for gold.

But the flow is not two-sided. For, when exchange leaves foreign countries, the foreign Governments do not come to the United States and sell gold to raise reserves. They may go to the International Monetary Fund. There have been only two exceptions—Canada and Switzerland.

One innovation of the Federal Government—so simple that it is hard to believe it had not been done before—has been the development of a *rapport* between Treasuries and central banks of all the countries concerned. The European agencies had never told one another what they were doing and frequently worked against one another unwittingly. But the financial resources of the many countries involved are so great that a co-ordinated effort to thwart unwarranted speculation is more than enough to take care of the excesses.

Another development was the extensive use of foreign exchange contracts calling for future delivery of a currency in exchange for some other at a specified rate. Reversal of the operation prior to expiration date permitted transactions which far exceeded in size the amounts of moneys held. Then the Fed developed "swap" arrangements with foreign countries constituting a reciprocal credit facility under which a central bank agrees to exchange on request its own currency for the currency of the other party. The currencies obtained in any of these manners could be used to conduct spot transactions or to meet forward exchange obligations. These various measures, for the first time ever, permitted the United States to protect its own currency against the speculator. European Governments, however, had long ago set up such an arrangement.—*P. G. Krishnayya's Service.*

ECONOMIC TRENDS IN U.S.

EXCESS INDUSTRIAL CAPACITY

WHILE general business activity (in the U.S.) moved moderately higher during the third quarter, the pace of the business expansion appears to be losing momentum. This fact tends to be obscured at the moment by the higher level of activity in many lines.

Retail sales set a new record in July and almost matched it in August.

The automobile industry is having a very good year.

Construction, after a sag early in the year, moved up to a new high in the summer with total expenditures 8 per cent above a year earlier.

Machinery production is running more than 10 per cent ahead of last year's figures.

Exports moved up in June and July to an annual rate of more than $22 billion.

Steel output, which dropped sharply in the second quarter, has moved up more than seasonally.

These and other reports show that business is very good at the moment, as measured by past standards. And the strength of business during the summer quieted talk of an imminent downturn in business which had led to speculation about a possible tax cut this year. Nevertheless, the trend of business is not as encouraging as recent reports of new highs in many specific areas would imply. By virtually all measures, this has been the weakest recovery of the post-war era. As a result of the slowing of the recovery this year, unemployment has fluctuated around a 5½ per cent rate, and problems of excess capacity have continued to plague many industries.

How the Recent Recovery Compares with Previous Ones
(Per cent change)

	In the recovery since February 1961	*Average change in same number of months for all recoveries since 1921*
Gross national product		
In current prices	+10.2	+15.8
In constant prices	+ 8.5	+11.0
Industrial production ..	+16.3	+31.9
Employees in non-agricultural establishments	+ 4.0	+11.9
Unemployment	—22.6	—34.3
Prices of industrial raw materials	— 5.2	+38.8
Prices of 500 common stocks..	— 8.4	+32.8

While there are problems of finding individuals with the necessary training and experience to fill many of the job openings which exist, it appears that the sluggish growth of the overall economy in recent years means that the nation has not been making full use of the potential provided by a growing population of working age. The labour force, which is defined as the number of persons seeking employment, has shown little increase in the past year. Population trends would suggest that the labour force might now be a million or more higher than a year ago, if job opportunities had been more plentiful.

A Major Problem

The nation also has unutilised productive capacity. Just how much excess capacity exists is hard to measure—however, a study for the Joint Economic Committee concluded that manufacturing industries were operating at no more than 90 per cent of capacity early this year. Consequently, a major economic problem is to find ways to lift production of goods and services up to the level which could be achieved without inflation.

To achieve full use of the nation's resources in the period ahead would require a greater increase in business expenditures for new plant and equipment than now seems likely. Because of the squeeze on profits, such business investment has lagged in the past two recovery periods. In the first eighteen months of general business expansion following the 1953-54 recession, business capital investment increased over 20 per cent, a rise that was well in line with earlier experience. However, in the past two recovery periods—1958-59 and 1960-61—investment increased only 12 per cent in eighteen months.

The key to full prosperity lies in measures to promote a vigorous expansion in business investment in new plant and equipment. This will require resolute action on the part of business management to control costs as well as measures to reduce the heavy burden of taxation on saving and investment.—*By courtesy: The Chase Manhatten Bank, New York.*

INDUSTRIAL FINANCE CORPORATION OF INDIA

LOANS SANCTIONED AND DISBURSED HIGHEST FOR ANY SINGLE YEAR

MR. K. P. MATHRANI REVIEWS PROGRESS

THE Industrial Finance Corporation of India may now claim to have come of age: This was how Mr. K. P. Mathrani, I.C.S., Chairman of the Corporation, described it when he addressed the Fourteenth Annual General Meeting of the Corporation held at New Delhi on Friday, 28th September 1962. With the discharge of the statutory liability in respect of Central Government subventions, the Corporation, Mr. Mathrani said, had now become an institution depending more and more on its own strength in its task of promoting the industrial development of the country. Referring to the loans sanctioned and disbursed during the year ended 30th June 1962, he stated that they were the highest figures in any single year of working and constituted fresh landmarks in the history of the Corporation. He also referred to the record level of gross income, a further improvement in the position regarding bad and doubtful debts, grant of sub-loans in foreign currencies, underwriting function, enlarging investment portfolio and improvement in resources position. He alluded, too, to the efforts of the Corporation to promote joint financing of large projects in collaboration with other credit institutions and banks which, he said, gathered further momentum during the year 1961-62.

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

"GENTLEMEN,

"I have great pleasure in welcoming you and placing before you the fourteenth annual report of the Board of Directors and the accounts for the year ended 30th June 1962. The printed copies of the report have been circulated to all the shareholders and I shall, with your permission, take them as read.

"The year under report almost coincides with the first year of the third Five-year Plan. As the lending policies of your Corporation are closely integrated with the country's Five-year Plans, we have, as in the past, made during the year under review, a useful contribution towards the successful implementation of the objectives of the Plan, viz., to create conditions for the maximum production and employment and the development of human resources. Your Corporation has, during the year, sanctioned loans of the order of Rs. 24.45 crores and has disbursed loans of the value of Rs. 10.78 crores. These are the highest figures for loans sanctioned as also disbursed in any single year of the working of the Corporation and thus constitute fresh landmarks in the history of the Corporation.

Gross Income Rises

"The year under review has been another successful year in the life of the Corporation. Our gross income during the year was Rs. 3.04 crores which is the highest figure reached so far and shows an increase of Rs. 5.32 lakhs over that of the previous year. This has been achieved in spite of the fact that the income of the preceding year included a profit of Rs. 22.62 lakhs realised by the Corporation on the sale of its investments, a factor which did not operate during the current year, as no investments were sold by us during the year. Our gross profit, subject to provision for taxation, was Rs. 130.71 lakhs, as against Rs. 139.35 lakhs for the previous year. If the profit on the sale of investments is excluded, the profit for the year under review is higher by Rs. 13.98 lakhs than that for the preceding year. The Corporation has also had to make a larger provision for taxation as a result of the increase in the rate of income-tax from 45 per cent to 50 per cent in the current year.

"As the shareholders are no doubt aware, the Government of India had, during the first eight years of the career of the Corporation, to make subvention of the order of Rs. 53.45 lakhs to enable the Corporation to pay the minimum guaranteed dividend of 2¼ per cent per annum on its share capital of Rs. 5.00 crores. With the progressive improvements in our working results, we have repaid so far a sum of Rs. 35.45 lakhs during the last four years and the balance of subvention outstanding at present is Rs. 18 lakhs. We have decided to repay this amount from the profits of the year under review and thus liquidate finally the Corporation's liability in this behalf—a step which I have no doubt will receive the wholehearted support of the shareholders. With the discharge of this statutory liability, the Corporation may now claim to have come of age—as an institution depending more and more on its own strength in its task of promoting the industrial development of the country.

Tax Relief

"I had mentioned in my speech at the last annual general meeting that, in the Finance Act, 1961, the Government of India had made an amendment to the Income-tax Act, which gave relief to the financial corporations approved by Government by enabling them to claim a rebate in income-tax in respect of the amounts, not exceeding 10 per cent of the total income of each year, transferred by them to a special reserve fund. I am glad to say that the Central Government have approved the Corporation for the purpose of availing itself of the benefit of this rebate from the year ended 30th June 1960. As required under Section 36(1)(viii) of the Income-tax Act, 1961, we have created a special reserve fund and have transferred a sum of Rs. 24.82 lakhs to this account in respect of the accounting years ended 30th June 1960 and 1961 from our general reserve fund. Out of the current year's profits, we have transferred a sum of Rs. 13.21 lakhs to this fund in order to qualify for the maximum admissible rebate in income-tax. The total amount thus transferred to this special reserve fund amounts to Rs. 38.03 lakhs. As a result of these transfers, we have secured a relief to the extent of Rs. 11.84 lakhs in our income-tax assessments for the accounting years 1959-60 and 1960-61. We expect to get a rebate of Rs. 6.60 lakhs in respect of the year under report.

"A review of our loan accounts has shown a further improvement in the position regarding bad and doubtful debts. It is a matter of gratification that not only have there been no accretions to bad debts, but, on the other hand, some of our loan accounts, in regard to which we were anticipating shortfalls, have been fully liquidated and the rest are in the process of being cleared. No additional provision was, therefore, considered necessary by your Directors towards the reserve for bad and doubtful debts, the balance in which now stands at Rs. 14.47 lakhs.

Underwriting

"As a result of our underwriting operations both in respect of preference and equity shares, our investment portfolio has been slowly enlarging and we held, at the end of the year, investments of the paid-up value of Rs. 106.44 lakhs. A majority of the shares held by the Corporation are redeemable cumulative preference shares carrying fixed rates of dividend. The share issues have been underwritten by the Corporation as a part of its promotional activities and the role of the Corporation has been that of a catalytic agent rather than as an investor. We have, however, as a measure of caution, transferred a sum of Rs. 2.00 lakhs to the reserve for depreciation on investments.

"We have transferred a sum of Rs. 26 lakhs out of the net profits for the year under review to the general reserve fund which now stands at Rs. 134.08 lakhs. Our special reserve fund under Section 32-A, to which are credited all the dividends on the shares of the Corporation held by the Central Government and the Reserve Bank of India, now stands at Rs. 41.05 lakhs. The total of the balances now standing in general reserve, the special reserve funds and other reserves comes to Rs. 230.63 lakhs, which may be regarded as a creditable performance.

Share Capital

"I had mentioned at the last annual general meeting that the Board of Directors of the Corporation had under their consideration the issue of further share capital to the extent of Rs. 2 crores carrying a minimum guaranteed dividend of 4 per cent per annum, for which the approval of the Central Government had been obtained. We entered the market in March this year and I am glad to say that the issue was a success and, in fact, the quota reserved for the institutional investors, including the co-operative banks, was oversubscribed. On behalf of the Board of Directors and myself, I should like to thank you all for your response to this issue and to welcome to our fold those investors who have subscribed to our shares for the first time. The dividend on our shares has, in view of the restriction contained in Section 31(2) of the I.F.C. Act, to be limited to the minimum guaranteed by the Central Government, viz. 4 per cent per annum in respect of the recent issue of Rs. 2 crores and 2¼ per cent per annum in respect of the original issue of Rs. 5 crores. I am aware of the feeling of our shareholders in regard to the dividend in respect of our first issue. An alteration of this position, however, requires an amendment to the I.F.C. Act which is under the active consideration of the Government of India. We have set aside a sum of Rs. 13.68 lakhs for the payment of the guaranteed dividend to our shareholders for the year under report. The dividend in respect of the second issue is, in accordance with the terms of the issue, payable from 12th March 1962, that is, the date when the issue was launched on the market.

"The Corporation received during the year 59 loan applications for an aggregate amount of Rs. 31.40 crores, as against 76 applications for an aggregate amount of Rs. 36.86 crores received in the preceding year. The fall in the number of applications could be attributed partly to the restrictions on the import of plant and machinery on deferred payment terms and also the curtailment of the grant of industrial licences for the establishment of new sugar factories. Moreover, during the recent months, we have been advising the parties coming to us for assistance to obtain, as far as practicable, the various statutory permits and clearances such as those relating to the grant of industrial licences, the permission of the Capital Goods Committee and the Foreign Agreements Committee and the consent of the Controller of Capital Issues before making a *formal* application to us. This may also be partially responsible for a fall in the number of applications. But you will appreciate that the revised procedure saves a good deal of infructuous or avoidable labour on the part of our beneficiaries and substantially shortens the period during which applications have to be kept pending. It would, therefore, be of advantage all round in the long run. However, during the intervening period, we continue to have informal discussions with them in order to enable them to submit to us their applications in as complete a form as practicable.

Loans Granted

"Out of the total loans of Rs. 130.27 crores approved by the Corporation during the last 14 years, loans aggregating Rs. 24.09 crores were either declined by the applicant concerns or were not made available to them for various reasons, and loans amounting to Rs. 7.86 crores were pending approval of the Government of India or the A.I.D. The firm commitments of the Corporation for the grant of loans thus aggregate Rs. 98.32 crores, out of which a sum of Rs. 68.14 crores, that is, about 70 per cent of the commitments, was disbursed. These results may be regarded as satisfactory and have been achieved as a result of the various measures which the Corporation has taken from time to time to expedite the attendant formalities on the part of the Corporation prior to the disbursement of the loans. In order to meet the immediate requirements of our borrower concerns, we also continue to grant interim loans in cases where a *prima facie* valid title to their properties has been established and, during the year, we disbursed interim loans to the tune of Rs. 5.73 crores.

"While the loans in rupee still constitute the bulk of our lending operations, the Corporation has also, since last year, been sanctioning sub-loans in foreign currencies. The first dollar loan of 10 million dollars (Rs. 4.76 crores) obtain from the D.L.F. (now merged in A.I.D.) was completely committed early this year. I am glad to say that we have received a second loan of 20 million dollars (Rs. 9.52 crores) from the A.I.D. and a formal agreement in this behalf was executed in June 1962. A sum of 4.8 million dollars (Rs. 2.29 crores) has already been committed from the second loan and I believe that the balance of the loan will be put to fruitful use in the not too distant future. As the first dollar loan was largely and the second dollar loan is completely tied to purchases in the United States, it has been our endeavour to obtain in addition lines of credit from other countries. These efforts have now borne some fruit and we have been sanctioned a line of credit in the West German currency to the extent of 15 million DM (Rs. 1.79 crore) from Kreditanstalt fur Wiederaufbau Frankfurt/Main (German Bank for Reconstruction), out of which a sum of 1.92 million DM (Rs. 22.86 lakhs) has already been committed in the form of sub-loans. I may add that there are indications that an additional loan in the same currency will be available to the Corporation in the near future. The Government of India have also further decided to make an allocation to the Corporation of the yen equivalent of a sum of 2 million U.S. dollars from the yen available with them. Lastly, we have recently been informed of the sanction to I.F.C. of a line of equipment credit in French currency to the extent of 50 million new French francs (Rs. 5 crores) through a French commercial bank and the terms and conditions of the credit are now in the process of negotiation. These you will agree, are welcome developments, as they will go to meet, though to a limited extent, the needs of our borrower concerns in respect of foreign currencies. In view, however, of the fact that, except for the West German loan, these credits are tied to purchases in those countries, the need for a more substantial line of credit in convertible currency for meeting the foreign exchange requirements of industries in the private sector is obvious.

Largest Beneficiary

"Coming to our loan operations, the sugar industry continues to lead the list of loans approved by the Corporation. During the year, we sanctioned loans of the order of Rs. 7.52 crores to 13 sugar mills, of which there were 12 sugar co-operatives. This brings the total amount of loans approved to Rs. 30.4 crores to sugar co-operatives numbering 45 which are distributed all over the country. Besides, the Corporation has sanctioned loans of the order of Rs. 1.02 crore to three co-operative spinning units and one co-operative unit for the manufacture of vegetable oils. The loans approved by the Corporation to co-operative units represent 24.1 per cent of the total loans approved, and is indicative of the high priority given by the Corporation to the development of the co-operative sector. These co-operatives, I am glad to say, have, by and large, shown satisfactory working results.

"Chemical industry, to which loans aggregating Rs. 6.38 crores were sanctioned during the year, has, for the first time, occupied the second place, while the third place is taken by the electric machinery manufacturing industry to which loans of the value of Rs. 3.14 crores were sanctioned. For the first time, the Corporation has sanctioned to a concern in Mahe in Pondicherry for setting up a textile mill a loan of Rs. 35 lakhs, in addition to a guarantee for deferred payments to the extent of Rs. 5.62 lakhs. The Corporation has also for the first time sanctioned a loan of Rs. 1.09 crore to a concern engaged in the production of industrial and medical gases.

"For sometime past, the problem of modernisation and expansion of the coal mining industry in the private sector has been engaging the attention of the Central Government which has been sanctioned a loan of 35 million dollars by the Word Bank for the import of coal mining equipment and spares in order to achieve this purpose. The coal mining projects to be financed out of this credit have been examined by high level screening committees set up by the Government of India, with which our Corporation has been associated. While the foreign exchange requirements of these projects would be met out of the World Bank credit, the rupee finance has to be arranged by the undertakings concerned either from their own resources or through the various institutional channels. In view of the vital nature of this industry in the present context, the Corporation has agreed to assist in this direction and has so far sanctioned loans to three such concerns of an aggregate amount of Rs. 82 lakhs.

Coal Mining Projects

"Although our approach to underwriting has been somewhat cautious, we are continuing to enlarge our activity in this field in order to meet the increasing requests of our clients. In view, however, of the fact that, in most of these cases, the Corporation has sanctioned loans for substantial amounts, the underwriting commitments of the Corporation in respect of such concerns are generally of a token nature. During the year, we had approved 11 proposals for underwriting facilities to the extent of Rs. 62 lakhs in equity shares and Rs. 10.5 lakhs in preference shares. The applications approved cover a wide range of industries such as pottery, china and earthenware, basic industrial chemicals and fertilisers, textiles, metal products, electrical and other machinery, paper and mining. Since December 1956 when the Corporation started underwriting business, we have underwritten 18 issues of capital for an aggregate amount of Rs. 4.92 crores. As a result of amendments to the I.F.C. Act in December 1960, the Corporation has also been authorised to subscribe directly to the stocks and shares of industrial concerns. Having regard to the experience gained by the Corporation in the field of underwriting in the past few years, it is expected that the Corporation will be able to make a fruitful contribution in this direction.

Deferred Payment Guarantees

"There was a reduction in the requests for guarantees of deferred payment arrangements owing to the restrictive policy of Government in this behalf. We approved three applications for such guarantees of the value of Rs. 43.61 lakhs during the year, bringing the total value of guarantees approved by the Corporation to Rs. 27.6 crores.

"The periodical inspections carried out by us and the progress reports received from our borrower concerns have shown that many of them earned sizable profits and 37 such concerns have, during the year, declared, with our prior approval, dividends in excess of 8 per cent. There has been a further reduction in defaults in the repayment of principal and the payment of interest by our loanee concerns. The percentage of defaults in the repayment of principal has declined from 2.34 in 1960-61 to 1.24 in 1961-62, while, in regard to interest, it has come down from 0.25 to 0.18.

Resources

"The resources position of the Corporation continued to be comfortable during the year. The capital outgoings in rupees amounted to Rs. 10.78 crores (inclusive of investments in shares to the extent of Rs. 26 lakhs). We met these commitments from the proceeds of the further issue of share capital of Rs. 2 crores and borrowings from the Government of India to the extent of Rs. 4½ crores, in addition to our own internal resources of the order of Rs. 4.28 crores, inclusive of the repayments of loans due to the Corporation. We did not, therefore, enter the market for a fresh issue of bonds during the year. We have, however, decided to go in for a fresh issue of bonds to the extent of Rs. 6 crores to enable us to strengthen our resources further in order to meet the likely demands of industry during the year. These bonds which are for a period of 12 years will carry rate of interest at 4½ per cent per annum, the issue price being Rs. 99.5. The terms are similar to those on which the State Governments recently floated their loans and are, I believe, sufficiently attractive for the investors. I am sure I can count upon your generous support, as in the previous years, to make the issue a success. It is a matter of coincidence that the issue has been opened to public for subscription from today.

"The rate of interest charged by the Corporation from its borrower concerns had remained constant at 6½ per cent per annum net for the last five years. Our lending rate is, however, dependent on our borrowing rate, as also the general monetary and economic conditions. During the last year, there was a gradual increase in the rates of interest charged by the scheduled banks and we had reached an anomalous position where our rate for medium and long-term loans was lower than that charged by many commercial banks for their short-term loans. Further, the Government of India and the State Governments offered higher yields in respect of their recent issues of public loans as compared to their market flotations in the previous year. This has had its repercussion on the rate at which the Corporation is able to borrow from the market and we have had to offer a rate of 4½ per cent on our bonds as against 4 per cent in 1959. Having regard to these circumstances as also the general economic conditions, the Corporation, after careful consideration, came to the conclusion that an increase of ½ per cent in the rate of interest would be appropriate. Accordingly, the Corporation, with the approval of the Central Government, raised, with effect from 19th July 1962, its rate of interest from 7 per cent per annum to 7½ per cent per annum with the usual rebate of ½ per cent for punctual payments, that is, a net rate of 7 per cent per annum. The Corporation has not, however, made this rate applicable to the concerns which had fully or partially availed themselves of the loans sanctioned to them prior to this date.

Joint Financing

"The Corporation's efforts to promote joint financing of large projects in collaboration with other credit institutions and banks gathered further momentum during the year. In pursuance of this policy, the Corporation convened at Bombay in January 1962 a conference of the representatives of institutional investors like the Life Insurance Corporation of India, the Industrial Credit and Investment Corporation of India Ltd., the State Bank of India and other leading commercial banks, with a view to formulating common approach in regard to joint participation. The proposal received wide support. It was appreciated that such joint participation by different financial institutions would help in establishing healthy practices regarding the scrutiny of applications, coverage of loans and the follow-up operations. Requests in respect of large projects are being processed in the light of these deliberations. In this context, I might mention that international institutions such as the International Finance Corporation, Washington, have also expressed their interest in co-operating with I.F.C. and other Indian institutions in this manner.

"A conference of Development Banks in Asia was held in Bombay towards the end of March 1962 under the auspices of the Industrial Credit and Investment Corporation of India Ltd. to discuss the various problems of development banks. The General Manager and a senior Manager represented the Corporation at the deliberations and I also participated in some of the sessions which, by and large, proved useful and instructive.

"Our relations with the various Chambers of Commerce and with our loanee concerns continue to be cordial. We have nominated more non-officials on the Boards of our loanee concerns and I take this opportunity to thank them on behalf of the Board of Directors for the keen interest they have taken in the work.

Advisory Committees

"During the year, we have reconstituted our Advisory Committees and have enlarged them by nominating some additional members having considerable experience in their respective fields of activity. I should also like to convey on behalf of the Board of Directors our sincere thanks to the members of our Advisory Committees for the able and effective assistance they have given to the Corporation.

"Before concluding, I should like to express the thanks of the Corporation for the assistance and co-operation accorded to us by the United States of America Agency for International Development, with whom our relations have been very cordial and who have recently sanctioned to us a further line of credit of 20 million dollars. Our appreciation is also due to Kreditanstalt fur Wiederaufbau, and also to the French authorities for their agreeing to sanction loans in foreign currencies and we look forward to a period of useful association with them. I should also like to convey my heartfelt thanks to my colleagues on the Board for their valuable co-operation and wise counsels. In particular, I should like to make a reference to Prof. S. K. Basu and Shri G. D. Ambekar who ceased to be Directors of the Corporation from 19th February 1962 and 12th April 1962, respectively. The Corporation benefited much by their active participation and sound advice during their association with it. Finally, I have great pleasure in conveying the thanks of the Board of Directors as well as my own to the General Manager and the entire staff of the Corporation for their loyal and devoted service to the Corporation during the year."

The Economic Development Institute of the World Bank began its eighth course at Washington (D.C.) on the 2nd inst. Twenty-three officials from 19 countries will take part in this year's course which lasts until March next. All the participants hold senior positions in ministries, central banks, planning authorities or other agencies connected with economic development. They have been given leave of absence to attend the course by the agency or Government department concerned, which in each case contributes $1,500 toward the cost of the Institute.

The course is based on a closely interwoven group of seminars, each consisting of several sessions on a major subject. In general, the seminars will deal with economic policy and development, the historical aspects of development, fiscal policy and public finance, monetary policy, international trade and finance, agriculture, industry, social factors in development, and preparation and appraisal of projects. An important part of the current course of study are organised visits to governmental agencies, commercial and financial institutions, industrial and agricultural areas in the United States, and a field trip to Italy where the participants will observe the development programme being carried out in the south by the Cassa per il Mezzogiorno.

INDUSTRIAL FINANCE CORPORATION MAKES NOTABLE PROGRESS

INCOME AT RECORD HIGH—RESOURCES STRONG

THE Rs. 6-crore bond issue of the Industrial Finance Corporation of India, which opened for subscription on Friday last week, met with overwhelming success. The success must be attributed not only to the attractive terms of offer (12-year bonds bearing interest at 4½ per cent issued at a discount of 50 nP), the Central Government guarantee of principal and interest, their eligibility for grant of advances to scheduled banks by the Reserve Bank and the relatively easier money conditions, but also to the satisfactory progress made by the Corporation as a development bank, providing long-term industrial finance. Since its inception fourteen years ago and up to the end of June 1962, the Corporation has sanctioned loans aggregating over Rs. 130 crores to 267 industrial concerns: Rs. 73.81 crores for setting up new units, Rs. 50.97 crores for expanding existing units, Rs. 3.82 crores for modernisation, renovation, etc., of existing units and Rs. 1.68 crore for other purposes such as working capital. The assistance now being rendered by the Corporation to industries consists not merely of loans in rupees, though they still account for the bulk of business, but it also covers grant of sub-loans in foreign currencies, underwriting operations, guarantees of deferred payment arrangements, and financing of industrial projects jointly with other institutions.

The year ended 30th June 1962, in particular, was a successful one. The published gross profit is no doubt less than that for the previous year, but, if regard be had for the fact that, last year, there was a capital profit of Rs. 22.62 lakhs representing profit on sale of investments, the actual gross profit is higher by Rs. 13.98 lakhs than that for 1960-61. Further, the Corporation's activity during the year under review reached a record high level. The total amount of loans actually approved was Rs. 24.45 crores, as against Rs. 21.21 crores in 1960-61 and Rs. 17.91 crores in 1959-60. The number of applications approved was 41, covering 16 industries spread over 13 States and the Union Territory of Pondicherry. This was the first time when the Corporation sanctioned a loan for an industrial concern in Pondicherry (Rs. 35 lakhs to a cotton spinning mill). The loans disbursed by the Corporation during 1961-62 were also a record, Rs. 10.78 crores, as against Rs. 6.62 crores in 1960-61, though the total was well below the loans (Rs. 24.45 crores) actually sanctioned, the gap being of the order of Rs. 13.67 crores. This large gap does not in any way mean a reflection on the efficiency of the Corporation, inasmuch as it was due to several factors over which the Corporation had no control. Besides the usual time lag between the sanction and dispersal of a loan, certain loans or portions of loans, according to the Directors' report, were declined to be availed of by the borrower concerns or were subsequently not made available to the applicants for one or other of six reasons: (*a*) abandonment or postponement by the applicant concern of its scheme; (*b*) revision or amendment by the applicant concern of its scheme, eliminating the need for the loan sanctioned by the Corporation; (*c*) improvement in the financial position of the applicant concern enabling it to meet its requirements from its own resources; (*d*) availability of accommodation from other sources; (*e*) failure to accept, or inability to comply with, the terms and conditions of the loan; and (*f*) adverse developments in the affairs of the applicant concern subsequent to the sanction of the loan.

Actual Loan Commitments

Including the Rs. 10.78 crores disbursed during 1961-62, the aggregate amount of loans disbursed upto 30th June 1962 comes to Rs. 68.14 crores; the loans outstanding as on that date were Rs. 49.62 crores. The actual commitment of the Corporation in respect of loans approved upto 30th June 1962 is indicated below:

(In crores of rupees)

Total loans approved		130.27
Less:		
Amount disbursed	68.14	
Loans declined or not to be made available	24.08	
Loans requiring Government and / or A.I.D. approval	7.86	
		100.08
Net outstanding commitment		30.19

The loans approved by the Corporation, it is stated, represent 44 per cent of the total finance required by the borrowing concerns. The aggregate cost of the schemes was Rs. 291.85 crores. Loans in rupees continued to account for the bulk of the Corporation's lending operations. The amount of loans approved during the year under review, namely, Rs. 24.45 crores, includes dollar sub-loans amounting to Rs. 2.76 crores ($5,787,600) sanctioned to six concerns, two of which were also sanctioned loans in West German currency equivalent to about Rs. 22 lakhs. Three out of these six concerns were also sanctioned rupee loans aggregating Rs. 225.60 lakhs ($5.37 million approximately) require A.I.D. approval, each sub-loan being in excess of $500,000. During the year, the Corporation opened letters of credit aggregating $2,863,175 (Rs. 136.34 lakhs) in favour of the foreign machinery suppliers, out of which the disbursements made during the year amounted to $546,156 (Rs. 26 lakhs).

Underwriting

The Corporation's approach to underwriting, however, continued to be cautious during the year under review. Thus, as against 25 applications for underwriting facilities aggregating Rs. 549.59 lakhs, the Corporation approved of only 11 proposals covering Rs. 72.50 lakhs (Rs. 62.00 lakhs worth of equity shares and Rs. 10.50 lakhs of preference shares), bringing the total amount since underwriting business started in December 1956 to Rs. 4.92 crores. In the course of his speech, Mr. Mathrani expressed the hope that, having regard to the experience gained in the field of underwriting in the past few years, the Corporation would be able to make a fruitful contribution in the direction of subscribing directly to the stocks and shares of industrial concerns.

The activity of the Corporation in regard to guaranteeing of deferred payments in respect of capital goods to be imported from abroad was rather limited. Only three applications for such guarantee of the value of no more than Rs. 43.61 lakhs were approved during the year, bringing the total value of guarantees approved to Rs. 27.6 crores. There was a marked decline in the number of applications for such guarantees and the amounts involved, from 14 and Rs. 18.61 crores to 6 and Rs. 5.09 crores, respectively. This is understandable, because the deferred payments system has fallen into disuse, as the prospects of improvement in the foreign exchange situation in the medium-term period of five to seven years are not bright enough to permit the continued use of this device for overcoming the present foreign exchange shortage.

TABLE A—*Loans Sanctioned*
(In lakhs of rupees)

Manufacturing industry	Upto 30th June 1961	During the year ended 30th June 1962	Total up to the end of June 1962
Food (except beverage)	30,52.00	7,52.00	38,04.00
Textiles	12,14.62	1,90.00	14,04.62
Artificial fibres	4,10.00	70.00	4,80.00
Wood and cork	1,10.92	—	1,10.92
Paper and paper products	13,23.74	15.00	13,38.74
Rubber manufactures	2,22.50	—	2,22.50
Basic industrial chemicals	8,74.55	6,38.00	15,12.55
Vegetable and animal oils and fats	15.50	22.50	38.00
Miscellaneous chemical products	2,02.75	10.00	2,12.75
Glass and glass products	2,50.50	—	2,50.50
Pottery, china and earthenware	2,69.25	13.00	2,82.25
Cement	6,67.00	95.00	7,62.00
Iron and steel	23.00	—	23.00
Non-ferrous metals	3,33.00	—	3,33.00
Metal products (except machinery and transport equipment)	4,00.50	96.00	4,96.50
Machinery (except electrical)	2,12.50	75.00	2,87.50
Electrical machinery, apparatus, appliancies and supplies	2,51.45	3,13.53	5,64.98
Rail-road equipment	1,15.00	—	1,15.00
Motor vehicles and ancillaries	1,77.00	14.00	1,91.00
Bicycles	1,10.50	—	1,10.50
Misc. manufacturing industries	65.05	—	65.05
Electric light and power	82.75	—	82.75
Electricity, gas and steam	—	1,09.28	1,09.28
Coal	20.00	12.00	32.00
Hotel	1,69.00	20.00	1,89.00
Total	105,82.08	24,45.31	130,27.39

TABLE B—*Working Results*
(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Gross earnings	3,04.18	2,98.86	2,50.88	2,03.88
Of which interest earned	2,82.91	2,60.36	2,25.40	2,00.05
Other income	21.27	38.50	25.48	3.83
Interest paid	1,58.80	1,46.76	1,28.22	1,15.75
Staff expenses	9.28	8.33	7.84	6.80
Other expenses	5.25	4.31	5.43	8.13
Gross profit	1,30.85	1,30.46	1,09.39	73.20
Depreciation	0.14	0.11	0.12	0.12
Provision for taxation	57.82	54.60	49.76	37.71
Net profit	72.89	84.75	59.51	35.37
To reserves	39.21*	63.50	38.26	14.12
Reserves for depreciation on investments	2.00	—	—	—
Subvention returned to Government	18.00	10.00	10.00	10.00
To dividend	13.68 (†)	11.25 (21%)	11.25 (21%)	11.25 (21%)
Loans applied for	31,40.42	36,85.62	17,54.10	11,16.57
Loans sanctioned	24,45.31	21,21.34	17,91.74	3,79.00
Loans disbursed	10,78.49	6,62.55	8,40.91	7,47.71
Loans under consideration at the end of the year	12,61.33	14,75.50	7,88.10	11,70.97

* Includes Rs. 13.21 transferred to special reserve fund under 36(i) (viii) of Income-tax Act.

† Guaranteed dividend at 2¼ per cent on Rs. 5 crores for full year and at 4 per cent on Rs. 2 crores for the period from 12th March to 30th June 1962.

States' Share of Loans

The largest beneficiary of the Corporation's loan facility during the year 1961-62 was the sugar industry, the amount sanctioned being Rs. 7.52 crores. Next came the chemical industry with Rs. 6.38 crores, electrical machinery manufacturing industry with Rs. 3.13 crores and textile industry with Rs. 1.90 crore. The industry-wise distribution of loans approved by the Corporation upto 30th June 1962 is indicated in Table A. Of the total loans amounting to Rs. 130.27 crores sanctioned by the Corporation so far, the combined share of industries situated in the Maharashtra State comes to Rs. 24.30 crores. The corresponding shares, in crores of rupees, of industries in other States are: Andhra Pradesh 7.50; Assam 5.83; Bihar 8.68; Gujarat 9.05; Kerala 9.78; Madhya Pradesh 1.04; Madras 14.48; Mysore 8.14; Orissa 5.34; Punjab 6.43; Rajasthan 4.25; Uttar Pradesh 9.69; West Bengal 14.46; Delhi 0.95; Andamans and Nicobar Islands 0.03; Pondicherry 0.35.

The Corporation's experience in regard to repayments is quite encouraging. During the year under review, it received a sum of over Rs. 3.27 crores as repayments of instalments of principal. A sum of over Rs. 2.78 crores was received on account of interest. Since inception, realisation of principal amounted to Rs. 12.39 crores, as against Rs. 12.63 crores due, so that overdues are small being no more than Rs. 24 lakhs. Similarly, Rs. 14.46 crores were received as interest out of Rs. 14.49 crores charged. The amount in default constituted 1.24 per cent of the amount due, as against 2.34 per cent at the end of the previous year. The Corporation did not take over either the management or the possession of any industrial concern. One of the concerns whose premises had previously been taken over and leased out has repaid in full the dues by raising funds from elsewhere.

Earnings

The gross income earned by the Corporation during the year 1961-62 was higher at Rs. 304.18 lakhs, as against Rs. 298.86 lakhs in the previous year. The actual increase thus of Rs. 5.32 lakhs was much less than that (Rs. 47.98 lakhs) in 1960-61. The difference is quite marked even after taking account of the fact that the income in the preceding year (1960-61) included a profit of Rs. 22.62 lakhs on sale of investments, whereas no such sale was effected in the year under review. The interest earned by the Corporation rose by only Rs. 22.55 lakhs, as against the actual increase of Rs. 34.96 lakhs in 1960-61. What is worse, a large part of the improvement in the total income was neutralised by higher interest payments (+Rs. 12.04 lakhs), and larger staff and other expenses, so that the gross profit for the year under review shows a fall of Rs. 8.61 lakhs to Rs. 130.85 lakhs. After providing a larger sum of Rs. 57.82 lakhs (as against Rs. 54.60 lakhs) for taxation on account of the higher rate (50 per cent) corporate tax under the 1962-63 budget, the net profit for 1961-62 stands lower by Rs. 11.86 lakhs at Rs. 72.89 lakhs.

In view of the decline in net profit, the amount transferred to general reserves is much smaller at Rs. 26.00 lakhs, as against Rs. 63.50 lakhs in the previous year. An additional sum of Rs. 13.21 lakhs has been transferred to special reserve fund under Section 36(i)(viii) of the Income-tax Act in order to qualify for the maximum admissible rebate in income-tax. Excluding these transfers and the *ad hoc* provision of Rs. 2.00 lakhs for depreciation on investments, the balance of net profit comes to Rs. 31.68 lakhs, of which Rs. 13.68 lakhs represent distribution to shareholders (guaranteed dividend of 2¼ per cent on Rs. 5 crores paid-up capital for full year and 4 per cent on paid-up capital of Rs. 2 crores for the period from 12th March to 30th June 1962). The remaining Rs. 18 lakhs is proposed to be paid over to the Central Government, being the balance of the Corporation's liability to it on account of subvention (originally amounting to Rs. 53.45

(*Continued on page 615*)

The Third Five Year Plan
Bird-Heilgers' part in it...

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Employment. A word that translates into a meaningful future for millions of people without jobs. India's Five Year Plans are aimed at the concept of full employment. The intensified drives of the Third Plan are estimated to create 14,000,000 new job opportunities—more jobs for more people than ever before in the economy's history! To achieve the employment target calls for a single-minded national effort. It must be co-ordinated, dedicated, complete...

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WORLD WOOL SITUATION

OUTPUT TOUCHES ALL-TIME PEAK

ALONG with other natural fibres, raw wool will have to weather stiffer competition from synthetic fibres in the coming years. This is the broad conclusion that emerges from the interesting analysis of the recent trends in world wool economy contained in the latest *Commodity Review* (1962) of the U.N. Food and Agriculture Organisation. Competition between natural and synthetic products, the *Review* points out, appears certain to grow, with consequent downward pressures on prices of the natural commodity and shortfalls in export earnings. Such an outlook need not, however, unduly depress the raw wool growers, because the existence of synthetic substitutes also provides, as the *Review* hastens to add, a floor beneath which prices of natural fibres are unlikely to fall.

The world wool clip during the season ended June 1962 touched an all-time peak of 1,473,000 metric tons, surpassing the previous record of 1,461,000 tons (touched in 1960-61) by 12,000 tons. Almost the whole of this rise was accounted for by the world's five main exporting countries (Australia, New Zealand, South Africa, Argentina and Uruguay), the combined share of which rose from 858,000 tons in 1960-61 to 869,000 tons in 1961-62. The rise more than made good the fall in the Communist countries' production from 302,000 tons to 296,000 tons. The Australian wool clip recovered from the heavy losses of the previous year, in spite of continuing drought in the Northern part of New South Wales and Southern Queensland. The total wool supplies available in the producing countries during 1961-62 were much the same as a year before, since opening stocks were lower.

The accompanying table indicates the world wool supply position during 1961-62 as compared with the three preceding years.

Under the stimulus of rising wool prices, the heavy carryover accumulated in Argentina and Uruguay during 1960 had moved into export trade in the 1960-61 season, and the U.K. had considerably reduced its strategic reserves. The Australian carryover was somewhat higher than in the previous seasons, owing to the introduction of July sales in certain States, but stocks in other producing countries remained unchanged.

Consumption

The aggregate world wool consumption in 1961, according to the F.A.O. *Review*, showed little change from the all-time peak reached under the stimulus of high level of economic activity and of relatively low wool prices in 1960. In the U.S., the dampening effects of recession on the wool textile industry persisted well into 1961, and recovery during the final months was confined to mills using apparel wools; carpet wool usage fell by a further 10 per cent, thus limiting the total U.S. consumption of all wools. U.K. wool textile production was adversely affected by high interest rates, restrictions on wool cloth imports into the U.S. and more intensive competition from fully synthetic fibres, so that mill consumption remained slightly below the already reduced level of 1960. Elsewhere in Western Europe, the slowing down in the rate of general economic expansion and the setting up of new synthetic fibre plants were reflected in static wool consumption in several countries, for example, in Western Germany and the Netherlands; sizable reductions, however, occurred in Italy and the Scandinavian countries.

In Japan, on the other hand, wool consumption greatly exceeded the previous year's level, thanks to the continued buoyancy of the domestic textile market, and to the increase in raw wool imports authorised by the Government; credit restrictions imposed in September 1961 and a fall in exports of wool fabrics to the U.S. did not affect consumption until the end of the year. Mill consumption also increased substantially in Argentina and Uruguay, following a rise in their exports of tops, and in minor consuming countries outside Western Europe. The proportion of virgin wool consumed in woollen and worsted mills remained stable at around 60 per cent and that of man-made fibres at about 13 per cent, but the share of synthetic fibres increased at the expense of rayon. In the Sino-Soviet area, expansion in wool consumption slowed down further owing to heavy sheep losses in the U.S.S.R. and China and to a greater emphasis on man-made fibres in the U.S.S.R. and Eastern Europe.

Wool Supply Position
(In thousand metric tons)

	1961-62	1960-61	1959-60	1958-59
Opening stocks :				
Australia, New Zealand and S. Africa	25	23	21	24
Argentina and Uruguay	12	36	19	66
U.K. and U.S.	18	24	30	32
Total	55	83	70	122
Production :				
Australia, New Zealand and S. Africa	701	681	688	648
Argentina and Uruguay	168	177	164	166
Communist Countries	296	302	298	275
Other Countries	308	301	309	294
Total	1,473	1,461	1,459	1,383
Exports :				
Australia, New Zealand and other countries	640	608	630	583
Argentina and Uruguay	115	160	104	153
Other Countries	155	162	178	182
Total	910	930	912	918
Retained imports total	915	920	895	936
Consumption :				
13 principal countries*	875	862	880	860
Communist Countries	*N.A.*	340	337	325
Other Countries	*N.A.*	245	241	244
Total	*N.A.*	1,447	1,458	1,429
Closing Stocks (as at December).	*N.A.*	421	377	389
Prices† (cents per kg. clean):				
Merinos (64's)	225	226	239	216
Fine Crossbreds (56's)	192	192	203	180
Coarse Crossbreds (46's)	161	162	176	152

* U.S., U.K., France, W. Germany, Italy, Netherlands, Belgium, Sweden, Denmark, Austria, Portugal, Japan and Canada.
† At Dominion and U.K. auctions for the first four months of the season only. *N.A.*—Not available.

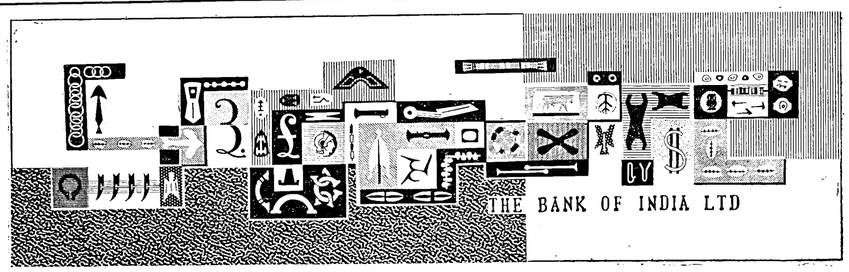
The slight contraction in world wool consumption did not affect the volume of international trade, which, on the contrary, expanded. With rising prices during the first half of 1961, unsold stocks of South American wools moved to the European Economic Community (with the exception of Italy) and to the United Kingdom in particular. Japanese purchases from Australia also rose very steeply under the combined influence of expanding consumption and a more liberal Government import policy. Japan is now the most important buyer of Australian wool, taking 31 per cent of Australian exports in 1960-61, as compared with the U.K.'s 18 per cent. The U.S., while taking more apparel wools from all sources, reduced imports of carpet wools, notably from South America. Imports into the Sino-Soviet area were lower. In these circumstances, exports from Australia and South Africa declined to the same extent as their 1960-61 clips and New Zealand's carryover stocks increased. Exports from other—mainly carpet wool producing—countries also suffered a setback. The expansion in shipments from South America, however, more than offset any reductions elsewhere.

In the autumn of 1961, wool textile activity in the principal consuming countries showed signs of revival, and prospects for 1962 appear favourable. In the United States, the expansion in military requirements and some increase in inventory accumulation, coupled with rising consumer expenditure, are expected to bring about an 8-10 per cent rise in mill consumption. In Western Europe, any increase in wool usage will probably be more modest, while credit restrictions in Japan may retard further expansion in that country. Assuming a resumption of growth in the Sino-Soviet area, world wool consumption in 1962 is likely to remain at its present high level, or to rise slightly above it.

De-stocking

The current year opened with commercial stocks in consuming countries at their highest level in ten years, but some tendency to de-stock has lately been apparent in Western Europe, and more recently in Japan. This may have contributed to the recent fall in prices, and could continue into the early part of next year. Imports into Western Europe, as well as

(*Continued on page 615*)



This is the impressive 84 feet x 18 feet mosaic mural on the outside of the Bank's new building in Kampala, East Africa. The mural depicts many of the tokens used as coinage in various parts of the world through the centuries.

THE BANK OF INDIA LTD., at present has Overseas Branches at: LONDON; MANCHESTER, NAIROBI, KAMPALA, MOMBASA, JINJA, LAGOS, DAR-ES-SALAAM, ADEN, KARACHI, SINGAPORE, HONG KONG, TOKYO & OSAKA. With these Overseas Branches and a network of over 500 correspondents in almost all parts of the world, THE BANK OF INDIA LTD., is well equipped to handle Foreign Exchange Business of every description.

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UNDER SECRETARY TO GOVERNMENT
10 OCT 1962
DEPARTMENT

OUTLOOK FOR TEXTILE INDUSTRY GLOOMY

INTER-SECTIONAL STRIFE PERSISTS

From Our Special Correspondent

MANCHESTER, 26*th September*

MANCHESTER LETTER

HOPES that the "buying pause," for so long adopted by customers, would have been at least a little relaxed, as our so-called British summer drifts into autumn have not yet been realised. Some weeks provide a little more encouragement for producers and, here and there, demand revives sufficiently to cause a flutter among spinners and weavers who begin to think that brighter days may be just around the corner.

On the whole, however, the rather ragged appearance of the market is not consistent with any sustained sign of buying power and the latest crop of mill closures only serves to re-emphasise the need for concentration of output into the most efficient and well-managed units. Those who have been pessimistically forecasting a fresh wave of curtailment of machine activity in the weeks between now and the year-end are being tempted to shake their heads and make even more gloomy prophecies about the future.

Controversy Persists

Meanwhile, the controversy which rose to a peak during the early days of the Textile Action Group campaign still persists, although it is fortunately no longer so widely publicised. The image presented of Lancashire to readers outside the trade has rarely been a favourable one and its crises and inevitable faults have been magnified far beyond their legitimate bounds.

For this reason, it remains essential that the split in the ranks of the industry should not be allowed to become wider and that efforts should be made to channel the numerous viewpoints into a single approach which might have more probability of gaining the support of the authorities in London. There is reason to believe that Lancashire's case is at present being more favourably considered than on occasions in the past when too many voices have advocated a multitude of remedies, often applicable only to sectional or even individual interests.

This recognition that the various sections of the trade and those who work in them are interdependent is slow to dawn on many of those who have been prompted in the past to "paddle their own canoes." Consultation at all levels is now a regular feature of industrial life in Britain and the Lancashire cotton trade need not be ashamed of its record within the mills. When it comes to dealing with outside organisations, mainly in the political field, inter-sectional strife has shown up far too clearly.

Those who have campaigned all along for more team-work are now redoubling their efforts, as their ultimate end is a virile industry able to provide a future for a mobile and forward-looking labour force. Before this can be achieved, however, differences will have to be composed and the tendency to row over minor details ended.

Achieving an Integrated Industry

The hard-hitting analysis of the Lancashire cotton industry's troubles presented to the recent annual meeting of the British Association for the Advancement of Science, is still one of the talking points in the trade. In a paper that bristled with controversial ideas, Mr. Alan Ormerod—himself a cotton industry leader—put forward a suggestion for hastening the integration of the industry.

This was the suggestion that the "added value tax" already in force in several Continental countries should be used in Britain. Such an impost operates at each transfer of ownership in the course of production, so that, in a horizontal industry, it would be levied between spinning and weaving, weaving and finishing, finishing and making-up, and making-up and wholesaling. The integrated production line would only sustain one tax charge.

Many papers such as that presented by Mr. Ormerod take the easy way out by avoiding details of how their schemes could be adopted in a practical manner. Apart from the provision of some compulsory power to bring a definite and relatively quick conclusion to his ideas, he seems to favour the added value tax as the major incentive to integrate. The textile merchant has no intention of acquiring manufacturing facilities in a capital-intensive industry, he says. On the other hand, the manufacturing sections have a great incentive to integrate forward to secure a commercial base to protect their investment in fixed assets.

More Vertical Units

As merchants are unlikely to offer themselves up, it seems inevitable that the nucleus of vertical development should be large-sized verticals with established marketing organisations. The size of the unit concerned need not be huge in terms of capacity, provided it has the best equipment available, operating on a three-shift basis. Some 5,000 looms and 250,000 spindles, in Mr. Ormerod's view, could, with balanced yarn processing and cloth finishing facilities, produce a turnover of the order of £25 million.

The horizontal combines, he continues, could assist the development of the group by allowing suitable mills to be integrated into firms constituting the horizontal members, while the remaining horizontal spinning and finishing units could service the partial verticals and specialist units. "The section of the industry for which there appears to be no hope of survival," he says, "is the horizontal weavers manufacturing basic products in units of less than 250 looms.

Of the 469 firms in the weaving section, 283 operate less than 250 looms, collectively controlling 28,000 looms, or nearly 17 per cent of the total. "The large majority of these are operating non-automatic looms on single shifts and have no place in the process of verticalisation. Reluctance to capitulate is an admirable characteristic, but the annual cost of survival is going to become prohibitively expensive."

Lack of Good Management

The great impediment to the development of the industry on the lines suggested by Mr. Ormerod is, he says, the dearth of top management capable of organising and controlling the combined operations. This is all the more reason why the present 750 firms in the industry should be drastically reduced and the few existing large combine units or partial verticals expanded. The conditions, he feels, are now absolutely right for introducing graduate production engineers to take key positions within the trade.

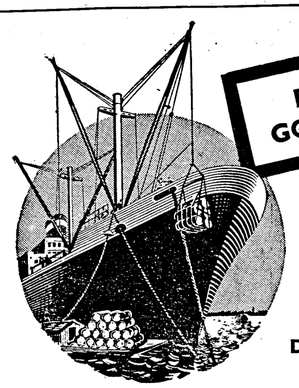
The cotton textile industry was the first to be mechanised, he observes, and it now seems fairly certain that it will be the first to be automated. Many foreign mills which completely re-equipped between 1946 and 1960 are now obsolescent. Many domestic mills now have the opportunity to omit the intermediate stage and proceed to an automated operation, particularly where complete vertical structure is achieved through a narrow range of products. Finally, Mr. Ormerod follows what might be described as "Lancashire's party line" on the question of foreign imports. "The essential prerequisite is a clear statement of policy on Asian imports," he says. "The minimum which should be conceded is a guarantee not to permit further increases and that the total quota should be broken down and assigned to specific categories to stabilise the position for the domestic mills which produce the same products. With this sound basis the reduced industry can then use its third-shift surplus, sold on a marginal cost basis, to attack export markets."

Obituary Notices

Black-bordered obituary notices have been sent to Britain's 630 members of Parliament, including the Prime Minister—announcing the "death" of another Lancashire cotton mill. The announcement sent out by the militant Textile Action Group, which is pledged to fight for the cotton industry's survival, lists the "passing" of 30 other mills since January. It says that 11,000 mill-workers have been made redundant since the start of 1962, and total post-war redundancies now number 163,000.

The printed obituary is headed: "It is with the greatest regret that T.A.G. have to announce the passing of yet another famous name from the textile industry—the Iris Mill at Oldham, with the loss of over 300 operatives. Their names are added to the ever-growing list of those who have gone before." The notice ends with a Latin inscription. Translation: "Those about to die salute you."

Mr. Ken Shorrock, Secretary of T.A.G., said: "We intend to do this periodically just to make everyone aware of the grim situation in our industry."—*All Rights Reserved.*



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STEADY DECLINE IN COMPETITIVE CAPACITY OF INDIAN TEA

OFFICIAL POLICIES NEED CAREFUL APPRAISAL

By A Special Correspondent

TEA has suddenly drawn attention to itself in a climate of near-crisis in our export earnings. It was not only the uninformed but also the officially responsible who had believed that tea as a remnant of the colonial era was finished and Indian export would consist mainly of her vast output of manufactured goods. After 15 years of sobering experience, there is a readiness to look at India's tropical produce which formed the mainstay of her exports for a century, in a new light. The awakening has only begun and, as the first thing at dawn, we may begin with the customary tea.

The Government of India's attitude to tea and other plantation crops in the immediate after-British years was discernible in three strands of policy. Though recoiling from the clamour for nationalisation, there was nevertheless a willingness to tax as hard as possible. Government took full advantage of popular sentiment, as expressed in Parliament, by extending wholesale control over the industry by changing the constitution of the Tea Board and extending its powers. To the physical distance of the industry from New Delhi was added a cold mental distance. The last, though not the result of a formal decision of the Government, was far more difficult to tackle or pin down. It became a pervasive influence blighting the development of a realistic and urgently needed policy for tea.

Perspective

A careful analysis of the origins of policies has its advantages, in that the mistakes can be judged with more detachment and understanding than was possible at the time they were introduced. For nearly ten years, industrial advice was not sought or heeded. India walked out from the International Tea Market Expansion Board, ignored the lapsing of the International Tea Agreement, dismissed repeated pleas for doing propaganda for Indian tea in Britain with complete indifference to long-term consequences, reduced external promotional budgets and favoured a scheme of diversification of markets by concluding barter agreements. The cess on tea, originally intended for export promotion, continued to be collected, but large surpluses were accumulated and credited to the Consolidated Fund of India. Export duties were increased and the incidence of taxes of all kinds was enhanced by the Centre, the States and Local bodies, each vying with the other, for a larger share of the tea cake. The consequences of these policies began to emerge from the welter of impressions and prejudices only with the passing of 1960. But a positive reversal of these policies, a proper understanding of the causes and a recognition of the direction that ought to be taken are matters now tied to the export promotion drive. Perhaps, one way to deal with this change in some order is to note the trends in tea exports over the past decade or so.

From 1904, when India wrested the leadership of the world tea export trade from China, her share of the principal tea-consuming countries were maintained unimpaired till the '30s. After the war-time interruptions to supplies to certain countries and the overall regulation of trade, a period of comparatively free trade in tea began in 1951. In 1953, we finally left the International Tea Market Expansion Board. Table I accompanying this article provides a view of the trends over a nine-year period.

It is interesting to note that, although the U.K. imported only 33 million lbs. less from India in 1961 than in 1953, India's share of the British market dropped from as much as 78.7 per cent in 1953 to as low as 50.7 per cent in 1961. In other words, India failed to keep pace with the increased consumption of tea in each of these markets and, in some cases, actually lost on her share. Out of India's total output, these seven markets accepted 65 per cent of her tea in 1953. In 1961, the corresponding figure was only 44 per cent of the total tea they received and 45 per cent of the total we produced.

Another way to look at these markets and the changes that have occurred in nine years is to show Indian teas received by these countries as a percentage of the total tea imports. This is done in Table II.

Our efforts at diversification have achieved some results and the consumers in the new countries, if allowed to drink pure Indian tea, may develop a preference for it to the eventual benefit of our produce. There has been a three-fold increase in exports to some six countries three of which are producers of tea within their own territories. (*Vide* Table III.)

The share of these markets in India's total production is a small, though a growing one. If most of them pay us by goods in exchange, the value of the gain may not be very much, although the long-term effect may be good. But the gain in these markets do not wholly compensate for the loss in the several traditional markets.

Where do we stand with our chief competitors? Ceylon and East Africa together constitute the principal challengers of India in the world tea trade and will constitute the biggest threat in the next ten years. Their combined output and export may be compared with India's for the nine years. This is done in Table IV.

1955 was a year in which tea was held up on a Government decision banning consignment to London market. Therefore, 1960 must be taken as the last year of India's absolute domination in the world market.

It will be noted that, between 1953 and 1961, whereas India's tea exports had come down sharply from 81.5 per cent of its production to 53.7 per cent, those of Ceylon and East Africa combined had declined only slightly from 96 per cent to 92.4 per cent.

The share of Indian output and export in the total world production and export of tea has gradually been declining, although the pattern from year to year has been somewhat irregular. This will be evident from Table V.

This overall look at the facts give an idea of the significant changes that have occurred in India's tea trade and give some forecast of trends. India's domestic market is a residual consumer and its size is determined by what the export market did not buy from Indian production.

It is a matter requiring careful examination whether the production structure of the industry, the fiscal and industrial policies of the Government or any other factor or a combination of all these were responsible for the changes that have taken place.

Third Plan Target

The third Plan outlines a production target of 900 million lbs. and an export target of 550 million lbs. If achieved, the internal consumption envisaged is of the order of 350 million lbs. or only about 29 million lbs. more than the quantity left over without any visible adverse effect in the domestic market last year. The additional export to be made is about 194 million lbs. over what was actually reached last year. It does not make much sense to throw nearly 200 million more pounds into the pool of world supplies without any gain if it forces world tea prices down to the same extent as the quantity of export is increased. In other words, there must be a positive and effective policy to promote the consumption of the additional supply operative before that supply is made. Whether the recent steps taken by the Government or the Tea Board really constitute the effective measures necessary under the circumstances is not a matter for discussion here although it is of relevance. The fact is that the vital changes required in promotional policies have been introduced only too recently to make any substantial difference, to previously observed trends, in the next three years.

On the other hand, increase in supply is being ensured both by economic necessity forced upon the producers and external stimulus provided by replanting and other assistance. The latter would not have evoked much response but for a prior condition favouring the increase in unit output. Since 1951-52, over 40,000 acres have been replanted and 45,000 new planted, both consisting largely of high-yielding vegetatively propagated plants. At least 60,000 acres of this area will be contributing to the total crop by 1965. Producers who were obtaining under 1,000 lbs. per acre are paying special attention to yield improvement and the combined effect of the crop from the new areas and the increase from the old fields might be a rise in crop by well over 150 million lbs.

The production apparatus of the tea industry is poised for the extra effort needed to raise output with no market in sight to absorb the increased production. Some among the producers have responded to this prospect with a certain amount of caution and some with loyal hopefulness. The question of export earning and the future stability of the tea industry will depend not so much on the fulfilment of the third Plan target but on how well production economy is geared to maintain tea as a cheap beverage and ensure public preference for tea over other beverages. One calls for a proper examination of estate organisation, its productive efficiency and the fiscal burdens affecting production and the other an honest and thorough reappraisal of the promotional apparatus and its effectiveness. Any such quest is bound to be bogged down by built-in inhibitions. A re-examination of the cost structure and operational methods might call for a radical change in labour and staff utilisation and many sacred cows of managerial practices. Labour as well as Government will conceivably be equally adamant not to introduce any reform that will adversely affect employment levels, whatever the consequences of the existing state of affairs in the industry. By this stand on the part of Government and labour, necessary reforms in other directions cannot be forced. The single largest increase in costs in tea can be directly attributed to fiscal exactions of the States and the Centre. Although a lowering of costs will eventually benefit the total economy, the immediate loss of any revenue will not appeal to any of the Governments. A clear-eyed view of India's promotional apparatus or its effectiveness will be an extremely difficult undertaking since the problem is encrusted with thick layers of official mistakes and prejudices.

Labour Economics

Let us first have a look at the economic aspects of the problem raised in plantation organisation and operation. The industry is labour-intensive and the greatest saving in cost can only come from the most efficient use of labour. The setting up of the Wage Board must have done a lot of good in that the employers and labour must have been confronted with the question of labour productivity and efficient uses of resources in the industry much more forcibly than could normally have been possible. As an agricultural operation, tea-growing conditions vary from estate to estate, region to region or even from one field to another in the same estate. For, the condition of the soil, the plants and the efficiency of workers vary from one another. Some variation in labour use has been modified by bush management, shade regulation and changes in pruning cycles. Even so, labour-land ratio cannot be a fixed one and variations in practice have been observed all the way from just over 0.6 to 1.8 labour per acre of bearing tea.

Work patterns on tea estates have been undergoing marked changes and there is no doubt that the process will continue. But a flexible policy regarding labour use is resisted on the ground that employment levels will fall if changes are introduced. Certain operations have gone out of practice and some have become unnecessary due to technological changes. But field operations are less susceptible to clear cut definitions and practices found unnecessary by the more advanced managements may long be continued by others. However, on a group of estates, weed and grass control required 14.67 per cent of the total mandays worked in 1951, but only 12 per cent of the mandays in 1961, though the total mandays worked in all operations increased by 44 per cent. Plucking a larger crop, the mandays on this item went up from 46.34 per cent to 49.19 per cent from 1951 to 1961. Mandays spent on manufacture went up from 5.76 per cent to 6.19 per cent and the total of harvesting and manufacturing increased from 52.10 per cent to 55.88 per cent. The significance of these figures is not in that the bulk of mandays spent is devoted to gathering and processing the crop, but that changes in the pattern of labour use is taking place, work content of each operation is undergoing changes and that this process will continue. Any resistance to such changes will thwart progress in labour productivity and force the industry to remain stagnant and outdated.

Plantation labour are entitled to festival holidays and annual leave with wages, besides sickness and maternity benefit payments at certain rates. The number of mandays entered on

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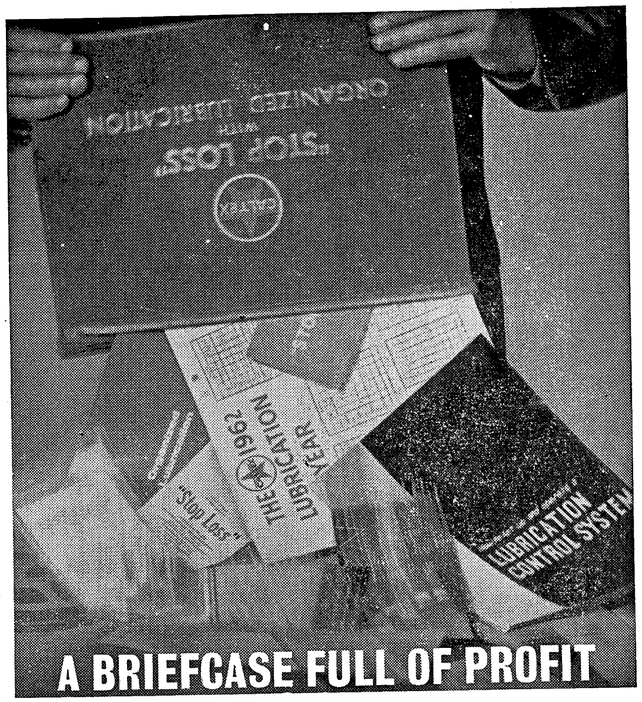

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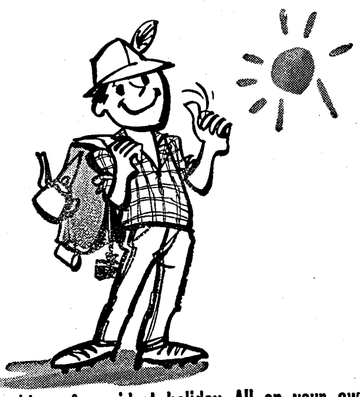

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the rolls in favour of the workers who absented on these various grounds and who were paid for them doubled themselves over a ten-year period. For the group of estates mentioned earlier, the percentage of mandays under the head of unrequited payments increased from 4.4 per cent to 9.9 per cent of the total mandays paid for. Approximately 8 per cent of the industry's wage bill goes towards making unrequited payments.

The wages and salaries bill of the tea industry, inclusive of fringe benefits, range from 46 to 49 per cent of the total cost of production. Wages and salaries alone account for about 36 per cent and fringe benefits for over 10 per cent of the total estate cost. Workers alone account for about 80 per cent of the total wage and salaries bill of the industry. Any lowering of the cost of production must necessarily involve better utilisation of labour and its better application to the other resources employed. When it was realised that manures and fertilisers, crop protection chemicals and other stores and supplies absorb as much as 35 per cent of the estate expenditure, the importance of their efficient application becomes apparent.

The tea industry founded over a century and quarter ago suffers from certain disadvantages from the fact of its early origin. The productive efficiency to which a property may have been raised over a long period of time by skilful management and continuous ploughing back of resources may not be reflected in the paid-up capital. Therefore, a simple comparison of the value of output with the paid-up capital provides the basis for the most erroneous interpretation of tea company performance. But the industry seemingly provides employment at a relatively lower cost per employed person as compared with manufacturing industries. Taking the employed capital as the basis and then related to each worker, the capital outlay per worker in some selected industries for the year 1958 is indicated in Table VI.

For the purpose of comparison, the figures found in the Census of Manufactures of the Central Statistical Organisation were used. The product value per employed person was derived from the same source, but the value for all industries other than tea was taken from the ex-factory price of the product. Based on these figures it is possible to arrive at the output value per rupee of capital employed. For paper and paper board it was Re. 1, for tea it was 76 nP, for cement 61 nP, for soap Rs. 2.29 and for all industries covered by the Census of Manufactures Rs. 1.41. The raw material component of manufacturers' costs helps to reduce the proportion of wages in the total cost to about 11 per cent of the product value. In tea, it was as high as 30 per cent, though these two figures are not strictly comparable. Still the fact that cannot be overlooked is that the total of what can be paid to labour is determined by the size of the output value per worker.

Yield and Size of Operations

The cost of production of tea is greatly influenced by the average yield as well as the size of operations. The share of the variables in the costs are as high as 60 per cent. With the volume of output, there is a 4 per cent gain on every 10 per cent rise in output up to a point. In other words, the cost would fall by 11.9 per cent by a rise in average yield from, say, 1,210 lbs. to 1,510 lbs. per acre. On a current cost of 160 nP per pound, the cost would fall to 141 nP. It has been found that the seasonal variations in price exceed the degree of flexibility in cost by higher yield. This fact must be borne in mind in assuming that cost reductions are possible by a rise in yield. Another equally valid fact to be considered is that the rate of rise of yield of those who have already reached above 1,000-lbs. mark will progressively slow down. The marked rise in yield that has been achieved during the ten years 1950 to 1960 from 765 lbs. to 1,210 lbs. has helped to absorb the increase in per pound cost. But the cost moderating role of higher yields would tend to be less and less effective as more and more producers rise above 1,000 lbs. per acre.

If costs must be held at a reasonable level, it is all important that the major cost factor, namely, the wage and salaries bill accounting for nearly half the total cost must be reduced to a more reasonable proportion of the cost rupee. Materials and supplies which account for about 30 per cent of the total cost must also be used in such a way that it eats up less of the cost rupee. In neither direction is the Government ever helpful whether in the Centre or in the State. The Plantations Labour Act imposes burdens of a kind and range unequalled by the labour law for any other industry in Asia. Having set a high standard during an emotional period of our recent history, costs have not been very carefully considered. Obligations have been laid on the industry by statute for providing a standard of housing, medical care, education for the young and care of the infants that the nation is unlikely to achieve for the rest of the people in the next twenty years. Having fixed such standards by a mixture of the ideals of Welfare Society and socialist zeal, the problem is being dealt with by a disregard for the industry's economy and an excessive zeal of protection for labour, ignoring and condoning defaults. Similarly, the enforcement of taxes is as unsatisfying to the industry as it is to labour.

A house of approved standard for plantation workers, costing about Rs. 1,400 in 1950, now costs as much as Rs. 2,300. There are some 500,000 working families to be housed and the capital outlay involved is about Rs. 115 crores. This figure may be compared with the estimate of the capital invested according to the Plantation Inquiry Commission Report. It says, on page 36, that the total capital invested in the tea industry is Rs. 113 crores. In that case, labour housing, only one of the several amenities laid down under the statute, would involve a capital expenditure exceeding the capital invested in the industry. The Act prescribes one doctor per 1,750 workers, one bed for every 100, one nurse for 1,750 and one estate hospital for each 1,000 of the labour population. Anyone interested in paradoxes may compare these with the reality in India. For the State of Bombay, the number of persons per bed was 4,168.

For fifteen years from 1947, the rationale of Government tea policy must be sought in the attitude which was voiced from time to time in Parliament. But the experience of fifteen years ought to be sufficient to learn that India's most valuable export commodity cannot develop or long remain in its important role without a complete review of assumptions, policy and purpose. One hundred and forty years ago, the Han merchants agitated against the British tea trade. In less than sixty years, Chinese tea dropped from a flood to a trickle in world trade. It is time we looked at free India's tea policy in a comprehensive manner. There is the risk that, in the hurry for raising exports, attention may be concentrated on the more superficial aspects of tea policy.

TABLE I: Exports of Indian Tea to Traditional Markets
(In million lbs.)

Countries	1953	1954	1955	1956	1957	1958	1959	1960	1961
U.K.	315	321	283	301	348	326	284	257	282
Eire	16	23	21	12	24	15	14	13	16
Germany	4	6	6	6	6	6	6	6	6
Canada	21	20	20	21	20	19	16	15	14
U.S.A.	39	40	37	32	27	30	28	25	27
Australia	3	8	6	8	8	5	7	4	4
New Zealand	2	1	1	1	2	2	1	1	1
Total	400	419	374	381	435	403	356	321	350
Total Indian production	615	652	678	681	685	717	719	706	777
Export to listed countries as *per centage* of total	65	64	55	56	64	56	50	45	45

Source : *I.T.C. Bulletin* 1962.

TABLE II: India's share as percentage of the total tea by each country

Countries	1953	1954	1955	1956	1957	1958	1959	1960	1961
U.K.	64.0	59.3	56.8	58.5	58.6	55.4	54.9	49.0	50.7
Irish Republic	94.6	90.3	81.4	95.6	88.0	79.6	67.0	61.9	64.8
Germany	50.6	53.0	46.3	45.6	41.7	42.8	38.1	37.9	40.3
Canada	46.6	44.1	46.5	45.4	42.5	43.2	36.2	35.0	35.2
U.S.A.	36.1	34.8	34.8	31.5	26.4	28.9	25.2	21.5	24.3
Australia*	21.7	5.2	13.1	14.0	13.3	14.8	8.8	10.8	7.0
New Zealand	11.8	7.8	7.9	10.2	10.1	11.1	8.7	8.6	7.3

* Year ending 30th June.

Source : *I.T.C. Bulletin*—June 1962.

TABLE III: Tea Exports to New Destinations
(In million lbs.)

Years	U.S.S.R.	Turkey	Egypt	Iraq	Iran	Sudan	Total	% of total Indian production
1953	..	4.5	18.1	3.2	1.1	5.4	32.3	6
1954	..	3.5	6.9	0.9	5.1	6.2	22.6	3
1955	..	2.9	12.7	0.2	10.7	3.3	29.8	4
1956	13.6	5.8	23.1	0.2	8.3	6.7	57.7	8
1957	15.9	7.1	16.8	0.04	9.9	4.4	54.14	8
1958	25.3	8.2	25.2	0.1	12.0	14.0	84.8	12
1959	27.3	10.4	25.8	3.7	7.6	23.6	98.4	14
1960	22.4	5.3	31.5	4.7	7.8	8.6	80.3	11
1961	26.2	9.3	34.4	4.6	8.5	14.9	97.9	13

Source : *I.T.C. Bulletin* 1962.

TABLE IV: Output and Export of Tea of India and its Chief Competitors
(In million lbs.)

Year	Output		Export	
	India	Ceylon and East Africa	India	Ceylon and East Africa
1953	613	364	500	349
1954	652	394	443	382
1955	678	411	368	384
1956	681	409	528	375
1957	685	434	443	397
1958	717	453	506	443
1959	719	459	471	421
1960	706	484	426	452
1961	777	504	456	466

Source : *I.T.C. Bulletin* 1962.

TABLE V: Production and Export
(In million lbs.)

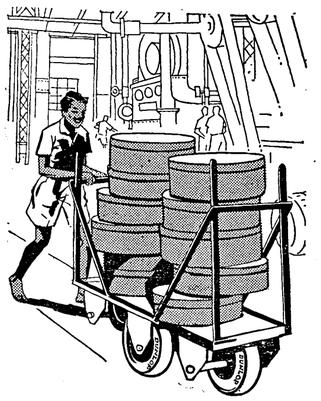
Year	Indian		India's share of World	
	Production	Export	Production %	Export %
1953	605.3	500.6	41.3	48.2
1954	642.1	447.9	38.6	40.8
1955	668.1	367.5	38.7	37.1
1956	667.0	523.5	36.8	44.4
1957	678.9	442.6	38.3	39.2
1958	713.7	505.9	36.6	41.0
1959	716.1	472.5	36.1	39.8
1960	706.4	421.6	34.5	36.0
1961*	777.0	441.8	36.6	41.4

* Provisional.

Source : *J. Thomas & Co.*

TABLE VI: Employed Capital and Product Value per employed person in 1958

	Employed capital Rs.	*Product value* Rs.
Tea	2,433.00	1,851.00
Cement	27,913.45	17,023.77
Cotton textiles	4,828.86	6,921.17
Paper and paper board	14,095.95	14,125.29
Soap	21,951.50	8,031.06
Sugar	10,741.00	50,196.89
Woollen textiles	8,887.64	12,344.69
All industries (excepting tea) covered by the Census of Manufactures	7,592.51	10,733.06



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RAGHUVANSHI MILLS LIMITED

CHAIRMAN, MR. RAVINDRA MAGANLAL, SUGGESTS BUFFER STOCK FOR COTTON

EXPANSION OF SPINDLEAGE ENVISAGED

THE idea of building up a buffer stock for cotton through larger imports was favoured by Mr. Ravindra Maganlal, Chairman of the Raghuvanshi Mills Ltd., in his speech at the Thirty-third Annual General Meeting of the Company held at Bombay on Saturday, 29th September 1962. According to him, a substantial buffer stock will ensure not only a steady supply of cotton to the industry but also make for stability in prices. The Chairman, however, conceded that this was only a temporary solution. The ultimate remedy lay, he said, in increasing internal production and for this there must be awareness at all levels of administration of the need for vigorous action. The following is the full text of Mr. Maganlal's speech:

"DEAR FRIENDS,

"I have great pleasure in extending to you a very cordial welcome to the thirty-third annual general meeting of the Company and I thank you all for attending this meeting.

"You have been in possession of the Directors' report and audited accounts for the year ended 31st March 1962 since some time now and I am sure you have gone through them with interest. With your permission I take them as read.

"Before I turn to other matters I should like to draw your attention to some salient features pertaining to our Company's working. You will notice that the profit, subject to depreciation and taxation for the year under review, is Rs. 26.77 lakhs, as against Rs. 21.70 lakhs last year. This has been achieved in spite of the increasing cost of production. It will be noted that the fixed capital expenditure during the year amounted to Rs. 13.27 lakhs, as against the previous year's figure of Rs. 11.23 lakhs. Similarly, the total turnover has increased from Rs. 1.75 lakh to Rs. 1.89 lakh.

Modernisation—A Continuous Programme

"In view of the accelerated tempo in introduction of new types of machinery and also of improvements in the existing ones, it is necessary to spend large sums of money on machinery from year to year. In short, modernisation has become a continuous programme. Your Board has always borne this fact in mind when recommending disposal of the profits. Admitting that it is essential, in the interests of all concerned, that a substantial portion of the profits earned by the Company be retained to finance cost of modernisation, it is but fair that the shareholders too participate in higher profits with increased earnings of the Company. It will be noted that dividend for the year has been stepped up from Rs. 10.50 to Rs. 12.00 per share.

"To meet the long-felt need of the shareholders to list your Company's shares on the Bombay Stock Exchange, your Managing Agents have recently released for sale 6,000 shares of your Company out of their holdings to fulfil the requirements of the Bombay Stock Exchange. The Company's application is before the Stock Exchange authorities and we can shortly expect to receive their approval for entering your Company's shares for official trading on the Stock Exchange.

Distribution of Cotton

"The control of distribution of cotton, both imported and indigenous, continued during the year. The indigenous crop had fared very badly. The Government was admittedly vigilant to meet any situation and, in spite of the failure of the indigenous crop, at no time serious difficulty was experienced in the working of the industry and in the maintenance of production. The ceiling prices for indigenous cotton for the current year have been increased and I have no doubt that necessary adjustments will also be made in the prices of yarn. It is a general grievance of our farmers that the price of Indian cotton is very cheap, as compared to other commodities and world cotton prices. However, by the recent increase given and looking to the prices of much superior varieties of foreign cotton, it cannot be said that such a position now exists. Scarcity of cotton will be continued to be felt with the increased manufacturing activities envisaged in the third Five-year Plan through which we are now passing.

"With the growing shortage of foreign exchange, procurement of cotton will be also a problem. I believe that, looking to the very favourable prices of foreign long-staple cotton, the Government should consider building up a substantial buffer stock, thus ensuring for our country not only steady supplies of cotton but also a stability in the price factor. Whilst saying this I am aware that this is no solution. Our country cannot afford to continue to spend Rs. 66 crores every year on importation of cotton. The remedy lies in increasing the yield of cotton lint per acre. Our yield per acre is the lowest in the world, being 80 to 90 lbs. per acre, while a number of other countries have a yield which is four to five times as much as ours. There must be awareness at all levels of the administration that this position needs quick action, rectification and improved achievements.

"I have no doubt that in spite of all difficulties, the target laid down for the third Five-year Plan will be achieved. The target will largely keep pace with the anticipated increase in population and leave a little margin for securing progressive rise in the living standard and to increase our exports.

Expansion

"In my last speech, I had made a reference to the advisability of allowing existing units to expand which will mean immediate contribution to the increased production without involving much of time and finance. Your Company has made an application to the Government for permission to install 6,788 additional spindles as partial reinstatement of its pre-fire capacity. If this application is granted, your mills' installed capacity will be 40,000 spindles and the Company's working and capacity to export will undoubtedly be considerably improved.

"The working conditions throughout the year have been satisfactory and the trading conditions quite good. This is mainly due to the sustained large demands from the powerloom and handloom sectors. The recent levy of Central excise duty on yarn, powerloom and on processing has brought medium-sized and large powerloom units some distress. It cannot be denied that this decentralised sector has largely contributed to the economy of the nation by fulfilling the target productions allotted and thus making available to the country cheaper priced fabrics for consumption. It is, therefore, necessary that this sector is properly organised and allowed to play its part in the economy of the textile industry and the country as a whole.

Compulsory Exports

"During the current year, exports have been made obligatory. I am glad to say that your Company has by now fulfilled its obligations and it will be possible for the Company to make even larger exports than its obligation. The U.K.'s entry into the European Common Market appears to be more or less a certainty. What special conditions will apply to India is a point apart from this. It is, therefore, necessary that a country like ours should try to bring down its costs of production so that under adverse conditions too, we can continue our export trade which becomes necessary for balancing our imports for implementing the Plan projects.

"On behalf of the management I have pleasure in recording their deep appreciation of the unstinted co-operation received by them from the staff and the operatives without which it would have been difficult for the Company to achieve the results as shown in the report and the accounts. I thank them all and expect they will continue to give the same co-operation in future.

"I thank you all again, gentlemen, for attending this general meeting of the Company."

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

Notices

THE UNITED COMMERCIAL BANK LIMITED

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Issue of new 2,00,000 Ordinary Shares of Rs. 100 each, Rs. 50 per share paid up for cash at a premium of Rs. 25 per share

NOTICE IS HEREBY GIVEN THAT THE time for:

(a) Acceptance by shareholders of the offer of new ordinary shares to which they are entitled.

(b) Renunciation by shareholders of their right to such new ordinary shares in favour of their nominees and the application by such nominees for new ordinary shares renounced in their favour.

(c) Application by shareholders for additional new shares

has been extended by the Board of Directors from 1st October, 1962 to 31st October, 1962.

Shareholders are hereby informed that no further extension of time whatever will be given after the 31st October 1962 and that the shares not applied for will be allotted to the shareholders who have applied for additional shares on an equitable basis with reference to their holdings and that if that is not possible, in the manner approved by the Controller of Capital Issues.

Dated at Calcutta this 29th day of September, 1962.

By Order of the Board of Directors,
R. B. SHAH,
Deputy General Manager.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Share Transfer Books for Preference Shares in the Company will remain closed from the 15th October to 18th October, 1962, both days inclusive, for the purpose of payment of Preference Dividend for the half-year ended 30th September, 1962, on or after the 1st November 1962, to those Preference Shareholders whose names appear on the Company's Register of Members on the 18th October, 1962, or to their mandatees.

By Order of the Board,
MARTIN BURN LTD.,
S. GUPTA,
Managing Director,
Managing Agents.

Registered Office:
12, MISSION ROW,
CALCUTTA-1.
5th October, 1962.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

Registered Office:
CEMENT HOUSE, 121, QUEEN'S ROAD, BOMBAY-1

NOTICE

THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS of the Company will be closed from SATURDAY, the 3RD NOVEMBER to FRIDAY, the 30TH NOVEMBER, 1962, both days inclusive.

Shareholders wishing to file TAX EXEMPTION CERTIFICATES with the Company are requested to do so on or before 15TH DECEMBER, 1962, as it will not be possible for the Company to act upon Exemption Certificates received after the abovementioned date in respect of dividend for the year ended 31st July, 1962.

By Order of the Board,
For THE ASSOCIATED CEMENT COS., LTD.,
CEMENT AGENCIES LTD.,
Managing Agents,
R. R. HATTIANGADI,
Managing Director.

28th September, 1962.

TRAVANCORE SUGARS AND CHEMICALS LTD.

STATEMENT BY MR. H. V. R. IENGAR, CHAIRMAN, TO SHAREHOLDERS

TWENTY-FIFTH ANNUAL GENERAL MEETING TO BE HELD ON 24TH OCTOBER 1962

THE view that the sugar position in the country would be stabilised over the next two or three years as a result of lower production and increased exports has been expressed by Mr. H. V. R. Iengar, Chairman of the Travancore Sugars and Chemicals Limited, in his statement circulated to the shareholders of the Company. Mr. Iengar has attributed the unfavourable working results of the Company for the year 1961-62 to a combination of adverse factors over which the Directors had little or no control. He, however, hopes that these adverse factors will not recur, at any rate to the same extent, in the future. Alluding to the Government of India's decision to link the price of cane to its average quality, he states that the Company will not be making any brix bonus. In this connection, he has revealed that the Directors have made what they believe are adequate reserves to cover any additional liability that may fall on the Company under the Government's formula.

The following is the full text of Mr. Iengar's statement:

"GENTLEMEN,

"It is my privilege to have been appointed Chairman of The Travancore Sugars and Chemicals Limited and to have the pleasure of addressing you on the occasion of the twenty-fifth annual general meeting of the Company.

"It is with profound regret that I have to record the death, in November last year, of Mr. H. I. Wonfor, C.B.E., F.C.A., who was Chairman of the Company from 1948 to 1953. Mr. Wonfor's services to industry, and particularly to the sugar industry in South India, will be sorely missed.

"The accounts and Directors' report for the year ended 30th April 1962 will, by the date of the meeting, have been in your hands for the statutory period and, with your permission, I shall take them as read.

Adverse Factors

"The results for the year under review compare unfavourably with those of the previous year, due to a combination of adverse factors over which your Directors have had little or no control. The most important of these factors are the fall in the price of sugar and withdrawal of excise duty rebate on excess sugar production; lower profit margins on spirits and Indian-made foreign liquors; a substantial loss resulting from the closing down of the Pharmaceutical Works; an increase in bank and other interest charges due largely to accumulation of sugar stocks; and finally the additional tax liability both in respect of the current year and the previous years arising from the increase in the rate of corporate taxation effected by the Finance (No. 2) Act, 1962.

"The effect of these adverse factors has been offset to some extent by a lower loss this year on exports of sugar and a reduction in the commission payable to the Kerala State Government consequent upon the termination of the Company's agreement with them, but the net result has been a reduction, in the net profit after taxation, of the order of Rs. 2.50 lakhs.

"Some of the adverse factors referred to above are not of a recurring nature, e.g. the loss due to the closure of the Pharmaceutical Works and the additional provision for taxation, and there are grounds for hoping that the other adverse factors which operated during the current year will not recur, at any rate to the same extent, in the future. In particular, the sugar position in the country generally should become stabilised over the next two or three years as a result of lower production and increased exports.

"For these reasons, your Directors felt justified in recommending a transfer of Rs. 1,50,000 from general reserve to profit and loss account which, together with the net profit of Rs. 46,532 transferred from profit and loss account, will enable the declaration not only of the dividend due on the preference share capital of the Company but also a modest dividend of 5 per cent on the ordinary share capital.

"I regret that, as anticipated in the Chairman's speech last year, we have had to close down the Pharmaceutical Works, the actual closure having taken place on 31st December 1961. Satisfactory arrangements have since been concluded for the sale of the surplus plant, machinery and stores. As a result of reorganisation, consequent on the closure of the Pharmaceutical Works, it became unfortunately necessary to revert some of the regular employees to the seasonal roll, and, in turn, to retrench a few of the seasonal employees.

"During the year under review a greater quantity of cane was crushed than in the previous year, but with a slightly lower recovery. The control of the distribution of sugar passed from Government's hands in September 1961, and sugar was sold in the open market for the last six months of the financial year. As an immediate consequence of decontrol, prices fell and large quantities of Maharashtrian sugar found their way into the Kerala market, but prices have since been stabilised.

"The 1962-63 crushing season commenced on 20th September 1962 and the factory will probably crush 130,000 tonnes cane to produce 11,700 tonnes sugar at a recovery of 9 per cent. The condition of the crop is satisfactory.

"During the period under review, 1,119.7 tonnes were allocated for export and the loss under this heading has been charged in the accounts.

Cane Prices

"The situation regarding the Company's liability in respect of cane payments under the price linking formula is still somewhat obscure. The matter is now under the active consideration of Government and, since the closing of accounts, there have been indications in the Press that a decision will be taken shortly. It appears from these Press reports that the Government formula, perhaps in a modified form, will apply for the four seasons from 1958-59 to 1961-62. As you are aware, we have been paying a brix bonus for cane, and amounts so paid will be deducted from final payments due under the price linking formula. During the course of this year, a brix bonus payment of Rs. 2,10,000 was made in respect of the 1960-61 season, but there will be no brix bonus in future, as the Government have now linked the price of cane to its average quality. We have made what we believe are adequate reserves to cover any additional liability that may fall on us, under Government's formula.

"Because of increased sugar stocks and the difficulties of storage, Government announced a restriction on production in the 1961-62 season amounting to 10 per cent of the previous year's output. This restriction did not apply to units producing below 11,000 tonnes of sugar and your factory was not affected.

"My predecessor referred in his speech last year to the proposal to start a co-operative factory at Pandalam which is only eight miles from Tiruvalla. Our representations to Government against the establishment of this unit within our cane area were not accepted, and work is now proceeding on the construction of a sugar factory at Mangaram. It was our fear that the new factory, situated on the edge of our cane-growing area, was badly located and was likely to interfere with our cane supplies. An agreement has, however, recently been reached between the managements of the two factories and Government by which the cane areas of each factory will be clearly demarcated, and it is hoped that cane supplies of Pamba River Sugar Factory will be adequately protected.

"The new still for the distillery was received during the year under review and has since been erected and brought into production. It is believed that this unit will result in economic working of the distillery.

Labour

"Our relations with labour have been good, in spite of the various difficulties with which we have been confronted. During the year, a referendum was held, in order to decide the representative character of the unions at the factory, and thereby to solve the problem of recognition of unions. I am glad to say that this has now resulted in there being recognised unions representing staff and labour, respectively. The Sugar Wage Board recommendations have been implemented, although it remains to reach final agreement with the unions over the fitment of certain categories.

"In conclusion, I should like to thank all employees of the Company for their co-operation during the year under review, and in particular I would like to pay tribute to the loyal and efficient services of Mr. A. W. Banks, General Manager of the factory, for the past ten years, who retired from service in July of this year."

The above statement is not a report of the proceedings of the annual general meeting which will be held on 24th October 1962.

SUGAR PRODUCTION AND STOCKS

According to the Indian Sugar Mills Association, the total sugar production in August 1962 was 5,000 metric tons, as against 15,000 tons produced in August last year. The total production for the season 1961-62 upto 31st August 1962 amounted to 2,719,000 tons (including 56,000 tons produced prior to November 1961 for the current season), as against 3,021,000 tons in the corresponding period last season (including 55,000 tons produced prior to November 1960).

The offtake of sugar from factories during the month of August 1962, including 35,000 tons despatched for exports, was 282,000 tons, as against 234,000 tons (including 47,000 tons despatched for exports) during the corresponding period last season. The total despatch upto 31st August 1962 was 2,321,000 tons (including 244,000 tons despatched for exports), as against 1,896,000 tons (including 195,000 tons despatched for exports) by the same period last season.

The total closing stock of sugar with factories on 31st August 1962 was 1,545,000 tons, as against 1,672,000 tons on the same date last season.

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THE JAIPUR UDYOG LIMITED

CHAIRMAN, MR. S. P. JAIN, DEFENDS TARIFF COMMISSION

UNECONOMIC PRICE RESTRAINS INDUSTRY'S GROWTH

IN his address to the shareholders of the Jaipur Udyog Ltd., at their Annual General Meeting, held at Sawai Madhopur (Rajasthan) on Tuesday, 25th September 1962, Mr. S. P. Jain, Chairman of the Company, observed that the inadequate growth of the cement industry in the country was largely due to the defects in the fixation of ex-factory prices in 1958. In the latest price fixation, Mr. Jain said, the Government did not think it fit to accept the considered recommendations of an expert body like the Tariff Commission. In the context of the recent controversial statement by Mr. C. Subramaniam, Minister for Heavy Industries and Steel, about the suitability of the Tariff Commission as a price-fixing machinery, Mr. Jain stated that it would not be advisable to eliminate the Commission from the scheme of price fixation. He referred to the need for raising the third Plan production target for cement, in view of the rising demand. He added that the question whether or not the efforts so far made to raise the cement industry's capacity were commensurate was one that required to be considered against the background of the growing demand for the commodity.

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

"GENTLEMEN:

"I have pleasure in welcoming you to the annual general meeting of the Company.

"The Directors' report and statement of accounts for the year ended 31st March 1962 are already in your hands and they will have given you all particulars for a proper understanding of the working of the Company during the year.

Improved Production

"The production of clinker and cement improved during the year from 632,899 tonnes and 678,988 tonnes to 669,675 tonnes and 742,298 tonnes, respectively. It will be seen that production registered further improvement as compared to the previous year. It would have been possible to step up production further had other conditions regarding supplies of coal and availability of power and of transport for movement of raw materials been more favourable than they have been. Further, the illegal strike resorted to by the workmen lasting for a fortnight also impeded better results.

Raw Materials and Transport Bottlenecks

"The position regarding the quality of coal and its transport has remained serious throughout the year. The quality of coal supply is of high ash content while the boilers particularly are designed to use better quality of coal. During some periods, coal stocks had gone down so low as to meet only a couple of days' requirements and production naturally had to be curtailed. The coal supply position has improved recently and the Government and Railways are showing greater awareness of the importance of the needs of a basic industry like cement.

"Due to inadequacy of transport facilities, it has not been possible to move the required quantity of limestone from the quarries to the works. On account of operational and other difficulties, the railways have not been able to give us the number of wagons required daily for movement of limestone, with the result that production in the factory has to suffer on account of shortage of limestone which is the most important raw material. Since the railways have not been able to help us even to move the daily quota, the building up of safety stock in the factory, which is necessary to take care of seasonal fluctuations, could not obviously materialise. Besides, the railway freight of Rs. 4 per ton on this basic raw material over a movement of 14 miles distance is very excessive. The representation to the railways in this matter of high freight cost has been without any result. The Company is considering, with a view to reducing the cost on this account, the question of installing an aerial ropeway, or a siding of its own complete with rolling stock, etc. Preliminary surveys and negotiations have been initiated.

Cement Movement

"Transport has also not been sufficiently available to improve the movement of cement at a time when there should be quicker despatches to meet the unsatisfied and growing demand, resulting in the paradoxical situation of the Company being forced to carry heavy stock and the consumers unable to meet their requirements.

"Your Company has also endeavoured to move certain quantity of cement by road to different consuming centres. In this respect, a severe handicap is the higher transport cost involved. Road movement of cement will be largely facilitated, if the freight allowance provided by the State Trading Corporation is sufficient to cover the extra cost for the long haulage.

Insufficient Power

"Sufficient power has not been available to meet the increasing requirements of your plant. Your Company was assured of supply of the required quantity of power when the State received power from Chambal, and we were hoping that by this year our power problem would be very largely solved. However, even though the State has started receiving power from Chambal, our difficulty continues. Recently, the State Government has been good enough to make available to us a small quantity of power for temporary use. We hope that the State authorities will see their way to meet our requirements fully.

Foreign Exchange

"With a view to improving efficiency and achieving economy in production, which is desired as much by Government as by ourselves, we have taken steps for mechanisation of your quarries and installation of handling and other equipments at the works. It will be possible to fabricate certain sections of machinery within the country itself, but it is absolutely essential that the minimum amount of foreign exchange required for importing necessary equipments should be expeditiously sanctioned. Our application for import licence is still pending with the Government for sanction. I am sure, the Government will appreciate that by importing these balancing equipments and improving production, it will be possible to make available more cement to the consumer. The foreign exchange requirement in such case per ton of cement produced is less than that for expansion or new plants and also helps to reduce costs. Therefore, such application should be given a higher priority and viewed with a sense of urgency.

Industry's Development

"It is acknowledged that the existing level of production capacity in the country is not sufficient to meet the rising demand. The Government and the industry are equally anxious that the development of the cement industry should be accelerated and it is towards this objective, I feel, the Governmental policy and action should be directed. The targetted capacity in the third Plan period is 15 million tonnes and the production to be attained is 13 million tonnes. It is now realised that even this target will prove inadequate and requires to be revised upwards judging from the rate at which demand is rising. How far efforts to expand capacity are commensurate with this need is a point for serious thinking. I have my doubts as to whether with the present resources available to the industry under the present policy of taxes and price fixation, the industry would be able to even realise the existing planned target. It is unfortunate that a fully controlled industry like the cement industry has not been able to develop itself to the extent required and considered desirable. It is common knowledge that the lack of development in the last four years has been largely the consequence of 1958 price fixation. In the latest price fixation, the Government did not think it fit to accept the recommendations of an expert body like the Tariff Commission although the latter's proposals to give a reasonable developmental price to the industry were made after a comprehensive study of actual costs. If the Government considers, as has been recently expressed by the Minister for Heavy Industries and Steel, Mr. C. Subramaniam, that a body like the Tariff Commission is not a suitable price-fixation machinery, it is only to be hoped that the Government will evolve a more suitable machinery which will enable a scientific and practical price fixation. I do not feel, however, that it will be advisable to eliminate an independent machinery like the Tariff Commission from the scheme of price fixation.

Escalation for Coal and Freight

"Costs have further increased on account of rise in the price of coal, railway freight, etc., since the last price fixation. The Government of India, in its resolution dated 31st October 1961 announcing the prices, stated that adjustments in prices would be made, whenever called for, by variations consequent on the Governmental action, including escalation for fuel and power. But the Government has so far failed to implement its assurance in this respect. Representations have been made by individual manufacturers and also by the Cement Manufacturers Association and the Minister for Heavy Industries also assured the industry's representatives that early action would be taken in this matter. I hope the Government will fulfil the assurance and announce its decision without further delay, avoiding unnecessary loss to the industry.

"As you are aware, the Company implemented the recommendations of the Wage Board for the cement industry, resulting in considerable increase in wage costs. This will be justified only with simultaneous improvement in productivity. The Government has recently constituted panels for the study of productivity in the industry. I hope the work of these panels will lead to improvement in productivity and reduction in costs.

Abu Road Project

"I would like to mention that the Company had put up to the Government a proposal for setting up a cement plant at Abu Road. This new project, supported by the State Government, has been approved by the Government of India. The completion of the project has, however, to be programmed to synchronise with the availability of power by the middle of 1966 and a good portion of the machinery from indigenous sources.

"I would like to say, before I finish, that the new Minister for Heavy Industries, Mr. C. Subramaniam, is taking active interest in studying the problems of the cement industry. I do hope that the various problems that are halting the industry's development will find a satisfactory solution under his earnest appreciation and timely action.

"Lastly, I would like to take this opportunity to thank workers and members of the staff at all levels and hope that they will continue to work hand in hand with the management for the continued prosperity of the Company and its employees."

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

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THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

Speech by the Chairman, Mr. F. A. Collett, at the Fiftyfirst Annual General Meeting of the Company on 25th September 1962

Board of Directors

Mr. E. G. Willis retired from the Board on 31st March this year. He originally came to India in 1934 and has been on the Board since 1956, bringing a particular knowledge of the leaf tobacco growing side of the business. He leaves behind many friends both inside and outside the Company, and we wish him a long and happy well-earned retirement in England.

Mr. W. K. Foster was appointed to the Board on 1st October 1961 with particular responsibility for our marketing problems. Mr. Foster has been in the tobacco business all his working life, most of it in Asia. He came to India in 1959 and we have already begun to derive benefit from his experience.

Accounts

When I addressed you a year ago I told you that your Board did not feel justified in increasing selling prices to cover the additional duties imposed by the Finance Act of 1961.

In deciding price policy, it is necessary to strike a balance between the reasonable profitability of the business on the one hand, and the rights and purchasing power of the consumer on the other. Ours is essentially an industry depending on volume, and it is usually sound business to accept a relatively small unit profit for the sake of maintaining a large and increasing volume of sales. The cigarette consumer, particularly in the middle and lower economic ranges, has always shown considerable reluctance to increase his outlay per unit of cigarettes; and in the face of frequent tax increases over the years he has seemed often willing to do without rather than pay more, or at least to have recourse to even cheaper forms of smoking.

The policy of restraint I referred to last year would itself have involved some decrease in the Company's nett profits but we did not at that time envisage that the Finance Minister in his 1962/63 Budget would retroactively increase corporate taxation to 50%. This has reduced the Company's profits by a further Rs. 18 lakhs.

The overall effect of the increase in Customs and Excise Duties and the increase in Corporation Tax has been to reduce the Company's nett profit after tax from last year's figure of Rs. 188 lakhs to Rs. 146 lakhs. In the 1962/63 Budget the Finance Minister imposed still further increases in Excise Duties on tobacco products, estimated to yield him a further Rs. 5 crores per annum. These factors, combined with the normal increases in costs, have swung the balance strongly in favour of a price increase and in April this year your Board felt compelled to increase the selling prices of a number of its leading brands.

You will have seen from the Directors' Report that despite the reduction in nett profits by Rs. 42 lakhs, they recommend maintaining the total dividend at last year's level. This will involve reducing the appropriation to reserves to a figure below that which we normally consider prudent. We feel justified in making this recommendation because the increased prices are expected to restore profits to a more reasonable level. Although there was an initial drop in consumption immediately after the price increase, there are already some signs of recovery in total demand, and we are confident that, unless unforeseen circumstances arise, profits in the current year will be sufficient to enable the Board to maintain the dividend at the same rate and to appropriate an adequate sum to reserves.

Production and Productivity

It has been my practice in previous years to enlarge on a particular aspect of your Company's business, and this year, in which the cigarette factories and the printing factory in Madras have achieved record outputs, it seems appropriate to give special mention to our Production Department.

This department works under certain particular difficulties. Your Company was one of the first to embark on large-scale manufacture in this country, and consequently most of the factories were designed and built a good many years ago. The cigarette industry is at present on the list of those for which major expansion is not allowed. For some years foreign exchange difficulties have restricted the importation of modern machinery, and partly in consequence of this and partly due to the employment situation in India at large, the labour density in our factories is unduly high by international standards.

Nevertheless, over the years we have been able to achieve a fair degree of streamlining and modernisation, one aspect of which is depicted in the photograph in the Annual Report of the Bangalore factory as it is today. In consequence of this our factories are all, without exception, producing more cigarettes today than their original designers could have deemed possible. There is still room for further progress as and when the opportunity arises to acquire fully up-to-date machines.

When the pressure on factories is for maximum volume, it is necessary to pay particular attention to ensuring that the quality of the product does not suffer. This is partly a matter of technique, and we are constantly revising our manufacturing processes in the light of modern developments, either evolved by our own experimentation or borrowed from overseas sources (and in this connection I might mention the valuable technical assistance which we continue to receive from our associates in the United Kingdom). Our own Research Department has played no small part in the development and improvement of indigenous raw materials required in the industry.

New ideas need to be widely understood if they are to be efficiently implemented and to this end we run a regular series of courses and conferences for all levels of management. These courses are complemented by frequent visits by senior members of the Head Office management to the branches. We also send selected members of management overseas for training when availability of foreign exchange permits, to enable them to widen their knowledge and measure their performance against world standards.

At the same time we have been able to intensify the training of the clerical and factory workers themselves, on whose efforts the quality of our products ultimately depends. This training not only makes the day-to-day jobs more interesting to those who do them but is increasingly making it possible for us to bridge the gap between ordinary workers and management and to fill at least junior management posts from the clerk's desk or the factory floor.

I think it is widely recognised that our working conditions and labour amenities are second to none and I can report another year of generally cordial relations with our unions. I should, however, perhaps mention one rather disturbing tendency. This is the trend to a multiplicity of unions within a single factory, based usually on political affiliations, with consequent internal rivalry between them. I do not wish to question the right of workers to belong to the union of their choice, but there is no doubt that this disharmony on the union side can complicate negotiations between the Company and the workers and cause unfortunate delays in the settlement of outstanding differences of opinion.

I am glad to be able to report that our Productivity Payment scheme, now adopted in all our factories, is causing increasing awareness among labour that better work, and improved productivity, are reflected in the pay packet and are ultimately to the advantage of the worker, the manager and the shareholder alike.

I indicated earlier that the Production Department was hampered to some extent, in its task of extracting the optimum output from its existing establishments, by inability at the present time to acquire all the machines it would like to install. It is not always fully understood that it is in the interest, not only of all concerned in our industry, but also of all concerned in the prosperity of the country at large, that existing assets should be utilised to the maximum and kept up-to-date and that resources of manpower should also be so utilised. As consumption in India grows, so must productivity per man-hour increase also, and this calls both for progressive management and for a progressive attitude of mind on the part of the men who work the machines.

Prospects

I said last year that I considered that, provided the various items of increased cost did not outstrip the gains from increased productivity, we might look forward to the future with moderate optimism. I think you will agree that, insofar as the commercial operation of your Company is concerned, that somewhat cautious prophecy has been justified. Our volume of sales has increased considerably, but so has taxation and the cost of many materials which we use. The tobacco trade in India is increasingly competitive but on the whole we are holding our own. I have already discussed the reasons which led us to increase prices, and these price increases have, of course, militated against the steady increase in sales volume to which we look to counteract the ever-growing pressures on profit margins provided by rising costs on the one hand and vigorous competition on the other.

Nevertheless, as I have already indicated, I am confident that, taking all foreseeable factors into account, we shall be able to maintain our present rate of dividend during the current year after making adequate appropriations to reserves.

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THE MYSORE PAPER MILLS LIMITED

MR. SHIVANANJAPPA CALLS FOR INCREASE IN PAPER PRICES

EXPANSION PLAN MAKING STEADY PROGRESS

THE need for revising paper prices periodically in order to absorb increasing cost of production was stressed by Mr. M. D. Shivananjappa, I.A.S., Chairman and Managing Director of the Mysore Paper Mills Ltd., at the Twenty-seventh Ordinary General Meeting of the Company held at Bangalore on Wednesday, 26th September 1962. He welcomed the *ad hoc* increase of 6 nP per kg. granted by the Government in June last. Nevertheless, he felt that this increase in prices was not adequate in view of the mounting manufacturing costs. On the question of progress of the Company's expansion scheme, Mr. Shivananjappa disclosed that arrangements had been finalised for importing plant and equipment from the U.K. and West Germany. The installation of the new plant would, he said, be completed by the end of next year.

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

"LADIES AND GENTLEMEN,

"I have very great pleasure to welcome you all to this twenty-seventh ordinary general meeting of the shareholders and particularly those who have become members for the first time by acquisition of new equity shares issued recently. As usual, the report of the Directors and the audited balance-sheet for the year ended 31st March 1962 have been circulated already and, with your permission, I shall take them as read and before requesting your approval to them I would like to review the main features of the year's operations.

"In exercise of the right to appoint a Director on our Board as provided in their agreement with us, the I.F.C.I. have appointed Padmabushan Mr. V. Narahari Rao, C.S.I., C.I.E., retired Comptroller and Auditor-General of India, as a Director on our Board. I welcome him and I am sure his wide knowledge and administrative experience will be of great advantage to the Company.

Production Higher

"I am glad to inform you that production of paper during the year under review was higher than last year by 172 tonnes. However, sales realisation was Rs. 119,30,299, as against Rs. 123,21,728 last year. As indicated in your Directors' report, the slight fall in turnover was due to the manufacturing of large quantities of lower priced paper owing to inadequate supply of wood-pulp due to import restrictions. In this connection, I wish to point out that, with the installation of the recausticising unit, there has been much improvement in the working conditions of the soda recovery plant resulting in smooth operations in the bamboo pulp plant, and this has contributed to increased production and higher efficiency reducing production costs. It is this increased production and higher efficiency that has helped to maintain financial result about the same level as that of last year. Last year, while telling you that the efforts of the paper industry to move the Government of India for a suitable revision of prices had not borne fruit, I expressed the hope that the Government of India would view this question with sympathy. The Indian paper industry as a whole, and more particularly the smaller and unfavourably situated mills like ours which are working on progressively diminishing margins, attach very great importance to the question of increase in the selling prices of paper to correspond with increased costs of labour, materials, chemicals and spare parts which have all risen steeply and continue to rise. I am glad to say that the Government of India have sanctioned an *ad hoc* increase of 6 nP per kg. on all qualities of paper and boards for both Government and civil supplies, effective from 21st June 1962, and have also discontinued the rebate of 4 nP on reels. I should state that this small increase is not adequate in view of the mounting manufacturing costs. However, this slight enhancement will increase our turnover during the running year to some extent. I am grateful to the Government of India for their awareness to industry's needs and I take this opportunity to impress on them the necessity for periodical revisions of prices so as to absorb such increases in costs over which the industry has no control.

"In regard to balance-sheet, I have to mention that provision has been made for depreciation on fixed assets calculated in accordance with the rates allowed for normal depreciation and extra shift allowances as per Income-tax Act, amounting to Rs. 6,67,750, Rs. 50,200 towards development rebate and a further sum of Rs. 50,000 towards retirement gratuity. A provision of Rs. 6,00,000 has been made towards taxation.

Dividend Equalisation Reserve

"In regard to disposal of surplus, namely, Rs. 6,72,432, including carry-over of last year which stood at Rs. 36,664, your Directors have decided to transfer Rs. 87,500 to dividend equalisation reserve, which fund now stands at Rs. 3,12,500. Further, your Directors, after a careful consideration of all relevant factors and having regard to the satisfactory working result, have recommended declaration of dividend at 15 per cent, or Rs. 1.50 nP, subject to deduction of tax, on every share of Rs. 10 each, fully paid up, for the year and proportionate dividend on partly paid-up shares of Rs. 2.50 each for the proportionate period subject to deduction of tax, absorbing Rs. 5,46,500, the balance being carried forward and I am confident these proposals will meet with your approval.

"The Industrial Finance Corporation of India have communicated their approval to our declaration of 15 per cent dividend, subject to tax, in terms of the agreement for which I am grateful to them.

Labour Relations

"I am very happy to inform you that the labour-management relations continue to be cordial. Your Directors have been pleased to sanction a bonus of four months' salary or wages to the employees of the Mysore Paper Mills for the year ended 31st March 1962 and the same has been disbursed. Further, your Directors, in accordance with their policy to provide all necessary amenities to our employees, have taken steps to start a high school of our own to meet the growing needs of our Paper Town.

Expansion Scheme

"You will certainly be interested to hear the progress made since we met last in the implementation of the expansion scheme. It is a matter of gratification to me and to my colleagues on the Board, and I have no doubt it will be to you also, that I am able to report that all agreements and arrangements with the lending institutions for financing the expansion scheme have been completed. In terms of the agreement with the Commonwealth Development Finance Company, Ltd., London, and the Industrial Credit and Investment Corporation of India Ltd., Bombay, and the Industrial Finance Corporation of India, a Debenture Trust Deed has been executed and registered, and the State Bank of Mysore have been appointed trustees who will look after the interests of the three lending institutions.

"Arrangements have been made to secure a complete range of equipments necessary to step up production to 18,000 tons. Contracts have been concluded with Messrs. J. M. Voith, West Germany, original suppliers of our plant and machinery, for the supply of pulp plant with a capacity to produce 10,800 tons of bamboo pulp which together with the present capacity will be sufficient to feed all the three paper machines. Besides, contracts have been concluded with Messrs. Escher Wyss, Ravensburg, Germany, a firm of international repute, for supply of paper machine and stock and chemical preparation plant, with a capacity to manufacture 35/40 tonnes of paper per day of 24 hours. Likewise, contracts have been entered into with the well-known firms of Messrs. Millspaugh, Sheffield, England, for supply of Morden stock-makers, with Messrs. Babcock and Wilcox, London, for supply of boiler and black liquor recovery unit, with Messrs. Ernest Scott and Co., Laven-Fife, Scotland, for supply of standard vacuum evaporators, with Messrs. Masson Scott and Co., Ltd., London, for supply of Duplex super cutter, and with with Messrs. Dorr Oliver Co. Ltd., Surrey, for Save-all filter. The value of the orders placed in U.K. is to the tune of Rs. 58 lakhs and in Germany to the tune of Rs. 66 lakhs and the two loans from C.D.F.C. and I.C.I.C.I. would provide the necessary funds for these purchases. Of the equipments ordered, the first shipment of coal fired boiler has already reached the mills' site and part of soda recovery plant and oil fired boiler are on their way from Madras harbour to Bhadravati. The bulk of the remaining equipments is scheduled to reach the mills at Bhadravati by about June-July 1963. The civil engineering works at the mills are making satisfactory progress.

Import of Equipment

"It is hoped that the work of erection and installation would be completed by the end of 1963 and operations commenced. In August this year, I and our General Manager, Mr. B. K. Swamy, visited the U.K. and Germany for purposes of clarifying and settling certain outstanding matters with C.D.F.C. arranging advance delivery of certain equipment from Germany and to check up drawings and designs of the plant and machinery with a view to ensure that they answered our local requirements. I am happy to say that all outstanding matters have been settled with the C.D.F.C. Messrs. J. M. Voiths of Germany have agreed to advance the date of delivery of pulp plant. We visited several of the workshops in the U.K. and Germany, where our plant and machinery are being manufactured and were happy to see that the work was progressing satisfactorily.

"As you are aware, last year with the consent of the Controller of Capital Issues, Government of India, New Delhi, 10 lakhs equity shares of Rs. 10 each attaching a premium of Rs. 2 per share were offered to the existing shareholders and I am glad to acknowledge that the response was good. At the time of seeking your approval to the increase of authorised capital to Rs. 1 crore and 50 lakhs, I informed you that the amount would be collected as and when necessity for funds arose. In October last, we have collected a sum of Rs. 3 (being the application and allotment money and part of premium) and further calls will be made in the next few months, having regard to the expenditure to be incurred in the implementation of the expansion scheme. I have proposed to fix the dates of the next calls well ahead and publish the same to enable shareholders to arrange for payment as and when the calls fall due. I hope you will agree with me that ample time is being given to the shareholders to make payments without undue strain or stress.

Flood Relief

"A sum of Rs. 1,500 has been contributed towards the Chief Minister's Flood Relief Fund and I hope you will appreciate and approve the same.

"On behalf of the Company, I should express my grateful thanks to the Government of India and the Government of Mysore for their abiding interest in the progress of the Company. On behalf of the Company, I should also express my grateful thanks to the Board of Directors of the C.D.F.C., London, I.C.I.C.I., Bombay, and I.F.C.I., New Delhi, the State Bank of Mysore, and the Canara Banking Corporation Limited, for having rendered valuable aid and assistance in making satisfactory arrangements for financing the scheme of expansion.

"I am grateful to my colleagues on the Board for the uniform courtesy, consideration and valuable guidance I have been receiving. I wish also to express on behalf of the Directors and myself our warm appreciation of the willing and efficient co-operation of our employees.

"Last, but not the least, it is my pleasant duty to thank you all for your support and encouragement in the implementation of the scheme of expansion, and I look forward with confidence for a full measure of support in the years to come.

"Ladies and gentlemen, I now move that the Directors' report and the audited balance-sheet and the profit and loss account for the year ended 31st March 1962 be approved and adopted."

N.B.—*This does not purport to be a report of the proceedings of the shareholders' meeting, a copy of which will be sent to the shareholders separately.*

ALUMINIUM CORPORATION OF INDIA LIMITED

ADDRESS BY MR. LAKSHMIPAT SINGHANIA

INVESTORS DESERVE BETTER DEAL

A COMPREHENSIVE survey of the position and prospects of aluminium industry in India was presented by Mr. Lakshmipat Singhania in his address to the shareholders of the Aluminium Corporation of India Ltd., while presiding over the Twenty-fourth Annual General Meeting of the Company held at Calcutta on 24th September 1962. He said that implementation of the Company's plans for expanding its production to three times its present capacity by having an up-to-date, modern, completely integrated plant was proceeding according to schedule and that it would be finished by the end of next year.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to the Twenty-fourth Annual General Meeting of the Corporation. This means that this Corporation which has played a very important role in establishing this basic industry in the country from scratch, has entered its twenty-fifth year—the Silver Jubilee year—of its existence and this is indeed a matter of pride for all of us.

"The annual report and accounts for the year ended 31st March, 1962 have already been circulated to all of you and the Directors in their report have explained most of the salient features of the Company's working during the year and I need not now elaborate on the same except to point out that the production during the year has been slightly higher than last year. But the sales and profits are slightly lower this year due to less despatches during the year and due to rise in cost of production consequent to higher salaries and wages and increased cost of stores, spares and transport charges, whereas the selling prices have not been increased. However, this does not reflect any substantial difference with the working of the last year.

"The graph attached to the balance-sheet will show that the industry of this nature has to carry a very heavy burden of salaries and wages, numerous taxes and excise duties and costly manufacturing charges before the industry and the shareholders can be provided with their share. In a highly capital-intensive industry like this, until and unless the return on sales is higher, it is impracticable to provide the requirements of the industry to enable it to grow by re-employment of the finance which it generates and to create at the same time, confidence in investors to attract more finance. It should not be expected from investors in any industry that they should be the last persons to be thought of and that they should wait for their turn at the last. This means waiting for several years before the investment can have any return. This is not practical economy. Until and unless the invested capital is serviced regularly and suitably, it should not be expected that the capital will be available for steady growth in industry. Unfortunately, in our country, the shareholders are regarded as the last person for consideration.

Impediments

"The industrial expansion in India is taking shape. But the foreign exchange shortage as well as the Government policy for granting licences and delays in execution of public sector projects most needed for the economic growth of the country, non-availability of enough power and transport, all these may have a retarding effect on the present tempo of industrial growth. If, however, the performance of the private sector and their achievements during the two Plan periods are weighed, keeping in view the circumstances under which they have been made to work, then I have no hesitation that they have done much better than was expected.

"I might recall that, before the establishment of this (aluminium) industry in India, consumption was confined to imported metal which was only 1,350 tons in 1940-41. When the industry was established in India, sufficient encouragement in price fixation and adequate returns was not given in the earlier years. Had this encouragement been given, the industry would have presented a different picture today. However, in view of the great importance attached to this basic industry in the industrial development of the country, especially due to non-availability of resources for non-ferrous metals and consequent dependence on imports, it has become essential to review the consumption of aluminium in the country. These changed circumstances have also led to different thinking on the enlargement of this industry from what it was a few years ago, so much so that aluminium industry in India is to be considered as being on the threshold of real expansion.

"In the world aluminium industry, there has been a regular pattern for consumption of aluminium to double itself every decade which means an average growth of 7.5 per cent per year over the previous year. However, in India, at the start of the Five-year Plans, it was thought that consumption of metal would increase at an average of about 4 per cent per year during the first five years and at 18 per cent per year for the next ten years leading to an estimated total consumption of 50,000 tons in 1965-66. However, in actual fact, consumption in this country in 1959, as compared with 1950, has increased by an average rate of about 20 per cent per year and, based on this experience a few years ago, it was visualised that a similar rate of growth will continue during the third Five-year Plan, leading to a final estimated consumption of 87,000 tons in 1965-66. Now, it is being felt by various planning bodies, including the Development Wing, that the estimated consumption in 1965-66 will be about 120,000 tons, which means an increase at the rate of about 32 per cent per year since 1959. I am of the opinion that, provided the metal is available, consumption can be still higher. The contributory circumstances for this revision are several, such as use of aluminium in place of imported copper for transmission of high-tension and low-tension power and more extensive use in transport and other engineering industries. Taking into consideration the versatile nature of aluminium metal, it is the only metal which can replace other metals and, in addition, generate a number of new uses of its own. Thus, in the present circumstances, the production of the metal in the country will not overtake consumption, at least in the near future. From the point of view of industrial development of the country, from the point of view of direct savings in foreign exchange and from the point of view of indirect savings in foreign exchange as a result of replacement of other metals, the production of aluminium in the country in larger quantities, therefore, becomes essential.

Prerequisites for Growth

"This development on a larger scale, according to me, depends basically on two factors—firstly, on the availability of sufficient power at a suitable rate and, secondly, on the availability of initial foreign exchange for importing components of the plants needed for producing the metal. Power is the basic raw material for this industry and its availability at suitable economic rates is the foundation for this industry. The country is passing through a very acute shortage of power and the growth of industrialisation is being seriously hampered, in spite of the fact that the production of power is supposed to have been planned ahead of the requirement of the industry and civic consumption. But, in the present circumstances, it has proved otherwise. The Government will have to give serious consideration to the idea of allowing large consumers of power to produce their own power by offering coal and other facilities. If, however, the Government themselves want to make power available, then sufficient power for electro-metallurgical and electro-chemical industries should be earmarked assuring certainty of power. In large power projects of the Government, this will be low, say 5 to 10 per cent of total capacity and this power should be available to the earmarked industries at economical rates for the calculation of which arguments of equality, etc., should not be advanced.

"As regards foreign exchange, it is often suggested that the industry should also export, besides catering to internal consumption in the country. The idea is no doubt good, attractive, and, in the present foreign exchange situation, important as well. But, if export is to be done, the question is at what cost. It should not be forgotten that aluminium is being produced by very large producers at low costs, that there is keen competition for aluminium market and that there are tariff barriers. If we think of export, then that can be only at a much lower price than cost, because the industry in India does not have the same facilities of cheap power, etc., as other producers do elsewhere in the world, to produce at comparable cost. If the export is done at lower than cost, then it will be necessary either to charge the internal market higher price or to bear the losses. If the industry has to be developed and if the necessary foreign exchange is not available, the industry must no doubt sacrifice by exporting at below cost and utilise such foreign exchange for its development. The whole country will also benefit. Alternatively, the home market must be charged higher prices to equalise the losses on export. This is nothing new and, ultimately, the future expansion will depend on the capacity of the industry to sacrifice and on charging to the home market higher prices.

Problem of Technical Personnel

"I would now like to add a third important factor for the development of this industry, namely, technical knowledge and technical personnel needed to establish and man the industry. What this Corporation has done for developing in this field and what sacrifices it had to make in this by denying any returns to shareholders for over a decade is a matter of history. Suffice it to say that it had to be done in the hard way of experience. Today, foreign technical knowledge and technique can be purchased by paying a price, but it is a matter for consideration as to how far such prices can be offered and as to how much capital has to be serviced in future. This is really a delicate matter and all the pros and cons have to be thoroughly examined. The rosy picture that was before the country upto last year in respect of production of metal by collaboration with major world producers is now gradually fading out. Some of the licences granted are still in suspense and the progress is either slow or there is no progress at all. This shows lack of interest on the part of those who originally made these schemes. Of course, this also means blocking of licensing for others who might be able to do better and here it is a matter of policy for the Government to decide whether those who have contributed towards this industry should be encouraged or not. The question of trained personnel for the industry is also playing a very important role. On the one hand, there is the problem of huge unemployment and, on the other, there is the shortage of most of the personnel needed in technical and non-technical categories. This indicates that there is something wrong somewhere and no proper adjustment has been made between requirement and educational training programme. Training of suitable personnel for a proper industry and for a particular job is a long process and has to be pre-planned by estimating ahead the requirements of the industry. This requires as much thought as planning the establishment of the industry itself. In a developing economy like ours, it does not pay to exploit personnel of a particular unit or industry; instead, own personnel should be trained in a pre-planned programme. Although the Corporation feels pride and pleasure in contributing trained personnel not only to this industry but also to other allied industries, it is definitely distressing to see such personnel forsaking their parental institutions.

"As the Directors have indicated in their report, the first phase of expansion programme has been completed as scheduled, that is, the metal production and the paste plant have gone into production. I take further pride in mentioning that, in this expansion, a good amount of plant has been manufactured indigenously and only essential machinery which has not been manufactured in the country were imported. The plant is most up-to-date in the country and housed in a building technically designed to offer comfortable working condition. The progress of the remaining two phases of expansion is being maintained and it is expected that a completely integrated facility of the expanded plant by trebling the present capacity as well as adding various new lines of aluminium products, starting right from bauxite, including all intermediary process, to the finished goods will be at the country's service by the end of next year.

"Gentlemen, on your behalf, I have to express my thanks to the Managing Agents for the very careful way in which they have been guiding the affairs and the growth of the Corporation all these years. I would also like to express my appreciation of the contribution made by all sections of our employees starting from the humblest worker, the technicians, the management staff and our various customers who have patronised our products."

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

MYSORE SPINNING AND MANUFACTURING COMPANY, LTD.

MODERNISATION-EXPANSION PROGRAMME WELL UNDER WAY

CHAIRMAN, MR. N. D. SIRUR'S STATEMENT

THE year 1963-64 would mark the turning point in bringing up the basic textile activity of the Mysore Spinning and Manufacturing Company, Ltd, to a high degree of efficiency and quality of production. A note of optimism to this effect was struck by Mr. N. D. Sirur, Chairman of the Company, in his statement to shareholders presented at the Sixty-ninth Annual General Meeting of the Company held at Bombay on Friday, 28th September 1962. The Company, Mr. Sirur said, had already spent about half the planned expenditure on modernisation and expansion principally on the Company's new processing factory at Rajajinagar in Bangalore. This factory, he added, was now getting into smooth operation and catering to the processing requirements of both Mysore Spinning and its sister mill, the Minerva Mill. He disclosed that the Company was considering the establishment of a joint export house owned by all the three mill companies and Sundatta Food and Fibres Ltd., with a branch in England to begin with, to co-ordinate the export activities of the group.

The following is the full text of Mr. Sirur's statement:

"GENTLEMEN,

"A little over two weeks ago, I returned from a visit to Europe and the United States which, though not directly on your Company's behalf, was intimately connected with its long-standing investment portfolio in the Modern Mills Ltd., Bombay. Some of our older shareholders will remember that Modern Mills was set up in Bombay as a subsidiary of your Company in 1934. In spite of hard beginnings, that Company, with the financial backing of your Company, has since expanded, flourished, and even outstripped your own Company in some respects. Modern Mills is now embarking on a major expansion into the new fields of organic chemicals and cellulosic man-made fibres by setting up a cellulose accetate flake and fibre project.

Modern Mills

"As the parent Company, there has always been a dual loyalty in the desire to participate in the expanding capital of Modern Mills and at the same time meet its own needs of expansion and development. You are aware that the recent amendment to the Companies Act permits a company to take up rights shares offered to it, and your Company will not hesitate to take up such rights shares in Modern Mills whenever it is necessary to do so. However, with a view to broadening the public holding in Modern Mills, your Directors have, over the years, been following a policy of gradual disinvestment and in 1957, the parent-subsidiary relationship was severed.

"At present, your Company's holding is approximately 40 per cent of the equity capital of Modern Mills, and it is now felt by your Directors that the public holding in Modern Mills should be still further increased, particularly in view of their new project. Accordingly, as was done on a similar occasion in 1945, the recent issue of rights shares by Modern Mills to your Company has, in turn, been offered to you, to enable you to participate in the capital of Modern Mills.

"The present issue of Modern Mills has been made for its own textile mill expansion as well as to prepare the ground for its major expansion into the chemical and fibre field next year. On the recommendation of the Government of India, the project is expected to receive, from the United States Government Agency for International Development (A.I.D.), a long-term loan of Rs. 2.38 crores ($5.0 million) to finance the major portion of the foreign exchange component of the project. Meanwhile, all arrangements for technical and financial participation are being firmed up, and necessary permission will be sought by Modern Mills from the Controller of Capital Issues for the issue of further equity rights shares as well as for the issue of equity and preference shares to the foreign participants and the public.

"A total foreign financial participation of approximately Rs. 75 lakhs is anticipated in the capital of Modern Mills, of which approximately Rs. 30 lakhs is proposed to be issued in preference shares to the Hercules Powder Company of Wilmington, Delaware, U.S.A., against the appraised value of key portions of the cellulose acetate flake plant which they are supplying. Hercules Powder Company will also be the principal suppliers of know-how to the Modern Mills' project. Their support has assisted in attracting equally well-known overseas fibre manufacturers to offer Modern Mills equity participation against the subsidiary know-how for the manufacture of acetate rayon fibre from cellulose acetate flake.

"I must, however, add that the stability and standing of your own Company with its background of over half a century has been no small factor in shaping the Modern Mills' project, in which your Company will remain the major Indian participant by virtue of its sizable holding.

Improvement in Activity

"Reverting to your Company's own working, you will notice a steady uptrend in its manufacturing activity. The year 1961-62 represented a considerable improvement on the previous year in both turnover and profit, and the trend continues. The change-over from two shifts to three shifts in the No. 2 spinning block entailed considerable dislocation of work during the first half of the year under report and, by the time the working had settled down, the higher prices that had to be paid for cotton offset, to a certain extent, the economies gained. Although the Company has been following a steady policy of renovating and modernising the spinning department, out of the total of 143 spinning frames, 67 are still to be renovated or replaced.

"Therefore, other than the new waste spinning plant of 1,200 spindles, which will go into production in the beginning of 1963-64, the Company does not contemplate any major expansion in the existing spindlage of over 50,000, since the prime task is to bring up the efficiencies of the existing spindles. The new Whitin combers installed have enabled higher counts to be spun on approximately 25 per cent of the total spindlage principally to feed the weaving shed for production of finer fabrics.

Weaving Department

"In regard to the weaving preparatory department, we have already ordered a Barber Colman spooler and warper which will go into production in the year 1963-64 and contribute substantially to improving the weaving shed efficiency. In regard to the weaving shed itself, out of the 500 plain looms, we have already renovated 130 looms in the period under report, and the process is continuing. Moreover, we have recently received permission to replace 144 old plain looms with new automatic looms and have also arranged to install, in the year 1963-64, 144 new automatic looms under the export promotion scheme. Thus, a total of 288 new automatic looms will be installed, representing nearly half the entire weaving shed.

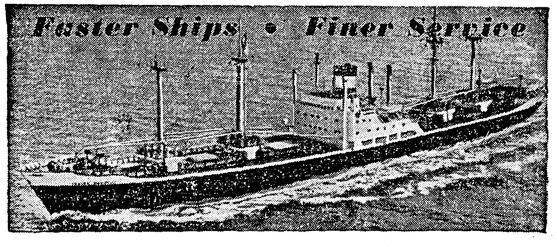
"It will be seen from the above that the year 1963-64 should mark the turning point in bringing up the basic textile activity of your Company to a high degree of efficiency and quality of production. We have already spent about half the planned expenditure on modernisation and expansion, principally on the Company's new processing factory at Rajajinagar in Bangalore which, in the opinion of your Directors, required first priority. It is now getting into smooth operation and catering to the processing requirements of both your mills and your sister mills, the Minerva Mills Ltd. I dare say that this factory would make the largest single contribution to the prosperity of both the Mills, which so far have been forced to produce grey cloth on a large scale owing to the chronic shortage of water in Bangalore. This problem has now been overcome by pooling the water resources of both mills for use in one processing factory, while, at the same time, setting up modern processing facilities which economise on the use of water.

Exports

"During the current year, your Company has concentrated on exports to a considerable extent, particularly because some of the new processing machinery has been imported under export guarantee. We have appointed a Resident Manager in England, who works on behalf of your Company and its sister companies, and we are endeavouring to establish a closer link with the consumers of Indian cloth, particularly in made-up goods such as towels. The results so far are quite encouraging. We are now considering the establishment of a joint export house owned by all the three Mill Companies and Sundatta Foods and Fibres Ltd., with a branch in England to begin with, to co-ordinate the export activities of the group which at present exports in total nearly Rs. 1 crore worth of goods a year. We hope to make our due contribution to the drive for increased exports.

"Our employee relations have been very satisfactory during the year under report, and I wish to express appreciation on your behalf to the staff and employees at Bangalore as well as at Bombay for their part in improving the Company's working."

Note: *The above statement does not purport to be a report of the proceedings of the general meeting.*



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MACHINERY MANUFACTURERS CORPORATION

POSITION OF LEADERSHIP IN INDUSTRY ESTABLISHED

GOVERNMENT'S POLICY TOWARDS TEXTILE MACHINERY INDUSTRY INCONSISTENT, SAYS MR. K. C. MAHINDRA

ADDRESSING the shareholders of the Machinery Manufacturers Corporation Ltd., at their Sixteenth Annual General Meeting, held at Bombay on Wednesday, 26th September 1962, Mr. K. C. Mahindra, Chairman, made two important points. One was the inconsistent and vacillating Government policy in regard to imports of textile machinery which adversely affected the growth of the domestic textile machinery industry. And the other was the attainment by the Company of a position of leadership in the textile machinery industry, despite a number of handicaps, including the difficulty in getting adequate supply of indigenous raw materials such as pig iron and coke.

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

" In welcoming you to this annual general meeting of the Machinery Manufacturers Corporation Ltd., I desire to express my personal satisfaction that I have been able to be present on this occasion. This Company was inaugurated 15 years ago—years of long wait when the patience of most of the shareholders must have been exhausted, even as the resources of the management were strained to the utmost. These have been long and difficult years, and if your Company has now emerged into a relatively stable and progressive manufacturing unit, it has been due as much to your faith in our judgment as to the hard work and toil which everyone connected with the Company has put into this venture.

Services and Sacrifice

"I should also like to avail of this opportunity to recollect the distinguished auspices under which we started—the strong umbrella of encouragement and faith which certain friends of mine, eminent in their own sphere, showed in this pioneering endeavour. Amongst them, I recall the names of Mr. Purshotamdas Thakurdas, our first Chairman, Mr. Homi Mehta, whose name is familiar to everyone in Bombay, and Mr. N. R. Sarkar, who later became Finance Minister in the Government of West Bengal. These friends, no longer with us, contributed considerably to the sustenance of faith in this industry and, they have left vital links of hope in the person of Mr. Mathuradas M. Parekh, Mr. Jal H. Mehta and Mr. D. N. Bhattacherjee, who are now members of your Board. I should also like to mention Mr. Sobha Singh, who is happily still with us and continues to give valuable guidance to the Board.

"You, gentlemen, have shown great patience and even consented to the dilution of your equity in times of distress, in order that the Company may get another chance to start on a clean slate. I am sure you will agree with me that the opportunity so provided to the management has been properly and judiciously availed of, and today both the financial position and future prospects appear to be good.

Review of Progress

"The Directors' report, presented to you with the accounts of the Company for the year ended 31st of March 1962, has briefly told you the story of the year of operation, and I trust that the financial results as shown meet with your commendation. Our order book remains full; production and despatches continue at the same level as in the latter half of 1961-62; considerable renovation has been done in improving the products and the productivity of the works. It will not be out of place to mention that your plant, originally designed for a rated capacity of 50 carding engines per month, is now producing, on the average, 85 units every month, regularly. You will appreciate this factor, when I add that the plant and equipment of the factory is now over 10 years old and requires considerable rehabilitation and replacement. We are engaged in an exhaustive technical study for this purpose. At the same time, keeping in view the cyclical nature of the industry, we are maintaining the pressure for diversification. The speed frame of our own design, which should have been ready by now, is still in the prototype stage for the simple reason that equipment and tooling required for the purpose have not yet been procured, and this because the relative import licences have not been forthcoming. A quota of such licences has recently been received for import from East European countries, and we hope to be able to overcome difficulties through substitution of whatever machinery can be had on tap, and although even then there will be some further delays, we hope to push ahead and add this extra production line in the factory before our next annual meeting. Likewise, detailed work on the engineering of the turret lathe has been completed, and we are awaiting import licences for one or two specialised machine tools which are necessary for the job.

"The main diversification which has been taken in hand is the contract work for castings and machining for diesel engines produced by the Indian National Diesel Engine Company Ltd., which company is an associate of the Managing Agents. Batch line production of diesels is not working satisfactorily yet for lack of a few machine tools needed for the purpose. Here, too, we are hoping to be able to surmount the obstacles before we meet again next year.

Government's Policy

"It is my conviction that your Company should continue to accord priority to this issue of diversification. It will not only be a healthy expansion, but would serve as a cushion to the fluctuations which have characterised the Indian textile industry, particularly in respect of its demand for machinery either for replacement or for expansion purposes. It is also the Company's experience that, over the years the Government has not been able to formulate a consistent policy for the development of the textile machinery industry in the country—possibly policy is influenced by the vagaries of the industry itself, or what is more likely, confusion is created purposely on this issue by the proponents of the consumer trade. We have accordingly witnessed considerable vacillation in the operation of controls which govern the machinery industry. The swings in respect of import policy have almost been as violent as the fortunes of the textile industry itself. Take, for instance, the recent drive for enlarging our export trade. The enthusiasm and the aggression of the new Ministry of International Trade must be welcomed, but it is questionable whether the prescriptions framed for securing these laudable objectives are of the correct dosage, or composed of proper ingredients. Exports of cloth have been on the decline. New mills of as small a spindleage as 12,000 spindles are being encouraged to be set up, with the proviso that their production must be exclusively reserved for export purposes, although it is not stated how and at what price and where these goods will be sent. In order that such mills start operations as expeditiously as possible, the Government announced a couple of months ago that licences for the import of carding engines and ring frames will be granted to actual users in consultation with the Textile Commissioner. Similar liberalisation of import licences in 1957 set back the machinery industry very considerably, and now five years later, when this industry has not only established itself on a sound and firm basis, but proven itself in the matter of quality of its products, the Government has thought fit to encourage import of the two articles which are now being regularly produced in the country and are accepted as equal in performance to that of any imported product. I should add that your Company made a special representation to the Textile Commissioner in this respect, and we have been informed that it is not the Government's intention to grant licences *ad hoc* to all the users, but only where the so-called export mills have to be set up on a pattern which alone will increase the export potentials of the textile business. Then again, with due respect, one may join issue with the Ministry of International Trade, when it is asserted that textiles have been earning a substantial export surplus. Perhaps the study made by the Reserve Bank of India on the balance of payments implications of industrial production respecting the textile industry, which appeared in the Reserve Bank *Bulletin* for March 1962, has not received proper attention of the authorities. This study has come to the conclusion that, over the five years 1956 to 1960, the total foreign exchange earnings from exports of cotton piecegoods, yarn, hosiery and waste cotton, aggregated Rs. 339.6 crores, and that the foreign exchange outlays on the industry amounted to, over the same period, Rs. 429.2 crores, that is, in other words, a deficit in the balance of payment position of Rs. 89.6 crores. Granted that this includes an outlay of Rs. 240.4 crores on raw cotton; but India has not become self-sufficient in the matter of raw cotton. It is also to be added that the foreign exchange outlay on textile machinery during the five years amounted to Rs. 83.6 crores. In this respect, it has been the endeavour of the manufacturers of textile machinery to reduce this import burden as speedily as possible, and I should have thought that the Government will not hastily enact a regulation or introduce a change in the import policy, which will impede the realisation of the object that the country should become independent of imports in respect of textile machinery in as short a time as possible.

"To our shareholders, a matter of immediate concern is the continuation of the satisfactory role which your Company has played in building up a new industry. In spite of past setbacks, through unwitting frequent changes in policies, I maintain that we have now established a position of leadership in this industry—manufacturing a capital product, with indigenous content of 98 per cent in value—import being limited to special steels, aluminium alloys and ball bearings not presently manufactured in this country. Despite the difficulties facing us, in respect of supply of indigenous raw materials like pig iron and coke, particularly from the point of view of quality, an essential for the manufacture of precision capital goods, we are hopeful that the Company will continue to show promising results which will be found satisfactory by the shareholders.

"I should like to conclude by placing on record on your behalf, if you will permit me, the thanks of the management and of the Directors for the ungrudging work and loyalty of your staff throughout the year."

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

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KIRLOSKAR OIL ENGINES LIMITED

CHAIRMAN CALLS FOR LARGE-SCALE GOVERNMENT AID FOR EXPORT

DIFFICULTIES IN COST REDUCTION

THE difficulties and sacrifices involved in building up an export market were briefly outlined by Mr. S. L. Kirloskar, Chairman of Kirloskar Oil Engines Ltd., Poona, in his speech at the Sixteenth Annual General Meeting of the Company held at Poona on Saturday, 22nd September 1962. Mr. Kirloskar said that, judging from his own Company's experience, export was a long-drawn-out process and a costly venture requiring considerable sacrifice and huge financial investments in the initial stages. But if quick results were desired, he added, large investments and concentrated efforts for sales promotion were called for. No individual manufacturer, with any amount of resources, could afford to make such a huge investment in a short time. It was, therefore, necessary for the Government to come forward and consider export promotion as a project to be financed like any other project in the Plan.

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

"LADIES AND GENTLEMEN,

"I am happy to welcome you to this meeting. The report of your Directors and the audited accounts of the Company for the year 1961-62 has been in your hands for some time. With your permission, I shall take them as read.

"You must have noted with satisfaction from the report that your Company has a good account to render for the year under review. We have made a profit of Rs. 77,58,582 after providing for depreciation, remuneration to the Managing Agents and bonus to employees. Adding to this, the balance of the previous year, the accrued dividend on forfeited shares and excess provision for dividend made during the last year, the total comes to Rs. 78,07,636. Your Directors have made recommendations in their report as to how this profit is to be appropriated under various heads.

Production and Sales

"The forecast I had made at the last annual general meeting has been more than fulfilled. The efficient use of production capacity and supplying services played an important part in the better financial results. We produced more and sold more. The results for the year would have been still better had it not been for the two calamities which befell the city of Poona, the unfortunate floods and the failure of electricity due to a serious accident, which cost the Company nearly four weeks' production. The profits, therefore, represent the profits from the production for only eleven months, as against expenses for 12 months.

"In spite of short supply of special steels, tools and the poor quality of coke and pig iron supplied to foundries which make our castings, making the best of the facilities available to us, we have been able to forge ahead and achieve good results for the year.

Development and Expansion

"The Company has made all-round progress in the development and expansion programmes it had taken in hand during the year.

"The production of the recently developed light 3 H.P. engines has been set on smooth lines and these engines are being put in the market in larger numbers.

"Considering the increasing demand for our engines for marine purposes, marinisation of our engines has been engaging our active attention during the year. We have started supplying engines for country craft and fishing boats in increasing numbers. From a recent Press note we understand that the Government of India has decided to purchase 600 marine diesel engines from Japan yen credit for the expansion of machinised fishing. If these engines can be supplied from indigenous manufacture, it would save the country considerable foreign exchange. Judging from the orders that are being received for marine engines, both from the inland and foreign markets, we feel, this will develop into a new line altogether with good prospects.

"The production of M.A.N. engines has, however, not been to our expectation. This is due to the delay in receiving the machinery required for the purpose. On account of the shortage of foreign exchange, the issue of import licences was delayed; it was found that even the licenses granted needed amendments which took considerable time. Consequently, the deliveries of machinery are delayed. We have received some machines which are already installed. Some more are yet to come. However, progressive manufacture of these engines with the resources at hand, is being maintained. I hope to be able to render you a better account regarding the manufacture of these engines next year.

"I had also referred in my report for the last year to our agreement with a French company for the manufacture of air-cooled diesel engines. I am happy to state that, after concluding this agreement and making all the necessary preliminary preparations, we have been able to build the first batch of engines. These engines being modern in design and construction and lighter in weight, are sure to be popular in the market. Further, as the demand for air-cooled engines is growing day by day, we expect a very good response for these engines from the market. There are also good prospects for exporting these engines.

Bearings

"In my last report I had referred to our project for the manufacture of bi-metal bearings and bushes for all kinds of automotive and industrial stationary type engines. We have been manufacturing these from bi-metal strips imported from our British collaborators, Messrs. Glacier Metal Company, Ltd. Therefore, our production was limited to the quantity of metal strips that we could import for the purpose. On account of the shortage of foreign exchange, the Government could not grant us licence for the full quantity of strips needed. This proved a great handicap for the expansion of this line of our manufacture. The only alternative we had was to set up the required machinery in our own factory which would eliminate importing these metal strips. We had, therefore, applied for a licence for importing the necessary machinery of required capacity. On receipt of the machinery, we will be able to go ahead with the production of the bi-metal bearings and bushes on a larger scale. We are sure that we will be able to meet the greater part of the demand for bi-metal bearings and bushes in the country from our production.

"In the meanwhile, the production of these bearings and bushes is going on with the strips that we have been permitted to import and we are progressively manufacturing bearings and bushes suitable for more and more models of automotive and stationary type engines.

Exports Rise

"During the year under review, our export sale has shown an impressive rise over that for the last year. The total export figure reached the appreciable mark of about Rs. 50 lakhs. Kirloskar engines have now satisfied the rigid requirements of overseas markets in regard to quality, prices and delivery and are now becoming increasingly acceptable in many other countries including the industrially advanced countries in Europe and the U.S.A. The demand for our engines is continuously increasing and we are hopeful that we will be able to maintain this pace of progress.

"I would like to take this opportunity to inform you that, with this volume of sale in the overseas market, our exports have now begun to yield a small margin of profit, though it is as yet insignificant and negligible as a profit. I am aware that it may sound incredible when I say that every exporter is obliged to sell his goods at a price considerably lower than the domestic price which may, or may not, cover even his overheads. I would, therefore, urge you to appreciate the implication of my statement, in its proper perspective. When I say that our exports have begun to show profits, I do not mean to say that we are in a position to sell at a price which may be comparable with our domestic price. We still have to and will continue to sell our engines at a price much lower than the domestic price and by such sale we will continue to lose in terms of the profit margin in the domestic market. However, under the policy adopted by us for pricing our products in the different markets according to their absorption and paying capacity, the average price per unit we get on our present volume of sale is just above our costs inclusive of overheads, leaving us a very small margin of profit.

"But to appreciate the full value of this achievement, one has to consider the continued efforts we had to put in for the last decade to push our products in foreign markets, in spite of the stiff sales resistance we had to face there and the magnitude of the financial sacrifice we had to make all these years to build up this export market. Very few are aware that our efforts towards export began in the days when the drive for promotion of export trade was not even conceived. Foreign exchange was no problem then. Export of non-traditional items was considered as impracticable, if not impossible. Yet we started and continued our persistent efforts for well over a decade to introduce our engines in foreign countries and establish a market for them at considerable sacrifice.

Fruits of Enterprise

"I would be failing in my duty if I do not mention here that the advice to start exporting our engines first came from Sir Shri Ram who was then the Chairman of your Company and your Directors readily accepted his advice and sanctioned our export project. We, therefore, owe it to the foresight of our then Chairman, that we started our export programmes years before the importance of this was fully realised by the Government and they launched an export campaign.

"Had we trod the traditional path and restricted our sales to the home market, refraining from introducing our engines in foreign market at sacrificial prices, we could have comfortably added well over half a crore of rupees to our balance-sheets and successfully held in check our competitors in the domestic market.

"However, we consider the financial loss we incurred as a necessary investment for the building up of the export trade. Over and above the financial loss in actual sales, we had to spend large sums on exploratory foreign tours and travels and sales promotion. Thus, the somewhat favourable position which we occupy today, is the result of the huge investment we have made in building up this market, the continuous increase we have made in our production and the adoption of scientific and modern marketing methods for sales promotion in the overseas markets. If our experience can be a guide to those who are concerned with the task of speedy export promotion, I would emphasise that export is a long-drawn-out process and a costly venture requiring considerable sacrifice and huge financial investment in the initial stages. Obviously, therefore, if such results, attainable only after considerable spade-work and sacrifice over a long period, are to be achieved as an emergency measure in a much shorter time, one must be prepared to make an adequately large initial investment and concentrate one's efforts for sales promotion in a short period. No individual manufacturer with any amount of resources can afford to make such a large investment. It is, therefore, necessary for the State to come forward and consider export promotion as a project to be financed like any other project in the planning activity. The State must, therefore, find ways and means and provide the required finance for such export promotion. The exporters on their part must ensure continuous increase in production of quality goods, provide the required manpower and use techniques and marketing methods for achieving the desired results. Minor concessions, insignificant facilities, threats direct or indirect and appeals to patriotism, cannot be substitutes to the proper measures enumerated by me above, that have to be taken by the Government.

Cost Reduction

"There is, also a general feeling that high cost of production is the main hurdle in our export promotion efforts and a substantial reduction in manufacturing cost will help to achieve speedy export promotion. No doubt a reduction in cost would certainly assist in making the prices acceptable or competitive in the overseas market and, to that extent, reduce the amount of sacrifice on the part of the exporter. He is always willing and interested in such reductions; but in the existing circumstances, a manufacturer has little or no control over the factors contributing to the present high cost of production. The rupee is continuously being depreciated; the continuous increase in taxes to meet the rising non-productive administrative expenses of the Government machinery are mounting up year by year and production in the factories is not commensurate with the productivity of the units for want of timely and adequate supply of raw material, and a number of other well-known bottlenecks such as shortage of power, transport, etc. It is, therefore, futile to advise the manufacturers, under these circumstances, and to thrust all responsibility for reduction in cost only on the manufacturers. It is the State that can take effective measures to remove these obstacles and make conditions conducive to a reduction of cost of production.

"Yet, I must point out that even with the reduced cost, there will be no acceleration of the pace of export promotion at the rate we need today. It may, in the long run, help to increase export; but the need of export promotion is immediate. A realistic approach has to be made and a practical attitude adopted by the Government on the lines suggested by me. It cannot be gainsaid that much is being done; but more remains to be done.

Kirloskar Cummins Limited

"You are already aware that the Company, in collaboration with Cummins Engine Company Inc., Columbus, Indiana, U.S.A., promoted Kirloskar Cummins Ltd., a new Company for the manufacture of reputed Cummins engines in India. The new Company has been duly registered. It is, indeed, very gratifying to note that the new Company has been very well received by the public. Its issued capital was subscribed nearly 55 times over. Your Company has a substantial interest in this new Company having invested Rs. 38,25,000 in its capital. Kirloskar Cummins has made a very good start and its activities are progressing as per schedule, from which it can be reasonably expected that it would be able to go into production within a reasonable time.

Subsidiary

"The Company's subsidiary, Messrs. Shivaji Works, Ltd., has had another successful year. As can be seen from its balance-sheets for the last two years, this subsidiary company, too, has been making satisfactory progress. It has been meeting a considerable portion of our requirement of castings. It has taken in hand an ambitious plan of expansion and it is expected that it will be able to show better results for the current year.

Prospects

"You would be expecting from me my forecast of the prospects for the current year. There has been a slackening in the demand for engines in the market for the last two years. However, we have been able to maintain our position in the market and keep up our sales. But during the last two months there has been a seasonal drop in retail sales. I am not unduly perturbed about this. I feel, this is only a temporary phase. Our sales representatives are in constant touch with buyers and are able to form a good judgment of the expected developments in the market. These do not seem to be unsatisfactory and should gradually be reflected in the sales and trading results. I feel confident that we shall be able to lay before you satisfactory results again when we meet in a year's time.

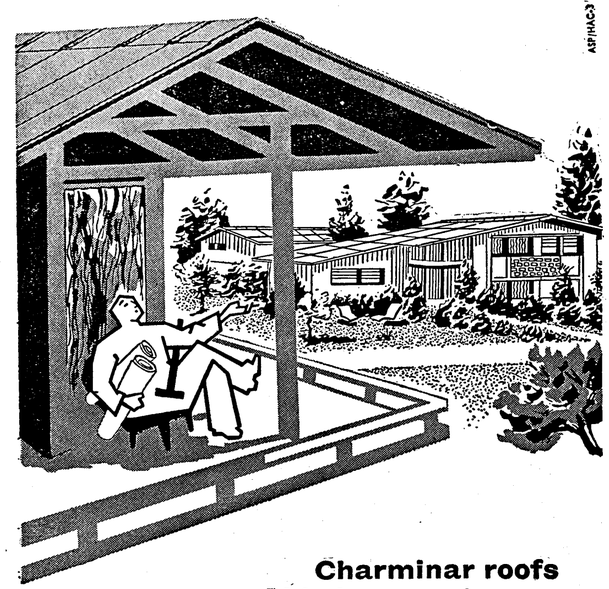
"Such success as we have had in the past, has been largely due to the enthusiasm and loyalty of the staff and able administration by the management. I express my sincere thanks to them for their corporate efforts to achieve these results."

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

BRITAIN'S WORKING POPULATION

An increase in the working population of Britain to 26,427,000 by the middle of 1972, as compared with 25,442,000, in the middle of this year is forecast by the U.K. Ministry of Labour. It is estimated that there will be 17,424,000 male workers in 1972, as compared with 16,865,000 in 1962, 5,308,000 married women, as compared with 4,464,000, and 3,695,000 single women, as compared with 4,113,000. The estimate for Britain's future population aged 15 and over is 43,311,000 in 1972.

The Ministry of Labour says that various assumptions have had to be made in reaching these figures, one of which is migration. Though figures are not yet available, it is estimated that about 100,000 immigrants arrived in Britain in 1961-62. It is thought that the Commonwealth Immigrants Act will lead to a reduction in these figures to about 50,000 per year in the next few years. Emigration from Britain has decreased recently, but the Ministry assumes the possibility of an increase eventually to other Commonwealth countries.



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MARKETING OF PETROLEUM PRODUCTS

PROBLEM OF BRIDGING THE GAP IN TRANSPORT CAPACITY

THE annual *per capita* consumption of petroleum products in India is only about 18 litres, as compared with 3,000 litres in the United States, 730 litres in the U.K., and 238 litres in Japan. The oil distribution system, built up over the years, is geared to cater for this *thin* but *very widely spread* demand in the country. In view of the very long leads dictated by the size of the country, extensive stocking points, with large tankage cover to take care of the long transit times as well as seasonal fluctuations in demand, have been set up as part of this distribution system. Moreover, suitable stocking arrangements have been made for areas completely sealed off by the monsoon. The capital investment required for setting up such a vast supply organisation, with final links with even the remotest villages catering to small quantities, is necessarily a heavy one. Further, heavy investment will have to be continuously made to keep pace with the growing demand for petroleum products. But no estimate of the aggregate investment in the distribution system is available, not even in the paper on "The economics of distribution of petroleum products in India," submitted by Burmah-Shell, the largest distributor of petroleum products in this country, last month to the second symposium on the development of petroleum resources of Asia and the Far East held at Teheran (Iran). Perhaps it would be very difficult, if not impossible, to make such an estimate, because the oil companies are not the only ones in the field of distribution. The enormous part the agency system of distribution plays in India has also to be taken into account in this connection.

Agency System

Oil companies by themselves, it may be noted, could hardly have reached individual consumers in a vast sub-continent like India without the assistance of thousands of independent businessmen as agents or distributors who, in turn, have been dealing with large and small shopkeepers in towns and villages to meet individual consumer requirements. As kerosine alone, which is mostly consumed in millions of households in small towns and villages, accounts for over a fourth of the total demand for petroleum products, the proportion of the trade handled through agents in India represents, according to Burmah-Shell's paper, more than a half of the total trade. Incidentally, it would be interesting to know the pattern of consumption at present and by 1966. The relevant figures are:

Petroleum products	*As per cent. of total consumption*	
	At present	*By* 1966
Kerosine	27	22
Furnace oils	19	24
High speed diesel oil ..	17	20
Motor spirit	12	8
Light diesel oil	9	6
Other products	16	20
Total ..	100	100

The figures for kerosine in the above table show that its relative position in the pattern of demand will have declined from the present 27 per cent to 22 per cent by 1966. But, in absolute terms, the demand for kerosine—a petroleum product of universal consumption—will be much greater than it is now, because the aggregate demand for all petroleum products by 1966, according to the latest estimates, will be 17 to 18 million tons, as against the current annual consumption of 9 million tons. Twenty-two per cent of 17 million tons, to take the lower figure, will represent as much as 3.74 million tons, whereas 27 per cent of 9 million tons at present represents only 2.43 million tons. As the relative position of high speed diesel oil and motor spirit together will remain the same by 1966 as it is now, agents and distributors will continue to handle 50 per cent, or more, of the total trade.

Another aspect of the distribution system pertains to transportation, the relevant features of which are described in the paper prepared by Burmah-Shell. First, all facilities, including refineries, ocean installations and up-country depots are so sited as to effect the maximum possible economy in the use of railway rolling stock and road vehicles, thereby ensuring that internal freight and transit time are minimised. Presently, inland distribution is made from (i) refineries (Digboi in Assam, Burmah-Shell and Esso Standard at Bombay, Caltex at Visakhapatnam, and Nunmati in Assam) and (ii) main installations at Bombay, Calcutta, Madras, Tinsukia, Cochin, Okha, Visakhapatnam and Kandla. Local refineries supply about 70 per cent of the total demand currently. From these refineries and main installations, oil moves up-country mainly by rail. Movement by rail accounted for 71 per cent of supplies in 1956 and 64 per cent in 1961, while "other means" accounted for 29 per cent in the former year and 36 per cent in the latter. The decline in the relative position of railborne traffic has been due to the improved road system and the proved inadequacy of rail capacity. From the figure of 36 per cent under "other means" in 1961 must, however, be deducted 28 per cent represented by supplies made in refinery/port towns which are generally centres of heavy consumption.

Up-country Depots

Secondly, up-country oil depots, which were merely storage sheds before the last war, have themselves become minor installations in the post-war period. There are now more than 500 such oil depots which form extremely useful links in the vast supply organisation. A typical depot now consists of tankage for at least four major products, namely, kerosine, motor spirit, high speed diesel oil and light diesel oil. In certain places, additional products like furnace oil and bitumen are also stored in bulk. The demand for furnace oil is concentrated around main ports, but there is a growing need for it up-country as a gap-filler in the energy requirements of industrial units in the context of coal scarcity. In a few places of high offtake, even lubricants are stored in bulk, because of the obvious economy resulting from the saving of packaging and handling costs. Schemes are also on hand to erect tankage for liquid petroleum gas at centres of large consumption to cut out the deadweight of the empty cylinder returning all the way to the refineries for refill.

Thirdly, from the depots oil moves by road in tanklorries or in packages towards its ultimate destination, namely, the consumer. A few statistics relating to tank lorries and packages will be of interest here as they underscore the size of the distribution facilities currently in use, as also the progress of the Indian economy. In the earlier days, the use of motor transport was restricted to a limited number of cities and larger towns. The bullock-cart was the main means of transport from the railhead onwards. The picture has since changed considerably and today the oil industry employs over 2,500 tanklorries of various capacities for bulk distribution. An equally impressive number of trucks is engaged in carrying packed oil products from main installations and depots to consumers in towns and villages. As for packages, some 38-million 18.5 litre tins are used per annum, mainly for kerosine. Then there are barrels for bitumen and lubricants which currently average 3.5 million per year. These are large requirements, indeed, calling for considerable investment which grows in size every year in response to rising demand.

Transport of Oil

The Burmah-Shell paper has also highlighted a number of other facts and trends pertaining to inland oil transportation. These are:

(i) The railways provide tankwagons for the carriage of oil. At the moment, there are 5,600 broad-gauge and 2,800 metre-gauge tankwagons in commission.

(ii) The railways accord high priority to the movement of petroleum products and, sometimes, even run oil specials and block loads to minimise shunting and handling *en route*.

(iii) An average all-India figure of tankwagon turn-round from main ports is about 12 days. Unfortunately, due to the ever-growing pressure of traffic in general, tankwagon turn-rounds have shown signs of deterioration in recent years. As an illustration of the importance of improving turn-rounds, an improvement of one day or, say, 8 per cent would increase the quantity of product carried, on the basis of 284,400 metric tons average for a month, by 22,750 metric tons. To bridge this quantity by road would mean employment of approximately 225 tanklorries of 5 to 7 metric ton capacity.

(iv) In the peak season, the tankwagon gap is wide, and large quantities have to be sent by road, although, on the basis of freight, road despatches become uneconomic beyond a certain radius. Rail freights in India are based on the 'telescopic' principle and, therefore, for every additional slab of mileage the charge is lower than for the previous slab. There are also different tariff rates for low flashpoint and middle distillates and residual products. For low flashpoint products, the freight is, approximately twice as high as for kerosine, high speed diesel oil, light diesel oil, and so on. Road freights, on the other hand, generally follow a flat schedule and, therefore, except for comparatively short distances, road transport becomes relatively expensive in comparison with rail transport. Currently, road transport is 'competitive' up to a distance of about 180 kilometres in the case of low flashpoint products and about 50 kilometres in respect of middle distillates on the basis of the straight comparison between rail and road freights with trucks of five metric tons payload capacity. Beyond these distances, bridging of supplies by road results in unrecovered freight which has averaged approximately Rs. 30 per ton. With trucks of larger capacity, it is possible to go further by road without incurring loss in freight, but, in most cases, weight restrictions prevent use of vehicles larger than 5 to 7 metric ton capacity. However, as roads improve and bridges and culverts are strengthened, it is hoped that increase in maximum payload will be permitted and road transport will have greater scope.

(v) The switch-over to road opens up the possibility of direct supplies to the agent or the customer, thus reducing handling cost and storage losses *en route*. This is particularly important in the case of expensive products like motor spirit where each bulk breaking operation results in considerable loss through evaporation.

(vi) An important advantage which is gained through the switch-over to roads is the reduction in the stock cover considered necessary to meet trade demands as the transit time is very substantially reduced. For instance, a journey of 600 kilometres by rail may take anything up to seven days, depending upon the density of the traffic and the capacity of the line in question. By road, the distance can be covered in less than two days. The railway booking opportunities are also uncertain and subject to seasonal restrictions. It, therefore, becomes necessary to carry heavier stocks than determined strictly by offtake considerations. Most of the upcountry depot tankage is designed to cover 4 to 6 weeks' requirements. This can be reduced by half or more, if supplies are switched over to road. There is thus inherent saving by way of reduction in the working capital tied up in stocks. Smaller tankage needs also reduce capital expenditure.

(vii) The alternative of supplies by road has another inherent advantage where rail journey involves transhipment from broad-gauge to metre-guage, and *vice versa*. Transhipment entails an extra handling, apart from the need for balancing tankage.

Movement By Road

The oil companies are now feeding a growing number of stations by road directly from the refineries and main installations. But road movement of oil for bridging the current gap in railborne supplies is a rather costly effort. The Burmah-Shell paper, however, recognises that the planned expansion of the railway capacity is more or less fully committed to cater to the heavy traffic on account of the steel plants, heavy machinery works and collieries and that a large part of the future increase in oil traffic will have to be moved by means other than the railways. Road transport is, of course, one of the "other means." But, how can it be made more economic over much longer distances than at present? A judicious combination of the following measures is suggested in this connection.

(i) Removal of inter-State permit restrictions on road transport.

(ii) Use of truck-trailer combination. The cost per ton-mile of a combined unit with a total payload of, say, 20 tons will be less than the average freight rate charged by the railways.

(iii) Reduction in the heavy burden of taxation on road transport.

(iv) Road improvement for materially reducing operating costs.

(v) Liberalised terms under which road operators can borrow capital.

(vi) Better vehicle maintenance and repair facilities.

(vii) Upward revision of current railway freight rates to bring about permanent diversion of some traffic to roads.

The establishment of inland refineries, such as the proposed one at Baroda, may also lead to transfer of oil traffic from rail to road. Another means which could afford relief to the railways is utilisation of minor ports with rail and road connections to the hinterland for establishing bulk depots or minor installations to be fed by small tankers from the main installations. Pipeline transportation is also suggested in the Burmah-Shell paper as a possible means of bulk movement of oil, particularly on six sections (Nunmati-Siliguri, Barauni-Calcutta, Barauni-Allahabad, Bombay-Kalyan, Baroda-Delhi, and Cochin-Bangalore) where oil traffic in density moves over considerable distances before it starts thinning into various directions. It may be noted, in this connection, that the Government is already considering proposals to lay products pipelines from the public-sector refinery at Nunmati to Siliguri and from the public-sector refinery (under construction) at Barauni to Calcutta and Delhi. As the Siliguri-Gauhati railway line, being the only rail link between Assam and the rest of India, is already carrying a very heavy load of vital traffic and is liable to be flooded and breached in seasons of heavy rainfall, the Burmah-Shell paper has strongly supported the proposal for a products pipeline between Nunmati and Siliguri. Likewise, a products pipeline between Barauni and Calcutta and, in the opposite direction, towards Delhi, according to the paper, could release substantial rail capacity to other important traffic. The immense oil transportation problem of the coming years would thus have to be tackled through greater reliance on means other than railways. In conclusion, the Burmah-Shell paper recognises that, while vigorous efforts are being made to tackle the serious gap in transport requirements, the next few years will, indeed, be years of challenge, as the time lag between effort and its fruition is considerable and cannot be eliminated.

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DEFENCE DEPARTMENT

SUPER-SONIC CIVIL AIRLINERS

IS THE WORLD READY TO TAKE TO THEM?

By Our Aviation Correspondent

MEETING in Rome, the Fourteenth Assembly of the International Civil Aviation Organisation (I.C.A.O.) is deliberating—amongst other subjects, of course—what policy to adopt towards the introduction of super-sonic flight into air transport. By the time this article is published, the result of those deliberations will probably be known. At present, it is a matter of speculation, but it does seem certain that, whilst the U.S., Britain and France will favour the early development of super-sonic airliners, there will be stiff opposition from a number of other nations—notably, Sweden, Denmark, Canada, and Spain—who hold quite contrary views.

The anti-S.S.T. countries believe that to take air transport into the super-sonic field at this stage is unnecessary, unwise, and fraught with unpredictable consequences. To pursue such a policy will, they insist, adversely affect the progressive development of more important and more useful aeronautical activities. In addition to those States who actively oppose the S.S.T., there are many who would like to avoid the provision of new navigation facilities, extensions to airports, and other costly works. They fear that the introduction of super-sonic airliners will inevitably involve them in heavy expenditure of this nature—and how very right they could be!

Anti-S.S.T. Line

At the same time as I.C.A.O. is debating these issues, the annual general meeting of the International Air Transport Association (I.A.T.A.) is sitting in Dublin. Already, its Director-General, Sir William Hildred, in his opening address, has taken a strong anti-S.S.T. line. Considering the many millions of pounds which development of the S.S.T. will require, are there not, he asks, more immediate and more useful purposes to which this money could be devoted? Sir William, in that regard, specifically mentions development of the V.T.O.L. airliner.

It is only natural, of course, that the airlines oppose an early introduction of super-sonic flight. They have passed—and, indeed, are still passing—through a period of great financial difficulty. Their combined losses for the year 1960-61, which totalled some £50 million, provide a measurable indication of those difficulties. Their financial difficulties are directly attributable to the transition from piston to jet equipment. The introduction of jets has, in fact, been far more costly than was at one time predicted. Further to exacerbate the position, the surplus capacity which the new airliners yielded also exceeded expectations.

Nevertheless, there are now indications of an improvement in the situation. In due course, possibly by 1964, jet re-equipment will bring its own rewards. The industry will return, once again, to the comparative prosperity which it enjoyed, with well proven piston equipment, during the middle half of the nineteen fifties. Only something untoward could now change the course of events and throw the whole financial machinery once again out of gear. And nothing so foreshadows such an event as do current preparations to develop the super-sonic airliner.

On the one hand, then, we have a few of the most aeronautically advanced nations who, on prestige or other grounds, are determined to proceed; on the other, we have many nations, and certainly a preponderant majority of the airlines, who would, to put it no higher, vastly prefer to see the S.S.T. shelved for a decent interval of time. But can progress be muzzled? The outcome, one suggests, is hardly in doubt. Indeed, perhaps the only doubt which remains is the shape which the successful S.S.T. will eventually assume.

In that respect, of course, the fundamental problem to be solved is to design an aircraft which will fly at about twice the speed of sound (Mach 2.2), and yet be able to take-off and land on existing runways. There seem to be three ways to solve this problem. Firstly, there is the compromise solution—to design a wing with sufficient sweep-back to reduce drag to the extent required for super-sonic flight and, at the same time, with sufficient wing-area to provide adequate lift for take-off, landing, and sub-sonic flight at low altitudes.

Such a compromise is the joint Sud-Aviation/British Aircraft Corporation project, the Super Caravelle. This 100 seat, Mach 2.2 airliner will have a very narrow delta wing of ultra-thin section, swept-back to 70 degrees. In the case of a compromise of this kind, the power required for take-off and climb is considerably greater than is required for a sub-sonic jetliner. The actual engines for the Super Caravelle have not yet been selected. The Bristol Siddeley Olympus 593 has, however, been tentatively proposed. Four Bristol Siddeley Olympus, each delivering 30,000 lbs. thrust, will be required.

The Super Caravelle is the fruit of some seven years of research carried out both in France and in England. In addition to wind-tunnel experiments, such experimental aircraft as the Handley Page 115, and the Bristol 188, are providing vital data. The initial cost will, admittedly, be very high, but operating costs, the designers claim, will be lower than those of present sub-sonic jets. There can be no doubt that the Super Caravelle will accomplish what its designers intend. The question remains, however, whether there are not better ways of doing it.

That brings us to the second possible solution. This is to employ vertical lift for take-off and landing and thus to obviate any compromise with the wing. In his design of this nature, Dr. Griffiths of Rolls Royce has, in fact, discarded the wing altogether. His fuselage is shaped like a spear-head and thus offers the optimum shape for trans-sonic flight. The obvious disadvantage of the V.T.O.L. solution is the power—and, consequently, the weight—which would be required to give vertical lift to an aircraft of this size. Although, therefore, vertical lift is being adopted for fighter aircraft—as in the Hawker P. 1127, for example, which, incidentally, was quite the most remarkable aircraft at the Farnborough Air Show—its practicability for the S.S.T. has yet to be proved.

Variable Geometry Wing

The third, and by far the most attractive solution is offered by the "variable geometry" wing. This simply means, of course, a wing the shape or angle of which can be changed in flight. Take-off, landing, and sub-sonic flight can thus be undertaken with a wing suitable for those functions. The necessary alteration of angle can then be made for trans-sonic flight. The difficulty, presumably, is to devise a mechanism which will be 100 per cent efficient, light and yet strong enough to sustain the tremendous forces to which it will be exposed when altering the wing angle in flight.

This, it is claimed, has been done by Dr. Barnes Wallis of Vickers, a very notable and ingenious British designer. His design—The Swallow—permits of take-off with wings outstretched and trans-sonic flight with the same wings swept back to an angle of 70 degrees. The advantages of variable geometry are threefold: firstly, there is no compromise with the wing and, consequently, safer landing and take-off characteristics are assured; secondly, the power required for take-off is reduced to that of the conventional sub-sonic jet; and thirdly as a consequence of the reduced power requirement, fuel consumption is much lower to the obvious benefit of payload, range, and operating economics generally.

WORLD'S SMALLEST NUCLEAR POWER PLANT

The world's smallest nuclear power plant—so compact that one cargo plane can airlift it to a remote area—is now producing electricity in the United States. The unit is the first known direct-cycle nuclear power system. The 15-ton reactor is coupled directly to a 15-ton turbo generator unit. Gas heated in the reactor core drives the turbine. The gas is then returned directly to the core for reheating.

This mobile low-power reactor generated electricity for the first time on 21st September 1962, at the U.S. Atomic Energy Commission's test station in Idaho. The A.E.C. is now developing the prototype for the Defence Department. Potential uses of production models are at remote air force radar stations, army field hospitals and emergency Red Cross stations. The reactors, of course, also have potential civilian uses, for example, at remote scientific stations and power-short villages in various nations.

The unit has a capacity of 300 to 500 kilowatts. It is water-moderated and gas-cooled and, according to A.E.C., "is designed to be started up 12 hours after arrival at a site and moved to a new site 24 hours after shutdown."

NEW PRODUCTS AND PROCESSES

Nylon Toughened by Glass

GLASS fibre, known for some years to give strength to resins, has now been incorporated in nylon by Imperial Chemical Industries Ltd., London. The name given the product is Maranyl A190. The rigidity of this product is more than twice that of the basic nylon 66. The tensile, shear and compressive strengths are 50-100 per cent greater. The linear thermal expansion is a fifth of unfilled nylon. It has greater dimensional stability with changes in temperature. It can be dry-coloured. Maranyl A190 can be used as a substitute for, or an adjunct to, some metal parts. Possible applications include the housings of electrical equipment, handles, hinges, and the rollers for metal diecastings.

P.V.C. Plasticiser

A plasticiser that gives better heat-ageing qualities to P.V.C. has been introduced by Scott Bader and Company, Wollaston, Wellingborough, Northamptonshire. It is given the trade-name Monoplas 513. P.V.C. film and sheet based on this material resists the leeching action of water and will withstand frequent washing in hot soapy water. At low temperatures it still has good flexibility. Oils and chemical solvents take out roughly a quarter of the weight, so Monoplas 513 is not recommended where the P.V.C. is in contact, with such fluids. Monoplas 513 is particularly recommended by the makers for use in electric-cable insulation, P.V.C. sheet for babies' pants, shower curtains, etc., and vinyl cloth used in car upholstery.

New Monitoring System

A new remote monitoring system which can make measurements on unmanned equipment—such as oil pipe line pumping stations—and send them over long distances, has been produced by a British firm, E.M.I Electronics Ltd. Measuring and sensing devices at the unmanned station send data over a telephone line to a central control point where checking and recording is easily carried out. Known as the Voice Frequency Telemetry System, because it transmits data along a telephone line on audible frequencies, the equipment is expected to be useful to organisations handling the distribution of electricity, gas, oil or water, where it is necessary to control many units dispersed over long distances. Another use for the system is in plants whose sites extend over large areas—oil refineries, chemical plants and steel mills. A control panel can monitor the behaviour of the entire plant. If a two-way telemetry system is incorporated, the process being monitored can also be controlled at the central point.

Heavy Duty Power Tools

Two new heavy duty industrial power tools—a ¼ in. (.64 cm.) drill and a No. 8 guage nibbler—have been produced by a Middlesex firm, Black and Decker Ltd. The drill, weighing 3¼ lbs. (1.476 kg.) is a cylindrical unit with the chuck set at right angles to the body. This allows close drilling when working flush against part of a workpiece or a wall. The working speed, no load, is 2,000 r.p.m. and on load about 1,000 r.p.m. The tool cooled by twin fans, has a drilling capacity of ¼ in. (.64 cm.) in steel and ½ in. (1.27 cm.) in hardwood. The nibbler works on a punch and die principle. As the tool is fed along the cutting line, small rectangular pieces of metal are punched out leaving a smooth edge. Pattern lines can be followed on either side of the punch, which is made of high-speed steel for long efficiency. An automatic oiler deposits oil on the work to increase punch and die "life". Running free the tool has 1,000 strokes a minute and on load it runs at about 600 strokes a minute. The cutting radius, outside edge is 3⅜ in. (8.57 cm.) and inside edge 3.3/32 in. (8.05 cm.). It weighs 16¼ lbs. (7.36 kgs.).

Transporter for Heavy Equipment

A transporter for heavy equipment which dispenses with the need for cranes and loading bays and can be towed by all forms of prime mover, has been produced by a British firm, Charles Pitt (Barton Stacey) Ltd. In appearance the transporter resembles a conventional trailer of 12-ton (12.192.6 kg.) capacity. In operation, the trailer bed is lowered to ground level. In a continuous operation, the sides of the trailer, the suspension and the wheelbox are swung upwards at an angle of 45° giving free access to all parts of the trailer bed. The operation is hydraulic. Heavy loads can then be winched or moved on rollers up the comparatively slight incline of a 5 ft. (1.52 cm.) long ramp onto the bed. The operation is then reversed, the wheels and suspension are lowered and the trailer bed raised to travelling height in one operation. The last part of the hydraulic operation is the insertion of spring loaded locks, which hold the bed to the suspension. The locks require hydraulic power to release them.

Self-priming Centrifugal Pump

A new 3 in. (7.62 cm.) self-priming centrifugal pump, which has no gears between pump and engine—an innovation that cuts the cost and makes the unit more compact without reduced performance—has been developed by a Leicestershire firm, Pegsons Ltd. The gears have been eliminated by reducing the pump speed to that of the engine, and mounting the impeller directly on to the engine shaft. The design maintains the pump's capacity at 16,800 gallons (76,371.77 litres) an hour and gives it a shut-off head of 70 ft. (21.33 m.) and less power is needed than with a geared pump. The engine is an air-cooled diesel with a continuous rating of 4½ h.p. at 2,000 r.p.m. The diffusion priming system employed in the pump is effective down to static suction lifts of 25 ft. (7.62 m.). If the static lift is 20 ft. (6.09 m.) or less, a faster type of priming system can be used, reducing standard priming times by as much as 30 to 40 per cent. Both systems are very simple, with no re-circulation mechanisms to clog or wear.

Better Quality Cricket Balls

Better quality cricket and hockey balls can now be made in India with the help of leathers obtained from raw as well as vegetable-tanned cow hides by a new process developed at the Central Leather Research, Institute, Madras. The new process makes use of a basic alum combination tannage for making hockey ball leathers. The same leathers, on dyeing, could be used for making cricket balls also. These leathers are free from defects found in those prepared by traditional methods. Leathers for hockey balls have been so far made by using alum and salt. These leathers become hard and bony on drying after getting into contact with water. They sweat in damp weather and turn yellow on ageing. They also deteriorate quickly because of the mineral acid content formed in them during the course of their processing. These defects can now be removed by using the basic alum combination tannage. Usually vegetable tanned leathers dyed to red shade are used for making cricket balls. This type of leather is hard, absorbs water and the colour changes on exposure to atmosphere and light. It also stains the hands of the players handling the cricket ball on account of perspiration and deteriorates quickly. The treatment of these leathers with basic aluminium salts after dyeing makes them pliable, waterproof, fixes up the dye, improves their fastness to light and stabilises them against deterioration.

Plastic Gloves for Industrial Use

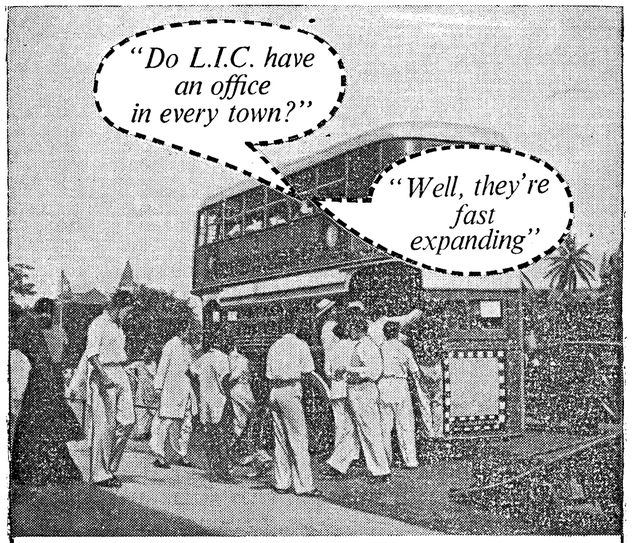
After a lengthy period of research carried out in co-operation with the Plastics Institute of the T.N.O., Delft, a Dutch firm has succeeded in making unlined plastic gloves that are supply and highly resistant to a wide variety of chemicals and fluids. The gloves, which are made of polyvinyl chloride (PVC), are supplied in all half sizes between 6½ and 10. They are 0.65 mm. (0.03 in.) thick and 30 cm. (12 in.) long; their weight averages 100 grams (3½ oz.) a pair. At the moment their colour is bright yellow, but it is intended to manufacture orange-red ones too in 1963. In normal domestic use the plastic gloves can withstand prolonged contact with soap, synthetic detergents and cleaning agents, and bleach. It is also resistant to gasoline, paraffin, turpentine and turpentine substitute, polishes, beeswax, oils and greases, vinegar, methlylated spirits, ammonia, alcohol, lysol, etc. Hot water and sunlight have no deleterious effect on them either. Apart from use in the home, the gloves are also suitable for use in industrial businesses such as the chemical and galvanising industries, the oil, leather and furniture industries and the building trade, not to mention horticulture and fisheries. No elaborate precautions are required for transporting the gloves or storing them for long periods in the tropics. The gloves satisfy the requirements of the Dutch Housewives' Association.

Transistor Clock

One intriguing result of research in radio engineering—the transistor principle—has now been applied to clockmaking. The Kundo transistor clock, displayed for the first time in the United Kingdom at the Watch and Jewellery Trade Fair, held this month, has an operating mechanism of unusual simplicity. A magnet attached to its pendulum dips into a coil at each oscillation, producing, by induction, a voltage pulse which, fed into the transistor, triggers the flow of current from the battery to the drive coil. A driving impulse is thus imparted to the pendulum—the transistor acting in effect as a contactless switch. Needing no maintenance, no winding and no external power-supply this extraordinary timepiece runs continuously from its own 1.5-volt battery (which is easily replaced) for no less a period than three years.

Plastic Car Tyres

Motor-car tyres made entirely from plastics are being produced by a German firm. The company making them says that they have high resistance to wear and that they skid less than rubber on wet surfaces. They have been designed mainly for high speed motoring and for use on rough ground. For both tubeless and tubed tyres, the outer casing is made from polyurethane; this is backed by polyurethane foam. Correct combination of these plastics, it is stated, makes it possible to vary the flexibility of the cover, particularly the walls, without altering the total thickness. A centrifugal casting process is used to make the tyres which, outwardly, look no different from ordinary rubber tyres.



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LIFE INSURANCE IN U.S.

PHENOMENAL GROWTH IN RECENT YEARS

SOME time ago, the Life Insurance Corporation of India deputed a team of senior officers to study the trends and techniques of life insurance business in the U.S. This was a clear tribute by nationalised life insurance to the efficiency of life insurance under private management. The tribute was, indeed, well deserved, for the growth of life insurance in the U.S. has been so spectacular that, measured in terms of the ratio of life insurance in force to national income, the U.S. ranks as the most insurance-minded nation in the world, next only to Canada. At the end of 1961, life insurance in force in the U.S. amounted to $685,000 million, that is, $685 billion. This works out to an average of $10,800 per family, which is about 21 months' average family income. The ratio of life insurance in force to annual national income was 142 per cent in 1960, as against 97 per cent in 1950. As already stated, the only country in the world where the ratio of life insurance in force to national income exceeded that of the U.S. is Canada where the life insurance in force at the end of 1960 represented 172 per cent of the national income. It is noteworthy that these two countries enjoy the highest *per capita* income in the world. The *per capita* income in the U.S. last year was as much as Rs. 13,513, whereas in Canada it was Rs. 9,993. Apparently, there is a close relation between national income and life insurance.

Other countries lag far behind North America, as will be evident from the comparative table given below. It will be noted that even in Britain, the home of insurance, life insurance in force represented only 67 per cent of national income in 1960, although, over the decade 1950-60, the ratio had gone up from 58. New Zealand ranked third, with life insurance in force representing 102 per cent of national income. India has doubled the ratio from 8 per cent in 1950 to 16 per cent in 1960. Even so, it ranks very low in the world, because its national income is still poor. Pakistan has shown a better record, life insurance in force in that country having risen from one per cent to five per cent of national income. The only two countries where the ratio declined during the decade are Spain and Chile, both victims of galloping inflation.

According to the *Life Insurance Fact Book*, 1962, published by the Institute of Life Insurance, New York, of the total life insurance in force of $685,000 million at the end of 1961 in the U.S. as much as $629,500 million was accounted for by the legal reserve companies (that is, public limited joint-stock insurance companies), while the rest was accounted for by fraternal and assessment organisations, savings bank, and U.S. Government veterans' insurance programmes. New business done by legal reserve companies last year was an all-time record of $78,800 million. The biggest increase was in group contracts, thanks to a new $2,100 million group policy for railroad employees.

New Types of Business

A generation ago, life insurance in force with the legal reserve companies in the U.S. was hardly $100,000 million, that is, less than one-sixth of the present size of their business. An important factor responsible for this phenomenal growth of insurance in the past generation has been the development of new types of insurance to meet the family's changing needs. As the earnings of low-income workers have improved over the years, industrial life insurance has tended to decline. Industrial life insurance in force at the end of 1961 amounted to $39,500 million. The number of industrial policies is declining. Ordinary life insurance is now the main avenue of insurance protection and it aggregated $364,300 million, covering 97 million individual life policies at the end of 1961.

Another factor for the growth of life insurance in the U.S. has been the introduction of group life insurance which now accounts for 31 per cent of the total life business in that country and aggregates $192,200 million. Credit life insurance has also been contributing a small but expanding amount to total life insurance in force. Credit business in force at the end of 1961, at $33,500 million, was double that five-years ago. This expansion is attributable to the fact that credit insurance has taken a part of the risk out of consumer borrowing for instalment purchases which has now become a distinguishing feature of the U.S. economy.

Liberalisation of insurability standards, thanks to the improvement in mortality rate following advances in medicine, also accounts for life insurance's great leap forward in the U.S. To record some of the more important changes. For many years, blind people have had to pay higher premiums for life insurance, if at all they could get themselves insured. But the majority of life insurance companies now issue policies at standard rates of premium to healthy blind people who are well-adjusted to their handicap. Insurability standards for expectant mothers, underweight and tall, overweight people, airline pilots, and people who are cured of cancer and even certain heart ailments have also been liberalised. Apart from these, many other health and occupational barriers to life insurance protection are disappearing because of advances in medicine, public health and job safety. As a result of all this, only about three per cent of the applications for ordinary life insurance are now rejected. The majority of the rejections are for reasons of health and only a negligible fraction, 0.5 per cent, to be exact, are due to occupational hazards.

Extra-Risks Policies

For those who are not insurable at standard rates, extra-risk policies at higher rates are issued. At the end of 1961, an estimated $22,000 million extra-risk ordinary life insurance policies were in force. The average extra premiums charged for such policies have gradually been reduced or eliminated as health and job safety standards have improved.

A breakdown of the reasons for extra ratings on a sample of the extra-risk policies issued in 1958 showed the following distribution: Heart disease 22 per cent, overweight and underweight 20 per cent, other medical reasons 26 per cent, hazardous occupations 26 per cent, other reasons 6 per cent.

An analysis of mortality experience, according to causes of death, indicates that heart and circulatory diseases, cancer and accidents are the worst killers. These are responsible for four out of every five deaths of ordinary life insurance policyholders in the U.S. They also explain the slowing down in recent years of the continued general improvement in policyholders mortality experienced in the first half of the present century. In fact, for more than a decade now, there has been little significant improvement in the policyholders' death rate. The tendency, on the other hand, has been for a deterioration. Thus, the death rate in 1961 at 6.12 per 1,000 ordinary life insurance policyholders was higher, as compared with 1960 when it was 6.03 per 1,000. The improvement in mortality during the first half of the century was due primarily to medical advances against diseases against pregnancy and child birth, communicable diseases of childhood, respiratory infections, diebetes and tuberculosis. But many of the people spared from these diseases are becoming susceptible to other diseases as they grow older.

Ratio of Life Insurance in force to National Income

	1960 %	1950 %
Argentina	5	5
Australia	74	42
Austria	8	N.A.
Belgium	43	26
Canada	172	115
Chile	3	5
Colombia	N.A.	9
Costa Rica	22	7
Denmark	34	34
Ecuador	4	4
Finland	42	24
France	25	10
Germany (West)	30	20
Guatemala	15	6
India	16	8
Israel	9	N.A.
Italy	14	8
Japan	59	16
Mexico	12	6
Netherlands	94	77
New Zealand	102	63
Norway	35	34
Pakistan	5	1
Philippines	20	10
Portugal	9	N.A.
Puerto Rico	48	19
Spain	6	8
Sweden	59	43
Switzerland	55	50
Thailand	4	1
United Kingdom	67	58
United States	142	97
Yugoslavia	2	N.A.

N.A.=Not available.

Courtesy : The Policy-holder, Manchester.

The India Reinsurance Corporation is planning to start operations in Melbourne, Sydney, Adelaide, and other Australian capital cities soon. The company has been registered in Melbourne with a nominal capital of Rs. 10-million or £A9,500,000. The paid-up capital is £A1-million. The company which was formed in 1956, is jointly owned by private insurers doing general insurance business in India.

4¾ PER CENT

MAHARASHTRA STATE ELECTRICITY BOARD DEBENTURES, 1974

FOR RS. 300 LAKHS

(ISSUED BY MAHARASHTRA STATE ELECTRICITY BOARD)

(Payment of Interest and Repayment of Principal Guaranteed by the Government of Maharashtra)

ISSUE PRICE: RS. 100 PER CENT

REDEEMABLE AT PAR ON 15TH OCTOBER, 1974.

The Debentures will be Trustee Securities under the Indian Trusts Act and also approved securities for the purposes of the Insurance Act and the Banking Companies Act. The Debentures will also be eligible for the purposes of advances under Section 17(4)(a) of the Reserve Bank of India Act, 1934.

Subscriptions will be received in cash or cheques from 15th October, 1962 but the list will be closed without notice as soon as the total subscriptions amount approximately to Rs. 300 lakhs and in any case not later than the close of business on 20th October, 1962.

Applications will be received at *(a)* the office of the Financial Adviser and Chief Accounts Officer, Maharashtra State Electricity Board, Mercantile Bank Building, Fort, Bombay-1, *(b)* the offices of the Superintending Engineers, Maharashtra State Electricity Board at Nagpur, Aurangabad and Kolhapur, and *(c)* the office of the Executive Engineer, Maharashtra State Electricity Board at Poona.

Copies of the Debenture Prospectus announcing the terms of issue and the application forms are available at the receiving offices mentioned above and at all Divisional offices of the Maharashtra State Electricity Board in the State of Maharashtra.

ESTABLISHMENT OF AN EXPORT SECTOR

BOARD OF TRADE APPOINTS EXPERT COMMITTEE

THE fourth monthly meeting of the Board of Trade was held in Bombay on Friday, 28th September. It may be recalled that its first two meetings were held at New Delhi and the third at Calcutta. An important proposal that came up for consideration at the Bombay session related to the establishment of an export sector in a fresh bid to promote exports. The meeting, presided over by Mr. Manubhai Shah, Union Minister for International Trade, decided in principle that the industrial units working for exports should be given further assistance to increase their contribution to exports. The objectives of the proposed export sector are to make select existing industrial units more export-oriented, expand existing industries with export potential to establish additional capacities for export and encourage the establishment of new units in select industries for providing additional exports. It was, of course, realised that no unit could be entirely designed to cater for exports, but, according to the Board, "it will be sufficient if the units or industries in the export sector contribute substantially, say, about 50 to 60 per cent of production, for exports." There are, it is said, several industries which have greater export potential but which have just started making their initial contributions, such as pig iron, castings, forgings, oilcake extractions, specialised varieties of cotton textiles, woollen and jute carpets, cashew, raw sugar, as well as engineering and pharmaceuticals.

The main consideration which weighed with the Board of Trade is advocating the creation of an export sector appears to be that facilities and privileges granted to industries should have full effect upon production, costs and quality. Instead of scattering away various incentives over a wide field, the best results could be obtained, according to the Board, if a selection were made of those products for which the external demand would be growing and special attention was devoted to those industries. It is claimed that this would enable the industry to expand and take full advantage of the economies of scale and the specialisation for different world markets. The establishment of the industrial units, according to the scheme, may also be determined in such a way as to take full advantage of rationalisation in transportation costs. In the case of existing industries, the proposal is to select units which are already catering to exports and help to remodel them for increasing their output of export goods. Ultimately, the major part of the output will be designed for export markets. Separate export units will also be set up in export-oriented units. The Board, however, deferred a final decision on the proposal. It constituted a committee to study these questions in detail and submit a report to the Board for further consideration. The Committee consists, among others, of Mr. Padampat Singhania, Dr. P. S. Lokanathan, Mr. Sachin Chowdhury, Mr. R. G. Saraiya, Dr. D. R. Gadgil and Mr. G. L. Bansal.

Vegetable Oils

As in the other previous meetings, the Board paid special attention to an examination of the prospects for expanding exports of certain select items. The commodities that figured at the last week's meeting were (non-essential) vegetable oils, oilcakes, *vanaspati* and other allied products. The Board was of the opinion that these commodities would have to contribute, in an increasing manner, substantial foreign exchange earnings. It, therefore, suggested that adequate steps would have to be taken to increase the production of oilseeds and oils, apart from making the industry more modern and efficient. It called upon the Government to provide greater facilities to the oil and oilcake industry for future development. One does not know what are the precise measures of encouragement which the Board had in view. It would have been better had the Board spelt out in concrete terms the precise means of assistance to be given to these industries, instead of merely reiterating a statement that has been made times without number. It is also not clear how the Board came to the conclusion that the present export promotion schemes for the aforesaid commodities were adequate. The proof of the pudding is in the eating. What has been the export performance of these commodities of late? Exports of vegetable oils have suffered a distinct setback in recent years, having gone down from Rs. 34 crores in 1955-56 as low as about Rs. 6 crores by 1961-62 (for details please see *Commerce* dated 18th August 1962, page 270). As the domestic prices of groundnut oil, castor oil and linseed oil have been ruling very much higher than world prices, their exports have been adversely affected. Even the export of *vanaspati* has, of late, come down. The industry has been asking for better incentives for promoting exports. Apparently, the Board has not appreciated the stand of the industry. The shipments of deoiled cake, however, have shown an upward trend; and the Board stressed the need for stepping up its exports further. The Board also felt that special encouragement would have to be given to the development of deoiled rice bran and deoiled cakes of other varieties, including cottonseed cakes and linseed cakes.

Crop Planning

It is obvious that no amount of talk on export promotion of oilseeds, oils and oilcakes will lead to an increase in their shipments. It is only by increasing the production of oilseeds that the goal can be reached. It is only appropriate, therefore, that the Board should have devoted some thought to the need for expanding production of oilseeds and other crops. The Board felt that the advantage which India has enjoyed in some of the crops could only be maintained if crop planning was properly drawn up, giving due weightage to the crops in which the country is deficient, and in stepping up production of such cash crops which are needed for both internal consumption and augmenting exports. The crop planning, in turn, in the opinion of the Board, required a great deal of co-ordinated and inter-related price structure of different crops, so that balanced growth takes place and balanced importance is given to different crops in a planned manner. Increase of agricultural productivity with adequate supply of fertilisers, seed multiplication and various other facilities that were already being given should, the Board stressed, be further augmented and in the current Plan and in the next Plan, greater attention and priority would have to be paid to development of agriculture, placing agriculture as the most important sector of economy in the country, both for internal requirements and specially for expanding exports.

There is nothing new in the Board's suggestions. They have been advocated before by others. But the Government has scarcely bothered to introduce crop planning. Will Mr. Manubhai Shah convey the Board's emphasis on this point to Mr. S. K. Patil and see to it that sufficient surpluses were created in commercial crops? It will take quite a few years for the results to be felt, even if prompt steps are taken with effect from the forthcoming *rabi* crops. Accordingly, the measure advocated is not going to lead to any significant increase in the export of vegetable oils and cakes in 1962-63 or even in 1963-64.

The Board also examined the question of sugar exports and was of the view that exports of sugar should form a very important part of future export programme, because, through proper crop planning and by taking maximum advantage of economies of scale, by modernisation and expanding the existing units, in preference to creation of more units, costs could be reduced, contributing to larger exports. Increasing the productivity of sugarcane cultivation and by various rationalisation and management practices in sugar industry, the export of sugar could both be expanded, as well as the losses suffered in export of sugar could be reduced. It should be possible to maintain the export to near about 500,000 tons on annual basis. Regarding the production of raw sugar, in preference to crystal sugar, it was appreciated that the world markets demand raw sugar in preference to crystal sugar. The Board noted that sugar industry was already drawing up programme for production of raw sugar required for export.

The Committee on "fair trade practices" appointed by the Board under the chairmanship of Mr. Shriyans Prasad Jain, gave the Board its preliminary idea about the question. The Committee is expected to submit its final report in the next three weeks. In the meantime, the Board endorsed the general approach of the Committee that the trade and industry should, in co-operation with the Federation of Indian Chambers of Commerce and Industry and various chambers of commerce and other industrial associations in the country, display price lists prominently at the ex-factory level, at the wholesalers' depots and in the retail shops for 20 to 25 commodities of daily consumer need like foodgrains, oils, cloth, light engineering products, domestic equipment, footwear, medicines and provisions stores, paper and paper products, crockery and porcelainware and other items.

The price lists are expected to be exhibited at the retail and wholesale levels and factory level. Along with these, the Board also endorsed the idea of the Committee that individual price tags on different items should be exhibited in stores, retail shops, consumer cooperative stores, fair price shops, and wholesale depots, clearly laying down the price and specification of each product, so that the consumer could easily know the price of each commodity. To begin with, all the shops in urban areas with a population of about 50,000 and over, should be selected and preparations must be made by all retailers, wholesalers and factory owners, to start this in the course of the next few months. Once the practice got adopted, more commodities could be covered, more shops could be brought into this programme and, gradually, the practice could spread to the rural areas. Further action would be taken after the report of the committee was received.

CONSUMER GOODS INDUSTRIES

MR. P. SINGHANIA'S VIEWS

THE need for giving greater attention to expanding consumer goods industries was stressed by Mr. Padampat Singhania, a well-known industrialist of Kanpur and the head of the J. K. Organisation. Mr. Singhania, who was speaking at a meeting of the Central Board of the J. K. Organisation at Kanpur the other day, observed that renewed emphasis on the development of consumer goods was called for in view of the increase in prices of such commodities and its impact on the cost of living. Apart from increasing production of consumer goods, he urged the Government to reduce the various levies on consumer goods, as they raised their ultimate cost to the consumer. According to him, if excise duty alone were to be removed, prices of consumer goods would go down by 25 per cent. He added that this showed that, although there was possibility of holding the price line, the Government did not want to take the logical step.

Mr. Singhania was also not very optimistic about the possibility of fulfilling the third Plan targets. He, in fact, advocated the abandonment of some of the third Plan projects, if India wanted to make the Plan a success "with limited financial resources at its command." Elucidating his stand, he observed that the basic problem confronting the Government now was shortage of foreign exchange. Although domestic resources of the country mobilised to the greatest extent possible had been supplemented in substantial measure by external assistance, loans so far secured would "prove inadequate, if we do not keep watch on expenditure and abandon some projects which may not be necessary at the moment and give more attention to the planning and execution of specific basic industries." He also wanted the Government to give licence to such plants the establishment of which required no foreign exchange, so that their production might go up and, in turn, earn more foreign exchange.

On the question of improving the system of transport and communications, Mr. Singhania pointed out that never before in the history of the railways were there so many accidents as there was today. He was of the opinion that, if the railways were re-divided into four separate sectors controlling each zone and their General Managers were given complete responsibility, there would be few accidents and the responsibilities would be efficiently shouldered by them. He felt that, since the amalgamation of zonal railways and the assumption of complete control by the Railway Board, "the General Managers of railways seem to have lost all responsibility, with the result that the life of passengers has become too cheap." He was of the view that road transport was more efficient, especially over short and medium distances. This did not mean that railways were less important. Indeed, he added, one would have to depend on railways alone for moving heavy goods.

THE JAY ENGINEERING WORKS LIMITED

LALA CHARAT RAM, CHAIRMAN, STRESSES NEED FOR REDUCING PRODUCTION COSTS

EXPORTS ARE OF PARAMOUNT IMPORTANCE

THE keynote of the speech of Lala Charat Ram, Chairman of the Jay Engineering Works Ltd., at the Twenty-fifth Annual General Meeting of the Company held at Calcutta on Thursday, 27th September 1962, was the emphasis laid on reducing cost of production as a prerequisite for promoting exports. He, however, was not in favour of "mud-slinging" at either labour or the Government for increasing costs. The task of reducing costs, he said, was the joint responsibility of the management personnel in industry, its operating personnel in plants and offices and of the Government. Lala Charat Ram, whose speech was notable for a realistic appraisal of his Company's experience on the export front, extended unequivocal support for the proposal to make exports mandatory.

The following is the full text of Lala Charat Ram's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you to the twenty-fifth annual general meeting of the Company.

"At the last meeting, I had deputised for my father, Sir Shri Ramji, on account of his indisposition. Sir Shri Ramji has continued to guide the affairs of the Company so far, in spite of keeping indifferent health for sometime now, and he has now requested the Board to relieve him of the responsibilities of the Chairman's position; he has, however, assured us all, if an assurance were at all needed, that he will continue to be a part of us all, remain on the Board of the Company and guide our steps as heretofore. It is a solemn occasion for me, and one of no little apprehension at stepping into shoes that had hereto been filled by such an eminent personage. In all humility, I pray for being able to serve this Company well, which is so near to Sir Shri Ramji's heart.

"During the year, your Company—as indeed the whole of India—lost its great friend, Dr. B. C. Roy. Dr. Roy's services to West Bengal and particularly to its industry—need no repetition. Your Company had the privilege of his special patronage and we feel his loss greatly.

"The annual report of the Company for the year ended March 1962 has been with you for some time now; with your permission, I shall take it as read. As usual, there have been some areas of gains, and some other areas which must cause us all concern. I would like to highlight some of these here.

Higher Profit

"The gross profit has been marginally higher at Rs. 91 lakhs, as against Rs. 88 lakhs last year. This profit, however, is on increased capital and reflects a lower capital productivity, i.e., return on the capital employed. The decline is explainable somewhat by increasing investments in our Hyderabad factory, which will necessarily take some more time before it begins to contribute to the profits of the Company. The profits were also affected by frequent power shedding in Calcutta, increased excise levies on copper, winding wires and special steels, considerably higher transport charges on coke on account of rail transport not being available, and very much higher price paid for American silicon sheets due to restricted import licensing from other countries. The incidence of actual cost due to these causes has been considerable. Your Company, however, has refrained from increasing the prices of its finished products, in keeping with its traditional policy of avoiding increases in selling prices so far as is at all possible.

Plan for Economy

"The equity dividend proposed to be disbursed this year amounts to Rs. 22.8 lakhs, as against Rs. 18.4 lakhs last year, being 15 per cent this year on enlarged share capital, as against 17.15 per cent last year on smaller capital. In the face of continuous increase in costs, which are beyond the management's scope of control, it is requiring all the management effort in keeping down costs by expansion of production and reduction of expenditure. We are launching this year on a plan of economies in all directions, and it is hoped that, with this effort, and the contribution which the Hyderabad unit might make, profitability will show improvement.

"Increases in production have been less this year than previously. Whereas the rate of expansion necessarily slows down as higher levels of output are achieved, nonetheless the production would certainly have been better, but for the dislocation caused by frequent power shedding in Calcutta.

Exports

"Exports have been for your Company a matter of social and business philosophy and our efforts have been continuing for an expanding organisation to meet the targets of higher export figures. I referred last year to the proposal for the setting up of foreign subsidiaries as a part of our export promotion drive. Your Company has now started the manufacture of sewing machines in Ceylon in collaboration with the people of that country. Authorisation has also been obtained for starting a manufacturing unit in Burma. There has been an unfortunate decline in exports from Rs. 113 lakhs to Rs. 91 lakhs in the preceding year; the fall is accounted for by the import restrictions imposed by the Governments of Yugoslavia, Burma, Ceylon and Egypt, resulting in a decline of Rs. 33 lakhs, from Rs. 52 lakhs to Rs. 19 lakhs. On the other hand, our exports to industrially developed countries, such as the U.S., Germany, the U.K. and others are increasing.

Rising Cost

"The matter of rising cost of manufacture is one of great alarm. Criticism is voiced, and rightly too, against increase in selling prices of goods, and the steady inching up of living costs. But, if manufacturing costs continue to mount up, they must sooner or later be reflected in increased selling prices. It would appear, however, that those people who represent against this trend, pay only lip sympathy to the cause. Organised labour which represents an important mass of consumer group, ceaselessly strives in the factory for higher remuneration in one form or the other, while agitating in the market place for lower prices—a contradiction in terms. Governmental authorities wish to keep prices down, as any good Government must, and yet as a consequence of one or the other imposts, costs of transport, materials, power, etc., keep on going up. Management personnel have an important role to play in this area; without implying that the material efficiency in Indian industry is not capable of improvement, the fact needs to be faced that tirading against industry as distinct from trade may meet political objectives, but will not provide solutions to the problem. To the extent that the ratio of return on capital in an industry shows a decline in the face of increasing production, it is a demonstration of the fact that the management has not increased its selling prices to match rising costs. The matter, however, is much too serious to permit of mutual mud-slinging; it is a matter of joint responsibility of the management personnel in industry, its operating personnel in plants and offices, and of the Government. Each of these groups needs to work wholeheartedly in their own areas of responsibility for keeping unit costs down. This matter of keeping unit costs low is of vital importance for our export trade, for it is on our export earnings that our very future hangs. I am glad to be able to report to you, as I have said earlier, that in the face of rising costs, your Company has refrained from any increases in the selling prices of its sewing machines and fans.

"It is heartening to note that the Prime Minister has thought it fit to give the portfolio of International Trade in the Union Government in the very energetic hands of Mr. Manubhai Shah. However, apart from some assistance in the shape of elimination of bottlenecks, which the Government might render, I consider that it is in the enlightened self-interest of Indian industry itself that it realises the absolute importance of self-reliance and maximum individual export effort. Every one must be aware of the country's very difficult foreign exchange situation and its impact on the country's economic plans. If the retardation in the growth of our economy continues to take place, as has been evident from several recent studies, this would necessarily have an impact on employment opportunities.

Economics of Export

"In this context, I may briefly state here what may be termed as 'the economics of export,' in the light I understand it. It is only a truism that the cost structure for most of our country's products is higher than in other countries. It is also correct that management personnel and operating personnel owe a duty towards a constant reduction in cost, and I hope that we are all attempting to work towards this objective. However, it would be unrealistic to wait for working aggressively for exports till such time as our costs become comparable to those of other countries. The selling prices in export markets bear little relationship to the costs of manufacture, even as they do not in the domestic market, and exports will need to be done only at competitive prices, and very often at prices below costs. Almost all countries follow a dual price policy, there being a much lower price for the export market than for the domestic market, the former being subsidised by the consumer in the domestic market. The incidence of all export loss has to be borne by the home consumer through increases in domestic prices; there is no escape from this situation. However, the incidence of loss on exports is not as frightening as it is made out to be very often. For the loss of every rupee in export, about half is contributed by the Government by way of loss in taxes, partly it is borne by the workers in the shape of reduction in bonus; partly by the management in the shape of reduced remuneration; and partly by the shareholders in the shape of reduced dividends. The consumer shares his bit by marginal increases in the domestic selling prices. If we also consider the reduction in costs, which higher output on account of export leads to, the loss to any Company in its net retained profits would be negligible indeed. Let me repeat that export effort is necessary now as a patriotic effort for national development, irrespective of short-term, real or imaginary self-interest.

Marketing Organisation

"But export sales need not only patriotism, but a good marketing organisation. As one of the major exporters in the engineering group of industries, it might be of some interest, if I was to give a brief account of the export marketing experience of your Company. All sales of your Company are now handled through a separate marketing company which was set up a few years ago. This was done with the conscious knowledge that the manufacturing activities had grown to such large proportions, that for the satisfactory marketing of these goods, an independent organisation, free from the problems of factory and production, was needed. This step, taken initially with some apprehension, has been fully justified by subsequent results. In fact, it will be correct to state that the high rates of output being achieved by the factory might not have been possible without a distinct marketing organisation, planned for selling all the output. This marketing company makes a constant study of the market potential in India and abroad, and keeps a constant watch on the designs, quality and prices of our competitors' products in the foreign markets. Every year, export targets are set for each country, and the achievement of these targets becomes the responsibility of the sales organisation personnel as a whole. More often than not, we have been able to meet and even surpass these goals. The proper location and expansion of distribution channels is extremely important for any marketing activity. We have distributors located strategically in various parts of the world. The annual report which is in your hands gives a list of the 40 odd countries, where the products of your Company are distributed. Basically, there are two alternatives available for the development of distribution in the foreign markets, i.e., either to establish a foreign

(*Continued on page* 615)

C.I.M.M.CO.'S MUCH BETTER RESULTS NO CONSOLATION TO SHAREHOLDERS

NEW CAPITAL PROJECTS IN HAND

MUCH better indeed are the results of the Central India Machinery Manufacturing Company Ltd. (Director: Mr. R. K. Birla, Gwalior) for the year ended 31st March 1962, which are highlighted by an almost one-crore increase in turnover at Rs. 365.63 lakhs, a nearly fourfold rise in gross profit at Rs. 48.29 lakhs and a significant spurt in the profit-margin (ratio of gross profit to sales) from a mere 4.5 per cent to 13.2 per cent. All the same, they are no consolation to the shareholders who have had no return on their capital since the Company was founded in 1943.

The year saw a sharp increase in the production of plain looms from 3,721 to 5,955 as also in that of drop box looms from 19 to 352. The output of automatic looms also increased from 19 to 41, but that of dobbies was down to 31 from 271, to which level it had declined in the previous year from 383 in 1959-60. The cost of raw materials and stores consumed during the year rose from Rs. 161.92 lakhs to Rs. 225.04 lakhs. Power and fuel cost about Rs. 3 lakhs more at Rs. 11.53 lakhs. Staff expenses jumped up from Rs. 50.46 lakhs to Rs. 65.54 lakhs. Other expenses increased from Rs. 25.14 lakhs to Rs. 37.96 lakhs.

As against nothing in the previous year, a sum of Rs. 32.91 lakhs has been provided for depreciation. In the opinion of the auditors of the Company, the fixed assets have not been adequately depreciated. This is attributed by the Directors to insufficiency of profits. The quantum of arrears of depreciation, computed in accordance with Section 205(2) of the Companies Act, 1956, amounts to Rs. 41.87 lakhs. The provision of Rs. 32.91 lakhs made this year is, we are told, in accordance with that section and comprises Rs. 16.88 lakhs for 1960-61 and Rs. 16.03 lakhs for 1961-62. No provision has been made for taxation. The net profit amounts to Rs 15.38 lakhs, as against Rs. 11.99 lakhs a year before. The preference dividend for the years 1960-61 and 1961-62 absorbs Rs. 8.06 lakhs. There are no arrears of preference dividends now. A sum of Rs. 1.54 lakh, as against Rs. 0.81 lakh in the previous year, has been set apart for development rebate reserve. The surplus of Rs. 19.17 lakhs has been carried forward, as against Rs. 13.17 lakhs brought in.

The comparative table below gives at a glance a clear idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales proceeds and job works	365.63	265.77	168.54	124.03
Closing stock of finished goods	25.73	17.81	26.16	29.96
Other income	0.80	2.88	0.28	0.40
Raw materials and stores consumed	225.04	161.92	90.32	67.34
Power and fuel	11.53	8.80	6.91	6.47
Staff expenses	65.54	50.46	39.49	34.84
Other expenses	37.96	25.14	20.74	14.53
Gross profit	48.29	11.99	7.56	1.07
Provision for—				
Depreciation	32.91	..	..	4.50
Taxation	..	..	..	0.80
Net profit (+) or loss (—)	+15.38	+11.99	+7.56	—4.23
Excess provisions written back	0.28	..	0.02	0.17
Development rebate reserve	1.54	0.81	1.00	9.81
Debenture issue expenses written off	0.06	0.06	..	..
Dividends—				
Preference	8.06*	1.12*	2.92*	5.77*
Equity	..	..	..	..
Carry forward	19.17	13.17	3.17	0.40

* Subject to deduction of tax.

During the year, the Company started the manufacture of Cimmco-Sakamoto automatic looms in collaboration with the renowned firm of Messrs. Enshu Ltd. of Japan. It also took up production of high speed winding and warping machines with creel in collaboration with the well-known manufacturers, Messrs. Franz Muller Maschinenfabrik of West Germany. The automatic looms, we are told, have been well received in the market. The winding and warping machines are yet under production. The position of orders for plain looms at present, according to the Directors, is discouraging, because of the restrictive policy of the Government in the issue of permits for installation of such looms.

The calender bowl plant at Gwalior and the shuttle factory at Bombay are said to be making steady progress. Work at the Company's wagon and structural shop division at Bharatpur continues to be satisfactory. During the year under review, production there amounted to 1,493 wagons, as against 1,034 wagons in the previous year. For the current year, orders for 1,250 M.B.C. wagons have been received.

The Company is branching out further in diversification of its activities. It has two projects for early implementation, namely, cast iron spun pipes and steel casting. Import licences for plant and machinery for these projects are expected in due course. The necessary steps for setting up these factories will be taken on the receipt of the import licences.

The last year's results, if anything, are suggestive of a period of some great progress in store for the Company, after years of unsatisfactory working. Perhaps it is on this realisation that the Rs. 10 fully paid ordinary shares of the Company were quoted all of a sudden at Rs. 16 on 25th August last, after having remained unchanged at a nominal rate of Rs. 10 since 13th January last, on the Bombay Stock Exchange. According to market circles, Birlas are said to have released 10,000 shares of the Company for open sale. The best rate for the shares so far this year has been Rs. 16.52. Currently, however, they are quoted at Rs. 14. Looking to the future prospects for the Company, they do not seem to be a bad bargain at this rate.

Financially, the Company has yet to consolidate its position. Its paid-up capital of Rs. 150 lakhs, of which Rs. 100 lakhs are in equity shares and the rest in two types of preference shares, finds poor backing in reserves and surplus aggregating Rs. 34.18 lakhs. Secured loans have increased during the year from Rs. 28.39 lakhs to Rs. 56.25 lakhs and comprise debentures worth Rs. 30 lakhs, loan from the Government of Rajasthan of Rs. 1.29 lakh and private borrowings of Rs. 24.95 lakhs. Unsecured loans amount to Rs. 4.55 lakhs. Current liabilities and provisions aggregate Rs. 101.40 lakhs. The total short-term indebtedness to outsiders amounts to Rs. 130.90 lakhs and is fully met by current assets, loans and advances aggregating Rs. 181.53 lakhs. Investments amount to Rs. 8,200 and are in debentures of Rs. 100 each of the Sholapur Spinning and Weaving Mills Ltd. The gross block, which increased during the year from Rs. 194.74 lakhs to Rs. 207.66 lakhs, has been written down to Rs. 164.60 lakhs. Out of a total depreciation of Rs. 43.06 lakhs provided so far, as much as Rs. 32.91 lakhs has come from the profit for 1961-62, as already noted.

MADRAS ALUMINIUM COMPANY LTD.

Considerable progress has been made by the Madras Aluminium Company Ltd. during the calendar year 1962 in the construction of buildings and erection of machinery. Disclosing this, in their report for the year ended 31st December 1961, the Directors of the Company have explained that the original schedule of work was delayed because of two unforeseen difficulties. First, the Company, which is setting up the plant in collaboration with Messrs. Montecatini of Italy and has obtained the finance for the entire imported machinery from the Italian bank, Mediobanca, on deferred payment basis, under the credit facilities made available by the Italian Government, was affected by the amendment to the Law as regards insurance and financing by the Italian Government. The operation of the amended law was delayed until a new Government took over in Italy. Second, the Company had to furnish clarification, in regard to certain items of machinery to be imported, to the Government of India, before licences for the same could be obtained. However, we are told, the amended law in Italy offers terms more advantageous to the Company than before. Further, the collaborators have made efforts to expedite the work and maintain it, as far as possible, according to the original schedule. The import licence is worth Rs. 380 lakhs, c.i.f. The cost of the first stage of industrial buildings is estimated at Rs. 20 lakhs.

The Company is setting up the plant on a 100-acre plot at Mettur, about a mile from the Mettur Dam Railway Station. Last year, the Company shipped about 600 tons of bauxite from its mines to Italy for analysis by the machinery manufacturers in that country. The experiments on the ore have proved the correctness of the original project report submitted by Montecatini as to the quantity of aluminium available in the ore and designs for the plants have been prepared on the basis of such analysis. The Company received last year the technical know-how packet from the collaborators and, as per the agreement, it allotted them 45,000 equity shares of Rs. 100 each, treated as fully paid in consideration for the know-how. Inclusive of these 45,000 shares, the paid-up capital of the Company, as at 31st December last, amounts to Rs. 165 lakhs, of which Rs. 37.50 lakhs are in 9.3 per cent, taxable, preference shares of Rs. 100 each on which Rs. 25 have been called so far, and the balance in equity shares, also of Rs. 100 each, with Rs. 25 called up so far, excepting those shares which have been allotted to the foreign collaborators and are treated as fully paid-up. After the close of the financial year, the Company made a call of Rs. 25 per share on the equity shares.

KALPETTA ESTATES LTD.

PROFIT LOWER, BUT DIVIDEND MAINTAINED

HIGH cost of producing tea and lower selling prices for all the principal products, namely, tea, rubber and cardamom, have been responsible for the disappointing financial results of the Kalpetta Estates Ltd. (Managing Agents: Messrs. A. V. Thomas and Company Ltd., Alleppey) for the year ended 30th April 1962. Actual production during the year was generally higher than what was estimated for the year and also what it was in the previous year. Thus, production of tea amounted to 161,000 kgs. (as against the estimate of 154,222 kgs. and the previous year's outturn of 159,711 kgs.), of rubber to 154,112 kgs. (as against 136,078 kgs. and 136,334 kgs.) and of cardamom to 7,829 kgs. (as against 6,804 kgs. and 5,024 kgs.). As against the estimate of 15,240 kgs., actual production of coffee, however, declined to 10,187 kgs. from 12,549 kgs. in the previous year. The cost of producing tea increased from Rs. 2.77 per kg. to Rs. 3.26, but that of rubber declined from Rs. 2.72 per kg. to Rs. 2.37 and so did that of cardamom from Rs. 13.73 per kg. to Rs. 9.86, cost of producing coffee also fell from Rs. 3.37 per kg. to Rs. 3.30. The average selling price of tea declined from Rs. 4.46 to Rs. 4.38 per kg., for rubber from Rs. 3.32 to Rs. 3.25 and for cardamom from Rs. 18.66 to Rs. 15.95 per kg.

Due to the lower realisation on the principal products, sale proceeds registered only a minor improvement from Rs. 13.06 lakhs to Rs. 13.44 lakhs. The increase in the production costs referred to earlier was mainly due to (*a*) large amounts paid as gratuity to retiring workers (Rs. 7,300, as against the estimate of Rs. 3,000), (*b*) interim increase in wages at 15 nP and 11 nP per adult male and female worker, respectively, per day, and also to staff at Rs. 10 per member per month granted by the Wage Board with effect from 1st December last, and (*c*) intensive manuring programme adopted and heavy expenditure on repairs and upkeep of roads, buildings, etc., found necessary during the year.

The gross profit has declined from Rs. 3.10 lakhs to Rs. 2.43 lakhs. After providing Rs. 0.50 lakh (Rs. 0.46 lakh a year before) for depreciation, Rs. 0.80 lakh (Rs. 1.34 lakh) for taxation and Rs. 0.15 lakh (Rs. 0.26 lakh) for Managing Agents' remuneration, the net profit amounts to Rs. 0.98 lakh, as against Rs. 1.04 lakh in the previous year. Once again no amount has been transferred to reserves, while the dividend has been maintained at 12.5 per cent per annum, taxable, on the Rs. 10 fully paid shares.

The comparative table below contains the salient features of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 30th April			
	1962	1961	1960	1959
Sale proceeds	13.44	13.06	9.84	11.10
Closing stocks	2.54	2.52	2.27	1.45
Other income	0.21	0.15	0.21	0.12
Estate expenditure, excluding staff expenses	3.63	3.34	2.49	2.67
Total staff expenses	6.71	6.19	5.78	5.58
Sales expenses	0.29	0.42	0.14	0.07
Other expenses	0.55	0.47	0.50	0.48
Gross profit	2.43	3.10	1.95	2.20
Provision for—				
Depreciation	0.50	0.46	0.41	0.42
Taxation	0.80	1.34	0.99	0.65
Managing Agents' remuneration	0.15	0.26	0.15	0.18
Net profit	0.98	1.04	0.40	0.95
Development rebate reserve	..	..	0.05	..
Dividend	1.00 (12.5%)*	1.00 (12.5%)*	1.00 (12.5%)*	1.00 (12.5%)
Carry forward	0.02	0.04	0.01	0.07
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	12.10	13.12	13.45	13.50
Low	11.22xr	12.00	11.15	11.50

* Subject to deduction of tax.

For the current year, the tea crop is estimated at 165,000 kgs. at a cost of Rs. 3.06 per kg., the rubber crop at 160,000 kgs. at a cost of Rs. 2.74 per kg., the cardamom crop at 9,100 kgs. at a cost of Rs. 10.37 per kg. and the coffee crop at 15,240 kgs. at a cost of Re. 1.70 per kg. Actual production during the current year up to 20th August amounted to 69,019 kgs. of tea and 33,926 kgs. of rubber, showing an increase of 12,670 kgs. and 8,279 kgs., respectively, as compared with the same period last year. The estimated cardamom picking is expected to be fully realised this year. The Directors have decided to dispose of the coffee area for Rs. 1.25 lakh, as it has resulted in a continues loss to the Company for the past three or four years.

Satisfactory progress has been reported on the expansion programme, envisaging planting of 150 acres under rubber on the Poonoor Estate

(*Continued on next page*)

JAIPUR UDYOG DOES WELL, DESPITE HEAVY ODDS

RESERVES STRENGTHENED

IN the face of serious impediments posed by such diverse factors as an illegal strike lasting for a fortnight, high ash content of coal, inadequacy of transport facilities for the movement of raw materials and the finished product and an insufficient supply of electric power, the improvement in output achieved by the Jaipur Udyog Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) during the year ended 31st March 1962, is really heartening. Not only has the production of clinker and cement gone up from 632,899 tonnes and 678,988 tonnes to 669,675 tonnes and 742,988 tonnes, respectively, but the despatches of cement also have been higher at 734,139 tonnes as compared with 676,751 tonnes during the preceding year, thanks to the keen demand for cement experienced throughout the year. Reflecting this better offtake and the rise in the retention price of cement, made effective from 1st November 1961, gross proceeds from sales have registerd a substantial gain of Rs. 120.12 lakhs to Rs. 765.35 lakhs. With higher production and despatches of cement it is but logical that there should have been an increase in the incidence of excise duty and cost of raw materials and stores consumed. However, the wage bill and other expenses also continued to grow. These rising expenses have restricted the growth in gross profit to only Rs. 39.08 lakhs, that is, from Rs. 70.09 lakhs for 1960-61 to Rs. 109.17 lakhs for the year under review. From this figure, the provision for Managing Agents' commission has taken away Rs. 2.02 lakhs (*nil*) and for depreciation Rs. 42.13 lakhs (Rs. 41.31 lakhs), leaving Rs. 65.02 lakhs as the net profit for the year under review. Although the profit for the year has been eminently comfortable, as compared with that for any one of the past three years, the Directors have thought it fit to conserve nearly 50 per cent of the profit and have accordingly transferred a sum of Rs. 33.13 lakhs to the reserves as against Rs. 11.30 lakhs last year. After setting aside Rs. 4.47 lakhs for the payment of bonus to workers for prior years and Rs. 2.25 lakhs for payment of dividends to the preferred shareholders, the Directors have utilised the balance for paying an ordinary dividend of 8.36 per cent, as against 8 per cent, both subject to deduction of tax. Although the rate of dividend is only fractionally higher than that for the preceding year, it must be noted that the dividend for 1961-62 amounts to a net dividend of 80 nP per share of Rs. 10 each and that too on an enlarged number of shares. This absorbs Rs. 20.90 lakhs, as against only Rs. 16 lakhs last year. Nevertheless, the carry forward at Rs. 4.95 lakhs is substantially higher than the amount brought in, namely, a mere Rs. 67,719.

The rapid progress achieved by the Company during the past four years is well reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Cement sales (gross)	765.35	645.23	596.72	378.76
Other income	5.20	3.67	2.42	1.43
Closing stocks of clinker and cement	38.99	44.56	45.35	54.60
Raw materials and stores consumed	243.30	211.26	178.43	116.58
Excise duty	173.25	159.78	154.54	98.55
Salaries, wages and benefits	42.87	37.69	28.19	24.22
Other expenses	196.39	169.29	151.73	102.35
Gross profit	109.17	70.09	77.00	52.05
Managing Agents' commission	2.02	..	..	..
Provision for—				
Depreciation	42.13	41.31	38.22	30.00
Taxation	..	..	38.78	22.05
Net profit	65.02	28.78	1.20	..
Miscellaneous write offs	4.47	..	20.62	22.00
To reserves	33.13	11.30	..	..
Dividend—				
Preference	2.25	2.25	4.50*	..
Ordinary	20.90 (8.36%)	16.00 (8%)	12.00 (6%)	..
Carry forward	4.95	0.68	1.44	0.98
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	14.52	12.60	13.06	16.44xr
Low	11.44	10.63	9.44	11.62

* For 1958-59 and 1959-60. *Note*:—All dividends are taxable.

It will be noted from the above table that, despite substantial profits and no carry forward of previous losses, no provision was made during the three years prior to 1962 for Managing Agents' commission and that provision for taxation is conspicuous by its complete absence. This may appear to be intriguing but is explained by the fact that the Company has been charging depreciation on the straight-line basis on all its major assets and at income-tax rates on the written-down value on other minor assets and that its liability on account of depreciation according to income-tax rates has been substantially higher than that arrived at on the straight-line basis. During 1960-61, for example, it provided, as shown in the foregoing table, Rs. 41.31 lakhs for depreciation as compared with Rs. 80.54 lakhs required for the computation of the Managing Agents' commission on the amount of taxable profit. Since the gross profit was only Rs. 70.09 lakhs, this meant that for these two purposes the Company actually had a deficit on its profit and loss account and as such was not liable to provide for either the Managing Agents' commission or taxation. For the year under review the provision for depreciation as per income-tax rules worked out to Rs. 73.33 lakhs as against Rs. 42.13 lakhs actually provided for. In view of the unabsorbed amount of over Rs. 30.00 lakhs and the carry forward—for the calculation of the Managing Agents' commission and taxation only—of the deficit balance from the previous year, provision for Managing Agents' commission was restricted to a mere Rs. 2.02 lakhs while no need was felt to provide for taxation this year also.

During the year under review, the paid-up capital of the Company was raised by Rs. 50 lakhs by issue of further equity shares of Rs. 10 each to existing shareholders in the porportion of one new share for every four shares already held. This has increased the share capital to Rs. 325.00 lakhs of which Rs. 75.00 lakhs are in preference shares of Rs. 100 each and the balance in ordinary shares of Rs. 10 each. Reserves and surplus aggregate Rs. 99.00 lakhs. Despite the reduction effected during the year, loans are still on the high side, amounting as they do to Rs. 335.08 lakhs. In addition, there are current liabilities and provisions placed at Rs. 66.01 lakhs.

The net block of the Company is worth Rs. 594.43 lakhs and has been arrived at by deducting from a gross block of Rs. 869.04 lakhs the amount of depreciation of Rs. 274.61 lakhs provided so far. New assets acquired during the year were of the value of Rs. 34.07 lakhs. Current assets, loans and advances amount to Rs. 229.08 lakhs and investments are shown at Rs. 1.58 lakh.

Along with other industrial enterprises, the Company's operations were affected by the inadequacy of transport facilities for the movement of raw materials and cement. Besides, the railway freight of Rs. 4 per ton on the movement of basic raw materials over a distance of 14 miles placed a heavy drain on its profit. With a view to overcoming the transport bottlenecks and reducing the cost of operation, the Company is considering the question of installing an aerial ropeway or a railway siding of its own complete with rolling stock, etc., and has already instituted preliminary surveys and negotiations.

In order to improve efficiency and achieve economy of operation, the Company has been taking steps for large-scale mechanisation of the quarries by installing mechanical handling and other equipment. Four dumbers have been received during the current year and are being put into operation. Orders for one more shovel and the tractor have been placed and the erection of an additional slurry basin is in progress.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 13.16 *cum-div.* and on an *ex-div.* basis fetch a net return of about 6.5 per cent per annum.

FRESH CAPITAL ISSUES SANCTIONED

Following are the details of the fresh capital issues sanctioned by the Controller of Capital Issues:

Indian Refineries Ltd., New Delhi, a wholly-owned Central Government undertaking, is to issue further capital of Rs. 9.10 crores (in addition to Rs. 3.85 crores already issued) divided into 91,000 equity shares of Rs. 1,000 each to be issued to the Central Government for cash at par.

Bharat Forge Company Ltd., Bombay, a new company, will issue capital of Rs. 230 lakhs in equity shares of Rs. 100 each. Out of this, shares of the value of Rs. 5 lakhs will be issued to the Steel Improvement and Forge Company of Cleveland, Ohio, U.S.A. The proceeds of the issue will be utilised for the manufacture of various types of steel forgings.

Indian Aluminium Company Ltd. will issue (i) 801,276 equity shares of Rs. 10 each for cash at a premium of Rs. 15.50 per share, to be issued to the existing shareholders; (ii) 6¼ per cent 1971-76 debenture-stock for an amount of Rs. 100 lakhs to be issued at par, or at a premium not exceeding 2 per cent; (iii) sterling debentures stock of the value of £500,000 to be issued to the Commonwealth Development Finance Company Ltd., U.K. The proceeds of the issue will be utilised for increasing the production capacity of the smelter at Alupuram from 5,120 tons to 10,850 tons per annum and setting up an aluminium foil rolling and finishing mill of the capacity of 2,500 tons per annum at Kalwa, near Bombay.

The Titaghur Paper Mills Company Ltd., Calcutta, is raising further capital of Rs. 1,68,07,200, consisting of Rs. 56,02,400 in bonus shares on capitalisation of reserves and Rs. 1,12,04,800 in equity shares of Rs. 10 each for cash, to be offered to the existing equity shareholders at a premium of Rs. 5 per share. The proceeds will be utilised for financing the scheme of expansion and renovation of the mills.

Hindustan Photo Films Manufacturing Company Ltd., Madras, which is wholly-owned by the Central Government, is issuing further capital of Rs. 130 lakhs in equity shares of Rs. 1,000 each, to be subscribed by the Central Government in cash at par. The proceeds will be used for the manufacture of raw films for cinema industry, X-ray and roll films.

Fiber Glass Pilkington Ltd., Bombay, a new company, is raising capital of Rs. 1,19,99,930 in equity shares of Rs. 10 each at par. Out of this, shares of the value of Rs. 61,20,000 will be issued to the foreign collaborators—Rs. 30.60 lakhs to the Fibre Glass Ltd., of St. Helens, Lancashire, England, and Rs. 30.60 lakhs to the Owens Corining Fiberglass Corporation of U.S.A. The proceeds of the issue will be utilised for the manufacture of glass fibres and glass fibre products.

Mac-Tools Ltd., Madras, will issue capital of Rs. 1 crore, divided as Rs. 80 lakhs in equity shares of Rs. 10 each and Rs. 20 lakhs in 9.5 per cent preference shares of Rs. 100 each, all for cash. The proceeds will be used for the manufacture of bench lathes, hydraulic surface grinders and workshop presses, etc., in collaboration with Messrs. Matre-Werke G.m.b.H. Germany, which will be allotted equity shares of Rs. 9 lakhs.

The Indian Tool Manufacturers Ltd., Bombay, is issuing bonus shares of Rs. 5 lakhs, divided into 5,000 equity shares of Rs. 100 each, to be issued in the ratio of one bonus share for four shares held.

Devidayal Cable Industries Ltd., Bombay, will issue (1) bonus shares of Rs. 4.10 lakhs on capitalisation of general reserve fund to a like extent and (2) further cash issue of Rs. 37.50 lakhs in 275,000 equity shares of Rs. 10 each and 100,000 9½ per cent (subject to tax) preference shares of Rs. 10 each. The proceeds will be utilised for the manufacture of winding wires and insulated cables, etc.

Geep Flash-Light Industries Ltd. (formerly Great Eastern Electroplaters Ltd.) Allahabad, U.P., which is engaged in the manufacture of dry cell flashlights, is to issue capital of Rs. 2 lakhs divided into 20,000 ordinary shares of Rs. 100 each to be issued as bonus shares on capitalisation of the Company's reserves to a like extent.

Oil India Ltd. is to issue debentures worth Rs. 30 crores for cash at par. The proceeds will be utilised for the construction of a pipeline from the oil fields to the two refineries at Gauhati and Barauni.

Madras Spinners Ltd. is issuing equity capital of Rs. 25 lakhs for cash at par. The proceeds will be used for starting a cotton mill at Palghat, Kerala State.

(*Concluded from previous page*)

and 200 acres under cardamom on the Chulika Estate. During July 1962, 40 acres under rubber and 100 acres under cardamom have been planted as part of the expansion scheme. Certain portions of land on the two estates are under dispute and the Company is taking necessary legal action. The Directors state that this will not affect the expansion programme. It will be recalled that, in order to finance the expansion programme, the Company recently issued 40,000 equity shares of Rs. 10 each at par and offered them at first to the existing shareholders and the remainder to the public. It is proposed to raise the Directors' fees from Rs. 75 to Rs. 100 per Director per sitting, in view of the increase in the work.

The financial position of the Company is sound. Its paid-up capital of Rs. 8 lakhs is supplemented by reserves and surplus aggregating Rs. 8.02 lakhs. Secured loans, representing bank borrowings, amount to Rs. 1.71 lakh, as against *nil* in the previous year. Current liabilities and provisions aggregate Rs. 5.44 lakhs. The total short-term indebtedness to outsiders thus amounts to Rs. 7.15 lakhs, as against which current assets, loans and advances total Rs. 5.99 lakhs and investments amount to Rs. 0.27 lakh. The gross block, which increased during the year from Rs. 19.45 lakhs to Rs. 21.32 lakhs, has been written down to Rs. 16.91 lakhs.

The Rs. 10 fully paid ordinary shares are currently quoted at Rs. 11.22 *ex-right, cum-div.* On the *ex-div.* basis, they offer a net yield of 8.4 per cent per annum.

SYNOPSES OF COMPANY REPORTS

Khardah Co., Ltd.

(*Managing Agents*: Messrs. Anderson Wright, Ltd., Calcutta.)

Annual General Meeting: Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of cloth and bags	5,40,28	6,61,92
" jute	1,69	13,57
Closing stock of jute	82,44	61,05
" " " jute in process	7,10	9,91
" " " cloth and bags	26,23	35,13
Gross profit	27,53	13,94
Transfer to Managing Agents' commission	1,92	61
" " depreciation	7,30	7,57
" " provision for taxation	8,16	2,71
Net profit	10,15	3,05
Adjustments	Nil	87
Appropriations:		
Total available balance	10,15	3,92
Transfer to development rebate reserve	2,10	36
" " additional dividend on preference shares in respect of previous years	Nil	16
Proposed dividends on preference shares	70	70
" " on ordinary shares	6,75 (12.50%)	2,70 (5%)
Carry forward	60	Nil

N.B.—Adjustments include the balance brought down from the previous year and a balance from preference dividend suspense account.

Extracts from the Directors' report: In compliance with the working time agreement of the Indian Jute Mills Association, the mills were permitted to work the equivalent of a single shift for 42½ hours per week with 12 per cent of the total complement of looms sealed from the beginning of the accounting period. In order to conserve jute stock, the mills, in conjunction with the rest of the industry, remained closed for a period of one week each at the end of June and July 1961. With the advent of the new crop, the working hours were increased from 42½ to 45 hours per week from the 25th September and to 48 hours per week from the 16th October 1961. Production was further stepped up by progressive unsealing of 2½ per cent of the looms from the 13th November 1961 and by a further 2½ per cent from the 1st January 1962. From the 15th January 1962 the mills were permitted to work to the full extent of their ability and the mills have been working to their maximum capacity by utilising accumulated loom hours.

In spite of critical trading conditions which prevailed during the first half of the year under review, the profit of company for the year shows a substantial increase over the previous year. This was due to improved trading conditions with adequate supply of jute and continued demand for gunnies in the second half of the year. The prospects for the current year are expected to be better.

Modernisation of the preparing and spinning sections of the mills is almost completed and plans are being made for installation of 50 broad looms for manufacturing carpet backing cloth which are expected to go into production by the end of 1962.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	63,00,000	Gross block	2,33,02,046
Reserves and surplus	26,68,697	—Depreciation	1,47,20,051
Other liabilities	1,82,92,072	Net block	85,81,995
		Current assets	1,81,37,418
		Investments	5,21,053
		Cash	19,403
	Rs. 2,72,60,769		Rs. 2,72,60,769

* Paid-up capital consists of 9,000 6 per cent. cumulative preference shares of Rs. 100 each paid up, 90,000 ordinary shares of Rs. 10 each issued for cash and 4,50,000 ordinary shares of Rs. 10 each as fully paid up by way of bonus shares by capitalisation of reserves.

Raneegunge Coal Association Ltd.

(*Secretary*: Susil Kumar Mukerjee Esq., Calcutta.)

Annual General Meeting: Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of coal and coke	1,11,05	1,01,39
Closing stock	9,37	9,86
Gross profit	17,15	21,04
Transfer to Managing Agents' commission	Nil	62
" " depreciation	5,00	4,96
" " provision for taxation	5,00	7,30
Net profit	6,55	8,16
Adjustments	92	98
Appropriations:		
Total available balance	7,47	9,14
Transfer to machinery replacement and development reserve	Nil	2,50
" " development rebate reserve	90	1,39
" " reserve	50	66
Proposed dividends last year	Nil	4,08
" " equity shares	5,71 (17%)	Nil (—)
Carry forward	36	51

N.B.—Adjustments include the balance brought down from the previous year, adjustments relating to previous year, unclaimed dividend forfeited and liability no longer required written back.

Extracts from the Directors' report:

Progress	*Year ended* 31-3-1960 Tonnes	*Year ended* 31-3-1961 Tonnes	*Year ended* 31-3-1962 Tonnes
Raisings	4,47,017	5,02,222	5,05,126
Despatches	4,44,162	4,83,456	5,19,850
Stocks	42,701	61,468	46,744

Raisings increased by 2,904 tonnes and despatches increased by 36,394 tonnes.

Coke Manufacture: The Company manufactured during the year under review 5,385 tonnes of hard coke, 4,516 tonnes were despatched and 2,511 tonnes remained in stock.

Development and Prospects: Development in all sections of the collieries is progressing favourably.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	33,58,900	Gross block	1,62,75,321
Reserves and surplus	41,20,781	—Depreciation	1,12,48,598
Other liabilities	29,05,231	Net block	50,26,723
		Current assets	12,30,290
		Investments	8,583
		Cash	41,19,316
	Rs. 1,03,84,912		Rs. 1,03,84,912

* Paid-up capital consists of 3,35,890 equity shares of Rs. 10 each fully paid.

Amalgamated Coffee Estates Ltd.

(*Managing Director*: K. N. Neelakantan, Esq., Seethagundy Estate, Kerala.)

Annual General Meeting: Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Coffee sales	6,18	10,62
Cardamom sales	8,90	12,52
Timber sales	21	9
Closing stock	3,70	6,12
Gross profit	2,24	4,15
Transfer to depreciation	47	53
" " provision for taxation	30	1,92
Net profit	1,47	1,70
Adjustments	15	24
Appropriations:		
Total available balance	1,62	1,94
Transfer to debenture redemption reserve	50	75
Proposed dividend on preference shares (taxable)	36	36
" " on equity shares (taxable).	68 (10%)	68 (10%)
Carry forward	9	15

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Average*: The existing acreage of the Company stands at 3,914.25 acres for the current year, of which coffee in bearing amounts to 1,143 acres.

Crop and Price: A total crop of 3,93,775 litres of coffee which gave an outturn of 114 tonnes and 64 kgs. cured coffee and 49,917 kgs. of Cardamom were harvested during the year under review. Coffee was produced at a cost of Rs. 281.85 per 50 kgs. and Cardamom at Rs. 5.88 per kg.

The average price realised on coffee was Rs. 163.58 per 50 kgs. and that of cardamom was Rs. 16.80 per kg.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,75,000	Gross block	20,40,043
Reserves and surplus	2,94,161	—Depreciation	3,98,057
Other liabilities	11,68,010	Net block	16,41,986
		Current assets	10,56,595
		Investments	1,000
		Cash	37,590
	Rs. 27,37,171		Rs. 27,37,171

* Paid-up capital consists of 67,500 equity shares of Rs. 10 each, 40,000 6 per cent. tax-free cumulative preference shares of Rs. 10 each and 20,000 6 per cent. tax-free cumulative preference shares issued in part satisfaction of arrears of preference dividend.

Cherra-Chhatak Ropeway Co., Ltd.

(*Managing Agents*: Messrs. Tantia Brothers Private Ltd., Calcutta.)

Annual General Meeting: 12th October 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of coal	13,18	16,78
Closing stock of coal	2,37	56
Gross profit	1,65	1,80
Transfer to Managing Agents' commission	15	16
" " depreciation	14	12
" " provision for taxation	45	63
Net profit	91	84
Adjustments	4	4
Appropriations:		
Total available balance	95	88
Transfer to dividend equalisation reserve	34	26
Proposed dividend (ordinary) (taxable)	57 (12%)	57 (12%)
Carry forward	4	4

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' Report: The raising and deliveries of coal for the last three years are as follows:

Year ended	*Raising* Tons	*Deliveries* Tons
31-3-60	26,754	27,157
31-3-61	34,212	35,409
31-3-62	34,618	27,930

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	4,75,000	Gross block	12,32,750
Reserves and surplus	5,37,060	—Depreciation	10,84,482
Other liabilities	7,28,174	Net block	1,48,268
		Current assets	9,50,510
		Investments	6,29,342
		Cash	12,114
	Rs. 17,40,234		Rs. 17,40,234

* Paid-up capital consists of 95,000 ordinary shares of Rs. 5 each, fully paid. Of the above, 8,068 shares have been allotted as fully paid pursuant to a contract without payment being received in cash.

Jubbulpore Electric Supply Co., Ltd.

(*Managing Agents*: Messrs. Martin Burn Ltd., Calcutta.)

Annual General Meeting—Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Revenue from light and power loads	43,13	35,97
Gross profit	10,26	7,89
Transfer to Managing Agents' remuneration	87	58
" " depreciation	2,74	2,51
" " provision for taxation	2,40	1,22
" " rebate to consumers	Nil	17
Net profit	4,25	3,41
Adjustments	1,22	1,19
Appropriations:		
Total available balance	5,47	4,60
Transfer to statutory contingencies reserve	59	58
" " development reserve	42	48
" " special appropriation under Electricity Act	54	Nil
" " tariffs and dividends control reserve	Nil	17
" " provision for taxation in respect of previous years	Nil	16
" " national tax relief reserve	Nil	8
" " bonus in respect of previous years.	79	Nil
" " general reserve	54	58
Proposed dividend (taxable) ordinary shares.	2,25 (10%)	2,25 (10%)
Carry forward	33	33

N.B.—Adjustments include the balance brought down from the previous year's account and a sum transferred from deferred taxation reserve.

The following schedule indicates the progress of the Company in a net-shell:

Year ended	*Units sold*	*Revenue* Rs.
31st March, 1960	2,90,88,170	33,43,871
31st March, 1961	3,35,45,237	40,15,271
31st March, 1962	3,90,80,695	47,99,937

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	22,49,700	Gross block	1,08,59,125
Reserves and surplus	29,55,052	—Depreciation	45,63,834
Other liabilities	38,52,079	Net block	62,95,291
		Block-in-progress	3,55,557
		Current assets	18,70,418
		Investments	4,10,257
		Cash	1,25,308
	Rs. 90,56,831		Rs. 90,56,831

* Paid-up capital consists of 2,24,955 ordinary shares of Rs. 10 each fully paid up. Of the above, 74,985 shares have been allotted as fully paid up without payment in cash by way of bonus shares issued on capitalisation of reserves.

Mysore Chemical Manufactures, Ltd.

(*Managing Director*: S. Ramanathan, Esq., Bangalore.)

Annual General Meeting—Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods	16,83	28,29
Sale of fertilisers	3,53	5,15
Closing stock of finished goods	13,16	3,20
Gross profit	3,69	5,53
Transfer to Managing Director's remuneration	27	35
" " depreciation	67	73
" " provision for taxes	1,37	2,06
Net profit	1,38	2,39
Adjustments	1,45	85
Appropriations:		
Total available balance	2,83	3,24
Transfer to reserve for development rebate	4	3
" " balance of dividend on preference share (1960-61)	Nil	4
Proposed dividends on preference shares (taxable)	16	16
" " on ordinary shares	1,60 (20%)	1,60 (20%)
Carry forward	1,07	1,45

N.B.—Adjustments include only the balance brought forward from the previous year's account.

Extracts from the Directors' report: During the year the sales of copper sulphate decreased because of adverse seasonal conditions caused by last year's unprecedented floods and landslides in the plantation area. There was also keen competition in the sales of the chemicals manufactured by the Company. Owing to the lower prices obtained there has been a reduction in profits. The production at Belagula factory has been affected by the unhelpful attitude of the labour and slowdown tactics. Owing to short supplies of coal, the Company had to resort to fuel oil during the year which has put up the production costs considerably. Consequent on the award of increased wages to the workers retrospectively by the Industrial Tribunal the wage bills have increased without corresponding increase in output.

The Company is undercapitalised and the directors propose to issue further capital progressively. They have decided to issue Rs. 2 lakhs capital out of the unissued authorised capital for the present in the shape of 20,000 equity shares of Rs. 10 each to existing shareholders payable in full on application and ranking *pari passu* with existing shares at one share for every four shares held.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	10,00,000	Gross block	13,38,515
Reserves and surplus	5,66,690	—Depreciation	7,11,140
Other liabilities	46,32,351	Net block	6,27,375
		Current assets	53,14,350
		Investments	2,30,302
		Cash	27,014
	Rs. 61,99,041		Rs. 61,99,041

* Paid-up capital consists of 20,000 6 per cent. cumulative tax-free preference shares of Rs. 10 each and 80,000 ordinary shares of Rs. 10 each fully paid up. Of the ordinary shares, 20,000 shares are allotted as fully paid up by way of bonus shares by capitalisation of reserve.

THE JAY ENGINEERING WORKS

(*Concluded from page* 611)

branch of the Company or to appoint local distributors; the choice ultimately depends partly upon the extent of the market and partly the extent to which we have resources for running a departmental distribution system in a foreign country. However, there is no doubt that a branch of the Company is in almost all cases far more effective than local distributionship. The combination of these two exists, however, in the sense that while work of physical distribution is the responsibility of local people, the sales promotion effort is largely planned and directed by our own representatives.

Quality

"The development of distribution channels is only a part of the big effort needed for the promotion of exports. Unflagging heed to quality maintenance is a must for any exporter of engineering goods. Traditionally, the Indian producer has not been as quality-minded as is needed. Japan has made a remarkable recovery in this matter in the post-war era. Its exports have increased in the last 10 years by 300 per cent to the staggering figure of over Rs. 2,500 crores per year, as against our annual rate of only Rs. 650 crores. This increase is largely due to the comparable, if not better quality, goods that Japan now offers at highly competitive prices. These handicaps, however, are bound to wear off as we gain experience and your Company is meeting the challenge of quality and design constantly in a fast changing world market.

"Yet another matter which an exporter has now to pay increasing attention to, is one of credit extension. This involves the raising of funds, and of covering the inherent risks involved in bad debts. Unfortunately, refinancing facilities for exporters are still inadequate in India. In this connection, the Mathrani Study Group recommendation for the establishment of an Indian Export-Import Bank is most welcome. The risk of bad debts is now somewhat covered by the Export Risks Insurance Corporation. It is, however, necessary to liberalise the terms of insurance on the basis that a little more than reasonable risk is worth taking, if the real objective of export insurance is to be attained.

After-sales Service

"The provision of 'technical service-after-sales' is of imperative importance in the marketing of engineering goods. This applies not only to industrial products, but also to consumer products, such as sewing machines and fans. Unless adequate servicing arrangements go hand in hand with sales arrangements, the export venture is likely to end in distress. We have always assigned the highest importance to this aspect and the success that we have had in exports is attributable in no small measure to emphasis on this matter.

"Finally, I would refer to an aspect of export sales which is abstract rather than tangible, but nonetheless significant. It is the 'image' that the exporter creates in the foreign market. Business has always to be responsive to community needs in any area; it becomes much more important when doing business in a foreign country. The newcomer is always suspect, and a natural impression is created that he is there for his own ends, at the expense of the receiving country. The exporter has to create confidence, to generate a feeling of community of interest, and to establish himself not as a self-seeker, but as one who is there to contribute to the welfare of the society in which he is operating. This aspect can present considerable difficulties, and much unintended offence can be caused. We have attempted always to pay great attention to local susceptibilities, and to create an image of 'USHA' which evokes respect and *comaraderie*. This has helped us a great deal.

"I am sorry that I have taken so much of your time in attempting to place before you some of the points that our Company emphasises in developing the export business; basically, there is nothing new in any of these points, yet this has been done in the hope that it may, possibly, provide some guidance to the willing and young exporter of this country. I believe that such pooling of experience will be of great advantage to the country's export trade.

"In closing, I wish to briefly say a few words on my understanding of the real difficulty in the way of exports and what is needed to be done about it. I believe that in the existing economic situation in our country, there is scarcely any alternative to a programme of mandatory exports. Incentives and persuasion have been tried for many years now, but with disappointing results. The vast increase in volume and spread of purchasing power makes this country of 400 million people a fabulous market for any producer. It would be a foolish producer who would seek out difficult markets and at a loss. Banking on patriotism is, in my opinion, banking on a weak staff. Many arguments are placed against mandatory exports; however, the opponents of this scheme are not able to place any positive alternative scheme of expansion of exports. There is no objection in trying for some more time the instrument of persuasion, but I hope that ideological opposition will not be permitted to come in the way of expansion of export earnings for much longer; our country cannot afford the time. This, however, is my own personal view and I would be very happy to see myself proved wrong.

"I thank you for the patience with which you have heard me. I am very proud of this opportunity of addressing you today, and I hope that the operations of the Company in the year have been a matter of general satisfaction to you.

"Thank you."

TEXTILES

(*Concluded from page* 590)

into Japan, where the stocking up phase appears to have ended, may, therefore, decline. Whether the total volume of world trade will be maintained or not will thus depend mainly on the extent to which imports into the U.S. and into the countries of the Sino-Soviet area recover during 1962. Shipments from Argentina and Uruguay may again be withheld, following the downward trend in prices at the opening of the South American season. In such an event, expansion would take place in exports from Australia, New Zealand and South Africa. In view of the de-stocking tendency and the intensification of competition from synthetic fibres, especially in Western Europe, an early significant recovery of wool prices is considered unlikely. Nevertheless, with a more regular pattern of wool textile activity in the major consuming countries, greater price stability may be expected.

The Technical Committee of the International Wool Study Group continues to meet regularly and to make quarterly reviews of world wool situation in general, including the price reserve operations of the New Zealand and South African Wool Commissions.

BANKING

(*Concluded from page* 588)

lakhs) drawn in the earlier years for the payment of guaranteed dividend.

The salient features of the Corporation's working results for the past four years are given in Table B.

Issue of Bonds

The Corporation did not enter the market for a fresh issue of bonds during 1961-62. The aggregate bonds issued and outstanding as at the end of June 1962, therefore, remained unchanged at Rs. 22.24 crores. In the current year, however, it has issued, as stated at the outset, bonds worth Rs. 6 crores. Borrowings from the Reserve Bank continued to be sparingly availed of during the year. The rate of interest charged by the Reserve Bank of India on these borrowings remained unchanged at 4 per cent per annum throughout the year. As on 30th June 1961, the outstanding loans from the Central Government stood at Rs. 15.25 crores. During the year under review, a sum of Rs. 2.50 crores was repaid to Government and a sum of Rs. 7.00 crores was drawn. The balance outstanding at the end of the year was Rs. 19.75 crores. The rate of interest payable in respect of these borrowings was 4½ per cent per annum, that is the same as in the previous years. The loan of $10 million sanctioned to the Corporation by the Development Loan Fund, now merged in the Agency for International Development of the United States of America, stood fully committed.

There has been a notable improvement in the resources position of the Corporation of late. The total reserves as on 30th June 1962 stood at Rs. 230.63 lakhs. With the recent bond issue of Rs. 6 crores, the grant of a second U.S.A.I.D. loan (Rs. 20 million or Rs. 9.52 crores), a likely credit in West German currency (15 million D.M. or Rs. 1.79 crore), allocation of $2-million yen credit, and the French credit (50 million or Rs. 5 crores), the Corporation), is today in a strong position to meet the growing credit demands of industries.

Notices

ROHTAS INDUSTRIES LIMITED

NOTICE

THE TWENTY-NINTH ANNUAL GENERAL Meeting of the Shareholders of Rohtas Industries Ltd. will be held at the Registered Office of the Company at Dalmianagar on Wednesday, the 31st October, 1962, at 11 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31st March, 1962.
2. To declare dividends.
3. To elect a Director in place of Shri P. L. Saraogi, who retires by rotation and is eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., are eligible for re-appointment.

By Order of the Board,

For SAHU JAIN LTD.,

A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, 1*st October*, 1962.

N.B.—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

2. The dividends, if declared, will be payable to the Shareholders registered in the Books of the Company on 12th October, 1962.

ESSO STANDARD REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent Debentures 1964-68 will be closed for transfers from 18th October 1962 to 31st October 1962, both days inclusive.

R. N. CHETTUR,
Secretary & Treasurer.
State Bank of India.
Agents for the Esso Standard Refining Company of India Ltd., for the management of the debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Share Transfer Books for Preference Shares in the Company will remain closed from the 15th October to 18th October, 1962, both days inclusive, for the purpose of payment of Preference Dividend for the half-year ended 30th September, 1962, on or after the 18th October, 1962, to those Preference Shareholders whose names appear on the Company's Register of Members on the 18th October, 1962, or to their mandatees.

By Order of the Board,
L. K. SEN CHOWDHRY,
Acting Secretary.

Registered Office:
12, MISSION ROW,
CALCUTTA-1,
5th October, 1962.

CALL MONEY RATE UP AGAIN

(From Our Own Correspondent)

BOMBAY, 3rd October

After remaining distinctly easy till Monday, the short-term money market experienced a slight pull on Monday, when the inter-bank call money rate spurted to 3½ per cent from 2½ per cent. This trend continued today also; actually borrowers dominated the scene. It is said that one or two medium banks paid even 4 per cent. The revival of upward trend is attributed to month-end demand for funds, especially for paying taxes. Advices from Calcutta, too, pointed to a hardening tendency, with eager borrowers even at 3¾-4 per cent. The short-term deposit rates are, however, unchanged at the ceilings under the Inter-bank agreement.

It is said that the draft agreement prepared by the Executive Committee of the Indian Banks' Association fixing the minimum lending rate at 6 per cent is having a good reception at the hands of its members. The sponsors appear to be confident of bringing the agreement into force from 1st November 1962.

The results of 91-days' Government of India Treasury Bills sold through tenders on Monday the 1st inst. are colourless. Amount tendered at Rs. 2 crores was the same as that last week and no more than that invited. The average rate of accepted tenders also was unchanged at 2.360 per cent per annum. Sales of Intermediate Bills from 26th to 29th September, both days inclusive—that is, during the days when the money market was extremely easy with inter-bank call money fetching no more than 2½ per cent—yielded as much as Rs. 2.30 crores. Sales of both the types of Bills are continuing.

A fall of Rs. 1.98 crore in foreign assets, bringing the total down to Rs. 93.94 crores, is disclosed by the Reserve Bank's statement for the week ended 28th September 1962. Loans and advances to scheduled banks have declined further by Rs. 1.74 crore, the total amount outstanding being Rs. 4.55 crores. Since advances against usance bills alone have declined by as much as Rs. 2.43 crores, there would appear to have been an increase in the scheduled banks' borrowings against other assets.

The Gilt-edged market continued to be quiet with further decline in the value of State loans raised this year. Thus, 4½ per cent 1974 of Maharashtra, Gujarat, Madras, Andhra Pradesh, Orissa and U.P. have lost in varying degrees. While the loans of the first two States have declined by 5 nP, the loss in others varies from 25 nP to 50 nP. There has also been a fall of 40 nP to 50 nP in the 4½ per cent 1972 issues of Madras, Andhra Pradesh and U.P. Among Central loans, there has been no significant variation. While 3 per cent 1963-65 has declined by 5 nP, 3 per cent 1970-75 has gone up by 5 nP. A similar rise has occurred in 2½ per cent 1962. 3 per cent 1986 Conversion Loan has, however, dropped 20 nP to Rs. 68.05, at which rate the yield works out to 4.40 per cent per annum.

After remaining quiet in the earlier part of the week, the £ sterling has picked up some strength in terms of U.S. dollar. Thus, the latest rate of 280.130-280.160 cents per £ for spot sterling in New York is better by 0.060 cent, as compared with the rate prevailing on 29th September 1962. There has been a like improvement in three months' forward, the latest rate being 279.680-279.710 cents per £. Locally, the Banks' selling rate for spot dollars has gone up by 25 nP to Rs. 478 per 100 dollars. Their buying rate, however, remains unchanged at Rs. 474.50.

SUGAR PRICES RALLY

(From Our Own Correspondent)

HAPUR, 1st October

After a further decline following the Government's move to release more sugar for sale in the open market, sugar prices here tended to rise in the week-end, thanks to revival of support from Delhi and Punjab. Demand from Gujarat, Maharashtra and Saurashtra was absent. Mills were burdened with heavy stocks. Forward deals in sugarcane came to a standstill and the prices were at a further discount on ideas of better prospects for cane following the recent rains. Latest prices were: Spot delivery Rs. 105.75 per quintal. Mill delivery (D-29) Amroha Rs. 103.15, Dhampur Rs. 103.15, Seohara Rs. 102.80, Meerut Rs. 104.49, (E-29) Simbhoali Rs. 103.82, Dhampur Rs. 102.80 and Bijnore Rs. 102.99.

In Muzaffarnagar, sugar prices suffered a sharp decline in the early part of the week due to lack of buying support, but rallied later on revival of demand towards the week-end. Earlier in the week, Punjab, Delhi, Rajasthan, Gujarat and Saurashtra refrained from making any bulk commitments in an uncertain market. Consequently, prices came down sizably by 32 nP to Re. 1.34 a quintal. But lower levels attracted demand, and during the second half of the week 50,000 bags were sold. Business in the bold crystals was done with Gujarat, M.P. and Saurashtra. Prices recovered modestly by 32 nP to 51 nP. Week-end prices for the different varieties were: AA 29 Shamli Rs. 108; Iqbalpur Rs. 109.50; Khatauli Rs. 108; B 29 Deoband Rs. 106.75; Rampur Rs. 105.75; Daurala Rs. 107; Rohana Rs. 106; C 29 Deoband Rs. 105.50; Saharanpur Rs. 105.75; Daurala Rs. 106; Seohara Rs. 103.66; D 29 Meerut Rs. 104.81; Sakoti Rs. 103.66; Amroha Rs. 103.47; Deoband Rs. 105; Dhampur Rs. 103.47; E 29 Bijnore Rs. 103.31 and Simbhoali Rs. 104.14, a quintal.

Khandsari prices were also depressed during the week in sympathy with the fall in the crystal sugar prices. Demand was also slack. The local offtake was fair for conversion into boora. Week-end prices were:—*Khandsari desi* Rs. 80.38 to Rs. 104.49, crystal Rs. 96.45 to Rs. 101.81 and boora Rs. 96.45 to Rs. 107.17 a quintal.

A steadier trend was witnessed in *gur* prices during the week, as old stocks were nearly exhausted and the festive demand was reported from rural areas. New production arrivals commenced in small quantity. The quality was reported to be poor and fetched Rs. 71 per quintal. The cane crop was reported poor in East U.P. and Bihar. *Shakker* continued to attract good buying support. The latest prices here were: *Gur* Rs. 64.30 to Rs. 68.38 and *shakker* Rs. 66.98 to Rs. 72.34 a quintal.

Gur futures were bullish during the week on support influenced by reports of damage to the cane crop in Punjab due to floods.

FURTHER FALL IN BULLION

(From Our Own Correspondent)

BOMBAY, 3rd October

There was a further decline in bullion prices during the week under review. The decline followed selling pressure from spot houses and up-country operators on renewed fears of official controls over bullion trading. Arrivals of both gold and silver were considerably larger than in the previous week, the daily average being 14,500 tolas and 45 bars, as against 9,000 tolas and 24 bars, respectively. The offtake, of course, registered a rise, but the pace of rise was much slower than that of arrivals. The actual daily average offtake was 11,000 tolas of gold, as against 5,500 tolas, and 10 bars of silver, as against 8 bars. The undertone of the market at the time of writing (5 p.m. today) was distinctly easy.

Bullion traders seem to be much agitated over reports suggesting the possibility of official controls over the bullion market. The Board of the Bombay Bullion Association, at its meeting on Friday, 28th September, decided to convene an all-India meeting of bullion dealers at New Delhi sometime in November next to urge the Government not to interfere in any way with the present mechanism of the bullion market. Meanwhile, the Board, it is said, will make efforts to mobilise public opinion before the Government takes any action to control trading in bullion, especially in gold.

The *Margashir* (11th December) settlement in gold moved down Rs. 121·60 last week-end to Rs. 119.05 today. At this level, there was some support and the settlement recovered to Rs. 119.35. The net loss over the week was Rs. 2.25.

Ready gold continued to be quoted at a discount under the forward throughout the week. The actual discount rose from 55 nP to Re. 1.30 today when the spot rate stood at Rs. 118.55, as against Rs. 121.05 on Wednesday last. The lowest level touched was Rs. 118.25 today.

In silver, the *Margashir* (12th December) settlement began the week at Rs. 221.30, as against the previous close of Rs. 221.05, and after declining steadily to Rs. 218.40 today, finished at Rs. 218.80. The net loss over the week was Rs. 2.25.

Ready silver encountered selling and receded from Rs. 220.05 to Rs. 217.40 today. At this level, the discount under the forward was Re. 1, same as that a week ago.

Silver at New York climbed up further to touch a fresh 42 year peak of 121.50 cents per ounce on 28th September. Following, however, the possibility of U.S. Treasury intervention by selling out of its stocks, silver receded to 118.50 cents on Monday this week but improved again to 119 cents today, a rise of one cent over the week. Ready silver in London, which had gone up to high of 103½d. on 28th September, slumped to 100½d. The dollar price of gold improved slightly from $35.11 to $35.11⅛ per fine ounce. Ready gold also gained ¼d. to 250s. 9d.

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

	3-10-62 (closing)	High	Low	26-9-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	118.55	121.05	118.25	121.05
*Margashir** ..	119.35	121.65	119.05	121.60
Sovereign	94.50	95.00	94.50	94.50
SILVER				
Ready (.999 fine) ..	217.80	220.45	217.40	220.05
Margashir† ..	218.80	221.45	218.40	221.05
London—				
Gold	250s.9d.	250s.91d.	250s.81d.	250s.83d.
Silver Ready	100d.	103d.	100d.	101½d.
Silver Forward ..	101d.	104d.	101d.	101¾d.
New York—				
Silver	119.00 cents	121.50 cents	119.00 cents	118.00 cents

* 11th December settlement. † 12th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (35.7 tolas). London and New York quotations are per ounce.

MODERATE ACTIVITY IN KIPS

(From Our Own Correspondent)

MADRAS, 1st October

Arrivals of kips in the local market this week were moderate and prices steady. Export trading was moderate, as most tanners were unwilling to adjust their prices to meet buyers' ideas, especially for the good tannages. Demand for f.a.q. was poor, except for the fifths selection in medium weight. Cowcalf skins in the higher average weights were in demand. Buffhides ruled quiet, as American buyers were still out of the market. Substantial inquiries for buffcalf—superior tannages—were in evidence and a few sales were reported of run parcels at 88d. and thirds at 78d. The market was firm.

In the tanned skins section, more inquiries for tanned sheep of all classes were received by the exporters with the middle class sheep in obtaining higher prices. Prime goat skins ruled firm especially the 5½/6 and 11/12 lbs. Demand for 13/14 lbs. up in goat skins from the Continent persisted for the secondary tannages.

In the German auctions, held last week, 70 per cent of goat skins were cleared at fairly good prices, as there was good bidding. Demand centred round lights and heavies. In sheep, only 15 per cent were sold at 3d. to 6d. below the current levels in the local market.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, 3rd October

The cotton futures market, after having ruled firm during the first two days of the week, turned easy in subsequent sessions. The earlier firmness was due to short coverings and fresh support prompted by reports of damage to the crop in the Punjab and other area. Later it turned out that the damage to the crop was exaggerated and that in the Punjab it might not be more than 10 per cent. Crop news from other areas, particularly Gujarat and Berar, was also satisfactory. Thus the earlier apprehension of serious damage gave place to a feeling of satisfaction over the overall crop situation. Reflecting this changed outlook, and also influenced by the poor demand for cloth, the Jarilla March contract declined from Rs. 744 (per three quintals) on Friday, the 28th September, to Rs. 736 on Monday the 1st inst. The market was closed yesterday on account of *Gandhi Jayanthi*. The contract receded further in today's dealings and is currently quoted at Rs. 731, a net decline of Rs. 9 over the week.

It is reported that an urgent meeting of the Cotton Advisory Board has been called on October 10th to review the overall cotton supply prospects during the current season. The Board is also likely to consider measures necessary to facilitate marketing of new crop Indian cotton at the ceiling prices. Simultaneously, an all-India cotton conference has been convened by the East India Cotton Association to consider the present cotton situation. The Conference may give its reaction to the scheme suggested by the Indian Cotton Mills Federation recently for marketing the new crop cotton through appointment of controllers.

Trading in the spot market at Sawri was featureless. Mill demand was very slack. Stray inquiries were, however, noted for such varieties as Co2, L147, Laxmi, and Kalyan. Turnover was very limited.

Although export demand for Bengal *Deshi* was only moderate, prices tended to harden, thanks to reports of damage to *Deshi* crop. Among foreign cotton, some business in Sudan cotton for prompt shipment was reported. East African growths too attributed some attention. Some mills also showed interest in U.S. cotton. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sawri:

Bengal *Deshi* 665; *Hubli* Jaydhar 1,051; Co2 1,610.

American on sample 1,175 to 1,220.

Sudan G4L 1,330; Busoga 1,210; Busoga (U.N.U.G.) 1,235; B.P. 52 1,240.

Easy conditions prevailed in the Karachi cotton futures market during the week. Both the January and March contracts succumbed to selling, the former declining from Rs. 69.20 last week-end to Rs. 67.50 and the latter from Rs. 68.70 to Rs. 67.25. Ready prices too receded.

Cotton futures in Liverpool recorded modest gains during the week. Paucity of offerings in the wake of good trade and mill demand led to hardening of prices. Ready demand centred mainly round Middle Eastern, Argentine and Peruvian cotton.

The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing rates:

October 23.50 (23.20); December 23.40 (23.15); September 29.50 (29.50).

Cotton futures in New York moved narrowly in thin and featureless trading, showing small net changes over the week. The nearby October attracted some short-covering and improved slightly while the more distant positions met with selling. The October contract rose from 33.29 cents last week-end to 33.35 cents. The December contract, however, declined from 33.83 cents to 33.75 cents and the March contract from 35.32 cents to 34.32 cents. Spot prices too were a shade easy. New York spot was quoted lower at 34.90 cents, as against 34.95 cents last week-end.

President Kennedy said at Washington last week that the Administration would present to Congress in January next a proposal to eliminate the two-price system of cotton. Government analysis of various alternatives were not yet finished but he emphasised that the proposal would be definitely introduced. Under the present Government subsidy programme American mills pay 8-12 cents per lb. more for cotton than what foreign mills pay. The Tariff Commission recently rejected an application for imposition of a special equalisation fee of 8¼ cents per lb. on cotton textile imports. There was no doubt, the President said, that the proposal was going to make some people unhappy. "It will perhaps make some other people less happy. Otherwise, it would have been done long ago. It means a struggle, but I think the struggle is worthwhile, because I think it is really foolish to pile this extra burden on the manufacturer, and then, at the same time, try to hang it another way on the importation of textiles."

BLACK PEPPER REACTS

(Messrs. Parekh and Co.)

BOMBAY, 3rd October

Malabar black pepper, after a continuous hectic rise for a period of more than a week, reacted from the highest at Rs. 345 for garbled to Rs. 312, as New York dealers withdrew after buying a sizable quantity from $0.36 to $0.40 for prompt and nearby shipment.

Singapore touched the highest at $125 but came down later to $120. The rise in New York spot, which was more or less engineered for a squeeze by a prominent bull, who was holding a majority of ready stock in the U.S.A. In the rising market, grinders who were buying hand to mouth got excited and sizable inquiries from them proved a timely help to the bull who was marking time and was building position both in ready and on the New York Exchange. The notable feature of the market was that the quotations for black pepper stood almost on a par with white, as white was neglected. October delivery on the Cochin Exchange rallied from Rs. 318 to Rs. 350 to come down to Rs. 312 with few buyers, as demand from New York or overseas proved poor and the growers who were stiff sellers became soft.

Ready demand for inland consumption was fairly good. The future of market is uncertain and the present level may not be maintained if timely support is not coming forth from New York as Lampong black pepper crop is already moving and in view of proximity of new season for Malabar. Every thing depends upon the policy of New York dealers. Crop prospects for new crop Malabar are reported to be good, but it is too early to give out any reliable estimate at this time of the season.

Ready pepper in Bombay is nominally quoted at Rs. 170 per 50 kilos.

YARNS DRIFT LOWER

(From Our Own Correspondent)

BOMBAY, 3rd October

Art silk yarn and staple fibre yarn drifted downward during the week under review, and cotton yarn continued to rule dull. Buying support from consuming centres was poor, while the supply position was quite comfortable. Some parties were reported to have sold sizable parcels of art silk yarn and staple fibre yarn. There were also rumours that a few spinners were making sales for forward delivery. Spot S.I. Viscose 150 deniers fell by 42 nP to Rs. 16.85 per kg., Century 75 deniers by 13 nP to Rs. 22.55 and National Rayon 120 deniers by 9 nP to Rs. 16.85.

Among staple fibre yarns, 40×2 October delivery encountered selling and declined from Rs. 718 to Rs. 702 per case of 90.72 kg. December contract dropped Rs. 14 to Rs. 722. Spot Centurys receded by 13 nP to Rs. 7.82. Kohinoors eased by 6 nP to Rs. 9.22.

Cotton yarns, as already stated, continued to rule dull. Business put through was restricted, though prices were generally maintained at last week's levels.

A vigorous plea for the reconciliation of the Central Government's decision that, against exports to rupee payment countries, imports of yarn should be also from the same countries was put forward by Mr. D. N. Shroff, Chairman of the Silk and Art Silk Mills Association, in his speech at the annual meeting of the Association held in Bombay on Saturday this week. Mr. Shroff said that it had always been the experience of the silk industry that, against export of art silk fabrics, no supplies of art silk yarn were available from rupee payment countries. As fairly large export of art silk fabrics took place to rupee payment countries, he added, there was the risk of losing these markets, if the link or switch arrangements were made to procure yarns against incentive licences issued for such exports. Proceeding, he stated that the State Trading Corporation's failure to enforce fulfilment of contracts entered into by the rupee payment countries such as Hungary should also help to throw into bold relief the seriousness of the problem.

The indigenous art silk yarn Distribution Committee has issued a notification calling for particulars of indigenous art silk supplies yet to be received by card-holders from rayon manufacturers under actual users scheme and art silk export promotion scheme. The Committee has said that card-holders under the above scheme should furnish required information before the 10th inst. to the Committee at Resham Bhavan, Bombay, particulars regarding export promotion scheme and actual users scheme should be given separately. The particulars required are name and address of the card-holder and category to which he belongs (P.L. or D. & T. etc.), allocation card number, allocation period, spinner's name, quantity of allocation, quantity yet to be supplied by spinner, reasons for non-delivery given by spinner and reasons why card-holder has not taken delivery.

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

	3-10-1962	26-9-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	16.85	16.94
Century 75D	22.55	22.68
S. I. Viscose 150D	12.91	13.33
Nainsook 100	19.67	19.93
Staple fibre yarn (40×2)—		
October (per 90.72 kg.)	702.00	718.00
December (,,)	722.00	736.00
Kohinoor (per kg.)	9.22	9.28
Century	7.83	7.96
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.50	18.50
20s Modern		24.50
30s Madura	29.00	29.00
40s Gokak	36.25	36.50
60s Finlay	69.00	69.00
80s Madura	81.00	81.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

OILSEEDS RECEDE

(From Our Own Correspondent)

BOMBAY, 3rd October

Oilseeds and oils suffered a sharp setback in values during the week under review, thanks to persistent offerings. The deliberations of the Board of Trade in Bombay on the possibility of promoting exports of oils and oilcake did not have any perceptible effect on the market, as the Board did not suggest any specific export promotion scheme. Operators welcomed the export quotas for linseed oilcake (50,000 tons) for the six-month period ending March 1963. Exports against these quotas would be licensed freely by all shippers without any restriction on maximum shipment by individual shipper and licensing would be done on shipping bills supported by documentary evidence of valid firm sale contract. The Government of India has also decided to continue free licensing of mustard and rapeseed oil exports. Groundnuts ruled easy as more and more arrivals of new crop from Mysore unnerved bulls. Castorseeds, too, were depressed on reports of better crop in Brazil this season. Linseed and cottonseeds moved down in sympathy.

During the week, the September contracts of groundnut, castorseed, linseed and cottonseed, as also groundnut oil, went off the board. The tenders offered against these contracts were quite large.

Groundnuts January 1963 contract fell by Rs. 2.75 to Rs. 219.37. The September 1962 contract, which had closed last week at Rs. 247, ran out at Rs. 246. Nizam bold was marked down by Rs. 4.25 at Rs. 44.50 and Khandesh quality by Rs. 3.50 to Rs. 45.25. Oil January 1963 contract declined by 30 nP to Rs. 30 (per 16 kgs.). Railway receipts dropped 5 nP to Rs. 18.75.

Castorseed March 1963 contract receded by Re. 1.37 to Rs. 161.50. Kanpur shed 13 nP to Rs. 30.87. Oil B.S.S. and commercial lost 20 nP each to Rs. 12.80 and Rs. 12.20, respectively.

Linseed March 1963 contract closed lower at Rs. 39.19, as compared with Rs. 39.31. Bold ready decreased a rupee to Rs. 40.50. Linseed oil eased by 20 nP to Rs. 16.80.

Cottonseed January 1963 contract dropped Re. 1.50 to Rs. 100.50. White declined by 15 nP to Rs. 21.90 and Berar by 10 nP to Rs. 22.60.

The following table shows the closing prices of oilseeds and oils on Wednesday, 3rd October, as compared with those of the two previous weeks:

	3-10-1962	26-9-1962	19-9-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963	219.37	222.12	221.62
Nizam bold	44.50	48.75	48.00
Khandesh quality	45.25	48.75	48.50
Oil ex-mill ready*	19.25	19.15	19.25
Railway receipts*	18.75	18.80	18.90
Castorseed			
Castorseed March 1963	161.50	162.87	164.00
Ready Madras	32.25	32.12	32.50
Ready Kanpur	30.87	31.00	31.12
Oil B.S.S.†	12.80	13.00	12.95
Oil commercial†	12.20	12.40	12.40
Linseed			
March 1963	39.19	39.31	39.37
Bold ready	40.50	41.50	41.00
Oil ready†	16.80	17.00	16.90
Cottonseed January 1963	100.50	102.00	103.00
Niger seed	36.00	36.75	37.00
Kardi seed	28.00	28.50	28.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

MEDIUM TEAS DEARER

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

COCHIN, 27th September

A total of 457,000 kgs. was offered in sale No. 38 held on Tuesday the 25th inst. Quality generally showed little change from last week. There was strong and active demand. Highgrown brokens came to an irregular market with selected lines often dearer. Fannings in the category elicited less inquiry than in recent weeks and were easier to buy. Good mediums were strong and sold at generally dearer rates. Medium and low medium brokens were about firm. Similar fannings, however, were irregular but often much dearer, particularly as the sale progressed. Plainest descriptions were well supported and may be quoted firm to dearer. Black leaf sorts were again strong. Whole leaf grades were slightly dearer than last. Teas of unorthodox manufacture were fully firm. Tippy teas were well supported.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.50-4.50	3.95-4.10
Mediums	4.40-5.00	4.10-4.20
Good mediums	4.75-5.70	4.20-4.90
Nilgiri B.O.P.	5.00-8.90	5.00-7.40

The average price realised in sale No. 38 was Rs. 4.56 per kilo, as against Rs. 4.38 a week ago and Rs. 4.44 in the corresponding sale last year.

Offerings in dust sale No. 38 held today amounted to 214,000 kg. There was less demand than seen in recent weeks. Highgrowns were irregular but generally easier. Mediums declined by some 10 to 20 nP on last rates, although a few selected invoices were steady. Black, grainy dusts were well supported and were strong. Unorthodox descriptions followed the general trend of the market and may be quoted irregularly easier.

The average price realised in dust sale No. 38 was Rs. 4.05 per kilo, as compared with Rs. 4.12 a week ago and Rs. 4.50 in the corresponding sale last year.

Colombo: In Monday's sale, just over 4½ million were offered and these met with good demand. Uvas were substantially lower following quality while the best dimbulas also eased in price, but the lesser kinds were firm. Medium descriptions came to a fully firm market whilst lowgrowns were dearer. Good fannings followed an easier tendency.

London: North Indian and other growths: In Monday's auction, there was a good demand and prices showed little change from the previous week, but buying was more selective.

Ceylon and South Indians: In Tuesday's sale, offerings amounted to 27,019 packages, of which 11,391 packages were from South India. There was good general demand. Ceylons were generally dearer with improved quality teas selling at substantially higher rates. South Indians were also in good demand at fully firm rates but the plainest kinds were weak.

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

"*Sale No.* 39: 413,000 kgs. offered. Useful demand. Low medium and mediums irregular and generally easier. Good mediums fully firm, occasionally dearer. Highgrowns brokens steady with quality fannings less inquiry. Unorthodox irregular."

QUALITY TEAS STRONG

(From Our Own Correspondent)

CALCUTTA, 2nd October

Quality teas were keenly sought after at the export sales held here yesterday. Demand at the dusts sale held last week was steady, but only at lower levels. At last week's sale in London, although the quantity of teas of all origins on offer was higher at 80,000 packages, as against 65,000 packages in the week previous, quality teas met with strong demand. This had a favourable effect here. It was noted that for the first time this season Pakistan offered a small quantity of 540 packages in the Mincing Lane sales last week. This small quantity from Pakistan did not cause any surprise here, as this season that country has hardly any exportable surplus. Bad weather has led to liberal revision of earlier estimates, which were unduly optimistic. Pakistan's output is now estimated at about 52 million lbs., as against internal requirements of 50 million lbs. Recently, there had been reports of shortage of tea in some places in Pakistan.

Pakistan has embarked on an ambitious plan of tea acreage expansion and is going all out to improve irrigational facilities by constructing tube-wells and small dams wherever possible. By 1965, production is likely to go up to 65 million lbs., but then internal consumption is also expected to rise as much. In other words, it would be difficult for Pakistan to enter the export market for several years.

Dusts on offer during last week's sale here totalled 30,041 packages which met with an improved demand. A strong feature was the non-wither legg-cut dusts for which buyers showed keen interest, with the small and powdery teas receiving the pride of place. Although prices were irregular and eased generally, medium C.T.Cs were accorded good support. The good C.T.Cs lost 20 nP on balance, but had opened on a strong note. Plain orthodox teas fell by 10 nP to 20 nP, with Assams following suit. The quotations per one kg., in rupees, inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.70, medium Assam C.T.C. dust 5.50 to 5.80, legg-cut dust 4.90 to 5.30, medium Assam dust 4.70 to 5.05 and plain orthodox dust 4.10 to 4.45.

The need to reduce cost of production in gardens in order that Indian teas would gain more overseas markets was one of the themes developed by Mr. S. M. Mohta in his presidential speech at the annual meeting of the Tea Association of India here during last week. He pointed out that, while world consumption of tea was rapidly increasing, India's share in the increase was small. He demanded that no tax on exportable teas should be levied by both the Union and the States. He also wanted that no tax should be levied on tea garden stores and that freight rates should be kept as low as possible. Although Mr. Mohta's demands are too much for the Finance Minister to accede, the trade would strongly urge early measures for lessening the cost burden on gardens. Methods suggested by the trade here include tax concessions and even abolition of the export duty, and, what is more important, the linking of wages in future to productivity.

Mr. Mohta's complaint about the difficulties in getting foreign exchange to enable gardens to import essential equipment has been dealt with by the Central Tea Board. The Board has already informed the industry that there would be no difficulty in obtaining foreign exchange for genuine and essential requirements. The Tea Board studies all individual requirements, and if the proposed imports fall within the declared category of genuine and essential requirements, recommends the same to the Union Government for sanction. On this basis, the licensing authorities have been granting import licences.

With a view to realise the production target of 900 million lbs., the Government has recently liberalised the rules for grant of permission for extension of the planted area. Thus, the present ceilings for extension have been raised. Gardens having 60 hectares or less can now extend the area by 100 per cent, as against 40 per cent previously. Gardens having 200 hectares or more can increase the planted area by 30 per cent as against 15 per cent previously.

The trade has stressed the urgent need to strengthen India's publicity campaigns abroad. In this respect, India has to steal a march over Ceylon. For that country's campaigns in the Middle East, South Africa, Australia, New Zealand, Denmark, the U.K. and Italy are lively. It has been reported that Ceylon was the largest contributor to the Tea Councils in West Germany, the U.S. and Canada. Ceylon has been able to increase its exports gradually not only to the U.K. but other countries also, although it is realised that the Sudan and Egypt have been India's near monopoly. It is no surprise that while India has been unable to get a proper share in the increase in world consumption in 1961, Ceylon registered a good advance. With competition from India completely lacking in South Africa as a result of the old trade sanctions against the former, Ceylon has made tremendous advance there in marketing purely Ceylonese tea.

Ceylon has already gone ahead to meet the changing market requirements, and in accordance with market researches, it has already planned to set up a plant to manufacture instant tea with German collaboration. In this connection, it is good news that the joint plan of Tatas and Finlays to set up an instant tea factory has advanced a stage further with the choice of location of the

plant in Kerala. Demand for instant tea in the U.S.A. and Canada is believed to be very good.

The useful competition accorded to tippy teas, the prices of which, as a result, rose, was a strong feature during the export sales held yesterday, when offerings totalled 60,165 packages. Demand was more active than in the last week, and prices of quality teas added gains. Another strong feature was the orthodox Assam B.O.Ps which were sold at dearer rates. Fannings met support at dearer rates, but others eased. Plain orthodox descriptions generally were a weak feature. At reduced rates, Darjeelings met with good support, and a similar trend was also registered in whole leaf grades. In C.T.Cs, the more fibrous teas met a dearer market, but medium C.T.Cs sagged following a decline in quality. The demand for the best lots gave way as the sales progressed and in balance lost 20 nP to 40 nP. Good support was accorded to legg-cut teas, the prices of which were higher. The quotations per one kg. in rupees, inclusive of excise duty, were: Best Assam C.T.C. fannings 6.50 to 7.20, medium Assam C.T.C. fannings 5.30 to 5.70, clean plain pekoe 4.10 to 4.40, best Assam C.T.C. B.P. 6.50 to 7.20, medium Assam C.T.C. B.P. 5.30 to 5.70, plain fannings 3.80 to 4.10 and plain B.P. 3.70 to 4.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, *1st October*

An easy trend continued in the foodgrains market here this week following the start of *kharif* crop arrivals in market which induced stockists of *rabi* grains to liquidate.

Wheat prices declined by 67 nP to Rs. 1.34 per quintal according to quality due to slack demand in the face of better arrivals. The average quality was quoted at Rs. 39.52 to Rs. 40.19 and the farm quality at Rs. 42.20 to Rs. 42.87, a quintal. Red wheat prices also eased to Rs. 37.51 a quintal. Arrivals were better at 400 maunds daily, mostly from East U.P. and the stocks here stood at 64,000 maunds. Rice prices eased appreciably by Rs. 1.34 to Rs. 2.67 per quintal according to quality due to slack demand. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 93.77, *sela basmati* Rs. 75.02 to Rs. 85.74, *mainpuri sela* Rs. 52.25 to Rs. 54.92, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62 and *gadda* Rs. 53.58, a quintal.

Gram prices moved down by 67 nP a quintal on lack of support. The Punjab quality was quoted at Rs. 42.87 and the local produce at Rs. 42.20. Maize prices also declined 67 nP per quintal and were quoted at Rs. 28.80 to Rs. 32.15. Arrivals improved to 400 maunds daily and were expected to rise. Barley and *bejhar* prices declined by Rs. 1.34 and 67 nP a quintal, respectively, due to slack demand and were quoted between Rs. 25.46 and Rs. 26.79 and at Rs. 26.79 per quintal, respectively. *Jowar* and *guwar* prices were unchanged at Rs. 46.89 to Rs. 50.91 and Rs. 33.49 to Rs. 34.83, a quintal, respectively. But *methi* ruled steady on good demand, while *bajra* and other grains were quiet. Week-end prices were:—*Bajra* Rs. 37.51, *methi* Rs. 61.62 and oats Rs. 29.47, a quintal.

In pulses, peas declined by 67 nP to Rs. 1.34 per quintal according to quality, as the offtake was poor. The *dara* quality was quoted at Rs. 31.48 and the farm variety at Rs. 32.18 to Rs. 32.83. Arrivals were small, and stocks stood at 51,000 maunds. *Arhar* prices eased Rs. 1.34 per quintal to be quoted at Rs. 53.58 to Rs. 56.26. *Urd* and *moong* prices also registered an easy trend. *Masoor* ruled steady on better demand in the face of poor stocks. *Moth* prices declined Rs. 1.34 to Rs. 2.67 a quintal. Week-end prices were:—*Urd* Rs. 77.70, *urd dal* Rs. 85.74, *moong* Rs. 49.57 to Rs. 52.25, *moong dal* Rs. 57, *masoor* Rs. 42.87, *malka* Rs. 53.58, *masoor dal* Rs. 56.26, *moth* Rs. 38.85 to Rs. 40.19, *moth dal* Rs. 46.89, *gram dal* Rs. 48.23, peas *dal* Rs. 36.17 and *arhar dal* Rs. 66.98 to Rs. 69.66, a quintal.

RAW JUTE ARRIVALS HEAVY

(From Our Own Correspondent)

CALCUTTA, *2nd October*

Under the influence of good demand, hessian prices were maintained firm during the week under review, while paucity of demand and existence of selling pressure in futures trading affected prices of heavy goods. The week was noted for increased arrivals of raw jute, a usual pre-*Pooja* feature, for cultivators need cash for meeting festival requirements. With their godowns full with fibre, mills were in no mood to purchase ready jute. This caused a decline in prices, as sellers desired to dispose of incoming wagons containing jute as early as possible in an attempt to avoid demurrage. Fibre arrivals in Calcutta and mills' stations during August at 348,750 bales (340,100 bales from India and 8,650 bales from Pakistan) were the highest for that month since the last six years. In July and August, the first two months of the current season, total arrivals were 707,705 bales (693,100 bales from India and 14,605 bales from Pakistan), as against 510,200 bales (478,500 and 31,650 bales) in the corresponding previous period, thus representing an overall increase of 197,505 bales, 214,550 bales in arrivals from India and a decline of 17,045 bales from Pakistan. Such an analysis has made trade circles infer that the current crop is in all probability higher than the last harvest. A striking increase in arrivals from India followed by a remarkable drop in arrivals from Pakistan certainly aids such an inference, although, of course, the fact that, due to early rains this year, the crop commenced coming much earlier than usual. Arrivals in the coming months are, therefore, expected to be proportionately lower.

Although generally mills are doubtful if the current year's crop is higher than last year's, they point out that the increased arrivals emphasise the acute lack of storage space in the mofussil. The trade demands that, in the long-term interests of trade and industry, the present glut in fibre supplies should be removed. Accordingly, the fixation of an export quota of the inferior fibre is strongly urged. With the deterioration in the quality of fibre, it is evident that, if mills in India are to maintain the present proportion of output between hessian and heavy goods, more imports of the Pakistan fibre should be made. With the fixation of minimum prices in Pakistan, conditions in markets there are reported to be firm. With the recession of flood waters, arrivals have increased, but, despite this, prices were firm, since balers were active buyers in anticipation of fixation of minimum prices. Overseas buyers showed interest in quality fibre, tossa being the cynosure of all eyes. The minimum prices now fixed in Pakistan do not apply for buffer stock purchases, and this has been a surprise to traders here as well as in Pakistan. The prices now fixed are fully in accord with current market levels, but, in the case of bottoms, the price fixed is higher. The reason for this discrimination is not indicated, but X bottoms are a quality in which buyers are seldom interested.

A subdued trend was in evidence in the fibre market in Calcutta, as, with their godowns full, the mills were disinclined to purchase ready fibre. There was no surprise in the rumour that the Government of India would increase the import quota for Pakistan cuttings by 100,000 bales. With fibre fit for manufacture of hessian, more imports from Pakistan are only natural. The Jute Buffer Stock Association made some purchases to cover its latest quota. Middles commanded a premium of Rs. 2. Generally, quotations were unchanged as follows: daissee bottoms Rs. 33, Assam bottoms Rs. 30, and northern bottoms Rs. 29.50.

The week in the goods market was intercepted by two holidays, one on Friday being *Mahalaya* and another today being Gandhiji's birthday. The fact that both the holidays were sandwiched by working days went to lessen activity during the latter. November hessian 40" 10 oz. opened at Rs. 53.24 in the futures market to ease to Rs. 52.54, after being higher at Rs. 53.34. November B. twills eased from Rs. 120.30 to Rs. 118.25. In ready goods, overseas buyers were not inclined to increase their commitments in expectation of a post-*Pooja* decline in prices. However, the trade would believe that prices would recover after the *Poojas* since usually then buying is large. Due to lack of adequate business, ready B. twills eased from Rs. 120.50 to Rs. 119.35. There was scattered buying in hessian and, following this, ready hessian 40" 10 oz. was firm at Rs. 56.70. On Wednesday, there was a further decline in B. twills to Rs. 118.60. However, there was some covering in hessian and the 40" 10 oz., thus resisting the general declining tendency, closed firm at Rs. 56.50. Covering business was again a feature on Thursday, but, since the quantity involved was inadequate, hessian 40" 10 oz. eased fractionally to Rs. 56.25. Heavy goods were neglected, and B. twills were nominally quoted at Rs. 118.50. Hessian were steadier on Saturday, as a result of covering business and scattered inquiries. Hessian 40" 10 oz. hardened to Rs. 56.75. In sympathy, B. twills also improved to Rs. 119.00. Covering business in hessian was a feature during yesterday, although fresh overseas business taking place was insignificant. Hessian 40" 10 oz. spurted to Rs. 57.50. However, heavy goods were weak in the absence of support and B. twills eased to Rs. 117.50.

METALS MOVE DOWN

(From Our Own Correspondent)

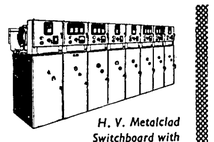
CALCUTTA, *2nd October*

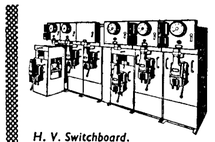
Due to the forthcoming *Pooja* holidays, activity in the local metals market was on the wane this week, and prices, as a result, declined. Tin was, however, an exception to the general trend, and recorded a hardening tendency, as the supply position worsened.

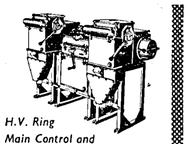
Conditions on the London Metal Exchange were steady. Spot tin opened at £850 a ton, and after being lower at £849½ for a time, closed higher on balance at £851. Demand for tin in London was poor, but the decline in the price was arrested by buffer stock purchases. The rise in the three months' position from £853½ to £854⅛ could not be maintained. In Singapore, the price was unchanged. In Calcutta, the price movement was erratic. The quotation opened at Rs. 2,411.25 per 100 kgs., and after being lower at Rs. 2,401.50, hardened to Rs. 2,448.00 to close at Rs. 2,431. Fresh arrivals were expected in the near future. It was reported that the General Services Administration in the United States released the first lot of tin from the strategic stockpiles. The release totalled 200 tons, of which 50 tons were of grade 'B' and the remainder of grade 'A'. Prices realised were $1.0756 and $1.0826 per lb., respectively. Consumption of tin in the U.S. in May 1962 was reported to have totalled 5,170 tons which represented an increase of 320 tons as compared to April 1962. On the other hand, consumption in the U.K. for the same month declined to 2,090 tons from 1,616 tons.

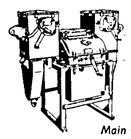
Utensil scrap opened here at Rs. 540.50 per 100 kgs. to ease to Rs. 535.75. The decline followed the increased availability of permit metal. Further, the uncertainty as to the non-issuance of import licences for the current six months has been removed to a certain extent with the report that the State Trading Corporation has covered a large tonnage for arrival in the next two months. On the London Metal Exchange, spot copper was firm at £234 a ton, while in New York the price eased slightly. Lead here was quiet at Rs. 140 a quintal and electrolytic zinc eased from Rs. 275 to Rs. 269 per 100 kgs.

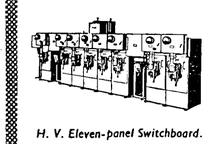
H.V. & L.V.
MEI SWITCHBOARDS

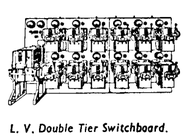

H. V. Metalclad Switchboard with air-insulated busbars.

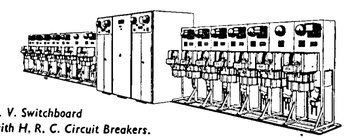

H. V. Switchboard. Type V. T. G. R.

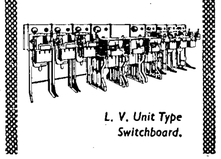

H.V. Ring Main Control and Tee-off Fuse Switch Unit


H. V. Ring Main Control and Tee-off Fuse Switch Unit


H. V. Eleven-panel Switchboard.


L. V. Double Tier Switchboard.


L. V. Switchboard with H. R. C. Circuit Breakers.


L. V. Unit Type Switchboard.

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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 28th Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Lo s Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	
(ii) State Governments	61,78,62,000
(b) Banks—	13,76,25,000
(i) Scheduled Banks	83,93,48,000
(ii) State Co-operative Banks	1,77,08,000
(iii) Other Banks	2,00,000
(c) Others	163,08,84,000
Bills Payable	22,55,59,000
Other Liabilities	24,58,02,000
Rupees	524,49,88,000

ASSETS	Rs.
Notes	28,29,97,000
Rupee Coin	2,45,000
Small Coin	3,60,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	24,00,60,000
(ii) State Co-operative Banks	11,71,94,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,90,000
National Agricultural Credit (Stabilisation) Fund—	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	102,27,42,000
Balances Held Abroad*	5,59,57,000
Loans and Advances to Governments**	7,36,89,000
Loans and Advances to—	
(i) Scheduled Banks†	4,34,70,000
(ii) State Co-operative Banks†	123,96,70,000
(iii) Others	1,31,57,000
Investments	172,75,87,000
Other Assets	34,72,72,000
Rupees	524,49,88,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 2,61,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	28,29,97,000	
Notes in circulation	2011,48,18,000	
Total Notes issued		2039,78,15,000
Total Liabilities		2039,78,15,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India		
Foreign Securities	88,54,17,000	
Total		206,10,27,000
Rupee Coin		125,63,14,000
Government of India Rupee Securities		1708,04,74,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2039,78,15,000

State Bank of India

Statement of Affairs for the week ended 21st Sept. 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		573,82,56,000
Borrowings from Other Banking Companies, Agents, etc.		38,00,000
Bills Payable		8,53,21,000
Bills for Collection being Bills receivable as per contra		2,76,38,000
Acceptances, Endorsements and Other Obligations per contra		8,72,87,000
Other Liabilities (including Inter-Office Adjustments)		15,56,57,000
Total	Rs.	623,62,09,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,05,50,000
Balances with other Banks		2,69,21,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 275,32,47,000	
Other Authorised Investments	8,71,30,000	284,03,77,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	Rs. 256,92,26,000	
Bills Discounted and Purchased	13,07,65,000	269,99,91,000
Bills Receivable being Bills for Collection as per contra		2,76,38,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,72,87,000
Premises less Depreciation		1,86,75,000
Furniture and Fixtures less Depreciation		1,60,72,000
Other Assets (including Inter-Office Adjustments)		27,03,65,000
Total	Rs.	623,62,09,000

State Bank of Pakistan

Statement of Affairs for the week ended 21st Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits—	
(a) Central Government	9,48,46,000
(b) Provincial Governments	6,88,91,000
(c) Banks	21,76,50,000
(d) Others	103,64,59,000
Bills Payable	12,06,000
Other Liabilities	10,96,97,000
Rupees	164,02,49,000

ASSETS	Rs.
Notes	12,32,03,000
Rupee Coin	15,000
Subsidiary Coin	11,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	21,65,71,000
Balances held outside Pakistan*	....
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	35,29,42,000
Other Loans and Advances	84,52,54,000
Investments	10,14,53,000
Other Assets	164,02,49,000
Rupees	

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,32,03,000	
Notes in circulation	357,14,41,000	
Total Notes issued		369,46,44,000
Total Liabilities		369,46,44,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	64,20,59,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	132,22,67,000
B. Rupee Coin	4,19,56,000	
Government of Pakistan Securities	227,14,15,000	
International bills of exchange and other commercial paper	....	231,33,71,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	369,46,44,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 37.31 per cent.

EXCHANGE RATES

	3rd October 1962	26th September 1962
London on New York S. per Dollar	2.8008-2.8011	2.8009-2.8011
New York on London Cents per £	280.130-280.160	280.090-280.120
London on Paris .. Fcs.	13.7230-13.7250	13.7230-13.7250
London on Berne .. Sw. Fcs.	12.1140-12.1160	12.1080-12.1100
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. .. .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. .. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. .. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D. Rs. to $100	446.25	446.00
Buyers T.T.	438.25	438.25
French Francs—		
Sellers T.T. D.D. per Rs. 100	102.40	104.20
Buyers T.T.	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D. ..	90.40	90.30
Buyers T.T.	91.40	91.30
Deutsche Marks—		
Sellers T.T. D.D. ..	83.60	83.60
Buyers T.T.	84.50	84.50
Italian Lire—		
Sellers T.T. D.D. ..	12,950	12,950
Buyers T.T.	13,125	13,125
Swedish Kroner—		
Sellers T.T. D.D. ..	107.60	107.60
Buyers T.T.	108.70	108.70
Belgian Francs—		
Sellers T.T. D.D. ..	1,037	1,037
Buyers T.T.	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D. ..	75.10	75.20
Buyers T.T.	76.00	76.00
Hongkong Dollars—		
Sellers T.T. D.D. ..	119.90	119.90
Buyers T.T.	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D. ..	149.50	149.50
Buyers T.T.	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D. ..	144.70	144.70
Buyers T.T.	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	21-9-62	14-9-62	22-9-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	46,51	44,26	46,79
(ii) From others	794,66	796,85	716,66
(b) Borrowings from banks	22,23	20,04	18,18
(c) Others	52,46	52,31	51,89
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	23,37	24,14	20,58
(ii) From others	1,236,55	1,232,43	1,079,98
(b) Borrowings from banks	13,75	11,75	17,84
(c) Others	12,50	12,50	23,59
3. Aggregate deposits (1(i) (a) (ii) + 2 (a) (ii))	2,031,22	2,029,28	1,796,64
4. Borrowings from Reserve Bank	6,19	18,38	15,62
(a) Against usance bills and/or promissory notes	4,78	12,20	9,51
(b) Others	1,41	6,68	6,12
5. Borrowings from State Bank and/or a notified Bank	16,11	17,71	17,88
6. Cash	47,96	49,75	44,44
7. Balances with Reserve Bank	81,83	80,37	77,96
8. Cash and balances with Reserve Bank	129,79	130,12	122,40
9. 8 as per cent of 3	6,39	6,41	6,81
10. Balance with other banks in current account	17,88	17,89	16,16
11. Money at call and short notice	44,83	42,91	43,18
12. Investments in Government securities	683,82	662,13	607,34
13. 12 as per cent of 3	33,67	32,63	33,80
14. Advances—			
(a) Loans, cash credits and overdrafts	1,186,76	1,204,38	1,061,27
(b) Due from banks	7,23	7,93	10,86
15. Inland bills purchased and discounted	147,45	147,77	117,53
16. Foreign bills purchased and discounted	48,90	48,19	45,71
17. Total Bank Credit [14 (a)+15+16]	1,393,12	1,400,34	1,224,51
18. 17 as per cent of 3	68,09	69,01	68,16

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 22nd Sept. 1962	15th Sept. 1962	25th Aug. 1962	23rd Sept. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.5	101.1
2. Government of India	100.2	100.2	100.3	101.0
3. State Government	102.0	102.1	102.1	102.2
4. Municipal, Port Trust, etc.	99.0	99.0	99.0	99.6
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.5	98.6	99.0	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.4	81.5	83.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	181.4	183.6	187.2	177.9
8. *Agriculture and Allied Activities : Total**	153.3	154.5	154.6	164.3
9. Tea Plantations	144.5	145.4	145.0	168.6
10. Coffee Plantations	147.3	148.7	149.4	171.0
11. Rubber Plantations	169.3	169.9	166.2	173.7
12. *Mining and Quarrying : Total*	157.2	157.1	163.9	157.0
13. Coal	121.6	122.0	124.5	120.5
14. Other Mining	181.6	181.9	191.0	182.1
15. *Processing and Manufacturing : Total*	197.2	200.2	204.4	191.7
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	205.0	209.0	212.6	199.1
17. Sugar	137.7	139.3	140.3	159.6
18. Cotton Textiles	182.4	183.9	184.8	175.0
19. Jute Textiles	102.7	103.1	105.8	98.3
20. Silk and Woollen	1,108.1	1,172.4	1,229.2	1,116.1
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	199.5	201.8	208.8	195.3
22. Iron and Steel	156.1	157.3	168.5	155.5
23. Transport Equipment	362.9	374.2	380.2	390.3
24. Electrical Machinery	183.1	184.6	184.1	167.0
25. Machinery other than Transport and Electrical	231.5	234.4	237.3	207.8
26. Basic Industrial Chemicals	184.1	186.9	192.2	205.0
27. *Processing and Mfg. (Others): Total**	169.2	170.3	171.4	162.4
28. Cement	157.8	158.4	159.5	148.5
29. Paper	214.3	216.6	218.3	210.0
30. *Other Industries : Total**	111.2	111.6	112.9	110.6
31. Electricity Generation and Supply	87.4	87.7	87.4	86.1
32. Trading	118.5	119.7	120.3	119.3
33. Shipping and Other Transport	89.2	89.3	91.6	94.4
34. Construction	277.0	280.2	289.8	286.9
35. *Financial : Total*	206.4	207.4	210.5	189.0
36. Banks	230.4	230.7	234.3	225.4
37. Insurance	165.3	170.8	173.5	146.3
38. Investment Trusts	89.7	89.9	89.9	90.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	186.9	190.3	196.4	184.2
40. Calcutta	170.2	171.2	173.1	164.3
41. Madras	192.2	193.0	193.5	193.1
42. Delhi	233.0	236.5	239.9	234.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	8th Sept. 1962	1st Sept. 1962	9th Sept. 1961	August 1962	July 1962	August 1961	Financial Year Average 1961-62	Financial Year Average 1960-61
Food Articles	504	130.6	130.6	121.3	131.5	128.6R	124.3	122.1	120.0
Cereals	192	110.2	109.9	104.0	109.5	107.2	105.0	102.3	104.4
Pulses	43	111.4	111.8	89.9	113.0	105.5	90.6	91.9	92.9
Fruits and Vegetables	23	139.2	133.0	139.3	146.5	148.0	164.6	137.6	118.5
Milk and Ghee	84	125.7	125.9	117.5	133.0	127.3	116.4	116.4	116.0
Edible Oils	47	159.9	160.4	153.1	159.4	155.3	159.0	156.5	150.3R
Fish, Eggs and Meat	17	156.7	155.5	139.8	149.1	144.7R	141.6	135.4	123.5
Sugar and *Gur*	48	155.0	155.0	124.6	151.2	152.1R	124.6	119.6	132.8
Others	80	174.0	173.0	168.7	171.0	170.8	183.4	171.6	167.8
Liquor and Tobacco	21	89.9	89.5	90.0	89.2	88.5	89.3	100.3	109.9R
Tobacco	..	96.3	96.0	96.5	95.7	94.9	96.4	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.4	124.4	121.4	124.5	124.5	122.3	122.1	120.0R
Industrial Raw Materials	155	139.8	140.2	137.8	139.6	138.8	144.6	137.6	145.4
Fibres	61	130.7	130.2	127.4	128.6	130.2R	137.7	138.3	151.6
Oilseeds	60	158.6	160.0	156.0	160.4	156.3	162.7	156.4	149.9
Minerals	2	93.4*	93.4	94.8	93.4	93.4	94.9	94.9	97.4
Others	32	124.7*	124.9*	126.8*	124.7	125.3	126.9	128.1	128.0
Manufactures	290	129.3	129.4	125.5	129.0	129.4	126.3	126 8	123.9
Intermediate Products	41	142.7	142.3	141.3	143.1	142.6	138.8	138.8	130.3R
Finished Products	249	127.1	127.3 R	122.9	126.7	127.2	123.9	124.6	122.8
Textiles	147	125.9	126.1	123.1	125.3	126.5	124.8	125.5	125.8
Cotton	..	129.3*	129.3*	127.0*	129.3	129.4	127.5	127.9	128.1
Jute	..	113.1	114.3	112.9	111.1	116.5	121.1	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	141.3	123.1	122.7	109.1
Silk and Rayon	..	131.9* R	131.9* R	119.4*	131.3	129.7	118.0	119.9	104.6
Metal Products	12	160.4	160.4	151.6	160.4	160.4	151.6	151.6	147.9R
Chemicals	20	116.4	115.2	111.6	115.0	115.3R	111.6	110.7	104.4
Oil Cakes	9	162.4	164.9	148.4	163.9	157.1	146.0	147.5	141.3
Machinery and Transport Equipment	31	117.9	117.9	113.5	117.9	117.9	112.8	114.5	111.9
Others	30	125.3	125.3	121.0	125.4	125.7	120.9	121.3	116.1R
All Commodities	1,000	130.8	130.9	124.6	131.1	129.7R	127.5	125.1	124.9R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	July 1962	May 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.01	2.90
(b) Others§	2.71	2.68	2.79	2.67
Debentures	4.15	4.11	4.40	4.14
Preference Shares	5.64	5.32	5.84	5.57
Variable Dividend } *Industrial Securities*	4.68	4.88	4.79	4.71
Agriculture and Allied Activities‡	5.74	5.80	6.27	5.67
(a) Tea Plantations	5.94	6.01	6.43	5.92
(b) Coffee Plantations	4.74	5.12	5.85	4.16
(c) Rubber Plantations	6.56	6.33	7.42	6.33
Mining and Quarrying	5.15	5.31	4.77	5.24
(a) Coal	4.13	4.56	3.90	3.91
(b) Other Mining	5.85	5.82	5.39	6.16
Processing and Manufacturing	4.27	4.35	4.43	4.27
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.45	4.28
(a) Sugar	5.62	5.80	6.32	5.63
(b) Cotton Textiles	3.72	3.47	4.23	3.75
(c) Jute Textiles	5.54	6.15	5.25	5.99
(d) Silk and Woollen	2.92	3.17	3.18	6.92
Metals and Chemicals‡	4.22	4.18	4.34	4.00
(a) Iron and Steel	4.69	4.25	4.83	4.23
(b) Transport Equipment	3.77	3.38	4.46	3.63
(c) Electrical Machinery	4.46	5.03	4.15	4.38
(d) Other Machinery	3.46	4.07	3.36	3.52
(e) Basic Ind. Chemicals	3.64	3.59	4.61	3.46
Others	4.52	4.90	4.54	4.70
(a) Cement	4.77	5.21	4.84	4.87
(b) Paper	4.54	4.76	4.08	4.86
Other Industries	5.28	6.05	5.23	5.47
(a) Electricity Generation and Supply	5.42	6.28	5.54	5.55
(b) Trading	6.74	8.38	6.45	6.74
(c) Shipping and Other Transport	4.40	5.17	4.20	4.86
(d) Construction	3.98	4.49	3.66	4.23
Financial	5.84	6.31	5.80	5.93
(a) Banks	5.42	5.93	5.54	5.55
(b) Insurance	7.07	7.56	6.38	7.05
(c) Investment Trusts	6.72	6.85	6.79	6.73

† Running yield. Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'61-62	436.42	..	14,690	336.6
Pakistan	1960	94.60	..	2,261	239.0
Burma	1959	20.40	Kyats 4,537	465	228
Ceylon	1960	9.8	..	630	643
Japan	1960	93.4	Y. 13,984,000	18,490	1,980
Philippines	1960	27.4	Ps. 11,988	2,853	1,041
New Zealand	1960	2.37	£(N.Z.) 1,309	1,733	7,312
Australia	1961	10.5	£(A.) 7,088	7,421	7,068
U.K.	1961	52.6	£ 26,740	35,725	6,792
U.S.A.	1961	183.6	$ 521,300	248,139	13,513
Canada	1961	18.2	$ 37,900	18,078	9,993
France	1960	45.5	F. Fr. 285,000	27,462	6,036
W. Germany	1961	56.4	Dm. 304,800	36,347	6,445
Italy	1960	49.3	Lr. 19,888,000	15,147	3,072
Norway	1960	3.6	Kr. 31,730	2,115	5,875
Sweden	1960	7.5	Kr. 63,240	5,822	7,763
Netherlands	1960	11.3	Grs. 42,350	5,567	4,927
Denmark	1960	4.6	Kr. 40,900	2,822	6,134
Switzerland	1960	5.2	Sw. Fr. 32,100	3,496	6,723

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

Source: *International Financial Statistics*, May 1962.

† Based on the estimate of National Income (at current prices) prepared by the Planning Commission.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	22nd Mar., 1962	4.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	6	5.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	Nov., 1960	7	6
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4.31	4.06
Italy	7th June, 1958	4	3.50
Japan	29th Sept., 1961	6.90	7.30
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	25th April 1962	3.50	4
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	13th June 1962	4.50	4
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	26th April 1962	5	4.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May 1961	3.50	3

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

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island— Cotton Receipts	Week ended 27th Sept., 1962*	75,987(J)
	Corresponding week, 1961	55,096(J)
	1st Sept. to 27th Sept., 1962	202,670*
	Corresponding period, 1961	126,023*
Cotton Exports	Week ended 27th Sept., 1962	689
	Corresponding week, 1961	2,061
	1st Sept. to 27th Sept., 1962	24,473
	Corresponding period, 1961	17,752
Mill Consumption (Estimated)	1st Sept. to 27th Sept., 1962	99,900
	Corresponding period, 1961	98,000
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 27th Sept., 1962	518,875
	Corresponding date, 1961	536,247
Consumption of Cotton— Indian	June, 1962	396,557
Foreign	June, 1962	67,589
Indian	Ten months ended June, 1961-62	3,887,849
Foreign	Ten months ended June, 1961-62	840,590
Indian	Same Period, 1960-61	3,457,375
Foreign	Same Period, 1960-61	951,277
Stocks (Mills and Elsewhere)— Indian	As on 30th June, 1962	1,370,978
Foreign	As on 30th June, 1962	227,872
Indian	As on 30th June, 1961	1,575,517
Foreign	As on 30th June, 1961	393,649

Particulars	From 1st Sept. to 24th September 1962 In Bales of 180 Kilograms	From 1st Sept. to 24th September 1961 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	317	405
Continent	1,983	684
Hongkong	1,045	544
China	—	—
Japan	18,695	12,239
U.S.A.	1,894	3,730
Other countries	489	150
Total to all foreign countries	24,423	17,752
Coastal Ports	—	—
Total	24,423	17,752

Particulars	Period	
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During July, 1962	31,884
	During July, 1961	7,681
	1st Sept. to 31st July, 1962	247,040
	1st Sept. to 31st July, 1961	212,430
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 7th Sept., 1962	101
	Corresponding week, 1961	9,479
	1st Sept. to 31st Aug., 1961-62	3,603,377
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)— Receipts	1st to 6th Sept., 1962	124,891
	Corresponding period, 1961	84,200
Exports	1st to 6th Sept., 1962	3,395
	Corresponding period, 1961	2,597

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From Sept. 1960 to June, 1961. (a) From Sept. 1961 to 30th June, 1962. — Not Received. A-Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.95
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.90
3 % Dev. Loan	1945	115,05,83,200	1970-75	89.10
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.80
3½% N. P. Loan	1954	158,17,90,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.80
3½% N. P. Bonds	1956	197,93,00,000	1967	98.65
3½% Loan	1956	86,64,00,000	1974	99.50
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.50
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	100.00
3½% Loan	1958	70,00,00,000	1968	98.25
3½% Loan N.P.B.	1958	156,59,00,000	1968	99.20
4 % Loan	1958	49,51,44,000	1973	99.25
3½% Loan	1959	147,91,00,000	1969	97.80
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98.60
3½% Bonds	1960	82,66,00,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	98.55
4¼% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	68.05
3 % Loan	1946	248,91,37,168	K.	68.75
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.00
4½% Andhra	1958	5,48,92,000	15th July 1970	98.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	97.50
4½% Andhra	1962	10,00,00,000	Aug. 1974	97.75
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.50
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.45
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.45
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.85
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.90
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.75
4½% Bihar	1961	3,30,00,000	Sept. 1972	97.90
4½% Bihar	1962	4,00,00,000	Aug. 1974	98.50
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	98.75
4½% Gujarat	1962	6,00,00,000	Aug. 1974	99.85
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	00.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.30
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.90
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.25
4½% Madras	1961	10,36,00,000	Sept. 1972	97.50
4½% Madras	1962	12,00,00,000	Aug. 1974	98.00
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.25
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.50
4½% Mysore	1958	5,51,62,000	15th July 1970	98.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.25
4½% Mysore	1961	7,48,00,000	Sept. 1972	98.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	99.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.35
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.75
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.75
4½% M.P.	1961	5,04,00,000	Sept. 1972	98.00
4½% M.P.	1962	5,00,00,000	Aug. 1974	98.35
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July 1970	98.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	97.75
4½% Kerala	1962	4,00,00,000	Aug. 1974	98.00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.00

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	97.50
4½% U.P.	1962	9,00,00,000	Aug. 1974	97.80
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	98.00
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	99.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	98.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.25
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4½% Orissa	1961	5,50,00,000	Sept. 1972	97.90
4½% Orissa	1962	7,00,00,000	Aug. 1974	98.80
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.80
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.25
4½% Assam	1962	3,00,00,000	Aug. 1974	99.50
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00
4½% Punjab	1962	3,50,00,000	Aug. 1974	99.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	96.00
35,00,000	4	1905	1965	96.00
15,00,000	4	1906	1967	96.00
44,00,000	4	1907	1968	96.00
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	96.00
56,00,000	4	1910	1971	96.00
75,00,000	4	1911	1972	96.00
1,10,00,000	4	1912	1973	96.00
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	D
13,50,000	3½	1932*	1962	D
24,58,000	3½	1935*	1975	D
15,00,000	3½	1936*	1966	D
48,04,000	3½	1936*	1960	D
10,00,000	3½	1938*	1968	D
7,00,000	3½	1941	1971	D
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000if	3	1947	1977	A
3,00,000if	3	1949	1979	A
45,00,000it	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
30,00,000	4	1902	1962	97.57 N
60,00,000	4	1903	1963	97.57 N
50,00,000	4	1904	1964	97.57 N
30,00,000	4	1905	1965	97.57 N
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	97.57 N
30,00,000	4	1908	1968	97.57 N
25,00,000	4	1912	1972	97.50 N
13,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	97.50 N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£338,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
8,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.00
1,57,50,000	4	1956	1968	98.00
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.50
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
1,50,00,000	4½	1961	1971	97.50
Rs.		**CALCUTTA**		Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
Rs.		**MADRAS**		Rs.
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.30	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. B. Cotton Mills	82.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,93,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	64.90	25	3.50	3.50	3.50		12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	187.50	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,693	Century Spg. & Mfg.	612.00	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	130.50	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	158.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	352.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	107.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	302.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	225.00	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,69,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	1,020.00	250	87.50	125.00	125.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	26.55 3.70	0 100. 0 1D.	Nil Nil	0.80 0.1325	1.40 0.3725		12	Y.
18,00,000	1,02,72,488	1,93,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		3	Y.P.
59,85,000	87,09,165	3,99,53,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	455.00	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	295.00xd	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	60.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	462.00	100	21.50	21.50	24.00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	468.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	140.00	100	Nil	Nil			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	262.50	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	240.00	100	10.00	15.00	20.00	20.00	3	Y.
55,00,000	43,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	127.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	33,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	130.50	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	54.50	10	2.50	1.70	2.00		12	Y.
90,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	264.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	154.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	825.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	256.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	300.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	63.00	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	881.25	250	81.25	116.00	125.00		12	Y.P.
					AHMEDABAD											
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	678.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	885.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	425.00xd	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	625.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	893.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	467.50	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,400.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	470.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	612.50	100	35.00	40.00	40.00		12	Y.P.
48,75,000	25,73,702	1,63,60,167	94,85,502	634	Rohitbhai Chinubhai, Esq. (Chairman)	37,340	648	Rohit Mills	175.00	100	10.00	10.00			12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,209.00	100	45.00	50.00	Nil		12	Y.P.
					WEST BENGAL											
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	8.50	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,30,620 1,70,000	3,62,600	1,03,06,007	68,71,408	—2,60,959	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	985	Bengal Luxmi Cotton Mill	27.00	40	Nil	Nil	2.00		3	Y.P.
60,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. B. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	27.75	10	Nil	0.50	1.50		12	Y.P.
24,00,000	81,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	25.75	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	30.50	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.69	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	26.12	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	12.00N 2.50N	10 1D	Nil Nil	Nil Nil	Nil Nil		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	139.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80xd	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233		4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	129.00	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	32.00	10	Nil	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	277.80xd	100	10.00	15.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,68,218	58,56,470	35,95,076	1,98,878	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	128.00	100	15.00	17.00	20.00		3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	6.50	5	Nil	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
85,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	182.50	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	160	Coimbatore Murugan Mills	139.60	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	72.50cd	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	113.00XR	100	Nil	Nil	Nil		6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	3	Y.
3,38,36,225 1,00,563	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,686	2,333	Delhi Cloth & General Mills	52.50	25 2½	2.50 0.25	2.50 0.25	3.25 0.325		6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.19	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	186.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	55.00	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	96.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	212.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,301	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	19.36	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	13.31	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,868	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.24	10	0.07	Nil			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	146.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	2.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,896	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	780.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5.00,000	..	Madura Mills	35.00	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	82.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	122.00	250	Nil	Nil	Nil		6	Y.
49,61,000	39,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	60.20XR	50	5.00	7.00	7.00		2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	75.00	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
83,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Gurnswamy Naidu & Co.	60,704	301	Radhakrishna Mills	35.00	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	102.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramoo Agencies & Co.	36,036	..	Rajapalayam Mills	169.00cd	100	8.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	22.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	159.00	100	Nil	Nil	Nil		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	10.19	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	79.50cd	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,03,29,029	1,23,78,020	96,22,758	2,77,919	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57		3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 8.19	100. 10P.O.	Nil 0.571	0.50 1.071	Nil 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.35	10	Nil	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	31.35	10	2.00	2.00	2.00		12	Y.P.T.
13,98,750	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	125.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	65,16,166	1,52,12,754	56,66,142	20,726	B. N. Elias & Co. Private Ltd.	879	Agarpara	10 81	10	0.50	1.00	0.25		3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,284	Alliance	116 00	100	Nil	6.00	Nil		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	232 00	100	12.50	20 00	7.50	10 00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153 00	100	20 00	27 00	12.00	Nil	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	288 00	100	10.00	25 00	25 00	25.00	3	Y.P.
£275,000	£842,859	£1,372,653	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	188 00	£5	10sh.	£1.10sh	10 Sh.		3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Sooraimull Nagarmull	600	Bengal	10 25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	8,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	34 25	10	1 00	1 50	1.50	1.50	3	Y.P.
56,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	160 00	100	15.00	10 00	Nil		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8 00	10	Nil	Nil			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220 00	100	12.00	12 00	5.00		11	Y.P.
59,16,400	82,28,225	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	145 00	100	7.00	10.00	5 00		3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	24 75	10	1.25	Nil	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.50	10	1.50	0 50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	60,15,681	—8,59,298	M.	969	Clive	8 50	10	Nil	Nil	Nil		3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	126.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	181 00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17 25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	410 00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	21,13,000	1,35,43,410	82,35,300	2,48,385	Bangur Bros., Ltd.	1,014	Fort William	28 00	10	1.50	2.25	2.25		3	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	14 81	10	Nil	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18 31	10	4.00	4.00	1 00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,66,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	463 00	100	25.00	30.00	25 00		3	Y.P.
45,00,000	89,15,333	1,45,06,782	82,76,808	3,75,747	Bangur Bros. Ltd.	1,078	Hastings	126 00	100	6.00	6.00	6.00		3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,829	J. & R. Hutchison Private Ltd.	720	Hooghly	31 00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	20 44	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	38,73,191	3,21,24,274	1,88,99,274	1,62,375	Ramdutt Ramkissendas	2,272	Hukumchand	26 12	7.50	1.50	2.15	2.15		3	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,100	76,164	M.	790	India	18 56	12.50	1.24	1.75	1.50		3	Y.
24,00,000 } 'B'19,20,000 }	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 167 00 { 167 00	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		} 12	Y.P.T.
30,00,000 } 'B'24,00,000 }	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	{ 127 00 { 127 00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		} 12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co. Ltd.	703	Kelvin	190 00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	28,98,564	2,18,73,550	1,39,90,173	300	Anderson Wright Ltd.	1,530	Khardah	17 81	10	2 00	2.00	0.50		3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	149 50	100	10.00	20.00	7.00	Nil	3	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	142 50	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	134 50	100	2.00	15.00	15.00	10.00	3	Y.P.
81,65,200	44,95,037	2,88,24,116	1,66,72,214	84,805	M.	1,294	Megna	13 44	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.375	0 60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	25 00	10	1.00	0.75			10	Y.P.
26,25,000	83,13,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	12 12	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,531	1,71,73,801	Nil	Sahu Jain Ltd.	1,765	New Central	13 69	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	33.50xd	10	1.25	3.00	3.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	57 75	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5 50	5	0.50	0.40	0.30		7	Y.T.
20,00,000	73,604	36,55,545	14,10,449	—9,71,483	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9 87	10	Nil	Nil	Nil		3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	6.81	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Sannaggur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,095	97,69,026	2,002	Pagaria More & Co., Ltd.	911	Shree Ambica	37.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25 00	10	2.50	2.50	2 50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	27,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	165 00	100	20.00	25.00	6 00	Nil	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9 50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP	Accounts Closed	Reference
10,98,990	5,60,324	18,03,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12 91	10	1.50	1.50	1.20	1.20	3	Y.P.
83,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.26	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2 45	2	0.24	0.20	0.20		6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3 22	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,853	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00cd	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3 98	2	0.40	0.40	0.40	0 30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25 05	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12 66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55cd	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12 62	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3 52cd	2	0 30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4 80	2	0 70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant. Ltd.	5.07	10	0.80	Nil	0 40		3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10 25	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2 00	2	0.10	0.20	0 10	0.10	3	Y.
3,00,000	6,18,504	14,43,867	8,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	36 00cd	25	5.00	3.75	3.50		3	Y.P.
36,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	3.95	5	0.37	0.37	0.37		3	Y.P.
12,00,000	7,64,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2 85	2	0.20	0.26	0.30		6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.40xd	10	0.50	0.80		1.00	3	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	21 62	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	21 75	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22 10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,270	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21 50	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,311	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.20	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,90,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.60cd	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	11,78,243	32,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.93cd	2	0.10	0.16	0.20		3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.62	10	1.00'C'	1.00	0 60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19 35	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.10	2	0.25	0.25	0.20		6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP	Accounts Closed	Reference
6,00,000	5,52,435	16,85,458	4,57,025	30,365	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91xd	2	0.15	0.15	0.30		3	Y.
6,75,000	2,35,527	19,88,038	3,50,665	14,796	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36xd	10	0.75	1.00	1.00		3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15 24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2 95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04xd	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	578	Bababudin Coffee & Produce	6 05	5	0.625	0.40			6	Y.P.
3,00,000	2,25,000	4,68,688	62,711	4,968	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6 75	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	32,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14 70	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,313	2,26,719	..	8,232	Consolidated Coffee	17 00	10	2.50	2.00	2.00		6	Y.P.
6,00,000	5,09,785	14,95,390	98,989	2,116	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9 75cd	10	1.50	1 00	1.00		3	Y.P.
4,08,560	2,25,000	8,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4 10	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13 00	10	1.50	1.50	1 50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd.	5.16	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,63,604	19,45,239	3,96,051	3,912	A. V. Thomas & Co., Ltd.	1,870	Kalpetta Estates	11.22cd	10	1.25	1.25	1.25		4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4 00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	16.90cd	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	9 70	5	1.00	1.00	1.00		6	Y.P.
40,50,000	14,33,242	87,24,197	12,48,980	8,116	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.32xd	10	1.00	1.25	1.25		3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23 00	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13 45	10	1.50	1.50	1 50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,383	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.80	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82xd	2	0.30	0.30	0.30	0.20	3	Y.T
16,50,000	2,29,315	28,27,018	7,87,890	797	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.84xd	2	0.10	0.10	0.12		3	Y.P.
18,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.20	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10 50cd	5	2.50	1.25	1.25		3	Y.P.
5,50,170	8,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3 86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12		3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03xd	10	0.60	Nil			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3 00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.62	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	11.00	10	1.00	1.30			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9 20	10	0.75	0 90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18 62	25	2.00	2 00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5 40cd	5	0.50	0 60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30 65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76xd	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26 00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33 25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	578	Baghmari	18 50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18 00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17 37	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.70	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	14.50	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49 25	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	185 00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,731	10,674	James Warren & Co. Ltd.	728H	Dhelakhat	20.12	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H P Dhanuka Esq. (Chairman)	553	Dhunseri	14.00	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co. Ltd.	458	Dibrugarh	35 50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21 87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	260H	Dufflaghur	27.50	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	27.56	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13 31	10	1 00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8 44	5	0.70	0.30	0.30		12	Y.
5,00,000	7,36,998	12,35,676	5,15,521	22,702	M.	488	Hoograjuli	27 12	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190 00	100	20.00	10 00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16 69	10	1 40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32 00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212 00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10 50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co. Ltd.	268H	Ledo	17 25	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18 94	10	1.50	0.50	1.40		12	Y.
4,80,000	30,980	9,31,623	...	3,331	Duncan Bros. & Co. Ltd.	701	Moheema	11 50	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30 00	30.00		12	Y.
1,75,000 } P.O. 2,00,000 }	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	{ 26.50 { 27 00	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		} 12	Y.
5,85,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	14.56	10	1.60				12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	106 00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21 37	10	3.50	4.00	1.35		12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	24 44	10	2.00	2.25			12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	533	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.81	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.62	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9 44	10	0.50	Nil	0.80		12	Y.
8 60 000	90,000	6,48,924	2,08,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Boopacherra	13 62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.50	10	Nil				12	Y.P.T

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
2,90,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	97 00xd	100	5.00				12	Y.P.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Giele	11.69	10	Nil	Nil			12	Y.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	25.44	10	2.00	3.00	2.50		12	Y.P.
4,00,000	27,500	5,92,631	2,85,757	6,271	M.	506	Okayti	605 00	100	32.50	25.00			12	Y.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.P.
2,05,000	2,07,208	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	8 87	10	Nil				12	Y.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	3 50	10	0.50				12	Y.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	31.00	10	3.00	5.00	4.90		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	258.00	100	82.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.69	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17 37	10	1.00	1.50	1.50		12	Y.P.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd	1,348	Birpara	147 00	100	22.50	17.15	12.50		12	Y.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	152 00	100	15.00	20.00	5.00		12	Y.P.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262 00	100	30.00	32.50	20.00		12	Y.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184 00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co. Ltd.	1,132	Gairkhata	25 12	10	1.25	2.50	2.00		12	Y.P.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	104 00	100	12.50	15 00	5.00		12	Y.P.
64,00,000	37,41,255	1,28,23,075	64,56,075	2,53,534	Davenport & Co. Ltd.	4,235	Hasimara Industries Ltd.	14.50	10	1.25	1.70		2.25	2	Y.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd	1,452	Huldibari	14 00	10	2.25	2.25	....		12	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57 00N	10	0.50	1 00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	155.00	100	17.50	25.00	15.00		12	Y.P.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258 00	100	32.50	35.00	20.00		12	Y.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110 00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co. Ltd.	764	Rajabhat	12 31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.37	10	3.00	2.50	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	8,41,647	17,74,541	6,33,029	9,72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	149 00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
*4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.15	10	1.00	0.50			12	Y.P.T.
5,00,000	5,25,000	....		30,855	National Tea Corporation	522	Belgachi	20.50	10	2 00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20 00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16 94	10	1 75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1 50	1.50			12	Y.
2,20,000	8,75,250	13,61,474	5,52,735	83,691	McLeod & Co. Ltd.	549	Tirrihannah	67.00N	10	5.00	6.00			12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.25	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,936	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.19	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 } D4,70,976 }	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	{ 4.12 { 0 50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		} 8	Y.T.
19,06,87,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	154 75	100	11.00	12 00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.40	10	0.80	Nil	Nil		12	Y.
1,66,00,000 } D. 5,00,000 }	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	{ 14.00 { 2 35	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		} 12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6 06xd	5	0.45	0 55	0.60	0.60	8	Y.P.
2,51,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	12.44	10	Nil	0 60	0.80	0.84	8	Y.P.T.
90,00,000	....		....	....	....	Madras Cements	85.00	100	..	Nil	..		9	Y.P.
1,14,65,185	....	1,36,60,424			Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	Nil	Nil	Nil		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	16 80	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94 00	100	Nil	Nil	Nil		8	Y.P.
1,34,51,750	60,26,201	4,75,20,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	183 00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. E. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4 66	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors XB—Ex-Bonus 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.00	10	*Nil*	0.60	0.60		3	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.06	2½	0.356	0.375	0.30		12	Y.
10,00,000	52,26,517	92,22,366	45,37,856	59,420	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	28.87	10	1.87	3.00	3.00		3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	133.00	100	*Nil*	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.62	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000 }	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	13.87	10	1.50 0.50	1.50 0.50	1.50 0.50 }		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	65.00	100	*Nil*	*Nil*			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.87	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,82,678	14,95,136	8,24,135	2,656	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45xd	10	1.00*	1.428	1.20		3	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	39.00	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	31.50	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 4,80,680 }	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	{ 37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50 }	12	Y
CHEMICAL														
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	96.50	100	*Nil*	*Nil*	*Nil*		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	200.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	42.50	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	257.50	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	672.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	471.00	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	68,84,606	1,50,85,951	77,12,533	1,30,717	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	101.50	100	7.00	7.00	10.00		3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	403.75	100	*Nil*	*Nil*	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00xr	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	147.50	50	10.00	*Nil*	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	*Nil*	6.00		3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.50	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	440.00	100	*Nil*	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	310.00	200	20.00	25.00	25.00		3	Y.
1,10,01,535	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.50xd	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.15	10	0.50	1.00	1.00		3	Y.
8,00,000	4,55,261	12,57,587	6,70,322	1,45,072	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75cd	10	2.00	2.00'C'	2.00		3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	166.25cr	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.60	10	..	*Nil*	*Nil*		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	260.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	171.00	100		..	*Nil*	*Nil*	3	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,386	3,571	Tata Industries Private Ltd.	Tata Chemicals	14.64	100ld	0.525	0.60	0.65		6	Y.P.T.
13,00,000	2,92,249	21,75,764	7,74,231	56,348	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	22.62xd	10	1.00	1.50	2.00		3	Y.P.
25,20,000	....	8,87,362	608	—5,45,880	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	*Nil*	*Nil*			12	Y.
14,81,250	....	5,72,958	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	185.00	100	..	..	*Nil*		12	Y.
ELECTRIC (BOMBAY)														
8,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.30	100	0.75	7.00	7.00	8.00	3	Y.T.
81,56,250	26,20,222	2,58,78,938	68,34,923	13,52,834	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.90	1.00*	0.90		3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,026.25	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.50	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	'2,075	Killick Industries Ltd.	Surat Electricity	99.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Hydro-Electric Power Supply	109.50	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,86,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Power Co.	1,107.50	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	49,57,883	1,79,22,370	42,63,962	47,416	Martin Burn Ltd.‖	Agra Electric Supply Co., Ltd.	127.00	100	10.00	11.00	11.00		3	Y.T.
8,00,000	15,46,067	65,82,610	24,21,313	24,137	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10		3	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.12	10	1.00	1.10	1.10		3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.¶	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		3	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,963	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.19	£1	7%	7½%	7½%		3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	27,18,468	1,05,87,869	40,08,012	4,06,119	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00		3	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	*Nil*		3	Y.T.
22,49,700	28,00,194	1,12,04,249	42,93,573	32,593	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00		3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	14,98,612	80,57,155	46,54,591	11,620	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90		3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.75	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	12,50,396	57,75,615	13,66,443	36,126	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply ‖	15.25	10	1.25	1.35	1.35		3	Y.
56,00,000	78,01,913	4,29,48,755	1,54,85,172	89,174	Martin Burn Ltd.	U. P. Electric Supply Co.	118.00xd	100	10.00	11.00	11.00		3	Y.T.
8,00,000	11,41,474	46,63,814	13,15,572	3,34,013	Chandrie & Co. Private Ltd.	Vellore Electric Corporation‖	13.60xd	10	1.00	1.50	1.429		3	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	322.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	164.50	100	13.00*	13.00*'C'	13.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	*Nil*	4.00		4	Y.P.
60,00,000	1,08,98,455	2,46,93,330	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	175.00	100	13.00	13.00'C'	13.00		6	Y.P.T.
6,00,000	4,57,222	2,05,518	1,38,653	4,607	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	97.00	50	5.00	4.00	5.00		3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	180.50	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.12	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	45.00	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	41.00	10	1.00	1.43	1.60		3	Y.
15,00,000	4,53,946	25,18,944	6,77,694	5,683	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50		3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	26.50	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000 }	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	{ — 5.60	10 7.50	*Nil* *Nil*	*Nil* *Nil*	.. 		} 9	Y.P.
14,15,040 45,85,000 }	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	{ — 6.00	10 10	.. ..	.. ..	*Nil* *Nil*		} 11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.48	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	78,422	46,82,025	16,73,677	40,424	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	..		3	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	*Nil*	10.00			7	Y.P.
80,62,845 D. 1,24,830 }	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	23.00	10	1.00*	1.20	1.20	1.20	3	Y.P.
57,50,000	42,31,615	1,28,07,838	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	{175.50 116.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00 }		6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	203.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	142.00	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	130.00	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	134.00	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	301.50	100	9.00	12.50	14.50		3	Y.P.T.
19,81,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	750.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.10	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	252.50	100	13.00	13.00	14.00		8	Y.
70,00,000	....	10,49,952	4,291	23,584	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	15.00	10	..	..	*Nil*		6	Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	14.12	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.94	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.00	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	*Nil*	*Nil*		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.31	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	695.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.69	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd	10.00N	10	*Nil*	*Nil*			3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	'11.62	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	18.37	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	37.12	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	25.05	10	1.00	1.50	1.60	0.80‡	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	34.12	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580 }	2,72,58,534	2,24,87,785	1,60,42,350	7,72,487	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	{ 47.37 14.50	O.10 O. 1	1.62½ 0.16¼	2.30 0.23	2.40 0.24 }		3	Y.
48,82,732	3,71,841	36,01,297	18,94,384	10,662	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.50	10	0.70	..	1.25		3	Y.P.
1,51,87,500	90,64,293	4,34,86,950	1,69,45,698	7,173	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.12	10	1.20	1.715	1.715		3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.56	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.87	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.81	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	*Nil*	*Nil*		6	Y.
49,96,000	13,58,398	1,44,34,142	86,32,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.19	10	0.75	*Nil*	*Nil*		3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	10.00	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.70	10	2.00	1.00	1.00		12	Y.P.T.
39,84,400	14,51,916	77,82,900	30,25,434	17,127	Balasundaram & Co.	Textool Co., Ltd.	165.00cd	100	15.00	15.00	15.00		4	Y.

* Includes bonus. 'C'—On Increased Capital. ‡B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.00	5	1.00	1.00	1.00		12	Y.
18,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.50	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.44	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535 }	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	{ 63.50 64.50	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		} 12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80	1.05*		12	Y.
6,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	129.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.52	10	2.00	2.00	2.00		12	Y.
OIL														
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	3.68	Sh. 1½	*Nil*	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.75	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	57.20	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	27.50	10	2.20	3.00	3.50		10	Y.
PAPER														
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	200.00	100	*Nil*	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	5.37	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.56	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.81	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,36,900	2,45,29,151	1,32,52,629	69,013	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30		3	Y.
25,00,000	*Nil*	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	86.00	100	*Nil*	*Nil*	*Nil*		3	Y.
1,39,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	9.35	10	....	....	*Nil*		6	Y.P.
49,97,991	37,12,500	1,63,34,021	1,10,64,692	36,663	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	15.00cd	10	1.25*	1.50	1.50		3	Y.
1,46,82,500	3,51,86,583	10,30,98,153	3,75,73,153	1,80,092	Birla Brothers Private Ltd.	Orient Paper	40.30	10	1.50	2.25	2.25		3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.70	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25.00	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000 }	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	{ 10.00 10.00	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		} 9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.16	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500 }	3,30,31,629	10,23,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	{ 39.00 39.00 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325 }	3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	164.00	100	*Nil*	6.00	7.50		6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.75	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.00	10	2.50	3.00	3.00			Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.28	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 B.3,00,000 }	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	{122.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		} 4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	12.87	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.19	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	13.12	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	17.12	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	190.00	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.50		5	F.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,64,500	26,21,410	15,54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.25	10	0.30	0.40	0.40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.00	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.62	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.12	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	20.75CR	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	115.00	100	*Nil*	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	226.00	50	21.00	29.00	25.0		9	Y.
17,50,000 37,50,000	17,08,126 24,47,906	53,19,384 89,49,263	31,84,793 64,94,061	1,725 96,455 }	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	{ Bhopal Sugar Industries Ltd. Shree Changdeo Sugar	20.00 27.50	10 12.50	2.50 2.90	2.25 2.50	1.50 2.50		9 9	Y.P. Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.75	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	41.25	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	11.00	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.00	10	1.00	1.25	1.50		6	Y.P.
67,70,720	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	154.75	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	92.50	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000 }	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm.	{ 55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		} 9	Y.P.T.
30,00,000	19,90,000	71,92,482	36,48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	7.50cd	10	1.00	1.00	0.75		7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	152.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	100.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.52	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	110.00	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 30,05,000 }	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	{ .. 74.00	100 65	.. ..	20.00 10.00	45.00 22.50		} 3	Y.
25,00,000 9,37,500 }	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	{127.00 125.00	100 100	5.00 	8.10 2.70	9.50 4.50		} 3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	*Nil*	*Nill*	7.50		6	Y.
89,25,000 42,00,000 }	6,72,17,037	5,96,96,300	2,89,25,893	1,60,873	Wallace & Co.	Bombay-Burmah Trading Corpn.	{637.50 250.00	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50		}	Y.
14,97,350	6,77,517	38,55,996	24,53,865	18,146	Chunilal Manilal Private Ltd.	Estrela Batteries	69.00	50	3.50*	4.50	5.00		3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.00	20	2.00	2.50	2.50		3	Y.
75,20,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	107.00	100	—..	..	*Nil*		12	Y.
34,27,600		1,88,923			Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	93.00	75	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	168.75	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	60,57,845	24,11,651	8,20,848	16,714	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	205.00	100	7.50	11.00	13.00		8	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	15.80	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	46.50	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman).	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§		70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	117.50	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	87.50	100	9.00	8.00	*Nil*		11	Y.
12,50,000	3,60,299	22,27,920	16,07,262	1,10,405	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	160.00	100	9.00	13.00	13.00		3	Y.
10,73,800 D.5,51,300 }	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
36,35,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	*Nil*		12	Y.P.
18,78,375	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	237.50	100	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	188.75	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	111.50	100	9.00	9.00	9.00		6	Y.P.
4,73,200 5,13,400 }	1,96,985	30,00,499	10,28,466	29,918	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	{100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50		} 3	Y.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	129.50	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
13,57,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*			3	Y.P.
9,32,300	13,92,500	12,89,205	5,31,393	2,770	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00		3	Y.
42,000 22,29,000 }	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	64.50	75	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	271.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
93,75,000	2,17,59,602	4,00,13,820	1,14,17,317	1,33,107	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.62	10	1.00	1.20	1.20		3	Y.P.T.
1,00,00,000	47,93,750	1,51,27,464	66,45,037	3,01,680	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	21.40xd	10	1.25	1.80	0.90		3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	24.25	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.70	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,16,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	28.25	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	Nil	Nil	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	261.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.00	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,845	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	10.00	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	21.12	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	38.44	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	18,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,47,93,934	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	34.19	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
12,49,250	....	4,92,055	6,366	33,611	M.	East Anglia Plastics (India) Ltd.	16.00	10	..	..	Nil		3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.45	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	15,80,821	38,09,862	23,58,830	70,927	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00		3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	9.12xd	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	5.81	5	..	..	Nil		6	Y.
65,00,000	39,28,753	31,81,679	17,28,900	1,92,551	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	14.06xd	10	1.00	1.00	1.10		3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,738	3,68,93,878	87,75,635	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	42.00	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26 139	Birla Brothers Private Ltd.	Hindustan Motors	18.28	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	1,00,469	....	....	Ramparsad Murlidhar & Co.	Hindustan Twyfords Ltd.	15.56	10	..	..	Nil		3	Y.P.
15,16,00,000	9,75,09,562	11,57,27,807	3,27,09,953	26,96,288	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.87xd	10	0.60	0.80	0.90		3	Y.
3,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,758	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	35.25	10	1.20	1.50	1.50		12	Y.P.T.
2,85,77,700	2,29,18,801	3,17,93,518	1,54,14,358	48,72,642	Sir John Brown, C.A. (Chairman)	Indian Cables	36.00	10	1.50*	2.25	2.25		3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	47.50	10	1.50	1.50	1.50		9	Y.
29,93,875	1,06,104	54,89,157	21,21,520	3,633	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	20.94	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.75	10	..	Nil	Nil		12	Y.
2,00,00,000	74,12,017	43,77,076	17,14,757	5,09,716	Sir John Brown, C.A. (Chairman)	Jardine Henderson	78.50	100	5.00	7.00	7.00		3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	10.00	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.69	10	2.75	2.75	2.75		9	Y.P.
10,00,000	8,60,000	23,46,291	3,49,181	14,953	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00			12	Y.
40,00,000O. / 5,00,000D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	250.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.50	10	1.75	2.50	2.50	2.50	3	Y.P.
20,00,000	7,90,391	16,14,284	7,39,760	2,552	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00		3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	36.75cd	10	1.60	2.00	2.50		3	Y.P.
10,00,000	3,23,080	20,39,182	12,41,906	11,453	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.60cd	10	1.25	1.00	Nil		3	Y.
90,00,000	1,60,09,310	1,39,45,356	57,73,861	50,820	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	31.00	10	2.00	2.50	2.50		3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	32.50	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	22.00	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.94	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	7,02,000	15,17,555	7,24,601	1,31,361	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.00xd	1	0.20	0.30	0.20		3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	29.37	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.87	5	..	..	Nil		3	Y.
15,00,000	1,09,431	8,39,781	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	Nil			12	Y.
36,80,788	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87cd	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,805	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	Nil	4.00	8.50		3	Y.P.
4,98,80,900	2,54,60,000	15,98,24,741	6,76,33,625	5,96,527	Sahu Jain Ltd.	Rohtas Industries	14.25	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	21.25	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
15,00,000 / 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45 / —	10 / 7.50	1.50 / ..	1.80 / 0.225	.. / ..		12	Y.
49,80,000	3,82,300	38,96,520	3,69,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	11.25	10	Nil	Nil	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.69	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.50	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.09	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.60xd	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,60,00,000	1,56,81,314	8,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	269.00	100	10.00	10.00	10.00		7	Y.
80,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.12	10	Nil	Nil	Nil		9	Y.T.
2,80,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	45.37	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	3	Y.P.
					TRANSPORT									
20,00,000	27,18,587	58,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	38,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.24	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.84 / 5.96	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	2,46,51,885	23,76,87,961	5,76,03,817	—41,04,534	Lionel Edwards (Private) Ltd.	India Steamship Co.	6 76	10	1.00	1.00	Nil		3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.88	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 / P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.41 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	39,20,700	1,39,22,812	85,35,843	28,149	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.12	10	1.50	1.00	1.25		3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	Nil	Nil	Nil	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.50	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	341.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,855	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	20.25	10	Nil	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	2.95	10	Nil	Nil	Nil		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.56	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.37	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.00	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.97	10	Nil	Nil			12	Y.
£240,000	£429,207	£1,464,191	£857,968	£16,220	Jardine Henderson Ltd.	East Indian	52.37	£1	1.25	1.00	2.00		4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	27.00	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,628	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	12.00	10	Nil	Nil	Nil		3	Y.
12,00,000	2,03,871	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	45.00	50	Nil	Nil	Nil		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	Nil	Nil			12	Y.
20,00,000	9.86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	46.00	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	23.25	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 16.25N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125			12	Y.P.T.
15,75,000	23,34,500	83,62,260	51,27,399	52,139	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00		3	Y.
23,99,500	39,45,121	1,59,19,235	1,10,16,981	50,804	M.	Raneegunge	16.00	10	1.00	1.50	1.70		3	Y.
13,50,000	16,73,190	59,81,082	38,04,236	21,751	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00			12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	7.44	10	0.70	1.00			12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.87	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	8.12	10	0.90	0.25	Nil		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,12,000	20,49,970	15,40,057	—41,100	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	Nil	Nil			12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.06	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37	10	Nil	Nil			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 / 40,78,300	26,38,220	12,942	Andhra Bank	100.00 / 85.00	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	96.00	50	7.00	8.50	8.50	4.00i	12	Y.
2,50,00,000 / 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	113.00 / 114.50	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	4.00i / 4.00i	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	61.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16XR	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 / 'B' 16,00,000 / 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 16.75 / 1.18	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡		12	Y.P.
2,62,50,000 / 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	61.00 / 62.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	2.40i / 2.40i	12	R.L.Y.
50,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	58.00XR	50	2.52	4.38	5.50	2.00i	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	19.52	50	Nil	Nil	Nil		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	16.00	50	Nil	Nil	Nil		12	Y.
60,60,000 / 25,19,374	60,60,000 / 28,60,000	1,48,636	Indian Bank	175.50 / 167.27	100 / 100	15.00‡ / 12.00‡	15.00‡ / 12.00‡	15.00 / 13.50		12	R.L.Y.
81,25,000	78,36,660	2,22,933	Indian Overseas Bank	169.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.52	10	2.00	2.00	2.00	1.00i	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	371.75	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.08	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	77.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.50	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-16-0	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16½	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-9xd	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December§ .. 1968 (a)‡
			COTTON			
30 00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March§ .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70‡
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December‡ .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
•25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August‡ .. 1972
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.15	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93 50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	94.00N	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96 00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95 00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	93.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd October 1962.

	Closing quotations 27-9-1962 Rs.	High Rs.	Low Rs.	Closing quotations 3-10-1962 Rs.
TEXTILES				
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.22	2.38	2.22	2.30
Baroda Rayon (100)	126.50	131.00	126.00	129.00
Bombay Dyeing (25)	65.00	65.60	64.60	64.90
Bradbury (50)	187.50	—	—	187.50
Central India (100)	112.00	114.50	111.00	113.00
Century Mills (100)	605.50	619.00	602.00	612.00
Coorla Sp. (100)	130.50	—	—	130.50
Dawn (50)	157.00	158.50	157.00	158.00
Edward Textile (200)	352.00xd	—	—	352.00
Elphinstone (50)	105.00	109.00	104.00	107.00
Finlay (100)	295.00	305.00	293.00	302.00
Gokak (100)	186.00	188.00	186.00	186.50
Gold Mohur (100)	221.00	225.00	221.00	225.00
Gwalior Rayon (10)	53.00	55.00	53.00	55.00
Ind. Untd. Defd. (1)	3.58	3.76	3.58	3.70
Ind. Untd. Ord. (10)	25.25	26.75	25.00	26.55
Indian Rayon (100)	93.00	98.00	92.00	96.00
Indore Malwa (100)	212.00	215.00	210.00	212.00
Khatau (100)	457.50	460.00	452.50	455.00
Kohinoor (100)	296.00xd	303.00	292.50	295.00
Mafatlal (100)	775.00	782.50	772.50	780.00
Minerva Mills (100)	82.50	—	—	82.50
Model Nagpur (250)	122.00	—	—	122.00
Morarji (100)	464.00	476.00	460.00	462.00
Mysore (50)	59.50	61.00	59.50	60.20
National Rayons (100)	469.00	480.50	466.00	468.00
New City (100)	140.00	140.00	136.25	140.00
New Great (100)	260.00	262.50	260.00	262.50
Phoenix (100)	239.00	240.00	238.00	240.00
Podar Mills (100)	129.00	130.00	127.00	127.00
Raymond Woollen (100)	128.00	130.50	127.00	130.50
Sassoon Silk (10)	14.88	14.88	14.00	14.00
Sassoon Spg. (10)	54.50	54.50	54.20	54.50
Shrinivas (100)	262.00	265.00	260.00	264.00
Simplex (50)	155.00	156.00	154.00	154.00
Standard (100)	810.00	844.00	805.00	825.00
Svadeshi (100)	254.50	258.50	254.00	256.00
Swan (100)	285.00	310.00	284.00	310.00
S. I. Viscose (100)	157.00	164.00	157.00	160.50
Tata Mills (25)	61.20	63.00	60.50	63.00
Lakshmi-Vishnu (100)	125.00	—	—	125.00
Western India (250)	881.25	—	—	881.25
BANKS				
Bank of India (50)	112.50	113.00	112.50	113.00
Do. (New) (50)	114.50	—	—	114.50
Bank of Baroda (50)	96.00	96.00	95.00	96.00
Central (25)	61.00	61.00	60.50	61.00
Central 'A' (25)	62.00	62.50	61.70	62.00
Dena Bank (50)	57.50	58.00	57.50	58.00
Punjab National (10)	20.48	20.60	20.44	20.52
Union Bank (5)	6.08	6.08	6.00	6.08
United Com. (50)	78.50	79.00	77.50	79.00
Maharashtra (50)	61.00	—	—	61.00
ELECTRIC COS.				
Ahmedabad (100)	95.00	95.30	94.80	95.30
Amalgamated (10)	10.16	10.12	10.00	10.00
Andhra Valley (1,000)	1,025.00	1,030.00	1,022.50	1,026.25
Bom. Sub. El. (100)	104.00	104.00	101.50	101.50
Surat (100)	99.00	—	—	99.00
Tata Hydro (100)	110.00	110.00	109.50	109.50
Tata Power (1,000)	1,105.00	1,112.50	1,105.00	1,107.50
INSURANCE COS.				
British India (10)	12.40	12.40	12.00	12.24
Indian Mercantile (40)	62.50	—	—	62.50
New India (15)	62.50	63.50	62.50	63.00
New India 'A' (15)	64.00	64.20	63.50	63.50
Vulcan (10)	16.52	—	—	16.52
STEEL COS.				
Ind. Iron (10)	25.00	25.30	24.15	25.05
Mukand Iron (10)	23.00	23.48	22.76	23.00
Tata Steel Ord. (75)	133·25	136.00	131.00	134.00
SUGAR COS.				
Belapur (50)	221.00	230.00	221.00	226.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.50	—	—	27.50
Maharashtra (50)	155.00	155.50	154.50	154.75
Phaltan (50)	91.50	93.50	90.50	92.50
Walchand Ind. (100)	150.00	152.00	150.00	152.00
CEMENT COS.				
Associated Cts (100)	156.75	158.75	154.00	154.75
Digvijay (100)	182.00	184.00	182.00	183.00
Orissa (10)	16.68	17.00	16.60	16.80
MISCELLANEOUS				
Alcock Ashdown (100)	321.00	327.00	320.00	322.00
Amar Dye-Chem (100)	250.00	260.00	251.25	257.50
Bom. Burmah (125)	632.50	645.50	626.50	637.50
Do. (New) (50)	248.75	250.00	248.75	250.00
Br. B. Petrol (1½ sh.)	3.20	3.74	3.04	3.68
Br. I. Corpo. (5)	10.00	10.00	9.88	10.00
Cooper Eng. (100)	165.50	166.00	163.50	164.50
Colour Chem. (100)	395.00	403.75	395.00	403.75
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	45.50	47.00	45.75	46.50
Hindustan Motors (10)	18.08	18.56	17.96	18.28
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	435.00	450.00	432.50	440.00
Indian Copper (2 sh.)	4.60	4.68	4.60	4.62
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	88.50	87.70	87.00	87.50
Larsen & Toubro (10)	25.65	26.70	25.70	26.50
Mahindra & Mahindra (10)	17.48	18.00	17.48	17.48
New Central Jute (10)	14.00	—	—	14.00
Polychem (50)	167.50	170.00	166.25	166.25
Polson (100)	188.75	—	—	188.75
Pre. Automobiles (100)	111.00	114.50	110.00	111.50
Premier Con. (50)	141 50	144 00	140.00	142.00
Scindia (20)	11.60	12.12	11.56	11.88
G. E. Shipping (10)	11.56	12.00	11.56	11.84
Shivrajpur (10)	31.50	32.50	31.50	31.50
Sirpur Paper (10)	12.96	13.48	13.08	13.16
Synthetics and Chem. (100)	166.00	175.00	165.00	171.00
Tata Chemicals (10)	14.32	14.84	14.24	14.64
Tata Locomotive (100)	296.00	308.50	294.50	301.50
Tata Oil (25)	57.20	59.00	56.50	57.20
Texmaco (10)	22.24	22.60	22.24	22.60
Voltas (100)	252.50	257 50	250.00	252.50
W. I. Match (100)	268.00	274.00	268 00	271.00
W. Coast Paper (100)	160.00	164.50	160.00	164.00

GOVERNMENT SECURITIES	27-9-1962 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	4-10-1962 Rs.
2½% 1962	99.75	—	3.75	99.80
2½% 1976	83.50	—	4.83	83.50
3% 1964	98.90	—	3.49	98.90
3% 1963-65	99.05	3.75	[illegible]	99.05
3% 1966-68	96.90	3.82	3.57	96.90
3% 1970-75 1st Dev.	88.70	4.76	4.10	89.25
3% 1986 Con. Loan	68.00	—	4.35*	67.80
3½% 1964 N. P. Loan	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.95	—	3.58	99.80
3½% 1967 N. P. Bonds	98 80	—	3.76	98.80
3½% 1974	99.50	—	3.91	98.50
3½% 1967 N.P. Bonds	99.60	—	3.86	99.60
3½% 1969 Loan	97.80	—	3.87	97.80
3½% 1968	98.50	—	3.78	98.50
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.20	—	3.86	99.20
4% 1972 Loan	99.35	—	4.08	99.35
4% 1973 Loan	99.30	—	4.09	99.30
4% 1979 Loan	98.65	—	4.11	98.65
3½% 1966 Bonds	99.65	—	3.60	99.70
4% 1980 Loan	98.55	—	4.11	98.55
4% 1981 Loan	98.60	—	4.11	98.60
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	81.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	119.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	18.90	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	82.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.90	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C	3,50,000	....	10.00	April	May	116.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00			6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	100.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	81.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	49.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	83.63	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	411.25	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	112.25	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	100.00xd	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	..	..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	72.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	87.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.00	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	92.04	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	91.27	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr.	..	460.00	500
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	977.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	71.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.64	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.00cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.95cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	100.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,007.50	1,000
Vellore C.	1,25,000	1928	4.00	Dec.	..	6.00	10
ENGINEERING							
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	14.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	111.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	101.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	72.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.88	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov	..	132.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	106.50	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	86.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	91.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	100.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	87.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	89.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	96.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	67.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	11.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	101.00	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	86.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	91.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00	100
TEA							
Amluckie Tea T.F.C.	175,000	1902-08	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	78.00xd	100
Moheema T.F.C.	8,20,000	1929	6.00	May	Nov.	5.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.97cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	77.36	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25xd	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	6.78	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.65	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.95	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.91	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	91.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28xd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	48.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	97.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	61.25	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	105.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.37	10
Dhrangadhra Chemicals T.F.C.E.	81,91,900	1956	7.80	..	..	87.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	104.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	75.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	54.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	46.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	188.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.81	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	75.25cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	33.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	51.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	80.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	9.25cd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.83	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.22	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	90.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	57.25	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	75.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.53xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	86.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	87.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	61.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

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(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PROSPECTS FOR WORLD AGRICULTURE

EVERY year, over the last decade, the Food and Agriculture Organisation of the United Nations has been highlighting the steady, though slow, pace of technological improvement in world agriculture. But the optimum effectiveness of this process of improvement has always been subject to the prevalence of fair weather in any particular year. For instance, "widespread bad weather" in the year 1961-62 is stated to have been mainly responsible for keeping down world agricultural production to the record level attained in 1960-61. The index number of world agricultural production (base: average 1952-53/1956-57=100) in 1961-62 remained unchanged at 119 for "all agricultural products." It was at the same level for "food products only" in both the years—1960-61 and 1961-62. What is true of the world as a whole is equally true of India, where the foodgrains output (78.6 million tons) in 1961-62 was about the same as, or a little less than, that (about 80 million tons) of the previous year. It would thus appear that the additional production potential represented by agricultural development programmes cannot actually reach its optimum level in a year in which Nature's vagaries upset human endeavours.

One cannot, therefore, draw much comfort, as the F.A.O. does, in *The State of Food and Agriculture 1962*, even from the fact that the longer-term trend of agricultural production during the past decade, and also in comparison with the pre-war period, has been ahead of population growth. If world population, as of 1961-62, has increased by 14 per cent, as compared with the 1952-53/1956-57 average, the increase in world agricultural production should have been substantially more than the 19 per cent actually attained to allow for income elasticity of demand and higher standards of consumption. It would be more relevant here to have a look at the index of *per capita* agricultural production. The fact that this index shows only 105 points in 1961-62, as against 106 in 1960-61, is indicative of the extremely delicate or precarious balance between agricultural production and population. Unless agricultural growth registers a higher rate in the years to come—higher than the average of 2.9 per cent per annum over the past decade—the developing countries, where both the growth of population and the felt need for higher standards of consumption are tending to accelerate, will be heading for economic trouble on a wide front. It is, therefore, difficult to understand the F.A.O.'s tendency to underestimate the impact of population, as well as income, growth in relation to agricultural, particularly food, production. The italicised sentence in the following passage quoted from *The State of Food and Agriculture 1962* is relevant in this context:

"It must be noted that the growth of population is tending to accelerate in the less developed regions as the spread of hygiene and medical care brings down death rates. Recent censuses in many countries have revealed rates of increase much higher than those estimated earlier and it has been necessary to revise the estimate of the annual rate of increase of world population (excluding Mainland China) from 1.6 to 1.8 per cent. *The accelerating growth of population partly accounts for the slower increase of* per capita *production in some of the less developed regions in recent years, though the main influence in this case has come from the production side of the equation.*"

If world agricultural production has thus failed to ensure a faster increase in *per capita* terms uptil now, are the prospects better at least in so far as the next decade is concerned? The F.A.O. report has referred, in this connection, to a number of policy developments which took place in 1961-62—"developments which are likely to influence the course of world agricultural development for many years to come." In the United States, for instance, where there are vast surpluses of grain and other agricultural commodities, the proclaimed objective of policy "is to reduce farm output below needs for several years, and then allow it to increase to balance demand." The effort to reduce grain output is already having a perceptible effect, as will be seen from the following facts and figures gleaned from the F.A.O. report:

(i) The Emergency Feed Grain Programme, approved in March 1961, was successful in reducing production. The 1961 crop of maize was down by 7 per cent and of sorghum by 22 per cent, while crop acreages were reduced by as much as 18 per cent and 29 per cent, respectively. For the crops to be harvested in 1962, acreage restrictions for maize and sorghum have been maintained and extended to barley. The latest available information indicates that altogether some 19 per cent of the barley acreage at the 1959-60 base period, 27 per cent of the maize and 32 per cent of the sorghum, may be diverted in 1962. As in the 1961 programme, in order to discourage a more intensive cultivation of the reduced crop area, only an output equivalent to normal yields of these grains will be eligible for price support.

(ii) Under the 1962 Wheat Programme, the national minimum wheat acreage was reduced below the previous minimum of 55 million acres for the first time since the 1930s. Inducements were provided for voluntary diversions of upto a further 30 per cent of the farm wheat allotment to soil conserving uses. Price supports at the same level as in 1961 were made conditional upon diversion. In April 1962, it appeared that the area under wheat would be about 27 per cent lower than in 1961. The official June forecast of the 1962 crop has anticipated a reduction of about 14 per cent.

The United States Government has described the above measures for reducing grain production as only emergency measures. Although its comprehensive Bill providing for greater powers to divert cropland to other uses has been narrowly defeated in the House of Representatives, it is expected that the 1962 Grains Programme will be extended for a further year. Thus, the world, especially its needy parts, must anticipate, and provide for, the day when American commodity surpluses will be much less than they are. The rate of increase in world agricultural production will, therefore, slow down to some extent. It may be recalled, in this connection, that, in 1960-61, North America accounted for about a fourth of all wheat production, a third of oats output and a half of maize production in the world as a whole (excluding Mainland China).

In Western Europe, on the other hand, the trend seems to be in the direction of greater agricultural production through an increase in productivity. But the European Economic Community's common agricultural policy, while aiming at technical progress for increasing productivity, will also be designed to stabilise markets through a possible reduction in imports of temperate foodstuffs. It is stated that the Community-directed pricing system will be basically intended to encourage increases in production of those commodities for which the region is a net importer and also, at the same time, to discourage the generation of surpluses.

To the extent that the E.E.C.'s common agricultural policy acquires an autarchic orientation, to that extent agricultural production in such primary exporting countries as Canada, Australia and New Zealand may be curtailed in the long run.

In Eastern Europe and the U.S.S.R. where agriculture has failed to register dynamic growth, the long-range plans call for big increases in production. Especially in the U.S.S.R., the projection of the 1959-65 plan to 1970 is intended to increase agricultural production to 2.5 times its 1960 level—a tall order indeed, considering the notorious failure of collectivised agriculture to deliver the goods on the scale expected of it by Communist rulers. Even if the ambitious targets laid down for Communist agriculture happen, by any miracle, to be attained, the most that is possible in Eastern Europe and the U.S.S.R. is a degree of self-sufficiency. It is extremely doubtful whether any of the Communist countries will be in a position, over the next decade, to export any substantial agricultural surpluses

The long-term trends in North America, Western Europe, Eastern Europe and the U.S.S.R., and Oceania seem to be rather disheartening in the sense that these regions are not likely to contribute their full share for increasing world agricultural production at a rate higher than what was registered during the last decade. The developing countries in Asia, Africa and Latin America will thus have to contribute disproportionately more towards additional agricultural production in the world, if they are to stand increasingly on their own feet for food and raw materials. Will these countries be in a position to achieve phenomenal increases in agricultural production over the next decade? They will have a reasonable chance of succeeding in their goals if the advanced industrial countries assist them on a larger scale than at present to bring about far-reaching technical improvements in their agricultural systems.

Many Latin American countries, it is interesting to find, have recently announced new development plans for agriculture. These plans will not mean much if the Alliance for Progress —a ten-year programme of U.S. aid to Latin American countries for economic development—fails to gain the requisite momentum for any reason, or if feudal systems of land tenure are not drastically reformed, or if internal resources are not adequately mobilised. What is true of Latin American countries is no less true of countries in the Far East. Almost all these latter countries have formulated at least their first development plans, and some like India have already implemented more than one plan over the last decade or so. But it is not possible to generalise and say that agriculture is uniformly receiving greater attention in these countries. The urge for industrialisation is so great in this region that agriculture has not been able to secure all the resources needed for its fuller development. It is true that industrialisation will ultimately spell greater agricultural progress. But, in the short run or even in the next ten years, agriculture cannot be expected to make the requisite progress without further technical and financial assistance from the advanced countries. It will be the same story in the countries of West Asia and Africa where, too, economic development plans are increasingly being formulated.

When the developing countries are thus becoming more and more plan-minded, they may be expected—or can be prodded or persuaded—to mobilise their internal resources and introduce basic reforms in their land tenure and tax systems in order to match, and make full use of, external aid. The next decade is too crucial for agricultural, as for general economic, development to be left to chance. If a minimum growth rate of 5 per cent per annum during the development decade, as canvassed by the U.N. Economic and Social Council, is to be achieved, the rate of growth in agriculture in the developing countries would have to be of the order of 4 to 4.5 per cent. It is only such a high rate of agricultural growth that can make up for the expected lag in production in North America and also increase *per capita* food supplies by roughly 1.5 to 2.0 per cent per annum in the developing countries over the next decade. The consequences of possible failure to achieve this rate of agricultural growth can be easily imagined.

THE ANTI-MARKETEERS

By Our London Correspondent

IT is not always that the Annual Conference of a political party in opposition can be of interest to a country six thousand miles away; but, considering that that Party might in eighteen months' time become the Government of the country and that its election programme would be fought on a matter of high economic importance to India, Pakistan and Ceylon, the interest of the Conference becomes apparent.

This year's Labour Party Conference has made history. After eleven years of wandering in the wilderness, of internal dissensions and frustrations, the Opposition have at last found the unity, the power and the direction which they believe will give them victory in 1963 or 1964. And the issue which has united them has been that of opposition to Britain's entry into the Common Market under which banner form and spirit have been put into the whole of the Labour economic and political programme. For this opposition—and herein is its strength which the Government will ignore at its peril—has not been delivered blindly or polemically. It has been based on a cold calculation of the economic and political advantages and disadvantages of entry; on a cold assessment of the reasons why the Government desires entry; and on a cold appraisal of the alternatives. It is these alternatives which have made realistic a political programme which is a bid for political power.

And since a political programme, to be effective, must have fire in its belly, it is a personal triumph for the Leader of the Opposition that he put it across to his Annual Conference in the best speech of his career, and received two standing ovations of a magnitude that Labour Party veterans can hardly recall as having been equalled. It only remained for his triumph to be completed when his traditional opponent—head of one of this country's largest Unions—offered to pay for the speech to be printed and delivered throughout the country!

Appropriately, this Conference was held in the ice-skating rink at Brighton and, although the ice was heavily carpeted to keep the delegates' feet warm, there was a great deal of skating being done on the platform. And this was the manner of it: a year ago, the Labour Party declared five points, which, if met, would lead them to accept entry into the Common Market. In August of this year, the Government White Paper, showing the progress of the negotiations, suggested that the terms likely to be obtained would fall far short of those required. Opinion in the Labour Party hardened (as indeed it did in the Conservative Party) into the pros and cons: the pros being those who—like the Government—were prepared to go in on the best terms obtainable and the cons who were not prepared to go in on the terms as known. Officially, the Labour Party sat on the fence until, as your correspondent described recently, Mr. Gaitskell, in commenting on the Premiers' Commonwealth Conference, jumped down on the con side. Then came the marshalling of the arguments to be presented as a resolution to this Conference and, finally, a speech which went even beyond the resolution, rallied the whole Party and left the opponents bewildered and floundering on the ice, as it were, wanting and yet hardly able to oppose.

The position now is that, while on the one hand the Government have decided to go into Europe on the best terms they can get, the Opposition have said, in brief, that the case for entry is evenly balanced, depending on the final conditions. But to make entry worth while, these conditions must be fulfilled:

1. The E.F.T.A. countries, especially the Scandinavians and Switzerland, must also be let in, if they so wish (thus of course making a potential grouping of 13 and not 6 or 7 nations with a consequent diminution of Franco-German power).

2. The U.K. must be free to plan its own economy—above all to maintain a full employment policy, control as necessary over capital movements and over foreign exchange.

3. U.K. agriculture must continue to be fostered.

4. The U.K. must retain its own independent foreign policy without any implied commitment towards any supra-national authority.

5. The interests of the Commonwealth must be protected.

But, if these conditions were *not* fulfilled, said Mr. Gaitskell—and he believes they could be—then the Labour Party would both oppose entry and seek an election on the issue. He was not, of course (and this is where the "anti-marketeers at any price" deluded themselves, so skilfully did the Party leader skate) closing the door; "we are," he said, "passing judgment on the terms as known so far and these we reject." The final decision would be made on the final terms judged in the light of the five conditions. And Mr. Gaitskell expressed the hope that the Six would have a change of heart and modify their terms, for that would give the best solution. But, if not, then at the moment of decision, "we will not flinch from our duty if that moment comes."

Indeed, it is not credible that the Six will modify their terms which are eminently suitable for their own purposes. In time, the Six might be ready to join a wider, looser Federation comprising the E.F.T.A. Seven and the Commonwealth, but they are not ready for that now.

So the Labour Party look like having in due course to insist on a General Election and, if they get it, they will fight on excellent ground. For their alternative will not be a tighter Commonwealth, but—

(*a*) a suspension of talks for entry;

(*b*) a wider world conference to reduce *all* tariffs;

(*c*) all possible steps to *more* world trade.

Obviously, this would need to be accompanied by a programme of expanded home production, for, as the economic arguments showed, Britain would not find salvation either by going in to Europe or by staying out; but by producing and exporting more—and the opportunities, quantity-wise, for exporting more were not worse *outside* the Six than inside them.

Now it must not be supposed that this well-documented case against entry on the terms as now known is the end of the debate within the Labour Party. The Trade Unions, by and large, had been, up to now, with the Government and they no longer know how to skate with the majority and yet maintain their beliefs. They have been swept up by Mr. Gaitskell and obliged to say, "we are going to support you, but we do wish you hadn't taken the line you have." For they saw the economic advantages of entry as rather better than Mr. Gaitskell's fifty-fifty, and were not so much concerned with the political aspects where the great danger is that a move towards a Federal Europe (which the Six want apart from De Gaulle) must involve the dissolution of the Commonwealth.

If the Labour Party gets its Election before entry, then Mr. Gaitskell's programme would be followed and, as far as the Indian Continent is concerned, that would mean a policy of trade rather than aid. The leading Parliamentary pro-marketeer said that the U.K. must be careful not to become more pro-Commonwealth than the Commonwealth. But he was answered "why the hell not!"—it was an unimaginative trading policy with the Commonwealth that had led to Britain's share of Commonwealth trade going down. It was up to British exporters to recover their position and for the Government to increase its assistance to the underdeveloped countries.

But, if the Government push entry through *before* an Election (which is their objective), then would a victorious Labour Party undo the work? No one will answer that question today, although, in the context of the Conference, the answer would be "yes." In practice, it will always depend on the conditions. The likelihood, in spite of what has been said this week, is that a Labour Government would probably stay in the Economic Community and seek to compensate the Commonwealth for lost preferences by world trade agreements; yet resist absolutely any move towards political integration—so that ultimately there might be an Economic Seven-*plus* (with some of the E.F.T.A. countries gradually being drawn in) but a Federal Six.

MARKET GOSSIP

Banks' Lending Rate

IT looks as though the agreement drafted by the Executive Committee of the Indian Banks' Association, fixing the minimum rate of interest which banks should charge on their advances at 6 per cent per annum and approved by a large section of its members, is unlikely to come into force by 1st November 1962, as was expected last week. Some banks have suggested certain modifications; one of them wants the rate to be fixed at 5½ per cent, instead of at 6 per cent as proposed. These suggestions have to be considered by the Executive Committee and, if found unacceptable, their authors have to be persuaded to fall in line with the rest. All this will take some time, besides delicate negotiations.

So far as the State Bank of India is concerned, it is said that, while it has no objection to its associate banks being parties to the agreement, it does not desire to subscribe to it. The main reason for its wanting to keep aloof from the agreement seems to be the special rates of interest which it charges on advances to public sector units. These rates are lower than 6 per cent, the minimum rate under the inter-bank accord. Leaders of commercial banks in the private sector appear to have reconciled themselves to the necessity of doing without the State Bank of India's participation. The inter-bank agreement on rates of interest payable on deposits has been working well and the State Bank of India has not done anything to undermine it. Similarly, it is thought, the agreement on the minimum lending rate also could be worked without any hitch. Further, the State Bank of India has of late been quite co-operative with the commercial banks in the private sector and this seems to have induced confidence among the latter that the former would not try to lure away their customers by offering credit at rates of interest lower than the minimum lending rate under the agreement.

New Name For E.I.D.

What's in a name! Thus exclaimed the bard once. For ages, however, name has meant a lot. Mankind, perhaps, just acquires different names, but inanimate objects are given names which suggest their special characteristics, the nature of their work and so on. For a corporate body, name has a certain sanctity upheld and protected by law, in addition to suggesting the nature of its work, ownership, location, etc., a change in which often necessitates a change in the name.

E.I.D.-Parry Ltd. is the new name for the East India Distilleries and Sugar Factories Ltd. proposed by its Directors. A special resolution to the effect "that the name of the Company be and it is hereby changed from 'the East India Distilleries and Sugar Factories Ltd.' to 'E.I.D.-Parry Ltd.'" will come up for consideration of the shareholders of the Company at an extraordinary general meeting of the Company to be held at Madras on 1st November next. In a circular issued to shareholders, Mr. H. V. R. Iengar, Chairman of the Company, has explained the reasons for proposing the change in the name of the Company. Briefly, the reasons are as follows:

First, the main objects for which the Company was incorporated in 1897 were to carry on the businesses of distillers, sugar manufacturers and refiners, which are reflected in the present name of the Company. Whilst these activities still form an important part of its operations, the Company has, over the years, branched out, and a substantial and growing portion of its business now consists of the manufacture of fertilisers, pottery and sanitaryware and it has, in recent years, taken over the major portion of the Agency business previously operated by its subsidiary, Parry and Company Ltd. Besides, with the commissioning of its new fertiliser factory at Ennore, fertiliser manufacture will form an important line of the Company's business in future. These considerations alone suggest, Mr. Iengar points out, the desirability of changing the Company's name so as to avoid giving the impression to the public that its interests are solely or even mainly concentrated in the sugar industry.

Secondly, an even more important reason which has influenced the Directors to propose the aforesaid change in the Company's name, is that the new name will place prominently before the public the close association which exists between the Company and its subsidiary, Parry and Company Ltd. The name "Parry" is well known all over the country, especially in South India, for the quality and standard of its products and its services to the country. As such, E.I.D. has acquired from the subsidiary many of its registered Trade Marks which include the word "Parry" and markets its sugar, chemicals, sanitaryware and fertiliser products under such Trade Marks.

The Directors, therefore, feel that it would be both appropriate and beneficial to the interests of the Company to include "Parry" as part of its name. The U.K. Board of Trade, whose sanction to the change in the name is required under Section 18 (1) of the English Companies Act, 1948, has indicated its willingness to grant its sanction once the special resolution seeking the change is approved by the shareholders of the Company.

Groundnuts Turn Firm

There was a welcome pause in the uptrend of groundnut oil prices during 1961-62, after a continuous increase during the previous four or five years. This was in refreshing contrast to the increase in commodity prices in general in the past year, and was the result of a distinct improvement in the output of groundnuts. According to official (final) estimates, the total groundnut crop (in shell) was higher by about 7 per cent at 4.76 million tons in 1961-62, as compared with the previous year. Mention may be made, in passing, of the fact that this increase in output was due mainly to an expansion in acreage under cultivation rather than to any improvement in unit area yield. Be that as it may, under the impact of larger crop, prices declined. Thus the price of groundnut oil, which was quoted at Rs. 2,350 per tonne in June 1961, came down to Rs. 1,750 by June 1962. This trend seems to have been reversed during the past three months. And the price of groundnut oil has shown a tendency to rise again. Already, it is very near Rs. 2,000 per tonne. What is more, there has been a sudden spurt in groundnut futures prices in Bombay this week.

The present bullish fervour in groundnuts, which has pushed up the prices of other seeds and oils also, is the result of a marked reduction in private estimates of current groundnut crop in Gujarat. It would appear that the adverse weather conditions recently experienced by Saurashtra and Kutch have resulted in a 10 per cent fall in the groundnut crop of Gujarat, the major producing State in this country. According to private estimates, which are in terms of unshelled seed, the output in Saurashtra, in particular, would be only 600,000 tons in 1962-63, as compared with 800,000 tons in 1961-62. But marginal improvements in output have been predicted for other States. Andhra Pradesh is expected to have a larger crop of 550,000 tons, or an increase of 75,000 tons over the previous year. The contribution of Maharashtra, it is reported, may go up from 425,000 tons to 450,000 tons, that of Madras from 375,000 tons to 425,000 tons and of Mysore from 200,000 tons to 250,000 tons. These are largely rough estimates and it will take at least a month or two more for getting a precise picture.

The latest crop estimates, however, have given a fresh lease of life to the bulls in the Oilseeds Exchange. The January 1963 contract for groundnuts has been pushed up substantially; it is now quoted at Rs. 228 (per 100 kgs.), which compares with Rs. 221 in the middle of July. At this time last year, January 1962 contract, it may be recalled, was ruling at Rs. 200. The rally in the futures contract has actually led to a hardening tendency in the spot section. If this trend is not to be aggravated to the extreme discomfiture of consumers and speculation is to be brought within control, the Government of India must take timely decision to stabilise domestic prices by permitting actual users to import some quantity of soyabean oil from the U.S. under P.L. 480. This will, in turn, enhance the export capacity of industries like *vanaspati* and soaps. The outlook for exports of these products, as also groundnut oil, is at present gloomy. For world prices have been steadily declining. Groundnut oil B.W.A. in the London market, for instance, has come down to £96 per ton from about £122 earlier during 1962 and £106 a year ago. Unless, therefore, the upward trend in domestic prices is nipped in the bud, there will be more difficulties for the country. Farmers and co-operative societies may be tempted to hold on to their crops in expectation of still higher prices. This holding movement, if it gathers momentum, will result in a vicious circle of shortages and higher prices.

Distribution of Cotton

The millowners and the cotton trade have only themselves to thank for having to accept the new scheme of distribution of cotton devised by the Textile Commissioner. For, in spite of protracted discussions spread over many weeks, they had failed to evolve a scheme of distribution of cotton mutually acceptable to them and the Government. It is true that both millowners and traders put forward schemes and counter-schemes, which were revised over and over again, but they could not agree. One cannot think of any reason for this failure other than the inability of each party to see the other's point of view. This is surprising, considering that the role each has to play is complementary and the fortunes of the industry and the trade are bound together. A stable and flourishing industry is as much an asset to the trade as is a good distribution arrangement through normal commercial channels to the industry.

It is, therefore, difficult to find fault with the stand the Government took on this issue at the meeting of the Cotton Advisory Board held on Wednesday this week. Representatives of the Government would appear to have made it clear that it would proceed with the implementation of a scheme formulated by the Textile Commissioner. This scheme envisages the appointment of supervisors (as opposed to nominees and controllers suggested under the millowners' scheme) in consultation with both the industry and trade. These supervisors will be responsible for drawing samples before delivery is taken by mills and ensuring that the prices paid by mills are not in excess of the ceilings. They will also be empowered to check the purchases made by mills. Two important features of the scheme put forward by the trade was that (1) mills should be prohibited from buying *kapas* (unginned cotton) and (2) that no mill should be allowed to hold stocks of cotton which are equivalent to more than three months' consumption. The Textile Commissioner's scheme envisages prohibition of mills from holding more than three months' consumption as stocks, but mills will be free to buy *kapas*. Traders are particularly unhappy about this qualification in favour of mills, because they feel that it contains a big loophole in that there is no price control on *kapas*. They are inclined to feel that the authorities have turned a deaf ear to their pleas and have accepted the millowners' scheme in substance.

The Textile Commissioner's scheme differs from the controls that were in force in the last season in one important respect. The functions and powers of supervisors to be appointed by him have been so defined as to reduce the scope for dodging the ceilings very considerably. There will be very little chance, in theory at any rate, for collusion between the trader and the millowner in order to circumvent the price control because their transactions will be strictly watched by a third party, namely, the supervisor.

Quite apart from the merits or demerits of any particular distribution scheme, a section of traders, especially traders and associations in up-country centres, doubts whether there is need for any change in the *status quo*. They consider the haste and urgency shown by both millowners and the Government to introduce drastic measures unwarranted. It is pointed out, for instance, that, even during seasons when the crop was very much smaller than that of the current season, such an alarmist approach, as is the case at present, was not taken. They also argue that the arrangements made for the last season had worked, on the millowners' own admission, fairly satisfactory. In support of this contention, it is said that no mill was starved of cotton.

Traders consider the Government's decision to go ahead with its scheme as unwise and hasty, especially because an all-India conference of cotton trade, convened by the East India Cotton Association, Bombay, is expected to consider the whole scheme. They fear that such a conference will serve little purpose if the scheme is sought to be implemented before they have had their final say on it. It is also argued that a final decision might await the emergence of a clearer picture of the crop. This is expected to be available by the middle of next month. Traders' current expectations of the crop are that it will be around 5.5 to 5.6 million bales, whereas the Cotton Advisory Board's estimate is 5.2 to 5.3 million bales. Even if the latter estimate were to prove correct, no drastic measures might be necessary, according to traders.

One thing is clear. The Government is determined to see that cotton prices are kept within the ceilings this season. And it is leaving nothing to chance. It wants to keep the control machinery geared to meet the situation should the crop fall again, as it did last season, or turn out to be smaller than present expectations, or should there be any hitch in imports. Its anxiety to be vigilant is quite understandable in the context of the revival of the upward trend in general price level during the past six months. It is perfectly right in saying that it must be prepared for the worst, instead of merely hoping for the best.

Art Silk Industry

What must be the pattern of art silk yarn production in India? How is the yarn to be distributed? And what should be the level of prices? These were the questions to which the Development Council for Art Silk Industry sought to give answers when it met at Bombay on Wednesday this week. The Council made several recommendations to the Government of India and, if accepted, they will surely go a long way towards ensuring adjustments in the output of yarn to suit consumers' (handlooms, powerlooms and mills) requirements, a rational distribution arrangement and price stability.

The findings of the Council reveal that as much as 45 per cent of the aggregate art silk yarn consumption requirements is accounted for by 120 bright deniers, the percentage share of the other deniers being 20 in the case of 100D, 15 of 150D, 13 of 120D (full dull), 5 of 75D and 2 of 300D. If the spinners were to plan their production programmes in conformity with this pattern within, of course, reasonable tolerances, situations like surplus of some deniers and scarcity of some others could be avoided. Simultaneously, the distribution of yarn to actual users should, as the Council has rightly urged, be according to their denier-wise requirements. The Art Silk Yarn Distribution Committee, we are told, will ascertain the consumer requirements for six months and communicate the same to the Association of Man-made Fibre Industry. This move, together with the fixation of prices for different deniers at the levels fixed by the Council, will doubtless help the spinning units suitably to adjust the production pattern. The prices suggested by the Council per kg. (exclusive of excise duty) are: 75D—Rs. 13.14; 100D—Rs. 8.84; 120D—Rs. 7.89; 150D—Rs. 6.94; and 300D—Rs. 6.30. These were the prices which the high-power committee of spinners and weavers had also proposed last month.

The Development Council has also suggested the following modifications in the Export Promotion Scheme for art silk fabrics:

For every rupee worth of import entitlement surrendered by weavers to meet the imported pulp requirements of spinners, the latter shall deliver 0.85 lb. of yarn, of which 0.25 lb. will be at 40 nP per lb. less than the actual users' price of yarn and the remaining 0.60 lb. at the actual users' price without any concession.

The card-holders under the scheme must be supplied (unless otherwise desired by the allottee) first quality yarn of the required denier on cones, subject to the winding capacity of the spinners concerned.

Since the aforesaid recommendations of the Council have been approved by both the art silk spinning and weaving interests, there should be no difficulty for the Government to give effect to them. The recommendations are of special significance in the present context of the need to

step up the indigenous production of art silk yarn. The Government has already allocated a sum of Rs. 12 crores for imports in the current year and, the foreign exchange position being what it is, the country cannot afford to liberalise imports further. Needless to say that, to the extent to which production is increased, the dependence on imports can be reduced and more foreign exchange can be earned through exports of art silk fabrics. It may be noted here that India exported fabrics worth as much as Rs. 10 crores in 1958. Although in subsequent years exports had fallen substantially, their performance in 1958 is an indication of what can be achieved under favourable conditions.

Textiles in Pakistan

It is not the Indian cotton mill industry and textile trade alone that are greatly worried about the future of export trade in textiles, for their counterparts in Pakistan, too, are equally worried. Pakistan textiles are meeting with stiff competition in world markets from the developed countries, particularly Japan, and the export prospects, it is feared, will worsen further after Britain joins the European Common Market. No wonder that the development programme for the Pakistan cotton textile industry drawn up under the second Five-year Plan (1960-65) has been kept in cold storage at any rate for the present. The Government of Pakistan has now decided not to allow any more expansion of textile industry. Announcing the decision, Mr. Abdul Qadir, Finance Minister, stated at Lahore on Monday this week that the industry could not afford to expand further. Mr. Qadir, it may be noted, had assisted President Ayub Khan at the recent Commonwealth Prime Ministers' Conference and also visited the U.S. in connection with the Fund-Bank meetings.

When the Planning Commission of Pakistan formulated the second Five-year Plan in June 1960, Pakistan's exports of cotton textiles were highly encouraging, the actual shipments of cloth then being at an annual rate of about 76 million yards, as against 42 million yards in 1959 and 4.88 million yards in 1958. Prior to 1955, it may be recalled, Pakistan was not exporting even a single yard of cloth. Encouraged naturally by the marked rise in overseas sales of cloth and with a view to earning larger foreign exchange through still higher exports, the planners fixed the second Plan targets (to be achieved by 1965) for the cotton textile industry pretty high: 2.50 million spindles and 37,000 looms, as against 1.95 million spindles and 30,000 looms in 1960; the corresponding figures for 1954 and 1947 were: 1.46 million and 20,700; 177,000 and 4,800, respectively. The capacity targets were considered necessary to ensure by 1965 a *per capita* consumption of 14.5 yards (for a population of 96.9 million) and to maintain exports at a high level. No information is available as to the extent to which licences have already been issued for the establishment of new textile mills and the expansion of the existing units. It is also not known whether the Pakistan Government proposes to revoke any licence that continues to remain unutilised.

In view of the change in textile production policy and in order to attract more foreign investment, the Government is contemplating to revive the industrial programme for the remaining period of the second Plan. Hinting at such a revision, the Finance Minister said that considerable interest in investment in Pakistan was shown in the U.S., but, since the "Industrial Schedule" had already been committed, there was little scope for fresh investment. Nevertheless, he added that some scope did exist in certain spheres which might be transferred from public to private sector.

World Wheat Output Up

The world production of wheat during the 1962-63 season, it now appears, will far exceed all the earlier forecasts. This cannot be comforting news for the major producers and exporters of wheat who had managed to fix a higher price for this commodity under the current International Wheat Agreement that came into force from August last. It may be recalled that, under the agreement, the maximum and minimum prices were raised by 12.5 cents to $2.02½ and $1.62½ per bushel (the basis being No. 1 Manitoba wheat). A higher price was asked for in the light of record shipments of wheat and some decline in stocks during the last two seasons. If the present assessment of the size of the new crop is borne out by events, the relative stability in wheat markets, accomplished during the last two years, may not last long. The latest reports suggest that most countries will have a bumper crop during 1962-63, in distinct contrast to the decline experienced in 1961-62. The world output of wheat was lower in 1961-62 at 209 million tons, as against 219 million tons in 1960-61 (excluding that of China). Canada's output in 1962-63 is placed at about 14.2 million tons, which means 100 per cent increase over the previous year. It may be noted here that, in 1961-62, Canadian wheat output had fallen drastically from 13.3 million tons in the previous year to just 7 million tons, because of lower yields resulting from drought. The spectacular recovery in Canada only means a return to the normal level of production. It was, however, not expected. All earlier estimates, including those by the F.A.O., indicated the possibility of a further decline because of the depletion of sub-soil moisture reserves in the hard spring area of the Prairie Provinces in the last few years.

The increase in Canadian output would not have been a source of concern but for the sizable increase in production in the major importing countries, particularly Western Europe and the Far East. According to the latest estimates, wheat output in the U.K. during this season is higher by 25 per cent at about 3.2 million tons, mainly as a result of the increase in area from 1.73 million acres to 2.15 million acres. Much more spectacular, and potentially very significant, has been the increase in wheat output in the Common Market countries. Production of wheat is estimated to have gone up by two million tons to 11.3 million tons in France, in contrast to the setback suffered during the previous year. The output in Italy is placed higher by one million tons at 9 million tons and that in West Germany by 300,000 tons at 4.3 million tons. A better wheat crop is expected in the other Common Market countries also. Besides, Australia and Argentina, which are large exporters of wheat, are also likely to report larger crops. But one has to wait for a little while more to get a clear picture of their crops. Among Asian countries, production in India is expected to be higher than in 1961-62 and so is the case with Pakistan. China, which has been buying large quantities of wheat from Canada and Australia during the last two years, seems to have recorded some improvement in foodgrains output, despite the unfavourable climatic conditions. But, as the improvement is only modest, China will possibly continue to be a large buyer of wheat during this season as well. Production in Soviet Russia, which has ratified the latest International Wheat Agreement for the first time, is also expected to go up.

A conspicuous exception to this general trend is provided by the U.S., where the output has tended to move down, thanks mainly to the reduction of acreage under the Wheat Stabilisation Plan and also because of unfavourable weather conditions in the South. The U.S. wheat output during 1962-63 is expected to be 28.5 million tons, as compared with 34 million tons in the previous year. But the U.S. can no longer hope to reduce its already large stocks to any substantial extent; these are estimated at as much as 37.2 million tons, as compared with 38.4 million tons a year before. This is particularly so, because of the improvement in harvests noted in almost all the importing countries and the possible decline in world import demand.

Bonus for Bombay Mill Workers

Over 200,000 textile workers and their families in Bombay City will have a brighter *Diwali* this year, as a result of the bonus award given by Mr. Y. B. Chavan, Chief Minister of Maharashtra, who was requested to arbitrate in the dispute between millowners and workers. The award of Rs. 10.75 crores as bonus for the three years 1959, 1960 and 1961, given by the Chief Minister, represents a compromise between the demand for Rs. 13.50 crores made by the representative union, *Rashtria Mill Mazdoor Sangh* (I.N.T.U.C.) and the offer of Rs. 7.50 crores made by the millowners. The bonus will be paid in three instalments. The first instalment is expected to be paid before *Diwali*.

The mill-wise allocation of the bonus will be made on the basis of the profits made by each of the 60-odd textile mills in the City during the three years. The quantum of bonus per individual worker will accordingly depend upon the profit made by the mill in which he works. The Communist-led unions do not favour this idea. They are pressing for the equal distribution of bonus to all workers.

A detailed account of how the bonus will be distributed mill-wise and year-wise, together with our comments on the method, or lack of it, of arriving at the bonus awarded by the Chief Minister and related issues will be given in the next issue. Here we only propose to make some preliminary observations about the implications, for good or bad, of this sudden spurt in the purchasing power of a sizable population of the city.

The bonus works out to an average of Rs. 500 per worker. This is one and a half times the annual average *per capita* national income and it represents, to many workers, a fortune. It is essential to see that a good part of the amount is judiciously invested by workers rather than spent away. The Communist-led unions have already pleaded that the entire amount should be paid in cash and not in the form of small savings certificates. Will they help the workers to invest the bonus wisely? The *Rashtria Mill Mazdoor Sangh* has advised the workers to save the money for investment in houses. It has offered its help in promoting co-operative housing societies. Although the feasibility of this suggestion remains to be tested, the spirit behind it is commendable. Here is a challenge to, and an opportunity for, trade unions, of whatever political affiliation, to serve the cause of workers in the real sense of the term.

TREND OF SHARES

BEGINNING OF THE END?

(From Our Own Correspondent)

BOMBAY, 11*th October*

AT least the beginning of the end, if not the end itself, of the present downward trend in equities seems to have been seen this week. This is the impression gathered by this writer and shared by not a few on Dalal Street from the week's trading pattern on the Bombay Stock Exchange, which alone mattered in determining the near-term trend in equities this week, as the Calcutta Stock Exchange was closed throughout the week (it will be closed for 15 days in all up to the 15th inst.) for the *Puja* holidays and the Madras Stock Exchange was closed on the 8th and 9th, in addition to the 6th which was the usual Saturday off. Trading in Bombay during this week, threw some indications of the worst having been nearly over and of the long awaited technical correction, in the form of a rally, to the prolonged downward trend in share values being round the corner. What shape the rally would take and when it would do so is, however, anybody's guess. Meanwhile, investment buying is conspicuous by its absence.

Dalal Street blew both hot and cold during the week. It commenced the week on a strong note under the influence of the maintenance of the T.I.S.Co. dividend at Rs. 7.25 net per share on the Rs. 75 fully paid ordinary shares, with almost the entire list showing sizable overnight gains. After some further improvement, however, prices receded on quick realising. Saturday saw a renewed setback in values on stale bull liquidation. On Tuesday and Wednesday (Monday was a holiday due to *Dassera*), values drifted idly lower only to rally slightly at close. Today, they slipped back perceptibly, but staged a smart rally from the mid-session, with the result that the closing prices showed only minor losses and, in some places, even moderate gains over the week.

This trading pattern of the week was characterised by a marked restraint on the part of bears to sell further in distinct contrast to their eagerness previously to sell at any and all levels. All the same, early gains were erased soon because of tired liquidation and absence of support. Lower levels, however, met with considerable short-covering which led to the small rallies. According to marketmen, the big bear operators have successfully manœuvred the market in their favour, especially after the rally following the announcement of T.I.S.Co. dividend, to square up their positions at more favourable rates and go long. In support of their contention, marketmen cited the smart rally that was seen today. With sellers on the defensive, trading around the low levels became dull and prices automatically rallied, though only slightly.

Sellers have turned cautious because (i) at their current levels, some shares are quoted even lower than in the previous year, (ii) some of the counters are quoted on *cum-div.* basis, and (iii) there is a growing awareness of the market authorities to the need for checking recurrence of unhealthy speculation. In view of these factors, it is possible that further short-covering may follow, barring unforeseen unfavourable events.

Newswise, sentiment during the week improved to some extent by the maintenance of the dividend by the T.I.S.Co. at the previous year's level. The successful arbitration on the mill workers' bonus issue by Chief Minister Y. B. Chavan was received with mixed feelings. While some heaved a sigh of relief that the possibility of a strike had been averted, others thought that the burden on the mills would be pretty heavy. Reports that Mr. Edward Heath, British Minister in charge of negotiations with the European Economic Community, had asked the six Common Market countries to make two declarations, namely, (i) that the enlarged Community was willing to enter into trade agreements with India and Pakistan immediately after the U.K. joined the E.C.M. and (ii) that they would declare their readiness to allow the U.K. to suspend the common external tariff on imports from India and Pakistan for a reasonable period, pending the conclusion

(*Continued on page* 664)

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PERSPECTIVES & PROJECTIONS

By Mercator

ECONOMISTS on the panel newly constituted by the Planning Commission have not disappointed. They have, as usual, failed to agree and Press reports that their disagreements related not only to remedies for the price situation but also to its diagnosis are credible, though seemingly uncharitable. The fear that they may offer some textbook solutions, which the Government may then seize upon and interpret as it chooses, has been allayed; and, meanwhile, the news emanating from Food Ministry sources that prices have been actually falling may throw the Planning Commission's study groups into such further confusion that they may hardly be able to proceed beyond the vagest commonplaces in which they have specialised. Doctrinaire solutions might thus have suffered a deserving defeat, but this whole episode reflects the woeful lack of cohesion in planning and implementation. There have always been two radically different views on food controls; in the first Plan period, Mr. C. D. Deshmukh and the late Mr. Kidwai openly expressed opposite views in Parliament which cast doubts on Cabinet solidarity and the present difference between Mr. Patil's and Mr. T. T. Krishnamachari's ideas on the steps needed to control the price line are, therefore, not unprecedented.

Mr. Patil is on strong ground in respect of the policy on wheat and sugar, of which he has at his command sufficient stocks to influence the market without having to resort to difficult, costly and unpopular controls. But T.T.K. naturally reflects the anxiety of the people of the rice-eating areas where the trends are far from encouraging. It is a little odd that Mr. Patil should be referring to minimum prices for rice at this time merely to win party support against control but it has been part of his Couèist technique of creating an atmosphere of plenty even when the harvests tell a different story. But both are wrong in thus concentrating their tactics on foodgrains, the prices of which are less objectionable than those of other foodstuffs which receive the direct impact of the Government's inflationary financing policies.

One can hardly see how the price of meat, fish and eggs will be controlled; even if in a predominantly vegetarian population these are of less political consequence (though fish cannot be in West Bengal), there are other articles of consumption similarly sensitive like milk and ghee, pulses, oils and vegetables. Urban house rents shoot up quickly when there is a surplus of cash with the middle income groups and city landlords have been the prime beneficiaries of the larger pay packets provided by the Second Pay Commission—at least so it seems in Delhi. Fuel and charcoal are other items which the Government is not in a position to control even in an area like Delhi where the use of soft coke is common; nationalised transport in the cities has been quick to seize any pretext to raise fares and thus set the pace for increasing the cost of other forms of transport. Consumer goods, particularly many forms of baby foods, have gone up in recent months and even if industry is not always to blame, retailers have never been slow to act upon the too clearly visible trends in purchasing power. The Finance Minister's announcement in each Budget that the deficit element will not be wiped out and that Plan outlay will be moving up (irrespective of the current behaviour of the economy, trends in production and the size of non-Plan expenditures like defence) is another bullish factor in the economy.

It does no one any good to deny that a price problem exists. The coming stagnation in the economy may worsen it, unless Plan outlays are so phased that currrent trends are not accentuated. But, as the Government is still psychologically unprepared for the modification of the third Plan in accordance with the present foreign exchange prospects, defence expenditure, industrial and agricultural production prospects, it can only preach the virtues of self-denial. So Mr. Shriman Narayan has dutifully exhorted ladies to give up one yard of their *sari*; it is a pity that one who had worked up sufficient courage to make such a request was not bolder. He could have asked for the giving up of gold ornaments, too!

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An Ambassador's Model Plan

Ambassador Galbraith was at his usual stimulating best in his address to the Lucknow University on the Purpose of Economic Development, especially when he referred to "the generally amiable idiosyncrasy of man in his ability to expend a great deal of effort without much inquiry as to the end result," citing the flights to the moon as an example. While denying any desire for excessive introspection, he spoke in very general terms on planning as a method of symbolic modernisation, maximised economic growth and selective economic growth. It is difficult to detect the category in which he actually included India; but the last of them—the popular consumption criterion which he said was implicit in a good deal of Indian thinking—seemed to be the most appropriate to him, since it resolved the political problems which arise under the other criteria of planning.

The weakness of his analysis seemed to lie in the fact that whatever the criterion formally adopted, there will be need for securing the highest rate of economic growth to satisfy the wants of a fast-rising population and that this would involve an attempt to secure either selective or maximum economic growth with consequent curbs on consumption to effect savings as is done in India. Even if popular consumption, as an objective, can avoid deliberate imposition of hardships and sacrifices, these cannot in any case be long postponed. The distinctions which seemed to offer "guidelines" do not in practice help. On the other hand, planning in a democratic set-up by itself leads to the choice of criteria which will minimise hardships in the interests of the popularity of the planners; the resulting checks are more automatic, and even independent of the actual inclinations of the planners whatever they may actually profess at any moment. Symbolic modernisation alone stands condemned by any of these tests; building a stadium with foreign aid (which Indonesian has successfully achieved to satisfy its national pride) is not only undesirable in itself but even ineligible to be included in the alternative systems of planning which can be seriously considered by countries requiring development.

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Less Dogmatism in Soviet Union

In the current ferment of ideas in the Soviet Union, a striking feature is the heroic manner in which the theoreticians are attempting to reconcile the irreconcilable aspects of Marxist-Leninist teachings with the industrial requirements of the space age. But ingenious logic-chopping has often to be judiciously blended with quotations from respectable authority; and published sources are apparently proving inadequate. Recently an unpublished version of Lenin's dictated document of 1918 was dug out to establish that it was perfectly proper for the U.S.S.R. to learn efficient production methods from the West. In this extract, Lenin is reported to have said that "socialism has to be learnt to a great extent from the leaders of the trusts: socialism has to be learnt from the major organisers of capitalism." *Pravda* commented that this document had "tremendous significance in our time." There is of course nothing which is revolutionary in what Lenin had said, though to the dogmatists then and now, who were persuaded that they were creating something altogether new on the ruins of capitalism, the idea of copying the latter's methods should be anathema.

That Lenin had a better insight than his followers into the working of the capitalist society and its motivations and methods has always been accepted; it is not surprising, therefore, that he wrote in this unpublished document that the new type of industrial leader needed was not so much a political agitator as an organiser giving workers a share in management. Many will like something similar to be said in India about the adequacy of the merely successful vote-catcher to lay down planning policies and priorities (as indeed Gandhiji seemed to say when he cautioned against the Congress Party converting itself into a political party). The result will not, however, be any different, since it is not easy in a communist or a democratic State to displace the agitator after his role is over. It is understandable that Lenin's call for the application of F. W. Taylor's management system and American methods of raising labour productivity throughout Russia remained unpublished all along till the advent of the present Age of Reason in the Soviet Union.

There have been other straws in the Russian wind. Since 1958, when official recognition was given to cybernetics as one of the finest achievements of the human mind, a debate has been conducted as to how it could be fitted into the theory of Dialectical Materialism. Machines, under Marxism, cannot be endowed with the powers of thinking but only with the processes of communicating information. On more practical economic matters, as, for example, making a charge on investment capital provided for State undertakings, Marxist opposition to the idea of interest cannot be easily overcome, but, recently, one of the theoreticians has deprecated the free provision of "basic investments by society to this or that plant" and called for imposition of a charge. Imitation is the sincerest form of flattery; others have flattered the Soviet Union by copying its system of five-year plans and the techniques of planning which can be fitted into the democratic apparatus. Only barren minds cling to ideology and there are enough of these all over the world to make things difficult for a real movement of ideas and know-how across the Iron Curtain.

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Urban Housing

How bad is our urban housing? The Planning Commission estimated the shortage last year at 5 million urban houses, but the latest Census shows the percentage distribution of households and population living with or without a room and those with more than one. Some current ideas about the relative positions of the important Indian cities in this respect may require revision. About 2.4 per cent of the households in Bombay had no regular room. This will not come as a shock to those who have seen this City's pavement-dwellers but curiosity sharpens when we are told that corresponding percentage for Calcutta is only 0.4 per cent but that for Bangalore is the worst of all, being 3.5 per cent. Calcutta and Bombay, however, have nearly the same percentage (72 per cent) of households in one-room dwellings, with Madras, Ahmedabad and Delhi closely following them. At the top, among families having more than five rooms, Calcutta and Madras have an equal percentage showing perhaps the proportion of established local families while Bombay and even Delhi with its V.I.P. bungalows have less than half of their number.

It is difficult to say what this offers by way of suggestions for future housing policy, but, in spite of much construction going on in Bombay, not enough has apparently been done to house its population adequately.

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Without Comment: Although there was no change in the area of the Union Territory of Delhi on account of the Reorganisation of the States, a unanimous figure for the area of this territory remains yet to be determined. The All India Census of 1951 adopted 538 square miles while the District Census Handbook for Delhi for 1961 made out 576.2 square miles. ... The latest figure communicated by the Surveyor General of India is 573 square miles.... It may be mentioned that such small differences have been observed for areas of districts of other States.—*From Census of India, 1962, Paper No. I.*

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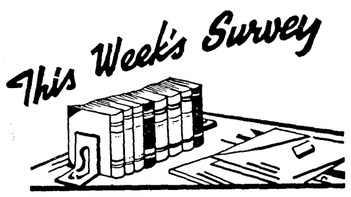


INDO-MEXICAN TRADE

THE visit of the Mexican President, who is accompanied by a well-represented trade delegation, to this country bids fair to open a new chapter of fruitful Indo-Mexican co-operation in the economic and commercial fields. The new move towards strengthening bonds of friendship between the two countries is particularly welcome, because it reflects an awareness of the need for closer co-operation among the developing countries of Asia and Latin America. Mexico is also a leading member of the Latin American Free Trade Zone Association, which came into being in the beginning of this year.

Trade between India and Mexico has, of course, not been very satisfactory during the last decade. India's exports to Mexico have suffered a sharp setback, the actual figure being just Rs. 8 lakhs in 1961-62, as compared with as much as Rs. 409 lakhs in 1951-52. Imports from Mexico, however, have risen during the period from Rs. 97 lakhs to Rs. 105 lakhs. India has thus a large adverse balance in its trade with Mexico. The volume of trade at present between the two countries is rather modest, but there are several complementary economic features in these countries which enhance the scope for promoting mutual trade.

The trade delegation from Mexico, headed by the Minister for Commerce and Industry, Dr. Raul Salinas Lozano, had talks with the representatives of the Government of India, including Mr. Manubhai Shah, on the question of expanding trade. The outcome of the discussions seems to have been quite satisfactory. The two countries have agreed to exchange *aide memoirs* indicating the possibilities of expansion of trade and techno-economic collaboration between the two countries. The Mexican delegation has shown interest in buying from this country railway equipment, including locomotives, structurals, engineering products, pharmaceuticals and other manufactured goods. Mexico has several goods to offer, including raw cotton, hides, some categories of steel plates and non-ferrous metals, particularly zinc concentrates. India's imports now consist mainly of some base metals and exports of certain vegetable and animal crude materials for medicinal uses, etc. Mexico, it may be noted, is a developing country, with a population of about 36 million and with a national income of about 120 billion pesos. Its exports aggregated an equivalent of $838 million U.S. dollars in 1961. Of these, one-fifth was accounted for by raw cotton. The other major items were such primary commodities as coffee, lead, copper, zinc and sulphur.

The Mexican delegation has proposed to send shortly a delegation consisting of railway experts and other representatives of industry and trade to study the possibilities of promoting mutual trade. India will also be sending a delegation next year to Mexico to coincide with the biennial Congress of the International Chamber of Commerce due to be held at Mexico City in April next year. The Mexican delegation's discussions with the members of the Federation of Indian Chambers of Commerce and Industry at Delhi also seem to have been quite useful. The Federation, in this connection, will do well to take the initiative by launching some market survey studies which would be beneficial to exporters of this country.

U.P. LAND TAX BILL

So bitter and determined has been the opposition to the U.P. Land Holdings Tax Bill in its original form that the State Government has compromised to the point of reducing the incidence to next to nothing. The modified Bill, now under discussion in the Vidhan Sabha, is only a ghost of its former self. The original Bill, it may be recalled, had envisaged a tax on the holdings of more than 90 per cent of the State's landholders (numbering ten million) in addition to the land revenue or rent paid by them in terms of the Zamindari Abolition Act. Holdings of an acre or less were then exempted from the Bill. The modified Bill, however, will not affect 90 per cent of the landholders from the levy, for the exemption limit has been raised to about eight acres of average quality land. This will have the effect of exempting all sirdari holdings paying a land revenue of about Rs. 40 or less and all bhumidari holdings paying half of that amount from the proposed additional tax. In view of this exemption, the yield from the proposed tax will be no more than Rs. 3.5 crores. This may be compared with Rs. 10.5 crores estimated under the original Bill, a sum equal to half the existing land revenue of Rs. 21 crores paid by the State's landholders of whom nearly 75 per cent are sirdars and 25 per cent bhumidars.

The rate of tax proposed in the modified Bill is equivalent to 2½ per cent of the capitalised value of land. In the case of a bhumidar the capitalised value will be 50 times the land revenue or rent of the holding, while in the case of a sirdar it will be 20 times. The difference in the capitalised value is explained by the circumstance that the land revenue now paid by a bhumidar is only half of that paid by a sirdar under the Zamindari Abolition Act. How this rate will work out may be known from an illustration. Since the "average quality land" is defined in the modified Bill "as that whose land revenue or rent per acre in the case of a sirdari holding is about Rs. 5," the capitalised value of a sirdari holding of, say, 10 acres will be Rs. 1,000 (Rs. 5 x 10 x 20) on which the proposed tax at the rate of 2½ per cent will work out to Rs. 25. This amount (Rs. 25) will be in addition to the existing land revenue or rent of Rs. 50 paid on that 10-acre holding.

While this 50 per cent increase may look like a big jump, it is doubtful whether even that much increase will adequately reflect the prevailing high prices of agricultural commodities and the indubitably high net farm incomes accruing to landholders in U.P., as in other parts of the country. Since the incidence of agricultural income-tax in Uttar Pradesh is confined to a relatively small number of "substantial" landholders and the yield from that tax is only about Rs. 90 lakhs, the present attempt to raise more land revenue at least from about a million landholders, if not from all the ten million of them, is commendable. As the State needs all this additional revenue and, possibly, more for financing its third Plan schemes on revenue account, it is to be hoped that the Vidhan Sabha will not further whittle down the severely restricted scope of the modified Bill.

NEW TURN IN BRUSSELS TALKS

The U.K.-Common Market negotiations at Brussels have taken an unexpectedly welcome turn, with the U.K. favouring a more realistic attitude towards Commonwealth problems. Contrary to earlier fears, the British Government appears to be making a fresh bid to secure better terms from the Common Market for safeguarding the trade of Asian Commonwealth countries. This move belies the impression, created by the British Government at the Commonwealth Prime Ministers' Conference last month, namely, that there was no scope for modifying the terms of the agreement already reached between the U.K. and the Common Market. Thus the strong, but cogent, advocacy of the cause of underdeveloped countries espoused at the Conference by Prime Minister Nehru and others, seems to have struck a sympathetic chord in Britain. At the resumed negotiations this week at Brussels between the U.K. and the Common Market, the leader of the British delegation, Mr. E. Heath, made some significant suggestions designed to remove the possible difficulties which would be faced by developing countries like India, Pakistan and Ceylon. His stand is in consonance with the somewhat surprising statement made by the British Prime Minister, in the course of a pamphlet published earlier in London, to the effect that the U:K. would put forward some new proposals to deal with the point raised at the Commonwealth Conference.

In his talks with the representatives of the Common Market, Mr. Heath urged the Six to make some marginal adjustments in the agreement reached in July on the question of trade relations between India, Pakistan and Ceylon. He wanted to add two supplementary statements to the agreement. The first statement, according to him, should relate to the date proposed for the comprehensive trade agreements between the expanded Common Market and the three Asian Commonwealth countries. Mr. Heath suggested that these trade talks should be started soon after Britain's entry into the Common Market. It may be recalled that the July agreement simply laid down that negotiations should be opened not later than the end of 1966. The second suggested amendment would be of greater significance, inasmuch as it would provide for the suspension of the application to the U.K. of the common external tariff of the enlarged Community until the proposed comprehensive trade agreements were concluded. In other words, the *status quo* in regard to Commonwealth preferences should not be disturbed until the proposed trade agreements were reached. Mr. Heath was certainly on unassailable grounds when he reminded the Six that the Asian Commonwealth countries feared drastic deterioration in balance of payments if the present position was altered abruptly without adequate safeguards.

The suggestions put forward by Mr. Heath do reflect the British Government's recognition of the anxiety expressed by the Commonwealth Prime Ministers. The July agreement, it may be recalled, provided for the application of the common external tariff of the Common Market on cotton textiles (18 per cent) in four stages, with a provision to introduce 20 per cent of this tariff soon after Britain's entry into the Common Market. In regard to most of the other manufactured goods, too, the common tariff was to be applied in four stages, with an initial enforcement of 15 per cent of the ultimate common tariff. Tariffs on a few other manufactured goods of relatively lesser significance like sports goods were to be reduced to zero. The agreement also provided for *nil* tariffs on tea, besides conclusion of comprehensive trade agreements by 1966. This arrangement, it was feared, would disturb the existing pattern of trade of the Asian Commonwealth countries with the U.K., traditionally their major market, adversely affecting, in turn, their import capacity and the tempo of development. The latest suggestions, therefore, come as a welcome gesture by the U.K. But the Six do not seem to have responded adequately to the proposals. According to the latest reports, they seem to have no objection to initiating trade talks with the countries concerned soon after Britain's entry. But they are reluctant to permit the continuance of Commonwealth preference during the interim period. France, in particular, seems to have taken strong exception to Mr. Heath's demand. A clear picture of the Common Market stand will be available only by the end of this month, when the U.K.-E.C.M. negotiations are proposed to be resumed once again. One feels that it is in the interests of the Common Market itself to accept the new suggestions designed to take care of the genuine difficulties of developing countries. For the new suggestions constitute a testing ground for the Common Market to prove whether it is really outward-looking as it claims to be and whether its policies conform to the spirit of the declared objectives of the G.A.T.T.

CONTROL OVER STATE ENTERPRISES

Public enterprises in India possess a degree of autonomy from Government and Parliament alike. But, at the same time, there is ministerial responsibility to Parliament for their successful operation. And Parliament also exercises a sort of indirect control over them through the Estimates Committee or the Public Accounts Committee. The usual scrutiny of the accounts, plans and working of public enterprises, mostly by the former Committee, can henceforth be more systematically done by yet another committee which has been proposed by the Planning Commission. This Committee can keep itself continuously informed of the working of public enterprises and master complex facts about them. The idea here is that informed parliamentary criticism will thereby be rendered possible and that a growing number of members of Parliament will take a specialised interest in these matters. What is visualised is a degree of expertise on the part of at least a section of Parliament.

If such a committee functions on the lines envisaged, it may well come to resemble, in some respects, the Select Committee in the House of Commons in Britain. How this British parliamentary committee exercises control over nationalised industries is worth careful study. According to Prof. A. H. Hanson of Leeds University who spoke recently at the Indian Institute of Public Administration at New Delhi, the British system of parliamentary control over public enterprises is a success because the committee is generally composed of members of Parliament who are experts on industrial problems. These members work hard, adopt a sympathetically critical attitude towards the industry, shed their political prejudices and conduct investigations in different industries in an impartial manner. The Committee is also assisted by adequate staff and an

apparatus to investigate study and analyse memoranda. Its probes are done in such a manner that they do not curb the initiative of the managements.

If these conditions obtain in India, too, the British system can be successfully adopted. But that is a big 'if,' for the Indian Parliament cannot be said to have a "low political temperature" and there are hardly any representatives of industry or known industrial experts therein. It is, of course, conceivable that some members of Parliament will themselves gradually acquire specialised knowledge of industries by virtue of their membership of the Committee continuously for three years or so. But by the time they attain a certain amount of proficiency, the time will be up for them to retire and face the next elections. And there is no certainty that they will be included in the Committee even if they get elected again. Unless, therefore, the Committee consists, right from the beginning, of members who are knowledgeable and well-informed on the intricacies of industrial management, parliamentary control over public-sector industrial undertakings may not be efficient and effective.

DEVELOPMENT OF SPAIN

The latest in the series of economic survey mission reports covering individual countries published by the World Bank is on Spain. The mission was headed by Sir Hugh Ellis-Rees, a former Chairman of the O.E.E.C., and consisted of 16 members. It was numerically the largest sponsored by the World Bank. This is, perhaps, a reflection of the complexity and the uniqueness of the Spanish economic problem.

Spanish economy is in transition at present. After having suffered seriously on account of Government intervention and controls, which characterised its period of isolation, Spanish economy has of late been expanding at a good pace and moving towards closer integration with the rest of Europe. The stabilisation programme, initiated in July 1959, in co-operation with the I.M.F. and the O.E.E.C., brought about stability, removed the crippling internal and external controls and greatly strengthened the value of the Peseta, the national currency. The success of this economic therapy, limited though it was in scope, encouraged Spanish authorities to think in terms of a comprehensive long-term programme to expand and modernise the economy for raising the living standards of the people. Spain's subsequent decision to seek association with the European Common Market has invested the need for a quick transition to a freer economy and a higher rate of growth with special urgency. For, without these, Spain could not be expected to play its rightful role in the European scene. It was in this context that the World Bank's assistance was sought in preparing a long-term programme of economic development.

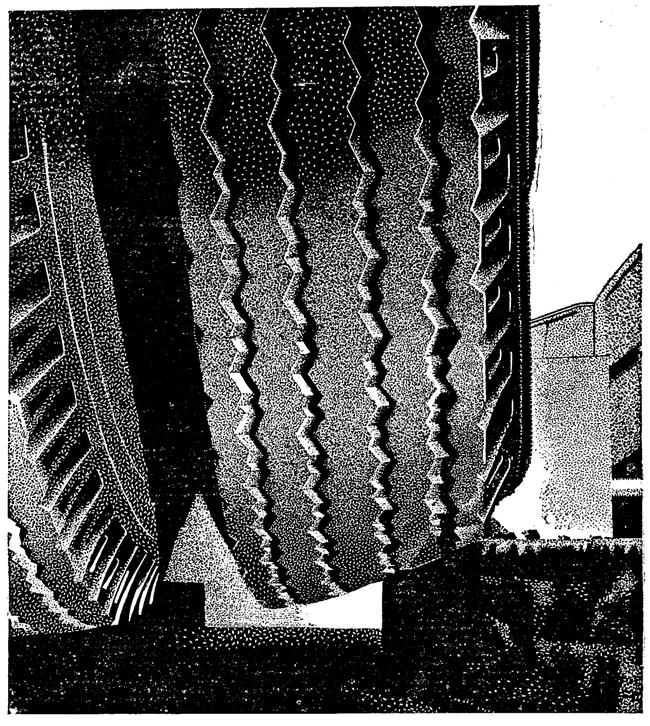
The World Bank mission has found the prospects for the Spanish economy very bright. Spain has the natural and human resources with which to achieve and maintain a high rate of economic growth. How rapidly growth in fact takes place is a question on which the mission has not offered an opinion as the rate of growth depends, more than anything else, on how effectively the resources and opportunities available were utilised by the Government and private enterpreneurs. But the mission has emphasised the decisive role of the Government in directing public investment into the most productive channels and in creating an environment in which businessmen can make their maximum contribution. This is a clear hint for the Government to play a more active role in determining investments and priorities. The mission, however, does not appear to be in favour of overall Governmental planning in the sense of fixation of production targets and priorities. The most appropriate type of Governmental action at this juncture, according to it, is "indicative" planning, under which the Government would undertake to make a prognosis of the nature and pace of change in the economy in the long-term and also state the action proposed for achieving the forecast rate of growth. This would provide the basis of planning for the public and private sectors of the economy. The mission has, however, no doubt that, given suitable policies and the requisite public and private investment, an annual increase in *per capita* income of the order of 5 per cent should be possible over an extended period.

Details of the development proposals made by the World Bank mission are not available at the time of writing. It is, however, clear that the mission has expressed itself in favour of a policy of stimulating general economic growth as the best way to solve the problems of unemployment, income and regional development. A general increase in prosperity, assisted by measures aimed at free mobility of labour and capital, offers, in the mission's view, the most positive means of raising living standards and relieving the hardships of rural poverty. In order to place the Government in a better position to guide the economy, the mission has suggested a number of improvements in public accounts, in the control of expenditures, and in the collection of taxes. On monetary management, the mission has recommended measures for achieving effective and unified control of the capital market.

Apart from the study of the overall problems and policies, the mission has also made a special study of the major sectors of the economy. The policy recommendations made in these sectional studies are as important as the suggestions concerning the national economy. Some of the recommendations have also more than purely local value and are relevant to countries where, although conditions might be different, the problem is largely identical. According to the mission, in Spain, so far as transport is concerned, the basic network of roads and railways is already well established but public policy must be alert to shifts in the pattern of traffic arising as a result of economic development and also investments in transport and rate structure.

Action will need to be taken, according to the mission, to improve administrative and operative arrangements and to modernise the railway system. This will entail a change in emphasis among various types of investment and an effort to concentrate funds on that part of the network where traffic is likely to be heaviest. As regards agriculture, the mission has stressed that future development should be largely determined by the growth in domestic and export demand for agricultural products. It has suggested many methods to raise agricultural productivity other than irrigation which is relatively costly in Spain.

The mission considers the prospects for further industrial expansion in Spain to be good. Natural resources, manpower, electricity, etc., are available in plenty, thereby making expansion easy. But it found that many firms were too small to operate efficiently, while others were insufficiently mechanised. Public policy could help in various ways to build up a modern and competitive industry. And the mission's recommendations in this regard indicates the influence of the lessons of West German economic miracle and the Indian experiment in democratic socialism. For instance, the mission has suggested (1) the lifting of controls on capital and labour so as to create an environment in which industry will put its resources to the most productive use, and (2) the announcement of a clear definition of the role of public enterprise, of the conditions under, and the extent to, which it will operate and the assurance of competitive equality between public and private enterprise.



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HELPING GOA TO "CATCH UP"

PROSPECTS FOR IRON ORE EXPORTS

From Our Special Correspondent

NEW DELHI, *9th October*

THE first major industry to be developed in Goa will be shipbuilding and the nucleus for it is the repair yard of Estaleiros Navais de Goa which was laid waste by the Portuguese in the face of Indian troops which marched into Goa last December. The shipyard, laid out by the Portuguese about four years ago, was mainly handling repairs of iron ore barges, about 200 of which were being used by mineowners for transporting ore down the rivers. The Portuguese removed the equipment and damaged several machines and some months ago the barge repair centre was taken over by Mazagon Dock Limited, which is under the Defence Ministry. The firm has partly re-equipped the yard and soon more machinery will be installed. In addition to the repair work, the plans are to build small vessels.

DELHI LETTER

Mazagon Dock in Bombay, as well as the Garden Reach Workshops in Calcutta, which are also under the control of the Defence Ministry, will undertake the construction of naval vessels like destroyers and anti-submarine frigates. While the expansion of the Hindustan Shipyard has been bogged down and there are delays even in the contracted manufacture of the Mitsubishi type of ships, the Transport Minister, Mr. Raj Bahadur, is having talks with German and Japanese firms on technical collaboration for the proposed second major yard in Cochin. There is also a Dutch offer under the consideration of the Government.

Mine Leasing

The Union Government, and particularly the Ministry of Steel and Heavy Industries, is pursuing measures to make Goa catch up with the rest of the country. The transformation of Goa from a smugglers' paradise into an integral part of a big country is certainly going to be a painful process. Mining is about the only modern industry which has been developed in the area and the absence of power supply and trained men will make any industrialisation a slow process. Although the natural process would be for numerous Indian entrepreneurs to go into the area, some in the Government do not favour such a rush because of fear of political complaints that the local people are being subjected to exploitation. The Goan contracts with the Japanese, West Germans and Italians for iron ore supplies were made at prices far below ruling world prices and the mineowners in Goa were able to carry on because of the allocation of exchange from their earnings. Imports against these earnings and smuggling of goods into India enabled the operators in Goa to export ore at low prices. In the long run there will also be need to reorganise the pattern of mine leasing. There are now more than 350 mine lease holders.

The Srivastava Committee, which reported on possibilities for industrialisation of Goa, confined itself to general matters which included encouragement to cottage crafts. A proper mineral survey of the region and a survey of the power potential remain to be done. The prospects of setting up pig iron plants will be studied by a team of technical experts.

Despatches Decline

Following the Indian take-over and the disruption in Goa, and also a recession in demand for iron ore abroad due to readjustments in steel production, there has been a decline in iron ore despatches from Goa. Immediately, the iron ore exports may be stabilised at the earlier rate of six million tons a year, with a little less than half going to Japan, about thirty-five per cent to West Germany and about fifteen per cent to Italy. After the shipbuilding yard on which expansion work has already begun, the next project in Goa is expected to be the deepening of the harbour by dredging. The pig iron plants proposed for the region will take some time to take shape.

Goa's total electricity production is around 9,000 kw.h., and using the yardstick of power consumption, Goa is one of the most undeveloped parts of the world. A high tension transmission line is planned to be laid for taking power from the Koyna project into Goa. This may increase the power supply in Goa by a third and the transmission lines may be ready some time next year. A hydro-electric project is possible in Goa at Dudsagar but even preliminary investigation has not got under way. An expert team from the Water and Power Commission is expected to visit Goa this month.

Iron Ore Hopes

In Goa as well as elsewhere in the country the Government has plans to speed the production of iron ore and exports. The International Trade Ministry has been at work producing miracle papers to plan a boost in exports and one of these relates to a dream of exporting up to 25 million tons of iron ore by the end of the fourth Plan in 1971. There seems to be ample foreign demand to justify such a hope. It is claimed that there are almost firm offers from abroad to buy upto 25 million tons of iron ore at the end of the sixties. The problems in developing such exports hinge on a large scale of investment, including foreign exchange, on transport, port handling and mining. If such a scale of investment and co-ordination is achieved, iron ore can become the top foreign exchange earner for India, excelling tea and jute goods. In tea and jute goods the problem will be to maintain the present level of earnings in competition with Pakistan jute and African tea.

Including the exports from Goa, the total iron ore despatches from India, as of 1961, are around nine million tons and the earnings are about Rs. 20 crores from Goan exports and about Rs. 16 crores from other Indian iron ore exports. Marmugao harbour will have to be deepened, eight to nine feet to 36 feet before it can take bulk ore carriers and an investment of at least Rs. 300 crores will be needed to attain a target of 25 million tons of iron ore exports by 1971. Of this the major investment will be on the Bailadila and Kiriburu mines and Visakhapatnam port. This will cost Rs. 120 crores and the foreign exchange cost will be as high as Rs. 80 crores. More than half of the total investment of Rs. 300 crores will have to be in foreign exchange.

Among the new mine areas to be developed will be Bellary-Hospet, and Chittaldurg, in the south and Nayagarh in Orissa to feed Paradip port. Among the buyers will be Japan (12 million tons), West Germany and Italy (two and a half million tons excluding purchases from the Goa area), Rumania (two and a half million tons), other East European countries (five million tons).

Exports Expand

The State Trading Corporation of India never tires of publicising the fact that until 1952 India exported only about two lakh tons of iron ore. And today the exports are more than three million tons. The Goans exported only one lakh tons in 1954 but their despatches rose to six million tons a year. Malaya's exports, very recently developed, are running at six million tons. Indian iron ore is costlier than Brazilian and Swedish ores. Present competitors of India in sales to Japan are Malaya, Australia, South Africa and Brazil. A possible future competitor is the Soviet Union which has been developing Siberian mines. The Soviet sales will have the greatest price attraction for the Japanese who have been careful in not committing themselves on prices in their long-term arrangements with India. The price negotiations with the Japanese will pinch the Indians periodically, as has been the experience in the past few years.

Some of the ore mined in the south will need to be channelled through Goa. The other outlets will be Madras and Mangalore which is being developed as a major port. The ore loading plant at Visakhapatnam, with a capacity of 2,000 tons per hour will be ready by the end of next year and iron ore traffic on a large-scale will begin through Visakhapatnam in January 1964, according to present estimates. The initial plans are for export of two million tons a year, but the capacity of Visakhapatnam will be raised to six million tons a year later. Expansion of Madras port is to raise its ore loading capacity to two million tons but this will have to be raised later to handle the production from the Bellary-Hospet area. There is a suggestion by the State Trading Corporation to develop Pondicherry also into an ore loading port. Mangalore is to handle two million tons of ore every year. The port may be ready early in 1967. On current estimates the biggest ore loading port will be in Goa to handle more than twelve million tons a year, including some quantity from Bellary. The second in importance will be Visakhapatnam.

MIG 21 Planes

First supplies of Soviet, MIG 21 fighter aircraft for India are expected to be made before the end of the year. After an initial delivery of six planes, more will come in the middle of next year, it is understood. The Russians obviously have ignored Chinese objections to Soviet offers of military hardware for India. These objections were also recently echoed by Albanian and North Vietnamese Communists. The deal for a Soviet engine to power the HF 24 Indian supersonic jet fighter plane designed at Hindustan Aircraft Limited, Bangalore, is also expected to be completed soon. The Soviet engine may have to be modified somewhat for use in the India-made plane. Some minor alterations in the design of HF-24 will also be needed since the Soviet engine is heavier than the one originally intended for use.

In 1956 the Indian Government and Bristols had made an agreement for the manufacture of Orpheus engines, with India also gaining the benefit of all future developments in the Orpheus engine. Bristols were developing the B Or 12 engine under a programme financed by several countries. This engine was selected for the HF-24 Mark II aircraft and the plane was designed round this engine. Bristols later told the Indian Government that the B Or 12 was not needed by the other countries and therefore the finances for developing the engine were not available. If India was particular about the engine she would have to defray all the development expenses. While delaying a decision on financing the Bristol engine, Delhi started looking out for alternative engine supplies and found a suitable substitute in a Soviet engine which will now be made in India.

Simpler to Make

The Indian Air Force, which is already using Soviet AN 12 heavy transport planes on the northern borders for dropping road-building supplies, is planning to secure more AN 12 craft and some Soviet helicopters. The deal for the purchase of MIG planes incidentally was an offshoot of the visit to Russia earlier this year of an I.A.F. mission which went to inspect the engines for HF 24. At that time the I.A.F. mission was shown details of MIG manufacture and it reported to the Government that the MIG plane was simpler to make than several Western types with comparable performance.

India's basic idea has been to reduce the dependence on foreign sources for the Air Force and the acquisition of modern supersonic planes had become urgent early this year following the American supply, overriding Indian protests, of F-104 fighter planes for Pakistan. Negotiations with American manufacturers for building supersonic fighters in India were made difficult on two counts. First, under N.A.T.O. policies and American official thinking, modern military hardware could not be easily sold to India which not only remained outside military pacts but also was a vocal critic of arms pacts. Secondly, any deal for the manufacture of American planes would need arrangements with a host of American manufacturers of components. In the case of negotiations with the Soviet Union, the whole thing would be a package deal.

The Western uproar over the Indian intention to go in for MIGs was followed by diplomatic moves by the American Ambassador in India, Mr. Galbraith, and the Commonwealth Relations Secretary, Mr. Duncan Sandys, who visited Delhi some months ago primarily to explain Britain's point of view on negotiations with the European Common Market members. Neither the Americans nor the British had a convincing answer to India's problem of aircraft manufacture although they expressed some willingness to amend their policies on sales. Even such amendment would have been an uphill task for the American administration.

A new team of Indian Air Force men is expected to leave for the Soviet Union for advanced training in MIG maintenance. Already, several Indian airmen have been trained in Russia in the past two years on operation and maintenance of AN 12 and Ilyushin 14 transport planes and helicopters.

The Avro 748 transport aircraft, built by an air force establishment in Kanpur and flown in in November 1961, has been on successful demonstration flights through south Asian countries which in the long run may become customers for the Indian-produced aircraft. The twin-engined turbo-prop, Avro 748, is designed by Hawker Siddley with whom India has a contract permitting export of the aircraft. The Indian

(*Continued on page* 664)

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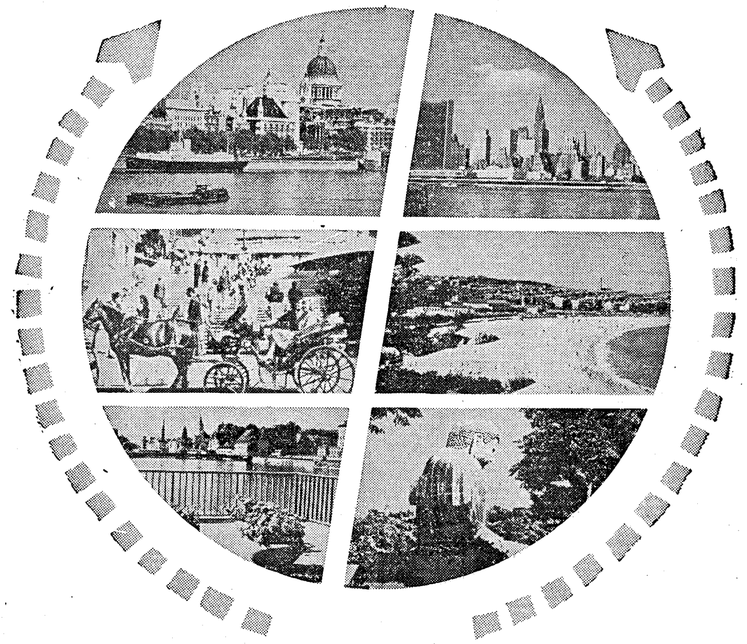

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AMERICAN LETTER

HIGH LEVEL OF ACTIVITY SUSTAINED

GOOD DEMAND FOR AUTOS EXPECTED

From Our Special Correspondent

NEW YORK, 6th October

A MILD business expansion continues in the United States, although there has been a levelling out in some areas but on a relatively high plateau. The overall industrial production index was virtually unchanged in the latter part of the summer.

Output of steel moved up somewhat in terms of capacity. The auto industry, generally, is quite optimistic and predictions are that the number of 1963 models, now coming into the showrooms, to be sold in the ensuing automobile fiscal year will equal if not better the 1962 model record of 6,687,000 cars.

There was much eyebrow raising over the announcement that the unemployment figure had jumped from 5.3 to 5.8 per cent between July and August, but most stories did not point out that nearly 70 million persons were employed in the U.S., a new high. This figure excludes about 3 million individuals in the U.S. Armed Forces.

Three Major Problems

The U.S. Government and public opinion have three chief preoccupations and a few minor ones. The bloody racial riots in Mississippi assumed scandalous proportions in a country which comes under the general classification of "civilised." There are obvious economic connotations. That part of the country has been and is one of the least industrialised ones and, with the decline of "King Cotton," thanks to the development of synthetic fibres, one of the poorest ones. Racial friction such as was displayed the other days is certainly not conducive to efficient industrial operations. Hence, the reluctance of many manufacturers from the North, East and West to engage in large-scale operations there, except to take advantage of lower wages, a warmer climate and a lower standard of living.

The second preoccupation is Cuba. Demands of boycotts and even of a blockade are heard which could have a significant influence on shipping, exports and imports in the U.S. Atlantic and Gulf port areas. It is yet too early to tell just what will happen but the situation is loaded with dynamite which could explode at any time.

The third preoccupation is still the U.S. balance of international payments. Concern over that question is not as great as it was a year ago. Relatively little about it was said at the annual meetings of the International Bank for Reconstruction and Development and of the International Monetary Fund. The gold outflow still continues. Treasury Secretary Douglas Dillon told the meetings he estimated the 1962 gold outflow at about $1,500 million, against $2,500 million in 1961 and $3,900 million in 1960. President Kennedy spoke of the payments position as "a matter of first priority" and said that further corrective measures were being planned.

There seemed to have been a universal rejection by the assembled finance ministers and central bankers of any change in the official gold prices.

The Outlook

The gross national product continues to rise slowly. This must be regarded as quite satisfactory in view of the relative price stability which has been prevailing. The chances are that the G.N.P. will continue to climb slowly.

After a long era of inflation, the price stability has become somewhat painful, because of the cost-profit squeeze. Many manufacturers would like to raise their prices and some have done so, only to be forced by competition to lower them again. Competition is both foreign and domestic. Excess capacity is a considerable factor in some industries while in others imports are providing the pressure.

There are hardly any sectors of the U.S. economy which have exceptionally strong growth prospects. At the same time, it is reasonable to assume that Government spending will continue to rise for the balance of 1962 into next year and so will consumer services. These are strong elements for expansion.

As yet, there is uncertainty over a tax cut next year and the effect of more liberal depreciation allowances will have to be seen. In the meantime, there have been no substantial changes in business outlays and none is expected. At this writing, it looks as though expenditures on plant and equipment this year will be in the neighbourhood of $37,000 million which would be about the same as in 1957. Future spending plans will depend on the outlook for profits which, of course, is closely tied to taxes.

The Peace Corps

Mr. Sargent Shriver, President Kennedy's brother-in-law and head of the U.S. Peace Corps, made himself available to the foreign Press correspondents stationed here. He explained the intentions of U.S. policy and hopes of achievement.

The general aim, he said, was not only to provide technical and educational help where it was required, but also to expose as many trained Americans to ways of life overseas, so that they come back with a better understanding of how people in other parts of the world live and have to live. He added that no person was sent to any country, unless and until the Government in question so desired and requested it.

In the course of the interview he was asked, for example, whether American teachers being sent to India would displace teachers now employed in India. He replied that the request for teachers in certain fields had come from New Delhi and that the Government of India, obviously, felt a need to expand the academic forces. Hence, he could not see why local teachers would necessarily be displaced by acceding to the request of the Government of India.

The same applied to manual skills and the professions in all countries where the Peace Corps is now active. The conference coincided with the first anniversary of the Corps. The Kennedy Administration points with pride to its record and even those in Congress who were opposed to the original idea are now willing to admit that the experiment has been a relatively great success.—*All Rights Reserved.*

FARM ASSETS IN U.S.

During 1961, the value of U.S. farm assets rose by $7,300 million to $300,000 million. Farm operators increased their realised net income by more than $1,000 million or almost 10 per cent over 1960. The average farm represents an investment of $47,600, a rise of 19 per cent from 1959. This increase is due to the advance in the value of the productive assets used in farming—machinery, and so forth—and the continued increase in the size of farms and the decline in their number. Total gross farm income in 1961 was $40,200 million, or $1,900 million above 1960. The purchasing power of the farmer's income in 1961 was nine per cent higher than in the preceding year.

Farmers invested $3,148 million in farm machinery and motor vehicles. Expenditures for tractors were up 21 per cent over 1960. Investments by farmers in their co-operative associations rose to $4,500 million. Investments in rural electric co-operatives rose by 11 per cent.

(Concluded from next column)

of stocks and the rapid conversion of the favourable into an adverse balance of payments.

Yet he is very unhappy to know that there has been recently both an increase in unemployment and more and more evidence of a slack in the country's heavy industries. At the Conference of the Labour Party in Brighton this week, attention was being drawn to this in more acid terms. There the moral was being drawn that the Chancellor was going to find himself in the position familiar to previous Chancellors of encouraging industrial expansion at home only at the expense of a balance of payments crisis which would have to be followed by the familiar regime of credit contraction. Mr. Maudling himself knows only too well that he is caught in the toils. He has shown himself only timid so far, but he knows the country expects more of him and that "more" does not only mean a further possible ½ per cent cut in the Bank rate: the likelihood is that he will feel impelled to make some further pronouncements on policy before long.

LONDON LETTER

THE GENTLE PUSH

MR. MAUDLING'S TIMID APPROACH

(From Our Own Correspondent)

LONDON, 6th October

IT really is too bad that the brave new Chancellor, just at the point when he and everyone else felt that the economy ought to be kicked into activity, should be cut back to the size of Mr. Selwyn Lloyd by worries about the balance of payments. Before his visit to Washington, it was difficult to imagine that the banks and industry would be trying to push Mr. Maudling forward, while he would be pushing back. Now, in a negative kind of way, this is what is happening: negative in this context means that, while Mr. Maudling is dismantling the last traces of credit squeeze and pumping some money into the economy, he is not prepared to do enough to make things really happen.

The first decision to ease credit was the repayment to the joint-stock banks of half of the special deposits which they have had to make with the Bank of England. In May of this year £75 million belonging to the London clearing banks (amounting to 3 per cent of their gross deposits) was repaid to them and this month a further £75 million will be repaid, leaving only 1 per cent outstanding. Now as bank advances are about six times bank cash, a refund of cash to the London clearing banks of £75 million should enable them to lend about £450 million. Unfortunately, in August-September, the volume of outstanding advances dropped by £34 million and it looks as if the banks have simply got no use for more cash.

Bankers' Dinner

This week, the Chancellor, when speaking at the Lord Mayor's London Bankers' Dinner, announced his supplementary measures; however, his principal decision had been taken just before going to the dinner and his mouthpiece was the Governor of the Bank of England. The announcement marked the formal end of the fifteen-month long credit squeeze. The banks have been given not only the additional cash on which to make advances but told that it is entirely up to them to lend as they wish. Unfortunately, this does not create customers.

The Chancellor decided to give a couple of fillips to spending power, first by a repayment of £42 million of special war-time taxation; it has been customary to make these repayments (known as Post-war Credits) when the taxpayer reached a particular age—originally seventy in the case of men. The qualifying age has come down in steps and has now been reduced to sixty. Since the taxpayers concerned are mostly in the middle income groups, at that age they are more likely to save the money until they get older still then to spend it. It is very doubtful whether very much of Mr. Maudling's £42 million will reappear as real purchasing power.

Balance of Payments Worry

The second step was to announce an increase in public investment covering the rest of this financial year and the next of £70 million. The money is to be spent on the building of more houses, schools and roads. The trouble again is that the building and construction industries are very heavily employed and it is not certain that the authority to spend will enable much more real spending to be undertaken. The industries in which there is a slack are steel, heavy engineering and other such capital goods industries. If direct taxation such as the purchase tax were reduced, this might result in more general spending. Unfortunately, from the point of view of undertaking this kind of action, the August figures of retail sales show a jump of 4 per cent over those of the previous three months; this is after making a seasonal adjustment. The Chancellor has no doubt felt that, if the public are beginning to spend more money anyway, then it is not for him to stimulate this process.

But he has had to admit, at the same time, that the current trade figures indicate the disappearance of any surplus on the balance of payments which, for the first half of the year, total about £100 million on current account—that is before taking account of long-term capital movements. Mr. Maudling is sensitive to the possibility that too large an impetus to the economy will lead to a steeper increase in imports relative to exports and the building up

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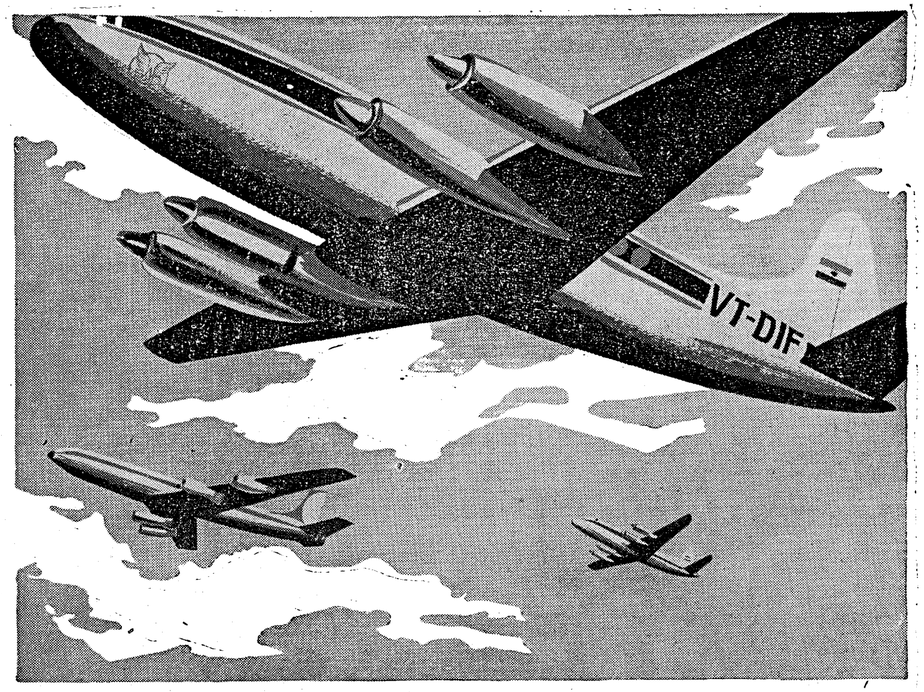

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AUTUMN STOCKTAKING OF ECONOMY

U.S. DOLLAR GAINS STRENGTH

By W. T. C. King
EDITOR OF *THE BANKER*

LONDON, *29th September*

NEWS of economic importance for Britain has come thick and fast in this past month. It has come from two international gatherings and from the bringing together of a more than usually significant batch of current economic statistics which provide the basis for an autumn stocktaking of the economy. It is widely expected that the new Chancellor of the Exchequer will shortly indicate his first major decisions in the field of domestic economic policy; he must now decide whether, and if so to what extent and by what means, an additional stimulus should be given to business activity. (Since this despatch was posted by the author, Mr. Maudling has announced certain measures to give a push to the British economy. For details, see this week's London Letter on an earlier page.—ED.)

This has been a subject of lively public discussion throughout the summer. And now, at the end of September, public anticipation has been whetted by the announcement of an easing of the restraints on bank credit.

The first of the international gatherings to hit the headlines in London was the conference of Prime Ministers of the Commonwealth, which on this occasion gave the major part of its attention to the course of Britain's negotiations with the six member-countries of the European Economic Community with a view to possible entry. The British Government had originally hoped to be able to put before this gathering provisional agreements reached with the Six showing the terms on which Britain could enter; but this time-table for the talks in Brussels went awry, so that the provisional arrangements available for examination at the Commonwealth meeting left many vital matters still to be negotiated or made more precise.

This incompleteness was, no doubt, in part responsible for the uneasiness shown by a number of the visiting Premiers. Though the proceedings as such were private, Press reports of the gist of opening speeches showed many reservations about the effect that Britain's entry would have on Commonwealth trade through the dismantling of the present system of preferences, and worries about the uncertainties of the provisional arrangements to safeguard such trade interests under a new regime.

These doubts were not, however, pressed to the point of putting specific restraints on the further course of the negotiations in Brussels. The lengthy official *communique* agreed upon by the whole gathering did record that only when the full terms were known would it be possible to form a final judgment, and it did establish that, in the further negotiations, the British Government would not only continue its efforts to safeguard the interests of the oversea Commonwealth but would take full account of the views expressed during the London talks.

It did not, however, provide for the reopening of any matters already provisionally agreed, nor did it otherwise tie the hands of Britain's negotiators. Britain will, of course, continue to keep the other members of the Commonwealth in "closest consultations" in the further talks, but it is agreed that, when the time comes to decide whether Britain does or does not enter, the responsibility for that decision would rest with the British Government.

Impact of Fund-Bank Meetings

The other major international gathering was that of the world's finance ministers and central bankers at the annual meetings, this time in Washington, of the International Monetary Fund and World Bank. At these proceedings, the spotlight focussed on two topics—the better stability now ruling in the world exchange markets and the contribution made by Mr. Maudling, Britain's new Chancellor, to discussion of ways of easing the problem of future shortage of international means of payment. Both the annual report of the Fund and the speech from its Managing Director, Mr. Per Jacobsson, voiced a confidence that the severe spasms of tension experienced in international payments in the past were now giving place to a more dependable equilibrium, increasing confidence in particular in the underlying strength of the U.S. dollar and in the capacity of the world's exchange mechanism to evolve to meet world requirements without any alteration in the price of gold.

These comforting observations had their reflection in the exchange markets in a notable strengthening of the dollar in terms of European currencies. It was mainly as a backwash of these movements that sterling depreciated a little further around the middle of the month, momentarily touching parity with the U.S. dollar, though it has since risen perceptibly above that point.

International Liquidity

Mr. Maudling's promised initiative in the debate about international liquidity proceeded from the background of thinking that I outlined last month—notably from the proposition that, on a long view, the present international payments facilities need to be extended and that the processes of extension should not be such as to put excessive strain on the "key" currencies, dollar and sterling. If that were to happen, the whole exercise might be self-defeating, since the Governments responsible for the safeguarding of those currencies might be obliged to resist the strain by taking measures likely to react adversely on the growth of world trade.

Mr. Maudling suggested that the two new devices recently adopted to extend the facilities —the scheme launched at Vienna to give special borrowing facilities to the I.M.F., and the extension of arrangements between central banks for the mutual holding of currencies—would not be likely to provide a permanent solution, valuable though they were. Would it not be possible, he asked, for the Fund to build on these ideas and to broaden them to provide "the basis of a multilateral system of a more regular and automatic character which would be capable of expansion to the extent necessary at any time?"

He himself was attracted to the idea that the leading trading countries might co-operate in establishing and utilising a mutual currency account within the I.M.F.: "By this I have in mind an arrangement of a multilateral character under which countries could continue to acquire the currency of another country which was temporarily surplus in the markets and use it to establish claims on a mutual currency account which they could themselves use when their situations were reversed. Such claims on the account would attract the guarantee that attaches to holdings in the Fund."

Such a scheme could have far-reaching possibilities; further details of what the Chancellor has in mind are awaited with interest by financial circles in London—but not with any high confidence that the idea will equally attract the monetary authorities of Washington and Europe.

On the home front, the latest indicators of the trend of the economy have not all pointed in the same direction. The index of industrial production, seasonally corrected, suggests that the very rapid recovery experienced in the early months of the year levelled out around mid-year: from its low point of 111 last January (1958—100), the index rose to 116 by May (thus returning to the all-time peak of July 1961) and then climbed another point in June, only to relapse to 116 in July.

At this period, however, seasonal correction is especially difficult; it would be premature to infer a change of trend. Retail sales, by value, also flattened out at this time; they also were approximately restored to the peak of May 1961, but, by volume, they show a drop of nearly two per cent from the peak. On the other hand, informal evidence suggests that the early autumn trade has been much brisker; the advance foreshadowed by official estimates earlier in the year may still show itself. Unemployment rose further at the September count to 465,000 or 2.1 per cent of the labour force which is the highest for this time of year since 1958; but, if seasonal influences are allowed for, the rise had been virtually halted in the latest four-week period.

Stocks Run Down

Rather unexpectedly, the quarterly estimates of movements in stocks and work in progress showed a further outright decline in the aggregate in the second quarter of this year; it is rare for actual de-stocking, as distinct from a decline in the rate of addition to stocks, to be shown for two quarters running. The reduction was, however, smaller than in the first quarter, which supports the general assumption that the long projected swing into re-stocking has since begun. This apparent behaviour of stocks in the first half-year makes the strong rise then in production somewhat surprising, since fixed investment outlays by manufacturing industry were still falling (though investment by the service and distributive industries rose by more in the second quarter than it fell in the first). The only evidence of dynamic influences on the economy were the rising outlays of the public sector and the rise in exports.

This last movement, which carried the seasonally adjusted total of exports from £298,000,000 for December 1961 to £328,000,000 for June 1962, was halted in July and then, in August, there was a reaction to only £309,000,000. It is hoped that this latest movement is not representative, but reflects merely the vagaries that may affect a single month's figures. Rather more worrying was the fact that the seasonally-adjusted figure for imports in August virtually maintained the sharply increased level that had been reached in July.

The widening of the "crude" gap between imports (c.i.f.) and exports (f.o.b.) in these two months may have meant that Britain's current balance of payments as a whole was barely in equilibrium at that time. In the second quarter of the year, however, it is officially estimated to have been in substantial surplus. The "identified" surplus is estimated at £76,000,000, easily the largest since 1959 and followed one of £20,000,000 in the first quarter. For the first half of the year, therefore, there was an "identified" current surplus of nearly £100,000,000, as compared with an "identified" current deficit of £60,000,000 in the similar period of 1961.

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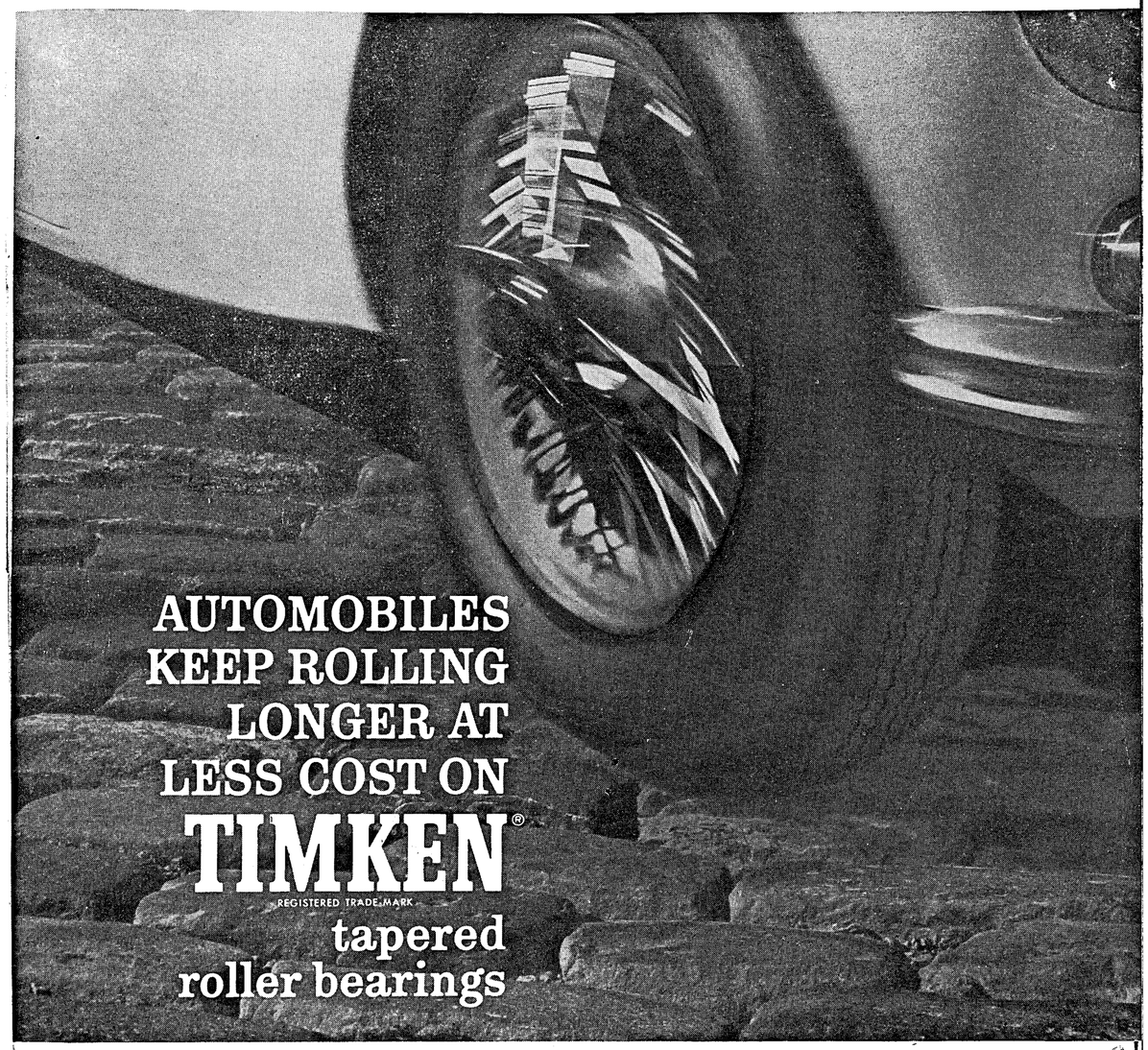

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S. INDIAN YARN DEALERS' CONFERENCE

PRICE CONTROL SCHEME CRITICISED—RATIONAL DISTRIBUTION URGED

IT is not at all surprising that the Indian Cotton Mills Federation's voluntary scheme of yarn price regulation was subjected to severe criticism at the South Indian Yarn Dealers' Conference held at Madras last week. For the scheme does not seem to have succeeded in ensuring steady supplies of mill yarn at the prices fixed by the Federation, as witness the wide gap between these prices and the prices at which the yarns are actually sold in the market, even after taking into account the increase in prices necessitated by higher cotton prices, etc. Forty counts single hank yarn spun from Indian cotton is currently quoted in Bombay at Rs. 35.50 per bundle of 10 lbs., as against the "controlled" net mill price of only Rs. 28.75. Similarly, 30 counts are quoted higher at Rs. 29, 26 counts at Rs. 27.50, 20 counts at Rs. 24.12 and 6 counts at Rs. 16.37, whereas the "controlled" prices are only Rs. 25.32, Rs. 24.18, Rs. 21.60 and Rs. 13.57, respectively.

The wide gap, thus, in yarn prices must be attributed to two factors. In the first place, the price ceilings for yarn, which were fixed as far back as in September 1960 with August 1959 as the base, have been rendered uneconomic, notwithstanding the percentage increases allowed to cover increases in manufacturing cost, mainly the rise in cotton prices; some mills are, therefore, reported to have been compelled to sell yarn at relatively higher prices. Secondly, there is a lack of suitable arrangement for ensuring proper distribution of yarn at the "controlled" prices through the trade to consumers.

Artificial Scarcity

The speeches and discussions at the Conference revealed that the ceiling prices, instead of acting as a healthy curb on yarn prices, had created an artificial scarcity in the midst of plenty and brought about a scramble for supplies, high prices and undesirable shifts in production, to the detriment of the legitimate trade and the consumers. In his speech at the Conference, Mr. Kanak Paul, Vice-President of the Calcutta Yarn Merchants Association, declared that the system of ceiling prices had failed to stabilise prices and had caused more distress to the trade and consumers. Mr. Ambalal D. Patel, Chairman of the Reception Committee, declared that the scheme had failed. The Government, he said, had been exerting pressure on the mill industry to ensure yarn supplies to the co-operative societies at the ceiling prices, but had not cared to see that the same benefit was extended to the trade and weaver bodies outside the co-operative field. Such discrimination in regard to yarn distribution was also criticised by Mr. A. M. M. Murugappa Chettiar, a leading millowner and industrialist, who presided over the Conference. Taking the instance of Madras State, Mr. Chettiar said:

"There are (in the State) about 466,370 registered handloom weavers. The total demand for yarn, apart from what the composite mills themselves consume on their looms, represents what this group of weavers require. Of these, 224,085 looms are within the co-operative organisation. This is little less than 50 per cent, leaving the remaining number under what may be termed as unorganised sector. The co-operative societies get their requirements of yarn at fixed ex-mill prices. But what is the fate of the 50 per cent of handlooms that lie outside the co-operative sector? They are dissatisfied at the irregularity of supplies and the high prices they have to pay for yarn obtained through yarn dealers, merchants, brokers, master weavers, etc. ...

"Any discrimination between handloom weavers in the co-operative sector and outside in regard to the supply of yarn should be eliminated. There cannot, and should not, be any differentiation, much less discrimination or antagonism, between the two sections in the matter of supplies. Here is, I think, plenty for the Government to do.... There is need for a more rational and equitable arrangement for assuring the yarn trade adequate supplies at fair prices involving no discrimination, and an assured, even if low, percentage of profit margin."

In the course of a special resolution adopted at the Conference, the yarn dealers urged the Government and the Indian Cotton Mills Federation to remove forthwith the voluntary ceiling on prices. The introduction of ceiling, the resolution stated, had created an artificial crisis in yarn supplies and led to a general deterioration in the quality of yarn and, consequently, of handloom products, besides adversely affecting the manufacture of staple handloom products of the Southern region such as *dhotis, lungis* and "Bleeding Madras" fabrics. Characterising the scheme as "impracticable and unrealistic," the resolution said: "The price ceiling scheme had brought about a wide disparity in the purchase price of yarn as between the co-operative societies and the weavers outside the co-operative field."

Voluntary Control

On his behalf, Mr. R. Venkataraman, Minister for Industries, Government of Madras, speaking at a dinner meeting organised by the Conference, assured the yarn dealers that their grievances would be looked into sympathetically by the Government. He did not, however, commit himself in any way on the general policy of prices and distribution, though he pleaded for voluntary distribution control. He said:

"Though suggestions were made to introduce control system in the distribution of yarn, the Government did not accept the view and merely asked the millowners to supply yarn to the weavers in the co-operative field at the voluntary ceiling prices. Out of the total needs of 24,000 bales, the Government requested millowners to give about 6,000 bales to the co-operative sector and about 5,000 bales to weavers outside the co-operatives. Therefore, about 5,000 bales out of 24,000 bales have been brought under voluntary ceiling system and the rest is available for sale in the open market. As co-operatives have to work under restrictions of ceiling prices, the Government had to make arrangements for the supply of yarn at reasonable prices to handloom weavers in the co-operative societies. Under the present circumstances, some sort of distribution control, without a rigorous card system or price control fixed by the Government, between millowners and a group of people who consume yarn is necessary. ... The question of yarn prices is before the Tariff Commission, and its report will enable the Government to see that the prices are based on cost of production and not on the prevailing market rates as at present."

By implication, the Madras Industries Minister has suggested official price control and voluntary distribution control over cotton yarn. Whatever be the nature of controls, the fact cannot be disputed that controls, as Mr. D. C. Kothari, President of the Southern India Millowners Association, aptly remarked, create a scare psychology. If controls were removed, according to Mr. Kothari, supply and demand would adjust themselves and, in a short while, enough yarn would be available for supply at reasonable prices. This view seems to be a correct one. The supply position of yarn is quite comfortable and bids fair to be so in future, thanks to the upward trend of production. The mill output of yarn is currently running at an annual rate of 1,900 million lbs., as against the actual production of 1,733 million lbs. in 1960 and 1,722 million lbs. in 1959. Since there is virtually a ban on the weaving capacity of the mill sector, the quantity of yarn delivered for "civil consumption" has increased markedly in recent years. The monthly average of actual deliveries at present is about 56 million lbs., whereas it was a bare 45 million lbs. in 1960, 34 million lbs. in 1954 and 23 million lbs. in 1951. The deliveries can be stepped up still further not by price and distribution controls, voluntary or otherwise, but by higher production. Mr. G. K. Devarajulu, Vice-President of the Indian Cotton Mills Federation, did well to emphasise this aspect. The only remedy he could see was to increase production. With co-operation from labour, adequate power supply and a little more liberal imports of cotton, the production of yarn could be stepped up. Indeed, he was confident that, if the two million additional spindles licensed for the third Plan period were quickly installed, the industry would definitely be able to meet the full demand for yarn and reduce the difficulties. Needless to say that, if supplies of yarn are plentiful, there will be no scope for such undesirable practices as cornering of stocks or rigging up of prices by any millowner or trader.

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COTTON INDUSTRY STILL PRETTY SICK

ASSESSMENT BY AN AMERICAN MILLOWNER

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, *2nd October*

THE first international agreement on world trade in cotton textiles has come into force, but Lancashire is still very much in the dark about it. Little official information has so far come out of Geneva on the all-important question of the actual level of imports and exports agreed. Even those in the Lancashire industry who were prepared to take an optimistic view, arguing that any agreement was better than none, are finding it hard to decide whether there is real hope now for a positive and more equitable sharing of the burden of cotton textile imports from the developing countries.

What is known is that 19 nations are parties to the agreement, which will run for five years from 1st October. They are the United Kingdom (accepting also for Hong Kong), Canada, Denmark, Egypt, India, Israel, Japan, Norway, Pakistan, Portugal, Spain, Sweden, the United States, and the six Common Market countries.

According to a report from Geneva, the Six have agreed to increase their imports by 88 per cent over the 1962 quota figure; Austria will take 95 per cent more, Denmark 15 per cent, and Sweden 15 per cent. Percentages, of course, are meaningless unless they can be related to the actual yardage of cloth involved; until this is known, it is impossible to make a judgment. Many questions remain unanswered; for example, is the 88 per cent increase agreed for the Six based on individual takings by member-countries or an overall average for the group?

But, on the working details known so far, it hardly seems likely that the agreement will do very much to ease Lancashire's burden—the tremendously heavy imports of cotton goods from Asia. At best it can be said that it will not make the situation worse than it has been and still is; inured now to being told to fight its own battles, perhaps the industry should be thankful for small mercies.

Still Shrinking

Export figures for the first two-thirds of the year, now available, provide cold statistical corroboration of the visible day-to-day evidence that the Lancashire cotton industry is still pretty sick. The month of August, in fact, was even more melancholy than the ones that went before it: shipments of piecegoods, at 16,511,000 square yards, were the lowest for any month for more than 20 years and lower even than during the war years. At £2,500,000, earnings were the smallest since November, 1945. This brought total exports of cotton piecegoods for the first eight months of the year to 160,733,000 yards, almost 38,000,000 yards down on the same period of 1961. Earnings were nearly £6,000,000 down at £22,611,081.

The eight-month picture for cotton yarn exports was relatively more cheerful, although shipments in the month of August showed a slight reduction. The total so far this year now stands at 10,195,983 lbs. (value £3,698,055), as against 10,746,450 lbs. (£4,269,325) in the corresponding period of last year.

Imports Down, Too

Against a general background of slackness and inactivity in Lancashire's home and export markets, it is not surprising to find that the downward trend in cloth imports is being maintained. With August arrivals down to 31,900,000 square yards, imports of foreign grey cloth into Britain in the eight months aggregated 282,986,000 yards, as compared with 433,699,000 yards in the same period of 1961. Finished cloth imports accounted for a further 93,899,000 yards up to the end of August, as against 106,205,000 yards. Arrivals of cotton yarn fell to 21,419,450 lbs., as against 29,986,647 lbs.

Through American Eyes

It is always arguable whether the man on the spot, with intimate knowledge of the day-to-day problems of his particular trade, or the man with general commercial knowledge from outside, viewing an industry more dispassionately can get closer to the heart of its fundamental difficulties. Whatever the final outcome, it is always interesting to find out how the situation strikes someone in the same line of business, but from a different part of the globe.

A recent tour of Lancashire mills made by an American cotton man has raised serious doubts in his mind as to whether both Washington and London have decided that the cotton textile industry is expendable not only in the United States but in the United Kingdom. British observers have been saying much the same thing for a long time. This American's assessment of Lancashire's "terrible condition" emphasises that the mills which accepted the redundancy plan and went out of business are now by far better off than those who stayed on, bought more machinery and modernised their output. "These owners now have a wildcat by the tail," he says, "and the only course they can follow is to run the mill full blast twenty-four hours a day, in an attempt to achieve production economies."

The rest of the mills which have not bought new machinery, he says, have big reserves and with business as bad as it is and foreign textiles dumped on the home market, the directors and shareholders naturally prefer to shut down operations and get their money out. For this reason it is predicted that 25 per cent more of Lancashire mills will close down.

Movements in Prices

Although day-to-day fluctuations in either raw material rates or selling prices of yarn and cloth are almost a thing of the past, the trend of values on a long-term basis has a definite bearing on the attitude of traders generally, and buyers in particular. As such, a periodical appraisal of the movement in quotations is called for to remind both producers and distributors of the way in which values have changed. During a phase of inactivity so marked as that encountered for at least 18 months back, the pressure on prices must be expected to increase and salesmen are invariably urged to accept quotations which they know will offer little or no margin of profit. Such has been the case this year and, coupled with the small offtake, the financial results so far seen are the outcome.

The table at the end illustrates the trend in raw cotton and yarn quotations in Lancashire during the past 12 months, together with changes in New York spot rates, which do at least provide more variation than those in the practically stationary Liverpool market.—*All Rights Reserved.*

	Raw Cotton			Yarn			
	New York Spot*	Liverpool Spot		American			Egyptian
		American One-inch	Sudan Lambert 6	16s Cop Twist	36s Ring Beams	42s Cop Weft	60s Cop Twist
		(In d. per lb.)					
1961							
September 1	35.25	24.10	31.85	45.00	65.00	63.40	79.13
" 15	35.35	24.10	32.10	44.00	62.00	61.20	78.85
October 2	35.50	24.10	32.30	44.00	62.00	61.20	78.85
" 16	35.65	24.10	32.55	43.40	61.50	60.60	78.85
November 1	35.65	24.10	32.65	43.40	61.50	58.35	78.85
" 15	35.65	24.10	32.65	43.00	61.00	58.00	78.85
December 1	35.60	24.20	32.65	42.75	59.50	57.75	78.85
" 15	35.50	24.20	32.65	42.75	59.50	57.75	78.85
1962							
January 2	35.55	24.20	32.65	42.40	59.00	56.75	78.88
" 16	35.50	24.20	32.65	42.40	58.50	56.75	78.88
February 1	35.55	24.40	32.50	42.40	58.00	56.25	78.86
" 15	35.55	24.45	32.50	42.00	57.40	55.15	78.29
March 1	35.55	24.45	31.50	41.40	56.50	54.00	78.01
" 15	35.65	24.45	30.25	41.40	56.50	54.00	78.01
April 2	35.65	24.45	30.25	40.40	56.50	52.80	77.17
" 16	35.70	24.45	30.25	40.40	56.50	53.00	76.89
May 1	35.70	24.45	30.25	40.40	56.00	53.00	76.89
" 15	35.75	24.45	30.25	40.40	55.75	52.75	76.89
June 1	35.85	24.45	30.25	40.40	55.50	52.75	76.89
" 14	36.05	24.30	30.25	40.40	55.50	52.75	76.61
July 2	36.15	24.20	29.75	40.40	55.50	52.75	76.61
" 16	36.05	24.20	29.75	40.40	55.50	52.75	76.61
August 1	35.85	24.20	29.40	40.40	55.50	52.75	76.33
" 15	35.65	24.20	29.40	40.40	55.50	52.75	76.33
September 3	34.95	24.20	29.40	40.40	55.50	52.00	76.05
" 17	34.95	23.95	29.40	40.40	55.50	52.00	75.49

* New York Spot rates are in cents per lb.

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WORLD SUGAR POSITION

NO UNDUE PRESSURE OF SUPPLIES EXPECTED

JUST six weeks have elapsed since the current (1962-63) world sugar season commenced, on 1st September last to be precise, and it is too early to say with any degree of accuracy as to what would be the trend of world sugar markets in the new season. From indications currently available, however, it appears that there would be no undue pressure of supplies on world markets. This at any rate is the broad conclusion arrived at by the U.N. Food and Agriculture Organisation in its latest (1962) annual *Review*. The conclusion seems to be quite justified, in that it is based on certain valid grounds. Demand for sugar in Western Europe, for instance, is expected to be maintained at roughly the same level as in 1961-62. Again, the Sino-Soviet area will doubtless continue to absorb the bulk of Cuban surplus, which, it is said, is likely to remain lower than in the past, mainly because of the programme of crop diversification that is being pursued in Cuba. Further, under the U.S. Sugar Act, the American suppliers will have the opportunity of meeting the larger part of the domestic demand, but other countries will continue to benefit from the re-distribution of the Cuban quota.

A look back at the past (1961-62) season at this stage would be quite relevant. The world sugar supply position continued to be favourable from the importing countries' point of view, despite the sharp setback in production. The total quantity of sugar actually produced was about 53 million tons (raw value), that is 3.5 million tons lower than the record output (56.5 million tons) of the previous season. Since, however, the opening stocks were substantially higher at 16.0 million tons, as against 13.4 million tons, the total available supply amounted to 69.0 million tons which, though slightly smaller than that (69.9 million tons) in 1960-61, was well above the supply of 62.7 million tons for the 1959-60 season. The excessive supplies that were being offered by exporters in many parts of the world continued to exert a depressing influence on the market, and the International Sugar Agreement did not succeed in its objective of holding free market prices above the minimum of 3.25 cents per pound.

Sugar Council

A United Nations Sugar Conference was held at Geneva in September 1961 to review the operation of the Agreement and to determine the basic export quotas for the two years 1962 and 1963. Even after adjourning and reconvening later, the Conference was unable to reach agreement on the question of quotas, and the quota provisions of the Agreement accordingly lapsed on 31st December 1961. The Sugar Council, however, continues to exist. The U.N. Sugar Conference adopted a final resolution inviting the Council to consult the U.N. Secretary General on reconvening the Conference, if favourable conditions for resumption should emerge. Failing this, arrangements are to be made to request the U.N. to convene another negotiating conference in 1963. The Council was also asked at the Geneva Conference to keep under review the world sugar situation, to undertake studies of relationship between the prices of raw and white sugar and the problem of stocks, and to formulate, in co-operation with the international organisations concerned with improvement of world living standards, programmes for expanding sugar consumption.

While the termination of export quotas has rendered the immediate outlook for sugar obscure, a large proportion of the trade of countries supplying preferential markets will, according to the *F.A.O. Commodity Review* 1962, be unaffected. Arrangements such as that between the U.K. and the Commonwealth producers will also continue in effect, even though previously incorporated into the wider International Agreement, and only that part of the individual quotas not subject to negotiated prices will be influenced by the immediate trend in world market prices.

Consumption

Encouraged by low prices, sugar consumption continued to rise at the high rate of recent years during 1961-62. The actual consumption of sugar in the free world during the year 1961 is estimated 38.6 million tons, as against 37.4 million tons in 1960 and 36.6 million tons in 1959, the percentage increase being 3.2 per cent in 1961 and 2.2 per cent in 1960. The average annual rate of increase during 1956-61 was 2.7 per cent, one of the highest rates for any major foodstuff. The situation in the Sino-Soviet area is less clear. At the February 1961 session of the International Sugar Council, the U.S.S.R. indicated that its purchases from Cuba were for internal consumption and that total exports from the U.S.S.R. would not exceed their customary level. Production of white sugar in the Soviet Union increased from 6.1 million tons in 1960 to 8.4 million tons in 1961, despite a slight decline in State purchases of domestic beet. However, 500,000 tons of sugar were loaned to China in mid-1961, this incidentally tending to confirm the general impression that the latter country, at least, is putting its imports to immediate use. Some of the East European countries have been re-exporting white sugar of Cuban origin, and it is not known how much of the imported supplies went into stocks. If allowance is made for an increase in stocks in the area as a whole of about a million tons (25 per cent), domestic production and imports would still have made possible a rise in consumption of over 25 per cent, to more than 15 million tons, from 12 million tons in 1960 and 10 million tons in 1959. For the world as a whole, consumption would then total around 54 million tons, as compared with 50 million tons in 1960 and 47 million tons in 1959.

Upward Trend to Continue

All indications point to a continuation of the upward trend in world sugar consumption in 1962 and beyond, but at a slower rate than was achieved in 1961. In Europe and the Western Hemisphere, *per capita* consumption has now risen to about 37 kilogrammes and, in the U.S.S.R. and Eastern Europe, it may be higher. Great possibilities for expansion undoubtedly exists in Africa and Asia where consumption in 1961 averaged only about 9.3 kilogrammes. Following the large increase in India's domestic production, stocks on hand at the end of October 1961 increased to 1.2 million tons and controls on distribution, prices and local movement of sugar have been lifted in order to stimulate consumption. One of the largest potential markets in China where, even in 1961, the supplies available could not have permitted a higher level of consumption than about 3 kilogrammes, but it is unlikely that, in the immediate future, domestic production can be expanded or financial resources used for importing additional quantities of sugar.

Trade in Sugar

The world sugar trade throughout 1961 was under the influence of the record 1960-61 harvest and the substantially increased imports into the Sino-Soviet area. The fuller emergence of Russia and China as major importers in 1961 led to a large expansion in the volume of world trade, despite the reduction in West European imports. The actual imports by these two communist countries aggregated 4.8 million tons, as against a bare 2.1 million tons in 1960 and less than half a million tons in 1959. The rise more than made good the fall in imports by other countries from 14.60 million tons in 1960 to 13.75 million tons, so that the aggregate world imports rose from 16.8 million tons to 18.6 million tons. The large quantity of 4.8 million tons imported by Russia and China comprised entirely of Cuban sugar. This was due to the imposition of a complete ban on Cuban sugar imports by the U.S. Administration. Alluding to this ban, the F.A.O. observes:

"As far as the United States was concerned, the resultant gap in supplies was filled partly from the larger domestic production, but mainly by dividing the Cuban share among other established suppliers and non-quota countries where supplies were more than adequate following bumper 1960-61 harvests. Several countries, including Australia and India, received non-quota allocations for the first time. This development was, of course, of outstanding importance in the world sugar trade. Not only did it give many countries an unexpected outlet for their additional production, but prices in the United States continued to be very much higher than those obtainable on the world market or even under the British Commonwealth Sugar Agreement."

The world sugar production in the 1961-62 season was lower, as already stated, by 3.5 million tons at about 53.0 million tons. The decline was accounted for by both cane sugar and beet sugar. Private sources put the aggregate world cane sugar output at about 30.06 million tons, as against 31.18 million tons, the production of beet sugar being estimated at 22.94 million tons, as against 25.74 million tons. In order to compensate for the reduction in sugar output in 1961-62, while allowing for higher consumption, countries outside the Sino-Soviet area needed about 3.5 to 4.0 million tons of sugar over and above their domestic production (of 45 million tons during 1961-62), as against 1.5 to 2.0 million tons in 1960-61. Some of this quantity must probably have come from stocks which in many countries could be comfortably reduced and there were also larger imports. In this connection, the supply position in Cuba was, of course, of key importance. Even after the record trade in 1961, Cuban stocks carried forward into 1962 aggregated 1.1 million tons, or roughly the same as at the beginning of the previous year, but the total supply in 1961 is estimated at only about 6.5 million tons, as compared with 7.9 million tons in 1961. Of this supply, the Sino-Soviet countries are expected to absorb again something like 4.9 million tons under their long-term agreements with Cuba and agreements with other countries such as Japan also account for further large quantities. It is not surprising, therefore, that Cuba announced many months ago its withdrawal from the world market. The current (1962-63) season's output of Cuban sugar is expected to be only a little better than in 1961-62 (when the output was lower at 5.38 million tons, as against 6.77 million tons in 1960-61), but, since the opening stocks were appreciably less, the total available supply will be small indeed. From this, one cannot, however, rush to conclude that Cuban sugar has ceased to have a predominating influence over world sugar markets. It would be pertinent to recall here that sales of "second hand" cane sugar by a Cuban agency, to which has lately been resold a part of sugar supplied to Russia and Communist countries, are still continuing.

Table A: *World Sugar at a Glance*
(In million metric tons—raw value)

Country	Production*			Exports			Imports		
	1961-62	1960-61	1959-60	1961	1960	1959	1961	1960	1959
Asia (excluding China)†	7.00	7.62	6.91	2.50	2.47	1.85	3.40	2.97	2.84
Cuba	5.38	6.77	5.86	6.40	5.64	4.98	Nil	Nil	Nil
Other Latin America	12.00	11.68	11.32	4.60	4.38	3.24	0.23	0.25	0.39
W. Europe	7.68	9.88	7.32	1.50	1.57	1.34	3.75	4.67	4.67
E. Europe	4.18	4.55	3.23	—	0.98	1.14	—	0.31	0.12
U.S.S.R.	7.07	6.95	5.97	} 0.60	0.27	0.27	3.40	1.80	0.43
China	1.20	1.22	1.26				1.40	0.30	0.05
U.S.A.	2.99	2.80	2.68	Nil	Nil	Nil	4.00	4.29	4.15
Others	5.66	5.08	5.20	3.00	2.05	1.96	2.37	2.11	2.08
Total ..	53.16	56.55	49.75	18.60 (86.8)	17.36	14.78	18.55	16.70	14.73

Source : *F.A.O. Reports.*
* Production figures are for the season September-August.
— Not available. † In arriving at Asia's production figures, the F.A.O. reports do not appear to have taken into account India's *gur* production.
Figures in brackets relate to world average export unit value in $ per metric ton.

Table B: *World Price and Per Capita Consumption of Sugar*

	1961	1960	1959	1958	1957	1956	1955	1954	1953
Price* (cents per lb.)	2.92	3.14	2.97	3.50	5.16	4.67	3.24	3.26	3.41
Per capita consumption (lbs.) ..	38.50	36.30	34.98	34.10	33.44	33.22	31.68	31.02	30.14

* Based on New York Coffee and Sugar Exchange daily spot quotations rounded off to nearest digit.

SHIPPING IN THE THIRD PLAN

TARGET AND FINANCIAL PROVISION

(Contributed)

THERE has been some misunderstanding in regard to the target for expansion of shipping and financial provision for it in the third five-year Plan. There are, for instance, some discrepancies between the figures contained in the recommendations of the National Shipping Board and those mentioned by Mr. Raj Bahadur, Minister of Shipping, in his statement and speeches in the Lok Sabha. It is necessary, therefore, to clarify the position in so far as the National Shipping Board is concerned, so that the public may have a correct picture of the recommendations made by the Board and the extent to which these recommendations have been accepted by the Government.

The question of the target for the third Plan and the financial provision required for achieving it was considered in all its aspects by the National Shipping Board in 1959 and the Board submitted a detailed report in January 1960. The Board had recommended a target of 14.2 lakhs G.R.T. to be reached by the end of the third Plan period involving a total financial outlay of Rs. 118.8 crores inclusive of about Rs. 14 crores to be contributed by private sector companies from their own resources. In other words, the Board had suggested a financial provision of Rs. 104 crores in the Plan for achieving the above target. The Board's recommendations envisaged a gross addition of about 6.9 lakhs G.R.T., including replacement tonnage of about 1.72 lakhs G.R.T., on the assumption that the second Plan target of 9 lakhs G.R.T. would have been achieved by the end of that Plan period. The details of the tonnage addition and the financial provision recommended by the Board were as follows:

	Replacement	Addition	Total	Estimated cost
	G.R.T.	G.R.T.	G.R.T.	(Rs. crores)
Coastal :				
Dry cargo	1,00,000	40,400	1,40,400	18.60
Tankers	..	7,500	7,500	1.15
Overseas :				
Dry cargo including passenger vessels .	72,000	4,04,200	4,76,200	90.45
Tankers	..	66,000	66,000	8.60
Total ..	1,72,000	5,18,100	6,90,100	118.80

	(Rs. crores)
Estimated contribution by private shipping companies from their own resources	14.03
Financial provision to be made in the Plan	104.77

In examining the target for the third five-year Plan, the Board had kept in view the objective of enabling Indian shipping to carry not only the entire coastal trade but also a substantially larger share of the overseas trades than during the second Plan period. It was also felt that the target should be based on an assumption of the possible expansion of tonnage in both the public and private sectors. The Board was also of the opinion that apart from liner trade in which considerable progress had already been made by Indian companies, Indian tonnage should cater to the oil, bulk cargo and passenger traffic so that India could have a balanced fleet consisting of dry cargo tonnage, both liners and tramps, tankers and passenger vessels.

The Planning Commission, however, decided to provide only Rs. 55 crores in the Plan owing to paucity of resources and the National Shipping Board was accordingly asked to formulate revised proposals regarding the allocation of this provision between the private and public sectors and between ships of various types. The programme of acquisition as envisaged in the Plan is as follows:

	Replacement	Addition	Total	Estimated cost
	G.R.T.	G.R.T.	G.R.T.	(Rs. crores)
Coastal :				
Dry cargo	1,00,000	25,000	1,25,000	16.70
Tankers	..	7,500	7,500	1.15
Overseas :				
Dry cargo including passenger vessels .	93,600	95,400	1,89,000	36.70
Tankers	..	53,000	53,000	6.80
Total ..	1,93,600	1,80,900	3,74,500	61.35 or 62.00 roundly

	(Rs. crores)
Estimated contribution by private shipping companies from their own resources	7
Financial provision to be made in the Plan	55

Even though the Board felt that the shipping target for the third Plan which they had recommended earlier was a modest and reasonable one and represented only the minimum necessary development based on a rate of expansion which had already been achieved during the last two years of the second Plan, the Board indicated priorities for the acquisition of ships of different types in the private and public sectors in order to enable the available financial provision to be utilised in the best interests of Indian shipping. The indication of such priorities would, it was believed, also serve to emphasise the inadequacy of financial provision for shipping in the Plan and enable a better appreciation of the need to enhance the amount of allocation. In laying down the priorities, the Board recommended that first priority should be given to the replacement of overage tonnage, both on the coast and in overseas trade, then to bulk tankers, then to dry cargo ships (particularly tramp ships), and lastly to passenger ships. The Board accordingly forwarded in July 1961 their revised proposals, particulars of which are shown in the following tabular statement:

	Replacement	Addition	Total	Estimated cost
	G.R.T.	G.R.T.	G.R.T.	(Rs. crores)
	PRIORITY No. 1			
Coastal :				
Including Konkan passenger vessels .	1,03,300	40,400	1,43,700	20.10
Tankers	15,000	..	15,000	2.50
Overseas :				
Dry cargo including passenger ships .	77,300	1,80,500	2,57,800	46.10
Tankers	..	60,000	60,000	6.00
Total ..	1,95,600	2,80,900	4,76,500	74.70
Add—Carry forward from Second Plan.	..	..	..	6.50
			Total ..	81.20
	PRIORITY No. 2			
Coastal	..	..	..	..
Overseas :				
Dry cargo	..	1,61,500	2,61,500	25.60
Tankers	..	1,00,000	1,00,000	10.00
	..	2,61,500	2,61,500	35.60
	PRIORITY No. 3			
Coastal	..	..	..	..
Overseas :				
Passenger vessels ..	..	60,000	60,000	18.00

It will be observed that the gross addition of tonnage and the financial provision envisaged in the recommendations under priority No. (1) (2) and (3) were as follows:

	Gross addition G.R.T.	*Financial provision* (Rs. crores)
Priority No. 1	4,76,500	81.20
Priority Nos. 1 and 2	7,38,000	116.80
Priority Nos. 1, 2 and 3	7,98,000	134.80

Since the formulation of these proposals, however, certain developments have taken place such as the demand for additional tonnage on the coast to cater for the increased movement of coal, the proposed acquisition of substantial tonnage by the Jayanti Shipping Company, placing of orders by the Shipping Corporation with the Hindustan Shipyard (Visakhapatnam) for construction of liner vessels, decision to build new passenger vessels to replace the existing ones employed on the Konkan coast. At the request of the Ministry of Transport, the Board reviewed the position in the light of these developments and made a further report in July 1962 recommending the target of 13.5 lakhs G.R.T. with a total outlay of Rs. 82 crores.

While reviewing the position, the Board found that, with the tonnage already acquired or ordered, the target set in the Plan, namely, 10.8 lakhs G.R.T. could be considered to have already been reached. They, however, felt that, irrespective of whether this target had been reached or not, there was an urgent need to acquire some additional tonnage both for replacement of overaged tonnage on the coast and in the overseas trade and for expansion of tonnage for operation in certain essential sectors. For example, there was the need to modernise and expand the coastal fleet, particularly having regard to the requirement of additional tonnage for the movement of coal. There was also the need to acquire bulk tankers for overseas trade as India has only one such tanker at present. Moreover, although the Jayanti Shipping Company had ordered a fleet of large-sized bulk carriers, the Board felt that a few bulk carriers of smaller size should also be acquired. The Board's proposals in this connection are summarised below:

	Replacement	Addition	Total	Estimated cost
	G.R.T.	G.R.T.	G.R.T.	(Rs. crores)
Coastal :				
Dry cargo including Konkan passenger vessels	1,43,600	42,400	1,86,000	29.67
Tankers	15,000	..	15,000	2.50
Overseas :				
Dry cargo including passenger vessels .	59,300	56,000	1,15,300	25.30
Tankers	..	40,000	40,000	4.00
Total ..	2,17,900	1,38,400	3,56,300	61.47

The Board estimated that on the basis of the total cost of Rs. 61.47 crores for acquiring the abovementioned tonnage, the financial allocation required in the Plan would be about Rs. 50 crores, the balance being contributed by the shipping companies themselves. According to the information available with the Board, an amount of about Rs. 32 crores had already been expended or committed to in respect of the tonnage already acquired or ordered. The total financial provision for shipping in the Plan, according to them, thus worked out to Rs. 82 crores against the provision of Rs. 55 crores already provided in the Plan. The Board accordingly recommended the allocation of an additional provision of Rs. 27 crores.

According to Government sources, however, the actual addition made to Indian tonnage during the current Plan period and the financial provision that has been committed to in respect of such tonnage are as indicated in the following statement:

	Tonnage acquired or ordered G.R.T.	*Target set in the Plan*	*Financial provision committed to* (Rs. crores)
Coastal trade	73,356	1,32,500	46.90
Overseas trade	3,02,044	2,42,000	3,309.89
	3,75,400	3,74,500	3,356.79

It will be observed from the figures given above that the physical target set in the Plan may be considered to have already been reached, although (*a*) there is a shortfall in the target for coastal tonnage and (*b*) several of the ships which have been ordered have yet to be delivered. As regards the financial provision, it is understood that, while working out the figure regarding the provision utilised so far, Government have excluded the commitments carried forward from the second Plan but have included the commitments actually made during the current Plan, irrespective of the fact that a portion of the loans already sanctioned will be made available only during the fourth Plan period. For example, while the Board have taken into account a sum of Rs. 12.5 crores being the amount carried forward from the second Plan and excluded an amount of Rs. 13.5 crores out of the loan of Rs. 20.5 crores promised to the Jayanti Shipping Company which would be payable in the fourth Plan period, Government have taken into account only the commitments entered into in the current Plan period. Thus, the amount utilised so far on account of loans was taken as Rs. 33.57 crores as mentioned in the above statement. In addition, a sum of about Rs. 3.5 crores has been invested in the Shipping Corporation. The total expenditure that has so far been incurred or committed to on the basis of the above figures is thus about Rs. 37 crores.

It has, therefore, been pointed out by Government that there is a balance of Rs. 14 crores still available in the financial provision made in the Plan. It has also been estimated by them that this amount of Rs. 14 crores would be sufficient to acquire ships worth about Rs. 17.5 crores on the assumption that the balance of 20 per cent of the purchase price would be met by the shipowners concerned. On a rough basis, it has been estimated by Government that it will be possible to acquire ships of about 175,000 G.R.T. with this provision and the physical target raised to 12.5 lakhs G.R.T.

Doubts have been expressed in certain quarters whether, in view of the fact that a

(*Continued on page 664*)

Notice

INDIAN ALUMINIUM COMPANY LIMITED

31 Chowringhee Road
CALCUTTA-16

NOTICE IS HEREBY GIVEN THAT THE Company's Register of Ordinary Shareholders and Ordinary Share Transfer Register will remain closed from October 22, 1962 to October 26, 1962, both days inclusive, in connection with the payment of interim dividend.

INDIAN ALUMINIUM COMPANY, LIMITED,
ANDREW YULE & COMPANY LIMITED,

A. S. MACLAREN,
Secretary,
Registrars.

Registrar's Office:
8 CLIVE ROW,
CALCUTTA-1
P.O. Box 150
12th October 1962.

SEPARATION OF AUDIT FROM ACCOUNTS—II

PROS AND CONS VIEWED FROM CURRENT DAY REQUIREMENTS

By A. Premchand

THE main features of the separation scheme as introduced in the Central Departments, Lok Sabha and Rajya Sabha, and in the States of Bengal and Saurashtra (the features were generally the same in respect of all these units) were: the secretary of each department, brought under the separation scheme, was considered as the chief accountant officer and his responsibility was to be discharged through the assistance of the accounts officer who will work in direct relation with him without any interference from any other officer in the Ministries. The personnel who were appointed as the pay and accounts officers and the other subordinate ranks were all drawn from the Indian Audit and Accounts Department. The experiments in the States, did not enjoy a long life. The Saurashtra scheme was abandoned when the State was integrated with Bombay. The West Bengal scheme was abandoned with effect from 1st November 1957, as it had proved a failure. It was found that well understood financial principles had been disregarded under instructions of departmental offices and that, on the whole, it had not given any beneficial results. The scheme could not be extended to other Ministries at the Central Government also, as the amounts of expenditure involved were fairly big. The problem before the Government was whether to go ahead with the separation scheme or to defer its further implementation to a future occasion. The Government chose the latter. A significant development took place meanwhile, namely, the implementation of the revised procedures for budgeting and financial control introduced in August 1958. The Government wanted to assess the utility of this system with a view to considering the efficacy of the extension of the pay and accounts offices in the changed context of financial arrangements. While this has been the general approach of the Government, there has been a reversal of the policy so far as the Comptroller and Auditor-General was concerned. The second C. & A. G., Mr. A. K. Chanda, who had started off as a protagonist of separation, changed his opinion during the later part of his tenure. He thought that the departmentalisation of accounts had not by itself contributed towards an increase in efficiency but had only resulted in avoidable extra expenditure and dilution of competent manpower. He, therefore, urged a reappraisal of the scheme.

Why Reversal?

What are the reasons for this reversal of policy? This question brings us to a consideration of the arguments for and against "separation." As has been pointed out earlier, a number of arguments are adduced from time to time in favour of and against separation; we may consider, first, the arguments in favour of separation. On a consideration of the question from the standpoint of the executives it may be said that separation of audit from accounts is essential, in order to have an adequate machinery to watch the expenditure, to aid financial control, to help scrutinise and examine each proposal leading to a disbursement of money, to plan the budget estimates and, generally, to be in charge of all the financial matters of a Ministry. In the 'thirties, when the scheme of separation was introduced, emphasis was laid on the preparation of two sets of accounts, as being essential to a proper financial control. The two sets of accounts were: (i) on behalf of the Government for the purpose of financial control and (ii) on behalf of the Auditor-General for the supply of the material for the computation of the appropriation accounts and finance accounts. The need for such accounts continues even now; but, meanwhile, there has been another development which, in a way, changed the complexion of the problem. With the advent of the developmental expenditures on a large scale, the need for data which can help the formulation of projects and policies has become essential. Thus, accounting data have a twofold purpose, accountability and policy. Though this distinction was first recognised in the business world, its applicability to public finance was not so readily conceded. The main purpose of accountability is to present a means of control over the actions of people who are entrusted with the handling and disposal of moneys not belonging to them. The policy aspect is served when the data given are useful in the formulation of a policy both for short run and long run alike. The data should be able to reveal to the administrative authorities the extent to which a plan has been carried out, so that it could serve as a preliminary to the formulation of a fresh plan. It should indicate the progress in terms of money spent as also in physical terms. The need for such data in the context of planned development can hardly be overemphasised.

The data required can be conveniently supplied if the pay and accounts offices are separated and transferred to the charge of the administrative department. The present role of an Accountant-General, who is away from the administrative department and impersonal in his approach, can hardly be expected to fill this role and discharge the functions listed above. Besides, the existing procedures, outmoded as they are, add to the difficulties and no data are available at any time to help the formulation of new projects. Accounting data are the eyes and ears of a department in the context of fulfilment of the tasks and responsibilities entrusted to a modern department. Separation has also been favoured on the plea that audit should be independent from the accounting authorities. It is a generally recognised principle in the commercial world "that business transactions should be subjected to the audit scrutiny of an agency independent of those charged with the duty of keeping the accounts of these transactions." So, "theoretically, the same principles should apply equally well to Government transactions." The present position, however, is one where the same agency is responsible for the maintenance of accounts and also the audit of the accounts compiled by itself, and it is this position which is characterised as being anomalous and highly improper and defective. This point of view has two implications: (i) in the absence of a check by an outside and independent audit agency, the accounts are not reliable, and (ii) it presents a split personality involving preparation of accounts for the executive, on the one hand, and auditing the same by transforming itself into an agency of audit, on the other. The combination of such duties is illogical and therefore undesirable.

Value of Pre-check

Separation would ensure a pre-check of all claims before payment. Such a scrutiny is an essential function of the pay and accounts officer. This pre-check system has certain advantages. It provides a check on the accuracy of each claim; and it enables prompt compilation of data, as the figures of disbursements are entered in the accounts immediately after the disbursement on the basis of the cheques issued.

Another argument adduced in favour of separation is that, when audit becomes an independent agency, devoid of the responsibility of the routine work, and entrusted with the task of auditing the completed records compiled by others, it brings to bear a more detailed view and will have opportunities to concentrate on matters of greater importance, as, for instance, special investigation. These factors make audit not only a more independent but also a more efficient agency. There is, however, a drawback, for it would involve "double audit"—the pre-audit made by the pay and accounts officers before payment and the independent audit carried out at a later date by the Auditor-General. But it is argued that this process, far from being a handicap, would actually ensure a more efficient audit.

The pay and accounts officer can, in his person, act as a financial adviser to the controlling officer. He can be helpful in the preparation of the estimates, in considering economy and regularity of an expenditure proposal, in fortifying a financial proposal which is to go to the Finance Department for its concurrence, in watching the progress of expenditure and in taking timely action for a supplementary grant if the situation warranted such a course. In addition, the pay and accounts officer will provide an important agency which acts as a concurrent and internal audit, a financial adviser and a compiler of up-to-date 'data' for policy-making. These functions, if carried on well, would go a long way towards establishing an effective control of expenditure.

The separation of audit from accounting will also enable the introduction of a system of exchequer control, as the pay and accounts officer, who compiles the accounts regularly, will have an opportunity to judge whether there is any likelihood of the grant being exceeded. Besides, the pay and accounts officers are authorised to reject payment of claims which are not legal and which are not provided for in the appropriation act, especially if the payment of such a bill is likely to result in excess of the original grant. This check is particularly valuable, for, not unoften, the political executives, in their anxiety to go ahead with certain schemes and not being aware of the accounts position, launch on schemes which may eventually result in excess expenditure.

Arguments Against Separation

While the aforesaid arguments are in favour of separation, there are other arguments which blow up the entire thesis itself.

The anti-separationists argue that the mere keeping of total expenditure within the grant as is done by the pay and accounts officer does not mean anything significant. What is more important is a continuous watch on the progress of expenditure as also an awareness of the duty to ensure that the expenditure incurred is justified and economical and therefore proper. These functions, they argue, are of the controlling officer himself and not of the pay and accounts officer. It is also pointed out that the accounts officer may know only the expenditure incurred and booked, while the controlling officer knows not only these two, but also the commitments as well. If the competence of controlling officers has gone down, the solution does not lie in creating a new cadre, namely, pay and accounts officers to supplement the functions of controlling officers. What is required is the granting of more financial and administrative powers to the heads of departments, so that the departments could be made fully responsible for their functional charge. It is further argued that, without financial authority being transferred to the administrative authorities, there could be little or no meaning in transferring accounting responsibility. However, as indicated earlier, such an opportunity of combining the accounting functions with financial responsibilities arose when the revised arrangements for budgeting and financial control were introduced in the Central Government during August 1958. These arrangements included transfer of financial responsibility and greater devolution of powers. But they were not followed by a transfer of the accounting responsibilities for the following reasons: (*a*) the separation scheme, which involves more expenditure, may prove to be a further drain on the Exchequer at a time when expenditure on civil administration was to be at the minimum. And (*b*) the experiment of the revised arrangements and its progress should be watched and carefully assessed before any further changes could be effected. Added to these were the reluctance of the Comptroller and Auditor-General himself to extend the scheme to other Ministries.

Full Trial Never Given

The main question is whether the institution of pay and accounts officers will not help a better expenditure control. The answer appears to be in the affirmative, for the role of the pay and accounts officer should not be visualised merely as that of an accounting officer adding and subtracting figures, but that of a financial adviser and the principal assistant. That is how the controlling officer in the U.K. is regarded. In India, the separation system has never been tried in full and in strict adherence to the blueprint first prepared by J. C. E. Jukes. What has been done is only a piecemeal application of the scheme. The pay and accounts officer should not be judged by what he is but from what he would have been, for, in the present position, he is only a part of what he was to have been.

As for the charge that audit is now done by the same agency which compiles accounts, it is argued by the anti-separationists that it does not audit its own accounts but audits the vouchers and accounts sent by the various departmental officers through the Treasuries. The audit, as it functions now, in its combined role, only consolidates the statements sent to it and, in this process of compilation, there is neither scope nor any motive for manipulation. It is also argued that the present system offers many checks and balances at various points, equivalent to the pre-check that would be done in the separated offices. The checks are comprehensive enough to offer almost a perfect safeguard. Moreover, it is doubtful whether an independent audit agency, which may not have ready and free access to documents, will prove as good as the present system.

As regards exchequer control, the anti-separationists argue that centralised payment system, which is an essential part of the separation scheme, would be difficult in a country like India. It is also suggested that the exchequer control does not ensure 'economy' but is only negative in its approach and therefore not very desirable.

Other Arguments

The other arguments against separation may now be summed up. (i) Under separation, the appropriation accounts may not be as reliable as they are in a combined system, as the accounts are prepared by an interested party. (ii) Even under separation, the system of making allotments to the various controlling officers in the department will have to continue. This will necessitate the maintenance of administrative accounts, as these will not be maintained by the pay and accounts officers. (iii) Even now, the Accountant-General is of considerable help and assistance to the administrative department and the Finance Ministry in the preparation of budget estimates, etc., and, in a way, he functions as a financial adviser also. (iv) The separation involves twofold audit (*a*) by the pay and accounts officer, and (*b*) by the statutory audit, and it is not desirable to multiply agencies. (v) The test audit staff, being in poor touch with the executive as compared with the present system, will be less advantageously placed than at present for the conduct of higher audit investigations. (vi) Accounting and audit functions being interrelated, there is nothing wrong in the combination of two functions. (vii) Audit is necessary to ensure that departmental accounting is correct. But, where the audit itself is a different and independent organisation, it is questionable whether there ought to be another independent audit agency. (viii) It is a part of the functions of the Comptroller and Auditor-General to prescribe the forms of accounting. Further, in the context of the formation of linguistic provinces, transacting their business in the regional languages, separation of accounts, is likely to present a fresh problem; it may, therefore, be desirable to maintain the *status quo*. And (ix) Is it necessary to break up a century-old organisation which has withstood the test of time?

Added to all these is the powerful argument that separation would mean an extra recurring expenditure of Rs. 12 crores a year and would involve an additional employment of 45,000 men. In the context of the need for conserving all available resources for financing economic development and of a shortage of trained manpower, it is undesirable, so it is contended, to enter into commitments which may lead to more unproductive expenditure. The expenditure factor may be a powerful one, but the fact remains that, if the accounts operations are mechanised, there would not only be a remarkable fall in the manpower requirements, but also an appreciable reduction in the total expenditure calculations.

The question that now arises from the analysis of the problem so far is whether separation of audit from accounts is desirable or not. The exercise of the option among the choices offered involves the exercise of a value judgment and, to an extent, the adoption of a partisan attitude also. The answer obviously depends on the purposes which separation is expected to serve. It has been stated earlier that separation, which alone can throw up the accounts data required for the successful implementation of a development plan is an absolute imperative of the day. A scheme of separation should not be rejected on the consideration of cost alone, for what is invested today will repay itself in the form of a sound administrative set-up in future. Further, the need for such separation is inherent in the present situation and the importance of such a scheme should not be allowed to be nullified or hindered on the basis of objections, which might have had some relevance in the 'twenties but have no relevance in the present-day context. Another aspect which requires consideration is that the successful implementation of an exchequer control also requires separation of audit from accounts not only at the Centre but also in the States. What is required is faith in the scheme and a zeal for experimentation.

(Concluded)

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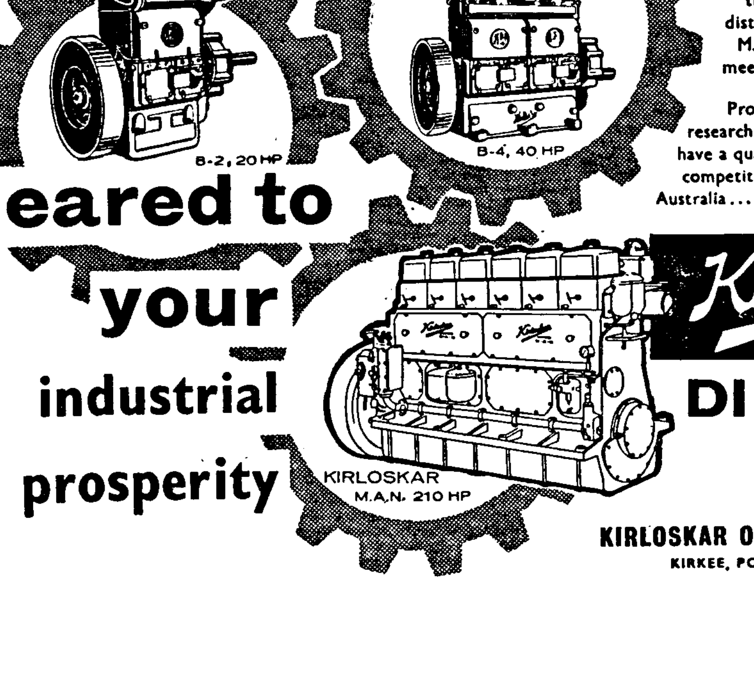

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HEAVY INDUSTRY BIAS IN INDIAN PLANNING

PROF. MAHALANOBIS'S MODEL RE-EXAMINED

THE third Five-year Plan, like the second, has adopted the broad strategy of planning advocated by Professor P. C. Mahalanobis. This strategy is distinguished by its emphasis on investment in heavy, capital-intensive industries. One of the arguments advanced in support of the strategy is that the establishment of heavy basic industries would secure economic independence in the sense that "everything else can be gradually manufactured in India mostly out of domestic resources." Such economic independence means, in other words, "foreign exchange saving." It may be recalled that Prof. Mahalanobis had illustrated this some years ago by providing a numerical example with the following conclusion:

"In order to feed the fresh additions to the population at the rate of five million persons per year, it would be necessary to provide an additional quantity of 700,000 tons of foodgrains *every year* which would require Rs. 450 crores of foreign exchange over a period of five years. The cost can be reduced to Rs. 135 crores of foreign exchange in a five-year period, if an additional quantity of 350,000 tons of ammonium sulphate is ordered from abroad *every year*, at least two years in advance of the crop season. The cost can be further reduced to Rs. 125 crores (out of which the foreign exchange component would be Rs. 50 crores) over a five-year period if a new fertiliser factory of 350,000-ton capacity is started *every year*; this would call for decision four or five years ahead of the crop season concerned. The apportioned cost of a heavy machine-building factory which would manufacture machinery in India to install *every year* a new fertiliser factory of 350,000-ton capacity would, however, be so small as Rs. 12 or 15 crores with a foreign exchange component of perhaps Rs. 8 or 10 crores. Such a decision would have to be made only once but eight or ten years in advance of the season in which the fertiliser would be used.... *Wise utilisation of Rs. 10 crores of foreign exchange once for all can lead, in time, to a saving of Rs. 450 crores of foreign exchange in imports of foodgrains over a period of five years.*"

Prof. Arndt's Criticism

The practical utility of this argument has, however, been questioned by Mr. H. W. Arndt of the Australian National University (Canberra) in a paper published in the February 1962 issue of *Sankhya* (*The Indian Journal of Statistics*) received in Bombay last week. It is, of course, recognised in the paper that the "foreign exchange saving" argument is "formally of general validity and probably valid for India even for a relevant planning period." But, in Mr. Arndt's view, it "represents a dangerous over-simplification." "Its too ready acceptance by economists and politicians," he says, "may not be unconnected with the complacency about the foreign exchange aspects of national economic planning which must bear some responsibility for the balance of payments difficulties of the second Plan period." Mr. Arndt's arguments, which are dealt with in the following paragraphs, convey, in short, "that the net gain to the balance of payments to be obtained from the policy of priority to heavy industry is much less than Professor Mahalanobis's exposition would lead us to suppose." His calculations show that the *net* saving of foreign exchange would not be Rs. 440 crores as suggested by Professor Mahalanobis's model, but only Rs. 84 crores.

Mr. Arndt emphasises at the outset that, during the 8-10 years needed, under Prof. Mahalanobis's model, for the successive production of engineering works, fertiliser factories, fertiliser and the first increase in food output, the needs of the growing population for food would have to be met. Here he assumes that imported fertiliser can be used, as soon as practicable, to produce the extra food at home, until home-produced fertiliser made in home-produced fertiliser factories becomes available. He further assumes that the engineering works take four years to build, that is, begin to produce machinery for the fertiliser factories at the beginning of year V, that engineering capacity for the equipment of three new fertiliser factories a year is created, and that investment in the fertiliser factories has a gestation period of two years (so that the first home-produced fertiliser from three factories becomes available at the beginning of year VII).

On these assumptions, since fertiliser must be imported at least two years in advance of the crop season, foodgrains worth Rs. 30 and Rs. 60 crores, respectively, will have to be imported in years I and II. In addition, fertiliser will have to be imported in every year from I to IX, at an increasing rate of Rs. 9 crores for each year's population increase upto year VI and at a diminishing rate over the next three years as more and more domestic fertiliser factories go into production. Since the first year in which the application of imported fertiliser yields additional domestic food output is year III, fertiliser imports in year I must begin with Rs. 27 crores. Finally, there is the import of machine tools, at the rate of Rs. 10 crores worth, for establishing engineering capacity for one fertiliser factory per year. This will call for an import expenditure of Rs. 30 crores in year I for establishing engineering capacity for three fertiliser factories in all. Thus, the direct foreign exchange requirements during the first ten years are as follows:

	Rs. crores
Foodgrains imports in the first two years	90
Fertiliser imports from year I to year IX	405
Machinery imports in year I	30
	525

There will also be some indirect foreign exchange requirements. Here Mr. Arndt has made some suitable assumptions regarding the import content of fertiliser factories and fertiliser output, for it would be unreasonable to expect *all* the required raw materials to be available from purely domestic sources. An import content of 10 per cent of the fixed investment in fertiliser factories has been assumed. The proportion of import content in the fertiliser produced is assumed at 20 per cent. Another assumption pertains to the "opportunity cost" in terms of foreign exchange. Account has to be taken of this cost, for the resources, had they not been used for the aforesaid purposes, could have been employed in other (better) forms of import-replacing or export production. The indirect foreign exchange requirements on all these counts add up to Rs. 328 crores. The total foreign exchange requirements (both direct and indirect) of a policy of maximum food self-sufficiency, as compared with those of a policy of importing all foodgrains, are brought together by Mr. Arndt in the following table:

Total Foreign Exchange Requirements

(Rs. crores)

Year	Policy of importing all foodgrains	Policy of maximum self-sufficiency		
		Direct	Indirect	Total
I	30	87	..	87
II	60	96	..	96
III	90	45	..	45
IV	120	54	..	54
V	150	63	21	104
I–V ..	450	345	21	366
VI	180	72	41	113
VII	210	54	57	111
VIII	240	36	74	110
IX	270	18	66	84
X	300	..	69	69
VI–X ..	1,200	180	307	487
I–X ..	1,650	525	328	853

It will be seen from the above table that a policy evolved in the light of Prof. Mahalanobis's model will yield a substantial saving of foreign exchange (Rs. 1,200 crores *minus* Rs. 487 crores) only in the second five-year period assumed. In the first five-year period the net saving in foreign exchange will be no more than Rs. 84 crores (Rs. 450 crores *minus* Rs. 366 crores). It may be noted further that, in the first two years of the programme, its foreign exchange costs (Rs. 87 crores *plus* Rs. 96 crores) will be more than twice as high as those (Rs. 30 crores *plus* Rs. 60 crores) under the alternative policy of importing all foodgrains. The strain that will be imposed by a policy of import-replacing domestic production in the first few years is undeniable. Here, the example pertains to food—a commodity which has been mostly imported in the last five or six years under U.S. P.L.480 without any foreign exchange expenditure. But it can be as well applied to any other kind of import-replacing domestic production. That is not the relevant issue. What is more relevant is the period of time that will be necessary for achieving economic independence through the establishment of heavy basic industries. An equally relevant issue pertains to the heavy initial requirements of foreign exchange which will upset the balance of payments as they have undoubtedly done in the last six years. This, however, should not be taken to mean that Mr. Arndt has made out a case for a reversal of priorities. What, on the other hand, he has done is to suggest that the optimum policy for India, *for balance of payments purposes*, would be a slower and more cautious advance in the chosen direction.

The chosen alternative is even otherwise a difficult proposition, for it poses some organisational problems. For instance, an immense organisational effort would be required to induce the Indian cultivator to use fertilisers and to make technical improvements in his agricultural methods. Making available irrigation facilities should also form part of this effort. It is true that Prof. Mahalanobis has recognised the importance of such organisational efforts. But he has, at the same time, placed greater emphasis on heavy industry in particular. Referring to this emphasis, Mr. Arndt says:

"The question suggests itself whether such emphasis is not bound, in some measure, to detract from the organisational effort needed to bring about the postulated increase in food production. If failure in this campaign results in growth of domestic food production lagging behind the targets set out in the model, then, availability of all the requisite fertiliser notwithstanding, the population can only be fed by, after all, importing foodgrains and thus still further diminishing the net balance of advantage in favour of the chosen route. ... It is no answer to this to say that expansion of export production would require even greater organisational effort. The trouble is that the effort required *either* for expansion of domestic food production *or* for exports is stupendous, while the task of building up heavy industry *sounds* relatively easy. Yet it is the stupendous effort in one form or other that is inescapable."

On balance, Mr. Arndt's re-examination of Prof. Mahalanobis's model does not amount to a refutation of its theoretical validity. It merely shows up the danger of oversimplification, brings into the open some of the more important qualifications, and highlights the need for commensurate competent organisational efforts in the chosen direction of heavy industrialisation.

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NEW PRODUCTS AND PROCESSES

Fully Automatic Washing Machine

A COMPANY in Dallas, U.S.A., has perfected a fully automatic machine that washes, rinses, dries, and irons flat pieces of laundry in less than one minute. Jet Stream Products Inc. has applied for 20 patents for the large multipurpose machine that is now being installed in some commercial laundries. An operator places soiled laundry on a conveyor belt that moves as fast as 150 feet a minute. As fabric enters the wash chamber, high-pressure jets of water and detergent are forced through the fabric. In the rinsing chamber, clear water is forced through the cloth. A heated chamber completely dries the material, which is then dampened slightly for ironing. A device folds the material as it rolls out of the machine. Mass users of laundry service, such as hotels and hospitals, are expected to benefit by faster service and lower costs from the use of this machine. Large families may also find the new machine helpful. President K. G. Smith of Jet Stream Products predicts: "We estimate that when the Jet Stream service is widely available, it will greatly increase the ratio of flatwork done professionally. We foresee 80 to 90 per cent of the nation's housewives sending sheets, tablecloths, towels, etc., to laundries at the prices Jet Stream will make possible." The principle of the laundry machine is also adaptable to many other functions and industries, according to Mr. Smith. His firm is studying its application to dry cleaning, in particular. The first of the revolutionary laundering machines was delivered in July 1962 at a cost of approximately $78,000. The manufacturer plans to build 150 more during the coming year.

Anti-lock Braking Device

An anti-lock braking device, claimed to be the first of its kind in the world, has been announced by a British firm, Lockheed Hydraulic Brake Company Ltd. This new device should completely preclude many of the dangers associated with "panic stops" on many road surfaces. It has the added safety feature of reducing braking distances under wet and slippery conditions. A locked wheel has no directional stability and consequently the vehicle takes the least line of resistance that, due to road camber or uneven tyres, frequently results in its crossing the path of oncoming vehicles or hitting roadside obstacles. To overcome these hazards, it is desirable to have a braking system that automatically prevents wheel lock and yet permits the best possible levels of braking to be maintained consistent with the road surface. The new system consists basically of a single inertia type skid sensing device driven off the differential input drive flange, and a vacuum servo to regulate the rear brake pressure in response to the requirements of the sensing device. Tests have shown that with the rear brakes controlled by this system the car will consistently stop straight on a variety of surfaces even though the front wheels are locked. When braking on dangerously slippery surfaces, this new device gives reduced stopping distances compared with the 4 wheel locked condition. This is an additional safety feature, but is one that is secondary to that of ensuring that a vehicle will brake in a straight line and not slew into oncoming traffic.

Quality Control for Steel

Claimed to be the only British instrument of its class on the market, a London firm, Hilger and Watts Ltd., has announced that they are now supplying their Polyvac direct-reading spectrograph to a British steel manufacturer who will use it to analyse a wide range of stainless steels produced to the customers' specifications.

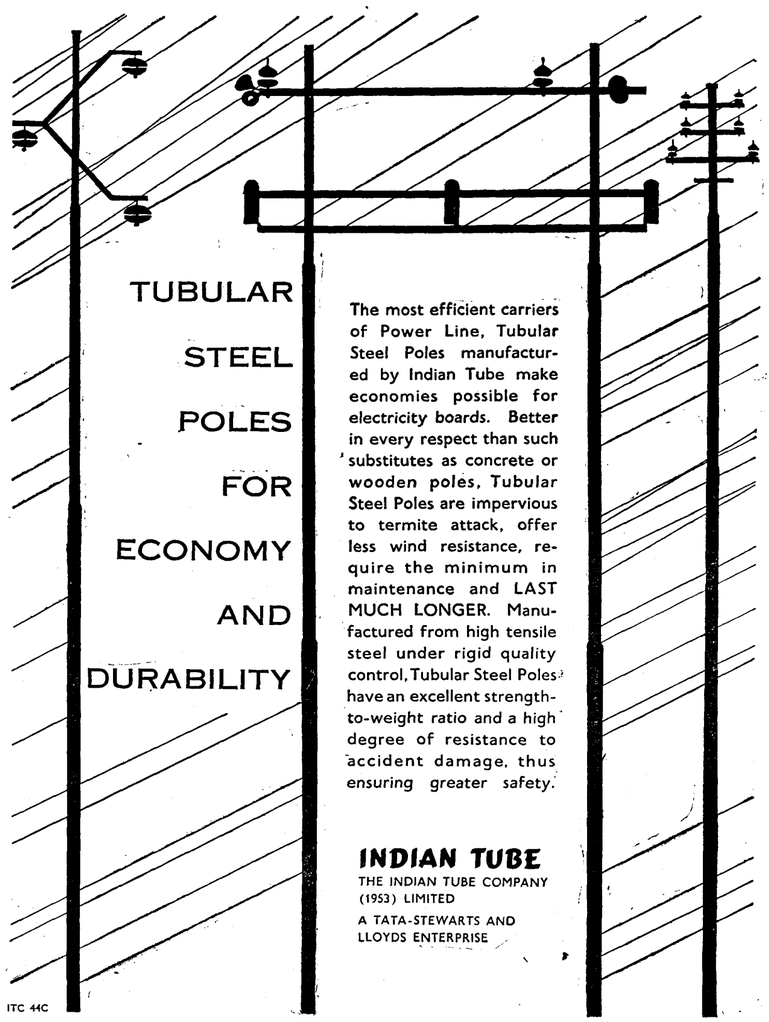
The Polyvac is stated to be the first of its type to be applied to quality control of molten steels made to other than the steelmakers' own specifications and, as such, will deal with programmes which are not only variable but are virtually unpredictable. At present fitted with twelve channels, the instrument will later be fitted with another eight which, in conjunction with a computer, will provide mean results for 20 elements from three separate sparkings of each sample, and also convert the results into percentage concentrations. These results, automatically recorded by an electric typewriter, will be available to the melting shop management in about four minutes—a time short enough to guarantee striking economies in the operation of the furnaces.

New Device for Testing Wood

An original method of determining the acoustical properties of wood for musical instruments has been developed by Leningrad specialists. Pieces of wood are sounded out at scores of points with the help of a special device in a soundproof chamber to determine the spots with the highest sonic yield. The instrument-maker then has merely to take account of the musical properties of every part, and use it to the best account. This method enables the making of instruments with ideal sound which surpass in quality the creations of the great masters of the past. An ordinary guitar made by the new method has won first prize at a contest in Leningrad ahead of the best Italian, Austrian, Spanish and French-made instruments.

A New Film Projector

The "Kolos" ("Grain Ear"), a new Soviet film projector designed for rural localities, is claimed to be one of the best new models manufactured by the Odessa Film Equipment Plant. It can be operated either automatically or semi-automatically. The tests of the first models have shown a high quality of projection. The "Kolos" has been designed by a special office of the State Planning Committee of the Ukraine.



PURPOSE OF ECONOMIC DEVELOPMENT

NEED FOR PROPER GUIDELINES

By John Kenneth Galbraith
U.S. AMBASSADOR TO INDIA

[In order to get good results from modern economic planning proper guidelines are the most urgent need. ... Unaided by guidelines, development planning is likely to miss its goal, because of the generally amiable idiosyncrasies of man to expend a great deal of effort without much inquiry as to the end result. ... Since development implies movement toward some result, we need on occasion to reflect on the result. There is always a danger that, in the absence of such specification, we will risk unintended consequences or we may act inefficiently in the light of what we really want. ... Economically advanced countries generally remain unaware of the need for choice in the specification of development goals, because, as these countries see it, the principal purpose of the economic system is to supply a full range of consumer's goods. ... A faithful imitation of the developed countries is not a proper or useful procedure. ... The goal of expanding production based on the demands by the income pyramid is not a satisfactory guide to less developed lands. That is because the demands of a very large population very near the subsistence level, and those of the well-to-do and of the State, may well conflict with one another. There must, therefore, be a conscious decision to conserve resources and apply them to the highest priority needs. ... A development goal that is highly desirable for underdeveloped countries is the one that anchors economic development to the consumption requirements, present and prospective, of the typical citizen—of statistically speaking, the model consumer. ... There is no form of development—capitalist, socialist or communist—which does not accord higher rewards to trained and educated or to otherwise qualified or responsible personnel. There will, then, be production to meet the purchasing power of these income recipients. This must be recognised and expected. These points were made by Mr. John Kenneth Galbraith, U.S. Ambassador to India, in an address delivered under the auspices of the Lucknow University on 5th October 1962, the full text of which is published on this page.—ED.]

ONE of the generally amiable idiosyncrasies of man is his ability to expend a great deal of effort without much inquiry as to the end result. Most of the descriptions of the moon which I have seen make it out to be a rather unattractive piece of property. The absence of atmosphere would seem to be a real handicap. Even the twenty footsteps which, with the diminished force of gravity, men will take, though initially interesting, may in the end prove inconvenient for getting around in a small house. Yet these and similar reflections show no signs of deterring man from his effort to get there. And I, for one, am glad that they do not. It is an interesting, if by no means inexpensive, adventure and one that is worth pursuing for its own sake. Evelyn Waugh in *Decline and Fall* tells the useful story of a modern churchman, who, while reflecting deeply on the sins of the world, was suddenly impaled by the question as to why God had made it in the first place. Thenceforth, he could think of nothing else. He had to give up his church; the only further employment he could find was as chaplain in a progressive penitentiary, where, perhaps fortunately, he was soon murdered by another deeply thoughtful man. It is a warning against excessive introspection.

But, while appreciating the dangers, it may still be useful on occasion to ask about goals and I am persuaded that this is one such time. For some 15 years, the world—East and West, capitalist and Communist, democratic and more democratic (no country has lately described itself as undemocratic much less anti-democratic) has been engaged in what it has agreed to call economic development. And it is now pursuing this effort in what, with no excess of pessimism, it has chosen to call the Decade of Development. Development is in active voice; it implies movement toward some result. We need on occasion to reflect on the result. There is always danger that, in the absence of such specification, we will risk unintended consequences or we may act inefficiently in the light of what we really want.

Needless to say I am saying here generally and as an economist. What I have to say may not be wholly inapplicable to India, but it should not be deemed to have any special application.

II

One reason why specification of development goals has some special urgency is that the circumstances of the economically advanced countries have enabled them, in very considerable measure, to remain unaware of the need for choice. The principal purpose of the economic system, as these countries see it, is to supply a full range of consumer's goods; the particular mix—the distribution of capital and manpower to different products—is given by distribution of income and the efficiency of markets. And if the distribution of resources between, say, necessaries and luxuries—between mass products for the masses and the more precious or esoteric delights of the few—seems wrong, the thing to change is the distribution of income. An increase of taxes on the incomes of the well-to-do or the products they consume has anciently been thought the appropriate remedy.

Given the income distribution, the only need is to make production as efficient as possible and insure that markets so function as faithfully to reflect the desires of consumers. All of this being regarded as natural, there has been little tendency at least in peacetime to reflect on alternative economic goals. Moreover, there has been a further measure of concurrence from the Soviet-type economies. The Soviet Union has repeatedly proclaimed that its industrial goal is to "catch up" with the United States. By implication, at least, this means a similar industrial apparatus in the service of similar ends. It has been easy to go to the further and final assumption, which is that the industrial apparatus of the United States, Western Europe and the U.S.S.R. is the natural and indeed the only model for the newer countries. These need only to recreate in some rough form what the more developed countries already have. Development is the faithful imitation of the developed.

III

In fact this is not a proper or useful procedure. In the less developed lands, the simple goal of an expanding production, the assortment reflecting the demand given by the income pyramid, is not a satisfactory guide. There is, first, a very large population very near or sometimes below the margin of subsistence. Those who are hungry have a special claim on resources. So do the measures which promise to remedy privation. There is for the same reason a special case against waste or the luxury consumption of the well-to-do. Certain claims of the State take on an added or seemingly added urgency in the poor country—a point to which I will return. The question of how much should be consumed now and how much should be invested for larger production and consumption later on takes on a vastly greater urgency, for, in the poor country, the necessary saving may have to come from people who are already insufficiently supplied. That there must be a conscious decision to conserve resources and apply them to the highest priority needs is reflected in the wide acceptance of the notion that development must be in accordance with a plan.

It is when we come to inspect these plans, in their various degrees of sophistication, that we find the conflict in goals. To systematise matters I think we can recognise three types of economic development which, currently, are more or less in vogue. They are as follows:

1. ***Symbolic Modernisation.*** This is designed to give the developing country the aspect, though not necessarily, the substance of development. There are certain things a modern State must have. Any claim to nationhood requires a decently glittering airport, some impressive buildings of State, a paved capital, an economic plan, one considerable hydro-electric project, at least the intention of creating a steel industry and, perhaps, also a balance of payments deficit and a minimum amount of inflation. I do not discount the importance of these symbols—or some of them. Certainly, no one should be lofty or patronising about them. Effective national leaders have always known the importance of the concrete and visible expressions of national being. Abraham Lincoln insisted during the American Civil War that work on the then unfinished Capitol continue. It was hardly an essential expenditure, but he felt that, if the legislative building went on, people would feel that the union would go on. In the last century, American settlers had no sooner redeemed a new country from the wilderness than they went into debt to build an impressive courthouse. Thus, they proved to themselves and the world that civilisation had arrived.

Yet it will be clear that the economic well-being of the people is not much advanced by symbolic modernisation. And it may be retarded for those who must pay the bill. In the past, moreover, much symbolic modernisation has been a strategy for fooling people into believing something was being done. Or it has been a form of monument building by which politicians have undertaken to commemorate their existence (and perhaps also their inadequacy) at public expense. As it would be unwise to deny a role for symbolic modernisation, so it would be unwise to accord it unqualified approval.

2. ***Maximised Economic Growth.*** I come now to a more respectable formulation of the goal of development and the one which reflects most strongly the influence of Western economic thought. This proclaims it to be, over some period of time, the greatest possible increase in total and *per capita* income and product. While, through import restrictions and duties and domestic excises, the production of some less essential goods may be discouraged, the goal is the overall increase in output. The composition of the product is secondary. At the extreme, plan outlays are selected in accordance with their capital-output ratios. This means that the only test of an investment outlay is the amount by which it increases total product.

There is also likely to be a strong emphasis on heavy initial capital investment. This establishes a large industrial base which then makes possible a larger subsequent rate of expansion in investment goods, consumer goods or both. The growth rate is thus maximised.

Other questions are decided on similar grounds. The rate of needed savings—voluntary, earned or imposed through taxation—is set so as to sustain the largest possible rate of growth. And questions of priority that are beyond the statistics available for calculation of capital-output ratios—the position to be accorded education or other social overhead investment, the balance between industry and agriculture, between light industry and heavy industry—are decided in accordance with the contribution to growth. The only other test which enters with high respectability is the possibility of economising in foreign exchange. A slower rate of growth may be acceptable, if it permits of increased reliance on internal as distinct from imported resources.

As compared with symbolic modernisation, this test of increased income and product obviously has much to commend it. The reality of economic advance—the production of goods and services—replaces the mere image. We have solid and objective tests of performance.

Yet this goal too is not without dangers. People, especially poor people, are not especially influenced by economic gains in the abstract. It is what they can use and enjoy that counts. Considerable extremes of wealth and income continue to exist is nearly all of the less developed lands. These can create a strong drag of demand in the direction of higher-priced or luxury products. And this tendency is especially insidious, for many of these products are commonplace in the more advanced countries and equally so in the consumption habits of the upper income minority of the poorer country. To the extent that the high incomes of the minority draw development resources into privileged consumption, social differences are widened and to the strains associated with poverty may be added those associated with obvious differences in well-being. People soon come to sense that economic development is not for the many but the few.

There are further dangers. In the strategy of modern development, taxation—what have come to be called fiscal savings—plays a considerable role. In the less developed land, there is also a considerable likelihood that taxation will be regressive—that it will fall most heavily on the poor who, after all, are available in the most abundant supply. And since the underdeveloped country is, *pro tanto*, an agricultural community, there may be a traditional tendency for this taxation to fall upon the farmer or his land. Thus, not only does undifferentiated growth tend to support higher income consumption, it may do so partly as the result of saving from lower income consumption.

Moreover, the process of development itself both requires and justifies a substantial increase in the number of people earning higher incomes. Even (perhaps especially) if development is under socialist auspices, there will be an exfoliation of administrators, managers, engineers, technicians, accountants, clerks and other civil servants, all at rates of pay that seem high to the taxpayer. The political consequences of this may be discomforting in any case. If these job-holders are engaged in forms of development that do not benefit the taxpayer, it will obviously be worse. The latter quickly comes to think of development as something which rewards not him but some urban official.

Finally, there are serious dangers in the heavy investment. The saving that this requires can easily reflect the preferences of the planner, not the people. In a number of countries since World War II—Yugoslavia, Poland and most recently China—there have been revolts against rates of saving and investment in excess of what the community would endure.

3. ***Selective Growth.*** The foregoing problems have not gone unrecognised, although the recognition has, perhaps, been less explicit than might be wished. Back of much development planning has been the belief that benefits must accrue as a matter of priority to the more needy sectors of the population. Resources so painfully conscripted from the people must return benefit to the same people.

Unhappily, this politically salutary principle has led to diverse and even contradictory conclusions as to application. To some, agriculture, agricultural extension, community development and local primary education have seemed the obvious answer. These have acquired a kind of mystique as development for the people at large. But to others the obvious answer has not seemed to be increased agricultural income and amenity. These are only palliatives. Agricultural development, in this view, is primitive even reactionary. The real answer is industrial employment. This argues for investment in manufacturing, power, transportation and the other components of an industrial base. The progressive solution is to rescue people if not from the idiocy at least from the inevitable poverty of rural life.

This, however, is a policy with appeal to those who remain unrescued. It means, moreover, that there is a period of heavy saving without a reward in consumers' goods even for the urban worker. This has led to political strains paralleling and not wholly distinct from those associated with investment for rapid growth.

In some countries, notably in India, there is further disagreement between those who defend modern machine methods and those who contend that, since employment is the goal, labour-intensive enterprises, including rural and cottage industries of various kinds, should be favoured.

This discussion, it must be stressed, is quite apart from the debate over which kinds of investment will lead to the most rapid rate of growth. Thus, although there is wide agreement on a policy of selective economic growth, there is very little agreement on what should be selected.

IV

There is a further development goal which, I believe, resolves the foregoing difficulties. It is one, incidentally, that has been implicit in a good deal of past Indian thinking—and in the best planning in other countries. This anchors economic development to the consumption requirements, present and prospective, of the typical citizen—of statistically speaking, the modal consumer. It organises development around the protection and increase of the living standard of this consumer. By way of illustration, if, as in India, the annual income of 80 per cent of all family units is less than Rs. 1,200 (about $250), development resources will be concentrated on consumption that is purchaseable by people with such income. The number of goods and services is not large. Obviously, it means a major emphasis on food, cloth, shelter, education and medicines, since these are the dominant items in the economy of the low-income family. The same rule operates equally against automobiles, expensive dwellings, luxury consumers' goods in general. But, it will be observed, this is not a decision for agriculture or for industry or even for light industry as opposed to heavy industry. It is a chance for the industrial structure which supplies the typical or modal citizen. That person wants, perhaps first of all, an abundant supply of inexpensive food. But back of an improved agriculture lie fertiliser plants and a chemical industry and well-designed agricultural implements and an efficient transportation system and hence a source of steel. Textiles, bicycles and other low-budget consumers' goods will similarly support capital investment. To gear investment to the present and prospective requirements of the modal income family will decisively influence the pattern of development. But it is not, in itself, a decision for or against agriculture or light or heavy industry. It is a decision for an economic structure which is a related to the requirements of the typical consumer.

The goal I am here describing—it might be called the popular consumption criterion—will be seen to resolve the political problems which arise in connection with other criteria. The attention of planners and of the planning is kept concentrated on the needs of the most numerous or typical citizen. The chance that he will have any sense of neglect is thus minimised. There is a warning in this system against measures to enhance savings which depress or unduly postpone this citizen's hope for improved well-being. We have here firm criteria for discouraging luxury imports, production and consumption. We also have a useful barrier to outlays for symbolic modernisation. The required taxes may reduce popular consumption. Even if they do not, opportunities for investing for such consumption are forgone.

The application of the popular consumption criterion cannot be total. In the past, the poorer countries of the world have often produced the luxury products of the more affluent lands. Exports are still necessary and export and domestic markets are never wholly separate. What is supplied to one will always, in some measure, be available to the other. And even development that is firmly geared to the income of the modal consumer produces higher incomes. There is no form of development—capitalist, socialist or Communist—which does not accord higher rewards to trained and educated or to otherwise qualified or responsible personnel. There will, then, be production to meet the purchasing power of these income recipients. This must be recognised and expected.

The criterion is no less important for this reason. For it still fixes objectives and establishes the priorities in the distribution and planned investment. It establishes the line between what is automatically included and on what falls a burden of proof. It also provides the basic guide in taxation and in the administration of exchange controls.

Such guidelines, not perfection of accomplishment, are the most urgent need of modern development planning.

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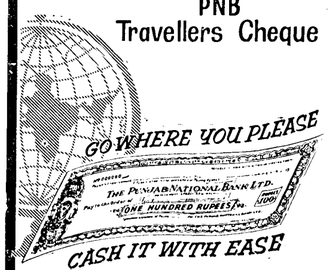

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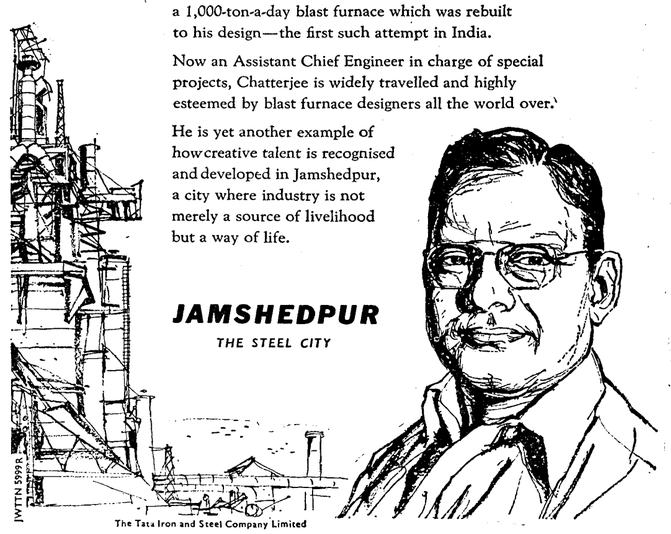
Full of ambition and zeal to learn, he entered the Company's Technical School which afforded the opportunity to study during leisure. Young Chatterjee was among the first to complete a three-year course in engineering.

Over the years, Chatterjee has worked his way up in the Engineering Department, and blast furnaces have been his enduring interest. He has helped to rebuild the blast furnaces in the Jamshedpur Works, including a 1,000-ton-a-day blast furnace which was rebuilt to his design—the first such attempt in India.

Now an Assistant Chief Engineer in charge of special projects, Chatterjee is widely travelled and highly esteemed by blast furnace designers all the world over.

He is yet another example of how creative talent is recognised and developed in Jamshedpur, a city where industry is not merely a source of livelihood but a way of life.



JAMSHEDPUR
THE STEEL CITY

The Tata Iron and Steel Company Limited

WORLD AGRICULTURAL OUTPUT STAGNATES

MARKED DETERIORATION IN TERMS OF TRADE

THERE was little increase in the overall world agricultural production during the 1961-62 crop year, according to the latest estimates of the Food and Agriculture Organisation as contained in its annual report, *The State of Food and Agriculture*—1962.* The index of world agricultural output (Base: 1952-53—1956-57=100) in 1961-62 was stationary at the previous year's level of 119. With world population estimated to be rising by about 1.8 per cent per year, *per capita* output has, therefore, actually fallen. Thus the index of *per capita* agricultural production was lower at 105 in 1961-62, as compared with 106 during the three preceding years. The pause in the expansion of production, according to the F.A.O. report, was caused by widespread unfavourable weather. Region-wise, there were quite sharp reductions in the output in Africa and the Near East as a result of drought in a number of countries. In Western Europe and North America, too, output declined somewhat over the previous year. As regards Mainland China, all the evidence points to a "third successive season of poor crops." It was only Latin America which was able to record a substantial increase in output. There were also small increases in eastern Europe and the U.S.S.R., Oceania and the Far East (excluding Mainland China).

On a commodity basis, the products mainly responsible for the pause in the expansion of World production in 1961-62 were grains and sugar. Expansion in world cocoa production noted in the previous years was also arrested in 1961-62. The output of other agricultural commodities, however, continued to rise. Table I shows the production of major commodities in 1961-62, as compared with some previous years. In respect of forest products, roundwood removals recorded a slight increase in 1961. The production of fuelwood continued to decline slowly, but total industrial wood removals are estimated to have increased by about 3 per cent over the 1960 level. Thanks to the failure of production to expand in the face of continuing rise in population, the overall level of stocks of commodities was reduced in 1961-62, for the first time since 1957-58. Final estimates of stocks are not yet available, but, when published, wheat stocks are likely to show a decline of about 15 per cent over the year, following lower output in the U.S. and Canada and large Canadian sales to Mainland China. Stocks of coarse grains are also estimated to have declined, for the first time during the last decade, by 12 per cent, partly on account of the aforesaid reasons and partly to decline in output of maize and sorghum under the Emergency Feed Grain Programme in the U.S.

The major exceptions to the downward movement of stocks in 1961-62 were coffee, soyabeans, butter and cheese. The increase in these products (other than coffee) was confined mainly to the U.S., where it is estimated that about 70 per cent of the total world stocks of agricultural products are still held. Apart from coarse grains, world coffee stocks are the largest in relation to international trade, with the bulk of the surplus being held mainly in Brazil.

Exports

The total volume of exports of agricultural products continued to expand in 1961, the actual increase being 4.5 per cent. This was accounted for mainly by large increase in the volume of agricultural imports into the Sino-Soviet area. On the other hand, the volume of imports into countries other than those of the Communist bloc, which had started to level off in 1960, showed no increase in 1961. To a large extent, this reflects larger production in many food importing countries during 1960-61. Thus, food imports into Western Europe and most of the less developed regions were lower. In addition, imports of raw materials into Western Europe, which for some years now had been rather stagnant, actually declined in 1961. So far as North America is concerned, their intake remained at the low level of recent years. There was, however, an increase in the imports of beverages and tobacco into nearly all regions, and larger imports of agricultural raw materials into the Far East and other less developed regions, but these increases were only moderate. Table I on this page shows recent trends in exports of major agricultural commodities in 1961, as compared with some of the preceding years.

As the export outlets were not expanding to any significant extent (outside the Communist bloc), exportable surplus in the free world continued to compete keenly for markets, with the result that the general level of agricultural export prices again fell. There was, therefore, no increase in the total value of agricultural exports in spite of a rise of about 4 per cent in the volume of shipments. Agricultural export earnings of the less developed countries, in fact, fell substantially. According to the F.A.O. report, the value of exports from the less developed countries fell by about 4 per cent in Latin America and Africa and by as much as about 10 per cent in the Far East and the Near East. This decline sustained a trend under which the share of these regions in the value of world agricultural exports had declined from 56 per cent in 1952-53 to 52 per cent in 1960. In 1961, this share was as low as 49 per cent.

Imports of Developed Countries

In striking contrast to this depressing picture, both the volume and value of exports from the more industrialised regions rose, partly because of increased sales under special terms. It is, however, important to note that imports of agricultural products by the developed countries have tended to slacken. This is particularly marked in the case of raw materials. Between 1952-53 and 1961, when the volume of agricultural imports increased by over 30 per cent, raw material imports into Western Europe rose at only half the rate, and those to North America fell by one-third, mainly owing to lower imports of rubber and wool. Explaining the reasons for this decline in imports, the F.A.O. Report says as follows:

"Among the factors responsible, the substitution of synthetic for natural raw materials is the best known and easiest to measure. Thus, in Western Europe, the total consumption of all rubber increased more than four-fifths between 1952-53 and 1961, but that of natural rubber rose by only 13 per cent as the share of synthetic jumped up from 7 to 42 per cent of total rubber usage. In North America, the share of synthetic rubber in total consumption had by 1952-53 already risen to about 60 per cent and it increased further to 72 per cent. Of textile fibres, rayon, the first of the important man-made fibres, had already made much of its impact before the war, and its share in the total mill consumption has in the last decade remained stable in North America and risen only moderately in Western Europe. Of the post-war synthetics, nylon has affected mainly the consumption of silk, and to a less extent rayon and cotton, while some of the still newer fibres have tended to substitute for wool. In North America, these were the only fibres whose consumption showed any increase at all between 1952-53 and 1959-60. In Western Europe, they have so far had less impact, although their share in the total fibre consumption rose from 1 to 6 per cent.

"Factors other than the substitution of synthetic for natural products have also slowed down the growth of imports. One is the slow increase in North American consumption of all types of rubber—by only 17 per cent between 1952-53 and 1961—which has magnified the effect of the substitution on imports. The trend of imports since the first half of the 1950s has also been affected by the cessation of purchases of rubber for the United States Government strategic stockpiles in 1954, and their gradual disposal since 1959. As a result, while the consumption of natural rubber in the region fell by 15 per cent between 1952-53 and 1961, its imports were almost halved."

Wool and Cotton

For wool, too, the effects of substitution have been magnified by the slow increase in final consumption of apparel fibres in North America. Between 1952-53 and 1959-60, the total consumption of all fibres rose by only 5 per cent and a relatively small increase in the share of synthetic fibres in the total was sufficient to cause a 3 per cent fall in the consumption of wool. The effect on raw wool imports was further magnified by an 8 per cent increase in the domestic clip in North America, and a substantial rise in the imports of wool tops, yarn and textiles. The imports of raw wool consequently fell by more than one-fourth. In Western Europe, cotton imports have also been much affected by the growth of textile industries in the less developed countries, and the recovery of textile manufacturing in Japan. Gross exports of cotton manufactures from Europe have risen hardly at all since 1952-53, while gross imports have more than doubled. The consequent two-thirds reduction in net exports of cotton manufactures has affected mill consumption and therefore imports of raw cotton. While the final use of cotton fibre in Western Europe has grown by nearly 30 per cent, mill consumption and imports of raw cotton have risen by only 12 to 13 per cent.

Most of the small increase in the total volume of trade in agricultural raw materials in 1961 was thus due to a rise of some 10 per cent in imports into the Far East region, where Japan is the main importer. Other less developed regions also increased their imports, but in the world picture, these imports are of minor importance. Far Eastern imports, now nearly twice as high as in the early 1950s and several times larger than those of North America, consist mainly of cotton and wool. Japan's cotton imports were particularly high in 1961; its wool imports also rose substantially.

Prices

The loss in exports earnings of the less developed countries in world markets has been accentuated by a further increase (2 per cent) in the average prices of manufactured goods. Consequently, the terms of trade of agricultural exports suffered a sharp setback, having deteriorated by no less than 6.4 per cent in 1961, as against only about one per cent in the previous year. The deterioration in terms of trade of agricultural exports has thus continued for seven years in succession. In 1961, the terms of trade was 24 per cent lower than in 1952-53. An idea about the extent of deterioration in terms of trade can be had from the following table:

Indices of Volume, Unit Value and Total Value of World Trade[1]

(Base 1952-53 average=100)

	Average 1948-52	1959	1960	1961
Total Volume of World Trade[2]: *(Agricultural and Non-agricultural)*	87	143	159	167
Trade in Agricultural Products:				
Volume of exports	95	128	136	142
Volume of commercial exports[3] ..	95	120	127	132
Average Export Unit Value:				
At current prices	100	85	85	81
In real terms[4] (terms of trade)	104	82	81	76
Total Value of Exports:				
At current prices	94	108	115	116
In real terms[4]	98	105	110	108
Value of Commercial Exports[3]:				
In real terms	98	99	103	101

1 Excluding trade between Russia, Eastern Europe, Mainland China, North Korea, North Viet Nam and Mongolia, but including the trade of the rest of the world with these countries.
2 U.N. index, adjusted to 1952-53 base.
3 Excluding U.S. shipments under special terms.
4 Deflated by U.N. index of unit value of exports of manufactured goods.

The outlook for 1962-63 also does not give any room for hopes of improvement in the position of less developed countries. According to the F.A.O. forecast, the rate of growth of economic activity in the industrialised countries (which account for the bulk of world import demand for agricultural products) seems likely to be slower in the latter part of 1962 and early next year. Supplies of most agricultural products are expected to remain ample and "there seems no reason to expect any great increase in demand that would halt the decline in prices on world markets." Larger grain harvests are expected in Western Europe, as also in Russia and Eastern Europe. Some increase is predicted for the Far East also, "assuming normal weather for the rest of the season." In the U.S., however, wheat output is expected to be lower by 14 per cent in 1962-63 with the reduction in acreage under the Wheat Stabilisation Plan. Further decline in the output of U.S. coarse grains is also expected. In Mainland China, adverse weather is reported to have seriously affected spring-sown grains and other food crops during this season as well. The grain markets are likely to remain firm, because of the possibility of larger imports by China and no perceptible reduction in purchases of wheat by India and Pakistan. On the question of outlook for coffee and cotton, the F.A.O. report observes as follows:

"Although the world coffee harvest in 1962-63 is expected to be lower than in the previous year, supplies will remain abundant because of the heavy stock accumulations in Latin America, and no significant strengthening of prices is anticipated, particularly if production increases in countries producing robustas and secondary milds. . . . Meanwhile, cocoa supplies and demand are approximately in balance, and, if consumption continues to expand at the recent rate, the market should be better situated to absorb another crop in 1962-63 of the same size as those of the previous two years. Tea supplies also remain closely in line with the demand, with prices of high quality leaf showing the better prospects.

"With little change in the United States crop and recovery in the United Arab Republic and Uganda, world cotton production in 1962-63 is expected to reach a new peak. The upward trend in cotton consumption, on the other hand, is likely to flatten out under the impact of the European stock cycle, the Japanese restrictions on textile output, and more intensive competition from rayon. The greater stability of wool prices apparent since the beginning of 1962 may continue into the new season. Jute production is likely to recede from the high level reached in 1961-62, and export availabilities may be reduced, thus checking the present fall in prices. A further increase in the output of hard fibre in 1962 is expected to be matched by a sizable expansion in demand. The production of natural rubber is again likely to show a slight increase, and, with continued expansion in the consumption of synthetic rubber in Western Europe, Japan and the U.S.S.R., prices may remain under pressure during 1962."

World Production and Exports of Major Agricultural Commodities

(In million metric tons)

	Production*				Exports‡			
	1948-52 average	1959-60	1960-61	1961-62†	1948-52 average	1959	1960	1961†
Wheat	153.9	217.9	218.7	209.0	24.8	29.1	32.9	41.4
Barley	46.7	67.7	76.6	71.0	3.2	6.2	4.9	6.1
Oats	60.6	56.0	58.1	53.1	1.2	1.4	1.3	2.7
Maize	131.9	189.2	202.4	197.1	4.4	10.0	11.1	12.5
Rice (milled equivalent)[1]	70.7	95.6	100.4	99.6	4.4	4.8	5.5	5.4
Sugar (centrifugal)[2]	32.0	48.6	55.5	51.4	10.8	13.3	16.0	16.9
Vegetable Oils and Oilseeds (oil equivalent)[3]	12.9	16.7	18.1	18.8	3.6	5.3	5.6	5.4
Coffee	2.3	4.6	4.1	4.3	1.9	2.6	2.6	2.7
Cocoa	0.8	1.0	1.2	1.2	0.7	0.8	0.9	1.0
Tea	0.6	0.8	0.8	0.8	0.4	0.5	0.5	0.5
Wine	18.9	24.6	24.2	21.5	1.6	2.4	2.6	2.4
Tobacco	2.7	3.2	3.3	3.3	0.5	0.6	0.7	0.7
Cotton (lint)	6.8	8.5	8.8	8.8	2.4	2.8	3.5	3.2
Jute	2.1	3.2	2.3	3.1	0.9	0.9	0.8	0.8
Wool (greasy)[4]	1.8	2.5	2.5	2.5	1.1	1.4	1.3	1.4
Rubber (natural)[5]	1.7	2.1	2.0	2.1	1.7	2.3	2.0	2.2
Milk (total)	259.5	335.2	340.7	344.9	—	—	—	—
Meat[6]	36.3	50.2	50.6	52.2	1.0	1.6	1.6	1.6
Eggs	8.8	12.2	12.4	12.7	0.2	0.4	0.4	0.4

* Excluding Mainland China. † Preliminary.

‡ Including exports from the rest of the world to Russia, eastern Europe and Mainland China, but excluding exports from these countries.

1 Paddy converted at 65 per cent. 2 Exports exclude U.S. trade with its territories. 3 Exports exclude re-exports of copra from the Federation of Malaya and Singapore, but include unrecorded shipments of copra from Indonesia and the Philippines to the Federation of Malaya, Singapore and North Borneo. 4 Exports in terms of actual weight. 5 Exclude imports into Federation of Malaya and Singapore for re-export and exports from Hong Kong, but include unrecorded shipments from Indonesia to Malaya and Singapore. 6 Beef and veal, mutton and lamb, pork.

*Published by the U.N. Food and Agriculture Organisation, Rome. Pages 200. Price $2. Available in India from Orient Longman's Private Ltd., Nicol Road, Bombay-1, and other authorised sales agents for the F.A.O. Publications.

INDIA STORE DEPARTMENT

An annual saving of Rs. 6.75 lakhs in foreign exchange is expected to be made as a result of the implementation of the recommendations made by Mr. T. Sivasankar, former Secretary, Union Ministry of Works, Housing and Supply, for streamlining the overseas purchase organisations at London. The Director General, India Store Department, London, has now appointed a suitable firm of Shipping and Forwarding Agents for handling transport and other formalities for goods to be sent to India. The Agents will undertake the work without any cost to the Government of India. They will finance themselves from the commission on freight charges from the shipping lines on goods booked by them from North Europe. The strength of the Shipping Directorate in the I.S.D., London will be reduced to a few officials required for liaison with the Shipping and Forwarding Agents. Mr. Sivasankar, who made a detailed examination of India's overseas purchase organisations at London and Washington, had suggested the appointment of shipping and forwarding agents to whom the entire work of the Shipping Directorate in the I.S.D., London could be transferred.

MYSORE ELECTRICAL INDUSTRIES LTD.

PRODUCTION BEING DIVERSIFIED

STATEMENT BY MR. N. G. AYYANGAR, MANAGING DIRECTOR, AT ANNUAL MEETING

THE trio of shortages, namely, fuel, transport and power, which had manifested itself of late in the economy, adversely affected the working of the Mysore Electrical Industries Ltd. during the year ended 31st March 1962. Disclosing this, Mr. N. G. Ayyangar, Managing Director of the Company, reassured the shareholders at their Seventeenth Annual General Meeting held at Bangalore on 29th September 1962, that the difficulties were temporary and would be soon over. Production during the first five months of the current year was higher, as compared with last year. He also disclosed that the Company was diversifying its products by entering the higher voltage field and for which a licence had already been received.

The following is the full text of Mr. Ayyangar's statement:

"GENTLEMEN,

"In the absence of your Chairman in Europe it is my privilege on behalf of the Board of Directors, to welcome you, to this, the seventeenth annual general body meeting of your Company.

"The audited balance-sheet and the profit and loss account for the year ended 31st March 1962 along with the Auditors' report have been in your hands for sometime, and, with your permission, I shall take them as read. There is not much for me to dwell upon the details relating to the accounts that are placed before you. You may have noted that there is a departure from our normal practice in the presentation of the profit and loss account. Details under each head are brought together in the form of a statement so that the various aspects of the working of the Company can be easily grasped by a glance at the appended schedules.

Sales Higher

"Sales rose to Rs. 1.03 crore, an increase of approximately 32 per cent over the previous year's figure of approximately Rs. 78 lakhs. The net profit before taxation and depreciation has risen to Rs. 15.32 lakhs from Rs. 11.58 lakhs last year. The charge on account of taxation is Rs. 6.91 lakhs against Rs. 4.91 lakhs last year. This increase in provision is necessitated not merely by an increase in taxable profits because of a larger turnover but also due to the recent increase in the corporate taxation from 45 per cent to 50 per cent. Your Board of Directors have recommended a dividend of 20 per cent, taxable, the same as in the previous year, but a larger capital ranks for dividend in the year.

"I have pleasure in presenting separately a synoptical view of your Company's progress during the last decade. You will be pleased to observe that, as compared to the year 1953 as a base, sales have increased more than thirteenfold; profits before taxation have practically doubled as a percentage of sales and there has been a four-fold increase in the profits in terms of net worth. I am sure you will all agree that the progress in this decade has been noteworthy.

Shortages

"The year under review was beset with many difficulties. Like most industrial undertakings, your Company also has been seriously concerned with the trio of shortages, namely, fuel, transport and power. To these must now be added the foreign exchange shortage. Although we do not ourselves directly consume any appreciable quantity of coal or coke, inadequate supplies of these to those on whom we depend for our supplies of castings and components, etc. have many times in the past put our production work out of gear.

"Transport bottlenecks affected the even flow of stores and material supplies necessitating a larger capital being locked up in stores. Despatches from the factory were similarly affected often cluttering up the assembly floor area with finished articles, that could not be moved out for want of rail booking to make room for new assembly work.

"The power shortage in Mysore is already assuming alarming proportions. We are directly affected by it and similar shortage in many other States has led to appreciable curtailment of production affecting our supplies.

"The acute shortage of foreign exchange has already created widespread scarcities in imported raw materials and components. I am not recounting all these difficulties with a view to striking a note of pessimism for the future but that the performance of your Company in the last year may be judged in its proper perspective.

"We have started the current year with a backlog of orders to last the next sixteen months at current rate of production. In the five months of the current year, production has been better than in the same period last year and I have every hope that we will close the year with a much better performance. It is estimated that the production of switch and control gear in the country amounted to approximately Rs. 4.5 crores in the year under review. Your Company has contributed approximately 23 per cent towards this. The total production of the switch and control gear is expected to go up to Rs. 15 crores by 1965-66. We have therefore a very good field for expansion. The difficulties encountered are only temporary and it is hoped that the efforts of the Government of India in eliminating them will soon bear fruit. We, on our part, are fully conscious of the export angle to get over our difficulties of foreign exchange and I am glad to inform you that we may very shortly secure, on a global tender basis, a substantial foreign order for our switchgear. We are diversifying our products and entering the higher voltage field for which we have recently secured an industrial licence. Our thanks are particulaly due to the Commerce and Industries Ministry of the Government of India and its Development Wing for the encouragement we have always received from them. Our Sole Selling and Servicing Agents are doing an excellent work in familiarising the public with our products and I am sure you will join me in thanking them for their excellent co-operation and assistance.

"Our relations with the trade union continue to be cordial and I am glad to say that, as in the past, we have been able to settle our differences in a spirit of mutual accommodation and understanding. I am sure you will join me and my colleagues on the Board in taking this opportunity to offer our sincere thanks to the administrative and technical officers, staff and workers for their hard work and co-operation without which it would not have been possible for your Company to have made the progress it has.

"Before I conclude, I wish to thank Sri R. D. Char, Chairman, and my colleagues on the Board for their wise counsel and guidance in the administration of the Company.

"Thank you, gentlemen. I now move that Directors' Report and the audited statement of account for the year ended 31st March be adopted."

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

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M. J. Maclaren, *General Manager.*

AB—21

INDIAN STEEL AND WIRE PRODUCTS

POOR PERFORMANCE LAST YEAR, BUT PROSPECTS PROMISING

THE Indian Steel and Wire Products Ltd. (Managing Agents: Messrs. Indra Singh and Sons, Private Ltd., Calcutta) has suffered the worst ever setback in its life during the year ended 31st March 1962. Proceeds from sale of the Company's wide range of wire products have severely declined, for the second year in succession, to Rs. 446.47 lakhs from Rs. 500.09 lakhs in 1960-61 and Rs. 547.52 lakhs in 1959-60. Thus the entire gains achieved a couple of years back have been completely wiped out and the turnover has once again slipped back to the 1958-59 level or what, incidentally, are the average sales since 1956. It is, however, in respect of gross profit that the Company has suffered the worst damage, the profit realised being only Rs. 53.89 lakhs, as compared with Rs. 107.56 lakhs for the previous year. It is, in fact, the lowest to be recorded in the recent past.

Reasons for this disappointing performance are several. The coal supplied to the Company during the year was of such inferior quality that not only did it lead to its increased consumption but also to abnormal shut-downs and decreased production. There was also a considerable increase in the cost of stores and overheads. Moreover, as a result of the adjudication award, salaries and wages, as well as incentives for workers have had to be substantially increased. And, as if all these were not enough, several instances of slow-down by workers were also reported during the year. Consequently, production was adversely affected, and so also turnover and profit.

Out of the aforesaid gross profit, a sum of Rs. 4.54 lakhs has been provided for Managing Agents' commission. This is Rs. 5.42 lakhs less than the amount earned by the Managing Agents in the previous year. Provision for taxation is likewise lower at Rs. 23.00 lakhs as against Rs. 45.00 lakhs a year before. Depreciation, however, has received a slightly higher amount of Rs. 9.29 lakhs, as compared to Rs. 7.78 lakhs for 1960-61. After these essential provisions, there is left a net profit of Rs. 17.06 lakhs, which as compared with Rs. 44.82 lakhs for the preceding year shows a drop of 61 per cent. If despite such a heavy fall in net profit the Directors could propose only a slightly lower dividend of 23 per cent subject to deduction of tax, as compared with 24 per cent subject to deduction of tax, it was only by drawing heavily on the surplus of Rs. 7.72 lakhs brought forward from the previous year. The carry forward, it may be noted, is only Rs. 2.31 lakhs.

The working of the Company during the past four years is presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	446.47	500.09	547.52	415.20
Other income	8.54	10.32	10.24	10.34
Closing stocks	18.54	19.83	18.52	38.98
Raw materials and stores consumed	308.37	325.75	359.26	278.50
Salaries, wages and benefits	47.48	46.38	43.66	40.04
Other expenses	43.98	32.03	26.46	25.62
Gross profit	53.89	107.56	107.92	98.63
Managing Agents' commission	4.54	9.96	9.98	9.02
Provision for—				
Depreciation	9.29	7.78	7.95	8.47
Taxation	23.00	45.00	41.00	44.45
Net profit	17.06	44.82	48.99	36.69
Additional provision for taxation for prior years or on bonus shares	..	..	23.57	16.05
Provision for gratuity	..	4.24	4.05	2.50
To reserves	0.21	20.54	1.15	4.40
Dividends	22.26	23.23	22.21	17.73
	(23%)*	(24%)*	(23%)*	(16½%)†
Carry forward	2.31	7.72	10.91	12.96
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	57.25	49.00	43.00	44.00
Low	44.00	38.12	35.00	43.00

* Subject to deduction of tax. † Including cash bonus.

The Company's financial strength is formidable, reflecting as it does its successful working in the past. The paid-up share capital has stood unchanged at Rs. 96.80 lakhs, of which Rs 96.53 lakhs are in ordinary shares of Rs. 10 each fully paid and a small amount of Rs. 26,580 in ordinary shares of Rs. 10 each, with only one rupee per share called and paid up. This is backed up by reserves and surplus amounting to as much as Rs. 275.10 lakhs or nearly three times the paid-up capital. Nevertheless, current liabilities and provisions continue to be high, amounting to Rs. 271.09 lakhs. Of this, however, Rs. 134.44 lakhs represent 70 per cent of the cost of the new rod mill and are fully reflected on the assets side in the cost of capital expenditure in progress. Besides these liabilities, there are secured and unsecured loans aggregating Rs. 43.95 lakhs. Turning to the assets side of the balance-sheet one finds that a gross block of Rs. 229.64 lakhs has been written down to Rs. 59.93 lakhs or nearly to one-fourth of its original cost. But to this has to be added Rs. 267.45 lakhs as the cost of capital work in progress to get a total net block of Rs. 327.38 lakhs. Current assets, loans and advances amount to Rs. 240.46 lakhs and afford an adequate cover to loans and current liabilities put together. During the year, the Company had to pay further calls to the tune of Rs. 36.00 lakhs on its investments in the Metal Corporation of India, raising its investments in the equity shares of the latter Company to Rs. 70.83 lakhs and the cost of its entire investment portfolio to Rs. 119.10 lakhs. Against this, the market price of quoted scrips alone, as at 31st March, was no less than Rs. 123.62 lakhs.

The paid-up capital noted above includes Rs. 64.53 lakhs capitalised out of general reserves on 31st March 1959. The bonus shares thus issued was in the proportion of two for one.

It will be recalled that, during 1958-59, the Company had received a licence for the import, on a deferred payment basis of wire rod mill machinery. A considerable portion of this was received during the year under review and the first phase of its erection was completed. As a matter of fact, the entire plant had been anticipated to go into production by the end of 1961. This was, however, rendered impossible, due to the delayed arrival of some of the imported parts. Moreover, the technical advisers have now recommended that the new mill should be commissioned in two distinct stages. The chief advantage of this proposal, the Directors report, is that the first stage, which is now almost complete, will be brought into commission, making use of a part of the old rod mill, while the the work connected with the erection of the second phase will continue, so that the changeover from the old to the new mill may be brought about with shortest possible closure of the works. The first phase should come into operation by now. The second phase of construction is also well in hand and the Directors have good reasons to expect that, by the second quarter of 1963, the new unit could be commissioned in its entirety. At the same time, the company is taking adequate steps to make necessary adjustments in the rest of the works to be able to handle the increased production of the new rod mills.

The Metal Corporation of India Ltd. in which the Company has a large investment, is going ahead with its plans. The civil works in connection with the smelter to be erected are well in hand. Although the Company did not fare well in 1961-62, there is sufficient indication in its development plans to warrant the conclusion that it has a promising future. That investors generally agree with this view is evident from the current market value of the Company's Rs. 10 fully paid shares. These were quoted at Calcutta before the *Puja* holidays at as high a level as Rs. 47.37, at which rate the net yield works out to about 3.4 per cent per annum.

(Concluded from next column)

Government that it would make its own arrangements for the foreign exchange required for the project.

The Company has as satisfactory a financial position as can be expected of a unit yet in its teens. The paid-up capital of Rs. 18.75 lakhs is supplemented by reserves and surplus aggregating Rs. 6.10 lakhs. The outstanding secured bank borrowings at Rs. 4.31 lakhs are lower as compared with Rs. 6.23 lakhs a year before and so are the unsecured loans amounting to Rs. 10,421, as against Rs. 1.40 lakh in the previous year. Current liabilities and provision aggregate Rs. 5.67 lakhs, as against Rs. 5.24 lakhs a year before. The total indebtedness to outsiders amounts to Rs. 10.08 lakhs and is adequately met by current assets, loans and advances totalling Rs. 25.53 lakhs. The gross block, which expanded during the year from Rs. 22.28 lakhs to Rs. 26.49 lakhs, has been very conservatively written down to Rs. 9.02 lakhs. Work-in-progress amounts to Rs. 38,029, as against Rs. 1.55 lakh in the previous year.

Currently quoted at Rs. 160 *cum-div.*, the Rs. 100 fully paid ordinary shares offer on the *ex-div.* basis, a yield of 5.5 per cent per annum, free of tax.

LAXMI STARCH SCRAPES THROUGH

LESS RETURN ON HIGHER CAPITAL

THERE is nothing particularly exciting about the working of the Laxmi Starch Factory Ltd. (Chairman: Mr. Bhogilal Patel, Kundara, Kerala State) during the year ended 31st March 1962 as can be seen from the financial results for the period, which show, as compared with those for 1960-61, a minor improvement in sale proceeds from Rs. 65.55 lakhs to Rs. 72.03 lakhs and an insignificant rise in gross profit from Rs. 7.11 lakhs to Rs. 7.35 lakhs. In terms of profit-margin, the year's results have turned out to be rather discouraging, as the ratio of gross profit to sales has shrunk from 10.8 per cent to 10.2 per cent which was the level seen in 1959-60. This slight decline in profit-margin is the result of profit failing to keep pace with the improvement in sales. This contrasts significantly with the rise of nearly Rs. 2 lakhs in profit following an improvement of about Rs. 14 lakhs in sales realisations in the previous year.

From the Directors' report it appears that the profit for the year did not rise in the same proportion as did the proceeds from sales because of higher prices of the raw material tapioca, the crops of which were seriously damaged in Madras and Kerala States due to heavy floods in July and August 1961. As the raw material was dearer, exports during the year also remained at a low level. Apparently, but for this circumstance beyond its control, the Company would have given a better account of itself in both sales and profit.

The cost of raw materials and stores consumed during the year increased from Rs. 41.49 lakhs to Rs. 46.01 lakhs, staff expenses went up from Rs. 3.87 lakhs to Rs. 4.85 lakhs and other expenses rose from Rs. 13.25 lakhs to Rs. 14.68 lakhs. The provision for depreciation has been raised from Rs. 1.07 lakh to Rs. 1.40 lakh and that for taxation from Rs. 2.70 lakhs to Rs. 2.80 lakhs. Transfer to development rebate reserve at Rs. 0.43 lakh is double the amount set apart in the previous year. General reserve has received Rs. 1.50 lakh, as against Rs. 1.25 lakh a year before. However, following the 50 per cent increase in the paid-up capital to Rs. 18.75 lakhs in the previous year, the dividend on the Rs. 100 fully paid equity shares has been reduced by a point to 12 per cent per annum, subject to tax. The return on the 6,252 new shares is *pro rata* at the rate of 4.25 per cent, and, therefore, the total distribution by way of dividend has gone up only modestly from Rs. 1.63 lakh to Rs. 1.77 lakh. From the current year onwards, the new shares will be entitled to a full year's return, which means that, to maintain the dividend at 12 per cent, the Directors will have to set apart about Rs. 3 lakhs. The carry forward is Rs. 0.96 lakh, as against Rs. 1.10 lakh brought in.

A clear idea of the progress made by the Company in the past four years can be had from the comparative table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales proceeds	72.03	65.55	51.33	65.32
Closing stock	3.81	3.20	3.05	2.69
Other income	0.25	0.02	0.01	..
Raw materials and stores consumed	46.01	41.49	32.27	43.45
Staff expenses	4.85	3.87	3.60	3.12
Other expenses	14.68	13.25	10.55	13.41
Gross profit	7.35	7.11	5.29	4.88
Provision for—				
Depreciation	1.40	1.07	0.95	0.97
Taxation	2.80	2.70	1.98	1.95
Net profit	3.15	3.34	2.36	1.96
To development rebate reserve	0.43	0.21	0.12	0.23
,, reserves	1.50	1.25	1.00	..
Dividend	1.77	1.63	1.63	0.90
	(12%)*	(12%)*	(12%)*	(9%)
Carry forward	0.96	1.10	0.85	1.24
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	172.50	235.00cr	227.50	..
Low	154.00	156.00xr	132.00	..

* Subject to deduction of tax.

As we are told that the plantation of tapioca in the current season has been satisfactory, the outlook for 1962-63 can be rated better. In the previous year, the Company was licensed to expand its capacity by setting up another factory for the manufacture of 25 tons of starch, glucose, dextrose and other starch products per day at a capital outlay of Rs. 55 lakhs. No further progress is, however, reported by the Directors on this scheme. The Company is yet to receive the licences to import plant and machinery. This delay by the authorities in the issue of import licences is quite ununderstandable, particularly when the Company had given an undertaking to the

(Continued in previous column)

SATHE BISCUIT MAKES FURTHER HEADWAY

PARTLY PAID SHARES MAY BE FULLY CALLED UP SOON

AFTER a year of near-static conditions in 1960-61, the Sathe Biscuit and Chocolate Company Ltd. [Managing Agents: Messrs. Sathe Food Industries (Private) Ltd., Poona] has made further headway during the year ended 31st March 1962. Sales realisation, which was higher by just a lakh of rupees at Rs. 46.48 lakhs in 1960-61, has spurted by Rs. 10 lakhs to Rs. 56.98 lakhs during the year under review. Likewise, gross profit, after remaining almost unchanged at Rs. 4.31 lakhs in the previous year, has improved smartly to Rs. 6.49 lakhs in 1961-62. Since the rise in profit has been greater than that in sales, the profit-margin (ratio of gross profit to sales) has jumped up by two points to 11.3 per cent. This is a very encouraging trend.

The improvement in sales of such products as biscuits and chocolates (which the Company manufactures) is clearly indicative of the rising standard of living in the country and the growing popularity of the Company's products in a highly competitive market. Twelve years before (in 1949-50), the Company's turnover amounted to Rs. 15.32 lakhs, and three years before (in 1958-59) it stood at Rs. 40.80 lakhs. The turnover of Rs. 57 lakhs for the year under report, therefore, represents a substantial improvement over a decade or so and is about thrice the present net block of Rs. 18.89 lakhs. According to Mr. G. V. Puranik, Chairman of the Company, last year itself saw a 12 per cent increase in the production of biscuits in the organised sector of the industry, to which the Company had naturally its own share to contribute, notwithstanding the natural calamity in the Panshet dam disaster and power failures.

Higher production has meant a sharp increase in the cost of raw materials and stores consumed from Rs. 25.66 lakhs to Rs. 33.25 lakhs. Advertisement expenses—a significant item of selling costs especially for the manufacturer of such consumer products as biscuits, chocolates, etc.—have also increased from Rs. 4.27 lakhs to Rs. 4.44 lakhs, at which level they are higher by about Rs. 2 lakhs as compared with Rs. 2.74 lakhs in 1958-59. Other forms of expenses have also been higher as shown in the following table. With a larger gross profit, the provision for depreciation has been stepped up from Rs. 0.77 lakh to Rs. 1.49 lakh and so has that for taxation from Rs. 1.52 lakh to Rs. 2.50 lakhs. Managing Agents' remuneration has increased from Rs. 0.37 lakh to Rs. 0.52 lakh. Due to these higher allocations, the net profit shows but a minor improvement from Rs. 1.65 lakh to Rs. 1.98 lakh, out of which Rs. 0.74 lakh, as against Rs. 0.29 lakh in the previous year, has been set apart for different reserves and funds. The return on the Rs. 100 fully paid ordinary shares has been maintained at the modest level of 9 per cent per annum, subject to tax.

The comparative table below mirrors the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	56.98	46.48	45.33	40.80
Closing stock	5.02	3.71	5.56	6.15
Other income	0.63	0.86	0.56	0.48
Raw materials and stores consumed	33.25	25.66	25.70	24.27
Staff expenses	3.39	2.86	2.69	2.53
Advertisements	4.44	4.27	3.15	2.74
Other expenses	11.35	11.24	9.80	8.83
Gross profit	6.49	4.31	4.01	2.56
Provision for—				
Depreciation	1.49	0.77	0.78	0.85
Taxation	2.50	1.52	1.36	0.21
Managing Agents' remuneration	0.52	0.37	0.32	0.30
Net profit	1.98	1.65	2.55	1.20
Preference share redemption fund	0.30	0.20	0.20	0.20
Development rebate reserve	0.04	0.04	0.01	0.08
Other reserves and provisions	0.40	0.05	..	0.50
Dividends—				
Preference	0.46*	0.46*	0.45*	0.35
Ordinary	0.89	0.89	0.89	0.59
	(9%)*	(9%)*	(9%)*	(6%)
Carry forward	0.20	0.30	0.29	0.29

* Subject to deduction of tax.

The extension of the factory building, we are told, is almost ready and very shortly the chocolate machinery will be housed in the spacious hall with proper layout of machinery and air-conditioned storage. The modern equipment for packing biscuits and the automatic oil-fired wiremesh oven, licence to import which has been obtained under the U.S. Export-Import Bank programme, will arrive very shortly. When installed, these machines will raise output by 50 per cent. The despatch department, which is presently housed in Poona City, will also move to the new premises, resulting in a considerable saving in transport charges. While these are the efforts at sales maximisation in the not too distant future, from last year itself the Company has obtained a new market in Goa following the liberation of the Portuguese pocket. The average offtake of biscuits has gone to about Rs. 11,000 a month; the Company has yet to introduce chocolates into Goa, as the territory is said to be saturated with imported material.

The new machinery and equipment are expected to cost about Rs. 6.5 lakhs and the cost of construction of building is estimated at Rs. 3.6 lakhs. In all, the capital outlay will be about Rs. 10 lakhs. The Maharashtra State Financial Corporation has sanctioned the Company a long-term loan of Rs. 8 lakhs for capital investment. However, there is still a gap of Rs. 2 lakhs to be covered. The Articles of the Company limit borrowings to the extent of the amount issued by way of capital. The Directors are, therefore, considering the possibility of calling the balance of Rs. 50 on the partly-paid 10,268 shares held by the public. This will bring in about Rs. 5 lakhs and raise the present paid-up capital of Rs. 14.85 lakhs to a level in line with the net block of Rs. 18.89 lakhs.

From what has been said above, it is clear that the near-term outlook for the Company is quite satisfactory. For the current year, however, the prospects are uncertain, inasmuch as the Company's licence for the import of the raw material, namely, cocoa-beans, has been cut "unexpectedly" by as much as 40 per cent. Cocoa-beans are not grown in India, and their imports are essential to meet the consumer demand for cocoa powder. The Company has, therefore, urged the Development Wing to grant it a supplementary licence for the import of cocoa-beans.

The financial position of the Company is not particularly impressive. Its paid-up capital of Rs. 14.85 lakhs comprises Rs. 9.85 lakhs in ordinary shares (of which Rs. 4.73 lakhs are held by the vendors in shares of Rs. 100 each) and Rs. 5 lakhs in redeemable 7 per cent cumulative preference shares. As against this, reserves and surplus aggregate only Rs. 3.36 lakhs, of which Rs. 1.50 lakh are under the head preference shares redemption reserve; the preference shares are now redeemable any time on six months' notice. Unsecured loans have increased from Rs. 12.26 lakhs to Rs. 13.61 lakhs. Current liabilities and provisions total Rs. 7.75 lakhs. The aggregate liabillity to outsiders amounts to Rs. 21.36 lakhs and exceeds slightly the total of current assets, loans and advances at Rs. 20.66 lakhs. The gross block, which recorded a small increase from Rs. 30 lakhs to Rs. 30.66 lakhs during the year, has been written down to Rs. 18.89 lakhs.

The Rs. 100 paid ordinary shares are *nominally* quoted on the Bombay Stock Exchange at Rs. 100. At the rate of 9 per cent, taxable, the net return works out to 6.3 per cent per annum.

MYSORE ELECTRICAL INDUSTRIES LTD.

A sharp rise in sales proceeds from Rs. 77.73 lakhs to Rs. 102.74 lakhs and a substantial improvement in profit before taxation from Rs. 10.45 lakhs to Rs. 14.16 lakhs are the highlights of the *satisfactory* results of the Mysore Electrical Industries Ltd. for the year ended 31st March 1962. The ratio of profit to sales has edged forward from 13.5 per cent to 14 per cent. Profit as percentage of net worth is, however, one point lower at 40 per cent. Profit after taxation is higher at Rs. 7.25 lakhs as compared with Rs. 5.54 lakhs a year before, but its ratio to sales is unchanged at 7 per cent and its ratio to net worth is two points lower at 20 per cent. The taxable return on the Rs. 100 fully paid ordinary shares is maintained at Rs. 20 per share. The shares are currently quoted at Rs. 218 *cum-div.* and offer on the *ex-div.* basis, a net return of about 7 per cent per annum. The number of employees in the Company increased during the year from 540 to 604. It was 399 in 1957-58.

Given below is a comparative table showing the salient features of the progress made by the Company in the past five years:

(In lakhs of rupees)

	For the year ended 31st March				
	1962	1961	1960	1959	1958
Sales	102.74	77.73	74.17	51.55	40.27
Index (base year 1953)	1,373	1,039	991	689	538
Profit before taxation	14.16	10.45	9.48	5.49	4.51
Profit as % of sales	14.0	13.5	13.0	10.5	11.0
Profit as % of net worth	40.0	41.0	48.0	42.0	37.0
Profit after taxation	7.25	5.54	5.08	2.29	2.11
Profit as % of sales	7.0	7.0	7.0	4.5	5.0
Profit as % of net worth	20.0	22.0	26.0	18.0	18.0
Dividend (in rupees)	20*	20*	24*	15	11
No. of employees	604	540	490	440	399
Market value of equity shares (in rupees):	1962	1961	1960	1959	1958
High	268	265	175	160-cr	93
Low	218	200	120	100-xr	90

* Subject to deduction of tax.

LOWER PROFIT FOR BOMBAY BURMAH

A small setback in profit from Rs. 121.91 lakhs to Rs. 101.08 lakhs, after providing Rs. 33.11 lakhs (Rs. 26.59 lakhs a year before) for depreciation, has been reported by the Bombay Burmah Trading Corporation Ltd. for the year ended 31st May 1962. The profit has been arrived at after making provision for Secretaries' and Treasurers' remuneration, the exact amount of which for the year under report is not disclosed in the preliminary statement. In the previous year, the remuneration amounted to Rs. 10.21 lakhs. The decline in profit has occurred despite the improvement in tea production in the Company's plantations in Madras from 3,421,001 kgs. to 3,627,947 kgs. The coffee crop, however, had turned out to be lower at 785 tonnes, as against 1,368 tonnes a year before. It may be recalled that the Directors had announced the final dividend for the year 1961-62 three weeks ago. The net result was that the dividends for the year were the same as in 1960-61.

After adding Rs. 1.61 lakh, being the amount brought forward from the previous year, and Rs. 9.08 lakhs, being income attributable to the previous year, the profit for the year, after depreciation and Secretaries and Treasurers' remuneration, amounts to Rs. 111.77 lakhs. The provision for taxation amounts to Rs. 49.50 lakhs, as against Rs. 59 lakhs a year before. Transfer to development rebate reserve has been raised from Rs. 3.18 lakhs to Rs. 4.10 lakhs, but the credit to other reserves amounts to only Rs. 12 lakhs, as against Rs. 22.63 lakhs in the previous year.

4¾ PER CENT

WEST BENGAL STATE ELECTRICITY BOARD BONDS, 1972

(Second Series)

For Rs. 150 Lakhs

(Payment of Interest and Repayment of Principal Guaranteed by the Government of West Bengal)

The Bonds will be trustee securities under the Indian Trusts Act and also approved securities for the purposes of the Insurance Act and the Banking Companies Act.

ISSUE PRICE RS. 99.75 PER CENT

REDEEMABLE AT PAR ON THE 27th OCTOBER 1972.

SUBSCRIPTIONS will be received in cash or cheques. Applications will be received at the head offices of State Bank of India at Calcutta, Bombay, New Delhi and Madras from 22nd October, 1962 to 26th October, 1962 both days inclusive. But the list may be closed earlier without notice if the total subscription is reached.

Copies of loan prospectus and application forms are available at all the offices mentioned above and at the Head Office of the State Electricity Board, 1, Hastings Street (7th floor), Calcutta-1.

SYNOPSES OF COMPANY REPORTS

Jost's Engineering Co., Ltd.

(*Chairman*: T. V. Baddeley, Esq., Bombay.)

Annual General Meeting: Held on 27th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	26,24	21,03
Closing stocks	6,99	5,22
Work-in-progress	30	*Nil*
Gross profit	1,83	1,41
Transfer to depreciation	17	9
,, ,, provision for taxation	59	43
Net profit	1,07	89
Adjustments	11	3
Appropriations :		
Total available balance	1,18	92
Transfer to development rebate reserve	17	7
,, ,, allowances to customers	26	23
,, ,, claims for salary [Ex General Manager]	11	Nil
,, ,, Sales tax	2	Nil
Proposed dividend (taxable)	60	60
	(10%)	(10%)
Carry forward	2	2

N.B.—Adjustments include the balance brought forward from the previous year, allowances to customers etc.

Extracts from the Directors' report: *Review of the year's working*: There has been an increase of 20 per cent in the sales during the year. The import business of the Company showed some improvement, but in view of the very severe import restrictions imposed recently, it is unlikely that this trend will continue. The order book of the Company is about the same as for the previous year.

Factory: Reference was made last year to the commencement of manufacture by the Company. The Company now manufactures a range of *Air Compressors*.

The first phase of the Factory building on the Company's own plot at Thana has been completed. Power has not been made available as scheduled and the Factory is now expected to go into production shortly after the power supply is received. Plans for the second phase of construction have been prepared and the work is expected to commence by the end of the year.

Auto Trucks, Jumbo: During the year, the Company received sanction from the Central Government for the manufacture of *Auto Trucks*. The first *Jumbo Truck*, and *Trailers* and *Stillages* to go with it, have been produced. Enquiries received for these trucks are satisfactory and subject to the receipt of import licences for essential Components, production of these trucks should be established during the year.

Collaboration Agreement: The Company has negotiated an agreement with Kerry's (Great Britain) Limited for the manufacture of drilling machines in a new Company. An industrial licence for the manufacture of 1,200 drilling machines per annum has been received. Arrangements are now being made to complete the formalities for forming the new Company.

Finance: In view of the increased manufacturing activities of the Company, a loan of Rs. 4 lakhs is being negotiated with the Bombay State Financial Corporation. An opportunity is also being taken to increase the authorised capital of the Company to Rs. 25 lakhs. This is being done to enable the Company to invest in the new Company and to expand its manufacturing activities.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	6,00,000	Gross block	4,44,286
Reserves and surplus	4,75,869	—Depreciation	1,55,896
Other liabilities	9,96,944		
		Net block	2,88,390
		Current assets	1,66,186
		Investments	9,109
		Cash	16,09,123
Rs.	20,72,813		20,72,813

* Paid up capital consists of 12,000 equity shares of Rs. 50 each. Of this 4,000 shares are allotted as fully paid up by way of Bonus shares.

Shipping Corporation of India Ltd.

(*Chairman*: Mr. R. L. Gupta, Bombay.)

12*th Annual General Meeting*—Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Operating earnings	7,88,53	5,66,94
Gross profit	2,41,92	1,56,51
Transfer to depreciation on fleet	1,26,23	1,07,06
,, ,, on other assets	39	33
,, ,, provision for taxation	8,25	1,60
Net profit	1,07,00	47,52
Adjustments	60,81*	52,60†
Appropriations :		
Total available balance	1,67,81	1,00,12
To tax paid (for previous years)	33	11
,, expenses relating to previous years	2,06	Nil
Transfer to development rebate reserve	90,00	1,00,01
,, ,, fleet special repairs reserve	35,00	Nil
,, ,, general reserve	40,42	Nil
To dividends	Nil	Nil
Carry forward	Nil	Nil

* Includes Rs. 60 lakhs transferred from development rebate reserve: Rs. 79,752 being excess provisions in previous years and Rs. 1,024 being tax refunds.

† This represents Rs. 1,22,648 being excess provisions in previous years and Rs. 12,614 being tax refunds.

Extracts from the Directors' report: The Directors are happy to report that the Shipping Corporation has achieved gratifying results. The net profit of Rs. 1,07,00,086 for the year 1961-62 works out at 4.56 per cent of the subscribed and paid-up capital of Rs. 23.45 crores. This compares favourably with the combined net profit of Rs. 47,51,509 of the Eastern and Western Shipping Corporations for the year 1960-61, which was about 2.07 per cent of the then total paid-up capital of Rs. 22.90 crores. The operating earnings of the year 1961-62 (Rs. 7,88,52,927) have thus yielded a net return or profit of 13.57 per cent as compared to the net return of 8.38 per cent which the operating earnings of the previous year 1960-61 (Rs. 5,66,94,186) had yielded.

There has also been a substantial increase in the quantity of cargo handled and the operating earnings, as shown below:

Year	Cargo carried (Revenue tons)	Operating earnings Rs.
1959-60	3,82,925	3,90,53,922
1960-61	5,17,619	5,66,94,186
1961-62	8,69,784	7,88,52,927

The number of passengers carried, and the amount of passage money earned (which is included in the figures of operating earnings given above), during 1961-62, however, remained about the same as during the previous year 1960-61.

The number of round voyages performed by the vessels of the Corporation on the regular Overseas Services has also been showing a steady increase as indicated below:

Year	Number of overseas routes operated	Number of round overseas voyages on liner service
1959-60	4	48½
1960-61	6	57
1961-62	7	65

Fleet of the Corporation and the Expansion Programme: Here also the picture is one of constant growth and progress. As on 31st March 1960, the combined owned fleets of the Eastern and Western Shipping Corporation consisted of only 15 vessels with a total g.r.t. of 1,09,263. The steady growth of the fleet of the Corporation since then is indicated below:

Date	No. of ships owned	G.R.T.	Investment on fleet (Rs. crores)
31-3-1960	15	1,09,263	15.55
31-3-1961	17	1,26,180	20.38
2-10-1961 (formation of S.C.I. Ltd.)	19	1,38,598	23.28
31-3-1962	20	1,45,224	24.24
October 1962	23	1,73,956	28.00 (approx.)

The 23 vessels mentioned above include M.V. *Vishva Shanti*, which is being delivered to the Corporation by the Hindustan Shipyard early in September 1962 and M.V. *Westfalia* (to be renamed M.V. *Vishva Sudha*) which the Corporation has recently decided to purchase and the delivery of which is expected to take place early in October 1962. The abovesaid fleet of the Corporation would then consist of 19 cargo vessels, 2 tankers and 2 passenger-*cum*-cargo vessels.

The Corporation is already the second largest Indian Shipping Company from the point of view of the gross registered tonnage owned. In accordance with the policy of the Government of India regarding the substantial expansion of Indian tonnage, both overseas and coastal, the Corporation has embarked upon a substantial programme of expanding its fleet. In furtherance of this programme, 9 fast modern dry cargo vessels are already on order with the Hindustan Shipyard Ltd. and all these vessels are expected to be delivered by the Shipyard to the Corporation during the third Plan period. Each of these vessels would be of about 9,220 g.r.t. as Closed Shelter Deckers. These 9 vessels would aggregate 82,980 gross tons. The Corporation is thus by far the biggest customer of the national Shipyard during the current Plan period.

In addition to the above, the Corporation has already decided to purchase or get constructed at least the undermentioned vessels during the third Plan period.

(i) Super tanker for being chartered to Messrs. Caltex .. .. — 1 — 20,000 g.r.t.
(ii) Coastal vessels principally for the movement of coal from Calcutta Port .. .. .. — 6 — 8,000 g.r.t. each
(iii) Small coastal vessel for the proposed Colombo/Tuticorin Service. — 1 — 400 to 600 g.r.t.

The Corporation can accordingly look forward to achieving an owned tonnage approaching between 3,00,000/3,25,000 g.r.t. by the end of the third Plan period.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	23,45,00,000	Gross block	24,28,32,087
Reserves	2,27,12,241	—Depreciation	4,62,67,332
Other assets	7,86,98,979		
		Net block	19,65,65,655
		Block-in-progress	4,20,32,195
		Other assets	42,728
		Current assets	2,72,18,709
		Investments	65,72,640
		Cash	6,29,78,037
		Miscellaneous expenditure	5,03,256
	Rs. 33,59,11,220		Rs. 33,59,11,220

Hindusthan Twyfords Ltd.

(*Chairman*: Mr. H. L. Somany, New Delhi.)

Registered Office: 2, Wellesley Place, Calcutta 1.

Second Annual General Meeting—24th September 1962.

Extracts from the Directors' report: The profit and loss account shows a deficit of Rs. 15,184.89 after transferring a sum of Rs. 2,54,583.70 to the "Expenditure during Construction" Account. This deficit has been set off against last year's surplus of Rs. 1,81,458.99 brought forward, and thus, a net surplus of Rs. 1,66,274.10 (subject to taxation) has been carried forward to the next year's account.

The total expenditure up to 31st March 1962 under the head "Expenditure during Construction" period as shown in the Balance-sheet amounts to Rs. 30,05,489.29. As the construction of the plant will be completed during the current year this amount will be adjusted under the appropriate headings under Fixed Assets.

Land: The construction remained deferred until the judgment of the Supreme Court in favour of this Company was delivered on the 14th November 1961. In spite of various difficulties in procurement of materials and adverse weather conditions the main factory building covering approximately 1,70,000 sq. ft. has been completed.

Machinery and Equipment: Simultaneously with building construction installation of the Pilot Plant was carried on. This plant is equipped for electric firing and will be very useful for trial purposes as also for the manufacture of specialised articles. Most of the other machinery, imported and indigenous, have arrived and are under erection. It is expected that the Tunnel Kiln will commence production before the end of the year.

Electricity: Bulk electric supply was connected on the 10th July 1962. A separate feeder line from the Bahadurgarh supply station has been provided to minimise fault breakdowns but the main 33 kvA. line from Delhi needs technical improvement. Electricity failures in June and July last aggregated to 114 hours with the single largest breakdown lasting 24 hours. Breakdowns are so frequent that no large continuous plant can operate satisfactorily. Apart from production loss, breakdowns of long duration could seriously effect the Tunnel Kilns.

Trial Production: Immediately electric supply was available the Pilot Plant machinery started operation and this Company seized the opportunity of having the first cast poured in on the 14th July 1962 by Mr. G. L. Mehta, Chairman, Industrial Credit and Investment Corporation of India Ltd., Bombay. It is hoped that some production will be made available to the market by September end.

Collaborators: The four Indian Technicians trained in England arrived back as per schedule. This staff has further been strengthened by addition of another person who too had his training in Twyfords' factory in England. In spite of the pressing need of trained personnel in the Company's Collaborators' South African Project, this Company has been fortunate to get the services of five very able technical personnel headed by Twyfords' most experienced Manager.

Project Cost: In spite of the increase in Customs and Excise duties and increased cost of building and other materials, it is estimated that the project will be completed within 5 per cent of the estimated total Project Cost.

Raw Materials: The Company's Collaborators are busy in trying to find out suitable combinations of all Indian raw materials for the Body. While Indian chinaclay is reasonably suitable some use of the English ball clay is unavoidable. This ball clay is required to increase the strength of the finished article and is more important in sanitaryware which are subjected to more rough use than to tableware. Apart from ball clay, some glaze materials such as tin oxide etc. are required to be imported. Some allocation of foreign exchange is necessary for new industries to enable them to produce standard products and manufactured wares suitable for export.

I.F.C.—Loan of Rs. 25 lakhs. The Directors regret to state that in spite of all efforts even an interim Loan has not yet been received. The project would have been subject to heavy delay had not the Secretaries and Treasurers advanced Rs. 12 lakhs.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	49,60,750	Gross block	3,90,53,922
Reserves and surplus	1,66,274	—Depreciation	5,66,94,186
Other liabilities	14,40,380		
		Net block	4,62,194
		Expenditure during construction a/c	30,05,489
		Goods-in-transit	3,76,398
		Fees for technical know-how	8,00,000
		Current assets	14,31,077
		Cash	2,27,855
		Miscellaneous expenditure	2,64,391
Rs.	65,67,404		Rs. 65,67,404

* Paid-up capital consists of 4,00,000 equity shares of Rs. 10 each and 20,000 tax-free redeemable cumulative preference shares of Rs. 100 each—Rs. 50 paid up. Calls in arrears amount to Rs. 39,250.

Bengal Luxmi Cotton Mills Ltd.

(*Managing Director*: Mr. D. N. Bhattacherjee, Calcutta.)

Annual General Meeting—Held on 29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of cloth, yarn and wastes	1,82,73	1,62,40
Miscellaneous sales	43	25
Closing stock	36,44	27,95
Gross profit	12,85	10,82
Transfer to depreciation	5,60	3,93
Net profit	7,25	6,89
Adjustments	20	19
Appropriations :		
Total available balance	7,45	7,08
Transfer to development rebate reserve	1,26	2,43
,, general reserve	1,70	19
To depreciation for 1960	Nil	2,28
,, adjustment of loss brought forward	2,61	65
Proposed dividends (taxable) preference	34	1.02*
,, ,, ordinary	81	51
	(8%)	(5%)
Carry forward credit (+) or debit (—)	+73	—2,61†

N.B.—Adjustments represent only dividends forfeited.

* Preference dividends for the years 1959, 1960 and 1961.

† This represents the loss carried forward after adjusting Rs. 65,130 against the loss brought forward from the year 1960 amounting to Rs. 3,26,098.

Extract from the Directors' report: The modernisation programme made some more progress during the year. Machineries worth Rs. 8,44,424 have been received and installed during the year under review. Some more machines have since been received in the current year.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	15,35,450	Gross block	1,12,12,785
Reserves and surplus	8,75,027	—Depreciation	74,29,208
Other liabilities	70,35,462		
		Net block	37,83,487
		Current assets	55,82,540
		Investments	21,072
		Cash	58,810
Rs.	94,45,939		Rs. 94,45,939

* Paid-up capital consists of (*a*) 17,782 ordinary shares of Rs. 40 each; 4,354 ordinary shares of Rs. 40 each—Rs. 30 per share called up, and 8,500 ordinary shares of Rs. 40 each—Rs. 20 per share called up; (*b*) 13,088 five per cent cumulative redeemable tax-free preference shares of Rs. 40 each; fully called up (preferred as to dividend only).

NEWS IN BRIEF

FORWARD trading in hessian and gunny (non-transferable specific delivery contracts only) has been started in Bombay, with effect from Monday this week, under the auspices of the Bombay Hessian and Gunny Merchants' Association.

An official Indian trade delegation will leave for Ceylon in December next to review the working of the existing trade agreement between the two countries signed in October last. It will also examine the scope for further expanding trade.

An official team, led by Mr. M. M. Philip, Secretary, Department of Communication and Civil Aviation, has left for Cairo for talks with the U.A.R. Government about the operating pattern of services of Air-India and the United Arab Airlines.

In order to study the developments in the Malayan rubber industry, the Rubber Board has sponsored the visit of a delegation which will be in Malaya for two weeks. The delegation is headed by Dr. Rama Varma, Chairman of the Board.

The Planning Commission has recommended an *ad hoc* grant of Rs. 1 crore to Goa, for the speedy implementation of certain development schemes which have been prepared by the Goa administration. This grant is outside the overall development scheme which is now being prepared for Goa, Daman and Diu.

A team of dairy experts from Denmark has arrived in India to select a suitable site for the establishment of a dairy farm for which the Danish Government has offered assistance. The proposed farm will be stocked with Danish cows. A dairy will also be set up for processing and distributing milk.

The plant to manufacture chemical thermometers which was set up at Surendranagar in Gujarat in collaboration with a Japanese firm was declared open by Mr. Manubhai Shah, Union Minister for International Trade, on Tuesday this week. The factory, which is claimed to be the largest in Asia, is expected to produce 100,000 thermometers a month.

A new factory is to be built at Palghat in Kerala to make laboratory meters and component test equipment currently produced in Britain. A company (with £90,000 capital), known as British Physical Laboratories (India) Private Ltd., will be established to finance the scheme. The factory is scheduled to begin production in January 1964. The new industrial partnership will be owned 49 per cent by British Physical Laboratories and 51 per cent by Universal Refrigeration Corporation, of Bombay, manufacturers and distributors of mechanical and electrical machinery. The Board of Directors of the new company will consist of three Indian and two British directors.

Soviet engineers have completed designs of machinery for the hardware plant of heavy electrical equipment to be put up in India. The technical plan is made in such a way that the plant, without substantial reconstruction, will be able to produce steam turbines of a capacity of up to 300,000 kilowatts, instead of 200,000 kilowatts as envisaged originally. Vertical boring and turning machines with remote control are to be installed in the turbine shop which will occupy an area of 40,000 square metres. The diameter of the face plate of the largest of them will be 12 metres. The pig iron shop will produce 12,000 tons a year.

The fifth Shipping and Shipbuilding Conference will be held at Calcutta in February 1963. A Governing Council has been formed with Mrs. Sumati Morarjee, Dr. A. Ramaswami Mudaliar, Mr. Biren Mookerjee, Mr. M. R. Das, Mr. H. Mackay Tallach and Mr. B. B. Ghosh as members. The Conference will provide a valuable forum for the discussion of Indian and world problems relating to shipping and shipbuilding. The idea of holding such a conference was mooted by the Naval Architecture Society of the Indian Institute of Technology, Kharagpur, where the first conference was also held in 1958, followed by two sessions in 1959 and 1960.

Seshasayee Wire Ropes Limited has secured an industrial licence for establishing a steel wire rope manufacturing project in Ernakulam district, Kerala, with a capacity of 3,000 tons of wire ropes annually. The Company has entered into an agreement with Ataka and Co., Ltd., of Osaka, Japan, which will purchase and supply machinery and equipment for setting up the factory. The Kokoku Iron and Steel Wire Manufacturing Company of Tokyo will design and draw up specifications for equipment and work in liaison with Ataka and Co., Ltd. According to a project report prepared by the Company, the capital outlay is estimated at Rs. 71 lakhs. Out of this Rs. 1.85,000 will go for buying lands, Rs. 10.80 lakhs for factory and colony buildings. Machinery and equipment, including machinery of local procurement, will cost Rs. 39.73 lakhs.

* * *

From Abroad

West Germany and Madagascar have signed an agreement providing for the mutual protection of investments against discrimination and expropriation.

Union Carbide Ltd., the U.K. subsidiary of the Union Carbide Corporation of New York, and the Distilleries Company Ltd. have decided to merge their interest in plastics in the U.K. This move will make the joint company the largest single plastics concern in the U.K. in terms of vertical integration.

The U.S. International Development Agency has offered a loan of $2 million to Uganda, the East African country which became independent on Tuesday this week. The loan is granted to the Uganda Development Corporation for financing schemes of agricultural and industrial undertakings. The loan bears interest of four per cent and is repayable over 15 years.

The number of motor vehicles on the roads of West Germany increased by nearly half a million in the first half of this year. About 9,460,000 motor vehicles were counted on 18th July 1962, about 480,000 more than in January. The number of motor cycles continued to drop by 123,000 to 1,470,000, while that of passenger cars rose by 547,000 to 6,130,000.

Ceylon and Communist China have agreed to sign a third five-year trade and payments pact. The understanding was reached, following the visit to Peking of a Ceylonese trade delegation headed by the Ceylonese Minister of Commerce, Trade, Food and Shipping, Mr. T. B. Ilangaratne. An agreement relating to economic and technical co-operation has also been signed between the two countries.

Canadian Industries, Montreal, an affiliate of I.C.I., has decided to put up an explosives and chemicals plant in Liberia, in collaboration with Baird Chemicals of New York. A new company, known as the West African Explosives and Chemicals, will be set up. The proposed plant is likely to be completed by 1964 and will manufacture blasting agents. The production of agricultural, industrial and household chemicals will also be taken up as markets develop for them.

West Germany provided development aid amounting to almost DM20,000 million between 1950 and the middle of 1962. About DM15,000 million were paid under bilateral schemes and DM4,000 million were channelled through multilateral organisations. Private bilateral contributions alone amounted to more than DM8,000 million. The largest amount of public and private aid together—about DM5,000 million—went to Latin America.

The International Monetary Fund has entered into a stand-by arrangement with the Government of Uruguay which authorises drawings upto the equivalent of $30 million over the next twelve months in currencies held by the Fund. The new arrangement, which is designed to support the continuation of the stabilisation programme initiated in December 1959, replaces a previous arrangement for the same amount which expired on 5th June 1962. No drawings were made under that arrangement. Uruguay has made considerable economic progress since the adoption of the stabilisation programme and exchange reform in late 1959. The overall balance of payments has improved, exchange reserves have increased and domestic inflation has been virtually arrested.

The U.S. Congress has approved a new farm Bill which increases the amount of American farm products that can be sent abroad under the food-for-peace programme. Under this programme, American farm products are sold abroad for local currencies, the proceeds being used for the country's economic development. The U.S. Government, under the original food-for-peace legislation, was allowed to provide food products only to foreign governments. Under the new farm Bill, the Secretary of Agriculture is also empowered to sell food products to private trade firms and institutions abroad. Agriculture Department officials look on this as an additional means of putting U.S. farm products in the hands of needy people overseas through private trade channels. The farm Bill also "specifically" authorises donations of food for use in non-profit school lunch programmes outside the U.S. Under the food-for-peace programme, approximately $1.500 million worth of U.S. food products was sent abroad in the fiscal year 1962. Since the programme began in 1954, about $9,100 million worth of U.S. food has been provided to the developing countries. Another $2,000 million worth of such food products has been provided to nations abroad in the same period under the U.S. foreign-aid programme.

BUSINESSMEN ON U.S. ECONOMIC OUTLOOK

Business sales should continue to gain over 1961 in the final three months of this year. They may level off in early 1963, but will stay on a high plateau. That, at least, is the consensus of 50 company executives in varied industries surveyed by *The Wall Street Journal*. Their opinion, however, conflicts with the predictions of many economists, and lately some steel makers, that the business advance that started in March 1961 will end in a recession late this year or early next. But the executives' views often are based not on guesswork but on the state of their companies' order books. These books rarely promise sensational new gains. But most executives surveyed expect fourth-quarter sales to maintain about the same rate of gain over 1961 that their companies have posted so far this year. Sales of all manufacturers rose in the first and second quarters this year; despite a dip in sales and orders in August, the Commerce Department believes the full third quarter will show another increase and it anticipates sales will set a record in the fourth-quarter.

"We should continue the rest of the year 15 to 20 per cent ahead of last year," says the Vice-President of Messrs. P. R. Mallory & Co., Indianapolis producer of batteries and other electric components. His reason: Mallory's backlog of unfilled orders is running ahead of a year ago. Distributors' orders for such things as toasters and irons promise fourth-quarter sales gains for the small appliance industry, reports Willard H. Sahloff, Vice-President and General Manager of General Electric Co's housewares and commercial equipment division. The strong finish, he predicts, will boost industry dollar volume for the year 15 per cent ahead of 1961.

Looking further ahead, some businessmen predict sales gains in early 1963 almost equal to those expected in the fourth quarter. "We have been hearing talk for the past six months of a dip or a recession coming, but all the evidence is to the contrary" says A. W. Teichmeler, Vice-President of U.S. Plywood Corporation in New York. His company's sales in next year's first half should jump 10 per cent ahead of the 1962 period.

The majority view, however, is that early 1963 sales will about hold even with early 1962, or register only slight gains. Business is not moving up, but it is not moving down either, says the head of a large manufacturing company. "It is riding a plateau." That "plateau" is a comfortable place for many companies. A Minneapolis underwear maker says that his company's sales "will probably begin levelling off in the first half of 1963" but adds that "this will still be a high rate of activity." Monsanto Chemical Co. expects sales in the first two quarters of 1963 to match the 1962 period or perhaps gain about 5 per cent. Libbey-Owens-Ford Glass Company, which concentrates on auto glass, also expects a fourth-quarter sales gain over 1961 to be followed by first-half volume next year matching early 1962. The main reason for this relatively cheerful outlook is, according to a maker of glass bottles, the "high level of personal income and the ability of consumers to buy." Several manufacturers cite TV-set demand as an indication that consumers are willing as well as able. Construction activity in 1963, it is said, may top even this year's high level. Construction contracts in the first eight months of 1962, including apartment houses and office buildings, ran 12 per cent ahead of the 1961 period; actual execution of the contracts follows by some weeks or months. Demand for machinery next year also will be moderately higher than in 1962, predicts a leading producer of heavy equipment. Sales of many new products are expected to stay at a high level.

As factors moderating their optimism, businessmen cite a relatively high rate of unemployment, uncertainty over Washington's attitude toward business, and doubts whether the Government will take any significant action to spur the economy. Although the Kennedy Administration has decided, at least for the time being, not to recommend an economy-boosting tax cut, several businessmen think that such a move is vitally needed.—*P. G. Krishnayya's Service.*

PERSONAL

MR. Morarji R. Desai, Union Finance Minister, has returned after attending the annual conference of the I.M.F. and World Bank at Washington. On his way home, he also visited Japan.

Sir Paul Gore-Booth, British High Commissioner in India, returned to New Delhi from the United Kingdom on Tuesday this week, after a period of leave in Britain.

Raja Surendra Singh of Nalagarh, Chairman of the Agricultural Administration Committee, has taken over charge as Adviser, Special Agricultural Programmes in the Planning Commission.

Mr. K. K. Mody has been elected President of the All-India Plastics Manufacturers' Association for 1962-63. Mr. S. N. Kasera and Mr. S. I. Parekh have been Vice-Presidents.

Mr. E. G. Norris has taken charge in Calcutta as the British Deputy High Commissioner. He succeeds Major-General W. H. A. Bishop who has been appointed Director of Information Services, Commonwealth Relations Office, in London.

Mr. H. V. R. Iengar, Chairman of the East India Distilleries and Indian Aluminium Company Ltd., has been appointed Chairman of the National Productivity Council *vice* Dr. P. S. Lokanathan who has resigned.

Dr. G. P. Kane, Senior Industrial Adviser (Chemicals), Development Wing, Union Ministry of Commerce and Industry, was the leader of the Indian delegation to the E.C.A.F.E. seminar on basic chemicals and allied industries held at Bangkok from the 3rd to 13th inst. The delegation also included Dr. C. J. Dadachanji of Union Carbide India Ltd. who submitted a paper on prospects and problems of chemical industry in India.

Notice

ESCORTS LIMITED

26, Faiz Bazar, DELHI-6

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Members' Register and Transfer Books of Equity shares of the Company shall remain closed from 22nd October to 27th October, 1962 (both days inclusive) in connection with the call of Rs. 3 per share decided to be made on the 5,60,000 Equity shares issued as Right shares in January, 1962, by the Board of Directors in their meeting held on 3rd October, 1962.

By Order of the Board
SECRETARY.

5th October, 1962.

CPH/RO/689/62

PHILLIPS CARBON BLACK LIMITED

PRODUCTION TO COMMENCE SOON: SCHEME TO EXPAND CAPACITY

MR. K. P. GOENKA ON NEED TO ENSURE RAW MATERIALS SUPPLY

ADDRESSING the Annual General Meeting of the shareholders of Phillips Carbon Black Limited, held at Calcutta on 1st October 1962, Mr. K. P. Goenka, Chairman of the Company, said:—

LADIES & GENTLEMEN:

In welcoming you all to the Second Annual General Meeting of the Company, I feel the opportunity should be taken to bring you up to date on the progress that has been made since we last came together, just over twelve months ago.

The annual report and accounts for the year ended 31st March 1962 have already been circulated, and in accordance with our usual practice, the Directors have outlined in their Report most of the more important developments that have taken place during the period. It is however some weeks since the report was prepared and I am glad to say that the progress made since then is so substantial that we can now virtually say we are ready to go into production, and that part of the plant is indeed already operating.

Full Commercial Production

I must admit that we have suffered a great many disappointments and setbacks of one kind and another during the period of construction and for this reason I hesitate to fix an exact date for the start of full commercial production, but we are confident that our manufacture will be fully under way by the early part of next month. We can all take some pride not only in the ownership of such an elaborate and modern plant but in the contribution that this unit of ours will shortly be making towards the national economy. We have the capacity to satisfy almost the entire current requirements of this country and the Company's full output should result in the saving of over Rs. 2 crores in foreign exchange.

At this stage I would like to pay my tribute to the late Dr. B. C. Roy, who had taken a personal interest in our venture from the very beginning and whose encouragement has helped us so greatly towards the fulfilment of our plans.

We hope that official approval will soon be given to the 10 million pounds expansion for which we have recently applied to the Ministry of Commerce and Industry. Your Directors submitted this application in response to Government's request that the private sector should make practical suggestions for means of assisting the nation over its long-term foreign exchange difficulties. In our case the answer appeared relatively straightforward since a capital outlay of little more than Rs. 4 lakhs—only about one-half is required in foreign currencies—would enable us to increase our capacity from thirty to forty million pounds per annum, thereby going a long way to close the then remaining gap between demand and indigenous production and saving another Rs. 50 lakhs or more in foreign exchange. As I have already indicated, the outcome of this application is not yet known, but I cannot help feeling that delay in approving it must to that extent retard our full contribution towards resolving present foreign exchange difficulties. The proposed expansion would moreover improve the economy of the undertaking.

Government Assistance

I feel it is only right for me to mention at this juncture certain respects in which we feel that Government could improve the co-operation between its various agencies and an undertaking of national importance such as ours, and I hope I shall not be unduly taken to task for referring briefly to these matters. The first thing that must be said in this connection refers to the delay that has occurred in commissioning the plant. Last year's report will have given you the expectation that this might take place around the middle of 1962, and it must be confessed therefore that we are in fact a few months behind schedule. This is due to a great variety of causes, and it would be unfair to ascribe too much of the blame to any single factor: overseas as well as indigenous suppliers have alike fallen in some cases far behind their planned delivery schedules, and there have been strikes and stoppages not only in India—the Calcutta port strike earlier this year was a particularly severe blow to us—but also in foreign countries from which some of our essential equipment has been ordered. But I cannot conceal the fact that speedier decisions in official quarters could have helped us to start several weeks earlier. The authorities concerned were reasonable and helpful but the machinery for implementation has worked slowly and as a result the clearing of some essential items through Customs suffered a delay. Furthermore I would urge that there should be a more equitable policy over allocations of steel and cement for the erection of important new industrial units; although all reasonable steps have been taken by the Company's management there have been countless interruptions of varying length due to shortages or inadequate allocations of these basic constructional materials, and it does seem a real misfortune that any enterprise which will so materially contribute to our national wealth should be delayed in this fashion. The procedure for obtaining import licences for essential spares and other production requirements also appears at times to be unduly devious, although one should not of course underrate the very genuine foreign exchange difficulties that have confronted our Government in recent months. However, quite apart from these problems the procedure for implementing the provisions for relief from customs duty on imported equipment for a plant such as ours are at times found to be needlessly cumbersome and elaborate, and the machinery for disposal of claims and obtaining refunds is often much too slow for the convenience of financial management in a complicated venture such as this.

Raw Materials

On the positive side I would reiterate our plea that the Union Government should direct its attention seriously to the question of raw materials for the carbon black industry. It is our wish every bit as much as theirs to ensure that our prices are reasonable and comparable with the cost of similar imported products, but this cannot be done unless our raw material prices are also kept to reasonable levels, and as the public sector is a major producer of these materials there is much that can be done by helpful and constructive direction from the Centre. We are committed, and rightly so, to make the maximum possible use of indigenous supplies including locally produced coal tar, and in this light it seems to us in a sense waste of national resources that large proportions of the output of this valuable raw material in both the public and private sectors should be burned as a fuel. In the present situation it seems to me that a careful reappraisal is necessary to ensure that the best possible use is being made of the country's resources and that a revision of the price and tax structures should be considered in this light. In particular it is desirable that excise and other duties on the raw materials of industry should be kept at an absolute minimum and that the movement of these vital materials should not be checked and halted by the machinery of State or Central taxation. Consideration should also be given to geographical factors, so that for instance we are not excluded from local sources of supply such as Sindri Fertiliser and Durgapur Steel while being obliged to go as far afield as Rourkela and Bhilai to secure our requirements; when actions taken in the public sector lead to anomalies of this kind it seems fair to say that the best use is not being made of our limited transport facilities.

Failing the reallocation and expediting of local supplies which seem to us so necessary it is evident that Government should permit the import of feedstocks from overseas which still must result in a substantial overall *net* saving of foreign exchange. Our applications have hitherto received sympathetic attention and I would only hope that this policy will continue until we can achieve the most satisfactory solution, namely a revised allocation of the coal tars produced in India.

As I have already explained these references to the Union Government and its various agencies are not made in any spirit of carping criticism, for the fact remains that we have throughout received a great deal of valuable and constructive assistance from official sources, particularly at the highest levels. We have always found patient ears, ready to listen and where feasible to act upon our requests for help, assistance and advice. To the Government of West Bengal also we are grateful for much practical co-operation during the period of construction and I would merely ask that as we initiate and expand our production its present policies should be continued and extended in the matter of securing adequate power supplies for us.

In conclusion I would like to end by paying tribute to all those who have participated directly or indirectly in bringing about the completion of our plant and the provision of capital and finance with which to work it. This applies to a very wide cross-section of our national community, including the Union and State Governments, as well as public and private undertakings, but above all I must mention very specially the untiring efforts and assistance of our overseas collaborators, Phillips Petroleum Co., their advice and guidance in technical matters have been of inestimable value and they have never failed to help us whenever needed in these respects and also in regard to capital requirements. We have moreover been fortunate in the cadre of experts with whom they have provided us, and I am thinking particularly of Mr. Willis Barber who has so ably and with such devotion fulfilled the role of Superintendent during the very difficult initial period. Our thanks are due to him and at the same time to the other members of the staff who loyally assisted us at Durgapur and in Calcutta.

Notice

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England)
Liability of Members Limited

DIVIDENDS

THE FOLLOWING DIVIDENDS HAVE BEEN recommended in respect of the year ended 31st March, 1962, payable on the 14th November, 1962:—

(1) On the Preference Shares at 5 per cent (Five Shillings per share) less U.K. Income-tax of seven shillings and nine pence in the £ Sterling.

(2) On the Ordinary Shares at 10 per cent (Ten Shillings per share) less U.K. Income-tax of seven shillings and nine pence in the £ Sterling.

Payment of any Dividend declared will be made only to those Members whose names are registered in the Books of the Company on 7th November, 1962 or to their Mandatees.

Dividend Warrants to Members on the Calcutta Register will be made payable in Calcutta.

No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

The Share Transfer Books will be closed from 25th October to 7th November, 1962, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
C. EVANS,
Acting Secretary,
Agents.

4, CLIVE ROW,
CALCUTTA-1, *3rd October,* 1962.

MYSORE TOBACCO COMPANY LTD.

HIGH PRICE AND SHORTAGE OF FUEL CAUSE CONCERN

MR. I. P. MALLAPPA'S SPEECH AT ANNUAL MEETING

THE number one problem of tobacco manufacturers is the high price of fuel required for curing tobacco and the increasing difficulty in obtaining adequate supplies. Underlying this difficulty, Mr. I. P. Mallappa, Chairman of the Mysore Tobacco Company Ltd., told the Twenty-fifth Annual General Meeting of shareholders, held at Bangalore on 27th September 1962, that, if the situation were to continue, there might come a time when fuel would be hard to get.

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

"LADIES AND GENTLEMEN,

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

"I took over charge of the office of the Chairman of this Company from Mr. B. S. Hanuman, on the 27th July 1962. Your Directors have placed on record separately their appreciation of the valuable services rendered by Mr. B. S. Hanuman to the Company.

"The report of the Directors and the audited accounts of the Company for the year ended 31st March 1962 have been in your hands for some time and, with your permission, I shall take them as read.

"Before moving the adoption of the report and accounts, I would like to make some observations on the working of the Company during the year under report. At the outset you will be gratified to note from the profit and loss account on page 12 that our sales have increased from Rs. 18.43 lakhs to Rs. 31.80 lakhs, an increase of over seventy per cent over last year's sales. This satisfactory position was largely due to the favourable seasonal conditions that obtained and the increased quantity of cured leaf that we were able to produce by increasing our planted area from 2,582 acres to 3,720 acres. There was a shortfall in the returns to the Company under 'processing charges' as there was a decline in the intake of tobacco coming from other sources.

Fuel Costs

"Our other charges on operational expenditure have been normal. But one important item which is disturbing the mind of your Board of Directors is the position obtaining in regard to the supply of fuel required for curing in the event of the Company undertaking large expansion of areas for producing larger quantities of tobacco. The price of this essential raw material required for processing the green tobacco, is increasing enormously and there might come a time when its availability would become very difficult. Your Directors are therefore exploring measures for replacing the wood fuel by other kinds of fuel. Even the availability of coal to the industries in the region has been very scarce. I am, however, glad to be able to report that we have recently converted our boiler at Whitefield and it is now fed with furnace oil instead of coal and this has enabled us to carry on our operations without any interruption.

"Coming to the accounts under review, I wish to invite your kind reference to page 14 of the printed report furnishing particulars of our fixed assets. You will notice that a sum of Rs. 92,670 has been spent on capital assets, during the year—of which a sum of Rs. 36,167 has been on buildings and barns, and Rs. 46,729 on vehicles. Both these items of expenditure have been incurred with a view to accelerating the production of cured leaf. More barns are put in places where the cured tobacco can be obtained at low cost and the speedier and efficient transport of such tobacco for marketing has been ensured. You may be aware that even the best cured tobacco will get reduced in its value if exposed to moist weather and so it has become very necessary to keep our transport system at a high level of efficiency.

"Your Directors are actively examining all programmes of expansion with particular reference to the development of other types of tobacco, like suncured, with a view to improveing the prospects of the Company.

"On this occasion, I am glad to be able to inform you that we have sold all the stocks we had held. I am also happy to report that as per present indications our operations for the current year, namely, 1962-63 are quite satisfactory although a considerable extent in our planted area suffered due to excessive rains recently.

"Our request to the State Government to give us relief from the levy of octroi by certain Municipalities on green leaf transported to our barns for curing has not met with success as yet. Attempts are being made to get the necessary relief and your Directors will endeavour to get this relief as quickly as possible.

Favourable Season

"Before concluding, I shall now briefly refer to the Indian tobacco in the Union. The 1962 season has been a very successful season. The fluecured tobacco production has reached the record figure of 165 million pounds and it is gratifying to note that all the surplus production has been exported. Many importing countries, who only few years ago started buying, have increased their intake of Indian tobacco and new countries like East Germany have made substantial purchases during this year. I am sure, this trend will continue and this augurs well for the future of Indian tobacco. The Tobacco Export Promotion Council has strived to bring about greater awareness to the quality of Indian tobacco in overseas markets and the increase in export is in a large measure due to the work done by the Council in overseas market.

"Although an upward trend in the consumption of Indian tobacco in domestic and export markets has been noticed, the problem of improving the quality of tobacco has not diminished and I am glad to inform you that the extension units set up in each State by the Indian Central Tobacco Committee are, however, intensifying their efforts for improving the quality of tobacco by extending proper advice to the growers. These extension units are also serving as links between the research organisations and the growers and are engaged in disseminating knowledge of better methods of cultivation to the growers.

Silver Jubilee

"In conclusion, having due regard to the vicissitudes through which the Company has had to pass particularly during the past three years which were subjected to seasonal adversities and also having due regard to the reduced returns which the Company got, I am sure you will nevertheless look back upon the achievements of the Company in this 'silver jubilee' year of the Company with pride and satisfaction.

"Our relationship with our local and foreign buyers continues to be cordial and encouraging. Our thanks are due to the many silent cultivators and curers who are the backbone of the Company for the loyal support they gave to the Company.

"I wish to acknowledge with grateful thanks the valuable advice, guidance and co-operation, which I have received from my colleagues on the Board. The employees and the officers of the Company have done very well indeed and the loyal services rendered by them to the Company deserves special mention. My grateful thanks are also due to them.

"I now move that the Directors' report, audited balance-sheet together with the profit and loss account be adopted."

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

"FREE AS A BIRD... that's how I feel!

Take my tip—consult the EXECUTOR AND TRUSTEE DEPARTMENT of THE BANK OF INDIA LTD."

The Bank can act on your behalf as
■Executor and/or Trustee under a Will ■Trustee under a Deed of Settlement ■Trustee under a Trust Deed securing Mortgage Debentures ■Custodian Trustee of a Will or a Settlement ■Trustee for Life Insurance Policies under the Married Women's Property Act, 1874.

THE BANK OF INDIA LTD.
T. D. KANSARA, General Manager

B/C/133

MONEY STILL IN DEMAND

(From Our Own Correspondent)

BOMBAY, 10*th October*

There has been no significant change in the short-term money market. The demand for funds continues to be good, while the supply is not expanding fast enough. The inter-bank call money rate remains unchanged at 3½ per cent. Some business was reported even at 3⅜-4 per cent.

There were no sales of 91 days' Government of India Treasury Bills under the tender system this week, as Monday was a bank holiday, but they will be resumed on 15th October. Although Intermediate Treasury Bills were available on tap from 3rd October to 6th October 1962, there was no demand for them and none were sold. This is in striking contrast to the investment of Rs. 230 lakhs in these Bills in the previous week and clearly reflects the shortage of floating funds in the market.

The Reserve Bank's statement for the week ended 5th October 1962 discloses a sharp rise of Rs. 42.85 crores in contrast to a contraction of Rs. 8.31 crores in the previous week. There is nothing unusual about this increase, as in the first week of every month notes in circulation always stage a large expansion on account of month-end payments by the Government and the private sector. Invariably, a part of this expansion is neutralised by the return of money to banks in the latter half of each month. This is particularly so in the slack season which is now fast drawing to a close.

There has been only a fractional improvement of Rs. 3 lakhs (to Rs. 93.97 crores) in foreign assets held by the Reserve Bank which, in the previous week, it may be recalled, had come down by Rs. 1.98 crore.

A significant indication of the tightness in the short-term money market is provided by an increase of Rs. 6.63 crores in the Reserve Bank's advances to scheduled banks during the week ended 5th October 1962. Of this increase, as much as Rs. 5.89 crores were under usance bills. The total of these advances stand at Rs. 11.18 crores. The fact that the scheduled banks' deposits with the Reserve Bank during that week had come down by Rs. 45 lakhs suggests that all the money which they borrowed from the Bank was used for expanding their credit to trade and industry.

There has been no improvement in the state of the gilt-edged market. There are more sellers than buyers, especially in the State loans floated this year. Accordingly, the downward trend in the value of these loans continues. The week under review witnessed a drop of 10 nP in the 4½ per cent 1974 Andhra, of 15 nP in Orissa 1974 and of 5 nP in U.P. 1974. Among Central loans, there was some enquiry for 3½ per cent 1968 as well as for 3 per cent 1970-75. The former went up by 15 nP and the latter by 10 nP. 3½ per cent 1963, however, was on offer and declined by 5 nP. Similarly, 3 per cent 1986 Conversion Loan, which had lost 20 nP in the past week, declined further by 40 nP this week.

The £ sterling in the New York exchange market was quietly steady, with a negligible rise in value. Thus, spot sterling was quoted at 280.180-280.210 cents, an improvement of 0.050 cent over the week. A corresponding improvement was recorded in three months' forward also, the latest rate being 279.730-279.760 cents. Locally, banks' selling rate for ready T.T. dollars was marked down by 25 nP to Rs. 477.75, while their buying rate remained unchanged at Rs. 474.50 per 100 dollars.

SLOW DEMAND FOR HIDES

(From Our Own Correspondent)

MADRAS, 8*th October*

There was no material change in the Madras kip market. Arrivals of stocks from the tanneries were on moderate scale and clearance was restricted, despite stockists' willingness to reduce their prices to a small extent. This was no doubt due to the absence of demand for inland trade and low grade kips and for export section of f.a.q. types. Arrival of buff-hides have been large and offtake small, and demand for export to U.S.A. was not in evidence. There were good inquiries for buff-calf skins for export and several orders were put through at prices lower than last week, because of competition from tanners in Pakistan, where raw stocks are available at low prices. Demand for cow-calf was insistent, for the small quantities arriving from the tanneries, and prices ruled strong in consequence.

Export inquiries for tanned goat skins were brisk but buyers were not willing to place orders at tanners' asking prices. Demand seemed to be strong for 11/12 lbs. average and upwards as also for lower selections in all weights, especially fifths. U.S.A. buyers were still out of the market, probably on account of price quoted at origin. In the sheep section, the trend was unchanged. Primes and semi-primes were neglected and middle class was in moderate demand from buyers in U.K. and Continent. Tanners of sheep and goat have been complaining of the limited quantities coming to the raw centres and of the high prices.

The following are the ruling prices per lb. in the local market for all round lots:

Tanned cow hides 8/8½ lbs. average Rs. 2.00 to Rs. 2.05, tanned cow calf 1½/2 lbs. average Rs. 3.75 to Rs. 3.88, tanned buff hides 12/14 lbs. average Re. 1.60 to Re. 1.66 and tanned buff calf 2/2½ lbs. average Rs 3.10 to Rs. 3.25.

Shipments during September 1962 were as follows: 2,193 bales cow hides, 192 cow calf, 15 buff hides, 207 buff calf, 412 goat skins and 200 sheep skins to U.K. ports; 338 cow hides, 2 cow calf, 10 buff calf, 426 goat and 306 sheep skins to Continent; 37 buffs, 65 buff calf and 231 goat skins to U.S.A.; 3 goat, 169 sheep skins to Japan. Besides these, 834 cases of pickled and chrome tanned skins were exported to East European countries.

SPECIAL CLEARANCE IN BULLION

(From Our Own Correspondent)

BOMBAY, 10*th October*

The bullion market had only three working sessions during the week under review, as it remained closed on the opening day of our week, namely, Thursday the 4th inst. (as a protest against the proposal to construct a slaughter house at Deonar in Bombay), Saturday (passing away of Dr. P. Subbarayan, Governor of Maharashtra) and Monday (*Dassera*). During this brief period, the market presented an irregular trend, gold ruling distinctly easy and silver firm. The easiness of gold was due to rumours suggesting heavy arrivals of contraband metal. Even the seizure of 1,700 tolas of gold by the customs officers in Bombay on Tuesday had no effect. Silver, however, tended to move up, following good buying support, but staged a retreat today in sympathy with gold which encountered persistent bull liquidation.

A special interim clearing was declared in bullion today by the Bullion Association. In gold, a margin at Rs. 6 per 10 grams payable by sellers was also enforced.

The daily average arrivals of gold during the week were smaller than in the previous week—10,000 tolas, as against 14,500 tolas—while offtake was better at 12,500 tolas, as against 11,000 tolas. Reverse was the case in silver. The average daily arrivals increased from 45 bars to 56 bars, while offtake declined from 10 bars to 9 bars.

It is reported that the Union Finance Ministry has informed the Government of Mysore that the Centre would take over the kolar gold mines on 1st November next, pending the settlement of the compensation question. The cost accountants of the Central Government are understood to have estimated the quantum of compensation at Rs. 4 crores, but the State Government has demanded Rs. 6 crores.

Over the week, the *Margashir* (11th December) settlement in gold fell by Rs. 2.25 to Rs. 117.10. Ready gold receded from Rs. 118.55 to Rs. 116.00 today, at which level the discount under the forward was Re. 1.10, as against 80 nP on Wednesday last week.

In silver, the *Margashir* (12th December) settlement advanced from Rs. 218.80 last week-end to Rs. 219.75 yesterday but declined to Rs. 218.95 today before finishing at Rs. 219.35. Ready silver continued to be quoted at a discount under the forward throughout the week, though the actual discount declined from Re. 1 to 50 nP. The closing spot rate was Rs. 218.85, as against Rs. 217.80 a week ago.

The dollar price of gold in the London bullion market improved from $35.11⅜ to $35.13.1/32 per fine ounce. Ready gold also gained 1*d.* to 250*s.* 9*d.* Ready silver hardened by ¾*d.* to 101¼*d.* and forward by ⅞*d.* to 101⅛*d.* Silver in New York was unchanged at 119 cents.

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

	10-10-62 (closing)	High	Low	3-10-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.90 fine)	116 00	119 55	115.75	118.55
*Margashir** ..	117 10	120.10	116.80	119.35
Sovereign	94.00	95.00	94.00	94.50
SILVER				
Ready (.996 fine) ..	218.85	219.45	218 05	217 80
Margashir†	219.35	219.75	218.80	218.80
London—				
Gold	250*s.* 0¼*d.*	250*s.* 9*d.*	250*s.* 8⅞*d.*	250*s.* 9*d.*
Silver Ready ..	101¼*d.*	—	—	100¼*d.*
Silver Forward ..	101⅛*d.*	—	—	101*d.*
New York—				
Silver	119.00 cents	—	—	119.00 cents

* 11th December settlement. † 12th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

METALS LISTLESS

(From Our Own Correspondent)

CALCUTTA, 8*th October*

With the prevalence of a holiday atmosphere, activity in the local metal market was limited this week. As a result, quotations were mostly unchanged. On the London Metal Exchange, spot copper was firm at £234 a ton. The backwardation for the three months position was £2 a ton in the beginning of the week, but, as the week progressed, it narrowed down to £1½ a ton following reports of worsening of the labour situation in the mines in Chile, Peru and Rhodesia. Utensil copper scrap was unchanged at Rs. 535.75 per 100 kgs. in Calcutta. The news that Belgium was to join the Aid India Consortium and provide India with a sum of $10 million to finance purchases from abroad was noted with satisfaction against the background of the hope that, if, as a result of the Finance Minister, Mr. Morarji Desai's efforts during his recent visit abroad, the foreign exchange situation improved, there was every prospect of the Government of India's import policy, to be announced at the end of this month, being liberalised. Trade circles here took forward to the restoration of relaxation in the cut of 50 per cent in the case of established importers and of 10 per cent to 15 per cent in the case of actual users.

Tin, in London, opened at £851 a ton and declined to close at £850½, due to poor demand. The rate here was unchanged, but fresh arrivals were expected in the near future. It is expected that small-scale consumers would be allotted a quota of 150 tons of tin and 2,000 tons of zinc. Zinc, in London, firmed up from £63¾ a ton to £64¼, while lead gave way from £53½ a ton to £52⅜.

FURTHER DECLINE IN COTTON

(From Our Own Correspondent)

BOMBAY, 10*th October*

The cotton futures market, along with other commodity markets in the city, had a short week of only three trading days. The trend of futures prices during this short period was anything but consistent. On Friday, the first trading day of the week, there was a pronounced easiness in values. This was attributed to heavy selling prompted by (1) sluggish conditions in the yarn and piecegoods market, (2) satisfactory crop progress, and (3) reports that stocks of cloth with mills at the end of July last, the latest month for which figures are available, were the highest for the past twelve months. A recovery was, however, evident towards the close of the session which gathered momentum when the market reopened on Tuesday after *Dassera*. The firmness of the seeds market and fresh support tanned the bullish fervour. The Jarilla March contract, which had closed at Rs. 731.25 on the 5th inst., firmed up to Rs. 734 on Tuesday. The market however again turned easy today on renewed selling and absence of buying support. The Jarilla March contract receded from Rs. 734 to Rs. 728 before finishing higher at Rs. 729.50.

Traders are anxiously awaiting the outcome of the Cotton Advisory Board's meeting scheduled to be held today. Some important recommendations regarding (1) the issue of Indian cotton quota to mills, (2) the marketing of the new crop, and (3) imports of foreign cotton are expected to be made by the Board at this meeting. No information is available at the time of writing as to the outcome of the meeting.

Activity in the spot market was limited. The intervening holidays and the uncertainty about the new arrangement for marketing the new crop made traders cautious. The delay in the announcement of the first instalment of the Indian cotton quota for the current season left mill buyers no choice but to wait. Needy mills were, however, found busy booking available lots of popular varieties such as Co2, L.147, Laxmi and 197/3. Foreign demand for Bengal *Deshi* did not show any sign of revival, while fresh mill interest was noted for African and Sudan cotton, probably because some mills received individual quotas against the global import allocation of 175,000 bales issued in August last.

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

Co2 1,350; B.P. 52 1,225; Busoga 1,210; Busoga (U.N.U.G.) 1,230; Jinja 1,125; Pakistan AC 134 1,070; Sudan G4S 1,434; American 1-5/32" 1,220.

The downward trend witnessed in the Karachi cotton futures market last week gathered further momentum during the week. Both the January and March contracts reacted, thanks to heavy selling. Slackness in domestic mill and export demand and bearish crop news were the influencing factors. The January contract declined from Rs. 67.50 last week-end to Rs. 65.90. The March contract receded by Re. 1.10 to Rs. 66.15. Ready prices too tended to ease.

Quietly steady conditions prevailed in the Liverpool cotton futures market during the week. Commission house buying in the distant positions and some trade covering accounted for most of the turnover. Futures prices closed largely unchanged over the week. Ready demand centred round Peruvian, South Brazilian, Syrian and Sudan cotton.

The following are the latest available quotations—in pence per lb.—for Liverpool, the figures in brackets being last week-end closing:

October 23.50 (23.50); December 23.45 (23.40) November 29.50 (29.50).

The U.S. Department of Agriculture, in its fourth estimate has put the country's cotton crop during the current season at 14.67 million bales, as against 14.68 million bales forecast a month ago. The yield per acre has been estimated at 448 lbs., as against 449 lbs. Last year's final crop was 14.32 million bales and yield 438 lbs. per acre.

The publication of the crop forecast had no perceptible effect on the New York cotton futures market where values tended to recede on short selling and bear pressure. The October contract declined from 33.35 cents last week-end to 33.30 cents per lb. and the December contract from 33.75 cents to 33.65 cents per lb. The March contract too eased from 34.26 cents last week to 34.10 cents. Spot prices were steady. New York spot ruled unchanged at 34.10 cents.

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 10*th October*

Barring forward staple fibre yarn which ruled firm, the yarn market depicted an easy trend during the week under review. Enquiries from consuming centres were at a low ebb. The downward trend of rayon fabrics exports also acted as a damper. The actual exports during September 1962 are put at no more than 5.25 million metres valued at Rs. 50.65 lakhs, as against 5.75 million metres valued at Rs. 53.70 lakhs in August. The declining trend would appear to have been persisted in the current month also. Consequently, prices drifted lower. National Rayons 150 deniers dropped 9 nP to Rs. 12.98. 120 deniers was dull at Rs. 16.85. Centurys 75 deniers receded by 55 nP to Rs. 22 and 100 deniers by 23 nP to Rs. 17.12. S.I. Viscose yarns, however, registered a rise. 150 deniers rising by 16 nP to Rs. 13.07 and 120 deniers by 7 nP to Rs. 16.92.

Among staple fibres yarns (40×2), spot Citys declined by 24 nP to Rs. 8.98. Kohinoors eased by 7 nP to Rs. 9.15. Centurys were neglected at Rs. 7.83. In the forward section, October contract improved by Rs. 8 to Rs. 710. December settlement picked up Rs. 7 to Rs. 729.

Activity in the cotton yarn section continued to be restricted. Offtake by handlooms and powerlooms was said to be poor. Prices were unchanged with the exception of a few finer counts which tended to move up.

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

	10-10-1962	3-10-1962
Art silk yarn (per kg.)—	Rs.	Rs.
National Rayon 120D	16.85	16 85
Century 75D	22 00	22 55
S. I. Viscose 150D	13 07	12 91
National Rayon 100	16.68	16.97
Staple fibre yarn (40 × 2)—		
October (per 90.72 kg.)	710 00	702 00
December (,,)	729 00	722 00
Kohinoor (per kg.)	9.15	9.22
Century	7.83	7.83
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18 50	18.50
22s Apollo	23.00	23.00
30s Bradbury	27 00	27 00
40s 8⁵ Raja	38 00	37 50
60s Finlay	72 00	69.00
80s Madura	—	81 00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GROUNDNUTS BUOYANT

(From Our Own Correspondent)

BOMBAY, 10*th October*

In distinct contrast to the easy trend noted last week, the oilseeds market ruled buoyant during the week under review. There was a smart rally in groundnuts on hectic short covering induced by bearish crop reports from major producing centres such as Gujarat and South. Owing to unfavourable weather conditions, output of groundnuts during this season at Kathiawad, for instance, is estimated at only 500,000 tons, as against 800,000 tons anticipated earlier. In view of the upward trend in prices, *vanaspati* producers and crushers were eager to replenish stocks and this extended sustained support. In view of the pronounced strength groundnuts, castorseed ruled distinctly firm, despite the absence of encouraging export news for castor oil, Linseeds and cottonseeds moved up in sympathy.

The Government of India has decided to release a quota of mustardseed for export to all permissible destinations excluding South Africa/South West Africa and Tibet region of China for the period of October, 1962 to September 1963. Exports against this quota will be licensed freely to all shippers against the evidence of valid firm sale contracts subject to a maximum of 100 tons per shipper at a time. Licensing will be stopped as soon as the ceiling is reached.

Among groundnuts, January 1963 contract spurted from Rs. 219.37 to the week's ceiling rate of Rs. 225.87 by Tuesday. In private dealings, the quotation was pushed upto Rs. 228 today. Nizam bold hardened by a rupee to Rs. 45.50. Khandesh quality rose by 50 nP to Rs. 45.75. Oil January 1963 contract put on 85 nP to Rs. 30.85. Oil Railway receipts improved by 15 nP to Rs. 18.90. But oil ex-mill shed 10 nP to Rs. 19.15.

Castor March 1963 contract climbed up by Rs. 2.75 to Rs. 164.25. Madras small closed higher at Rs. 32.50, as compared with Rs. 32.25. Karad bold picked up 25 nP to Rs. 31.12. Oil B.S.S. rose by 20 nP to Rs. 13 and commercial by 10 nP to Rs. 12.30.

Linseed March 1963 contract strengthened by 68 nP to Rs. 39.87. Bold ready gathered 50 nP to Rs. 41, Linseed oil gained 5 nP to Rs. 16.85.

Cottonseed January 1963 contract hardened by Re. 1.50 to Rs. 102. Berar, however, shed 10 nP to Rs. 22.50. Among other seeds, niger Madras improved by 25 nP to Rs. 36.25.

The following table shows the closing prices of oilseeds and oils on Wednesday, 10th October as compared with those of the two previous weeks:

	10-10-1962	3-10-1962	26-9-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963 ..	225.87	219.37	222.12
Nizam bold	45.25	44.50	48.75
Khandesh quality	45.75	45.25	48.75
Oil ex-mill ready*	19.15	19.25	19.15
Railway receipts*	18.90	18.75	18.80
Castorseed			
Castorseed March 1963	164.25	161.50	162.87
Ready Madras	32.50	32.25	32.12
Ready Kanpur	31.12	30.87	31.00
Oil B.S.S.†	13.00	12.80	13.00
Oil commercial†	12.30	12.20	12.40
Linseed			
March 1963	39.87	39.19	39.31
Bold ready	41.00	40.50	41.50
Oil ready†	16.85	16.80	17.00
Cottonseed January 1963 ..	102.00	100.50	102.00
Niger seed	36.25	36.00	36.75
Kardi seed	27.50	28.00	28.50

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

ORANGE PEKOE TEA STRONG

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

COCHIN, 4*th October*

Offerings in sale No. 39 held on Monday the 1st inst. amounted to 413,000 kgs. Quality in general was well maintained. The market met with useful demand. Low medium and medium brokens were irregular, but these can be quoted about firm. Corresponding fannings followed a similar trend, but did not receive the same support as that received in recent weeks. A few selected lines, however, met strong competition and were much dearer. Good mediums were in useful demand and were fully firm with occasional invoices being dearer. Highgrown brokens were well supported and were about steady, buyers following quality. Fannings under this category, however, elicited less enquiry and a few of them were withdrawn from the sale. Clean black leaf descriptions continued in demand and were fully firm. Unorthodox descriptions were irregular and slightly easier, particularly whole leaf grades. Orange pekoes were strong, whilst flowery pekoes were slightly irregular. There was strong inquiry for tippy teas.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.60-4.50	3.95-4.10
Mediums	4.40-5.00	4.10-4.25
Good mediums	4.85-5.70	4.25-5.10
Nilgiris B.O.P.	5.00-8.90	5.00-7.80

The average price realised in sale No. 39 was Rs. 4.57 per kilo, as against Rs. 4.56 a week ago and Rs. 4.52 in the corresponding sale last year.

In dust sale No. 39 held today, 272,000 kgs. were offered. The market met with fair general demand, but prices were generally easier for most descriptions. Low mediums and mediums eased irregularly up to 20 nP and sometimes more. Good mediums were better supported, but prices for these were barely steady and in most cases registered a decline. Highgrowns sold readily but were easier. Clean black grainy descriptions also followed the general trend of the market and sold at lower rates. Unorthodox descriptions attracted irregular support, particularly those of true C.T.C. manufacture. C.T.C. types and legg-cut types met with good inquiry and sold at around last rates.

The average price realised in dust sale No. 39 was Rs. 3.99 per kilo, as compared with Rs. 4.05 a week ago and Rs. 4.57 in the corresponding sale last year.

Colombo: There was good general demand in Monday's sale. Teas from Uva were lower. Best mediums were firm. Lowgrowns were also well competed for and these sold at slightly dearer rates.

London: North Indian and other growths: In Monday's sale, there was good demand. Best Assams were well competed for and these were occasionally dearer, whilst others were a little irregular. Plainest descriptions were again easier.

Ceylon and South Indians: In Tuesday's sale, 30,849 packages were offered, of which 11,190 packages were from South India. Ceylons and South Indians met with strong support and were often dearer except the plainest and light liquoring kinds.

INTERNAL TEAS WEAK

(From Our Own Correspondent)

CALCUTTA, 8*th October*

A weak tone was in evidence in the internal tea sale held here last week. Due to the *Pooja* holidays, there was no export sale yesterday. Strong demand continued in London. During last week's sales there, Dooars teas were a favourite among bidders with best Assams receiving more attention. Stocks in the U.K. for the week ended 29th September were higher by 4 million lbs. at 127 million lbs., thus reflecting increased shipments from Calcutta.

Medium C.T.Cs were a very weak feature during last week's sale for internal consumption, when dusts on offer totalled 29,966 packages. The price for this variety declined by 30 nP. A similar loss was also recorded in the good C.T.Cs, but the few selected lines were firm. Legg-cut teas were irregularly easy, leading to some withdrawals. At reduced rates, plain orthodox teas met with good demand. Assams also eased. The quotations per one kg. (in rupees), inclusive of excise duty, were: Good Assam C.T.C. dust 6.30 to 6.70, medium Assam C.T.C. dust 4.50 to 5.70, legg-cut dust 4.80 to 5.20, medium Assam dust 4.60 to 4.95 and plain orthodox dust 4.10 to 4.40.

The importance of maintaining India's hold on the U.K. tea market was stressed by Mr. A. D. Bolland in his address from the chair to the general meeting of the Calcutta Chamber of Commerce held here last week. He urged the Government to undertake a stimulating propaganda in favour of tea in the E.C.M. countries. The E.C.M. has already announced that tea would be admitted duty-free in the E.C.M. as and when the U.K. joins the European Community, and as such attempts should be made to increase exports of Indian tea to Europe, including the U.K. Mr. Bolland also demanded immediate measures so as to make Indian tea more competitive in world markets and added that, in this regard, a realistic step would be the abolition of the export duty on tea and placing tea on a par with all other excisable commodities for drawback of excise duty on tea exports. In this connection, trade circles would call attention of the Government of India to the Trade Expansion Act passed in the United States. This Act enables the President to reduce duty or even cancel the same on exports to the E.C.M. on a reciprocal basis. Now that the E.C.M. has agreed to cancel the common tariff on tea as and when the U.K. joins the E.C.M., India can ask the U.S.A. to grant facilities to increase tea exports to that country.

In any attempt to make tea more competitive, a reduction in costs of production comes foremost. It has been reported that the Government of India is in general agreement with the view that the only way to enable Indian tea to find a place in foreign markets where tea has been monopolised by producing countries other than India is a further relief in tax. Recently, Sir Richard Duckworth, Chairman of the Indian Tea Association, said that due to the heavy costs of the Indian tea industry other producing countries were able to increase their exports. In this connection, the I.T.A. Chairman declared that it was necessary that any decision to raise wages should be by discussion and agreement in wage boards and not by a majority vote. Marginal tea gardens were already working at the sacrifice of profits, he said. Generally it is suggested that any addition to the wageload should be linked to productivity. If this consideration cannot weigh, Sir Richard's suggestion to reduce bonus to the extent of any wage increase appears to be practical.

Tea output in North East India totalled 364 million lbs. up to 15th September, showing a reduction of 16 million lbs. as compared with the output in the corresponding previous period. It is hardly likely that the declining trend would be reversed in the coming months.

JUTE GOODS FALL FURTHER

(From Our Own Correspondent)

CALCUTTA, 8*th October*

Holiday considerations restrained buyers and, in the three days from 3rd to 5th inst. the market was open in the week under review, prices of jute goods recorded a gradual decline and closed liberally lower on balance. The declining tendency received an impetus on Friday when figures relating to goods in stock with mills as at the end of September were announced. For, at 92,800 tons, the total of all goods in stock rose by 2,100 tons. Heavy goods at 54,600 tons showed a heavy increase of 3,100 tons, while hessian at 24,500 tons and miscellaneous constructions at 13,700 tons recorded respective declines of 600 tons and 400 tons, respectively. For the last few months heavy goods in stock have increased every time and it is becoming only too clear that there is not adequate demand for all the production of sacking. These figures call for transfer of some sacking looms to hessian, if mills would like to continue the present rate of higher output. However, the lack of adequate quantities of fibre fit for hessian manufacture prevents mills from adopting such a course. It is expected that the situation would be reviewed by the Indian Jute Mills Association towards the end of this month, as the higher rate of production had been extended only up to the end of October. Shipping instructions were lower during this week, and it was estimated that, in September, shipments had declined. With the maintenance of high level of production, the squeeze in ready delivery positions is no longer developing and, as a result, the market trend is all the poorer. As the week under review progressed, holders became nervous about the continued weakness. This also added force to the declining trend.

The fall in overseas interest in heavy goods for some months now has been due to increased competition from Pakistan mills which, by virtue of the availability of cheaper and at the same time superior fibre and of lower costs of production, are able to underquote Indian goods. The growing Pakistan competition comes to better light when figures are analysed. Of the total exports of jute goods from India and Pakistan in 1955, India's share was as high as 94 per cent, while, in 1961, India's share was reduced to 80.9 per cent, the reduction going to increase the share of Pakistan to 19.1 from 6 per cent. In 1960, of total sacking exported by both the countries, India's share was only 71.6 per cent but, in 1957, this was higher at 87.6 per cent. Until a few years ago, Burma used to buy jute goods from India only. In 1960, Burmese purchases from Pakistan were 12,785 tons and, in 1961, these increased further to 17,134 tons. Indian jute goods purchased by Burma in these two years were 6,200 and 7,000 tons, respectively. In other words, Pakistan increased its exports to Burma by 33 per cent, while the increase by India was only 24 per cent. Similarly, while Pakistan exported to Cuba in 1961 as much as 22,000 tons, as against 11,000 tons in 1960, India's exports to Cuba at 44,100 tons rose by only 2,500 tons. Pakistan's total exports in 1961 were 206,000 tons showing an increase of 18,000 tons or a little over 9 per cent as compared with 1960. On the other hand, Indian exports in 1961-62 fell to 785,400 tons from 915,600 tons in the previous year, although, by virtue of higher prices, these earned for India foreign exchange to the tune of Rs. 144.8 crores as against Rs. 135.1 crores. In other words, India's share in volume fell by a little over 8 per cent, whereas Pakistan's rose by a little over 9 per cent. Prices of jute goods have fallen since then, and that explains the fact that, although the Government has fixed the export target for this year at 850,000 tons, no more than Rs. 140 crores is expected to be realised in foreign exchange.

That within the next few years Pakistan competition would increase is evident inasmuch as against the existing looms of 8,000, expansion work is on hand to this number by 4,000. Even doubling the loomage has been urged by the Pakistan Jute Inquiry Commission. The trade and industry here, concerned at this state of affairs, have been urging the Government of India to take immediate measures, so that Indian mills can at least maintain their position in foreign markets, let alone strengthening it. The installation of broad looms is, of course, encouraged, and the Government has been allocating liberal foreign exchange for importing these looms. Clearly more steps are called for and, in the present situation, a reduction in production cost in an attempt to enable mills in India to sell cheaper abroad would appear to be the only measure. Cost of production can be lowered by accelerating the rationalisation process and a revision of fibre prices. A reduction in wages is not possible with so much legislation favouring workers and their welfare, but, since there has been in evidence that even at the present prices the farmer's margin of profit is fairly high and that the holding power of farmers has gradually increased in recent years, attention is necessary in an attempt

(Continued on page 664)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 5th October 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	60,86,70,000
(ii) State Governments	17,95,37,000
(b) Banks—	
(i) Scheduled Banks	83,48,21,000
(ii) State Co-operative Banks	2,32,21,000
(iii) Other Banks	2,00,000
(c) Others	160,08,25,000
Bills Payable	21,82,67,000
Other Liabilities	25,28,17,000
Rupees	524,83,58,000

ASSETS	Rs.
Notes	17,84,70,000
Rupee Coin	2,71,000
Small Coin	3,63,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,99,95,000
(ii) State Co-operative Banks	11,68,17,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	136,73,29,000
Balances Held Abroad*	5,63,67,000
Loans and Advances to Governments**	11,43,62,000
Loans and Advances to—	
(i) Scheduled Banks†	11,17,95,000
(ii) State Co-operative Banks‡	130,35,67,000
(iii) Others	1,36,57,000
Investments	136,64,27,000
Other Assets	35,04,50,000
Rupees	524,83,58,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 5,89,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	17,84,70,000	
Notes in circulation	2054,33,82,000	
Total Notes issued		2072,18,52,000
Total Liabilities		2072,18,52,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,33,43,000	
Total		206,09,53,000
Rupee Coin		123,04,25,000
Government of India Rupee Securities		1743,04,74,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2072,18,52,000

State Bank of India

Statement of Affairs for the week ended 5th October, 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		586,44,89,000
Borrowings from Other Banking Companies, Agents, etc.		48,00,000
Bills Payable		9,95,76,000
Bills for Collection being Bills receivable as per contra		2,77,84,000
Acceptances, Endorsements and Other Obligations per contra		8,75,99,000
Other Liabilities (including Inter-Office Adjustments)		17,06,01,000
Total .. Rs.		639,30,99,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		23,97,87,000
Balances with other Banks		3,28,43,000
Money at Call and Short Notice		2,20,00,000
INVESTMENTS—		
Government and other Trustee Securities	283,05,26,000	
Other Authorised Investments	8,88,30,000	291,93,56,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	259,29,67,000	
Bills Discounted and Purchased	11,52,59,000	270,82,26,000
Bills Receivable being Bills for Collection as per contra		2,77,84,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,75,99,000
Premises less Depreciation		1,96,98,000
Furniture and Fixtures less Depreciation		1,62,61,000
Other Assets (including Inter-Office Adjustments)		31,95,45,000
Total .. Rs.		639,30,99,000

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 28-9-62	21-9-62	29-9-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	44,55	46,51	46,49
(ii) From others	799,46	794,66	720,20
(b) Borrowings from banks	19,94	22,23	21,41
(c) Others	52,86	52,46	52,94
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	23,68	23,37	20,47
(ii) From others	1,235,80	1,236,55	1,079,09
(b) Borrowings from banks	14,78	13,75	19,64
(c) Others	12,63	12,50	23,67
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,035,27	2,031,22	1,799,29
4. Borrowings from Reserve Bank	4,51	6,19	11,07
(a) Against usance bills and/or promissory notes	2,31	4,78	5,35
(b) Others	2,20	1,41	5,73
5. Borrowings from State Bank and/or a notified Bank	20,98	16,11	18,74
6. Cash	47,38	47,96	43,31
7. Balances with Reserve Bank	79,05	81,83	72,69
8. Cash and balances with Reserve Bank	126,44	129,79	116,00
9. 8 as per cent of 3	6.21	6.39	6.45
10. Balance with other banks in current account	16,69	17,88	15,88
11. Money at call and short notice	46,58	44,83	45,76
12. Investments in Government securities	689,93	683,82	617,83
13. 12 as per cent of 3	33.90	33.67	34.34
14. Advances—			
(a) Loans, cash credits and overdrafts	1,180,24	1,186,76	1,052,90
(b) Due from banks	7,52	7,23	11,69
15. Inland bills purchased and discounted	149,61	147,45	124,81
16. Foreign bills purchased and discounted	48,53	48,90	46,60
17. Total Bank Credit [14 (a)+15+16]	1,378,38	1,383,12	1,224,31
18. 17 as per cent of 3	67.72	68.09	68.04

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 29th Sept. 1962P	22nd Sept. 1962	1st Sept. 1962	30th Sept. 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.4	101.1
2. Government of India	100.2	100.2	100.3	101.1
3. State Government	102.0	102.0	102.1	102.1
4. Municipal, Port Trust, etc.	99.0	99.0	98.9	99.6
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.6	98.6	98.6	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.4	81.6	82.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	180.4	181.4	188.0	179 3
8. *Agriculture and Allied Activities : Total**	152.6	153.3	155.4	163.5
9. Tea Plantations	144.0	144.5	145.7	157.0
10. Coffee Plantations	146.9	147.3	149.4	170.2
11. Rubber Plantations	168.0	169.3	168.8	173.6
12. *Mining and Quarrying : Total*	158.5	157.2	163.8	159.3
13. Coal	121.5	121.6	124.9	119.3
14. Other Mining	183.9	181.6	190.4	186.6
15. *Processing and Manufacturing : Total*	195.9	197.2	205.5	193.5
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	203.5	205.0	213.8	202.4
17. Sugar	136.6	137.7	140.2	159.1
18. Cotton Textiles	180.6	182.4	185.9	178.6
19. Jute Textiles	102.4	102.7	102.9	82.6
20. Silk and Woollen	1,104.5	1,108.1	1,239.5	1,142.7
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	198.1	199.5	209.9	196.1
22. Iron and Steel	154.1	156.1	169.2	156.7
23. Transport Equipment	360.7	362.9	383.1	389.6
24. Electrical Machinery	182.3	183.1	186.0	164.8
25. Machinery other than Transport and Electrical	231.5	231.5	238.9	208.7
26. Basic Industrial Chemicals	183.2	184.1	191.5	204.9
27. *Processing and Mfg. (Others): Total**	168.5	169.2	172.3	161.5
28. Cement	157.7	157.8	161.5	147.9
29. Paper	212.5	214.3	217.7	207.7
30. *Other Industries : Total**	110.7	111.2	112.5	111.0
31. Electricity Generation and Supply	87.3	87.4	87.5	86.0
32. Trading	116.6	118.5	120.8	119.6
33. Shipping and Other Transport	89.5	89.2	91.1	95.0
34. Construction	272.0	277.0	289.1	292.1
35. *Financial : Total*	205.7	206.1	211.1	199.9
36. Banks	229.8	230.4	235.1	225.9
37. Insurance	165.0	165.3	173.9	149.5
38. Investment Trusts	89.7	89.7	89.8	89.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	186.2	186.9	197.9	186.3
40. Calcutta	169.3	170.2	173.9	164.9
41. Madras	191.2	192.2	194.1	196.8
42. Delhi	231.1	233.0	238.8	234.6

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

EXCHANGE RATES

	10th October 1962	3rd October 1962
London on New York S. per Dollar	2.8015-2.8017	2.8008-2.8011
New York on London Cents per £	280.180-280.210	280.130-280.160
London on Paris .. Fcs.	13.7275-13.7295	13.7230-13.7250
London on Berne .. Sw. Fcs.	12.1190-12.1210	12.1140-12.1160
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	478.00
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446.00	446.25
Buyers T.T. .. "	438.25	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. .. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.40	90.40
Buyers T.T. .. "	91.40	91.40
Deutsche Marks—		
Sellers T.T. D.D... "	83.70	83.60
Buyers T.T. .. "	84.60	84.50
Italian Lire—		
Sellers T.T. D.D... "	12,960	12,950
Buyers T.T. .. "	13,135	13,125
Swedish Kroner—		
Sellers T.T. D.D... "	107.70	107.60
Buyers T.T. .. "	108.80	108.70
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. .. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.20	75.10
Buyers T.T. .. "	76.10	76.00
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. .. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.50
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.80	144.70
Buyers T.T. .. "	146.10	146.10

State Bank of Pakistan

Statement of Affairs for the week ended 28th Sept. 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	10,66,04,000
(b) Provincial Governments	6,59,02,000
(c) Banks	21,54,75,000
(d) Others	105,88,50,000
Bills Payable	10,60,000
Other Liabilities	11,03,88,000
Rupees	166,97,79,000

ASSETS	Rs.
Notes	14,12,78,000
Rupee Coin	17,000
Subsidiary Coin	12,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	20,88,05,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	38,24,80,000
Investments	83,40,33,000
Other Assets	10,31,54,000
Rupees	166,97,79,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,12,78,000	
Notes in circulation	355,32,95,000	
Total Notes issued		369,45,73,000
Total Liabilities	....	369,45,73,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,96,92,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	130,99,00,000
B. Rupee Coin	4,18,85,000	
Government of Pakistan Securities	228,37,82,000	
Internal bills of exchange and other commercial paper	....	232,56,67,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	369,45,73,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 36.97 per cent.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	15th Sept. 1962	8th Sept. 1962	16th Sept. 1961	July 1962	July 1961	Percentage of Increase (+) or Decrease (—) in July 1962 as compared with July 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	130.8	130.5 R	120.9	128.6	124.2	+ 3.5	120.1	120.0
Cereals	192	109.4	110.2	103.4	107.2	104.1	+ 3.0	102.3	104.4
Pulses	43	110.6	111.4	89.3	105.5	91.3	+15.6	91.9	92.9
Fruits and Vegetables	23	129.3	130.7 R	143.4	148.0	147.5	+ 0.3	137.6	118.5
Milk and Ghee	84	130.0	125.1 R	119.1	127.3	119.1	+ 6.9	116.4	116.0
Edible Oils	47	158.1	159.8 R	152.9	155.3	165.5	— 6.2	156.5	150.3 R
Fish, Eggs and Meat	17	157.3	156.7	137.2	144.7	139.0	+ 4.1	135.4	123.5
Sugar and *Gur*	48	153.4	155.0	124.5	152.1	123.2	+23.5	119.6	132.8
Others	50	175.6	174.0	169.0	170.8	184.2	— 7.3	171.6	167.8
Liquor and Tobacco	21	99.9	99.9	99.5	98.5	98.6	— 0.1	100.3	109.9 R
Tobacco	..	96.3	96.3	96.0	94.9	95.0	— 0.1	96.8	108.3 R
Fuel, Power, Light and Lubricants	30	124.3	124.4	121.5	124.5	122.1	+ 2.0	122.1	120.0 R
Industrial Raw Materials	155	139.5	139.7 R	138.2	138.8	151.4	— 8.3	142.6	145.4
Fibres	61	129.7	130.7	128.2	130.2	152.5	—14.6	138.3	151.6
Oilseeds	60	159.0	158.5 R	156.1	156.2	165.4	— 5.5	156.4	149.9
Minerals	2	93.4*	93.4*	94.8*	93.4	95.2	— 1.9	94.9	97.4
Others	32	124.5*	124.7*	126.5*	125.3	126.7	— 1.1	128.1	128.0
Manufacture	290	129.7	129.3	125.4	129.4	126.7	+ 1.4	126.6	123.9
Intermediate Products	41	143.0	142.7	140.7	142.6	141.9	+ 0.5	138.8	130.6 R
Finished Products	249	127.5	127.1	122.9	127.2	125.3	+ 1.5	124.6	122.8
Textiles	147	126.5	125.9	123.2	126.5	127.3	— 0.6	125.5	125.8
Cotton	..	129.3*	129.3*	127.9*	129.4	127.5	+ 1.5	127.9	128.1
Jute	..	114.9	113.1	113.7	116.5	130.5	—10.7	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.3	+14.6	122.7	109.1
Silk and Rayon	..	133.4	132.2*R	118.6*	129.7	119.1	+ 8.9	119.9	104.4
Metal Products	12	160.4	160.4	151.6	160.4	151.6	+ 5.8	151.6	147.9 R
Chemicals	20	116.4	116.4	111.7	115.3	110.6	+ 4.2	110.7	104.4
Oil Cakes	9	163.2	162.4	141.5	157.1	146.8	+ 7.0	147.5	141.3
Machinery and Transport Equipment	31	117.9	117.9	113.5	117.9	112.8	+ 4.5	114.5	111.9
Others	30	125.3	125.3	121.3	125.7	120.8	+ 4.1	121.3	116.1 R
All Commodities	1,000	131.0	130.8	124.5	129.7	128.8	+ 0.7	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	400	148	127	113	106	123	111	150
July 1961	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August "	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. "	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	130	115	109	126	119	151
February "	127	438	119	362	107	131	402	149	129	115	109	127	118	152
March "	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April "	128	439	121	355	102	131	413	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	418	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	..	150	127	112	110	128	133P	153
July "	131P	448	..	378	..	..	..	..	..	..	..	..	..	..
August "	..	454	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Nov., 1961	Dec., 1961	Jan., 1962	Jan., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	4.60	4.88	4.98	5.14
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	369	374	418	342
Yarn	million kgs.	781	788	862	72	77	75	70
Cloth	million metres	4,502	4,616	4,700	389	399	399	399
Cement	thousand metric tons	6,936	7,835	8,230	727	736	709	715
Jute	thousand metric tons	1,068	1,085	971	94	98	97	88
Paper and paper boards	thousand tons	299	345K	363K	30	30	32	31
Matches§	thousand cases	649	661	758	62	66	65	55
Sugar	thousand metric tons	2,117	2,591	2,841	119	419	545	541
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	761	76	78	86	65
Electric lamps	millions	34.84	41.39	46.89	3.96	4.14	4.59	3.73
Dry cells	millions	187.3	207.4	211.08	17.7	17.6	19.4	19.8
Power transformers	thousand K.V.A.	1,248	1,116	1,761	176	177	230	126
Electric Motors	thousand H.P.	576	680	824	70	74	86	64
Electric fans	Nos.	726,000	991,200	1,074,000	80,200	103,500	93,400	87,300
Radio receivers	Nos.	213,864	266,700	326,340	30,932	30,063	29,752	21,002
Storage batteries	Nos.	442,800	510,000	528,000	35,700	46,700	48,900	45,300
Copper conductors	tons	6,624	10,068K	7,632K	665 K	675 K	—	917 K
Winding wires	tons	2,832	4,200K	5,652K	507 K	514 K	—	407 K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	211.08J	18.09J	17.89J	18.94 J	17.89J
Insulators—H.T.	Nos.	982,800	2,317,200K	2,958,000K	295,000K	276,000 K	346,000 K	210,000K
Insulators—L.T.	million Nos.	6.25	3,662,400K	4,257,600K	533,000K	88,000 K	—	300,000K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	559	767	832	855
Diesel engines—Stationary	Nos.	30,336	44,196	44,424	3,937	3,967	3,687	3,917
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	0.04	0.05	0.09	0.14
Caustic soda	metric tons	69,876	99,144	119,849	0,512	10,780	10,855	5,673
Soda ash	metric tons	95,328	145,284	176,639	17,907	14,642	17,625	14,437
Chlorine liquid	metric tons	24,780	31,656	33,908	2,841	2,965	4,068	3,021
Bleaching powder	metric tons	5,184	5,928	7,032	711	627	530	582
Bichromates	metric tons	4,404	5,472	5,233	429	583	457	436
Sulphuric acid	metric tons	296,880	359,400	413,520	33,350	37,944	41,723	31,000
Superphosphate	metric tons	251,652	822,464	381,684	32,986	34,715	37,124	27,000
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,360	1,520	2,000	2,124	1,536
Antimony	tons	664	809	614	40	80	65	41
Copper (virgin metal)	metric tons	7,764	8,992	8,725	765	900	470	440
Lead (virgin metal)	metric tons	3,958	3,778	3,665	150	372	216	369
Gold	kilograms	5,148	4,992	4,869	415	425	419	416
Miscellaneous (Minor) Industries —								
Sewing Machines	Nos.	252,612	295,788	317,124	26,782	30,432	28,929	25,318
Bicycles	Nos.	990,744	1,050,744	1,054,500	95.578	95,250	89,431	90,343
Automobiles	Nos.	36,468	51,660	54,314	3,239	4,535	5,175	5,059
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.98	2.00	1.96	2.06
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.26	0.26	0.26	0.25
Cigarettes	million Nos.	32,166	38,334	41,064	3,371	3,541	3,595	3,570
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	680	766	68	804
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	467	532	671	541
Sheet glass	thousand sq. ft.	80,563	81,188	72,976	5,799	5,782	—	7,640
§Woollen manufactures — Worsted Fabrics	thousand metres	13,752	13,980	13,200	1,248	1,376	1,222	928
§Woollen manufactures — Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	1,388	1,400	1,176	852
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.53	0.70	0.52	0.52
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.30	0.47	0.35	0.33
Alcohol—Industrial	million litres	57.84	58.94	82.26	7.98	8.72	8.85	8.14
Alcohol—Power Absolute	million litres	48.70	48.52	53.63	3.90	4.84	4.47	4.65
Railway Wagons	Nos.	10,044	7,320	11,052	875	1,033	950	950
General Index—(Base 1951=100 Revised)		152.1	169.7	180.9	184.6	176.5	192.8	182.8

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. K—Figures in metric tons. J—In million metres. —Not Available.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,80
1961-62	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
Apr. "	1,20	2,40	80,18	5,59	290,56	20,37	295,84	18,17	—42,05	1,83	1,01	37,46	2,28	39,42	4	3,40	28,47	771,47
May "	1,16	2,34	78,90	5,33	294,43	19,28	294,64	18,09	—42,08	1,99	1,08	36,49	1,32	40,92	3	3,42	26,19	773,46
June "	1,13	2,29	77,64	6,57	299,52	19,27	294,43	18,01	—42,13	2,18	1,15	35,45	1,89	42,43	3	3,43	28,02	777,66
July "	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. "	1,08	2,20	74,31	6,73	310,39	19,28	302,35	17,85	—42,20	2,50	1,31	33,19	1,25	45,66	5	3,48	27,55	794,32
Sept. "	1,05	2,16	73,00	6,38	315,47	17,84	304,29	17,77	—42,24	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962	91	1,97	68,37	7,11	335,50	19,06	308,42	17,45	—42,39	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. "	89	1,93	67,31	5,58	339,65	17,64	310,05	17,39	—42,42	3,67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. "	86	1,89	65,75	11,58	348,57	35,61	325,35	17,31	—42,46	3,95	1,96	27,50	1,19	53,35	5	3,63	48,83	850,12
April "	82	1,85	64,48	5,32	352,17	20,44	321,85	16,78	—42,50	4,14	2,04	26,78	1,19	54,68	5	3,66	27,29	849,25
May "	..	..	..	..	..	..	..	..	..	..	..	26,11	92	55,69	5	3,69	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities : repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Mar. 1962 amount to 19.08 crores of rupees.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 4th October, 1962*	32,152(J)
	Corresponding week, 1961	81,090(J)
	1st Sept. to 4th October, 1962	234,822*
	Corresponding period, 1961	213,080*
Cotton Exports	Week ended 4th October, 1962	1,083
	Corresponding week, 1961	1,241
	1st Sept. to 4th October, 1962	25,548A
	Corresponding period, 1961	26,765
Mill Consumption (Estimated)	1st Sept. to 4th October, 1962	125,800
	Corresponding period, 1961	122,500
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 4th October, 1962	515,809
	Corresponding date, 1961	590,056
Consumption of Cotton—		
Indian	June, 1962	396,557
Foreign	June, 1962	67,589
Indian	Ten months ended June, 1961-62	3,887,849
Foreign	Ten months ended June, 1961-62	840,590
Indian	Same Period, 1960-61	3,457,375
Foreign	Same Period, 1960-61	951,277
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1962	1,370,978
Foreign	As on 30th June, 1962	227,872
Indian	As on 30th June, 1961	1,575,517
Foreign	As on 30th June, 1961	393,649

Particulars	From 1st Sept. to 8th October 1962 In Bales of 180 Kilograms	From 1st Sept. to 8th October 1961 In Bales of 180 Kilograms
From Bombay		
Cotton Shipments to—		
United Kingdom	317	405
Continent	2,078	684
Hongkong	1,067	1,366
China	—	—
Japan	19,603	12,991
U.S.A.	1,994	3,730
Other countries	489	150
Total to all foreign countries	25,548	19,326
Coastal Ports	—	7,772(b)
Total	25,548	27,098

Particulars	Period	
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During July, 1962	31,884
	During July, 1961	7,681
	1st Sept. to 31st July, 1962	247,040
	1st Sept. to 31st July, 1961	212,430
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 21st Sept., 1962	2,187
	Corresponding week, 1961	10,326
	1st Sept. to 31st Aug., 1961-62	3,625,731
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)— Receipts	1st to 20th Sept., 1962	133,614
	Corresponding period, 1961	85,098
Exports	1st to 20th Sept., 1962	16,031
	Corresponding period, 1961	10,685

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From 1st to 30th Sept., 1961. A-Adjusted. — Not Received.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th October 1962.

	Closing quotations 3-10-1962	High	Low	Closing quotations 11-10-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.30	2.30	2.20	2.24
Baroda Rayon (100)	[illegible]	135.00	129.50	131.00
Bombay Dyeing (25)	[illegible]	66.00	64.40	65.10
Bradbury (50)	[illegible]	—	—	187.50
Central India (100)	113.00	114.00	109.00	109.00
Century Mills (100)	612.00	622.00	594.00	605.50
Coorla Sp. (100)	130.50	142.00	130.50	142.00
Dawn (50)	158.00	161.00	158.00	158.00
Edward Textile (200)	352.00	352.00	322.50	325.00
Elphinstone (50)	107.00	109.00	103.00	106.00
Finlay (100)	302.00	303.00	297.00	300.00
Gokak (100)	186.50	189.00	183.50	186.00
Gold Mohur (100)	225.00	227.50	222.50	225.00
Gwalior Rayon (10)	55.00	55.50	51.00	53.00
Ind. Untd. Defd. (1)	3.70	3.74	3.54	3.60
Ind. Untd. Ord. (10)	26.55	26.75	26.00	26.25
Indian Rayon (100)	96.00	98.00	93.00	93.00
Indore Malwa (100)	212.00	215.00	208.00	208.00
Khatau (100)	455.00	462.50	443.75	455.00
Kohinoor (100)	295.00	301.50	290.00	295.50
Mafatlal (100)	780.00	780.00	765.00	775.00
Minerva Mills (100)	82.50	—	—	82.50
Model Nagpur (250)	122.00	—	—	122.00
Morarji (100)	462.00	468.00	454.00	465.00
Mysore (50)	60.20	60.50	59.80	60.00
National Rayons (100)	468.00	476.50	445.70	463.00
New City (100)	140.00	140.00	137.50	137.50
New Great (100)	262.50	—	—	262.50
Phoenix (100)	240.00	244.00	235.00	242.00
Podar Mills (100)	127.00	130.00	127.00	128.00
Raymond Woollen (100)	130.50	131.00	130.00	131.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	54.50	54.50	53.50	53.50
Shrinivas (100)	264.00	265.00	255.00	257.00
Simplex (50)	154.00	154.00	153.50	154.00
Standard (100)	825.00	880.00	796.00	872.00
Svadeshi (100)	256.00	258.00	247.50	250.00
Swan (100)	310.00	300.00	287.50	292.50
S. I. Viscose (100)	160.50	163.00	156.50	157.00
Tata Mills (25)	63.00	63.00	56.50	57.50
Lakshmi-Vishnu (100)	125.00	—	—	125.00
Western India (250)	881.25	—	—	881.25
BANKS				
Bank of India (50)	113.00	113.50	112.50	112.50
Do. (New) (50)	114.50	114.50	114.00	114.50
Bank of Baroda (50)	96.00	96.00	94.50	95.00
Central (25)	61.00	62.00	60.50	61.00
Central 'A' (25)	62.00	62.00	60.50	62.00
Dena Bank (50)	58.00	58.00	57.50	58.00
Punjab National (10)	20.52	20.52	20.44	20.52
Union Bank (5)	6.08	6.12	6.04	6.12
United Com. (50)	79.00	79.00	77.50	78.00
Maharashtra (50)	61.00	62.00	61.00	62.00
ELECTRIC COS.				
Ahmedabad (100)	95.30	96.50	95.00	96.50
Amalgamated (10)	10.00	10.60	10.12	10.60
Andhra Valley (1,000)	1,026.25	1,030.00	1,023.75	1,027.50
Bom. Sub. El. (100)	101.50	103.00	100.00	103.00
Surat (100)	99.00	100.00	99.00	100.00
Tata Hydro (100)	109.50	109.50	108.25	108.50
Tata Power (1,000)	1,107.50	1,121.25	1,106.25	1,115.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.50	—	—	62.50
New India (15)	63.00	63.50	62.50	63.00
New India 'A' (15)	63.50	64.30	62.50	64.00
Vulcan (10)	16.52	—	—	16.52
STEEL COS.				
Ind. Iron (10)	25.05	25.80	25.00	25.30
Mukand Iron (10)	23.00	23.36	22.60	22.88
Tata Steel Ord. (75)	134.00	141.50	135.75	137.00
SUGAR COS.				
Belapur (50)	226.00	229.00	220.00	225.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.50	—	—	27.50
Maharashtra (50)	154.75	158.00	153.50	153.50
Phaltan (50)	92.50	95.50	91.90	91.90
Walchand Ind. (100)	152.00	154.50	150.00	150.00
CEMENT COS.				
Associated Cts (100)	154.75	157.50	152.50	155.00
Digvijay (100)	183.00	185.00	177.00	178.00
Orissa (10)	16.80	17.00	16.76	16.88
MISCELLANEOUS				
Alcock Ashdown (100)	322.00	327.00	317.00	320.00
Amar Dye-Chem (100)	257.50	261.25	240.00	243.75
Bom. Burmah (125)	637.50	647.00	627.00	638.50
Do. (New) (50)	250.00	262.50	253.75	258.75
Br. B. Petrol (1½ sh.)	3.68	4.88	3.96	4.24
Br. I. Corpo. (5)	10.00	—	—	9.88
Cooper Eng. (100)	164.50	151.00	133.50	134.00
Colour Chem. (100)	403.75	410.00	400.00	402.50
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	46.50	47.00	46.50	46.50
Hindustan Motors (10)	18.28	18.68	18.12	18.68
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	440.00	452.50	426.25	437.50
Indian Copper (2 sh.)	4.62	4.70	4.64	4.68
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	87.50	87.00	85.00	86.00
Larsen & Toubro (10)	26.50	27.25	25.20	25.60
Mahindra & Mahindra (10)	17.48	18.00	17.60	17.76
New Central Jute (10)	14.00	—	—	13.88
Polychem (50)	166.25	173.75	162.50	165.00
Polson (100)	188.75	—	—	188.75
Pre. Automobiles (100)	111.50	114.00	108.00	111.00
Premier Cen. (80)	142.00	144.00	128.00	132.00
Scindia (20)	11.88	12.40	11.92	12.12
G. E. Shipping (10)	11.84	12.24	11.84	12.16
Shivrajpur (10)	31.50	32.50	25.00	27.00
Sirpur Paper (10)	13.16	13.32	13.04	13.04
Synthetics and Chem. (100)	171.00	178.00	168.00	171.00
Tata Chemicals (10)	14.64	15.20	13.80	13.92
Tata Locomotive (100)	301.50	310.00	295.00	303.00
Tata Oil (25)	57.20	58.50	53.50	55.50
Texmaco (10)	22.60	22.60	22.00	22.24
Voltas (100)	252.50	258.00	247.00	253.50
W. I. Match (100)	271.00	275.00	271.00	272.00
W. Coast Paper (100)	164.00	166.00	158.50	158.50

GOVERNMENT SECURITIES	4-10-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	11-10-1962 Rs.
2¾% 1962	99.80	—	3.76	99.80
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.49	98.90
3 % 1963-65	99.05	3.84	3.32	99.05
3 % 1966-68	96.90	3.85	3.58	96.90
3 % 1970-75 1st Dev.	89.25	4.62	4.08	89.25
3 % 1986 Con. Loan.	67.80	—	4.40*	67.75
3½% 1964 N. P. Loan.	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.80	—	3.58	99.80
3½% 1967 N. P. Bonds	98.75	—	3.80	98.65
3½% 1974	99.50	—	3.92	98.50
3½% 1967 N.P. Bonds.	99.60	—	3.81	99.70
3½% 1969 Loan	97.80	—	3.87	97.80
3½% 1968	98.30	—	3.82	98.30
3½% 1963 N.P. Bonds.	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds.	99.35	—	3.87	99.35
4 % 1972 Loan	99.35	—	4.08	99.35
4 % 1973 Loan	99.30	—	4.08	99.30
4 % 1979 Loan	98.65	—	4.11	98.65
3½% 1966 Bonds	99.70	—	3.59	99.70
4 % 1980 Loan	98.55	—	4.12	98.55
4 % 1981 Loan	98.60	—	4.11	98.60
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. CR.—Cum-Right. xd—Ex-dividend. cd—Cum-dividend. X.R.—Ex-Right.

SHIPPING IN THE THIRD PLAN

(*Concluded from page 645*)

provision of Rs. 14 crores is still available and also having regard to the possibility of acquiring additional tonnage on deferred payment terms, any further financial allocation as asked for by the Board is necessary. The answer to this will depend on several factors. For instance, whether the additional tonnage to be acquired would consist of only cargo ships and whether they would be new or second-hand or partly new or partly second-hand; whether it will be necessary to acquire new tankers for the overseas trade and new passenger-*cum*-cargo ships for replacing the existing ones as recommended by the Board; and whether any shipping company would acquire ships without financial assistance from Government as has been done by the Jayanti Shipping Company in respect of one tanker costing £1.15 million (Rs. 1.5 crore) and Liberty ships costing Rs. 1.3 crore. Unless the break-up of the additional tonnage that should be acquired against the Plan provision of Rs. 14 crores is determined, it will be difficult to say whether it would be possible to acquire additional tonnage of 175,000 G.R.T. with this provision. It may also be pointed out that irrespective of whether the ships are acquired on deferred payment terms or not, the total financial commitment for their acquisition will have to be met from the allocation in the current Plan.

So far as the Board is concerned, it has worked out the additional provision required, namely, Rs. 50 crores for the acquisition of additional tonnage recommended by it on the basis of the present-day costs of new and second-hand tonnage and on the assumption that 80 per cent of the total cost would have to be found from the Plan provision for grant of loans to shipping companies and investment in the Shipping Corporation. It may be mentioned that the estimates have been made on the same basis as was adopted by the Board in its original recommendations. It is, however, possible that the actual provision needed may be less than Rs. 50 crores for reasons explained earlier.

DELHI LETTER

(*Concluded from page 636*)

Government is also entitled under the contract to the manufacturing rights for all advanced versions based on Avro 748. The British are already at work on a bigger version.

Indian Government plans were to make two Avros in 1962, twelve in 1963, eighteen in 1964 and 36 in 1965. But these plans are not going according to schedule. The Transport Ministry has not yet approved of the Avro as a substitute for the Dakota. As early as 1955 India has started searching for a replacement for the Dakota. The Transport Ministry's suggestions for making a Lockheed-designed plane was turned down by the Planning Commission. An expert committee of the Air Force selected the Avro even as it was in the blue-print stage and the Government made the agreement with Hawker Siddley in July 1959.

The present plans are to make two versions of the Avro in India. The basic version (Mark I), is fitted with Rolls Royce Dart 6 engines and the Mark II will be powered with R Da 7 engines. The Da 7 engine will improve the take-off and climb performance of the plane, making it more suitable for operation from high altitude or hot airfields.

The Dart is one of the world's most proven turbo-prop engines and the Da 7 engine will be progressively manufactured in the Hindustan Aircraft Factory at Bangalore. The Viscounts in the Air Force as well as with the Indian Airlines Corporation and the Fokker Friendships with the Corporation use Rolls Royce engines. These planes and the Avros will provide the largest possible use of the engines and components made in Bangalore. The Bangalore factory will also make a jet plane for training men of the Air Force. This plane, to be called the HT 16, will be powered by the same engine as that in the British Provost trainer, the Viper.

Besides the deals with the British and the Russians in the aircraft industry, India has arrangements with the French to make Aloutte II helicopters. French Caravelles will also be operated by the Indian Airlines Corporation which is expecting additions to its Fokker Friendship fleet in the next few months. Another Lockheed delegation is also expected to visit Delhi.

MARKET REPORTS

(*Concluded from page 661*)

to determine data for arriving at a fair cost of production of fibre. Without such a step the outlook of the jute industry in India does not appear encouraging.

On Tuesday last, ready B. twills declined from Rs. 117.50 to Rs. 117.00 following the influence of bears in futures trading. Also there was only little business done with overseas countries. In ready hessian, apart from scattered covering demand involving small quantities, there was nothing else of interest. However, the price of ready hessian 40" 10 oz. was unchanged at Rs. 57.50. The drift was much more impressively in evidence on Thursday, when absence of business forced down ready hessian 40" 10 oz. to Rs. 54.75 and B. twills to Rs. 116.65. On Friday, the news of increased stocks of sacking goods depressed quotations and B. twills closed for the *Pooja* holidays at Rs. 115.75. Hessian 40" 10 oz. was unchanged but quiet at Rs. 54.75.

A further increase in arrivals in agencies was reported during the week and prices for certain varieties declined fractionally. Such a trend enabled traders to discard earlier apprehensions that the crop would be smaller than the original estimate. Daisee bottoms fell from Rs. 33 to Rs. 32.50, while Assam bottoms and northern bottoms were unchanged at Rs. 30 and Rs. 29.50, respectively. Sellers were very eager for business at discounted rates and the further extension of the date for completion of the purchase of the fresh quota for bufferstock added to the quiet trend. The Calcutta Baled Jute Association has urged Government that the Buffer Stock Committee should include sellers' representatives also. Speaking at the general meeting of the Association, its Chairman, Mr. Tulsidas Kanoria, said that his Association had considerable experience and could assist the Government in policy-making. He demanded that, in view of the surplus crop, Government should actively encourage exports, by relaxing existing conditions and removing export limits. Although Government had fixed an export quota for last year's fibre, no such quota has so far been fixed for this year's crop.

FOODGRAINS IMPROVE

(From Our Own Correspondent)

HAPUR, *8th October*

A steadier tendency was witnessed in foodgrains prices here this week on reports of heavy damage to the crops due to floods in the Punjab.

Wheat prices improved by 67 nP to Re. 1.34 per quintal, according to quality, on better demand in the face of poor arrivals. Average wheat was quoted at Rs. 40.19 and farm quality at Rs. 42.87 to Rs. 44.88 per quintal. Arrivals were poor around 200 maunds a day, and stocks were stationary at 64,000 maunds. Rice prices also sought higher levels due to poor arrivals and meagre stocks. New produce rice would reach the market soon, as harvesting of paddy has already begun. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 101.81, *sela basmati* Rs. 77.70 to Rs. 85.74, *mainpuri* Rs. 52.25 to Rs. 54.92, *ramajwayan* Rs. 58.94 to Rs. 61.62, *raimunia* Rs. 61.62 to Rs. 64.30 and *gadda* Rs. 53.58. a quintal.

Gram prices hardened by 67 nP per quintal to Rs. 43.54 for the Punjab variety and Rs. 42.87 for local produce on better local inquiries and firm advices from Punjab. Arrivals were negligible. Stocks were also lower at around 14,000 maunds. Barley and *bejhar* prices sought lower levels on slack demand. Maize prices drifted lower by 67 nP to Rs. 1.34 per quintal according to quality on better arrivals which were around 400-500 maunds a day, mostly from East U.P. *Juwar* prices were unchanged, but *guwar* ruled firm due to poor stocks. *Methi* ruled quiet in the absence of demand. Week-end prices were:—Barley Rs. 26.79, *bejhar* Rs. 26.79 to Rs. 28.80, *methi* Rs. 58.94 to Rs. 61.62, *bajra* Rs. 37.51, *juwar* Rs. 46.89 to Rs. 50.91. *guwar* Rs. 36.17 and oats Rs. 30.81, a quintal.

Among pulses, peas improved fractionally on good outside buying support. The dara quality was quoted at Rs. 32.15 and farm quality at Rs. 32.82 to Rs. 34.16. Arrivals were negligible and local stocks were estimated around 51,000 maunds. *Arhar* prices sought lower levels at Rs. 50.91 to Rs 53.58. Prices of *arhar* were much lower at Rs. 33.49 in 1961 and Rs. 34.83 in 1960. *Urd* and *moong* were, however, steadier due to poor stocks and reports of damage to crops in Punjab due to heavy floods. Week-end prices were:—Peas *dal* Rs. 36.17, gram *dal* Rs. 48.23, *urd* Rs. 77.70, *urd dal* Rs. 85.74, *moong* Rs. 49.57 to Rs. 52.25, *moong dal* Rs. 57.60, *masoor* Rs. 42.87, *malka* Rs. 54.22, *masoor dal* Rs. 56.26 a quintal.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, *8th October*

Sugar here ruled steady this week on revival of demand from Delhi, Punjab and other centres in the South. Both spot and mill delivery prices improved by one rupee per quintal. Local demand was also brisk due to the festival. Week-end prices were: Spot delivery Rs. 106.75; mill delivery (D 29) Amroha Rs. 103.82, Dhampur Rs. 103.47, Seohara Rs. 103.47, Meerut Rs. 105.00; Simbhoali (E 29) Rs. 105.16, Bijnore Rs. 103.82 and Dhampur Rs. 103.15, per quintal.

Crystal sugar prices, which had ruled steadier in Muzaffarnagar during the major part of the week on brisk festival demand, suffered a setback towards the week-end following the release of an increased quota of 250,000 tons by the Government for sale in the open market. In the mill delivery sections, festival demand for smaller grains was very brisk. Supply position was also easy, but in spite of this, prices of various qualities improved by 25 nP to Re. 1 per quintal. Bold crystals were in demand from Madhya Pradesh, Gujarat and Saurashtra. But rise in prices here was not so much as in the smaller grains. Towards the close of the week, the Government announced a monthly quota of 250,000 metric tons of crystal sugar for sale in the open market. This quota announcement was done ten days ahead of the schedule to meet the increased demand, and as a result of this, prices declined by 32 nP to 75 nP per quintal. Forward sugar was neglected, as trade circles were expecting further release of a supplementary quota near *Diwali*.

Khandsari prices also sought higher levels in line with the rise in the prices of crystal sugar. Imposition of purchase tax, details of which were still awaited, was likely to adversely affect the *khandsari* industry. New arrivals were still poor. Week-end prices were: *Khandsari* Rs. 80.38 to Rs. 103.15, crystal Rs. 96.45 to Rs. 101.81 and *boora* Rs. 99.13 to Rs. 107.17, a quintal.

Ready *gur* prices improved during the week due to good festival demand. New arrivals were still poor, around 50 maunds a day, and these were readily absorbed by consumers. Stocks of old *gur* were reported to be poor and it was not in demand, as its quality was poor. Arrivals of new produce were expected to increase as soon as the cultivator was free from *rabi* sowing by the end of the current month. Cane crop prospects were reported better. Week-end prices were: New *gur* Rs. 66.98 to Rs. 79.78, old Rs. 64.30 and *shakker* Rs. 66.98 to Rs. 72.34, a quintal.

TREND OF SHARES

(*Concluded from page 632*)

of such trade agreements, were well received by the market. It was reported, however, today that the Six had turned down this request from Britain. While this dampened the initial enthusiasm of marketmen, they were inclined to feel that, from the current talks at Brussels, some favourable compromise for India would emerge. The week also saw an unfavourable development in India's relations with Nepal, when China pledged itself for defending Nepal against any foreign aggression. This is certainly not a good omen, especially when we are faced with a serious situation across the Northern and North Eastern borders. In fact, the greatest worry of the market at present is the problem posed by the militant China..

* * * *

Steel shares experienced sizable activity in Bombay following the announcement of the dividend by the T.I.S.Co. Wide two-sided movements on hectic short-covering and liquidation characterised trading in these shares. Tata Ordinary, which had closed last Thursday at Rs. 134, opened at Rs. 141, improved to Rs. 141.50, reacted sharply to Rs. 135.75 during the week and closed at Rs. 137. After opening 65 nP higher at Rs. 25.70 Indian Iron improved further to Rs. 25.80, fell subsequently to Rs. 25 to close at Rs. 25.30. Textiles displayed considerable weakness, but regained some strength at close. Thus, Standard, which had declined from Rs. 850 on Friday to Rs. 796 today, recovered briskly to Rs. 880 and closed 47 points higher at Rs. 872. Bombay Dyeing were sold down from Rs. 66 to Rs. 64.40, but rallied quickly to close at Rs. 65.10, as against Rs. 64.90 a week ago. Morarjee closed three points higher at Rs. 465, Phœnix two points higher at Rs. 242, Podar one point higher at Rs. 128 and Kohinoor 50 nP higher at Rs. 295.50. But Century were down by Rs. 6.50 at Rs. 605.50, after having declined during the week from Rs. 622 to Rs. 594 and Svadeshi were six points lower at Rs. 250, after having declined during the week from Rs. 258 to Rs. 247.50. After being done at Rs. 476.50 on Friday, National Rayon lost ground steadily and were quoted as low as Rs. 453.50 today, before rallying to close at Rs. 463, as against Rs. 468 a week ago.

In the Miscellaneous section, Bombay Burmah were sold down from Rs. 647 to Rs. 627. At close, however, the shares showed a gain of one point at Rs. 638.50. Hindustan Motors fell from Rs. 18.64 to Rs. 18.20 to rally to close 40 nP higher on balance at Rs. 18.68. Telco came down from Rs. 310 to Rs. 295, but closed with a gain of Rs. 1.50 at Rs. 303. Likewise, Voltas rallied from Rs. 247 to close at Rs. 253.50, as against Rs. 252.50 a week ago, after having been traded earlier at Rs. 258. B.B. Petrol continued to forge ahead and, at close, disclosed a gain of 56 nP at Rs. 4.24. Premier Construction closed 10 points lower at Rs. 132 and Cooper Engineering showed a big loss of Rs. 30.50 at Rs. 134. Chemicals and Dyes continued to be weak. Amar Dye-Chem showed a loss of Rs. 13.75 at Rs. 243.75 and Tata Chemicals were 72 nP lower at Rs. 13.80 following the publication of disappointing preliminary results, showing a decline in profit before taxation from Rs. 34 lakhs to Rs. 16.94 lakhs; this disclosure outweighed the maintenance of the dividend at 65 nP per share, taxable, on the Rs. 10 fully paid shares. Shippings and Electrics were well supported and showed small gains over the week, but Sugars and Cements ruled quiet. Cash scrips disclosed minor changes either way, with the exception of Permanent Magnets which declined by Rs. 17.50 to Rs. 225.

* * * *

While Textiles were easy, other sections closed on a steady note on the Madras Stock Exchange. Among Textiles, Madura were lower by 10 nP at Rs. 35, Travancore Rayon by 50 nP at Rs. 31.70, Bangalore Woollen by 80 nP at Rs. 242 and Cannanore by Rs. 1.50 at Rs. 181, but S.I. Viscose closed one point higher at Rs. 160. In the Miscellaneous section, Ashok Leyland showed a gain of 25 nP at Rs. 7.95, India Cement of 14 nP at Rs. 6.20, Mettur Chemicals of 10 nP at Rs. 13.70 and Madras Rubber of 12 nP at Rs. 21.62. In Sugars, India were up by 90 nP at Rs. 11, but Travancore showed a loss of 85 nP at Rs. 7.50. Among Plantings, T.R. and T. improved by 20 nP to Rs. 9.10, but Cowcody showed a loss of 8 nP at Rs. 4.02.

COMMERCE

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

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DEBATE ON CONTROLS

TO control or not to control the prices of necessaries of life is a question on which a hot discussion has been going on in this country for some time now. Much of the discussion is, however, confusing. What is worse, certain responsible leaders, who ought to know what they are saying, are talking as though the country has been free from economic controls. A Union Deputy Minister, Mr. B. R. Bhagat, is reported to have stated at Madras a few days ago that, "if we do not have the courage to implement controls, we should give up planning." If he has been correctly reported, it is amazing that he should have made this remark. Mr. Bhagat has been a member of the Government for so long a time that he must surely be aware that there is already an enormous number of controls. His own Ministry, namely, Finance, is in charge of a number of controls, the latest addition being the curb on foreign travel through a stringent denial of foreign exchange. On the success of this new control opinion is sharply divided. One thing, however, is clear. The Reserve Bank, which had been free from criticism all these years in regard to administration of foreign exchange controls, has become the target of considerable, widespread criticism ever since this new curb was introduced a few months ago. It is unfortunate that it should have allowed itself to be dragged into this situation, which it could have easily avoided by asking one of the Ministries of the Government to be in charge of issuing permit-chits to those who wish to go abroad. It is also common knowledge that the much older foreign exchange controls have not been effective in preventing leakages, as witness the continued influx of smuggled goods, not merely gold but a variety of others. That overinvoicing of imports and underinvoicing of exports have been merrily going on cannot also be denied. Why has the Finance Ministry, of which Mr. Bhagat is one of the chiefs, not been able to close these loopholes?

Another minister with Cabinet rank, T.T.K., declared at Madras the other day that the Government was afraid of imposing controls on foodgrains, because it was afraid that the money bags would get annoyed. His line of reasoning is far from the truth. Actually, the Government has never been afraid of the business community; indeed, the reverse is true. That community, as readers are aware, has been treated with impunity, subjected to heavy taxation and all sorts of controls, even though it has been providing almost all the funds the party in power needed for fighting elections. If the Government is afraid of anyone, it is the vast mass of agriculturists, landless labour and industrial workers. That is the real truth. The anxiety to win votes in elections has not a little to do with many incongruities in the Government's economic policies.

Among the underdeveloped countries in the free world, Indian economy is a heavily controlled one. All the vital industries are controlled; steel, cement, coal, oil, electricity, paper, cotton textiles, sugar, coffee, rubber, certain types of heavy chemicals, fertilisers, automobiles and road transport are all subject to various types of controls, including price controls, in varying degrees. These controls, however, have not been successful in arresting the upward trend in their prices for consumers. Petroleum products may be an exception, but, if the world trend in regard to these products had been allowed to operate, their prices ought to have been much lower than they are today.

To revert to the controversy on controls over foodgrains. It has arisen because of the perceptible rise in price level since March last and a fear that it may continue in the coming months also. It is common knowledge that opinion on this issue is sharply divided not only among academicians but also among ministers and officials of the Planning Commission. One should be happy over this fact. It shows how free we are, in contrast to countries in the Communist camp. The difference of opinion among ministers of the Central Government on a vital issue like controlling foodgrains grown by millions of small producers and consumed by 440 million people is not such a great tragedy as is made out by some commentators in this country. On the contrary, it is a healthy sign, in that it shows that the Cabinet is no longer a one-man affair. It would, of course, be deplorable, if ministers were to air their differences of opinion either in public or in private after a decision is taken by the Cabinet, for that would amount to indiscipline. But no harm, excepting some embarrassment to the ministers concerned, would follow if they were to give public expression to their views on control of foodgrains. Such a thing may not happen in a country like the U.K., but political conditions in India are vastly different from those in the Mother of Parliaments.

It is wrong to think that there are no controls whatever on foodgrains. Rice, for instance, is still subject to zonal controls. Wheat is free from this restriction, but consumers are none the worse for it. If anything, they are actually getting wheat 6 per cent cheaper than in January 1962 and almost at the same price as in March. It is only rice that has gone up in price, by 10 per cent since March, 13 per cent since January and 3.6 per cent since September 1961. The jump in rice prices is largely due to the failure of production to keep pace with the growth in demand, following the addition of more mouths in the country and more money in the hands of people. Coarse grains like *jowar* and *bajra* have also gone up in price, again due to a shortfall in production.

On paper, controls may sound perfect for a planned economy. But, in practice, they will not be, because the prerequisites for the success of controls, namely, (*a*) efficient, honest and devoted administration and (b) public co-operation, are absent to a very substantial extent. This remark applies with greater force so far as the common man's essentials are concerned than in regard to articles like chemicals, fertilisers and automobiles. Corruption is already widespread in this country. It will go up by leaps and bounds once controls on foodgrains are introduced. The whole controversy here, it must be noted, is over comprehensive controls, including requisitioning and rationing, and not mere strategic controls. The entire country will be seething with discontent, as it will get steeped in corruption, and the atmosphere will be fertile for the vigorous growth of communism.

Then there is the cost of controls. Those who advocate controls on foodgrains from the fields to the storage bins of consumers will do well to calculate the cost of administering them, including the inevitable waste that occurs under State trading. One has reason to feel, in the light of past experience, that it will run into several crores of rupees a year. May be, a year's expenditure on this negative measure will be equivalent to the cost of putting up four fertiliser plants of the size of the Trombay factory with a capacity of 70,000 tons nitrogen. The food requirements of each State would be exaggerated if control on consumption were introduced, for every State Government would like to play for safety. Another valid argument against this control is that, at best, it can "protect" only 30 per cent of population against rising prices, leaving the most vulnerable sections, namely, small agriculturists and landless labour, high and dry. Yet another argument against it is that it will not be conducive to securing larger production through higher productivity which is exactly what the country needs. India has had bitter experience of physical and price controls on foodgrains in the second half of the 'forties and the first half of the 'fifties. It would be sheer folly not to profit from that experience. If, after mature deliberation, the Planning Commission has come to the unanimous conclusion (as Mr. Gulzarilal Nanda is reported to have told the Price Sub-Committee of the Congress Parliamentary Party on Tuesday this week) that rationing and compulsory procurement are not necessary, it is a victory for the voice of reason.

The cost of living has been moving up due more to the rise in the prices of other things than to the high prices of cereals. Gram and other pulses among foodgrains and milk, ghee, *gur*, spices and condiments, vegetable oils used as cooking media, fruits, vegetables and fish among other food articles have shot up in price. Besides, housing, fuel, education of children, transport, clothing (including tailoring charges), footwear and soap have all gone up in price. How does the Government propose to bring down the cost of these necessaries of life? By merely holding the foodgrains price line and leaving these other necessaries out, the authorities cannot hope to keep down the cost of living. It may be recalled, in this connection, that, although there was hardly any rise in the prices of foodgrains during the fiscal year 1961-62, the all-India cost of living index had gone up by 3 points to 127. The increase would have been much more if the index number were more representative of the family budget of the common man, including the middle-class. The answer to this problem, which is the cumulative result of neglecting horticulture, animal husbandry, poultry and forestry over a number of years, does not lie in extending the controls to other necessaries also, for the remedy is simply not practicable. The only course left open is to increase the production of all food articles and cash crops to a much greater extent than has been the case so far. If this is not possible, then there is no choice but to reduce the development expenditure and face heavier unemployment, as well as underemployment. Not a pleasant alternative indeed.

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THE TRIO OF SHORTAGES

THERE is no doubt that the 'trio' of shortages —the ones relating to transport, coal and power—was largely or mostly responsible for slowing down the rate of industrial growth in 1961-62, the first year of the third Plan. The net output of mining and factory establishments in that year, at constant prices of 1948-49, was Rs. 1,245 crores, which was 6.7 per cent more than in 1960-61 when the net output was Rs. 1,167

crores. This rate of increase, it will be seen, represented only about half of the rate (12.7 per cent) at which the net output in 1960-61 (Rs. 1,167 crores) had increased, as compared with that in 1959-60 (Rs. 1,035 crores). It would thus appear that industrial growth in 1961-62 had greatly slowed down in absolute, as well as in percentage, terms. What is now confirmed was broadly foreseen, early in 1961 itself, by experienced businessmen and economic observers who uttered the warning that the crucial shortages were bound to slow down the tempo of industrial production. Industrial users or consumers, represented in the leading commercial organisations, have also been anxiously discussing the 'trio' of shortages and making representations to the powers-that-be for more than a year now. The Government and the Planning Commission, too, have doubtless devoted a good deal of attention to the problems in question, and taken some *ad hoc* measures to relieve the shortages.

Much, of course, remains to be done in the direction of liquidating the shortages. It is, therefore, heartening to know that the Federation of Indian Chambers of Commerce and Industry, which convened a transport and power conference at New Delhi late in September last, has just followed it up by detailed discussions with the Planning Commission. The Federation's representations do not seem to have been in vain, for it has secured a categorical assurance from the Commission that the revised third Plan target for power, namely, 13.4 million kw. of installed capacity would be achieved. As foreign exchange for the power programme has been almost entirely assured, there is not likely to be much difficulty in reaching the power target. But the aggregate capacity in commercial operation in 1965-66 is expected to be only 12.7 million kw. As power demand is known to double itself every five years and as it was about 8 million kw. (including an estimated 1.5 million kw. of unsatisfied demand) in 1961-62, the revised third Plan target, even if fully reached, may not wholly relieve the shortage. It would, therefore, be prudent to assign a bigger role to the private-sector electricity undertakings and encourage them in all suitable ways to double or treble their proposed investment of Rs. 50 crores in power generation under the third Plan. Only, the authorities must make up their minds soon to adopt a pragmatic approach towards power generation in the private sector and liberalise the provisions of the Electricity (Supply) Act. The Planning Commission, incidentally, has adopted an unhelpful attitude by telling the Federation that the power development policy would continue to be guided strictly by the Industrial Policy Resolution.

As for the coal shortage which has been due as much to transport bottlenecks as to lagging production, it is encouraging to hear that, in recent months, there has been considerable improvement in rail transport of coal. The Planning Commission is reported to have told the F.I.C.C.I. representatives that practically no pithead stocks are left now in the Bengal-Bihar area and that the railways are lifting all coal traffic offered to them in the outlying fields. So far, so good. But it is too early to congratulate the railways on this performance, as coal production has been running well behind the target. Whether they will be in a position to lift an enhanced rate of production remains to be seen.

The present state of coal production in the private sector is disquieting, for the latest available figures show that the raisings of private-sector collieries in July this year were only 3.98 million tonnes, as against 3.76 million tonnes in the corresponding month of 1961. The position in respect of public-sector collieries is, of course, better, for their output in July this year was 0.88 million tonnes, as against 0.40 million tonnes in July 1961. Taking both the sectors together, aggregate coal production in July this year was 4.86 million tonnes only—not a great achievement in the current Plan's second year in which average monthly production should be well above the monthly average of 5.0 million tonnes targeted for the end-year of the second Plan. When coal production is thus increasing at an extremely slow rate, what is required is a more helpful official policy for inducing greater activity in the private sector which, whether one likes it or not, continues to have the major role. The nationalisation proposal reportedly revived by Mr. K. D. Malaviya, Union Minister for Mines and Fuel, though it has no relevance to the current or even the next Plan period, is still tantamount to a threat to the industry—a Damocles' sword over its head. This threat, it may be noted, is contrary to the assurances given by the Government of India to the World Bank. In the loan agreement with the World Bank for assisting the development of collieries in the private sector, the Government has given an undertaking not to nationalise this industry. Can anyone conceive of a more inopportune moment for talking of coal industry nationalisation? The national interests demand more coal production from both the sectors. A sense of insecurity injected into the private sector now may only interfere with its current expansion programmes which call for equity capital from the market.

The coal shortage, in so far as it is caused by lagging production, would have to be remedied in two ways. One way would be to ensure speedier and more adequate supplies of power, equipment, explosives and stowing sand to the collieries. Another way in which coal shortage can be relieved would be to encourage the use of furnace oil as a substitute fuel on a larger scale in the southern and western parts of the country. The Planning Commission's view seems to be that shortage of foreign exchange and the price of furnace oil set severe limits to its use. This is not a wholly valid argument, for the foreign exchange required for an appropriate quantity of crude oil import would be much less than that required for import of furnace oil. It should also be possible to reduce the price of furnace oil by removing or drastically reducing the present excise duty. If the private refineries are allowed to expand their throughputs further, more furnace oil can be produced at economic rates and at a lower foreign exchange cost, and its larger use will relieve the pressure on railways in so far as coal transport is concerned. But the Planning Commission has held out no such hope.

The Federation, however, can take some comfort from the major point it has won in respect of rail transport. The point is that, if large industrial units indicate one month in advance their transport requirements for each monthly period, the zonal railway authorities should plan for full trainloads. By agreeing to get a detailed scheme worked out for each industry and each railway system in the next two months, the Planning Commission has certainly met the Federation more than half-way. It is now for the Railway Board to follow up the agreed proposal in terms of the assurance given by the Planning Minister.

SUGAR OUTPUT CUT REMOVED

THE decision of the Government of India to discontinue the ten per cent cut in sugar production during the ensuing season, due to begin on 1st November next, is neither surprising nor of any practical significance. It is not surprising because the problem of sugar surplus is not as difficult as it appeared to be at the beginning of this year, thanks to the reduction in output, on the one hand, and rise in offtake, on the other. The total quantity of sugar actually produced in the current (1961-62) season is estimated at no more than 2.70 million tons, as against 2.98 million tons in 1960-61. It is true that, due to the heavy carryover stocks (amounting to 1.17 million tons as on 31st October 1961, as against 540,000 tons a year before), the aggregate supply of sugar in 1961-62 is higher at 3.87 million tons, as against 3.52 million tons in the previous season. As against the rise thus of 350,000 tons in supply, offtake of sugar has risen by 600,000 tons to 2.95 million tons—domestic consumption by 400,000 tons to 2.45 million tons and exports (on the basis of commitments already made) by 200,000 tons to 500,000 tons. Consequently, the current season is expected to close on the 31st inst. with a closing stock of 920,000 tons. Ordinarily, this quantity will have been considered as quite high, but not so now, apparently because production prospects for the next season are not very promising. Indeed, an official spokesman at New Delhi is reported to have remarked that "the Government is not bothered any more about the problem of surplus stocks which will be wiped out next year and that the present is, therefore, the most propitious moment for taking a step forward on the road to normalcy."

With the removal of output restrictions, sugar mills are now, of course, free to produce as much sugar as they want. But it is highly doubtful whether all the mills will, in fact, be able to maintain production even at the current year's level of 2.7 million tons; a section of sugar interests estimates the production at a bare 2.4 million tons. For, apart from the dislocation in the normal production of mills that will be caused by the proposal to undertake manufacture of raw sugar, the factories may find it exceedingly difficult to obtain regular and adequate supplies of cane, in view of the prospects of large-scale diversion of these supplies to the manufacture of *gur* and *khandsari* which are commanding very high prices as the accompanying table shows. In view of such high prices, the cultivators will naturally prefer to utilise the cane themselves for making *gur* and *khandsari*, instead of supplying it to the sugar mills. What is worse, the size of the 1962-63 cane crop itself is expected to be much smaller than that harvested in the current season, though the first official estimate of the crop had placed the acreage higher at 5.68 million acres, as against the corresponding adjusted estimate of 5.59 million acres in 1961-62. This is because of the severe damage to the crop in several parts of the country, especially in Uttar Pradesh, Bihar and the Punjab, on account of floods. In Maharashtra, too, the cane crop is expected to be less, owing to pest attack.

It is, however, too early to assess the production prospects for the next season with any certainty. May be, there is an attempt on the part of some to exaggerate the effects of adverse factors. Assuming that the estimated production of 2.40 million tons in 1962-63 is a fairly reliable guess, the total supply in the next season will be 3.32 million tons. Excluding 500,000 tons for purposes of export, the supply available for domestic consumption may be put at 2.82 million tons. This quantity is considered to be too inadequate fully to meet the requirements of domestic consumption and to leave a reasonable running stock of about 500,000 tons. The actual consumption of sugar may be expected to be much higher than in the current season, what with the addition of 8 to 9 million to the country's population, increase in purchasing power in the hands of the community and the shift in consumer preference from *gur-khandsari* to white sugar, in view of the high prices commanded by the former. It, therefore, looks as though the supply position of sugar will be pretty tight in the coming season, assuming that actual exports will be what

SUGAR, GUR AND KHANDSARI PRICES

(In rupees per quintal)

	Latest available	Three months ago	A year ago
Sugar			
Bombay (D 29) ..	109.62	113.06	113.06
Hapur (crystal) ..	106.00	106.00	106.00
Muzaffarnagar (crystal) ..	106.37	107.62	106.50
Gur			
Kolhapur (special) ..	93.00	72.50	53.50
Hapur (pansara superior) ..	77.35	62.96	62.96
Muzaffarnagar (chaku dry) ..	63.62	56.95	42.21
Khandsari			
Hapur (superior)	99.80	96.45	92.46
Hapur (crystal)	99.47	97.79	93.80

Note: Only average prices are taken into account.

the Government desires and that production does not turn out to be higher than the present estimates.

If the aforesaid picture materialises, the credit for solving the sugar surplus will go to Dame Nature and not to the Union Food Ministry. So far as the industry is concerned, the prospects are disturbing indeed. If it had the problem of overproduction and heavy stocks in the 1960-61 season, in the one now drawing to a close, it will have the problem of underutilisation of capacity in the coming season. Both are equally bad for its economic health. With its highly inelastic cost structure, underutilisation of capacity may, perhaps, prove to be more damaging than overproduction. The production capacity of the sugar industry at present is about 3.1 million tons. Since the estimated output is only 2.4 million tons, the capacity lying idle will be as much as 700,000 tons or 22.6 per cent. Surely, the country cannot afford to suffer such a waste of capital resources. In view of the large stocks of sugar that are being carried forward, one may consider the impending fall in production as a godsend. But that would be a ridiculous way of solving the problem of surplus for a country which is having less calories than it should to ensure a balanced diet. The correct way would be to put to use the full capacity of the industry and stimulate consumption of sugar by reducing the incidence of taxation on it. So far as the supply of cane is concerned, there will be plenty for making white sugar, if the inroads made by *gur* and *khandsari* can be minimised. After all, it is an acknowledged fact that production of these brown sugars is a wasteful process of extracting sucrose from cane. The recovery of sucrose in *gur* manufacture is only 50 to 60 per cent of that obtained in factories making white sugar. Effective steps should, therefore, be taken from now alone to ensure adequate cane supplies to factories. Otherwise, the country may not have sufficient supply of sugar for export on the same scale as in the current season.

MARKET GOSSIP

Hindustan Lever's Rights Issue

THE decision of the Directors of Hindustan Lever Ltd. to issue, subject to the consent of the Controller of Capital Issues, 842,725 new ordinary shares of Rs. 10 each to the existing shareholders of the Company for cash at Rs. 35 per share, that is, at a premium of Rs. 25 per share, came as a surprise to share market circles in Bombay for two reasons. First, the proposed premium is too high—two-and-a-half times the face value of the shares. It may be noted here that only a few days ago, the authorities permitted an equally well established company, namely, the Indian Aluminium Company Ltd., to issue 801,276 new equity shares of Rs. 10 each at a premium of Rs. 15.50 per share which itself was considered pretty high. It is true that Hindustan Lever is an older, bigger and stronger company than Indian Aluminium. Even so, a premium of 250 per cent is a stiff one. It is not known whether this price was chosen by the Company's management itself or was suggested by the Government during informal discussions which must have preceded the public announcement. Secondly, the decision of the Directors, which was made known on Wednesday this week, was significantly enough not preceded by gossip and rumours among the so-called informed circles in the market. This shows that the management had kept the secret well.

It was, however, fairly certain that, sooner or later, the Company would be raising new capital, for, earlier this year, its Chairman, Mr. P. L. Tandon, had disclosed at a Press Conference in Bombay that the Company had plans for near-term expansion involving some crores of rupees investment. The announcement of the proposed right issue was, therefore, not unexpected. Apart from the scheme to manufacture skimmed milk powder and ghee at Etah in U.P. which is making satisfactory progress, the Company has several new projects under active consideration. Mr. Tandon had revealed at the Press conference that, among the new industrial projects the Company had in mind, one was for the preservation of human blood initially by dehydration and later by more sophisticated methods. In their report for the year ended 31st December 1961, the Directors had referred to the Company's application to the Government for a licence to set up a plant for the solvent extraction of cottonseed. According to them, modernisation of soap-making plant in the Bombay factory was on hand, and two mazzoni units had already been installed. A second glycerine still was brought into operation in the Bombay factory. The engineering building at the Calcutta factory had been completed last year and the expansion of the *vanaspati* factory at Ghaziabad was nearing completion. It is also known that the Company proposes to modernise its existing equipment as far as possible within the limits imposed by foreign exchange scarcity. Further, the Company proposes to set up research departments similar to those in the U.K. and the U.S.

The total cost of the capital projects approved last year was estimated at Rs. 196 lakhs. The outlay on the total expansion proposed and under consideration will obviously be much more than that. The foreign exchange component of the outlay on the milk scheme was estimated last year at Rs. 47 lakhs. The I.C.I.C.I. has granted the Company a loan of Rs. 25 lakhs in foreign exchange. We are told that a sum of about Rs. 100 lakhs more is needed for the milk scheme and the other projects under consideration.

The proposed rights issue will bring in not only additional rupee finance but also foreign exchange to the extent Unilever Ltd. of the U.K., which owns 90 per cent of the capital of the Company, subscribes to it, subject to the necessary consent of the authorities in Britain. On the basis of its present holdings, the British firm will be entitled to take up 758,452 new shares out of a total of 842,725 shares which are to be issued in the proportion of 25 new shares for every 37 shares already held. It has, however, agreed to take up only 285,725 new shares, thus increasing the number of shares to be offered to the minority shareholders in India from a mere 84,273 to as much as 557,000 which, if taken up by them in full, will increase the participation of Indian investors in the aggregate issued and paid-up capital from 10 per cent to 15 per cent and reduce Unilever's share from 90 per cent to 85 per cent.

By voluntarily forfeiting its right to subscribe to all the shares that fall due to it, Unilever has promoted the laudable cause of increasing Indian ownership in Hindustan Lever. But it is a moot point whether the five per cent increase in Indian share of the Company's capital was so urgent and necessary at this juncture, when the Company needs and should value more foreign currency than Indian rupees, especially in view of the serious scarcity of foreign exchange in the country. Supposing Unilever takes up the full quota of shares falling due to it and the Government of India agrees to the terms of the new issue, namely Rs. 35 per share, the Company will get funds worth Rs. 2,65,45,820 in foreign exchange, as against Rs. 1,00,00,375 which it will receive under the present proposal, according to which the parent company will surrender 472,727 rights shares to Indian shareholders. It will be irresponsible to say that the proposed high premium of Rs. 25 per share has scared away Unilever from exercising its full right of subscription to the issue. But, perhaps, on a lower premium, Unilever might have been induced to go in for full subscription. The Government itself may be in favour of the proposed high premium on the ground that it will bring in more funds to the Company. It must not, however, be forgotten that, if and when the share premium account is capitalised by way of a bonus issue, such moneys will attract a bonus tax of 12.5 per cent. Does this not mean that the authorities are indirectly taxing the issue of rights shares also?

Simultaneously with the announcement of the rights issue, the Directors of the Company have proposed an interim dividend of 60 nP per share, taxable, for the current year, as against a single dividend of Rs. 2.60 per share, taxable, paid for the previous two years and of Rs. 2.40 per share, taxable, paid for 1959. The proposed interim is on the increased capital of Rs. 824.36 lakhs following the issue of 2,673,600 bonus shares of Rs. 10 each in May last. The decision to pay an interim dividend as against a single dividend in the past marks a deviation in the Company's policy, and market circles hope that it does not portend any reduction in the total dividend for the year. They also hope that the expansion programme on hand will earn the Company sufficient profit at least to maintain the dividend at the last year's level on the capital to be increased further by the proposed rights issue which ranks for dividend payable for years subsequent to 1962.

L.I.C.'s Investments

The Life Insurance Corporation of India is the largest institutional investor in the country. The total book value of its investments as on 31st December 1961, according to the fifth annual report of the Corporation covering the year ended 31st December 1961, which was released to the public only on Wednesday this week, amounted to Rs. 581.54 crores. Of this, Rs. 12.22 lakhs pertained to general insurance business and Rs. 5.42 lakhs to capital redemption business. Investments pertaining to life business aggregated Rs. 581.37 crores, of which Rs. 565.70 crores were in India and Rs. 15.67 crores outside India. Investments in stock exchange securities accounted for the bulk of the Corporation's investments. The total book value of life investments in stock exchange securities, as at 31st December 1961, was Rs. 518.16 crores, of which Rs. 503.56 crores were in India and Rs. 14.60 crores outside India. Investments in the public sector, comprising Central and State Government securities, and the major portion of approved securities and shares in Government-owned companies, aggregating Rs. 392.71 crores, accounted for 77.9 per cent of the total investments in stock exchange securities. The corresponding figures of investments in the private sector (consisting of debentures, preference shares and ordinary shares of joint stock companies, as also some of the approved securities) were Rs. 110.85 crores and 22.1 per cent. Of the total investments of Rs. 392.71 crores in the public sector, Rs. 236.82 crores were in Central Government securities, Rs. 117.04 crores in State Government securities, Rs. 37.78 crores in approved securities, Rs. 70.13 lakhs in Municipal loans, and Rs. 36.50 lakhs in debentures, preference and ordinary shares. Of the total investments of Rs. 110.85 crores in the private sector, Rs. 8.59 crores were in approved securities and the balance of Rs. 102.26 crores in debentures, preference and ordinary shares.

It is noteworthy that the percentage of investments in the public sector to total has declined during 1961 to 77.9 per cent from 78.7 per cent in the previous year, whereas the percentage of investments in the private sector has increased from 21.3 per cent in 1960 to 22.1 per cent in 1961. This is a reversal of the trend witnessed over the past few years when the percentage of investments in the public sector to the total was steadily increasing, whereas the percentage of investments in the private sector showed a corresponding fall. The following table illustrates the position:

(As at the end of December)

(Rs. in crores)

	1961	1960	1959	1958	1957
In India	503.56	457.43	398.28	368.93	329.95
Outside India	14.60	13.21	11.54	9.96	8.84
Total ..	518.16	470.72	409.82	378.89	338.59
Of investments in India:					
In public sector	392.71	360.06	311.60	288.12	255.13
Percentage to total ..	*77.9*	*78.7*	*78.2*	*78.1*	*77.37*
In private sector.. ..	110.85	97.37	86.68	80.81	74.62
Percentage to total ..	*22.1*	*21.3*	*21.8*	*21.9*	*22.63*
Approximate breakdown of private sector investments:					
Debentures	22.63	23.07	20.55	20.54	20.41
Preference shares ..	21.80	20.51	18.30	16.61	15.44
Ordinary shares	55.25	46.19	39.85	35.07	31.88

It will be noted from the foregoing table that there has been a substantial increase in the Corporation's investments in ordinary shares. Incidentally, the market value of equities, as of 31st December last, was higher by some Rs. 11 crores or 20 per cent (whereas four years before it was only Rs. 3 crores or about 10 per cent). The market value of preference shares, however, was down by Rs. 3.29 crores, though that of debentures was better by Rs. 43 lakhs.

The L.I.C. is one of the principal underwriters of new capital issues. During the year under review, it underwrote 52 new issues to the extent of an aggregate amount of Rs. 7.59 crores, of which Rs. 5.37 crores were debentures, Rs. 1.02 crore preference shares and Rs. 1.19 crore ordinary shares. Of the 52 new issues underwritten, 31 were placed in the market. The total underwriting commitments of the L.I.C. in respect of these issues amounted to Rs. 4.23 crores in debentures and loans, preference and ordinary shares. The amount allotted to it was Rs. 3.86 crores.

The scheme for grant of loans in mortgage of immovable properties, which was in operation in Bombay, Delhi, Calcutta, Madras and Hyderabad, was extended by the Corporation to cover 13 more additional centres. Extension of the scheme to some more cities is under consideration. Simultaneously with the extension of the scheme, the Corporation raised the interest payable on mortgage loans from 7 per cent per annum, payable half-yearly, with a rebate of ½ per cent per annum for punctual payment, to 8 per cent per annum with effect from 18th July 1962. The rebate for punctual payment has, however, been raised to 1 per cent per annum. The Corporation sanctioned 153 applications for mortgage loans for a total amount of Rs. 1.2 crore during the year. The total amount of mortgage loans outstanding at the end of December 1961 aggregated Rs. 8.48 crores.

SIR COWASJEE JEHANGIR

It is with deep regret that we record the passing away of Sir Cowasjee Jehangir (Bart.), a Director of Commerce (1935) Ltd., ever since its reconstruction 27 years ago. Born on 16th February 1879, Sir Cowasjee was 83 when he died on Thursday this week. Although he hailed from a rich, aristocratic and widely-known family in Bombay, it was his intrinsic worth and hard work that pushed him to the pinnacle of glory. Many and diversified were his achievements in the fields of industry and finance. And no less important is the part he played in the civic life of Bombay and as a patron of art and a philanthropist. Sir Cowasjee began his public life as a member of the Municipal Corporation in 1904 and became its President in 1919-20. He was also a member of the State Legislative Council, the Executive Council of the then Government of Bombay (1923-28) and an elected member of the Central Legislative Assembly for 17 years from 1930. He attended all the three Round Table Conferences in London during 1930, 1931 and 1932 in his capacity as a member of the Liberal Party, the London Monetary and Economic Conference in 1933, and the Empire Parliamentary Conference in 1935.

Alert in grasping a point, objective in judgment and receptive to new ideas, Sir Cowasjee was a successful industrialist, landlord and banker. He was a man of high integrity, a rare quality among mankind, and expended his wealth and power on deserving causes. As the Chairman of the Bank of India and the Oriental Life Assurance Company, he contributed his mite to the progress and prosperity of these leading financial institutions. He was also a Director of T.I.S.Co., T.E.L.Co., Tata Chemicals, Bombay Burmah Trading Corporation, and several others. Sir Cowasjee was at his best in unravelling complicated economic and financial problems during debates in the legislatures. His death has certainly removed from Bombay a towering personality.

Import Substitution

The Technical Panel on Import Substitution, constituted by the Planning Commission at the end of last August, has commenced its work, with the first meeting held this week in Bombay. At the meeting, the Chairman of the Panel, Mr. G. L. Mehta, who is also the Chairman of the Industrial Credit and Investment Corporation of India Ltd., and formerly the Chairman of the Import Control Enquiry Committee (1950), gave a clear exposition of the scope and nature of the Panel's work. The objective of a policy of import substitution, according to Mr. Mehta, should be that "imports are so regulated as to meet the changing needs of a dynamic economy." These changes must naturally be in conformity with the changing requirements of the economy. It is admittedly vital to plan the expenditure on imports on a judicious basis, for, as Mr. Mehta pointed out, the quantum of imports in the near future is likely to be "limited within a range around that obtaining at present," if due account is taken of the trends in export trade and prospects for external aid. The acute foreign exchange shortage at the present moment brings into bold relief the need for conserving the limited export earnings. In order, therefore, to sustain a greater tempo of industrial development, it is necessary to ensure that "imports are released continuously by existing users to make it available to newer claimants." In other words, the policy of import substitution should aim at reducing the total reliance on imports or increasing the indigenous content of domestic output. Mr. Mehta, however, pointed out that, in a dynamic economy like ours, output was not constant and, therefore, it was essential to keep in mind the import requirements of an increasing level of output.

There are two ways in which import substitution can be accomplished: One, the use of an indigenously available material in the place of an imported product, for instance, substitution of copper by aluminium; two, substitution of a finished (imported) product by imports of less finished or intermediate products. Viewed thus, it becomes essential for the Panel to examine the secondary and tertiary implications of a policy of import substitution.

(*Continued on page 711*)

TREND OF SHARES

EARLY GAINS ERASED

(From Our Own Correspondent)

BOMBAY, *18th October*

EARLY gains on the stock exchanges this week on bear covering and some fresh support were erased near the close on renewed liquidation and absence of follow-up support. Closing prices, therefore, showed a sprinkling of small losses over a broad front. The undertone was, however, rather steady, as the tendency seemed to be not to sell at lower levels. The fag-end liquidation appeared to be mainly on account of weak bulls. At the same time, however, the tense situation at the Northern borders, absence of any encouraging corporate news and unforeseen delay in the announcement of the final dividend by the I.I.S.Co. restrained buyers in extending commitments.

Almost throughout the week, the markets were under the shadow of border troubles with China. The market started the week nervously following reports on 11th October of severe fighting between Chinese troops and Indian forces in N.E.F.A. area on the previous day, which resulted in some serious casualties to both sides. Subsequently, the country heard the Prime Minister give orders to the army to throw out the Chinese from N.E.F.A. Towards the close of the week, the scene wore an uneasy calm. The new developments at the border, although welcome in the sense that they speak of the Government's determination to meet the Chinese threats and aggressions, spell a great strain on the country's resources and might hold up its economic progress. It was realisation and not any fear of China that explained lack of follow-up support for equities.

The professional operators were, however, encouraged by such considerations as the oversold position of the markets as reflected in the low-to-moderate carryover charges at the turn of settlement in the principal markets and the relatively low levels to which equities have generally fallen now as compared with the levels seen during the boom period. These operators, therefore, lent some fresh support, especially to the speculative counters, in the beginning of the week, and were disinclined to sell at setbacks seen towards the close.

Besides the disturbing reports from N.E.F.A., the markets were worried by the reported statement of Mr. Nanda that the Planning Commission had recommended to the Government proposals for controlling the prices of necessaries of life, including such items as cloth and soap. This development was particularly responsible for the drop in prices witnessed on Wednesday. Before this, however, there was some encouraging news. On Sunday came the news that the Planning Commission had accepted some of the suggestions of the Federation of Indian Chambers of Commerce and Industry for making the available transport facilities more effective. In this connection, it was reported, a detailed scheme would be worked out for each industry and each railway system within the next two months. As regards power, the Commission was said to have assured the F.I.C.C.I. representatives that all steps would be taken to achieve the Plan target of 12.7 million kw., that foreign exchange for power projects had been practically ensured and that the difficulties experienced in the second Plan would not arise in future.

It was reported on Tuesday that India would not be affected by the recent cut in the U.S. Foreign Aid Bill and that, in addition to its commitment of $435 million made at the last meeting of the Aid India Club for the second year of the third Plan, the U.S. was willing to contribute another $65 million to make good its promise of $500 million, provided the other members of the Club individually or jointly contributed a similar amount. As against this, it was reported on Wednesday that, from the discussions held by Mr. P. C. Bhattacharyya, Governor of the Reserve Bank, with Mr. Morarji Desai, Union Finance Minister, it became clear that, in the context of the dwindling foreign reserves of about Rs. 94 crores, as against a statutory minimum of Rs. 89 crores, and the poor export performance, India might have to draw another instalment from the standby credit recently given by the I.M.F.

* * * *

In an otherwise steady market initially, failure of steel shares to improve along with the main body dampened operators' enthusiasm later and led to some weak liquidation on Dalal Street. Until mid-session yesterday, values were well held at the improved levels, but, thereafter, they turned lower on selling by the erstwhile bulls and in the absence of follow-up support.

Both the steel shares, Tata Ordinary and Indian Iron, closed lower over the week, the former with a loss of Re. 1.75 at Rs. 135.25 and the latter with a loss of 20 nP at Rs. 25.10. As noted at the outset, uncertainty about the final dividend of the I.I.S.Co. restricted support for these shares. Textiles staged an impressive recovery at first, but failed to retain the gains. Thus, Standard were bid up initially from Rs. 845 to Rs. 925, but, at close, they showed a gain of only 20 points at Rs. 892. Tata Mill showed a gain of 20 nP at Rs. 57.70, Indu Ordinary of 15 nP at Rs. 26.40, Mafatlal, in the Cash list, improved by Rs. 27.50 to Rs. 802.50. Leading shares in this section showed, however, small losses; Century of Rs. 4 at Rs. 601.50, Kohinoor of Rs. 4.75 at Rs. 290.75 and Bombay Dyeing of 70 nP at Rs. 63.70 *ex-div.* National Rayon continued to be weak and showed a sizable loss of 11 points at Rs. 452, despite the fact that the authorities of the Bombay Stock Exchange revived the special deposit making-up price system and fixed a special making-up price of Rs. 467 for the scrip against bears, as against the normal making-up price of Rs. 457, at the turn of the last settlement on Friday. This meant that the bears had to pay in a margin of Rs. 10 per share.

In the Miscellaneous section, Bombay Burmah rallied swiftly by 20 points to Rs. 653, but reacted to close with a gain of only Rs. 4.50 at Rs. 643. Telco were weak and disclosed a loss of Rs. 10 at Rs. 293, followed by Voltas which closed four points lower at Rs. 249.50. Hindustan Motors showed a loss of 16 nP at Rs. 18.52, but Premier Automobiles closed with a small gain of Re. 1.75 at Rs. 112.75. Chemical shares were steadier, with trading featured by a spurt in Indian Dyestuff from Rs. 432.50 to Rs. 472.50 on rumours of a bonus issue. At close, however, the shares showed a gain of only Rs. 20 at Rs. 457.50.

Electric shares recorded handsome gains, particularly Andhra Valley which rose by Rs. 22.50 to Rs. 1,050 and Tata Power which spurted by 40 points to Rs. 1,155 following the statement by the U.S. Ambassador, Mr. J. K. Galbraith, in Bombay on last Friday of a $17.9 million U.S. loan to finance the full foreign exchange cost of the major expansion of Tata's thermal power station at Trombay. Sugars, Shippings and Cements were steady. Cash scrips showed generally minor changes either way. However, T. Maneklal were down by Rs. 20 at Rs. 690 as were Kesar Sugar at Rs. 170, while Colour Chem scored a gain of 10 points at Rs. 412.50.

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The Calcutta Stock Exchange opened on Tuesday, after the *Puja* holidays from the 5th to 15th. However, the market was yet not through the holiday mood, and trading was dull, with the operators disinclined to extend commitments because of the delay in the announcement of the final dividend by the I.I.S.Co. Excepting G.K.W. which rose by 87 nP to Rs. 38.37 and Indian Aluminium which showed a gain of 25 nP at Rs. 35.31, other speculative counters were down, with Birla Jute showing a loss of 63 nP at Rs. 33.37. Kesoram of 65 nP at Rs. 25.31, Shree Gopal of 57 nP at Rs. 24.37 and Howrah Jute of 37 nP at Rs. 19.75. In the Cash section, jute shares showed generally small losses, with Bally moving down from Rs. 189 to Rs. 184, Delta from Rs. 181 to Rs. 175 and Gourepore from Rs. 463 to Rs. 459. Textiles showed minor changes. In Coals, Bengal were down from Rs. 341 to Rs. 335, but Ghusick improved from Rs. 12 to Rs. 15. Engineering and Chemical shares were devoid of much activity. The Miscellaneous section had hardly any feature, and a gain of 62 nP in Associated Battery at Rs. 28.87 was offset by a loss of 87 nP in Hindustan Development at Rs. 4.75.

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Widespread gains in tea shares featured trading in Madras. Blue Mountains improved by 22 nP to Rs. 2.48, Chembra by 28 nP to Rs. 3.50, Haileyburia by 23 nP to Rs. 12.85, Nonsuch by 25 nP to Rs. 22.25 and Peermades also by 25 nP to Rs. 21.75. Other Plantings were dull, with Cochin Malabar showing a gain of 10 nP at Rs. 6.60 and Midland a loss of 20 nP at Rs. 10.12. Among Textiles, Madura declined by 35 nP to Rs. 34.65, Travancore Rayon by 70 nP to Rs. 31 and S.I. Viscose by Rs. 2.50 to Rs. 157.50, but Bangalore Woollen improved by 80 nP to Rs. 242.80 *ex-div.*, Buckingham by Rs. 3.20 to Rs. 281 *ex-div.* and Cannanore by Rs. 7 to Rs. 135. Selected issues recorded small gains in the Miscellaneous section.

BRAITHWAITE'S PREFERENCE SHARE ALLOTMENT

The recent public issue of 20,000 9 per cent. taxable, redeemable cumulative preference shares of Rs. 100 each by Braithwaite and Company (India) Ltd. received encouraging response. In all, 1,537 applications were received by the Company for a total of 73,515 shares. This means that the issue was more than thrice oversubscribed, a highly commendable performance for a preference share. A minimum of five shares will be allotted to the applicants for 10 to 15 shares and a maximum of 1,505 shares will go to those who had sought 10,000 shares, according to a scheme of allotment completed by the Directors of the Company with the approval of the authorities of the Calcutta Stock Exchange. Under the scheme, an applicant for 20 to 35 shares will be allotted 10 shares, for 40 to 50 shares 15 shares, for 60 to 90 shares 20 shares, for 100 to 140 shares 30 shares, for 150 to 170 shares 40 shares, for 200 to 270 shares 50 shares, for 350 to 400 shares 70 shares, for 500 to 600 shares 100 shares, for 1,000 to 1,500 shares 150 shares and for 3,000 shares 450 shares.

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PERSPECTIVES & PROJECTIONS

By Mercator

Supplies or Sweets to Our Jawans?

IN the characteristic Indian fashion of doing important things in an unobtrusive manner, public attention to the growing Chinese threat and the conditions for facing the national emergency has been drawn in an almost casual manner, perhaps to suggest that there is as yet no danger of full-scale war between the two countries. The President, Dr. Radhakrishnan, chose the forum of a commerce chamber to call for national unity and avoidance of non-partisan politics in the country. Mr. Krishna Menon gave a pledge that India would fight to the last man and the last gun (which many newspapers did not seem to regard very highly considering the space they gave to it). And Mr. Nehru took the country into his confidence to announce to Press correspondents at the airport just before leaving for Ceylon that the Indian Army had been ordered to rid Indian territory of the Chinese; he has since emphatically rejected Chinese "grab and talk" tactics. In view of Chinese tenacity and persistence in unrighteous conduct, all these may mean a prolonged series of incidents, stiffer and stiffer notes between the two Governments and much uncertainty about the immediate tasks to be faced on the economic and domestic political fronts.

With Pakistan and Nepal also trying to exploit the present situation for their anti-Indian campaign and policies, and the economic stagnation at home, Mr. Nehru cannot indeed be a happy man. Anyone listening to the relay of his Press conference in Colombo could have detected the painful feelings with which he explained Chinese duplicity about the McMahon line and Nepal's impossible demands on India. Now that the Himalayan Dangers (as the London *Times* called the recent developments) have come more fully into view, greater attention to the strengthening of the economic front is necessary. It may not be easy to enforce a political truce as the President has desired; in the Punjab, the Sant has, in his moment of triumph revived the demand for Punjabi Suba; in the south, the D.M.K. is now in the background but the Periar has called for an agitation against the Supreme Court's judgment in the Mysore case invalidating excessive reservation of posts and college admissions to backward classes.

But it is not so difficult to call a truce on the economic issues which have been debated *ad nauseam*, such as whether there is more or less coal and wagons and whether and how much captive power plants are desirable. Mr. Menon's statement at Bangalore that the present situation did not call for any revision of India's foreign or economic policy may have to be qualified. Defence preparedness, even more than the need for achieving quick economic growth, requires all-out efforts to secure more production with existing resources and facilities. The Defence Ministry is reported to have taken the initiative already and instructed all ordnance factories to work three shifts if necessary; it also seems to have secured the willing co-operation of labour engaged in them for this objective. That is a worthy example to be followed over the rest of the Indian economy; unfortunately, however, those at the helm of economic affairs do not seem to have the requisite initiative and dynamism for this task. A country-wide grow-more-food campaign and methods to raise industrial productivity and output will be needed, if the soldiers stationed on the North Eastern Frontier have to be backed by adequate supplies. All that we have so far seen is the keen interest taken by a few good Samaritans in collecting funds for sending *Diwali* sweets to the *jawans* in N.E.F.A.; a laudable purpose, no doubt, but should we as a nation always concentrate on the less serious aspect of every issue and mistake sentimental gestures for the actions and sacrifices demanded of every Indian in the present circumstances?

* * * *

N.D.C. to the Rescue

There has been quite a considerable amount of speculation about the possibility of summoning a meeting of the National Development Council to approve of measures for rescuing the economy from the slough of stagnation. The Council's past record does not justify much faith in optimism about its capacity to give the right lead; its resolutions on co-operative policy or State trading did not prove to be the powerful instruments for dealing with the situation which they were once intended to remedy. Only recently at its last session in 1961, its unrealistic approach was demonstrated in the targets and outlays prescribed for the third Plan. Unless the Union Government and the Planning Commission are ready with solutions which they can ask the N.D.C. to approve as a matter of course, a meeting now may serve no useful purpose. Some airing of views after the general election may be appropriate, especially after the recent experiences of State Ministers in raising resources for the Plan through land taxes and levies on road transport. If there is a decline of enthusiasm for taxation, and the Centre can say that its own resources are increasingly committed to defence needs, the stage will be set for a realistic revision of Plan priorities and outlays in 1963-64.

As an informal, extra-constitutional but important policy-making body, the N.D.C. can help to focus attention where it is most needed and persuade State Governments that its decisions are not imposed on them from above but taken after full consultation and participation with them. On the question of price regulation, for example, they can be persuaded to agree to a wide range of local measures for distribution of essential articles to the public and giving publicity for fair prices, besides paying more attention to increasing yields in agriculture. But the procedure of the Council does not facilitate transaction of such practical work; some controversy or other on a side issue distracts members from the main agenda, taking up a good portion of its brief sessions and making this opportunity for consultation with State Governments almost farcical.

Besides the wholly unreal and altogether unnecessary debate over price controls, it is possible that the vexed question of the actual extent of concentration in the economy will again rise to the surface on the report of the Congress Sub-committee which is soon expected to be ready. If middlemen's margins and large trading profits have been responsible for some of the trends towards inequality in incomes in recent years, some might be naive enough to suggest that consumers' co-operatives can take their place and give relief to consumers. The time now taken by the Planning Commission and the Union Government to formulate their price policies is some indication of their own diffidence in these matters and the lack of concrete alternative remedies.

* * * *

National Income Cycle

"Quick" estimates of National Income for this country, which are released by the Central Statistical Organisation months ahead of the annual White Paper, have often erred on the cautious side. It may be that the final figures for 1961-62 will show a better rate of increase than 2.2 per cent in National Income at constant prices. But a break-up of its constituent elements shows that, with a very low contribution from agriculture last year and a small increase of less than 6 per cent in industry (which raised national income by 0.6 per cent), it was left to the other (tertiary sector) services to make the major contribution (of 0.9 per cent) to the increase. These services consist of the professions and liberal arts, administrative services, domestic service and house property.

Since the latter half of the first Five-year Plan, there have been years in which the National Income has jumped by over 6 per cent to be invariably followed by a small rise or even a setback (as in 1957-58); and 1961-62 fits perfectly into this cycle which is determined mainly by the agricultural sector. The only snag on the present occasion is that, even if the weather conditions in the current year are favourable, the scope for a substantial increase in production may be limited in the absence of special measures to raise yields. State Governments have not shown much new initiative, though the working of the "package programme" has indicated the scope for taking effective measures.

This current phase of the National Income cycle also happens to coincide with the gloomy outlook for industrial expansion, so that no offsetting factors are in sight. But since deficit financing continues and total Government spending remains high, personal incomes will also be high enough to keep up the demand for services of all description. There is much guesswork in estimating their contribution to the National Income and, in any case, they can not be expected to make up for the physical shortages elsewhere. The third Plan's bad start is confirmed by these figures and the question is how soon the economy can get out of it to resume its growth.

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Living up to L.I.C.'s Image

L.I.C.'s promptness in repairing the damage to its prestige by the Madras High Court's judgment, and the Press criticism that followed it, is breath-taking and surely is a record for resilience in a State undertaking. The Chairman has reassured the Press, the policyholders and the public about its intention to honour its obligations to insured persons and their families. What all critics (including this columnist) sought to point out was not that cases of fraud should not be questioned at any stage but that the L.I.C. should not cite its own delay as a bar to a claimant seeking redress through legal processes. Delays may occur in investigations, though, even in this matter, there should be an obligation on the agents concerned to expedite them. The Corporation cannot, in cases in which there is no readily available basis for its doubts about the policyholder's declaration, indefinitely delay acceptance of claims in the hope that some day it may be able to unearth facts to justify a refusal.

The Chairman's particular emphasis on the co-operative character of the Life funds is, indeed, touching but some of this solicitude could be shown at the earlier stages when policies are taken out. A closer watch on agents and, perhaps, also on doctors, who submit more than a reasonable proportion of sub-standard lives, is possible. The anxiety to push up figures of annual new business completed should not become an excuse for doing bad business. Moreover, the Corporation's readiness to provide cover even for some risks formerly considered to be bad (like female lives in certain categories) appears to have been interpreted by some agents and doctors as a signal for a general relaxation of the usual standards.

Were it not for the large number of other delays in settling claims, which are in striking contrast to the practice of the better managed companies before nationalisation, the L.I.C.'s plea in this particular case might not have attracted so much criticism. No one will desire that the L.I.C. should collude or compound with fraud; there is enough of it in the country in other fields. The wide publicity given to this case has underlined very forcefully the importance of good public relations and the need to live up to the very fine image that the L.I.C. presents of itself before the public—with protective hands shielding the flame of the *diva*—as the guardian of *Yogakshema* or the individual's welfare.

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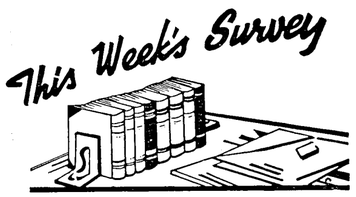

A FITTING TRIBUTE

IT could not have been purely sentimental reasons that prompted Mr. J. R. D. Tata to re-enact this week the historic flight he made 30 years ago which marked the birth of commercial aviation in India. It is true that it demonstrated, in a dramatic way, the rapid strides the country has taken in the field of aviation during the past three decades. But more than that, it was meant to drive home, in a unique way, the point that great things often have humble beginnings and that daring and enterprise are the prerequisites of progress. Mr. Tata performed this demonstration at great personal risk and at an age which most people consider too advanced for even far less risky pursuits. It is this spirit of adventure of Mr. Tata, combined with foresight and drive, that has carved out for this country a prominent position in the world of commercial aviation.

By celebrating the thirtieth anniversary of the first scheduled flight, personally conducted by Mr. J. R. D. Tata for Tata Airlines, Air-India, which is a nationalised undertaking now, has paid a fitting tribute to the pioneering spirit and enterprise of the private sector to which it owes its origin. Air-India's personal salutation to its worthy Chairman, Mr. J. R. D. Tata, through the medium of the national Press and at a pleasant, special function held at Juhu aerodrome, where he first landed from Karachi thirty years ago, was richly deserved and quite appropriate. For it is a return gesture for the greatness of heart shown by Mr. Tata in consenting to be the Chairman of Air-India even after it had been taken over by the Government and for having devoted so much of his time to make this public sector enterprise one of the finest airlines in the world.

MR. WYATT ON U.K.-E.C.M.

Even as Mr. Hugh Gaitskell, Leader of the Labour Party, was condemning outright the U.K. Government's move to join the Common Market, a leading member of that Party, Mr. Woodrow Wyatt, M.P., who was in Bombay this week, expressed full-throated support to the move. In fact, he felt that Mr. Gaitskell had jumped to the wrong side of the fence after having been on it for a pretty long time. He was strongly of the view that Britain's entry into the Common Market would benefit the U.K. no less than its Commonwealth partners like India. In his speech at a meeting organised by the Indian Council of World Affairs in Bombay on Monday, Mr. Wyatt observed that the U.K.'s economy, which was relatively stagnant, would receive a big boost, if it participated in the economic and commercial revolution unfolding itself on the Continent. Only a prosperous Britain, in his opinion, would be able to buy more goods from countries like India, and increase the flow of development funds. He appealed to the people of this country to exploit the new trade opportunities not only by improving productive efficiency, but also by catering to specific consumer preferences on the Continent on the basis of extensive market surveys.

Mr. Wyatt was at pains to show that Britain's entry into the Common Market would not adversely affect India's trade. Alluding to the U.K.-E.C.M. agreement for *nil* tariffs on tea and for the phased application of common tariff on cotton textiles and other goods exported from India, he felt that Britain's entry and the application of common tariff would not have any adverse effect on 65 per cent of India's exports to the U.K. India would also get short-term privileges for about 16 per cent of its trade. According to him, the effect on about 6 per cent of trade was uncertain, whereas 9 per cent would face some difficulties. Thus the actual loss would be only in respect of about 4 per cent.

It is not possible to estimate the precise extent of damage that will be caused by the liquidation of Commonwealth Preferences and the introduction of the common external tariff of the E.C.M. All the same, Mr. Wyatt's estimate may not be wide of the mark. Irrespective of precise estimates of loss and gain, India, however, can ill afford to sustain even a modest setback in exports in view of its acute balance of payments difficulties; the developed countries, like Western European countries, on the contrary, are economically resilient to withstand any temporary setbacks. One hopes, therefore, that leaders like Mr. Wyatt will do their best to secure adequate concessions for this country in case Britain joins the Common Market. It must be stressed here that neither the Government of India, nor responsible public opinion in this country has ever suggested that the U.K.'s entry would spell doom for this country's trade. What this country seeks are some suitable safeguards before the Commonwealth Preferences are abolished. There is no denying the fact that the British Government has shown awareness of India's difficulties.

In his enthusiasm to support the move for Britain's entry into the Common Market, Mr. Wyatt brushed aside all criticisms of the Common Market. For instance, he characterised as "rubbish" the view that "association" with the Common Market by the underdeveloped members of the Commonwealth would tantamount to neo-colonial status. He also did not agree with those who thought that the offer of associate status to some of the countries in Africa, for instance, was aimed at keeping the newly independent countries mere suppliers of agricultural products and raw materials. He said that, although the U.S. exported vast quantities of wheat, tobacco and cotton, it did not mean that it had a colonial status. Mr. Wyatt's comparison is rather amusing. The U.S., no doubt, exports primary products, but this is only a relatively small proportion of its exports of manufactured goods. On the contrary, the underdeveloped countries are desperately striving to industrialise themselves, in order to reduce their dependence on exports of primary products, the fortunes of which are fluctuating in world markets. It should not be forgotten that the vast improvement in agricultural productivity accomplished by the U.S. itself owes its origin to industrialisation. Further, one cannot judge this issue purely on economic grounds. The political and prestige aspects cannot be ignored, especially when the basic motive behind the Common Market is a political union and the very expression "associated status" implies an inferior position. The opposition to associated status *vis-a-vis* the Common Market is thus based on apprehensions which are neither baseless nor irrelevant.

ELECTRICITY UNDERTAKINGS

For some years now, since May 1958 to be precise, the electricity supply industry has repeatedly represented to the powers-that-be that the provisions of the Electricity (Supply) Act should be liberalised so as to provide the incentive for raising new capital for expansion. The authorities, too, have repeatedly held out hopes, albeit vague, of remedying a situation marked not only by lack of incentive for raising development capital but also by some disinvestment. It is, indeed, unfortunate that this question is still pending and the industry has to pursue the exasperating task of persuading some Union Minister or other. The latest essay in persuasion has just been made by Mr. S. M. Zubair, President of the Federation of Electricity Undertakings of India, at a licensees' conference inaugurated on the 15th instant by Mr. O. V. Alagesan, Union Minister of State for Irrigation and Power. Mr. Zubair has reiterated the following familiar demands on behalf of the industry:

(i) An increase in the "standard rate" of return on capital by at least one per cent per annum.

(ii) The elaboration of the permissible appropriation, namely, "all taxes on income and profits," so as to cover all forms of taxation, including the tax at the prescribed rate deductible from dividends, the object being that all tax liability or tax relief redounds to the consumers' account.

(iii) To make enabling provision in the Act, so that undertakings which are obliged to raise loan finance at rates of interest above the level of the "standard rate" are allowed to charge up the actual rate of interest plus *half* per cent.

Mr. Alagesan has, of course, announced that the Government is "very favourably disposed towards the request of the electricity industry for a higher rate of return on capital," but without committing himself to the date, that is, the end of the current financial year, suggested by Mr. Zubair for suitably amending the Act. If, according to the Minister himself, the Government is "fully aware of the problems facing the industry" and is determined "to do its best to solve them," he should have at least broadly indicated when and how the "best" would be done. The Government's full awareness of the industry's problems does not mean much, if it is still not in a position to lay down, even roughly, a timetable for solving them. As the Minister has thus ignored the time factor, the industry must continue to pray in the devout belief that "more things are wrought by prayer than this world dreams of."

Another instance of the Minister's non-committal manner of reply is provided by his reference to the question of acquisition of licensees' undertakings. His bland retort that the licensees should have no objection to the Government's taking over weak and inefficient units in the larger interests of the country is no straight reply to the following plea put forward by Mr. Zubair on behalf of the industry:

"A degree of uncertainty over the tenure of franchises still continues to be faced by the electric supply industry as now and again one hears of premature acquisition of licensees' undertakings by one State or another. The enactment of the Electricity (Supply) Act, 1948, with its emphasis on rationalisation as distinct from nationalisation, has made acquisition for acquisition's sake a needless luxury."

This issue apart, it would be pertinent if an inquiry were made to find out the extent to which the Government's dilly-dallying on the question of economic viability of electricity undertakings has been responsible for even well-managed companies developing debility and deterioration in their efficiency. The country's demand for power is so insatiable that it would be prudent for the State Electricity Boards to create new productive facilities instead of displacing licensees who are already rendering valuable service. The 15-year perspective plan for power which is to be outlined by the recently-appointed Planning Group would be lacking in balance if it does not assign a bigger role to the private-sector undertakings. Given long-term security of franchise tenures and a higher rate of return on capital, these undertakings on the side of generation and/or supply may be depended upon to discharge their allotted responsibilities adequately.

NATIONAL INCOME IN 1961-62

The first year (1961-62) of the third Plan period was a rather poor one for agriculture in India as in several other countries round the world. According to the latest estimates, the country's foodgrains output, for instance, in that year was only about 78.6 million tons, as compared with 79.3 million tons under the final estimate for 1960-61, the last year of the second Plan. Largely because of this decline in foodgrains production, the contribution of agriculture (proper) to national income (at constant, 1948-49, prices) in 1961-62 was less by 0.3 per cent, as compared with 1960-61. The "quick" estimates of national income for 1961-62, released last week by the Central Statistical Organisation, show, in this connection, that the fall in the net contribution from agriculture during the year was more than made good by an increase in other sectors which, taken together recorded a rise of 3.8 per cent. The overall percentage rise of 2.2 per cent in aggregate real national income in 1961-62 was thus more than entirely due to the growth in sectors other than agriculture. The sectorwise picture of contribution to the overall percentage rise is provided by the following table:

(At 1948-49 prices)

Sector	*Percentage contribution to total national income in 1960-61*	*Percentage change in 1961-62 over 1960-61*	*Contribution to the overall percentage rise in 1961-62 over 1960-61*
Agriculture (proper)	39.2	(—) 0.3	(—) 0.1
Mining and factory establishments ..	9.2	6.7	0.6
Communications	0.5	5.2	*Neg.*
Railways	2.5	6.6	0.2
Organised banking and insurance ..	1.0	12.6	0.1
Other commerce and transport ..	15.3	3.7	0.5
Other sectors	32.3	2.9	0.9
All sectors	100.0	2.2	2.2

If, suppose, agriculture had registered a rise of 2.5 per cent instead of a decline of 0.3 per cent, in its contribution to national income in 1961-62, the overall increase in national income would have been 3.2 per cent. But that was not to be. Even if the sector of "mining and factory establishments"—a sector which contributes no more than 9-10 per cent to aggregate national income—had, by any chance, registered an increase of, say, 10 per cent, instead of the actual 6.7 per cent, the increase in aggregate national income would have been 2.5 per cent, in 1961-62, as compared with 1960-61. But, again, even that was not to be. The failure on the agricultural front has, however, been mostly responsible for a lower rate of economic growth —much lower than the 7.1 per cent rise in national income in 1960-61, as compared with 1959-60. A similar low rate of growth, it may be recalled, was in evidence in 1959-60 when the national income was only 1.7 per cent more than in 1958-59. Again, a comparable high rate of growth was registered in 1958-59 when the increase in national income was as much as 7 per cent, as compared with 1957-58. The year-to-year fluctuations in national income, which are largely or mostly determined by agricultural performance, may be noted in the following table:

Year (Financial)	*National income at 1948-49 prices (In Rs. 100 crores)*	*Per capita income(In Rs.) at 1948-49 prices (based on 1941, 1951 and 1961 population census figures)*
1950-51	88.5	247.5
1955-56	104.8	267.8
1956-57	110.0	275.6
1957-58	108.9	267.4
1958-59	116.5	280.2
1959-60	118.5	279.0
1960-61	126.9	292.5
1961-62 (provisional)	129.7	292.5

It is just possible that, over the third Plan period as a whole, the increase in national income will more or less correspond to the projected 30 per cent on the twin assumption that there will be at least three good agricultural years as in the second Plan period and that the crucial shortages of coal, power, transport, steel and other raw materials will be remedied in good time. If these assumptions go wrong, then the economic growth will be substantially less than that projected in the third Plan. Such lower growth will also mean less financial and physical resources for carrying out the development programmes, a larger degree of unemployment than has been bargained for, and considerable delay in reaching the take-off stage. The authorities must, therefore, strive hard to see that agriculture yields the resources expected of it and that the trio of shortages is quickly liquidated. They must set aside their excessive preoccupation with the dogma of socialism and ultra-nationalism in regard to acceptance of foreign private capital. Instead, they must concern themselves more and more with the practical ways and means of achieving a high rate of economic growth.

U.S. TRADE EXPANSION ACT

The new U.S. Trade Expansion Act, which has come into force with the signing of the Act by President Kennedy last week-end, is indeed a bold and imaginative legislative measure of far-reaching significance. The Act bestows on the President sweeping powers to negotiate and finalise tariff reductions in respect of U.S. trade with the Common Market and other countries. It thus replaces the 28-year-old Reciprocal Trade Act (amended in 1958) which has proved unsuitable and out of date to "meet the challenge and opportunities of a rapidly changing world economy." The "escape clauses" and "peril points" provided for in the Reciprocal Trade Act were found out of tune with the overwhelming interests of the U.S. economy. It was also found almost impossible to negotiate reciprocal tariff reductions as the process, under the Act, was protracted and was based on an item-by-item approach.

There is no doubt that the most important single factor that inspired the new Act was the emergence of the European Common Market, apart from the possibility of the U.K.'s entry into it. The U.S. Government has been of the opinion that, unless it bargained for substantial reductions in the common external tariff of the Common Market, U.S. trade with Western Europe, the largest market, would be adversely affected. It may be recalled here that the U.S. and the Common Market entered into an agreement in March last for a 20 per cent reciprocal cut in tariffs on a wide range of products. The new Act will extend the scope of this measure on a substantial scale, embracing not only the Common Market but also other countries, including the developing nations of Asia and Latin America.

The Trade Expansion Act contains five major provisions. In the first place, the Act authorises the President to reduce tariffs by 50 per cent on broad categories of goods as well as single items on an across-the-board basis over a five-year period. Secondly, it empowers him to reduce or eliminate all tariffs on those categories of products for which the U.S. and the Common Market countries together account for 80 per cent of world trade. Thirdly, the President will be entitled to remove duties on any article, subject to a tariff of 5 per cent or less on the level of 1st July last. Fourthly, he is free to reduce or remove the duty and other restrictions on any agricultural or forestry product. This provision, of course, is subject to two conditions, namely, that the Common Market would make comparable concessions and that the article concerned is not produced in the U.S. in any significant quantity. Fifthly, on the domestic front, adjustment assistance has been promised for firms or labour, if they are adversely affected by the impact of new legislation.

At the time of signing the Act, President Kennedy characterised it as the "most important international piece of legislation affecting economics since the passage of the Marshall Plan." In a vigorous defence of the Act, President Kennedy observed as follows:

"This Act recognises, fully and completely, that we cannot protect our economy by stagnating behind tariff walls, but that the best protection possible is a mutual lowering of tariff barriers among friendly nations so that all may benefit from a free flow of goods. Increased economic activity resulting from increased trade will provide more job opportunities for our workers. Our industry, our agriculture, our mining will benefit from increased export opportunities as other nations agree to lower their tariffs. Increased exports and imports will benefit our ports, steamship lines, and airlines as they handle an increased amount of trade. Lowering of our tariff will provide an increased flow of goods for our consumers. Our industries will be stimulated by increased export opportunities and a career competition with the industries of other nations for an even greater effort to develop an efficient, economic and productive system. . . ."

The immediate effect of the Act will be to strengthen U.S. trade relations with the Common Market. It is significant to note that the Common Market countries themselves have hailed the passage of the Act. The proposed tariff reductions between the U.S. and the Common Market will be of great significance to world trade, for they, together, account for 90 per cent of the free world's trade in industrial products. President Kennedy aptly put it: "Together we make up . . . the greatest aggregation of economic power in the history of the world."

The scope of the Act is admittedly not confined to U.S. trade with the Common Market alone. The President made it clear that he would also initiate trade negotiations with "other great trading partners, Canada and Japan, and with the countries of Latin America, Asia and Africa." This assurance is in consonance with the G.A.T.T. provisions. It is encouraging to note that the President has also promised that efforts would be made to widen markets for raw materials and manufactures of less-developed countries. If the Act is used to subserve the cause of ending discriminatory and preferential arrangements, as President Kennedy claimed it would be, the U.S. would have made a great contribution towards building up a system of freer world trade.

L.I.C. AND CLAIMS SETTLEMENT

In deference to public and judicial criticism, the Life Insurance Corporation of India has settled in full the claim under a policy on the life of one Mr. Rajaratnam Nadar which was earlier repudiated by it as time-barred. This repudiation, it may be recalled, was upheld as legally correct by the Madras High Court but was condemned by it as morally wrong. Announcing this at a Press Conference this week, Mr. B. K. Kaul, Chairman of the Corporation, reiterated the policy of the Corporation in regard to claims settlement and reassured the policyholders and the public that it was the firm policy and obligation of the Corporation to pay the just claims of policyholders whose savings it holds in trust. The Corporation, he emphasised, was not ordinarily guided by considerations of the claim being barred by the passage of time in its decision to admit or repudiate liability. In fact, many claims had been admitted and paid on the merits of the case long after the period of limitation had expired. He pointed out that, as against a few claims which were rejected on the ground of suppression of material information by lives assured at the time of proposal, thousands of claims, of which quite a few were time-barred, were paid by the Corporation. The number of death claims paid by it in 1961 was as large as 27,000, as against only 334 claims repudiated.

The Chairman made it clear that, although the Corporation was anxious to settle all *bona fide* claims, it had to exercise vigilance and ensure that claims which appeared to be fraudulent or in respect of which material information

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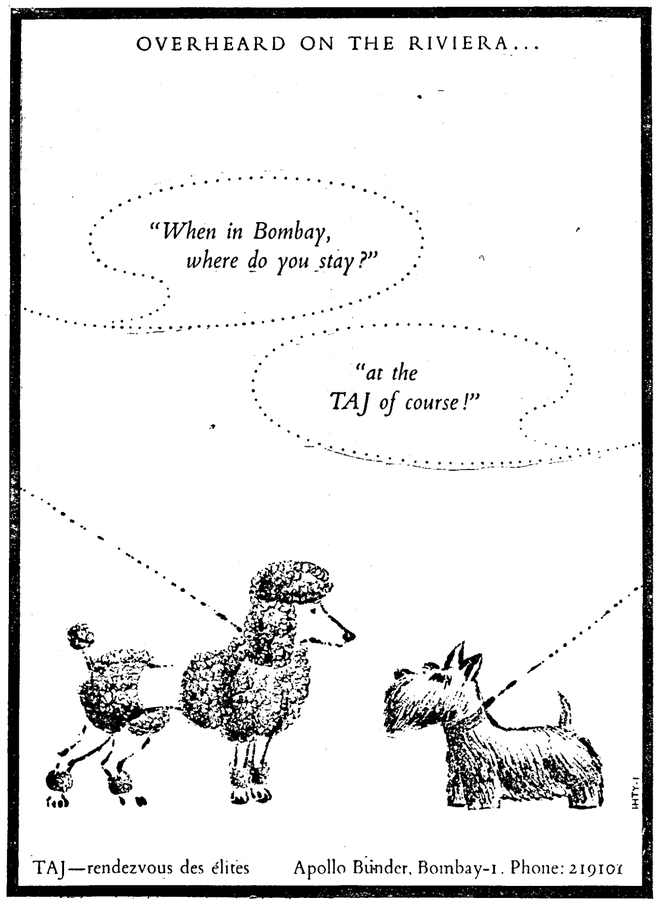

LONDON LETTER

BALANCE OF PAYMENTS

(From Our Own Correspondent)

LONDON, *12th October*

WHEN Mr. Selwyn Lloyd was Chancellor of the Exchequer he hoped that the result of his austerity measures in mid-1961 would be to give this country a favourable surplus on balance of payments of £150 million in 1962. For the first half of this year the favourable surplus has indeed turned out to be £96 million. The question hanging over the economy is not, unfortunately, whether a further surplus can be made to bring the total towards the former Chancellor's target but whether we can hold on to the surplus so far earned.

It is worth taking a look at the make-up of this favourable balance over the past three half-years:

(In million £s)

	1961		1962
	Jan/June	July/Dec.	Jan/June
Visible Trade :			
Imports f.o.b.	2,080	1,926	2,027
Exports and re-exports	1,965	1,898	2,011
Adverse balances	115	28	16
Invisibles :			
Government	—175	—163	—189
Shipping	—29	—27	—25
Interest, profits and dividends	142	195	197
Other services and payments	117	96	129
Net invisibles	55	11	112
Net current balances	—60	—17	96

The improvements comparing the first half of this year with the first half of last year have been, first of all, in the field of visible trade where we are some £100 million better off, partly as a result of improved exports and partly as a result of diminished imports. Secondly, invisible income (interest, profits and dividends, largely the overseas earnings of oil companies) has made a big contribution. The net result is that in the first half of this year this country has acquired a surplus on current account in its balance of payments nearly as big as that for the whole of the prosperous year 1959 which makes a magnificent showing against the disastrous deficit of £300 million for 1960 and £77 million for 1961.

What is putting the total outturn for 1962 in jeopardy is the movement of visible trade since July; there has been a combination of slackening in exports and a tendency for imports to rise. We are here back to the new Chancellor's dilemma that increased domestic activity could accentuate such a trend and widen the gap.

But apart from items of current balances the strength of sterling depends upon the capital movements and the flows of demand and supply for sterling. In the first half of last year long-term capital movements—that is, investment by this country overseas—amounted to some £27 million but then there set in a substantial movement of long-term capital into this country. For the six months it was as much as £53 million so that for the year as a whole the net inflow of long-term capital totalled £26 million. In the first half of this year the traditional outwards trend has been re-established and the outflow amounts to £41 million. Nevertheless, whereas in the first half of 1961 capital was flowing out at the same time as there was an adverse balance of payment on current account, there was a net deficit of £87 million. For the first half of this year a big surplus of current account has more than financed the long-term capital outflow and *still* left a surplus of £55 million.

When account is taken of the movements of short funds and the drawing down of sterling balances we can determine whether the net monetary gains are with or against this country. In the first half of 1961 the monetary movements were unfavourable to the extent of nearly £50 million, and although this was reversed in the second half-year as a result of the inflow of long-term capital and the improvement in current balance of trade, 1961 as a whole ended up with a *favourable* monetary movement in this country's favour of £29 million.

That is the background against which we must see the *favourable* balance for the first half of this year of no less than £148 million. If we express this in terms to show the flow of different currencies, we get the following picture: the overseas sterling balances (and nowadays this means balances held by the International Monetary Fund, etc. as well as by other countries) have been *reduced* by £194 million. Against this the inflow of short-term capital has increased this country's external liabilities by £87 million. The net balance is a reduction in the United Kingdom's overseas liabilities by £107 million. If we add to this the *increase* in the gold and currency reserves over the first half-year of £41 million we get the net improvement of £148 million.

One old lesson re-learned in the past eighteen months has been the enormous effect of interest rates influencing long-term capital movements. In 1961 there was a net outflow of hot money (an inflow in the first half-year and an enormous outflow in the second half-year) of £75 million. Against this the United Kingdom overseas sterling liabilities increased by £77 million (this net figure conceals a drawing down of sterling balances by overseas countries and a big increase in sterling holdings by the I.M.F.).

Neither the big inflow of long-term capital in the second half of 1961 (£53 million) nor the big inflow of hot money in the first half of this year would have been possible without the attraction of high interest rates. In short, the exercises of last July were successful by using the traditional weapon of dear money. Clearly, it is a weapon which works and yet the price is paid for in terms of internal economic disadvantages and those who today have to consider what economic policy the country should follow are still torn between the desire to maintain high rates to encourage a capital inflow into this country and the desire to get them down lower and so encourage domestic investment. Of course, if the balance of payments is sufficiently healthy there is no need to encourage the inflow of foreign capital. The problem becomes acute though when, as at the moment, the country does not want to be embarrassed by an outflow of capital and it seeks to encourage domestic activity.

(Concluded from previous page)

seemed to have been wilfully suppressed, were not casually dealt with. Suspicions arise invariably with early claims, that is, those coming soon after the policy is taken out, say, in less than two or three years. The Corporation's contention is that it can settle these early claims only if it is convinced that suppression of material information was of no consequence or if investigations did not provide any proof of any such information having been suppressed at all. Mr. Kaul pointed out that delay occurred mostly in early claims which were under investigation and it was due to reasons beyond the control of the Corporation such as reluctance and even refusal on the part of various agencies to provide the necessary information.

Referring to the "Nadar claim," Mr. Kaul said that it was repudiated on the basis of available evidence in regard to suppression of material information and not on the plea of limitation which came up only at the Court stage. It may be recalled here that the Court did not accept the contention of the L.I.C. that the policy was null and void because the policyholder had suppressed material information, but upheld the point of limitation raised by it. Mr. Kaul disclosed that the Corporation decided to waive this limitation in the case under reference, because the claim was proved, to the satisfaction of the Court, to be a genuine one.

According to Mr. Kaul, if, in the discharge of their duties, the concerned officers of the Corporation repudiated liabilities under certain policies, such action was resorted to in the sincere belief that the evidence before the Corporation tended to vitiate the contract and that, by repudiating the liability under such claims, they are serving the cause of policyholders in general. But, as the "Nadar claim case" has clearly shown, the decision of the officers of the Corporation in regard to the genuineness of a claim is not always correct, either because the evidence at their disposal is insufficient or because the conclusion drawn from it is wrong. A thorough and speedy investigation of claims could avoid a recurrence of such cases in future. It would also be desirable for the Corporation to devise a system whereby decisions to repudiate claims, especially those of a doubtful character, could be checked by a high-power body of the Corporation's officials before notifying the claimants.

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JAPANESE MISSION EXPECTED

MANY HURDLES BEFORE COCHIN YARD PLANS

From Our Special Correspondent

NEW DELHI, 16*th October*

IF the plans for the second shipbuilding yard proposed to be built in Cochin have not progressed as quickly as the people and politicians of Kerala have wished, it is not for want of support from the Transport Ministry of the Union Government. The shipyard was a major lobbying issue in the Kerala elections to oust the Communists from power and Congress leaders made several promises on the shipyard which they have not been able to keep. The Communists and the Congress and the Praja Socialists were united in pressing a demand from the State Legislative Assembly when it was feared that experts were pouring cold water on the project by saying that it was expendable during the third Plan. The Planning Commission was not enthusiastic over giving a high priority for the second shipyard and officials of the Hindustan Shipyard at Visakhapatnam have more than once demanded that proposals for the expansion of the Hindustan Shipyard should take precedence over the plans for the second major shipyard. Even the expansion plans at Visakhapatnam have been bogged down with the Union Government having approved only the expenditure of Rs. 75 lakhs so far out of the expansion plan costing Rs. 244 lakhs.

DELHI LETTER

The second shipyard project has been under investigation for more than five years, the choice of the site and preliminary estimates having been made by a British mission sent to India under the Colombo Plan. Transport Minister Raj Bahadur's visit to Tokyo early in October and talks with Japanese firms there have resulted in the decision by the Japanese to send a technical mission to India in November. According to Mr. Raj Bahadur, who explained the results of his Tokyo mission yesterday, Mitsubishi and Ishiki Wajama are interested in the Cochin project. Mitsubishi has already a hand in Indian shipbuilding, since the Hindustan Shipyard has started building ships of Mitsubishi design. When the Mitsubishi mission arrives in India next month, it will discuss further details of technical collaboration. As a matter of fact, there is no shortage of technical collaboration offers for the shipyard, British, West German and Dutch firms having been among those who have sounded out the prospects. There has been a persistent reluctance by the Planning Commission to recommend the release of foreign exchange for the project, although the Commission has given the shipyard a technically higher priority than in the initial stages of discussion. The project still hinges on the capacity of the Japanese firms to persuade the Japanese Government to pump in more yen credit specifically for the shipyard.

Plea for Yen Credit

In their talks with the Japanese Prime Minister and Finance Minister, Mr. Raj Bahadur, as well as Finance Minister Morarji Desai, who was in Tokyo at that time discussing prospects of greater flow of Japanese aid, suggested a new yen credit to cover the shipyard. The Japanese were willing to have the project included in the yen credit already announced, but the Indian Government has made fairly firm allocations of the credit of $95 million Japan has offered for the first two years of the third Plan. The Japanese firms have taken upon themselves the onus of lobbying for more yen credit to get the shipyard plan through. Even if new credits will not cover the project's foreign exchange cost fully, Mr. Raj Bahadur hopes to find the balance from some untied credit. The foreign exchange cost of the shipyard was placed by the British mission at around Rs. 350 lakhs out of the total estimates of Rs. 20 crores.

Mr. Raj Bahadur also took up with the Japanese the question of India getting a greater share of the iron ore trade with Japan. At present, Indian shipping's share in iron ore exports to Japan is a low five to six per cent and the Japanese share is more than sixty per cent. The Japanese are reported to have expressed general agreement to meet Indian wishes in the matter, but the question of reallocation of the share will arise when bulk carriers on order are delivered to Indian firms.

Woollen Goods Exports

The revised export promotion scheme for woollen textile goods just announced, after the industry's reluctant acceptance of the compulsory export proposals of the Government, is expected to be followed by specific efforts to increase sales of woollen goods. One target is the Western European countries, and the Ministry of International Trade is studying a proposal to send a delegation to Europe before fixing specific targets for despatches to each European country. Negotiations are also being conducted with Yugoslavia and East Germany by the State Trading Corporation which recently made a deal with the Soviet Union and Hungary for export of nearly 200,000 yards of woollen goods. From less than 4,000 yards in 1956-57, the Soviet Union had increased its Indian woollen goods purchases to 112,000 yards in 1957-58 and 444,000 yards in 1959-60. The exports fell to 261,000 yards in 1960-61. The current contract is for a lower level. The export incentive scheme is naturally not for increased exports to the rupee payment countries in East Europe and the woollen industry has some pessimism, since the prices of Indian goods are one and a half times the ruling world levels. Japan's efforts in mixed fabrics have been particularly successful and India's infant synthetic fibre industry handicaps the industry's efforts here.

The recently announced $744,000 assistance from the U.N. Special Fund will help establish an institute to improve the productivity of Indian sheep and the rupee equivalent of the Indian Government expenditure on the project may be about Rs. 2 crores. The institute will train more than 1,000 men for field work to improve Indian sheep flocks. Four hundred lakhs of sheep in the country scarcely produce about 70 million lbs. of wool. The per sheep production of wool in Australia is between eight and nine lbs.

Four Australian experts are to work in India under the Colombo Plan and these experts are being selected by the International Wool Secretariat. One of them, Mr. Michael Ryan, an expert in shearing, clip handling and marketing of wool, has been in India since the middle of last month on a three-month assignment. He has had talks with the officials of the Indian Council of Agricultural Research and Mr. Manubhai Shah and is now working in Rajasthan with Jaipur as his headquarters. One Indian official suggested to Mr. Ryan that import of about 5,000 Australian merinos could help improve Indian breeds. But Mr. Ryan was not certain whether he could recommend to the Australian Government a relaxation of the Australian ban on export of merinos, which is a political problem. Mr. Ryan has said that it is necessary to grade the Indian wool more scientifically if the wool-growing industry is to improve. The finer clip is now mixed with the rough and the whole thing sold away at cheap prices for carpet manufacture.

There is a difference in the estimates by the Government and other experts of the combing capacity available in the country. The Government estimates a combing capacity of around seven million lbs., while some other assessments place it at double that figure. The third Plan target is 32 million lbs. and the new licences issued by the Government total about 23 million lbs.

Housing Plans

Indian officials used the opportunity provided by the E.C.A.F.E. urban housing seminar to publicise the housing plans of the Government. According to the National Building Organisation, which also functions as the regional housing centre of the E.C.A.F.E., 900,000 houses are planned to be built in the country by the public sector during the third Plan period. Expenditure on social housing schemes during the second Plan period was Rs. 84 crores, but the total investment of public funds, including that of Central Ministries and public undertakings, during the second Plan was about Rs. 300 crores. The initial third Plan provision for social housing and urban development schemes is a little over Rs. 200 crores, but, including the possible investments by Ministries and public undertakings for their own employees, the amount may be Rs. 425 crores. During the second Plan, the private sector investment in housing was placed at Rs 1,000 crores and the third Plan estimates are Rs. 1,125 crores.

But these initial estimates for use of public funds in housing are undergoing a revision. In the Rs. 200 crores allocation, about Rs. 60 crores were to come from the Life Insurance Corporation. Now it is estimated that an additional expenditure of Rs. 100 crores may be needed. The Union Government is toying with the idea of asking the L.I.C. to shoulder an additional Rs. 80 crores investment in the form of loans. These new estimates are based on demands put forward by various State Governments, but this does not mean all these amounts will be used. Even within the allocations, the States have not maintained full utilisation of funds available for housing. Simultaneously, it is likely that the Centre will increase allocations to the States for the preparation of various master plans and other projects for improving urban conditions. The trend of thinking is that the Centre will foot the bill for master plans during the third Plan period and, afterwards, the States will have to find their own resources. The Centre has also circulated to State Governments a model town planning law.

The National Building Organisation will grow into a regional housing training institute when the recommendations of the E.C.A.F.E. seminar are implemented. According to the Acting Secretary General of the United Nations, more than 1,000 million people in Asia, Africa and Latin America—or nearly half the population of the countries in the region —are homeless or live in houses which "is a health hazard or affront to human dignity." U Thant's proposals envisage the construction of between 19 and 24 million dwellings annually in the 'sixties.

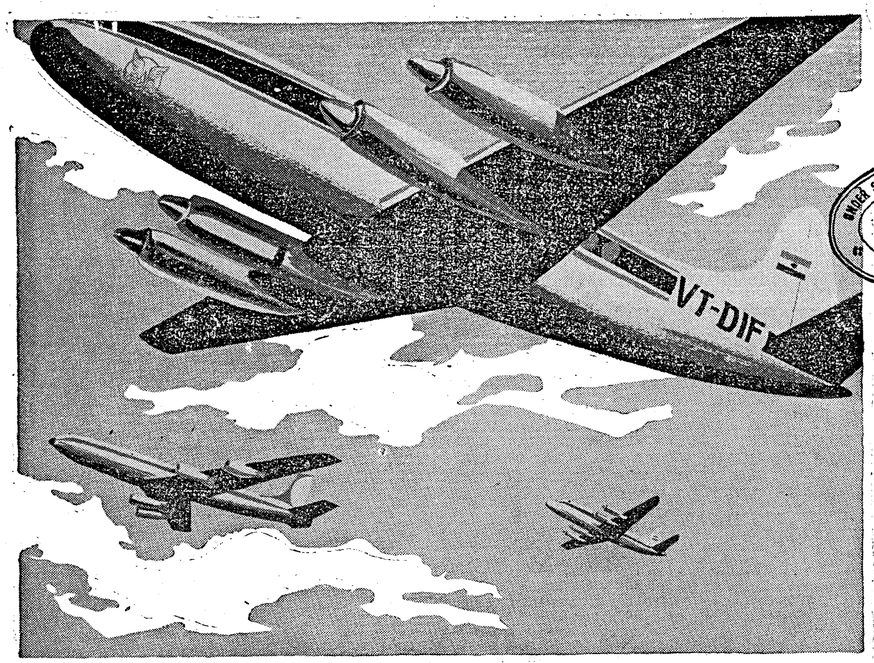
E.C.A.F.E.'s Findings

An E.C.A.F.E. working paper deals in part with the Indian housing problems. It said that, in 1951, there was an estimated shortage of 2.5 million houses in urban areas alone. Between 1951 and 1961, the estimated requirement of urban housing was 3.2 million for new families to take the increase in urban population of 16 million, one million for replacement of houses in slum areas, and one million to replace houses that are overaged or have deteriorated. These total 5.2 million and to this has to be added the 2.5 million shortage in 1951. Of the 7.7 million needed, about three million houses are estimated to have been built in the decade to 1961, leaving a lag of 4.7 million. Thus the housing shortage has increased by 2.2 million from 2.5 million in 1951.

Dealing with the major cities' problems in India, the E.C.A.F.E. paper says that, in Madras, high densities of 200 to 250 families or 1,000 to 1,500 persons per acre prevailed. Fifteen families share one water closet and one water tap. In Bombay, 20,000 buildings out of 55,000 are more than 60 years old, more than 9,000 of these buildings are occupied by 500,000 people and these constitute ninety per cent of the slums in the city. There are 200,000 single-room tenements in Bombay for 1.2 million people and seven to 10 persons (two or three families) often share one room. In 140 areas of Bombay, which accommodate half the city's population, facilities are sub-standard and a large number of people live on the footpaths. Infant mortality in these areas is as high as 160 per thousand.

In Calcutta, one-fourth of the total of 5.5 million people live in slums which cover one-eighth of the city's living space. In most of these areas, the density is more than 1,000 persons per acre, less than 30 square feet of sub-standard living space per person. Sixty-two per cent of the families in Calcutta's slums have no water supply and there is no proper lighting or ventilation. On an average, 23 persons share a latrine and in some instances 45 persons.

More than sixty per cent of the population of Kanpur lives in makeshift houses in slums. And sixty per cent of these slum settlements do not even have community latrines, and where these exist there is one for every 18 persons. Conditions in Delhi and Ahmedabad are rated to be somewhat better, with twenty per cent of the people living in slums. The enormity of rural housing problem is illustrated by the fact that, for about 360 million people, there are 54 million houses, of which 50 million need to be improved or rebuilt.



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COMMERCIAL BANKS UNDER THE PLANS

SHARP FALL IN PROFIT MARGIN, DESPITE LARGER TURNOVER

HOW have the commercial banks in India fared under the two Five-year Plans? This is a question of much exciting interest. Fortunately, one can easily provide the answer in all its aspects. For there is a wealth of information on the working of banks compiled and published by the Reserve Bank of India in a number of its annual publications. Most comprehensive of all these is the one entitled *Statistical Tables*. The latest (twentieth) in this series is that pertaining to the year 1961. The data presented in this latest edition are comprehensive and, when compared with those given in the *Tables* for the years 1956 and 1951, give a consolidated picture of the developments in the sphere of Indian banking system during the ten years 1951-61, corresponding to the first and second Plan periods. Although the *Tables* cover all the three constituent units, namely, scheduled banks, non-scheduled banks and co-operative banks, it is proposed to deal here only with the first two constituents which together comprise the commercial banking sector. Some data may not be strictly comparable, owing to changes in definition and other refinements since 1951, but this deficiency does not vitiate the broad conclusions emerging from this analysis.

Consolidation and expansion are the two most striking features of commercial banking development in the past decade. Thus, thanks to amalgamations (of weaker units with the bigger banks) and liquidation of uneconomic and inefficient banks, the number of banks in existence has gone down from 466 in 1951 to 291 in 1961, while, over the same period, the number of banks' offices has risen from 4,170 to 5,050. The decline in the number of banks is accounted for principally by the non-scheduled banks as the accompanying table shows. The number of scheduled banks has fallen but only slightly from 73 to 67 in the case of domestic banks and from 16 to 15 in the case of foreign banks. The scheduled banks have taken care to open as many branches as possible even in small places with population of less than 25,000. According to the 1961 census figures, 1,427 offices of scheduled banks were located in such places, representing 31 per cent of their total number of offices as at the end of 1961; the corresponding figures for non-scheduled banks were 330 offices and 52 per cent, respectively. There has also been a steady improvement in regard to Indian banks' offices abroad, agents and correspondents of scheduled banks in London and elsewhere, members and sub-membership of clearing houses, etc.

Liquidity Improves

Following the opening of more branches in the different parts of the country, improvement in banking facilities, spread of thrift habit among the people and, above all, the large development expenditure of the order of Rs. 10,000 crores under the development plans, necessitating a considerable amount of deficit financing, the aggregate deposits of commercial banks have registered a notable rise. They stood at Rs. 2,125 crores as on 31st December 1961, as against less than Rs. 974 crores ten years before, representing an increase of nearly 119 per cent. This large expansion in their resources has enabled the commercial banks to meet the major part of the credit requirements of trade and industry. The total of advances at the end of 1961 stood at Rs. 1,346 crores, as against Rs. 642 crores towards the close of 1951, that is, an increase of 109 per cent. The banks have, of course, been taking recourse to borrowings from the Reserve Bank, etc., but the actual borrowings in 1961 aggregated only Rs. 68 crores which, though higher than Rs. 51 crores in 1951, were much less than the total of Rs. 109 crores in 1956. There has also been a welcome improvement in the liquidity position (cash, balances with Reserve Bank and other banks, and money at call or short notice) and investments, the former from about Rs. 163 crores in 1951 to Rs. 287 crores in 1961 and the latter from Rs. 362 crores to over Rs. 674 crores.

The notable expansion in the activities of commercial banks during the last ten years has resulted in a perceptible improvement in their gross earnings which in 1961 amounted to Rs. 118 crores, as against Rs. 47 crores in 1951. The bulk of the rise is naturally accounted for by interest and discount, together aggregating Rs. 92 crores, as against Rs. 33 crores in 1951. The share of commission, exchange and brokerage was nearly Rs. 23 crores, as against Rs. 12 crores. A large part of the increase in earnings has, however, been neutralised by higher expenditure. The interest paid on deposits, borrowings, etc., alone has risen by as much as Rs. 37 crores to about Rs. 48 crores. Similarly, staff expenses have increased by Rs. 21 crores to Rs. 38 crores. Even so, the gross profit in 1961 was higher than in 1951, being Rs. 16 crores, as against Rs. 10 crores. Only, the growth in profit has not been commensurate with the expansion in business. This will be quite evident from the fact that profit-margin (that is, gross profit, expressed as a percentage to gross earnings) has sharply gone down from 21.4 per cent in 1951 to 13.4 per cent in 1961.

Banking During 1961

A brief reference to the trend and progress of banking in India during the year 1961 may also be made, so that readers may have a record for their ready reference. An interesting feature of Indian scheduled banks' balance-sheets for the year 1961 is that their owned funds (comprising paid-up capital and reserves) showed a significant rise of Rs. 2.7 crores in 1961, as compared with a nominal rise of Rs. 0.86 crore in 1960. Some of the banks, the reserves of which had already equalled their paid-up capital, strengthened them further through transfers from their profits in 1960 and 1961. The total deposits of scheduled banks registered a sizable rise in 1961 as compared with only a small increase noticed in 1960. The rise in bank credit, however, was less than that in 1960. This enabled the banks to reduce their reliance on the Reserve Bank of India. Investments in Government securities of scheduled banks, other than the State Bank of India, also recorded an increase, in contrast to the fall noted in 1960. The decline in investments of the State Bank of India is attributable to the phased transfer of P.L. 480 and P.L. 665 deposits to the Reserve Bank. The non-scheduled banks registered a further decline in their deposits and loans, mainly as a result of liquidation of some banks and amalgamation of some weaker units with the bigger banks.

Scheduled banks' earnings registered a further rise in 1961, due mainly to the increase in the level of advances and partly to a rise in their lending rates. In respect of Indian scheduled banks, earnings from loans and advances increased by Rs. 10.7 crores to Rs. 56.6 crores, as compared with the rise of Rs. 6.0 crores to Rs. 45.9 crores in 1960. On the other hand, earnings from investments in Government securities declined by Rs. 3.8 crores to Rs. 16.1 crores, following the reduction in the level of investments of the State Bank. Total current operating earnings rose by Rs. 10.9 crores to Rs. 103.3 crores, as compared with the rise of Rs. 9.2 crores in 1960. Their current operating expenses went up by Rs. 4.6 crores to Rs. 78.8 crores; the rise in 1960 was Rs. 5.0 crores. As a result, their gross profits showed a larger rise of Rs. 6.1 crores to Rs. 23.5 crores in 1961, as compared with the increase of Rs. 3.8 crores to Rs. 17.4 crores in 1960. As for foreign scheduled banks, their current operating earnings increased by Rs. 4.9 crores to Rs. 22.9 crores, in continuation of a rise of Rs. 2.5 crores in 1960. Their current operating expenses rose by Rs. 3.7 crores to Rs. 17.8 crores, whereas the rise in 1960 was Rs. 1.2 crore resulting in an increase in profits by Rs. 1.3 crore to Rs. 5.1 crores in 1961, as compared with a rise of Rs. 1.2 crore in 1960.

The number of scheduled banks' offices in the Indian Union increased by 243 to 4,393, as against the rise of 224 in 1960 and 297 in 1959. The number of offices of non-scheduled banks, however, continued to decline. The increase in the offices of the State Bank of India was 45, as compared with 78 in 1960 and 111 in 1959.

Commercial Banks Under Plans

(In crores of rupees)

	1961	1960	1956	1951
No. of Banks .. of which	291	339*	422	466
Indian Scheduled Banks ..	67	76	72	73
Foreign Scheduled Banks ..	15	16	17	16
Non-Scheduled Banks ..	209	247	333	377
No. of Banks' Offices§	5,050	4,969	4,097	4,170
Total paid-up capital	39.86	41.20	40.64	41.12
Reserves	37.10	34.04	31.41	29.60
Deposits	2,124.81	2,021.84	1,245.84	973.83
Borrowings	67.71	98.47	108.74	50.92
Advances	1,346.38	1,245.85	863.07	641.55
Liquid resources† ..	287.29	263.80	166.69	162.54
Investments	674.46	724.10	447.14	361.55
Gross earnings ..	117.87	108.36	67.18	46.61
Gross expenditure‡ ..	102.07	93.69	66.36	36.64
Gross profit	15.80	14.67	10.82	9.97
Taxation	1.82	3.88	2.42	1.47
Dividend payments ..	4.70	4.52	3.27	2.64
Ratios: Percentage to deposits of:	%	%	%	%
Bank credit ..	63.4	61.1	69.2	65.9
Investments ..	31.7	35.8	35.9	37.1
Liquid resources ..	13.4	13.5	13.4	16.7

* The number of banks actually in existence was 344.

§ The figures relate only to Indian commercial banks.

† Liquid resources include cash, balances with other banks, and money at call or short notice.

‡ Includes interest paid on deposits, borrowings, etc., staff expenses, depreciation, etc.

WANTED : A MUNICIPAL BANK IN BANGALORE

In a communication addressed to us, Mr. S. Venkat Ram, Councillor, Corporation of the City of Bangalore, writes as follows:

"In my capacity as member of the Corporation Council of Bangalore, I have moved a resolution in the Council proposing the establishment of a municipal bank in Bangalore on the lines of the Mont de-piete working in France and also in Pondicherry. According to me, the bank would take over almost entirely the pawn-brokers' trade in the city. At present, on a crude guess, there are about seven to eight hundred pawn-brokers' shops in the city. They advance loans to people mostly of the working and lower middle class, and occasionally of the well-to-do sections as well, on the basis of articles pledged. The type of articles pledged varies from garments to gold jewellery and includes such articles as watches and utensils. The rate of interest varies from 2 or 3 per cent on gold to 10 or 12½ per cent on garments, etc., per month, depending on the article and the client. In marginal cases, it may be a little more or less, rather more. This system contributes not a little to make the users of the pawn-shops perpetually indebted. On every pay day, the worker redeems his pledged article only to bring it back the next day. Indebtedness has a pronounced tendency to snowball.

"It is my proposal that the Corporation should start a bank and may restrict the type of articles to those made of metal only including utility metals, as any metal is valuable today. We may not go in for watches, garments and such other articles. Naturally our rate of interest would be reasonable, 10 per cent or so per annum. At a time when we are looking for more revenue for local bodies, this will yield revenue to the Corporation and give credit facilities to the public.

"In Pondicherry, a revenue bank of this type is functioning. The rate of interest is 8 per cent. Definite rules are laid down for assessing and granting loans on pledged articles. At the end of the term of credit, either originally agreed or subsequently extended, the article is auctioned, and balance due either to the bank or to client is settled. This is on the French model. In many other European cities also, the system is working. Some information on this is available in *Encyclopædia Britannica*."

CENTRAL REVENUE COLLECTIONS

The revenue realised from items on which duties are levied and collected by the Central Government in the first five months of the financial year 1962-63 amounted to Rs. 391.15 crores. Of this, Rs. 85.52 crores were collected during the month of August 1962. The corresponding figures for the first five months of the financial year 1961-62 and for the month of August 1961 were Rs. 338.89 crores and Rs. 68.41 crores, respectively. Following are the details of the revenue realised under various heads:

(In lakhs of rupees)

Revenue head	August		April to August	
	1962	1961	1962-63	1961-62
Customs	19,39	17,04	95,99	78,28
Union excise duties excluding cesses on salt, coal and iron ore.	45,87	38,26	2,23,48	1,90,36
Corporation tax	9,67	3,53	31,31	27,70
Income-tax	9,83	8,53	36,67	38,01
Estate duty	14	14	96	95
Taxes on wealth	23	26	1,02	1,08
Expenditure tax	..	3	2	11
Gift tax	5*	5	18*	19
Opium	34	57	1,52	2,21
TOTAL ..	85,52	68,41	3,91,15	3,38,89

* Provisional.

FOREIGN INVESTMENTS IN JAPAN

The Japanese Ministry of Finance has recently announced that regulations governing repatriation of proceeds by foreign investors from sales of their Japanese stocks, debentures and beneficiary certificates have ceased to be effective from 1st August 1962. Foreign investors can now sell their holdings and remit their proceeds home, if they had owned such acquisition for six months, instead of two consecutive years as hitherto. Under the old regulations, foreign investors could not dispose of their holdings for two years and remittance of proceeds thereof had to be made in instalments over a period of five years. The relaxation is designed to assist Japan's liberalisation of capital transactions with foreign nations, which have become active in recent years.

Foreign investments in Japanese stocks began to assume noticeable proportions in 1959. Investments by foreigners during that year aggregated $27,031,000. The amount soared to $74,151,000 in 1960 and to $116,142,000 in 1961.

PATTERN OF INCOME DISTRIBUTION DURING 1953-57

INCREASE IN DEGREE OF INEQUALITY

THE report of the Mahalanobis Committee, which was appointed in 1960 to inquire into the changes in the pattern of distribution of income and wealth and the levels of living during the first and second Plan periods, is yet to be published. It is expected to throw some light on the extent to which the economic and social policies followed during the period have helped to achieve the Plan objectives of (*a*) reduction in the inequality of income and wealth, (*b*) diffusion of economic power in the country. The Committee's findings and conclusions are bound to influence the Government's policies in the coming years. It is an indication of the extent of public interest in the subject that even some of the preliminary findings of the Committee, reported in a section of the Press, attracted wide attention.

A study of distribution of incomes in India, which is similar, in some respects, to the one that is being attempted by the Mahalanobis Committee but more limited in scope and covering a shorter period, made by Mr. P. D. Ojha and Mr. V. V. Bhatt in the Division of Planning and Special Studies, Economic Department of the Reserve Bank of India, has been published in the latest (September 1962) issue of the Reserve Bank of India *Bulletin*. The object of the study was to estimate income distribution in the household sector of Indian economy during the period 1953-54 to 1956-57 and to indicate the changes in income distribution between the two sub-periods 1953-54 to 1954-55 and 1955-56 to 1956-57 as a result of the acceleration of economic activity. The period covered by the study is thus a short one of four years, divided into two sub-periods of two years each, and corresponds to the third, fourth and fifth years of the first Plan and the first year of the second Plan. The choice of this period, which stretches uneasily across the first and second Plans, strikes one as rather odd. Anticipating this reaction, the authors have given an explanation. They say that comparable data for a more convenient and compact period, say, the first Plan period or the second Plan period, were not available. While not ignoring the statistical problem presented by the absence of relevant data, one would nevertheless wish that at least, in future, the Reserve Bank's Department would cover the Plan periods by filling up the gaps, so that it would be possible for one to make inter-Plan comparisons of the level of and changes in income distribution.

The authors have divided the Indian economy, for the purpose of their study, into three sectors: (1) Government sector, (2) corporate sector and (3) household sector, comprising individuals, non-corporate business (including agricultural sector) and private collectives like temples, educational institutions and charitable foundations. The study under reference is concerned with the last mentioned sector, namely, the household sector. The income-receiving unit for the purpose of the study is the household and not the individual. Income distribution in the household sector is estimated in terms of certain income groups as well as certain functional groups. The income groups are: (*a*) low-income group, that is, households with yearly income upto Rs. 3,000; (*b*) high-income group, that is, households with yearly income between Rs. 3,001 and Rs. 25,000, and (*c*) top-income group, that is, households with income above Rs. 25,000.

The households in the high-income group are divided into three functional groups: (1) Salary-earner group, (2) non-salary earner group and (3) farm-household group. Another classification of the household sector comprises rural households and urban households and farm households and non-farm households.

The main conclusions emerging from the authors' study are summarised below. The changes in the income distribution indicated below, it may be noted, are the result of comparison of the position in the years 1955-56 and 1956-57 (that is, Period II) with that in 1953-54 and 1954-55 (that is, Period I):

The per household personal income in each income group increased over the period, but unevenly. The increase was 0.4 per cent in the income group Rs. 0 - Rs. 3,000, 9.5 per cent in the income group Rs. 3,001 - Rs. 25,000 and 6.1 per cent in the income group Rs. 25,000 and above. The increase in the average per household personal income was 2.1 per cent, whereas the increase in per household income in the high-income group was 9.2 per cent. The increase in the per household disposable income in the three income groups (Rs. 3,000 and below, Rs. 3,001 to Rs. 25,000 and Rs. 25,000 and above) was 0.4 per cent, 9.4 per cent, and 6.5 per cent, respectively. The rate of increase in the per household disposable income of the top-income group indicates that it has not been affected, in any perceptible manner, by the high level of direct taxes, as personal income of this group rose faster than the increase in direct taxes. The per household disposable income of the high-income non-salary earner group increased by 13.6 per cent as compared with the 12.9 per cent increase in its personal income, indicating that the direct taxes for this group increased at a lower rate than its personal income.

It is beyond the scope of this brief article to deal with the estimation procedures followed by the authors of the study with regard to the number of households in each income and functional group and the distribution of income in various income groups. Nor is it possible or necessary to go into the details of income distribution during the period and the changes in income distribution in the two sub-periods. Suffice it to list here the final conclusions drawn by the authors of the study. The first conclusion is that the degree of inequality in the income distribution increased somewhat during Period II covering the years 1955-56 and 1956-57, as compared with Period I covering the years 1953-54 and 1954-55. This was more or less entirely due to a substantial increase in the per household income of the high-income, non-salary earner group. This was also the reason for the differential rates of increase in the per household personal income of the high-income rural and urban group and the high income farm and non-farm household groups.

Another conclusion drawn by them is that the urban low-income group as a whole suffered a decline in its per household personal income. Factory employees, however, were an exception in that they experienced the largest increase in their personal income among all the low-income groups. This again shows that factory workers had fared far better by comparison with other sectors of the urban population.

Finally, as already stated, the direct taxes prevailing in those years did not affect the pattern of changes in personal income to any significant extent. For the high-income non-salary earner group in particular, the increase in direct taxes was less than that in this group's personal income. This clearly suggests that self-employed people like doctors, lawyers, hotel proprietors, middlemen, traders, and manufacturers came out better off financially during the period under review than salaried employees in the private and public sectors alike.

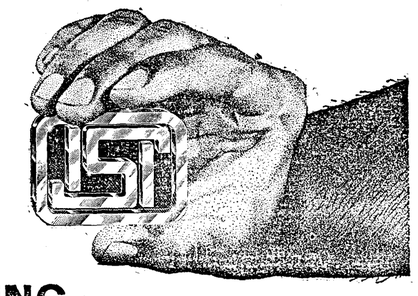
Notice

BURN AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Registers of Members and Share Transfer Books for 6 per cent and 7 per cent Preference Shares in the Company will remain closed from the 26th October to the 31st October, 1962, both days inclusive, for the purpose of payment of Preference Dividends for the half-year ending 31st October, 1962, on or after the 10th November, 1962, to those Preference Shareholders whose names appear on the Company's Registers of Members for 6 per cent and 7 per cent Preference Shares on the 31st October, 1962, or to their mandatees.

By Order of the Board,
MARTIN BURN LTD.,
S. GUPTA,
Managing Director,
Managing Agents.

Registered Office:
12, MISSION ROW,
CALCUTTA-1.
15th October, 1962.



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INDIVIDUAL AND CORPORATE INCOMES

TAX STATISTICS ANALYSED

THE official statistics pertaining to income-tax revenue, especially for the period 1953-54 to 1959-60, are more or less comparable in spite of their limitations. It is possible to deduce the broad changes that have occurred during that period in the incomes and tax liabilities of those coming under the purview of the Indian Income-tax Act of 1922, that is, in the non-agricultural sector of the economy. But the limitations of the data have to be kept in mind before any meaningful, though restricted, interpretation is attempted. This is precisely what the latest (April-July 1962) issue of the *Tata Quarterly* has done in its peep into income-tax statistics. Three important limitations have been set out, at the very outset, by the *Tata Quarterly*. These are:

(a) The statistics of assessments relate to *assessments completed* in a financial year. Assessments of a given year thus include a large number of assessments for earlier years and exclude the assessments carried over to the next year. Consequently, they include two or more assessments of the same assessee in a particular financial year. Hence, the number of assessments do not strictly correspond with the number of assessees. The fluctuations in the number of assessments may not, therefore, be entirely due to the increase or decrease in the number of assessees.

(b) The statistics of assessments cover only those *assessments which result in a positive demand*. Assessments of new industrial undertakings falling under Section 15-C of the Indian Income-tax Act or cases where the entire income is absorbed by depreciation allowances and development rebate, etc., are left out.

(c) *The figures of tax assessed are not the figures of actual tax collections* but only of the *demand made on assessees*. Tax collected is usually, though not always, lower than the tax assessed owing to the scaling down of tax demand as a result of appeals.

It must also be remembered that the fluctuations in assessments referred to in (a) above may be caused by a number of factors, such as (i) changes in the statutory exemption limit of taxable income, (ii) changes in national income and/or its re-distribution, (iii) erratic operation of Section 15-C of the Income-tax Act, and the provisions regarding depreciation allowances, development rebate, etc., and (iv) the degree of vigilance shown by the tax-gathering authorities. The *Tata Quarterly* study has mentioned these qualifications and explanations before proceeding to analyse and interpret the income-tax statistics of the period under reference. The study has highlighted several interesting trends in a few tables worked out from the basic statistics.

Table I, to begin with, presents the number of assessments, income and tax assessed and national income at current prices. *Here the figures of national income do not include agricultural income as the latter is not subject to tax.* It must also be noted that assessments of a given year are correlated to the national income of the year preceding because income assessed in any particular year relates to the income earned in a previous year. One of the findings of the study, based on this table, is that the steady increase in the number of assessments and income assessed since 1954-55 is attributable to (i) the rise in national income, (ii) the lowering of the statutory exemption limit for income-tax (from Rs. 4,200 per annum for individuals and Rs. 8,400 for Hindu undivided families in 1953-54 to Rs. 3,000 and Rs. 6,000, respectively, in 1957-58), and (iii) perhaps, greater vigilance shown by the tax-gathering authorities. Another finding is that the volume of income assessed as a proportion of national income constituted only 18 per cent of the taxable national income in 1959-60, as compared with roughly 70 per cent in the United States and 84 per cent in Great Britain. The low ratio in India is explained by the circumstance that the incomes of large masses of people are below the statutory exemption limit of Rs. 3,000. A third finding is that the increase in tax assessed over the period under study is also the combined result of the growth of income assessed and the increase in tax rates upto 1956-57.

In Table II are presented the figures of assessments and of income and tax assessed for the two important classes, namely, individuals and companies, which account for the bulk of the income-tax revenue. It will be seen from this table that there was a sharp decline in 1954-55 in income and tax assessed, chiefly on account of companies. According to the authors of the study, there is no satisfactory explanation for the decline in the assessment of corporate income and tax in that year. But there is an explanation for the similar decline in 1959-60. It is that there was no assessment, in that year, of some of the new big companies, particularly the oil refineries, *owing* to the operation of exemptions such as development rebate, depreciation allowances, etc.

While examining the magnitude of changes according to the principal types of assessees, the *Tata Quarterly* study has highlighted a significant trend in respect of Hindu undivided families. Although the total number of assessments of these families increased from 39,491 to 54,608 during the period under study, the volume of income and tax assessed did not increase *pari passu*, for the increase in the number of assessments mainly occurred in the low-income group. Amongst Hindu undivided families, assessees having an income of above Rs. 40,000 have been gradually declining. Thus, for instance, in 1953-54, there were 2,099 assessees in this slab, with a total assured income of Rs. 18.2 crores and a tax liability of Rs. 8.4 crores, whereas in 1959-60 the number of assessees fell to 1,759, with a total assessed income of Rs. 14.6 crores and a tax liability of Rs. 6.9 crores. The significant trend noted here by the authors of the study is that Hindu undivided families with large incomes seem to be gradually disintegrating and/or partitioning themselves.

Distribution of Income

An idea of the distribution of income in different groups and the average tax liability of each group may be had from Table III. It will be noticed that the bulk of the increase in income occurred in the income range below Rs. 5,001. While a large part of this increase is obviously due to the lowering of the exemption limit from Rs. 4,200 in 1953-54 to Rs. 3,000 in 1957-58, some part of it may be due to the rise in national income. Another significant trend noticed is that the increase in the amount of income assessed in 1959-60 over 1953-54 in each income group is of a diminishing order of magnitude. Above Rs. 2 lakhs, the amount of assessed income showed a sharp decline in 1959-60, as compared with 1953-54, the decline being sharper for each of the higher steps of the income ladder. The inference may, therefore, be drawn that the tax policy of the Government has been successful, to some extent, in discouraging the earning of large fortunes.

In Table IV are presented the statistics of assessed income from all sources together (salaries, interest on securities, property, business and professions, capital gains, incomes accruing or arising abroad and incomes from dividends) and from "business and professions" separately. What clearly emerges from this table is the importance of those who earn their livelihood from "business and professions." It is most significant that more than 55 per cent of the total income assessed and more than 63 per cent of the total tax assessed are accounted for by this class. But, within this class which covers nine groups of trades and professions, the greatest beneficiaries of planned economic development in India have been the traders and contractors. The average annual rate of growth in income, it may be noted in this connection, was nearly 13 per cent for the commerce and transport group and 16 per cent for the construction group during the period under study. On the contrary, the manufacturing groups (four in all) registered rates of income growth ranging from about 2.0 per cent to 7.5 per cent per annum only. This conclusion, however, needs to be qualified by the statement that, in view of the various exemptions available under the Income-tax Act in favour of manufacturing activities, their incomes may not be fully reflected in income-tax statistics.

The *Tata Quarterly* study has also examined the assessment of "business and professions" by the types of assessees (individuals, Hindu undivided families, unregistered firms, registered firms, and companies). But the relevant breakdown figures are available only for 1959-60. From these figures the conclusion is drawn that

(*Continued on page 701*)

TABLE I—*Assessments and National Income*

Year	Assessments	Income	Tax*	National income†	(2)‡ as % of (4)
	(1)	(2)	(3)	(4)	(5)
	'000s	Rupees crores			
1952-53	—	—	—	5110	—
1953-54	506	781	190	5280	15.3
1954-55	496	760	177	5380	14.4
1955-56	528	785	182	5590	14.6
1956-57	580	936	217	5930	16.7
1957-58	673	1011	222	6260	17.0
1958-59	840	1174	254	6520	18.8
1959-60	891	1192	230	—	18.3
Increase in 1959-60 over 1953-54 ..	75.9%	52.6%	20.8%	27.6%§	

* Includes Income-tax, Super-tax and Surcharge.
† At current prices; excluding agricultural incomes.
‡ Since plantations are subject to income-tax, national income figures exclusive of agricultural income are an under-estimate as the figures of agricultural income given in the National Income Papers are inclusive of plantation incomes. Consequently, the ratio of income assessed to national income (excluding agriculture) would actually be slightly lower than that presented in this table.
§ Percentage increase in 1958-59 over 1952-53.

TABLE II—*Income Tax Assessments by Types of Assessees*

Year	Total*			Individuals			Companies		
	Assessments	Income	Tax†	Assessments	Income	Tax†	Assessments	Income	Tax†
	No.	Rs. crores		No.	Rs. crores		No.	Rs. crores	
1953-54	5,06,396	781.26	190.44	4,39,340 (86.8)	470.39 (60.2)	75.22 (39.5)	9,933 (2.0)	219.96 (28.2)	96.36 (50.6)
1954-55	4,95,720	759.66	177.47	4,26,411 (86.0)	469.23 (61.8)	72.96 (41.1)	9,455 (1.9)	197.54 (26.0)	86.79 (48.9)
1955-56	5,27,737	784.91	181.92	4,54,695 (86.2)	500.54 (63.8)	79.41 (43.7)	10,261 (1.9)	188.14 (24.0)	82.46 (45.3)
1956-57	5,79,901	935.67	216.57	4,99,621 (86.2)	551.83 (59.0)	87.57 (40.4)	10,780 (1.9)	235.94 (25.2)	108.49 (50.1)
1957-58	6,73,378	1010.52	222.16	5,70,172 (84.7)	605.02 (59.9)	90.32 (40.7)	10,989 (1.6)	219.70 (21.7)	110.51 (49.7)
1958-59	8,40,137	1173.95	254.12	7,17,340 (85.4)	693.66 (59.1)	94.63 (37.2)	10,778 (1.3)	265.93 (22.7)	137.40 (54.1)
1959-60	8,90,887	1192.06	230.10	7,68,063 (86.2)	742.15 (62.3)	96.47 (41.9)	10,088‡ (1.1)	213.60‡ (17.9)	109.90‡ (47.8)

Note: Figures in brackets indicate percentage to total.
* Including Hindu Undivided Families, Unregistered firms and Associations of persons and Registered firms besides individuals and companies.
† Income-tax, Super-tax and Surcharge. ‡ Including others.

TABLE III—*Distribution of Income Before Tax of Individuals*

Range of Income	1953-54		1959-60		Change in income assessed in 1959-60 over 1953-54 (per cent)
	Income (Rs. crores)	Average rate of tax (per cent)	Income (Rs. crores)	Average rate of tax (per cent)	
Up to Rs. 5,000	59.5	2.1	115.7	1.1	+ 95
5,001— 10,000	123.5	3.5	201.4	2.8	+63
10,001— 15,000	61.9	6.3	109.8	6.0	+77
15,001— 25,000	66.3	10.0	112.2	10.5	+69
25,001— 40,000	50.9	18.5	78.3	20.0	+54
40,001— 70,000	42.3	30.2	61.6	32.3	+46
70,001—100,000	17.5	41.8	22.6	45.1	+29
100,001—200,000	21.1	54.2	21.8	56.3	+ 4
200,001—300,000	8.7	60.2	6.9	64.8	—20
300,001—400,000	3.9	64.1	3.1	68.4	—21
400,001—500,000	3.2	67.2	2.0	69.4	—39
Above 500,000	11.7	70.9	6.8	76.4	—42
Total	470.4	16.0	742.2	13.0	+58

TABLE IV—*Assessments of Income from Business and Professions*

	All sources			Business & Professions		
	Assessments	Income	Tax	Assessments	Income	Tax
	'000s	Rs. crores		'000s	Rs. crores	
1953-54 ..	826	790.2	217.1	257	455.3 (57.6)	144.9 (66.7)
1954-55 ..	805	768.7	203.0	262	429.0 (55.8)	129.0 (63.6)
1955-56 ..	847	794.3	207.5	284	452.1 (56.9)	138.0 (66.5)
1956-57 ..	936	945.5	256.1	325	574.7 (60.8)	173.7 (67.8)
1957-58 ..	1,064	1020.7	264.4	382	580.9 (56.9)	167.8 (63.5)
1958-59 ..	1,300	1183.8	308.8	467	679.8 (57.4)	202.6 (65.6)
1959-60 ..	1,389	1204.6	282.8	489	677.4 (56.2)	182.8 (61.6)

Note: Figures in brackets indicate income and tax assessed from business and professions as percentage of income and tax assessed from all sources respectively.
* They are classified under 7 categories viz. incomes from (i) salaries, (ii) interest on securities, (iii) property, (iv) business and professions, (v) capital gains, (vi) incomes accruing or arising abroad, and (vii) other sources which include mainly incomes from dividends.

DESULTORY OFFTAKE OF TEXTILES

MORE PRINT WORKS CLOSED DOWN

From Our Special Correspondent

MANCHESTER, *9th October*

SOME expansion in demand has been apparent in the Manchester yarn and cloth market over the past few weeks, but the resultant turnover still falls considerably short of the business which might conceivably have been expected at this time of the year. There remains much disquiet among traders as to the outcome of this desultory offtake in the shape of eventual additional curtailment of machine activity.

MANCHESTER LETTER

Although chairmen's reports of public companies must, of necessity, cover the previous year's workings, their statements generally offer some guidance to the future and present a picture of the industry from which some indication can be secured of current trends. Two such documents recently circulated to shareholders provide useful background to the existing situation.

Emphasis on Selling

Mr. Eric Cartwright, Chairman of Barlow and Jones Ltd., has put on record his personal opinion that, if the textile trade is to continue at anywhere near its present level, there must be large units, not necessarily of mammoth size, which control every link in the chain of operations, particularly the selling of the finished product. Emphasis on selling, indeed, is a key point in the opinions cited by most *trade commentators. In contrast to many other* companies involved in similar activities, the fine spinning mills of Barlow and Jones, according to Mr. Cartwright, earned slightly larger profits than in the previous year. Production is now running at a record level, with the newly-equipped mill, on which about £1 *million* has been expended, providing the main contribution. This unit is operating at 105 hours *a week and the output of the group* as a whole is 10 per cent above the rate before reorganisation, although the number of spindles has been reduced by over 40 per cent.

Like many other firms, however, Barlow and Jones is deferring final decisions on further expenditure until the outlook is clearer. Despite the use of the most modern machinery in order to produce competitively, present margins show a very low return on money invested.

Printers' Difficulties

Mr. Roger Lee, Chairman of Calico Printers' Association, describes trading conditions during the past year as being the most difficult of any in living memory. The printing section among the finishing trade as a whole was handicapped, he says, by its reorganisation scheme being launched after the redundancy programmes for spinning and weaving. Decisions had to be made at a time of inflated demand for finishing services due to overbuying by merchants after the turmoil which followed the widespread scrapping of spindles and looms.

Three major reasons for the poor state of *trade quoted by Mr. Lee are the weather*, the throwing open of the home trade to imports of cheap prints from Far Eastern and other countries, and the general uncertainty affecting all industries. Three successive poor summers must inevitably affect the print trade and induce nervousness among customers. Coupled with the complicated position of imports, it is scarcely surprising that the Association's financial results have been *severely* affected. More print works have been closed and, at present, *the group is engaged in* overhauling its selling methods and, like many others, carrying out strict economies both in staff and office space.

On the merchanting side, the Company cannot fail to be concerned about the sustained reduction in shipments from this country to Commonwealth areas which have for many years been the mainstay of our export trade. This has been very noticeable in West Africa, while increasing tariffs on textile goods entering Australia have been another source of profound discouragement.

Indicative of the way in which textile firms are having to reorganise their own internal affairs in the light of changed circumstances is the rearrangement of the printing done by the Association for its merchant subsidiary companies. The past year's experience, says Mr. Lee, has heavily underlined the risks inherent in the fashion print trade and has shown the desirability of reducing the group's investment in it, if this can be done without affecting efficiency at the print works.

The effects of this *reorganisation will* be to release within the next two years some £500,000 of capital at present employed in the dress division and to reduce operating costs by a very substantial amount. The number of designs produced to stock will be reduced by about one-third and the whole production marketed under two brands, and through two sales organisations, instead of three.

Changed Cloth Basis

Some adjustments have *lately been made* in the basis on which the Board of Trade fixes its price index for both cotton cloth and rayon and acetate fabric. Although the figures still relate to the index number of 100 being the average price in 1954 of selected cloth constructions, the alterations revert back to the beginning of 1961 in the case of rayon cloth, and from the start of the current year in cotton material.

The highest point in cotton goods was reached in the early months of 1961, after which the fall has been steady and uninterrupted. Steadiness in the cost of rayon fabrics, which reached their peak in May last year, has *suffered some setback in the last few months*, so that the current level is only slightly higher than the annual average in 1960. Contrary to experience in the past, however, the index number for raw cotton has varied little in recent years. The Board of Trade index (based on 100 being the 1954 average) shows raw cotton at 73.6 at the end of 1959, 75.9 a year later, 74.7 at the beginning of 1962, and 73.1 in July this year.

On the same basis, the average cost of cotton yarn has fallen from 98.3 to 90.0 in the past 12 months, and the index for spun rayon yarn has been reduced from 100.0 to 91.8.

The following table shows comparative figures which offer a general guide to the trend of values:

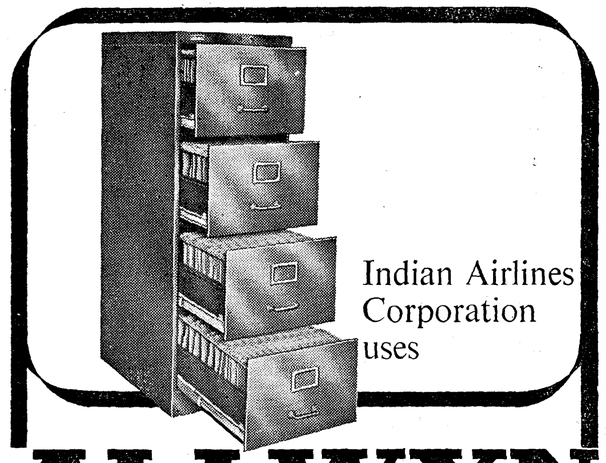
1961	Cotton cloth	Rayon cloth	1962	Cotton cloth	Rayon cloth
January ..	108.4	113.7	January ..	100.2	114.5
February ..	108.7	113.7	February ..	99.1	114.3
March ..	108.7	114.3	March ..	98.3	113.7
April ..	108.2	114.5	April ..	97.6	113.4
May ..	108.0	114.6	May ..	96.8	113.3
June ..	107.5	114.3	June ..	96.2	113.0
July ..	107.3	114.4	July ..	96.2	112.7
August ..	106.7	114.4	Annual Averages—		
September ..	105.6	114.4	1959 ..	90.0	104.9
October ..	104.2	114.4	1960 ..	103.7	112.0
November ..	102.9	114.4	1961 ..	106.6	114.3
December ..	102.8	114.3			

Textiles, having for long been an industry predominantly staffed by women, must naturally be interested in any investigation into the availability of female labour in this country in the future. The fact that the tendency towards three-shift working and more automation in the mills may well tend to equalise the ratio between men and women staffing spindles and looms does not detract from the importance of womanpower in the industry.

For this reason, a contribution by Professor T. E. Chester of Manchester University to the latest issue of the *District Bank Review*, coupled with research at present being undertaken at that university, should be of some value to those concerned with the cotton trade. The investigation centres on such basic questions as how long do women work on average before they marry, when and under what circumstances do they return and how long do they stay subsequently at their jobs.

National statistics on the employment of women generally show very definite trends during the past decade. For example, married

(*Continued on page 698*)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BARODA RAYON TO COMMENCE PRODUCTION SOON

PLANS FOR STAPLE FIBRE YARN MANUFACTURE

VISCOSE rayon is a regenerated fibre, that is, a natural cellulose of plant material dissolved and reprecipitated in a different form which may be either a continuous composite thread or cut into staple lengths. The principal raw materials required to produce viscose rayon yarn are wood-pulp (obtained usually from such coniferous trees as spruce, pins, hemlock and beech usually found in temperate zones), caustic soda, carbon disulphide and sulphuric acid. It was way back in 1892 that the process of making viscose rayon yarn was first discovered by Mr. C. F. Cross and Mr. E. J. Bevan. But so far as India was concerned, efforts to manufacture rayon yarn began only after the end of the Second World War. The Travancore Rayons' plant at Perambavoor (now Rayonpuram) was the first to go into production (in July 1950), followed by the National Rayon Corporation's plant at Kalyan in Bombay (in February 1951); both these factories have adopted the viscose process. The third plant to go into production (in 1953) was Sirsilk Ltd. at Kaghazpur in former Hyderabad State now part of Andhra; it is equipped to produce cellulose acetate filament yarn. The three units together had an annual capacity of 22.3 million lbs. at the beginning of the second Plan. The expansion of these units (by an additional 8.4 million lbs.) and the establishment of three new factories (Century Rayons in Bombay, J.K. Rayon in Kanpur and Kesoram Cotton in Calcutta, with a combined capacity of 21.6 million lbs.) raised the aggregate capacity of the six units to 52.3 million lbs. by 1st April 1961—48.3 million lbs. of viscose filament and 4.0 million lbs. of cellulose acetate filament. After the third Plan began—in October 1961—the South Indian Viscose mill with a capacity of 8.0 million lbs. commenced operation. Two new viscose rayon mills are being set up, namely, Baroda Rayons at Udhna (Surat) and Indian Rayons at Veraval. Besides, Century Rayons at Bombay and Delhi Cloth at Delhi are putting up new plants for manufacturing viscose rayon tyre cords.

Financing of Project

The idea of putting up a viscose rayon yarn spinning plant at Udhna in Surat was originally conceived by Mr. Babubhai M. Chinai of the House of Chinais who have successfully established the National Rayon Corporation. The Baroda Rayon Corporation was registered in May 1958 with an authorised capital of Rs. 10 crores; the issued capital is Rs. 4.90 crores in 490,000 equity shares of Rs. 100 each, while the actual paid-up capital is Rs. 4.76 crores. The Company obtained in September 1959 an industrial licence to set up a factory with a capacity to produce 61 tons of continuous filament rayon yarn on 100 denier basis per day, together with plants to produce every day 20 tons of sulphuric acid, 10 tons of sodium sulphate and 5 tons of carbon-disulphide. The Company also obtained an import licence worth Rs. 3 crores under yen credit for getting the necessary machinery and equipment from Japan. The preliminary work at Udhna was started in November 1960. Eight months later, that is, in July 1961, the Government permitted the Company to expand the capacity of the rayon yarn plant from 6½ tons to 7½ tons a day and that of sulphuric acid plant from 20 tons to 40 tons. The capacity of rayon yarn plant has since been stepped up to 9 tons per day. The whole project is estimated to cost Rs. 8 crores. This sum has been met out of equity issue (Rs. 4.76 crores) and a long-term loan of Rs. 2.93 crores granted by the Industrial Finance Corporation of India. More recently, the Company secured official permission to raise the capacity of the plant still further to 11¼ tons per day; this expansion is estimated to involve an additional expenditure of Rs. 60-65 lakhs.

The trial operations of the rayon yarn manufacturing plant will commence on the 31st of this month and full-scale production in March or April next. The Company has already imported and stocked sufficient quantities of wood-pulp and sulphur. In order to achieve the licensed expanded capacity of the rayon plant, the management has already taken effective steps. Provision has been made in the main plant building to accommodate eight more spinning frames, in addition to the existing 30 frames. The Company is awaiting a licence to import the required machinery and equipment; the delay in getting the licence is due to foreign exchange difficulties. The Company has also approached a leading financial institution for credit facilities in the form of both foreign exchange and rupees. Meanwhile, the Company has plans to put up a caustic soda plant with a daily capacity of 20 tons and a staple fibre yarn plant with a capacity of 40 tons a day.

Taking the present licensed capacity of 11¼ tons per day, the actual output of rayon yarn will amount to nearly 3.25 million lbs. (150 deniers and 120 deniers) per annum. In terms of value, the annual output is expected to be of the order of Rs. 3 crores. Since imports of wood-pulp and sulphur will cost Rs. 40 lakhs, this factory's production will result in a saving of foreign exchange amounting to Rs. 2.60 crores which would otherwise have to be spent on imports of foreign yarn. Half of the production will be yarn on sized beams, the other half being in cones. The yarns that will be produced are assured of a ready market, inasmuch as 33 per cent of the powerlooms using rayon yarn are located in the vicinity of Surat. Moreover, the quality of the yarn, it is claimed, will be of a high order. For the factory is equipped with most modern and up-to-date machinery supplied by the Mitsubishi Shoji Kaisha of Japan and the technical know-how and engineering services are provided by the Asahi Chemical Industry Company, also of Japan, both of which occupy a very high position in the field of rayon. A team of 30 highly skilled Japanese technicians has helped in installing the plant. The Company's Indian technicians have also received comprehensive training in Japan.

From the point of view of production cost, too, the Baroda rayon factory possesses a distinct advantage. Since the factory generates its own power and has made arrangements to get water direct from the river Tapti and since the Gujarat Government has given complete exemption from electricity and water taxes, the Company does not have to incur large recurring expenditure on these accounts. On an average, the reduction in cost of production, we are told, will be to the tune of half of one per cent. The thermal power plant has two generating sets each of 5,000 kw. capacity. It has been erected at a cost of Rs. 1.15 crore. The Company has placed orders for the machinery to convert the present coal firing boilers into oil firing boilers, so that shortage of coal may not hinder power supply. Regular and adequate power and water supply is a prime necessity, because manufacture of rayon is a continuous process. Emphasising this aspect, Mr. Rangilbhai B. Chinai, Resident Agent of the Company, while talking to Pressmen at Surat early this week, stated:

"Power cut, even for a few seconds, may result in a heavy loss. In case of power failure, we will have to throw away the entire viscose which will result in a loss of about anywhere from Rs. 20,000 or more depending on the duration of failure. Similar is the case with water; we could not succeed in getting enough water in the nearby area. So we had to go a long way—nearly seven miles—to bring water. We have six tube-wells at the bed of Tapti river and we have set up our pumping station there. We have nearly 34,000 feet of water pipeline which passes through the lands belonging to various private parties and Government authorities. The production of rayon requires lots and lots of water. Manufacturing of one pound of rayon requires 250 gallons of water. Our capacity of percolation wells is 6 million gallons at Varacha and the remaining water for cooling will be taken from our tube-wells at the site."

The cost of pumping station and water pipeline is estimated at Rs. 15 lakhs and Rs. 22 lakhs, respectively. A plant to treat water chemically before use in the manufacture of rayon yarn has also been installed. As the water supply will be much more than what the factory actually requires, the Company can expect to earn some money by making available the supplies to other parties. Several parties have already approached the Company for water supply.

The total factory area is 320 acres. The buildings housing the rayon plant, as well as the sulphuric acid, carbon-di-oxide and sodium sulphate plants, are scientifically planned and constructed, under the direction of Japanese technical collaborators so as to achieve maximum benefit in manufacturing operations. The Company has also put up godowns for storing raw materials and finished products. The number of workers and staff employed in the initial stage of working will be about 1,200. The factory has a residential colony accommodating 96 families and 44 bachelors. About 192 workers' family tenements are expected to be constructed immediately. The management has plans for various welfare activities. It is intended to provide shortly a consumer co-operative society, shopping centre, children's park, playground, garden and club-house. A hospital and a school will be established later.

The Baroda Rayon Corporation has an influential Board headed by Maharaja Fatesinhrao P. Gaekwad of Baroda. Messrs. Gaekwad Chinai and Co. (Private) Ltd. are the Managing Agents. The Company is taking full advantage of the benefit of tax-holiday of five years granted to new companies under Section 84 of the Indian Income-tax Act. With all the distinct advantages enjoyed by it, the 28,000 shareholders of the Company can certainly look forward to getting a reasonable return on capital in a reasonable period of time.

TUSSAR SILK FABRICS

It will be recalled that on 7th April 1961, the Chief Controller of Imports and Exports, New Delhi, announced the grant of import licence for coal-tar dyes and textile chemicals against export of tussar silk fabrics. The goods for export, it was stated, were to be inspected by the Textile Commissioner and import licences were to be issued on the production of certificate from the Textile Commissioner recommending grant of such licences. In view, however, of the fact that it has not been possible to arrange so for the pre-shipment inspection of the material, it has been decided that the Joint Chief Controller of Imports and Exports, Bombay, will grant import licences without a certificate for inspection of the goods by the Textile Commissioner, Bombay, in respect of exports of tussar fabrics effected from 1st April, 1961 onwards and until further notice.

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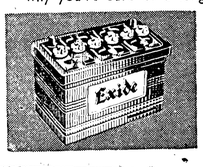

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SOVIET OIL EXPORTS MARK TIME

REFINERY CAPACITY PRETTY FULLY UTILISED

AFTER advancing at an average annual rate of 37 per cent (compound) for three years, exports of oil from the Soviet bloc are now marking time. This is the striking conclusion that emerges from a study of the available trade statistics for the first half of this year. During these six months, net exports of crude and products from the Soviet sphere to the rest of the world amounted to 15¼ million tons—much the same quantity as in January-June, 1961. Some of the importers took rather more, others rather less; but the general pattern of the trade showed comparatively little change.

Several factors seem to have been responsible for this significant check to the expansion of Communist exports. There is, for example, a growing realisation in some countries of the risks inherent in undue dependence on sources behind the Iron Curtain. Again, most of the possible outlets for Russian oil are already being supplied from this source, and the past year has seen no important windfalls such as that provided by Cuba in 1960. Finally, the small increase in the prices charged by the Russians, against a background of continuing competition from established marketers, has damped the enthusiasm of some buyers in Europe and Japan. It seems also to imply that the pressure to export Russian oil—at least petroleum products—is not so strong as it was; there are, indeed, indications that refinery capacity in the Soviet bloc is pretty fully utilised.

The table accompanying this article reveals the pattern of trade by country of destination in the two half-years under review, together with the estimates for the whole of 1961. (In comparing the half-year figures with annual totals, seasonal factors may have to be taken into account.) The latest figures given must be regarded as approximations only; because of the incompleteness of the data, the estimates have been rounded to the nearest hundred thousand tons.

Two-thirds of Soviet bloc oil exports are still consigned to Europe, almost every European country figuring on the list of buyers. And of the European total, rather more than half is taken by the six countries of the Common Market. That the latter countries would actually reduce their total purchases of Soviet oil this year was forecast in an official E.E.C. study;

*Estimated Soviet Bloc Oil Exports**

	Year 1961	First Half 1961	First Half 1962
To Europe:			
Italy	6.5	2.9	3.5
W. Germany	3.9	2.2	2.2
Sweden	2.5	1.3	1.2
Finland	2.3	1.1	1.2
Austria	1.0	0.5	0.6
France	1.0	0.5	0.5
Greece	1.1	0.5	0.4
Other Europe	1.5	0.7	0.7
Sub-Total	19.8	9.7	10.3
To Rest of World:			
Cuba	3.7	2.1	2.0
Japan	3.0	1.3	1.6
Egypt	2.3	1.2	0.7
India	0.2	0.1	0.2
Brazil	0.3	0.2	—
Other countries	1.1	0.4	0.5
Total	30.4	15.0	15.3

* Mostly from the U.S.S.R.; including crude oil and products.

the total envisaged for this year was 10.7 million metric tons, equal to just over 8 per cent of E.E.C. imports from all sources excluding Algeria, against 11.1 million last year. This decline is not evident in the figures for the first six months. If it occurs in the second half, it will materially affect the total picture.

Turning to individual countries, Italy still heads the list of customers, with E.N.I. as the main importer. Its purchases have been substantially higher this year than last, June shipments being particularly heavy. The Italian Government has, however, been under increasing pressure from its Common Market partners to reduce the country's dependence on Communist oil, and this pressure must be expected to have some effect. Incidentally, Italian imports of Russian crude for refining in bond for re-export are forecast to drop from 1.3 million tons in 1961 to 1 million this year—which may slightly reduce the available supply of cut-priced products for West European markets.

The German Federal Republic, which imports oil from East Germany, Rumania and Hungary, as well as from the U.S.S.R., has been buying on much the same scale as in the first half of last year. The same is true of France, whose trade agreement with the U.S.S.R., envisages an import of 1.1 million tons this year. This figure, which may not be attained in fact, is the same as that for 1961, which was reduced in relation to 1960 in order to make room for growing supplies from the Sahara. Austria, which envisages a gradual expansion of its oil purchases from Russia up to 1965, has been buying rather higher quantities this year than last. Greece, on the other hand, in its new 1962-64 trade agreement, has somewhat reduced its prospective import quota from the U.S.S.R. to 750,000 tons a year; and, at least so far as black oils are concerned, the Russians have lately seemed to be having difficulties in meeting their commitments.

Among the Scandinavians, Sweden has a trade agreement with the Russians which provides for a slow expansion of the oil trade, from 2.5-2.7 million tons in 1961 to 2.5-2.8 million this year and to 2.7-3.0 million in 1963. But, although actual imports (mostly fuel oil) jumped up last year, they fell short of the target figure; and they fell back slightly during the first half of 1962. Finland's imports from Russia were virtually unchanged in 1961, but the protocol for 1962 provides for a modest increase; and the figures for the first half are consistent with the target rate of 2.4-2.7 million tons. (Because of seasonal factors, shipments tend to be higher in the second half.)

Outside Europe, Dr. Castro is the Communists' best customer, and Moscow has given ample evidence of its desire to help him in all possible ways. The Russians have reported that 15 of their tankers (all, so far, of modest size) are currently engaged on shipping oil to Cuba, apart from a considerable number of chartered vessels. Shipments during the first half of this year seem to have been of the order of 2 million tons, or much the same as in the corresponding period of 1961, though this may possibly be an underestimate.

Next on the list is Japan—where Moscow has entertained hopes of eventually selling 10 million tons of oil a year. The current trade agreement envisages shipments of 3.4 million tons (crude and black oils) this year, and it looks as though this rate will not be significantly exceeded. Negtiations for a new trade agreement between Japan and Russia are to start this month; and the Japanese, who recently booked a $100 million shipbuilding order from the Russians, will doubtless be under pressure to increase their offtake of oil.

Egyptian imports from the Soviet bloc were expected to fall to little more than 1.5 million tons this year in view of the growth of crude oil production at home; and the estimate of 0.7 million for the first half is consistent with this. Soviet shipments (of refined products) to India, on the other hand, are estimated to have increased—and further growth is expected. So far as Brazil is concerned, for reasons that are not clear, shipments from the Soviet bloc appear to have fallen to negligible proportions in the first half of this year.

The standstill in Soviet oil exports revealed in the latest statistics is a new phenomenon. Only the boldest prophet would have predicted such an occurrence six months ago, though we ourselves referred to the growing difficulty of expanding in existing markets and of securing new ones. The question in everyone's mind will be whether the period of dynamic growth has now come to an abrupt end or whether the phase of marking time is the prelude to a fresh advance.

In assessing market prospects, it must be remembered that the Communist bloc is now dependent on six countries—Italy, West Germany, Cuba, Japan, Sweden and Finland, in that order—for three-quarters of its total oil sales. Clearly, developments in these six countries, each of which absorbs over a million tons a year, will decisively influence the future course of the Soviet oil trade. But, in each of the six, with the exception of Japan, the Russians would now appear to have only limited scope for increasing their share of the market.—*By special arrangement with* ***Petroleum Press Service.***

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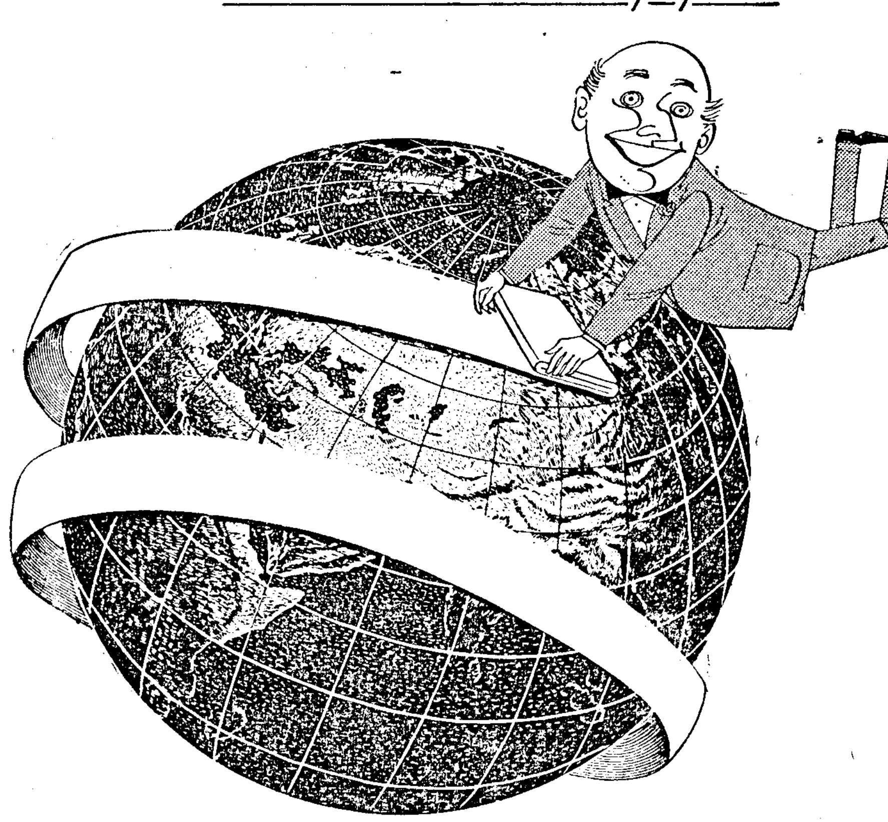

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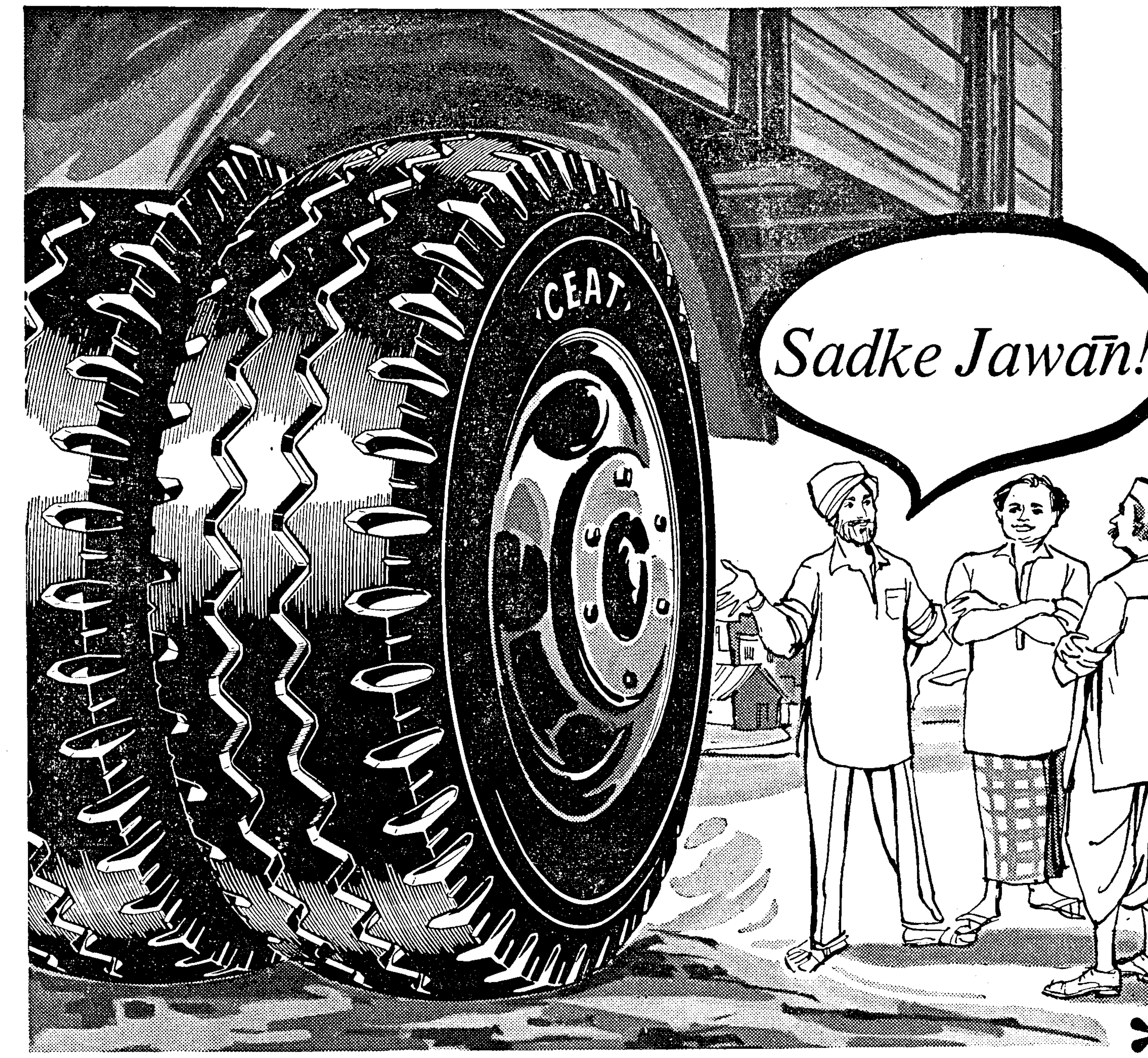

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JUTE GOODS STOCKS ACCUMULATE

CAUTIOUS ATTITUDE TO MAINTAINING PRODUCTION AT HIGH LEVEL

THE jute mills are somewhat perturbed over the marked increase in stocks of manufactured goods lying unsold with them; the total of these stocks as on 30th September 1962 stood at 92,800 metric tons, as against 80,300 tons three months before and 52,400 tons a year before. In view of the heavy accumulations of stocks and after taking into account the current rate of offtake, the Indian Jute Mills' Association has developed a rather cautious attitude in regard to production. At its meeting held at Calcutta on Friday last week, the I.J.M.A. Committee decided to extend the present maximum level of production by its member-mills only for ten more days after the end of this month; extensions hitherto were being done on monthly basis. The Association has, of course, stated that it will review the position early next month when the October stock figures become available.

The periodic Press notes issued by the I.J.M.A. announcing the extension of the period of maximum production, by the way, are very brief ones, conveying just the decision reached at the meetings and nothing else. Surely, it would help the public a great deal if the I.J.M.A. were to give, in these Press notes, a consolidated statement relating to the trend of production, despatches and stocks of jute goods upto the end of the month preceding the date of the latest meeting. Such a consolidated account is much better than the issue of separate statements at irregular intervals. Otherwise, one has to wait until the publication of the printed *Monthly Summary of Jute and Gunny Statistics* to understand the significance of the Association's decisions. Brevity is no virtue on such occasions.

To resume our analysis of the statistical position of jute industry. The rise in jute goods stocks is particularly marked in the case of sackings, the actual stocks of which towards the close of September amounted to 54,600 tons, as against 38,900 tons in June 1962 and 29,600 tons in September 1961. The table below shows the variations in jute goods stocks position.

(In metric tons)

	30th September 1962	A month ago	A year ago
Hessian cloth and bag	24,500	25,100	15,600
Sacking cloth and bag	54,600	51,500	29,600
Others	13,700	14,100	7,200
Total ..	92,800	90,700	52,400

The marked increase in the stocks of jute goods in recent months has occurred, despite the appreciable improvement in the offtake for both exports and domestic consumption. The quantity of jute goods actually despatched during the first three quarters of 1962 was approximately 857,600 tons, as against 725,400 tons in the corresponding period of last year. But the pace of rise in despatches has been less than that in production which in the first nine months of this year aggregated about 894,800 tons, as compared with 701,300 tons produced in the same period during 1961. On the basis of the figures for the first three quarters, the total production and despatches for the whole of 1962 may be roughly estimated at 1.19 million tons and 1.24 million tons, respectively, the corresponding figures for 1961 being 970,300 tons and 991,200 tons. The month-by-month trend of production and despatches is indicated below.

(In metric tons)

	Production		Despatches	
	1962	1961	1962	1961
January	96,700	87,600	90,800	82,600
February	92,200	78,600	89,900	79,000
March	97,800	88,900	98,200	87,400
April	97,000	80,500	82,300	73,900
May	99,700	79,600	90,000	77,900
June	97,800	67,300	100,900	83,100
July	103,500	64,400	96,700	69,800
August	105,100	78,300	99,900	83,800
September	105,000*	76,100	108,900*	87,900
Total Jan.—Sept. ..	894,800*	701,300	857,600*	725,400
Whole of 1961 ..	970,300	..	991,200	..
Whole of 1960 ..	1,088,442	..	1,058,760	..
Whole of 1959 ..	1,072,530	..	1,118,328	..

* Rough estimates only.

Sacking cloth and bag account for the bulk of jute goods production. The actual output in the first three quarters of 1962 was 428,000 metric tons, as against 349,300 tons in the same period of last year, or a rise of 78,700 tons. Hessian output was also higher at 351,100 tons, as against 250,000 tons. The production of other jute manufactures, too, was higher at 125,700 tons, as against 102,000 tons. The following table shows the actual trend of output, together with equivalent of raw jute consumption, during the first nine months of 1962 and 1961, as well as in the whole of 1961 and 1960.

(In metric tons)

	January-September		Whole of	
	1962*	1961	1961	1960
Hessian	351,100	250,000	355,700	371,900
Sacking	428,000	349,300	483,700	532,700
Others	125,700	102,000	130,900	117,900
Total ..	894,800	701,300	970,300	1,022,500
Equivalent jute consumption (in thousand bales)	5,021	3,935	5,458	5,806

* Rough estimates only.

The year 1962, it may be recalled, began with a lower carryover stock of the previous year, amounting to 55,600 tons, as against the actual opening stocks of 81,500 tons at the beginning of 1961. Since, however, the production of jute goods has registered a notable rise, the supply position is today much more comfortable that in the past two years. The statement below gives the relevant details.

(In metric tons)

	January-September		Whole of	
	1962	1961	1961	1960
Opening stocks ..	55,600	81,500	81,500	58,900
Production	894,800	701,300	970,300	1,088,442
Total supply	950,400	782,800	1,051,800	1,147,342
Closing stocks (end of period)	92,800	52,400	55,600	81,500
Actual offtake ..	857,600	725,400	996,200	1,065,842
Of which—				
Export ..	..	522,100	715,600	790,471
Internal consumption ..	..	203,300	280,600	275,371

Despatches of jute goods in the past few months, as already stated, have been well above those in the corresponding months of 1961, the total despatches during the first three quarters of 1962 being 857,600 tons, as against 725,400 tons. The rise is accounted for by both exports and internal consumption. The aggregate despatches for exports amounted to 636,420 tons, as against 522,100 tons, and those for internal consumption were higher at 221,180 tons, as against 203,300 tons. Details are given below.

	Despatches for exports		Despatches for internal consumption	
	1962	1961	1962	1961
January	63,400	57,300	27,400	25,300
February	62,300	54,500	27,600	24,500
March	66,400	55,800	31,800	31,600
April	54,300	52,700	28,000	21,200
May	66,200	53,700	23,800	24,200
June	81,500	60,800	19,400	22,300
July	76,700	50,800	20,000	19,000
August	79,240*	68,600	20,660*	15,200
September	86,380*	67,900	22,520*	20,000
Total Jan.-Sept. 1962	636,420*	522,100	221,180*	203,300
Whole of 1961 ..	713,100	..	278,100	..
Whole of 1960 ..	786,930	..	271,830	..
Whole of 1959 ..	881,586	..	236,742	..

* Rough estimates only.

Despite the upward trend of offtake, the prices of jute goods have drifted downwards, thanks to the highly encouraging supply position, decline in raw jute prices and stiff competition from Pakistan. Sacking B. twills in the Calcutta market are currently quoted at Rs. 115.25 per 100 bags, as against Rs. 130.75 three months before and Rs. 144.50 a year before. Similarly, hessian (40 x 10 oz.) is quoted at Rs. 54.85 per 100 yards, as against Rs. 58.25 and Rs. 55.00, respectively. The prices of raw jute have suffered a setback. The latest available quotation for Assam bottoms is Rs. 30 per maund, the floor price, as compared with Rs. 54.50 prevailing in the middle of June 1961. The decline in raw jute prices must be attributed to the bumper jute and mesta crops harvested in the 1961-62 season ended on 30th June. The total of the crops is placed at 8.0 million bales of 400 lbs. each, as against 5.2 million bales harvested in 1960-61. The enlarged output more than made good the reduction in opening stocks—from 1.65 million bales in 1960-61 to 863,000 bales in 1961-62—as well as in imports—from 413,000 bales to 398,000 bales—so that the total available supply of jute and mesta in the 1961-62 season was appreciably higher at 9.26 million bales, as against 7.26 million bales in 1960-61. The all-India figures relating to the jute and mesta crops for the past four seasons are given below:

	1961-62	1960-61	1959-60	1958-59
Raw jute:				
Area (000 hectares)	914	612	682	737
Production (000 bales) ..	6,269	3,982	4,605	5,178
Per-hectare yield (bales) ..	6.86	6.51	6.75	7.02
Mesta:				
Area (000 hectares)	385	279	285	334
Production (000 bales) ..	1,705	1,131	1,118	1,488
Per-hectare yield (bales) ..	4.43	4.05	3.92	4.46

One hectare=2.48 acres; one bale =400 lbs.

It will be seen from the above table that the substantial increase in the production of both raw jute and mesta during 1961-62 followed a significant expansion in area. The per-hectare yield also tended to rise, but it is still much lower than that obtained in East Pakistan, which is by no means a country worthy of comparison in the sense that its agricultural techniques are as backward as those of India or any other developing country in Asia. Even so, a comparison with that neighbouring country will show the extent to which India can raise its per-acre yield of raw jute. The average yield of raw jute per-hectare in East Pakistan in 1961-62 was 8.36 bales; it was actually higher at 9.65 bales in 1959-60. Similar yields can be obtained in India, too, provided a vigorous drive is launched to intensify cultivation. To the extent the yields are raised, the cost of raw jute can be reduced and such a reduction is imperative in the context of enhancing the competitive capacity of Indian jute goods in world markets *vis-a-vis* not merely Pakistan jute goods but also other substitute packing materials such as paper, cotton and plastic bags. Incidentally, increased productivity of jute lands will release a large part of acreage for the cultivation of rice, the production of which is lagging behind the country's growing needs.

RAW JUTE PRICES

The maintenance of the minimum prices for raw jute should present no "insuperable difficulty" according to the Indian Central Jute Committee. For it is said that, irrespective of buffer stock purchases, the jute mills have stepped up their individual buying, particularly of select marks. In fact, all Daisee and high-quality white jute, we are told, is in great demand enjoying a premium of Rs. 2 to Rs. 3 per maund over the minimum prices. To quote the Committee:

"What with floods which delayed harvesting in some areas and insufficient retting water in others, the current jute crop has yielded a limited supply of the higher grades, whereas the sharp increase in world demand for hessian and specialities like carpet backing cloth has led to a corresponding rise in the requirement of quality fibre. The position in this respect is no better in Pakistan. So the prospects of supplementing what is available locally with imports from that source are highly uncertain. This may be the reason why every offer of Daisee and middle grades of white jute is snapped up in no time."

In the opinion of the Committee, it is the average quality jute, usually constituting the bulk of a season's production, that may need support. Even here, it is said, the supply-demand position may ultimately tilt the balance in favour of the grower. The glut of offerings during August and September is no true indicator of the season's output. The preliminary estimate of the Pakistan crop places the output anywhere between 5.5 million bales and 6 million bales. The trade estimate of Indian jute and mesta crops is not much higher either. Provided the world demand for sacking goods, in which the Indian stocks have been accumulating for the last four months, picks up during the remainder of this year, it is considered quite possible that heavy mill consumption would take care of the entire marketable surplus from the current jute crop.

EXPORT OF WOOLLEN GOODS

A revised export promotion scheme for woollen goods has been announced. This scheme will cover all woollen textiles and woollen goods, including woollen worsted yarn, fabrics and woollen shoddy yarn, fabrics, woollen hosiery, woollen yarn, woollen shawls, woollen blankets, woollen garments and all other woollen goods as may be notified and included in this scheme by the Textile Commissioner, but will not include woollen carpets, woollen rugs and woollen druggets which are covered by a separate export promotion scheme.

The principal features of this scheme are: (1) The manufacturer-exporters as well as merchant exporters are eligible to receive import entitlements covered under the scheme; (2) the import entitlements have been increased from 85 per cent of the f.o.b. value to 100 per cent of the f.o.b. value. The entitlements will cover import of machinery, dyes and chemicals, embellishments, man-made fibre tow, raw wool/wool tops, shoddy wool, wool waste or rags in the proportion specified in the scheme.

It has also been decided to constitute an Export Promotion Panel with Mr. I. B. Dutt, Industrial Adviser (Textile Production) and ex-officio Joint Textile Commissioner to the Government of India, as Chairman to advise the Textile Commissioner in regard to the working of the scheme of export promotion of woollen textiles and woollen goods excepting woollen carpets, woollen rugs and woollen druggets.

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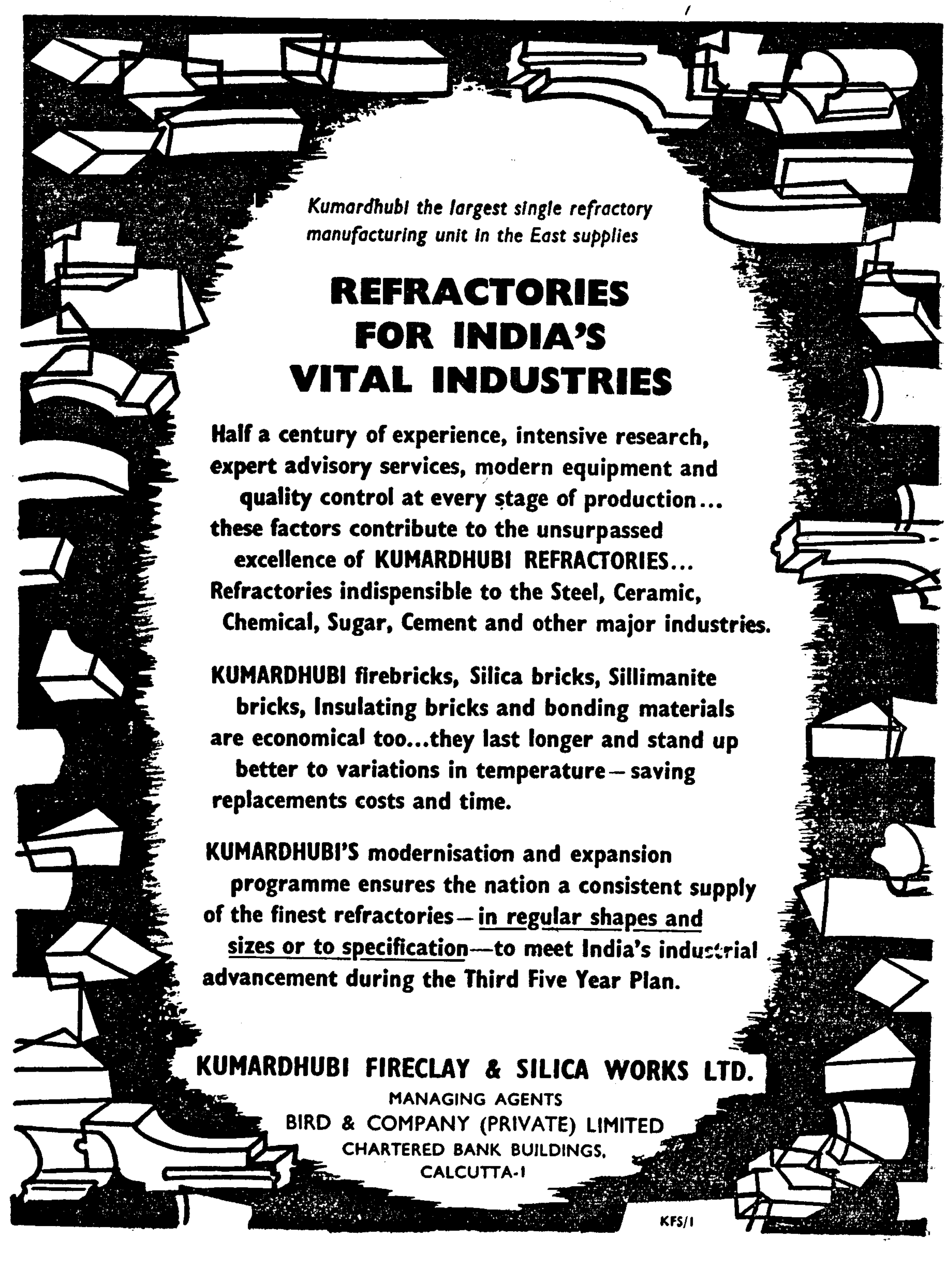

WASTE PRODUCT UTILISATION

SYSTEMATIC STUDY AND EXPLORATION NEEDED

By Shivaji

THE Stanford Institute of Research in California drew a distinction between a rich and a poor country by pointing out that the former utilised its wastes while the latter wasted its riches. The idea of waste product utilisation has caught on in India and has drawn men of enterprise who have been quick to realise the great scope in this field.

Not much, however, is known of the efforts in this direction by isolated individuals or entrepreneurs in India. In Madras, leather cuttings and shavings which, until two or three years ago, were being either thrown away or were collected by pavement cobblers and shoemakers, are now fetching a handsome price of Rs. 175 per ton, thanks to the enterprise of The India Leather Corporation who make leather boards out of them. Their leather-board factory in Madras is said to be the only one of its kind in Asia and turns out 500 tons of leather board a year at a price of Rs. 1,000 per ton. Another firm, Messrs. T. H. Gangappa and Sons, who have been waste paper merchants for several years, have put up a plant for the manufacture of cardboards, with a daily capacity of five tons, the raw material used being waste paper. They have also plans for making strawboards out of paddy straw by installing a plant with a capacity of 10 tons per day, at a capital cost of Rs. 50 lakhs. The Madras Rubber Factory has installed modern equipment in their factory for the collection of the finely powered carbon black dust settling on the shop-floor during the manufacturing operations and the small rubber cuttings from the crevices of machinery for further utilisation as emergency tyre patches. A small operator is putting through plans for the utilisation of vulcanised rubber scrap for making a number of items like scooter and motor cycle foot-rests, window channels, bushes, etc. The factory's capacity amounts to six tons per day.

A petroleum technologist is currently sponsoring a new company, The Guardian Oil and Refining Corporation of India, for the manufacture of lubricating oil and petrol from waste oil and rubber wastes at a capital cost of Rs. 15 lakhs. The sources of his raw material are the State Transport departments, railway workshops, aviation depots, and other industrial establishments in the private sector. The estimated monthly production of finished lubricating oil obtained from waste oil is 25,000 gallons, while that of petrol recovered from waste rubber is 10,000 gallons.

Research

Apart from these projects and schemes that are taking and have taken shape, the few research institutions functioning in the country have published papers on waste product utilisation. The Central Leather Research Institute at Madras, for instance, has published a paper on the processes for the preparation of glue and gelatine from cattle bones and vegetable tanned (E.I.) leather wastes. Writing about the problem of effluent disposal in small paper mills, an expert estimated that the volume of small paper mill effluent in the whole country amounting to 50,000 to 100,000 gallons a day was a hazard to health as the effluents were being discharged into rivers. These could be disposed of by sedimentation and eventual utilisation as land-fill. If the percentage of fibre in the effluent is high, it could be reclaimed by the paper mill.

The Central Food Technological Research Institute in Mysore published a paper on the recovery of ginger oil from fresh ginger scrapings thrown away by manufacturers through steam distillation. The percentage of recovery ranged from 0.2 to 0.5; ginger oil is used as a flavouring agent in soft drinks, bitters, carbonated drinks, etc. The recovery of paint waste from spray-painting was described in another isolated bulletin, the method indicated being the flushing of the backside of the spray-painted article with water which would carry the unused paint droplets into a pit.

The British Iron and Steel Research Association has developed a pilot-scale plant for the recovery of waste sulphuric acid used for pickling steel sheets before tinning. A Press report stated that the British Egg Marketing Board had devised a process for the pulverising and drying of empty egg-shells and the production of a powder which could be used by the cosmetics industry and also as a base product for the plastics industry. In Europe, the powdered shells are used to remedy calcium deficiencies.

Dictionary Being Compiled

An extensive study of waste product utilisation and the beginnings and achievements in the country would bring to light several other projects, programmes and processes of the kind described above, apart from revealing much unsuspected talent and ingenuity. One does not, fortunately, have to search far for an appropriate entity to take up this work. The Council of Scientific and Industrial Research has interested itself in the problems of industrial waste treatment in India and has already the nucleus of an organisation to conduct studies and researches on this subject. The study is bound to throw up ideas as it proceeds. The investigator would have to make a beginning with the wastes and effluents of every industry, determine their volume before considering the processes that are available or could be evolved for their recovery and subsequent use. The data that are at present available are sparse and scattered. Official compilation of industries lists a little over twenty of them in the whole country, ranging from textiles, iron and steel, metal industries, cement and ceramics to bicycles. Information relating to waste products is available only with regard to a few of them, namely, ferrous and non-ferrous scrap, textile wastes including blow-room and card-room wastes, droppings and sweepings. The extensive field work that would be necessary could usefully cover auctioneers for Government and private parties dealing in a variety of scrap and waste products. The Scrap and Waste Utilisers' Association in Madras is compiling a dictionary of waste products in every industry and hope to complete the same next year. They estimate that the number of items would be in the region of 600, though one suspects that this is an underestimate.

The study should be able not merely to arrive at the size of investment called for, for the reclamation of waste products in every industry, but also the commercial feasibility of such undertakings. One might discover the need to retain a proper sense of proportion and to guard against hasty ventures on projects seemingly attractive; these might yield products far too unsatisfying with regard to both quality and durability to merit all the efforts that had gone into their reclamation as well as the further ingenuity called for further reclamation. In this, as in other matters, there could be no substitute for experience.

Government Co-operation Needed

The projected study might well point to the merits of individual efforts in the matter of waste product recovery. Mr. R. Venkataraman, the Madras Minister for Industries, who is almost missionary in his zeal for waste product utilisation, disapproved of all talk of co-ordination of activities in this regard, especially if it envisaged the participation of Government departments. He was sufficiently familiar with such well-meant efforts coming to naught because of the traditional lack of initiative and promptness on the part of officials to work successfully any agency that might be set up to secure co-ordination. It is, however, difficult to see how one could avoid having to reckon with Government departments in matters of waste product utilisation schemes. This was well illustrated by the predicament in which a reputed firm of foam rubber manufacturers in Madras found itself. The firm deputed a technician to Japan to study the processes of recovering foam rubber waste for the manufacture of cheap bicycle and scooter cushions. But, on his return, the technician and the firm were dismayed when the Central Excise Department intervened and said that they could not utilise the waste product, namely, rubber, without paying an excise duty of Rs. 1.25 per kilogramme, which rendered the whole project uneconomical. Representations have been made by the firm to the department against the levy and for redress. One quickly discovers that simple matters throw up questions of policy and it is upto industry to strive for greater official resilience in taking or modifying decisions, however frustrating the experence of industry might have been in the past in this respect.

Co-ordination

While there is much to be said for individual initiative, there would seem to be no virtue in isolation with regard to waste product utilisation. In many cases, it might be feasible for the main unit to operate the waste utilisation schemes, but, in some cases, these would have to be taken up by separate units, especially if the waste products are to be collected from different units in the industry. As the schemes of waste utilisation make some progress, a certain pattern is likely to emerge between the main units and the waste product auxiliaries and the best methods of organisation could be ensured only through co-ordination at the appropriate levels.

The progress of waste utilisation schemes would develop the need for research establishments for the evolution and testing of new processes and it would become necessary for the concerned industries to think in terms of putting up such establishments. The Government could help by strengthening the staff in the institutes already functioning and the expansion of their activities or through the putting up of additional institutes. Co-ordination at this level also will be necessary and helpful.

As waste product utilisation gains momentum, it is likely that some of the waste materials now being exported, as, for instance, ferrous and non-ferrous scrap as well as textile wastes, would be increasingly in demand in the country. The Government of India has already decided to ban the export of heavy melting scrap and No. 1 sheet cuttings. Similar action would have to be taken in respect of other items in the future, and these steps would necessitate high level co-ordination if wise policies are to be evolved. The Government would also have to decide in a few cases on the issue of import licences for machinery and approval of collaboration ventures for waste product utilisation and the decisions would have to be based on the soundness of the schemes themselves. This would presuppose detailed knowledge on the part of the authorities that could be ensured only by eliciting the co-operation of industry.

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The new well has struck oil. The collection tanks on the site are getting full, and the management have sent their congratulations to the drillers. Now the problems are to estimate the probable size of the field and determine the rate at which it will be practicable to extract the oil. The first well by itself will not give the answers, so a number of outstep wells must be drilled to find how far the oil bearing rocks extend to the North, South, East and West of the discovery. Then the thickness of the productive zone must be measured, and tests made to see whether there are deeper oil deposits besides those discovered in the initial test well.

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REFORM OF BRITISH COMPANY LAW—I

JENKINS COMMITTEE REPORT EXAMINED AGAINST INDIAN BACKGROUND

By A Special Correspondent

THE publication of the Report of the Jenkins Committee on Company Law, which was set up in December 1959, in the United Kingdom "at a time when there was a good deal of public uneasiness both about the inadequacy of law to protect the investors and about the social implications of take-over bids," has been an event of considerable importance for the U.K. as well as for India. The significance of the Report for the U.K. lies in the fact that "it sets the stage for another step in the evolution of twentieth century Company Law" in that country. As for India, it is likely to prove a helpful guide in many matters as the earlier reports of the Greene and Cohen Committees had been in connection with the reform of Company Law in this country. To the extent the Indian Company Law still closely resembles the English Company Law, the reports on Company Law that are published in the U.K. become an object of direct relevance to this country.

The Jenkins Committee Report, which was published along with two other reports, namely, the Pilkington Committee Report on Television and the Molony Committee Report on Consumer Protection last summer in the U.K., blazed the headlines in the daily and financial press and dominated the discussions in public life in the U.K. It is a big-sized report, produced after two and half years' labour, and at the cost of about £32,000 to the British Exchequer. It contains some 334 recommendations, a few of which, it is suggested, being very important in character, should be given retrospective effect from the date of the publication of the Report, that is, the 21st June 1962.

Terms of Reference

The terms of reference given to the Committee were "to review and report upon the provisions and working of the Companies Act, 1948, the Prevention of Fraud (Investments) Act, 1958, except in so far as it relates to industrial and provident societies and building societies, and the Registration of Business Names Act, 1916, as amended; to consider, in the light of modern conditions and practices, including the practice of take-over bids, what should be the duties of directors and the rights of shareholders; and, generally, to recommend what changes in the law are desirable." In comparison to the terms of reference given to its predecessor body, namely, the Cohen Committee, which was asked "to consider and report what major amendments are desirable in the Companies Act, 1929, and in particular to review the requirements prescribed in regard to the formation and affairs of companies and the safeguards afforded for investors and for the public interest," the Jenkins Committee's assignment was limited in nature. But the "evidence presented to the Committee soon made it clear in abundant measure that eleven years of active financial development left the law behind at many points" and to some extent the Committee tried to review these new developments and make appropriate recommendations, rather than merely recommend the plugging of loopholes and the correction of ambiguities of drafting in the law.

A similar development took place in our country as well in 1957, when the Sastri Committee was appointed to consider "what amendments in the Acts are necessary to overcome such practical difficulties in its working as may have been encountered since it came into force, to remove such drafting obscurities as may have interfered with the working of the Act and to ensure the better fulfilment of the purposes underlying the Act and to consider what changes in the form or structure of the Act, if any, are necessary or desirable to simplify it." The Sastri Committee's terms of reference were somewhat wide and general and the result of this was that certain far-reaching changes came to be made in the Indian Company Law of 1956 in 1960 which placed our law in many more respects ahead of the British Law. In fact, the Indian Company Law of 1956, though modelled in a large measure after the British Company Law of 1948 according to the almost century-old tradition and practice of making the Indian Law a shadow of the British Law, had already registered notable advances of germinal significance over the British Company Law under the impact of socio-economic forces at play in the country and that of the directive principles of the Constitution. In this series of articles it is proposed to make an analytical study of the recommendations of the Jenkins Committee to show how far the Company Law and the Administration in our country are ahead of the position in the U.K. as might result even after the implementation of the suggestions of the Jenkins Committee.

Great Disappointment

Before coming to a discussion of the details, it may be mentioned here that, being dyed in the conservative hue, the Jenkins Committee Report has proved a great disappointment to progressive opinion in the U.K. Even conservative opinion and the liberal school in the U.K. have somewhat been disappointed and found themselves in agreement in several important matters with the authors of the two notes of dissent appended to the Report. Commenting on the Report, the London *Economist* said that "it is too concerned with improving and tidying up and too little concerned with radical reforms in British Company Law." The Report, it further said, "will not rank as a major reformist document but neither is it a smug acceptance of the 1948 Companies Act. This, then is emphatically a technician's report seeking to strengthen a system that is of proven value unobsessed by controls and regulations that would hobble honest men in order to bring down an occasional scoundrel and weighing an apparatus of prevention against the risk of abuse it is supposed to counter." The *Economist* has complimented the Committee with having a meticulous job well done but "undramatically done as most good craftsmanship is done. It will give a useful push, tempered with a slight edge of caution, towards company law reform, bringing the well established code more up-to-date."

Perhaps the London *Economist's* reaction is the most generous of all other comments made by the Press and financial commentators in the U.K. By and large, there has been widespread dissatisfaction over the Committee's verdicts on non-voting shares, exemptions to banks and discount houses and turnover figures, which have been pointed out by some experts as the "most conspicuous timidities" of the Report. "Taurus" of the *New Statesman* criticised the Report for having failed to bring up-to-date the legal concept of a company, as certainly no one will read the Jenkins Committee Report to find out what the place of a company in modern society ought to be. The London *Observer's* commentator on financial matters regarded the Jenkins Report "a lost opportunity" and felt that "the whole document breathes a veneration for conventional ways and established city institutions which remind one of the Parker Tribunal on the Bank Rate rather than the critical and analytical Radcliffe Report." However, notwithstanding the general failure of the Report to suggest radical reforms, the Report constitutes an important milestone in the evolution of company law worthy of attention in this country as well. More than the main body of the Report, the suggestions made in the two dissenting notes fit in with the prevailing trends of opinion on the control of affairs and working of the corporate sector in this country which require more radical approaches and solutions.

General Observations

It would be pertinent to recall here some of the general observations made in the Report on the existing company law in the U.K. At the outset, the Jenkins Committee has defended the voluminous size of the Companies Act, for which the Companies Act in our country has also been assailed. Commenting on the size of the English Companies Act, the Report says, "we would gladly see a reduction in this unwieldy mass of legislation but have not found it possible to make suggestions contributing to that end to more than a very limited extent." Further, it says that "this elaboration of the law can, generally speaking, be fairly justified as having been found necessary, in order to keep effective control over the growing and changing uses of the company system as an instrument of business and finance and the possibilities of abuse inherent in that system. It would be wrong in principle to disturb in any important respect longstanding provisions designed to serve these ends, unless they have clearly outlived their usefulness or are demonstrably objectionable on other grounds. It, therefore, appears unlikely that the dimensions of any new Act (after allowing for our own recommendations so far as adopted) will in the end prove substantially less than those of the Act of 1948." These observations broadly correspond to those made in the Sastri Committee Report which said that, "under our terms of reference, we have been asked to consider what changes in the form or structure of the Act are necessary or desirable to simplify it," but, after due regard to the inordinate length, the complexity of the structure of the Companies Act, etc., which caused considerable hardship to the business community and others concerned with this law, "the balance of convenience and advantage was found to lie in retaining the scheme and arrangement of the present Act."

Three Other Points

Besides this, the Jenkins Committee has made three other general observations of great significance. First, it says that "we cannot, however, accept the view that the Act of 1948 has left no room for further improvements of substance in the law as it now stands. This is not a field of legislation in which finality is to be expected. The law here falls to be applied to a growing and changing subject matter, and the number and variety of the suggestions submitted by our witnesses clearly show that there are many questions of sufficient importance to merit legislative attention, left unresolved by the Act of 1948, or arising out of its provisions, or out of events occurring since it was passed."

Secondly, the Report says that "it is no doubt necessary for the protection of shareholders, creditors and intending investors that the activities of companies and those responsible for their management should be subject to a considerable degree of statutory regulation and control. But controls and regulations carried to excess may defeat their own objects; and we share the views expressed by the Greene and Cohen Committees as to the undesirability of imposing restrictions which would seriously hamper the activities of honest men in order to defeat an occasional wrong-doer, and the importance of not placing unreasonable fetters upon business which is conducted in an efficient and honest manner."

Thirdly, the Report mentions that, "it may be theoretically desirable that shareholders should have a more effective voice in the management of their company's business, of which they are the ultimate proprietors. As against this, no company's affairs can be managed properly or indeed managed at all, otherwise than through a board of directors with a reasonably free hand to do what they think best in the interests of the company. The risk (which must not be exaggerated) that dishonest directors may abuse the trust reposed in them must be accepted, if business is to go on."

Law Cannot be Static

From the evidence available in our own country, it has been observed that the Government of India also believes that the Company Law could not be a static law in a fast moving age marked with rapid industrial development, in which an increasingly large number of big corporate bodies with vast capital bases and sprawling networks precipitate new problems and situations which have to be solved in the light of the socio-economic objectives defined in the basic documents of State Policy. But, while there is an agreement with the Jenkins Committee on the dynamic approach to Company Law, the Government in India does not seem to share their other viewpoints that corporate bodies and their managements should not be subjected to any great degree of statutory regulation and control and that the board of directors should be given a reasonably free hand and the risk of abuse of positions by dishonest directors should be accepted. The Indian Company Law and the Department of Company Law Administration in our country, with the grim background of gross anti-social practices and business methods resorted to by many in the corporate sphere for nearly fifteen years beginning with World War II, aim at having "greater control over the formation and management of joint-stock companies" and promoting and developing "a sense of fiduciary responsibility" among the company directors through legal compulsions. It must be stressed here that company legislation and Administrative actions are impelled by quite different considerations in the two countries. Both the Cohen and Jenkins Committees in the U.K. felt that "the great majority of limited companies, both public and private, are honest and conscientiously managed" and that Company Law in that country had on the whole worked well in practice over the years and that it had required amendments only in certain parts leaving the basic structure unchanged. As a result, changes of major importance were kept to the minimum.

As against this picture in the U.K., the Company Law in India had been found in 1952 by the Bhabha Committee to have become a "blunt weapon" to deal with the corporate abuses and required to be strengthened very considerably in order to raise the standard of good behaviour and business honesty in company promotion and management to a minimum level, to develop a due recognition of the legitimate interests of the shareholders and creditors and of the duty of the management not to prejudice or jeopardise those interests, and to prevent the diversion of companies' funds for purposes that thwarted national economic policies or economic objectives, etc. Further, apart from the historical background of the practical experience of the working of the Company Law in the two countries, another important point to note is that, while in the U.K. the Companies Act is essentially regarded as a law that treats companies as private bodies and does not seek to control their affairs as that of social institutions, in India, the regulation of private interests of the shareholders and creditors is directed towards furtherance of the socio-economic policies of the State.

Major Recommendations

With this much on the general tenor of the Jenkins Committee Report, we may now look into the major recommendations of the Report which comprises fifteen chapters. The analytical study of the Report in these articles is done under five broad sections, namely, (*a*) formation and classification of companies and related matters, (*b*) duties and responsibilities of directors, (*c*) protection of investors and minority interests, (*d*) annual accounts and audit and financial matters, and (*e*) miscellaneous matters.

To take section (*a*) first. Important issues connected with the formation of companies and related matters on which the Committee gave its decisions are the formation of "irresponsible companies," exempt private companies, subsidiary companies, objects clause and the doctrine of *ultra vires*, no par value shares, non-voting shares and the prospectus provisions in the Act.

Formation of Irresponsible Companies

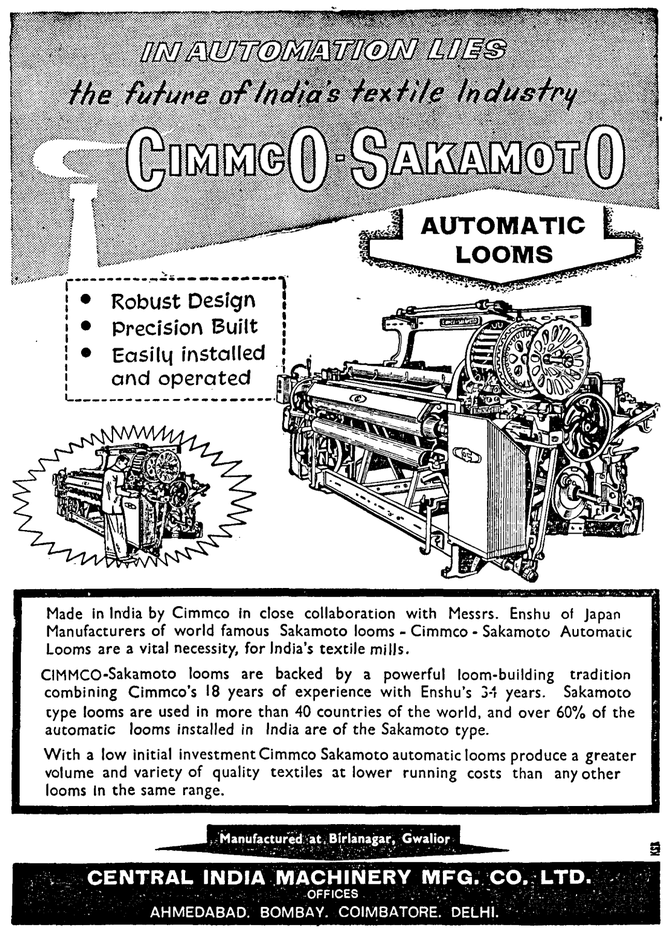
The U.K. Board of Trade, in its evidence before the Committee, referred to the bad consequences arising out of the formation of "irresponsible multiplication of companies, particularly of one-man companies." The Committee found itself in agreement with the Board of Trade that there were dangers of abuse through the incorporation of very small undercapitalised units of business with limited liability and that incorporation was frequently used as a cheap means of protecting a name and for various other purposes than for carrying on an undertaking or business in association with others. It felt that, in so far as such proliferation of very small companies can and does lead to abuse and gives rise to ever-increasing administrative difficulties, "it should, if possible, be checked without making it unduly difficult for genuine small businesses to incorporate with limited liability." To check the spate of irresponsible incorporations, the Committee recommended that every company should have at least two directors and that the first two subscribers to the Memorandum of Association of a company incorporated after its entry into force should be deemed to be directors, unless and until the company notifies to the Registrar names of at least two directors. Another additional suggestion put forward before the Committee to check the formation of companies with an under-capitalised base, which was a major cause of business failures, was that a statutory minimum capital, paid-up in cash, should be laid down in the Act. The Committee favoured the suggestion in principle but came to the conclusion that its purpose would be too easy to evade, as "it would be difficult, if not impossible, to prevent a company, once formed with a statutory minimum of cash from returning the cash to the promoters either in exchange for assets, such as goodwill, or by way of loan or in some other way."

Thus, the Committee by suggesting a minimum of two persons for company boards has tried to remedy the position created by the provisions of Section 176 of the English Companies Act which permitted private companies and the public companies incorporated before the 1st November 1929 to have one director only. In this respect, India has been far ahead of Britain. Thus, the provisions of Section 252 of our Companies Act, 1956, prohibit what the Jenkins Committee proposes to do now. The provisions of the aforesaid section in our Act compulsorily prescribe a minimum of three directors for public companies and two directors for private companies.

But, notwithstanding the fact that the Indian Companies Act prohibits the formation of one-man companies, and that the number of private companies is comparatively very small in our country being below 20,000, a very large number of them are every year either struck off the register under Section 560 of the Act or go into liquidation and, in the total death-roll of companies, many are such companies which have barely existed for three to five years. Thus, there is a case and need for checking mushroom growth of private companies and, for this, the Jenkins Committee's recommendation that there should be an initial minimum registration fee could usefully be given effect to in our country. As at present, a company with a nominal share capital below Rs. 20,000 in our country can be formed after paying a registration fee of Rs. 100, whereas the minimum fee prescribed under Schedule XII to the English Companies Act is £2 for companies with a nominal capital below £2,000. This fee, according to the Jenkins Committee, should be raised to, say, £25, that is to about Rs. 325 in our currency. Thus, although the present minimum fee leviable on a company floated with a nominal capital below Rs. 20,000 is higher in our country than that in the U.K., there is good ground to raise it sufficiently high to check irresponsible growth of corporate bodies which spoil the image of companies in the eyes of the public and add much avoidable strain on the already overstrained administrative machinery of the Government.

The class of exempt private companies came into existence in the U.K. under the Companies Act, 1948, as the brainchild of the Cohen Committee which wanted to save the small family business from disclosing its affairs to the public. These companies, under the provisions of Section 129(4) and of the Seventh Schedule to the English Companies Act, 1948, are not only exempted from the requirement as to the filing of accounts but also are not required to appoint a qualified accountant as auditor who could even be a partner or officer of the company. They are also not subject to the provisions of Section 190 of the Act which prohibit a company from making loans to its directors. A vast majority of the private company came to claim the status of "exempt private company" of which some were "not very small in membership or in capital or in the extent of their undertakings." This was regarded as objectionable by the Committee who recommended the abolition of such companies. To save embarrassment to the members of a small family business which is likely to be caused by the publication in the accounts of such information as directors' emoluments, company turnover and rent, the Committee, however, has suggested that these should not be required to be disclosed in the filed accounts of companies whose securities have neither been quoted nor offered to the public. This decision regarding the abolition of exempt private companies was a natural corollary to the acceptance of the broad principle by the Committee that "disclosure is right in principle and necessary to protect those who trade with and extend credit to limited companies."

While abolishing the class of exempt private companies, the Committee has also recommended the dropping of the distinction between public and private companies in regard to the application of the provisions of Section 48(3) (filing of a statement in lieu of prospectus), Section 109 (restrictions on commencement of business), Section 130 (statutory meeting and report) and Section 181 (restrictions on appointment of directors). It came to be noticed that many a promoter had a company incorporated first as a private company and converted it later into a public company and



thus avoided the requirements of law in connection with the formation of a public company straightaway. Thus, according to the Committee's recommendations, there should be only one class of companies with certain concessions made available to companies "whose securities have been neither quoted nor offered to the public and which are not subsidiaries of companies whose securities have been quoted or offered to the public." These are referred to as "unquoted companies" in the Report and it is suggested that they should not be compelled to disclose directors' emoluments, turnover and rent in the filed accounts. The Committee has, however, added that this information should be given in the accounts of those companies which are circulated to members and debenture-holders.

Under the Indian Companies Act, the class of exempt private companies is non-existent. On the contrary, the law treats certain categories of private companies as public companies for purposes of operation of many sections of the Act. Two such categories of private companies are the private companies which are the subsidiaries of public companies and those which, under the provisions of new Section 43A inserted in the substantive Act in 1960, have become "deemed public companies." Besides this, after the passing of the Amendment Act in 1960, private companies are required to file both their balance-sheet and profit and loss account under the provisions of Section 220, though the latter account is not to be made available for inspection to the public. Further, in contrast to the position at present existing in the U.K. that the requirements of filing a statement in lieu of prospectus as required under Section 48(3) can be avoided by forming a company first as a private company and then converting it into a public company, in India, under the provisions of Section 44, a prospectus or statement in lieu of prospectus is required to be compulsorily filed by a private company on ceasing to be so. Thus, under the Indian Law, technical avoidance of obligations cast on a public company in regard to the issue of prospectus cannot be got over.

Subsidiary Companies

Section 154 of the English Companies Act, like Section 4 of the Indian Companies Act, lays down two broad criteria for a subsidiary company, namely, (*a*) membership of the company and control over its board of directors, and (*b*) majority ownership of equity share capital. The presence of non-voting and restricted voting equity shares sometimes creates an anomalous situation where criterion (*b*) is applicable. In such cases, the possibility has increased that a company might own a majority of the equity shares of another company without controlling the composition of its board of directors. To check this situation, the Committee has recommended the dropping of the second criterion laid down in Section 154(1) (*a*) (ii), with the result that, in future, the definition of a subsidiary is to be based solely on membership and control. This revision, however, in the absence of voteless equity shares, is not called for in our country.

Objects Clause and the Doctrine of "Ultra Vires"

The Jenkins Committee examined the doctrine of *ultra vires*, namely, that a company has only limited objects as stated in its Memorandum of Association and cannot enter into contracts as freely as an individual, and came to the conclusion that it was better to leave the *ultra vires* rule standing but that it should be modified in favour of third parties who innocently contracted with the company in good faith. In entering into a contract with the company, the third party should be entitled to assume without investigation that the company, in fact, possessed the necessary power and further that the party should not be deprived of his right to enforce the contract on the ground that he had actual knowledge of the contents of the Memorandum and Articles at the time of entering into the contract if he honestly and reasonably failed to appreciate that they had the effect of precluding the company or any director or other person on its behalf from entering into the contract in question.

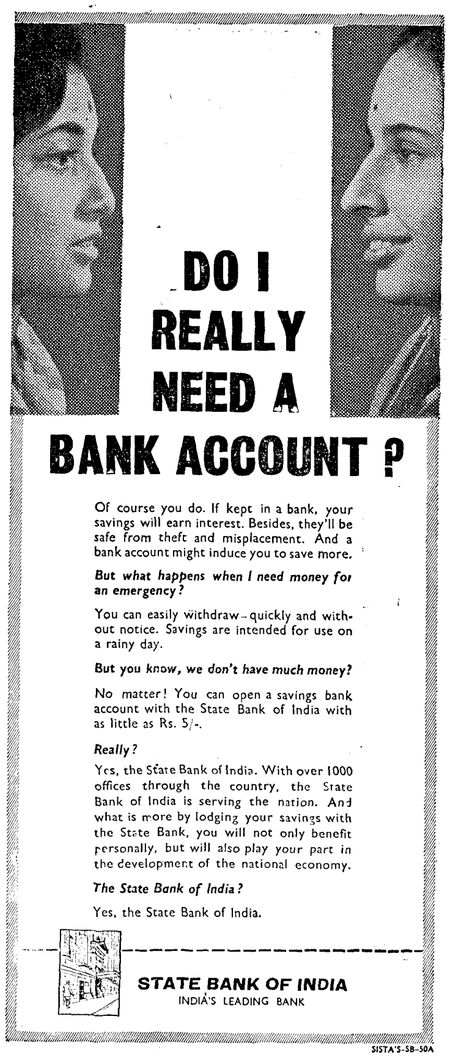
Apart from making the aforesaid recommendation on the *ultra vires* doctrine, the Committee felt that the objects clause in the Memorandum of Association, of which bulk of the provisions "appear to be powers," made this document unduly lengthy and suggested that "the Act should be amended to provide that every company should have certain 'common form' powers which would apply automatically to every company, unless excluded or modified." This would lead to some simplification of Memorandum. The Committee further suggested that the Act should make it clear that the powers listed in this way "should be merely ancillary powers exercisable in the course of carrying on a company's business and not specific objects."

Further, in connection with the objects clause, the Committee found fault with the existing provisions of sub-sections (2) and (3) of Section 5 which provide that an application should be made to the Court by the holders of not less than 15 per cent of nominal value of the company's issued share capital or if not limited by shares, 15 per cent of the members to cancel any such alteration and that the application must be made within 21 days of the passing of the resolution under Section 5(10) and if no such application is made within the stated time, under sub-section (9) of that section, the alteration is to hold good whether or not justified by the limited purposes set out in sub-section (1). To the Committee it appeared to be "unsatisfactory that alterations not falling within the authorised cases should be capable of being validated merely by the circumstances that no one has challenged their validity within the period of 21 days" and, therefore, it thought that "it would be better to do away with the list of authorised alterations altogether, and substitute for it, in Section 5(1), a general power of alteration by abandoning or restricting any existing object or by adopting any new object which could lawfully have been included in the objects clause of the company's Memorandum as originally registered."

In India, the doctrine of *ultra vires* holds the field with the same force as in the U.K. The judicial decisions in this country run on the same lines as in those in the U.K. Thus, the suggestions made by the Jenkins Committee on this subject would be found to be new in this country as well. Similarly, as in the U.K., the objects clause in the Memorandum of Association of companies in almost all cases is a lengthy one containing both the objects and powers merged and fused together and, therefore, the Committee's suggestion of separating the two elements from the Memorandum would be a new innovation for this country also.

As regards the alterations in the objects clause of the Memorandum, the requirements of the Indian Companies Act as laid down in Section 17 are radically different from those of the English Act. In fact, the provisions of our Act may be regarded as progressive. In contrast to the position under the Companies Act in the U.K., the distinctive features of the relevant section in the Indian Act are that (*a*) a petition has to be compulsorily moved in the Court for the alteration by the company which is not required under the English Act, (*b*) the company has to give sufficient notice to the debenture-holders and to every other person or class of persons whose interest will, in the opinion of the Court, be affected by the alteration and also to every creditor who in the Court's view is entitled to object to the alteration, etc., and (*c*) the Registrar of Companies is to be given a reasonable opportunity to appear before the Court to state his objections and suggestions with respect to the confirmation of the alteration. The Registrar is to be given a notice of the petition for confirmation under sub-section (4) of Section 17. Thus, in our country, the provisions of law offer a stronger line of protection to shareholders and

(*Continued on page 698*)



NEW PRODUCTS AND PROCESSES

New Telephone Switching Device

TO save office workers the trouble of leaving their desks to answer the telephone on a far-off desk, the Fuji Communications Apparatus Manufacturing Company of Japan recently perfected a new telephone device in which five telephones can be switched at will. Dubbed 'Fuji Color Call,' this "miniature switchboard" makes it possible to switch the line to any of five telephones by just a flick of the button. Each device is furnished with five buttons and lamps in five different colours which blink when some of the five telephones are engaged. Three sets of 'Fuji Color Call' can be attached to one telephane at the maximum, enabling the user to connect 15 telephones. The Company envisages the manufacture of as many as 5,000 units of the device per year. 'Fuji Color Call' is priced at 9,000 yen per unit.

Easy Handling of Heavy Tools

Handling of heavy dies and press tools is made easier and safer by using a machine developed by Winhall and Rogers, of 3, Sherwood Park Road, Sutton, Surrey, England. Enabling one man to handle large tools it allows adjustments to be made and trial impressions to be taken during the final stages of manufacture. For some operations the top half of the tool can be clamped to the machine's top platen and the bottom half to clamping bars of the bottom platen. The two halves can then be parted by lowering the bottom platen by motor or hand. After the bottom half of the tool has been lowered into the base of the handler the top half can be turned through 360 degrees by means of the hand-operated worm gear, giving access to the underside of the top tool and enabling it to be set at an angle for machining or handworking purposes. Alternatively, the whole head of the handler can be swung to the rear giving clear access to both top and bottom halves of the press tool. The bottom half can then be raised to a suitable working height.

Moulding Presses

A new range of compression and transfer moulding presses has been introduced by a Cheshire firm, Fawcett Preston and Co. With capacities of 50, 75, 100 or 150 tons, the presses are suitable for either semi-automatic or hand control. They are of down-stroking column type with double-acting main ram assemblies and have precision piston ring sealing to cut down maintenance. The main features of the range are ease of semi-automatic cycle adjustment, accuracy and reliability of cycle reproduction and rapid ram speed.

Electronic Machine Tool for Drilling

A machine tool for drilling and reaming tube plates used in heat exchangers, condensers and boilers, now fitted with electronic control, eliminates marking-out procedures generally associated with a radial drill. The drill, which is operated by analogue positional control equipment, has a bed on which moves a flat work-table in the direction of the "x" axis. A bridge is set transversely over the work-table at 90° to the direction of travel. This is the "y" axis. Along the bridge moves a motorised drilling head with its spindle feeding downwards. A total drilling area of 72 in. x 72 in. (1.82 x 1.82 m.) can be covered by the drilling spindle, and holes can be drilled in any position by co-ordinate settings of the two movements. The control tape is coded on a keyboard-operated teleprinter.

Collapsible Bicycle

A collapsible bicycle developed by an Austrian enterprise can be disassembled in a few minutes into four parts and stored away in a passenger car, forwarded by mail in a box or kept even in the smallest flat. The cycle for which patents have been applied for, consists of an Austrian-made high-quality tubular-steel frame of an entirely new design. The unimpeded mounting and the saddle and handle-bars easily adjustable to the required height by means of lever controlled clamp collars make the cycle equally useful to adults, juveniles and children. Near the pedal support the frame has hinges in its front and rear parts. The hinges cause the 2 parts of the bicycle to stay strictly parallel after assembling. Assembling and disassembling of the 2 halves of the cycle is made in the very shortest time. While in use, the hinges are kept in a locked position by gravity. The locking mechanism foreseen is also extremely easy to handle and the same can be said of the disassembling of the saddle and the handle-bars. The circuit from the dynamo to the rear light can be quite easily connected and disconnected by means of an intermediate plug.

New Fertiliser

An Austrian firm has started the production of a new complex fertiliser known under the trade name "Grundkorn 5-15-20." The new fertiliser contains 40 per cent plant nutrients, above all phosphoric acid and potassium. It is especially well suited for ground fertilising—a method which has been increasingly practised in Austria in recent years.

New Electro-hydraulic Locomotive

An Austrian enterprise has devloped a new model of an electro-hydraulic shunting locomotive. The most important feature of the new electric locomotives is the insertion of a hydraulic continuous gear between the electromotor and the axles which make it possible to start the motor at a low step and to bring it loadless to its normal r.p.m. As the flow of the current through the collector is only rather low during this operation, damages of the collector lamellae or brushes by faulty operation are excluded. The adaptation of the system to different tensions, frequencies and to D.C. or A.C. is considerably easier than with other systems. The system may also be applied for the construction of bifuel locomotives.

Fibreglass Absorbs Noise

A type of exhaust muffler which utilises fibreglass is becoming increasingly popular in Australia. The muffler, manufactured by Laurion Pty. Ltd., of Melbourne, is of the straight-through absorption type in which the sound energy of the diesel engine is dissipated by fibreglass surrounding the gas duct. This obviates the use of baffles, deflectors or other restrictions on which the ordinary engine muffler depends for its performance. In the Laurion muffler there is a central duct, from inlet to outlet, fabricated form strong yet light flexible metal mesh, to form a permanent, obstruction-free passage for the gases. Around the duct is wound a spiral of wire netting between each turn of which is compressed a thick layer of fibreglass. In use, the explosion noises from the diesel engine are absorbed at all frequencies. As the exhaust gases arrive in the muffler in high pressure pulses they expand into the fibreglass packing, thereby causing an immediate drop in pressure. The gases then pass back into the centre duct as the pressure in the latter falls. The exhaust pulsations, in this way, are greatly smoothed out, but no attempt is made to reduce the mean pressure and the gases issue as freely as through a plain pipe. The flexible nature of the centre duct in the Laurion muffler is responsible for two subsidiary but important features conducive to long life and trouble-free use. Firstly, it readily accommodates any small dimensional changes due to temperature variations: secondly the small but constant working of the flexible mesh prevents the build-up of carbon deposits. Laurion straight-through absorption mufflers are available for immediate shipment in any quantity. The standard range covers most types of engines, and special ones to suit particular requirements can be manufactured at short notice.

Electrophoresis Column

A new type of apparatus for high-resolution preparative electrophoresis on a large scale has recently been launched on the market by LKB-Produkter AB, Stockholm, makers of scientific instruments and laboratory equipment. The apparatus, named the Porath preparative electrophoresis column, is reported to have normal separation capacity for quantities of proteins and related compounds as large as 200 ml of blood serum. Two researchers, Drs. J. Porath and B. von Hofsten, of the Institute for Biochemistry of Uppsala University, have succeeded in separating 125 ml of crude extract from 150 grams of E. Coli from a single run of 47 hours, including elution. Another noteworthy feature is that the rapidly moving components are removed by counter current elution as soon as they emerge from the stabilising medium, while electrophoretic separation of the more slowly migrating components is continuing. This mode of operation, by increasing the effective length of the column several times, gives the apparatus an unusually high resolving power. The large capacity of the apparatus is partly the result of a particularly efficient cooling, which permits an electric power of up to 500 watts to be used. In contrast to previous apparatus for preparative electrophoretic separation, whose function is based on the continuous-flow principle, the Porath column gives results determined solely by the electrical properties of the substances being separated. Unusually stable and well-defined conditions are obtained by having a stationary buffer in the column and by rinsing away the products of electrolysis formed in the electrode chambers. A ring of nozzles around the lower end of the column allows the more rapidly migrating components displaced during electrophoresis to be withdrawn and collected in an ordinary fraction collector. The remaining components are recovered by eluting them with buffer after the potential has been removed. The voltage is applied across two platinium electrodes, placed in the upper and lower electrode compartments respectively. Besides a buffer solution continuously circulated through the electrode compartments in order to neutralise the products of electrolysis, further protection against the entry of such products is afforded by a gel-covered polyethylene filter dividing the lower compartments into two sections. P.V.C. powder, Sephadex G-25, Munktell ethanolysed cellulose powder and other stabilising media have been used with good results as column packing. The apparatus may be used for separating a preparative scale substances such as proteins, peptides, nucleic acids, nucleotides, enzymes, many harmones and other natural and synthetic polyelectrolytes with high molecular weight.

Blankets for Hospitals

Wool blankets—without cotton counterpanes—are the most suitable for hospitals. This is shown by the results of further research over several months into the spread of air-borne bacteria in hospital wards, as published in a medical paper in the *British Medical Journal*. Dr. Sydney D. Rubbo, professor of bacteriology in the University of Melbourne; Dr. Bryan C. Stratford, deputy medical superintendent at St. Vincent's Hospital, Melbourne, and Shirley Dixon, research officer in the school of bacteriology, Melbourne University, conducted ward experiments in a 20-bed female hospital surgical ward.

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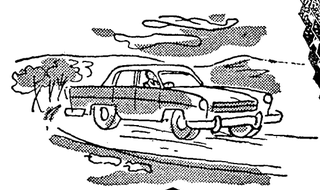

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TRENDS IN INDUSTRIAL RELATIONS

FACTORY EMPLOYMENT AND EARNINGS IMPROVE

IN his address to the twentieth session of the Indian Labour Conference, held at New Delhi from 7th to 9th August last, Mr. G. L. Nanda, Union Minister for Labour, stated that "it was expected" that, by the end of the third Plan period, the number of man-days lost would decline to 2.4 million, which is less than half the number of man-days lost due to work stoppages in 1961 which was of the order of 4.85 million. The Minister did not make known the facts or calculations on which this expectation was based, but he seemed to imply that the improvement in industrial relations since the adoption of the Code of Discipline in July 1958, warranted such an optimism. The number of man-days lost declined from 7.8 million in 1958 to 5.6 million in 1959 but increased to 6.5 million in 1961. This increase was primarily due to the Central Government employees' strike and other work stoppages which followed in its wake which alone accounted for nearly 1.3 million man-days lost. If allowance were made for this factor, time lost through industrial disputes would appear to have been steadily declining during the last three years. But it is extremely risky to predict, as Mr. Nanda sought to do, the future trend of man-days lost on the basis of past performance. There are already many visible signs of industrial unrest in this country. The sharp rise in price levels during the past six months has given a convenient handle for labour leaders to agitate for an increase in the workers' emoluments in various forms. The fact that Mr. Nanda himself drew pointed attention to the revival of upward trend in prices has strengthened their hands. An issue that is being conveniently exploited, so far as industrial workers are concerned, is bonus. The threat of strike by a section of workers in the cotton mill industry of Bombay over bonus has been scotched by the industry agreeing to distribute to workers a huge sum of over Rs. 10 crores on account of the past three years. In the context of current industrial profits, which are reported to be far lower than in 1961, such an expensive purchase of industrial peace, however expedient it may be from the political angle, will prove to be embarrassingly costly. Not only workers in every other industry will expect liberal sums by way of bonus, but, next year, the cotton mill industry itself will find it extremely difficult to satisfy its workers' appetite now whetted by the Chavan Award.

Elsewhere, workers are forcing the hands of employers and Government to pay more under the pain of strike threats. The unrest is confined by no means to factory workers and low paid white collar staff. Even scientists and surgeons, not to speak of pilots of airlines, have found it necessary to resort to collective action and call of strike. This is undoubtedly the result of the continuing fall in the purchasing power of the rupee and the consequent increase in the hardships of the fixed income group. Accordingly, present indications are that 1962 may not prove as favourable a year as 1961. Such data as are available for 1962 so far also support this conclusion. The monthly average of industrial disputes for 1962 shows that, though the average number of work stoppages and the number of workers involved were lower than in 1961, the number of man-days lost was higher. Thus the monthly average number of man-days lost in the initial months of 1962 was 277,734, as against 242,948 in 1961. The average number of workers involved (monthly) was 31,064, as against 32,547 in 1961. The number of work stoppages was 105, as against 106 in 1961. Table A gives the monthly average figures of work stoppage, workers involved and man-days lost since 1955.

While labour-management relations have thus tended to deteriorate during the current year, there has been an improvement in the trend of employment in the cotton mill and coal mining industry. In the cotton mill industry, which accounts for 25 per cent of factory employment in the country, the daily average of workers employed increased from 794,346 in 1961 to 802,760 in 1962 (in three shifts). This is the highest average daily number of workers employed since 1957, when the average daily number of workers employed in the cotton mill industry was as high as 812,948 in three shifts. In coal mines, which account for 50 per cent of the total employment in the mining sector, the average daily number of persons employed increased from 398,703 in 1961 to 413,171 in 1962.

Figures of average daily number of workers employed in all factories are available only for 1960. These show that the public and private sector factories taken together provided employment for an aggregate 3,764,000 persons in 1960, as compared with 3,635,000 in 1959. Of this, factories in the private sector accounted for an average number of 3,225,000 workers daily and those in the public sector for 539,000. As compared with this position, in 1950, the average daily number of workers employed in both public and private sector factories was 2,959,000. Table B indicates the trend of factory employment in both the private and public sectors over the period 1950-60.

It will be seen from the above table that, whereas the average daily number of workers in public sector factories increased from 283,000 in 1950 to 539,000 in 1960, the corresponding figures for the private sector increased from

(*Continued on page 698*)

TABLE A: *Industrial Disputes*

(All-Industries)

		Work stoppages	Workers Involved	Man-days lost
1955	Monthly average	97	43,981	474,821
1956	" "	100	59,594	582,670
1957	" "	136	74,114	535,777
1958	" "	127	77,381	649,799
1959	" "	127	57,801	469,430
1960	" "	130	81,906	542,913
1961*	" "	106	32,547	242,948
1962†	" "	105	31,064	277,734

* Provisional.
† Average of first two months.

TABLE B: *Factory Employment*

(Average daily number of workers.)

(In thousands)

	Total of all factories	Public sector factories	Private sector factories
1950	2,959	283	2,222
1951	2,914	237	2,299
1952	3,021	326	2,241
1953	2,970	328	2,200
1954	3,037	342	2,348
1955	3,114	347	2,344
1956	3,402	361	2,521
1957	3,480	429	3,051
1958	3,413	452	2,961
1959	3,635	495	3,140
1960	3,764	539	3,225

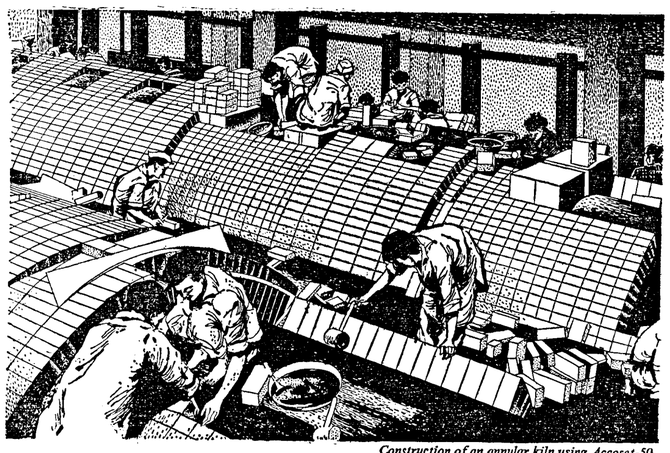
Note: Total of public and private sectors does not tally upto 1957, This is attributed to non-availability of the breakdown figures for public and private sectors,

TABLE C: *Average Annual Earnings of Factory Workers*

(Rupees per worker)

Industries	1960*	1955	1951
Textiles	1,637.6	1,191.3	1,044.0
Footwear, other wearing apparel, etc. ..	1,537.8	1,101.3	989.3
Woodwork and cork	903.1	670.0	653.8
Furniture and fixtures	1,172.3	681.0	940.0
Paper and paper products ..	1,213.7	1,062.5	957.9
Printing and publishing	1,377.7	1,152.1	1,052.0
Leather and leather products ..	1,242.2	830.6	752.3
Rubber and rubber products ..	1,144.0	1,368.4	1,325.1
Chemicals and chemical products ..	1,508.6	957.2	868.1
Products of petroleum and coal ..	2,197.5	1,492.9	1,131.8
Non-metallic mineral products ..	1,076.9	781.5	699.9
Basic metal industries	1,633.1	1,675.4	1,368.2
Metal products	1,294.3	1,048.2	917.3
Machinery, except electrical ..	1,191.6	1,100.4	998.5
Electrical machinery	1,472.1	1,340.0	1,237.6
Transport equipment	1,460.8	1,429.6	1,170.7
Miscellaneous industries	1,370.6	1,209.8	1,067.3
Electricity, gas and steam ..	1,530.6	1,371.7	1,229.3
Water and sanitary services ..	1,214.2	1,041.4	967.9
Recreation services	1,163.9	1,037.0	968.9
Personal services	1,051.8	302.8	852.9
All industries	1,480.9	1,173.5	1,035.6

Notes: Figures include all factory employees receiving wage or salary less than Rs. 200 per month.
* Provisional and excludes figures from Andhra Pradesh, Kerala, Madras, Rajasthan and W. Bengal.



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WORLD TRADE EXPANDS AT SLOW PACE

WESTERN EUROPE'S EXPORTS, HOWEVER, FARE BETTER

WORLD trade continued to expand in 1961, albeit at a slower pace. The aggregate world exports (excluding U.S. shipments under special categories), for instance, touched a record of $131,000 million in 1961, or an increase of $5,400 million over the previous year. The rate of growth of exports, however, was only 4 per cent, as compared with as much as 11 per cent in 1960 and 8 per cent in 1959. The reduced growth rate, according to the G.A.T.T. annual report, *International Trade 1961**, just published by the G.A.T.T., reflects largely the slower growth in world output. The rise in world commodity production was only 2 per cent in 1961, as against 6 per cent during the previous year. This, in turn, is attributed to a slackening in the expansion of industrial production in Western Europe and to the fact that industrial output in North America in 1961, in spite of some recovery in the latter part of the year, barely exceeded the level of 1960.

As against the 4 per cent increase in the value of world exports, the actual volume rose by 5 per cent. As a result, average prices fell by one per cent over the previous year. There was a marked fall in the prices of primary products, whereas those of manufactures continued to rise. The G.A.T.T. Report points out that the ample supplies and the correspondingly high stocks which have marked recent years exerted a steady pressure on the prices of many primary products and outweighed the effects of increasing demand.

Common Market

One of the major features of world trade in 1961 was that Western Europe alone accounted for two-thirds of increase in exports. In particular, exports of Common Market countries to one another and to other West European countries represented about one-half of the total world increase. On the other hand, exports from North America levelled off in 1961, after having shown a great increase in 1960, especially to other industrial countries. During the year under review, trade between industrial and non-industrial areas remained stagnant in both directions, in contrast to the trend in the previous year. The relative importance of trade between the industrial and non-industrial areas actually declined further in 1961. While this decline was due entirely to the falling share in world trade of exports from the non-industrial to industrial areas upto 1958, trade in the opposite direction also showed a tendency to decrease in relative importance in 1959 and again in 1961. In contrast to this trend, trade in manufactured goods among industrial countries continued to expand in 1961 due partly to further progress towards regional integration but also to factors such as the large demand for American machinery created by the high level of investments in Western Europe and to the fact that trade between E.C.M. and E.F.T.A. countries expanded as fast as trade among E.F.T.A. countries themselves.

It may be noted here that the term "industrial countries" includes North America (U.S. and Canada), Western Europe and Japan. Non-industrial areas include the rest of the world, with the exception of the Eastern trading area (Eastern Europe, Soviet Russia and Mainland China). The term "developing countries" embraces all the non-industrial countries, except Australia, New Zealand and South Africa.

Exports of Primary Products

The primary products exporters continued to face several difficulties in the field of trade. Although the volume of world exports of primary products increased by 4 per cent, prices continued to decline for the fifth year in succession and were 2 per cent lower than in 1960. As a result, export proceeds from primary products only reflected one half of the increase in the volume exported, rising by 2 per cent in 1961, as against 10 per cent in 1960. In respect of manufactures, the rise in volume was 5 per cent accompanied by an increase of 2 per cent in their prices. This resulted in a 7 per cent increase in their value, which, however, was modest, as compared with an increase of 14 per cent in 1960.

The value of exports of primary products from non-industrial countries, which had increased by about 5 per cent in 1960, made only a slight further advance in 1961, while exports of these products from industrial countries rose by about 3 per cent. This, according to the Report, was further evidence of a tendency of long standing. In 1958, the industrial countries imported about the same value of primary products from the non-industrial areas as they imported from one another, that is, about $19,000 million from each source. By 1961, the value of this trade among the industrial countries had increased by $5,600 million over the figure for 1958, while their imports from the non-industrial areas had risen by only $2,000 million. The divergence was particularly striking in the case of agricultural products and foodstuffs, imports of which from the non-industrial areas increased only very slightly between the two years (from $12,200 to $12,600 million), while trade among the industrial countries grew by over $3,000 million (from $11,300 to $14,400 million). In addition, exports of fuels as well as agricultural products from the Eastern trading area have lately gained some ground in the industrial areas. The share of the non-industrial countries in the industrial areas' total imports of primary products thus declined from 51 per cent to 48 per cent between 1958 and 1960, and went down further to 47 per cent in 1961.

The aggregate volume of goods shipped by the non-industrial areas rose by about 5 per cent in 1961, but their average unit value declined by 3 per cent, reflecting "the slackening in the rate of growth of world industrial production." Consequently, the total export earnings of non-industrial countries increased only slightly, that is, by $620 million to $31,900 million. Of this increase, Australia, New Zealand and South Africa—where the quantum increase and the price decline were more pronounced than in the rest of the area—accounted for as much as $400 million. Thus the combined increase in trade among developing countries (the remaining countries of the non-industrial area) was of the order of only $210 million, their aggregate exports in 1961 being $27,570 million. The volume of their exports expanded by 3.5 per cent but the average price fell by 3 per cent. The small improvement in exports of developing countries was due mainly to a rise in the trade among themselves ($150 million), and also to an expansion in exports to Communist countries. The combined offtake by the industrial countries from them was stagnant at $19,000 million between 1960 and 1961. While exports of developing countries to the U.S. fell from $5,910 million to $5,710 million, there was a significant expansion in the value of shipments to the Common Market countries (from $6,280 to $6,430 million). There was, no doubt, a fall in exports to the U.K. (from $3,630 to $3,490 million), but this was more than offset by an increase in exports to Japan (from $1,400 to $1,630 million).

The total import expenditure of the developing countries expanded by 3 per cent (as against 9 per cent in 1960) and the volume by 2 per cent (as against 8 per cent). During the year, there was a further deterioration in the trade deficit of these countries. The trade deficit aggregated as much as $1,750 million in 1961, as compared with $1,150 million in 1960 and only $200 million in 1959.

Industrial Areas

It would be evident from what has been stated thus far that industrial areas continued to play a dominant role in world trade. To give some specific data. Their aggregate exports went up from $79,600 million in 1960 to $83,800 million. Among them, Western Europe made by far the greatest contribution to the development of world trade in 1961. One of the reasons for this feature, according to the G.A.T.T. Report, is the notable economic growth in the Common Market. But, even for this area, the rise in trade was considerably lower than that in 1960. Nevertheless, it is significant that, in trade, as well as in production, the Six Common Market countries showed a much larger average growth rate than the rest of Europe, increasing the value of their intra-trade (that is, trade among themselves) by 16 per cent and their trade with the rest of the world by 5 per cent. Although the rate of expansion in trade among the E.E.C. countries was slower than in 1960 (16 per cent, as compared with 25 per cent) the trend continued to be markedly upward, thanks to the rapid integration of the market of the Six member-countries. The G.A.T.T. attributes this high level of growth to the tariff reductions granted by these countries to each other and, what is more, to the deliberate cultivation by manufacturers in the Common Market countries of the entire region as if it were already a single market.

As regards E.F.T.A. countries, trade among them rose by 9 per cent, with manufactured goods accounting for the whole increase. All the seven countries increased their exports to one another. The U.K.'s exports accounted for half of the increase. The E.F.T.A.'s combined exports to the Common Market rose by 11 per cent in 1961, thereby reversing a tendency apparent in 1959 and 1960 of intra-E.F.T.A. trade to rise more rapidly than E.F.T.A.'s exports to the E.E.C. A half of the increase in E.F.T.A.'s trade with the Common Market was contributed by the U.K., followed by Sweden and Switzerland.

While Western Europe's imports from industrial areas increased, their intake of goods from non-industrial areas was stagnant, being only about $13,300 million. This, according to the G.A.T.T., reflects the weak demand for raw materials caused by the slower growth in industrial production and the consequent reluctance on the part of manufacturers to increase their stocks. Western Europe's exports to non-industrial areas also fell by $100 million to $13,780 million, although the Common Market countries expanded their exports, particularly to Latin America and to many of their overseas associated countries. Western Europe's trade with Eastern Europe and the Soviet Union continued to grow in 1961.

North America

The large increase in North American exports (particularly to Western Europe and Japan), which had been witnessed in 1960, did not continue in 1961. However, total exports from North America were maintained at the level of the preceding year, thanks to a 30 per cent increase in shipments to Japan, whereas those to Western Europe actually fell. In 1961, North America increased its trade surplus by about $1,000 million to $5,500 million. The U.S. alone exported $6,000 million more than it imported.

Imports by North America from outside sources amounted to $12,900 million, which was $400 million less than in 1960 and the lowest since 1958. This sluggishness in imports, states the G.A.T.T. Report, resulted from the recession at the beginning of the year and from the fact that the initial rise in domestic requirements for imported materials was absorbed to a certain extent by inventory reductions. The high imports during the second half of the year, although also reflecting the need to replenish stocks, were not enough to balance the low level of imports in the first half. The demand for primary products being on the average rather weak, it was impossible for the non-industrial areas to enlarge their exports to North America. Imports both of textiles and other light manufactures from Japan fell by about $70 million, bringing total imports from Japan to about $1,200 million. Total imports from Western Europe into North America fell for the second year in succession. The decrease was some $130 million, as compared with a fall of $360 million in 1960. As in the previous year, falling imports of passenger cars was the major factor behind the decline.

Japan's External Trade

A feature of Japan's external trade in 1961 was the sharp increase in imports (by 31 per cent), thanks to the rapid growth of industrial output (21 per cent). The pace of rise in Japanese exports was, however, slower, being only 7 per cent, as compared with 14 per cent in 1960. As a result of slow expansion of exports and large increase in imports, trade deficit of Japan reached an all-time high of $1,575 million, as compared with no more than $440 million in 1960 and $140 million in 1959. This was the first time since 1957 that Japan had such a large imbalance on its external trade account. It was, however, less acute than in 1957 for two reasons. One, the currency reserves were much higher in 1961; and, two, the domestic metal industry, now the world's fourth largest, had a capacity enough to meet the great increase in demand caused by the investment boom in the country.

*Available from the Information and Library Services, G.A.T.T. Secretariat, Villa Le Bocage, Palais des Nations, Geneva 10, and from U.N. Sales Agents. Pages 134; Price $1.50.

ANOTHER BAD YEAR FOR ROHTAS

DIVIDEND CUT AGAIN

OWING to persistence of serious difficulties in respect of transport for movement of raw materials, coal and finished products, and rising cost of production due to higher prices of raw materials, enhanced railway freight and additional excise duty, there has been a deterioration in the working results of Rohtas Industries Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) for the year ended 31st March 1962. This, it may be noted, is the second adverse year in succession. There has been a perceptible fall in profit, necessitating a cut in the dividend by one-fourth, from 10 per cent to 8 per cent. Even this lower return has been possible only through a depletion, albeit slight, of the reserves built up in the past.

With both output and despatches of the main products having suffered, the turnover declined by Rs. 36.56 lakhs to Rs. 15.88 crores and the closing stocks continued to expand to stand at Rs. 288.27 lakhs as against Rs. 260.39 lakhs as at the close of the previous year. Because of the lower output, expenditure on raw materials and stores consumed contracted from Rs. 8.42 crores to Rs. 7.91 crores but the incidence of this particular item of cost continued to be pretty high. Further, there was a rise of Rs. 18.11 lakhs to Rs. 280.32 lakhs in royalty, cess, duties, etc., and an expansion of Rs. 7.49 lakhs to Rs. 471.53 lakhs in other expenses, including salaries, wages and bonus. Thus caught between lower sales, on the one side, and rising costs, on the other, the gross profit has shrunk by 14 per cent to Rs. 104.59 lakhs from Rs. 121.32 lakhs for the year ended 31st March 1961. The decline is very marked as compared with Rs. 251.35 lakhs earned in 1959-60 and Rs. 289.75 lakhs in 1958-59.

Prior to 1960-61, the Company had been computing depreciation at normal and extra-shift allowance rates as per the Income-tax Act. A change in the basis of computation was introduced during the preceding year and depreciation was calculated on the straight line method as required under Section 205(2) (b) of the Companies Act. This has resulted in a saving of Rs. 17.71 lakhs in the provision for depreciation for that year, despite an enlarged depreciable block. The same method has been followed in respect of the year under review, though it has meant a slightly higher provision of Rs. 59.84 lakhs for depreciation, as compared with Rs. 58.32 lakhs in the preceding year. No provision has again been made for Managing Agents' remuneration and taxation, the latter because of the relief obtainable under Sections 84 and 101 of the Income-tax Act 1961.

The Company's performance during the past four years is presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	1,587.91	1,624.47	1,764.05	1,510.74
Other income	31.71	25.45	19.92	31.95
Closing stocks	288.27	260.39	220.43	233.56
Raw materials and stores consumed ..	791.06	842.33	804.48	676.47
Royalty, cess, duties and fees ..	280.32	262.21	270.62	240.48
Other expenses	471.53	464.04	413.44	388.90
Gross profit	104.59	121.32	251.35	289.75
Managing Agents' commission..	..	..	13.20	15.50
Provision for—				
Depreciation	59.84	58.32	76.03	86.06
Taxation	..	..	52.00	55.00
Net profit	44.75	63.00	110.12	133.19
Withdrawals from reserves and provisions	4.53	3.00	8.65	1.50
To reserves	3.20	5.05	29.10	64.05
Bonus to employees	..	..	30.94	28.50
Dividends—				
Preference	6.97	6.92	6.68	5.41
Ordinary	40.00 (8%)†	50.00 (10%)†	50.16 (15%)	37.62 (15%)
Carry forward	5.08	5.96	1.93	0.04
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	18.12	22.56	33.87	25.40
Low	14.00	15.31	21.01	16.37

† Subject to deduction of tax.
Note: In September 1960, there was a right issue of 1:1 in equity at par. This largely accounts for the wide difference between the highs of 1960 and 1961 and between the high and low of 1960.

Insufficient availability of bamboo due to transport bottlenecks and other factors necessitated slowing down of the pulp mill. Efforts to obtain licence for import of pulp were unsuccessful. This resulted in an under-utilisation of the paper-making machines and a consequent drop in production. For the same reason, namely, non-availability of wagons for the movement of coal and raw materials, production of clinker and cement was also sizably lower than during the preceding year. Production of sugar which is the third main product of the Company, was also adversely affected due to non-availability of cane on account of bad weather conditions and Government's restrictive policy on production. Consequently, the output declined despite a better sugar recovery. Production of all the three major commodities, namely, paper and boards, cement and sugar suffered considerably during the year under review, as will be evident from the following figures:

(In tonnes)

	1958-59	1959-60	1960-61	1961-62
Paper and boards	47,844	54,021	50,936	46,565
Cement	280,576	305,456	314,945	267,885
Clinker	274,743	268,658	286,981	285,860
Asbestos cement	10,616	9,937	15,510	17,770
Sugar (season)	15,175	16,166	14,898	11,611
Vanaspati	9,018	10,424	10,655	9,795
Caustic soda	5,072	5,671	5,484	5,575

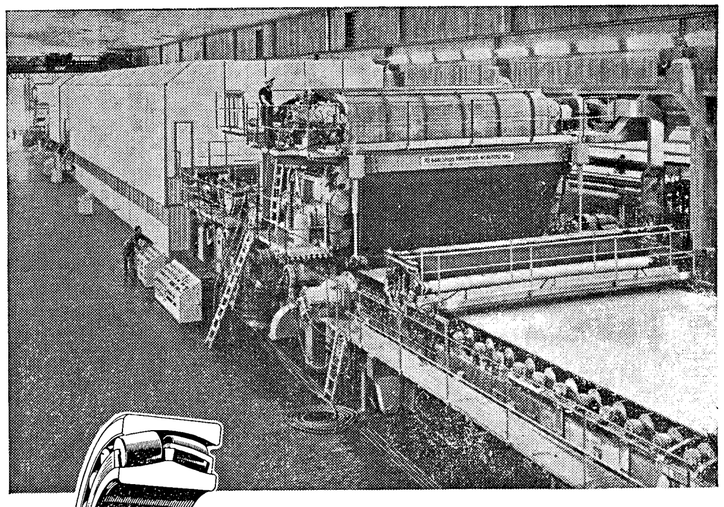
Apart from lower production, the Government's refusal to allow the selling prices for cement and paper to be raised in consonance with the increase in cost of production was also responsible for the decline in the Company's profit-margin.

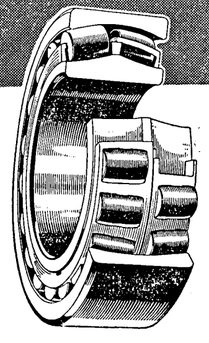
During 1960-61, in September 1960 to be precise, the Company raised the issued ordinary share capital to Rs. 500.00 lakhs from the then existing level of Rs. 250.80 lakhs by issuing 2,508,000 new shares at par in the ratio of one for one. Out of these right shares, 2,480,090 shares were taken up during the same year and the balance of 11,755 were absorbed only in 1961-62. Consequently, the Company's paid-up equity capital rose from Rs. 498.53 lakhs to Rs. 499.72 lakhs (excluding the calls in arrears) and together with the preference capital of Rs. 105.50 lakhs, there is a total paid-up capital of Rs. 604.77 lakhs. This is supported by reserves and surplus amounting to no less than Rs. 262.88 lakhs. Loans have increased from Rs. 531.99 lakhs to Rs. 562.48 lakhs but there has been a welcome fall of Rs. 63.76 lakhs in current liabilities and provisions to Rs. 237.22 lakhs.

With the addition of new assets worth Rs. 33.42 lakhs during 1961-62, the gross block of the Company has increased to Rs. 15.35 crores and on deducting therefrom Rs. 731.60 lakhs as the depreciation provided to date, there is a net block of Rs. 803.39 lakhs. Besides, there are machinery and equipment awaiting installation worth Rs. 1.51 lakh. Investments, most of which are in joint-stock companies, are carried in the books at Rs. 110.49 lakhs of which Rs. 106.37 lakhs are in quoted shares. The market value of these as of 31st March 1962 was no more than Rs. 103.86 lakhs. Current assets, loans and advances aggregate Rs. 751.99 lakhs or just a little less than the total indebtedness to outsiders.

As for the current year, there appears to be some enough justification for the Directors' expectation of improvement in the working results. Some licences have been received for the import of wood-pulp. An assurance of leases of bamboo areas for additional supply has also been given by the Bihar Government. It is, therefore, expected that production of paper and boards would show an upward trend during the year. Further, there has been some, though not adequate, increase in the selling price of paper. Moreover, steps are also being taken to improve the production of the pulp mill and for obtaining a larger percentage of bleached pulp. The results of these will be felt from the middle of the current year. Application has also been made for a licence to import equipment for expansion of the existing pulp and paper mills by 36,000 tonnes. On the cement side, the year will be the first full year of increased retention prices and some increases in realisation from sale of cement can be expected. Besides, in common with other cement manufacturers, the Company has submitted to the Government details of actual rise in the cost of production that has already taken place, particularly in account of coal and railway freight, for an upward adjustment in the ex-factory sugar prices. As for the sugar section, however, the outlook is not very promising. The supply position of cane for the current year, according to the latest reports, is not very encouraging. There may be larger exports of sugar and domestic consumption of sugar may also expand further. But, while all this will mean an improvement in the statistical position of white sugar, it is unlikely to result in a better margin of profit on sugar manufacture. To sum up, at best, the Company's results for 1962-63 could only be a shade better than those for the past year.

The Rs. 10 paid-up ordinary shares are now standing in the neighbourhood of Rs. 14.50 *cum*-dividend to yield a net return of a little over 4 per cent per annum.





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TRAVANCORE SUGARS SUFFER AGAIN

OUTLOOK, HOWEVER, A LITTLE BETTER

FURTHER all-round setback has been reported by the Travancore Sugars and Chemicals Ltd. (Managing Agents: Messrs. Parry and Company Ltd., Trivandrum) for the year ended 30th April 1962. Sales realisations, excluding excise duty paid, have declined further from Rs. 90.93 lakhs to Rs. 85.24 lakhs and so has gross profit from Rs. 9.40 lakhs to Rs. 7.03 lakhs. Consequently, the profit-margin (ratio of gross profit to net sales), which had shrunk only slightly from 11.2 per cent to 10.3 per cent in the previous year, has beat a sharp retreat to 8.2 per cent during the year under review. What is still more disappointing about the year's results is that the profit available for distribution by way of dividends, after making the essential provisions, is insufficient to cover fully even the reduced, low dividend of just 5 per cent per annum, subject to tax, on the Rs. 10 fully paid ordinary shares, which absorbs Rs. 1.50 lakh. The Directors have, therefore, drawn, for the first time in the past four years, a sum of Rs. 1.50 lakh from general reserve to provide full cover for the dividend. The ordinary dividend for the year has been cut again by 2.5 per cent, from 7.5 per cent, to which level it was reduced in the previous year from 10 per cent paid for 1959-60.

The table below gives a clear idea of the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 30th April			
	1962	1961	1960	1959
Sales proceeds, less excise duty paid	85.24	90.93	123.25	98.59
Stocks of finished goods and work-in-progress ..	50.84	45.21	30.47	45.08
Other income	0.63	0.60	0.59	0.59
Excise duty	29.51	27.03	41.20	31.93
Manufacturing, selling and other expenses	78.58	81.82	108.53	86.74
Gross profit	7.03	9.40	13.86	11.70
Provision for—				
Depreciation	3.10	3.02	3.11	3.08
Taxation	2.96	2.82	4.60	2.85
Managing Agent's commission	0.50	0.60	1.27	1.04
Net profit	0.47	2.96	4.88	4.73
Transfer from reserves ..	1.50	..	..	..
To reserves and provisions.	0.06	0.29	0.73	0.66
To tax on dividend deducted at source	..	..	..	1.22
Dividends—				
6.5 per cent preference..	0.98*	0.98*	0.75*	0.75
Ordinary	1.50 (5%)*	2.25 (7.5%)*	3.00 (10%)*	2.10 (7%)
Carry forward	0.11	0.63	1.47	1.07
Cane crushed (in tons) ..	124,879†	118,281†	119,273	133,210
Sugar produced (in tons) ..	10,769†	10,502†	9,891	11,057
Sugar recovery (%) ..	8.62	8.88	8.29	8.30
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	8.35	9.75	9.00	9.25
Low	6.93	8.00	8.00	7.10

*Subject to deduction of tax. †In metric tonnes.

According to Mr. H. V. R. Iengar, who recently succeeded Mr. G. N. Noel-Tod as the Chairman of the Company and whose statement to shareholders was published in our last issue, the most important of the factors responsible for the year's poor results are: (i) the fall in the price of sugar and withdrawal of excise duty rebate on excess production of sugar, (ii) lower profit-margins on spirits and Indian-made foreign liquors, (iii) an increase in bank and other interest charges due largely to accumulation of sugar stocks, (iv) the additional tax liability both in respect of the current year and the previous years, arising from the increase in the rate of corporate taxation effected by the Finance (No. 2) Act 1962, and (v) a drop in the average recovery of sugar from cane crushed from 8.88 per cent to 8.62 per cent.

As anticipated in the previous year, the Company was obliged to close down its pharmaceutical works due to Kerala Government's decision not to place orders with the Company on the basis covered by the agreement until then in force. The State Government had indicated then that it would no longer place its orders for the 50 per cent of its requirements of pharmaceuticals with the Company on a cost plus basis as in the past and would invite tenders. As such, the works were closed down on 31st December last. This resulted in lower production and lower sales of pharmaceutical products during the year under review, besides various closure costs. At the same time, the commission payable by the Company to the State Government was reduced following the termination of the agreement about pharmaceutical products.

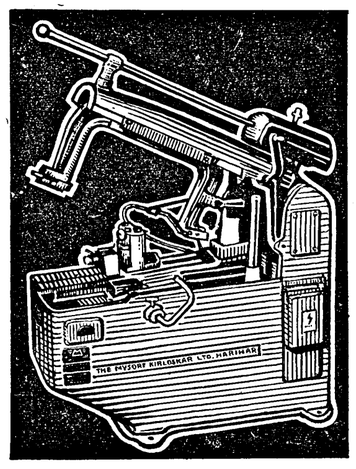
Mr. Iengar is cautiously optimistic about the outlook for the current year. He points out that some of the adverse factors referred to above are not of a recurring nature, for example, the loss due to the closure of the pharmaceutical works and the additional provision for taxation. As for the other adverse factors, he is hopeful that they will not recur in future, at any rate not to the same extent. Besides, he feels that sugar position in the country will be stabilised over the next two or three years as a result of lower production and increased exports. The 1962-63 crushing season commenced on 20th September 1962, and the factory will probably crush 130,000 tonnes of cane and produce 11,700 tonnes of sugar at a recovery of 9 per cent on the average. The condition of the cane crop is said to be satisfactory.

The position regarding the Company's liability in respect of cane payments under the price linking formula is still somewhat obscure. However, it appears from Press reports, says Mr. Iengar, that the Government formula, perhaps in a modified form, will apply for the four seasons from 1958-59 to 1961-62. The Company, we are told, has been paying a 'brix bonus' for cane, which will be deducted from final payments due under the price linking formula. Last year, a 'brix bonus' payment of Rs. 2.10 lakhs was made in respect of the 1960-61 season, but there will be no such bonus in future, as the Government has now linked the price of cane to its average quality. The Company is said to have made adequate reserves to cover any additional liability that may be due under the Government formula.

The new still ordered by the Company for modernising the distillery was received last year and has since been erected and brought into production. This unit is expected to result in economic working of the distillery. It may, however, be pointed out that, in the previous year, the Directors had expressed doubts about modernisation of the distillery yielding any increase in returns to shareholders on the ground that the ex-distillery price fixed by the Government had no correlation to the cost of production, at any rate in the South.

The Company has a satisfactory financial position. It has a paid-up capital of Rs. 45 lakhs, Rs. 30 lakhs of which are in ordinary shares of Rs. 10 each and the rest in preference shares of Rs. 10 each, which is supplemented by reserves and surplus aggregating Rs. 10.37 lakhs in addition to a credit of Rs. 8.25 lakhs under taxation equalisation reserve. Current assets, loans and advances aggregate Rs. 102.22 lakhs, at which level they substantially exceed current liabilities and provisions, which together amount to Rs. 75.08 lakhs. On the gross block of Rs. 73.28 lakhs (Rs. 71.92 lakhs a year before), a total depreciation of Rs. 39.47 lakhs has been provided so far. Together with work-in-progress of Rs. 2.69 lakhs, the net block is shown at Rs. 36.49 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at a discount at Rs. 7.50 *cum-div.* On the *ex-div.* basis, they offer a net yield of about 5 per cent per annum.



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HIND RECTIFIERS LIMITED

The Hind Rectifiers Ltd. (Managing Agents: Messrs. R. P. Nevatia and Company, Bombay), whose plant for the manufacture of selenium rectifier plates was commissioned during the year to 31st March 1962, is expected to benefit from the present restrictions on the import of such plates into the country. Disclosing this to the shareholders at the recent annual general meeting of the Company, Mr. Ramkrishna Bajaj, a Director of the Company, who presided over the meeting in the absence of the Chairman, Mr. R. P. Nevatia, observed that the import restrictions had changed the situation now from what it was last year, when demand for the indigenous plates was limited because the manufacturers of rectifier apparatus carried stocks of the imported plates. Significantly enough, the Company has recently concluded, according to Mr. Bajaj, arrangements with two leading manufacturers of rectifier apparatus in India for the supply of their entire requirements of selenium plates.

The Company is now looking forward to setting up the plant for the manufacture of silicon diodes, which is said to be ready for shipment from England. The plant is to be supplied by Westinghouse Brake and Signal Company Ltd., U.K. It is expected to go into production early next year. When this happens, the Company will be the first manufacturer of power diodes in this country. It is also said to be well set for the manufacture of small, as well as large, silicon rectifier apparatus and has already received some orders.

Last year, the working of the factory was affected for about two months early in 1962 due to 'go slow' tactics of workers. Since then, however, relations with the labour have improved. Sale proceeds for the year amounted to Rs. 16.42 lakhs, as against Rs. 15.81 lakhs a year before. The gross profit worked out to Rs. 1.56 lakh, as against Rs. 1.15 lakh in the previous year. The provision for depreciation was raised from Rs. 12,987 to Rs. 1.14 lakh, but no allocation was made for taxation, as against Rs. 45,898 set apart in the previous year. The net profit amounted to Rs. 42,119, as against Rs. 56,097 in 1960-61. After taking into account Rs. 1,719 brought forward from the previous year, the surplus worked out to Rs. 43,838. Appropriation to development rebate reserve was stepped up from Rs. 3,000 to Rs. 88,000, leaving a debit balance of Rs. 44,162. No dividend was therefore, proposed on the Rs. 100 fully paid ordinary shares. In the previous year, a dividend of 10 per cent per annum, subject to tax, was paid. After the close of the year (in June 1962, to be precise), the Company offered 120,000 equity shares of Rs. 10 each for public subscription. It also offered then 50,000 equity shares of Rs. 10 each to the existing shareholders as rights shares, of which 40,000 shares had been taken up as of 30th August last.

TATA CHEMICALS' POOR PERFORMANCE

The preliminary results of Tata Chemicals Ltd. for the year ended 30th June 1962 are very disappointing. The total turnover for the year at Rs. 531.12 lakhs is substantially higher as compared with Rs. 415.72 lakhs a year before, but profit before taxation has declined by about 50 per cent from Rs. 34 lakhs to Rs. 16.94 lakhs. However, the dividend on the Rs. 10 fully paid ordinary shares has been maintained at 65 nP per share, subject to tax; a proportionate dividend for one month is proposed on the new ordinary shares. The aggregate distribution by way of dividend on ordinary shares amounts to Rs. 16.65 lakhs, as against Rs. 16.38 lakhs in the previous year, inclusive of interest paid in that year out of capital as sanctioned by the Government. The dividend on preference shares absorbs Rs. 4.28 lakhs, as against Rs. 4.82 lakhs, including Rs. 0.53 lakh distributed by way of additional dividend for 1959-60.

To the year's profit of Rs. 16.94 lakhs is added a sum of Rs. 3,571 brought forward from the previous year and a sum of Rs. 4 lakhs transferred from the development reserve. In the previous year, no amount was withdrawn from reserves. Once again, no provision has been made for taxation. Transfer to development rebate reserve is *nil*, as against Rs. 17.40 lakhs set apart in the previous year. After providing Rs. 20.93 lakhs for the proposed dividends, the balance available is Rs. 4,550, which is to be carried forward.

SYNOPSES OF COMPANY REPORTS

Mysore Lamp Works Ltd.

(*Chairman*: Mr. J. L. D'Sa, Bangalore.)

Annual General Meeting—Held on 24th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of finished lamps	23,42	22,28
Closing stock of finished lamps and work-in-progress	1,34	1,48
Gross profit	5,74	4,38
Transfer to depreciation	46	41
,, ,, provision for taxation	2,51	1,77
Net profit	2,77	1,20
Adjustments	15	1,07*
Appropriations:		
Total available balance	2,92	3,27
Transfer to development rebate reserve	25	8
,, ,, capital redemption reserve	Nil	1,04
,, ,, dividend equalisation reserve	Nil	25
To donations	2	Nil
Proposed dividends (taxable) preference	7	13
,, ,, equity	2,43	1,64
	(37%)†	(25%)
Carry forward	15	13

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

*This includes Rs. 1,03,930 transferred from general reserve.

†The dividend of 37 per cent is inclusive of 12 per cent Silver Jubilee dividend.

Extracts from the Directors' report: Both production and sales during the year under report have maintained their level. The total production was 24,48,471 pieces of lamps as against previous year's production of 24,25,601 pieces. The total sale was 24,60,101 pieces of lamps with a sale value of Rs. 23,42,381 as against 25,13,967 pieces with a sale value of Rs. 22,27,941 during the previous year.

Most of the replacement machines for which license had been obtained and orders had been placed were received and installed during the year. The remaining machines are being received and will be installed shortly.

The Company has completed 25 years of its useful service. It has therefore been proposed to celebate the "Silver Jubilee" of the Company during November-December 1962. In commemoration of this a special "Silver Jubilee Dividend" of 12 per cent less tax has been recommended.

In the previous annual report, mention was made of securing assistance of some foreign firms for implementing the Company's expansion programme. Sustained negotiations for this purpose are going on with a foreign firm with a view to concluding a collaboration agreement in order to put the expansion programme into operation as early as possible.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	8,02,320	Gross block	14,05,916
Reserves and surplus	9,91,473	—Depreciation	8,00,548
Other liabilities	18,22,921		
		Net block	6,05,368
		Current assets	29,62,943
		Cash	2,371
		Miscellaneous expenditure	46,032
Rs.	36,16,714	Rs.	36,16,714

*Paid up capital consists of 65,625 ordinary shares of Rs. 10 each and 14,607—four per cent. tax-free redeemable cumulative preference shares of Rs. 10 each.

Kusum Products Ltd.

[*Managing Agents*: East India Development Co. Private Ltd., Calcutta. (*Chairman*: Mr. G. S. Nevatia.)]

17th Annual General Meeting—Held on 27th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of vanaspati, soap and oils, etc. (gross)	5,20,80	4,79,91
Sales of raw materials	6,55	13,48
Closing stock	44,77	41,99
Gross profit	14,58	9,44
Transfer to Managing Agents' remuneration	1,00	50
,, ,, depreciation	2,48	2,58
,, ,, provision for taxation	5,95	3,39
Net profit	5,15	2,97
Adjustments	36	48
Appropriations:		
Total available balance	5,51	3,45
Transfer to development rebate reserve	17	21
,, ,, debenture redemption account	Nil	1,00
,, ,, sinking fund	1,00	Nil
,, ,, general reserve	1,50	Nil
To additional preference dividend for 1960	Nil	5
Proposed dividends (taxable) preference	37	39
,, ,, ,, equity	2,24	1,44
	(28%)	(18%)
Carry forward	23	36

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report: During the year under review our production of *Vanaspati* fell by 5 per cent which was less than the overall decrease of 7.2 per cent in production of *Vanaspati* in Eastern India. The lower demand has been due to unusually high prices of raw materials.

This Company took over the *Vanaspati* Factory of Messrs. United Vegetable Manufacturers Ltd., at Rishra on a long term lease with effect from 16th March, 1962. It has duly been commissioned for manufacture of industrial oils and fats.

The production of soap during the period showed an increase (approximately 4 per cent) over that of last year and the directors' hope that the increasing trend will continue. The second continuous cooling plant already ordered is expected to be received by December, 1962. The directors hope to commission the same before the end of March. 1963. The soap production is likely to increase substantially during 1963-64.

The Company has received the essential components for Continuous Rice Bran Extraction Plant from Japan. The remaining plant has been fabricated by the Company. These are being installed in a new building at our Rishra Works. The plant will commence production before March. 1963.

The Chemical Engineering Division has made satisfactory progress. Its first plant has been commissioned without any teething trouble much to the satisfaction of the Company's clients. The Company's activities in this field are expected to increase considerably during the coming year.

The position regarding supply of edible oils in the country has not shown any improvement. On the other hand it still continues to cause anxiety to the industry. Negotiations have been initiated at the instance of the *Vanaspati* Manufacturers' Association of India for the import of *Soyabean* Oil in bulk under P.L. 480 from the U.S.A. This move. if successful. may relieve the shortage of raw materials.

The slab system of rebate on excise duty for *Vanaspati* has been withdrawn and the ceiling for exemption from excise duty for soaps has been lowered since 1st April. 1962. This has added to the tax-burden of the industry at a time when the industry is trying its best to hold the price line.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	16,00,000	Gross block	53,16,270
Debentures	10,00,000	—Depreciation	33,54,727
Reserves and surplus	9,89,398		
Other liabilities	62,50,869	Net block	19,61,543
		Current assets	76,36,810
		Investments	36,533
		Cash	2,05,381
Rs.	98,40,267	Rs.	98,40,267

*Paid up capital consists of 80,000 Equity shares of Rs. 10 each and 8,000—5½ per cent. Taxable cumulative redeemable preference shares of Rs. 100 each.

Raghuvanshi Mills Ltd.

(*Managing Agents*: Ravindra Maganlal & Co., Private Ltd., Bombay.)

Thirty-third Annual General Meeting—29th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of yarn, cloth and waste (gross)	1,93,37	1,71,05
Closing stock	18,98	22,08
Gross profit	28,77	23,34
Transfer to Managing Agents' remuneration	2,00	1,64
,, ,, depreciation	7,42	6,22
,, ,, provision for taxation	9,16	6,47
Net profit	10,19	9,00
Adjustments	1,91	21
Appropriations:		
Total available balance	14,10	9,21
To goodwill written off	8	Nil
To expenses relating to previous year	3	Nil
Transfer to development rebate reserve	1,86	1,96
,, ,, gratuity reserve	1,00	1,25
,, ,, general reserve	4,29	Nil
Proposed dividend (taxable) ordinary	4,80	4,20
	(12%)	(10½%)
Carry forward	4	1,80

N.B.—Adjustments include the balance brought forward from the previous year and other credit items like excess provisions no longer required etc.

Extracts from the Directors' report: As reported in the previous years, the Company has been continuing its policy of progressive modernisation of its plant and machinery. In the blow room section the by-passing machinery which was on order has since been received and put into commission. Similarly the spinning department is being equipped with the latest drafting systems. The carding engines are being replaced by new N.M.M. cards and it was reported to you last year that 40 such new cards are under order. There has been a delay in the delivery of these cards and thus the programme of replacement has been prolonged. It is hoped that the cards under order will be received during the current financial year. New machinery, in spite of difficulties in the procurement thereof, has been received or is under order for the sewing thread, winding, warping and sizing departments. As a result of this policy, it is expected that the working of the Mill will improve further considerably. Additions to the fixed assets during the year under report comes to Rs. 13,27,090 and commitments made for further modernisation as at the end of the financial year was Rs. 11,50,000.

In the last report, the members were informed that the scheme of amalgamation of the Company with the Sidhpur Mills Co., Ltd. was awaiting sanction from the Gujarat High Court under the petition made to that Court by The Sidhpur Mills Co., Ltd. The Gujarat High Court has not sanctioned the scheme of amalgamation and therefore the same has fallen through.

The working of Messrs. Emsons Bleaching, Dyeing and Printing Works of which this Company is a partner, during the period ended 31st March 1962, after providing for depreciation of Rs. 1,23,411, had resulted in a loss of which the Company's share comes to Rs. 22,931. The loss was mainly due to the fact that various restrictions have been imposed by the Government such as fixation of quota for printing, etc., and the further difficulty by the recent levy of excise duty on processing of art silk and rayon fabrics.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	1,23,85,849
Reserves and surplus	22,41,078	—Depreciation	70,45,337
Other liabilities	99,43,144		
		Net block	53,40,512
		Block in progress	1,84,458
		Capital contribution to Emsons Bleaching, Dyeing and Printing Works	10,23,951
		Current assets	91,99,159
		Investments	1,19,569
		Cash	16,873
Rs.	1,61,84,222	Rs.	1,61,84,222

* Paid up capital consists of 40,000 Ordinary shares of Rs. 100 each. Out of this 20,000 Ordinary shares of Rs. 100 each are issued as fully paid Bonus shares by way of capitalisation reserve.

National Iron and Steel Co., Ltd.

Registered Office: 51, Stephen House, 4, Dalhousie Square East, Calcutta-1.

Twenty-seventh Annual General Meeting—31st October 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	1,53,29	1,41,96
Closing stock	23,99	23,57
Gross profit (+) or loss (—)	+3,32	—5,53*
Transfer to depreciation	5,75	5,22
Net profit (+) or less (—)	+2,57	—5,53*
Adjustments credit (+) or debit (—)	+2,55@	—44
Appropriations:		
Total available balance	+5,12	—9,55†
To adjustment of loss brought forward	5,12	Nil
To dividends‡	Nil	Nil
Carry forward (debit)	—4,43	—9,55

* Profit after providing for depreciation.

† This includes the debit balance of Rs. 3,57,973 brought forward from 1960.

‡ The last dividend paid by the Company was for the year 1959—the rate being 7½ per cent.

@ Includes Rs. 2,49,890 being the amount standing at the credit of general reserve: now being set off against the loss brought forward.

Extracts from the Directors' report: It is a matter of gratification that inspite of shortage of power, supply of coal and raw materials and a great deal of repair which had to be carried out as well as stand-by Plants arranged and provided, yet comparatively the result is satisfactory and if the present tempo of production is maintained and supply position is improved with regard to power, coal, raw materials etc. then still better result can be expected in future.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	49,96,000	Gross block	1,54,02,104
Reserves and surplus	13,58,398	—Depreciation	92,07,119
Debentures	18,40,805		
Other liabilities	77,30,140	Net block	61,94,985
		Current assets	89,04,405
		Investments	3,05,207
		Cash	77,529
		P. L. % Deficit	4,42,017
Rs.	1,59,25,343	Rs.	1,59,25,343

* Paid-up capital consists of 4,99,600 Equity shares of Rs. 10 each.

Kasthuri Mills Ltd.

(*Managing Agents*: Messrs. C. N. Venkatapathy Naidu and Co., Coimbatore.)

24th Annual General Meeting—Held on 28th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales of yarn	46,54	44,26
Closing stock	2,03	1,94
Gross profit	5,10	4,06
Transfer to Managing Agents' remuneration	38	30
,, ,, depreciation	1,14	1,21
Net profit	3,57	2,55
Appropriations:		
Total available balance	3,57	2,55
Transfer to development rebate reserve	†	37
,, ,, contingency reserve	1,19	Nil
To adjustment of loss brought forward	1,56	1,48
Proposed dividend (taxable) equity	76	70
	(10%)	(9%)
Carry forward credit (+) or debit (—)	+4	—1,56†

*Only a small sum of Rs. 117.

†This represents loss carried forward after adjusting the loss of Rs. 3,03,710 brought forward from 1960 accounts.

Extracts from the Directors' report: The Mills were able to earn decent profits as trading conditions were on the whole favourable during the year under review. The production programme of the mills was in the main confined to the spinning of 40s counts of yarn for which the opening stocks of cotton and purchases during the earlier part of the year were available at a favourable cost. Prices of cotton suitable for 40s counts of yarn were gradually rising and as such, during the latter half of the year and thereafter the parity between the ceiling prices for such counts of yarn and cotton prices was very considerably narrowed down if not practically absent. In this context, it is contemplated to curtail the production of 40s and increase that of high counts like 60s and 80s, although a high premium has to be paid on the foreign cotton used for their manufacture.

There was no power cut during the year under review and the mills were able to work on double shift for 298 days. The installed capacity of the mills stood at 27,420 spindles as at the end of the year. The financial commitments of the Company in respect of expenditure on modernisation of machinery from the close of the financial year under review upto the date of this report amount to *Rs. 5,60,000 approximately.*

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	7,80,000	Gross block	34,52,665
Reserves and surplus	4,99,913	—Depreciation	24,64,061
Other liabilities	13,19,417		
		Net block	9,88,604
		Current assets	15,81,434
		Investments	17,475
		Cash	11,817
Rs.	25,99,330	Rs.	25,99,330

*Paid up capital consists of 31,..00 Equity shares of Rs. 25 each. Of this 18,720 Equity shares of Rs. 25 each are allotted as fully paid up Bonus shares by capitalisation of reserves.

NEWS IN BRIEF

INDIA and Yugoslavia have signed a trade agreement providing for expansion of trade between the two countries over a period of five years. The agreement followed the visit of an official delegation to Belgrade last week.

A trade delegation sponsored by the Spices Export Promotion Council will leave shortly on a tour of the Middle East, Continent and the U.K. for studying the possibilities of expanding exports of spices to those countries. The delegation will be led by Mr. S. P. G. Nithyanandan, Vice-Chairman of the Council.

Esso has signed an agreement with the Jayanti Shipping Company to charter for twelve years its 51,800 tons super-tanker, the largest commercial ship to be registered in India. The tanker is expected to make its first trip in 1964 and result in a saving of foreign exchange to the tune of Rs. 70 lakhs annually.

The Aichi Vijaya Water Plant Meters, set up at Hyderabad in technical collaboration with a Japanese company, was inaugurated by Mr. N. Sanjeeva Reddy, Chief Minister of Andhra Pradesh, last week. The factory will manufacture 30,000 meters in the first year and production will rise by 20,000 a year later.

The Film Finance Corporation has sanctioned a loan of Rs. 1,50,000 to Messrs. Chitra Niketan of Bombay for the completion of the picture *Fakira* in Marathi. The loan will be paid in instalments and bears interest of 9 per cent per annum, subject to a rebate of interest for early repayment as provided in the by-laws and regulations of the Corporation.

The U.N. Special Fund will provide $744,000 for establishing in India an institute designed to improve the productivity of sheep and the quality and quantity of wool, under an agreement signed by the representatives of the Government of India, the Fund and the F.A.O. The counterpart contribution of the the Government of India will be $4.27 million for services, personnel, buildings and maintenance. The F.A.O. will implement the project over a five-year period.

The U.S. Agency for International Development has agreed to lend $17.9 million for financing the full foreign exchange cost of the expansion programme of the Trombay thermal power station. The programme envisages the installation of a single generating unit of 125 mw., with associated boiler and other facilities. The loan will be repayable by the Government of India over 40 years, with a grace period of ten years. It is interest-free, but a service charge of one per cent will be levied. The Tata Power Companies, to which the loan has been allotted, will be required to make repayment as well as interest at 3½ per cent to the Central Government over a period of 20 years.

The trade agreement between India and Italy, which expired on 30th June 1961, has been extended for two years from that date. Letters to this effect were exchanged at New Delhi this week between Mr. Enrico Carrara, Charge d'Affaires, Embassy of Italy, and Mr. D. S. Joshi, Special Secretary, Ministry of Commerce and Industry. The arrangement provides for a freer flow of goods between the two countries. The main items of export from India to Italy are industrial raw materials, food items like coffee, tea, spices, meat preparations and dried fruits, cotton fabrics, jute, coir and leather footwear. The principal items of imports from Italy are agricultural and other types of machinery, scientific, engineering and optical instruments, synthetic fibres and dyestuffs.

The volume of trade between India and the Soviet Union is expected to be of the order of Rs. 100 crores next year, as against Rs. 56 crores in 1961, according to the terms of the trade agreement signed between the two countries in Moscow last week. India has agreed to import from Russia next year raw materials like raw asbestos, wood-pulp, chemicals, newsprint, refractories, metal items like lead, zinc, alloy and special steel, chemicals, fertilisers, machinery and equipment, capital goods, oil and oil products, including mineral lubricating oil, electric equipment, etc. Important items of export from India, apart from traditional goods, will be woollen and textile fabrics, leather footwear, leather cloth, safety razor blades, rolled steel products and other consumer articles like tanning materials, linoleum, coir products and handicraft goods. The agreement is within the framework of the existing Indo-Soviet trade and payments agreement.

The Government of India has issued a new Exports (Control) Order, freeing a large number of items from all export control. Under the new Order, export restrictions will operate only on a small number of items in respect of which control is inescapable. These fall under six categories, namely, specified kinds of metals, minerals, oilseeds, seeds, wild life and wheat and wheat flour. Exports of about 31 categories of items will be allowed on merit, or subject to ceilings or subject to some stipulations to be specified from time to time. Among these are specified animals, coal and coke, raw cotton and cotton waste, raw jute and mesta, wheat bran and rice bran, hides and skins, grains, pulse and flour (other than wheat and wheat flour), metals scraps, certain types of minerals, ores and concentrates, certain varieties of oilcakes, raw wool, wood and timber, arms, ammunition and military stores, mineral oils, aircraft and parts, tapioca meal and wastes, rock salt and specified types of metals, cinematograph films (not exposed), mustard oil and rapeseed oil. All the items, which are not included in either of these two lists, will be allowed for export without any licensing formalities whatsoever.

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From Abroad

In a fresh bid to tide over balance-of-payments difficulties, the Ceylon Government has brought under control most of the goods imported hitherto under open general licence, with the exception of foodstuffs, petroleum, fuel, fertilisers and certain drugs.

The first "look-telephone" has been installed in the Netherlands, working between the offices of a large Dutch company at Amsterdam and Rotterdam. It is based on the "vision phone" system which is a combination of telephone and television.

The Government of Burma has decided to permit only the indigenous companies to import petroleum and petroleum products under open general licence. The import and distribution of these products will also be taken over by the State undertaking, the Burma Economic Development Corporation.

The Japanese Ministry of Trade has prepared a plan to scrap about two million obsolete cotton spindles by the end of 1965. Under the plan, the Government will give long-term, low-interest loans upto 15,000 million yen (about £15 million) for the industry through semi-official and commercial banks.

The Government of Tanganyika proposes to introduce legislation to guarantee overseas investments in the country. This was announced by the Prime Minister, Mr. R. Kawawa, while inaugurating the Kilombero Sugar Estate scheme recently. The scheme, comprising a 25,000-acre concession, is designed to make the country self-sufficient in sugar by next year.

West German industrial production would appear to have passed its cyclical "down," because the August production—almost 6 per cent higher than in August 1961—shows a new upward trend, according to the Federation of German Industries.

PERSONAL

MR. Benjamin King has been appointed Resident Representative of the World Bank in New Delhi *vice* Mr. Stokes M. Tolbert.

Mr. N. G. Ayyangar, Managing Director of the Mysore Electrical Industries Ltd., has left for the Continent on a business tour.

Mr. D. N. Shroff and Mr. S. M. Mehta have been re-elected Chairman and Vice-Chairman, respectively, of the Silk and Art Silk Mills' Association Ltd. for the year 1962-63.

Mr. C. P. Srivastava, Managing Director of the Shipping Corporation of India, has returned from Tokyo, after representing India at the annual session of the Bay of Bengal-Japan Shipping Conference held there earlier this month.

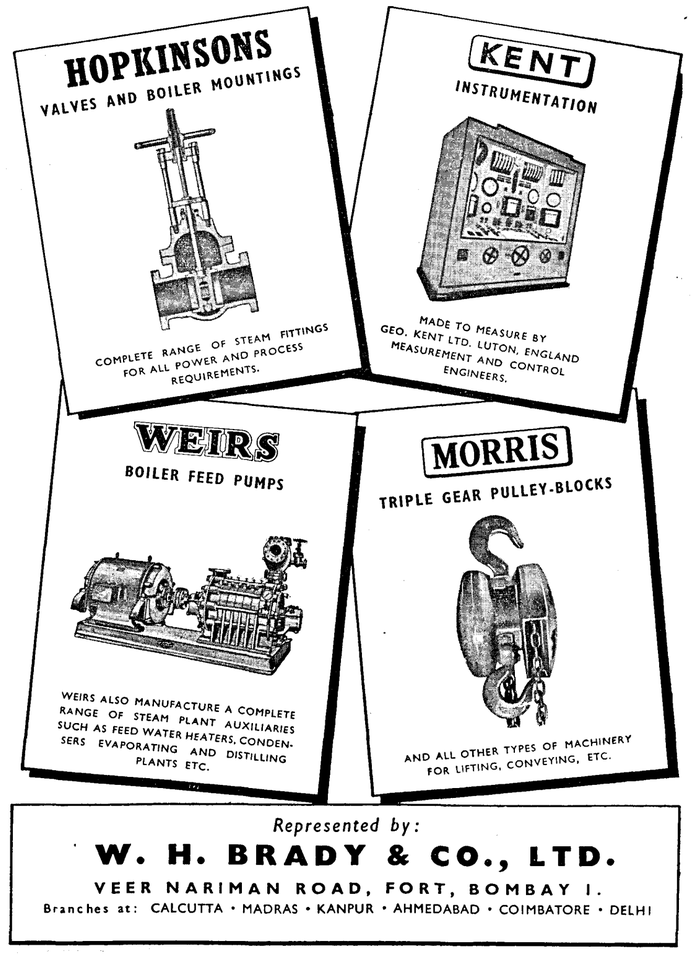
Mr. John Little of the Asian Department of the Federation of British Industries is expected to arrive in India on a five-day tour on the 28th inst. His visit is part of his twenty-day familiarisation visit to Asia sponsored by the Federation.

Mr. J. Chakravarty, Proprietor of the Kalpana Advertising and Public Relations, Calcutta, has left for Manila to represent the Advertising Agencies Association of India at the third Asian Advertising Congress now being held there.

Mr. Jacques L. Rueff, Inspector-General of Finance for the French Government, will lead a World Bank mission to study the economic implications of the merger of the Federation of Malaya, Singapore and the Borneo territories to form the Federation of Malaysia. The merger is to take place by August 1963.

The Federation has recommended the use of "autumn upturn" for new, qualitative investments in order to strengthen the industry's competitive power.

Industrial production in the member-countries of the Organisation for Economic Co-operation and Development increased by 7.6 per cent in the first half of this year over the corresponding period of 1961. Higher production in the U.S. and Canada chiefly contributed to the overall rise, with growth rates of more than 9 per cent in each of the two countries. The rate of increase in the O.E.C.D. European member-countries was 4.3 per cent. In the Common Market alone, it was 5.1 per cent.



REFORM OF BRITISH COMPANY LAW—I

(*Concluded from page 690*)

other interests likely to be affected by the alteration of the objects clause in the Memorandum than in the U.K.

No Par Value Shares

The advocacy in favour of no par value shares in the U.K. dates back to the days of the Wrenbury Committee on Company Law Reforms which reported in 1918. The issue had also been discussed by the Greene Committee in 1926, the Cohen Committee in 1945 and by the Gedge Committee in 1952; the last named Committee was specially set up to examine the question of the desirability of issuing such shares. The Cohen Committee refrained from recommending anything on them and only recorded that "while there is, in our view, much logic in the arguments put forward in favour of the shares of no par value, there is little public demand for, and considerable opposition to, the proposal." Reporting after nearly seven years, the Gedge Committee, however, said that "we are now satisfied that there is now a demand for legislation permitting the issue of shares of no par value. We are also satisfied that the introduction of the system on a permissive basis would not entail any elaborate amendments to our company law." That Committee was convinced of the five principal advantages advanced in favour of such shares, namely, that (*a*) they represent the share for what it is—a fraction or aliquot part of the equity—and they do not import a notional token of value, (*b*) as there is no nominal capital and the share has no nominal value attached, they make it impossible to relate a dividend to a nominal capital and they thus avoid a potent source of misunderstanding and misrepresentation, (*c*) whether the undertaking be one having shares of no par value or of nominal value, it is the capital employed and not the paid-up share capital which is the true capital of the undertaking, (*d*) given the conception of shares of no par value, matters analogous to 'bonus' issues and sub-divisions are simplified, and (*e*) in certain cases, such shares facilitate the raising of additional equity capital. Main opposition to the introduction of no par value shares at that time came from labour circles—Trade Union Congress—which said that "one of the purposes of the issue of shares of no par value is to conceal what is happening inside public companies and in particular to camouflage the payment of excessive dividends." They further apprehended that companies would use the device of splitting no par value shares to conceal the fact that they were increasing dividends.

The Jenkins Committee, however, received no evidence against and much evidence in favour of no par value shares and the only subject of conflict was the issue of no par value preference shares. Earlier the Gedge Committee had decided against the extension of no par value shares to preference issues largely because a fixed dividend should bear some relation to the sum on which it is paid. But this time the Jenkins Committee came to the conclusion that the issue of such shares, though would be "misleading to the uninitiated investor" who would not realise that, if interest rates were to climb up, the market value of the shares would fall, it would "enable a company to issue one class only of preference shares with consequent benefit to the shareholders by reason of the wider market involved." The Committee has recommended that the Companies Act should be amended to allow the issue of both preference and ordinary shares of no par value.

In India, however, the question of issuing shares of this nature was raised at the time the Companies Act, 1956 was on the anvil. But the idea was firmly rejected by Mr. C. D. Deshmukh, who piloted this legislation. Since then, there has been no worthwhile discussion of this subject but the utility of no par value shares is getting slowly known to investors and it might become a point of issue in future discussions on reform of company law.

Non-voting Shares

Like the no par value shares, non-voting shares do not exist in India. Notwithstanding this, the observations and recommendations made by the Jenkins Committee are significant and important for us also in so far as they bring out the progressiveness or distinctiveness of our law and show that, slowly and steadily, informed opinion in the U.K. is also veering round to the philosophy of our Company Law in matters of ownership and control of companies.

Non-voting shares were one of the rather very delicate matters that came before the Jenkins Committee and over which evidence tendered before the Committee was very sharply divided. The supporters of the voteless shares urged that the abolition of such shares would be an unwarranted interference with freedom to contract. They also pointed out the useful purposes served by these shares, namely, that they were useful where it was desired to raise fresh capital for the extension of a business, while leaving control in the same hands as formerly and that voteless shares tended to perpetuate efficiency; this latter claim was, however, challenged by the opponents of these shares. The supporters further pointed out that heavy compensation would have to be paid, if they were to be enfranchised. As against these arguments, the opponents emphatically stressed the principle that shares conferring interests in the equity or 'risk' capital of a company should carry voting rights commensurate with those interests and that, "as a matter of public policy, ownership of interests in companies should carry with it some measure of responsibility for their control, and that voteless shares tend on the contrary, to establish *de jure* the severance of ownership from control which frequently arises *de facto* from the indifference of shareholders." Two bad features of these shares pointed out by the opponents were that the holders of voteless shares had no redress short of expensive and difficult court proceedings in the event of misconduct on the part of directors appointed by the voting sections of the company's members and that the descriptions applied to voteless as distinct from voting shares might not be sufficiently clear to ensure that a purchaser knew which kind he was getting and very often if he knew about the nature of shares, might not fully comprehend the implications.

After careful consideration of the two sides of the issue, the Committee, by a majority of eleven members to three, came to the conclusion that the case for abolition by law of voteless shares had not been made out and that their abolition would be too drastic a step. The Committee, however, recommended that (*a*) the Board of Trade should seek the voluntary co-operation of the stock exchange, Press, and other representative institutions concerned to give full publicity to any lack or restriction of voting rights attaching to particular equity shares and (*b*) notice of all general meetings of their company should be required to be sent to the holders of voteless equity and preference shares for information and these interests should also get a copy of the chairman's statement circulated with the accounts.

These recommendations have left expert opinion in the U.K. rather dismayed and disappointed. For instance, the well-known financial expert, Harold Wincott, sees in the perpetuation of these shares, a contradiction between what the Committee said about the shareholders' control of their companies and other recommendations like those on these shares which in fact perpetuate shareholders' weaknesses and lack of information. This inconsistency has fully been brought out in the note of dissent to the Committee's Report by Mr. L. Brown, Sir George Erskine and Prof. L. C. B. Gower.

In India, the Company Law reform on the question of voting rights attached to the shares has taken place on the opposite side. Thus, the provisions of Sections 87 and 88 in the 1956 Companies Act have abolished the class of deferred or founders' shares which carried disproportionate voting rights. By doing so, the Indian law has recognised the democratic principle that a man's power in company matters should be proportionate to his stake in it.

Prospectus

Section 45, read with Section 55, of the English Companies Act gives the definition of a prospectus. It is generally accepted in the U.K. that a document containing an offer of securities for a consideration other than cash, for example shares, cannot be a prospectus, although it may be a circular to which the Prevention of Fraud (Investments) Act applies. The Jenkins Committee has recommended that a document which offers securities for a consideration other than cash, but is in all other respects a prospectus as defined in the Act, should be treated as a prospectus, but offers of securities duly complying with the take-over rules should be deemed to comply with the prospectus provisions. The second recommendation of the Committee is that no allotment of securities offered to the public should be permitted after the expiry of three months from the date on which the prospectus is first issued. Thirdly, the Fourth Schedule to the Act which requires certain specific information to be given should be amended on the lines of that required by the London Stock Exchange and also include turnover in respect of the five financial years immediately preceding the issue of the prospectus and the method of computation should be required to be disclosed, excepting in the case of banks and discount companies. Fourthly, the provisions of the Act relating to statement in lieu of prospectus should be repealed as they serve no useful purpose. Finally, the Committee has recommended that the Registrar should be empowered to reject any prospectus in relation to unquoted securities presented to him for registration and so also a prospectus which is likely to create a false impression. Finally, the issue of a prospectus which had not been accepted for registration should be made an offence.

Sections 2(35), 64 and 67 of the Indian Companies Act, 1956 furnish a clear definition of a prospectus and the contents of the same are spelt out in Part I of Schedule II to the Act. Nevertheless, recommendations made by the Jenkins Committee open fresh ground for consideration and action in our country.

(*To be continued*)

MANCHESTER LETTER

(*Concluded from page 679*)

women now constitute nearly one-fifth of the total labour force and 53 per cent of all working women. In the past ten years, the number of married women in employment has increased by 40 per cent, at an average annual rate of 120,000. Other facts in this sphere are that women now constitute substantially more than one-third of the total number of employees; more than half of all employed women are now married; one-third of all married women are already part of the labour force and whereas in 1931 only about 1 in 10 of all married women were working the current figure is approximately 1 in 3.

Professor Chester makes what might appear to be a fairly obvious point in that, apart from increases in the number of young people entering the labour force owing to the higher birth rate and the possibility of retaining people over retiring age, married women so far not in employment are the country's major labour reserve for the future. "Employers, however, who are anxious to draw on the seven million reserve pool of womanpower not as yet gainfully employed will have to do more than produce glossy advertisements and recruitment appeals," he warns. "Much has already been said about the lack of facilities, such as day nurseries and nursery schools, and about the disincentives contained in our tax system."

Employers themselves, Prof. Chester continues, could do still more in other directions, for example, in diminishing the pay differential which still persists between men and women employees. Although the textile industry is not a major offender in this direction, he points out that the average earnings of adult male workers in all industries and services are nearly twice as high as those of women.

LABOUR

(*Concluded from page 692*)

2,222,000 in 1950 to 3.225,000 in 1960, or by over a million. An industry-wise analysis of the trend of employment in the private sector indicates that, in textiles, the average daily number of workers employed showed only a minor change over the decade under review. Thus, the average daily number of workers employed in textiles rose from 1,019,000 in 1950 to only 1,159,000 in 1960. The increase was, however, much higher, percentage-wise, in other industries such as basic metals, chemicals, transport, gins and presses, etc.

Data relating to earnings of factory workers reveal that the annual average earnings of a factory worker in all industries increased from Rs. 1,035.6 in 1951 to Rs. 1,481 in 1960, a rise of 43.6 per cent. Table C shows the trend of factory earnings during the period 1951-60. It will be seen from this table that the average annual earnings were the highest in products of petroleum and coal industries, whereas they were the lowest in wood and cork industry. Further, during the decade under reference, the average annual earnings of workers employed in products of petroleum and coal almost doubled from Rs. 1,131 to Rs. 2,197 in 1960, whereas, in the case of textile workers, they increased by 57.6 per cent, from Rs. 1,044 to Rs. 1,637.6, to be precise.

MONEY TEMPORARILY EASY

(From Our Own Correspondent)

BOMBAY, 17*th October*

The supply of floating funds in the short-term money market recorded a significant improvement this week. Some attribute this development to the return of funds to the market that had been subscribed to the new issues of the Industrial Finance Corporation and State Electricity Boards. Whatever the reason, the demand for inter-bank call money declined, especially after Monday, and, with that, the rate, too, from 4 per cent a week ago to 3 per cent today. In Calcutta also, the rate fell to 3½-3¾ per cent.

This easiness, however, may not last very long. For one thing, the usual busy season will be commencing in two or three weeks. For another, Oil India Ltd., a Government of India concern, is actively canvassing support for its Rs. 30-crore debenture issue for which the Controller of Capital Issues has already given sanction. It would appear that the L.I.C. has agreed to take up Rs. 7 to 8 crores of these debentures and the State Bank some Rs. 3 crores. Other banks, too, may soon be sounded, if a beginning has not already been made. It is unnecessary to add that Rs. 30 crores is not a small amount and that this issue, coming as it does on the eve of the busy season, will place a sizable strain on the capital market.

The Government of India's 91-days' Treasury Bills sold under the tender system on Monday the 15th inst. must have been taken up by only special quarters, for the amount offered at Rs. 2 crores was just equal to that invited. Nevertheless, the average rate of these Bills went up from Rs. 2.360 per cent to 2.365 per cent per annum. Intermediate Treasury Bills, which were on tap from 9th to 13th October, fetched only a small sum of Rs. 5 lakhs. This is not surprising, as during those days the demand for floating funds was pretty good. Sales of both types of bills are continuing, the intermediates from today to 20th October and the tenders on 22nd October.

The Reserve Bank's statement for the week ended 12th October 1962, as compared with that for the previous week, shows a rise of Rs. 19.07 crores, of which Rs. 16.80 crores were under notes in circulation and the balance under notes held in the Banking Department. Foreign securities held in the Issue Department have been reduced by Rs. 25 lakhs and balances held abroad have fallen by Rs. 1.05 crore, so that the total fall in foreign assets comes to Rs. 1.31 crore, bringing it to Rs. 92.66 crores.

According to the same statement, there has been a minor fall of Rs. 83.4 lakhs in Scheduled banks' borrowings from the Reserve Bank which now stand at Rs. 10.34 crores, of which Rs. 5.89 crores are against usuance bills. There has also been a contraction of Rs. 1.64 crore in the deposits of scheduled banks with the Reserve Bank.

Reflecting the good demand for funds that was in evidence during the last two weeks, bank credit has gone up by Rs. 12.73 crores to stand at Rs. 1,391.11 crores, according to the Scheduled banks' statement for the week ended 5th October 1962. The same statement shows only a minor increase of Rs. 3.32 crores in deposits, bringing their total up to Rs. 2,173.29 crores. Inter-bank borrowings were also higher during that week, albeit by Rs. 3.53 crores, the total being Rs. 38.24 crores.

The Gilt-edged market was dull, but the trend was quiet. State loans continued to be on offer, with a significant marking down in the value of 4½ per cent 1972 issues. Thus, there was a fall of 75 nP in this issue of Mysore and Rajasthan, of 65 nP in Madhya Pradesh, Bihar and Orissa and of 25 nP in Madras. Andhra Pradesh and the U.P. Among Central loans, 3 per cent 1986 Conversion Loan dropped 60 nP to stand at Rs. 67.05. 3½ per cent 1974 lost 5 nP but 4 per cent 1981 was better by 10 nP.

There has been no notable variation in the foreign exchange markets. In New York, spot sterling was practically unchanged throughout the week, the latest rate being exactly the same as that a week ago. Three months' forward was actually a shade better. The rates are: 280.180-280.210 cents per £ for spot and 279.740-279.770 cents for three months' forward. There was no change, over the week, in the banks' selling and buying rate for dollars in this country.

COWCALF FIRM

(From Our Own Correspondent)

MADRAS, 15*th October*

The Madras kips market ruled steady this week. Demand on both export and local account was small. Importers seemed to be interested in the superior tannages, but were not willing to pay tanners' prices; and consequently sales were limited to a few selected styles. The market for cowcalf remained firm, and for buffcalf firmer, for 1½/2 lbs. and 2/2½ lbs. average weights for export. Arrivals of buffhides were good, but clearance was slow and prices were lower.

The market for tanned goat remained steady, with importers showing great resistance to the increased prices demanded by tanners. Inquiries for 8/9 lbs. goat skins were in evidence, in welcome contrast to the dormant conditions in this section for past sometime. There were good inquiries for the light weight middle class sheepskins, but sellers were cautious in booking orders, as arrivals were small. There was no change in demand for the prime and semi-prime class of sheep-skins, which continued to be patchy. Arrivals of raw skins were small and the E.I. Tanners paid high prices to secure stocks to keep their tanneries working.

SPURT IN BULLION

(From Our Own Correspondent)

BOMBAY, 17*th October*

The bullion market depicted a distinctly firm trend during the week under review. There was good buying support from local bulls as well as some Calcutta operators on fears of a possible shortage of floating stocks in the next few weeks. The fears stemmed from Press reports suggesting that the Union Government was contemplating to take fresh measures to check smuggling activity. The tense situation in the N.E.F.A. region and hopes of a marked rise in offtake during *Diwali* also imparted considerable strength to the market. Consequently, bullion prices registered a handsome rise. Over the week, ready gold has spurted by Rs. 4.50 to Rs. 120.50 per 10 grams and forward by Rs. 3.05 to Rs. 120.15. Likewise, ready silver has hardened by Rs. 2.45 to Rs. 221.30 per kilogram and forward by Rs. 3.20 to Rs. 222.55. Since the rise in ready gold was more marked than that in forward, the discount of ready under forward declined in the course of the week from Re. 1.10 to 35 nP. Reverse was the case in silver, the discount increasing from 50 nP to Re. 1.25.

The daily average arrivals of gold were larger than in the previous week (12,800 tolas, as against 10,000 tolas), while offtake was lower (7,000 tolas, as against 12,500 tolas). In silver, both the daily average arrivals and offtake were smaller, being 32 bars and 8 bars, as against 56 bars and 9 bars, respectively. The floating stocks in the market are estimated at 60.000 tolas of gold and 700 bars of silver.

The view that futures trading in gold is a necessity has been expressed by the Bombay Bullion Association in the course of a memorandum submitted to the Union Finance Minister. The essential advantage of a futures market, it is pointed out, is to lend stability, mobility, liquidity, continuity and uniformity to the market. The Association has warned against any ban on futures trading in gold. Such a step, according to it, will deprive the bullion traders and the public the aforesaid advantage. There will be a big gap in buying and selling prices. Values will fluctuate violently, owing to seasonal factors, as there will be no facility of evening out such fluctuations in the absence of a forward market. In this connection, the Association has sought to dispute the contention that ban on forward trading in bullion will help check smuggling of gold. To quote it:

"Smugglers bring gold from foreign countries by land, sea or air, and they are always eager to sell off as soon as possible because of the fear of being detected by the customs. They generally sell in the towns very near to the frontiers in various parts of this country in small lots which are sold out in ready markets. Smugglers never come to the forward markets for hedging or for giving delivery in forward. They make large profit by immediate sale and they do not care at all for a marginal price fluctuation of Rs. 2 to Rs. 3 for their profits in hedging. Average yearly fluctuations in forward gold prices is about Rs. 12 which comes to a rupee per month. There is no reason to believe that the persons to whom smugglers sell gold come to trade in forward markets. Forward market facility is used by the genuine dealers to cover their risk against ordinary fluctuations for the stock held by them. Smugglers are indifferent to this type of small fluctuations."

The Association has recalled that the Forward Markets Commission had stressed sometime ago the utility of forward trading in bullion in the context of its socio-economic and socio-religious role in India and observes: "If cotton with an annual turnover of Rs. 300 crores and oilseeds with a turnover of Rs. 75 crores require forward markets, bullion with an average turnover of more than Rs. 250 crores needs it all the more.... Though the internal production of gold and silver is limited, the marketable quantities are sufficiently large and, owing to their unperishable nature, same quantities are traded again and again."

The move to impose ban on futures trading in gold and/or silver is expected to be stoutly opposed at the All-India Bullion and Allied Trade Conference scheduled to be held at New Delhi on 1st and 2nd December next. The details of the Conference were discussed at a meeting of the bullion traders representing 30 centres in India in Bombay on Monday this week.

The dollar price of gold in the London bullion market was a shade better at $35.13¾ per fine ounce, as against $35.13.1/32 last week-end. Ready gold, however, eased from 250*s.* 9½*d.* to 250*s.* 8½*d.* There was a further sharp advance in silver prices, the ready rate rising from 101½*d.* to 103½*d.* and forward from 101⅞*d.* to 104*d.* The rise followed bullish advices from New York where silver shot up from 119.00 cents to 121.25 cents.

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

	17-10-62 (closing)	High	Low	10-10-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	120.50	120.90	116.75	116.00
*Margashir**	120.15	120.55	116.65	117.10
Sovereign	94.50	94.50	94.00	94.00
SILVER				
Ready (.996 fine) ..	221.30	222.00	219.10	218.85
Margashir†	222.55	223.50	219.30	219.35
London—				
Gold	250*s.*8½*d.*	250*s.*10*d.*	250*s.*8½*d.*	250*s.*9½*d.*
Silver Ready	103⅜*d.*	103⅜*d.*	101⅛*d.*	101⅛*d.*
Silver Forward ..	104*d.*	104*d.*	102⅛*d.*	101⅛*d.*
New York—				
Silver	121.25 cents	121.25 cents	119.50 cents	119.00 cents

* 11th December settlement. † 12th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, 17*th October*

The cotton futures market, which had struck a note of hesitancy early in the week, firmed up in subsequent sessions. The firmness largely persisted till the close. The statement of Mr. J. K. Galbraith, U.S. Ambassador to India, that India would get a "substantial quantity" of the 700,000 bales of cotton it had asked for under P.L. 480, was interpreted to mean that the actual might fall short of current expectations. This gave a bullish twist to the market. Reports of adverse weather from certain cotton growing tracts, especially Berar, also imparted strength to the market. Under pressure of buying, the Jarilla March contract rallied from Rs. 728.50 at the beginning of the week to Rs. 737.50 yesterday. This level could not be maintained. Hedge selling by upcountry traders and liquidation by local operators led to a decline and the March contract receded to Rs. 734.25 at close. A recovery was witnessed today and the contract improved to Rs. 735.25 at close.

Knowledgeable observers do not expect a sustained bullish trend in cotton, unless of course there is a marked deterioration in the crop position. This is because the Government is determined to keep the price of cotton within the ceilings and it would not hesitate to take any measures that might be called for to hold the price line.

Activity in the ready section was limited. The first instalment of the quota for Indian cotton has yet to be released. So also the official announcement regarding the new scheme of distribution of cotton has not yet been made. The delay, it is said, is due to certain legal difficulties. The proposed scheme was opposed by traders at the All-India Cotton Conference held in the city on Friday the 12th inst. Although the absence of quota did not permit any large-scale business, spinners' interest in crop varieties such as 197/3 and Khandesh broadened. Export interest in Bengal *Deshi* was only moderate. Among foreign cotton, East African and Sudan cotton attracted attention and sizable business passed. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Khamgaon 1,025; Hubli Jaydhas 1.041; B.P. 52 1,230; B.P. (U.N.U.G.) 1,230; Giza 45 1,785.

Cotton futures in Karachi staged a smart recovery during the week, thanks to short covering and fresh buying attracted by the low level of prices. N.T.R.G. January rose from Rs. 65.90 to Rs. 66.40. The March contract was quoted higher at Rs. 66.90, as against Rs. 66.19 last week-end.

Listless conditions prevailed in the Liverpool cotton futures market. Values moved in a narrow range in thin trading. Net change in values over the week was negligible. A moderate volume of hedge selling in the distant deliveries was absorbed in Commission House buying. In the ready section, demand centred round Turkish, South Brazilian, Mexican and Peruvian cotton. Small lots of Pakistan and Indian cotton also attracted attention. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing rates:

October 23.50 (23.50); December 23.45 (23.45); November 29.50 (29.50).

Caution was the keynote of trading in the New York cotton futures market during the week. Traders were awaiting the official announcement of the 1963 acreage allotments. A statement on the price support level for cotton was also expected. Trading interest was, therefore, lacking. Futures value tended to recede. The October 1962 contract went off the board on the 15th inst. at 33.25 cents. December contract was quoted at 33.55 cents, as against 33.65 cents last week. The March contract receded from 34.10 cents to 34.02 cents. Ready prices, however, ruled steady. New York spot was unchanged at 34.90 cents. New Orleans spot was quoted at 32.65 cents, same as last week.

YARNS IRREGULAR

(From Our Own Correspondent)

BOMBAY, 17*th October*

Traders in the yarn market are awaiting the official announcement of the new scheme for determining import entitlements against exports of art silk fabrics. The scheme envisages grant of import entitlements on the basis of f.o.b. value of actual exports or the international prices fixed by the Textile Commissioner, whichever is lower. It is reported that the Textile Commissioner has almost finalised the schedule of international prices and the announcement of the same is expected any day. Meanwhile, yarn circles have noted with interest the recommendations pertaining to the pattern of indigenous art silk yarn production, distribution and prices as well as the modifications in the export promotion scheme for fabrics made by the Development Council for Art Silk Industry at its meeting held in Bombay on Wednesday the 10th inst. Since these recommendations and modifications have been discussed in detail in our Market Gossip column last week, it is unnecessary to go into them again. The general opinion among traders is that the recommendations are notable and that the Government will do well to accept them.

Art silk yarns ruled irregular. Thus, 150 deniers drifted downward, while 120 deniers tended to look up on good buying support induced by reports of enlarged offtake in consuming centres. 150 denier National Rayons receded by 13 nP to Rs. 12.85 per kg. and S.I. Viscose by 16 nP for Rs. 12.91. 120D National Rayons, however, spurted by 68 nP to Rs. 17.53 and S.I. Viscose by 55 nP to Rs. 17.47. Centurys 100D rose by 26 nP to Rs. 17.38, while 75D declined by 55 nP to Rs. 21.45.

Staple fibre yarns encountered selling and suffered a setback in values. The supply position was said to be quite comfortable, whereas demand from weaving mills was slack. Spot (40 x 2) Centurys and Kohinoors dropped 9 nP to Rs. 7.74 to Rs. 9.06, respectively. Citys fell by 47 nP to Rs. 8.84. In the forward section, October delivery receded by Rs. 16 to Rs. 694. December contract declined by Rs. 15 to Rs. 714.

Cotton yarns ruled easy in the absence of any fresh encouraging news. Turnover was small and values moved narrowly.

About 770,041 kg. of art silk yarn were imported into the Bombay port during the month of September 1962, as against 855,065 kg. in the previous month. During the same month, 371,584 kg. of synthetic yarn (383,468 kg. in August), 3,802 kg. of staple fibre yarn and 1,176 kg. of cotton yarn were imported. Exports of cotton yarn from Bombay port in September aggregated 183,044 kg., as against 127,522 kg., and those of cotton thread were of the order of 16,811 kg., as against 13,947 kg.

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

	17-10-1962	10-10-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	17.53	16.85
Century 75D	21.45	22.00
S. I. Viscose 150D	12.91	13.07
Staple fibre yarn (40 x 2)—		
October (per 90.72 kg.)	694.00	710.00
December (,,)	714.00	729.00
Kohinoor (per kg.)	9.06	9.15
Century	7.74	7.83
Cotton yarn (per bundle of 10 lbs.)		
10s Pedar	18.50	18.50
22s Apollo	23.00	23.00
30s Bradbury	27.00	27.00
40s S. Raja	37.50	38.00
60s Finlay	69.00	72.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

TEA DRIFTS LOWER

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

COCHIN, 10*th October*

A total of 570,000 kgs. was offered in Sale No. 40 held on Monday the 8th inst. Quality was about maintained. The market met with good demand, but prices were irregularly lower. Highgrowns were a weak feature of the sale, especially their brokens, and there was a number of withdrawals in this category. Good mediums elicited less support than last week and were generally easier. Low medium and medium brokens were barely steady and often lower, while their fannings followed a similar trend. Plainest descriptions sold at about last rates. Clean black leaf types were irregular, whereas whole leaf sorts may be quoted about steady. Unorthodox grades sold readily but generally inclined easier. There was less enquiry than in recent weeks for tippy teas.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.50-4.40	3.90-4.10
Mediums	4.30-4.85	4.10-4.30
Good mediums	4.85 5.70	4.30-5.40
Nilgiri B.O.P.	5.00-8.50	5.00-7.80

The average price realised in sale No. 40 was Rs. 4.58 per kilo, as against Rs. 4.57 a week ago and Rs. 4.61 in the corresponding sale last year.

In dust sale No. 40 held today, 314,000 kgs. were offered. There was good demand which eased slightly as the sale progressed. Highgrowns were irregular and generally easier. Better mediums eased slightly and, while Travancore types declined up to 30 nP, Wynaad sorts attracted better support. Black grainy types were firm to dearer. Unorthodox descriptions eased slightly on last rates.

The average price realised in dust sale No. 40 was Rs. 3.85 per kilo, as compared with Rs. 3.99 a week ago and Rs. 4.59 in the corresponding sale last year.

Colombo: Just over 4¾ million lbs. were offered and there was strong general demand. Dimbulas were dearer, but Uvas were easier. B.O.P.Fs came to a strong market. Medium sorts were dearer, while fannings in this category were steady. Lowgrowns were ½ cents easier.

London: *North India and other growths*: In Monday's auction, there was fairly good demand, but Assam C.T.Cs were appreciably lower. Orthodox Assams and African teas were steady, but legg-cut and plainest were barely steady.

Ceylon and South Indians: In Tuesday's sale, there was strong demand and prices were dearer with the improvement in quality seen in most teas.

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

"*Sale No. 41 held on 16th inst*: Offerings aggregated 610,000 kgs. Active demand. Prices irregularly easier by 5-10 nP, except black leaf which was dearer. Highgrowns firm with quality."

OILSEEDS FIRM

(*From Our Own Correspondent*)

BOMBAY, 17*th October*

The upward trend of oilseeds prices noted last week gathered further momentum during the week under review, thanks to persistent bull support and bear-covering. Groundnuts continued to make headway, as the latest reports from upcountry centres confirmed the earlier fears of a smaller crop in Gujarat. New crop arrivals from producing centres were also relatively modest because the farmers appeared to be reluctant to release stocks in the rising market. There was larger offtake by *vanaspati* manufacturers and crushers, on account of seasonal increase in pre-*Divali* demand for edible oils. Bulls were further enthused by the pronounced strength in groundnut extraction, following brisk purchases by East European countries. Castorseeds, too, put on a cheerful appearance on the news that some export business in castor oil was transacted with the U.K. and Soviet Russia. Firm conditions prevailed in linseed. The firmness was engendered by persistent demand in the face of paucity of supplies. In sympathy with other seeds, cottonseeds ruled buoyant.

The groundnut January 1963 contract, which was quoted in private dealings at Rs. 228.25, spurted to Rs. 235 today, or Rs. 3.63 above the ceiling level. In view of the strength in forward contracts, the spot section moved up. Khandesh quality put on a rupee to Rs. 46.75. Oil railway receipts hardened by 40 nP to Rs. 19.30 and oil ex-mill by 35 nP to Rs. 19.50.

Among castorseeds, March 1963 contract rose by Rs. 2.37 to Rs. 166.62. Madras small scored a gain of 75 nP to Rs. 33.25. Kanpur also improved by a like amount to Rs. 31.87. Oil B.S.S. spurted by 35 nP to Rs. 13.35. Oil commercial hardened by 10 nP to Rs. 12.40.

Linseed March 1963 contract strengthened by 25 nP to Rs. 40.12. Bold ready was higher by a rupee at Rs. 42. Linseed oil closed firm at Rs. 17.35, as compared with Rs. 16.85 last week-end.

Cottonseed January 1963 contract hardened by 50 nP to Rs. 102.50. White rose by 75 nP to Rs. 22.50. Among other seeds, kardi seed improved by 50 nP to Rs. 28. Niger Madras was maintained at Rs. 36.25.

The following table shows the closing prices of oilseeds and oils on Wednesday, 17th October as compared with those of the two previous weeks:

	17-10-1962	10-10-1962	3-10-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963	231.37	225.87	219.37
Nizam bold	47.00	46.25	44.50
Khandesh quality	46.75	45.75	45.25
Oil ex-mill ready*	19.50	19.15	19.25
Railway receipts*	19.30	18.90	18.75
Castorseed			
Castorseed March 1963	166.62	164.25	161.50
Ready Madras	33.25	32.50	32.25
Ready Kanpur	31.87	31.12	30.87
Oil B.S.S.†	13.35	13.00	12.80
Oil commercial†	12.40	12.30	12.20
Linseed			
March 1963	40.12	39.87	39.19
Bold ready	42.00	41.00	40.50
Oil ready†	17.35	16.85	16.80
Cottonseed January 1963	102.50	102.00	100.50
Niger seed	36.25	36.25	36.00
Kardi seed	28.00	27.50	28.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PLAIN ORTHODOX TEAS IMPROVE

(*From Our Own Correspondent*)

CALCUTTA, 16*th October*

Firm conditions were discernible in the first post-*Puja* holiday tea export sale held here yesterday. In the absence of any auction in the previous week due to the holidays, support at yesterday's sale was pretty good. Plain orthodox teas improved on sustained support.

If the crop position does not improve in the closing months of the season, a shortage of tea will occur. Prices are then likely to move up, though not to the extent as to compensate the gardens for the shortfall in output. Up to the end of September, the shortfall in output has been about 15 million lbs., and the season is likely to close with a setback of at least 20 million lbs. It is doubted, therefore, whether the country would be able to achieve the production target of 900 million lbs. by 1965-66. This position calls for early measures to raise output, and it is suggested that these should include irrigation of gardens in the summer months. If only plants are watered in the period from March to June, bushes can flush freely. There is also the need for using more fertilisers.

Tea circles here point out that the target of 900 million lbs. should be achieved more by intensive cultivation than by extension of acreage. For, a tea plant takes more than five years to come of age for plucking. As such, irrigation and fertilisers are the best way by which gardens can increase the crop. Of course, a percentage of the increase can be expected from extension to acreage in recent years. Intensive cultivation may affect quality, but what India needs is a larger output of not the common but the superior teas. Considering that many new tea-growing areas in the world produce more common teas and that India's cost of production is higher, it is difficult for India to find a market abroad for common teas.

It is against such a background that the tea industry is insisting on the revival of internal propaganda. In the decade to 1961, India's annual consumption of tea increased by 75.3 million lbs. This compared favourably with the increase of 73.4 million lbs. in the previous decade. Although even without propaganda internal consumption is bound to increase in the coming years thanks to the rapidly increasing standard of living, the industry would be in psychological relief if only the Tea Board revived internal propaganda, as this would be a cushion to the industry if its efforts at intensive cultivation to fulfil the production target were to result in increasing the proportion of common teas to the total output.

Export offerings at yesterday's sale totalled 41,773 packages. It had been expected that in view of the absence of sales last week the quantity on offer would have been greater, but the actual quantity offered was unusually small. Good support was accorded to plain orthodox teas and prices recorded a higher trend. B.O.Ps were a particularly strong feature. Keen competition was accorded to orthodox Assams, and the brighter liquoring B.O.Ps added a liberal gain. Whole leaf grades were very steady, and the more stylish grades received keen attention. Tippy teas hardened. An irregular trend was seen in C.T.C. teas, prices of which eased up to 30 nP. Legg-cut teas came in for an easier market. Darjeelings were irregular, but were readily absorbed. The quotations per one kg. (in rupees), inclusive of excise duty, were: Best Assam C.T.C. fannings 6.40 to 7, medium Assam C.T.C. fannings 5.30 to 5.70, best Assam C.T.C. B.P. 6.40 to 7, clean plain pekoe 4.20 to 4.50, medium Assam C.T.C. B.P. 5.30 to 5.70, plain fannings 3.80 to 4.10 and plain B.P. 3.70 to 4.

JUTE GOODS DECLINE

(*From Our Own Correspondent*)

CALCUTTA, 16*th October*

The week under review was a short one for the jute market and, during the few days the market was open, buyers of goods were in no mood to extend their commitments. This explains the gradual decline in prices. Yesterday's reopening after the holidays was marked by a note of hesitancy, and the week-end announcement by the Indian Jute Mills Association of the decision of mills extending the present high rate of production up to 10th November encouraged buyers in their pausing tendency. However, the I.J.M.A.'s announcement made it clear that anxiety had been rightly entertained inasmuch as stocks of heavy goods had risen consecutively for five months now up to the end of September. Hence, the Association proposes to review the position *de novo* after the stock figures as at the end of this month are known, that is by about the first week of November. The trade believes that, if heavy goods in stock at the end of this month show a rise, mills would reduce working hours. This may not be to the liking of the Government, since a reduction in output of mills may lead to a decline in fibre prices. The difficulty with mills is that, while there is good demand for hessian, transfer of more looms from sacking to hessian manufacture is not possible due to the limited availability of the superior fibre.

Goods that were shipped during the week declined as a result of the local holidays. The trade believes that it would not be surprised if sacking goods in stock with mills at the end of this month again showed a rise. On Wednesday last, although the opening rates were steadier, prices eased as overseas buyers were not inclined to accord support. Ready B. twills were quiet at Rs. 116.60. However, there was some covering demand in hessian, and the 40" 10 oz. was steady at Rs. 55.85. Also, bulls were active in hessian futures. Dull conditions were again in evidence on Thursday and ready B. twills eased to Rs. 116.15. Some transactions were put through in hessian, but, since the volume was inadequate, the price fell to Rs. 55.75. On Friday, the decision by the I.J.M.A. to continue the existing rate of higher production up to 10th November encouraged the declining tendency and, in the absence of steadiness, overseas buyers were biding time. Mills were keen sellers of near and forward positions. Ready B. twills eased to Rs. 115.25 and hessian 40" 10 oz. to Rs. 54.85. Earlier in the week, there was the news that members of the Bombay Hessian and Gunny Merchants Association Ltd. commenced trading in non-transferable specific delivery contracts in gunny bags and hessian, and that the Association proposed to do forward business after obtaining official permission. The market here, after remaining closed for two days, reopened yesterday, when the weakening influence was again in evidence. Conditions were far from normal during yesterday in the absence of support. There was selling pressure in the futures market, as a result of which hessian constructions recorded a sharper setback than hitherto. Ready hessian 40" 10 oz. was as low as Rs. 54.00. Ready B. twills eased to Rs. 115.00.

During the week, fibre arrivals were maintained at the rate of about 150,000 maunds a day. With mills showing greater interest in agencies, sellers here were keen for business. Mills also showed interest in the Cossipore bazar. Prices were maintained as follows: northern bottoms Rs. 29.50, Assam bottoms Rs. 30, and daissee bottoms Rs. 32.50. With the increase in the proportion of wet jute arrivals, complaints have been heard that water is being purposely added in order to inflate the weight. It has been reported that even the outstanding portion of the old crop is being sent in "moisture" condition. There was the news during the week that the Government of India has issued a further quota of 100,000 bales of Pakistan cuttings; however, it is reported that this allocation would be to the buffer stock. The minimum price fixed for Pakistan cuttings is Rs. 75 a bale in Pakistan. Although this is higher than the recent prevailing rate, it is lower than the price for Indian cuttings even after taking into account the transport and insurance charges.

HOLIDAY MOOD IN METALS

(*From Our Own Correspondent*)

CALCUTTA, 16*th October*

With the intervening *Puja* holidays, this week was short of three working days in the local metals market, which, however, continued to wear a holiday mood, with consumers disinclined to enter into commitments. On the London Metal Exchange, the principal metals were steady, and the feature of trading was a very modest rise in the price of zinc. The Government of India has now finalised arrangements for linking established importers with the actual users for the distribution of electrolytic zinc. In Calcutta, zinc ruled firm at Rs. 273 per 100 kgs. Demand was restricted, especially from small consumers. Importers of zinc from the general currency area are reported to have commenced covering their requirements. On the London Metal Exchange, zinc spot opened at £64⅞ a ton and hardened to £65¼ on sustained support.

In London, spot tin opened at £849½ a ton and was maintained at that level throughout the week. Despite the accumulated surplus in the U.S.A. and the weekly release of 200 tons, world output is running lower than demand, and current indications are that the U.S. releases and the General Services Administration's refusal to agree to the International Tin Council's suggestion about the price for the releases would prevent marginal producers from increasing production and restarting the abandoned mines. It should be remembered that the price in London is being maintained at £950 a ton, thanks to the active watch of the Buffer Stock Manager on the price trend. He has so far exhausted about one-tenth of the funds placed at his disposal for keeping the price support scheme into operation. World consumption of tin has been on the increase as can be seen from the decline in the stocks in the U.S.A., Malaya and the U.K. by 7,225 tons, 1,720 tons and 1,337 tons, respectively, during the six months to June last. At the same time, it should be noted that production has also been increasing, but it is believed that the gap between supply and demand is only widening, and that the U.S.S.R. has not been able to increase production, as its efforts to locate first class tin deposits are believed to have been fruitless so far. The U.S.S.R. has deposits, considered sub-economic for exploitation by world standards. In Calcutta, holiday considerations pushed down tin from Rs. 2,439 per 100 kgs. to Rs. 2,411.25.

Utensil copper scrap here was firm at Rs. 535.25 per 100 kgs. and, in London, it was unchanged at £234 a ton. It has been reported that Chile has agreed to sell about 1,000 tons of copper to the U.S.S.R. It will be recalled that about five years ago Russian attempts to get Chilean copper did not prove successful. Reports indicated that the anxiety about the outlook for copper has diminished in view of the pronounced trend now towards an increase in consumption. Lead, in London, closed at £52½ a ton, after opening at £52⅜.

Locally, it was unchanged at Rs. 140 per 100 kgs.

RENEWED SETBACK IN SUGAR

(*From Our Own Correspondent*)

HAPUR, 15*th October*

Crystal sugar prices here, which had tended to stabilise last week, turned again bearish this week due to the early release of 2.5 lakh metric tonnes of sugar for open sale in the market in the form of a monthly quota. The releases last month covered an aggregate quantity of 6 lakh metric tonnes under the two monthly releases of 2.5 lakh metric tonnes each and one special release of one lakh tonnes. Supply position, therefore, became very easy, despite the festive season, and mills were reported to be anxious sellers. It is further gathered that should prices rise following the *Divali* offtake, the Government might issue another extra release. Demand from consuming areas of Punjab, Rajasthan, Gujarat and Saurashtra was slack.

New production season would officially commence on 1st November but factories this side would start crushing late, as cane is still not fully ripe. To encourage sugar production, the Government of India has withdrawn the ten per cent cut on production, imposed last year. Sugarcane acreage this year has also increased by about 92,000 acres. Week-end prices of sugar here were: Spot delivery Rs. 106 per quintal, mill delivery (D 29) *Amroha* Rs. 103.47, *Dhampur* Rs. 103.47, *Seohara* Rs. 103.31, Meerut Rs. 104.75, (E 29) Simbhauli Rs. 104.49, Bijnore Rs. 103.47 and Dhampur Rs. 103.32 a quintal.

The mill delivery prices eased by 31 nP to 87 nP per quintal during the week in the Muzaffarnagar market, thanks to the easy supply position. Even at lower levels demand was lacking. Spot prices also eased up to 75 nP a quintal. Mills were fast clearing old stocks to make room for the new produce which would arrive early next month. Week-end prices were: Mill delivery (per quintal) AA 29 Mawana Rs. 108, Iqbalpur Rs. 109.50, Shamli Rs. 108, Daurala Rs. 107.25, D 29 Deoband Rs. 105.50, Kashipur Rs. 103.50, E 29 Seohara Rs. 102.64 and Dhampur Rs. 102.80.

Khandsari prices ruled steady on revival of demand from Punjab and local areas. New production would start sometime in mid-November. Crystal and non-crystal prices were quoted at Rs. 96.45 to Rs. 101.81 and Rs. 97.79 to Rs. 103.15 per quintal, respectively. *Boora* was quoted at Rs. 99.13 to Rs. 101.81 a quintal.

New *gur* arrivals were on an increase and averaged 2,000 maunds daily. Demand for festive season was fairly good. Offtake during the week was three wagonloads to Gujarat side. All crushers here were still manufacturing *gur* and were buying cane at Re. 1.12 a maund. But cane supplies at this price were very small. *Gur* arrivals would further rise as soon as the cultivator is free from *rabi* sowings. Old stocks of *gur* and *shakker* left were negligible. Week-end prices here were: *Gur* new superior Rs. 75.02 to Rs. 78.23, inferior Rs. 66.98, *shakker* Rs. 66.98, to Rs. 72.34, a quintal.

Gur futures moved narrowly both ways during the week on bouts of speculative selling and buying. Having opened at Rs. 21.53 on 9th October, *gur Fagun* delivery touched the highest and lowest level at Rs. 21.62 and Rs. 21.38, respectively, in mid-week and was quoted today at Rs. 21.48.

22 OCT 1962 PUBLIC DEPARTMENT

Notice

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-ninth Annual General Meeting of the Shareholders of the Corporation will be held at the Sheth Goculdas Tejpal Auditorium, Gowalia Tank T.T., Bombay 7, on Monday the 12th November, 1962, at 4.30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and audited accounts for the year ended 31st May, 1962.
2. To sanction the declaration of a dividend.
3. To elect a Director in place of Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who retires by rotation and is eligible for re-election, by passing the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Corporation.

   "Resolved that Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who has attained the age of 83 years, and who retires by rotation, be and is hereby re-elected a Director of the Corporation and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

4. To elect a Director in place of Mr. C. H. Campbell, who retires by rotation and being eligible offers himself for re-election.
5. To elect a Director in place of Mr. Neville N. Wadia, who retires by rotation and being eligible offers himself for re-election.
6. To elect a Director in place of Mr. G. V. Nath who retires under Section 260 of the Companies Act, 1956, and being eligible offers himself for re-election.
7. To appoint Auditors for the period until the next Annual General Meeting of the Corporation and to fix their remuneration.
8. To appoint Branch Auditors at a remuneration to be fixed by the Board.
9. To consider and if thought fit to pass the following Ordinary Resolution with or without modifications:

   "Resolved that the Company in General Meeting hereby sanctions the investment by the Company of a sum of Rs. 73,50,000 in 7,35,000 equity shares of Rs. 10 each at par of Formica India Limited, a Company incorporated under the Companies Act, 1956, in the State of Maharashtra, this investment representing 49 per cent of the proposed issued capital of Formica India Limited though such investment be in excess of the percentages specified in sub-section 2 of Section 372 of The Companies Act, 1956, and the provisoes thereto, if applicable.

   Resolved further that the Company approves of the application made by the Board of Directors, to the Central Government, requesting its approval to the said investment.

   Resolved further that the Board of Directors be and are hereby authorised to take such steps as are necessary for obtaining the approval of the Central Government as also to agree to such modifications or conditions as the Central Government may prescribe in relation to such investment and in general to take all such steps as are necessary to implement this Resolution."

10. To consider and if thought fit to pass the following Special Resolution:

    "That pursuant to Section 360 of the Companies Act, 1956, approval be and is hereby accorded to the following contracts being entered into with The Bombay Company (Private) Limited, an Associate of Wallace and Company, the Secretaries and Treasurers of the Corporation, namely:

    (*a*) The clearing and forwarding by The Bombay Company (Private) Limited of the Corporation's Tea from Cochin on such terms and conditions as may be prescribed from time to time by the Cochin Tea and Rubber Shippers' Association, for a further period of five years from the 24th February 1963.

    (*b*) Leave and license for the Corporation to occupy two portions of the premises at No. 9, Wallace Street, Fort, Bombay, for an office at a total compensation of Rs. 1,300 per mensem for a further period of five years from the 24th February 1963, subject to earlier termination by either party giving six months' notice in writing to the other party.

By Order of the Board,

WALLACE & CO.,

Secretaries and Treasurers.

9, WALLACE STREET, FORT,
BOMBAY, 16*th October*, 1962.

Note: An Explanatory Statement, in terms of Section 173 of The Companies Act, 1956, and covering material facts in respect of items 3, 9, and 10, has been forwarded to the members of the company.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Corporation. Warrants for the dividend, if declared, will be posted to Shareholders on the 14th November, 1962. Dividend will be payable on and from that date to those shareholders whose names stand on the Register at the close of business on 13th October, 1962. The Transfer Books of the Corporation will be closed from the 15th October, 1962 to the 5th November, 1962, both days inclusive.

INDIVIDUAL AND CORPORATE INCOMES

(*Concluded from page 678*)

the nature of business organisation in India is still proprietary, for nearly 77 per cent of the assessments and 43 per cent of the income assessed in 1959-60 were accounted for by individuals. But their total tax liability was only 15 per cent of the total tax liability of the class of "business and professions."

The bulk of the *individual* assessees was concentrated in the group of commerce, transport, etc. which accounted for 68 per cent of the total *individual* assessments. In contrast to individuals, though companies accounted for a mere 1.8 per cent of the total assessments and 27.5 per cent of the total income assessed, their tax liability was stupendous. Of the total tax assessment of Rs. 188 crores, tax assessed against companies amounted to Rs. 143 crores or 76 per cent. Manufacturing activity formed 24.7 per cent of the total assessments and 51 per cent of the total income assessed under companies. Of the total income of business and professions, registered firms accounted for 16.2 per cent but contributed only 1.8 per cent to the tax assessed.

The main conclusions of the *Tata Quarterly* study may now be drawn together. First, in spite of the big increase in assessments, assessable incomes and income-tax revenue over a period of seven years, only a microscopic minority of India's working population is still covered by the Income-tax Act and only a small fraction of the non-agricultural national income is assessed for income-tax. If the number of assessments in 1959-60 is equated with the number of assessees, the number of assessees (excepting registered firms and companies) in that year was no more than 866,000—a very small minority collectively contributing to the Central exchequer as much as 14 per cent of the total tax revenue. Secondly, the corporate sector roughly accounts only for 20 per cent of the total income assessed. The proportion is rather low because the whole of the assessable incomes of companies is not reflected in income-tax statistics as a result of the operation of development rebate, depreciation allowances, etc. Thirdly, of the total income assessed under the group "business and professions" in 1959-60, nearly 43 per cent was accounted for by individuals as against only 28 per cent by companies. This vividly brings out the largely proprietary nature of India's business organisation. And, finally, of the total income assessed from "business and professions" in 1959-60, more than 45 per cent was accounted for by commerce, transport and communications. This brings out the fact that the non-agricultural sector of the Indian economy is still a substantially trading sector.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 12th Oct., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	59,48,52,000
(ii) State Governments	21,19,87,000
(b) Banks—	
(i) Scheduled Banks	81,84,22,000
(ii) State Co-operative Banks	1,81,56,000
(iii) Other Banks	2,01,000
(c) Others	161,45,05,000
Bills Payable	20,96,71,000
Other Liabilities	26,07,33,000
Rupees	525,85,27,000

ASSETS	Rs.
Notes	20,11,63,000
Rupee Coin	2,20,000
Small Coin	3,80,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,99,93,000
(ii) State Co-operative Banks	11,74,42,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	155,05,84,000
Balances Held Abroad*	4,58,47,000
Loans and Advances to Governments**	13,73,95,000
Loans and Advances to—	
(i) Scheduled Banks†	10,34,55,000
(ii) State Co-operative Banks‡	130,28,94,000
(iii) Others	1,92,37,000
Investments	115,94,15,000
Other Assets	35,20,14,000
Rupees	525,85,27,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 6,09,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,11,63,000	
Notes in circulation	2071,13,76,000	
Total Notes issued		2091,25,39,000
Total Liabilities		2091,25,39,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		122,10,30,000
Government of India Rupee Securities		1763,30,56,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2091,25,39,000

State Bank of India

Statement of Affairs for the week ended 12th Oct., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL— Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		589,63,07,000
Borrowings from Other Banking Companies, Agents, etc.		53,50,000
Bills Payable		9,66,68,000
Bills for Collection being Bills receivable as per contra		2,68,34,000
Acceptances, Endorsements and Other Obligations per contra		8,61,59,000
Other Liabilities (including Inter-Office Adjustments)		17,24,37,000
Total .. Rs.		642,20,05,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,11,35,000
Balances with other Banks		2,77,34,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS—		
Government and other Trustee Securities	280,04,04,000	
Other Authorised Investments	8,86,30,000	
		288,90,34,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	256,60,01,000	
Bills Discounted and Purchased	12,33,63,000	
		268,93,64,000
Bills Receivable being Bills for Collection as per contra		2,68,34,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,61,59,000
Premises less Depreciation		1,97,12,000
Furniture and Fixtures less Depreciation		1,62,84,000
Other Assets (including Inter-Office Adjustments)		45,84,16,000
Total .. Rs.		642,20,05,000

EXCHANGE RATES

	17th October 1962	10th October 1962
London on New York $ per Dollar	2.8018-2.8022	2.8015-2.8017
New York on London Cents per £	280.180-280.210	280.180-280.210
London on Paris .. Fcs.	13.7290-13.7310	13.7275-13.7295
London on Berne .. Sw. Fcs.	12.1015-12.1035	12.1190-12.1210
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446.00	446.00
Buyers T.T. "	438.25	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.30	90.40
Buyers T.T. "	91.30	91.40
Deutsche Marks—		
Sellers T.T. D.D... "	83.70	83.70
Buyers T.T. "	84.60	84.60
Italian Lire—		
Sellers T.T. D.D... "	12,960	12,960
Buyers T.T. "	13,135	13,135
Swedish Kroner—		
Sellers T.T. D.D... "	107.70	107.70
Buyers T.T. "	108.80	108.80
Belgian Francs—		
Sellers T.T. D.D... "	1,038	1,037
Buyers T.T. "	1,054	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.20
Buyers T.T. "	76.20	76.10
Hongkong Dollars—		
Sellers T.T. D.D... "	119.90	119.90
Buyers T.T. "	120.90	120.90
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.50
Buyers T.T. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.80	144.80
Buyers T.T. "	146.20	146.10

State Bank of Pakistan

Statement of Affairs for the week ended 5th October, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	3,86,70,000
(b) Provincial Governments	8,79,56,000
(c) Banks	21,86,57,000
(d) Others	110,25,26,000
Bills Payable	12,88,000
Other Liabilities	12,27,81,000
Rupees	168,33,78,000

ASSETS	Rs.
Notes	10,21,19,000
Rupee Coin	19,000
Subsidiary Coin	14,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	20,87,31,000
Loans and Advances to Governments	1,00,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	41,55,16,000
Investments	84,29,51,000
Other Assets	10,40,28,000
Rupees	168,33,78,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,21,19,000	
Notes in circulation	363,69,77,000	
Total Notes issued		373,90,96,000
Total Liabilities	....	373,90,96,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	63,86,10,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,88,00,000
B. Rupee Coin	3,64,08,000	
Government of Pakistan Securities	232,48,64,000	
Internal bills of exchange and other commercial paper	....	
		236,12,72,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	373,90,96,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 36.77 per cent.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	5-10-62	28-9-62	6-10-61
	For the week ended (Friday)		
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	46,05	44,55	45,96
(ii) From others	796,53	799,46	717,69
(b) Borrowings from banks	24,00	19,94	21,61
(c) Others	54,15	52,86	54,19
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	23,74	23,68	19,81
(ii) From others	1,239,68	1,235,80	1,075,64
(b) Borrowings from banks	14,24	14,78	18,27
(c) Others	13,15	12,63	24,22
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,036,20	2,035,27	1,793,32
4. Borrowings from Reserve Bank	10,62	4,51	16,40
(a) Against usance bills and/or promissory notes	6,06	2,31	7,83
(b) Others	4,56	2,20	8,58
5. Borrowings from State Bank and/or a notified Bank	20,26	20,98	18,32
6. Cash	49,19	47,38	46,12
7. Balances with Reserve Bank	79,96	79,05	75,91
8. Cash and balances with Reserve Bank	129,15	126,44	122,04
9. 8 as per cent of 3	6.34	6.21	6.81
10. Balance with other banks in current account	18,28	16,69	15,50
11. Money at call and short notice	49,89	46,58	45,83
12. Investments in Government securities	692,57	689,93	612,78
13. 12 as per cent of 3	34.01	33.90	34.17
14. Advances—			
(a) Loans, cash credits and overdrafts	1,188,82	1,180,24	1,507,36
(b) Due from banks	6,08	7,52	11,69
15. Inland bills purchased and discounted	152,32	149,61	130,98
16. Foreign bills purchased and discounted	49,97	48,53	47,46
17. Total Bank Credit [14 (a)+15+16]	1,391,12	1,378,38	1,235,81
18. 17 as per cent of 3	68.32	67.72	68.91

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	6th Oct., 1962P	29th Sept. 1962	8th Sept. 1962	7th Oct., 1961
	Week ended			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.4	101.1
2. Government of India	100.2	100.2	100.3	101.0
3. State Government	102.0	102 0	102.1	102 1
4. Municipal, Port Trust, etc.	99.0	99.0	98.9	99 5
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.7	98.6	98.6	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.4	81.5	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	181.2	180.4	186.4	179 7
8. *Agriculture and Allied Activities : Total**	151.7	152.6	155.2	161.9
9. Tea Plantations	143.0	144.0	145.6	154.7
10. Coffee Plantations	146.8	146.9	149.0	168.3
11. Rubber Plantations	164.3	168.0	169.7	173.3
12. *Mining and Quarrying : Total*	163.2	158.5	161.6	159.2
13. Coal	121.3	121.5	124.0	119.4
14. Other Mining	191.9	183.9	187.4	186.4
15. *Processing and Manufacturing : Total*	196.9	195.9	203.8	194.2
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	204.4	203.5	212.6	203.4
17. Sugar	137.5	136.6	140.4	157.8
18. Cotton Textiles	181.2	180.6	185.9	179.5
19. Jute Textiles	102.0	102.4	103.6	82.8
20. Silk and Woollen	1,117.6	1,104.5	1,222.0	1,114.5
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	200.1	198.1	206.7	196.8
22. Iron and Steel	157.1	154.1	163.8	157.5
23. Transport Equipment	367.1	360.7	383.0	388.5
24. Electrical Machinery	178.3	182.3	185.6	161.4
25. Machinery other than Transport and Electrical	233.5	231.5	238.1	211.0
26. Basic Industrial Chemicals	184.0	183.2	190.0	202.9
27. *Processing and Mfg. (Others): Total**	168.0	168.5	171.5	160.9
28. Cement	156.6	157.7	160.3	147.3
29. Paper	214 3	212.5	217.2	205 5
30. *Other Industries : Total**	110.4	110.7	112.2	111.0
31. Electricity Generation and Supply	86.8	87.3	88.3	86.8
32. Trading	116.5	116.6	121.0	117.7
33. Shipping and Other Transport	90.6	89.5	90.4	93 6
34. Construction	269.5	272.0	283.0	296.3
35. *Financial : Total*	205.9	205.7	208.2	201.4
36. Banks	230.0	229.8	231.3	227.4
37. Insurance	165.5	165.0	172.7	152.0
38. Investment Trusts	89.7	89.7	89.8	89.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	188.8	186.2	195.6	187.3
40. Calcutta	169 0	169.3	172 2	164.9
41. Madras	190 2	191.2	193.8	197.1
42. Delhi	233.2	231.1	238.7	234 0

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	22nd Sept. 1962	15th Sept. 1962	23rd Sept. 1961	July 1962	July 1961	Percentage of Increase (+) or Decrease (—) in July 1962 as compared with July 1961	Financial Year Average 1961-62	Financial Year Average 1960-61
Food Articles	504	129.9	130.8	120.4	128.6	124.2	+ 3.5	120.1	120.0
Cereals	192	108.9	109.4	103.0	107 2	104.1	+ 3.0	102.3	104.4
Pulses	43	110.7	110.7 R	88 7	105 5	91.3	+15.6	91.9	92.9
Fruits and Vegetables	23	126.3	129.3	145.5	148.0	147.5	+ 0.3	137.6	118 5
Milk and Ghee	84	126.6	130.0	116.0	127.3	119.1	+ 6.9	116.4	116.0
Edible Oils	47	157.8	158.1	154.2	155.3	165.5	— 6.2	156.5	150.3 R
Fish, Eggs and Meat	17	157.2	157.9 R	131.9	144.7	139.0	+ 4.1	135.4	123.5
Sugar and *Gur*	48	153.4	153.4	123.3	152.1	123.2	+23.5	119.6	132.8
Others	50	175.9	175.6	171.5	170 8	184 2	— 7.3	171.6	167.8
Liquor and Tobacco	21	99.9	99.9	99.5	98.5	98 6	— 0.1	100.3	109.9 R
Tobacco	..	96.3	96.3	96.0	94.9	95 0	— 0.1	96.8	108 3 R
Fuel, Power, Light and Lubricants	30	124 3	124.3	121.4	124.5	122 1	+ 2.0	122.1	120.0 R
Industrial Raw Materials	155	139 8	139.4 R	138.5	138 8	151.4	— 8.3	142 6	145.4
Fibres	61	129 6	129.7	129.3	130.2	152.5	—14.6	138.3	151.6
Oilseeds	60	159.9	158.9 R	155.1	156 2	165.4	— 5.5	156.4	149.9
Minerals	2	93.4	93.4*	94.8	93.4	95.2	— 1.9	94.9	97.4
Others	32	124.6*	124.2* R	127 4*	125.3	126.7	— 1.1	128.1	128.0
Manufacture	290	129.4	129.7	125.4	129.4	126.7	+ 1.4	126 6	123.9
Intermediate Products	41	143 4	143.0	140.0	142.6	141.9	+ 0.5	138.8	130.6 R
Finished Products	249	127 1	127.5	123.0	127.2	125.3	+ 1.5	124.6	122.8
Textiles	147	125.7	126.5	123 3	126.5	127.3	— 0.6	125.5	125.8
Cotton	..	129.1*	129.4*	127.9*	129.4	127.5	+ 1.5	127.9	128.1
Jute	..	112.6	114.9	113.8	116.5	130.5	—10.7	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.3	+14.6	122.7	109.1
Silk and Rayon	..	133.4*	133.4	118.6	129.7	119.1	+ 8.9	119.9	104.4
Metal Products	12	161 0	161.0 R	151.6	160.4	151.6	+ 5.8	151.6	147.9 R
Chemicals	20	116 4	116.1 R	111.6	115.3	110.6	+ 4.2	110.7	104.4
Oil Cakes	9	164.9	163.2	144.2	157.1	146.8	+ 7.0	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7 R	113.5	117.9	112.8	+ 4.5	114.5	111.9
Others	30	125.3	125.3	121.3	125.7	120.8	+ 4.1	121.3	116.1 R
All Commodities	1,000	130.5	131.0	124.2	129.7	128.8	+ 0.7	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	June 1962	June 1961	April to June (Three months) 1962	April to June (Three months) 1961
Exports	50,03	48,51	146,93	155.62
Re-exports	43	36	3,18	1,30
Total Exports	50,46	48,87	150,11	156,92
Imports	82,40	97,32	247,93	290,98
Overall Balance of Trade	—31,94	—48,45	—97,82	—134,06
Exports—				
Tea	6,76	6,45	14,09	13,65
Jute yarns and manufactures	15,91	12,22	36,16	39,68
Cotton yarns and manufactures	3,55	5,44	11,41	16,14
Metallic ores and metal scrap	2,17	2,55	7,93	9,19
Cotton, raw and waste	1,59	1,52	4,05	7,76
Oils—vegetable, mineral and animal	93	1,21	3,27	3,26
Fruits and vegetables	2,05	1,52	6,58	6,59
Tobacco	1,04	1,11	7,59	6,67
Mica	96	81	2,73	2,41
Wool and other animal hair	38	80	1,65	2,43
Gums, resins and lac	64	62	1,76	1,42
Spices	96	90	3,34	3,68
Hides and skins, raw	94	56	2,76	1,85
Imports—				
Machinery	25,22	30,30	77,38	87,45
Iron and Steel	6,18	10,10	19,59	28,44
Oils—vegetable, mineral and animal	2,69	8,03	20,76	20,98
Chemicals, drugs and medicines	8,48	8,53	24,99	25,64
Electrical goods and apparatus	3,59	6,16	13,25	20,73
Vehicles (excluding aircraft, ships and boats)	2,57	3,98	9,03	11,54
Cotton, raw and waste	2,91	5,78	9,44	16,08
Fruits and vegetables	1,65	79	4,01	3,08
Paper, pasteboard, etc.	71	1,02	2,32	3,29
Dyes and colours	1,00	1,38	3,11	3,97
Spices	9	11	22	38
Woollen and worsted fabrics	2	1	4	6
Cotton fabrics	2	4	5	13
Rice	9,58	1,82	14,56	7,47
Wheat and spelt	4,87	7,91	11,44	25,87

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
24th July	2.00	3.50	2.00	2.350	99.410
25th to 28th July*	8.30	—	8.30	—	99.431
31st July	2.00	2.50	2.00	2.350	99.410
1st to 4th Aug.*	4.40	—	4.40	—	99.426
7th August	2.00	2.00	2.00	2.350	99.410
8th to 11th Aug.*	2.00	2.10	2.00	2.350	99.415
13th August	0.80	—	0.80	—	99.431
21st August	0 55	—	0.55	—	99.431
14th to 18th August*	2 00	2.00	2.00	2.370	99 405
22nd to 25th August*	1.30	—	1.30	—	99 426
4th September	2 00	2.00	2.00	2.370	99.405
5th to 8th September*	1.30	—	1.30	—	99.426
11th September	2.00	2.00	2.00	2.370	99.405
12th to 15th Sept.*	0.76	—	0.76	—	99.426
18th September	2.00	2.00	2.00	2.365	99.405
19th to 22nd Sept.*	0.20	—	0.20	—	99.426
25th September	2 00	2.00	2.00	2.360	99.410
26th to 29th Sept.*	2.30	—	2.30	—	99.426
1st October	2.00	2.00	2.00	2.360	99.410
9th to 13th Oct.*	0.05	—	0.05	—	99.426
16th October	2.00	2.00	2.00	2.365	99.405
Total amount outstanding	41.96	..	41.96	..	..

* Intermediate Treasury Bills sold.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilowatt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	834	11,176.9	9,011.1
1958-59	313	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
1960-61	1,013	17,037.3	13,831.8
1961-62	1,013	19,782.7	16,435.5
March 1961	1,013	1,596.1	1,282.7
April "	1,013	1,556.2	1,288.9
May "	1,013	1,612.8	1,329.1
June "	1,013	1,599.8	1,326.3
Jan., 1962		1,749.0	1,422.5
Feb., "	1,013	1,643.9	1,378.2
March "	1,013	1,759.8	1,476.0
April "	1,013	1,764.7	1,455.8
May "	1,013	1,790.7	1,488.4
June "	1,013	1,746 2	1,507.1

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

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
Sept. 1961	123,900	128,300	107,000
April 1962	144,400	143,600	110,000
May "	146 400	145,600	115.600
June "	139,000	137,900	106,900
July "	145,100	143,200	114,500
August "	141,300	137,000	108,500
Sept. "	137,600	150,100	111,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,499	734,951
Sept. 1961	97,760	76,888	60,138
April 1962	109,726	83,396	47,747
May "	112,269	85,155	68,574
June "	87,639	77,029	56,938
July "	96 151	78,352	63 006
August "	105,296	79,708	69,349
Sept. "	103,650	79,794	61,274

T—Figures in Tons.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	400	148	127	113	106	123	111	150
July 1961	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August "	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. "	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	129	115	109	126	119	151
February "	127	438	119	362	107	131	402	149	129	115	109	127	118	152
March "	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April "	128	439	121	355	102	131	413	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	418	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	..	150	130	112	110	128	133P	153
July "	131P	448	125	378	108	..	..	151	133	..	112	128	134	154
August "	..	454	..	..	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

INDUSTRIAL PRODUCTION*

Industries.	Unit	1959	1960	1961	Nov., 1961	Dec., 1961	Jan., 1962	Jan., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	4.60	4.88	4.98	5.14
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	369	374	418	342
Yarn	million kgs.	781	788	862	72	77	75	70
Cloth	million metres	4,502	4,616	4,700	389	399	399	399
Cement	thousand metric tons	6,936	7,835	8,230	727	736	709	715
Jute	thousand metric tons	1,068	1,085	971	94	98	97	88
Paper and paper boards	thousand tons	299	345K	363K	30	30	32	31
Matches§	thousand cases	649	661	758	62	66	65	55
Sugar	thousand metric tons	2,117	2,591	2,841	119	419	545	541
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	761	76	78	86	65
Electric lamps	millions	34.84	41.39	46.89	3.96	4.14	4.59	3.73
Dry cells	millions	187.3	207.4	211.08	17.7	17.6	19.4	19.8
Power transformers	thousand K.V.A.	1,248	1,116	1,761	176	177	230	126
Electric Motors	thousand H.P.	576	680	824	70	74	86	64
Electric fans	Nos.	726,000	991,200	1,074,000	80,200	103,500	93,400	87,300
Radio receivers	Nos.	213,864	266,700	326,340	30,932	30,063	29,752	21,002
Storage batteries	Nos.	442,800	510,000	528,000	35,700	46,700	48,900	45,300
Copper conductors	tons	6,624	10,068K	7,632K	665 K	675 K	—	917 K
Winding wires	tons	2,832	4,200K	5,652K	507 K	514 K	—	407 K
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.32J	211.08J	18.09J	17.89J	18.94J	17.89J
Insulators—H.T.	Nos.	982,800	2,317,200K	2,958,000K	295,000K	276,000K	346,000K	210,000K
Insulators—L.T.	million Nos.	6.25	3,662,400K	4,257,600K	533,000K	88,000K	—	300,000K
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	559	767	832	855
Diesel engines—Stationary	Nos.	30,336	44,196	44,424	3,937	3,967	3,687	3,917
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	0.04	0.05	0.09	0.14
Caustic soda	metric tons	69,876	99,144	119,849	0,512	10,780	10,855	5,673
Soda ash	metric tons	95,328	145,284	176,639	17,907	14,642	17,625	14,437
Chlorine liquid	metric tons	24,780	31,656	33,908	2,841	2,965	4,068	3,021
Bleaching powder	metric tons	5,184	5,928	7,032	711	627	530	582
Bichromates	metric tons	4,404	5,472	5,233	429	583	457	436
Sulphuric acid	metric tons	296,880	359,400	413,520	33,350	37,944	41,723	31,000
Superphosphate	metric tons	251,652	322,464	381,684	32,986	34,715	37,124	27,000
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,360	1,520	2,000	2,124	1,536
Antimony	tons	664	809	614	40	80	65	41
Copper (virgin metal)	metric tons	7,764	8,992	8,725	765	900	470	440
Lead (virgin metal)	metric tons	3,958	3,778	3,665	150	372	216	369
Gold	kilograms	5,148	4,992	4,869	415	425	419	416
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,124	26,782	30,432	28,929	25,318
Bicycles	Nos.	990,744	1,050,744	1,054,500	95.578	95,250	89,431	90,343
Automobiles	Nos.	36,468	51,660	54,314	3,239	4,535	5,175	5,059
Cycle tyres and tubes	million Nos.	19.46	23.50	24.21	1.98	2.00	1.96	2.06
Motor tyres and tubes	million Nos.	2.26	2.64	3.08	0.26	0.26	0.26	0.25
Cigarettes	million Nos.	32,166	36,334	41,064	3,371	3,541	3,595	3,570
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	680	766	68	804
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	467	532	671	541
Sheet glass	thousand sq. ft.	80,568	81,188	72,976	5,799	5,782	—	7,640
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	13.200	1,248	1,376	1,222	923
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	1,388	1,400	1,176	852
Footwear—Western type (Leather)	million pairs	4.14	5.41	6.23	0.53	0.70	0.52	0.52
Footwear—Indigenous type (Leather)	million pairs	4.10	3.78	4.40	0.30	0.47	0.35	0.33
Alcohol—Industrial	million litres	57.84	58.94	82.26	7.98	8.72	8.85	8.14
Alcohol—Power Absolute	million litres	48.70	48.52	53.63	3.90	4.84	4.47	4.65
Railway Wagons	Nos.	10,044	7,320	11,052	875	1,033	950	950
General Index—(Base 1951=100 Revised)		152.1	169.7	180.9	184.6	176.5	192.8	182.8

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. J—In million metres.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,17	99,14	83,24	221,68	210,40	260,68	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,80
1961-62	86	1,89	65,75	79,70	348,57	241,98	325,35	17,31	—42,46	3,95	1,96	27,50	16,79	53,35	49	3,63	342,30	850,12
July "	1,10	2,24	76,31	6,66	304,96	20,79	298,78	17,91	—42,16	2,34	1,23	34,15	1,59	44,33	5	3,46	29,34	786,81
Aug. "	1,08	2,20	74,31	6,73	310,28	19,28	317,56	17,86	—42,19	2,50	1,31	33,19	1,25	45.66	5	3,48	27,55	794.32
Sept. "	1,05	2,16	73,00	6,38	315,36	17,84	319,45	17,78	—42,23	2,68	1,39	32,12	1,62	47,04	5	3,51	26,16	800,48
Jan. 1962	91	1,97	68,37	7,11	335,39	19,06	323,28	17,46	—42,38	3,47	1,75	28,78	1,17	51,38	4	3,58	27,71	821,58
Feb. "	89	1,93	67,31	5,58	339,54	17,64	324,82	17,40	—42,41	3,67	1,85	28,14	1,13	52,31	5	3,61	24,71	826,80
Mar. "	86	1,89	65,75	11,58	348,51	35,61	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53,35	5	3,63	48,83	850,12
April "	82	1,85	64,48	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	849,25
May "	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June "	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
July "	77	1,73	60,15	6,25	364,93	21,81	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,56	880,15
Aug. "	..	..	..	..	..	..	..	..	..	..	..	24,21	96	58,47	4	3,73	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities : repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of May 1962 amount to 19.56 crores of rupees.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	Week ended 11th October, 1962*	8,447(J)
	Corresponding week, 1961	42,779(J)
	1st Sept. to 11th October, 1962	243,269*
	Corresponding period, 1961	255,859*
Cotton Exports	Week ended 11th October, 1962	827
	Corresponding week, 1961	333
	1st Sept. to 11th October, 1962	26,375
	Corresponding period, 1961	27,098
Mill Consumption (Estimated)	1st Sept. to 11th October, 1962	151,700
	Corresponding period, 1961	147,000
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 11th October, 1962	485,573
	Corresponding date, 1961	601,397
Consumption of Cotton—		
Indian	June, 1962	396,557
Foreign	June, 1962	67,589
Indian	Ten months ended June, 1961-62	3,887,849
Foreign	Ten months ended June, 1961-62	840,590
Indian	Same Period, 1960-61	3,457,375
Foreign	Same Period, 1960-61	951,277
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1962	1,370,978
Foreign	As on 30th June, 1962	227,872
Indian	As on 30th June, 1961	1,575,517
Foreign	As on 30th June, 1961	393,649

Particulars	From 1st Sept. to 15th October 1962 In Bales of 180 Kilograms	From 1st Sept. to 15th October 1961 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	378	405
Continent	2,078	784
Hongkong	1,311	1,366
China	—	—
Japan	20,369	12,991
U.S.A.	1,994	3,730
Other countries	489	150
Total to all foreign countries	26,619	19,426
Coastal Ports	—	7,772(b)
Total	26,619	27,198

Particulars	Period	
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During July, 1962	31,884
	During July, 1961	7,681
	1st Sept. to 31st July, 1962	247,040
	1st Sept. to 31st July, 1961	212,430
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 28th Sept., 1962	3,765
	Corresponding week, 1961	10,763
	1st Sept. to 31st Aug., 1961-62	3,625,890
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)—		
Receipts	1st to 27th Sept., 1962	144,705
	Corresponding period, 1961	86,067
Exports	1st to 27th Sept., 1962	22,636
	Corresponding period, 1961	17,309

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (b) From 1st to 30th Sept., 1961. A-Adjusted. — Not Received.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	July 1962	May 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.01	2.90
(b) Others§	2.71	2.68	2.79	2.67
Debentures	4.15	4.11	4.40	4.14
Preference Shares	5.64	5.32	5.84	5.57
Variable Dividend / *Industrial Securities*	4.68	4.88	4.79	4.71
Agriculture and Allied Activities‡	5.74	5.80	6.27	5.67
(a) Tea Plantations	5.94	6.01	6.43	5.92
(b) Coffee Plantations	4.74	5.12	5.85	4.16
(c) Rubber Plantations	6.56	6.33	7.42	6.33
Mining and Quarrying‡	5.15	5.31	4.77	5.24
(a) Coal	4.13	4.56	3.90	3.91
(b) Other Mining	5.85	5.82	5.39	6.16
Processing and Manufacturing	4.27	4.35	4.43	4.27
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.45	4.28
(a) Sugar	5.62	5.80	6.32	5.63
(b) Cotton Textiles	3.72	3.47	4.23	3.75
(c) Jute Textiles	5.54	6.15	5.25	5.99
(d) Silk and Woollen	2.92	3.17	3.18	6.92
Metals and Chemicals‡	4.22	4.18	4.34	4.00
(a) Iron and Steel	4.69	4.25	4.83	4.23
(b) Transport Equipment	3.77	3.38	4.46	3.63
(c) Electrical Machinery	4.46	5.03	4.15	4.38
(d) Other Machinery	3.46	4.07	3.36	3.52
(e) Basic Ind. Chemicals	3.64	3.59	4.61	3.46
Others	4.52	4.90	4.54	4.70
(a) Cement	4.77	5.21	4.84	4.87
(b) Paper	4.54	4.76	4.08	4.86
Other Industries	5.28	6.05	5.23	5.47
(a) Electricity Generation and Supply	5.42	6.28	5.54	5.55
(b) Trading	6.74	8.38	6.45	6.74
(c) Shipping and Other Transport	4.40	5.17	4.20	4.86
(d) Construction	3.98	4.49	3.66	4.23
Financial	5.84	6.31	5.80	5.93
(a) Banks	5.42	5.93	5.54	5.55
(b) Insurance	7.07	7.56	6.38	7.05
(c) Investment Trusts	6.72	6.85	6.79	6.73

† Running yield. Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

CROP FORECASTS

Crop	Fore-cast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,452	12,969	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,223	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1,975
Total cereals	final	90,539	90,035	68,165	68,318
Pulses—					
Gram	final	9,503†	10,268††	6,306†	5,590††
Tur	final	2,359†	2,383††	2,077†	1,694††
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses‡	final	5,424†	5,297††	2,805†	2,879††
Total pulses	final	23,337†	24,338††	12,666†	11,719††
Total foodgrains		113,155†	114,066††	80,540†	75,918††
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	448	420	103	90
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,356
Linseed	final	1,704	1,794	397	395
Total oilseeds	final	13,890	13,511	6,935	6,624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	385	279	1,719	1,140
Sannhemp ¶	final	318	310	72	73
Other crops—					
Potato	final	358†	357††	2,699†	2,766††
Sugarcane@	final	2,405	2,343	9,888	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	103	103	28	28
Chillies (Dry)	final	614	619	369	372
Tobacco	final	392†	370††	299†	285††

Source: Ministry of Food and Agriculture. § Excluding Tur. * In terms of lint cotton and in thousand bales of 177.8 Kgs. each. ‡ Excluding Gram and Tur. A.—In thousand bales of 181.4 Kgms each. ¶ Relates to fibre crop only. @ Yield in terms of *gur*. † Relates to 1960-61. †† Relates to 1959-60.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	22nd Mar., 1962	4.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	12th Oct., 1962	5.50	5
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	Nov., 1960	7	6
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4.31	4.06
Italy	7th June, 1958	4	3.50
Japan	29th Sept., 1961	6.90	7.30
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	25th April 1962	3.50	4
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	13th June 1962	4.50	4
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	26th April 1962	5	4.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

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

AREA AND POPULATION

(According to 1961 census)

States/Union Territories	Area (in square km.)	Population—1961 (in thousands) Persons	Males	Females	Rise in 1961 Over 1951	Percentage increase 1951-61	Females per 1,000 males 1961	1951	Density per square km. 1961	1951
INDIA	3,053,593	439,235	226,294	212,941	77,642@	21.50†	941	946@	144	120
Andhra Pradesh	275,281	35,983	18,162	17,822	4,868	15.65	981	986	130	114
Assam	121,966	11,873	6,328	5,545	3,042	34.45	876	877	97	41
Bihar	174,038	46,455	23,301	23,154	7,672	19.18	994	990	267	223
Gujarat	187,115	20,633	10,634	9,999	4,371	26.88	940	952	110	87
Jammu and Kashmir	*N.A.*	3,561	1,897	1,664	307*	9.44*	878	873	*N.A.*	*N.A.*
Kerala	38,855	16,904	8,362	8,542	3,355	24.76	1,022	1,028	435	350
Madhya Pradesh	443,452	32,372	16,578	15,974	6,301	24.17	953	967	73	59
Madras	130,357	33,687	16,911	16,776	3,568	11.85	992	1,007	258	23
Maharashtra	307,477	39,554	20,429	19,125	7,551	23.60	936	941	128	104
Mysore	192,204	23,587	12,041	11,546	4,185	21.57	959	966	123	100
Orissa	155,825	17,549	8,771	8,778	2,903	19.82	1,001	1,022	113	94
Punjab	122,261	20,307	10,892	9,415	4,172	25.86	864	858	168	132
Rajasthan	342,273	20,156	10,564	9,592	4,185	26.20	908	921	59	47
Uttar Pradesh	294,364	73,746	38,634	35,112	10,531	16.66	909	910	251	215
West Bengal	87,617	34,926	18,599	16,327	8,624	32.79	878	865	398	300
Union Territories:										
Andaman and Nicobar Islands	8,327	63	39	24	33	105.19	617	625	8	4
Dadra and Nagar Haveli	489	58	30	28	16	39.56	963	946	119	85
Delhi	1,484	2,658	1,489	1,169	915	52.44	785	768	1,792	1,172
Goa Daman and Dieu†	3,693	627	303	324	(—) 11	(—) 1.66	1,070	1,115	170	173
Himachal Pradesh	28,192	1,351	703	648	242	21.78	923	915	48	39
Laccadive, Minicoy and Amindivi Islands	28	24	12	12	3	14.61	1,020	1,043	846	751
Manipur	22,347	780	387	393	202	35.04††	1,015	1,036	35	26
Nagaland	16,488	369	191	178	29	14.07	933	999	22	19
N.E.F.A. (*P*)	81,424	337	178	159	..	..	894	..	4	..
Pondicherry	479	369	183	186	52‡	16.34	1,013	1,030	770	662
Sikkim	7,107	162	85	77	24	17.76	904	907	23	19
Tripura	10,453	1,142	591	551	503	78.71	932	904	109	61

@ Excludes NEFA and Tuensang districts of Nagaland. * The last census in Jammu and Kashmir was held in 1941. For purpose of variation, mean of 1941-61 increase has been taken. (*P*) Provisional. † A census of Goa, Daman and Diew was taken by Portuguese Government as on 15th December 1960. The figures represent "present" population on that date. ‡ Variation is based on the population of 1948-1961. 1948 population (when a census was taken) has been assumed as 1951 population. †† The population of Tuensang district for 1951 and 1961 have been excluded as the 1951 population is not for the same territory as in 1961.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.95
3 % Fg. Loan	1943	110,11,78,000	1966-68	96 90
3 % Dev. Loan	1945	115,05,83,200	1970-75	89.20
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,300	1962	99.80
3½% N. P. Loan	1954	158,17,90,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.80
3½% N. P. Bonds	1956	197,93,00,000	1967	98.65
3½% Loan	1956	86,64,00,000	1974	99.45
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.65
4 % Loan	1957	129,76,27,000	1972	99.35
3½% Loan	1958	58,55,92,000	1963	100.00
3½% Loan	1958	70,00,00,000	1968	98.25
3½% Loan N.P.B.	1958	156,59,00,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.25
3½% Loan	1959	147,91,00,000	1969	97.80
4 % Loan	1959	80,93,00,000	1979	98.60
4 % Loan	1960	97,64,00,000	1980	98.60
3½% Bonds	1960	82,66,00,000	1966	99.70
4 % Loan	1961	65,63,00,000	1981	98.65
4½% Loan	1962	84,03,00,000	1985	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,200	M.	68.05
3 % Loan	1946	248,91,37,168	K.	68.75
STATE LOANS				-
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.00
4½% Andhra	1958	5,48,92,000	15th July 1970	98.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	98.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	97.25
4½% Andhra	1962	10,00,00,000	Aug. 1974	97.65
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.45
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.45
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.45
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.85
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.25
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.25
4½% Bihar	1961	3,30,00,000	Sept. 1972	97.25
4½% Bihar	1962	4,00,00,000	Aug. 1974	98.50
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	98.75
4½% Gujarat	1962	6,00,00,000	Aug. 1974	99.85
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.00
4½% Madras	1958	5,55,57,000	15th July 1970	98.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.75
4 % Madras	1960	12,20,42,000	29th Aug. 1969	98.00
4½% Madras	1961	10,36,00,000	Sept. 1972	97.25
4½% Madras	1962	12,00,00,000	Aug. 1974	98.00
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	97.25
4½% Mysore	1962	6,00,00,000	Aug. 1974	99.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.25
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.25
4½% M.P.	1961	5,04,00,000	Sept. 1972	97.25
4½% M.P.	1962	5,00,00,000	Aug. 1974	98.50
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July 1970	98.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	97.75
4½% Kerala	1962	4,00,00,000	Aug. 1974	98 00
2¾% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	95.00
88,25,000	4	1914	1975	95.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
13,50,000	3½	1932*	1962	
24,58,000	3¾	1935*	1975	
15,00,000	3¾	1936*	1966	D
48,04,000	3½	1930*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3¾	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3¾	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000if	3	1947	1977	A
3,00,000if	3	1949	1979	
45,00,000it	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.57 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97 50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£333,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	83.25
2,13,14,500	3½	1949	1979	83.25
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3¾	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.00
1,57,50,000	4	1956	1968	98.00
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.50
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
1,50,00,000	4½	1961	1971	97.50
CALCUTTA				
Rs.				Rs.
30,00,000	5½	1932	1962	100.75N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92 50
21,10,000	3½	1942	1972	92.00
66,83,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	98.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	97.25
4½% U.P.	1962	9,00,00,000	Aug. 1974	97.75
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.25
4½% Rajasthan	1958	2,79,88,000	15th July 1970	98 00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98 25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	97.25
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	99.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	98.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.25
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98 00
4½% Orissa	1961	5,50,00,000	Sept. 1972	97.25
4½% Orissa	1962	7,00,00,000	Aug. 1974	97.25
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100 00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99 00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98 50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	99 00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.25
4½% Assam	1962	3,00,00,000	Aug. 1974	99.50
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	98.00
4½% Punjab	1962	3 50,00,000	Aug. 1974	99 50

ABBREVIATIONS. N—Nominal. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. i—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.22	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. B. Cotton Mills	81.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	63.70xd	25	3.50	3.50	3.50		12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	187.50	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,693	Century Spg. & Mfg.	601.50	100	31.50	30.00	30.00		12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	142.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	151.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	104.50	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	305.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,63,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	225.00	100	21.50	21.50	21.50		12	Y.
12,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	26.15 3.54	0 100. 0 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		12	Y.
18,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	447.50	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	290.50	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	56.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	460.00	100	21.50	21.50	24.00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	453.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	145.00	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	228.00xd	100	10.00	15.00	20.00	20.00	3	Y.
55,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	128.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	132.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	54.00	10	2.50	1.70	2.00		12	Y.
90,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	254.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	154.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	890.00	100	29.00*	30.00	25.00		12	Y.T.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	249.50	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	285.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	57.70	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25 00		12	Y.P.
12,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.‡	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	655 00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	864.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95 35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	420.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	605.00	100	25.00	30.00	35.00		12	Y.P.
2,06 25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	878.00	125	22.00	31.00	34 00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	430.00xd	250	36.00	..	50 00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,402.50	125	55.00*	60.00	45 00		12	Y.
24,72,500	75.89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	445.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	612.50	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	172.50	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,212.00	100	45.00	50 00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	9.56	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 1,30,620 1,70,000	3,62,600	1,03,06,007	68,71,408	—2,60,959	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	27.00	40	*Nil*	*Nil*	2 00		3	Y.P.
60,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	27.25	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	25.62	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	30.50	10	1.00	2 00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	17.12	10	0.80	1 00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	25 81	10	0.25	0 50	1.20	1.20	8	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	12.00N 2.50N	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81.44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	133.00	100	*Nil*	*Nil*	*Nil*		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1.20,288	2,758	Buckingham & Carnatic	277.80	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,63,218	58,56,470	35,95,076	1,98,878	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	130.00	100	15.00	17.00	20.00		3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	*Nil*	0.36	0.50		12	Y.
9,86,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
85,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	181.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	139.60	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	69.00xd	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	110.00xR	100	*Nil*	*Nil*	*Nil*		6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23.471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	3	Y.
3,88,36,225 1,00,563	6,00,97,485	15,69,15,379	8,88,20,209	3,72,010	B. R. Charat Ram Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	50.81	25 2½	2.50 0.25	2.50 0.25	3.25 0.325		6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.09	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08.803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	186.00	100	4.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.		..	Gwalior Rayon	53.00	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009		1,60,19,356		—2,15,966	Veraval Rayon Industries (Private) Limited		..	Indian Rayon Corporation	93.00	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	204.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	*Nil*	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	16.06	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	13.31	10	..	..	0.30		6	Y.
10,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,868	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.24	10	0.07	*Nil*			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1 00	0.80		12	Y.P.
71,00,000 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	146.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	2.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	800.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5.00,000	..	Madura Mills	34.65	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd	39,896	704	Minerva Mills	76.00	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	122.00	250	*Nil*	*Nil*	*Nil*		6	Y.
49,61,000	39,56,795	1,29,62,667	74,49,234	....	N. Sirur & Co. Private Ltd	50,492	500	Mysore Spg. & Mfg.	60.00	50	5.00	7.00	7.00		2	Y.P.
81,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	..	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
4,00,000 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47.600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37 50	25.00 37.50		12	Y.P.
15,00,000	...	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26.180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	.	Rajalakshmi Mills	101.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	..	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	157.80xd	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32.260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15 00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.90	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)		..	South India Viscose Ltd.	157.50	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	..	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.62	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K Venkataswamy & Co.	21,532		Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65xd	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd	86.212	1,244	Sutlej Cotton Mills	104.00	10	6.00	8 57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 7.75	100. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd	12,000		Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.			Travancore Rayons	30.80	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784		Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48 175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd		200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	125.00	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.81	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	116.00	100	*Nil*	6.00	*Nil*		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	232.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	*Nil*	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	288.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£842,859	£1,372,658	£967,103	£95,080	Sir John H. Burder (Chairman)	1,889	Barnagore	184.00	£5	10sh.	£1.10sh	10 Sh.		3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	8,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	33.75	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	160.00	100	15.00	10.00	*Nil*		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	143.00	100	7.00	10.00	5.00	*Nil*	3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	24.75	10	1.25	*Nil*	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.56	10	1.50	0.50	*Nil.*		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	121.00	100	*Nil*	1.00	1.00	*Nil*	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	178.00	100	14.00	7.50	*Nil*		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	81,72,389	3,52,82,387	1,90,83,987	72,385	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	410.00	100 Old	20.00	25.00	10.00			Y.P.T.
21,00,000	24,95,369	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	28.00	10	1.50	2.25	2.25	1.00	3	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	14.69	10	*Nil*	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.50	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	459.00	100	25.00	30.00	25.00	6.00	3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00		3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	31.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	19.56	10	1.00	1.25	1.00	*Nil*	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	3	Y.P.
87,80,000	26,68,965	1,86,88,015	1,09,04,160	76,164	M.	790	India	17.94	12.50	1.24	1.75	1.50		3	Y.
24,00,000 / 'B'19,20,000	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	167.00 / 167.00	100 / 'B'100	20.00 / 20.00	5.00 / 5.00	*Nil* / *Nil*		12	Y.P.T.
30,00,000 / 'B'24,00,000	....	1,78,14,456	1,25,51,580	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	127.00 / 127.00	100 / 'B' 100	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	703	Kelvin	190.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	17.81	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	149.50	100	10.00	20.00	7.00	*Nil*	3	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	109.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	134.50	100	2.00	15.00	15.00	10.00	3	Y.P.
31,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.50	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	24.87	10	1.00	0.75			10	Y.P.
26,25,000	33,18,272	73,06,659	37,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.44	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,581	1,71,73,801	*Nil*	Sahu Jain Ltd.	1,765	New Central	13.50	10	1.50'C'	1.50	1.50		7	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	33.50xd	10	1.25	8.00	8.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,23,60,881	1,19,31,074	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	57.75	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.50	5	0.50	0.40	0.30		7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—360,855	Hindustan Investment Corpn. Ltd.	805	Rameshwara	9.87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	27.50	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.00	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
35,98,600	27,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	164.00	100	20.00	25.00	6.00	*Nil*	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	3	Y.P.
88,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.38	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.45	2	0.24	0.20	0.20		6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.40	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,383	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	22.47xd	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.05	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.34xd	5	0.40	....	*Nil*		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.31xd	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.80	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,14,272	12,67,080	1,15,811	579	Ipe Oommen & Co. Pvt. Ltd.	862	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40		3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y.
8,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	3	Y.
3,00,000	6,18,504	14,43,867	8,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00cd	25	5.00	8.75	8.50		3	Y.P.
36,00,000	23,87,384	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,089	Neelamalai	3.95	5	0.37	0.37	0.37		3	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.85	2	0.20	0.26	0.30		6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.60	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	5,77,357	35,77,599	18,53,272	22,785	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	22.25cd	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	21.62	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21.75	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.15cd	2	0.25	0.27	0.40	0.25	3	Y.P.
18,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.60cd	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	11,78,243	32,25,233	4,11,990	1,854	Srinivas Agencies	1,061	Talayar Tea	1.79xd	2	0.10	0.16	0.20		3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.50	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19.35	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.20	2	0.25	0.25	0.20		6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.80	0.20	3	Y
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,488	A. V. Thomas & Co. (Mysore)	576	Bababudin Coffee & Produce	6.05	5	0.625	0.40			6	Y.P.
3,00,000	2,25,000	4,68,688	62,711	4,963	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10		5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	28,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.60	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	32,61,494	55,51,333	15,14,847	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.70	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,318	2,26,719		8,232	Consolidated Coffee	17.05	10	2.50	2.00	2.00		6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.75cd	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	8,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	4.02	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.10	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.16	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	11.22cd	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	8,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.92xd	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,43,098	81,358	3,894	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	9.60	5	1.00	1.00	1.00		6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.12	10	1.00	1.25	1.25	1.25	3	Y.P.
8,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.85	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82	2	0.30	0.30	0.30	0.20	3	Y.P.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.88	2	0.10	0.10	0.12	0.15	3	Y.P.
18,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.00	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,80,760	47,874	16,875	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10.50cd	5	2.50	1.25	1.25		3	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,35,000	19,78,850	1,58,066	4,075	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12		3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	*Nil*			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.82	1	0.07	0.07	0.24		9	Y.T.
6,00,000	46,742	8,26,449	1,80,536	4,480	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30			12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.15	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.25xd	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaa, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'— On increased capital. * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.69	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.70	10	0.80	*Nil*	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	12.87	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	185.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.12	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,42,000	26,55,008	7,85,916	13,770	H. P. Dhanuka, Esq. (Chairman)	553	Dhunseri	14.00	10	2.30	2.00			12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	35.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.50	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,43,037	19,21,392	6,96,610	15,535	M.	472	Gillapukri	27.56	10	2.50	2.50			12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	*Nil*	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,36,998	12,38,676	5,15,521	22,702	M.	488	Hoograjuli	24.44	10	2.50	2.00			12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.69	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.50	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,75,000	24,28,231	8,79,989	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.94	10	1.50	0.50	1.40		12	Y.
4,80,000	30,980	9,31,623	....	3,831	Duncan Bros. & Co., Ltd.	701	Moheema	11.50	10	1.00				12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
P.O 1,75,000 / 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 / 27.00	O. 10 / P.O. 10	2.00 / 2.563	0.50 / 1.063	1.50 / 2.063		12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	880	Namburnadi	14.56	10	1.60				12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatollia	106.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.37	10	3.50	4.00	1.35		12	Y.
9,00,000	3,56,155	34,20,973	14,58,524	15,956	M.	958	Sapoi	24.44	10	2.00	2.25			12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.81	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.62	10	*Nil*	*Nil*	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	*Nil*	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	6.50	10	*Nil*				12	Y.P.T

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
2,79,000	1,55,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	*Nil*	*Nil*	1.00		12	Y.
2,00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	97.00xd	100	5.00				12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	*Nil*	*Nil*			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	25.44	10	2.00	3.00	2.50		12	Y.
4,90,000	2,71,500	5,92,631	2,85,757	6,271	M.	505	Okayti	605.00	100	82.50	25.00			12	Y.P.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	8.87	10	*Nil*				12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	841	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	3.50	10	0.50				12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	219H	Soom	31.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	*Nil*	*Nil*			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	82.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.56	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	*Nil*	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	25.12	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	104.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	37,41,255	1,23,23,075	64,56,075	2,53,534	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	14.50	10	1.25	1.70			12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	14.00	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	6,02,720	13,57,039	3,84,825	7,839	M.	578	Manabarrie	57.00N	10	0.50	1.00			12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	155.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.37	10	3.00	2.50	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	149.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.15	10	1.00	0.50			12	Y.P.T.
5,00,000	5,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	16.94	10	1.75	2.00	1.50		12	Y.
3,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1.50	1.50			12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	83,691	McLeod & Co. Ltd.	549	Tirrihannah	67.00N	10	5.00	6.00			12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.35	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.19	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 / D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.12 / 0.50	O. 10 / D. 1	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.50	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	8.40	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 / D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	14.15 / 2.35	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.40	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	12.31	10	*Nil*	0.60	0.80	0.836	3	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	*Nil*	*Nil*	*Nil*		9	Y.P.
1,14,65,185		1,36,60,424	....	....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	*Nil*	*Nil*	*Nil*		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	16.84	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94.00	100	*Nil*	*Nil*	*Nil*		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	178.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.68	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Esel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors XB—Ex-Bonus 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.R.—Dividends paid since 31st March 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
						CERAMIC; MINING AND QUARRYING								
30,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.00	10	Nil	0.60	0.60		3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.75	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.87	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	182.00	100	Nil	8.00	11.00		12	Y.P.
£1,871,800	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.64	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	13.87	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	63.00	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.75	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	39.00	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	29.00	10	5.00	8.00*	Nil		11	Y.
4,83,840 / 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 / —	10 / 5	1.75 / 0.875	2.00 / 1.00	2.75 / 1.375	3.00 / 1.50	12	Y
						CHEMICAL								
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	97.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	205.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	42.50	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	247.50	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	462.50	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	101.50	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	412.50	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	26.75	25	2.50	2.50	3.00		12	Y.
31,88,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	147.00	50	10.00	Nil	8.00		12	Y.
1,07,86,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	Nil	6.00		3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.50	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	453.75	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	310.00	200	20.00	25.00	25.00		3	Y.
1,10,01,535	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.10	10	0.88	1.25'C'	1.25	1.375*	?	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.10	10	0.50	1.00	1.00		3	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75cd	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	161.25xd	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.75	10	..	Nil	Nil		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	260.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,82,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	172.00	100	..	..	Nil	Nil	3	Y.
2,51,96,000	59,67,561	7,09,65,786	2,29,10,386	3,571	Tata Industries Private Ltd.	Tata Chemicals	13.80	100ld	0.525	0.60	0.65		6	Y.P.T.
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	22.62	10	1.00	1.50	2.00	2.25	3	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	151.00	100	..	..	Nil		12	Y.
						ELECTRIC (BOMBAY)								
3,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.80xd	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	31,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.40	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,045.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	106.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	100.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	84,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	101.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	112.50	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,86,000	3,61,11,341	20,88,47,938	4,39,65,810	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,152.50	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
						West Bengal and Other Centres								
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	127.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	48,76,469	1,78,08,355	51,62,951	46,844	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.12	10	1.00	1.10	1.10		3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		3	Y.
£4,262,646	£9,457,172	£35,950,954	£14,225,963	£124,585	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.19	£1	7%	7½%	7½%		3	†Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	Nil		3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	83,303	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,585	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,804	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.50	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,182	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.75	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	118.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.
						ENGINEERING (Bombay)								
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	322.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	132.00	100	13.00*	13.00*'C'	13.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	Nil	4.00		4	Y.P.
60,00,000	1,08,98,455	2,46,93,330	1,46,51,549	89,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	163.75	100	13.00	13.00'C'	13.00		6	Y.P.T.
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	182.50	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.48	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.25	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	38.75xd	10	1.00	1.43	1.60		3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	25.80	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 / 15,50,000	1,28,086	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— / 5.68	10 / 7.50	Nil / Nil	Nil / Nil	..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— / 6.00	10 / 10	.. / ..	.. / ..	Nil / Nil		11	Y.
1,32,00,000	58,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.76	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00			7	Y.P.
80,62,845 / D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	22.80	10	1.00*	1.20	1.20	1.20	3	Y.P.
57,50,000	42,81,615	1,28,07,838	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	175.50 / 116.00	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00		6	Y.
15,55,000	11,14,847	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	192.50	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	131.00	30	18.00	13.50	10.00		12	Y.T.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	130.50	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	135.00	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	295.50	100	9.00	12.50	14.50		3	Y.P.T.
19,81,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	700.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.10	10	3.00	3.00	3.25		6	Y.
55,00,000	30,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	249.00	100	13.00	13.00	14.00		8	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	15.12	10	..	..	Nil	Nil	4	Y.
						West Bengal and Other Centres								
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.87	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.75	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.12	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,841	89,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	11.00	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	695.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.69	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.94	10	Nil	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	18.37	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	38.69	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	25.15	10	1.00	1.50	1.60	0.80†	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	32.62	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 / 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	47.37 / 14.50	0.10 / 0. 1	1.62½ / 0.16½	2.30 / 0.23	2.40 / 0.24	2.30 / 0.23	3	Y.
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.37	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.94	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17.37	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	23.06	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.81	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	Nil	Nil		6	Y.
49,96,000	13,58,398	1,44,34,142	86,32,008	—7,05,389	M.	National Iron and Steel Co., Ltd.	5.19	10	0.75	Nil	Nil		3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	10.12	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.45	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	166.00cd	100	15.00	15.00	15.00	15.00	4	Y.

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
						INSURANCE (X)								
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.00	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.50	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.52	20	2.50	2.50	3.00		12	Y.
1,42,42,125 / A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	63.00 / 64.00	15 / 15New	5.70* / 5.70*	5.70 / 5.70	5.70* / 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.59	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,099	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.52	10	2.00	2.00	2.00		12	Y.
						OIL								
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	4.34	Sh. 1¼	Nil	8%	10%		3	Y.
85,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.87	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	56.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	27.00	10	2.20	3.00	3.50		10	Y.
						PAPER								
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	200.00	100	Nil	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	18.50	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.75	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	Nil	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	86.00	100	Nil	Nil	Nil		3	Y.
1,39,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	Nil		6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.87cd	10	1.25*	1.50	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	40.50	10	1.50	2.25	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.75	10	....	....	Nil		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25.00	10	1.78	1.78			12	Y.P.T.
50,00,000 / A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.00 / 10.00	O. 10 / A. 10	0.30 / 0.30	Nil / Nil	Nil / Nil		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.12	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 / B.56,04,800 / P.O.4,37,500	3,30,31,629	10,23,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	38.75 / 38.75 / 3.75	A. 10 / B. 10 / P.O. 2½	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	2.00 / 2.00 / 0.325	1.00 / 1.00 / 0.325	3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	159.00	100	Nil	6.00	7.50		6	Y.P.
						SAW MILLS AND TIMBER								
18,99,998	19,59,300	34,02,489	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.75	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31.87	10	2.50	3.00	3.00			Y.
						SUGAR (U.P. and Bihar)								
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.28	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 / B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122.00 / 11.60N	A. 100 / B. 10	10.00 / 1.00	15.00 / 1.50	15.00 / 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	12.87	10	1.50	1.50	1.50		6	Y.P.
82,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	Nil	Nil		6	Y.P.T.
80,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	Nil	Nil	Nil		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	17.12	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71	10	1.125	0.35	Nil		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			8	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	190.00	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	F.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	Nil		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	Nil	0.60			10	Y.P.
20,00,000	3,64,500	26,21,410	15,54,478	1,370	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.25	10	0.30	0.40	0.40		3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.00	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.12	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		8	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.
						Other Centres								
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	20.75cb	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	114.50	100	Nil	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	224.00	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455		Shree Changdeo Sugar	27.50	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.75	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	41.75	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	11.00	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.00	10	1.00	1.25	1.50		6	Y.P.
68,61,710	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	63.00	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	154.50	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	90.00	50	13.50	12.00	9.00		6	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 / D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 / 30.00	O. 50 / D. 50	8.50 / 3.50	5.00 / 3.50	5.00 / 3.50		9	Y.P.T.
80,00,000	19,90,000	71,92,482	36,48,613	68,170	Parry & Co., Ltd.	Travancore Sugars	7.30cd	10	1.00	1.00	0.75		7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	150.00	100	20.00	15.00	15.00		9	Y.P.T.
						UNCLASSIFIED (Bombay)								
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	101.00	100	..	Nil	Nil		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.52	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	110.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 / 45,08,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. / 82.00	100 / 75	.. / ..	20.00 / 10.00	45.00 / 22.50		8	Y.
37,50,000 / 10,00,000	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	127.00 /	100 / 100	5.00 / ..	8.10 / 2.70	9.50 / 4.50		8	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	Nil	Nill	7.50		6	Y.
89,25,000 / 42,00,000	6,72,17,037	5,96,96,300	2,89,25,893	1,60,878	Wallace & Co.	Bombay-Burmah Trading Corpn.	647.00 / 265.00	Old125 / New50	28.75 / 9.50	37.50 / 15.00	41.25 / 16.50			Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	66.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	27.00	20	2.00	2.50	2.50		8	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	104.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	90.50	75		..		Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	162.50	100	Nil	Nil	Nil		12	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	200.00	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100			Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	15.68	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	48.00	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	8	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	117.50	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	86.30	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	160.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 / D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	226.25	100		..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	110.00	100	9.00	9.00	9.00		6	Y.P.
4,73,200 / 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	9.00 / 4.50	9.00 / 4.50	9.00 / 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	129.00	100	..	Nil	Nil		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
15,96,000	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	35.00	50	Nil	Nil			8	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	89.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	272.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		8	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
93,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.75	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	24.40	10	1.25	1.80	0.90	1.80	3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	23.44	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.95	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	28.75	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	261.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	87,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	35.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	10.00	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	20.50	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	38.06	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,820	1,47,93,934	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	30.75	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	24,42,284	11,77,834	....	M.	East Anglia Plastics (India) Ltd.	15.50	10	..	..	*Nil*	*Nil*	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.45	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	9.12	10	1.25	1.25			3	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	5.81	5	..	..	*Nil*		6	Y.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,738	3,68,93,878	87,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	42.37	10	..	..	*Nil*		12	Y.
80,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	18.48	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	16.00	10	..	..	*Nil*	*Nil*	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.94	10	0.60	0.80	0.90	0.90	3	Y.
3,98,80,840	3,45,09,860	18,72,61,810	4,12,80,119	62,31,758	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	35.44	10	1.20	1.50	1.50		12	Y.P.T.
2,85,77,700	2,47,87,168	3,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	36.00	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
2,60,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	47.50	10	1.50	1.50	1.50		9	Y.
29,93,875	1,06,104	54,89,157	21,21,520	3,683	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*		3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,648	1,32,665	M.	Indian Rubber Manufacturers	20.94	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	16.50	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	74.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	10.00	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.94	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. 5,00,000D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	250.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.50	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,51,514	12,77,159	7,66,152	12,866	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	37.25cd	10	1.60	2.00	2.50		3	Y.P.
10,00,000	3,23,080	20,39,182	12,41,906	11,458	N. V. Siddalingappa, Esq. (Chairman)	Mysore Tobacco	8.60cd	10	1.25	1.00	*Nil*		3	Y.
1,35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	28.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	31.25	10	1.50	2.00	2.00		9	Y.P.
40,00,000	36,76,100	81,69,908	41,41,925	39,258	Do.	National Rolling & Steel Ropes	21.50	10	1.00	1.30	1.50		6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.50	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.15	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	29.00	10	1.20	1.20	1.20		12	Y.
62,50,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	22.00	5	..	..	*Nil*		3	Y.
15,00,000	1,09,481	8,39,781	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	*Nil*			12	Y.
36,80,788	17,25,287	48,65,614	24,00,977	43,537	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87cd	10	1.60	2.30	1.80		3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,558	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	*Nil*	4.00	8.50	0.80	3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	14.19	10	1.50	2.00	1.00		3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45 —	10 7.50	1.50 ..	1.80 0.225	.. ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.00	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.69	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.50	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.09	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.60	10	2.75	3.25*	1.50	3 25	9	Y.P.
2,50,00,000	1,56,81,314	8,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	269.00cd	100	10.00	10.00	10.00		7	Y.
80,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.12	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	45.37	10	1.80	1.80	1.80		12	Y.T.
20,00,000	60,00,000	58,86,994	19,50,050	53,924	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00		3	Y.
5,00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	3	Y.P.
					TRANSPORT									
20,00,000	27,13,587	58,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	38,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.24	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.28 5.96	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.00	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6 76	10	1.00	1.00	*Nil*	*Nil*	3	Y.P.
1,28,19,293	11,13,95,184	38,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	12.12	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.41 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.12	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.50	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	341.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	20.25	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.40	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.56	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	17.50	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.06	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.97	10	*Nil*	*Nil*			12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	52.37	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	26.94	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,628	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,03,371	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	42.25	50	*Nil*	*Nil*	*Nil*		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	*Nil*	*Nil*			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	46.00	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,2[illegible]	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	23.25	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 16.25N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	15.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,37,202	35,04,745	13,15,937	1,617	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125			12	[illegible].T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00	1.00	3	Y.[illegible]
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	16.00	10	1.00	1.50	1.70	1.70	3	[illegible]
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	7.44	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.87	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	8.12	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	*Nil*	*Nil*	*Nil*		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.15	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	9.37	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakh whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

MARKET GOSSIP

(*Concluded from page* 667)

Drawing particular attention to the need for reducing the expenditure on maintenance imports, Mr. Mehta urged the Union and State Governments, public sector enterprises and private sector units so to plan their projects as to keep their requirements of imports low. In giving this advice, he was conscious that this would mean a drastic change in "the established thinking and working practices of industries in the public and private sectors." Making a fervent plea to industrialists to get over their addiction to imported products, Mr. Mehta observed as follows:

"Under conditions of shortage, the temptation to import, even to the extent of exaggerating import requirements, is considerable. Often, the imported goods are cheaper and nearly always better in quality. Industrialists who, therefore, incessantly try to get import licences for materials and components, even when corresponding indigenous materials and components are available, tend to forget that to protect them, and often at their instance, consumers of their products have been deprived of the same facility—use of cheap and superior imported goods. I found, during my association with the Tariff Board and the Tariff Commission over a decade ago, that those who wanted protective tariffs, quantitative restrictions and even total import bans were themselves averse to using indigenous raw materials or components or assisting ancillary industries on the plea that these did not come up to the requisite standard. On the other hand, they themselves claimed additional protection on the ground that their products had to offset prejudice against indigenous articles, because of the attraction of well-known foreign brands. Such inconsistent attitude is not helpful either for wholesome industrial development or for our foreign exchange savings and earnings. Moreover, in a period of crisis, some make-shift arrangements are necessary, some adjustments unavoidable. The remedy for high price is encouragement of efficient production in a country poor enough for every anna's worth of efficiency to matter; we want not merely more production, but better productivity; and the remedy for inferior quality is adherence to requisite standards and insistence on inspection—and not continued reliance on imports which many entrepreneurs seem to prefer."

There is considerable force in Mr. Mehta's view that every user of foreign exchange should be under an obligation to justify regularly the need for such resources. He felt that, in the long-run, it would be necessary to encourage the establishment of those industries which required fewer imported materials and components. This problem will engage the attention of the sub-committees set up at the meeting. Five sub-committees have been constituted one each for textiles, steels, petroleum oil, fertilisers and machinery. These sub-committees of experts are expected to place specific proposals for import substitution before the next meeting of the Panel due to take place in about a month's time. It would appear that the attention of the Panel is devoted to industries alone. This emphasis is, no doubt, understandable. But one feels that the possibility of import substitution in respect of agricultural products should also be examined by the Panel. Apart from cereals, raw cotton and edible oils, there have been some imports of fish, canned meat, dairy products, cocoa, etc., in recent years. Is it not necessary to make adequate changes in the pattern of agricultural production as well as to conserve the foreign exchange for development purposes?

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (*a*)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (*a*)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (*a*)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (*a*)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
13,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.00	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (*a*)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,23,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (*a*)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (*a*)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (*a*)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-68§
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September† .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (*a*)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (*a*)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (*a*)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (*a*)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December ‖ .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (*a*)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August‡ .. 1972
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (*a*)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (*a*)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-68
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee		100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.50	1st September .. 1965-69(*a*)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	94.00N	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102.00	1st January .. 1973 (*a*)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (*a*)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	100.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (*a*) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	93.50	1st April .. 1964-68 (*a*)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(*a*) These debentures are registered and are transferable by transfer deeds. (*b*) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th October 1962.

	Closing quotations 11-10-1962 Rs.	High Rs.	Low Rs.	Closing quotations 18-10-1962 Rs.
TEXTILES				
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.24	2.22	2.14	2.22
Baroda Rayon (100)	131.00	135.00	130.00	133 00
Bombay Dyeing (25)	65.10	65.00cd	63.60	63.70xd
Bradbury (50)	187.50	—	—	187.50
Central India (100)	109.00	111.00	109.00	110.00
Century Mills (100)	605.50	609.00	597.50	601.50
Coorla Sp. (100)	142.00	—	—	142.00
Dawn (50)	158.00	159.00cd	148.00	149.50xd
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	106.00	106.00	103.00	104.00
Finlay (100)	300.00	305.00	297.00	305.00
Gokak (100)	186.00	187.00	185.00	185.50
Gold Mohur (100)	225.00	225.00	222.50	225.00
Gwalior Rayon (10)	53.00	53.00	51.50	52.50
Ind. Untd. Defd. (1)	3.60	3.62	3.46	3.48
Ind. Untd. Ord. (10)	26.25	26.50	26.00	26.40
Indian Rayon (100)	93.00	94.00	91.00	92.50
Indore Malwa (100)	208.00	210.00	200.00	205.00
Khatau (100)	455.00	450.00	445.00	446.25
Kohinoor (100)	295.50	296.00	290.00	290.75
Mafatlal (100)	775.00	805.00	757.50	802.50
Minerva Mills (100)	82.50	82.50	76.00	76.00
Model Nagpur (250)	122.00	122.00	117.00	119.00
Morarji (100)	465.00	471.00	456.00	460.00
Mysore (50)	60.00	—	—	60.00
National Rayons (100)	463.00	465.00	452.00	452.00
New City (100)	137.50	145.00	137.50	145.00
New Great (100)	262.50	270.00	265.00	270.00
Phoenix (100)	242.00	240.00cd	225.00	228.00xd
Podar Mills (100)	128.00	128.00	126.00	126.00
Raymond Woollen (100)	131.00	134.00	131.50	134·00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	53.50	54.00	53.50	54.00
Shrinivas (100)	257.00	258.00	253.00	254.00
Simplex (50)	154.00	155.00	153.00	153.00
Standard (100)	872.00	925.00	836.00	892.00
Svadeshi (100)	250.00	251.00	247.50	247.50
Swan (100)	292.50	292.50	280.00	285.00
S. I. Viscose (100)	157.00	159.00	156.00	157.00
Tata Mills (25)	57.50	59.50	57.50	53.70
Lakshmi-Vishnu (100)	125.00	125.00	122.50	123.75
Western India (250)	881.25	881.25	835.00	835.00
BANKS				
Bank of India (50)	112.50	113.00	112.00	112.50
Do. (New) (50)	114.50	115.00	114.50	115.00
Bank of Baroda (50)	95.00	95.50	94.50	95.50
Central (25)	61.00	61.50	60.50	61.50
Central 'A' (25)	62.00	63.00	61.50	63.00
Dena Bank (50)	58.00	58.50	58.00	58.50
Punjab National (10)	20.52	20.76	20.00	20.76
Union Bank (5)	6.12	6.32	6.16	6.32
United Com. (50)	78.00	78.00	77.00	78.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	96.50	96.50cd	93.00	95.80xd
Amalgamated (10)	10.60	—	—	10.60
Andhra Valley (1,000)	1,027.50	1,050.00	1,022.50	1,050.00
Bom. Sub. El. (100)	103.00	106.00	102.00	106.00
Surat (100)	100.00	101.00	99.50	101.00
Tata Hydro (100)	108.50	112.50	108.50	112.50
Tata Power (1,000)	1,115.00	1,162.50	1,110.00	1,155.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.50	—	—	62.50
New India (15)	63.00	63.00	62.50	62.50
New India 'A' (15)	64.00	64.30	63.50	63.50
Vulcan (10)	16.52	—	—	16.52
STEEL COS.				
Ind. Iron (10)	25.30	25.35	25.00	25.10
Mukand Iron (10)	22.88	23.00	22.24	22.68
Tata Steel Ord. (75)	137.00	137.25	135.00	135.25
SUGAR COS.				
Belapur (50)	225.00	226.00	222.00	225.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.50	27.80	27.50	27.80
Maharashtra (50)	153.50	155.00	153.50	154.00
Phaltan (50)	91.90	91.00	89.50	89.50
Walchand Ind. (100)	150.00	150.00	148.50	148.50
CEMENT COS.				
Associated Cts (100)	155.00	157.75	152.75	156.50
Digvijay (100)	178.00	179.00	175.00	178.00
Orissa (10)	16.88	17.04	16.72	16.84
MISCELLANEOUS				
Alcock Ashdown (100)	320.00	325.00	316.00	320.00
Amar Dye-Chem (100)	243.75	248.75	241.25	242.50
Bom. Burmah (125)	638.50	653.50	632.00	643.00
Do. (New) (50)	258.75	266.25	258.75	265.00
Br. B. Petrol (1½ sh.)	4.24	4.46	4.04	4.38
Br. I. Corpo. (5)	9.88	10.00	9.88	9.88
Cooper Eng. (100)	134.00	134.00	130.00	130.00
Colour Chem. (100)	402.50	412.50	395.00	412.50
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	46.50	48.50	46.25	47.25
Hindustan Motors (10)	18.68	18.80	18.48	18.52
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	437.50	472.50	432.50	457.50
Indian Copper (2 sh.)	4.68	4.68	4.60	4.64
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	86.00	86.30	85.20	86.30
Larsen & Toubro (10)	25.60	26.10	25.75	25.75
Mahindra & Mahindra (10)	17.76	18.00	17.64	17.72
New Central Jute (10)	13.88	13.88	13.00	13.44
Polychem (50)	165.00	165.00cd	157.50	160.00xd
Polson (100)	188.75	191.00	189.00	191.00
Pre. Automobiles (100)	111.00	115.00	108.00	112.75
Premier Cen. (80)	132.00	133.00	130.00	131.00
Scindia (20)	12.12	12.28	11.96	12.08
G. E. Shipping (10)	12.16	12.28	12.20	12.28
Shivrajpur (10)	27.00	31.00	27.00	30.00
Sirpur Paper (10)	13.04	13.20	12.96	13.12
Synthetics and Chem. (100)	171.00	174.00	169.00	171.00
Tata Chemicals (10)	13.92	14.12	13.76	13.84
Tata Locomotive (100)	303.00	303.50	293.00	293.00
Tata Oil (25)	55.50	56.70	54.50	56.20
Texmaco (10)	22.24	22.48	22.00	22.00
Voltas (100)	253.50	254.50	247.00	249.50
W. I. Match (100)	272.00	272.50	271.00	271.00
W. Coast Paper (100)	158.50	161.00	157.00	158.00

GOVERNMENT SECURITIES	11-10-1962 Rs.	Gross Yield: Earlier Redemption	Later Redemption	18-10-1962 Rs.
2½% 1962	99.80	—	4.02	99.90
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.55	98.85
3% 1963-65	99.05	3.84	3.32	99.05
3% 1966-68	96.90	3.85	3.58	96.90
3% 1970-75 1st Dev.	89.25	4.62	4.10	89.00
3% 1986 Con. Loan.	67.75	—	4.48*	66.90
3½% 1964 N. P. Loan.	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.80	—	3.58	99.80
3½% 1967 N. P. Bonds	98.65	—	3.80	98.65
3½% 1974	99.50	—	3.92	98.50
3½% 1967 N.P. Bonds.	99.70	—	3.81	99.70
3½% 1969 Loan	97.80	—	3.87	97.80
3½% 1968	98.30	—	3.82	98.30
3¾% 1963 N.P. Bonds.	99.95	—	3.54	99.95
3¾% 1968 N.P. Bonds.	99.35	—	3.87	99.35
4% 1972 Loan	99.35	—	4.08	99.35
4% 1973 Loan	99.30	—	4.08	99.30
4% 1979 Loan	98.65	—	4.11	98.65
3½% 1966 Bonds	99.70	—	3.59	99.70
4% 1980 Loan	98.55	—	4.12	98.55
4% 1981 Loan	98.60	—	4.10	98.65
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	81.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	119.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.10	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	82.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.90cd.	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C	8,50,000	....	10.00	April	May	116.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,080	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	100.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	81.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	49.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	83.63	100
Central India T.F.	50,00,000	1912*	5.00	Apr.	Oct.	411.25	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	112.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	..	..	151.25	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	76.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr.	..	660.00	500
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	977.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	71.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.56	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept.	Dec.	{ 7.91	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50 }			7.87	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	99.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,007.50	1,000
Vellore C.	1,25,000	1928	4.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	14.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	111.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	88.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	101.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	72.70	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	68.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.88	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov	..	132.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	106.25	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	86.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	94.50	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	73.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	100.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	87.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	89.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	96.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	67.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	11.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	101.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

'tal and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	86.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	91.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00	100
TEA							
Amluckie Tea T.F.C.	175,000	1902-08	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	78.00xd	100
Moheema T.F.C.	8,20,000	1929	6.00	May	Nov.	5.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.97cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.91	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	91.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	48.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	97.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	61.25	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	105.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	7.68	10
Dhrangadhra Chemicals T.F.C.E.	81,91,900	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.30	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	104.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	54.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	46.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	188.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.81	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	70.67	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	33.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	51.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	80.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.92	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.83cd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.22cd	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	90.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00–9.00	Apr.	..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	57.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	75.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.85	10
Esso C.	75,00,000	1955	6.00	June	Dec.	86.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	88.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	71.00	100

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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CHINA MUST BE QUICKLY CONTAINED

WHEN the history of the present-day world comes to be written in the free countries, India will stand out as a nation that was subjected to unprovoked aggression, despite its peaceful endeavours to avoid a war with its neighbours. The credit for winning that place for this country will go to Communist China, which has consistently shown nothing but scorn for international law and made no secret of its disbelief in the theory of co-existence between communism and democracy. It has broken the *Panchsheel* to pieces after solemnly swearing by it and blown away the Bandung spirit by unleashing a typhoon. It has painfully reminded us of the lesson which two world wars had clearly established but which our leaders chose to ignore in their anxiety to preserve world peace. The lesson is that one cannot rely on the undertakings given by any regime of dictatorship, whether its hue is red or blue. It has also demonstrated beyond doubt to our peace-loving people and its leaders that a bully understands only force and not arguments. Another age-old truth which our leaders failed to grasp until it was driven home by the present-day China is that negotiations, if they are to succeed, have to be from a position of strength, not only moral but also physical. All honour to Prime Minister Nehru and his able lieutenants for having valiantly tried to save peace by pursuing a line of action in which they passionately believed, ignoring the lessons of history. They took a great risk in the honest belief that it was worth taking, paying no heed to the warnings sounded by well-meaning friends. Their laudable venture in peace has failed, thanks to the Chinese who have, of their own free will, adorned the label: "I am the Enemy Number One of India." This fact has to be faced. Our learned President Radhakrishnan, who is a renowned authority on *Bhagwat Gita*, must render to our Prime Minister the services which Lord Krishna did to Arjuna.

The war into which we have been forced has to be won. In a war, the country which first strikes has always certain advantages and initial victories, because of its advance preparations for reaching specific goals. It is not, therefore, surprising that our forces have been compelled to retreat, yielding precious ground to China. But it would be a serious mistake to underestimate the ambitions of China any more. It would be an illusion to think that China wants only the border to be redrawn by a few miles in its favour. Further, initial successes easily won always go to the head. The enemy knows how unprepared we are. He is, therefore, bound to press on. The possibility of his doing so in the North-East is greater than in the North. Quick steps must be taken to stop the Chinese advance well ahead of Assam, the strategic importance of which to the country is obvious. Assam, as readers are aware, produces tea, a valuable foreign exchange earner, and oil, an indispensable commodity for war and peace alike. The time for debating on the virtues of alignment or non-alignment is over. So is the time for mere brave words or crying over spilt milk. Prompt action and quiet diplomacy for strengthening our armed forces with modern equipments are the need of the hour. It will be a long time before we can be self-sufficient in arms. Since we cannot wait that long, we have to seek the help of others. We need not be ashamed about it, for our cause is a righteous one. We have tried our best to prevent an Armageddon. We cannot stop it, if the Chinese are determined to force it on the world.

Undoubtedly, many delicate issues are involved. We presume our leaders must have already thought about them in anticipation of the contingency that has now materialised. The biggest issue is our relationship with Russia. We have been receiving valuable assistance from the Soviets and some of the East European countries in our peaceful endeavour to eradicate poverty. It would be a pity, if anything were to happen that would cut off this assistance. But what are we to do, if Russia fails, as it seems to have, to restrain China and ask it to withdraw its forces from Indian territory? By all means let the Government of India try again, if it has not already tried, to use the good offices of Russia. One cannot, however, indefinitely live on the hope of Russia doing something that would force the Chinese out of our soil. The time has come for testing Indo-Russian friendship in the open. If Russia considers that non-alignment of India is an asset for preserving world peace, then it must ask China to vacate its aggression on the Indian soil. To many this solution appears to be futile, besides carrying the risk of strengthening the hands of Communists in this country and glorifying another dictatorship. But let us leave no stone unturned for preserving peace. Only, we must try this expedient expeditiously. If it fails, our salvation lies in aligning ourselves with our friends in the free world who have already given us massive economic assistance without any strings. It is unnecessary to add that economic freedom cannot be had without political freedom. And it is this freedom that is in great danger.

IMPLICATIONS OF THE CHALLENGE

IT is gratifying to find that Prime Minister's call for unity in this hour of national emergency and the prospect of prolonged hostilities with China, which has entered NEFA *en masse* as it were at the time of writing, has had a resounding response. If the observations made by the various political leaders during the past one week and the demonstrations, as well as gestures, made by the people are any dependable indication, as they undoubtedly are, the country has surely rallied round the Government. The people are determined to throw the invaders behind the McMahon line in NEFA and clear them out of Ladakh. All opposition parties, except the Communist, have offered their fullest co-operation and affirmed their resolve to stand united. Even the Communists have condemned China, though some of them, especially the top leaders, are not unequivocal. Leaders of the business community, as well as of industrial workers, have promised to do their best to increase production. Every one is agreed that, whatever might have been the omissions and commissions of the Government in the past, now is not the time for fault-finding and that, instead, we must look ahead, work hard to rid the country of the aggressor. It is now for the Government to harness this enthusiasm wisely and weld the nation into a strong body. Its actions must be such as to generate confidence among the people that the task of defending the country is being handled on practical lines, without letting ideological prejudices stand in the way.

The first requisite for this purpose is to disabuse the impression, which the Ministers themselves have been spreading by their speeches, that our Defence forces are lacking in fire-power and that this deficiency cannot be easily made good. If the people are not to be weighed down by a sense of pessimism and dark forebodings, something more than pep talk will be necessary. A possible way is indicated in the previous article. Another way would be to associate with the administration of the country persons who are known for their talents in the respective fields of defence, industry, agriculture and trade. How exactly this should be done is a matter of detail, but the important point is that they should be given an effectively active role, so that the jobs may be done efficiently and goods delivered in time. A third way would be not to increase the economic dependence of the country on the Communist bloc, at least in regard to strategic materials such as petroleum and aircraft. On the contrary, all possible steps should be taken to reduce that dependence. The Government's oil policy, in particular, is in urgent need of revision. Mr. K. D. Malaviya's announcement at New Delhi last week-end, twenty-four hours after Communist China had mounted its massive offensive in both Ladakh and NEFA, that the Government had decided not to allow any of the three foreign oil companies to expand their refining capacity was ridiculous, if not irresponsible. The Government has already enough and more on its hands. Its oil projects are not proceeding according to schedule. The demand for petroleum products is rapidly expanding and the country has no foreign exchange either to buy plant and machinery or to import the expensive petroleum products. The largest proved oil reserves, the richest oil-bearing area, the first completed public sector refinery and the oldest refinery of the country are all in an area which is within striking distance of our foe. And still the Minister for Fuel reiterates most firmly his dog-in-the-manger policy. It looks as though Mr. Malaviya loves his brand of socialism more than the country. Can the second largest Communist power in the world, which has chosen to be our number one enemy, be defeated at minimum damage and cost to the country, if we pursue such dubious policies?

It is said that the third Plan should be pruned wherever possible to release the resources necessary for strengthening our defence forces, so that an offensive can be mounted against China as early as possible. On the face of it, this suggestion sounds sensible. But the fact is that the third Plan has already been pruned by the shortage of real resources and the inability of numerous entrepreneurs to proceed with the projects for which they

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had obtained licences. By and large, it is only the core of the Plan that now remains to be implemented. The successful implementation of this Plan is as essential for strengthening the country's defences as it is for raising the living standards of the people. The investments in agriculture (they include fertilisers and irrigation as well), power, transport, steel, coal, cement, aluminium, chemicals, drugs, oxygen, plastics, clothing and other wage goods, synthetic and natural rubber, vehicles, tyres and tubes, machine tools and heavy industries, electronics, watches, hospital equipment, to mention only some, are all necessary. One cannot fight a modern war without these basic requirements. Even rayon, nylon and terylene fibres are essential. Accordingly, there is hardly any room for cutting down the expenditure on the third Plan. On the contrary, there may have to be some increase and realignment of priorities. Greater emphasis will have to be laid on special steels than is the case now. The pace and efficiency of implementation will have to vastly improve. So the war effort will mean a far greater tempo of economic activity and larger employment than that envisaged in the third Plan. Only, a substantial part of production of goods listed above will not be available for civilian consumption. That is the tragedy of a war. It would be worse still, if the conflagration were to spread, resulting in a full-scale war.

When goods are diverted for war purposes and employment increases, inflation will follow. Controls will become inevitable. The atmosphere for the working of controls will, however, be more congenial in such a situation, for people's co-operation can be expected to be more readily forthcoming during an emergency like national war than in times of peace, assuming, of course, that the leadership will successfully rouse their sense of patriotism. Nevertheless, vigilance will be necessary on the price front. The entire business community will have to exercise self-restraint and desist from hoarding, profiteering and black-marketing. The war forced on us is different from the one in which we found ourselves during 1939-45 and so also the social and political climate. The businessmen's instinct for self-preservation will itself demand that they go out of their way to ensure that the price-line does not get out of hand and that they accept restraints on their profit-margins and dividends, so that labour may feel inspired to extend its wholehearted support for stepping up production by working on holidays and Sundays and for not insisting on a wage-structure with built-in inflation. When one comes to think of all this, one realises that, of all the people, businessmen, in particular, will have a lot to do for the successful prosecution of war effort, because they hold the position of leadership at the various levels of community. It is to be hoped that businessmen and politicians in power alike will realise this simple point and work together in close co-operation.

Agricultural production will have to be tackled most energetically. It is here that State Governments and local politicians have to prove their mettle as leaders of people. All idle hands in rural areas must be mobilised to improve the productivity of land and farms. If rightly organised, impressive results will be possible even in a year's time. The challenge thrown by China can be successfully met only if we win the battle on the production, both agricultural and industrial, front.

THE HOUSING PROBLEM

THE magnitude of India's housing problem is simply stupendous, as will be seen from a few statistical aggregates. As many as 50 million rural dwellings, it is officially estimated, would have either to be rebuilt completely or improved substantially. Even if it is supposed that the third Plan's housing programmes in both the public and private sectors are implemented fully, there will be a huge shortage of about 14 million houses (of which six million represent the additional demand in the third Plan period) in urban areas at the end of 1965-66. But no such supposition can be confidently made, for the current acute shortages of building materials are bound to get aggravated in the next few years in the context of increasing defence requirements. So, the shortage of urban houses that will have to be carried over into the fourth Plan may be reckoned at not less than 15 million. It is patently inconceivable that finances on the scale estimated—Rs. 7,500 crores for urban housing covering 15 million units and Rs. 6,500 crores for rebuilding or improving 50 million rural dwellings—can be found for solving the entire problem in, say, five years.

The problem is essentially one that should be tackled in terms of a long-range plan as in the case of road construction or power development. A 30-year Plan (1966-96), for instance, could have, as its objectives, the rebuilding or improvement of 50 million rural houses and the construction of about 50 million urban housing units (third Plan's carry-over of 15 million, besides 6 million additional demand arising in *each* successive five-year period from the increase in urban population). Any such long-range plan would involve an aggregate outlay of not less than Rs. 30,000 crores, or an average of Rs. 1,000 crores per annum over the specified period in both the public and private sectors. As, however, so much investment in housing cannot be logically envisaged in conformity with national income projections, the country will continue to have a housing shortage of some magnitude or other even at the turn of the present century. There should, therefore, be no illusions about this question at any level, official or non-official. If it is going to be extremely difficult to satisfy fully even the first two of the "trio" of basic needs—food, clothing and shelter—the third cannot obviously be expected to command a higher order of priority.

That provides a perspective for the average citizen who may be well advised to cultivate a degree of contentment, or even of fatalistic resignation to the depressing prospect, if he is not to find himself in an utterly miserable state of mind. But, then, contentment is easy to preach but difficult to practise, especially these days when everybody, be he rich or poor, seems to be discontented for some economic reason or other. Time and tide waits for no man, and the revolution of rising expectations may have its grim side too. As a decent house, even if it is very modest in terms of rent or capital cost, can exert a healthy psychological influence on the perpetually discontented urban dweller belonging to the working class or the lower middle class, something must be done during the third Plan period itself to put more hope into his mind—the kind of hope that is realisable within a reasonable period in his lifetime. It is not meant to suggest here a higher priority for, or even an increase in the proposed public-sector investment of Rs. 425 crores in, housing under the third Plan. All that is not possible, the resources picture being what it is. If the urban dweller is not to feel a sense of frustration, he must see more tangible evidence of the Government's earnestness in the matter of housing not only in the public sector but also in the private sector. This is essentially the task of State Governments, for it is they who have to take all the necessary steps.

It is possible to advance some concrete suggestions in this connection. First, even within the proposed public-sector outlay of Rs. 425 crores, under the third Plan, for building 775,000 urban dwellings and 125,000 rural houses, an attempt should be made to build a larger number of houses. Specifications pertaining to plinth area and construction materials should be re-examined and re-defined with a view to ensuring lower unit costs without prejudice to utility and durability. For instance, there would be undoubted scope for lowering the space specifications of the 300,000 houses of varying sizes to be built by the Central Government departments. It is well known in Delhi, for instance, that the housing accommodation so far provided by the Government to its employees is twice or thrice as large as equivalent private accommodation—equivalent in terms of rent. As tens of thousands of Government employees continue to live in privately-owned houses and thereby aggravate the housing shortage for private employees, the Government departments should construct, *within their third Plan budgets for housing*, at least 600,000 housing units, if not more. If this is done, as it can very well be by revised space and material specifications, there will be considerable relief to non-Government employees and other lower middle class housholds in cities like Delhi, Calcutta, Bombay and Madras where there are Central Government offices.

Secondly, in the matter of housing for industrial workers, the Union Government would do well not to pursue seriously the idea of imposing a special levy on employers for financing housing projects. This idea, favoured by the State Housing Ministers' Conference held at New Delhi last week, would involve varying amounts of levy, depending upon the percentages of workers provided with houses by different employers. By all means, let the Government collect statistics from all over the country about the number of houses so far built by employers, both with Government assistance and otherwise, to ascertain the shortage in the industrial housing sector. Having done that, the Government should reactivate and enlarge its subsidised industrial housing scheme instead of imposing any special levy for the purpose of expanding accommodation facilities for workers. If only about 26,000 houses, out of the 150,000 houses sanctioned under this scheme till March 1962, have been built so far by industrial employers (including Government companies), the Government should rather remedy the difficulties faced by employers in implementing the scheme than think in terms of a new approach or a new scheme. The following points made by the representatives of employers in their discussions with the State Housing Ministers last week seem to reflect genuine difficulties:

(i) The ceiling costs of various types of tenements prescribed under the scheme are unrealistic.

(ii) The Government should help in acquiring land for setting up housing colonies for workers.

(iii) Building materials for implementing the scheme should be available at controlled prices.

(iv) Instead of releasing the amount (that is, 50 per cent loan and 25 per cent subsidy) to the employers in instalments, the Government should place the entire admissible amount in the account of bankers of the employers. The amount so deposited may be secured by the bank guarantee of due performance.

(v) The discretion of employers in the allotment of houses to eligible workers (that is, workers earning less than Rs. 350 per month) should be more than 15 per cent.

(vi) Measures should be available to evict workers from houses when they cease to be eligible for the benefits of the scheme.

(vii) The scheme should also provide for schools, marketing centres, hospitals, etc., in the housing colonies.

As the Union Minister for Housing, Mr. Meherchand Khanna, himself has admitted that some of the difficulties pointed out by employers are genuine, it only remains for the Government to devise remedial measures so that all the 73,000 houses, proposed to be built under the Subsidised Industrial Housing Scheme at a cost of about Rs. 30 crores in the third Plan period, could actually be built. It is of utmost importance that all the parties concerned—Government, employers and workers—must cooperate with one another in implementing the scheme.

The success of this scheme, like that of all other non-departmental housing schemes under which 400,000 houses are to be built during the third Plan period, will depend, to a great extent, on the speed and efficiency with which the State Governments acquire and develop land, assuming that building materials will be readily available. The Housing Ministers' Conference has recommended, in this connection, that the State Governments should take immediate steps to freeze land values and acquire land in accordance with interim general town plans. It is by no means easy to curb speculation in urban land values. Still, the attempt should be made to acquire the required land at prices that would be fair to both the parties.

In so far as housing in the private sector is concerned, the expected investment of Rs. 1,125 crores by individuals over the third Plan period may not materialise fully if certain steps are not taken at an early date. Transport bottlenecks, which retard the movement of key building materials like cement and steel, would have to be eliminated to the extent possible. The output of cement and steel has to be pushed up. Production bottlenecks, which often occur in the case of locally-produced bricks for want of coal dust, for instance, can be remedied by prompt supply of raw materials for brick manufacturing. More immediate and practical research for utilisation of local building materials and mechanisation of the manufacture of bricks will go some way towards cheapening the cost of construction of houses. Above all, private house building in cities like Bombay may receive a fresh impetus if the restrictive provisions of rent control legislation, wherever they render investment in housing palpably unremunerative, are suitably modified.

MARKET GOSSIP

Cotton Crop Prospects

NOW that the uncertainty regarding the scheme for marketing of Indian cotton in the current (1962-63) season is over, traders can settle down to normal business. Details of the scheme were announced by the Textile Commissioner on Friday the 19th inst. Its salient features are given on page 747 of this issue. The Textile Commissioner also announced simultaneously the first instalment of the quota of new crop Indian cotton to spinners. Mills in Maharashtra, Gujarat and the South can purchase new crop equivalent to 20 per cent of their total consumption of Indian and foreign 'B' cotton (that is, cotton of staple length 1" and below) during the 1960-61 season. Mills in other areas can buy up to 30 per cent. On the basis of consumption during the 1960-61 season, the aggregate quantity allotted under the present quota would work out to a little over one million bales. This represents 20 per cent of the current season's crop which is currently estimated by the trade at 5.4 million bales.

Apart from extraneous factors, such as the Sino-Indian conflict and the international political situation, which are bound to affect all markets, the trend of cotton prices should from now on be determined by the normal forces of supply and demand. It is true that the extent of availability of U.S. cotton is an important element in determining the level of supply in the country. India is reported to have asked for about 700,000 bales of U.S. cotton under P.L. 480. Although "a substantial" part of the quantity asked for has been promised by the U.S., no definite commitment as to the exact quantity that will be made available has been made so far. Trade circles feel that no less than 350,000 to 400,000 bales of U.S. cotton could reasonably be expected. It remains to be seen whether, in view of the Caribbean crisis, the U.S. will cut the P.L. 480 allocations and, if so, to what extent it will affect the supply of cotton to India.

Barring the uncertainty in this regard, the trend of cotton prices may be expected to follow crop developments. Current expectations are that this season the crop will turn out to be a bumper one. The Cotton Advisory Board, at its meeting held on the 10th inst., estimated the crop at between 5.2 and 5.3 million bales. Although this is 300,000 to 400,000 bales higher than last season's output, the Board was of the opinion that, in view of the lower carryover stock at the beginning of the season, estimated at 1.4 million bales, as against 1.8 million bales at the beginning of last season, the rising mill consumption (consumption of Indian cotton in the month of July 1962, the latest month for which figures are available, was the highest for the previous 10 months) and the uncertainty about imports, the supply position would continue to be tight during the current season also. Hence it endorsed the Textile Commissioner's new scheme for stricter control over the distribution of cotton.

Trade estimate, as already noted, is higher at 5.4 million bales of 400 lbs. each. This is based on favourable weather obtaining till the end of September. According to a leading firm of cotton traders, weather conditions were ideal for the growing crop till the end of September all over the country, except in the Punjab where unprecedented rain followed by floods in the second half of September damaged the crop in the eastern and central regions. Gujarat, Saurashtra, and the Oomra tracts enjoyed very favourable weather and crop progress has been very satisfactory. In Madhya Pradesh, excessive rains in September were followed by good weather, so that the crop has escaped with only a minimum of damage. Down South, all crops have got off to a good start and ideal weather promises an excellent harvest. Weather conditions so far during the month of October have been satisfactory. But, according to this firm, the crop has still to go through a critical period. In making arrangements for distributing Indian cotton among mills, it would, therefore, be safer to err on the side of caution.

World Sugar

The world sugar markets have reacted bullishly to the Cuban blockade ordered by President Kennedy. Within twenty-four hours, raw sugar (spot No. 8 world contract) at New York jumped up by 46 to 50 points. In London, too, sugar is reported to have staged a smart rise. The firmness of world sugar is bound to gather further momentum, even if—big 'if', indeed—the international political situation caused by the Cuban crisis eases by any chance. For the beet sugar crop in Eastern Europe, it is said, has suffered much damage from adverse weather conditions. The cane sugar production in Cuba in the current season is also expected to show little improvement on the previous season's figure which was well below pre-Castro regime levels. Further, it is considered likely that Russia will be a substantial importer of sugar.

As against the aforesaid assessment, some observers in London feel that sugar stocks are sufficiently great to cushion the effect of all but the very largest fluctuations in crop levels on the world market. The free price of sugar, sold particularly to Japan and uncommitted nations such as Iran and Iraq, it is said, continues at a rate described as "far below the cost of production." With this in mind and with a view to raising the free market price, the International Sugar Council has called for the resumption of the World Sugar Agreement. The alternative to such a move, according to Dr. Stedman, Executive Director of the Council, would be the gradual elimination of commercial sugar production in countries depending on free market sales.

Whatever be the outlook for world sugar, in India, sugar interests have taken an optimistic view of export possibilities at least in 1963. Indications are that actual exports will touch 500,000 tons, which incidentally represent the third Plan export target. The Export Agency Division of the Indian Sugar Mills Association has, we are told, already entered into export commitments aggregating 370,000 tons. Speaking to Press men at Calcutta a few days ago, Mr. S. S. Kanoria, Chairman of the Division, disclosed that the I.S.M.A. had signed a contract with an international trade house for the export of 200,000 tons of raw sugar worth about Rs. 7 crores in the first half of 1963. The bulk of this quantity will go to Japan, one of the largest importers of raw sugar in the world. The I.S.M.A. has arranged with 25 sugar mills for the manufacture of 160,000 tons of raw sugar. And it is expected that some other factories will undertake raw sugar production later. The total exports of sugar in 1962 are estimated at 440,000 tons (valued at Rs. 18 crores), as against 268,000 tons exported last year.

Cuban-Soviet Bloc Trade

Panic gripped the stock exchanges throughout the world, following President Kennedy's nation-wide proclamation on Tuesday, the 23rd inst., announcing a strict blockade of Cuba in a bid to stop further flow of certain selected military weapons into that country. The President ordered that all Cuba-bound ships be intercepted and searched for "offensive weapons" that they might carry. As Russia was expected to resist this, a head-on collision was thought imminent. Millions of dollars were wiped off share values as an avalanche of selling orders hit Wall Street. The London Stock Exchange and most of the Continental bourses, too, reacted sharply to the news.

The military blockade of Cuba comes as a dramatic climax to the economic blockade which the U.S. had applied against Cuba ever since it turned into a Soviet satellite. This forced Cuba to lean heavily on Soviet Russia for its very existence economically, and trade between Cuba and Communist countries has increased enormously. A few days before imposing the military blockade, the U.S. Government had announced severe curbs on shipping, in a bid to stop the free world's ships from carrying cargoes from the Soviet Union and its political associates to Cuba and *vice versa*. How big has the Soviet bloc's trade with Cuba become? How lucrative has carrying cargoes from Russia to Cuba been to non-Communist shipping nations? The following analysis of Cuban-Soviet bloc trade by *P. G. Krishnayya's Service*, in an exclusive despatch to this journal from New York prepared before President Kennedy's proclamation, provides the answers:

The Soviet bloc's trade with Cuba has grown at an enormous rate in the past two years and carrying the cargoes has been exceedingly lucrative to shipowners in the free world's maritime nations, including the U.S.'s closest allies. To be specific, Soviet trade with Cuba this year will reach $750 million, according to a study just published in Geneva on the Iron Curtain economies by the Economic Commission for Europe.

This represents a 40 per cent jump over Russian-Cuban trade in 1961 which, in turn, was 300 per cent above 1960. Poland's sales to Cuba more than tripled between 1960 and 1961, rising from $4 million to $23 million, while its purchases from Cuba more than doubled, rising from $10 million to $24 million. Rumania's sales to Cuba climbed from next to nothing in 1960 to $11 million in 1961. Czechoslovakia's trade followed a similar course and is scheduled to increase another 20 per cent this year.

While the U.S. trade with Cuba has been slashed from 4.3 million tons in 1959 to a mere 75,000 tons in 1961 (mostly medicines), the Soviet bloc nations have taken its place. Implicit in the statistics of the tremendous rise in Soviet Russia's trade with Cuba is the answer to the second question. Ships of non-Communist nations are transporting millions of tons of food, materials and machinery to Cuba. Shipping fees on the traffic are now running at an estimated $100 million a year—a welcome bonanza at a time of world-wide maritime recession.

Between 1st January 1962 and the end of August last, a total of 433 ships carrying free world flags docked at Cuban ports. In the three months of June, July and August 1962, according to the U.S. Maritime Commission, owners of 169 ships of free world nations made 185 trips in and out of Cuban ports, with ships of such countries as Greece, Britain, West Germany and Norway accounting for more than 60 per cent of the trade.

Under mounting pressure from the U.S. though, the nations have begun to act. Turkey has banned all shipments; West Germany and Italy are blocking the trade via licensing policies; Denmark has told shipowners that it does not approve of the shipments; Norway has asked shipowners to "reconsider" hauling cargoes. Britain is "considering" the U.S. request for restrictions, and Greece is asking shipowners to cancel chartering agreements.

And now the U.S., on its own, is taking unprecedented action in peacetime to tighten the trade noose around Russia's new satellite. It will (1) close all U.S. ports to all ships of any country if any of the nation's ships carries arms to Cuba, (2) withhold any U.S. owned or financed cargoes from a foreign shipowner if any of that shipowner's vessels is used to carry Soviet cargoes to Cuba, (3) bar from all U.S. ports any ship which delivers even clearly non-military Soviet cargoes to Cuba and then tries "on the same continuous voyage" to come to U.S. ports to pick up cargoes to carry home, and (4) forbid all U.S. flagships or U.S.-owned ships to carry goods to and from Cuba.

The choice before the free world's shippers is between making short-term profits on Soviet-Cuban trade or long-term profit on hauling U.S. cargoes. The U.S., it may be noted, offers the world's largest total of cargoes of all sorts. The choice, experts believe, is almost certainly to be what the U.S. wants it to be. Russia will, of course, be able to replace the ships. But it will be far more expensive, far tougher, far more burdensome for it to push the Cuban build-up. From an economic and commercial standpoint, this is truly a drastic action against the Soviet satellite, which is just 90 miles from the U.S. shores.

Woollen Goods

It is disquieting that a considerable part of the woollen industry's productive capacity continues to lie idle. The actual idle capacity (on three-shift basis) is of the order of 75 per cent in the weaving sector and 42 per cent in the spinning sector, the output being currently maintained at an annual rate of 18 million yards of fabrics and 35 million lbs. of yarn. Even assuming that there is some exaggeration in the estimate of unutilised capacity, the country cannot certainly afford to have such a vast idle capacity, especially when the demand for woollen goods, civilian as well as defence, is pretty high. With a war on in our Northern and North-Eastern borders, the defence requirements of woollen goods are bound to go up. Then, there is the fact that low utilisation of capacity inflates overheads in production, resulting in higher prices for consumers. Something must be done to utilise the capacity more intensively at least of those units that are economic. But there is a serious limitation, namely, shortage of raw materials, that is, wool tops, raw wool and shoddy. The quantity of these materials covered by the actual users' licences worth Rs. 7 crores for the year October 1962-September 1963 is considered to be inadequate. Increased use of Indian wool will no doubt help the industry to some extent, but sufficient supplies of right quality wool are said to be not available at present. It was to this aspect that Mr. Jagdish L. Behal, the retiring Chairman of the All-India Woollen Mills Association, drew pointed attention when he addressed the second annual meeting of the Association at Bombay on Wednesday the 24th inst. There is considerable force in his statement that, if sufficient effort were made, to improve the quality of Indian wool by improved breeding and better shearing, grading, sorting, etc., larger supplies of Indian raw wool would become available for use within the country.

The requisite supply of raw materials to woollen industry, though very essential, may not be of much avail, if steps are not taken to rehabilitate and modernise a sizable part of the industry's equipment which is dilapidated. It may be that there are units which are beyond repair and deserve to be consigned to the scrap heap. These must carefully be weeded out and the deserving ones given all possible help to improve their capacity. Recalling that the problem of modernisation had all along remained unsolved, Mr. Behal urged the Government to give the necessary encouragement and assistance. His specific plea for allowing the woollen industry to utilise the export promotion licences fully for importing new machinery for rehabilitation purposes deserves sympathetic consideration subject to the qualification just mentioned. The three other suggestions which Mr. Behal put forward also merit careful examination. One, the ceiling prices fixed for woollen yarn must be raised, for, otherwise, they will disturb the cost structure of mills and maintenance of fair prices. The need for such an upward revision may, however, be less pressing if the mills are enabled to work to full capacity. Two, the present policy of controls and compulsory distribution of woollen yarn should be revised in a constructive manner. It is suggested that the entire production of weaving and knitting yarn should be taken over and placed at the disposal of the Distribution Committee; for determining the knitting yarn supplies for distribution purposes, the Government should take into account the actual dyeing capacity of mills and not merely their consumption in 1960-61. Three, shoddy yarn must be exempted from excise duty. The excise duty on shoddy yarn does not seem to be justified, considering that the processing of shoddy blankets and cloth, which are used mostly by poor people, is itself subjected to heavy duty.

Jacking Up India's Exchange Reserves

The fears expressed in certain circles to the effect that the foreign exchange resources of India will be subjected to a considerable strain in the not too distant future are not at all exaggerated. The defence requirements are mounting up heavily because of the massive invasion of China through the North and North-Eastern borders. The need for ensuring the necessary imports to keep the wheels of industry going is also pressing to a degree. And the outlook for earning larger amount of foreign exchange through exports continues to be none too encouraging. Nobody would have bothered about the situation if only the country had, as was the case during the first Plan period, the cushion of sterling balances. But the position now is vastly different. India has successively run down these balances. The total of foreign assets now stands at no more than Rs. 94.35 crores which is just Rs. 9.35 crores above the statutory minimum of Rs. 85 crores. Surely, it will not be advisable to do away with this minimum or to make a second drawal from the I.M.F. standby credit of $100 million; the first

(*Continued on page 752*)

TREND OF SHARES

CHINA TAKES HEAVY TOLL

(From Our Own Correspondent)

BOMBAY, 25*th October*

SENTIMENT on the stock exchanges this week was totally demoralised by the undeclared war by the Chinese with this country on its Northern and North-Eastern borders from last Saturday. Values toppled down day after day to yet new low levels on an avalanche of selling by panicked bulls and aggressive bears. The pace and the extent of the decline in values during the week was unprecedented in recent times. Some millions of rupees were chopped off the aggregate paper value of the numerous shares listed on the stock exchanges. With the Chinese dealing fresh blows to the Indian army day after day and swallowing our territory in chunks, the tone of the markets progressively turned from bad to worse and was nervous till the close. Support was conspicuously absent even at the very low levels, and even a semblance of rally failed to materialise. Closing prices disclosed widespread heavy losses over the week.

The setback was so sharp that the authorities of the principal stock exchanges became alert, albeit after some avoidable delay, and announced curbs on bear raids to stem the rot, reportedly on instructions from the Stock Exchange Directorate. The Directorate was said to have asked the authorities to apply automatic interim margins whenever prices declined by 5 per cent, as against the usual 10 per cent, from the last clearing rates, to impose special margins on individual scrips and to reintroduce the system of special deposit making-up price.

Declaring an emergency on Tuesday, the authorities of the Calcutta Stock Exchange were the first to announce margins on sales. They decided that on any net extra sales in the cleared shares at the end of that day, sellers would have to pay margins per share at the following rates:

Indian Iron Rs. 3, Burrakur Coal Rs. 2, Texmaco Rs. 2, Orient Paper Rs. 3, Indian Copper 50 nP, Indian Aluminium Rs. 3, Indian Cable Rs. 3, Dunlop Rubber Rs. 3, Howrah Jute Rs. 2, Hindustan Motors Rs. 2, Rohtas Re. 1, Shree Gopal Rs. 2, Guest Keen Williams Rs. 3, Birla Jute Rs. 3, Orissa Cement Re. 1, Jaipur Udyog Re. 1, Kesoram Industries Rs. 2, and J.K. Rayon Re. 1.

The authorities also announced that with effect from Wednesday, 24th October, operators would be allowed to make day-to-day sales and purchases up to a total limit of 10,000 shares in respect of all the cleared securities put together. Members were allowed to square up their outstanding business in cleared securities on the basis of their position prevailing on Monday, 22nd October.

In special circumstances, the Committee of the Exchange Board allowed sales to be effected, after satisfying the President or Vice-President of the Exchange. Members were also asked to file the daily list of the transactions.

Notwithstanding these special measures, the landslide continued on the Calcutta Stock Exchange on Wednesday, and the authorities fixed a special clearing. A making-up price of Rs. 24 was fixed for Indian Iron, of Rs. 31.50 for Birla Jute, of Rs. 37.25 for Dunlop Rubber, of Rs. 36.50 for Guest Keen Williams, of Rs. 17.25 for Hindustan Motors, of Rs. 34.50 for Indian Aluminium, of Rs. 23.58 for Kesoram Industries, of Rs. 13.25 for Rohtas Industries, of Rs. 21 for Texmaco and of Rs. 38 for Orient Paper. Needless to say, the closing rates of Wednesday were quite lower than these settement rates.

Taking the cue from the market authorities in Calcutta, the President of the Bombay Stock Exchange added in the settlement on Wednesday four more scrips under the system of special deposit making-up price, in addition to National Rayon which had already been placed under the system at the last settlement. The normal making-up price and the special deposit making-up price for the shares were respectively: Kohinoor Rs. 273 and Rs. 285, Century Rs. 562.60 *ex-div.* and Rs. 586.60 *ex-div.* (interim dividend being Rs. 8.40 net), Telco Rs. 273 and Rs. 293, Voltas Rs. 231 and Rs. 245 and National Rayon Rs. 432 and Rs. 467. The special deposit making-up price for National Rayon was the same as at the last settlement. This step meant that bear operators would have to keep with the Stock Exchange Clearing House a deposit of Rs. 12 per share in respect of Kohinoor, Rs. 24 for Century, Rs. 20 for Telco, Rs. 14 for Voltas and Rs. 35 for National Rayon on their open positions, until they are squared up.

At its special meeting on Thursday, the Governing Board of the Bombay Stock Exchange was understood to have decided, in consultation with the Stock Exchange Directorate, to impose with immediate effect a special flat margin of 7.5 per cent per share on any fresh sales in all the active and inter-market shares. For the three worst hit shares, namely, Indian Iron, Hindustan Motors and National Rayon, the margin was said to double, that is, 15 per cent per share. The Board was also said to have decided to impose an *ad hoc* margin on any heavy sales by a member-broker.

The Directors of the Delhi Stock Exchange decided on Wednesday to impose margins on outstanding position either way in Indian Iron and Hindustan Motors. The margin on sellers is Rs. 3 per share on sales exceeding 7,000 shares and on buyers Re. 1 per share on all purchases in excess of 7,000 shares.

The Governing Board of the Ahmedabad Stock Exchange decided on Wednesday to modify the system of automatic interim margins to make it more effective against bear raids in response to instructions from the Stock Exchange Directorate. The Board decided to impose automatic margins when prices declined by 5 per cent, as against 10 per cent as at present, from the last clearing rates. It also decided that deposits in lieu of interim margins should not be returned soon after the turn of the settlement. The Board also announced extension of the special payment rates to as many as seven of the nine cleared shares at the turn of the settlement on Wednesday. As from 1st November, the free limit for outstanding business in Ahmedabad is proposed to be re-reduced from Rs. 2 lakhs to Rs. 1.50 lakh.

While it is to be hoped that these measures will bear fruit, the fact cannot be ignored that the market authorities have acted belatedly. It is, indeed, sad that these preventive measures have come after much damage has been done and the morale of markets shattered. Had they been announced soon after the first news of the China war, and enforced simultaneously on all the Stock Exchanges in the country the situation would have been different. Now, at best, they can succeed only in preventing further deterioration in that situation. Further, the measures adopted are neither new nor sufficient. The situation in the markets called for more drastic measures, such as, clamping down all fresh short-sales and heavier margins.

* * * *

Dalal Street suffered on incessant selling which was markedly heavy on Wednesday—though it did not differ much in degree on the other days—following the special anti-bear measures adopted in Calcutta on Tuesday, which made operators there turn to the Bombay market. Speculative issues in different sections closed with heavy losses, the extent of which is indicated below. The other counters also disclosed small to sizable losses. It was for the first time since the system of automatic interim margins was introduced in the market towards the close of last year that a leading speculative share like Telco attracted an automatic margin of Rs. 15.50 per share against sellers on Wednesday. It will be recalled that, so far, only the small-priced and offside scrips have attracted such margins. The setback in the market was all-round, enveloping also Electrics, among which

Trend of Equities

	Highest in 1962	Before Chinese offensive 18th October 1962	Lowest since then	Closing on 24th October 1962
	Rs.	Rs.	Rs.	Rs.
Tisco	153.25	135.25ed	*120.50xd	130.50ed
Indian Iron	27.35	25.10	*23.24	23.96
Telco	332.50	293.00	*264.00	273.00
Voltas	318.00	249.50	239.00	231.00
B. Dyeing	72.20	63.70	61.00	61.40
Century	682.50	601.50	*562.00	571.00
Khatau	528.75	446.25	417.50	420.00
Kohinoor	327.50	290.75	271.50	273.00
Mafatlal	1,130.00	802.50	730.00	730.00
Standard	1,220.00	892.00	788.00	805.00
Svadeshi	394.00	247.50	234.00	234.50
National Rayon	625.00	452.00	*420.00	431.50
Gwalior Rayon	63.00	52.50	47.50	47.50
Amar Dye-Chem	388.75	242.50	210.00	215.00
Poly-Chem	242.50	160.00	140.00	140.00
Synthetics	249.00cR	171.00xR	149.00	150.00
Colour-Chem	529.00	412.50	370.00	372.50
A. C. C.	165.00	156.50	149.25	150.50
Digvijay Cement	218.25	178.00	169.00	169.00
Belapur	291.00	225.00	216.00	216.00
Walchandnagar	176.00	148.50	143.00	144.00
B. Burmah (Old)	708.00	643.00	*604.00	609.00
H. Motors	21.48	18.52	*16.28	17.04
P. Automobiles	190.00	112.75	102.50	108.00
P. Construction	202.00	131.00	125.00	125.00
H. Lever	74.00cR	47.25xR	44.00	44.50
P. Magnets	250.00	226.25	205.00	215.00
Sirpur Paper	17.80	13.12	12.00	12.12
W. Coast Paper	194.00	158.00	149.00	150.50
Wimco	321.00	271.00	258.00	259.00
Scindias	13.92	12.08	11.56	11.68

* After 24th October in unofficial trading.
T.I.S.Co. dividend=Rs. 7.25 net.

Tata Power and Andhra Valley lost their previous week's glamour and closed with a loss of Rs. 23.75 and Rs. 20 at Rs. 1,131.25 and Rs. 1.030, respectively. In the Cash section, too, losses were widespread and fairly sizable. To mention only a few shares, Chemicoat and Citric lost Rs. 11 each to finish at Rs. 168 and Rs. 89, respectively, and Alembic showed a loss of Rs. 11.25 at Rs. 193.75.

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Forward shares were the worst hit in Calcutta. Birla Jute were down from Rs. 33.37 to Rs. 30, G.K.W. from Rs. 38.37 to Rs. 34.87, Dunlop from Rs. 38.12 to Rs. 36, Indian Aluminium from Rs. 35.31 to Rs. 32.50, Indian Cable from Rs. 36.50 to Rs. 34.50, Kesoram from Rs. 25.31 to Rs. 22.25, Orient from Rs. 40 to Rs. 36.20, Rohtas from Rs. 14 to Rs. 12.62, Shree Gopal from Rs. 24.37 to Rs. 23.25, Orissa Cement from Rs. 16.56 to Rs. 15.25, Burrakur from Rs. 17.37 to Rs. 16.12, Texmaco from Rs. 22.15 to Rs. 20 and Howrah Jute from Rs. 19.75 to Rs. 19.

In the Cash section, leading Textiles like Bharat Commerce and Dunbar weakened further, the former from Rs. 28.06 to Rs. 25.81 and the latter from Rs. 30.50 to Rs. 27, respectively. Among Coals, East Indian showed a loss of Rs. 2.37 at Rs. 50, N. Beerbhoom of Rs. 2.31 at Rs. 20.94 and Equitable of Rs. 1.32 at Rs. 25.62. The principal losers among Jutes were Anglo India from Rs. 232 to Rs. 223, Kelvin from Rs. 190 to Rs. 173 and Champdany from Rs. 143 to Rs. 138. Engineering and Chemical shares were, however, not much affected. But in the Miscellaneous section, Hindustan Aluminium showed a big loss of Rs. 2.69 at Rs. 13.25, Martin Burn of Rs. 1.19 at Rs. 29.75 and N.I. Cable of Rs. 2.88 at Rs. 25.12. Titaghur Paper were conspicuously weak at Rs. 37, as compared with the previous week's close of Rs. 38.12. Other sections were quiet.

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Miscellaneous shares and some leading Textiles bore the brunt of selling pressure in Madras. Thus, Aluminium Industries showed a loss of 55 nP at Rs. 22.75, Ashok Leyland of 20nP at Rs. 7.75, India Cements of 28 nP at Rs. 6.15, Andhra Cements of 15 nP at Rs. 10.10, F.A.C.Ts of 10 nP at Rs. 7.40 and Mettur Chemicals of 25 nP at Rs. 13.85. However, Textools closed with a gain of Rs. 2 at Rs. 168 and Dalmia Cement of 8 nP at Rs. 14.20. Textiles were otherwise steady, but S.I. Viscose receded sharply from Rs. 157.50 to Rs. 147.50 and Travancore Rayon showed quite a heavy loss of Rs. 1.50 at Rs. 29.50. In Sugars, Deccan showed a loss of 50 nP at Rs. 10.25 and E.I.D. declined from Rs. 42.50 to Rs. 40.75. Among Plantings, United Nilgiri receded from Rs. 21.75 to Rs. 21.19 and Consolidated Coffee from Rs. 17.05 to Rs. 16.85.

OIL INDIA'S RS. 30-CRORE DEBENTURES

Oil India Ltd. at Duliajan, a public sector company incorporated in Assam on 18th February 1959, on a 50 : 50 ownership by the Government of India and the Burmah Oil Company and engaged in the search for more oil, development of its existing fields and construction of a 720-mile pipeline to transport crude oil to the public sector refineries at Gauhati (Assam) and at Barauni (Bihar), has announced the issue of a Rs. 30-crore 6.5 per cent 1968-77 debentures in units of Rs. 5,000 each. The Union Government is taking up one-fourth of the issue, that is, Rs. 12.50 crores, and financial institutions and banks have agreed to subscribe for the issue to the tune of Rs. 8.75 crores. This leaves a balance of Rs. 8.75 crores, which is fully underwritten and to be offered to the public for subscription. The lists are due to open on Tuesday, 30th October, and will remain open until Thursday, 1st November 1962, or longer at the discretion of the Directors of the Company.

The total estimated cost of Oil India's project for drilling, mining and transporting Assam oil by its own pipeline is Rs. 75 crores. Of this, Rs. 49.50 crores constitute the cost of the pipeline on which Rs. 36.03 crores have already been spent. The foreign exchange components of the outlay on the pipeline project is £13 million and is secured by way of a £3 million loan from the U.K. Government to the Government of India and overdraft facilities up to £10 million from the Bank of Scotland, London. The overdraft is guaranteed by the Burmah Oil Company Ltd. and will be eventually converted into a long-term loan. Rupee finance of Rs. 26 crores for the project was obtained by way of a Rs. 6-crore advance from the Government of India and a Rs. 20-crore overdraft from the State Bank of India. The Rs. 30-crore debenture issue will be utilised to repay this rupee loan.

T.I.S.CO.'S PRELIMINARY RESULTS

The preliminary results of the Tata Iron and Steel Company Ltd. for the year ended 31st March 1962 show a slight improvement over the previous year. The gross revenue during the year amounted to Rs. 92.48 crores, as against Rs. 87.08 crores in the previous year. The profit, after deducting all expenses (including provision for depreciation of Rs. 13.15 crores, as against Rs. 13.92 crores a year before, and Managing Agents' commission of Rs. 25.30 lakhs, as against *nil*) aggregating Rs. 86.39 crores (Rs. 81.99 crores in 1960-61), shows an improvement of exactly Rs. 1 crore at Rs. 6.09 crores. As in the previous year, the provision for depreciation has been brought up to the level laid down under the Income-tax Rules. The Managing Agents have received their commission after a lapse of four years.

Inclusive of Rs. 0.34 lakh (Rs. 8.47 lakhs in 1960-61) brought forward from the previous year and Rs. 70 lakhs (Rs. 127 lakhs) transferred from general reserve, the total available for distribution works out to Rs. 679.21 lakhs (Rs. 644.34 lakhs). Out of this, Rs. 678 lakhs (Rs. 644 lakhs) have been transferred to the development rebate reserve. The total credit includes Rs. 536 lakhs being towards arrears of the previous years. As was reported before, the ordinary dividend, which was maintained at the previous year's level of Rs. 7.25 net per share of Rs. 75 each, and the preference dividends together absorbing Rs. 465.05 lakhs, are provided for from reserves. The surplus of Rs. 1.21 lakh (Rs. 0.34 lakh), after allowing for the transfer to the development rebate reserve, is to be carried forward.

RS. 11-LAKH PUBLIC ISSUE BY WELLMAN INCANDESCENT

Wellman Incandescent (India) Ltd., a new public company formed in collaboration with the Wellman Smith Owen Engineering Corporation and the Incandescent Heat Company Ltd., U.K., has recently been granted permission by the Controller of Capital Issues to issue shares worth Rs. 25 lakhs. Out of this amount the collaborators in the U.K. will take Rs. 12.50 lakhs, directors and their friends Rs. 1.50 lakh and the balance of Rs. 11 lakhs will be offered to the public in the near future.

The Company's plant at Howrah is now being equipped and it is hoped that it will go into full production early in 1963. Besides, the Company has already entered into sub-contract agreement with reputed companies in various parts of India because it feels that its own plant will not be able to meet the demand for the industrial furnaces and mechanical handling equipment which it intends to manufacture. By selecting sub-contractors at different parts of India, the Company hopes to reduce burden on the overworked railway system and also to cater to the needs of its customers at a lesser cost. It has already received its first orders, including one from the Heavy Electricals India Ltd., Bhopal, for the manufacture of 11 low temperature ovens, some of which will be made for the first time in India.

The Company has a strong Board of Directors, with the Maharaja Pratap Chandra Bhanjdeo of Mayurbhanj as the Chairman and Mr. D. A Hume and Mr. G. Wright representing Wellman Smith Owen Engineering Corporation Ltd. and Incandescent Ltd., respectively. Mr. Hume is a Director of the parent company in the U.K. and the Managing Director of Wellman Incandescent International Ltd. which controls and co-ordinates the export activities of the group. He is also on the board of several subsidiaries of the group, situated in different parts of the world. Mr. G. Wright is a Director of Incandescent Ltd., and Wellman Incandescent International Ltd.

PERSPECTIVES & PROJECTIONS

By Mercator

In peace there's nothing so becomes a man;
As modest stillness and humility;
But when the blast of war blows in our ears,
Then imitate the action of the tiger;
Stiffen the sinews, summon up the blood,
Disguise fair nature with hard-favoured rage.

SUCH exhortation may be appropriate to men in the field of battle whom Henry V addressed during his war with France, but it is difficult for men dedicated to peace like Prime Minister Nehru to strike up similar poses. Those who heard him broadcast to the nation on Monday night could visualise the anguish and the sorrow in Mr. Nehru's heart even when he minced no words and characterised the enemy as unscrupulous and the Chinese attack as unabashed aggression. Mr. Nehru may not have the Churchillian qualities of leadership in war, but his countrymen understand him, in an emotional sense, as Mr. Nehru might himself describe it. That China could be so ungrateful and unmindful of India's policy in the past and return evil for the good that Mr. Nehru and his Government has tried hard to do has been most disappointing. But all this was not unexpected; even those who fully believe in the Indian Government's policy of neutrality and avoidance of military blocs may say that enthusiasm for China was often overdone. China's readiness to defy Moscow was a sufficient indication that she would have scant consideration for others; if there was hope in India that the Peking regime would remain satisfied with cartographic aggression and the occupation of a few posts in barren territory, it was clearly misplaced and to the extent to which it has reduced our defence preparedness, it has done us great harm.

The purchase of small arms and automatic weapons, for which India is reported to have approached Britain and the U.S.A., need not have begun so late after the NEFA and Ladakh invasion; even now, the Indian public knows less about it than the foreign Press. Obviously, the Indian Government does not want to do anything which will extend the conflict and convert it into an all-out war; military alliances with Western powers must therefore, be ruled out, at least until Russia's intentions are clear and that may take a long time. So far the India-China conflict has not been published in the Soviet Press or broadcast by Moscow radio; one difficulty may be the problem of whose version to accept, India's or China's. If the latter, the U.S.S.R. has to provide assistance to Peking against Indian aggression under the old defence pact; cold as Sino-Russian relations are at the moment, they may not yet have gone to the point at which Mr. Khruschev can openly side with India. If the M.I.G. deal goes through without any further hitch, there will be something to build one's hopes upon; even Western opinion now takes the view that Russia's attitude will be crucial; Indian defence will, therefore, have the limited objective of resisting the Chinese advance and where possible of throwing the aggressive hordes back behind the McMahon line and no further and that, too, without using superior weapons like fighter planes or bombers. The use of air will be confined only for relief or supply operations.

While thus there is good reason for India doing everything to keep the conflict localised and restricted to ground warfare, there is no reason at all why there should still be weakness in waging propaganda warfare. Unscrupulous and unabashed may be descriptions which sensitive gentlemen may consider extremely abusive, but they will hardly make any dent on the Chinese skin or sensibility or awaken the ordinary citizen of India to realise fully the enormity of Chinese perfidy. That most of the Indian political parties, including a large number of the Communists, are behind the Government now should be helpful to the stepping up of publicity about Chinese intentions so as to prepare the nation for larger sacrifices, if they should unfortunately become necessary.

Why should China risk irreparable enmity with India? This question is still being asked everywhere. The Malayan Premier Tengku Abdul Rahman observed that China did not want any rival in this part of the world and was showing off its strength against India as the next most powerful country in the region. Mr. Nehru seems to believe that it is due to the innate Chinese expansionist ambitions getting the better of their reason whenever a strong government comes to power. India's economic advance with foreign aid from several quarters, when China was deprived of even the Russian aid she had at first obtained, may be yet another reason which may also explain why China has been conciliatory to Nepal, Pakistan, Burma and Indonesia with all of whom she had differences at one time or other, though not a long border extending over thousands of miles. India's sins in Chinese eyes might also include the asylum given to Tibetan refugees and receipt of large-scale American aid for the Plan. Above all these, there are the serious internal difficulties caused by famine and setbacks to industrial production, besides serious rifts in the Chinese Communist party; an Indian adventure might have been regarded as a timely step. Whether there was also a desire to embarrass Russia *vis-a-vis* India and lower Soviet prestige among the non-aligned nations is also worth pondering.

This mixture of evil motives and the historical context of Chinese aggression have a lesson for India; our defence preparedness should never be less than the best we are capable of. To reconcile planning and development with large-scale defence expenditure and imports of military supplies is not easy and the composition of the Union Government at present is hardly encouraging for the success of the broad-based national efforts to be undertaken. A cabinet reshuffle has been talked about for a long time, but considering that there is far too much of ballast in the Nehru Cabinet, some drastic overhaul seems to be needed. There have been suggestions for the formation of a National Government and the Orissa Assembly under Mr. Patnaik's leadership has taken a bold step of recommending it unanimously; this might prove an ideal solution not only for the larger war efforts but also for the incipient threats to national unity from separatist tendencies, which Peking has apparently interpreted to be signs of Indian weakness. As a demonstration of strength, a National Government will have much to commend it at this stage. But the question is: Will the various party leaders who have not so far had any obligation to subordinate their individuality in the larger interests find that common measure of agreement which will hold them together until the enemy is thrown back into his territory? If the National Government is one way by which the Union Government can be purged of its slothful and inefficient elements, the risks may be worth taking.

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Plan and the War

The prolonged conflict with China, which Mr. Nehru mentioned as likely, will necessarily call for a revision of the assumptions behind the third Plan. In 1960-61, when the Plan was drawn up, defence expenditure on revenue account was Rs. 247 crores; in the current year the Budget provision is Rs. 343 crores and, perhaps, some supplementary demands will soon be made. If there is further diversion of revenues to defence in future years of about the same order almost the entire additional taxation of Rs. 1,100 crores by the Centre will not be available for the Plan. There may also be diversions from loans and savings collections and it should be obvious that, having to fight a long war with inflationary finance if necessary at a later stage, the economy should not be upset even now by the Government's recourse to deficit financing on the scale assumed in the Budget. Such restraint is particularly important because of the diversion of materials and transport facilities for military purposes which will create shortages and high prices. Thus, the net effect of the China war (there is now no need to use any euphemisms for it) may be to reduce the rupee resources of the public sector by Rs. 1,500 crores; but even more severe will be the effect on the foreign exchange, if India has to purchase arms with current earnings. A cut in the Plan seems inevitable, even though the Prime Minister has said that the Government will not be giving up the Plan but only adapting it to the present situation.

Even without a China war, the Plan stood in need of some adaptation, in view of the foreign exchange difficulties and the slackened tempo of implementation. Schemes which now stand no chance of getting foreign exchange can be postponed to better times; similarly, in the private sector, a new order of priorities is necessary, so that unutilised licences for new industries may be either renewed or scrapped altogether, according to their place in the new order. If, as a result of all these steps, the third Plan also gets a "core," it will mean no reflection on the Plan or planners. But experience tells us that the authorities will consider any reduction in outlay to be a sign of defeatism and will continue to maintain the make-believe that we can put through a Plan of the same or only slightly reduce dimensions, even though State Governments may not be justified in expecting Central assistance on the scale envisaged in the Plan or materials or manpower may have to be diverted to defence. Some of the frills which abound in the Plan can always be cut; grants for sundry development for this or that area or small sections of the population, fads like prohibition and grandiose plans for public buildings can be cut without injury to the country's economic progress. Better use of existing capacity through more shifts, labour-intensive techniques for raising more output and permission to existing agencies in industry and mining to increase their production through expansions not involving much capital outlay or foreign exchange (oil and coal being examples) are some of the lines which a practical approach may take at the present juncture. But, unless the revision is itself placed on a war-footing, the Planning Commission may take the rest of the Plan period for rounding off its fine phrases and finding the most felicitous verbal devices for saying how and where the cuts should be applied.

* * * *

Good-bye to Industrial Management Pool?

I must pass on quickly to what must appear to many as an anti-climax. The sublime and the ridiculous are never very far apart in our scheme of things and the way in which the winds of change can often blow upon the authorities is very curious. I am referring to a report that the Government or at least its top executives have decided that the Industrial Management Pool has failed to come up to their expectations and has to be disbanded. In this case, none of the usual ways in which such public questions are debated before reaching a decision was adopted; there was no published report of any inquiry or debate in Parliament, but it seems that a private study by a Public Administration Research expert came to some adverse conclusions on the basis of the limited experience of the working of the Pool in the last three years. This was the initial phase in which the problems of qualifications, seniority rules and placements were not satisfactorily settled; recruitment took long and placements longer still, so that some recruits driven to despair, abandoned hope and declined offers when they came. Instead of trying to cure the defects in its working, a recommendation appears to have been made departmentally for abandoning the scheme.

This may not be a disaster, but it certainly shows the Government to be very fickle in its ways. The disappointment caused to those who joined the Pool hopefully may have a chain reaction and affect not only their morale but of the members of other new services now contemplated, like the Economic and Statistical services at the Centre and the All-India services for engineering, medical and forest personnel. Apparently the managements of some public sector undertakings feel that their discretion (or is it also their patronage?) is affected by having to accept members of the Pool and that they have insufficient control over them, because of their rights of membership of a cadre. But these are matters which should be thrashed out openly for which there is the time-honoured method of committees. Why should it be abandoned in favour of some surreptitious course, to present everyone with a *fait accompli*? Perhaps too much credence should not be given to stray reports of official proposals, which may be only in one of several stages of gestation, but that the issue should at all have arisen in this fashion is not unimportant.

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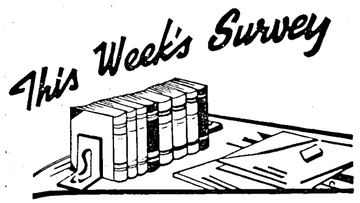

A SEMINAR ON EXPORTS

THE major problems of export promotion were discussed threadbare at a seminar held at Calcutta last week-end under the auspices of the World Trade Department of the Indian Chamber of Commerce. The seminar, of course, covered only the familiar ground. There was also nothing new in the suggestions it made. But this does not detract the importance of the seminar as such, for an exchange of views among industrialists and exporters is bound to go some way towards inculcating an element of export-consciousness among all concerned. At no time in the history of this country was export promotion as urgent as at present. Apart from the growing requirements of maintenance and development imports, the need for buying armaments and other military equipment from abroad for defending the far-flung borders of this country has invested the task of export promotion with a compelling urgency. Mr. Manubhai Shah, who inaugurated the seminar, appealed to the business community to accept the losses involved in exports with patriotism and a sense of dedication. There is no doubt that Mr. Shah's call will be heeded to some extent or other. But the question remains whether the continued sacrifice by industry and trade, compensated to some extent by incentives, can be a permanent solution to the problem. Although the exporter stands to lose in securing overseas orders, the ultimate incidence of export losses will fall on the domestic consumer. This, in turn, will raise the cost of living, leading to higher costs of labour, etc. Again this will further increase cost of production and thereby render domestic goods more and more non-competitive in terms of price in world markets. The reliance on sacrifices, therefore, should not be carried too far but limited to a period as short as possible.

Viewed thus, one comes to the inescapable conclusion that a policy of export promotion should be based primarily on measures to bring down the cost of production within the country. It is in this sphere that the Government has failed to take timely and appropriate action. It is, of course, true that the Government appointed an expert committee in July last for suggesting programmes of cost reduction at the instance of the Board of Trade. One does not know when its report will be ready. Even in the absence of that report, it is quite clear that the high cost is the cumulative result of increasing labour costs, unsatisfactory production of agricultural output, scarcity of raw materials, fuels and transport. Mr. Shah will now do well to impress upon some of his colleagues in the Central Cabinet, particularly the Labour Minister, that the cause of export promotion cannot be served, unless they take effective measures to arrest the increase in the cost of various factors that enter into the process of production. The Minister for International Trade is admittedly helpless when energetic steps for cost reduction are not forthcoming from those in charge of the various facets of production. Mr. K. P. Goenka, Chairman of the World Trade Department, was quite justified in his assertion that the high cost of production was the main obstacle to export promotion. There is certainly no exaggeration in his statement that wages unrelated to productivity and taxes which crippled industry's efficiency adversely affected the competitive capacity of many major export commodities like tea and cotton textiles. It is here that the Government should act in a more helpful way than it has done in recent months.

The need for reorientation of industrial licensing policy is no less important in bringing down prices and improving productive efficiency. The seminar has drawn pointed attention to this issue. Its plea that the industrial licensing policy should be formulated with less rigidity and greater realism is not unwarranted, considering the restrictions imposed on development and diversification of large-scale units for ideological considerations. Even if the Government, for understandable reasons, refuses to revise its policy *in toto*, there is still a strong case for encouraging large-scale units designed for the manufacture of export goods. Unless more and more efficient units are encouraged to come up, Indian goods will find it extremely difficult to maintain their competitive capacity in terms of price and quality. Equally noteworthy is the suggestion that the Government should take a more liberal attitude towards industries in the matter of rationalisation and modernisation of plant and equipment. These considerations should not be lost sight of, particularly when the proposal to establish an export sector materialises. It must, however, be added that the scope for any large-scale augmentation in the tempo of modernisation is limited, in view of the shortage of foreign exchange necessary for importing modern equipments, apart from the rather unhelpful attitude of labour.

A RETROGRADE STEP

It is reported that the Planning Commission has suggested to the Government of India the fixation of coarse cloth production quotas for cotton mills in the country as a solution to the problem of soaring prices. Apparently, the Commission feels that, if the mills were made to weave more of coarse cloth, the total production of piecegoods would be much larger than at present and that higher output would exert a downward pressure on prices. On the face of it, the suggestion may appear sound, for it is estimated (by the Textile Commissioner's Office) that a change in the pattern of production on the coarse side by about two to three counts can give an additional output of 200 to 300 million yards of cloth. But the suggestion ignores certain other vital considerations. Before dealing with these considerations, it is, perhaps, necessary to give a brief account of the pattern of mill cloth output in recent years.

No one will dispute that there has lately been a marked reduction in the mills' production of coarse cloth. The actual output is currently running at an annual rate of about 755 million yards representing just 15.1 per cent of the aggregate production, as against 1,163 million yards representing 21.9 per cent of the total in 1957. But the reduction has been offset by the increase not in the production of finer counts but in that of medium cloth, as the following table shows.

(In million yards)

Variety	1962*	1961	1960	1957
Coarse	755 (15.1)	861 (16.8)	705 (14.0)	1,163 (21.9)
Medium	3,797 (75.8)	3,836 (74.7)	3,813 (75.5)	3,503 (65.9)
Fine	192 (3.8)	197 (3.8)	229 (4.5)	383 (7.2)
Superfine	264 (5.3)	238 (4.6)	301 (6.0)	268 (5.0)
Total ..	5,008	5,132	5,048	5,317

* Projected on the basis of the figures for the first half of the year. Figures in brackets relate to percentage share in the total.

The decline in coarse cloth output is a welcome development, in that it reflects the advance made by India's textile industry and its workers. To lay emphasis at this stage on producing coarser varieties is to put back the clock of progress. Further, the improvement in the average counts of cloth produced in this country is a natural phenomenon, being due to two important factors. First, the production of short-staple cotton from which coarse yarn of 11 to 20 counts is spun has gone down, while that of medium and long-medium staple cotton has risen markedly. Secondly, consumer taste has shifted towards cloth made from higher counts and that too for bleached, dyed, mercerised and printed cloth. Consumer preference for counts better than coarse is due not only to higher purchasing power, as is commonly supposed, but also to their longer durability. In the long run, it pays the consumer to buy medium counts cloth rather than coarse counts. It was precisely for these reasons that the mills had expressed their inability to produce more of coarse cloth when the Textile Commissioner asked them last year whether they could change the pattern of production.

The idea of producing a larger quantity of utility or standard cloth holds good in times of emergency such as war or when the level of output is much below what the country needs but not so in normal times like the present. There is no scarcity of cloth supplies and the varieties of cloth produced by mills, handlooms and powerlooms are numerous. What is more, the consumer nowadays is highly quality-conscious; he just does not pick what he is offered. Accordingly, the mills have to produce only those varieties of cloth which suit the tastes of consumers. Even here, it may be noted, the mills' efforts to supply what the consumer wants are limited by the type of cotton available to it, on the one hand, and the nature of their plant and equipment, on the other. A particular mill specialising in the production of fine categories of cloth, for instance, cannot be expected easily to switch over to the manufacture of coarse fabrics, having regard to the present average counts of the various mills and their export commitments, etc. Such a course will be a sheer waste of the capacity of both men and machines. It has taken years of hard labour to train workers in producing better and finer varieties of cloth. It would be a retrograde step to ask them to weave coarser cloth.

Consumer tastes are more and more for mixed fabrics and processed goods and the mills will have to adjust the pattern of production continuously according to consumer requirements. Pinpointing this aspect, the Indian Cotton Mills' Federation stated, in its memorandum submitted to the Tariff Commission last year, that it did not seem possible to standardise any particular pattern of production as a long-term measure. The Federation had also emphasised then that, apart from the necessity of cultivating cotton to cater to the tastes of the consumer, the farmer himself benefited through improvement in the quality and staple of cotton produced. It is for this reason that the cotton supplies are tending towards higher staple, resulting in the production of higher-count yarn. If the planners and powers-that-be are anxious to ensure adequate supplies of good quality cloth to consumers, they must unhesitatingly accept the need for giving all possible encouragement and assistance to the mill sector to expand their production capacity, modernise equipment and rationalise the manufacturing processes. The production of standard cloth is in the interest of neither consumers nor mills, nor cotton growers, nor the Government. In the past when standard cloth was produced, circumstances were different. The consumer did not want it and had to be compelled to accept it by denying him what he desired.

INDUSTRIAL PRICE FIXATION

The integrity and objectivity of a statutory body like the Tariff Commission would have to be taken for granted if it is to function effectively in the interests of industrialisation. Its meticulous calculations of manufacturing costs, on which the fair ex-works prices recommended by it are generally based, cannot be lightly brushed aside without simultaneously undermining its status as an impartial body. Two recent instances of drastic and arbitrary changes made by the Government in the recommendations of the Tariff Commission—the ones pertaining to ex-works prices of soda ash and retention prices of steel—have served to highlight the need for restoring to the Commission its accustomed status "as an important statutory, quasi-judicial and independent authority to advise the Government on various matters." The South India Millowners' Association, at its meeting held on the 20th instant at Coimbatore, has, therefore, suggested that the Federation of Indian Chambers of Commerce and Industry "should take necessary action to see that the Government accepted the Tariff Commission's reports without making any *ad hoc* reductions in prices.

Any drastic reductions ordered by the Government in the fair ex-works prices recommended by the Commission after elaborate enquiries can only be arbitrary. For instance, one of the grounds on which the Government has based its decision to reduce the steel retention prices recommended by the Commission is its assumption of 100 per cent capacity utilisation, as against the 90 per cent assumed by the Commission. Considering the steel industry's known difficulties in working even to 90 per cent capacity, the Government's assumption of cent per cent capacity production can only be called arbitrary. Incidentally, the various impediments to the continuous working of plants, such as transport bottlenecks and shortages of raw materials of all kinds, are not unknown to the Government, for it is itself responsible for some of those shortages.

The other instance of arbitrary reduction by the Government of the fair ex-works price for soda ash recommended by the Tariff Commission has come in for critical comment in the statement, dated 12th October 1962, made by Mr. J. R. D. Tata, Chairman of Tata Chemicals Ltd., to the shareholders of the Company. Referring to the cut of Rs. 20 per tonne in the recommended ex-works price (exclusive of excise duty) of Rs. 400 per tonne for light soda ash, Mr. Tata has pointed out that the profit-margin allowed by the Commission would be correspondingly reduced. It may be noted here that the reduced profit-margin would not suffice for all the recognised purposes, namely, taxation, bonus to employees, dividends to shareholders, interest on borrowed capital, and commission to the Managing Agents. The Government's decision to institute ex-port town prices in place of the ex-works price has meant, in effect, a further impost of Rs. 19 per tonne of soda ash in the form of unrecovered freight charges. This uncovered freight loss has, of course, been mostly reduced by the more recent increase of Rs. 20 per tonne in the ex-port town prices. Still, the uncovered freight costs come to Rs. 8 per tonne in view of the increase in freight rates since June last.

Cost increases of the kind—the ones pertaining to power, fuel and transport—are usually compensated by escalator clauses and/or contingency allowances during the period for which the Tariff Commission has fixed ex-factory prices. But the dilatory manner in which such cost increases are wholly or partially compensated is most exasperating to industry. According to Mr. Shriyans Prasad Jain, President of the F.I.C.C.I., "as soon as the cost increases occur, the industry concerned has to make out an elaborate case for cost adjustments, but quick decisions are not taken by the Government." There is no effective machinery for taking prompt decisions regarding legitimate cost increases and allowing the industry to recover them from consumers. The F.I.C.C.I.'s plea for the establishment of such a machinery is, of course, quite distinct from the general expectation of industries that the fair ex-works prices recommended by the Tariff Commission should not be reduced by the Government, except, to use Mr. Tata's words, "in the most exceptional circumstances." Even in such exceptional cases, the Government is rightly expected to provide convincing arguments in justification of its decisions.

COFFEE INDUSTRY

In its weekly newsletter dated the 12th inst., the United Nations Information Centre at New Delhi observes that India has expressed its unwillingness to sign the new international coffee agreement at the final plenary session of the U.N. Conference held in New York on 28th September last. It is not known from where the U.N. newsletter got this information. The Government of India, to the best of our knowledge, has so far not issued any *communique* on this issue. In any case, the Chairman of the Coffee Board, Mr. B. Sitarama Reddy, has stated that it would be advantageous for India to participate in the agreement. Addressing the annual meeting of the Mysore State Planters' Association at Bangalore on Monday this week, Mr. Reddy, who was the leader of the Indian delegation to the World Coffee Conference, disclosed that the Central Government was examining the question and that a decision would be taken by the end of next month. Incidentally, it may be noted that the new coffee agreement will remain open for signature at the U.N. Headquarters until and including 30th November 1962.

From the statement of Mr. Reddy, it looks as though the Government will decide to join the coffee agreement. The general opinion among coffee planters is also in favour of it. Mr. P. G. Gurjer, the retiring Chairman of the Mysore State Planters Association, declared, for instance, that, if India was to fight for a foothold in the valuable established markets, it must join the agreement and be a part of the world coffee community. He felt that the export quota of about 21,000 tons fixed for India was satisfactory in a short crop year like the present one, but hastened to say that it was very unfair against the higher crop years expected in future. Recalling the third Plan production target of 80,000 tons, Mr. Gurjer pointed out that, if this much was picked, the country would have to export about twice as much as the quota allotted and added: "For small producers like India, there should be a more liberal policy in regard to export quotas under the agreement."

While the case for fixing a higher coffee export quota for India is pretty strong, it has to be emphasised that the level of quota will not, by itself, mean anything. For much will depend on the capacity of India to sell its exportable surplus coffee in world markets, especially the non-quota markets, in competition with the other coffee producing countries. This capacity, it is needless to mention, will be influenced primarily by price and quality considerations. In other words, this means that India will have to export the best coffees at prices determined by a world market swamped with surpluses. At the same time, there is the need for ensuring that the domestic consumer gets the kind of coffee he wants at reasonable prices. The coffee planters know full well that their profit-margin will be higher to the extent the cost of production is reduced and quality improved. But the point is that the cost structure has tended to be rather rigid. The cost analysis of some 27 coffee producing companies which Mr. Gurjer cited reveals that the average expenditure per acre has gone up in the past ten years from less than Rs. 350 to over Rs. 900. The wage bill alone has risen from Rs. 165 to Rs. 388. The cost of supplies necessary for production on estates has also increased markedly, following inflationary pressures and indirect taxation.

Mr. Gurjer did admit that it would be too much to expect the Government to extend special concessions to coffee growers. But he only considered it legitimate to expect that the Government did not place special handicaps, sometimes illogical and discriminatory, on the producers of coffee and other plantation crops. The two specific instances of "particularly marked and wholly unjustified" discrimination which he mentioned relate to fertilisers and tractors. According to him, since the planters are required to pay a higher price than other agriculturists, the expenditure on this single item alone has risen from Rs. 26 to Rs. 144 per acre in the past ten years. Similarly, a tractor bought for a coffee estate is not treated as being used for an agricultural purpose and is subjected to taxes (customs duty, excise, surcharge at 1 per cent and Mysore sales tax at 7 per cent) which an ordinary agriculturist does not have to pay. He disclosed that planters have to pay Rs. 21,347 for a tractor of convenient size which price is Rs. 3,500 more than any other field crop grower has to pay in this country. Further, for a comparable tractor, a planter in Ceylon pays Rs. 16,000 and in Kenya Rs. 11,000.

Summing up his views on rise in costs, Mr. Gurjer observed:

"The whole impact of the increase in cost was moderated by the remarkable increase in yield per acre which we achieved during the past 10 years. Without that increase, the industry could not have survived. The future yield pattern may be such that those who have already reached a fairly high level will find further increase slower and costlier. Those who have not reached the higher yields already may not have the means to spend more as the return is falling. This does not offer a very bright picture of coffee, but it is better that the facts are now faced, instead of hoping that costs can be further inflated and somehow the planters will manage to overcome its effects. If rising yields help to absorb the shock of quicker rising costs, the rate of yield increase in future will not suffice to cover the rise in the cost of those units which are already high producers."

Any one who has cared to study the economics of coffee industry will at once appreciate the validity of the reasoning behind the aforesaid observations. He will also fully agree with Mr. Gurjer when he says that, if higher wages are to be given without involving the plantation industry in high cost, the only way to do it is to raise labour productivity.

Referring to coffee marketing, Mr. Gurjer made three important suggestions which merit due consideration. One, with ample stocks of robusta and cherry coffee, the function of distribution should be left to the trade; the elaborate paraphernalia of local sales make the cost too high. Two, more attention must be devoted to publicity and propaganda abroad. Three, the inequity of imposing the same weight of excise duty on all grades and kinds of coffee irrespective of the price they fetch must be removed. Mr. Gurjer's plea for relief in the tax burden as a whole also merits due consideration. It is common knowledge that coffee and other plantations are bearing a number of direct taxes—agricultural income-tax, wealth tax, octroi duty, sales tax, village *panchayat* tax, land revenue and surcharge, health cess, excise duty and export duty. The burden of taxation on plantations is certainly too heavy, considering that the bushes have a limited life, requiring replanting on a scientific basis. The planters must, therefore, be left with a sufficient percentage of their profit for financing such replantation.

FINANCING ROAD TRANSPORT

That road transport will have to play a vital role in the mechanism of national defence is being realised by the powers-that-be in the context of the latest Chinese aggression on India's northern borders. The inaugural speech of Mr. Raj Bahadur, Union Minister for Shipping, at the meeting of the Road and Inland Water Transport Advisory Committee held at New Delhi on the 22nd instant is notable precisely for this emphasis, albeit without further elaboration, on the defence aspect of road transport. It is obvious that the quantum of traffic to be moved in the present national emergency will be larger than hitherto and that the areas to be served on the frontiers are not enjoying railway facilities. A higher priority for road transport at the present time is thus called for. But what are the authorities going to do about it? If the road transport system is to serve both civilian and military needs efficiently and adequately, it must be enabled to grow at a faster rate. In a young and nascent industry like motor transport such a faster rate of growth can be brought about by the generation of more internal resources and the provision of outside financial assistance. As for internal resources, they can be substantially more only if the incidence of motor vehicles taxation is reduced. Mr. Raj Bahadur's own partial recognition of the need for tax relief could be inferred from his relevant observations:

"The Administration will have to keep in mind the needs and interests of the various sections of the community. It will also have to balance the immediate return in the form of revenue that any proposal for taxation on motor vehicles may bring, against the overall benefit to the economy of the State that may be secured if some tax relief is provided. At any rate, there is always a need for observing due care and caution to ensure that tax burdens are not disproportionate to the capacity of an industry to bear them and do not curb or cripple its healthy growth and development."

Nobody knows what is the optimum level of taxation which will not inhibit the growth of the road transport industry. Suffice it to say that current rates of taxation are pretty heavy and have produced the unedifying spectacle of truck-owners going on strike in quite a few States. Obviously, the tax burden has become unbearably heavy for road transport operators. The improvement effected recently in all the States by way of single-point taxation of motor vehicles operating on regular permits seems to have been offset by additional levies in some of them like Madras, Madhya Pradesh and Maharashtra. The principle of single-point taxation is yet to be extended to "goods and passenger" tax. Consolidation of all taxes, including octrois, is still marking time. Even if there is no progress in these directions, there should at least be a moratorium, as recommended by the F.I.C.C.I.'s Transport and Power Conference recently, from the imposition of additional taxes on road transport during the third Plan period by the Central and State Governments alike. That way internal financing of future growth in the industry can be facilitated further.

The need for external financing of development will still remain. To some extent this need can be met by the State Financial Corporations which have been permitted, with effect from the current year, to grant direct financial assistance and guarantee facilities to road transport industry. It is noteworthy that this assistance will be available not only to the organised sector of the industry but also to individual operators. The limit of accommodation has been fixed at Rs. 20 lakhs in the case of a co-operative society or a joint-stock company and Rs. 10 lakhs in any other case. It is now upto the State Governments and the State Financial Corporation authorities to provide liberal credit facilities. Another measure recommended by the F.I.C.C.I.'s Transport and Power Conference may also be considered in the context of external financing. This is to the effect that the proposed hire-purchase enactment should be based on the U.K.'s hire-purchase laws which ensure security to the credit institutions. As this will facilitate the expansion of credit to road transport and ensure its further growth, there is no reason why the suggestion should not be accepted and a suitable amendment made in the Bill. In its understandable anxiety to protect the buyer of vehicles under the hire-purchase system, the Government should not overlook the important point that tilting the balance in favour of the hirer will tend to drive out the honest and reasonable lenders, a development which will not be in the interest of hirers themselves.

COLOMBO PLAN

One of the outstanding achievements of the Colombo Plan has been the spreading of technical knowledge in the countries of the South and South-East Asian region. This aspect is of paramount importance to the developing countries in as much as it seeks to ensure a rational use of manpower and material resources. In view of the dearth of technical personnel in these countries, the Plan's activities in this field are perhaps more valuable than its two other functions relating to the actual development plans of the region and foreign capital aid. Technical co-operation, it may be noted in passing, covers the provision of training, of experts and equipments.

It is encouraging to note that there has been a steady increase in the provision of technical assistance under the Colombo Plan in recent years. According to the latest annual report of the Colombo Plan Council for Techni-

cal Co-operation in South and South-East Asia, the number of persons who were given training during the year ended 30th June 1962 was higher at 4,529, which compares favourably with 4,417 in 1960-61. Similarly, the number of experts made available to the region (excluding those already in the field) rose from 786 to 1,008. The total cost of equipment provided under the Plan, too, made headway, having gone up from £5.6 million to £17.5 million. This brought the total expenditure on Technical Co-operation during the year to £36 million, as compared with £20.2 million in 1960-61.

Thus, the Colombo Plan Technical Co-operation activities, which have been steadily growing from its inception in late 1950, reached the highest level in 1961-62, the twelfth year of operation of the Plan. The total value of technical assistance that has flowed into the region since 1950 amounts to over £102 million. The total number of persons in this region who have received training is 24,062. Besides, 4,163 experts in the fields of agriculture, industry, and administration have visited this region to perform a wide variety of highly technical tasks. These facilities have been supplemented by the provision of scientific and technical equipments, the aggregate value of which has amounted to £32 million.

India figures as the biggest donor of training places among the aid-receiving countries under the Colombo Plan. In 1961-62, training facilities were given in this country for 369 persons from the other countries of this region. With this, the total number of persons trained in India since 1950 has gone upto 1,914. The other countries of the region which contributed training places for foreign personnel under the Plan were Singapore (which trained 38 persons in 1961-62), followed by Malaya (24) and Pakistan (15). Countries outside the region (that is, the aid-giving countries under the Plan), however, continued to be the largest donors of training places. The U.S. provided training facilities for 2,223 persons, or almost 50 per cent of the total training awards in 1961-62. The U.K. offered 656 training places, Australia 541, Canada 246, New Zealand 218 and Japan 189. It may be noted here that India has not only been the biggest contributor under this scheme, but also the largest recipient of such facilities. During the year under review, it received 830 training awards, followed by Indonesia (737), Thailand (579), Pakistan (436), Vietnam (341), Nepal (340), Philippines (293), Malaya (242) and Ceylon (200).

An analysis of the fields in which training has been provided shows that the largest number of trainees (785) pursued general education, particularly in India, Australia and the U.S. There were 768 trainees in the field of food, agriculture and forestry. The third position went to training in the field of administration, the award of total training places being 544. Medicine and health constituted another field which attracted a large number of trainees, being 528 in 1961-62. This, incidentally, shows the emphasis laid on problems of health in the Colombo Plan, an emphasis that has coincided with "a dramatic fall in the death rate and a sharp rise in natural increase" in population. As the report says, the population increase constitutes a challenge to the countries of the region to create conditions for a fuller and better life for their peoples. The Colombo Plan Technical Co-operation itself is designed to meet this challenge through international co-operation.

TEXTILE WORKERS' BONUS

Details of the year-wise and mill-wise allocation of the bonus of Rs. 10.75 crores awarded by Mr. Y. B. Chavan, Chief Minister of Maharashtra, to the cotton mill workers in the city have been published this week. The amount, it may be recalled, was fixed by Mr. Chavan as the mediator in the bonus dispute between the Millowners' Association, Bombay, and the *Rashtria Mill Mazdoor Sangh*, the representative union. The mediation agreement provided that the amount of bonus payable by each mill for each of the three years, namely, 1959, 1960 and 1961, covered by the award, should be settled between the *Sangh* and the Association. The parties, however, failed to come to a settlement on the allocation of this amount among the different mills. The matter was, therefore, referred to Mr. Krishnaraj M. D. Thackersey, a former Chairman of the Indian Cotton Mills' Federation, who was appointed the arbitrator under the mediation agreement. Mr. Thackersey gave his award on Saturday the 20th inst. Under the award, the minimum bonus payable by a mill is 5 per cent of the basic earnings (that is, exclusive of merged and unmerged part of D.A. and bonus paid) during the year and the maximum 25 per cent. All mills, including those which might have made losses, will pay bonus, the minimum being 5 per cent of the basic annual earnings. It is not clear from the arbitrator's award how the share of each mill was arrived at, as he has not disclosed the basis. Profit made by a mill, however, appears to have been the dominant consideration. Thus, the larger the profit, the higher the bonus a mill has to pay.

A year-wise breakdown of the total shows that Rs. 2.30 crores will be paid as bonus for 1959, Rs. 3.82 crores for 1960 and Rs. 4.63 crores for 1961. This is only as it should be, because, of the three years covered by the award, 1959 was the leanest and 1961 the best for the industry from the point of view of profit. The first instalment, being the bonus for 1959, will be paid on Friday, 26th October, the second, being bonus for 1960, will be paid on Saturday, 22nd December 1962 and the third instalment, being the bonus for 1961, will be disbursed on 25th March 1963. Thus, the mills have been given sufficient time to find the resources. The workers, too, will be protected from the temptation of dissipating their hard-earned income in a spending spree, assuming, of course, that they do not resort to borrowing by mortgaging the bonus in advance.

A rough picture of mill-wise distribution of the bonus for each of the three years is as follows: For the year 1959, 15 mill companies will pay their workers a bonus equivalent to 25 per cent of their basic earnings, the maximum rate payable under the award, 18 mills will pay 5 per cent of basic earnings, the minimum payable under the award, and the remaining 14 mills will pay a bonus at rates between 5 and 25 per cent. For the year 1960, 34 mill companies will pay a bonus equivalent to 25 per cent of basic earnings, 6 mills will pay the minimum of 5 per cent and the remaining 7 mills will pay between 5 and 25 per cent. For the year 1961, 41 mill companies will pay a bonus equivalent to 25 per cent of basic earnings, three mills will pay the minimum of 5 per cent and the remaining four mills will pay between 5 and 25 per cent.

It will thus be noted that the number of mills paying the maximum rate of bonus, namely, 25 per cent of basic annual earnings, is the highest in respect of the year 1961, 41 mills out of a total of 48 mills liable to pay bonus during the year whereas, for 1959, the corresponding figure is only 15. The share of each mill in the yearly and total bonus varies according to its percentage liability for each year and and the total liability for the three years taken together. The table below indicates the amount of bonus payable by some of the leading cotton mills.

Name of Mill	Percentage of Basic earnings			Bonus payable for the 3 years 1959, 1960 and 1961 (Rs. in lakhs)
	1959	1960	1961	
India United	5	25	25	92.62
Bombay Dyeing ..	15	15	25	63.09
Century	11	25	25	69.85
Standard	25	25	25	53.20
Sassoon Spg.	25	25	25	45.34
Shree Niwas	25	25	25	40.91
Khatau	25	25	25	44.87
Morarjee	25	25	25	33.39
Tata Mills	16.9	25	25	34.95
Svadeshi	25	25	25	38.20
Shree Ram	25	25	25	29.30
Elphinstone	22.4	25	25	19.90
Finlay	25	25	25	26.95
Gold Mohur	25	25	25	20.67
Phoenix	25	25	25	27.95
Kohinoor	5	9.6	25	30.57
New City	5	5	9	3.64
Dawn	25	25	25	11.69
Apollo	5	25	25	14.85

The company to distribute the largest amount as bonus for the three years is the India United Mills, the amount being Rs. 92.62 lakhs. It pays the maximum of 25 per cent of basic earnings for both 1960 and 1961 and the minimum of 5 per cent for 1959. The Jubilee Mill pays the lowest, namely Rs. 2.73 lakhs, for all three years. This amount has been arrived at on the basis of 25 per cent of basic earnings for the two years 1961 and 1960 and 15 per cent for 1959. There are 15 mills which pay the maximum of 25 per cent of basic earnings for all the three years. Only one mill, namely, New Kaiser, pays the minimum of 5 per cent of basic earnings as bonus for all the three years.

East Germany and India have agreed to extend their long-term trade and payments agreement for the year 1963. The agreement provides for exports of jute, spices, nuts, iron ore, tobacco and coffee from this country and imports of machine tools, printing and textile machinery, etc.

AMERICAN LETTER

STATE OF ECONOMY

CONFLICTING VIEWS

(From Our Special Correspondent)

NEW YORK, *20th October*

OPINIONS are varying widely about the future course of the United States economy. Here are a few typical examples. The First National Bank of Chicago says, in its *Business and Economic Review* for October, that a vigorous resurgence of activity is a possibility. It adds "considerable strength has returned to one sector after another." Yet, the Federal Reserve Board saw fit to reduce reserve requirements of commercial banks so far as time deposits and savings accounts are concerned. The action will pump some $4,600 million into what Washington calls a "lagging economy." And the temperamental stock market sold off again considering this a bad omen rather than a welcome "shot in the arm."

The downright pessimism of Wall Street is difficult to understand. Personal incomes, for example, are far from discouraging. The August figure was a record, even though the rise to $443,000 million, at an annual rate, was the smallest gain in seven months. But the trend is still on the upside. Retail trade may be slow in some areas and in some stores, but, generally speaking, it has been expanding and the big holiday season is yet to start. The latter always generates big spending in cash or on credit. Corporate profits have been somewhat higher and promise to be better in the fourth quarter of the year and for 1962 as a whole than they were previously. Producers of durable goods particularly have been doing extremely well.

The private controversy between Government and business continues. Said Mr. F. R. Kappel, Chairman of American Telephone and Telegraph Company, addressing a closed session of the Fall meeting of the Business Council at Hot Springs—"it seemed to many that Government interference in industrial pricing policies, coupled with Government acquiescence in continuing wage increases, has adverse implications for profit prospects, business confidence and business investment." Mr. Kappel foresees a slight dip in 1963 and so does Mr. Bradford B. Smith, economist for the U.S. Steel Corporation. He told a meeting at the University of Pittsburgh that this country may be confronted by the possibility that real profit "has virtually disappeared from our economy. Should that be true, no other explanation of slowed economic growth is required. Should it continue, economic stagnation is assured."

I am quoting these comments, because I think they are highly significant of the currently prevailing state of mind. They are all said to be well-balanced but they are humanly influenced by the positions occupied by the spokesmen. They are all entitled to their opinion. The First National Bank of Chicago has analysts who are as competent as those of the Federal Reserve. I am convinced there are no deliberate untruths in any of the foregoing statements.

Foreign Trade and Foreign Exchange

The announcement that new tariff schedules will go into effect under the new trade expansion policy is bringing out the protectionist forces as could have been expected.

The first rather influential group to be heard was the Commerce and Industry Association of New York. It asked President Kennedy "on behalf of those firms which will be injured by imposition of new tariff schedules" to suspend for 90 days the effective date of any import duties which are to be either increased or decreased by 5 per cent or more because of reclassification. Changes of less than 5 per cent could become effective as contemplated, according to the Association's request.

The Federal Reserve Bank of New York has been issuing a continuing series of statements on Treasury-Federal Reserve policy in connection with foreign exchange operations. As stated previously, the U.S. Treasury resumed foreign exchange operations in March 1961 and the Federal Reserve System in February 1962. It has been part of a co-operative effort by Treasuries and central banks on both sides of the Atlantic to create a first line of defence against disorderly speculation in the foreign exchange markets. Apparently, this co-opera-

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TOO MUCH TALK, TOO FEW HOUSES

STATE MINISTERS FAIL TO IMPRESS

From Our Special Correspondent

NEW DELHI, *23rd October*

DELHI LETTER

THE malaise with the housing plans in the country, according to a Planning Commission official, is too much talking and too little building. Judged by the performances of various State Housing Ministries and municipal administrations, there is no sense of urgency about housing projects. Even if financial allocations already made are spent to the full, the lag in urban housing alone is likely to worsen to ten million dwellings by the end of the third Five-year Plan from a little fewer than five million when the current Plan began. The slums and the problems of the slum dwellers have become more intense in cities like Delhi and all the repeated shouting of the Prime Minister about the disgraceful housing conditions has scarcely produced any action. Demolition of unauthorised houses or hutments built across open spaces in the capital, or any attempt at demolition, has been followed by demonstrations and agitations by the slum-dwellers, since the demolition is not simultaneously supported by provision of alternative roof for the dispossessed. Opening the Housing Ministers' Conference last week, the Prime Minister made it clear that he did not think more money would be made available to the States and city administrations. Mr. Nehru concentrated his fire on the engineers of the Public Works Department who, he declared, should evolve economic methods of house construction. The Planning Minister, Mr. Nanda, who met the Housing Ministers, also poured cold water on demands for more funds.

The proceedings of the conference exhibited the indifference of the State Ministers. Apart from the Maharashtra Minister, none of the Ministers was able to make substantial contributions to the discussion. As a matter of fact, the Ministers were by and large absent from most of the sessions. Several of the Mayors who had been invited were not there at all and, among the municipal officials, only the Bombay Corporation representatives were active. The States have, allowed some of the Central assistance for housing to lapse for want of satisfactory projects to implement or provision for housing schemes in general allocations has been diverted for other purposes politically more impressive. Of about Rs. 15 crores allotted by the Centre for a special programme of land acquisition, only a third has been withdrawn by the States and again only about Rs. one crore has been spent. Only three States and the Delhi Administration, which is under the Centre, have taken steps to evolve land acquisition legislation, although the suggestion for such laws was made five years ago at a Housing Ministers' Conference.

The investment needed to eradicate the housing problem would total even more than the outlay in the third Plan and Works and Housing Minister Mehr Chand Khanna's grouse was that, in successive plans, while the allocation for housing increased marginally in absolute terms, the share of housing as a percentage of the total outlay was diminishing fast—from 34 per cent in the first Plan to 15 per cent in the third Plan. The Planning Commission's reply to the demand for more funds is that the States may first spend all the money allotted to them—they could spend the five-year allotments in three years if they could—and then try for more finances. The Life Insurance Corporation, which is a major source of money for housing, complains that the State Governments make it a habit to draw the funds allotted to them only towards the end of the financial year. This means that the L.I.C. has to maintain liquid funds over a long period and the Corporation wants the States to follow a phased programme of withdrawals from October to March. If the States fail to withdraw in the phased manner, the Corporation wants a penalty to be levied on the State Governments. The Works Housing and Supply Ministry has now suggested to the States to outline their firm demands by 31st July every year and the Central Ministry will decide on the demands and authorise withdrawals by 30th September.

Even the industrial housing scheme, which is more specific than other projects, is not being smoothly implemented. According to Mr. Khanna, out of 150,000 houses sanctioned until the end of March, only a little more than 26,000 have been constructed. The industrialists list three difficulties with the scheme: (1) the ceiling for various types of tenements is unrealistic; (2) land acquisition for housing colonies is an onerous process; and (3) building materials are not available at controlled prices. The Central Government is to study a proposal for a levy on employers for provision of industrial housing.

The village housing programme has received even less attention from State Governments than the urban projects. The Ministers accepted a decision to change the emphasis on village housing and try out an intensive programme like the package plan for agriculture. The present plans are to make a concerted attack on housing problems in selected villages and show a visible impact of Government efforts. According to Government estimates, only seven per cent of the village houses have plinths or walls of bricks, cement or stone and roofs of tiles or corrugated sheets. Eighty-five per cent of the village houses have mud plinths.

The Housing Ministry has also appointed a working group to study the problem of co-operative housing ventures. There are today about half a dozen State-level housing co-operative societies and about 5,600 primary societies. All these together have been able to construct a total of 45,000 houses a year, at an investment of Rs. 38 crores.

Intensive Oil Search

Offshore drilling for oil in the Gulf of Cambay is one of the steps the Oil and Natural Gas Commission plans to undertake before the turn of the year, according to Mr. K. D. Malaviya, Minister for Mines and Fuel, who last week-end expressed to newspaper correspondents his confidence that the target for indigenous production of three and a half million tons of crude would be achieved by the end of the third Plan. Under the terms of last year's agreement, the Italian E.N.I. will do contract drilling in the Gangetic plains. Despite some disappointments in the Punjab, exploration will be continued in the area and work will also begin in the Cauvery basin. The most creditable performance so far has been in Assam, where Oil India has drilled 137 wells, of which 104 are commercially successful producers of oil or gas. Some wells are under tests.

Mr. Malaviya is leading a high-level delegation to the Soviet Union, Rumania, Poland and Italy. He will pursue with the Rumanians the provision of further aid to the Indian oil industry, a subject which was taken up during the Rumanian President's visit to India this month. Mr. Malaviya and the Rumanian Foreign Minister, who was with the visiting President, had preliminary talks. The Nunmati refinery, which was aided by the Rumanians, is sought to be expanded from an annual capacity of 750,000 tons to one million tons. Mr. Malaviya wants to discuss with the Russians the possibilities of early expansion of the Barauni refinery which will have a capacity of two million tons in the initial stages. This refinery design is such as will permit quick expansion.

The Koyali refinery proposal in Gujarat also needs to be pursued and implemented quickly. While Mr. Malaviya's talks in Warsaw will concern coal-mining projects, at Rome he will discuss with top E.N.I. officials the project report on a refinery for the south. The Italians have in their proposals for the South Indian refinery ruled out the use of Soviet crude though the Italians have been importing supplies from Russia. They have suggested a refinery based on imports from Kuwait or Iraq. Possibilities of Government imports of crude from Iraq were probed in talks with the Iraqi Oil Minister, who visited the country a few days ago. The Soviet offers of crude some years ago had to be rejected by Delhi, because the Government had no way of forcing the oil companies to use Soviet crude and, if Iraqi crude comes in, it will be the first time the Government enters the crude import field. Madras, Mangalore, Cochin and Tuticorin are the possible sites for the South Indian refinery. The Italians have suggested a 150,000-ton lubricants plant integrated with a two-million-ton refinery. Mr. Malaviya has also started talking aloud about yet another public sector refinery to be sited in Calcutta.

All these refinery plans will take some years to mature, but the country may be victimised by another crisis in fuel stemming from large underestimation of oil needs until recently by the planners and the Fuels Ministry. Even early in 1960, some oil company executives told this correspondent that oil consumption by the end of the third Plan may be in the range of 14 million tons. But the planners estimated the requirements at 11.7 million tons in the third Plan document. Their estimates of Indian production was 7.923 million tons, 5.641 million tons by the private sector and the balance by public sector refineries. It took Mr. Malaviya some time to acknowledge that the demand may rise to 14 million tons. But now even that estimate is considered too low. At the Plan's end, the needs may total 17 million tons. Between 1951 and 1960, oil consumption rose from 3.96 million tons of 7.575 million tons. As compared with the eight to nine per cent increase in consumption in the past decade, an increase of fifteen to seventeen per cent is estimated during the third Plan. The expansion of company refineries will take private sector production to a little less than 7.5 million tons. Nunmati contributes 750,000 tons, Barauni will produce two million tons and the Gujarat refinery, if it comes to fruition by the Plan-end, another two million tons. If the Gujarat refinery does not go on stream, the gap between demand and indigenous refinery may be seven million tons, or almost equal to the total 1960 consumption. E.N.I.'s estimates of Indian consumption by 1966 are 18 million tons, higher than all other estimates.

For the South Indian refinery, there are two choices before the Government today, Mr. Malaviya having again ruled out a private sector plant. One is to obtain Italian collaboration and the other to accept an offer by an independent American operator who is reportedly willing to be a partner with the Government. If the American proposal is accepted, the Italian credit can be used for petro-chemicals.

The Soviet pressure for a higher price for its oil products poses another problem for Mr. Malaviya, whose Ministry is also facing Soviet criticism of the public sector for inefficiency and confusion in the distribution arrangements made by the Indian Oil Company.

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THE PRO-MARKETEERS INTO EUROPE WITH A BANG

LABOUR PARTY OUTWITTED

By Our London Correspondent

IT is an odd reflection that the issue over the Common Market has proved the salvation of all the political parties. Just as it rallied the Labour Party, so also the Conservative Party Conference was transformed last week by the cause of European unity. And that cause was made all the more dramatic by the Conservative Conference being held after Mr. Gaitskell had thrown down the challenge against entering the Market. For it is well known that the Conservative Party and the Government supporters in the House were almost evenly split between the pro-marketeers and the anti-marketeers and the Prime Minister has had many an anxious thought as to the practicability of uniting his whole Party behind him in his determination to join the European Economic Community. In the event, it was the Leader of the Opposition who did his work for him. This is not to say that those in the Government opposed to Britain's entry were reconciled by an opposition to the Labour argument, but the important rank and file of the Conservative movement through the country felt that the arguments at the Labour Conference were arguments they could refute. And yet none of this enthusiasm and anxiety was evident before the day devoted to the debate on the Common Market.

The Conference began with debates on economic and industrial issues and these fell hopelessly flat. Mr. Maudling, whose appointment as Chancellor of the Exchequer had raised such high hopes, appeared to have had all his enthusiasm and energy for a go-ahead policy squeezed out of him since his visit to Washington. He gave the impression of being even more cautious than Mr. Selwyn Lloyd and even the Party leaders were beginning to look glum.

No Opposition At All

But when the Common Market came to be debated all doubts were swept away. Mr. Heath, the Government's negotiator, was the hero of the occasion, even though most of his carefully marshalled facts were—simply by their weight and quantity—beyond the capacity of much of the audience to absorb. The point was that they felt he knew his business and delegates accepted the general theses (*a*) that the economic advantages of entry would *greatly* outweigh the disadvantages and; (*b*) that the industrial future of this country lay in economic unity with the Continent. At the same time they accepted the declared intention of the Government that economic unity bore with it *no political implications*. By the time Mr. Butler, the Premier's Deputy spoke, the whole mass of Conference had been won over. The Parliamentary opponents of entry into Europe tried to maintain their arguments but they were simply swept away—in just the same manner as Mr. Gaitskell's opponents had been demolished a week earlier—by the enthusiasm of the lead given and accepted by the Conference. At the end of the debate, there was no opposition left at all in the Conservative ranks. Accordingly, the Government can now go forward on what they declare is their adventurous course, sure that their Party is behind them. It is impossible to conceive that the Prime Minister's opponents on his side of the House will dare to vote against him now; at the most, they might abstain.

The Prime Minister himself did not attend the Conference until the end of the week and, when he spoke, it was to the converted. His battles had all been won. Thus, he and his Ministers and the Conservative Party go forward from this last of the three great Conferences, rejoicing in the clear-cut nature of the issue which is being put before the people of this country, on the one hand, a united Conservative Party, confident that entry into Europe is the right answer to Britain's economic problems and, on the other, a possible not-so-united Labour Party affirming that Britain should stay out.

At the Conference, it was possible also to learn something of the technique which the Government will now follow. Mr. Macmillan and Mr. Heath hope to have the negotiations finalised by the end of this calendar year: the one danger to this time-table is President de Gaulle, because French intransigence could lead to at least six months longer of negotiating. But, assuming that the French do not prove a stumbling block, then, before the middle of next year, the Treaty of British adherents could be ready for signature. But what, then, of Labour's intention to insist on a General Election, if they do not consider the terms of the Treaty acceptable? The Opposition will not be given an opportunity of debating the Treaty as they would debate an ordinary Bill; the Treaty will be signed by the Government and then simply presented to the House for ratification; the debate will be on the straightforward issue to ratify or not to ratify and there will be no debating of details. Thus, the Government could ignore the Opposition's demand for an election, carry its Treaty through the House with an affirmative vote and not concede the election for another year, that is, not before, say, May 1964. By that time, although nothing much would have happened in practice, the processes of integrating the British economy with that of Europe might be regarded as having gone too far to enable even a victorious Labour Party to withdraw without incurring much odium from the Six and from the United States.

It is felt that the most dangerous thing that could happen would be for the Labour Party to declare beforehand that, unless there was an election before the Government signed the Treaty, it would, if victorious in an election, repudiate the Treaty; it could only take this line, if it had completely solid support, that is, the Trade Unions would have to accept the Party's decision to fight entry (they have accepted it by approving the motion of opposition to entry but at this moment there is still a good deal of suppressed objection). Of course, if the Labour Opposition do threaten to annul the Treaty, the Government could still ignore them and trust that the Opposition would forget its objections if sufficient time had passed. There is also the question whether a fore-announced declaration of intention to annul would alienate many floating voters. The Opposition's own view, on the other hand, is that they would rally the whole of the working class vote. But the Government and the Conservative Party feel that an Opposition carried to this degree would have an adverse effect on Labour's chances. So, all in all, the Government and their Party consider that the cards are well stacked in their favour. To sum up. They have an exciting proposition to put before the country; they have fired their rank and file workers with the necessary enthusiasm; there will not be much doorstep debate on the precise details; all that they will have to do is to say: "Britain's future lies in linking up with the other countries of Europe; we cannot stay isolated; we must look to the future," etc.

(*Concluded from next column*)

sources. The following table shows how the total national income is at present divided and how it would be divided in five years' time if this plan is accepted and realised:

(In £ thousand million)

	1961	1966
Consumer expenditure	17½	20½
Public consumption	4½	5½
Investment	4½	6½
Exports	3½	5
Total ..	30½	37½

The figure of public consumption is the expenditure by the Government on defence, health, education, etc. and the increase postulated in the Report is 3½ per cent per annum, against the present 1 per cent; clearly, proper account is being taken of the need for expansion in the social services. Finally, consumers' expenditure *per head of the population* will be able to rise by 2½ per cent per annum (the increase in the figures in the table above of 3.2 per cent provides also for the increase in population).

That, then, is the first stage in the preparation of the Five-year Plan for Britain: it remains for the employers and trade unions to advise the Chancellor on its practicability, for the Chancellor perhaps to accept it, and then for all the detailed steps to be taken to translate it into reality. And it is at this last stage that more than planning will, of course, be necessary.

PLANNING FOR PROSPERITY

AN OUTLINE EMERGES

(From Our Own Correspondent)

LONDON, 19*th October*

LONDON LETTER

THE former British Chancellor of the Exchequer, Mr. Selwyn Lloyd, was a great believer in the virtues of planning and the National Economic Development Council remains one of his memorials. The present Chancellor, Mr. Maudling, does not think that planning will provide all the answers but he is expecting the Council to provide him with a clear lead before the end of this year. In the meantime, the body of economists and researchers, who form the permanent staff of the Council, have prepared their first report for it. This report is the result of instructions they were given to aim for a 4 per cent per annum increase in national output, as against the 3 per cent per annum which has been customary over recent years and which has, indeed, been regarded as the normal.

What the planners, therefore, had to do was to see what the implications of such an increase in output could mean for the economy as a whole. It will thus be for the Council (NEDDY)—of which, incidentally, the Chancellor is Chairman—to decide on the feasibility of achieving this target. To express all this in figures we could say that the gross production of the United Kingdom in 1961 was £26.5 thousand million. To this must be added imports of £4 thousand million giving a total availability of resources of £30.5 thousand million. If the Five-year Plan is adopted, the national output will rise to over £32 thousand million, while imports will be stepped up to £5 thousand million, giving a total volume of resources of £37.3 thousand million.

It will be noted in the figures quoted above that imports alone would rise by £200 million per annum. The implication behind all this planning is not restrictive, it is that the whole economy can be expanded, imports as well as domestic production. At the same time, investment, exports and consumers' expenditure can equally be increased. It is not, therefore, a plan to show how, by cutting down consumption, it is possible to expand, say, investment and exports: in this plan, everything is supposed to go up.

Exports

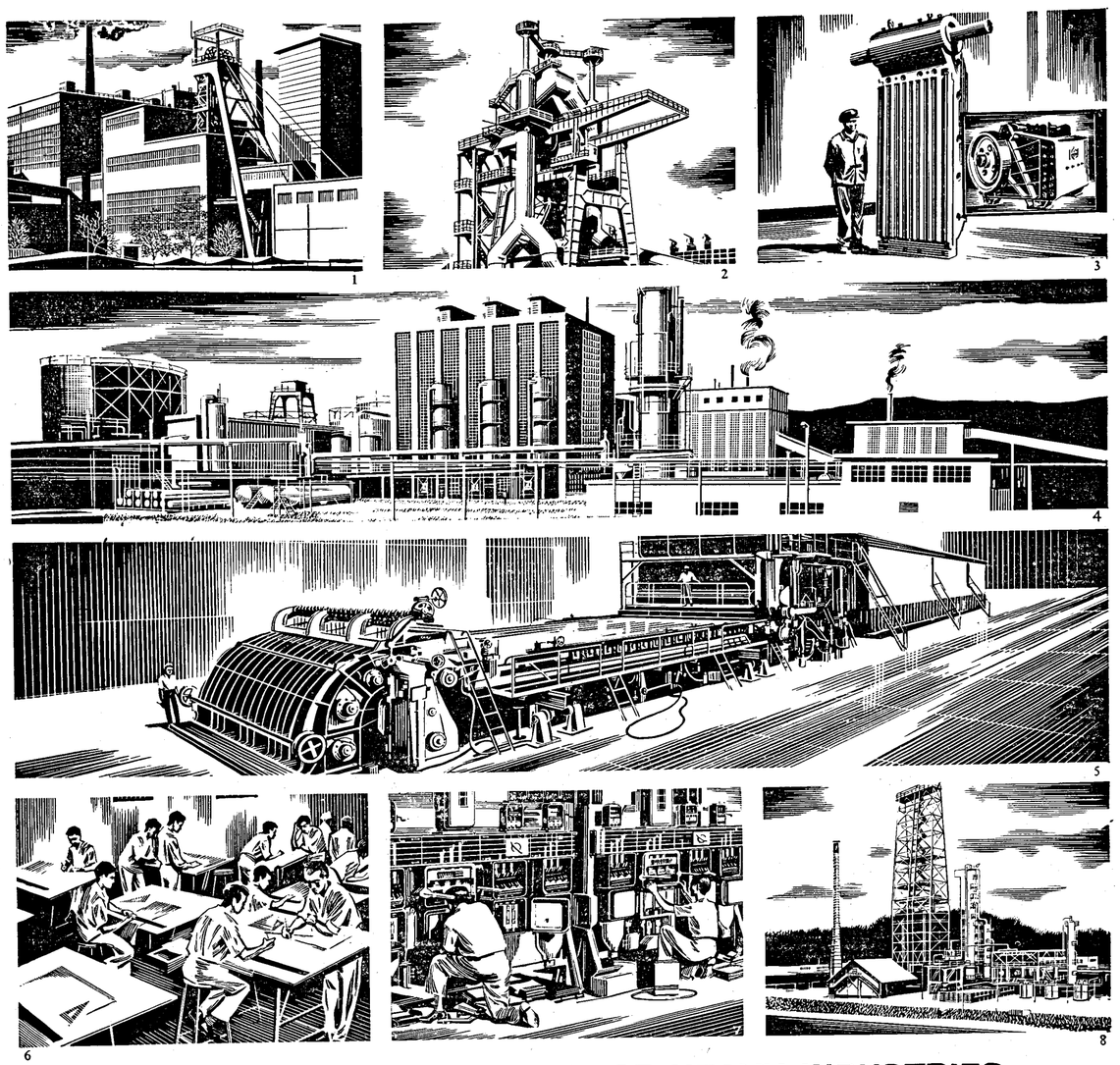
Exports, for instance, will have to rise by £250 million per annum and thus the balance of payments can be expected to improve on visible account by £50 million per annum and the additional improvement to give an overall surplus in excess of £300 million per annum would come from improved invisible earnings. *But* an increase in exports of this order, which is the equivalent of 5.7 per cent per annum, is double the rate of increase witnessed in recent years. To take one quoted instance alone, Britain's share of world trade in manufactures, which has been diminishing over recent years as other countries have increased their exports, would have to be held at its present level, i.e. the actual volume of manufactures would have to be increased.

Again, the achievement of an increase in the domestic output means more productivity per worker—only 0.7 per cent of the increase will come about through a rise in the working population, the other 3.3 per cent will have to come about through improved output per head. But it is also implicit in this figure that this can be achieved not only through new investments but through better use of existing resources; indeed, the Report stresses heavily the resources which now exist but of which the fullest use has yet to be made.

Investment

Nevertheless, an increase in investment is important and the annual rise is around £350 millions or an increase of 6.2 per cent. Another way of putting this is to say that at present investment accounts for 18 per cent of the total national production; in 1966, it would have to account for 20 per cent. The percentage increase is not considerable, simply because of this reliance upon a better use of existing re-

(*Continued in previous column*)



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ROLE OF COMMERCIAL BANKS IN EXPORT PROMOTION

NEED FOR LIBERAL CREDIT FACILITIES

By Mr. Manubhai Shah
UNION MINISTER OF INTERNATIONAL TRADE

THE third Five-year Plan estimates that developmental and maintenance imports during the third Plan period will amount to Rs. 5,750 crores. In addition, capital repayments of the order of Rs. 550 crores have to be made. These include repayment of past loans and credits to the extent of Rs. 450 crores, the balance being for various other capital transactions, including payments under the Indus Water Treaty agreement. To meet these obligations, it is estimated that we shall have to export goods worth Rs. 3,700 crores over the third Plan period and try to secure foreign assistance of the order of Rs. 2,600 crores. Invisible earnings which contributed sizably to relieve the pressure on the balance of payments would disappear altogether because of increasing interest payments on our loans for development and diminishing interest earnings from our rapidly declining sterling reserves. It was felt that Rs. 3,700 crores of exports were the minimum to be aimed at, while actually the needs of the situation may turn out to be much larger.

Although such an export requirement would mean an average of Rs. 740 crores per year, the actual step up in exports would have to be from around Rs. 640 crores in the beginning of the third Plan to about Rs. 840 crores in the last year of the third Plan. Again, since development is to continue through successive Five-year Plans and since our aim is to build up a self-generating economy which will dispense with foreign assistance for development within a decade from now, the need to increase our exports rapidly is very urgent. It has been estimated that in the first year of our fifth Five-year Plan, our exports will have to be in the neighbourhood of Rs. 1,400 crores per annum, if the development potential built up by then is to be sustained. Exports, therefore, have to have the highest priority in any way of thinking, if our aim is to build up a self-generating economy and maintain a modest rate of growth.

Since the step up of Rs. 200 crores in our exports in the third Plan can only be achieved gradually, it was natural to assume that, every year, exports would rise by about Rs. 40 crores. At least that would be a realistic and modest way of setting a target to work up to. Actual performance in the past 17 months has not been at all encouraging. Exports during the first year of the Plan were only Rs. 660 crores, Rs. 20 crores short of the target for 1961-62. The exports during the first five months of this year are not very much different from those during the same period last year and offer very little hope that they will reach the level of Rs. 700 or 720 crores which may be considered the target for this year. Tea and cotton textiles which account for about 30 per cent of our exports show hardly any improvement. Exports of jute have maintained a satisfactory rate of growth. Exports of other items like ores, iron and steel, cashew kernels, fish, footwear and leather manufacture are stagnant. It is only in the exports of items like vegetable oils and oilcakes, sugar and tobacco that some improvement is registered. Exports of new manufactures have also registered an increase.

Poor Export Performance

The reasons for such a poor performance are well known. High cost of production, non-maintenance of quality standards, lack of after-sales services and a buoyant market at home make exports unattractive. Competition from other countries makes the going so difficult in world markets that our exporters do not venture out from the comfortable and secure pastures at home. The scope for the expansion of traditional export items like tea, jute and cotton cloth, though good, is limited when viewed in the context of the needs of expansion of our export trade. We cannot place all our hopes on these for achieving the target figures mentioned above. Increasingly, we will have to turn to new items like ores, iron and steel, fish, fruits, engineering products, chemicals and pharmaceuticals and various manufactured articles which alone have an elastic market. And these cannot be sold in foreign markets, unless there is aggressive and scientific salesmanship. The products have to be familiarised, a reputation for quality and service has to be built up and trading connections have to be developed with planning and care. All this takes time and results of our efforts now will only be seen a few years hence. But we must begin now, if we wish to export annually upto Rs. 1,400 crores worth of goods nine to ten years later. Every means and agency for promoting exports have to be pressed into service to attain this goal.

Commercial banks have an important role to play in the matter of selling our goods abroad. Their branches abroad can function as very useful agencies for commercial intelligence and market information. Since they have an intimate contact with the business communities in these places they are in a position to make useful introductions for intending exporters, advise on the financial and commercial soundness of importers and exporters, mediate in disputes and so on. Since exports involve two parties, the banks have to be helpful, for suing and win the confidence of both the parties. Thus by building up goodwill and modern banking service among a large number of people abroad, they can help build up exports.

Foreign Branches

This is on a personal plane. On a more general plane, foreign branches of our banks can provide excellent information regarding economic conditions of the countries in which they operate, indicate the scope for pushing our wares in particular lines, assess the tastes of people and the peculiar features of a market and evaluate competition from others. This is more in the nature of work being done at present by commercial representatives of Government, but as bankers move more closely with businessmen, they are likely to have a better feel and confidence about these things. Being men on the spot, they are able to assess any situation much more clearly than others. They know the heart of the matter. The range of services which banks can render to exporters can be clearly seen from the activities of foreign commercial banks in this country or in South East Asia, the Middle East or Africa. Some of the "Reviews" which they produce are often the only source of information regarding some of these countries.

Our export promotion drive would have been helped greatly, if our commercial banks had branches in all the areas which we want to reach, like the Middle East, South East Asia, Africa and Europe. Unfortunately, Indian banks have very few branches abroad and even those few are located only in areas where there is a large Indian population. Such an attitude is hardly likely to be conducive to export promotion. A perusal of the history of some of the British commercial banks shows how these ventured during the nineteenth century into distant and unfamiliar lands in search of profits and assisted British trade greatly in the process. They went to India, South East Asia and China, Africa and South America. Venturesomeness of that kind is necessary on the part of Indian banks today.

Of course, it is true that regulations imposed by Government on foreign banks accepting deposits, etc., make expansion on that scale difficult today. Again, expansion of banking activity abroad has taken place only in the case of those countries which have surplus capital to export and, therefore, a country securing substantial assistance and private foreign capital cannot hope to emulate their expansions. Nevertheless, there is scope for far greater branch expansion than has taken place so far. Our banks, I feel, have been over-cautious in this regard.

Financial Facilities

The second field in which commercial banks can help promotion of exports is by making readily available financial facilities to exporters. These facilities would take two forms: one is the provision of credit to the exporter by banks for periods at least as long as the exporter has to wait to receive payment from his customers or for as long a period as the bank can liberally afford to advance. The second, which is strictly non-financial, is the insurance against the risk that the customer may not pay at all. The latter has been taken care of by setting up the Export Risks Insurance Corporation. The Export Risk Insurance Corporation was set up towards the end of 1957 and, upto the end of 1961, it has been able to underwrite risks of the order of Rs. 13 crores. The risk cover given by the Corporation offers additional security to the exporter wanting to borrow money from a bank against that particular transaction and should normally make the bank more willing to lend. It has been found that some banks are not willing to extend credit on this basis even to parties who are otherwise suitable financial risks. A reconsideration of this attitude and approach by Indian banks would help exports to a large extent.

By and large, Indian commercial banks have been providing some short-term credit to Indian exporters. Exporters sending goods to countries which are members of the I.M.F. can draw export bills against which banks do lend money. Demand bills on sight involve locking up bank funds for only 10-12 days and other demand bills involve lending for longer periods usually not exceeding 90 days. These are eligible for rediscount with the Reserve Bank of India under the Bill Market scheme and therefore the lending bank is not unduly worried about its liquidity position. Over half of our exports are covered by export bills and banks find them lucrative to hold because the yield on them is higher than on inland bills or loans.

Some of the banks, including the State Bank of India, provide "packing credit" to Indian exporters against letters of credit opened in their favour. These advances enable the exporters to undertake the processing or finishing of goods meant for export.

Interest on Export Credit

It has often been argued that many of our exportable commodities are priced out of world markets because of high domestic costs of production and, therefore, it would help them to be more competitive if the rate of interest on export credit were lower. It is pointed out that Germany and Japan, which have built up their exports so well in the post-war years, give preferential discounts in favour of export bills and a similar practice in India would give a stimulus to our exports. The analogy, however, does not strictly hold because both Japan and Germany were high-interest countries, whereas India, because of Government's need to borrow large sums for development, has remained a low-interest country. As a matter of fact, the criticism has often been levelled that the rate of interest hardly reflects the scarcity of capital prevalent in a poor country. Even so, a further reduction in the rate of interest on export credit is very desirable and I hope something will be soon done in this direction. The difference in interest rates between lending rates and charges for internal marketing and external marketing finances lowering them in favour of the latter will mitigate to some extent the existing terrible "internal pull" of the market for local sales as against exports. For a long time to come, the export sector of the economy has to be more favourably treated. Also, what the commercial banks can do is to keep the export sector free from the effects of a credit squeeze and make money available to exporters even when other sections of the economy have to do with a smaller supply of funds.

Medium- and Long-term Credit

The real problem regarding credit which exporters are facing is more with regard to the medium-term and long-term credit. Now that world markets have turned into buyers' markets and there is greater competition among sellers, intending importers expect the exporter from whom they buy to provide the credit they require. This is because private foreign investment does not flow adequately into developing countries and because the flow of international assistance is not commensurate with the countries' needs. The richer countries are in a position and seem quite willing to provide such credit. So even developing countries like India who aspire to sell engineering and other manufactured goods have to provide such credit if they want to be in the export field.

The period for which export credit is required varies with the nature of the commodity. Light engineering consumer durables like sewing machines, fans or bicycles, may require credit for a period of 18 months. For trucks and automobiles and their parts the prevailing period is three years. For machinery and equipment, e.g. ring frames, boilers, sugar machinery, machine tools, locomotives, etc., credit up to five years may have to be given.

It would appear strange that a country which is seeking large amounts of assistance from other countries for its development programme has to give credit to others, some of whom may not be poorer than us. But there seems to be no alternative to this, if we want to step up our exports, because other countries, both developing and developed, offer such terms. Very often, we hear that China or East European countries and others get our textile trade in Asian countries because of the better payment terms they offer.

I feel that banks should undertake such medium-term and long-term financing of exports, if the export transactions are found to be otherwise satisfactory. The maximum duration of such export credit need not be more than five years, as decided upon at present by the "Berne Union." Commercial banks in India have been able in recent years to go beyond the limits of strict commercial banking and provide medium-term credit to industry. A similar step will have to be taken with regard to exports as well.

Non-payment Risk Cover

Anyone who makes such a suggestion has to confront the question: what happens to the liquidity of the banks, if they lock up funds for such a long time? Again, how is the risk of non-payment to be covered over a longer period? The latter is taken care of by the Specific Contract Policy of the Exports Risks Insurance Corporation. The Corporation has been experimenting with such policies and it is to be hoped that their experience will enable them to extend their activities further in this direction. We are also contemplating other institutional and organisational steps in this direction.

Banks can undertake such extended term finance, only if they have adequate rediscount facilities. The present rediscount facilities may not quite meet the situation and we may have to think of setting up a special institution for providing such facilities. Most countries in Europe have such specialised institutions. In France, for example, the *Banque Francaise du Commerce Exterieur* guarantees export paper by its acceptance. In Belgium, the Institute of Rediscount and Guaranty, established in participation with commercial banks, rediscounts export paper for medium-term periods. In the Netherlands, the Export Finance Company set up in 1951 functions along the same lines. In Italy, Western Germany and Austria also there exist agencies to provide export credit on convenient and acceptable terms. In India, perhaps, the Refinance Corporation or similar institution could be made to function in this fashion. Whatever be the ultimate solution, the problem has to be tackled urgently because the need for such credits will grow as we produce more and more engineering goods, machinery, machine tools and manufactured articles for export.

Like every other agency in this country, the banks also have been slow in realising the urgent need to promote exports. Since our future development depends to a large extent on our being able to step up our exports, they have to participate actively in the drive for exports. A little more venturesomeness like that of the merchant bankers of the nineteenth century, a little more of the glory and honour of our seafaring ancestors and a little less harking backwards to comfortable domestic pastures will enable our commercial banks to participate significantly in this great adventure and supreme national task of export promotion.

AIDING THE LESS DEVELOPED NATIONS

NEED FOR EXPANDED FLOW OF ASSISTANCE URGED

THE Development Assistance Committee of the Organisation for European Economic Co-operation and Development (O.E.E.C.D.) has just published the first annual *Aid Review* of the aid efforts and policies of individual D.A.C. members. May be, the *Review* has as the Chairman of the Committee, Mr. James W. Riddleberger, says, raised many issues rather than solved them. Nevertheless, the *Review* is of considerable importance and value, in that it not merely highlights the urgency of aiding the development of the underdeveloped countries and indicates the nature and quantum of assistance actually rendered in the past two years (1960 and 1961) but also makes several useful recommendations designed to expand as well as improve the flow of long-term funds and other development assistance.

In the course of a brief introduction to the *Review*, the D.A.C. Chairman has most forcefully emphasised the need for greater developmental assistance to the less developed countries. There are, according to him, few issues of such fundamental importance for world peace and prosperity as that of aid to the less developed countries. Despite the large sums devoted to foreign economic assistance in recent years, the needs of developing countries are certainly no less than they were fifteen years ago. In fact, as a result of improvements in administrative systems, pre-investment and technical co-operation activities, the capacity of less developed countries to absorb foreign capital has expanded significantly. More than two-thirds of the free world's people, we are told, receive only one-fifth of total income, the average annual *per capita* income being less than $300. The average rate of growth of *per capita* income in the past decade has been between just two and three per cent per year. This represents an annual rate of increase of less than $7 per head, while the corresponding figure for the O.E.E.C.D. countries is as high as $25. Stating that this gap is growing because of the relatively rapid rise in income in the more industrialised countries, the D.A.C. Chairman observes: "Since the O.E.E.C.D. countries taken together hope to increase their real income of 50 per cent during the next decade, the imbalance in economic growth is likely to be increased, unless fresh, vigorous and more effective efforts are made by the less developed countries and complemented by commensurate action on the part of the economically more developed countries."

Aid Rises Markedly

The findings of the D.A.C. Committee reveal that the total flow of long-term financial resources (both public and private) from the ten D.A.C. countries listed in the accompanying table to the developing countries during the calendar year 1961 touched a high of $8.7 billion, as against $7.4 billion in 1960. The major portion of this increase of $1.3 billion was accounted for by official contributions (net) which rose from $4.9 billion in 1960 to $6.0 billion. The flow of private capital also improved but to a much smaller degree, from $2.5 billion to $2.7 billion (preliminary figure). Almost all donor countries expanded their official contributions in 1961. The rise was particularly marked in the case of West Germany and Japan. The advance registered by the Netherlands was likewise vigorous. France and the U.K., which have made relatively substantial contributions for many years, also continued, though more modestly, to step up their official assistance. Last year, the U.S. considerably increased its extensive programme. Canada's programme, which since its inception in 1951 has concentrated on grants, was recently expanded to provide for long-term lending in the form of official export credits.

The Government contributions of D.A.C. member-countries to development financing are expected to rise in the next few years. This expectation is based on the official statements made by almost all member-countries and is already embodied in the budgetary requests and appropriations of several countries. It is, however, said that the pace of rise in aid contributions is not likely to equal the vigorous expansion of 1961.

The *Review* notes that significant changes occurred during 1961 in the terms of official contributions, the general tendency being towards easier terms of lending. The interesting arrangement first used by the I.D.A. which permits private borrowers to repay their Governments in local currency at terms appropriate to its external debt servicing capacity was adopted by the United States in 1961. The introduction of these measures is evidence of a growing appreciation of the heavy and increasing burden of external debt servicing on many underdeveloped countries.

Larger Support Wanted

The *Review* has urged a vigorous effort to stimulate public and parliamentary support for larger foreign assistance programmes. It no doubt recognises that certain member-countries have, in spite of rapid progress in recent years, a relatively low average *per capita* income and that, as a consequence, their domestic needs limit their aid effort more than is the case for more fortunate countries. But still the *Review* emphasises that the substantial differences in development effort require correction. It also feels that the differences among the member-countries over basic policy attitudes in respect of the terms at which aid is provided to developing countries require further consideration. Further, the *Review* emphasises the need for improved co-ordination in aid effort. To quote it:

"In addition to closer agreement on basic policies, it is clear that closer co-ordination in respect of individual financial operations is highly desirable. The general long-range objective should be that the size and composition of the aid package received should be related to the total needs and resources of the recipient country. Such co-ordination would facilitate adjusting the financial terms of aid to the ability of the recipient country to service and repay external debt. To accomplish this type of co-ordination, it is obvious that something more than agreement on general principles is required. Donor countries should take into account the total economic and financial situation of a recipient country (short-term debt, long-term debt, availability of local resources, development possibilities and priorities, national development plans, etc.) and then adjust their respective aid programmes toward the accomplishment of agreed goals. This can obviously be accomplished only in close association with the recipient country and by agreement on goals. The D.A.C. members should, therefore, make increasing use of the co-ordinating group concept recently developed by the Committee, which provides for the possibility of arranging a systematic exchange of views on individual development projects and programmes of less developed countries which would appear to raise problems of common interest to several members of the Development Assistance Committee."

Longer-run Growth

Simultaneously, continuing efforts, the *Review* points out, are required to ensure that foreign economic aid is directed, to the greatest extent possible, towards uses which make a maximum contribution to the long-run growth of developing countries. Further, the *Review* calls upon the D.A.C. to give increasing attention to the geographic distribution of financial flows which at present is largely determined by historical circumstances. Some regional specialisation in the bilateral aid activities, especially of the smaller donor-countries, is clearly justified. There is, besides, the need for joint efforts to reverse the trend towards more tying of aid. The member-countries are specially urged to ensure that the remaining tying regulations do not unduly impair the most effective use of aid funds and that general purpose contributions are made to meet certain essential import requirements which cannot be allocated to specific projects.

Summing up the major findings of the *Aid Review*, the D.A.C. Chairman observes as follows:

"I believe that answers can be found for these problems (of development effort) over the longer-term through persistent, patient common efforts. I think it is fair to say that the first *Aid Review* was a success, and that it has contributed substantially to improved understanding among member-Governments of the challenging problems of development assistance. Individual members were given a full opportunity to explain their aid efforts and policies. I am confident that the resulting increased understanding of the objectives and problems of each Government provides an invaluable base for future co-operative endeavours. A commendable spirit of frankness and co-operation prevailed throughout these confrontations. Full effectiveness of the Review will depend on the willingness of all Governments to give serious consideration to improving their programmes and policies in the fields discussed in the *Annual Aid Review*."

Private Capital

The foregoing account underlines the urgency of larger and improved flow of development assistance to the developing countries. It is, however, necessary to point out that even such assistance will not make its maximum contribution, unless it is, as the *Aid Review* has pertinently remarked, matched by effective self-help efforts, including sound economic, social and financial policies on the part of the developing countries themselves. The *Review* has done well to draw pointed attention to two other important aspects, one pertaining to the flow of private capital and the other to trade policy. It is recognised that most countries have taken special measures to stimulate the flow of private capital to the less developed countries and further measures are said to be under consideration both in the framework of the O.E.E.C.D. and by individual Governments. But the proper appreciation of the role of private capital, it is stated, is somewhat impaired by lack of comprehensive statistical data. The D.A.C. member-countries have, therefore, been asked to improve their information on the size, composition and geographic distribution of the flow of private capital. Alluding to this, the D.A.C. Chairman has called for a further exploration of ways and means to promote and safeguard the flow of private capital to the less developed countries. On the issue of trade, the *Review* has not covered the problems relating to trade policy. Nor has it stressed the need for stable and growing foreign exchange earnings for the less developed countries. It has, however, made it very clear that the Development Assistance Committee must recognise the increasing importance of these problems, if the full effect of the common aid effort is to be realised and sustained.

WORLD BANK LOAN TO ISRAEL

The World Bank has announced a loan equivalent to $22 million to Israel for highway construction and improvement. During the next 4½ years, about 512 miles of inter-urban highways will be built or reconstructed to higher standards to provide better communication with ports, to reduce traffic congestion and transport costs, and to improve traffic safety. About 155 miles of feeder and access roads, linking agricultural and other settlements to the main highway network, will also be improved.

The total cost of road construction and improvements is estimated at $46 million. The Bank loan of $22 million will cover the foreign exchange requirements of this work and also of related imported equipment and services. The contracts awarded for road construction and for the procurement of equipment will be made on the basis of international competitive bidding.

The loan is for a term of 17 years and bears interest of 5½ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in January 1967.

Flow of Financial Resources to Developing Countries

(In million U.S. dollars)

Donor countries	Grants and Grant-like contributions †		Official net lending ‡		Total official flow		Total private flow §		Grand total flow	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
U.S.A.	2,853.0	2,695.0	661.0	131.0	3,414.0	2,826.0	1,218.0	1,040.0	4,632.0	3,866.0
France..	880.1	771.9	72.6	65.3	992.7	837.2	311.8	366.8	1,264.5	1,204.0
U.K.	248.0	259.0	445.0	146.0	445.0	405.0	429.0*	432.0	874.0*	837.0
W. Germany	169.2	128.5	404.4	191.6	573.6	320.1	210.9	221.1	784.5	541.2
Japan	80.4	92.7	151.2	66.5	231.6	159.2	144.5	100.1	376.1	259.3
Italy	47.2	30.8	21.0	55.9	68.2	86.7	165.5	85.5	233.7	172.2
Netherlands	69.8	48.3	—1.8	—1.6	69.0	46.7	126.5	170.4	195.5	217.1
Portugal	11.2	1.8	18.6	35.1	31.5	36.9	*N.A.*	*N.A.*	31.5	*N.A.*
Belgium	107.4	105.0	—1.0	—4.0	106.4	101.0	*N.A.*	64.0	*N.A.*	165.0
Canada	61.4	75.3	—3.4	—	61.0	75.3	*N.A.*	51.6	*N.A.*	126.9
Total D.A.C. countries ..	4,530.7	4,208.3	1,422.1	685.8	5,953.0	4,895.1	††2,750.8	2,531.5	8,703.8	7,425.6

* Preliminary figure. *N.A.*—Not available. —Nil or negligible.

† Including grants, reparations, net loans repayable in recipients' currencies, net transfers of resources through sales for recipients' currencies, and grants and capital subscriptions to multilateral agencies.

‡ Including net official bilateral loans, net consolidation credits, and purchases of World Bank bonds, loans and participations, but excluding official loans for five years and less.

§ Including direct investment, other new lending and private purchases of World Bank bonds, loans and participations, but excluding private export credits for five years and less.

†† Including secretariat estimates for net private investment for Belgium and Canada.

TREND AND PROGRESS OF LIFE INSURANCE

MOUNTING LAPSES CAUSE CONCERN

THE fifth annual report of the Life Insurance Corporation of India covering the year ended 31st December 1961 was released to the Press towards the close of last week. The report is a 92-page document containing detailed and exhaustive information about life insurance in the country. The text of the report is supplemented by tables, graphs and charts which together present a comprehensive picture of the activities of the Corporation during the year. It would be desirable for the Corporation to publish its annual report of accounts along with the Chairman's statement reviewing its progress. The L.I.C. is, perhaps, the only corporation in the world to follow, for reasons best known to itself, the old procedure of publishing the Chairman's statement first and the accounts afterwards. Usually, there is considerable time lag between the two publications. This year, the time lag was about seven weeks. In the absence of the full report, comments on the Chairman's statement have perforce to be based on incomplete and insufficient data. By the time the Directors' report, containing detailed information, is published, the Chairman's statement becomes stale. It would, therefore, be desirable if the Chairman's statement were accompanied by the relevant annual report. It does not matter very much if this causes a delay of a few weeks in publishing the Chairman's statement.

New Business

New business done during the year ended 31st December 1961, according to the latest annual report, crossed the Rs. 600-crore mark and stood at Rs. 608.82 crores under 1,469,664 policies, as compared with Rs. 497.54 crores, under 1,257,557 policies, in the previous year. This represents an increase of 22.37 per cent, as compared with 16.1 per cent in the previous year. Of this, business in India accounted for Rs. 598.79 crores and business outside India for Rs. 10.03 crores. The following table indicates the trend of new business:

Trend of New Business

	In India		Outside India	
	No. of policies	Sum assured (Rs. crores)	No. of policies	Sum assured (Rs. crores)
1957	810,738	277.67	5,055	5.40
1958	954,771	339.06	5,399	5.62
1959	1,143,387	419.70	7,912	9.47
1960	1,249,821	487.84	7,736	9.70
1961	1,461,608	598.79	8,056	10.03

It will be seen that business done in foreign countries also has gone up to some extent.

Business in Force

Total business in force at the end of December 1961 amounted to Rs. 2,737 crores, under 8.57 million policies. Of this, Rs. 2,623 crores, under 8.33 million policies, represented the business in force in India and Rs. 114 crores under 241,000 policies the business outside India. As compared with this, business in force at the end of 1960 amounted to Rs. 2,285 crores under 7.73 million policies. Business in force during the year thus increased by 19.8 per cent.

Reviewing the trend of new business, Mr. B. K. Kaul, Chairman of the Life Insurance Corporation of India, pointed out some time ago (*vide* page 370 of *Commerce* dated 1st September 1962) that, in the context of the rise in price level during the year, and natural calamities like floods in some parts of the country, the increase of more than Rs. 100 crores in new business might be considered satisfactory. Rural business contributed substantially to the increase in new business. In 1961, 530,000 policies, assuring a total sum of Rs. 182.59 crores, were issued to people in the rural areas. The extension of the non-medical scheme has also given a boost to new business. According to the Chairman, one of the main difficulties in popularising life insurance in rural areas, apart from lack of facility for the collection of premium, is paucity of medical examiners. This has been got over, to some extent, by a wider application of medical schemes. Under a general scheme, which now extends throughout the country, medical examination is waived in respect of proponents within certain age groups, provided the total insurance on their lives does not exceed Rs. 2,000. Besides this general scheme, the Corporation is also insuring without medical examination special categories of persons in civil employment upto a total sum assured of Rs. 5,000. This limit was increased to Rs. 10,000 during the course of the year in the case of eligible persons whose ages at entry do not exceed 30 years and also in the case of category 'A-I' of the commissioned officers in the armed forces. Under this scheme, new business of Rs. 58.46 crores, covering 240,000 lakh policies, was completed, bringing the total non-medical business to Rs. 96.76 crores. Thus, during the year one out of every three proposers were insured by the Corporation without medical examination. The Corporation has provided, we are told, adequate safeguards to ensure that the class of business coming under the purview of these schemes is of the usual standard which would experience a favourable mortality. It is proposed to enlarge the scope of the scheme gradually as further experience of this class of business is gained.

Average Sum Assured

Along with the improvement in new business, there has also been an increase in the average sum assured per policy in India from Rs. 3,903 in 1960 to Rs. 4,097 in 1961. The average sum assured per policy in respect of foreign business, however, showed a slight decline from Rs. 12,539 to Rs. 12,446. Within India itself, the average sum assured per policy shows wide variations between different zones. It is the highest in the Northern Zone at Rs. 4,991 and lowest in the Southern zone at Rs. 3,624.

It is noteworthy that, out of the 1,461,608 policies issued in India, 1,023,948 policies, or 70.1 per cent of the total policies, were issued on the lives of persons who were insuring for the first time. On the basis of sum assured, the percentage of first insurance was 61.8 during the year, indicating that the benefits of life insurance is reaching out to those sections of the population which have so far remained outside its purview. The percentage distribution of new business, according to the sum assured, also confirms this. It shows that policies assuring sums upto Rs. 1,000 form 19.95 per cent of new business. Policies for sums between Rs. 1,001 and Rs. 2,000 accounted for another 26.25 per cent and policies for sums between Rs. 2,001 and Rs. 3,000 for 17.93 per cent. Thus, over 64.13 per cent of the new policies issued were for sums assured of Rs. 3,000 or less.

An analysis of new business in India, according to the plan of insurance, indicates certain interesting trends. Endowment assurances continues to be the most popular form of insurance, accounting as they did for 65 per cent of the new business written in 1961. Whole life assurances ranked second, their share being Rs. 75.81 crores, or 12.66 per cent of the total business. Children's assurances accounted for 8.18 per cent of the total. A comparison with the 1957 pattern of distribution of new business according to the plan of assurance shows a distinct trend in favour of whole life assurances. Thus, while the percentage of endowment assurances to the total declined from 74.75 in 1957, to 64.99 in 1961, that of whole life assurances increased from 9.35 to 12.66. This shift is attributed to the growing awareness among the insuring public of the value of insurance as a security for the family more than anything else. The following table indicates the trend over the five-year period 1957 to 1961:

(Sum assured in crores of rupees)

	1961	1959	1957*
Whole life assurances	75.81 (12.66)	35.38 (8.47)	30.68 (9.35)
Endowment assurances	389.15 (64.99)	270.02 (64.79)	245.24 (74.75)
Children's assurances	48.98 (8.18)	27.94 (6.99)	13.02 (3.97)
Miscellaneous	84.85 (14.17)	36.22 (8.67)	22.03 (6.99)
Joint-life assurances	N.A.	47.53 (11.38)	16.21 (4.94)
Total ..	598.79	417.69	328.08

Note: Figures in brackets represent percentage to the total sum assured. N.A.=Not available.
* Sixteen-month period ended 31st December 1957.

Lapse Ratio

The trend of lapses has been a cause for concern ever since the declining trend of the lapse ratio was reversed in 1958. The ratio of lapses, less revivals, to the mean business in force during the year increased from 6.6 per cent (in 1960) to 7 per cent. The lapse ratio was as low as 5.1 per cent in 1958 after which it continued to increase year after year, as will be seen from the figures given below:

Year	*Lapse ratio*
1957	6.4
1958	5.1
1959	6.0
1960	6.6
1961	7.0

According to Mr. Kaul, the rise in the net lapse ratio reflects the deleterious effect of the increase in the general price level on the saving capacity of the insured population. This is only partly true. It is also a reflection of the quality of business done which has tended to deteriorate in recent years. There is a tendency on the part of agents and field officers to artificially inflate new business so as to fulfil targets and quotas. In doing so, they would appear to be encouraged, if not forced, by the Development Officers of the Corporation.

The rising trend of lapse ratio figured prominently at the Press Conference held by the Chairman on 27th August last at which he released his statement to the public. Mr. Kaul made an impressive plea for understanding. He pointed out that the Corporation has been assigned a high target to be reached within a short period. Intensive canvassing was, therefore, going on to book new policyholders. When quantity increased, quality naturally suffered to some extent. Nevertheless, he conceded that everything possible should be done to keep down the lapse ratio, for he was fully aware that, apart from the monetary loss to policyholders and the Corporation alike, the termination of life insurance protection for several lakhs of families every year was a matter of vital concern to the Corporation. It is encouraging to find that the necessary machinery has been set up to renew the lapse position periodically, so that any adverse trend may be detected at an early stage and checked by taking suitable action.

Expenses

While the position in respect of lapses has deteriorated, expenses have shown an encouraging trend. The overall expense ratio for the year declined by 0.4 per cent to 28 per cent as compared with 1960. The renewal expense ratio, which is a better index of efficiency in management, also declined from 12.90 in 1960 to 12.42 in 1961. Although the trend of renewal expense ratio has been consistently downward, the year-to-year decline in the ratio has not been commensurate with the expansion in new business. Thus, during the period 1957 and 1961 new business done more than doubled, whereas the renewal expense ratio declined from 15.89 per cent in 1957 to only 12.42. The economies of scale ought to be considerable for an organisation of the size of the Corporation and the renewal expense ratio could surely be reduced further by exercising constant vigil on expenses and by eliminating unproductive expenditure through strict budgetary control.

The substantial increase in new business last year resulted in a rise in the premium income which, for the first time, exceeded the Rs. 100-crore mark per annum to stand at Rs. 112.30 crores, as against Rs. 96.89 crores in 1960. The premium income has more than doubled since 1955 when it amounted to only Rs. 58.55 crores. Claims paid during the year was larger at Rs. 34.11 crores, as compared with Rs. 30.69 crores paid during the previous year. A breakdown of the total shows that claims through both death and maturity rose, the former from Rs. 7.68 crores to Rs. 8.65 crores and the latter from Rs. 23.01 crores to Rs. 25.46 crores. The life fund as at 31st December 1961 amounted to Rs. 631.59 crores, an increase of Rs. 72.46 crores over the adjusted life fund as at the end of December 1960.

An important issue that requires the early attention of the authorities of the L.I.C. is the revision of its mortality table, which forms the main consideration for determining the premium rate. This table is based on data which are considerably old and bear no relation to the marked fall that has taken place in the death rate. The absence of competition should not lull the authorities into complacency. As a nationalised institution, the Corporation's profit-motive should be tempered by the social aspect of making available life cover to a progressively increasing section of the country's population at the cheapest possible price.

SLIGHT RISE IN DEMAND FOR TEXTILES

END OF DE-STOCKING IN SIGHT?

From Our Special Correspondent

MANCHESTER, 16*th October*

AUGUST returns on the trend of orders in the textile and clothing trade issued by the Board of Trade suggest that the volume of orders on hand is about 2 per cent less than in July, and 20 per cent lower than a year previously. Net new orders during the month, however, were 3 per cent higher than in August 1961. In the intervening weeks, however, the position has certainly improved. To suggest that a real buying revival has taken place would be to exaggerate, but most producers have been busier dealing with demand, and the volume of orders secured has provided relief after a very lengthy period of virtual stagnation.

MANCHESTER LETTER

Perhaps one of the most significant factors of the immediate market situation is that, in some directions, salesmen have been able to hold out for stiffer rates. For the first time for about 18 months, American yarn quotations have been slightly firmer and, although much bargaining has gone on before contracts have finally been booked, the ability to obtain even a slender improvement in margins might justifiably be regarded as the turning of the tide. Some allowance is also being made by producers for the possible rise in wages which may ensue following the arbitration on the union's pay claim which is to be heard next week. Coupled with the continual rise in overhead charges and the recent run of uneconomic working through short-time and other devices to curtail output, any small concessions which sellers can wrest from consumers is immeasurably welcome.

Europe in Focus

In a short time, it should be possible to have the latest official information about the cotton trade's prospects in the light of the European Common Market controversy. No doubt a comprehensive mass of figures will be provided for the delegates at the annual conference organised by the Cotton Board at Harrogate. In the absence of such immediate information and, working from the scattered extracts of speeches made at Brussels and other centres where the negotiations are taking place, it is difficult to obtain a clear picture of the scene, but this will presumably emerge before the week-end is over.

In the meantime, the Cotton Board's latest statistical review has thrown a little light on the situation by giving an outline of the provisional agreement which is under negotiation on the treatment of trade with India and Pakistan. Comprehensive trade agreements between the enlarged Common Market (containing Britain) with India and Pakistan are contemplated by 1966 at the latest, and Britain plans to impose the common external tariff on cotton textiles in four stages.

If, however, exports from India and Pakistan to the Community as a whole in the transitional period decline, as a result of the progressive application of the tariff, steps will be taken to restore the situation. Imports into the United Kingdom, it is agreed, will be restricted at about the present limit. Control will be imposed over re-exports of such goods from Britain to the other members of the Community during the transitional period in the event of difficulties arising in European markets.

Minimising Disruption

This follows the general pattern of what had been expected in the negotiations aimed at effecting a compromise between the need of the underdeveloped areas in the Commonwealth, such as India and Pakistan, to maintain and possibly expand their sales of textiles while avoiding too much disruption in the traditional manufacturing centres. In Lancashire, the main complaint has always been that the burden should be shared, but it is not always easy to persuade others to act as philanthropists. Already, it is well known that the French cotton industry is objecting to this provisional agreement with India and Pakistan, fearing that cheap cotton goods will be shipped across the Channel despite the safeguards proposed in the arrangement.

Britain's chief negotiators at Brussels have been trying to get better terms for the Commonwealth suppliers, suggesting that discussions on the trade agreements should begin as soon as this country joins the European Market. Equally, it has been suggested that tariffs should not be imposed on exports to Britain from India and Pakistan until the trade agreements have been concluded.

A Tale Re-told

Dealing with the state of the Lancashire cotton trade, the Cotton Board *Statistical Review* records no basic change in the unsatisfactory state of affairs ruling in the industry, nor does it suggest signs of any immediate improvement. Carrying on the tale of steady shrinkage, it points out that the amount of machinery in place in the industry has diminished by a further 800,000 spindles and 12,000 looms even since the end of the big scrapping programme early in 1960. The labour force at the end of July was about 25,000 lower than a year previously. The daily rate of output is now running at nearly 20 per cent below the peak before the present recession.

De-stocking

Having noted the gloomy present, the survey makes an effort to produce the possibility of a silver lining. The immediate cause of the industry's difficulties, it confirms, is the de-stocking phase of the current textile cycle, which has now lasted for about 12 months. "It is perhaps legitimate to hope that the end of this phase cannot be delayed longer than a few more months," it declares.

Recovery, as the review suggests, may have been postponed by the relatively poor retail sales of clothing, which for the first seven months of the year were some two or three per cent below the 1961 level. There is no need to re-emphasise the major reason for this development—the extremely disheartening weather throughout the months when the sun should have been shining.

Many of the comments made in the review must of necessity be factual reports of the general state of trade. Export operations throughout the world are running at a distinctly lower rate than last year and in the second quarter had fallen by about seven per cent, much the same proportional decrease as in the first three months of the year. The major exception to this trend was Japan, but practically all the other important exporters sent smaller quantities of goods overseas.

New Inter-industry Pacts

Any document of this kind can scarcely avoid reference to the many series of negotiations which are at present in progress between different countries arising from the basic agreement at Geneva relating to the future extent of international trade in cotton goods. The American restraint on imports from Hong Kong has clearly affected the Colony's export business; Japan and France have got together in an effort to predetermine the rate of business between the two countries as regards volume, types, quality ranges and prices; a similar arrangement is contemplated between Japan and Italy.

Meanwhile, much speculation is still proceeding as to the outcome of Britain's request to participate in the European Common Market and the way in which cotton textiles will be treated. More details should be available before the end of the Harrogate Conference.

More Three-shift Working

As a footnote to the current trading situation in Lancashire, figures quoted in the review relating to machine activity are somewhat revealing. In the second quarter this year, the rate in the spinning section was 84.4 per cent, as against 93.9 per cent in the same period of 1961. Machine activity, in fact, has declined steadily each quarter since then and the total ring equivalent spindles running are now 6,890,000, as against 8,160,000 in place.

One encouraging aspect of the second quarter's returns is that more ring spindles were running on three shifts than ever before. After remaining virtually unaltered at about 180,000 throughout the whole of last year, the figure has improved to 210,000. At the same time, two-shift working has been reduced from the peak of 1,460,000 spindles in the second quarter last year to 1,310,000 spindles in 1960. Evening shifts have been severely curtailed—from 2,060,000 spindles to 1,090,000 spindles.

The proportion of loom activity has not fallen to quite the same extent as in spinning. Again the peak was reached in the second quarter of 1961, when 92.3 per cent of weaving machinery was fully engaged; the corresponding figure this year is 86.1 per cent. In terms of looms actually running, the second quarter's total was 122,000, as against 138,800 twelve months back. Of the looms in place in running mills, fully automatics account for 42,700 in the total of 141,700.

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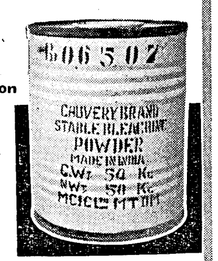

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STEPPING UP COTTON OUTPUT

CALL FOR MORE INTENSIVE EFFORT

RECURRING shortfalls in cotton production in the context of rising mill consumption is a continuing problem exercising the minds of planners, the Government and the millowners in the country. Every year, the Indian Central Cotton Committee, as the cotton expert of the Government of India, reviews the trends in cotton production, examines the problems encountered in raising output and makes suggestions and recommendations for achieving the plan targets for cotton. But, in spite of all the advice and guidance of the Committee and the remarkable success of its research efforts, cotton production still falls short of requirements and imports of cotton continue to impinge heavily on the country's meagre foreign exchange resources.

Mr. A. D. Pandit, President of the Indian Central Cotton Committee, had no quick solution to offer to the problem when he addressed the eighty-sixth meeting of the Committee held at Bombay on 20th October. He reviewed the crop and supply position of cotton during the 1961-62 season, analysed the reasons for the decline in production and emphasised the needs for more vigorous action to step up production along lines which are already well known. Production during 1961-62, which is officially estimated at 4.5 million bales (trade estimate is 4.9 million bales, including non-commercial production), fell short of the third Plan target for the year by 926,000 bales. As usual, adverse weather conditions such as heavy rains in the Vidarbha and Marathwada regions of Maharashtra and in Madhya Pradesh during the growing period falsified earlier hopes of a good crop. According to the President of the Central Cotton Committee, since only about 13 per cent of the total cotton area is irrigated, the crop is still highly vulnerable to weather conditions. While every effort should be made to increase the area under irrigated cotton, given the limited scope in this direction, attention should simultaneously be concentrated on ways and means of securing an average crop even under unfavourable weather conditions. The President conceded that this was a difficult task but felt that it should not be beyond the ability of research and development workers, in co-operation with the cotton growers, to minimise the effects of adverse seasonal conditions by all possible means.

It is common knowledge that higher yield per acre holds the key to increasing cotton production. Conceding this point, Mr. Pandit observed that, since March last, the Planning Commission and the Union Ministry of Agriculture had been devoting special attention to measures specially aimed at increasing production. The recommendations of the Committee in this regard, especially its suggestion that vigorous steps should be taken to induce cultivators to take up intensive cultivation on a wide scale, had been accepted and acted upon. Two examples of the special measures taken is the inclusion of cotton in the package programme and the offer of assistance for the wider adoption of plant protection measures. These measures are intended to be taken as part of the integrated cotton development scheme in the major cotton growing States. The effectiveness of these measures remains to be seen.

Research and Extension

The President of the Central Committee then dwelt on the measures being taken by the Committee to tackle the problem of raising the yield per acre in the major cotton-growing tracts. Recently, model agronomic schemes have been sanctioned for all the major cotton-growing States. These schemes envisage the conduct of comprehensive agronomic experiments to ascertain all the factors that will help raise yield. The President referred, in this connection, to the wide gap that exists between research and extension. Unless this gap is bridged and the results of research percolate to the level of the ordinary farmer, no spectacular improvement, he emphasised, could be expected. He cited certain instances to show how the knowledge available with research workers could contribute significantly to raising production, provided they are applied in practice by farmers. It has been demonstrated that, in the Vidarbha region of Maharashtra alone, where American cotton is grown under unirrigated conditions over some 1.5 million acres, an increase of 60 lbs. of *kapas* per acre could be obtained by the application of 20 lbs. of nitrogen per acre. This would mean that, by merely fertilising the crop in this area, production could be increased by 75,000 bales. Similar is the case in regard to plant protection measures. Unless intensive efforts are made to persuade the farmers to adopt such measures, their benefits will remain only on paper. The integrated cotton development scheme launched in most States affords a good media for better and concerted efforts in this direction. It is up to the State Governments to see that the improved methods developed by research workers find practical application on as wide a scale as possible. But so far they have not bestirred themselves into vigorous action. An instance of the apathy of State Governments is the experience in regard to fertiliser distribution. For the intensification of cotton development work, the Government of India recently agreed to make special quotas of fertilisers available for cotton. The State Governments have not lifted these quotas in a majority of cases.

The question of introduction of cotton in areas newly coming under irrigation is also an important one from the point of view of increasing production which merits the close attention of the State Governments. The present trend appears to be to cultivate paddy and sugarcane in such areas to the total exclusion of cotton. If this tendency is not curbed, the President of the Committee warned, cotton would continue to be a predominantly dry land crop, subject to all the vagaries and hazards of the weather; in other words, the average yield per acre would continue to remain low. It is estimated by the Committee that, if cotton is given the same priority as other crops in the new areas coming under irrigation, it could claim as much as 1.5 million acres of irrigated land. How this could be brought about is a question which deserves the immediate attention of the State Governments.

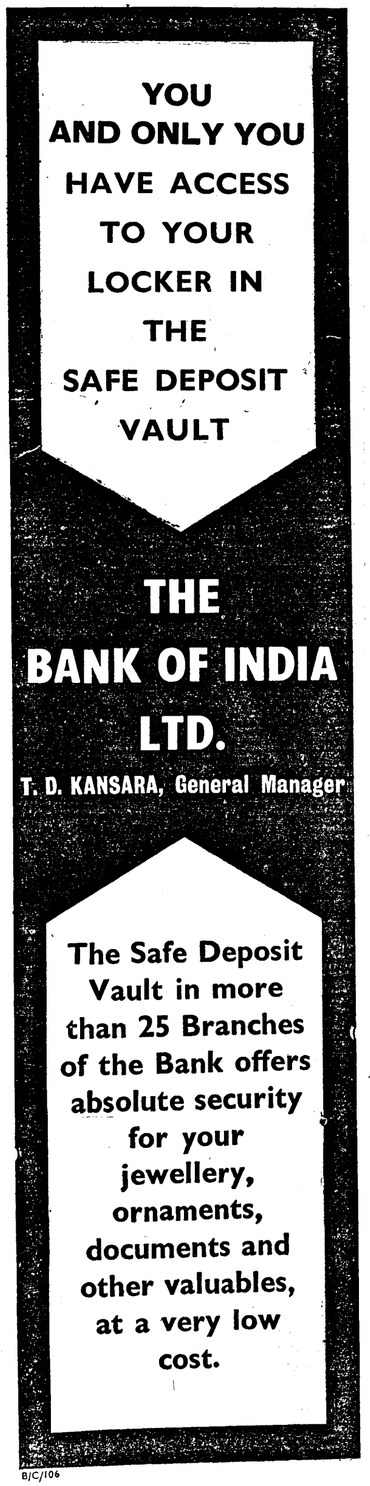
Double cropping of cotton in rice fallows is yet another method which calls for more intensified efforts. Although some progress has been made in this direction in some States, the tempo of progress, as the President himself admitted, has been slow.

No less important than the adoption of improved cultural practices, from the point of view of yield, is the cultivation of high-yielding varieties. The yield factor being inherited, breeding for better yield is an integral part of the drive for raising the per-acre yield. A special sub-committee appointed by the Central Cotton Committee has examined this question in detail and has recommended that, in all breeding projects, particularly those catering to the problem areas with precarious or uncertain rainfall, the yield factor should always be kept in the forefront along with quality.

Quality

Reviewing the progress of research on the improvement of quality, the President pointed out that some progress had been made towards the evolution of suitable strains to replace imported cotton. Imported cottons can be broadly classified into two groups; one group falling in

(*Continued on page 752*)



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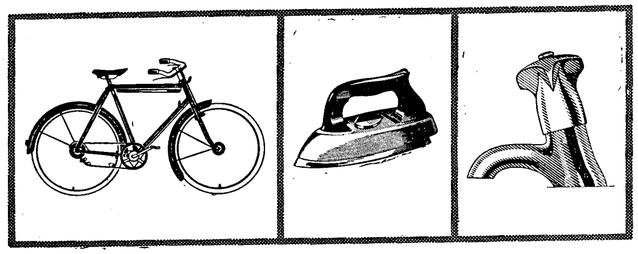
Electroplating Facts



As a manufacturer of goods which have electroplated surfaces for decorative effect, you are no doubt anxious to know whether the plating will last the lifetime of the article or will break down in a matter of months or even weeks, to the extreme annoyance of the customer. Bad plating cannot remain hidden for long and when the ugly rust-spots do show up, remember that the customer will blame *you* for it and not the plater who did the job for you. What can you do, to make sure that the plated finish on your goods—say, an electric iron or a table lamp or a bicycle—lasts and does not let you down? Follow the tips given below and you will be fairly safe:

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(b) Also tell your plater or mark on your blue-print, which of these three grades you want in a particular case. The choice will depend on whether the article is intended for (i) severe, (ii) moderate, or (iii) mild service.

(c) Mark the "significant" surface on the blue-print before giving to the plater, as it will enable him to give special attention to it. A significant surface is defined as that part of the surface which is visible when the article is in service and where failure of the plated coating cannot be tolerated by the user.

(d) Test the thickness of plating to see if it conforms to standard. Several different types of instruments are available for this purpose, but two of the most modern and reliable are the B.N.F. Thermo-Electric Gauge and the B.N.F. Coulometric. Thickness measurements are made in a few seconds and are, moreover, non-destructive in the former case. Equip yourself with a suitable instrument and keep a regular check on the quality of plating. Otherwise, choose a plater who is so equipped and insist on frequent tests. It is worth paying a little more for high-class finish on your products. Sub-standard plating can lose you valuable business.

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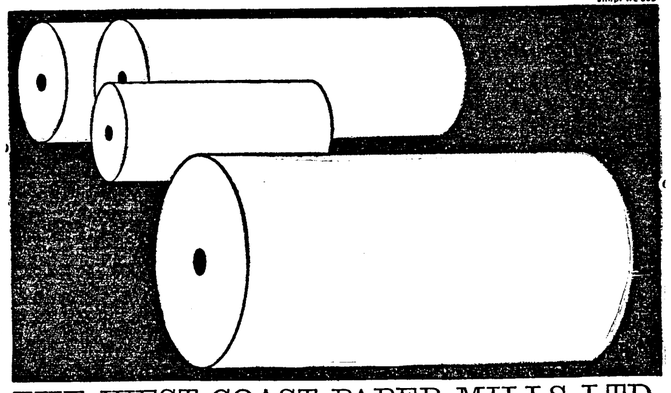

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AUGMENTING SUGAR PRODUCTIVITY

PROPER PLANT LAYOUT IMPERATIVE

By G. Ramchander

THE sugar industry is the second largest industry of our country, textiles being the first. India is the birthplace of sugarcane. Sugar manufacture was known during the Vedic period and the Sanskrit word *Sharkara* was used to denote sugar as it has the appearance of gravel. While as sugarcane is a tropical plant and the cane sugar industry in other countries is situated in the tropical belt, the industry is mostly concentrated in the sub-tropical region of our country, especially in the States of Uttar Pradesh and Bihar, where it spread rapidly during the thirties immediately after the grant of fiscal protection to the industry in the face of competition from Java.

There are at present 171 working factories with a total installed (crushing) capacity of 191,801 tons of sugarcane per day. Another 27 factories with a daily capacity of 26,650 tons are under construction and, when these go into production, there will be in all 198 factories with a total daily capacity of 218,451 tons of sugarcane.

Sugar is a pure carbohydrate. It is an important energy-giving food. A teaspoonful of sugar gives 18 calories of energy. It is almost instantaneously absorbed into the blood stream and relieves fatigue within minutes after it is eaten. It helps the functioning of every cell in the human body. The body uses sugar to burn its own fat. When eaten between meals, it controls an oversize appetite or false hunger. Though its consumption is increasing in our country, the *per capita* consumption (of both sugar and *gur*) is very much lower as compared with that in other countries, being 13.6 kgs., as against 51.5 kgs. in Britain, 44.3 kgs. in the U.S., 44.9 kgs. in Canada, 46.9 kgs. in Cuba and 54.5 kgs. in Australia.

Record Output

The target of sugar production under the second Plan was 2.25 million tons. This was achieved even in the fourth year of the Plan. In the final year of the Plan, the target was exceeded, the actual production touching the all-time record of 2.98 million tons, resulting in a glut of supplies, as consumption has not kept pace with production and there has been very little export to relieve congestion in the factories due to heavy accumulation of stocks.

The following table gives the man-hour requirement to produce one ton of sugar in India as compared with some countries:

Country	*Man-hour requirement per ton sugar*
Philippines	16.83
Puerto Rico	5.10
Louisiana	7.87
Hawaii	4.64
India (average)	97.36

The following table shows the capacity groupings of our factories as compared with those in the countries cited above:

Crane crushing capacity in tons per day	Country				
	Philippines	Puerto Rico	Louisiana	Hawaii	India
Below 500	..	..	..	..	10
500 to 1,000	4	..	..	..	87
1,000 to 2,000	4	6	17	16	63
2,000 to 3,000	4	3	16	5	9
3,000 to 4,000	4	11	3	3	2
Above 4,000	9	9	5	3	..
Total	25	29	41	27	171

Against this background, let us now study the production planning and the plant layout problems of the sugar factory. The table of capacity groupings reveals that the capacities of the Indian factories are very much smaller as compared with those in other countries. Hence the fundamental planning has to lay emphasis on increasing the capacity of the individual units. At present, a crush of 1,000 tons of cane per day of 24 hours is considered to be an economic unit. But sooner or later, this has to be revised upto at least 2,000 tons crush per day, if not 3,000 tons. This is the only possible way to bring down the man-hour requirement. The technical efficiencies of our factories compare very favourably with those in foreign countries. In order to bring down the production cost and increase productivity appreciably, the unit size has to be increased.

Then comes the problems of plant layout. Plant layout may be defined as planning the path each component part of a product is to follow through the plant. In the case of the sugar factory, the product is homogeneous and there are no different components. The layout has to be on the product method or a straight line as opposed to the process layout.

The objectives of this layout are sevenfold:

1. Facilitate the manufacturing process.
2. Minimise materials handling.
3. Maintain a large turnover.
4. Hold down investment.
5. Make economical use of floor space.
6. Promote effective utilisation of labour.
7. Provide convenience and comfort for the employees.

The flow as already pointed out should be in a straight line. There should be no back tracking. A good layout should reduce material handling to the minimum. In a sugar factory, cane loading and sugar bagging are the two places in our country where manual handling is resorted to. In the first case, cane handling becomes a case of sweated labour in heat and cold and in the uncomfortable pricking sensation. In bagging and lifting a quintal sugar bag and manual stacking in piles, it is again a case of sweated labour. These together fall under items 6 and 7 also. Mechanical handling in these cases, though it means an investment, will add to employee comfort and add to productivity. The proper arrangements of the machines and balancing the various units will reduce investment per production unit.

Each square foot of floor area costs money. In the U.S.A., a manufacturer has estimated that his floor area cost him one dollar per square foot per month. Though such a calculation is seldom available in our country, it is best to plan and arrange the units in such a way that there is no wasted space. But, at the same time, the units should not be cramped, making the whole show ugly and uncomfortable to the worker. This has a bearing also on the next objective, namely, promoting effective use of labour. One plant in the States found that 20 per cent of the time was lost due to unproductive working by men. So when units are arranged, they should be compact for the personnel to work and see easily. This will also facilitate easy supervision, thereby contributing to increased productivity.

The evaporator arrangement in the sugar factory can be a case in question. In the absence of automatic level, controllers and similar other gadgets, the evaporator attendant in our factories will be going up and down his station. In such cases, instead of the conventional straight line arrangement of the multiple effect bodies, a parallelogram arrangement may be useful.

Provision of comforts to employees is very essential in the modern age. Adequate light and ventilation will reduce fatigue and increase productivity. Equipment causing excessive noise should be isolated. Equipment giving obnoxious gases like the sulphur furnaces should be housed outside the main buildings. Wherever necessary, air conditioning will aid in employee comfort. Safety measures should be properly observed. Belt guards and proper earthing of the electrical machinery will reduce hazards.

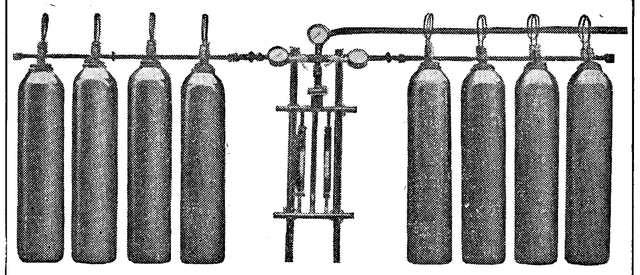
SUGAR PRODUCTION AND STOCKS

Sugar production during the month of September 1962 was 9,000 metric tons, as against 16,000 tons in the same month last season. This brings the total production for the season 1961-62 (upto 30th September 1962) to 2,728,000 tons (including 56,000 tons produced prior to November 1961 for the current season), as against 3,037,000 tons in the corresponding period last season (including 55,000 tons produced prior to November 1960).

The offtake of sugar from factories during the month of September (including 61,000 tons despatched for exports) was 254,000 tons, as against 238,000 tons (including 49,000 tons for exports). The total despatches upto 30th September 1962 were 2,575,000 tons (including 296,000 tons for exports), as against 2,133,000 tons (including 244,000 tons for exports) in the same period last season.

The total closing stocks of sugar with factories on 30th September 1962 amounted to 1,300,000 tons, as against 1,451,000 tons on the same date last year.

Pipeline to Economy



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JENKINS COMMITTEE REPORT VIEWED AGAINST INDIAN BACKGROUND—II

APPOINTMENT AND DUTIES OF DIRECTORS

By A Special Correspondent

THE Jenkins Committee went into the questions relating to the appointment of company directors, their duties, powers and shareholders' control over them in great detail and has made no less than 34 recommendations in Chapter III of the Report. These recommendations cover in particular Sections 157, 185, 188, 190, 191, 192, 193, 194, 195, 196, 199 and 200 of the English Companies Act, 1948.

As regards the appointment and tenure of office of directors, the Committee found that the provisions of the existing Companies Act were "generally satisfactory" but made suggestions for amendment of Section 185 concerning appointment of persons over the age of 70, as its provisions "are unnecessarily complicated" and of Section 188 which gives the Court power, under specified conditions, to disqualify a person convicted of certain offences under the Act from being a director or taking any part in the management of a company for a period not exceeding five years, on the ground that its provisions "are too narrowly drawn."

Age of Directors

The Committee's recommendation about the retirement of directors attaining the age of 70 is that the formality of giving special notice under Section 185(5) for re-electing (or for electing if the person is a newcomer on the Board) should be dispensed with and in its place, notwithstanding any provisions to the contrary in the Articles which could completely bar the election or re-election of superannuated persons, the age of the proposed person be disclosed in the notice of the meeting at which the election or re-election is to be made.

The corresponding provisions in the Indian Companies Act are contained in Sections 280 and 281, which suggest the same procedure to be followed as is laid down in the English Act. In the Indian law, the age of superannuation is put down at 65 years, instead of 70 years as in the U.K. Act. The Sastri Committee, however, did not suggest any change in the procedure when this issue was examined by it.

Disqualification of Directors

As regards the disqualification of directors, the Jenkins Committee has recommended that the scope of Section 188 should be extended to cover (*a*) persons convicted on indictment of any offence involving fraud or dishonesty whether in connection with a company or not, (*b*) persons who have been persistently in default in complying with the provisions of the Companies Act, (*c*) persons who have shown themselves, when acting as directors of companies or when otherwise concerned with their management, to have acted in an improper, reckless or incompetent manner in relation to the companies' affairs. There is nothing in the present English Companies Act to prevent such persons from continuing to act as company directors. The Committee has recommended that "the Court should have power to prevent them from so acting when satisfied that this is in the public interest." The Committee has, however, recognised that "it may be difficult to decide in any particular case whether a company director has acted so recklessly or incompetently that he should no longer be allowed to remain a director. But, in serious cases, where, for example, a man has succeeded in steering a series of companies into insolvency, we think that the Court should be able to put a stop to his activities." The Committee has further recommended that, in cases where the person concerned is sentenced to a term of imprisonment for an offence for which he is also disqualified from acting as a director, the Court should have express power to direct that the disqualification should continue for not more than five years after the end of his term. Another recommendation of the Committee is that corporate bodies should be prohibited from being directors.

In our country, the grounds for disqualification of directors are set out in Sections 203, 274 and 283 of the Companies Act. The provisions of Section 203 run almost on parallel lines to those of Section 188 of the English Act, but they are strengthened by the provisions of Section 274(1) (*d*) which say that a person shall not be capable of being appointed director of a company if he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence. Further, under Section 283(*c*), an existing director, if convicted and sentenced as aforesaid, automatically vacates his office on the Board. Originally in the 1956 Act before amendment, this section covered convictions only in the Indian Courts but, after the Amendment in 1960, conviction by any foreign Court has also been made a ground of disqualification. The Jenkins Committee's suggestion that the disqualification should not continue for not more than five years after the end of the term of imprisonment is already provided for in Section 274(1) (*d*) of the Indian Act. Besides this, sub-section (1)(*f*) of Section 274 gives power to the Court which has passed the order of disqualification under Section 203 to cut short the period of disqualification. Thus, in regard to frauds, the provisions in Indian law are already very stringent. Further, the suggestions of the Jenkins Committee regarding the disqualification on grounds of persistent default and acting in an improper, reckless or incompetent manner in relation to the companies' affairs are very wide in nature but this ground of disqualification is specifically defined in sub-sections (*a*) to (*l*) of Section 283 in the Indian Companies Act. Lastly, the recommendation of the Committee that corporate bodies could not be directors is also covered by the Indian Companies Act, *vide* Section 253, which allows the appointment of individuals only as company directors.

Duties of Directors

It was pointed out by a number of witnesses to the Jenkins Committee that the Companies Act "expressly lays certain duties on directors but is by no means exhaustive in this respect as a larger part of their duties and responsibilities having been determined by extensive and complex case law does not find expression in the Act," and, therefore, the existing legal duties and responsibilities of directors should be codified in a new Act. The Committee expressed itself against such a view, as, in its opinion, it "would involve great risk" and "there would be inevitable lacunæ which might well make it more difficult to determine in any particular set of circumstances what these duties were." But the Committee did feel that "a general statement of the basic principles underlying the fiduciary relationship of directors towards their companies might well be useful to directors and others concerned with the company management." and, therefore, recommended that the Act should provide that:

(*a*) The company director should act with the utmost good faith towards the company in transactions with it or on its behalf.

(*b*) He should not make use of any money or property of the company or of any information acquired as a director to obtain directly or indirectly an improper advantage for himself at the expense of the company.

(*c*) A director who uses confidential information to influence materially the value of the securities of his company or group should be liable to compensate the person suffering from his action, unless that information was known to that person.

(*d*) A director of a company may be prohibited from dealing in "put" and "call" options in securities of his company or group.

(*e*) The details of all transactions affecting a director's holdings should be notified to the company within seven days and these details should be entered in the register within three working days of their notification to the company, and the register of directors' holding should be kept open by the company for inspection in the same way as the register of members of the company is.

(*f*) The provisions of Section 190 which prohibit loans to directors by companies should be strengthened.

The above enumerated recommendations have been made by the Committee with a view to making the directors of companies realise their fiduciary responsibilities towards their companies. The Committee's recommendation at (*e*) above has been made to strengthen the existing provisions of Section 195 of the English Companies Act, whose corresponding section in the Indian Act is Section 307. This section in the Indian Act is further supported by Section 308 which requires a company director to give details of any transaction affecting his shareholdings but no time limit is prescribed. However, while dealing with the fiduciary responsibilities of the directors, it would be pertinent here to draw attention to the provisions of Section 300 (which prohibits interested directors from participating or voting in Board's proceedings on the concerned item), Section 301 (maintenance of register of contracts, companies, and firms in which directors are interested), Section 302 (disclosure to members of director's interest in contract appointing manager, managing director, managing agents or secretaries and treasurers), and Sections 304 to 306 (obligations cast on company to keep the register of directors, etc.) in the Indian Companies Act which are ahead of the English Act and would remain so even after the Jenkins Committee recommendations have been given effect to. Notwithstanding this, however, it must be conceded that the Committee's recommendation regarding the "call" and "put" options by directors if incorporated in our law would yield wholesome results and valuable information.

As regards the loans to directors which are prohibited under Section 190 of the English Act with certain exemptions, the Committee agreed with the view expressed by some witnesses that Section 190 could be circumvented and it ought to be strengthened. As such, it recommended that the aforesaid section "should be extended to prohibit loans by a company to another company held singly or collectively and whether directly or indirectly a controlling interest." In our country, the purpose underlying the aforesaid recommendation of the Committee is served by the provisions of sub-section (*d*) and (*e*) of Section 295. Further, the circumvention of the spirit of Section 295 in our Act is not possible, as the approval of the Central Government is to be obtained and the Government's scrutiny is far too detailed to allow any abuse to go unnoticed.

Disclosure of Directors' Interests

In connection with the compensation for loss of office, the Committee has recommended that, in any cases in which Sections 191, 192 or 193 now require the disclosure of an uncovenanted payment, any payment to the same director at present exempted from disclosure by virtue or Section 194(3) should also be required to be disclosed, as the Committee did not think that "the members of a company are in a position to judge the appropriateness or otherwise of a proposed payment to the directors, unless they are informed of the total payment which it is proposed to make to them."

Another important recommendation with regard to disclosure of directors' interest is that Section 199(3) should be extended to enable a director to give general notice of interests other than those arising from his membership of another company or firm and also to state the nature of the interest. This recommendation of the Committee is already covered, in a way, by the provisions of Section 301 of the Indian Companies Act which require a company to keep a register of contracts, company and firm in which directors are interested and keep it open for inspection by the members of the company. The other two sections dealing with the disclosure of directors' interest in contracts, etc., in the Indian Companies Act are Sections 299 and 302. Thus, the three sections named here meet, to a great extent, the Committee's suggestions on the subject.

Further, in regard to the directors' remuneration or pensions, the Committee has suggested that, where it is proposed to alter the articles of a company and the proposed alterations include provisions improving the position of the directors in respect of remuneration or pensions, those provisions should be adequately explained in the notice of the relevant meeting or in a document accompanying the notice and the proposal should be separately voted on. In our country, the provisions of Sections 198, 309 and 310 go much further than the Jenkins Committee recommendation. Sections 198 and 309, for instance, prescribe the statutory limits of remuneration payable to the directors, whereas, under the provisions of Section 310, any increase in the whole-time directors' remuneration is to be approved by the Central Government and, without this approval, any resolution passed by the Company in general meeting or by its Board of Directors will not be operative.

Directors' Powers *vis-a-vis* Shareholders' Control

The Jenkins Committee's verdict on the issue of directors' powers and shareholders' control is the same as the one given by the Cohen Committee in 1945, except that it has made the following observation:

"... the description (by the Cohen Committee) of the control theoretically exercised by shareholders as illusory is, perhaps, now something of an overstatement. The Act provides shareholders with powerful weapons provided they choose to use them and, even if practical considerations make them difficult for the small investor to wield, the same cannot be said of the institutional investor who is not likely to submit to any major abuse of power by the directors of any company whose members include investors of that description."

"Looked from that practical angle," the Jenkins Committee goes on to add, "it may be very difficult for a small shareholder in a company of any size, even if he knows his rights under the articles, to rally to his support a simple, let alone a three-quarters majority of the total voting strength or even the relatively small proportion of it required to support a requisition for a meeting under Section 132, or for the circulation of resolution under Section 140." Nevertheless, the Committee is of the view: "To say that it is useless to provide investors with further safeguards which apparently they do not want and which, if provided, they will not use is a counsel of despair. Legislation can only proceed on the footing that new powers meeting real needs will, if created, be used."

Further, about the position of shareholders' control, the Committee came to the conclusion that a case did exist for legislation designed to ensure that shareholders should be kept more informed of the company's activities through enlargement of the directors' report to include the names of the directors, the main activities of company or its subsidiaries and changes in them, if any, indication of substantial difference between the current and book values of the company's fixed assets, if not indicated in the accounts, the circumstances in which any capital has been issued during the year, contracts in which any director has a material interest, any other matters so far as they are material for an appreciation of the state of the company's affairs disclosure of which would not be harmful to the business of the company or companies in the same group, in addition to those required to be given under the provisions of Section 157(1) of the Act. The corresponding Section 217 in the Indian Companies Act, however, is wider in a few respects than the relevant section in the English Act and covers such additional items as the changes in the nature of business of the company or its subsidiaries, etc. However, the Committee's suggestion regarding making the directors' report more detailed in regard to certain matters of crucial importance is a thing for serious examination in our country.

A second recommendation of the Committee which aims at extending shareholders' control over directors is that the directors should not be able, without the specific approval of the company in general meeting, to dispose of the whole or substantially the whole of the undertaking or assets of the company. This suggestion of the Committee already finds a place in Section 293(1) (*a*) of the Indian Companies Act.

A third important recommendation of the Committee limiting the directors' powers is that the directors should not have power to issue any shares in the original or any increased capital of the company without the prior approval of shareholders in general meeting and copies of such resolutions giving the approval should be filed with the Registrar of Companies within 15 days after the passing of the same. This recommendation has been made to check the dilution of equity capital "at the expense of the existing shareholders, for the advantage of new comers." The protection which the Committee has suggested in para 122 (*h*) of its Report for the existing shareholders is already available to them in India under the provisions of Section 81 of the Companies Act, 1956 which recognise the pre-emptive rights of existing shareholders.

(To be continued)

A SWISS BAROMETER-WATCH

The "Bivouac" watch created by a Geneva (Switzerland) watch manufacturer will render invaluable service to mountaineers, hikers, flyers and explorers of all kinds as well as a great many others. In addition to its watch movement indicating the time, the new "Bivouac" watch contains a barometer and an altimeter with a red pointer moving round a scale on the dial marked in millibars, as well as a graduated revolving rim indicating the height above sea-level. One has only to set the pointer to the correct height at the start, in order to read off the subsequent altitudes on the scale on the revolving rim. By setting this rim to the 760 millibar mark, it is also possible to read the average barometric pressure corresponding to any altitude. Naturally, it is also possible to see from the movement of the red pointer whether the pressure is stable or whether it is going up or down, thus making the "Bivouac" watch a small portable barometer.

AIR TRANSPORT FOR THE COMMON MAN

LORD BRABAZON'S CRITICISM EXAMINED

By Our Aviation Correspondent

THE Annual General Meeting of the International Air Transport Association is always an important event in the aeronautical calendar. This year's meeting—the post-mortem on a year in which the airlines carried more traffic than ever before but which also recorded the lowest ebb of their financial fortunes—was, perhaps, of even more interest than usual. The purpose of this article, however, is not so much to shed crocodile tears over the airlines' distressing loss of £50 million, as to discuss, what was certainly one of the highlights of the meeting, the address delivered by Lord Brabazon as the "guest speaker" of the year.

Lord Brabazon's speech—characteristically, hard-hitting and provocative—revolved around three main themes: first, the airlines' present financial situation; secondly, the safety aspect, and, thirdly, the manner in which the Association had developed air transport. On the first count, he expressed astonishment that an industry which received so much aid from governments, should be in such a financial mess. "This," he said, "surpassed the comprehension of the ordinary man in the street. In ordinary business, such results would not be tolerated, and rightly."

As one has already written, one does not propose to dwell on this particular topic. It may be pertinent, however, before passing on, to point out that, in the U.K. and for the very same period, British Railways recorded a loss just three times greater than that suffered by the combined members of I.A.T.A. So much, one suggests, for the stricture that "in ordinary business, such results would not be tolerated."

Feasibility of Low Cost Travel

Similarly, one does not propose to dwell on the safety theme. This is important enough but to argue the case, other than very superficially, would involve technicalities which are probably of little interest to the general reader. On Lord Brabazon's third charge, in which he condemned the lines on which I.A.T.A. has, so far, developed air transport, there is involved the whole question of fares, facilities, and amenities available to the travelling public. This, one imagines, will be of far more general interest.

Quoting from the Association's charter, Lord Brabazon chided the airlines on what he alleged to be their failure "to promote air transport for the benefit of the peoples of the world." "So far," he said, "your interpretation of peoples of the world is to help the rich to travel vast distances at very high speed and cost. The peoples of the world are hungry for safe short hauls at moderate prices."

The inference is that, in Lord Brabazon's view, there is far too great an emphasis on speed and that, as a direct consequence, fares are too high for all save the well-to-do. It is a popular point of view and one, moreover, which has been a favourite theme of critics for a good many years. By all means provide, they say, fast air services for those who can afford to pay, but to open up air travel to the millions, we must have ultra-low-cost airliners of comparatively slow speed. It is an attractive theory, but, carefully studied, it is by no means so sound as it might at first appear.

The conditions which these critics visualise are, in fact, almost impossible to attain. In terms of seat or ton-miles, it is cheaper, we are told, to operate a jet aircraft such as the Boeing 707, than it is to operate slower piston or turbo-propeller airliners. It seems to be taking too much for granted, therefore, to start with the assumption that the slower aircraft would, in fact, be cheaper to operate. The contrary might well be the case. In any event, by operating two distinct classes of travel in separate aircraft, the overall costs of operation would be increased by the additional staff, in almost all categories, which would then be necessary.

Even if we brush all that aside, what would be the practical results of operating fast services, at first class fares, with, say, a Boeing 707, and slower services, at popular fares, by a piston or turbo-propeller aircraft? The Boeing, one suggests, would not achieve an economic load factor and the slower aircraft, even at a very high load factor, might still operate at a loss—or, at best, a very marginal profit. The criterion, of course, is the level of fares which the so-called ultra low-cost transport could offer. Unless that level was very materially lower than present 'economy class,' it is extremely doubtful whether there would be any worthwhile increase of traffic.

On balance, one suggests, present methods are by far the most economical. The 'mixed-class' airliner affords the same speed for both first-class and economy-class passengers. It differentiates between the two classes only in terms of comfort and catering. It reduces, moreover, the number of services necessary for any given volume of traffic, it reduces the number of types of aircraft in operation, and it is undoubtedly the optimum arrangement from the point of view of load factors.

Not that Expensive

Let us turn now to the question of existing fare levels. As one pointed out in a previous article, in a world of steadily increasing prices, air fares are almost the sole items in the collective costs of travel which have remained, more or less, stable. They have risen, indeed, only very fractionally since 1938! Even if we attribute that fact solely to the greater efficiency of modern aircraft—and disregard the contribution which the airline industry itself has made to that end—how do we measure what is a fair price for air travel? The airlines, obviously, are not covering the costs of operation—a loss of £50 million is sufficient proof of that! The only available yardstick, one suggests, is comparison with other means of public transport.

In this respect, air travel seems to be very reasonably priced. Air fares, as a general rule, compare quite favourably with those prevailing on comparable and competitive transport systems. There are instances, of course, where sea or rail, having regard to comparable comfort, provide cheaper travel. On the other hand, there are probably more instances where the air is cheaper. In the United States, for example, domestic air fares, generally speaking, are cheaper than rail fares. In the U.K., to quote a specific example, it is very considerably cheaper to travel by British European Airways from London to Glasgow than it is to travel second class by rail. One is talking, moreover, of fares on scheduled air transport. The non-scheduled operators often offer fares which are considerably lower.

Not the Monopoly of the Rich

Finally, let us examine the charge that only the rich can afford to travel by air. In a sense, of course, this is true. To travel at all extensively in the world today costs a great deal of money. That, however, if we ignore the very cheapest forms of accommodation—such as 'steerage' by sea—which have no parallel in air transport, applies equally to all existing means of transport. Most of us, when it comes to travelling for pleasure, have to confine such journeys to an annual holiday. Recent surveys of traffic originating both in America and Europe show that the great bulk of tourist travel is from the middle income brackets. One would go so far as to say that on any flight, by any airline, almost anywhere in the world, whilst the first-class cabin may be occupied mainly by the 'expense account' traveller, the 'tourist' or 'economy' seats are filled by as mixed a collection of passengers as you will find on any other form of transport.

"The peoples of the world are hungry for safe short-hauls at moderate prices." So said Lord Brabazon and one does not dispute it. We should all like to see the prices of everything—food, clothing, housing, and travel—lower than they are today. That, however, does not seem necessarily to cast any more reflection on the air transport industry than it does on other forms of transport—most of which, incidentally, are more suitably geared to bulk short-haul operation than air transport.

Lombard Banking Ltd., London, announces that, following its offer to acquire the minority interest in their subsidiary company, Lombard New Zealand Limited, acceptances have now been received from over 90 per cent of the shareholders. The offer has, therefore, become unconditional and Lombard Banking Ltd. states that the offer will remain open to late acceptors until further notice.

THE NATIONAL NEWSPRINT AND PAPER MILLS LIMITED

CHAIRMAN, DR. RAMASWAMI MUDALIAR, OUTLINES STEPS TO IMPROVE QUALITY AND PRODUCTION

RUPEES TWO CRORES SAVING IN FOREIGN EXCHANGE ENVISAGED

STEPS to improve both quality and newsprint manufactured by the National Newsprint and Paper Mills Ltd, were outlined by Dr. A. Ramaswami Mudaliar, Chairman of the Company, in his statement to the shareholders at their Fifteenth Annual General Meeting which was held at Nepanagar on Monday, 15th October 1962. As the Chairman could not attend the meeting for personal reasons, his statement was read out by Major Raja Bahadur Birendra Bahadur Singh, a Director of the Company, who was elected as the chairman of the meeting. According to the Chairman, in addition to mixing a small proportion of imported mechanical and chemical pulp and bleaching with hydrogen peroxide for improving the quality of newsprint, the Company hopes to implement suggestions from the four American experts who visited the Mills for three months from January last. A detailed report by the visitors is awaited. Production of newsprint, which was stepped up last year from 13,250 tons to 18,500 tons, is to be raised further to 28,000 tons during the year ending 31st March 1963 to cover fully the supply of 20,000 tons to newspapers as determined by the Government and to save thereby foreign exchange of nearly Rs. 2 crores for the country.

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

"GENTLEMEN,

"I have much pleasure in welcoming you to the fifteenth annual general meeting of the shareholders of the National Newsprint and Paper Mills Ltd. The Directors' report, the balance-sheet and the audited accounts for the year ending 31st March 1962, along with the comments of the Comptroller and Auditor General, have been in your hands for some time, and with your permission, I shall take them as read.

"The progress during the year ended 31st March 1962 has been satisfactory. During the year, the production was 25,279 metric tons, of which only 895 tons was unbleached paper. The year ended with a net profit of Rs. 40,84,837.05, after providing for depreciation and development rebate reserve. The profit has been utilised to reduce the debit balance of Rs. 65,67,818.00, standing at the beginning of the year, leaving a debit balance of Rs. 24,82,890.95 on 31st March 1962. This is the fourth year in succession when the Company has shown a surplus after meeting all expenditure and depreciation. The Directors have utilised the profits to further reduce the losses incurred in the earlier years, which at one time amounted to Rs. 195 lakhs. I think, it is necessary for the private shareholders, apart from the Government shareholders, to understand the position of the Company and what difficulties it had to overcome before attaining the present position. I should like to tell them that the venture was started with about Rs. 60 lakhs subscription from the private shareholders and Rs. 60 lakhs subscription from the Government, and as everybody must now realise, it was an impossibility to establish a newsprint factory of the present productive capacity with such meagre resources. The difficulties were fortunately overcome by the loans which the Madhya Pradesh Government liberally gave, and partly by loans which the Union Government gave. The shareholding of the Company, after it was reorganised, was nearly Rs. 5 crores, the shares being held as follows:—

	Rs.
Government of India	2,55,00,000.00
Government of Madhya Pradesh	1,69,72,900.00
Private shareholders	62,48,500.00
Amount from forfeited shares	6,03,477.50
Rs.	4,93,24,877.50

Dividend Likely Soon

"Even after conversion of much of the loan into equity capital by the two Governments, there was still a loan of Rs. 1,05,13,752.39, with interest payable thereon to the Madhya Pradesh Government and Rs. 32,73,000 payable to the Union Government with interest. The results of the working of the last four years have wiped out these loans and the interest payable thereon. Apart from this, there was an amount of Rs. 1,11,19,218.74 which had accumulated as interest on the original loan granted by the M.P. Government. The private shareholders must be grateful to the M.P. Government for having agreed to convert this amount into a non-interest-bearing loan payable in ten instalments. The Company has so far paid three instalments and there is an outstanding non-interest-bearing loan of Rs. 77 lakhs, which has to be paid in equal amounts over a period of seven years. I hope, it will be realised that the Company has done its best to retrieve what looked like a hopeless position at one time, and I venture to think that, within a short time, the private investor as well as the Government may look forward to a reasonable return on their equity investments. While I can well understand the natural concern of the private shareholders, I trust that they will realise the efforts that have been made to bring the day nearer, when they can expect a return from their investment.

"The position of supply of electric power and steam offered by the Chandani power station continues to cause occasionally some concern. It is understood that the original plan of expanding the power house at Chandani has been given up and that the Madhya Pradesh Electricity Board proposes to supply power from the Chambal Hydro-electric Project. Steps have been taken by them to construct the transmission line and the sub-station etc. required, and it is expected that the power will be available by the end of this year and that the factory will have a comfortable position regarding the supply of power and steam.

Caustic Soda Chlorine Plant

"I stated last year that there has been considerable difficulty in the procurement of chlorine, as the supplies have to come from several distant places. On many occasions, supplies failed either on account of breakdown in the supplier's plant or due to transport restrictions. Further, heavy freight charges have to be incurred on these supplies. Your Directors have, therefore, decided to establish a caustic soda chlorine plant to meet the factory's requirements of chlorine and caustic soda. An order for a 10/12 ton caustic soda chlorine plant has been placed with a Swiss firm and the civil engineering work is well in progress. It is hoped to receive all the machinery by the end of January-February 1963 and complete the erection of the plant within the next two or three months thereafter. When the plant is brought into commission, it is expected that it will be possible to meet all the requirements of chlorine and caustic soda and would be reducing the production cost to some extent.

"A scheme for doubling the capacity of the mill and stepping up the production to 200 tons per day has been included in the third Five-year Plan. The project plan for this expansion was prepared some time back, but doubts have been recently expressed as to the availability of the necessary raw material. The Board of Directors have considered it necessary to examine this aspect carefully before the project can be further progressed.

Quality of Production

"The quality of our newsprint has been improved to a certain extent by mixing a small proportion of imported mechanical and chemical pulp which has not only added to the strength but also has improved the appearance and colour. Bleaching with hydrogen peroxide has also been tried out and extended trials are being done with this form of bleaching as it has given better results. In addition, the Board of Directors arranged for a team of four American experts to visit the mill for a period of three months to improve the quality of newsprint manufactured at this mill, obtain maximum output out of the present equipment, reduce the cost of production, examine raw material question, and suggest ways and means for expansion of the mills. The American experts arrived early in January and worked for a period of three months at the factory. They have suggested a number of improvements particularly in the grinding and recovery sections. They have also made slight modification to the equipment on the paper machine which have helped in bringing down the number of breaks and waste of paper and improving production and quality of newsprint. Their detailed report has not been received yet and we hope to implement their recommendations and take necessary steps to see that the improvement in quality is achieved.

Demand for Newsprint

"The demand for newsprint has been increasing and the quantity supplied to newspapers has been considerably stepped up. During the year, nearly 18,500 tons were supplied to the newspapers as against 13,250 tons supplied last year. During the current year, in order to save foreign exchange, the Government has decided that at least 20,000 tons of the production should be supplied to the newspapers. We have estimated for a production of nearly 28,000 tons and it is hoped that it will be possible to supply this quantity to newspapers, only the balance being distributed to printers and publishers, Government and the dealers. In this way, there is likely to be a saving of foreign exchange of nearly two crores of rupees. I would like to point out here that even though cost of all raw materials and power and steam have gone up and the establishment and labour costs considerably increased, the price of the Nepa newsprint has not been increased since May 1958.

"The distribution of newsprint during the last year was very smooth but early this year this has been disturbed by the removal of the concession of excise free duty on newsprint supplied to newspapers. Instead, the full excise duty of 22 nP per kg. was enforced on supplies to the newspapers when the Budget was introduced on the 24th April 1962. As a result, the supplies to the newspapers decreased considerably owing to lack of orders. The matter was represented to the Ministry both by the newspapers and by us and the Government have revised the concession to the extent of 17 nP per kg. The newspapers have to pay now an excise duty of 5 nP only per kilogram, subject to certain conditions. This has relieved the situation to some extent. The Government has also decided that 25 per cent of the quota of each newspaper will be supplied from the Nepa mills. As a result orders have recently started coming in and it is hoped to clear the accumulated stock and also ensure a regular manufacturing programme and supplies.

Staff Welfare

"The welfare of the staff continued to be given attention by the Directors. This year also an incentive award equal to a month's pay and allowances to all employees getting a basic pay of upto Rs. 500, subject to a maximum of Rs. 325, was given. We have taken in hand the building of a full-fledged 40-bed hospital which, I hope, will provide the necessary medical facilities to all the employees. The school has been taken over by the management from the 1st April of this year and it is hoped to reorganise the educational facilities given to the employees in such a manner that it will cater to the needs of all in this small place. Considerable amenities and concessions have been given with the result that the salaries and wages have increased from Rs. 14 lakhs in 1957 to nearly Rs. 24 lakhs in 1962, though there has been no appreciable increase in the number of employees.

"I would like to thank all the employees for the work they have done during the year 1961-62. It has been a difficult period and inspite of all the difficulties they have stepped up production and manufactured 25,279 tons even though it is less than the target. I would like to take this opportunity to recognise the enthusiastic help and co-operation that has been extended by all the employees, both on the factory side and in the administrative offices. In token of the increase in production this year, we have recommended a payment of 1¼ month's incentive award to all the employees. I would like to make an appeal to all of them to see that they improve on the performance of last year and try to reach the target production of 30,000 tons as expeditiously as possible so that they can get increased benefits.

"I should fail in my duty, if I did not recognise the valuable work done by the assistant works manager and the technicians in charge of the mill. The mill has had no works manager for some time, as it was not possible to get a highly qualified officer at the level of salary permitted by the Government. The Government has since relaxed the rule, and it is expected that a works manager will be joining very soon. It is all the more creditable that the assistant works manager and the comparatively junior staff of technicians have, with their experience and initiative, carried on for nearly two years, increasing the production and with no damage to the mill.

"I must pay a special tribute to the devoted services of Mr. S. L. Visvanadhan, Managing Director, who will be retiring in a few weeks. His knowledge and experience as an engineer and as an administrator has been of very great value to the Company. His place is expected to be filled by the officer to whom I have referred, both as Works Manager and Managing Director.

"Lastly, I have to convey my apologies to the shareholders for my inability to attend this meeting and to have the pleasure of meeting them once again."

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

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158 NEW COMPANIES REGISTERED IN AUGUST

According to information received from the regional offices in the Research and Statistics Division of the Department of Company Law Administration, Union Ministry of Commerce and Industry, during August 1962, 158 companies with a total authorised capital of Rs. 23.20 crores were registered in the various States of the country. Disclosing this, a Press note, issued by the Department on 16th October, adds that of the 158 companies, 24 were registered as public companies with a total authorised capital of Rs. 17.79 crores, whereas 134 were registered as private with a total authorised capital of Rs. 5.41 crores. In the preceding month of July 1962, 128 companies with a total authorised capital of Rs. 19.72 crores were registered all over the country.

The regionwise break-up shows that companies registered in the Northern, Eastern, Southern and Western regions totalled 32, 43, 43 and 40, respectively. Besides the aforesaid companies, one each company not for profit has also been registered in the States of Delhi, Maharashtra and Madhya Pradesh. During the first five months of the current fiscal year, 1962-63, in all, 697 new companies having a share capital have been registered as against 692 companies in the corresponding period of the preceding fiscal year.

During the month of August 1962, according to the note, 423 prosecutions were launched all over the country, of which 115 were initiated in Northern region, 222 in the Eastern region, 70 in the Western region and 16 in the Southern region. Taking the prosecutions pending at the beginning of the month, the field offices in the country dealt with 1,992 prosecution cases, of which 247 were reported to have been disposed of during the month. Of these 247 cases disposed of, 236 ended in conviction, six in acquital and no case was withdrawn by the department.

Out of the 236 convictions obtained, 64 were in the Eastern region, with the State of West Bengal alone accounting for 58 of them. Among the rest, 38 convictions were in the Northern region, 97 in the Western region and 37 in the Southern region.

ASHOK LEYLAND'S PRODUCTION HIGHER

In spite of foreign exchange and power shortages, production at the factories of Ashok Leyland Ltd., Madras, during the financial year ending 30th September 1962, was 37 per cent higher than in the corresponding period in 1961. The production of Ashok Leyland diesel engines for installation in plant and machinery was also substantially higher. The value of spare parts sales was increased by over 22 per cent. The increase in chassis production was equally shared between goods and passenger vehicles and orders received from both public and private sectors indicate a growing preference for the Comet vehicles both for long-distance and short-haul work.

Relaxation of G.V.W. restrictions has enabled a large number of articulated tractor-trailer units to be sold and has resulted in an increased demand for long-range heavy haulage vehicles.

One of the main contributing factors to the larger output of spare parts is the ability of the Company to obtain an adequate supply of high quality castings from its sister concern, the Ennore Foundries Ltd. In spite of the substantially higher output, the number of unfulfilled contracts held by the Company as on 30th September 1962 was 10 per cent, higher than at the end of the previous year and represented over 12 months' production valued in excess of Rs. 15 crores.

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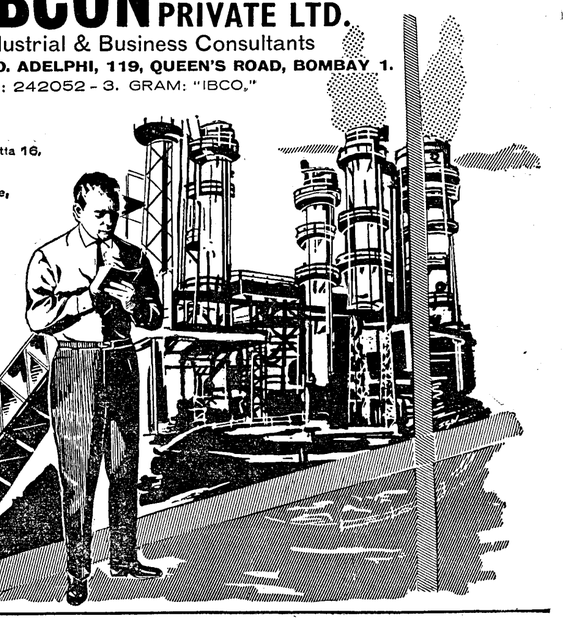

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NEW PUBLICATIONS

Practical Auditing. By Spicer and Pegler. Indian Edition prepared by S. V. Ghatalia. Published by Allied Publishers, Bombay, 1962. Pages : 735. Price: Rs. 20.

FOR nearly 60 years *Practical Auditing*, written by Messrs. Spicer and Pegler, has held the field and proved useful to students of accountancy as well as to professional practitioners. Indian students and company management have been handicapped in the use of this publication so far since the background and the examples largely related to the principles and practices followed in the United Kingdom. Though the fundamentals of accountancy and audit do not differ from country to country the Acts which regulate the maintenance of accounts have some small variations. Therefore a revision of the book to suit the needs of Indian students and management should be welcomed. Though largely following the Company Law of the United Kingdom, the Indian Companies Act has its own special features which have been recently codified. Similarly, unlike in the United Kingdom, we have an elaborate Banking Companies Act. For the purpose of revision Mr. Ghatalia is eminently qualified, being an eminent practising Chartered Accountant and a well-known Professor and the Head of the Department of Accountancy in the Sydenham College of Commerce and Economics at Bombay.

The publication is divided into 15 convenient chapters dealing in detail with the different items which an auditor should look into. This edition has dealt with the statutory provisions affecting accounts relating to India while basically retaining that part of the book relating to practices and principles as embodied in the original work and its successive revisions. The first six chapters deal with audit procedures in general; the next four chapters deal with the audit of a limited company. Since India has a comprehensive Companies Act, this chapter has been thoroughly rewritten. Wherever necessary, relevant reference to the Act has been provided so that the students and practitioners may not lose sight of the points in the voluminous and intricate provisions of the Company Law. This is all the more necessary because with the growing development of company organisations in the country, the problems of company audit have assumed new dimensions and acquired greater complexity. The chapter on divisible profits has been dealt with ably, particularly for the reason that we have now a more or less complete formula for ascertaining divisible profits incorporated in the Company Law. As rightly pointed out in the preface to the publication, the changes in law have thrown overboard many legal decisions and judicial data which for the past 75 years were regarded with the same sanctity as the Ten Commandments. The chapter on banking and insurance companies attempts to bring out the differences that have been borne carefully with the auditing of these institutions as compared to general companies.

In a separate chapter on audit of different types of institutions, points relating to a wide variety like electricity companies, hotels, publishers, schools, theatres, etc., have been dealt. One of the useful chapters relates to investigations which become necessary in the implementation of any governing legislation. These have been broadly grouped into eight categories such as the proposal to buy a business or to detect fraud suspected or known to have taken place. The auditors are entrusted with these responsibilities and the points to be looked into differ according to the purpose of the inquiry. At the same time, importance has been laid on the liability of auditors. The auditors' statement is always taken for granted and can be broadly classified into contractual or statutory liability and civil or criminal liability. Apart from the provisions of the Companies Act, the Banking Companies Act also lays special responsibility on the auditors and in certain circumstances may be publicly examined. They owe a duty, not only to the shareholders of the company they audit, but also to the community. Several legal cases have been quoted to illustrate the various points.

This is a comprehensive treatise on modern auditing practice which will meet the requirements of a variety of readers.

Industrial Estates — Tool for Industrialisation. By William Bredo. Asia Publishing House, Bombay. Pages : 270. Price: Rs. 15.50.

The initiative for development of small-scale industries can develop in many ways, and one of the successful and practical ways tried since the Second World War in both industrially advanced and newly industrialising countries has been the establishment of industrial estates. Dr. William Bredo of the Stanford Research Institute, has had considerable opportunities to make field investigations of industrial estates or related undertakings in the United States, Canada, Puerto Rico, Jamaica, the U.K., Pakistan and India. India initiated the scheme of industrial estates in the second Plan. This scheme forms an integral part of the programme for industrial development in the third Plan too.

Designed primarily for planners and administrators, the economics of industrial estates is emphasised rather than the technical point of view or engineering detail. The industrial estate is treated as an institutional technique potentially useful to any major industrialisation programme—whether executed through public or private initiative. In the United States and the U.K., where most industrial estate experience has developed, diverse forms of both public and private enterprise have taken the initiative. In the U.K. public sponsoring was taken up in 1930, stressing the need for creation of jobs in new areas and bringing jobs to the so-called development areas. In the U.S.A., public development agencies are realising that organised industrial districts may be a powerful tool for community industrial development. In the Netherlands there is the municipality, the joint municipal body, the industrial foundation and the limited liability company. In the underdeveloped countries the initiative has come from Government agencies.

The different aspects are discussed in nine well-defined chapters. To provide practical aid to economic planners and administrators, the principles in development are illustrated by case studies numbering twenty-two. Three of these give an idea about the estates at Gunidy, Okhla and Naini. Importance of pre-project planning is emphasised in the fifth chapter which is concerned with aspects such as location of the estate, selection of occupants, lay-out and facilities, phasing of construction, organisational arrangements for construction and long-term management, and methods of financing and evaluation of financial feasibility. In the next three chapters some of the practical problems in planning and development and special facilities and services that could be provided are discussed. Some of the institutional devices are industrial advisory services, research services, demonstration or development centres, co-operatives, trade associations, training programmes and financial aid such as through a development bank or a system of instalment purchase of machinery. "Industrial estate" is not thought of as an end in itself for industrial development. The book is a useful addition to the literature on industrial estates and should be of practical use in the programme.

Conditions of Economic Progress of Farmers. An Analysis of thirty-six case studies. By C. H. Shah, Reader in Agricultural Economics, University of Bombay. Published by the Indian Society of Agricultural Economics, 46-48 Esplanade Mansions, Mahatma Gandhi Road, Bombay 1. Pages: 130. Price: Rs. 5.

The book under review is a complementary volume of the author's earlier work entitled *Problems of Small Farmers*. Both the studies were undertaken on behalf of the Indian Society of Agricultural Economics, with assistance from the Research Programmes Committee of the Planning Commission. The previous book, it may be recalled, was devoted to a statistical analysis of the problem of small farmers in the Kodinar taluka (Gujarat), with particular reference to their relative economic position as compared with the big and medium farmers. The present study, which is an offshoot of the earlier work, is designed to find out (1) the factors that helped some farmers with small holdings to improve their position in the past and (2) the factors responsible for the decline of farmers with big or medium holdings. The work is based on field studies of the economic conditions of thirty-six selected farmers of Kodinar.

The micro-economic studies like the one at hand serve to bring to light the major drawbacks in the present aggregate approach towards agricultural development. As Mr. Shah stresses, from the aggregate picture, we can know "what happens to agriculture as a whole, whether it progresses or declines... But any such aggregate picture is the sum total of two diverse processes, namely, progress for some farmers and decline for others (and some stationary farmers)." One of the important features which one notices on a perusal of this book is that most of the farmers who have made progress have been using improved techniques of production, including the use of iron ploughs, improved seeds and fertilisers, although other factors like savings, size of land holdings, credit facilities, accidents like the death of bullocks, etc., affect the process of "progress" or "decline" in varying degrees.

Deterioration in the economic condition of small farmers is attributed mainly to such accidental events as death of bullocks, house collapse or death of a family member. Although the overall efforts, such as improvement in the provision of credit, irrigation and production resources foster economic progress, they do not halt "the process of economic deterioration which operates simultaneously." In all such events, despite social sympathy and the caste organisation which is otherwise helpful to some sections, no concrete help becomes available to overcome the sudden and overwhelming mishap. What is more, according to the author, "the insecurity caused by such unfortunate events bring in its train low production efficiency." The schemes of insurance and social security for farmers, such as those prevailing in developed countries, will help solve this problem of insecurity. But the author feels that they are not practical in an underdeveloped country like India. Dr. Shah, therefore, advocates the formation of a "co-operative association" in every village for promoting "mutual help and joint work." Such an organisation, according to the author, will also be able to channel Government help more effectively and expeditiously. Whether or not one completely agrees with Dr. Shah on the question of the practicability of the measures recommended by him, it cannot be gainsaid that his book provides a masterly exposition of some of the basic problems of the rural economy.

Guide to Employers. Published for the Indian Chamber of Commerce, Calcutta, by the Oxford Book Company, Calcutta and New Delhi. Pages : 263. Price: Rs. 16.

Industrial laws in our country have developed so enormously and so quickly that it becomes difficult to keep pace with the developments and even more difficult to know actually the important provisions of the various enactments which have to be complied with by all industrial employers. Guidance is, therefore, required for all employers, whether old or new.

It is in this context that this book, published by the Indian Chamber of Commerce, has to be welcomed. Recently the Chamber has been doing signal service to its members and businessmen generally all over India by publishing useful books and booklets. In the field of labour legislation it has brought out a digest compiling almost all the decisions of the Labour Appellate Tribunal and a small booklet explaining "Bonus" with reference to decided cases.

The present book covers the Factories Act, Provident Funds Act, Employees' State Insurance Act, Payment of Wages Act, Industrial Disputes Act, etc., and the relevant rules and regulations. The Chamber of Commerce has included the rules framed by the West Bengal Government, as its main purpose is to serve its members in Calcutta and Bengal. The other chambers of commerce in the country could also publish the rules and regulations as well as the notifications under various enactments for the benefit of their members.

The book provides guidance in the form of discussions and explanations. Every employer has to know what he has to do and what he should not do, and what he has to follow and how it should be followed or done. The Factories Act, as every employer knows, provides for industrial safety, welfare of labour, hours of work, leave, health of the employees, lighting in the factory, what type of employees to be employed, etc. The Act also provides for penalties for violation of the provisions. Similarly, the Employees' Provident Funds and State Insurance Acts provide for various penalties for non-compliance with the provisions of those enactments. The book also gives decided case law on the subject, wherever necessary. It is very handy and should prove useful to all employers concerned with the said enactments and also to others, especially lawyers and industrial advisers like labour welfare officers.

Financing Small-Scale Industries in India, 1950-52. By G. Balakrishnan. Published by Asia Publishing House. Bombay. Pages : 80. Price : Rs. 6.

Increasing attention is paid these days to company finances and considerable analytical data are now being put out by various bodies. But when Dr. Balakrishnan began investigation for his thesis for a doctorate degree, very little study had been made of small-scale units in industry in India. The data presented relates to 1950-52 and nearly a decade is over. Therefore, the interest in the publication is restricted to one of history, a basis which may help comparison with future data. The financial experiences of ten small-scale industries soread over 269 companies have been analysed. Though these covered 8 per cent of the total number of companies, they accounted for 13.5 per cent of the paid-up capital. Compared with large companies, the author contends, the small companies did not have as good a financial experience as their large counterparts in all the industry groups. The small companies were characterised by their low profit-earning capacity, perhaps attributable to their higher cost of production. Their carried forward losses resulted in eating up the reserves, and this prevented them from registering the same degree of growth as the large companies.

Co-operation. By W. R. S. Sathianadhan and J. C. Ryan. Published by Oxford University Press, Bombay, 1962. Second Edition. Pages: 45. Price : 80 nP.

During the year 1946 the Oxford University Press had brought out a series of popular pamphlets on current topics and one amongst these was on Co-operation, written by two civilians from Madras. Since then Co-operation has progressed considerably and one of the authors, Mr. J. C. Ryan, had the opportunity to guide the movement on an all-India plane as Chief of the Agricultural Credit Department of the Reserve Bank of India. The original pamphlet has now been thoroughly revised. Though volumes can be written about Co-operation in India, the authors have attempted in about 45 pages to give a precise and clear outline of the movement in this country. Much of the content is factual presentation, but in the last para a perspective has been indicated. They have attempted to impress that "co-operation has not by any means failed, but has entrenched itself deep in the Indian economy." "It is a logical system for transacting business based upon all that is fundamentally lasting and good in human nature."

The pamphlet is well written and can be commended both to the student and the general reader.

Supreme Court Digest of Labour Law Cases. Volume II. By V. B. Kher. Published by Thacker & Company, Ltd., Rampart Row, Fort, Bombay. Pages : 307. Price: Rs. 15.

In his foreword to the first volume of this Digest, Mr. M. C. Setalvad, the Attorney-General of India, stated: "I welcome this little publication. It helps one to get a glimpse of the great role played by the Supreme Court in enunciating principles of cardinal importance in the field of labour relations." These few words explain the importance of the digests to members of the legal profession.

Kher's *Digest* has been published in two volumes. The first volume was published in 1959 and it covered all the judgments of the Supreme Court from its inception to 1959. This second volume contains the digest of the cases decided from May 1959 to December 1960. During this period the Supreme Court had to decide numerous cases of far-reaching nature. The *Digest* is arranged in alphabetical order as in the first volume and follows the same pattern in respect of table of cases and a well-prepared index. This arrangement helps easy reference. Both the volumes are very useful to all those practising in the field of labour laws and to those who are interested in labour legislation.

Announcement Regarding the Issue of

Rs. 30,00,00,000 6½% Debenture Stock 1968/77 in Units of Rs. 5,000/- at Par

By

OIL INDIA LIMITED

REGISTERED OFFICE: **DULIAJAN (ASSAM)**

ACTIVITIES OF BUSINESS AND LOCATION

The Company was formed in 1959 pursuant to an agreement between The Government of India, The Burmah Oil Company Limited, and Assam Oil Company Limited, to search, find and produce Crude Oil and Natural Gas and transport Crude Oil to the Government Refineries at Gauhati (in Assam) and Barauni (in Bihar) and the Refinery of Assam Oil Company Limited, at Digboi. It is constructing a 720 mile pipeline from its oilfields in Nahorkatiya to Gauhati and Barauni which is nearing completion.

The Company's oilfields are situate in Nahorkatiya, Hugrijan and Moran all in Assam.

BOARD OF DIRECTORS

Shri KHANDUBHAI KASANJI DESAI, M.P., (*Chairman*) 63, Shubham, Sharda Sahakari Society, Anandnagar, Ahmedabad 7.

Chairman Committee on Presidential Awards to Public Sector Undertakings, Member of Rajya Sabha and Member Board of Trade.

Shri JOHN CAMPBELL FINLAY, M.C., (*Managing Director*) 10, Golf Links, New Delhi.

General Manager of The Burmah Oil Company (India Trading) Limited and Director of The Tinplate Company of India Limited and India Trading (Holdings) Private Limited.

Shri PALAT GOVINDAN NAIR, I.C.S., (*Financial Director*) B-8, Wellesley Road, New Delhi.

Joint Secretary, Government of India, Ministry of Finance and Director of Indian Refineries Limited and Indian Oil Company Limited.

Shri SARAT CHANDRA KAGTI, I.A.S., La Chaumiere, Shillong, Assam.

Director India Carbon Limited, Development Commissioner, Government of Assam and Member of the Assam State Electricity Board.

Shri LAKSHMI PRASAD MATHUR, 62, Lytton Road, Dehra Dun, U.P.

Member (Exploration and Development) Oil and Natural Gas Commission.

Shri WAMAN BAPUJI METRE, 72, Ring Road, New Delhi.

Senior Technical Adviser, Assam Oil Company Limited.

Shri GRAHAME NORMAN STRUAN ROBERTSON, T.D., 63, Friends Colony, New Delhi.

Deputy General Manager, The Burmah Oil Company (India Trading) Limited.

Shri ANANTHANARAYANA SUBRAMANI, Bungalow No. 48, Digboi, Assam.

Technical Manager, Assam Oil Company Limited.

MANAGING DIRECTOR:
Shri JOHN CAMPBELL FINLAY

AUTHORISED CAPITAL:
Rs. 50,00,00,000 (in 500,000 equity shares of Rs. 1,000 each)

ISSUED, SUBSCRIBED AND FULLY PAID UP:
Rs. 28,00,00,000 (in 280,000 equity shares of Rs. 1,000 each)

ISSUE

The Debentures will be issued at par and will be in units of Rs. 5,000 each. Out of Rs. 30 crores the Government of India have agreed to take Rs. 12.50 crores. Out of the balance of Rs. 17.50 crores the undernoted Banks and Corporations have agreed to subscribe for Debenture Stock to the extent of Rs. 8.75 crores:

1. Life Insurance Corporation of India.
2. State Bank of India.
3. Industrial Finance Corporation of India.
4. Industrial Credit and Investment Corporation of India Limited.
5. State Bank of Bikaner.
6. State Bank of Travancore.
7. State Bank of Patiala.
8. State Bank of Saurashtra.
9. State Bank of Mysore.
10. State Bank of Hyderabad.
11. The Export Risks Insurance Corporation Limited

leaving a balance of Rs. 8.75 crores for Public Subscription, which is fully underwritten by the undernoted underwriters:

UNDERWRITERS

1. Life Insurance Corporation of India, Bombay 1.
2. Industrial Finance Corporation of India, New Delhi.
3. Industrial Credit and Investment Corporation of India Limited, Bombay 1.
4. National and Grindlays Bank Limited, Bombay 1.
5. Oriental Fire and General Insurance Company Limited, Bombay 1.
6. Chartered Bank, Bombay 1.
7. Central Bank of India Limited, Bombay 1.
8. United Commercial Bank Limited, Bombay 1.
9. Bank of India Limited, Bombay 1.
10. Bank of Baroda Limited, Bombay 1.
11. Messrs. Harkisondass Lukhmidass, Bombay 1.
12. Mercantile Bank Limited, Bombay 1.
13. Canara Bank Limited, Bombay 1.
14. Canara Industrial and Banking Syndicate Limited, Bombay 1.
15. Devkaran Nanjee Banking Company Limited, Bombay 1.
16. Union Bank of India Limited, Bombay 1.
17. United Bank of India Limited, Bombay 1.
18. New India Assurance Company Limited, Bombay 1.
19. Batlivala and Karani, Bombay 1.
20. Merwanjee Bomanjee Dalal, Bombay 1.

OPENING/CLOSING OF SUBSCRIPTION

The subscription list will open at the commencement of banking hours on the 30th October, 1962 and will close at the discretion of the Directors but not before the closing of banking hours on the 1st November, 1962.

The application forms along with copies of the Prospectus can be had from the registered office of the Company at Duliajan and from the Company's underwriters, bankers and brokers mentioned herein.

BANKERS

STATE BANK OF INDIA

Calcutta	Nagpur	Ahmedabad
Bombay	Patna	Bhopal
Madras	Lucknow	Cuttack
Delhi	Chandigarh	Dibrugarh
New Delhi	Bangalore	Shillong
Hyderabad	Trivandrum	Indore

UNITED BANK OF INDIA LIMITED

Calcutta	New Delhi	Ahmedabad
Bombay	Gauhati	Cuttack
Madras	Dibrugarh	Lucknow
Delhi	Shillong	Duliajan (Assam)

NATIONAL AND GRINDLAYS BANK LIMITED

Calcutta	New Delhi	Cochin
Bombay	Hyderabad	Amritsar
Madras	Srinagar	Gauhati
Delhi	Kanpur	

BROKERS

Delhi:

Harbans Singh Mehta & Co., 33, Regal Building, New Delhi 1.

Bombay:

Premchand Roychand & Sons, 63, Apollo Street, Bombay 1.

Batlivala & Karani, Union Bank Building, Dalal Street, Bombay 1.

Merwanjee Bomanjee Dalal, Allahabad Bank Building, Apollo Street, Bombay 1.

Ratilal Kasturchand, Stock Exchange Building, Dalal Street, Bombay 1.

Harkisondass Lukhmidass, 5, Hamam Street, Bombay 1.

Rasiklal Maneklal & Co., Stock Exchange Building, Dalal Street, Bombay 1.

Devkaran Nanjee & Co., 18, Horniman Circle, Bombay 1.

Calcutta:

Place, Siddons & Gough (Private) Limited, 6, Lyons Range, Calcutta 1.

Mugneeram Bangur & Co., 8, Lyons Range, Calcutta 1.

G. M. Pyne, 14, India Exchange Place, Calcutta 1.

Madras:

Kothari & Sons, Oriental Building, Armenian Street, Madras 1.

Paterson & Co., 22, Errabalu Chetty Street, Madras 1.

Ahmedabad:

Narendrabhai Lalbhai Sheth, Manekchowk, Ahmedabad.

(This is an announcement and not a Prospectus)

STUDY OF THE INDIAN OCEAN
INTERNATIONAL SCIENTIFIC EXPEDITION UNDER WAY

By Dr. T. S. Satyanarayana Rao

Scientific Liaison Officer, U.S. Programme in Biology, International Indian Ocean Expedition

[The Indian Navy is just participating in an international scientific expedition for studying the Indian Ocean. The scientific cruise of I.N.S. 'Kistna', recently inaugurated by Prof. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs, is particularly expected to result in the acquisition of valuable knowledge about the origin and causes of the monsoon which brings rain to the Indian sub-continent, and about its fishery and mineral resources. The following article may be read with interest in this context.—ED.]

IT may perhaps be stated that scientific investigation of the Indian seas began with the advent of the English in this country, when the Marine Survey of India started working in 1874 under the command of Dundas Taylor. This was also the time when the famous *Challenger* expedition was opening new vistas in the knowledge of the seas of the world. This great expedition and its reports laid a firm foundation for the growth of oceanography in all its aspects in the maritime countries of the world. It had its influence on India also when in 1881 a wooden paddle steamer of 580 tons, named *Investigator*, was launched by the Marine Survey Department of the Government of India. This ship received much of the *Challenger* equipment for continuing oceanographic investigations in the Indian Seas.

The work of the *Investigator* is fully described by Alcock (1902) in his book—perhaps the only book so far published on Indian waters—*A Naturalist in Indian Seas*. This ship continued its work in the Indian waters till 1908 when it was scrapped and replaced by a new ship, *Investigator II*, of about 1,018 tons and capable of steaming at 14 knots. It was in this ship that Sewell (1925-38) conducted his famous oceanographic researches in the Bay of Bengal.

Previous Expeditions

Several expeditions have collected oceanographic data in the Indian Ocean and incorporated them in their reports. The more important of these expeditions are: *Challenger* (1874-75), *Gazelle* (1874-75), *Elizabeth* (1877), *Investigator* (1887, 1892, 1893, 1925-38), *Penguin* (1891), *Waterwitch* (1895), *Stork* (1897), *Valdivia* (1898-99), *Gauss* (1901, 1903), *Sealark* (1905-09), *Planet* (1906), *Mowe* (1913), *Merlin* (1920), *Amiraglio Magnachi* (1924), *Ormande* (1927), *Snellius* (1929), *Dana* (1929-30), *Mabahiss* (1933-34), *Discovery II* (1930-51), *Albatross* (1948), *Charcot* (1949, 1950), *William Scoresby* (1950), *Galathea* (1950-52), *Ob* (1955-57), *Lapérouse* (1956), *Norsel* (1955, 1956-57), *Oven* (1957-58), *Atlantis* (1959) and *Vitiaz* (1960). Of these, *Sealark* and *Mabahiss* are the only expeditions which spent considerable time in a detailed investigation of parts of the Indian Ocean. The reports of these expeditions and the papers published by Sewell in the *Journal of the Royal Asiatic Society of Bengal* constitute an important source of oceanographic data for the Indian seas. More recently, the Andhra University (1952-61) conducted, with the help of the Indian Navy, 56 cruises into the Bay of Bengal and some of the results have been published in the *Oceanographic Memoirs*, Volumes 1 and II, of this University. The Naval Hydrographic section at Cochin, the Universities of Travancore, Madras and Bombay and the Central Marine Fisheries Research Station at Mandapam have also been working on some aspects of Oceanography.

The Indian Ocean is smaller than the Atlantic and the Pacific. Dominated in the north by a very huge Asiatic land mass and subjected to enormous drainage of the monsoon-fed regions of India and Burma, its hydrography shows certain special features. Added to these there are the monsoons which blow from different directions during the year thus bringing about periodic changes in the patterns of surface circulation in the Indian Ocean north of the equator. Our knowledge of the bottom topography of the Indian Ocean is far from satisfactory. Only a few months ago *Vitiaz* reported the discovery of a new submarine ridge about 550 miles south-east of Ceylon. It was traversed by *Vitiaz* on a track 150 miles long. Above the ridge a submarine mountain of about 3,000 metres in height was discovered and named after *Afanasv Nikitin*, the first Russian who navigated the Indian Ocean in the fifteenth century. The bottom of the Indian Ocean, particularly its western part, is monotonously flat. The Andhra University reported the occurrence of a shell zone far out on the continental shelf and this special feature was attributed to pleistocene glaciation level of the sea in this part of the world.

Marine Biological Studies

Some of the more important early workers associated with marine animal studies in the Indian waters are Carter (Porifera), Cantor, Day and Russel (Fishes), Annandale and Kemp (Fauna of the Chilka lake), Gardiner (Fauna of Laccadive and Maldive Islands), Chopara (Crustacea), Fauvel (Polychaetes), Herdman (Pearl oyster fishery investigation of Ceylon), Gravely (Fauna of the Madras coast), Sewell (Copepods) and others. In the earlier investigations by Alcock and his successors on the *Investigator*, dredges and deep-water trawls were successfully used and Sewell has given a list of the numbers of species and genera collected during the period 1885-1925. What is surprising in this list is the larger number of new species and varieties reported.

Apart from the academic interest in the occurrence of varied fauna and flora, importance should be given to the study of the productivity and fishery potential of the Indian seas. Fish are considered to be the cheapest source for proteins and naturally an under-fed country like ours should take the greatest interest in the exploitation of the fishery resources of the nearby ocean. The results of the newly-introduced mechanised fishing in some parts of the country are very encouraging. The exploratory work of the fishing grounds has not yet taken concrete shape, although some attempts are being made by the Offshore Fishing Unit of the Government of India (Ministry of Food and Agriculture) to explore near-shore areas.

An Important Problem

It is often stated that tropical waters are poor in organic production as compared with temperate regions. At the same time, it is pointed out that the coral reef community, mostly occurring in the bluest of the tropics, produces at the rate of about 24 gr/c/m2/day; in other words, five to six times more productive than the most fertile ocean. This disparity in the productivity of the tropical waters is as interesting as it is problematic. Off the Waltair Coast, it was found that, besides upwelling, dredging set off heavy productivity of the phytoplankton. From the latter observation it would appear that in these warm waters what is needed for high productivity is the churning or mixing up of the bottom with the surface waters. These ideas have to be experimentally substantiated and, for this, we need a ship and a field laboratory. The Maritime Universities of India like the Andhra, Madras, Annamalai, Travancore and Bombay, are now developing field laboratories for Marine Biology.

Oceanographic Ship

Besides, we need a well-equipped oceanographic ship maintained by a central agency and available for the different universities and working groups on a contractual basis or by turns taking into consideration the requirements and scope of work of particular groups. Granting this, one can visualise exciting possibilities for research in the Indian Ocean. One of the important programmes of research would be the exploration of the fishery potential of the neighbouring seas. Mr. D. B. Fin of the Food and Agricultural Organisation, writing in a special U.N.E.S.C.O. issue on oceans, has this to say about an area in the Arabian Sea: "In 1957, a ship from the U.S.S.R. sailing through the south-eastern part of the Arabian Sea came upon vast quantities of dead fish. According to the Soviet report, the fish were found between 60°-70°E. and 10°-12°N., covering an area of about 200,000 sq. km. The fish were said to be 20-25 cm. in length, in which case they would weigh about 100 gm. each. If we assume that one-tenth of the area reported contained dead fish at density of 10 to the square metre, some 20 million tons of fish perished. But even if it was only a tenth as serious as this conclusion suggests, some two million tons of fish were killed." By any standard this is a tremendous tragedy.

New adventures in science are always extremely fascinating to man and the occurrence on our shores of a large ocean absolutely unexplored should have challenged us long back. And so far nothing tangible has been done in this connection. With its 70 million square kilometres, the Indian Ocean covers some 14 per cent of the earth's surface. Its resources, both fisheries and mineral, are not known. What is now harvested belongs to the very fringe of this vast area—mostly the coastal strip of a few miles operated by slow-going country craft.

To fill in this gap of our knowledge of this ocean, an International Indian Ocean Expedition has been sponsored by the special committee on Oceanic Research of the International Council of Scientific Unions. It is expected that under this project—parts of it are already under way—30 nations are to take part during 1960-64. Some 40 ships specially equipped for different studies of the ocean are detailed for cruising the various stretches of the Indian Ocean and this programme is expected to cost approximately 75 million rupees. When the expedition is over, it is said that more than 288,000 kilometres of water would have been traversed and data collected to last for many years of analysis by hundreds of scientists all over the world. These investigations might also reveal the exploitable fishery resources of the Indian Ocean, besides interesting oceanographic phenomena peculiar to this region.

The International Indian Ocean Expedition is a joint venture of many nations and its success would depend on the co-operation forthcoming from everyone concerned in this great programme. In view of its location and existing facilities, India's responsibility is immense in this project. Bombay and Cochin will become the nerve centres of activity for this expedition and already steps are being taken for the establishment of offices for the United States Programme in Meteorology and Biology with the co-operation of the local Meteorological Department and the Bombay University. This is also an excellent opportunity for the Maritime States, their governments and institutions to avail of the experiences of hundreds of visiting scientists of many nations for developing different aspects of oceanography in our country.

ELECTRICITY UNDERTAKINGS

The Licensees Conference of the Federation of Electricity Undertakings of India concluded its five-day session at Bombay on the 19th instant after adopting a number of resolutions on the problems and difficulties of the electricity industry. The first resolution, noting with concern the growing tendency on the part of State Electricity Boards to encroach upon licensees' areas of supply notwithstanding the specific provisions of Section 19 of the Electricity (Supply) Act 1948, requested the Central Government to use its good offices with the State Governments for getting the relevant provisions implemented. The second resolution referred to the refusal and/or failure by some State Governments to implement the recommendation of the Central Government to afford licensees taxation relief to the extent of 6.5 per cent of the assessable income. It emphasised the need for a uniform approach, on the part of all State Governments, to the question. The other important resolutions passed by the Conference are:

The Conference took note of the difficulties experienced by some of the licensees arising out of the demand by State Electricity Boards for security deposit against average consumption. A demand of this nature, it was felt, was unrealistic as the State Electricity Board, as the ultimate purchasing authority, could always have a collateral against any defaulting licensee.

The Conference noted with some concern delays experienced by some of the erstwhile licensees, whose undertakings had been acquired by the State Electricity Board, in securing payment of compensation. It was accordingly felt that the procedure of evaluation and payment of compensation should be streamlined so as to be completed within a reasonable time of the vesting date.

The Conference noted with gratitude the assurance of the Minister of State, Irrigation and Power, that undertakings performing their public duties efficiently would not normally be acquired. It was accordingly felt that this policy statement should be appropriately noted by the various State Electricity Boards.

In view of the unremunerative character of rural electrification, another resolution urged that incentives similar to those afforded to the State Electricity Boards should be available for rural electrification in the licensees' areas also.

NEW PRODUCTS AND PROCESSES

Fire-resistant Fluid

THE Esso Research and Engineering Company, an affiliate of Jersey Standard of the U.S. has mixed oil and water to develop a product, bearing the trade name IMOL which, the makers claim, almost completely eliminates the cause of many fires in coal mines. The fire-resistant hydraulic fluid is composed of millions of water droplets suspended in oil. This type of lubricant, an emulsion, is replacing flammable hydraulic mixtures in coal mining equipment and other industrial applications. The emulsion is said to be the most durable and stable fluid yet developed for this purpose. Among the other industrial applications are die-casting machines, steel mill operations, metal working presses, plastic and glass moulding machines, combustion control mechanisms, casting furnaces, lift trucks, electric and other types of welders, extrusion machines, forge and foundry equipment, automotive assembly machinery, cotton-baling presses, and paper mills—all sizable users of hydraulic fluids.

One of the problems in developing the new product was to achieve a stable mixture that not only resisted fires but was also a good lubricant and was non-toxic when used in critical industrial operations. After a number of trials, a compound was produced which had the proper lubricating properties and was fire-resistant as well. In addition, it has unusual stability or "balance." If the balance of an oil and water emulsion is disturbed because of normal storage settling or through exposure to high or low temperatures, the effectiveness of the product is lost. In laboratory tests IMOL and two competitive products were centrifuged at high speed to accelerate the effect of settling. The emulsion was outstanding in this test. The new product also demonstrated excellent emulsion stability over a wide temperature range.

The water content of the new hydraulic fluid serves to promote heat dissipation and enables it to serve as an excellent coolant. In addition, the emulsion's viscosity characteristics are such that lower leakage losses result. Further the new product is a milky-white substance that can be easily spotted in case of leaks in hydraulic systems. The development of IMOL was carried out principally for use in the mining industry, which consumes 10,000,000 gallons of hydraulic fluid a year in the United States. IMOL is expected to find uses in other industries where hydraulic lines might be exposed to high temperatures.

General Purpose Electronics

A general-purpose electronics machine, "Kiev," operating at the computing centre of the Academy of Sciences of the Ukraine, needs only one hour to find the optimum design for a 600-kilometre-long new railway line. In the past, designers had to spend many months on a solution of this problem. Besides, the design determined by the machine is more economical than that drawn up by experienced engineers. Computers are used for the calculations of freight haulage, the determination of the cargo fleet and for other purposes. The process of metal smelting has been controlled from a distance exceeding 400 kilometres for the first time in Europe. An electronics machine controlled production processes at a chemical plant located 600 kilometres from the computing centre. A general-purpose control machine with a specialised computing system is now being adjusted here.

Liquid Nitrogen as Fertiliser

A Russian chemist, Kakyn Sulaimankulov, has evolved a new kind of liquid nitrogen fertiliser which can be used even in hot climate where such fertilisers quickly evaporate. Among the ingredients of the new fertiliser are such micro-elements as cobalt, manganese, iron, zinc and boron. The fertiliser, which was tested successfully in the field conditions of the hot Chu Valley, contains various forms of nitrogen fit for assimilation by all farm crops. Maize plantations, when dressed by this fertiliser, have yielded over 100 centners more green fodder than before, while the grain harvests increased, on average, 15 to 20 per cent.

Damp-proofing System

Building and housing authorities in several countries have expressed interest in a new rubber and chemical damp-proofing system, announced recently by its British manufacturers, The Cambridge Timberproofing Laboratories. The product used is a fluid combination of rubber latex and siliconate—the water repellant chemically related to sand. Holes are drilled in the mortar joints, below or above ground level, and the mixture pumped or poured in. The result is a thin damp-proof layer which can spread through bricks or stonework. The siliconate is a fluid water repellant and the latex is a kind of sealer, blocking the pores in masonry with the siliconate. Work is going ahead on using the liquid as a surface sealer which can be plastered over or painted.

Stereophotography

Precise data on the space measurements of intricate architectural constructions can be obtained by the stereophotography of their models. Such a method of measurements, suggested by the Leningrad Laboratory of the Academy of Construction and Architecture of the U.S.S.R., will make it possible to carry on building work without the preliminary drawing up of blueprints. Soviet designers are the first to use stereophotograph c record of space measurements to control the assembly of buildings made of large pre-fabricated structures. The record, revealing flaws in the assembly work, helps to improve them quickly which is highly important in the conditions of mass construction now under way in the Soviet Union. Specialists believe that the new methods can be used in the future also to determine the efficient use of building machines in various operations. A series of consecutive pictures gives a volumetrical idea of the movements of machines, and the automatically recorded schedule yields their precise calculation. By means of this method it will be easy to survey the territory of towns in the Soviet Union before making plans for their reconstruction. From large measurements to the investigation of the microstructure of building materials, determination of corrosion and the formation of cracks—such is the range of possibilities of the application of stereophotography. Methods are being worked out for the broad application of the new measuring techniques in construction and architecture.

Fender Technique for Dry Dock

A new fender technique based on a tyre and axle combination has been used in the entrance of the new dry dock in North East England, opened by Vickers-Armstrong (Shipbuilding) Ltd., at Hebburn-on-Tyne. The dock can take tankers up to 85,000-ton deadweight and, in the words of the company, "practically all passenger liners afloat except the 'Queens'." It is 850 ft. (259.08 m.) long and could be extended later to 1,000 ft. (304.80 m.). The new system uses earthmover-type tyres fixed horizontally on stub axles. The assembly is mounted in a steel frame with shock absorbing bearings. When a vessel "rides" against the tyre, the steel axle retracts into the bearing arrangement in the system, giving a safe, cushioning effect. At Hebburn, a series of the tyre-fender scheme is employed. The fender system has never been used in a dry dock before. The tyres are over 6 ft. (1.82 m.) in diameter, and are nylon. At Hebburn, the tyres are capable of carrying a static load of 130 tons (3,04,814 kg.). The units have a high energy absorption rate. They "spin away" from the point of impact, which increases the absorption of impact and deflects the course of the vessel from the fender.

Weather-resistant Building Panels

An American method of making glass fibre and plastic panels for building work is claimed to reduce weather erosion of the plastic. The maker says that ordinary panels leave the strands of fibre exposed. These are said to act like a wick, picking up and carrying moisture into the panels. The moisture in turn causes breakdown of the panel surface. The new method puts a layer of pure plastic on each surface of the panel after it is pressed. This is claimed to block the entry of water into the panel.

Producing Pure Silicon

A method of purifying silicon intended for subsequent use in the manufacture of transistors and other semi-conducting components has been patented by a German company. The need for repeated distillation is eliminated, it is stated. The silicon and its impurities are first melted and then a complex organic solid containing sulphur is added. The mixture is allowed to cool and the two components are left in contact with each other for periods ranging from an hour to a day, depending on the amount of impurity originally present. The next stage is the heating up of the mixture and the distilling off of about 90 per cent pure silicon which, says the company, is suitable for immediate use.

Coal Pulveriser Ball

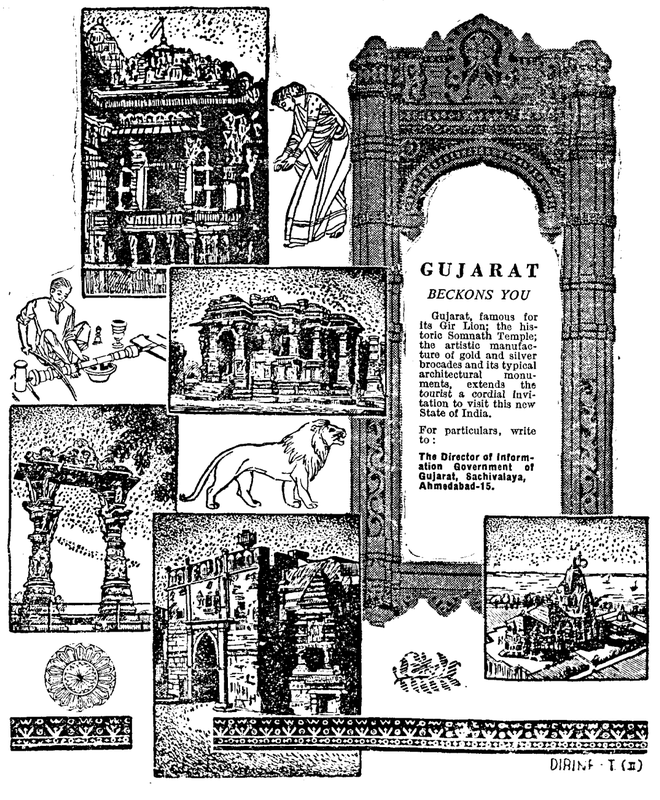
Recently developed by the Babcock & Wilcox Company in the United States is a novel type, hollow-cast Elverite pulveriser ball of increased diameter with double the wear life of the conventional solid-forged ball, for grinding bituminous coal. Major advances in metallurgy and manufacturing technology have permitted development of the larger, more durable ball, which will reduce coal pulveriser maintenance costs and increase availability. Besides increasing the life of the ball, the improved, high-grade metals, with superior wear resistance and strength, also will result in longer and more economical life of pulveriser grinding rings. The hollow ball development programme included 18-month field tests at several large central station electric utility plants. Wear properties of eight different sets of balls having four slightly varying metal structures were determined. Results were used to select the final metal structure to be used in the new hollow-cast pulveriser ball. Field tests proved that one set of the new hollow balls will grind 200,000 tons of abrasive bituminous coal before replacement is necessary, which is double the capacity of solid balls.

Aluminum Safety Hats and Caps

A completely Canadian-made line of aluminum safety hats and caps has just been introduced by Safety Supply Company, Toronto. Working closely with Aluminum Goods Company, who manufacture the shells to strict specifications from Canadian made aluminum, the Safety Supply Company then complete the assembly by attaching the anchors and inserting their patented maximum security cradle or suspension. It is claimed that these Canadian-made safety hats and caps are unsurpassed for protection, performance, and appearance. Aluminum safety hats and caps are used by workers in many industries including oil drilling, refineries, construction, lumbering, quarrying, shipbuilding, manufacturing, etc.

Barrage Balloons for Timber Transport

Experiments with anchored barrage balloons for transporting timber from inaccessible lumbering sites to roadside storage places have been carried out in Sweden by Professor Ulf Sundberg, of the Royal School of Forestry, Stockholm, and a team of assistants. The balloon, a 500 cu.m. British-made barrage balloon with a lifting power of 300 kg., was not used for transporting the timber helicopter-wise but anchored to form a high attachment for a wire. Along the wire the timber was winched from the cutting site to the storage. The experiments proved that the method would be of little practical value in Sweden, where tractors and horses generally can do the forest transport job better and cheaper. However, it might find application in countries with more rugged terrain, such as Norway and Switzerland.



TRENDS IN CORPORATE AUDITING

FINDINGS OF C.L.A. RESEARCH STUDY

CONCENTRATION of audit is more pronounced and perceptible in the private sector than in the public sector companies. In the public sector, in respect of companies having a paid-up capital of Rs. 50 lakhs and above, there is, for instance, no auditor who has to audit more than five companies, but in the case of private sector companies, there are 16 auditors who have more than five audits each individually or jointly. Two firms of auditors are the sole auditors each of more than 40 companies in the private sector. Joint audit is more common among big and giant-size companies in the private sector than in the public sector where there are only three cases of such audit. These are the broad conclusions drawn in the latest Company Law Administration Staff Paper No. 8, comprising a research study in "The corporate sector and the accountancy profession in India," carried out by Dr. Raj K. Nigam, Director of Research and Statistics, Mr. S. M. Dugar, Senior Accounts Officer, and Mr. A. R. Khare, Accounts Officer, of the C.L.A. The authors of the study have qualified their observations thus: "We would like to emphasise the fact that our factual study of concentration of audits in this paper is a limited one, confined only to big and giant size companies, and a question of such wide importance as this should be examined for the entire corpus of corporate bodies, which will necessarily require more time and efforts. In the fitness of things, therefore, this should be undertaken by the specialised professional body which is aware of the full implications of the concentration question."

Purpose of the Study

It will be pertinent to point out here how the study came to concentrate on concentration of audit, although its scope was clearly far too wide. The authors of the study have referred to the appointment of a Reviewing Committee by the Government in the past, which was composed of the luminaries in the accountancy profession, to review the working of the Institute of Chartered Accountants within the framework of the present Chartered Accountants Act and to examine the scope for its improvement. The authors have also referred to the appointment of an *ad-hoc* Committee by the Council of the Institute some years ago to examine the problems of the profession, in addition to concentration of audits, nationalisation of the profession, audit of Government companies, audit fees, etc., as also to the Special Committee appointed again by the Council of the Institute in 1959 to examine the various problems relating to training for entry into the profession of chartered accountants. While the foregoing Committees have no doubt done some valuable work, the authors of the study point out that their labours were, however, somewhat inhibited by the lack of factual material and information on such subjects as audit fees, distribution of company audit among the audit firms, etc. The purpose of the C.L.A. Staff Paper, according to its authors, is to fill up these gaps and thereby facilitate a proper appreciation of the problems connected with audit fees and concentration of audits which have been the subject matter of some interest in recent years. And, in this connection, the authors of the study have reproduced the following interesting observations made by the *ad-hoc* Committee appointed by the Council of the Institute of Chartered Accountants:

"Although the general trend of the views received by the Committee indicates that there might be a certain amount of concentration of work, in the absence of any definite information or statistics, it is not possible to come to the conclusion that there is concentration. A few of the representatives have mentioned that the opportunities available to junior members of the profession are being restricted on the grounds of concentration of audit practice. But no one of the representatives has stated what in his opinion means or amounts to 'concentration.' And in the absence of any definite evidence before it, accompanied with appropriate statistics, the Committee is unable to arrive at any specific conclusion.

"In the natural evolution of any profession (the Committee felt), there is bound to be disparity in practice between members, the mere existence of which, however, does not necessarily prove that the work has concentrated. Besides, those who have a large practice employ and associate more chartered accountants with their audits. The regulatory professional body cannot be expected to remedy such a situation nor is it desirable that it should do so, because any regulation in this will bring about impediments to the natural growth of the profession."

The Committee gave considerable thought to the question of concentration of audit work and considered it from various angles, but was unable to evolve any yardstick for determining whether that problem existed, for the following reasons:

(a) If the total number of companies registered in India is taken, then the percentage of audit work in terms of number of companies in the hands of some firms cannot reflect the individual size of the companies involved.

(b) If, on the other hand, any of the investors' year books which normally contain information on 1,500 to 1,700 companies is taken as the guide, then not only does it suffer from the same defect as in (a), but also these 1,500 to 1,700 companies do not necessarily indicate the general pattern of audit work. For there are many companies the shares of which are quoted on the stock exchange but do not find a place in the several investors' year books. Further, the Companies Act requires every company, private or public, to have its accounts audited annually by chartered accountants only. Therefore, in the opinion of the Committee, statistics of a few companies from the investors' year books will not represent the extent of the audit work in the hands of chartered accountants, when all the companies are required to have their accounts audited under the Act and particularly because the 1,500 companies represent only 5 per cent of the total number of companies registered in India and 20 per cent of the total number of public companies.

(c) The extent of work in the hands of chartered accountants is not represented only by the audit work, as there is a great deal of work to be done by them besides that. The experience of some members of the Committee is that the audit work represents just one-third of the total practice which they have.

And (d) even in the case of firms which enjoy sizable audit practice, the problem has to be looked at not only from the size of the work involved in audit of the company concerned but also from the number of qualified chartered accountants employed in such firms as partners, or assistants.

Keeping the above observations of the Committee in view, the authors of the C.L.A. Staff Paper have proceeded to examine concentration of audit work in the hands of audit firms on the basis of a sample study of 357 big and giant size companies in the private sector and 115 companies in the public sector, of which 44 belong to the class of big and giant size companies with a paid-up capital of Rs. 50 lakhs or more each. The authors have observed that audit of the 357 private sector companies is in the hands of 85 firms of auditors. Out of these 357 companies, 300 have sole auditors and the remaining 57 have appointed joint auditors. The audits of the 300 firms having sole auditors is with 66 firms of auditors.

Distribution of Audits

A study of the frequency distribution of audits handled by the firms of auditors discloses that 30 of the 66 firms of auditors handle the audit of two companies each, four firms have audit of three companies each, five firms of four companies and four firms of five companies each. This means that 26 firms of auditors are handling audit of two to five companies each, five firms of six to ten companies each and one firm has audit of 12 companies and another of 13 companies. The authors point out that three firms of auditors do audit of an excessively large number of companies; one of them of 35 companies, another of 42 companies and yet another of 51 companies.

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	Rs.
Authorised Capital	1,00,00,000
Subscribed Capital	88,60,000
Called & Paid-up Capital	82,99,975
Reserve Fund	68,44,584
Share Premium	14,57,300
Deposits as on 31-12-61	40.05 Crores

G. S. SUNDARAM
Secretary

Combining the sole and joint audits together, it is revealed that 46 firms of auditors have less than two audits each, 24 firms have two to 5.5 audits each and nine firms have six to ten audits each. Thus, the position of concentration has, however, not changed as a result of this combination of sole and joint audits in the higher frequency distribution of audits, notwithstanding the fact that for the purposes of the study, when there are joint auditors in a company, each auditor has been allocated half company.

As for the public sector, it has been found that, out of the 46 firms of auditors handling audit of 115 Government companies as sole auditors, 22 are having one audit each, eight have two audits each, seven have three audits each, five have four audits each and one firm has five audits. Among the remaining three firms, one has six audits, another ten audits and the third 15 audits.

Apart from studying the concentration of audits in the hands of auditors in the private and public sectors separately, the authors of the study have also attempted to review the concentration of audits of companies with a paid-up capital of Rs. 50 lakhs and more each in the private and public sectors together. The combined position shows that, out of 91 firms of auditors handling sole audits of 343 companies, 44 firms have single audits, 18 two audits each, nine three audits each, six four audits each, four five audits each and 10 more than five audits each. This means that 37 auditors have audits of companies ranging between two to five each, four firms have audits ranging from five to ten and three firms have audits between ten and 20. The remaining three firms of auditors have audits of 35, 42 and 51 companies each. As mentioned before, the concentration of audit in the hands of these three firms of auditors is in respect of the private sector companies.

Resources and Staff

The above findings of the C.L.A. research study confirm the suspicion of the upcoming junior members of the accountancy profession that company audits have been concentrated in the hands of a few and as such this is unhealthy, especially when one is told that the profession is far from saturated and that, in view of the vast growth of the corporate sector following the large-scale industrialisation in the country, there will actually be a shortage of qualified chartered accountants in the not-too-distant future. However, those familiar with the profession will be aware that a beginner obtains company audit generally not during at least the first five years of his career, unless he happens to be lucky enough to have the necessary pull and contacts which in any profession are as important as, if not more important than, ability and talents. That is why not a few qualified chartered accountants prefer to serve with a competent professional rather than go in for independent practice as soon as they have qualified themselves for the profession. Besides, in order to obtain the audit of a big and giant size company having a paid-up capital of Rs. 50 lakhs or more, a chartered accountant must have sufficient resources. To be an independent auditor, he must have sufficient staff to perform company audit. As much of the work is seasonal, the problem of providing work to the assistants during lean months has to be faced. It may be noted, in this connection, that corporate auditing as such is not very paying and a firm of auditors has to specialise in other matters also, as, for instance, tax consultation.

Again, the vast majority of young men who get the C.A., after putting in four years of articleship during which period they scarcely get any remuneration, have not the resources for setting themselves up as practising company auditors and naturally prefer to take up a job with some company or other. Resources apart, accounts are something secret and sacred. One would not like to talk about it to any one and everyone. It is a matter of trust and confidence. And it is an uphill task for a beginner to build that trust and confidence among company managements. But, once confidence is gained, the going is fairly easy. This explains why a single firm of chartered accountants is often appointed as the auditors of almost all the companies of one group. Further, concentration of audit in the private sector is also explained by the fact that there are three times more companies in that sector than in the public sector.

Audit Fees

The study has also analysed trends in audit fees. Information for this has been collected in respect of 49 big-sized companies in the private sector whose paid-up capital is Rs. 50 lakhs and more and 74 public sector companies of which 30 have a paid-up capital of Rs. 50 lakhs and more. The number of companies for studying audit fees trends, we are told, could not be increased, because separate figures of audit fees were not stated in the profit and loss accounts of the companies from which information has been collected. It is only after the passing of the Companies (Amendment) Act, 1960, that disclosures in this regard are being made in the profit and loss account.

Turnover is one of the important determinants of audit fees in our country. The other determinants are the total funds employed by the company, the number of accounts entries, the nature of business of the company, the degree of scrutiny required, the quality of audit, the services to be rendered by the chartered accountant in addition to audit, such as tax consultation, etc. The authors of the study have pointed out that, in contrast with the position obtaining in certain countries like France, where the scales of audit fees are determined according to a tariff prescribed by the Government, in India audit fees are determined by negotiations between the board of directors and the firm of auditors.

The authors have studied (i) the relationship of audit fees to turnover, (ii) the comparison of the quantum of audit fees paid by the big-size companies in the private sector with that paid by similar companies in the public sector, and (iii) the co-relation between audit fees and turnover over a period of time to examine as to what extent audit fees move in step with the volume of turnover, for which purpose the study has been confined to 15 companies in the private sector and nine companies in the public sector over a period of 1957-59.

A sample study of 49 private sector big and giant-size companies revealed that the total amount of audit fees paid by them to their auditors aggregated Rs. 6.74 lakhs and the total turnover of the companies aggregated Rs. 354 crores. The average audit fee per lakh of turnover worked out to Rs. 19, whereas the average audit fees per company amounted to about Rs. 13,800. The range of variation in the audit fee per lakh of turnover was found to be very wide at between Rs. 4 and Rs. 222. Another conclusion emerging from the sample study is that the companies having a turnover of Rs. 25 crores or more have the lowest audit fees per lakh of turnover, the range of the fees in such cases being from Rs. 6 to Rs. 9 per lakh of turnover. Barring a few extraordinary cases, where the audit fee does not fall into the general pattern of fees paid by the companies belonging to the same group as determined by turnover, it is noticed that the companies with a turnover of Rs. 10 crores and under Rs. 25 crores pay an audit fee between Rs. 9 and Rs. 16 per lakh of turnover, companies with turnover between Rs. 5 crores and Rs. 10 crores pay an audit fee between Rs. 10 and Rs. 30, companies with turnover between Rs. 2 crores and Rs. 5 crores pay an audit fee between Rs. 10 and Rs. 23, companies with turnover between Rs. 1 crore and Rs. 2 crores pay an audit fee between Rs. 16 and Rs. 103 and companies with turnover of below Rs. 1 crore pay an audit fee between Rs. 66 and Rs. 222 per lakh of turnover. The range of audit fee is thus too wide in the last two groups because of the fact that turnover in these groups is not a strong determinant of the fees in relation to the other factors. The findings of the study, the authors say, will have to be confirmed from an analysis of a large sample.

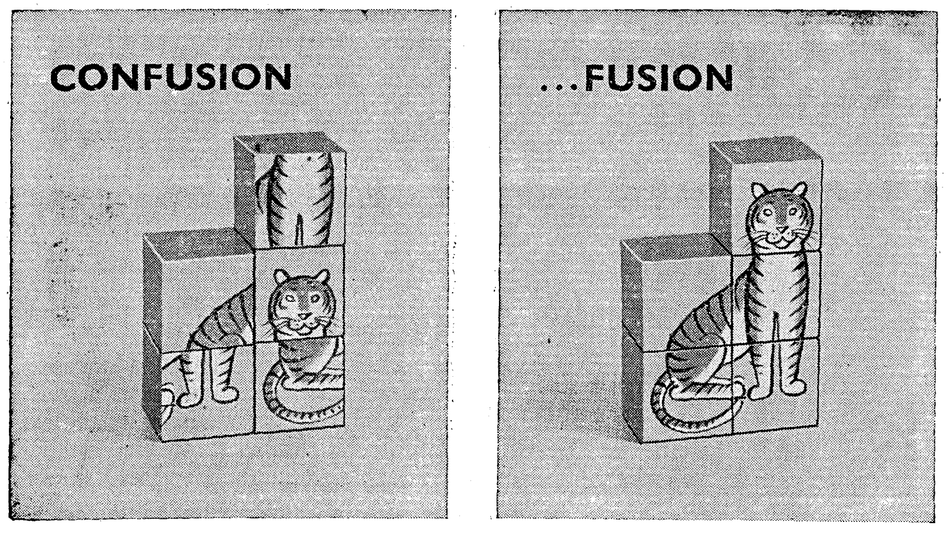
In the public sector, the average of audit fee per lakh of turnover works out to Rs. 29 and the range in audit fee per lakh of turnover amounts to between Rs. 10 and Rs. 380 in the case of 30 big-size companies. It will thus be seen that the average audit fees per lakh of turnover is more in the case of the big-size public sector companies as compared with the companies in the private sector, though the range in the audit fee is relatively less. The audit fee per lakh of turnover in the case of the remaining 44 small-size Government companies amounts to Rs. 82. This average figure is high and confirms the conclusion drawn in the case of private sector companies, namely, that the lower the turnover the higher the audit fee.

Variations in Fees

A study of the trend of variation in audit fees over a period of three years (1957-59) reveals that, in absolute terms, there has been an increase in the audit fees paid by eight out of the 15 private sector companies studied, whereas, in the case of six companies, the quantum of fees has remained constant at the 1957 levels; in one case, there has been a marginal fall over the period. Out of the eight cases where the audit fees has increased, in six cases the turnover has increased, while in two cases it has dropped. In the case of the six companies having constant audit fees, the turnover of five companies improved and of one company declined. The one company which reported a fall in audit fee, however, had an increase in the turnover.

In the case of the eight Government companies, it is observed that the audit fee has risen in seven cases and remained constant in one case. Out of the seven cases where the audit fee has risen, the turnover rose in six cases and declined in one case. The eighth company reported constant audit fee and increase in turnover.

The C.L.A. research study also deals briefly with the important stages in the growth and development of the profession of accountancy, the oldest among the other professions concerned with the working of the corporate sector. With its maturity and status, the services of the accounting profession, the study points out, have been diversified from the mere maintenance and preparation of books of accounts in companies and the audit of company accounts in the early days. Today, the members of the accountancy profession play such roles as tax consultants, financial advisers, secretaries, arbitrators, liquidators, receivers, administrators, trustees, and valuers. In these capacities, they render service not only to the corporate sector but to the Government and the economy of the country in general. The study also refers to the roles and services of cost and works accountants, taxation experts and company secretaries in the corporate sector. In India, such highly qualified experts number but a few. As the study points out, when all these four or five specialised professions, are fully developed, the Indian companies will be adequately serviced by well trained professional men who would have the capacity to tackle the complexities of the laws relating to the working of the corporate sector as also the complexities of modern business transactions.



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AIR-INDIA'S PROFIT SHRINKS

NOT A DIVIDEND PAYER YET

THANKS to the large-scale introduction of jet aircraft, the year 1961-62 was one of transition and incomplete readjustment for the international air transport industry. By the end of 1961, it may be recalled, the world's airlines had ordered 900 jet aircraft and taken delivery of two-thirds of that number. It was, therefore, a year marked by a massive world-wide increase of capacity. But it was also a year of abnormally poor increase in passenger traffic. The load factors were consequently reduced, resulting in serious financial losses for many of the major airlines. It is, indeed, remarkable that, in a year of poor working results in the larger part of the international air transport industry, Air-India had fared reasonably well, though not as well as in 1960-61. The operating revenues of this public-sector concern in 1961-62 were Rs. 21.57 crores, representing an increase of 12.5 per cent over those of the previous year. But, while capacity offered rose by over 34 per cent following the introduction of Boeing 707 jets on some routes, the loads carried increased by only 24 per cent. The average overall load factor, therefore, fell from 47.3 per cent in 1960-61 to 43.7 per cent in the year under review. Operating expenses also rose, at the same time, by about 16 per cent because of the increase in the quantum of operations. The cost per unit, that is, per available tonne-kilometre, fell by 15 per cent from Re. 1.13 in 1960-61 to Re. 0.96 in 1961-62 while operating revenues, too, per available tonne-kilometre fell from Re. 1.19 in the former year to Re. 1.00 in the latter. In the result, operating profit during the year was only Rs. 77 lakhs, as compared with Rs. 117 lakhs in 1960-61. The net surplus, after deducting the previous year's arrears of staff salaries and other net non-operating expenses aggregating Rs. 38.13 lakhs, has come to Rs. 38.86 lakhs in the year under review. Out of this net surplus plus the previous year's carry-forward of Rs. 6.55 lakhs, appropriation to the tune of Rs. 42.74 lakhs has been made to the equipment renewals reserve fund.

The following table provides a comparative picture of the Corporation's results for the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Operating revenue:				
Traffic	20,44.80	18,45.45	11,99.61	11,10.12
Other sources	1,12.19	71.96	58.87	45.65
Non-operating revenue.. ..	..	..	8.72	6.27
Operating expenses* ..	17,93.01	15,46.03	10,87.82	10,00.52
Depreciation and obsolescence..	2,86.99	2,53.97	1,52.40	1,39.40
Non-operating expenses ..	27.46	31.97	..	3.85
Operating profit ..	76.99	1,17.41	13.28	15.85
Non-operating surplus (+) or deficit (—)	—27.46	—31.97	+8.72	+2.42
Provision for arrears of salaries.	10.67	17.47	..	..
Total profit	38.86	67.97	26.98	18.27
Provision for deferred taxation.	..	..	..	..
To reserves and funds ..	42.73	43.65	..	18.25
Development expenditure written off	..	32.80	13.20	..
Additional depreciation ..	..	..	..	..
Carry forward	2.67	6.55	15.03	0.95

* Other than depreciation and obsolescence.

It will be noted that the Company has not been able to declare any dividend for the year under review also. The Government's total investment in this enterprise is Rs. 25.20 crores (Rs. 18.26 crores a year before), half of which is in equities and the other half in loans. These loans are interest-free upto 1st October 1966, whereafter they are to carry interest at the modest rate of 4½ per cent per annum. From the state of affairs prevailing in international air transport, it looks as though the Government will have to wait for a long time to get any return on this massive investment, growing year after year.

The following synopsis of the balance-sheet as at 31st March 1962 gives a bird's-eye view of Air-India's financial position:

(In crores of rupees)

LIABILITIES		ASSETS		
Equity capital ..	12.60	Gross block		25.94
Loan capital	12.60	*Less*—Depreciation ..		6.39
Reserves and surplus	2.73			
Lower-term liabilities .	6.53	Net block		19.55
Short-term liabilities .	4.93	Investments		0.81
		Current assets ..		13.08
		Cash balances ..		5.48
		Expenditure to be written off		0.47
Total..	39.39			39.39

A conspicuous omission in an otherwise detailed and beautifully illustrated statement of accounts is the report of the auditors. No explanation is available in the report for this omission. That the Company has auditors of its own is evident from the debit of Rs. 31,460 to the profit and loss account as auditors' fees and expenses. In the absence of auditors' certificate, one is not able to say whether or not the Company has provided adequate depreciation—a material point for judging its financial position.

The Corporation commenced the year 1961-62 with a fleet of 13 aircraft, comprising three Boeing jets, nine Super Constellations and one Dakota. Two Boeings were added to the fleet in April 1961 and March 1962, respectively. A sixth Boeing was added to the fleet in April 1962. Under an agreement with the Government of India for the transfer of Super Constellations to the Indian Air Force, four aircraft were delivered before the end of March 1962, three in April 1962, and one each in May and June 1962. The Dakota was also transferred to the Indian Air Force before March 1962. The Corporation has thus acquired the distinction of being the first airline in the world to operate an all-jet fleet.

The sale of the Super Constellations could be effected only at half the written-down value. This has resulted in a capital loss of Rs. 87.73 lakhs on account of the four aircraft actually transferred before 31st March 1962. The loss has been set off against the equipment renewals reserve. Again, the Corporation's own internal resources have come in handy for making a payment of Rs. 160 lakhs to commercial banks in the United States towards the loan of Rs. 5.33 crores given by them for the purchase of Boeing jets. The interest and other charges paid on dollar loans, amounting to Rs. 34.83 lakhs for the year, have been charged to revenues. Incidentally, the total amount (Rs. 3.20 crores) repaid up to the end of March 1962 has come wholly from the Corporation's internal resources. The U.S. commercial banks advanced, during the year, a further loan of Rs. 1.14 crore to cover 20 per cent of the dollar content of the cost of the fifth and sixth Boeing aircraft, while the Government of India provided a further sum of Rs. 6.95 crores on capital account, half in equity and half as loans carrying interest at 4½ per cent which, however, has been waived upto 1st October 1966. Further expenditure on capital account is foreseen, for an additional Boeing will have to be ordered by about January 1963, so that it can be obtained for operation from the summer of 1964 to meet the expected growth in traffic and the Corporation's increased operational commitments.

The foregoing review of the activities and working results of Air-India is by no means exhaustive. But it serves to highlight the fact that the Corporation has achieved a commendable degree of competitive efficiency in the difficult, uncertain and acutely competitive field of international air transport. The Corporation seems to believe that a general reduction of fares and rates by the members of the International Air Transport Association will solve the problem of excessive capacity by tapping a much larger market than what is available at the present fare levels. The virtually total ban on travel abroad by Indian nationals except for essential purposes, recently introduced in order to conserve foreign exchange, has shut off an important source of the Corporation's revenues. It is feared that, in the long run, India might lose more in foreign exchange than it will save by banning foreign travel by Indians, for travel between countries cannot be a one-way affair for ever. The Corporation's interest in the development of foreign tourist traffic is so great that it is bound to become, in course of time, another important source of foreign exchange earnings for the country, provided this handicap on tourist traffic can be rendered less onerous than it is now.

PROBLEMS RELATING TO DIRECT TAXES

One of the items discussed at the second meeting of the Direct Taxes Advisory Committee, which was held at New Delhi on 16th October 1962, with Mr. Morarji Desai, Union Finance Minister, in the chair, related to charitable trusts. It was explained at the meeting, according to an official Press note, that, so long as the income was utilised for charitable purposes, it would not be taxed, even though it was derived from business. Further, any surplus realised by a charitable trust on the sale of any property would not be taxed, if the surplus was utilised for the charitable purposes of the trust.

In another item tabled for discussion, it was suggested that, in some cases, shareholders were experiencing difficulty in obtaining unilateral relief against double taxation of income from dividends received from foreign countries. The chairman clarified that, if any assessee experienced any difficulty in any case, its facts could be reported to the Central Board of Revenue which would go into it.

It was also decided at the meeting that whenever an income-tax officer decided to drop the proceedings against a company, in which the public was not substantially interested, for determining the charge of additional super-tax on undistributed profits, he should send due intimation to the company concerned.

Earlier, in his opening remarks, the Finance Minister said that quite a number of questions would be posed before the Committee in view of the fact that the new Income-tax Act and the rules framed under it had recently come into effect. He hoped that things would soon settle down and there would be no difficulty in the application or interpretation of the law and its rules. He also referred to the publication of the first issue of the *Direct Taxes Bulletin*, containing the statutory notifications, etc., issued upto the end of June 1962.

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NEW CENTRAL JUTE REPORTS LOSS

DIVIDEND PASSED OVER—OUTLOOK BETTER

THE New Central Jute Mills Company Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta), which in addition to its original line of jute manufacture has diversified its activities for some years by taking up the production of chemicals and fertilisers, has suffered in both these fields during the year ended 31st March 1962 and reported for that year a net loss of Rs. 18.06 lakhs, as against a net profit of Rs. 34.99 lakhs for the previous year, after providing Rs. 47.47 lakhs (Rs. 36.23 lakhs a year before) for depreciation. The chief reasons are: another failure of jute crop last season and the Government's action in fixing a lower price for soda ash at Rs. 380 per tonne ex-works at ex-port town rates, as against Rs. 400 per tonne ex-works recommended by the Tariff Commission which itself was by no means remunerative. As the break-up of the financial results into those of the jute division and those of the chemical and fertilisers division are not provided by the Directors in the annual accounts, it is difficult to know to what extent exactly the Company fared badly in the two fields. Neither during the year under review nor in the preceding year did the Managing Agents draw their remuneration. The dividend on ordinary shares has been passed over. To pay the preference shareholders and to write off the loss fully, the Directors have withdrawn Rs. 19.29 lakhs from reserves, while additionally a credit of Rs. 2.87 lakhs is available on account of tax rebate on past dividends.

The last time the Company incurred a loss was in 1949. But it paid then a fair return of 12 per cent per annum, tax-free, on the ordinary shares which had then a face value of Rs. 100 each as against Rs. 10 each at present. Since 1949, the Company has fared well, though not uniformly so. The loss for the year under report has occurred, despite an improvement of Rs. 3 crores in sales proceeds to Rs. 15.10 crores.

Thanks to a bumper jute crop in the 1961-62 season, the situation has turned for the better, with the industry enjoying the rare opportunity of continuous working at a good margin of profit. Overseas demand for jute goods has also been satisfactory, and we are told that the industry will raise a peace-time record foreign exchange earnings of Rs. 150 crores in the calendar year 1962.

A detailed analysis of the Company's working in the past four years is contained in the table below:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales proceeds	15,09.66	12,08.33	663.63	716.06
Other income	13.32	8.92	5.49	3.28
Stocks of finished products.	72.63	94.97	57.31	51.31
Raw materials and stores consumed	528.87	452.16	277.86	261.18
Goods purchased for resale.	664.34	470.90	121.66	271.62
Salaries, wages and bonus.	132.86	127.62	103.51	88.66
Other expenses	145.65	133.01	93.63	59.29
Gross profit	28.94	71.22	78.46	88.22
Provision for—				
Depreciation	47.47	36.23	8.99	9.32
Taxation	0.47*	..	..	9.00
Managing Agents' remuneration	..	..	3.13	2.53
Net profit (+) or loss (—)	—18.06	+34.99	+66.34	+17.37
Transfer from reserves and provisions	19.29	28.65	28.65	7.00
Tax rebate on past dividends	2.87	..	..	..
Transfer to reserves ..	..	34.99	66.36	2.83
Dividends—				
Preference	3.00†	3.00†	3.00†	2.31
Ordinary	..	25.65 (15%)†	25.65 (15%)†	19.24 (15%)
Carry forward	0.16	..	..	0.01
Market value of equity shares	1962	1961	1960	1959
(In rupees):				
High	19.44	22.00 *XR*	29.06	17.44 *CR*
Low	13.65	16.00 *XR*	14.06	13.50 *CR*

* For previous years. † Subject to deduction of tax.

Demand for the Company's backing cloth is said to be steadily growing. Last year, 42 broad looms were added to the complement to make a total of 152 broad looms as on 31st March 1962. Since the close of the year, 45 additional broad looms have been commissioned raising the total to 197. The Company has received industrial licence for installing a total of 350 broad looms. Orders for looms and spinning and ancillary machinery have been placed and construction of buildings has been taken up.

The Directors have criticised the Government's action in fixing a lower price for soda ash at Rs. 380 per tonne ex-works at ex-port town prices, as against Rs. 400 per tonne ex-works only as recommended by the Tariff Commission. The price fixation is said to be completely uneconomical. In the case of the Company's factory, which is run in the style and name of Sahu Chemicals and Fertilisers, the incidence of freight on the basic raw materials is higher, as the factory is situated far away from the salt producing centre, although near the consuming points. The freight advantage available on the basis of f.o.r. destination prices, which would compensate the higher incidence of freight on salt, is denied to the factory by the ex-works price fixation. Besides, the Northern Railway has changed the classification of ammonium chloride from fertiliser to chemical, and the average freight has consequently gone up by 2½ times. The price for ammonium chloride as fertiliser has been fixed on the f.o.r. destination basis and the increased freight has, therefore, to be borne by the Company and this has resulted in heavy losses. Further, costs have increased since the Tariff Commission inquiry due to rise in the prices of raw materials and fuels and other increases consequent on Governmental action. The extent to which output at the plant has been maximised as a result of the modifications already made will be known this winter. Further modifications and/or expansion of the plant will be taken up thereafter in consultation with the foreign collaborators.

With the better profitability of the jute industry and the expected increase in the output at the Sahu Chemicals and Fertilisers plant, the working results of the Company for the current year should turn out to be better.

A feature of the Company's financial position is heavy indebtedness. It has a paid-up capital of Rs. 289 lakhs, comprising Rs. 256 lakhs in ordinary shares and Rs. 33 lakhs in 7 per cent cumulative preference shares of Rs. 100 each, which is supplemented by reserves and surplus aggregating Rs. 242.35 lakhs. Inclusive of the 6.5 per cent debentures of Rs. 89.92 lakhs, the loan liability increased during the year from Rs. 541.64 lakhs to Rs. 553.09 lakhs. While secured loans, consisting of debentures of Rs. 89.92 lakhs (Rs. 89.11 lakhs a year before), U.P. Government advance of Rs. 158.91 lakhs (Rs. 150.99 lakhs) and bank borrowings of Rs. 257.05 lakhs (Rs. 301.27 lakhs), aggregated Rs. 505.88 lakhs, as against Rs. 541.37 lakhs in the previous year, unsecured loans, representing bank borrowings and security deposits, amounted to Rs. 47.21 lakhs, as against a mere Rs. 27,160 in 1960-61. There are, besides, current liabilities and provisions amounting to Rs. 103.24 lakhs, as against Rs. 130.84 lakhs a year before. Excluding the debentures and the U.P. Government loan, which are of a long-term nature, the aggregate liability of the Company to outsiders works out to Rs. 407.50 lakhs, against which are available current assets, loans and advances, aggregating Rs. 359.03 lakhs and investments of Rs. 19.69 lakhs (Rs. 17.04 lakhs a year before), of which Rs. 16.79 lakhs are quoted and command a market value of Rs. 20.27 lakhs. The gross block expanded during the year from Rs. 9.67 crores to Rs. 10.28 crores. It has been written down to Rs. 8.09 crores.

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MORE ON BOMBAY BURMAH'S RESULTS

COSTS HIGH—REALISATIONS POOR

READERS are aware that the Bombay Burmah Trading Corporation Ltd. (Secretaries and Treasurers: Messrs. Wallace and Company, Bombay) has reported, for the year ended 31st May 1962, a setback in gross profit from Rs. 158.71 lakhs to Rs. 142.59 lakhs, despite further improvement in sales realisations from Rs. 516.57 lakhs to Rs. 538.48 lakhs. Details of the Company's preliminary results for the year were published in *Commerce* of 13th October (*vide* page 655). The dividend for the year on the Rs. 125 fully paid ordinary shares, it will be recalled, has, however, been maintained at the previous year's higher level of 33 per cent per annum, subject to tax, comprising interim of 9.6 per cent and final of 23.4 per cent. Incidentally, this is the first setback to profit since 1957-58 when it had declined sharply from Rs. 165.45 lakhs to Rs. 68.66 lakhs. The decline in profit for the year under report has also reduced the profit-margin (ratio of gross profit to sales) from 30.7 per cent to 26.2 per cent.

Full details of the year's working are given in the table below, which also contains the salient features of the working in the preceding three years:

(In lakhs of rupees)

	For the year ended 31st May			
	1962	1961	1960	1959
Sale proceeds	538.48	516.57	458.86	396.79
Other income	86.21	93.58	61.23	70.44
Closing stocks	51.30	56.62	56.11	54.86
Expenses	482.10	451.44	379.13	368.40
Gross profit	142.59	158.71	140.96	98.83
Remuneration to Secretaries and Treasurers	8.40	10.21	9.03	4.81
Provision for—				
Depreciation	33.11	26.59	26.68	31.71
Taxation	49.50	59.00	48.20	37.86
Net profit	51.58	62.91	57.05	24.45
Transfer from reserves and past receipts	9.08	7.16	2.08	11.84
Transfer to reserves and past expenses	16.10	25.80	18.20	10.70
Dividend	44.14 (33⅓%)†	44.14 (33⅓%)†	40.12 (30⅓%)†	25.41 (19%)
Carry forward	2.03	1.61	1.47	0.67
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	708.00	714.00	658.00	599.00
Low	615.00	539.50	519.50	458.50

† Subject to deduction of tax.

The continued rise in costs in a year of lower timber selling prices in North Borneo and sharply reduced coffee crop yield in Coorg (South India) are, according to the Directors, the main factors responsible for the decline in profit. Main increases in costs were in the planting operations in South India and the timber operations in North Borneo. Total staff expenses increased from Rs. 188.82 lakhs to Rs. 200.73 lakhs, the cost of power and fuel went up from Rs. 13.18 lakhs to Rs. 17.44 lakhs and repairs to buildings and machinery amounted to Rs. 7.52 lakhs, as against Rs. 6.06 lakhs a year before. While this gives a picture of the trading account, the Company's non-trading income declined from Rs. 93.58 lakhs to Rs. 86.21 lakhs mainly because of lower dividend receipts from the Joint Timber Company Ltd. of Thailand and lower interest earnings on current and deposit accounts.

Thanks to generally favourable weather conditions, the South Indian estates produced a record tea crop of 36,27,947 kgs., as against 34,21,001 kgs. in the previous year. But unit costs of made tea rose from Rs. 2.996 per kg. to Rs. 3.068 per kg. Only a part of this increase was offset by a rise in the price realised on sale of tea; the average rate went up from Rs. 5.203 to Rs. 5.260 per kg. Adverse weather and the normal alternating sequence of heavy and light bearing resulted, as expected, in a steep fall in the coffee crop from 1,368 tonnes to only 785 tonnes. The crop has been valued at Rs. 2.30 per point, as against Re. 1.90 per point a year before. The cardamom crop at 8,126 kgs. was slightly lower than the previous year's level of 8,325 kgs.

The Wallace Bay branch in North Borneo again made a substantial contribution to the overall earnings of the Company, although unfavourable weather and more difficult forest terrain conditions hampered working and were reflected in higher costs. Timber extraction operation, we are told, have gradually moved into areas increasingly distant from the main waterways and shipping points, with a consequent increase in road building, log handling and related expenses. A slight fall in the output of hardwood log was offset by increased purchases, bringing the total business to 178,731 tons, as against 161,284 tons in 1960-61. Mill production of sawn timber declined from 6,663 tons to 5,926 tons. Realisations on sales of log and sawn timber, however, were lower. The North Borneo Timbers Ltd. reported for the year a higher profit, before taxation, of M$5,378,739, as compared with M$4,321,648, but only maintained the dividend at 30 per cent, free of North Borneo tax, which is credited in the year's accounts of the Company. The Quoin Cocoa Estate is being gradually developed and consolidated. An area of 790 acres was planted last year and small trial shipments of cocoa have been made. About 2,011 acres were planted under oil palm on the Mostyn Estates and a further 1,000 acres were cleared for planting this year.

Repair work in the Rangoon dockyard increased slightly during the year, but there was little new building. Most of the old orders have been executed, and the prospects are bleak. The tea factory at Namhsan (Burma) was closed on 31st May 1962 following increasingly difficult trading conditions. The concrete products plant and the asbestos cement plant in Rangoon are said to be working satisfactorily.

In Thailand, the operations of the Joint Timber Company Ltd., were confined to clearance and disposal of the remaining stocks, as there was no prospect of further forest working. Since 1st June 1961, interim dividends equivalent in total to 210 per cent (as against 300 per cent received and credited in the previous year, of which 100 per cent were in respect of the year to 31st May 1960) and a small distribution of surplus funds were declared and have been received and credited in the year's accounts. The company, in which Bombay Burmah's holding amounts to 26 per cent of the equity, went into voluntary liquidation on 7th December last, and Bombay Burmah received a full return on the capital. There was no improvement in the working of the Thai Tapioca Ltd. last year. Actually, the year's working, characterised by higher costs and lower selling prices, resulted in a loss again. The Company's commission from Thai Tapioca amounted to Tcs. 924,943, as against Tcs. 1,006,268 in 1960-61. Steps are being taken to re-equip the factory and bring down unit costs, but these will bear fruit only from 1963 onwards. A further amount of Rs. 3.72 lakhs was received from the liquidator of the East India Rubber Corporation Ltd. (in voluntary liquidation). Liquidation proceedings are over now. The accounts of N.V. the Indo-Java Rubber Planting and Trading Company reported for 1961 a lower profit of Rp. 60.31 lakhs, as compared with Rp. 70.46 lakhs in 1960. Crop and sales were lower, average returns declined and costs rose.

Satisfactory progress has been reported by the Directors on the working of Afco Ltd., a subsidiary of the Company in Bombay. Negotiations with Formica International Ltd. for joint manufacture with the Company in India of industrial and surfacing plastic laminates under the well-known 'Formica' trade mark have progressed further. Formica India Ltd., a new company, will operate the project for which industrial licence has been obtained. Bombay Burmah proposes to invest Rs. 73.50 lakhs in 7,35,000 equity shares of Rs. 10 each at par of Formica India, which will represent 49 per cent of the proposed issued capital of that company. Formica International is to subscribe for 50 per cent of the capital.

The Company's financial position is strong. Its paid-up capital of Rs. 134.58 lakhs (made up of Rs. 89.25 lakhs in Rs. 125 fully paid ordinary shares, Rs. 42 lakhs in Rs. 50 partly paid ordinary shares, Rs. 2.50 lakhs in Rs. 2,500 fully paid ordinary shares and Rs. 83,000 on account of forfeited shares) is supplemented by reserves and surplus aggregating Rs. 418.64 lakhs. Unsecured bank borrowings came down during the year from Rs. 59.64 lakhs to Rs. 41.93 lakhs. Current liabilities and provisions together amounted to Rs. 224.78 lakhs. As against the aggregate liability of Rs. 266.71 lakhs are available current assets, loans and advances aggregating Rs. 397.22 lakhs and investments of Rs. 90.29 lakhs almost all of which are unquoted, including Rs. 56.45 lakhs in subsidiaries. The gross block, which increased during the year from Rs. 596.96 lakhs to Rs. 634.13 lakhs, has been written down to Rs. 326.03 lakhs.

At their current quotation of Rs. 625 *cum-final div.*, the net yield on the Rs. 125 fully paid ordinary shares works out to 3.8 per cent per annum.

RADIO AND ELECTRICALS MANUFACTURING

PROGRESS SATISFACTORY: EXPANSION MOVES APACE

FROM 1959 onwards, the Rs. 10 fully paid ordinary shares of the Radio and Electricals Manufacturing Company Ltd. (Chairman: Mr. T. Shamanna, I.A.S., Bangalore) have been treated with respect on the Madras Stock Exchange, within a yearly range of four to seven points, with a peak level of about Rs 25, except for one year (in 1960, to be precise), when the highest level touched by the shares was only Rs. 21. The actual highest and lowest levels touched by the shares in the past four years are given in the accompanying table. This fairly steady going by the Company's shares since 1959 contrasts sharply with their earlier performance characterised by a discount of 12 to 40 per cent from the face value, and speaks of the investors' confidence in the prospects for the Company and its management. The steady behaviour of the shares is all the more significant, especially as one finds that, in a span of two years, the Company raised its issued capital twice; in March 1960 from Rs. 25.00 lakhs to Rs. 37.50 lakhs by the issue of 125,000 shares of Rs. 10 each at par to the existing shareholders in the proportion of one share for every two shares held and, in February 1962, from Rs. 37.50 lakhs to Rs. 62.50 lakhs by the issue of 250,000 shares of Rs. 10 each at par to the existing shareholders in the ratio of two shares for every three shares held. Needless to say that the investors' confidence rests on a solid base of actual performance of the Company since 1959, an index of which is the annual return on the shares of 16 per cent net in 1959 and 23 per cent gross in 1960 before the capital was increased and of 18 per cent gross in 1961 and 1962 on the increased capital. The latest increase in capital last year was, however, not subscribed for before the close of the year on 31st March 1962.

The salient features of the Company's working in the past four years are pictured in the comparative table below.

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales proceeds	116.02	106.54	75.06	65.15
Stock of finished products and work-in-process	9.69	6.39	2.43	3.76
Other income	0.11	0.15	0.23	0.34
Raw materials consumed	57.32	53.16	31.78	28.38
Royalty, including taxes thereon	2.81	2.40	4.34	4.02
Staff expenses	15.30	12.52	11.03	10.99
Other expenses	9.68	8.68	5.04	5.77
Gross profit	34.32	33.89	21.78	19.22
Provision for—				
Depreciation	3.11	2.92	3.83	5.13
Taxation	16.00	14.00	9.75	12.88
Net profit	15.21	16.97	8.20	1.21
Excess provisions written back	0.08	0.08	0.02	0.11
50% share of profit from Government plastics section	..	..	2.32	3.09
Development expenses written off	..	0.33	0.02	..
To reserves	8.74	9.93	5.08	0.29
Dividend	6.57 (18%)†	6.57 (18%)†	5.65 (23%)†	3.93 (16%)
Carry forward	0.42	0.44	0.22	0.43
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	25.50	25.75	21.00	25.00
Low	19.30	18.68	17.07	20.00

† Subject to deduction of tax.

The results of the Company for the year ended 31st March 1962 mark a continuation of the progress seen from 1959. Over the year under review, sale proceeds have improved further from Rs. 106.54 lakhs to Rs. 116.02 lakhs and gross profit is higher at Rs. 34.32 lakhs as compared with Rs. 33.89 lakhs in 1960-61. We are told that the profit did not improve in the same proportion as did sales due to payment with retrospective effect of increased dearness allowance to the employees and increase in labour welfare and other expenses as a net result of which staff expenses went up from Rs. 12.52 lakhs to Rs. 15.30 lakhs. Because of the failure of profit to keep pace with sales, the profit-margin (ratio of gross profit to sales), which had expanded in the previous year from 29 per cent to 31.8 per cent, slipped back to 29.6 per cent. The provision for depreciation is slightly higher at Rs. 3.11 lakhs and has been made, as in the previous year, with reference to the written-down value of the assets as shown by the books of the Company duly taking into account the additions and deletions during the year, as prescribed under Section 350 read with Section 205 of the Companies Act. As a result of the five point increase to 50 per cent in corporate tax under the Finance Act, 1962, the provision for taxation has been put up by Rs. 2 lakhs to Rs. 16 lakhs. The net profit at Rs. 15.21 lakhs is, therefore, actually lower as compared with Rs. 16.97 lakhs for the preceding year.

(*Continued on next page*)

SYNOPSES OF COMPANY REPORTS

Zenith Steel Pipes Ltd.

(*Secretary*: Mr. R. H. Toprani, Bombay.)

Second Annual General Meeting—24th October 1962.

Extracts from the Directors' report for the period from 1st July 1961 to 30th April 1962:

After transferring an amount of Rs. 2,75,195 to the "Expenditure for Construction Account" and after providing Rs. 39,000 for taxation, the profit and loss account for the period shows a surplus of Rs. 7,065 to which is added the surplus of Rs. 23,584 brought forward from the previous period, making a total of Rs. 30,649 to be carried over to next year's account.

The erection of the Company's factory at Khopoli having been almost completed by 30th April 1962, the directors considered it appropriate to segregate the accounts for the period of erection up to that date and for the period thereafter and to end the financial year of the Company on 30th April beginning from 1962.

The plant has now been commissioned. Although its installation was completed within a period less than a year and a half of the receipt of the import licence, the achievement of full and regular production was hampered on account of inadequate supply of steel and power. These difficulties are now being overcome and the production is gradually coming up.

Out of the loan in foreign exchange equivalent to Rs. 45.94 lakhs (including additional loan for Socket plant) and rupee loan of Rs. 15 lakhs made available to the Company by the Industrial Credit and Investment Corporation of India Ltd., Rs. 50.32 lakhs have been drawn to-date.

Expenditure on block account as shown in the accounts amounts to Rs. 96,08,392. Further capital expenditure has been and is being incurred. The total block expenditure is expected to be near about the original estimates in spite of the subsequent revaluation of the Deutsche Mark and increases in import duty.

The machinery required to manufacture pipe sockets has been ordered and partly received. Every endeavour is being made towards the speedy implementation of this scheme.

Accounts in brief as at 30th April 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	69,73,125	Gross block	96,08,392
Reserves and surplus	30,649	—Depreciation	19,432
Other liabilities	45,23,585	Net block	95,88,960
		Current assets	14,12,579
		Investments	5,500
		Cash	4,01,631
		Miscellaneous expenditure	1,18,689
Rs.	1,15,27,359	Rs.	1,15,27,359

* Paid-up capital consists of 7,00,000 equity shares of Rs. 10 each. Calls in arrears amount to Rs. 26,875.

Man Industrial Corporation Ltd.

(*Managing Agents*: Messrs. Prithviraj Sons, Jaipur.)

Sixteenth Annual General Meeting—15th October 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	81,78	89,60
Closing stock	22,87	37,77
Gross profit	10,74	10,58
Transfer to Mg. Agents' commission	86	85
,, ,, depreciation	2,09	2,07
Net profit	7,79	7,66
Adjustments	35	40
Appropriations:		
Total available balance	8,14	8,06
Transfer to development rebate reserve	21	30
To excess payment of wealth tax	2	Nil
Proposed dividends (taxable) Preference	45†	1,35*
,, ,, ,, Equity	Nil	Nil
To arrears of depreciation	7,00	6,06
Carry forward	46	35

N.B.—Adjustments represent only the balance brought forward from the previous year.

* Represents preference dividend for three years from 1st April 1956 to 31st March 1959.

† For the year 1960.

Extracts from the Directors' report: A little fall in the sales during the year under report compared to that during the previous year is due to the reduction in the production of profile of sections in consequence to the short and irregular supply of billets.

Expansion and prospects: The Company has been successful in rolling ½" bulged angle which is commonly required by Textile Mills. This item was formerly imported from foreign countries. In the *Forging* section progress in manufacturing parts for scooters, cycles and oil engines has been maintained and the Company has undertaken the forging of a few more parts for scooters. In the *Steel Door* and *Window Sections*, with the installation of a *Brake Press*, sheet working for doors and windows has been much facilitated. The Company is undertaking the manufacture of windows with steel or glass louvres. The Company has also developed gearing system for the operation of several ventilators simultaneously.

The machineries for the manufacture of *Transmission Towers* for overhead high tension lines arrived during the period of this year. The installation of a Galvanizing Plant along with other machineries is being carried out and it is now expected that the Unit will be put into commission very shortly.

The Government of India granted the Company a licence for the manufacture of *Silico Manganese Steel* (*Spring Steel*) for the annual output of 12,000 tonnes rising to 24,000 tonnes in due course. Strenuous efforts are being made for foreign collaboration for the successful execution of the scheme.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	53,73,065
Reserves and surplus	1,75,891	—Depreciation	33,71,642
Other liabilities	32,62,067	Net block	20,01,423
		Block in progress	1,753
		Current assets	49,72,044
		Investments	2,02,034
		Cash	2,60,704
Rs.	74,37,958	Rs.	74,37,958

* Paid-up capital consists of 30,000 equity shares of Rs. 100 each fully paid up and 10,000—4½ per cent. ((free of Jaipur income-tax) cumulative preference shares of Rs. 100 each fully paid-up.

Okayti Tea Co., Ltd.

(*Board of Directors*: Mr. R. C. Karnani; Mr. T. Ratan and Mr. I. P. Karnani.)

Registered Office: 16/3, Chowringhee Road, Calcutta.

74th Annual General Meeting—24th October 1962.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1961	1960
Gross profit	1,62	3,01
Transfer to depreciation	25	23
,, ,, provision for taxation	91	1,25
Net profit	46	1,53
Adjustments	83	16
Appropriations:		
Total available balance	1,29	1,69
Transfer to reserves	Nil	60
To additional preference dividend for 1959 and 1960	2	Nil
Proposed dividends (taxable) Preference	4	3
,, ,, ,, Ordinary	1,00 (25%)	1,00 (25%)
Carry forward	23	6

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report: The crop harvested was 99,223 kgs., as compared with 1,01,478 kgs., in 1960. Climatic conditions were favourable in calculating the estimated crop. The average selling price was Rs. 8.77 per kg. as against Rs. 9.95 per kg. in the previous year.

Estimates for 1962 provide for a crop of 1,00,000 kgs., at an outlay of Rs. 6,86,000 including inland freight, warehousing and sale charges. The planted area remains at 205 hectares.

Accounts in brief as at 31st December 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	4,50,000	Gross block	6,46,298
Reserves and surplus	2,94,337	—Depreciation	3,03,062
Other liabilities	6,01,087	Net block	3,43,236
		Current assets	4,70,503
		Investments	4,81,302
		Cash	50,383
Rs.	13,45,924	Rs.	13,45,924

* Paid-up capital consists of 500 seven per cent cumulative redeemable preference shares of Rs. 100 each and 4,000 equity shares of Rs. 100 each.

Champdany Jute Co., Ltd.

(*Managing Agents*: Messrs. James Finlay and Co., Ltd., Calcutta.)

Annual General Meeting—25th September 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales	2,68,32	3,20,05
Closing stock	54,42	51,70
Gross profit (+) or loss (—)	—25,40*	+12,87
Transfer to Managing Agents' remuneration	50	50
,, ,, depreciation	8,98	9,18
,, ,, taxation	Nil	3
To bad debts written off	Nil	6
Net profit (+) or loss (—)	—25,40	+3,10
Adjustments	1,37	2,54†
Appropriations:		
Total available balance	—25,40	+5,64
To adjustment of loss for the year	1,37	Nil
Transfer to development rebate reserve	Nil	1,31
,, ,, provision for doubtful debts	Nil	1
To payment of dividend (taxable) ordinary	Nil	2,95
	(Nil)	(5%)
Carry forward	—24,02	+1,37

N.B.—Adjustments represent the credit balance brought forward and other credit items.

* Gross loss after providing for Managing Agents' commission and depreciation.

† This includes Rs. 85,000 transferred from contingency reserve.

Extracts from the Directors' report: The earlier part of the year under review was one of the most critical periods in recent years although the position improved slightly from October onwards when the pressure of new crop arrivals brought fibre to economic price levels. This eased the acute shortage which had earlier prevailed and in consequence the disparity between prices of raw jute and those obtaining for finished goods was thereafter dispelled.

In the second half of the year conditions improved although it did not prove possible for the Company to recoup the very heavy trading losses incurred earlier in the year.

As mentioned in their last report the Directors decided to concentrate the manufacturing operations of the Company at Wellington Mill and this major rationalisation was completed during the year with a consequent substantial reduction in manufacturing costs. Champdany Mill closed down permanently on 15th May, 1961, and all machinery in Wellington Mill is now being worked on a multiple shift basis. Unfortunately the reorganisation process was greatly obstructed by the infransigent attitude of the labour at both Champdany and Wellington Mills. The Management were compelled to declare a lockout at Wellington Mill on 31st May and the Mill remained closed until 1st July although full working was not possible until 9th July. This was a regrettable and unavoidable setback which inevitably has had its effects on the results of the Company's working during the year under report.

As a result of difficulties in installation and the late delivery of certain machinery from overseas the *Wide Carpet Backing Plant* of 20 looms was not in full production until March and the results from this project are not reflected in the current year's accounts. This section of the Mill is now working well and a further 10 looms are expected to be in production by November of this year. The immediate prospects for the Company's *Wide Carpet Backing* cloth are good and this plant is currently making a substantial contribution to the Company's working.

The outlook for the current year is satisfactory. It is, however, becoming more apparent than ever that if the Indian jute manufacturing industry is to be protected from the recurring cycles of acute losses followed by some months of profitable working, further steps must be taken to ensure that the costs of raw jute (which should in turn reflect a reasonable income to the grower) are effectively stabilised and linked at a profitable level to the prices obtaining for jute manufactures. These latter are dictated by world influences, not internal factors peculiar to India as in the case of Indian raw jute. This is a difficult problem, the solution of which involves the reconciliation of many differing viewpoints.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	59,16,400	Gross block	2,30,70,944
Reserves	82,28,226	—Depreciation	1,29,03,864
Other liabilities	70,08,394	Net block	1,01,67,080
		Current assets	83,84,533
		Investments	2,05,000
		Cash	44,069
		P.L. a/c deficit	24,02,338
Rs.	2,11,53,020	Rs.	2,11,53,020

* Paid-up capital consists of 59,164 ordinary shares of Rs. 100 each fully paid in cash.

(*Concluded from previous page*)

Nonetheless, the dividend has been maintained at 18 per cent per annum, taxable, of which half was paid as interim dividend. The amount of profit retained in business is, however, lower by Rs. 1.19 lakh at Rs. 8.74 lakhs.

We are told that necessary steps have been taken not only for substantial expansion of the production of the existing lines in which the Company is engaged but also for taking up the manufacture of new products. A delegation of the Company's Directors visited Japan in 1961 and conducted negotiations with Japanese collaborators for the manufacture of loudspeakers and transistor radio receivers. Agreements covering the manufacture of these two products have since been concluded and applications have been made to the Government for the issue of licences. Progress on the other expansion programmes is said to be satisfactory. Licences for substantial expanion of the existing production of plastic cables and wires have been obtained and cover the manufacture of D.C.C. and paper covered conductors in addition to wire drawing and P.V.C. compounding. Further progress on this scheme will depend on the availability of foreign exchange required for the import of plant and equipment and raw materials as also the availability of additional power, which is expected only by the end of 1963, following the delay in the implementation of the Mysore State's Sharavati power project.

Most of the items of machinery required for the manufacture of capacitors have been received and are under erection. Production of these products will start as soon as additional power is made available, when the imported machinery and equipment will also have arrived and been erected. Plans to expand production of electricity meters are going on as scheduled. The first consignment of machinery has already arrived, the second is shipped and two more are to arrive before the end of April next. The cost of these shipments is shown at Rs. 30.07 lakhs in the balance-sheet as outstanding commitments for capital expenditure. Production of water meters and switches for electronic industry has been stepped up almost to the licensed capacities and proposals are on hand to get the licensed capacities enhanced. Efforts are under way to make the sales organisation of the Company more effective. It is proposed to have the shares of the Company listed on the Bombay Stock Exchange.

The financial position of the Company is sound. Its paid-up capital of Rs. 36 81 lakhs is supplemented by reserves and surplus aggregating Rs. 26.41 lakhs. Secured loans from the Government of Mysore are practically unchanged over the year at Rs. 28.15 lakhs. Current liabilities and provisions together amount to Rs. 81.20 lakhs, as against Rs. 69.98 lakhs a year before. As against this, current assets, loans and advances aggregate Rs. 146.25 lakhs, an increase of Rs. 17.87 lakhs over the year. The gross block, which increased during the year from Rs. 48.66 lakhs to Rs. 51.89 lakhs, has been written down to Rs. 25.49 lakhs.

Currently quoted at Rs. 19.87 (*cum-final div.* of 9 per cent, taxable), the Rs. 10 fully paid ordinary shares of the Company offer, on the *ex-div.* basis, a net yield of 6.5 per cent per annum, which is very attractive for a sound growth scrip.

NEWS IN BRIEF

THE State-owned Bharat Electronics at Bangalore is exploring the possibilities of manufacturing television transmitters and studio equipment. It has already approached foreign T.V. manufacturers for possible collaboration.

A tea delegation, headed by Mr. A. S. Bam, Chairman of the Tea Board, has left on a tour of Australia, New Zealand, Fiji islands, Malaya and Singapore to study the possibilities of expanding exports of tea to these countries.

The possibility of fixing a floor price for coarse rice (at around Rs. 14 or Rs. 15 per maund) has been hinted at by Dr. Ram Subhag Singh, Union Minister for Agriculture. The Government of India is now collecting the necessary data from various States.

The Central Wage Board for Coffee Industry (Chairman: Mr. L. B. Dave) has suggested an interim increase in wages for estate labour in the different areas to be given with retrospective effect from 10th August last. The Government of India is likely to take a decision on the suggestion shortly.

The Glasgow and the Clyde Valley in Scotland has decided to establish a feed-mixing plant at Anand in Gujarat State at a cost of £108,000. This is one of the plans announced by Lord Polwarth, Chairman of the Scottish Committee set up as part of the British "Freedom From Hunger" campaign. The new plant at Anand will help improve milk supplies to Bombay and other towns.

The cotton textile mills' production during the month of September 1962 is provisionally estimated at 70 million kilograms of cotton yarn and 375 million metres of cotton cloth. At the end of September 1962, the composite mills of the industry held an estimated stock of 191,000 metric bales of cloth as unsold and 193,000 metric bales as sold (unlifted).

The Planning Commission's Programme Evaluation Organisation will undertake a pilot study of the handloom development programme and its effect on employment and earnings of weavers. The study will be in six selected districts in Andhra Pradesh, Madras, Maharashtra, Mysore, Orissa and West Bengal and in a limited way in Tripura.

Some of the major Swiss watch manufacturers, including Favre-Leuba and Technika, have offered to collaborate with Indian industrialists in the manufacture of watches in India, according to Mr. A. Bezzola, Director of Henri Sandoz and Fils, who was on a short visit to Bombay recently. Henri Sandoz itself is one of the largest Swiss watch manufacturers, producing 3,000 watches per day.

The Ganga-Brahmaputra Water Transport Board has agreed in principle to extend its Patna-Buxar service to Allahabad in the light of a scheme of the Department of Mines and Fuel for the carriage of coal from the Bihar-Bengal coalfields up to Mokameh by road and then to Allahabad by river. It has also decided to undertake the necessary conservancy measures on the Ganga between Buxar and Allahabad so as to facilitate the implementation of the scheme.

The Gujarat Fisheries Central Co-operative Association proposes to establish a factory to manufacture caprolactum-nylon with an annual capacity of 5,000 tonnes per year. Japanese collaboration has been secured for the project, which will be the first of its kind in India. The Association also proposes to erect, with Japanese collaboration again, two plants, one at Ahmedabad and the other at Kandla for the manufacture of nylon net and twine.

The foundation-stone of the Rs. 80-lakh heavy engineering project of the S.L.M.-Maneklal Company at Vatwa near Ahmedabad was laid last week. The project, which is being put up in collaboration with the Swiss Locomotive and Machine Works, will undertake the manufacture of high-power diesel engines of 163 to 655 horsepower, compressors and watering pumps. The construction of the factory is expected to be completed within a year.

The ownership of the Kolar Gold Mines will be transferred from the Government of Mysore to the Centre by the end of this year or earlier, provided the question of compensation was decided, according to Mr. S. Nijalingappa, the State's Chief Minister. The Central Government has agreed to give compensation of Rs. 3 crores to the State Government, but the latter has been demanding more. The State Government, after transfer, would continue to get royalty on the ore besides tax on electricity.

Rumania has offered India further technical and economic assistance for the development of petroleum, petro-chemicals, chemicals, ores and other minerals. The offer is contained in letters exchanged between the two countries. The letters provide for the officials of the two Governments to meet and draw up specific proposals aimed at expanding technical and economic co-operation. Rumania has already helped in the establishment of the 750,000-ton oil refinery at Gauhati in Assam, besides assisting in oil exploration programmes.

The organic chemicals plant put up at Kandla by the Atul Drug House was inaugurated on Monday this week, by Dr. Jivraj Mehta, Chief Minister of Gujarat. The plant, which is the first of its kind in this country, is designed to manufacture 14,000 tons of formaldehyde and 300 tons of hexamine annually; these are basic raw materials for plastics, paints and laminations. Atul has secured the collaboration of the West German firm, Karl Fischer, for the venture. Put up at a cost of Rs. 75 lakhs, the plant is expected to result in a foreign exchange saving of Rs. 50 lakhs.

Tea exports touched a record figure of 308 million lbs. during the first nine months of 1962 (January-September). As compared with the corresponding period of 1960 and 1961, exports were higher by 58 million lbs. and 24 million lbs., respectively. The total value of tea exports during January-September 1962 amounted to Rs. 81 crores which was higher by Rs. 11 crores and Rs. 1.3 crore, as compared with the corresponding periods of 1960 and 1961. The earnings from tea exports would have been still higher, but for the decline in the unit value of tea from Rs. 2.80 to Rs. 2.63 per lb. in the current year.

The Government of India has reduced the price of calcium ammonium nitrate by Rs. 32 per metric ton. The price reduction is part of the Government campaign to popularise this new nitrogenous fertiliser whose production is rapidly increasing in the country. The revised maximum retail price of calcium ammonium nitrate, when sold for the use of cultivators as well as plantations, is Rs. 310 per metric ton, as against the old rate of Rs. 342 per metric ton. The rates for other nitrogenous fertilisers covered by the pool system, namely, ammonium sulphate, urea, and ammonium sulphate nitrate remain unchanged. With the present cut in the price of calcium ammonium nitrate, this fertiliser has become Rs. 50 per tonne cheaper than ammonium sulphate.

The Central Council of Health has recommended that confiscation of property of dealers and manufacturers dealing in spurious drugs be provided in the Drugs Act. It has also suggested that the minimum punishment should not be subject to the discretion of the trial magistrate and that the relevant provision of the law should be applicable to Government factories as well. These recommendations are contained in a resolution passed by the Council at its tenth meeting which concluded at Mahabaleswar on the 19th inst. This resolution recommends that ayurvedic and unani medicines should be brought within the purview of the Drugs Act. Provision for publicising the names of manufacturers of spurious drugs after a report from the Government analyst and provision against hoarding of medicines have also been recommended. The Council has called upon the State Governments to develop drug control machinery on the pattern of Maharashtra and Gujarat Drug Control Administrations.

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From Abroad

A British team of experts representing the animal feed industries is scheduled to visit the U.S. shortly for studying the latest methods of utilising maize and sorghum as the cereal content of livestock feeds. The visit has been sponsored by the U.S. Feed Grains Council.

Austria sold 25 million bushels of wheat to Communist China last week. The terms of payment will be 10 per cent cash, 20 per cent after six months, another 20 per cent after nine months and the rest after a year. In previous deals, the six-month payment was 40 per cent and there was no nine-month payment.

The nationalised Bank of Ceylon has reduced its interest rate to 4½ per cent from 6 per cent with effect from the 16th inst. in a bid to give more attractive credit facilities to small borrowers. In addition, the borrowers who pay their instalments regularly will get their rebate of one-fifth of the total interest payable by them on their loans.

Under an agreement signed between Communist China and Ghana, China will help the latter to set up cotton spinning and weaving factories. The agreement, which involves an amount of £7 million, also provides for Chinese technical aid for a number of projects, including factories for enamel and chinaware. Ghanaians will also be given training in China.

Du Pont in the U.S. has developed a synthetic leather which has most of the qualities of natural leather. The Company will put up at Tennessee a multi-million dollar plant which is expected to commence production by 1964. Meanwhile, the Company proposes to market small quantities of synthetic leather to shoe manufacturers from next year onwards.

The U.S. Department of Agriculture estimates that the world output of wheat will go up by 7 per cent to 8,400 million bushels in the 1962-63 season, as compared with last year. In the U.S., a cutback in acreage is expected to reduce production. This reduction will, however, be more than offset by an increase in Canada, Western Europe, India and Pakistan, which are expected to have record or near-record crops.

Australia has almost doubled its meat exports to the U.S. over the past year. Shipments rose from 95,000 to 175,000 tons and, although shipments to Britain fell by almost 100,000 tons to 733,000 tons, Britain was still the biggest outlet.

PERSONAL

MR. Milton C. Rewinkel has taken over charge as the U.S. Consul-General in Bombay in place of Mr. Robert M. Carr.

Mr. Prezemyslaw Grodzinski has been appointed Poland's Ambassador to India, Ceylon and Nepal.

Mr. T. N. Kaul, until recently Deputy High Commissioner for India in London, has been appointed India's Ambassador to Soviet Russia.

Prof. J. K. Galbraith, U.S. Ambassador in India, returned from London on Monday this week after cancelling his scheduled visit to Washington.

Mr. B. M. Grover has been elected Chairman of the All-India Woollen Mills Association Ltd., Bombay, for 1962-63 and Mr. R. K. Seth and Mr. T. N. Khaitan have been elected Vice-Chairmen.

Dr. Harvie Branscomb, Chancellor of Vanderbilt University, has been appointed Consultant to the World Bank on educational policy. He will devote full time to this assignment when he retires as Chancellor in February 1963.

Mr. B. Mukerji, Managing Director, State Bank of India, left Bombay on Tuesday the 23rd inst., for the U.K. and the Continent where he will study the training programme and procedure in connection with the banking industry.

Mr. K. D. Malaviya, Union Minister for Mines and Fuel, left New Delhi this week on a fortnight's tour of the Soviet Union, Poland, Rumania and Italy to discuss the possibility of greater collaboration in developing the coal and petroleum industries in India.

The U.S. was still by far the biggest purchaser of beef with imports from Australia of 151,000 tons last year. On the other hand, Britain's purchases of beef at 31,000 tons were less than half the previous year's total.

The U.S. has granted Pakistan a long-term interest-free loan of $8.6 million for the expansion and improvement of the electric power distribution system in the eastern wing. The total U.S. economic and technical assistance (excluding military aid) has so far exceeded $1.75 billion over a period of more than ten years. Much of the aid has been used to import commodities which have been sold for rupees and later used by Pakistan for its development programmes.

Pakistan and Nepal have signed a trade agreement providing for most-favoured-nation treatment between the two countries. The agreement also provides for the conclusion of special arrangements to facilitate the movement of goods from one country to the other. The two countries have also signed a protocol regarding special payments arrangement governing the exchange of certain specified goods. The items to be imported by Nepal under the specified payments arrangement include cotton textiles, woollen textiles, rock-salt, newsprint and films. Nepal will export to Pakistan timber and wood, pulses, potato seeds, oilseeds, musk and cardamom.

The European Parliament of the Common Market has passed a resolution seeking to harmonise the monetary policies of the Six. The resolution calls upon the E.C.M. Commission to formulate a co-ordinated monetary policy among the Six as quickly as possible for the short-term period. In the long-run, it foresees the displacement of the co-ordinated monetary policy (envisaged in the Rome Treaty) by a single common policy, under which no member-country will alter the exchange rates without prior consultation with the other members. In case the U.K. joins the Six, the resolution suggests, the I.M.F. should liaise between the sterling area and the enlarged Common Market.

U.S. personal income in September was at a seasonally adjusted annual rate of $443,000 million—unchanged from the record August level. The figure for the first nine months of 1962 was at a seasonally adjusted rate of $438,000 million, an increase of $25,000 million. The income total of $442,500 million in the third-quarter annual rate represents an advance of $3,000 million over the second-quarter rate. Wage and salary disbursements were at an annual rate of $297,500 million in September 1962 or a decline of $500 million from August. Dividends, interest and transfer payments were higher in the month to offset the payroll decline.

The U.K. has decided to reduce customs tariff by 20 per cent on a wide range of industrial items with effect from the 31st inst. This step is in pursuance of the concessions in the British tariff which were granted in the agreements with the United States and the European Economic Community and announced on 7th March and 17th May, respectively. Under the operation of the most-favoured-nation clause and the rules of the G.A.T.T., the concessions will apply to imports from all countries. The preferential position enjoyed by Commonwealth countries is preserved by the new order which also introduces the fourth reduction in British import duties on goods coming from the countries of the European Free Trade Association. The order in effect implements the changes in the British customs tariff resulting from the conclusion of the 1960-61 G.A.T.T. tariff conference (of which the bilateral agreements with the United States and E.E.C. were a part).

CALL MONEY DECLINES FURTHER

(From Our Own Correspondent)

BOMBAY, 24th October

Conditions in the short-term money market are extremely comfortable. Funds available are plentiful, with lenders over. The inter-bank call money has, as a consequence, registered a further fall. The actual rate today is no more than 2 per cent, as against 3 per cent a week ago and 4 per cent two weeks ago. The rate at Calcutta has also gone down from 3½-3¾ per cent to 2½ per cent. Renewals are done at ¼ per cent higher. The money markets may continue to rule easy for a few more weeks. It would appear that the busy season will commence much later than usual, since it is reported that there will be some delay in the arrival of 1962-63 agricultural crops.

In the context of the easiness of money, the success of Oil India's Rs. 30-crore debenture issue (1968-77), due to open for public subscription on Tuesday the 30th inst., is fully assured and the issue will not, contrary to the earlier belief, place a sizable strain on the capital market. For, out of the Rs. 30 crores, the Central Government has already agreed to take Rs. 12.50 crores and another sum of Rs. 8.75 crores will be subscribed by the L.I.C., I.F.C., I.C.I.C.I., Export Risk Insurance Corporation, State Bank and its six subsidiaries. The balance left for public subscription is thus only Rs. 8.75 crores, a small amount indeed which may be easily taken up by banks and other institutional investors. Incidentally, the debentures will be issued at par in units of Rs. 5,000 each, carrying interest at 6½ per cent per annum subject to tax.

There was no change in the amount (Rs. 2 crores) of Government of India's 91-days' Treasury Bills sold under the tender system on Tuesday this week, but the average rate of these Bills declined from Rs. 2.365 per cent to Rs. 2.350 per cent per annum. The Intermediate Treasury Bills, which were on top from the 17th to 20th inst., fetched a much larger sum than last week—Rs. 1.40 crores, as against a bare Rs. 5 lakhs—reflecting the slackness in demand for floating funds during those days. The sales of both types of bills are continuing, the Intermediates from today to 27th October.

A fall of Rs. 23.26 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 19th October 1962 as compared with that for the previous week. Since the notes held in the Banking Department have also fallen by Rs. 46 lakhs, the total notes issued are lower by Rs. 23.72 crores at Rs. 2,067.53 crores. There has been a decline of Rs. 24.99 crores in the rupee securities held in the Issue Department. Foreign assets show a rise of Rs. 1.69 crore to Rs. 94.35 crores. The rise is accounted for entirely by balances held abroad in the Banking Department, while foreign securities in the Issue Department remain unchanged at Rs. 88.08 crores. Indicative of the return of easy money conditions that had set in in the previous week itself is the notable fall of Rs. 8.82 crores in the scheduled banks' borrowings from the Reserve Bank in the week-ended 19th October and of a rise of Rs. 6.23 crores in their deposits with the Bank. The outstanding amount of their borrowings is only Rs. 1.53 crore, of which those under usance bills is only Rs. 90 lakhs.

The pace of increase in bank credit slowed down considerably during the week ended 12th October, according to the scheduled banks' statement for this week. The actual increase was just Rs. 84 lakhs, as against Rs. 12.73 crores in the previous week. There was a further accretion of Rs. 8.70 crores to the deposit portfolio of banks. Inter-bank borrowings, however, were higher but by only Rs. 1.25 crore.

The Gilt-edged market continued to rule dull during the week under review. 3 per cent 1986 Conversion Loan was subjected to selling and dropped 45 nP to Rs. 66.60. 4 per cent 1979 eased by 10 nP to Rs. 98.55. State loans were generally easy. The exception was 4½ per cent 1974 Maharashtra which were bought 40 nP higher at Rs. 99.90.

The rupee in the foreign exchange market was slightly easy in terms of the dollar, the actual T.T. and D.D. selling rate today being Rs. 478.00 per $100, as against Rs. 477.75 a week ago. The banks' buying rate (clear T.T. and bills) for dollars was also easy by 25 nP at Rs. 473.75 for D.D. bills, Rs. 471.00 for 60-day bills and Rs. 468.25 for 120-day bills. In New York, sterling was stronger *vis-a-vis* the dollar in the first two sessions but turned weak later. The latest available rates are: 280.110-280.150 cents per £ for spot and 279.770-279.810 cents for three months' forward, the corresponding rates for last week being 280.160-280.210 cents and 279.740-279.770 cents, respectively.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 22nd October

Sugar prices here were depressed this week, as demand was poor and mills were anxious sellers in view of the expected new crop arrivals in early November. Pre-*Diwali* demand was not visible, but was likely to increase in the next few days. Supply position was still reported easy following heavy releases last month. Traders do not apprehend rise in prices in the near future, as the Government has declared its willingness to release further extra quantity to meet the festive demand. Spot delivery prices were almost unchanged at Rs. 106 a bag of one quintal. Mill delivery prices (per quintal) were: D 29 Meerut Rs. 104.87, Amroha Rs. 103.47, Dhampur Rs. 102.99, Seohara Rs. 102.80, E 29 Simbhauli Rs. 104.49 and Bijnore Rs. 103.31.

Lack of outside buying support accounted for further easiness in the Muzaffarnagar market this week. Mills were eager sellers, and prices declined by 25 nP to 50 nP a quintal. In the week-end, however, some *Diwali* demand was visible.

However, on good festive demand, *khandsari* ruled steady. Crystal was quoted at Rs. 96.45 to Rs. 101.81 and non-crystal at Rs. 97.79 to Rs. 103.15, a quintal. *Boora* prices improved by Rs. 2.68 to Rs. 101.81 to Rs. 104.49 a quintal.

Ready new *gur* prices sagged heavily by Rs. 5.34 a quintal thanks to the pressure of arrivals which averaged daily here at 2,500 to 3,000 maunds. However, they were lifted mostly by Gujarat, the week's offtake to which amounted to 10 wagonloads. *Gur* arrivals would increase further by the end of the month, when *rabi* sowings would be complete. Crushers were still finding it profitable to manufacture *gur* at the prevailing prices and were buying cane at Rs. 3.50 a quintal. Week-end prices here were: *Gur* superior Rs. 69.66, average Rs. 64.30 to Rs. 66.98, inferior Rs. 49.57 to Rs. 52.35, old Rs. 58.94 and *shakker* Rs. 69.66 to Rs. 72.34, a quintal.

New *gur* arrivals in Muzaffarnagar were, however, still poor at average of 1,000 maunds, which were being lifted, on account of the festive demand, at Rs. 60 a quintal for *pansera*, Rs. 69.62 for *chaku* and Rs. 58.74 to Rs. 62.50 for *khurpapar* quality. *Shakker* was quoted at Rs. 65 to Rs. 82.50 a quintal.

GOLD FAILS TO KEEP THE GAIN

(From Our Own Correspondent)

BOMBAY, 24th October

A war psychosis, following the undeclared war by the Chinese with this country on its Northern frontiers, gripped the bullion market during the major part of this week. Prices shot up in both spot and futures sections of the market on some heavy demand for the ready material and nervous short-covering in forward deals. Improvement was particularly marked in silver, thanks to firmer overseas advices. Sentiment was also influenced by fears of an adverse turn in the international situation following the U.S. naval blockade of Cuba. Extreme gains were, however, pared on realising and due to some easiness in the spot section owing to very large inflow. Today the tendency was soft, especially in gold, following the statement by Defence Minister Krishna Menon in Bombay yesterday that those who had the ill-gotten gold should deposit it with the Reserve Bank. This statement revived the fear of some possible official measures to make people dishoard bullion. Consequently, whereas both spot and forward silver could wind up the week with a substantial gain, gold futures showed a minor variation and the spot metal disclosed a distinct loss.

Silver stole the show throughout the week. The *Margashir* contract after declining on Thursday last from Rs. 223 to Rs. 222.40, shot up in stages to Rs. 225.20 on Monday the 22nd inst., and, in the process, attracted a special clearing, as the rise was more than Rs. 5 over the last clearing rate. Subsequently, however, the contract turned lower to Rs. 224.20 and closed at Rs. 224.35, as against Rs. 222.55 a week ago. Ready silver spurted from Rs. 220.90 to Rs. 224.20 and closed at Rs. 223.75, that is, Rs. 2.45 higher over the week.

After being done at Rs. 120.15 on Thursday, gold *Margashir* declined to Rs. 118.95 the next day for want of support and on some selling pressure from Delhi. But the contract soon regained the lost ground and advanced to Rs. 121.95 on Monday the 22nd inst. Later, it reacted to close with a gain of only 5 nP over the week at Rs. 120.20. After jumping up earlier during the week from Rs. 119.70 to Rs. 123.20 on disturbing news from NEFA, spot gold declined later in the week to lose almost the entire gain and closed lower at Rs. 119.85, as against Rs. 120.50 a week ago.

Forward silver in London advanced from 104*d.* to 104⅝*d.*, at which it closed, as against 104*d.* a week ago. Spot silver was done higher at 104*d.* as compared with the previous week's close of 103⅜*d.* In New York, too, the price for silver improved from 121.25 cents to 122 cents. As against the previous week's close of 250*s.* 8¾*d.*, ready gold in London was initially done slightly lower at 250*s.* 7*d.* But it soon improved to close at the week's highest level of 251*s.* 1*d.*

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

	24-10-62 (closing)	High	Low	17-10-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	119.85	123.20	119.70	120.50
Margashir * ..	120.20	121.95	118.95	120.15
Sovereign	96.75	97.25	94.50	94.50
SILVER				
Ready (.996 fine) ..	223.75	224.20	220.90	221.30
Margashir † ..	224.35	225.20	222.40	222.55
London—				
Gold	251*s.*1*d.*	251*s.*1*d.*	250*s.*7*d.*	250*s.*8¾*d.*
Silver Ready ..	104*d.*	104*d.*	103.⅜*d.*	103⅜*d.*
Silver Forward ..	104¼*d.*	104⅛*d.*	104*d.*	104*d.*
New York—				
Silver	122.00 cents	122.00 cents	121.25 cents	121.25 cents

* 11th December settlement. † 12th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 22nd October

Firm conditions continued in the local linseed market this week, due mainly to shortage of supplies from upcountry. Mills evinced interest daily in ready and forward deliveries, but sellers were reserved. The oil market ruled steady, but the turnover was limited, as sellers were not inclined to do any business for forward deliveries until supplies of seeds improved. The oilcake market was very firm due to shortage of supplies. The latest quotation for the October delivery was Rs. 85.20 per quintal.

COTTON FUTURES RECOVER AT CLOSE

(From Our Own Correspondent)

BOMBAY, 24th October

The cotton futures market, after having ruled firm during the first half of the week under review, showed signs of weakness in the second half which gave place to renewed strength towards the close. The principal reason for the earlier firmness was the release by the Textile Commissioner on Friday, the 19th inst., of the first new crop cotton quota for the 1962-63 season. Although actual purchases against the quota could be made only after the mills had received individual quota letters, the announcement was followed by a spurt of demand for new crop in the ready market. Consequently, prices of all new crop varieties firmed up and this imparted a bullish twist to the futures market. The Jarilla March 1963 contract firmed up from the last week's closing rate of Rs. 735.25 to Rs. 745.50 on Saturday, thanks to heavy shortcovering and fresh support by local and upcountry operators. However, this level could not be maintained. Reports of large-scale Chinese aggression prompted nervous liquidation and prices receded. Profit-taking accelerated the downward trend. The Jarilla March contract was marked down to Rs. 738 yesterday. A recovery was evident today and the contract closed higher at Rs. 744.75, as against the last week-end quotation of Rs. 735.25.

In the spot market at Sewri, demand for new crop broadened, following the release of the new crop quota. Actual business put though was, however, limited as mills had not yet received the quota. According to the Textile Commissioner's notification, mills in Gujarat, Maharashtra and the South will get 20 per cent of their consumption of Indian and foreign B cotton during 1961-62 as the first instalment of the quota while others will get 30 per cent. The variety-wise distribution of cotton, which was introduced last season, has been discontinued. All outstanding quotas of the 1961-62 season will automatically lapse on 31st October 1962. Hence no purchase of new crop can be made against the unutilised portion of these quotas.

Simultaneously, the Textile Commissioner also announced officially the new scheme of marketing of cotton during the 1962-63 season, thus sealing the controversy that has been going on for some time now between the mill and trade interests.

The main features of the new scheme are as follows:

(1) Purchases of cotton for ready delivery will be channelised through supervisors who will be responsible for drawing of samples for survey, checking whether the purchases made by mills are against their valid quotas, ensuring payment of 7½ per cent of the sale price after satisfying themselves that the prices agreed to are in accordance with the final survey certificates and that the weights shown in the invoices are in order.

(2) The seller should not directly receive from the buyer an amount exceeding 92½ per cent of the invoice value of the cotton sold by him against delivery. The amount received should be intimated by the seller to the supervisor along with a copy of the invoice.

(3) In the case of a pre-sale valuation certificate issued by the E.I.C.A. or the zonal committee, the charges of the authorised controllers and supervisors for drawing the samples will be paid by the applicant. In case of appeal, the person preferring the appeal will bear these charges. Where cotton is ready for delivery against sale to the manufacturer and is not accompanied by any pre-sale valuation certificate the buyer shall pay the charges of the authorised controller for drawing the sample in addition to the commission of the supervisors. In the event of an appeal to the *ad hoc* committee in such cases, the party preferring the appeal will bear the appeal fees.

(4) The supervisor will be entitled for a commission of ⅛th per cent of the final invoice value which will be paid by mills on all purchases made by them.

(5) In case where a manufacturer has been given permission for ginning *kapas* the supervisor will check on the samples of lint cotton drawn by him and the authorised controller in the manner prescribed and submitted to the zonal committee or to the *ad hoc* committee as the case may be, whether the price paid by the mill for the *kapas* bears a reasonable relation to the price fixed by the Textile Commissioner for the lint cotton. If the price actually paid by the manufacturer for *kapas* is found to be higher than the price warranted by the Textile Commissioner's maximum price for the lint cotton, the lint cotton so produced will be liable to be requisitioned and the permission to buy and gin *kapas* will be liable to be withdrawn.

Export demand for Bengal *Deshi* continued to be slack. The Government is reported to have decided to bring Zoda and Yellow Pickings, which are hitherto exported freely, under the purview of licensing. Hitherto, these cottons were exported freely, without any quota restrictions and licencing was done one shipping bills. Hence forward, it is said, shippers will have to obtain a valid export licence before shipping the cotton.

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

Hubli Co2 1,225; Baramati 1,240; B.P. 52 1,211; Karnak 151 1,585; Sudan G4S 1,425.

Cotton futures in Karachi recorded further gains during the week. Persistent buying prompted by good domestic mill demand and export inquiries led to a mild rally in prices. N.T.R.G. January firmed up from Rs. 66.40 last week-end to Rs. 68.75. The March contract rose from Rs. 66.90 to Rs. 69.10.

Quiet conditions prevailed in the Liverpool cotton futures market. Both the American and American type contracts moved in a narrow groove and closed virtually unchanged. Trading sentiment was dull as traders were awaiting details of the U.S. cotton marketing policy. The following are the latest available quotations—in pence per lb.—from Liverpool:

October 23.50; December 23.65; November (Sudan Cotton Contract) 29.50.

Cotton futures in New York, after having ruled subdued early in the week, picked up strength in subsequent sessions. Commission house buying and the general firmness of other commodity markets imparted strength to the market. Values firmed up. The rise in prices would have been more marked but for the uncertainty about the marketing policy for cotton. The nearby December contract improved from 33.55 cents per lb. last week-end to 33.92 cents. The March contract closed higher at 34.48 cents, as against 34.02 cents per lb. Spot prices, however, tended to recede. New York spot was a shade lower at 34.85 cents per lb., as compared with 34.90 cents last week-end.

YARNS IMPROVE

(From Our Own Correspondent)

BOMBAY, *24th October*

Both staple fibre yarn and cotton yarn staged a modest improvement this week on better offtake. In the art silk yarn section, 150 denier National Rayons improved over the week from Rs. 12.85 to Rs. 13.20 per kg. and 120 denier advanced by 27 nP per kg. to Rs. 17.80. The 120 and 150 denier S.I. Viscose closed higher at Rs. 17.80 and Rs. 13.27, respectively, as against Rs. 17.47 and Rs. 12.91 a week ago. Centurys 100D improved from Rs. 17.38 to Rs. 17.80 and so did 75D from Rs. 21.45 to Rs. 21.71. 40/2 staple fibre yarn October settlement closed 20 points higher over the week at Rs. 714 and the December contract improved from Rs. 714 to Rs. 736. Spot Centurys recovered from Rs. 7.74 to Rs. 7.83, but Kohinoors eased from Rs. 9.06 to Rs. 8.93, as did Citys from Rs. 8.84 to Rs. 8.71. Among cotton yarns, 10s Petlad spurted by one full point to Rs. 18.75 and 40s Gokak showed a sizable gain of Rs. 2.25 at Rs. 37.25.

An important development concerning the yarn market was noted this week, when the Executive Committee of the Indian Cotton Mills' Federation decided, at its meeting at Coimbatore on the 22nd inst., to approach the Government for an upward revision in the prices of yarn of 40 counts and below. The present prices, according to the Committee, were uneconomical and, in view of the steep rise in the prices of domestic cotton, the Committee felt, it was necessary that the yarn prices should be raised.

WHOLE LEAF TEA EASIER

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

COCHIN, *18th October*

A total of 610,000 kgs. was offered in sale No. 41 held on the 16th inst. Quality from the Nilgiris was slightly irregular, while there was little change from other districts. The market opened to good demand, but, later in the sale, demand slackened. Low mediums and mediums were irregular and easier by 10 nP but were often much easier towards the close. Good mediums were well supported, though prices of these also declined by up to 10 nP. Clean black leaf descriptions were sold well, with a number of them registering advances. Highgrowns attracted better support than last week, but these were irregular with quality. Unorthodox descriptions were well supported and sold at around last rates. Whole leaf grades were a little easier, while a small selection of tippy teas sold at rates below last.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.50-4.30	3.85-4.15
Mediums	4.30-4.70	4.15-4.40
Good mediums	4.75-5.60	4.40-5.40
Nilgiri B.O.P.	5.00-8.70	5.20-7.90

The average price realised in sale No. 41 was Rs. 4.50 per kilo, as compared with Rs. 4.58 a week ago and Rs. 4.79 in the corresponding sale last year.

In dust sale No. 41 held today, 260,000 kgs. were offered. The market met with good general demand. Coloury mediums were well supported at fully firm rates, whereas other mediums were quoted barely steady. Residuals also received useful support and were fully firm. Highgrowns were sold readily at irregular rates. There was useful support for clean black grainy descriptions which were sold at around last rates. Unorthodox descriptions were in keen demand and were fully firm with some invoices selling at dearer rates.

The average price realised in dust sale No. 41 was Rs. 3.82 per kilo, as against Rs. 3.85 a week ago and Rs. 4.74 in the corresponding sale last year.

Colombo: There was fair general demand. Uvas were substantially lower. Western brokens and mediums declined by 5 to 10 cents. Tippy lowgrowns were easier by 10 to 15 cents, while others were a little easier.

London: *North Indian and other growths*: Monday's sale met with good demand. With the exception of best C.T.Cs which were a little irregular, others were firm. *Ceylon and South Indians*: In Tuesday's sale, offerings amounted to 29,666 packages, of which 9,330 packages were from South India. Highgrowns and light liquoring teas from Ceylon were easier. There was little change in the prices of South Indian teas, except for light liquoring teas which were occasionally lower.

As we go to press, Messrs. Forbes, Ewart and Figgis wire as follows:

"Sale No. 42 was held on the 23rd inst. Offerings amounted to 515,000 kgs. Good general demand. Good mediums and black leaf strong. Others easier. Highgrowns irregularly generally easier. Unorthodox teas lower."

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *24th October*

Firm conditions prevailed in the oilseeds market during the week under review. Chinese aggression on India's northern borders and the possibility of a clash between the U.S. and Russia on the Cuban question served as strong bullish factors. The warning by the Forward Markets Commission against unofficial deals (at prices above ceiling levels) did not have any effect. Nor was the constitution of a special committee by the Exchange authorities to decide ways and means to curb such deals of any avail. Groundnut futures staged a smart rally today, after a setback yesterday prompted by larger arrivals of new crop. The renewed firmness was engendered by fears that transport of oilseeds and oils might be adversely affected in some parts of the country in view of Chinese aggression. Demand from crushers and *vanaspati* manufacturers was also quite good. There was a strident improvement in castorseeds prices, following revival of sizable buying of castor oil by the U.K. and some Communist countries. Linseed moved up on persistent demand. Cottonseeds ruled buoyant in sympathy with the firmness of other seeds and raw cotton.

During the week, the Forward Markets Commission granted permission for the commencement of hedge trading in the new crop mustard and rapeseed in North Indian markets, namely Agra, Bhatinda and Kanpur. The associations concerned will commence trading in May 1963 delivery contracts, subject to three conditions: (1) there will be a limit of one rupee per 40 kgs. on the weekly rise in price; (2) there will be a maximum price of Rs. 39 per 40 kgs. at Agra, Rs. 39.50 at Kanpur and Rs. 38 at Bhatinda, and (3) limits on the open position (long or short) of each individual member will continue to be in force in the same way as in the case of previous contracts.

Groundnut January 1963 contract fell from Rs. 235 (in unofficial dealings) to Rs. 228.25 in the earlier sessions, but recovered later to Rs. 233.50 on renewed support. Groundnut oil January 1963 contract gathered 30 nP to Rs. 31.80 (per 16 kgs.). The spot section was easy on account of larger new crop arrivals. Thus Khandesh quality dropped Re. 1.18 to Rs. 45.57. Oil ex-mill and railway receipts fell by 40 nP each to Rs. 19.10 and Rs. 18.90.

Castorseed March 1963 spurted by Rs. 3.88 to Rs. 170.50. Kanpur bold strengthened by 38 nP to Rs. 32.25. Madras small rose by 25 nP to Rs. 33.50. Oil B.S.S. hardened by 40 nP to Rs. 13.75 and commercial by 25 nP to Rs. 12.65.

Linseed March 1963 contract advanced by 44 nP to Rs. 40.56. Bold ready was higher by 25 nP at Rs. 42.25. Linseed oil, however, shed 20 nP to Rs. 17.15.

Cottonseeds January 1963 contract moved up from Rs. 102.50 to Rs. 105.50. Non-white (new) strengthened by 55 nP to Rs. 24.50.

The following table shows the closing prices of oilseeds and oils on Wednesday, 24th October as compared with those of the two previous weeks:

	24-10-1962	17-10-1962	10-10-1962
	Rs.	Rs.	Rs.
Groundnut			
Groundnut January 1963	233.50	231.37	225.87
Nizam bold		47.00	46.25
Khandesh quality	45.57	46.75	45.75
Oil ex-mill ready*	19.10	19.50	19.15
Railway receipts*	18.90	19.30	18.90
Castorseed			
Castorseed March 1963	170.50	166.62	164.25
Ready Madras	33.50	33.25	32.50
Ready Kanpur	32.25	31.87	31.12
Oil B.S.S.†	13.75	13.35	13.00
Oil commercial†	12.65	12.40	12.30
Linseed			
March 1963	40.56	40.12	39.87
Bold ready	42.25	42.00	41.00
Oil ready†	17.15	17.35	16.85
Cottonseed January 1963 ..	105.50	102.50	102.00
Niger seed	36.00	36.25	36.25
Kardi seed	28.00	28.00	27.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PEPPER RECEDES

(Messrs. Parekh and Co.)

BOMBAY, *23rd October*

Ready Malabar black pepper at New York, after establishing a record high level of 55 cents, came down to 39 cents, as the grinders refused to follow up the rise and the sizable purchases by dealers done at 36 to 39 cents in the rising market from both Singapore and India started pouring in. Ready garbled on the coast also retreated from Rs. 312 to Rs. 300 in sympathy with New York.

Short covering in Lampong having been finished at Singapore and in view of the petering off of foreign demand, Lampong black in the island turned quite. It is now nominally quoted at $120.

The future of the world's paper market now hinges on how the political situation develops in Cuba and on the Chinese front.

Imported spices in the local market are now looking up under fear of political uncertainties.

New York, after haggling for lower prices, is now reported to have paid 35 to 36 cents for October-November shipments for Malabar black. December delivery on Cochin ring shot up to Rs. 310 after receding to Rs. 287. The prospects for the coming Malabar crop are now promising, but the future tendency of the market will be shaped by political considerations rather than by supply and demand as during normal times.

Ready garbled and ungarbled are quoted at Rs. 305 and Rs. 299, respectively, in the primary markets.

Ready pepper in Bombay is nominally quoted at Rs. 162 per 50 kilos.

EXPORTABLE TEAS IN DEMAND

(From Our Own Correspondent)

CALCUTTA, *23rd October*

Demand at the tea export sale here yesterday was good, and it was evident that the Chinese aggression had accelerated foreign bidding. During the week, export bookings were satisfactory. Although there was good demand at the internal sales held yesterday, prices turned lower, as quality of the offerings declined. The strong demand at the London auctions last week was well received here. Apparently, the lower production figures of North India and Pakistan are compelling buyers to cover their requirements early. The strongest feature in the Mincing Lane sales was the all bright liquoring teas. At the Colombo sales, prices eased following a decline in quality.

It was noted that at the London sale referred to above, offerings from Pakistan were of a small quantity of 896 packages, indicating that Pakistan was unable to offer effective competition in the export markets. Earlier this year, Pakistan had doubled the export quota to 10 million lbs. But this quantity is unlikely to be completed. In fact, Pakistan itself is facing an acute tea shortage, and the Government has had to postpone export auctions. As in North East India, the Pakistani crop is also expected to be running below earlier optimistic estimates. The crop is now conservatively estimated at 52 million lbs. The carryover from last year is 17.44 million lbs., and thus this year's availability is placed at 69.44 million lbs. Last year's internal consumption totalled 43 million lbs. and a 12 per cent increase to about 47 million lbs. is expected this year. These figures would leave a carryover of about 12 million lbs., after completely fulfilling the export quota of 10 million lbs. However, trade circles here are doubtful if, in view of the acute shortage for tea within the country, Pakistan would be able to complete the ambitious export quota. The gravity of the shortage becomes all the clearer, when it is stated that even after raising the price of tea by ¾th of a rupee, tea is not freely available in Pakistan.

Output in North East India is running short by nearly 20 million lbs. and, assuming that this shortage is not made good within the next two months, offerings at the internal sales would decline appreciably and a shortage psychosis may raise prices. Although prices at the internal auctions recorded a small recovery when sales of the second flush teas commenced here this season, the average price realised for dusts in the auctions up to the end of September had been only Rs. 4.79 per kg., representing a decline of 28 nP over the corresponding previous average price. On the other hand, it is satisfactory to note that the average price of leaf up to the end of September was higher at Rs. 5.70 per kg., as against Rs. 5.39 a year before.

Exports to the United Kingdom from India in this season so far have set a record for the past 14 seasons up to the corresponding periods. The total of exports to all countries in the nine months to September was 308 million lbs., realising foreign exchange earnings of Rs. 81 crores. In the corresponding period last year, exports were lower at 284 million lbs., which realised foreign exchange worth Rs. 79.7 crores. As compared to the figure for the first nine months of 1960, this year's figure has recorded a very satisfactory increase of 58 million lbs, with the value realised being higher by Rs. 11 crores. North Indian tea exports in the first three months of this season amounted to 110 million lbs., that is, 3.5 million lbs. more than in the previous year.

Russian offtake this year has been very satisfactory so far, and it is expected that total purchases by the U.S.S.R. would substantially exceed last year's figure of 11,000 tons valued at 15 million roubles. In 1960, Russian purchases of Indian tea amounted to 11,200 tons valued at 15.9 million roubles. On the other hand, exports to the U.S.A. and Canada have declined this year, and it is necessary that immediate results are obtained from the export campaigns for this area. Exports to the U.A.R. have also declined, and India's loss has been Ceylon's gain. Another country in which Ceylon has recorded considerable success is Ireland; Ceylon's share in the total tea imports into Ireland in 1961 increased to 22 per cent from 13.6 per cent in 1958, whereas India's share declined to 62.6 per cent from 79.6 per cent.

In the internal sales held here last week, dusts on offer totalled 30,252 packages which met with a good general demand, although with the decline in quality, prices realised were lower. Prices of plain and medium orthodox teas eased up to 20 nP and occasionally more. Non-wither Dooars were irregular, and generally easier. The small powdery teas evoked more attention. Medium and good C.T.Cs eased up to 20 nP, but met with good support.

The brighter lines realised good prices. The quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.25 to 6.70, medium Assam C.T.C. dust 5.50 to 5.70, leggcut dust 4.70 to 5.20, medium Assam dust 4.50 to 4.90 and plain orthodox dust 3.95 to 4.40.

Inquiry for the plain orthodox teas was a feature of yesterday's export sale, when offerings totalled 67,086 packages. Prices of the brighter B.O.Ps and O.Fs were higher. C.T.C. teas eased in selective support. Whole leaf grades met with keen competition and recorded a good additional prices. An irregular trend was recorded in tippy teas. Darjeelings eased. The quotations (in rupees) per one kg. inclusive of excise duty, were: Best Assam C.T.C. fannings 6.20 to 6.70, medium Assam C.T.C. fannings 5.30 to 5.70, best Assam C.T.C. 6.20 to 6.70, medium Assam C.T.C. B.P. 5.30 to 5.70, plain fannings 3.80 to 4.20, clean plain pekoe 4.40 to 4.80 and plain B.P. 3.80 to 4.10.

HESSIAN DECLINES FURTHER

(From Our Own Correspondent)

CALCUTTA, *23rd October*

In the absence of fresh support, hessian constructions eased further during the week under review, while the liberal mid-week decline in prices of B. twills was erased as a result of substantial buying on Government account as the week progressed. With sellers keen for business, lower-grade fibre was available at below the minimum prices, while the premium for the higher-grade fibre hardened. Until recently, hessian prices had been firmer than sacking, but this trend has reversed itself in the past two weeks. For the last five months, stocks of heavy goods have consecutively been rising and, considering that the decision of mills to continue the higher rate of production up to 10th November was taken with some reluctance, the possibility of a reduction in total output might be contemplated after that date had been hinted. If it is so, it is easy to see that the mills would attempt to maintain the present rate of hessian output, but production of sacking would be reduced. To such a possibility should be attributed the current weakness of hessian and the comparatively firm trend of heavy goods. In the context of the acute shortage of fibre fit for the production of hessian, it is clear that production of hessian is at present the maximum possible. All the same, the month-end stock figures are eagerly awaited by the trade. This week's firm trend in the prices of sacking goods is an important consideration and, if, in view of increased buying of B. twills on Government account, stocks decline, it is likely that the Indian Jute Mills Association would decide to maintain the current level of production even beyond 10th November. For it should be emphasised that one of the methods by which fibre prices can be prevented from falling further is to continue the current rate of output. Another method is, of course, to fix an export quota for this year's low grades. However, the Government would appear to be reluctant to follow the second course, at least at the present time.

It is significant that output during the month of September fell, but stocks rose. Thus, at 100,500 tons, output recorded a reduction of 4,600 tons. The production of sacking was lower by 2,000 tons at 47,200 tons, of hessian by 400 tons at 41,600 tons, and miscellaneous constructions by 2,200 tons at 11,700 tons. That the least decline was recorded in hessian shows that the mills had been very earnest to produce the maximum quantity of that construction. With stocks at the beginning of September being 90,700 tons, the total availability of all goods in the month was 191,200 tons. Stocks at the end of September were 92,800 tons, and it follows then that demand during the month was of the order of 98,400 tons. It is seen thus that demand was 2,100 tons lower than production. Such a variation in demand is insignificant and cannot be attributed as the reason for the recent decline in the prices of goods. Despatches of goods from mills during the month also recorded a decline. Hessian despatched fell from 43,400 tons to 42,200 tons with the figure for export being lower by 1,100 tons and that in respect of local purposes being lower by 100 tons. Sacking goods despatched at 43,000 tons recorded an increase of 700 tons, but, while those for export at 28,100 tons increased by 1,400 tons, despatches for local consumption declined by 700 tons. Other constructions despatched for export as well as for local purposes fell from 14,200 tons to 11,600 tons, with the result that the total of despatches at 96,800 tons fell by 3,100 tons. These figures reveal that the statistical position of sacking goods had not been as bad as had been pictured recently.

The news that U.S. consumption of burlap during the month of September aggregated 70 million yards was greeted with satisfaction. Although this was 3 million yards lower as compared with the consumption in the previous month, it should be noted that consumption during September 1961 was only 64 million yards. With U.S. consumption up to the end of September this year amounting to 650 million yards, the monthly average has been 72.2 million yards. This compares very favourably with the corresponding previous period when total consumption at 574 million yards gave a monthly average of 63.8 million yards. In the coming weeks, the trade expects to do substantial business with the U.S.A., as it is usually at this time of the year that U.S. buyers replenish their stocks. Burlap stocks in the U.S.A. at the end of September were 236 million yards, representing a decline of 7 million yards. The fact that consumption declined only by 3 million yards but that stocks decreased by more than double that figure shows that consumption surpassed replenishment during that month. This is a healthy indication strengthening the trade expectation that U.S. buyers would begin to be more active in the coming few weeks.

The goods market opened dull on Tuesday last. Rumours were circulating earlier in the day that the Government of India would be inviting tenders for a substantial quantity of B. twills, but, soon, there was disappointment when the quantity actually involved in the tender was lower than expectations. As a result, ready B. twills declined from Rs. 115.00 to Rs. 113.85. In sympathy, ready hessian 40" 10 oz. fell from Rs. 54.00 to Rs. 53.10. On the following day, although conditions were listless earlier, subsequently there was some amount of buying of B. twills on Government account. As a result, ready B. twills recovered to Rs. 114.20. However, business in hessian was lacking and ready hessian 40" 10 oz. eased to Rs. 52.50. At lower levels, there was good covering demand in nine porter hessian bags. This made hessian 40" 10 oz. to recover to Rs. 53.10 on Thursday. B. twills improved to Rs. 115.00, following the publication of a Government tender for November-December delivery. Also there was some business done by mills. On Friday, there was a further improvement in B. twills to Rs. 115.10, but, since overseas business was limited, hessian 40" 10 oz. eased to Rs. 52.90. Over the week-end, there was no improvement in conditions. Overseas business was lacking, but, stirred by speculative activity in the futures market, ready B. twills hardened to Rs. 115.25. However, hessian 40" 10 oz. eased to Rs. 52.35. There was a small amount of covering business yesterday following fresh overseas business, as a result of which hessian 40" 10 oz. picked up slightly to Rs. 52.40, with B. twills spurting to Rs. 116.25.

Conditions in the fibre market were generally quiet. Arrivals have now increased from 150,000 maunds to 175,000 maunds a day. Mills accorded support only sparingly. It was announced during the week that the Buffer Stock Association would be purchasing a further quantity of 250,000 maunds of *jungli* fibre. Following this announcement, Bihar *jungli* steadied. It was by 15th October that the members of the Buffer Stock Association completed their purchases of the fifth allocation of a similar quantity. The present quantity has been issued as a result of the recent fall in the prices of lower grades. It should be pointed out that the Government of India's concern at the recent fall in the prices of lower grades has been overdone. Although the lower grade fibre is available at below minimum prices, it should be emphasised that the higher grades are commanding a respectable premium. Thus, on an average, it is likely that the minimum prices have been realised. The trade would urge the Government to consider the fibre situation and decide to fix an export quota much earlier than last year. It is certain that the lower grades are in surplus and, if only the trade is asked to examine export possibilities, that would itself impart the much-needed uptrend in prices. During the week, the quotations in Calcutta were: Assam bottoms Rs. 30.00; daissee bottoms Rs. 32; northern bottoms Rs. 29.50.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *23rd October*

The local metal market was steady this week on good support. Advices from the London Metal Exchange and the other world markets were also encouraging. During the week, there were reports that the Government of India was considering the possibility of permitting imports of metals from East European countries. At present, import of metals is permitted mainly from the Western countries, especially the United States. However, supplies from these sources have been limited, thanks to the tight foreign exchange situation in the country. The D.L.F. supplies, although substantial, have also been insufficient to meet full requirements of the country. Hence the idea to import metals from East European countries on rupee payment has been considered. It is expected that a firm decision in this regard would be taken before the delayed import policy is announced at the end of this month, although it is probable that the Chinese aggression may not permit the Government to allocate the full foreign exchange as planned earlier for the import of metals.

A feature on the London Metal Exchange during the week was the strength in tin. Spot tin opened at £849½ a ton and steadily rose to £855. The three months' position hardened from £846 to £850. The rise was attributed to the recent continued purchases by the buffer stock manager and to the fear of the development of a technical shortage in the near future. The uptrend in Singapore was also significant. There were reports that the U.S. fear of an imminent shortage of the metal was much exaggerated and that opinion that the releases by the General Services Administration were not actually essential to bring supply in line with demand was developing. The refusal by the U.S. Government to adhere to any price line for the releases is a matter of concern in producing countries, but there is appreciation of the U.S. policy of rejecting low bids. In the meantime, reports of the Malayan mines demanding a higher price for tin as an incentive for developing the poor grade deposits and for restoring the abandoned mines have appeared. In Calcutta, tin opened at Rs. 2,470 per 100 kgs. and at one time was as high as Rs. 2,480 but soon reacted to the opening level.

Lead, in London, hardened from £52½ a ton to £52¾. There was good European consumer demand. Another cause for the firmness was the steadiness in zinc and the apprehension by Mr. R. L. Stubbs, Director-General of the British Lead and Zinc Development Association, that for the first time in many years lead may cease to be in surplus this year. The Calcutta rate was unchanged at Rs. 140 per 100 kgs. The stock position continued to be comfortable. Electrolytic zinc opened here at Rs. 264 per 100 kgs. and hardened to Rs. 273 to close steady at Rs. 265. Stocks stood depleted, despite arrivals in September totalling 7,000 tons, as against 6,580 tons in the previous month. On the London Metal Exchange, spot zinc opened at £65¾ a ton and steadily improved to £67⅞.

FOODGRAINS STEADIER

(From Our Own Correspondent)

HAPUR, *22nd October*

A steadier trend was witnessed in the local foodgrains market this week, as stocks tended to decline in view of fresh demand for seed purposes. *Rabi* sowings were in full swing and would be almost over by the end of the month.

Wheat hardened by 67 nP per quintal owing to poor arrivals. Dara wheat was quoted between Rs. 40.19 and Rs. 40.87 and the farm quality between Rs. 44.21 and Rs. 45.55 a quintal. Red wheat was stationary at Rs. 38.18 a quintal. Local arrivals at an average of 200 to 300 maunds daily were poor, and stocks declined to 63,000 maunds. Rice prices sought lower levels on better arrivals and poor demand. Stocks were only 4,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 85.74 Rs. 96.45, *sela basmati* Rs. 75.02 to Rs. 85.74, *mainpuri* Rs. 52.25 to Rs. 54.92, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62, paddy Rs. 34.83, *gadda* rice Rs. 53.58 and *munji* Rs. 32.15, a quintal.

Good demand and firm advices from Punjab registered a steadier trend in gram. Prices advanced by 67 nP to 99 nP a quintal according to quality and the Punjab variety was quoted at Rs. 44.21 and the local produce at Rs. 43.86. New maize prices also hardened by Re. 1.34 per quintal to be quoted now at Rs. 29.47 to Rs. 32.15 a quintal. Consumer demand was brisk. Old maize stocks were poor and were done between Rs. 26.79 and Rs. 28.13 a quintal. Barley and *bejhar* prices also sought higher levels in sympathy up to Rs. 26.79 to Rs. 28.13 and Rs. 26.79 to Rs. 28.13 a quintal, respectively. *Juwar* and *guwar* prices remained unchanged, while *methi* eased on lack of support. Other grains were listless. Week-end prices (in rupees) were: *Juwar* 45.55 to 48.23, *guwar* 36.17 to 37.51, *methi* 58.94 to 60.28, *bajra* 37.51 and oats 32.15, a quintal.

In pulses, a firm tendency was witnessed. Peas prices moved up by 67 nP to Re. 1.34 per quintal according to quality on better outside demand. Four wagons of peas and peas *dal* were loaded to the South during the week. Arrivals were small and local stocks declined to 49,000 maunds. *Arhar* prices improved by Rs. 2.67 a quintal on good buying support for conversion into *dal*. *Urd* prices ruled quiet on reports of increased new produce arrivals in producing centres. *Moong* and *masoor* also registered a steadier trend on better demand.

Notice

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT IN compliance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, the Board of Management has sanctioned the payment of an Interim Dividend on 5 per cent Cumulative Preference Shares for the half-year ending 31st October, 1962, at the rate of Rs. 3.25 per share subject to deduction of tax in accordance with the Finance Act currently in force.

The Preference Share Transfer Register will be closed from 13th November to 16th November, 1962, both days inclusive.

Dividends will be paid only to the Shareholders whose names are registered in the Books of the Company on the 16th November, 1962 or to their Mandatees.

By Order of the Board,
K. S. BASU,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *23rd October*, 1962.

SYDENHAM COLLEGE OF COMMERCE AND ECONOMICS

Founded on 22nd October 1913 as the first institution in India to provide a systematic course of study leading to the university degree of Bachelor of Commerce, the Sydenham College of Commerce and Economics of Bombay entered its 50th year on Monday this week. The College proposes to celebrate the golden jubilee, and an executive committee has been formed for the purpose. Mr. Morarji Vaidya, a past student of the College and Chairman of the Committee, told Pressmen in Bombay on Saturday last that the celebrations would be spread over the whole of the jubilee year, although the major events would take place between January and March next, before the university examinations. Details of the programme, which will comprise a cultural fete, a symposium, an exhibition, a festival cricket match, sports and athletics and a contributory dinner, are being chalked out. It is proposed to raise a jubilee fund for five laudable causes, namely, to institute merit scholarships for students, to establish a chair for the subject of business management for undergraduates, to build up a well-equipped and up-to-date statistical laboratory, to strengthen the present College library, and to develop a research centre. The jubilee year got off to a good start on Monday last, when Principal K. T. Merchant inaugurated the research centre at a function widely attended by the staff and students in the College. The centre, for which the Maharashtra Government administering the College has provided a nucleus, is to grow into a bureau of commercial and economic intelligence fit enough to undertake surveys and research projects to help the enterprising business community of Bombay.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 19th Oct., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	52,42,17,000
(ii) State Governments	15,26,90,000
(b) Banks—	
(i) Scheduled Banks	88,07,67,000
(ii) State Co-operative Banks	1,77,22,000
(iii) Other Banks	3,10,000
(c) Others	159,86,15,000
Bills Payable	29,30,77,000
Other Liabilities	28,16,17,000
Rupees	527,90,15,000

ASSETS	Rs.
Notes	19,65,15,000
Rupee Coin	3,15,000
Small Coin	2,84,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,99,53,000
(ii) State Co-operative Banks	11,72,02,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	139,65,43,000
Balances Held Abroad*	6,26,53,000
Loans and Advances to Governments**	15,65,90,000
Loans and Advances to—	
(i) Scheduled Banks†	1,52,55,000
(ii) State Co-operative Banks‡	129,65,21,000
(iii) Others	1,50,07,000
Investments	140,06,04,000
Other Assets	35,30,85,000
Rupees	527,90,15,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 90,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,65,15,000	
Notes in circulation	2047,88,24,000	
Total Notes issued		2067,53,39,000
Total Liabilities		2067,53,39,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		123,37,68,000
Government of India Rupee Securities		1738,31,18,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2067,53,39,000

State Bank of Pakistan

Statement of Affairs for the week ended 12th October, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	3,98,97,000
(b) Provincial Governments	2,92,81,000
(c) Banks	20,55,30,000
(d) Others	111,36,16,000
Bills Payable	12,63,000
Other Liabilities	13,15,94,000
Rupees	163,26,81,000

ASSETS	Rs.
Notes	10,14,03,000
Rupee Coin	15,000
Subsidiary Coin	13,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	21,20,63,000
Loans and Advances to Governments	1,76,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	38,08,11,000
Investments	81,63,89,000
Other Assets	10,43,87,000
Rupees	163,26,81,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,14,03,000	
Notes in circulation	363,65,90,000	
Total Notes issued		373,79,93,000
Total Liabilities	....	373,79,93,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	61,18,48,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		129,20,56,000
B. Rupee Coin	3,53,05,000	
Government of Pakistan Securities	235,16,26,000	
Internal bills of exchange and other commercial paper	....	
		238,69,31,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	373,79,93,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 36.07 per cent.

State Bank of India

Statement of Affairs for the week ended 12th Oct., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		589,63,07,000
Borrowings from Other Banking Companies, Agents, etc.		53,50,000
Bills Payable		9,66,68,000
Bills for Collection being Bills receivable as per contra		2,68,34,000
Acceptances, Endorsements and Other Obligations per contra		8,61,59,000
Other Liabilities (including Inter-Office Adjustments)		17,24,37,000
Total .. Rs.		642,20,05,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,11,35,000
Balances with other Banks		2,77,34,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS—		
Government and other Trustee Securities	280,04,04,000	
Other Authorised Investments	8,86,30,000	
		288,90,34,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	256,60,01,000	
Bills Discounted and Purchased	12,33,63,000	
		268,93,64,000
Bills Receivable being Bills for Collection as per contra		2,68,34,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,61,59,000
Premises less Depreciation		1,97,12,000
Furniture and Fixtures less Depreciation		1,62,84,000
Other Assets (including Inter-Office Adjustments)		45,84,16,000
Total .. Rs.		642,20,05,000

EXCHANGE RATES

	24th October 1962	17th October 1962
London on New York S. per Dollar	2.8008-2.8011	2.8018-2.8022
New York on London Cents per £	280.110-280.150	280.180-280.210
London on Paris .. Fcs.	13.7230-13.7250	13.7290-13.7310
London on Berne .. Sw. Fcs.	12.0865-12.0885	12.1015-12.1035
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446.25	446.00
Buyers T.T. ,,	438.25	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. ,,	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... ,,	90.20	90.30
Buyers T.T. ,,	91.10	91.30
Deutsche Marks—		
Sellers T.T. D.D... ,,	83.70	83.70
Buyers T.T. ,,	84.60	84.60
Italian Lire—		
Sellers T.T. D.D... ,,	12,950	12,960
Buyers T.T. ,,	13,125	13,135
Swedish Kroner—		
Sellers T.T. D.D... ,,	107.70	107.70
Buyers T.T. ,,	108.80	108.80
Belgian Francs—		
Sellers T.T. D.D... ,,	1,038	1,038
Buyers T.T. ,,	1,054	1,054
Dutch Guilders—		
Sellers T.T. D.D... ,,	75.30	75.30
Buyers T.T. ,,	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... ,,	119.60	119.90
Buyers T.T. ,,	120.60	120.90
Norwegian Kroner—		
Sellers T.T. D.D... ,,	149.60	149.60
Buyers T.T. ,,	151.00	150.90
Danish Kroner—		
Sellers T.T. D.D... ,,	144.80	144.80
Buyers T.T. ,,	146.20	146.20

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 12-10-62	5-10-62	13-10-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	45,27	46,05	46,71
(ii) From others	808,18	796,53	719,63
(b) Borrowings from banks	25,88	24,00	21,57
(c) Others	53,15	54,15	53,37
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,60	23,74	18,81
(ii) From others	1,239,85	1,239,68	1,075,46
(b) Borrowings from banks	13,60	14,24	18,91
(c) Others	10,94	13,15	24,19
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,048,04	2,036,20	1,795,09
4. Borrowings from Reserve Bank	10,40	10,62	14,09
(a) Against usance bills and/or promissory notes	6,15	6,06	6,91
(b) Others	4,25	4,56	7,18
5. Borrowings from State Bank and/or a notified Bank	21,23	20,26	19,61
6. Cash	54,76	49,19	45,91
7. Balances with Reserve Bank	73,14	79,96	75,63
8. Cash and balances with Reserve Bank	127,90	129,15	121,54
9. 8 as per cent of 3	6.25	6.34	6.77
10. Balance with other banks in current account	18,18	18,28	16,01
11. Money at call and short notice	52,64	49,89	48,00
12. Investments in Government securities	690,15	692,57	606,27
13. 12 as per cent of 3	33.70	34.01	33.77
14. Advances—			
(a) Loans, cash credits and overdrafts	1,183,69	1,188,82	1,058,09
(b) Due from banks	6,51	6,08	10,91
15. Inland bills purchased and discounted	157,68	152,32	130,18
16. Foreign bills purchased and discounted	50,58	49,97	46,47
17. Total Bank Credit [14 (a)+15+16]	1,391,95	1,391,12	1,234,75
18. 17 as per cent of 3	67.97	68.32	68.78

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 13th P Oct., 1962§	6th Oct., 1962	15th Sept. 1962	14th Oct., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.4	101.1
2. Government of India	100.2	100.2	100.2	101.0
3. State Government	102.0	102.0	102.1	102.1
4. Municipal, Port Trust, etc.	99.0	99.0	99.0	99.4
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	98.7	98.6	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.4	81.4	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	180.3	181.3	183.6	180.9
8. *Agriculture and Allied Activities: Total**	151.8	151.8	154.5	162.6
9. Tea Plantations	143.2	143.0	145.4	155.1
10. Coffee Plantations	146.4	146.8	148.7	167.7
11. Rubber Plantations	164.8	164.3	169.9	172.8
12. *Mining and Quarrying: Total*	163.1	163.2	157.5	160.8
13. Coal	121.3	121.3	122.0	118.9
14. Other Mining	191.8	191.9	181.9	189.6
15. *Processing and Manufacturing: Total*	195.6	197.0	200.2	195.4
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	202.5	204.6	209.0	205.4
17. Sugar	136.6	137.5	139.3	159.5
18. Cotton Textiles	180.3	181.6	183.9	181.6
19. Jute Textiles	102.0	102.0	103.1	83.8
20. Silk and Woollen	1,086.9	1,117.6	1,172.4	1,155.6
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	199.6	200.1	201.8	197.4
22. Iron and Steel	156.7	157.1	157.3	157.6
23. Transport Equipment	365.9	367.1	374.2	389.6
24. Electrical Machinery	178.3	178.3	184.6	160.0
25. Machinery other than Transport and Electrical	233.0	233.5	234.4	213.5
26. Basic Industrial Chemicals	182.7	184.0	186.9	203.8
27. *Processing and Mfg. (Others): Total**	167.2	168.0	170.3	161.0
28. Cement	155.3	156.6	158.4	147.8
29. Paper	214.3	214.3	216.6	204.9
30. *Other Industries: Total**	110.2	110.4	111.6	111.8
31. Electricity Generation and Supply	86.9	86.8	87.7	86.8
32. Trading	115.9	116.5	119.7	120.5
33. Shipping and Other Transport	91.3	90.6	89.3	94.2
34. Construction	262.9	269.5	280.2	297.4
35. *Financial: Total*	205.7	205.9	207.4	203.1
36. Banks	229.8	230.0	230.7	229.4
37. Insurance	165.4	165.5	170.8	152.9
38. Investment Trusts	89.7	89.7	89.9	89.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	186.7	188.8	190.3	189.2
40. Calcutta	—	169.0	171 2	165.4
41. Madras	189.9	190.2	193.0	197.9
42. Delhi	235.3	234.6	236.5	236 5

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
P—Provisional.
§ Calcutta Market remained closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	29th Sept. 1962	22nd Sept. 1962	30th Sept. 1961	August 1962	August 1961	Percentage of Increase (+) or Decrease (—) in Aug., 1962 as compared with Aug., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	129.6	129.8 R	120.7	131.5	124.3	+ 5.8	120.1	120.0
Cereals	192	108.6	108.9	102.7	109.5	105.0	+ 4.3	102.3	104.4
Pulses	43	111.9	110.7	88.5	113.0	90.6	+24.7	91.9	92.9
Fruits and Vegetables	23	126.6	126.2 R	144.7	146.5	164.0	—11.0	137.6	118.5
Milk and Ghee	84	124.8	126.6	113.2	133.0	116.4	+14.5	116.4	116.0
Edible Oils	47	156.8	157.8	150.4	159.4	159.0	+ 0.3	156.5	150.3 R
Fish, Eggs and Meat	17	153.9	152.5 R	135.2	149.1	141.6	+ 5.3	135.4	123.5
Sugar and *Gur*	48	156.1	153.4	122.6	151.2	124.6	+21.3	119.6	132.8
Others	50	175.0	175.9	184.3	171.0	183.4	— 6.8	171.6	167.8
Liquor and Tobacco	21	100.0	99.9	99.5	99.2	99.9	— 0.7	100.3	109.9 R
Tobacco	..	96.5	96.3	96.0	95.7	96.4	— 0.7	96.8	108.3 R
Fuel, Power, Light and Lubricants	30	124.3	124.3	121.4	124.5	122.3	+ 1.8	122.1	120.0 R
Industrial Raw Materials	155	140.0	139.8	137.8	139.6	144.6	— 3.5	142.6	145.4
Fibres	61	130.0	129.6	128.5	128.6	137.7	— 6.6	138.3	151.6
Oilseeds	60	160.0	159.9	153.8	160.4	162.7	— 1.4	156.4	149.9
Minerals	2	93.4*	93.4	94.8*	93.4	94.9	— 1.6	94.9	97.4
Others	32	124.6*	124.7* R	128.4*	124.7	126.9	— 1.7	128.1	128.0
Manufacture	290	129.2	129.4	126.0	129.0	126.3	+ 2.1	126.6	123.9
Intermediate Products	41	142.9	143.4	140.5	143.1	140.9	+ 1.6	138.8	130.6 R
Finished Products	249	127.0	127.1	123.7	126.7	123.9	+ 2.3	124.6	122.8
Textiles	147	125.4	125.7	124.3	125.3	124.8	+ 0.4	125.5	125.8
Cotton	..	129.1*	129.1*	128.2*	129.3	127.5	+ 1.4	127.9	128.1
Jute	..	111.4	112.6	117.5	111.1	121.1	— 8.3	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	133.4*	133.4*	118.6	131.3	118.0	+11.3	119.9	104.4
Metal Products	12	161.0	161.0	151.6	160.8	151.6	+ 6.1	151.6	147.9 R
Chemicals	20	116.5	116.5 R	111.6	115.0	111.6	+ 3.0	110.7	104.4
Oil Cakes	9	164.8	164.9	144.2	163.9	146.0	+12.3	147.5	141.3
Machinery and Transport Equipment	31	117.7	117 7	113 6	117.9	112 8	+ 4.5	114.5	111.9
Others	30	125.3	125.3	121 3	125 3	120.9	+ 3.6	121.3	116.1 R
All Commodities	1,000	130.3	130.4 R	124.5	131.1	127.5	+ 2.8	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	August 1962	August 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.04	2.90
(b) Others§	2.71	2.68	2.80	2.68
Debentures	4.15	4.11	4.42	4.13
Preference Shares	5.64	5.32	5.84	5.57
Variable Dividend Industrial Securities	4.68	4.88	4.78	4.81
Agriculture and Allied Activities‡	5.74	5.80	6.36	5.72
(a) Tea Plantations	5.94	6.01	6.58	5.94
(b) Coffee Plantations	4.74	5.12	5.91	4.25
(c) Rubber Plantations	6.56	6.83	7.43	6.49
Mining and Quarrying‡	5.15	5.31	4.86	5.23
(a) Coal	4.13	4.56	3.94	4.05
(b) Other Mining	5.85	5.82	5.51	6.04
Processing and Manufacturing	4.27	4.35	4.39	4.44
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.39	4.41
(a) Sugar	5.62	5.80	6.17	5.79
(b) Cotton Textiles	3.72	3.47	4.17	3.89
(c) Jute Textiles	5.54	6.15	5.50	6.07
(d) Silk and Woollen	2.92	3.17	3.11	3.01
Metals and Chemicals‡	4.22	4.18	4.29	4.26
(a) Iron and Steel	4.69	4.25	4.75	4.64
(b) Transport Equipment	3.77	3.38	4.47	3.81
(c) Electrical Machinery	4.46	5.03	4.02	4.48
(d) Other Machinery	3.46	4.07	3.37	3.68
(e) Basic Ind. Chemicals	3.64	3.59	4.55	3.60
Others	4.52	4.90	4.57	4.81
(a) Cement	4.77	5.21	4.83	4.96
(b) Paper	4.54	4.76	4.17	4.92
Other Industries	5.28	6.05	5.19	5.31
(a) Electricity Generation and Supply	5.42	6.28	5.48	5.35
(b) Trading	6.74	8.38	6.45	6.94
(c) Shipping and Other Transport	4.40	5.17	4.14	4.45
(d) Construction	3.98	4.49	3.62	4.02
Financial	5.84	6.31	5.78	5.95
(a) Banks	5.42	5.93	5.55	5.51
(b) Insurance	7.07	7.56	6.29	7.29
(c) Investment Trusts	6.72	6.85	6.68	6.84

† Running yield. § Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

FOREIGN TRADE OF INDIA (*Country-wise*)

(Value in crores of rupees)

	June 1962	June 1961	April to June (Three months) 1962	April to June (Three months) 1961
EXPORTS				
Australia	1.40	1.12	4.78	4.22
Burma	0.43	0.46	1.18	1.75
Canada	2.06	1.10	5.37	3.53
Ceylon	1.46	1.69	4.19	4.20
Czechoslovakia	0.44	0.43	1.98	2.90
Egypt	0.99	0.67	2.78	2.55
France	0.44	0.67	1.81	2.23
West Germany	1.06	1.87	3.34	6.09
Italy	0.53	0.67	2.07	2.03
Indonesia	2.20	0.69	3.01	2.68
Japan	2.71	3.15	7.78	12.04
Kuwait	0.22	0.24	0.82	1.00
Federation of Malaya	0.55	0.77	1.44	2.03
New Zealand	0.23	0.46	1.32	1.92
Netherlands	0.60	0.79	1.70	2.22
Nigeria	0.36	1.06	1.05	2.31
Pakistan	0.66	0.76	1.83	2.68
Singapore	0.63	0.68	1.70	2.11
Sudan	0.40	0.52	1.30	1.45
United Kingdom	9.65	11.35	29.29	33.13
U.S.A.	8.70	7.27	26.40	26.41
U.S.S.R.	2.56	3.93	8.45	8.83
*Exports to all countries	50.03	48.51	146.93	155.62
IMPORTS				
Australia	1.69	2.02	4.64	5.34
Burma	2.25	1.35	5.91	4.10
Canada	0.89	1.99	3.46	4.40
Ceylon	0.67	0.25	1.60	0.94
Czechoslovakia	1.44	0.97	4.71	3.60
Egypt	0.56	2.19	2.02	4.78
France	0.65	1.75	2.20	5.09
West Germany	7.27	12.25	24.05	32.21
Italy	1.73	3.25	5.51	7.23
Japan	4.70	6.53	14.86	25.54
Iraq	0.75	2.06	11.41	4.91
Federation of Malaya	0.95	1.30	3.35	3.52
New Zealand	0.11	0.13	0.57	0.47
Netherlands	1.90	1.39	3.61	4.64
Norway	0.12	0.16	0.50	0.68
Pakistan	0.72	0.69	1.76	1.83
Singapore	0.77	0.82	2.54	2.27
Sudan	1.74	2.18	4.68	3.44
United Kingdom	14.32	18.47	44.53	54.02
U.S.A.	26.08	20.02	60.91	70.18
U.S.S.R.	4.02	2.26	14.37	6.10
Imports from all countries	82.40	97.32	247.93	290.98

* Excluding re-exports.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Sept., 1962	98.9
	Corresponding month, 1961	74.9
	Three months ended Sept., 1962	304.1
	Corresponding period, 1961	215.3
Stocks	At the end of Sept., 1962	92.8
	Corresponding month, 1961	52.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Aug., 1962	75.8
	Aug., 1961	67.5
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Aug., 1962	22.5
	Aug., 1961	15.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	Sept., 1962	574
	Corresponding month, 1961	432
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
July 1961	3,257	558	286	41	16	5	21	4	40	129	19	116	8	30
Jan., 1962	8,099	1,432	669	94	30	11	97	10	108	333	43	299	33	65
Feb., ,,	8,947	1,559	738	104	35	13	111	10	18	364	46	330	34	69
Mar., ,,	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
April ,,	870	142	65	11	5	1	12	2	13	32	4	32	..	6
May ,,	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June ,,	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19
July ,,	..	587	266	40	15	4	41	4	51	120	..	130	8	27

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Ground-nut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	150	142	122	128	148
August 1961	110	89	113	142	82	218	117	127	123	95	105	180	167	143	141	121	128	147
Sept. ,,	110	87	107	128	81	190	117	127	122	95	104	155	156	143	141	114	128	147
Oct. ,,	108	89	110	130	82	205	118	125	118	95	107	150	143	145	141	119	128	147
Nov. ,,	106	92	108	128	86	180	114	125	118	93	108	149	143	143	141	116	128	147
Dec. ,,	102	94	109	126	88	164	114	124	109	89	109	145	144	141	141	118	128	147
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February ,,	102	100	120	131	90	181	119	122	108	94	112	148	149	140	143	113	128	152
March ,,	103	94	120	126	82	163	120	124	118	95	113	148	149	140	145	117	128	152
April ,,	106	92	122	123	81	155	127	131	121	94	112	141	149	143	145	115	128	152
May ,,	109	88	126	125	84	166	134	131	129	95	113	139	145	149	145	113	129	158
June ,,	110	88	131	128	86	169	127	130	161	92	113	144	144	151	149	118	130	160
July ,,	112	91	137	135	89	172	124	131	165	91	115	149	146	152	152	117	129	161
August ,,	114	93	141	137	95	170	130	134	161	92	114	146	151	154	152	111	129	161

LITERACY IN INDIA

(According to 1961 Census)

States/Union Territories	Literates (including educated) in 1961 (In thousands): Total Population	Persons	Males	Females	Literacy Rate (No. of persons to thousand persons): 1961 Total	Males	Females	1951 Total	Males	Females
India	439,235	105,333†	77,828†	27,505†	240†	344†	129†	166*	249*	79*
Andhra Pradesh	35,983	7,626	5,482	2,144	212	302	120	131	197	65
Assam	11,873	3,248	2,362	886	274	373	160	183	274	79
Bihar	46,456	8,548	6,951	1,597	184	298	69	122	205	38
Gujarat	20,633	6,283	4,373	1,910	305	411	191	231	323	135
Jammu and Kashmir	3,561	393	322	71	110	170	43	N.A.	N.A.	N.A.
Kerala	16,904	7,919	4,596	3,323	468	550	389	407	502	315
Madhya Pradesh	32,372	5,545	4,482	1,063	171	270	67	98	162	32
Madras	33,687	10,580	7,532	3,048	314	445	182	208	317	100
Maharashtra	39,554	11,793	8,589	3,204	298	420	168	209	314	97
Mysore	23,587	5,990	4,352	1,638	254	361	142	193	291	92
Orissa	17,549	3,801	3,042	759	217	347	86	158	273	45
Punjab	20,307	4,917	3,591	1,326	242	330	141	152	210	85
Rajasthan	20,156	3,066	2,505	561	152	237	58	89	144	30
Uttar Pradesh	73,746	13,013	10,547	2,466	176	273	70	108	174	36
West Bengal	34,926	10,226	7,454	2,772	293	401	170	240	342	122
Union Territories—										
Andaman and Nicobar Islands	64	21	17	4	336	424	194	258	342	123
Dadra and Nagar Haveli	58	5	4	1	95	147	41	..	..	..
Delhi	2,659	1,402	905	497	527	608	425	384	430	323
Goa, Daman and Diu	627	..	..	..	..	..	..	..	..	..
Himachal Pradesh	1,351	232	191	41	171	272	62	77	126	24
Laccadive, Minicoy and Amindivi Islands	24	5	4	1	233	358	110	152	256	53
Manipur	780	237	175	62	304	451	159	114	208	24
Nagaland	369	66	46	20	179	240	113	104	150	57
N.E.F.A.	337	24	22	2	72	123	15	..	..	..
Pondicherry	369	138	92	46	374	504	246	..	..	..
Sikkim	162	20	17	3	123	196	43	73	128	13
Tripura	1,142	231	175	56	202	296	102	155	223	80

† Excludes Goa, Daman and Diu. * Excluding Jammu and Kashmir, Dadra and Nagar Haveli, Goa, Daman and Diu, N.E.F.A. and Pondicherry.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island—		
Cotton Receipts	**Week ended** 18th October, 1962*	9,083(J)
	Corresponding week, 1961	18,318(J)
	1st Sept. to 18th October, 1962	257,352*
	Corresponding period, 1961	293,677*
Cotton Exports	**Week ended** 18th October, 1962	2,950
	Corresponding week, 1961	399
	1st Sept. to 18th October, 1962	29,325
	Corresponding period, 1961	27,497
Mill Consumption (Estimated)	1st Sept. to 18th October, 1962	177,600
	Corresponding period, 1961	171,500
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 18th October, 1962	410,374
	Corresponding date, 1961	611,554
Consumption of Cotton—		
Indian	June, 1962	396,557
Foreign	June, 1962	67,589
Indian	Ten months ended June, 1961-62	3,887,849
Foreign	Ten months ended June, 1961-62	840,590
Indian	Same Period, 1960-61	3,457,375
Foreign	Same Period, 1960-61	951,277
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1962	1,370,978
Foreign	As on 30th June, 1962	227,872
Indian	As on 30th June, 1961	1,575,517
Foreign	As on 30th June, 1961	393,649

Particulars	From 1st Sept. to 22nd October 1962 In Bales of 180 Kilograms	From 1st Sept. to 22nd October 1961 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	378	405
Continent	4,331	923
Hongkong	1,410	1,565
China	—	—
Japan	21,501	13,219
U.S.A.	1,994	3,880
Other countries	489	217
Total to all foreign countries	30,103	20,209
Coastal Ports	—	7,772(b)
Total	30,103	27,981

Particulars	Period	Quantity
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	**During** July, 1962	31,884
	During July, 1961	7,681
	1st Sept. to 31st July, 1962	247,040
	1st Sept. to 31st July, 1961	212,430
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	**Week ended** 5th October, 1962	1,203
	Corresponding week, 1961	12,393
	1st Sept. to 31st Aug., 1961-62	3,687,685R
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)— Receipts	1st to 4th October, 1962	160,688
	Corresponding period, 1961	97,115
Exports	1st to 4th October, 1962	29,362
	Corresponding period, 1961	21,454

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. R=Revised. (b) From 1st to 30th Sept., 1961. A-Adjusted. — Not Received.

AMERICAN LETTER

(*Concluded from page 720*)

tion has functioned well, despite the massive reshuffling of international funds, including the revaluations of the German mark and the Dutch guilder. The protective arrangements work very much like forward sales in the private markets. For example, when the forward premium on German marks was expected to exceed the internationally agreed upon one per cent level, the U.S. Treasury made forward sales of marks which were backed by an agreement with the German Federal Bank that the Treasury would be provided with marks, should they be needed, at the time the contracts matured.

United Nations News

The usual frictions continue over Cuba, Berlin and the visit of Prime Minister Ben Bella of Algeria first to the White House at Washington and then to Cuba. The racial riots in Mississippi have left their marks as well. So far as world opinion is concerned, it is amazing how the delegates from the new Afro-Asian bloc have praised the Kennedy Administration for its firm stand. The legal angle under which the Federal Government could intervene at the University of that State in favour of enrolling Negroes was that the University is the recipient of Federal grants.

On the constructive side, the U.N. has become the sponsor of a "Spiritual U.N." which is planned to be located outside of Washington in the neighbouring state of Maryland. Political leaders and eminent religious persons from 56 nations have agreed to support a proposed "Temple of Understanding" which will serve as an education and information centre for the world's six major religions. The Temple will contain separate chapels and reading rooms dedicated to the philosophies of Hinduism, Confucianism, Buddhism, Judaism, Christianity and Islam. The project will be financed through voluntary contributions by people of every faith in the world.

Inaugurating the fund-raising campaign, a dinner was given here at the Waldorf Astoria, attended by Ambassadors of many nations and the foreign and domestic Press. The current President of the U.N. General Assembly, Sir M. Zafrulla Khan, told the guests that mankind's salvation in the nuclear age was to unite on the fundamental thesis that there is "one creator of the universe." Other prominent international figures who spoke in support of the "Spiritual United Nations" included Mr. B. N. Chakravarty of India, Mr. Abraham Darom of Israel, Mr. Katsuo Okazaki of Japan, Mr. Zenon Rossides of Cyprus and Dr. Liu Chieh of the Republic of China as well as Mr. Charles W. Yost, Deputy Permanent Representative of the U.S. to the U.N. It may be recalled here that plans for the Temple were initiated as long as three years ago by a group of private citizens in Connecticut.—*All Rights Reserved.*

COTTON

(*Concluded from page 728*)

the staple range of 1.1/16" to 1.3/16" and the other in the staple range of 1.3/16" and over. A few types such as Devitej and Deviraj, which closely resembles the former group, have been developed. But these indigenous strains do not possess the qualities of the imported varieties, particularly fineness of fibre and tensile strength, and they do not therefore yield yarn of the high count indicated by their staple length. The problem of making up the deficiency in the second category is a more difficult one. In this category, the main hope at present centres round Sea Island and hybrid cotton. The progress of Sea Island cotton development has been very slow due to various reasons. Although hybrid cotton made a promising start in 1960-61, unfavourable weather adversely affected its progress in 1961-62 and its yield declined from 1,163 lbs. of seed cotton in 1960-61 to 530 lbs. last season. The goal of substituting imported cotton by indigenous varieties is, therefore, an elusive one.

The Committee, at its meeting made some important recommendations for raising cotton production and took certain decisions to help intensify the efforts for increasing production. It decided that various suggestions made at the meeting should be brought to the notice of the State Governments at the highest level with a view to ensuring urgent remedial action lest the efforts made by the Central Government and the Committee should go waste. It was also decided at the meeting to request the Union Ministry of Food and Agriculture to convene a meeting of the State Agricultural Ministers and representatives of the Committee, so that the need for raising the yield per acre could be impressed on the former. Both the suggestions are well-thought-out and timely.

The Committee approved of the implementation of a project for inter-specific hybridisation and co-operative research for the improvement of Indian cotton to be undertaken at the Indian Agricultural Research Institute, Surat and Coimbatore. Another recommendation of the Committee was that a special sub-Committee should be established to consider the question of establishing a seed-testing station for cotton in the country. The only comment that we have to offer on these decisions is that it is surprising that they were not taken much earlier, considering that the deficiencies in cotton cultivation date back to many years.

MARKET GOSSIP

(*Concluded from page 715*)

drawal amounting to $25 million was made during the week ended 27th July 1962. What then should be done? Some financial circles in India and abroad are inclined to feel that devaluation of the rupee is inevitable. To this section belongs "Lombard," the well-known columnist of the London *Financial Times*. Here is what "Lombard" says in a recent article:

"... It would be as well to press the Indian authorities to consider whether it wouldn't be in the country's interests to devalue the rupee to a more realistic level ... in order to remedy some of the weaknesses in the basic payments position that have brought reserves to such a low level, even though the foreign exchange aspect of development was being taken care of by the outside world.... That Indian firms are now having to be dragooned into expanding their exports by official controls over the distribution of raw materials strongly suggests that the over-valuation of the currency is responsible to a significant extent for the fact that exports are not contributing in the way they should be to the strengthening of the basic payments position. And this is a situation that India can in any case hardly afford to perpetuate."

Simultaneously with the devaluation of the rupee, "Lombard" suggests that the Western countries should arrange a sizable reinforcement of a semi-permanent nature of India's foreign currency holdings. How urgent is the need for these measures is impressively brought out by "Lombard" thus:

"India has been making vigorous efforts of late to restrict maintenance imports in order to check the persistent tendency foreign exchange expenditures, other than in respect of the Development Plan, have shown to exceed her current account earnings. But now that her reserves have fallen so low that even short-term downward movements are apt to give rise to considerable concern, a complication connected with the timing of the inflow of aid funds is becoming a major worry. It arises from the fact that the contributions other countries have undertaken to make towards the cost of financing development are usually linked with specific projects. For, because the arrival in India's hands of aid tied in this way is largely determined by the progress of the projects involved, the inflow of such money not only tends to be distinctly uneven in an overall sense but is also inclined to lag behind the foreign exchange expenditure it is intended to cover.

"It is not difficult to see that, unless external reserves can be fortified to enable them to take short-term pressures arising in this way in their stride, the already extremely difficult task of keeping the Indian economy on an even keel will be further complicated. It is not only that, as things stand at present, maintenance imports have to be further restricted from time to time—only a few months back, the issue of licences even for top priority imports was all but suspended for a while —thereby generating shortages of goods that are badly needed to keep the economic machinery turning. It is also that the very fact that the country is constantly on the brink of a new and even more acute balance of payments crisis must tend to mean that extremely short-term considerations play an unduly large part in the shaping of economic policies."

In the considered opinion of "Lombard," India can derive tremendous benefit from the provision of a substantial loan by its friends in the West for the express purpose of jacking up its reserves to a more adequate level. The loan, according to him, is to be earmarked for dealing with the backwash of the uneven incidence of aid payments. If this aspect is clearly understood, "Lombard" observes, there is no reason why the transfer of the funds involved should impose a major strain on the payments positions of the donating countries. To quote him again: "It would, indeed, be excellent value for money." Before, however, such a stabilisation operation is launched, "Lombard" emphasises, the one question that should be answered is "whether it would not be still better value for money, if the stabilisation were made a full-blooded affair, the Indian rupee being reduced in value at the same time to a level more closely approximating to its current purchasing power parity." Here is an indication of what the rest of the world thinks about our currency. We have good reasons to believe that quite a few Americans too feel the same way.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th October 1962.

	Closing quotations 18-10-1962	High	Low	Closing quotations 24-10-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.22	2.26	2.10	2.14
Baroda Rayon (100)	133 00	134.00	124.00	124.00
Bombay Dyeing (25)	63 7exd	63.90	61.00	61.40
Bradbury (50)	187 50	—	—	187.50
Central India (100)	110 00	110.00	103.00	104.00
Century Mills (100)	601.50	604.00	564.50	571.00
Coorla Sp. (100)	142 00	150.00	142.00	150.00
Dawn (50)	140 0exd	149.50	140.00	141.50
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	104.00	104.00	98.00	100.00
Finlay (100)	305.00	305.00	294.00	294.00
Gokak (100)	185.50	186.50	179.00	182.00
Gold Mohur (100)	225.00	225.00	222.50	225.00
Gwalior Rayon (10)	52.50	53.00	47.50	47.50
Ind. Untd. Defd. (1)	3.48	3.80	3.44	3.80
Ind. Untd. Ord. (10)	26.40	27.50	26.00	27.00
Indian Rayon (100)	92.50	93.00	86 00	89.00
Indore Malwa (100)	205 00	205.00	187.00	205.00
Khatau (100)	446 25	452 50	417.50	420 00
Kohinoor (100)	290.75	292 00	271.50	273 00
Mafatlal (100)	802.50	802.50	730.00	730.00
Minerva Mills (100)	76.00	71.50	69.00	71.50
Model Nagpur (250)	119.00	119.00	118.00	119.00
Morarji (100)	460.00	468.00	450.00	468.00
Mysore (50)	60 00	60.50	57.00	58.00
National Rayons (100)	452.00	457 50	424.00	431.50
New City (100)	145 00	147.50	142.50	142.50
New Great (100)	270 00	—	—	270.00
Phoenix (100)	228 00xd	226.00	212.00	214.00
Podar Mills (100)	126.00	126.00	120.00	120.00
Raymond Woollen (100)	134 00	134.00	129.00	129.00
Sassoon Silk (50)	14.00	—	—	14.00
Sassoon Spg. (10)	54.00	54.00	49.25	49.25
Shrinivas (100)	254.00	254.00	240.00	243.00
Simplex (50)	153 00	154.00	149 00	151.00
Standard (100)	802 00	808.00	788.00	805.00
Svadeshi (100)	247 50	248.00	234.00	234.50
Swan (100)	285.00	—	—	285.00
S. I. Viscose (100)	157 00	157.00	144 00	144.00
Tata Mills (25)	53 70	59.00	53.50	55.00
Lakshmi-Vishnu (100)	123.75	123.75	110.00	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	112 50	112.50	111.00	111.50
Do. (New) (50)	115 00	114.00	113.00	113.00
Bank of Baroda (50)	95.50	95.50	94.50	95 00
Central (25)	61.50	62 00	61 00	61.50
Central 'A' (25)	63.00	63.00	62 00	62.00
Dena Bank (50)	58.50	58.50	56.70	57.00
Punjab National (10)	20.76	—	—	20.76
Union Bank (5)	6.32	6.36	6.28	6.32
United Com. (50)	78 00	78.00	77.00	77.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	95.80xd	96.00	90.30	91.00
Amalgamated (10)	10 00	—	—	10.00
Andhra Valley (1,000)	1,050.00	1,050.00	1,030.00	1,030.00
Bom. Sub. El. (100)	106.00	—	—	106.00
Surat (100)	101.00	—	—	101.00
Tata Hydro (100)	112.50	112.00	109.00	109.75
Tata Power (1,000)	1,155.00	1,155.00	1,130.00	1,131.25
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.50	—	—	62.00
New India (15)	62.50	62.70	61.50	62.00
New India 'A' (15)	63.50	63.00	63.00	63.00
Vulcan (10)	16.52	—	—	16.40
STEEL COS.				
Ind. Iron (10)	25.10	25.40	23.72	23.96
Mukand Iron (10)	22.68	22.80	20.00	20.36
Tata Steel Ord. (75)	135.25	138.00	129.25	130.50
SUGAR COS.				
Belapur (50)	225.00	225.00	216.00	216.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.80	27.80	27.75	27.75
Maharashtra (50)	154.00	155.00	148.00	148.00
Phaltan (50)	89.50	90.50	82.00	83.00
Walchand Ind. (100)	148.50	149.25	143.00	144.00
CEMENT COS.				
Associated Cts (100)	156.50	157.75	149.25	150.50
Digvijay (100)	178.00	178 00	169.00	169.00
Orissa (10)	16.84	16.84	15.48	15.48
MISCELLANEOUS				
Alcock Ashdown (100)	320.00	320.00	298.00	300.00
Amar Dye-Chem (100)	242.50	241.25	210.00	215.00
Bom. Burmah (125)	643.00	645.50	604 00	609 00
Do. (New) (50)	265.00	265.00	248.75	248 75
Br. B. Petrol (1 sh.)	4.38	4.38	3.16	3.16
Br. I. Corpn. (5)	9.88	10.00	9.48	9.48
Cooper Eng. (100)	130.00	130.00	126.00	126.00
Colour Chem. (100)	412.50	412.50	370.00	372.50
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	47.25	48.00	44.00	44.50
Hindustan Motors (10)	18.52	18.68	16.88	17.04
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	457.50	461.25	410.00	412.50
Indian Copper (2 sh.)	4.64	4.66	4.40	4.40
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	86.30	85.50	83.50	85.00
Larsen & Toubro (10)	25.75	25.75	24.00	24.24
Mahindra & Mahindra (10)	17.72	18.00	17.00	17.48
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	160.00xd	161.25	140.00	140.00
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	112 75	113.00	102 50	106.00
Premier Cos. (50)	131.00	132.50	123.50	125.00
Scindia (20)	12 08	12.64	11.56	11.68
G. E. Shipping (10)	12 28	12.28	11.64	11.64
Shivrajpur (10)	30 00	29.50	23.00	24.00
Sirpur Paper (10)	13.12	13.08	12.00	12.12
Synthetics and Chem. (100)	171.00	169.00	149.00	150.00
Tata Chemicals (10)	13.84	14 00	12 68	12.80
Tata Locomotive (100)	293.00	295.25	267 00	273.00
Tata Oil (25)	56.20	57.50	53.00	53.50
Texmaco (10)	22.00	22.00	21.52	20.76
Voltas (100)	249.50	252 00	230 00	231.00
W. I. Match (100)	271.00	270 00	256 00	250.00
W. Coast Paper (100)	158.00	158.00	149.00	150.50

GOVERNMENT SECURITIES	18-10-1962	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	24-10-1962
	Rs.			Rs.
2½% 1962	99.90	—	4.26	99.90
2½% 1963	83.50	—	4.33	83.50
3% 1964	98.85	—	3.55	98.85
3% 1963-65	99.05	3.84	3.32	99.05
3% 1965-68	98.90	3.84	3.58	98.90
3% 1970-75 1st Dev.	89.00	4.66	4.10	89.00
3% 1986 Con. Loan	66.90	—	4.52*	66.25
3½% 1964 N. P. Loan	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.80	—	3.58	99.80
3½% 1967 N. P. Bonds	98.65	—	3.80	98.65
3½% 1974	98.50	—	3.92	98.50
3½% 1977 N.P. Bonds	99.70	—	3.81	99.70
3½% 1969 Loan	97.80	—	3.87	97.80
3½% 1968	98.30	—	3.82	98.30
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4% 1972 Loan	99.35	—	4.08	99.35
4% 1973 Loan	99.30	—	4.08	99.30
4% 1970 Loan	98.65	—	4.12	98.55
3½% 1966 Bonds	99.70	—	3.59	99.70
4% 1980 Loan	98.55	—	4.12	98.55
4% 1981 Loan	98.65	—	4.10	98.65
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend

COMMERCE

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

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GEARING STEEL INDUSTRY TO WAR

WITH the outbreak of hostilities between India and China, the heavy industry bias of this country's third Plan, as of the second, is now more fully vindicated. But not much comfort can be drawn even from this farsighted emphasis on heavy industry as something basic to both defence preparedness and peace-time industrialisation. For the country's iron and steel industry, which is now producing at an annual rate of about five million tons in terms of ingots, is trailing far behind that of China with its reported annual output of about 20 million tons at present. What is even more disconcerting is the fact that, while the bulk of China's steel output has been going into armaments production, the bulk of India's limited output of this vital metal has been put to peaceful uses. Surely, this is a situation which cannot be expected to continue, now that the Indian people and Government have been rudely awakened to the reality, namely, that such sinews of war as armaments, trucks and armoured vehicles cannot be provided adequately without stepping up steel production, on the one hand, and curtailing its consumption in peaceful uses, on the other. To a country which has been wedded to the ways of peace this is, indeed, a hard choice.

The element of civilian sacrifice in that choice has been rightly underlined in the most forthright language possible by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. This is what the Minister said, *inter alia*, at the second meeting of the reconstituted Iron and Steel Advisory Council held at New Delhi on 25th October 1962:

"We may be called upon to produce types and categories of steel which are urgently required by the ordnance factories and other factories engaged in producing military equipment. No delay can, therefore, be tolerated in meeting these requirements. I do appreciate that it would mean diversion of essential supplies which, in many cases, are not even to the full requirements of industry, but in the present crisis every one will have to put up with such inconveniences and shortages. The categories of steel required for the manufacture of strategic materials will, therefore, become more scarce and civilian requirements will have to be given 'second priority' to the defence requirements. . . . Everything will have to be produced and supplied at top speed, and there is no room for conflict of views or friction."

Yes, speed is the most crucial thing now, if fuller advantage is to be taken of the present rated capacity (6.5 million tons in terms of pig iron and 6.0 million tons in terms of ingot steel) of the entire iron and steel industry in both the public and private sectors. In the industry as a whole, there is substantial scope for expansion of production in the next six months. The latest available figures show, in this connection, that 3.7 million tons of pig iron and 3.2 million tons ingot steel were produced in the eight-month period, January-August 1962. While pig iron production during the period worked out to an annual rate of 5.6 million tons, representing 86 per cent of the rated capacity, ingot steel production was at an annual rate of 4.8 million tons, representing 80 per cent of the relevant rated capacity. Production to full capacity, in the light of these figures, seems to be a realisable objective in the next six months or so, especially because of the spur provided by urgent defence needs.

The plant-wise picture of current production trends, incidentally, shows that the immediate effort to achieve capacity production will have to be concentrated almost entirely on the Tata Iron and Steel Company in the private sector and the Rourkela and Durgapur plants in the public sector, for the Indian Iron and Steel Company in the private sector has already attained a level of production representing 106 per cent and 97 per cent, respectively, of its rated capacities in pig iron and ingot steel and the Bhilai plant in the public sector has likewise achieved a high level of production working out to 103 per cent and 97 per cent, respectively, of its relevant rated capacities. As the Rourkela plant, too, has turned the corner and produced, as of September 1962, ingot steel at a rate representing 65 per cent of its capacity, it may be supposed that progress towards capacity production in that plant can be easily accelerated in the coming months. In the same way, the tempo of production at Durgapur may be expected to be stepped up, now that the third blast furnace of that plant has also been commissioned. To what extent the T.I.S.Co. can achieve fuller utilisation of its installed capacity (two million tons of ingot steel) in the immediate future is, however, not quite clear. It may be that favourable reconsideration, by the Government, of its recent decision to allow only a small increase in steel retention prices will enable this premier steel plant to expand production without undue strain at the present juncture.

There is no doubt whatever that the iron and steel industry will rise to the occasion and seek to fulfil the additional demands that will be made on it. The limits to its production effort will be set, if at all, only by supplies of inferior coal and shortage of other vital raw materials, not to mention transport. Representatives of the industry have, therefore, done well to urge that the supply of raw materials to the steel plants should be planned and ensured on an "emergency basis," that the Government should arrange for the supply of better quality coking coal and that a better railway schedule be introduced so as to avoid congestion at the steel plants. Several other constructive suggestions for obtaining better production results and for effecting expeditious changes in the pattern of production are stated to have been put forward by the industry's representatives at the meeting of the Advisory Council. All these suggestions boil down to one thing, namely, that a crash programme, involving a series of practical measures for ensuring adequate supplies of raw materials of good quality, be devised forthwith.

Among the raw materials, better quality coking coal is of crucial importance, for it is well known that the lack of such coal has led, time and again, to complications in coke oven practices, adversely affecting the efficiency and life of the ovens themselves. It must, therefore, be laid down that greater production of coking coal of the requisite quality specified for use in the iron and steel industry should be effected, as a matter of first priority, in private collieries as well as in those of the National Coal Development Corporation. Unless energetic steps are taken to gear the coal industry, too, to the defence requirements and expand its production to the level of at least 70 million tons (of all qualities) in the next year, as against the current annual rate of just under 60 million tons, the steel industry, like several other strategic industries depending on coal, will find it difficult to expand production. It may be well to remember here that China, with its production of coal, including lignite, of the order of 420 million tons (according to the *Statistical Yearbook* of the U.N.) in 1960, has no problem of coal shortage except in so far as it is caused by occasional transport bottlenecks.

Likewise, supplies of limestone of the quality required for steel making should be ensured without any interruption. The State Governments concerned seem to have agreed with the Union Minister for Steel and Heavy Industries that they should prevent the misuse of good quality limestone deposits and conserve them for the use of the steel industry. This they can do by not executing fresh leases in favour of parties other than the steel plants. But there are limits to what the State Governments can do in the matter of mineral raw materials required by the steel industry. The matter is essentially one which can be tackled only at the Union level through the fullest co-operation of the Ministries of Steel, Mines and Fuel, Railways, and Power. To devise and execute a crash programme for bigger steel production would be to get these Ministries to co-ordinate their activities in a practical and non-ideological manner.

Thus far we have approached the question of steel production from the point of view of what is to be done for fuller utilisation of existing capacity. But the question of expanding the capacity itself is no less important. The current plans for doubling the size of the three public-sector plants would have to be more expeditiously executed. The Bokaro project, too, must be pursued vigorously and it is to be hoped that the American technical team's study will turn out to be favourable. Above all, there is no reason why the T.I.S.Co. and the I.I.S.Co. should not be allowed to expand their capacities further. An early decision on this issue is vital, if timely results are to be obtained.

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PERSPECTIVES & PROJECTIONS

By Mercator

Democracy at War

Now thrive the armourers, and honour's thought
Reigns solely in the breast of every man:
They sell the pasture now to buy the horse...

—SHAKESPEARE

TO those who are under forty and cannot recollect the war that democracies bestirred themselves at the last minute to resist Fascist aggression in 1939, there has been a re-enactment in India of the excitement and the emotional fervour aroused in a people, who, having been grossly betrayed, have only their valour and patriotism with which to defend their hearths and homes. Contributions have kept pouring in for the war effort and some are restrained, as they do not yet know to whom to contribute or whether their offers will reach the right quarters. In these matters, official preparations are still considerably behind popular enthusiasm; could not Mr. Morarji Desai, for example, have announced the details of the savings schemes he talked vaguely about in his broadcast address?*

Long ago, the Government decided to withdraw the old Prize Bond scheme and put forward a new one; even that was not ready for announcement. Now that the Government has come down to asking the ordinary man to part with his personal possessions of gold and precious trinkets, has anything been done demonstrably to show that there will be nothing less than the utmost austerity in the management of our foreign exchange resources by our embassies and by the innumerable official delegations still travelling abroad because of an insatiable wanderlust? Mr. Desai might have done well to have insisted on his departments to give specific examples of sacrifice and austerity which they are prepared to make, with which he could preface his appeal to the people. May be, it was unnecessary, because the people had risen magnificently above all such pettiness, having no thought of calling anyone to account for the management of our funds or defences; if the country is well defended at least now, the people can't care less about what happened before or how much they contribute. This spirit is remarkable, if not unparalleled, and those who have sermonised on the nature of India's unity have now an opportunity to revise their views.

The proclamation of State of Emergency came almost as expected; it was timely and necessary to enable the country to proceed ahead with defence preparations unhindered by the safeguards for Fundamental Rights; even more, it helped to create the psychological atmosphere of urgency in which alone people can drop their daily distractions and concentrate on the war effort. Some apprehend that criticism of Government may be stifled, but, actually, the position is not much different from that prevailing during the last war under the Defence of India Act; all the judicial decisions during that period will be available as precedents for defining the area of personal liberty, but this should, in fact, be much larger during a people's war. Even officialdom, which likes to go by past precedents, may be spurred to immediate activity by the various organisational matters thought of and put into effect between 1939 and 1945 to control supplies and transport, establish Home Guards and civil defence measures.

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Secrecy or Security?

Mr. Nehru is too good a democrat to think of suppressing information or legitimate comment, but the Defence Ministry's allergy to the Press is well known and, even now, facilities have not been provided for independent Press coverage from the battle front. (Some relaxation has been made since writing.—Ed.) Much damage has been done by insufficient news; one example is the delayed publication of news about the minor illness of Lt.-Gen. B. M. Kaul, which was withheld till after he had returned to his post. Meanwhile, rumour had done its worst and caused much speculation about the reasons for his return to Delhi when he was expected to be commanding the troops on the Eastern Frontier. So what is really important is not the possible suppression of information likely to be of value to the enemy or of anti-national activities of persons whose loyalty to the country is questionable but an imaginative approach to public relations in the interests of maintaining civilian morale on which the entire war effort will have to rest in future.

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No Post-mortem

The demand for the recall of some of our retired Generals is one of the ways in which public disquiet over the state of our preparedness has shown itself. Mr. Nehru admitted that people were annoyed and that they had a right to know; he went so far as to say that he did not know if there was an adequate answer to the doubts. That about 2,500 are dead or missing and that our *Jawans* were poorly armed will naturally raise questions as to what the Government was doing with its annual budget on defence and what our defence factories were producing all these days when they were said to have sufficient spare capacity to turn out a wide range of consumer goods and to take up even things like baby cars. But for the fact that few are interested in a post-mortem at this stage, many of the present realities will need to be squared with past assurances of the state of our defences.

If retired Generals come back for operational duties, it may well be that they will insist on repairing some past omissions in defence preparations, but it is unlikely that, in this hour, they will rake up old controversies. If they return and are required to give their wholehearted efforts, a purely advisory capacity such as membership of the National Defence Council, in which they will be allowed to do some talking, will not be enough. But this is all that seems to be intended at present, in view of Mr. Nehru's hints that "protocol" difficulties are likely to arise. Rajaji's suggestion that one of the retired Generals should be made a Minister of State, after Mr. Nehru takes over Defence personally,† seems to have some point, since there is no one who can be considered the most obvious alternative to the present Defence Minister, should he be willing to accept constitutional responsibility for the present shortcomings (as others like Mr. Lal Bahadur Shastri and Mr. T. T. Krishnamachari had done in the past) and quit. Omissions can be repaired under the new emergency; that does not make them less serious. The only thing to be said in extenuation is that, historically, a defending country, especially a democracy, has always been unprepared, ill-equipped and not conditioned mentally for war, even though money might have been spent on the army, navy and air force; but, historically also, the compulsion to change the old ways has invariably coincided with a change at the top.

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Moment of Truth

When the history of the present times comes to be written, 25th October may well be treated as a turning point in our annals, for that was the day when Mr. Nehru proclaimed that all Indians, including the Government, had been shocked out of the artificial atmosphere in which they had been living and went on to add that they had been getting out of touch with the realities of the modern world. For candour, this is without parallel and, obviously, what made Mr. Nehru say it out was not Chinese aggression, of which he had abundant notice already in many ways, but the pompous sermon from *Pravda* and *Izvestia*, which indicated, after a long spell of suspense, that it was idle for anyone in India to expect Russia to take India's side in the present conflict. It is, perhaps, too much to say that all Indians had been living in this world of unreality in which the Government chose not only to frame its policies and pursue a policy of unrequited friendship and peace (which is understandable in a moral sense) but also to antagonise, sometimes gratuitously, those to whom we have now to turn in our hour of peril and who have responded to our appeal magnificently.

Even now, perhaps, there is no need to take up any rigid attitudes or draw any firm conclusions from Russian editorials. With Mr. Khrushchev's challenge to the U.S.A. over Cuba, any other attitude would have been surprising; even if Russia had any intention of using its good offices in favour of India, it may be tactically wise to appear to lean in favour of the Chinese side rather than against it. India has also played at this game often and should know its finer points; but it is quite significant that most of the non-aligned neutral leaders—of Indonesia, Egypt and Yugoslavia in particular —have been sitting on the fence or sending peace-feelers, which, in effect, would be similar to Peking's own. Such is the influence of the Bandung spirit; so it is not merely China which is repaying good with evil. The trouble and unpopularity which India had courted in the West in rushing to champion Egypt's cause in Suez or support Indonesia's postures on West Irian or, for that matter, India's dubious attitude towards Israel in the attempt to placate the Arab world may all prove vain.

Although the Government of India seems to have been misled into the belief that the Soviet Union may act as an honest broker in the Sino-Indian dispute, there has been some evidence that Russia has been following a cautious policy all along even in the matter of economic aid. Much of Soviet aid promised at various periods has remained unutilised and, though at one time Mr. Khrushchev was keen on completing the Bhilai projects, there has subsequently been some decline of enthusiasm, apparently because of China's protests and the influence of the Stalinist wing within the Soviet Communist Party. There is, however, no need for disillusionment now. Our policy may still be based on the possibility of a change in the Russian attitude some day in the future, for which the present settlement over Cuba may help, if, indeed, it is not merely a prelude to another challenge to the West in Berlin or elsewhere.

The question remains whether in this hour of crisis there can be a new approach to Pakistan so that the Indian Army may be concentrated on the China front. Pakistan's antics, or rather those of its Press, are disheartening at the moment and it remains to be seen how effective the United States can be in persuading its ally to take a responsible attitude, as the British Press has pointed out. Mr. Nehru has often in the past shown great magnanimity in his relations with Pakistan, the most recent example being his sympathetic human approach to the question of ejecting illegal Pakistani immigrants from Assam. A team from Pakistan has visited Peking and is reported to have shown readiness to discuss the whole of the Kashmir border with China (instead of the border behind the cease-fire line), giving Peking fresh claims in the area. India is being outmanœuvred in this game of power politics and opportunist alliances of Pakistan. The U.S.A. must step in to define what its alliance in this area really means, now that it has come forward to support India's right to the McMahon Line, while Pakistan is not only questioning it but actively allying itself with China whose aggression in this area was supposed to be contained by S.E.A.T.O. All that Pakistan should be required to do at this juncture is not to embark on any adventure in the area while Indian soldiers are fighting the Chinese; whether its hatred of India will drive it to a position in which it will become a willing dupe of Chinese policy despite American efforts, is one of the questions for which we will have to wait for an answer.

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A Textbook Solution

I have always wondered at the tenacity with which "Lombard" has tackled the question of the real value of the Indian rupee and suggested on various occasions that the time had probably come to find a realistic parity for it. He has now returned to the subject in the *Financial Times* (24th October) and, while helpfully proposing a stabilisation loan for India to increase her reserves for tiding over the uneven flow of economic aid, considers that it might be better value for money if the stabilisation were made a "full-blooded affair" and the rupee were reduced to a level more closely approximating to its current purchasing power parity. Now, this is a concept which one does not often hear outside the classrooms and, if, indeed, every currency including the pound and the dollar were to follow the purchasing power (assuming that it could be determined), there might be case for India following such excellent example. The primary reason for this feeling about the rupee seems to be the difficulty in export promotion, though it would be interesting to know whether Indian textiles will be more welcome or have better sales in Europe if they are priced low as a result of a devaluation or whether any of the other manufactures for which there are quotas or high tariffs in Europe will fare better. That countries like India placed in the peculiar circumstances in which they find themselves can occasionally maximise their advantages by a selective devaluation of currency is no argument for claiming that a full-scale revision of parity is logically justified.

*Since writing this. Details of savings schemes have been announced.

†Mr. Nehru did this late on 1st November and Mr. Krishna Menon was made the Minister for Defence Production.

FINANCE FOR WAR EFFORT

SPEND LESS, SAVE MORE

THE initial steps for financing the war effort have been taken. These are three in number: a National Defence Fund, a new issue of National Defence Bonds and a new set of instruments for attracting small savings. The National Defence Fund offers an opportunity to the people to give donations in money, gold and gold ornaments. While the minimum contribution is one rupee, there is no limit to the maximum. The Fund is thus designed to appeal to the patriotic instincts of the people of all levels of income and wealth. Contributions to the Fund will qualify for income-tax exemption within the limits prescribed in Section 88 of the Income-tax Act 1961. Under this section, it may be noted, an individual is entitled to a rebate of both income-tax and super-tax upto 10 per cent of one's income, subject to a maximum of Rs. 2 lakhs. The rebate will be given in the same way as is done in regard to life insurance premia. Those who have hidden wealth can fearlessly contribute to the Fund, for they have the option not to disclose their identity. They can thus wash away their sins by liberally contributing to the defence of our motherland and no cause is more sacred and worthier than this. The total amount subscribed to the Fund since its inauguration a fortnight ago is not known at the time of writing, but all available accounts show that the response has been highly encouraging.

The appeal for contributions in gold and jewellery is justified in terms of the country's need and capacity alike. Our foreign exchange resources are no more than Rs. 92 crores, whereas the cost of buying arms and essential materials from abroad will run into an astronomical figure, if we are to throw the enemy out, as, indeed, we must. It is a well-known fact that there is a large amount of gold in the country in the form of jewellery and bullion. The major part of it is dispersed over millions of people of modest means for whom a small investment in gold is a social and religious necessity. Nevertheless, a sizable amount of gold, say, anything between Rs. 200 crores and Rs. 400 crores worth, must be in the hands of those who can afford to part with it. They would be well advised to do so, for, if India were lost to communism, their gold possession would be of no value to them. Wisdom and foresight, therefore, demand that they should hand over all their surplus gold to the Government.

Human nature being what it is, it would be highly unrealistic on the part of the Government to expect all such gold to be donated even for war effort. Accordingly, the Government should think of devising some ways and means of giving appropriate value for the gold surrendered. If I.M.F. rules stand in the way, the Fund authorities must be asked to exempt India from these rules, for a temporary period, as a special case for fighting the war against China. We have no doubt that the Fund will relent and give us the necessary exemption. A gold loan may then be issued; it will be a gold loan in the sense that, while subscriptions will be in gold, repayment will only be in rupees, so that posterity need not be saddled with an obligation, the discharge of which will be well-nigh impossible. It is true that this journal itself had contended that mobilisation of gold reserves with the people for financing the development plans was a wild-goose chase. But a war is different from economic development under peace. The security of the whole nation and that of every individual are at stake now. A well-conceived gold loan has, therefore, better prospects of success now than before the Chinese brutal aggression. It may induce many a middle-class family of even modest means to contribute at least a part of the jewellery it has for fighting the war.

Some method must be found to harness for war effort the resources hidden away by persons who have earned large sums in black markets and other illegal means and who have evaded taxes. The task will by no means be difficult and a discussion with some of our financial experts will be fruitful, provided the Government is willing to relax a little on the ethical side. It will, of course, amount to condoning black-marketeers, profiteers and tax-evaders. But large resources are needed to fight a ruthless and unscrupulous enemy. At present, a substantial part of this ill-gotten wealth is chasing scarce goods, besides being frittered away in conspicuous consumption. To this extent its effect is inflationary. A large portion of this black money is invested in gold and other precious metals (as well as stones), thereby encouraging smuggling. Another portion is held abroad. It is worthwhile to provide facilities for converting all this black money, or as much of it as possible, into white, as a means of finding the resources for prosecuting the war. Those who have foreign exchange may feel encouraged to hand over at least a part of it to the Government. Those who have gold may sell it in the open market and use the proceeds to be converted into white. In that event, the price of gold will go down which in turn will discourage smuggling. It may be recalled here that, when the military regime took over the Government in Pakistan, it took some practical steps in this direction which yielded sizable dividends.

The list for the National Defence Bonds announced on Wednesday this week will open on 10th inst. The terms of this new issue are a little more favourable than the return that can be had on existing Central loans of comparable maturity. The Defence Bonds carry interest at 4½ per cent and are repayable at par after 10 years. As the issue price is also at par, the yield is 4.25 per cent per annum, as against 4.09 per cent that is available on the existing 4 per cent 1972 loan. The Bonds will be on tap until further notice. A special feature of this issue is that the tax on interest will not be deducted at source, so that even small investors can subscribe to it without having to bother about getting refund orders from the tax collectors. Only, they will have to declare the income in their tax returns and pay the tax after they are duly assessed by the income-tax officers. This facility is not available on investments in existing Government loans and interest due is paid only after deduction of tax at 30 per cent. It is needless to add that for small investors whose rate of taxation is less than 30 per cent, the yield on the Defence Bonds will be correspondingly higher than 4½ per cent. These bonds are an ideal form of investment for those investors who do not have the patience to wait for 10 or 12 years to realise the full rate of interest that can be earned on small savings certificates and deposits. Some, however, are of the view that the bonds are not as attractive as medium-term fixed deposits with banks are to small savers. The banks, it may be noted here, are offering without deduction of tax 4½ per cent per annum on four-year deposits and 5 per cent per annum on five-year deposits. The bulk of the support to National Defence Bonds, however, will have to be from institutional investors such as the L.I.C. and the banks. At the moment, the banks do not have much surplus funds left. The usual busy season is about to start in a couple of weeks and, from then on right up to the end of April, banks' resources will be fully taken up by trade and industry. Further, the latest credit curbs announced by the Reserve Bank are unlikely to induce the banks to absorb any sizable amount of Defence Bonds. Accordingly, one should not expect any spectacular response to the Bonds in the first six months of their issue, unless, of course, there is heavy deficit financing resulting in a sharp rise in the deposits of banks.

The new series of small savings certificates, designated as Defence Deposit Certificates and National Defence Certificates, also offer a better return than their existing counterparts. The latter, for instance, give a yield of 6.25 per cent per annum simple interest or 4.75 per cent compound, though one will have to hold them for a period of 12 years. This represents an increase of ½ per cent straightaway. Since provision has been made for converting the existing deposits and certificates into new ones, those who have supported these issues hitherto need not feel that they have been let down. It would have been conducive to the success of these new issues had the Government doubled the limits upto which one could invest in them. Even now it is not too late to make the necessary amendment. After all, the Government's primary objective is to raise as much funds as possible. It is true that most of the rich people will try to increase their holdings in these certificates, as the return on them is tax-free. But the consequent loss of income to the Treasury will be negligible as compared with the sizable capital funds it can thus raise. A new series of bearer Prize Bonds, repayable at a premium *plus* bigger prizes, has also been announced. This should attract those investors who wish to try their luck at earning a large sum in one stroke without running the risk of losing the principal and interest. At the same time, they can have the satisfaction of having contributed their mite to the war effort.

NATIONAL DEFENCE BONDS

The terms of the National Defence Bonds appear to have been hurriedly drawn up. As the Bonds will be on tap, there will be as many maturities as there are working days in a year. For instance, the Bonds sold on 10th November will fall due on 10th November 1972, those on 11th November on 11th November 1972 and so on. This will cause confusion and hardship in marketing the Bonds and even a loss to the investor. But this can be avoided. The Reserve Bank has only to look back and find out how loans were being sold on tap during the last war. The selling price has to be adjusted week after week for covering the accrued interest from the first day of issue. We have no doubt that the Bank will announce in good time the schedule of selling prices for the Bonds for weeks following the week when the list opens.

The people of this country will have to bear in mind one important fact. It is that the success of the Government's new borrowing programme depends on their willingness to reduce consumption and divert their savings to the new Defence bonds and certificates. They may, if they so like, invest their savings in bank deposits and the banks in turn will use them for productive purposes, besides buying war loans. The basic need is that they should spend less and save more. Austerity all round should be their watchword. By doing so, they will be benefiting themselves and the nation alike. The real resources which they do not consume will be available for fighting the war forced on us by the Chinese. There will be less inflation and a comfortable nest egg for the future. In fine, by deferring consumption, the people can defend the country against the aggressor more effectively and also themselves against price increases and profiteering.

A part of the surplus goods saved by restraining consumption and leading a frugal life will undoubtedly be available for earning foreign exchange through exports. But it is as clear as daylight that India cannot fight the Chinese backed, albeit behind the scenes, by Soviet might. The time will soon come, if it has not already, when the Government will have to make up its mind to join hands with the forces opposed to China-Soviet imperialism and expansionism. It would be mere wishful thinking to believe that Russia would give military assistance to India for resisting its biggest ally, China. The Indian economy would be wrecked—and that is one of the objectives of China—if it were to rely on exports and borrowings for buying arms and ammunition from abroad Our fight against China is a fight for democracy all over the world. Other democratic countries in the free world have readily conceded this contention. Only the dictators in the non-aligned countries are wavering. Already the U.S. and the U.K. have most graciously and touchingly hastened to our rescue. They have expressed their readiness to stand by us. United we stand, divided we fall. That is the basic principle of collective security which the West has promoted against international communism. China has clearly taught that lesson to the powers-that-be in this country. It would be sheer folly not to profit by it before it is too late.

FASHIONING A NEW OUTLOOK

(By Our Delhi Correspondent)

PRIME Minister Nehru has repeatedly declared that a nation's defence potential is to a large extent the sum total of its industrial strength. In the past few days, the Prime Minister has been emphasising how his and the country's ideas had been fashioned in the past decade for peaceful endeavours. Now the war, forced on the nation by the Chinese, also brings a compulsory and revolutionary reorientation of economic, political and social concepts held dearly so long by many leaders. The menacing military advance by the Chinese is tearing to shreds a fundamental Nehru concept of developing the country without brutality, without the harsh and painful experiences which England, Germany, Japan or Russia underwent. The Chinese communists have been the most ardent advocates of a brutal system for quick development and the anomaly or tragedy of the situation (as Mr. Nehru calls it) is that the military measures now being organised in the country will carry with it an essential element of brutality, if the war effort is to succeed. The difficulties in this transformation in thinking among the leaders accounts for the apparent groping in the dark over economic policy in Delhi in the few days since the massive Chinese onslaught began.

Mr. Morarji Desai's initiation of principles for mopping up national resources to meet the emergency will soon be followed by detailed programmes for action. But these only touch the fringe of the problem, according to several Congress members of Parliament who are already in the capital. One M.P. said to this correspondent that it would not be enough to depend on voluntary gold contributions alone. If the Government expects to get hold of a substantial part of the estimated Rs. 4,000 crores worth of gold hoards and savings and jewellery in the country, it will, be necessary, according to him, to offer an inducement like special defence bonds against gold redeemable after some years. By the time Parliament meets next week, the National Development Council would have formulated the firm principles for diversion of recources for the defence effort—first for the import of sorely needed arms (which have already started coming into the country) and then for speedy and intensive manufacture of modern military hardware.

The Steel Minister, Mr. Subramaniam, and the Transport Minister, Mr. Swaran Singh, will have two tough assignments in co-ordinating industrial and transport arrangements to meet the military needs. Mr. Subramaniam has already launched steps to overcome the lag in the production schedules of the Durgapur and Rourkela plants and it is expected that the British and German firms guiding the projects will support the expansion plans without entering into new controversies. Stocks of motor trucks and jeeps have already been frozen for needed allocation for defence purposes. Fortunately, the planners had already launched projects to increase many-fold the production of automobile tyres, far beyond the original plan estimates. Licences had been issued in the past few months for new plants and for the expansion of existing factories. Some of the existing factories were not utilising their capacity in full, but this lacuna will soon be overcome through larger imports of rubber.

A major reorientation of economic policy may have to follow the Soviet declaration in support of the Chinese stand. Although the Soviet Union says that economic assistance to India will continue, in materials of strategic value, Soviet supplies will be impossible to obtain. By a twist of circumstance, some of the major Soviet-aided projects fall in the field of industries with great strategic importance. The refinery at Barauni, which the Government wanted to expand soon after it reached its first stage capacity of two million tons, the Nunmati refinery expansion and the new public sector plant in Gujarat were all to be with European communist assistance. In view of the shattered illusion about Soviet neutrality in the Sino-Indian dispute, it is hard to expect the Government to continue with the folly of putting all public sector oil barrels in the Soviet installations. Expansion of existing company refineries will anyway be far quicker than seeking to build new plants which also will be needed. Over long-range economic development, there were major differences between the oil companies and the Government, and one senior oil company official tells me that the Government should "have no doubts about obtaining an expanded contribution and disciplined co-operation from the oil companies" in this time of crisis.

A sustained effort is also expected in improving the railway transport facilities in the eastern region already riddled with bottlenecks but now called upon to handle large military supplies. The Railway Ministry is studying a scheme to speed the electrification of traction in the region.

TREND OF SHARES

WEAKNESS STILL PERSISTS

(From Our Own Correspondent)

BOMBAY, *1st November*

DESPITE the numerous measures taken by the authorities of the principal stock exchanges last week to stem the rot created in the markets by heavy selling following the Chinese aggression (*vide* page 716 of *Commerce* dated 27th October), weakness persisted in the markets this week also, owing to almost complete lack of buying interest in view of the extremely unpredictable and disturbed political and economic situation in the country. The official statements, underlying a shift in economic planning from a peace-time to a war-time requirements, left marketmen anxious and even bewildered and scared away prospective investors and speculative buyers, notwithstanding the rather attractively low levels to which equities have sunk. All sorts of fears and apprehensions over the border war and the measures to meet it, which would inevitably lead to some heavy pressures and burdens on the economy and the people, influenced the market sentiment. With support lacking and sellers contained by the market authorities, trading was dull and thin. Even reports that most of the leading Western countries were prepared and had already started to air-speed arms and ammunition to this country to enable it to fight the Chinese failed to revive enthusiasm among the operators. Sentiment at close was dampened further by the decision of the Reserve Bank to tighten credit control well in advance of the start of the busy season. It was feared that the tighter credit control which eliminates the fourth tier of unlimited accommodation to commercial banks by the Reserve Bank at 6.5 per cent, would restrict the availability of funds for financing carry-over of business in shares. Already, due to the disquieting political situation, private financiers have tended to withdraw from share markets.

The policy of the market authorities to arrest the downward trend in equities found further extension in the past few days. On Thursday, 25th October, the Committee of the Calcutta Stock Exchange announced a series of new measures. It decided that, barring business of a squaring-up nature, all day-to-day jobbing business in cleared securities would be suspended until further notice. Three additional measures to govern trading in cleared securities were also introduced by the Committee. These are: (i) fixation of minimum prices for scrips on the forward list for the then current settlement at the levels at which they had closed on 24th October, (ii) fixation of making-up prices at levels to be chosen by the President of the Exchange, and (iii) sales against fresh purchases to be made only with the permission of the President or Vice-President of the Exchange.

MARKET GOSSIP

Our customary feature "Market Gossip" appears on page 796.—ED.

As for the non-cleared securities (other than Government securities and debentures) the Committee decided that (i) minimum prices would be fixed at the closing levels of such securities as on 24th October, until further notice, (ii) in respect of hand delivery transactions of such securities, the seller must deliver the securities on the first delivery day following the third business day from the date of the contract, failing which the buyer must buy the securities on the next business day on spot delivery basis against the seller without reference to the Arbitration Sub-committee and must report to the Committee whether he had done so or not, and (iii) a sub-committee had been constituted to review, revise or revoke the minimum prices for such securities.

The Committee also decided to curtail the trading hours in the market from the normal four hours (12 noon to 4 p.m.) to 2½ hours (12 noon to 2-30 p.m.) on all business days, except Saturdays. No business, even on telephones, before or after the official trading hours was to be allowed by the Committee.

In order to prevent member-brokers from effecting the carry-over of business of some of their clients holding big positions through inter-client understanding and adjustment outside the market with a view to escaping the markings and circumventing other restrictions imposed on the day-to-day business, the authorities of the Bombay Stock Exchange asked such member-brokers today to deposit special margins on outstanding business of such of their clients. The margin would vary from broker to broker, depending on the quantum of business of the big clients. It was, however, thought that the margin would amount to anything from Rs. 2 lakhs to Rs. 20 lakhs for those brokers who have entertained such big clients.

Following the aforesaid measures, the Committee of the Calcutta Stock Exchange authorised the President yesterday to fix the carry forward charges at 9 per cent. The President also ordered that there would be compulsory carry-over of unadjusted business by the respective parties for the next (that is, now current) settlement. Due to these measures, the last settlement passed over smoothly yesterday.

These special measures are an offshoot of the curbs preceding them on any fresh sales. As no fresh sales were permitted in the market, the private parties, financing the carry-over of bull positions from one settlement to another on the strength of their investments, would have either withdrawn from the market or insisted on giving delivery of their holdings; in either case, carry-over charges would have shot up. Anticipating such a contingency, the Committee announced the special measures before the settlement and ensured a smooth carry-over of the unadjusted business.

Similar measures are expected to be taken by the Governing Board of the Bombay Stock Exchange before the current settlement ends on 9th November. For already the charges for late carry-over against the last settlement which ended on 24th October are reported to have shot up generally by as much as 100 per cent from the normal carry-over charges in the regular session on 24th October. In the case of Tata Steel Ordinary, the carry-over charge which was only 56 nP on Wednesday, 24th October, shot up lately to Re. 1.50, that is, by about 200 per cent. In the case of National Rayon and Century, the *badli* rate expanded by 180 per cent from Re. 1.75 to Rs. 5. The rise in these rates reflects the anxiety of the private *badli* operators to withdraw from the market before the market authorities bind them to doing *badli* operations for the current and future settlements by adopting measures similar to those introduced in Calcutta. Once the special measures are adopted and *badli* rates are fixed by the Governing Board in Bombay, the operators will be tied down to their past commitments and will be obliged to repeat the same, until such measures are withdrawn.

Meanwhile, the measures adopted by the various market authorities have averted further bear raids, though at the expense of liquidity of markets. Some marketmen feel that the measures are excessive. There are, however, others who feel that any relaxation will be unwarranted by the current political situation. Further, the measures are designed to protect banks which have large advances against shares and securities. It may be noted that bank borrowings against shares have to be supplemented by cash deposits, or additional collateral if share prices fall sharply.

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In dull trading, values on Dalal Street moved both ways to close with generally small variations either way over the week. The announcement of the I.I.S.Co's final dividend of 80 nP gross on Tuesday bringing the total, together with the interim of 80 nP declared earlier, for the year ended 31st March 1962 to Re. 1.60 gross per share, that is, the same as in the previous year, disappointed the marketmen who had all throughout expected a token increase in the dividend. The preliminary working results of the Company for the year show that gross profit improved from Rs. 9.96 crores to Rs. 12.54 crores, showing a rise of 25.87 per cent. Depreciation has claimed Rs. 3.35 crores (Rs. 2.96 crores a year before) and taxation Rs. 3.96 crores (Rs. 1.66 crore). A sum of Rs. 2.98 crores (Rs. 3.11 crores) has been ploughed back to reserves. Following the maintenance of the dividend, despite higher profit, Indian Iron continued to be depressed and finished the week with a loss of 68 nP at Rs. 23.28. Tata Ordinary closed with a loss of Re. 1.75 at Rs. 121.50 *ex-div.*

Textiles were generally lower. Standard were down by 10 points at Rs. 795, Century by four points at Rs. 567 and National Rayon by Rs. 5.50 at Rs. 426. Swan fell by Rs. 27.50 to Rs. 257.50 and Khatau by Rs. 18.80 to Rs. 390 *ex-div.* However, Svadeshi rallied smartly from Rs. 236 to Rs. 259, but reacted to close at Rs. 239.50, as against Rs. 234.50 a week before. Chemical shares were extremely weak, with Indian Dyestuff disclosing a loss of Rs. 27.50 at Rs. 385 and Colour Chem of Rs. 37.50 at Rs. 335. Bombay Burmah, in the Miscellaneous section were down by seven points at Rs. 602, Hindustan Motors by 64 nP at Rs. 16.40 and Premier Automobile by Rs. 10 at Rs. 96. With the exception of Voltas which gained Rs. 6.50 at Rs. 237.50, Engineering issues showed small losses. Electrics were down again, especially Tata Power which lost Rs. 22.50 at Rs. 1,108.75. Cash scrips were quiet.

* * * *

The special margins imposed on sellers last week induced some short-covering in Calcutta, and as a result, values finished with small gains. Activity was, however, confined to some selected counters. Among Forward shares, Birla Jute gained 75 nP at Rs. 30.75, Howrah Jute 37 nP at Rs. 19.37, J.K. Cotton 75 nP at Rs. 15, Dunlop Rubber 44 nP at Rs. 36.44, G.K.W. 50 nP at Rs. 35.37 and Indian Cable 56 nP at Rs. 35.06. In the Cash section, trading was confined to some Miscellaneous issues and selected Tea and Paper shares. Net changes were, however, small. A few exception to this trend were Hindustan Aluminium which recovered 56 nP at Rs. 13.81, J.K. Synthetics which gained 25 nP at Rs. 12.44 and Nagri Farm, among Teas, which improved from Rs. 25.44 to Rs. 27.

* * * *

The Madras Stock Exchange continued to be easy. Textiles lost further ground, with Laxmi shedding three points at Rs. 143, Travancore Rayon 65 nP at Rs. 28.85 and S.I. Viscose Rs. 3.50 at Rs. 144. Miscellaneous issues were depressed, with F.A.C.Ts. moving down from Rs. 7.40 to Rs. 6.85, Mettur Chem. from Rs. 13.85 to Rs. 13.25 and Travancore Chemical from Rs. 22.62 to Rs. 21.75. Aluminium Industries showed a loss of 25 nP at Rs. 23.50, Ashok Leyland of 20 nP at Rs. 7.55 and Orissa Cement of 25 nP at Rs. 15.25. Among Sugars, E.I.D. were down by Re. 1.25 at Rs. 39.50, India by 75 nP at Rs. 10.25 and Travancore by 55 nP at Rs. 6.95. Among Plantings, the only noticeable changes were a gain of 56 nP in Peermades at Rs. 21.75 and a loss of 55 nP in Consolidated Coffee at Rs. 16.30.

4¼ PER CENT

NATIONAL DEFENCE BONDS

Subscriptions tot he Bonds will be received at the following places with effect from 10th November 1962:—

(a) Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi;
(b) Branches of the subsidiary banks of the State Bank of India conducting Government Treasury work; and
(c) Branches of the State Bank of India at other places in India.

Subscriptions will be in multiples of Rs. 100/- and will be paid in the form of cash or cheque. Interest will be paid half-yearly at the rate of 4¼ per cent per annum and the Bonds will be repaid at par after 10 years from the date of sale. The interest paid will be liable to tax but tax will not be deducted at source in case of Bonds held by individuals.

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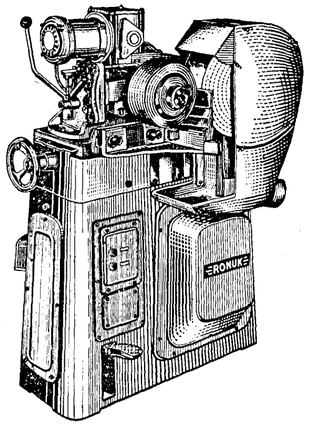

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UNDERWRITING CAPITAL ISSUES

ANALYSIS OF TRENDS IN LAST SIX YEARS

ALONG with the spurt in new capital issues in India during the last two years, both the number of underwriters and the amount of capital underwritten by them have improved considerably. Thus, the actual number of new capital issues went up from only 18 in 1956-57 (year ended March) to as many as 51 in 1960-61 and the aggregate amount of issues from Rs. 10.70 crores to Rs. 33.72 crores. Although the number of issues increased further to 60 in 1961-62 (first year of third Plan), the total amount was lower at Rs. 26.41 crores. The number of underwriters and the amounts underwritten, respectively, were: 7 and Rs. 1.09 crore in 1956-57; 52 and Rs. 11.92 crores in 1960-61; and 86 and Rs. 13.60 crores in 1961-62. Thanks to the improvement in underwriting facilities, the overall picture for the six-year period from 1956-57 to 1961-62 turned out to be quite healthy and promising. During this period, 185 issues for an aggregate capital of Rs. 118.19 crores were made and underwritten to the extent of 40.3 per cent, or Rs. 47.72 crores, by 181 underwriters. The number of stock and share brokers connected with the issues was 16 in 1956-57, 76 in 1960-61 and 89 in 1961-62; for the six-year period, the total was 252. The progressively greater underwriting and broking facilities underlined a sense of robust confidence, especially of investors, in the Indian economy and toughened, at the same time, the sinews of India's growing and yet to be fully developed capital market.

Although the percentage of capital underwritten to capital issued shows an improvement from a mere 10.1 in 1956-57 to as much as 51.5 in 1961-62, it has expanded in an uneven and rather erratic fashion. In 1957-58, for instance, the percentage was 54.3 (incidentally, the highest level for the six-year period), but, in the next year, it declined by 20 points to 34.1, recovered to 46.0 and was down again to 35.3 in 1960-61. This irregular trend was not, however, due either to plentiful underwriting facilities in the different years or to lack of them. The trend was influenced mainly by two important factors concerning the total capital issued. First, the capital issues were made in the light of the prevailing conditions and sentiment in the market, influenced primarily by the taxation and budgetary policy of the Government in a given year, as well as by political, corporate and other factors. Secondly, certain capital issues were so well anticipated in the market that the promoters did not find it necessary to have them underwritten. An illustration of the first factor is provided in the capital issues during 1957-58 when the number of issues declined from 18 to 12 and value from Rs. 10.70 crores to Rs. 4.86 crores, as the market sentiment was affected by the heavy additional taxation under the November 1956 supplementary and May 1957 budgets. Out of the Rs. 4.86 crores issued, Rs. 2.64 crores were underwritten by four underwriters and the percentage of capital underwritten to capital issued spurted to 54.3 from 10:1 in the previous year.

The aforesaid details constitute the findings of a research study, entitled "Capital underwriting in India," made by Dr. G. Balakrishnan, Senior Research Officer in the Research and Statistics Division of the Company Law Administration. The study covers 185 major capital issues announced by promoters of industrial public limited companies in the form of prospectus during the period from 1st April 1956 to 31st March 1962, which includes the whole of the second Five-year Plan and the first year of the third Plan. Out of the 185 issues, 125 were made in the second Plan period and 60 in 1961-62. The study is fairly comprehensive. Besides analysing the broad trends in the new issue market and noting the growth of underwriting facilities in the country, as noted above, it deals with the role played by the principal underwriters (I.C.I.C.I., I.F.C. and L.I.C.) during the six-year period, examines the extent of underwriting commission, assesses the scope for managing brokers, and gives a brief account of underwriting new issues in the U.S. and the U.K.

I.C.I.C.I.

Among the principal underwriters, the I.C.I.C.I. had executed, during the period covered by the study, agreements for underwriting Rs. 9.31 crores in the issues for a total amount of Rs. 13.34 crores. Out of the aggregate business completed of Rs. 9.31 crores, the Corporation actually underwrote Rs. 5.44 crores. It had to subscribe for shares of the value of Rs. 4.03 crores as a result of commitment for non-subscription by the public and had earned a commission of Rs. 19.40 lakhs. During the period of study, it underwrote some preference share issues made along with equity capital issues. Recently, however, the I.C.I.C.I. has recently restricted underwriting only to equity shares, because of the poor marketability of preference shares. The details of the underwriting business (in lakhs of rupees) done by the Corporation in each of the six years are as follows:

Year	*Business completed*	*Amount underwritten*	*Amount taken up*	*Commission, brokerage earned*
1956-57	177	60.00	75	1.42
1957-58	93	152.15	58	2.48
1958-59	218	183.33	45	3.44
1959-60	103	156.73	61	3.23
1960-61	172	41.50	123	6.75
1961-62	78	60.28	41	2.07

The figures relating to the amount underwritten and the amount taken up by the Corporation have to be read as part of the business completed in the previous years. From these figures, it is clear that, after showing an irregular trend in the first three years, business completed by the I.C.I.C.I declined in the next three years, notwithstanding the spurt in new capital issues in the last two years. The author of the study does not explain this setback. The ratio of commission and brokerage earned to amount underwritten fluctuated between 2.5 per cent and 1.6 per cent in the first four of the six years, shot up to 16.2 per cent (presumably as an exception) in 1960-61 and settled down to 3.4 per cent in 1961-62. The author of the study points out that, in all cases where a prospectus provides for payment of brokerage in advance, the Corporation insists that it should also be paid brokerage at the same rate on allotments in respect of applications made by or procured through it. This is said to have mainly accounted for the large amounts of brokerage earned by the Corporation as mentioned above. From the various transactions executed by the I.C.I.C.I., the author of the study has inferred that the Corporation also charges commission in respect of shares which it has already committed to subscribe for. Moreover, when it underwrites, it does not ask for a firm allotment. In case where it asks for the same, it does not claim any underwriting commission or even brokerage. It is also true that, where the I.C.I.C.I. is required to subscribe for shares against its underwriting liability, it stipulates that brokerage should be paid to it in the same way as banks and brokers are paid in order that all the underwriters are at par and none is dealt with unfavourably.

L.I.C.

Referring to the policy of the L.I.C. on underwriting, the author of the study has quoted the views of the Corporation's Chairman, Mr. B. K. Kaul, as reported in the local press. According to Mr. Kaul, the Corporation invested 'funds' when it 'underwrote' an issue and did not procure subscription for the issue, which was strictly the function of a broker. Consistent with this definition, the L.I.C. applied for the underwritten amount and accepted a proportionate allotment in case an issue was oversubscribed. During 1961 (the financial year for the L.I.C. is the calendar year), the L.I.C. decided to underwrite new shares worth Rs. 7.59 crores, applied for shares worth Rs. 4.28 crores and was allotted Rs. 3.86 crores. According to the L.I.C., the distinction between 'underwriting' and securing firm allotment lies in the fact that, unlike in the latter, the Corporation receives in the former no guarantee from the company of an allotment equivalent to that applied for by the Corporation. It would appear, therefore, the author of the study notes that the L.I.C. charges an underwriting commission on the purchase of shares by 'underwriting' or open application and firm allotment. According to Mr. Kaul, the Corporation was justified in charging a commission on shares received by it on firm allotment basis. In support of his contention, Mr. Kaul is said to have quoted at a Press conference Section 76 of the Companies Act and said: "Why should not the Corporation earn a little more for its policyholders, strictly within the terms of law? For, after all, we are not a charitable organisation." Readers will recall the recent controversy even in the Government over the L.I.C.'s underwriting policy in regard to commission and brokerage.

Up to 31st December 1957, the L.I.C. underwrote 21 issues involving an aggregate of Rs. 1.87 crore, comprising Rs. 23 lakhs of debentures and loans, Rs. 1.2 crore of preference shares and Rs. 44 lakhs of ordinary shares. Thus, a large part of underwriting by the L.I.C. was confined to preference shares and debentures, and such a bias continued well up to 1959. In 1958, the Corporation underwrote 19 issues, aggregating Rs. 2.74 crores and comprising Rs. 2.21 crores of debentures and loans, Rs. 43 lakhs of preference shares and Rs. 10 lakhs of ordinary shares. In 1959, nine new issues worth Rs. 120.8 lakhs, comprising Rs. 30 lakhs of debentures and loans, Rs. 70 lakhs of preference shares and Rs. 20.8 lakhs of equity shares, were underwritten by the Corporation. In 1960, the L.I.C. underwrote 14 new issues aggregating Rs. 233.90 lakhs, of which Rs. 115 lakhs were in debentures and loans, Rs. 51.40 lakhs in preference shares and Rs. 67.50 lakhs in ordinary shares.

I.F.C.

It was only in its tenth year ending 30th June 1958 that the I.F.C. first undertook underwriting business. From 1957-58 to 1960-61, the Corporation underwrote issues worth Rs. 4.22 crores and subscribed out of this for Rs. 1.42 crore as a result of non-subscription by the public. Together with the I.C.I.C.I. and the L.I.C., the I.F.C. underwrote in 1957-58 debentures worth Rs. 1.6 crore to the extent of Rs. 30 lakhs, in addition to the already outstanding loan of Rs. 45 lakhs from the company concerned. In 1959, the Corporation underwrote, jointly with two firms of stock and share brokers of Bombay, preference shares worth Rs. 50 lakhs. The Corporation's liability was to the extent of Rs. 37.50 lakhs. The Corporation also sanctioned an application for underwriting another issue of preference shares worth Rs. 50 lakhs. Preference shares worth Rs. 50 lakhs were underwritten by the I.F.C. to the extent of Rs. 34.75 lakhs in 1960. In that year, the Corporation also approved of two more proposals for underwriting issues of preference shares, of which one worth Rs. 20 lakhs was underwritten up to Rs. 10 lakhs and another worth Rs. 25 lakhs up to Rs. 15 lakhs. A loan of Rs. 25 lakhs was also sanctioned by the Corporation for one of the two companies. In 1961, the Corporation approved underwriting facilities for four proposals to the extent of Rs. 90 lakhs in equity shares and Rs. 142 lakhs in preference shares.

The aggregate amount which the I.F.C. agreed to underwrite in the three-year period from 1958-59 to 1960-61 worked out to Rs. 419.50 lakhs, of which actual underwriting was done up to Rs. 160 lakhs. Rs. 60 lakhs for equity shares and Rs. 100 lakhs for preference shares. As against these, the Corporation took up equity shares of Rs. 40.32 lakhs and preference shares of Rs. 66.87 lakhs. During 1961-62, the Corporation received applications for underwriting facilities aggregating Rs. 548.59 lakhs, composed of applications for equity capital of Rs. 494 lakhs and preference capital of Rs. 54.59 lakhs. Including the previous year's pending proposals, the Corporation approved of 11 proposals for underwriting Rs. 62 lakhs in equity shares and Rs. 10.50 lakhs in preference shares during 1961-62. The total amount of underwriting business approved by the Corporation up to 30th June 1962 came to Rs. 492 lakhs. One application for underwriting share capital for Rs. 13 lakhs was rejected by the Corporation. Nine applications for underwriting issues aggregating Rs. 214 lakhs were either withdrawn or lapsed, mainly because the promoters did not pursue their applications or failed to furnish the requisite information.

The foregoing account reveals that the I.F.C. has continued to opt for preference shares. This is attributable to the attractive return of 7 per cent, tax-free, or 9 per cent to 9.3 per cent, taxable. The author of the study, therefore, points out that the underwriting operations of the I.F.C. have characteristics akin to a loan rather than actual underwriting. This, he adds, may be due to the fact that the Corporation is mainly a lending institution and has only recently started underwriting issues.

According to the author of the study, since the underwriters make a detailed scrutiny of the financial position of the company concerned and study in detail the soundness of its project, they render a distinct service to investors who on their own may not be able to do such scrutiny and study for lack of resources, facilities, expert knowledge and time. Underwriting commission is a reward to the underwriter for rendering such service, in addition to bearing the risk involved in a new capital issue. To safeguard themselves against the risk, the underwriters also enter into an agreement with company promoters, covering such matters as loans and borrowings to be raised by the company for financing the project. The agreement, *inter alia*, provides that the managing agents, or secretaries and treasurers of the company concerned should undertake to make arrangements to meet any shortfall in resources and that the directors and promoters should subscribe for their shares before the issue is offered for public subscription.

State Financial Corporations

Among the State Financial Corporations, it is only the Madras Industrial Investment Corporation that has done any underwriting. Even here, the amount underwritten is found to be very small, being Rs. 5 crores. The Corporation underwrites about 20 to 25 per cent of the issues and insists that the promoters should take up at least 15 per cent. It also arranges for sub-underwriting by brokers.

Managing Broker

Who is a managing broker? The question has been answered by the author of the study thus: Till recently, a company was free to nominate its brokers, accept only those applications for shares which bear their stamps and pay them some brokerage. The position has, however, changed now following the revision in the rules of the recognised stock exchanges, under which equal opportunity has been provided to all the member-brokers of a stock exchange for subscribing to capital issues. Possibly to get over the new situation, company promoters and brokers have created a new agency of managing broker. It is also contended, the author of the study states, that the agency of managing brokers has grown owing to the realisation by the brokers that they deserve to be treated with special consideration for assisting companies in piloting their capital issues and providing them with contacts in the various financial institutions rather than be left to take their chance with others and be satisfied with brokerage on allotments made against applications bearing their stamps.

It has not been possible for the author to collect any information regarding the extent of remuneration paid to managing brokers and the duties actually performed by them in detail. However, in some cases, the managing brokers are known to have done virtually everything for the company, starting from the preparation of the prospectus, application to the Controller of Capital Issues and participation, and finally even getting the clearance to the issue with the stock exchange authorities. But whenever the company management felt itself competent to do some of these functions, the managing broker has come in only after the Controller has consented to the issue. The most important function of the managing broker seems to be to act as a liaison between the stock exchange authorities and the company management for obtaining quotations.

The number of underwriters who participate in one issue in the U.S. is found to be very high as compared with India. To illustrate, in the case of the U.S. Steel Corporation which had issued capital $300 million, there were 301 underwriters, whereas the number of underwriters in the biggest issue covered by this study in India amounted to nine. It is also seen that, whereas in India the rate of underwriting commission is about 2.5 per cent, it ranges from 5 per cent to 8 per cent in the U.S. In the U.K., certain issues floated recently carried an underwriting commission of 1¾ per cent to 5 per cent, as against a statutory limit of 10 per cent.

The study has also classified the capital issued during the period from the point of view of the location of projects for which the capital is issued. It was found that, out of a total of Rs. 118 crores issued during the period Rs. 22 crores were in respect of plants located in the Madras State. Thus, the Madras State leads the list, closely followed by West Bengal with Rs. 19 crores and by Uttar Pradesh with Rs. 17 crores.

DEFENCE OF INDIA ORDINANCE

IN view of the critical situation caused by Communist China's aggression on India's northern and north-eastern border territories, the President proclaimed, on the 26th October 1962, a State of Emergency under Article 352 of the Constitution. The proclamation was accompanied by the promulgation of an Ordinance providing for special measures to ensure public safety and interest and the defence of India and civil defence and for the trial of certain offences. Called the "Defence of India Ordinance 1962," this emergency measure is stated to be on the lines of the Defence of India Act which was in operation during the last World War (1939-45). While the Government alone was in a position to decide whether the threat to the security of India was such as to necessitate the adoption of extraordinary measures, the public, for its part, was also quick to appreciate, emotionally and otherwise, the enormity of the external challenge. By all accounts, the nation seems to have spontaneously welcomed the declaration of "emergency" not only because it involves the adoption of a series of consequential measures for the effective security of the country but also because it connotes the determination of the Government to throw back the invaders.

The emergency powers, which have been acquired by the Central Government under the Ordinance and which may be exercised, as and when necessary, through notified rules and executive orders, are required for the efficient conduct of military operations and for maintaining supplies and services essential to the life of the community. As the Army's efficient performance at the front will depend, to a great extent, not only on its own morale but on that of the nation as a whole, there can be no two opinions about the powers assumed for preventing anti-national activities and for ensuring the safety of public installations. Civil disorder of any kind, it goes without saying, cannot be condoned, especialy in war-time when the nation's energies have to be concentrated on industrial and agricultural production for sustaining an enlarged flow of food, clothing and a variety of other manufactured goods to the armed forces. Anything like a total war effort presupposes the mobilisation of manpower and material resources in a variety of ways for meeting defence needs on the basis of an overriding priority. Considered from this angle, the powers acquired by the Government for regulating shipping, transport and communications, agriculture, trade and industry do not require any elaborate justification. But the public would also be justified in expecting that even war-time powers and controls should be exercised with the utmost possible restraint and moderation. In other words, the Government should rely more on persuasion than on compulsion for getting the community to make the required sacrifices. It is, indeed, heartening to find that the Central and State Governments are already canalising the upsurge of people's patriotism into constructive endeavours and voluntary offers of manpower and material resources for the defence effort.

All war-time controls, it may be noted, are socialistic to some degree or other. As the Government is wedded to the creation of a socialist pattern of society, the temptation to avail of war-time controls for a more permanent advance in the direction of socialism may be irresistible. For instance, in the matter of control of trade, industry and mining or in the matter of requsitioning and acquisition of any movable or immovable property, the executive authorities are liable to take undue advantage of the partial suspension of the relevant fundamental rights under the Constitution. These are only possibilities. But, happily, these are least likely to become actualities, for the Ordinance has provided sufficient safeguards against possible excesses and arbitrary exercise of emergency powers. The provision relating to the compensation payable for the acquisition of any requisitioned immovable property, for instance, is certainly fair. The relevant clause lays down that the compensation shall be "the price which the requisitioned property would have fetched in the open market if it had remained in the same condition as it was at the time of requisitioning and been sold on the date of acquistion, or twice the price which the requisitioned property would have fetched in the open market if it had been sold on the date of the requisition, whichever is less." (Incidentally, it is not clear how the compensation payable for the acquisition of any movable property shall be determined.) So long as there are adequate safeguards in respect of compensation, no serious infringement of property rights may be said to take place. In the same way, such necessary restrictions as are imposed on individual freedoms in the interests of public safety, civil defence and national security will not be repugnant to the spirit of the fundamental rights enshrined in the Constitution.

COAL FOR INDUSTRIES

The iron and steel industry alone, it has been estimated, will require 25 million tons of raw coking coal by the end of the third Plan. Even if the coal industry's production target is achieved in full—which, of course, is by no means certain—a shortage of about two million tons in supplies to the steel industry is currently foreseen. Already, because of the extremely slow growth of coal production, the steel industry is receiving, by and large, an inferior quality of coal—generally a grade, sometimes even two grades, below the specification required for coking. Further, there is no uniformity even in the bad coal received, for its ash content varies very considerably. Owing to this lack of uniformity, blending of such coal with other coal and its processing in coke ovens become very difficult, making standardised practice in coke ovens impracticable and thus adversely affecting the efficiency and life of the ovens. While the steel industry's grievance is thus mainly about the quality of coal supplies, other consuming industries have been complaining about inadequate supplies, bad quality, and also uncertain and delayed deliveries owing to shortage of wagons.

An idea of the overall shortage in coal supplies this year for all industries is provided by some figures given in the presidential address of Mr. Darab C. Driver at the seventeenth annual general meeting of the Coal Consumers' Association of India held at Calcutta on 26th October 1962. The relevant figures pertaining to *all the coalfields* for the period January to June 1962 are:

	Wagons per day
Requirements assessed by the Coal Controller	8,127
Target fixed by railways	6,925
Actual loading	6,049

Even if the railways had supplied all the 6,925 wagons as targeted, they would have, according to Mr. Driver, moved only about 55 million tons of coal. Again, if coal production had progressed according to the third Plan schedule, the wagon position would have worsened still further. In his view, the failure of steel and coal production to increase as planned has saved the railways from further criticism covering the even more acute shortage of wagons that would have then prevailed. The railways cannot, therefore, claim that they have effected any positive improvement in coal transport. The Government is doubtless aware of the transport difficulties that may arise in the coming years. Hence its present proposals to supply annually a million tons of coal by 1964 to the Punjab from the Kashmir coalfields, to send Central India coal to Bombay and Gujarat, and to cater to U.P.'s needs partly from Singrauli coal mine by road which is to be ready by the end of 1963, partly from the newly-opened mines in Assam and partly through road-*cum*-river movement of coal to Allahabad with effect from 1963. These proposals are generally sound, except in so far as they relate to supplies to northern U.P. from Assam and to supplies through the road-*cum*-river route to Allahabad. It remains to be seen whether the Government will succeed in its two latter objectives.

As coal supplies to industries may not greatly increase even if the Government's aforesaid policy is successfully implemented, some of the constructive suggestions canvassed by Mr. Driver would need to be examined by the authorities. One of his suggestions is that the excise duty on furnace oil should be reduced in order to encourage its use as an alternative fuel. Another suggestion is that, besides the proposed washeries for coking coal for the steel industry, some washeries should be set up by the Government for washing non-coking coal for industries other than thermal power generation and brick-making. But this raises the question of additional financial allocation which may or may not be found feasible. Mr. Driver has also suggested the possibility of using trucks, instead of wagons, for transport of coal from coalfields to railway depots within a distance of 50 miles. As the practicability of this suggestion is by no means clear, a detailed study of it is called for.

EMPLOYERS ON BONUS

Few concepts in industrial relations in India have been so clouded by conflicting views and interpretations as bonus. And there is no other question in which the need for a clear understanding of the issues involved is more urgent. Emotion and economic facts have got so inextricably mixed up in this issue that, in spite of the existence of certain clearly defined norms governing bonus payment, bonus disputes continue to be a major source of industrial strife in the country. The Council of Indian Employers, jointly constituted by the two leading central employers' organisations in the country, namely, the Employers' Federation of India and the All-India Organisation of Industrial Employers, for representing the employers' case before the Bonus Commission has, therefore, done well to plead, in its memorandum submitted to the Commission, for consideration of the question from the economic angle, keeping in mind, at the same time, the need to ensure harmonious industrial relations. The memorandum covers only general issues affecting all industries and businesses in regard to the question of bonus. According to the Council, three principles should govern the approach to this problem:

1. The interests of the community are paramount and it would be unfair to deal with the claims of the industrial workers in isolation by ignoring the lot of the working class as a whole. (2) The long-term requirements of industry should be reconciled with the immediate needs of labour. (3) The arrangements to be evolved should give optimum satisfaction to all and increase the earnings of workers as well as efficiency and productivity of industry.

The memorandum deals at length with the problems faced by the various industries and underlines the need for maintaining and improving the competitive capacity of existing industries in foreign markets and for creating appropriate climate for establishing new industries so as to provide employment for the country's growing population. Two essential conditions for economic growth, it points out, are (1) augmentation of individual and corporate savings, so that they could be invested in productive outlets, and (2) improvement in the general level of efficiency. Improvement in living standards, which is the aim of planning, will not be possible, unless savings are mobilised and invested, and no savings will materialise if efficiency and productivity are not mantained at a level which will yield the requisite profits and surplus. The memorandum does not deny that the human factor is important, nor does it presume that the aspirations of industrial workers should not be given due weight. What it stresses is that the problem should not be viewed exclusively from a social or political angle, as such an approach is likely to jeopardise the ultimate economic goal. If, in the process, certain immediate short-term requirements cannot be satisfied in full, it should be accepted as inevitable and unavoidable in the larger interests of the country.

Since independence, various protective and promotional measures have been taken to safeguard the interests of workers. For various reasons, the memorandum points out, these measures have been largely confined to industrial workers, although they constitute only 5 per cent of the working population. Three trends are clearly discernible in the labour field in the post-independence period. They are: (1) An improvement in the conditions of work; (2) extension of the provision of welfare measures; and (3) progressive increase in wages along with partial neutralisation of increases in cost of living by the process of linking wages with cost of living index. Whether reckoned in terms of absolute figures or as a percentage of national income, wages of industrial workers have been increasing. Thus, according to the memorandum, during the period 1950-59, industrial employment increased by 27 per cent and the earnings of factory workers by 40 per cent. The share of industrial wages in the national income increased from 3.4 per cent in 1951-52 to 4.3 per cent in 1958-59. In fine, the lot of industrial workers is infinitely superior to that of workers in non-industrial pursuits who have received only a fraction of the attention showered on industrial workers.

Employers, the memorandum goes on to argue, do not desire that the standard of living of workers, or for that matter any section of the community, should remain static. In fact, public policy should, according to it, be attuned to a programme which would stimulate ambition to earn progressively more. But it emphasises that the community and the economy can support a higher standard of living only if it is preceded and continuously accompanied by an increase in productivity. If it is admitted, as it ought to be, that there can be no appreciable increase in emoluments without a corresponding increase in productivity, the country should concern itself with measures and incentives that will increase productivity. It cannot be argued that payment of bonus based on profit will increase productivity. If anything, the opposite is probably more true. By and large, bonus has failed to serve any useful purpose from the productivity angle. The Council is, therefore, perfectly justified in emphasising that the aim of the Commission should be to replace it, wherever possible, by a system of bonus related to productivity in a period of two years but not exceeding five years. It is upto each industry or unit to evolve its own production of productivity or efficiency bonus scheme.

Bonus, the Council submits, can best be conceived of as a payment in addition to normal wages or salary to employees for their direct contribution to efficiency or prosperity of the undertaking, such payment depending upon the different circumstances prevailing in different industries. This concept is a practical one and permits a flexible approach to evolve formulæ, with different bases, after taking into account the practices and preferences of employers and workers in each industry. The Council has, however, cautioned that in no one industry should different formulæ be applicable, unless otherwise agreed upon by bipartite agreements between workers and employers and that whatever bonus formulae or arrangements are ultimately decided upon in respect of private sector undertakings should also be made applicable to all units in the public sector engaged in the same industry.

The Council recognises that it may not be possible to effect forthwith this change and has accordingly suggested that, for the interim period, the Labour Appellate Tribunal formula should be improved to achieve simplicity. It further suggests that 25 per cent of basic annual wages should be fixed as the ceiling for bonus. In industries where, due to special reasons, bonus related to profits is paid by mutual agreement on a basis other than the L.A.T. formula, they may be allowed to continue it in the interim period. But in no case should the system of profit-bonus, avers the Council, be introduced in industries where it does not exist at present due to special features of the industry.

It is evident from the foregoing account that the employers prefer a system of bonus based not on profit, as is the case at present, but on productivity or efficiency. It is true that a bonus scheme which relates rewards more directly to effort and which has in it a built-in incentive for better effort is more scientific and better calculated to maximise output. But it is likely to be opposed by workers on the ground that such a scheme could justifiably be introduced only after the living wage has been reached. It is for the Bonus Commission to reconcile these contentions. In doing so the Commission will do well to bear in mind the basic considerations urged by the Council which, in our opinion, are unexceptionable.

WATCH INDUSTRY

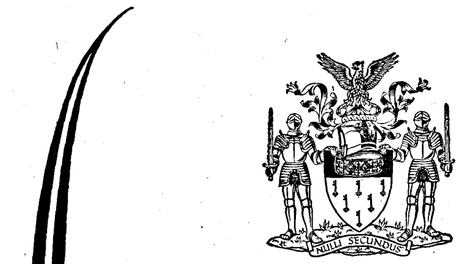
Watch manufacturing is one of the youngest industries of the country, being no more than a couple of years old. India's breakthrough in this field has been undoubtedly swift, though not spectacular. The day appears to be not far off when the industry can cater to the bulk of the country's requirements. This, indeed, is a comforting thought to all except the watch smugglers who have had a flourishing business during the last few years in a situation of drastic import cuts. Stimulated by the protection afforded by the import restrictions, a few fair-sized units have come into being with foreign collaboration. They have a phased programme of manufacture, envisaging gradual increase in installed capacity and production with a corresponding increase in indigenous content. It is stated that the Government of India has already licensed watch manufacturing units with a total ultimate annual capacity of 1.34 million pieces.

The first watch manufacturing unit was put up in the public sector at Bangalore as an adjunct to the Hindustan Machine Tools. It has secured the collaboration of a well-known Japanese firm, the Citizen Watch Company. The Bangalore plant was commissioned in August 1961. It has been assembling imported components, but has plans to undertake the manufacture of components as well shortly. According to the phased programme of this project, the output will be stepped up progressively from 55,000 watches during the first year (with an indigenous content of 54 per cent) to 360,000 pieces at the end of the sixth year (1966-67). These watches will be of the full lever type.

The credit for establishing the first watch manufacturing project in the private sector goes to the Indo-French Time Industries Private Ltd., Bombay. The unit, which has already started functioning, has plans to increase its capacity from 90,000 pieces during the first year to 310,000 pieces (on a single-shift basis) by the end of the fifth year. Collaborating with this project is a French consortium, S.E.D.I.M. Two more units have been licensed in Bombay. One of these, the Asika Industries Ltd., seeks to produce 90,000 watches during the first year, which will be increased to 300,000 pieces by the end of the fifth year. The other unit will be put up by the Hindustan Equipment Suppliers Ltd. in collaboration with a French company, L.I.P. Besancon. Its initial capacity will be 82,000 pieces, which will be raised to 300,000 by the end of the third year. In addition, six schemes have been approved in the small sector, each with a capacity of 12,000 pieces per year. Three of them will be set up at Ludhiana, and one each at Chandigarh, Himachal Pradesh and Delhi. The type of watches taken up by the small units is 10½ and 11½ ligne, centre second, gents' full lever jewelled.

On top of these developments comes the news that some of the major Swiss manufacturers such as Favre-Leuba, Technicka and Henry Sandoz and Fils have offered to collaborate with Indian industrialists in the manufacture of watches. If this offer is finally accepted, it will open a new chapter in the development of watch industry in this country. Switzerland is the acknowledged pioneer in watch manufacturing and its collaboration will be of immense help to the domestic industry. There is, however, no denying the fact that the Swiss offer is rather belated. Japan and France have, as already shown, extended help to the domestic industry. And, if all the schemes go through as planned, India will be able to produce over 1.3 million watches within the next five or six years. The gap in domestic demand, therefore, is not likely to be very large. An indication of the domestic demand is provided by the Planning Commission's Panel on watches, clocks and timepieces. According to the Panel, the demand for watches at the beginning of the third Plan was of the order of one million pieces, and the likely demand at the end of the Plan will be 1.2 million pieces.

It is possible that the Panel's estimates are very conservative. The Planning Commission will do well to make a further study of the demand prospects and try to take advantage of the Swiss offer. Being the largest producers of watches in the world, the Swiss have a vast reservoir of up-to-date research facilities and technical know-how. India should, therefore, make an earnest effort to secure their technical collaboration and capital participation. It should not be forgotten, in this context, that the watch industry, being a precision engineering industry, is considered strategically important even by countries like the U.S. which has given high protection to its watch manufacturers against foreign competition. The workers employed by watch industry, when fully trained and mature, will be useful for making many delicate instruments. While it is, therefore, of utmost importance to promote Indo-Swiss cooperation in this field, there is also need for ensuring that the terms of collaboration are not onerous. Further, there should be no restriction on exports of watches produced in this country. The agreement should also provide for sufficient safeguards to the watch manufacturers who have already entered the field. While competition is a prerequisite for improving efficiency, it should not be wasteful. There is, however, no reason to be unduly concerned over this issue. For, while most of the present producers are engaged in the manufacture of standard types of watches, the Swiss manufacturers should be able to cater to the demand for superior varieties for the high-income groups and the defence services.



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AMERICAN LETTER

WHAT IS KHRUSHCHEV UPTO?

MILITARY PREPAREDNESS INTENSIFIED

From Our Special Correspondent

NEW YORK, 29th October

SINCE my last despatch just a week ago, many things have taken place and the general public and business atmosphere has changed radically as well. The relative peace of mind has given way to tension. Here in the East the main concern is, of course, over Cuba, where missiles are poised in the direction of the United States according to official airplane photos which were published and shown to the General Assembly of the United Nations. Of almost equal concern has been the invasion of Chinese military forces into territories of India and the declaration of a national emergency by the New Delhi Government. As on previous occasions of declared and undeclared wars, the stock markets responded with violent ups and downs. On balance, prices are down. This condition, however, may not prevail for very long, if a full-fledged shooting war of whatever dimension should develop. And the chances are pretty good that it will. At Washington there is a crisis atmosphere. The forthcoming Congressional elections are all but forgotten.

The crux of the whole matter are the missile bases in Cuba which the United States insists have to be dismantled and destroyed. For the present, the Soviet Union has avoided a show-down by agreeing to comply with the U.S. demand. But it is quite probable that Khrushchev has other ideas in mind. It is incredible to believe that he has quietly submitted to Kennedy's firm stand with no motives other than his desire to avoid a head-on-collision with the U.S. Soon, time will uncover them. Meanwhile, the U.S. is not relaxing its military vigilance On the contrary, it has increased its state of readiness to meet any emergency that may arise.

Economic Implications

The war crisis has, of course, profound economic implications. The Secretary of Defence has been given the authority to increase the drafting of young men into the Armed Forces. He may also call up considerable forces of reservists whenever the situation requires it. This, in turn, will have a distinct effect on available civilian man-power and may change the somewhat unfavourable unemployment situation to a better ratio.

There have been vast troop movements here this last week by rail, over highways and by air. This means unexpected income for the railways, for the oil companies and for some airlines, in addition to the military transports which are involved in this and future movements.

All this is only the beginning. It is becoming increasingly obvious that Soviet retaliation is most likely to occur in other parts of the world and the stepping up of Red Chinese attacks against India may fit into this pattern. State Department spokesmen tell me that Washington would lend very sympathetic ears to requests for assistance of whatever sort from New Delhi.

There are other Far Eastern trouble spots and there is always Berlin. A conventional armament and accelerated missile build-up which seems inevitable, would benefit the heavy and the chemical industries materially. Like in periods of other threats of war and of actual conflicts, this is also almost inevitable as it would be for many other industries. All this, however, might not increase the profit picture.

In most previous such periods in the recent past, excess profits' taxes were enacted to prevent war-profiteering. At the same time, there would be accelerated write-offs for new plant and equipment which is badly needed anyway. Higher payrolls and greater industrial activity would naturally provide higher revenues for the Treasury which is also needed.

The Minus Side

On the *minus* side, there would be most likely another cycle of inflation and some of the luxury peace-time trades would suffer. Already, the very large cruise business to the West ... has been affected since the ship lines are ...ing to go anywhere near Cuba, the Wind... 'assage, Haiti, Nassau and the Dominican ... Airline traffic, too, is avoiding Cuban ... for obvious reasons.

... psychological side, it must be said ...esty that the decision to quarantine Cuba has come as a great relief to everyone here. Nearly 90 per cent of all people with whom I talked said, in effect, "it should have been done a year ago." During the discussions in the United Nations General Assembly and Security Council there was also overwhelming approval of the U.S. action as well as deep concern over the Sino-Indian situation.

So far, commodities have been sharply affected by the crisis and so are the international gold markets. The so-called war stocks have risen in price and if the situation increases in seriousness price upturns could be expected in many areas.

Atomic War Unlikely

All this assumes that whatever military ventures which may occur will not make use of atomic weapons. No predictions are made by anybody just what atomic destruction would be in terms of property. Official estimates by the Defence Department are that, in case of an all-out atomic missile attack, about 50,000,000 people would be killed in this country out of a present population of 187 million.

So far as property is concerned, wholesale destruction would, of course, affect the value of mortgages and securities held privately, or in institutional portfolios. Assets of insurance companies would not be large enough to pay claims, since most of their assets are in values which would have been destroyed.

The only foreseeable answer would be Government moratoria on debts and private and institutional obligations. It is a somewhat frightening prospect and this thinking is behind the insistence by the United States that nuclear missiles be removed from the island of Cuba which is only 90 miles from the United States mainland. The range from the already built installation even by intermediate weapons would reach to the Hudson Bay in the North and Mexico City and beyond to the South. This includes naturally all the most important industrial cities and population centres in between.

Tailpiece: It is an ironic anomaly in the present context that on 31st October four winners of the international "1962 Search for Peace" Essay Contest will be honoured here. The affair is sponsored by Letters Abroad, Inc., New York, a clearing house for adult international correspondence, in co-operation with the Voice of America. The winners are Mr. Sadashiv S. Chavan, 24, of Thana, Bombay, a Government employee; Miss Annettee Watney, 45, of Paris, France, a social worker with the blind; Mr. Martin Majier, 23, of Bor, Sudan, a university student; and Dr. Hugo de Castro, 45, of Fortaleza, Brazil, educator and Government employee. The essayists, it will be noted, come from all walks of life.—*All Rights Reserved.*

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LONDON LETTER

ECONOMY IN THE DOLDRUMS

HOT MONEY UNDER WORLD CRISIS

(*From Our Own Correspondent*)

LONDON, 26th October

ONE of the interesting results of the crisis over Cuba has been the relatively small effect on stock markets as compared with what one usually expects under such conditions. The industrial ordinary index (*Financial Times*) stood a week ago at 278. Today it stands at 271 and in between it had fallen no lower than 264; about half the loss had been recovered in one day as soon as the immediate tension was relaxed. It suggests that the feeling was that, however serious the crisis, it was not likely to lead to war. At the same time, the general consensus is that a state of uncertainty will continue for a long time, so that the markets are liable to remain sluggish. When one considers that the level of the index a year ago was near its all-time high of 365 and at the beginning of this year it was still 310, sluggishness can mean bumping along indifferently. For this reason, these indices will have less significance than usual of indicators of the economy and this condition will continue until the Cuban crisis is entirely resolved.

But there are other sphere in which worries about Cuba can have more marked results. What, for instance, of the vast funds of hot money held here with a Bank rate level of 4½ per cent? Are some havens likely to be considered better than others when nations stand on the brink of war, or, is the underlying feeling that war will not result likely to prevent any sort of precipitate action? The trouble is that movements of hot money do not have to be logical; it is enough for pressure on sterling to begin for a speculative position to build up. Switzerland would be a more than likely drawing point for funds and Britain might again find herself obtaining help from the International Monetary Fund. But it would not be because sterling is being held in favour of the dollar on this occasion—dollars, indeed, would be likely to be under as much pressure.

An Unhappy Record

This week there is no attractive domestic picture to counter the international scene. The only record to be struck is an unhappy one—the unemployment figures have topped the half million mark for the first time since the recession of 1958 and, with industry fearful that the volume of its unused capacity will continue to grow, one must expect the unemployment level to rise further between now and the end of the year. Against the figure of unemployment is a figure of 170,000 of unfilled vacancies. This indicator is better than that of the unemployed as a guide to the difficulty which firms find in getting the labour they want. A year ago, the total of unemployed was about 300,000 and exactly equalled the total of unfilled vacancies, and earlier the vacancies exceeded the unemployed.

But the rise in unemployed has only been partly due to a decline in the numbers employed. At this time of year, young people leaving school and looking for jobs will be taken up into industry if conditions are good or be a cause in pushing up the unemployment figures. A month ago, the number of new school-leavers out of work was as high as 20,000; that figure has since been halved, but at the expense of displacing older people.

A further comment that one must make on the present pattern of the economy is that unemployment is found principally in the north and north-west, the centres of heavy industry—but not engineering—and areas where the tendency to decay is stronger than that of expansion. This is a matter of great importance domestically as indicating that the movement of industry southwards in this country still continues. Its deeper significance is that, when areas of heavy industry are stagnant or decaying, the load put on the rest of the economy for expansion is increased. Add to this the fact that production is stubbornly refusing to move towards a new peak and one is tempted to question the targets of the National Economic Development Council, in particular, the basic target of an expansion in the economy of 4 per cent per annum. But, perhaps, the doldrums in which the U.K. economy is finding itself are autumnal and, in the New Year, they may dissolve into a new wave of activity. One can only add that, looking at the internal economy at the moment, one cannot quite see where this wave would begin.

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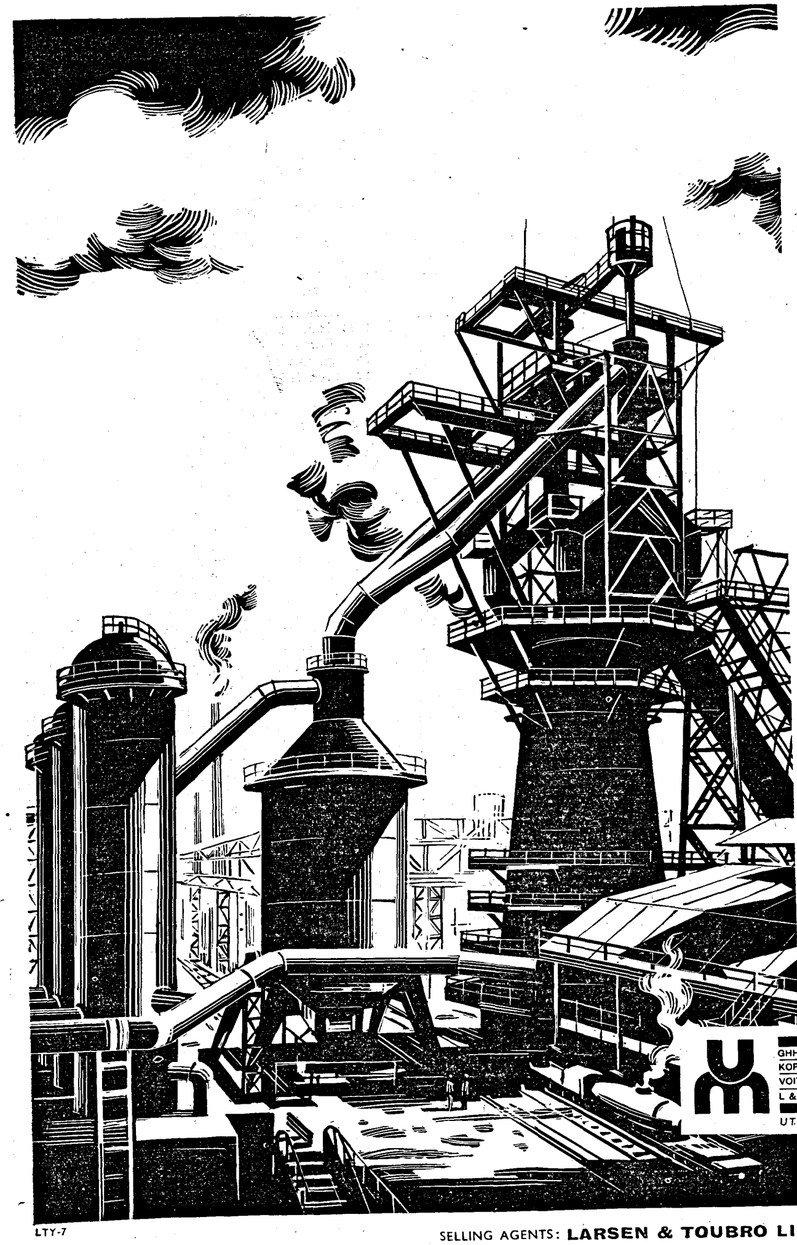

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PUBLIC DEBT OF CENTRAL GOVERNMENT

MR. C. H. BHABHA'S ANALYSIS

THE growth in the public debt of the Government of India in recent years was analysed by Mr. C. H. Bhabha, Vice-Chairman of the Central Bank of India Ltd., in an address delivered under the auspices of the Progressive Group last week. His reasons for trying to focus public attention on this economic problem in particular were: (1) the growing liabilities might cause great embarrassment to the nation in the not too distant future; (2) the subject was so intimately connected with the welfare of the succeeding generations that it merited a free and frank appraisal from time to time by the well-meaning citizens of this country; and (3) a critical analysis of the problem at this stage would help one to understand whether "we could go along the lines chalked out in the past and continue to adopt the methods we have followed hitherto." In order to confine his talk within the allotted time, Mr. Bhabha did not refer to, or include in the data quoted, the borrowings of State Governments which are all in rupees. The relevant text of Mr. Bhabha's address is reproduced below:

At the outset, I would like to mention that the Central Government's Public Debt consists of internal debt, that is, Rupee Liabilities created in India and foreign debt, that is, foreign obligations repayable to foreigners in foreign currencies and also include Provident Fund Balances, Treasury Saving Deposits, Postal Saving Deposits, advance payment of taxes, Depreciation Funds of Railways, Posts and Telegraphs, etc. All these liabilities or obligations excluding marketable securities and Treasury Bills are familiarly called the Unfunded Debt of India, although all of them, without exception, are interest-bearing obligations of our Central Government.

Now coming to the total amount of the debt liability of the Government of India, I should like to mention that, in 1939, the total debt of the then undivided Government of India amounted to Rs. 1,200 crores. This increased in 1951, that is, the first year of the First Plan, to Rs. 2,800 crores and today, in 1962, the total debt of our Union Government is estimated at Rs. 7,400 crores. In other words, our Central Government's Public Debt increased by over six times between 1939 and today and shows an increase of over 275 per cent during the last 10 or 11 years.

Short-term Obligations

Analysing these figures a little more, we find that, in 1951, the marketable securities portion of the total debt amounted to Rs. 2,088 crores, and today it amounts to Rs. 5,500 crores. It is somewhat worrying to find that the short-term borrowings of our Central Government constitute a high percentage of 40 per cent of these total marketable borrowings. This indicates that our Government of India has not been successful in raising its requirements from the savings and from market sources and, during the last few years, had to rely, to a larger extent than ever before, on short-term borrowings for its needs. In all fairness, nevertheless, I should mention that these short-term obligations would and should at some appropriate opportunity be converted into medium and long-term obligations, which, of course, in the first instance may have to be held by the Reserve Bank of India as its investment portfolio or as part cover against the notes issued by it.

Perhaps, at this juncture, it may be quite appropriate for me to mention the projection of our Central Government's Public Debt as at the end of the third Plan period. The total obligations of the Union Government today are, as already stated, of the order of Rs. 7,400 crores. In the course of the next two or three years, foreign assistance, including P.L. 480, on which our third Plan so greatly depends or relies, is estimated to be of the order of Rs. 3,600 crores; internal savings and market borrowings are computed to bring in a sum of Rs. 1,400 crores and, during the same period, the unfunded debt of India is expected to increase by a figure of Rs. 1,200 crores. In other words, the total debt obligations of the Central Government at the end of the third Plan would be of the order of Rs. 13,600 crores, a figure which, for the first time, will exceed the total annual income figure of our country.*

*National income is expected to touch Rs. 19,000 crores by the end of the third Plan period, so that the estimated total Public Debt will be Rs. 5,400 crores below the annual national income.—ED.

Quite often, while discussing the subject of India's debt position, a popular fallacy which is trotted forward is that the situation is not at all one to worry about or to cause great anxiety in this respect, if one considers the *per capita* debt of our country and compares that figure with similar figures of other countries in the world. Let me say most emphatically that such unwarranted comparisons of incomparables may only lull us into a sense of false complacency and lead us fast towards the much dreaded path of inflation and national bankruptcy. Undoubtedly India is a land bestowed with enormous resources. But, at the same time, the rate or pace at which the public debt of our nation is increasing is something which must cause great anxiety to all understanding and thoughtful people of our land. When thinking or considering the debt position of our country, it is not the hidden resources, nor the fortuitous find of gold or oil, nor the *per capita* rate of debt, particularly in a country where the population is growing by leaps and bounds and causes many jolts to our economic policies, but it is the growth of the nation's production year after year that is to be considered and compared with the growth of the Public Debt. Judging from that angle, we find that, whereas the annual income of our country at constant price increased from a value of Rs. 8,800 crores to Rs. 11,500 crores during the last 10 or 11 years, the proportion of increase of our Central Government's debt has been at an astronomical rate. In other words, the ratio of our Central Government's Public Debt to our annual national income which was 30 per cent only 10 or 11 years ago has shot up to Public Debt being almost 62 per cent of the nation's annual production of goods and services, i.e., annual income.

Growth of Assets

When thinking about the question of the Central Government's Public Debt, a very important feature which must be constantly watched is that of the growth of the Central Government's assets year after year. Before I come to the present day's situation, I should like to mention that, in 1939, the very valuable assets of our then Government of India amounted to Rs. 1,200 crores, a figure which almost equalled the total debt liabilities at that time of the Central Government of our country. Since then, the situation has worsened or deteriorated. Let me say here that I do not wish to be critical about the large investments made by the Central Government in recent times of the high order of Rs. 900 crores which hardly yields a return of ¼ per cent per annum. What I wish to point out is the growing gap between the interest-bearing obligations of the Central Government and the interest-yielding assets. In the year 1951, this gap was of a very small order and, at the end of the first Plan period in 1956, the gap had widened to Rs. 792 crores. At the end of the second Plan period, this gap had further widened to Rs. 1,300 crores. At the rate at which we are expanding our economy, it is quite likely that the gap would still widen to Rs. 2,500 crores at the end of the third Plan period, that is, the interest-bearing obligations would exceed the interest-yielding assets by that fantastically large amount. Imagine for a moment what the state of an individual or a corporation would be, if it had to bear the strain of the interest charges and the instalments of such a large amount which was not represented by sufficient earning assets. In that context I should like to remind you of the fact that, for reasons best known to our Government, the debt due from Pakistan, exceeding Rs. 300 crores, is classified in our Budget as interest-yielding asset, although all of us know too well about the probability or possibility of the recovery of this asset or part of it and also are well aware of the fact that no portion of the interest due on this so-called interest-bearing asset has been recovered at any time in the past or has been included in the revenue of the Central Government of our country.

Before I pass on to the External Debts of our Central Government, I should like to make a reference to the heavy interest charges which are provided in our Budget year after year. Naturally, along with the increase in the total debts of our Union Government, the provisions for debt charges in our Budget is bound to be of an ever-increasing nature. In 1951, the provision for interest charges on debts amounted to about Rs. 69 crores. This increased to Rs. 93 crores in 1956 and today is of the high order of Rs. 220 crores. No doubt these increases in their absolute give an idea of the amount of strain on our budgetary resources, but, in order to get a better picture, it would be necessary for us to show their rates to budgetary revenue of our Central Government. Looking at it from that angle, we find that, in 1951, the interest charges on debts, accounted for about 9 per cent of the total revenue of the Government of India; in 1956 the ratio was 13 per cent and, today, the interest charges account for about 21 per cent of the total revenue figures, although our revenue estimates for 1962-63 have increased to the high figure of Rs. 1,070 crores.

Foreign Debt

Now coming to the foreign debt of our country, I should like to remind you that, at the time of India's independence in 1947, this undivided country had amassed, through sweat, toil and tears, a huge foreign balance in foreign currencies of the order of Rs. 1,800 crores. Actually, this large amount lying with the foreigners was a source of embarassment to them. Like the other assets, at the time of the creation of the new State of Pakistan, a part of this very valuable asset had to be given to that State. Nevertheless, India started her new economic and political history with a large foreign balance of roughly Rs. 1,300 crores. In the course of the next three years or so, for various commitments and other purposes a good portion of this very valuable asset had been eaten into and, in 1951, that is, at the beginning of our first Plan period, India had a foreign debt of the order of Rs. 24 crores. This increased to Rs. 110 crores at the end of the first Plan period and, thereafter, has been increasing at a fast rate or pace, with the result that, today, India's foreign obligations repayable only in foreign currencies to non-nationals amount to a large figure of Rs. 1,200 crores. It is computed that, along with the commitments made and the needs of our programme and economic developments, at the end of the third Plan period, the foreign debt may exceed a sum of Rs. 2,500 crores, if not more.

Here it may be useful for me to remind you that India today is the largest borrower from the World Bank and that over 60 per cent of foreign assistance that has come to this country has been from the United States of America. As against all that, Russia and her satellites have only contributed to the extent of 7½ per cent of the total foreign debt of our country.

While on this subject I would like to mention the fact that it has been most difficult to estimate the strain of the foreign debts and foreign investments on our foreign exchange situation year in and year out. Through official sources we may be aware of the interest charges which are provided for these foreign obligations. Contrary to popular belief, these charges are at a comparatively higher rate as compared with the interest charges payable on obligations raised within the country. It is estimated that 25 per cent out of the total interest charges are for foreign obligations, although these obligations account for no more than 16 per cent of the total Public Debt of the Central Government.

All this foreign assistance was most essential in the context of our schemes of economic developments and regeneration. However, in the opinion of some impartial observers, quite a substantial bit has been used in current consumption, wasteful expenditure and unproductive projects. These observers feel that, in the years to come, it may not be possible for this nation to bear the heavy strain of the interest charges and the instalment repayments of these foreign obligations. Many of the projects on which quite a substantial part of our foreign borrowings have been employed may only bring returns or dividends after a long period. Since it is said often that more than 60 per cent of the borrowings from the World Bank has been employed in the public sector projects, an impartial enquiry about the capacity of these projects to bear the interest charges and instalment repayments of the foreign exchange portion consumed by them may prove useful and revealing to many of our countrymen.

While thinking about the foreign debt, a very important matter which must be kept uppermost in mind is that of repayment of these obligations. India's credit has always been very high in the world; her record has been grand; and never has there been an occasion for India to default any of her legitimately created obligations. All the more reason, therefore, that we should keep on continuously thinking about resources both for servicing of these foreign debts and for their repayments. Apart from some extraneous circumstances or from further friendly assistance or through arrangement for postponement of debts, the only correct and proper way to meet these liabilities is through vigorous exports of goods and services. In this matter, unfortunately, our record during the past few years has not at all been bright or encouraging. Not only have we not been able to come up to the targets fixed by our planning experts and others but we have also been systematically pushed out both from our natural markets and others developed during the last quarter of a century. Although the statistics for exports during the last three or four years show figures of an increasing nature, these have been nowhere near the estimated or expected figure of Rs. 750 crores which is the target per year during our third Plan period. Hence, in the first place, in the coming two or three years, we have to make up for the leeway of the past and at the same time try to go up to the targeted figure for our export of goods and services. As a consequence of this deficiency at present, India has been accumulating an annual adverse balance of payment on an average of Rs. 300 crores.

With the planned growth of our economy, it does not look creditable to try and balance our figures of payment through a process of indiscriminate slash of imports. This almost appears an amateurish experimentation. While the international trade as per the recent publication of the United Nations shows an annual increase of 2 per cent during the last decade or so, our total trade in the corresponding period hardly shows a fraction of that increase and at times indicates a tendency to slide backwards. What is necessary is that a complete re-examination of the cost structure of every one of our important national products should be undertaken and an urgent revision of all our policies should be made—policies pertaining to rationalisation, mechanisation, labour benefits, fiscal policies, etc. By that process, and that process alone, could our economy proceed on sound lines and ensure steadiness and help to our currency and finances.

Mr. Black's Views

With the best of intentions, many of our well-wishers and friends in distant parts of the world seem to feel that our capacity to borrow on traditional terms is well-nigh exhausted. In that connection, I would like to refer to a portion of the speech by no less than a person of the status of Mr. Eugene Black, President of the World Bank, at the Vienna meeting held in September 1961. He stated:

"A second and large group of countries in which I.D.A. is prepared to operate consists of those whose burden of foreign debt service is so high that, while they can borrow, on conventional terms, some of the external capital which they require to carry out their priority programmes, they cannot prudently borrow the whole of it. In these circumstances, you may find the World Bank making loans and I.D.A. extending credits at one and the same time. This, in fact, has happened with India, Chile, Sudan and Colombia, for example."

Let us nevertheless hope that this land of great tradition, culture and resources moves along a steady healthy path in the years to follow. For that purpose, a drastic revision of policies must be envisaged and along with that replacement of several main personages should not be ruled out. Not only a good deal of discontent is noticeable amongst the so-called vested interests and also that discontent seems to have spread to the common man in the distant rural area of our land. Hence, let us sincerely wish that something healthy and constructive is done before it is too late and before any of the evil forces overwhelm us and create a state of confusion and chaos in our land.

WORLD BANK'S NEW PRESIDENT

At a meeting held on 24th October, the Executive Directors of the World Bank selected Mr. George D. Woods as successor to Mr. Eugene R. Black, President of the Bank, who intends to retire on 1st January 1963. Mr. Woods also becomes, *ex officio*, President of the International Development Association and Chairman of the International Finance Corporation, the Bank's two affiliates.

Mr. Woods is an investment banker of long experience and international reputation. He was born in Boston on 27th July 1901, and grew up in Brooklyn, N.Y. He joined the New York investment firm of Harris, Forbes & Co. at the age of 17, and served with the firm until he joined The First Boston Corporation, an outgrowth of the Harris, Forbes firm, in New York in 1934. He has been Chairman of the Corporation since 1951. During the war, Mr. Woods served in the United States Army from 1943 to 1945, rising from major to colonel in the General Staff Corps. Before taking up his new appointment, Mr. Woods will resign the chairmanship of First Boston.

Mr. Woods has been closely associated with the operations of the World Bank for more than a decade, and has played a prominent part, as an investment banker, in the distribution and sale of World Bank bond issues since 1952. He has frequently given his time, without pay, to special missions undertaken at the request of the management of the Bank. In 1952, he visited India to help arrange the amalgamation of the Steel Company of Bengal with the Indian Iron and Steel Company, Ltd., as a prelude to World Bank lending for the expansion of Indian Iron and Steel's production facilities. He visited India in 1954 and Pakistan in 1956, to help local and overseas investors to form the Industrial Credit and Investment Corporation of India and the Pakistan Industrial Credit and Investment Corporation; these two institutions are now important sources of finance for the growth of small and medium-sized private industries, and each has received World Bank loans to promote industrial growth. In 1958, Mr. Woods served as financial consultant to the World Bank management in its settlement of the dispute between the United Arab Republic and the shareholders of the Suez Canal Company over the question of compensation for the nationalisation of the Canal.

Early in 1962, Mr. Woods was one of five investment bankers of France, Germany, the United Kingdom and the United States who agreed to serve on a voluntary basis as advisers to the International Finance Corporation, a World Bank affiliate which makes equity and other investments in new or expanding private industries in less developed countries. In recent months, Mr. Woods has been advising the Bank and I.F.C. on the establishment of a new privately owned industrial development financing institution in the Philippines which is expected to be formally established in the near future.

I.M.F. RESOURCES AUGMENTED

The resources of the International Monetary Fund have been augmented by the formal adherence on 24th October of the Government of the United States to the Fund's general arrangements to borrow. The United States commitment of up to $2,000 million raises to the equivalent of $5,650 million the amounts so far committed by the leading industrial nations of the world that have already adhered to the Fund's arrangements.

The Fund's general arrangements to borrow became effective on receipt of the United States adherence which raises the total commitments above the level of $5.5 billion necessary for bringing the arrangements into effect. Commitments have already been made by the Governments of France, Italy, Japan, the Netherlands and United Kingdom, the Deutsche Bundesbank and Sveriges Riksbank. The Governments of Belgium and Canada are also expected to announce their formal adherence when legislative approval has been obtained, and this will bring total commitments to the equivalent of $6 billion.

A main reason why the Fund has sought these additional resources was to equip it better for dealing with possible sudden and substantial shifts of funds from one country to another. The countries participating in the borrowing arrangements have undertaken to lend their own currencies to the Fund up to certain stated amounts, if this becomes necessary to forestall or cope with an impairment of the international monetary system. It will thus be possible in these circumstances to arrange for the prompt mobilisation of the resources needed to deal effectively with the situation.

Requests for drawings which would involve use of these arrangements will be assessed according to the Fund's established policies and practices on the use of its resources, and any currency drawn by a member from the Fund's supplementary resources will be repayable to the Fund as and when the member's problem is solved and in any event within three to five years. When the Fund receives repayment, it will in its turn repay the countries that made supplementary resources available for the drawing, but a country that has lent to the Fund may receive earlier repayment if its own payments position deteriorates. The Fund will pay a charge of ½ of 1 per cent on each borrowing transaction, and also interest on the resources lent to it based on a formula which at present yields a rate of 1½ per cent per annum.

These provisions were incorporated in a decision which the Fund adopted and published in January of this year. This decision also provides that the arrangements are to remain in effect for four years, and may be extended. The amounts included in the arrangement and the countries participating may be reviewed from time to time and altered with the agreement of the Fund and all participants.

The Fund's decision was the culmination of long discussions in the Fund's Executive Board in the spring and summer of 1961, and subsequently at the Annual Meeting of the Board of Governors in Vienna in September 1961. Further discussions took place in Paris in the fall and winter months between the Fund and the representatives of the ten prospective participant countries. The Fund had previously strengthened its resources by means of a general increase in members' quotas of fifty per cent in most cases, which increased quotas from a total of $9 billion at the end of 1958, to a little more than $15 billion at the end of 1961.

"BANK OF INDIA BULLETIN"

The Bank of India Ltd. has just brought out the inaugural number of its new bi-monthly publication, entitled *Bank of India Bulletin*. This is a welcome addition to similar reviews of economic problems which some of the domestic commercial banks, more notably the United Commercial Bank, have been publishing for some time past. In fact, this was long overdue, considering the leading position held by the Bank of India.

Releasing the publication this week, Mr. T. D. Kansara, General Manager of the Bank, stated that the *Bulletin* would provide a forum for an objective discussion of developments having a vital bearing on banking. It will contain the findings of special studies conducted by the Bank's Department of Economic Intelligence and Statistics. It will acquaint the public with the various types of activities which the Bank undertakes, as well as the wide range of services provided to customers. The inaugural number is well-got-up and contains, among others, two special articles, one on problems of export finance and the other on the Indian Bankers' Seminar held at Bombay in July last.

The publication of the first issue of the *Bank of India Bulletin* on 1st November 1962 coincides with the opening of the Bank fifty-six years ago. In the foreword to this issue, Mr. A. D. Shroff, Chairman of the Bank, observes:

"Banking is becoming a highly complex as well as a very competitive business. Several developments having a vital bearing on banking are taking place at a rapid rate and the demands of the economy place increasing responsibilities on the nation's banking system. In providing financial resources for agriculture as well as industry and for domestic trade as well as foreign trade, banks have been called upon to play a major role. The *Bulletin* will provide a forum for the discussion of these developments in an objective manner."

It may be noted here that such publications abroad have, as Mr. P. C. Bhattacharyya, Governor of the Reserve Bank of India, says in his message of good wishes to the *Bulletin*, contributed in no small measure to an intelligent understanding among people of financial and economic problems and have earned for themselves a pride of place even in academic circles. If the *Bulletin* succeeds in effectively focusing attention on the wide and varied aspects of banking industry and in stimulating constructive thinking, it will have served the noble purpose for which the Bank of India has launched it.

WORLD BANK LOAN TO URUGUAY

The World Bank has announced a loan equivalent to $18.5 million to Uruguay for the improvement of road transportation. The loan will be used to rebuild to all-weather standards Uruguay's main north-south trunk highway, which extends from Montevideo, the capital and principal port, to Revera, about 320 miles to the north on the Brazilian border. It will also help finance a programme to improve the country's highway maintenance organisation and its operations and will provide funds for a study of Uruguay's future highway needs. Five commercial banks are participating in the loan, without the World Bank's guarantee, for a total amount of $365,000 representing the first maturity which falls due in March 1967. The loan is for a term of 15 years and bears interest at 5¼ per cent annually, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in March 1967. This is the first Bank loan to Uruguay. Earlier loans aggregating $71 million were made for the development of electric power and agriculture and for the expansion of telephone services.

GOVERNMENT OF INDIA

4 ½ per cent

Ten-Year Defence Deposit Certificates

(FREE OF INCOME-TAX)

Interest at the rate of 4½ per cent. will be payable free of income-tax annually from the date of deposit and will not be taken into account in calculating the total income of the Depositor for the purpose of income-tax.

The maximum amount that may be held in these deposits including the amount invested in 3½ and 4 per cent. Ten-Year Treasury Savings Deposits, will be—

	Rs.
(a) For an individual	25,000
(b) For an individual jointly with another	50,000
(c) For an association or institution donations to which are exempt from payment of income-tax under Section 88 of the Income-tax Act, 1961 (43 of 1961), and a local authority	1,00,000
(d) For institutions and associations other than Provident Funds and those covered by item (c) above	50,000
(e) For Provident Funds	No limit.

Deposits (in multiples of Rs. 50) in cash/cheque or in matured 3½ per cent. Treasury Savings Deposit Certificates will be received from 10th November 1962 until further notice. Such deposits will be refundable at any time after the expiry of one year from the date of deposit at a certain discount.

Applications will be received at the offices of the Reserve Bank of India, Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi, branches of the State Bank of India and its Subsidiary Banks conducting Government treasury business and treasuries and sub-treasuries in India at places where there is no such office or branch of the aforesaid banks.

Deposit Certificates will be accepted for safe custody by Public Debt Offices and interest remitted to holders, if so desired. The Certificates will be transferable by deed and will also be eligible for nomination.

For full particulars please apply to any of these offices, branches or treasuries.

TURNING POINT IN WORLD COTTON?

CHANGE IN SUPPLY-DEMAND RELATIONSHIP

A REMARKABLE feature of the world cotton situation during the past six years has been the persistent tendency for disappearance to exceed production. As a result, stocks have been declining progressively, the drop in the past six years having been as much as 6 million bales (of 478 lbs. each). Thus from 24.57 million bales in 1957, world carryover stocks of cotton declined to as much as 18.8 million bales at the beginning of the current season. Consequently, world stocks of cotton are now lower than at any time in the last ten years. But, according to the International Cotton Advisory Committee, Washington, there are now indications that a turning point has been reached, thanks to the renewed upsurge in acreage and production of cotton during the current season. Coming as it does on top of the continuous increase in output during the past six years, this increase in production bids fair to reverse the supply-demand relationship. According to the Committee, this relationship has already been reversed in the U.S. where stocks showed an increase of about 700,000 bales last season and, on the basis of the latest estimate of production and consumption, an even larger movement is in the offing for the present season. This has given rise, in certain circles, to concern over the long-range outlook for U.S. cotton. The increasing competition from man-made fibres in the domestic market and between U.S. cotton and other growths in foreign markets are additional causes for concern. Further, renewed demands have been made by the U.S. textile industry for greater protection against textile imports.

The decline in world stocks was brought about last season in part by unusally small crops in certain countries. It is expected that the higher production envisaged during the current season would result in an increase in stocks, unless there is a noticeable increase in consumption which is at present considered unlikely.

World production of cotton is expected to set a new record in the current season. Preliminary estimates place global production at 49 million bales, as compared with 47.2 million bales in 1961-62, comprising 14.6 million bales in the U.S., 20.4 million bales in the rest of the free world and 14 million bales in Communist countries. Consumption, on the other hand, seems to have held stable at around 48 million bales in recent years and little variation either way seems to be in prospect during the current season. In fact indications are that the top of the present textile cycle may have been reached in the U.S. Consumption is expected to show a declining trend during the present season. Elsewhere in Western Europe and Japan, it is currently running at a level significantly under that a year ago. Even though there could conceivably be a resumption of the upward trend in some countries before the end of the present season, that is not, according to the Committee, likely to result in any significant difference in the season's total.

The following table indicates the supply and distribution of cotton during the past three years:

(In million bales)

	1959-60	1960-61	1961-62	1962-63
Opening stocks:				
United States	8.9	7.6	7.2	7.0
Other net exporters	3.6	3.2	3.5	3.5
Net importers	5.3	6.0	6.5	5.3
Total	17.8	16.8	17.2	16.7
Communist countries	3.2	3.4	2.5	2.1
World total	21.0	20.2	19.7	18.8
Productions:				
United States	14.5	14.4	14.4	14.6
Elsewhere	16.7	19.0	19.2	20.4
Total	31.2	33.4	33.6	35.0
Communist countries	16.0	14.0	13.6	14.0
World total	47.2	47.4	47.2	49.0
Consumption:				
United States	9.0	8.3	9.0	..
Elsewhere	22.2	23.3	23.4	..
Total	31.2	31.6	32.4	..
Communist countries	17.1	16.4	15.7	..
World total	48.3	48.0	48.1	..
Destroyed	0.1	0.1	0.1	..
Grand total	48.4	48.1	48.2	..

An increase in carryover stocks would not necessarily be an unfavourable development in many countries, because stocks in net importing countries must be near the minimum consistent with the normal operation of the textile industry. Accordingly, under appropriate market conditions, a renewed upswing in consumption would eventually justify some increase in stocks. Thus, in India, the supply situation continues to be tight and some increase in stocks would indeed be desirable. In most net exporting countries also, stocks are at minimum levels, despite the year-by-year increase in production.

Under present circumstances, the only real imbalance between supply and demand would, according to the Committee, be in the U.S., where, on the basis of present estimates, stocks are expected to increase by a million bales. In part this is the result of a prospective increase in production but equally significant is the expected decline in disappearance. There is growing concern in the U.S. over the difficulties in achieving a permanent expansion in the market for U.S. cotton. The basic difficulty is competition from the man-made fibres and imported textiles and it is estimated by the National Cotton Council that, during the twenty months ended August 1962, cotton has suffered a competitive loss of 850,000 bales.

While the recent decision of the U.S. Tariff Commission against the imposition of an 8¼ cent equalisation fee on the cotton content of imported textiles is of primary concern to the domestic industry, it may also have, in the Committee's view, important repercussions on the whole of the U.S. cotton economy. In announcing the decision, the U.S. President stated that he was instructing the U.S. Department of Agriculture to give immediate attention to the formulation of a domestic programme that would eliminate the inequity of the two-price system on the American textile industry. He further indicated that he would recommend to the Congress legislation to achieve this end. In the export market, the real problem facing U.S. cotton is that it continues to be undersold by other growths, resulting in a reduced market for it. The new cotton export programme under contemplation in the U.S., it is generally conceded, can only be supplementary to the payment in kind programme now in force. Under normal circumstances, it is unlikely to have any major effect on U.S. exports.

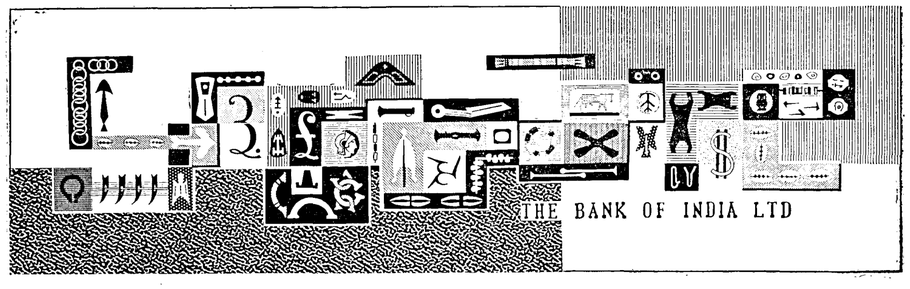
COTTON CONSUMPTION

Figures relating to consumption of cotton by mills in India during the 1961-62 season, which ended on 31st August 1962, have borne out the prediction that cotton consumption would set a new record during the season. At 5.68 million bales (of 180 kgs., or 396.83 lbs.) such consumption during the season is 314,000 bales higher than the previous season's figure of 5.37 million bales and is a record for the post-Independence period. It is noteworthy that the increase has occurred only in Indian cotton consumption, which went up from 4.24 million metric bales in 1960-61 to 4.7 million metric bales in 1961-62, whereas consumption of foreign cotton declined from 1.12 million bales to 978,000 bales. The following table indicates the monthly trend of consumption of Indian and foreign cotton during the past two seasons:

In thousand metric bales

	1961-62		1960-61	
	Indian	*Foreign*	*Indian*	*Foreign*
1961				
September	384	94	314	111
October	385	96	293	123
November	378	93	317	118
December	399	96	352	107
1962				
January	401	90	364	86
February	370	79	345	74
March	390	80	369	82
April	385	73	364	82
May	399	72	391	83
June	397	68	373	85
July	406	66	395	87
August	415	71	394	89
	4,709	978	4,246	1,127

It is evident from the above table that consumption of Indian cotton has generally been steadily rising from month to month while consumption of foreign cotton has been progressively declining.



This is the impressive 84 feet x 18 feet mosaic mural on the outside of the Bank's new building in Kampala, East Africa. The mural depicts many of the tokens used as coinage in various parts of the world through the centuries.

THE BANK OF INDIA LTD., at present has Overseas Branches at: LONDON, MANCHESTER, NAIROBI, KAMPALA, MOMBASA, JINJA, LAGOS, DAR-ES-SALAAM, ADEN, KARACHI, SINGAPORE, HONG KONG, TOKYO & OSAKA. With these Overseas Branches and a network of over 500 correspondents in almost all parts of the world, THE BANK OF INDIA LTD., is well equipped to handle Foreign Exchange Business of every description.

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COTTON BOARD'S CONFERENCE

LORD ROCHDALE CALLS FOR MORE INTEGRATION

From Our Special Correspondent

MANCHESTER, 23rd *October*

MANCHESTER LETTER

BIG changes in the fundamental structure of the British Cotton Board were advocated by the retiring Chairman of the Board, Lord Rochdale, at the closing session of the Cotton Board conference at Harrogate. He strongly denied that the Board was "the tool of the Board of Trade," as had sometimes been suggested—"such a remark is as unworthy as it is untrue." Originally, the organisation was established in virtually its present form at the request of the industry, he reminded the conference. It was not, as some people mistakenly believed, imposed on the industry by the Government of the day, and any new change must also be with the full agreement of the industry.

Lord Rochdale expressed his belief that the day would come when there would be only one employer organisation and one trade union organisation, leading to a far more closely-knit industry. At the top he visualised a combined committee of leaders of the trades unions and employers, perhaps about the same size as the present Cotton Board, which should not be merely advisory or consultative but the recognised mouthpiece of the industry on matters affecting the Government. On the question whether the Chairman should be from within the industry or an independent, Lord Rochdale said: "My own view is that an industrial chairman including, of course, from time to time a trade union chairman, would in the long term do more to knit the industry together than an independent."

A United Industry Wanted

Admitting for the first time publicly the existence of the Textile Action Group which has been calling for the winding-up of the Cotton Board, Lord Rochdale added that he could understand and sympathise with the feeling of frustration and irritation of its promoters, but the industry needed a united industry. Lord Rochdale joined those who have been calling for more integration in the cotton industry, with a number of fully vertical concerns of substantial size. The real argument in favour of this move, he said, was to give the main producing sections who had so much capital invested in the undertaking far more responsibility in the framing of policy governing the promotion pricing, stocking and sale of the finished cloth. This, he hoped, should lead to less violent fluctuations in the activity of those sections that were serviced from the ultimate customer. The other points from Lord Rochdale's speech were:

Re-equipment: The final total of applications for the subsidy under the Government scheme amounted to £116 million and claims for payment had already been submitted for £18.3 million. He warned concerns not to delay decisions on re-equipment in the hope that the outlook might become clearer. The effective dates under the scheme were tied by the 1959 Act and, even now, if certain types of machinery were ordered today, their delivery and installation before July 1964 could become a real problem.

Public image: "Whenever anyone foretells the utter destruction of the industry due to the flood of imports, he is actually contributing to the industry's downfall himself. Indulgence in this sort of activity has played its part in putting textiles, in general, and cotton textiles, in particular, in a needlessly unfavourable light in the City and financial circles generally."

Promotion: He warned that costs had gone up over the years. "Unless more money is forthcoming by levy most of the promotional work at present undertaken by the Cotton Board will be forced to finish after this year."

New Pact on Imports

At the same conference, the question of European Common Market countries sharing the burden of imports from underdeveloped areas was dealt with in detail by Mr. Michael Grey, Chairman of the U.K. Textile Manufacturers' Association, in a survey of the cotton textile negotiations at Geneva. These culminated in a five-year agreement to regulate trade in cotton goods between 19 participating countries and came into force at the beginning of this month. He revealed that percentage increases over and above the current import restrictions imposed by certain European countries had now been agreed at a fresh round of meetings which began late in September.

Under the arrangements, access to the markets of those countries would be raised in the case of Sweden and Denmark by 15 per cent and Austria by 95 per cent. The E.E.C. countries had agreed to accept an increase of 88 per cent in imports of cotton textiles from other participating countries but it was not yet known how that global increase of 88 per cent would be apportioned between the various countries.

"It was significant throughout the negotiations that the Governments of the other countries of the Western Community had no doubts whatever in their minds about the wisdom and necessity for the protection of their own domestic textile industries on a permanent basis as necessary and desirable elements in their national economies," said Mr. Grey. It would seem that they have witnessed with alarm the fate in recent years of the U.K. textile industry. They are clearly determined to ensure that no such fate shall overtake their own domestic textile industries.

Mergers Called For

More concentration of the 70 major concerns in the cotton industry which control a very substantial proportion of the production of the Lancashire mills was called for by Mr. A. M. Alfred, head of the Economics Department of Courtaulds, in his paper presented to the conference on the effect of Britain's entry into the Common Market on the cotton industry. Pointing out that these 70 concerns between them controlled 80 per cent of the spindles, 35 per cent of the looms, perhaps 40 per cent of converting and 40 per cent of textile finishing, Mr. Alfred said that these now needed groups "large enough to rationalise their production and to finance and control their own marketing."

As an example, 15 of these businesses were already important vertically and, together with three horizontal weavers and two finishers, would control about 30 per cent of the spinning, weaving and converting industry. The U.K. cotton industry, he claimed, appeared on average to have running and capital costs considerably above Continental levels. "We do not suffer from high wages but principally from low machine utilisation. The U.K. also suffers from a structure as outdated as some of its machinery."

The argument for Britain joining the E.E.C. was essentially political, he believed, but there were marked economic consequences. The target of equal pay stated in the Treaty of Rome implied that those industries with a high female employment and lower ratio of female to male pay might feel the pinch most. In so far as Britain moved towards the Common Market type of taxation an increase in labour taxes of one sort or another was probable, with a compensating decrease in taxes on profits or capital.—*All Rights Reserved.*

Notice

THE NATIONAL ROLLING AND STEEL ROPES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twentieth Annual General Meeting of the Shareholders of The National Rolling and Steel Ropes Ltd., will be held at the Registered Office of the Company, NICCO HOUSE, Hare Street, Calcutta, on Monday the 26th November, 1962, at 3-30 p.m., to transact the following business:

(1) To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th June, 1962.

(2) To declare Dividend.

(3) To appoint a Director in place of Shri Krishna Prasad Khaitan who retires by rotation and is eligible for re-appointment.

(4) To appoint a Director in place of Dr. R. L. Bhattacharya, who retires by rotation and is eligible for re-appointment subject to compliance with the provisions of Section 281 of the Companies Act, 1956 and to consider and, if thought fit, to pass the following Resolution of which a Special Notice as required under Section 281 of the Companies Act, 1956 has been received by the Company.

"RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Dr. R. L. Bhattacharya, who has attained the age of 67 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors, prescribed under Section 280 of the said Act, shall not apply to him."

(5) To appoint Auditors and fix their remuneration.

(6) AS SPECIAL BUSINESS: to consider and, if thought fit, to pass the following Resolutions with or without modification as Ordinary Resolutions:—

(a) "RESOLVED that the appointment of Messrs. Associated Agents and Merchants, Madras, as the Sole Selling Agents for the sale of Wire Ropes manufactured by the Company for the whole of South India, comprising the States of Madras, Mysore, Kerala and Andhra Pradesh for a period of three years as on and from 1st January, 1962, subject to termination by three calendar months' notice on either side upon the terms and conditions as recorded in the Agreement dated the 13th February, 1962, made between the Company of the One Part and the said Sole Selling Agents of the Other Part be and is hereby approved."

(b) "RESOLVED that the re-appointment of Messrs. Hind General Mercantile Agency Ltd., Calcutta, as Sole Selling Agents of the Company for the sale of the Steel Wire Ropes manufactured by the Company for the States of West Bengal, Assam, Bihar and Orissa for a period of three years as on and from 15th April, 1962, subject to termination by three calendar months' notice on either side upon the terms and conditions as recorded in the Agreement dated the 12th April, 1962, made between the Company of the One Part and the said Sole Selling Agents of the Other Part be and is hereby approved."

The Share Transfer Books of the Company will remain closed from 12th November to 26th November, 1962, both days inclusive.

By Order of the Board,

FOR THE NATIONAL ROLLING & STEEL ROPES LIMITED,

FOR ASSOCIATED INDUSTRIAL DEVELOPMENT CO. (PRIVATE) LTD.,

S. C. ROY,
Director,
Managing Agents.

Registered Office:
NICCO HOUSE,
HARE STREET,
CALCUTTA-1.

The 17th September, 1962.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

The Dividend, if declared, will be paid to those Shareholders whose names appear in the Register of the Company on 26th November, 1962 or their mandatees and the dividend warrants will be posted from 10th December, 1962, onwards.

An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 4, 6(*a*) and 6(*b*) has been appended to the Notice of the Meeting and forwarded to the Shareholders.

TO ALL SHAREHOLDERS:

And in particular to:

R. R. Bhandary, Esq., Lt.-Genl. Shanker Shum Shere J.B.R., Messrs. Mahendra Prasad and Hrishikesh Prasad, Mr. Cali Shawakshaw Dinshaw and Mrs. Louise Cali Shawakshaw Dinshaw, Sm. Durga Kumari Rimal and Sri Siddhi Nath Rimal.

OIL DIVERSITIES IN E.C.A.F.E. REGION

MANY ARE ONLY SMALL PRODUCERS

[The recent Oil Symposium held in Teheran by the United Nations' Economic Commission for Asia and the Far East brought together a mass of information about many of the member countries and about varied aspects of oil and gas operations in many others; some of the salient points are brought together in this article. In a number of countries there is little hope of finding oil on land, but elsewhere search is going on, in some instances with Russian help. Oil consumption (in 1960) per person averaged 13 U.S. gallons a year, ranging from 334 in Australia to 77 in Japan, 5.6 in India and an estimated 3.6 in mainland China.]

THE twenty-four countries within the purview of the United Nations' Economic Commission for Asia and the Far East, together with mainland China, cover a land area of over 30 million sq. kms., one-fifth of the world's land surface. They are inhabited by 1,628 million people, over half the world's population. But they contain only one-tenth of the world's known oil reserves, produce little more than one-twelfth of the world's output, and account for only about one-fifteenth of its consumption. Average *per capita* consumption of petroleum products at 13 U.S. gallons in 1960 was only about one-tenth of that for the world as a whole. Although the majority of E.C.A.F.E. countries have in common a warm climate and a low degree of industrialisation, the area is not homogeneous. Thus, Japan and Australia account for 60 per cent of oil consumption, while Iran accounts for over 60 per cent of oil production and Indonesia for another 20 per cent. If these countries are excluded, the place of the E.C.A.F.E. region in the world oil picture is small indeed.

This was the rather challenging background to the Second Symposium on the Development of Petroleum Resources of Asia and the Far East held in Teheran (in September last) and attended not only by the countries directly concerned but by delegations from the U.S. and Western European countries, from the Soviet Union and Rumania, and by international organisations, including O.P.E.C. for the first time. No less than 186 papers were submitted, reviewing oil and natural gas in the region, also offering much useful information about happenings, and experience gained, elsewhere.

Excluding Australasia, the area (which of the Middle East countries includes only Iran) is a net exporter of both crude and products. Crude production is about 50 per cent greater than demand, and there are four exporting countries: Iran, Indonesia, British Borneo, and Western New Guinea which was not represented at the Symposium. About half the output of refined products in the region is also exported. Its refining capacity at the end of 1960 was 1,808,300 b/d or one-seventh of the world total. (The region's and the world's capacity have risen since then). The increase of one-third since 1957 was almost entirely in oil-importing countries and several have now acquired refineries for the first time. Japan's capacity rose by 67 per cent in 1957-60, and the increase in her consumption of refined products represented nearly two-thirds of that which occurred in the region as a whole. During those three years the region's demand rose by 34.9 per cent to 1,156,060 b/d. Without Japan, the rise over the three years was of the order of 17 per cent with the absolute quantities remaining relatively small.

But industry is expanding rapidly in virtually all E.C.A.F.E. countries and requirements of petroleum products are expected to double over the next few years. To cater for this—to try to find local crude or to increase oil imports, to build refining capacity, to extend distribution facilities—will need money, and large amounts of capital will have to be attracted from outside the region. Several countries have been able to finance oil operations by means of credits obtained from Governments or by agreements made with foreign oil companies, but several have passed legislation or taken action likely to deter foreign capital. These problems were not really tackled by the Symposium except in a paper from Iran; but Iran's oil potentialities are so exceptionally good that her case is not typical.

The Four Exporters

"To him that hath, to him shall be given." And Iran, already by far and away the region's largest producer, has also been the scene of the most important new finds in recent years. Since the first E.C.A.F.E. meeting in New Delhi in 1958, new fields have been confirmed: at Ahwaz by the Consortium, offshore at two locations, by Iran Pan American, and one by SIRIP. In the north NIOC's Alborz field is now commercial, and NIOC has also found a large gas-condensate field at Saradjeh. Four or five other discoveries, as yet unassessed, have been made by the Consortium at various points on land in the south, at Pazanun, Binak, Bibi Hakimeh, Khalafabad and on Kharg Island.

In striking contrast to this string of successes no new finds have been made in Indonesia because man-made obstacles have rendered the search for oil impossible. During more than 20 years no concessions were granted and no exploration in new areas could therefore be done. Production has kept up owing to fields found some years back being brought into production in Sumatra, and recently in Kalimantan. Production has been revived in North Sumatra under a crude-sharing development contract between a Government entity and a Japanese company.

The only other significant oil-exporting area in the region, British Borneo, is in decline. Extensive exploration on and offshore has not so far yielded any new commercial discoveries. Western New Guinea has proved a very big and costly disappointment. After reaching a peak of 11,500 b/d in 1954, decline set in, output last year being only 3,200 b/d.

The Small Producers

Countries in the region able to produce a part of the oil they need are Burma, India, Pakistan, Japan, and mainland China. Burma now only imports marginal quantities, crude production of nearly 10,000 b/d, making her very nearly self-sufficient. One of the oldest oil exporters in the world, she might return to that fold. The producing company, in which the Government of Burma has a 51 per cent interest and the Burmah Oil Company most of the remainder, is spending £7½ million on its 1961-64 exploration programme, and has recently found oil in Central Burma and substantial quantities of gas under the Irrawaddy riverbed.

In India, the Assam fields will soon be producing 60,000 b/d and the joint government/Burmah Oil Company partnership running them has been granted fresh concession areas in Assam where work is, however, held up owing to delay in the granting of licences. The Government's Oil and Natural Gas Commission has found three new fields in Gujarat State on the west of the peninsula: Cambay is mainly gas, Ankleshwar has a potential production of 25,000 b/d, and at Kalol three successful wells have been drilled. The Commission is exploring in several other parts of India. It is assisted by Russia and Rumania who provide technicians and equipment under credit agreements. Pakistan has a similar recent agreement with Russia, whose technicians are now helping the state oil body to explore in the Potwar Basin in the north of West Pakistan. This is the area from which comes Pakistan's present small output of 8,400 b/d, and where a deeper producing horizon has been found in the old Dhulian field. New gasfields beyond what the country can use continue to be found—five in the last three years—and taking both wings of Pakistan there are now 11 fields with estimated recoverable reserves totalling over 15 million million cu. ft., equivalent to 2,500 million barrels of oil.

Japan trebled her oil reserves to 60 million bbl. between 1957 and 1960 and production went up 64 per cent to 10,190 b/d, but this still covers only 2 per cent of consumption. Japan is the only E.C.A.F.E. country where private capital has ventured abroad to seek oil. It has been rewarded by the discovery of the important Khafji offshore field in the Persian Gulf. A Japanese company is also helping to develop oil production in North Sumatra, as mentioned above. In Taiwan, where oil production of 45 b/d is quite negligible compared with a consumption of 24,020 b/d, a discovery of natural gas was made in 1959 in the deep zones of the old Chinshu field, where six wells have yields, ranging from 480,000 to 1,900,000 cu.m./day. Gas has also been found this year in the deeper zones of Chu-Huang-Kenj in the northwest. On the mainland of China the discovery of several new fields in the interior and northwest has been rumoured in the last few years. E.C.A.F.E. has not been able to check any data, but it is estimated that production increased from 10,000 b/d in 1957 to 65,000 b/d in 1960, and that a further 45,000 b/d was derived from shale and from synthetic coal-oil plants.

The Have-nots

The remaining 13 E.C.A.F.E. countries, i.e. excluding Australasia, which together consumed in 1960 about 143,000 b/d, are dependent wholly on imports of crude or products. In some, there is a chance of finding oil but in others little or none. With Russian help, exploration in remote Afghanistan has increased recently and six exploratory wells have been drilled; one encountered oil at about 700 metres, and three others have found gas. A gasfield at Khoja Gogirdak in the north will be developed by the end of 1963.

Thailand has a very small oilfield, Farng, serving a northern province, but development drilling has proved disappointing. In the Philippines, where several local and foreign concerns are exploring, there has been no luck so far; outstep wells to an interesting shallow discovery on Cebu proved disappointing.

In various parts of the vast territory of Australia and Papua, the search for oil has been going on intermittently for half a century but until just now, fruitlessly. An exploration boom in Australia is now in full swing, and the recent discovery of the small Moonie field in Queensland is encouraging. It is, however, insignificant in relation to Australia's oil needs of 70 million barrels a year. While searching for oil in New Zealand some gas and condensate has been found at Kapuni in western Taranaki at 13,000 ft, for which a market is being sought.

In Cambodia the only likely place is the Korat plateau extending southwards from Thailand. Ceylon is unfavourable geologically except in the shallow offshore area between the island and India. Malaya and Singapore, Hongkong and the Korean peninsula are all lacking in prospects, Vietnam is doubtful, and little is known of the potentialities of Nepal.

Natural Gas

That in a poor region, use cannot be found for all the available natural gas, ensured that the subject should figure high on the symposium's agenda. One of O.P.E.C's two papers was on this topic. In only one country, Pakistan, does natural gas of itself play a significant part in the energy picture. Pipelines from the Sui field in the Western wing distribute 75 million cu. ft. a day north and south to main centres, and extensions to the network are planned. If agreement were reached on terms, gas could be exported to India, permitting another of the numerous gasfields to be brought into production. In East Pakistan, the Sylhet field produces 18 million cu. ft. a day used in a fertiliser plant, and at Chhatak 3 million cu. ft/day are used in a cement works.

Elsewhere in the region, the gas is mainly associated with oil production. In southern Iran, it is used in power stations and as a refinery fuel and is now piped to Shiraz for an industrial fuel and for fertiliser plant to be built there. But no use has so far been found for much of the gas produced with the oil and it has to be flared. Non-associated gas found at Saradjeh in the north will be piped to the capital. In Indonesia, the Government, with a loan from the International Bank, is building a fertiliser plant at Palembang in Sumatra, which will use some gas from a nearby field. In Borneo, about 70 per cent of the gas produced in association with oil is used for various local purposes, including injection into the Seria reservoir. India is working on projects for using gas in Assam and Gujarat for producing fertilisers, carbon black and other chemical products and for local power generation. Non-associated gas recently found in Chauk in Burma may be used for a fertiliser plant. Big gas resources in Papua have no market.

Only two countries can utilise fully their modest resources. Taiwan's present output serves as domestic and industrial fuel and output is expected to quintuple to about 17.6 million cu. ft./day by 1963, most of the increase feeding a fertiliser plant to be built by two U.S. firms and the Government. Japan already uses its natural gas to the greatest possible extent in the ten-year-old petrochemical industry, described fully in one of the 21 informative papers submitted by the Japanese delegation. New reserves in the Niigata district, from which gas is already distributed locally by pipeline, now justify laying a 334 km. line to supply 17.6 million cu. ft./day to Tokyo, which will displace coal-gas.

As a guide to countries in the utilisation of gas other than as fuel, the U.N. Division of Industrial Development presented a most comprehensive paper embracing the manufacture of fertilisers, sulphur, acetylene, vinyl chloride, plastics, detergents, synthetic rubber and synthetic fibres. It gives cost figures for U.S. conditions and discusses their modification for a non-industrialised setting. The upshot is not very cheering. For, although the raw material, the gas itself, might be cheaper than in the U.S., the investment cost of plant will be higher. The economics of large-scale production in such industries are often decisive for costs; yet a plant too large for the immediate demand for its products may be uneconomic where technology rapidly becomes obsolete.

Operating costs will probably not be higher than in industrialised countries, but little employment is created. Four men per shift can as easily make 500 tons of ammonia as 100 tons, and if a plant operates below capacity, costs per unit soon soar. Methods of selling the output will depend on the type of product made, but fertilisers are likely to be more in demand locally than elaborate plastic components or chemical feedstocks. Local demand must be the first criterion since in international markets competition is already intense.

Not much more hope was given by a study of the techniques and scope for the transport of liquefied natural gas overseas, since, here again, a big volume of demand is imperative for economic operation.

Future Efforts

Production in the region now lies mainly with the international oil companies. But, for a variety of reasons, it is becoming more and more common for Governments in underdeveloped countries to want to have a direct stake in oil operations. This is the case also in the E.C.A.F.E. region, even though the high risk involved in oil exploration makes this a most unsuitable venture for Governments with slender financial resources on which there are so many competing claims. Partnerships of Government and oil companies have, however, provided a middle way. This has been the basis upon which two new foreign concerns (Pan American and E.N.I.) have started work in Iran and the new basis for expansion for old-established concerns in India and Burma. Another departure is the recent contracting arrangements between Pan American and the Government of Indonesia, where new agreements are being negotiated with the established foreign companies.

Private enterprise and capital remain, however, the mainspring of the exploration effort in the region. In addition to the instances already mentioned, international and local companies are active in the Philippines and New Zealand, and particularly in Australia, where the Government gives valuable encouragement by making available preliminary surveys and other information, by offering tax concessions, and subsidising drilling. However, in India where an already large and rising oil demand and a chronic foreign exchange shortage really calls for early and widespread exploration, the Government still denies to private capital the necessary attraction for searching in new areas.

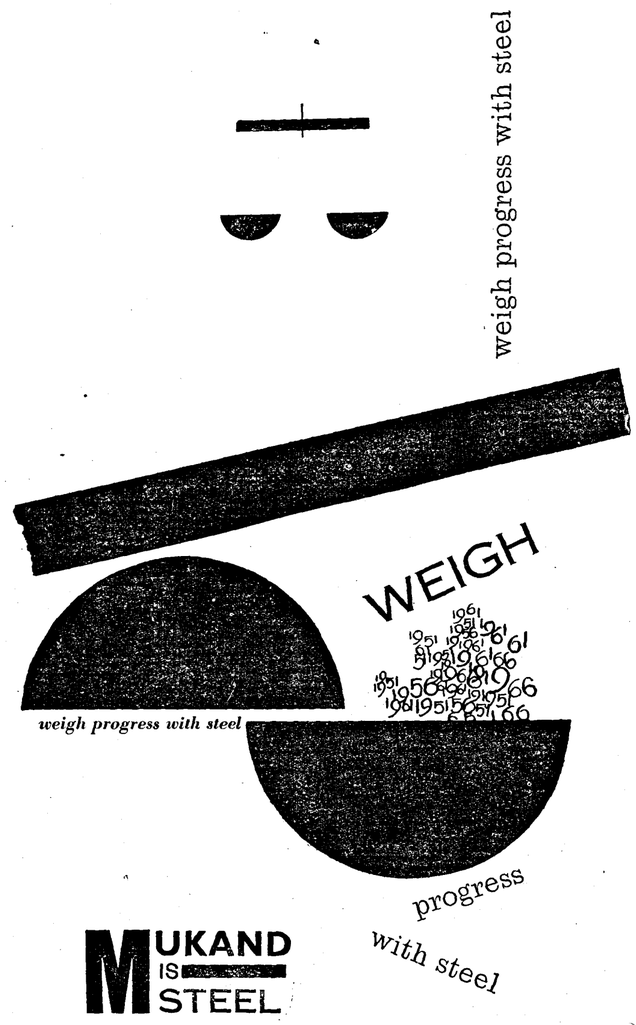
Three countries which are themselves undertaking exploration are all receiving assistance for this work from the U.S.S.R. Under credit agreements, the Russians provide technicians and equipment to the Indian Oil and

(*Continued on page 782*)

E.C.A.F.E. Region in 1960(a)

	Crude oil reserves (Million barrels)	Crude oil production '000 b/d	Refining capacity '000 b/d	Consumption of petroleum products '000 b/d	Population (million)	Oil consumption per head (U.S. gals.)
E.C.A.F.E. region	32,107	1,689	1,808	1,156	1,614	11
World	299,750	20,945	25,018	21,000	2,972	110
E.C.A.F.E region as purcentage of world	10.7	8.1	7.2	5.5	54.3	9.96
—excluding Iran	3.4	3.0	5.3	—	—	—
—excluding Japan	—	—	4.3	3.3	51.2	6.9

(a) Including mainland China but excluding Australasia. Source: E.C.A.F.E. Secretariat.



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SBH—9A

HOW TO REDUCE COST OF SUGAR OUTPUT

BETTER QUALITY OF CANE AND IMPROVED MILL EFFICIENCY IMPERATIVE

THE new sugarcane price formula of the Government of India has come into force from the 1st of this month, that is, the day on which the current (1962-63) sugar season commenced. The scheme, it will be recalled, links the price of cane payable by the sugar mills to both the recovery per cent of sugar contained in it and the quantity of cane as such, whereas the system hitherto in vogue had as the basis only the quantity of cane delivered to a factory irrespective of quality considerations. The salient features of the new scheme—they have already been discussed in detail in these columns on more than one occasion—may be summed up as follows:

The minimum price of cane with a recovery of 9.8 per cent is maintained at Re. 1.62 per maund. A discount or premium, as the case may be, shall be allowed on this price at the rate of 1.5 nP for every 0.1 per cent fall or rise in the average certified recovery below or above 9.8 per cent. There will be no discount if the recovery falls below 9 per cent. In other words, Re. 1.50 per maund of cane delivered at the gate of factory shall be the *irreducible minimum price*. The price for delivery at purchasing centres connected by rail shall be 12 nP less than the price paid at the factory gate. The usual transport rebate will be admissible in case cane is transported by road.

While the above scheme is a welcome departure from the principle followed so far, it is highly doubtful whether it will ensure regular, adequate supplies of cane to the sugar mills and bring about a reduction in the cost of producing sugar. It may be true that, under the scheme, the cane growers will get a higher price than what they would have secured otherwise, if the quality of their cane is on the higher side. But many growers may not avail themselves of this opportunity, since they can obtain a considerably larger return, if they utilise the cane themselves for making *gur* and *khandsari* which are commanding pretty high prices. Moreover, the size of the cane crop itself is expected to be much smaller than in 1961-62. The actual reduction in production is put at 25 per cent in Bihar, 15 per cent in Maharashtra and 12 per cent in Uttar Pradesh. The cane crop has suffered severe damage in the Punjab too. Looked at from the long-range point of view, however, one may agree with Mr. Desraj Narang, President of the Sugar Technologists Association of India, when he says that the scheme is a bold step, a good beginning in the right direction. Addressing the thirteenth annual convention of the Association held at Kanpur on Wednesday last week, Mr. Narang observed: "This is the only way of creating quality-consciousness amongst the cane growers." And few can dispute his statement pertaining to the reduction in cost of cane. Our efforts and resources, he said, got diluted when spread over an enormous area; if these limited resources were applied to small and compact areas, the results would be substantial and spectacular.

Exports Expensive

Inasmuch as sugarcane accounts for three-fourths of the total cost of making sugar, the problem of bringing down the cost has to be tackled especially in the primary stage of sugar industry. The need for this is all the greater in the context of exports. Mr. A. M. Thomas, Union Deputy Minister for Food and Agriculture, certainly struck a note of realism when he declared, while inaugurating the convention, that, without a substantial cut in production cost, the prospects for expansion of sugar exports in future were not bright. In order to drive home this fact forcefully, he recalled that the export of 400,000 tons of sugar in 1962, which at best could fetch a foreign exchange to the tune of Rs. 16 crores, would entail a subsidy of about Rs. 17 crores which was mostly being met by the Government. He clearly conceded that foreign exchange through sugar exports was very costly for India.

The heavy incidence of cane cost in sugar manufacture must be attributed primarily to low per-acre yield and poor sugar-content of cane both of which are responsible for the negligible yield of sugar per acre *vis-a-vis* many other countries. The all-India average yield of sugar is no more than 1.444 ton, as against as high as 8.830 tons in Hawaii, 6.440 tons in Java, 5.076 tons in Peru, 4.060 tons in Australia, 3.657 tons in Japan and Formosa, 3.396 tons in Puerto Rico and 3.088 tons in Mauritius. When other countries have been able to obtain such large yields, why not India which possesses all the advantages for growing sugarcane? Certainly, there is, as Mr. Thomas said, much scope for reducing the cost of sugar production by increasing the per-acre yield of sugar particularly in Northern India where it is comparatively low. To quote him: "I believe it is not difficult to attain this within a short time by the application of modern scientific methods of agriculture."

Other Measures

The target of sugarcane production fixed in the third Plan, it may be noted here, calls for the output of 18 tons of cane per acre, which is well above the average yield of 14.8 tons in 1960-61. Alluding to this, Mr. Thomas pointed out that sugarcane experts had a vital responsibility in bringing about a rapid improvement in cane yields. They could certainly perform this job satisfactorily, provided the politicians help them by not pursuing policies under which a premium is given to the inefficient farmer and no incentive whatever to the efficient farmer. Mr. Thomas also stressed the need for adopting a few other measures designed to lower the cost of sugar production. They are:

The technical efficiency of sugar mills, in the *milling* as well as in the *boiling house*, must be improved.

The techniques of statistical quality control, now widely employed in all advanced countries, must be adopted.

The by-products of the sugar industry should be fully and suitably utilised.

The old and outdated plants of sugar mills must be rehabilitated and modernised. The report of the sub-committee of experts, set up by the Development Council for Sugar Industry to look into this question and to estimate the needs of the industry, must be made available before long.

There is, of course, nothing new in these suggestions. By mentioning them, however, Mr. Thomas has only indicated that adequate attention has still not been paid to the question of augmenting the productivity of sugar mills. In view of low productivity, the labour cost per unit of sugar is very high. The actual average cost is put at Rs. 2.75 per maund of sugar, as against Re. 1.50 in Egypt, for instance. The number of workers employed in a sugar factory with a daily cane-crushing capacity of about 1,000 tons is said to be 1,000, as against just 80 workers in Hawaii and 150 workers in Cuba. The labour force can be reduced through electrification, mechanical unloading of cane, and installation of sturdy mill of latest design, high-pressure boilers with economisers, vapour line, juice heaters, continuous sulphitation, large pans with circulators, continuous crystallisers and continuous centrifugals. Further, sizable economies, as Mr. Narang emphasised, are possible with large-size plants with 3,000-4,000 tons capacity as in countries such as Hawaii and Mauritius. This question can, however, be taken up for examination only at the time of considering the development programme of sugar industry in the fourth and succeeding Five-year Plans. For several of the schemes already approved have actually been completed and many others are half-way through implementation. Thus, 41 of the 72 new sugar mills licensed and 40 of the 120 existing mills permitted to expand have already completed their schemes and the remaining are expected to be completed by the end of the third Plan. Then, there will be the question of absorbing the labour rendered surplus as a result of introducing better types of machinery. This can be done only when the industry's capacity is expanded.

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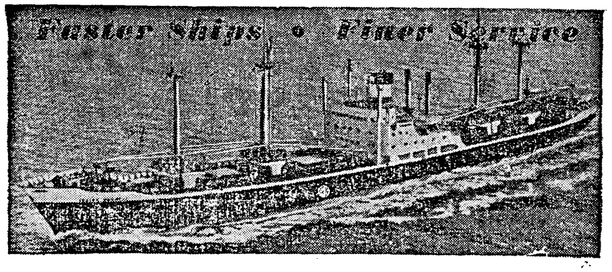

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NEW PUBLICATIONS

The Economics of Socialism Reconsidered. By Henry Smith. Published (1962) by Oxford University Press, London. Pages : 225. Price : 30s. net in U.K. only.

THE subject of this penetrating and thought-provoking study has been the main interest of the author's entire adult life. As an economist, principally engaged in teaching at Ruskin College, Oxford, for some twenty-five years now, Mr. Henry Smith has done this excursion into economic theory in the hope that it may help the British labour movement to clarify its short-term and long-term objectives. The brilliant and almost impeccable logic of his analysis of the contemporary crisis of democratic socialism—a crisis caused by the phenomenal development of modern capitalism with its new standards and ideologies which render the ultimate objectives of traditional socialism unattractive to the majority—has led the author to reconsider the economics of socialism. This reconsideration, done within the framework of the author's definition of the object of socialism "as the elimination of economic conflict" has, in turn, led to the following startling(?) conclusion:

"The development of a world of prosperous free enterprise, with no more central direction than that envisaged in, for example, Lerner's *Economics of Control* or Scitovsky's *Welfare and Competition*, I believe to be possible. Progress of this kind will lessen the rigidity of the class structure of contemporary society more and more, and will, partly by improvement in the standard of living of the poorest and partly by the social pressures which it will create, lessen conflict between classes, and blur their outlines. To that extent, therefore, the two paths (modern capitalist and traditional socialist) converge."

In other words, progressive capitalism, which is oriented to the creation of an "affluent society," and traditional socialism aiming at the relief of poverty and elimination of economic conflict are substantially the same in their direction and stated or unstated objectives. But it is strange that liberal reformers of free enterprise and democratic socialists in many countries, including our own, cannot understand each other or talk the same language in spite of the several areas of agreement between them. Mr. Smith has referred, in this connection, to the possibility of the communist alternative in a situation of continuing friction between both types of reformer. His grave warning is to the effect that "unless both those who wish to humanise and liberalise the workings of a free enterprise economy, and those who wish to transform it into a socialist society, are aware of where their aspirations coincide, and where they are in conflict, areas of friction and confusion will develop, which will most probably stultify the efforts of both, leaving the field free for those who prefer the harsher alternative."

That harsher alternative is, of course, the communist alternative which, however, is least likely to be adopted in the more advanced industrial countries. For there is, as the author has shown, a fatal flaw in Marxist analysis, which ignores the *rising labour productivity* which the accumulation of capital permits and of which the consequently changing social balance demands that full use be made, and which thus softens class antagonisms in those countries. Catastrophic revolutions in the contemporary world, expropriating the owners of property completely, are, on the other hand, likely to happen only in poor and backward countries. That, in brief, is the author's prognostication. The reader may well ask here whether a communist revolution will happen in a semi-industrial developing country like India too. The answer is that it conceivably can. But the probability of its happening can be greatly minimised, though not wholly eliminated, if "*free enterprisers*" become reformers in their own right and "non-communist socialists" do some hard rethinking on their traditional dogmas. Unfortunately, however, the immediate reactions of those with certain cherished beliefs to the rather iconoclastic approach of the author may not be charitable. Given some patience and sobriety, they will find this study—one of the outstanding economic treatises published in recent years—most rewarding indeed.

The Structure of Public Enterprise in India. By Dr. V. V. Ramanadham. Published by Asia Publishing House, Bombay, 1961. Pages : 267. Price : Rs. 18.

In the context of the new economic set-up of the country the problems of industrial organisation have assumed new dimensions and acquired a greater complexity. While the controversy about the relative role of the private sector and the public sector persists, they continue to co-exist. With the large investments made in the public sector—the third Plan gives a definite impetus in this regard—it is desirable to have an idea of their organisational and financial characteristics and diversities and an assessment of their functioning. Dr. Ramanadham, in his book, *The Structure of Public Enterprise in India*, has attempted a critical analysis. The author has devoted a long number of years to the study of public enterprises in this country as well as outside.

The subject has been studied in seven chapters. The enterprises, which earlier consisted of departmentally-run railways, posts and telegraphs and ordnance factories, have, with the growth of planning, widened the range. *The second chapter, dealing with planning* and public enterprises, emphasises the profit motive and the underlying idea of a redistribution of income and wealth. The transferable nature of the product of many enterprises places a severe limitation on the use of a price discrimination such as low prices that can be charged for consumers falling in the low-income groups and discrimination against rich consumers. The danger always is the disregard of the legitimate interests of the consumers and the taxpayers and a pampering of the claims of workers merely because the profits happen to be large in a particular concern. The question of profits policy forms the subject matter for a whole chapter. The author feels that sizable profits may accrue so long as the industry as a whole works under conditions of scarce output. Accordingly, the reasons for the low profits are: (1) low managerial efficiency, (2) many enterprises belong to the category of industries that yield a profit in the long-run, and (3) the policy of profits has not yet been enjoined by Parliament on the enterprises unequivocally yet.

The next three chapters deal with organisation and administration in state or public corporations. Several of the corporations are monolithic organisations with country-wide activity. The circumstances under which they came into existence were such that these enterprises could not afford to be inefficient nor practise unusual kinds of inter-regional subsidisation; also in the case of some, single units tended to become the optimum units.

Examining the distinction between the provisions of the Companies Act and the Public Corporatons Acts, it is observed that Government officers dominate on the boards, the president or the Government derives extensive powers from the Articles and there is a heavy interlocking of directorships. "The boards of Government companies seem to work with the privileges of departmental administration, yet without the vulnerability of the latter to parliamentary criticism." The view seems to be that the company form is hardly the correct form of organisation for several activities, carried on by the Government or under its ægis, which border on non-commercial considerations and ought to fall within the purview of a Government department, e.g., the State Trading Corporation. Allied to these is the question of public accountability. There is a bias in favour of the Auditor-General being in charge of the audit system directly or indirectly. The practices differ today—in some cases there exists audit by the Auditor-General on behalf of the Government and by an auditor on behalf of the company or undertaking. Considerable overlapping and confusion results in this arrangement and it would be desirable to have a single commercial audit, whether under the ægis of the Auditor-General or otherwise.

Public administration ought to play a helpful role in guiding the Government on when to interfere with an enterprise and when not to. The promotion of factual analyses of probable control situations will be desirable. The author attempts a fourfold distinction between public administration and public enterprise, namely, difference in the motivation of action, difference in the approach to the tasks set, the criterion of action which are more objective for public enterprise than for public administration and lastly differences in the facility with which it lets public interest influence its decisions. Public administration in many fields proceeds on the basis of equity on human and social grounds but public enterprise is concerned with equity in terms of economics. Public enterprises must give more weight to efficiency and initiative as against seniority in the case of staff and labour and more attention to the demand for the products of the concern. In the criticism by the public and in Government circles of public enterprises a certain amount of vagueness or misunderstanding of the objective is noticeable. The public enterprises should in reality be run with efficiency and with a view to profit as in the case of private enterprises. The author concludes that "while it is necessary to allow public enterprise to develop on lines distinct from those of public administration, many institutional gaps have come to light in the course of expansion of the public sector which neither public enterprise itself, nor the existing departments of public administration can directly fill up.... Above all, the need is to reform public administration so as to create an ideal institutional background for the fairly new experiments in the field of public enterprise."

Dr. Ramanadham has attempted a careful analysis of the problems relating to a public enterprise. His book is a useful contribution to the literature on the subject.

Techno-Economic Survey of Punjab. By National Council of Applied Economic Research, New Delhi. Pages : 234. Price : Rs. 20.

Punjab presents the picture of a buoyant economy ready for rapid economic development because of its strong base and vast potential for future growth. Considering its initial travails and tragedy that overtook it in 1947, Punjab can justifiably be said to have achieved something of a miracle, rehabilitating itself and advancing on the economic front. The grievous riots that followed partition, the stream of refugees that poured in, the problems involved in their rehabilitation in the context of a shattered economy, political instability—all these handicaps were formidable, but such has been the dauntless spirit of its people that Punjab is cited today as an example in respect of increasing agricultural production and the establishment of small industries.

The structure of Punjab's economy is rather unique among the States of India. Its strong economic base is characterised by a powerful agricultural sector, an active decentralised industrialised sector, adequate power supply and absence of transport bottlenecks. In addition to these, unlike other States, Punjab has no serious problem of unemployment. These are some of the facts that are highlighted in the "Techno-Economic Survey of Punjab" conducted by the National Council of Applied Economic Research.

A large and progressive farming sector, a vigorous small industry sector, a broad tertiary sector and an infrastructure—these provide the growth pattern of this progressive State. A combination of better yields, developed animal husbandry and a favourable man-land ratio have resulted in a relatively high *per capita* income from farming. It is this high level of farming income that gives the dynamic impulse to a young supplementary growth sector in industry and the necessary support to a large tertiary sector, according to the Council's survey. A significant aspect of this relationship is that the prosperity in the State is diffused widely, contrary to the situation in other developed States where there are relatively large concentrations of income in big industrial centres. Because of all these factors, the *per capita* income of the State in 1956 was Rs. 296, as against Rs. 261 for the country as a whole.

Broadly speaking, the composition pattern of industries in Punjab is similar to that in the country as a whole. Agriculture and livestock-based industries account for the major part of the industrial employment and output, followed at some distance by engineering. For lack of coal, the emphasis has so far been only on the development of small-scale industries which have made phenomenal progress in the State. There has been some progress in the development of producer goods industries too. Important among the engineering industries of this type existing in the State are manufacture of tools, agricultural implements, diesel engines, industrial machinery and re-rolling of ferrous and non-ferrous products. Cement and paper are the only resources-based industries of the large-scale type.

A singular feature of the Punjab industrial pattern, as has been referred to already, is the predominance of small-sized units. In terms of employment, non-factory (unorganised) units employ six workers for every worker employed in organised industrial units and is almost double the all-India figure. It is only since 1951 that there has been a striking growth in the factory industry in Punjab, the average annual increase in employment between 1951 and 1956 being 7.4 per cent. The rate increased to 7.7 per cent between 1956 and 1958. The largest increase was registered in the engineering industry in which factory employment increased at an average annual rate of 14.7 per cent during 1951-58. Chemical industries followed at the rate of 12.4 per cent. While the growth in textiles among the agricultural-based industries and in the forest-based industries has been fair, that in processing industries has shown a somewhat modest rate (4 per cent).

Punjab's industrial pattern, dominated as it is by small-scale industry, suffers from certain inherent handicaps. It is weak and is unable to compete with large-scale units in other than local markets. Technically, it is either inferior or it tends to minimise the importance of equality because of the existence of a seller's market. Financially it lacks the ability to build up sufficient reserves for introducing technological changes either to bring down cost or to improve quality.

Lack of metallic ores and industrial fuel, the Council says, sets a limit to the establishment of heavy industries in Punjab. Hence the strategy of industrial development should be expansion of engineering industries like sewing machines, bicycles, fans and the like for domestic and foreign markets. Farm-based industries and engineering industries mainly for the production of durable consumer goods have good scope for expansion. As the output of sugarcane, cotton and oilseeds is expected to increase by 143 per cent, 113 per cent and 400 per cent, respectively, during the decade 1961-71, it will enable the rapid expansion of industries using these agricultural commodities as the raw materials.

The Council has recommended that in the immediate future 19 composite milk plants and 12 milk powder factories should be established in major towns of the State. With more efficient employment of forest resources, paper and pulp factories and saw mills can be set up. Besides engineering industries, the Council has suggested the establishment of a few large plants such as *tractors, roller mills* and printing machinery. It was also suggested that the Government should take the responsibility for setting up a central foundry plant, a central machine workshop and a central fabrication shop. The Council has further recommended that 200,000 additional spindles and 4,000 to 5,000 looms should be set up in the State in the next decade.

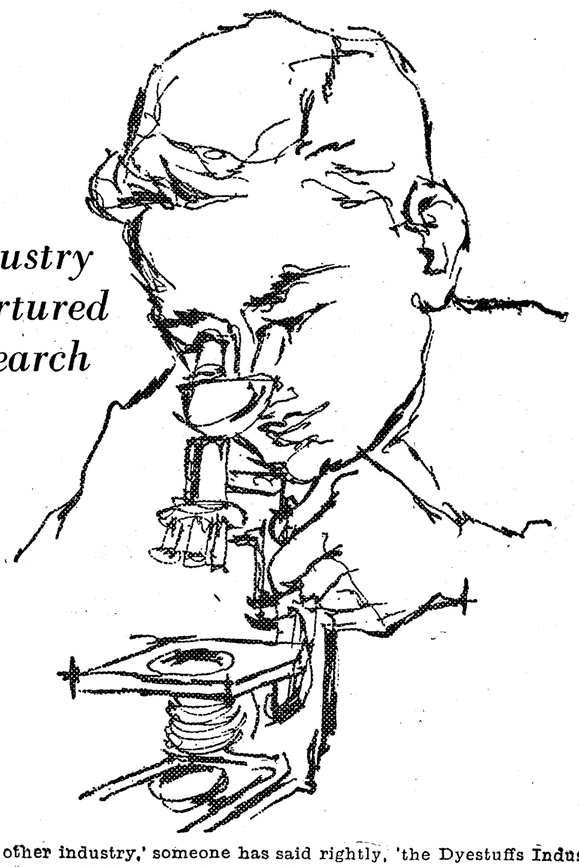
As regards power, it is estimated that the total consumption in 1971 in the State will be 1.3 million kilowatts. With the available resources, the State should be able to meet a major part of it. Since hydel power is the mainstay, more power can be obtained by reducing the difference between installed and firm capacities. A sum of Rs. 160 crores has been suggested for investment in power.

An investment programme of Rs. 1,114 *crores over the next ten years* has been suggested by the Council to secure the maximum possible development of the State. A break-up of the Council's investment programme as between the various sectors is as follows: Agriculture and allied activities—Rs. 324 crores; industry and power—Rs. 394 crores; and the tertiary sector, including transport—Rs. 396 crores. The share of the State Government would be Rs. 660 crores in this programme.

In the Council's estimation, the total resources, both tax and non-tax, available to the State for development purposes during the decade 1961-71 are likely to be Rs. 275 crores. This would necessitate greater efforts at mobilisation of resources and more generous assistance by the Centre than hitherto. The possibility of mobilising resources from the agricultural sector seems to be relatively slender, for the State's farm economy is conditioned by a low value-yielding cropping pattern. Consequently, though per-acre yields of most of the agricultural commodities are much higher in Punjab, as compared with all-India averages, the value of output per acre is lower than the Indian average.

According to the N.C.A.E.R., if this programme is implemented in full, the State income would increase by 75 per cent during 1961-71 and *per capita* income would go up by 40 per cent. The exportable surplus of foodgrains would be about three million tons. Moreover, the entire additional labour force will be absorbed by the economy without detriment to productivity.

The N.C.A.E.R. study constitutes a valuable contribution to the literature on economic planning, in general, and on the progressive State of Punjab, in particular.



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PEACE AND DISCIPLINE IN INDUSTRY

RECOMMENDATIONS OF STANDING LABOUR COMMITTEE

THE compulsions of the critical situation now facing the country have imparted a new meaning and added a new dimension to the term "industrial peace." Mr. G. L. Nanda, Union Minister for Labour, pointed out, in his speech at the twentieth session of the tripartite Standing Labour Committee held at New Delhi on 17th October, that even perfect industrial peace would not answer the needs of the country's developing economy. What was required, he said, was the most efficient utilisation of human, financial and material resources. It was not only imperative, he emphasised, that no single man-day should be lost but also that productivity should be raised and cost cut. Mr. Nanda could not have anticipated the developments that have taken place on India's northern borders since the Standing Labour Committee met. His plea for perfect industrial peace and the most efficient utilisation of resources has, therefore, assumed added importance, in view of the mounting Chinese threat to India's security which has forced the President to take the unprecedented, extreme step of proclaiming a national emergency.

In the changed circumstances obtaining now, the measures suggested by Mr. Nanda and accepted by the Standing Labour Committee to increase productivity and promote exports are inadequate. But they are welcome to the extent they go. The Committee approved of the Minister's suggestion that separate meetings of representatives of workers and employers be convened to find out ways and means of making Indian goods competitive in foreign markets. Meetings of the various Industrial Committees would also be called to suggest measures for reducing production costs and increasing productivity and output. It was also agreed that representatives of workers and employers should make recommendations for sharing the gains arising out of higher productivity and that these suggestions should be discussed at the next meeting of the Indian Labour Conference and a formula for distribution of the gains of productivity be evolved. It is to be hoped that those who are handling this issue will remember two things: one, the interests of consumers (including the export markets also) and two, the need for setting apart a sufficient sum from profit for modernisation and expansion of industry so very essential for ensuring a progressively rising level of employment.

Protection Against Victimisation

Several issues affecting labour-management relations and industrial peace figured on the agenda of the meeting. Among the subjects on which there was prolonged discussion and sharp differences of opinion, the most important was the question of additional measures for protection of workers against victimisation by employers and reference of cases of victimisation to arbitration. In fact, this question has turned out to be one of the principal bones of contention between employers and workers, ever since the recommendation of the seventeenth session of the Indian Labour Conference (held in July 1959) to the effect that the existing legal provisions on the subject of victimisation (contained in the Industrial Disputes Act, the Bombay Industrial Relations Act and the Madhya Pradesh Industrial Relations Act) should be re-examined. This subject was discussed at the last meetings of the Standing Labour Committee and the Indian Labour Conference, but no agreement could be reached. The consensus of opinion among employers is against further liberalisation of the provisions of the Central Act, as the existing safeguards against victimisation are deemed to be quite adequate. It has even been suggested by employers' representatives that, if at all any modification is required, it is in the direction of restricting rather than enlarging the existing protection. They are of the further opinion that clause (6) of Section 33(2) of the Industrial Disputes Act should be deleted, as it is said to put a premium on misconduct.

Workers' representatives, on the other hand, are in favour of further liberalisation of the provisions. The central organisation of workers is of the opinion that none of the existing provisions in the Central or State enactments gives adequate protection to workmen against victimisation. State Governments are divided on the issue, though most of them seem to be of the view that the existing provisions in the Industrial Disputes Act are adequate.

At the meeting of the Standing Labour Committee under reference, the question was again discussed. Workers' representatives reiterated their complaint that, as matters stood at present, a worker had no security of service and urged that individual workers must have direct access to Industrial Courts or Tribunals for the redressal of their grievance relating to victimisation. Alternatively, they suggested that all such matters should be referred to arbitration. The employers' representatives pointed out that the existing provisions of law gave enough security to workers against alleged victimisation by employers and that any further amendment of the Industrial Disputes Act, in the manner desired by workers' representatives, would greatly undermine discipline, lead to all kinds of unrest and result in fall in production. Mr. Nanda appeared to appreciate the employers' point of view and suggested that, for the time being, at any rate, the magnitude of the problem, namely, to what extent existing law has failed to give protection to workers against alleged victimisation, should be studied. Further action, if any, could be taken in the light of such studies. He, however, assured workers' representatives that, meanwhile, Government would invariably refer cases of this kind to adjudication, if, even after discussion with a senior official of the Central or State industrial relations machinery, the central organisations of workers' concerned insisted on such a reference being made.

Compensation

The proposal for amending the Industrial Disputes Act to provide for payment of full compensation in case of closure of an undertaking on account of expiry of lease or licence was accepted by the Committee. Opinion was, however, divided on the question of covering cases of closure due to exhaustion of resources in industries such as iron ore and coal mining. It was agreed that this subject should be considered in the first instance by the Industrial Committee on Coal mining and Mines and, thereafter, brought before the Standing Labour Committee or the Indian Labour Conference.

The Standing Labour Committee also discussed the question of empowering Registrars of trade unions to cancel the registration of a trade union the executive of which has been found to have violated its registered rules. Workers' representatives were most reluctant to give power to Registrars to cancel registration. The State Governments, on the other hand, were anxious to have such powers. It was, however, agreed by the Committee that the Registrars need not be given very wide powers. It recommended that State Governments should examine the difficulties experienced by them in this regard and formulate, in consultation with the State Labour Advisory Committee, proposals concerning the specific types of violations for which Registrars might be given power to cancel registrations. It was agreed that the subject should, therefore, be considered at a subsequent meeting of the Standing Labour Committee or the Indian Labour Conference.

The meeting also decided, *inter alia*, that (1) further consideration of the Report of the Study Group on Social Security should be suspended for three years and (2) steps to raise the rate of provident fund contribution from 6¼ per cent to 8⅓ per cent, wherever this has not been done, should be speeded up. It was felt that, unless this was done, introduction of the integrated social security plan could not be considered. It was also decided that the wage limit for eligibility to membership of the Employees' Provident Fund Scheme should be raised from Rs. 500 to Rs. 1,000 per month.

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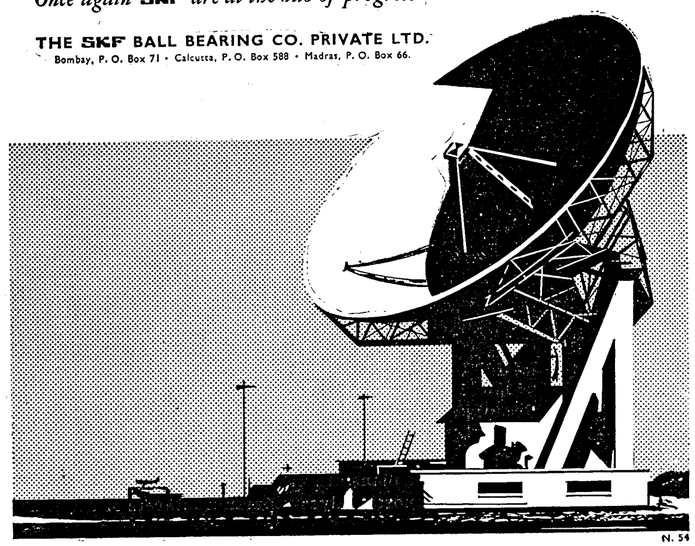

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JENKINS COMMITTEE REPORT VIEWED AGAINST INDIAN BACKGROUND—III

PROTECTION OF INVESTORS AND MINORITY INTERESTS

By A Special Correspondent

THE question of beneficial ownership of shares was gone into by the Cohen Committee in 1946 which recommended that "every person directly or indirectly the beneficial owner of one per cent or more of the issued capital of a company should be required to make a declaration of the fact to the company who would in turn be required to maintain a register of such beneficial ownership." Because of the practical difficulties involved, however, this recommendation was not given effect to by the Government. This matter was examined by the Jenkins Committee also. This Committee thought that something should be done to secure the disclosure of beneficial ownership of shares amounting to 10 per cent or more of the equity capital in quoted companies as is the case in the U.S.A. The Committee has recommended that a new section should be inserted in the British Companies Act requiring the disclosure of the above stated percentage of beneficial ownership. This new provision need not, however, apply to directors of a company whose holdings of shares in the company and all transactions in them are already required to be included in the register of directors' shareholdings under the provisions of Section 195 of the Act. The Committee has also recommended that the identity of holders of 10 per cent shares in quoted companies and the extent of their individual holdings of and transactions in the equity shares should be recorded by the company in a new register within, say, three working days of the notification to it and this register should be kept open by the company for inspection by the same persons and on the same terms as the register of members of the company. The copies of this new register should also be made available to the public on the same terms as the copies of the register of members. It has further recommended that Section 172, which empowers the Board of Trade to appoint inspectors to investigate into the ownership of shares in a company, should be extended to cover the question of ownership of shares of a company when circumstances suggest that there has been a failure to comply with the above requirement. It has also recommended that a heavy penalty should be imposed for failure to notify or to record such transactions in the register.

Under the Indian Companies Act, there is a provision for disclosure of directors' shareholdings as also for maintenance of a register recording this fact under Sections 307 and 308. The powers to appoint investigators to go into the question of beneficial ownership is given to the Government under Sections 247 and 248 of the Act. The Jenkins Committee's recommendation regarding disclosure of 10 per cent shareholdings in the quoted companies deserve careful attention in our country, too, in order to check the cornering of shares by unscrupulous elements in the corporate sphere.

Variation of Class Rights

Section 72 of the British Companies Act gives the minority interests constituting 15 per cent or more of the holders of the class of shares concerned, power to apply to the Court to cancel the variation of their class rights where a prescribed majority of shareholders of that class have agreed to the variation, within 21 days after the passing of the resolution. In such cases, the variation can take effect only if it is confirmed by the Court. The Jenkins Committee felt that, in the existing provisions, the prescribed minority was too large and that the time for exercising their rights was too short. It, therefore, recommended that that section should be made more effective by reducing the necessary quorum of the objectors from 15 to 10 per cent of the issued shares of the particular class concerned and by giving slightly more time from 21 to 28 days for making the application. As at present, this remedy under Section 72 of the Act would continue to exist without prejudice to any application that can be moved under Section 210 of the Act.

In this regard, it may be pointed out that Section 107 of the Indian Companies Act already prescribes a 10 per cent strength for the minority to make an application to the Court. The time, however, for making the application after giving consent or passing the resolution varying the rights by the majority shareholders is the same as in the British Companies Act, namely, 21 days.

Protection Against Oppression

As briefly referred to above, Section 210 of the British Companies Act, which was an important innovation in the 1948 Act in the U.K., aims at assisting the minorities to obtain redress other than that of obtaining an order for winding-up under the "just and equitable" provision in the winding-up sections. From practical experience, it has been found that this section has been of limited use to the minorities. As the real interest of the minority lies in saving the company from going into liquidation and in sharing the prosperity of the company or in the purchase of their shares by others as a going concern, it was considered necessary that the provisions of this section should be made more useful to them. In actual experience, in its existing form, three shortcomings were found in this section: (a) The petitioner had to establish that it was otherwise just and equitable to wind-up the company and this was never a very easy thing to do and many applications under this section have fallen at this hurdle. That is to say, the section is too closely linked with the winding-up provisions. (b) In order to prove that the affairs of the company were being conducted oppressively, a course of conduct had to be proved and one or two isolated cases of oppression were not sufficient. And (c) it is by no means clear as to what oppression in this context means and the few reported cases in which the petitioners have been successful do not encourage the view that the word has been interpreted in a sufficiently wide sense to comprehend all types of conduct, that is, general unfairness in the conduct of the affairs of the company to which the section is really directed. After fully considering all these difficulties and shortcomings, the Jenkins Committee came to the conclusion that Section 210 required strengthening very considerably. Therefore, it has recommended that (i) the section should be amended to make it clear that it covers isolated acts as well as a course of conduct; (ii) sub-section (2)(b) of this section which puts the onus on the petitioner to establish that it is otherwise just and equitable to wind-up the company be repealed; (iii) the section should extend to cases where the affairs of the company are being conducted in a manner unfairly prejudicial to the interests of some parts of the members and not merely for a minority; (iv) Courts should be empowered to restrain commission or continuance of any act which would suffice to support a petition under this section; and (v) the legal representatives and others to whom the shares are prescribed by process of law but who are not registered as members are entitled to present a petition or seek an injunction under this section.

As regards the practice of starting investigations into the affairs of companies by the Board of Trade by forwarding a copy of the complaint to the directors and asking for their comments, it was urged before the Committee that that procedure afforded directors, especially if really fraudulent, a first class opportunity to destroy or fabricate evidence. The Committee found some force in this criticism and has made the recommendation that power should be conferred upon the Board of Trade to obtain documents from the directors and officers of the company before the appointment of inspectors and for testing the complainants' statement of facts. It has also recommended that Section 165(b) of the Act should be extended to empower the Board of Trade to appoint inspectors to investigate into the affairs of the company if it appears to the Board that it is necessary for purposes of investigation of another company already pending.

The sections in the Indian Companies Act corresponding to Section 210 of the British Act are Sections 397 and 398 which give the right to minority interests to apply to the court for relief and for passing an order under Section 402, in cases of oppression and mismanagement. In addition to these, the minority can also approach the Central Government under Section 408 to prevent an apprehended oppression or mismanagement. In fact, the whole string of Sections 397 to 408 seek to prevent apprehended or accomplished oppression or mismanagement. In comparison to the provisions of the British Companies Act, those of the aforesaid sections in the Indian Companies Act possess greater effectiveness in regard to protection of minority interests which is now being sought to be secured by the proposals of the Jenkins Committee. As regards extending the scope of investigation into the affairs of other companies as recommended by the Jenkins Committee, Section 239 of the Indian Companies Act as amended by the Companies Amendment Act of 1960 already empowers the inspector to investigate into the affairs of related companies, managing agency company, etc.

Take-over Bids

The subject of take-over bids, which multiplied with great rapidity during the unhappy days of dividend limitation just after the last world war and caused alarm in the public in the U.K., was specifically referred to the Jenkins Committee for study and making recommendations which would ensure that adequate information is disclosed in a take-over or merger offer to the shareholders to judge for themselves whether or not to accept the offer. The Committee, after a detailed study of the fine mechanics employed in such bids, stated that it has had "no evidence to suggest that amalgamations or take-overs, where the bidding company has had no cash available, has been undesirable or disadvantageous to the shareholders of either company" and that it, therefore, saw no justification for imposing upon all offers to acquire companies or controlling interests therein, a requirement that a part of the consideration should be in cash.

The Committee has, however, recommended that the Board of Trade should be given power to make suitable rules which would govern not only the procedure to be followed and information to be given, but also the circulars from the directors of the corporation about to be taken over to their shareholders; and that there should be a civil remedy in damages available to anybody who suffers loss as the result of a reckless or fraudulent statement in a take-over circular. Further, the Committee has accepted, subject to certain modifications, the existing Licensed Dealers (Conduct of Business) Rules of 1960 as they are basically sound. The Committee has suggested the strengthening of the rules in five ways. These are:

(a) A copy of every circular containing or recommending acceptance of such an offer must be sent to the Registrar who is to be empowered to refuse to accept them for registration, if they do not comply with the rules or which does so misleadingly and it will be an offence to issue a circular not accepted for registration.

(b) If the terms of the offer are varied upwards in the course of the take-over, anybody who has accepted the initial offer is to be entitled to the higher figure.

(c) If any offer is not declared unconditional within 35 days, any acceptor may revoke his acceptance, even if expressed to be unconditional.

(d) When the offer is declared unconditional, the offeror must disclose the number and proportion of each class of shares which he controls.

(e) Directors of an offeree company are to be entitled to reimbursement from the funds of their company of expenses properly incurred by them on behalf of and in the interests of their members in connection with the offer.

(f) Finally, any cash offer must contain a statement by the offeror stating what steps have been taken to ensure that the cash will in fact be available.

The principal contents of the Rules for which the foregoing modifications have been suggested by the Jenkins Committee are the following:

(i) The terms of the offer shall be delivered to the offeree company not less than three clear days, excluding holiday, before the offer is despatched to the offeree.

(ii) A take-over offer shall, unless totally withdrawn, remain open for acceptance for at least 21 days.

(iii) Where the offer is conditional, a date shall be specified as the latest date on which the offeror can declare the offer conditional.

(iv) The acquisition of securities to which the offer relates shall not be conditional upon the offerees approving any payment or other benefit to any director of the offeree company.

(v) If the offer relates to less than the total amount in issue of any class of securities, the offer shall be open to acceptance by all.

(vi) Information must be given as follows: the bidder must be identified; the offeree must be given specified information bearing upon the value of the securities he is being invited to transfer and, where the bid takes the form of an offer of securities for securities, the value of the securities he is being invited to accept in return for his own securities; other facts likely to affect the offeree's decision must also be given, such as the extent of the offeror's interest in the securities of the offeree company and details of any special treatment to be accorded to the directors of the offeree company; where a circular contains a recommendation by the directors of an offeree company that an offer be accepted, further details must also be disclosed.

In India, however, take-over bids are not a very common thing at present and as such do not pose any serious problem. But the manner in which these are to be guided, keeping in view the interests of the shareholders, deserves serious study and attention.

Reduction of Capital

The Jenkins Committee also went into the controversial Section 54 which renders it unlawful for a company to provide financial assistance, whether direct or indirect, for the purchase of its own shares. There were two shades of opinion put before the Committee, one saying that the section is too stringent and many innocent transactions are unwittingly caught by it, whereas the other said that it was not stringent enough, and that breach of its provisions should entail much greater penalties. The Committee saw force in both these points of view and, therefore, came to the conclusion that it should no longer be unlawful for such assistance to be given, that it should be given only if the giving of such assistance is first approved by a special resolution of the company and a declaration to the effect that the company will be able to meet all its liabilities as they fall due is filed with the Registrar at the same time. The first requirement of passing of special resolution is suggested to safeguard the minority shareholders, who, in a body of 10 per cent or more holdings of the company, have also the right at any time within 28 days of the passing of the resolution to apply to the Courts to prohibit the transaction. The second requirement of making a declaration is meant for the protection of creditors. Apart from this, the Committee has also recommended that financial assistance should be deemed to have been given by a company, if, within a period of, say, a year of the date of acquisition of a controlling interest in it, the company purchased any assets from the controlling shareholders or their other companies.

On this question, the position under the Indian Companies Act is that, under Section 77(1), no company can buy its own shares, unless the consequent reduction of capital is effected and sanctioned under Sections 100 to 104 or under Section 402. But, in regard to loan, guarantee, financial assistance, etc., there is an absolute ban imposed on the public companies and private companies which are subsidiaries of public companies excepting companies belonging to certain excepted categories such as banks or when these are given to the trustees, etc., for the benefit of the employees of the company or when it is made to an employee, in which case the quantum of advance shall not exceed six months' salary or wages. In the British Companies Act, there is no such limit laid down.

Three member-companies of Simon Engineering Ltd. have been actively engaged at the new Spencer Works of Richard Thomas and Baldwins Ltd., England. Simon Carves were responsible for the whole of the 140-oven coke oven and by-products plant, including the effluent treatment plant. Lodge-Cottrell provided the blast furnace gas-cleaning and sludge filtration plant as well as the scarfer unit electrical precipitator. Turbine Gears supplied motor couplings, inter-connecting spacer gear type couplings, medium-sized triple reduction gear units, three-speed gears and double helical gear units complete with mill spindle couplings.

Pan American World Airways reported a net profit after taxes of $8,900,000 for 1961, up 25 per cent over 1960 profits. Operating revenues were $460,000,000, an increase of 11 per cent over 1960. Dividends paid to shareholders amounted to $5,300,000, marking the 21st consecutive year in which the carrier has paid dividends. In 1961, the Airways once again carried more passengers, more cargo and more mail than any other international airline. Pan American is a private company owned by its shareholders, and receives no subsidy from the United States Government.

NEW PRODUCTS AND PROCESSES

Laminated Plastic Top

A LAMINATED plastic top conveyor table with a one-piece slider bed and work table is manufactured by Sadler Conveyor and Equipment Ltd., Toronto. The one-piece construction eliminates joints and prevents access of food particles or corrosive materials, for which reason the conveyor is suitable for food processing, pharmaceutical and other industries where contamination or damage by corrosive liquids is a problem. The table top can be supplied in a selection of colours and designs to match existing equipment. It is also available with a moulded raised edge to prevent spillage of material. Mounted on fixed or mobile stands made from enclosed boxed sections.

Improved Machine Tool

The Machine Tool Division of David Brown Industries, of Trafford Park, Manchester, has produced a new fully automatic gear hobbing machine. Called the Hydrax V, it is suitable for the continuous cutting of spur or helical gears up to five inches in diameter and can be adjusted for incorporation in automatic production lines. The company has also announced new versions of its vertical six-spindle co-ordinate turret drilling machine. Two sizes are available. The VTD 30 with a table positioning range of 30 inches by 18 inches and the VTD 45 with a range of 45 by 25 inches. The E.M.I. Type B 100 control system is used for table positioning, a continuous automatic cycle, programmed by punched tape, being used to control the table and turret position sequences. This, it is claimed, eliminates the need for expensive drill jigs and reduces the duties of the operator to the mounting and removal of the workpiece, which is clamped to the table manually or hydraulically. The machine can also be used to perform certain milling operations.

Pliable Stainless Steel for Roofing

"Ezeform" stainless steel, a product of Atlas Steels Limited. Welland, Ontario, Canada is so pliant and ductile that it is ideal for eave strips, copings, gutters, curbs, sheet roofing and a myriad other roofing components, the manufacturers state. The product is said to respond perfectly to fabrication on a hand brake, in seaming machines, and for many other individual or special needs where a long-lived yet completely flexible metal is desired. Other advantages claimed for the new pliable steel are these: it is easy to solder; will bend, form and flex with ease, yet provide the inherent rigidity of steel; obscures scuff marks and scratching because of its patterned surface; reduces metallic reflection; needs no painting or plating; is non-staining. A low carbon stainless steel, it is rolled to gauge and then passed through pattern rolls which create a slightly raised impression on both sides of the strip. It is then subjected to an annealing or softening process which renders it so flexible and workable that light gauges can be folded 180 deg. and hammered flat without fracture.

Five Car Bodies Every Minute

Standards of productive efficiency claimed to compare favourably with any in the world have been built into a car body manufacturing plant recently completed by a British firm, The Pressed Steel Co. Ltd., Oxford, at a cost of £8 million. An output of 11,000 bodies a week or five every minute, is achieved through the most advanced flow-production methods, using mechanisation and automation on a scale which make the plant a show-piece for production engineers. One of the highlights is the system for multi-spot welding of pressings to form sub-assemblies. This is done; with batteries of welding guns linked by a variety of automated transfer systems. The multi-welding systems are "indexed" to move automatically across stationary pressings to weld at a number of different points. With this device a complete set of sub-assemblies for a car body can be produced in 30 seconds. In the press shops, manual operations have been reduced to feeding blanks to the first press in a line and disposing of the result at the end of a sequence system using anything from two to ten presses.

Car Safety Seat for Children

A British development claimed to be world's first car safety seat for children between the ages of 10 months and 5 years has aroused wide interest in Europe. It is a chair designed for anchorage to the rear metal frame of a car so that in the event of the vehicle somersaulting neither the chair nor the child will be flung out. The chair is moulded in glass fibre with sides, seat and backrest covered in foam rubber trimmed with plastics material. The safety harness includes pelvic and groin straps and a quick release pin which an adult can release immediately in an emergency. The chair can be easily removed and used in the home or for picnics.

Drying Print on Plastics

An oven for fast-drying print on polythene containers such as detergent bottles, cosmetics phials and similar products are now available from George Vokes (Infra-Red), of Infra-Red Works, New Southgate, London, N.11. Known as Model 1,000 V, it operates in the vertical plane and occupies nine square feet of floor space. It houses 46 horizontal spigot platforms each mounted with six spigots for locating the containers. The platforms move vertically on an endless belt into the heat and cooling zones at manually pre-set speeds and temperatures. The spigots are stepped to take a variety of neck widths. The machine is suitable for drying containers printed both by offset litho and screen methods, and can deliver upto 5,000 bottles per hour depending upon the drying time of the inks employed.

High-conductivity Earthing Electrode

A Dutch firm has produced an earthing electrode comprising a steel rod and a shrunk-on copper sheath, giving the electrode an extremely high conductivity rating.

The electrode is 3 metres long and can be supplied in diameters of 12, 15 or 19 mm. The copper sheath is 1 mm thick and fits extremely securely and accurately around the steel core.

The wire (e.g. of a lightning conductor) is connected to the top, of the electrode by means of a cast bronze clamp coupling. If a 3-metre electrode has to be extended by a second electrode, the two rods are joined with a special metal alloy sliding coupling consisting of a sleeve with two conical holes. A special feature is that resistance at couplings are lower than the resistance in the rod iself.

The electrode is highly corrosion-resistant as has been proved by accelerated corrosion tests and in practice. It can be driven rapidly into the earth and is suitable for use in all kinds of earthing duties.

Rotary Extrusion of Steel

Making metal sheets of extremely accurate gauge by rotary extrusion is one of the latest developments in the French steel industry. The starting material is a short, thick ring which is subjected to rotary extrusion until it becomes a long thin cylinder of the length and thickness of the required sheet. The cylinder is heat-treated then cut, opened and flattened out. Extrusion is carried out by mounting the ring blank on a cylindrical rotating mandrel and applying high pressure to its outer surface.

Chemical Resistant Cement

A cement that resists, attack by sulphate-containing, chemicals such as sulphuric acid is now being made available by a German concern. It contains a high proportion of alumina yet, says the company, it may be used for work below ground level, where chemical attack from salts in the earth is to be expected.

Improved Cattle Feed

Dried grass bound with a small amount of molasses and compressed into cubes is a well known cattle food, but in a new compound feed from Iceland the molasses is used in a much higher proportion. Grass and molasses are mixed gradually to make a meal—the molasses content being about two-thirds by weight as opposed to the usual 10 per cent. The meal is said to form a feed with a high percentage of easily digestible carbohydrates and to be superior to feeds with smaller amounts of molasses. It is claimed that the meal can be stored in paper and asphalt coated bags without any major risk of fermentation.

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NEW STEPS FOR STRENGTHENING SOVIET ECONOMIC BLOC

WORLD SYSTEM OF "SOCIALISM," THE ULTIMATE GOAL

By Yury V. Marin

ON 4th September, the newspaper *Trud* (Labour) published an article entitled "A New Stage in Fraternal Collaboration," which proclaimed that "the world system of socialism" is now entering a "new phase"—"a higher form of economic collaboration" among the countries belonging to the Soviet-bloc Council for Mutual Economic Aid, or COMECON. The article was virtually a commentary on an essay ostensibly authored by Khrushchev and published as a leader in *Problemy mira i sotsializma* (Problems of Peace and Socialism) (September 1962, No. 9) and *Kommunist* (1962, No. 12) under the heading "Vital Problems in the Development of the World Socialist System." Khrushchev's article officially established a "new frontier" in the economic and political alliance between the Soviet Union and her satellites, proclaimed that the socialist countries have now entered "a new stage in the development of economic collaboration," and dealt in some detail with the trends, tasks and measures involved in the new situation. The same subject received detailed treatment in the August issues of *Mezhdunarodnaya zhizn* (International Life) and *Mirovaya ekonomika i mezhdunarodnye otnosheniya* (World Economics and International Relations) under the respective titles "Socialist Collaboration: Possibilities and Prospects" and "The International Socialist Division of Labour and the Competition Between the Two Systems."

The new phase was ushered in by the resolutions and recommendations adopted by the Congress of Representatives from the Communist Parties of COMECON member-countries and the 16th COMECON session, both of which were held early in June 1962, in Moscow. These metings, and the session of the Political Consultative Committee of the Member-States of the Warsaw Pact, which was held on 7th June, were attended by all Communist party first secretaries and Government heads of the entire Soviet bloc with the exception of Albania. For the first time, Red China and the rest of Communist Asia, except for Mongolia, which has COMECON membership, were unrepresented.

New Phase

In connection with the new phase in the Communist economic alliance, the 16th session of COMECON formed a permanent Executive Committee "consisting of the deputy heads of Government of the COMECON countries." (*Pravda*, 10th June 1962). The Soviets appointed V. N. Novikov, Deputy Chairman of the U.S.S.R. Council of Ministers, as their representative on the Executive Committee and also as their permanent representative to COMECON. Novikov's transfer from his job as Gosplan Chairman to the leadership of the body charged with the economic planning of the whole Soviet bloc is indicative of the importance which the Soviet Government attaches to economic *rapprochement* with its satellites.

The *communique* issued by the Congress of Representatives from the Communist Parties of COMECON member-countries aketches the lines along which economic consolidation within the Soviet bloc is to be developed. It is stressed that the whole series of "successful achievements"

> ....demands even closer economic, scientific and technical collaboration, the creation of more favourable conditions for the expansion and true shaping of the international socialist division of labour. ... (*Ibid.*, 9th June 1962)

and that the basic method of COMECON activities is at present the careful co-ordination of the long-term and current plans of the COMECON member-states (*Ibid.*) The Congress "deemed it necessary" to devote special attention to speeding up work on specialisation and co-operation in production, especially of machinery and equipment which are in short supply, and in the new branches of mechanical engineering, which play an important role in technical progress; to maximum development of the *overall* raw material, fuel and power base: to co-ordination of the main capital investments in the extractive and processing branches of industry; to co-ordination of scientific and technical research; and to the building and equipping of joint enterprises for interested COMECON countries.

The Congress passed a resolution on the "basic principles of the international socialist division of labour" as the basis for the drafting of "a long-term programme of economic collaboration." (*Ibid.*, 17th June 1962.) Since these "principles" are much less concrete and radical than the "new phase" concept itself it will be of little purpose to present them in full. The main points are as follows: (1) In every COMECON country plans for economic development are to be developed on the basis of each country's concrete conditions, its political and economic tasks, but necessarily "with consideration of the requirements and possibilities of all the socialist countries"; (2) inter-State specialisation is to be based on the comprehensive concentration of homogeneous production, especially in machine-building, the chemical industry, ferrous and non-ferrous metallurgy; (3) the transition to unified power systems is to be achieved; (4) the co-ordinated specialisation of agriculture is to be achieved, and there is to be a continual exchange of agricultural produce; and (5) the effective strengthening of "the mutual bond among the economies" of the various COMECON countries is proclaimed and the tendency to create a multilateral complex for the national economy in any Communist country is condemned as leading to "a decrease in the effectiveness and a retardation of the economic development rate in the separate countries and in the COMECON bloc as a whole."

World Socialism

In a radio and television speech on 2nd July 1962, Khrushchev developed still further the economic prospects opened up by the June congress and stressed that they are the basis for the future creation of a "united world socialist economic complex" and must be backed by concrete, bold and extensive industrial co-operation in the COMECON countries and by use of all the advantages offered by the overall planned economy which is being created.

According to an editorial in the journal *Kommunist*, the resolutions of the June congress opened "a new chapter" in relations within the Soviet bloc and are directed at creating "a united economic complex" (*Kommunist*, 1962, No. 9). This article is of interest for the fact that it admits the existence of counteracting national forces in the countries and even in the Communist parties of the Soviet bloc. These forces, the article charges, regard the policy of "economic *rapprochement*" as leading to a further loss of political sovereignty, an increase of dependence on the Soviet Union and a general trend towards an artificial lack of balance in the national economic system, *Kommunist* declares:

> The new relationships in the world socialist system are not taking shape in a haphazard fashion. The laws governing the development of the world socialist system operate by no means automatically. The prime necessity for their implementation is an international policy of the fraternal parties. In setting out a domestic and foreign policy, proletarian internationalism demands of each fraternal party that it act not only in the interests of its own country but also in the interests of the whole socialist system and the world Communist and workers' movements. It is against this that nationalism moves and, under the present conditions, nationalism represents the greatest threat to the unity and solidarity of socialist collaboration. (*Ibid.*, p. 5.)

A radical development from the resolutions of the June congress was the subsequent programme and instructional articles, especially the article already mentioned, "Vital Problems in the Development of the World Socialist System." Although authorship of this article is attributed to Khrushchev, its specific nature and its fairly high theoretical level indicate that, in all probability, it was written by a team of Soviet economic theorists and was approved by all the Soviet leaders. An analysis of its contents shows immediately that the radical nature of the attention to the problem of new forms of close "collaboration" within the Soviet bloc is the result not only of the Party's endeavours to keep the satellite countries in ever-increasing dependence on the Soviet Union but also of the considerable successes of west European economic integration. The article emphasises the fact that:

> ....We are considering the objective trends towards the internationalisation of production which are operating in the capitalist world and in connection with these we are forming our own political and our own economic measures.... Socialist collaboration presents an even more consolidated and united alliance in the face of the united front of the forces of imperialism. (*Problemy mira i sotsializma*, 1962, No. 9, p. 6.)

The article goes on to speak of the desirability "not only of undeviating economic co-operation between our countries, materialising step by step, but also of ideological, political and cultural *rapprochement* of the socialist peoples, in the course of which the distrust and alienation of the nations will disappear." It also states that "collaboration" between the U.S.S.R. and the Communist countries of east Europe was founded in the early post-war years in the form of the "military and political union." Economic relations during the first period of collaboration were established on a bilateral basis, between States with a "multiple-structure" economy. The "world socialist market" began to take form with the creation of COMECON in 1949. The co-ordination of national economic plans was started in 1956, but, in the 12 years of its existence, COMECON has established only "the basis of collective collaboration and mutual aid."

A Significant Remark

At the present juncture, claims the article, this "basis" is solid enough to begin the transition to that "high degree of unity without which it is impossible even to imagine the future life of the socialist peoples together," creating conditions under which it is possible "to raise their economic and political co-operation to a new and higher level." The article even "recommends" the establishment within the framework of the Soviet bloc of a "united economic organism" with the "abolition of all economic barriers" and the creation of a "united world socialist economic complex," which should be run according to a "general scheme of inter-State specialisation and co-operation in production."

The same line is taken by the journal *Mirovaya ekonomika i mezhdunarodnye otnosheniya* (World Economics and International Relations), (1962, No. 8), which states that *en route* to the creation of a "united Communist world economy" the time has come to establish a "united economic ensemble" of the COMECON countries. The journal *Mezhdunarodnoe zhizn* (International Life) (1962, No. 8) adds that, during the period 1970-80, the COMECON countries will switch from co-ordinated plans to "the compilation of a single national economic plan scaled to the whole world system of socialism."

The matters of first importance among these "recommendations" are the co-ordination of the economy of all the COMECON countries, the creation of a type of "composite balance which would fill the role of a collective development plan for the economy of all the COMECON countries," and the development of "single plans" common to all the COMECON countries for all the branches of production. (*Problemy mira i sotsializma*, 1962, No. 9, p. 8). It is also proposed to establish "combined capital" funds, their transfer from one country to the other, the co-ordination of capital construction under a system of joint financing, and the establishment of a "collective credit bank" for this purpose.

Khrushchev's article points out that construction, based on joint-financing, must be realised on the basis of "profitability," *khozraschet* (non-financing by the State) on an inter-State scale, and subsequent "recouping of expenditures." The implementation of all planned economic, financial and practical measures for the construction of objectives and systems is to be realised on the principles of "healthy socialist competition," with the introduction of a system of material stimuli and the establishment for the producer-countries of "incentive prices" on co-operative products, especially in those branches of production where there are shortages. The establishment of a system of "mutual responsibility" for the performance of obligations is also foreseen.

It should be mentioned that his project, which, if carried out, cannot but increase the dependence of the satellite countries on the Soviet Union, is described as being certain to increase their sovereignty, "according to the degree to which each country ... receives the opportunity of relying not only upon its own

(*Continued on page 782*)

PROGRESS OF TYPEWRITER INDUSTRY

PRODUCTION STILL BEHIND DEMAND

THE development of typewriter industry has received considerable momentum, with the ban on imports imposed in 1958. The domestic demand has, of course, been going up steadily, as a result of growing requirements, particularly from industrial and trading establishments. At the beginning of the second Plan (1956-57), there were three units engaged in the manufacture of typewriters, with a total installed capacity of 33,000 machines per annum. A new unit was put up in 1960 at Calcutta by Messrs. Blackwoods (India) Ltd. This unit, with an annual installed capacity of 12,000 typewriters, is the first of its kind in the country manufacturing portable typewriters. Thus, the total annual installed capacity stood at 45,000 typewriters—on a single-shift basis—at the end of the second Plan. All the units, except Messrs. Blackwoods, are manufacturing standard typewriters in different carriage lengths varying from 11" to 27", out of which the sizes 11" to 15" are most popular.

The three units manufacturing standard typewriters are Messrs. Remington Rand of India Ltd., Calcutta, The Rayala Corporation Ltd., Madras, and Messrs. Godrej and Boyce Company, Bombay. Of these, the largest unit is Remington, the annual licensed capacity of which is 15,000 typewriters. With this capacity, the unit is in a postion to manufacture 18,000 typewriters annually. It manufactures standard typewriters of different carriage lengths with keyboards in English and vernaculars, such as Bengali, Marathi, Gujarati, Hindi, Assamese and Tamil. The Rayala Corporation, which manufactures Halda typewriters in collaboration with a Swedish company, has an annual installed capacity of 6,000 machines with keyboards in English, Hindi and Tamil. This unit has been granted a licence for stepping up its annual capacity to 14,400 (standard type) typewriters, besides manufacturing 6,000 portable varieties. Godrej and Boyce Company of Bombay has so far been producing only Standard typewriters with English keyboard. The Company has an installed capacity of 12,000 typewriters per annum. Although it has so far been undertaking production without foreign assistance, it has recently entered into an agreement with an East German firm for technical collaboration, with the object of manufacturing typewriters of different carriage lengths with English and Hindi keyboards.

New Scheme

A new scheme for a typewriter plant at New Delhi was also licensed in March 1961. The plant, under construction, is expected to manufacture 10,000 standard typewriters, on a double-shift basis. The Company has been able to secure the collaboration of the Czechoslovakian firm, Kovo, Praba, a sister concern of Skoda. Besides, a small-scale plant is also expected to come into being at Bahadurgarh, Punjab. The plant, which will have a capacity to manufacture 2,000 typewriters per annum, has been offered technical collaboration by a German company.

When these two new units are commissioned, along with the expansion of the Rayala Corporation, the aggregate capacity of the industry will stand at 66,400 typewriters, on a single-shift basis (including 2,000 in the small-scale sector), according to the third Plan *Programmes of Industrial Development*. The Planning Commission is of the view that this capacity will be adequate to meet the estimated demand by the end of the third Plan, if the various units operate even on a double-shift basis. The Commission has, therefore, decided not to license any new unit. It may be noted that, according to the Commission, the demand for typewriters will expand to 90,000 units by 1965-66, or an increase of 100 per cent over the level in 1960-61. The export demand at the end of the third Plan is placed at 10,000 typewriters. This brings the total number of typewriters required in the country to 100,000 by 1965-66.

It may be that the Commission is correct in its assessment of the capacity of the industry to meet full requirements of the country by the end of the third Plan. But it is rather disconcerting that the current level of production is much below the targets envisaged. What is worse, there is a large unutilised capacity in the industry. In 1961, for instance, the total number of typewriters produced was 31,101, as against the installed capacity of 45,000. This shows that over 30 per cent of capacity remained unutilised last year. It is, however, encouraging to note that the situation has been improving in recent years. Five or six years ago, it may be recalled, the unutilised capacity was to the extent of about 70 per cent. The following table shows the trend in the growth of production and capacity since 1955:

	Installed capacity (Nos.)	Production (Nos.)
1955	33,000	9,664
1956	33,000	13,620
1957	33,000	15,430
1958	33,000	15,846
1959	33,000	21,457
1960	45,000	23,649
1961	45,000	31,101

Third Plan Target

The third Plan production target is 100,000 typewriters, including 10,000 anticipated from the small-scale sector. In view of the large potential demand in the country and the ban on imports, the scope for full utilisation of capacity on a double-shift basis is quite bright. But, like most other industries, this industry, too, is confronted with the problem of raw materials. The Government will, therefore, do well to be helpful to the industry in the matter of securing adequate raw materials like rods from abroad. Otherwise, the current shortage of typewriters will continue and the cost will remain high.

It may be noted that, before the ban was imposed, India used to import about 21,000 standard and 7,000 portable machines annually. In 1956, imports of typewriters were of the order of 34,220, valued at about Rs. 123 lakhs. But, of late, the annual imports have been less than 200 machines costing about Rs. 1.5 lakh. Imports of components of typewriters come to about Rs. 35 lakhs annually. Indian typewriters made some contribution to exports as well. In 1961-62, exports (including both standard and portable) were of the order of 350 typewriters fetching foreign exchange to the tune of Rs. 2 lakhs. Exports went mostly to Pakistan, Malaya, Singapore and Ceylon. As in the case of several other durable consumer goods, customer preference, as the Planning Commission rightly says, is of considerable importance in building up a good export trade. It is also necessary to improve quality and quote more competitive prices for Indian products.

(*Concluded from next column*)

of units is unmistakably clear, namely, between 10-25, with the qualification that in the case of Bangalore and Mysore, the overall mean will go slightly to the next bracket 26-100 because of the substantial number of large establishments in their district totals. The author suggests that the significance of this finding should not be missed, especially after the formulation of a definite policy regarding small-scale industries by the Government of India since 1955. Perhaps, even in the administrative field, the carrying out of the Central Government's policy will mean a very early rethinking and rearrangement.

The major industries in the State are textiles, engineering, chemicals and dyes, food and drinks, tobacco, paper, minerals and metals. Four classes of industries, according to the study, have come into prominence during the period under review. They are engineering, chemicals and dyes, food, drink and tobacco, and wood, stone and glass. It may be noted here that the study gives detailed statistical outlines of the trend of growth of the various industries, occupational pattern, consumption of electricity, etc., which have a close bearing on the location of industries.

LOCATION OF INDUSTRIES IN MYSORE

A STUDY IN REGIONAL PLANNING

THE Indian Statistical Institute has published a study entitled *Location of Industries in Mysore State*, which makes a detailed enquiry into the nature and pattern of industrial location in that State. The enquiry, which was undertaken by Dr. M. C. Munshi, Professor-in-charge of the Section of Economics and Social Sciences of the Indian Institute of Science, Bangalore, with the assistance of the I.S.I., seeks to provide (1) a factual survey of industrial location, and (2) a workable methodology of such surveys for future guidance and use. The study assumes much significance in view of the Planning Commission's growing desire to remove regional imbalances in industrial development. Appropriately enough, the study, which provides a wealth of statistical information on industries in the State, has given a brief account of the theoretical approaches to regional planning. The concept of regional planning is, of course, not used in the book as an alternative approach to the macro-economic analysis on which the Five-year Plans are based. The emphasis in the book is laid only on those aspects relating to relative concentration of industries in the various districts in Mysore State and the possibility of removing disparities in industrial development between various regions within the State.

The approach of enquiry is inductive, being based on aggregate data for various industries in the State. Thus, the economist's theory of location of industries based on industrial firms—representing units within an industry—has not been adopted for the study. This is mainly because of the difficulty in getting adequate data for cost studies, including labour costs, transport costs and marketing costs for all the units. The study, it may be noted, has taken into consideration not only large-scale enterprises, but also small-scale industries. It is proposed to examine here some of the important findings of the study, without going into the theoretical discussions on the concepts of regional planning and the methodology adopted in the study.

The period covered by the study is 1949-56. Although the data are thus out of date, the study reveals the general pattern of concentration of industries, which has not changed much in the course of a few subsequent years. The study reveals that, during the period under review, both the perennial and seasonal establishments in the organised sector showed a steady increase. A very significant trend noted in the industrial progress of the State is that the growth in the number of workers employed in the perennial factories has not at all kept pace with the rise in the number of these units. The number of workers increased from 102,000 in 1949 to just 113,000 in 1956. During the same period, the total number of perennial factories (registered and others) rose from 1,441 to 2,856. The number of seasonal factories was 50 in 1956, as against 30 in 1953.

Concentration of Industries

The Bangalore district accounts for about 50 to 60 per cent of the total perennial factories in Mysore State. Of the total of 880 registered perennial factories in the State, 535 are in this district, as of 1956. In 1949, there were only 285 such units in the district, as against 471 in the whole of the State. The study observes, therefore, that the problems of location policy in this area are somewhat similar to those which London and its surrounding areas presented for solution in the U.K. so acutely during the inter-war period. The next two districts in the order of importance, from the point of view of industrial location, are Mysore and Kolar.

The analysis of the size of industrial establishments from the viewpoint of workers employed shows that it is only in Bangalore that there has been a more or less steady growth in the units having more than 500 workers. In the three other districts, far less in importance here, namely, Kolar, Chitaldrug and Shimoga, the number has been almost stationary, whereas in Mysore (owing to the closure of some well-known units), this number has actually declined. It is perhaps even more noteworthy, according to the author, that in the Bangalore district, an overwhelmingly large proportion of establishments is within the two brackets, 10-25 and 26-100 employees. Taking all the districts together, the means for the size

(*Continued in previous column*)

CALCUTTA ELECTRIC SUPPLY EARNS LESS

POWER SELLING RATE REVISED

THE year ended 31st March 1962 has proved a poor one for the Calcutta Electric Supply Corporation Ltd. (Chairman: Sir William Lamond). For, despite a rise of some £700,000 in the total revenue, the gross profit has declined sharply, a fall which is fully reflected in the net profit figure as well. If the dividend has still been maintained at the very modest level of 7½ per cent (actual), it is only after withdrawing heavily from the reserves to make good the deficit in the revenue.

Although the revenue from sale of current improved from £9,805,661 to £10,494,687, the effective rate of increase over the previous year works out to less than 7 per cent as compared with 11 per cent during 1960-61 and nearly 9 per cent in 1959-60. The slower rate of increase in the face of rapidly rising demand for electricity in the Calcutta region can be directly attributed to the series of serious breakdowns of plant which occurred at the Company's New Cossipore generating station towards the end of the previous year and at the beginning of the year under review. The maximum demand on the Company's system at the time of these failures was approximately 385 MW sent out and, although the Damodar Valley Corporation were able, at times, to increase their exports to 85 MW, the outage of the New Cossipore plant, totalling 110 MW, entailed load shedding on an extensive scale. The effect of this load shedding has been almost entirely confined to the high tension industrial consumers as will be apparent from the following figures showing the energy consumed (in millions of units) during the past four years by various categories of consumers:

	Year ended 31st March			
	1962	1961	1960	1959
Power purposes	1,489.3	1,438.0	1,350.6	1,240.9
Flat rate	277.4	259.2	242.7	229.7
Public lighting ..	23.2	19.5	18.5	17.4
Traction	48.4	48.4	45.8	42.9
Bulk supplies ..	109.0	89.6	66.4	62.8
Special contracts	101.6	100.3	92.6	86.4
Total ..	2,048.9	1,955.0	1,816.6	1,677.1

Apart from restricting the growth of sales of electricity, the aforesaid breakdowns also had a deleterious effect on the profits of the Company for the year under review. Since the outages of the plant had to be covered by increased generation with less efficient plant elsewhere in the Company's system and by increased imports (which in fact happened to a substantial degree), there was a sharp rise in revenue expenditure, quite apart from the actual cost of repairing the damaged machines. Total revenue expenditure thus increased by no less than £1,115,865 to £8,108,633, owing, for the most part, to an increase of £870,581 to £1,940,775 in the cost of power purchased from the Damodar Valley Corporation. In the preceding year the Company had purchased 390.4 million units from the Corporation at a total cost of £1,070,194. During the year under review, power imports rose to 664.9 million units at a cost of £1,940,775. This large increase in the cost of imports—which necessarily includes interest and depreciation charges that are not included in the Company's own operating expenditure since they are shown separately—increased the total operating expenses. Cost of generation, transmission and distribution was also higher by £190,629 at £5,278,764, despite a saving of about £75,000 in the cost of coal and can be ascribed mainly to the increase in salaries and wages arising out of a general revision of scales of pay. Administration and general establishment charges have also increased by about £60,000 for the same reason. Because of these higher costs, the gross profit has gone down to £2,593,506 from £3,009,778 a year ago. Although the provision for depreciation has been stepped up from £960,615 to £994,487 because of a higher depreciable block, there has been a saving of £211,909 in the provision for taxation which has taken up £943,105. As a result, the net profit stands reduced at £655,914 in comparison with £894,149 for 1960-61 and £1,167,490 for 1959-60.

The clear profit, however, for the year, as calculated in accordance with the Electricity (Supply) Act, 1948, was less than the reasonable return by £515,618. This shortfall has been reduced by a transfer of the balance of £187,816 standing to the credit of the reserves created for such contingencies. Paucity of profits has compelled the Directors to credit a lower sum of £392,406 (as against £639,257 last year) to reserves, while transferring £168,793 (£159,966) to the debenture sinking fund.

The following comparative table presents the Company's working in the past four years:

(In £s sterlings)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale of current ..	10,494,687	9,805,661	8,834,610	8,114,777
Other income ..	207,456	196,885	141,762	114,680
Cost of generation, distribution etc. ..	5,278,764	5,088,135	4,557,626	4,023,443
Cost of power purchased	1,940,775	1,070,194	782,449	771,087
Other expenses ..	889,098	834,439	794,908	576,412
Gross profit	2,593,506	3,009,778	2,855,990	2,628,657
Depreciation ..	994'487	960,615	929,176	900,782
Taxation	943,105	1,155,014	759,324	623,222
Net profit	655,914	894,149	1,167,490	1,104,653
Transfer from reserves.	316,244	356,541	416,756	106,247
To reserves ..	392,406	639,257	660,865	619,929
,, debenture sinking fund	168,793	159,966	151,532	143,219
,, consumer benefit account	..	..	349,403	..
,, gratuity fund and debenture issue expenses	51,671	51,671	51,670	51,670
Dividends—				
5 per cent preference	63,650	63,650	65,075	95,000
Ordinary	319,699 (7.5%)	319,699 (7.5%)	319,699 (7.5%)	298,386 (7%)
Carry forward ..	100,524	124,585	108,138	122,137
Market price of ordinary shares in rupees—	1962	1961	1960	1959
High	15.31	15.25	16.02	15.31
Low	14.50	13.94	14.75	13.56

It will be recalled that, during the preceding year, the West Bengal Government had at last authorised the extension of the Company's power generating station at New Cossipore by installing an additional machine of 50 MW capacity. During the year under review, great progress was made on the foundation raft and the new pumphouse monolith, both of which were completed ahead of time. In view of the plant manufacturing programme being well up to schedule, the Chairman has expressed confidence that the new machine will be on commercial load by October 1963—about the same time as the Company has been promised the first tranche of the power it would be importing in increasing quantity from the West Bengal State Electricity Board in the future. The shortage will thus continue for at least another year.

As against this there is a possibility of the demand for energy rising during days to come. In addition to large industrial concerns supplied at high tension, energy supplied for power purposes covers a large number of small industries supplied at low tension such as the jute industry, rolling mills and engineering workshops, cotton mills, chemical works, and paper mills. With the exception of the last mentioned, their consumption is clearly on the increase. Similarly, with the growing popularity of small air-conditioning units in residences and offices, demand for energy for domestic power purposes has also been rising. The position arising out of this situation can only be alleviated by an increase in the import of power from D.V.C.

Despite the uninterrupted increase in sales and the continuous rise in all costs since the war, the Company's existing rates for lights and fans and for domestic power have remained unaltered for over fifteen years and other rates have altered only to the extent necessary to reflect the greatly enhanced cost of coal. These have been instrumental not only for bringing unsufficient revenue to meet the rising costs of operation but also for disabling the Company to earn the full reasonable return to which it is entitled by statute. The Company, therefore, decided, and very rightly in our opinion, to revise its rate structure on the general principle that each class of consumption should bear its proper share of the cost of production and distribution. The first call has fallen on the industrial high voltage consumers whose rates have been increased by about 17½ per cent on an average. No change has been proposed for the present for power supplied for lighting and fans as also for power supplied to small low voltage users. Larger low voltage users, however, have to pay an additional charge of about 17½ per cent, while high voltage energy users have to bear an additional charge of 13 per cent.

The ordinary stock of the Corporation is quoted on the Calcutta Stock Exchange at Rs. 14.87, at which rate the yield roughly works out to 6.72 per cent (actual) per annum.

RESULTS OF TEXTOOL IMPRESSIVE

STAFF MAIN BENEFICIARY

DESPITE shortages of textile machinery components and coke and a ten-day lockout in the factory following a strike by workers, the Textool Company Ltd. (Managing Agents: Messrs. Balasundram and Company, Coimbatore) has managed to report further progress during the year to 30th April 1962. Sale proceeds have improved from Rs. 172.82 lakhs to Rs. 206.40 lakhs and, thanks to an upward revision in selling prices, gross profit has expanded by more than Rs. 7 lakhs to Rs. 24.71 lakhs and the profit-margin (ratio of gross profit to sales) has improved further to 11.9 per cent from 10.1 per cent to which level it had advanced in the previous year from 7.8 per cent in 1959-60. But for the strike and the shortages just mentioned, which affected production, the improvement in profit and profit-margin would have been more pronounced. The main beneficiary of the year's better performance is the staff. Subsequent to the lockout in the factory, the Industrial Tribunal gave an award, under which the wage bill of the Company increased slightly. Staff expenses during the year aggregated Rs. 61.45 lakhs, as against Rs. 56.52 lakhs a year before. Besides, out of the distributable surplus, Rs 5.01 lakhs, or 38 per cent, have been provided for bonus to staff in respect of previous years. The shareholders, on the other hand, have been awarded the same return of 15 per cent per annum, subject to tax, on the Rs. 100 fully paid ordinary shares. Transfer to development rebate reserve has been stepped up from Rs. 0.84 lakh to Rs. 1.80 lakh, and a sum of Rs. 30,000 has been set apart, as against nothing in the past three years, for other reserves.

The table below compares the salient features of the year's working with those of the preceding three years:

(In lakhs of rupees)

	For the year ended 30th April			
	1962	1961	1960	1959
Sales proceeds	206.40	172.82	166.37	132.27
Other income	3.45	1.62	0.90	0.59
Closing stocks	58.86	45.78	38.76	38.89
Raw materials, stores and power consumed	109.36	88.90	90.32	61.30
Other expenses	88.87	73.03	63.75	57.95
Gross profit	24.71	17.53	13.07	12.35
Managing Agents' remuneration	1.47	1.33	0.82	0.60
Provision for—				
Depreciation	4.48	4.05	3.97	3.54
Taxation	5.70	5.50	2.60	2.05
Net profit	13.11	6.65	5.68	6.16
Transfer from reserves ..	..	..	..	1.80
Development rebate reserve ..	1.80	0.84	0.60	2.57
To reserves	0.30	..	..	..
Bonus to staff	5.01	..	1.77	2.69
Dividend..	5.95 (15%)†	5.74 (15%)†	3.29 (15%)†	2.99 (15%)†
Carry forward	0.16	0.17	0.04	0.01
	1962	1961	1960	1959
Market value of equity shares..				
(In rupees)—				
High	191.00	193.50	199.00	175.75
Low	148.00	172.00	143.75	162.00

† Subject to deduction of tax.

The Directors say that the demand for the Company's products has continued to be good and heavy orders on hand await execution. The Company has established itself well all over the country by offering a complete range of spinning machinery with the latest improvements at competitive rates. It has entered into a collaboration agreement with the Nippon Signal Company Ltd. of Tokyo for the manufacture of electric power signals for the railways, and production of these has commenced. Another well-known Japanese firm of textile machinery manufacturers is collaborating with the Company for the manufacture of cone winders. These machines will be ready for marketing shortly.

Financially, the Company's position reflects the state of a young but rapidly growing concern, engaged in a capital goods industry. Such a company necessarily takes a pretty long time to attain an impressively strong financial position. The Company has a paid-up capital of Rs. 39.77 lakhs, which is backed by reserves and surplus aggregating Rs. 16.78 lakhs. Secured loans at Rs. 55.01 lakhs, as against Rs 49.60 lakhs a year before, comprise Rs. 19.40 lakhs (Rs. 21.70 lakhs) from the Madras Industrial Investment Corporation Ltd., key loan from banks of Rs. 10 lakhs (Rs. 7.80 lakhs) and open loan from banks of Rs. 25.60 lakhs (Rs. 20.10 lakhs). Unsecured loans have also increased during the year from Rs. 42.40 lakhs to Rs. 68.44 lakhs. Current liabilities and provisions aggregate Rs. 146.85 lakhs, as against Rs. 101.48 lakhs a year before. Excluding the Investment Corporation loan, the total indebtedness to outsiders works out to Rs. 250.89 lakhs, as against Rs. 171.78 lakhs a

(Continued on next page)

TATA CHEMICALS HIT BY RAIN AND GOVERNMENT

GOOD PROGRESS ON EXPANSION

THE preliminary results of Tata Chemicals Ltd. (Managing Agents: Messrs. Tata Industries (Private) Ltd., Bombay) for the year ended 30th June 1962, showing a setback in net profit from Rs. 34 lakhs to Rs. 16.94 lakhs, despite an improvement in sale proceeds from Rs. 415.72 lakhs to yet another record level of Rs. 531.12 lakhs, were published in *Commerce* of 20th October (*vide* page 695). The net profit has been arrived at after providing Rs. 35.75 lakhs, as against Rs. 23 lakhs in the previous year, for depreciation and allowing Managing Agents' commission of Rs. 1.41 lakh in the previous year, as against nothing for the year under review. As in 1960-61, no provision has been made for taxation in 1961-62. Excluding the excise duty paid Rs. 20.57 lakhs (Rs. 5.79 lakhs in the previous year), sales realisation during the year shows an improvement of Rs. 100.62 lakhs, or 24.5 per cent, to Rs. 510.55 lakhs. As against this, the gross profit has declined from Rs. 58.41 lakhs to Rs. 52.69 lakhs.

From the comparative table that follows, it will be clear that the recovery of about Rs. 8 lakhs which the Company had staged in its profit in the previous year, has been almost completely lost during the year under report. The profit-margin (ratio of gross profit to gross sales), which in 1960-61 was slightly lower at 14 per cent than 14.7 per cent in 1959-60, has dipped to 9.9 in 1961-62. The percentage of net profit to sales has declined to 3.2 in 1961-62, after having recovered from 7.7 to 8.2 per cent in the preceding year. Likewise, the percentage of net profit to capital employed has dropped to 2.1, after having recovered from 3.9 to 4.4 per cent in 1960-61. The net surplus per ordinary share works out to Re. 0.49 in 1961-62, as against Re. 1.16 in the preceding year and Re. 0.90 in 1959-60.

The main features of the Company's working in the past four years are brought out in the table below:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales proceeds	531.12	415.72	341.32	340.70
Other income	9.80	9.03	9.74	11.57
Stock of finished goods ..	60.21	45.59	31.11	35.17
Raw materials and stores consumed	203.05	134.94	106.56	101.78
Other expenses	299.29	245.96	193.61	181.34
Gross profit	52.69	58.41	50.38	69.15
Depreciation	35.75	23.00	20.75	20.00
Taxation	..	..	1.06	12.51
Managing Agents' commission.	..	1.41	2.27	4.45
Net profit	16.94	34.00	26.31	32.19
Transfer from reserves ..	4.00	..	2.50	0.49
Development rebate reserve ..	..	17.40	14.35	13.30
To reserves and provisions ..	0.50	0.50	0.50	0.82
Dividends—				
5 per cent preference ..	4.28*†	4.82†	3.75†	4.28†
Ordinary	16.65 (6.5%)*‡	11.89 (6.5%)*‡	10.63 (6%)*‡	14.25 (7.5%)*‡
Carry forward	0.05	0.04	0.15	0.07
	1962	1961	1960	1959
Market value of equity shares (In rupees):				
High	20.36cr	22.08	22.04	19.52
Low	13.28xr	16.00	15.08	14.24

* Subject to deduction of tax.
† The dividend on preference shares has been raised to 7.14 per cent (taxable) to give a net return of 5 per cent. The amount includes Rs. 0.59 lakh paid for the previous year under this adjustment.
‡ Excluding interest at 4 per cent, payable out of capital.

From the Directors' report and the Chairman, Mr. J. R. D. Tata's statement to shareholders, we find that the Company became a victim of the catastrophically heavy rainfall last year at Mithapur (Gujarat), where its plant is situated. The heavy rains, we are told, washed away the bulk of the Company's salt harvest and necessitated the purchase of 125,000 tonnes of salt at an additional cost of Rs. 26.60 lakhs. The loss suffered on account of this would have been less severely felt, had the Government accepted the Tariff Commission's revised selling price for soda ash at Rs. 400 per tonne ex-works, instead of cutting it by Rs. 20 to Rs. 380 per tonne ex-works and that too at ex-port town rates. This decision of the Government cost the Company no less than Rs. 17 lakhs. But for these two adverse factors, the gross profit would have been some Rs. 43.60 lakhs higher than that shown in the accounts.

The higher provision of Rs. 35.75 lakhs for depreciation, as against Rs. 23 lakhs in the previous year, is the result of the change in the method of calculating depreciation from a uniform rate of 10 per cent to the straight-line method as laid down under the Income-Tax Rules 1962. As the revised rates of depreciation were applicable for tax purposes, retrospectively to the previous year, the total allocations to depreciation and development rebate reserve made in last year's accounts were found to have exceeded the statutory requirements by approximately Rs. 7 lakhs. The transfer of Rs. 4 lakhs from this account is, therefore, from this excess amount of Rs. 7 lakhs. No provision has been made for taxation and development rebate reserve this year, as there is no assessable profit, after providing for depreciation.

The Directors have referred to the imposition of an excise duty, under the definition of "compressed gas," on carbon dioxide gas produced and consumed in the manufacture of soda ash at the rate of Rs. 500 per tonne of gas from 24th April to 6th July last and at Rs. 25 per tonne from 7th July onwards. At the higher rate of Rs. 500 a tonne, the duty will be Rs. 200 a tonne of light soda ash which itself sells at only Rs. 380 per tonne ex-works and is already subject to an excise duty of Rs. 20 per tonne. The industry has protested against the imposition of the levy and submitted to the Government that, in the solvay process used in the manufacture of soda ash, no carbon dioxide gas as such is produced and that what is produced is only kiln gas, which, while containing 42 per cent carbon dioxide gas, does not constitute compressed gas in the legal sense of the term. While indicating some possible relief from the higher rate of duty, the Government has ruled out total exemption from the lower rate of duty. This will increase the cost by Rs. 10.30 per tonne of light soda ash. The industry intends to press for a judicial ruling on its stand. Hence no provision has been made in the year's accounts for the duty.

Soda ash production, at 102,000 tonnes, showed an increase of 28 per cent over the year. The current rate of production is said to be substantially higher than last year's average figure. The dense ash plant, installed and commissioned last year, is now on regular production, and the product has been well received by the principal users, namely, glass manufacturers. However, the profit-margin on the product has been reduced by Rs. 10 a tonne, as the Government has imposed a cut to that extent in the price differential of Rs. 30 a tonne in favour of dense ash as recommended by the Tariff Commission. Sodium bicarbonate output was 11 per cent higher than in the previous year, and steps are under way to increase it to 30 tonnes a day.

Production of caustic soda by chemical processes has been discontinued, as the Tariff Commission did not recommend a higher price for chemical caustic soda. The plant has been turned over to the manufacture of caustic potash and industrial pure salt. Electrolytic caustoc soda continues to be manufactured and the production will be expanded by the addition of a second batch of 28 Hooker cells within the next few months. Production of magnesium chloride declined by 81 per cent and of bromine by 67 per cent, as the working of the marine products section was also affected by the damage to the salt pans.

According to Mr. Tata, the proposal to commission a further 700 acres for salt has materialised, with the Government of Gujarat leasing to the Company additional area. This area is being developed and will start producing salt during the current year. To safeguard the Company's position further in respect of salt supplies, a new salt works is being developed in the Okhamandal area, some ten miles south-east of Mithapur. The combined salt output from the two areas during favourable weather is expected to be in excess of the Company's requirements. If the weather is unfavourable, the two areas, being widely separated, will be mutually supporting and complementary to each other. Maximum output of soda ash and its derivatives at minimum cost and production of dense ash and pure salt, as is now proposed, will complete the current programme of modernisation and expansion. With some additional capital expenditure, it may be possible then to increase soda ash output by another 100 tonnes a day, which, however, will be done only if it is profitable to do so. At that stage, however, the Mithapur plant would have reached its optimum potential. Mr. Tata believes that the Company will then have to look to other activities for further growth and diversification.

Following the issue of 503,920 ordinary shares during the year, referred to earlier, the paid-up capital has increased from Rs. 311.93 lakhs to Rs. 362.34 lakhs, of which Rs. 302.34 lakhs are in ordinary shares and Rs. 59.97 lakhs in 5 per cent cumulative preference shares of Rs. 100 each. As against this total, reserves and surplus aggregate only Rs. 58.31 lakhs and provide but a one-fifth cover for the equity. It will be recalled that the Company issued during 1961-62 also Rs. 50 lakhs 6.5 per cent 1970-75 debentures, in addition to the existing 5 per cent 1975 bonds worth Rs. 5.31 lakhs. Out of the new issue of Rs. 50 lakhs, debentures worth Rs. 34.68 lakhs were taken up by the L.I.C. and the remainder of Rs. 15.32 lakhs were subscribed for by the shareholders. This issue enabled the Company to reduce its bank borrowings during the year from Rs. 143.48 lakhs to Rs. 91.11 lakhs. Secured loans, including debentures, bank borrowings and a Rs. 1.53 lakh housing loan from the Government, aggregate Rs. 147.95 lakhs, as against Rs. 150.44 lakhs a year before. Unsecured loans amount to Rs. 254.05 lakhs. Current liabilities and provisions aggregate Rs. 120.01 lakhs. As against an addition of Rs. 103 lakhs during the year to the long-term liability following the issue of new shares and debentures, the aggregate short-term indebtedness to outsiders, amounting to Rs. 465.17 lakhs, has shrunk over the year only by about Rs. 20 lakhs. Further, the short-term indebtedness exceeds the total of current assets, loans and advances at Rs. 309.50 lakhs and trade investments at Rs. 18.78 lakhs, all of which are unquoted. Thus, the financial position of the Company is not quite happy. However, in providing depreciation on fixed assets, the Company has followed a conservative line, and the gross block, which increased during the year from Rs. 709.66 lakhs to Rs. 808.55 lakhs, has been written down to Rs. 544.88 lakhs and, inclusive of capital works-in-progress of Rs. 66.50 lakhs, is shown at Rs. 611.38 lakhs.

At their current market value of Rs. 13.28 *cum-div.*, the Rs. 10 fully paid ordinary shares of the Company offer a net yield of 4 per cent per annum.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker Co. Ltd.

Agents for:
The Oriental Fire & General Insurance Co. Ltd.
Royal Exchange Assurance

(Concluded from previous page)

year before. As against this, current assets, loans and advances aggregate Rs. 268.01 lakhs and investments (unquoted) amount to Rs. 26,200. The indebtedness is thus fully covered. Since the close of the year, the Company has repaid mortgage loans to the extent of Rs. 2 lakhs. It also increased its capital by Rs. 20 lakhs by the issue of 20,000 shares of Rs. 100 each at a premium of Rs. 10 per share to shareholders as on 15th June last in the proportion of one share for every two shares held. The gross block, which expanded during the year from Rs. 77.83 lakhs to Rs. 93.12 lakhs, has been written down to Rs. 58.57 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 168 *cum-div.* On the *ex-div.* basis, they offer a net yield of 6.6 per cent per annum.

AGRICULTURAL PROBLEMS

A SYNOPSIS

By Virendra Agarwala

IN a century and a half, man has broken all the *old barriers which limited productivity and* has revolutionised the techniques of production. When he did this he could, for the first time, regard poverty and hunger not as part of man's sad lot on earth, but as the result of ignorance and illiteracy. It is being gradually realised that freedom from want is quite attainable. Economic freedom implies that the world, particularly developing countries, must pass from an economy of scarcity to an economy of abundance.

It is widely recognised that a politically free man must work to attain economic freedom based on social justice and security. A scientific and modern agricultural base is vital for economic development. The scope for fuller utilisation of manpower turns largely on the two important factors, namely, the rate of increase in agricultural produce and the rate of saving. Agricultural and allied pursuits in India continue to absorb about 70 per cent of the working population. *It is true that a rapid* rate of economic development is associated generally with a rapid growth of agriculture. A rapid growth of the agricultural sector also helps to provide a growing demand for the products of industry and thus stimulates a high rate of growth in this sector as well. It is, therefore, very much in our national interest that everything possible should be done for reconstruction and development of our rural economy.

Plan Outlay

The third Plan provides for an outlay of Rs. 1,281 crores for agricultural programmes, as compared with Rs. 667 crores and Rs. 354 crores in the second and the first Plans, respectively. The third Plan envisages an increase of about 27 per cent in agricultural production. Accordingly, the index of agricultural production is expected to rise from 139.1 in 1960-61 to 176 in 1965-66. The *per capita* availability of foodgrains is expected to rise from 16 ozs. in 1960-61 to 17.5 ozs. in 1965-66. The *per capita* consumption of foodgrains is at present below the nutritional norm of 18 ozs; it was 15.7 ozs., per day in 1954 and 15.4 ozs. in 1960. The country has to increase its present output by 21 million tons by 1965-66, if it is to achieve the third Plan target of 100 million tons of foodgrains which comes to an increase of over 26 per cent in four years. Whether 480 million people which India will have by then will be able to have a nutritious diet, even if the target of 100 million tons is achieved in 1965-66, remains a big question of doubt.

The production of foodgrains in 1960-61 reached the record level of 79.3 million tons, exceeding the production in 1959-60 by 3.8 million tons. In 1961-62, there was a slight fall in output, due chiefly to a slight setback in the production of rice, *bajra* and *jowar*. In order to maintain the upward trend in production, it is necessary to ensure conditions which will maintain farmers' incentive. Accordingly, besides continuing the decontrol of wheat already effected in 1961, an assurance of a minimum price below which market price of wheat will not be allowed to fall, has been given to the farmer. The Government has fixed a minimum price of Rs. 13 per maund for fair average quality of common varieties of white wheat when delivered at specific markets. It is widely known that the prices of agricultural commodities constitute the primary factor in determining the price level in the national economy. Prices should be so stabilised that they do not fluctuate more than 1½ per cent on either side. It is a matter for satisfaction that the Union Minister for Food and Agriculture, Mr. S. K. Patil, has ruled out any reduction in foodgrain prices from levels that were prevailing before March last, since when there has been a perceptible rise in cereal prices. It is only but fair that the farmer must be guaranteed fair prices for his produce and should not be punished for producing more. On the contrary, he must be provided with additional incentives in a manner which will not be inflationary. We must pay urgent attention to the question of increasing agricultural output in view of the rapidly rising rate of growth of population. In some States, such as Kerala, West Bengal, Uttar Pradesh and Bihar, the population increase has outstripped the present resources of food production. With the present rate of population increase of 2 per cent, many more States are likely to join the ranks of overpopulated areas. India will repeat the story of China and Soviet Union, if special efforts are not made to meet this challenge.

Productivity

Increase in agricultural output has been achieved so far chiefly by increasing the area under cultivation, but there is hardly any scope for pursuing this means in the coming years. *Already, the area under agriculture in India is* as large as 370 million, or 41 per cent of the total. This is the highest in the world and yet India is heavily dependent on the outside world for supply of food and agricultural raw materials. It is, therefore, necessary to concentrate on raising the productivity of our farm lands. *The following table indicates the great leeway* that remains to be made up in this respect:

(100 kg. per hectare)

	India	*Japan*
Wheat	6.6	21.2
Rice	13.7	46.2
Tobacco	6.8	20.3

The question of agricultural productivity hardly needs to be determined by the total quantum of investment. Agriculture is the least capital-intensive of all commodity producing sectors. For any given amount of investment, agriculture yields output equal to about four times the same investment would yield in the *basic investment goods sector* and about twice it would yield in the large-scale consumer goods sector. Japan increased its output of major crops by 77 per cent with very little new fixed investment.

The Central Government gave financial and technical assistance to the State Governments and allocated for the year 1961-62 a sum of Rs. 47.79 crores as assistance to the States for schemes falling in the agricultural sector of the State Plans. In addition, a provision of Rs. 25.50 crores was made for giving financial assistance as short-term loans to State Governments for the procurement and distribution of fertilisers and improved seeds. The pilot package programme has been sponsored by the Ford Foundation on the advice of the Union Ministry for Food and Agriculture. Nevertheless, very little has been achieved. This should open our eyes to what remains to be done to raise our agricultural productivity.

Imports

The total quantity of foodgrains imported *in 1961 amounted to 3,495,000* metric tons, valued at approximately Rs. 129.57 crores. *A continuous* import of foodgrains and industrial raw materials has resulted in a heavy strain on our foreign exchange and the resources made available by foreign countries to help India. How long can the country afford to rely on overseas supplies when it does not have the means to pay *for them? Instead of being self-complacent* in the matter, the Central and State Governments must give prior attention to schemes which may offset the effects of national calamities and low productivity. These include extensive irrigation facilities, abundant supply of fertilisers, mechanisation wherever possible and provision of better seeds and storage facilities.

So far as fertilisers are concerned, it is depressing to find that their annual production is not more than one-third of the demand for them in terms of nitrogen and the total supply of fertilisers, including imports, comes to only about 40 per cent of the demand. Even the target of 1.5 million tons fixed by the Planning Commission is an underestimate of the requirements, which, according to the Ford Foundation team, will be 2.5 million tons by the end of the third Plan.

Mr. S. K. Patil has emphasised the need for changing the food habits of people and reducing their dependence on cereals. He favours an increase in the consumption of fruits and leafy vegetables. Scientific research, however, has revealed that such diet is unbalanced and lacking in adequate nutrition. One should not forget that the vast majority of people in this country is not in a position to afford even this unbalanced diet, let alone consume more dairy products which are neither economical nor freely available. Again, it should not be presumed that it is easier to change one's food habits. It is not, therefore, wise to make any calculation of our food requirements on such unreliable basis.

Bombay Cotton Annual,'1960-61. Compiled and Published by C. M. Parikh, Secretary, East India Cotton Association, Ltd., Bombay. Pages: 301. Price : Rs. 7.50.

The latest issue of the Bombay Cotton Annual (Forty-second in the series) for the year 1960-61, is a comprehensive compendium of information relating to Indian cotton. It presents, as usual, in a handy volume a wealth of statistical and other data conveniently classified and carefully tabulated. The coverage of the *Annual* is, indeed, very wide, encompassing every aspect of raw cotton, including important Government notifications. It is by far the most authoritative and exhaustive reference book on Indian cotton.

SOVIET ECONOMIC BLOC

(*Concluded from page 776*)

strength but also on the support of the whole confraternity. (*Ibid.*, p. 4.)

Khrushchev's article also deals with the political aspects of the problem. The Western powers have, he maintains, accepted the Soviet "challenge" to economic competition between the two world systems, and the "socialist" bloc must accordingly implement the whole complex of measures described above to ensure its victory in this competition. This concept is enlarged upon by the theses that the successes of west European economic integration are fully and objectively recognised, that the "strength of the enemy" must be kept in mind, and that there should be collaboration with the West, "not only with separate States with a diverse social structure but also with their economic alliances." (*Ibid.*, p. 6.) This statement is an obvious reference to the possibility of co-operation between COMECON and the Common Market. It is stressed that the COMECON countries are prepared to collaborate with west European countries "in the spheres of development of varieties of raw material which are in short supply, of increasing power resources, of joint exploitation of waterways, and in other branches." (*Ibid.*)

Why China is Out

Another point of interest in the article is the explanation why not all socialist countries, especially Communist China, are members of COMECON, despite the fact that the policy of consolidation is viewed as so important.

The activities of the Council of Mutual Economic Aid in the organisation of collective economic collaboration do not at present extend to all the socialist countries. The uniformity of entry onto the road of socialism has not permitted them to embark on collective economic collaboration simultaneously. (Ibid., p. 3.)

This statement does not, of course, stand up to criticism. The fact that Red China entered *the "road to socialism" a year after the establishment of COMECON is no reason for withholding membership. It is obvious that the time element is unimportant. Indeed, Mongolia was accepted into COMECON in the thirteenth year of its existence. Nor can the level of national economic development play a part, since both Mongolia and China are far from being industrialised countries, and, in the words of the article:*

... The creation of a specialised and co-operative industry is equally advantageous both for countries which already have a developed industry and for those which are following the road to industrialisation. (Ibid.).

Red China, North Korea and Communist Vietnam have been kept out of COMECON for other reasons. In the spheres where its influence is unlimited the Kremlin has created, and is still *creating a closed political and economic complex.* Red China could be allowed to enter it only if the Peking Government were willing in subordinate itself to the Soviet leadership. The growing rivalry between the two entirely excludes this possibility. Moreover, it should not be forgotten that the association of Red China, with its population of 650 million and endless economic crises, with COMECON would lower the general economic, and therefore political, potential of the Soviet bloc.

In its treatment of the new phase in economic relations within the Soviet bloc the Soviet press has been full of propaganda declarations of the "benefits" which will be enjoyed by the satellite countries. The falseness of such statements is patent. While implementing the planned measures the Soviet Union is retaining of universal "multiple structure" of its own economy at a time when the satellites are becoming increasingly one-sided and dependent in their economy. The direct result of this process will be a further reduction of the satellites' already meagre degree of independence in domestic policy. Essentially, the new move is nothing but a form of neo-colonialism.

The Soviet proclamations of the principles of "proletarian internationalism," on which the "new phase in the economic alliance of the COMECON, countries" is to be based, are clearly for propaganda purposes only. In point of fact, the entire process represents neither more nor less than a new step towards the establishment of a Soviet economic and political empire.

India will supply 150,000 tons of sugar to Japan over a period of one year under the deal concluded between the two countries. A substantial quantity will be in the form of raw sugar. Japan will pay 50 per cent of the total cost in foreign exchange and the balance through the supply of fertilisers.

NEWS IN BRIEF

THE Government of Gujarat proposes to start drilling for lignite in the Kutch area.

The Union Government has decided to allow export of bauxite within an overall ceiling of 550,000 tons annually in the next two years.

Manganese ore deposits have been discovered at Adilabad district in Andhra Pradesh. The ore is said to be of high quality and is practically free from phosphorus, sulphur, etc.

An export promotion panel for woollen goods (except carpets, rugs and ruggets) has been set up at Ludhiana. The panel, comprising 12 members representing the woollen industry, will advise the Textile Commission on the working of the scheme.

The State Trading Corporation has entered into barter deals with some U.S. and European companies for the import of long-staple cotton and steel *in exchange for exports of 100,000 tons of* manganese ore.

The U.K. has offered gift of laboratory equipment worth £5,000 for the two Indian research institutions in India, namely, Central Building Research Institute, Roorkee and Central Drug Research Laboratory, Lucknow.

The Director-General of the Overseas Communications Services has notified that, according to the Iranian Administration, telegraph connection with Basstak situated in Shiraz area has been re-established and telegrams to and from that place are again being accepted.

A team of West German experts is expected to visit Mysore shortly to study the possibility of purchasing iron ore produced there. If the team were satisfied with the quality of ore, West Germany would collaborate with the Government of India in the construction of the Mangalore port and in laying the connected railway link.

The Government of Andhra Pradesh has decided to set up a pilot plant at Nuzvid in West Godavari district for manufacturing brown sugar from palm juice. The plant, which is expected to cost Rs. 1.25 lakh, will have a capacity to produce one ton of sugar per day. It will be managed by the State Khadi and Village Board.

The Government of India has granted an industrial licence to a Calcutta firm for the establishment of a portland cement manufacturing plant in the Purulia district of West Bengal. The plant, which will have a capacity of 600 tons a day, is expected to go into production early in 1965 and will utilise the limestone deposits in Purulia district.

The last date for covering, by the contracts with the U.K. buyers for exports of cotton textiles, 100 per cent of the total quota allotted to quota holders (reserved quota and unreserved quota including supplementaries) has been extended from 31st October 1962 to 31st December 1962, according to an announcement by the Cotton Textile Export *Promotion Council.*

The official delegation, which visited Cairo for negotiating with the United Arab Republic Government on the revision of a bilateral agreement governing the airlines of the two countries returned this week. The delegation was headed by Mr. M. M. Philip, Secretary, Department of Communications. It is understood that accord has been reached over the revised text of the agreement to meet the current and anticipated requirements of Air-India for services through Cairo and of United Arab Airlines for services to and through Bombay.

The Government of India has concluded an agreement with Messrs. M. A. N. Augsburg of West Germany for the manufacture of marine diesel engines in India. The range of engines comprises the large ones for the main propulsion of merchant ships, to smaller ones suitable for power generation on board ships, or, on land, and others for propulsion or river and inland watercraft. The manufacture will be undertaken by a public-sector undertaking under the Ministry of Defence. It is expected to go into production during the third Plan period.

The Government of India proposes to sponsor a conference of Indian shipping lines as one of the means to ensure co-ordination of export promotion efforts. As a first step towards this move, shipowners on the east coast have been asked to form an association on the same lines as the Indian National Steamship Association of Bombay. The two associations will be amalgamated at a later stage into one single conference. India is currently paying Rs. 150 crores per annum as freight on exports alone, of which the share of Indian shipping companies is about Rs. 30 crores.

The Government of India has set up under the chairmanship of the Textile Commissioner an Export Promotion Advisory Committee for handloom goods at Madras. The Committee will act as a channel of communication between the Government, the Handloom Board and the export trade so as to facilitate discussion of problems facing the export of handloom fabrics. It will also make recommendations regarding means and methods of expanding these exports to traditional and non-traditional markets and work out export promotion schemes and suggest necessary export incentives.

The Government of India has constituted a high-power Maritime Freight Commission in a bid to strengthen India's bargaining position and to secure freight concessions for exports. The Commission will advise the Government on all matters of shipping freight, international and coastal. Mr. Y. N. Sukthankar is the President of the Commission. One of the members is Mr. S. D. Joshi, Special Secretary, Union Ministry of Commerce and Industry, who will advise on shipping freight from the export trade point of view. The other member is Dr. Nagendra Singh, Additional Secretary, Ministry of Transport and Communications and Director-General of Shipping.

Regional research centres at Coimbatore, Surat and New Delhi will implement a long-range programme of research to evolve "inter-specific hybridisation" in cotton, according to a programme *sanctioned by the Indian Central Cotton Com*mittee. The programme is designed to evolve types of cotton possessing a combination with desirable characteristics like extra-long staple length, good fibre finesse, tensile strength and resistance to pests. The work will have its co-ordinating centre at Coimbatore with the overall supervision of the head of the Regional Research Centre there. Hybridisation is aimed at between the American and Asiatic cottons as well as between the presently cultivated species capable of transferring useful characteristics.

The Maharashtra Government has directed the Collectors and Sub-Divisional Officers in the Vidharbha region to assume management of any holding which has remained uncultivated for any two consecutive years or of any lands of which full and efficient use has not been made for the purpose of agriculture. The officers have been given these powers under section 80-A of the Vidharbha Tenancy Act, 1958. These lands, after take-over by the State, will be leased out to such persons who are capable and willing to cultivate them, preferably tenants or agriculturists cultivating adjacent or nearby land. If such persons are not able to cultivate these lands, they will be leased out to other small holders capable or willing to cultivate them.

* * * *

From Abroad

President Kennedy has vetoed a Bill which would have doubled the tariff on about half of all bicycles imported into the U.S.

The Government of Pakistan has reduced the export quota of tea from 10 million lbs. to 5 million lbs. in order to ensure adequate supplies for local consumption.

The Ivory Coast, the third largest coffee producer in the world, has become the 30th signatory of the recently-adopted International Coffee Agreement.

The population of Japan stood at 95.01 million at the beginning of last August. There were 257 persons per square kilometre. The population is expected to touch 100 million by 1967 or 1968.

Soviet Russia has offered to buy 20 ships worth about $100 million from Japan. The purchase may include canning factory ships, tuna factory ships, refrigeration transports and fish factory ships.

A G.A.T.T. declaration prohibiting export subsidies on goods, other than primary products, will come into force on the 14th inst. The declaration has been signed by all the 14 countries whose acceptance was needed for bringing the declaration into force.

France has agreed to grant a loan of $150 million to Mexico's State Oil Agency, Petroleos Mexicanos (Pemex), for financing the development of petro-chemical industry. The loan will enable Mexico to buy capital goods from French companies.

The first auction of Indonesian tea at London during the post-war period was held last week. 1,400 chests of tea offered at the auction came direct from the Government-owned estates in Indonesia. Auctions are expected to take place twice a month henceforth.

The world output of coffee during the 1962-63 season will be 60.9 million bags, of which 52.7 million will be exportable, according to the latest estimate of the U.S. Foreign Agricultural Services (F.A.S.). The estimated output will exceed world requirements by six million bags.

Hungary has agreed to build a glass factory in Cuba with an annual capacity of 18,000 tons. The factory is expected to go into production in 1964. About 50 Cuban technicians will undergo training in Hungary, while 60 Hungarian specialists will plan and supervise the construction work of the factory.

The West German finance house, the Coutinho Caro, has signed an agreement with the Government of Tanganyika providing for a £2.2 million credit for the establishment of a variety of manufacturing plants in Tanganyika. Germany has had considerable experience in similar financial arrangements in West Africa.

Soviet engineers are designing a big industrial complex for Indonesia in Northern Sumatra, an aluminium combine near Medan and a hydro-power station on the River Asahan. The first section of the complex is to be commissioned in 1967. With an overall capacity of 280,000 kw., the power station will be the biggest in the country and will *supply the aluminium combine, the first in Indo*nesia, and certain towns where a cotton ginnery, mineral fertiliser and plastics works are to be built.

The Bank of Japan has reduced the bank rate from 7.30 per cent to 6.93 per cent with effect from 27th October 1962. The reduction is part of the series of monetary measures designed to lift the credit squeeze introduced in September last year for balance of payments reasons. The Bank has also announced a reduction in the reserve requirements of commercial banks and relaxation of progressive interest rate system.

West Germany's foreign trade surplus fell in the first nine months of 1961. Exports amounted to half of its size a year ago. It amounted to DM 2,500 million as against DM 5,300 million in the first nine months of 1961. Exports amounted to DM 38,800 million in the January-September 1962 period, or 3.2 per cent more than in the same period in 1961. Imports rose by 12.5 per cent to DM 36,300 million.

Exports of the European Common Market countries increased by 7 per cent to $16,900 million during the first half of this year, as compared with the first half of 1961. The rises in the individual member countries were varying. France (with 3.5 per cent to $3,700 million) and West Germany (4.4 per cent to $6,500 million) showed the lowest growth rates. Italy recorded the largest increase with 16.7 per cent to $2,300 million. Belgium's exports went up by 13 per cent to $2,200 million. The Netherlands registered an increase by 6.7 per cent to $2,200 million.

The rapid progress of integration amongst the European textile markets and the growing interdependence of world textile markets in general have stimulated efforts in the field of standardisation. In particular, the introduction of TEX, the new universal yarn count system, which was planned in three stages over a period of several years, is to be accelerated. In line with those organisations representing the man-made fibre producers, the International Federation of Cotton and Allied Textile Industries has now asked its member-Associations to proceed to the second phase of the Tex system (Tex number first, traditional number in brackets) on 1st January 1963. At the same time, educational efforts are being made at national levels to popularise the Tex system in both textile industries and trade.

The steel rolling mill being set up in Ceylon by the State-owned Steel Corporation in financial and technical collaboration with Soviet Russia is expected to go into production in 1965. The mill is designed to produce 35,000 tons of light merchant sections on two shifts and 50,000 tons on three shifts. The capital outlay on the first stage of production is Rs. 8 crores, of which Rs. 3.26 crores, representing foreign exchange costs, will be met by a Soviet loan carrying interest at 2½ per cent The mill will utilise imported billets in the first stage and imported pig iron and scrap (which will be converted into billets) in the second stage. In the third stage, iron ore—imported as well as whatever is available locally—will be smelted to produce pig iron. The second and third stages are expected to cost Rs. 7.84 crores.

The Common Market and its eighteen associated territories have reached broad agreement on the provisions of a new five-year convention of association. The main feature of the agreement is the financial aid from the Six to the independent associates, which will amount to $730 million. Of *this sum, $500 million will be used for economic* development and technical aid, while the remainder will be devoted to diversification of industry and for price subsidies. *A further $70 million of aid will be given to the Community to the de*pendent associates. Price subsidies will be gradually phased out by the end of the five-year period. Coconuts, pepper, palm oil, cotton and gum arabic must start competing on world markets by 1963-64, while subsidies on rice and sugar will cease when the Common Market has worked out a common policy. The subsidy on oil products will also be phased out when the Six have a common policy, and in any case not later than 1964-65. For coffee, the subsidies will start to go at the end of next year, and will have disappeared by the end of 1967.

PERSONAL

MR. J. K. Walker, a former Australian Ambassador to Moscow, has been elected Chairman of the Colombo Plan Consultative Committee for this year.

Mr. P. S. Kothari has been appointed Managing Director and Works Manager of the National Newsprint and Paper Mills Ltd. (N.E.P.A.), Madhya Pradesh.

Prof. M. P. Gandhi, Editor of the *Major Industries of India Annual*, Bombay, has been appointed a member of the State Advisory Council of Industries in the Gujarat State.

Prof. M. S. Thacker, until recently Secretary to the Ministry of Scientific Research and Cultural Affairs and Director-General of the Council of Scientific and Industrial Research, has taken over charge as a Member of the Planning Commission in charge of Education, Health, Natural Resources and Scientific and Technical Manpower.

SYNOPSES OF COMPANY REPORTS

Barnagore Jute Factory Co., Ltd.

(*Secretaries*: McLeod Russel and Co., Ltd., London. *Agents in Calcutta*: Messrs. Jardine Henderson Ltd. *Chairman*: Sir John H. Burder.)

Ninety-first Annual General Meeting—7th November 1962.

Working Results:

	For the year ended 31st March (In pound sterling)	
	1962	1961
	£	£
Gross profit (+) or loss (—)	—89,216*	+197,517
Transfer to depreciation	55,808	55,374
„ „ provision for taxation (Indian)	Nil	39,000
„ „ „ doubtful debts	2,796	3,315
Net profit (+) or loss (—)	—89,216	+108,828
Adjustments	113,227	111,204
Appropriations:		
Total available balance	113,227	220,032
To adjustment of loss for the year	89,216	Nil
Transfer to general reserve	Nil	100,000
„ „ development rebate reserve	Nil	1,983
Proposed dividends (taxable) 5% Cu. Preference	6,125	6,125
„ „ „ Ordinary	16,844 (10%)	16,844 (10%)
Carry forward	1,042	95,080

* Loss after taking into account provision for depreciation and doubtful debts.

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items like excess provisions for taxation no longer required and amounts transferred from reserves if any.

Extracts from the Directors' report: At the beginning of the year under review the working hours in the Mills had been reduced to 42½ hours per week with 12 per cent of the looms sealed in order to mitigate the effects of the shortage of raw material. It soon became evident, however, that further restrictive measures would be required if the Industry as a whole was to continue working on an organised basis until new crop jute became available in quantity in September and October. With this object in view a block closure of Mills took place for one week in June and one week in July. In spite of these efforts to regulate supplies, stocks of jute fell to extremely low levels.

From November onwards, ample supplies of jute became available, and the restrictions imposed by the working time agreement were virtually removed from the 15th January onwards. The percentage of the Industry's loomage which officially remains sealed has been reduced to 5 per cent but, due to the availability of accumulated loom hours, the Industry has been working to its full capacity.

As was foreseen in the report of the Directors dated 24th November 1961, heavy losses were sustained by the Mills during the first six months of the financial year and it was not until December, when the weight of the new crop came on the market, that there was a return to profitable trading conditions.

This change in the fortunes of the Jute Industry has continued, and the forecasts for 1962 are satisfactory. The Board feel that they can now look forward to a period of more stable conditions, and the trading results of the 6 months since the closing of the accounts justify them in recommending the payment of a dividend of 10 per cent on the ordinary shares of the Company, in spite of the severe loss of the past year. In furtherance of this, a sum of £14,000 has been transferred from reserves to the appropriation account leaving a balance of £1,042 to be carried forward.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	£	Assets	£
Capital*	475,000	Gross block	1,427,611
Reserves and surplus	829,901	—Depreciation	1,022,716
Other liabilities	329,864		
		Net block	404,895
		Block in progress	5,875
		Current assets	1,171,122
		Investments	18,969
		Cash	34,104
	£ 1,634,765		£ 1,634,765

* Paid-up capital consists of 55,000 ordinary shares of £5 each, fully paid and 40,000 5 per cent. cumulative preference shares of £5 each fully paid.

Sundatta Foods and Fibres Ltd.

(*Secretaries and Treasurers*: Messrs. N. Sirur & Co., Private Ltd., Bombay.)

Tenth Annual General Meeting—12th November 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sales—finished goods	94,74	85,88
„ —Copra	7,49	Nil
Closing stock—finished goods	7,69	10,18
„ „ —goods in process	1,74	1,10
Gross loss subject to depreciation	—80	—7,76
Adjustments credit (+) or debit (—)	—7,65	+11
Total debit balance carried forward	—8,45	—7,65

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report: During the year under report, the Company processed 17,594 tonnes of cottonseed, 556 tonnes of groundnut seeds and 500 tonnes of purchased groundnut cake, as against 11,271 tonnes of cottonseed, 1,896 tonnes of groundnut seeds and 2,704 tonnes of purchased groundnut cake in the previous year. The total tonnage thus handled during the year although more by 2,779 tonnes over the previous year, fell considerably short of the tonnage this Company's Mills at Hubli should normally process.

The excessive rains and floods in late September/October 1961 in many parts of the country, and particularly in Berars, caused heavy damage to the cotton crop in the 1961-62 agricultural year which led to serious cotton shortage in the country in the calendar year 1962. This prevented the Company from crushing adequate quantity of cottonseed during the November/March period, since the price of cottonseed reached very high levels. Also, there was negligible processing of groundnut seed and cake during the November/March period, which is the main season for this activity, on account of the relatively higher prices prevailing for these raw materials compared to the finished products, viz. groundnut oil and groundnut de-oiled meal.

The prices of groundnut de-oiled meal are mainly governed by foreign markets. Solvent extraction plants near port towns in Saurashtra, Bombay and Madras, which are served by the groundnut producing hinterland, have, therefore, been in a relatively advantageous positin in regard to exports of de-oiled groundnut meal. However, with the early opening up of Marmugoa harbour, which is only about 100 miles from Hubli, a similar advantage of lower inland freight incidence of almost Rs. 15 per tonne would soon be available to the Company. The question of opening up of Marmugoa harbour for oilcake/de-oiled meal cargo has been actively taken up by the Company with the Government of India and a decision is expected very shortly.

The opening up of Marmugoa harbour should restore the economics of groundnut cake de-oiling, for which purpose the solvent extraction plant was originally purchased in 1958. Moreover, a substantial saving in inland freight cost would also be possible for the present large export by the company of de-oiled cottonseed meal, for which the export incentives have been still further increased since July 1962.

With the better export prospects for the major product, namely de-oiled meal, the Directors have taken steps to improve the domestic marketability and price realisation of the Company's other main product, viz. vegetable oil, by ordering a Sharples *Miscella Refining Plant*.

The Company increased its paid-up capital by Rs. 2,47,100 during the year under report, principally by way of further investment by The Modern Mills Ltd., and the issue of equity shares to the Pacific Vegetable Oil Corporation of California, U.S.A., against machinery supplied by them.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	27,32,125	Gross block	35,40,856
Reserve for development rebate	1,97,040	—Depreciation	3,07,433
Other liabilities	41,57,068	Net block	32,33,423
		Current assets	29,18,382
		Investments	754
		Cash	28,118
		Miscellaneous expenditure	60,861
		P. L. A/C Deficit	8,44,695
	Rs. 70,86,233		Rs. 70,86,233

* Paid-up capital consists of: (*a*) 17,821 Eight per cent taxable cumulative participating preference shares of Rs. 50 each redeemable at par on 3 months' notice between 1-10-1971 and 1-10-1976 and (*b*) 36,864 Equity shares of Rs. 50 each. Calls in arrears amount to Rs. 4,375. The amount paid-up on shares forfeited is Rs. 2,250.

Hasimara Industries Ltd.

(*Managing Agents*: Messrs. Davenport and Co., Ltd., Calcutta.)

Annual General Meeting—Held on 31st October 1962.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962*	31st Dec., 1960
Sale proceeds of tea (less sale charges)	119,17	16,61
Closing Stock	4,85	11,26
Gross profit	35,19	36,05
Transfer to Mg. Agents' remuneration	2,33	3,27
„ „ depreciation	5,02	6,34
„ „ provision for taxation	14,05	12,00
„ „ development rebate reserve	30	30
Net profit	12,99	14,14
Adjustments	2,53	2,60
Appropriations:		
Total available balance	15,52	16,74
Transfer to general reserve	5,50	8,50
To payment of interim dividend (taxable) Ordinary	3,20 (10%)	Nil Nil
Proposed final dividend (taxable) Preference	30	24
„ „ „ „ Ordinary	4,00 (12½%)	5,44 (17%)
Total Ordinary dividend	7,20 (22½%)	(17%)
To additional preference dividend for 1959	Nil	3
Carry forward	2,52	2,53

* The accounting year has been changed from December to March and hence the comparative figures for the previous period are for the year ended 31st December 1960.

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report: Three of the gardens in Dooars were struck with hail in March 1961 resulting in a damage assessed at 47,463 kgs. of black tea; the weather was otherwise favourable. A total crop of 28,49,021 kgs. was made against an estimate of 28,07,553 kgs., out of which 87,635 kgs. were destroyed by fire at Malangi T.E. in November 1961, leaving a saleable crop of 27,61,386 kgs.

	Season 1961	Season 1960
Total net average sale price—	*Per Kg.* Rs.	*Per Kg.* Rs.
Hasimara Divisions	4.42	4.93
Tumsong	6.65	6.52
Total working cost per kg. of tea produced—		
Hasimara Divisions	4.04	3.62
Tumsong	7.03	5.80

Capital.—The authorised capital of the Company was increased to rupees two crores pursuant to the Extraordinary General Meeting of the Company held on 15th June 1962 and the Company also issued bonus shares in the ratio of 1 : 1 to the ordinary shareholders registered on 15th June 1962 by capitalising reserves.

Fire at Malangi Factory.—On 17th November 1961, there occurred a fire at the factory of the Company's Malangi Tea Estate involving extensive damage to buildings and machinery, etc. These were covered under a reinstatement insurance policy and the Insurance Company has since reinstated the buildings and the machinery, etc. and the Company's share of cost of reinstatement of fixed assets lost by fire amounted to Rs. 2,17,895 only. A sum of Rs. 4,67,894 was also realised from Insurance Company for 87,635 kgs. of made tea destroyed by the fire.

Seksaria Cotton Mills.—The Directors are pleased to record that the partnership venture for running the Seksaria Cotton Mills for a period of only nine months proved very advantageous to the Company as will be evident from the accounts presented herewith and they are also pleased to report that they have been successful in negotiating an interest of 33⅓ per cent of the Seksaria Cotton Mills' net profit for one year from 1st April 1962 in consideration of the Company providing finance required by Seksaria Cotton Mills Ltd. for the conduct of their business. The Directors have also secured a further option for the Company to take the Seksaria Cotton Mills on leave and license for a further period of three years should it so desire. The current trend and the working results of the Mills are satisfactory.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	35,00,000	Gross block	1,33,08,388
Reserves and surplus	79,24,408	—Depreciation	69,58,031
Other liabilities	1,15,34,984		
		Net block	63,50,357
		Block in progress	1,29,156
		Current assets	1,49 04,701
		Investments	10,65,831
		Cash	5,09,347
	Rs. 2,29,59,392		Rs. 2,29,59,392

* Paid-up capital consists of 3,000 seven per cent cumulative preference shares of Rs. 100 each and 3,20,000 ordinary shares of Rs. 10 each. Of the above 2,80,000 Ordinary shares of Rs. 10 each are allotted as fully paid up by way of Bonus shares by capitalisation of general reserve and appreciation of fixed assets.

OIL DIVERSITIES

(*Concluded from page 767*)

Natural Gas Commission, the Pakistan Oil and Gas Development Corporation, and the Afghan Ministry of Mines and Industries. (Aerial survey in Afghanistan was done by Russians in the north and by a U.S. company under American aid in the south.) The agreements for Russian assistance provide for the training of nationals, which, of course, has also been done for a long time by the large oil companies in the region. A paper showed that 400 technical men of various kinds had been trained by Stanvac in the course of its Bengal Exploration project. It is planned to send trainees from E.C.A.F.E. countries to Iran, in view of the facilities available there for research and technical instruction and the gaining of oilfield experience.

Knowledge and Know-how

No text-books exist which could have brought to E.C.A.F.E. members the wealth of information contained in the several highly instructive papers recording experience gained in countries both in and outside the region. Thus, the Australian delegation submitted a paper on the whole range of local exploration costs, all, of course, in the context of Australia's vast distances and absence of oilfield equipment industry, but existence of an adaptable labour force and conditions which attract capital. A paper by the Government of Brunei on Offshore Exploration in Borneo also gave most useful cost figures, e.g., for marine surveys, and for drilling by fixed platform and by a special mobile platform. A paper on Efficient Oilfield Development by the U.K. delegation afforded detailed costs estimates for typical major equipment, spare parts, stores, and number and type of personnel required. Another from the U.K., on the estimation of reserves at various stages of appraisal was also helpful, not least for its bibliography. And many other papers presented by members of delegations of long experience were virtually up-to-date handbooks, giving data only otherwise available in company files or scattered about in industry publications.

The Symposium was valuable too as a clearing house for regional information and for enabling countries to see their problems in wider perspectives. No less than 41 papers were presented on the geology of the region, and an oil and natural gas map of Asia and the Middle East that has been prepared will help the regional surveys it is desired to foster. The delegations of Pakistan and Iran have announced that they are undertaking a joint border geological survey, and the Russian delegation suggested to Iran the exchange of geological information about the Caspian basin.

The early days of the Symposium were, of course, overshadowed by the severe earthquake not very far from Teheran. Throughout, good organisation ensured orderly discussion; and, with the majority of the papers on technical matters, it was these topics that provided the most interest. Tokyo has been mentioned as a possible venue for the next Symposium, to be held in 1965. Again, technical matters will be to the fore. It was, therefore, agreed that an adequate number of technical experts be included in the delegations.—*By arrangement with Petroleum Press Service.*

MODI SPINNING AND WEAVING MILLS CO. LTD.

SPEECH OF CHAIRMAN, MR. GUJAR MAL MODI

HIGH CLASS CLOTH PROJECT TO BE SPEEDILY IMPLEMENTED

THE Modi Spinning and Weaving Mills Company Ltd. is taking steps to implement speedily the project for the manufacture of high class cloth out of cotton linters. This was disclosed by Mr. Gujar Mal Modi, Chairman of the Company, when he addressed the Sixteenth Annual General Meeting of the Company held at Modinagar on Wednesday, 31st October 1962. The Company, Mr. Modi said, had already made arrangements to procure machinery and technical know-how from renowned American firms which would not only supply know-how and machinery but also invest Rs. 25 lakhs in the project. The rupee resources required to pay customs duties, forwarding and clearing expenses, cost of building and erection charges, would be Rs. 5 crores. Mr. Modi stated that some capital had to be raised by issue of equity and preference shares. And he assured the existing shareholders that they would be given the first preference in the allotment of new shares.

The following is the full text of Mr. G. M. Modi's speech:

"LADIES AND GENTLEMEN,

"It gives me great pleasure to welcome you all to this Sixteenth Annual General Meeting of the Company. The Directors' report, the profit and loss account and the balance-sheet of the Company for the year ended 30th April 1962 have been circulated to all of you and have been in your hands for some time. I, therefore, need not now elaborate on the same and, with your permission, take them as read.

Efficient Working

"It would be observed that, during the year under review, the gross profit has been Rs. 68.06 lakhs, as against the previous year's profit amounting to Rs. 67.61 lakhs. I am confident you will appreciate our efficient working and steady progress during the year, in spite of heavy economic odds like the high prices of cotton, increased cost of stores and wages bills.

"The present crisis on our northern borders brought about by the aggression of the Chinese, based upon covetousness, injustice and selfishness, tends to create a tension in the economic field. At this hour of great peril, every citizen of India is to face the crisis with courage and confidence. It is our clarion call to the national total efforts. No sacrifice for the upkeep of our freedom and maintenance of our historic traditions can be too great. On behalf of your Company and myself, I assure the Hon'ble Prime Minister, his Government and the armed forces that this Company will do within their humble resources to increase the production of all their products and thus to meet the challenge of the Chinese intruders with will and determination that the honour of the nation demands.

Foreign Exchange

"The other foremost factor which requires immediate attention is the dwindling foreign exchange resources of the country. The country's shortage of foreign exchange has highlighted the necessity to explore all resources to stimulate exports for earning foreign exchange, as no nation can afford to depend on borrowings permanently. The cotton textile industry has always been a big earner of exchange. The textile exports in the year 1957 were of the value of Rs. 59.63 crores but went down to Rs. 41.22 crores in 1958, slightly improved in 1959 to Rs. 55 crores and were steadily maintained at Rs. 54 crores in 1960. The same have now shrunk to Rs. 46 crores in 1961. During the last eight months, the textile exports have been to the tune of Rs. 28 crores and, with this speed, the total exports in 1962 are expected to be near about Rs. 42 crores. This sharp fall in the export figures of textiles during the current year is alarming.

"To boost the country's export performance, it has been made compulsory that the textile mills should export 12½ per cent of their annual turnover of cloth and 3 per cent of yarn, otherwise they are liable to pay a penalty at the rate of 12½ per cent on shortfall of their obligations. Besides, the textile mills, which produce coarse and medium cloth and consume indigenous cotton, have to pay an export cess at the rate of Rs. 5 per bale on their total consumption of this cotton. Under this scheme, such factories which are using Indian cotton are paying near about Rs. 2.5 crores per year as contribution to the Textile Association. As stimulation of the exports is the prime responsibility of the nation, its burden must be shared by all, irrespective of what type of cotton cloth is produced. As such, if this levy is imposed on spindle basis instead of penalising the Indian cotton, it would be more efficacious and resourceful.

"At present, India can export cloth only at a loss of about 35 per cent based on internal prices. To compensate this loss, the Government has allowed certain incentives to the exporting mills in the shape of import licences of foreign cotton, dyes and chemicals, and machinery. But these incentives are subject to certain conditions whereby only a limited percentage of these import entitlements are allowed to be utilised by the exporters, the rest have to be surrendered on a fixed margin. After taking all these factors into consideration, the exporting mills still suffer a loss of 15 per cent. Thus the mills are interested to export only to the extent of their legal obligations. This policy has proved a boon to mills which dabble more in exports, as their extra exports are transferable at profits. Under the present arrangement, there are a few firms which were exporting prior to the compulsory export scheme and, in some cases when their exports were more than 12½ per cent, they are not to export extra under the compulsory drive. It would have been proper if the directive would have been to export 12½ per cent or their average exports of preceding three years, whichever may be more.

Superfine Cloth

"The production of superior fine cloth in the country was 259 million metres in 1951 which has gone down to 200 million metres in 1961. The demand on account of the higher purchasing power is more for superfine cloth, while the production of this variety has not increased. As such the prices of this quality are rising and causing much dissatisfaction.

"How to satisfy the public? The production of larger quantities of superior cloth would mean a welcome relief to the public. Superfine cloth could only be produced with imported cotton as, at the moment, India does not produce such quality of cotton out of which superfine cotton cloth could be manufactured. For imports of cotton, we require more foreign exchange, and that can only be earned by increasing more and more exports. If the restrictions on the use of disposal of the import entitlements earned by export of cloth are removed, then it becomes economic to export cloth and stimulate further production of finer cloth by other mills. Thus, the removal of restrictions will not only speed up the export but will also help to increase the production of superfine cloth. The implications of Britain's entry into the Common Market have further complicated the export affairs. It will mean:

1. Imposition of high tariffs on Indian goods;

2. drop in the sales of Indian tropical products through tariff-free competition from associated overseas territories;

3. favouring of European industries by duty-free import of raw materials from associated overseas territories which may tend to affect Indian exports of cotton textiles, jute, leather, carpets, coir mats, etc; and

4. increase in competition with Indian goods in associated overseas territories.

"So far as we are concerned, we have decided to export more and more, in spite of the odds, and we are establishing various selling centres in different countries. This year we have exported cloth worth Rs. 18 lakhs, as against last year's export of Rs. 15 lakhs.

"To enable us to produce cloth of better finish, we have spent more than Rs. 45 lakhs for raising the standard of our quality of cloth and many of our products today are at par with the best manufacturers.

Man-made Fibres

"To make India self-sufficient in the matter of cotton and particularly of fine quality, it will take a very long time. Should we then to depend for long on the imported cotton piecegoods? The easiest and most desirable method is to produce fine quality of fabric by an alternate method, more commonly known as 'man-made fibre.' There are various qualities of such fibres out of which the acetate fibre is said to be the best. What is the acetate fibre? It is nothing but an extra superfine cotton fibre, which, instead of being produced in ordinary way, is produced chemically. As you know, on the outer surface of the cotton seed, 8 to 10 per cent of the fine cotton linter still adheres to it. Such seed could be delinted mechanically and cotton removed. It is known as 'lint.' This lint, when dissolved into chemical produced from molasses, can be utilised for the production of high class cloth. For producing such acetate yarn, we have got ample material and, to tap these raw materials we have installed one factory at Jagadhari for producing ethyl-alcohol from molasses and one factory for delinting at Abohar (the biggest cotton producing centre in the Punjab). The Government of India have placed this project of ours on higher priority and, in the very near future, we expect a loan of Rs. 5 crores (10.4 million dollars) from the Agency for International Development, U.S.A. We have already made arrangements to procure machinery and technical know-how from renowned American firms. They will not only supply know-how and machinery but have also agreed to invest Rs. 25 lakhs in the project.

Fresh Equity Issue

"Our demands for Indian currency will be for Rs. 5 crores to pay custom duties, forwarding and clearing charges, the cost of the building and erection charges. Steps are being taken by your Board for the speedy finalisation of the Plan. Some capital has to be raised by issue of the equity shares and preference shares. Of course, the first preference will be given to the existing shareholders.

"Before I close, it is my pleasant duty to thank my colleagues on the Board for their esteemed co-operation and to express my appreciation to the executives, staff and workers of the Company for their sincere services. I am also thankful to all of you who have been kind enough to attend this annual function of ours. I assure you that all your advice and suggestions will ever receive our great attention and appreciation.

"Thanking you."

N.B.—*This does not purport to be a record of the proceedings of the annual general meeting.*

ALLAHABAD BANK LIMITED

Established 1865

Affiliated to The Chartered Bank

Registered office:

14, India Exchange Place, CALCUTTA-1

Authorised Capital .. Rs. 1,00,00,000
Subscribed Capital .. Rs. 60,00,000
Paid-up Capital .. Rs. 60,00,000
Reserve Fund .. Rs. 1,12,50,000

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED

FIXED AND SHORT TERM DEPOSITS RECEIVED ON FAVOURABLE TERMS

Branches and correspondents throughout India and in all principal cities of the world.

M. J. Maclaren
General Manager.

AB—20

MONEY DEARER

(From Our Own Correspondent)

BOMBAY, 31*st October*

There was a spurt in inter-bank call rate from 2 per cent to 3½ per cent towards the close of this week. The spurt was due to the temporary decline in floating funds following subscriptions to Oil India's Rs. 30-crore debenture issue which opened yesterday (Tuesday the 30th inst.). The market had thought earlier that call money might be dearer still. But this was not to be, as fresh money from some source or other was reported to have come into the market and any amount could be had at 3½ per cent. The rate at Calcutta also went up from 2¼ per cent to 3¾ per cent. It may be noted here that, normally, the busy season commences on 1st November, but it will be delayed this year by two to three weeks consequent on the delay in the movement of 1962-63 agricultural crops.

As against an invitation for Rs. 2 crores, the amount offered against Government of India's 91-day Treasury Bills sold under the tender system on Tuesday this week was slightly larger than in the previous week, being Rs. 2.04 crores, as against Rs. 2.00 crores. There was, however, no change in the average rate of accepted tenders, namely, Rs. 2.350 per cent per annum. The amount accepted remained unchanged at Rs. 2 crores. The Intermediate Treasury Bills, which were on tap from the 24th to 27th inst., fetched only Rs. 49 lakhs, as against Rs. 1.40 crore last week.

India's foreign assets declined by Rs. 1.78 crore to Rs. 92.57 crores during the week ended 26th October 1962, according to the Reserve Bank's statement for that week. The whole of this loss was accounted for by balances held abroad which fell from Rs. 6.27 crores to Rs. 4.49 crores, whereas foreign securities held in the Issue Department were unchanged at Rs. 88.08 crores. The scheduled banks' borrowings from the Reserve Bank in the week under reference rose by Rs. 7.82 crores in marked contrast to the drop of Rs. 8.82 crores in the week preceding it (namely, that ended 19th October). The bulk of the rise was under usance bills, the actual outstanding of which increased from Rs. 90 lakhs to Rs. 7.39 crores. In spite of such large borrowings, the deposits of scheduled banks with the Reserve Bank declined by Rs. 8.90 crores to Rs. 79.17 crores.

The consolidated statement of scheduled banks for the week ended 19th October 1962 discloses a sharp contraction of Rs. 16.25 crores in advances, the total outstanding of which as on that date being Rs. 1,375.70 crores. Inter-bank borrowings were also lower by Rs. 6.33 crores.

Barring some stray transactions, the Gilt-edged market ruled dull. 3 per cent 1986 Conversion loan dropped 50 nP to Rs. 65.50. 3½ per cent 1969 eased by 10 nP to Rs. 97.90 and 3¾ per cent 1974 by 5 nP to Rs. 98.30. Among State loans, 4½ per cent 1969, 1970 and 1971 Maharashtra loans shed 30 nP to Rs. 99.15. All others were maintained at last week's levels.

The rupee in the foreign exchange market improved in terms of the dollar, the actual T.T. and D.D. selling rate today being Rs. 477.75 per $100, as against Rs. 478 a week ago. The banks' buying rate (clear T.T. and bills) for dollars was unaltered. In New York, sterling was easy in terms of dollar in the initial sessions of the week. Although it firmed up later, the latest available spot rate was lower than that a week ago: 280.080-280.150 cents per £, as against 280.110-280.150 cents, while three months' forward was a shade better at 279.810-279.850 cents, as against 279.770-279.810 cents. Apparently, the international crisis caused by the storm over Soviet missile bases in Cuba has had no perceptible effect on the pound sterling against U.S. dollar.

* * * *

FRESH CREDIT CURBS

The Reserve Bank of India has, according to a Press *communique* issued today, notified all scheduled banks of the following changes in the system of quotas and lending rates, for both bills and Government securities, regarding the borrowings of banks from the Reserve Bank. As at present a bank will be able to borrow upto 100 per cent of its basic statutory reserve at different rates upto 6 per cent, as follows:

Rate	*Quota for borrowing*
4 per cent ...	25 per cent of statutory reserve
5 per cent ...	Another 25 per cent of statutory reserve
6 per cent ...	Another 50 per cent of statutory reserve

But the Reserve Bank will not permit any borrowing beyond this limit, namely, 100 per cent of a bank's statutory reserve normally. Should any bank find itself in a special situation requiring further assistance over and above its ceiling limit, the Reserve Bank will consider the grant of such assistance only after making a detailed assessment of the bank's overall position and satisfying itself that the additional accommodation is justified. A penal rate of interest will also be charged by the Bank for such special accommodation.

The Bank at present grants additions to basic quotas of individual banks (namely, 25 per cent of statutory reserve which is permitted to be borrowed at Bank Rate) equivalent to the excess of a bank's lending to small industries and co-operatives during each half-year over the corresponding half-year of the previous year. This is intended to stimulate the supply of bank credit to this sector, based on current performance of banks in improving the flow of credit to small industries and co-operatives. It is necessary to ensure, says the Reserve Bank, that the overall ceiling set by the Bank on banks' borrowing from the Reserve Bank is not extended, owing to operation of this scheme of additions to basic quotas. Arrangement is, therefore, being made to offset the addition to basic quota of a bank by adjustment in its borrowing quota at the higher slab rates (namely, at 5 and 6 per cent).

IRREGULAR TREND IN BULLION

(From Our Own Correspondent)

BOMBAY, 31*st October*

An irregular trend developed in the bullion market this week. Initially, prices were depressed on spot house selling and bull liquidation induced by fears of possible official measures to curb hoarding bullion following statements by prominent leaders, including the Finance Minister, that the people should give gold and gold ornaments to build up the emergency National Defence Fund. Later in the week, however, such fears receded on second thoughts that, in view of the current disturbed political situation, no drastic measures to obtain the hoarded bullion were likely, at least for the time being. Following such realisation and due to the underlying war sentiment in the market, prices rallied from mid-week and recovered quite swiftly thereafter on renewed bull support and short-covering to close a shade under the week's best levels. Nonetheless, both spot and forward gold finished with further small losses, though silver prices showed further moderate gains over the week. Trading was active, but turnover limited. *Muhurat* trading on Sunday, the 28th inst. was characterised by restricted activity and narrow movements.

Against the previous week's close of Rs. 120.20, gold *Margashir* opened lower on Thursday the 25th inst. at Rs. 119.40, declined to Rs. 117.55 on the 27th inst. but recovered thereafter to Rs. 119.90 today, before finishing at Rs. 119.55. Ready gold fluctuated between Rs. 118.55, Rs. 116.45 and Rs. 119.45 to close 75 nP lower over the week at Rs. 119.10. The premium commanded by the futures contract over the spot metal was 75 nP on the 26th inst. and widened to Rs. 1.10 on the 27th inst. It narrowed down, however, to a mere 45 nP at the close. Daily arrivals averaged 12,000 tolas, as against 8,000 tolas in the previous week, but offtake remained unchanged at 7,000 tolas.

Silver *Margashir* commenced on Thursday the 25th inst. at Rs. 224.30, that is, 5 nP lower than the previous day's closing level. After edging forward to Rs. 225.10 on the next day, it broke down sharply to Rs. 223 on the 27th. Subsequently, however, it started looking up and recovered to as much as Rs. 225.15 today and closed 50 nP higher over the week at Rs. 224.85. Ready silver declined at first from Rs. 223.90 to Rs. 222, but recovered to Rs. 224.45 today and closed at Rs. 224.15, as against Rs. 223.75 a week ago. Daily arrivals, which averaged 31 bars in the previous week, declined to 16 bars during the week, but offtake at 9 bars was the same as in the previous week.

Interest in the London bullion market and the New York silver market lessened following the easing of the Cuban situation. Prices receded slightly and closed a shade lower over the week, after being up to or a little higher than the previous week's best levels during mid-week. Spot gold in London rose further to 251*s.* 3½*d.*, as against 251*s.* 1*d.* in the previous week, but reacted to close at 250*s.* 9½*d.*, as against 251*s.* 1*d.* a week ago. After being done at 104*d.*, which was the previous week's highest as also the closing level, ready silver declined to close at 103¼*d.* and so did forward silver from 105⅝*d.* to 103⅝*d.* Silver in New York declined by one cent to 121 cents.

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

		31-10-62 (closing)	High	Low	24-10-62 (closing)
		Rs.	Rs.	Rs.	Rs.
GOLD					
Ready (.99 fine)	..	119.10	119.45	116.45	119.85
Margashir *	..	119.55	119.90	117.55	120.20
Sovereign	..	95.50	96.50	95.50	96.75
SILVER					
Ready (.996 fine)	..	224.15	224.45	222.00	223.75
Margashir †	..	224.85	225.15	223.00	224.35
London—					
Gold	.. ..	250*s.*0¼*d.*	251*s.*3½*d.*	250*s.*0¼*d.*	251*s.*1*d.*
Silver Ready	..	103½*d.*	104*d.*	103.½*d.*	104*d.*
Silver Forward	..	103¾*d.*	104¼*d.*	103½*d.*	104¼*d.*
New York—					
Silver ..	..	121.00 cents	122.00 cents	121.00 cents	122.00 cents

* 11th December settlement. † 12th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

Explaining the reasons that prompted the Reserve Bank to take the aforesaid measures, the Bank says:

"In recent months, economic trends in the country have given evidence of some inflationary pressure. With a fairly high rate of increase in money supply and a comparatively slow expansion in production, prices have hardened. The external payments situation remains difficult. The recent turn of events on the northern border makes it all the more incumbent to take adequate precautionary measures to ensure stable economic conditions for both development and defence effort. One of the measures necessary is to prevent any excessive impact of money supply on the economy. The rate of deposit accretion to the banks has in the recent past been fairly satisfactory. The prospect of future growth of banks' deposit resources is also rated as good. In view of this, it appears clearly advisable that the credit policy in the impending busy season should, to start with, be operated in terms of a ceiling for banks' access to the Reserve Bank. The ceiling could be relaxed, if necessary, on a detailed assessment of its operations and credit requirements in any particular case. This policy should cause little difficulty to banks, as, by all indications, they should be able to meet the normal demands for expansion of credit during the forthcoming busy season with only marginal recourse to the Reserve Bank. On the other hand this policy will ensure that banks will renew and sanction advances only where they feel it is fully justified and thus restrict their access to the Reserve Bank to the minimum necessary. The Bank expects that these measures, *inter alia*, will, in the current situation, strengthen the incentive of the banking system to mobilise deposits further."

DULL TRADING IN COTTON

(From Our Own Correspondent)

BOMBAY, 31*st October*

Moorat trading in both forward and spot cotton held on Sunday, 28th inst. and Tuesday, 30th inst., respectively, was a tame affair. As compared with previous years turnover was small. In the futures section hardly 7,000 bales changed hands, while in the ready section turnover was even lower at between 5,000 and 7,000 bales. Price trend was barely steady in futures, while in spot most of the varieties commanded ceiling prices plus 2 per cent sales tax and 1½ per cent commission.

The dull trading and the tendency of futures to recede were attributed to reports of low offtake in the cloth market, the general uncertainty caused by large-scale Chinese aggression on India which induced mills to be cautious and restricted in their purchases and the expectation of a good crop. In fact, after a steady start at Rs. 745, the Jarilla March contract receded to Rs. 744 at close which was 50 nP lower than the previous day's closing quotation and Rs. 4 below the level touched on Thursday, the 25th inst. In subsequent sessions, the trend remained quietly steady.

In the spot market, mill interest centred mainly around new crop varieties such as 197/3, L.147, Wagad and Kalyan. Prices ruled at the ceiling rates.

The Textile Commissioner had earlier notified that cotton quotas would not be available to those mills to whom letters had been addressed by him in connection with their reported purchases of new crop cotton prior to 19th October 1962. Such mills were required to obtain permission from the Textile Commissioner before making any purchases. The Textile Commissioner is in consultation with the Indian Cotton Mills' Federation about the measures to be taken against such mills. However, pending a decision on the point, it has been decided that such mills be given their quotas on their placing with the Indian Cotton Mills' Federation deposit at the rate of Rs. 100 per bale of new crop cotton purchased by them prior to 19th October 1962. The mills are required to make the payments to the Federation and produce the receipts in the Office of the Textile Commissioner when quota letters will be issued to them. Their quotas will be adjusted to the extent of the purchases of the new crop cotton made by them prior to 19th October 1962.

Although export demand for Bengal *Deshi* did not revive to any appreciable extent, shippers bought sizable quantities of Bengal *Deshi*. Business in foreign cotton comprised mainly stray buying of selected East African varieties and lower Sudan cotton. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri: Vijay 1,251; Co2 1,801; Busoga (UNUG) 1,210; B.P. 52 1,211; Jinja 1,110; Sudan XG5S 1,386.

Easy conditions prevailed in the Karachi cotton futures market during the week. Profit-taking attracted by the higher levels reached last week and fresh selling prompted by slackness of export demand and slow domestic mill offtake resulted in a decline in price. The January contract eased from Rs. 68.75 last week to Rs. 67.10 and the March contract from Rs. 69.10 to Rs. 67.60. Spot prices too tended to recede. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 71.50; Punjab *Deshi* 65; 4F Punjab Roller 65; S.G. 70; LSS Punjab Roller 65; S.G. 70; N.T. Roller 73.40; S.G. 79.40; 289F Punjab Roller 72.00; S.G. 81.00.

Quiet conditions prevailed in the Liverpool cotton futures market. Values moved narrowly in thin trading and closed showing small gains over the week. Inter-month switchings and transfer of December hedges for more forward position accounted for most of the business. Sudan cotton contracts were neglected. Values remained unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

October 23.60; December 23.85; November (Sudan) 29.50.

Uncertainty about Government legislation on cotton continued to affect business in New York cotton futures market. Prices declined owing to lack of support in the wake of scattered selling. The December contract declined to 33.08 cents per lb. and the March contract to 34.12 cents per lb., as compared with 33.92 cents and 34.48 cents respectively, last week-end. New York spot was, however, steady at 34.85 cents.

YARNS DRIFT LOWER

(From Our Own Correspondent)

BOMBAY, 31*st October*

The previous week's improvement in the yarn market proved to be short-lived, as prices drifted lower again this week on scattered selling and lack of any significant demand at higher levels. Both the futures staple 40/2 October and December contracts closed lower over the week, the former by Rs. 23 at Rs. 691 and the latter by Rs. 18 at Rs. 718. Spot art silk yarns also turned easy during the week. The 150 denier National Rayon declined from Rs. 13.20 to Rs. 13.11 and the 120 denier from Rs. 17.80 to Rs. 16.98. Likewise, 150D S.I. Viscose moved down from Rs. 13.27 to Rs. 13.20 and 120D from Rs. 17.80 to Rs. 17.53. Century 'A' 100D eased from Rs. 17.80 to Rs. 17.60 and 75D from Rs. 21.71 to Rs. 21.50. Cotton yarn prices were steady, with the exception of 10s Podars which receded from Rs. 18.75 to Rs. 18.50.

During the *moorat* trading on Sunday, the 28th inst., the market was steady, though business was limited.

The Union Government announced on Tuesday this week that imports of staple fibre (man-made) from the U.S. would be allowed under Loan

No. 217. Licences will, however, be granted subject to the conditions set out by the Government in the notification dated 26th June last. As the item staple fibre has already been advertised in *International Commerce* of the U.S., the "submission of notice" to the American business by the licensee is not necessary. The names of the American suppliers who may be interested in selling staple fibre will be announced by the Government later and licences will be issued only on receipt of an intimation from the consuming units accepting the terms and conditions laid down by the Government.

OILSEEDS IMPROVE

(From Our Own Correspondent)

BOMBAY, 31*st October*

Oilseeds suffered a marked setback in values earlier in the week under review, following the declaration of the state of national emergency. Operators had the thought of Chinese aggression uppermost in their minds during the *moorat* session on Sunday evening. Except for some brisk buying in the spot section, *moorat* trading was a colourless affair. In fact, futures contracts moved down on persistent heavy bull liquidaion, and the session closed on a dull note. The sentiment of the market, however, improved somewhat subsequently on reports of halt in Chinese advance on the N.E.F.A. area and news regarding supply of armaments by the U.S. and the U.K. Over the week, groundnut futures were markedly lower, thanks to reports that new crop groundnuts would start arriving within a few days. Encouraged by some export business in castor oil, spot castorseeds and oil put on a cheerful appearance, although futures contract closed on a subdued note. Cottonseeds were well maintained. But linseed and oil ruled week.

Operators welcomed the decision of the Karmahon Conference Lines to withdraw the recent increase in freight rate on oilcake (10*s.* per 1,000 kgs.), following representation by the Indian shippers and the Government of India. This move is likely to give a fresh boost to export of oilcake.

Groundnut Khandesh quality rose by 30 nP over the week to Rs. 45.87. Oil ex-mill put on 25 nP to Rs. 19.35. Oil railway receipts, too, improved by a like amount to Rs. 19.15. Groundnut January 1963 fell from Rs. 233.50 to Rs. 225, before improving to Rs. 230.87. The net loss was Rs. 2.62. Oil January 1963 contract closed 35 nP lower at Rs. 31.45.

Among castorseeds, Madras small and Kanpur bold rose by 12 nP each to Rs. 33.62 and Rs. 32.37, respectively. Oil commercial hardened by 25 nP to Rs. 12.90. Oil B.S.S. strengthened by 15 nP to Rs. 13.90. Castorseed March 1963 contract, however, fell by 63 nP to Rs. 169.87.

Cottonseed non-white improved by 50 nP at Rs. 25. March 1963 contract was steady at Rs. 105.50.

Linseed March 1963 contract declined by 44 nP to Rs. 40.12. Bold ready eased by 13 nP to Rs. 42.12. Linseed oil shed 10 nP to Rs. 17.10.

The following table shows the closing prices of oilseeds and oils on Wednesday, 31st October as compared with those of the two previous weeks:

	31-10-1962	24-10-1962	17-10-1962
	Rs.	Rs.	Rs.
Groundnut			
Groundnut January 1963 ..	230.87	233.50	231.37
Nizam bold	45.25	—	47.00
Khandesh quality ..	45.87	45.57	46.75
Oil ex-mill ready* ..	19.35	19.10	19.50
Railway receipts*	19.15	18.90	19.30
Castorseed			
Castorseed March 1963	169.87	170.50	166.62
Ready Madras	33.62	33.50	33.25
Ready Kanpur	32.37	32.25	31.87
Oil B.S.S.†	13.90	13.75	13.35
Oil commercial†	12.90	12.65	12.40
Linseed			
March 1963	40.12	40.56	40.12
Bold ready	42.12	42.25	42.00
Oil ready†	17.10	17.15	17.35
Cottonseed January 1963 ..	105.50	105.50	102.50
Niger seed	36.50	36.00	36.25
Kardi seed	28.50	28.00	28.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

GOOD DEMAND FOR BRIGHTER TEAS

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

COCHIN, 25*th October*

A total of 515,000 kgs. was offered in sale No. 42 held on Tuesday the 23rd inst. Quality showed a seasonal decline. There was good demand for the brighter teas on offer, but others were generally easier. Highgrown brokens were lower with quality and elicited only limited support, but their fannings were sold well at about steady rates. The brighter good medium and medium brokens were fully firm and sometimes dearer, while others were about steady. Fannings in these categories were also well supported. Low medium brokens were irregular and easier, particularly the plainer liquoring kinds. Fannings followed a similar trend. Plainest descriptions registered a decline. Black leaf varieties were strong and often dearer. Whole leaf grades attracted better support but at irregularly easier rates. Teas of unorthodox manufacture followed the general trend of the market and were lower. Tippy teas were well supported.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.50-4.20	3.85-4.15
Mediums	4.20-4.70	4.15-4.40
Good mediums	4.75-5.70	4.40-5.20
Nilgiri B.O.P.	5.00-8.00	5.20-8.10

The average price realised in sale No. 42 was Rs. 4.46 per kilo, as compared with Rs. 4.50 a week ago and Rs. 4.78 in the corresponding sale last year.

A total of 279,000 kgs. was catalogued in sale No. 42 held today. Good general demand prevailed throughout the sale. Highgrown and black grainy dusts met with keen competition at advanced rates, while the better liquoring clean leaf mediums were firm to dearer. Wynaad sorts came to a barely steady market, but the more fibrous Travancores eased by up to 20 nP and the same applied in the case of residual descriptions. Milled types, however, were about steady. C.T.C. and legg-cut dusts ruled easier, whereas C.T.C. types were about firm.

The average price realised in dust sale No. 42 was Rs. 3.87 per kilo, as against Rs. 3.82 a week ago and Rs. 4.52 in the corresponding sale last year.

Colombo: Just over 5 million lbs. were offered. There was fair demand with best Dimbulas easier but the lesser kinds were firm, although similar fannings were lower. Uvas were easier with quality, particularly sorts and fannings were easier. Lowgrowns ruled firm.

London: *North Indian and other growths*: In Monday's sale, there was strong demand for all descriptions at fully firm rates. Plain broken pekoe is quoted at 2/8*d. Ceylon and South Indians*: 25,128 packages were offered in Tuesday's sale of which 8,922 packages came from South India. There was good demand for South Indians which were sold at around last rates, best liquoring kinds registering advances. Ceylon highgrown, however, eased by 3*d.* to 6*d.* Light liquoring kinds also were lower by 1½*d.*

As we go to press, Messrs. Forbes, Ewart and Figgis wire as follows:

"Sale No. 43 was held on Tuesday, 30th October. Offerings amounted to 481,000 kg. Strong demand. Poorest low mediums about steady. All other mediums dearer. Highgrowns were steady, with quality unorthodox much higher."

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 29*th October*

Sugar prices here were depressed this week, despite local buying support for *Divali*. Demand from outstations was absent. Saurashtra, Gujarat, M.P., Rajasthan and Delhi abstained from buying. The Government of India's decision not to extend time limit for unsold sugar had also a depressing effect. Spot delivery prices were almost stationary around Rs. 106 per quintal, while mill delivery eased fractionally to be quoted at the week-end at: Amroha (D 29) Rs. 102.80, Dhampur Rs. 102.98, Seohara Rs. 102.48, Meerut Rs. 104.50, Simbhoali (E 29) Rs. 104.50, Dhampur Rs. 102.64, Bijnore Rs. 102.32, a quintal.

Slack demand from upcountry centres accounted for an easy trend in the Muzaffarnagar market during the week. Gujarat, Saurashtra, Rajasthan and M.P. abstained from buying. Punjab and Delhi were buyers on a small scale. Mills continued to be anxious sellers and prices fell by 25 nP to 50 nP per quintal. Bold crystal was held at a nominal premium over the former controlled commanding higher rates. Forward delivery was not in demand. In the spot section, prices ruled steady in the early part of the week as demand was pretty brisk, but reacted by 25 nP towards the close, as demand shrank.

Despite good local buying support for *Divali*, *Khandsari* prices were also depressed in sympathy with the decline in sugar. Week-end prices were: *Khandsari* inferior Rs. 80.38 to Rs. 85.74, superior Rs. 93.77 to Rs. 99.13, crystal Rs. 93.77 to Rs. 98.57 and boora Rs. 96.45 to Rs. 104.50, a quintal.

New *gur* prices eased by about Rs. 5.34 per quintal due to pressure of arrivals which mounted to an average of 3,000 maunds daily, which, however, were readily lifted mostly by Gujarat. The week's offtake was 30 wagon loads. Prices for the best quality were Rs. 65.64 a quintal. The average quality was quoted at Rs. 64.30 a quintal and the dara quality between Rs. 50.91 and Rs. 53.58. New *shakker* arrivals were poor at an average of 25 to 50 maunds and were lifted at improved prices. Total *gur* arrivals during the current season were about 25,000 maunds; the corresponding figure for the last year being 4,000 maunds.

Gur futures moved both ways in active trading. Opening at Rs. 21.73 on last Monday, the contract touched the highest and the lowest levels of Rs. 21.76 and Rs. 21.43, respectively, in the mid-week and closed yesterday at Rs. 21.45.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 29*th October*

Foodgrain prices here ruled quiet this week. *Rabi* sowings were in full swing and expected to be completed in a few days.

Better outside buying support coupled with local demand for seed purposes accounted for a steadier trend in wheat. Wheat prices improved by 32 nP to 67 nP a quintal according to quality and were quoted between Rs. 40.53 to Rs. 40.87. Red wheat was stationary at Rs. 38.18 a quintal. During the week, two wagons were despatched. Arrivals were poor, around 200 to 300 maunds daily, and local stocks declined to 50,000 maunds. Rice prices were stationary, as arrivals of new produce from Eastern U.P. were better. Demand was slack. Week-end prices were: Rice *basmati* superior Rs. 80.38 to Rs. 96.45, *sela basmati* Rs. 75.02 to Rs. 85.74, mainpuri *sela* new Rs. 54.92, *ramajwayan sela* new Rs. 58.94, raimunia Rs. 61.62 and *gadda* new Rs. 48.23, a quintal.

Gram improved on better demand. The Punjab quality was quoted at the week-end at Rs. 44.21 and the local produce at Rs. 43.86 a quintal. Arrivals were almost *nil*, and stocks declined to 10,000 maunds. Maize was done between Rs. 29.47 and Rs. 32.15. Arrivals here rose to 400 maunds daily. Old maize stocks were thin and its prices were held between Rs. 26.79 and Rs. 28.13 a quintal. Barley and *bejhar* prices sought lower levels to Rs. 26.12 and to Rs. 26.79, respectively, being lower by Rs. 2.01 and Re. 1.34, respectively, over the week. *Jowar* and *guwar* stayed steady. *Methi* registered an easy trend on slack demand. *Bajra* and oats were listless. Week-end prices were: *Juwar* Rs. 45.55 to Rs. 48.23, *guwar* Rs. 37.51, *methi* Rs. 58.94, *bajra* Rs. 37.51 and oats Rs. 32.15, a quintal.

KIPS FEATURELESS

(From Our Own Correspondent)

MADRAS, 29*th October*

Arrivals of tanned stocks from the tanneries in the local market this week were restricted due to incessant rains. Clearance was small. Prices in the local market remained unchanged. Demand from the U.K. was good, with emphasis on prime tannages and increased prices were obtained in some cases. Sales were patchy due to importers' resistance to the increased prices. Cow calf was in good demand for all weights, but the available stocks were small. Inquiries for buff calf were extensive both for shipment to the U.K. and the U.S., and prices hardened further, as raw prices were out of tanned parity. Market for buff hides was quiet.

Business in tanned goat skins was quite difficult, as there was a gap of 3*d.* to 6*d.* between buyers' and sellers' ideas in Superior tannages. Secondary classes were in demand from the Continent and small quantities were sold. There were moderate inquiries for better class sheep skins, but middle class skins were neglected. Due to the rains, tanners have not been keen buyers in the raw skins centres. The prices quoted last week for all-round lots in the local market remained unchanged.

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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 26th Oct., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long Term Operations) Fund		61,00,00,000
National Agricultural Credit (Stabilisation) Fund		7,00,00,000
Deposits—		
(a) Government—		
(i) Central Government		51,00,54,000
(ii) State Governments		9,85,00,000
(b) Banks—		
(i) Scheduled Banks		79,17,18,000
(ii) State Co-operative Banks		1,50,20,000
(iii) Other Banks		3,12,000
(c) Others		161,04,58,000
Bills Payable		22,84,31,000
Other Liabilities		29,86,00,000
	Rupees	508,31,02,000

ASSETS	Rs.
Notes	17,73,97,000
Rupee Coin	2,27,000
Small Coin	3,01,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,98,87,000
(ii) State Co-operative Banks	11,69,65,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	105,24,85,000
Balances Held Abroad*	4,48,61,000
Loans and Advances to Governments**	19,60,28,000
Loans and Advances to—	
(i) Scheduled Banks	9,34,70,000
(ii) State Co-operative Banks†	131,10,55,000
(iii) Others	1,42,57,000
Investments	143,24,58,000
Other Assets	37,52,23,000
Rupees	508,31,02,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 7,39,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	17,73,97,000	
Notes in circulation	2049,21,56,000	
Total Notes issued		2066,95,53,000
Total Liabilities		2066,95,53,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,06,43,000	
Total		205,84,53,000
Rupee Coin		122,81,00,000
Government of India Rupee Securities		1738,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2066,95,53,000

State Bank of Pakistan

Statement of Affairs for the week ended 19th October, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	14,74,47,000
(b) Provincial Governments	2,98,75,000
(c) Banks	21,40,61,000
(d) Others	106,39,41,000
Bills Payable	22,05,000
Other Liabilities	14,54,05,000
Rupees	171,23,34,000

ASSETS	Rs.
Notes	12,29,90,000
Rupee Coin	14,000
Subsidiary Coin	14,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	20,39,91,000
Loans and Advances to Governments	2,62,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	38,80,62,000
Investments	86,63,89,000
Other Assets	10,46,74,000
Rupees	171,23,34,000

* Includes Cash and Short-term Securities.

State Bank of India

Statement of Affairs for the week ended 12th Oct., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		589,63,07,000
Borrowings from Other Banking Companies, Agents, etc.		53,50,000
Bills Payable		9,66,68,000
Bills for Collection being Bills receivable as per contra		2,68,34,000
Acceptances, Endorsements and Other Obligations per contra		8,61,59,000
Other Liabilities (including Inter-Office Adjustments)		17,24,37,000
Total .. Rs.		642,20,05,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,11,35,000
Balances with other Banks		2,77,34,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS—		
Government and other Trustee Securities	280,04,04,000	
Other Authorised Investments	8,86,30,000	
		288,90,34,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	256,60,01,000	
Bills Discounted and Purchased	12,33,63,000	
		268,93,64,000
Bills Receivable being Bills for Collection as per contra		2,68,34,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,61,59,000
Premises less Depreciation		1,07,12,000
Furniture and Fixtures less Depreciation		1,62,84,000
Other Assets (including Inter-Office Adjustments)		45,84,16,000
Total .. Rs.		642,20,05,000

EXCHANGE RATES

	31st October 1962	24th October 1962
London on New York & per Dollar	£ .8009–.8011	£ .8008–.8011
New York on London Cents per £	280.080–280.120	280.110–280.150
London on Paris .. .. Fcs.	13.7240–13.7260	13.7230–13.7250
London on Berne .. Sw. Fcs.	12.0880–12.0900	12.0865–12.0885
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1–5 31/32	1–5 31/32
Sellers T.T. D.D. upto six months .. .. s.	1–5 15/16	1–5 15/16
Buyers T.T. .. .. s.	1–5 1/32	1–5 1/32
Buyers D.D. .. .. s.	1–5 1/16	1–5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	478.00
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	446.50	446.25
Buyers T.T.	438.50	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T.	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... ..	90.20	90.20
Buyers T.T.	91.20	91.10
Deutsche Marks—		
Sellers T.T. D.D... ..	83.80	83.70
Buyers T.T.	84.80	84.60
Italian Lire—		
Sellers T.T. D.D... ..	12,950	12,950
Buyers T.T.	13,130	13,125
Swedish Kroner—		
Sellers T.T. D.D... ..	107.70	107.70
Buyers T.T.	108.80	108.80
Belgian Francs—		
Sellers T.T. D.D... ..	1,037	1,038
Buyers T.T.	1,054	1,054
Dutch Guilders—		
Sellers T.T. D.D... ..	75.40	75.30
Buyers T.T.	76.30	76.20
Hongkong Dollars—		
Sellers T.T. D.D... ..	119.60	119.60
Buyers T.T.	120.60	120.60
Norwegian Kroner—		
Sellers T.T. D.D... ..	149.60	149.60
Buyers T.T.	151.00	151.00
Danish Kroner—		
Sellers T.T. D.D... ..	144.70	144.80
Buyers T.T.	146.10	146.20

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 19-10-62	12-10-62	20-10-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	47,04	45,27	45,07
(ii) From others	814,00	808,18	729,41
(b) Borrowings from banks	18,20	25,88	21,64
(c) Others	54,08	53,15	55,83
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,70	24,60	18,80
(ii) From others	1,243,39	1,239,85	1,073,03
(b) Borrowings from banks	14,86	13,60	18,93
(c) Others	10,89	10,94	24,04
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,057,38	2,048,04	1,802,44
4. Borrowings from Reserve Bank	1,76	10,40	12,84
(a) Against usance bills and/or promissory notes	90	6,15	7,20
(b) Others	86	4,25	5,65
5. Borrowings from State Bank and/or a notified Bank	22,62	21,23	20,46
6. Cash	52,69	54,76	56,32
7. Balances with Reserve Bank	84,53	73,14	79,33
8. Cash and balances with Reserve Bank	137,23	127,90	135,66
9. 8 as per cent of 3	6.67	6.25	7.53
10. Balance with other banks in current account	18,53	18,18	15,29
11. Money at call and short notice	48,16	52,64	48,02
12. Investments in Government securities	697,13	690,15	614,96
13. 12 as per cent of 3	33,88	33,70	34,12
14. Advances—			
(a) Loans, cash credits and overdrafts	1,169,14	1,183,69	1,050,46
(b) Due from banks	8,19	6,51	11,21
15. Inland bills purchased and discounted	157,17	157,68	133,76
16. Foreign bills purchased and discounted	49,40	50,58	44,89
17. Total Bank Credit [14 (a)+15+16]	1,375,70	1,391,95	1,229,11
18. 17 as per cent of 3	66,87	67,97	68,19

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 20th Oct., 1962	13th P Oct., 1962§	22nd Sept., 1962	21st Oct., 1961 §
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.3	100.4	100.4	101.1
2. Government of India	100.1	100.2	100.2	101.0
3. State Government	102.0	102.0	102.0	102.1
4. Municipal, Port Trust, etc.	99.0	99.0	99.0	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99 0	99.1	98.5	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.7	81.5	81.4	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	179.7	180.3	181.4	181.0
8. *Agriculture and Allied Activities : Total**	151.3	151.8	153.3	151.9
9. Tea Plantations	142.3	143.2	144.5	145.6
10. Coffee Plantations	146.3	146.4	147.3	166.0
11. Rubber Plantations	163.5	164.8	169.3	170.8
12. *Mining and Quarrying : Total*	161.2	163.1	167.2	168.3
13. Coal	120.2	121.3	121.6	118.9
14. Other Mining	189.3	191.8	181.6	192.0
15. *Processing and Manufacturing : Total*	194.7	195.6	197.2	195.5
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total**	201.4	202.5	205.0	208.1
17. Sugar	136.1	136.6	137.7	158.4
18. Cotton Textiles	179.6	180.3	182.4	182.1
19. Jute Textiles	99.7	102.0	102.7	83.8
20. Silk and Woollen	1,078.7	1,086.9	1,108.1	1,164.1
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	198.8	199.6	199.5	196.7
22. Iron and Steel	156.4	156.7	156.7	158.4
23. Transport Equipment	367.8	365.9	362.0	389.8
24. Electrical Machinery	172.7	178.3	183.1	160.0
25. Machinery other than Transport and Electrical	231.0	233.0	231.5	213.0
26. Basic Industrial Chemicals	182.0	182.7	184.1	204.2
27. *Processing and Mfg. (Others) : Total**	166.8	167.2	169.2	160.7
28. Cement	155.4	155.3	157.8	147.4
29. Paper	213.0	214.3	214.3	204.8
30. *Other Industries : Total**	110 6	110.2	111.2	111.8
31. Electricity Generation and Supply	87.9	86.9	87.4	85.8
32. Trading	114.5	115.9	118.5	120.3
33. Shipping and Other Transport	91.6	91.3	89.2	94.5
34. Construction	263.4	262.9	277.0	294.5
35. *Financial : Total*	205.8	205.7	206.1	204.3
36. Banks	230.0	229.8	230.4	229.6
37. Insurance	165.0	165.4	165.3	153.5
38. Investment Trusts	89.7	89.7	89.7	89.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	186.5	186.7	186.9	189.0
40. Calcutta	167.9	—	170 2	—
41. Madras	189.8	189.9	192.2	198.3
42. Delhi	235.1	235.3	233.0	239 6

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.
§ Calcutta Market remained closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	6th Oct., 1962	29th Sept., 1962	7th Oct., 1961	August 1962	August 1961	Percentage of Increase (+) or Decrease (−) in Aug., 1962 as compared with Aug., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	128.6	129.0 R	119.7	131.5	124.3	+ 5.8	120.1	120.0
Cereals	102	108.5	108.6	102.9	109.5	105.0	+ 4.3	102.3	104.4
Pulses	43	112.7	111.9	89.6	113.0	90.6	+24.7	91.9	92.9
Fruits and Vegetables	23	127.2	126.5 R	141.6	140.6	164.0	− 11.0	137.6	118.5
Milk and Ghee	84	124.5	124.8	119.2	133.0	116.4	+14.3	116.7	115.0
Edible Oils	47	155.8	156.8	147.4	159.4	159.0	+ 0.3	156.5	150.3 R
Fish, Eggs and Meat	17	151.7	153.9	134.1	149.1	141.4	+ 5.3	135.4	123.5
Sugar and Gur	48	156.6	156.1	119.0*	151.2	124.6	+21.3	119.4	132.8
Liquor and Tobacco	50	166.7*	169.4 R	170.5	171.0	183.4	— 6.8	171.6	167.8
Tobacco	21	100.0	99.5	96.0	99.9	99.9	— 0.7	100.3	109.9 R
Fuel, Power, Light and Lubricants	30	124.8	124.8 R	121.7	124.5	122.3	+ 1.8	122.1	120.9 R
Industrial Raw Materials	155	139.1	140.0	136.5	139.6	144.6	— 3.5	142.6	145.4
Fibres	61	129.9	130.0	128.4	128.6	157.7	— 18.5	138.3	151.6
Oilseeds	60	157.7	160.0	150.3	160.4	162.7	— 1.4	156.4	149.9
Minerals	2	93.4*	93.4*	94.8	93.4	94.9	— 1.6	94.9	97.4
Others	32	124.7* R	124.7* R	128.8*	124.7	126.9	— 1.7	128.1	128.0
Manufacture	290	128.9	129.2	126.0	129.0	126.3	+ 2.1	126.6	126.0
Intermediate Products	41	142 9	142.9	140.7	143 1	140.9	+ 1.6	138.8	130.6 R
Finished Products	249	126 6	126.9 R	126.7	123 9	123.9	+ 2.3	126.6	122.8
Textiles	147	124.8	125.4	123.7	125.3	124.8	+ 0.4	125.5	125.3
Cotton	..	128.9*	129.1*	128.2*	129 3	127.5	+ 1.4	127.9	128.1
Jute	..	109.4*	111.4	114.0	111.1	121.1	— 8.3	122.4	131.4
Woollen	..	141 3*	147.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	133.4*	133.4*	118.6	131.3	118.0	+11.3	119.9	104.4
Metal Products	12	161.0	161.6	151.6	160.8	151.6	+ 6.1	151.6	147.9 R
Chemicals	20	116.5	116.5	111.6	115.0	111 6	+ 3.0	110.7	104.4
Oil Cakes	9	165 3	164.6 R	144 3	163.9	146 0	+12.3	147.5	141.3
Machinery and Transport Equipment	31	117 7	117.7	116 2	117.9	112.8	+ 4.5	114.5	111.9
Others	30	125.1	125.3	121 3	125.3	120.9	+ 3.6	121.3	116.1 R
All Commodities	1,000	129.6	130.0R	123.8	131.1	127.5	+ 2.8	125.1	124.9 R

Note : Weights against the sub-groups under each of the groups are those assigned to the respective sub-groups to arrive at that

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,402	12,960	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,223	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1,975
Total cereals	final	90,539	90,035	68,165	68,318
Pulses—					
Gram	final	9,503†	10,268††	6,306†	5,590††
Tur	final	2,359†	2,383††	2,077†	1,894††
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses§	final	5,424†	5,297††	2,805†	2,879††
Total pulses	final	23,337†	24,338††	12,666†	11,719††
Total foodgrains	..	113,155†	114,066††	80,540†	75,918††
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	448	420	103	90
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,256
Linseed	final	1,704	1,794	397	395
Total oilseeds	final	13,890	13,511	6,935	6,624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	388	279	1,719	1,140
Sannhemp‡	final	318	310	72	73
Other crops—					
Potato	final	358†	857††	2,699†	2,766††
Sugarcane@	final	2,405	2,343	9,388	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	103	103	28	28
Chillies (Dry)	final	614	619	369	372
Tobacco	final	292†	370††	290†	285††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In terms of lint cotton and in thousand bales of 177.8 Kgs. each.
‡ Excluding Gram and Tur. A.—In thousand bales of Cotton lint of 180 Kgs. each. ‡‡ Relates to fibre crop only.
@ Yield in terms of *gur*. † Relates to 1960-61.
†† Relates to 1959-60.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	9th Aug., 1962	4	3.75
Bolivia	30th Sept., 1959	6	8
Burma	Feb., 1948	..	3
Canada †	12th Oct., 1962	5.50	5
Ceylon	13th Aug., 1962	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Ecuador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	6.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	Nov., 1960	7	6
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4 31	4.06
Italy	7th June, 1958	4	3.50
Japan	27th Oct., 1962	7.30	6.93
Malaya	28th May, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	25th April 1962	3.50	4
New Zealand	24th May, 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1950	6.00	9.50
Philippines	9th Jan., 1962	3	4
Portugal	12th Jan., 1944	..	2
South Africa	13th June 1962	4.50	4
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	3
Thailand	Nov., 1959	7	6
Turkey	May, 1961	9	7.5
United Kingdom	26th April 1962	5	4.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
7th August	2.00	2.00	2.00	2.350	99.410
8th to 11th Aug.*	4.40	..	4.40	..	99.426
13th August	2.00	2.00	2.00	2.350	99.410
14th to 18th August*	0.81	..	0.81	..	99.431
21st August	2.00	2.10	2.00	2.350	99.415
22nd to 25th August*	0.55	—	0.55	—	99.431
4th September	2.00	2.00	2.00	2.370	99.405
5th to 8th September*	1.30	..	1.30	—	99.426
11th September	2.00	2.00	2.00	2.370	99.405
12th to 15th Sept.*	0.76	—	0.76	—	99.426
18th September	2.00	2.00	2.00	2.365	99.405
19th to 22nd Sept.*	0.20	—	0.20	—	99.426
25th September	2.00	2.00	2.00	2.360	99.410
26th to 29th Sept.*	2.30	..	2.30	—	99.426
1st October	2.00	2.00	2.00	2.360	99.410
9th to 13th Oct.*	0.05	—	0.05	—	99.426
16th October	2.00	2.00	2.00	2.365	99.405
17th to 20th Oct.*	1.40	..	1.40	—	99.426
23rd October	2.00	2.00	2.00	2.350	99.410
24th to 27th Oct.*	0.49	..	0.49	—	99.431
30th October	2.00	2.04	2.00	2.350	99.410
Total amount outstanding	34.26	..	34.26	..	..

* Intermediate Treasury Bills sold.

JOINT STOCK COMPANIES AT WORK

(Paid-up Capital in crores of rupees)

As on 31st March	ALL COMPANIES No.	Amount	PUBLIC COMPANIES No.	Amount	PRIVATE COMPANIES No.	Amount
1951	28,532	775.4	12,568	566.5	15,964	289.9
1952	29,223	855.8	12,413	606.8	16,810	249.0
1953	29312	897.6	12,055	628.8	17,257	268.8
1954	29,492	941.2	10,237	625.5	19,255	315.7
1955	29,625	969.6	10,056	661.3	19,569	308.3
1956	29,874	10,24.2	9,575	690.4	20,299	333.8
1957	29,357	10,77.6	8,810	714.6	20,547	363.0
1958	28,280	13.0.3	8,290	773.6	19,984	532.7
1959	27,403	15,15.6	7,646	805.0	19,757	710.6
1960*	26,921	15,93.1	7,306	811.6	19,615	781.5
1961*	26108	17,24.6	6,745	876.1	19,363	848.5

* Provisional.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	400	148	127	113	108	123	111	150
July 1961	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August "	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. "	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	129	115	109	126	119	151
February "	127	438	118	362	107	131	402	149	129	115	109	127	118	152
March "	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April "	125	439	121	355	102	131	413	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	418	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	..	150	130	112	110	128	133P	153
July "	131P	448	125	378	108	..	..	151	133	..	112	128	134	154
August "	132P	454	..	..	..	..	..	..	134	..	112	130	135	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

VITAL STATISTICS — BIRTHS AND DEATHS*

Year	(Per thousand population) Live Birth Rate	Death Rate§	Year	Infant Deaths (per 000 births)	Total Live Births (000)	Total Deaths (000)	Estimated mid-year population of areas covered (in million)	Total Estimated mid-year population (in million)
1951 *Monthly Average*	25.8	14.7	1951	130	5,954	3,386	230.83	362.49
1955	26.7	11.7	1952	123	6,123	3,363	235.74	368.64
1956	22.4	10.4	1953	125	6,032	3,570	239.46	375.13
1957	22.0	11.2	1954	114	6,014	3,061	244.03	381.98
1958	22.3	11.5	1955	103	6,030	2,637	225.49	389.20
1959	23.7	11.0	1956	109	5,745	2,884	257.19	396.82
1960	23.1	10.1	1957	103	7,026	3,587	319.63	404.85
1961†	22.8	12.2	1958	102	7,278	3,757	326.59	413.64
1962†	25.1	10.7	1959	88	7,728	3,255	326.55	422.27
			1960	87	7,535	3,295	326.44	431.70

* Relate to State of Andhra Pradesh, Bombay (Gujarat and Maharashtra), Madhya Pradesh, Madras, Orissa, Punjab, Uttar Pradesh, West Bengal and Delhi Administration as constituted in the respective years. From 1957 and onwards Mysore and Kerala States are also included. The figures given above are deficient due to incomplete registration. Monthly birth death rates are based on incomplete data from some of the states only. Registration obtains in the remaining part of the country but recording being comparatively more incomplete, their vital statistics are not included here.
§ Excluding still-births. † Provisional.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.95
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.90
3 % Dev. Loan	1945	115,05,33,200	1970-75	89.20
2½% Loan	1946	14,77,48,000	1976	83.50
2½% Loan	1947	75,86,72,300	1962	99.80
3½% N. P. Loan	1954	158,17

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	97.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sept.	79.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	119.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan. July	20.10	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct. ..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	82.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	6.90cd.	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C	3,50,000	....	10.00	April May	116.00	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct. Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr. Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	54.00	10
††Khas Kajora C.	1,93,000	1931	5.00	Mar. Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	80.00N	100
COTTON						
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr. Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	103.90	100
Basanti Cotton T.F.	5,00,080	1938	6.25	Nov. ..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	100.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	81.00	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	49.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan. July	114.50	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	88.63	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	412.50	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec. ..	111.75	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June ..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	110.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July ..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	78.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	.. ..	8.60	10
Lakshmi Cotton (Bombay) C.	6,00,000	1896	5.00	.. ..	151.25	100
Mcrarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan. ..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	.. ..	74.00	100
New Great	8,00,000	1918	5.50	Mar. ..	107.09	200
Podar Mills C.	10,00,000	1948	5.75	Feb. ..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	42.04	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	.. ..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June ..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1981	6.50	Apr. Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	88.54	100
Lakshmi-Vishnu	5,66,500	1908	7.00	Apr. ..	660.00	500
ELECTRICS						
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May Nov.	977.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	.. ..	71.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	8.37	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept. Dec.	7.91	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50		7.87	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May Nov.	95.50	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,006.25	1,000
Vellore C.	1,25,000	1928	4.00	Dec. ..	5.53	10
ENGINEERING						
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar. ..	14.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb. Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June ..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	74.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July ..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	.. ..	82.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May ..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	.. ..	72.70	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	69.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	.. ..	4.88	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.90	Nov ..	127.00xd	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May ..	100.00xd	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	86.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	65.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	88.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	78.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	100.00	100
Barnagore C.	£200,000	1896	5.00	May Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June Dec.	88.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	87.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	89.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May Nov.	96.09	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	67.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	91.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	102.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	81.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	11.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	91.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	101.00	100
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	91.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	91.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	71.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	115.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June Dec.	86.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	74.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	91.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar. Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar. Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	65.00	100
TEA						
Amluckie Tea T.F.C.	175,000	1902-03	7.00	May Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan. ..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept. ..	59.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	78.00xd	100
Moheema T.F.C.	8,20,000	1929	6.00	May Nov.	5.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	90.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	88.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	80.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	12.00	10
PLANTING						
Be Be Rubber C.	1,43,005	1944	6.25	.. ..	1.97cd	5
Do. R.C.	2,85,570	1944	6.25	.. ..	5.18cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June ..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	.. ..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	8.82	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar. ..	§7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov. ..	7.91	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000	..	6.25	June ..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June ..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	.. ..	91.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb. June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar. Sept.	50.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar. Sept.	48.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	97.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	.. ..	61.25	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug. ..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	11.00	10
British Ceylon Corporation C.	17,50,000	1918	6.00	Feb. Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb. ..	114.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept. ..	8.12	10
Dhrangadhra Chemicals T.F.C.E.	81,91,900	1956	7.80	.. ..	88.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec. ..	72.30	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June Dec.	104.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr. ..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	54.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	46.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr. Oct.	55.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar. ..	186.00	100
Humayan Properties T.F.C.	12,00,000	1983	6.00	.. ..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	70.67	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	66.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan. July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	81.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr. ..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	56.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.85	May ..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May ..	51.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	80.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb. Sept.	8.92	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June ..	7.83cd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	5.22cd	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar. Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan. ..	90.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr. ..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr. ..	57.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb. Aug.	75.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan. July	6.69	10
Do. "B" C.	36,80,000	1922	8.50	Jan. July	9.85	10
Esso C.	75,00,000	1955	6.00	June Dec.	86.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June ..	88.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan. June	112.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan. July	71.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	References
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.14	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. B. Cotton Mills	83.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	61.00	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	155.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	573.50xd	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	142.00xd	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	100.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	2.96	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	180.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	26.10 3.48	0 100. 0 1D.	Nil Nil	0.80 0.1925	1.40 0.3725		12	Y.
24,00,000	1,02,72,488	1,93,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		3	Y.P.
59,85,000	87,09,165	3,99,58,871	2,84,69,582	98,194	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	410.00xd	100	16.00	32.00	16.00		6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	277.50	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	56.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	466.00	100	21.50	21.50	24.00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	453.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	Nil	Nil			12	Y.
80,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	211.00xd	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	122.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	127.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	49.25	10	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	243.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. B. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	152.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	816.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	243.50	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	270.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	55.00	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.?	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	615.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	818.00xd	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,183	891	Aryodaya Ginning & Mfg.	420.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	†36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	535.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	838.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	415.25	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,305.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	402.50	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	612.50	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	165.00	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,151.00	100	45.00	50.00	Nil		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	9.19	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,30,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	27.00	40	Nil	Nil	2.00	3.20	3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)	..	..	Bharat Commerce & Indust.	25.81	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co. Ltd.	42,912	841	Bowreah Cotton Mills	25.06	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co. Ltd.	43,064	500	Dunbar Mills	27.00	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.25	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	22.37	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	12.00N 2.50N	10 1D	Nil Nil	Nil Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
80,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	26,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.			Baroda Rayon Corporation	124.00	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	Nil	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	281.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	Nil	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.80	1.50	1.50	3	Y.P.
85,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	139.60	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	67.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	101.00	100	Nil	Nil	Nil		6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,63,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	49.00	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.50	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	180.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	47.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	89.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	205.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	15.00	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.44	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,43,44,926	8,41,74,341	3,74,65,868	—26,86,146	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	14.24	10	0.07	Nil			3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	139.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	2.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	727.50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	34.65	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	116.25	250	Nil	Nil	Nil		6	Y.
59,48,000	39,56,795	1,29,62,667	74,49,234	..	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	56.50xd	50	5.00	7.00	7.00		2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	..	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	157.80	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	144.50	100	Nil	Nil	Nil		12	Y.
94,27,380	..	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.62	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	73.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 7.62	100. 10P.O.	Nil 0.571	0.50 1.071	Nil 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	Nil	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	28.75	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	110.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Ccali Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.19	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	116.00	100	Nil	6.00	Nil		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	223.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	Nil	8	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	293.00	100	10.00	25.00	25.00	25.00	8	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	176.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	8	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	31.25	10	1.00	1.50	1.50	1.50	8	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	160.00	100	15.00	10.00	Nil		10	Y.P.
7,47,980	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.
16,00,000	28,17,882	92,95,691	64,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	138.00	100	7.00	10.00	5.00	Nil	3	Y.
38,56,250	53,20,094	1,27,98,446	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	24.75	10	1.25	Nil	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.25	10	1.50	0.50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.37	10	Nil	Nil	Nil		8	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	125.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	175.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	410.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,369	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	25.37	10	1.50	2.25	2.25	1.00	8	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.25	10	Nil	1.00	1.00	1.50	8	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.62	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	459.00	100	25.00	30.00	25.00		8	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	8	Y.P.
16,80,000	81,69,633	83,48,980	55,07,778	88,329	J. & R. Hutchison Private Ltd.	720	Hooghly	31.00	10	0.60	1.00	2.00		8	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	19.37	10	1.00	1.25	1.00	Nil	8	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	8	Y.P.
37,30,000	26,63,965	1,86,88,015	1,09,04,160	76,164	M.	790	India	17.94	12.50	1.24	1.75	1.50		3	Y.
24,00,000 / 'B'19,20,000	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	164.50 / 164.50	100 / 'B'100	20.00 / 20.00	5.00 / 5.00	Nil / Nil		12	Y.P.T.
30,00,000 / 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	128.00 / 128.00	100 / 'B'100	Nil / Nil	Nil / Nil	Nil / Nil		12	Y.P.T.
28,00,000	57,46,000	1,59,67,739	1,08,91,650	2,61,205	McLeod & Co., Ltd.	708	Kelvin	173.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	17.00	10	2.00	2.00	0.50	1.25	8	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	153.50	100	10.00	20.00	7.00	Nil	8	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	931	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	8	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	116.00	100	2.00	15.00	15.00	10.00	8	Y.P.
31,65,200	44,95,037	2,88,24,106	1,66,72,214	84,605	M.	1,294	Megna	12.62	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,03,70,853	42,332	M.	315	Naihati	107.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.875	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,939	25,02,498	41,329	M.	852	National	24.00	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	78,06,659	37,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.44	10	1.40	0.30	0.60		7	Y.P.T.
2,58,68,370	2,60,72,020	9,66,78,581	1,71,78,801	Nil	Sahu Jain Ltd.	1,765	New Central	13.62	10	1.50'C'	1.50	1.50		8	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	32.25	10	1.25	8.00	8.00	2.00	8	Y.P.T.
66,79,500	41,28,236	2,23,60,881	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	54.75	50	3.00	4.00	8.00		8	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	4.87	5	0.50	0.40	0.80		7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—360,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	Nil	Nil	Nil	Nil	8	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.44	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	58,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	22.50	10	2.50	2.50	2.50		12	Y.P.
£690,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	27,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	164.00	100	20.00	25.00	6.60	Nil	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					TEA COMPANIES										
10,98,990	5,60,824	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	8	Y.P.
86,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.27	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.45	2	0.24	0.20	0.20		6	Y.P.
14,60,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	698H	Chembra Peak Estates	3.30	2	0.30	0.40	0.40	0.40	8	Y.
5,66,420	18,30,938	24,06,623	2,29,383	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	22.47xd	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.30	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.05	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,845	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.34xd	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	5 8,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.31xd	2	0.30	0.40	0.50	0.30	8	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.80	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	8	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	8	Y.
8,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	36.00cd	25	5.00	3.75	3.50		8	Y.P.
36,00,000	23,87,884	85,03,880	15,12,160	16,820	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	3.95	5	0.37	0.37	0.37		8	Y.P.
12,00,000	7,04,337	28,03,725	6,12,258	27,999	A. V. Thomas & Co., Ltd.	1,684	Nelliampathy	2.85	2	0.20	0.26	0.30		6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.60	10	0.50	0.80	1.00	1.00	8	Y.P.T.
23,10,000	5,77,357	35,77,599	13,53,272	22,735	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	22.25cd	10	2.00	2.00	2.00		6	Y.
14,88,960	16,87,314	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	21.62	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21.75	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	2.87	2	0.25	0.27	0.40	0.25	8	Y.P.
18,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.58	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	15.60cd	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.79xd	2	0.10	0.16	0.20	0.20	8	Y.P.
15,75,000	16,53,000	33,73,717	4,33,848	11,306	Parkins Private Ltd.	1,215	Twyford	9.50	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19.35	10	1.95	2.10	2.20	2.20	8	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.17	2	0.25	0.25	0.20		6	Y.P.
					RUBBER AND OTHERS										
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	8	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	8	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,848	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	576	Bababudin Coffee & Produce	6.05	5	0.625	0.40			6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.30	8	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	32,61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.70	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,318	2,26,719	..	8,232	Consolidated Coffee	16.30	10	2.50	2.00	2.00		6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.75cd	10	1.50	1.00	1.00	0.625	8	Y.P.
4,08,560	2,25,000	3,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	3.10	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.10	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	81,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.10	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	11.22cd	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	8	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	9.60	5	1.00	1.00	1.00		6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.15	10	1.00	1.25	1.25	1.25	8	Y.P.
3,35,000	4,12,607	17,15,258	8,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.85	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82	2	0.30	0.30	0.30	0.20	8	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.88	2	0.10	0.10	0.12	0.15	8	Y.P.
13,50,000	9,28,404	49,71,627	5,09,879	2,730	A. V. Thomas & Co., Ltd.	2,363	Rajagiri Rubber	21.00	10	2.00	2.00	2.00		6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10.50cd	5	2.50	1.25	1.25	1.00	8	Y.P.
5,50,170	8,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	8	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,464	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil			8	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.82	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.15	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.25xd	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Valkundam Rubber Co., Ltd.	30.65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	8	Y.
6,95,000	97,309	13,35,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		8	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H=Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.70	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	12.31	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	185.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duffiaghur	27.50	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.12	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.44	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2 49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.50	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
1,75,000 / P.O 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 / 27.00	O. 10 / P.O. 10	2.00 / 2.563	0.50 / 1.063	1.50 / 2.063		12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatollah	106.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.37	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.85	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.62	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	Nil	0.80		12	Y.
3 60.000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	6.50	10	Nil	Nil	Nil		12	Y.P.T.
					DARJEELING										
2,79,000	1,15,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	195.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	97.00xd	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	605.00	100	32.50	25.00	25.00		12	Y.P.
3,00.00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	8.87	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	19.339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	31.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	Nil	Nil			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	106.00	100	12.50	15.00	5.00		12	Y.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	14.81	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	14.25	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	57.00N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	155.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.37	10	3.00	2.50	2.00		12	Y.
					SYLHET										
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	8,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	149.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Tellapara	97.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	8.15	10	1.00	0.50	Nil		12	Y.P.T
5,00,000	[illegible],25,000	....	....	80,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	26.00	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	67.00N	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.35	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd	7.00	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 / D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 / 0.50	O. 10 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	150 50	100	11.00	12 00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.76	10	0.80	Nil	Nil		12	Y.
1,66,00,000 / D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.40 / 2 35	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.14	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.25	10	Nil	0 60	0.80	0.836	8	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,65,185	....	1,36,60,424	....	....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	Nil	Nil	Nil		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.40	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94.00	100	Nil	Ni	Nil		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	162.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.68	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors XB—Ex-Bonus 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cr—Cum-Right.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
30,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.25	10	Nil	0.60	0.60		3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.75	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
30,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	127.50	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.40	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.75	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	64.00	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.37	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	24.50	10	5.00	8.00*	Nil		11	Y.
4,83,840 / 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 / —	10 / 5	1.75 / 0.875	2.00 / 1.00	2.75 / 1.375	3.00 / 1.50	12	Y

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	96.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	191.25	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	39.75	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	215.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	615.25	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	428.00	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	350.00	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	26.75	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	143.75	50	10.00	Nil	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	Nil	6.00		3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.30	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	412.50	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,965	55,617	Jal H. Mehta	Kemp & Co.	310.00	200	20.00	25.00	25.00		3	Y.
1,10,01,585	80,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.20	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.10	10	0.50	1.00	1.00		?	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75cd	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	146.25	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.75	10	..	Nil	Nil		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	158.00	100	..	..	Nil	Nil	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	13.00	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.75	10	1.00	1.50	2.00	2.25	3	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	155.00	100	..	..	Nil		12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
3,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	92.00	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	31,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.20	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,025.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	100.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	101.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Hydro-Electric Power Supply	109.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Power Co.	1,112.50	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.12	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.87	£1	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	6.00	10	0.62	0.70	Nil		3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,303	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.81	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.75	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	120.00xd	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13 60	10	1.00	1.50	1.429	1.429	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	303.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
45,20,000	52,93,268	1,40,18,591	....	75,198	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	130.00	100	13.00*	13.00*'C'	13.00		6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	Nil	4.00		4	Y.P.
60,00,000	1,08,98,455	2,46,93,330	1,46,51,549	39,845	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	160.50	100	13.00	13.00'C'	13.00		6	Y.P.T.
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	175.00	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.00	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.00	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
37,50,000	49,67,710	1,14,26,696	38,15,988	38,460	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	37.50xd	10	1.00	1.43	1.60		3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.12	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 / 15,50,000	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— / 5.24	10 / 7.50	Nil / Nil	Nil / Nil	..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— / 5.24	10 / 10	..	..	Nil / Nil		11	Y.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.52	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00			7	Y.P.
80,62,845 / D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	20.44	10	1.00*	1.20	1.20	1.20	3	Y.P.
57,50,000	42,81,615	1,28,07,838	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	174.00 / 115.00	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00		6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	182.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	125.00	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	128.75	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	122.75xd	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,97,300	2,38,57,403	24,50,95,291	11,17,31,117	2,47,359	Tata Industries Private Ltd.	Tata Locomotive	275.00	100	9.00	12.50	14.50		3	Y.P.T.
19,81,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	650.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	45.25	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	240.50	100	13.00	13.00	14.00		8	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	14.60	10	..	..	Nil	Nil	4	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.69	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.06	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.12	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.12	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	695.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.87	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	14.24	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.31	10	Nil	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,26,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	35.37	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	23.56	10	1.00	1.50	1.60	0.801	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	32.69	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 / 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	47.37 / 14.50	O.10 / O. 1	1.62½ / 0.16½	2.30 / 0.23	2.40 / 0.24	2.30 / 0.23	3	Y.
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.37	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.00	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.25	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.00	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.53	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	Nil	Nil		6	Y.
49,96,000	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.75	10	0.75	Nil	Nil	Nil	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	10.12	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.40	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	166.00cd	100	15.00	15.00	15.00	15.00	4	Y.

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66 390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
42,42,125 / 15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	62.50 / 63.00	15 / 15New	5.70* / 5.70*	5.70 / 5.70	5.70* / 5.70*		12	Y.
2,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.19	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
5,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	3.38	Sh. 1¼	Nil	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.44	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	53.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,80,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	190.00	100	Nil	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	Nil	Nil	Nil		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.50	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.87	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	Nil	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	92.00	100	Nil	Nil	Nil		3	Y.
1,39,06,810	....	3,23,63,696	....	..	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.12	10	....	....	Nil		6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.82	10	1.25*	1.50	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.20	10	1.50	2.25	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.75	10	....	....	Nil		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.87	10	1.78	1.78			12	Y.P.T.
50,00,000 / A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 / 10.03	O. 10 / A. 10	0.30 / 0.30	Nil / Nil	Nil / Nil		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.76	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 / B.56,04,800 / P.O.4,37,500	3,30,31,629	10,23,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	37.00 / 37.00 / 3.75	A. 10 / B. 10 / P.O. 2½	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	2.00 / 2.00 / 0.325	1.00 / 1.00 / 0.325	3	Y.P.T.
1,49,99,262	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	147.50	100	Nil	6.00	7.50		6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.75	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31.87	10	2.50	3.00	3.00			Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.34	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 / B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	122.00 / 11.60N	A. 100 / B. 10	10.00 / 1.00	15.00 / 1.50	15.00 / 1.50		4 / 9	Y.T. / Y.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		6	Y.P.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	12.87	10	1.50	1.50	1.50		6	Y.P.T.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.00	10	Nil	Nil	Nil		10	Y.P.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	Nil	Nil	Nil		6	Y.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20		3	Y.T.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			6	Y.P.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		7	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	180.00	50	4.20	9.00	10.00		6	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		5	F.
11,00,000	5,25,330	45,62,932	31,98,949	8 408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		6	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		7	Y.P.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		10	Y.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	Nil		10	Y.P.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	Nil	0.60			3	Y.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	Nil	10	Y.
65,00,000	23,85,845	92,55,453	42 92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.15	10	1.20	1.25	1.00		6	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		7	Y.P.T.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.06	10	1.50	1.50				
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		2	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	20.25cr	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	114.50	100	Nil	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	214.00	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,263	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y.
39,84,000	52,98,500	1,48,93,208	83,78,392	1,48,294	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.75	5	0.90	1.28	1.05		5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,148	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	39.50	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	11.00	10	1.25	1.40	1.00		9	Y.P.
32,43,380	26,08,785	1,81,03,458	36,01,381	7,084	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.00	10	1.00	1.25	1.50		6	Y.P.
68,61,710	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	63.00	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	146.50	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	87.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	8.50		8	Y.P.T.
29,98,650 / D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 / 30.00	O. 50 / D. 50	8.50 / 3.50	5.00 / 3.50	5.00 / 3.50		9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	7.30cd	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.00	100	20.00	15.00	15.00		9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	96.00	100	..	Nil	Nil		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.60	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	94.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 / 45,08,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. / 75.00	100 / 75	.. / ..	20.00 / 10.00	45.00 / 22.50		3	Y.
37,50,000 / 10,00,000	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	121.00 /	100 / 100	5.00 / ..	8.10 / 2.70	9.50 / 4.50		3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	Nil	Nill	7.50		6	Y.
89,25,000 / 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	615.00 / 248.75	Old125 / New50	28.75 / 9.50	37.50 / 15.00	41.25 / 16.50	41.25 / 16.50		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	97.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	91.00	75	..	..	..	Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	151.25	100	Nil	Nil	Nil		12	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	200.00	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.64	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	42.50	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman).	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	114.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	85.00	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 / D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	*Fisheries (Agency) Private Ltd.*	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	366.25	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	200.00	100	..	..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	99.50	100	9.00	9.00	9.00		6	Y.P.
4,73,200 / 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	9.00 / 4.50	9.00 / 4.50	9.00 / 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	127.00	100		Nil	Nil		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	87.50	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	259.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
63,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.12	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.30	10	1.25	1.80	0.90	1.80	3	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	23.44	10	2.00	2.50*	2.25		3	
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.50	5	0.40	0.40	0.30		9	
30,00,000	28,03,816	43,94,289	24,88,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	28.87	10	4.00	2.50	1.50		3	
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	Nil	Nil	1.00		3	Y.
30,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	254.00	100	25.00	25.00	25.00		12	
12,00,000	26,61,138	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	35.00	10	4.50	4.00	2.50		12	
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.25	10	1.40	2.50	3.00*	2.50	3	Y.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.48	5	Nil	0.20	0.35		12	Y.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	20.50	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	36.50	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,47,93,934	85,99,851	27,71,678	12,605	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.62	5	0.80	1.25	1.50		3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	14.50	10	..	..	Nil	Nil	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.45	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	5.81	5	..	..	Nil		6	Y.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,783	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	40.75	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	16.76	10	0.50	0.90	1.20	1.25	3	Y.P.
60,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.50	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	15.75	10	..	..	Nil	Nil	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.87	10	0.60	0.80	0.90	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	33.12	10	1.20	1.50	1.50	0.75i	12	Y.P.T.
2,85,77,700	2,47,87,168	3,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	35.00	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
3,64,00,000	2,11,58,469	6,83,93,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	31.87	10	1.50	1.50	1.50		9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,648	1,32,665	M.	Indian Rubber Manufacturers	21.00	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.62	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	68.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	10.00	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.75	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. / 5,00,000D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.50	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	37.25cd	10	1.60	2.00	2.50	3.70*	3	Y.P.
10,00,000	3,23,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	8.60cd	10	1.25	1.00	Nil	1.00	3	Y.
1,35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	35,985	Do.	National Rolling & Steel Ropes	21.37	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.25	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,89,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.95	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	28.12	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.87	5	..	..	Nil		3	Y.
15,00,000	1,09,431	8,39,781	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	Nil			12	Y.
60,25,170	25,99,244	51,89,437	26,40,753	41,686	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.87cd	10	1.60	2.30	1.80	1.80	3	Y.
2,25,00,000	8,15,42,306	71,08,306	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	Nil	4.00	8.50		3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	12.81	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
15,00,000 / 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45 / —	10 / 7.50	1.50	1.30 / 0.225	..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.00	10	Nil	Nil	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	19.87	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	31,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.50	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	10.09	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.60	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,56,81,314	3,97,55,030	93,05,418	12,03,238	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	269.00cd	100	10.00	10.00	10.00		7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.12	10	Nil	Nil	Nil		9	Y.T.
2,20,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	45.00	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	159.50	100	10.00	10.00	12.00	14.00	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.24	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.12 / 5.96	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	Nil	Nil	3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.76	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 / P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.37 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.12	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	Nil	Nil	Nil	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.50	10	Nil	0.60			12	Y.
1,20,00,000	2,44,80,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	336.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	20.25	10	Nil	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.53	10	Nil	Nil	Nil		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
60,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	16.12	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.12	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.97	10	Nil	Nil			12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	50.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00	10	Nil	Nil	Nil		3	Y.
12,00,000	2,03,871	44,46,519	29,14,342	797	Killick Industries Ltd.	Hingir-Rampur	40.75	50	Nil	Nil	Nil		6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
81,97,210	84,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	20.94	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 16.25N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,09,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	7.44	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	127.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	Nil		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	9.75	10	Nil	Nil	Nil		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.87	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	7.37	10	Nil	Nil			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. N.B.—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakh whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	396.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 / 40,78,300	26,88,220	12,942	Andhra Bank	100.00 / 86.50	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80	— / 4.00i	6,12 / 12	H. / Y.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	95.00	50	7.00	8.50	8.50	4.00i	6,12	R.L.Y.
2,50,00,000 / 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	111.50 / 114.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	4.00i / —	12	Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	62.00	50	4.50	5.50‡	4.50		12	Y.P.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16	50	7.50	7.50	7.50			
5,99,840 / 16,00,000 / 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 16.75 / 1.18	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡	— / — / 2.40i	12	Y.P.
2,62,50,000 / 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	61.00 / 62.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	2.40i / 2.00i	12 / 12	R.L.Y. / Y.
...,00,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	57.00xr	50	2.52	4.38	5.50		12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.12	50	Nil	Nil	Nil		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	15.62	50	Nil	Nil	Nil		12	R.L.Y.
88,60,000	83,01,884	1,48,636	Indian Bank	174.00	100	15.00‡	15.00‡	15.00		12	R.L.Y.
93,75,000	78,36,660	2,22,938	Indian Overseas Bank	163.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	20.00	10	2.00	2.00	2.00	1.00i	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	372.50	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.36	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,423	United Commercial Bank	78.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.62	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-15-0	£1	* 15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£17½	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-13-6	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. N.B.—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)‡	1941	98.00	28th February .. 1970
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	96.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.‡	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72‡
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70‡
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.00	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March‡ .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	94.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1946	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.00	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering‡	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62‡
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.20	30th September .. 1960-65
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August‡ .. 1972
RAILWAYS: STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1963
PLANTING						
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	94.00N	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	99.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	94.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	95.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st November 1962.

	Closing quotations 24-10-1962	High	Low	Closing quotations 1-11-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.14	2.16	2.08	2.08
Baroda Rayon (100)	124.00	126.50	118.50	118.50
Bombay Dyeing (25)	61.40	62.20	60.00	60.30
Bradbury (50)	187.50	187.50	153.75	115.00
Central India (100)	104.00	103.50	99.00	99.00
Century Mills (100)	571.00cd	578.00	556.00	567.00xd
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	141.50	142.00	140.00	142.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	100.00	100.00	98.00	98.00
Finlay (100)	294.00	298.00	290.00	298.00
Gokak (100)	182.00	183.00	178.00	179.00
Gold Mohur (100)	225.00	225.00	222.50	225.00
Gwalior Rayon (10)	47.50	48.75	45.00	45.00
Ind. Untd. Defd. (1)	3.80	3.72	3.30	3.38
Ind. Untd. Ord. (10)	27.00	27.15	25.50	25.75
Indian Rayon (100)	89.00	91.00	83.50	85.00
Indore Malwa (100)	205.00	206.00	198.00	198.00
Khatau (100)	420.00cd	413.75	390.00	390.00xd
Kohinoor (100)	273.00	288.00	270.00	273.00
Mafatlal (100)	730.00	735.00	721.25	721.25
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	119.00	119.00	116.25	116.25
Morarji (100)	468.00	478.00	464.00	470.00
Mysore (50)	58.00	58.00cd	55.50xd	56.50xd
National Rayons (100)	431.50	438.00	423.00	456.00
New City (100)	142.50	145.00	142.50	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	214.00	216.00	207.00	207.00
Podar Mills (100)	120.00	122.00	115.00	115.00
Raymond Woollen (100)	129.00	130.00	126.00	127.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	49.25	49.25	48.75	48.75
Shrinivas (100)	243.00	249.00	240.00	240.00
Simplex (50)	151.00	153.50	149.00	152.00
Standard (100)	805.00	845.00	792.00	795.00
Svadeshi (100)	234.50	259.00	236.00	239.50
Swan (100)	285.00	270.00	257.50	257.50
S. I. Viscose (100)	144.00	145.00	139.00	140.00
Tata Mills (25)	55.00	58.00	52.70	53.50
Lakshmi-Vishnu (100)	110.00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	111.50	111.50	111.00	111.00
Do. (New) (50)	113.00	114.00	113.50	114.00
Bank of Baroda (50)	95.00	95.50	94.00	94.50
Central (25)	61.50	61.50	60.50	60.50
Central 'A' (25)	62.00	62.00	61.00	62.00
Dena Bank (50)	57.00	58.00	57.00	57.00
Punjab National (10)	20.76	20.00	19.88	19.88
Union Bank (5)	6.32	6.36	6.28	6.32
United Com. (50)	77.00	78.00	75.00	75.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	91.00	92.50	90.50	91.00
Amalgamated (10)	10.60	10.20	10.12	10.20
Andhra Valley (1,000)	1,030.00	1,025.00	1,022.50	1,025.00
Bom. Sub. El. (100)	106.00	106.00	103.00	104.00
Surat (100)	101.00	—	—	101.00
Tata Hydro (100)	109.75	109.00	108.00	109.00
Tata Power (1,000)	1,131.25	1,122.50	1,105.00	1,108.75
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	62.00	63.50	62.00	62.00
New India 'A' (15)	63.00	—	—	63.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	23.96	24.00	23.20	23.22
Mukand Iron (10)	20.36	21.00	19.24	19.24
Tata Steel Ord. (75)	130.50cd	124.00	120.50	121.50xd
SUGAR COS.				
Belapur (50)	216.00	220.00	211.00	213.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	148.00	149.50	142.50	142.50
Phaltan (50)	83.00	87.00	82.00	83.00
Walchand Ind. (100)	144.00	145.00	140.00	140.00
CEMENT COS.				
Associated Cts (100)	150.50	154.00	146.50	147.50
Digvijay (100)	169.00	169.00	158.00	159.00
Orissa (10)	15.48	16.00	15.00	15.40
MISCELLANEOUS				
Alcock Ashdown (100)	300.00	305.00	295.00	295.00
Amar Dye-Chem (100)	215.00	216.25	202.50	205.00
Bom. Burmah (125)	609.00	623.00	599.00	602.00
Do. (New) (50)	248.75	253.75	246.25	246.25
Br. B. Petrol (1½ sh.)	3.16	3.70	2.88	2.92
Br. I. Corpo. (5)	9.48	9.48	9.00	9.00
Cooper Eng. (100)	126.00	130.00	123.50	124.00
Colour Chem. (100)	372.50	372.50	322.50	335.00
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	44.50	43.50	42.50	42.50
Hindustan Motors (10)	17.04	17.24	16.32	16.40
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	412.50	425.00	372.50	385.00
Indian Copper (2 sh.)	4.40	4.44	4.32	4.32
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	85.00	85.50	84.50	84.50
Larsen & Toubro (10)	24.24	24.76	23.00	23.00
Mahindra & Mahindra (10)	17.48	17.52	17.00	17.24
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	140.00	147.50	140.00	140.00
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	106.00	108.00	95.00	96.00
Premier Con. (80)	125.00	126.00	119.50	121.00
Scindia (20)	11.68	12.16	11.08	11.28
G. E. Shipping (10)	11.64	12.28	11.64	11.92
Shivrajpur (10)	24.00	27.50	23.50	24.50
Sirpur Paper (10)	12.12	12.12	11.48	11.56
Synthetics and Chem. (100)	150.00	159.00	147.00	151.00
Tata Chemicals (10)	12.80	13.64	12.72	12.76
Tata Locomotive (100)	273.00	281.00	267.00	269.00
Tata Oil (25)	53.50	55.00	51.00	51.00
Texmaco (10)	20.76	—	—	20.76
Voltas (100)	231.00	250.00	230.00	237.50
W. I. Match (100)	259.00	260.00	256.00	256.50
W. Coast Paper (100)	150.50	150.50	140.00	140.00

GOVERNMENT SECURITIES	24-10-1962 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	1-11-1962 Rs.
2½% 1962	99.90	—	2.75	100.00
2¾% 1976	83.50	—	4.33	83.50
3% 1964	98.85	—	3.55	98.85
3% 1963-65	99.05	?.84	3.32	99.05
3% 1966-68	96.90	3.84	3.58	96.90
3% 1970-75 1st Dev.	89.00	4.66	4.11	88.90
3% 1986 Con. Loan	66.25	—	4.61*	65.00
3½% 1964 N. P. Loan	99.95	—	3.52	99.95
3½% 1965 N. P. Bonds	99.80	—	3.60	99.75
3½% 1967 N. P. Bonds	98.65	—	3.80	98.65
3½% 1974	98.50	—	3.91	98.50
3½% 1967 N.P. Bonds	99.70	—	3.81	99.70
3½% 1969 Loan	97.80	—	3.89	97.65
3½% 1968	98.30	—	3.82	98.30
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4% 1972 Loan	99.35	—	4.08	99.35
4% 1973 Loan	99.30	—	4.08	99.30
4% 1979 Loan	98.55	—	4.12	98.55
3½% 1966 Bonds	99.70	—	3.59	99.70
4% 1980 Loan	98.55	—	4.12	98.55
4% 1981 Loan	98.65	—	4.10	98.65
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. CR.—Cum-Right. cd—Cum-dividend

MARKET GOSSIP

Credit Control Tightened

THE latest credit curb imposed by the Reserve Bank of India on commercial banks, limiting their capacity to borrow from the lender of last resort, has failed to earn the appreciation of market circles and banks. They feel that the Reserve Bank has rushed in with a control without paying much thought to its implications to production. The new procedure for rationing central bank credit (*vide* page 784 for details) will, it is feared, prove cumbersome and banks will find it pretty difficult to get a smooth flow of assistance from the Reserve Bank at the time they want it. Industries and workers are being urged to work hard and produce more. This can be done, it is argued, only if industries and trade get sufficient credit. Businessmen wonder as to how this will be possible when banks are subjected to a ceiling on central bank credit which can be lifted only at the discretion of the Reserve Bank. The need for controlling wasteful use of bank credit is conceded, but this, they say, could have been better ensured through selective credit controls.

Chinese War and Commodity Markets

The Chinese aggression does not seem to have led to any marked increase in commodity prices during the last fortnight. Although a war psychology has gripped the markets, there seems to have been no attempt on the part of traders to corner stocks and indulge in other anti-social activities. The overall market sentiment, however, remains bullish. Prices of some of the major commodities, including foodgrains, oilseeds and fibres, have gone up, but the increase has been quite moderate. The prices of *gur* and sugar have, in fact, gone down perceptibly on account of large supplies. The only group of commodities which have registered a sharp increase in prices is non-ferrous metals. This is attributed to the operators' fear that imports of non-ferrous metals for civilian consumption will be further reduced.

The following table shows the latest quotations for select commodities, as compared with those last week, two weeks ago and a year ago:

(In Rs. per quintal unless otherwise stated)

	Latest Available Quotations	A week ago	A fortnight ago	A year ago
Foodgrains				
Rice *Basmati* ..	91.14	91.19	91.19	89.50
Wheat farm quality.	44.88	45.21	43.87	47.80
Jowar	46.89	46.89	46.89	30.00
Gram	43.54	43.86	43.54	38.00
Oilseeds†				
Groundnut ..	45.87	45.57	46.75	45.50
Castorseed ..	33.62	33.30	33.25	33.00
Linseed ..	42.12	42.25	42.00	38.75
Fibres				
Jute*	27.50	27.50	27.50	28.75
Cotton**	693.00	693.00	693.00	693.00
Others				
Gur	59.62	69.66	73.68	62.96
Sugar	115.37	116.62	116.62	113.06
Non-ferrous Metals				
Copper wire bars† ..	400.00	385.00	370.00	290.00
Zinc	270.00	268.00	254.00	285.00
Lead	156.00	156.00	156.00	142.00

† Per 50 kgs. * Per maund. ** Per candy.

Among foodgrains, wheat has tended to look up. In the Hapur market, farm quality has gone up from Rs. 43.54/44.21 two weeks ago (that is, just before the commencement of the massive Chinese invasion) to Rs. 44.21/45.55. In view of the large stocks lying with the Government and the U.S. assurance of further supply of wheat under P.L. 480, the possibility of any marked increase in prices is remote. Rice has been ruling fairly steady, with the arrivals of new crop at terminal centres tending to have a restraining effect on hoarders. *Jowar* and gram have also been well maintained. More or less the same trend is in evidence in the oilseeds market. Castorseeds Madras small has improved by just 37 nP over the last fortnight to Rs. 33.62 per 50 kgs. Similarly, linseed and cottonseeds have also moved up a little. Groundnuts have actually turned easy, thanks to the movement of new crop to consuming centres. Among fibres, while cotton futures have been ruling firm, the spot quotations are well within the ceiling level. There has not been any notable change in the jute market.

A Commendable Move By W. Germany

India and other developing countries are greatly gratified at the latest move of the West German Government to provide fresh incentives to promote German investments in developing countries. A package of tax privileges to encourage private investors is currently being discussed in Bonn. So far, tax laws in Germany have not sufficiently taken into account the various political and economic risks which investors in developing countries are confronted with. The basis of West German development aid is, therefore, proposed to be broadened. While, in previous years, Government aid represented the bulk of West German development assistance, it is now intended to mobilise private investment on a large scale. West German sources say that such a move is required, especially in the context of the strained position of the West German budget which no longer allows the provision of large amounts for development aid.

One of the tax incentives under discussion pertains to the grant of a special depreciation allowance for investments in developing countries. Since the risks in the various countries are different and since the developing countries especially suitable for investment are to be favoured, it is intended to introduce a regional sliding scale. It is expected that the depreciation allowance for investment in African developing countries will be twice as high as that in the other extra-European developing countries or in the European developing countries. After a special depreciation allowance has been introduced, the present possibility to build up reserve items deducted from taxable profits is also proposed to be maintained. The percentage of the reserve is to be raised from the present level of 33⅓, together with the extension of the period during which the reserve items are to be dissolved.

The present tax legislation favours only investments used for the purchase of capital assets or representing capital assets themselves. The West German industrialists have repeatedly demanded that all kinds of assets should enjoy tax privileges. Judging from the present state of discussions, it appears probable that the stocks of goods necessary to run the enterprise, too, will become tax-favoured items. The movable assets and production equipment of agricultural and forestry enterprises are likely to be added to the list of tax-favoured items. At present, only industrial enterprises are enjoying these tax privileges.

The grant of tax privileges providing for special depreciation allowances and formation of special reserve items in respect of West German investments in developing countries is now subject to the decision of the Finance Ministers of the individual West German States (Laender). Bonn's development aid experts are discussing whether this subject should be placed under Federal legislation.

Meanwhile, the politicians in Bonn are considering whether the tax authorities should abstain from uncovering secret reserves, if the goods that are already written off partly are transferred to a foreign company having its seat in a country which has an anti-double taxation agreement with West Germany. The privileges are also proposed to be granted for the loans extended by the Reconstruction Loan Corporation and the Development Corporation, as well as for loans which serve investment in developing countries. This move is intended to strengthen the working capital of the two institutions. Reduced income-tax and corporation tax rates are to be applied to such loans.

The profits arising from investment in developing countries in the first five years will be tax-free, if they are reinvested in the foreign enterprise. Corresponding rates and a maximum amount are to be fixed. This tax privilege is expected to be granted to participations in both partnership enterprises and joint-stock companies. Another concession pertains to special income-tax reduction for purchases from developing countries. The present regulations provide for a tax rate of 25 per cent on foreign incomes. This rate is to be revised. The West German experts who have been working in developing countries for at least 18 months are also to enjoy tax privileges. In the first three years following their return from abroad, they will be granted a substantial tax allowance. A large number of experts, we are told, will enjoy this tax privilege. Tax allowances will be extended to include the West German enterprises which are training students from developing countries. The allowances will, however, be limited only to the training of nationals from extra-European countries.

The aforesaid incentives will undoubtedly accelerate the pace of West German private investments in developing countries which are experiencing a persistent shortage of capital. Although the economic position of West Germany has improved remarkably in the past few years, the quantum of fresh private capital invested in developing countries continues to be negligible. During the calendar year 1961, for instance, the total flow of West German private capital (excluding private export credits for five years and less amounting to $11.1 million) was no more than $210 million which was actually less than the previous year's flow of $221 million. Even here, only $156 million represented direct investment, including reinvested earnings, and other private capital and portfolio investment. Guaranteed private export credits for more than five years accounted for $57.5 million.

"Key Currencies" Scheme

An interesting scheme designed to correct imbalances in the payments position of the principal Western trading countries in a more natural and automatic manner has been formulated by Prof. S. Posthuma, one of the Managing Directors of the Netherlands Bank, in a memorandum drawn up and presented by him to the European Common Market's Monetary Committee at Brussels. Briefly summed up, the scheme accords the status of "key currencies" to the U.S. dollar, the pound sterling and the currencies of the six Common Market countries. All the countries concerned are urged to hold at least 40 per cent of their reserves in the form of these key currencies and the balance in gold. The foreign key currencies held by national authorities should, according to him, be fully covered by a gold guarantee. This means that the central banks of the eight countries guarantee their own currencies in the sense that anyone holding such currencies as part of their reserves can, in case of need, exchange them for gold at the standard rate. It may be noted here that, at present, only the dollar is a key currency and sterling enjoys an international status approaching that of a key currency.

Prof. Posthuma claims that the implementation of his scheme will set right what he calls the unhealthy asymmetrical payments situation. In such a situation, the European countries with balance of payments deficits make them up largely by paying out dollars, so that any U.S. attempt to improve its balance of payments results not in gold flowing back to the U.S. but in the European countries holding fewer dollars, whereas the other side of the picture is that the U.S. can cover any deficits in its balance of payments only by paying out gold. According to the assessment made by Prof. Posthuma, similar deficits on either side of the Atlantic lead to the following quite different consequences:

Any U.S. deficit causes gold to accumulate on this side of the Atlantic, while the immediate effect of European deficits is a fall in European dollar holdings. This difference also leads to widely diverging national policies when attempts are made to restore the national balance of payments equilibrium. In the case of the U.S., this aspect of the exchange problem is putting a severe and apparently permanent strain on the domestic economic situation. Repeated American attempts to improve the U.S. balance of payments have, for the reasons given, failed to restore the American gold reserves. The Administration dares not create the internal monetary conditions which would allow the present considerable slack in domestic productive capacity to be taken up, because this would, if anything, increase rather than diminish the balance of payments deficit. This is a vicious circle, since, obviously, the best way to increase foreign exchange earnings would be to expand production. The fear of losing even more gold compels the Administration to give a higher priority to the conservation of its reserves, thereby restricting the domestic economy, than to expansion at home, which would be desirable from almost every other point of view.

In the considered opinion of the Dutch banker, the symmetry of the situation on either side of the Atlantic would be restored, if both sides were to treat each other's currencies as key currencies. In that case, he argues, the U.S. can make up any balance of payments deficits by paying out European currencies rather than gold. Prof. Posthuma does admit that his scheme will not help the U.S. immediately, inasmuch as this country is not now in a position to build up stocks of European currencies. But he hastens to add that the U.S. balance of payments will not "run into the red for ever." When once the U.S. regains a surplus position, the "key currencies" scheme will, he claims, yield three major advantages: to reduce greatly the pressure on the U.S. gold reserves, to bring some improvement to the general world liquidity situation, and to allow the normal compensating efforts of payments surpluses and deficits to operate more quickly and smoothly.

Oil World's Knight-errant

In the death of Signor Enrico Mattei, founder-President of the giant, State-owned Italian oil combine E.N.I. (National Hydrocarbon Agency), Italy has lost its most outstanding industrialist and the world of oil one of its dynamic leaders. As the virtual father of the internationally famous and highly successful public sector oil industry in Italy, Signor Mattei must have been an inspiration for Mr. K. D. Malaviya, India's Minister for Oil, whose ambition is, it seems, to fashion India's public sector in oil on the pattern of the Italian giant. E.N.I. has also been a source of direct assistance to India, as it has been to many countries, including Britain. It has extended a credit of Rs. 46.15 crores for the establishment of petroleum projects in the public sector. Among the projects for which E.N.I. is rendering assistance are construction of a product pipeline connecting Barauni, Calcutta and Delhi, a gas fractionation plant in Assam, a liquid petroleum bottling plant and distributing facilities, supply of production and distribution equipment and contract drilling.

It is, in a sense, a measure of Signor Mattei's competence and an indication of the pivotal role he occupied in E.N.I. that the Italian Government is hard put to find a suitable successor who will provide the kind of dynamic leadership which has developed E.N.I into what it is today. E.N.I.'s activities are not confined to oil. They cover a wide field, ranging from ready-made garments to nuclear power. Signor Mattei literally salvaged Italy's first oil company in the public sector, started by the Fascist Government, from the financial mess in which it found itself after World War II and built it up to be the world's first successful public sector oil industry under democracy. And thereby hangs a tale of industrial adventurism and fortitude which has few parallels in history. Signor Mattei's career itself has all the elements of a medieval romance. Son of a minor police official, Signor Mattei started working at the young age of 14 and, by sheer dint of hard work, enterprise and business acumen, rose to a position that earned for him such epithets as "Oil Tsar," "Oil Cæsar," "Italy's Oil Sheikh," "the most Powerful Roman since Augustus," and "Italy's Industrial Cromwell." He successfully competed with major international oil companies not only in Italy but also in Middle East which was their exclusive preserve till recently. He may, therefore, be aptly described as a hero who bearded the lion in its den. His hard work for E.N.I. was motivated not by the prospect of any personal gain but by the desire to put Italy on the oil map of the world. He never drew a salary and worked for 14 hours a day and all seven days in the week.

Perhaps the only failing of Signor Mattei was that he did not believe in delegation of powers and responsibility. He had himself personally handled all the important negotiations E.N.I. was having with a dozen countries in Asia and Africa. Consequently, it is said, no one in the Company knows the extent and nature of the international commitments of E.N.I. In his death, India has lost a good friend.

COMMERCE

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

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GOLD BONDS WELL THOUGHT OUT

...or mobilising the gold held by the ...ple for financing the country's war effort, ...mphasised in our journal last week, seems to have been fully realised by the authorities even as we were writing about it. For, twenty-four hours after our last issue was published, Mr. Morarji Desai announced, in a country-wide broadcast over All-India Radio, certain measures for garnering the people's gold. The promptness with which the Union Finance Minister moved in this matter is admirable. Some may feel that he should have waited for several days, allowing the appeal for voluntary gold contributions to the National Defence Fund to bring the maximum possible results it could. They argue that the Finance Minister's offer would tend to dry up voluntary contributions, as those who wish to part with their gold for financing war effort would naturally prefer to invest in the gold bonds now offered rather than give it away as outright gift. This contention ignores human nature and exaggerates the scope for voluntary contributions. Besides, there is no point in exploiting the fervour of patriotism rekindled by Chinese aggression to an extent where persons of modest means feel impelled to give up their savings in yellow metal without taking compensation whatever. The National Defence Fund is there for those who still want to give gold donations.

The method adopted for attracting the people's gold without infringing the regulations of the International Monetary Fund reflects the ingenuity of the Finance Ministry and its advisers. Likewise, the price and other terms offered suggest that much careful thinking and cold calculation have preceded the announcement. The first impression of the terms of the gold bond is such as to describe them unattractive. But a deep study reveals that the authorities have tried to find a solution that reconciles, as best as possible, the conflicting problems involved. They have, in the first place, avoided embarrassment to the International Monetary Fund which would have arisen had they sought an exemption from its rules. By fixing the rate of interest on the 15-year gold bonds at 6½ per cent per annum, which is about two points (that is, nearly 50 per cent) higher than the yield available on corresponding maturities of the Central Government, they have avoided the necessity to offer a price that would have been higher than the equivalent of I.M.F. parity, namely, $35 per fine ounce, or Rs. 53.58 per 10 grams (or Rs. 62.50 per tola). The incentive given in the form of higher interest rate is akin to the subsidy given by the Governments of gold-producing countries to their domestic gold-mining companies (as, for instance, Canada and Australia) in order to offset the high cost of production and ensure a reasonable return on the investment. Ever since its inception, the Fund has recognised this subsidy as a legitimate incentive for sustaining and ...reloping gold production. India can thus ...im to have abided by the I.M.F. rules in ...ter and spirit alike even in a grave emer...ncy like war.

A ticklish problem confronting the authorities in the task of mobilising the people's gold was fixation of the buying price at a level that would not encourage smuggling without at the same time making it unattractive to the seller. The solution they have worked out and are trying now is a mixture of many things: higher interest rate, amnesty to black-marketeers, profiteers and tax-evaders who are keeping their ill-gotten wealth in gold, provision of an outlet for displaying one's patriotism, warning and threat of imposition of a ceiling on gold holdings, as well as of more penalties to smugglers, and a fervent appeal to the people to refrain from fresh purchases of gold till the Chinese are beaten back. The initial reaction of the bullion market shows that this solution, when fully implemented, may yield results far greater than generally expected. The price of ready gold has already fallen from Rs. 121.50 per ten grams on the eve of Mr. Morarji Desai's broadcast last Saturday to the neighbourhood of Rs. 105 at the time of writing. At one time this week, it was as low as Rs. 102.50. It may be noted here that, as compared with a peak of Rs. 129.90 touched on 29th August 1962, there has been a depreciation of about 20 per cent in the value of gold in a period of a little over two months This is sufficient to show that, even as a store of value, gold is not a haven that can guarantee peace of mind to an investor.

In order to judge the prospects for the gold bond issue, one must first consider the motives that influence purchases of gold. There are those who buy gold as a store of value. These people —here we are having in mind not the ignorant masses but the rich and knowledgeable investors in urban centres—believe in keeping a portion of their savings in gold as a hedge against inflation and fall in the purchasing power of money. Their number cannot be very large. Secondly, there are those who keep a part or whole of their ill-gotten wealth in gold and, though they may be larger in number than the first category, none can say how much gold they possess. Thirdly, there are those who buy gold for making ornaments and jewellery; these are mostly middle class and rich people. Fourthly, there are the masses of agriculturists and industrial workers who buy gold either for storing their surplus funds or for making jewellery or for both. Fifthly, there are the princes and places of worship who have inherited gold in various ways. And, lastly, almost every household in India buys gold for religious purposes, for giving dowries and for making presentations. One can straightaway say that it is beyond the scope of a democratic nation to eradicate the last-mentioned motive even during war-time. At best, it may be possible to minimise the use of gold for presentations and dowries by appealing to one's sense of patriotism. Temples and other places of worship may be reached through the Endowment Boards and the trustees concerned and persuaded to exchange the bulk of their gold for the gold bond. Princes and the rich people who have deliberately chosen gold as a store of value may not part with their stocks, unless a ceiling on the amount of gold that an individual can possess is imposed. This applies to the gold held by the vast majority of middle-class people as well. It is assumed here that they are all law-abiding citizens and would not like to find themselves on the wrong side of the fence. The fourth class, namely, the masses, may not respond at all, barring a few exceptions.

There now remain the hoarders of ill-gotten wealth in gold, falling into two categories, (*a*) the corrupt officials and self-employed non-businessmen (as, for example, doctors, lawyers and cinema stars) and (*b*) businessmen. For them, the gold bond provides a golden opportunity to turn a new leaf and convert their black money into white, with little or no loss. The Government has clearly stated that no questions about the origin of wealth will be asked when gold is surrendered. It has further stated that gold bonds will not be subject to wealth tax and that any capital gains made on the sale of bonds will be free from capital gains tax. These are not insignificant concessions. To take the (*b*) category, namely, businessmen. Let us suppose that the average cost of gold for the businessman is Rs. 107 per ten grams of .995 fineness. When he tenders it, he will receive from the Government Rs. 53.58 in bonds carrying interest at 6½ per cent per annum (subject to tax), payable half-yearly. Since these bonds are transferable, they can be easily marketed. And, since the prevailing yield for a 15-year loan is approximately 4.55 per cent (Government is paying 4.25 per cent on the ten-year National Defence Bond), these bonds may be expected to command a market value of Rs. 120 or Rs. 122, that is, a premium of 20 to 22 per cent. On this basis, the businessman concerned can realise a little over Rs. 65 on the 10 grams sold to the Government. The net capital loss for him is thus Rs. 42 or roughly 40 per cent. This is not too high a price to pay for converting his black money into white, considering that, nowadays, even a nominee charges 25 per cent for taking over black-market profits of a trader. As the businessman will use the funds thus released from his gold hoards in his regular business, he can easily wipe out the 40 per cent capital loss in less than three years. The assumption here is and it is no exaggeration—that a businessman usually earns 15 per cent per annum. Even if he merely lends the money to the indigenous money market, he can get 10 to 12 per cent per annum. On this basis, it may even be worthwhile for those businessmen who are hiding their ill-gotten wealth in currency notes to buy gold at or a little over Rs. 100 with that money, convert that gold into gold bonds, sell these bonds in the market and invest the proceeds in their business.

The hoarders of black money, who are not businessmen and will, therefore, be unable to recoup their capital losses in the manner thus described, will also find the gold bonds a convenient way of rectifying their position. If they keep the bonds till maturity, they will receive in all, even on a simple interest basis, Rs. 90 per 10 grams of gold given to the Government. Since they will also be able to earn interest on the interest received on gold bonds, the actual amount they will have received by the end of 15 years will be much more, perhaps, over Rs. 100. Thus, their capital loss will be much less than that of those described earlier. Only, they will have to wait patiently for 15 years. In fact, if their average cost of gold is Rs. 100 or less than Rs. 100 per 10 grams, as it very well could be for those who have accumulated gold over a period of years, there will even be a capital gain.

It follows from the foregoing analysis that those who have hidden their black money in gold or even in currency can conveniently regularise their wealth by availing themselves of the opportunity now offered by the Government, an opportunity which will give them the additional satisfaction of having helped the motherland to throw out the invaders. The earlier they do so the better, for two reasons: (1) though the bonds will be on sale for six months from 12th November 1962, the Government has the option to close the list earlier any time it chooses; and (2) the country is urgently in need of foreign exchange for both war and economic development. Accordingly, purchases of gold bonds now will be of immense help. Even those who have gold acquired out of their taxed reserves and therefore whose possession is legitimate could, nay should, exchange their surplus gold for gold bonds, without waiting

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for the Government's announcement restricting the amount of gold that an individual, or family, can keep. This they must do as their patriotic duty. One may ask as to what we mean by saying "surplus gold." The surplus here means the gold in excess of one's requirements for a fair amount of jewellery and religious purposes as, for instance, marriage. It is for each one of us to decide, as Mr. Morarji Desai rightly observed in his broadcast to the nation, the amount of gold to be exchanged for bonds. As has already been shown, one hardly suffers a loss by doing so, if the average cost of one's gold is in the neighbourhood of Rs. 100. If one does not wish to wait for 15 years to get full value for one's gold in this manner and desires to take full advantage of the prevailing market price of the metal, one is welcome to sell one's surplus gold in the open market. One will thereby make an indirect contribution to the war effort, for such sales will discourage smuggling of more gold into the country and reduce the loss of foreign exchange that occurs through this illegal traffic. Those who wish to follow this way out would be well advised to dispose of their surplus gold before the Government imposes a ceiling on gold holdings.

If those who have bought gold with their legitimate capital and income consider the gold bonds unattractive, having regard to the possibility of a fall in the purchasing power of the rupee in the coming years, they cannot be blamed. To them one can only appeal that they should make a certain amount of sacrifice for protecting the independence of this country as a democracy. They must realise that the enemy who is threatening the freedom and integrity of the country is not an old colonial power with a democratic government but a ruthless communist power, with no respect for international law and individual liberty. Of what avail their gold possession will be if the country goes under the suzerainty of such a power? These investors in gold should, therefore, ponder carefully and extend their maximum support to the gold loan. This task will be relatively easy, if they content themselves by regarding the subscription to gold bond as an interest-free loan to the Government for fighting the war. There are, of course, many persons of modest means among such genuine investors in gold. They may feel that they cannot afford to make even this sacrifice. The least that they can do is to respond faithfully to Mr. Morarji Desai's call not to buy any more gold, until the last invader is thrown out from the Indian soil. Indeed, if every one in this country, be he rich or poor, abstains from buying gold either for making jewellery or for storing savings, the price of gold will go down to such low levels as to render smuggling uneconomic. If the people of this country were to achieve this goal, they would stop an annual drain of Rs. 40-50 crores in foreign exchange, besides making available the equivalent rupee resources for productive investment and employment for their own benefit. To sum up, therefore, if one cannot exchange one's gold even for the gold bond, one must at least refrain from buying gold.

ECONOMIC MOBILISATION

THE nation is indubitably on the march and all roads seem to be leading to the Himalayas. It may be deemed hyperbolical to describe in this manner the mobilisation of men, money and material that is under way for defending the country against the Chinese invaders. But it is not quite so, for the entire Indian nation, including the larger section of the Communist Party, has found its soul and attained, overnight as it were, a surprisingly high level of emotional integration. There can be no better psychological asset than this for the defence effort, for it signifies the determination of a united nation to defend its own honour, integrity and sovereignty. That this is the most basic of all assets, including Prime Minister Nehru's great leadership, is clear enough. So far, so good. But the nation's morale, like that of the Army, cannot be expected to be maintained and strengthened for a possible protracted war except through an economic mobilisation of the kind that took place in Britain in the dark days of 1940 when that country refused to accept defeat at Hitler's hands. Any such mobilisation would involve a supreme effort to produce more on the farm and in the factory and a cheerful acceptance of curtailed or controlled consumption on the part of the people. By all accounts, the real cost of this war—undeclared though it may be—between India and China is going to be much heavier than is currently foreseen.

In a way the magnitude of the economic task that lies ahead has been recognised by the National Development Council. The momentous declaration adopted by the Council, at its two-day meeting which ended on the 5th instant at New Delhi, has the following to say on the supreme need for economic mobilisation:

"Our soldiers at the front will have to be backed by the productive efforts of the people in the field and factories. The N.D.C., therefore, considers the country's plans of development as an integral part of the national defence.

"In this context, the successful and speedy implementation of the Plan, with the necessary reorientation to meet this emergency, becomes all the more imperative. Resources for this can come only through savings and savings would necessarily mean sacrifices in the present for the sake of the future. The Government, at the Centre and in the States, will have to take adequate and effective steps to foster the proper atmosphere for greater savings in the community and utilise those savings towards the national effort, with economy and efficiency.

"The Council takes note of the present situation regarding supplies of food and essential commodities for civilian consumption, and affirms its determination to prevent hoarding and profiteering and to check any undue rise in prices of commodities. Co-operative channels of distribution will be developed. Vigilance committees everywhere will stand watch."

The reference to the Plan in the above declaration follows the line laid down earlier by Prime Minister Nehru in his address to the Council. Mr. Nehru's view, incidentally, was to the effect that the Plan was already a selective one and that, on most of the things it had to do, the country could not relax. The programmes for agricultural and industrial production, power and technical training, in particular, he said, were of the utmost importance for winning the war as well as winning the peace. He, of course, conceded that some non-essentials would have to be cut down not only in the Plan but also in non-Plan activities. But the Council, while broadly approving the Prime Minister's approach, has not indicated in what specific ways the Plan can be integrated with national defence and its priorities reordered so as to release more money and materials for the war effort.

It may be supposed that the Planning Commission's proposals for re-arranging certain priorities to meet the defence requirements and for strengthening the Plan in several other directions would be accepted by the State Governments. These proposals, incidentally, pertain to greater emphasis on the maintenance of essential supplies and prices, irrigation, power and industrial projects, roads and road construction, savings, training programmes and agricultural production. The States would have no alternative to so rephasing their 1963-64 Plans and to reducing their non-Plan expenditures, for Central assistance to them for 1962-64 is going to be reduced from the originally-proposed Rs. 450 crores to Rs. 400 crores. It should not be too difficult for them to effect some economies not only by reducing non-Plan and non-development expenditure but also by increasing efficiency in implementing Plan programmes. The State Governments are rightly expected to work out the details of rephasing forthwith, so that they can implement the 1963-64 Plans promptly and efficiently from their very start.

It is to be hoped that the State Governments, which, according to Mr. S. K. Patil, Union Minister for Food and Agriculture, have not given top priority to agriculture, will realise that both the Army and the nation will be marching on their bellies in war-time. One has only to recall, in this connection, the experience of Britain which, before the war, used to import the larger part of its food requirements. Through intensive cultivation and agricultural mechanisation, that country succeeded in producing nearly two-thirds of its food requirements during war-time, thereby forging the will to fight. Agriculture in this country would likewise have to be placed on a war footing.

Intensive cultivation, for which adequate irrigation water and fertilisers (organic and inorganic) are required, can be given a big boost, provided the States take prompt advantage of the Planning Commission's latest proposal to raise the third Plan target for minor irrigation from 12.8 million acres to about 19 million acres. As the Union Food and Agriculture Minister has also promised to provide funds to the extent required for implementing the physical programmes for minor irrigation and soil conservation, the State Governments should lose no time in expanding their minor irrigation programmes in the light of this assurance. A massive effort, as suggested by Mr. C. M. Trivedi, Member, Planning Commission, at the N.D.C. meeting, is also required for excavating field channels so that the irrigation potential of major and medium projects could be utilised fully. Without more irrigation water, it would be idle to think of intensive cultivation on a larger scale. Equally important would be the multiplication of improved seeds and their timely distribution to farmers.

As far as dry lands are concerned, the currently proposed revision in the target for soil conservation so as to cover 16 million acres (as against the originally proposed 11 million acres) is accompanied by the assurance that more funds would be made available for the purpose. Likewise, by revising the target area for the adoption of improved dry farming techniques from 22 million acres to 50 million acres, the Planning Commission has underlined the need for achieving higher productivity in dry lands as well. Improved cultivation or conservation farming on dry lands will go a long way towards increasing their output even under conditions of uncertain or insufficient rainfall. With 80 per cent of the country's cultivated area continuing to be unirrigated, this programme for soil and moisture conservation and improved dry farming certainly deserves pursued as a matter of high priority. It is significant, in this context, that Mr. S. K. Dey, Minister for Community Development, has proposed that, from now on, village level workers should devote exclusive attention to agricultural programmes in C.D. Blocks. With better co-ordination between the Agriculture, Irrigation and Community Development Departments in the States, it should be possible to impart greater vigour to the campaign for growing more food and more agricultural raw materials for industries.

Unless food and raw material production is stepped up, the prices of wage goods are bound to go up in a situation of mounting defence expenditure (both direct and indirect). The consequent pressure on cost of living is bound to lead to additional wage demands and result in more purchasing power being released by way of dearness allowance. A wage freeze will thus become an elusive ideal so long as there is no restraint on the prices of foodgrains including wheat flour, agricultural raw materials, and other essential commodities listed by the Federation of Indian Chambers of Commerce and Industry. These other commodities are sugar and *gur*, cotton piecegoods, woollen piecegoods, *vanaspati* and other edible oils, footwear, paper, drugs and pharmaceuticals, coal and coke, and cement. If, as suggested by the F.I.C.C.I., the central organisations of manufacturers of these commodities can make arrangements to see that they reach the ultimate consumers at prices no higher than what they are expected to pay, it will be very good indeed. But supposing they fail to maintain the prices and supplies of these essential commodities by such self-regulation, what will happen? Surely at the retail end availability of goods at fair prices, howsoever displayed or marked, is not going to be that easy. So, it would be prudent on the part of the authorities to prepare plans quietly for swift physical control, as and when necessary, of stocks of all essential commodities, including foodgrains, and for their distribution through statutory, or informal, or fair-price, shops and co-operative channels.

Controlled distribution of essential commodities at fair prices may thus become necessary not only for maintaining supplies for civilian consumption at a bare minimum level but equally for restraining living costs in the interests of that savings mobilisation on which the N.D.C. has laid so much emphasis. But, in the ultimate analysis, the price line cannot be effectively maintained so long as the bottlenecks on the production side continue to push up industrial costs in a variety of ways. The F.I.C.C.I. has, therefore, done well to tell the Union Finance Minister the other day that at least five things should be done on an emergency basis. These relate to the supply of raw materials and industry, improvement in transport capacity basis as to balance military and civilian transport needs, removing impediments to fuller use of man road transport, stockpiling strategic materials like steel, non-ferrous metals and petroleum products by securing them from friendly countries, and amending labour laws suitably so as to allow working of three shifts and additional hours. Although we are broadly in agreement with the Federation's approach, we cannot help entering a caveat in so far as the labour question is concerned. It is that labour cannot be reasonably expected to accept sacrifices cheerfully so long as it sees no visible proof of similar sacrifice by capital. Whether those who provide capital will accept some sort of control on dividends, for instance, is a matter that deserves examination. In a society of conflicting classes, economic mobilisation for the war effort would necessarily involve equitable sacrifices all round for at least psychological reasons, if not for anything else.

MARKET GOSSIP

Whither Equities?

MANY an investor in shares and stocks must naturally be worried as to what he should do now. "Must I cash my investments or stick on to them?" The Union Finance Ministry has already issued a Press note saying, in effect, that it would be unwise to sell away one's investments in the present panicky state of affairs. With that broad advice, we fully agree. One should not forget the well-known stock exchange adage that tops and bottoms are for fools.

The easiest thing for one to do is to give advice. Nevertheless, on occasions such as the present emergency, it is necessary, to proffer it, if for no other consideration than at least to sustain the morale of investors. Such advice, if it is to be useful, must be straightforward without too many hedges.

Not long ago, an investor cared more for capital appreciation than for a reasonable yield. It is this mentality that kept the boom going. Today, his main worry is security of capital. The feeling of insecurity is due predominantly to political uncertainty. Confidence is a tender plant which gets easily shaken by emergencies such as the one through which this country is now passing.

Who can say with any degree of certainty that the Chinese have been definitely contained? Ultimately, of course, the aggressor will be beaten, but, meanwhile, there may be more losses and more destruction. An investor who cannot take such reverses with equanimity has no choice but to cash his investments when the going is good and keep the money in fixed deposit with banks. He may do so, especially if his original capital is still intact. So long as there are such weak holders, the stock exchanges cannot attain stability. It is only courage and not timidity that brings capital profits in equities.

Investors who have guts and plenty of surplus funds may pick up blue chips and shares of new companies which are engaged in promising industrial projects. There is no doubt that, barring a few exceptions, almost all the industries in this country will have plenty of orders—defence and civilian alike—that will keep them fully engaged. The country is now faced with the necessity of attaining both military and economic strength at top speed. And, under the pressure of this urgency, most of the bottlenecks that have been standing in the way of production may get broken quicker than expected. The understanding reached between the representatives of employers, on the one hand, and those of workers, on the other, on industrial peace is also a helpful development. Other things remaining the same, the prospects for industrial expansion and profits are, therefore, bright and with that the prospects for equities too.

But will other things remain the same? When this question is posed, a number of doubts starts crowding in one's mind. What additional taxation will be imposed in the name of war effort? Will there be a control on dividends? Will the war be used as a pretext to inject a fresh dose of socialism? These are some of the gnawing doubts causing sleepless nights to investors. They can be dispelled only by the Government. Accordingly, the sooner the Government clarifies its economic policy for the emergency, the better for the health of stock markets.

At the same time, the Government must take steps to introduce compulsory war risks insurance on a country-wide basis and give an undertaking that appropriate compensation will be paid in respect of property destroyed during the war. Such a step, too, will infuse confidence among investors and restrain selling pressure on stock markets. It is true that, at present, the fighting is going on with only guns and mortars in two corners of India. But what certainty is there that this will not spread and yield place to aerial warfare? Surely, one has to be prepared for the worst.

The swiftness with which the U.S., the U.K., Canada and other Western democratic countries have responded to India's request for arms aid has been an encouraging factor. But investors will rest assured, if the authorities in this country show more convincing evidence of their awareness of the danger posed to this country by Communists both in India and outside. To make a long story short, they are now worried whether India can become a strong military power to defeat the Chinese without the active collaboration of, and massive aid from, the Western world. The weakness of share markets reflects the weak spots exposed by the Chinese in India's military strength. That is the basic cause of the collapse of share markets. When this defect is rectified, the markets too will improve. We have no doubt that this will be done sooner or later. The exit of Mr. Krishna Menon from the Union Cabinet may be taken as a straw in the wind. And so those investors who have patience and stick on to their holdings will fare better in the end than if they sell out in a hurry now.

Raw Jute

The Jute Commissioner's latest order compelling the mills to buy nine million maunds (or 1.8 million bales) of raw jute during the months of November and December is, to say the least, regrettable. It is true that the raw jute prices are currently ruling below what is considered to be a fair level, namely, Rs. 30 per maund (basis Assam bottoms), and that the Jute Commissioner is rather anxious to safeguard the interests of growers by stabilising prices. But one wonders whether it would be right to subject the jute mills to undue hardship as a result of the compulsion to purchase more raw jute when all their godowns are bursting with heavy stocks of raw jute. The total of these stocks (including the fibre in transit and agencies) is put at as much as 1.75 million bales, a quantity that is sufficient to last for 4½ months. A further quota of 800,000 bales, we are told, is yet to be delivered and contracts covering another 2.6 million bales have already been concluded. How then can official circles accuse the jute mills of deliberately postponing purchase of raw jute with a view to depressing prices further? If the mills are to buy more fibre, they must first have proper godown facilities which are not available now. Surely, the mills cannot store the fibre in the open yards, as its quality will deteriorate and affect production of hessian and sacking. There is also the question of finance. The purchase of 1.8 million bales of jute as stipulated by the Jute Commissioner involves an expenditure of nearly Rs. 27 crores. The financing of this additional purchase is all the more difficult in the present context of tight money conditions.

Viewed thus, it is not surprising that the Indian Jute Mills Association has urged the withdrawal of the compulsory purchase order which is described as an extraordinary one. The Association points out that, with the heavy pressure on transport, the enforcement of the order will bring about an unsatisfactory gap between prices at Calcutta and in other parts. Moreover, it is feared that compulsory buying will benefit hoarders rather than growers. Even so, the Association has assured the Government that its member-mills would be prepared to stretch themselves to the utmost to implement the Jute Commissioner's order, provided arrangements are made to clear the accumulated jute stocks from Assam where prices are lower than at Calcutta.

New Stimulus to British Economy

In a bid to give a new stimulus to the economy and reduce unemployment, which is now of the order of 501,000, the British Chancellor of the Exchequer, Mr. Reginald Maudling, announced three major measures in the House of Commons on the 5th inst. These are: (1) increased investment allowance for industry, (2) accelerated 'write-off' for heavy capital goods which at present have a long life, and (3) cut in purchase tax on cars from 45 to 25 per cent. Making the announcement, the Chancellor pointed out, while opening the debate on the Queen's speech, that what Britain needed was not so much a general stimulus to consumption as special encouragement for the industries and areas where there are unused resources. The weakest sector of the British economy at present is the manufacturing industry. A stimulus to investment demand through increased investment allowance and shortened "write-off" will give, according to Mr. Maudling, a much-needed fillip to this industry. The cut in the purchase tax on cars, which will reduce the average retail price of a car in the home market by one-eighth, and the consequent boost to the home market and the economies of scale resulting therefrom will enable manufacturers to increase their exports.

Details of the Chancellor's proposals in respect of investment allowance and depreciation are as follows:

The investment allowance in respect of capital expenditure on new plant and machinery will be increased from the present rate of 20 per cent to 30 per cent. The investment allowance in respect of capital expenditure on new industrial buildings and structures will be increased from 10 per cent to 15 per cent. These concessions are expected to cost the Exchequer £8 million this year and £50 million in the full next year. Besides qualifying for the increased investment allowance of 30 per cent, capital expenditure on new plant, machinery and buildings for scientific research can, in future, be written off wholly in the first year instead of being allowed, as at present, at 60 per cent in the first year and 10 per cent in the next four years. The cost of this encouragement to scientific research is estimated at £4 million to £5 million in the full first year.

The proposed changes in annual depreciation allowance, details of which are yet to be worked out, will reduce substantially, in some cases by more than one-half, the nominal working life of a wide range and types of plant which are at present assumed, for depreciation purposes, to have working lives of periods up to 45 years. The cost to the Exchequer of the higher depreciation allowance, though small in the first year, will be £15 million in 1964-65 and may rise to £55 million annually in a few years' time. The combined cost to the Exchequer of the three concessions is estimated at £110 million in a full year.

The reduction in the purchase tax on cars from 45 to 25 per cent, though difficult to estimate because of the impossibility of calculating the resulting increase in demand, is expected to cost the Treasury anything between £50 million and £60 million in a full year. The new price in pounds sterling of some of the popular models of cars, calculated on the basis of the reduced tax rate, are as follows, the figures in brackets being the old price at the higher tax rate:

Austin Mini 448 (509); Ford Anglia 514 (585); Ford Zodiac 970 (1,105); Hillman 617 (702); Humber Super Snipe 1,353 (1,541); Jaguar 2.022 (2,301); Morris 593 (674); Mercedes-Benz 1,700 (1,926); Rolls Royce Silver Cloud 5,524 (6,278); Vauxhall 823 (936); Volkswagen Saloon 630 (717).

The aforesaid proposals, which should normally be included in the budget, will be incorporated in the next Finance Bill, but they will have retrospective effect from the date they are announced. The aim of this novel device is to make their effect felt immediately on the economy.

It is noteworthy that these concessions are not temporary measures designed to deal with a short-term situation. It is true they will have immediate, beneficial effects, but their objective is essentially long-term—to stimulate investment and exports. It is significant that the most liberal concession in terms of investment allowance and depreciation has been given to research assets, for it is scientific research that constitutes the backbone of industrial progress.

Latest Step for Uniting Europe

What is appropriately described as the biggest monetary venture since the creation of the U.S. Federal Reserve System on 23rd December 1913 has just been announced. It is the move to establish by 1970 a full-fledged monetary union comprising all the European Common Market countries. The programme of action as proposed by the E.E.C. Commission at Brussels envisages fixed rates of exchange among all the member-currencies with only small freedom to fluctuate within certain limits. The Rome Treaty, it will be recalled, did not provide for any common monetary policy. Drawing attention to this deficiency, the E.E.C. Commission declares that the gap must be filled. Apparently, the Commission feels that the appearance of a European reserve currency will greatly facilitate international monetary co-operation and, indeed, the reform of the present system itself. As a means to bring about a complete monetary union in the Common Market, the Commission has urged the immediate implementation of six important measures. Briefly summed up, the measures are:

1. There must be a continuing monetary review by a Council of Central Bank Governors which would join in meetings of Economic Ministers in the E.E.C. Council.

2. Whenever a member-State proposes to take any important monetary decision, such as changes in exchange rate, bank rate and other short-term interest rates, liquidity ratios or policy on open market operations, prior discussions with other States must be held; this system should be in place by the middle of next year.

3. Members can join in addressing monetary recommendations to another member whenever they feel the need to do so.

4. Recourse to the International Monetary Fund by a member must be preceded by Community consultations. The members should work out a common position with regard to the present world monetary system and the reforms to be carried out by the end of 1963.

5. Mutual aid will be given to a member in difficulties, if it fulfils certain conditions. The members will earmark a fixed proportion of their gold and foreign currency reserves for this purpose, as was originally suggested by M. Jean Monnet who mooted the idea of a European Reserves Union nearly two years ago.

6. As these objectives are progressively secured, such capital movements as are now prohibited or limited should be freed.

Alongside of the aforesaid measures, the E.E.C. Commission has recommended, as an approach to a 1964-68 Community programme, centrally co-ordinated planning economies until such time as these cease to be plural and become one economy. The

(*Continued on page 834*)

GOVERNMENT OF INDIA

4¼ per cent National Defence Bonds, 1972.

Subscriptions to the Bonds will be received at the following places with effect from 10th November 1962:—

(a) **Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi.**

(b) **Branches of the Subsidiary Banks of the State Bank of India conducting Government Treasury work; and**

(c) **Branches of the State Bank of India at other places in India.**

The subscription will be received for a period of 6 months but the sale of the Bonds may be stopped earlier, if so decided by the Government.

Subscriptions will be in multiples of Rs. 100 and will be paid in the form of cash or cheque. All the Bonds, irrespective of the date of sale, will be repaid at par on 10th November 1972.

Interest on the Bonds will be paid at the rate of 4¼ per cent per annum on 10th May and 10th November every year. On the Bonds sold after 10th November 1962, the first payment of interest will be for the broken period from the date of sale to the 9th May 1963 inclusive. The interest paid will be liable to tax but tax will not be deducted at source in the case of Bonds held by individuals.

TREND OF SHARES

'CRISIS' WEEK ENDS WELL

(From Our Own Correspondent)

BOMBAY, *8th November*

THE past seven-day period on the stock exchanges, characterised as the 'crisis' week, has ended on a slightly better and confident note, thanks to suspension of trading in some markets, especially Bombay Stock Exchange, the shot-in-the-arm like the Finance Ministry's note assuring investors of bright prospects for investments and the national economy and some sizable, though belated, purchases by the L.I.C. in some leading counters in both Bombay and Calcutta. Although absolute confidence is still clearly lacking, it seems that the panic created by the China war and fear of heavy war-time taxation has abated and the rot has been checked at least temporarily. While the measures taken by the market authorities have succeeded in no small way in restoring some stability to the markets, it is the solid support reported to have been extended by the L.I.C. that has changed the sentiment and produced a quick recovery in the leading counters from the lowest levels touched generally on Monday, the 5th inst. According to unconfirmed reports current in the market, the L.I.C. bought during the week 23,500 Tata Ordinary at between Rs. 120 and Rs. 121.75, 10,000 Bombay Dyeing around Rs. 56.50, 80,000 Indian Irons, 75,000 Hindustan Motors, 5,000 T.E.L.Co., and fairly good lots of Svadeshi, Kohinoor, A.C.C. in Bombay and of Dunlop Rubber, Indian Aluminium, Kesoram Industries, Union Carbide and Indian Cable in Calcutta. Market circles contend that had the L.I.C. made the bulk of its purchases through open market operation instead of through private deals, the market sentiment would have improved to a much greater extent.

Some dramatic developments in recent stock market history took place on Monday, the 5th inst. On that day the market authorities in Bombay and Ahmedabad suspended trading for an indefinite period. Business was also suspended for the day in Delhi within half an hour of trading and the Board fixed minimum prices for both cleared and non-cleared shares. The minimum prices for cleared shares were fixed at arbitrary levels, while those for non-cleared shares were pegged at the closing rates on Saturday, the 3rd inst. The Board also imposed an automatic margin of Rs. 2 per share on all outstanding sales and purchases in Indian Iron, Hindustan Motors, D.C.M. and Modi Spinning and a margin of one rupee per share on the other scrips in the forward list. The Board announced that a fine of Rs. 2,000 would be imposed on any member found trading below the fixed rates. Minimum rates were also fixed in Madras for both cleared and non-cleared shares at the closing prices on Friday the 2nd inst.

As expected, the Governing Board of the Bombay Stock Exchange announced compulsory carry-over of unadjusted business on a party-to-party basis at the turn of the current settlement on Friday, the 9th inst. The Board fixed making-up prices and regulated carry-over charges at 9 per cent per annum. It also announced that the market would open on Friday only for the settlement and remain closed until further notice. However, in view of the recovery staged by the leading counters in the kerb deals during the past three days, it was expected that the authorities would lift the present order of suspension of trading on Monday, the 12th inst. In addition to fixing the making-up prices and carry-over charges, the Board also decided to suspend the "selling out" rule in regard to unsettled contracts for the purposes of the settlement and notified the rules for the conveyance of the "buyer's ticket," representing the actual deliveries of shares to be taken by the buyers.

The Committee of the Calcutta Stock Exchange met informally on Tuesday, the 6th inst., after the close of business and expressed satisfaction over the steps it had already imposed recently to arrest bear pressure in the market. The Committee decided, therefore, to maintain the *status quo* until further notice.

The Finance Ministry note issued on 6th November gave the impression that the Central Government was unshaken in its conviction that the setback in share values was only a temporary phenomenon and that the basic outlook for investment remained unmistakably bright. The note clearly assured the investing public that "the markets will steady themselves and that normalcy will be restored soon." Reproduced below to the readers' advantage is one significant paragraph from the text of the Press note:

"The equity markets in all countries have their own uncertainties and share prices their ups and downs. There should, therefore, be no cause for undue concern, if, owing to causes like external aggression and internal adjustments of the economy which have to be undertaken as a result, share prices show a sagging tendency for a few days or even a few weeks. That the whole country is united in its determination to meet the aggression effectively has been amply proved by recent events. The unity of endeavour may mean certain readjustments of production lines and greater emphasis on certain goods than on others. *But there is no doubt, on the whole, the tempo of industrial and economic activity in the country will increase very rapidly and not slide back at all nor would it be realistic to harbour the fear that, while industry increases its production, the remuneration for its genuine efforts will be unreasonably low.*" (Italics ours.)

* * * *

Selling pressure continued to be unabated in Dalal Street and values sank to yet new low levels in the 40-minute trading on Monday, after which trading was suspended by the authorities. The extent of the fall in leading counters in both cleared and non-cleared list since the Chinese aggression on 18th October 1962 is indicated in a table on this page. Those counters which are not included in the table also recorded some further moderate losses this week. For example, Shree Niwas and Swan, in Textiles, declined by Rs. 9 to Rs. 231 and by Rs. 12.50 to Rs. 245, respectively. Alcock, among Engineering issues, came down by Rs. 7 to Rs. 288, Andhra Valley declined by Rs. 20 to Rs. 1,005, Mukand Iron fell by 48 nP to 18.76 and Associated Bearing and Chemicoat, in Cash List, declined by Rs. 16 to Rs. 115 and by Rs. 17 to Rs. 144, respectively. However, following L.I.C. buying, some of the market leaders staged a fair recovery in the past three days' unofficial trading, after declining further from the lowest levels touched in Monday's official session. Tata Ordinary, for instance, looked up from Rs. 116 to Rs. 121, Indian Iron from Rs. 21.40 to Rs. 23, Hindustan Motors from Rs. 14.68 to Rs. 16, Century from Rs. 535 to Rs. 562, National Rayon from Rs. 395 to Rs. 420 and T.E.L.Co. from Rs. 240 to Rs. 260.

* * * *

Although the market in Calcutta was officially open throughout the week, trading was limited, after the collapse. Yesterday, however, saw some revival of confidence. But closing prices showed losses over the week. Among Forward shares, the principal losers were G.K.W. which declined by 50 nP to Rs. 34.87, Dunlop which receded by 44 nP to Rs. 36, Rohtas Industries which showed a loss of 69 nP at Rs. 12, Shree Gopal which came down by 50 nP to Rs. 23.25 and Indian Aluminium which slumped by Re. 1.06 to Rs. 32.75. Trading in Cash shares was extremely poor, and only a few counters showed changes over the week. Thus, among Textiles, Dunbar showed a gain of 37 nP at Rs. 27.37 and Jay Shree of 25 nP at Rs. 16.50. Among Jutes, Barnagore recovered four points at Rs. 180. But, in the Miscellaneous section, Associated Battery fell by 81 nP to Rs. 28.06. Hindustan Aluminium and J.K. Synthetics showed a loss of 25 nP each at Rs. 13.56 and Rs. 12.19, respectively. Other sections were unchanged.

China War Toll in Equities

	Highest in 1962	Before Chinese offensive 18th October 1962	Lowest since then	Closing on 5th Nov., 1962
	Rs.	Rs.	Rs.	Rs.
Tisco	153.25	135.25xd	120.00xd	120.00xd
Indian Iron	27.35	25.10	22.84	22.84
Telco	382.50	293.00	251.00	251.00
Voltas	318.00	249.50	223.00	223.00
B. Dyeing	72.20	63.70	58.80	58.80
Century	682.50	601.50	556.00xd	558.00
Khatau	528.75	446.25	350.00	350.00
Kohinoor	327.50	290.75	268.00	268.00
Mafatlal	1,130.00	802.50	675.00	675.00
Standard	1,220.00	892.00	755.00	755.00
Svadeshi	304.00	247.50	231.00	231.00
National Rayon	625.00	452.00	410.00	412.00
Gwalior Rayon	63.00	52.50	40.50	40.50
Amar Dye-Chem	388.75	242.50	195.00	196.25
Indian Dyestuff	578.75	457.50	320.00	320.00
Tata Chemicals	26.36	13.84	11.80	11.80
Poly-Chem	245.50	190.00	128.75	128.75
Synthetics	249.00cr	171.00xr	138.00	138.00
Colour-Chem	520.00	412.50	316.25	316.25
A. C. C.	165.00	156.50	145.50	149.25
Digvijay Cement	218.25	178.00	157.75	158.00
Belapur	291.00	225.00	205.00	205.00
Walchandnagar	176.00	148.50	141.00	141.00
B. Burmah (Old)	708.00	643.00	590.00	590.00
H. Motors	21.48	18.52	15.00	15.00
P. Automobiles	160.00	112.75	92.00	92.00
P. Construction	202.00	131.00	115.00	116.00
H. Lever	74.00cr	47.25xr	41.50	41.50
P. Magnets	250.00	226.25	160.00	175.00
Sirpur Paper	17.80	13.12	10.80	10.80
W. Coast Paper	194.00	158.00	135.00	137.00
Wimco	321.00	271.00	250.00	250.00
Scindias	13.92	12.08	10.92	10.92

GOVERNMENT OF INDIA

Gold Bonds

Subscriptions for 6½ per cent Gold Bonds 1977 will be received from the 12th of November, 1962, in the form of gold, gold coins and/or gold ornaments.

The value of the gold will, after assaying, be calculated at the rate of Rs. 53.58 nP. per 10 grammes of .995 fineness equivalent to Rs. 62.50 nP. per tola of the same fineness.

Interest on the Bonds will accrue from the date of issue and will be payable half-yearly on the 12th of May and the 12th of November. Interest will be liable to tax but no tax will be deducted at the time of payment of interest on the Bonds held by individuals if the holder gives a declaration that the total nominal value of the Bonds held by him, or on his behalf, does not exceed Rs. 10,000.

The Bonds will be exempt from Wealth Tax and any capital gains from their sale will not be subject to Capital Gains Tax.

Subscription lists will open on the 12th of November, 1962 and close on the 11th of February, 1963 or earlier without notice.

Applications for the Bonds will be received at:—

(a) **Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi;**

(b) **Branches of the subsidiary banks of the State Bank of India conducting Government treasury business; and**

(c) **Branches of the State Bank of India at other places in India.**

For full particulars apply to any of these receiving offices or branches.

Issued by

GOVERNMENT OF INDIA

DA-62/553

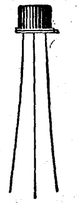
WORLD DIAMOND POSITION

SHORTAGE OF SUPPLIES FEARED

WORLD deposits of diamonds have been depleting steadily for sometime now and, if the trend were to persist, it is feared, a serious supply-demand imbalance would develop in the not-too-distant future. Indeed, a South African diamond magnate, Mr. Harry Oppenheimer, has warned that the existing diamond mines will be completely exhausted within 20 to 25 years. The position will, of course, be different if new deposits are discovered. But the prospect of such discovery are currently somewhat uncertain, if not bleak. Diamonds, it is common knowledge, are of considerable industrial and strategic importance. The diamonds which are colourless and transparent are being used as gemstones. As much as two-thirds of the world output of damonds are consumed by various industries. Inferior varieties find use in drilling, as in diamond drill bits, and for dies for drawing fine wire, glass cutting, etc. Some of the inferior varieties are used in diamond drills for deep boring in several processes connected with the manufacture of motor parts and diamond-set lathe tools, as well as in the trueing of abrasive wheels. In view of their various industrial applications, it is not surprising that the scare of shortage has stimulated great interest in the development of synthetic diamonds. Although scientists have still not been able to develop a perfect substitute, the manufacture of small synthetic stones suitable for certain industrial uses has already been undertaken in some of the industrialised countries.

The aggregate output of natural diamonds in the world (excluding Russia) was 27.3 million metric carats in 1960, the latest period for which data are readily available. Industrial diamonds alone accounted for 20.7 million carats, the balance representing gems. The total output in 1960 was lower by 1.1 million carats, as compared with the record production of 28.4 million carats attained in 1958. There was a distinct setback in the production of industrial diamonds which went down from 22.4 million carats in 1958 to 20.8 million carats in 1959 and further to 20.7 million carats in 1960. Taking the post-war period as a whole, however, production has gone up sizably. It may be recalled that, in 1948, the total output of natural diamonds was no more than 10.3 million carats, of which industrial diamonds accounted for 7.8 million carats. The continent of Africa continues to be the largest producer of natural diamonds, its actual share in the total world output being over 95 per cent. Congo alone accounts for half of the world's output, the quantity actually produced in 1960 being 13.45 million carats, the bulk (13 million carats) of which represented industrial diamonds. The production of diamonds in some of the other major countries (in million metric carats) is as follows: Ghana 3.3; South Africa 3.1; Sierra Leone 2.0; Guinea, Angola, Liberia and South West Africa about 1.0 each.

As compared with the aforesaid countries, India's output is very modest, being only about 1,000 carats in 1960. But, until a few years ago, India was producing at an annual rate of 2,000 carats. In the history of diamond industry at any rate, India has a unique place, for it was the only producer of diamonds in the world before the eighteenth century. Golconda in Andhra was the centre of a flourishing trade in diamonds for centuries. Several world-renowned diamonds, such as *Kohinoor, Pitt (Regent), Orloff* and *Florentine* are of Indian origin. Although diamond deposits are found in several places in India, Madhya Pradesh is the major diamond producing State, with about 95 per cent of total output coming from Panna. The Panna Diamond Corporation is entrusted with the task of mining and refining diamonds. It has put up a fairly modern crushing and recovery mill, installed a mechanical washing plant and taken measures for the mechanisation of mining operations. Further prospecting is under way in the diamond bearing areas of Panna which are expected to increase domestic production. The third Plan has set apart Rs. 1.5 crore for the exploration of the Panna area. Meanwhile, India has been dependent on foreign countries for meeting a part of its requirements of diamonds. During the year 1961-62, the country imported Rs. 14 lakhs worth of industrial diamonds and Rs. 8 lakhs worth of natural diamonds (cut and uncut). If the third Plan schemes for raising production of diamonds are implemented expeditiously, the dependence on imports will be reduced, an important aspect in the context of the anticipated shortage of supplies in world markets.



Semiconductors Limited have pleasure in announcing the production of India's FIRST germanium Transistors at their factory in Poona

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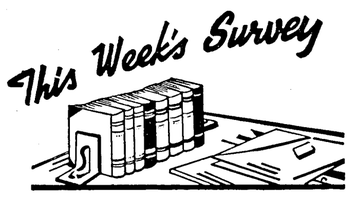


SOIL CONSERVATION

BOTH man and nature have been responsible for extensive soil deterioration in India. It is estimated that almost a fourth of the country's land surface is suffering from soil erosion. The yields of crops, especially on vast extents of dry land, have therefore either declined or not increased at all. Hence the need for adopting soil and moisture conservation measures like contour bunding and terracing, propagation of improved dry farming techniques, rain water conservation, weed control, strip cropping, use of organic manures including green manures, reclamation of alkaline, usar and ravine lands, and control of soil erosion in hilly areas and denuded forest tracts. The third Plan has provided as much as Rs. 72 crores for such soil conservation measures. Though this allotment is very small in relation to the magnitude of the soil erosion problem, it must be recognised that it is much more generous than the actual expenditure of about Rs. 18 crores on soil conservation works during the second Plan period. If the proposed expenditure of Rs. 72 crores is actually incurred, the most important of the physical achievements will be contour bunding covering 10 million acres, adoption of moisture-conserving dry farming techniques on 20 million acres, reclamation of 40,000 acres of ravine lands and control of soil erosion on 700,000 acres covering hilly areas and denuded forests. These are quite realisable targets, for soil conservation measures involve little or no foreign exchange expenditure and can be executed with local manpower resources, the supply of which is plentiful.

But the soil conservation programme as a whole runs the risk of not being executed fully and enthusiastically, because of its diffused and widespread character. The Programme Evaluation Organisation of the Planning Commission, in a study just published, has probably taken this factor into account while pleading for soil conservation the same order of importance as is accorded to irrigation. This is a perfectly sound plea, for soil conservation is the only land improvement measure applicable to the vast unirrigated area, particularly in the drier parts of the country. In the light of its survey covering 22 selected districts the Programme Evaluation Organisation has also suggested that the policy-making and executive agencies in the States be strengthened with a view to achieving the third Plan targets under the programme.

The P.E.O.'s suggestion pertaining to the policy-making side is that those States which have not yet set up Soil Conservation Boards should constitute such bodies. It is also suggested that suitable soil conservation legislation be enacted in those States where this has not been done so far. The recommendation pertaining to the execution side is that effective co-ordination of the soil conservation activities of various agencies be achieved by entrusting the responsibility for soil conservation to a single authority. The programme, it is further suggested, should adopt the kind of integrated approach that has proved successful in the D.V.C. area of Hazaribagh District (Bihar) where soil conservation work was planned and carried out co-ordinatedly and jointly by forestry, engineering and soil conservation extension sections under one Director. There is also need for integrating the soil conservation programme with extension activities in Community Development Blocks. Such integration would involve the preparation of the people for constructing soil conservation engineering measures and the extension of conservation farming practices to the lands covered by soil conservation treatment.

It is noteworthy, according to the study, that cultivators in the majority of the districts realise the usefulness of soil conservation treatment and that, in quite a few areas, an increase in the yield per acre from treated land, as compared with that from untreated land, has been reported. Where soil conservation is thus demonstrably useful in improving agricultural productivity, all that remains to be done is extensive propagation of the knowledge and technique relating to conservation and to get the cultivators to adopt them. This is essentially a problem of administration in which most State Governments have been found wanting.

ROCHE CHEMICALS PLANT

The inauguration of a new chemicals plant of Messrs. Roche Products Ltd. at Thana, near Bombay, marks the beginning of a new chapter in Indo-Swiss co-operation. The plant has a capacity to produce 10 million mega units of Vitamin A every year in both acetate and palmitate forms from lemon grass oil available in large quantities in the Kerala State. The total outlay on the project is estimated at Rs. 2 crores. With few exceptions, the entire plant is made of stainless steel. There is also wide application of pneumatic control, guarding against excess temperature and pressure by means of acoustic signals. In order to ensure strict quality control of its products, two modern laboratories have been set up. The plant will meet the growing demand for Vitamin A in the field of pharmaceuticals, food fortification, particularly in *Vanaspati*, and animal feeds, apart from exporting a part of its products. It is claimed that Roche plant will help save foreign exchange to the tune of Rs. one crore annually. The Planning Commission has estimated the total domestic requirement of Vitamin A at the end of the third Plan at 20 million mega units. It may be noted here that the Glaxo Laboratories also commissioned near Thana a Vitamin A plant early this year, with an annual installed capacity of 10 million mega units.

The products of the Swiss firm, Roche of Basle, a pioneer in pharmaceutical industry, have been well known in India for several years. Its entry into the Indian market began with the import of finished pharmaceutical products and bulk vitamins by Messrs. Volkart Brothers (subsequently Voltas Ltd.). Later, Roche commenced local manufacture of its two pharmaceutical specialities, *Saridon* and *Sirolin*, and other products. The next step was the conclusion of an agreement in 1957 with its Indian partners, Voltas Ltd., for the manufacture of Vitamin A and other pharmaceutical specialities. The new plant is the outcome of this agreement. It may be recalled here that Vitamin A manufacture was actually started by the firm on a small scale in February 1959. The new plant will benefit from the valuable research facilities and technical know-how acquired by the Swiss firm over the last 65 years of its existence. Roche has three major research centres, one each at Basle in Switzerland, Nutley in America and Welwyn in the U.K., employing about 600 chemists, doctors and pharmacists. Mr. Leybourne Callaghan, Managing Director of the Roche Products Ltd., has stated that a large number of Indians will be trained in Switzerland and that they will ensure progressive Indianisation of technical personnel. A number of workers has already been trained in Switzerland and assumed charge of several key technical posts in the new plant

VOLUNTARY INDUSTRIAL TRUCE

A commendable decision was unanimously taken by the representatives of employers and workers, to maintain industrial peace and spare no effort to achieve maximum production in order to strengthen the economy to face the Chinese aggression, at a joint meeting of all central organisations of employers and workers held at New Delhi on the 3rd inst., under the chairmanship of Mr. G. L. Nanda, the Union Minister for Labour. It was, indeed, inspired by a high sense of patriotism. By pledging that nothing would be allowed to come in the way of the single-minded and concerted endeavour in support of the defence of the country, employers and workers have demonstrated that they can forget sectional interests and sink differences of opinions as to their rights and obligations at a time of grave national danger.

The meeting adopted a comprehensive resolution embodying certain principles in regard to industrial peace, production, price stability and savings. The resolution emphasised that, in no circumstances should there be any interruption in or slowing down of production of goods and services and called upon both employers and workers to exercise voluntary restraint and make the utmost sacrifice in an "equitable manner." It laid the greatest emphasis on voluntary arbitration for settling disputes and suggested that labour administration at the Centre and in the States should be streamlined to settle industrial disputes promptly and to ensure the maintenance of cordial relations between workers and employers. The resolution enjoined upon trade union leaders and employers strongly to deplore absenteeism and negligence of duty or disturbance to normal production by workers, as well as any lapse on the part of management that contravened the spirit of the defence effort.

In order to step up production, the resolution called for the removal of all impediments in the way of better and fuller utilisation of men, machinery and materials. Establishments were asked to work, whenever possible, extra shifts, extra hours or on Sundays and holidays by mutual agreement. There should be no idle plant capacity or waste and maximum economy in operations should be achieved. The resolution also urged that all advantages accruing to industry from the extra effort of workers should go to the consumer and/or be made available for defence efforts. In order to check the rise in price, it was suggested that the supply of essential commodities at reasonable price should be ensured through opening consumers' co-operatives in each industrial undertaking.

All the aforesaid measures and more are necessary if the country is to face up to the challenge to its security posed by the Chinese. But there is a limit to what human effort, however organised and intense, can do. More and better work can certainly increase production. But there are other limiting factors also. Shortage of raw materials, power, transport bottleneck, etc., all inhibit production. It is for the National Development Council to examine what concrete steps and modifications in policy are necessary to make the best use of the available scarce resources in men, materials and money.

The resolution rightly emphasised that the benefits of extra effort put in by workers should go to the consumer or be made available for defence efforts. In other words, the fruits of the increased effort should be utilised to reduce prices or at least to prevent them from rising. This is a sensible decision. To the extent it is implemented in actual practice, it will benefit every section of the community, including workers.

PROFIT IN SOVIET PLANNING

A fierce economic controversy is currently raging in the U.S.S.R. Curiously enough, it relates to the role of profit, which has so far been regarded as anathema by socialists of all hues, in totalitarian planning. Prof. J. Liebermann, a noted Soviet economist, set the ball rolling by condemning outright, in a full-page article, entitled "Plan, Profit, Premium" published in *Pravda*, the Soviet Communist Party newspaper "the cumbersome, centralised planning" and "pusilanimous regimentation of enterprises by bureaucratic planners" and the practice of "influencing production by means of administrative instead of economic measures." In this article he suggests that factories should be freed from the absolute control of the centralised planning authority and made into "independent, autonomous economic units," with the former being responsible only for fixing the overall production targets. He recommends that, instead of the arbitrary premium or bonus system hitherto in vogue, another yardstick, namely profitability, should be applied to measure the efficiency of an enterprise. According to Prof. Liebermann, the present practice (held sacred by the Communists) of the Soviet central planning authority drawing up detailed plans for each and every enterprise, involves a vast amount of absolutely unproductive paper work. In order to prepare detailed plans, directors and managers of enterprises are flooded with an unending stream of instructions and questionnaires which interfere with their work. The premium or bonus system, in his view, does not encourage production, because it is not based on productivity or profitability but on the criterion whether, and to what extent, enterprises have accomplished the plan or standard norm set for production by the central planning authority. This system encourages directors of enterprises to struggle hard to get only the minimum norms set for them. The norms are laid down on "report-basis," that is, on the basis of the performance of an enterprise in the previous year. The result of this practice, we are told, is that inefficient enterprises get "easy plans," while the efficient ones get "difficult plans."

Prof. Liebermann has suggested that profitability should be the criterion of everything in economic activity. Accordingly, he says that, depending on net profits, as revealed in the balance-sheet of an undertaking, funds should be made available to it, as kind of premium, to achieve real profits or surpluses. For this purpose, Prof. Liebermann has compiled a profitability table from which premium payable to different enterprises could be calculated. The Professor believes that, if the new system is adopted, factories will, in their own interest increase the capacity utilisation of available equipment and machinery and work more efficiently.

Soviet economists have been quick to react to Prof. Liebermann's thesis. More than a hundred opinions have already been expressed, most of them enthusiastically welcoming and supporting Prof. Liebermann's views. "Profit," observed a planning expert, "is the most important coefficient on which the entire work of the collective must be concentrated. This coefficient must be the very basis of all our future work."

It remains a mystery whether Prof. Liebermann's thesis was inspired by the Soviet Communist Party leaders or whether he expressed his opinion on his own. The latter is a rare thing in a dictatorship and it is hard to believe that *Pravda*, which is the mouthpiece of Premier Khrushchev, would have published the article in question if it did not carry the endorsement of the powers-that-be in Moscow. Prof. Liebermann's suggestion is as bold as it is revolutionary for the classical communist and, if accepted by the Party and the Soviet Government, would radically change the Soviet system of planning and production. This, in turn, will have far-reaching, favourable effects on the Soviet economy.

LEAD AND ZINC

Two more primary metals, lead and zinc, are expected to come within the purview of a world inter-governmental commodity agreement presumably on the lines of the existing Tin Agreement. A move to this effect has been launched by the U.N. International Lead and Zinc Study Group, which held its sixth session in Geneva a fortnight ago. Apparently, the Study Group believes that, unless Governments of both producing and consuming countries take effective and co-ordinated measures, it would not be possible to ensure stability in world lead and zinc markets in the long run. Accordingly, a suggestion made by Mexico at the session for the creation of an inter-governmental agreement for these two commodities was endorsed by other delegates. In pursuance of this suggestion, the Group has already made arrangements to proceed with the work for outlining the principles on which the proposed inter-governmental commodity agreement should be framed. Its special Working Group has been assigned the responsibility for studying the reactions of the various countries to the move and collating such information. This Group will also examine technical problems connected with production, consumption and trade in lead and zinc. This is, of course, a welcome move, in that any agreement on a world scale should be based on a study of the detailed data about supply and demand prospects. Data on output, consumption and stocks of these two metals are at present relatively scanty, except for a few advanced countries.

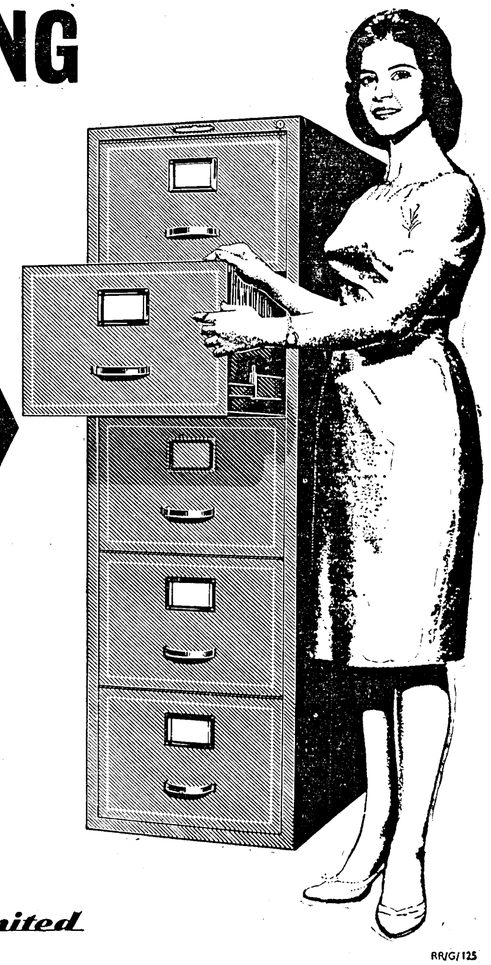
The Study Group, which is in its third year of operation, has already laid the foundations for any concerted inter-governmental action to stabilise prices of lead and zinc. It has a well-developed organisational structure. Its Standing Committee meets periodically in New York to consider the problems of supply and demand conditions. There is also a statistical committee, besides the Special Study Group. This committee proposes to arrange for publication and distribution of a monthly Statistical Bulletin. There are now 23 members in the Study Group embracing most of the major producers and consumers, including India, the U.S., the U.K., Russia, Mexico, Australia, Canada and West Germany. The organisational framework already built up will facilitate the conclusion of a formal international agreement, which will ensure the evolution and implementation of more effective steps for stabilisation of the two commodities.

The proposed world agreement is intended for tackling the long-term problems connected with the two metals. This does not mean that it has not given sufficient attention to the immediate difficulties facing these metals. The Study Group appears to be quite optimistic about the short-term outlook for the commodities. It is mainly on this account that it has not made any proposals for curtailment of output in 1963 of either of the commodities. It feels that the present supply and demand situation is better than that anticipated during the previous session in May. There has, of late, been some improvement in regard to lead, and its consumption is expected to rise by over 5 per cent to a record level during the current year (1962). The supply of lead, however, has been lower, thanks mainly to curtailment of mining and metal production. Accordingly, demand during this year is expected to exceed new supplies by about 75,000 tons. This is quite encouraging, in that in 1960 and 1961, there were surpluses of over 100,000 tons. Producers' stocks have also fallen by 66,000 tons since the beginning of the year and are now high only in the U.S. On the question of the outlook for the first half of 1963, the Study Group has stated that supply and demand will be in approximate balance. Mine and metal production and metal consumption are all expected to rise, though consumption may not continue to grow at the high rate of 1962.

The position of zinc does not seem to be as satisfactory as that of lead. No doubt, the Study Group expects the total mine and metal production and consumption to establish new records in 1962. But a small statistical surplus of new supplies over demand is said to be quite likely during the latter part of the year. This imbalance, according to the Study Group, is

(*Continued on page 808*)

PRESENTING
THE FILING CABINET WITH THE EXTRA DRAWER



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THE CASE FOR TAX REFORM IN U.S.

FACTS EMERGING FROM WORLD COMPARISON

WHEN the Eighty-eighth U.S. Congress, for which the elections have just taken place, convenes in January next, it is expected to discuss changes, including cuts in personal and corporate income-tax rates, that are likely to be proposed by President Kennedy. As comprehensive tax revision is currently on everyone's mind in the United States, the *Monthly Letter* of the First National City Bank, New York, has provided, in its issue of November 1962, a broad review of the facts pertaining to American taxation, in comparison with the position in selected foreign countries, for facilitating public discussion. This factual review is of interest to India, too, for it contains a comparative picture of personal and corporate income taxation in a number of countries.

An outstanding feature of the American tax system, the review points out, is its heavy reliance on taxes on income. Whereas the Central Governments in other major countries derive less than two-thirds of their tax revenues from levies on income, 83.4 per cent of the U.S. Federal Government's tax receipts in 1960 came from this source, as will be seen from Table I below.

Even when the State and local governments in the United States are added to the comparison, the conclusion that that country makes heavy use of taxes on income is not altered. According to the *Monthly Letter*, for all levels of government in the United States, taxes on income made up as much as 63.5 per cent of fiscal 1960 tax collections—a figure that no other major country could match.

An idea of the trend of taxation in the United States since the beginning of the present century can be had from Table II. The figures will speak for themselves. Suffice it to say that the role of taxes on income in American public finance is substantially greater today than even a decade ago.

The international comparison provided by the *Monthly Letter* is very revealing. The maximum rates on additional income (that is, "marginal rates"), which provide an index of the extent to which various nations go in discouraging people from earning additional income, are given in the second column of Table III. It will be seen therefrom that the United States has the highest marginal rate (91 per cent) of personal income taxation. This maximum rate in the United States has remained virtually unchanged from its war-time peak, whereas in Canada and the United Kingdom, for instance, top rates have been lowered significantly in the last decade. The case for reducing the maximum rate in the United States rests on the fact that, as of 1960, as much as 86 per cent of the entire revenue from the federal individual income-tax revenue is derived only from the initial 20 per cent rate to which all taxpayers are subject. It would thus appear that high rates and heavy reliance on income taxation do not necessarily go together. With lower rates the same amount might be obtained, for, in all likelihood, reported income would rise when the pressure to avoid progressive rates is not there.

In the matter of taxation of corporate income, the United States, again, maintains high rates. It is out of step with practices in other leading countries in the taxation of corporate profits paid out as dividends to shareholders. The British, the Dutch and the French assess higher rates against distributed corporate profits than the United States does; but the former countries allow far more generous credits for these taxes to the shareholder (*vide* columns 3 and 4 of Table III). In the matter of taxation of undistributed profits, too, the U.S. rates are among the highest in the world (*vide* column 5 of Table III).

In the light of its comparative review of conditions in different countries, the *Monthly Letter* has presented the case for a tax cut in the United States as follows:

"In recent months there has been growing support for a tax cut early in 1963. There are three persuasive arguments for tax reduction at this time. First, while business is making new records in the aggregate, there is idle capacity in men and plants. Allowing taxpayers to keep more of the money they earn could take up slack.

"Second, a tax cut would stimulate individual effort by making work more attractive relative to leisure. Faced with high tax rates, some Americans have decided that extra work is no longer worthwhile. And, in view of the elaborate array of generous welfare programmes, even those in the lowest brackets sometimes find that, after-tax, wages are hardly worth the effort. A tax cut would help induce people to take jobs offered to them.

"Third, a tax cut would provide new thrust to the economy by stimulating expansion, modernisation and the undertaking of new business ventures—not simply in 1963 but for years to come. Attainment of this goal will require high levels of saving and investment, an economy in which technological innovations are abundantly conceived and readily implemented, a labour force eager to work hard for enlarged incomes, and—above all else—a large number of people who are willing to accept the risks of entrepreneurial activity.

"It is becoming widely recognised that the federal tax system, as it now stands, works against growth and efficiency in several ways:

The heavy taxation of corporate profits damages the incentive to invest by lowering the expected return on capital.

The high rates of individual income taxation make it extremely difficult for would-be entrepreneurs to accumulate risk capital for the formation of new enterprises.

Our steeply progressive income-tax encourages a slackening of productive effort, or even total withdrawal from the labour force, by some of our ablest people.

High rates distort business judgment and invite shrewd minds to turn attention from earning taxable income to saving on taxes.

Finally, our punitive tax rates have led to the enactment of countless special reliefs that have complicated the tax laws and made them costly and difficult to administer and obey."

The *Monthly Letter* has expressed the emphatic view that, in the final analysis, well-designed income-tax rate reductions may be the only way to deal effectively with the problems of incentive and growth. The need of the hour, it says, is an imaginative new fiscal combination even at the initial cost of some continuance of budgetary deficits. And the clinching argument, in this connection, is that easier taxes on enterprise could invigorate the economy, build a bigger base of taxable income and, at the same time, reduce the reliance on more Government spending to prop up economic activity.

TABLE I—*Distribution of Central Government Tax Levies*
(Fiscal year 1960)

	Taxes on income*	Taxes on capital†	Taxes on consumption‡
	(Per cent.)	(Per cent.)	(Per cent.)
United States	83.4	1.8	14.8
New Zealand§	66.5	4.2	29.3
Netherlands	64.6	3.4	32.1
Canada	65.0	1.6	33.4
Japan	64.9	0.6	34.5
Germany‖	60.2	1.6	38.2
Australia	58.1	1.3	40.6
United Kingdom	55.3	3.7	41.0
France	51.7	1.9	46.4
Belgium	51.4	1.5	47.1
Sweden§	50.6	1.5	47.8
Italy	49.7	1.7	48.6
Switzerland	49.8¶		50.2
Denmark§	40.0	5.3	54.7
Norway§	37.5	2.2	60.3

* Includes personal and corporate income taxes, and compulsory contributions by employers and employees for social insurance and similar programmes.
† Includes property taxes and estate, inheritance and gift taxes.
‡ Includes all taxes other than taxes on income and capital.
§ Fiscal year ending 1959.
‖ Also includes tax receipts of Laender.
¶ Breakdown between taxes on income and taxes on capital not available.
Note :—Details may not add to 100 per cent. because of rounding.

TABLE II—*Shifting Weight of Tax Levies in the U.S. by Type of Tax and Level of Government*

	Taxes on income*	Taxes on capital†	Taxes on consumption‡
Federal—	(Per cent.)	(Per cent.)	(Per cent.)
1902	0.0	1.0	99.0
1927	63.8	2.7	33.5
1950	76.6	1.8	21.6
1961	83.4	2.1	14.6
State—			
1902	0.0	52.6	47.4
1927	17.1	27.3	55.6
1950	31.1	4.9	63.9
1961	33.2	4.9	61.9
Local—			
1902	0.0	88.6	11.4
1927	0.6	96.8	2.6
1950	3.1	86.2	10.7
1961	3.0	86.1	10.9
All levels—			
1902	0.0	51.8	48.2
1927	25.8	51.1	23.1
1950	58.1	14.7	27.3
1961	62.8	15.0	22.2

* Includes personal and corporate income taxes, and compulsory contributions by employers and employees for social insurance and similar programmes.
† Includes property taxes and estate, inheritance and gift taxes.
‡ Includes all taxes other than taxes on income and capital.
Note :—Details may not add to 100 per cent. because of rounding.
Source : Adapted from U.S. Bureau of Census, *Historical Summary of Governmental Finances in the United States* and *Summary of Governmental Finances in* 1951.

TABLE III—*Maximum Rates of Taxation on Personal and Corporate Incomes in Selected Countries*

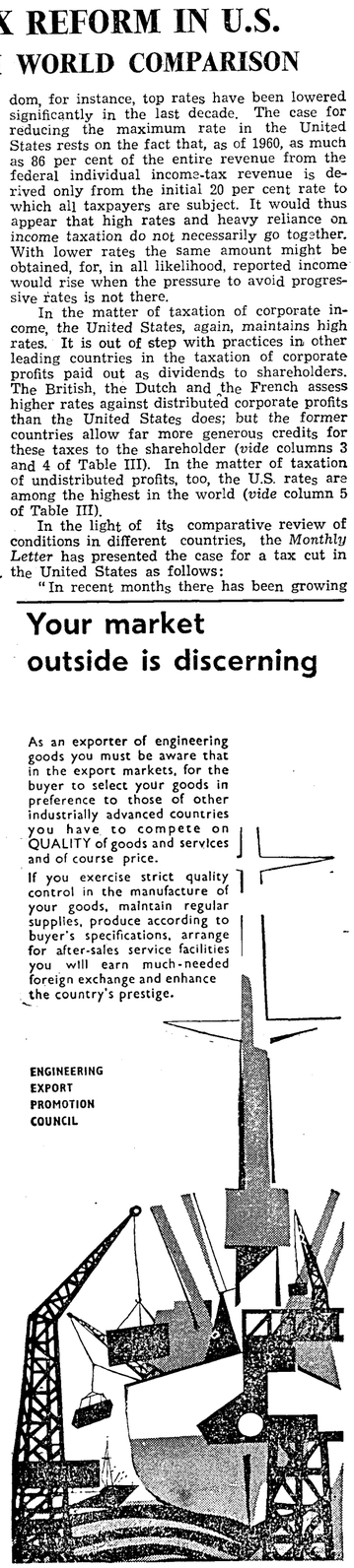
Country	Maximum (marginal) rates of personal income taxation imposed by Central Governments	Taxation by Central Governments of corporate profits distributed as dividends: Maximum rate paid and withheld by corporations	Taxation by Central Governments of corporate profits distributed as dividends: Credit allowed to individual shareholder	Maximum tax rates by Central Governments on undistributed corporate profits
	(Per cent.)	(Per cent.)	(Per cent.)	(Per cent.)
United States ..	91	52	4	52
United Kingdom ..	88.75	53.75	20	53.75
Canada ..	80	50		50 (*b*)
Ireland ..	75	..	..	..
Italy	73.62	26	..	26 (*c*)
Greece	72 (*d*)	..	..	..
France	71 (*e*)	62	24 (*f*), (*g*)	50.98 (*h*)
Netherlands ..	70.50	54.95	15 (*g*)	47
Japan	70	35.20	17.5–25	38 (*i*)
Australia ..	66.67	40		40
Belgium	65	47.20	31.50 (*g*)	42 (*j*)
Sweden	65	40	..	40
Austria	59.34	..	..	..
Mexico	25–55 (*k*)	..	..	..
Norway	55	30	..	34
Germany	53	42.58 (*l*)	25 (*g*)	51
Denmark ..	52.38(*m*)	..	..	..
Union of S. Africa ..	47.50	30	33.33–100	30 (*n*)
Switzerland ..	8	35.60	27 (*g*)	8 (*j*)

footnotes :—
(*a*) The individual, if subject to surtax rates on his personal income-tax return, must, however, pay the surtax on the gross dividend declared rather than the net dividend actually received.
(*b*) Includes 3 per cent. tax for old age security contribution.
(*c*) In addition, there is a 15 per cent. tax on profits in excess of 6 per cent. of capital and reserves.
(*d*) Includes a 3 per cent. tax on investment income.
(*e*) Includes a 6 per cent. complementary tax on non-wage income.
(*f*) Credit is 6 per cent. against taxable income and 18 per cent. against personal tax liability.
(*g*) Deducted at source and credited to individual shareholder.
(*h*) Includes tax levied on reserves of accumulated profits.
(*i*) There is an additional 10 per cent. tax on retained profits of closely held corporations.
(*j*) Taxes paid in previous years are deductible in determining taxable income, thus lowering the effective burden.
(*k*) Tax applicable depends on source of income.
(*l*) Ignoring the variable effect on the tax base of property tax on net worth.
(*m*) Effective maximum, allowing for deductibility of previous year's tax where income is stable.
(*n*) An extra 25 per cent. tax is levied on profits (beyond certain limits) not distributed.

Your market outside is discerning

As an exporter of engineering goods you must be aware that in the export markets, for the buyer to select your goods in preference to those of other industrially advanced countries you have to compete on QUALITY of goods and services and of course price.

If you exercise strict quality control in the manufacture of your goods, maintain regular supplies, produce according to buyer's specifications, arrange for after-sales service facilities you will earn much-needed foreign exchange and enhance the country's prestige.



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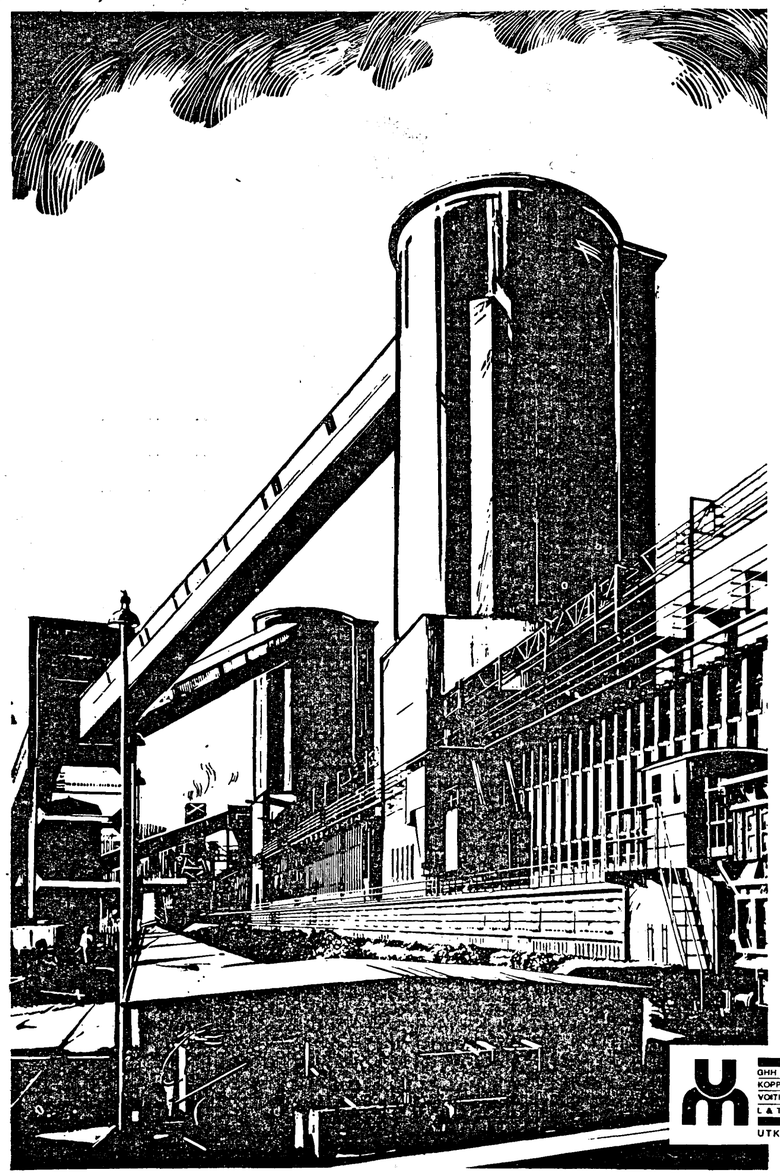

In more than 60 years of successful work in the field of fuel refining Koppers have attained world renown.

Heinrich Koppers are recognized as top-ranking experts in the coking industry. They established the technical basis of modern coke ovens by introducing the system of single or cross regenerators.

Koppers originated many improvements in the recovery and processing of by-products. Outstanding among these is the semi-direct process of 1904 for recovering ammonium sulphate. It was according to this that 90 per cent of all German coking plants were operated at one time. For the economical recovery and processing of tar, benzole and sulphur, Koppers have opened up new roads of technology. Their new processes have been hailed as pioneering achievements.

With the continuously operated vertical chamber oven, Koppers introduced a versatile oven system particularly for the low temperature carbonisation of coal.

Koppers were the first to gasify coal dust with oxygen and steam to produce synthesis gas and to develop a universal gasification process for solid and liquid fuels of all kinds. Synthesis gas plants operating by this system have been constructed for nitrogen plants in Belgium, Finland, France, Greece, Japan, Portugal and Spain.

Other development work by Koppers promoted the design and construction of plants for the chemical industry, the planning of oil refineries, plants for water preparation and sewage purification, the construction of industrial furnaces and the automation of production procedures for mechanical operations and chemical processes of all types.

At Kansbahal, Orissa, three leading German firms—Gutehoffnungshuette Sterkrade AG., J.M. Voith G.m.b.H. and Heinrich Koppers G.m.b.H. — and a reputed Indian company, Larsen & Toubro Limited, have pooled their vast resources and experience to set up UTMAL, a major undertaking for manufacturing heavy machinery. UTMAL will play a significant role in the rapid industrialisation of our country, by supplying a wide range of industrial machinery.

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LONDON LETTER

INDIA FROM LONDON

SIGNIFICANCE OF LEND-LEASE

(From Our Own Correspondent)

LONDON, *2nd November*

APART from the Communist Party in this country which has been denouncing the support which the Communist Party in India is giving their Government, there is country-wide and Party-wide sympathy for India's position; nor has there been any tendency to criticise India for past unpreparedness, that sort of thing being felt to be India's own problem. Instead, there is a desire to help the Indian Government to meet its requirements of defence supplies.

In some quarters, it might have been expected that India's non-alignment would come in for criticism and that it would be suggested that, when help was given, it should be on the understanding that India should be aligned with the West. But all responsible interests have eschewed such suggestions and the different organs of opinion are busy congratulating each other on the desire to help India without strings.

Nor is all this the reaction against a Communist China. Far from it, for all those on the Left who have immense sympathy with the Chinese own vast task of reconstruction regard the war as one of aggression and it would be fair to say that India, by the unity which in London appears to have gone right through the country, has attracted a genuine friendliness which has not been seen since the policy of non-alignment developed. There is, of course, also a certain amount of satisfaction over the uncertain attitude of other Governments either in the Eastern half of the world or non-aligned. At least, it is said that the non-aligned Governments should have given their immediate support to non-aligned India!

More importantly, the question is being asked of how India is to pay for supplies which the U.K. may be able to make available. India's stocks of gold in private hands are estimated at £1,400 million. Again, it is India's problem as to how some of these resources may be mobilised—and then there are India's sterling balances. But it has been suggested that Britain and the United States—and possibly Canada—should immediately make a gesture of Lend-Lease to India for all essential supplies. Before long, this may become a very essential method of providing for these needs and it is as well to see what is involved.

Lend-Lease was, of course, an American scheme for assisting the U.K. during the war to unable the United States to defend her own interests by lending and by leasing for the duration of the war, without charge, anything and everything from foodstuffs to armaments. It was a political device to use the expression "Lend-Lease," instead of "Gift"; there could have been criticism before America herself entered the war if she had simply given away vast supplies, but, by lending, she could say that what was not used, or what had been used but was still serviceable, should be returned. And there was also the underlying theory that, even where foodstuffs were lent, maybe they would be repaid in kind at some time. All these fictions were of no significance to Governments; the U.K. accepted all the supplies in the knowledge that they would not, in fact, have to be reimbursed in any way and also with the knowledge that they must only be devoted to the essential conduct of the war. Clearly, the United States had a right to check on what was done with the supplies which she was lending.

The same suggestions are now being made in respect of supplies by the U.K. to India. It would mean, in short, that arms would be shipped without payment being expected.

Since the facts of Britain's balance of payments are broadly known, the question arising from this proposition is: "Can the U.K. afford to finance India's war?" The immediate answer is, as regards shipments of existing arms, that there is no real economic cost if these are put straight into India's hands. The United States has already taken this sort of action over war supplies held in Germany. It is only when the flow of supplies involves additional production that any question of economic stress arises.

Furthermore, there is at the moment a substantial lag in the U.K. economy; unemployment is at the highest figure for four years; the steel industry is in the doldrums; and there can be no question that production could be expanded and substantial supplies made available to India without depriving either the domestic market or the market for essential exports; in other words, the British economy could make available armaments and other requirements to India without real economic cost to herself—up to a point. It is against that background that the question of Lend-Lease must be seen; if supplies can be made available without the need to replace those supplies by purchases from overseas, then quite clearly those supplies are suitable for Lend-Lease treatment. In short, if the U.K. has unused capacity and devotes this unused capacity to the assistance of India, she can afford to do it without effective payment.

The only impediment in the way of putting the policy of Lend-Lease straight into effect is its novelty to the Government, but behind the scenes the pressure for some such imaginative act is growing.

ANNOUNCEMENT REGARDING THE ISSUE OF 110,000 EQUITY SHARES OF Rs. 10 EACH AT PAR IN TERMS OF THE PROSPECTUS.

A Copy of the Prospectus together with the documents required to be attached thereto has been duly filed with the Registrar of Companies, West Bengal.

WELLMAN INCANDESCENT INDIA LIMITED

Registered Office: **8, HARINGTON STREET, CALCUTTA - 16.**

EXISTING AND PROPOSED ACTIVITIES

The object of the Company with reference to the proposed issue will be to undertake the design, production and sale of all types of oil fired, gas fired, coal fired and electrically heated furnaces, ovens mechanical handling and allied equipment.

With the approval of the Ministry of Steel and Heavy Industries, Government of India, a Technical Assistance Agreement has been entered into between the Company and the Wellman Smith Owen Engineering Corporation Ltd. of London with its subsidiaries including Incandescent Heat Groups of Companies, the largest designers and manufacturers of industrial furnaces and heat treatment equipment in the world. Under the agreement the Company is given the right to manufacture in India the products designed by the Wellman Incandescent Group of Companies. The technical consultants will assist and advise the Company in the preparation of design drawings, specifications and other technical data, in tendering for contracts and for the construction, erection and commissioning of the products and the purchase of components and equipment required to be imported in India.

LOCATION OF THE INDUSTRY

Part of the fabrication and manufacture will be undertaken by the Company itself at the plant located at the Howrah Industrial Estate in West Bengal. A major part of the fabrication and manufacture will be sub-contracted to various other manufacturers.

BOARD OF DIRECTORS

Name and Address of Directors and their occupation	*Description*
(1) MAHARAJA SIR P. C. BHANJDEO OF MAYURBHANJ (*Chairman*), 3, Rainy Park, Calcutta. Company Director.	*Director of:* Burn & Co., Ltd., The Hooghly Docking and Engineering Co., Ltd., The Indian Iron and Steel Co., Ltd., Union Carbide India Ltd., India Steamship Co., Ltd., etc., etc.
(2) DONALD ALLEN HUME, 107 Leigham Court Road, London, England. Business Executive.	*Director of:* The Wellman Smith Owen Engineering Corporation Ltd., Robinson and Kershaw Ltd., England.
(3) GEORGE DALLIMORE WRIGHT, 39, Woodside Way, Redhill, Surrey, England. Business Executive.	*Director of:* Incandescent Limited.
ALBERT EDWIN CRAWLEY, 57/1, Ballygunje Circular Road, Calcutta. Consulting Engineer.	Alternate Director to Mr. G. D. Wright.
(4) BARENDRA PRASAD RAY, 2A, Dhanada Ghosh Street, Calcutta-5. Solicitor.	*Director of:* Baghmari Tea Co., Ltd., Rewa Coal Fields Ltd., Kumardhubi Fireclay and Silica Works Ltd., Eagle Rolling Mills Ltd., Ganges Printing Ink Factory Ltd. *Partner of:* Orr Dignam & Co., Calcutta, etc., etc.
(5) BRYAN ALLAN HARPER, 8, Harington Street, Calcutta-16. Thermal Engineer.	*Managing Director.*
(6) SANTOSH KUMAR BASU, P-141, Lake Road, Calcutta-29. Chartered Secretary.	*Secretary of the Company.*

SHARE CAPITAL

AUTHORISED	
500,000 Equity Shares of Rs. 10 each	Rs. 5,000,000
ISSUED AND SUBSCRIBED	
70 Equity Shares of Rs. 10 each	Rs. 700
PRESENT ISSUE	
249,930 Equity Shares of Rs. 10 each	Rs. 2,499,300
OUT OF THE PRESENT ISSUE :	
(*a*) The Wellman Smith Owen Engineering Corporation Ltd. of London have agreed to take up and will be allotted 125,000 Equity Shares of Rs. 10 each at par.	Rs. 1,250,000
(*b*) The Directors, their associates and their friends have agreed to subscribe for and will be allotted 14,930 Equity Shares of Rs. 10 each at par	Rs. 149,300
(*c*) **NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION**	
110,000 Equity Shares of Rs. 10 each	Rs. 1,100,000
	Rs. 2,499,300

DATES OF THE OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The Subscription list will open at the commencement of Banking hours on 19th November 1962 and will remain open until the close of banking hours on 24th November 1962 unless closed earlier at the discretion of the Directors but not before the close of banking hours on 21st November 1962.

APPLICATION FOR SHARES AND ALLOTMENTS

Application forms along with copies of the prospectus can be had from the registered office of the Company or from the Bankers and Brokers whose names and addresses are given below :

BANKERS

(1) Mercantile Bank Ltd., Calcutta, and its branches at Delhi, New Delhi, Bombay and Madras.

(2) The Bank of India Ltd., Calcutta, its head office at Bombay, and its Branches at Delhi, Madras, Hyderabad, Ahmedabad and Indore.

BROKERS

Calcutta ..	Place, Siddons & Gough (Private) Ltd., 6, Lyons Range, Calcutta-1.
Bombay ..	Lewis & Jones, Bank of Baroda Building, Apollo Street, Bombay-1.
	Batlivala & Karani, Union Bank Building, 1st Floor, Dalal Street, Bombay-1.
Delhi ..	Harbans Singh Mehta & Co., 22, Regal Buildings, Parliament Street, P. B. No. 300, New Delhi.
Madras ..	Paterson & Co., 22, Errabalu Chetty Street, P. O. Box 48, Madras-1.

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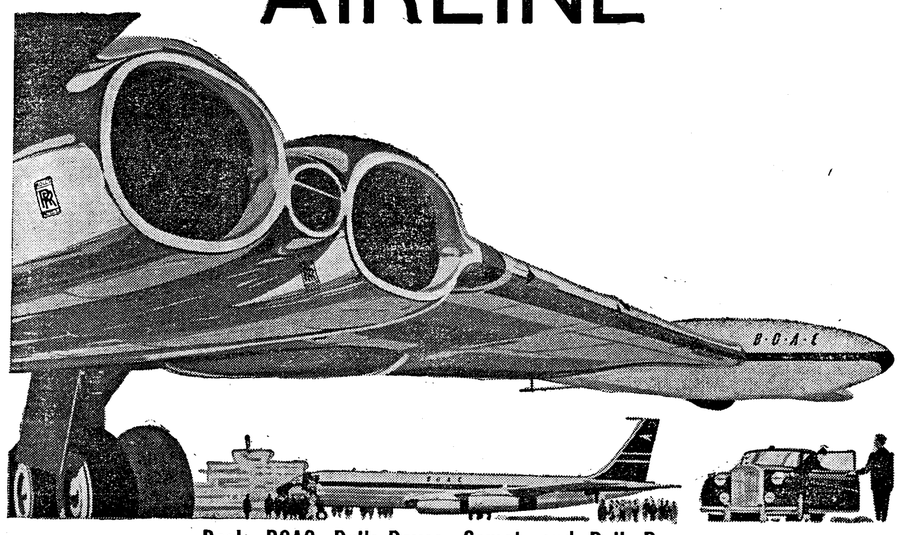

Book BOAC Rolls-Royce Comet and Rolls-Royce 707 for Reliability and Clockwork Regularity.

All over the world Rolls-Royce is a by-word for sheer quality, for sumptuous comfort, for perfection in travel. This you'll find as soon as you step aboard a BOAC flight. Rolls-Royce means utterly dependable precision engineering. It is Rolls-Royce engines that supply the mighty power for BOAC Rolls-Royce Comets and Rolls-Royce 707s. That's how BOAC have won their big reputation for reliability and for on-schedule-flying. You can be sure you're in good hands when you fly BOAC!

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MERITS OF NEW SERIES OF PRIZE BONDS

ATTRACTIVE PRIZES—REPAYMENT WITH PREMIUM

EVEN when the Government of India decided last summer to stop the sale of prize bonds, which were in vogue than, with effect from 1st July 1962, it had announced that a more attractive type of bonds would soon be announced. It will not, therefore, be correct to say that the new scheme of prize bonds known as Premium Prize Bonds, announced towards the close of last week, was the result of the imperative need for mobilising the savings of the people to fight the Chinese intruders. But it will be true to say that the Chinese aggression has hastened the announcement. The new prize bonds, as readers are doubtless aware, constitute only one of the means to mobilise financial resources for national defence. The Bonds will be put on sale with effect from 1st January 1963 at the offices of the Reserve Bank, branches and subsidiaries of the State Bank, treasuries, sub-treasuries and post offices. The details of the bonds, as given in the Press note issued by the Union Finance Ministry, are as follows:

The bonds will be in the form of bearer Bonds for which no applications will be required and will be in denominations of Rs. 5 and Rs. 100. Every bond will be repaid five years after the date of its sale with a premium of 10 per cent. Thus, the value of a Rs. 5 Bond on maturity would be Rs. 5.50 and of a Rs. 100 Bond is Rs. 110.

In addition, the bond-holders will be eligible to participate in two draws for prizes to be held in the year 1964. For each Rs. 1 crore worth of bonds, the prize money will amount to Rs. 5 lakhs in each draw for each of the two denominations and will be distributed in 243 prizes in the case of Rs. 100 denomination bonds and 568 prizes for Rs. 5 denomination bonds, as detailed below:

		Rs.
Rs. 100 denomination:		
1	Prize of Rs. 50,000	50,000
2	Prizes of Rs. 25,000 each	50,000
5	Prizes of Rs. 10,000 ,,	50,000
10	Prizes of Rs. 5,000 ,,	50,000
75	Prizes of Rs. 2,000 ,,	1,50,000
150	Prizes of Rs. 1,000 ,,	1,50,000
243	Total	5,00,000
Rs 5 denomination:		
1	Prize of Rs. 15,000	15,000
2	Prizes of Rs. 10,000 each	20,000
10	Prizes of Rs. 5,000 ,,	50,000
25	Prizes of Rs. 2,000 ,,	50,000
200	Prizes of Rs. 1,000 ,,	2,00,000
330	Prizes of Rs. 500 ,,	1,65,000
568	Total	5,00,000

The number and amount of prize money will not be limited but will increase with every increase in the sale of bonds. For sales of fractions of a crore of rupees, both the number and amount of prizes would be suitably adjusted.

Unsold bonds will be completely eliminated for purposes of winning a prize and all prizes will be awarded amongst the sold bonds only.

Both the premium and the prize money will be free of income-tax.

A comparison of the above details with those of the erstwhile prize bonds issued between 1st April 1960 and 30th June 1962 reveals similarity only in two respects. One, both are five-year tax-free bonds. Two, they are in the form of bearer bonds in denominations of Rs. 5 and Rs. 100.

More Popular

In its anxiety to net in maximum amount through the sale of new bonds, the Government has, of course, sought to make them more popular than the old bonds by offering a premium of 10 per cent on maturity, whereas the old bonds will be repaid at par. Thus, the premium of 10 per cent that a buyer of new bonds will get on maturity will, in fact, work out to a simple interest of no more than 2 per cent per annum. As regards prizes, while the chances of the buyer winning a prize are considerably reduced, this is more than compensated by the increase in the quantum of prizes. The holders of bonds issued in 1963 will be eligible to participate only in eight draws for prizes to be held—two draws each in the years 1964, 1965, 1966 and 1967—whereas each bond sold in the first quarter of 1960-61 was eligible for participation in all the draws held after the expiry of two calendar months from the month of its sale. What is more, each old bond has a number of chances of winning a prize—the first series had 20 chances—but also all the prizes declared at all the draws, if it is a lucky one, for a bond that draws a prize once is not excluded from subsequent draws.

Both the number and the quantum of prizes in respect of the new bonds are, however, bigger than in the case of old bonds. The total number of prizes to be offered to the holders of winning bonds worth Rs. 1 crore in 1964 will be 243 of the aggregate value of Rs. 5 lakhs and 568 of equal aggregate value in respect of each series of Rs. 100 and Rs. 5, respectively. The corresponding figures in the case of old bonds were only 40 and 278. The prize amount will vary from Rs. 1,000 to Rs. 50,000 for Rs. 100 bonds and from Rs. 500 to Rs. 15,000 for Rs. 5 bonds, whereas, in the case of the old bonds, the amounts were Rs. 500-25,000 and Rs. 50-7,500.

The most important advantage which the new prize bond holder will have over the old one is that, unlike under the last scheme, the unsold bonds in a series will be completely eliminated for purposes of winning a prize.

Bonds in Britain

A brief reference as to how the new premium prize bonds compare with their counterparts in the U.K. may be made here. The British bonds, known as the Premium Savings Bonds, were first introduced in November 1956. They are issued in units ranging from £1 to £500. In Britain, the premium bonds are registered in the name of the holder who must be an individual, but, in India, the bonds can be purchased even by institutions and corporate bodies. Again, the bonds are not transferable in Britain, unlike in India where they will be issued in the form of bearer bonds. They are also encashable at any time in Britain, whereas, in India, they have to be held till maturity. The Government of India's announcement does not say whether there will be any limit on individual holdings. Such a limit, however, does exist in Britain. Thus, no person in that country can hold more than £800 worth of bonds. The other features of the British bonds are:

At each monthly draw, prizes are paid from a fund made up by the interest carried into the draw by each eligible bond. The interest is currently (February 1961) calculated at an annual rate of 4½ per cent; it was at 4 per cent prior to 1st August 1960. A bond becomes eligible for the draw three clear calendar months after the end of the month in which it was purchased; in effect, that bond carries three months' interest into the prize fund for that month. The bond then goes into every subsequent draw whether or not it has won a prize and takes with it one month's interest. Every complete £100,000 of prize money in the fund is divided into the following prizes: 1 prize of £5,000, 10 prizes of £1,000, 10 prizes of £500, 20 prizes of £250, 30 prizes of £100, 200 prizes of £50, and 2,480 prizes of £25. After calculating the number of prizes in this way, any remaining sum of less than £10,000 is also distributed as prizes of £25. The present maximum prize of £5,000 was first introduced in the draw in November 1960. Prior to that date, the maximum prize had been £1,000. No bond is allowed to win more than one prize in any one draw, but the holder of more than one bond may win more than one prize. The prizes are free of income-tax.

The issue of prize bonds in Britain would appear to have met with notable success. Thus, between November 1956 and 1st August 1961, bonds of the value of £324 million had been invested in this form of savings. In India, too, the initial response to the old prize bonds issued was pretty good. The actual receipts from these bonds during the financial year 1960-61 aggregated as much as Rs. 15.77 crores, though they fell short of the Budget estimate of Rs. 25.00 crores by over Rs. 9.23 crores. The receipts, however, declined considerably later to just Rs. 3.35 crores in the year 1961-62. In view of the poor response thus, the Government announced, in March 1962, the discontinuance of the sale of prize bonds with effect from 1st July 1962. During the three months ended June 1962, the receipts from bonds amounted to about Rs. 1.10 crore.

As compared with the erstwhile prize bonds, the bonds under the new scheme may evoke more encouraging response from the public. Quite a large number of people will doubtless buy the new bonds on a large scale at least out of patriotic fervour, if not for anything else. They will, of course, have the satisfaction of having contributed their mite to the massive effort called for to drive out the Chinese aggressors from our frontiers. Apart from the patriotic fervour and satisfaction, some of those who want to preserve their hard-earned savings may also be eager to invest a sizable part of these savings in prize bonds which carry a premium. There will be wide support, too, from persons who, as we mentioned in our last issue (*vide* page 755), wish to try their luck at earning a large sum in one stroke without running the risk of losing the principal and interest. An investment of just Rs. 5 may, if the person is lucky, get a cash (first) prize of as much as Rs. 15,000 which will be free of income-tax. It is needless to mention here that people with such speculative mind abound in all classes, rich and poor alike. It is to be hoped that, unlike last time, the Government will maintain a good supply of bond certificates, so that maximum sales could be effected when the enthusiasm of people runs high, as it usually does, in the initial stages.

What will be the cost to the Government as a result of the new prize bond issue? Every crore of rupees that the Government gets now by sale of bonds will involve, after maturity five years later, a total cost of Rs. 30 lakhs (excluding administrative and other incidental expenses)—Rs. 10 lakhs by way of premium and Rs. 20 lakhs by way of prizes, since, for each Rs. 1 crore worth of bonds, the prize money will amount to Rs. 5 lakhs in each draw for each of the two denominations. The cost thus works out to a simple interest rate of 6 per cent per annum, while, in the old scheme, it was 3.68 per cent per annum. This comparison would give one an idea of the extent to which the Government has gone to make the Premium Prize Bonds more attractive than its immediate predecessor. Further, the higher cost is in consonance with the fact that, since March 1960, interest rates have hardened considerably. It is, indeed, cheaper than the 6.25 per cent that is offered on the 12-year National Defence Certificates.

SURVEY

(*Concluded from page* 803)

not significant in relation to world metal consumption which is now about 2.75 million tons per year. Stocks have also declined slightly in recent months. Little change in the overall situation is expected in the first half of next year. Output and consumption are expected to rise further. But it should be noted that consumption has been growing at present at a smaller pace than in previous years.

The Study Group's *communique* does not give the actual figures of production and consumption of either lead or zinc. According to a reliable source, however, the total output of primary lead was 2.31 million tons last year, as against the total consumption of 2.28 million tons. Regionwise, North America produced 785,000 tons, Europe 685,000 tons, Asia and the Soviet Union together 420,000 tons, Australia 230,000 tons and South America 120,000 tons. The output of slab zinc in 1961 was 3.15 million tons and consumption 3.08 million tons. North America accounted for an output of 1.11 million tons, Europe one million tons and Asia and the Soviet Union together 770,000 tons.

The position with regard to consumption of lead and zinc, on a region-wise basis, in 1961 is shown in the following table:

(In '000 tons)

	Primary lead	Slab zinc
North America	750	950
Europe	850	1,175
Asia and Russia	550	800
South America	50	45
Australia	50	80
Total (including others)	2,280	3,080

The overall impression one gets from the Study Group's discussion is that the supply and demand position of the two metals has tended to be more or less in balance during this year. But it is still disconcerting to find that prices of both lead and zinc have fallen markedly during this year, touching the lowest levels of the post-war period. At the London market, lead is quoted at around £53 per ton, as against £62 a year ago; some time back, the price was as low as £50. It may be recalled that the average price in 1951 was as high as £162. The price of zinc is £67 per ton now, as against £71 a year ago. The extent of depression in this commodity can be gauged from the fact that its price stood at as high a figure as £171 in the beginning of the 'fifties.

One of the important reasons for this setback in prices is the fear of disposal of U.S. stockpiles. It was, in this context, quite encouraging to hear from the U.S. delegate that "there was no practicable prospect that any significant amount of lead and zinc from non-commercial surplus stocks would be put on the market as long as world lead and zinc prices remain at depressed levels." In any event, according to him, the U.S. Government would take no action which could disrupt commodity markets. From his observations, it would appear that the U.S. will give due attention to the Study Group's plea that, if and when these metals are disposed of, the U.S. Government should hold discussion with it in time and take its views into account.

GOLD FOR DEFENCE

In normal times, we use gold for adornment. But today, when the country's security is threatened by a ruthless invader, GOLD means precious foreign exchange for more armaments, ammunition and other vital equipment for our brave jawans who are fighting to rid our soil of the aggressor.

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SISTA'S SB-69

THE MYSORE PAPER MILLS, LIMITED

Asiatic Buildings,
Kempegowda Road,
P. B. No. 570,
Gandhi Nagar P. O.,
BANGALORE-9.
1st *November* 1962.

To

THE SHAREHOLDERS,

IT is notified for the information of the Shareholders of the above Company that the Directors of the Company have resolved to make the 1st Call and 2nd Call each of Rs. 3 inclusive of the premium of 50 nP. per Share. The first and second calls are payable as follows:—

1st Call	..	Rs. 3 per Share inclusive of premium of 50 nP.—2nd January 1963
2nd Call	..	Rs. 3 per Share inclusive of premium of 50 nP.—31st March 1963

the dates mentioned against each call being the last date fixed by the Directors for payment of the calls.

Shareholders are requested to make the payments promptly. Shareholders are further requested to note that if the sums in respect of the Call moneys are not paid on or before the aforesaid respective due dates, interest at 6 per cent. per annum shall be charged from the date appointed for the respective payments to the time of actual receipt of Call moneys without prejudice to the Articles of Association of the Company, whereby the Shares are liable to forfeiture in case of non-payment.

A combined notice in respect of 1st Call and 2nd Call is also being sent to Shareholders individually.

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

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The
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FINANCING OF COTTON MILL COMPANIES

BORROWINGS DOMINATE THE POSITION

THE Department of Company Law Administration has published the results of its interesting study of the cost of alternative methods of financing of cotton mill companies in India. Although the study, prepared by Mr. N. D. Joshi, does not cover all the companies, it is sufficiently representative in character and may be taken to depict the general financial pattern of the industry as a whole. Thus, the study is confined to 65 mill companies (with a paid-up capital of Rs. 50 lakhs and above) which together account for 56 per cent of the aggregate paid-up capital of all the public limited companies engaged in the cotton textile industry during the years 1955-60. In view of the dominant position occupied by the mill industry of Maharashtra and Gujarat, more than half the companies (35 units) covered in the study are those situated in these two States. The findings of the study reveal (*a*) the relative costs of the different types of finances, (*b*) how far these costs influence the financial structure of companies, and (*c*) how this pattern of costs compares with the rates of return earned by the companies by the use of such funds.

The impact of cost of financing on the cotton mill industry has been examined with reference to the rates of return on the combined equity of shareholders and long-term lenders and on total tangible assets. The difference between the two rates is accounted for by the short-term financing of recurring nature such as deferred payments to creditors for purchases or services of which no specific interest has to be paid. Owing to this type of finance, the rate of return on combined equity is generally higher than that on total tangible assets. The distribution of 65 mill companies according to both these rates brings out that, with higher rates of return on tangible assets, the rate of return on combined equity is generally rising more proportionately, the maximum difference of over 5 per cent between the two rates being recorded in the group where the return on tangible assets falls between 9 and 11 per cent. The difference between the two rates is described as the by-product of the balance between the terms of credit secured by a company and those given by it. The balance is tilted in favour of the company if the rate of return on combined equity is more and against it if the return is less. Thus, either for a promoter or for a would-be investor, the balance of terms of credit is important, besides the rate of return on tangible assets, as it will facilitate computation of the expected return from their angle *vis-a-vis* that on total tangible assets.

Cost and Return

The cost pattern of the different types of finances in the cotton mill companies has also been studied with reference to the return on tangible assets. An interesting conclusion which emerges from the study is that, by skilfully operating the non-interest-bearing liabilities and by striking the balance of credit terms favourable to the company, the management can increase the rate of return by as high as five per cent over and above that earned on total tangible assets. The break-even point where cost of finances raised by cotton mill companies is equal to the rate of return earned is found to be around six per cent. The companies earning this return or above it are considered to be justified in the use of all non-equity funds even on economic grounds. The cost pattern, if studied in the light of the terms and conditions under which funds are normally secured, discloses apparent contradictions. An attempt has been made to explain these contradictions. The relevant extract from the C.A.L. staff paper is reproduced below:

"Preference share-cost was found to be cheaper than that of debenture. It was mainly due to the fact that companies incurring losses skipped for one or two years dividends on preference shares which brought down the average dividend paid on these shares over five years. The same reason accounts for the cost of equity cheaper than that of preference capital in certain cases.

"The cost of funds is found to be decreasing generally as the rate of return goes up except that of equity funds. The exceptions to this trend may be explained by the fact that, even though a company may be earning a high rate of return, it undertakes an expansion programme which requires it to tap all types of resources to their maximum extent, then such a company will have to pay a much higher cost, as the cost, though it depends upon the risk, also depends upon the size of the fund required.

"Amongst the suppliers of funds, the shareholders received the lowest return, if yield is used as a measure of return to them. This will mean that the shareholders, who undertake maximum risk, have got lower return than the lenders who undertake relatively less risk. This contradiction is, however, not real. The low values of yield are mainly ascribable to more than proportionate rise in share prices as compared to that in dividends distribution. The latter can have relevance to current or past profits, but the former not only reflects the current return but also depends on the estimates of future return to shareholders in the form of capital appreciation, bonus issues or rights issues at less than market price.

"Further, where shareholding is concentrated in very few hands, the proprietors of such companies might have accepted major part of return on their investment in the form of interest, commissions, salaries, etc., as the scheme of company taxation allowed such payments as business expenditure. Even the remaining part of the return on their investment, they might not have liked to receive in the form of dividends to avoid incidence of higher rates of income and super tax and might have preferred to receive it in the form of capital income such as bonus issues."

Uneconomic Financing

The author of the study has also examined the case of cotton mill companies which are burdened with uneconomic pattern of finance. A number of companies are found to be indulging in costly finances. Over the five years from 1955 to 1960, as many as 50 out of 65 companies used bank loans and other borrowings on which they paid interest more than the return they earned by employing either of these funds. Loans from the Industrial Finance Corporation also proved to be costly for 40 companies. For finding out the uneconomic use of bank loans, 8 per cent interest is presumed to have been paid on such loans. Even on the basis of 6 per cent, the number of companies using bank loans uneconomically will be 47. The companies registered prior to 1900 are proportionately more in the group using bank and I.F.C. loans in an uneconomic manner. Among the companies burdened with costly debentures and preference shares, those floated during 1900-14 are proportionately more. The management pattern discloses that board of directors type management is more averse to use of funds uneconomically, while companies managed by managing agents are found to be proportionately more in the group using costly finances.

The proportion of the net worth of cotton mill companies to the total finance raised by them varies between 50.9 and 73.9 per cent. The share of bank borrowings, it is stated, does not necessarily decline in the case of companies earning higher and higher rates of return on tangible assets. The share of debenture finances varies between 9.2 and 15 per cent. The companies earning less than 3 per cent rate of return have resorted to borrowings from the I.F.C. and other institutions to the tune of 8.6 per cent of their total finance. But with higher and higher rates of return, the companies have not dispensed with this source for financing their needs, as is evident from the fact that the companies earning a rate of return above 9 per cent have borrowed to the extent of 25 per cent of their total resources from the I.F.C. and others. Probably because of the comparative cheapness of I.F.C. loans, the companies earning a return higher than 9 per cent on tangible assets are still using I.F.C. loans which account for about 25 per cent of their total resources.

TABLE A: *Cost of Financing*
(In percentages)

	1959	1958	1957	1956	1955
Rates of Return on :					
C.L.A. study (65 companies)					
Tangible assets ..	6.48	4.28	3.62	4.98	7.39
Combined equity ..	8.52	5.88	4.68	5.72	8.20
Equity net worth ..	7.18	5.01	4.44	6.56	10.02
R.B.I. study (202 companies)					
Assets	5.24	2.12	1.07	5.48	6.46
Combined equity ..	6.75	2.67	1.35	7.02	8.48
Cost of finance :					
C.L.A. study (65 companies)					
Equity dividend ..	10.05	8.24	7.22	8.63	9.45
Earning yield ..	4.97	3.10	2.94	3.62	5.79
Dividend on net worth.	8.93	5.73	4.31	6.24	10.20
Yield	2.78	2.65	2.38	2.82	3.10
Preference dividend ..	5.65	5.85	5.60	5.60	5.59
Debenture interest ..	6.01	6.00	5.89	5.89	5.89
Interest on loan ..	5.70	5.30	4.80	4.40	3.70
R.B.I. study (202 companies)					
Equity dividend ..	11.60	8.20	8.20	11.10	11.40
Dividend on net worth.	5.80	4.20	4.00	4.90	5.40

TABLE B: *Pattern of Financing*
(In percentages)

Source of finance	1959–60	1958–59	1957–58	1956–57	1955–56
Equity capital	33.33	33.64	32.34	31.71	40.40
Preference capital	23.03	23.54	15.40	15.05	20.76
Net worth	61.83	59.50	57.77	60.81	71.23
Debentures	11.56	12.22	12.50	12.50	13.21
Bank loans	28.73	28.19	31.67	28.52	41.98
I.F.C. and others ..	10.24	10.16	10.26	10.21	10.75
Total loans	39.15	39.18	39.10	37.12	30.36

Note: 1. The return on equity net worth is the ratio of profits after interest and preference dividend to equity paid-up capital plus reserves.

2. Earning yield is a ratio between profits after interest and preference dividend per ordinary share and its market value.

3. Yield means dividend per ordinary share as a ratio of its market value.

4. Return on combined equity of shareholders and borrowers is a ratio of profits before interest to paid-up capital and reserves plus borrowings.

5. Rate of return on tangible assets is a ratio between profits before interest to total assets as given in the balance sheet, excluding depreciation and intangible assets such as deferred revenue expenditure or accumulated losses, etc.

Time Pattern

Mr. Joshi has analysed next the time pattern of rates of return and that of cost of financing. The actual patterns are depicted in Table A. The table shows how the rate of return on tangible assets has tended to decline. The decline is attributed to two factors. One, the cotton textile industry experienced great marketing difficulties during the years 1956 and 1957. Two, new schemes of expansion and modernisation were undertaken by the textile companies which resulted in augmenting substantially the value of fixed assets. This addition was obviously not yielding any return in the initial period. In the years 1958 and 1959, some of these schemes were completed and started showing results which, consequently, improved the profitability position of companies. Despite the unfavourable financial results of 1956 and 1957, the textile companies did manage, according to Mr. Joshi, to maintain dividend distribution more or less at the same level as in the past. The industry, being one of the oldest, has sufficient reserves to fall back upon to maintain dividend on preference and ordinary shares. In the year 1957, the companies utilised large reserves accumulated in the past years to distribute dividends.

The cost pattern of finances in respect of old and new companies does not disclose that, with maturity, companies can have favourable borrowing terms. But older companies are found to be more generous in the distribution of dividends.

Impact of Cost

The author of the study has also sought to assess the impact of cost of financing on the financial pattern of companies. The only noticeable change noted during the period 1955 to 1960 was the slightly reduced importance of equity finance and the correspondingly increased use of loans for financing the needs of companies, as is evident in Table B. This is attributed to the higher rate of return earned on the equity net worth as compared with the low rate of interest required to be paid on bank loans. The difference between the two, in the opinion of the author, is a clear profit from trading on equity. This also augments the reserve position and improves in the long run the contribution of net worth in the total finances of companies without equity shareholders making any contribution whatsoever. The pattern of finances *vis-a-vis* the cost of finance shows that the companies took recourse to loans, particularly bank loans which, being comparatively cheaper, were available in large amounts, thanks to the phenomenal growth of deposits. Since equity capital was costly and since its raising involved the management in the risk of losing control over the management, it accounted for a lower proportion in the total finances raised during the period 1955-60.

The static nature of the financial pattern of companies is considered to be of great interest, in view of the fact that the companies raised substantial resources in the aforesaid period without materially affecting the structural pattern of the finances raised through various sources. This may perhaps be due to the adherence by companies to certain fixed percentages of various types of finance as the desirable ideal. The yardsticks used by banks and financial institutions in advancing finances to companies may also have a similar impact on the financial pattern. The results from a case study of the structure of financing of companies with very high and very low rates of return do not bring out a standard type of financial pattern peculiar to each of them.

TEXTILE INDUSTRY WAGE AWARD SOON

CLOTH IMPORTS UP, EXPORTS DOWN

From Our Special Correspondent

MANCHESTER, 30*th October*

IN his final report to union members after 27 years as the General Secretary of the Card-room Workers' Association—one of the big three cotton unions—Sir Alfred Roberts suggested that a solution to the "intolerable" burden of cheap imports was to change the Lancashire cotton industry's merchanting system. "What is really needed here," he said, "is the same sort of set-up that applies in the United States and many European countries where merchanting is linked much more closely to production; where in fact, merchants have a financial stake in manufacture and concentrate on selling their own productions instead of looking for sources of cheap imports."

MANCHESTER LETTER

Trade in Lancashire had continued to be poor, he added. There was still no sign of any sustained buying improvement in the near future. Although many other countries in Europe were suffering from a lack of orders and had in some cases curtailed output, their position was more fortunate than Lancashire's, said Sir Alfred. He added: "They have no import problem to deal with and any upsurge in demand will be wholly to their benefit and to them alone. In our case, we have this intolerable weight of Commonwealth imports which could quite easily be increased in the event of an improvement in demand and still leave us in the doldrums."

Cotton Wage Talks

Employers and trade union leaders argued for nearly six hours in Manchester recently over cotton workers' wages and their demand for a pay increase. They were trying to settle a demand for a 10 per cent rise put forward 15 months ago on behalf of 156,000 spinning and weaving workers. The employers first rejected the claim; then offered a 3 per cent rise, which the unions turned down.

Now the Industrial Court—an independent body—is to make an award. After hearing both sides, Sir Roy Wilson, the Chairman, said that the Court's decision would be published in about three weeks' time.

Geneva Agreement on Textiles

At the recent Cotton Board Conference held at Harrogate, delegates were informed of the background to the Geneva talks by Mr. Michael Grey, a leading employer and a member of the British team of textile experts who attended the meeting. He pointed out that the basic year on which imports were calculated in the short-term arrangement was in fact about the worst possible year for the United Kingdom and a particularly good one for the United States. "It is also interesting to note," he added, "that, as soon as the arrangement came into effect, the United States—with a promptitude which we would like to see reflected in the British Government's attitude, took immediate action against imports in a number of categories, principally from Hong Kong, which had begun to rise above the levels of the base year." The United States actually effected over 60 individual actions under the short-term arrangement.

Turning to the long-term pact, Mr. Grey explained that, having claimed disruption, any country invoking this clause against another participating country could restrain imports at the level during the 12-month period ending three months before the month in which the request for consultation was made. The significance of this point is that any subsequent limitation will be based on a period of "normal" trading, before the sudden surge of imports occurred which caused the complaint to be raised in the first place.

Opening the Door

During the Geneva talks, Lancashire's industrial advisers to the Government were anxious to find out how wide the European door to supplies from abroad would be opened. At a fresh round of meetings which began late last month, Mr. Grey reported that agreement had been reached under which the E.E.C. countries had conceded an increase of 88 per cent but it was not yet known how this global increase would be shared individually. The percentages of growth, he went on, were obligatory but, as in the case of the inter-industry agreements between Britain and Hong Kong, India and Pakistan, they merely established ceilings, which need not necessarily be fulfilled by the exporting areas. Equally important, Mr. Grey emphasised, that even a 100 per cent increase in a market share of one per cent still meant that only two per cent of that market would be supplied by imports, whereas already about 30 per cent of the British home market consumption consisted of foreign arrivals.

Lancashire's experience, he continued, had clearly made its mark on the other countries of the Western Community. Their Governments obviously had no doubts about the wisdom and necessity for protecting their own domestic textile industries on a permanent basis.

Trade in Textiles

Nothing in the September returns dealing with overseas trade in cotton goods was calculated to reassure the industry in Lancashire. For the second month in succession, exports of cloth dipped sharply below the 20,000,000-yard mark which seemed to have been established during the first half of the year. The actual figure of 16,410,000 yards was 100,000 yards below the August total.

On the otherhand, an expansion occurred in imports, which exceeded 50,000,000 yards for only the third month this year. It was duly noted that the September 1962 arrivals of 59,351,000 yards were actually higher than corresponding shipments in the same month last year—the first time this has happened for a long time back.

Although arrivals of grey cloth still remain far below the 1961 levels, now being 323,169,000 yards, as against 470,426,000 yards, receipts of finished fabrics are very little lower than last year, being 103,975,000 yards, as against 117,782,000 yards. Nor is it difficult to see why Pakistan is objecting to the maintenance of current import ceilings on her shipments to this country. Imports of grey cloth from this source have almost doubled compared with 1961, the current figure being 31,024,000 yards, as against 16,562,000 yards.

In the case of Hong Kong, arrivals show little change, being 69,693,000 yards, as against 71,234,000 yards, but Indian shipments have dwindled from 148,541,000 yards to 113,381,000 yards. Outside the Commonwealth the main change has been in purchases from Japan which have slumped from 51,524,000 yards to 19,456,000 yards.

One aspect of the export scene which sometimes escapes notice is the way in which shipments of man-made fibre yarns have gained in comparison with the falling off in sales abroad of similar cotton goods. A sharp improvement has occurred this year in yarns spun from man-made fibres, the latest returns being 50,299,000 lbs. valued at £20,335,000. This compares with exports of 37,675,000 lbs. worth £515,194,000 in the same period last year and a total of only 11,224,000 lbs. of cotton yarns, earning £4,031,000.

Enormous Home Market

Delegates at the Cotton Board Conference heard Mr. A. M. Alfred, head of the Economics Department of Courtaulds, forecast that 1968 may see the end of all tariffs within Europe, assuming that Britain joins the Common Market. He said that the United Kingdom market was considered the most attractive "plum" in Europe. Textile consumption might grow by 30 per cent or more in this decade and, contrary to the belief in some quarters, textiles were successfully fighting other consumer goods.

Although Mr. Alfred believed that more liberalisation by the West towards imports of manufactured goods from underdeveloped countries was inevitable, he contended this need not be catastrophic. The United Kingdom appeared on average to have running and capital costs considerably above Continental levels. "We do not suffer from high wages but principally from low machine utilisation," he declared.—*All Rights Reserved.*

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CHINA'S POSITION IN PETROLEUM

DOMESTIC OUTPUT SIX MILLION TONS—IMPORTS OF RUSSIAN OIL THREE MILLION TONS

ALMOST unnoticed by the outside world, the Government of Communist China has now decided on a major shift of emphasis in economic policy. In contrast to their early high optimism born of revolutionary success and fervour, the authorities have now been compelled by harsh realities to acknowledge that the road to a Communist industrial society in China will be a long and arduous one, taking scores of decades, if not longer. The main emphasis is now to be upon the development of agriculture and only second place given to the light, chemical and agricultural machinery industries, while other industrial developments are relegated to the background. Because of the significance of petroleum products in the whole range of economic activity, including agriculture, the oil industry will continue to be developed, but there will be no large-scale investment in the heavy industries which, not so long ago, were regarded as the backbone of the emerging new China. Also, the authorities are again contemplating birth control, in view of the continued explosive population growth which literally eats up the gains from economic progress.

The Government still insists, of course, that it has always in the past provided correct leadership, even though it is now obvious that the impossible was attempted. The warnings provided by the history of the early years of the Russian revolution went unheeded and quite

CHINA : OIL SUPPLY
(Thousand metric tons)

	1958	1959	1960	1961
Crude oil production (*a*) ..	2,264	3,700	5,500	..
Imports from Communist countries (*b*)—				
From U.S.S.R.—crude ..	672	636	568	—
From U.S.S.R.—products ..	1,335	2,412	2,395	2,928(*e*)
From Rumania—all products	122(*d*)	235	312	59
From others—all crude (*c*) ..		11	21	55
Total Imports ..	2,629	3,294	3,296	3,042

(*a*) Including oil from shale and coal. Figures for 1958 and 1959 according to official Chinese sources, for 1960 according to a U.S.S.R. publication. For 1961 and 1962—see text.

(*b*) Source of imports from U.S.S.R.—Russian trade statistics; for Rumanian and "other" imports—Suez Canal statistics. Imports from non-Communist sources are small.

(*c*) The 1958-60 imports are not clearly specified and may conceivably include small shipments from non-Communist sources; those in 1961 were all from Albania.

(*d*) Possibly including small quantities of Russian oil transported via the Suez Canal. (These quantities would then be double-counted.)

(*e*) Of which: gasoline 1,325; kerosine 512; diesel fuel 841; lubricating oils 218, etc.

inaccurate assessments were made of the speed with which fundamental changes can be brought about in such a vast spread-out society still at a low level of modern economic development.

It will be recalled that the Chinese Communists—now thirteen years in power—decided in the late 1950s upon a vastly accelerated programme of industrialisation, and on the amalgamation of the previously formed collective farms into larger, and highly streamlined, "rural communes." This policy, the Great Leap Forward, seemed at first to bring some astonishing rewards. But make-do methods of making steel and refining shale oil in backyards, proved to be an ephemeral if imaginative venture. It is now implicitly admitted that the achievements of this period were not solidly founded, and that the tempo was too feverish for the economy as a whole. Also, in the past two years, China has experienced a series of droughts, floods, and other natural calamities which are by no means unusual but the effects of which the new economy has found difficult to withstand. Furthermore, the politico-philosophical quarrel with the U.S.S.R. resulted in the withdrawal from China of large numbers of sorely-needed Russian technical experts.

Ensuing economic dislocations and grave food shortages have gradually forced the Government, over the past two years or so, to modify the programme of the Great Leap Forward but, until quite recently, this retreat was represented as being temporary and tactical. Now, however, it is conceded to be an adjustment of long-term economic strategy. Many millions who recently became urban dwellers have now been transferred back to the country-side so as to raise agricultural production, while the rural commune experiment has been quietly abandoned. Some industries, probably including steel, have been reduced in size though an exact appraisal of these cuts is impossible in view of the almost complete statistical black-out. This year's harvest seems to be better than in 1960 and 1961—earlier reports of new disasters seem to have been exaggerated—but the Government is now cautious in its promises and forecasts only slight improvements in living conditions.

What has been the course of oil production and demand in these ups and downs of the Chinese economy? Production of crude oil, which in the local terminology includes oil from shale and coal, went up from about 300,000 tons in 1951 to nearly 1,000,000 tons in 1955, 3.7 million tons in 1959 and 5.5 million tons in 1960, probably reaching by the end of that year a level equivalent to an annual output of over 6 million tons. Subsequently, production seems to have dropped somewhat as a result of the general economic dislocation and the shut-down of oil wells last year in the important Dzungaria area of Sinkiang. But Chinese officials now expect that a production level of some 6,000,000 tons will again be reached towards the end of this year. The now defunct 1958-62 five-year plan originally envisaged a crude oil output for 1962 of between 5 and 6 million tons, though expectations were subsequently pitched much higher.

Four Major Areas

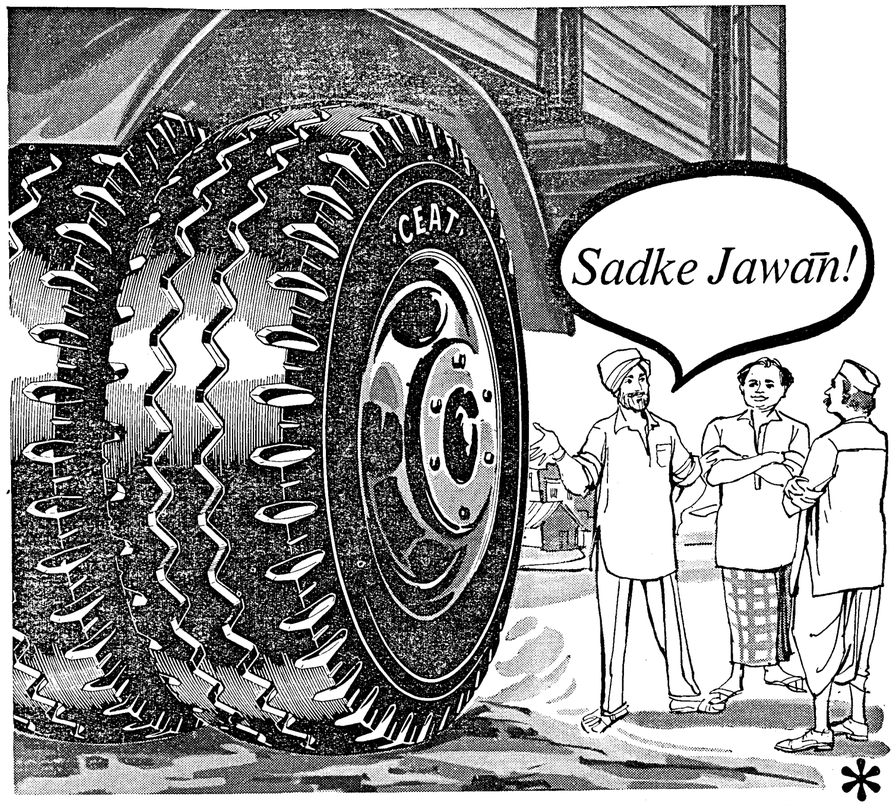
In addition to announcing a crude oil target for the end of the current year, the Chinese authorities have recently stated that the (unpublished) plan for all oil industry operations in January-August 1962 was over-fulfilled by 11 per cent, but no absolute figures were given. Also, refinery output of gasoline, in comparison with January-August 1961, is stated to have risen by 29 per cent, and kerosine output by 28 per cent, while the output of lubricating oil is said to have doubled, though, in view of the figures of local crude production, it would seem that these advances may, in part, merely be making good past deficiencies. The re-appearance of at least some official statistical figures on oil industry operations may perhaps be counted a promise of more to come; for most other industries no statistical information whatever is published at present.

It is estimated that, roughly, two-thirds of China's crude oil production of, say, 6 million tons a year, consists of natural crude, and most of the remainder of shale oil. Apart from some relatively small scattered fields, there are now four major areas of natural crude oil production: the old-established remote Yumen and Dzungaria areas, the newer but similarly remote Tsaidam area in Tsinghai, and the more easily accessible area of Central Szechwan whose development was probably the main factor responsible for the jump in China's crude oil production in 1960. The largest refineries in China are the two one-million ton plants at Lanchow and Shanghai, and the new Nanking plant whose designed capacity (possibly not yet reached) was at one time stated to be 3,000,000 tons. The country's oldest shale oil centre is at Fushun in Manchuria, in the north, and there is now a new major shale oil plant at Mowming in the south. The exploitation of China's oil obviously involves considerable transport, and for this reason alone it is especially susceptible to the effects of any serious economic dislocation.

Supplies from U.S.S.R.

About a third of China's oil needs is now met by imports, to the extent of about three million tons a year, but the Government still hopes to achieve complete self-sufficiency in oil by 1967. Oil imports from other Communist countries—almost nine-tenths from the U.S.S.R. —totalled about 3.3 million tons both in 1959 and 1960, and just over 3 million tons in 1962. Due to the U.S. ban, oil imports from Western-controlled sources have been negligible, while imports of crude ceased last year except for minor quantities from Albania. Deliveries of

(*Continued on page* 836)



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WORLD SUGAR COUNCIL MEETS

CLOSE SUPPLY-DEMAND BALANCE NEXT YEAR EXPECTED

THERE is every likelihood of a close statistical balance between world sugar supply and demand during the calendar year 1963. This, in substance, is the assessment made by the Statistical Committee of the International Sugar Council. Endorsing the viewpoint of the Committee, the Council, at its meeting held at London on Friday the 2nd inst., estimated the world free market's sugar requirements in 1963 at 11.5 million metric tons and the U.S. imports at 3.6 million tons, bringing the total world market requirements to just over 15 million tons. The supplies of sugar likely to be offered to the market, it was stated, would equal the estimated requirements. The Council also held a preliminary discussion of arrangements for the negotiation of a new international sugar agreement to succeed the 1958 agreement which is due to expire towards the close of next year. The *communique* issued by the Council does not, however, give any details pertaining to the discussions. All that it says is this: "It (the Council) agreed that the matter should be further discussed and, in the interval, Governments have been invited to bring their attention to bear on the problems involved."

At the meeting, the Council is believed to have renewed its plea for the resumption of the agreement. Only a few days prior to the Council's meeting, its Executive Director, Dr. Stedman, had declared, in the course of a Press statement, that, since the free price of sugar, sold particularly to Japan and non-member nations (such as Iran and Iraq), continued at a rate far below the cost of production and with a view to raising this price, resumption of the World Sugar Agreement was imperative. He had even warned that the alternative to such a move would be the gradual elimination of commercial sugar production in countries depending on free market sales.

Will the International Sugar Council's assessment of the close statistical balance between the world supply of, and the demand for, sugar prove correct in fact? It is rather difficult to give a categorical answer to the question, in view of two factors: one, absence of a reliable estimate of the 1963 sugarcane crop and, two, uncertainty as to whether and to what extent Cuba, the world's largest exporter of sugar, will appear on the free world market. Drawing attention to the first factor, Messrs. F. O. Licht, the well-known international firm of sugar traders in London, point out that Cuba will produce 4.6 to 4.8 million tons of sugar in 1962-63 (season commencing from September), rather than 4.0 million tons. They also expect the next year's world sugar output to be higher than the 1961-62 production of 52.22 million tons. On the issue of Cuba's entry in the free sugar market, they say that, in the event of low production in Cuba, the Soviet Union will renounce a part of its sugar imports from Cuba, in order to enable the latter to supply sugar to the free market. Nevertheless, they are inclined to feel that Cuban offers on the free market would by no means exceed the quantities sold hitherto, so that no essential disturbance need be feared in the world sugar market. Messrs. Licht do not also expect any major change in world sugar production. Their latest assessment of the position is as follows:

Statistical Position of World Sugar

(In million metric tons—raw value)

	September-August		
	1961-62	1960-61	1959-60
Opening stocks*	18.76	14.63	13.77
Production	52.22	56.93	50.08
Of which :			
Cane sugar	29.66	31.19	29.77
Beet sugar	22.56	25.74	20.31
Total supply ..	70.98	71.56	63.85
Consumption	54.79	52.80	49.22
Closing stocks*	16.19	18.76	14.63

* As on 31st August.

The European sugar beet acreage in 1962-63 is nearly the same as in the previous year, but crop prospects in all European countries are mediocre. Therefore, no excessive pressure of European sugar on the world market need be feared. On the contrary, it can be expected that several European countries will have to import more sugar than in the year before. Thus, the European beet sugar production in 1962-63 will not disturb the balance on the world sugar market. In the U.S., a four per cent increase in crop is expected. It can, therefore, be said that the total 1962-63 world sugar beet production will be a stabilising factor on the sugar market.

In the opinion of Messrs. Licht, generally, world sugar production in 1962-63 will not differ considerably from that in 1961-62. This would mean, however, that requirements would again exceed sugar production, as a result of which stocks would decrease further. Both these facts would, of course, have a stabilising influence on the free world market, unless disturbed by the East bloc countries.

The current sugar season, according to Messrs. Licht, started with normal stocks. The total of these stocks as on 31st August 1962 stood at a little over 16.19 million metric tons (raw value), as against 18.76 million tons a year before. The reduction in stocks was due to the fall in production, on the one hand, and rise in consumption, on the other, as the accompanying table shows.

The London sugar firm estimates the aggregate world sugar consumption to be 57 million tons in 1962-63. The estimate is made on the assumption that the rate of increase in consumption will be the same as the average yearly rise of two million tons during the last ten years.

A review of the recent trends in the position of sugar in some countries, as made by Messrs. Licht, reveals that cane sugar production will increase in the U.S., while there will be no essential changes in the Dominican Republic and Haiti. Marked changes are hardly to be expected in Africa, whereas, in Australia, sugar output will register an appreciable rise as a consequence of the increased demand from Japan. A slight improvement in production is anticipated in the Philippines. Referring to India, Messrs. Licht merely say that the country "plans to produce in 1962-63 the same quantity as in the year before." This assessment is, however, too vague and does not seem to be correct. The Government of India has no doubt abolished the ten per cent cut in production enforced in the 1961-62 season. Even so, the sugar output is expected to be markedly lower—around 2.4 million tons, as against 2.7 million tons—in view of the sharp setback suffered by the cane crop in several parts of the country and the prospects of large-scale diversion of supplies to the manufacture of *gur* and *khandsari* which are commanding pretty high prices.

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At long last the Government of India has announced the basis for determining the share of cane growers in the additional sugar price realised by the factories in the four season 1958-59 to 1961-62. It will be recalled that the Tariff Commission submitted what is called the sugar price linking formula as far back as in June 1961, but it was not until the end of August this year that the Government released its report together with its resolution thereon. The decisions of the Government was incorporated in the Sugarcane Control (Additional Powers) Bill which was passed by the Lok Sabha on 4th September and by the Rajya Sabha two days later. The Bill merely

(*Continued on page* 836)

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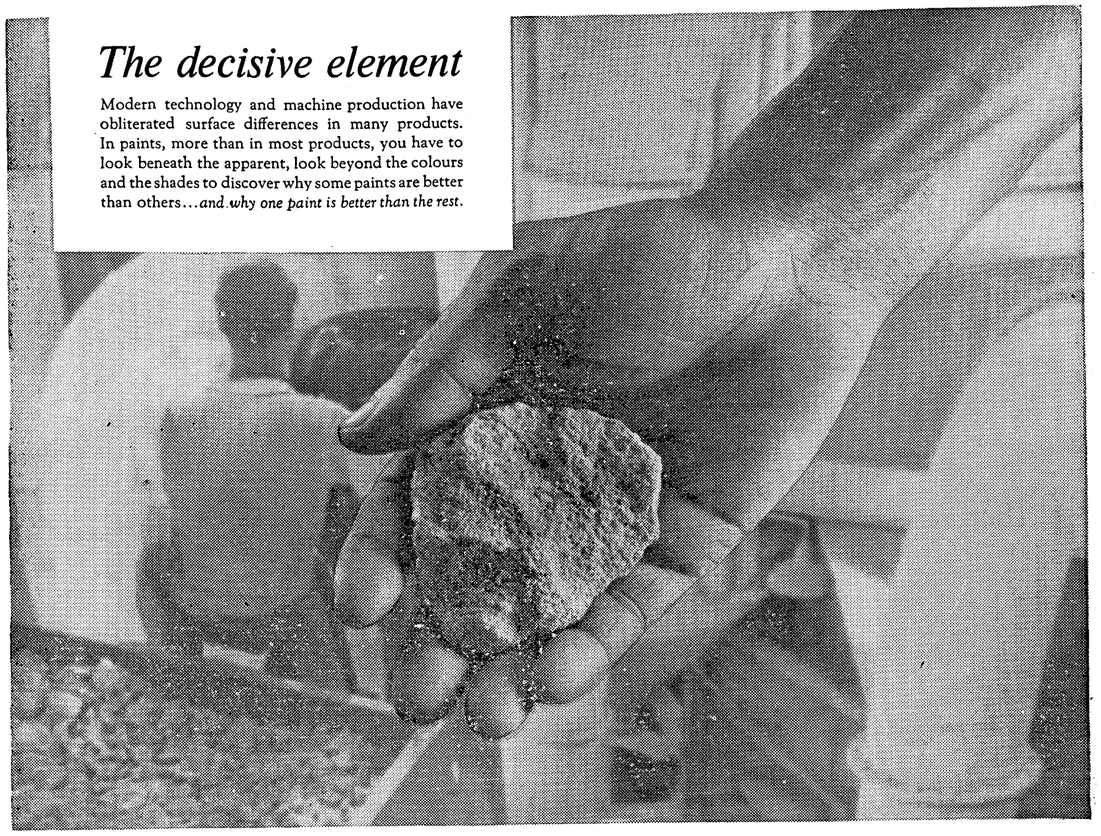

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LIQUIDITY AND WORLD TRADE

THREE IMPORTANT POINTS TO PREVENT DEFLATION

By Per Jacobsson

MANAGING DIRECTOR, INTERNATIONAL MONETARY FUND

I DO not think that there is any need today for one to emphasise the importance of trade, either domestic or foreign. A number of books have been written about the Roman Empire, which ascribe its decline largely to economic reasons; one, in particular, I remember pointed out that, as the Roman Empire grew and grew, its foreign trade became less and less, until the Empire eventually comprised almost the whole known world, and then it had no foreign trade at all and its economy collapsed. Now this, of course, is economics made altogether too simple, and, besides, it is not altogether true, for there was always some trade with the East. But there were nonetheless important economic factors contributing to the decline. After the second century, excessively bureaucratic control, heavy taxation, and an overdose of regulations, all contributed materially to a falling off of trade within the Empire. Even if this cannot be said to have been the sole cause of the ultimate collapse of the Empire, it was certainly a symptom of its gradual decline. Flourishing internal and external trade is usually indicative of an active and vigorous society.

Trade Promotes Tolerance

Trading communities have contributed much to present Western culture. Athens, the font and origin of that culture, was a trading city. Other cities in later periods, famous for their art and learning and fresh flowering of our Western culture, were the Renaissance towns of Florence and Venice, and later Amsterdam, Paris, London, and also Boston and New York. All of these derived much of their wealth and importance from trade, as well as being at the same time political centres of considerable importance. I would even venture to say that our civilisation has more than anything else developed through the activities, and often the peoples, of our great trading cities. The relations which are established by trade bring in their train more sweeping considerations than mere gain or profit. Trade widens horizons; it makes people aware of customs and ideas elsewhere; it both sharpens and broadens the mind, and almost inevitably promotes tolerance. In our day, too, I think we can find that freeing of trading relations has had a liberating effect on people's minds.

We have been fortunate that, after the Second World War, the volume of trade has increased almost without interruption—in sharp contrast to what has generally happened after previous great wars. From 1950 to 1960, the volume of international trade rose by 78 per cent; in 1961 by 4 per cent; and it seems that, from the first half of 1961 to the first half of 1962, the increase has been at the rate of some 6 per cent. This is a remarkable performance and a very real achievement, but it has not come about by itself; a number of factors are required to create a climate conducive to an increase in trade. There has to be greater production, for products are exchanged for products; there have to be the resources available to finance the trade; and, in a post-war period, the war-time barriers to trade have to be dismantled or at least reduced. Over the years, many efforts have been made to achieve these conditions, with a considerable degree of success. In part, this success has been due to the work of international agencies: the Marshall Plan with the European Payments Union, and such organisations as the G.A.T.T., the World Bank and the International Monetary Fund. Much also has been achieved through the efforts of individual countries to restore proper trading conditions. Efforts to expand world trade further have, if anything, recently been intensified. The European Common Market has in important respects advanced its time-table for the reduction of tariffs; Great Britain is applying for full membership in the Common Market; and in the United States, Congress has adopted, and the President has signed, the Trade Expansion Act.

High Degree of Cohesion

These are all evidence of a high degree of cohesion in policies in the general economic and commercial field among the different countries—a greater cohesion, perhaps than there has ever been, and certainly more so than at any time since the outbreak of the First World War in 1914. The European Common Market, its extension to countries in Europe other than the Six, and the Trade Expansion Act are, taken together, measures which should give a new orientation to trading relations in the Western world, and will make it possible for the benefits of reduced tariffs to be enjoyed not only by the industrial countries but also by the the wider group of developing countries.

In the financial and monetary field, too, common measures have been agreed upon. Last week, the borrowing arrangements of the International Monetary Fund came into force, according to which ten of the leading industrial countries undertake to provide the International Monetary Fund, in case of need, with supplementary resources. When adherences have been received from all ten countries, these resources will amount in all to $6 billion. The ten countries are the United States, the United Kingdom, France, Germany, Italy, the Netherlands, Belgium, Sweden, Japan, and Canada. Only Canada and Belgium have still to announce their adherence. The amounts available under the borrowing arrangements will be in addition to the existing resources of the Fund which total the equivalent of some $15 billion. Most of the industrial countries have, of course, substantial reserves of their own; and further protection can be provided by a system of reciprocal credits between central banks. So, formidable defences have been built up against any setback to individual currencies or the international monetary system as a whole, and I think we can by now feel sure that speculators can no longer determine monetary policy by their movement of funds.

It involves no disparagement of the political leaders to say that it has been difficult to arrive at agreed lines of action in the political field, for here so much is influenced by countries' relations with the Communist world. Arrangements in the economic and financial field, on the other hand, have been made primarily among countries whose economies are all more or less based on the market system, and this has greatly facilitated the attainment of positive results. I think that, in such matters, one can now to a large extent take goodwill for granted, and the will and the willingness to co-operate which such an atmosphere generates. Now these remarks embrace, of course, the whole complex of problems relating to world trade, which is indeed a very vast subject. But I will confine my remarks here mainly to one particular aspect, namely, the relation between liquidity and world trade.

Main Subject Matter

May I first say a few words about the concept of liquidity. Unfortunately, economic terms are rarely unambiguous, and the term "liquidity" is no exception. There are, in fact, two distinct meanings given to this term—and, I am afraid, that, very often, it is not clearly indicated which meaning is being used in a particular context, and this makes it difficult to be sure exactly what the idea is that the writer is intending to convey.

One concept of liquidity may be taken to be the availability of the facilities in national currencies for financing trade and other business. As you know, Keynes, in his *General Theory*, was very much concerned with the state of liquidity in its relation to economic activity, and he thought of it in terms of the credit facilities in national currencies. On reading recently through some Congressional reports on the credit position here in the United States, I again found that the use of the term "liquidity" most often referred to the availability of funds in dollars in the national economy.

There is another kind of liquidity—often referred to as "international liquidity"—which is concerned with the reserve position of countries, that is, with the magnitude of their gold and foreign exchange reserves, as supplemented by other facilities, such as drawing rights in the International Monetary Fund and the various forms of reciprocal and other credits agreed between central banks.

These two concepts of liquidity must be clearly distinguished, for, otherwise, confusion is bound to arise. The need for such distinction is not least needed because there is an interrelation between them—between, on the one hand, the liquidity in national currencies and, on the other, the international liquidity in terms of monetary reserves.

Domestic Credit and External Reserves

As trade increases—either domestic or foreign trade—enlarged credit facilities are required in national currencies to ensure adequate financing. Domestic trade is of course financed in national currencies, and foreign trade is financed largely in the currencies of the main industrial countries. Thus, an expansion in foreign trade is financed through the credit mechanism in individual countries. Under the old gold standard, the creation of credit in the various countries was closely linked to movements of gold, and, in quite a number of countries, changes in the volume of credit have continued to depend, to a large extent, on changes in their balance of payments, as reflected in their monetary reserves. But despite this link, one should guard against implying that no increase in the credit volume can occur without an addition to monetary reserves. In the United States, for instance, credit has been expanding over the last ten years, despite the considerable decline in the gold stock. In Germany, too, credit has expanded over the last two years without an increase in reserves. And, if I may refer to a classical example, the Bank of England, before 1914, was virtually the centre of the world's credit system and was able to hold this position on the basis of surprisingly slender reserves, which never amounted to more than the equivalent of $400 million at present-day values. So the link is not absolute; there can be no question of any inherent parallelism between the expansion of credit and growth of reserves.

If we examine the credit systems of the various countries, we find that, in many of them, modern techniques, not least through the initiation of open-market operations, have given greater flexibility to credit management than was possible previously. The monetary authorities can avail themselves of these possibilities, and can do so more decisively, if they have a relatively strong foreign exchange position. Fortunately, partly through the deficits in the U.S. balance of payments, a redistribution of reserves has occurred in recent years, so that most of the principal industrial countries have what they may regard as a sufficiency of reserves, and they have also the other facilities available to them which I have mentioned, among them access to the International Monetary Fund. These are valuable, not only as lines of defence, but also as permitting the authorities a freedom of action not otherwise sustainable.

Case for Co-operation

Even so, in matters of credit policy, there are limits to the extent that countries can safely move alone. They have in a measure to keep in step with each other. Given present circumstances, in which there is a better basic balance in the world position, at least in the industrial countries, and, indeed, greater possibilities for concerted action, there are more than ever good reasons to intensify the useful co-operation which has been initiated among the monetary authorities. This co-operation can be pursued in a number of ways: through the International Monetary Fund, through the O.E.C.D. in Paris, through the Bank for International Settlements, and among the Common Market countries, all of these should be welcomed. The policies which may be needed, and which are, therefore, appropriate to be discussed in such places, may not always be policies aimed in the same immediate direction. Situations may arise in which different countries have to pursue contrasting, though complementary, policies, involving a more cautious policy in one country or one group of countries, and a more expansionary policy in others. The choice of the right combination of policies should be the subject of common discussion and co-ordination. But the objective of all these efforts must be to provide to the individual countries, and thus to the world as a whole, the volume of credit creation required to meet the legitimate needs of growing economies.

Needs of Developing Countries

It is sometimes questioned whether there are at present sufficient credit facilities to meet the needs of growing economies and, in particular, the needs of an increasing world trade. As I have already mentioned, the volume of foreign trade rose from 1960 to 1961 by some 4 per cent, and it seems that, from the first half of 1961 to the first half of 1962, the increase has been at the rate of 6 per cent. Such increases would surely not have occurred had adequate financing not been forthcoming. Indeed, I think most of those competent in these matters would agree that foreign trade is not likely to be stifled by any lack of credit facilities, especially as interest rates seem to be declining rather than rising in the leading centres.

It would be good if this were all that need to be said about this question; but I am afraid it is not. There is, I think, another facet of the problem with which we have to be concerned. It is not only that in some countries—particularly in the United States, and to some extent Great Britain—there are unused facilities of production and an undesirable level of unemployment. We have really to ask ourselves whether there is not now a more general slackening in the rate of economic expansion—a slackening which may also be beginning to affect countries on the Continent of Europe and which, if it conitnues, could lead to another recession and perhaps even set off deflationary tendencies, which then would have to be counteracted by, among other things, an expansion of credit. For three years, wholesale prices both in the United States and on the world markets have been remarkably stable, evidencing the end of the post-war inflation. Supply has caught up with demand; and, as productive capacity continues to increase, a downward pressure on prices may well be intensified in a wide range of products—raw materials, semi-manufactured, as well as finished manufactured products.

Cost Increases

There is, however, another point, even more appropriate to present conditions. Deflation can undoubtedly be brought about by mistaken monetary policies, but, in the present situation, it is well to remember that it can also result from the effects of continuous cost increases. In the post-war period, when prices could be raised without any significant reduction in sales or even with an upturn in sales, cost increases were not really a source of worry but became rather an accepted part of the inflationary process. But, when prices can no longer be increased because of intense competition, cost increases may have a very different effect. They will tend to reduce profit-margins—and the lower profit-margins may slow up the rate of investment, with the result that savings may not be fully invested, idle funds may accumulate, and a deflationary process may be set off. So, if profit-margins are reduced by cost increases, they may give rise not to inflation but to deflation.

There is nothing new in this analysis. If you read W. C. Mitchell's famous book on Business Cycles, published some thirty years ago, you will find that he described the phase of the business cycle which leads to the downturn as one in which costs continue to rise while prices can no longer be increased, so that profit-margins are reduced, and even losses incurred, with all the accompanying results of such a trend.

It is also useful to remember that Keynes defined liquidity in terms of wage units. It is true that he argued against a reduction of wages, even in a period of unemployment, for he feared that such a step would give rise to expectations of continuous further decreases, both of wages and prices. But he was explicit in his argument against any increases in wages in such a situation, since, if the cost of labour were to rise, the increase in liquidity which he recommended would lead to less absorption of the unemployed.

There is sufficient agreement between the views of these two great economists for us to conclude that, in situations in which the objective is to counter a relaxation in business activity and to promote recovery, cost increases should be avoided to the utmost. We may well have such a situation in the near future, and, therefore, these precepts of moderation in cost increases should be taken very seriously.

Situation in the U.S.

Turning to the present position in the United States, I think it would be a great mistake to underrate the recovery in business activity which has taken place over the last eighteen months. After all, the gross national product has risen in that period by some 7 to 8 per cent; and, furthermore, this increase, it should be noted, has been accompanied by an improvement in the balance of payments. That is in itself an achievement, for it is not often that internal recovery and an improvement in the balance of payments go together. At the annual meeting of the Fund and the Bank, which took place in September, European bankers expressed increased confidence in the dollar and looked forward to the restoration of equilibrium in the U.S. balance of payments in the course of next year. There are several reasons for the improvement that has taken place in the position of the dollar, but there is no doubt that the most

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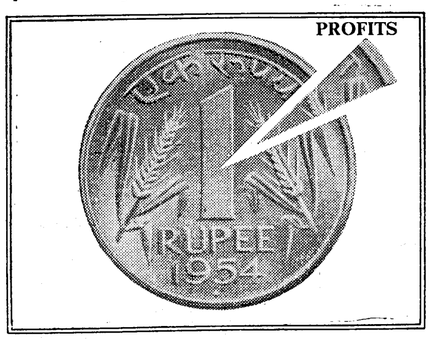
CONTRARY to popular belief the Rayon industry is, in fact, making very moderate profits. The Reserve Bank's survey of 1001 leading companies shows the average of profits as percentage of net worth to be 10.8%. Against this, the rayon yarn spinners average less — a modest 9%.



The selling prices of Rayon have been arbitrarily pegged down since 1957, and have in effect been reduced by absorption of excise duty In addition, rising production costs and a high rate of obsolescence...have made further inroads into profitability. The demand for more clothing will become increasingly pronounced over the next decade, and a serious crisis could result if the Rayon industry is not given incentives to produce more.

Our Prices Among World's Lowest

Although comparatively young, the Rayon industry has made rapid strides over the last decade. Qualitatively, it is equal to the world's best—in price, Indian-made rayon yarn of all deniers is cheaper than most, as the following table will show:

Domestic prices of 150 denier yarn in Rs./kg

Switzerland	9.08
U.S.A.	8.79
Britain	8.27
Italy	7.80
Sweden	7.80
France	7.76
India	**6.94**
Japan	5.05

Controlled Price and Distribution

The Rayon yarn prices and distribution are controlled by the mutual authority of the Textile Commissioner and a committee of both spinners and weavers. This ensures supplies of yarn to the consumers at fixed prices which are some 40% below the market value of these yarns. 75% of yarn goes to organised textile units and the balance to handlooms, doublers, twisters, etc.

The truth is, moderate profits — not huge profits — is the reward of the manufacturers of Rayon... the fibre that serves you so well.

For our basic needs...

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fundamental is that, in the last few years, wage costs have risen at a much quicker rate in the countries on the Continent of Europe than in the United States. German wages, for instance, have risen by some 30 per cent in three years, while the increase in the U.S. has been less than 10 per cent in the same period. I might add that this strengthening of the position of the dollar has been reflected in the quotations on the exchange markets, and these markets have behaved, and continue to behave, very well.

Looking at the economic situation this autumn, I certainly see no sign of an immediate dip in business in the U.S. Sales and output of automobiles are well-nigh at record figures, and many branches of industry and trade are doing really well. But the picture is not uniform; somehow, one has the impression of business activity moving along on a plateau, with no clear indication of any fresh stimulus exerting its beneficial effects. This is not a satisfactory situation, and it is, therefore, up to us to see to it that conditions for a re-stimulation of business should be provided, to the largest possible extent. It seems widely agreed that present high rates of direct taxation act as a drag on business, and that steps should be taken to reduce those rates. Such steps could form part of a broader expansionist policy in the fiscal and credit field—a policy for which there is, I think, much support in the U.S. at present.

Situation in Europe

At the same time, on the other side of the Atlantic, I think one can take it for granted that the British authorities are also anxious to pursue expansionist policies—and will move in that direction as far as they feel they can safely do so.

How will these policies in the United States and Great Britain relate to conditions in the countries on the Continent of Europe? If the boom in these countries continues more or less unabated, the expansionary policies in the United States and Great Britain would complement the continued expansion on the Continent of Europe. There have, however, been some signs of a decline in the rate of expansion in Europe. Should this tendency be intensified, it is very likely that the European countries would fairly promptly consider steps to avoid a serious downturn, and do so in co-operation with the authorities in the United States and Great Britain. There were indications, in the course of last summer, that an increasing number of Europeans were interested in the launching of more expansionist policies in the United States, in so far as that could be done without retarding the improvement in the U.S. balance of payments. Since the U.S. dollar's position has gone on improving, while the business situation inside Europe has become rather more uncertain, the European interest in U.S. expansionary policies is likely to be now even stronger.

Whatever situation may develop on the Continent of Europe, therefore, there is every reason for continuing close co-operation among the authorities on the two sides of the Atlantic, in order to arrive at a full understanding as to the policies that should be pursued. At the very least, such understanding can be useful in eliminating distrust, but it can, of course, do much more.

Three Important Points

I think I might sum up by saying that there are three important points on which I would hope there would be broad agreement:

1. The pursuit of expansionist policies, to a greater or lesser degree, according to the business trend that emerges;

2. The avoidance of cost increases, which presupposes moderation in wage increases; and

3. Intensified co-operation in the monetary, economic, fiscal and trade fields among the authorities of the various interested countries.

It may be easier to arrive at results under the first and the third than under the second heading, but it is by the proper combination of action under each one of these three headings that success is most likely to be attained.

I would like to make it clear that, while the policies which have been outlined above are those to be discussed among and adopted by the industrial countries, they would nevertheless be greatly to the benefit of the developing countries also. For the pursuit of these policies is likely to increase especially the demand for primary products and, at the same time, to counteract any tendency for the prices of these products to decline further.

In recent months I have mentioned more than once the word "deflation." It is not because I want deflation, or even expect it to come about; just the contrary. Let me mention what a very wise Swedish banker, the late Marcus Wallenberg, once said to me. He said that it was often his role in life to be considered to have been wrong in his judgment. When he saw the signs of some dangerous situation developing, he would go around warning people of the danger, and indicating the measures which, in his opinion, should be taken to avert it. If then the proper measures were taken and the danger was averted, he would be told that he had been wrong; but nobody could be more pleased than he when such a thing happened.

Finally, I would like to point out the fact that business this year has shown great resilience in the face of often adverse circumstances. Usually a sharp fall on the stock exchange has been the forerunner of a distinct setback in business activity, but this year business on the two sides of the Atlantic seems to have taken the fall on the stock exchange well in its stride. Business has also gone steadily on its way, unperturbed by politics, relating its action to economic realities on which it may exercise its judgment with some confidence.

Defences Strengthened

It is particularly interesting to observe the movements on the foreign exchange markets, for these are usually the most sensitive to rumours of all kind. For the greater part of this year, these markets have been very calm, probably calmer than at any time since before the outbreak of the Second World War. Such variations as have occurred in the exchange rates seem to have been increasingly determined by the basic conditions of the balances of payments in individual countries (e.g., the relation of exports to imports, and the like) and less by movements of capital funds from one centre to another. One reason for this is, of course, that the international balance of payments position is now in better equilibrium than it has been for several years. But another reason is surely to be found in the fact that the monetary authorities in the various countries now co-operate more closely together, and that the defences against sudden pressures have been greatly strengthened.

At the same time, with a more soundly based economy, many countries have gained more freedom in the pursuit of their fiscal and credit policies. The important thing is that they use this freedom wisely. But to be wise of course does not mean to do nothing; real wisdom requires readiness for action when the need for such action occurs. Moreover, it requires that attention should be paid to all aspects of a problem, and should include a readiness to adopt those policies which are often difficult to apply. I think that, in general, there is a greater understanding of the problems involved and awareness of the greater opportunities which now present themselves. The fault is not in the stars but in ourselves if we should fail—but why should we fail? Why should we not be resolute in pursuing those policies which would ensure a steady rate of growth in our economies and an expansion in world trade? Much good work has been done. Much work remains to be done. But let us agree to do it!

Note: *The above article has been adapted from Mr. Per Jacobsson's address to the National Foreign Trade Council, Inc., New York on 29th October 1962.*—ED.

I.F.C. INVESTMENT IN COSTA RICA

The International Finance Corporation has announced its first investment in Costa Rica. The Corporation will invest $270,000 in Productos de Concreto, S.A. to add to the company's working capital and to enable it to expand its capacity to manufacture stressed and other concrete products for which there is a growing demand. It will lend the Company $194,000 and will buy 5,000 shares of common stock of 100 colones par value each (equivalent to about $76,000). Bamerical International Financial Corporation, New York, a wholly-owned subsidiary of the Bank of America, N.T. & S.A., is participating in the investment in the amount of $90,000. The loan is represented by unsecured notes, bearing interest of 8 per cent and repayable in 16 semi-annual instalments beginning December 1963.

The I.F.C.'s investment in permanent working capital provides financing of a kind extremely difficult to obtain in Costa Rica. Its investment in shares should make it possible for the Company to attract new shareholders, and will thereby contribute to the development of a capital market.

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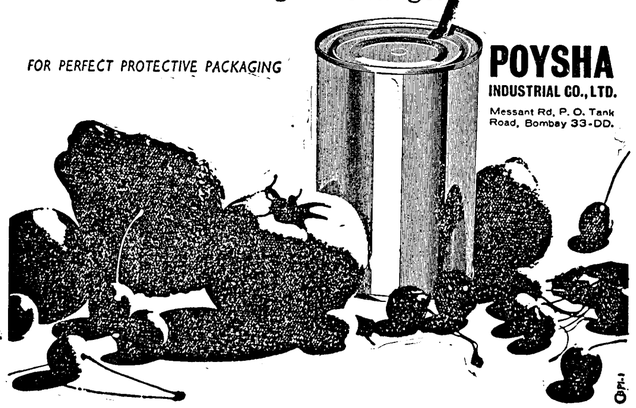

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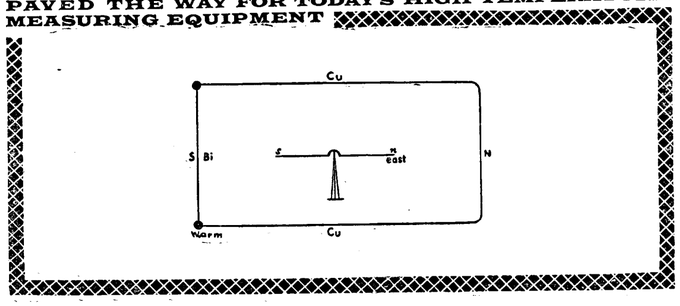

Today's electric high temperature measuring equipment owes much to the pioneering of an early 19th century scientist. Seebeck's discovery—like most great findings—stemmed from a simple experiment. He joined a copper wire and bismuth wire at each end, heated one junction and discovered that an electric force was generated... Seebeck had made the first thermocouple and the principle for electric high temperature measuring equipment was established.

In 1826, another scientist, Becquerel, converted the principle to practical use. He joined two strips of dissimilar metals, immersed one junction in a bath of mercury and attached the other to a dial indicating instrument. He heated the mercury, checking its temperature with a thermometer. The electric force thus generated caused deflections in the dial indicator. By relating these deflections to the thermometer readings Becquerel calibrated the dial indicator up to 300°C. He further extrapolated temperatures up to 1350°C. Seebeck's and Becquerel's experiments paved the way for the modern thermocouple.

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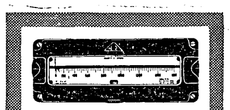
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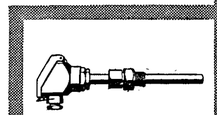
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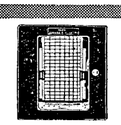
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THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

SIR WILLIAM LAMOND'S REVIEW

EVERY EFFORT MUST BE MADE TO EXPAND GENERATING CAPACITY

THE Sixty-fifth Annual General Meeting of The Calcutta Electric Supply Corporation, Ltd., was held on 1st November 1962 at Victoria House, Vernon Place, London, W.C., Sir William Lamond, Chairman, presiding. The following is his review, which had been circulated with the report and accounts:—

It is with very deep regret that I have to record the death on 19th November, 1961, of Sir Harry Burn who had been a member of your Board since 1947 and was Chairman from 1954 until his death. Sir Harry worked tirelessly in the interests of the Company and his experience was of great value. He is missed by all his colleagues. The Board elected me to succeed him—an honour which I greatly appreciate. Mr. I. A. Macpherson has been appointed Deputy Chairman.

To fill vacancies on the Board Sir Owain Jenkins and Mr. A. R. Colley were appointed to be Directors. Both Sir Owain and Mr. Colley with their wide experience in their respective spheres will give valuable assistance to the Board. Those two appointments now come up for confirmation.

It is also with deep regret that I record the death on 1st July, 1962, of Dr. B. C. Roy, Chief Minister of West Bengal. Successive Chairmen and Agents of this Company have been honoured by his friendship and have been privileged to have the benefit of his advice and guidance.

In the Chairman's Review for the year ended 31st March, 1961, mention was made of the series of breakdowns of plant that occurred at our New Cossipore Generating Station towards the end of that year and at the beginning of the year 1961-62. These breakdowns had a twofold effect in the year under review: first, to the extent to which the output of the machines which were out of action could not be covered by increased generation elsewhere or by increased import from the Damodar Valley Corporation, the demand on our system was unsatisfied and the consequent load shedding involved us in loss of Revenue; and secondly, to the extent to which these outages could be covered by increased generation with less efficient plant elsewhere in our system and by increased import (which in fact happened to a substantial degree) they involved us in enhanced Revenue Expenditure, quite apart from the actual cost of repairing the damaged machines. This abnormal Revenue Expenditure is, under the provisions of the Electricity (Supply) Act, 1948, being recovered from the Contingency Reserve Fund.

Serious as were the effects of these breakdowns on our Revenues they were equally serious for our consumers, particularly our industrial consumers, who had to bear the brunt of the drastic load shedding that was necessary and I welcome this opportunity of expressing once more the Board's great appreciation of their co-operation during this difficult period. The load shedding and the load spreading which were then necessary unfortunately still persist, as was predicted last year, though of course not to the extent that was the case when our New Cossipore machines were out of action.

Expanding Economy

India is on the threshold of an industrial revolution which obviously generates pressures within an economy, the expansion of which has of necessity been planned against the background of an acute shortage of foreign exchange. One of these pressures is a shortage of power which has for some years now been manifest throughout the country. We can regard this as one of the growing pains of an expanding economy, but, whilst it persists, the electricity supply industry must make every effort to expand its generating capacity, and at the same time, to ensure maximum utilisation of existing capacity.

In Calcutta we are doing both: the latter through the instrumentality of the Electricity Supply Control Advisory Committee on which our industrial consumer interests are represented and which makes recommendations to Government with regard to load spreading and also to the amount of, and the conditions under which, new load should be connected to our system. But, of course, the real remedy lies in the increase in generating capacity which is so desperately needed in the area.

New Cossipore Extension

Last year you were informed that Government, reversing its previous decision, had at last authorised our 50 MW extension at New Cossipore. During the year under review great progress has been made on the foundation raft and the new pumphouse monolith, both of which were completed ahead of time; the plant manufacturing programme in this country is also well up to schedule and I have every confidence that this new machine will be on commercial load in October of next year—about the same time as we have been promised the first tranche of the power we shall be importing in increasing quantity from the West Bengal Government State Electricity Board in the future. The present shortage will thus continue for at least another year and the position between now and then can only be alleviated by an increase in the import of power from the Damodar Valley Corporation hitherto pegged at the contractual figure of 105 MVA. Any surplus in the Damodar Valley Corporation system which can be transmitted to Calcutta, even if only during the evening peak hours when our own system is so hard pressed, brings great relief to industry in the area and particularly to the jute industry which is of such national importance from a foreign exchange earning point of view.

We realise that the Damodar Valley Corporation is at times itself hard pressed and often has the same difficulty that we have experienced in taking plant out for overhaul. It is, therefore, with pleasure that I record our appreciation of the fact that the Damodar Valley Corporation has recently been able to increase its export to us; we are grateful to them and to the officials in Government and the State Board whose good offices have made this possible.

Year of Expansion

It will be noted from the Report of the Directors that during the year ended 31st March, 1962, there were increased sales of energy for Power Purposes, Lights and Fans, Public Lighting and Bulk Supplies. 80 per cent of the energy sold for Power Purposes is supplied to High Tension Industrial consumers and the effect of the load shedding, to which I have already referred, has been almost entirely confined to those consumers. Consumers using energy for Lights and Fans and those receiving Bulk Supplies suffered only slightly. Thus, if there had been no load shedding the energy sold for Power Purposes would have shown a much larger increase.

In addition to large industrial consumers energy sold for Power Purposes covers a large number of small industries supplied at Low Tension. It also includes energy sold for Domestic Power Purposes the demand for which again showed a substantial growth due to the popularity of small air-conditioning units in residences and offices. Although the jute industry holds its predominating position as our largest industrial consumer, supplies to that industry were less than the previous year owing to the severe shortage of raw jute in the middle of 1961. But in recent months the demand from the jute mills has greatly increased, as supplies of raw jute became more plentiful. Other important industries on our supply are Rolling Mills and Engineering Workshops, Cotton Mills, Chemical Works and Paper Mills, and with the exception of the last mentioned, their consumption has increased.

Sales of Energy

Sales of energy for Lights and Fans again increased. Various housing estates, both in the Calcutta suburbs and in other parts of our area, are still being developed.

Almost all of the increased sales for Public Lighting were for the Calcutta Corporation. Our sole consumer for traction purposes is the Calcutta Tramways Company Ltd., whose demands are not likely to show any appreciable increase.

The West Bengal State Electricity Board, which distributes entirely outside the Company's licensed area, takes 95 per cent of our Bulk Supplies. The large increase was almost entirely for that Board whose demands will continue to expand. Most of the sales under Special Contracts were at our special tariff to owners of large office and residential buildings, public institutions, cinemas and hotels. Demand from such consumers was little changed and is not likely to show much increase in the near future.

Revenue Account

The Revenue Account shows that gross revenue from the sale of current at £10,494,687 was just short of £700,000 more than last year—an increase of 7 per cent. This compares with percentage increases of 11 per cent in 1960-61 and 8.9 per cent in 1959-60 and reflects the effect of load shedding on our power sales, already mentioned. On the other hand, Revenue Expenditure has increased by about £1,120,000 owing for the most part to an increase of some £870,000 in the cost of power imported from the Damodar Valley Corporation. It must be realised that the price paid for bulk supplies necessarily includes interest and depreciation charges whereas such charges are not included in our own operating expenditure, being shown separately in the Accounts. The large increase in the import from the Damodar Valley Corporation has thus resulted in a disproportionate increase in our total operating expenditure.

Cost of Generation, Transmission and Distribution is about £190,000 up on last year, despite a saving of about £75,000 in the cost of coal, brought about by the breakdowns at New Cossipore, as a result of which the output of our generating stations, at 1,666 million units generated, was some 177 million units less than in 1960-61. This net increase can be attributed, for the most part, to increased salaries and wages arising out of a general revision of scales of pay which came into effect from 1st September, 1961. In 1960-61 our purchases from the Damodar Valley Corporation totalled 390.4 million units at a cost of £1,070,194; in the year under review the figures were 664.9 million units and £1,940,775. Administration and General Establishment Charges increased by about £60,000, due again, for the most part, to higher salaries and wages.

I deal now with the Net Revenue Account. Despite the uninterrupted increase in sales, the Company's rates have in recent years produced insufficient revenue to meet the increasing costs and, in addition, to earn the full Reasonable Return to which we are entitled by statute; the shortfall has been made good by transfers from reserves accumulated in the past specifically for this purpose. As is explained in the Directors' Report, the shortfall in revenue this year was £515,618 which has been reduced to £327,802 by the transfer of the balance remaining in the Tariffs and Dividends Control Reserve, namely £187,816. These reserves being now exhausted, we have, in the future, to look to current revenues to earn our Reasonable Return. We are hopeful that our recently revised rates, which I refer to below, will have this result. The Indian tax charge at £945,310 for the year is some £220,000 less than last year, due of course to the fact that, for the reasons referred to above, the balance on the Revenue Account at the end of the year was some £458,000 less than last year. This tax charge does not take into account certain demands we have received from the Indian taxation authorities, which we are contesting, and which are referred to more specifically in the notes on page 10 of the directors' report. After providing for Debenture Interest and making the other usual appropriations, including the transfer of £300,000 to Special Appropriations for Plant Expansion, Replacements and Contingencies and providing for dividends on the same scale as last year, the balance on Net Revenue Account, including £124,585 brought in, amounts to £100,524.

Balance Sheet

The Balance Sheet shows a decline in our holding of Treasury Bills of some £400,000 as compared with last year. This represents funds used in London for the purchase of plant exported to India and for the payment of Sterling Debenture Interest, Dividends, etc. Apart from the normal expansion of the transmission and distribution system which involves capital expenditure averaging £1¼ million per annum paid, for the most part, from depreciation monies and other sources of internal finance, the extension to our New Cossipore Generating Station is estimated to cost £3½ million. To the extent by which our liquid resources are insufficient to meet the cost of this plant, when this would normally be payable, it will be met by finance specially arranged with our Bankers in India and by deferred payments which have been negotiated with certain British manufacturers. Capital Expenditure during the year amounted to approximately £1.4 million of which about £225,000 was on account of the extension at New Cossipore.

Revision of Rates

I have referred above to the recent revision of our rates which, because of the increasing cost of imported power and of rising taxation, could no longer be delayed. Despite the continual rise in all costs since the war, our existing rates for lights and fans and for domestic power have remained unaltered for over fifteen years and other rates have altered only to the extent necessary to reflect the greatly enhanced cost of coal. In fact, our rate for high voltage industrial power was, for energy supplied from coal-fired plant, almost the lowest in the world for which statistics are available. We have endeavoured to revise our rates on the general principle that each class of consumption should bear its proper share of the cost of production and distribution. For many years now our industrial high voltage consumers have not provided an adequate share of our overall cost and so our first call has fallen on this class of consumer whose rates have been increased by about 17½ per cent on average. For the present, our other very important rate, that for lights and fans, will remain unchanged, as will also the rate for the smaller low voltage power users. The rate for the larger low voltage power users has, however, been increased by about 17½ per cent on average and our rate B (high voltage energy for domestic and commercial supplies) by about 13½ per cent. In addition meter rents have been increased. It was also our intention to increase the rates for low voltage domestic power and for distributing licensees, but at the express request of the State Electricity Board we have agreed to forgo, for the time being, the increase contemplated in these two rates. We have, however, the right to review the position.

Although the impact of the charge for Indian taxation is not always predictable year by year, we hope that this revision of rates, which came into effect from the beginning of May, this year, will result, in a full year, in more nearly equating our Clear Profit with our Reasonable Return than has been the case in the recent past. Whether it does so or not will depend also largely on the cost of imported power. If the State Board from whom, as from a year hence, we shall be importing power on an increasing scale, is able to let us have this power at a basic price, comparable to that now charged by the Damodar Valley Corporation, then our present cost structure will not be radically disturbed—otherwise a further increase in rates in 1965 when the State Board supply is expected to be fully available, may be necessary.

Visits to Calcutta

During the year Mr. Macpherson and Sir Owain Jenkins visited Calcutta where they had the great benefit of discussions with the Chief Minister, the Chairmen of the State Electricity Board and the Damodar Valley Corporation, officers of the Government of West Bengal and leaders in commerce and industry in Calcutta. They inspected all sections of our organisation and were satisfied that all was being conducted with efficiency and economy. Despite the anxious period through which we have passed and are still passing, because the power shortage still persists, the prestige of the Company in the City remains high—a tribute to the efficiency and devotion with which the Company's affairs are conducted by our Staff in India who have the great responsibility entrusted to them of running this important public service.

Our thanks are again due to the Electricity Council, the Area Boards and the various manufacturing companies who have provided facilities in this country for the post-graduate training of young Indian Engineers under our Technical Training Scheme. This scheme was introduced shortly after the war and has been a great success. It gives me much satisfaction to record that some of our earlier trainees are now holding responsible positions with our undertaking in Calcutta.

Tribute to Staff and Employees

In conclusion I would remind shareholders of the debt we owe to our Staff and Employees in Calcutta. It is difficult for anyone who was not in Calcutta at the time to appreciate the difficulties with which the breakdowns of our plant at New Cossipore confronted them—difficulties which, because of the continuing power shortage, still persist. It gives me the utmost satisfaction to report that, ably led by our Agent in Calcutta, Dr. Bowker, by our Chief Engineer, Mr. Kanga, and by our Commercial Manager, Mr. Pugh, the staff proved equal to the severe calls that were made on them. Mr. Pugh has since retired after nearly 26 years with the Company in India, the last 10 in the important position of Commercial Manager. We wish him many happy years of retirement. I also wish to record the Board's appreciation of the able manner in which Mr. Colley has discharged his responsible duties as Secretary.

The report and accounts were unanimously adopted and an alteration to the Articles of Association was approved.

Note.—*The above statement is not a report of the proceedings of the Annual General Meeting referred to.*

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49 years ... not even a scratch

The rate of industrial accidents in India has increased from about 24 per thousand workers in 1938 to about 44 in 1959. Every year, over 93,000 workers are involved in accidents and 250 lives are lost. Also wasted annually are a million man-hours—enough to produce 170 broad guage locomotives or 700 coaches for the Indian Railways.

Safety has always been Tata Steel's watchword as efficiency is hardly possible without it. 'No-accident month' as an annual feature, safety exhibitions, training in safety, safety awards, safer working conditions, a continuing campaign under the direction of joint councils to turn safety into a habit... these are some of the means adopted in Jamshedpur to prevent accidents in the Plant.

Safety, however, depends largely on the worker himself because about 75 per cent of industrial accidents are found to be caused by human negligence. This is where men like Jamuna Dube, the oldest employee in Tata Steel, come in. He has worked for 49 years without ever sustaining an injury, not even a scratch.

The importance of safety was one of the first things that Jamshedpur taught Dube when he arrived in the Steel City half-a-century ago ... a city where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR
THE STEEL CITY

The Tata Iron and Steel Company Limited. JWTTN 6093A

GIVE FREELY TO NATIONAL DEFENCE FUND

WEST EUROPEAN COAL AND STEEL INDUSTRIES

SURVEY OF INVESTMENT AND PRODUCTION TRENDS

FOR the tenth year in succession, the High Authority of the European Coal and Steel Community (consisting of France, Italy, Federal Republic of Germany, Belgium, the Netherlands and Luxembourg) has conducted a survey of past and future investment in coal mining, iron ore mining and steel plants and its foreseeable effects on production potential. This survey, relating to the period from 1954 to the close of 1961, covers all but a few very small enterprises accounting, among them, for less than 0.7 per cent of the Community's total coal production and less than 1.8 per cent of its total steel production. For all practical purposes, therefore, the survey may be taken to have covered the coal and steel industries in their entirety. An idea of the magnitude of capital expenditure incurred by these industries during the eight-year period can be had from the relevant agreegates emerging from the survey.

The aggregate investment, in the period 1954-61, for instance, has come to $9,100 million, representing an annual average of $1,140 million. The iron and steel industry has accounted for 59 per cent of this investment, the coal industry for 37 per cent, and iron-ore mining for 4 per cent. But the consolidated figure of $9,100 million masks the uneven or declining trend of investment in the coal industry, the relevant figures for the end-years being $445 million (1954) and $378 million (1961). Investment in iron-ore mining, on the other hand, has increased from $30 million in 1954 to $49 million in 1961. The most spectacular increase in investment, however, has taken place in the iron and steel industry, the relevant end-year figures being $453 million (1954) and $1,122 million (1961). It is also significant that investment in the iron and steel industry has registered a steep increase from $775 million in 1960 to $1,122 million in 1961. What is even more significant is the continuing high level of investment in this industry, the estimated figures for 1962 and 1963 being $1,500 million and $1,092 million, respectively. This trend in the iron and steel industry is in striking contrast to that in the coal industry with its estimated capital expenditure of $439 million and $373 million in 1962 and 1963, respectively.

Actual Production

Thanks to the high level of investment upto 1961 in the iron and steel industry, high rates of increase have been maintained in actual production of pig iron and steel. The coal industry's actual production, on the other hand, has declined partly on account of the closure of pits. The following figures given in the survey report are relevant:

Product	Actual production		
	1952 (Million tonnes)	Mean annual rate of increase (Per cent.)	1961 (Million tonnes)
Hard coal	237.4	—0.4	228.9
Coke	16.5	—1.6	14.4
Iron ore	65.3	+4.4	95.9
Pig iron	34.7	+5.2	54.6
Crude steel	41.8	+6.4	73.2

What the current (1961) and future (1965) production potentials of the aforesaid industries, with their continuing capital expenditures, are, may be seen from the following figures:

	Production potential		
	1961 (Million tonnes)	Mean annual rate of increase (Per cent)	1965 (Million tonnes)
Hard coal	246.8	+0.1	248.0
Coke	14.4	—0.7	14.0
Iron ore	104.5	+2.5	115.4
Pig iron	60.1	+6.8	78.1
Crude steel	79.9	+5.5	98.9

It will be noted from the above figures that there will be a negligible increase in the production potential of coal industry over the next five years, whereas the iron and steel industry will register fairly high rates of increase in this respect.

Another interesting result of the survey pertains to the relation between actual production and production potential in the different industries. The relevant figures, given below, show that actual production is well below capacity.

	Actual production as per cent of production potential	
	1955	1961
Hard coal	94.9	92.7
Coke	93.2	85.3
Iron ore	95.4	91.7
Pig iron	96.3	90.9
Crude steel	95.8	91.7

It will be seen from the above figures that utilisation of production capacity in all the industries is considerably less at the present time than in 1955.

Coal Production Potential

Other interesting findings of the survey relate to the future. As far as coal industry is concerned, the production potential of 248 million tonnes in 1965 may be set against the Community's 1961 consumption of 247 million tonnes, of which 97.5 million tonnes was the share of coking plants and 44.5 million tonnes of power stations. The report's finding, in this connection, is that consumption outlets for coal are becoming more and more concentrated on electricity generation and iron and steel industry. It is estimated that coal's share (65 million tonnes) in the *production of thermal current* in 1965 will be about 60 per cent, with that production increased to about 270,000 million kw.h. The maximum production of the *coking plants* in 1965, given 96 per cent utilisation of their aggregate production potential, is estimated at about 85 million tonnes, representing an input of about 111 million tonnes of coking coal. It is unlikely, according to the survey, that demand from coke consumers *other than* the blast furnaces and sintering plants will go above its 1961 level of approximately 24 million tonnes. This would leave about 61 million tonnes available for the iron and steel industry. In the *iron ore mines*, extraction potential in 1965 is unlikely to amount to much more than 115 million tonnes.

In the iron and steel industry, the year 1965 should, given 96 per cent utilisation of capacity, see a maximum production of about 75 million tonnes of pig iron. Given a utilisation rate of 96 per cent, maximum production of steel in 1965 is expected to work out at 95 million tonnes, which squares very neatly with the estimated maximum demand of 94 million tonnes. The breakdown of potential, *by production processes*, is reckoned at 36 per cent for basic Bessemer, 31 per cent for open-hearth, 11 per cent for electric furnace and 22 per cent of oxygen steel. In the *rolling mill* sector, which accounts for close on half the capital expenditure of the iron and steel industry, the maximum-production estimates, it is noteworthy, nicely cover the requirements forecast in the *General Objectives for* 1965. Given 96 per cent utilisation of potential, the output of sections will be 37.4 million tonnes (including 8.3 million tonnes of wire rod), finished flat products 33.0 million tonnes and wire strip 20.3 million tonnes.

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SMALL CAR WITH ALUMINIUM ENGINE

Thanks to research carried out by the Birmingham Aluminium Company on behalf of the Reliant Company controlled by Gwent and West of England Enterprises, an all-aluminium engine is to figure on a new small car, the *Reliant Regal* 3/25 *3-wheeler*. It is claimed, in this connection, that techniques for the low-pressure die casting of an aluminium cylinder head have been perfected. The proved advantages of these techniques are that material waste is cut, machining reduced to a minimum and extremely fine tolerances made possible through the elimination of the porosity usually associated with aluminium.

The new engine and gearbox unit used in this 4-seat saloon is a 4-cylinder 600 c.c engine with overhead valves and removable wet cylinder liners in cast iron and developing 24.2 b.h.p. There is a four-speed gearbox. A top speed of over 70 m.p.h. is claimed, with fuel consumption of 65 m.p.g.

The chassis, welded from steel tubes, carries a glass fibre two-door body. The controls are as on a conventional four-wheel car and the Reliant's appearance, with modern "squared-off" lines, is also similar but for the single front wheel. Windscreen washers are standard and a heater and radio are offered as extras. Provision is made for spare wheel in the luggage boot although the wheel itself is an optional extra.

The price, £450 including tax, is £8 more than that of the preceding model. Road tax on a three-wheeler is £6 a year. A van version of the Regal 3/25 is also introduced, with a virtually identical specification to the saloon except for the utility body work. It is priced at £356.

BRITISH COMPANY DESIGNS STANDARD SHIPS

In a breakaway from the traditional shipbuilding practice of building to customers' orders, the British shipbuilders, Camell Laird, have designed six standard vessels to meet general shipping requirements. The aim is to cut manufacturing and marketing costs and still retain a world-wide reputation for reliability.

The standard range consists of motor cargo vessel, 3,150 to 4,000 tons deadweight; motor cargo vessel, 8,500 to 9,500 tons deadweight; motor cargo vessel, 10,500 to 12,500 tons deadweight; diesel bulk carrier, 23,000 tons deadweight; diesel bulk carrier, 56,000 tons deadweight; diesel oil tanker 57,400 tons deadweight.

The prices of the standard ships would be substantially less than those for comparable non-standard ships. If orders were placed fairly quickly, the company, according to its Chairman, would be ready to offer shipowners an even more attractive price. The Company has a specialised commercial department which can not only arrange credit but also, in co-operation with London merchant bankers, arrange barter deals—a facility regarded as especially valuable to developing countries short of currency. In these deals part-payment could be made in commodities.

U.K. GOVERNMENT'S PLEDGE TO SHIPPING

The British shipowners, according to the President of the U.K. Chamber of Shipping, when he spoke recently at the annual dinner of the Chamber, had been seeking to "get some sense into the business of international shipping." But there was a limit, he said, to the extent that they could expect to hold their own against the practices adopted by an increasing number of countries in supporting the building and operation of unnecessary ships. A categorical assurance was given by Mr. R. A. Butler, First Secretary of State, at the dinner meeting that no British Government could ignore serious threats to so vital an industry as shipping, in which enormous quantities of capital had been invested. He went a step further and gave the pledge that the U.K. Government would not allow the interests of commerce of any country to take precedence over the interests of the commerce of the U.K. Mr. Butler also expressed the firm opinion that self-regulation through the Conference system alone would be in the best interests of world shipping and trade.

NUCLEAR POWER STATION IN WEST GERMANY

The first full-size nuclear power station of the Federal Republic of Germany is to be built on the Danube with a gross output capacity of 250,000 kw. The U.S. General Electric Co. and two German concerns will be associated with its construction. It is reported that all preparations have already been made for starting on-site construction work this month. This new station will be equipped with a boiling water reactor just like the Kahl Atomic Power Station near Frankfurt/Main, which has already sent out more than 80 million kw.h. to the grid system.

WORLD AIRLINES PROPOSE FARE INCREASES

As a result of talks held during the last few weeks by the airline-members of the International Air Transport Association, small increases in many return air fares throughout the world will become effective for two years from April 1963, subject to Government approval. The increases will be achieved by reducing the normal discount on a round-trip fare from 10 per cent to 5 per cent. On the other hand, the airlines have voted to spread new low group fares, already introduced on the North Atlantic, round the world, and to provide a wide variety of other new discounts to help develop and expand tourism.

NEW PRODUCTS AND PROCESSES

Aluminium Blankets for Covering Oil Tanks

LOSSES from evaporation have long plagued the petroleum industry. It has been estimated that 3 per cent of crude production can disappear into the air before the gasoline made from it is used. In recent years it has been proved that "blankets" floating on the petroleum in storage tanks have cut vaporisation loss by 80 to 95 per cent. Original blankets made of plastic deteriorated rapidly and contaminated the oil. Now an aluminium deck, developed by Laroche Bouvier & Cie. of France is being marketed internationally. Known as Aludeck, hundreds of these aluminium blankets are in use in France and many other countries. They are tailored to fit the designated tank and move up and down on the surface of the oil. Buoyancy is provided by roll-welded floats. Encircling the deck is a light reinforcing angle and a Z-shaped edge seal of glass fibre coated with polyester resin to provide gas tightness. Self-supporting posts beneath the deck keep it above the intake pipe when the oil level drops. As they provide a conductor to lead electric charges away, the metal blankets lessen the risk of fires and their construction makes extinguishing easier. The decks can be installed in existing tanks easily and quickly with low labour costs. A similar type of aluminium vapour conservation blanket built for the Shell Oil Company of South Africa at Durban uses 6-in. aluminium tubing as a framework and to provide flotation.

Glass-filled Nylon

A new material to bridge the gap between plastics and metals has been developed by the plastics division of Imperial Chemical Industries. It is a glass-filled nylon, coded Maranyl A190, which does not have the disadvantages of the comparatively high thermal expansion and low rigidity of other plastics materials. Glass-filled nylon is based on type 66 nylon, the strongest and most rigid of the nylon types available; the glass strands are fully dispersed in the nylon, thus ensuring mouldings of uniform appearance and reproducible properties. The incorporation of glass fibre into nylon improves many of the mechanical and thermal properties, for example, the rigidity of mouldings made from Maranyl A190 is more than twice that of similar mouldings made from unfilled type 66 nylon, and yet the impact strength of A190 is similar. Maranyl A190 can be satisfactorily dry-coloured by tumbling with the appropriate pigments, and mouldings are perfectly uniform in colour as there are no visible bundles of glass strands. The properties of Maranyl A190 make it particularly suitable for the replacement of metal parts, and also for use in conjunction with metals where the difference in expansion between metal and glass filled nylon does not present a problem. Some examples of possible applications are: housings for electrical equipment, handles, hinges, rollers and replacements for metal die-castings.

Electronic Seed-sorter

A new machine produced by a British firm, R. W. Gunson (Seeds) Ltd., specialising in electronic colour sorting of seeds is claimed to be twice as fast as any in their range with only as light increase in size. The machine provides accurate sorting of peas, garden beans, coffee beans and other commodities of similar size. It lies on a highly sensitive photo-electric system which activate a rejection system for unwanted articles. Seeds are fed from a hopper to a moving belt on which they are automatically assembled in single file, and are then "scanned" from four sides against a background of standard colours. If any seed varies from standard by more than a pre-set amount, the change in illumination activates an electro-magnetically controlled air valve which deflects the seed into a separate outlet. The good or accepted seeds continue their fall into an adjoining outlet. Because of the facilities for colour analysis which the system provides the machines detect very slight colour variations in otherwise perfect seeds.

Lubricating Die Faces

An automatic lubricator developed by Foundry and Metallurgical Equipment Company, of Netherby, Surrey, England, is claimed to ensure accurate and consistent lubrication of die faces by applying pre-set amounts of lubricant from spray nozzles mounted on the die platens. Lubrication is initiated by a control valve which can be fixed on the die casting machine in such a position that it is operated at the right moment by a moving part of the machine. Operation of the control valve opens an air-blast valve within the lubricator unit to provide air to operate injector pumps. These pumps force a metered quantity of lubricant into the spray nozzles where it is mixed with an air-blast which sprays it on to the die faces. At the end of a pre-set time the blast ceases automatically and the pumps recharge in a few seconds ready for the next operation. The lubricator can be arranged to feed from two to eight spray nozzles which are supplied complete with mounting blocks for fixing in suitable positions around the die platen. The nozzles are made of copper and chromium plated, and can be adjusted by hand to alter the direction of the spray.

Electroplating Thin Wire

There has always been difficulty when plating thin wire, such as copper wire with a diameter of 0.001 of an inch, in maintaining uniformity in the composition of the electrolyte and attaining an even thickness in the plating. Ultra Electronics, of Western Avenue, London, W.3., is reported to have put an end to this situation with a process which uses a small lathe with driven pin chucks holding the wire to be plated at each end and maintaining it in a state of tension. While it is being rotated, the wire is sprayed with an electrolyte, from a nozzle or jet, kept at a suitable electric potential which is different from that of the wire. The jet is made of glass with the anode inside. The electrolyte is run or pumped from a reservoir through the moving jet on to the rotating wire, with a voltage applied between the jet anode and the wire. It is claimed that by this means fast plating can be achieved and that because the electrolyte composition is always kept constant and is continually being replaced the thickness of the coating is kept event at all times.

Multidose Jet Injector

In the world of modern medicine, the use of needles for injections has become widespread. Equally widespread is the aversion of the average human being to having himself punctured by a needle. A part of this problem appears to have been solved by the Scientific Equipment Manufacturing Corporation of New York, currently marketing a Multidose Jet Injector, used for such things as vaccines and immunizing agents not needing to be injected into a vein. Made of aluminium, the unit works on the high-pressure principle to penetrate the skin and inject the medication to the required depth. Because of its low weight, it can be worked at great speed, making it possible for one operator to treat as many as 1,400 persons in one hour.

Anti-vibration Mounting Unit for Freight Rolling-stocks

Of considerable interest to railway administrations building freight rolling stock is the B.T.R. 120-3004 anti-vibration mounting unit which combines maximum strength with minimum weight. Weighing only 40 lb. (18 kg.), it has a loading range of 1,500 to 3,500 lb. (680 to 1,588 kg.). As the measure of deflection obtainable on these units is considerable, any bending or twisting occurring in the chassis is not transferred to the tank, and a light-weight vessel can be used. A device relieves sheer stress on the bolts and strain on the chassis members. Major advantages of the unit are: ready absorption of shock-loads; good stability; long service life; and elimination of maintenance.

Preservative for Mackerel

Propionic acid at a concentration level of four cent has been suggested as an effective chemical preservative for salted and dried mackerel. Mould growth and reddening can be brought under control even up to 62 weeks in the treated samples, as against a normal shelf life of 15-20 weeks in the untreated controls, according to research work carried out at the Central Institute of Fisheries Technology, Ernakulam. Reddening caused by halophilic bacteria and growth of moulds, popularly known as "dun," constitute the main types of spoilage in fish, particularly under tropical conditions. Reddish discoloration has been noticed in 2-3 months in Indian commercial fish samples. Although several preservative chemicals like sodium acid phosphate, sodium benzoate, boric acid, etc. have been recommended, none of them are found to be really satisfactory and even sorbic acid, considered by Canadian workers as the most effective fungistat for cured fish was found to be inactive under Indian conditions. On the other hand, promising results have been obtained by using propionic acid as chemical preservative especially in the case of wet salted and pickled fish. Further investigations on the use of propionic acid in the dry salting of mackerel have been reported which yield equally encouraging results with a modified procedure. Results of these studies reveal that salted and dried mackerel could be preserved for over one year without any microbial attack.

Cigarette Vendor

The "Slim Jim," a single-column cigarette vendor with a packet-stacking method which has been specifically designed by British Automatic Company Ltd., London, for installation in the corridor of a railway carriage, is 3ft. high, 9in. wide, and 1¾in. deep (91 cm. by 23 cm. by 44.4 mm.) and can hold 14 packets of 10 cigarettes. With a collapsible handle on one side, the machine is easily portable. It is locked in position on a steel plate attached to the corridor wall.

Use of Assam Tea Waste

Investigations at the Regional Research Laboratory at Jorhat in Assam have shown the possibility of recovering 95 per cent of the caffeine from the alkaline tea cutch by extraction with ammoniacal chloroform. Tea waste containing 3-4 per cent caffeine and 6-7 per cent tannin is accumulating to an extent of 9 million pounds annually in Assam and its utilisation is of considerable economic interest. Also the residual alkaline cutch could possibly be utilised as a drilling additive with certain types of muds in the petroleum industry. Acacia cutch used at present in the Assam oil drilling operations is costly and has to be procured from outside the State.

"Helipod"—A Fly-it-yourself Plane

Yet another solution to traffic jams is offered to battle-weary citizens. This time it's the "Helipod," a single-seater, fly-it-yourself "vertical take-off and landing, shielded rotating wing biplane." Unlike a helicopter, the helipod rises and descends by virtue of six shielded wings which, combined with an engine of only moderate power, enable it to use only about the same amount of gas and oil as an automobile. If its engine fails, the helipod is still safe because its wings adjust to a slow rotation so that the craft lands gently. If it lands on water, its light aluminium and glass fibre structure combined with foam plastics will keep it afloat.

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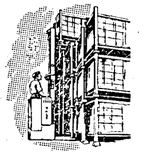

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VOL. 753A EVEREST

EMPLOYMENT IN INSURANCE BUSINESS

L.I.C. PROVIDES JOBS FOR 16,176 PERSONS IN FIVE YEARS

IN spite of the significant advances made in the collection, compilation and organisation of statistics during the first and second Plan periods, many vital gaps still exist in regard to data relating to important sectors of the economy. It is true that planning, by its very nature and the processes it entails, automatically leads to better organisation of available information and data. But planning also raises new problems in the solution of which field investigations, analytical enquiries and research are effective aids. The Central Statistical Organisation (C.S.O.) has been assiduously engaged in filling up the existing gaps in Indian statistics. It has, through its investigations and analyses, shed much light on certain dimly-lit sectors of the economy and has interpreted, in statistical terms, certain crucial problems. One field which has been illuminated by the C.S.O. is employment position in insurance, both life and non-life.

The C.S.O.'s estimate of employment position in insurance during the year 1960-61 is published in a recent issue of the *Monthly Abstract of Statistics*. It brings up-to-date the earlier C.S.O. estimate in respect of the years 1958-59 and 1959-60. According to the information submitted to the C.S.O., the Life Insurance Corporation of India had, on its payroll, 40,244 employees in India on 31st December 1960, as compared with 37,341 on 31st March 1960, an increase of 6.9 per cent during the nine-month period. The number of employees was 27,672 on 1st January 1957 and 37,341 on 31st December 1959. According to the annual report of the Life Insurance Corporation of India for the year ended 31st December 1961, the number of employees on the Corporation's payroll as on 31st December 1961 was 43,848. It will thus be seen that, during the five-year period January 1957 to December 1961, covering the post-nationalisation period, the number of employees increased from 27,672 to 43,848, an increase of 16,176 or 58.4 per cent.

The following table gives an occupational classification of L.I.C. employees as on 31st December 1961, with comparisons for 1960, 1959 and 1957.

(As at the end of December)

	1961	1960	1959	1957*
Class I Officers	2,162	1,852	1,479	903
Field Officers	7,128	5,808	5,188	5,000
Clerical and Supervisory ..	28,625	26,706	24,652	16,100
Subordinate Staff	5,933	5,878	6,022	4,709
Total ..	43,848	40,244	37,341	27,672

* At the beginning of January.

A breakdown of employees as on 31st December 1960, according to salary range, shows that the largest concentration is in the group Rs. 51 to Rs. 100 which accounted for 36.2 per cent of the total number of employees. The majority of employees, however, draw a salary of more than Rs. 100 per month. Persons drawing more than Rs. 300 per month form 9.1 per cent while those drawing a salary of over Rs. 1,000 form only 0.3 per cent.

Employment in General Insurance

Non-life or general insurance provides employment to only less than half the number employed by the Life Insurance Corporation of India. Employment in general insurance business has been worked out by the C.S.O. thus: Of the 126 companies, which submitted returns of employment as on 31st March 1961, 114 had also submitted returns as on 31st March 1960. In this identical set of 114 companies the number of persons employed increased from 11,015 on 31st March 1960 to 11,698 on 31st March 1961, an increase of 6.2 per cent. But 11 companies went out of business in 1960 and of these only one company reported employment as on 31st March 1960. Total employment in these 11 companies is estimated by taking into account the proportion of the net premium receipts of these companies, which constitute 0.7 per cent of the total net premium receipts of all companies. Deducting the estimated employment of the 11 companies from the estimate for the 176 companies actually in operation at the end of 1959 and applying to the residual, the 6.2 per cent increase in employment observed in the case of 114 identical companies, employment in the 165 companies doing general insurance business in 1960 is estimated at 17,590 as on 31st March 1961. After making *pro rata* adjustment in respect of one company licensed during 1960, employment in non-life business in 166 companies is estimated at 17,700 as on 31st March 1961.

The following table gives an occupational classification of employment in non-life business:

Category	March 1961 (126 companies) No.	March 1961 (126 companies) Per-centage	March 1960 (128 companies) No.	March 1960 (128 companies) Per-centage
Officers	1,191	10.0	1,279	11.0
Field staff (salaried) ..	2,362	19.9	2,126	18.3
Professional and technical staff other than officers ..	82	0.7	186	1.6
Clerical and supervisory staff ..	6,265	52.7	6,077	52.4
Attendants, Peons etc. ..	1,591	13.4	1,792	15.5
Building staff	40	0.3	48	0.4
Others	355	3.0	93	0.8
Total ..	11,886	100.0	11,595	100.0

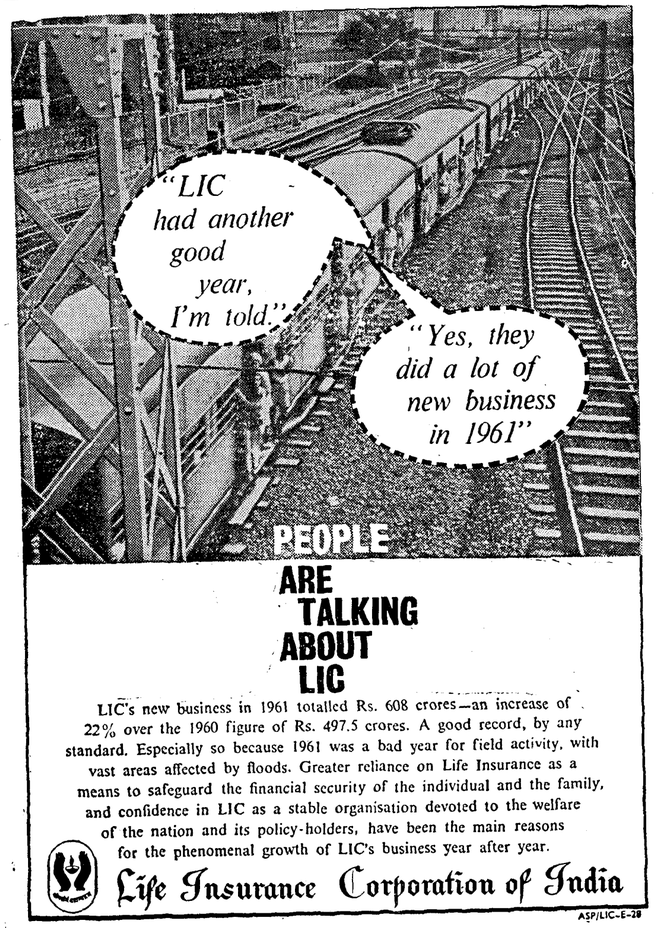
It is evident from the above table that the pattern of employment in non-life business was more or less the same in 1961 as in 1960. A little more than half the number of employees in non-life business, 52.7 per cent, to be precise, are in the clerical and supervisory category, as compared with about two-thirds in the Life Insurance Corporation. The percentage of officers, excluding field officers, in non-life business, is, however, more than double the number in life insurance. Thus, officers comprise 10 per cent of the total employees in general insurance companies, while they account for only 4.6 per cent of employees in the Life Insurance Corporation of India. General insurance companies also employ a higher percentage of field staff than the L.I.C. This is, perhaps, due to the fact that general insurance is a competitive business, while life insurance is a monopoly of the L.I.C.

The employment position in the field of insurance as a whole may now be summed up. Life and non-life sections of insurance taken together provided employment to about 58,000 people in 1960-61, of which the L.I.C. accounted for 40,200 and general insurance companies for 17,700. This compares with 54,300 persons employed in 1959-60 (37,600 in life and 16,700 in non-life) and 51,100 in 1958-59 (34,900 in life and 16,200 in non-life). These figures exclude the number of insurance agents. Total number of licences issued to general insurance agents in force at the end of 1961 was 260,050. The number of licensed agents of the Life Insurance Corporation of India was 155,890 as on 31st December 1961, as against 139,821 as on 31st December 1960. Of this, however, only 125,000 agents were active.

COLLECTIVE AGREEMENTS

Wages and conditions of employment of industrial workers in India are regulated by a combination of legislative enactments and voluntary collective agreements. That the rapid proliferation of labour laws has not diminished the importance of voluntary agreements is the conclusion of a monograph entitled *Collective Agreements—A Study* published by the Employers' Federation of India (Army and Navy Building, 148, Mahatma Gandhi Road, Bombay 1). Three reasons have been ascribed to the growing importance of collective agreements, especially since 1947. They are: (1) growth of trade unions and employers' organisations, (2) efforts made by the State to encourage collective agreements, and (3) the emergence of a new managerial class. A significant finding of the Study is that collective agreements have a beneficial influence on labour-management relations. But as a factor in the determination of wages and working conditions, the influence of collective agreements is, according to the publication, only marginal. This, it says, is the result partly of the weakness of trade union organisation and largely of the Government's tendency to resort to adjudication without giving full trial to collective bargaining process.

The monograph is based on an analysis of 114 agreements concluded between 1954 and 1961 in establishments in 12 major industry-groups, covering about 450,000 employees.



ARE TALKING ABOUT LIC

LIC's new business in 1961 totalled Rs. 608 crores—an increase of 22% over the 1960 figure of Rs. 497.5 crores. A good record, by any standard. Especially so because 1961 was a bad year for field activity, with vast areas affected by floods. Greater reliance on Life Insurance as a means to safeguard the financial security of the individual and the family, and confidence in LIC as a stable organisation devoted to the welfare of the nation and its policy-holders, have been the main reasons for the phenomenal growth of LIC's business year after year.

Life Insurance Corporation of India

ASP/LIC-E-28

U.K.-E.C.M. NEGOTIATIONS

PROSPECT OF EARLY TRADE AGREEMENT WITH INDIA

IN view of the preoccupation of the Press with the Chinese invasion of India and the Cuban crisis, the latest meeting of the Ministers of the Common Market countries and Britain at Brussels has not received sufficient attention in this country. The meeting was concerned mainly with the proposals for safeguarding the trade of India, Pakistan and Ceylon, when the U.K. becomes a member of the Common Market. An important outcome of the meeting is the willingness of the Six to accept the British proposal that they should open negotiations for comprehensive trade agreements with India, Pakistan and Ceylon immediately on Britain's accession to the Common Market, instead of waiting till 1966, as was originally proposed. The Six, however, have not agreed to the suggestion that the common external tariff should be suspended in the case of imports from the three countries until the comprehensive agreements were finalised. The Common Market countries have also maintained that it would not be possible for them to provide for *nil* tariffs on nine products of importance to these countries.

Thus the Common Market countries have made it clear in no uncertain terms that they are not prepared to make any sizable concessions to safeguard Commonwealth preferences applicable to India and other Asian countries. It is, of course, true that they have agreed to start negotiations with India, Pakistan and Ceylon, soon after the U.K. joins them. Apparently, this is a concession granted to these countries in that under the provisional agreement reached in July last, the negotiations were to be commenced by the end of 1966 the latest. The objective of the proposed comprehensive agreements is, it is said, to develop trade in such a way as to maintain and increase foreign exchange earnings of India, Pakistan and Ceylon. In order to serve this objective, the trade agreements would embrace tariff policy, quota policy, export policy and measures to facilitate the promotion of private investment and the provision of technical assistance.

The Government of India has always welcomed the move for such a trade agreement. Its reaction to the latest proposal for speeding the time-table for it, however, is not available at the time of writing. Although the move for concluding a trade agreement with the Common Market earlier than was intended is a step in the right direction, there is serious doubt in certain quarters whether this arrangement will at all benefit India to any significant extent. They feel that, if India waits for a longer period, it may be able to get better terms, as, by that time, Britain's influence over the Common Market will be better than it would be immediately after she joins it. This line of reasoning is supported by the present system of voting in the Common Market.

Questionable Presumption

At present, any member has the power of veto to invalidate any decision endorsed by the other members. But this system is eventually to be replaced by unanimity rule which will make such veto ineffective. The presumption of those who argue thus is that, when the provision for veto lapses, Britain will not only support the proposals put forward by India, Pakistan and Ceylon, but also successfully canvas the support of other members. How far such a presumption is correct is open to question. It is not Britain's friendship for this sub-continent that is in doubt but its ability to carry the other members of the Common Market with it. If India is to be successful in expanding its trade to Europe, it is better that it establishes direct contacts with all the members of Common Market and convinces them of the need for providing it with appropriate terms and conditions for selling its goods to them. That will actually strengthen Britain's hands also. Again, now that the other members of the Common Market are not willing to agree to a continuance of the Commonwealth preference by Britain during the interval pending the conclusion of a trade agreement, any prolongation of this interval may have an adverse effect on India's exports to the Continent. The Common Market countries' refusal to accommodate this reasonable request imposes a serious obligation on them to come to a fair arrangement with India and its two Commonwealth neighbours. Failure to do so will seriously affect the latter's balance of payments situation.

Mr. Edward Heath, leader of the British delegation, made it clear to the Six at the meeting that the apprehensions of the Indian and Pakistani Governments were real. He also emphasised the importance to the economy of these countries of goods that "might seem to European countries to be minor items of trade." Mr. Heath also stressed the political necessity of avoiding damage to Indian and Pakistani trade while trade agreements were being negotiated. It is to be hoped that Mr. Heath's plea will not fall on deaf ears.

No Tariff Suspension

It is a matter of no little concern that the Six have decided not to accede to Britain's proposal for suspension of common external tariff during the period of negotiations for the comprehensive trade agreement. According to the Six, such tariff suspensions will upset the balance of the provisional agreement already reached. We are told that they did not however, exclude the possibility that, at the end of the present negotiations for Britain's entry, "some way might be found of improving the trade arrangements for India and Pakistan." They had in mind that it might at that stage be desirable to simplify the "decalage arrangements" (that is, for the gradual application of the common external tariff of the Community) in all the provisional agreements so far reached. In that case, it is said, India and Pakistan would be given "the most favourable possible treatment."

At this stage, it is worthwhile to recall some of the important features of the provisional agreement reached between the U.K. and the Six on the question of trade with India, Pakistan and Ceylon. Under that agreement, tariff on tea would be reduced to *nil* (as against the common external tariff of 18 per cent). In respect of cotton textiles, the common tariff of 18 per cent will be made applicable in four stages. Accordingly, 20 per cent of the external tariff will be imposed on the occasion of the U.K.'s accession to the Community, another 20 per cent eighteen months later, a third step of 30 per cent a year thereafter, and a final step of 30 per cent when the common external tariff applies throughout the community. Provision was also made for restoration of trade in cotton textiles in case there was any setback to it during the period of progressive application of the common tariff, pending the conclusion of the comprehensive trade agreement. It was also agreed that, in the case of most of the other manufactured and processed goods, common tariff will be applied in four stages, 15 per cent of appropriate rate on Britain's accession, another 15 per cent on 1st July 1965, 20 per cent on 1st January 1967, another 20 per cent on 1st July 1968 and the final step on 1st January 1970.

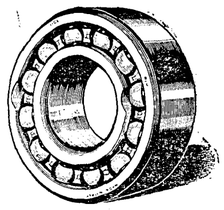
Shellac and Handloom Products

At the time of the July agreement, consideration of nine items of interest to India, Pakistan and Ceylon was postponed. Discussion on these items took place at the latest ministerial meeting. The British suggestion was that *nil* tariffs should be granted for East India kips, heavy duty jute goods (jute bags), carpets, coir mats, castor oil, linseed oil, lemon-grass oil, shellac and handloom products. The Six have not completely agreed to Britain's proposal. But they have agreed, subject to technical arrangements, to provide for *nil* tariffs for shellac, lemon-grass oil and handloom products. They have no objection to grant moderate reduction in tariffs to some of the other products until the completion of the comprehensive trade agreements. Thus, during this period, common external tariff on East India kips will be reduced from 9 to 6 per cent, on new jute bags from 23 to 20 per cent, on used jute bags from 11 to 9 per cent, on hand-knitted carpets from 32 to 28 per cent, on coir mats and matting from 25 to 20 per cent and on castor oil from 8 to 7 per cent. There was no proposal from the Six on linseed oil.

These proposed tariff reductions, though a welcome gesture of the Continental countries to this sub-continent, are very small and disappointing, as Mr. Heath himself aptly remarked. Mr. Heath has offered to submit to the Six a fresh memorandum about British interests in these products with a view to securing better concessions on these products. Further discussions on these products will take place at the next Ministerial meeting due to take place later this month.

SHIPS ON CREDIT

Novel devices are being pressed into service by the world shipping industry to make purchases of ships more and more attractive. An instance in point is the offer of ships on long-term credit by a British shipbuilder, Messrs. Cammel Laird. Under this scheme, a range of standardised ships can be bought from this company on credits for longer than ten years. In certain cases, the Company will retain an operating interest in such ships. The Company's Chairman and Managing Director, Mr. Robert Johnson, unveiled last week a range of six standard ships built to suit the specific requirements of owners. A similar scheme has been evolved by another U.K. shipbuilder, Messrs. Swan Hunter and Wigham Richardson. This news is certainly of more than academic significance to this country, in view of the imperative for an early augmentation of its mercantile marine. In the present context of aggression by China, the Government is more anxious than before to encourage private shipers in this country to acquire more ships, both new ones and second-hand, either on deferred payment or self-paying basis. The latest reports from New Delhi suggest that the Government is in favour of raising further the revised third Plan target of 1.25 million tons.



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D.C.M. SUFFERS DUE TO COST INFLATION

P.V.C. PRODUCTION NEXT YEAR

DESPITE a further handsome rise of Rs. 2.63 crores (Rs. 4.10 crores in the previous year) to Rs. 38.52 crores in its sale proceeds during the year ended 30th June 1962, the Delhi Cloth and General Mills Company Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram (Private) Ltd., Delhi) has suffered a set-back in gross profit from Rs. 433.30 lakhs to Rs. 426.82 lakhs due to increase in the cost of materials, higher wage bill and other expenses and a heavier burden of excise duty, cane cess and royalties. The increase in costs was more pronounced in wages and staff expenses which shot up by Rs. 40 lakhs to Rs. 571.64 lakhs and in other expenses which soared from Rs. 646.63 lakhs to Rs. 720.87 lakhs. Raw material costs went up from Rs. 18.83 crores to Rs. 18.85 crores. The burden of excise duty, cane cess and royalties increased by Rs. 64.77 lakhs to Rs. 343.78 lakhs.

In the light of such considerable increases in costs and other charges, the decline in profit (which is only by Rs. 6.48 lakhs) is understandable and can be overlooked. Likewise, one may ignore the one point drop in the profit-margin (ratio of gross profit to sales) to 11 per cent. However, against the background of the Company's working in the previous year and in recent times, the results for the year under report appear to be rather disappointing. In the previous year, for instance, turnover had expanded by Rs. 4.10 crores to Rs. 35.89 crores, gross profit by Rs. 145.48 lakhs to Rs. 433.30 lakhs and profit-margin by three points to 12 per cent. Way back in 1954-55, turnover declined from Rs. 19.42 crores to 18.87 crores. Since then, it has continued to be upward. Nevertheless, setback in gross profit occurred in 1956-57, when it declined from Rs. 253.28 lakhs to Rs. 227.09 lakhs.

Net profit for the year under report at Rs. 143.97 lakhs is also lower by about Rs. 21 lakhs because of higher essential provisions. Depreciation has claimed Rs. 90.85 lakhs (as against Rs. 77.80 lakhs a year before) and taxation Rs. 174 lakhs (Rs. 171 lakhs). Managing Agents' remuneration has naturally declined from Rs. 20.12 lakhs to Rs. 18 lakhs. Although lower than last year, the net profit is sufficient to cover the ordinary dividend (after paying the preference shareholders) which is unchanged at 13 per cent per annum on the Rs. 25 fully paid shares, to which level it was raised from 12 per cent paid for 1959-60, and also allow a transfer of Rs. 95.30 lakhs to reserves. But the amount of profit thus conserved is Rs. 19.70 lakhs lower than that set apart last year, as will be noted from the progress table below:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales proceeds	38.52.02	35,88.76	31,78.63	30,08.00
Other income	65.83	71.39	45.63	19.19
Stocks at close ..	653.69	623.54	510.21	391.04
Raw materials consumed..	18,84.88	18,82.75	16,94.88	13,97.01
Excise duty, cane cess and royalties	343.78	279.01	272.19	265.96
Staff expenses	571.64	531.79	494.77	482.06
Other expenses	720.87	646.63	593.77	554.63
Gross profit	426.82	433.30	287.82	250.54
Provision for:—				
Depreciation	90.85	77.80	70.17	65.53
Taxation	174.00	171.00	100.00	95.00
Managing Agents' remuneration	18.00	20.12	18.34	16.25
Net profit	143.97	164.38	99.31	73.76
Excess provisions written back	0.05	..	0.08	..
By depreciation adjustment	..	20.41*	..	30.03
To reserves	95.30	115.00	54.50	37.00
Dividends—				
Preference	4.27†	4.27†	4.27†	4.27†
Ordinary	44.12 (13%)†	44.12 (13%)†	40.72 (12%)†	33.04 (10%)†
Carry forward	4.03	3.72	2.72	2.85
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	68.06-CR	47.50	37.62	34.69
Low	47.00-XR	34.50	25.37	26.28

* Transferred to general reserve.
† Subject to deduction of tax.

The Company's export performance of during the year was well maintained, notwithstanding the adverse trading conditions and the downward trend in the industry's total exports. We are told that the working of the silk section, chemical division (including *vanaspati*) and the sugar and distillery factories was satisfactory. An important development last year was the setting up of the nucleus for the chemical plant manufacturing section which is also undertaking fabrication and supply of equipment against outsiders. Two sulphuric acid plants, each of 50-ton capacity, have been designed, fabricated and delivered against such orders. One of them has started operations and is reported to be working very satisfactorily.

Among the new projects, the one for the manufacture of P.V.C. at Kota is said to be progressing according to plan. It is designed to produce 20 tons of P.V.C. daily together with ancillary units of calcium carbide and caustic soda. Machinery and equipment are at site. The caustic soda plant is expected to go into production shortly, while it is proposed to market P.V.C. sometime next year. The Company has another project on hand to set up a 10-ton-a-day capacity plant for the manufacture of high tenacity rayon tyre-cord yarn. A loan of Rs. 4.68 crores (9.8 million dollars) was obtained during the year from the United States Agency for International Development for meeting the foreign exchange requirements of this project. Orders for the imported machinery and equipment have been negotiated. Preliminary erection work has been taken in hand. An American expert, who has been engaged for this project, has arrived in India. While this is the development in the field of diversification, the Company is going ahead with its programmes for renovation and modernisation of its textile and other units. Moreover, a licence for setting up another spinning unit at Hissar with a capacity of 23,000 spindles has been obtained. Plant and machinery have been ordered and production will start early next year.

During the year under review the Company raised fresh equity, as well as loan, capital. It issued Rs. 250 lakhs 6.5 per cent 1972-76 debentures and redeemed Rs. 100 lakhs 5.25 per cent 1962-66 debentures with the consent of debenture-holders. The new debentures are to be redeemed at par in five equal instalments beginning from 15th December 1972, with the option to redeem on 15th December 1972, or at any time before 15th December 1976, the outstanding issue at a premium of ½ per cent by giving six months' prior notice. The Company also issued 400,000 ordinary shares of Rs. 25 each at a premium of Rs. 5 per share and offered them as right shares to the existing shareholders. Of these, 399,731 shares were allotted and are paid up to the extent of Rs. 10, excluding the premium of Rs. 5 which has also been paid. These new shares did not rank for dividend for 1961-62, but will be eligible for dividend from the current year onwards. It will be recalled that the Company was also authorised last year to issue 200,000 redeemable cumulative preference shares of Rs. 25 each at par. This issue is pending.

The paid-up share capital of the Company has, therefore, increased from Rs. 410.76 lakhs to Rs. 450.76 lakhs and is composed of Rs. 379.34 lakhs in ordinary shares, Rs. 69.31 lakhs in preference shares and Rs. 2.11 lakhs being calls paid in advance. As against this, reserves and surplus aggregate Rs. 713.27 lakhs. Following the debenture and equity issues, the Company not only redeemed the old debentures but succeeded in reducing bank borrowings from Rs. 507.19 lakhs to Rs. 180.60 lakhs. Aggregate secured loans amount to Rs. 438.01 lakhs as against Rs. 609.82 lakhs in the previous year. Current liabilities and provisions amount to Rs. 342.02 lakhs. Including bank borrowings, the short-term indebtedness to outsiders comes to Rs. 522.62 lakhs, which has about a threefold cover in current assets, loans and advances which total Rs. 15.33 crores. Investments total Rs. 28.46 lakhs, of which Rs. 25.09 lakhs are quoted and command a market value of Rs. 25.47 lakhs. The gross block, which increased during the year from Rs. 15.69 crores to Rs. 16.41 crores, has been very conservatively written down to Rs. 6.72 crores.

The Rs. 25 fully paid ordinary shares of the Company are currently quoted at Rs. 47 *cum-div.* On the *ex-div.* basis, they offer a yield of 5 per cent per annum, free of tax, which is quite attractive in view of the bright prospects for the Company.

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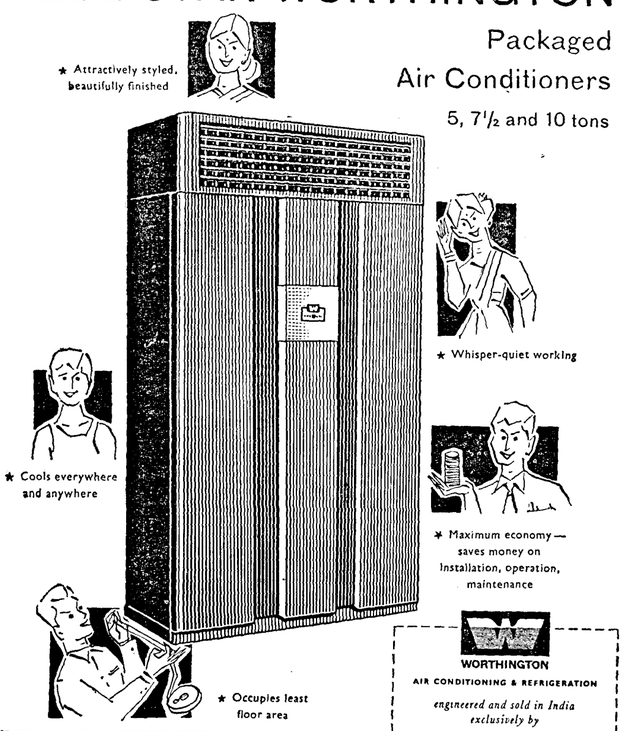

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APPROPRIATION POLICY CONSERVATIVE

THANKS to the well diversified field of its activities and the ever-increasing demand for its principal products, the Tube Investments of India Ltd. (Chairman: Dr. A. Ramaswami Mudaliar, Madras) has fared well during the year ended 31st July 1962, notwithstanding further increases in production costs and such bottlenecks as power cut and shortage of water. Readers will be aware that the Company owns T. I. Cycles of India, Tube Products of India (incorporating cold roll division), Wright Saddles of India and T. I. Metal Sections. Although different, the activities of these four firms are mutually complementary and cover the entire bicycle industry, from spares, componets, tubes and metals to the final product. It is because of this unique advantage of a well-diversified field of activities that the Company has been able to forge ahead, the shortcomings and difficulties in one unit being balanced by better performance by another.

Sale proceeds have improved again from Rs. 573.13 lakhs to Rs. 619.25 lakhs. Gross profit has also gone up from Rs. 140.44 lakhs to Rs. 146.44 lakhs, but the improvement is in no way comparable with the rise of Rs. 53.47 lakhs recorded in 1960-61. The failure of profit to rise in consonance with sales is clearly attributable to sizable increases in costs which are detailed in the following table. For the same reason again, profit-margin (ratio of gross profit to sales) has shrunk to 23.6 per cent from 24.4 per cent to which level it had improved in 1960-61 from 22.9 per cent in 1959-60. The Directors have continued to follow a conservative policy for appropriating profit. At Rs. 37.11 lakhs, depreciation has claimed about Rs. 10 lakhs more than last year. Provision for taxation is slightly lower at Rs. 44.60 lakhs as compared with Rs. 48 lakhs in the previous year. After making these allocations, the net profit amounts to Rs. 64.73 lakhs which is almost the same as in 1960-61. As much as 58.3 per cent (Rs. 37.76 lakhs, to be precise, as against Rs. 30.71 lakhs in the previous year) of this profit has been retained in business, while the return to shareholders has only been maintained at 10 per cent per annum, taxable, on the Rs. 100 fully-paid ordinary shares. Since it became taxable in 1958-59, the return has been unchanged at 10 per cent, though the total amount absorbed by it has increased from 1959-60 onwards, when the 100-rupee 115,400 shares, which until then called and paid-up up to Rs. 25 each, were made fully paid. It may be recalled that the dividend was raised from 6 per cent, tax-free, for 1955-56 to 10 per cent, tax-free in 1956-57 and maintained at that level in 1957-58. As against this, the taxable return for the past four years gives a net return of 7 per cent.

In the table below is mirrored the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st July			
	1962	1961	1960	1959
Sale proceeds	619.25	573.13	379.08	323.82
Other income	9.37	10.42	5.43	3.01
Closing stock of finished goods ..	18.92	12.28	9.82	4.32
Raw materials and stores consumed	346.33	315.26	208.62	176.88
Staff expenses	62.85	52.89	38.84	34.59
Other expenses	89.63	77.42	55.57	49.49
Gross profit	146.44	140.44	86.97	69.54
Provision for—				
Depreciation	37.11	27.74	19.50	14.26
Taxation	44.60	48.00	23.00	23.00
Net profit	64.73	64.70	44.47	32.28
Transfer to reserves	37.76	30.71	16.84	16.17
Dividend..	25.00 (10%)†	25.00 (10%)†	25.00 (10%)†	16.34 (10%)†
Carry forward	4.00	12.02	3.04	0.41
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	291.00	294.00	377.00	230.00
Low	265.00	256.50	230.00	223.00

† Subject to deduction of tax.

Production of cycles during the year under report maintained its upward trend and reached nearly the target set for the factory. Output of spares and components was, however, below the 1960-61 level, due to inadequacy of raw materials. Exports of bicycles and components, in spite of the best efforts of the Company, were not satisfactory. But efforts to increase them are being continued. A substantial quantity of saddles manufactured during the year was well received in the market. Improved techniques and additional equipment employed by Tube Products resulted during the year in a diversification of production and greatly improved the demand for all the products, but power cuts and strip shortage prevented full utilisation of the installed capacity of the plant and exploitation of all the increased demand. The Directors are hopeful of overcoming the problem of shortage of strip this year, but fear that transport difficulties and other problems may hinder the working of the transformer, boiler and cycle industries. Production in the cold roll mill, including the annealing furnaces, started only in March 1962. The whole plant had remarkably few teething troubles so far. There is, however, the problem of insufficient supplies of rolled strip, although it is expected to improve this year. Progress on the scheme for the manufacture of cold formed metal section is restricted due to delay in the issue of an import licence for plant and machinery.

The subsidiary unit, T. I. Diamond Chain Ltd., has already started production of bicycle chains in the new factory at Ambattur and the preparatory work for the manufacture of industrial chains has been completed. Production of industrial chains will start early next year. Construction of the main lamp factory at T. I. Miller Ltd., another subsidiary of the Company, is well under way and may be completed by December next. Orders for plant and machinery have been placed and production is expected to start around March 1963.

The financial position of the Company is pretty sound. The paid-up capital of Rs. 250 lakhs is backed by reserves and surplus aggregating Rs. 200.57 lakhs. Secured loans, representing bank borrowings, have receded from Rs. 145.72 lakhs to Rs. 101.55 lakhs, but unsecured loan from Tube Investments Ltd. of Birmingham has increased from Rs. 67.59 lakhs to Rs. 93.33 lakhs. Current liabilities and provisions amount to Rs. 141.05 lakhs. Excluding the parent company's loan, the total short-term indebtedness to outsiders works out to Rs. 242.60 lakhs, as against which are available current assets, loans and advances aggregating Rs. 306.26 lakhs and investments of Rs. 42.60 lakhs (Rs. 18.53 lakhs a year before), of which Rs. 2.93 lakhs are quoted and command a market value of Rs. 2.92 lakhs. The gross block, which increased during the year from Rs. 397.55 lakhs to as much as Rs. 533.22 lakhs, has been written down to Rs. 403.45 lakhs. Adding to this capital-work-in-progress amounting to Rs. 34.20 lakhs, one gets a net block of Rs. 437.66 lakhs.

The Rs. 100 fully-paid ordinary shares of the Company are well held and currently quoted at Rs. 269 *cum-div.* On the *ex-div.* basis, they give a net yield of 2.6 per cent per annum

(*Concluded from next column*)

covered by current assets and loans and advances which aggregate Rs. 93.77 lakhs. With the acquisition of some minor assets, the block account has risen to Rs. 81.98 lakhs and on deducting the amount of depreciation of Rs. 44.69 lakhs provided so far, the net block stands at Rs. 37.29 lakhs.

As for the prospects, immediate as well as long-term, the Directors' report says that the supply position of billets has improved to some extent in recent months but production is still restricted by the ceiling imposed by the low Billet Entitlement as at present fixed by the Iron and Steel Controller. Representations have been made to the authorities concerned and all possible steps are being taken to obtain a revision of Billet Entitlement commensurate with the productive capacity of the mills. On the wire mills side, demand for mild steel wire has been on the decline. But the Directors expect that this can be offset by increased production and sale of high tensile steel wire against requirements from Government departments and the private sector. As for the ropery section, demand for steel ropes continues to be satisfactory but it may not be long before the effect of competition from the new licensed units makes itself felt perceptibly. Meanwhile, orders have been placed for balancing plant and most of the essential items are due to be supplied early next year.

The Rs. 10 fully paid ordinary shares of the Company are quoted at present at Rs. 21.37 *cum-div.* On an *ex-div* basis, the net yield works out to about 5.2 per cent.

Messrs. Pandyan Brick Works have been licensed to produce table moulded bricks by mechanised process. The industrial licence provides for an annual capacity of 15 million units. Negotiations for the import of plant and machinery from Czechoslovakia are said to be over. Production is scheduled to commence next year. Pandyan Brick Works, which have been in brick business for a fairly long time, have brick manufacturing kilns at Maduraivayal, seven miles from Madras, which is an ideal location from the point of raw of materials, transport and labour. Production is by manual process.

NATIONAL ROLLING AND STEEL ROPES

PROFIT LOWER—DIVIDEND SAME

COMING after the record performance of the preceding two years, the results of the National Rolling and Steel Ropes Ltd. [Managing Agents: Messrs. Associated Industrial Development Co. (Private) Ltd., Calcutta] for the year ended 30th June 1962 are sure to come as a considerable disappointment to the shareholders. Gross realisation from the sale of products has declined to Rs. 124.13 lakhs from Rs. 137.89 lakhs during the previous year and the gross profit has gone down by about 25 per cent, from Rs. 34.35 lakhs to Rs. 26.05 lakhs, to be precise. The net profit has likewise decreased by Rs. 2.67 lakhs to Rs. 8.98 lakhs and the only comforting feature is that the dividend has not been reduced. At 15 per cent per annum it is the same as that for the previous year which was 2 points better over the dividend for 1959-60.

The reasons for the setback in results are several. The shortage of billets for re-rolling which had acted as a serious deterrent to growth in the Company's production and sales in 1960-61 took a very serious turn during the year under review. In fact, for the entire industry, which has been passing through some anxious times during the past few years, 1961-62 proved to be the worst in its history and individual units had to work at a fraction of their installed capacity. As for the Company, it had to resort to a temporary closure of the rolling mills for a period of about three and a half months while the wire mill and ropery sections had to be worked considerably below their normal capacity. Moreover, production was also affected by the restrictions to, and interruptions in, electric power supply. Though the decrease in output resulted in some saving in the cost of raw materials and stores consumed, expenditure under other heads, particularly salaries, wages and employee benefits, showed an increase, thereby lowering further the already reduced profit-margin. As a combined effect of all these factors—they were all beyond the management's control—the Company had had to be contented with a lower turnover and a lower gross profit for the year under review.

In consonance with the fall in gross profit, the provision for Managing Agents' remuneration has been pruned from Rs. 2.71 lakhs to Rs. 1.99 lakh and so also that for taxation from Rs. 13.00 lakhs to Rs. 11.65 lakhs, despite the rise in the rate of corporate taxation from 45 to 50 per cent. Provision for depreciation has also been lowered by Rs. 3.56 lakhs to Rs. 3.43 lakhs. On making these essential provisions, there is left a net profit of Rs. 8.98 lakhs which is almost the same as that earned back in 1958-59. Naturally, the transfers to various reserves also have been reduced by more than half from Rs. 6.57 lakhs to Rs. 3.01 lakhs. An ordinary dividend at 15 per cent subject to deduction of tax has been proposed and this claims, as during the previous year, Rs. 6.00 lakhs. The carry forward is Rs. 35,985, as against Rs. 39,258 brought in.

The Company's results for the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale of products	124.13	137.89	139.68	93.41
Other income	5.88	4.25	2.60	1.60
Closing stock	8.07	11.99	9.02	12.26
Excise duty	1.13	..	..	..
Raw materials and stores consumed	75.20	88.71	84.21	60.79
Salaries, wages and benefits ..	15.61	13.62	13.02	10.72
Other expenses	8.10	8.43	7.53	6.94
Gross profit	26.05	34.35	34.28	16.49
Managing Agents' commission..	1.99	2.71	2.98	1.17
Provision for :				
Depreciation	3.43	6.99	8.86	4.86
Taxation	11.65	13.00	12.50	1.60
Net profit	8.98	11.65	9.94	8.86
To reserves and provisions ..	3.01	6.57	3.04	3.55
Dividend:				
Preference	..	..	0.64	1.23
Ordinary	6.00 (15%)†	6.00 (15%)†	5.20 (13%)	4.00 (10%)
Carry forward	0.36	0.39	1.31	0.26
Market price of ordinary shares in rupees :	1962	1961	1960	1959
High	49.23	39.12	39.50	33.00
Low	21.37	25.50	25.62	23.56

† Subject to deduction of tax.

The Company's financial position continues to be sound. There has been no change during the year under review in the paid-up share capital which stands at Rs. 40.00 lakhs, all in ordinary shares of Rs. 10 each. The reserves have gone up by nearly Rs. 3.00 lakhs to Rs. 40.13 lakhs. Current liabilities and provisions, on the other hand, have declined from Rs. 55.61 lakhs to Rs. 50.96 lakhs and are very adequately

(*Continued in previous column*)

PERSPECTIVES ON SINO-SOVIET FOREIGN TRADE AND AID—I

HIGH PRICES—LOW QUALITY—DELAYED DELIVERY

By Leonard Lalo

LESS than a decade since it started, the Soviet bloc's trade and aid programme with the developing nations of the world is in serious trouble. This is the conclusion of economists who have studied the question and gauged the results in various recipient countries. The difficulties, these experts say, are due primarily to four factors: **(1) high prices, (2)** poor quality, (3) mistakes in planning, and (4) unreliable trade practices. Uneconomical functioning of Communist industry accounts for the fact that products exported to the developing nations are priced considerably above equivalent goods from non-Communist suppliers.

Communist leaders often admit that their industry's labour productivity is lower and other costs of production higher than in the advanced non-Communist countries. These high production costs are reflected in the steep prices of most bloc-manufactured products. The costs, **whenever possible,** are passed along to consumers, domestic as well as foreign. The foreign recipients often find themselves paying more for goods than they would have if they had placed their orders elsewhere. An Indonesian expert, for example, recently estimated that Soviet industrial equipment delivered to his country cost about 80 per cent more than similar Japanese or German merchandise. Czech knitting machines sent to Brazil turned out to be defective as well as overpriced. Their cost —about $600 per unit—was $200 more than for a similar U.S. product.

Experience of Aircraft

A classic case of hidden costs on Soviet-produced aircraft has been reported from a number of countries. Ilyushin-18 transports, "bargain-priced" in initial cost, have turned out to be far more expensive to operate than equivalent planes from other manufacturers. Spare parts for the IL-18 are so high-priced that, in some cases, the cost of stocking those needed has exceeded the value of the plane itself. Additional expensive characteristics of the IL-18 and other Soviet planes are the high rate of fuel consumption and the need for major engine overhauls after 200 hours of flying time, instead of the 1,000 to 1,800 hours possible for comparable models produced elsewhere. Discovery of such hidden costs may well account for the fact that Ghana is currently replacing its Soviet IL-18's with British Viscounts, which are more economical in the long run.

Another persistent problem experienced with products from the Soviet bloc is the comparatively poor quality of many of the goods destined for civilian use. This, again, is a familiar characteristic of Communist output. With industry geared to fill the needs of the military, manufacturing for the consumer is neglected. The populace within the Communist countries has no choice and must take what goods it can get. But foreign recipients, who can compare Soviet bloc products with those of other countries, have been complaining bitterly. Merchants in Baghdad still remember the Soviet sugar which was of such poor quality that it was unsaleable. Egyptians recall the green-coloured bread made of Soviet "wheat"—which, on analysis, turned out to be animal fodder. And no Arab who had the unhappy experience will forget the canned "mutton" from Communist China which was discovered, in fact, to be dog meat.

Even more serious have been the many instances in which equipment and machinery from the Communist countries has broken down. The construction of Egypt's Aswan Dam, for example, has been delayed because of poor Soviet drill bits and inefficient compressors and jack hammers. Automotive equipment supplied to countries with hot climates has often stood up poorly to the heat, according to a number of complaints from Asian and Latin American countries. Windshields on Soviet jeeps sent to Indonesia became so distorted by the heat that it was hard to see through them. Because of a lack of spare parts, Soviet and Czech buses supplied to Argentina became immobilised and useless. An Indian consulting engineer, writing in a Bombay newspaper in April 1962, called attention to the fact that a continuous wire-drawing plant imported from East Germany had either failed to work or had given less than 10 per cent of the promised production. Instead of the expected 15 tons in daily output, the plant could at best produce, he reported, one and one-half to two tons.

Planning Errors

Frequent blunders in planning by Soviet bloc suppliers are, perhaps, the most disappointing feature of economic relations between the newly developing nations and the Communist countries. Because of the centralised character of the Communist economies, Soviet bloc trade and economic assistance could be expected to be carefully conceived and co-ordinated. Instead, recipient countries have often experienced such poor planning that the assistance given has been almost worthless economically. Interminable delays in deliveries have made the problem worse.

One well-known instance of a planning blunder has left some persons in the African country of Guinea wondering whether they are being assisted or merely used as a dumping ground for substandard Soviet equipment. Thousands of toilet bowls are stockpiled on the road between Conakry airport and the city. The bowls were shipped by the Soviet Union without seats, fittings or tanks which would make them usable. Other Soviet bloc blunders in Guinea include the shipment of 2.5 million screwdrivers, for a population of three million, and a shipment of snowplows, for a tropical country located 10 degrees above the equator. Millions of roubles worth of electrical and building equipment is rusting away in further silent testimony to unplanned and unco-ordinated programmes, started without regard to the country's economic needs or its absorptive capacity. Moussa Diakite, the Governor of Guinea's Central Bank, recently stated publicly that many of the Soviet-supplied machines are "not appropriate to our requirements and it is impossible to use them."

Whether because of planning errors or internal economic difficulties, Communist nations also have earned the reputation of not fulfilling many trade and aid commitments. Argentina finally terminated its bilateral and trade and payments agreement with the U.S.S.R. in May 1962, because it had derived no particular benefit from the relationship and, in fact, found itself consistently financing Soviet imports of Argentine goods. Brazil, on the other hand, found in 1960 that three countries of the Communist bloc bought little more than 55 per cent of the Brazilian goods they had promised to purchase. A formal agreement called for the U.S.S.R., Poland and Czechoslovakia to buy $95 million worth of products from Brazil, but actual sales amounted to only $53 million.

Specific instances underscore the hardship and damage caused by such unreliable practices. Early in 1961, an epidemic of diphtheria took many lives in Cuba. Medicines promised by the Soviet bloc countries to fight the disease never arrived. Also in 1961, Czechoslovakia promised to construct a briquette factory and washing plant in Afghanistan. Coal samples were sent to Prague and approved. A year passed and nothing happened. When a message arrived, it merely requested additional samples for testing purposes. Countries which became heavily dependent on Soviet petroleum supplies experienced shortages when promised deliveries failed to arrive. During the past few years the United Arab Republic, Afghanistan, Guinea and Cuba were among the victims of this delinquency.

It would be premature to write off the Soviet bloc trade and aid programmes with the developing nations as complete failure, economists say. But until these programmes come up to accepted world standards in terms of price, quality, planning and reliability, their value to the new nations will remain in doubt.

Domestic Shortages

It was harvest time somewhere in Iraq. Nature had been kind, and the farmers of the village were ready to bring in a bountiful crop. Only one thing was missing: the much-needed tractors and other mechanical farm equipment long ago promised by the Soviet Union. When the machinery finally arrived, it was too late for the harvest.

This is a small incident, to be sure. But it is one which reflects the difficulties of Communist countries in meeting their foreign assistance and trade commitments. Related to the difficulties are the considerable internal troubles encountered by the Communist countries, particularly in the last year.

Shortages and lagging production in certain sectors of the bloc economy, along with an imbalance between civilian and military output, appear to be affecting aid and trade programmes of the U.S.S.R. and its allies. These factors may well be the answer to the delayed delivery of the Soviet tractors to Iraq and unfulfilled contracts in many other countries.

For years, domestic shortages of farm machinery have been cited among the principal causes of the poor showing of Soviet agriculture. In March 1962, Premier Khrushchev told a plenum of the Communist Party Central Committee that the number of tractors would have to double within two or three years if agricultural production plans were to be met. However, he said, the actual trend had been the other way: 208,000 tractor cultivators were supplied to Soviet agriculture in 1957, but only 79,000 were supplied in 1960.

Inadequate maintenance and repair of existing farm machinery has been another critical problem for Soviet agriculture. Invariably, production failures are blamed in part on a lack of spare parts or improper maintenance of agricultural machinery. This year, just before the harvest in the rich grain-growing regions of Kazakhstan, a joint Government-party decree reported that about half of the combines needed were still unusable. In past years, the decree noted, "many thousands of machines were not repaired and did not participate in the harvest." Such breakdowns in the production of machinery and spare parts are only the surface manifestations of more basic problems in the Soviet economy. For one thing, the Soviet economy is by no means growing as fast as it did even a few years ago. Official Soviet statistics put the decline in the growth rate at four per cent between 1953 and 1961.

Another reason for the repeated problems in the civilian sector of the economy is the heavy concentration on military production. As a result of this focus, non-military projects suffer from chronic shortages of investment capital and materials. Last year's Communist Party Congress decreed a nation-wide moratorium on new construction in the hope of cleaning up thousands of incomplete projects cluttering the countryside.

Finally, in comparison with the most advanced industrial countries, the Soviet Union still has a narrow industrial base, despite achievements in certain branches of manufacturing and science. The most striking evidence of the narrowness is the pattern of Soviet imports. This shows, for example, that, in 1960, the U.S.S.R. still imported roughly three machines for every two it exported to other countries. All these factors lead to the conclusion that the ability of the U.S.S.R. to extend foreign assistance is severely limited by its own internal economic problems. How these problems can be resolved without a massive shift of resources away from non-productive military investments is hard for economists to see.

China and East Europe

In addition to the U.S.S.R., other countries of the Soviet bloc also are experiencing internal economic problems which are affecting their ability to fulfil foreign commitments. Communist China's severe agricultural setbacks and industrial breakdown have forced Peiping to reduce or cancel export commitments to a number of countries, including other Communist nations. A recent serious meat shortage in Czechoslovakia, for example, has been partly attributed to China's failure to deliver pork exports under a formal trade agreement. Other dislocations have resulted, particularly in Asia, from economic projects initiated but never completed by the Chinese Communists.

Official reports from almost all the smaller Communist countries likewise indicate shortfalls in reaching industrial goals and serious shortages in agriculture. Czechoslovakia, one of the most highly industrialised of the East European Communist nations, reported failure to reach production goals for the first half of 1962 in heavy industry, transport, housing and agriculture.

(Continued on page 836)

NEWS IN BRIEF

A BURMESE trade delegation will visit New Delhi towards the close of this month for negotiating a new Indo-Burmese trade agreement.

The Board of Trade is scheduled to meet at New Delhi on the 24th inst. to devise urgent measures to boost exports with a view to meeting defence import requirements.

India and Hungary have signed a trade protocol providing for a significant increase in trade turnover next year. A similar protocol has been signed with Czechoslovakia.

A leading firm of Singapore has placed orders for the purchase of 70,000 tons of white sugar from India. The actual shipment of this quantity is expected to be completed before the end of December next.

The Andhra Government has announced full remission of purchase tax in respect of cane crushed by factories for manufacturing sugar for export. This measure is in pursuance of the recommendation made by the Mudaliar Committee on foreign trade.

The Reserve Bank of India has cancelled the licence of the Bank of China to carry on business in India. The Bank has two offices in Calcutta and one at Bombay. On an application by the Reserve Bank, the Calcutta High Court has appointed provisional official liquidator with directions to take the custody, possession and control of the entire assets and properties of the Bank's offices.

The third gift consignment of 42 American cattle arrived in Bombay last week. This is the last shipment of young Jersey bulls and heifers presented to the Government of India by Heifer Project Inc., of North Manchester, Indiana. Meant to be used for upgrading Indian breeds so as to increase their milk yield during the third Plan, these cattle were collected by Heifer Project from various donors and presented to the Indian Council of Agricultural Research, New Delhi. The Council will later distribute them to various parts of the country.

The President has promulgated an ordinance to enable companies to make prompt and generous contributions to the defence effort. Under the ordinance, the board of directors of a company can, irrespective of the provisions of its memorandum and articles, make contributions to the National Defence Fund and other funds approved by the Government for the purpose of national defence in excess of the limit of Rs. 25,000 or 5 per cent of its profits without obtaining the approval of its shareholders as was required under the Companies Act.

The International Bureau for the Standardisation of Man-made Fibres (B.I.S.F.A.) has recognised the Laboratories of the Silk and Art Silk Mills' Research Association (S.A.S.M.I.R.A.) as a Neutral Testing House for carrying out tests at the customer's request. The B.I.S.F.A. which has its headquarters in Switzerland, is an international authority on the testing of man-made fibres and prescribes rules for the standardisation of man-made fibres from time to time.

In order to assess the position regarding spurious as well as sub-standard drugs in the market, the Government of India has constituted the Drugs and Equipment Standards Committee, with Dr. D. S. Raju, Union Deputy Minister of Health, as Chairman. The Committee will also study the possibility of meeting the requirements of drugs and equipment from indigenous sources and suggest minimum standards. It will recommend measures to tighten the provisions of the Drugs Act so as to make its implementation more effective. The existing legislation on drugs, including related legislation such as the Dangerous Drugs Act, the Poisons Act, the Medicinal and Toilet Preparations (Excise Duty) Act and the Prevention of Food Adulteration Act, will be examined by the Committee to suggest ways and means to bring about consolidation of the law and its uniform enforcement. Further, the Committee will study and report on the existing control machinery at the Centre and in the States available for testing facilities and the adequacy of staff for control work.

* * * *

From Abroad

West Germany and Morocco have signed an agreement under which Morocco will receive West German capital aid worth DM 80 million for financing important infrastructure projects.

The population of France is 47.1 million, as against 42.9 million in 1954, or an increase of 8.2 per cent in eight years, according to the Census taken earlier this year. There are in France 14.63 million households with an average of 3.1 persons

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Italy has granted a ten-year loan of $10 million to Tunisia. The loan, which will carry an interest at 4.5 per cent, is to be handled by a group of Italian banks through the Instituto Mobiliare Italiano. It will be used for the industrial plant and machinery in Italy.

A recent forecast by the U.S. Department of Agriculture estimates the aggregate world cocoa bean crop in the 1962-63 season 10 per cent higher at 2,818 lbs. The output is put at 1,030 million lbs., as against 918 million lbs. in 1961-62 in Ghana, at 500 million lbs. (427 million lbs.) in Nigeria and at 350 million lbs. (331 million lbs.) in Brazil.

Advertising expenditures of industry and private business in West Germany amounted to 1.5 per cent of the West German Gross National Product. Thus West Germany is holding third place in this respect, trailing the U.S. and Britain. West German industrial enterprises and private business spent about DM 2,200 million for advertising in 1961.

The British Government proposes to introduce in Parliament a Bill providing for better conditions of safety and welfare of people working in offices, shops and railway premises. The provisions in the Bill will cover cleanliness, overcrowding, temperature, ventilation, lighting, sanitary facilities and washing facilities in the offices, shops and railways. The Bill will vest with the local authorities the responsibility for inspecting most shops.

Pakistan proposes to buy 25 new ships. The Government has invited shipbuilders to tender for the orders worth Rs. 26 crores in foreign exchange. It is proposed that the vessels should be paid for either on suppliers credit or under the "pay as you earn" schemes. The Government also proposes to establish a shipping corporation, with a part of the capital contributed by the private sector, for the purchase of vessels. Pakistan has at present 43 ships used for coastal and external trade.

PERSONAL

MR. J. Balasundara Rao, a Director of the Railway Board, has been appointed Additional Member (Commercial) of the Board.

Mr. B. N. Sinha, a former Director of the Extension Services, Government of Bihar, has been appointed Secretary of the Indian Central Jute Committee.

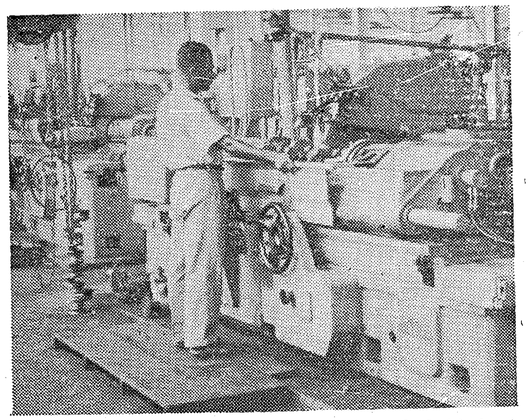
Mr. S. P. Godrej, Chief of Messrs. Godrej and Boyce Manufacturing Co. (Private) Ltd., has been appointed a Director of the Bank of India Ltd. with effect from 1st November 1962.

Mr. Marcello Boldrini, Vice-President of the E.N.I., the Italian State-owned oil company, has been appointed President of the Company vice Mr. Enrico Mattei, who died in an aircrash a few days ago.

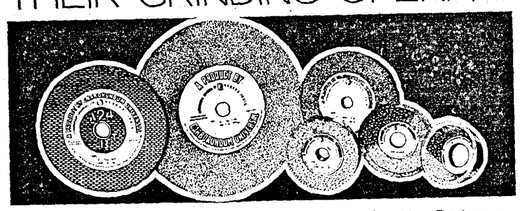
Mr. M. J. Hicks has been appointed the regional representative for India and Ceylon of the Marconi International Marine Company, Ltd., in the place of Mr. G. A. Dwyer who will take up another appointment with the Company.

Mr. F. J. Philips, President of N.V. Philips Gloeilampenfabrieken, Holland, has left Bombay, after a week tour of India. During his visit, he explored the possibilities of expanding the already elaborate manufacturing programme of the Company in India.

Mr. K. Gopinath Pillay, Fisheries Advisor to the Government of India, has been elected Chairman of the Indo-Pacific Fisheries Council for the next two years at a meeting held recently in Korea under the auspices of the F.A.O.'s Fisheries' Division.



SIMPSON AND COMPANY USE
CARBORUNDUM UNIVERSAL ABRASIVES
FOR THEIR GRINDING OPERATIONS



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CUZ-1484 A

Notices

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECTORS held today, the Directors have recommended payment of a final gross dividend for the year ended 31st March, 1962, of 8 per cent or Re. 0.80 per share on the Ordinary Share Capital subject to deduction of tax at the appropriate rates. This final dividend, which awaits sanction by the shareholders at the Annual General Meeting to be held on Tuesday the 11th December, 1962, along with the interim dividend of eighty naye paise gross per Ordinary share being at the rate of eight per cent declared by the Directors on the 31st July, 1962, will amount to a total dividend of 16 per cent or Re. 1.60 per share on the Ordinary Share Capital for the year ended 31st March, 1962.

The net profit after provision of Rs. 3,35,24,699 for depreciation, Rs. 3,95,50,000 for taxation, and net transfer of Rs. 2,98,38,026 to Reserves is Rs. 2,24,90,390. For the previous year the net profit was Rs. 2,22,68,363, after provision of Rs. 2,96,46,835 for depreciation, Rs. 1,66,00,000 for taxation and net transfer of Rs. 3,11,13,302 to Reserves.

As announced at the time of declaration of the interim dividend, the final dividend if sanctioned will be paid to those shareholders whose names appeared on the Register for Ordinary Shares on the 13th August, 1962. Payment will be made to such shareholders or their mandatees on or after the 12th December, 1962.

By Order of the Board,

MARTIN BURN LIMITED,
S. GUPTA,
Managing Director,
Managing Agents.

Registered Office:
12, MISSION ROW,
CALCUTTA 1.
Dated the 30th October, 1962.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

Registered Office:
Power House, Tennur High Road
TIRUCHIRAPALLI

NOTICE

1. The Directors at their meeting have sanctioned the payment of an *ad-interim* dividend for the year 1962-63 of 4½ per cent on equity shares and 2¾ per cent on preference shares plus 30 per cent thereon both subject to the deduction of tax.

2. The warrants will be made out in the names and addresses of shareholders standing registered in our books as on 24th November 1962 or holders of mandates, and posted on and after 19th December 1962. The shareholders are requested to notify immediately any change of their address to the Company.

3. The Register of Members and Share Transfer Books of the Company will be closed from 24th November 1962 to 5th December 1962 (both days inclusive).

4. Such of those shareholders who are not liable to pay income-tax may apply to the concerned Income-tax Officers for Income-tax Exemption Certificate under the proviso to Section 194 of the Income-tax Act and file the same with the Company on or before 1st December 1962. In such cases of compliance, no deduction of Income-tax will be made from the dividends.

N.B.—Holders of Blank Transfers are advised to have the shares registered in their names in time before closure of books.

(By Order),

SESHASAYEE BROTHERS (PRIVATE) LIMITED,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI,
1st November 1962.

AIR INDIA LIMITED

(In Voluntary Liquidation)

A GENERAL MEETING OF THIS COMPANY will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Thursday, 6th December 1962, at 4.30 p.m., when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding up for the year ended 30th September 1962 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the Liquidation.

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

AIR INDIA LIMITED,
(In Voluntary Liquidation),
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

ESPLANADE MANSION,
FULLER ROAD,
BOMBAY-1.

To all Shareholders of Air-India Limited (In Voluntary Liquidation) and particularly to:—

Atmaram Shivarao Kalambi, Joseph Theoffilus Almeida, Amrutha Pandu, Miss Candida Dhunbai Backhaus, Bashir Niazi, Alan Joseph Chaves, Chulananda Upali de Silva, Ginigalgodaga Peeton De Silva, Mrs. Doulat Khanum, Arthur Horace Sidney Fernandes, Farrokh Erachshaw Shroff, Mrs. Barbara Flatt, Sydney Joseph Fernandes, Gunja Man Singh, Donald Reginald Cavendish Hartley, Karson Narain, Kaikhoshro Pherozeshah Mehta, Mrs. Mary Kostka, Stanislaus Lawrence Maxim Lobo, Mrs. Mariam Ahmed Jaffer, Wilhelm A. E. Molamure, Mir Maqbook Mahmood, M. Nizamuddin, Miss Margaret Mardall, Maneck Ardeshir Soharb Dalal, Placidus Joseph Leslie Manezes, Natuvilmatam Subramania Raman, John Cecil Trevor Pereira, Anthony Francis Pinto, J. C. K. Peterson, Sanmugam Dharma, Mrs. Savitri Dahyalal Daftary, Samuel Taylor, Jose Vaz, Vasant Nagesh Shirodkar.

AIR INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

THE ANNUAL GENERAL MEETING OF this Company will be held in the Board Room, 4th Floor, Bombay House, Bruce, Street, Fort, Bombay, on Thursday, 6th December 1962, at 5 p.m., when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding up for the year ended 30th September 1962 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

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

AIR INDIA INTERNATIONAL LTD.,
(In Voluntary Liquidation),
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

ESPLANADE MANSION,
FULLER ROAD,
BOMBAY-1.
10th November, 1962.

To all the Shareholders of Air India International Limited (In Voluntary Liquidation) and in particular to:—

Arrokkiam Arulsamy Pillai, Mrs. Annaledchumy Theagarajah, Ahmedkhan Hajee Goolab Khan, Adi Bejan Tata, Bai Laximinarayan Rao, Don Edwin Dewendra, Camilo de Souza, Fahimmuddin Ahmed Noori, Mrs. Alice Fonseca, Galwadau Acharige Charles Hamy, Habib Haji Mohamed Dordiwala, Harendra Chadra Lahiri, Jagadamba Kumari Debi, Jehangir Bejan Tata, Maxim Lobo, Mushtaq Ahmed Dodhy, Kudaliyar Samuel Kanapathipillai Appadurai, Mr. Frederick Vincent Mascarenhas, Miss Nina Jehangir Gorwalla, Mrs. Naja Bejan Tata, Rehmankhan Peerkhan, Rameshchandra Ranchodbhai Patel, Jose Estevam Silveira, Santdas Kushiram Kirpalani, Sam Bejan Tata, Sagoon Jayadeo Dhond, Venetexa Srinivasa Sinai Dempo, Mrs. Usha P. Godbole, George Harvey Woodhouse, Dr. Ujagar Singh.

THE MYSORE KIRLOSKAR LIMITED

YANTRAPUR P.O. HARIHAR

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of the Company will be held on Saturday the 8th December, 1962 at 11-00 a.m. (I.S.T.), at the Registered Office of the Company at Harihar to transact the usual business the details of which have been made known to the shareholders separately by notice sent along with the Balance Sheet and Profit and Loss Account and Directors' Report.

The Share Transfer Books and Membership Register shall remain closed from the 24th November, 1962 to the 8th December, 1962 (both days inclusive).

By Order of the Board,
FOR THE MYSORE KIRLOSKAR LIMITED,
V. K. BODAS,
Assistant Secretary.

Dated 18th October, 1962.

THE INDO-BURMA PETROLEUM COMPANY LIMITED

Registered Office:
Gillander House, Netaji Subhas Road
CALCUTTA-1.

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have declared an Interim Dividend of Re. 1.00 (Rupee One only) per share less tax to be deducted in accordance with the provisions of Section 194 of the Indian Income Tax Act, 1961, on the Ordinary Share Capital of the Company for the year ending 31st December, 1962, payable on the 10th December 1962.

The Ordinary Register of Members of the Company will be closed from the 22nd November, 1962 to 10th December, 1962, both days inclusive.

By Order of the Board,
STEEL BROTHERS AND COMPANY LTD.,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA,
2nd November 1962.

INDIAN ALUMINIUM COMPANY LIMITED

ISSUE OF RIGHTS SHARES

NOTICE IS HEREBY GIVEN THAT THE Register of Holders of Ordinary Shares and the Ordinary Share Transfer Register of the Company will be closed from November 15th, 1962 to November 20th, 1962, both days inclusive, in connection with the proposed rights issue of Ordinary Shares.

By Order of the Board,
INDIAN ALUMINIUM CO., LTD.,
ANDREW YULE & CO., LTD.,
A. S. MACLAREN,
Secretary,
Registrars.

Registered Office:
31, CHOWRINGHEE ROAD,
CALCUTTA, 16.
26th October 1962.

THE PEERMADE TEA COMPANY LIMITED

(Incorporated in India)

THE BOARD OF DIRECTORS HAVE SANCtioned payment of an interim dividend of 7½ per cent on the Ordinary shares for the year ending 31st December, 1962 subject to deduction of tax. The dividend will be paid to those members whose names are on the Company's Register as on 22nd November 1962, or their Mandatees.

The transfer books of the Company will remain closed from 15th November 1962 to 22nd November 1962, inclusive.

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

ALLEPPEY:
29th October 1962.

CALL RATE 4 PER CENT

(From Our Own Correspondent)

BOMBAY, *7th November*

The short-term money market continued to rule firm during the week under review. Interbank *call* rate went up further in the past week, from 3½ to 4 per cent. Early in the week, floating funds were somewhat scarce, while demand was on a large scale. Today, however, the supply-demand position was almost balanced, though the improvement was not so much as to bring down the call money rate. At Calcutta also, the rate rose from 3¾ to 4¼ per cent, though some transactions were reported to have been put through at 4 per cent per annum.

The amount offered against the Government of India's 91-day Treasury Bills sold under the tender system on Tuesday this week was Rs. 2.04 crores, but the amount accepted was as usual equal to that invited, namely, Rs. 2 crores. The average rate of accepted tenders was slightly higher at Rs. 2.360 per cent per annum, as against Rs. 2.350 per cent. The Intermediate Treasury Bills, which were on tap from 31st October to 3rd November, fetched no more than Rs. 13 lakhs, as against Rs. 40 lakhs a week before and Rs. 1.40 crore two weeks before. The sales of both types of Bills are continuing, the Intermediates from today to the 10th inst.

There was a slight improvement of Rs. 1.05 crore to Rs. 93.62 crores in India's foreign assets during the week ended 2nd November 1962, according to the statement of the Reserve Bank for this week. The improvement was accounted for entirely by balances held abroad in the Banking Department which amounted to Rs. 5.54 crores. Foreign securities held in the Issue Department was unchanged at Rs. 88.08 crores. The total of advances made, available by the Reserve Bank to scheduled banks was lower by Rs. 3.37 crores at Rs. 5.97 crores; advances against usance bills alone declined from Rs. 7.39 crores to Rs. 4.19 crores.

The volume of credit made available by scheduled banks to their clients spurted by Rs. 9.06 crores during the week ended 26th October 1962, in contrast to the sharp fall of Rs. 16.25 crores in the week preceding it. The total outstanding of advances as on that date stood at Rs. 1,394.76 crores. The aggregated deposits of banks declined by Rs. 11.87 crores to Rs. 2,182.22 crores, while interbank borrowings rose by Rs. 3.11 crores to Rs. 36.27 crores.

Central Government loans in the Gilt-edged market continued to drift downward. 3 per cent 1986 conversion fell by Re. 1.50 to Rs. 64. 3 per cent 1970-75, 3½ per cent 1967 and 4 per cent 1981 dropped 15 nP each. There was a loss of 10 nP in the case of several others and of 5 nP in some. State loans were all unchanged at last week's levels.

In the foreign exchange market, the banks' selling rate for U.S. dollar is unchanged, the actual T.T. and O.D. rate being Rs. 477.75 per $100. Their buying rates are also unaltered except in the case of O.D., 60-day and 120-day bill rates which improved by 25 nP. In New York, sterling has improved slightly in terms of the dollar, the latest available spot and three months' forward rates being 280.120-280.150 cents and 279.840-279.870 cents per £, respectively: the corresponding rates last week were 280.080-280.120 cents and 279.810-279.850 cents.

* * * *

NATIONAL DEFENCE BONDS

The Defence Bonds, which will be on sale with effect from the 10th of this month, are issued at par in multiples of Rs. 100 and carry interest at 4½ per cent per annum. The issue will be kept on tap for a period of six months from 1st November 1962, but may be closed earlier if the Government of India so decides. All the bonds, irrespective of the date of their purchase, will be repaid at par on 1st November 1972.

Interest will be paid half-yearly on 11th May and 10th November each year, but, in respect of the bonds sold after 10th November 1962, the half-yearly payment of interest shall be for the broken period from the date of sale to 9th May 1963, inclusive. Interest will be liable to income-tax, but, in order to attract small investors, tax will not be deducted at source at the time of payment of interest in the case of bonds held by individuals.

Applications for the purchase of these bonds will be received at the offices of the Reserve Bank of India and branches of the State Bank of India and its subsidiary banks. Subscriptions can also be made through all recognised banks which will arrange to forward the applications to the nearest receiving office.

DEFENCE DEPOSIT CERTIFICATES

The Defence Deposit Certificates have also been placed on sale with effect from the 10th inst. Issued in multiples of Rs. 50, they carry interest at 4½ per cent payable annually. The principal will be repaid after ten years from the date of purchase. Interest will be free of income-tax. The maximum amount that may be invested in these certificates, including the investment in the treasury savings deposit certificates, is Rs. 25,000 for individuals and Rs. 50,000 for joint holders. Deposits for the purchase of these Certificates are accepted at all the offices of the Reserve Bank of India, branches of the State Bank of India and its subsidiary banks conducting Government treasury business and at treasuries and sub-treasuries. These certificates can also be purchased through authorised agents.

The existing four per cent 10-year treasury savings deposit certificates have ceased to be issued with effect from the close of business on the 9th inst.

NATIONAL DEFENCE CERTIFICATES

The National Defence Certificates will be available for sale from the 15th inst. at all post offices transacting savings bank business. They can also be purchased through authorised agents. They will be issued in denominations of Rs. 5, Rs. 10, Rs. 50, Rs. 100, Rs. 500, Rs. 1,000, Rs. 5,000 and Rs. 25,000. They will be repaid on maturity after 12 years at a premium of 75 per cent of the issue price yielding a return of 6.25 per cent per annum simple or 4.75 per cent per annum compound. A certificate of the value of Rs. 100 would fetch Rs. 175 after 12 years, as compared with the maturity yield of Rs. 165 on the existing 12-year National Plan savings certificates. The yield will be free of income-tax. The maximum amount of investment in these certificates, inclusive of the investment in the earlier postal savings certificates, will be Rs. 25,000 for individuals and Rs. 50,000 for two persons jointly.

Pending the availability of new certificates which are under print, post offices will issue temporary receipts which will be exchanged for new certificates.

The sale of existing 12-year National Plan savings certificates will be discontinued with effect from the close of business on the 14th inst.

The purchasers of the existing certificates on or after the 1st inst. will have the option to get them exchanged for the new certificates of an equivalent amount. In other words, the advantage of the increased return on the new Certificates will be available to those purchased on or after 1st November 1962.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, *7th November*

The cotton futures market, after having ruled firm till Saturday, the 3rd inst., turned easy on Monday. Persistent bear hammering and selling by local and upcountry operators resulted in a sharp break in prices. A partial recovery was in evidence yesterday, thanks to shortcovering and some fresh support attracted by the low levels. The undertone of the market was easy today.

The earlier firmness was influenced by the news of unwanted rains in Berar and fears that transport difficulties will delay movement of new crop. The Jarilla March 1963 contract met with sustained support and rallied from the last week-end rate of Rs. 743.25 (per three quintals) to Rs. 747.50 on Saturday. However, the Textile Commissioner's order, issued on the 5th inst. prohibiting movement of cotton, in ginned or pressed form, from the Khandesh area, the suspension of trading in the share markets and the general weakness of the commodity markets made operators nervous, resulting in a wave of selling. The Jarilla March contract sharply declined to Rs. 738 on Monday and further to Rs. 733.50 yesterday. The subsequent recovery made good a part of the earlier losses. Even then, today's closing of Rs. 734 is Rs. 9.25 lower than last week-end quotation.

The firmness witnessed in the spot market early in the week gave place to easiness following the Textile Commissioner's order. It was feared that other tracts would also be similarly sealed off. New crop Khandesh 197/3, which was quoted at a high premium over the official ceiling, tended to decline, thanks to the Textile Commissioner's order and larger arrival. Prices of Kalyan, Wagad and Co2 also receded. The declining trend of prices induced mills to defer purchases.

Demand for foreign cotton was slack. Bengal *Deshi* prices declined due to absence of foreign interest. Meanwhile, the E.I.C.A., which had decided to permit trading in transferable specific delivery contract in Bengal *Deshi*, has approved of certain amendments to the by-laws for the purpose of regulating such trading. There will be three contracts available for trading: (1) M.G. Bengal fine, (2) M.G. Bengal superfine A, and (3) M.G. Bengal superfine B. The unit of trading is 100 bales and transactions are subject to settlement clearing. Delivery months are December, January, February and March.

Amendments to other by-laws have also been made to conform to the Textile Commissioner's recent order to appoint supervisors. Names of 66 supervisors have so far been officially announced. The following are the latest available quotations—in rupees per candy of 784 lbs.—from spot market at Sewri:

Bengal *Deshi* (F) 670; Co2 1,500; B.P. 52 (new) 1,200; Jinga (new) 1,090; Busoga (new) 1,182; Sudan G5S 1,365; California 1-5/32" 1,218.

Cotton futures in Karachi suffered a further setback during the week. Selling continued unabated while support was lacking even at lower levels. Consequently, both the January and March contracts were marked down further, the former from Rs. 67.10 to Rs. 66.40 and the latter from Rs. 67.60 to Rs. 67.10. Spot prices, however, ruled steady. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing in Karachi:

Sind Deshi 71.50; *Punjab Deshi* 65; 4F Punjab Roller 64; *N.T. Roller* 74.35; *S.G.* (new) 79.35; 28F Punjab Roller (new) 80.85; *S.G. (new)* 87.35.

Cotton futures in Liverpool ruled quiet during the week. Values of both the American and American type contracts remained practically unchanged in dull trading. Sudan cotton futures were neglected. The following are the latest available quotations—in pence per lb.—from Liverpool: December 23.85; March 65; November (Sudan) 29.50.

Trading on the New York Cotton Exchange was featureless during the week, thanks to lack of incentives and the intervening holidays. The nearby December contract receded from 33.68 cents to 33.65 cents. The March contract was quoted at 34.12 cents and the May contract at 34.24 cents, same as last week-end. New York spot ruled unchanged at 34.85 cents per lb.

BULLION PRICES CRASH

(From Our Own Correspondent)

BOMBAY, *7th November*

Bullion prices, especially of gold, crashed heavily this week on nervous bull liquidation and aggressive selling pressure touched off by Finance Minister Morarji Desai's broadcast on Saturday (3rd November) night that the Central Government had decided to issue special 15-year gold bonds bearing interest at the rate of 6.5 per cent per annum. Although the news came late in the evening at 8-30, it shook the market almost immediately, and in an orgy of selling, gold *Margashir* slumped in unofficial deals to Rs. 110 per 10 grams from the day's official closing level of Rs. 120.75 and rallied subsequently to Rs. 113. Silver *Margashir* receded in Saturday's after-close deals from Rs. 224.85 to Rs. 224 per kilogram. Prices declined further from Monday onwards and, on Tuesday, gold *Margashir* sank to Rs. 104.25 and silver *Margashir* to Rs. 218.75, as against the week's highest level of Rs. 120.90 (on the 3rd inst.) and of Rs. 225.55 (on the 1st inst.), respectively. Today, prices rallied from the lowest levels touched yesterday on some bear covering and absence of fresh selling, with gold futures closing at Rs. 106.75, as against Rs. 119.55 a week ago, and silver futures finishing at Rs. 219.75, as against Rs. 224.85. Spot gold fell during the week from Rs. 121.65 to Rs. 102.50 to close at Rs. 105.75, as against Rs. 119.10 a week ago. Likewise, ready silver declined from Rs. 224.55 to Rs. 217.75 to close at Rs. 218.75, as against Rs. 224.15. The week's heavy shake-out pulled down spot gold prices to the lowest level touched in the past three years. In the financial year (April to March) 1961-62, the lowest level was Rs. 115.85; in 1960-61, it was Rs. 107.12; and in 1959-60, it was Rs. 99.88 per 10 grams. The setback during the week under review invited a margin of Rs. 6 per 10 grams of gold in the futures contract against bears on Monday and led to a special clearing in both gold and silver on that day. On Tuesday, there was again a special clearing in gold following a fall of more than Rs. 5 from the previous day's clearing rate.

While the slump in prices was by far the sharpest in recent times, it did not create any undue panic among either the authorities of the Bombay Bullion Association Ltd. or the marketmen. In fact, at a meeting held on Monday, the market authorities decided not to take any emergency measures, as they felt that the market was technically in a healthy position. The ability of the market to survive the fall could be attributed to the fact, for quite sometime, marketmen had anticipated some official measures for attracting hoarded gold. Therefore, before the Finance Minister's broadcast, the market had been in an oversold position which on the decline in prices got corrected. Some upcountry operators, however, who nourished a bull position mainly on the China war, liquidated about half their holdings. Although no state of emergency was declared, the market authorities decided to extend the date of inward payment of the first clearing from 6th November to 7th November, so that payments for both ordinary and special clearings could be done simultaneously. The President of the Association was also authorised by the Board to call an emergency meeting whenever he felt it necessary to do so.

In contrast to the Bombay Bullion Exchange, the authorities of the Delhi Bullion Exchange decided on Monday to order squaring up of all outstanding transactions in gold futures at Rs. 117.50. They also decided to suspend temporarily further trading in gold futures and fixed floor and ceiling prices for the current silver *Margashir* contract. Such special measures taken in Delhi—the only other active futures market in gold—led to some heavy upcountry selling in the market in Bombay.

Sovereign in Bombay declined during the week from Rs. 96 to Rs. 80 and closed at Rs. 82, as against Rs. 95.50 a week ago. Daily arrivals in gold were steady around 8,000 tolas, while offtake continued to be limited to 3,000 tolas. Inflow in silver was rather heavy at 25 bars on an average per day, as against an offtake of 10 bars.

Subscription lists for the 15-year gold bonds will open on 12th November and close on 11th February 1963, or earlier without notice. The interest on the bonds will be paid twice a year, on 12th May and 12th November. Subscription will be in the form of gold, gold coin or gold ornaments and the bonds will be treated as issued on the date the gold is tendered at the receiving office. The interest will be subject to tax, but, in the case of individuals, tax would not be deducted at source, if the holders declare that the total nominal value of bonds held by them or on their behalf do not exceed Rs. 10,000. The bonds will be exempt from wealth tax and tax on any capital gains from their sales. The value of gold will be calculated at the rate of Rs. 53.58 per 10 grams of .995 fineness equivalent to Rs. 62.50 per tola of the same fineness.

The marketmen's reactions to the bond announcement were that the Government decided to fix a higher rate for gold for the purpose of investing in the bonds the issue would have a better chance of succeeding. The marketmen also bemoaned that the assurance given by the Finance Minister in his broadcast to the effect that the Government would not force the depositor of gold to declare the source of origin of such gold was not carried out in the details of the issue announced on Sunday. It was also contended by marketmen that the bonds should have been proposed as bearer bonds. Opinion differed on how far the authorities would succeed in getting ill-gotten gold from the tax-evaders. Some contended that on a comparable return of 4.25 per cent per annum on Government securities, investment in gold bonds would be tempting only if gold was available at about Rs. 80 per 10 grams. Some others argued that, considering that, at the end of 15 years, investment in gold bond would have fetched in all Rs. 104 by way of principal and interest on com-

pound basis, the prevailing rate of gold would attract people to deposit it in bonds.

Small losses were recorded in bullion prices in both London and New York on profit-taking following the slight easiness in the Cuban situation. Sentiment was also influenced by the satisfactory position of the sterling area's gold and convertibility reserves in October which stood at £1,800 million. Spot gold in London declined over the week from 250*s.* 9½*d.* to 250*s.* 6¾*d.*, ready silver moved down from 103½*d.* to 102½*d.* and silver futures eased from 103¾*d.* to 103*d.* In New York, spot silver receded from 121 cents to 120.50 cents.

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

	7-11-62 (closing)	High	Low	31-10-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	105.75	121.65	102.50	119.10
Margushir * ..	106.75	120.00	104.25	119.55
Sovereign	82.00	96.00	80.00	95.50
SILVER				
Ready (.996 fine) ..	218.75	224.55	217.75	224.15
Margushir † ..	219.75	225.55	218.75	224.85
London—				
Gold	250*s.* 6¾*d.*	250*s.* 9*d.*	250*s.* 6¼*d.*	250*s.* 9½*d.*
Silver Ready ..	102½*d.*	—	—	103½*d.*
Silver Forward ..	103*d.*	—	—	103½*d.*
New York—				
Silver	120.50 cents	120.75 cents	120.50 cents	121.00 cents

* 11th December settlement. † 12th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.35 tola) and that for silver is per kilogram (35.7 tolas). London and New York quotations are per ounce.

WEAK TONE IN YARNS

(From Our Own Correspondent)

BOMBAY, *7th November*

The yarn market displayed a weak tone this week in the absence of buying support. Sentiment was influenced mainly by the pronounced weakness of the stock and bullion markets, as well as easiness of cotton and oilseeds futures markets. Staple fibre futures 40/2 December declined over the week from Rs. 718 to Rs. 708. The newly opened February contract closed at Rs. 720. Spot art-silk yarns were easier. National Rayons 150D declined from Rs. 13.11 to Rs. 12.65. 120D moved down from Rs. 16.96 to Rs. 15.95. S.I. Viscose 120D receded from Rs. 17.53 to Rs. 16.98 and so did 150D from Rs. 13.20 to Rs. 12.85. Centurys 100D were unchanged at Rs. 17.60, but 75D softened from Rs. 21.58 to Rs. 21.32. Among cotton yarns, Finlay 60s were easy at Rs. 71.12, while Podars 10s ruled steady at Rs. 18.50.

It was announced on Saturday the 3rd inst. that exporters under the Export Promotion Scheme who had not submitted their export application for indigenous art silk yarn against exports effected during the quarters April-June, July-September, and October-December 1961 so far, in accordance with the Trade Notices dated 28th July 1961 and 7th May 1962, should immediately submit their applications separately for each quarter to the Secretary, Indigenous Art Silk Yarn Distribution Committee, Resham Bhavan, Bombay 1.

The Union Government proposes to revise the rate of drawback on exports of staple fibre yarn and fabrics and mixed fabrics containing staple fibre yarn and art silk yarn. The revised rates are as follows:

Staple fibre yarn and fabrics made from it, including fabrics containing a mixture of yarn and other than art silk yarn: Re. 1.14 per kg. of staple fibre yarn content.

Fabrics containing staple fibre yarn and art silk yarn: Re. 1.14 per kg. of staple fibre yarn; the rate as specified in serial No. 1 of Schedule 1 to the Customs and Central Excise Duties Export Drawback (General) Rules 1960 on the art silk yarn content.

Draft rules framed in this regard will be finalised after 4th December 1962.

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

	7-11-1962	31-10-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	15.95	16.98
Century 75D	21.32	21.50
S. I. Viscose 150D	12.85	13.20
Staple fibre yarn (40 × 2)—		
October (per 90.72 kg.)	—	691.00
December (,,)	703.00	718.00
February	720.00	—
Kohinoor (per kg.)	8.87	9.06
Century	7.63	7.77
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.50	18.50
32s Century	24.50	24.25
30s Bradbury	27.00	27.00
40s T.T. Conn	37.25	36.25
60s Finlay	71.12	—

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

NEW CEILINGS ON SEEDS?

(From Our Own Correspondent)

BOMBAY, *7th November*

The Board of the Oilseeds and Oil Exchange has suggested to the Forward Markets Commission that maximum prices (ceilings) should be fixed for hedge contracts in oilseeds in order to curb and prevent soaring of prices. The actual ceilings proposed are Rs. 236 per 250 kg. in respect of January 1963 contract, Rs. 181 per 250 kg. for castorseeds March 1963 contract, Rs. 42 per 250 kg. for linseed March 1963 contract, Rs. 111 per 250 kg. for cottonseed January 1963 contract and Rs. 32.50 per 16 kg. for groundnut oil January 1963 contract. In addition to the fixation of ceilings, imposition of a penalty in the event of non-delivery is also suggested. The actual penalty is put at Rs. 5 each in the case of groundnut and castorseed contracts Rs. 2 in cottonseed, Re. 1 in linseed and 40 nP in groundnut oil. The implementation of these suggestions is expected to prove more effective than the existing restrictions on the weekly fluctuations. The Forward Markets Commission has not taken a decision on these suggestion. It is reported to be of the view that the ceiling levels should be lower still.

The move to improve ceilings and penalties made bulls nervous. There was sizable liquidation leading to a sharp fall in futures which in turn weakened spot prices. The panicky conditions in the local Stock Exchange and the subsequent suspension of trading also led to a fresh wave of of selling. Groundnuts suffered a distinct setback in values. Revised bearish private estimates also acted as a damper. These estimates place the 1962-63 groundnut crop at about 2.8 million tons (in kernels), as against about 2.7 million tons in 1961-62. The estimate is based on the expectation that Andhra Pradesh would have a bumper crop, which would offset any decline in Gujarat's output. In a declining market, *vanaspati* manufacturers and crushers were hesitant to extend any appreciable support.

Groundnut January 1962 contract rose initially from Rs. 230.87 to Rs. 232.62, but gave way subsequently to Rs. 226.50, with net loss of Rs. 4.37. Nizam bold lost 25 nP to Rs. 45.50. Oil January 1963 contract improved from Rs. 31.45 (per 16 kg.) to Rs. 31.65, before closing lower at Rs. 31. Oil ex-mill and railway receipts declined by 30 nP each to Rs. 19.05 and Rs. 18.85, respectively.

Castorseed March 1962 contract, which had gone up from Rs. 169.87 to Rs. 171, early in the week, fell to Rs. 167, the net loss being Rs. 2.87. Madras small eased by 62 nP to Rs. 33. Kanpur also lost a like amount to Rs. 31.75. Oil B.S.S. shed 5 nP to Rs. 13.85. Oil B.S.S. improved from Rs. 12.90 to Rs. 13.15 in earlier sessions, but fell back later to the last week's closing level.

Linseed March 1963 contract lost a rupee to Rs. 39.12. Bold ready moved down by 62 nP to Rs. 41.50. Linseed oil fell by 35 nP to Rs. 16.75.

Cottonseed January 1963 contract suffered a setback of Rs. 3 to Rs. 102.50. Non-white was quiet at Rs. 25.

The following table shows the closing prices of oilseeds and oils on Wednesday 7th November as compared with those of the two previous weeks:

	7-11-1962	31-10-1962	24-10-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963 ..	226.50	230.87	233.50
Nizam bold	45.50	45.25	—
Khandesh quality	46.00	45.87	46.57
Oil ex-mill ready*	19.05	19.35	19.10
Railway receipts*	18.85	19.15	18.90
Castorseed			
Castorseed March 1963	167.00	169.87	170.50
Ready Madras	33.00	33.62	33.50
Ready Kanpur	31.75	32.37	32.25
Oil B.S.S.†	13.85	13.90	13.75
Oil commercial†	12.90	12.90	12.65
Linseed			
March 1963	39.12	40.12	40.56
Bold ready	41.50	42.12	42.25
Oil ready†	16.75	17.10	17.15
Cottonseed January 1963 ..	102.50	105.50	105.50
Niger seed	35.75	36.50	36.00
Kardi seed	28.50	28.50	28.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK PEPPER ERRATIC

(Messrs. Parekh and Co.)

BOMBAY, *7th November*

Malabar black pepper moved both ways erratically according to day-to-day developments on the U.S.A.-Cuba front. News from the Sino-Indian front had had a comparatively minor effect. During the earlier part of the week, ready garbled improved to Rs. 310, in view of the news that U.Thant's mission to Cuba apparently failed and that New York dealers paid $0.35 for Malabar black for November shipment. The improvement, however, proved to be a passing phase when New York dealers refused to follow up and the Indian exporters showed their anxiety to shed their price to test the market. Though arrivals of new crop have started, the quality is not upto the mark suitable for the export.

December delivery, after improving to Rs. 322, came down to Rs. 300, as bulls preferred to await developments.

Trade's estimate of the new crop is placed at 30,000 to 32,000 tons. The future of the market depends on the political developments both in Cuba and on the Sino-Indian border.

Ready demand was poor, as sellers were not willing to sell goods on credit, owing to the uncertainty in the border areas, particularly in Bengal and Punjab, some of the biggest consumers of pepper in India. Spot in New York, after rallying to $0.44, came down to $0.38, as grinders withdrew after covering their immediate requirements. Now they hold off and prefer to wait for a new incentive.

Black pepper in Singapore was also marked down to $117½, as foreign inquiries faded at higher rates. Short covering having been finished, the dealers there revised lower their buying ideas.

Ready pepper in Bombay is nominally quoted at Rs. 166 per 50 kilos.

WHOLE LEAF TEA DEARER

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

COCHIN, *1st November*

A total of 481,000 kgs. was offered in sale No. 43 held on Tuesday, 30th October. Quality from the Nilgiris generally showed a seasonal decline, whilst others were sometimes brighter. Demand was strong and prices were irregular and generally dearer. Low mediums and mediums attracted useful support and were often much dearer. Plain and stalky kinds under this category, however, met with less support and these may be quoted about steady. Good medium brokens elicited keen competition at higher rates. Similar fannings did not receive the same support and were sometimes easier. Highgrowns were irregular, the low-priced brokens sold at dearer rates. Fannings met less demand than brokens and inclined little easier. Clean black leaf descriptions were well supported and sold at around last rates. Whole leaf grades were firm to dearer. Tippy teas continued in demand and realised useful prices. There was strong competition for unorthodox descriptions which advanced substantially.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	3.65-4.35	3.85-4.15
Mediums	4.40-4.80	4.15-4.40
Good mediums	4.85-5.85	4.45-5.50
Nilgiri B.O.P.	5.20-8.00	5.20-7.80

The average price realised in sale No. 43 was Rs. 4.59 per kilo, as against Rs. 4.46 a week ago and Rs. 4.73 in the corresponding sale last year.

Dust Sale No. 43 was held today. A total of 310,000 kgs. was offered. The market opened to a good demand but showed an easier tendency towards the close. At the beginning of the sale low mediums and mediums were fully firm and often dearer, but, towards the close these types sometimes turned easier. Good mediums were well supported and generally sold at higher rates. Highgrowns opened firm to dearer but closed a little easier. Residuals met with keen competition and were the strongest feature of the sale. Clean black grainy descriptions evoked good inquiry at fully firm rates. There was strong demand for unorthodox teas, but these also shared in the general trend of the market.

The average price realised in dust sale No. 43 was Rs. 4.07 per kilo as compared with Rs. 3.87 a week ago and Rs. 4.40 in the corresponding sale last year.

Colombo: This week's sale met with improved demand. Brokens from western districts were dearer by 5 to 15 cents and so were mediums. Plainer Uvas were also dearer. Best, however, were lower with quality. Fannings though they met with strong support, were irregular.

London: North Indian and other growths: In Monday's sale there was strong demand. Prices were fully firm and plain descriptions advanced by 2*d.*

Ceylon and South Indians: 24,704 packages were offered in Tuesday's sale, of which 8,250 packages were from South India. Ceylons met with better demand. Low mediums were dearer by ½*d.* to 1*d.* South Indians continued strong, particularly the lowest which tended dearer.

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

"*Sale No. 44*: 698,000 kgs. offered. Strong and excited demand. Low mediums and mediums, particularly brokens, 30 to 40 nP dearer. Good mediums 15 to 20 nP higher. Highgrowns lower with quality. Unorthodox firm."

TEA STEADY

(From Our Own Correspondent)

CALCUTTA, *6th November*

The grim prospect of delay in the transport of Assam tea against the background of the Government's urgent need for transport to cope with military requirements was reflected in Calcutta tea auctions as elsewhere. The steady conditions in yesterday's export sale was due to the fall in arrivals of tea from Assam following strike by the workers of steamer companies. At the same time, arrivals from other areas fell, due to reduced transport facilities for the reason already stated. This practically brought forward booking of tea to a standstill. Such of the foreign buyers as had hitherto only paid attention to immediate requirements and had postponed entering into commitments against stock replenishment in expectations of a decline in price, having regard to the earlier forecasts of an increase in output, found themselves today with the rather unpleasant realisation that they had missed the bus and failed to cover their needs when prices had touched the season's lowest levels. This explains the rise in prices recorded in yesterday's export auctions held here. Even domestic bidders found themselves placed in the same unpleasant situation, as witness the prevalence of steady support accorded in the internal auctions held last week, leading to a rise in prices.

As the season progresses, the shortfall in the North Indian crop only widens. As at the end of September, this was some 20 million lbs. and the fond hope was expressed then that, since in the month of October one more good cropping month remained, there was the possibility that the shortfall would be lessened. However, such expectation has so far been belied. The North Indian crop up to 15th October aggregated 486.41 million lbs., revealing a decline of 22.71 million lbs. as compared with the corresponding period last year. The decline gives an answer to the changed trend in Calcutta auctions against both domestic consumption and export offerings. However, it should be noted that the output is higher by 15.33 million lbs. as compared with the 1959-61 average of 448.38 million lbs. for the same period.

London reports of firmer conditions in last week's Mincing Lane auctions were not altogether a surprise here. In any abnormal situation such as the one that exists today, in view of the Chinese menace, overseas buyers are bound to accumulate stocks in order to provide themselves for any delay in receipts. Considering that North Indian contribution in U.K. imports of tea is always sizable—in the nine months to September last, the share of India was 169.3 million lbs. out of the total of 400.7 million lbs. the anxiety of the British stockist to hold an adequate quantity is understandable. An idea of this anxiety is available in the report that, in last week's auctions at Mincing Lane, strong demand pushed up the price of plainest teas to 2*s.* to 3*s.* 11*d.* from 1*s.* 9*d.* to 3*s.* 8*d.* in the previous week.

So far as everything goes, it is only good to the tea industry in India, as it can look forward to better economic working of the gardens and contribute sums to defence funds and also to pay greater attention to replanting and extension of acreage. However, the optimism should stop at this stage, as the industry in this part of the country is also anxious that it should not lose overseas markets. This apprehension arises from the difficulty to get teas to the port in time. Already, Mincing Lane auctions have shown the tendency of demand diversion, howsoever unpalatable to the industry in this part of the country. For London bidders showed keenness to procure Ceylon as well as South Indian teas. In the former, medium teas rose by about 1*d.* a lb. and, in the latter, plainer sorts added about 2*d.* a lb. It should also be noted that, in the last week's auctions held at Cochin and Colombo, active demand was in evidence and prices for quality teas gained over those for the previous week. Another anxiety of the tea industry in N.E. India is the unpleasant prospect of an increase in the production costs of tea in border areas.

In the conflict with the Chinese, India has received sympathy and support from several freedom-loving countries. If, as a result of this, some countries apply economic sanctions against China, the demand for tea from non-producing countries on countries other than China would increase. And this only emphasises the imperative need for India to step up production. Adequate funds should be placed at the disposal of gardens to increase production by extending acreage as well as by intensive cultivation. The industry's case for a rational tax structure is never stronger today than before.

The very pleasant prospect of India deriving benefit from the proposal, if executed finally, to have a free trade zone in Port Said for Indian tea on the same lines as the existing coffee store house in Beirut for Brazilian coffee was hinted by the U.A.R. Minister for Supply, Dr. Kamal Ramzi Stino, who, as leader of his country's trade delegation to India, was at Calcutta last week. The Minister said that his country followed a policy of keeping down prices and at the same time raising people's purchasing power. This, he said, had resulted in more prosperity for the U.A.R. in recent years. He, therefore, expressed the hope that India would be able to increase its exports of tea to his country. The U.A.R., which is the second biggest consumer of Indian tea overseas, imports annually about 22,000 tons of tea, of which 15,000 tons or 68 per cent are from India, 5,000 tons or 23 per cent from Ceylon, and 2,000 tons or 9 per cent from China.

Dusts amounting to 30,310 packages met with improved general demand during the internal sale held last week. The strongest feature was provided by legg-cut teas, which attracted ready buyers even after the price went up by 25 nP from the previous rate. Steady support was extended to plain and medium orthodox teas, with some selected lines recording a dearer trend. Keen competition was accorded to medium C.T.C.s., but prices were irregular. Good C.T.C.s found ready buyers. The earlier weakness in powdery descriptions gave way as the sale progressed and the grainy descriptions closed higher on balance. The quotations (in rupees) per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust 6.20 to 6.70; medium Assam C.T.C. dust 5.50 to 5.85, legg-cut dust 4.90 to 5.40; medium Assam dust 4.45 to 4.90; and plain orthodox dust 4.00 to 4.40.

Leaf on offer during yesterday's export sales amounting to 69,767 packages met with strong general demand. Legg-cut teas were a strong feature and rose by 10 to 30 nP. A liberal addition was recorded in the prices of medium C.T.C. teas, with B.Ps being in particular favour. The best sorts were unchanged but were firm. Among Darjeelings, the best lots were featureless, but other descriptions hardened. Lower-priced whole leaf grades commanded higher prices, while better lots and tippy teas were about firm at last rates. Useful competition was accorded to plain orthodox teas, prices of which rose by 10 to 30 nP. Fannings were in good demand. Prices for medium Assam B.O.Ps and fannings rose significantly, but the best liquoring teas were about firm. The quotations (in rupees) per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings 6.50 to 7.00; medium Assam C.T.C. fannings 5.80 to 6.50; best Assam C.T.C. B.P. 6.50 to 6.80; medium Assam C.T.C. B.P. 5.80 to 6.50; clean plain pekoe 4.60 to 4.80; plain fannings 4.40 to 4.80, and plain B.P. 4.00 to 4.40.

JUTE GOODS HARDEN

(From Our Own Correspondent)

CALCUTTA, *6th November*

Stimulated by sustained buying against both consumption and speculative holding, hessian and sacking goods have hardened further in the past week. It must, however, be emphasised that prices are just equivalent to cost of production, though, in respect of hessian constructions, the profits are somewhat reasonable. It is essential that prices should be kept within reasonable limits. If the rising trend were to continue, it is apprehended, consumers both within the country and abroad would revive their search for substitutes, and bulk handling methods and paper bags would be at a decisive advantage. It is also significant that overseas consumers have been purchasing a greater quantity against ready or near delivery. In other words, they are refraining themselves from entering into forward commitments, as they desire to watch the price trend. Bull support has been freely accorded for delivery upto the middle of next year, leading to the rise in prices. But for a long time now, mills have been incurring losses in their output of heavy goods constructions and these losses are being good in hessian. A factor calling special attention is that, in recent months overseas interests have been showing much caution while entering into commitments.

This week's reasonable rise in prices of sacking goods was due to the Australian order for a substantial quantity earlier. This led to expectations that, with India involved in an undeclared war against the Chinese communists and the earlier setback in the international political situation following the Cuban episode and after, there would be a certain amount of stockpiling overseas. At the same time, there was an order placed by the Government of India for seven million sandbags, which, though it is small as compared with the output of mills, generated the feeling that more such orders were in the offing in view of the emergency. As these expectations, however, failed to materialise, a sagging tendency developed in the market during mid-week and the earlier gain in B. twills was completely lost. But as the week progressed, there was much covering demand in hessian and, in sympathy, sacking made good the mid-week recession.

It is realised in the market that, with the rejection of President Nasser's peace proposals, China is in no mood to vacate aggression unless thrown out by force. Naturally, as India's attempt to push back the Chinese gets momentum, Government orders for jute goods would significantly increase. There would be steady demand for all the sacking and hessian mills can produce, and thus the country's bumper jute crop would be put to full use. In hessian, support from U.S. buyers continued to be steady. This was not unexpected and it is usually at this time of year that replenishment in the U.S. takes place.

Such steady support for goods as accorded during this week has not affected fibre prices. Lower grades continue to be offered at below the minimum prices. With the increased need of the Government for wagons, movement of fibre from the agencies has received a serious setback, and this is why the rising trend in goods has not been reflected in fibre prices. Stocks are mounting up in the agencies, but the demand for higher grade fibre is not fully met. The tendency to mix lower grade fibre with good quality assortments is pronounced, and mills are finding it difficult to determine quality by colour only. This year's crop has increased the proportion of lower grades, and steps are essential to ensure that quality improves in the next season. The absence of adequate facilities for retting has been given by cultivators as the reason for the increase in the lower quality fibre this season.

Fibre arrivals in Calcutta and mills' stations in the three months up to September aggregated 1,207,595 bales (1,182,900 bales from India and 24,695 bales from Pakistan), representing an overall increase of 167,995 bales as compared with the corresponding period last year. While Indian arrivals increased by 220,200 bales, those from Pakistan decreased by 52,225 bales, indicating the diminishing dependence of Indian mills on Pakistan fibre. It should be noted that arrivals in September 1962 at 498,450 bales (489,800 bales from India and 8,650 bales from Pakistan) showed a total rise of 48,270 bales as compared with the revised figure for August 1962, but showed a fall of 30,650 bales as compared with the figure for September 1961, inasmuch as receipts from India increased by 5,950 bales and those from Pakistan fell by 36,600 bales. The increased nature of arrivals make no doubt of the bumper crop, and that explains the continued weakness in lower grade fibre prices. During the week under review, mills displayed limited interest. They are finding it difficult to find adequate storage space for fresh purchases. The quotations during the week were unchanged as follows: Daisee bottoms Rs. 32 a maund, Assam bottoms Rs. 30.00 and northern bottoms Rs. 29.50, all against November-December delivery.

The goods section opened steady on Tuesday last, and business was done in hessian for ready a well as near delivery. Forward business was extremely limited. Ready hessian 40″ 10 oz. improved from Rs. 55.00 to Rs. 55.65 and ready B. twills from Rs. 117.40 to Rs. 117.80. The higher prices were resisted by buyers and, as a result, B. twills eased to Rs. 116.25 and hessian 40″ 10 oz. to Rs. 55.60 on Wednesday. Soon, there were reports of Government interest in hessian and, on Thursday, hessian 40″ 10 oz. firmed up to Rs. 56.40. In sympathy, B. twills rose to Rs. 118.00. Covering business followed, but, though genuine business was limited, hessian 40″ 10 oz. gained to Rs. 57.60 and B. twills to Rs. 119.00. Over the week-end, conditions, stirred by the persistent buying in the futures market, turned fully steadier and ready hessian 40″ 10 oz. at Rs. 59.00 and ready B. twills at Rs. 121.15 added liberal gains. Overseas buying during the week as a whole was, however, limited, as the interests concerned were keenly observing the price trend and developments. The week-end's rise in price was purely speculative, and present conditions do not raise the hope that overseas buyers would follow the rise. Trading yesterday was generally quiet, as, apart from covering business for ready goods, there was nothing else significant. Hessian 40″ 10 oz. was steady at Rs. 59.10, with B. twills being slightly lower at Rs. 120.70.

TIN ADVANCES

(From Our Own Correspondent)

CALCUTTA, *6th November*

The announcement of the six-monthly import policy, once postponed till the end of last month to allow time for the Finance Minister to return to New Delhi from his visit abroad and to enable him to re-assess the foreign exchange resources in the light of aid promises made to him, has been delayed further, as it is believed that, in the light of the changed needs of imported equipment for Defence, the Government of India would be re-formulating the import policy. Against this background and the expectation of further curbs on imports, steady conditions were in evidence in the local metal market during the week under review. The spontaneous donations of gold and jewellery to the National Defence Fund and expectations of impressive subscriptions to the gold bonds, however, raise the expectation that sufficient foreign exchange would be made available, so that the country's economy would progress. Note was taken of the Prime Minister's declaration that the Plan would not be pruned and that the execution of the Plan was essential to push the enemy back. There was, therefore, the hope that the Government would be able to provide adequate foreign exchange for the import metals which are very essential for the industrial development planned. Apprehensions of shortage raised the price of utensil copper scrap from Rs. 546.00 to Rs. 549.25. On the London Metal Exchange, spot copper returned to £234 a ton, after the situation over Cuba cooled down. The 3 months' position opened at £233½ and, after being higher at £233¾, returned to £233½.

Some confusion would appear to have arisen over the levy of an excise duty of Rs. 100 per metric tonne of copper ingots, alloys, scrap and copper in any crude form. The imposition of the duty was announced on 24th April last in the new Finance Bill, and it was evident that stocks of copper ingots, etc., with consumers, manufacturers and other stockists as on that date would be treated as duty-free pre-excise stock. This recognition was, of course, accorded by excise authorities, but soon it was stated that the alloys manufactured from these duty-free ingots, etc. would attract a duty of Rs. 100 p.m.t., even if these alloys were meant for further processing, such as by extrusion, into finished products or semi-manufactures. It was further stated that the payment of Rs. 100 p.m.t. on copper alloys, including billets containing 50 per cent, or more copper, would be refunded on production and sale of excisable copper and copper alloy products made from these duty-paid copper alloys, which in turn had been manufactured from non-duty-paid copper ingots, etc.

Industry circles state that, since duty at the rate of Rs. 300 p.m.t. is being paid on copper and copper alloy products and no refund is claimed on sales of products made from non-duty-paid copper ingots, the insistence by the excise authorities on payment of a duty of Rs. 100 p.m.t. on copper alloys made from non-duty paid copper ingots, etc., would only increase paper work without bringing in more revenue to the Government. The point stressed is that excisable copper and copper alloy products made from non-duty-paid copper ingots, etc., attract a duty of Rs. 300 p.m.t. and to reduce this to Rs. 200 p.m.t. and charge the difference of Rs. 100 p.m.t. on the alloy or billet stage mean the same thing. A clarification on this point is urgently called for.

The L.M.E. price of cash copper remains unchanged at £234 a ton for several months now, and it has been claimed that this stabilisation has been due to recent production cutback in several mines. If European consumption remains at the present level, no further cutback would be necessary. In London, tin opened at £868 a ton and, after rising to £875, influenced by the rising trend in Singapore, closed at £870. Malayan concern of the present unsettled conditions in tin as a result of the U.S. releases has been represented to the U.S. Government. In Calcutta, apprehensions of shortage pushed the price from Rs. 2,620 per 100 kgs. to Rs. 2,660. Virgin lead was unchanged here at Rs. 141 per 100 kgs., while electrolytic zinc eased from Rs. 279 per 100 kgs. to Rs. 274. In London, zinc closed lower at £67 a ton, as against the opening of £67-3/8, while spot lead was unchanged at £53¼ a ton.

SUGAR DRIFTS LOWER

(From Our Own Correspondent)

HAPUR, *5th November*

Sugar prices here drifted lower this week on selling by factories due to the Government's order that the time limit for sale of sugar released under the quota for open sale would not be enhanced. Small business on *Divali* eve in *Moorat* trading at reduced rates was done on account of Punjab, Gujarat, Rajasthan, Saurashtra and M.P. But business later was again dull due to uncertain political situation following the Chinese invasion in the North and North-East. Mill delivery prices eased further. New production has commenced in some factories in the district. Week-end prices here were: Spot delivery Rs. 108 per bag of one quintal, mill delivery (per quintal) (D 29) Amroha Rs. 102.99, Dhampur Rs. 102.66, Seohara Rs. 102.18, Meerut Rs. 104.25, (E 29) Simbhauli Rs. 104.50, Bijnore Rs. 102.48 and Dhampur Rs. 102.32.

Sugar prices were depressed during the week also in the Muzaffarnagar market on poor buying support. Uncertain political situation and selling pressure by factories were the main depressing factors. In spot section, demand was slack after the *Divali* rush and prices eased up 25 nP to 75 nP per quintal in almost all sections.

Restricted demand coupled with beginning of arrivals of new produce in the markets accounted for an easier trend in *khandsari* prices during the week. Most of the crushers, however, still preferred to manufacture *gur*. Week-end prices here were: Non-crystal Rs. 92.43 to Rs. 99.13, crystal Rs. 92.43 to Rs. 97.79 and crystal Boora Rs. 107.17 to Rs. 108.51 a quintal.

Ready *gur* prices here sagged heavily by about Rs. 7 per quintal on pressure of arrivals which averaged about 5,000 maunds daily, as against 1,000 maunds at this time last year. Total arrivals of *gur* here during the current season so far were about 50,000 maunds as against 15,000 maunds during the same period last year. *Gur* arrivals are likely to fall now, as cane would be diverted to factories which had commenced their production season. Crushers were now purchasing cane at Re. 1.12 to Re. 1.25 a maund. For the 1962-63 sea-

son, the purchase price has been fixed by the Government at Re. 1.50 to Rs. 2.13 a maund according to quality. Week-end prices of *gur* here were: Superior Rs. 53.58 to Rs. 54.57, average Rs. 45.55 to Rs. 48.23. Demand for *gur* was fairly brisk at lower rates. The week's offtake aggregated 40 wagonloads mostly to Gujarat. *Gur* arrivals have also increased to an average of 3,000 maunds daily at Gulaothi and 2,500 maunds in the Siana mofussil markets. But, as arrivals were being lifted, there had yet been no stock building.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *5th November*

A quiet to easy trend was witnessed in foodgrain prices here this week. *Rabi* sowings were nearly complete, and first reports indicated that germination had been satisfactory. Demand for wheat and gram was slack.

While the average quality wheat was unchanged at Rs. 40.19 to Rs. 40.87 the farm quality eased by 67 nP a quintal to Rs. 43.54 to Rs. 45.55 a quintal. Red wheat was quoted between Rs. 37.51 and Rs. 38.18 a quintal. Arrivals were around 200 maunds a day, and stocks were around 48,000 maunds. Rice ruled depressed on increased arrivals of new produce. Prices declined by 67 nP to Re. 1.34 per quintal according to quality. Old stocks were reported to be small around 4,000 maunds. Week-end prices (in quintal) were: Rice *basmati* superior Rs. 80.38 to Rs. 96.45, *sela basmati* Rs. 75.02 to Rs. 80.38, mainpuri *sela* new Rs. 52.92, *ramajwayan* new Rs. 57.60, *raimunia* new Rs. 61.62 and *gadda* Rs. 50.24.

Gram eased slightly on slack demand. The Punjab quality was quoted at Rs. 43.54 and the local produce at Rs. 42.87. Arrivals were negligible and stocks were poor around 9,500 maunds. Maize attracted good demand and was quoted higher at Rs. 30.14 to Rs. 32.82 a quintal. Maize stocks were poor around 4,000 maunds. *Juwar* remained stationary at Rs 45.55 to Rs. 48.23, while *guwar* eased by Re. 1.34 per quintal to Rs. 34.83 to Rs. 37.51 per quintal. Barley and *bejhar* prices sought higher levels at Rs. 26.79 to Rs. 28.13 and Rs. 27.46 per quintal, respectively, due to poor stocks. Other grains were listless. Week-end prices were: *Methi* Rs. 61.62, *bajra* Rs. 37.51, maize old Rs. 26.79 to Rs. 28.13 and oats Rs. 32.15, a quintal.

In pulses, peas ruled steady on better outside demand, with dara quoting at Rs. 32.15, farm at Rs. 33.49 to Rs. 34.83 and peas *dal* at Rs. 36.17 a quintal. Arrivals were small and stocks declined to 38,000 maunds. The week's offtake was four wagons to the South. *Arhar* also ruled steady to be quoted at Rs. 57.60 a quintal. New *urd* prices drifted lower on increased arrivals from producing areas. *Moong* prices were almost stationary, while *massoor* prices sought lower levels in sympathy with *urd*. Week-end prices were: *Arhar dal* Rs. 69.66, *moong* Rs. 50.91 to Rs. 53.58, *moong dal* Rs. 58.94, *massoor* Rs. 50.91, *malka* Rs. 54.22, *massor dal* Rs. 58.94, *moth* Rs. 40.19, *moth dal* Rs. 48.23 and gram *dal* Rs. 49.57, a quintal.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *5th November*

The Madras hides and skins market remained firm in the kips section this week. Tanners were not keen to sell because of the enormous delay in the transport of their raw stock purchases in North India. Demand was good for standard marks in cow hides, but buyers were not willing to pay higher prices quoted by the tanners. Lower grade kips were steady. Cowcalf ruled firm due to smallness of stocks. Increased prices were paid by importers of buffcalf for small quantities, and sellers were reserved and cautious in view of the likelihood of delayed deliveries against contracts for shipments made earlier.

Trading in the tanned skin section was patchy. Buyers' resistance to price increases demanded by sellers was great, especially in superior tannages. Continental buyers were interested in secondary marks of goat skins and a few orders were booked. Prime sheep skins market was steady, but middle class weak.

In the German Auctions held last week, 35 per cent of the goat skins catalogued for sale were sold at about 6d. below the Madras levels; and only 10 per cent of sheep skins were cleared, which were mostly suitable for suede work.

Shipments (in bales) during October were: 1,310 of tanned cowhides, 143 of cowcalf, 10 of buff hides, 103 of buffcalf, 286 of goat skins and 193 of sheep to U.K. ports; 79 of cow hides, 15 of cowcalf, 9 of buffcalf, 620 of goat and 338 of sheep skins to Continental ports; 4 of cowcalf, 10 of buffs, 25 of buffcalf, 142 of goat and 2 of sheep to U.S.A. ports; 11 of goat and 63 of sheep skins to Japanese ports.

MARKET GOSSIP

(Concluded from page 799)

persons responsible for the economic and financial policy of each State, it is suggested, should meet each autumn under the auspices of the Commission to compare national income and State budget forecasts for the following year and discuss the effects of, and possible corrections to, their economic policies. It is further suggested that national delegates should meet to discuss and compare national wage policy, based on discussions among officials, employers and trade unions, in an attempt to achieve a more equitable share-out of the fruits of expansion. Meanwhile, the Commission has undertaken to draw up, by the middle of next year, the first combined programme aiming to make the fullest use of the Community's resources without inflationary tensions. It has also made new proposals envisaging a common policy governing company mergers, subsidies to industries, purchase tax, transport, social security, aid to less developed countries, capital movements and tariff cutting negotiations with the U.S. Included, too, is a recommendation for the removal of all tariffs and other obstacles to trade, as well as national tariff-free quotas, by the end of 1966, instead of 1969 as originally foreseen.

The proposals of the E.E.C. Commission are so far-reaching in character that they will doubtless be subjected to wide discussion in financial circles the world over. The implications of these proposals will have to be carefully examined to assess the exact impact on the world economic system. Commenting on the proposals, the London *Economist* says that they represent work for a myriad of Eurocrats and that they follow from the conviction that progress towards an economic union is at the same time progress towards political union.

Notices

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

DRAWING OF 5 PER CENT RUPEE DEBENTURE STOCK, 1970 FOR REDEMPTION

HOLDERS OF 5 PER CENT DEBENTURE Stock (Indian Issue) are hereby advised that a Drawing will be held on Tuesday, the 4th December, 1962, at 10.30 a.m.

Notice is hereby given that the Indian Debenture Register and the relative Transfer Books will be closed for a period of 11 days from 24th November to 4th December, 1962, both dates inclusive.

By Order of the Board,
H. C. BOWKER,
Agent.

VICTORIA HOUSE,
CALCUTTA, *1st November*, 1962.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

Registered Office:
11, Clive Row, CALCUTTA-1

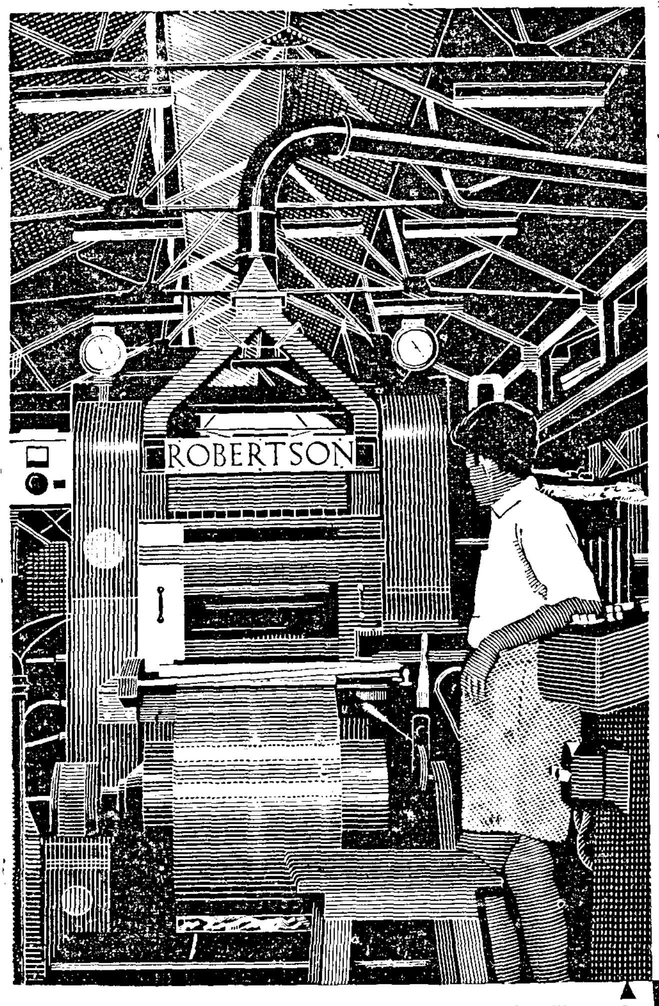
NOTICE

THE BOARD OF DIRECTORS HAVE DEclared an interim dividend of 0.50 nP per Ordinary Share subject to deduction of tax for the year ending 31st March 1963 and is payable to registered shareholders as on 30th November 1962.

The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd November, 1962 to 30th November 1962, both days inclusive.

By Order of the Board,
For NEW CENTRAL JUTE MILLS CO. LTD.,
G. S. MAHESHWARI,
Secretary.

Dated, CALCUTTA,
the 31st October, 1962.



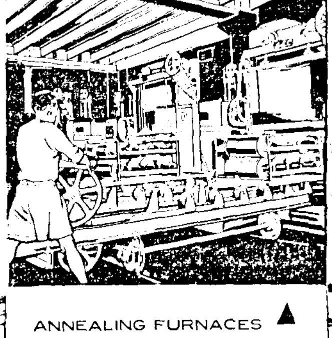
ROLLING OF FOIL

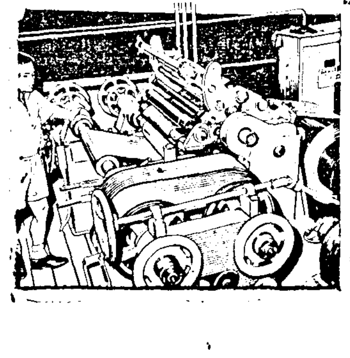
The making and shaping of aluminium foil is an extremely skilled process. It calls for rigid control in rolling to gauge. Special techniques in applying scientifically formulated coatings. Skill and know-how when mounting foil on carefully selected substrates. Machine techniques, and material and production quality control demand the highest order of technical knowledge and experience—the kind of experience that India Foils have acquired in 60 years.

The first step in foil manufacture is the cold-rolling of .45 mm gauge aluminium foil stock. Each pass reduces the gauge of the foil by approximately fifty percent.

India Foils Limited
(Incorporated in Great Britain)
CALCUTTA BOMBAY MADRAS NEW DELHI

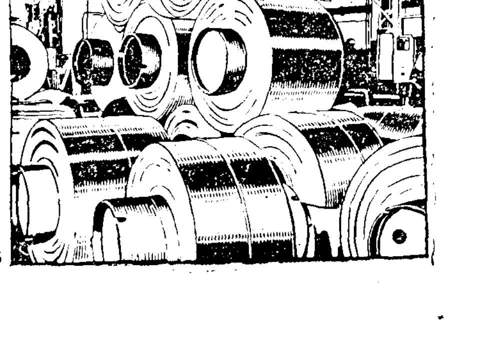
OPENING THE WEB
Often lighter gauge foil is rolled as a double web. Here the double web is being separated into two single webs each .006 mm in thickness, revealing the shiny and mat surfaces.





ANNEALING FURNACES
Annealing restores the molecular pattern rendering the foil dead soft and leaving the surface spotlessly clean and organically inert.

Foil reels rolled to the required gauge awaiting further processing.



IFOC-35

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 2nd Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	49,94,53,000
(ii) State Governments	10,07,89,000
(b) Banks—	
(i) Scheduled Banks	72,38,25,000
(ii) State Co-operative Banks	1,71,71,000
(iii) Other Banks	3,11,000
(c) Others	160,15,10,000
Bills Payable	30,13,29,000
Other Liabilities	30,14,53,000
Rupees	507,58,41,000

ASSETS	Rs.
Notes	21,48,35,000
Rupee Coin	5,28,000
Small Coin	3,26,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,98,87,000
(ii) State Co-operative Banks	11,62,69,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	96,05,00,000
Balances Held Abroad*	5,53,65,000
Loans and Advances to Governments**	16,53,94,000
Loans and Advances to—	
(i) Scheduled Banks†	5,97,40,000
(ii) State Co-operative Banks‡	133,08,58,000
(iii) Others	1,21,07,000
Investments	159,79,83,000
Other Assets	29,35,61,000
Rupees	507,58,41,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 4,19,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,48,35,000	
Notes in circulation	2063,79,29,000	
Total Notes issued		2085,27,64,000
Total Liabilities		2085,27,64,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		121,14,01,000
Government of India Rupee Securities		1758,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2085,27,64,000

State Bank of Pakistan

Statement of Affairs for the week ended 26th October, 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	5,07,64,000
(b) Provincial Governments	16,57,52,000
(c) Banks	21,31,14,000
(d) Others	102,26,07,000
Bills Payable	69,88,000
Other Liabilities	13,37,79,000
Rupees	170,45,04,000

ASSETS	Rs.
Notes	14,03,39,000
Rupee Coin	16,000
Subsidiary Coin	15,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	21,31,46,000
Loans and Advances to Governments	24,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	38,33,73,000
Investments	85,96,98,000
Other Assets	10,55,17,000
Rupees	170,45,04,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,03,39,000	
Notes in circulation	359,93,34,000	
Total Notes issued		373,96,73,000
Total Liabilities	....	373,96,73,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	60,51,57,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		128,53,65,000
[illegible]pee Coin	3,69,85,000	
B. [illegible]ernment of Pakistan Go[illegible]curities	235,83,17,000	
[illegible]nal bills of exchange [illegible]nted other commercial [illegible]aper	....	
		239,53,02,000
II. Held with [illegible]nding transfer to the Reserve Bank of India pe[illegible] Pakistan [illegible] and Bullion	19,02,000	
Gold Co[illegible] Securities	4,40,63,000	
Sterling [illegible]ent of India Governm[illegible]es	1,00,90,000	
Securit[illegible]	29,51,000	
Rupee Co[illegible]		5,90,06,000
[illegible]otal Assets	....	373,96,73,000

Ratio of gold co[illegible] in and bullion, silver bullion and approved foreign exchange to to[illegible]al notes issued : 35.87 per cent.

State Bank of India

Statement of Affairs for the week ended 2nd Nov., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		576,96,33,000
Borrowings from Other Banking Companies, Agents, etc.		49,59,000
Bills Payable		12,07,58,000
Bills for Collection being Bills receivable as per contra		2,75,32,000
Acceptances, Endorsements and Other Obligations per contra		8,64,83,000
Other Liabilities (including Inter-Office Adjustments)		18,59,47,000
Total .. Rs.		633,35,53,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,88,58,000
Balances with other Banks		2,90,13,000
Money at Call and Short Notice		2,46,67,000
INVESTMENTS—		
Government and other Trustee Securities	285,43,86,000	
Other Authorised Investments	10,41,30,000	
		295,85,16,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	255,24,54,000	
Bills Discounted and Purchased	15,41,41,000	
		270,65,95,000
Bills Receivable being Bills for Collection as per contra		2,75,32,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,64,83,000
Premises less Depreciation		1,98,21,000
Furniture and Fixtures less Depreciation		1,63,71,000
Other Assets (including Inter-Office Adjustments)		31,56,97,000
Total .. Rs.		633,35,53,000

EXCHANGE RATES

	7th November 1962	31st October 1962
London on New York $ per Dollar	2.8014–2.8017	2.8009–2.8011
New York on London Cents per £	280.120–280.150	280.080–280.120
London on Paris .. Fcs.	13.7265–13.7285	13.7240–13.7260
London on Berne .. Sw. Fcs.	12.0890–12.0910	12.0880–12.0900
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1–5 31/32	1–5 31/32
Sellers T.T. D.D. upto six months .. s.	1–5 15/16	1–5 15/16
Buyers T.T. .. s.	1–5 1/32	1–5 1/32
Buyers D.D. .. s.	1–5 1/16	1–5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	446.50	446.50
Buyers T.T. „	438.50	438.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. „	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... „	90.20	90.20
Buyers T.T. „	91.20	91.20
Deutsche Marks—		
Sellers T.T. D.D... „	83.90	83.80
Buyers T.T. „	84.80	84.80
Italian Lire—		
Sellers T.T. D.D... „	12,955	12,955
Buyers T.T. „	13,135	13,130
Swedish Kroner—		
Sellers T.T. D.D... „	107.80	107.70
Buyers T.T. „	108.90	108.80
Belgian Francs—		
Sellers T.T. D.D... „	1,037	1,037
Buyers T.T. „	1,053	1,054
Dutch Guilders—		
Sellers T.T. D.D... „	75.40	75.40
Buyers T.T. „	76.30	76.30
Hongkong Dollars—		
Sellers T.T. D.D... „	119.60	119.60
Buyers T.T. „	120.60	120.60
Norwegian Kroner—		
Sellers T.T. D.D... „	149.60	149.60
Buyers T.T. „	150.90	151.00
Danish Kroner—		
Sellers T.T. D.D... „	144.70	144.70
Buyers T.T. „	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 26-10-62	19-10-62	27-10-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	45,20	47,04	46,82
(ii) From others	801,94	814,00	732,49
(b) Borrowings from banks	19,77	18,20	20,73
(c) Others	54,70	54,08	54,20
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,65	24,70	18,46
(ii) From others	1,245,00	1,243,39	1,078,27
(b) Borrowings from banks	16,50	14,96	20,36
(c) Others	16,73	10,89	23,93
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,046,94	2,057,38	1,810,76
4. Borrowings from Reserve Bank	9,08	1,76	6,49
(a) Against usance bills and/or promissory notes	7,39	90	2,51
(b) Others	1,69	86	3,98
5. Borrowings from State Bank and/or a notified Bank	20,76	22,62	18,77
6. Cash	49,94	52,69	49,97
7. Balances with Reserve Bank	77,76	84,53	81,65
8. Cash and balances with Reserve Bank	127,70	137,23	131,62
9. 8 as per cent of 3	6.24	6.67	7.27
10. Balance with other banks in current account	17,59	18,53	15,78
11. Money at call and short notice	54,60	48,16	46,90
12. Investments in Government securities	711,16	697,13	625,57
13. 12 as per cent of 3	34.74	33,88	34.55
14. Advances—			
(a) Loans, cash credits and overdrafts	1,174,27	1,169,14	1,039,46
(b) Due from banks	8,92	8.19	10,01
15. Inland bills purchased and discounted	159,11	157,17	138,32
16. Foreign bills purchased and discounted	51,38	49.40	46,24
17. Total Bank Credit [14 (a)+15+16]	1,384,76	1,375,70	1,224,03
18. 17 as per cent of 3	67.65	66.87	67.60

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 27th Oct., 1962P	20th Oct., 1962	29th Sept. 1962	28th Oct., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.2	100.3	100.4	101.1
2. Government of India	100.0	100.1	100.2	101.0
3. State Government	102.0	102.0	102.0	102.1
4. Municipal, Port Trust, etc.	98.9	99.0	99.0	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	98.6	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.4	81.7	81.4	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	174.4	179.7	180.4	182.0
8. *Agriculture and Allied Activities: Total**	149.6	151.3	152.6	162.0
9. Tea Plantations	141.4	143.3	144.0	154.5
10. Coffee Plantations	145.0	146.3	146.9	166.7
11. Rubber Plantations	163.4	163.5	168.0	170.4
12. *Mining and Quarrying: Total*	151.6	161.2	158.5	161.3
13. Coal	116.7	120.2	121.5	118.4
14. Other Mining	175.4	189.8	183.9	190.7
15. *Processing and Manufacturing: Total*	188.1	194.7	195.9	196.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	195.1	201.4	203.5	207.9
17. Sugar	133.0	136.1	136.6	157.8
18. Cotton Textiles	175.2	179.6	180.6	183.8
19. Jute Textiles	97.0	99.7	102.4	87.7
20. Silk and Woollen	1,014.4	1,078.7	1,104.5	1,172.4
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	190.5	198.8	198.1	197.7
22. Iron and Steel	148.9	156.4	154.1	157.1
23. Transport Equipment	349.3	367.8	360.7	392.8
24. Electrical Machinery	162.2	172.7	182.3	162.2
25. Machinery other than Transport and Electrical	222.0	231.0	231.5	214.0
26. Basic Industrial Chemicals	179.7	182.0	183.2	203.4
27. *Processing and Mfg. (Others): Total**	162.4	166.8	168.5	161.6
28. Cement	150.9	155.4	157.7	148.7
29. Paper	207.7	213.0	212.5	205.4
30. *Other Industries: Total**	109.0	110.6	110.7	111.4
31. Electricity Generation and Supply	86.8	87.9	87.3	85.6
32. Trading	111.9	114.5	116.6	120.4
33. Shipping and Other Transport	89.8	91.6	89.5	92.8
34. Construction	257.9	263.4	272.0	295.8
35. *Financial: Total*	205.7	205.8	205.7	205.8
36. Banks	230.2	230.0	229.8	232.8
37. Insurance	163.9	165.0	165.0	154.1
38. Investment Trusts	89.4	89.7	89.7	89.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	178.9	186.5	186.2	189.7
40. Calcutta	164.5	167.9	169.3	166.7
41. Madras	187.7	189.8	191.2	199.8
42. Delhi	225.7	235.1	231.2	240.9

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	13th Oct., 1962	6th Oct., 1962	14th Oct., 1961	August 1962	August 1961	Percentage of Increase (+) or Decrease (—) in Aug., 1962 as compared with Aug., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	128.5	128.6	121.1	131.5	124.3	+ 5.8	120.1	120.0
Cereals	192	108.4	108.5	103.0	109.5	105.0	+ 4.3	102.8	104.4
Pulses	43	114.2	112.7	90.0	113.0	90.6	+24.7	91.9	92.9
Fruits and Vegetables	23	124.0	127.4 R	143.1	146.5	164.0	—11.0	137.6	118.5
Milk and Ghee	84	123.4	124.5	121.2	133.0	116.4	+14.5	116.4	116.0
Edible Oils	47	158.0	155.8	146.0	159.4	159.0	+ 0.3	156.5	150.3 R
Fish, Eggs and Meat	17	151.4	151.9 R	135.6	149.1	141.6	+ 5.3	135.4	123.5
Sugar and *Gur*	48	155.6	156.6	115.9*	151.2	124.6	+21.3	119.6	132.8
Others	50	167.0*	166.7*	182.9	171.0	183.4	— 6.8	171.6	167.8
Liquor and Tobacco	21	100.0	100.0	99.5	99.2	99.9	— 0.7	100.3	109.9 R
Tobacco	..	96.5	96.5	96.0	95.7	96.4	— 0.7	96.8	108.3 R
Fuel, Power, Light and Lubricants	30	124.7	124.7 R	121.8	124.5	122.3	+ 1.8	122.1	120.0 R
Industrial Raw Materials	155	138.6	138.9 R	137.0	139.6	144.6	— 3.5	142.6	145.4
Fibres	61	129.1	129.4 R	129.0	128.6	137.7	— 6.6	138.3	151.6
Oilseeds	60	157.1	157.7	150.9	160.4	162.7	— 1.4	156.4	149.9
Minerals	2	93.4*	93.4*	94.8*	93.4	94.9	— 1.6	94.9	97.4
Others	32	125.0*	124.6* R	128.7*	124.7	126.9	— 1.7	128.1	128.0
Manufactures	290	129.4	128.9	126.6	129.0	126.3	+ 2.1	126.6	123.9
Intermediate Products	41	143.5	142.9	140.3	143.1	140.9	+ 1.6	138.8	130.6 R
Finished Products	249	127.1	126.6	124.4	126.7	123.9	+ 2.3	124.6	122.8
Textiles	147	125.6	124.8	125.0	125.3	124.8	+ 0.4	125.5	125.8
Cotton	..	129.7*	128.9*	128.2*	129.3	127.5	+ 1.4	127.9	128.1
Jute	..	110.0*	109.4*	120.1	111.1	121.1	— 8.3	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	134.9*	133.4*	118.6*	131.3	118.0	+11.3	119.9	104.4
Metal Products	12	161.0	161.0	151.6	160.8	151.6	+ 6.1	151.6	147.9 R
Chemicals	20	116.5	116.5	111.5	115.0	111.6	+ 3.0	110.7	104.4
Oil Cakes	9	167.4*	165.3	144.0	163.9	146.0	+12.3	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7	116.2	117.9	112.8	+ 4.5	114.5	111.9
Others	30	125.1	125.1	121.3	125.3	120.9	+ 3.6	121.3	116.1 R
All Commodities	1,000	129.6	126.6	124.7	131.1	127.5	+ 2.8	125.1	124.9 R

Note:— Weight shown against the sub-groups und[illegible] each of the groups are those assigned to the respective sub-group to arrive at that[illegible]

PERSPECTIVES ON SINO-SOVIET FOREIGN TRADE

(*Concluded from page 828*)

Domestic shortages explain the increasing public resentment against expensive foreign aid programmes which has been noted by travellers to the Soviet bloc. As promises of better living standards at home remain largely unfulfilled, the resentment occasionally erupts into the open. This is what happened last year, for example, when Russian dock workers in the port city of Odessa staged a protest strike against loading scarce butter destined for Cuba. The strike was quickly put down, but not until assurances of relief were given to the workers. Resentment at a higher level was expressed in 1959 by V. Ye. Dymshits, newly appointed Chairman of Gosplan, the highest Soviet planning authority. Formerly Chief Engineer of a Soviet-built steel plant in India, Dymshits alluded to the foreign aid problem at a Central Committee meeting: "Comrades Brezhnev and Mikoyan occupied themselves with the delivery to India of electrical equipment from Kharkov and Zaporozhya. It was beautiful equipment, simply wonderful.... And then I came home and asked, 'Is such equipment going to our own plants?' It is not. Why does this happen?"

In Poland, where the Press is less severely controlled than in the other Communist countries, the problem of foreign aid has been discussed openly in the weekly publication *Zycie Gospodarsze* (Economic Life). Said a writer in that publication: "It is an open question whether, in our position, the granting of major credits to underdeveloped countries is not too much of a burden to us. Granting a credit abroad always means a temporary freezing of assets which could otherwise be used for improving our internal economic potential." Referring to Poland's business transactions with Latin America, he concluded: "Even if, let us say, the exchange of ships for coffee might be worthwhile to a certain degree, an excessive expansion of such transactions might perhaps benefit our blood pressure but less so our country's economic situation."

With insufficient goods for domestic consumption, the people of the Communist countries in the past have paid the price for their Governments' politically-inspired foreign aid and trade programme. As internal pressures multiply and resentment grows, these Governments must increasingly balance the price they are exacting domestically against the hoped-for political benefits abroad. Meanwhile, the domestic resentment and the chronic disequilibrium between the civilian and military sectors of the bloc economy help explain the widespread complaints abroad regarding the overall quality and reliability of Sino-Soviet foreign economic programmes.

CHINA'S POSITION IN PETROLEUM

(*Concluded from page 812*)

Russian products to China, totalling 2.9 million tons, were valued 108.6 million New Roubles f.o.b. (2.52 N.R.=£1), representing almost exactly one-third of the value of Russia's total exports to China, of 330.6 million N.R. Incidentally, China's own exports to the U.S.S.R., totalling 496.3 million N.R., were last year considerably in excess of her imports, probably owing to the repayment, in goods, of former loans. Altogether, the import-export trade with Russia is said to have accounted last year for 38 per cent of China's total trade with all foreign countries.

Most of the oil delivered from the U.S.S.R. is sent either overland from the Ural/Volga region via Irkutsk in Eastern Siberia, where a new refinery is working, or by tanker from near-by Sakhalin. The overland deliveries to Irkutsk and beyond still go by the Trans-Siberian railway, the completion of the 2,300 mile crude oil pipeline from Tuymazy in the Urals to Irkutsk having been delayed. Relatively small quantities of Russian oil (198,000 tons) were sent last year to China via Suez, which, of course, is also the route of the smaller shipments from Rumania and Albania.

Inland consumption of petroleum products in China in 1960 was previously estimated in these columns at around 8 million tons or an average of 3 Imperial gallons per head and statistics prepared by the Secretariat of the United Nations' Economic Commission for Asia and the Far East for the recent Symposium in Teheran show an identical estimate. Consumption per head is among the lowest in the world, and demand in 1962 will, if anything, be even lower than in 1960. But this basis of comparison can be misleading. The economy is geared to a low use of petroleum products, and it is worth recalling that she is now using yearly about seven times as much oil as she was before World War II, a higher multiplier than can be applied to some other countries. China has, of course, immense coal resources which can be produced with less investment than is involved in the search and development of oil; production was assessed at 425 million tons for 1960, which was somewhat higher than the output in the U.S.A. The use of fuel oil for electricity production in Shanghai has ceased in recent years in favour of coal.

The fact remains, however, that a modernising economy needs a far greater permeation of oil use than now exists in China if any noteworthy economic advance is to be made in the face of a rising population. There is no doubt that the Government will want to foster some uses of oil products, notably in agriculture, as far as this can be done under the present strained conditions. In the whole of China, there are not more than about 80,000 farm tractors in use, but the output of tractors in Chinese factories is stated to have reached the equivalent of 40,000 15-h.p. units (probably rather less in terms of actual physical units) in 1961. Nevertheless, the point is being stressed in official pronouncements that agriculture in China will continue to depend primarily on draught animals for a long time to come. China also has a small motor vehicle industry whose latest output figure was 19,360 vehicles of all kinds in 1959. The dearth of motor roads, a wide if thin railway network, and the intensive use of cheap water transport, make it most unlikely that road transport will get any high priority in the new order of things. In this, it seems inevitable that the example of the U.S.S.R., with its very low development of road transport, will have to be followed.

Even so, the aim to become entirely independent of any foreign oil supplies by 1967 is an ambitious one, in view of the dire necessities in other sectors of the economy. It means that both crude oil production and refining capacity will have to be raised by 50 per cent to around nine million tons annually within the next five years and transport facilities raised in greater or lesser degree, even if consumption did not go up over this period. To the extent that it did rise, then expansion would have to be even faster. With proved reserves of natural crude estimated, some time ago, at 200 million tons, higher output is technically feasible, and there is much potential oil territory to explore. But it will certainly not be easy to create, unaided, within a relatively short period of time all the necessary facilities to these ends, even giving full credit for traditional Chinese resourcefulness.—*By arrangement with Petroleum Press Service.*

SUGAR

(*Concluded from page 814*)

authorised the Government to amend the provisions of the Sugarcane (Control) Order relating to additional payments to cane growers prospectively and retrospectively. The changes actually made by the Government in the formula for making additional payments to cane growers for the aforesaid four seasons have now been notified in a *Gazette Extraordinary*, *vide* the one dated 1st November 1962. The three principal changes effected are:

1. The schedule of costs given by the Tariff Commission in its report of 1959 has been used for purposes of determining the ratio which the cost of sugarcane bears to the cost of sugar (excluding taxes). There is a provision for the costs to be brought up-to-date.

2. Three-fourths of the amount earned by sugar mills by way of rebate of excise duty for their production during the 1959-60 and 1960-61 seasons will be taken into account for determining the additional price to be paid to cane growers. This amount will, however, be shareable in the same manner as other receipts.

3. An allowance for the purposes of rehabilitation has been made admissible to such factories as may have actually spent a certain amount on rehabilitation or transferred such amounts as reserve to a special rehabilitation account during the year.

The *Gazette* notification does not contain any reference to the machinery required to determine the amount which may become due to cane growers from the sugar mills in the various parts of the country. The Government says that such a machinery will be set up shortly. It is intended to complete this process as soon as possible, though it would involve the scrutiny of accounts and other data, pertaining to the period of four years, of all factories.

The sugar price linking formula, as readers are already aware, has ceased to be in operation since the commencement of the current season on the 1st inst. The cane prices are now linked to both the recovery per cent and the quantity as such in accordance with the new formula. The price per maund of cane under the formula varies from the minimum of Re. 1.50 for cane with sucrose-content of 9 per cent to a maximum of Rs. 2.13 for cane with sucrose-content of 10.14 per cent and above. The sugar mills are no longer liable to pay to cane growers a share in the price of sugar realised by them in excess of what is regarded by the Government as the fair ex-mill prices.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the period from 1st to 5th November 1962.

	Closing Quotations 1-11-1962	High	Low	Closing quotations 24-5-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.05	2.04	1.98	2 00
Baroda Rayon (100)	118 50	118 00	111.00	111 00
Bombay Dyeing (25)	60 50	60.10	58.80	58 90
Bradbury (50)	155.00	—	—	155 00
Central India (100)	99 50	100 00	95.00	95 00
Century Mills (100)	567 00xd	567.00	558.00	558 00
Coorla Sp. (100)	150 00	—	—	150 00
Dawn (50)	142 00	139.50	138.00	139.50
Edward Textile (200)	225.00	—	—	225.00
Elphinstone (50)	98 00	96 00	93.00	93.00
Finlay (100)	298 00	298.00	295.00	295.00
Gokak (100)	179 00	178.00	174.00	175 50
Gold Mohur (100)	225 00	225.00	220.00	222 50
Gwalior Rayon (10)	45 00	45 00	40 50	40 50
Ind. Untd. Defd. (1)	3 28	3 32	3 00	3 06
Ind. Untd. Ord. (10)	25 75	26 25	25.00	25 00
Indian Rayon (100)	85 00	84 50	81 50	84 50
Indore Malwa (100)	198 00	198 00	195 00	195.00
Khatau (100)	390 00xd	380 00	350 00	350 00
Kohinoor (100)	278 00	275 00	268.00	268 00
Mafatlal (100)	721 25	721.25	675.00	675.00
Minerva Mills (100)	71 50	—	—	71.50
Model Nagpur (250)	116 25	—	—	116 25
Morarji (100)	470 00	490.00	468 00	492 00
Mysore (50)	56 50xd	58.00	54.00	54 00
National Rayon (100)	450 00	427.00	410.00	412 00
New City (100)	142 50	—	—	142 50
New Great (100)	270 00	—	—	270 00
Phoenix (100)	207 00	207 00	200.00	200 00
Podar Mills (100)	115 00	114.00	113.00	114.00
Raymond Woollen (100)	127 00	—	—	127.00
Sassoon Silk (10)	14 00	—	—	14.00
Sassoon Spg. (10)	48 75	—	—	48 75
Shrinivas (100)	240 00	238 00	231.00	231 00
Simplex (50)	152 00	—	—	152 00
Standard (100)	795 00	794.00	755 00	755 00
Svadeshi (100)	239 50	239 00	231 00	231 00
Swan (100)	257 50	257.50	245 00	245 00
S. I. Viscose (100)	140 00	138 00	132.00	132 00
Tata Mills (25)	53 50	53.00	51.00	51 00
Lakshmi-Vishnu (100)	110 00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	111 00	110 50	110 00	110 00
Do. (New) (50)	114 0	113.00	112 00	113 00
Bank of Baroda (50)	94 50	93 50	91 50	91 50
Central (25)	60 50	60.70	59 50	59 50
Central 'A' (25)	62 00	61 00	60 00	60 00
Dena Bank (50)	67 00	—	—	67 00
Punjab National (10)	19 88	19 88	19.52	19 52
Union Bank (5)	6.32	6 24	6.20	6 24
United Com. (50)	76 00	75.00	73.00	73.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	91 00	90.50	88.80	89 50
Amalgamated (10)	10 20	—	—	10.08
Andhra Valley (1,000)	1,025.00	1,010.00	1,003.75	1,005.00
Bom. Sub. El. (100)	104 00	—	—	104.00
Surat (100)	101 00	—	—	98.00
Tata Hydro (100)	109 00	—	—	104 00
Tata Power (1,000)	1,108.75	1,100.00	1,105.00	1,005.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62 00	—	—	62.00
New India (15)	62 00	—	—	62 00
New India 'A' (15)	63.00	—	—	63.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	23.28	23 32	22.84	22 84
Mukand Iron (10)	19.24	19 16	18.76	18 76
Tata Steel Ord. (75)	121.50xd	122.25	120.00	120 00
SUGAR COS.				
Belapur (50)	213.00	210.00	205.00	205.00
Bhopal (10)	20.00	—	—	20 00
Chandeo (12.50)	27 75	—	—	27.75
Maharashtra (50)	142 50	144.00	142.00	144 00
Phaltan (50)	83 00	85.00	82.50	83.50
Walchand Ind. (100)	140.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	147.50	147.50	145.50	146 25
Digvijay (100)	159.00	159 00	157.75	158.00
Orissa (10)	15.40	15.24	15.00	15.24
MISCELLANEOUS				
Alcock Ashdown (100)	295.00	297 00	288 00	288 00
Amar Dye-Chem (100)	205 00	200 00	195.00	196 25
Bom. Burmah (125)	602 00	603 00	590 00	590 00
Do. (New) (50)	246 25	247 50	242.50	242 50
Br. B. Petrol (14 sh.)	2.92	3.18	2.52	2 52
Br. I. Corpo. (5)	9 00	—	—	9 00
Coops Eng. (100)	124.00	123 50	122.50	123 00
Colour Chem. (100)	335.00	335.00	316.25	316 25
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	42 50	42.25	41.50	41.50
Hindustan Motors (10)	16.40	16.40	15.00	15.00
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	385 00	383.75	320.00	320 00
Indian Copper (2 sh.)	4 32	4.28	3.96	4 00
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	84.50	—	—	84.50
Larsen & Toubro (10)	23.00	22.76	20.48	20.48
Mahindra & Mahindra (10)	17.54	17.12	16.76	17.00
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	140.00	140.00	128.75	128.75
Poison (100)	191.00	—	—	191 00
Pre. Automobiles (100)	96.00	98 00	92.00	92 00
Premier Con. (80)	121.00	120.50	115.00	116.00
Scindia (20)	11.28	11 28	10 92	10 92
G. E. Shipping (10)	11.92	12 12	11.92	12 12
Shivajirao (10)	24.50	25.00	21.52	21.52
Sirpur Paper (10)	11.56	11.12	10.80	10 80
Synthetics and Chem. (100)	151 00	152 00	138.00	138.00
Tata Chemicals (10)	12.76	12.72	11.80	11.80
Tata Locomotive (100)	269 00	268.00	251.00	251 00
Tata (25)	51.00	52.00	50.00	50.00
Texmaco (10)	20 76	20.00	19.76	19 76
Voltas (100)	237.50	236.00	223 00	228.00
W. I. Match (100)	256.50	255.50	250 00	250.00
W. Coast Paper (100)	140.00	139.00	135.00	137.00

GOVERNMENT SECURITIES	1-11-1962	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	7-11-1962
	Rs.			Rs.
2½% 1962	100.00	—	2.75	99.80
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.85	—	3.55	98.90
3% 1963-65	99.05	3.84	3.32	99 00
3% 1966-68	96.90	3.84	3.98	96.85
3% 1970-75 Irt. Dev.	88.00	4.68	4.12	88.75
3% 1986 Con. Loan.	65.00	—	4.69*	64.00
3½% 1964 N. P. Loan	99 95	—	3.55	99 90
3½% 1965 N. P. Bonds	99 75	—	3 60	99 75
3½% 1967 N. P. Bonds	98.65	—	3.88	98.55
3½% 1974	98 50	—	3 94	98 25
3½% 1987 N.P. Bonds	99 70	—	3.81	99 70
3½% 1969 Loan	97.65	—	3.90	97 60
3½% 1968	98.30	—	3.84	98 25
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.87	99 35
4% 1972 Loan	99.35	—	4.10	99 30
4% 1973 Loan	99.30	—	4.10	99 20
4% 1979 Loan	98.55	—	4.13	98 50
3½% 1966 Bonds	99.70	—	3.60	99 65
4% 1980 Loan	98.55	—	4.13	98 10
4% 1981 Loan	98.65	—	4.12	98.50
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right
CR.—Cum Right. cd—Cum-dividend

COMMERCE

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

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HOLDING THE PRICE LINE

EVER since the massive invasion by China about a month ago, the Government of India has been quite alive to the necessity of keeping prices under check. The strategy to be followed was outlined by Mr. Gulzarilal Nanda in a statement to Parliament early this week, supplemented by Mr. S. K. Patil in a broadcast to the public on Monday. Broadly speaking, the plan is to rely mostly on the voluntary co-operation of producers, distributors and consumers and on official controls only to the minimum. This is a realistic approach, for no amount of controls by the Government can serve the purpose effectively in a vast country like India with a population of nearly 440 million, 70 per cent of which lives in rural areas, if public co-operation is lacking. All sections of businessmen have expressed their readiness to work in concert with the Government and agreed not to raise the prices. They have also given an undertaking to form vigilance committees and accept lower profit-margins. The Government spokesmen in charge of food and clothing have already had talks with the representatives of businessmen concerned. In the last four weeks, prices of foodgrains, *gur* and fruits, as well as of vegetables, have receded. The index number of wholesale prices for all commodities is well below the highest level witnessed in September last. This was, of course, expected, because, with the new crops coming in for marketing, the upward trend was bound to be reversed. It is, however, significant that the Chinese invasion and the prospect of a prolonged war have not prevented the earlier expectation from materialising. This development suggests that, so far, the mercantile community has not tried to exploit the national emergency and that the public has not yielded to panic. It is to be hoped that this will not prove to be a temporary phase born of the patriotic upsurge whipped up by China's perfidy and that, on the contrary, the national sense of responsibility will firmly prevail as long as the emergency lasts.

Under the Defence of India Rules, the Government has enough powers to introduce price and physical controls. It has also a fairly good idea of the machinery to be set in motion for holding the price line in case voluntary efforts and restraints fail to work. It is, however, up to the business community and consumers to see that the necessity for doing so does not arise. If consumers refrain from hoarding the necessaries of life and if traders do not hold back stocks, avoid the temptation of buying their supplies from producers at prices in excess of those indicated as fair and work on a slightly reduced profit-margin, there need not be any rise at all in prices. Everyone in this country will do well to realise that enforcement of controls by the Government will cost a lot of money, that such expenditure is unproductive and that, in order to finance it, money will have to be either created or collected from the people by way of additional taxes. Whichever way the money is found, it will be a heavy burden on the people, a burden that can be avoided, if businessmen and consumers are determined to play fair. Just imagine the amount of paper work that would be involved if licensing were to be introduced. All that paper and ink, let alone the man-hours, can be more profitably used in the cause of educating the millions of children that are added to our population every year. We have no doubt that, in this hour of peril, the people of this country will give their wholehearted co-operation, if the wasteful implications of controls are properly dinned into their ears.

It will, however, be naive to presume that none will try to take undue advantage of the situation in which supplies may be scarce and the purchasing power plentiful. Realising this weakness in our society, the Government has made provision for increasing the fair-price shops and consumer co-operative stores. While this precaution is not unnecessary, care must be taken to see that the broadening of this distributive channel does not mean reduced supplies to the retail shops that already exist. Further, country-wide publicity must be given to what is considered as fair prices, especially of prices of consumer essentials. The suggestions made by the Committee on Fair Trading Practices of the Board of Trade on this subject are quite pertinent. Mr. Shriyans Prasad Jain, who is the Chairman of the Committee, deserves to be complimented for the vigorous initiative taken by him for rousing the business community to the realities of the situation and its sense of duty to the country. The Committee has recommended the adoption of a code of fair trading practices by all chambers of commerce, manufacturers, export promotion councils and commodity boards. This code should become part and parcel of their by-laws, or rules and regulations. The Committee has also suggested the fixation of fair prices for a large variety of consumer goods, including conventional necessities and durables, and their display through price-tagging, price-stamping, advertising and notice boards in every shop. Nothing but good can come by faithfully implementing these suggestions. The selection of a large list of goods for fair-price fixation reflects the realisation on the part of the Committee that, to hold the price line and cost of living, it is not enough to take care of food articles alone but also of other goods such as footwear, electric fans, sewing machines, cycles, drugs, pharmaceuticals, soaps, electric lamps, storage batteries, paints and varnishes, clocks and watches, and kerosene oil. If the prices of these consumer goods also can be firmly held, inflation will be well under control. This suggestion must be fully and honestly tried before it is condemned as impracticable.

The success of voluntary price control depends, to a very large extent, on the vigilance and determination of consumers. Every consumer must take the trouble of finding out the fair prices of goods that he wishes to buy and resist the temptation to pay a higher price. Equally important is the need for forming vigilance committees to protect the interests of consumers. There should be a committee for every compact area of consumers. It should be easily accessible to all consumers and it should take the trouble of verifying and redressing their complaints. The business community should, in its own interest, take the initiative to promote the formation of vigilance committees, for it is their fair name that is at stake. Besides attending to the complaints of consumers, such committees can also look into the difficulties of retailers in getting adequate supplies at regular intervals and try to minimise them by taking up the matter with the appropriate authorities.

While relying on the active support and participation of trade, industry, and consumer organisations for holding the price line, the Government has also taken certain precautions. It has already decided to license wholesale trade in foodgrains, rice mills and flour mills. They will all have to submit regular returns of their business and stocks on hand. So far as cloth is concerned, the millowners have been asked to stamp prices on the manufactures in consultation with the Textile Commissioner, to open more fair-price shops and to have an eye on their dealers. The Textile Commissioner has been told to take steps to regulate the movement of cloth and the stocks to be held by mills. There will be a watchdog in the Finance Ministry, known as the Committee on Price Stabilisation; this Committee will keep a close and continuous watch on price trends and formulate proposals for further action as and when necessary. It will work in co-operation with all the economic sections of the Ministries concerned and the Reserve Bank of India. Steps are being taken to improve the machinery and system of collecting information on retail prices from all parts of the country. The existing agencies and the C.S.O. are being strengthened for this purpose. In order to provide a check on profiteering by retailers, the Government has sanctioned a programme for building up a large network of co-operative and other consummer stores which will supply not only foodgrains but also other essential commodities. To begin with, it is proposed to set up about 200 wholesale and central stores, with about 4,000 branch and primary stores. These, we are told, will cover all metropolitan cities, State capitals and industrial towns—cities with a population of 100,000 or more—and a number of smaller towns. Besides, trade unions and other voluntary organisations, as well as Government departments and agencies, are being asked to open fair-price shops. All this is a sound plan, but whether and to what extent it will be successful will depend on efficient implementation. Honest and devoted workers must be attracted to man the consumer stores, if waste and corruption are to be prevented.

Neither voluntary nor statutory controls can function effectively, even if administered by devoted workers, unless the supply side is taken care of. Production, transport and storage are the three principal facets of the supply problem. The first aspect has been discussed in these columns more than once in recent weeks. Suffice it to say that both Mr. Nanda and Mr. Patil have assured the country that they will do everything that lies in their power to accelerate production. Mr. Patil has further stated that imports of P.L. 480 wheat and rice from the U.S. are being stepped up and that negotiations will be initiated with Burma and Egypt for buying more rice. It would be a good thing if a long-term agreement could be concluded with these countries, as well as Thailand, for supply of rice in exchange for some of the goods which they need and India can supply. The object should be to facilitate

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stockpiling of rice on the assumption that the conflict with China will be a long-dawn-out affair. Such an arrangement should and need not mean that India could slacken its efforts at raising domestic production of rice through intensive cultivation. It is obvious that transport capacity has to be substantially increased. As there are serious limitations to raising the production of transport equipment quickly, trucks, locomotives, and ships (for coastal trade) may be obtained on a lend-lease basis from the Western countries which at the moment have plenty of surplus capacity. In addition to this arrangement, these countries should also be requested to release plant and machinery as well as maintenance imports to enable domestic manufacturers to expand their capacity and to work to their full capacity. The storage aspect requires to be so handled as to reduce (a) unnecessary movement of goods from one part of the country to another and (b) loss of goods through defects in godowns and methods of preservation. Mr. Nanda disclosed in Parliament that the implementation of the programme for construction of godowns would be expedited so as to complete the third Plan target a year in advance and that a number of small storage units would be located at suitable places. A lot more effort than one has witnessed so far will be required if this goal is to be reached in time. Besides, the storage accommodation will have to be built on scientific lines, as it will be needed on a permanent basis. So speed in construction should not be at the expense of quality.

Both Mr. Nanda and Mr. Patil have stated that steps woud be taken to increase the production of meat, fish, eggs, vegetables, fruit, and milk and other dairy products, too. This reiteration is welcome, for foodgrains alone do not constitute man's food. It would, however, be more encouraging, if the Gofernment were to draw up and publish a crash programme for raising the output of these vital articles of food also. The Central and State Governments should get together for this purpose without any delay.

STEEL INDUSTRY'S NEEDS

THE state of steel industry in the private sector, with its outstanding problems and its vital requirements for survival and growth, has just come in for treatment very exhaustively in Mr. Biren Mookerjee's statement to the shareholders of the Indian Iron and Steel Company Ltd., and rather briefly but pointedly in Mr. J. R. D. Tata's statement to the shareholders of the Tata Iron and Steel Company Ltd. The two statements have much in common. They reflect, for instance, an identical stand on the question of steel retention prices. Both the statements refer to the crucial shortages and deficiencies in raw materials and transport—factors over which the industry has no control and which stand in the way of 100 per cent capacity production. They have also characterised as unreasonable the Government's expectation that its special advances to them for expansion be repaid out of an issue of fresh capital. Above all, they have both rightly questioned the wisdom of flouting the recommendations of an independent, semi-judicial and expert body like the Tariff Commission.

By giving the pride of place in their statements to the question of steel retention prices, both Mr. Biren Mookerjee and Mr. J. R. D. Tata have brought out the grave injustice of the Government's recent decision to fix the average fair retention price of steel at Rs. 522.50 per tonne, instead of at Rs. 550.00 per tonne recommended by the Tariff Commission, for the period 1st April 1960 to 31st March 1962. The Government's action in changing the basic formulæ for calculating the retention prices payable to the main producers has been cogently criticised in the statements. Mr. Tata's clinching counter-argument, in this connection, is that "the Tariff Commission's recommendations were based not on estimates, theories and assumptions relating to a period still in the future, but on actual known figures, facts and conditions, about the truth and reality of which there could be no argument." By far the most serious departure made by the Government from the Tariff Commission's recommendation has been in respect of the formula for calculating the incidence per tonne of depreciation and return on gross block. The value of the block considered fair by the Commission for this purpose, it may be recalled, had the special advance of Rs. 10 crores to each company included in it. And it was also based on the assumption of 90 per cent capacity utilisation—a rate which was not unduly generous, considering the "teething" troubles of the expansion projects of the two companies and the bottlenecks in transport and raw material supply. By excluding the special advance from gross block and by arbitrarily assuming operational efficiency at 100 per cent of capacity, the Government has denied Rs. 16.50 per tonne to the companies on both the counts and thus, in the words of Mr. Tata, "unfairly deprived both the steel companies of the full depreciation and return prescribed by the Commission."

The Government has been patently unjust in all this. To take the question of operational efficiency first. Mr. Tata's comments on it are:

> "Government, although well aware that the inability of the steel plants to make more steel was largely due to the appalling quality of unwashed market coal allocated by the Coal Controller and the deficiencies in transport, for both of which they were themselves mainly responsible, decided that the steel plants should have worked at 100 per cent of capacity during these two years (1960-62) and deserved to be penalised for not having done so."

The T.I.S.Co., it may be noted incidentally, had not done too badly in the two years of critical shortages or deficiences in transport and raw materials, namely, 1960-61 and 1961-62, when its actual production of saleable (finished) steel worked out to 84 per cent and 88 per cent, respectively, of the relevant installed capacity. The Company's performance in 1961-62 was better than in 1960-61, because the washed coal from its own two washeries rose during the year by about 140,000 tonnes to a total of 1,202,000 tonnes. But the performance could have been still better if the ash content of the total coking coal mixture, including purchased market coal, had not increased to an average of 17.94 per cent, as a result of the allotment to the Company of unwashed market coal of even poorer quality than before. It is, indeed, a disappointment to the Company that it has been directed to make itself self-sufficient in respect of its washed coal requirements (2.4 million tonnes in all for the two-million ton programme) and not to count on supplies from the Government's Bhojudih Washery (not yet in commercial operation) for more than a few years. Capacity production in the T.I.S.Co. will thus be an elusive ideal so long as its full requirements of washed coal are not ensured. This is a relevant point for mention here, for there is a fear that the *provisional* retention price to be fixed from 1st April 1962 onwards will be based, among other things, on the assumption of 100 per cent capacity utilisation—a rate attained not even in Britain in the last eight years. It may be recalled, in this connection, that the Government's resolution on steel retention prices for the two-year period 1960-62 has stated that these prices "should also be applicable provisionally beyond the period 1st April 1962, subject to certain changes which are necessary on account of (a) the recent increase in the statutory price of coal, and (b) the increase in the railway freight from 1st July 1962." There is no reference here to other factors or any suggestion that the changes effected by the Government in the basic norms and formulæ adopted by the Tariff Commission will be reconsidered. In the circumstances, therefore, Mr. Biren Mookerjee has also done well to criticise, at some length, the Government's unreasonable and unrealistic assumption of 100 per cent capacity utilisation.

To take the question of special advance next. Mr. Tata's vigorous protest against the Government's rejection of the Tariff Commission's recommendation for the provision in the retention price of a special element of Rs. 8 per tonne towards the repayment of the special advances is accompanied by a forthright rejection of the alternative course suggested by the Government. This is what Mr. Tata's statement and the T.I.S.Co. Directors' report say on the question:

> "Government's reversal of their previous decision that the retention price should include an element for the repayment, with interest, of their special advances in terms of their agreements with the two companies is disturbing, although it may not immediately affect our financial position. However, their announcement that, as an alternative, they are considering the possibility of a part of the special advances being repaid out of fresh capital, raises fundamental issues of grave concern to the companies and their shareholders." (Mr. Tata's statement.)

> "(The) Directors consider that, taking into account the additional share capital amounting to no less than Rs. 21 crores issued since 1955, the limitation imposed by the retention prices fixed by Government on the Company's ability to pay adequate dividends even on the existing share capital and the condition of the share market, a further issue of capital in the foreseeable future would be impracticable as well as grossly unfair to the shareholders. The Company, whose concurrence would be required under the agreement with Government covering the special advance have, therefore, informed Government that they would be unable to agree to a further issue of capital for this or any other purpose at the present juncture or in the foreseeable future."

The I.I.S.Co. Chairman is no less forthright in his criticism of the Government's approach to this question of special advance. The long inner story behind this "special advance," which Mr. Biren Mookerjee has narrated in his statement published elsewhere in this issue, is very revealing. It shows conclusively that the special advance would have to be repaid only out of a "special element" to be added to the normal retention price. In the light of this stand taken by the two companies and in view of the legal consideration that the alternative of issuing fresh capital would require the concurrence of the companies, the guess may be safely hazarded that the Government will ultimately revise its present decision regarding the special advance and make a special provision therefor in the retention price.

Unless the Government reconsiders the whole matter of retention price and adopts the Tariff Commission's formulæ and norms, it is difficult to see how the two companies will be able to do adequate internal financing of the continuous process of replacement and development essential to maximum efficiency. While Mr. Tata has specifically referred to his Company's need for more retained earnings to service and repay fresh borrowings for its Jharia project which is to be shortly undertaken for doubling the Company's coal output, he has not explicitly referred to the possibility of further expansion of the Company's iron and steel plant as such. Mr. Biren Mookerjee, on the other hand, while pleading for a fairer and higher retention price so as to enhance the possibility of greater internal financing of growth, has given a very encouraging piece of information. It is that the Colliery Expansion Scheme of the I.I.S.Co., for which the World Bank has given a loan of about $20 million, will bring about such an improvement in the quality of washed coal that the balancing and future expansion of the Burnpur plant could be effected with greater ease. The Company has recently submitted to the Government a two-phase scheme of expansion in this connection. The first phase, which will balance the existing plant by using better coal, can increase the production of saleable steel by about 250,000 tons. The second phase is designed to bring the total output of I.I.S.Co. to two million tonnes of ingots (as against the one million tonnes capacity at present) or 1.6 million tonnes of finished steel. The fact that the Phase I project, which will add 250,000 tonnes of finished steel to the Company's output, will cost no more than Rs. 12.2 crores, is a conclusive argument in its favour. That Phase II project, for which no cost estimate has yet been made, and Phase I project will, together, cost relatively much less than an entirely new one-million ton plant is a safe guess.

In view of the Sino-Indian war emergency which calls for a greater and speedier expansion of steel production in the next few years than had been thought sufficient earlier, the Government should lose no time in encouraging the I.I.S.Co. to go forward with its expansion plans and also in interesting the T.I.S.Co. in possible further expansion of its two-million-ton plant. One of the best ways of providing this encouragement would be to adopt a more liberal price-fixing policy which will not be subject to the caprice and arbitrariness of administrators. If retention prices are fixed from time to time at levels that assure producers a fair and adequate return, the ability of steel industry to raise fresh capital for expansion will be greatly enhanced. After all, this industry, which has been compelled all these years to accept much less than the world market prices for steel, deserves to have a fairer deal.

MARKET GOSSIP

Stock Exchange Jungle

THERE are some bitter complaints about the way in which speculation on stock exchanges has been sought to be restrained since the Chinese shot their way through the McMahon Line. The most important of them pertains to the piecemeal and belated manner in which each stock exchange took action to stop bear raids. The second complaint is that there was no co-ordination of the measures introduced by them. And the third complaint is that, at a time when the bulls ought to have been given a relatively lighter handicap than the bears because the trend was sharply downward, they have been placed on par with the bears. This, it is said, is most unfair, if not absurd, because the bears have already reaped a rich harvest; they have not only made huge profits but are also getting the settlement differences, as also the *badli*, in their favour on their outstanding businesses. On both scores, the bulls are heavy losers. One could understand these irrational features if there was no Central control over the stock exchanges as was the case in the distant past. But, for some years now, the Government of India has been controlling the stock exchanges; there is a special director, under the Finance Ministry, to look after them. There is, therefore, no excuse for the defects briefly outlined above.

The Chinese invasion had begun even before the *Moorat* day, providing the bears on stock exchanges a heaven-sent opportunity to make piles of money. Why did not the Government immediately disallow short-sales on all the stock exchanges? Instead, it gave several days of freedom for the bears. Again, when the Calcutta Stock Exchange imposed minimum prices and introduced compulsory carryover of outstanding business, the Bombay Stock Exchange did not follow suit. This provided an opportunity for the Calcutta operators to carry out their deals through Bombay. Why was this discrepancy allowed? Even now the minimum prices for inter-market scrips are lower in Bombay than those at Calcutta. When Bombay was free and Calcutta subjected to minimum prices, some of the Bombay brokers are said to have bought scrips from Calcutta at distress prices and resold them to the L.I.C. at higher levels on the basis of those prevailing in Bombay, thereby making a large packet of money overnight. This was one result of unco-ordinated controls on stock exchanges.

If such faults in the implementation of economic controls are not to be repeated in future, it is necessary to institute an enquiry to find out as to who were responsible for the delays and glaring lack of co-ordination. It is equally necessary to enquire into the large transactions that have taken place, after China had attacked us, with two objectives in mind: (a) whether the mismanagement of controls on stock exchanges has anything to do with the speculators who had sold short and made large profits and (b) that those who have made so much easy money duly pay the taxes due on it.

The way in which the L.I.C. has been buying in the share markets is also being questioned in market circles. It is contended by some that, if the objective of L.I.C. in buying equities is to impart a certain amount of steadiness to the stock exchanges, it should buy openly in the trading ring just as the Bank of England does in the London Gilt-edged market. The very presence of L.I.C.'s broker in the ring will, it is argued, infuse confidence in the market and the objective could be served on a smaller volume of investment than under the present system of secret deals. On the face of it, the suggestion is attractive, but its merits must be clearly established by careful examination before it is implemented. The Board of Directors of L.I.C. will, therefore, do well to study it.

Forward Trading in Bullion

The Government has done well to ban forward trading in gold, but it is not clear why it has left out silver from such a ban. For several years past, this journal has contended that there was no case for continuing futures trading in either of these two precious metals. Now that the Government has appealed to the people of this country not to buy gold but to sell what they have against gold bonds, there is no need to provide any hedging facility for those who have investments in the yellow metal. Besides, the banks which have given advances against bullion have been asked to call back the loans. Such advances are believed to be of the order of Rs. 50 crores. If there is anyone who has large stocks of gold and feels uncertain about their future, all that one should do is to dump the gold on the market when the going is good or convert it into gold bonds.

It is too early to talk about the success or failure of gold bond scheme. If the Government is serious about getting from the hoarders the maximum amount of gold possible, it should see (a) that prices stay well below Rs. 100 per 10 grammes and (b) promptly amend the tax law in order to put in black and white the meaning of the Finance Minister's assurance that those who tender gold will not be asked to disclose the origin of their wealth. It is felt that, unless this is done, those who are keeping their black money will not feel encouraged to convert it into white for fear of being troubled by income-tax authorities at a later date.

Why should not the Government think of mobilising the silver hoards also for war effort? Instead of silver bonds, as suggested by some, the Government could allow exports of silver against imports of essential plant and machinery, raw materials, spare parts and stores (that is, maintenance imports). It is true that, in spite of the sharp rise that has taken place in the world price of silver during recent months, the price of silver in India is higher to some extent. But, if an incentive is given in the form of import licences for goods absolutely essential both for war and economic development, many businessmen will find it worthwhile to export silver. An important prerequisite for this purpose will be abolition of futures trading in silver, for, otherwise, the speculators will push up the prices to such an extent that the objective will be defeated.

Outlook for Tea

In the context of the present emergency following Chinese aggression, the need for stepping up exports of tea assumes special urgency, for the country needs more foreign exchange now than before. Tea, as is well known, is one of the staple earners of foreign exchange. Every million pounds of tea sold abroad will add, on current level of prices, Rs. 27-28 lakhs to the country's external assets. India does have a fairly large exportable surplus of tea. But the disposal of this surplus at a reasonable price has turned out to be pretty difficult lately, what with the keen competition in world tea markets. After assessing the recent trends in the world tea markets, Mr. J. F. E. Gilchrist, Chairman of Messrs. Harrisons and Crosfield, a well-known British company in the tea and rubber plantations in Asia, has this to say, in his customary annual statement on the prospects for the coming year:

> "The pattern of production for the first nine months of 1962 has changed with a reported total of 1,015 million lbs., 4 million lbs. less than in 1961. With North India and Pakistan, owing to inclement weather conditions, showing a fall of 30 million lbs., only in South India, Ceylon and East Africa are crops going ahead. It appears unlikely that the shortfall in North India and Pakistan will be made up, but, as it is virtually counterbalanced by the increased production in other countries, the total available is likely to be about the same as last year. The urgent problem remains that of expanding existing markets or finding new markets for the increased total which will undoubtedly be forthcoming in the future. The internal market in India is at present apparently well supplied and, though the market there is capable of almost unlimited expansion, the policy of the Government of India is still directed firmly to the encouragement of exports. Indeed, in April of this year, the Finance Minister reduced the duties levied on tea exported and increased the excise payable on tea consumed locally. Now the future is clouded by the Chinese aggression."

The general level of tea exports from India so far in the current year has no doubt been quite satisfactory; the actual shipments during the first nine months ended September aggregated 291.16 million lbs., as against 289.21 million lbs. in the corresponding period last year. But the value of exports was lower at Rs. 75.22 crores, as against Rs. 80.57 crores. In other words, the average export price of tea was markedly lower at Rs. 2.58 per lb., as against Rs. 2.78 a year before. Only the best quality teas have been fetching higher prices, while the common and low medium varieties continue to be quoted at considerably lower levels. It may be noted here that the major portion of the Indian tea crop consists of cheaper descriptions.

As against the reduction in the average export value of tea, the prices of tea leaf sold for domestic consumption have registered a slight rise. The average price realised by North Indian tea leaf during the first nine months of 1962 was Rs. 2.59 per lb., as compared with Rs. 2.45 in the same period of 1961. The rise was, however, neutralised by the decline in the average price of dusts from Rs. 2.30 to Rs. 2.18 per lb. Although the prices of common and low medium varieties have recovered to some extent in recent weeks, the improvement may not be sufficient to compensate the North Indian tea producers in particular for the loss in crop and it is unlikely that they will fare as well as they did last year. The estimated 1962 tea crop is put at 583 million lbs., as against the actual output of 599 million lbs. in 1961. So far as tea producers in South India are concerned, it is true that both the production and exports of tea have gone up. The quantity actually plucked in the ten months ended October 1962 was 150 million lbs., as against 138 million lbs. in the same period last year, and the exports during the first three quarters of the year amounted to 60.25 million lbs., as against 50.60 million lbs. Nevertheless, the financial position of the South Indian tea industry does not appear to have shown any improvement. On the contrary, it will not be surprising if the results of working of many companies for the current year reveal a setback, in view of the persistently low prices of common teas, on the one hand, and higher cost of production, on the other.

The Chairman of the Tea Board, Mr. A. S. Bam, is reported to have stated at Calcutta recently that more steps designed to augment tea exports are being proposed. He has not indicated the nature of these steps, but it is hoped that they will include the complete abolition of export duty. The need for such abolition is considered imperative especially now in view of the unpleasant prospects of an increase in production costs of tea in border areas. Incidentally, the poor output per plant and the rapid deterioration of quality when the plant is cropped from time to time are attributed to unscientific planting and absence of drainage facilities, both of which result in accumulation of rain water and lead to erosion, thereby destroying surface roots. Such instances must not be repeated. It is necessary that replanting is done much deep in the soil. Proper drainage facilities are equally necessary. There is also the need for ensuring adequate supplies of fertilisers and bringing into use extensive research and intensive cultivation methods. All these require large-scale non-recurring investment. Viewed against this background, the tea industry's plea for a rational revision of taxation structure seems justified.

World Rubber

Natural rubber prices have been fluctuating rather erratically for some time now. From about 25½d. per lb. at the end of last year, the quotation in the London market declined to below 23d. early in January 1962 but recovered to 25¾d. a month later. After moving irregularly between 21⅞d. and 25¾d., it is currently standing at 23⅝d. Such an irregular trend of the rubber market is not at all surprising in that it reflects the conflicting assessments of the overall prospects for natural rubber made from time to time by the spokesmen for the rubber industry. A section of rubber growers is greatly pessimistic about the future of their product, in view of the growing versatility of synthetic rubber and the increasing supplies of polybutadiene. There are, however, others who point out that the markets for natural and synthetic rubbers are not easily inter-changeable, that the newly planted high-yielding trees which are coming into production will enhance the competitive capacity of natural rubber from the point of view of price and that the world demand for rubber is expected to increase in the next decade by 180,000 tons a year, faster than the rate of expansion of natural rubber output. To this group belongs Mr. Gilchrist, Chairman of Messrs. Harrisons and Crosfield of London. In his latest annual statement, he observes:

> "In the long-term, there is a general consensus of opinion that increasing demand for all rubbers over, say, the next decade, is so promising that, although synthetic, which has spare capacity, may take much of it, every pound of natural will be absorbed at a competitive price. That price may well be governed by the production cost of the new stereo rubbers, especially as the American stockpile will be eager to take advantage of any upward movements. The task remains unchanged and the natural rubber industry must depend on itself. So long as we have an unrivalled material at a fighting price, we can face the future, but there must be no relenting on production and research. Higher yielding trees and better quality rubber at a cheaper price backed by basic research will enable any challenge to be faced from any quarter."

The immediate outlook for natural rubber also seems to be quite encouraging. Stocks held at present are small in both producing and consuming countries. Several consumers in the U.S. are buying larger quantities of natural rubber for stock purposes. Soviet Russia continues to make large purchases. A large part of rubber supplies in Singapore is believed to have already been earmarked for shipment to Russia. Further, Communist China is expected to buy rubber from Malaya again. Viewed thus, it looks as though the world rubber market will continue to rule distinctly firm, unless the U.S. and British Governments release large quantities from their stockpile supplies.

Economic Trends in W. Europe

Contrary to earlier fears of the possibility of a deflation or a recession in economic activity in Western Europe, there is at present a marked renewal of confidence in continued economic expansion. In fact, discussions at the two-day meeting of the Economic Policy Committee of the Organisation for Economic Co-operation and Development (O.E.C.D.), held at Paris last week, reflected a more encouraging economic outlook for Western Europe now than was anticipated earlier. It was, however, recognised by the experts assembled at the meeting that there would still be "structural" problems to be solved, the major one being the disappointing trend of business investment and its possible repercussions on the economy in general. One reason for the slowing down in the rate of investment is the rise, in most countries of W. Europe, of wages in excess of the increase in productivity and the resultant fall in profit margins. The increase in wages have been most striking in W. Germany where mounting wage costs have put profits under strong pressure. According to the Bundesbank's estimate, in its latest quarterly report on the economy, retained profits in W. German business enterprises during the first half of 1962, aggregating DM 5.100 million, was 22.1 per cent lower as compared with the corresponding period last year. This has reduced the scope for self-financing by enterprises of additional investments at a time when the scope for raising outside capital is narrowing. In fact, a survey by the Bank revealed that 40 per cent of the enterprise polled would place fewer orders for investment goods this year than last.

Barring this limiting factor, the outlook is generally promising. Industrial production in W. Europe during the first six months of 1962 was 4 per cent higher than a year earlier. In the six countries of the E.E.C., production had risen by 6 per cent. Expansion is expected to continue throughout the remainder of 1962 and more slowly during 1963. An autumn revival in business has already been reported and production has shown a marked upswing after the summer lull. In W. Germany, industrial production in September last was 5.4 per cent higher than in the same month last year, and the figure for the first nine months represents an improvement of 4 per cent over that in the comparable period of 1961.

Economic activity in the first half of the year in W. European countries reveals certain signi-

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TREND OF SHARES

DULL, DREARY AND DRAB

(From Our Own Correspondent)

BOMBAY, 15*th November*

TRADING in shares this week was dull, dreary and drab. It could not, however, have been any different either in the light of the various emergency measures taken by authorities of the different markets to stem the fall in values, especially those which ban any long purchases or short sales except for adjusting the unadjusted speculative business. Sales in cash shares are allowed, but only at minimum prices. Only investment buying could, therefore, create any change in the pattern of trading. But such buying was conspicuous by its absence, and naturally so in view of the great uncertainties of all sorts created by the Chinese war. During the week, even support from the L.I.C. seemed to have dried up, and the outcome of the scheduled meeting of the Corporation's investment committee at Calcutta on Friday, the 16th inst., was eagerly awaited.

Price changes during the week were, therefore, minor and discernible only in some of the active leading speculative counters. Cash shares were almost totally neglected. Over the week, prices closed either unchanged or with generally small changes either way, simply because the authorities of the principal markets had fixed minimum prices for both cleared and non-cleared shares and prohibited trading below these levels. The fixation of minimum prices gave a look of deceptive steadiness to the markets, for even at a small discount over such levels buyers were hard to find, while, but for the limitations on fresh selling, sellers would have been only too anxious to press sales.

Investors continued to sit on the fence, although quite a few popular shares fetched at their current levels attractive returns of 5 to 6 per cent per annum, free of tax. Prospective investors are apparently unsatisfied with official assurances on acceleration of economic development and industrial growth in the country to fight the seemingly inevitable war with the Chinese. Indeed, they are concerned more about the cost of the war and its resultant damage. The defence expenditure for the current year, we are told, is to be raised by Rs. 95 crores from Rs. 375.90 crores to Rs. 470.90 crores. This additional expenditure will be met to a certain extent from contributions to the National Defence Fund and subscriptions to the defence bonds and gold bonds. Some cushion will also be provided from actual realisations from the various taxes imposed under the last budget, the estimated returns from which can reasonably be expected to have been fixed at lower levels. Nonetheless, some heavy additional taxation may be in the offing, and one will be only too mindful of the next step of the Finance Minister. At any rate, however bright the long-term outlook for investment in shares be, the uncertainties about the near future constitute a great deterrent. One would not, however, be totally ruined if one were to make small and selective investment.

The week under review saw the re-opening of the Bombay Stock Exchange on Monday, the 12th inst., after suspension of all trading for a week. The decision to re-open the market was taken by the Governing Board of the Exchange at its meeting on Friday the 9th inst. The Board fixed minimum prices for both forward and cash shares at the closing levels of Saturday the 3rd inst. Trading below such levels has been prohibited. Speculative business has been restricted only to the adjustment of outstanding business. But buying on cash basis can be done to any extent. The main objective of these measures is to reduce the load on the market gradually. Disinvestment in forward scrips has been prohibited, and, the contract in shares being the buyer's contract, a seller cannot enforce delivery of shares, though a buyer can insist on delivery. Those members who hold large sales or purchases may attract heavy margins, if they fail to square them up within a reasonable period of time. Jobbing has been prohibited altogether. Likewise, members have been warned that they cannot enter into transactions between broker and broker and between constituents and constituents. Business in cash scrips has to be done on the basis of spot delivery and at the minimum prices. Transactions put through on Monday, Tuesday and Wednesday will have to be settled on Thursday and those done on Thursday, Friday and Saturday will have to be settled on Monday by giving or taking delivery of shares and making actual payment. Transactions in cash shares, which involve delivery over a long period, are to be treated as null and void.

The Governing Board has reserved the right to amend the minimum prices from time to time in the light of any change in circumstances. The Board was scheduled to meet today to review the position in the market. The meeting has, however, been postponed to tomorrow (Friday, the 16th inst.).

In the meantime, on Tuesday, the 13th inst., the Board met to review the market's position and decided to relax one of the above measures. It permitted members to square up not only their net outstanding positions but also a portion of the transactions effected between principal and principal and between constituents and constituents. Previously, such business between principal and principal and between constituents and constituents was disallowed. However, under the permitted relaxation, once the business is squared up, no fresh purchases or sales will be permitted. The squaring up of such business is according to certain fixed quotas. But business exceeding the fixed quotas can be squared up with the permission of the President of the Exchange. India United ordinary and deferred, Indore Malwa, Morarjee and Bombay Burmah (old) have been freed entirely from restrictions for squaring up of business, presumably because of some noticeable improvement in these shares. In the case of Morarjee, genuine holders of shares are now permitted to disinvest, provided they furnish the number of shares and tender the same shares for delivery.

While the stock exchange authorities struggled hard to restore stability in the markets, the Government followed up during the week its spadework in that direction in the form of a reassuring note for investors, which was issued on 6th November. On Friday, the 9th inst., the Government issued a Press note warning bears on stock exchanges against spreading wild rumours about the border situation and taking advantage of the panic created by their own propaganda. It also urged operators to square up their positions by taking advantage of the opportunity given to them by the stock exchange authorities and warned them that, if they failed to do so in the common interest of the market, the Government would be forced to take action under Section 6(3) (*b*) of the Securities Contracts (Regulation) Act, 1956 and carry out enquiries into the affairs of each of such operators and members of the markets and take severe action against him. The said section of the Act reads as under:

"Appoint one or more persons to make an inquiry in the prescribed manner in relation to the affairs of the governing body of a stock exchange or the affairs of any of the members of the stock exchange in relation to the stock exchange and submit a report of the result of such inquiry to the Central Government within such time as may be specified in the order, or in the case of an inquiry in relation to the affairs of any of the members of a stock exchange, direct the governing body to make the inquiry and submit its report to the Central Government."

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Trading on Dalal Street was featured by a spurt of Rs. 33 to Rs. 623 in Bombay Burmah following the announcement of a bonus issue and of Rs. 38 to Rs. 500 in Morarjee on expectations of better working during the current year. The tightly held India United Ordinary bulged by Re. 1.25 to Rs. 26.25 and the deferred shares gained 16 nP at Rs. 3.22. Indore Malwa were up by three points at Rs. 198. Some other market leaders were also better over the week on bear covering. Thus, standard recovered 30 points at Rs. 785, Svadeshi 13 points at Rs. 244, Poly-Chem Rs. 13.75 at Rs. 142.50, Colour-Chem Rs. 23.75 at Rs. 340, Premier Automobiles Rs. 8 at Rs. 100, Hindustan Motors Re. 1.12 at Rs. 16.12, Kirloskar Cummins 11 points at Rs. 85, Associated Bearings Corporation Rs. 16 at Rs. 131 and Permanent Magnets Rs. 45 at Rs. 220. These were the few shares to show some noticeable improvement over the minimum prices which were Rs. 596 for Bombay Burmah (old), Rs. 468 for Morarjee, Rs. 25.60 for India United ordinary, Rs. 3.12 for India United deferred, Rs. 195 for Indore Malwa, Rs. 782 for Standard, Rs. 237 for Svadeshi, Rs. 135 for Poly-Chem, Rs. 316.25 for Colour Chem, Rs. 96.50 for Premier Automobiles, Rs. 16.04 for Hindustan Motors, Rs. 74 for Kirloskar Cummins, Rs. 122 for A.B.C. and Rs. 175 for Permanent Magnets. Other shares were held at or slightly above the minimum levels. The annual statements of the T.I.S.Co. and I.I.S.Co. Chairman, underlining sizable growth prospects for steel industry in view of the Chinese aggression failed to leave any encouraging impression on the market sentiment. Tata Ordinary closed at the minimum level of Rs. 121 and showed a gain of one point and so did Indian Iron at Rs. 22.96, with a gain of 12 nP over the week.

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In Calcutta, only some cleared shares attracted activity around the minimum prices fixed at the closing levels as on 24th October last. However, some scattered inquiry was also discernible for some selected cash scrips. Net changes in prices were small, and the list generally closed at the minimum levels. Over the week, Birla Jute were down by 13 nP at Rs. 30.37, as against the minimum price of Rs. 30, Indian Cable showed a loss of 50 nP at Rs. 34.50, which is the minimum price and Indian Aluminium closed 25 nP lower at the minimum level of Rs. 32.50, while Dunlop showed a gain of 37 nP at Rs. 36.37, as against the minimum level of Rs. 36. In cash section, Nuddea improved from the minimum level of Rs. 54.75 to Rs. 55. Other sections were generally unchanged.

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Activity in Madras also was confined largely to forward shares which tacked on small gains over the week. At Rs. 2.40, Blue Mountains showed a gain of 5 nP over the minimum level which was the closing price in the previous week, similarly, Periakaramalai showed a gain of 3 nP at Rs. 2.90 and Ouchterlony Valley also of 3 nP at Rs. 3.88. Ashok Leyland edged forward from the previous week's closing price and the minimum level of Rs. 7.43 to Rs. 7.50 and so did India Cements from Rs. 6.10 to Rs. 6.13. Among Cash shares, Chembra gained 8 nP at Rs. 3.53, as against the minimum level of Rs. 3.45 and Nonsuch 30 nP at Rs. 22.55 as against the minimum level of Rs. 22.25.

RIGHTS SHARES FROM SEN-RALEIGH

The Sen-Raleigh Industries of India Ltd. has received the permission of the Controller of Capital Issues to issue 650,000 ordinary shares of Rs. 10 each at a premium of Rs. 4 per share. Out of these 650,000 additional shares, the Company proposes to issue 334,000 shares to its consultants and technical advisers, namely, Raleigh Industries Ltd. of Nottingham, England, and the balance of 316,000 shares as rights shares to the existing shareholders of the Company. As the present authorised capital of the Company, amounting to Rs. 1 crore and composed of 30,000 5 per cent cumulative preference shares of Rs. 100 each and 700,000 ordinary shares of Rs. 10 each, is fully issued and paid up, it is proposed to raise the authorised capital to Rs. 2.25 crores by the creation of 1,250,000 new ordinary shares of Rs. 10 each to give effect to the proposal to issue 650,000 additional ordinary shares.

A general meeting of the shareholders of the Company is convened for Monday the 19th inst., in order to approve first the proposal to increase the authorised capital and then the proposal to issue additional ordinary shares in the manner as stated above. Sen-Raleigh of England has agreed to subscribe for 334,000 new shares on the condition that it will be permitted to disinvest, out of these shares, 135,000 shares at the end of five years from the date of subscription.

The proceeds of the issue will go to finance the Company's programme of expansion and diversification, with the British firm's subscription providing the scarce foreign exchange. It is proposed to install balancing equipment and modernise existing plant and machinery in order to make greater use of the installed capacity. The Directors hope that, with the new equipment which will be installed, bicycle production will improve by about 50 per cent and that it will be possible to reduce wastage substantially. The additional capacity proposed to be created may help increase the bicycle chain output to more than one million units a year. It is also proposed to diversify production by taking up the manufacture of electrical equipment, especially house service meters, for which the necessary industrial licence has been obtained.

WELLMAN INCANDESCENT INDIA LTD.

Wellman Incandescent India Ltd., incorporated in West Bengal on 30th May 1962 has offered for public subscription 110,000 ordinary shares of Rs. 10 each, the list of which will open on the 19th inst. These are out of the total issue of 249,930 shares, of which 125,000 shares (including 39,885 shares for consideration other than cash) are to be taken up by the Wellman Smith Owen Engineering Corporation Ltd. of London and 14,930 shares are to be subscribed for by the Directors, their associates and their friends.

The Company has a project to undertake the design, production and sale of all types of oil-fired, gas-fired, coal-fired and electrically heated furnaces and ovens and allied equipment, including charging and discharging gear, electric overhead travelling cranes of all types, gas producers, coke oven machines, foundry plant and handling equipment for steelworks. To operate this project, it has entered into technical and financial collaboration with Wellman Smith of London which enjoys a world-wide reputation as the leading manufacturer of steelworks plant, furnaces and cranes. The capital outlay on the project is estimated at Rs. 50 lakhs, including Rs. 39.87 lakhs as working capital and Rs. 3.80 lakhs being the cost of plant and machinery.

As the Company's total block assets will be less than Rs. 5 lakhs, the Company does not require a licence under the Industries (Development and Regulation) Act 1951 at this stage. While approving the Company's project, the Government has laid down that the average indigenous content of the products should be 70 per cent. No capital equipment will ordinarily have to be imported, but the Company will be permitted to import special components and equipment. Part of the fabrication and manufacture of the products will be undertaken by the Company itself at its factory in the Howrah Industrial Estate in West Bengal. But a major portion of the fabrication and manufacture will be sub-contracted to other manufacturers in India, as there is sufficient production capacity available for this purpose, which it will be advantageous for the Company to make use of by selecting such producing centres as are close to places where the products will have to be installed, thereby eliminating problems of transportation. The Company is promoted by Wellman Smith of London, with Maharaja P. C. Bhanjdeo of Mayurbhanj as the Chairman.

DEBATE ON CONTROLS

Mr. B. R. Bhagat, Union Deputy Minister for Finance, writes, in a letter to us dated 25th October 1962, as follows:

"In your leader captioned 'Debate on Controls' published in the 20th October issue of *Commerce* you have quoted from my speech at Madras as under:

'if we do not have the courage to implement controls, we should give up planning',

while the correct report should be as was published by the *Financial Express* of 30th September and other papers:

'If we cannot administer controls efficiently, we do not have a right to administer the plans.'

Since you have taken objection to this statement and drawn a totally unwarranted conclusion from it, I wish to inform you that what I pleaded was not comprehensive controls but controlling the strategic economic position. I had emphasised that the entire question of controls should be judged on merits and the solution should be selective and not general.

"You are very correct to say that the Finance Ministry is administering a few controls but you have not appreciated that whatever controls we have been constrained to apply either over foreign exchange or something else have been dictated by the necessities of the situation and have been carefully thought out. There may be some unseen loopholes, but our effort is to foresee them and to plug them as soon as they are discovered. To say that, because there are loopholes, controls should not be exercised is tantamount to saying, because there are thefts, police vigilance must stop. The crux of the matter in all such things is that all policies of controls should be carefully worked out and must be administered efficiently. To find fault with a stray sentence, not correctly reported, in my speech is hardly fair, if not misconceived."

[We welcome the aforesaid clarification by Mr. Bhagat. In the article under reference, we have, however, not stated that, if controls cannot be free from loopholes, they should not be introduced. All that we tried to show was that even financial controls are not being efficiently implemented.—ED.]

PERSPECTIVES & PROJECTIONS

By Mercator

Unshuffled Portfolios

PRESIDENT Radhakrishnan's visit to the forward areas in N.E.F.A. last week was an imaginative act, for which the Indian Press has not, I think, paid sufficient tribute. We may not know from where the initiative for the step came, but one can be certain that our fighting men in the front lines and the wounded lying in Tezpur hospital derived much solace from seeing the President in their midst. The supreme command of the Defence Forces of the Union is vested in the President; in practice this constitutional principle was honoured on many ceremonial occasions such as the Republic Day celebrations. But probably it extended no further; otherwise, there need not have been so much controversy over the Defence portfolio in recent years. It is an extraordinary coincidence that the President's visit materialised immediately after the change in the Defence Ministry; but whoever holds charge of Defence in future, public confidence will be greatly strengthened by the knowledge that both the Prime Minister and the President are closely in touch with matters pertaining to our armed forces.

It now looks that defence production will not be a separate portfolio, after all the talk regarding creation of a Ministry of Supply and Production for co-ordinating all efforts in the public and private sectors. It is a pity that many overlapping jurisdictions are left undisturbed; one example is the anomaly of the Minister for International Trade dealing with the woollen industry, long after its primary object has changed from exports to supplies for our Army. A radical reshuffle of all portfolios in the Union Cabinet is necessary; but so is a reconstitution of the entire Cabinet, so that austerity, like charity, may begin at home, in order to impress its importance upon those to whom appeals are made for simplicity. Punjab has made a beginning in this respect but many other States have to do likewise. It is very puzzling that at the Centre (where a Government reshuffle was indicated long before the present emergency was thought of), the change in the Defence Ministry has not been used as an opportunity for forming a new Cabinet, cutting out much of the accumulated deadwood. Since there will be no by-elections during the emergency, one of the arguments for not finding suitable berths for some unwanted Ministers has lost all its force.

Apart from the improvements that may be possible in a reshuffle, a more compact and smaller Cabinet can also have a profound psychological effect on the country; even if there is to be no national coalition, the Congress Party can co-opt some independent senior administrators (like Mr. C. D. Deshmukh). With many tasks ahead for which the supply of talent from within the Congress Party seems limited, Mr. T. T. Krishnamachari has not yet found (or been helped to find) a portfolio to which he can devote his undivided attention. The only heartening development is the general appreciation of Mr. Y. B. Chavan's appointment as Defence Minister. It is not insignificant that both the two recent entrants to the Union Cabinet—Mr. Subramaniam and Mr. Chavan—had to be drafted from the States, proving the paucity of talent in the Central Parliamentary Party. (Perhaps, some seniority questions will again arise for solution by the Prime Minister.)

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Economic Overlord?

Of the many curious developments in the allocation of responsibilities in the Union Cabinet is the emergence of Mr. Nanda as the super-Minister (overlord according to British political terminology) on Economic Affairs. At the last session of Parliament, Mr. Nanda took complete charge of the debate on the third Plan in both Houses and no other Minister responsible for implementation of Plan policies seemed to have anything to add to or qualify Mr. Nanda's statements. It is, of course, desirable that the Government should not speak with many voices and, since Mr. Nanda's sincerity makes an excellent impression on his critics inside Parliament, it may be sound strategy to let him make all his confessions without prejudicing the Government's prestige. Sometimes doubts arise whether those remaining in the background are merely cynical and feel free to pursue their ways in practice. Mr. Nanda has presented the latest statement on the first phase of action on the Government's price policy; it covers a wide range of matters like foodgrain procurement by levy, control over rice mills, cloth production and prices and bank credit on all of which the Government is committed to certain lines of action in consultation with the Price Stabilisation Committee; it is obvious that all Ministries, including Finance, have to toe the new line.

This, however, was not the position when Mr. C. D. Deshmukh and Mr. T. T. Krishnamachari held charge of the Finance Ministry; their control of the Department of Economic Affairs entitled them to have a say not only on all aspects of economic policy but also on planning. Mr. Desai, on the other hand, has limited his role to the annual presentation of the Union Budget and piloting of the Finance Bill, besides, of course, the usual reports on his foreign tour to assure the Indian public that everyone abroad is sympathetic to our case. The question is not whether Mr. Desai is entitled to keep his counsel when he chooses to do so but whether the Department of Economic Affairs should not more properly be linked to Planning, to make co-ordination between the Planning Commission and the Government much more real. For example, though some mention has been made of credit control in relation to prices, fiscal policy, including taxation, will determine how much stability will be possible in the present circumstances. It is conceivable, for example, that the recommendations of the Price Stabilisation Committee might take the form of pleas for restricting non-essential spending, deficit financing or avoidance of taxation of certain goods. Control over stock exchanges does not seem conspicuously good and Mr. Desai's gold bond scheme came as an afterthought, after his appeal for gold donations. One of the points to be remembered in any future Cabinet reorganisation, therefore, is the ending of the present anomalous division between Planning and Economic Affairs, whoever holds them; at least during the present phase, in which planning is bound to be subordinated to the overall needs of defence and mobilisation of resources or both, a close relationship seems imperative.

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Plus Three for Pension

The proper age of retirement for Central Government servants was fully discussed when the Second Pay Commission revived and strongly supported the First Pay (Varadachariar) Commission's plea for raising it to 58. The Government then seemed firm in its resolve to maintain the present position and, curiously enough, there has not been any strong criticism from staff unions, presumably because the younger elements which predominate there were not quite sure about the effects of a higher retirement age on recruitment and promotion opportunities. The Government of its own accord has now reconsidered the matter and perhaps Mr. V. T. Krishnamachari's report which favoured a higher age has tilted the scales. There are indeed many sound reasons for adopting a higher age; a longer life expectation and increased longevity among pensioners (which show better physical fitness), larger family responsibilities at 55 due to late marriages and the Government's own need for senior experienced personnel which now compels it to extend the services of retiring officers or re-employ them, are the main considerations in favour of raising the age limit. The Home Minister has said that the present emergency is an additional argument; it is true that, in the last war, extension of service was liberally granted by the Government to retain experienced men. Even now, a good proportion, nearly 7 lakhs (out of 17.74 lakhs) of Central Government employees are not subject to the 55-year rule and can normally continue in service up to 60. So no new principle will be introduced if 58 is adopted for all classes instead of 55 and 60. Many feel that re-employment or extension at the discretion of the employing authority has led to favouritism and demoralisation and that it is also necessary to discourage the unhealthy tendency of Government servants to look to the private sector for employment after retirement.

The main argument against any change is that employment opportunities will suffer; Mr. Shastri said that, for the first three years in which retirements are postponed, new recruitment will be less by 12,000 a year and thereafter the position will be the same. There seems to be a snag here, since an increase in the total duration of service is bound to restrict the number of jobs; but the Government is entitled to say that other recruitment during the emergency will make up for the shortage of jobs. But all these calculations, however, proceed on the basis that only the Central Government services will be affected; but, once the new rule is enacted, it will be difficult for State Governments to resist demands for extension of the rule to their services. In U.P., the rule has already been changed in favour of 58 and the efforts of the Chief Minister to rescind it have been thwarted and will now have to be given up. So the Union Home Minister cannot in fairness disown responsibility for States whose position will be weakened by his decision; this is a matter on which a national policy has to be formulated.

Seeing many active men around in their sixties, I cannot argue that efficiency invariably declines at 55 though it is also true that many usually begin to mark time some time before they are due to retire. Admitting this objection, the Pay Commission pointed out that this was purely relative to the age of retirement whatever it be; as Parkinson would say, the point of marking time seems to begin at R-3 (where R stands for the age of retirement). Disraeli observed that, when a man fell into anecdotage, it was a sign for him to retire from the world; listening to commuters on suburban trains one may be tempted to apply this test to many, irrespective of their actual age. But I really feel that men in their forties, who wish to get on to positions of responsibility when they have reserves of energy, may feel frustrated if they have to wait too long to get to the top. A melancholy succession of frustrated men arriving at the top only to wait for their pension is not an encouraging prospect and some safeguards seem necessary, if the rule is to be changed to 58.

Personally, I would not regret the re-employment of pensioners in larger numbers in the private sector where their knowledge of procedure, rules and administrative organisation may have a healthy influence. Now that the minimum age for recruitment to Government service has also been lowered, the prospect of men coming out after more than 35 years of Government service, with all their initiative sapped by long pursuit of bureaucratic ways, is not indeed pleasant. In rural areas, where a pension *plus* an honorarium may be still adequate for a quiet life, retired men can be employed in many fruitful lines to man post offices, branch banks, organise insurance business or co-operatives and do many other things not done now for lack of personnel. Perhaps, the change to a rural atmosphere will not be easy always, but these are only illustrative of the uses to which retiring officers can be put in the national interest, if they continue to be fit.

Inevitably, decisions in vital matters like this are taken by men who are themselves near the deadline, if they are in the service, or those well past it if they are Ministers who okay what senior civil servants consider proper so long as politics is not involved. Gerontocracy is a word which has not gained currency in this country, though it fits it well.

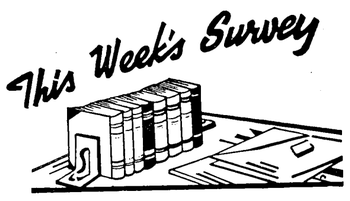
SINDRI'S PRODUCTION PICKS UP

Production in the old ammonium sulphate group of plants at the Sindri Fertiliser Factory of Fertiliser Corporation of India has been restored to their full rated capacity. The Expansion Plants are now being operated at nearly the maximum possible capacity consistently with the current limitations on availability of coke-oven gas due to insufficiency of lean gas for firing the coke-ovens and insufficiency of supplies of high volatile coal from Dishergarh coalfields. An all-out effort organised during the last few months has yielded these substantial results.

The production of ammonia during October from the old group of plants was 8,890 tonnes, exceeding the monthly rated capacity by about 500 tonnes and establishing an all-time record. The production of ammonia in the Expansion Plants during the month was 3,450 tonnes. This works out to nearly 90 per cent of its current production capacity, considering that the new ammonia plant receives no more than only 70 per cent of its feedstock in the shape of coke-oven gas.

In order to produce 600 tons of coke per day to feed the gas plant and at the same time to make available the requisite quantum of coke-oven gas to the Expansion Plants, Sindri needs about 1,000 tonnes of coking coal per day in the proportion of 60 per cent of its supplies from Dishergarh and 40 per cent from Jharia. A blend of 60 per cent Dishergarh coal is essential for a yield of 10 million cu. ft. of coke-oven gas for use in the Expansion Plants. Adequate supplies of this type of high volatile coal have not been forthcoming. The other limiting factor in the Expansion Plants is that the entire quantum of coke-oven gas cannot be processed for the production of ammonia since, due to insufficiency of lean gas, a part of the rich gas has to be used for underfiring the coke-ovens.

The total production of ammonium sulphate during the month of October was 30,463 tonnes which is appreciably in excess of its monthly rated capacity. The production of urea during the month was 1,849 tonnes, nearly 90 per cent of the rated capacity of the Urea plant. The production of double salt has also improved within the limitations imposed by restricted production of ammonia in the new Ammonia Plant. It is said that efforts are continuing to improve further Sindri's performance so far as the Expansion Plants are concerned.



BRITAIN AND COMMON MARKET

THE two-day debate in the British House of Commons on the U.K.'s proposal to join the Common Market last week did not spring any surprise. The official motion urging the Government to make "every effort to bring the negotiations to a conclusion acceptable to Parliament" was passed without any amendment. The Labour Party had, no doubt, moved an amendment, which while supporting the Government move to join the Six, wanted to ensure that adequate safeguards were provided for in any agreement, particularly in respect of British agriculture, Commonwealth and E.F.T.A. But the amendment was rejected by 319 votes to 221. Although there was no unanimity on the terms agreed to between the U.K. and the Common Market, all the parties have, as Mr. Heath, Lord Privy Seal, observed, general agreement that it is in the interest of the entire Commonwealth that the U.K. should join the Six. It is of some significance that, contrary to earlier expectations, the Labour Party did not choose to take an inflexible stand against the Government's move. This strengthens the hands of Mr. Macmillan in pursuing the "formidable negotiations ahead," apart from showing to the Six and other countries that Britain is united in its desire to join the Common Market and serve the cause of European unity.

In a strong defence of the agreement already reached with the Six on safeguards to Asian Commonwealth countries, Mr. Heath observed that the proposed comprehensive trade agreement was a solemn obligation by the seven countries to develop mutual trade and increase the foreign currency receipts of these countries. He added that such an agreement would safeguard the trade of these countries not only into Britain, but into the whole of the enlarged community. This is the first time, he said, that an offer of a trade agreement with a binding obligation of this kind had been made to any country. Turning to the provisional agreements already reached, Mr. Heath referred to the proposal for introducing *nil* tariffs for tea. Thus, for the first time, tea would be cheaper than coffee in some parts of the Community. This obviously is advantageous to India and Ceylon, which are the major exporters of tea. Mr. Heath explained at length the transitional and special arrangements which had been made for dealing with specific trade items. Cotton textiles had been the most difficult single item. He explained the special and gradual application of the tariff in four stages that would take place, and stressed that the important part of this arrangement was the proviso to the effect "that, if trade in these items from these countries suffers in the United Kingdom, then remedial action has to be taken in order to redress that balance." The arrangements already agreed with the Six covered all but nine per cent of India's trade, and all but four per cent of Pakistan's trade. They were now negotiating with requests for all tariffs on a number of other items. The Six had offered to review the situation, at the end of the Brussels negotiations, to see whether an improvement could be made in the interests of India and Pakistan by simplification of tariff arrangements.

Mr. Heath, however, did not minimise the difficulties involved in arriving at agreed solutions to trade of industrial goods from the Commonwealth. In this context, he said that there was a limit to the concessional arrangements and that the U.K. and the Six alone could not solve all the problems of developing countries. He wanted the developing countries themselves to explore markets for their goods. While this is an unexceptionable argument, one fails to understand how they will be able to export their industrial products to European countries, if they are discriminated against by means of preferential tariffs and quantitative restrictions. All that the developing countries want is equality of opportunity to trade. Anyway, the authorities in India will do well to bear in mind that industries in this country will have to be far more efficient than they are today and that they must take appropriate measures in this direction.

Although the problems of Commonwealth countries came up for consideration at the hands of various members, they were almost side-tracked by the elaborate discussions on the question of safeguarding domestic agriculture. Britain is asking for a transitional period for integrating its agriculture with the Common Market. During this transitional period, the U.K. would maintain the existing pattern of producer subsidies through deficiency payments. But the Six have not agreed to this proposal. They, particularly France, are of the view that the U.K. should switch on to the Continental system of target prices and import controls soon after the U.K. joins them. Explaining the difficulties on the agricultural front, the *Financial Times*, London, says as follows:

"The difficulties over agriculture are ones of both detail and principle; and they are sharpened, as the Commonwealth debate was not, by the fears that these difficulties could be reflected in lost votes in a number of evenly balanced agricultural constituencies. The difficulties of detail concern the Government's pledges under the 1957 Agriculture Act. This, it was promised, would not be repealed during the life of the present Parliament; yet the Government intends, if at all possible, to join the Common Market before holding a General Election, and this would only be compatible with its pledge, if the Six were to grant a transitional period between accepting U.K. membership and the switch by the British from deficiency payments to the Continental system of target prices and import control. This the Six, in the last tough session at Brussels, seemed unwilling to do.

"The matters of principle on agriculture go deeper. Switching to the Continental system of farm support, with the considerably higher prices this would mean for certain basic types of food, would be unpopular with the electorate; the Six's proposals, unless scaled down, could also lead to difficulties in fulfilling pledges made to the Commonwealth on temperate foodstuffs. The conflict here is partly between French ambitions to provide a growing share of Europe's food needs and the Commonwealth's desire at least to keep its present share of the market; it is this, more than anything, that has lain behind French reluctance to grant special treatment to New Zealand, with whose dairy products the French will be competing. Partly, too, the conflict is between a price level for, say, wheat which on the one hand would safeguard the small European peasant, and on the other would not encourage production on larger farms to such an extent that the Australians would eventually be squeezed from the market. These questions—hard ones at the best of times—will form the nub of a good deal of the bargaining at Brussels for the next few months."

The question of agriculture was again discussed at the Ministerial meeting of the U.K. and Six a few days ago. But the two parties have failed to agree. Unless France makes a retreat from its present stand, this question is bound to impede an early agreement between the U.K. and Common Market. Besides, British public opinion will not favour any agreement which does not take into account the genuine difficulties of domestic farmers. Some solution, however, is bound to be found, for the desire to get together and present a solid front for protecting democracy in the West is quite strong.

AWARD ON OIL ROYALTY

The ten-month-old dispute between the Government of Assam and Oil India Limited over the rate of royalty payable to the former on crude oil extracted by the latter has just been happily resolved by Prime Minister Nehru who, as arbitrator, has given his award. Thanks to this award, which the Assam Finance Minister is reported to have described as "fair," the State Government will get a royalty of Rs. 7.50 on every ton of crude oil produced in the State over the next four years. The new rate represents an increase of 30 nP over the pre-June 1961 rate of Rs. 7.20 per ton which was the equivalent of the customary 10 per cent of the then well-head value of crude oil. But it will also be seen that the rate fixed under the Nehru Award represents an increase of as much as Rs. 2.70 per ton over the reduced rate of Rs. 4.80 per ton which Oil India was to have paid as a sequel to its June 1961 agreement with the Central Government—the agreement under which the well-head value of crude oil from the Nahorkatiya oilfields was reduced from Rs. 72 per ton to Rs. 48. The Nehru Award has thus more than fully conceded the Assam Government's stand that the loss of revenue (estimated at Rs. 75 lakhs annually on the present production of crude oil in the Nahorkatiya oilfield), which would have resulted from a fall in the yield of royalty from Rs. 7.20 per ton to Rs. 4.80 per ton, should be fully compensated. We advisedly say "more than fully," because, in the coming years, the production of crude oil in Assam will register a manifold rise, yielding a handsome revenue to the State. Assam has thus had a generous deal.

The Award, it is noteworthy, has also recognised the right of the State Government to be associated in the fixation of royalty on crude oil produced from Assam wells. This recognition is implicit in the Award which, incidentally, is based on the Union Finance Minister's report wherein it had been stressed that the Government of India should not have reduced the royalty to Rs. 4.80 per ton unilaterally without reference to the Assam Government. It is also implicit in the Award's recognition that the State Government has a certain proprietary right in the oilfields within its territory. Another point won by the State Government is that Oil India Ltd. should pay the royalty at the enhanced rate with retrospective effect. This means that the unilaterally reduced rate of Rs. 4.80 per ton would not apply even to the period from June 1961 to 7th November 1962 (the date of the Award). Perhaps the most significant feature of the Award is that it has made a departure from the usual practice of calculating oil royalty at the substantial foreign market price of crude oil. In other words, the price of crude to be calculated has been delinked from the international price in relation to which, for instance, the well-head value of Nahorkatiya crude has been reduced to Rs. 48 per ton. The Nehru Award has now laid down the principle that, for the purposes of royalty, the price of crude oil should be calculated at a flat rate on the basis of cost of production in India.

The Nehru Award has certain all-India implications, too, for it is stated that the royalty of Rs. 7.50 per ton has been fixed as a uniform rate of royalty for the whole of India and that it will remain in force for four years. This means that the Oil and Natural Gas Commission of the Government of India will have to pay royalty on oil at this rate to the Gujarat Government also, for instance. The Assam Oil Company which, too, has refused to pay, on account of its Digboi oilfields, anything more than Rs. 4.80 per ton as royalty with effect from June 1961, would, likewise, have to respect the Award, since it is applicable uniformly to all oil-extracting enterprises in the country. It is thus clear that the Assam Government, by winning its specific case against Oil India, a Central Government concern, has simultaneously benefited all other States having petroleum resources which are currently or potentially exploitable.

DEVELOPMENT ASSISTANCE

Rs. 33 at one end and Rs. 119 at the other: This is the gap between the average rate of growth of *per capita* income in the underdeveloped and developed countries. The gap is too wide and may become wider still, thereby increasing the imbalance in world economic growth. Mr. Gerhard Merzyn, Director of the Institute for Economic and Political Sociology, Hamburg, West Germany, who is now on a visit to India, was certainly voicing the opinion of a vast section of the intelligentsia when he declared in Bombay early this week that, since the wide gap was a danger to mankind and world peace, it should be eliminated. The industrialised countries have, of course, fully realised the imperative need for reducing, if not eliminating altogether, the gap, as witness the grant of large-scale economic assistance to underdeveloped countries. But the best effect of such assistance cannot be ensured, unless the industrialised countries commit themselves to make specific contributions for many years to come to economic aid programmes covering a wide range of underdeveloped countries. The well-known columnist of the London *Financial Times* "Lombard," has, therefore, done a signal service to the cause of underdeveloped countries in strongly advocating such a course of action. A machinery must be devised, he says, for varying the total burden on individual capital exporting countries from year to year to minimise the risk of such expenditure adding materially to the embarrassment caused by temporary changes in balance of payments patterns. The scheme which "Lombard" has proposed may be summed up thus:

> If some countries feel that they have become over-committed in respect of aid, they must be helped by arranging a temporary reallocation of aid, thereby avoiding a cutting-back of assistance to underdeveloped nations. Such an arrangement is not at all considered difficult, because, when some of the capital-exporting countries are experiencing difficulty in the balance of payments field, others will be faring a good deal better than they need to. When, in due course, the payments pendulum swings in the other direction, it will be possible for countries that had previously fallen into arrears with their aid commitments to get themselves up-to-date.

The introduction of the above system, one may argue, would enable slothful countries to shift the burden of their aid commitments on to the shoulders of others in permanent fashion, since there would be no way of ensuring that the debts incurred on this account would be repaid. To this argument, "Lombard's" reply is that, in practice, if a country were to show a tendency to abuse the system in the way just described, the obvious thing would be to conduct a general investigation of its circumstances to discover whether the trouble arose through negligence or because its share of the total burden had been unduly large in the first case. "This (the new scheme)," to quote him, "would be a big improvement on the present system under which we find a major country effectively transferring a sizable part of its aid burden to other countries without consultation by leaving them with no alternative but to stockpile the proceeds of its resulting overall payments deficit."

In effect, the scheme outlined by "Lombard" has one distinct advantage: to facilitate an improved distribution of the burden of common aid effort. It may be recalled here that the O.E.C.D. Development Assistance Committee has, in its first annual aid review, urged that, while the factors determining the appropriate size of aid contribution of individual countries are too complex to permit a simple arithmetic allocation of the desirable share of each D.A.C. country in the common aid effort, substantial differences in effort do persist and require correction. Incidentally, the new system, as "Lombard" emphasises, will enable the capital-exporting countries themselves to form a fairly clear picture well in advance of the amount of money they will have to allocate for financing development abroad and to plan the rest of the external budget accordingly. So far as the aid-receiving countries are concerned, the co-ordination of aid effort on long-term basis will enable them to frame their development programme in the knowledge that the greater part, if not all, of the foreign exchange they need for financing capital goods imports will be forthcoming when the time comes.

JOB EVALUATION

The Bombay branch of the Productivity Centre of the Government of India deserves to be congratulated on having organised, in association with the Institute of Industrial Engineers, a practical course in job evaluation. The course, which concluded this week in the city, was attended by twenty-one participants drawn from different organisations. A unique feature of the course was that it did not confine itself to giving a series of lectures by experts but offered practical instruction in the methods and problems faced in job evaluation. The object was to give the participants, who, at one time or another, were expected to introduce, or assist in the introduction of, job evaluation in their respective establishments, firsthand knowledge and experience in the practical problem of job evaluation.

The course served to focus attention on the advantages and limitations of job evaluation as a method of evolving an equitable and scientific wage structure. The problems of defining and fixing suitable wage relationships between groups of jobs and workers are of considerable importance to the theory and practice of wage determination. In many countries, job evaluation has been applied to deal with comparative equity in wage determination mainly, though not exclusively, at the level of the individual firm or plant. Its aim is to provide a means of establishing a wage structure acceptable to workers and management and which, as far as possible, is fair or equitable in the sense of ensuring equal pay for equal work. Defined simply, job evaluation is an attempt to determine and compare the demands which the normal performance of particular jobs makes on normal workers without taking into account the industrial abilities or performance of the workers concerned. In other words, job evaluation rates the job, not the man.

Though simple in its basic principle, practical application of job evaluation often raises complex technical questions. Moreover, in so far as wages are sought to be related to the "ranking" of jobs, job evaluation also gives rise to human problems affecting workers and management in general as also different categories of employees. Consequently, disputes about job evaluation and wage fixing, like other industrial disputes, become the subject of adjudication. Opposition to job evaluation, which is not confined to workers alone, is based on the fear that job evaluation will upset the existing wage structure. This fear, however, is unfounded, according to Mr. Justice Gokhale of the Bombay High Court. Addressing the participants in the advanced course in job evaluation, Mr. Gokhale pointed out that the intrinsic worth of a job was not the only factor that determined wages for a job. The minimum wage fixed under law, for instance, was outside the purview of job evaluation. That wage was inescapable and was imposed, so to say, by economic and social consideration. In his opinion, the recognition of the need for a minimum wage need not, therefore, be an impediment in the way of the introduction of job evaluation.

But even if job evaluation were introduced on a wider scale, it could not be an answer to all wage administration problems. This point was stressed by Dr. Palekar, a labour economist, who pointed out that job evaluation did not attempt to fix the money equivalent of various jobs, but only to determine their relative worth. In India, where there was at present certain rigidity in wage scales, consequent on industrial awards, change in wage structure, especially downward revision, would be difficult to introduce.

The opposition to job evaluation will diminish if its significance and implications are properly understood by workers and management. Work studies and job evaluation techniques could be utilised to eliminate inequities in wage structure. And once suitable job gradations and job differentials are formulated, it should not be tampered with by tribunals, except in cases where there is a clear case for adjustment. In such cases, adjustment should not be piecemeal but should cover the entire gradation of jobs.

While the minimum wage is unaffected by job evaluation, wages above the minimum can and should be based on an evaluation of job content, so that jobs demanding greater effort and sacrifice could be given greater rewards. Though manual jobs lend themselves more easily to evaluation, non-manual, clerical and administrative jobs, including even top executive positions, could be studied and their job content assessed. In support of this view, it is said that the nature and importance of professional qualities that completely defy description and analysis might be found to be much smaller than is sometimes assumed. But this proposition has yet to be proved. So far as factory workers are concerned, it can be said that, to the extent job evaluation helps to give practical expression to two principles of fairness, namely, equal pay for equal work and differential reward for discernible differences in effort and sacrifice, which are so widely recognised that they cannot be regarded as subjective assertion by group interests—it deserves wider study and application wherever feasible. A note of caution, however, needs to be sounded here. In trying out any system which appears fair and deserving on paper, care must be taken to ensure that the experiment does not lead to unrest and discontentment. If it does, it would be a case of the remedy being worse than the disease, for one cannot expect higher productivity from a discontented labour force.

BOMBAY PORT

The quantum of trade handled by the docks and bunders of Bombay suffered a small decline during the year 1961-62. Thus, according to the latest *Administration Report* of the Bombay Port Trust, the aggregate weight of cargo handled by docks and bunders fell from 14.72 million d.w. tonnes to 14.55 million d.w. tonnes, the actual decline being 1.73 million d.w. tonnes. The decline is largely the result of smaller imports, particularly of foodgrains, during the year under review. There was, however, a modest increase in the volume of total exports. Most of the major export items shared in the increase, particularly ores (other than manganese), petroleum products, raw cotton and sugar. The only exception was manganese ore, shipments of which were perceptibly lower, having fallen by about 108,000 tonnes to 269,000 tonnes.

The following table shows the weight of cargo handled by the Bombay docks and bunders since 1961-62:

(In million tonnes)

Year	Imports	Exports	Total
1951-52	5.90	1.70	7.60
1952-53	4.77	1.97	6.75
1953-54	4.85	1.98	6.83
1954-55	5.72	1.99	7.71
1955-56	6.82	3.66	10.47
1956-57	8.37	3.80	12.17
1957-58	9.45	3.87	13.32
1958-59	8.55	3.39	11.94
1959-60	9.56	3.79	13.36
1960-61	10.80	3.93	14.72
1961-62	10.41	4.14	14.55

Despite the decline in cargo handled, the financial position of the Port Trust continued to be satisfactory. The general account for 1961-62 closed with a larger surplus of Rs. 392

(*Continued on page VIII*)

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AMERICAN LETTER

ALL AMERICANS SOLIDLY BEHIND INDIA

TAX RELIEF CONSIDERED MOST ESSENTIAL

From Our Special Correspondent

NEW YORK, 10*th November*

THE crisis over Cuba and its effect on the United States economy which were the topics of my last despatch have greatly diminished in magnitude since. U.S. naval vessels patrolling the seas have actually observed missiles being carried back on Russian freighters. While this is not regarded as the final answer to the problem, it could be the beginning of a *modus vivendi*. A second disturbing factor, or a potential one, which is more or less routine were the Congressional elections and the elections of Governors of the various States. Here again nothing has happened to upset the equilibrium of the U.S. economy. However, a very grave view is taken of the Chinese invasion of territories of India. I intimated in my last despatch that the U.S. State Department was fully prepared to extend a helping hand to India with military and other supplies. This has materialised already. Moreover, public opinion in the U.S. is strongly behind India in its present struggle.

This view is shared in the United Nations. But domestic and foreign sources here alike are perturbed that a relatively large-scale war between India and Red China may disrupt the long-range planning of the Government of India in constructive economic spheres. This was one of the last thoughts of Mrs. Eleanor Roosevelt before she passed away and before she was honoured by the U.N. not only as a citizen of the U.S., but as a citizen of the world. Even Russia concurred in this view.

U.S. Business Prospects

The business outlook is fairly good and the forthcoming holiday spending spree is regarded as promising, internal and external crises notwithstanding. Perhaps, the most eloquent thing which can be said at this time is that stability has not been perturbed and that nothing important has worsened.

At the present time, there is more talk of deflation rather than inflation. This does not apply to the U.S. alone, but to other countries as well. Reasons for apprehensions in this respect are based on what are regarded as inadequate profit-margins here and abroad and, thus, an inadequate growth rate.

The corporate profit trend is somewhat elusive. For the first nine months of the year, the trucking industry made the most spectacular gain by increasing its earnings more than 100 per cent over 1961. Three other industrial groups registered gains of more than 60 per cent. These are: textiles and apparel, automobiles and parts, and, finally, the railways. But all three were so depressed last year that the rise can be considered as just a natural comeback.

So far as the future is concerned, two industrial groups are felt to be outstanding contenders for success—the electrical and electronic groups. They are being helped by the communications' space satellite Telstar, by new marketing successes of colour television and by a very high volume of space and military orders for equipment which are apt to continue and to increase.

The other side of the coin—and that goes back to the deflationary sentiment—is that prices can no longer be increased. Competition is too keen, both domestic and foreign. And substantial industrial capacity remains unused as before.

At the pace the U.S. economy is going, the question arises as to what is expansion and what is a recession. The unemployment ratio remains stubbornly at about 6 per cent of the labour force. The President's Council of Economic Advisers feels that, under the circumstances, nothing the Government does could possibly be inflationary.

In fact, there is a downward pressure on prices in the face of gradually increasing costs of labour and services. It is again a question of profit-margins. Monetary and fiscal policies can help up to a point, but they cannot remove basic inadequacies and rejuvenate economies.

The Federal Reserve system, for example, has done all it could for the maintenance of interest rates at a level which should inhibit an unsupportable outflow of gold. After all is said and done, the main burden of future economic planning seems to rest on tax policies. This is not just a domestic U.S. problem. It applies to every free country in the world. Taxes can kill the goose which lays the golden egg. Tax reductions, therefore, are being more than seriously considered in this country. Statements supporting such a course have been issued by spokesmen of the Common Market in Europe, by the International Monetary Fund and by the President's Council of Economic Advisers. Such measures are, of course, not necessarily a panacea. They may remove the danger of deflation caused by inadequate capital spending on psychological grounds—and they may lead to inflation.

So far as the overall picture is concerned, stockholders of publicly-owned corporations may get as much as $3,000 million in dividends in December which compares with $2,750 million last year. While there was a decline in steel dividends, other companies upped their payments to stockholders, notably Standard Oil (N.J.) which has 217 million shares.

One of the brightest spots in the U.S. economy, at this moment, is the automobile industry. Car production in the last few months reached new record highs and so did sales. General Motors captured 52 per cent of the domestic market. Output continues brisk and the overall auto industry operation is, of course, strongly supported by defence orders.

There has been no clear cut pattern in the stock market which is supposed to forecast future events. When the threat of war over Cuba appeared imminent, defence stocks were trading favourites; after the Russian back-down, stock prices rose. The outcome of the Congressional elections did not change that pattern either.

During the crisis period, the international payments position of the U.S. mounted again on the deficit side. Commercial exports were lower than expected. But, at the same time, gold prices fell from their crisis-highs to just a little above the official U.S. gold price of $35 an ounce. This was generally regarded as an encouraging note.—*All Rights Reserved.*

(Concluded from next column)

to British industry. But is there any reason why it should not be established for all time that all investment expenditure should not be written off right away? This would indeed be a long-term stimulus to investment, with the advantage that it would, in fact, cost the Treasury nothing over the years since, over the years, long though they sometimes are, all investment can be written off. On top of this, a bonus—the investment allowance—could still be given from time to time, permitting something in excess of 100 per cent of the capital expenditure to be written off, since such an allowance is definitely a reduction against overall taxes that a firm suffers. And it is a little difficult to see any justification for putting this kind of allowance on a permanent and fixed basis.

One other significant thing about Mr. Maudling's empiricism is that his predecessor's "economic regulator" appears to have gone by the board. This was the power taken to raise or lower in between budgets the rate of purchase tax within limits. This so-called "regulator" was intended to stimulate all buying or inhibit all buying on a wide range of consumer articles. Mr. Maudling has decided that this is not the right approach; his own preference is for the discriminatory tax relief, that is by reducing a particular tax to boost a particular industry rather than encourage spending generally over all industry. It is empiricism instead of principle, but there is little criticism against the Chancellor on this score.

But what does all this add up to? *The Economist* has calculated that, if national production is to rise at the rate of 4 per cent per annum, over £1,000 million consumer purchasing power must result. What Mr. Maudling has done with his two boosts is to pump in a potential £200 million. There is nothing very inflationary about this. Certainly, the car industry will be stimulated; certainly prospective investors in capital equipment will be grateful; but is it anything like enough to reverse the rising trend of unemployment? The general feeling here is that it is not.

LONDON LETTER

STATE OF ECONOMY

BUDGET OR BOOST?

From Our Own Correspondent

LONDON, 9*th November*

THE Chancellor of the Exchequer, Mr. Maudling, has now had his second puff at livening up the British economy. This latest one is worth about £100 million a year—rather more than half of it by a reduction of nearly 50 per cent in the purchase tax on motor cars and the rest through bonuses for capital expenditure. Because this puff affects all capital investment and the motor car industry, it has been suggested that the Chancellor was really introducing a second Budget. In fact, he has been most anxious that his actions should not be interpreted that way which is the principal reason why he has adopted such an empirical approach to tax relief.

It will be recalled that, a month ago, the Chancellor decided to make refunds of special war-time taxes to a slightly younger age group. This meant that something like £40 million of purchasing power per annum would be pushed into circulation, that is, if the people concerned were to spend the money. Unfortunately, in those particular age groups, it is more likely that they would save it! In addition, public investment was to be increased by about £70 million a year—this was a promise of real injection of purchasing power into the economy.

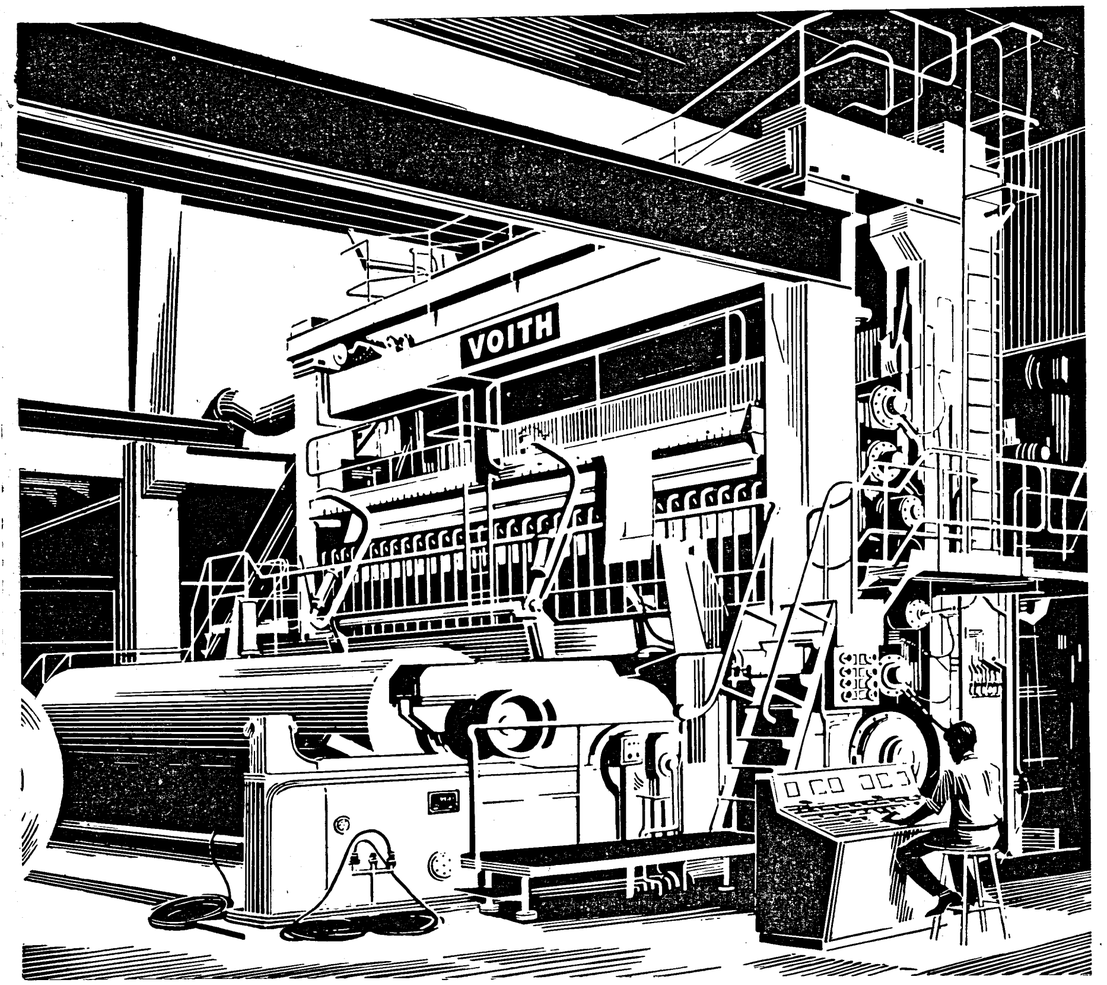
There are two things to note about the present empirical measures. So far as motor cars are concerned, the Chancellor said that he was going to give substantial relief, because the industry was relatively depressed. Since the announcement was made, there has been a promise of increased expenditure on roads; certainly the two go together, for the idea of lower tax on motor cars is to make more motor cars and, therefore, to congest still more the already heavily overloaded British road system. But there is still no true road policy relevant to the likely demands on road space in, say, ten years' time.

The bonuses on capital expenditure are in a different category. These are intended to encourage businessmen to scrap obsolescent plant and buildings in order to keep abreast of Continental and American competition. It is now possible to write off 130 per cent of any given capital expenditure. The first 50 per cent (until now only 20 per cent) is with an investment allowance. If, say, a unit of plant is purchased at the cost of £1,000, then, in calculating the firm's liability to tax, an allowance of £300 will be made off the profits of the firm. This is quite independent from depreciation allowances where the tax rules may permit an item to be written off at the rate of, say, 5 per cent per annum for 20 years. There, the Chancellor has shortened the length of time over which particular plant items may be written off. This would not affect the accounting processes of individual firms, for each firm will, in any case, make its own computations and write off every year whatever it thinks appropriate. But what it thinks appropriate may not be regarded as appropriate by the tax authorities and the virtue of the recent changes is to bring authorised annual deductions for tax more up to what individual go-ahead firms think is right. The net effect of all this is to permit commercial enterprises to write off out of profits each year more than has hitherto been permitted for a given capital expenditure.

So far as the investment allowances are concerned, their effect is the same as that of a reduction in the tax on profits. But, while a reduction in the tax on profits would benefit all profits, but not necessarily provide any stimulus to investment, this particular basis only gives a bonus to those firms who go in for new investment.

Of course, businessmen are grateful that their taxes—that is assuming that they are businessmen who are investing in new capital—should be reduced. The criticism is that there is no kind of long-term pattern encouraging businessmen to think in terms of investment over the years. Whether it is possible to have such a pattern is another matter but it has often been urged in this country that what the economy needs is a long term stimulus to investment, e.g. that, if a firm spends X pounds on new plant and equipment, it should be allowed to write off those X pounds whenever it likes out of profits. This can now be done for plant and buildings used for research purposes—a belated but useful recognition of the value of research

(Continued in previous column)



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MONETARY POLICY: AN AMERICAN VIEW

THE ANTIPODES OF RADCLIFFE?

By D. Krishnaswami Rao

FEW writers could have exercised on contemporary economic thought and policy an influence so great as to be termed a "Revolution," but such precisely was the work of the late John Maynard Keynes who in the field of thought gave a new explanation of the level, in terms of income and employment, of economic activity, and in the sphere of policy helped to overthrow the primacy of monetary policy as the single established instrument of State action in controlling economic activity in the aggregate. Monetary policy which was thus pushed into abeyance in the early 1930's in both Britain and the U.S. (in common with many of the countries of Western Europe) was not resuscitated and put into use in either country till the early 1950's when the persistence of inflationary pressures long after the close of the war and the impracticability of tackling them with the fiscal weapon made it imperative to resort to the monetary instrument again. After all, monetary policy as an instrument of economic stabilisation had met its Thermopylæ in dealing with the unparalleled depression of the nineteen-thirties; it might nevertheless prove to be serviceable in controlling the post-war boom which took a more unhealthy turn with the beginning of the Korean war; possibly also it might be useful, in reverse, to stimulate the economy, if it were to run into such mild recessions as could be envisaged in the over-stretched conditions of demand of our times.

For a decade now, monetary policy has, therefore, been in active use both in Britain and the U.S., and it would be interesting to know what has been the experience of the two countries with their revived exercise, no doubt in greatly changed circumstances, of an old and once-trusty weapon. We have available to us for this purpose the much-discussed views of the Radcliffe Committee whose report on the working of the monetary system in the United Kingdom was published in August 1959 and, for the American experience, we can refer to the findings of the Commission on Money and Credit whose report, submitted to President Kennedy in June 1961, has only recently been available in this country.

The Radcliffe Committee was a body appointed by the Government. It had a membership of nine, of which two were bankers and two academic economists. It took two years over its work (May 1957 to July 1959) and submitted a unanimous report. The U.S. Commission on Money and Credit (which we shall henceforward refer to as the C.M.C.) was a body selected and sponsored by the Committee for Economic Development, an organisation of enlightened American businessmen, President Eisenhower's attempt to set up an official commission of inquiry not having found favour with the U.S. Congress. It began with twenty-five members in 1958, of which two resigned and five died during the course of its three years' labours, so that, with two later appointments, twenty signed the report—each dissenting frankly, in footnotes, at any point on which he differed from the majority of the Commission. As the Commission itself says, the report "represents the deliberations of a diverse group of American citizens." The American report, therefore, lacks that quality which has set scholars in two continents wrangling over the analysis and the conclusions of its British counterpart.

Objectives of Monetary Policy

On the objectives of monetary policy, the C.M.C. and the Radcliffe Committee differ little. The former regards "an adequate rate of economic growth, sustained high levels of production and employment, and reasonable stability of prices" as the three central objectives; together with them are also to be sought "adequate national security, maintenance of harmonious international economic relations and contributions to economic development abroad." Rather strangely, equilibrium in the balance of payments finds no mention among the primary objectives. The C.M.C. holds that the three main goals "can be achieved simultaneously" and that they are basically compatible, "if we do not expect the impossible for each." The Radcliffe Committee lists the following as the possible objectives of monetary policy: "a high and stable level of employment; reasonable stability of the internal purchasing power of money; steady economic growth; some contribution to the economic development of the outside world; and a strengthening of London's international reserves." Then comes the warning: "in listing these five objectives, we have to acknowledge that there are serious possibilities of conflict between them. The choice between them, where choice has to be made, is one that Governments have to face."

It is, however, when we turn to their assessments of the working of monetary policy in their respective countries that we find the two bodies of inquiry apparently taking contrastingly different positions. The Radcliffe Committee's evaluation of monetary policy in the United Kingdom in the years after its revival in 1951 is found in the now famous chapter VI of the report, bearing the heading "The Influence of Monetary Measures," a chapter that has verily drawn a hundred economists into the battle of intellects that has since raged over its purport. In trying to paraphrase it, one has, therefore, to be very wary, for this is ground on which angels would tread with care.

Impact on Demand

The Radcliffe Committee analyses the impact of monetary measures on the total level of demand for goods and services as working, theoretically, in two ways. First, by bringing about a change in rates of interest, the monetary authorities can, in theory, change the incentive to invest in either fixed capital (plant, machinery and buildings) or stocks of commodities. This the Committee calls the *interest incentive effect*. Secondly, the monetary authorities can bring about a change in the liquidity position of financial institutions, business firms and people generally, "so that those wanting money to spend (whether for capital development or other purposes) find it more (or less) difficult to get than it was before": this the Committee describes as the *general liquidity effect*. The two effects are, obviously, complementary to each other.

The Radcliffe Committee is not convinced of the presence of the interest incentive effect in recent years. Its analysis of the use of monetary measures in the United Kingdom since 1951 leads them to the conclusion that only very limited reliance can be placed upon the ability of interest rate changes to affect the incentive to invest in either stocks of commodities or fixed capital goods. The Committee concedes to changes in short-term interest rates of the type that are signalled by a rise in British Bank rate, the power to bring about a big and immediate improvement in the country's foreign exchange reserves—which, of course, was often the all-important objective of the authorities. But even in this regard, it emphasises the symbolic effect of a rise in British Bank rate: it is a warning to overseas opinion (particularly to speculators in foreign exchange who have precipitated more than one sterling crisis in recent years) that the exchange value of the pound would be defended at all costs, however unpleasant. The consequent reduction of forward speculation against sterling and the improvement in the external reserves would, therefore, be more the result of a historical reflex than the outcome of a dispassionate assessment by foreigners of the position and prospects of the £.

Interest Rates

The Committee is, however, sceptical of the effect of interest rate changes on the internal economy, because it is convinced of the unimportance of interest changes in relation to other costs and the risks involved in the case not only of fixed investment but even of holding stocks of commodities. It also points out how taxation halves the effective burden of a rise in interest charges. No doubt it came across firms which reported reductions in turnover and in their investment programmes as a consequence of the steep rise in interest rates which was caused by the raising of Bank rate to 7 per cent in September 1957. But the Committee is inclined to ascribe such reductions more to expectations of a decline in business activity than to the rise in the rate of interest—perhaps again a psychological effect. It is, therefore, the Committee's finding that, in the conditions of the 1950's, a rise in interest rates could not by itself have directly caused a sufficient curtailment of demand. Its conclusion regarding the effects of reductions in interest rates in the period is analogous: that they did not directly stimulate demand to an appreciable extent, although they may have had some part in inducing an expansionist outlook on the part of business firms.

In its analysis of the general liquidity effect of monetary measures, the Committee explains, though not with sufficient clarity, its concept of "the wider structure of liquidity in the economy" of which it regards the supply of money as only a part. Liquidity includes not only a person's or an organisation's holdings of ready cash but also anything which can be turned into cash, for example, capital assets which can be sold, and his (or its) borrowing power. It, therefore, also depends upon "the methods, moods and resources of financial institutions and other firms which are prepared (on terms) to finance other people's spending."

The monetary authorities can affect the liquidity structure of the economy by changes in the long-term rates of interest, because these would alter the capital values of many assets held by financial institutions. A rise in interest rates would make some more reluctant to lend, because the capital values of their own assets have fallen, while, with a fall in interest rates, assets would appreciate in capital value and thus encourage their owners to lend more. The Committee regards the power of the monetary authorities thus to alter the availability of funds to borrowers as "altogether more preemptory" in its influence on total demand than changes in the cost of borrowing to which it does not attribute the power to effect even a "marginal adjustment" in the pressure of demand.

If the monetary authorities were free to play upon interest rates, they could exercise a powerful sway on the entire liquidity position of the economy and thus upon total demand. At certain times, especially if they are "inhibited" in their manipulation of interest rates, they may decide to strike at key points in the liquidity structure, as, for example, through restriction of bank advances (popularly known as a "credit squeeze"), control of capital issues, and restraints on hire-purchase credit. The Committee does not, however, recommend these measures for use in ordinary times as they have certain limitations. It found from British experience that a tighter rein on bank advances evoked resort by borrowers thus baulked to other sources of credit like finance companies, building societies, accepting houses and discount houses, and to a greater use of trade credit. A control of capital issues which to be effective would have to be of the quantitative type would be useful as an emergency measure, but it would be neither desirable nor easy to operate as a normal instrument for regulating the volume of investment. Controls on hire-purchase finance have a quick and significant effect on total demand, but resort to them should be minimised in normal times, because they hit bluntly and hard one small group of industries, namely, automobiles and durable household equipment, which thus have to suffer a black eye and a bloody nose every time aggregate demand gets out of hand in the economy.

Main Conclusion

The Radcliffe Committee's summing up of its views on monetary policy is given in a paragraph which Mr. Peter Thorneycroft, the then Chancellor of the Exchequer who appointed the Committee, has called "the heart and centre of the report" and one that "deserves to be quoted and read in full."

> "It will be seen that our review of monetary measures has not led us to any positive and simple recommendations. No method, new or old, provides the remedy for all our troubles. . . . we cannot recommend any substantial change in the rules under which the banks operate; we do not regard the capital issues control as useful in ordinary times; and we believe that there are narrow limits to the usefulness of hire-purchase controls. On the other hand, we believe that the authorities could make more deliberate use of interest rates. . . . although many effects of changes in them are slow to work, some effect comes fairly rapidly through liquidity disturbances created by these changes. But, when all has been said on the possibility of monetary action and of its likely efficacy, our conclusion is that monetary measures cannot alone be relied upon to keep in nice balance an economy subject to major strains from both without and within. Monetary measures can help, but that is all."

U.S. Commission

We turn now to the views on monetary policy of the Commission on Money and Credit (U.S.) whose report, as we have suggested earlier, is much smoother sailing in both thought and exposition.

To the C.M.C., monetary policy means control over the supply of money, meaning currency and demand deposits at commercial banks, exercised by the Federal Reserve System through control over the reserve position of commercial banks. Not for them the Radcliffean spectrum of liquidity whose limits defy demarcation, but which nevertheless the monetary authorities must seek to influence, because it is more crucial to the level of economic activity than the supply of money, itself in the Radcliffe view an undefinable entity.

The Federal Reserve has three instruments to control the reserve position of commercial banks: it can alter the ratio of reserves that member commercial banks are required to hold; it conducts open market operations which alter the volume of reserves available to the banks; and it can change its discount rate, thus altering the terms on which member banks may borrow from the "Fed" to meet a shortfall in reserves.

The C.M.C. is clear that a policy of credit restriction followed by the Federal Reserve can restrain bank lending. Nor is it worried, as the English Committee was, that a reduction of bank lending might be frustrated by a greater resort by borrowers to other sources of credit. It finds that monetary restraint causes the non-bank lenders also to raise interest rates and to apply stricter standards of creditworthiness. Tight money, according to it, results in a substantial volume of loans refused or reduced.

Contrary again to the findings of the English Committee, the U.S. Commission finds that monetary restriction reduces total expenditures in the economy. It finds it markedly so in the case of housing and to a lesser extent in the case of the capital expenditures of State and local Governments. As regards the alleged unresponsiveness of business investment to higher credit costs, it feels that the usual arguments about the insignificance of interest charges as compared to other costs and the uncertainties regarding future sales and profits, and about the tax deductability of interest charges, are overdone. It points out that taxation reduces not only net interest costs but also the net profits of investment. It is the Commission's view that investment in highly durable capital assets and investments for modernisation and cost reduction, which can be postponed to take advantage of cheaper credit, are sensitive to the raising of interest charges, and that investment in commodity stocks seems also to be "somewhat sensitive," provided price increases are not expected. Almost immediately, however, it add, "despite some sensitivity of borrowers to higher interest rates, the direct effects of a restrictive monetary policy appear to work mainly through the reduction in the availability of funds to would-be borrowers."

Monetary Ease

The Commission recognises that a policy of monetary ease may not be as effective in stimulating a much-needed increase of expenditures as a restrictive policy is in curtailing them, because the demand for credit may not increase in a time of slump, in spite of its increased availability and at lower rates of interest. This view, of course, is common ground with all who have made any study of monetary problems in the past forty years.

It is the Commission's belief that a flexible monetary policy is a useful instrument for counter-cyclical stabilisation of business activity. It alludes, in support of this faith, to the restraining effect of restrictive monetary policies in 1955-57 and again in 1959, though it does not, on the other hand, cite any period when an expansionary monetary policy induced a business recovery.

The Commission is not much impressed by the common complaint that monetary measures, because of the time-lag in their working, might have perverse effects—restrictive action taking effect when a recession has already set in due to other causes, or monetary expansion making itself felt when the economy has just swung into a boom. It feels that the problem of time-lags could be avoided, if the monetary authorities were to keep their measures continuously in use, varying them in either direction as early as necessary, changing gradually in the direction of restriction before excessive demand can build up, and relaxing restrictions gradually before aggregate income has actually fallen. To use a Radcliffean metaphor, monetary policy would then be like the gentle hand on the steering wheel that keeps a well-driven car in its right place on the road.

The great contribution of the United States to central banking technique has been the fashioning of *selective* credit controls, that is those which, unlike the *general* credit controls, seek to regulate the volume of credit used for specified purposes such as credit extended for the purchase of durable consumption goods, for the purchase or carrying of stock exchange securities, or for new residential construction. At present, the only selective instrument in the hands of the "Fed" is the control over lending (not only by banks) for dealings in stock market securities.

The C.M.C. has considered at some length the suggestion often made that, for strengthening monetary control, more use should be made of selective weapons. It feels, however, that the usefulness as a regular counter-cyclical device of control over credit granted for the purchase of consumer durables is severely limited by the difficulty of efficiently administering the control which can be easily evaded. As regards control over residential housing credit, it recommends that it would be sufficient, if the terms of housing loans insured or guaranteed under the Federal Government programmes were varied in support of the stabilisation policies of the monetary authorities. The Commission concedes the desirability of selective credit controls to regulate business investment in plant and inventories but is staggered by the difficulties of setting up and administering such controls, and contents itself with recommending that possible methods "be investigated by the Government"!

General Controls Preferred

The Commission's own preference is for the *general* controls over credit, with "major reliance" on the use of open market operations in Government securities of varying maturities as the normal instrument of general monetary policy, changes in the discount rate being used to strengthen the effectiveness of open market policy. Changes in reserve requirements for member banks, being more drastic but uneven in their impact upon different banks, are less delicately adjustable than open market operations and are, therefore, to be used only "sparingly." The Commission's assessment of monetary policy is best summed up in its own words:

> "The Commission does not advocate placing sole reliance on monetary policy for stabilisation purposes. Because of its reversibility and the possibility of changing policy by small steps, monetary policy can be used in many circumstances when discretionary fiscal policy changes should not be used, because the need for so powerful an instrument has not yet become clear. In summary, the Commission believes that monetary policy is a valuable and effective instrument of stabilisation policy."

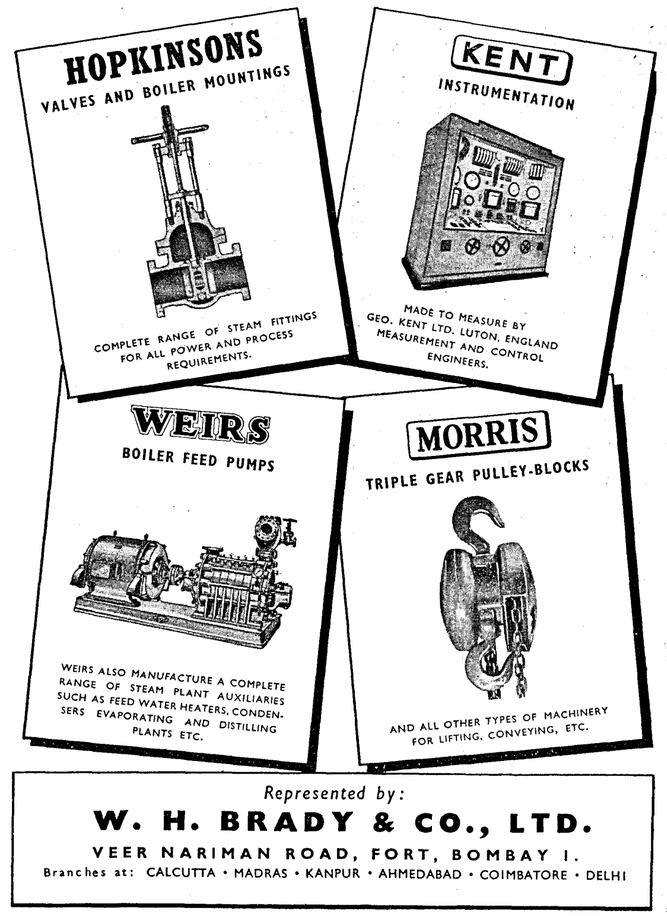
We now come to a question of some importance which is implied in the sub-title of this article. The Radcliffe Committee makes no secret of its scepticism regarding the effectiveness of monetary policy. The Commission on Money and Credit, on the other hand, has been taken to "vindicate almost in entirety the economic rationale on which monetary policy has been formulated over the past decade and, in large measure, the tools through which it has been effectuated." Could it really be that two countries, both with equally well developed money markets and techniques of central banking, have fared so differently in the decade of the 1950's in their use of the monetary weapon? If anything, the monetary authorities in the United Kingdom should have done better of the two, because the British economy has been less subject to cyclical fluctuations than the American and the Bank of England has the advantage, unparalleled elsewhere, of complete and voluntary co-operation between a close-knit banking system and the central bank.

It could be that the Radcliffe report, bearing as it does the impress of a small group of intellectuals, exhibits the questioning mind's difficulty in accepting as of proven merit anything that does not pass its searching tests; and that the American report, being an ensemble of the views of practical men, avoids the deeper issues of monetary policy and hence finds more to be satisfied with its practical working.

A More Basic Reason

But, possibly, there is a more basic reason. The Radcliffe Committee seems to require that monetary policy "alone" or "by itself" should be able to keep the economy in perfect balance. Even in the United Kingdom, monetary policy could have performed this feat only in the halcyon days of the gold standard before the First World War. A more generally acceptable criterion of judgment in the totally different economic environment of the middle years of this century would be whether monetary policy could contribute something significant to what

(*Continued on page 885*)



WORLD CONSUMES MORE MAN-MADE FIBRES

PRODUCTION IN INDIA RISING

THE past decade has witnessed a remarkable expansion in the production and consumption of man-made fibres in the world. The actual aggregate output in the calendar year 1961 was as high as 7,981 million lbs.—an all-time peak level—representing a rise of over 114 per cent as compared with the 3,723 million lbs. produced in 1950. Such a marked rise in output has followed the increasing demand for fabrics produced from man-made fibres, thanks partly to the persistent growth of population and partly to the shift in consumer preference for clothing which is not only light and warm but also easy to wear and care for. Indeed, out of every 100 lbs. of fibres that go into the making of apparel used today, man-made fibres account for 23 lbs. The share a decade ago was no more than 18 lbs. The growing popularity of man-made fibres has been at the expense of natural fibres (cotton, wool and silk). Thus, between 1950 and 1961, the proportion of cotton in the total world fibre production has gone down from 71 per cent to 67 per cent, though, in terms of actual quantity, there has been a rise. The percentage share of wool also has declined from 11 to 10. Production of silk is a nominal percentage of the total. The following figures compare the position in 1961 with that in 1950 and 1930:

(In million lbs.)

Fibres	1961	1950	1930
World production of all fibres	33,394	20,650	15,740
Of which: Cotton	22,374	14,662	12,907
	(67)	(71)	(82)
Wool	3,339	2,271	2,361
	(10)	(11)	(15)
Man-made fibres	7,681	3,717	472
	(23)	(18)	(3)

Source: *Textile Organon*. Figures in brackets relate to percentage shares in the total output.

The notable improvement in world production of man-made fibres during the period 1950 to 1961 is accounted for by all the three principal groups, that is, cellulosic fibres, non-cellulosic fibres and textile glass fibres. The production of cellulosic fibres has risen from 3,546 million lbs. in 1950 to 5,935 million lbs. in 1961. The production of non-cellulosic fibres has gone up from a bare 153 million lbs. to 1,833 million lbs. and that of glass fibres from 24 million lbs. to 213 million lbs. The cellulosic fibres include viscose rayon yarn, acetate yarn and staple fibre (viscose and acetate). The trend of output of these, as well as that of non-cellulosic fibres (comprising polyamide, polyacrylic, polyester and others) and textile glass fibres during the last three years and in 1961 is indicated below:

(In million lbs.)

	1961	1960	1959	1950
Viscose rayon yarn	2,073	2,076	2,002	1,464
Acetate rayon	470	428	417	456
Staple fibre	3,392	3,236	3,140	1,626
Non-cellulosic fibres	1,833	1,565	1,272	153
Textile glass fibres	213	239	190	24
Total	7,981	7,544	7,021	3,723

Out of the total world production of man-made fibres amounting to 7,981 million lbs. in 1961, the share of staple fibre alone was 39 per cent. Viscose yarn accounted for 27 per cent, acetate yarn for 6 per cent, non-cellulosic fibres for 25 per cent and glass fibres for 3 per cent.

The United States ranks today as the largest producer of man-made fibres in the world, accounting as it does for one-fourth of the total output. It is followed by Japan with 17 per cent. The percentage share of other countries is 9 for West Germany, 7 each for U.K. and Soviet Russia, 6 for Italy, 4 each for France and East Germany, 1 for India and 20 for others. The following table gives the details of production in the "free" countries:

(In million lbs.)

	1961	1960	1959	1950
India	109	94	81	8*
U.S.A.	1,981	1,882	1,959	1,404
Japan	1,342	1,235	1,039	254
W. Germany	695	669	618	359
U.K.	567	592	515	372
Italy	486	438	403	224
France	405	381	328	184
Total	7,981	7,544	7,021	3,723

* Relates to 1952.

Among the man-made fibres, the non-cellulosic fibres have gained in importance in the past decade. The actual production of these, which was a bare 153 million lbs. in 1950, spurted to 582 million lbs. in 1955 (a rise of 280 per cent in five years) and further to 1,833 million lbs. in 1961, showing an increase of 1,100 per cent over 1950. The output of 1,833 million lbs. in 1961 includes 1,027 million lbs. of polyamide, 311 million lbs. of polyacrylic, 307 million lbs. of polyester and 188 million lbs. of others. While the production of non-cellulosic fibres continues to rise in the principal producing countries such as the U.S., the U.K. and France, the production of cellulosic fibres has remained more or less same in the last few years. This, it is said, gives an indication that the demand for cellulosic fibres has either reached its maximum or shifted in favour of non-cellulosic fibres because of certain advantages of the latter. The trend of output in the main producing countries is given below:

(In million lbs.)

	Cellulosic		Non-cellulosic		Glass fibre	
	1961	1950	1961	1950	1961	1950
India	109	8*	..	..	..	..
U.S.A.	1,095	1,259	742	122	144	23
Japan	982	253	337	1	23	..
W. Germany	539	357	144	2	12	..
U.K.	419	362	148	10	..	..
Italy	382	227	96	1	8	..
France	274	180	113	4	18	..
Others	2,135	908	253	13	8	1
Total	5,935	3,546	1,833	153	213	24

* Relates to 1952.

The man-made fibre industry in India has also registered a significant expansion in the past few years. The actual production of rayon filament (viscose and acetate) yarn is currently running at an annual rate of nearly 60 million lbs., as against 52 million lbs. in 1961 and a little over 5 million lbs. in 1951. The staple fibre output is now of the order of 65-66 million lbs., as against 57 million lbs. in 1961 and 5 million lbs. in 1954 (the first year of production). Following the marked expansion of output of rayon filament yarn and staple fibre, the quantity of rayon (art silk) fabrics produced has risen from 175 million yards in 1951 to as high as 462 million yards in 1961. The output in the first four months of 1962 was about 143 million yards. The progress achieved by the rayon industry has been phenomenal particularly during the second Plan period, as the following table shows:

	1962*	1961	1956	1951
YARN				
Production (million lbs.):				
Viscose yarn	26.07	47.26	16.68	5.43
Acetate yarn	2.19	4.48	3.17	..
Staple fibre yarn	23.72	48.42	43.96	N.A.
Staple fibre	32.96	57.32	17.42	..
Imports (000 lbs.):				
Rayon yarn	15.51	40.22	59.86	48.49
	(5.30)	(10.23)	(17.39)	(23.76)
Other synthetic yarn	4.07	4.29	1.28†	..
	(2.48)	(2.82)	(1.47)	..
FABRICS				
Production (million yards):				
Rayon	143.02‡	461.78	296.00	174.99
Staple fibre	0.64‡	2.27	6.78	14.19
Exports (million yards):				
Rayon	39.99	78.67	3.18	7.82
	(4.22)	(6.74)	(0.60)	(1.13)

Note:—Figures in brackets relate to value in crores of rupees.
* January-June. ‡ January-April.
† Relates to 1957. N.A.—Not available.

It will be seen from the above table that the appreciable increase in rayon yarn production has enabled the weaving sector to produce more fabrics for catering to the expanding domestic requirements and exports. During the year 1961, India had shipped 78.61 million yards of rayon fabrics, bringing for the country foreign exchange to the tune of Rs. 6.74 crores. Despite the appreciable rise in the output of rayon yarn, imports continue to be pretty heavy. Last year, India imported 40.22 million lbs. of rayon yarn valued at Rs. 10.23 crores and 4.29 million lbs. of other synthetic yarn valued at Rs. 2.82 crores. In order to reduce the dependence on imports and with a view to meeting the expanded requirements of the domestic weaving sector, the third Five-year Plan has fixed high targets of production: 140 million lbs. of rayon filament yarn and 75 million lbs. of staple fibre, as against the actual output of 47 million lbs. and 48 million lbs., respectively, in 1960-61.

MAINTAINING PRICES OF COTTON TEXTILES

A seven-point programme to step up production of cotton textiles and to ensure their supplies to the community at reasonable prices was announced by Mr. Gulzarilal Nanda, Union Minister for Planning, in the Lok Sabha on Saturday last week. The programme forms part of the Cabinet's decisions on the measures for maintaining the prices of essential commodities, in view of the emergency caused by Chinese aggression. The programme covers the following steps:

1. A scheme for supervised marketing of cotton has been introduced by the Textile Commissioner. Cotton can be purchased by mills only through approved supervisors who survey the cotton and determine appropriate prices. No mill will be permitted to maintain stocks in excess of requirements for a prescribed period.

2. The relative production of cloth in the lower ranges and of the more popular varieties will be increased. The medium category, now classified into lower medium and higher medium, is proposed to be divided into three parts—lower medium, middle medium and higher medium. It is hoped to raise production in the coarse and lower and middle medium range to the extent of about 250 to 300 million yards a year.

3. With the approval of the Textile Commissioner, the Indian Cotton Mills' Federation, through its regional associations, will appoint 'nominees' for wholesale distribution. The 'nominees' will hold stocks of common varieties of cloth and arrange for distribution according to the Textile Commissioner's instructions. Mills whose cloth is in popular demand are being asked to open retail shops on a more extensive scale and also bring considerably larger numbers of retail dealers on their approved lists.

4. Prices to be stamped on cloth will be specifically approved by the Textile Commissioner, who would also indicate selling margins at the wholesale and retail levels.

5. To ensure supplies to consumer stores, fair price shops, etc., a prescribed proportion of the output of textile mills will be distributed under the specific instructions of the Textile Commissioner. This proportion may ordinarily be up to 10 per cent, but, if necessary it may be raised.

6. The Textile Commissioner will take steps to impose restrictions to the extent necessary on stocks held by mills and on the movement of cloth by both rail and road.

7. State Governments are being requested to take urgent steps to strengthen the co-operative sector in the handloom industry and to bring as many handlooms as possible into co-operatives. They are being asked to establish the necessary arrangements for placing orders, providing specifications and technical guidance, supplying raw materials and other facilities, financing production, and organising marketing. To facilitate development along these lines, sales of yarn to handlooms will be regulated and free market sales will be progressively reduced. State Governments will thus be in a position to exercise greater direction and control over production and marketing in the handloom industry and to take the necessary steps for ensuring that prices of handloom products are maintained at reasonable levels.

In Greater Bombay, the Maharashtra Government has decided to open soon 100 fair price shops for cloth. The millowners have agreed to make available 10 per cent of cloth production for distribution through such shops.

WOOLLEN INDUSTRY

The woollen industry in the country has been switched over to defence production with effect from the 20th of this month, all the mills and factories in all the sectors being geared for meeting defence needs. Important decisions in this regard were taken at a meeting of the representatives of the woollen industry held at New Delhi on Saturday under the presidentship of the Minister for International Trade, Mr. Manubhai Shah. The industry offered its full support to all the steps to be taken for efficient and increased production and supply of woollen goods.

Control over the distribution and price of woollen yarn and fabrics is to be tightened. All stocks of specified varieties of woollen cloth and fabrics in the possession of mills, producers or manufacturers are to be sold only against the indents of the Director General of Supplies and Disposals. All yarn produced by the spinning mills will be distributed to hosiery and small-scale sectors through the D.G.S. and D. In order to help the defence effort, knitting yarn will be made available at such places and quantities as may be required by the voluntary organisations engaged in knitting garments for the Defence Forces.

The Government of India has appointed a Woollen Controller to implement and supervise the various measures decided upon. A Woollen Production Advisory Committee, consisting of Mr. R. K. Birla, Mr. V. Calloway, Mr. B. M. Grover, and Mr. G. K. Singhania, will advise the Controller in fixing the production schedules of each of the composite and spinning mills. Two other committees will assist the Controller in the work regarding the hosiery and small-scale weaving sectors.

Officers will be posted to look after power-loom production in Amritsar, Panipat and other areas, hosiery production in Ludhiana and other centres, and mill production in the northern region. It has also been decided that early steps should be taken to modernise the existing woollen industry. The wool combing capacity is to be increased to make the country self-sufficient in combing.

All future imports of raw wool and wool tops, except to the extent already covered by irrevocable commitments, will be in those varieties a list of which will be drawn up by the Woollen Controller in consultation with the Textile Commissioner. To cope with the shortage of imported wool, the maximum utilisation of Indian wool for the production of fabrics and knitting yarn for which it is suitable is to be arranged by the Woollen Controller.

TEXTILE EXPORTERS OUTSTRIPPED

PLEA FOR REDUCING PRICE-RISK ELEMENT IN COTTON TRADING

From Our Special Correspondent

MANCHESTER, *6th November*

MANCHESTER LETTER

FEW reports which have reached Lancashire for many a long day have had anything remotely optimistic to say about export prospects. In the fifty years since Britain achieved its peak as a world supplier of cotton goods, the almost uninterrupted decline in shipments has been one of the most disconcerting aspects of the local scene—and one which most outside observers have persisted in dragging out into the open.

Details from the latest returns shown in the Cotton Board statistical review draw a comparison between U.K. exports and those of her rivals. A better degree of clarification has now been achieved by the provision of a new series of figures for exports which show the totals in thousand quintals as well as million square yards. This enables a direct comparison to be drawn, on the one hand, between British shipments and those countries which still work on a yardage basis and also with those (mainly in Europe) which use the quintal measure.

The latest statistics are given in the table at the end. Some adjustments have been made to allow for incomplete returns, but these are suitably annotated.

The major omissions in the figures given in the table concern the countries of the Indian subcontinent. Returns are available for only the first three months of this year, and it is believed that considerable reductions in exports have since taken place. For the first quarter, India shipped 140.6 million yards of cotton cloth abroad and 19.6 million yards of rayon fabrics. Pakistan's exports consisted of 7.85 million yards of cotton goods.

On the above showing, Lancashire's exports continued to diminish in quantity, but, in comparison with 1961, many other countries also faced considerable difficulties in disposing of their products overseas. All Britain's traditional competitors have outstripped local exporters, with Japan so far ahead of the field that the others are left trailing well behind.

In view of the vital talks now in progress on the future of the European Common Market, the comparative figures against Continental shippers make the most impact. In this section, France remains well in the lead with Lancashire still precariously holding second place in cotton goods alone. Big shipments of rayon and synthetic fabrics from Italy and Germany give them a pull in this direction and, although the returns for Belgium are based on the first quarter only, it must be assumed that when cotton and rayon goods are combined, Britain takes fourth place among her Continental rivals.

"In nearly every commodity, price fluctuations play a large part in trading. The primary commodities are generally more susceptible to price movement and, among these, raw cotton has always been renowned for its extreme volatility of price." With this introduction Mr. W. B. Hutchinson, a regular contributor to many journals on raw cotton affairs, presents in the current issue of the *Empire Cotton Growing Review*, a case for a new system of reducing the price-risk element in cotton trading. His suggestion is that a futures contract based on a standard quality of cotton yarn might prove of more value to the industry than the time-honoured system of raw cotton futures trading which was revived in 1954 after the war-time State trading system.

Explaining the basic reasons for the decline in futures markets dealing with the raw material, Mr. Hutchinson describes how the pre-war position of the United States as unchallenged cotton producer and exporter has since been undermined. Cotton production in other countries increased and textile industries, faced in many cases with problems of hard currency shortage, learned to make use of many alternatives to American cotton.

Artificial restriction of international trade, he continues, now threatens to become more or less permanent as far as cotton crops are concerned. In most producing countries, cotton is a cash crop of considerable importance to the national trade balance and, in many cases, with the United States as a classic example, the cotton farmer is too important politically to be allowed to suffer unpredictable alternations of prosperity and poverty which are the natural concomitant of a crop which is particularly sensitive to the various hazards of cultivation and whose price in world markets can vary alarmingly.

The inability of cottons of similar use-value to find a common market price had destroyed the normally stable relationship between the price of futures and of actual cotton, adds Mr. Hutchinson. There is no longer the same assurance that an open position will move price-wise on a course parallel to a balancing position in futures. As a result, a futures transaction may now have to be regarded not so much as a hedge but rather as a counter-speculation with the possibility that, instead of achieving a balance, a loss or a gain could emerge on both transactions.

Taking stock of the position, Mr. Hutchinson makes the points that, despite great progress in plant breeding and agricultural methods, the size and quality of world cotton crops remain liable to great fluctuation; demand for textiles continues to be particularly subject to periods of boom and recession; widespread interference by Governments in cotton marketing can bring about price movements more unpredictable and of greater magnitude than any attributable to the ordinary factors of supply and demand; and that artificial stabilisation of cotton prices, as in America, can only be achieved by enormous expenditure of public money.

"If and when the United States does pull out of state control of cotton prices the price-risk element in all stages of cotton trading will again be as great as, and probably greater than it ever was," warns Mr. Hutchinson. "On the assumption that spinners will buy the cheapest growth of cotton suitable for making a particular quality of yarn, a futures contract based on a standard quality of cotton yarn might avoid the weakness of raw cotton contracts."

Operational details of such a contract would require considerable study, he admits, but there seems to be no reason why any difficulty should be encountered which has not been successfully surmounted in raw cotton contracts. The launching of such a project would, however, require not only an enterprising central organisation but the sustained interest of both traders in cotton and yarn and professional dealers in commodity markets.—*All Rights Reserved.*

	First Half 1962			First Half 1961		
	Cotton	Rayon	Total	Cotton	Rayon	Total
			(In million square yards)			
U.K.	123.4	26.6	150.0	154.7	25.7	180.4
U.S.A.	209.9	70.7	280.6 (*a*)	239.9	69.6	309.5
Japan	674.9	467.4	1,142.3	662.1	495.1	1,157.2
Hong Kong	190.9	13.8	204.7 (*a*)	167.6	15.3	182.9
			(In thousand quintals)			
U.K.	155.3	36.4	191.7	199.5	35.2	234.7
Portugal	87.7	1.9	89.6	68.8	1.0	69.8
France	224.0	69.9	293.9	248.4	64.3	312.7
Italy	58.8	129.9	188.7 (*b*)	56.1	101.3	157.4
Spain	42.4	10.8	53.2 (*b*)	79.8	6.9	86.7
Belgium	152.5	68.6	221.1 (*b*)	139.1	49.5	188.6
Netherlands	147.8	27.6	175.4	165.0	23.3	188.3
W. Germany	128.2	112.2	240.4	150.7	103.2	253.9
Switzerland	27.0	17.9	44.9	29.2	15.6	44.8

Adjusted in line with returns for (*a*) five months, (*b*) three months.

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SUGAR CONSUMPTION RISING STEADILY

MANY COUNTRIES PUTTING UP NEW MILLS

NOT only children throughout the world are interested in sugar but politicians also have to deal with the "sweet business." Sugar is one of the basic foodstuffs; furthermore, it keeps the whole economies of some countries running. For overseas countries, cane sugar is as important as coffee. Beet sugar production in Europe is nothing more than a result of the British "continental blockade" during the Napoleonic wars.

Sugar consumption is steadily rising. But sugar production is increasing at a faster rate. Today, there exist sugar-producing countries which have all along been buyers on the world market. They have embarked on sugar cultivation to save foreign exchange for imports. In the initial stage, the domestic sugar production can be absorbed by the home market. However, the position will change quickly. And very soon, the newcomer among the sugar producers will contribute to augment the world's sugar surplus. But this is no problem to worry about in the current sugar year. Cuba, the world's main sugar producer, will produce less than in previous years.

The sugar-producing countries are increasingly switching to process sugarcane in domestic factories. Sugar refineries and factories are being built in many developing countries.

The first stage of a new sugar factory at Edfu in Upper Egypt has started operating. Initial production is 50,000 tons per season. Expansion to 80,000 tons is planned. Another sugar plant with a capacity of 80,000 tons a year is to be set up at Dishan. Long-term plans envisage establishment of new sugar factories in Koy—negotiations on the supply of production equipment have started—and in the Aswan and Kena Provinces.

The Sudan's first sugar refinery at Guneid on the Blue Nile has begun producing (50,000 tons annually). West Germany has supplied tehnical and financial aid. A cane sugar plant is planned to be built at Kashm el Girba.

Morocco is building a sugar factory at Sidi Slimane in the centre of 7,000-hectare beet growing area. The total cost is estimated at 58,400,000 Dirhams. Processing capacity is 300,000 tons of beets per season and sugar production will amount to 40,000 tons a year, with employment for 7,000 people.

A sugar factory is proposed to be built at Kpong near Akuse in Ghana. CEKOP, the Polish foreign trade organisation, will provide financial assistance.

Ivory Coast will expand its sugar production. The scheme is part of a Government programme to increase domestic food production in order to save foreign exchange for imports.

Uganda has placed an order with the Gutehoffnungshuette Aktienverein of Oberhausen for the blueprints and the construction of a sugar factory at Lake Victoria. Initial production with a daily rate of increase of 500 tons is to begin in the first half of 1964. The estimated cost is 9,000 million D-marks. Long-term payment terms have been granted by West German authorities.

Syria is building a sugar factory in the Ghab region. The planned output of 4,000 tons of raw sugar is to be processed by the Homs and Damascus factories.

Thailand is expanding the capacity of a sugar plant to about 150,000 tons a year. The project is supported by Japanese firms.

Japanese assistance is being used by Indonesia to build a sugar factory which will process domestic raw material in Southern Sumatra. A pilot plantation for cane sugar (9,000 hectares) is expected to start production in the spring of 1963. The sugarcane plants will come from Java and Thailand.

Burma plans to set up a sugar factory with a daily production of 1,500 tons of cane sugar under the country's four-year plan. It is estimated to cost 20 million kyats.

Pakistan has launched an extensive construction programme to increase the installed capacity of its white sugar factories to 30,000 long tons by 1965. Present plans provide for the construction of three new factories in each Western and Eastern Pakistan. The plants in Khanpur and Bannu, Western Pakistan, and Nawabshah, Eastern Pakistan, are to have an annual capacity of 15,000 long tons, those at Jaipurhat and Harian, Western Pakistan, and at Jagati, Eastern Pakistan, a capacity of 10,000 long tons each. Other plans provide for the construction of sugar factories at Ishurdi, Eastern Pakistan, and in the area of the Ghulam-Mohammed Dam in Western Pakistan. In 1960-61, Pakistan produced 108,000 long tons of sugar, as against 35,600 long tons 10 years ago.

The Azucarera Haina C.p.A. sugar company, the Dominican Republic's largest sugar producer with its eight mills and presently working under State administration, plans to increase its Quisqueja plant to enable a rise in the plant's output from 2,000 tons of cane sugar now to 3,000 tons a day.

"INDIAN SUGAR"—SPECIAL NUMBER

The special number of the *Indian Sugar* (Editor: Mr. J. S. Mehta), published by the Indian Sugar Mills Association, India Exchange, Calcutta 1, contains several interesting articles on the sugar industry written by experts. The subjects covered in the articles are those pertaining to sugar manufacture, sugar technology, confectionery, and cane and its problems. Special mention may be made of the articles on "Economic Growth of Sugar Industry in India" by Mr. V. D. Jhunjhunwala, "Technique of Manufacturing Standard Quality Raw Sugar under Indian Conditions" by Mr. B. B. Gairola and "Improved Cultivation of Sugarcane in Uttar Pradesh" by Mr. Kirtikar. The number contains a statistical section, too, giving comprehensive data relating to the various aspects of sugar industry.

Sugar Exports and Imports

(In thousand short tons of centrifugal sugar only)

Country	Exports		Imports	
	1961	1960	1961	1960
Asia:				
India	305	21	..	..
Pakistan	..	..	61	65
Philippines	1,325	1,164	..	..
Formosa	732	1,007	..	..
Mainland China	78	13	1,600	525
Japan	16	28	1,508	1,379
Others	408	371	1,967	1,894
Total Asia	2,864	2,604	5,226	3,863
North and Central America:				
Cuba	7,070	6,211	..	..
Dominican Republic	875	1,208	..	..
U.S.A.	7	5	4,226	4,717
Canada	9	4	760	680
Mexico	733	520	..	..
Jamaica	426	395	..	..
Others	926	817	21	27
Total N. and C. America	10,046	9,160	5,007	5,424
South America:				
Brazil	821	942	..	..
Peru	661	583	..	..
British Guiana	340	346	..	..
Others	185	177	275	317
Total South America	2,007	2,048	275	317
Africa:				
Mauritius	565	353	..	..
Morocco	8	12	401	396
Algeria	1	2	248	280
S. Africa	334	288	..	..
Others	568	588	651	623
Total Africa	1,476	1,243	1,300	1,299
Grand Total*	21,860	19,328	20,865	18,305

Note :—Quantities under 500 tons not listed.
* Excluding Western and Eastern Europe.

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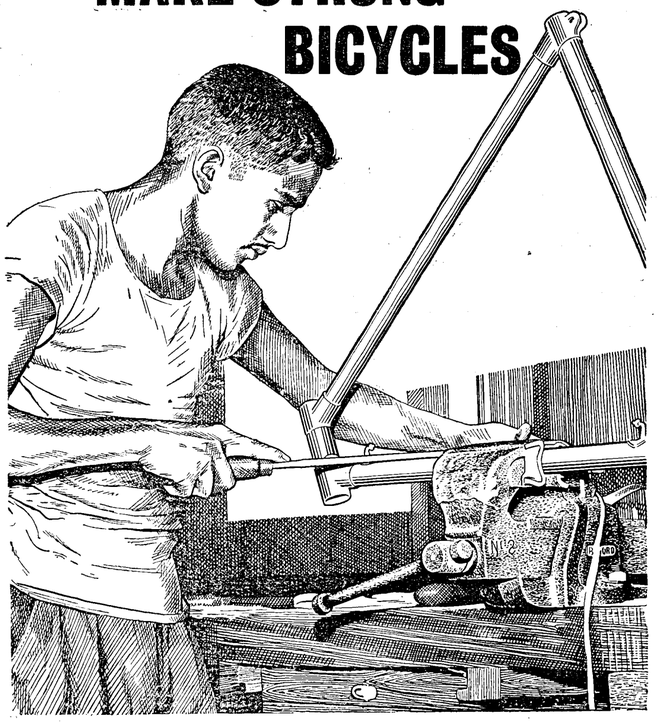

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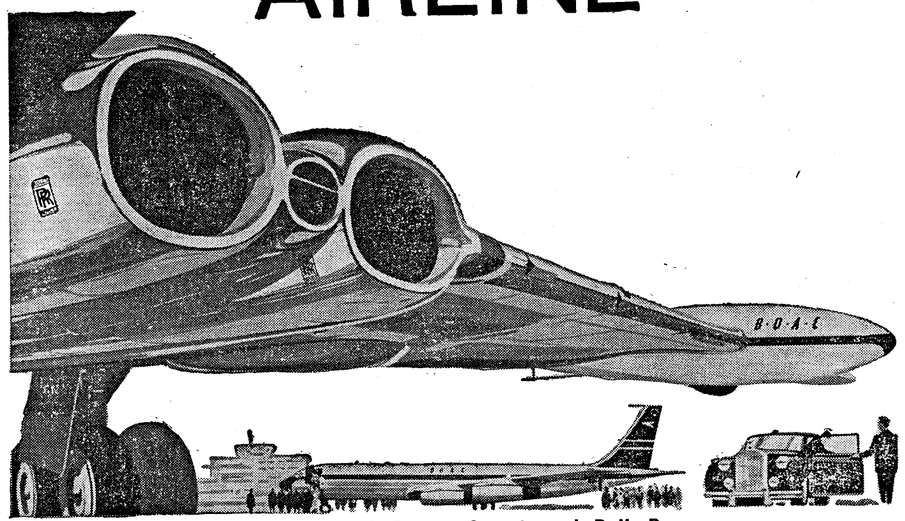

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JUTE INDUSTRY IN INDIA AND ABROAD

PAKISTAN GOING AHEAD WITH LARGE EXPANSION PROGRAMME

IT is not so much the growing use of packing materials such as paper and plastics bags or bulk handling as the keen competition from Pakistan that seems to hold a great threat to the export trade in Indian jute goods which rank as the ace earner of foreign exchange. Pakistan is making an all-out bid to expand its jute industry with a view to carving for itself a larger share of world trade in jute goods. The actual output of hessian, sacking and other jute manufactures is expected to go up from the present level of about 260,000 tons to as much as 490,000 tons in 1964-65. Excluding the anticipated domestic consumption of 90,000 tons, the exportable surplus of jute goods by 1964-65 will be of the order of 400,000 tons, representing almost half the export target of 500,000 tons fixed in India's third Five-year Plan. In order to achieve the estimated production of 490,000 tons fixed for 1964-65, the Government of Pakistan recently decided to permit installation of 2,000 additional looms, besides the 4,000 looms envisaged in the second Plan. With the installation of these looms, the total number of looms in Pakistan in 1964-65 will be 14,000, as against 8,000 in the beginning of the second Plan. It is also proposed to continue the intensive utilisation of capacity; the jute mills there are currently working on 2½ shifts basis.

Distribution of Looms

The jute industry in Pakistan has expanded considerably in the past ten years. Thus, between 1952 and 1962, the number of looms in place has risen from a bare 1,000 to 8,726, the country's share in the aggregate world jute loom capacity jumping up from just 0.80 per cent to 6.85 per cent, according to the latest *Loom Statistics* published by the Indian Jute Mills Association, Calcutta. It is true that jute industry in India has also expanded, but the pace of expansion is much less marked than Pakistan's. The number of looms in India has gone up from 68,557 in 1952 to 72,916 as on 1st January 1962, the percentage share in the world total increasing from 56.00 to 57.22. The changes in the distribution of jute looms in other countries are indicated below:

Country	No. of looms		Per cent of world total	
	1962	1952	1962	1952
India	72,916	68,557	57.22	56.00
Pakistan	8,726	1,000	6.85	0.80
U.K.	6,682	11,151	5.24	9.10
Brazil	4,512	4,937	3.54	4.10
France	3,953	7,698	3.10	6.30
Spain	3,836	800	3.01	0.70
W. Germany	3,814	6,349	2.99	5.20
Belgium	3,414	4,807	2.68	3.90
Italy	3,203	4,631	2.51	3.80
U.S.S.R.	2,909	1,315	2.28	1.10
Poland	1,604	1,600	1.26	1.30
China	1,296	756	1.02	0.60
Netherlands	1,160	N.A.	0.91	N.A.
Japan	1,000	615	0.78	0.50
Other countries ..	8,409	8,244	6.61	6.60
World total ..	127,434	122,510	100.00	100.00

N. A.—Not available.

The total number of looms within the member-mills of the Indian Jute Mills Association has risen from 67,564 on 1st January 1960 to 68,447 early this year. The rise is due mainly to the Kedarnath Jute Mills having joined the Association. For the same reason the number of looms outside the I.J.M.A. has declined from 4,561 to 4,439. Out of the total 72,916 looms at the beginning of 1962, hessian looms accounted for 43,322, sacking looms for 25,722, "Onemack" looms for 96 and other looms (classified as webbing, cotton bagging, carpet, broad, etc.) for 3,776. The actual loom strength of member and non-member mills of the I.J.M.A. according to types is given in the following table:

	Hessian	Sacking	Others	Total
I.J.M.A. Mills:				
W. Bengal	41,062	23,375	3,163	66,696*
Other States	349	1,432	Nil	1,781
Total ..	41,411	23,807	3,163	68,477*
Mills outside I.J.M.A.:				
W. Bengal	1,636	729	613	2,978
Other States	275	1,186	Nil	1,461
Total ..	1,911	1,915	613	4,439
Grand total ..	43,322	25,722	3,776	72,916*

* Including 96 "Onemack" looms.

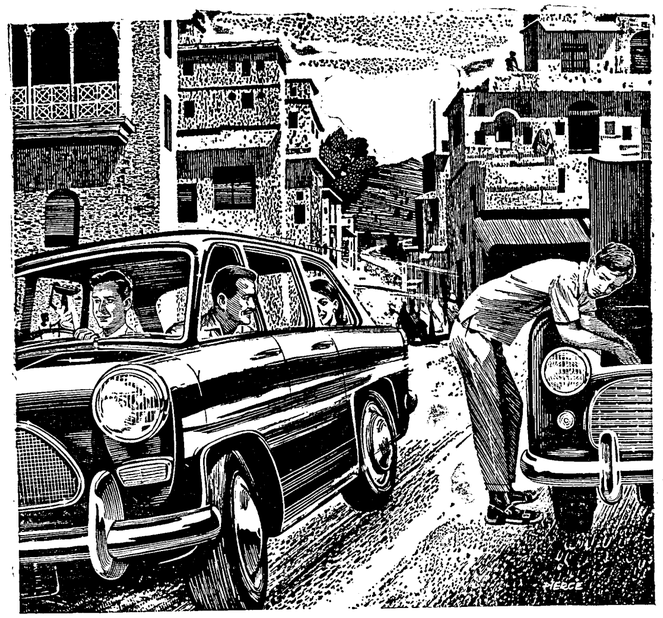
During the period 1st July 1955 to 1st January 1960, the number of steam-driven looms in the I.J.M.A. mills had declined from 16,545 to 6,554, that is, 60 per cent of these looms had been converted to electrically-driven looms. In the subsequent two years, another 34 per cent of the looms was converted from steam to electrically-driven looms, so that the number of steam looms receded to 4,312, while the number of the electrically-driven looms rose from 58,540 to 61,002. In the case of mills outside the I.J.M.A., all the 3,826 looms are electrically driven. A few circular looms have also been installed on an experimental basis. The reed space of looms in jute mills varies from 40" (102 cm.) to 120" (305 cm.) in the case of hessian looms and from 32" (81 cm.) to 39½" (100 cm.) in respect of sacking looms.

Modernisation

Alongside the expansion of weaving capacity in jute industry in the past few years, there has been notable progress in the modernisation of the industry. By the end of the second Plan (March 1961), modernisation upto the spinning stage had been virtually completed; 293,970 spindles, equivalent to 84 per cent of the spinning capacity needed to match the single-shift output of working looms, were supplying sliver-spun yarn (in 59 out of 82 mill companies). The total investment in modernisation was Rs. 30 crores, the bulk of which was during the second Plan period. This amount included the utilisation of Rs. 4.5 crores given as loans by the National Industrial Development Corporation which had altogether sanctioned Rs. 6 crores to 27 mill companies. At the end of 1958, the total investment in the jute industry was Rs. 78.3 crores, comprising fixed capital of Rs. 40.2 crores and working capital of Rs. 38.1 crores.

Some uneconomic jute mills together having 4,183 registered looms were closed down during the second Plan period. The looms were transferred to other units which were thus enabled to work their looms partly on double shift. The system of one-operator for two looms was extended to about 16,000 looms. By these measures and on account of the introduction of modern machinery, the labour strength of jute mills has been progressively reduced.

The third Five-year Plan envisages the modernisation of jute mills' equipment for the post-spinning stage. The old winding equipment is expected to be largely replaced by new high-speed machines and additional pre-beaming equipment will be installed to augment productive efficiency. For the modernisation of weaving process, the choice is said to be between (*a*) rendering the existing flat-bed looms semi-automatic by the use of cop-changers and warp-stop motions, (*b*) replacement by automatic circular looms, and (*c*) replacement by automatic shuttleless looms. The leading mill groups have been experimenting with these three methods of loom automatisation for some time now. By early 1962, they were expected to be in a position to draw up their modernisation programmes. It is not known whether this has been done. The phasing of the whole programme, to be determined in consultation with the Government, will depend on the availability of foreign exchange, the indigenous output of modern jute mill machinery and the probable impact of loom automatisation on employment. The requirement of foreign exchange for machinery imports till a complete range and adequate level of indigenous production is attained, as well as for imports of spare parts and stores the manufacture of which in India is not considered to be economic, is estimated at Rs. 6.5 crores only for the third Plan period. The estimated total investment in the industry in the same period is put at Rs. 12 crores, towards which the N.I.D.C. may have to contribute by way of loans to the extent of a few crores of rupees. Meanwhile, the National Productivity Council has undertaken technical studies designed to increase productivity in all the sectors of the jute industry, to reduce costs and thus improve the competitive position of jute goods in world markets.



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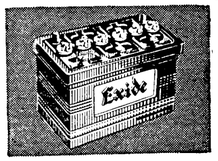

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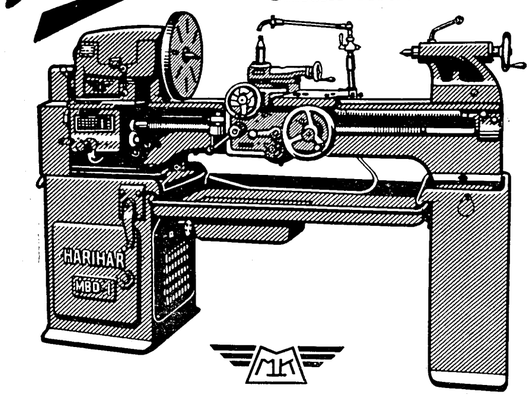

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GENERATION OF THERMAL POWER

SAVING COAL THROUGH IMPROVED FUEL EFFICIENCY

JUDGED by the trend of raisings in the eight-month period January-August 1962, India's coal production in the whole of the current year will be just around 60 million tons. As much as a seventh, or 8.5 million tons, of this aggregate output would represent the year's consumption of coal in steam power stations. On the basis of the third Plan's power programme, it has been estimated that thermal stations will require 20 million tons in 1965, representing a little more than a fifth of that year's targeted output of coal. If, for any reason, the third Plan's coal production target is not achieved in full, it may be that supplies of high-grade coal to thermal stations will be reduced, notwithstanding the consideration that power generation is a high-priority industry. Such a possible situation, however, can be confidently faced if more vigorous efforts are made from now onwards to improve fuel efficiency in thermal stations. It would also be necessary to utilise low-grade coals and also immature coals like lignite on a larger scale than at present in power generation. Both approaches, however, involve technical considerations by way of adaptations and innovations. It is in this context that a studied article entitled "Coal Saving in Thermal Stations" in the October 1962 issue of *Bhagirath* (published by the Central Water and Power Commission, Union Ministry of Irrigation and Power) acquires some topical significance.

Older Plants

The author of the Article, Mr. J. B. Singh, who is on the staff of the Central Water and Power Commission, has emphasised, at the very outset, the fact that high-grade coals, which are localised almost exclusively in Bengal and Bihar coalfields, cannot be adequately raised even for the third Plan period. He then recalls that, so far as the generation of electric power is concerned, power stations in India, especially those installed in the first three decades of this century, were designed exclusively for operating on the highest grade coals, and those prepared in the fourth and fifth decades were made to work on somewhat lower grades of coal. Serious efforts have been made only since 1950 to build power stations based on really low grade coals. These newer thermal stations are entirely suitable for operating on sub-grade (high ash) coals, and on by-products from coal benefication plants like slack and dust coal, washery middlings, and so on. Beginning with the D.V.C.'s Bokaro thermal power station which was designed for using low-grade coal, the pace of construction of similar steam power plants has been accelerated. An aggregate capacity of 1.9 million kw. of such plants has been installed by the end of the second Plan. The third Plan will add a further 4.1 million kw. of capacity through thermal stations of that kind.

New Thermal Stations

It is encouraging to know from the article that the significant advances made in the West in the effective utilisation of low-grade coals have been kept in mind while designing large new power stations in India too. These technical advances, incidentally, are:

(i) Adoption of higher operating steam temperatures and pressures by new steel alloys capable of withstanding them.

(ii) New designs of boiler furnaces and heat transfer surfaces in treatment and circulation of boiler water and improvements in thermal efficiencies of turbine plants.

(iii) Automatic control of combustion processes, chiefly by electronic method.

(iv) Firing by powdered coal as the most efficient type of coal burning.

(v) Adoption of the "cyclone furnace" which is a modification of the pulverised fuel-fired furnace. (But this new type of furnace can be adopted in India only if the difficulty of high ash fusion temperatures of Indian coals is overcome.)

While the newer steam power plants in India can thus utilise low-grade coals on a large scale, the problem of fuel efficiency as such will continue to demand attention in all thermal stations, whether old or new. Fuel efficiency is of particular importance, for, according to the British fuel efficiency experts who were invited by the Government of India some time back to report on the question, consumption of coal, whatever be its grade, can be thereby cut down substantially. The U.K. team has given the finding that fuel savings ranging from 15 to 50 per cent are possible. The current low efficiency of conversion of heat to electricity in a few of the larger thermal stations of conventional design may be noted in the following table:

Station	Designed heat rate B. Th. U. K.w.h.	Actual heat rate B. Th. U. K.w.h. (January to October 1961)	Loss of efficiency (Per cent.)
Ahmedabad ..	12,000 to 14,000	16,200	26 to 14
Kanpur ..	13,000 to 15,000	19,100	32 to 22
Madras ..	11,000 to 14,000	20,850	47 to 33
Calcutta ..	11,000 to 13,500	18,400	40 to 27
Delhi	13,000 to 14,500	23,500	45 to 38

As bad management is the widespread cause of fuel waste, the experts have recommended the following measures for adoption:

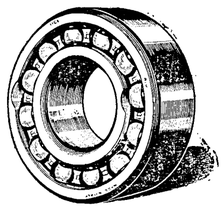
(i) Saving of fuel by such "first-aid measures" as lagging and thermal insulation, recovery of condensate heat, prevention of steam leakage, economic loading of heat-consuming plant, and the use of steam at lowest possible pressures. These elementary measures, involving little by way of capital expenditure, can help save 10 per cent of fuel.

(ii) The lack of adequate instrumentation for measuring, and thus regulating combustion, steam-rising and thermal processes would have to be remedied.

(iii) No matter how efficient a boiler plant may be, the efficiency will be of little consequence if steam is subsequently wasted or inefficiently used. Hence the need for ensuring higher productivity in the steam-using plant. More fuel can be thereby saved than even in the boiler house directly in the first instance.

Specialised Service

All these fuel economy measures will be within the competence of the staff manning small and medium-sized steam power plants. Highly developed techniques of fuel efficiency, which will be applicable to larger modern power stations, will, however, call for the establishment of a centralised Fuel Efficiency Service manned by highly specialised technical personnel. It is stated, in this connection, that steps are already being taken to set up a fuel efficiency unit as a nucleus for such a service which, obviously, cannot be created overnight. Meanwhile, it is expected of every thermal station to adopt whatever fuel economy measures are immediately possible so as to maximise power generation from the available supplies of coal.



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O.E.C.D. SETS UP SPECIAL COMMITTEES

The Council of the Organisation for Economic Co-operation and Development has just decided to set up special committees for each of the main sectors of energy and industry in Europe. The special committees in the field of energy will cover coal, electricity, oil and gas, while those in the field of industry will be concerned with iron and steel, non-ferrous metals, pulp and paper, textiles, chemical products, machinery, timber, hides and skins and cement. The establishment of these committees, it is said, meets the desire to maintain constant close contact between government delegates and non-governmental circles represented by trade associations and trade union organisations. Their main work will be to study specific problems arising in the various sectors of industry and energy in the light of the objectives of the O.E.C.D. and to solve these problems through international co-operation.

The special committees may also constitute an additional instrument in the hands of O.E.C.D. member-countries for attaining the growth target laid down by the first Ministerial Council of the O.E.C.D. on 17th November 1961, namely, 50 per cent growth in the gross national product of member-countries combined between 1960 and 1970. They will also be a means of enabling the developing countries to profit from the experience gained by the industrialised countries in the industry and energy sectors. Finally, the special committees will give the O.E.C.D. an opportunity of mitigating the consequences of any international economic crises, through co-operation among member-countries.

DURGAPUR AND ROURKELA STEEL PLANTS

The public-sector steel plant at Durgapur registered all-round improvement in production in October 1962, according to an official press release. At the coke ovens, the output during the month came to 118,000 tonnes, representing 96 per cent of their rated capacity. The blast furnaces produced 94,000 tonnes of pig iron—a new monthly record for the plant—representing 85 per cent of their rated capacity. At the steel melting shop, the highest output of 58,735 tonnes was obtained during the month, and this represented 70 per cent of its rated capacity. The rolling mills also maintained a creditable level of performance in different units. The merchant mill, for instance, operating on 16 mm. rounds, notched up a new monthly record of 13,800 tonnes. In the section mill, too, there was good progress on a number of products.

The other public-sector steel plant at Rourkela is the first to be put on "a war-footing," for it is the only steel plant which can be adapted to manufacture materials for immediate defence purposes. Its flat steel products like plates, sheets and strips are vital for the production of armaments, trucks and armoured vehicles. The present steps ordered by Hindustan Steel call for the achievement of 90 per cent capacity production at the plant by the end of this year. Full capacity output is proposed to be reached by the middle of next year.

NEW VERSION OF AVRO 748

The Series 2 version of the Avro 748, the British turbo-prop aircraft being built under licence in India, has been granted a full Certificate of Airworthiness by the British Ministry of Aviation, according to an official announcement in London on the 6th instant. The Series 2 differs from the Series I version only in that it has more powerful engines which give the aircraft a vastly improved performance. Maximum take-off weight is increased by more than 2,000 lbs. to 42,000 lbs. At this weight, safe take-off can be achieved on only one engine with a take-off field length of 3,650 feet.

The aircraft's maximum payload of 12,600 lbs. is equivalent to 48 passengers plus their baggage and 2,800 lbs. of additional freight. This load can be carried over a stage-length of 700 nautical miles. Maximum range, with 40 passengers and their baggage, is 1,500 nautical miles. Because of its high permissible landing weight, the Avro 748 Series 2 can operate over a number of short sectors with full payload without the need for refuelling. Exceptional airfield performance makes it ideal for operation under tropical conditions.

The U.S. Agency for International Development has announced two loans amounting to $24.4 million (Rs. 11.5 crores) for financing the development of thermal power in India. The loans will be made to the Government of India and will be repayable over 40 years, with a grace period of ten years. They are interest-free, but there will be a service charge of three-fourths of one per cent. One of the loans, amounting to $16 million, will be utilised for the expansion of the Delhi "C" thermal power station currently under construction, with an installed capacity of 36,600 kilowatts, and the other for the expansion of the Ramagundam thermal project in Andhra Pradesh. The bulk of the foreign exchange costs of adding a further 180,000 kilowatts to the capacity of the Delhi power station will be met by the new loan. The Andhra thermal project has now a capacity of 37.5 megawatts. The new loan will be used to install one 60-megawatt turbo-generator with associated boiler and other facilities. The A.I.D. plans to provide loans from the sales proceeds under Public Law 480 to finance the local currency costs of these two projects which are presently estimated at Rs. 12 crores.

NEW PRODUCTS AND PROCESSES

Flash-drying Technique for Chemical Pulp

THE Swedish Cellulose Company recently inaugurated a new, 70,000 tons-a-year production line at their Obbola sulphate mill, near Umea on the Gulf of Bothnia, which has brought the mill's productive capacity up from 40,000 to 110,000 tons of unbleached sulphate per annum. Obbola is the first plant in Europe to have adopted the flash-drying technique in the production of chemical pulp. This process, of Canadian origin, is claimed to be more economical and also, in certain respects, results in better quality of pulp than conventional drying methods. The pulp, with a dry basis of about 50 per cent, is rubbed into pieces and conducted through a system of ventilators and cyclones while being exposed to hot air. After the treatment, the pulp has the appearance of dry cotton and is conveyed to presses where it is pressed into slabs of a thickness of about 10 cm. Some six or seven such slabs are piled to form a bale, which is weighed, pressed and wrapped up.

Synthetic Rubbers

The *Financial Times*, London, reports that a new range of synthetic rubbers based on copolymers of butadiene and acetylene derivatives and claimed to have properties in some instances better than the high performance nitrile rubbers, has been developed in Britain. One facet of this work has been the development of a new large group of hydroxyl compounds of acetylene capable of polymerisation and of copolymerisation with butadiene to form the new range. The acetylene-based materials described as glycols of the isopropenyl acetylene series, can also be compounded with methyl methacrylate and other acrylics to produce new plastics with interesting properties. Qualities claimed for the new synthetic rubbers are high resistance to rupture, great elasticity and resistance to cracking—making them specially suitable for industrial applications.

World's Thinnest Wrist Watch

The Citizen Watch Company, a leading Japanese watch maker, has started the sales of its new wrist watch, which the company claims is the thinnest wrist watch in the world. The new model, a 3-needle wrist watch, is only 2.3 mm thick and provided with a thin "parashock" device to assure its accuracy. This watch is presently being manufactured at a rate of about 5,000 units per month.

Electric Power from Sea-waves

A wave-power generator that produces enough electricity to light a navigational-aid buoy has recently been developed by an army officer attached to the Technology Research Headquarters of the Japanese Defence Agency. The source of energy for the generating device, about three feet in diameter, is the undulation of waves. A pendulum, some cogwheels and a generator are inside the device, which is topped by a lamp. This buoy-like device is floated on the ocean and secured by an anchor. An oil drum filled with sea water hangs from one side of the device and a lead weight from the other. The two weigh the same in the water but their mass difference makes one move slower than the other when buffeted by waves. Thus the cogwheels attached to the pendulum activate the generator to produce electricity, which lights the lamp. There is also a device to regulate power output and keep the flow of electricity at a constant level. A storage battery inside the wave-power generator automatically stores extra electricity, which is necessary since the generator will be idle when the sea is calm. Similar experiments to develop wave-power generators have been carried out overseas, but none has reportedly been developed to the point where it is ready for production on an industrial basis.

Instant Housing

Aluminium-clad homes, fully-equipped and completely finished at the factory like an automobile, and so designed that they can be moved to their destination by road, rail or ship to provide comfortable and convenient housing on short notice, mark a major step in the use of this light metal for modern dwellings as well as in real progress towards true factory prefabrication. They are being produced at the rate of three or four a day by the Canadian Car Division of Hawker Siddeley Canada Ltd., at Montreal and Fort William. Aluminium-clad homes are built to the design of the Royal canadian Air Force, which has bought several hundred such homes. The Canadian Car unit provides, at minimum cost, a well-built, insulated dwelling fitted with the most modern housekeeping equipment and suitable for the climate in any part of Canada. The houses are built in two halves divided on the long axis of the building, in order to facilitate transportation. Upon arrival at the site the two halves are joined on a foundation, the centre-line junction of the roof and the end walls being covered by a joining strip. Water, sewer and electrical connections of plug-in simplicity are made and the house is ready for occupancy, all in a few hours. A separate "package" provides an aluminium "car-port" to be attached on the site. Regardless of the foundation materials available at the site, each house-half is solidly built in the factory on its own substantial steel floor frame. This steel base provides the necessary rigidity for proper alignment of the walls, enables moving by overhead crane within the factory or during transport—and on delivery allows the units to be towed to their final location by truck or tractor on wheels temporarily attached to the base.

Construction is based on an assembly-line technique, familiar in the contractor's modern factory for the mass production of railroad cars. Units are moved from one work-station to the next on flat-cars, with major components fed in laterally. Roofs and walls are prefabricated independently in areas alongside the main production line, then moved by crane into position for assembly. After this the prepainted aluminium siding is fixed to the exterior, as appliances, plumbing and wiring go in, and the interior is finished in every detail. The homes being built by Canadian Car have three bedrooms in an overall living area of 900 square feet on one floor. Plumbing, heating furnace, refrigerator, washing machine and drier, hot water heater and tank, stove and other electrical appliances are built in at the factory and are ready for use as soon as the house has arrived at the building site. If no longer needed in one location, these homes can be moved readily to another—a principle which also has application in today's changing industrial world. Aluminium is used to functional advantage in the Canadian Car home. Painted aluminium siding of Alcan metal provides a variety of colourful exteriors that will not need maintenance for many years. Aluminium roofs, complete with rain-gutters, give weathertight coverings of maximum durability, and in addition provide reflective insulation both summer and winter. Aluminium doors and double window sash with screens, weathertight but easy to operate in cold weather or hot, add to the well-insulated comfort of these homes in any climate. In addition to these major uses, the metal is seen in many other familiar applications in the miscellaneous installations and services.

Vacuum Moisture Tester

A vacuum moisture tester which estimates the amount of moisture in a wide range of materials, quickly and accurately, has been devised by a British firm, Townson and Mercer Ltd. Time taken depends on the sample, but can be as little as two minutes. Materials which can be tested this way include processed cheese, beverage powder, ice cream, crushed coal, cotton fabrics, depolariser powder, spent oxide and tinned food. The sample is placed on the pan of a torsion balance and dried in vacuo by infra red heat, then the balance beam is restored to its original null position by rotating a drum, calibrated directly in percentage loss. Since the whole balance mechanism and the heating lamp are enclosed in the vacuum chamber, no errors due to moisture take-up after drying or air currents during the weighing of the hot sample are introduced.

Pneumatic Platen Press

A pneumatically powered platen press for bonding friction surfaces to metal backing plates, plastics curing, and many other adhesive bonding applications requiring controlled heat and pressure, has been developed by a British firm, Automatic Equipment Ltd. Nottingham. The unit consists of a floor-mounted fabricated steel console cabinet with in-built work bins. Separately controlled, double-headed platen presses are mounted on pillars fitted to the cabinet, and all the electronic control gear is totally enclosed. Operator instrumentation is housed within an eye level control panel in which the ram cylinders and sequence timing equipment are contained. The electrically heated platens are coupled directly to the rams of the pneumatically operated presses, and an infinitely variable process time cycle is fitted. The electronically controlled platen temperatures are also infinitely variable within ranges set by the process involved. The machine gives consistent process times, even with unskilled labour, and special features include an intricate safety circuitry which incorporates warning lights that are automatically switched on if the temperature falls below the required working conditions. Individual control switches are provided for each press, and safety devices prevent the machine being started before the operator's hands are clear of the platens.

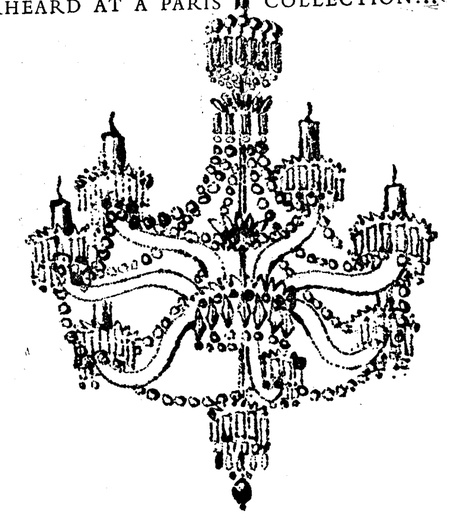
Leakproof Valve

A British company, Teddington Aircraft Controls Ltd. has introduced a miniature leakproof valve—"Pigmy"—for use in pipelines handling radioactive and other dangerous fluids. Not much bigger than a matchbox, the valve is said to be suitable for pressures up to 1,000 lb. per sq. in. and temperatures up to 450°C. The valve is available in various materials; connections are butt-welded and leakage to the atmosphere is zero.

Cool and Hot Air Generator

A French manufacturer has developed what is claimed to be the first cool and hot air generator operating with swirl tubes and enabling the ambient temperature of a space to be regulated between −50°C and +100°C. To some extent, this appliance is the first material implementation of the observations made in 1933 by the Frenchman Georges Ranque on the particular characteristics of the swirl expansion tube, the principle of which is explained below. If compressed air is injected into a tube fitted with a diaphragm, via a nozzle which is perpendicular to the axis of the tube and tangential to the cross-section of the tube, at one of the end of the tube air at a lower temperature than that of the injected air is obtained, while at the other end of the tube air at a higher temperature is obtained. The cool and hot air generator consists of a swirl tube fitted with a heat-exchanger which considerably improves the output. This device enables a low-temperature refrigerating power to be obtained for a very small cost price. It should be pointed out that the prototype of this new appliance is essentially designed for laboratory use.

OVERHEARD AT A PARIS COLLECTION...



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DELAY WOULD BE DISASTROUS

By Our Aviation Correspondent

ONCE joined, hostilities between great nations are seldom of short duration. And so, unless there is concrete evidence that the Chinese are prepared to negotiate on the kind of terms already suggested by India—which include, of course, complete withdrawal of the Chinese forces from Indian territory—the present conflict is something the country may have to endure for a long time to come.

Perhaps the most remarkable phenomenon of the fighting to date has been the absence of any offensive action in the air. That is a point to which one will return later. In the meantime, let us deal, very briefly, with the land fighting. Detailed information is hard to come by. It would appear, however, that, on the north-east front, the Chinese attack was on a far more massive scale than had been anticipated. They were thus able to exploit, to the fullest possible extent, the element of surprise. Once the initial impetus had spent itself, however, they were brought to a halt and are now, presumably, re-grouping and resting their forces preparatory to another series of frenzied mass attacks. That would conform to the tactics which they invariably adopted during the Korean war.

Substantially reinforced and re-armed with modern infantry weapons from British and American sources, Indian forces should now be in a position to make any further Chinese advance almost prohibitively costly. The problem of supply which, by all accounts, was a major factor in the overrunning of Indian forward positions, should now be considerably eased. As communications between Tezpur and the present fighting line are developed, so should the logistic situation progressively improve.

The Chinese, on the other hand, no longer have roads and airfields immediately behind them. Their lines of communications lie over the very difficult terrain through which they have advanced. With the winter months approaching, their supply position, one imagines, cannot but be causing the Chinese command very considerable anxiety. In short, so long as the Indian forces can stabilise and maintain their positions near Towang and Walong—the threat at the latter seems, at present, to be the greatest—the Chinese situation is by no means so favourable as their initial successes might lead one to expect.

It is too often imagined that, with a standing army of some 2½-3 million men, the Chinese are in an overwhelmingly strong position. The bulk of that army is—and must remain—many hundreds of miles from the present threatre of war. The imagination boggles at the concept of transporting large forces from China, through Tibet, and keeping them fed, clothed, sheltered, and munitioned during the approaching winter. Transport and supply—or so one understands—have never been a very strong point of Chinese armies. There are, of course, other routes. From Kunming, through northern Burma, for example, and thence, by way of Imphal, to the Assam Valley. Such a route, however, would need to be prepared.

The position on the Ladakh front is rather more obscure. It is in this sector—or so one is led to believe—that Chinese territorial ambitions really lie. It is on this front, too, that their gains have been greatest. The general impression, however, is that, in this sector, winter operations are impracticable. It seems likely, in the circumstances, that the situation will remain more or less static till the spring.

One is inclined to believe, then, that the north-eastern front is the one on which, at the moment, everything depends. If the position can be stabilised, and any further Chinese advance blocked, the general situation will become progressively unfavourable for the Chinese. Aggression which is demonstrably successful is, doubtless, beneficial for the leaders of a totalitarian State. Failure, or only very limited success is, of course, another and very different pair of shoes. Chinese leaders will have to pull something out of the bag. Chinese face will have to be saved.

It is this aspect of the matter, one suggests, which should not be ignored. Baulked at one point, the Chinese will certainly try to break through elsewhere. A land attack through Burma is certainly a possibility. What seems to be more probable, however, is an offensive by the Chinese air force. An attack on New Delhi, for example, would serve a double purpose—a blow at India's civilian morale and good propaganda for the Chinese people. India, incidentally, would be unable to retaliate in kind.

Military intelligence has, presumably, fairly accurate information on China's air strength. The ordinary observer has, perforce, to rely on such information as is forthcoming from foreign—mainly American—sources. From these accounts, the Chinese air force is comparatively small and not remarkably up-to-date. It is said, for instance, that China has few, if any, supersonic fighters; the standard service fighter is said to be the MIG 15—a sub-sonic fighter which compares unfavourably with India's Hunters. One is strongly inclined to take all this with the proverbial pinch of salt. One would certainly expect the Chinese to be armed with the MIG 21 and, probably, with a fairly formidable bomber force too.

That remains, of course, to be seen but now, one suggests, is the time to augment the present strength of the Indian Air Force to the maximum extent that time and resources permit. Some time ago, when, in fact, India was considering the purchase of Russian MIG 21, the Western Powers, alarmed by India's apparent tendency to turn to Russia, made counter-offers of comparable equipment. The British, for example, offered the 'Lightning'—one of their latest and most effective fighters. Since then, offers of lease-lend aircraft have been made. Here is an opportunity which should not be missed. If it comes to negotiations, strength in the air is the card which may do the trick.

There are other and obvious deficiencies in India's air fighting strength. Air-to-air guided missiles, for example, for the Hunters and Gnats. These weapons are available and must be procured. Additional transport aircraft, too, are a very high priority requirement. Let alone operational tasks such as supply-dropping, the movement of troops, paratrooping, and close support, the country's civil communications have to be maintained. Judging by the withdrawal of many of I.A.C.'s services, and the realignment of others, it appears that the strain, even at this early stage of what may be a long-drawn-out affair, is beginning to tell.

Super-sonic fighters, guided missiles, transport aircraft—these will all be essential, if, and when, the present limited form of warfare is extended to the skies. The cost of providing even minimum requirements will be high. Even under lease-lend terms, this will impose a grievous strain on the country's economy. Failure to provide, however, may be more than costly—it could be catastrophic.

ANGLO-FRENCH SUPERSONIC AIRLINER PROJECT

The Governments of France and Britain have given sufficient indication that they will give formal approval at the appropriate time to the Anglo-French joint effort to produce supersonic airliners. It may be recalled that the British Aircraft Corporation in the U.K. and Sud Aviation in France have drawn up a scheme for producing a supersonic airliner (Mach. 2.2) capable of flying at 1,400 miles per hour. It is planned to produce two versions of this aircraft, one for long-hauls such as non-stop transatlantic operations, and the other for medium hauls, each seating 100 passengers. The aircraft would, according to the Air Correspondent of the *Financial Times*, London, be powered by four Bristol Siddley turbo-jet Olympus engines. The cost of the project is tentatively estimated at £200 million spread over a period of five years (from 1962) by which time a prototype is expected to be ready for experimental flight. Further funds will be required later for enabling commercial production of this supersonic aircraft.

In view of the big expenditure involved in this project, it cannot be implemented without financial help from the respective Governments. The French Government has already agreed to finance the project and has set apart new franc (N.F.) 125 million for 1962, N.F. 110 million for 1963 and an eventual total of N.F. 1,400 million (£100 million). The British Government, too, has been helping the B.A.C. with funds, though the exact amount is not known.

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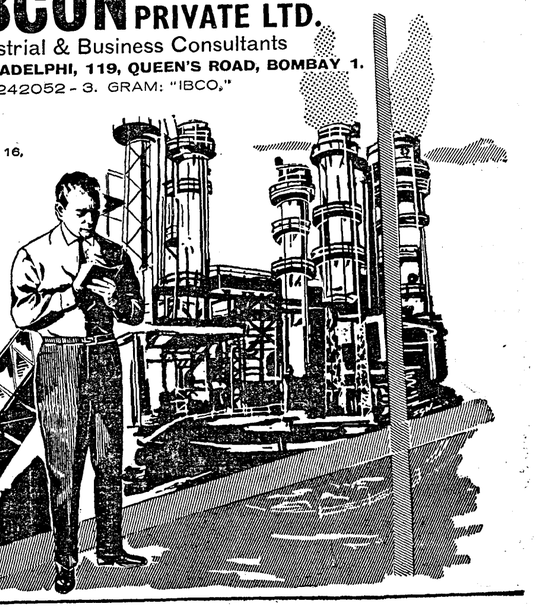

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STABILISING THE PRICE LEVEL

FISCAL POLICY NEEDS REORIENTATION

By P. C. Jain
UNIVERSITY OF ALLAHABAD

THE rising prices of foodgrains, industrial raw materials and consumer's goods pose a difficult problem for the planners in India. It was a great relief that, after an average annual rise of 6 per cent in prices during the second Plan period, the General Index of wholesale prices in India registered a decline of some 3 per cent in 1961-62 and the annual average of weekly indices showed only a nominal rise of 0.2 per cent "indicating that the rise in the earlier part of the year was neutralised by the decline or narrow fluctuations in the remainder of the year." It was partly for this reason and partly for the fact that, in the case of most commodities, the consumers actually paid much higher prices than the wholesale price indices indicated that the public resentment against the recent rise in prices was greater than during the second Plan period, even though the rise in prices during that period, especially towards the end, was of greater magnitude. Another important fact to be noted is that, in contrast to the experience during the second Plan, India's national income in 1961-62 increased by only 2.2 per cent which is less than the current rate of increase in India's population, thereby slightly reducing our *per capita* income. Rising prices are always unwelcome to the people and they are still more unwelcome if the rise occurs when there is an actual fall in money incomes. Not only for the successful implementation of India's third Plan but also to fight the war against the Chinese successfully it is essential for us to stabilise the price level.

There is no denying the fact that deficit financing, though it has been at a smaller annual rate during the first two years of the third Plan than during the second Plan period, has increased the purchasing power in the hands of consumers thereby increasing their demand for different commodities. At the same time, there has been a fall in the rate of increase in industrial and agricultural production in 1961-62, and possibly in the current financial year too. This has reduced the available supply of goods in the market, thereby tending to push up the price level. But, although these are general underlying causes of an inflationary rise in prices in India, it would not be correct to argue that it is these causes which have been responsible for pushing up the price level since April 1962.

Between April and August 1962, whereas the General Index of wholesale prices increased by 6½ points (from 124.7 to 131.1) and that of manufactured goods increased by 2 points (from 127 to 129) the index of food prices increased by 10½ points (from 121.3 to 131.5). The present rise in prices was heralded by a rise in food prices and even now the main cause of anxiety is the high level of food prices in the country.

Why has there been a rise in food prices since April 1962? The fact that the foodgrains output in India during 1961-62 was of the same order as during 1960-61, namely a little less than 80 million tons, while the country's population increased by about 2¼ per cent does not altogether explain the trend of rising prices. It cannot be argued that an overall shortage of food supply was responsible for the higher prices, because, taking internal production, imports and Government's reserve stocks of foodgrains together, there was in the country, in the beginning of the current financial year, an adequate supply of foodgrains relatively to the demand. The frequent announcement by the Union Food Ministry that the minimum prices of agricultural commodities—especially rice and wheat—would not be allowed to fall below a certain limit in the interests of the farmers might have had the result of 'freezing' the higher prices once prices had risen, but such announcements and the actual implementation of the Government's price support policy could not possibly have the effect of actually pushing up the price level.

At the time the food prices began to rise, some important events took place which might throw some light on the rising prices. A number of State Governments presented deficit budgets to the State legislatures and indicated that taxes would be imposed to cover these deficits and subsequently this was actually done. It was natural for people to believe that higher taxation, especially of the rural people, would result in higher costs of cultivation and consequently higher food prices. This probably resulted in an increase in hoarding of foodgrains both by farmers and traders, which, in the case of the latter, was helped by liberal brank credit. Another important event was the announcement by the Government, without an adequate increase in production, that better quality rice and pulses would be exported to earn foreign exchange and to help Indian nationals residing abroad. In the beginning, the exact quantity to be exported was not announced and it was only subsequently that it became known that only 25,000 tons of each would be exported in the current financial year. This vague announcement about exports resulted in some hoarding and helped to push up the price level. Finally, although there has all along been a shortage of transport in the country, the situation early in 1962-63 deteriorated still further in the sense that the new wheat crop as also rice and pulses could not be moved to the consuming centres sufficiently quickly because of the non-availability of wagon space for the purpose. This created an artificial imbalance between supply and demand in the consuming centres—especially in West Bengal and Orissa—and helped to push up the price level.

It is gratifying that, during the past two months, the food and other prices have somewhat declined. The index number of food articles, for instance, has gone down from 131.5 in August 1962 to 128.5 by the middle of October last. But the threat of rising prices continues and there might be a further spurt in the price level in the near future, if the Indo-Chinese hostilities develop still further, as they well may.

What then should be done by the Government to stabilise the price level? The greatest danger now is that, in its desperation, the Government might introduce rationing and price control in the country. These methods have a chance of succeeding, if the prices are deliberately and artificially kept high by producers and traders and there is only a temporary imbalance between supply and demand. But, if there is a persistent shortfall in production, if the costs of production are constantly rising due to higher taxation and other causes, and if there is a defective distribution of the available supplies because of lack of transport and proper organisation, the only result of price control and physical controls such as requisitioning and rationing would be to increase hoarding and black-marketing of the available supplies. Such a development would only make the situation worse. Moreover, under a regime of price control, while the people might get supplies at controlled prices, the quality of the controlled commodity progressively deteriorates, thereby resulting in payment by consumers of higher 'actual' prices. Finally, we in India were lucky that the war-time price control and rationing were boldly removed, thanks to the foresight of Rajaji and the late Mr. Rafi Ahmad Kidwai but, if price control and rationing were reintroduced, there would be no getting away from them for decades to come. With weak administration and lack of proper organisation, price control and rationing, apart from encouraging dishonest practices, would cause greater hardship and suffering to the consumer than rising prices could possibly do.

It cannot, however, do much harm if price tags are attached to a selected 20 or 25 or more commodities, if the number of fair price shops and co-operative consumer's stores is increased and if licensing of traders and other regulatory methods short of physical control are introduced. But these methods could not possibly succeed in checking the rising prices, because the rise in prices in India is due to some fundamental causes and not merely to the greed and shortsightedness of producers and traders in charging high profit-margins. Unless these fundamental causes are removed, the price level could not possibly be stabilised.

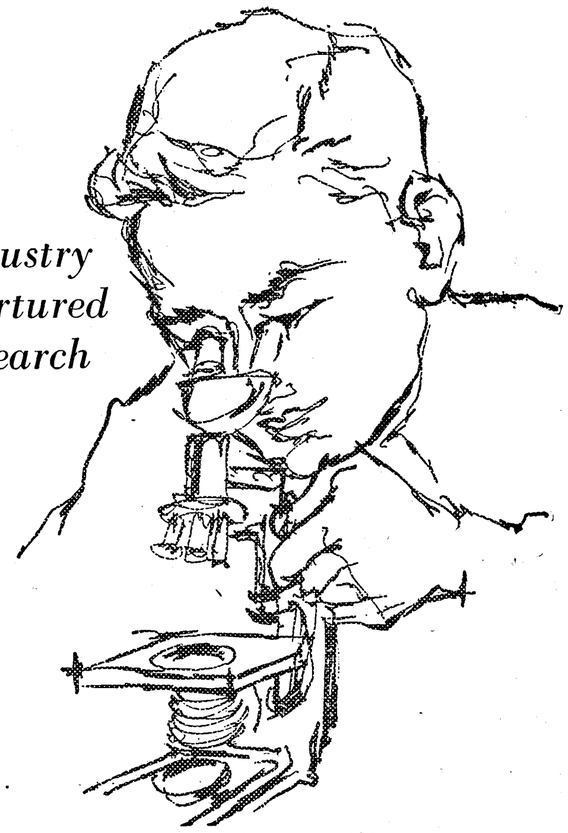
What are these fundamental causes and how could they be removed? In the development planning of an economically backward country like India, it is inevitable that greater investment should be made in capital goods industries than in consumer's goods industries, thereby increasing the supply of consumer's goods at a smaller rate than the increase in people's purchasing power and demand for such goods. It is also inevitable that the level of taxation should increase in order to increase the Government's revenue resources for further investment. But it is not at all necessary that taxation should result in a considerable increase in the costs of production of commodities. It is an unfortunate fact that some of the taxes recently levied by the Union and State Governments have increased the costs of production of agricultural and industrial goods in India. The first thing in order to stabilise the price level is to withdraw all such taxes or at least to very considerably reduce their incidence on costs of production. In any case, a halt should be called to further taxation by declaring a tax holiday for a period of, let us say, ten years. The existing level of taxation brings annual revenues to the Government exceeding 10 per cent of the national income and as India's national income increases the existing level of taxation would create an increasing amount of resources for public investment, thereby accelerating the country's rate of economic growth. If the rate of taxation is continuously increased, it not only adds to 'cost' inflation but creates undue uncertainty and dislocation in the economy and actually reduces the rate of economic growth.

In a developing economy like ours a balance of payments deficit is inevitable. It was expected that India would face an increasing deficit in her balance of payments as the outlay on the Plan increases, with an inevitable increase in its foreign exchange counterpart. Efforts should undoubtedly be made to economise the available foreign exchange resources by a judicious import policy and still more vigorous efforts should be made to earn more foreign exchange by increasing our exports. But there is no justification whatsoever to increase the exports of rice, pulses and other consumer's goods, of which there is already an acute shortage in India. Every increase in the exports of such commodities is bound to increase the internal price level. In order, therefore, to stabilise the price level in India, there will have to be a greater readjustment in Government's economic policy than appears at first sight and than is appreciated by the Planning Commission and the Government.

There is, of course, no doubt that, from the long-range point of view, efforts have to be made to increase production and productivity in Indian industry and agriculture, to reduce the level of deficit financing as much as possible and to operate credit control in such a way that, while there is no shortage of finance for increasing production, there is no misuse of credit facilities for speculative purposes. But some people seem to argue as if there is no connection between the short-period and long-period methods for stabilising the price level. In fact, all the immediately applicable methods—reducing the level of taxation and rationalising the tax structure, improving the means of transport for a better distribution of the available supplies, reducing the exports of consumer's goods (including foodgrains) in short supply in India and building up of adequate reserves of foodgrains in the country—have a direct bearing on long-period methods aiming at increasing production and productivity of goods in the country. In other words, it means that it would be futile to hope that methods to increase production alone would succeed in stabilising the price level even if the other more immediate problems are ignored.

The World Bank has arranged its first borrowings in Austria. They aggregate $10 million, all denominated in U.S. dollars, and consist of a public offering of $5 million 4½ per cent 15-year bonds, and of placement of $5 million 4 per cent 5-year Notes, due on 15th November 1967, with the Oesterreichische Nationalbank, the central bank of Austria. The new bonds are the first non-schilling issue to be publicly offered in the Austrian Market since 1930. The public offering of the 4½ per cent bonds will be made from 12th to 14th November 1962, through a syndicate of twelve Austrian banks headed by Oesterreichische Kontrollbank Aktiengesellschaft. The new issue will be offered at 102 per cent to yield about 4.33 per cent to final maturity. The bonds will be dated 15th November 1962 and mature on 15th November 1977. Interest will be payable semi-annually on 15th May and 15th November with the first payment due on 15th May 1963. The issue will be listed on the Vienna Stock Exchange. A sinking fund has been provided for the bonds and begins operation on 15th November 1973 and is scheduled to retire the entire issue by maturity. The sinking fund redemption price is 100 per cent. The Bank may redeem in advance of maturity all or part of the issue on 15th November of each year on three months' notice at a price of 105 per cent of principal amount in the event of redemption on 15th November 1963 and at decreasing premiums thereafter. Giving effect to the new bond issue and the borrowing from the Oesterreichische Nationalbank, the outstanding funded debt of the World Bank will be about $2,550 million, of which $1,910 million will be denominated in U.S. dollars and the balance in seven currencies.

An Industry Nurtured by Research



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Paid-up Capital - - - - - - Krs. 45,000,000 (Rs. 416,66,666) (Approx.)

Assets Exceed - - - - - - - - - - Rs. 40,00,00,000

Total Assets of Skandia Group of Companies
Krs. 1,311,014,153 (Approx. Rs. 1,21,39,01,933)

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Phone: 246058 Grams: SKANINCO

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S. T. SADASIVAN,
General Manager.

JENKINS COMMITTEE REPORT VIEWED AGAINST INDIAN BACKGROUND—IV

ANNUAL ACCOUNTS—EXEMPTIONS—AUDIT

By A Special Correspondent

NOTWITHSTANDING the fact that company balance-sheet and profit and loss account in the U.K. have started giving many more details after the coming into force of the 1948 Act, they are still far too conservative when compared with the contents of company accounts required to be disclosed by corporations in the U.S.A. under the regulations prescribed by the Securities and Exchange Commission and by companies in India under the provisions of the Companies Act, 1956. Generally speaking, the development of Indian company law has been guided by the various Committee Reports, company law and company traditions in the U.K., but it is interesting to note that the provisions relating to company accounts had all along been ahead of the requirements prescribed under the English Companies Acts in force at different times. For instance, the Act of 1862 in the U.K. contained no compulsory provisions with regard to audit or accounts though Table A to that Act did include certain clauses dealing with both matters. In 1879, provision was made for the audit of the accounts of banking companies but it was not until 1900 that any such provision was made generally applicable. It was only in 1908, when the Companies Act 1907 came into force, that a provision was made for including a statement in the form of a balance-sheet in the annual return to the Registrar of Companies and that provision exempted private companies from this requirement. Then, before the Act of 1948 came into force, the law required directors to produce a balance-sheet and a profit and loss account in every calendar year and laid down some requirements as to the contents of the balance-sheet (Sections 123 and 124 of the Act then in force) but there were no requirements as to the form and contents of the profit and loss or income and expenditure account.

The Cohen Committee (1945) recommended that "the law should lay down minimum requirements as to the contents of the profit and loss or income and expenditure account calculated to ensure that it gives a fair indication of the earnings of the period covered by the account" and should also disclose extraneous or non-current transactions or those of an exceptional nature. As regard balance-sheet, the Committee recommended that it should give a true and fair view of the state of affairs of the company and for this purpose it should classify under headings appropriate to the business of the company the share capital, reserves, provisions, liabilities and assets of the company and distinguish between the amounts respectively of the fixed and current assets and state how the amounts of the fixed assets have been arrived at. The Cohen Committee made specific recommendations for disclosure of certain details in the two accounts. The accounting provisions of the English Companies Act, 1948, were fashioned after the suggestions made by the Cohen Committee and these were no doubt a great advance on previous requirements. The Jenkins Committee found these to be working "remarkably well" but felt at the same time that "there is still a certain amount of dissatisfaction with the amount and kind of information given in the accounts of some companies." The Committee, after studying the proposals of the most varied character for amending the present accounting provisions put before it by the witnesses, has made some sixty recommendations many of which bring the requirements of the English Law close to those in the Companies Act in our country.

As for the evolution of provisions relating to company accounts in our Companies Act, the Bhabha Committee stated that "the provisions of the Indian Companies Act relating to accounts and audit have been always in advance of the corresponding provisions in the Companies Act of other countries and particularly of the provisions in the English Companies Act." The recommendations of the Bhabha Committee sought further improvement in the accounting provisions, so as to keep the advance over those in the English Companies Act. The Bhabha Committee stated:

"While, therefore, we have not hesitated to recommend the adoption of some of the provisions contained in Sections 147 to 163 of the English Companies Act, 1948, relating to accounts and audit and, in particular, of the provisions contained in the Eighth and Ninth Schedules to that Act, we have taken care to retain those provisions in the Indian Companies Act which were in advance of the then existing legislation when the Indian Companies (Amendment) Act of 1936 was passed and which still retained their usefulness. We have also recommended adoption of several other provisions which we consider to be a further advance upon the provisions of the English Companies Act of 1948."

Looking back to the very early days of company legislation in our country, the Indian Companies Act of 1882 (modelled on the U.K. Act of 1862 which, as stated above, did not contain any provisions about accounts and audit and contained only optional regulations 78 to 94 in Table A to be adopted by companies in the Articles of Association) contained specific provisions about the balance-sheet to be made and filed with the Registrar of Companies by every company within a specific time and such balance-sheet under the aforesaid Indian Act had to contain a summary of the property and liabilities of the company prepared in a form annexed to Table A in the First Schedule to the Act. Later, a very material departure from the English practice made was the provision contained in Section 132 of the Indian Companies Act, 1913 which required that the balance-sheet should contain a summary of the property and assets and of the capital and liabilities of the company, giving such particulars as would disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at. The Indian Act made a clear stipulation that the balance-sheet should be in the form marked F in the Third Schedule, and this position was certainly an advance upon that obtaining in the English Companies Act of 1908. Thus, until 1936, the emphasis was statutorily laid on the preparation of balance-sheet, but, after that, it shifted to the profit and loss account, the main reason for this change being that the investing public came to be more interested in the profit-earning ability of the investment than in the safety of its capital.

By the Companies Amendment Act, 1936 in our country, it was made compulsory for every company to have a profit and loss account and regulation 107 in Table A, which enumerated the contents of the profit and loss account, was made compulsory. This regulation, together with sub-section (3) of Section 132, requiring disclosure of the total amounts paid to the managing agents and the directors for their services, laid down the form in which the profit and loss account was to be cast. Also, at the same time, Form F, containing a proforma balance-sheet was completely remodelled, so that every company disclosed more details than it did before. Another important change introduced by the 1936 Amendment Act was that it made it obligatory for a holding company to annex to its own balance-sheet the accounts of its subsidiary company or companies, and the shareholders of the holding company were also empowered to call for the inspection of accounts of the subsidiary companies as if they were the shareholders of the subsidiary companies. The provisions of the English Act, 1929, however, did not provide for all these things. Later, the Bhabha Committee recommended a lot more disclosures to be made in the accounts. In this connection, the Committee observed:

"We consider that the disclosure of particulars which we have recommended will reduce the chances of adverse criticism and inspire greater confidence in the minds of shareholders and the general public. If the statutory provisions with regard to accounts are not clearly expressed or required disclosure of only the minimum particulars, the management of companies would generally provide only the minimum possible information and the auditors, in spite of their best efforts, would be unable to convince the former of the desirability of disclosing fuller information. If, on the other hand, a standard form of balance-sheet and the schedule of contents of profit and loss accounts are prescribed, the auditors of the companies will have the right to insist on the relevant information being given and will thus be in a better position to safeguard the interests of investors."

And this, the Companies Act, 1956 has prescribed in Parts I and II of its Sixth Schedule.

Balance-sheet

Now, coming back to the Jenkins Committee Report, some of the principal recommendations of the Committee as regards balance-sheets are:

(i) In order to check the possibility of abuse resulting from the revaluation of fixed assets by the directors, the Committee has recommended that, if any fixed assets are shown at a value in the balance-sheet, it should be stated as to what assets were revalued and when they were revalued and in the case of balance-sheet in which the revalued figure appears, by whom and on what basis. Where, however, a large number of assets were revalued on different bases, and the directors consider that the above statement would be unduly cumbersome the balance-sheet should contain an intelligible summary. Further, the depreciation charges should be based on the revalued figures and any amount set aside for replacement over and above the amount of depreciation so computed should be shown separately.

(ii) The present distinction between trade and other investments in the balance-sheet should be abandoned but the distinction between the investments held as fixed assets and those held as current assets should be maintained.

(iii) The aggregate market value should be stated of all investments other than investments in subsidiaries in respect of which quotation has been granted on a recognised stock exchange in Great Britain or any stock exchange of repute elsewhere.

(iv) Further, where the investments are not quoted, the balance-sheet should either (*a*) show the directors' estimate of their aggregate value or (*b*) in respect of equity share capital, give such additional information as the aggregate dividends and other income brought into the account from the investments during the company's financial year, amount of the company's share in the aggregate profits, both before and after taxation, of the companies in which the shares are held for the financial periods for which the company's accounts are made up and the amount of the company's shares of the aggregated undistributed profits after taxation charged in their account, of the companies in which shares are held since the date of acquisition.

(v) The balance-sheet should be required to show the amount of long and medium-term indebtedness separately from other liabilities, together with the dates and terms of repayment and the rates of interest. For this purpose, a long or medium-term loan should be defined to mean one which the company is not bound to repay within five years from the date to which the balance-sheet is made up.

(vi) The balance-sheet should show, in addition to capital expenditure for which contracts have been placed, the estimated amount of any capital expenditure where material which has been authorised by the board of directors but for which contracts have not yet been placed.

(vii) The balance-sheet should show separately the amounts of additions to and deductions from fixed assets during the year.

(viii) Where a company uses many different bases for computing the value of stocks and, in the opinion of the directors, a statement of all the bases used would be of little value to shareholders, the directors should be required to give an intelligible summary.

(ix) The requirement to show separately capital and revenue reserves should be abolished as it is not practicable to formulate statutory provisions for determining what profits are available for distribution and could be called revenue reserves.

Regulations in India

In respect of each of the foregoing recommendations of the Jenkins Committee, the position in our country is as follows:

(i) *Disclosure about revaluation of fixed assets:* Part I of Schedule VI to the Indian Companies Act, 1956 provides that, in case of revaluation, every balance-sheet subsequent to revaluation should show the figure arrived at after revaluation together with the date of revaluation and that each of the balance-sheets for the five years subsequent to revaluation should show the amount of revaluation made. Thus, the fact of revaluation and its financial consequences are to be disclosed, but our Act does not provide that "by whom and on what basis the revaluation was made" should be stated. It will, therefore, be seen that the Committee's recommendations are partly covered under the provisions of law in our country.

(ii) *Distinction between trade and other investments:* While the distinction between trade and other investments in the balance-sheet is to be observed and depicted in the balance-sheet under the Indian Companies Act in the same manner as in the U.K., the requirements of our law for giving information about investments are rather more elaborate and go far beyond the purposes underlying the Jenkins Committee's recommendations on the point. The nature of investments and the mode of valuation have to be given. Furthermore, distinction has to be made between (*a*) investments in Government or Trust securities, (*b*) investments in shares, debentures or bonds, and (*c*) immovable properties. As regards shares, debentures and bonds, a distinction is to be drawn between fully paid and partly paid shares, and shares of different classes. Also, a distinction is to be drawn between quoted and unquoted investments. As regards the former, the aggregate market value is required to be stated.

In fact, the position of investment is very lucidly set out in note L to the form of balance-sheet given in Schedule VI of the Act. It runs as follows:

"A statement of investments (whether shown under investments or under current assets as stock-in-trade) separately classifying trade investments and other investments should be annexed to the balance-sheet showing the names of the bodies corporate, indicating separately the names of the bodies corporate in the same group (with the names of the managing agents or secretaries and treasurers, if any, of every body corporate) in whose shares or debentures investments have been made (including all investments whether existing or not, made subsequent to the date as at which the previous balance-sheet was

INDIAN IRON AND STEEL COMPANY LIMITED

CHAIRMAN, SIR BIREN MOOKERJEE'S STATEMENT

STEEL PRICE DECISION OF GOVERNMENT TOTALLY UNREASONABLE AND UNREALISTIC

THE following statement by Sir Biren Mookerjee, Chairman of the Indian Iron and Steel Company Ltd., dealing with the Company's working for the year ended 31st March 1962, has been issued to shareholders. The Annual General Meeting of the Company will be held on Tuesday, 11th December 1962 at 3 p.m. at the Royal Exchange Hall of the Bengal Chamber of Commerce and Industry, 6, Netaji Subhas Road, Calcutta-1.

The production of iron for the year at 1,187,397 tonnes and of steel ingots at 934,498 tonnes shows a small increase over the previous year. Yet in fact the rate of production remained more or less the same in the two years.

This apparent anomaly is due to the fact that there was a railway strike last year during which period there was a stoppage of all raw material coming into the works. As stocks of coal had run down to only four days' requirements, it left no alternative other than to carefully damp down all the four blast furnaces one by one as well as to reduce the input of coal into the coke ovens just to maintain sufficient heat to prevent damage to those plants. This calculated shut down last year, carried out under careful scientific observations by Works' executive experts, resulted in a computed total loss in production of some 27,000 tonnes of ingot steel. It will be seen, therefore, that while this year's production shows an increase over last year of 20,339 tonnes, it is in fact on the basis of actual rate of production less by some 6,000 tonnes.

In this connection I would like to emphasise, that ever since the new blast furnace and melting shop expansions were completed some time round about the middle of 1959, every effort has been made to go all out to reach the rated capacity of iron and steel production. But we failed each year to achieve this owing to the poor quality of raw material and particularly in the case of coal, a quality almost unusable. Added to these difficulties there was the ever persistent irregularity of transport. How then in the face of these insurmountable difficulties can Government insist that 100 per cent production is to be maintained? They have merely to look at the production of their own steel plants, where in the case of one plant the quality of raw material can be termed excellent compared to ours, with little or no transport difficulties. In the case of the other two Government plants, raw material and transport problems do arise, but it is nothing compared to that of your Company. Steel *qua* steel may be made at the cost of quality. Is that then what the Government desire, a sacrifice in quality and a mass rolling of unrequired sections of steel for the sake of production records? I shall refer to this and many other points later on in my statement.

Accounts

In my statement last year, I made reference to the Tariff Commission's enquiry in connection with the fixation of the retention price of steel effective from 1st of April 1960. After conducting the usual careful investigations, visits to the works and discussions with the representatives of the Steel Companies, the Tariff Commission submitted its report to the Government in April 1962, having made such deductions and adjustments in costs as it thought fit. It was not until the 7th September 1962, that Government's decision on this important matter was announced in Parliament according to which steel retention prices were increased by Rs. 10.50 per tonne on an assumed product mix basis commencing from the 1st of April 1960, as against the Tariff Commission's recommendations of an increase of Rs. 38 per tonne over the provisional increase announced by Government in February 1961, a reference to which was made in my statement to you last year.

Curiously enough Government apparently did not consider the retention prices of individual categories of steel as important, as these details were only made available on the 12th October 1962. This delay in announcement on Government's part of the category-wise retention prices of steel prevented the Company from closing its annual accounts and presenting them to you along with the auditors' report within the prescribed period; hence two appeals had to be made to the Company Law authorities to extend the permissible date of the annual general meeting to the maximum limit of 3 months, namely, the 31st December 1962.

The most surprising part of Government's decision was the drastic and unconventional manner in which the Tariff Commission's carefully considered recommendation and mature judgment were turned down flatly in respect of the normal retention prices for the past two years, ending on 31st March 1962, as well as a special element that should have been allowed in the retention price in addition, for payment by the Tata Iron and Steel Company and your Company, of interest on and towards repayment of special advance of Rs. 10 crores each made to these companies by Government. I will deal with this in greater detail later on.

The salient points of the accounts for the year have been fully dealt with in the report of the Board of Directors, but there is one point, a very important point indeed, on which I would like to make some observations.

Tariff Commission's Recommendations and Government's Decision

On the recommendation of the Tariff Commission in 1959, the Government of India in terms of their Resolution No. PS45 (112)/57 dated the 25th November 1959 decided that the interest on the special advance should be charged to the Company as from 1st July 1958 at 5 per cent per annum and the calculation of a special element in the normal retention price for steel for meeting this interest charge was postponed until after 31st March 1960, when it was necessary to work out the fair retention price of steel produced by the main producers. As the interest accrued from the 1st of July 1958, your Company has to, under the Indian Companies Act, make provision for this accrued liability in the past years' accounts and as in terms of an Agreement with the Government of India dated the 15th July 1953, it was expected that in fixing the retention prices of steel for the two years ended 31st March 1962, a special element should be included in such prices to fully cover interest upto the end of this period, a corresponding amount was included in sales retention prices in those years as the anticipated earnings from such special element. This expectation has, however, been belied. Although a special element to cover interest and repayment of special advance was recommended by the Tariff Commission, the Government of India has, in reversal of their earlier decision, rejected this recommendation. This has put your Company in a very awkward situation. The interest on special advance charged in the previous two years' accounts has to remain as such but the anticipated compensatory element in steel retention prices amounting to Rs. 1,40,01,141 included in the accounts of those two years had to be written back from the current year's "sales"; besides, whether interest is actually paid in cash or not, your Company has to go on charging such accrued interest from year to year without a corresponding compensating element in "sales". Repeated representations have been made to the Government, but it does not seem to realise this difficulty of your Company; it appears to be under the impression that so long as the Company has not to make actual cash payment to Government, it is immaterial whether any special element is included in the prices or not. Government just cannot realise that your Company does not keep its accounts, as Government departments do, on a cash basis but on the normal commercial basis where any liability accrued, whether paid or not has to be duly provided in the accounts.

Little or No Hope

At long last, that is, after two and a half years, retention prices of steel were announced by Government on the 7th of September 1962 on an estimated product mix basis on which, as I have already stated, your Company's accounts could not be closed. Apart from the fact of Government's rejection of the Tariff Commission's deliberations and conclusions it has come to an *ad hoc* decision totally divorced from the conditions specially laid down in 1953 for the calculation of retention prices of steel, after taking into consideration repayment of loans to Government and the World Bank (International Bank for Reconstruction and Development), maintenance of regular dividend and putting into reserve statutorily or otherwise sufficient sums in order to enable the Company to remain healthy and to continue to increase production and achieve expansion out of its own resources as and when the country needed extra steel. It now appears from Government's latest announcement in the papers that the Tariff Commission's sins are that it arrived at its conclusions according to these formulæ and conditions laid down by Government earlier and according to which your Board of Directors agreed to accept loans on your behalf for the expansion schemes. If now these conditions and formulæ for calculating retention prices are changed for the worse, as has been announced recently, there is little or no hope of further expansions to your plant.

Government's decision regarding cutting down the retention prices recommended by the Tariff Commission has, as announced on 7th September 1962, been arrived at by:

(*a*) Reducing the value of the block considered fair, after careful study by the Tariff Commission, from Rs. 1,300 to Rs. 1,176 per tonne.

(*b*) Reducing the working capital provision to four months' cost of production as against eight months' claimed by us in our representation and six months allowed by the Tariff Commission.

(*c*) Disallowing the inclusion of Rs. 8 per tonne as recommended by the Tariff Commission towards interest on special advance and its repayment.

The reasons stated for making a reduction in block are:

(1) The operational efficiency of the plant should be taken at 100 per cent, as against 90 per cent optimum considered by the Tariff Commission.

(2) The capital block of Rs. 10 crores received as special advance from the Government should be excluded.

Apart from reduction of Rs. 8 per tonne on account of the special element towards payment of interest and repayment of special advance, the total reduction effected by Government per tonne of steel from what was recommended by the Tariff Commission comes to Rs. 19.50 per tonne as shown below:—

(1) Reduction in capital block due to deduction of special advance ...	Rs. 10.30	per tonne
(2) Reduction of block by taking operational efficiency at 100 per cent	Rs. 6.20	,,
(3) Reduction in working capital	Rs. 3.00	,,
Total ...	Rs. 19.50	per tonne

As a result of this, your Company has been deprived of approximately Rs. 2.8 crores on despatches of 1.4 million tonnes of saleable steel during the two years and will also suffer in future as, we fear, this will also apply to the provisional price to be fixed from 1st April 1962 onwards.

But the story is actually different. The new prices fixed by Government for individual categories of steel will only enable the Company to earn an increase of Rs. 8.53 per tonne, as against Rs. 10.50 per tonne announced by Government on the despatch of steel made during the last two years.

Capacity Utilisation

The target of operational efficiency as contemplated by Government recently should have been based on an approach inspired by lessons of realism and past experience rather than dogmas. Nowhere in the world have steel plants been rated to operate at 100 per cent of their rated capacities. It can only be expected over short spells. The Tariff Commission very rightly adopted 90 per cent efficiency as a factor of normal operation. I quote below some interesting figures of capacity utilisation as publish-

ed by the U.K. Iron and Steel Board (*vide* para 65—Annual Report—1961):—

Year	% capacity utilisation assumed by the Board	Actual operation
1954	90	98.0
1955	90	98.0
1956	90	97.0
1957	90	96.4
1958	90	87.1
1959	90	78.9
1960	90	93.9
1961	90	88.5
Average over 8 years ..		92.2

Although the average of actual operation works out to 92.2 per cent the Board for calculation purposes maintains 90 per cent as the target of capacity utilisation.

Matter Must be Reconsidered

It may not be difficult to attain 100 per cent efficiency occasionally, but provision must be made for bad weather and unfavourable circumstances which do arise more often than not and over which no management control can be exercised; in our case the transport and raw material difficulties are well known. The fixation of block value at 100 per cent utilisation of capacity in the steel industry is unrealistic and I am afraid, will be of no help to the industry. It is my sincere suggestion that the matter should be reconsidered and given a second thought by Government. It must also be remembered that when vital issues of this nature are referred by Government to an independent semi-judicial and expert body like the Tariff Commission, its recommendations should not be flouted in the manner in which it has been done in this case, as it is bound to undermine confidence in the private sector and definitely make foreign aid participation very doubtful.

As regards the disallowance of the special advance of Rs. 10 crores from the block a great deal has been said, both in Parliament and outside it, about this interest-free loan to your Company by the Government. I have so far refrained from answering queries from stockholders, financial journals and papers, as I thought it to be Government's duty to explain the reasons and motive behind such a loan first to Parliament. Since 1958 Government's ideas on the repayment of the interest-free loan have been undergoing many changes, some even contradictory. It is only fair to stockholders that I should now take them into confidence and explain how this interest-free loan of Rs. 10 crores came into being.

At the request of the Government of India, Mr. Eugene R. Black, the World Bank President, paid a visit to India in February 1952 to acquaint himself of the broad aspects of the country's development programme in the light of the Five-year Plan. On the 17th February he, accompanied by Mrs. Black, Messrs. Joseph Rucinski, Chief Economist of the Loan Department, Leonard B. Rist, Director of Economic Department and Harold N. Graves, Director of Public Relations, arrived at Burnpur on a two-day visit to have a first-hand study of your Company's expansion programme.

World Bank Mission

Being satisfied with the merit of your expansion scheme, he was kind enough to send to India in June 1952, a Fact Finding and Feasibility Probing Mission of four members headed by Mr. George D. Woods, one of India's best friends outside the World Bank and the President of the First Boston Corporation of New York. The Commission consisted of Mr. Woods, Mr. Maccurda, his personal adviser, Mr. Joseph Rucinski of the World Bank and Mr. Carl Fiesher, Technical Consultant to the Bank. They visited your Works and went into the details of the First Expansion Scheme with the Company's Consulting Engineers and the Works' senior executives. On being satisfied with our scheme generally in every respect, discussions with Government were started in Delhi directly afterwards. At these discussions, the then Finance and Commerce and Industries Ministers were present along with their respective secretaries and advisers. You were represented by my colleague, Mr. F. G. Liversedge and myself. At the conclusion of these discussions, the World Bank's representatives agreed to put the matter up to the World Bank Directors, subject to a detailed scheme of the plant proposed, its costs broken up into foreign exchange and local currency, the legal aspects of mortgage of all lands and property of the Company etc., considered. The foreign exchange requirement to be met by the World Bank was approximately estimated to be Rupees 15 crores or 31½ million dollars. Government's loan to the Company on the same terms and conditions, but ranking second to the World Bank and the then debenture holders, was set up approximately to be Rs. 7.9 crores. The Company was to find an equal amount, namely, Rs. 7.9 crores from its own resources. It was then found, a further Rs. 10 crores was needed for financing the entire scheme, as well as to meet the working expenses. The question then arose how to bridge this gulf. The Woods Commission came to the conclusion that the then Tariff Board's function as directed by Government in the case of the steel industry, was not so much as to find ways and means of protecting the indigenous industry from foreign invasion, but to prevent it from claiming a higher world price for its commodities, obviously for Government's own benefit; Government, therefore, in all fairness could hardly refuse to find for the industry the needed amount, and they said, if I remember correctly, "Whose money are you giving away and to whom; in the case of jute, tea, sugar, copper and other such commodities, the industries are allowed to claim or sell at the highest prices the World market was willing to pay, but in the case of steel, the industry was beaten down by the Tariff Board on a framed up formula fixed by Government. All Government has to do is to remove it and the steel industry would no longer need financial aid from Government, other than a guarantee of the repayment of foreign exchange loan." After a couple of days' thinking Government agreed to find the money as a loan which the World Bank's representatives thought should be "rent free," meaning interest free. The Ministers agreed to the loan to be termed as a special advance and interest free, but thought in order to avoid questions being asked in Parliament, the whole or part of the corpus should be repaid sometime, i.e., when the Company was opulent enough to do so and no further expansions were contemplated. The World Bank representatives were of the opinion that so long as it was agreed that the amount would only be paid, both interest, if any, and the corpus out of a special element to be included over and above the normal retention price, they would have no objection. The Government agreed to it, but later thought they should also include the clause wherein they would reserve the right to ask the Company to raise additional share capital for the repayment of whole or part of the corpus as and when the Company was in a position to do so. The World Bank's representatives were of the opinion that this should only be done subject to mutual agreement between the Government and the Company.

Previous Commitments Resiled

The World Bank's representatives then went on to explain that the primary function of the I.B.R.D., whose capital was subscribed by a number of nations, was to rehabilitate and/or expand industry in the private sector only and in doing so to enable such industry to remain in a healthy financial position in order that it could expand on its own, and further, the Tariff Board must be instructed by Government that it must not, as in the past, take away incentives from the Company in the way of any operational efficiency or savings in the cost of production or by increased production, and a normal depreciation and a reasonable return on capital etc., should be maintained. Both Government and your Company agreed to these principles and Government issued new directions to the Tariff Board which later on was converted into the Tariff Commission with statutory powers. It appears Government now wishes to resile from its previous commitments and undertakings it had then made.

The recommendation by the Tariff Commission of Rs. 8 per tonne relating to the repayment of Special Advance and interest thereon has not been accepted by Government. The reason, in their own words, being "Finally, in revision of their earlier decision taken in 1959, Government now consider that it is not necessary to provide an element in the retention price for the payment of interest on and repayment of special advance. The agreement with the Companies provided for an alternative method of repayment of a part of the special advance with interest, namely, issue of share capital by the companies at such time or times as the Government of India may, in agreement with the companies, decide."

Agreement with Government

For the benefit of the stock-holders I give below the relevant extract from the agreement between the President of India and your Company dated the 15th of July, 1953:—

Clause 1 (iv) (c): "The Government of India shall decide, on the advice of the Tariff Commission, whether after the 30th June 1958 (or such later date as aforesaid), the Company should be charged any interest on the said advance and at what rate the Company should repay the advance. PROVIDED that the interest and repayment of the advance shall to the extent to which the same is not paid out of the share capital to be raised by the Company in accordance with Clause 3(c) be payable by the Company out of its earnings arising from a special element in the prices of iron and/or steel over and above the normal retention prices, after deducting from earnings all taxes payable by the Company to the Government of India on such earnings at the rate or rates applicable to the Company's total income during the period ending the 31st March 1969."

It is further amplified later in Clause 3(c) which reads as follows:—

"Notwithstanding the provisions in paragraphs (c) and (d) of sub-clause (iv) of Clause 1 laying down the manner of payment of special advance to make an issue of share capital at such time or times as the Government of India may call upon the Company to do and to repay out of the proceeds of such issue a portion of the special advance. The proposals for any such issue (including the timing, the amount of the share capital to be so raised and the portion of the special advance to be repaid out of the proceeds of the issue of shares and other particulars relating thereto) shall be as may be agreed between the Government and the Company."

It will be seen, therefore, the intention of Government in 1953 in regard to expansion of the steel industry in the private sector has undergone a very great change, for if your Company has to raise capital to repay the advance of Rs. 10 crores, and this contention is upheld by Government, it virtually means saying good-bye to any future expansion, even if it be for merely balancing of your plant and thereby effecting a fully economic unit.

Government's Stand Unrealistic

Apart from all that I have said in this connection I utterly fail to see any logic or justification in the Government's action in deducting the corpus of the special advance of Rs. 10 crores to arrive at the standard block on which overheads are to be allowed. If Government has now changed its mind and treats this money as a free gift, i.e. neither interest nor repayment of the corpus being required, then there may be something in the Government's contention. But in its recent statement made on the 19th September, Government has reiterated its stand regarding the repayment of the advance and indicated that it could ask the Company to repay this special advance out of an issue of fresh capital. Therefore, it is not a gift and if that be so, then on what ground can Government take this totally unreasonable and unrealistic stand?

It can be safely vouched and nobody will deny the special position and importance of the steel industry in our country, particularly in an era of expanding economy based on rapid industrialisation. Contribution made by this industry in the past, specially in the field of saving foreign exchange is very considerable, and this is explained clearly in the appended two charts (A and B) showing—

A. The net price per tonne of steel given to the producers, the price paid by the public and what it would have cost the country if imported from overseas.

B. Saving of foreign exchange effected due to indigenous production over the past ten years, in other words, the cost of a new one million ton capacity integrated steel plant.

Healthy Climate Denied

That then has virtually been the contribution of the two steel plants in the private sector. Does it therefore behove Government to accord to this industry the perfunctory and niggardly manner of treatment it has been subjected to? Is it not a matter of elementary economics that the benefit of maximum possible incentive should be extended to the industry to allow it not only to exist, but to function and produce on as high and efficient a level as is possible? Why then this ire as if the industry has done something terrible, and deny it a healthy climate all round to earn a reasonable return on the capital employed, which is largely being ploughed back from profits and maintain an increasing output, thereby enhancing the growth of national wealth?

When Government's decision on the retention price of steel was released there was widespread criticism and Government made a statement on the 19th of September 1962 in an attempt to justify its official action for reducing substantially the prices recommended by the Tariff Commission. I will now deal with the arguments advanced by Government item by item and prove to you how futile these are.

No Favour at All

It was stated that Government had accepted the works costs as calculated by the Tariff Commission and this constituted 70 per cent of the total retention prices. This statement seems to imply that a great favour has been done to the steel industry by Government, by its acceptance of this major element of the retention price. This is no favour at all. Government could not help but accept as correct, calculations of Works costs by the Tariff Commission, as these were not estimates of future works costs, but facts based on historical costs on the actual performances of the producers during the period of price fixation, namely, from 1st of April 1960 to 31st of March 1962.

In regard to reduction by Government of the working capital of your Company to four months' cost of production as against eight months' claimed by the Company in its representation and six months' allowed by the Tariff Commission, the reasons given by Government to justify its stand are based on two grounds:—

(*a*) That every indentor of steel has to pay in advance 25 per cent of the total value of his order in cash to the steel producer before it can be booked, and therefore, the companies invariably had a fairly large sum of money at their disposal.

(*b*) That at any given time the companies had large sums of money belonging to the Government in their possession and these were not actually paid into Government account.

Security Deposits

In regard to (*a*) the statement made by Government that every indentor had to pay 25 per cent security deposit against order is absolutely baseless. This could easily have been verified from any Government Accounts Officer and it would have been found that no Government department gives any security deposit whatsoever, whereas on the other hand Government takes months to pay your bills. It is a fact that producers dare not ask for any security deposit from Government, including the railways, and large well-established customers which constitute more than 80 per cent of their sales. It is only in the case of small bazaar parties that the producers take a security deposit and this too with the Iron and Steel Controller's-acquiescence, as no order can be booked without his approval. Some years ago it was found that some of these small bazaar parties having booked orders (for reasons best known to them) were found to be non-existent, or refused to accept bills when the railway wagons arrived at the destination. What then could your Sales Organisation do other than to run to the Iron and Steel Controller for his approval to divert the railway wagons to some other party—in the meantime demurrage accrued as well as the extra freight for diverting the wagons. Who then was responsible for the extra cost of freight and demurrage as your sales organisation was in no way responsible for the order? The then Iron and Steel Controller thereupon decided that for these unknown and unreliable parties the producers were entitled to demand 25 per cent with the order, in order to reimburse them in such cases of default. These advances are mostly in G.P. notes and fixed deposits in banks. The interest accruing is payable to the customers and the Company has no access whatsoever to these funds. To make my point clear, I append below a statement for the three years, 1959-60, 1960-61 and 1961-62 showing the gross steel sales from Burnpur and the security deposits and advance payments in cash received by your Company:—

	1959-60 Rs.	1960-61 Rs.	1961-62 Rs.
Gross steel sales ..	39 crores	46 crores	50 crores
Security deposit and advance payments in cash	26 lakhs	30 lakhs	29 lakhs
Percentage	0.67	0.65	0.58

In view of these actual figures from the Company's audited accounts the statement made by Government seems to be most irresponsible, as during the three years under reference the maximum amount lying with the Company was between 0.67 per cent to 0.58 per cent which is nowhere near 25 per cent stated by Government.

In regard to (*b*) the statement that at any time the producers owe large sums of money to Government is again just a myth. Both Mr. Bhoothalingam and Mr. N. N. Wanchoo, Secretaries to the Ministry of Iron and Steel have written to me complaining about the large outstandings from the Company to Government and every time we have written back in reply to prove that Government's statements were incorrect. Moreover, Government seems conveniently to forget that it is your Company that do it a favour by collecting surcharge moneys on its behalf and further all collection expenses including cash discount allowed by us on the amount of the surcharge are being borne by the Company. Besides, whether the Company receives payment of a bill or not, it is required to pay the surcharge portion of the bill immediately to the Iron and Steel Controller. How can Government then quibble over a few lakhs of rupees worth of surcharge money that necessarily must remain outstanding at any time with the Company as claims cannot be finalised within the period.

On the other side of the picture, apart from outstanding bills for materials supplied by the Company, it has to wait years to get reimbursement from the Equalisation Fund in respect of any increases in the retention prices. These increases are due to the Company as costs and overheads have gone up in the meantime and which are beyond the control of the Company. Although it has already been out of pocket to these extents it cannot claim any reimbursement from Government unless Government so deigns, at its leisurely pace to decide on the revised retention price. As an example, in the case of the recent increase in steel prices which are really due from the 1st of April, 1960, the notification by Government of such increase in the retention prices is dated 7th of September 1962, and the category-wise retention prices were made available to the Company only on the 12th of October 1962, i.e., a time lag of about two and half years. This, in other words, means that crores of rupees due to your Company has been lying with the Equalisation Fund for this period, whilst your Company had to borrow money from banks and pay interest on it to meet its day to day obligations.

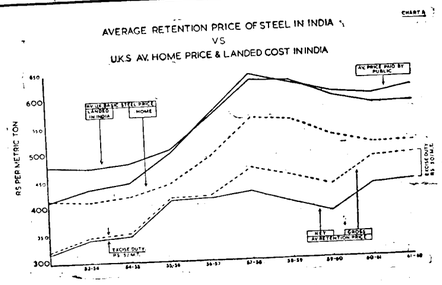
Financing Expansion

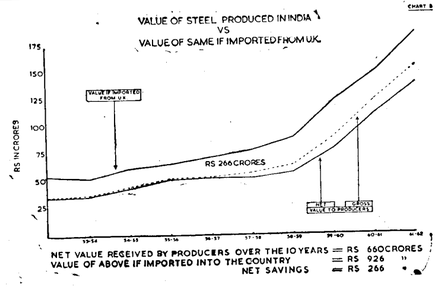
For the reduction in the return on capital it has been stated by Government that your Company, like Tata Iron and Steel Company, had no more than one-fourth of the total capital of the Company in the form of equity capital and that this ratio may have still fallen further. The Government's contention is that the rest of the capital has been borrowed and therefore should be treated differently as it was not the stock-holders' money. For your information I append below a statement showing that during the 10 years, i.e. from the date of the Expansion Scheme until 31st of March this year your Company has contributed out of its own resources—and which really is your money—to the extent of Rs. 34.69 crores, a sum which cannot be sneered at on any account:—

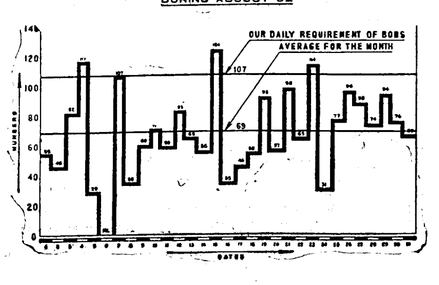
Capital Expenditure and Sources of Funds during the ten years 1952-53 to 1961-62

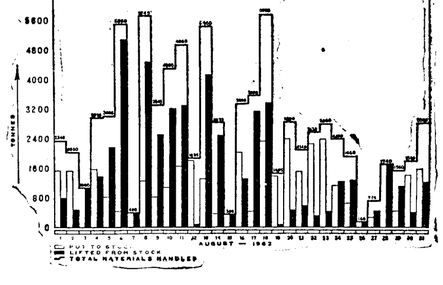
(Rs. crores)

Expenditure on Extensions :			
Burnpur—			
1950 Extensions ..	4.97		
1953 ,, ..	37.64		
1955 ,, ..	18.46		
General	5.97		
		67.04	
Kulti		3.76	
			70.80
Less : Outside sources of funds for extensions :			
World Bank loans.. ..	21.28		
Government of India loans.	7.35		
Special advance	10.00		
New shares issued ..	7.00		
			45.63
Extensions financed out of own resources			25.17









Capital Expenditure Financed out of Own Resources upto 31-3-1962

For extension as above	.. ..	Rs. 25.17 crores
World Bank loans repayment	.. ..	,, 5.80 ,,
Government of India loan repayment	..	,, 2.13 ,,
Sterling Debenture repayment	.. ..	,, 1.59 ,,
		Rs. 34.69 crores

This, in other words, means that in addition to a sum of Rs. 7 crores contributed by you as a rights issue in July 1957 a sum of Rs. 34.69 crores has already been ploughed back from your profits during these years, making a total contribution from you of Rs. 41.69 crores, and this process will continue until all loans, past and future, are repaid.

In my previous statements to you as well as in the annual general meetings in the past, I have made it known that these large sums of money, which you are investing in the Company from year to year will one day be partly converted into equities. But your Board of Directors were precluded even from thinking about it owing to the penal tax of 30 per cent, now reduced to 12½ per cent levied by Government on bonus issue. From these figures it will be seen that your Company has made contributions towards the expansion scheme in no mean measure. No integrated modern steel plant, no matter what part of the free world it is situated in, can be expanded or modernised with stockholders' money only. It has to take recourse to borrowing funds from banks and the most enterprising and sensible Governments come forward to give them such help as needed in order to reap the benefit of extra production of iron and steel, thereby creating extra expansion in the country's heavy industries etc., as well as finding an outlet for foreign exchange by exporting goods.

A Strange Way of Thinking

Government also seems to argue that if a part of the gross block is financed by loan capital the structure of the Company's finance should be different and the return on such capital should accordingly be calculated on different lines. To say the least, this is a strange way of thinking on the principles of economics, as it is both unorthodox and unheard of. If Government had these ideas in mind it should have, in all fairness and to all concerned, declared them in unequivocal terms when these very loans were being negotiated. It would then have been for the Board of Directors and the stock-holders either to accept or reject the terms and conditions at the time and not to have a surprise suddenly sprung on them as at present.

As already stated, Government's latest contention has been that on account of the special capital structure of the Company and on account of not achieving 100 per cent production, the return on capital should be correspondingly reduced, and for this purpose Government has decided to cut a slice into the block which is standing up proudly at your works. But as depreciation is calculated on block, this has also resulted in a reduction in the total quantum of depreciation allowed by the Tariff Commission. Are we not justified in enquiring, why this unwarrantable reduction in depreciation? I can only term this action as adding insult to injury.

It has also been openly said in Parliament the other day that your Company has earned huge profits during the year under review. I do not know, in the case of a company like yours, what the yardstick for this "hugeness" is. All I can say is that your Company has earned only a reasonable profit, commensurate with its requirements and obligations. Besides, uniform retention prices were fixed for all producers, and if any one company has earned a little extra due to efficient working, that I should have said, would have been a matter for congratulation and not resentment. I am sure it is not Government's desire to discard all cardinal principles of economic aid to penalise efficiency.

The quality of raw materials, if anything, has deteriorated from what it was last year, and added to this, irregularity of transport as well as wrong type of wagons for transporting the materials do not help to make the Works Executive's life a happy one.

I append a few charts (No. 1 to No. 6) which will show the difficulties that have to be surmounted in order to utilise the raw materials. The object is to bring out some of the obstacles which prevent the Company from achieving a production rating of 100 per cent of its installed capacity. Apart from these obstacles, there is also the question of the quality of the raw materials, particularly coking coal. The average ash content of our coke has now reached 24 per cent but the average figure does not indicate the true picture, as the quality of the coal fluctuates widely, and the manner in which the railway authorities deliver the coal prohibits blending which would neutralise to some extent the wide fluctuations.

Chart No. 1 showing daily receipts of BOBS wagons (specially designed side discharge for handling ore and limestone) during August 1962: It will be observed that against the normal daily requirements of 107 BOBS wagons, the number fell very much below this figure on most days. The railway authorities substituted BOX type wagons in place of BOBS wagons in spite of the fact that the works are unable to off-load BOX wagons except by manual means.

Chart No. 2 showing manual handling of iron ore—in and out stocking per day during August 1962: Here it will be observed that apart from ore handling in our normal mechanical stock handling ore gantry, we had to handle in and out of stock as much as 5,775 tonnes in one day.

Chart No. 3 showing the iron ore programme and receipt position against the production of iron of various steel plants: This chart brings out clearly that whereas Durgapur Steel plant was never intended to be supplied with BOBS wagons but rather BOX wagons, it is, in fact, now being given BOBS wagons at the expense of your works and that your works are being forced to accept a greater and greater number of BOX wagons in consequence. It will also be observed from this chart that Bhilai remains unaffected as far as BOBS wagons are concerned.

Company's Objection

The Company has always objected to being forced to accept BOX wagons in lieu of BOBS wagons as with the full knowledge and approval of the Railway Board our mechanical off-loading equipment was designed and installed to handle only BOBS wagons.

Chart No. 4 showing daily receipts of BFRs (bogie flat rail trucks) during August 1962: Burnpur Works require an average of 40 BFRs per day but, as can be seen from the chart, this figure is rarely supplied.

Chart No. 5 showing Eastern Railway destinations and route restriction details.

Chart No. 6 showing South Eastern Railway destinations and route restriction details: Charts Nos. 5 and 6 have been prepared to show that practically every day the railway authorities impose restrictions on the despatch of finished materials on numerous routes and to numerous destinations. The practical result of this is that wagons already loaded with materials are not accepted by the railway authorities at the last moment, thus causing detention and demurrage liabilities, and also in many cases, your works are unable to load wagons because they have no material available for the destinations which are free of restrictions. Again, there is wagons detention and demurrage liability.

In effect, the railway authorities supply wagons for despatch of finished material and at the same time dictate to us where these materials shall be sent and in many cases against the Iron and Steel Controller's orders. This is an absurd situation and would require a considerable tonnage of finished goods to be held in stock to cover such a wide field of variation of free destinations.

The object of our Colliery Expansion Scheme is to provide the bulk, if not the entire needs of our coking coal, approximately 85 per cent of which will be crushed, washed and

STATEMENT SHOWING THE IRON ORE PROGRAMME & RECEIPT POSITION AGAINST THE PRODUCTION OF IRON OF VARIOUS STEEL PLANTS.

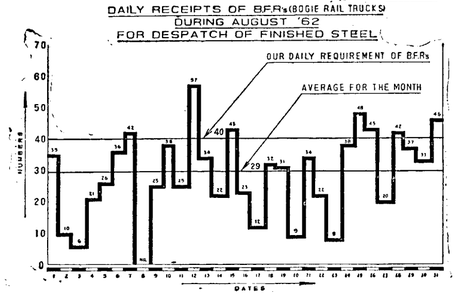
CHART - 3

Month	BURNPUR				BHILAI				DURGAPUR				ROURKELA			
	Iron Production	Programme by Steel Controller Average/day BOBS	Programme by Steel Controller Average/day BOX*	Receipts Average/day BOBS	Receipts Average/day BOX	Iron Production	Programme by Steel Controller Average/day BOBS	Programme by Steel Controller Average/day BOX	Receipts Average/day BOBS	Receipts Average/day BOX	Iron Production	Programme by Steel Controller Average/day BOBS	Programme by Steel Controller Average/day BOX	Receipts Average/day BOBS	Receipts Average/day BOX	Iron Production	Programme by Steel Controller Average/day BOBS	Programme by Steel Controller Average/day BOX	Receipts Average/day BOBS	Receipts Average/day BOX
	M.T.	Nos.	Nos.	Nos.	Nos.	M.T.	Nos.	Nos.	Nos.	Nos.	M.T.	Nos.	Nos.	Nos.	Nos.	M.T.	Nos.	Nos.	Nos.	Nos.
JAN'62	88,700	104	24	60	8	92,000	120	Nil	67	Nil	63,000	38	Nil	33	8	44,000	69	Nil	36	20
FEB'62	79,300	104	24	61	15	84,000	120	Nil	91	Nil	59,000	38	Nil	24	9	38,000	69	Nil	42	19
MAR'62	113,200	104	24	80	8	94,000	120	Nil	97	Nil	66,000	38	Nil	40	16	42,000	69	Nil	41	13
APR'62	109,700	114	27	86	1	94,000	120	Nil	96	Nil	69,000	35	40	41	18	20,000	65	20	38	4
MAY'62	112,300	114	27	80	9	100,000	120	Nil	93	Nil	67,000	35	40	53	11	46,000	65	20	36	8
JUN'62	87,600	114	27	97	12	93,000	120	Nil	95	Nil	63,000	35	40	38	17	50,000	65	20	35	8
JUL'62	96,100	81	61	89	8	101,000	120	Nil	107	Nil	78,000	35	40	40	20	47,000	46	20	47	6
AUG'62	105,300	81	61	69	20	102,000	120	Nil	108	Nil	90,000	35	40	39	18	56,000	46	20	50	12

* The Company has always objected to being forced to accept B.O.X. wagons in lieu of B.O.Bs wagons as with the full knowledge and approval of the Railway Board our mechanical off-loading equipment was designed and installed to handle only B.O.Bs wagons.

CHART No. 4

DAILY RECEIPTS OF BFRs (BOGIE RAIL TRUCKS) DURING AUGUST '62 FOR DESPATCH OF FINISHED STEEL



blended to produce a consistent grade of coking coal of approximately 17.5 per cent ash.

The major development will take place at your Chasnalla Colliery where the coal will be extracted:—

(1) from open cast quarries, and

(2) underground mines.

The run-of-mine coal will be crushed and washed in a coal preparation plant and the resultant blend product transported to the Burnpur Works by two aerial ropeways costing approximately Rs. 4.5 crores over a distance of approximately 32 miles. This development will take place over a period of approximately five years, the production progressively increasing to the target of 4,200 tonnes of washed coal per working day.

Coal Reserves

The coal reserves in your Jitpur Colliery at the present working levels are almost exhausted making it necessary to sink the existing shafts to proven lower levels and also to make provision for sand stowing to permit maximum extraction. The production will thus be raised from the present 800 tonnes per day to 1,500 tonnes per working day over a period of five years. This coal will be conveyed by aerial ropeway about six miles to the Chasnalla coal preparation plant for blending and washing, yielding approximately 1,200 tonnes of washed coal per working day.

The Company's Ramnagore Colliery is being modernised to increase the production of coal from the present 400 tonnes per day to 1,000 tonnes per working day. The modernising includes the new sand gathering plant and a sand transportation system. A new ventilation shaft and a ventilating fan have already been installed. Ramnagore coal will be transported by rail car to Burnpur via the Company's own Kulti/Burnpur track. This coal does not need to be washed as it will readily blend with the Chasnalla/Jitpur blend.

Experiments carried out at your works over a period have shown that if we are to achieve greater productivity from our blast furnaces, our iron ore must be subjected to treatment to obtain a smaller and more uniform size and to remove the deleterious gangue. The smaller fractions of our ores cannot be used without further processing. This problem is being closely studied and practical tests made in order to obtain sufficient basic information to enable us to select the most suitable process of agglomeration. In the meantime, it is proposed to install the appropriate plant at your Gua Ore Mines to enable us to wash the ore and screen to the desired size fractions.

Increase of Steel Production Under Fourth Five-year Plan

The assessment of the future demand for steel in India is a futile exercise of mind and brain as the quantum is so large as to outstrip the ability to achieve it by any specified period of time.

The maximum achievement can only be accomplished by first concentrating on making available predetermined and realistic quantities of the necessary raw materials, its transport and the power required by predetermined dates and planning the simultaneous completion of matching steel capacity.

To erect iron and steel plants first, with the pious hope that the raw materials, power and transport will 'turn-up' is the mistake of the past and would be a criminal waste of money and energy if blindly followed in future.

Although the type of product required in the future has to be estimated, the estimate must be subjected to continual review as the pattern of product will inevitably change as time goes on. In adopting long-term planning for the development of new capacity, the development potential of the existing capacity must not be lost sight of as it is cheaper and quicker to achieve this than putting down a new plant of the same capacity. Development of capacity should be a continual process and to obtain maximum production with utmost efficiency from existing units, it is imperative that they be kept up-to-date technologically. In these days of advancement in new steelmaking, long before the building of a new steel plant is complete, it is more often than not out of date, making it necessary to adopt newer techniques and equipment to maintain an efficient economic and technological balance.

The location of new steel plants is of vital importance, the principal influencing factors in the past have been the proximity of raw materials, power, water and adequate rail transport. It is thus very tempting to proceed to locate new steel plants along the traditional iron ore/coal rail route. Unfortunately, in our country this route is grossly overloaded now, and in the absence of large-scale railroad development and modern techniques of handling it, the addition of one or more steel plants is bound to have a detrimental effect on the units already in existence. Throughout the world the trend is for bigger and bigger steel plant capacity until new plants of 3/5 million tonnes are not uncommon. Therefore, any designing of plants should take into account the probable ultimate size. If the intention is to develop larger plants for export purpose, then the ideal place for them is on a navigable river or seaboard.

The reserves of the basic iron and steelmaking raw materials in India have been variously quoted, some of the figures are such that if accepted, would discourage long-term planning of steelmaking capacity. One such item is limestone, but it is difficult to believe that a country the size of India is relatively short of good quality limestone. To establish the truth of the matter large-scale prospecting must be carried out, uninhibited by thoughts of distance from the consumer. Transport facilities must be developed to match the sources of supply and this would be a much better proposition than spending large sums of money beneficiating local inferior limestones and run into the vexed transport problem.

Coking Coal

It has to be accepted that the quality of coking coal in India has never been and never will be 'good' and that it is worse today than ever before. Here again the calculated reserves are based on inadequate knowledge of the possible existence of coal lying below the normal working depth of Indian coal mines. It has not been conclusively proved that coking coal does not exist as valuable reserves below a depth of 2,000 ft. In the meantime, the existing coking coal quality must be improved by washing to produce a product of consistent ash level even if the ash is still not as low as desirable. Conservation of the existing reserves is imperative even to the extent of prohibiting the use of any grade of metallurgical coal for purposes other than metallurgical. Every effort has to be made to reduce the consumption of coke per tonne of pig iron by resorting to modern technology in regard to preparation of blast furnace raw materials and the use of fuel injection coupled with refractory materials to withstand the maximum blast heat attainable.

Of all the raw materials, iron ore is the most plentiful in India and is of high Fe content. Unfortunately, most, if not all, of the ores also contain a high Al_2O_3 content, a factor which contributes to a greater coke consumption (an expensive item) than would otherwise be the case, particularly where pig iron is manufactured specifically for steelmaking.

The beneficiation of ore in the form of uniform and smaller sizing together with washing should greatly improve blast furnace operation and the quality of pig iron obtained.

The measures taken to obtain a smaller and regular ore size will result in a substantial quantity of under-size ore at the mines. Many processes have been developed to agglomerate under-size ore for use in blast furnaces, each of them having their own merit for a particular set of conditions. None of them has universal application which makes the selection of one or the other a matter of the greatest importance. It is suggested that in view of the vast iron ore reserves in this country compared with the reserves of the other raw materials there is plenty of time to study all methods of agglomeration in an effort to find the best possible solution to India's particular problem; which may or may not be the popular method of sintering.

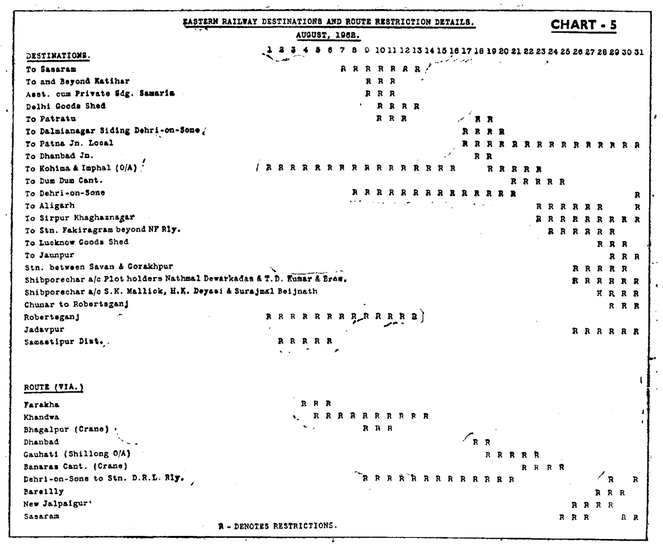
Washing of Coking Coal

The washing of coking coal will simultaneously produce a discard fraction of middlings, the disposal of which will not be a problem if used for the generation of electrical power. Here is opportunity to alleviate the chronic shortage of electric power. Such power generating stations should be erected in conjunction with or adjacent to several coal preparation plants.

Due to the rapid industrial development of India there is a great dearth of experienced technicians. Training programmes have been organised to create an army of trained personnel required to man the new steel plants.

EASTERN RAILWAY DESTINATIONS AND ROUTE RESTRICTION DETAILS. AUGUST, 1962.

CHART - 5

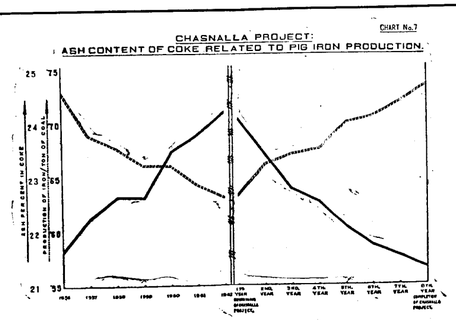


This is a gigantic task in itself, unfortunately it cannot be said to have been wisely handled. Far too many trainees without previous works experience have been sent abroad for a training of doubtful value when instead they should have been employed in the construction of the plant they would eventually have to operate. Thus a valuable opportunity was lost in which a large number of selected men destined to be supervisors or managers would have matured with the experience of working with their own hands. It is suggested that in future, training programmes should be designed in such a manner that all trainees, irrespective of their ultimate destiny, are required to 'work on the job' for an extended period of time before final selection. Training abroad should be limited to those who are already mature to some extent and who can profit most from specialised training. General overseas training is useless. Until such time, and in my humble opinion of some thirty-two years' experience, the country has to bring out highly experienced overseas staff to train our men to man our plants—a matter of ten to twelve years.

Ujjain Project

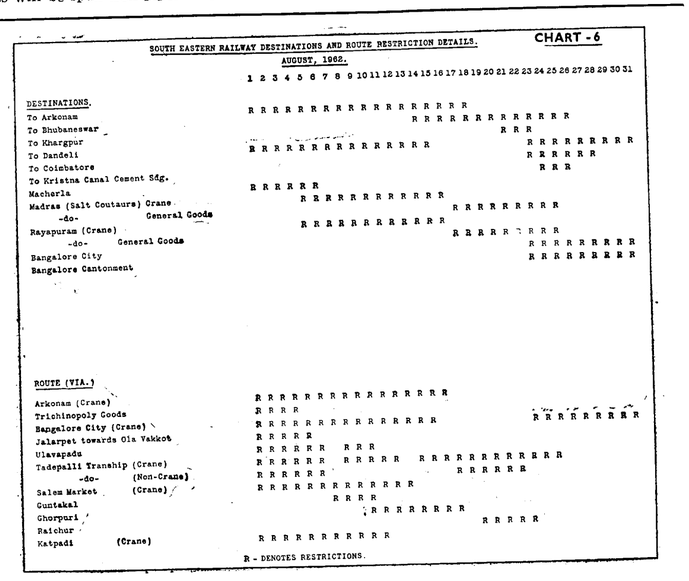
At the last annual general meeting I mentioned to members present that your Company in conjunction with our old friends, Stanton and Stavely Ltd., were contemplating on starting a new works as a subsidiary of this Company at some suitable place in Madhya Pradesh which would be convenient from its transport point of view to cover Kashmir, Punjab, Rajasthan, Delhi, Himachal Pradesh, parts of Uttar Pradesh, Gujarat and Maharashtra, etc., in other words, areas where freight costs made sale of your spun iron pipe products from your Kulti Works unremunerative. I am happy to report to you that an agreement has been concluded with Stanton and Stavely Ltd. of U.K. whereby they will contribute towards all plant and spares which cannot be made in India, this being about one-third of the actual cost of the project, the other two-thirds of the cost to be met by your Company; this agreement has had Government's blessing and the necessary licences, etc. have already been issued. The position of the new works will be situated about five miles west of Ujjain, a city famous from the time of the epic of the Ramayana and of Meghaduta, where all necessary requirements such as land, power, water and transport, both broad and metre-gauge railway, plus roads are available. All work in this connection is proceeding satisfactorily except that of the railway siding into the works, which, although it is almost alongside the main track, is taking a little time—a matter that must be expedited without delay as otherwise nothing can be installed at the site. The range of products will be spun iron pipes—the same as that produced at your Kulti Works No. 1 Pipe Foundry since 1942, viz. from 3" to 12" dia. and 18 ft. in length and for the necessary specials and bends, etc. for which there will be a specials foundry. The approximate total cost of the completed plant will be about Rs. 3 crores. In view of the tremendous demands for these pipes to complete some of the second and all of the third Five-year Plans set up by Government and the private sector, one would have thought the railways would have made a special attempt to put in hand and make available these sidings, a matter of a few hundred yards only.

The total production of pipes and specials will be in the neighbourhood of some 65,000 tonnes per annum and the plant is capable of being doubled without much trouble, should demand for its products remain. The quantities of special grade iron and coke will be met from your Burnpur Works. Stockholders would be invited to subscribe towards building of this plant in the way of a rights issue, and the nomenclature and time will be notified in due course after consulting the Capital Issue Department of the Government.



Future Expansion

Another matter, which I am sure, will be of great interest to you is the balancing of the Burnpur plant and its future expansion to make it an economic unit. This came up for discussion at Washington while my advisers and I were engaged in concluding our loan arrangement of $19.5 millions with the World Bank for the Colliery Expansion Scheme. A day before we left for Washington, Mr. E. De'alba of the World Bank requested us to make a chart on the historical performances of the blast furnaces as from the time the quality of coal started deteriorating upto the present, and projecting the same to show the effective improvement in iron production as a result of the use of increased quantities of washed coal from the Colliery Expansion Scheme. When this chart arrived at Washington it was found from historical past records of your blast furnace practice that performance and production once we reverted back to the 1955 quality of coal, when free purchase of coal in regard to quality and price was permitted, your blast furnaces would produce more iron than they are doing at present, and what is more, the right quality of iron suitable for steel making. It will be seen from Chart No. 7 that as we proceed with the Colliery Expansion Schemes, the quality of coal after washing will improve yearly till work is completed, when it will be better than what we had in 1955. It was then confirmed by our Consulting Engineers that with the right quality of steelmaking iron being available, the present steel melting capacity could, with inclusion of a few ancillary plants of the latest technique, be almost doubled. This was indeed an intriguing situation! What then were the missing links? Your Consulting Engineers were of the opinion that with the help of oil injection in blast furnaces and oxygen injection in the steel furnaces coupled with continuous casting, electric furnaces, a rolling mill and an additional blast furnace to take care of the foundry, requirements of your Kulti and Ujjain plants could be installed at a figure not exceeding one-fifth or one-fourth of the cost of a new integrated steel plant of a million ton capacity installed in a new place. All these figures were, of course, approximate and needed further careful looking into. The World Bank authorities were, however, appreciative of these findings and expressed a genuine desire to help the Company with the necessary foreign exchange requirements (for the fourth time) subject to Government's blessings and agreement to guarantee the repayment of the foreign exchange. On the 17th of January this year the matter was discussed with Government when it was explained to them that apart from the increased production, the beauty of the scheme was not only the low cost and the quickness with which the plant could be installed, but also that no further coal would be required other than what we shall mine ourselves and transport by our own ropeway system, thereby relieving the railways of their responsibility of transporting some 6,400 tonnes of coal a day, a not too insignificant problem and headache, effecting at the same time a considerable financial saving to Government.



Two Phases of the Scheme

Government at first was not responsive, but later suggested that the scheme be phased out into two parts, the first phase merely to embrace the balancing of the existing plant due to improvement of coal and the second to cover the full scheme. The Company submitted to Government the two phases of the scheme on 9th June this year and stated that phase I would cost the Company Rs. 12.2 crores, increasing the ingot production by approximately 3,10,000 tonnes and finished steel by 2,48,000 tonnes, and further suggested that final details regarding phase II would be submitted at a

The Third Five Year Plan
Bird-Heilgers' part in it...

MADE IN INDIA

A SIMPLE PHRASE...
...VITALLY IMPORTANT!

"...special emphasis is being placed on... steel and machine-building and the manufacture of producer goods". The Third Plan very rightly stresses the need for rapid industrial development. Every new project for domestic production creates employment, saves foreign exchange, adds to the national striving for economic independence. The expansion of indigenous manufacture is critically important, and Bird-Heilgers is deeply committed to this decisive aspect of the Plan.

Steel for a solid industrial base

Steel is the very life-blood of an economy. Industries, utilities, homes, all depend on steel. Steady steel production depends, in turn, on the uninterrupted supply of minerals to the nation's blast furnaces. Bird-Heilgers supplies these minerals. Between 1957 and 1961, the group's output of minerals—coal, dolomite, iron and manganese ore and limestone—shot up almost 100% to well over 6,000,000 tons. The group will continue to help meet demand...to feed the blast furnaces with the minerals they must have.

"Made in India"—by Bird-Heilgers

A vast range of products, hitherto imported, are now manufactured in India by Bird-Heilgers. The group produces jute goods, paper and board, water treatment equipment, air compressors and springs, castings and fabricated steel. The refractory manufacturing plant is the largest single unit in the East. A factory for the production of coal washeries was the first in India.

The group's engineering units are extremely flexible. They contribute, with equal facility, to projects as far removed as blast furnaces and ceramic plants. Planned diversification finds the group engaged in shipping, insurance, exporting and importing. The agency department handles everything from heavy capital equipment to light consumer goods.

Towards a self-generating economy

A phrase on everyone's lips. A phrase that finds concrete expression in the urgent activity of an economy on the move. Bird-Heilgers reflects the nation's striving. The group is alive to the problems of a growing economy. It deploys the full potential of a century's resources, technical knowledge and executive skill to broaden its activities...increase domestic production...join in the national drive to economic independence.

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BRD/2

later date about the time when phase I would be nearing completion, depending on the then market demand of the type and quality of steel to be made, as well as incorporating the latest improvement in plant design. In this connection your Board of Directors have invariably accepted your Managing Agents' advice on the principle of consolidation and experience gained thereby first before further expansions are undertaken, ever since 1950, 1953, 1955 and the present 1961 colliery expansions were taken on hand as well as this latest one now under consideration of Government.

Phase I would increase steel production in terms of ingots or its equivalent by about 3,10,000 tonnes and finished steel by about 2,48,000 tonnes.

Phase II may bring the total production of your Company to anything up to a total of 2 million tonnes of ingot equivalent and 1.6 million tonnes of finished steel. My personal views are, however, that we must not rush where angels fear to tread. By that I mean, whilst the transport and raw material situation is as it is, it would be foolhardy on our part to even think of a larger expansion at Burnpur than 2 million or thereabout tonnes of equivalent ingot steel. I have been dealing with your Company's affairs in one way or another for 32 years as Managing Agents' representative, Director and Chairman. I can assure you that our conservative views have so far paid you well. Your new plants have been brought into commission well ahead of the scheduled time and as for results, you are the best judge.

Appearance of War Clouds

The Steel Corporation of Bengal tapped its first cast of steel ingot on the 10th November 1939 when the Second World War had just started. I distinctly remember, that at the request of the then Munitions Board and the Roger Mission, which had come out to investigate the possibilities of manufacturing in India the latest types of ballistic missiles and other requirements, as well as augmenting the production of the existing ordnance factories, this infant was called upon from that early stage to produce special quality steel. As the war proceeded, more and more such steel was produced and at times almost at a moment's notice.

The Steel Corporation of Bengal was amalgamated with your Company by an Ordinance promulgated by the Government of India on the 29th October 1952 to make it effective from the 1st January 1953. Since then your Company has been making both, different qualities as well as categories of steel to suit the country's requirements, and I am sure, the country can rely on your Company to bring forth its best efforts to meet all emergency requirements needed by the Defence Ministry and thereby help to enable them to throw out this naked aggression committed on a peace-loving nation like ours by the barbarous communist-minded Chinese.

Acknowledgments

I would again this year express on behalf of your Directors our appreciation of the services rendered by your General Manager, Mr. J. McCracken, and his able team of executives at the Burnpur and Kulti Works, as well as at the Ore Mines and Collieries. Production has been achieved in the face of constant operational difficulties and I would like to make special mention of the blast furnace and the steel melting shop supervisory staff who have so ably faced up to the ever-changing problems with which they have been, and continue to be, confronted in the maintenance of production under existing conditions. I should also mention about the supervisory staff at your Kulti Works, due to whose untiring efforts the Kulti Foundries have once again created a record by achieving a production of 2,30,423 tonnes.

In concluding my statement to you I would add that I have not had any difficulty in endeavouring to state facts and include figures and charts as they stand, as I have not indulged in the luxury of painting a picture by letting my imagination run riot, nor in one of the modern trends of impressionism, thereby obscuring matters. I have given a photostat of facts and figures as they exist so that you may view them in their true perspective with the vision God has given you. May He bless us all!

The above statement is not a document purporting to be a report of the proceedings of the annual general meeting.

THE
BRITISH INDIA CORPORATION LTD.
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New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
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Saran Engineering Company, Limited

Secretaries for:
Beta Picker Co. Ltd.

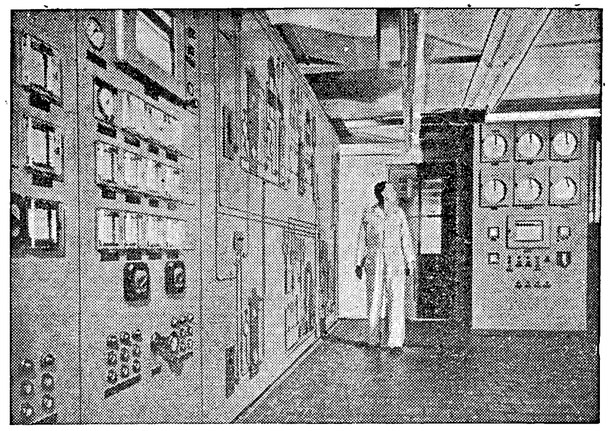
Agents for:
The Oriental Fire & General Insurance Co. Ltd.
Royal Exchange Assurance

SURVEY

(*Concluded from page 845*)

lakhs, as compared with Rs. 323 lakhs a year ago, despite an increase in expenditure by Rs. 69 lakhs to Rs. 9.83 crores. This was the result of an increase in revenues by Rs. 1.35 crore to Rs. 13.81 crores. On pilotage account, revenues rose by just Rs. 9,000 to Rs. 27.69 lakhs and expenditure by about 5,100 to Rs. 14.60 lakhs. As a result, there was a surplus of Rs. 13.08 lakhs, as compared with Rs. 13.50 lakhs in 1960-61. The total actual expenditure on capital account was Rs. 204 lakhs in 1961-62. The withdrawals for capital expenditure from general reserve fund was about Rs. 78 lakhs, from renewals and replacement funds Rs. 19 lakhs and from pilotage depreciation fund Rs. 15,000.

The Port Trust has commenced preliminary work on the ambitious expansion programme envisaged for the port. The International Development Association (I.D.A.), it may be noted, has already granted a loan amounting about Rs. 9 crores for financing the foreign exchange component of the Rs. 27-crore programme. The principal features of this programme are the construction of four additional deepwater berths at Alexandra Docks, a new ferry wharf adjacent to Prince's Dock, an extension to Ballard Pier to provide an additional berth. The programme also covers the dredging of the main harbour channel to arrest siltation, acquisition of new floating crafts like dredges, tugs and harbour launches and also improved port equipments, etc. A Dutch firm, which has won the contract for dredging the main channel, has already taken the job on hand. The work on the hydrographic survey of the entire harbour and collection of statistical data on siltation has also commenced. In view of the strategic and commercial significance of the expansion project, the Port Trust authorities will do well to expedite the implementation of the programme and complete it ahead of the target date.



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made out) and the nature and extent of the investments so made in each such body corporate; provided that, in the case of an investment company, that is to say, a company whose principal business is the acquisition of shares, stock, debentures or other securities, it shall be sufficient if the statement shows only the investments existing on the date as at which the balance-sheet has been made out; provided further that it shall not be necessary to give any particulars in respect of investments made by a managing agency or secretaries and treasurers company in the managed companies' shares or debentures."

(iii) *Market value of quoted investments:* Our Companies Act, as already stated above, prescribes that market value of quoted investments should be shown.

(iv) *Unquoted investments:* In our Act, instructions for the preparation of balance-sheet say that aggregate amount of company's unquoted investments be shown. It is, however, not obligatory for the directors in our country to give their estimate of the aggregate value of unquoted investments.

(v) *Long and medium-term loans:* In regard to these heads in the balance-sheet, our Act goes a step further, as it provides that the secured and unsecured loans should be shown separately. The nature of security has also to be mentioned in respect of the secured loans. Loans from banks, loans from subsidiaries and other sources have to be shown separately and similarly the short-term loans and advances also. With regard to the short-term loans, however, it may be mentioned here that, under our law, a short-term loan is one which is payable before one year and not within five years as recommended by the Jenkins Committee.

(vi) *Contracts:* According to footnote 4 to the prescribed form of balance-sheet in our Companies Act, estimated amount of contracts remaining to be executed on capital account and not provided for has to be shown. Our Act, however, does not make it necessary to show the estimated amount of any capital expenditure which has been authorised by the board of directors but for which contracts have not yet been placed.

(vii) *Additions to and deductions from fixed assets:* The Indian Companies Act already provides for this disclosure.

(viii) *Valuation of stocks*: In our country, Schedule VI to the Companies Act already provides that the mode of valuation of stocks should be stated. It further provides that the amount in respect of raw material should also be stated separately where practicable. Furthermore, works-in-progress with its mode of valuation has also to be stated separately.

(ix) *Capital and revenue reserves*: As in the English Companies Act, Part I of Schedule VI to the Indian Companies Act, 1956 provides for the separate mention of capital reserves. The importance of this distinction between capital and revenue reserves is brought out in clause 7(c) of Part III of Schedule VI which says that the capital reserves cannot include amounts regarded as free for distribution through the profit and loss account.

Profit and Loss Account

In regard to profit and loss account, the Jenkins Committee has made the following principal recommendations:

(a) Annual accounts should be required to disclose turnover and the group accounts to show group-turnover. There would be an exemption available for companies whose directors are satisfied that disclosure would be harmful to the companies and make a statement to that effect in the accounts. In the case of banks and discount companies in respect of which such exemption is availed of, the statement by the directors would also be required.

As in the past, there was a strong opposition to the disclosure of turnover figures. But the Jenkins Committee came to the conclusion that "a company's turnover considered in conjunction with other information, can provide investors with a useful guide to the progress of the business. . . . We, therefore believe that the time has now come when the Act should require disclosure of turnover." It further added that "it has been put to us that disclosure might seriously harm some companies, in particular companies which manufacture or sell a single product. Such companies, it is claimed, would in effect be required to disclose the margin of profit per unit, whilst their competitors, if they were manufacturing or selling a variety of products would not disclose the margin of profit on any one of them. The Committee was inclined to make a minor concession in the matter by allowing the exemption to companies whose directors would give a certificate that disclosure of turnover figures would be harmful to the companies' interests.

(b) The directors should be free to choose the method of depreciation. Depreciation should be based on the assets figures shown in the balance-sheet whether at cost or at a valuation and any amount set aside for replacements over and above the amount of depreciation so computed should be shown separately. This recommendation, however, is not to apply when provision is made for renewal of assets instead of depreciation.

(c) A company should be required to distinguish in its profit and loss account between income from quoted and unquoted investments instead of being required to distinguish between from trade and other investments.

(d) The profit and loss account should be required to show as a separate item interest on bank overdrafts and other short-term indebtedness, which is defined as one which the company is bound to repay within five years of the date to which the balance-sheet is made up.

(e) The Eighth Schedule should be amended to require the annual accounts of a company to require the auditors' remuneration to be shown under a separate heading in the accounts whether or not such remuneration is fixed by the company in general meeting.

(f) Further, the Eighth Schedule should require that any exceptional credits or charges, arising from previous years, should be passed through the profit and loss account; and

(g) The annual accounts should be required to include a summary covering the five financial years ending with the date of the balance-sheet of (a) issued share capital and reserves including balance on profit and loss account, (b) the annual profits before and after tax, (c) the amount of the annual dividend, and (d) turnover.

Position in India

In respect of each of the above recommendations relating to the profit and loss account made by the Jenkins Committee, the position under the Indian Companies Act is explained below:

(a) *Disclosure of turnover figures*: In our country, Clause 3(i) (a) of Part II of Schedule VI of the present Companies Act requires a compulsory disclosure of aggregate amount of the turnover by all companies without any exemptions or exceptions to any class of companies.

(b) *Depreciation provision:* Section 350 of our Act provides that depreciation should be calculated with reference to the written down value of the assets and beyond that it does not prescribe any method of depreciation. Clause 3(iv) of Part II of Schedule VI, however, lays down that, if depreciation is not provided for by means of a depreciation charge, the method adopted for the purpose should be stated. As regards the latter part of the recommendation of the Jenkins Committee, Clause 7(2) of Part III of Schedule VI to the Indian Companies Act provides that, where the depreciation set aside is in excess of the amount which in the opinion of the directors is reasonably necessary for the purpose, the excess should be treated as a reserve and not a provision. It will thus be seen that the existing requirements is regard to depreciation in our Act already cover the Committee's recommendations.

(c) *Income from quoted and unquoted investments:* At present Clause 3(x) (a) of Part II of Schedule VI requires distinction to be made between trade investments and other investments and the Act does not call for separate disclosure of incomes from quoted and unquoted investments. That is to say, the same position exists as is in the U.K.

(d) *Interest on loans and advances*: Separate disclosure as recommended by the Committee is at present not required under our Act.

(e) *Auditor's remuneration:* Para 4B of Part II of Schedule VI requires detailed information in regard to the amount paid to the auditor whether as fees, percentages or otherwise for services rendered by him as an auditor or in any other capacity, to be disclosed in the profit and loss account.

(f) *Exceptional credits or charges:* Our Act does not require such disclosure and the position is the same as it is in the U.K. now.

(g) *Summary information for the previous five years:* Schedule VI requires figures of only the previous year to be given and no summary information for the last five years as recommended by the Committee is to be shown.

General Suggestions

Apart from the foregoing recommendations of specific nature, the Jenkins Committee has also made a few recommendations of general nature concerning company accounts. These are:

(i) It should be made illegal for a company to make a distribution in respect of unrealised capital profits.

(ii) The law should be amended so as to require past revenue losses to be made good before any future profits are distributable.

(iii) There should be an express prohibition against distribution of pre-acquisition profits subject to a few exceptions by the acquiring company.

(iv) It should be made obligatory for companies to make depreciation charges for wasting assets with an exception for existing companies which had made it clear by the Memorandum and Articles of Association that they proposed to make no such provision.

(v) All companies should in future file accounts, the only exemption from this obligation being available to companies whose securities have neither been quoted nor offered to the public and which are not subsidiaries of quoted companies. These companies should be required to distribute full accounts to their members but they would be permitted to exclude from the filed accounts available to the public, details of directors' emoluments and details of turnover. Thus, as a result of this recommendation, there would be no category of company exempted from the need to file accounts.

The position under the Indian Companies Act in respect of the foregoing matters is as follows:

(i) *Distribution of unrealised capital profits:* As in the U.K., no bar has specifically been imposed by the Indian Companies Act 1956, against the distribution of realised or unrealised capital profits. But the weight of various judicial decisions, as in the U.K., makes it necessary for the companies to transfer the capital profits to the capital reserves. Further Clause 7(c) of Part III of Schedule VI to the Act prevents the distribution through profit and loss account of the amounts which have been credited to the capital reserve. The only distribution allowed, however, is of the amount of share premiums as bonus shares.

(ii) *Adjustment of past losses before declaration of dividends:* There is no prohibition against the declaration of dividends while the past losses exist and are not adjusted. But under Section 205 of the Companies Act, 1956, the amount of depreciation together with its arrears has to be set off against the company's profits before any dividend is declared.

(iii) *Distribution of pre-acquisition profits:* Like the position existing in the U.K., there is no legal bar to distribution of such profits in this country.

(iv) *Depreciation on wasting assets:* Clause 3(iv) of Part II of Schedule VI to the Indian Companies Act lays down that, if no provision is made for depreciation, the fact that no provision has been made should be stated and the quantum of arrears should be disclosed by way of a note. Furthermore, Section 205 makes it obligatory to provide for depreciation including arrears before dividend is declared. Thus the requirements of our law are more wide and not merely limited to wasting assets as proposed by the Jenkins Committee.

(v) *Filing of Accounts:* Clause 4 of Part II of Schedule VI to the Act requires the companies to show separately by way of a note the remuneration drawn by the various managerial personnel and does not make any exceptions. Similarly, in respect of turnover and rent, Clause 3(1) (a) and Clause 3(ix) (c) respectively of Part II of Schedule VI to the Act do not make any exception. In the case of private companies, however, (who by virtue of Section 3(iii) (c) cannot offer their shares for public subscription) the profit and loss account (which contains particulars concerning remuneration, turnover and rent) is not to be open to inspection by persons other than a member of the company, *vide* proviso to Section 220(1) (a) of the Act.

Banking and Discount Companies

The Jenkins Committee, by a majority vote of nine members to five members, has decided to continue the exemption from full disclosure in banking and discount house accounts. This recommendation has drawn sharp comments from financial quarters. At present, the main exemptions enjoyed by the banks and discount houses in the U.K. are that (a) they may make undisclosed transfers to and from reserves before arriving at published profits, (b) they are not obliged to distinguish between reserves, provisions and liabilities in the balance-sheet, (c) they need not show the tax as a deduction from profits and (d) they need not show the market value of their investments and (e) they are not required to disclose the method adopted to value fixed assets or to show depreciation separately. The net outcome of this is that, from the published accounts of banks and discount companies, it is not possible to assess what the true worth of the company is and so is impossible to assess what the true profits are. The majority of the Committee came to the conclusion that the present exemptions ought to continue, in spite of the fact that the shareholders are admittedly deprived of the opportunity to assess the true worth of their shares and are precluded from exercising intelligent control over the management. But these disadvantages, in the opinion of the majority of the Committee, were counterbalanced by the important considerations that full disclosure in a bad year might weaken the confidence in the banking system. The dissenting members agreed with the majority that confidence in the banking system should be maintained but they were not "convinced that it is necessary for this purpose for banks to withhold information about their operations from the shareholders and from the public generally—still less that is necessary to withhold all the information that is at present held." The minority, therefore, stated that "we are not satisfied that all classes of banks be treated alike and we believe that such exemptions as are found to be necessary should not be granted under the Act but by the Board of Trade exercising their powers in paragraph 25 of the Eighth Schedule which should be widened, if necessary."

As regards insurance companies, the Committee has suggested that they should lose some of their present privileges and should be made to give more information in particular, group accounts. The Committee has recommended that the provisions of the Companies Act were not appropriate and that a prescribed form of accounts should be worked out by the Board of Trade in consultation with interested bodies, so that, in future, insurance companies' accounts can be governed by one set of rules. The accounts of insurance companies would also have to give a true and fair view of the company's situation subject to a few exemptions.

Shipping Companies

In regard to shipping companies, which are at present enjoying exemption from publishing full accounts under the Shipping Companies Exemption Order issued by the Board of Trade,

the Committee has recommended that that exemption was not necessary. This suggestion has been widely welcomed in financial circles in the U.K.

The position in regard to banking and insurance companies under our Companies Act is that the provisos to sub-sections (1) and (2) of Section 211 give exemption to these companies from the general rule of requiring balance-sheet and profit and loss accounts of all companies to give a true and fair view of the state of their affairs as required under Schedule VI prescribed for the purpose. The position about discount companies is that the Companies Act does not recognise them as a separate class. But there is scope for these being given exemption under Section 211(3) which empowers the Central Government to exempt any class of companies from compliance with any of the requirements in Schedule VI concerning balance-sheet and profit and loss accounts. These discretionary powers under this section, however, are exercised in exceptional cases by the Government. Shipping companies in our country do not enjoy any special dispensation.

Auditors

In regard to matters relating to auditors, by far the most significant recommendation of the Jenkins Committee is that the requirements of Schedule IX of the English Companies Act which relate to the framing of the auditors' report should be amended so as to make the report simpler. The Committee pointed out that, since "the essential duty resting upon the auditors is to report whether, in their opinion, the accounts present a true and fair view, it is unnecessary to require the auditors to express statements on a number of other specific matters, as, for example, whether proper books of accounts have been kept by the company." The recommendation of the Committee in this regard is twofold, namely (*a*) the auditors, in their report, should be required to say whether, in their opinion, the balance-sheet and profit and loss accounts of the company (or where group accounts are submitted, the said accounts of the holding company and the group accounts) are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of the company's affairs on the date of its balance-sheet and of its profit or loss for the financial year ended on that date, and (b) the auditors' report should be required to contain any qualification which they think necessary in relation to the matters mentioned in paras 1, 2 and 3(i) of the Ninth Schedule. That is to say, whether they have obtained all the information and explanations, etc., whether proper books of account have been kept by the company and whether the balance-sheet and the profit and loss accounts dealt with in the report are in agreement with the books of accounts and returns.

In our country, the requirements as regards the form of the auditors' report are prescribed in Section 227 (2) and (3) which casts the same obligations as paras 1, 2, 3(i) of the Ninth Schedule of the English Act, and therefore, the recommendations made by the Jenkins Committee in the matter would be found new in this country also.

(To be continued)

U.S. FOREIGN AID POLICY

SHIFT IN EMPHASIS

(By An American Correspondent)

THE foreign aid programme of the U.S. is undergoing some significant shifts in emphasis. By and large, they concern increasingly vigorous efforts to concentrate on development assistance where its chances of success are greatest. To understand the evolution of this approach, it is important to bear in mind that foreign aid has been a complicated and varied programme, one that has been subject to constant review and change to meet new conditions in the world. Historically, dating back to the days of the Marshall Plan, it has contained many diverse elements, such as relief, rehabilitation, military aid, food for peace, technical co-operation and development assistance.

The U.S. aid programme was launched after World War II and has been continued for several reasons. One is a broad humanitarian interest in the welfare of people. A major part of the programme places stress on eradicating problems of poverty, ignorance and disease. The Point Four programme of technical co-operation, begun under President Truman, represents one important aspect of this endeavour. In aiding other governments to cope with these problems, the U.S. also is helping to overcome the despair which often is the breeding-ground for violence and for Communist subversion. Another reason for the foreign aid programme is the U.S. desire to help meet the aspiration of other nations to advance economically and socially.

Foreign aid thus emerges as a primary support for the foreign policy of the U.S. As world conditions have changed, the U.S. aid effort has shifted in emphasis. President Kennedy, in launching the Decade of Development in 1961, called for a reorganisation and regrouping of the existing U.S. aid programmes which had evolved over the years. Congress responded by establishing the Agency for International Development (A.I.D.), which began its operations in November of last year.

When the A.I.D. was set up, it had to face two basic realisations: One, the resources of the United States, while large, are not limitless; two, as the Decade of Development approach indicates, the U.S. was increasingly committed to the concept of long-term development assistance. To assume the use of the A.I.D. funds effectively and meet the policy objective of the President, the A.I.D. has been engaged in the past year in both administrative and programme changes. Administratively, it has set up procedures to screen its expenditures more efficiently and to correlate them more fully with overall U.S. foreign policy. Significantly, the A.I.D. Administrator, Fowler Hamilton, has the rank of an Under-Secretary of State, and his chief assistants also have high rank in the State Department.

New programming techniques are based on the principle of selectivity and have been pursued increasingly during the past twelve months. This has involved cutting back on some existing programmes while expanding others, as part of the policy to concentrate development assistance on those countries, and in those fields of activity within those countries which appear to offer the best promise of fulfilling development goals rapidly and effectively. In countries which do not meet this priority criterion, large-scale development assistance programmes are not possible at this time. In many cases, these countries have not reached the point where such assistance can be effectively absorbed and used. As Mr. Hamilton has pointed out, "countries can suffer as much from economic indigestion as from economic malnutrition."

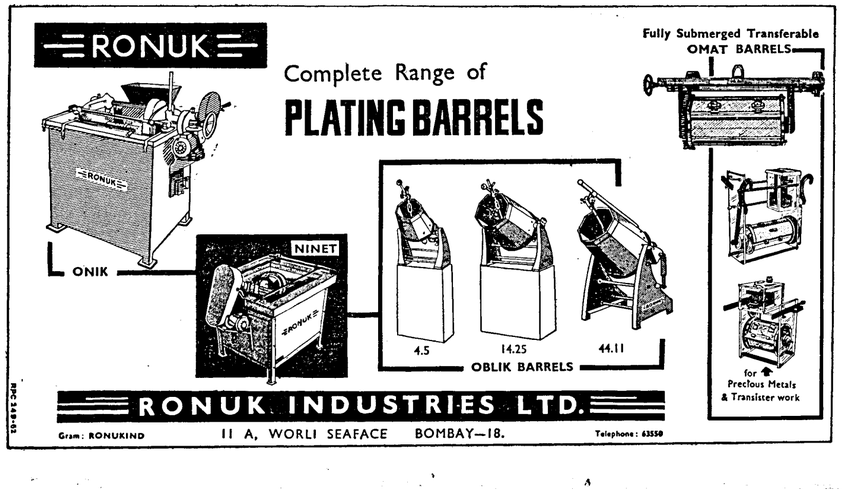
The principle of selectivity does not mean, however, that any countries will be excluded from all U.S. assistance. In such fields as health and education, the U.S. stands ready to help any nation that is ready to help itself. A basic criterion for aid is that a nation make honest and consistent efforts at self-improvement. In the year ahead, the A.I.D. plans to apply its principle of selectivity with increasing vigour, and will adjust its programme and administrative procedures accordingly.

As part of the Decade of Development, it is important that other industrialised countries contribute a fair share of the total aid effort. Many of these countries already are doing a good deal. A recent study shows that, in the calendar year 1961, for instance, the U.S. gave $3,400 million in assistance to developing lands, while other industrialised nations, notably those in the Organisation for Economic Co-operation and Development (O.E.C.D.) and its Development Assistance Committee (D.A.C.), gave an aggregate of $2,500 million. In some cases, other countries devoted a larger proportion of their total resources to the aid effort than did the United States.

A major improvement in these programmes, however, would be an easing of the terms on which assistance is offered—terms generally viewed as being too strict for many developing countries. In the opinion of Mr. Hamilton, these countries could well follow the lead of the United States, which by and large offers development assistance loans on a long-term basis, usually from 30 to 50 years, and at a very low interest rate. In addition to loans, the U.S. still offers assistance grants. About $1,000 million of its aid funds go for this purpose each year. But there has been a conscious shift to loans in recent years and this trend will continue.

The A.I.D. officials recognise that grant assistance is not always an effective way of obtaining results. As countries get used to the idea of repaying low interest long-term loans, they are more likely to become aware of their own responsibilities in putting the aid funds to effective use and gain new incentives to take the often difficult steps that may be involved in instituting the kind of economic, social and financial reforms that will make the best use of human and material resources.

As a practical matter, the U.S. must give priority in extending large-scale development aid to those Governments which are prepared to take at least the minimum steps toward needed internal reforms. The United States, with its traditional respect for other nations, recognises that it has no right to require a Government to do these things. By the same token, however, no Government has an inherent right to U.S. foreign aid. Each party is, in essence, a free agent in this matter. But when they agree and work together co-operatively, there can be an effective and highly useful assistance programme.



NEW CENTRAL JUTE MILLS COMPANY LIMITED

RAPID PROGRESS MADE IN INSTALLATION OF WIDE LOOMS

CHAIRMAN, MR. A. K. JAIN, OPTIMISTIC ABOUT CURRENT YEAR

IN his speech at the Annual General Meeting of the shareholders, which was held at Calcutta on 31st October 1962, Mr. A. K. Jain, Chairman of the New Central Jute Mills Company Ltd., struck an optimistic note about the prospects for the current year. Mr. Jain told the shareholders that the working of the Company during the year ending on 31st March 1963 was encouraging and that the Directors had just decided to pay an interim dividend for the year at 50 nP per ordinary share of Rs. 10, subject to tax, as against nothing in the whole of the previous year, which, incidentally, was the first lapse in the ten-year period for which the Company had been under the present management. Although production in Sahu Chemicals and Fertilisers had not increased as fast as was expected, the Chairman said that the plant was running in a more balanced and stable manner. Mr. Jain mentioned the rapid progress made by the Company in installation of wide looms. Last year, 42 broad looms were added raising the complement from 110 to 152 at the end of March 1962. Since then, 45 broad looms have been added, raising the total complement to 197. The Chairman disclosed that installation of further looms and spinning and ancillary machinery and construction of buildings were proceeding satisfactorily.

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

"I welcome you all to this annual general meeting of the shareholders of the Company.

"We are meeting in the wake of a national emergency caused by the naked and unashamed aggression committed by the treacherous Chinese. The aggression has aroused the entire nation as one man. We have been found lacking in adequate preparations to meet the aggression. Our friends, the U.S.A. and Great Britain in particular, have offered us in this crisis speedy and magnanimous help and more is coming and we are extremely grateful to them. The initial setbacks have only served to forge an indomitable spirit throughout the nation and there is no doubt in our ultimate victory.

Rs. 1,00,000 for Defence Fund

"Our Prime Minister has given a call to make all sacrifices to strengthen the defence forces and increase production in fields and factories. Your Directors have decided to contribute a sum of Rs. 1,00,000 to the Prime Minister's National Defence Fund. Your Company's employees have also shown their readiness to contribute a part of their earnings to the Defence Fund. They have offered, in large numbers, to donate blood. We are all standing at the call of the Government for undertaking any task or responsibility that may be entrusted to us. I am sure this will have your wholehearted support.

"The need of the country to earn larger foreign exchange was already acute. Its importance has been further enhanced by the aggression committed by the Chinese. Your Company is making all possible efforts to increase production and earnings of foreign exchange and is confident to achieve the same in an appreciable measure.

Last Year's Review

"The report year has been one of the most difficult in the history of jute industry and your Company has shared in the misfortunes of the industry last year. According to the practice followed by your Company, stock of raw jute is valued at maket rate, whereas most of the jute mills follow the mode of valuation at cost or market rate, whichever is lower. In view of high prices of jute fibre prevailing as on 31st March 1961, the valuation of the year's opening stock of raw jute in case of your Company was higher compared to most of the other jute mill companies. This further affected the financial results of your Company. Your Directors regret that they have been unable to recommend any dividend for the report year on ordinary shares. Your Directors were very unhappy that the record of continuous payment of handsome dividend of over a decade during which the Company has been under the present management had to be broken. The working of the current year is encouraging and your Directors have just decided on payment of an interim dividend for the current year at 50 nP per ordinary share, subject to tax, payable to the registered shareholders as on 30th November 1962.

Sahu Chemicals and Fertilisers

"Although the production in Sahu Chemicals and Fertilisers has not increased as fast as was expected, the plant is running in a more balanced and stable manner. On the advice of the technical collaborators, several modifications have already been made in the plant and the full effects of these modifications already made should be available during the coming winter season. After a full study of the results are obtained, further steps for improvements and/or expansion will be considered. The rigid price structure and other handicaps under which this plant is operating, are already known to you.

"Your Company has been making rapid progress in the installation of wide looms. During the report year, 42 broad looms were added raising the complement from 110 to 152 at the end of March 1962. Since then, 45 broad looms have been further installed raising the total complement to 197. Installation of further looms and spinning and ancillary machinery and construction of buildings is proceeding satisfactorily.

Export Performance

"Your Company, during the last five years, has built up a substantial portfolio of direct exports primarily of jute carpet backing. Export of Rs. 41 lakhs in 1957 rose to Rs. 293 lakhs during 1960-61. Due to decline in the price, the value of direct exports in 1961-62 amounted to Rs. 266 lakhs. The Company's export performance during the current year is expected to be substantially better. You would thus be happy to note that your Company is playing its proper role in the export efforts of the nation as a whole. The capacity of your Company to produce more specialities and earn foreign exchange would have been greater, if it had received prompt permission to import essential spares and machinery which are not locally available. It is heartening to note that Mr. Manubhai Shah, our Minister of International Trade, has acknowledged the importance and needs of the jute industry, and its requirements are receiving quicker attention of the Government.

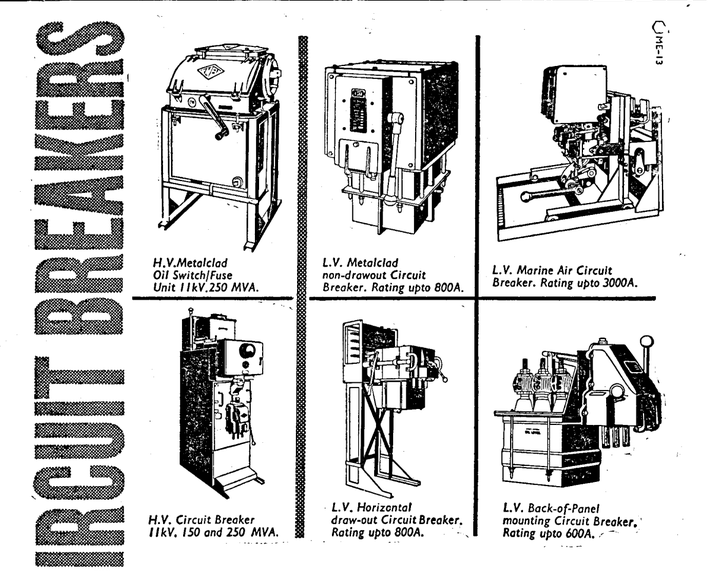
Current Prospects

"It is not clear, whether the profitability in the jute industry will be maintained at the present levels in the coming months. The competitive strength of Pakistan is increasing and their exports are showing increasing trend. The sacking stocks in India are gradually mounting up and the jute goods market had shown some signs of weakness. Your Company has, however, sold substantial proportion of its production for the first quarter of 1963 and has thus booked profits for the current financial year.

"In view of the said position and present trends in the jute industry, the working of your Company should show substantially better results in the current financial year.

"I take this opportunity to thank all members of the staff and workmen."

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



DELHI CLOTH AND GENERAL MILLS COMPANY LIMITED

MORE EXPORTS IMPERATIVE NOW

CHAIRMAN, MR. BHARAT RAM, URGES RELIANCE ON INDIGENOUS SUBSTITUTES

SPEAKING against the background of the Chinese war with this country in Ladakh and N.E.F.A. at the Annual General Meeting of the shareholders, which was held at Delhi on Friday, 9th November 1962, Mr. Bharat Ram, Chairman of the Delhi Cloth and General Mills Company Ltd., stressed the need for earning more foreign exchange through exports, which was greater than ever before, as the country would have to import large quantities of defence equipment and various types of raw materials to increase industrial production. In this context, Mr. Bharat Ram urged the industrial and business communities to export even at a sacrifice which would be an additional contribution to the defence effort. As for D.C.M., the Chairman said that the Company had not only been maintaining its exports of textiles but expected to increase them in the current calendar year. Mr. Bharat Ram recognised the need for boosting industrial output and urged manufacturers not to place an undue strain on the foreign exchange resources by way of import of materials and equipment and to make good instead with whatever indigenous substitutes that were available, without detriment to the overall effort.

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

LADIES AND GENTLEMEN,

I welcome you to this 74th meeting of the general body of the shareholders of the Delhi Cloth and General Mills Company, Ltd.

We are meeting today under the deep shadows of a national crisis. I do not think that in our living memory any one of us can recall that the country has ever had to face such a grave peril inflicted upon us, without the slightest provocation, by a neighbouring country which professed friendship, but has paid goodness by evil. We now face a situation which has taken us almost by surprise, and to face which every fibre of the nation will have to be flexed and no sacrifice will be too great to render at the altar of the freedom, integrity and honour of the country. It is necessary, therefore, that wherever we are and in whichever station of life, we reflect on the responsibilities and duties which have fallen upon all of us. It is gratifying to note that already a great deal of spontaneous enthusiasm has already been generated in the people. In fact, there is an upsurge of purposive emotion and indignation, the like of which never took place in recent history. This enthusiasm and emotional outburst has to be channelled and harnessed to the best advantage of the country and not to be frittered away in pretty directions. What is more, this has to be maintained because the war is bound to be a long-drawn-out affair, and it will be fatal if we allow ourselves to be lulled as a result of some gains here and there into a sense of complacency. The misfortune of the country has been that we had become complacent, and, may I say, even soft? The present crisis has shaken us off this complacency. It is now for the leaders of the country and Government to let the people know clearly and in concrete terms as to what is expected of them, in what manner austerity, if necessary, has to be observed, what the industry and workers have to produce, and how exactly the energy of the scores of voluntary organisations has to be channelised to meet the one objective that we have before us. It is also up to our leaders to inculcate a sense of pride in austere living, which can only be done by example and precept rather than by preaching.

Donation to Defence Fund

Industrialists and businessmen have a great responsibility towards the country today. I am glad that responsible organisations of industry and trade from all the nooks and corners of the country are sending their messages of support to our Prime Minister and Government. However, much more has to be done, and on various fronts. Many leading business houses have donated large sums of money to the National Defence Fund. Your Company will also make, for the time being, a donation of rupees ten lakhs. It is a matter of great pride that the workers of the Delhi Cloth Mills and Swatantra Bharat Mills took a lead in working on a *Diwali* holiday on the 29th October voluntarily and donated the wages for that day. All the staff of D.C.M., S.B.M., H.O. and C.M.O. have also donated a day's salary. The Company also donated the profits of that day. The Managing Agents have also given their commission for that day. The total of these amounted to Rs. 1,18,789. In fact, the workers are keen to work on other holidays and donate the wages to the National Defence Fund, and it is expected that the Delhi Cloth Mill will work on the 11th of this month which was to be a holiday.

While it is good that business people and others are donating large amounts to the National Defence Fund, we must not lose sight of the increasing need for earning more foreign exchange by exports. This need is even greater today than before as the country would have to import large quantities of defence equipment and various types of raw materials in larger quantities to increase production in the country. I would, therefore, urge the industrial and business community that they make every effort to increase the exports even at a sacrifice and consider this sacrifice as their additional contribution to the defence effort.

Business Community's Role

In this hour of national crisis, the business community, as, in fact, the entire nation, will be on trial, and it would be judged by the manner in which it meets the essential civilian and Defence requirements at reasonable prices. We have, therefore, to see that no hoarding or profiteering takes place. This can be done by the producers making arrangements to distribute the products in such a way that they reach the ultimate consumers at prices which they are expected to pay. The wholesalers have similarly to play their part. Such of the commodities which can be price-marked should be stamped with retail prices as is being done in the case of cloth. In respect of other items, large-scale advertisement of price should be resorted to. The retailers, especially in large towns, should display prices in prominent places in their shops so that the consumer knows, even before he buys, as to what he is expected to pay. All these measures will not only help in creating confidence in the minds of the people, but also to put a curb on those who may be tempted to make easy money in the difficult times that lie ahead.

Support to Government

On behalf of the Delhi Cloth and General Mills, I assure the Prime Minister and the Government that we are fully behind them and we will spare no effort to contribute our mite to the cause in every possible direction.

To the consumers also I would like to say a word. Although there is no shortage of cloth at the moment and I am sure that its production will be maintained at levels which will meet the full requirements of the people, even so it is necessary for them to exercise some self-restraint on consumption. In respect of some other items also, it is imperative to apply restraint; for example, all leather goods, particularly shoes and woollen material. Apart from other Defence requirements, these are the two commodities which by consuming less the consumer can directly contribute to the war effort. Even from the point of view of making our contribution to creating the proper psychological atmosphere in the country, some self-restraint on consumption of several commodities has to be imposed.

One more word, and I would have done as far as this subject is concerned. Our industries will have to produce more. They will also have to turn out equipment which is required by the army. In order that we do not place an undue strain on our foreign exchange resources, all of us should be prepared to use whatever substitutes are indigenously available and try to make good with these. Although quality should be our end, in times of emergency it behoves us that we make good with whatever we have, provided that it can be used without detriment to the overall effort.

Coming back now to the Company's affairs, the balance-sheet, profit and loss account and the report of the Board of Directors for 1961-62 have been in your hands and with your permission, I will take them as read.

The net profits of the Company have been marginally lower than last year. These have been due to higher provisions for depreciation and taxation.

Modernisation of Plant

We have been continuously renovating and modernising our textile mills. The old waste plant in the D.C.M. will be replaced by a modern waste plant during the next few months. The spinning capacity at Hissar is being expanded by the addition of another 23,000 spindles. It is expected that the installation of these additional spindles will start soon. Your Company has been a pioneer in the distribution of cloth directly to consumers. This policy has resulted in supplies to consumers at controlled prices by the mills. This service has been appreciated in ample measure by the public at large at all times and particularly in times of shortages. Today the Company has over 300 retail shops scattered all over the country and the Company will continue to increase its retail shops as and when necessary.

Your Company has not only been maintaining its exports of textiles but expects to increase its exports in the current calendar year. This is in spite of the fact that until June this year the exports of textiles have been declining. In the face of this declining trend of textiles, the textile industry undertook to export 12½ per cent of each mill's production voluntarily and it is gratifying to note that in the past few months the exports of textiles from India have increased.

Our plan for the expansion of crushing capacity at Mawana is in progress, and we hope that in 1963-64 we will have increased our crushing capacity from 1,500 tons per day to 3,000 tons per day. During the last season, the quality of cane in our area was extremely poor and the recoveries consequently suffered. The new system of linking the cane prices to sugar content, for which the industry has been pressing for many years, was at long last finalised by the Government and will take effect this year. This will not only help the industry but it will gradually persuade the cultivator to concentrate on high sugar yielding varieties of cane.

Chemical Plants

A recent activity that your Company has undertaken is the designing, construction and erection of chemical plants. We have already designed, manufactured, supplied and erected two sulphuric acid plants. Two more sulphuric acid plants and two superphosphate plants ordered by various parties are nearing completion. Gradually, we hope to extend the activities of this section to cover other types of chemical plants also.

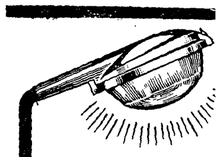
In my speech last year, I had made a reference to two new projects which we had taken in hand. You will be glad to learn that these projects have made good progress. Most of the machinery for the P.V.C. project has been received at site and erection work is in progress. The caustic soda plant, which is a part of the project, will soon be in production. The final product, namely P.V.C. would be on the market some time in the latter part of 1963.

Our negotiations with the U.S.A. Agency for International Development for a dollar loan to meet the foreign exchange requirements of the Rayon Tyre-Cord Project have been successful. The agreements have been signed and orders will be placed soon. It is expected that this factory will be in production by the end of 1963 or early 1964.

Before concluding, I would like to place on record our sincere appreciation of the good work of all our workers and staff whose efforts have enabled us to achieve satisfactory results during the year.

Earlier, Lala Bharat Ram recalled gratefully, the devoted services of Mr. Ahmed Islam Khan, the Managing Agents' working member in Pakistan, who passed away in October.

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



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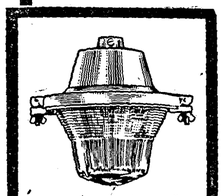

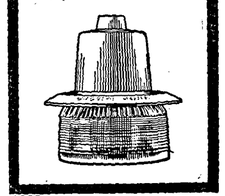

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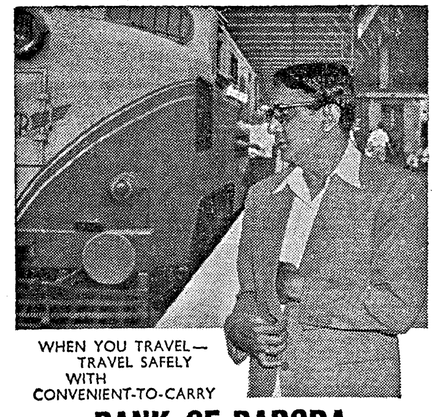

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MUTUAL INSURANCE IN JAPAN

WIDE RANGE OF COVERS FOR FARMERS

BEHIND the high level of productivity and efficiency of Japanese agriculture and the rising standard of living of Japanese farmers lies a story of co-operative endeavour and mutual help which has few parallels in all Asia. A remarkable example of collective action by farmers to promote common interests is the mutual insurance programme, operated by agricultural co-operatives, under which farmers are insured against a variety of risks, including the risk of death, to which they are exposed. It is a measure of the popularity of mutual insurance plans among Japanese farmers that both the number of subscribers and the total sum assured have been continuously expanding. At the end of March 1961, mutual insurance plans had as many as five million subscribers, with an aggregate sum assured of 1,000 billion yen (that is, U.S. $3,000 million or about Rs. 1,500 crores), which is equivalent to 56 per cent of Japan's national budget for the fiscal year 1961.

Mutual insurance plans worked by agricultural co-operatives in Japan date as far back as 1925, when the National Congress of Industrial Associations (predecessor of the present Agricultural Co-operatives' Association) adopted a resolution calling for the offer of life insurance protection and cover against the risks of fire by the Association in response to the growing demand for insurance protection from the members. Initially, the Association had to confine itself only to fire insurance; cover against risks of fire to farmers was provided by the Association in collaboration with private insurance companies.

Under the Agricultural Co-operative Law enacted in 1947, agricultural co-operatives were officially permitted to undertake mutual insurance operations. A mutual insurance federation was organised for the first time in 1948 at Hokkaideo to offer three kinds of cover, namely, mutual life insurance, mutual farmhouse insurance and mutual co-operative building insurance. This was followed by the establishment in 1951 at Tokyo of the National Mutual Insurance Federation which functions as a nation-wide organisation. The formation of this organisation gave a fillip to the mutual insurance and mutual insurance programmes spread swiftly to every corner of the country. By 1958 offices of the Mutual Insurance Federation were opened in all the 46 prefectures in the country. At the end of March 1961, 11,165 out of a total of 12,050 co-operatives in the country were handling mutual insurance plans.

Mutual insurance plans offered to farmers at present are of five kinds. They are (1) mutual endowment life insurance, (2) mutual children's insurance, (3) mutual building rehabilitation insurance, (4) mutual fire insurance and mutual co-operative building fire insurance.

Under the mutual endowment life insurance, a person taking out a policy is paid an indemnity in the event of his death or disablement during the period covered by the insurance or otherwise when the policy matures. The period of insurance varies from five to 30 years and the sum assured from 10,000 yen to 2,000,000 yen. In cases where the insured person dies from an infectious disease designated by law or from an accident, the amount of indemnity is doubled.

Mutual children's insurance provides indemnity in case the insured child dies during the period covered by the policy or otherwise, when the policy matures. Indemnity is also paid when the child is either orphaned or the parents are disabled, in which case, there is exemption from further payment of premium. The period and amount of insurance are the same as for mutual endowment life insurance. This policy is designed to make possible the accumulation of funds for education of children, marriage and self-support of rural children without interruptions caused by contingent developments.

Mutual building rehabilitation insurance gives cover against risk of damage to farm buildings caused by natural disasters such as flood, earthquake, and typhoons. Indemnity is paid either when the insured building or the contents thereof are destroyed and damaged by natural disasters during the life of the policy or otherwise when the policy matures. The duration of the contract is the same as in the case of mutual endowment life insurance but the sum assured ranges from 50,000 yen to two million yen. An outstanding feature of this plan is that the contract is not nullified when the payment of premium is discontinued by the subscriber. But an appropriate payment is made to the subscriber, the amount depending upon the premium paid.

Mutual fire insurance indemnity covers damage to buildings or their contents caused by fire upto a maximum of one million yen during the period covered by insurance, which is usually less than three years. Under the mutual co-operative building fire insurance plan, insurance cover of upto 10 million yen is provided against risks of fire for buildings or movable properties owned by agricultural co-operatives during the period covered, which is usually less than three years.

Each one of the mutual insurance programmes discussed above has been steadily growing in popularity among farmers. But the mutual building rehabilitation insurance scheme has undergone the most remarkable growth. In fact, it is the core of the entire mutual insurance programme operated by the co-operatives. While the growth of mutual insurance in the past has been remarkable it is expected to be even more spectacular in future. A seven-year programme under implementation now aims at increasing the total contract value under the mutual insurance programme to yen 2,000 billion ($6,000 million) by March 1965. Moreover, various risks, which interrupt production and disrupt farm life, still existing in rural communities, are sought to be covered under the mutual insurance programme. For this purpose, continued efforts are being made to develop and offer cover against all type of risks so that the farmer will be fully protected against all kinds of hazards involved in his occupation.

FIRE LOSSES IN W. GERMANY

The steadily deteriorating situation in the industrial fire and consequential fire insurance business in W. Germany has caused much concern in insurance circles in that country.

The losses in this sector of the German business increased between 1958 and 1961 from DM. 143.2-million to DM. 226.2-million, and, what is even more significant and more critical is the successively increasing number and severity of large individual fires. In 1958 the number of individual losses over DM. 1-million was 16 or 19.9 per cent of the total losses. In 1961 their number was 31, or 40.4 per cent of the total fire and consequential fire losses. During the first four months of the present year there were already 17 large industrial fire losses, amounting to 45.9 per cent of the total loss. This alarming development does not seem to be a temporary phenomenon, rather a trend of more permanent nature, due to a number of technical and economic factors on the one hand, and the fall in the rates of premiums on the other. Industrial fire rates in Germany today are much below the corresponding level in other industrial countries and the companies have so far been able to

(Continued on page 872)

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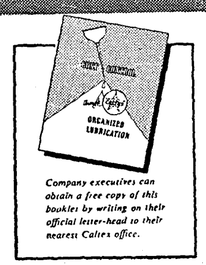

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G.A.T.T. AND THE COMMON MARKET

NO PLACE FOR DISCRIMINATORY PREFERENCES

THE impact of regional groupings on world trade was one of the important problems that came up for consideration at the twentieth session of the G.A.T.T. Contracting Parties recently held at Geneva. In his opening address, Mr. W. P. H. Van Oorschot, the Netherlands delegate who was the Chairman of the session, made a fervent plea to the countries joining regional trade blocs that such arrangements should not lead to discrimination and that they should be based on the most-favoured-nation and non-discrimination principles, the cornerstone of the G.A.T.T. Preferential trade arrangements in industrial areas and protectionist solutions at the expense of trade in agricultural products, he conceded, "might be attractive as a quick solution to immediate difficulties." But, he warned, "haste may be waste." If these arrangements signify the formation of protectionist trade blocs, he emphasised, there would be a decrease in international trade. He added, significantly enough, that this may have "a restrictive effect on international economic expansion and create disorder in the world economy." He, therefore, stressed that the Contracting Parties should resist such preferential trade arrangements as were inconsistent with the G.A.T.T. rules. It is needless to add that such arrangements would only result in "a confusing network of bilateral agreements," which could conceivably cause disorder in international trade.

Although Mr. Van Oorschot emphasised the harmful effects of discriminatory preferential trading arrangements, he did not appear to have mounted an attack on regional groupings as such. He was not quite sure whether all the new developments in economic co-operation would have a detrimental effect on world trade. Most countries were, in fact, agreed that whatever adverse consequences the integration movements might have so far had on the third countries, had been "more than compensated by the favourable effects caused by rapid economic growth, especially of the countries of the European Economic Community." In other words, "trade creation" had gained over possible "trade diversion." Mr. Van Oorschot, however, made an important point when he said that "economic life does not only consist of facts, it is also deeply influenced by expectations." Expectations of third countries as to the effects of the new forms of regional co-operation, he observed, had thus far been dominated by feelings of uncertainty as to the future development of trading relationships.

Tariff Barriers

As the Chairman maintained, it would take a long time before one knew the actual impact of regional trade groupings on world trade. He, therefore, wanted the G.A.T.T. to tackle, in the meantime, certain important problems connected with agricultural and tropical products, the abolition of remaining quantitative and other barriers to trade and reduction of tariffs. The last, and perhaps the ultimate, chance for the Contracting Parties to find a solution to problems of world trade, according to him, consists in agreeing to conduct tariff negotiations and work out international arrangements for trade in agricultural products. He was of the view that the will to find a solution had to come from the two great industrial regions, namely, the U.S. and Western Europe. The U.S. Trade Expansion Act, in this context, has opened up new possibilities for reducing tariffs.

Mr. Van Oorschot laid down two important conditions to be observed in any tariff reductions. In the first place, existing G.A.T.T. principles should be the basis of any solutions for world trade problems, including those relating to agricultural products. Secondly, the industrialised countries should take into consideration the need for rapid expansion of the export-earnings of the developing countries which was vital to their economic growth. Besides, he spelt out four significant factors that should be complied with, in order to make tariff reductions effective. These are:

"It is now commonly assumed that the new round of tariff negotiations will be based on the so-called linear method providing for overall reductions. I strongly believe that there should—as far as the industrial sector is concerned—be none or only a few exemptions from such overall general reductions. The experience of the Benelux economic union and of the European Economic Community has shown that generalised industrial import duty decreases exercise a healthy stimulation on economic expansion. Granting exemptions from the general tariff reduction to individual industrial items might—as a result of unavoidable pressures and claims for similar treatment—have a snow-balling effect. What were meant to be exceptions would then be the rule and the idea of linear overall cuts would have been cut to pieces.

"In the agricultural sector, protectionist measures of various types, including subsidies to farmers, may lead to a limited flow of international trade. I am convinced that imports of agricultural products into the industrialised countries are an indispensable element of trade policy. I believe that we do not deal in this respect only with the interests of the less-developed countries, because it is becoming clear that the interests of the developed nations themselves, namely, in order to maintain the exports of industrial products, require a high level of imports of agricultural commodities into the developed countries. An effort should be made to have support policies to farmers devised in such a way that the existing flow of trade in agricultural products is taken into account.

"As in the recent past, the less-developed countries should not be forced to negotiate on the basis of *quid pro quo*. On the contrary, they should benefit from most-favoured-nation treatment in relation to the reductions which the industrialised countries will grant each other. At the same time, the new countries should conform themselves to the G.A.T.T. rules which permit protection of new industries.

"If all goes well, the result of our endeavours would be a gradually increasing access to markets for both industrial and agricultural products. Such increased access would flow automatically from the sum total of the accomplishments of all these negotiations. In the industrial field, there should then be no need for special "access to market"—arrangements along the lines of the recently concluded long-term Cotton Textiles Arrangement. Laudable as that arrangement is in itself—and I wish to pay tribute to those who negotiated it—a repetition for other industrial items could result in a bewildering multiplicity of arrangements and agreements, each of them difficult to negotiate, probably difficult to implement and creating uncertainty for importers and exporters alike."

Reciprocal Tariff Cut

The conditions prescribed by the G.A.T.T. Chairman as above are unexceptionable. Particularly important from the point of view of less-developed countries like India is the suggestion that industrialised countries should not insist on reciprocal tariff reductions by developing countries. This is exactly what Mr. K. C. Reddy had suggested at a previous meeting of the G.A.T.T. In view of the acute balance of payments difficulties and the need for promoting industrialisation in developing countries, Mr. Van Oorschot's suggestion deserves to be accepted by the industrialised countries. It is only appropriate, in this context, to note that the *International Trade* 1961, published by the G.A.T.T. a few days ago, estimates that the gap between the minimal import needs of the less-developed countries and their likely exports of traditional products may increase by $15 billion in the course of 1960-1975. As Mr. Van Oorschot rightly stated, import and revenue duties and quantitative restrictions, as they affect less-developed countries, therefore, become a part of the greater problem of how to achieve a new and balanced international division of production, enabling the developing nations to achieve an acceptable rate of growth.

E.E.C. Stand

Some of the important points raised by Mr. Van Oorschot were dealt with at some length by the representative of the European Economic Community (European Common Market), Mr. Th. Hijzen. Mr. Hijzen, who is the Director of the External Relations Department of the E.E.C. Commission, pointed out that the Community had never lost sight of the general responsibility devolving on all the industrialised countries in regard to the problem of under-development. Explaining the Community's policy in this respect, he observed as follows:

"This is not merely a matter of a moral duty of plain international justice, but a matter of evident interest which can be summed up in very simple terms: we must contribute to creating on the international level the essential prerequisites for the balanced development of all countries, because we need this balanced development in order to ensure our own progress in the long-term. That is why aid towards development cannot be conceived in terms of 'donors' and 'beneficiaries', but as a joint undertaking between partners whose rights, duties and responsibilities balance each other. That is the philosophy on which the Community bases its development policy, that is the spirit in which it participates in international commodity agreements, as one of the instruments of this solidarity between partners, that is the objective which it cannot and does not wish to dissociate from its action at international level.

"Pending more concrete and more effective development of the principle of this joint and mutual international co-operation, the Community is endeavouring to strengthen within the limits of existing possibilities the value and effectiveness of its contributions to aid towards development of every kind. For this purpose, the member-States concert their national policies for aid towards development, in particular in matters of financing and credit assistance. In 1961, contributions by the member-States to world organisations amounted to $458 million and public financial assistance at the bilateral and regional levels amounted to $1,311 million. For the same year, the private sector within the E.E.C. contributed $1,067 million."

In a strong defence of the overall commercial policies of the Six, Mr. Hijzen observed that though the impetus resulting from the Community's economic expansion was of direct benefit to the member-States, third countries would also benefit through its repercussions on imports into the Community. In support of this claim, he made the following observations:

"This is reflected, in the first instance—and this is perfectly normal—in a particularly rapid growth in intra-Community exchanges. In 1961, this growth was at the rate of 15 per cent, as compared with 1960; for 1962, the first eight months of the year showed a rate of growth of 14 per cent, as compared with the corresponding period in 1961.

"As regards commercial relations between the Community and third countries, the first quarter of 1962 showed a rise in the rate of growth of imports by the Community, and this tendency was confirmed in the second quarter, when the rate of growth, as compared with the corresponding period in 1961, reached 9 per cent in terms of both volume and value. For the first half of 1962, the geographical distribution of the growth was as follows: (a) imports from the United States rose by 7 per cent during the first six months of 1962, as compared with the corresponding period of the previous year; (b) imports from E.F.T.A. countries were 11 per cent above the level reached one year earlier; (c) as regards the developing countries which are essential producers of raw materials, the rate of growth of imports reached 7 per cent, as compared with the same period in 1961.

"Recent results thus continue to follow the steadily rising trend recorded since 1958 in the development of the Community's imports. In terms of value, the increase was as follows between 1958 and 1961: for total imports by the E.E.C. from third countries—from $15,900 million to $20,500 million; for E.F.T.A. countries—from $3,600 million to $4,900 million; for North America—from $3,200 million to $4,500 million; for Latin America—from $1,600 million to $1,800 million; for the African countries not associated with the Community—from $1,200 million to $1,400 million; and for the associated African countries—from $1,500 million to $1,800 million. It is also of interest to note that the trade balance between the E.E.C. and the countries of Africa and Asia, taken together, shows, for 1961, a credit balance of $631 million for the latter countries and a credit balance of $75 million for Latin American countries."

In conclusion, Mr. Th. Hijzen reiterated that the E.C.M. was "convinced" that its endeavours to strengthen the economy of the European Continent would be "beneficial to all," that the problem of underdevelopment was basically a problem of disequilibrium and that the entire world community would benefit from any effort aimed at reducing that disequilibrium. These are helpful observations indeed; only it remains to be seen to what extent they will be translated into actual practice. The treatment that will be extended to India, Pakistan and Ceylon on Britain's entry into the Common Market will show to what extent the E.C.M. spokesmen's remarks are solid.

Notices

WAVERLEY JUTE MILLS COMPANY LIMITED

ANNUAL GENERAL MEETING

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 16th November, 1962 to 30th November, 1962, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
(Sd.) C. HOCKLEY,
Director,
Secretaries & Treasurers.

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CALCUTTA,
6th November, 1962.

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3, NETAJI SUBHAS ROAD,
CALCUTTA,
6th November, 1962.

A BAD YEAR FOR DECCAN SUGAR

FURTHER CUT IN DIVIDEND

IT was a particularly bad year, the year ended 31st May 1962, for the Deccan Sugar and Abkhari Company Ltd. (Managing Agents: Messrs. Parry and Company Ltd., Madras). For, barring a spurt in net sales realisation (that is, excluding excise duty paid) to a record level of Rs. 283.04 lakhs from Rs. 214.05 lakhs, to which level they had fallen in 1960-61 from Rs. 270.44 lakhs in 1959-60, the results for the year were marked by some disappointing features such as, a further decline in gross profit from Rs. 30.03 lakhs to Rs. 28.30 lakhs—the lowest level for the past seven years—and a sharp break of four points in profit-margin (ratio of gross profit to net sales) to 10 per cent on top of a nearly one-point setback in 1960-61. After making the essential provisions, which have been practically maintained around the previous year's levels and are indicated in the table which follows, the net profit amounts to a mere Rs. 8.89 lakhs, as against Rs. 10.65 lakhs for the previous year. While the interim dividend on the Rs. 5 ordinary shares was maintained at 7.5 per cent per annum, taxable, per share, the Directors have been obliged, because of insufficiency of profit, to cut the final dividend further by three points to 10.5 per cent per annum, taxable, as against by 4.75 per cent to 13.5 per cent per annum, taxable, in 1960-61. The total dividend amounts to 18 per cent per annum, as against 21 per cent for the previous year and 25.75 per cent for 1959-60 and 1958-59.

The table below gives a fair idea of how the Company fared in the past four years:

(In lakhs of rupees)

	For the year ended 31st May			
	1962	1961	1960	1959
Sale proceeds, less excise duty paid	283.04	214.05	270.44	270.14
Other income	4.26	2.44	2.94	3.96
Closing stocks of finished goods and work-in-progress	162.42	176.23	83.90	90.66
Excise duty paid	74.63	67.86	90.79	93.50
Raw materials and stores consumed	173.18	207.60	160.92	141.92
Staff expenses	34.22	32.63	29.53	28.18
Other expenses	37.60	38.73	36.21	41.19
Gross profit	28.30	30.03	40.26	36.02
Managing Agents' commission	2.07	2.20	3.46	2.98
Provision for—				
Depreciation	6.81	6.68	7.18	6.43
Taxation	10.53	10.50	13.15	13.03
Net profit	8.89	10.65	16.47	13.58
To reserves	1.53	1.45	4.95	3.45
Dividends—				
Preference	0.64*	0.64*	0.64*	0.70*
Ordinary	7.17 (18%)*	8.37 (21%)*	10.26 (25.75%)*	10.26 (25.75%)*
Carry forward	1.03	1.48	1.29	0.67
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	11.75	15.15	17.00	14.05
Low	9.75	11.10	12.60	9.05

* Subject to deduction of tax.

In 1960-61, sale proceeds of the Company had dropped due to restricted sales quota releases by the Government. During the year under report, however, sale proceeds soared because of heavy releases of sugar under bulk quotas announced by the Government, which, at the same time, brought down prices, especially from December 1961 onwards, and reduced the profit-margin. Larger exports during the year also boosted the sales but they fetched a lower average price. Total production in the 1961-62 season from the Samalkot and Pugalur factories amounted to 14,710 tonnes out of 134,654 tonnes of cane crushed at an average recovery of 10.92 per cent, the relative figures for the previous season being 19,268 tonnes, 195,851 tonnes and 9.84 per cent, respectively. Thus production during the season was lower because of the 10 per cent cut in the fixed quota for each factory announced by the Government in October 1961. But, thanks to the previous season's record outturn and the consequent heavy carryover, the Company succeeded in selling more sugar in 1961-62.

Mr. H. V. R. Iengar, Chairman of the Company, has referred, in his statement to the shareholders, to the heavy carryover of sugar stocks in the country at the beginning of the 1961-62 sugar year, amounting to 11.80 lakh tons as against the normal figure of 5 lakh tons, and envisaged that production in the sugar year ending 31st October 1962 would again be in excess of domestic requirements. To get over the problem of sizable surplus stocks, Mr. Iengar feels that increasing internal consumption is a more desirable solution than pressing on with export with its attendant heavy losses. Last year, internal offtake increased because sugar was available at lower prices than during the period of control. Mr. Iengar feels that there is scope for increasing internal consumption further. He believes that, in the present circumstances of overproduction, there will appear to be no justification for maintaining the high rate of excise duty on sugar.

According to the Chairman, the extension and rehabilitation programme at Pugalur and Samalkot is proceeding satisfactorily and, though costs have risen and there have been delays in machinery deliveries, the work is expected to be completed in good time to enable the Company to take advantage of the increased capacities and better conditions during the 1963-64 crushing season. Outstanding capital commitment of Rs. 23 lakhs was made last year. Further capital expenditure of Rs. 13 lakhs is proposed to be made shortly to complete the programme. The whole programme is to be financed entirely from internal resources. Under an agreement negotiated with the Seshasayee Paper and Boards Ltd. in 1960-61, the Company will commence during the latter part of 1963 deliveries of bagasse to that company in exchange for oil and the equipment for burning oil from it. Increased production of spirit in Andhra Pradesh and difficulty of transport led to a short working of 91 days of the distillery at Samalkot. During the current year, however, the situation has somewhat improved and, in addition to a shipment of denatured spirit to Ceylon, the Company has secured a rate contract from the Government of India which is expected to enable the distillery to work at optimum capacity. The same is not the case with Co2 and, in spite of increased competition, manufacturers of the product in Andhra Pradesh have not been able to reach an agreement on prices.

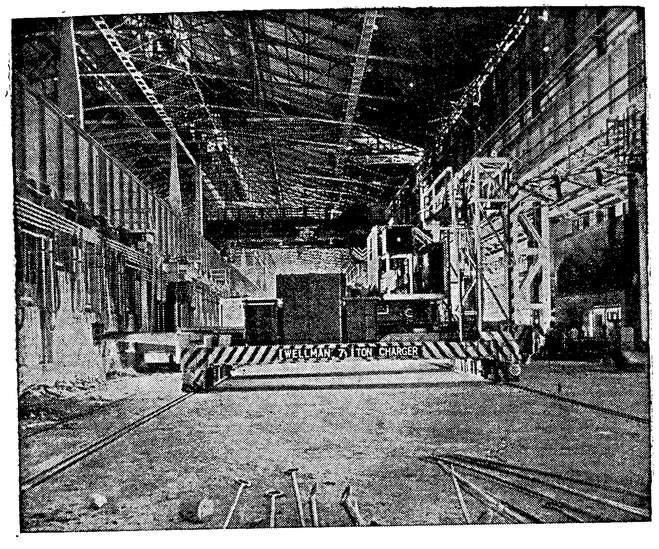
While the short-range prospects for sugar industry as a whole cannot be regarded as bright, the Chairman feels that, with the benefit of the expanded capacity at Pugalur and modernisation at Samalkot, the Company will do as well, or better than others.

Financially, the Company is in a sound position. Its paid-up capital of Rs. 46.84 lakhs (of which Rs. 39.84 lakhs are in ordinary shares and the rest in preference shares) is supplemented by reserves and surplus aggregating Rs. 46.01 lakhs, excluding taxation equalisation reserve of Rs. 9.45 lakhs. Current liabilities and provisions aggregate Rs. 203.40 lakhs, as against which current assets, loans and advances total Rs. 229.56 lakhs. Besides, there are investments amounting to Rs. 3.73 lakhs of which Rs. 3.26 lakhs are quoted and command a market value of Rs. 3.31 lakhs. The gross block of Rs. 146.20 lakhs, as against Rs. 148.93 lakhs in the previous year, has been written down to Rs. 65.63 lakhs and inclusive of capital expenditure at Rs. 6.78 lakhs, the net block appears at Rs. 72.41 lakhs.

The Rs. 5 fully paid ordinary shares of the Company are currently quoted at Rs. 9.90, *cum* final dividend of 10.5 per cent per annum. On an *ex-div.* basis, they offer a net yield of 6.6 per cent per annum which is, indeed, satisfactory even for a sugar scrip.

HINDUSTHAN-PILKINGTON TO SET UP PLATE GLASS PLANT

Mr. P. N. Talukdar, Managing Director of the Hindusthan-Pilkington Glass Works Ltd., announced in Calcutta on Tuesday, 30th October, that the Company had decided to set up a new plant for the manufacture of plate glass. The plant, which is said to be the first of its kind in India so far, will be put up at Asansol, in addition to the Company's sheet glass works, at a capital outlay of approximately Rs. 4 crores, half of which will be contributed by the parent company, Messrs. Pilkington Brothers Ltd., of Lancashire, U.K. The contribution of the British firm to the capital outlay will, therefore, cover the foreign exchange component of the project. Production will be through the float process which has been invented by Pilkington Brothers and will be a new thing in India. At present, for plate glass, India relies solely on imports. Much foreign exchange will, therefore, be saved, when the Company's plant goes into production. It will have an initial target of 2,750 tons a month and employment potential of about 1,000. Plate glass finds use in automobiles, trucks, buses, railways, 'pulpit' windows for steel industry, perfect mirrors, control rooms at aerodromes and other strategic devices, such as bullet-proof glass for armoured vehicles.



View from the charging platform of Durgapur's Open Hearth Steel Melting Shop designed and constructed by Wellman

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Wellman Incandescent Furnaces range from the smallest Heat Treatment Ovens to the largest Steel Melting Furnaces and Metal Mixers for modern Steel Plants. The Wellman Incandescent Group have over half a century of experience in this field of engineering during which they have designed and erected industrial furnaces in many parts of the world. Lately, as a member of the ISCON Consortium, Wellman Smith Owen were responsible for designing and erecting the entire Steel Melting Shop at the Durgapur Steelworks, including seven Open Hearth Melting Furnaces, Waste Heat Boilers and two 800-ton Metal Mixers.

Wellman Incandescent are also specialists in Mechanical Handling Equipment. They design and erect a wide range of cranes including Ladle Cranes and Ingot Stripping Cranes for use in the steel industry and are now in a position to manufacture progressively in India many products, which hitherto, have had to be imported.

WELLMAN INCANDESCENT INDIA LTD.

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GOOD PROGRESS BY INDIAN HUME PIPE

DIVIDEND RAISED—MORE PROFIT CONSERVED

FURTHER smart progress has been reported by the Indian Hume Pipe Company Ltd. (Managing Agents: Messrs. Walchand and Company (Private) Ltd., Bombay) during the year ended 30th June 1962 on top of a very satisfactory recovery in the previous year from the 1959-60 setback. All the three progress indicators, namely, sales, profit and profit-margin (ratio of profit to sales) have been higher during the year. Sales realisation, which had recovered in the previous year from Rs. 232.24 lakhs to Rs. 259.71 lakhs, have expanded further by Rs. 34.12 lakhs to Rs. 293.83 lakhs. Gross profit, at Rs. 66.56 lakhs, shows an increase of Rs. 9.44 lakhs over the year, after it had improved pretty smartly by Rs. 19.24 lakhs to Rs. 57.12 lakhs in 1960-61. Profit margin, which had picked up in the previous year from 16.3 per cent to 21.9 per cent, has gone up to 22.6 per cent during the year under report. Apart from increased operations and better market conditions during the year, what has contributed materially to the improvement in profit is a welcome drop in other manufacturing expenses from Rs. 43.79 lakhs to Rs. 28.10 lakhs. Costs of materials and stores consumed have gone up considerably from Rs. 105.05 lakhs to Rs. 139.11 lakhs, indicating higher production during the year. Staff expenses have also increased from Rs. 68.46 lakhs to Rs. 76.20 lakhs.

Provision for depreciation has been reduced from Rs. 13.95 lakhs to Rs. 11.93 lakhs, but that for taxation has been raised by Rs. 7 lakhs to Rs. 28.75 lakhs. Managing Agents' remuneration has amounted to Rs. 4.18 lakhs, as against Rs. 3.85 lakhs in the previous year. After making these allocations, net profit works out to Rs. 21.70 lakhs, as against Rs. 17.57 lakhs in 1960-61. With this higher net profit, the Directors have been able to propose an increase of one point in the dividend on ordinary shares, from 13 per cent per annum, subject to tax, at which it was maintained for the preceding three years, to 14 per cent per annum, taxable. At the same time, they have stepped up the transfers to reserves and provisions by Rs. 2.70 lakhs to Rs. 11.05 lakhs.

The synopses of the Company's working in the past four years are brought out in the comparative table below:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale of products	293.83	259.71	232.24	245.63
Other income	3.36	4.36	4.13	4.26
Stock of finished products	52.85	46.69	42.70	40.46
Expenditure capitalised	6.61	3.36	7.30	3.75
Materials and stores consumed	139.11	105.05	117.41	110.04
Staff expenses	76.20	68.46	65.81	60.27
Other expenses*	28.10	43.79	24.72	20.06
Gross profit	66.56	57.12	37.88	56.68
Managing Agents' remuneration	4.18	3.85	2.88	4.01
Depreciation	11.93	13.95	8.46	8.52
Taxation	28.75	21.75	12.00	20.01
Net profit	21.70	17.57	14.54	23.24
Transfer from reserves and provisions	0.15	0.74	0.38	0.13
Transfer to reserves and provisions	11.05	8.33	6.93	16.96
Dividends—				
Preference	2.50†	2.50†	2.50†	2.50†
Ordinary	8.40 (14%)†	7.50 (13%)†	5.62 (13%)†	3.90 (13%)†
Carry forward	0.30	0.40	0.71	0.84
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	182.00	190.00	192.00	..
Low	160.50	153.50	151.00	..

* Inclusive of the net difference between expenses on and receipts from pipe-laying contracts. † Subject to deduction of tax.

The number of the Company's factories, including two in Ceylon, remained unchanged at 60 over the year. The factory at Pophali was, however, closed at the beginning of the current year, and so the number of factories now stands at 59. The newly put up prestressed pipe factory at Patancheru, which could not go into production during the year under report for want of power as also paucity of raw materials, has recently commenced production and is said to be making satisfactory progress. Good progress has been reported also in regard to the working of the Company's steel penstock division, and the regular production at the Hadaspar works has exceeded licensed capacity which is proposed to be raised from 3,000 to 7,000 tons a year and the Government has been approached in this connection. The Company has secured an industrial licence for expansion of its manufacturing capacity of welding flux for submerged arc welding process from 30 to 300 tons a year. It has also started exploring the export markets for its products under the Engineering Export Promotion Scheme and has received the first order for export of hume pipes to Qutar.

Stocks for the year are valued at below selling price, as against at selling price as before, which was not strictly correct. Income-tax assessments have been completed up to the year ended 30th June 1959, that is, the assessment year 1960-61. Donations during the year amounted to Rs. 72,500, including Rs. 25,000 to the Maharashtra Pradesh Congress Committee and Rs. 17,500 to the Swatantra Party.

In 1960-61, the Company had sought the approval of the Controller of Capital Issues to issue debentures worth Rs. 50 lakhs carrying interest at the rate of 7 per cent per annum. On the receipt of the sanction, however, the Directors considered it advisable to extend the life of the existing (1957-62) debentures of Rs. 29.18 lakhs by another 15 years and increase the rate of interest from 5.5 per cent per annum, as at present, to 7 per cent per annum and make a fresh issue of Rs. 20.82 lakhs only, maturing in 1977 and ranking *pari passu* with the existing debentures. This proposal has been approved by the Controller of Capital Issues as also by the existing debentureholders. Accordingly, the life of the existing debentures has been extended to 15th September 1977. The Directors have agreed with the authorities of the Bombay Stock Exchange to give first preference to the Company's present ordinary shareholders and debentureholders in regard to the new debenture issue of Rs. 20.82 lakhs, when it is offered for subscription.

Restricted long-term borrowings and strong reserves position feature the Company's financial position as at 30th June 1962. As against the paid-up capital of Rs. 110 lakhs, of which Rs. 60 lakhs are in ordinary shares and the balance in preference shares, both of Rs. 100 each, reserves and surplus aggregate Rs. 120.97 lakhs and provide a twofold cover for the equity. Secured loans amount to Rs. 88.46 lakhs, as against Rs. 101.72 lakhs a year before, of which Rs. 29.18 lakhs represent debentures and Rs. 59.28 lakhs Maharashtra Government loan, inclusive of interest accrued. Current liabilities and provisions amount to Rs. 94.67 lakhs and are very well covered by current assets, loans and advances aggregating Rs. 284.65 lakhs and investments of Rs. 13.76 lakhs, of which Rs. 11.39 lakhs are quoted and command a market value of Rs 11.49 lakhs. Gross block expanded during the year from Rs. 246.93 lakhs to Rs. 263.33 lakhs. It has been written down conservatively to Rs. 105.30 lakhs. Expenditure of Rs. 10.40 lakhs made at factories during the year is subject to allocation between capital and revenue account.

Currently, the Rs. 100 fully paid ordinary shares are quoted at Rs. 160.50 *cum-div.* and offer, on *ex-div.* basis, a net yield of 6.5 per cent per annum.

T.E.L.CO.'S RIGHTS AT PREMIUM

The Tata Engineering and Locomotive Company Ltd. has applied to the Controller of Capital Issues for his consent for a new issue of 200,000 ordinary shares of Rs. 100 each at a premium of Rs. 50 per share, or such other amount as may be finally fixed by him. The new ordinary shares will be offered to the existing shareholders of the Company or their nominees in the ratio of one new share for every four ordinary shares held by them. The amount will be called up in two equal instalments, the first instalment being payable on or before 31st March 1963 and the second on or before 30th September 1963. The Company has already issued all its authorised capital of Rs. 10 crores made up of Rs. 8 crores in ordinary shares of Rs. 100 each and Rs. 2 crores in 5 per cent cumulative preference shares of Rs. 100 each. Consent of the shareholders will, therefore, have to be obtained for (i) increasing the authorised capital to permit the new issue of ordinary shares and (ii) issuing 200,000 new ordinary shares as soon as the consent of the Controller of Capital Issues is received.

SEMICONDUCTORS LTD. STARTS PRODUCTION

The first batch of germanium transistors were produced by Semiconductors Ltd. of Bombay at its factory at Poona on Thursday, 25th October. Incidentally, Semiconductors is said to be the only company so far in India to have commenced production of germanium transistors. The Company was formed last year in collaboration with Raytheon Company of Lexington, Massachusetts, U.S., the world-famous manufacturers in the field. It is proposed by the Company to manufacture a complete range of semiconductor devices, ranging from the tiny high frequency devices to large diode units for power control purposes.

IN AUTOMATION LIES the future of India's textile Industry

CIMMCO-SAKAMOTO

AUTOMATIC LOOMS

- Robust Design
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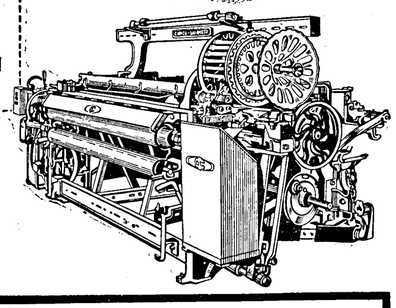

Made in India by Cimmco in close collaboration with Messrs. Enshu of Japan - Manufacturers of world famous Sakamoto looms - Cimmco - Sakamoto Automatic Looms are a vital necessity, for India's textile mills.

CIMMCO-Sakamoto looms are backed by a powerful loom-building tradition combining Cimmco's 18 years of experience with Enshu's 34 years. Sakamoto type looms are used in more than 40 countries of the world, and over 60% of the automatic looms installed in India are of the Sakamoto type.

With a low initial investment Cimmco Sakamoto automatic looms produce a greater volume and variety of quality textiles at lower running costs than any other looms in the same range.

Manufactured at Birlanagar, Gwalior

CENTRAL INDIA MACHINERY MFG. CO. LTD.

OFFICES

AHMEDABAD, BOMBAY, COIMBATORE, DELHI.

SYNOPSES OF COMPANY REPORTS

Hingir-Rampur Coal Co., Ltd.

(*Managing Agents*: Messrs. Killick Industries Ltd., Bombay.)

Fifty-fourth Annual General Meeting—30th November 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales (gross)	38,01	31,43
Closing stock	3	1,01
Gross profit	9,52	5,01
Transfer to Managing Agents' commission	81	27
,, ,, depreciation	1,72	1,50
,, ,, development rebate reserve	13	18
,, ,, provision for taxation	3,80	1,24
Net profit	3,06	1,82
Adjustments	1	6
Appropriations:		
Total available balance	3,07	1,88
To adjustment of loss brought forward from 1960	Nil	1,87
Transfer to general reserve	25	Nil
Proposed dividends (taxable) 4½% R.C. preference	2,81*	Nil
,, ordinary	Nil	Nil
Carry forward	1	1

N.B.—Adjustments represent only the balance brought forward from the previous year.

* Preference dividend is calculated at 5.85 per cent. [being 4½ per cent. plus 30 per cent. thereof] and the amount of Rs. 2.81 lakhs is for the six years ended 30th June 1962.

Extracts from the Directors' report:

Output: Raisings for the year totalled 1,58,612 tonnes compared with 1,57,198 tonnes for the preceding year. Raisings would have been higher had it not been necessary to keep output at a reduced level during the first two months of the year as the wagon shortage continued to be acute and led to accumulation of stocks. Since then, however, the allotment of wagons has been satisfactory.

Sales: The total sales for the year amounted to 1,63,264 tonnes as compared with 1,43,549 tonnes for the preceding year.

Coal Prices: To enable colliery owners to meet the enhanced wage bill and rise in costs of material, etc., the Central Government announced an increase of Re. 0.06 per tonne in the price of the Company's coal with effect from 1st June 1962, and a further increase of Re. 0.74 per tonne with effect from 13th June 1962. Thus the controlled prices of the Company's Steam and Slack Coal (Grade I) are now Rs. 24.20 and Rs. 23.22 per tonne respectively.

Consequent to the upgrading of the Company's coal with effect from 7th September 1961, the Company became eligible to receive a subsidy from the Coal Board under their scheme for assistance as applicable to gassy mines.

Railway Siding: The Assisted Siding serving this Company's Colliery required to be strengthened by the replacement of the old rails by heavier section 90 lbs. rails, so that larger locomotives and BOX type wagons could be handled at the Siding. The Directors have sanctioned the expenditure necessary in this connection and the work has been taken up by the Railway authorities.

Development: Development work continued on 10 Dip Section and raisings to the scale of 4,000/4,100 tonnes per month were obtained.

Expansion Programme: The Directors have decided to re-open the old workings, known as Pit Number 5, which were closed about 30 years ago. The known reserves of coal in that area are ample to warrant the proposed extension, and it is expected that Pit No. 5 can be brought into full production in about 2 years, subject to the granting of Import Licences for Machinery. These workings will then yield a further 10,000 tonnes per month, bringing the total raisings of the Colliery to the level of 25,000 tonnes per month, as compared to the present figure of 15,000 tonnes. Preliminary operations in this connection have already been commenced. The Directors anticipate that the expansion programme will be financed substantially from internal resources.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	20,00,000	Gross block	45,20,017
Reserves and surplus	2,42,229	—Depreciation	30,34,266
Other liabilities	13,11,281		
		Net block	14,85,752
		Block in progress	73,995
		Current assets	18,82,428
		Investments	20,000
		Cash	91,335
	Rs. 35,53,510		Rs. 35,53,510

* Paid-up capital consists of 24,000 ordinary shares of Rs. 50 each, fully paid and 16,000—4½ per cent. (tax-free) redeemable cumulative preference shares of Rs 50 each, fully paid.

Panchura Estates Ltd.

(*Managing Director*: Mr. K. M. Mehta, Coonoor, Nilgiris.)

Nineteenth Annual General Meeting—22nd December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Coffee receipts—season 1961-62	64	71
Green tea leaf sales	20	14
Sale of timber	46	42
Closing stock	77	79
Gross profit	51	29
Transfer to depreciation	6	7
,, ,, provision for taxation	25	Nil
Net profit	20	22
Adjustments	52	67
Appropriations:		
Total available balance	72	89
Proposed dividend (taxable) equity	23 (15%)	37 (25%)
Carry forward	49	52

N.B.—Adjustments represent only the balance brought forward from the previous year.

Extracts from the Directors' report:

Crop: *Coffee*: The Company harvested a total quantity of 7,420 bushels only as against an estimate of 11,000 bushels. Weather was against us this year also as could be seen from the figures, the actual crop fell very much below the estimate. On a conservative estimate the coffee crop for this season has been valued at Rs. 19 per bushel.

Tea: The total quantity harvested is 77,716 kgs. and this has bettered the estimate by 14,156 kgs. The tea bushes are in good condition and the directors expect to get a better crop in the current year.

The Company was able to realise a fairly good amount by selling standing timber as in the previous year. The estate has some valuable timber and it is the policy of the board of Directors to sell them at periodic intervals to augment the resources of the Company. The Coffee money is coming after a lapse of 18 months from the date of delivery to the Coffee Pool and being only one crop in a year, the Company is feeling some strain on the financial resources to keep the estate going. Hence the Directors have decided to reduce the dividend in this year. Otherwise the Company's property are in very good condition.

As shareholders might be aware, Coffee industry as a whole is passing through critical times and it is the Directors' wish that the Company should diversify the activities. Every effort is made to intensify the cultivation and if possible try to plant new strains of Coffee but the shareholders will not get any immediate benefit out of these methods. So in order to expand the activities the Directors have thought it best to go in for the manufacture of High Tensile Steel Wires and rods, and necessary application for the licence have been submitted to the Government of India. The Directors are awaiting the same. To finance this project, the Directors have thought it best to increase the share capital of the Company to Rs. 10 lakhs. So much so new shares will be issued to the existing members at the ratio of 5 shares for 1 share held by the member at par. The new share will rank for dividend and in all other respects *pari passu* with the existing fully paid shares. In the event of the Government of India refusing licence for the High Tensile Steel project or any delay in obtaining foreign collaboration, the Directors have decided on an alternative project of expanding in the Estate line, by cultivating essential oil plants viz., Geranium, lemon grass oil, and spices like nutmegs and cloves which have very good demand both in the internal and external markets. The Directors are arranging to get the services of a qualified person (B.Sc. Ag.) to advice the company about the suitability of land and to acquire it and in the cultivation etc.

Estimate: for 1962-63—Coffee—9,000 Bushels
Tea—80,000 Kgs.
Others—Rs. 12,000

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,50,000	Gross block	3,15,407
Reserves and surplus	2,00,274	—Depreciation	39,797
Other liabilities	2,43,873		
		Net block	2,75,610
		Current assets	1,70,697
		Investments	1,45,113
		Cash	2,727
	Rs. 5,94,147		Rs. 5,94,147

* Paid-up capital consists of 1,50,000 ordinary (equity) shares of Re. 1 each.

Cooper Engineering Ltd.

(*Managing Agents*: Messrs. Walchand and Co., Private Ltd., Bombay.)

Twenty-second Annual General Meeting—21st November 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales	1,93,90	2,09,67
Closing stock—		
Finished products	19,76	20,90
Goods-in-process	24,67	11,08
Gross profit (+) or loss (—)	—9,09*	+32,63
Transfer to Managing Agents' remuneration	25	2,18
,, ,, depreciation	15,49	9,35
,, ,, development rebate	4,40	5,92
,, ,, provision for taxation	Nil	7,50
Net profit (+) or loss (—)	—9,09	+7,68
Adjustments	15,38†	1,42
Appropriations:		
Total available balance	15,38	9,10
To adjustment of loss for the year	9,09	Nil
Transfer to contingency reserve	Nil	1,47
,, ,, general reserve	Nil	1,00
Proposed dividend	6,28 (7%)‡	6,88 (13%)
Carry forward	1	75

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

* Loss after providing for Managing Agents' remuneration; depreciation and development rebate.

† This includes Rs. 11,89,855 transferred from general reserve and provisions no longer required of Rs. 2,73,474.

‡ The dividend of 7 per cent. for 1962 is on the increased capital of Rs. 89,72,850. The dividend of 13 per cent. for 1961 was on a paid-up capital of Rs. 45,20,000.

Extracts from the Directors' report: The loss for the year has been caused by a sharp decline in the demand of *Diesel Engines* which reduced the sales considerably and called for a severe curtailment of production. The machine tools factory at Chinchwad, although showed a marked rise in production and sales over the previous year, has still not achieved its full productivity due to the fact that majority of the workers employed in that factory are apprentices with less than two years' experience and have not yet been able to achieve the degree of skill required for optimum output. Unfortunately, this Company has been unable to recruit skilled workers owing to the severe paucity of the same caused by a very rapid industrialisation of the Poona-Chinchwad region.

The demand for *Diesel Engines* is now showing very encouraging signs of increasing during the current year and this coupled with the increasing productivity of the machine tool factory, the Directors feel hopeful that the overall picture of the Company's business during the current year will be much improved. The Company has introduced a new, high speed, vertical, 5 h.p. engine (type CVR-5) into the market which has been very well received. This will also add towards improving the business of the Company and all efforts are being made to produce these engines in large numbers.

The demand for machine tools has been continuously rising and here also the Company is making strong efforts to meet it.

The Company has been granted an industrial licence to manufacture *Automatic Looms* and a collaboration agreement has been finalised with Draper Corporation of U.S.A. Similarly, in the machine tool line, the Company has concluded a collaboration agreement with Messrs. Hermann Pfauter of Germany to manufacture "*Pfauter.*" *Gear Hobbing and Thread and Worm* milling machines. The agreement is now awaiting the necessary approval of the Government of India. In addition, the Company is now getting ready to implement the industrial licence (which was received during the last year) for the manufacture of *Vertical Turret Lathes* under collaboration with Messrs. Schiess Aktiengesellschaft of Germany and the import licences to import machinery is expected to be received soon.

The addition of these new lines together with the increase in the production of the present lines and the inevitable enlargement of the present foundry and pattern shop will call for a substantial expansion programme entailing a considerable amount of further capital expenditure. The Directors, having envisaged a need for additional finance, have decided to raise equity capital of Rs. 45,20,000 and have already applied to the Controller of Capital Issues for the same. The necessary consent is awaited.

The Company's export business has improved considerably over that of the previous year and during the year under consideration, the Company exported *Diesel Engines* worth Rs. 7,23,768. Moreover, the Company was also able to extend the export activity from heretofore restricted field of *Diesel Engines* to include *Power Looms* worth Rs. 98,306. It is gratifying to note that the Company's products are becoming increasingly popular in the foreign markets and soon the Company will also export machine tools. The first one (a heavy duty shaping machine) has been exported to the United Kingdom in September 1962 and the second one will go to Thailand in November 1962.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	89,72,850	Gross block	1,89,58,626
Reserves and surplus	56,57,718	—Depreciation	70,63,699
Other liabilities	1,89,25,518		
		Net block	1,18,94,927
		Block-in-progress	8,95,242
		Current assets	2,00,98,302
		Investments	1,38,203
		Cash	5,29,412
	Rs. 3,35,56,086		Rs. 3,35,56,086

* Paid-up capital consists of 89,736 equity shares of Rs. 100 each. Calls in arrears amount to Rs. 750. Of the above 4,200 equity shares were issued as fully paid-up bonus shares by capitalisation of share premium.

INSURANCE

(*Concluded from page 868*)

absorb the losses only because up to 90 per cent of the risks are being reinsured within and without the country. Taking 35 per cent of the gross premiums to cover the external and internal costs and taxes, the technical loss in the gross business was 8.8 per cent in 1959, 4.2 per cent in 1960 and 7.5 per cent in 1961.

However, the placing of large industrial fire risks in the way of cessions or retrocessions on the world markets is encountering increasing difficulties, because of the increasing accumulation of single risks and the inadequacy of the rates.

INDUSTRIAL ASSURANCE IN BRITAIN

Although there were 1.2 million fewer policies in force last year in Britain, as compared with 1960, the premium income from industrial assurance business rose by £8.1 million to £203.6 million, according to the latest annual report of the Industrial Assurance Commissioner, Britain. Summarising the business transacted by 14 companies and 91 collecting societies last year, the report points out that the total amount assured by new business, £420.7 million, was the highest recorded and exceeded the previous year's figure by £19 million. The average amount assured by each new policy went up by £4 10s. to £73 13s. New industrial assurance policies effected in 1961 numbered 5.7 million of which 4.5 million were issued by companies and 1.2 million by societies. The corresponding figures for 1960 were 5.8 million, 4.5 and 1.2 million respectively.

The number of policies in force at the end of last year was 116.8 million, some 1.2 million less than 1960. Assurances converted to free policies totalled 1.6 million, there were 2.5 million surrendered for cash: and 997,000 policies were forfeited without grant of a free policy, or cash surrender value. Premium income continued to increase and the £203.5 million collected during 1961 represented a £8.1 million rise over the previous period. Claims on death amounted to £46.7 million and claims on maturity £69 million.

The total industrial assurance funds of companies amounted to £1,227 million at the end of 1961, and total assets of collecting societies were £359 million with industrial assurance funds at £275 million.

INSURANCE IN COMMON MARKET

A new Working Group, composed of specialists in fiscal questions of the six members of the existing Common Market, has been established by the European Economic Community to study the question of harmonisation of taxes on insurance contracts. The initial preoccupation of the Group will be with the problems of double taxation since certain risks taken on by a foreign organisation in any one country could actually be taxed in both countries but the end will be harmonisation of the bases of taxation with the hope of proceeding as far as actual harmonisation and finally the level of taxes on insurance contracts.

NEWS IN BRIEF

A JAPANESE team is expected to visit India shortly for detailed discussions with the Central Government and the Government of Orissa on exports of iron ore from Paradip Port of Orissa.

The India-Pakistan/U.K. and Continent Conference has reduced the freight rate for tamarind seeds, gum, splits, chips, powder and flour by 20*s.* to 180*s.* per 1,000 kilos.

The National Coal Development Corporation has launched a mechanised open-cast project for mining coal at Singrauli in Madhya Pradesh. Production on a small scale is expected to commence by the end of 1963.

A Swiss firm proposes to set up in India a large unit for the extraction of "bankakri," a drug plant useful in the treatment of certain forms of cancer, according to Mr. Nityanand Kanungo, Union Minister for Industry. The firm is currently ascertaining the availability of this plant in Jammu and Kashmir.

Licences have been granted to three more parties for the establishment of factories to produce scooters, in addition to the existing two units. One of the three factories is expected to put its scooters in the market within a few weeks, while the other two will commence production in the next few months.

The U.S. firm, Phillips Petroleum Company, has offered to develop a refinery project in the South as a minority partner with the Government of India. The E.N.I. of Italy has also made an offer for technical and financial collaboration for setting up refinery in the public sector.

The Standing Finance Sub-Committee of the Indian Central Oilseeds Committee has decided to invest Rs. 60 lakhs in the 12-year National Defence Certificates. It has recommended to the State Governments to execute all the oilseeds schemes and package programmes on priority basis so that the supply of much needed oilseeds is stepped up with a view to contributing to the intensive production drive of the country.

The Bombay Productivity Council has sponsored a productivity study team for examining the methods of manufacture in the instruments industry in the various parts of India. The team, led by Mr. N. M. Athavale, Chairman of the Development Council for Instruments, Bicycles and Sewing Machines, will tour the different parts of the country to study the various production techniques, and matters relating to standardisation of products, tools and equipments.

The Government of India has set up a committee, with Prof. M. S. Thacker, member, Planning Commission, as Chairman, to review the existing plans and programmes for training technical personnel in the context of the present emergency. The Committee has been asked to initiate necessary proposals to augment the existing programmes, introduce accelerated training courses and, where necessary, modify the curriculum for technical education.

Measures to increase production of essential materials and commodities required for both defence and civilian purposes will be suggested by a special committee which the Union Government has just constituted under the chairmanship of Mr. S. Ranganathan, Secretary, Commerce and Industry Ministry. The Committee will devote particular attention to increase the output of cloth, fuel (including petroleum products), cement and steel.

Two trawlers *Shivaneri* and *Savitri*, were formally put into commission by Mr. Homi J. H. Taleyarkhan, Minister for Fisheries, Government of Maharashtra, last week-end. The two trawlers have been employed for deep-sea fishing operations in the Konkan area. With a capacity of 48 tons each, they have been built at Satpati by the local co-operative society of fishermen at a cost of Rs. 1.25 lakh each. Two other trawlers, *Janjira* and *Kundlika*, have been provided for the Kolaba district.

The Union Government has issued licences worth Rs. 4.12 crores for the import of coal mining equipment by private coal companies against the World Bank loan of Rs. 17 crores. The value of the total applications received so far is about Rs. 5.74 crores. The Government has received 180 applications for import of machinery and equipment of which 116 have been approved by the World Bank. The licensing authorities have been asked to expedite the grant of licences in the remaining cases. The World Bank loan, granted to meet the foreign exchange requirements of private coal companies, will expire on 31st July next, so far as schemes for expansion and maintenance of existing mines were concerned and on 20th September 1965, in the case of new coal mine projects.

Diplomatic letters on the amendments to the India-U.S.S.R. air services agreement were exchanged at New Delhi on the 13th inst. between Mr. I. A. Benediktov, Soviet Ambassador, and Mr. M. M. Philip, Secretary of the Communication Department, Government of India. The amendments to the agreement were agreed earlier during discussions between the delegations of the Governments of India and Soviet Russia. The amendments provide a satisfactory arrangement for the extension of Aerofloat's services on the Moscow-Tashkent-Delhi route to Rangoon and Djakarta and that of Air-India on the Delhi-Tashkent-Moscow route to points beyond. At present, Air-India operates one service per week between Delhi and Moscow, while Aerofloat operates two services every week between Moscow and Delhi, one of which goes to Djakarta *via* Rangoon.

The new oil gasification plant for the production of ammonia installed in the Fertilisers and Chemicals Ltd., Travancore (F.A.C.T.), has been commissioned. This plant is capable of producing about 30,000 tons of ammonia per annum. The Company has, in addition, an electrolytic hydrogen plant, capable of producing another 13,000 tons of ammonia. With the commissioning of the new oil gasification plant, F.A.C.T. has completed its second stage of expansion, raising its production capacity to 100,000 tons of ammonium sulphate and 33,500 tons of ammonium phosphate in addition to their existing capacities of 44,000 tons of superphosphate and 8,000 tons of ammonium chloride.

* * * *

From Abroad

Gold and foreign currency reserves of France at the end of last month stood at the record level of $3,611 million, representing an increase of $96 million in October.

The number of television sets licensed for operation in West Germany and West Berlin is approaching the seven-million mark. Now almost every third household is equipped with television set.

Hong Kong and Norway have reached a bilateral agreement outside the International Textile Convention of Geneva under which Hong Kong will restrict exports to Norway of certain types of cotton shirts and cotton nightwear for five years.

The Japanese Government proposes to discontinue the system of tax remission on export income, when the present legislation on the subject lapses on 31st March 1964. By that date, Japan will have signed the G.A.T.T. declaration about export subsidies.

The U.S. Senate Sub-committee on stockpiling has started an inquiry to find out as to how the stockpiles of strategic materials have accumulated far beyond the nation's needs. The Committee will also consider the methods for disposing of surplus materials valued at about $4,600 million.

The British Industrial Court has awarded a three per cent wage increase to over 150,000 cotton spinning and weaving operatives in Manchester. The decision follows negotiations, lasting over fifteen months, over the trade union's demand for a 10 per cent wage increase.

The rate of growth of investment activity in West Germany is slowing down, according to the I.F.O. Economic Research Institute of Munich. The gross fixed investments in West Germany rose by only 10.7 per cent in the first half of this year, as compared with 15.1 per cent in the same period of 1961. The increase from 1959 to 1960 was still higher at 16.3 per cent.

China and Japan have signed a tentative trade agreement which provides for an annual total trade (both ways) amounting to £36 million. Under the agreement, which will be valid for the next five years, China will export to Japan coal, soyabeans, iron ore and salt in exchange for steel, chemicals, fertilisers and farm machinery and implements.

Crude steel production in Western Europe declined in the first three quarters of this year. It amounted to 54.6 million tons in the European Coal and Steel Pool, 1.8 per cent less than in the corresponding period in 1961. The decline in West Germany alone was 3.7 per cent and that of France 3.4 per cent. Britain's crude steel production fell by 12.6 per cent to 15.1 million tons. Crude steel production in the United States at the same time, however, rose by 5.8 per cent to 67.7 million tons.

France is likely to finance and equip a new steel plant at Quebec in Canada, according to M. Baumgartner, a former Minister of Finance, who recently led a French economic mission to Canada. France has already taken steps to promote collaboration with Mexico and Brazil in the American continent. A loan of NF750 million was granted recently for the development of petrochemical industry in Mexico. France has also entered into agreement with Brazil for financial and technical collaboration for some development projects.

Industrial production in the Common Market countries rose by 6 per cent during the first half of 1962, as compared with the corresponding period last year. Taking the whole of Western Europe, the increase in production was 4 per cent. The upward trend, according to the latest *Bulletin* for Industry published by the British Treasury, is likely to continue throughout the rest of the year and, more slowly, in 1963. It is admitted that the expansionary influence of rapidly rising exports and private investment is waning now, but it is pointed out that this is being replaced by a continuing rise in consumer and Government expenditure together with some stockbuilding.

Hong Kong has completed preparations for the renewed voluntary textile pact with Lancashire (1963-65) at an annual quota level of 185 million square yards. This level is provided for an 11-month stop-gap period. The Hong Kong Government has announced the distribution of the 1963 quota as follows: cotton piecegoods 80 million square yards; finished piecegoods 20 million square yards and cotton made-up goods 65 million square yards. The reserve quota which will be applied to cotton made-up goods will, in the first instance, be 20 million square yards. Under new arrangements for 1963, this reserve quota should be used initially for the export of high cost Hong Kong manufactures. A sub-committee has been formed to examine how this objective can be achieved and a further announcement will be made in this connection.

A universal system of counting cotton and other yarns used in the textile industry as a whole has long been the aim of spinners, in view of the many complications which can arise when transactions take place, particularly when producers in different countries are involved. The position has become even more confused as more mixtures of different fibres and composite yarn constructions have come into regular use. The introduction of the TEX system advocated by the International Cotton Federation has only slowly gained recognition in this country, but an effort is now being made by the British Spinners' and Doublers' Association to stimulate its adoption as quickly as possible. A booklet giving details of how the scheme works has been circulated to members of the Association, and it is proposed that, from the beginning of 1963, all contracts should be based on TEX values, although the traditional counts system would still be shown for a limited period in the yarn description.

The World Bank has announced a loan equivalent to $3.7 million to the National Power Corporation of the Philippines for financing the 50,000-kilowatt expansion of the Corporation's Maria Cristina Falls hydro-electric power plant, which will double the capacity of the plant, increasing power supplies on the island of Mindanao. The Bank of America National Trust and Savings Association, San Francisco, and The Chase Manhattan Bank, New York, are participating in the loan, without the World Bank's guarantee, for a total amount of $390,000, representing the first five maturities which fall due between June 1965 and June 1967. The total estimated cost of the Maria Cristina expansion is equivalent to $7.1 million. The Bank loan will cover the foreign exchange requirements. Imported equipment will be purchased on the basis of international competition. The expansion is scheduled for completion by the end of 1964. This is the third Bank loan to the National Power Corporation, bringing the total lending to the Corporation to $56.2 million. The earlier loans were for the Binga hydro-electric project in northern Luzon and the Angat power project near Manila. The Bank loan is for a term of 18 years and bears interest at the rate of 5¼ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in June 1965. The loan is guaranteed by the Government of the Philippines.

PERSONAL

MR. Harold Allen of Australia has been elected Chairman of the International Tin Council. The Council wi l hold its next meeting at Bangkok on the 27th of this month.

Mr. A. A. Trivedi and Mr. H. B. Vasudeo have been elected President and Vice-President, respectively, of the All-India Insurance Agents' Association for 1962-63.

Mr. C. S. Divekar, an Executive Director of the Reserve Bank of India, has been appointed Deputy Governor of the Bank. He will continue to be in charge of the Department of Banking Operations.

Mr. George Varsamy has been appointed Ambassador of Greece in India. He was formerly Vice-Consul in Istanbul and Jerusalem, Secretary of the Greek Embassy at Washington and Consul General of Greece at Marseilles.

Mr. H. D. Shourie, Executive Director of the National Productivity Council, has been appointed Director of Production in the Ministry of Commerce and Industry in the International Trade Wing.

Mr. Teja Singh Sahni has taken over charge as the Chief Labour Commissioner to the Government of India in place of Mr. S. P. Mukerjee who has been appointed Chief Commissioner of Tripura.

Mr. Joginder Singh, a former Member of Parliament from Uttar Pradesh, has been appointed Chairman of the State-owned Indian Refineries Ltd. in place of Mr. D. K. Barua who has joined the Assam Cabinet.

Mr. M. Ramabrahman, Deputy General Manger, Gauhati Refineries, has assumed charge as the General Manager of the Refinery *vice* Major General Sardanand Singh who has taken up his new assignment as the Controller General of Civil Defence.

Mr. L. C. Jain, I.C.S., until recently Chief Secretary of Uttar Pradesh, has assumed charge as the Director-General of Posts and Telegraphs *vice* Mr. V. Nanjappa, I.C.S., who has taken over as the Secretary to the Union Ministry of Defence Production.

Mr. Thomas M. Hill, visiting professor from the Massachusetts Institute of Technology (U.S.A.), will direct the four-week course in financial planning and control that will be conducted by the Indian Institute of Management, Calcutta, from 20th January next. The other specialists on the staff are Mr. James C. Emery (also of M.I.T.), Mr. Shiv K. Gupta and Mr. M. Krishnamoorthy.

PERSPECTIVES ON SINO-SOVIET FOREIGN TRADE AND AID—II

PROGRAMMES AIM AT ADVANCING POLITICAL GOALS

By Leonard Lalo

AROUND the world, particularly in the developing nations, there is a growing awareness of the methods used by the Sino-Soviet bloc countries in advancing their political objectives through foreign aid and trade programmes. The fact that politics rather than economic need guides the programmes no longer comes as a surprise in many areas. Premier Khrushchev himself candidly told a visiting group of non-Communist parliamentarians a few years ago that the U.S.S.R. "values trade least for economic reasons and most for political purposes." However, many observers remain disturbed about the techniques which the Communist nations employ in trying to reach their political ends. Deceptive trade and aid agreements, the dumping of goods and the sudden cancellation of contracts are included in the methods which have caused hardships for a number of the recipients of assistance.

The United Arab Republic and Ghana are among the countries which have had bitter experiences with the trade and aid agreements. These agreements, made to sound profitable and signed with great fanfare by the Communist nations, often lose their lustre when they are being carried out. The U.A.R., one of the early recipients of bloc assistance, concluded an apparently attractive agreement to exchange its cotton for arms and industrial equipment from the Soviet Union and Czechoslovakia. It soon discovered, however, that the Communist countries were reselling the cotton to Egypt's traditional West European customers at a price lower than the Egyptians themselves could afford to offer. Chastened by this experience, which had a depressing effect upon the Egyptian economy, the U.A.R. now requires bloc officials to certify that any cotton received will not be resold.

Ghana's Experience

Ghana had a similar experience with the Soviet resale of its cocoa. As a result, it found itself in competition with its own chief export product in traditional West European markets. In another instance, Ghana discovered, after signing a generous-sounding but vague technical assistance agreement with the U.S.S.R., that it would have to pay not only the housing and travel expenses but also the full salaries of Soviet experts despatched under the accord. This unexpected proviso greatly reduced the value of the assistance programme.

Economists who have compared actual deliveries with announced bloc credits and loans to non-Communist nations between 1954 and 1961 have concluded that only 21 per cent of the publicised offers were finally fulfilled. While it is difficult to prove this conclusion, Arab oil experts increasingly believe that the U.S.S.R., in an effort to counteract the growing European Common Market, is out to undercut Middle Eastern oil exports to Western Europe. This belief underlies the Arab League's decision to place the question of Soviet "dumping prices" on the agenda of the Fourth Arab Petroleum Congress, scheduled to meet this month. Emil Bustani, head of Lebanon's preparatory committee for the congress, stated last July that the Soviet competition seriously jeopardises Arab oil interests.

What has concerned Mr. Bustani and other Arab oil experts is the Soviet practice of offering crude oil in non-Communist countries at prices far below the world price and much lower than the prevailing domestic price within the bloc itself. East Germans, for example, pay $2.69 for a barrel of Soviet oil, while the same quantity is available to West Germans at a little more than half the price—$1.38 a barrel.

Politics, it is believed, was also involved when the U.S.S.R. attempted to pressure Uruguay into entering a long-term oil contract. The Soviet Union offered a three-year deal which would have committed $75 million worth of Uruguay's wool crop in exchange for Soviet crude oil. When Uruguay declined to commit so much of its crop, the U.S.S.R. refused to purchase a single kilogram of Uruguayan wool.

Iran, a close neighbour of the U.S.S.R., has found that its local border trade with the Soviet Union is highly sensitive to political pressures. In 1959, when Soviet-Iranian relations reached a critical stage, the U.S.S.R. coupled a propaganda offensive against the Shah with the suspension of the border trade. Many local residents who depended on the trade for their livelihood were seriously hurt by the move.

Neutral Finland, which also depends heavily on trade with the neighbouring U.S.S.R., was subjected to particularly strong pressure late in 1958. By the simple expedient of cancelling its imports from Finland and refusing to renew a vital trade agreement, the Soviet Union threatened the Finnish economy with disaster. The threat was not removed until the Finnish Government of Premier Fagerholm was replaced by one more to the liking of the Soviet Union.

Yugoslavia

Dissident bloc members, as well as non-Communist nations, have suffered as a result of the Communist politics-through-trade policy. When Yugoslavia refused to follow Stalin's dictates in 1948, the Soviet Union and its satellites in Eastern Europe broke all commercial relations with it. At the time, more than half of Yugoslavia's trade flowed to the bloc. The stoppage almost ruined the Yugoslav economy. After the breach was partly patched up in 1956, Soviet credits were extended to Yugoslavia again—only to be suspended once more in 1958, when relations worsened a second time.

A similar situation has occurred more recently in connection with the intra-bloc dispute between Communist China, supported by Albania, and the Soviet Union and its East European allies. As the dispute became more bitter in the second half of 1960, thousands of Soviet technicians were withdrawn *en masse* from Communist China. They left behind them half-finished projects, some of which are still incomplete. At the same time, promised deliveries of equipment were suspended and overall trade was sharply reduced. By 1961, Sino-Soviet commerce had dropped from the $2,000 million of 1959 to $900 million—a decline of 55 per cent. Chinese internal difficulties combined with the Sino-Soviet tensions to cause the downward trend.

Albania, a small and even more vulnerable country economically, also felt the results of Soviet displeasure. Beginning in 1960, Soviet assistance programmes, including food shipments, were summarily cancelled. Technicians and advisers were withdrawn without warning. Despite Albanian protest, the country was excluded from active membership in the bloc's Council of Economic Mutual Assistance, an organisation led by the U.S.S.R.

(Concluded)

Notices

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Forty-fifth Ordinary General Meeting) of the Company will be held at the Royal Exchange Hall of the Bengal Chamber of Commerce and Industry, Calcutta-1, at 3 p.m. on Tuesday, the 11th December, 1962, for the following purposes:

1. To receive and adopt the Audited Accounts for the year ended 31st March, 1962, and the Directors' and Auditors' Reports thereon.
2. To declare a final dividend for the year ended 31st March, 1962, on the Ordinary Share Capital. The dividend if sanctioned will be paid on or after the 12th December, 1962.
3. To appoint a Director in place of Mr. Gokul Chand Bangur, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Sachindra Chaudhuri who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. H. A. Fowler who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To appoint a Director in the vacancy caused by the death of the Maharajadhiraja Sir Kameshwara Singh of Darbhanga and to consider, and if thought fit, to pass the following resolution as a Special Resolution, of which a Special Notice, as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company.

RESOLVED: "That pursuant to the provisions of Sections 261 and 314 and other relevant provisions of the Companies Act, 1956, Mr. John McCracken, General Manager of the Company's Works, be and he is hereby appointed a Director of the Company in the vacancy caused by the death of the Maharajadhiraja Sir Kameshwara Singh of Darbhanga and that consent be and is hereby accorded to his continuing to hold an office of profit as General Manager of the Company's Works."

The reasons which make the above Resolution necessary are that although according to the Articles of Association of the Company and Section 262 of the Companies Act 1956, the Directors have power to fill any casual vacancy among themselves, they cannot appoint Mr. McCracken as a Director in the casual vacancy because he holds an office and place of profit under the Company and because Martin Burn Limited, the Managing Agents of the Company, have power under the Articles to appoint two Directors to the Board. The appointment of Mr. McCracken in the vacancy can only be made by a Special Resolution.

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

By Order of the Board,

MARTIN BURN LIMITED,
S. GUPTA,
Managing Director,
Managing Agents.

Registered Office,
12, MISSION ROW,
CALCUTTA-1,
12th November, 1962.

Note:—An Explanatory Statement is annexed to the convening notice issued to Members of the Company.

THE CENTRAL INDIA SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED

NOTICE

THE TRANSFER BOOKS OF THE CENTRAL India Spinning, Weaving and Manufacturing Company Limited will be closed from Wednesday, the 28th November to Thursday, the 20th December 1962, both days inclusive.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Secretaries and Treasurers,
N. H. TATA,
Director.

Registered Office:
BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY.
8th November 1962.

THE KELVIN JUTE COMPANY LIMITED

ANNUAL GENERAL MEETING

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 16th November, 1962 to 30th November, 1962, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
(Sd.) C. HOCKLEY,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA.
6th November, 1962.

MONEY SLIGHTLY EASY

(From Our Own Correspondent)

BOMBAY, *14th November*

Conditions in the short-term money market were tight during the major part of the week under review, with inter-bank call rate standing at 4 per cent per annum. Today, however, there was a slight improvement, as some supplies were reported to have come from upcountry. Since floating funds were larger than demand, the call rate for renewals dropped ¼ per cent to 3¾ per cent. Fresh money was available even at 3¾ per cent. At Calcutta, however, the rate was unchanged at 4¼ per cent.

The sale of National Defence Bonds and Defence Deposit Certificates, which commenced on Saturday the 10th inst., does not appear to have affected the money market in any way so far. The details of the issues were given in this column last week. The initial response to these issues is said to have been quite encouraging. The Life Insurance Corporation alone has bought Bonds worth Rs. 5 crores. Its subsidiary, the Oriental Fire and General Insurance Company, has invested Rs. 15 lakhs.

The amount offered against the Government of India's 91-day Treasury Bills sold under the tender system on Tuesday this week was equal to that invited and accepted, namely, Rs. 2 crores. The average rate of tenders accepted was unchanged at Rs. 2.360 per cent per annum. The Intermediate Treasury Bills, which were on tap from the 7th to 10th inst., fetched a slightly larger sum—Rs. 16.50 lakhs, as against Rs. 13.00 lakhs a week before. The sales of both types of Bills are continuing, the Intermediate from today to the 17th inst.

A further small rise of Rs. 38 lakhs to Rs. 94 crores in India's foreign assets was recorded during the week ended 9th November 1962. The whole of this rise was accounted for by balances held abroad which aggregated Rs. 5.92 crores, while foreign securities held in the Issue Department remained unaltered at Rs. 88.08 crores. Loans and advances to scheduled banks receded by nearly Rs. 2 crores to Rs. 3.98 crores, those against usance bills alone declining by Rs. 1.87 crore to Rs. 2.32 crores. The total notes issued exceeded the Rs. 2,100-crore mark to touch Rs. 2,104.46 crores, a rise of Rs. 19.18 crores as compared with the previous week.

There was a further rise of Rs. 5.48 crores in the quantum of credit made available by scheduled banks to their clients during the week ended 2nd November 1962; the total outstanding advances on that date stood at Rs. 1,394.24 crores. The aggregate deposits of banks as well as inter-bank borrowings, however, declined, the former by Rs. 2.03 crores to Rs. 2,180.19 crores and the latter by Rs. 1.56 crore to Rs. 34.71 crores. Investments, too, declined by Rs. 17.51 crores to Rs. 693.65 crores and so also balances with the Reserve Bank by Rs. 5.03 crores to Rs. 72.73 crores.

A notable event of the week in so far as the Gilt-edged market is concerned was the support extended by the Reserve Bank to the 3 per cent 1986 conversion loan. The Bank announced on Monday that it would buy this loan outright at Rs. 63 in lots of Rs. 2 lakhs. The support is a sequel to the need to arrest a further drop in the quotation for the loan which, it will be recalled, has declined sharply in recent weeks. Just before the announcement, the loan was quoted at as low as Rs. 62.50, as against Rs. 71 prior to the issue of Central and State Government loans in the monsoon months. Simultaneously with the offer to buy the conversion loan, the Reserve Bank reduced its buying rate for five Central loans by 5 nP to Rs. 98.90 for 3 per cent 1964 and Rs. 96.85 for 1966-68 and to Rs. 99.90, Rs. 99.75 and Rs. 99.66 for 3½ per cent 1964, 1965 and 1966, respectively. It also reduced the selling rate for three securities: 3½ per cent 1969 by 25 nP to Rs. 97.55; 3½ per cent 1974 by 20 nP to Rs. 98.30 and 4 per cent 1972 by 5 nP to Rs. 99.30.

In the foreign exchange market, the banks' selling rate for U.S. dollars is unchanged, the actual T.T. and D.D. rate being Rs. 477.75 per $100. Their buying rate for O.D., however, was higher by 25 nP at Rs. 473.75. In New York, the pound sterling has eased slightly in terms of the dollar, the latest available spot and three months forward rates being 280.100-280.140 cents and 279.820-279.860 cents per £, respectively, the corresponding rates last week were 280.120-280.150 cents and 279.840-279.870 cents.

KIPS ARRIVALS RESTRICTED

(From Our Own Correspondent)

MADRAS, *12th November*

Arrivals of kips this week in the local hides and skins market were restricted. Stockists quoted high prices which importers of FAQ types were not prepared to pay. There were many inquiries for the dependable top marks in cow hides lightweights at slightly higher prices. A few sales of cow hides medium fifths were made to the U.K. There was moderate call for lower selections for inland trade. Despite attractive prices offered for cow calf, sellers disinclined to book orders in view of limited stock position. The buffcalf market ruled firmer following increased prices paid by the U.K. buyers. American interest might revive, if prices decline by 5 per cent.

In the skins section, East European countries lifted moderate quantities of superior goat skins at higher prices, and this firmed up the market further. American inquiries were negligible. As regards sheep skins, primes and semi-primes remained steady at last levels, while middle class lightweights were in good demand and heavy averages were a drag on the market. The following were the prices per lb. ruling in the local market for all-round parcels:—

Tanned cowhides 8/8½ lbs. average Rs. 2.05 to Rs. 2.15, tanned cowcalf 1½/2 lbs. average Rs. 3.75 to Rs. 4, tanned buffhides 12/14 lbs. average Rs. 1.67 to Rs. 1.75 and tanned buffcalf 1½/2 lbs. average Rs. 3 to Rs. 3.30.

GOLD FUTURES CLOSED

(From Our Own Correspondent)

BOMBAY, *14th November*

It was a memorable week for the bullion market, as the inevitable, namely, ban on forward trading in gold, was at last enforced. On Tuesday, the 13th inst., the Government of India announced its decision to ban, with immediate effect, forward trading in gold throughout the country. Accordingly, the Government issued a notification, under Section 17 of the Forward Contracts Regulation Act, 1952, and ordered the closure, under Section 16 of the same Act, of all outstanding contracts and business in them at the closing prices on Tuesday, the 13th inst. The Government also rescinded the notification under Section 16 of the said Act, granting official permission to the Bombay Bullion Association Ltd., to conduct futures trading in gold within the limits of Greater Bombay. It may be noted here that under the Act, only the Bombay market had been granted official recognition. Of course, forward trading in gold was being done in other centres, too, particularly Delhi and Calcutta, but this was under voluntary regulations.

The aforesaid decision of the Government did not come as a surprise to marketmen in Bombay, for they had expected it any moment and for quite long. It is true that the authorities of the Bombay Bullion Exchange had submitted a memorandum to the Government a month ago in which they had contended that a ban on forward trading in gold would be ill-advised. But there is good reason to believe that they knew that their advice would fall on deaf ears. It must, therefore, have been a pleasant surprise to them when the Government decided to let futures trading in silver continue as hitherto.

Addressing the members of the Association in the trading ring today about 10 minutes before the official session closed at 4-30 p.m., Mr. Chandulal Kasturchand, President of the Association, formally expressed his regret that the Government should have thought it fit to ban forward trading in gold, but heaved a sigh of relief that such trading in silver at least was left untouched. He urged members to refrain from any unhealthy speculation in silver, now that trading in gold was no more there at least until the national emergency was over. He complimented the members on having carried out trading in gold without any hitch even in the face of the Chinese war, in contrast to the upcountry markets which had plunged into a crisis.

Mr. Kasturchand's counsel to members in regard to trading in silver assumes particular significance, because the feeling in market circles is that, in the absence of futures trading in gold, speculation in silver will tend to rise. It is, however, to be hoped the Association's members will realise that, in their own self-interest, they should not indulge in unhealthy speculation, lest it should precipitate Government action in forward trading in silver too.

As feared and expressly indicated by the market authorities to the Government in their memorandum, trading in spot gold was immediately affected with the announcement of ban on futures trading in the yellow metal. Spot dealers were reluctant to quote any sensible prices and, as against the normal difference of 10 nP between their purchase bid and sales offer, they quoted today anything from Re. 1.50 to Rs. 2. Although today's official closing price for spot gold was mentioned at Rs. 104, the unofficial market price was between Rs. 105.25 and Rs. 107.

The net outstanding business in gold futures was estimated at 550,000 grams and was adjusted at yesterday's closing price of Rs. 106.75 per 10 grams.

Earlier during the week, that is, before the closure of futures trading, gold *Margashir* declined from Rs. 109.25 on Thursday, the 8th inst., to Rs. 103.75 on Saturday, the 10th inst. This was due to the report that the Reserve Bank had asked the banks, informally, to call back the advances against bullion. Subsequently, however, it rallied to Rs. 107.25 by yesterday before closing unchanged over the week at Rs. 106.75. Spot gold fluctuated between Rs. 109.50 and Rs. 104 and closed at the lower level, as against Rs. 105.75 a week ago. Arrivals approximated daily at 5,000 tolas and offtake was unchanged at 3,000 tolas.

Silver *Margashir* receded sharply initially during the week from Rs. 218.25 on Thursday, the 8th inst., to Rs. 213.50 on Saturday the 10th inst., on heavy upcountry liquidation and local selling pressure. Subsequently, however, the contract staged a rally and improved to Rs. 217.50 today, before closing at Rs. 217.05, as against Rs. 219.75 a week ago. Ready silver moved widely between Rs. 217.50 and Rs. 211.80 to finish at Rs. 214.05, that is, Rs. 4.70 lower over the week. Daily arrivals were quite heavy at about 50 bars, while offtake was limited at seven bars.

The dollar price of gold moved within a narrow range of two cents and finished at $35.08⅜ per fine ounce, as against $35.08½ a week ago.

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

	14-11-62 (closing)	High	Low	7-11-62 (closing)
GOLD				
Ready (.99 fine)	Rs. 104.00	Rs. 109.50	Rs. 104.00	Rs. 105.75
Margashir *	106.75‡	109.25	103.75	106.75
Sovereign	83.00	86.00	83.00	82.00
SILVER				
Ready (.996 fine)	214.05	217.50	211.80	218.75
Margashir †	217.05	218.25	213.50	219.75
London—				
Gold	250s.5¾d.	250s.7¼d.	250s.5¼d.	250s.6¾d.
Spot Ready	103d.	103d.	102½d.	102½d.
Silver Forward	103¼d.	103¾d.	103d.	103d.
New York—				
Silver	120.25 cents	—	—	120.50 cents

* 11th December settlement. † 12th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce. ‡ As on 13-12-62.

COTTON FUTURES RECOVER

(From Our Own Correspondent)

BOMBAY, *14th November*

The cotton futures market ruled distinctly easy during the week under review. Prices crashed on heavy selling by local and upcountry operators. Although lower levels met with resistance, buying support was feeble and insufficient to induce a sustained recovery. Over the week, the Jarilla march contract suffered a net loss of Rs. 6.25.

The weakness of the market was the result of a combination of factors. The closure of the stock exchange, since reopened on Monday, the 12th inst., fears of restriction on bank advances against commodities, prohibition of movement of cotton in Bombay City and other areas and fall in spot prices, following increased arrival of new crop, unnerved operators who rushed to liquidate. Jarilla March contract declined on persistent selling from Rs. 734 last week-end to Rs. 719.50 on Saturday. The low level attracted some buying and the contract improved to Rs. 727.75 today. Apprehension about the availability of U.S. cotton also helped the recovery.

Activity in the spot market was restricted. The sealing of some upcountry zones and the ban on the movement of cotton from godowns at Bombay, except with the permission of the Textile Commissioner, made mill buyers cautious. Spot prices tended to recede, thanks to larger arrival and new crop. Mills were reluctant to buy in a declining market.

The demand for Bengal *Deshi* from Japan noticed last week dried up. Obviously, overseas buyers are anticipating a further fall in prices. Reflecting the mounting volume of new crop arrival, *Deshi* prices eased. Demand for foreign cotton was moderate. Ready lots of East African, Sudan and Egyptian cottons attracted the attention of mills. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal *Deshi* 607; Ganganagar 741; Co2 (new) 1670; L. 147 1,175; Giza 47 1,300.

The easy trend noted in the Karachi cotton futures market during the past two weeks gathered further momentum during the week. Sellers continued to predominate the market. Reports of China's entry into the market failed to have any bullish impact on futures prices. The January contract declined further to Rs. 65.35, as against Rs. 66.40 last week-end. The March contract eased from Rs. 67.10 to Rs. 66.55.

Quiet conditions prevailed in the Liverpool cotton futures market. Values remained practically unchanged in featureless trading. A small volume of trade selling was absorbed by commission houses. Switchover of mill hedges from the near months to more forward positions accounted for most of the turnover. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December 23.85; March 23.05, May 23.60.

American cotton mixed growth contract: December 24.20.

Sudan: November, January, March 29.50.

Cotton futures in New York recorded handsome gains during the week. Commission house buying and trade support prompted by reports of increasing entry into the loan programme and the steady decline in certified cotton stocks led to a rally in prices. The December contract firmed up from 33.65 cents last week-end to 33.91 cents per lb., the March contract from 34.12 cents to 34.29 and the May contract from 34.24 cents to 34.31. Ready prices were, however, steady, with New York spot quoting at 34.85 cents per lb. and New Orleans spot at 32.65 cents per lb., same as last week.

FURTHER SETBACK IN YARNS

(From Our Own Correspondent)

BOMBAY, *14th November*

Yarn prices in the local market declined further this week in the absence of both local and upcountry demand, discouraging performance of the cloth trade here and withdrawal of surplus funds in the market in view of the Chinese war. Weakness was more pronounced in the art silk yarn and staple fibre yarn sections, especially because the premia commanded by import licences were said to be not particularly encouraging. It was reported that demand for yarns in Amritsar and Ludhiana had contracted, while indigenous supplies had continued to be satisfactory. Consequently, some of the factories were said to have curtailed production.

In the light of the above developments, therefore, buying enthusiasm was conspicuously lacking in the local market. The 40/2 staple fibre December contract declined during the week from Rs. 703 to Rs. 677 on bull liquidation and selling pressure. The February contract fell from Rs. 720 to Rs. 699. In the spot section, 40/2 Centurys receded further from Rs. 7.63 to Rs. 7.41, so did Kohinoors from Rs. 8.87 to Rs. 8.18 and Citys from Rs. 8.38 to Rs. 8.12. In the art silk yarn section, National Rayon 150D moved down from Rs. 12.65 to Rs. 11.23 and 120D from Rs. 15.95 to Rs. 14.56. The South India Viscose 150D eased by 20 nP to Rs. 12.65. 120D slumped by Rs. 2 to Rs. 14.98. Bright Centurys 'A' 100D came down from Rs. 17.60 to Rs. 17.12 and 75D lost 16 nP to Rs. 21.16. Cotton yarns continued to be listless.

It was reported that the Textile Commissioner had called a meeting of the representatives of the Bombay Yarn Merchants Association and Exchange Ltd. on Saturday, the 17th inst., to review the situation in the market.

The recommendations of the Rayon Yarn Distribution Committee for raising the prices of art silk yarn are understood to have been accepted by the Government and an official announcement is

expected shortly. The increase in prices will be made effective in respect of allotments for the October-December 1962 quarter and the subsequent allotments. The price of 100D yarn will be raised from Rs. 8.26 to Rs. 8.84 and that of 120D yarn from Rs. 7.64 to Rs. 7.89, the price of 150D yarn will be left unchanged at Rs. 6.94, and the price of 300D yarn will be reduced from Rs. 6.94 to Rs. 6.80.

Exports of art silk and nylon fabrics recorded a big increase in October as compared with those in the previous month. Shipments in October aggregated 6.71 million metres, valued at Rs. 62.66 lakhs, as against 5.25 million metres, valued at Rs. 50.65 lakhs, in September. The aggregate exports for the seven-month period from April to October this year amounted to 39.9 million metres, valued at Rs. 4.03 crores. The average price realisation in October was lower at 92 nP per metre of cloth, as compared with 96 nP in the previous month because of the tendency on the part of the exporters to ship goods at any prices in order to earn the corresponding import entitlements.

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

	14-11-1962	7-11-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	14.56	15.95
Century 75D	21.16	21.32
S. I. Viscose 150D	12.65	12.85
Staple fibre yarn (40×2)—		
December (,,)	677.00	703.00
February	699.00	720.00
Kohinoor (per kg.)	8.18	8.87
Century	7.41	7.63
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.62	18.50
22s Century	24.50	24.50
30s Bradbury	27.00	27.00
40s T.T. Conn	—	37.25
60s Finlay	71.12	71.12

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 13*th November*

Following good business done for both internal consumption and export, jute goods were fully steady during the week under review. Although a mid-week decline occurred owing to resistance by buyers, recovery soon set in and the closing levels for the week were very much the same as the opening rates. The recent gains were thus maintained. Conditions in the fibre market also became steadier on increased support by mills, following the Jute Commissioner's order compelling mills to buy about 10 lakh bales during the weeks ending 10th, 17th and 24th November and 1st December in equal quantities, so that minimum stock levels would be maintained. There were reports that prices in the *mofussil* had arisen by a rupee per maund from the lowest levels. The Indian Jute Mills Association urged the withdrawal of this order, on the score that the present situation did not call for such a drastic step.

On behalf of the Government, it has been pointed out that fibre purchases by mills in the first three weeks of last month were proportionately less than in the previous month and considerably less than the October 1961 level and that, as a result, prices last month declined to rock bottom levels in Bihar and Tripura; the Calcutta price was Rs. 2 to Rs. 3 lower than the minimum level of Rs. 30 a maund basis Assam bottoms. The low price-trend caused anxiety to the Government, inasmuch as even in the interests of mills minimum prices should be ensured to farmers; otherwise, it is apprehended, the next crop would be lower than requirements. The difficulty experienced in the movement of jute is conveniently ignored, as also the Buffer stock purchases which are stored in mills' godowns. It is further pointed out on behalf of the Government that the Commissioner's order is nothing unusual; it patiently waited for three weeks in October to enable the price to rise to the minimum level. It is also stated that the quota of one million bales has been arrived at on the basis of the mills' purchases in November 1961 and the stocks held in transit in agencies would be taken into account, the quota being inclusive of imported jute and cuttings according to a subsequent clarification. From the Commissioner's order, it is clear that the Government desires the mills to continue to work up to their maximum capacity. But it should be emphasised that at present what is mostly available is lower grade fibre and to increase the proportion of the output of sacking as against hessian would be palpably inadvisable, as demand for sacking goods has not yet shown a healthy revival. The mills would, of course, like to increase the output of hessian, as there is ready demand for all that mills can produce under this construction. This, however, is not possible due to paucity of good fibre.

It is good news that the stocks of goods with mills as at the end of October 1962 fell by 3,200 tons to 90,700 tons. Hessian at 24,600 tons declined by 100 tons, sacking at 54,000 tons by 1,500 tons and miscellaneous goods at 12,100 tons by 1,600 tons. The decline in stocks was due not to an increase in demand but to the fall in output as October was a shorter working month in view of several holidays. The actual output in October was lower by 9,600 tons at 90,900 tons. The fall in stocks was a factor for this week's steadier price trend. During the week, the U.S.A. continued to buy hessian substantially and the U.S.S.R. also turned a large buyer for the same construction. As a result, it was apprehended, a shortage in ready goods was in the offing. Much forward business was also done. Besides, there was much speculative demand for ready goods anticipating demand for November due dates. In sacking also, there was good business done. The Assam Government's order for sandbags, too, was a factor for the rise in prices. What is more, internal buying for commercial consumption was reported to be good.

During the week, the I.J.M.A.'s decision to continue the present high rate of output for one more month more, that is up to 10th December, was announced. This has not come as a surprise, for, with the high stocks of fibre and the Jute Commissioner's order to mills to purchase at least 10 lakh bales this month, the mills must continue to produce as much as possible. Also, in view of the emergency in the country and higher purchases of hessian by the U.S. and the U.S.S.R., demand has also improved. However, the lack of adequate transport for movement of fibre from agencies to mills' stations is causing anxiety. The I.J.M.A. has duly represented the need for better transport facilities for movement of the crop, and the Government in turn has sought the close co-operation of mills in order that prices would pick up to the minimum levels.

Reports received from Dundee indicated good demand for goods on mills there. In fact, Dundee mills have little to sell against ready delivery, and orders are being booked for forward delivery. Lack of adequate labour and absenteeism on the onset of winter are preventing these mills from raising output. These reports were noted here, as they signified that British demand for goods on Calcutta woud increase in the coming few weeks.

On Tuesday last, prices for ready goods eased here on account of selling pressure in the futures market. Ready hessian 40" 10 oz. fell from Rs. 59.10 to Rs. 58.50 and B. twills from Rs. 120.70 to Rs. 119.50. The details of stock with mills as at the end of October arrested the falling tendency on Wednesday, but the recovery proved to be a temporary phase on account of the continued selling pressure in the futures market. As a result, hessian 40" 10 oz. fell to Rs. 57.75 but B. twills closed slightly higher on balance at Rs. 119.60. On Thursday, rumours of a Government tender boosted prices of both hessian and sacking goods, but the decision of mills to continue the extended phase of production by a month more checked the rising trend. B. twills were firm at Rs. 120 and hessian 40" 10 oz. at Rs. 57.75. On Friday, the news of a Burmese tender for sacking made conditions steadier. B. twills spurted to Rs. 121 and, in sympathy, hessian 40" 10 oz. hardened to Rs. 58.10. Conditions were steadier during the week-end, with B. twills quoting at Rs. 122.00 and hessian 40" 10 oz. at Rs. 58.20. Overseas buyers were disinclined to support the higher rates, and yesterday's business was limited to some covering demand. B. twills eased to Rs. 119.90 and hessian 40" 10 oz. to Rs. 57.00.

The fibre market was also steady, and prices were rising from the earlier levels, which were below the I.J.M.A. minimum prices. Mills concentrated more attention on the higher-grade jute. White jute on offer was plentiful, but sellers in upcountry reported embarrassment in fulfilling commitments, in view of the transport situation. Prices in Calcutta for Nov.-Dec. delivery were: Assam bottoms Rs. 30.00, northern bottoms Rs. 29.50, and daissee bottoms Rs. 32.00. Firmer conditions were also in evidence in the Pakistani markets following increased interest shown by overseas buyers. All the same, transactions in *pucca* bales could be put through only below the minimum rates. Recently, the E.P.C. rates for mills lightnings and higher grades were raised by £2 and £4 a ton, respectively.

NILGIRI BROKEN TEA EASIER

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

COCHIN, *8th November*

A total of 698,000 kgs. was offered in sale No. 44 held on Tuesday the 6th inst. Quality generally showed a seasonal decline. There was strong demand for all descriptions except for highgrowns which eased with quality. Nilgiri brokens were irregular and easier. Their fannings, however, were readily taken up at lower levels. Good mediums sold well at enhanced rates, particularly their brokens. Medium and low medium brokens encountered keen competition and advanced considerably in price, but their fannings did not appreciate to the same extent. Plainest types followed the upward trend of the market. Black leaf descriptions were keenly competed for and were generally dearer. Whole leaf grades were well supported and registered advances in price. Unorthodox descriptions were irregular and sometimes lower. Tippy teas sold well.

The quotations (per kg.) were:

	1962 Rs.	1961 Rs.
Low mediums	3.90-4.50	3.80-4.15
Mediums	4.50-5.00	4.15-4.40
Good mediums	5.00-6.00	4.50-5.35
Nilgiri B.O.P.	5.50-7.90	5.20-8.00

The average price realised in sale No. 44 was Rs. 4.83 per kilo, as against Rs. 4.59 a week ago and Rs. 4.69 in the corresponding sale last year.

In sale No. 44 held today, a total of 311,000 kgs. was offered. There was strong and active demand. Low mediums and mediums met with keen competition and generally sold up to 30/40 nP above last rates. Good mediums shared in the upward trend of the market but not to quite the same extent. Highgrown descriptions may generally be quoted at firm to dearer. Teas of unorthodox manufacture were irregular but also appreciated in price.

The average price realised in dust sale No. 44 was Rs. 4.32 per kilo as compared with Rs. 4.07 a week ago and Rs. 4.26 in the corresponding sale last year.

Colombo: Approximately 5¾ million lbs. were offered. There was very strong demand. Best dimbulas were dearer, but the lesser kinds were irregular and easier. Fannings in this category were unchanged. Uvas were lower following quality and whilst the best mediums sold at irregularly easier rates, others were very strong and dearer. Lowgrowns and plainest descriptions advanced by 15/20 cents.

London: North Indian and other growths: In Monday's auction offerings met with strong demand with any price changes in sellers' favour. The strongest feature of the sale were Plain descriptions which were up to 3*d.* dearer.

Ceylon and South Indians: Offerings in Tuesday's sale amounted to 21,389 packages, of which 7,332 packages were South Indian teas. There was strong demand for all types with the lowest tending dearer.

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

"*Sale No.* 45: 732,000 kgs. offered. Strong demand. Low mediums and mediums 40 to 50 nP dearer, sometimes more. Good mediums fully firm. Highgrowns easier with quality. Unorthodox much dearer."

TEA HARDENS

(From Our Own Correspondent)

CALCUTTA, 13*th November*

A steady flow of demand was once again discernible in the tea export sale held here yesterday as well as at the internal auctions held last week. Movement of Assam tea continued to be affected, but prospects of early resumption of Calcutta-Assam river services, which have remained suspended for the last five weeks as a result of strike by some Pakistan crew, appeared brighter. The West Bengal Labour Commissioner, Mr. D. Chatterjee's discussions with the parties concerned led to the proposal to convene at Calcutta a conference of the representatives of Companies and employees as well as those of the East Pakistan and West Bengal Governments. The Commissioner was hopeful of positive results at this conference.

In the dusts sale held last week, offerings aggregated 29,104 packages which met with strong general demand at hardening rates. There was keen competition in plain and medium orthodox teas which rose by 50 nP. Legg-cuts added liberal gains on strong demand. Among C.T.C. teas, the good descriptions were fully firm at last levels. The medium kinds were also steady, and the more fibrous kinds attracted particular attention which led to an impressive advance in prices. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.30 to Rs. 6.70; medium Assam C.T.C. dust Rs. 5.80 to Rs. 6.10; legg-cut dust Rs. 5.40 to Rs. 5.65; medium Assam dust Rs. 4.80 to Rs. 5.40; and plain orthodox dust Rs. 4.60 to Rs. 5.00.

With the state of emergency in the country and the need to earn as much foreign exchange as possible, the question of reserving exports generally and to the U.S.A. and Canada in particular has received added importance and significance. However, while the quantity of tea exports is generally satisfactory and exports have received a decided boost as a result of the recent export duty concession, exports to the U.S. and Canada in the four months of the current season ended October 1962 amounted to only 6.8 million lbs., representing a fall of 500,000 lbs. over the corresponding previous period. The prices of common and low medium teas in the current season, it may be noted, have declined and the output has also declined. In the circumstances, both industry and trade emphasise that the time for the total abolition of the export duty has come. Such a step would lead not only to increased exports but also to rise in production. Prices of good quality teas are better this year than in last year, though it must be said that the improvement has been due more to decline in production. And it is stressed that, if only the industry is enabled to reduce the price, it can create much goodwill abroad.

Strong demand for all descriptions of tea on offer yesterday's export sale, amounting to 71,698 packages, was the outstanding feature. C.T.C. teas elicited keen attention and were fully firm. The plainer teas were dearer, B.Ps receiving greater attention than fannings. Best liquoring teas were steady. Legg-cut teas added 20 to 30 nP. Plain orthodox teas advanced rapidly, and fannings were much favoured. Keen competition was offered to the brighter B.O.Ps and liquoring P.Fs advanced impressively. Darjeelings were on good demand. The poorer grades were steady, but the higher grades in an irregular trend were subjected to withdrawal occasionally. Plain whole leaf grades were about firm to slightly dearer, but the better descriptions recorded an irregular trend. Despite keen competition, tippy teas were irregular. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 6.70 to Rs. 7.20; best Assam C.T.C. B.P. Rs. 6.70 to Rs. 6.90; medium Assam C.T.C. fannings Rs. 5.90 to Rs. 6.60; medium Assam C.T.C. B.P. Rs. 6.00 to Rs. 6.60; plain fannings Rs. 4.60 to Rs. 5.20; plain B.P. Rs. 4.30 to Rs. 4.60; and clean plain pekoe Rs. 4.70 to Rs. 4.90.

CEILINGS IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, 14*th November*

Ceiling prices for all hedge contracts in oilseeds and oils have been fixed by the Forward Markets Commission, the actual ceilings being those which the Bombay Oilseeds and Oils Exchange has suggested last week except in the case of groundnut oil. The ceiling rate for groundnut January delivery is Rs. 236 and that for castorseed March Rs. 181 (per 250 kgs.). A penalty of Rs. 5 will be payable by the seller in castor as well as groundnut deliveries for non-delivery of goods. The ceiling rates of cottonseed is Rs. 111 (per 250 kgs.) and linseed Rs. 42 (per 50 kgs.), while in regard to groundnut oil January contract, the ceiling is 50 nP lower at Rs. 32 per 50 kgs. The penalty for non-delivery is Rs. 2, Re. 1 and 75 nP, respectively.

The ceiling prices, which came into force on Thursday last, initially unnerved the bulls and so

the values of seeds and oils declined. Towards the close of the week, however, futures staged a recovery. The recovery was so marked that today's closing prices of futures contracts were well above those prevailing a week ago. The rise in the quotation for groundnut January 1963 contract was particularly notable today, thanks to persistent short-covering by some operators. The spot section, however, depicted a different trend. Groundnuts and groundnut oils ruled easy due to larger arrivals of new crop from the South and absence of encouraging support. Castorseeds, linseeds and cottonseeds, too, were easy.

Among groundnuts, January 1963 contract fell initially from Rs. 226.50 to Rs. 225.25, before rising to close at Rs. 228.37. Groundnut oil January 1963 contract rose by 10 nP to Rs. 31.10. Khandesh quality fell by 38 nP to Rs. 45.62. Nizam bold declined by 25 nP to Rs. 45.25. Oil ex-mill and railway receipts shed 5 nP each to Rs. 19 and Rs. 18.80 respectively.

Castorseed March 1963 contract hardened by 25 nP to Rs. 167.25. Kanpur bold lost 25 nP to Rs. 31.50. Ready Madras eased by 13 nP to Rs. 32.87. Oil B.S.S. was lower by 5 nP at Rs. 13.80. Oil commercial too receded by a like amount to Rs. 12.85.

Linseed March 1963 contract, which moved down from Rs. 39.12 to Rs. 38.50, improved to wind up the week at Rs. 39.12. Bold ready was quiet at Rs. 41.50. But linseed oil rose by 10 nP to Rs. 16.85.

Cottonseeds January 1963 contract rose by a rupee to Rs. 103.50. Berars and non-white were both quiet at Rs. 25.

The following table shows the closing prices of oilseeds and oils on Wednesday 14th November as compared with those of the two previous weeks:

	14-11-1962	7-11-1962	31-10-1962
	Rs.	Rs.	Rs.
Groundnut			
Groundnut January 1963 ..	228.37	226.50	230.87
Nizam bold	45.25	45.50	45.25
Khandesh quality	45.62	46.00	45.87
Oil ex-mill ready*	19.00	19.05	19.35
Railway receipts*	18.80	18.85	19.15
Castorseed			
Castorseed March 1963	167.25	167.00	169.87
Ready Madras	32.87	33.00	33.62
Ready Kanpur	31.50	31.75	32.37
Oil B.S.S.†	13.80	13.85	13.90
Oil commercial†	12.85	12.90	12.90
Linseed			
March 1963	39.12	39.12	40.12
Bold ready	41.50	41.50	42.12
Oil ready†	16.85	16.75	17.10
Cottonseed January 1963 ..	103.50	102.50	105.50
Niger seed	36.12	35.75	36.50
Kardi seed	27.50	28.50	28.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, 13*th November*

Largely due to buyers' resistance to support higher levels, prices in the metal market receded during the week under review. As an immediate reaction to the outbreak of open hostilities by the Chinese nearly three weeks ago, prices began to rise, but the fact that prices were already much above world levels put a check on the rising trend. The trade is eagerly awaiting the announcement of the import policy. It is realised that, in view of the very essential nature of non-ferrous metals for stepping up Defence production, imports are likely to go up. This year's imports have been much below the estimated requirements of principal metals. The Development Council for Non-ferrous Metals Industry has estimated the demand for tin at 7,000 tons, zinc and copper at 85,000 tons each, and lead at 35,000 tons.

Efforts of the Government to restrict copper consumption have been mainly to urge the cable manufacturing plants to switch over to aluminium. These companies have made a beginning in this regard, though this has meant some capital expenditure. The saving in copper in this regard, it is considered, should be substantial, but the same is not reflected in supplies easing, since consumption elsewhere has advanced in keeping with the increased tempo of industrial activity in the country. Against this background and having regard to the increased requirements of metals, the forthcoming import policy is awaited with added significance. World supplies of copper, tin, zinc and lead are plentiful and, as a result, production of these has been cut down. There would be no difficulty for India to get as much supplies from abroad as are necessary. If only imports were increased, prices could be forced down.

On the London Metal Exchange, cash copper was maintained at £234 a ton. The backwardation was as low as 10s. The possibility of other mine workers following the Chilean strike was a factor imparting steadiness. In Calcutta, prices of copper scrap were quiet, despite continued shortage. There was the news during the week that duty drawback was proposed to be allowed on exports of copper conductors and cables. Tin in London opened at £868 a ton and, after easing to £867 on Penang reports of Japanese withdrawal from buying following full satisfaction of demand, recovered to close higher on balance at £873. The International Tin Council was reported as having decided to request the United States once again to modify the latter's policy with regard to both quantity and price. Tin continued to be in acute shortage in India, and the Calcutta quotation was slightly higher at Rs. 2.650 per 100 kgs. Local demand for zinc was poor and the price eased from Rs. 274 to Rs. 266 per 100 kgs. In London, the spot metal closed at £67¼ a ton, representing a gain of £1¼ over the week, following some revival of demand. A small gain was also recorded on the New York Commodity Exchange. Lead was unchanged here at Rs. 141 per 100 kgs. In London, the price receded from £53⅜ a ton to £52¾.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, 12*th November*

The linseed market has been rather lifeless. Reaction appears to have set in and prices have declined following improved offers from upcountry and general decline in other commodities due to the uncertainty of the money market. The banks are not willing to advance money on stocks held by secondhand sellers. The daily turnover has been fair. The oil market is quiet in sympathy with seeds and prices have registered a small decline. Only small local business is passing for ready delivery. Sellers are not interested for forward sales. The oilcake market is dull. Prices have declined, and offtake is small.

The latest quotation for November delivery is Rs. 83.06 per quintal.

FOODGRAINS DEPRESSED

(From Our Own Correspondent)

HAPUR, 12*th November*

Foodgrains continue to rule depressed during the week. Traders have shown determination not to let prices rise in this hour of national emergency. The Government of India is also increasing supplies and sales of wheat through fair price shops. It is reported that the food situation in the country is very good. Apart from previous commitments under P.L. 480 agreements, more wheat and rice supplies have been arranged from the U.S. to meet emergency. *Rabi* sowings here in Northern India have almost been completed and the first reports indicate that germination has been satisfactory.

Wheat average quality was stationary during the week at Rs. 40.19 to Rs. 40.87, while farm quality eased by 67 nP to Rs. 43.54-Rs. 45.55 on selling pressure by stockists and poor demand. Red wheat stood at Rs. 37.51-Rs. 38.18 a quintal. Arrivals were small around 200 maunds daily and stocks declined to 47,000 maunds.

Rice also registered an easy trend due to better arrivals of new produce from east U.P. Prices went down by 67 nP to Re. 1.34. Old stocks were reported to be small, around 4,000 maunds. Week-end prices were: Rice *basmati* superior Rs. 80.38 to Rs. 93.77; *sela basmati* Rs. 75.02 to Rs. 80.38; *mainpuri sela* new Rs. 52.25 to Rs. 52.92; *ramajwayan* new Rs. 58.94; *raimunia* Rs. 61.62; and *gadda* new Rs. 48.23 a quintal.

Easy trend was also witnessed in gram in the absence of support. Prices declined by 67 nP a quintal to be quoted at Rs. 42.87 for Punjab quality and at Rs. 42.51 for local produce. Stocks were about 8,500 maunds. Maize, however, was steadier on brisk seasonal demand. Prices were quoted between Rs. 39.81 to Rs. 39.15 a quintal. Stocks were reported to be only 4,000 maunds and arrivals averaged 200 to 300 maunds daily. Barley and *bejhar* were steady and were quoted between Rs. 26.79 to Rs. 27.46, respectively. *Juwar* and *guwar* were almost stationary. Other grain prices were listless. Week-end prices were: *Juwar* Rs. 45.55 to Rs. 48.23; *guwar* Rs. 36.17 to Rs. 37.51; *methi* Rs. 61.62; *bajra* Rs. 37.51; and oats Rs. 32.15.

Among pulses, peas declined by 67 nP on selling pressure by stockists *dara* quality was quoted at Rs. 31.12 to Rs. 31.48 and farm at Rs. 33.40 to Rs. 34.16. Peas dal was quoted at Rs. 36.17. Arrivals were small. Stocks aggregated about 37,000 maunds. Two wagon-loads despatched to the South during the week. *Arhar* ruled steady, as demand was brisk. New *urd* improved slightly on better demand. *Masoor* also ruled steady. Other grains were almost stationary. Week-end prices were: *Arhar* Rs. 57.60; *arhar dal* Rs. 71; *moong* Rs. 50.91 to Rs. 53.58; *moong dal* Rs. 58.94; *masoor* Rs. 45.55 to Rs. 48.23; *masoor dal* Rs. 59.94; *moth* Rs. 40.19; *moth dal* Rs. 48.23; *gram dal* Rs. 49.57

SUGAR DECLINES AGAIN

(From Our Own Correspondent)

HAPUR, 12*th November*

Sugar prices suffered a further setback during the week under review under pressure of sales by factories. New production has commenced in most factories in the district and the rest will start their crushing in a few days. Demand even at lower rates was not forthcoming and there was selling pressure, as the mills wanted to clear their godowns to provide space for new produce and the validity period for sale of quota was also coming to an end. Spot delivery here was almost stationary at Rs. 106 per quintal, while mill delivery eased by 25 nP to 75 nP per quintal according to varieties.

Sugar declined by 50 nP to Rs. 1 per quintal during the week in the Muzaffarnagar market, as demand was not forthcoming even at lower rates from Gujarat, Madhya Pradesh, and Punjab and prices in some cases were now quoted even lower than the former controlled prices. Offtake in the spot section, however, was better, due to Ganges Fair. Week-end prices were: spot delivery C 29 Deoband and Mansurpur Rs. 106.50; and D 29 at Rs. 106 per quintal.

Khandsari ruled quietly steady, as the stocks of old produce left with the trade were meagre. New produce was reaching the market in small quantity. Rajasthan and Punjab were the main buyers. Production was expected to rise soon. Week-end prices per quintal here were: New *khandsari* Rs. 101.81 to Rs. 104.19; old Rs. 99.43 to Rs. 99.13; crystal *boora* Rs. 107.17 to Rs. 108.51.

Gur pansera quality continued to rule bearish under pressure of arrivals, while *balti* quality stayed steady, thanks to buying support from Gujarat, Saurashtra and other consuming areas of South which have a fancy for this quality. The daily arrivals of *gur* now averaged 7,000 to 8,000 maunds, while in the other mofussil towns of Gulaothi and Siana, they were at an average of 3,000 maunds only. The entire arrivals, however, were being readily lifted, thanks to easy loading facilities. The week's offtake aggregated thirty wagon-loads. The total arrivals of *gur* here during the current season were about 90,000 maunds the corresponding figure last year being much lower at 30,000 maunds. *Shakker* continued to attract good buying support. Arrivals were small, the daily average being 250 maunds. Week-end prices at Hapur were: *pansera* superior Rs. 53.58; inferior Rs. 42.87 to Rs. 50.91; *balti* Rs. 60.28 to Rs. 61.62; *shakker* Rs. 58.94 to Rs. 61.62.

Increased arrivals of *gur* and *shakker* in the wake of slack demand from consuming areas accounted for depressed conditions in *gur* prices in the Muzaffarnagar market. *Chaku* quality eased by Rs. 2 to Rs. 3 per 40 kilos and *pansera* quality by Re. 1 to Re. 1.25. Daily arrivals averaged 14,000 maunds, bringing the total for the current season to 160,000 maunds.

Gur futures ran down sharply during the week on continued bear pressure. They opened at Rs. 21.23 last Monday and, after touching the highest the same day at Rs. 21.26, receded to Rs. 20.71. On Saturday, the rate stood at Rs. 20.84. Futures section was closed today, due to Ganges Fair.

Notice

THE BRITISH BURMAH PETROLEUM COMPANY, LIMITED

(Incorporated in England)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Annual General Meeting of the Company will be held at Noble Chambers, Parsi Bazar Street, Fort, Bombay, on Wednesday, the 19th December 1962, at 4.00 p.m. (S.T.), for the following purposes:—

(*a*) To receive the Balance Sheet and Statement of Accounts for the year ended 31st March 1962, together with the Reports of the Directors and Auditors thereon;

(*b*) To declare a Dividend;

(*c*) To elect a Director in place of Mr. A. P. Faickney, who retires by rotation and being eligible offers himself for re-election;

(*d*) To elect a Director in place of Mr. C. R. Jussawalla, who retires by rotation and being eligible offers himself for re-election, and for that purpose to consider, and if thought fit, to pass the following resolution as an Ordinary Resolution, of which Special Notice as required by Section 185 of the English Companies Act, 1948, has been received by the Company:

"RESOLVED THAT Mr. C. R. Jussawalla who has attained the age of 70 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 185 of the English Companies Act, 1948, shall not apply to him."

(*e*) To appoint Auditors and fix their remuneration.

A Member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.

By Order of the Board,

THE BRITISH BURMAH PETROLEUM COMPANY LTD.

F. S. PANTHAKI,
Acting Secretary.

NOBLE CHAMBERS,
PARSI BAZAR STREET,
FORT, BOMBAY.
5*th November* 1962.

The Transfer Books of the Company will be closed from Saturday the 1st December 1962 to Friday the 21st December 1962, both days inclusive.

If the Dividend as recommended by the Directors will be passed at the Meeting, payment of the same will be made on and after 20th January 1963, to those Members whose names stand on the Company's Register on Saturday the 1st December 1962.

The Shareholders are requested to notify any change in their addresses without delay.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 9th Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	50,42,72,000
(ii) State Governments	17,86,43,000
(b) Banks—	
(i) Scheduled Banks	80,81,24,000
(ii) State Co-operative Banks	1,94,78,000
(iii) Other Banks	3,13,000
(c) Others	160,07,43,000
Bills Payable	25,30,71,000
Other Liabilities	30,94,05,000
Rupees	520,40,49,000

ASSETS	Rs.
Notes	17,49,86,000
Rupee Coin	3,54,000
Small Coin	2,70,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,98,79,000
(ii) State Co-operative Banks	11,61,72,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	103,51,37,000
Balances Held Abroad*	5,92,26,000
Loans and Advances to Governments**	9,71,00,000
Loans and Advances to—	
(i) Scheduled Banks†	3,97,65,000
(ii) State Co-operative Banks‡	133,32,30,000
(iii) Others	1,26,57,000
Investments	174,22,32,000
Other Assets	32,44,53,000
Rupees	520,40,49,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

† Includes Rs. 2,32,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	17,49,86,000	
Notes in circulation	2086,95,93,000	
Total Notes issued		2104,45,79,000
Total Liabilities		2104,45,79,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		120,32,16,000
Government of India Rupee Securities		1778,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2104,45,79,000

State Bank of India

Statement of Affairs for the week ended 9th Nov., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		580,48,59,000
Borrowings from Other Banking Companies, Agents, etc.		55,00,000
Bills Payable		12,04,63,000
Bills for Collection being Bills receivable as per contra		2,76,58,000
Acceptances, Endorsements and Other Obligations per contra		8,59,15,000
Other Liabilities (including Inter-Office Adjustments)		18,79,60,000
Total .. Rs.		637,06,05,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,89,41,000
Balances with other Banks		2,53,16,000
Money at Call and Short Notice		2,60,00,000
INVESTMENTS—		
Government and other Trustee Securities	276,94,81,000	
Other Authorised Investments	10,41,30,000	
		287,36,11,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	252,86,50,000	
Bills Discounted and Purchased	16,68,63,000	
		269,55,13,000
Bills Receivable being Bills for Collection as per contra		2,76,58,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,59,15,000
Premises less Depreciation		2,00,54,000
Furniture and Fixtures less Depreciation		1,66,29,000
Other Assets (including Inter-Office Adjustments)		37,09,68,000
Total .. Rs.		637,06,05,000

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 2-11-62	26-10-62	3-11-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	44,20	45,20	43,99
(ii) From others	814,63	801,94	723,82
(b) Borrowings from banks	19,65	19,77	18,27
(c) Others	55,78	54,70	53,04
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	25,73	24,65	18,20
(ii) From others	1,228,94	1,245,00	1,079,75
(b) Borrowings from banks	15,05	16,50	19,39
(c) Others	10,91	16,73	24,41
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,043,57	2,046,94	1,803,57
4. Borrowings from Reserve Bank	6,02	9,08	16,52
(a) Against usance bills and/or promissory notes	4,19	7,39	7,77
(b) Others	1,83	1,69	8,76
5. Borrowings from State Bank and/or a notified Bank	20,70	20,76	20,13
6. Cash	53,31	49,94	50,21
7. Balances with Reserve Bank	72,73	77,76	73,48
8. Cash and balances with Reserve Bank	126,05	127,70	123,69
9. 8 as per cent of 3	6.17	6.24	6.86
10. Balance with other banks in current account	18,60	17,59	16,03
11. Money at call and short notice	51,74	54,60	43,92
12. Investments in Government securities	693,65	711,16	631,04
13. 12 as per cent of 3	33.94	34.74	34,99
14. Advances—			
(a) Loans, cash credits and overdrafts	1,174,02	1,174,27	1,042,93
(b) Due from banks	6,39	8,92	10.72
15. Inland bills purchased and discounted	165,09	159,11	139,19
16. Foreign bills purchased and discounted	51,13	51,38	47.49
17. Total Bank Credit [14 (a)+15+16]	1,390,24	1,384,76	1,229,61
18. 17 as per cent of 3	68.03	67.65	68.81

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 3rd Nov., 1962P	27th Oct., 1962	6th Oct., 1962	4th Nov., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.1	100.2	100.4	101.0
2. Government of India	99.8	100.0	100.2	100.9
3. State Government	102.0	102.0	102.0	102.0
4. Municipal, Port Trust, etc.	98.8	98.9	99.0	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	98.7	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.9	81.4	81.4	82.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	171.8	174.4	181.3	183.9
8. *Agriculture and Allied Activities: Total**	149.1	149.6	151.8	163.0
9. Tea Plantations	141.4	141.4	143.0	155.4
10. Coffee Plantations	144.1	145.0	146.8	167.8
11. Rubber Plantations	161.8	163.4	164.3	171.7
12. *Mining and Quarrying: Total*	149.0	151.6	163.2	160.4
13. Coal	115.6	116.7	121.3	118.3
14. Other Mining	172.0	175.4	191.9	189.3
15. *Processing and Manufacturing: Total*	184.7	188.1	197.0	199.4
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	192.1	195.1	204.6	210.7
17. Sugar	131.7	133.0	137.5	157.0
18. Cotton Textiles	172.0	175.2	181.6	185.5
19. Jute Textiles	96.4	97.0	102.0	92.3
20. Silk and Woollen	983.1	1,014.4	1,117.6	1,194.1
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	186.2	190.5	200.1	199.8
22. Iron and Steel	143.2	148.9	157.1	158.9
23. Transport Equipment	338.6	349.3	367.1	398.5
24. Electrical Machinery	161.0	162.2	178.3	164.7
25. Machinery other than Transport and Electrical	220.0	222.0	233.5	214.0
26. Basic Industrial Chemicals	177.3	179.7	184.0	206.3
27. *Processing and Mfg. (Others): Total**	159.7	162.4	168.0	164.4
28. Cement	147.1	150.9	156.6	152.6
29. Paper	206.9	207.7	214.3	206.8
30. *Other Industries: Total**	108.2	109.0	110.4	112.0
31. Electricity Generation and Supply	85.8	86.8	86.8	85.4
32. Trading	111.5	111.9	116.5	121.7
33. Shipping and Other Transport	89.6	89.8	90.6	93.8
34. Construction	254.3	257.9	269.5	297.6
35. *Financial: Total*	204.9	205.7	205.9	207.0
36. Banks	229.0	230.2	230.0	234.5
37. Insurance	164.2	163.9	165.5	153.5
38. Investment Trusts	89.4	89.4	89.7	89.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	174.2	178.9	188.8	191.3
40. Calcutta	163.9	164.5	169.0	168.4
41. Madras	185.7	187.7	190.2	202.6
42. Delhi	220.7	225.7	234.6	245.0

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
P—Provisional.

EXCHANGE RATES

	14th November 1962	7th November 1962
London on New York S. per Dollar	2.8011–2.8014	2.8014–2.8017
New York on London Cents per £	280.100–280.140	280.120–280.150
London on Paris .. Fcs.	13.7240–13.7260	13.7265–13.7285
London on Berne .. Sw. Fcs.	12.0865–12.0885	12.0890–12.0910
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1–5 31/32	1–5 31/32
Sellers T.T. D.D. upto six months .. s.	1–5 15/16	1–5 15/16
Buyers T.T. .. s.	1–5 1/32	1–5 1/32
Buyers D.D. .. s.	1–5 1/16	1–5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446.25	446.50
Buyers T.T. .. "	438.50	438.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. .. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.20	90.20
Buyers T.T. .. "	91.10	91.20
Deutsche Marks—		
Sellers T.T. D.D... "	83.70	83.90
Buyers T.T. .. "	84.70	84.80
Italian Lire—		
Sellers T.T. D.D... "	12,955	12,955
Buyers T.T. .. "	13,130	13,135
Swedish Kroner—		
Sellers T.T. D.D... "	107.90	107.80
Buyers T.T. .. "	109.00	108.90
Belgian Francs—		
Sellers T.T. D.D... "	1,037	1,037
Buyers T.T. .. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.40
Buyers T.T. .. "	76.20	76.30
Hongkong Dollars—		
Sellers T.T. D.D... "	119.60	119.60
Buyers T.T. .. "	120.60	120.60
Norwegian Kroner—		
Sellers T.T. D.D... "	149.60	149.60
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.70	144.70
Buyers T.T. .. "	146.10	146.10

State Bank of Pakistan

Statement of Affairs for the week ended 2nd Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	6,28,89,000
(b) Provincial Governments	16,43,67,000
(c) Banks	22,66,18,000
(d) Others	104,11,67,000
Bills Payable	15,95,000
Other Liabilities	11,70,09,000
Rupees	172,51,45,000

ASSETS	Rs.
Notes	8,01,99,000
Rupee Coin	16,000
Subsidiary Coin	19,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	22,17,85,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	41,32,18,000
Investments	90,20,04,000
Other Assets	10,79,04,000
Rupees	172,51,45,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,01,99,000	
Notes in circulation	365,64,69,000	
Total Notes issued		373,66,68,000
Total Liabilities	....	373,66,68,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	59,74,63,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		127,76,71,000
B. Rupee Coin	3,39,80,000	
Government of Pakistan Securities	236,60,11,000	
Internal bills of exchange and other commercial paper	....	
		239,99,91,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	373,66,68,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 35.69 per cent.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	27th Oct., 1962	20th Oct., 1962	28th Oct., 1961	August 1962	August 1961	Percentage of Increase (+) or Decrease (—) in Aug., 1962 as compared with Aug., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	129.6	129.0 R	121.3	131.5	124.3	+ 5.8	120.1	120.0
Cereals	192	108.7	108.2 R	103.1	109.5	105.0	+ 4.3	102.8	104.4
Pulses	43	116.5	116.4	91.6	113.0	90.6	+24.7	91.9	92.9
Fruits and Vegetables	23	125.8	124.3	144.4	146.5	164.0	—11.0	137.6	118.5
Milk and Ghee	84	125.0	123.6 R	113.8	133.0	116.4	+14.5	116.4	116.0
Edible Oils	47	156.8	156.5	148.2	159.4	159.0	+ 0.3	156.5	150.3R
Fish, Eggs and Meat	17	145.7	148.2 R	133.4	149.1	141.6	+ 5.3	135.4	123.5
Sugar and Gur	48	157.8	159.4	124.9	151.2	124.6	+21.3	119.6	132.8
Others	50	172.7	169.6	185.5	171.0	183.4	— 6.8	171.6	167.8
Liquor and Tobacco	21	100.5	100.5	99.5	99.2	99.9	— 0.7	100.3	100.9R
Tobacco	..	97.0	97.0	96.0	95.7	96.4	— 0.7	96.8	108.3R
Fuel, Power, Light and Lubricants	30	125.0	124.8	121.8	124.5	122.3	+ 1.8	122.1	120.0R
Industrial Raw Materials	155	139.1	139.0	136.5	139.6	144.6	— 3.5	142.6	145.4
Fibres	61	129.3	129.1	127.1	128.6	137.7	— 6.6	138.3	151.6
Oilseeds	60	157.8	158.2	151.8	160.4	162.7	— 1.4	156.4	149.9
Minerals	2	93.4	93.4	94.9	93.4	94.9	— 1.6	94.9	97.4
Others	32	125.8*	124.0*	128.7*	124.7	126.9	— 1.7	128.1	128.0
Manufacture	290	129.7	129.0	126.8	129.0	126.3	+ 2.1	126.6	123.9
Intermediate Products	41	145.5	144.9	139.5	143.1	140.9	+ 1.6	138.8	130.6R
Finished Products	249	127.1	126.4	124.7	126.7	123.9	+ 2.3	124.6	122.8
Textiles	147	125.3	124.1	125.3	125.3	124.8	+ 0.4	125.5	125.8
Cotton	..	129.3*	129.3*	128.2*	129.3	127.5	+ 1.4	127.9	128.1
Jute	..	109.3	104.7	120.8*	111.1	121.1	— 8.3	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	135.3*	135.3*	120.0	131.3	118.0	+11.3	119.9	104.4
Metal Products	12	161.0	161.0	151.6	160.8	151.6	+ 6.1	151.6	147.9R
Chemicals	20	117.2*	117.6*	111.5	115.0	111.6	+ 3.0	110.7	104.4
Oil Cakes	9	171.2	168.9	145.7	163.9	146.0	+12.3	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7 R	116.2	117.9	112.8	+ 4.5	114.5	111.9
Others	30	125.1	125.1	121.6	125.3	120.9	+ 3.6	121.3	116.1R
All Commodities	1,000	130.4	129.8 R	124.8	131.1	127.5	+ 2.8	125.1	124.9R

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

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	References
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.00	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	Nil	Nil	Nil		8	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	59.90	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	155.00	50	5.00	5.00	12.50	5.00	8	Y.P.
2,84,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,693	Century Spg. & Mfg.	562.50	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		8	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	140.50	50	10.00	15.00	15.00	15.00	8	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	923	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	B. L. Jalan, Esq. (Chairman)	49,900	884	Elphinstone Spg. & Wvg.	95.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	295.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	222.50	100	21.50	21.50	21.50		12	Y.
24,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00		8	Y.P.
O. 2,50,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	26.75 3.24	O 100. O 1D.	Nil Nil	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,02,72,488	1,94,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		8	Y.P.
59,85,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	380.00	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	280.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	56.00	50	5.00	6.00	6.00		10	Y.
51,75,000	60,60,557	3,25,38,719	2,31,00,780	1,54,822	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	520.00xd	100	21.50	21.50	24.00		6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	422.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	Nil	Nil			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	204.00	100	10.00	15.00	20.00	20.00	8	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	939	Podar Mills	114.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,93,23,023	93,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	127.50	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	49.00	10	2.50	1.70	2.00		12	Y.P.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	238.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	152.00	50	5.00	7.50	Nil	11.00	8	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,30,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,538	2,409	Standard Mills	700.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	250.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	53,84,487	2,16,65,521	1,34,20,392	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	245.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	55.00	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,83,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.†	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	585.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	792.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,183	891	Aryodaya Ginning & Mfg.	395.00	200	....	30.00	30.00		8	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	540.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,03,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	823.00	125	22.00	31.00	34.00§	32.00	8	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	405.00	250	36.00	..	50.00		8	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,285.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	395.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	555.00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	157.50	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,143.00	100	45.00	50.00	Nil		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	9.19	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,30,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxm. Cotton Mill	27.00	40	Nil	Nil	2.00	3.20	8	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	25.87	10	Nil	0.50	1.50		12	Y.P.
24,00,000	81,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co. Ltd.	42,912	841	Bowreah Cotton Mills	25.06	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	27.37	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.50	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	22.25	10	0.25	0.50	1.20	1.20	8	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mills	12.00N 2.50N	10 1D	Nil Nil	Nil Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	139.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.00	100	10.00	10.00	8.00		12	Y.P.
4,75,46,225	6,30,205	5,94,49,233		4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	116.00	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	Nil	1.00	2.00	2.00	8	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	281.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	Nil	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	8	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg	67.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,69,11,924	1,63,54,397	—69,65,939	Tata Industries Private Ltd.	1,15,188	2,064	Central India	103.00	100	Nil	Nil	Nil		6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	8	Y
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	43.00	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,080	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.50	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	176.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	45.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	..	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	84.50	100.00	..	Nil	Nil	Nil	2	Y.P.
59,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	195.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	Nil	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	14.75	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.44	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	..	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	Nil	0.30	0.60	8	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	138.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	8	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	717.50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	33.12	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd	39,896	704	Minerva Mills	71.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	116.25	250	Nil	Nil	Nil		6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	56.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,83,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	Nil	Nil	Nil		9	Y.
'A'. 4,00,000 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	157.80	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15.00	15.00		3	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	137.00	100	Nil	Nil	Nil		12	Y.
94,27,380		5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.62	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	73.65	50	4.00	5.50	5.50	5.50	8	Y.
15,02,500	11,46,452	61,87,618	81,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 7.62	100. 10P.O.	Nil 0.571	6.50 1.071	Nil 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.35	10	Nil	0.80	1.20	1.20	8	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	28.60	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd		200	Virudhunagar Textile Mills Ltd	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	125.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus; † Subject to taxation; M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Calico Mills —The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax;

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.19	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,785	1,04,88,928	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	117.00	100	Nil	6.00	Nil		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,585	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	223.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,68,519	91,58,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	Nil	3	Y.P.T.
20,00,000	85,02,385	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	293.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	180.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	3	Y.P.
45,00,000	27,09,209	73,82,018	48,25,231	62,438	Soorajmull Nagarmull	600	Bengal	10.52	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,85,31,987	8,79,29,226	8,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	30.31	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	160.00	100	15.00	10.00	Nil		10	Y.P.
7,47,980	83,200	49,82,850	36,22,272	—38,987	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,388	James Finlay & Co., Ltd.	600	Champdany	138.00	100	7.00	10.00	5.00	Nil	3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.75	10	1.25	Nil	0.50		11	Y.P.
30,15,000	81,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.25	10	1.50	0.50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	9.00	10	Nil	Nil	Nil		3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	125.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	175.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	412.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	25.37	10	1.50	2.25	2.25	1.00	3	Y.P.T.
84,82,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.12	10	Nil	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.62	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,085	Macneill & Barry Ltd.	1,394	Gourepore	459.00	100	25.00	30.00	25.00		3	Y.P.
40,00,000	93,38,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,778	88,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,558	Jardine Henderson Ltd.	1,940	Howrah	19.37	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	3	Y.P.
37,80,000	26,63,965	1,86,88,015	1,09,04,160	76,164	M.	790	India	17.31	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	164.00 164.00	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,580	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	130.00 130.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	57,46,000	1,59,67,789	1,08,91,650	2,61,205	McLeod & Co., Ltd.	708	Kelvin	190.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	17.00	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	153.00	100	10.00	20.00	7.00	Nil	3	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	120.00	100	2.00	15.00	15.00	10.00	3	Y.P.
31,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	12.62	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,08,70,853	42,332	M.	315	Naihati	107.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.875	0.60			10	Y.T.
36,00,000	52,63,706	1,08,02,989	25,02,498	41,329	M.	852	National	24.87	10	1.00	0.75			10	Y.P.
26,25,000	33,18,272	78,06,659	37,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.25	10	1.40	0.80	0.60		7	Y.P.T.
2,58,63,370	2,60,72,020	9,66,78,581	1,71,78,801	Nil	Sahu Jain Ltd.	1,765	New Central	13.69	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	32.25	10	1.25	8.00	8.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,28,60,831	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	54.75	50	3.00	4.00	8.00		3	Y.
25,00,000	11,44,471	1,06,51,880	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	4.94	5	0.50	0.40	0.80		7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—360,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.44	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,884	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	18,58,456	1,85,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.25	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	165.00	100	20.00	25.00	6.00	Nil	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,831	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	7,20,000	82,36,786	45,97,547	96,614	McLeod & Co., Ltd.	447	Waverley	5.62	1	0.25	0.30	0.30		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	3	Y.P.
86,92,542	23,76,747	84,18,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.40	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,486	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.45	2	0.24	0.20	0.20		6	Y.P.
14,60,100	12,45,700	29,81,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	698H	Chembra Peak Estates	3.53	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,388	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,889	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0 30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	856	Devashola (Nilgiri) Tea	25.05	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,845	2,75,238	30,350	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	66,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.52	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40'446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,875	Kil Kotagiri Tea	4.80	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	3	Y.
3,00,000	6,18,504	14,43,867	3,15,782	1.740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	34.60xd	25	5.00	3.75	3.50		3	Y.P.
36,00,000	23,87,884	85,03,880	15,12,160	16,320	A. V. Thomas & Co. (India) Ltd.	2,089	Neelamalai	3.95	5	0.37	0.37	0.37		3	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.80	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.75	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8,63,183	37,72,915	14,39,943	44,424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	21.55xd	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	16,87,814	33,02,719	6,08,115	40,696	P. S. M. Molyneux, Esq. (Chairman)	579	Parkside	21.62	10	2.75	2.75	2.25		6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21.75	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	2.90	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.53cd	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,778	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,187	Stanes Amalgamated	15.60cd	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.93	2	0.10	0.16	0.20	0.20	3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,806	Parkins Private Ltd.	1,215	Twyford	9.25	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	18,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19.35	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,09,057	75,54,480	10,86,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.15	2	0.25	0.25	0.20		6	Y.P

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	3	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,848	Anaparai Estates Ltd.	2.95	2	0.50	0.40	0.80		6	Y.T.
4,25,000	4,80,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,000	7,87,289	1,30,155	21,576	A. V. Thomas & Co. (Mysore)	576	Bababudin Coffee & Produce	6.05	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.25	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	32.61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.70	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,318	2,26,719	.. ..	8,232	Consolidated Coffee	16.15	10	2.50	2.00	2.00		6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.75cd	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	8,31,891	94,852	34,416	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	3.90	2	0.50	0.50	0.50		6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.10	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.10	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.34xd	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	8,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,43,098	81,358	3,394	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	9.50	5	1.00	1.00	1.00		6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.20	10	1.00	1.25	1.25	1.25	3	Y.P.
8,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.85	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.90	2	0.10	0.10	0.12	0.15	3	Y.P.
13,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	20.25cd	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10.50cd	5	2.50	1.25	1.25	1.00	3	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.70	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.15	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5·05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,35,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.80	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.70	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,90,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	12.31	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25N	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	187.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.44	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.44	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	12.12	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
P.O 1,75,000 2,00,000	8,49,447	22,48,531	8.17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 28.75N	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatollah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	22.50	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.50	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	35.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.56	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	7.00	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	Nil	0.80		12	Y.
3 60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,75,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	9.12N	10	Nil	Nil	Nil		12	Y.P.T
					DARJEELING										
2,79,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	102.50N	100	5.00	8.00	4.00		12	Y.P
2,00,000	3,04,385	9,13,842	8,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69xd	10	Nil	Nil			12	Y.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.P.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	605.00	100	32.50	25.00	25.00		12	Y.
3,00 00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.P.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	8.84N	10	Nil	Nil	Nil		12	Y.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,984	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	19,339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,66,493	Williamson Magor & Co., Ltd.	233H	Soom	49.87N	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.00xd	10	Nil	Nil			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,118	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.P.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	151.00N	100	22.50	17.15	12.50		12	Y.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.P.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	186.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.P.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	106.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	14.81	10	1.25	1.70	....	2.25	12	Y.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	13.69	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	11.06	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.50N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50N	100	17.50	25.00	15.00		12	Y.P.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	35.00	20.00		12	Y.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	127.00N	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,036	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72.15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.37	10	3.00	2.50	2.00		12	Y.
					SYLHET										
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	148.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	99.00N	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	5,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	33.50N	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	67.00	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.05	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.00	10	0.45	0.70	0.70	0.70	3	Y.T.
43,14,600 D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 0.50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		3	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	147.50	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.76	10	0.80	Nil	Nil		12	Y.
1,66,00,000 D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.25 2.35	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.13	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.12	10	Nil	0 60	0.80	0.836	3	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,65,185	....	1,36,60,424		....	Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	Nil	Nil	Nil		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.60	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05,77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94.00	100	Nil	Nil	Nil		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	160.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.68	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors XB—Ex-Bonus 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP.)	1960 (Rs. nP.)	1961 (Rs. nP.)	1962 (Rs. nP.)	Accounts Closed	Reference
80,00,000	....	47,23,258	20,57,464	29,863	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.25	10	*Nil*	0.60	0.60		3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.94	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Sarat Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	127.50	100	*Nil*	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.24	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.75	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	55.00	100	*Nil*	*Nil*			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,302	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.37	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	64,15,230	71,67,923	30,76,350	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	24.52	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y

CHEMICAL

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP.)	1960 (Rs. nP.)	1961 (Rs. nP.)	1962 (Rs. nP.)	Accounts Closed	Reference
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	96.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	185.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	39.75	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	198.75	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	592.50	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	427.00	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	340.00	100	*Nil*	*Nil*	8.00	12.00	3	Y.
9,99,987	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	26.75	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	143.75	50	10.00	*Nil*	8.00		12	Y.
1,07,36,600	59,02,516	5,26,79,418	1,42,87,709	1,32,263	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	*Nil*	6.00		3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	6.85	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	367.50	100	*Nil*	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	310.00	200	20.00	25.00	25.00		3	Y.
1,10,01,535	80,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.25	10	0.88	1.25'C'	1.25	1.375*	[illegible]	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.10	10	0.50	1.00	1.00		[illegible]	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	20.35xd	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	140.00	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	*Nil*	*Nil*		12	Y.
15,00,000	11,17,930	34,89,082	21,90,713	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00		6	Y.
19,90,908	15,32,251	26,75,181	16,16,060	1,22,545	C. A. Buxton	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25		6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	156.00	100			*Nil*	*Nil*	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	13.04	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.50	10	1.00	1.50	2.00	2.25	3	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	*Nil*	*Nil*	*Nil*		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	155.00	100	..	..	*Nil*		12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP.)	1960 (Rs. nP.)	1961 (Rs. nP.)	1962 (Rs. nP.)	Accounts Closed	Reference
8,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.80xd	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	100.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	99.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,36,000	3,61,11,841	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,105.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP.)	1960 (Rs. nP.)	1961 (Rs. nP.)	1962 (Rs. nP.)	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.50	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.87	£1	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,42,426	39,19,424	15,91,894	42,694	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	*Nil*		3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,303	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.81	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.50	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	120.00xd	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP.)	1960 (Rs. nP.)	1961 (Rs. nP.)	1962 (Rs. nP.)	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	294.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	126.00	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	*Nil*	4.00		4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	160.50	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	173.75	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.00	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.00	25	3.00	2.50	2.50		7	Y.
43,72,400	40,84,021	1,11,74,204	49,95,960	1,709	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10		6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	82,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	37.50xd	10	1.00	1.43	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50	12.50	3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	46,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	23.24	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 5.32	10 7.50	*Nil* *Nil*	*Nil* *Nil*	..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 5.24	10 10	.. ..	.. ..	*Nil* *Nil*		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	*Nil*	*Nil*	*Nil*	1.25	3	Y.P.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.36	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director).	McKenzies	140.00	100	*Nil*	10.00			7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	20.40	10	1.00*	1.20	1.20	1.20	3	Y.P.
57,50,000	42,81,615	1,28,07,888	60,90,019	3,724	Kirloskar Associates	Mysore Kirloskar Ltd.	174.00 115.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00		6	Y.
15,55,000	11,14,347	82,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	169.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	126.00	30	18.00	13.50	10.00		12	Y.P.
30,00,000	42,07,875	1,09,38,938	48,88,395	9,319	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	128.75	100	17.00	12.00	13.00		6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	121.00	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,99,300	3,03,75,403	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	268.50	100	9.00	12.50	14.50	14.50	3	Y.P.T.
19,81,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg. Co.	600.00	100	14.00	18.50			5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	44.90	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	80,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	240.00	100	18.00	13.00	14.00		8	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	13.76	10	..	..	*Nil*	*Nil*	4	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP.)	1960 (Rs. nP.)	1961 (Rs. nP.)	1962 (Rs. nP.)	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,263	3,86,098	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	13.06	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.69	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.06	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	34.87	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	*Nil*	*Nil*		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.12	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	600.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.87	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd	14.24	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.31	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	34.87	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12,44,08,990	24,26,37,632	81,16,88,664	17,34,44,348	16,41,911	Martin Burn Ltd.	Indian Iron and Steel	22.96	10	1.00	1.50	1.60	0.801	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	32.69	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	47.37 14.50	O.10 O. 1	1.62½ 0.16½	2.30 0.23	2.40 0.24	2.30 0.23	3	Y.
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director).	Indian Steel Rolling Mills Ltd.	11.50	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.19	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.25	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,738	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.06	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.50	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	*Nil*	*Nil*		6	Y.
49,96,000	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.75	10	0.75	*Nil*	*Nil*	*Nil*	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	17.12	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.00	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	155.50xd	100	15.00	15.00	15.00	15.00	4	Y.

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
42,42,125 15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	62.00 63.00	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.19	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,568	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
£281,250	£201,420	£534,918§§	....	£12,832	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	3.24	Sh. 1½	*Nil*	8%	10%		3	Y.
35,00,000	36,35,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
4,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.44	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	53.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
39,95,000	17,09,399	84,38,924	21,52,420	₹ 926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	185.00xd	100	*Nil*	6.00§	9.00§		3	Y.P.
86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.50	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.75	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	*Nil*	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	85.00	100	*Nil*	*Nil*	*Nil*		3	Y.
1,39,05,810	....	3,23,63,698	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.12	10	....	....	*Nil*		6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman).	Mysore Paper Mills	13.82	10	1.25*	1.50	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,864	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.20	10	1.50	2.25	2.25	2.25	8	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.00	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,883	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.25	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 10.03	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	10.92	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,30,31,629	10,23,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.12 36.12 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
1,49,99,250	85,00,000	5,86,68,749	90,71,697	1,70,544	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	139.00	100	*Nil*	6.00	7.50		6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
18,99,998	19,59,300	34,02,489	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.75	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31.87	10	2.50	3.00	3.00			Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
14,00,000	10,53,465	34,35,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.34	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	12.87	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,13,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.25	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			8	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	180.00	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	F.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	*Nil*	8	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.20	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.06	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,173	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.

Other Centres

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	20.25CR	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,481	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	211.00	100	*Nil*	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	211.00	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,268	64,94,061	96,455		Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.75	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	39.50	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,784	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	11.00	10	1.25	1.40	1.00		9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.00	10	1.00	1.25	1.50	1.50	6	Y.P.
68,61,710	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	63.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	149.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director).	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	85,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	85.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	7.30cd	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	143.00	100	20.00	15.00	15.00		9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital (Rs.)	Reserves (Rs.)	Gross Block (Rs.)	Depreciation (Rs.)	Carried Forward (Rs.)	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation (Rs.)	Paid-up per Share (Rs.)	Dividend per Share 1959 (Rs. nP)	1960 (Rs. nP)	1961 (Rs. nP)	1962 (Rs. nP)	Accounts Closed	Reference
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	96.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.24	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	94.00	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 45,08,000	1,92,000	9,72,309	1,00,362	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 72.00	100 75	.. ..	20.00 10.00	45.00 22.50		3	Y.
37,50,000 10,00,000	6,04,356	21,20,176	7,13,160	19,528	Jamnalal Sons Private Ltd.	Bajaj Electricals	121.00	100 100	5.00 ..	8.10 2.70	9.50 4.50		3	Y.P.
20,00,000	4,21,827	25,85,574	8,53,197	9,365	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	*Nil*	*Nill*	7.50		6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	637.00 250.00	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y.
14,97,350	8,56,101	88,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	8	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	89.00	100	..	..	*Nil*		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	87.00	75	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	143.75	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	200.00	100	7.50	11.00	13.00	12.00	8	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.52	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	42.25xd	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman).	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	114.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	84.50	100	9.00	8.00	*Nil*		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	8	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	352.50	100	25.00	25.00	*Nil*		12	Y.P.
25,00,000		4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	200.00	100	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,61,41,000	1,40,88,757	6,52,98,626	3,19,44,482	4,75,579	Aero-Auto Private Ltd.	Premier Automobiles	101.00	100	9.00	9.00	9.00		6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	125.00	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	87.50	100	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	256.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
93,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.12	10	1.00	1.20	1.20	1.20	3	Y.P.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.30	10	1.25	1.80	0.90	1.80	8	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	23.44	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.50	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,628	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	28.06	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	*Nil*	*Nil*	1.00		3	Y.P.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	254.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	87,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	35.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	3	Y.P.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.08	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,78,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	20.50	10	1 00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	36.25	10	2.15	2.15	2.00		12	Y.P.T
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.62	5	0.80	1.25	1.50	0.90	3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	14.50	10	..	..	*Nil*	*Nil*	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	5.62	5	..	..	*Nil*		6	Y.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	39.00	10	..	..	*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26 139	Birla Brothers Private Ltd.	Hindustan Motors	16.16	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.50	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	15.75	10	..	..	*Nil*	*Nil*	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,069	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.87	10	0.60	0.80	0 90	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	32.50	10	1.20	1.50	1.50	0.75¿	12	Y.P.T
2,35,77,700	2,47,87,168	3,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	34.50	10	1.50*	2.25	2.25	2.25	3	Y.P.T
3,64,00,000	2,11,58,469	6,83,93,166	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	31.87	10	1.50	1.50	1.50		9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
8,27,970	7,54,570	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	21.00	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Issac Holdens (India) Ltd.	15.56	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	68.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.25	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.75	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. 5,00,000D.	80,64,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,90,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	55.50	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.66xd	10	1.60	2.00	2.50	3.70*	3	Y.P.
10,00,000	8,23,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90xd	10	1.25	1.00	*Nil*	1.00	3	Y.
1,35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	81,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	21.37	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.25	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.95	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	28.12	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,88,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.87	5	..	..	*Nil*		3	Y.
15,00,000	1,09,431	8,89,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.375	*Nil*			12	Y.
60,25,170	25,99,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25xd	10	1.60	2.30	1.80	1.80	3	Y.
2,25,00,000	8,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	*Nil*	4.00	8.50		3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd	Rohtas Industries	12.00	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10 10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45 —	10 7.50	1.50 ..	1.80 0.225	.. ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.00	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.06	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,02,371	1,59,18,519	81,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.50	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.62	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.3[illegible]	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72.174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75	10	2.75	3.25*	1.50	8 25	9	Y.P.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	269.00cd	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.12	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49 63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	45.00	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	81.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	8	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	8.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.24	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.12 5.92	10 5(New)	1.50 0.625	1.00 0.50	0.78 0.39		6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,188	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.25	10	1.00	1.00	*Nil*	*Nil*	3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.04	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	8.37 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.12	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,886	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	336.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,02,036	Sahu Jain Ltd.	Bharat Collieries	3.53N	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	16.12	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.12	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.94	10	*Nil*	*Nil*			12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	50.00xd	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	40.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	*Nil*	*Nil*			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	20.94	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 18.75N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12N	10	1 00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	7.44	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.P.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	9.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	46,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16 00N	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	*Nil*	*Nil*	*Nil*		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.87N	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	7.37N	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

MARKET GOSSIP

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ficant trends. These may be summarised as follows:

The expansionary influences of rapidly rising exports and the boom in private fixed investment are being gradually replaced by the continuing rise in personal consumption and Government expenditure. The rise in consumption expenditure is being fed by higher personal income, which, in turn, are the consequence of the extreme pressure on labour supplies which exists in almost all countries of Western Europe. Wages in these countries have been rising at an annual rate considerably in excess of the rate of increase in productivity. The result is that, in spite of rising prices, again, profit-margins have narrowed, contributing to the slowing down in the rate of new investment.

The rate of growth continues to be rapid in Italy and France. But they too are being affected by the current trend of rising costs and prices. In Britain, output has been expanding, but unemployment has continued to rise and spare capacity still persists. The new measures announced recently by the Chancellor of the Exchequer are expected to give a fresh stimulus to the economy. in W. Germany, two of the main elements which have stimulated production in the past, namely, export surplus and rising fixed investment, are having a diminishing influence. Shortage of labour is also an inhibiting factor. On the other hand, consumer spending remains buoyant and public expenditure on consumption and investment may also continue. In Norway and Denmark, inflationary pressures are expected to be curbed by Government action.

The mildly optimistic impression of European experts about the economic outlook is confirmed by Mr. Walter Heller, Chairman of the Council of Economic Advisers to President Kennedy. Mr. Heller anticipates that as the U.S. economic expansion programme is implemented the U.S. balance of payments position too will improve. The U.S. is also trying to cut down the foreign exchange cost of foreign aid and defence expenditure abroad without reducing the programmes themselves. The U.S. Congressional election results have strengthened President Kennedy's hands to carry through his economic programme in which tax reduction and tax reform occupy an important place. American observers are of the view that Governments of Continental countries, too, will follow the latest British example of giving a push to the economy through tax relief.

U.K.-Japan Trade Treaty

The U.K. has entered into a long-term treaty of trade and navigation with Japan for the first time since World War II. The treaty which will be in force for six years, after ratification by the two Governments, was signed on Wednesday this week at London in the presence of the visiting Japanese Prime Minister, Mr. Hayato Ikeda. This followed protracted negotiations between the two countries over a period of half a decade. The most important aspect of the treaty is the British decision to withdraw the application of Article 35 of the G.A.T.T. under which discriminatory quota restrictions were imposed on imports from Japan. Since the end of the last world war, Anglo-Japanese trade has been conducted on the basis of tightly-controlled annual agreements which set quotas and contained certain discriminatory provisions. Through the new treaty, the U.K. accords to Japanese goods the same status enjoyed there by the goods of all third countries (other than the Commonwealth and E.F.T.A. partners).

The new treaty has been welcomed by a substantial section of business community in both the countries. A section of British manufacturers, however, has not hesitated to express its apprehensions about the possibility of unfair competition from Japan. But this objection has lost much of its validity, in view of the provision of two safeguards in the treaty. The safeguards are meant to give each country the right to take steps to avoid any setback to its own industries in case of disruptive trading practices by the other like large-scale dumping. According to the first safeguard, the Governments of the two countries are entitled to take unilateral action, if domestic producers are threatened by unrestricted imports. The second safeguard provides for a "sensitive list" of goods on which voluntary import control will be maintained for three years, after the treaty comes into force. The list comprises such items as textile goods and transistor radio sets, which both the countries produce in large quantities.

While these safeguards are apparently reasonable, they do not satisfy completely the demand of certain segments of British industry, particularly the woollen textiles industry, which had asked for comprehensive controls on Japanese imports. One, however, feels that it is unjust not to believe in the *bona fides* of Japanese. It may be noted here that some of the countries, like India and Australia, have already refrained from invoking the G.A.T.T. Article 35 in their trade with Japan. Neither country is sorry for doing so. Japan has so far not created any difficulties to make these countries have second thoughts on the issue. Apparently, the U.K. Government, too, has no reason to cast doubts on the intentions of Japanese. It may be of interest to note here that the Japanese Government has already announced its decision to withdraw by 1964 certain tax concessions given to exporters.

Bombay Burmah's Centenary Gift

The Bombay Burmah Trading Corporation Ltd., which is about to enter its hundredth year, proposes to make a centenary gift to its shareholders in the form of a one-for-one bonus share issue by capitalising Rs. 1.33 crore from reserves. The Company also proposes to subdivide its shares, which are expressed at present in different denominations—Rs. 2,500 each fully paid, of Rs. 125 each fully paid and of Rs. 125 each with only Rs. 50 paid—into shares of Rs. 25 each fully paid. Announcing these two proposals of the Company at the annual general meeting of the shareholders which was held at Bombay on Monday the 12th inst., Mr. Pratapsinh Mathuradas, Chairman of the Company, added that the proposed subdivision of the shares would take place after the bonus issue was made on the receipt of the sanction of the Controller of Capital Issues.

While one bonus share of Rs. 2,500 fully paid is to be issued for every share of Rs. 2,500 held and one bonus share of Rs. 125 each fully paid is to be issued for every Rs. 125 fully paid share held, it is proposed, in the case of the holders of the partly paid shares, to apply the bonus amount of Rs. 50 per share to each of such shares and bring up the part payment to a total of Rs. 100 per share, as against the nominal value of Rs. 125. The Rs. 2,500 fully paid shares will be subdivided into 100 shares of Rs. 25 each and likewise the Rs. 125 fully paid shares into five shares of Rs. 25 each, while the partly paid up Rs. 125 shares will be subdivided into five shares of Rs. 25 each, with the paid-up value of Rs. 20 per share. The bonus issue will double the Company's paid-up capital from Rs. 1.34 crore to Rs. 2.68 crores, composed of 734,000 shares of Rs. 25 each fully paid up and 420,000 shares of Rs. 25 each partly paid to the extent of Rs. 20. According to the Chairman of the Company, the bonus issue will attract tax of about Rs. 16 lakhs.

On the news of the proposed bonus share issue, which the Company had succeeded in keeping a well guarded secret till the last minute, the Rs. 125 fully paid shares have spurted from Rs. 596 to Rs. 635. In greeting the announcement of the centenary gift, the market has drawn comfort also from the Chairman's confidence about the outlook for the Company in the near future, which Mr. Pratapsinh Mathuradas summed up thus: "As the Company moves into its hundredth year, its business is soundly based, with ample resources and good prospects for further development."

BANKING

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was being attempted on a broader front which would include budgetary policy and, in a really serious situation, direct controls of the economy. The C.M.C. evaluates monetary policy from this angle and hence the bill of health and efficiency that monetary measures receive at their hands.

It is not difficult to point out in the case of both inquiries how the initial point of view could blur vision itself. For instance, even as the Radcliffe Committee was engaged in its inquiry, the restrictive measures that culminated in a 7 per cent Bank rate in September 1957 were being generally held to be the main cause of the recession of 1957-58 in the U.K. The Committee could not accept this view, because to do so would go against the grain of its report, nor does it offer an alternative explanation of the phenomenon. Mr. Cameron (now Lord) Cobbold, who was Governor of the Bank of England from 1949 to 1961, admitted, at the annual Mansion House dinner in October 1960, that monetary policy exercised greater influence then than in earlier post-war years and suggested that, if the Radcliffe Committee had sat two years later than it did, it might have reached conclusions less unfavourable to monetary policy.

Inter-bank Institutions

In the other case, take the way the C.M.C. considers the problem posed by the existence of non-bank financial institutions whose growth, more rapid than that of the commercial banks, could present a serious obstacle to the effectiveness of Federal Reserve policy, because their operations do not come within the scope of direct control by the monetary authorities. On the basis of what it admits to be fragmentary evidence, the Commission recommends "that there be no extension of direct Federal Reserve controls over non-bank financial institutions." This is in spite of the fact that the share of non-bank financial institutions in the provision of financial assets in the U.S. economy has risen from 35 per cent in 1900 to 55 per cent in 1958!

Finally, both assessments of monetary policy suffer from an inadequacy of statistical data on the response of the different variables in the economy to monetary measures. The Radcliffe Committee is keenly aware of this handicap, though it had before it the results of two questionnaires of some usefulness. One is not told what factual inquiries underlie the American Commission's review of monetary policy. Without a firm base of factual data, judgment tends to be loaded by mere impressions. If it were not presumption for an ignorant outsider to pronounce on these matters, one might perhaps venture a guess that an evaluation based on factual studies might reveal that monetary policy has had a limited but still useful role to play in both the countries during the ten years since its revival.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th November 1962.

	Closing quotations 5-11-1962 Rs.	High Rs.	Low Rs.	Closing quotations 15-11-1962 Rs.
TEXTILES				
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2 00	2.08	2 00	2 00
Baroda Rayon (100)	111 00	118 00	116 00	116 00
Bombay Dyeing (25)	58 80	60.20	55.10	59.90
Bradbury (50)	155 00	—	—	155.00
Central India (100)	95 00	105 00	98 00	98 00
Century Mills (100)	558.00	563.00	562.50	562 50
Coorla Sp. (100)	150 00	—	—	150 00
Dawn (50)	139.50	140.50	139.50	140 50
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	93.00	95.00	93.00	93 00
Finlay (100)	295.00	—	—	295 00
Gokak (100)	175 50	176.50	175.50	176.00
Gold Mohur (100)	222 50	—	—	222 50
Gwalior Rayon (10)	40 50	47 00	44 00	45.75
Ind. Untd. Defd. (1)	3 06	3 32	3.12	3 22
Ind. Untd. Ord. (10)	25 00	27.50	26.25	26 25
Indian Rayon (100)	84.50	—	—	84.50
Indore Malwa (100)	195.00	200 00	195.00	198 00
Khatau (100)	350 00	380 00	373 75	376.25
Kohinoor (100)	268 00	284.00	272.50	276 00
Mafatlal (100)	675.00	—	—	717.50
Minerva Mills (100)	71.50	—	—	71 50
Model Nagpur (250)	116 25	—	—	116.25
Morarji (100)	462 00	550.00	495.00	500 00
Mysore (50)	54.00	—	—	54 00
National Rayons (100)	412 00	424.00	422.00	422.00
New City (100)	142.50	—	—	142 50
New Great (100)	270 00	—	—	270 00
Phoenix (100)	200.00	204.50	203.00	204 00
Podar Mills (100)	114.00	—	—	114.00
Raymond Woollen (100)	127.00	127.50	127.00	127.50
Sassoon Silk (10)	14.00	—	—	14 00
Sassoon Spg. (10)	48.75	49.00	48.75	49 00
Shrinivas (100)	231.00	240.00	236.00	240 00
Simplex (50)	152 00	—	—	152 00
Standard (100)	755 00	805.00	782.00	785 00
Svadeshi (100)	231 00	250 00	237 00	244 00
Swan (100)	245.00	250.00	242 00	250 00
S. I. Viscose (100)	132 00	140 00	137.00	137 00
Tata Mills (25)	51.00	56.00	53.00	54 00
Lakshmi-Vishnu (100)	110.00	—	—	110 00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.00	111.50	110.50	111.50
Do. (New) (50)	113.00	—	—	113 00
Bank of Baroda (50)	91 50	92 00	91.50	92.00
Central (25)	59 50	60.50	60 00	60 50
Central 'A' (25)	60 00	61.00	60.00	61 00
Dena Bank (50)	57 00	—	—	57.00
Punjab National (10)	19.52	—	—	19 52
Union Bank (5)	6 24	—	—	6.24
United Com. (50)	73.00	—	—	73.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	89.50	92.50	90.00	92 50
Amalgamated (10)	10.08	—	—	10 08
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	—	—	104 00
Surat (100)	98.00	99.00	98.00	99 00
Tata Hydro (100)	104.00	—	—	104 00
Tata Power (1,000)	1,005.00	1,107.50	1,102.50	1,102.50
INSURANCE COS.	/			
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.00	—	—	62 00
New India (15)	62 00	62.20	62.00	62 00
New India 'A' (15)	63.00	—	—	63.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	22 84	23 08	22.96	22.96
Mukand Iron (10)	18 76	20 72	18 80	20.24
Tata Steel Ord. (75)	120.00	122.00	121.00	121.00
SUGAR COS.				
Belapur (50)	205.00	212.00	206.00	212.00
Bhopal (10)	20 00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27 75
Maharashtra (50)	144.00	149.00	141.00	149 00
Phaltan (50)	83.50	85 00	83.50	85.00
Walchand Ind. (100)	141.00	144.00	141.00	144.00
CEMENT COS.				
Associated Cts (100)	146 25	151.00	146.50	148.00
Digvijay (100)	158.00	160 00	158 00	158.50
Orissa (10)	15.24	15.72	15.24	15.72
MISCELLANEOUS				
Alcock Ashdown (100)	288 00	295 00	288 00	294.00
Amar Dye-Chem (100)	196 25	198 75	196.25	198 75
Bom. Burmah (125)	590 00	648 00	596 00	623 00
Do. (New) (50)	242 50	260 00	242 50	248 75xd
Br. B. Petrol (1½ sh.)	2 52	3 52	3.24	3.38
Br. I. Corpo. (5)	9 00	9.12	9.00	9 12
Cooper Eng. (100)	123 00	126 00	125 00	126 00
Colour Chem. (100)	316 25	340.00	318.75	340 00
Hind Cycle (100)	113 00	—	—	113.00
Hindustan Lever (10)	41 50	42.50	41.00	41 50xd
Hindustan Motors (10)	15 00	16.36	16.04	16 12
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	320 00	371 25	367.50	367 50
Indian Copper (2 sh.)	4 00	4.36	4 06	4 20
Ind. Inv. Tr. (100)	72.00	—	—	72 00
Killicks (100)	84 50	—	—	84.50
Larsen & Toubro (10)	20.48	23.48	22.00	23 36
Mahindra & Mahindra (10)	17.00	17.48	17.00	17 48
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	128 75	142.50	136 25	142 50
Polson (100)	191 00	—	—	191.00
Pre. Automobiles (100)	92 00	105 00	97 00	100 00
Premier Con. (80)	116.00	126 00	118 00	122 00
Scindia (20)	10 92	11 08	11.04	11.04
G. E. Shipping (10)	12 12	—	—	12 12
Shivrajpur (10)	21 52	24 52	21 52	24 52
Sirpur Paper (10)	10 80	11.00	10.80	10.96
Synthetics and Chem. (100)	138 00	158 00	146 00	156 00
Tata Chemicals (10)	11.80	13.08	12 04	13.00
Tata Locomotive (100)	251 00	271.00	262 00	267 00
Tata Oil (25)	50 00	54.00	51.50	53 20
Texmaco (10)	19 76	20 08	19.76	20 08
Voltas (100)	228.00	240.00	233 50	236 50
W. I. Match (100)	250.00	256.00	255 00	256 00
W. Coast Paper (100)	137.00	140.00	137.50	139.00

GOVERNMENT SECURITIES	7-11-1962 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	15-11-1962 Rs.
2½% 1962	100.00	—	—	—
2¾% 1976	83.50	—	4.33	83.50
3% 1964	98.85	—	3.58	98.90
3% 1963-65	99.05	3.84	3 32	99 05
3% 1966-68	96 90	3 84	3 58	96 85
3% 1970-75 1st Dev.	88.90	4.68	4.17	88.35
3% 1986 Con. Loan	64.25	—	4.76*	63.00
3¼% 1964 N. P. Loan	99 95	—	3.58	99 85
3¼% 1965 N. P. Bonds	99 75	—	3 60	99 75
3½% 1967 N. P. Bonds	98.65	—	3.82	98 55
3½% 1974	98 50	—	3 91	98 50
3½% 1967 N.P. Bonds	99.70	—	3.84	99 60
3½% 1969 Loan	97.60	—	3 91	97 50
3½% 1968	98.30	—	3.83	98 25
3¾% 1963 N.P. Bonds	99.95	—	3 54	99.95
3¾% 1968 N.P. Bonds	99.35	—	3 87	99 35
4% 1972 Loan	99.35	—	4.09	99 30
4% 1973 Loan	99.30	—	4.08	99.30
4% 1979 Loan	98.55	—	4.12	98 55
3¾% 1966 Bonds	99.70	—	3.59	99 70
4% 1980 Loan	98.55	—	4 12	98 55
4% 1981 Loan	98.65	—	4.11	98.55
4½% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right
CR.—Cum-Right. cd—Cum-dividend

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	81.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	117.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.10	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44xd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C	3,50,000	....	10.00	April	May	116.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	79.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	9.75	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,080	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	111.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.50	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	412.50	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	111.75	100
Coimbatore Pioneer C.T.F.	1,00,000	1928	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	113.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	7.25	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.10	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	74.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.15	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	977.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	71.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.87	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.91cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.87cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	94.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,006.25	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	12.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	115.50	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	115.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.50	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	72.70	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.88	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov	..	127.00xd	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	99.00xd	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.50	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.50	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	88.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	96.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.50	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	90.00N	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	90.50	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	89.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	66.50	100
Dalhousie T.F.C.	15,00,000	1903-18	7.00	May	Nov.	88.50	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.25	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	97.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	65.50	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.50	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	84.50	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	90.50	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	88.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	100.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	90.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.50	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	112.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.50	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	94.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	93.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.94	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00N	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	21.96	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan	July	92.64	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	50.00N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	85.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.50	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Tezpore C.	2,05,000	1932	8.98	Jan.	..	10.12	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78xd	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79xd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82cd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.91cd	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00xd	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	46.50	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	98.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	62.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.25	10
British Ceylon Corporation C.	17,50,000	1918	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	114.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.50	10
Dhrangadhra Chemicals T.F.C.E.	81,91,900	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.30	100
Dunlop Rubber Co. (1st) C.	80,00,000	1926	8.00§	June	Dec.	106.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	55.50	100
Hindustan Motors R.C	1,60,67,250	1956	8.57	Mar.	..	186.00	100
Humayan Properti[illegible] .C.	12,00,000	1938	6.00	..	..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	70.67	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	32.50	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.85	May	..	54.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.70	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	84.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.92	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28xd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86xd	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	87.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	61.00	100
Rohtas Industries (Old) T.F.C.	20,00,00	1936	7.00-9.00	Apr.	..	104.00N	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	55.50N	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.90	10
Esso C.	75,00,000	1955	6.00	June	Dec.	84.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	88.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	117.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	70.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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EXTRA GRANTS FOR DEFENCE

IT is not surprising that the Union Government could give no precise idea of the defence expenditure which this country will have to incur on throwing out the Chinese invaders. Even the cost of pushing them out of the Indian territories seized by them so far (as of Wednesday the 21st inst.) is incalculable, for much will depend on the nature of the war. The Chinese offer of unilateral cease-fire and withdrawal from 1st December, announced on Wednesday, is hedged in with so many unacceptable conditions that it looks as though the fight will have to be continued until China accepts India's terms. Even if it were to perform the honourable task of voluntarily vacating the aggression, it would be necessary for India to step up its expenditure on defence so that it could be strong enough to deter aggression in future. India is thus in for heavy expenditure on defence and the people must be prepared to meet it. How heavy the burden will be is, however, a question for which a specific answer is not possible at this stage. Much will depend on the course of war unleashed by China and the extent of aid that will be forthcoming from friends. When Mr. B. R. Bhagat, Union Deputy Minister for Finance, said in the Lok Sabha, in reply to the debate on the supplementary demand for grants, that, in the fast changing situation, it was not possible to frame firm estimates, he was neither shirking his duty nor exaggerating either the present state of affairs or future possibilities.

The supplementary demand for grants to cover the additional defence expenditure caused by Communist China was Rs. 95 crores. Besides, the Government presented a supplementary demand for Rs. 5.40 crores for other miscellaneous expenditure, so that the total amount for which the sanction of the House was sought was Rs. 100.40 crores. The Lok Sabha readily gave its consent after a brief debate, in the course of which some members made a few practical, though by no means novel, suggestions. Of the addition of Rs. 95 crores to defence expenditure, Rs. 75 crores will be under "revenue" and Rs. 20 crores under "capital," raising the sub-totals for the current fiscal year to Rs. 418.37 crores and Rs. 52.63 crores, respectively, and bringing the total defence expenditure to Rs. 471 crores. The overall budget deficit for 1962-63 which was placed at Rs. 88.84 crores in the final budget presented in April last now stands raised at Rs. 189.24 crores. This is only a rough estimate and one cannot rule out the possibility of defence expenditure in the current year exceeding the present assumptions. The fact that the Government did not come forward with any new taxation proposals is clearly indicative of its desire to avoid hasty steps and to prevent a further slump on stock exchanges, which are already in a demoralised state. It also reflects its anxiety not to give cause for a further increase in price levels.

It is, of course, a matter of opinion whether or not the Government should have come forward with measures for raising additional resources simultaneously with the presentation of the demand for supplementary grants. It can also be argued that a heavy deficit of the order of Rs. 190 crores will itself generate inflationary pressures and undermine the stability of prices. But it must be remembered that the Government has already taken certain steps for mobilising resources to meet the war expenditure. As readers are aware, it has issued a new series of small savings certificates and just enhanced the amount which a person can invest in them, introduced a new scheme of premium prize bonds, floated a national defence bond which is available on tap and offered gold bonds to attract gold, as well as hoarded money. The deficit will be reduced to the extent these securities bring funds into the Exchequer. Some are of the view that underestimation of revenue in the budget for the current year, a usual feature of budgets in this country, will also help reduce the gap, but it is unwise to count on this factor, as the growth of revenue this year may be less buoyant than last year due to lower profit-margins and slackness in business. One may, however, reasonably hope that the slowing down of the outlay on some of the Plan projects and economy in non-Plan expenditure of Central and State Governments will lead to a reduction in the deficit. According to Mr. Morarji Desai, the various Central Ministries have been asked to effect a cut of 5 per cent in expenditure on staff in the current year and of 10 to 20 per cent next year. A similar decision should be taken by all State Governments too. The Centre and the States alike should set an example to the people as a whole by reducing the size of their inflated ministries. They are larger than they need be, mainly because the party in power has had to appease group, communal and caste interests. Now that the people have united and risen as one man to fight the aggressor, there is no need for following this policy.

The concerted efforts that are being made by the Government and the business community to hold the price levels should serve to assuage the fear that deficit financing of the order indicated earlier would push up prices. Besides, the Reserve Bank of India also is exercising a close watch on the credit situation and can be depended upon to take timely measures to see that credit creation by commercial banks for speculative and hoarding purposes is greatly minimised. If the people too co-operate with the authorities by keeping down non-essential expenditure and subscribing to defence savings certificates and bonds, no great harm to the economy will follow as a result of leaving the large deficit uncovered.

The need for additional taxation has been met to some extent by the commendable initiative taken by Mr. Shriyans Prasad Jain also this week, in his capacity as the Chairman of the Federation of Indian Chambers of Commerce and Industry. He has proposed that, so long as the emergency lasts, all companies should contribute a specified percentage of their profit to the National Defence Fund. Briefly stated, his formula is this: (1) Industrial units should contribute 5 per cent of their assessable income; the rate for those which have no assessable income is 3 per cent of their gross profits. (2) Banks should pay 5 per cent of profits after tax and insurance, as well as investment, companies a lump sum of Rs. 10 lakhs each. And (3) trading concerns should subscribe to the fund at the rate of 3 per cent of their profits after tax. In effect, this proposal means that corporations have voluntarily accepted a five per cent increase in the tax payable by them. To the extent that even companies which have no assessable income, thanks to the operation of tax benefits for encouraging capital investment, are required to subscribe to the National Defence Fund, this proposal of the Federation is an improvement over a straight increase in corporate tax. All available indications suggest that there is no opposition from any section of trade and industry to this proposal. It is true that, ordinarily, business concerns too will be making some contribution to the Defence Fund, but the outcome will not yield as much as Rs. 15 crores per annum, the amount expected to accrue to the Fund under the Federation's collective imposition. It is a pity that not a single Member of Parliament or Government spokesman had a word of praise for the business community, in general, or the Federation, in particular, for having volunteered to carry this specific burden. On the contrary, some of them advocated the introduction of Excess Profits Tax, which is now recognised all over the world as a crude fiscal weapon. A communist member harped on his party's familiar theme of nationalisation of banks for finding all the resources necessary for financing the war and the Plan. That he should do so is quite natural, for the Indian communists' goal is to destroy democracy, so that, automatically, this country can become a member of the Soviet-China communist bloc.

Abolition of prohibition and re-introduction of salt tax were advocated by this journal (and, no doubt, by others, too) in the past as a source of finance for economic development. When we realised that the party in power had turned a deaf ear to this advice and that no useful purpose would be served by reiterating it, we ceased harping on it with the consolation that they would serve as fiscal reserves to be drawn upon in future when all other sources had been exhausted. Well, the time has now come for using these reserve weapons. Quite a few members belonging to the Congress and Opposition parties in the Lok Sabha who spoke on the demand for supplementary grants favoured this course. Undoubtedly, prohibition has done some good, especially to the middle and working classes. In advocating good-bye to this dubious and very expensive social reform, one does not say that the pre-prohibition *status quo* should be restored. All that one suggests is that, while retaining the good features of prohibition through a temperance movement, the physically irksome and financially expensive controls could be given up. As a result, one can count on a revenue of Rs. 50 crores per annum, even on a modest basis. The reincorporation of excise duty on salt in the fiscal armoury—a duty considered as an ideal form of indirect taxation all over the world—will yield anything between Rs. 20 crores and Rs. 25 crores. Thus, both together can be expected to net in Rs. 70-75 crores, a handsome amount indeed. In accepting this advice, the powers-that-be can soothe their injured conscience with the satisfaction that they are doing so for protecting the independence and territorial integrity of the motherland. What more noble cause do they need for surrendering their ideological fads?

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NON-FERROUS METALS

INDIA'S first decade (1951-61) of industrialisation has witnessed, as statistics show, a spectacular growth in demand for non-ferrous metals, of which the most important are aluminium, copper, lead, zinc and tin. But the indigenous production of these vital industrial raw materials has been very much below the country's requirements. Even large-scale imports, which in the fiscal year 1960-61 were valued at Rs. 47 crores on account of all non-ferrous metals, have not been sufficient to close the gap between domestic production and demand except in the case of zinc, as will be seen from Table I in this article. The third Plan period, too, is not going to reduce the country's dependence on imports, for, while domestic production is expected to increase, total requirements will also have increased a great deal more. Table II, in this connection, brings out the likely position by 1965-66. It will be seen from this table, read along with Table I, that the gap between total requirements and domestic production (assuming that all the planned schemes will fructify—a big assumption, indeed) by the end of the third Plan will be as much as it was in 1961 in case of aluminium and much wider in the case of copper, lead, zinc and tin. On a reading of these figures, the conclusion is inescapable that, unless imports on the required scale are effected, the supply situation will become even more critical than at the end of the second Plan. Whether the country will be able to find something like Rs. 100 crores in foreign exchange for financing the projected imports in 1965-66 is, on present indications, open to doubt.

Quite a few energetic steps are, therefore, called for not only to implement, according to schedule, the development programmes covering aluminium, copper, lead and zinc but also to bring about, where possible, greater expansion in the private sector of metal mining and smelting industries. In the case of aluminium industry, the latter objective, namely, greater expansion, may well be achieved, if the licensed capacity of each plant, old or new, can be expanded to a bigger and more economic size. If the Government's efforts are concentrated on the supply of cheap power, the industry's expansion plans involving a capital outlay of more than Rs. 65 crores in all will have every

TABLE I: *Production and Demand*
(In tons)

Metal	Total requirements (1961)	Domestic production (1961)	Imports (1961)	Total of domestic production and imports
Aluminium ..	55,000	18,384	17,473	35,857
Copper ..	85,000	8,725	65,087	73,812
Lead	35,000	3,664	28,883	32,547
Zinc	85,000	9,253	76,981	86,234
Tin	7,000	Negligible	4,998	4,998

chance of being implemented on time, assuming that the Koyna aluminium project, the fate of which is in doubt now, will be carried out without default. It may be noted here that electricity accounts for 20 per cent of the cost of producing aluminium. But electricity is not all, for bauxite supplies of high quality will also have to be ensured by giving preference to aluminium producers in the matter of prospecting licences. Any licensed unit which may be lagging behind for lack of foreign collaboration or for any other reason should be encouraged by the Government in appropriate ways to go forward with its plans. Given such encouragement, it is just possible that the industry will find it easier to reach a level of 117,500 tons in terms of the aggregate licensed capacity of existing and new plants and to attain a level of production of at least 100,000 tons by 1965-66, as compared with the provisional target of 80,000 tons.

The implementation of the development programme in respect of copper would have to be speeded up and, if possible, enlarged. The public sector copper project at Khetri, which is expected to produce about 12,000 tons of electrolytic copper, is very slow in coming up. It should not be too difficult for the Government to stick to its revised schedule at least and establish the plant by the middle of 1964. The Indian Copper Corporation's project for the manufacture of 8,400 tons of electrolytic copper per annum, besides its normal production of about 9,000 tons of fire-refined copper, has just been completed. Despite all this expansion, the industry will be able to produce only a fourth of the country's requirements of copper by 1965-66. It is in the field of copper ore mining, therefore, that more active steps are called for so that both prospecting and development may proceed at an accelerated pace. Special incentives of the kind advocated later in this article are particularly required for mining development in the field of copper. At the same time, the development of proved ores by the private sector should not be ruled out on considerations of ideology, for most of the copper producers of the world are in the private sector and practically none of them can be expected to take interest in the development of India's "proved ores" if it is going to be entirely in the public sector.

As for lead and zinc, the present plans call for only modest increases in production by 1965-66. The lead expansion project of the Metal Corporation of India, which is to be completed by 1964, will just add 5,000 tons per annum to the current output of 4,000 tons of this metal. If, however, the scheme of Binanis for the manufacture of 12,000 tons of lead per year from imported concentrates is implemented, the gap between demand and supply will be considerably narrowed. Both the Government and the licensed concern should, therefore, remove the uncertainty about this project in good time. In the same way, Binani's project for manufacturing 12,000 tons of zinc per annum from imported concentrates also deserves to be pursued energetically. As far as the Metal Corporation's 18,000-ton zinc smelter project is concerned, the indications are that it will be completed on time, thanks to French collaboration. Even after all this expansion takes place, the supply position in respect of lead and zinc will be more critical than in the case of copper. If further capacity for the production of these non-ferrous metals is to be created, the Geological Survey of India and the Indian Bureau of Mines must expedite their intensive exploration of the known deposits of non-ferrous metals. When this is done and if special incentives for metal mining and smelting are provided, the scope for bringing about the desired development will improve.

This brings us to the question of special incentives. These may be categorised as under:

(*a*) Prospecting and development expenditure to be treated as revenue expenditure and to be charged off against profit during the year or against future profits.

(*b*) Depletion allowance for the wasting assets.

(*c*) Liberal depreciation allowances on mining and smelting plant and machinery.

(*d*) Complete tax holiday in the initial years.

(*e*) Additional incentives.

It is noteworthy that some or all of these types of incentives are available in countries like Canada, Japan, Australia and the United States in more generous measure than in India. A comparative picture covering these five countries has been provided, in this connection, in Dr. D. P. Antia's presidential address at the thirteenth annual general meeting of the Indian Non-ferrous Metals Manufacturers' Association held at Calcutta on the 18th instant. The facts emerging from this comparison are highlighted below under the respective heads of incentive already categorised:

(i) In Canada, prospecting and development expenditure in producing mine or properties remote but limited to Canada are deductible from the profit for the year or deferred to future year or years. In Japan, small and medium-scale miners are subsidised by payment of half the expenditure incurred on prospecting, and expenditure on prospecting can be appropriated in profit and loss account. In Australia, exploration or prospecting expenses within limits and capital expenditure on plants are deductible from profit for tax purposes; in lieu of these deductions annual depreciation allowance is also allowed. In the United States, cost of exploration and development of mineral deposits are permitted to be written off currently or on deferred basis, as the deposit is exhausted. None of these facilities is available in India.

(ii) Canada provides a depletion allowance of 33⅓ per cent of the profits from a mine, which is continuous as long as production is secured, with the exception of the period of 36 months during which the income of a qualifying mine is exempt. In the United States, the depletion allowance is 23 per cent of gross income for bauxite, lead, zinc, nickel and 27 other minerals. No such depletion allowance is being given in India.

(iii) Depreciation allowances in Canada are at 4 per cent on roads, runways, etc., 30 per cent on buildings situated on mine property, 30 per cent on mining machinery and equipment, and 100 per cent on mine shaft or other underground work. In Japan, mines are allowed to redeem upto 90 per cent of the expenditure incurred on purchase of machinery and equipment in the first year of operation. In India, the rate of depreciation allowance on surface and underground machinery in mines and quarries is only 15 per cent; in addition to this, an outright development rebate equal to 20 per cent of cost is granted to all new plant and machinery installed in a year.

(iv) As for tax holiday, Canada provides 36 months' exemption from tax, commencing with the day on which the mine came into production in reasonable commercial quantities. In Australia, 20 per cent of net income from sale of prescribed mineral is exempt. India provides tax holiday to new industrial undertakings for each of the five successive assessment years immediately following the year in which the undertaking began production; profits of such undertakings are exempt from both income-tax and super-tax upto 6 per cent of capital employed.

(v) Additional incentives are provided, more especially in Canada and Australia. In the former country, shareholders may deduct an allowance in respect of dividends in computing their income, if 25 per cent of the corporate income is derived from mineral profits; goods required for prospecting, mining and smelting are exempt from consumption or sales tax; and machinery, raw materials, etc., are admitted free of customs duty. In Australia, capital expenditure qualifies for exemp-

TABLE II: *Future Requirements*
(In tonnes)

Metal	Estimate of demand (1965-66)	Planned domestic production (1965-66)	Imports required (1965-66)
Aluminium	115,000	80,000	35,000
Copper	145,000	35,000*	110,000
Lead	59,000	9,000	50,000
Zinc	185,000	18,000	167,000
Tin	15,000	..	15,000

* This figure includes scrap.

tion and shareholders in mining business are entitled to a one-third deduction from calls paid by them on these shares; income from the sale of rights to mine and 20 per cent of the profits from mining are exempt; and special exemption is available for income from sale of mining rights by the prospectors. In the United States, recipients of loans or grants from Government for the encouragement of exploration, development or mining of strategic minerals may exclude such loans or grants from income; this is also applicable to corporate income-tax. India, on the other hand, provides no such additional incentives for mineral development.

It will be seen from the foregoing account that Canada and the United States, in particular, provide a number of special incentives for metal mining and smelting and that such special incentives are conspicuous by their absence in India. Whatever fiscal incentives are available for mineral development in this country are about the same as those available for other industries. This is a highly unrealistic policy, for it is a well-known fact that investments in wasting industries such as mining deserve a more favourable tax treatment than the rest. The Indian Non-Ferrous Metals Manufacturers' Association does not ask for any special favours when it pleads with the authorities for special incentives to the metal mining industries. The non-ferrous metal industry's plea that excise duties should be levied on primary metals only, instead of, as at present, on both primary metals and their semi-manufactures also deserves to be heard with sympathy, more especially because some of the protected items of semi-manufactures of non-ferrous metals and alloys will be deprotected from January next in pursuance of the Tariff Commission's latest recommendations. It is clear that, unless the Government responds favourably to the Association's representations, most entrepreneurs would not find it worthwhile to enter the field. The recommendations of the Taxation Enquiry Commission (1953-54) pertaining to special incentives for mineral and metal mining industries, if implemented at least now, will go a long way towards encouraging their development and thereby narrowing the yawning gap between the supply of and demand for non-ferrous metals in the next three or four years.

MARKET GOSSIP

Gold Slumps

IN less than 48 hours, the price of gold has slumped by Rs. 12 per 10 grams, that is, from Rs. 106 on Tuesday this week to Rs. 94 by the afternoon of Thursday. At the end of October, it may be interesting to note here, the price of gold was Rs. 123.43 per 10 grams, so that, in a short span of three weeks, there has been a capital depreciation of no less than 24 per cent in this precious metal. The credit for depressing the price of gold thus goes to the Government. The first sharp break was induced by Mr. Morarji Desai's appeal to the people not to make any fresh purchases of gold, by his threat that the Government was considering measures to restrict the quantum of gold and jewellery that one could hold and by his invitation to people to buy gold bonds. A low level of Rs. 102.50 was touched on 6th November. Good offtake at this level pushed up the price again to Rs. 106. The second break, sharper and swifter than the first, followed the reiteration by the Finance Minister at New Delhi on Tuesday evening that the Government would take some more measures in a month's time to bring down the price of gold very considerably. Everyone has now been left guessing as to what he would do. All sorts of unintelligible rumours are current and no useful purpose will be served by retailing them. Suffice it to say that market circles feel that Mr. Morarji Desai means what he says. Those who have been frightened by his renewed threat are said to be unloading their stocks in a market bereft of buyers. There is, however, no reliable information about the turnover, so that one does not know to what extent the fall in prices reflects the quantum of gold that has changed hands.

The Government has two objectives in view in depressing the price of gold, first to encourage the hoarders of gold to switch over to gold bonds and, secondly, to discourage smuggling of gold drastically, so that the heavy leakage of foreign exchange can be substantially reduced. In the present national emergency, both are desirable goals and the Government must resolutely endeavour to reach them. It has done well to clarify the doubts prevailing in certain circles by giving appropriate instructions to the Income-tax authorities and by promising to amend the Income-tax and Wealth Tax Acts suitably. This should induce those who have invested their black money in the yellow metal to change over to gold bonds.

The Finance Minister has also made it clear that repayment of gold bonds will only be in rupees and not in gold. He has actually rejected the suggestion of some, including the All-India Manufacturers Organisation, that repayment should be in gold specie, in which case the rate of interest on the bonds could be substantially reduced. He gave three good reasons why this proposition was not practicable. In essence they are: (1) An undertaking to repay the bonds in gold will encourage smuggling, as people will buy gold in the open market and invest it with the Government. (2) Reacquiring gold in future from the world markets to repay the loans might prove a heavy burden on the external resources of the country and it would not be desirable to bequeath this liability to posterity. And (3) it would not serve the objective of weaning away people from the habit of investing in gold, an unproductive way of storing one's savings.

Importance of Assam

Assam has attracted world-wide attention ever since the Chinese launched their massive attack all along the McMahon Line. This State, standing foremost among the States of India, is now fully exposed to Chinese invaders. As briefly mentioned in an earlier issue of *Commerce*, it would be a calamity for India if they succeed in occupying this State, for it occupies a pivotal place in our economy. It is the chief supplier of three very important commodities, namely, tea, a principal earner of foreign exchange, oil, an item of strategic and industrial importance, and timber which is widely used for a variety of purposes. If the Chinese threat is not effectively eliminated, the whole economy of Assam will be greatly jeopardised, not to speak of the agony and suffering that will be caused to the twelve million people inhabiting this 84,899-square mile State. As it is, there is not much distance between the areas now occupied by the Chinese forces in N.E.F.A. and Assam's tea gardens, oil wells, refineries and oil pipelines. At the time of writing, it is reported that there is some enemy breakthrough towards the Foothills which is just 33 miles north of Tezpore and that the employees of tea plantations on the north bank of the Brahmaputra have already started evacuating their families.

At this crucial juncture of India's destiny, a brief economic picture of Assam may be of interest to those who are not fully aware of its importance to the country as a whole. This State is the most important tea growing region in India. The 744 tea estates in the State together employ about 502,000 workers (daily average) and produce as much as 400 million lbs. of tea annually, representing more than half of India's aggregate production amounting to approximately 780 million lbs.; the actual area under tea is 162,330 hectares (1960-61), out of the total area of 331,090 hectares in the whole country. The Assam gardens grow some of the world's highest quality (black) teas which are not produced anywhere else either in India or in other countries. The Assam tea is of particularly high quality required by blenders to mix with the plain teas from South India and Ceylon. The tea so blended is widely favoured, especially in Britain which is the biggest customer for Indian tea. But for the Assam tea gardens, India would not have been able to hold so dominant a position in the world tea trade as it does now. Out of the total foreign exchange (amounting to Rs. 125 crores) earned by tea during 1961, the share of Assam tea alone is said to be of the order of Rs. 60 crores.

Next to tea, oil is the most important and indispensable commodity produced by Assam. About 347 oil wells are in production. Most of these wells are poor producers now, because they have been in production for a number of years feeding India's oldest refinery (400,000 tons capacity) at Digboi belonging to the Assam Oil Company. But the drilling operations in Nahorkatiya, Moran and Hoogrijan adjoining Digboi and belonging to Oil India Ltd., a joint venture of the Government of India and the Burmah Oil Company, Ltd., have already yielded valuable results. Of the 137 wells drilled, as many as 104 have proved to be successful for commercial production of oil and gas. These wells are now in a position to produce three million tons of crude per annum. Further drilling is going on. The proved and indicated reserves of oil are estimated at 46 million tons and those of gas at 756 million cubic feet. Side by side with drilling operations, installations to collect oil from wells, pumping stations, workshops, power stations, stores, godowns, etc., are being set up. Work is also going on in connection with the construction of the second stage of the 720-mile-long pipeline to transport crude oil from Nahorkatiya and Moran fields to the refineries in the public sector at Nunmati (near Gauhati) in Assam and Barauni in Bihar. Also under erection is the crude conditioning plant to make the crude oil suitable for pumping through the pipeline. All these projects entailing a heavy capital expenditure of over Rs. 100 crores will be thrown out of gear, unless the territorial integrity of Assam State is fully protected from the onslaught of Chinese aggressors. If China gets the oilfields and the refineries now in operation, it will be nearly independent of Russian supplies and, further, saved the botheration of transporting it over long dis-

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tances to Tibet and N.E.F.A. Besides oil, Assam has India's first and most modern gas-fired power station. Further, the Fertiliser Corporation of India is putting up a factory at Namrup near Nahorkatiya to manufacture 50,000 tons of urea and an equal quantity of ammonium phosphate by utilising nine million cubic feet of petroleum gas a day. The estimated cost of the project is Rs. 12 crores. Other gas-based industrial projects, such as carbon black, are also in the offing.

The European Gold Pool

Russia sold on the Continent about 656,800 oz. of gold (valued at $22.99 million at the international price of $35 per oz.) during the Cuban crisis four weeks ago. The exact motives that prompted Russia to sell such a large parcel of gold are not known. Whatever they were, the offerings did help the European gold pool to replenish a part of the huge outflow of as much as 1.36 million oz. valued at $47.60 million that followed large-scale private buying of gold in London on 30th and 31st October 1962. The gold pool, it will be recalled, was established towards the close of last year by the leading central banks of the West European countries, including the U.K. The object of the pool is to see that the dollar price of gold does not go far beyond the dollar parity, namely, $35 per ounce. It is a co-operative enterprise which enjoys the support of the U.S. Federal Reserve System in that it periodically supplies the pool with gold in exchange for dollars. The members of the pool were allotted quotas equal to the value of gold put by them into the pool against dollars, the aggregate of quotas being $250 million. On the basis of these quotas, the deficit or surplus in the pool is divided among the members after the net balance of the pool (between sales and purchases) is assessed at the end of every month. The Bank of England has been managing the pool which purchases gold in the market normally from Russia and other private sellers. No gold is bought from South Africa which directly sells all the newly mined gold to the Bank of England.

The gold pool of $250 million has successively been run down to less than $170 million at

(*Continued on page 930*)

DELHI LETTER

SPEEDING GOODS ON RAILWAYS

From Our Special Correspondent

NEW DELHI, 20*th November*

IN the efforts to gear railway transport for meeting the increasing needs of defence and industrial development reoriented to fight the Chinese invaders, the Indian Railways are pursuing a two-pronged approach, namely, speedier utilisation of modern traction equipment on the way from abroad and further steps to increase the self-sufficiency from indigenous units producing railway hardware. The progress towards self-sufficiency can be summed up thus: All steam locomotives, rolling stock and wagons can be manufactured in India; there is total self-sufficiency in mechanical signalling equipment; a factory has started producing (with Japanese collaboration) electrical signalling equipment; enough capacity is being established for the manufacture of track materials; a beginning has been made in manufacturing electric locomotives at Chittaranjan; a factory to make diesel locomotives is expected to be in production towards the end of 1963. In pursuance of the long-term plans for more indigenous production, the Railway Ministry has approved in the past few days two collaboration agreements. One of them, with the American firm of A.L.C.O., will help the production of diesel locos at Banares. Initial annual production will be 150 locos and the capacity will be increased later to 250 locos a year. The second agreement, with a consortium of European manufacturers, will permit the manufacture of 25 kV. A.C. locomotives. The electrical components will be made at the Bhopal factory of Heavy Electricals Limited which is being expanded with the help of a new British loan. The mechanical components will be made at the Chittaranjan factory which has been making steam locomotives since 1950 and electric locomotives since 1961.

Original estimates in the third Plan were to add more than 500 diesel locomotives. At the beginning of the second Plan, the Indian Railways had fewer than seventy diesel locos out of the total of 9,000 locomotives in service. About one hundred were added during the second Plan period. The additions of diesel locos from indigenous production and imports will be larger and quicker than originally planned. In 1961-62, the Railways ordered about 600 locomotives, more than 2,300 carriages and 20,577 wagons. The acquisitions planned in 1962-63 are nearly 400 locomotives and 27,000 wagons on the basis of four-wheelers. Some of the orders placed in the last financial year are being delivered in the current financial year. Of the additional acquisitions in the current year will be 112 broad-gauge diesel locomotives. 19 metre-gauge diesels and 18 electric locomotives.

The Railways are in the current financial year launched on the biggest expansion programme in recent years costing about Rs. 300 crores. Apart from rolling stock and loco acquisitions, this allocation covers 850 kilometres of track doubling and 350 route kilometres of electrification. This is on top of nearly 750 kilometres energised on 25 kV. single-phase A.C. traction in 1961-62. The Railways admit that the congestion in the eastern region will continue, but the plan is to carry all the materials for the steel plants on electric trains. To the original third Plan outlay of Rs. 1,325 crores on Railways, the Planning Commission recently added Rs. 145 crores. Of this amount, Rs. 120 crores are for ensuring additional facilities for coal movement, Rs. 15 crores for line capacity works required early in the fourth Plan period for coal carriage, and Rs. 10 crores for general works. The increase in the freight carriage target to 254 million tons from the original target of 245 million tons means that the Railways will have to increase their carrying capacity by about 94 million tons in the four years 1962 to 1966. If the Railways are able to increase freight handling capacity by about 15 million tons as they plan to in the current financial year, even then it leaves the mammoth task of adding nearly 80 million tons of capacity in three years.

The Railway wagon manufacturing capacity had risen to a rate of 16,000 by 1956, but there were setbacks in 1958, 1959, 1960 and 1961. In the first half of this year the production had risen to an annual rate of 24,000.

Helicopters from France

The French have started deliveries of Alouette III helicopters, about the only type capable of operating on the Himalayan heights. France has been a traditional supplier of hardware for the Indian Air Force. India bought the French Ouragans in 1952, the Mysteres in 1956, and Alizes for the Navy in 1960. The present supplies of Alouette III helicopters are under an agreement signed by the Indian Government with Sud Aviation in July 1962 but under easier payment arrangements. Apart from these supplies, the French had also agreed to set up a helicopter factory in India. The immediate emphasis will be on helicopter supplies; manufacture will be taken up later.

The Indian Airlines Corporation is to receive Caravelle jet planes and, on the ground too, the French are offering a variety of technical co-operation in transport. The more important of the deals concern the electrification of railways, particularly in the eastern region around Calcutta and the steel plants. Since 1956, the French Railways had had a permanent mission in India, following a contract on electrification. Apart from the permanent mission, several French teams have been periodically visiting India and numerous Indian railwaymen have been receiving training in France. The Indian Railways have begun using the alternate current method for traction, an innovation of the French. The French have also started helping India with uptodate signalling systems, and in laying extra-long rails—as long as one kilometre.

TREND OF SHARES

LACK OF CONFIDENCE

(From Our Own Correspondent)

BOMBAY, *22nd November*

LACK of confidence for reasons well known accounted for yet another week of dull and dispirited trading on the stock exchanges. Investors were still not on the scene at a time when they were very much wanted in a market overshadowed by the China war which has also blurred economic progress. And, as pointed out in these columns last week, not until investment demand revives, stock markets can scarcely present a look different from what has been seen during the past fortnight.

Some selective inquiry was discernible in cash shares during the week under review. Further, thanks to fairly heavy margins imposed on outstanding short sales as at the turn of the settlement in both Bombay and Calcutta and the Chinese offer to cease-fire from the midnight of Wednesday the 21st inst., some leading Bombay shares like T.E.L.Co., Voltas, Svadeshi, Kohinoor and Bombay Burmah staged a modest recovery from their minimum price levels on short-covering. The rally in these shares was also aided by the reported renewed buying by the L.I.C. in some of them.

The intermittent buying by the L.I.C., stringent measures imposed by the market authorities and the stiff attitude adopted by the Finance Ministry (which followed up its previous announcements by another firm note this week) against excessive fall in share values induced bears to cover a part of their short sales. Yet, outstanding sales in some of the popular counters were believed to be still heavy, as the big bears were said to be disinclined, despite the heavy penalty on their positions, to square up their sales. The unilateral cease-fire by the Chinese prompted marketmen to hope for some unexpected turn for the better in the border war situation. But this seemed to be only the immediate reaction. At any rate, the tendency among the operators was not to read much in the Chinese offer but to share the views expressed by members of the Opposition in the Lok Sabha, pending the official assessment and ultimate attitude.

With sellers showing a marked reluctance to square up their outstanding positions at or above the minimum prices, the authorities of the Calcutta and Bombay Stock Exchanges were obliged to impose a stiff margin of 20 per cent on total outstanding sales in cleared securities to be carried forward at the turn of the pending settlement. The settlement expired in Calcutta on Wednesday the 21st inst. In Bombay, it will be over on Friday the 23rd inst. The decision to impose the margin was taken by the Committee of the Calcutta Stock Exchange on Monday the 19th inst. and by the Governing Board of the Bombay Stock Exchange on the following day. The Board of the Bombay Stock Exchange further announced that the rate of margin would increase to 30 per cent on carry-over of business exceeding Rs. 40 lakhs. In Calcutta, the margin was determined on the basis of the minimum prices. In Bombay, the margin is payable on the basis of the making-up prices that would be fixed on Friday the 23rd inst. At the same time, the current level of margin on purchases to be carried forward has also been maintained in Bombay, so that no new buying by bulls is encouraged. The Board has also left the minimum prices unchanged. The Governing Board of the Ahmedabad Stock Exchange decided on Saturday the 17th inst. to impose a penal margin of 50 per cent of the market price on sales outstanding in cleared shares after Friday the 23rd inst. which is the settlement day. The margin will be on total, and not on net, sales.

The market authorities have imposed stringent margins in order to force sellers to square up their positions. They are disappointed to find that sellers have not availed themselves of the opportunity given to them for squaring up their positions at the minimum prices. This view has been echoed by the Stock Exchange Directorate in its circular issued to all the stock exchanges in the country on Tuesday the 20th inst. In the circular, the Director of Stock Exchanges observes that the Government has, under the Defence of India Rules, 1962, full powers not only to fix minimum prices for all securities but also to give any directions to any individual or body of individuals to regulate contracts in securities or to any other parties connected therewith. He has asked the stock exchange authorities to submit names of members and names and addresses of their clients and detailed information about their commitments (either purchases or sales) exceeding Rs. 1 lakh per member in each of the most active speculative shares. These particulars are sought to enable the Government to take necessary action.

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Dalal Street displayed a slightly better tone towards the close of the week, followed the Chinese offer of cease-fire, L.I.C. buying and the measures adopted by the market authorities. But generally, improvement in prices was slow and very small. Closing prices in a large number of cases were either at or slightly above the minimum prices. However, some scrips showed a modest rise. For instance, Bombay Burmah improved to close with a gain of 17 points at Rs. 640, Standard showed a recovery of 35 points at Rs. 820, Bombay Dyeing rallied by Re. 1.30 to Rs. 61.20, Kohinoor were up by 10 points at Rs. 286 and Svadeshi by 13 points at Rs. 257. T.E.L.Co. finished 12 points higher over the week at Rs. 279 and Voltas showed a gain of Rs. 14.50 at Rs. 251. Cash scrips were devoid of much activity. Permanent Magnets fell by Rs. 20 to Rs. 200 and Synthetics showed a loss of Rs. 9 at Rs. 147.

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In Calcutta, the market was stagnant around the minimum levels, and changes, wherever occurred, were small either way. In the forward section, Birla Jute eased from Rs. 30.37 to Rs. 30 and Indian Aluminium from Rs. 32.50 to Rs. 32.12, while Jaipur Udyog recovered 13 nP at Rs. 11.25. In the cash section, Bowreah Cotton moved down by Re. 1.06 to Rs. 24, Central India Coal by 31 nP to Rs. 9.81, Metal Box by Rs. 2 to Rs. 53.50, Union Carbide by Re. 1.50 to Rs. 43.50 and Hasimara Tea by 31 nP to Rs. 14.

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In Madras, activity was reported in some leading counters which alone showed some changes over the week. Thus, Bangalore Woollen edged forward by 80 nP to Rs. 242.80 and Ashok Leyland by 30 nP to Rs. 7.90, while Mysore Chemical and Fertilisers fell by Rs. 2.10 to Rs. 18.25, Madras Rubber showed a small loss of 13 nP at Rs. 21.75. Similarly, Blue Mountains, Periakaramalai and Outcherlony Valley closed fractionally lower.

THREE RIGHT ISSUES

The debacle on the stock market and the causes responsible for it, namely, the Chinese aggression and all sorts of political and economic uncertainties stemming from it, have not only restrained investors in shares and securities but also cautioned even some of the big companies in making further capital issues, especially when the amount involved is pretty large, and put promoters of new ventures temporarily out of the map. According to market circles, at least three big companies, namely, the Central Bank of India Ltd., the Central India Spinning, Weaving and Manufacturing Company Ltd. and the Tata Engineering and Locomotive Company Ltd., have dropped temporarily their proposed capital issues, though they have been sanctioned by the Controller of Capital Issues.

Of the three companies, T.E.L.Co. is the most talked about in market circles for the simple reason that its shares have that special fancy with speculators and investors alike. The news of Controller's permission to the Company to issue additional ordinary share capital of Rs. 2 crores in shares of Rs. 100 each at a premium of Rs. 50 per share and offer them as right shares in the proportion of one for four to the existing shareholders came only on Monday the 19th inst. But, since then, word has gone round the market that, for the time being, the Company may not go in for additional capital because of the disturbed conditions noted at the outset. But inquiries with the Company do not confirm this rumour. We are told that nothing is definite about the proposal to issue rights shares. Mr. J. R. D. Tata, Chairman of the Company, is abroad at present and the Director-in-charge, Mr. S. Moolgaokar, is at Jamshedpur. In the absence of the two, the Board has not given its mind to the proposed right issue, although the Directors may have individually considered the proposal. It is gathered that the proposal will come up before the Board only at its next routine monthly meeting which is to be held some time in the second week of next month, by when Mr. Tata will have arrived here, especially as the annual general meeting of the T.I.S.Co. is on 13th December.

Meanwhile, the other two companies, namely, the Central Bank and Central India, have deferred their proposals to issue rights shares to a future date. The Central Bank, which has a paid-up capital of Rs. 315 lakhs has been authorised by the Controller of Capital Issues to raise further capital of Rs. 315 lakhs by the issue of 630,000 new ordinary shares of Rs. 50 each (Rs. 25 paid-up) at a premium of Rs. 10 per share as right shares in the proportion of one new share for every two shares held. The Central India was granted consent by the Controller to increase its ordinary share capital by Rs. 46.87 lakhs and offer the new capital to the existing shareholders by way of right shares of Rs. 100 each at par in the proportion of one share for every share held.

While the Central Bank and Central India have thus definitely shelved their right issues, and T.E.L.Co. may also follow suit, it may be pointed out that the consent of the Controller of Capital Issues is valid usually only for a year from the date it is granted. It remains to be seen whether political, economic and market conditions will change sufficiently for the better so as to permit the three companies to raise additional capital within the time limit.

DEBENTURES FROM MADURA MILLS

The Madura Mills Company Ltd., has offered for public subscription Rs. 125 lakhs of debentures, carrying interest at the rate of 7 per cent per annum and redeemable in 1974-76. The issue price is at par in units of Rs. 1,000 each. The subscription lists will open on the 26th inst. and close on the 30th inst. or earlier, but not before the 28th. The entire issue has been underwritten in parts by the I.C.I.C.I., the Great Eastern Shipping Company Ltd., the Pandyan Insurance Company Ltd. and three stock-brokers. The Company has agreed to make, out of the issue of Rs. 125 lakhs, firm allotment of an aggregate amount of Rs. 63.75 lakhs to the six underwriters. This means that only the balance of Rs. 61.25 lakhs is freely available to the public.

The proceeds of the debenture issue will go to finance an ambitious programme of expansion and diversification. The Company has installed an additional tyre cord plant at Serampore, near Calcutta, which has gone into production from June 1962. It has been licensed to install 450 modern automatic looms. This project is well under way and will be followed by installation of a dyeing, bleaching and finishing plant and of 500 additional automatic looms.

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PERSPECTIVES & PROJECTIONS

By Mercator

Blood, Toil, Tears and Sweat

"We shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."—WINSTON CHURCHILL (*4th June* 1940).

THE Prime Minister's broadcast to the nation on Monday announcing grievous reverses, affirming confidence in the ultimate victory and warning against the potential danger to the rest of the world, was quite different in its tone from his earlier reply to the debate in the Lok Sabha on the emergency. Danger has moved nearer; it is no longer a question of retreating to better defensive positions. More aid in arms is needed, and this time there are fewer inhibitions in asking for it.

The people have received the news in a more subdued mood than they manifested earlier. That is not a bad thing, since it is essential that they should have a mature approach to the implications of the present war instead of getting excited over noisy demonstrations. Naturally, they will look abroad for signs of encouragement and understanding; while American and British sympathies have been taken for granted, day-to-day developments within the Iron Curtain, especially over Sino-Soviet relations are being scanned with increasing anxiety for evidence of possible Soviet support for India. There is a certain amount of impatience with Pakistan and its tendency to strike up attitudes, but certainly no great animosity.

Assam is fully exposed, sooner than our calculations had indicated. Oilfields and tea gardens are immediately concerned for their safety, but, unless we get some idea of where the Chinese intend to halt their offensive, if at all, it is difficult to say what the coming weeks have in store. In this grim hour, there is great need of a spirit of dedication and austerity everywhere; as the pace-setter for the rest of the country, the Government can offer more concrete gestures than the slightly extended working hours and restriction on new recruitment and other minor economy measures. The size of the Union and State Cabinets is for many still an eyesore. The lack of sufficient response for the Gold Bonds issue from the larger holders of hoarded and concealed gold, for whom a generous amnesty was offered, is also regrettable, because it offers a melancholy contrast to the ready offerings of all their possessions from some very poor persons.

There is a risk of the tempo slackening or relaxation of efforts for mobilising our resources in the event of a lull in fighting or peace feelers, such as the Chinese cease-fire offer at the time of writing. More than any territorial claims, the Chinese aggression, it must be remembered, is aimed at crushing the spirit of a free people. Mr. Nehru's assurance that there would be no discussion of terms has partly helped to allay doubts both here and abroad; but the determination to resist the invader must be shown more clearly in the plains of Assam, if the Chinese continue their penetration. Civil defence and even distribution of arms for civilians have to be organised; the machinery of Government must learn to move faster than it now does.

* * * *

Tools for the Job

Even during the days in which Mr. T. T. Krishnamachari was described as a Minister without portfolio, he was not actually without one. To the economic co-ordination, which he was then expected to achieve, defence has been added; he has acquired the nucleus of a Secretariat by the transfer of the Ministry of Supply and its Directorate. But the nature of his job has radically changed in the present context and it is natural that those who cannot grasp the significance of the new role he has to play should complain that his duties are still imprecisely defined. True, co-ordination may mean anything from post office functions to constant interference with other people's work; the latter is mostly feared by those who know, or at least think they know, T.T.K.'s temperament. But it is quite evident that the President's Order of allocation of business to the new Ministry is more or less final for the present and that it leaves ample scope for flexibility. Obviously, T.T.K. is not being asked to do what others are doing well enough (or can be prodded to improve upon) but to ensure that their activities are properly dovetailed. This is not capable of statutory definition. To attempt any such clear-cut demarcation of responsibility or function will be most unwise. If the Minister should make a success of his present job, he would need such a wide range of authority that their enumeration would not only be impossible but also create the impression that he is being clothed with dictatorial powers; to err on the other side, of giving too little authority in order not to offend others' susceptibilities, might make the change altogether meaningless.

The point to be kept in mind is that it is not right to apply standards appropriate in peace-time for the definition of constitutional jurisdiction, functions and responsibility. There is a parallel in British constitutional practice for the present situation here. When Lord Beaverbrook was appointed Minister of Production in February 1942, a White Paper was issued laying down in detail his responsibilities; but, within a fortnight, he had resigned due to strong personal antagonisms between him and Mr. Ernest Bevin. When Mr. Oliver Lyttelton was appointed in his place, his functions were less precisely laid down than in Lord Beaverbrook's case. This was largely an office of a personal nature; what happened was that co-ordinating functions, which, in normal times, are performed through the leisurely methods of standing committees, study and working groups or Royal Commissions were entrusted to a single Minister. In effect, it was a delegation of some of the Prime Minister's powers of co-ordination, though he always remained the final arbiter if and when an irreconcilable difference arose. While such disputed questions may be many during peace-time, the common danger and a sense of patriotism should help to soften attitudes all round. There is nothing to suggest that T.T.K. will not secure the required co-operation on his own.

It is certainly not possible to bring the entire range of defence production, which is now distributed among many Ministries besides Defence (C. & I., Heavy Industries, Food, Communications), under one Ministry; nor does it seem necessary to do so. At the same time, these Ministries cannot be expected to pursue their individual ways or trust to the old slow methods of securing correlation of their activities. As Minister of Production, Mr. Oliver Lyttelton achieved a predominant position not by crossing others' paths but by taking on residual functions; his membership of the War Cabinet, chairmanship of vital committees, liaison with American supply organisation and not least his power over allocation of materials helped to strengthen his position. It took him nearly a year to stabilise the administrative organisation and reach a peak in war production (1943) but thereafter he had little need to worry. His Ministry, however, did not survive the war, as its role had come to an end in 1945.

In India, all Ministries, excepting perhaps Defence, External Affairs and Home, are already subject to the co-ordinating authority of the Planning Commission. Even though the Minister in charge is directly responsible to Parliament, he can always say in his defence that a particular act was done in pursuance of the Plan or the Commission's (or the N.D.C's) directive, though neither of the two is a constitutional authority. So there is no harm, if, in another case like the present one, a Minister has to cite the requirements of the Co-ordination Minister as his guiding line, and if the latter also owns responsibility; there is less ambiguity in this arrangement than, for example, in the relations between a Minister and a so-called autonomous State undertaking.

After having shown only recently that the Defence portfolio can be easily separated from defence production hitherto linked to it, there was, perhaps, a case for tacking it on to the new Ministry at least for the period of the emergency. The Development Wing, now renamed the Department of Technical Development, is a very useful appendage; it has at its disposal a store of information on materials and resources which can help the formation of a Materials section within the new Ministry. This, together with the functions of purchase, inspection and shipment of stores allotted to the Department of Supply should be sufficient for achieving co-ordination. The process of adaptation within the machinery of the Government is almost continuous and officials who will have to be seconded from other Ministries to the Co-ordination Department will themselves be able to smooth out difficulties by working together. But the enemy at the gate will probably do more than all the others towards the elimination of petty ideas of personal prestige and in this hope we may all give the new Ministry a cordial welcome. To the extent to which it is successful in its methods, it can offer lessons for the future when a quicker pace of economic progress has to be attempted through concentrated efforts.

* * * *

War in the Air

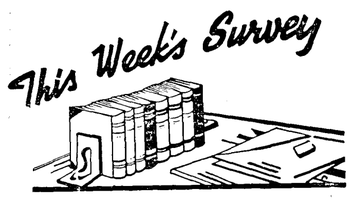
Called suddenly like many others from its daily round of innocuous pursuits to contribute to the war efforts, the All India Radio has been heroically doing its best to counter Chinese propaganda, expose its lies and strip Peking Radio of its pretences. A voice from the AIR reminds the citizen of his duty to produce more; music from military bands as background may not make us all war-like but it is at least a reminder of marching troops. It may be that I am reading too much into what I hear but I get the feeling that artistes, being human, have been greatly affected by the gravity of the crisis facing the country and have revealed it in their tune and tone. But that apart, the broadcasting authorities do not seem to have clearly thought out the appropriate kind of programmes to be put out for the various audiences they have in view.

"Topic for Today" aimed at exposing Chinese frauds is all sarcasm, but it seems too sophisticated to achieve its object. The person who can appreciate its style or the nuances of its rhetoric is likely to know the Chinese and their ways fairly well. It is unlikely to convince the ardent Sinophile, if indeed there is any creature of that description outside China at this moment. Assuming that the broadcasts are directed to inform the average Indian and the people in the uncommitted parts of the world where the Government is still wavering in its attitude or cool towards India, the style and content of the broadcasts should be different. The pleading and the persuasive tone which should come naturally to the injured party, the shock of being betrayed and anger over treachery, are all imperfectly communicated by the sarcasm adopted by AIR. Sometimes, it even borders on absurd counter-propaganda against Peking Radio; it would be unfortunate if this impression is created in the minds of people in other Asian countries.

It may be a mistake to assume that English as understood by the elite in Delhi or other Indian cities will be appreciated by, say, the ordinary Japanese or Burman, let alone the Indonesian, Arab and African. Much thought has been devoted to the effect of the spoken word on the listener, as distinguished from the written on the reader; but, in the use of English as a medium by us, it is necessary to bear in mind that a simple turn of phrase, which may be expressive in the country of its origin may evoke little understanding here and much less in other countries where Anglo-Saxon is not the mother tongue.

I think some description of the terrain in which Indian troops have to fight the Chinese hordes against heavy odds and the nature of the historical and traditional links these areas have with this country will get a better listener response since it will satisfy the keen urge abroad to know the facts. The inflexions of tone should be suitably modulated to convince the friendly listener of the rightness of the Indian cause. All India Radio needs a large team of non-official advisers, script writers and readers to vary the style of the text and intonation of speech so that they do not tire the listener.

A six-member team of experts from the biggest shipbuilder in Japan, Mitsubishi Shogi Kaisha, has arrived in India to make an assessment of the needs in foreign exchange and technical know-how in setting up the second shipyard at Cochin. The firm's offer to take minority share in the project and also to collaborate in the construction of the shipyard was secured by Mr. Raj Bahadur, Minister for Shipping, when he visited Japan in October. It has agreed to approach the Japanese Government to give it outside the yen credit foreign exchange required for the project.



A COMMENDABLE DECISION

KERALA has given a lead to other States in the matter of ensuring industrial peace during the present emergency. The State Industrial Relations Board, which is an *ad hoc*, tripartite body, has accepted the suggestion made by Mr. V. V. Giri, the State's Governor, that a conciliation-*cum*-arbitration board should be set up in the State as a war-time measure to settle industrial disputes quickly. It has urged the Government to implement this decision immediately and to hold in abeyance the operation of the various statutes which might hamper war-time production or adversely affect industrial relations.

The board is to have seven members, three representing employers and three representing workers, with an independent chairman. In the event of an industrial dispute, the board would first try out conciliation, failing which it would automatically become an arbitration body whose majority decision would be binding on both labour and management. The board is not intended to replace the existing machinery. It would operate only when the normal machinery fail to settle disputes quickly.

Kerala is thus the first State to take prompt action to translate into practice the spirit of the resolution on industrial truce passed unanimously at the joint meeting of the central organisations of workers and employers held at New Delhi on the 3rd inst. It may be recalled that the resolution laid utmost emphasis on voluntary arbitration for settling disputes and urged prompt settlement of disputes by streamlining the procedures. The credit for the commendable decision of the Kerala Industrial Relations Board obviously goes to Mr. Giri who, with his unrivalled knowledge and experience of labour problems, seems to have played a significant role in improving industrial relations in the State which was at one time full of strife and strikes.

COAL PRODUCTION AND MOVEMENT

The private sector in coal industry, according to the testimony of Mr. K. D. Malaviya, Union Minister for Mines and Fuel, who addressed the Joint Working Committee of the Mining Associations at Calcutta on the 16th instant, is currently producing at a faster rate to reach its target for the year than the public sector is able to do. At the moment the National Coal Development Corporation's collieries in West Bengal and Bihar are lagging behind, but the Corporation is expected to make up its deficiency in the next two months. Nevertheless, the combined output of both the sectors in the current year is not likely to exceed 60-61 million tonnes. On this basis, the annual increase has been of the order of four million tonnes only since 1959. Mr. Malaviya's hope that, if this trend were maintained, the third Plan target (97 million tonnes) would definitely be achieved seems to be exaggerated. For the present rate of annual growth in output is patently insufficient to reach the third Plan target. If anything, the rate will have to be trebled in the next three years. How is this going to be done? One looks vainly for an answer from the Minister's speech, for he has not thrown any light on the progress of the expansion projects in either sector. His recognition that some of the industry's difficulties still continue does, of course, mean something. But that is not enough in the absence of some indication as to the remedial steps under contemplation. For the present we have only Mr. Malaviya's word that the industry's difficulties would be solved "easily and swiftly."

As far as coal movement is concerned, in spite of some marginal improvement in rail transport, the situation has continued to be difficult for all consuming industries. For instance, as against the assessed requirements of 8,127 wagons per day in respect of all the coalfields in the first half of this year, the railways could actually load only 6,049 wagons per day. The daily number of wagons actually loaded has fallen short of the railways' own target of 6,925 wagons per day. No wonder, therefore, that coal supplies to industries have not *substantially* increased. The latest available figures show, for instance, that the 36 priority classes of industries had an aggregate stock of 2.4 million tonnes of coal on 1st buly 1962, as against 2.1 million tonnes on 1st July 1961. The aggregate consumption of these industries was 3.7 million tonnes in June 1962, as against 3.4 million tonnes in June 1961. It will be seen from these figures that the increase that had taken place over the year in coal consumption and stocks was only marginal and thus inadequate. The fact that industry after industry has been complaining about inadequate coal supplies and uncertain and delayed deliveries proves that coal movement and supplies have not greatly improved in the current year.

The Government is, of course, aware of the need for improving coal movement. Its scheme to set up coal dumps in different parts of the country for catering to strategic industries and power houses is stated to be ready for implementation. But there is a snag here inasmuch as this scheme of distribution will involve, according to Mr. Malaviya's own admission, a lower profit margin for the industry. In seeking the industry's co-operation for making the scheme a success, the Minister has failed to consider that the industry, which has been granted only a modest increase in prices, can hardly be expected to incur any loss through its participation in that scheme. As the question of creating coal dumps in different parts of the country has been a controversial one all along, with the coal industry, coal merchants and consuming industries criticising it on some ground or other, the Government should either remove its objectionable features and make it really workable or get the railways to accelerate the tempo of wagon loading on the usual lines and also increase wagon availability in the light of requirements as assessed by the Coal Controller.

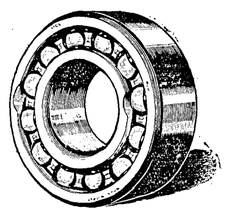
WOOLLEN AND COTTON TEXTILES

Exercising the powers conferred by Section 3 of the Essential Commodities Act 1955, the Government of India has issued the Woollen Textiles (Production and Distribution Control) Order. The Order authorises the Textile Commissioner to co-ordinate production of woollen cloth, yarn and wool tops in accordance with the needs of the general public, as well as to fix maximum ex-factory, wholesale and retail prices of cloth or yarn. The ex-officio Joint Textile Commissioner has been appointed Controller of Woollen Textiles. There is no need for any elaborate justification of the Government's decision to regulate the production, supply and prices of woollen textiles. Suffice it to say that the decision is well-conceived, for, with a war on India's Northern and North Eastern borders, the defence requirements of woollen goods are pretty high and will be higher still in future, at any rate until the Chinese vacate the territories they have forcibly occupied in this country. So long as the war persists, the woollen industry will necessarily have to be switched over to defence production, all the mills in all sectors being geared for meeting defence needs. While the aforesaid Order of the Government seeks to ensure such a switch-over, a successful fulfilment of the objective will depend on the co-operation and support extended by the woollen goods producers and traders. It is gratifying to hear that the interests concerned have held out the "full" assurance of strictly adhering to whatever directives that are issued under the Order by the Controller of Woollen Textiles.

No less urgent is the need for ensuring supplies of cotton textiles at reasonable prices. A seven-point programme of action has been announced by the Central Government, details of which were given in our last issue (*vide* page 850). Briefly stated, the programme envisages not only an increase in production, especially of coarse, lower and middle medium varieties of fabrics by an annual rate of 250 to 300 million yards, but also proper distribution (by the Indian Cotton Mills Federation through its regional associations), and stamping of prices on cloth. Besides, the decision of the Board of Trade on voluntary system of price display is proposed to be implemented with effect from 1st January next. What is more, the Government has given a stern warning that it will take "drastic action" against those responsible, if any specific instances of rise in cloth prices are brought to its notice.

On its part, the Committee of the Indian Cotton Mills Federation has assured the Government that the industry would be ready and willing to give its maximum co-operation in supplying the defence needs. The Committee, at its meeting held in Bombay on Monday this week, offered its full support to the Government in taking the necessary steps to hold the price line and was confident that, with the co-operation of Government and the trade, it would be able to do so. An important decision taken at the meeting was in respect of yarn distribution. Regional committees, we are told, will be constituted to ensure yarn supply direct from mills to the apex handloom weavers' societies and other approved channels.

The whole issue pertaining to the production and prices of textiles is bound to figure prominently at the ensuing meeting of the Cotton Textiles Consultative Board due to be held at New Delhi on Sunday the 25th inst. The outcome of the meeting is awaited with much interest by both millowners and traders. Meanwhile, the Cotton Mills Federation has advocated a co-ordinated all-India scheme for augmenting textile output, with a view to avoiding dislocation of production. Details of the scheme, now being drawn up in consultation with the Central Government, are not available at the time of writing. It is, however, presumed that the scheme will envisage (a) reduction in the number of holidays, (b) working of mills on all the seven days in a week (the workers being given weekly holidays in rotation), and (c) three-shift working in all mills. The adoption of these measures is expected to raise the production of yarn and cloth by at least 20 per cent. This is, of course, a move in the right direction. Only it is doubtful whether enough cotton will be available to spin yarn sufficient to weave an additional 1,000 million yards of cloth per annum, that is, the quantity equal to 20 per cent of existing annual production. There is also the question that a more intensive utilisation of mills' capacity may result in speedier wear and tear of machinery and equipment, necessitating quicker replacement of capital assets. By wearing out existing capacity earlier than expected, an opportunity can, of course, be provided for modernising the industry. But it will cost a lot of money. Further, the requisite modern plant and machinery will have to be made in the country. Appropriate arrangements for securing the necessary finance and producing the capital goods must be made sufficiently in advance.



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FOOD SITUATION

The food situation is well under control, despite the crisis created by the Chinese aggression on India's northern borders. This confident assessment has been made by no less a person than Mr. S. K. Patil, Union Minister for Food and Agriculture. In his speech at the meeting of the Zonal Food Council in Bombay on Monday, he sought to dispel apprehensions about rising prices of foodgrains in the context of emergency conditions. In fact, he asserted that, on the food front, the position was now distinctly satisfactory. Mr. Patil's assessment does not seem to be wishful thinking. For the Government has adequate stocks on hand to prevent any undue increase in food prices. The total stocks of foodgrains with the Government at present are as much as 2.5 million tons. Besides, stocks at the godowns of traders aggregate about two million tons. Further, there will be massive imports next year from the U.S. which has so far supplied 5.8 million tons under the P.L. 480 agreement for 17 million tons covering the period 1960-64. In addition to the quantity of foodgrains yet to be supplied under the agreement, the U.S. has just agreed to supply more foodgrains to replenish stocks during the emergency. It will accordingly send 50,000 tons of wheat and about 20,000 tons of rice every month over the next six months. This food aid offered by the U.S. is no less valuable than its prompt military assistance to this country, for stability on the food front is of basic importance in sustaining the war effort.

Although the present and prospective stocks position of foodgrains is satisfactory, it is necessary to ensure that private traders do not attempt to hoard stocks and create artificial scarcity conditions in any part of the country. Happily, there seems to be no cause for concern on this account. For traders themselves in several places have offered to impose voluntary controls. Following a recent meeting of the representatives of foodgrains trade at New Delhi, they have drawn up a blueprint for self-regulation and agreed to take only a very small margin of profit, a part of which will be donated to the National Defence Fund. Likewise, at another meeting in Bombay last week-end, trade representatives of Maharashtra, Gujarat and Madhya Pradesh assured the Government that they would keep a vigil on the distribution and sale of foodgrains with a view to holding the price line as demanded by the national emergency. These are certainly commendable steps. But traders' organisations should concentrate their efforts on measures to eliminate the black sheep among them. The Government, for its part, has decided to take no chance. As pointed out in our editorial last week, several measures, such as opening of fair price shops and licensing of wholesale traders, are already being taken.

These measures are expected to be supplemented by strengthening the machinery for the regulation and control of trade. A hint was dropped to this effect by Mr. Patil at the zonal meeting. He suggested that commodity boards should be set up for wheat, rice and sugar, on the lines of similar technical bodies in foreign countries, to deal with licensing of wholesale dealers, regulation of marketing practices, etc. He did not explain the precise role of such boards and the nature of their functions. Such boards are welcome, if it is found that the existing machinery for control is inadequate and that new boards will not merely duplicate the work already being done departmentally.

Neither the self-restraint of traders nor imports alone can ensure stability in food prices on a long-term basis, unless domestic production itself is stepped up. Much, however, remains to be done in the field of domestic production. The Zonal Council, of course, did attach much significance to this aspect. Outlining schemes for increasing the production of foodgrains and other agricultural products, Mr. Patil stressed that intensive and concentrated efforts should be made in the areas under irrigation and assured rainfall. He also pointed out the need for undertaking such schemes as contour bunding, dry farming, etc., in order to promote retention of moisture in soil. He was also in favour of giving more subsidies and incentives to small farmers to help increase output. His advice to States to draw up long-range and short-term plans for both food and commercial crops is wholesome. The representatives of the Governments of Maharashtra, Gujarat and Madhya Pradesh and also Goa, realising the urgency of the problem, assured Mr. Patil that effective steps would be taken to promote production. The State authorities should lose no time in making an all-out effort to fulfil their assurances.

U.K.-E.E.C NEGOTIATIONS

The negotiations between the U.K. and European Economic Community (Common Market) have no doubt been a highly protracted affair. But slowly, and perhaps steadily, the area of agreement has become wider on the question of the U.K.'s entry into the Common Market. There is, therefore, nothing surprising in the statement of Mr. Van Houten of the Netherlands, who presided over the ministerial meeting last week at Brussels, that "we (the Six) have assumed that the entry of Great Britain will be a fact by 1st January 1964." At last week's meeting, provisional agreement was reached on two issues, one on "associated status" to Commonwealth territories in Africa and the other on tariff concessions to Australian and New Zealand mutton and lamb in the event of Britain joining the Six.

The U.K. and the Six have agreed that such African Commonwealth countries as Ghana, Nigeria and Tanganyika, which have so far refused association, could become associate members even at a later stage, if they changed their mind. At any rate, the Common Market has agreed to open negotiations for trade with these countries soon after Britain's entry into the Common Market. Besides, the U.K. will be permitted to impose gradual application of common tariff on tropical goods from African Commonwealth countries. These points show that neither the U.K. nor the Six intend to inconvenience those who do not wish to become associate members. There has also been no objection to the British proposal that Aden should be associated with the Six. But its oil exports will be the subject of a special protocol to be signed after the Six themselves have worked out a common oil policy. Similarly, both parties have agreed in principle to grant associate status to Malta. But the question remains to be settled whether Malta would be associated as a British dependency or as an independent State.

On the question of imports of mutton and lamb into the enlarged Common Market, the Six have provisionally agreed that the U.K. may suspend the common external tariff on these products. The idea, it would appear, is to ensure a phased application of the common tariff of 20 per cent by 1970. This is subject to the condition that such imports from New Zealand and Australia would not disrupt the market for other meat within the Common Market. The Deputies will continue the study on this subject and determine whether tariff suspension or duty-free quota is the better solution.

Those who advocate Britain's entry into the Common Market have cause for satisfaction at the spirit of accommodation shown by the Six in arriving at the aforesaid agreements. All the same, it should not be forgotten that several crucial issues still remain to be solved. For instance, the parties concerned have failed to reach an agreement on the financing of Community expenditure after 1970. The French view is that all the levies on food imports after 1970 should go to the Community and should be used to cover not only expenditures through the agricultural fund (for agricultural modernisation and subsidising the export of surplus) but also for other expenditures of the Community. The U.K., being a large importer of food, is concerned over the

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disproportionately larger contribution it will have to make under this arrangement. In this matter, the U.K. is likely to get some support from West Germany, which is opposed to the French proposal. West Germany, it may be noted, is the largest importer of food among the Six. The other outstanding matters, on which the Six and the U.K. have not yet seen eye to eye, are: transitional arrangements for British agriculture, safeguards for New Zealand's dairy produce, for other processed foods and for aluminium and newsprint, etc. These problems are once again expected to come up during the next ministerial meeting scheduled to take place at Brussels in the second week of next month.

EXPORTS FAIL TO IMPROVE

Despite the introduction of several export promotion measures, India's shipments have failed to make any headway. The only consolation perhaps is that, but for these measures, exports would have registered a more pronounced setback. This conclusion may not be wide of the mark, considering the persistent decline in world commodity prices during this year, particularly for jute and tea, and the growing competition from other more industrialised countries for processed and manufactured goods. During the first six months of the financial year 1962-63 (April to September), exports aggregated only Rs. 324.54 crores, which represents a decline of Rs. 33 lakhs, as compared with the corresponding period of 1961-62, according to provisional official figures. In other words, exports are running at an annual average level of no more than Rs. 650 crores. This compares very unfavourably with the target for exports laid down by the Board of Trade for the year at Rs. 720 crores. Even assuming that exports during the second half of 1962-63 would show some seasonal improvement, the performance during the whole of the year is still likely to fall much short of the Board's anticipations.

Exports for the April-September period would have been better, but for a setback suffered during the April-June quarter. In the month of June, they touched the lowest level of the year at about Rs. 46 crores. But since then, there has been a steady rise in shipments, having gone up to Rs. 61 crores by September. This only shows that exports have, of late, tended to regain the tempo it had developed during the first quarter of the calendar year 1962. If one takes the first nine-month period of the calendar year 1962 (January to September), one finds a marginal improvement in exports (by Rs. 3 crores to Rs. 490 crores) over the corresponding period in 1961. The increase, however, is too small to be of any particular significance. But as imports, during January-September, fell by about Rs. 10 crores to Rs. 762 crores, the adverse balance of trade narrowed down by about Rs. 13 crores to Rs. 272 crores.

An important feature of India's foreign trade during the first nine months of 1962 was the decline in both exports to, and imports from, the U.K., the major trading partner. According to figures released in London, India's exports to that country (c.i.f. Britain) fell by about £10 million to £95.77 million. In particular, shipments of tea and cotton yarn and cloth were adversely affected. The value of Britain's offtake of Indian tea fell by about £5 million to £36 million, and cotton yarn and textiles by about £3 million to about £8 million. Besides, there was a fall in exports of other items, too, such as leather and leather manufactures, ores, metal scrap and tobacco. At the same time, India's imports from Britain (f.o.b. Britain) declined sharply by about £37 million to £86 million. Imports of such essential goods as electric machinery, iron and steel, road vehicles and aircraft accounted for the major part of the decline. Here is a typical instance to show how shortage of external resources with the developing countries is having an adverse effect on the export trade of the developed countries. India would have surely taken more British-made capital goods, transport equipment and other items necessary to sustain its economic growth, if only it had more foreign exchange.

DEFENCE LABOUR BANKS

Shorn of its high-sounding name, the proposed Defence Labour Banks represent the simple concept of using voluntary labour to build community assets yielding quick results that directly help defence effort. The Ministry of Community Development, *Panchayat Raj* and Co-operation, which put forward the suggestion, estimates that, if the 150 million adult persons in the rural areas contribute one day's free labour or its money equivalent in lieu thereof, the country would get Rs. 200 to 300 crores worth of free labour per annum. This could be utilised for building productive community assets.

The proposal, which is reported to have received a wide measure of support at the meeting of the Informal Consultative Committee on Community Development and allied subjects, held this week in Delhi, is sound in principle. But there are bound to be many difficulties in its practical application, difficulties which considerably detract from its usefulness as an instrument for economic mobilisation for defence. The first difficulty is that such a programme can succeed only if it is properly organised and implemented. This calls for leadership of a high order which is lacking in the countrysides at present. It is also not easy to identify community assets that yield quick results. Construction of roads, wells, compost pits, etc., are all useful activities. But they call for sizable investment in equipment immediately, while taking time to bear fruit. This will put a strain on the country's limited resources.

Another difficulty is that voluntary free labour could be obtained only during the off-season after the cultivation and harvesting operations are over. It is, however, possible to utilise the services of the large number of unemployed and underemployed in rural areas, provided some form of incentive, say, free food or a nominal remuneration is paid. Even this will involve sizable expense, if the programme is to be organised on a countrywide scale as it is proposed to do. But by far the most important limiting factor will be, as already noted, the lack of proper leadership. If this handicap can be overcome, the resources may be found even through a measure of deficit financing, if need be. Anyway, the scheme is worth a cautious trial, at least in areas where appropriate leadership is forthcoming. Surely, doing something is better than merely recounting the difficulties involved as an excuse for doing nothing.

The suggestion to draw up an agricultural programme for every village and to prepare the blue-print of a scheme for introducing dry farming in 50 million acres, mooted at the meeting, will prove to be much more productive of tangible results than the defence labour banks. Under this programme, it is proposed (1) to step up production of compost manure from the present level of 90 million tons to 132 million tons by ensuring that every farmer, owning more than one acre of land, has at least two compost pits, each producing one ton of compost, (2) to intensify the use of green manure and (3) to increase the production of subsidiary foods like fruits, vegetables, milk and poultry. The success of this programme too will depend, to a large extent, on the quality and effectiveness of help and guidance provided to farmers.

(*Concluded from next column*)

domestic investment involving continued pressure to import more. The Chancellor's recent measures reducing purchase tax on motor cars and giving more allowances on capital expenditure as well as his stepping up of public investment may all do more to increase imports in the short run than to increase exports. Whether U.K. exports can be counted upon to increase themselves without special measures of planning remains to be seen.

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LONDON LETTER

U.K.'S TRADE EXPANDING

FIGURES FOR JAN.-OCT. 1962 ANALYSED

From Our Own Correspondent

LONDON, *17th November*

THE October export figures have given everyone a pleasant shock; they jumped from the low point of £285 million in September to £347 million in October. But, as ever, one must look behind the figures and not be too easily led by them, because, if allowance is made for seasonal factors, then the September figure is £235 million and the October figure £336 million. Even so, these October figures are more than a twelve-month record.

The other side of this picture is an equally surprising jump in imports: these have moved from £343 million in September to £413 million in October and, even allowing for seasonal factors, the increase is of the order of £17 million. As both sides of the trade account have gone up, the gap is in fact slightly wider than in September, since exports and re-exports in October total £361 million and imports, converted back from the c.i.f. figures given above to a comparative f.o.b. basis, are £368 million, an adverse difference on visible trade of £7 million. In September the balance was fractionally favourable.

Nevertheless, if we take a longer period of three months, Britain's export performance still looks good; for August-October exports averaged about the same as in the same three preceding months May-July and for the first ten months of the year they were 3 per cent higher than for 1961.

Imports

On the same basis, August-October imports were 2 per cent more than in May-July and for the first ten months of the year were 2 per cent over the 1961 average. But, even on these longer-term comparisons, it is possible to select figures giving a somewhat different picture. For instance, if, instead of comparing the most recent three months with the three months previous, one compares the third quarter *plus* October with the second quarter, we get on a seasonally adjusted basis c.i.f. average imports for the four months of £387 million and for the second quarter of the year £369 million average. This shows a rise in average monthly imports between the two periods of £18 million or nearly 5 per cent, twice as big a deterioration as when one makes the comparison between the two three-monthly periods. All this shows with how much caution one should handle short-term statistics.

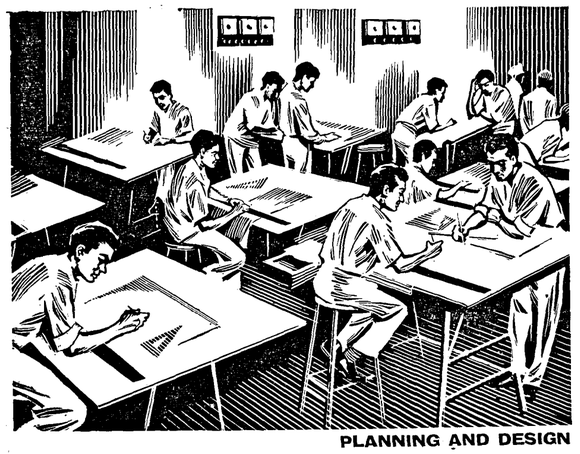
The ten-monthly figures are really more instructive. The monthly average for the period January-October of exports was £316 million to which one should add £13 million of exports, totalling £329 million. Imports c.i.f. averaged £377 million over this period and, if one corrects to f.o.b. basis, the figure is about £335 million. So, on visible trade account for the ten months to-date, Britain has had an adverse balance of about £6 million per month, say £60 million overall.

Against this we have official figures for invisible income for the first six months of the year which total £112 million and, even if the second half of the year turns out to be nothing like as good, it is clear that there is a reasonable surplus on the current balance of payments account.

If one compares the growth in Britain's trade this year (by growth one means a rise in both the export and import figures) with other countries, one finds that this country is holding her own and probably gaining something. Exports to the Common Market countries are running, according to the Board of Trade, over 20 per cent higher than they were a year ago. And to the other O.E.E.C. countries and other European countries the improvement is comparable. The U.K. has also held her share of the American market and, although exports to India have dropped, they have risen to most of the other big Commonwealth markets. The terms of trade are also remaining consistently favourable to the U.K.

Although it has been shown above that Britain is running a healthy trade balance, the size of the figure shows that this is not yet adequate if the country wishes either to increase investment overseas or to expand

(*Continued in previous column*)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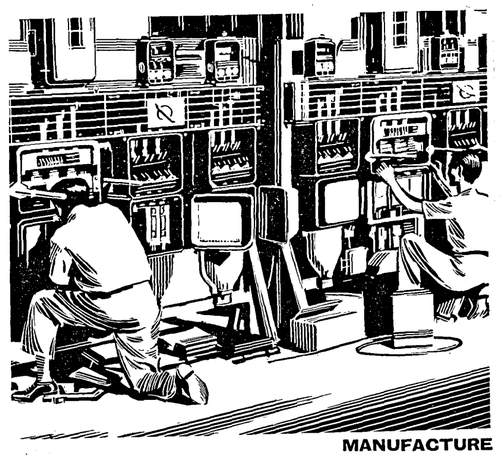
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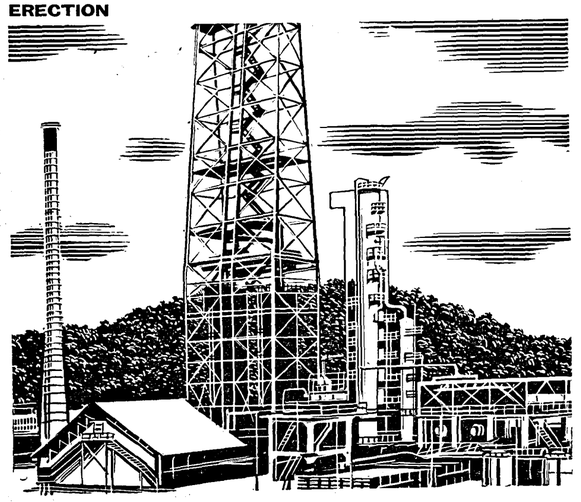

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FOREIGN INVESTMENTS IN INDIA

INFLOW OF FRESH CAPITAL SLOWS DOWN

THE rate of inflow of foreign investment into the private sector (other than banking) in India tended to slow down somewhat during the calendar year 1961. The total net inflow (including official capital) in that year was Rs. 70 crores, as against Rs. 78.40 crores in 1960, according to the preliminary data furnished in the latest annual census of foreign investments published in the October 1962 issue of the *Reserve Bank of India Bulletin*. Although the amount of Rs. 70 crores is well above the inflow of just Rs. 37.9 crores recorded in 1959, it is rather insignificant considering what the country actually needs for accelerating the pace of economic development. The decline of Rs. 8.4 crores during 1961 was in distinct contrast to the marked rise of Rs. 40.5 crores in the year preceding it. The decline was accounted for entirely by the net inflow of private capital which receded from Rs. 53.30 crores in 1960 to about Rs. 35 crores in 1961, whereas the inflow of official capital into the private sector in the form of loans increased from Rs. 25.10 crores to Rs. 35 crores. The reverse was the case in 1960. Thus, the net inflow of private capital had gone up significantly to Rs. 53.30 crores from a bare Rs. 11 crores in 1959, while that of official capital had declined, albeit slightly to Rs. 25.10 crores from Rs. 26.90 crores. Including the net addition of Rs. 70 crores in 1961, the aggregate outstanding foreign investments in the private sector at the end of the year stood at Rs. 760.50 crores (as against Rs. 690.50 crores a year before), of which the share of private sources alone was Rs. 601.4 crores (Rs. 566.4 crores a year before), official sources accounting for Rs. 159.1 crores (Rs. 124.1 crores a year before).

The term "foreign investments" above refers to investment of long-term foreign capital in the private sector (other than banking). These are measured by the aggregate of (*a*) net foreign liabilities of branches of foreign companies operating in India, (*b*) foreign-held shares, including proportionate free reserves and foreign-held debentures of Indian joint-stock companies, and (*c*) long-term loans obtained by these companies from foreign official institutions.

Petroleum continues to be the single largest industry in which foreign private capital has the pride of place. In 1961, however, the flow of fresh capital into this industry was well below that witnessed in 1960, apparently because the Government of India did not allow the foreign oil companies to expand their activities and brought about a substantial fall in their profits, leaving very little scope for the companies to plough back a part of the profits in their business instead of remitting them abroad. Indications for investments in sectors other than petroleum, however, are for a further increase in 1961. Consents given by the Controller of Capital Issues for issue of shares to non-residents rose to Rs. 34 crores in 1961 from Rs. 19 crores in the previous year. Besides, there were sizable amounts of consents outstanding from the earlier approvals. Retained earnings were maintained around 1960 levels with the continuation, in general, of factors favourable for high levels of earnings. Capital repatriation in these sectors during 1960 was around Rs. 3 crores and it is unlikely to have increased to any significant extent in 1961.

While the year 1961 witnessed a net inflow of foreign capital for investment in the private sector, there was a net outflow of banking funds to the tune of Rs. 4.5 crores, after successive net inflows in the preceding three years. The net inflow in 1960, for instance, had amounted to Rs. 13.7 crores. The net outflow in 1961 reflected mainly the prevalence of dearer money conditions in the U.K., particularly after the steep rise (from 5 to 7 per cent) in the Bank rate towards the close of July 1961. It also reflected perhaps the satisfactory liquidity position of banks in India, assisted by the contraction of demand for bank credit during the slack season of 1961. The net outflow of banking capital was accounted for entirely by the sharp fall in the banks' foreign liabilities, especially currency liabilities.

With the progress of the development programme, the foreign liabilities of the official sector registered a further steep rise of Rs. 264.4 crores in 1961, on top of the increase of Rs. 261.7 crores in 1960, while its foreign assets declined again by Rs. 19.4 crores, though the actual decline was substantially less than that (Rs. 60.80 crores) in 1960. The aggregate outstanding foreign liabilities and assets of the official sector as at the end of 1961 amounted to Rs. 1,469.60 crores and Rs. 565.1 crores, respectively. Liabilities to the U.S. increased by Rs. 102.74 crores to Rs. 722.4 crores, to the U.K. by Rs. 26.3 crores to Rs 163.1 crores, and to West Germany by Rs. 33.2 crores to Rs. 143.3 crores. Liabilities to the international institutions also rose by Rs. 85.4 crores to Rs. 298.2 crores, of which Rs. 58 crores represented drawings from the I.M.F., the balance being the share of World Bank loans. India's official assets in the U.K. declined by Rs. 28 crores. As this decline was offset to some extent by improvement in assets in the U.S. and other countries, the total of foreign assets fell by only Rs. 19.4 crores, as against the drop of Rs. 60.8 crores in 1960.

The table below indicates the overall position of foreign investments in the country at the end of 1961, as compared with that in the three preceding years, as well as in 1956 (end of second Plan):

TABLE A: *Overall Investment Position*

(In crores of rupees)

	1961	1960	1959	1958	1957	1956
Private :						
Liabilities ..	761	691	611	573	543	493
Assets ..	— 761	— 691	— 611	— 573	— 543	— 493
Net position ..						
Banking :						
Liabilities ..	61	73	60	52	48	61
Assets ..	51	59	59	54	62	52
Net position ..	— 10	— 14	— 1	2	14	— 9
Official :						
Liabilities ..	1,470	1,205	944	693	463	225
Assets ..	565	585	645	592	726	956
Net position ..	— 905	— 620	— 299	— 101	263	731
Total :						
Liabilities ..	2,292	1,969	1,615	1,318	1,054	779
Assets ..	616	644	704	646	788	1,008
Net position ..	—1,676	—1,325	— 911	— 672	— 266	229

Note :—For the private non-banking sector, no estimates are made of foreign liabilities other than business investments, nor has it been possible to indicate the level of foreign assets.

It will be seen from the above table that, during 1961, the net foreign indebtedness of India spurted by Rs. 351 crores to Rs. 1,676 crores, as compared with the increase of Rs. 414 crores in 1960. More than three-fourths of the rise occurred in the official sector, the net foreign indebtedness of which moved up by Rs. 285 crores, as a result of the rise of Rs. 265 crores in official borrowings and drawing down of foreign assets to the tune of Rs. 20 crores.

Full details regarding the flow of foreign investments into India during the year 1961 are not available. The latest period for which the Reserve Bank study has provided detailed information is the year 1960. The data in respect of this year reveal the following broad trends:

TABLE B: *Inflow of Foreign Investments*

(In crores of rupees)

	1960	1959	1958	1957	1956
Private sources :					
Gross inflow	62.4	25.8	26.8	26.9	31.2
Of which :					
Retained earnings ..	14.5	15.3	9.7	9.5	10.5
Cash inflow ..	6.2	3.3	4.8	5.9	3.2
Non-cash inflow	41.7	7.2	12.3	11.4	8.5
Outflow	9.1	14.8	24.4	9.0	6.3
Net inflow ..	53.3	11.0	2.4	17.9	24.9
Official sources :					
Gross inflow	32.8	29.5	25.3	32.1	12.1
Outflow	7.7	2.6	..	..	..
Net inflow ..	25.1	26.9	25.3	32.1	12.1
Total gross inflow into private sector	95.2	55.3	52.1	59.0	43.3
Gross outflow	16.8	17.4	24.4	9.0	6.3
Net inflow into private sector..	78.4	37.9	27.7	50.0	37.0

Note.—Figures exclude foreign investments in the banking system.

The bulk of the increase of Rs. 42.3 crores in the net inflow of foreign capital from private sources during 1960 as compared with 1959 was accounted for by the petroleum sector, its actual share in 1960 being Rs. 31.5 crores, as against less than Rs. 3 crores in 1959 and net disinvestment of Rs. 15.7 crores in 1958. This substantial improvement was due mainly to the larger inflow of fresh capital and partly to a further reduction in capital repatriation. Incidentally, it reflects, to some extent, the oil exploratory and development activities in the country. Consequent upon the Government of India's decision to invite foreign oil companies to participate in oil exploration activities, specific detailed proposals were received from several companies. The manufacturing and plantations groups also participated in the rise in inflow. The net inflow from official sources during 1960 was Rs. 25.1 crores, that in 1959 being Rs. 26.9 crores. The total outstanding foreign investments in the private sector (other than banking) at the end of 1960 stood at Rs. 690.5 crores, of which foreign private sources accounted for Rs. 566.4 crores and official sources (as for instance Development Loan Fund of the U.S.) for the balance, namely, Rs. 124.1 crores. The industry-wise breakdown of outstanding investments is given in the big Table C at the end of the article.

Of the total net inflow of official capital (Rs. 25.1 crores), as much as Rs. 23.5 crores were on account of the U.S. Development Loan Fund and Eximbank. There was a net outflow of World Bank capital during the year of about Rs. 2 crores, an inflow of about Rs. 4 crores having been more than offset by an outflow of about Rs. 6 crores. There were further drawings from the U.K. loan for the Nahorkatiya oilfields pipeline project (Rs. 1.7 crore) and the Japanese yen credit (Rs. 2.1 crores). Industry-wise, the net inflow of D.L.F. and Eximbank loans was mainly to textile products (Rs. 4.1 crores), transport equipment (Rs. 7.1 crores) and metals and metal products (Rs. 8.3 crores). As regards World Bank loans, there was a net repayment by the iron and steel industry of the order of Rs. 3.8 crores. Drawings by the Industrial Credit and Investment Corporation of India amounted to Rs. 1.3 crore. It will be seen that the World Bank continues to be the largest single source. Of the total outstanding official capital of Rs. 124.1 crores as at the end of 1960, World Bank accounted for Rs. 78.1 crores or nearly 63 per cent. However, its importance declined relatively to 1959, when its share had been around 80 per cent.

Gross capital inflow from private sources was Rs. 62.4 crores in 1960, as against Rs. 25.8 crores in 1959. Gross inflow comprises fresh capital receipts and retained earnings. A feature of the capital inflow in 1960 was that the entire increase was accounted for by fresh capital receipts. Retained earnings, on the other hand, were somewhat lower in 1960 as compared with 1959.

The actual fresh capital receipts in 1960 registered a steep rise to Rs. 48 crores from Rs. 10.5 crores in 1959. Branches of foreign companies as well as Indian joint-stock companies shared, more or less equally, in the increased flow of fresh capital. A sizable part of the fresh investments in branches occurred in the petroleum sector. The increase in fresh capital receipts in the case of the Indian joint-stock companies reflected the speedier utilisation of approvals for allotment of shares to non-residents during the year. Allotments of shares during 1960 amounted to as much as Rs. 18 crores, as against only Rs. 6.3 crores in 1959, to which it had fallen from Rs. 7.9 crores in 1958.

Fresh investments in branches are usually investments in kind, by way of supply by head offices of plant, machinery and other goods and services. In the case of rupee companies also, trends in recent years have shown that increasing amounts of shares have been allotted to non-residents against considerations other than cash, namely, provision of plant and machinery, etc. These explain the predominance of non-cash investments in fresh capital receipts during 1960.

Retained earnings were somewhat lower at Rs. 14.5 crores, as against Rs. 15.3 crores in 1959. This did not, however, indicate a decline in earnings. In fact, total earnings of foreign-controlled companies accruing to non-residents registered a further rise to Rs. 41 crores during 1960, as compared with Rs. 38.6 crores in the preceding year and around Rs. 35 crores in each of the two years 1957 and 1958. The rise in earnings during the year was largely because of higher earnings in the "manufacturing" and to some extent, in the "plantations" groups. Profits earned in the petroleum industry were somewhat lower.

There was a fall in the amount of private foreign capital repatriation from Rs. 14.8 crores in 1959 to Rs. 9.1 crores in 1960; in 1958, it was as high as Rs. 24.4 crores.

The U.K. re-emerged as the principal supplier of capital to India during the year 1960. Its actual share in the total net inflow of Rs. 78.4 crores was more than half, Rs. 44.5 crores, to be precise, which was substantially higher as compared with the meagre total of Rs. 1.5 crore in 1959. Almost the whole of it was private capital, official capital being just Rs. 1.8 crore. Of the net private capital inflow of Rs. 42.7 crores from the U.K., the petroleum industry alone accounted for nearly three-fourths or Rs. 30 crores. Manufacturing industries benefited to the extent of Rs. 10.5 crores. The U.S., which was the leading country in 1959, came second. The net inflow of capital from this country was Rs. 28.5 crores, as against Rs. 24.2 crores in 1959. Excluding official capital (loans from the D.L.F. and Eximbank) of the order of Rs. 23.5 crores, private capital inflow was actually lower at Rs. 5.0 crores, as against Rs. 7.6 crores in 1959. On a gross basis, however, the inflow was somewhat larger at Rs. 8.8 crores, the figure for 1959 being Rs. 7.6 crores. In other words, there was repatriation of U.S. capital to the extent of Rs. 3.8 crores during 1960 which was higher than in any of the preceding years since 1956. The major portion of the amount repatriated occurred in the petroleum industry (Rs. 3 crores). Among the other countries, the net inflow from West Germany was maintained at the previous year's level of Rs. 1.5 crore. The outstanding foreign business investments—in crores of rupees—at the end of 1960, 1959 and 1955, respectively, were:

U.K.: 446.4, 400.3 and 376.8; U.S.: 112.7, 84.2 and 39.8; Switzerland: 8.9, 7.6 and 6.6; West Germany: 6.8, 5.4 and 2.5; Canada: 5.2, 4.7 and 2.9; Japan: 3.4. 1.4 and 0.2; Pakistan: 4.2, 4.2 and 4.4; Malaya: 1.3, 1.2 and 2.1; World Bank: 78.1, 80.4 and 2.7; others: 23.5, 21.2 and 18.1.

The share of "direct investments" in the total foreign investments which had declined from 76 per cent in 1958 to 73 per cent in 1959 was maintained around this level in 1960. Of the total outstanding of Rs. 690.5 crores as on 31st December 1960, direct investments amounted to Rs. 501.7 crores, the balance of Rs. 188.8 crores representing "portfolio investments."

TABLE C: *Outstanding Foreign Investments—End of Period*

(In crores of rupees)

Industry	Private				Official			
	1960	1959	1958	1955	1960	1959	1958*	1955*
Manufacturing	289.4	250.6	218.6	131.8	105.1	85.0	63.9	2.0
Of which :								
Foods, beverages, etc.	34.5	31.8	30.7	29.3	0.2	0.2	..	..
Textile products	29.1	24.5	21.1	21.8	7.0	2.6	..	..
Transport equipment	21.8	13.9	6.4	4.1	13.3	6.2	..	..
Machinery and machine tools	11.0	8.3	6.0	5.0	1.8	1.1	..	..
Metals and metal products	93.8	85.0	76.2	11.1	76.0	71.1	63.9	2.0
Electrical goods and machinery	20.5	18.4	17.1	14.6	1.3	0.6	..	..
Chemicals and allied products	38.2	32.1	28.5	29.9	3.1	1.4	..	..
Miscellaneous	40.6	36.5	34.6	25.0	2.4	1.9	..	..
Petroleum	152.4	120.9	118.4	104.0	3.1	1.4	..	..
Plantations	99.5	95.1	96.0	87.2	..	..	..	..
Mining	13.7	13.0	12.4	9.6	0.6	..	..	..
Services	135.5	130.9	127.2	123.5	15.4	12.6	8.3	0.7
Of which :								
Trading	30.2	28.4	30.0	27.1	..	..	..	..
Construction, utilities and transport ..	54.1	52.3	50.0	42.7	12.1	10.5	8.3	0.7
Financial	25.8	25.1	22.9	27.8	3.4	2.1	..	..
Miscellaneous	25.3	25.1	24.3	25.9	..	..	..	..
Total ..	690.5	610.5	572.6	456.1	124.1	99.0	72.2	2.7

*Represents World Bank capital.

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MONTHLY ECONOMIC REVIEW

MARKETS RALLY AFTER CUBAN CRISIS

IS AN ECONOMIC RECESSION AHEAD?

By W. T. C. King

EDITOR, *THE BANKER*, LONDON

FOR a nerve-wracking week or more during the second-half of last month (October 1962), developments on the economic front were wholly overshadowed, in most financial centres of the world, by the possibilities conjured up by the crisis over Cuba. Only in the past few days, since it became possible to breathe more freely, have businessmen returned to the assessment of the economic and financial prospect.

The financial markets, inevitably have suffered a severe jolt, but, on the whole, their behaviour has certainly not been out of proportion to the extent of the fears generally current. On the contrary, there can be no doubt that the equity share markets, in particular, would have reacted much more violently had they not come through the salutary shake-out that started with the crack on Wall Street at the end of May. Not surprisingly, Wall Street reacted a good deal more violently than did London, but, in both centres, the rebound of the past few days has more than made good the crisis losses. On Wall Street, the Dow Jones average of industrial common stocks, which at mid-September had been over 590, dipped at one time to 558 (still, however, 23 points above the low point reached last June), but has now rallied to over 597, or fully 18 points higher than at the end of September. In London, the ordinary share index compiled by the *Financial Times*, which at the end of September was around 270, dropped at the worst point to 263.7 (on 24th October), but had at the beginning of October rallied to 276.2.

Gilt-edged Market

The Gilt-edged market in London has, however, suffered more severely, if allowance is made for its inherently less volatile character. The Government securities index, which had reached a peak of 86.9 on 18th October, tumbled to 83.2 in the ensuing week, and has since recovered only to just over 85. The sharpness of the response here is partly a consequence of the extraordinary strength that had been shown by this market during the preceding four or five months. At the beginning of this year, the index had stood at only 75—and, at the time of the emergency measures to defend sterling in mid-1961, it had reached an all-time low of 72. But more and more people had grown convinced that long-term interest rates would trend downwards, at least during the medium-run, from the exceptionally high levels that had ruled in the past few years when a very strong demand had been built up for Gilt-edged stocks. The Government broker has been able to make "funding" sales of stock on what has probably been an unprecedented scale—but, in spite of the large releases of stock, the pace of advance in prices, up to the middle of last month, was very fast. A part of this demand has certainly been of a speculative character, which explains the comparative vulnerability of the market to the international political scare; the shake-out should leave it rather healthier.

Foreign Exchange and Gold

In the foreign exchange markets, the major strain was naturally felt on the U.S. dollar, but the D-mark also came under heavy fire because of fears of renewed tension over Berlin. The nervous sellers of these two currencies were principally seeking to exchange into Swiss francs or gold, but the operations conducted through London had, as usual, the effect of putting some strain on sterling. The new arrangements for co-operation between the leading central banks for smoothing operations in the gold and foreign exchange markets were thus put to their first major test; they undoubtedly provided a substantial cushion, so that the extent of the shift of funds set in motion by the crisis cannot be gauged either from the changes shown in official gold holdings or from the movements in exchange rates.

Over the month as a whole, however, the central gold and exchange reserves of the sterling area substantially reversed September's movement, rising by £11,000,000 to £1,008 million. At the peak of the crisis, the turnover in the London gold market was understood to have been the highest volume since the post-war reopening of the market eight years ago. Prompt and substantial releases of gold by the authorities prevented any breakaway of the gold price such as happened during the dollar scare of two years ago. The quotation did, however, rise to its highest for roughly a year—from 35.14 dollars a fine ounce to 35.20 dollars, but it has since come back to 35.12 dollars.

Business Activity

Aside from these immediate consequences of the Cuba crisis, the most important new tendency discernible on the economic horizon has been an extension of the uneasiness about the trend of world trade. The month has been marked by a crop of rather pessimistic forecasts about the trend of business in the United States. Business activity there appears to have levelled out during the third quarter of this year; the seasonally-adjusted index of industrial production was stable at 119 from July to September (1957=100), while provisional estimates of gross national product for the third quarter suggest that the rate of growth slowed down to little over one-half of one per cent. Disappointment over this performance has led a number of unofficial commentators to predict a slipping into actual recession early in 1963, or at least a continuance on the plateau; and some observers have also detected signs of a slackening of activity in Western Europe.

With the aid of this inconclusive evidence, a number of writers have already been conjuring up the bogey of world deflation, and much play has been made with some important public utterances on this theme from Dr. Per Jacobsson, Managing Director of the International Monetary Fund. Dr. Jacobsson proclaimed some years ago that the great post-war boom was over; and now, in the second of two public speeches touching on this subject last month, he has given his reasoning in some detail; we have really to ask ourselves whether there is not now a more general slackening in the rate of economic expansion—a slackening which may also be beginning to affect countries on the continent of Europe and which, if it continues, could lead to another recession and perhaps even set off deflationary tendencies, which would then have to be counteracted by, among other things, an expansion of credit. For three years, wholesale prices both here in the United States and on the world markets have been remarkably stable, evidencing the end of the post-war inflation. Supply was caught up with demand; and, as productive capacity continues to increase, a downward pressure on prices may well be intensified in a wide range of products—raw materials, semi-manufactured, as well as finished manufactured products . . . deflation can undoubtedly be brought about by mistaken monetary policies, but . . . it can also result from the effects of continuous cost increases. . . .

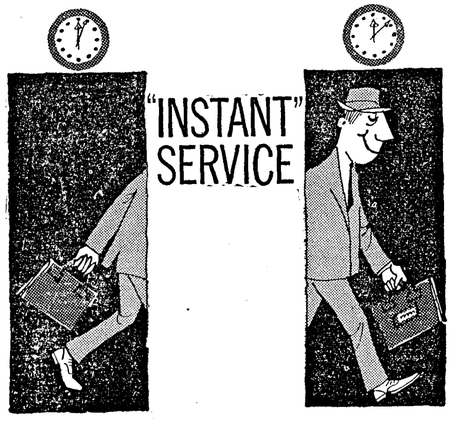
For these reasons, Dr. Jacobsson has been emphasising the need for the leading nations to act in concert to frame expansionary policies to avert any danger of recession.

It is not certain, however, that he himself is as pessimistic as these utterances have led some people to suppose. In the same speech as that just quoted, he affirmed that he "certainly saw no sign" of any immediate dip in business activity in the United States—though he equally could find "no clear indication" of any fresh stimulus that might lift the American economy from its plateau. On the other hand, he emphasised the impressive way in which business on both sides of the Atlantic has taken the fall in the stock exchanges in its stride. It has also gone "steadily on its way, unperturbed by politics." Finally, Dr. Jacobsson evidently hopes that the alerting of the nations to the now unfamiliar danger of deflation will ensure that the condition itself will never materialise.

If these dangers are indeed already presenting themselves—and I, for one, would still reserve judgment about that—there is certainly no doubt that from Britain's point of view, in particular, any corrective action must be duly concerted international action. There have been some signs in the past month that the unused resources in Britain's economy have widened a little further: in the five weeks to mid-October, the rise in unemployment, having previously been only a little more than seasonal, suddenly jumped to almost double the rate normal for this time of the year. In the early stages of recovery from a phase in which output has been stable, or rising only slowly, an expansion in unemployment is not necessarily inconsistent with continued recovery.

But this latest movement nonetheless led to a revival of demands from certain sections of opinion for a further dose of reflationary action. Yet if it is true that the prospects for world trade are becoming less bright, then in contemplating any substantial reflation Britain would need to proceed very warily unless and until other countries joined in the expansionary action. This principle was doubtless well in mind in the additional measures announced by Mr. Maudling just as this article was being prepared for despatch. The measures chosen were deliberately selective ones—first to create new incentives for capital investment by industry by liberalising and extending the various capital allowances for taxation purposes; and, secondly, to stimulate by tax reductions the motor industry (at present working at less than full capacity) which has a large part to play in Britain's export drive.

The U.K.'s contribution to the E.E.C.'s agricultural fund "could well be £250 million a year" for cereals, milk products, beef, eggs and poultry and pigmeat alone, according to the chief economist of the National Farmers' Union, Mr. A. Winegarten. This is the fund to which member-countries contribute according to the scale of their food imports. "A chaotic and unpleasant situation for us all" would result from any sudden abandonment of Britain's agricultural and food arrangements through this country joining the Common Market. Food prices would rise sharply and that butter "could easily reach 6s. a pound." It is, therefore, necessary for the Common Market countries to recognise that the U.K.'s national circumstances are "significantly different from their own."



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THREE PER CENT RISE FOR MILL LABOUR

ANNUAL MEETING OF COTTON FEDERATION

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 13*th November*

AFTER negotiations lasting for over 15 months, the Lancashire cotton trade unions have received notification from the Industrial Court that a wage advance of three per cent had been awarded to the industry's 150,000 spinning and weaving workers, back-dated to the beginning of October. The decision caused widespread disappointment, as the original claim had been for a ten per cent increase, and an offer of a flat rate rise of 5s. 9d. per week by the employers had been turned down.

Union officials compared the three per cent award with the six per cent rise granted to British railway workers and indicated the possibility of a fresh approach to the employers. Mr. Lewis Wright, Weavers Amalgamation Secretary, said: "We shall have to consider the whole position before deciding what to do." Cotton workers received a 7½ per cent increase in March 1960 and, subsequently in January last year, working hours were reduced from 45 to 42½ hours weekly.

Settlement—for the Time Being?

The Industrial Court's decision can scarcely be said to have roused enthusiasm anywhere in the Lancashire trade. After fifteen months' campaigning for ten per cent, the unions are certainly disgruntled, especially as they had rejected a flat rate advance of 5s. 9d. weekly and the award will in some cases mean less than that for the lower paid operatives.

There may be more justification for the employers to take a less prejudiced view of the arrangement. Part of the recent broadening in demand has been directly due to the hardening of prices, as sellers put up their quotations to allow for a possible increase in the wage bill.

Odious Comparisons

Attempts may yet be made to stretch margins slightly in an effort to gain ground, as order lists show some improvement, but the limited advance may well encourage customers to suggest that producers can afford to absorb the higher costs without passing on the increase. Perhaps the most vital factor—duly stressed in the unions' case—is the effect of the wage level on recruitment. Already adverse comparisons have been drawn between the six per cent pay advance granted during the same week to the railwaymen. Cotton's award will do nothing to stimulate a rush of young workers to the mills.

Nor does the decision completely dispose of the uncertainty surrounding the future of wages and prices. Within a few hours of the receipt of the document from the Industrial Court, hints were already being thrown out about the possibility of a fresh approach to the employers on the subject.

More Leave Mills

Output and employment figures issued by the Cotton Board show that, in twelve months, more than 21,000 workers have left the cotton industry, bringing the total number of workers on the books down to 153,280—the lowest figure on record. In four weeks ended 29th September, another 1,470 workers left the industry.

Average weekly yarn output during the period rose from 10,530,000 lbs. in the previous month to 11,490,000 lbs. while cloth output per week rose from 28,060,000 yards to 29,640,000 yards. Strict comparisons between the months of September and August are not possible owing to holidays in mill towns during August.

A Centre of Activity

Even the constant critics of the industry rarely have adverse comments to make about the Cotton Board's Productivity Centre, whose efforts to promote efficiency in Lancashire's mills have received due commendation over the years. Just a glance at the current syllabus of the Centre, illustrated in the notes issued periodically by its organisers, shows the extent of the activities covered and the detailed work involved in keeping the trade on its toes.

Probably the most stimulating of the Centre's recent ventures has been in the realm of inter-firm comparison, about which a good deal has already been written and its value assessed. The initial pilot scheme was successful enough to encourage a much wider application of the system and meetings are being held in the mill towns during the next few weeks to explain how more companies can benefit from such an exchange of information. One major aspect of the scheme is that the data obtained can be presented, after analysis, in such a way that no firm taking part is identifiable and yet the individual company can quickly observe how its standard compares with similar concerns.

Continental Organisation

The European textile scene must obviously be a key point in looking ahead to the future of the trade in Lancashire and the Centre's project of holding seminars every other month to hear the views of a number of Continental experts deserves widespread support. Dealing in turn with the respective European countries, papers will be given on organisational development, technical progress, and the latest managerial techniques employed in each area.

A revival of decision-making exercises is also planned in the Centre's winter programme, aided by a newly-installed computer made available by courtesy of the Cheshire County Council. Those attending these courses compress into a week-end the business experience of up to five years in a particular firm. By this means practical experience is gained of dealing with policy problems and taking action in the light of simulated conditions which might arise in a hypothetical set of circumstances.

In addition to these highly technical schemes provided for the benefit of the industry as a whole, officials of the Centre are engaged in long-term research into the use of computers, machines which are widely adopted even by some of the smaller units on the Continent. A course of linear programming has just taken place and a training programme is now in progress on management methods for foremen. The versatility of the organisation can scarcely be doubted when its wide range of facilities is thus displayed.

I.C.F.'s New President Speaks

It is good to think that there are still, amongst the many hundreds of thousands of people working in textiles all over the world, some who still believe that it has a glowing future. The glamour associated with more modern industries can, of course, be detrimental to recruitment in some of the traditional trades but it should not so dazzle the entrant into business or commercial life to such an extent that the older ways of earning a living are bypassed.

The new President of the International Cotton Federation, Mr. Alfredo Sedo of Spain, is clearly a firm believer in taking advantage of every aspect of propaganda to promote a better image of textiles as a form of employment throughout the world. His opening statement on taking office is well worthy of repetition. "It is sometimes said," he declared, "that the textile industry is an old industry with no growth potential. Nothing could be further from the truth. New and revolutionary developments in textile technology are taking place at this very moment after a long period of relatively little innovation. Fully automated textile mills are already a reality and the prospects for increasing *per capita* consumption of textiles all over the world are considerable."

Ahead in Policy

What is not perhaps widely recognised was emphasised by Mr. Sedo, that the textile trades are in the forefront in getting together to discuss policy on an international basis, as witnessed by the G.A.T.T. arrangements which provide an interim attempt to solve some of the problems entailed by economic development in the industrially emerging nations. These policies, indeed, he added, may well be followed by other industries when the need arises. Textiles have, therefore, been the first to adapt

(*Continued on page* 930)

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NUTRITION AND WORKING EFFICIENCY

INVESTMENT IN BALANCED DIET FOR WORKERS IS MONEY WELL-SPENT

IN spite of all the spectacular scientific advancement and industrial progress made during the past fifty years, the world is still unable to feed adequately almost half its population. Millions still suffer from serious undernutrition and malnutrition and this situation presents a continuing challenge to the entire world. In many countries, food consumption is still limited by the capacity to produce foodstuffs and by the low purchasing power of the people. In fact, in vast areas of the world, especially the thickly populated, underdeveloped countries, development of agriculture and industry is perhaps the only way of ensuring a regular and adequate food supply. While the inadequacy of suitable equipment, funds and trained personnel is recognised as the main factors hampering production, what is not so readily recognised as an inhibiting factor is the poor quality of the human material. This is the result of undernutrition and malnutrition which impair the working efficiency of the people. In fact, here is a vicious circle that has to be broken somehow, the vicious circle being lack of suitable food—undernutrition—low working efficiency—low production of food.

The effect of the quantity and quality of food on the capacity for work is not often clearly recognised because of the difficulty of measuring this effect under normal working conditions. A study of the relation between nutrition and working efficiency, as well as of the importance of education and training in nutrition, has been made by the Food and Agriculture Organisation (F.A.O.) of the United Nations. Its findings are published in two volumes* in the Basic Study Series in support of the "Freedom From Hunger Campaign." The objective of the study is twofold: (1) to bring to the attention of interested people available information, obtained through experimental activity in the laboratories and in large working communities and through surveys and experts' reports, about the influence of the diet on working efficiency, and (2) to suggest practical measures for the improvement of food consumption of the working population.

Although every person—the housewife, the farmer, the factory worker, the child at school—is a "worker," the emphasis in the F.A.O. study is on those workers who can be easily reached through their employers and on the measures which are likely to bring about improvements in nutrition, physical fitness and working efficiency in a relatively short period.

Poor Food—Low Vitality

While accurate data regarding the actual quantity of foodstuff consumed per day by workers employed in various industries in different countries are not available, all authorities are agreed, according to the F.A.O. study, that, in most countries in Africa, Asia and Latin America today, the average food consumption falls short of the optimum desirable from the point of view of the health and efficiency of the worker. An unfortunate aspect of this problem is that workers in these countries adapt themselves to insufficient ration, scarcely realising that they are underfed and that, as a result, their vitality is low. While the exact extent to which inadequate food consumption reduces working efficiency has not been measured, almost all the official commissions, as well as individual experts who have studied the subject, agree that a poor diet is an important cause of reduced capacity for work for the following reasons: (1) The body tends to protect itself from the lack of proper food by avoiding effort, the final result being lethargy, lack of initiative and drive. (2) Poor diet lowers the worker's resistence to disease. (3) It leads to a considerable amount of absenteeism on account of sickness. And (4) when the workers are undernourished and tend to tire quickly, the accident rates tend to be higher. It is significant in this context that the countries which have the lowest *per capita* food consumption in terms of calories and protein intake per day are also those where the efficiency of the workers is the lowest.

It is common knowledge that good meals fortify energy, while lack of it weakens people. This implies an interrelation between nutrition and working efficiency. Dietary requirements vary according to different occupations. The F.A.O. Committee on Caloric Requirements, in its 1957 report, indicated three levels of caloric requirements according to different degrees of activity taking the Reference Man as the standard. The Reference Man is defined as a person 25 years of age, healthy, weighing 65 kilograms, living in the temperate zone at a mean annual temperature of 10°C. According to the Committee, 2,800 calories per day are required for sedentary jobs, 3,200 calories for jobs involving moderate activity and 4,400 calories for jobs involving heavy activity. General figures of this kind, however, are not of much value in assessing precisely the caloric requirements of individual occupations.

Caloric Intake

The study points out that, for the efficient development of the production programme of an industrial or agricultural establishment, it is not enough just to consider the number of workers necessary for operating machines and for other work processes. Planning should include an estimate of the effort expected to those workers and eventually the calculation of their daily food requirements. On the basis of such data, and taking into consideration the other information concerning salaries, available foods, cost of foods, etc., it is possible to evaluate whether the workers are in a position, economically and otherwise, to obtain from their daily diet the amount of energy they require. In considering the dietary requirements of workers, evidence has been provided of the fact that caloric intake is the most important factor influencing work output. The requirements for calories rise with the increase in physical activity. Workers' requirements for protein, vitamins and minerals do not vary as much as caloric requirements. However, more than the average requirement of proteins would be needed under certain circumstances to improve and increase the workers' physical strength, while, in some cases, more vitamins, especially of the B. group, may be beneficial in improving working efficiency.

A balance between caloric requirements and caloric intake is the first requisite for satisfactory working efficiency, but it is not the only one. Protein, which is one of the main components of the body structure, must be supplied by the diet in quantities sufficient to build up and maintain muscular tissue. An adequate daily allowance for the normal, adult man is one gram of protein per kilogram of body weight.

Diet and Production

The adverse effect upon working efficiency of inadequate food consumption, in general, and deficiency of single nutrients, in particular, have been demonstrated in several field observations as well as under experimental conditions. The favourable effect of dietary improvement on production is a demonstrable fact. The following extract from the F.A.O. publication illustrates this point:

"The influence of dietary supplements on the work output of a group of coal miners in the Ruhr district was investigated with the aim of finding whether the low production could be raised by increasing the food rations. A first supplement of 400 calories increased the coal output to almost 10 tons per person, which was what the workers knew was expected of them. The resulting fall in body weight indicated that energy expenditure was slightly in excess of caloric intake. A further increase in calories resulted in a small further increase in output, but body weights rose again. Evidently, 177 calories were required per ton of coal, and for the desired increase in output, 600 extra calories were necessary.

"A controlled group of 30 workers engaged in building railway tracks moved about 1¼ tons of earth per hour on a food ration supplying a total of 2,300 calories. After ten weeks, additional food was given which brought the calories up to 3,000 and raised the output to 2½ tons per hour. Output per 1,000 calories increased almost 30 per cent. In the course of a year, the work output rose and fell with the inevitable minor fluctuation of food rations while body weights remained constant or even increased slightly. It may be of interest in this context to note that a further increase of work output was achieved by a bonus of cigarettes for each additional ton, which was temporarily given for reasons of comparison, but as there was no increase in food intake, the increased output proved to be at the expense of body weight.

"An especially impressive example is the experience gained in the Central American Public Road Programme in Costa Rica. For the road work which was done by United States contractors, local labour was employed and proved to be extremely inefficient at work. After some time, the organisation of the construction camps was changed, sanitation was improved and the management began to supply substantial meals, including large portions of meat, to the workers who had formerly been subsisting on a poor and mainly vegetable diet. The resulting improvement in working efficiency was striking. ...

"The benefits to be gained from the supply of a balanced cooked meal to the workers have long been recognised in the mining industry in South Africa. A survey carried out in 1956 revealed that the average caloric value of the rations supplied to each worker in the mines in South Africa was approximately 4,500 calories per day. It was claimed that the balanced cooked meals led to a marked improvement in physical condition after a spell of mining employment. Hard work was performed and weight in most cases increased.

"Similarly, in Ruanda Urundi, an employer estimated that, by providing a balanced cooked meal to his workers, he raised the productivity by 30 per cent. In Madagascar, a sugar refinery is reported to have reduced the turnover rate of migrant labour from 60 to 6 per cent by the introduction of a balanced cooked meal.

"In Zanzibar, it was reported in 1937 that, after well-balanced meals were introduced on an experimental basis by the Clove Growers' Associations, the employee's capacity for work was greatly increased, provided the worker remained in regular employment for some weeks; also, the increased efficiency more than compensated for an addition of a little over 50 per cent in the average individual cost of a labourer.

"Experience gained during the last war in a rubber plantation in South Viet-Nam showed an increase of 50 per cent in work output after the opening of canteen facilities providing a liberal diet to the workers."

Such surprisingly high rates of increases in production are largely due, according to the F.A.O. study, to the fact that the workers' diet had been grossly inadequate before the introduction of feeding facilities on the work site. It is obvious that the resulting increase in output is greatest where the work-intensity depends mainly upon the activity of the worker and may be almost absent where the worker himself has no influence on the speed of the work process. It is needless to add that a marked increase in output will not occur where the diet is already perfectly adequate. Nevertheless, the F.A.O. study claims that beneficial results can be expected even in rich countries, where nutritional standards are high, from the establishment of such facilities as well-organised lunch rooms where cooked foods are served hot and fresh. A survey carried out by the U.S. Department of Agriculture in 1956, for instance, showed that about half of the manufacturing plants in the U.S. employing 250 or more workers had facilities for serving hot food to the employees and approximately nine out of ten plants had at least one kind of vending machine dispensing food or beverages. These facilities were considered beneficial to employee morale, labour-management relations, employee health and labour productivity.

Feeding Facilities

The F.A.O., of course, recognises that a permanent improvement in food consumption can be brought about only by long-term measures, aiming at the general economic development of a country. But it contends that there are other measures, applicable in large working communities, which can often bring about prompt improvements in physical conditions, health, morale and productivity. Among them the most important, and by far the most effective, are establishment of non-profit food stores and canteen facilities for workers at the working site. Mere provision of food should not be seen as the only goal, however important, of these feeding programmes. In order to cultivate better nutritional habits in workers and their families, it is important, stresses the F.A.O. study, to use these feeding facilities as centres for education in nutrition. This is important, because centres where good food at low price are made available will attract workers in large numbers. The money spent on giving food to employees through canteens is one of the soundest and most productive investments. The following comment of the British Committee on Nutrition in the Colonial Empire in respect of nutrition in Africa is as valid today as it was 23 years ago, and is true of most countries in Asia and Latin America. "We regard it as almost certain that in Africa, quite apart from humanitarian considerations, any money spent on bringing the food consumed by the labourer upto an adequate well-balanced ration will be money well spent from the immediate point of view of an employer."

Education in Nutrition

No programme for improving nutritional standards can succeed, unless equal attention is devoted to education and training in nutrition. In more than twenty countries, experience has demonstrated that programmes of education in nutrition, combined with teaching improved methods of preparing food and feeding programmes to encourage better habits of diet can lead to more efficient use of present food supplies. Education in nutrition also facilitates the optimum use of additional food supplies made available through increased agricultural production or international aid programmes. Programmes of education may be carried out most effectively through established channels—the school teacher, agricultural extension worker, health visitors, community leaders, etc.—if they are provided with adequate training and supervision. It is necessary to emphasise the need for training in nutrition for workers at professional, technical and field levels. Such training must be closely related to the food supplies of the country and the food policy of the Government and also to the educational level of the trainee and his function within the overall programme.

*(1) *Nutrition and Working Efficiency—Basic Study No. 5.* F.A.O., Rome. Price: 2s. 6d.

(2) *Education and Training in Nutrition—Basic Study No. 6.* F.A.O., Rome. Price: 2s. 6d.

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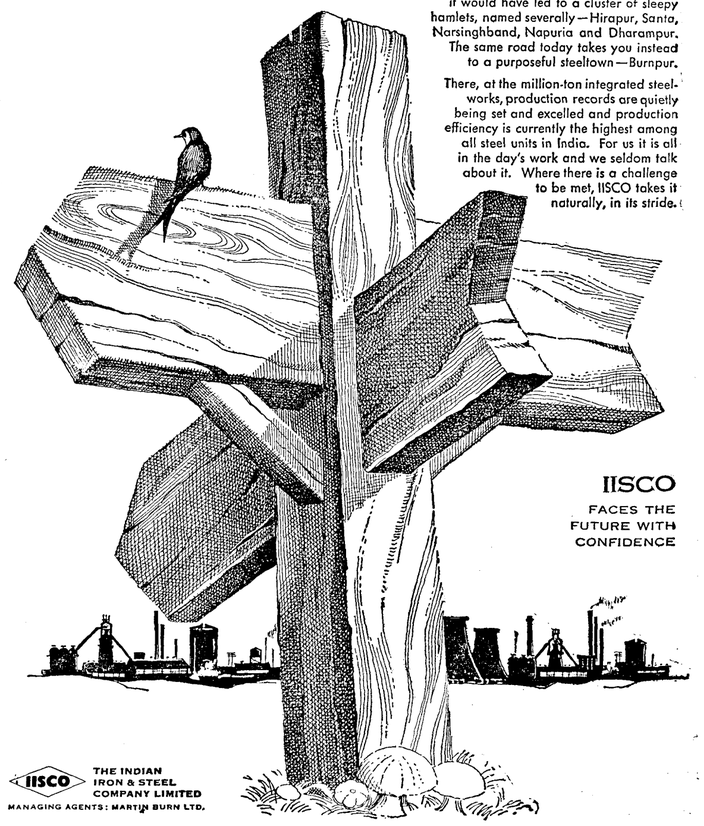

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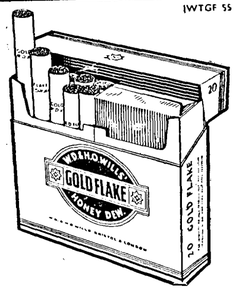

INDIA AND WORLD COFFEE AGREEMENT

GOVERNMENT'S DECISION EXPECTED SOON

IT now seems almost certain that India will join the new five-year World Coffee Agreement; an official anouncement of the Government's decision is expected by the end of this month. Both the Indian Coffee Board and the spokesmen of coffee growers have favoured India's membership of the Agreement. The draft of the Agreement, it may be recalled, was finalised at the United Nations Coffee Conference, held at New York from 9th July to 25th August last, and the formal approval of the draft took place at a one-day meeting on 28th September. The salient features of the Agreement have already been dealt with in our earlier issues, so that it is unnecessary to refer to them again. Briefly stated, the main objectives of the Agreement are threefold:

To assist in increasing the purchasing power of the coffee-exporting countries by keeping prices at fair levels and by augmenting consumption;

to prevent the general level of coffee prices from falling below that in 1962; and

to secure prices which are equitable to consumers.

The objectives are sought to be achieved primarily through the mechanism of export quotas. Basic quotas for the five seasons commencing from October 1962 have been fixed for each country and these are subject to review in the third year. An actual quota is to be fixed each year as a percentage after taking into account probable world demand; for the first year, the quota fixed equals 99 per cent of the basic tonnages. Even this can be varied in the course of the year in the light of prevailing market conditions. The International Coffee Council has full freedom to fix quotas at any level, but, in general, its decisions are subject to confirmation by a two-thirds majority of both importers and exporters voting separateiy. The aggregate basic export quotas amount to 45.57 million bags (of 60 kilos each), of which 32.65 million bags have been assigned to Latin American countries and 12.92 million bags to producers in Africa and Asia; India's quota is fixed at 360,000 bags (or roughly 21,000 metric tons).

Reliance on Quota Mechanism

The reliance on export quota mechanism to stabilise world coffee prices is only as it should be, inasmuch as it is, as the latest quarterly *Review* of the National and Grindlays Bank, London, says, much easier to approach the problem of prices and surpluses at the point of export. For it is difficult to regulate coffee output, because of the high proportion of smallholders in estate production; it is estimated that one-third of world output comes from farms of less than ten hectares. The *Review* has analysed the implications of the Agreement and assessed the prospects of its working.

The *Review* states that the quota mechanism envisaged in the World Coffee Agreement sounds a little complicated, but observes that, in point of fact, the formula incorporates a principle which is a familiar feature of many agreements which seek to equate supply to demand. It no doubt admits that the satisfactory operation of the Agreement depends almost entirely on the *bona fides* of the participating countries, but hastens to say: "This is true of practically all international pacts and, as it is so clearly to the advantage of all coffee producers to have a stable market at this moment of changing patterns of world trade, there is good reason to hope that the new Agreement will be largely self-enforcing." In its opinion, there will be general agreement that it is all to the good that the coffee industry should be able to plan ahead on a fairly long-term basis, but there will be less unanimity on a few details of the charter. To some of the smaller producers—India is one of them—the *Review* points out, the Agreement will doubtless appear that one of the main effects of the Agreement is to confirm and further entrench the position of major producers, without making any real impact on world stocks which now amount to about 1½ years' normal shipments. In this connection, attention is drawn to the fact that the African countries have come to look upon coffee cultivation as a valuable earner of foreign exchange and other revenues and that the Governments of these countries encouraged new plantings under the stimulus of high prices prevailing during the major part of the 1950's.

How exactly will the Coffee Agreement work? This is a difficult question to answer, especially in the context of the possibility of an enlarged Common Market taking the initiative to secure world-wide agreements to protect the producers of primary and agricultural products as some compensation for possible loss of traditional markets. Alluding to this aspect, the *Review* makes the following observations:

"Such agreements would regulate the price and production policies of importers and exporters, prescribe maximum and minimum quantities to enter international trade, deal with stockpiling and the special problems of the developing countries. In their proper context, these are wholly worthy objectives and not to be despised. But world-wide agreements are not easy of achievement, as has been shown by the long and tortuous negotiations leading to the final draft of the new International Coffee Agreement. An agreement having been achieved, there remains the problem of securing the strict compliance of the signatories. In the case of the Coffee Agreement, seventy countries were involved in the negotiations, though not all of them will necessarily ratify the Agreement; if we ever reach the point where the world is ready to negotiate a whole series of commodity agreements, the numbers involved will be even larger and much patience will be needed to resolve the many conflicting claims. Meanwhile, the working of the 1962 coffee pact will be watched with a sympathetic, but critical, eye.

"Obviously, a great deal will depend on the attitude of mind in the many countries involved and the good (or not so good) intentions of their Governments. Much can happen in five years, which is the term of the new Agreement, and, for the small producers who, unlike Brazil or Colombia, are not yet encumbered by the deadweight of chronic surpluses, the temptation to cut loose from the Agreement may sometimes be strong. On the whole, the total area under coffee continues to increase and it is a wry commentary on man's capacity to control the affairs of this particular industry that probably the most effective curb on production has so far been found to be the severity and frequency of frosts in the coffee areas of Brazil which, as we have seen, is the world's major producer."

Huge Surplus

Nevertheless, the *Review* considers it imprudent to rely too much on the vagaries of climate to equate the supply of and demand for the coffee bean. It recalls the F.A.O. forecast of the persistence of a substantial surplus until 1965 and probably for some years thereafter. The total world imports in 1965 are expected to account for no more than 60 per cent of world production. There may, of course, be an increase in consumption in producing countries and some industrial uses of coffee (such as fertilisers and oil) may be found. Even so, total consumption three years hence may be no more than 80 per cent of total production. The *Review*, therefore, welcomes the Coffee Agreement at least "as a brake in a situation that could soon get out of hand."

India's Participation

Commenting on India's participation in the Agreement, the *Review* says:

"It is not yet clear whether India will accept the new International Agreement, but, if she does, it is understood she has been given a not ungenerous export quota of which, in her present endeavour to augment her export earnings, she will doubtless wish to make full use. India is capable of producing a high quality arabica coffee. Her exports rose from 321,000 cwts. in 1960 to 629,000 cwts. in 1961, but there is some evidence to suggest that they have fallen away in the current year. The decline is, in fact, in sales to India's customers in the E.E.C., the U.S.A. and the U.K. which greatly exceeds the rise in her coffee exports to the U.S.S.R. and in Eastern Europe."

Would it be in India's interest to join the world coffee agreement? A categorical answer to this question is rendered difficult by the absence of any provision in the Agreement for an appropriate revision of the export quotas for small producers as and when their production expands to a level permitted by the suitability of its soil and climate. Generally speaking, it may appear injudicious for India to keep out of the Agreement when 36 producing countries and 22 importing countries together accounting for 95 per cent of the world's coffee trade are parties to the Agreement. One of the arguments put forward against India joining the Agreement stems from the fear of encroachment on the country's freedom to regulate output. But it would appear from the details of the Agreement that there is no provision which seeks to place a direct limit on India's freedom to step up output. But what is the use of this freedom if India cannot use a part of its increased production for earning more foreign exchange which it badly needs? One may, of course, argue that, ultimately, India may be able to persuade the Council to allot a bigger quota, but this is only a hope.

Quarterly Regulation

Besides, there are some articles in the Agreement which might create some problems for India. Mention, for instance, may be made of Article 13 which provides for quarterly regulation of coffee exports. It is stipulated that the actual shipment of coffee from any member-country should not exceed 30 per cent of its total quota in the first quarter (October-December), 60 per cent in the first two quarters and 80 per cent in the first three quarters. Such a regulation, it is said, will cause some difficulty, because, with the cropping patterns prevalent in India, the country may not have coffee ready for export in the first quarter and it may have to export 80 per cent of its surplus before the monsoon. Similarly, Article 55 is likely to affect the consumption of chicory-mixed coffee, besides restricting the addition of chicory in internal supply within a specified quantity. Article 40 is not of much benefit to India, though it states that exports may be freely made to non-traditional markets, listed in Annex B, over and above the quota allotted to each country. For there is the restriction on the total quantity that any exporting country may make to the whole of the countries listed in Annex B.

No precise information is yet available on two important aspects of the Agreement. One, why should certain countries be given special consideration in the matter of quotas? Two, how is it that the actual shipment of coffee from India during the calendar year 1961 was not accepted as the basis for determining its export quota? Nor is it clear as to how the export quota can be varied (in future) to reflect programmes of production increases undertaken prior to a member joining the Coffee Agreement. It remains to be seen to what extent the Government of India will be safeguarding the country's interests in all these respects before giving its consent to the Agreement.

COFFEE SALES

The total coffee receipts into the 1961-62 pool upto the end of October 1962 amounted to 45,534 tonnes, as against 67,386 tonnes in the corresponding period of 1960-61. The receipts comprised 22,434 tonnes of plantation coffee, 6,614 tonnes of Arabica cherry and 16,486 tonnes of Robusta. The corresponding figures in respect of the 1960-61 pool were 28,968 tonnes, 10,218 tonnes and 28,200 tonnes, respectively.

During the month of October 1962, 2,791 tonnes (3,213 tonnes in the same month last year) of coffee, comprising of 1,019 tonnes of plantation, 269 tonnes of Arabica cherry and 1,503 tonnes of Robusta, were released in the internal market, bringing the total releases for the ten months of the year to 28,072 tonnes (28,308 tonnes a year before), made up of 10,133 tonnes of plantation 3,404 tonnes of Arabica cherry and 14,535 tonnes of Robusta.

Including the sale on 8th November 1962, the total quantity of coffee sold for export from the 1961-62 crop amounted to 17,018 tonnes of Arabica cherry and 3,579 tonnes of Robusta. A quantity of 1,877 tonnes of coffee, comprising of 271 tonnes of Plantation, 856 tonnes of Arabica cherry and 750 tonnes of Robusta, will be put up at the export open auction on the 28th inst.

WORLD PRODUCTION AND EXPORTS OF COFFEE

(In thousand cwts.)

	Production				Exports			
					January-June		Whole of	
	1962-63	1961-62	1960-61	1959-60	1962	1961	1961	1960
India	1,171	831	1,334	979	163	368	629	321
Uganda	2,400	2,200	1,882	2,329	1,147	1,164	2,075	2,342
Tanganyika	583	414	524	454	199	336	492	502
Kenya	732	547	661	468	314	371	643	556
Other Commonwealth			295	294	95	161	205	294
Brazil	31,650	43,700	35,365	51,748	9,080	8,568	20,043	19,864
Colombia	9,212	9,212	9,094	9,448	3,258	3,294	6,074	7,013
Mexico	2,831	2,775	2,480	2,421	577*	1,102	1,756	1,634
El Salvador	1,890	2,083	1,828	1,930	589*	1,043	1,690	1,702
Guatemala	2,008	1,919	1,772	1,890	342*	778	1,511	1,596
Other Latin America	8,234	8,291	7,358	7,407	1,727	1,932	3,214	3,592
Ivory Coast	2,953	2,927	3,650	2,588	946*	1,593	3,027	2,903
Angola	3,189	3,130	3,248	2,126	358*	1,051	2,325	1,718
Other Africa	5,893	5,814	5,700	6,216	562*	1,167	2,137	2,585
Other Asia	2,923	2,917	2,876	2,564	195*	1,455	2,419	1,814
Total	75,672	85,822	77,917	92,862	19,561	24,293	48,840	48,496

* Figures relate to the first quarter only.

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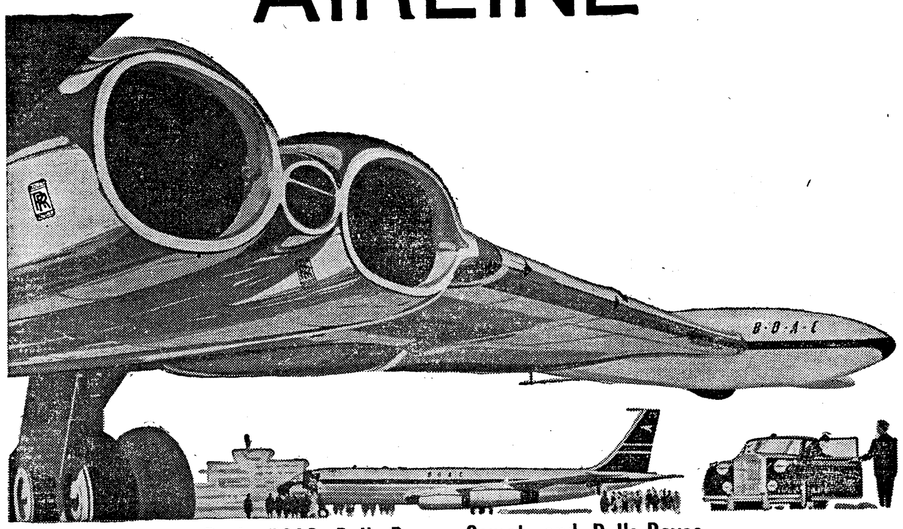

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TOURISM IN WESTERN EUROPE
FINDINGS OF O.E.C.D. COMMITTEE

THE growth of international tourism in Europe continued in 1961, though the rate of growth was slower than in the previous year. The Tourism Committee of the Organisation for Economic Co-operation and Development (O.E.C.D.) estimates, in its latest report, that international tourist traffic as a whole increased on an average by about 8 per cent in 1961, as compared with 15 per cent in 1960. The reasons for this general slowing down, in the Committee's opinion, are partly political and partly economic. Events such as the Berlin crisis, the situation in France and economic and financial difficulties in the U.S. had, in particular, caused American tourists to refrain from visiting Europe. Moreover, some sectors of tourist industry appear to be nearly at saturation point. In many countries, hotel capacity is fully utilised during the height of the season and the rather slow progress in staggering of holidays means that it is not always possible to meet demand. Further, unlike in the previous year, no exceptional cultural or sporting events took place in 1961 and no special measures of general scope were taken to promote tourism.

On the other hand, intra-European traffic expanded at a higher rate in 1961, showing an increase of 11 per cent over the previous year. The rate of growth was approximately 12 per cent in 1960, as compared with 1959. Last year's overall growth rate of 11 per cent was, however, not uniformly spread over the countries. The growth rate was 28 per cent in Yugoslavia, 27 per cent in Spain, 25 per cent in Turkey and 18 per cent in Belgium. All other countries showed smaller increases, except the Federal Republic of Germany where a decrease of 3 per cent was recorded.

Most European tourists still travel to other European countries. A large proportion of tourists is from the industrialised countries, their chief destination being the neighbouring countries. This reflects two things: one, the rising living standards and two, short spells of holidays which do not permit long-distance travelling. Another factor favouring the expansion of intra-European tourist travel and one that should steadily gain is strength is the constantly growing number of holiday-goers, especially young people, who are particularly sensitive to the attractions of travel.

According to the statistics of the U.S. Department of Commerce, the number of Americans who visited Europe and the Mediterranean countries in 1961 was 826,000, a drop of less than one per cent, as compared with 1960. The reasons for the reduced flow of American tourists to Europe last year, which contrasts with the steady growth recorded over the past ten years, are, as already noted, many. They are (1) anxiety over the political situation in Europe, (2) the consequences of the recession in the U.S. in the second half of 1960, (3) the American public's awareness of the U.S. balance of payments difficulties, (4) the psychological effect of the reduced duty-free allowance for returning American tourists, (5) the absence of any major sporting or cultural events in Europe and (6) increased competition from other tourist areas such as the Caribbean and the Pacific.

Earnings from Tourism

Available data indicate that receipt and expenditure on account of tourism in the member countries of the O.E.C.D. amounting to $4.6 billion and $4.8 billion respectively, were practically in equilibrium in 1961. The countries in which receipts exceeded expenditure were Austria, Denmark, France, Ireland, Italy, the Netherlands, Spain, Switzerland, and Turkey. In Austria, Italy, Spain and Switzerland, the net surplus was substantially higher than in 1960. In Canada, West Germany, the U.K. and U.S., on the other hand, the expenditure was higher than receipts. In Norway and Sweden receipts and expenditure roughly balanced.

Income from tourism is an increasingly important factor in the balance of payments of many countries. In Italy, the tourist trade is one of the economy's most important resources and net tourist receipts in 1961 covered 69 per cent of the trade deficit. In Belgium, tourist receipts in 1961, as in 1960, were as big an item as exports of electric machines, coal products, or metal manufactures. In Denmark, tourism ranks fifth among the export industries. The expansion of tourism in Spain during 1961 largely contributed to the improvement in its economic situation. Its trade deficit of $300 million was more than covered by tourist receipts which amounted to $385 million. In France, the financial performance of the tourist industry places it second among the export industries, after iron and steel products but ahead of chemical and allied products, motor vehicles, machinery and instruments which are France's biggest export items. In Italy, net tourist receipts take pride of place among invisible earnings, being roughly equivalent to the Italian balance of payments surplus which in 1961 amounted to $643 million. In the U.K., tourist receipts in 1961 represented nearly one per cent of the Gross National Product while the amount spent by British tourists abroad aggregated $638 million, representing 1.3 per cent of consumer expenditure and 5.7 per cent of total imports.

U.S.—Most Travel-minded Nation

Of the $1.7 billion spent by U.S residents abroad in 1961, expenditure in Europe and in the Mediterranean countries, which is the largest item, aggregated $630 million, about $74 million, or 11 per cent less than the amount spent in 1960. This reflects an equivalent decrease in average individual expenditure, since the number of visitors declined by less than one per cent. The reasons for this fall include shorter stays, fewer countries visited and smaller purchases. The average estimated expenditure per American visitor in Europe was $760. Tourists arriving by air spent, on an average, $700 and those arriving by sea $900.

The O.E.C.D. Committee points out that there is growing need to focus attention on the problem of staggering holidays since hotel accommodation is already fully occupied at the height of the season. Although the usefulness of such staggering is acknowledged and progress towards it is not impeded by laws and regulations concerning holidays with pay, conflicting interests join with acquired habits to hamper improvement in the situation. However, it is estimated that 25 to 35 per cent of the tourists could be persuaded to take advantage of the favourable terms offered for off-season visits.

The Tourism Committee mentions, in its report, the steps taken by it to get the various obstacles to international tourist trade, still remaining in the European countries, removed. One of the significant decisions taken by the Council of the O.E.C.D. on 31st July 1962, is the raising of the minimum foreign currency allowance to be granted to tourists from $275 per year to the equivalent of $500 per journey. Member countries may grant additional sums for which good reasons can be shown, particularly for travel to distant countries. In effect, this decision amounts to total liberalisation of tourist allowances leaving, at the same time, scope for preventing illicit transfers of capital. Progress has also been made in a number of countries in abolishing entry visas for tourists, in replacing passports by identity cards or tourist cards for purposes of identification at frontiers and in granting customs franchise for tourists.

Transport Facility

The availability and cost of transport facilities have a direct bearing on international tourist traffic. Passenger traffic on the North Atlantic increased by 3 per cent in 1961, as compared with 1960. As much as 71 per cent of the crossings were by air, as against 67 per cent in 1960. The considerable increase in the number of aircraft, however, resulted in a decline in the percentage of seats occupied from 61 to 49 per cent for east-bound traffic and from 67 to 53 per cent for west-bound traffic. Although shipping capacity was reduced, the percentage of available accommodation occupied declined from 67 to 63 per cent for east-bound traffic and from 68 to 64 per cent for west-bound traffic. Only a reduction in regular fares, in the Committee's view, can result in any substantial increase in demand.

A new trend is emerging in Western Europe in respect of provision of hotel accommodation and tourist facilities. This is the growing popularity of "motels," "camping sites" and "holiday camps" as substitutes for hotels. There are two reasons for this. First, the high cost of hotel accommodation and the appeal of open-air life have turned a part of the tourist clientele away from hotels. Second,

(Continued on page 917)

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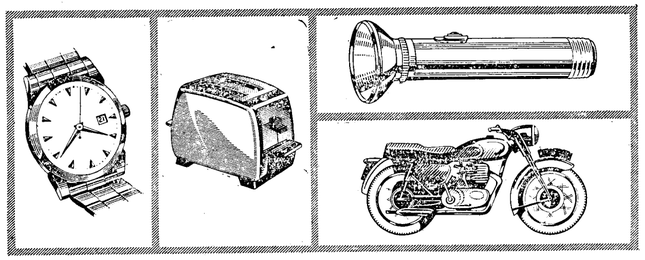

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DURABILITY — Buyers of your goods are no doubt strongly attracted by the bright shiny finish that nickel/chromium plating alone can give, but they also expect that finish to last the lifetime of the article, or at any rate, for a good many years. Should the plated surface start rusting or get discoloured within a short time, the customer will not care to buy from you again, no matter how good your product may be otherwise.

NICKEL THICKNESS — No chromium plating can be satisfactory without an adequate thickness of nickel underneath. Hence, quality and durability of plating essentially mean depositing sufficient nickel on the basis metal to protect it from corrosion. An undercoat of copper cannot provide this protection.

PLATING SPECIFICATION — In order to ensure durability of nickel plating on your goods, *insist* on the plater working to standard specifications such as IS 1068:1958. This lays down *minimum* thicknesses of 0.0012", 0.0008" and 0.0004" nickel on steel for severe outdoor, normal outdoor and indoor conditions of service, respectively. You can obtain a copy of this specification (costing Rs. 2/-) from Indian Standards Institution, Manak Bhavan, 9 Mathura Road, New Delhi 1.

TESTING — It may be advisable for you to test the thickness of coating to see if it conforms to specification. Equip yourself with a modern instrument such as the "B.N.F. Thermo-Electric Tester" which when properly calibrated, can measure thickness accurately without damaging the plating or the article.

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United Bank of India Building, Sir Pherozshah Mehta Road, Bombay 1.

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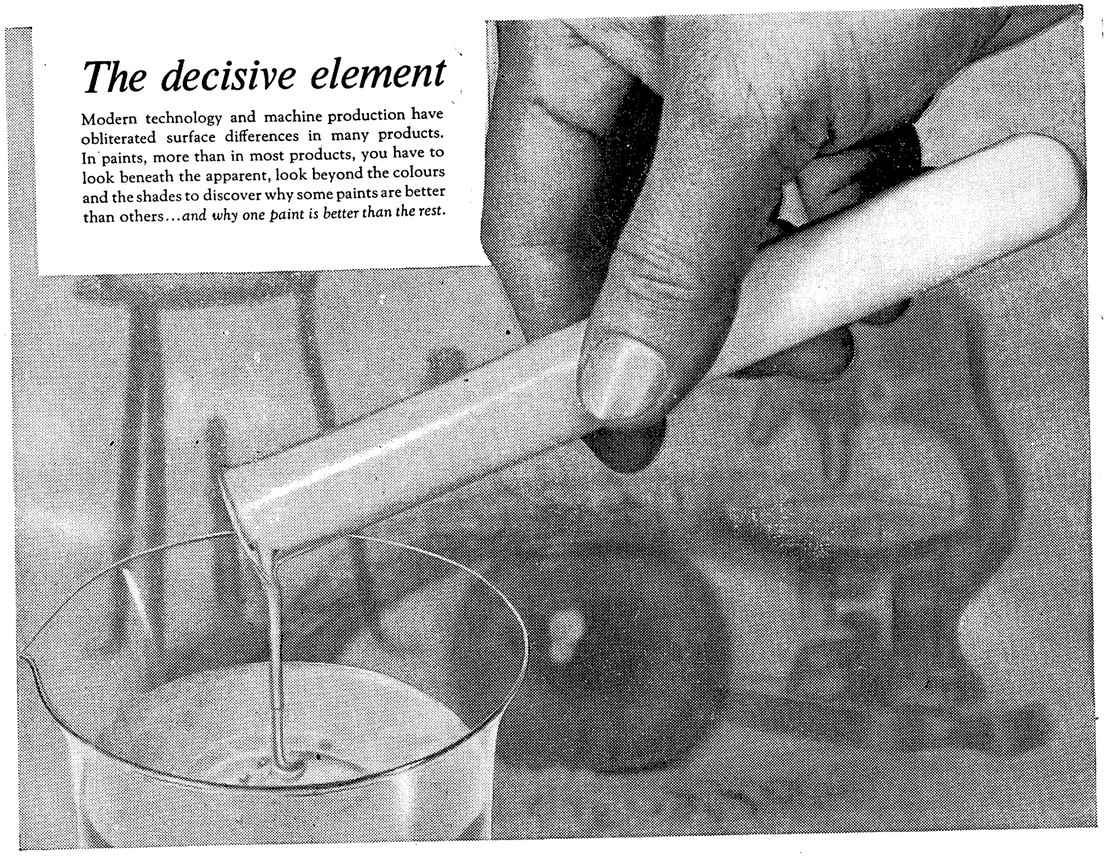

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THE TATA IRON AND STEEL COMPANY, LIMITED

STATEMENT OF MR. J. R. D. TATA, CHAIRMAN

GOVERNMENT'S POLICY ON STEEL PRICES CRITICALLY EXAMINED

THE following statement by Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, Limited, dealing with the Company's working for the year ended 31st March, 1962, has been issued to shareholders. The Annual General Meeting of the Company will be held on Thursday, the 13th December 1962 at 4-30 p. m. at the Birla Matushri Sabhagar, 19 Marine Lines, Bombay-1.

TO THE MEMBERS,

This statement comes to you at a time of national emergency created by the Chinese invasion of India, when our own problems and difficulties must be viewed against this background of war and peril to our country. Whatever our differences with Government may be in regard to their attitude towards our industry and although we may disagree with some of their economic policies, I am sure we are all agreed that, as in previous emergencies involving the country's security, the Company should offer unstinted co-operation and assistance to Government in the prosecution of the war effort.

Tariff Commission's Recommendations

The year under review was dominated by the Tariff Commission's Inquiry and Report and Government's orders thereon. The main features of both have been explained in the Directors' report. We are mainly concerned here with the reduction which Government have effected, unjustifiably in our view, in the retention prices recommended by the Commission. In this context, it is important to bear in mind that the Commission's inquiry and recommendations related exclusively to a two-year period which had already elapsed by the time the Commission reported. One would have therefore expected that here, if ever, was an occasion when Government could hardly disagree with the Tariff Commission since the Commission's recommendations were based not on estimates, theories and assumptions relating to a period still in the future, but on actual known figures, facts and conditions about the truth and reality of which there could be no argument.

After nearly five months of cogitation, Government not only disagreed with some of the Commission's principal findings but even reversed their own previous decision and instructions to the Commission on the important question of the repayment of the special advance.

Depreciation and Return on Investment

The changes made by Government resulting in a total reduction of Rs. 27.50 per ton in the average retention price recommended by the Commission for the two years 1960-61 and 1961-62, are explained in paras 12 and 13 of the Directors' report. The most serious change has been in regard to the provision for depreciation and return on gross block. Government rejected the Tariff Commission's view that, for purposes of calculating the incidence per ton of depreciation and return, an output of saleable steel at a rate of 90 per cent of capacity was reasonable. Apart from the fact that it normally takes several years to overcome "teething" troubles and train staff in the use of new equipment and techniques, before so complex a unit as a new steel plant can be made to operate smoothly, the additional handicaps imposed on the steel companies by the conditions prevailing in the country were so serious that, if anything, the Commission was unduly severe in adopting a rate as high as 90 per cent as a basis for their calculations. Yet Government, although well aware that the inability of the steel plants to make more steel was largely due to the appalling quality of unwashed market coal allocated by the Coal Controller and the deficiencies in transport, for both of which they were themselves mainly responsible, decided that the steel plants should have worked at 100 per cent of capacity during these two years and deserved to be penalised for not having done so. Government accordingly reduced the retention prices on that account by Rs. 16.5 per ton which cost our Company Rs. 4 crores over the two-year period, and thus unfairly deprived both the steel companies of the full depreciation and return prescribed by the Commission. This action, coupled with the Minister of Steel's subsequent speeches or statements at Press conferences in which he equated with inefficiency the industry's failure to achieve 100 per cent performance, was particularly hard on our Company which has had to struggle against heavy odds during and after the last world war, and which undertook, at considerable risk, a crash programme of expansion at the express request of Government.

Reality Ignored

Government, according to their resolution dated 7th September 1962, also excluded from the capital block the special advance made to the Company between 1954 and 1956. This must mean that in Government's view Rs. 10 crores worth of physical assets should earn no depreciation, let alone a return, on the ground that their cost was initially met from a Government advance. Apart from its unfairness, such a view ignores the obvious reality that plant and machinery are subject to wear and obsolescence, irrespective of the manner in which they were originally financed, and that failure to provide depreciation would clearly be contrary to sound principles of accounting and financial management.

In justifying the reduction in the provision for interest on working capital, Government, according to a statement by the Minister as reported in the papers, based their decision on the assumption that the Steel Companies enjoyed the benefit of large interest-free deposits from customers and of large arrears of surcharge not paid into the Iron and Steel Controller's Equalisation Fund. This assumption is totally incorrect in both respects. Advance deposits which are taken only against so-called "bazaar" indents have at no time exceeded a crore, while our dues to the Equalisation Fund were at the end of July 1962 only about Rs. 2½ crores and not Rs. 12 crores as the Minister is reported to have stated in Parliament.

Government's reversal of their previous decision that the retention price should include an element for the repayment, with interest, of their special advances in terms of their agreements with the two Companies is disturbing although it may not immediately affect our financial position. However, their announcement that, as an alternative, they are considering the possibility of a part of the special advances being repaid out of fresh capital, raises fundamental issues of grave concern to the Companies and their shareholders. This is not the occasion for me to discuss the legal aspects of the matter, but I am sure shareholders will be relieved to learn that the Company has informed Government that an issue of fresh capital would be unthinkable in the present circumstances and, for a number of cogent reasons, would be unacceptable to the shareholders whose consent would be required for the purpose.

An Imperative Need

In our representation to Government we have pointed out that the low retention prices fixed by them, if maintained in the future, will seriously affect our ability to finance the heavy commitment which Government themselves have asked us to undertake to double our coal output in the Jharia field. The whole of the cost of this project, if it ultimately materialises, will have to be financed from borrowings, including a further loan from the World Bank to meet the foreign exchange cost. Our capacity to service and repay such fresh borrowings in addition to our existing loans must obviously depend on the resources we are able to raise over the years from retained earnings.

If the steel industry of the country in both public and private sectors is to remain healthy and to make its full potential contribution to the security of the country, it is imperative that it be ensured the wherewithal to finance the continuous process of replacement and development essential to maximum production and efficiency.

We do not ask for favours at the expense of the consumer or the tax-payer, nor do we expect that prices fixed by Government should reward inefficiency, but we do ask that a more realistic account be taken of the conditions under which the steel industry is compelled to operate in India and, particularly, of the shortages and deficiencies in raw materials, transport and other factors over which it has no control.

Cause for Concern

I regard with dismay Government's growing propensity to brush aside the carefully calculated and reasoned recommendations of the Tariff Commission, which consists of "men of ability and standing who have shown capacity in dealing with problems relating to commerce or industry or in administration"—to quote the relevant section of the Tariff Commission Act, 1951. I do not suggest of course that Government should automatically accept every recommendation of the Commission, but I do urge that their advice should be set aside only in the most exceptional circumstances and for the most convincing reasons. From a speech made by the Minister for Steel to the Committee of the Indian Merchants' Chamber in Bombay, it would seem that Government consider the Tariff Commission and their approach as completely outdated and that some other method of fixing prices should be evolved. As the only practical alternative I can see would be for the Ministry concerned to determine prices at its sole discretion and thus become the exclusive arbiter of an industry's destinies, one cannot but view with alarm this indication of Government's intention to scrap the longstanding and salutary practice of seeking independent and impartial advice in fixing prices in major controlled industries. In a planned and controlled economy such as ours, it is only by exercising restraint in the use of their enormous economic powers that Government can retain the confidence of the people in the fairness and impartiality of their policies and actions.

Facts Ignored

Before I close, I cannot, in fairness to the Company, leave unanswered the criticism voiced by the Minister for Steel, that the Company's expansion programme was originally estimated to cost Rs. 66 crores but had actually cost Rs. 120 crores. In my statement to the shareholders two years ago, in answer to a similar criticism, I gave the true facts, of which Government should therefore be well aware. The estimated cost of the two-million-ton programme, as accepted by the World Bank in 1956, was Rs. 95 crores. The actual cost including subsequent additions and modifications was about Rs. 110 crores. Excluding about Rs. 6 crores of expenditure arising from subsequent increases in import duties and manufacturers' escalations, over both of which the Company had obviously no control, and additional purchases of spare parts decided upon for the sake of added safety, the total excess came to about Rs. 9 crores, equivalent to only 10 per cent, over the estimates, a remarkably low figure of excess for a project of such magnitude and complexity. It is somewhat disheartening to find that the Steel Minister should have been provided with such incorrect data despite the fact that correct information was available to Government.

The tenor of this statement may sound out of tune with my opening remarks but its main purpose is to clear the air and set the record straight. Having done so, I can assure Government of the Company's unstinted support and co-operation in the Defence effort. We fully realise the importance of steel production to a country at war. In the grievous and complex tasks ahead, we place ourselves, our staff, our technical and human resources and our long experience of the steel industry at the disposal of Government in the furtherance of the country's total war effort.

J. R. D. TATA,
Chairman.

BOMBAY, *8th November*, 1962.

The above statement is not a document purporting to be a report of the proceedings of the annual general meeting.

Announcement Regarding the Issue of

Rs. 1,25,00,000 7% Debenture Stock 1974/76 in Units of Rs. 1,000/- each at Par

By

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EXISTING AND PROPOSED ACTIVITIES

History and Business

Founded on 27th September, 1889 under the Indian Companies Act, No. VI of 1882 the Company started with an initial share capital of Rs. 10,00,000. Partly by amalgamation with the Coral Mills Co., Ltd., The Tinnevelly Mills Co., Ltd., and The Pandyan Mills Co., Ltd., and partly by expanding its own business, the Company now has an issued capital of Rs. 1,75,02,480 and has grown during the last 73 years to be one of the largest Textile organisations.

The Company has progressively developed and varied its range of products. Its present business chiefly consists in the manufacture of:

1. Warp Yarns, Combed Yarns, Hosiery Yarns, Fancy Yarns, Single and Folded in hanks or cones, Cheeses, Cross-ball warps in counts ranging from 1s to 100s.

2. Yarns for the manufacture of ropes, healds, canvas, tape, fishnets, belting duck, tyre cord, sewing thread, braided hose and fan belts.

3. Industrial products—Tyre Cord Warp Sheet, Canvasses and hard and soft ducks.

Development

With an installed capacity of approximately 5 lacs Spindles the Company stands foremost among the spinning units of the East. Its products are famous for their quality and variety throughout Europe, Great Britain and the East and are in great demand in other markets throughout the world. The Company has always endeavoured to play a part commensurate with its position in the industry in meeting the requirements of the country.

As the textile industry developed, the Company began to diversify its activities. The first step was to equip to produce industrial fabrics and to this end special power looms were installed to supply Tyre Cord and Duck fabrics which are mainly used in conveyor and transmission belting. This aspect of the Company's business progressed well, and justified the purchase of additional plant, which has been sited at Serampore near Calcutta, to supply the steadily increasing needs of a prominent consumer.

Further expansion and diversification is now planned, and sanction has been obtained to install 450 modern automatic looms partly to augment production of Industrial fabrics and partly to produce other medium weight fabrics: both varieties will be offered to customers in India and in particular Overseas. It is intended that this project will be closely followed by a Dyeing, Bleaching and Finishing Plant and by further expansion of an additional 500 automatic looms.

LOCATION OF THE INDUSTRY

The Company's Mills are situated at Madurai, Ambasamudram and Tuticorin, in South India and at Serampore (West Bengal).

BOARD OF DIRECTORS

Dr. RAJAH SIR MUTHIAH ANNAMALAI MUTHIAH CHETTIAR (*Chairman*), Merchant. Chettinad House, Rajah Annamalaipuram P. O., Madras-28.

PETER VANSITTART MACKAY, Merchant. Pasumalai Bungalow, Pasumalai, Madurai District.

PERUMAL NAIDU RANGASWAMI NAIDU, Advocate. 6, Goods Shed Street, Madurai-1.

ANDREW ERIC COOPER, Merchant. 2, Racecourse, Madurai-2.

MAIN OBJECTS OF THE COMPANY

The main objects specified in the Company's Memorandum of Association are:

To acquire, purchase, or take on lease any land or buildings, or both, anywhere in India, and to erect and construct on such land all buildings, houses, and sheds, necessary and adapted to the working of a spinning and weaving mill, to provide engines, machinery and apparatus requisite for the construction, and the due and efficient working of such a mill.

To purchase, prepare, spin, weave, dye, work, manufacture and deal in cotton, wool, silk and other products and materials and to carry on in the district of Madurai or elsewhere in India, the business of spinning, weaving, dyeing and finishing cotton and other goods, to sell the same, and to sell the materials so maunfactured.

SHARE CAPITAL

Authorised, Issued, Subscribed and Paid up:

Rs. 1,75,02,480 in 11,66,832 Equity Shares of Rs. 15 each.

PROPOSED ISSUE

Rs. 1,25,00,000 7% Debenture Stock 1974/76 in units of Rs. 1,000 each at Par.

The entire amount of the above issue has been underwritten as follows:

		Rs.
1.	The Industrial Credit and Investment Corporation of India Ltd., 163, Backbay Reclamation, Bombay-1	50,00,000
2.	The Great Eastern Shipping Co., Ltd., Mercantile Bank Building, Bombay-1	20,00,000
3.	Pandyan Insurance Co., Ltd., Madurai*	10,00,000
4.	Paterson & Co., 22, Errabalu Chetty Street, Madras-1 ..	15,00,000
5.	Chitra & Co., 322/323, Linghi Chetty Street, Madras-1 ..	15,00,000
6.	Harkisondass Lukhmidass, 5, Hamam Street, Bombay ..	15,00,000
		Rs. 1,25,00,000

In the opinion of the Directors the resources of the underwriters are sufficient to discharge their obligations.

Out of the Rs. 1,25,00,000 Debenture Stock offered for public subscription and underwritten as above, the Company has agreed to the firm allotment of Rs. 63,75,000 Debenture Stock to the following underwriters against underwriting arrangements with them:—

		Rs.
1.	The Industrial Credit and Investment Corporation of India Ltd.	16,00,000
2.	The Great Eastern Shipping Co., Ltd.	20,00,000
3.	Pandyan Insurance Co., Ltd.*	1,25,000
4.	Paterson & Co.	7,50,000
5.	Chitra & Co.	11,50,000
6.	Harkisondass Lukhmidass	7,50,000
		Rs. 63,75,000

* An associate of the Managing Agents.

Applications must be for multiples of Rs. 1,000 with a minimum of Rs. 1,000.

OPENING/CLOSING OF SUBSCRIPTION

The Subscription List will open at the commencement of banking hours on Monday, the 26th day of November 1962 and will remain open until the close of banking hours on Friday, the 30th day of November 1962 or earlier at the discretion of the Directors, but not earlier than the close of banking hours on Wednesday, the 28th day of November 1962.

The application forms along with copies of the Prospectus can be obtained from the registered office of the Company at Madurai and from the Company's underwriters, bankers and brokers mentioned herein.

All application forms, properly completed, must be lodged together with the full amount with the principal office of the State Bank of India or the National and Grindlays Bank Ltd. in Madurai, Tuticorin, Madras, Bombay, Calcutta or New Delhi. Payment should be made by cheque or draft drawn on a scheduled bank located at the particular city where the application is tendered, in favour of "State Bank of India A/c. Madura Mills Co. Ltd.—Debenture Issue" or "National and Grindlays Bank Ltd. A/c. Madura Mills Co. Ltd.—Debenture Issue" and crossed "Not Negotiable."

BANKERS

State Bank of India, Madurai, Tuticorin, Madras, Bombay, Calcutta and New Delhi.

National and Grindlays Bank Ltd., Tuticorin, Madras, Bombay, Calcutta and New Delhi.

Pandyan Bank Ltd., Madurai.

BROKERS

Madras:
Paterson & Co., 22, Errabalu Chetty Street, Madras-1.
Chitra & Co., 322-323, Linghi Chetty Street, Madras-1.
Kothari & Sons, Oriental Buildings, Armenian Street, Madras-1.
Dalal & Co., National Insurance Building, Esplanade, Madras-1.

Bombay:
Harkisondass Lukhmidass, 5, Hamam Street, Bombay.
Lewis & Jones, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.
Batlivala & Karani, Union Bank Building, Dalal Street, Fort, Bombay-1.
P. R. Subramanyam, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.
Merwanjee Bemanjee Dalal, Allahabad Bank Buildings, Apollo Street, Fort, Bombay.

Calcutta:
Place, Siddons & Gough Private Ltd., 6, Lyons Range, Calcutta-1.

New Delhi:
Harbans Singh Mehta & Co., 33, Regal Building, Parliament Street, P. O. Box No. 33, New Delhi.

(THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS)

JENKINS COMMITTEE REPORT VIEWED AGAINST INDIAN BACKGROUND—V

MISCELLANEOUS MATTERS—WINDING UP OF COMPANIES—UNIT TRUSTS

By A Special Correspondent

ON the issue of better and effective enforcement of Company Law the Jenkins Committee was of the view that prosecution or threat of warning was not the only method and that certain duties imposed upon a company might be enforced by an order of the court. In this connection, the Committee was informed by the Board of Trade that "their recent experience of the method of direct enforcement provided by Section 428 indicates that an order of the High Court, backed by the sanction of committal for contempt of court, has proved effective where a long series of warnings and even prosecutions has not." The Committee, therefore, has recommended the widening of the present limited scope of this section, which "relates only to defaults by the company and to those only which require it to furnish information to the Registrar" and to cover such cases as "a failure by directors to lay accounts before a company in general meeting, failure of a company to hold an annual general meeting within the prescribed time," etc., would not be covered. The Committee has suggested a few new things such as (*a*) Section 428 should be extended to cover defaults by officers of the company and to cover defaults either by the company or by its officers in complying with any of their statutory duties; (*b*) the Court should be empowered, on the application of the Registrar of Companies, to order a company which is in persistent breach of its statutory duties to be wound up, in particular where a company has failed to appoint a secretary or the statutory minimum of directors or has failed to pay the annual registration fee which has been suggested for reducing the number of irresponsible flotations; (*c*) the Court should be empowered to wind up a company on being approached by the Registrar of Companies, if it is satisfied that a company is being carried on for an unlawful purpose; and (*d*) the Court should be empowered, on the application of the Registrar of Companies, to order a company to be struck off the register and dissolved without being wound up, if in the circumstances, winding up would not be appropriate, for being a relatively elaborate and expensive process not justified by the size of the assets of a company.

In the Indian Companies Act, the section corresponding to Section 428 of the English Companies Act is Section 614 which says that, if a company has defaulted in complying with any provisions of the Act which require it to file or register any return, account, document within 14 days of service of a notice on it, the Court may, upon an application by any member or creditor of a company or the Registrar of Companies, direct the company or any officer of that company to make good the default within the time prescribed by it. The original section did not provide for any punishment for disobedience of the Court's order which was later done in Section 614A.

Availability of Names

In the U.K., under the Registration of Business Names Act of 1916, the Registrar of Business Names maintains a register of business names based on the information furnished to him under Section 12 of the aforesaid Act by firms and persons including companies which trade in names other than their own. The use of the register is made for (*a*) discovering the names and private addresses of the owners of business for purposes of debt collection or for establishing their credit status or for taking legal proceedings against them and (*b*) to consult at the time of making available new business name so as to avoid its identity or close resemblance with any business name already on the register. The Committee found that the existing register suffered from serious imperfections and the proper use of the same was not made by the Registrar of Business Names. The Committee, therefore, made a number of recommendations of which one was that the index of business names should be cleared as far as possible of the deadwood and be arranged in a form in which it might be directly accessible to the public, and that the Board of Trade might give publicity to the statutory requirements imposed by the aforesaid Act. Further, the registration under the Business Names Act should also apply to all bodies corporate incorporated outside the U.K. having a place of business in the U.K.

As regards the company names, the Committee suggested that the Registrar of Companies should be given powers, which he should exercise on request, to reserve the approved company name for a period of, say, thirty days on payment of a fee. Secondly, the Board of Trade should be empowered to control the names of companies incorporated abroad and having an established place of business in Great Britain. Thirdly, Section 18(2) of the Companies Act should be amended to empower the Board of Trade to direct a company to change its name within six months of the registration if the Board considers the name undesirable on any grounds and further the Board of Trade should have power to direct a company to change its name at any time if the name has become misleading and is likely to harm the public. The Company concerned may, however, be given the right to appeal to the Court.

In India, we do not have any Act analogous to the Registration of Business Names Act. As a result, non-corporate businesses can adopt any name they choose subject only to the Patents and Designs Act under which names bearing patents and trade marks cannot be used by parties other than those which have registered them under the aforesaid Act.

The register of business names of the type maintained in the U.K. at present cannot be drawn up in this country, as the non-corporate bodies, namely, partnership firms, etc., are governed or regulated by the State Governments.

As regards the practice of reserving names for companies as recommended by the Jenkins Committee in the U.K., there is no provision at present in the Indian Companies Act to make such reservations. In practice, however, outside the Act, under instructions from the Central Government, the Registrars of Companies are empowered to reserve names for three months without charging any reservation fee. The only other fee charged in connection with availability of names is the application fee of Rs. 10. Further, Section 20 does not extend to the names of the bodies corporate incorporated abroad and as such the recommendations of the Committee would be found new in this country. Power to direct a company to change its name if it is found to be identical with or closely resembling the name of an existing company is vested in the Government under Section 22(1) to be exercised within a period of 12 months of the registration of the name. But, as in the U.K., it does not extend to the names found undesirable "on any ground." Similarly, it does not cover the names which may be found to be misleading in such a manner as is likely to cause harm to the public.

Annual General Meeting

The provisions of Section 131 of the English Companies Act require the holding of a general meeting once in every calendar year with the gap between two such meetings not exceeding 15 months and, since no relaxation is possible, a company which does not hold so, except for very genuine reasons beyond its control such as lack of quorum, is in default. The Committee has recommended that the Board of Trade should have power to extend the time for holding annual general meetings so as to be able to exonerate a company which is doing the best it can in possibly difficult circumstances from being technically in default in such circumstances.

As regards the requisitioning of extraordinary general meeting, the Committee has pointed out the anomaly existing in Section 132 of the English Act under which if a meeting is requisitioned the only duty of the directors is to issue notice for convening such meeting within 21 days of the receipt of the request, but the date for which it is convened is a different matter and may be months ahead. The Committee has suggested that that section should be amended to enable the requisitionists to exercise their power of convening a meeting if a meeting has not been convened by the directors from a date within, say, 28 days of the notice.

The position regarding the calling of annual general meetings under the Indian Companies Act is the same as in the English Companies Act and, therefore, the suggestions of the Committee in that regard deserve consideration in our country too. As regards extraordinary general meetings, the provisions of Section 169(6) of the Indian Companies Act specifically mention the period within which the meeting asked for by the requisitionists has to be called, the period being 45 days from the date of the presentation of the requisition.

Resolutions

The Committee has recommended the abolition of extraordinary resolutions and their replacement wherever these occur in the Act by special resolutions as the difference between the two merely lies in the length of notice of the meeting required. In the Indian Companies Act, Section 189 mentions only two types of resolutions, namely, ordinary and special. The category of extraordinary resolutions is, therefore, non-existent in our country.

Proxies

As at present under Section 136(1) of the English Companies Act, a proxy is allowed to speak only at a meeting of a private company. The Committee has recommended that a proxy should be entitled to speak at a meeting of any company, private or public. Further, the Committee has recommended that a member should be entitled to appoint two separate proxies to attend a meeting and not, as at present, only alternate proxies.

In India, under Section 176 of the Companies Act, a proxy has no right to speak whether the company is private or public and a member can appoint only one proxy. The recommendations of the Committee could, therefore, be usefully examined in our country as well.

Notice of Meetings

In regard to notices and circulars relating to meetings, the Committee has suggested that the Act should contain a general provision prescribing the duties of directors in respect of notices and other circulars relating to meetings. The provision should require directors who issue a notice or circular to state with reasonable precision the nature of the business to be transacted, giving such explanations and additional information as may be necessary and in particular disclosing any interests of the directors in the proposed transactions and the effect thereon of those transactions so far as it is different from their effect on the like interests of other members. This suggested improvement in law has, to some extent, already been given effect to in Section 173 of the Indian Companies Act.

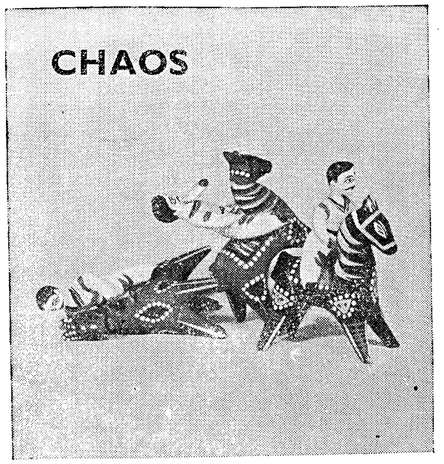
Share Transfers

Regarding share transfers, the Jenkins Committee received criticism that the registration of a transfer of shares is at times deliberately delayed by the transferee (sometimes by arrangement with the transferor) in order to conceal from the directors the concentrated purchase of a company's shares, or by the directors of a company in order to prevent the transferee from exercising his voting rights at a company meeting. The first type of abuse is proposed to be checked by the Committee's recommendation that share transactions by beneficial owners of 10 per cent or more of the equity capital of quoted companies should be registered within seven days of the transaction coming to their knowledge. As for the second type of abuse, the Committee has proposed that the present maximum period of two months available to the company to register share transfers should be cut down to five weeks and, if the company does not register the transfer within that period, the transferee would be entitled to apply to the court for rectification of the register.

The relevant provisions relating to share transfers are contained in Sections 111 and 113 in the Indian Companies Act which run on parallel lines to Sections 78 and 80 of the English Companies Act. The suggestions of the Committee, therefore, would improve the position under the Indian Law also, if implemented.

Political Donations

The question of prohibiting political donations by the companies—a subject which crops up again and again in our country in public and parliamentary discussions—was also brought up before the Jenkins Committee. But the Committee has refrained from offering any comments on the subject as it is not primarily a mat-



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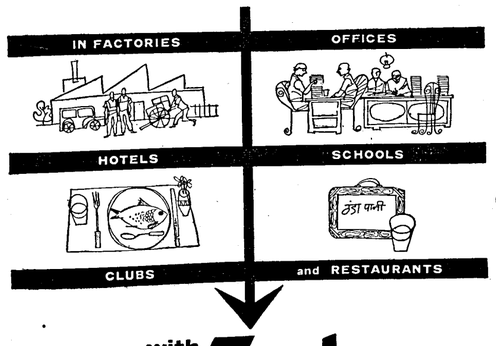

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ter of company law and involved constitutional issues "which would affect other organisations besides companies." On a relative suggestion that the donations should be shown in aggregate form in company accounts, the Committee's views are equally circumspect. It says that "we recognise that, in some circumstances, this information may be of interest to shareholders and indeed that if donations are relatively large the obligation (in Section 149(1)) to give in the accounts a true and fair view of the profit or loss of the company may now require their disclosure. But we do not think donations are a sufficiently important item in most company accounts to justify an express, general requirement to disclose them."

In our country, on the general question of imposing a prohibition on the companies to make political contributions within the ambit of the Companies Act, the Sastri Committee reached almost the same conclusion as the Jenkins Committee has done. The Sastri Committee said that "whether lobbying and financing of political parties or candidates for elections should be prohibited in the interests of the public, is a broad question of public policy. It has been the subject of special legislation in America. The case of companies could not be considered in isolation and contribution from other sources, such as bodies corporate, partnerships, societies, trusts, trade unions and even from individuals might have to be regulated or prohibited by a comprehensive enactment. This, however, is a matter which falls outside the scope of the Companies Act." But, on the limited issue of disclosure of such contributions in the annual accounts, the Sastri Committee appreciated the suggestions made by the High Courts of Bombay and Calcutta and recommended that a provision reading as "every company shall disclose in its profit and loss account every donation made by it during the year of account to any political party, giving particulars of the amounts given and the name of the person or persons, association or party to whom or to which, such donation is made" may be added to Section 293 of the Indian Companies Act. Accordingly, Section 293A was inserted in the substantive Act in 1960. By this new section, restrictions on the power of a company and its Board of Directors to make political contributions exceeding Rs. 25,000 or 5 per cent of the company's net profits as determined by the provisions of Sections 349 and 350 during the three financial years immediately preceding, whichever is greater, were imposed. Sub-section (3) of Section 293A provides for punishment with fine which may extend to Rs. 5,000 for non-disclosure in the accounts. From this, therefore, it will be seen that the law in India is more progressive and keeps under check the influence of corporate bodies over the political life of the country.

Winding Up

The Committee's study of the winding up provisions of the Act revealed that there was widespread criticism that the Companies Act "as a whole does not at present deal adequately with the situation arising from fraud and incompetence on the part of directors—particularly directors of insolvent companies." Further, the provisions of the Act do not provide a sufficient deterrent to dissuade directors from continuing the business of a company which they know to be hopelessly insolvent. Covering these shortcomings and others in the Act, the Committee has made 22 recommendations on winding up, and, in regard to the newly suggested powers, the Committee has further observed that "these powers will only serve a useful purpose if the Board of Trade is prepared to invoke them by applying in proper cases for Court action against fraudulent, reckless and incompetent company directors." Some of the recommendations made by the Jenkins Committee on winding up which would be new to us and are not already incorporated in the various provisions relating to winding up in the Indian Companies Act are the following:

Section 270 which empowers the Courts in England to order public examination of promoters and officers, should be extended to empower the Courts to order the public examination of all or any of the directors or other officers of an insolvent company where there is some *prima facie* case of culpability or of such impropriety, recklessness or competence as might lead to disqualification of the person or persons concerned under Section 188 which is to have wider coverage. Further, the Committee has recommended that the Act be so amended as to cover persons convicted of any offence involving fraud or dishonesty whether in connection with a company or not, persons who have been persistently in default in complying with the provisions of the Companies Act and persons who have been shown to have acted recklessly or incompetently in relation to the affairs of any company of which they are, or have been, directors. The section corresponding to Section 270 of the English Companies Act in the Indian Companies Act is Section 478 and, since it is framed on the lines of the former section, the Committee's proposals apply with equal force to the position existing in this country.

In the same way, the recommendation of the Committee in regard to Section 332(1) of the English Companies Act would be new to us in this country. The Jenkins Committee has recommended that Section 332(1) should be extended to make directors and others, who have carried on the business of the company in a reckless manner, personally responsible without limitation of liability, for all or any of the debts or other liabilities of the company, if the Court so declares on the application of the official receiver or the liquidator or any creditor or contributory of the company. It has further recommended that it should be made clear that Section 332(3) provides a penalty for fraudulent trading where the facts are discovered in other circumstances than in the course of winding up. The Committee has also suggested the amendment of Section 333(1) of the English Act by substituting for "breach of trust" in relation to the company" a reference to any breach of duty in relation to the company which would involve civil liability at the suit of the company. The effect of this change would be to bring actionable negligence of directors and others within the scope of the section. Also the receiver of any property of the company is to be brought under the scope of Section 333(1).

Another important suggestion made by the Jenkins Committee is that the Court should be completely free in the exercise of its discretion to wind up a company on the ground that it would be just and equitable to do so and, for this purpose, Section 225(2) should accordingly be amended to remove the existing limitations on the Court's power to exercise its discretion in this respect. In our country as at present, the provisions of Section 443 of the Companies Act run on the lines of Section 225(2) of the English Act, and therefore this suggestion should require due examination in our country.

Further, the Committee has suggested that a simple and inexpensive means of formally dissolving companies wound up by order of the Court, on the lines of Sections 290 and 300, should be provided for in addition to the mode of dissolution laid down in Section 274 which, because of the expenses involved, is rarely used. The same position exists in our country also and so the suggestion made by the Committee would be of practical utility in this country also.

Lastly, the Committee has recommended that the provisions in the Companies Act for winding up subject to the supervision of the Court, namely, Sections 311 to 315, serve no useful purpose and should be repealed. In our country, too, there have been far too small number of cases of such type and therefore this suggestion might profitably be examined.

Foreign Companies

In regard to foreign companies incorporated outside the U.K. but having a place of business in that country, the Jenkins Committee has made three important suggestions. First, the Registration of Business Names Act should apply to foreign incorporations having a place of business in the U.K. and the Board of Trade should be empowered to control the use by an oversea company of a name which is undesirable for any reason other than similarity to the name of a company already registered in the U.K. Secondly, there should be inserted in the Act a provision expressly empowering the Court to wind up a company incorporated out of Great Britain if there are assets of that company in Great Britain. Thirdly, Section 410 should be amended so that oversea companies would in future be required to file accounts in the form prescribed in their country of incorporation unless the Board of Trade required otherwise. In actual, practice the Board of Trade does accept the accounts from foreign companies as drawn per requirements of their 'home' corporation laws, unless they were considered "to be inadequate" by the Board of Trade.

For us, the first recommendation regarding the use of identical name, etc. by a foreign company is quite new. Sections 20 to 23 relating to the names of companies do not apply to foreign companies. Similarly, the second recommendation is also new. As regards the third, the foreign companies having a place of business in India who are required to file the annual accounts under the provisions of Section 594 have been granted suitable exemptions and relaxations which go a long way to mitigate the hardship caused by the requirements of the aforesaid section which require the filing of world and Indian business accounts in the same form and with the same details as are required in the case of Indian companies.

Unit Trusts

The Jenkins Committee has made a large number of recommendations concerning the working and regulation of unit trusts—an institution which is as yet quite unknown in our country. Unit trusts, which started in 1930 in the U.K., have become a popular institution there. Notwithstanding the "record of fair and honest dealing over the whole of its life," the Committee felt that, as the unit trust movement after about 30 years of its existence had attained maturity, there should be, to quote it, "an entirely new system of control over unit trusts. The present control exercised by the Prevention of Fraud (Investments) Act, 1958, which is primarily designed to prevent fraudulent share pushing, seems hardly appropriate." Apart from this general reason, the Committee found that there were grounds of real substance on which the existing system of control could be criticised. The Prevention of Fraud (Investments) Act first provides that it is illegal to offer unit trust units for sale by circular including offers contained in the newspapers unless the unit trust is one "authorised" by the Board of Trade as per provisions of Section 17 of that Act which gives discretionary powers to the Board of Trade. The Jenkins Committee has found this discretionary power to be unsatisfactory as the Board of Trade concerns itself too much with detailed arrangements resulting in embarrassment to the unit trust managers. The Committee has, therefore, recommended that, instead of the Board exercising discretionary powers, the Unit trust should claim registration as a matter of right upon satisfying certain recommended conditions such as that the trust company would have to be incorporated with a paid-up capital and net assets of at least £ one million, that is, four times the present level and that the unit trusts would be narrowly defined to have underlying assets entirely in the form of securities and cash. Registered trusts would be governed by a new code specially written for them in the Companies Act whereas the unregistered ones would continue to be subject to the provisions of the Prevention of Fraud (Investments) Act with the practical effect that units could not be sold, on an extensive scale at any rate, to members of the public.

The Committee has further recommended that the Companies Act itself should contain a few basic requirements about the operation of unit trusts. It should empower the Board of Trade to impose requirements in respect of a large number of important matters including the calculation of the manager's bid and offer prices and the yield, the rights of the unit holders to require the repurchase of their units at the bid price, prohibition of managers from making profits for themselves out of transactions in the underlying assets of the trust, block offers, etc. If all the controls exhaustively stated in the Act and the statutory instruments are imposed on unit trusts, each unit trust would then only have to keep itself within the defined limits. Another recommendation of singular importance is that the applications from new investors should only be accepted if they were on forms issued with prospectuses, the terms of which would be duly approved by the trustees and would contain information laid down by Statutory Instrument. One of the details to be contained in the prospectus would be the scale of charges. Further, the Committee has recommended that door-to-door hawking of units of the unit trust should be prohibited. The Committee has come to the conclusion that, with all these safeguards, there would be "little point in introducing the rather complex legislation necessary to provide for and control the open ended investment company" in Britain.

(Concluded)

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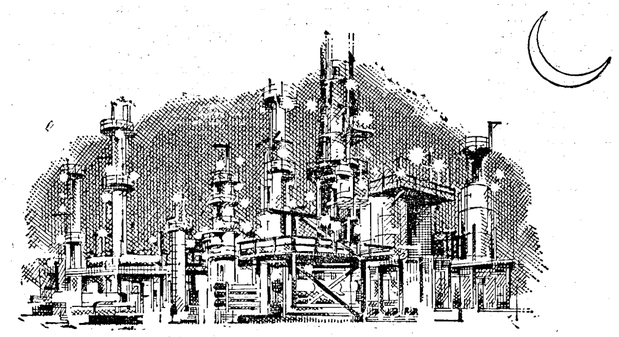

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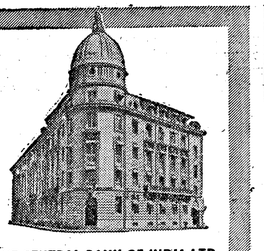

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RECOMMENDATIONS OF BRITISH MISSION

UNDER the third Plan, the private sector of India's coal industry is expected to reach a production level of 62 million tons per annum by 1966, as against 45 million tons in the last year of the second Plan. The major portion (11 million tons) of the additional output of 17 million tons (62 million tons *minus* 45 million tons) is to come from established mines, while the balance is expected from new sinkings in existing leasehold areas. Of the capital investment of Rs. 60 crores needed to achieve the additional production target, imported equipment would account for Rs. 28 crores (about $60 million). The World Bank, it will be recalled, has sanctioned a loan of $35 million for the exclusive use of the private sector to cover orders for coal mining machinery and equipment to be placed during 1962-63. The Bank has also indicated that a further $25 million will later be made available for the private sector's requirements during the remaining three years of the third Plan period.

The technical and financial screening committees, which have been scrutinising and approving applications from individual collieries for imports of equipment within the framework of the first loan of $35 million, have already passed 184 projects. The pattern of the foreign exchange expenditure is: Expansion of existing mines, $14 million; replacement for existing mines, $14 million; spares for existing equipment, $2 million; and development of new mines, $5 million. The larger part of this amount ($35 million) might be spent in the U.K. which has been the traditional supplier of coal mining equipment to this country. This inference is drawn from the relevant observations of the privately-sponsored but officially-blessed British Mining Machinery Mission (Leader: Mr. James Anderson, Chairman and Managing Director of Anderson, Boyes & Co., Ltd. Motherwell, U.K.) which submitted its report to the U.K. Board of Trade last July after studying the requirements of India's coal industry. The report, a summary of which has been published in *Steel and Coal* (London) dated 19th October 1962, observes in this connection:

"How much of this sum ($35 million) can be spent in the U.K.? To some extent, the answer to this is to be found in the figures outlining the pattern of expenditure. The major portion earmarked for 'replacement' and for 'spares' may well be spent in Great Britain, since this country has supplied the bulk of the private sector's needs in years gone by.

"It was made clear to the Mission that, other things being equal, British equipment would be favoured for the 'expansion' component also, although the members were informed that the $5 million allocated for new mines development must be put out to world tender. Thus, although the channelling of orders to the U.K. will by no means be an automatic procedure, it is reasonable to assume that good salesmanship, backed by the right service and equipment, should result in the British mining machinery industry obtaining the major portion of the business made possible by the World Bank loan.

"The Mission expresses the view that the amount of the loan fund allocated to the purchase of spare parts seems insufficient, as members were told that 20 per cent of the equipment owned by the private mines is at present idle through lack of spares."

Three Important Recommendations

In the light of the above findings the Mission has made three important recommendations. One is that the U.K. Board of Trade should make representations to the appropriate Indian Government authority, suggesting that agents and stockists be allowed an import licence quota for spare parts, which would enable proper utilisation of funds and consequently make spare parts available. Another recommendation is that British mining machinery manufacturers, where not already committed, should give serious consideration to setting up manufacturing facilities in India. And a third recommendation is to the effect that British mining machinery manufacturers should pay special attention to the supply of the equipment most suitable for Indian conditions, provide full servicing facilities, and pay due regard to the prices of both capital equipment and spare parts.

The Mission has laid particular emphasis on the first recommendation pertaining to spare parts because difficulty is caused by the fact that spares are at present only imported on users' licences. Consequently, one user may have the spare part in stock while another user is suffering loss of output due to not having this particular component. The second recommendation has been made against the background of the Mission's finding that the U.K. manufacturers enjoy a very high degree of confidence from the people concerned with the Indian mining industry. Respect for the U.K. engineering ability, according to the Mission, has been enhanced to a considerable degree by the difficulties which have been experienced in certain excursions into continental and Russian equipment. The Mission has appreciated the Indian Government's policy of favouring indigenous manufacture of mining machinery in view of foreign exchange difficulties. But it has added that it is for the Government to provide conditions which will attract private investment to joint India and U.K. ventures. The third recommendation has taken into account the point of view of the Joint Working Committee of the Mining Associations in India. That Committee's stand is to the effect that after-sales service had been found wanting in the past and that, for new business, those machinery manufacturers offering complete service would receive special consideration, even against lower price offers from other manufacturers.

The Mission has also dealt with the shortage of trained engineers in the Indian coal industry. The private sector, it notes, is very short of trained engineers with "know-how" which cannot be provided by any kind of financial loan in terms of money only. While the private sector collieries are prepared to pay a price for technical services, they are unable to provide for themselves engineers from Britain. It would, therefore, appear to be essential, in the opinion of the Mission, that the necessary engineers be seconded from Britain. The Mission is strongly in favour of providing "short-term technicians" from and through Britain, for, otherwise, its business with India would decline and the East Europeans might step in with their machines from the new mining machinery works at Durgapur.

Market Potential

The Mission has examined, in the context of its study of the market potential for British equipment, the programme of the Heavy Engineering Corporation which is constructing its works at Durgapur to produce, in the first stage, 45,000 tons of mining equipment, to be increased to 80,000 tons in the second stage. This project, which is being set up with the technical collaboration of the U.S.S.R., is scheduled for completion at the end of 1964. This deadline, in the opinion of the Mission, does not look like a feasible proposition. The estimated annual capacity of the completed plant, in terms of numbers of items, is:

Coal cutters: longwall	50
Coal cutters: shortwall	550
Gathering arm loaders	245
Scraper chain conveyors	1,600
Belt conveyors	600
Trolley and battery locomotives:	
12-ton trolleys	50
7-ton batteries	100
Haulages	700
Electric winders	50
Main axial fans	100
Booster fans	50
Pumps	500
Ball mills	100
Sand pumps	50
Core drills	25

Besides the above, miscellaneous equipment for shaft and surface installations will account for 2,500 tons. The above figures, in terms of numbers of items, are interesting, for uptill now the plant's estimated capacity has been quoted on a tons-per-annum basis.

The Mission has observed that, before the Durgapur plant can commence production, a tremendous amount of mining machinery will be required. British companies already manufacturing in India or about to manufacture within, say, the next 12 to 18 months, should stand a good chance of success. If action can be taken immediately to enable the National Coal Development Corporation to buy British mining machinery for its third Plan, the Mission continues, British companies which have supplied considerable quantities to the N.C.D.C. in the past will continue to hold the market, and if they succeed in producing before the Russian plant comes into operation, there is no apparent reason why they should not continue thereafter to obtain considerable business from the N.C.D.C., in addition to business from the private sector. The Mission has, incidentally, noted the readiness of the Heavy Engineering Corporation to consider collaborating with foreign mining machinery manufacturers by producing their equipment under licence.

Aid Recommended

While dealing with the market potential of the N.C.D.C. for mining machinery and equipment, the Mission has noted that the Corporation is at present the largest buyer of such equipment and that probably the majority of its requirements for underground mining (upto and including the year 1961) has come from Britain. In the last 12 months or so, however, the East European countries have taken preference, due to their readiness to accept payment in rupees. The capital investment required by the public sector as a whole (that is, including Singareni) during the third Plan period is about £77 million for reaching its additional production target of about 20 million tons by 1965-66. No internationally available funds have so far been allocated for this development, which, as things stand at present, is therefore likely to be financed from tied purchases to the extent that free foreign exchange is not available. As the N.C.D.C. has practically no sterling available for importing British equipment in the next six to 12 months, the Mission has strongly pleaded for sterling aid from the U.K. Government in the following words:

"British mining companies cannot compete with State trading (from East Europe) such as we are competing with in India today. This situation is all the more exasperating, because the Indian coal industry wants British equipment in preference to that of other countries.

"We think it would be correct to state that there will be no exports of British mining machinery to the public sector of the Indian coal-mining industry for the next 12 months, unless sterling aid is made available in the next six months."

The Mission has thus recommended that, in view of the loans freely granted by the Russian, Polish and Czechoslovak Governments, the U.K. Government should give favourable consideration to the request for the inclusion in British loans of a provision for purchases by the N.C.D.C., to enable the Corporation to purchase (i) the British capital equipment it wants and (ii) the spares it requires to keep in operation the British equipment presently installed. Another related recommendation is to the effect that the U.K. Government should issue, through the Indian Government, an invitation to the N.C.D.C. to send a delegation of mining engineers to study British mining methods.

It is said that the Mission's report has not only dealt with the aspects covered in the foregoing paragraphs but also with several technical matters pertaining to electrical equipment, coal cutters and conveyors, core drilling and drilling for blasting, and so on. By all accounts, this seems to be a very valuable report.

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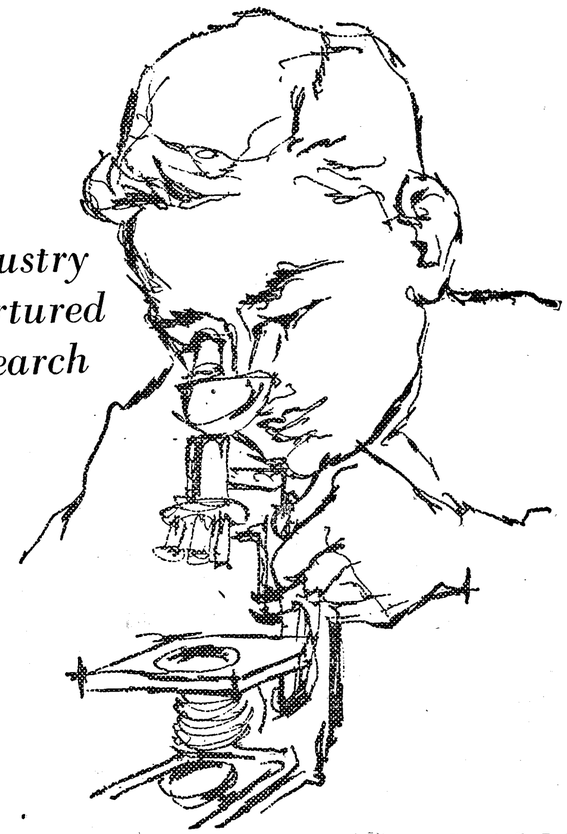

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NEW PRODUCTS AND PROCESSES

New Uses for Magnets

MAGNETS have been known and used by man for many centuries, and, even now, there is apparently no end to the number and variety of new applications to which magnets, and electro-magnets, in particular, can be applied.

A specialist in this field, Jones and Rickard Pty. Ltd., of Sydney, Australia, is currently producing four special types. One is a standard 4 kilowatt, 36-in. diameter, circular magnet for separating tramp iron from a coal conveyor; the other three, for the Physics Department of the Australian National University in Canberra, will form part of the University's new particle accelerator for the study of atomic structures. Electro-magnets for the separation of ferrous impurities take many different forms depending on the nature of the material from which the impurities have to be removed. In the coal mining and power generation industries it has become essential, before feeding the coal to the crushers and pulverisers, to remove pieces of iron and steel.

The magnetic separators most commonly designed for this purpose are circular, high intensity, multi-core, fan cooled type, usually suspended at the head pulley of the conveyor system. The presence of iron or steel fragments in foundry sand also can be a great problem to the founder.

Jones and Rickard solve the problem by supplying electro magnet pulleys in a wide range up to 30 in. in diameter and for belt widths up to 3 ft.

Another type of magnetic separator in which the company specialises is the cascade separator. This is used to separate ferrous impurities from lighter and more finely granulated materials, and is comprised of a vibrating tray with a series of magnetic steps under which are the magnet poles.

Other types of magnet designed and manufactured by the firm include the slip separator for liquid or slurry materials such as paint and ceramic ingredients, and the overband moving-finger separator for meals and powders.

Welding Metals and Glass

The Financial Times, London, reports the development of a method of welding together materials which have widely differing coefficients of thermal expansion such as metals and glass. If it is correctly applied, the welds can repeatedly be heated to as much as 1,000 degrees C. without disrupting them. The parts to be joined should be circular or tubular in shape. In the method, the part with the lower coefficient—a rod or disc of glass—is fused into a sleeve or tube of the component with the higher coefficient. Around the exterior of the latter are wound several layers of a thread such as silica glass, which has a much lower coefficient of thermal expansion than the metal but also has good elasticity. The thread is kept very taut so that it tends to restrain the outer casing as the latter tries to expand. This restraining influence is not enough to prevent elastic deformation of the outer sleeve but, at high temperatures especially, it does prevent plastic deformation so that the casing always shrinks back to its original diameter when cooled. At each re-heating, the amount of expansion is always the same provided the temperature limits are the same. The technique is expected to have many applications in electronics.

Plastic Insulation

A subsidiary of Australia's largest manufacturer of plastic goods—Moulded Products (Australasia) Ltd.—has developed a full range of "Nylex" brand cables which are claimed to be considerably more resistant to damp and corrosion than conventional rubber insulated cables. Plastic covered "Nylex" cables are manufactured by A.P.I. Cables and Insulation Pty. Ltd., in a comprehensive range from low voltages to 11,000 volts. Custom-made "Nylex" PVC insulated and sheathed cables have revolutionised wiring methods in a wide variety of Australian industries. Any "Nylex" single core protected cables have sharply reduced the cost of underground electrical reticulation. The cables are widely used for underground, aerial, control and industrial purposes. Some of the variety of uses to which these cables have been put in Australia include the wiring of hospitals and schools, traffic signals, airport control towers, lighting buoys in harbours, factories, sports arenas, ocean-going yachts and commercial buildings. The cables are resistant to fungus and capable of withstanding exposure to all kinds of tropical conditions. All "Nylex" cables conform strictly to S.A.A. standard specifications and, where nominated, also to British standard specifications.

Refrigeration Units for Road Trucks

Refrigeration units for road trucks, which are claimed to have resulted in increased efficiency in the transport of perishable goods over long distances, are now being made for export by an Australian firm. Major Industries Private Ltd., Sydney. The firm makes three models of mobile refrigeration units and three types of automotive air-conditioners, including what is claimed to be the "first really practical air-conditioner for taxi-cabs." The refrigeration units, which use the force draught principle, are compact, light, economical and require little or no maintenance. Thermostatically controlled compressors enable humidity to be decreased from 90 to 15 per cent.

Heat Treatment for Synthetic Yarns

Important developments in the heat treatment and dyeing of synthetic and cellulosic materials in fluid beds were announced in the recent annual report of the Cotton, Silk and Man-Made Fibres Research Association, London. The Director of the Association, Dr. D. W. Hill, says that developments on fluid beds have taken place in several directions. Their use for the hot-stretching of nylon tyre cord has resulted in a greatly improved product leading to a considerable reduction in the amount of nylon needed in tyres. Applied to synthetic sewing threads, the technique is claimed to improve and stabilise their elastic characteristics, and also allows them to be hot-stretched before instead of after dyeing, which is sometimes more convenient for manufacturers. The principle is also being used at the Institute for the narrow fabric field, particularly for the dyeing and setting up of synthetic fibre webbings of the type used in car safety harness. The Institute has developed a prototype machine for the continuous processing of narrow fabrics. It is claimed that compared with conventional batch dyeing, the process reduces the contact time of fabric to dye from hours to less than a minute; takes up less floor space; and produces a higher quality finish.

New Device to Detect Aircraft Engine Failures

Impending aircraft engine failure can be predicted by data recording equipment, according to Mr. C. T. Thum, Manager, Special Devices Division, Lockheed Aircraft Service Company. Mr. Thum described to the 51st Air Force-Industry Safety Conference in America a flight-tested aircraft maintenance recording system that simultaneously measures more than three hundred aircraft engine or flight system parameters, storing the data for rapid readout and analysis. The system makes it possible to retain a life history of an aircraft and its engines and components, thereby permitting maintenance or overhaul to be performed on a basis of actual equipment condition. The data recording equipment permits significant reductions in aircraft maintenance and operational costs in addition to increasing flight safety by signalling the need for maintenance before failures occur.

New Weedkiller

A new weedkiller developed in Britain by Plant Protection Ltd., Kent, is claimed to be effective against coarse grass and water weeds, but harmless to crops. One of the main advantages, claim the makers, is its effectiveness in areas liable to soil erosion. The Company claims that farmers, instead of ploughing in weeds and risking erosion, can kill them off quickly with the new chemical and, within a few weeks, the soil can be resown with crops.

Spraying Device

Drift hazards common to crop spraying are almost eliminated in a technique developed by two British companies, E. Allman and Co. Ltd. and Dependable Relay Co. Ltd. Weedkillers are sprayed by machines which use a new type of spray bar. Holes drolled in the bar issue droplets too large to be carried as drift on the wind. This means that crops can be sprayed in conditions which would preclude the use of conventional sprayers. Rooms of different lengths are available—for example, 6 ft. (1.828 m.) for inter-row fruit plantations and 18 ft. (5.486 m.) for cereal or grassland spraying. Containers of different capacities are available for use with the various spray bars. One boom is designed for the removal at tractor speed, of grass and weeds round the base of fruit trees—a rubber-tyred "bicycle wheel" guides the spray mechanism round tree trunks.

Device to Investigate Fossil

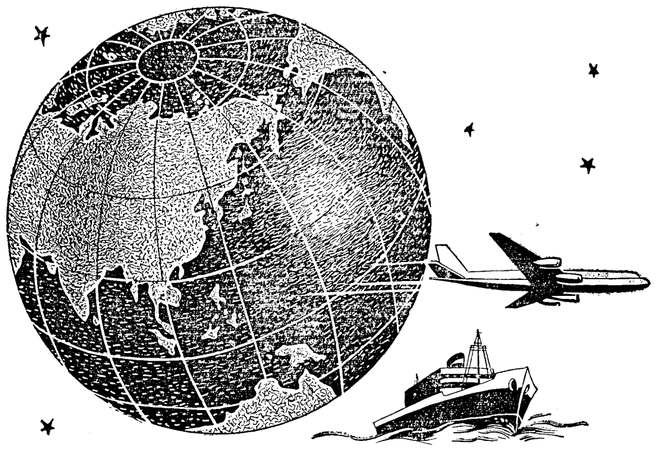
A grinding machine which will enable geologists to take a closer look at ancient history has been developed by the Department of Geology at Nottingham University, England. The machine developed from a standard lathe, is used to grind successive surfaces through fossil specimens at intervals between 10 and 50 microns. From records of these surfaces, scientists are able to study the variations of the internal structure of the fossil and the history of the development of the fossilised creature. Essential requirements of the machine are that the successive surfaces must be parallel, and the interval between them must be known and capable of being controlled. The Nottingham machine is claimed to be a great improvement on the equipment previously used. The specimen to be sectioned is embedded in polyester resin and then attached with tough wax to a mild steel mounting block which is in turn attached to a permanent magnetic positioner on the toolpost block of the lathe.

Horizontal Forging Machine

An advanced type of horizontal forging and upsetting machine is now being produced by a British engineering firm, David Etchells (Machinery) Ltd., Staffordshire. Taking up to 3 in. diameter (7.6 cm.) metal, it gives greater productivity than former models, longer life of dies and makes work easier for the operator. A collapsing device operates should anything go wrong when the machine is being fed. The die life is lengthened because the increased operational speed results in shortening the period of contact of the hot metal with the die.

Plastic Moulds for Man-hole Covers

Plastics moulds made by a British firm, Moto Plastics Ltd., are being used in the production of concrete man-hole covers. Formed of polythene and glass fibre, the new mould replaces the traditional steel variety. It is much lighter, corrosion-proof and dimensionally stable in all conditions. It produces a high surface finish and stands up to the vigorous handling experienced in cast concrete production.



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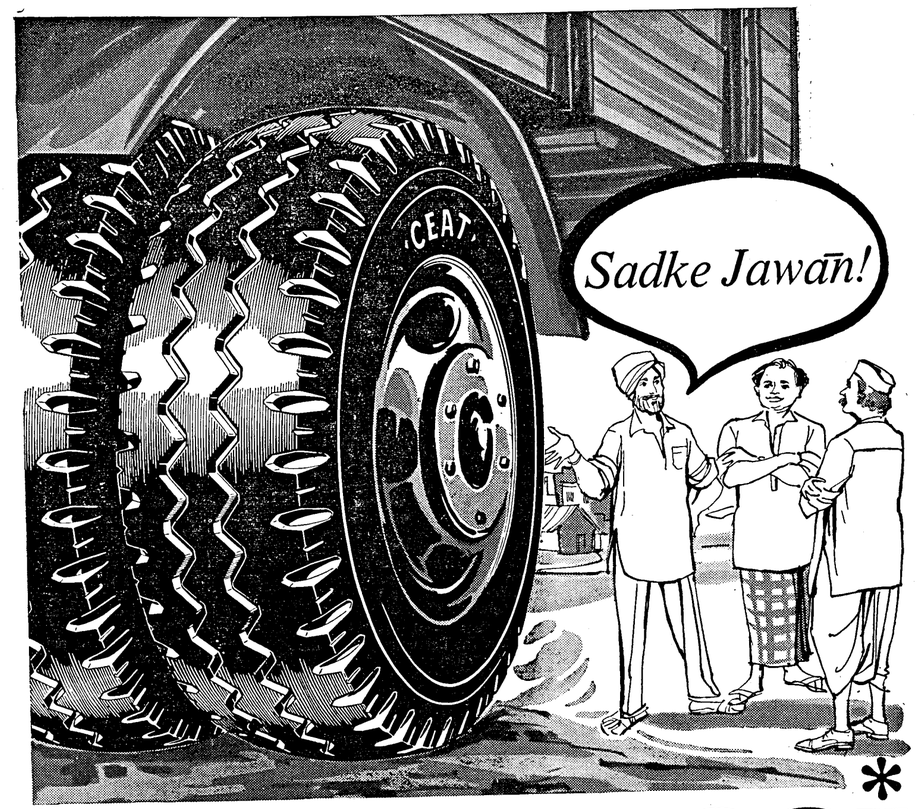

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INVESTMENT ELEMENT IN LIFE INSURANCE

LET NOT LAYMEN BE MISLED

By O. S. Gupta

DEPARTMENT OF COMMERCE, UNIVERSITY OF ALLAHABAD

A LIFE insurance policy is usually said to be a combination of two elements: (*a*) the element of protection, and (*b*) the element of investment. The investment element increases each year as premium payments are made, while the protection element decreases to the same extent. At the beginning of the policy period, the investment element is negligible but it becomes equal to policy amount at the time of maturity, when protection element falls down to zero. This is said to apply to those life insurance policies, under which the insurer always pays the policy amount, either at the death of the insured or on his attaining a specified age or after passage of a specified period, as the case may be. A term policy is said to have no investment element, perhaps, because the policy may or may not become payable depending upon whether or not the insured dies within the term of the policy. Pure endowment policies and survivorship policies should also be placed in the same category as term policies for the purpose, for a pure endowment policy may not become a claim if the insured dies within the endowment period and a survivorship policy may not become a claim if the insured survives the named person.

Investment element is believed to arise on account of creation of reserve on a policy. When the policyholder pays more by way of premium than the cost of insuring his life, the difference is kept in reserve for future. And this can happen only when premium is paid as a single premium or as level premium. But, if it is paid as a natural premium or if the policy is for just a year, no reserve can be created and there would be no investment element even in whole-life or endowment policies. On the other hand, even a term policy, a pure endowment policy or a survivorship policy may have the "investment element" if the policy is for a period more than one year and if single premium or level premium is paid.[1] Only, the "investment element" cannot go on rising throughout the term; it will start declining after some time till it equals zero at the end of the term or on death of the named person.

Types of Policies

There is a feeling that investment element is the greatest in case of a level premium policy. The policyholder pays the same amount of premium year after year, although the cost of insurance goes on increasing. In the beginning for a few years, therefore, the net premium is more than the cost of claims. Assuming that the "loading" is able to take care of administrative expenses every year, it is said that this difference goes on accumulating year after year into a fund, on which compound interest at a presumed rate is also earned. As more and more of premiums are paid on a policy, the "investment element" increases, whereas the protection element decreases.

In case of a single premium policy the net premium collected in the first year is many times more than the cost of claims. Out of the remaining premium costs are met in future years, but interest earned on the balance is much more than cost of claims and, hence, the balance may be carried forward as a fund. This fund goes on expanding. It belongs to the policyholder and thus investment element in a life policy goes on increasing till it becomes a claim by maturity. If the policy becomes a claim by death, a part of the policy amount is paid as return of investment and the balance as protection.

On some reflection such a view will lead us to believe that under level premium plan the policyholder pays by way of net premium more in total than the discounted cost of claims per policy to the insurer. Only then can be say that there has been a net investment by the policyholder during the currency of the policy. But is that really so? The question can be answered only after considering how the net premium in life insurance is calculated under various plans of premium payment.

For calculating the natural net premium for a single life policy[2] each year separately, we estimate the total amount of claims for the generation with the help of a mortality table. This amount is then discounted at an assumed rate of return for the average duration between collection of premiums and payment of claims. The discounted value is then divided by the number of persons (belonging to that generation) living at the beginning. Thus every year the insurer receives an amount, which, together with interest on it for a year at the assumed rate, equals the amount required at the end of the year for meeting all claims. Thus what a policyholder pays year after year is only his contribution to the cost of protection and the question of investment simply does not arise.

Single Premium Plan

The net single premium, which is paid by each policyholder in a lump sum at the very beginning when the policies are issued, is calculated by finding out the values of the total claims every year, discounted for one or more years, according as the claims are to be paid at the end of one or more years, respectively, and then dividing the total of all such values by the number of persons, who take such policies. Thus, policyholders pay such an amount as premium, which would just enable the insurer to meet all claims year after year on that generation after earning compound interest at the assumed rate on the balance left with him in the beginning of every year.

For calculating net level premium, we have first to calculate the net premium for the given type of policy. Then, we divide this by the present value of a life annuity due of 1.00 purchased for the premium paying period at the age attained at the time of the issue of the policy. Actuarially, on all policies issued to particular generation, the net level premium is the same as the net single premium, which again is actuarially the same as the net natural premium. Hence what the insurer receives is utilised to meet the cost of protection only.

Under the single premium plan, every policyholder pays quite a substantial amount on taking the policy. Every year something is left out of it after earning interest and meeting the cost of protection per policy; but that does not *belong* to the policyholder. It is required for meeting the cost in future. Under the level premium plan, no doubt, the insurer receives in the beginning for some years premium on all policies far in excess of its requirements, the difference accumulating into a fund, which increases, and on which interest is also earned. But, after some years, the current premiums received fall short of its requirements, the difference being met out of the funds accumulated in the beginning. Thus, towards the end of the life of the generation, the fund gradually exhausts itself. So, whatever premiums are paid by a policyholder are just his part of the cost of protection and the question of investment does not arise. It is not denied that the fund at any time represents balance of an excess amount paid in the beginning by the policyholders, but what is emphasised is that this amount does belong to the policyholders and that they do not have any vested interest in the fund nor can they apportion it among themselves.[3] The fund is, no doubt, a liability of the insurer, but only in the sense that its amount cannot be considered as profit of the insurer; it has to be held in trust for all the policyholders to be utilised in a particular way, namely, meeting the difference between the future claims to be paid to them and the future premiums (if any) to be received from them. The policyholders in the generation can have a claim to the total of all such differences, only if all of them, without any single exception, agree to discontinue their policies. And yet it will not be correct to say that each policyholder has an equal share in the reserve.[4] Premium is calculated not on the basis of risk for an individual policy, for every policyholder belonging to the same generation pays the same premium rate, although some may die soon after taking the policy, while others die many years after. As deaths of individuals cannot be exactly, or even approximately, predicted, we have to depend on averages and so premium has to be collected for meeting cost on the generation as a whole, not on each insured individually. Life insurance, like other branches of insurance, is a co-operative device and so if a policyholder has paid premium in excess of his part of the cost of protection in the beginning, the balance is not purely for his own part of the future cost, but also for others' part. Consider, for example, how much total net premium will be received from a non-participating policyholder, who survives the policy-term and how much from one who dies soon after taking the policy. From the former will be received much more than the policy amount, from the latter only a part of it. The excess receipts from the former will help the insurer in making up the losses arising from deficit in receipts from the latter. Thus excess payments made by a policyholder cannot be said to belong to him. The question of investment, therefore, does not arise even here.

This applies to all types of life policies. In case of a whole-life policy, the policy amount is paid only at death of the insured. Premiums paid on this policy, under whatever plan, therefore, are mathematically just sufficient to pay cost of protection, and, as such, obviously, there is no element of investment in such a policy.

Endowment Policy

In the case of an ordinary endowment policy, since policies may also mature by survival, it may appear that the policyholder is getting back his premiums with interest thereon and hence the investment element is there. But these premiums are paid for nothing but the cost of protection, for living beyond a particular age or time is also a risk in life. Living beyond the earning age is as good a financial misery to oneself[5] as is his death in young age to the dependents. Anyway, the insurer incurs the cost of these payments for which he is charging a premium from the policyholders.

An endowment policy is, in fact, a combination of an ordinary term policy and a pure endowment policy without return for the same period, the protection being sought from the twin risks of living too short and of living too long respectively. This is known as the mathematical explanation of endowment policy. There is also an economic explanation of endowment policy, according to which, "it is a combination of decreasing term insurance with an accumulating investment, the former decreasing at exactly the same rate as the latter increases."[6] But this explanation is rather misleading, for it is based on a wrong foundation, namely, that the fund of policies in any generation, which an insurance company carried at any time, is divisible *pro rata* into each individual policy. It is wrong, because "The reserve is a liability representing THAT AMOUNT of assets (not "those amounts"), which . . . will be required to meet ALL policy obligations, . . ."[7] "The assets held to meet the reserve liability are held *in the aggregate* and for the benefit of *all* policyholders."[8] "Actuarially there is no such thing as a reserve for an individual policy."[9]

No doubt, in respect of all life insurance policies, except when premium is paid on the natural plan or when policy is to be in force for one year only, the insurer is at any time during the currency of policies in possession of some reserve belonging to ALL policyholders of a generation taken TOGETHER and invests it on their behalf. It is only in this sense that we can say that there is an element of investment in life insurance. But in that sense there is an element of insurance in property insurance also, though to a very limited extent, for even here some reserves for unexpired risks are maintained and their amounts may be invested, though for a short period only.

Life insurance may be partly considered as investment in the sense of earning bonus on participating policies. From the total amount received including reversionary bonus on a participating policy, is deducted the total gross premium paid thereon. The balance may be considered a return on total gross premium. But this ignores altogether the payments for protection element in the policy. In fact, the amount invested by participating policyholders is the bonus loading, in return for which they receive bonus. The difference between the total amount of reversionary bonuses declared on the policy and the total amount of bonus loading charged from the policyholder should be considered as return on bonus loading.

To say that there is some reserve on every policy and to call it an element of investment will be to mislead the layman to believe that an increasing portion of his total premium payments always belongs to him, which he can get back as surrender value on surrendering his policy.

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[1] "Some investment element is present in every kind of level premium policy. . . ."—Maclean, J.B.: *Introduction to Life Insurance*, Vol. II.

[2] A single life policy is taken here to avoid complicated calculations of probability and to explain the idea in as simple and as non-actuarial words as possible.

[3] "There is, in a strict sense, no such thing as an individual reserve applicable to a specific policy. The reserve, as it has been built up, takes into consideration the probability that certain members of the group will die each year.

"The members of the group were, at entry, on equal terms. As they grow older, the terms become far from equal. For two individuals who become insured at the age of twenty it does not follow that the interest of each in the reserve at the age of forty is identical. If one is in sound health and without impairment and the other is suffering from an incurable ailment that will end his life within a few months, the latter unquestionably has a greater equitable interest in the reserve than the former. The sick man will die, and his beneficiary will receive the proceeds of his insurance within a short time; while the man of unimpaired health will continue premium payments and the proceeds of his insurance will not be paid until years hence."—Magee, John H.: *Life Insurance.*

[4] *Ibid.*

[5] It may be so either because one has to maintain himself and his dependents or because he has to bear heavy expenditure on some special occasions, like marriage of a daughter, educating the son and so on.

[6] Huebner, S.S.: *Life Insurance.*

[7] Mehr and Osler: *Modern Life Insurance.*

[8] *Ibid.*

[9] *Ibid.*

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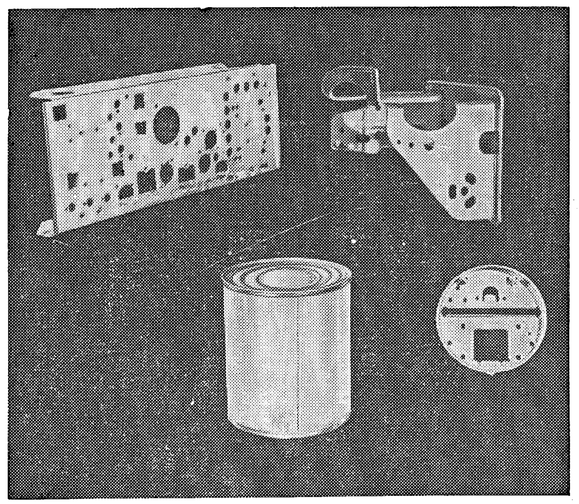
P 15 (a)

TOURISM IN WESTERN EUROPE

(*Concluded from page 904*)

the high cost and low profitability of investment in the building of new hotels are deterring private entrepreneurs from taking an interest in hotel industry, while the comparative lower investment called for has made motels and holiday camps attractive investment outlets. Apart from investment in accommodation for travellers, more and more money is being spent on developing and improving the amenities in tourist areas and holiday resorts, particularly sporting facilities.

Commenting on the prospects for the current year, the Committee points out that even the data available for the early months of the year encourage the hope that international tourist traffic in Europe will expand further this year. The number of American tourists visiting Europe during the first quarter of 1962 was 17 per cent higher than in the corresponding quarter of 1961, while the number of European visitors to the U.S. increased by 21 per cent. Although market research shows that tourist potential is still very large, particularly in North America, and that tourist facilities in Europe have greatly improved both in quality and quantity, tourism, emphasises the Committee, in conclusion, depends very much on general economic prosperity and tourist promotion. Further efforts in the field of advertising, information, market studies and travel organisation are required for fully exploiting the tourist potential. A significant aspect of international tourism, to which the Tourism Committee has drawn attention, is the special problems of tourism in certain developing countries. These countries see in their tourist trade a way of improving their economic position. The experience of countries traditionally regarded as tourist countries might be useful to nations wishing to develop their tourist traffic. Technical assistance for development of tourism is, therefore, important. Some steps have already been taken in this direction and the Committee has done well to recommend that these should be extended and co-ordinated.



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PROTECTION FOR SHEET GLASS TO STAY

NEED FOR REDUCING COST OF PRODUCTION

THE sheet glass industry, which has been enjoying protection for the last twelve years, will not be removed from the protected list for another three years. The Government of India has decided to extend the period of protection (due to expire at the close of 1962) for a further period of three years ending 31st December 1965 at the prevailing duty of 70 per cent *ad valorem*. In coming to this decision, the Government has accepted the recommendation of the Tariff Commission, without any alterations. The sheet glass being a comparatively new industry, nobody will grudge the extension of the duration of protection to this industry. Some may wonder whether tariff protection is of any significance in view of the total ban on imports of specific sizes of glass manufactured by the domestic industry. Further, there is no prospect of relaxation of import controls in the foreseeable future. But the Commission has correctly taken the view that it would not be advisable to discontinue tariff protection even in principle, to an industry which has embarked upon ambitious schemes for expansion and modernisation.

Of the expansion schemes of the four existing units, mention may be made of the plan of one of the major units, the Hindustan-Pilkington Glass Works Ltd., Asansol, West Bengal, for the introduction of a new process of manufacture. Under the plan, the plant will replace the old "fourcault" system by what is called the P.P.G. process. A new bigger furnace has also been recently installed at the factory, fitted with oil-fired burners having automatic controlling arrangements. Another major unit, the Indo-Asahi Glass Company Ltd., West Bengal, is also engaged in large-scale renovation of a defective plant. The Seraikella Glass Works has just started production of coloured sheet glass, in a bid for diversifying the line of its products. New units are also coming up, details of which will be given presently.

Fair Ex-works Price

It is essential to give adequate encouragement to these plans for development and diversification. For, unless production is stepped up, there will be shortage of sheet glass, resulting in their high prices. Even if one glances through the estimates of the Tariff Commission, one will see that prices of domestic products compare very unfavourably with those of imported products. The average fair ex-works price of indigenous sheet glass is thus higher by as much as about 114 per cent (in the case of 4.8 mm. variety), as compared with the landed cost (ex-duty) of imported products. In regard to the popular variety of glass in India, namely, 2 mm. variety, the fair ex-works price of domestic product is Rs. 42.16 per 10 sq. metres, as against the landed cost (ex-duty) of Rs. 20.73 for the imported product. The disadvantage of the Indian product in this case is thus 104.43 per cent.

It may not be out of place in this context to examine briefly the basis on which the Commission has arrived at the fair ex-works prices. Of the four existing units, the Commission selected two units, namely, the Hindustan-Pilkington and the Indo-Asahi as representative units for the examination of cost of production. In estimating the future cost of production, it has provided for possible increases in raw material costs and also that on labour by way of wage increments, provident fund, incentive bonus, technical consultants' fees, etc. Provision for depreciation has been made at a yearly rate equivalent to the average for the next five years, calculated at normal income-tax rates, including second-shift allowance. This, it is said, will even out the heavy incidence for Hindustan-Pilkington on this account. An allowance for contingencies to cover unforeseen increases in costs has been given at 5 per cent on the cost of production, excluding depreciation and technical consultants' remuneration. What is more important, the return on capital employed has been allowed at 12 per cent, the working element of the total capital employed has been computed at an amount equivalent to four months' cost of production, excluding depreciation. It is on this basis that the Commission has worked out the fair prices, which are Rs. 42.16 per 10 sq. metres for 2 mm. variety, Rs. 59.63 for 3 mm. variety, Rs. 85.96 for 4 mm. variety, Rs. 115.94 for 4.8 mm. variety and Rs. 123.37 for 5.5 mm. variety.

As already pointed out, domestic prices are generally higher by over 100 per cent, as compared with imported products. The Commission's explanation for this is that the costs of raw materials, coal, oil, power and labour are substantially high and that the managements of glass factories have no control over this factor. But the Commission has not found it necessary to raise the existing duty to this level. One of the reasons adduced for this is that, by raising protective duty, the burden on industrial consumers on thinner glasses of less than 2 mm. and thicker glasses of 5.5 mm. would become "heavy and unwarranted," particularly as such gauges are not being manufactured in the country. Further, it is also contended that export prices of foreign manufacturers are not generally based on cost parity with domestic prices and are fixed lower. It may be noted here that, in the absence of imports (of most gauges) into India, the Commission has not taken the c.i.f. prices of actual imports. The landed cost has been worked out mainly on the basis of f.o.b. prices in Japan and the U.K.

It cannot be denied that the manufacturers must make all possible efforts to reduce the prices. This they should be able to do by expanding their production for which there is ample scope and by modernising their works. The annual installed capacity of the four units, now under operation, is 141 million sq. ft. (13.1 million sq. metres), which compares favourably with 113.80 million square ft. (10.57 million metres) in 1960. The increase is mainly due to expansion of the capacity of the Hindustan-Pilkington Ltd. (by 24 million sq. ft. to 54 million sq. ft.) and that of U.P. Glass Works Ltd. (by 3.2 million sq. ft. to 15 million sq. ft.). The capacity of the other two units, namely, the Indo-Asahi Glass Company Ltd. and Seraikella Glass Works Ltd., has been unchanged at 36 million sq. ft. each. All the units, except perhaps the Seraikella Glass Works, have plans for expansion. Besides, a few new units are expected to be commissioned in the course of the next few years. In fact, five units had been licensed as early as in 1960, but none of them has been able to complete installation of their machinery owing to various difficulties. The licensees are the Madras Sheet Glass Works Private Ltd., the Indo-Belgian Glass Works Private Ltd., Madras, Messrs. R. G. Ganerivala (Window Glass) Ltd., Shree Vallabh Glass Works, Anand, Gujarat, and the Cotton Agents Private Ltd., Bombay. If these factories are commissioned according to schedule, the aggregate capacity is expected to increase from 141 million sq. ft. at present to 193.7 million sq. ft. by 1965.

Output and Demand

The total production of sheet glass in 1961 was 8.3 million sq. metres, as against 8.2 million sq. metres in 1960. The bulk of the output, that is, over 50 per cent, continues to be of 2 mm. thickness, its production last year being 4.17 million sq. metres.

The demand for sheet glass is estimated at 10 million sq. metres (in terms of 2 mm. thickness) as in 1961 and is expected to go up by 15 per cent every year. This estimate is based on anticipated demand from building and other constructional activity, automobile industry, railways, mirror-making, picture frames and furniture manufactures. The Commission believes that it is not necessary to license additional capacity to meet the requirements of sheet glasses, ranging between 2 mm. and 5 mm. in thickness, during the next three years. As regards other sizes of plain sheet glass, coloured glass (other than blue and green) which are not likely to be domestically produced in the near future, the country may have to depend on imports.

Raw Materials

The raw materials commonly used in the manufacture of sheet glass are sand, soda ash, salt cake (anhydrous sodium sulphate), limestone, dolomite, felspar, borax and arsenic trioxide. Most of these are available indigenously. In addition, coal and furnace oil are used as fuel and refractories for lining the furnace. The major difficulty in this field has been the shortage of transport.

The Commission observes that the quality of indigenous products has steadily improved in recent years. There is, however, still room for improvement, because some of the consumers have complained of the presence of air bubbles, water marks, foreign materials, surface blemishes, waviness and uneven thickness. Most of the units have launched programmes of modernisation and have secured the services of expert technical personnel. Thus, the prospect of further improvement in quality is bright.

An important point made by the Commission in its report relates to the location and optimum size of sheet glass units. While selecting the site for a sheet glass unit, proximity to sources of supply of coal (or port towns where fuel oil may be cheaper) or sand or quartz should, the Commission has stressed, receive due consideration. For a tonne of sheet glass requires for its manufacture as much as an equal amount of coal (or 0.5 tonne of furnace oil) and 0.74 tonne of sand. The present transport shortage only strengthens the validity of this stand. Further, since conversion charges account for about 50 per cent of the cost of manufacture, the Commission feels that their incidence will diminish as units grow bigger and bigger. It is stated that a unit having a cross-flame regenerative tank furnace of 1,000 tonnes deadweight capacity with fourcault (or three Pittsburgh) machines should be regarded as an economic unit. By this yardstick, only three existing units can be considered to be of economic size. These are the Indo-Asahi Company (914 tonnes deadweight capacity), the Hindustan-Pilkington (884 tonnes) and Seraikella unit (813 tonnes). In view of the urgent need for reducing the cost of production of sheet glass, the licensing authorities will have to take these factors into account while permitting the establishment of new units.

Fuel Efficiency

Fuel efficiency of sheet glass plants is of no less importance in bringing down the cost of production. The Commission reveals, in this connection, that the fuel efficiency of all the furnaces in India is low. According to the technical advisers of the Commission and the Central Glass and Ceramic Research Institute, consumption of coal should not exceed 1.25 tonnes per every tonne of glass melt. None of the four existing units comes upto this standard. In fact, the consumption of coal (per tonne of glass melt) was unusually higher at 2.90 tonnes in the case of the U.P. Glass Works as in 1961, though it has been brought down slightly to 2.00 tonnes early this year. The Seraikella Glass Works consumed 1.72 tonne of coal, the Hindustan-Pilkington 1.52 tonne and the Indo-Asahi 1.40 tonne for every tonne of glass produced. In view of this unsatisfactory state of fuel efficiency in glass factories, the Commission has advised that the Chief Combustion Engineer should inspect the furnace operation of all these works at an early date and suggest suitable measures to improve the situation.

The price factor cannot be the sole concern of the producers alone. It is necessary that dealers also should resist the temptation of arbitrarily increasing selling prices, taking advantage of the scarcity of glasses due to stringent import restrictions. On the basis of a study of the recent trends in the selling prices of glasses in Bombay and Calcutta, the Commission observes that the prevailing prices are disproportionately high, as compared with the ex-factory prices. The evidences are clear, says the Commission, that wholesalers and dealers have been exploiting the helpless consumers The Commission concedes that, as supplies increase, prices may come down. But this is a long-term solution. In the meantime, there is need for curbing any undue increase in prices. For this purpose, the Commission suggests two measures. In the first place, the industry should publish periodically in the Press their ex-factory process and retail prices and ensure that authorised dealers display prominently in their premises the retail prices of the different gauges of glasses. Secondly, manufacturers should open a few fair price shops for sheet glasses at important consuming centres like Bombay, Ahmedabad, Calcutta and Madras. These suggestions are quite practical and deserve the urgent attention of producers. Consumers have surely a right to expect such services from a protected industry.

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STEARIC AND OLEIC ACIDS

PROTECTION WITHDRAWN

THE stearic and oleic acids industry will cease to enjoy tariff protection from the beginning of next year. The Government of India has taken a decision to this effect endorsing the recommendations of the Tariff Commission. This does not mean that the industry will be faced with stiff competition from foreign manufacturers. For only the principle of protection has been given up. Owing to scarcity of foreign exchange, imports are strictly restricted. What is more, the existing protective duty of 35 per cent *ad valorem* will be replaced by a revenue duty of 50 per cent *ad valorem* in respect of both stearic and oleic acids.

It may be noted here that stearic acid is consumed mainly by such industries as rubber, textiles and cosmetics, and oleic acid by lubricants and carbon paper, etc. The demand for the two acids and their derivatives has been going up steadily on account of the growth of these consuming industries. The domestic industry has risen to the occasion and has made good progres not only in expanding production but also in improving the quality of its products. This has been made possible to a large extent by the protection which the industry has been enjoying since 1948.

There are now eight units engaged in the manufacture of stearic and oleic acids. During the previous inquiry in 1959, there were only seven units. The new unit is the Gandhi Parikh Investment Corporation Private Ltd., Bombay. The following table shows the trend in the expansion of installed capacity of each of the units.

(In tonnes)

	Stearic acid		Oleic acid	
	1959	1962	1959	1962
Navsari Oil Products Pvt. Ltd., Navsari	3,170	2,865	488	1,158
Godrej Soaps Pvt. Ltd., Bombay	1,829	1,829	254	254
The Calcutta Chemical Co., Ltd., Calcutta	427	518	305	256
Modi Vanaspati Mfg. Co., Modinagar	762	914	..	..
Swaika Oil Mills, Calcutta	254	762	51	..
Swastik Oil Mills Ltd., Bombay.	152	152	51	51
Techno Chemical Industries, Ltd., Kozhikode	4	..	12	..
Gandhi Parekh Investment Corporation Pvt. Ltd., Bombay..	..	..	..	90
Total ..	6,598	7,040	1,161	1,809

Four units, namely Navsari Oil Products, Godrej Soaps, Swaik Oil Mills and Swastik Oil Mills, have applied for expansion of capacity. But, according to the Commission, no increase in capacity is likely to arise during the next three years. The Commission's view is apparently based on the premise that the present capacity for both the acids is adequate to meet any foreseeable increase in demand in the immediate future. The increase in capacity, however, is only a matter of negligible significance considering the large unutilised capacity in the industry. The utilisation of capacity is only 40 per cent of the total capacity in the case of stearic acid and 22 per cent in the case of oleic acid. The actual output of stearic acid was 2,838 tonnes in 1961 (as against 1,931 tonnes in 1959) and of oleic acid 392 tonnes (as against 300 tonnes).

Demand

The demand for stearic acid has gone up from about 1,900 tonnes in 1959 to an estimated 3,250 tonnes during 1962. The demand for oleic acid is estimated at 425 tonnes in 1962, as against only 250 tonnes in 1959. The following table shows the trend of demand from various industries anticipated for the year 1965:

(In tonnes)

	1962	1965
Stearic acid		
Rubber	1,800	2,800
Textiles	300	450
Cosmetics	400	550
Miscellaneous (grease, metal polishing, stearates, etc.) ...	750	975
Total ...	3,250	4,775
Oleic acid		
Lubricants	150	250
Carbon paper	100	175
Miscellaneous	175	250
Total ...	425	675

Besides the two acids, the demand for the derivative, stearates, is estimated at 200 tonnes for the current year and is expected to go up to 320 tonnes by 1965. There are already six units manufacturing stearates, the aggregate annual capacity of which comes to 594 tonnes at present, as against 431 tonnes in 1959. But

(*Continued on page 930*)

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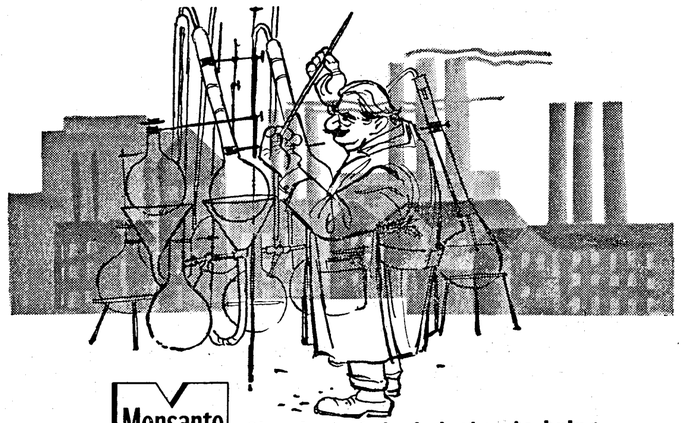

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T.I.S.CO.'S RESULTS UNIMPRESSIVE

PRODUCTION COSTS MOUNT UP

CONTRARY to expectations of some noticeable improvement, especially in profit following the maintenance of the dividend on the Rs. 75 fully paid ordinary shares at Rs. 7.25 net, or Rs. 10.36 gross, per share, notwithstanding the fixation of the steel retention prices for 1960-61 and 1961-62 by the Government at Rs. 522.50 per ton, as against the Tariff Commission's recommendation of Rs. 550 per ton, the Tata Iron and Steel Company Ltd. (Managing Agents: Messrs. Tata Industries (Private) Ltd., Bombay) has produced unimpressive results for the year ended 31st March 1962. Gross profit, at Rs. 19.50 crores, is, in fact, slightly lower as compared with Rs. 19.60 crores in 1960-61, despite further improvement of some Rs. 7.30 crores in net sale proceeds at Rs. 79.85 crores, excluding excise duty paid and rebate allowed. However, the ratio of net profit (of Rs. 608.87 lakhs, as against Rs. 508.87 lakhs in the previous year, as shown in the Directors' report) to net sales has moved up during the year from 7.01 per cent to 7.62 per cent. The ratio of net profit to capital employed (of Rs. 132.34 crores, as against Rs. 135.68 crores in 1960-61) has also improved further from 4.18 per cent to 4.60 per cent.

Depreciation, as will be seen from the table below, has claimed slightly less at Rs. 13.15 crores, as against Rs. 13.92 crores a year before. As the element for depreciation included in the revised retention prices has been reduced from 6.25 per cent to 5 per cent, the Company has provided for normal depreciation only at Rs. 7.6 crores, as against Rs. 9.5 crores which would have been provided at the former rate of 6.25 per cent. In order, however, to safeguard the Company's claims for tax relief, an additional provision of Rs. 5.5 crores has been made, as in the past year, to bring up the total allocation to the level allowed for income-tax purposes. For the same reason, we are told, the statutory allocation to the development rebate reserve has been made for the full amount of Rs. 678 lakhs, as against Rs. 644 lakhs a year before.

After allowing for depreciation and Managing Agents' commission for the first time after a lapse of three years, the net profit amounts to Rs. 608.87 lakhs, as against Rs. 567.16 lakhs in 1960-61. According to the Directors' report, the previous year's net profit is Rs. 508.87 lakhs, as allowance has been made for the loss of Rs. 58.29 lakhs arising from the devaluation of D. Mark last year. Readers are aware that both preference and ordinary dividends, absorbing together Rs. 465.04 lakhs, are to be paid, as in the previous year, from reserves, representing taxed profits of previous years. Since the amount drawn for this purpose is less than that credited to development rebate reserve, there has been no net depletion of reserves.

Full details of the Company's financial results for the past four years are contained in the comparative table in the first column.

The retention price episode as reviewed by Chairman, Mr. J. R. D. Tata, and the Directors in their report for the year was editorially dealt with in this journal last week (*vide* page 840). In that article, it was also explained how capacity production of two million tons in the T.I.S.Co. would be an elusive ideal for some years to come.

The Directors have, however, thrown no light on why the gross profit for 1961-62 failed to expand along with sale proceeds. From the year's results, however, it appears that the chief reason was further substantial increases in costs. The cost of raw materials consumed rose from Rs. 16.14 crores to Rs. 17.07 crores, staff expenses from Rs. 17.98 crores to Rs. 18.24 crores and other expenses from Rs. 26.83 crores to as much as Rs. 31.09 crores. As against these sharp increases in costs, production of saleable steel improved by only 55,000 tons to 1,318,000 tons. Perhaps the anticipated further increase in production this year may enable the Company to reduce per unit costs. At steel melting shop No. 3, it is proposed to add an eighth furnace to raise output appreciably and provide greater flexibility. As the foundations for this additional furnace were provided when the shop was built and as most of the furnace, if built, will be fabricated locally from Indian materials, the cost of the furnace will be relatively small.

Financially, the Company is in good shape. It has a paid-up capital of Rs. 38.97 crores, comprising Rs. 27.56 crores in ordinary shares and the rest in preference shares. As against this, reserves and surplus aggregate Rs. 29.29 crores. The Company's total net worth, therefore, amounts to Rs. 68.26 crores, as against Rs. 66.64 crores a year before. In accordance with the provisions of the loan agreements with the World Bank, Rs. 5.4 crores were repaid to the Bank during the year, bringing the outstanding loan balance from the I.B.R.D. to Rs. 40.27 crores. Other bank deposits amounted to Rs. 1.3 crore were also paid off during the year. The total borrowings of the Company from banks, including the I.B.R.D. loan, at the close of the year stood at Rs. 54.08 crores, as against Rs. 59.04 crores a year before, of which short-term liability amounted to Rs. 13.81 crores, as against Rs. 13.40 crores. Besides, a special advance of Rs. 10 crores from the Government of India for capital expenditure is outstanding. Current liabilities and provisions aggregate Rs. 25.08 crores. The total short-term indebtedness to outsiders, therefore, amounts to Rs. 38.89 crores, against which are available current assets, loans and advances aggregating Rs. 39.49 crores and investments of Rs. 8.87 crores, of which Rs. 1.79 crore are quoted and command a market value of Rs. 5.89 crores. The gross block expanded during the year from Rs. 185.52 crores to Rs. 190.23 crores. It has been written down to Rs. 109.06 crores.

Currently quoted at Rs. 121 *ex-div.*, the Rs. 75 fully paid ordinary shares offer a fairly attractive return of 6 per cent per annum, free of tax.

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds (less rebate and excise)	79,85.30	72,55.87	67,26.88	48,77.64
Other income	325.05	326.18	281.24	..
Adjustments in retention prices	279.14	471.44	..	..
Excise duty paid	658.65	654.77	610.66	467.37
Raw materials consumed ..	17,06.51	16,13.63	14,13.99	11,01.62
Staff expenses	18,24.20	17,97.54	16,01.11	13,49.10
Other expenses	31,09.19	26,82.79	25,05.63	18,51.78
Gross profit	19,49.60	19,59.55	13,97.38	8,42.07
Managing Agents' commission	25.30	..	..	..
Depreciation	13,15.43	13,92.39	8,46.72	5,53.44
Taxation	..	..	..	17.00
Net profit	608.87	567.16	550.66	271.63
Recovery of income-tax on preference dividend ..	..	..	17.81	17.81
Transfer from reserves ..	534.18	592.04	376.47	227.08
Transfer to reserves ..	678.00	644.00	568.32	284.00
Provision for bad and doubtful debts ..	..	..	0.15	1.47
Loss on devaluation of D. Mark, etc.	..	58.29	..	..
Dividends—				
Preference	84.39*	84.39*	63.47*	56.54
Ordinary (old)	380.66 (D. Rs.)	380.66 (D. Rs.	298.37 (D. Rs.	122.16 (D. Rs.
Rate per share of Rs. 75 ..	10.36)*	9.72 +R. 64 nP.)*	9.72)	6.80)
Ordinary (new)	0.34	0.34	14.62† (D. Rs. (2.43)*	86.57‡ (D. Rs. 6.80)
Rate per share				
Carry forward	0.34	0.34	8.47	8.47
Ratio of net profit to net sales§	7.62%	7.01%	8.44%	5.9%
Ratio of net profit to capital employed§ ..	4.6%	4.18%	3.97%	2.05%
Production of—				
Pig iron	1,645,000	1,586,000	1,591,000	1,149,000
Steel ingots	1,643,000	1,622,000	1,555,000	1,166,000
Saleable steel	1,318,000	1,263,000	1,237,000	899,000
Market value of equity shares (in rupees):	1962	1961	1960	1959
High	153.25	167.00	164.50	202.50XR
Low	117.50	135.50	138.75	152.75XR

* Subject to deduction of tax.

† Proportionate dividend for three months on the new ordinary shares from 1st January 1960.

‡ Includes interest at 4 per cent. per annum paid out of capital.

§ Worked out on the basis of net profit indicated in Directors' report and sale proceeds as shown in the table above.

(*Concluded from next column*)

Rs. 100 each at an extraordinary general meeting of the shareholders held on 15th December 1961. In June 1961, 10,000 such classified shares were issued and hence the issued capital has increased to Rs. 30 lakhs. The paid-up capital, however, remains unchanged at Rs. 20 lakhs as the new issue was offered to shareholders only a fortnight before the close of the accounting year under review. Reserves and surplus aggregate Rs. 6.98 lakhs only. Borrowings have increased during the year from Rs. 13.08 lakhs to Rs. 15.03 lakhs. Current liabilities and provisions total Rs. 16.03 lakhs. Thus, the total indebtedness to outsiders amounts to Rs. 31.06 lakhs, as against which are available current assets, loans and advances aggregating Rs. 37.75 lakhs. Gross block, which expanded during the year from Rs. 25.86 lakhs to Rs. 30.58 lakhs, has been written down to Rs. 20.32 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 210 *cum-div.* On the *ex-div.* basis, they offer a net yield of 2.7 per cent per annum, which, notwithstanding the growth prospects for the Company, is quite low, considering that share values in general have, over the past three months shown wide cracks.

BHARAT BIJLEE SPARKLES

APPROPRIATIONS CONSERVATIVE

AFTER having staged a thoroughly reassuring recovery in 1960-61 from a rather disturbing setback suffered in the immediately preceding year, Bharat Bijlee Ltd. (Chairman: Mr. Prahlad C. Mehta, Bombay) has sparkled during the year ended 30th June 1962. The year's results show further improvement on all fronts. Sales realisation have shot up from Rs. 56.67 lakhs to Rs. 81.36 lakhs and gross profit has gone up by 73.8 per cent from Rs. 5.60 lakhs to Rs. 9.73 lakhs. Indicative of a rise in production are higher sale proceeds and increase in the cost of materials, stores and spares consumed from Rs. 33 lakhs to Rs. 49.90 lakhs, though the latter can be attributed partly to inflationary pressures in the economy. The ratio of gross profit to sales, which had dipped from 8.4 per cent to 7.6 per cent in 1959-60, but had recovered to nearly 10 points in 1960-61, has expanded further to 11.9 per cent during the year under report. Essential provisions have been raised once again. Thus, depreciation has claimed Rs. 2.60 lakhs as against Rs. 1.85 lakh in the previous year, and taxation Rs. 3.50 lakhs as against Rs. 1.55 lakh. Because of these higher allocations, net profit has shown an improvement of only 51.3 per cent from Rs. 2.20 lakhs to Rs. 3.63 lakhs. More than two-thirds of this net profit (72 per cent or Rs. 2.63 lakhs, to be precise) has been ploughed back to reserves. Despite these conservative appropriations, the Directors have been able to propose a half point increase to 8 per cent per annum in the taxable dividend on the Rs. 100 fully paid ordinary shares, which, indeed, is fully justified by the year's impressive results.

A fair idea of how the Company fared in the past four years can be had from the comparative table below:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales realisation	81.36	56.67	44.61	52.42
Other income	0.18	0.30	0.05	0.29
Stock of finished goods ..	2.52	1.41	0.82	2.57
Materials and stores consumed ..	49.90	33.00	24.03	29.90
Staff expenses	15.89	12.53	8.25	8.04
Other expenses	7.14	6.43	5.30	8.73
Gross profit	9.73	5.60	3.43	4.41
Depreciation	2.60	1.85	1.52	1.10
Taxation	3.50	1.55	0.80	1.35
Net profit	3.63	2.20	1.11	1.96
Transfer from reserves and provision	..	0.30	0.03	0.43
Miscellaneous provisions and write-offs	0.12	0.09	0.05	0.50
Transfer to reserves ..	2.63	1.20	0.58	1.17
Dividends—				
Preference	..	..	0.49	0.81
Ordinary	1.80 (8%)*	1.25 (7.5%)*	..	..
Carry forward	0.13	0.09	0.13	0.11
Equity shares market value (In rupees):	1962	1961	1960	1959
High	235.00	185.00	..	..
Low	180.00	110.50	..	..

* Subject to deduction of tax.

Note.—Preference dividends for 1959 and 1960 include past arrears. From July 1960, preference shares were converted into ordinary shares.

The impressive rise in sale proceeds and therefore in gross profit during the year is attributed by the Directors to the introduction of a production incentive scheme from April 1961 on lines recommended by a firm of industrial consultants. Naturally, the scheme did boost production and earned the Company rich returns, while, at the same time, benefiting the staff to the extent of Rs. 88,000 by way of incentive bonus. The management deserves to be complemented on successfully implementing the bright idea. The scheme will, of course, bring more benefits during the current year and in future. Besides, the order book for 1962-63 is reasonably satisfactory. But the Directors have warned about rising costs which tend to negate benefits accruing to the transformer industry from improved prices. Then there are the stringent restrictions on import of materials and components which may hamper the Company's production.

The Company has recently been licensed to raise its capacity from 36,000 h.p. per annum to 150,000 h.p. per annum in motor department. Permission to increase capacity in the transformer department from 72,000 kVA. to a little over 200,000 kVA. per annum was obtained in 1960-61. To make use of this expanded capacity, it was found necessary to purchase 95,000 square yards of industrial land near Trombay. But this could not be done during the year under report on account of difficulties raised by the State Government in regard to the vendor's title.

Out of a total of 30,000 unclassified shares, 20,000 shares were classified as equity shares of

(*Continued in previous column*)

KIRLOSKAR ELECTRIC DOES VERY WELL

PEAK LEVEL OF TURNOVER—DIVIDEND RAISED AGAIN

THE bold decision of the Directors of Kirloskar Electric Company Ltd. (Managing Agents: Messrs. Kirloskar Associates, Harihar), taken during 1960 in the face of a setback in sales and profits, to proceed with the plans for expansion and diversification of the Company's activities appears to have been amply rewarded. During the year 1960-61, for example, gross realisation from the sales of products expanded, in comparison with the previous year, by as much as Rs. 95.77 lakhs, or 52.6 per cent, to Rs. 277.83 lakhs, and the gross profit, as a consequence, increased from Rs. 25.24 lakhs to Rs. 40.79 lakhs. Although a much larger amount, of Rs. 23.61 lakhs, as against Rs. 15.10 lakhs, had to be set aside to meet essential provisions for Managing Agents' commission, depreciation and taxation, enough balance was left to effect an improvement of about 70 per cent in the net profit from Rs. 10.14 lakhs to Rs. 17.18 lakhs. This improvement had a most salutary effect on dividend which was raised by two per cent to 11 per cent, subject to deduction of tax. What was more heartening, however, was that the rise in the rate of distribution could be achieved even after crediting Rs. 12.38 lakhs to reserves, as against only Rs. 6.22 lakhs previously. The working results of the Company for the year ended 30th June 1962 show a further notable improvement. The turnover has gone up again by Rs. 71.46 lakhs to stand at the impressive all-time high level of Rs. 349.29 lakhs and there has been a more than proportionate increase in gross profit from Rs. 40.79 lakhs to Rs. 57.52 lakhs. The story does not end there. Not only has the profit increased in consonance with better turnover but the profit margin (ratio to sales of the gross profit) itself has actually risen from 14.7 to 16.5 per cent.

With a higher profit, a bigger depreciable block, and an increase in the rate of corporate taxation, it is but natural that there should have been a larger allocation to essential provisions than that made in the preceding year. Accordingly, the provision for Managing Agents' commission has been stepped up to Rs. 4.84 lakhs (Rs. 3.37 lakhs), for depreciation to Rs. 9.43 lakhs (Rs. 7.36 lakhs) and for taxation to Rs 24.00 lakhs (Rs. 12.88 lakhs). With this all-round increase in prior appropriations, the net profit has risen but nominally by Rs. 2.07 lakhs to Rs. 19.25 lakhs. Despite the rise in profits, the Directors have found no need to modify their cautious dividend pay-out policy, probably because of the need to conserve resources to finance further expansion and diversification. The rate of ordinary dividend has, therefore, been proposed to be raised by one point only to 12 per cent, subject to deduction of tax, and this claims Rs. 5.25 lakhs. The balance, amounting to no less than Rs. 14.53 lakhs, including provisions no longer required, has been transferred to various reserves.

The following table presents the working results of the Company for the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales of products	349.29	277.83	182.06	218.26
Other income	0.13	0.07	0.03	0.14
Closing stocks	23.10	23.60	21.27	26.94
Raw materials, stores and spares consumed	237.31	189.91	114.55	149.88
Other expenses	54.09	49.53	36.63	38.53
Gross profit	57.52	40.79	25.24	27.88
Managing Agents' remuneration.	4.84	3.37	1.62	2.37
Provision for—				
Depreciation	9.43	7.36	5.98	5.36
Taxation	24.00	12.88	7.20	9.62
Net profit	19.25	17.18	10.14	10.53
Withdrawal from reserves ..	0.52	..	..	..
To reserves	14.53	12.38	6.22	6.66
Dividend*	5.25 (12%)	4.81 (11%)	3.93 (9%)	3.87 (10%)
Carry forward	0.02	0.02	0.03	0.04
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	23.75	15.80	13.50	12.50
Low	17.00	12.50	12.00	10.00

* Subject to deduction of tax.

The financial position of the Company continues to be strong. A paid-up share capital of Rs. 44.39 lakhs, all in equity shares of Rs. 10 each, derives support from reserves and surplus amounting to Rs. 54.98 lakhs. Secured and unsecured loans aggregate Rs. 40.73 lakhs, besides outstanding current liabilities of Rs. 79.16 lakhs. But these are fully covered by current assets and loans and advances altogether amounting to Rs. 141.67 lakhs. With the inclusion of new assets worth Rs. 20.69 lakhs acquired during the year and the capital work in progress amounting to no more than Rs. 0.65 lakh, the gross block has increased to Rs. 133.09 lakhs which, on deducting the accumulated amount of depreciation of Rs. 55.49 lakhs therefrom, yields a net block of Rs. 77.60 lakhs.

It will be recalled that, in their report to shareholders for the year 1960-61, the Directors had stated that the technical collaboration agreement of the Company with the Brush Electrical Engineering Company, Ltd., had terminated by efflux of time and that the Company was negotiating a further agreement with it for continuing the collaboration. The Directors now state, in their latest report, that the agreement has since been signed and that two new agreements have also been signed, one with the Lincon Electric Company of the U.K. for the manufacture of welding generators and the other with the U.S. Electric Motors Incorporated of the U.S.A. for the manufacture of variable speed and geared motors. Besides taking up the manufacture of these two new lines of production, the Company is also to increase, under a licence from the Government, the capacity for the manufacture of transformers of capacities upto 20 MVA and voltage upto 132 KV and steps in this direction have already been taken.

Although the attainment of these objectives would definitely put the Company on a strong competitive basis and lead to a further expansion in sales, the Directors have uttered a word of caution against any undue optimism about the immediate future. They state that, while every effort is being made to maintain the improvement in sales, it is difficult to forecast the level of sales that may be attained during the current year on account of the handicap experienced in getting adequate import licences and procuring necessary raw materials.

At present, the Rs. 10 paid ordinary shares of the Company quoted on the Madras Stock Exchange are available at Rs. 22.80 *cum-div.* On *ex-div.* basis, the net yield on investment works out to about 3.4 per cent per annum.

SHAH CONSTRUCTION PAYS SAME

The Directors of the Shah Construction Company Ltd. have recommended a dividend of 9 per cent. per annum on the Rs. 100 paid ordinary shares for the year ended 30th June 1962, which is the same as in the previous year. The Company's gross profit for the year shows a slight improvement from Rs. 10.89 lakhs to Rs. 12.07 lakhs. After providing Rs. 2.63 lakhs (Rs. 2.67 lakhs in the previous year) for depreciation, Rs. 5.30 lakhs (Rs. 3.95 lakhs) for taxation and Rs. 22,000 (Rs. 17,000) for development rebate reserve, the distributable surplus is lower at Rs. 3.92 lakhs as compared with Rs. 4.10 lakhs a year before. The dividend will absorb Rs. 3.60 lakhs, leaving a balance of Rs. 1.33 lakh to be carried forward, as against Rs. 1.01 lakh brought in.

(*Concluded from next column*)

produce the basic raw material for acetate yarn. Production will start next summer. An uptodate, air-conditioned knitting factory was set up during the year for manufacturing superior knitted fabrics comparable to the imported ones. On modernisation and renovation of and additions to plant and machinery and buildings, the Company spent during the year Rs. 71.12 lakhs. One set of eight American combers and 6,400 spindles were installed during the year. Orders for more machinery and equipment have been placed.

During the year, loan capital of the Company shot up from Rs. 196.01 lakhs to Rs. 243.56 lakhs, presumably because of the modernisation and expansion programme. Out of Rs. 243.56 lakhs, the short-term liability amounted to Rs. 162.62 lakhs. Current liabilities and provisions at the year-end aggregated Rs. 93.74 lakhs, as against Rs. 77.18 lakhs a year before. Thus, the short-term indebtedness to outsiders totalled Rs. 256.36 lakhs which, however, was fully met by the total of current assets, loans and advances at Rs. 264.60 lakhs. The paid-up share capital was unchanged at Rs. 115.76 lakhs and was supplemented by reserves and surplus aggregating Rs. 58.91 lakhs. The gross block, which increased during the year from Rs. 383.55 lakhs to Rs. 419.07 lakhs, has been written down to Rs. 241.85 lakhs. Capital expenditure on new units under erection is shown at Rs. 4.57 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 17 *cum-div.*, final of 8 per cent per annum. On the *ex-div.* basis, they offer a net yield of 6.8 per cent per annum.

STEADY PROGRESS OF MODI SPG. AND WVG.

NEW MILL BEING SET UP

THE Modi Spinning and Weaving Mills Company Ltd. (Managing Agents: Messrs. R. B. Gujarmal Modi and Bros. [Private] Ltd., Modinagar, U.P.), which had shown substantial all-round improvement in its working during 1960-61, has more or less maintained that progress during the year ended 30th April 1962. Sales proceeds, excluding excise duty paid, have beat a small retreat to Rs. 613.65 lakhs, after having jumped up from Rs. 552.16 lakhs to Rs. 618.17 lakhs in the previous year. But gross profit, at Rs. 71.80 lakhs, is slightly higher as compared with Rs. 71.41 lakhs to which level it had improved in the previous year from Rs. 38.77 lakhs in 1959-60. The ratio of gross profit to net sales has crept up to 11.7 per cent, after having expanded sharply from 7 points to 11.5 per cent in 1960-61. There was a further increase in expenses of all sorts, the extent of which can be gauged from the comparative table which follows. But, despite this and the minor setback in sales, profit-margin was well maintained. Among the essential provisions, only depreciation has claimed more at Rs. 26.30 lakhs as compared with Rs. 24.73 lakhs a year before, while Managing Agents' commission and taxation have taken away slightly lower amounts. At Rs. 24.77 lakhs, net profit is almost the same as in the previous year. All the same, the return on the Rs. 10 fully paid ordinary shares has been pruned to 16 per cent per annum from 17 per cent to which level it was raised by four points in 1960-61. The one-point cut in the dividend has come entirely in the final distribution, as the interim dividend was maintained earlier at 8 per cent per annum. The Company has however, retained out of the year's profit Rs. 1.35 lakh more in business by a transfer of Rs. 6.50 lakhs to reserves.

The comparative table below gives a clear idea of the Company's progress in the past three years:

(In lakhs of rupees)

	For the year ended 30th April		
	1962	1961	1960
Sale proceeds, less excise duty paid	613.65	618.17	552.16
Stock of finished goods	45.18	21.31	20.43
Other income	6.31	4.23	3.30
Excise duty paid	29.37	28.05	28.03
Materials and stores consumed ..	403.23	398.81	351.82
Staff expenses	92.20	83.70	77.30
Other expenses	76.97	69.36	56.73
Gross profit	71.80	71.41	38.77
Managing Agents' commission ..	3.73	3.80	1.95
Depreciation	26.30	24.73	19.91
Taxation	17.00	18.00	..
Net profit	24.77	24.88	16.91
Excess provisions written back ..	..	0.11	..
Transfer to reserves	6.50	5.15	1.90
Dividend	18.46 (16%)*	19.61 (17%)*	14.99 (13%)*
Carry forward	0.18	0.37	0.14
Equity shares' market value (In rupees):	1962	1961	1960
High	18.50	18.41	10.78
Low	15.08	10.15	8.09

* Subject to deduction of tax.

The Directors regret that, notwithstanding the management's desire to supply better quality cloth at cheaper rates to consumers, prices of Modi cloth have been higher because of increases in costs of raw materials, stores and higher wages. However, the Company's exports during the year under report rose from Rs. 15.01 lakhs to Rs. 18.11 lakhs. The Company is sending its representatives abroad to arrange for direct exports and raise their quantity following the adoption of the scheme of compulsory export of 12.5 per cent of production of cotton cloth and 3 per cent of cotton yarn by every cotton mill.

An important development for the Company in its scheme of expansion is the setting up of a new mill with 25,000 spindles and 500 automatic looms. An industrial licence for 18,800 spindles has already been granted to the Company, and another licence to cover the balance of spindleage and the proposed loomage is expected shortly. Building construction work is in hand and orders for the necessary plant and machinery have been finalised. The scheme will be financed partly from internal resources and partly from loan from the Industrial Finance Corporation of India. The mill is expected to go into production by January 1964. The Company is also setting up a saw ginning plant and a cotton seed-delinting plant, the latter for producing second-cut linters required for the manufacture of acetate yarns. The plants are to go into production during the current cotton season. A distillery plant is being set up in the Punjab to tap the entire production of molasses in that State and to

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Rajagiri Rubber and Produce Co., Ltd.

(*Managing Agents*: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Kerala.)

Twenty-fifth Annual General Meeting—6th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales of rubber	26,60	25,70
Income from sundry produce	9	15
Closing stock of rubber	3,71	3,17
Gross profit	12,19	11,21
Transfer to Managing Agents' remuneration ..	1,17	1,03
,, ,, depreciation	32	30
,, ,, provision for taxation	6,60	6,54
Net profit	4,10	3,29
Adjustments	2	84
Appropriations:		
Total available balance	4,12	4,13
To dividends (taxable) preference ..	1,37	1,41*
,, ,, ,, equity—interim ..	1,35	1,35
	(10%)	(10%)
,, ,, ,, equity—final ..	1,35	1,35
	(10%)	(10%)
Total equity dividend ..	[20%]	[20%]
Carry forward	5	2

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* Includes additional preference dividend of Rs. 3,616 for the years 1958-59 and 1959-60.

Extracts from the Directors' report:

Crop	Year ended 30-6-1962		Year ended 30-6-1961	
Estate	*Estimate*	*Crop secured*	*Estimate*	*Crop secured*
	Kg.	Kg.	Kg.	Kg.
Rajagiri ..	3,62,874	3,74,710	2,94,834	3,58,200
Shallacary ..	4,53,592	4,70,000	3,85,553	4,40,633
Total ..	8,16,466	8,44,710	6,80,387	7,98,833

The average Estate cost of production for the year was Re. 1.68 per kg. against an estimate of Re. 1.71 per kg. while the corresponding figures for the previous year were Re. 1.78 and Re. 1.79 per kg. respectively.

The average sale price realised was Rs. 3.23 per kg. as against Rs. 3.30 per kg. for the previous year. The Government decided to collect cess from April 1961 from the manufacturers instead of from the producers, and this naturally reduced the price to the producer to the extent of the cess previously paid by him which was 13.8 nP per kg. Actually, therefore, there is a slight improvement in the prices realised for the current year as compared to the previous year.

Estimate for 1962-63: It is estimated that for 1962-63 season, the Estate cost will be at Re. 1.83 per kg. and the production will be as under:

	Kgs.
Rajagiri	3,75,000
Shaliacary	4,60,000
Total ...	8,35,000

The capital expenditure is estimated at Rs. 1,39,906.

The Estates have been regularly visited and are reported to be in good condition. During the year under report it was found necessary to acquire about 16 acres of land owned by other persons forming enclaves within the Estate boundaries, so as to make the boundaries effective. Of this, about 9 acres were already planted up in rubber.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	36,10,000	Gross block	51,25,740
Reserves and surplus..	10,95,482	—Depreciation ..	5,35,858
Other liabilities ..	18,51,493	Net block	45,89,882
		Block-in-progress ..	1,79,738
		Current assets ..	5,84,567
		Cash	12,02,788
Rs.	65,56,975	Rs.	65,56,975

* Paid-up capital consists of 1,35,000 equity shares of Rs. 10 each, and 2,26,000 six per cent. cumulative preference shares of Rs. 10 each.

Bengal Rolling Mills Ltd.

[*Managing Agents*: Messrs. Tikmany Brothers Private) Ltd., Calcutta.]

Twentieth Annual General Meeting—Held on 31st October 1962.

Working Results:

	For the year ended 30th April (In thousand rupees)	
	1962	1961
Sales	99,49	1,01,75
Closing stock	16,88	20,94
Gross profit	5,02	5,20
Transfer to Managing Agents' commission	43	23
,, ,, depreciation	1,61	1,40
,, ,, development rebate reserve	1,17	2,54
,, ,, provision for taxation ..	1,15	20
Net profit	1,56	83
Adjustments	1	36*
Appropriations:		
Total available balance	1,57	1,19
Transfer to general reserve	60	Nil
To adjustment of loss brought forward from 1960	Nil	1,05
Proposed dividend (taxable) equity ..	90	13
	(18%)	(2½%)
Carry forward	7	1

N.B.—Adjustments represent balance brought forward from the previous year and other credit items if any.

* This represents Rs. 22,500 transferred from general reserve and Rs. 13,500 transferred from capital reserve.

Extracts from the Directors' report: The working results of the Company, during the year have not been very satisfactory due to short supply of billets during the year, which hampered production.

The Company's indebtedness to the Bank of Tokyo Ltd. has been further reduced by Rs. 45,000 during the Current year.

The Company had received a licence from the Government of India for putting up a *Wire Rod* Mill; but unfortunately, licences for import of some of the essential equipments could not be obtained. In view of this the Company has taken up a programme for the re-modelling and re-adjustments of the plant including alterations to other furnace and realignment of the mills so as to enable the production of wire rods in the near future. The Company is, however, pursuing vigorously its efforts to obtain import licences for some *reduction gears, motors* and *coilers* etc. which will improve the efficiency of the Company's plant.

Accounts in brief as at 30th April 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	5,00,000	Gross block	25,86,458
Reserves and surplus..	5,50,761	—Depreciation ..	4,64,894
Other liabilities ..	34,12,764	Net block	21,21,564
		Current assets ..	23,30,152
		Cash	21,809
Rs.	44,63,525	Rs.	44,63,525

* Paid-up capital consists of 50,000 equity shares of Rs. 10 each.

Nonsuch Tea Estates Ltd.

(*Managing Agents*: Messrs. Harrisons & Crosfield Ltd., Cochin-1, Kerala.)

Thirty-eighth Annual General Meeting—Held on 8th November 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Proceeds of tea	36,81	37,57
Closing stock at prices since realised and at estimated selling prices	4,27	3,91
Gross profit	15,88	15,80
Transfer to Managing Agents' remuneration ..	74	73
,, ,, depreciation	91	77
,, ,, provision for taxation	6,33	5,94
Net profit	7,85	8,16
Adjustments	23	14
Appropriations:		
Total available balance	8,08	8,30
To balance bonus to Estate staff for 1960-61.	7	23
,, taxation relating to previous year ..	9	38
Transfer to development rebate	11	9
,, ,, development reserve	1,00	2,25
,, ,, contingency reserve	1,75	50
To payment of interim dividend (taxable) equity	2,31	2,31
	(10%)	(10%)
Proposed final dividend (taxable) equity ..	2,31	2,31
	(10%)	(10%)
Total dividend ..	[20%]	[20%]
Carry forward	44	29

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

Extracts from the Directors' report:

Crops:	*Cost* Per kg.	*Price* Per kg.	*Nett* Per kg.
1957-58	Rs. 2.91	Rs. 6.09	Rs. 3.18
1958-59	,, 3.44	,, 6.35	,, 2.91
1959-60	,, 2.94	,, 6.08	,, 3.14
1960-61	,, 2.81	,, 5.73	,, 2.92
1961-62	,, 2.97	,, 5.98	,, 3.01

Crops:	*Total Production* lbs.	kgs.	*Crop per acre* lbs.	kgs.
1957-58 ..	1,219,768	553,278	1,458	661
1958-59 ..	1,020,037	462,681	1,220	553
1959-60 ..	1,275,640	578,621	1,520	689
1960-61 ..	1,382,095	626,910	1,642	745
1961-62 ..	1,369,495	621,193	1,628	738

Estimates 1962-63. These provide for a crop of 565,000 kgs. (1,245,610 lbs.) to cost Rs. 3.21 per kg. (Re. 1.46 per lb).

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	23,10,000	Gross block	37,72,915
Reserves and surplus..	9,07,607	—Depreciation ..	14,39,943
Other liabilities ..	16,38,982	Net block	23,32,972
		Current assets ..	7,84,317
		Investments	3,54,147
		Cash	13,55,153
Rs.	48,56,589	Rs.	48,56,589

* Paid-up capital consists of 2,31,000 equity shares of Rs. 10 each. Of this 1,21,000 shares have been allotted as fully paid by way of bonus shares through capitalisation of reserves.

Nelliampathy Tea and Produce Co., Ltd.

(*Managing Agents*: Messrs. A. V. Thomas and Co., Ltd., Alleppey, Kerala.)

Nineteenth Annual General Meeting—6th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales—		
Tea	19,44	20,18
Coffee	88	90
Cardamom	7,52	2,91
Tea seed	Nil	3
Closing stock of tea and coffee	3,95	97
Gross profit	9,15	7,11
Transfer to Managing Agents' remuneration ..	87	67
,, ,, depreciation	44	39
,, ,, provision for taxation	4,00	3,00
Net profit	3,84	3,05
Adjustments	28	6
Appropriations:		
Total available balance	4,12	3,11
Transfer to development rebate reserve ..	8	1
,, ,, general reserve	47	Nil
,, ,, dividend equalisation reserve ..	1,40	66
Proposed dividends (taxable) preference ..	30	30*
,, ,, ,, equity	1,80	1,80
	(15%)	(15%)
Carry forward	27	28

N.B.—Adjustments represent only the balance brought forward from the previous year.

* Includes Rs. 6,210 being additional preference dividend for the years 1958-59 and 1959-60.

Extracts from the Directors' report:

Crops:	1961-62 *Production* Estimated Kg.	Actual Kg.	*Cost per kg.* Actual Rs. nP.	1960-61 *Production* Estimated Kg.	Actual Kg.	*Cost per kg.* Actual Rs. nP.
Tea ..	4,30,000	4,69,185	2.69	4,08,231	4,27,456	2.75
Cardamom ..	20,412	47,323	5.52	6,804	16,522	10.00
Coffee (cured wt.)	50,802	41,513	2.06	55,883	39,407	3.20

Prices:	*Tea* per kg.	*Cardamom* per kg.
1961-62	Rs. 4.22	Rs. 15.88
1960-61	Rs. 4.63	Rs. 17.61

The production of tea and cardamom has been good. The cost of production of all the three commodities has been kept below the estimate and particularly in the case of cardamom the extra production has enabled the Company to keep down the cost of production at as low a level as Rs. 5.52 per kg. This has enabled the Company to offset to some extent the effects of the heavy fall in tea prices during the year. The Company has been making all efforts to secure the maximum prices possible by keeping up a high quality and prices in recent auctions have been satisfactory. A portion of the tea crop has been shipped to U.K. and U.S.A. as usual.

The production of tea during the current year also has been satisfactory. In respect of cardamom which has just started coming in, the indication is that the estimate for the year is likely to be exceeded and with reasonable prices, the current year should prove to be as good as last year.

In respect of coffee, the returns are more satisfactory, but the poor average prices realised from the pool make it difficult to have any large profit from this crop. The Directors have decided to cultivate intensively about 150 acres only from which the bulk of the crop is actually obtained.

Estimate for 1962/63	*Crop* Kg.	*Cost of Production* Rs. nP.
Tea	4,60,000	2 80 per kg.
Cardamom	45,000	6 04 ,,
Coffee	50,000	2 22 ,,

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	16,50,000	Gross block	29,24,051
Reserves and surplus..	9,06,339	—Depreciation ..	6,51,754
Other liabilities ..	12,30,290	Net block	22,72,297
		Current assets ..	8,75,047
		Investments	29,921
		Cash	6,09,364
Rs.	37,86,629	Rs.	37,86,629

* Paid-up capital consists of 6,00,000 equity shares of Rs. 2 each and 45,000 six per cent. cumulative preference shares of Rs. 10 each.

Mysore Kirloskar Ltd.

(*Managing Agents*: Messrs. Kirloskar Associates, Yantrapur P.O. (Mysore State.)

Twenty-first Annual General Meeting—8th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales (gross) finished goods	1,98,88	1,76,10
Sale of stores and sundries	7,36	6,05
Closing stock (including work-in-progress)	27,58	29,07
Gross block	42,48	39,40
Transfer to Managing Agents' remuneration ..	3,14	3,22
,, ,, depreciation	11,87	9,35
,, ,, provision for taxation	15,95	11,80
Net profit	11,52	15,03
Adjustments	7	2,32
Appropriations:		
Total available balance	11,59	17,35
Transfer to development rebate reserve ..	1,46	4,10
,, ,, debts redemption reserve ..	2,00	2,00
,, ,, general reserve	20	1,70
,, ,, replacement and rehabilitation reserve	Nil	3,50
,, ,, reserve for bad and doubtful debts	Nil	1
Proposed dividend (taxable) preference ..	1,00	..
,, ,, ,, equity ..	6,90*	6,00†
	(12%)	(12%)
Carry forward	3	4

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items like provisions no longer required, etc.

* Dividend for 1962 is on the increased ordinary capital of Rs. 57,50 lakhs.

† The dividend for 1961 was on a paid-up capital of Rs. 50.00 lakhs.

Extracts from the Directors' report: The Company has continued to make good progress in the manufacture of its existing lines. But the Company's progress in the manufacture of *Capstan* and *Turret Lathes* is not according to the plan as there was considerable delay in receiving the imported components. Therefore, it has been extremely difficult to maintain a regular flow of production of these lathes. Further, development of *Capstan* and *Turret Lathes* is also going to be slow on account of the difficulties in procuring the licences for import of components as hereafter it is the Government's intention to see that absolutely minimum components are imported. This means a much slower progress than the directors had anticipated.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	70,00,000	Gross block	1,52,54,361
Reserves and surplus..	40,05,368	—Depreciation ..	72,64,106
Other liabilities ..	92,49,926	Net block	79,90,255
		Block in progress ..	2,16,122
		Current assets ..	1,06,73,044
		Investments	1,25,995
		Cash	16,68,547
		Other accounts ..	1,83,331
Rs.	2,08,55,294	Rs.	2,08,55,294

* Paid-up capital consists of 50,000 equity shares of Rs. 100 each fully called up: 15,000 equity shares of Rs. 100 each—Rs. 50 called up and 25,000 8 to 10 per cent. redeemable cumulative participating preference shares of Rs. 100 each—Rs. 50 called up. Out of the 50,000 equity shares of Rs. 100 each, 10,000 shares are fully paid up by way of bonus shares by capitalisation of reserves.

A NEW CEMENT PLANT IN ORISSA

The State-owned Industrial Development Corporation of Orissa Ltd. has placed an order with Messrs. Fives Lille-Cail of Paris and the K.C.P. Ltd. of Madras for the supply and erection of a cement plant in the State with a capacity of 1,200 tonnes per day. Messrs. Fives Lille-Cail have built three largest cement plants in the world. The K.C.P. is engaged in the manufacture of cement and sugar machinery and boilers in collaboration with the French firm. The proposed cement factory will be erected near Hirakud Dam and is expected to go into production early in 1965.

NEWS IN BRIEF

THE State Trading Corporation has been granted a licence to import about 12,000 metric tons of caustic soda solid, worth Rs. 40 lakhs, from the U.S. by inviting tenders.

Purchasers of gold bonds need not pay income-tax on the value of such bonds. A directive to this effect has been issued by the Central Board of Revenue to income-tax officers.

It is proposed to set up a separate export promotion council for heavy chemicals and pharmaceuticals. At present, exports of these items are looked after by the Chemicals and Allied Products Export Promotion Council.

The U.S. Steel techno-economic survey team for the proposed steel plant at Bokaro has completed its five-month survey. The team is expected to submit its report to the U.S. Agency for International Development early next year.

The Government of India has raised the maximum limit of investment in Defence Deposit Certificates and National Defence Certificates by Rs. 10,000 to Rs. 35,000 in the case of individuals and by Rs. 20,000 to Rs. 70,000 in respect of two persons jointly.

A Burmese trade delegation is scheduled to visit New Delhi shortly to explore the possibilities of expanding trade between the two countries. Burma is interested in buying from this country cotton textiles, sewing machines and electric fans and sell rice in exchange.

The Government of India proposes to constitute a steering committee, consisting of a nominee of the World Bank and a representative of the Government, to prepare specific schemes to speed up coal transport. A World Bank consultant team is arriving in India shortly to study the situation.

The Government of India has agreed to give Rs. 3.5 crores as compensation to the Government of Mysore for handing over the Kolar Gold Mines to the Centre. The State Government will also get royalty and charges for supply of electricity. The transfer of ownership is expected to take place shortly.

A handloom factory, with a capacity of 100 looms, was inaugurated at Taherpur, near Calcutta, last week. Sponsored by the Rehabilitation Industries Corporation, a Government of India undertaking, the factory will provide employment for about 300 displaced persons settled round about the area.

The U.S. Government has granted a loan of $25.1 million (about Rs. 11.95 crores) to India for meeting the foreign exchange cost of a 300-m.w. thermal power plant and accompanying facilities at Satpura station in Madhya Pradesh. The rupee cost of the project is estimated at Rs. 14.8 crores.

Licences have been granted to two parties in Andhra Pradesh for the installation of two pig iron plants, each with a capacity of 100,000 tons. Another plant is also likely to be installed by the State-owned Andhra Pradesh Development Corporation. These units are expected to use locally available iron ore and coal.

Poland will extend a credit of Rs. 15.5 crores for the establishment of deep coal mines and other projects in India under an agreement signed at Warsaw last week. The loan, bearing an interest rate of 2.5 per cent, will be repaid by way of exports of Indian goods. A trade protocol between the two countries for 1963 has also been signed.

Two schemes for the manufacture of stainless steel in the private sector have been approved in principle by the Government. One unit, with an annual capacity of 10,000 tons, will be put up at Vatva, near Ahmedabad. The other unit, which will have a capacity of 7,000 tons, will be set up at Madras.

The Governments of India and Soviet Russia signed on Tuesday this week an agreement, under which the total number of ships plying between the two countries will be increased from 14 to 20. Both the Governments have agreed to make efforts to reach parity in cargo liftings and freight earnings. The freight rates governing the service have also been reviewed and revised where necessary.

Two engineers of the Overseas Communications Services have been sent to the U.K. to participate in the satellite communication tests conducted at the British ground station at Cornwall. On their return after a period of eight months, they are expected to participate in the Telstar project which is developing a system of communication via satellites.

The Government of India has decided to empower itself with authority to prohibit, restrict or regulate imports and exports under Section 3 of the Defence of India Bill. Although exports and imports are regulated through a licensing procedure at present, the emergency calls for greater regulation in order to conserve foreign exchange and to ensure sufficient supplies of certain essential items required for the defence effort.

The Indo-Japanese prototype production and training centre at Calcutta was inaugurated last week by Mr. K. C. Reddy, Union Minister for Commerce and Industry. The unit, which will cater to the needs of small-scale industries, has been set up with assistance from the Japanese Government and has supplied machinery worth Rs. 35.35 lakhs which has also made available services of 20 technicians for three years.

The Deccan Co-operative Spinning Mills in Ichalkaranji, the first of the five co-operative spinning units to be opened in Maharashtra during the third Plan period, was inaugurated by President Dr. Radhakrishnan last week. The mill is equipped with 12,000 spindles capable of producing yarn worth Rs. 50 lakhs annually. It has been set up by local powerloom and handloom weavers with the assistance of the State Government and the Industrial Finance Corporation.

As a measure of export promotion, the Government of India has decided to allow drawback of customs and/or Central excise duty on export of fifteen more items. They are: steel barbed wire, disintegrators of all types, printing inks, silver nitrate, tooth brush, gas cylinders, sanitaryware, *aggarbathies*, post-type insulators, clocks of all kinds, storage batteries, articles made of acrylic sheets, finished leather and leather manufactures and jute manufactures. Changes have been made in items relating to pistons, gudgeon pins, cylinder liners, etc., staple fibre yarn, bicycle spokes, polythene lined jute goods and paper products.

The Overseas Communications Service has established a direct radio telephone service between Madras and London with effect from the 21st inst. The service will initially operate between 4.30 p.m. and 7.30 p.m. (I.S.T.) on week days which Outside this period, the radio telephone service with is normally the busiest period for overseas calls. Britain and other countries will continue to remain available via the other O.C.S. stations as before. With the inauguration of this service, long-distance telephone calls with Britain and other countries in the West will be further facilitated for users in Southern India.

Four different agreements between the trade representatives of Russia and the Orissa Government were signed last week at Bhubaneswar, in respect of supply of machinery and equipment worth Rs. 3.8 crores for the Balimela hydel project, a joint venture of the Orissa and Andhra Pradesh Governments. The *machineries* to be supplied by different organisations in the Soviet Union include excavators with shovels, dumpers, tractor-trailers, cranes, etc., payment for which will be made in convertible rupees. The Government of India has already given clearance for the foreign exchange required for the purchase.

About 100,000 workers employed in the four public-sector and two private-sector steel plants will get increased wages as a result of the acceptance of the interim relief recommendations made by the Central Wage Board for Iron and Steel Industry. The interim relief will take effect from next month. The Board has said that excluding Tata Iron and Steel Company, all other steel plants should pay Rs. 95 for the lowest paid unskilled worker. This wage should consist of the basic wage, the dearness allowance and, where it exists, uniformly for all workers the coke subsidy and house rent allowance. The pay scales should be adjusted on the basis of the lowest paid worker up to the maximum of Rs. 500.

The Government of India has accepted the Tariff Commission's recommendation to discontinue protection to the plastics (phenol formaldehyde moulding powder) industry beyond 31st December 1962. It has taken note of the recommendation of the Commission that applications for import licences from producers of p.f. moulding powder for testing equipments should be given sympathetic consideration and steps will be taken to implement it as far as possible. The attention of the manufacturers of p.f. moulding powder has been invited in the resolution to the Commission's recommendation that, since there are some complaints from the manufacturers of electrical accessories, producers of GX grade should take steps for improvement of the moulding powder for which there is scope.

India has entered into a collaboration agreement with a European consortium of eight manufacturers of electrical equipment in Belgium, West Germany, France and Switzerland, for setting up a plant to manufacture electrical equipment for the 25 kV AC freight-type locomotives. The consortium, called the "Group," has agreed to grant to the Union Government the right to manufacture in India all electrical parts for these locomotives except high voltage tap-changers and air-blast circuit breakers, rectifiers, pantographs and non-specified traction materials and standard products like cables and batteries as well as equipment being bought by the Group from sub-suppliers, like measuring instruments and small relays. The Group will supply technical know-how, design calculations and manufacturing drawings. The remuneration payable to the Group includes a consultation fee of three per cent of the total annual net sales value, as invoiced, of the electrical equipment, reduced by the cost of components imported or purchased in India, subject to a minimum on account payment of DM 7,50,000.

* * * *

From Abroad

A trade team from the United Arab Republic has arrived in Pakistan to study the prospect of increasing trade between the two countries. The U.A.R. is said to be interested in Pakistan jute fibre, yarn, etc. and wants to sell its steel billets, rayon yarn and fertilisers, etc. to Pakistan.

World consumption of natural rubber in 1962 will be about 2.19 million long tons and that of synthetic rubber 2.14 million tons, according to the International Rubber Study Group. Production of natural rubber is estimated at 2.11 million tons and synthetic rubber about 2.23 million tons.

The United Arab Republic will export 55,000 tons of rice to Ceylon next year and use the proceeds to purchase Ceylonese tea. These are the main features of a trade agreement signed between Ceylon and the United Arab Republic on Tuesday this week. It has also been agreed that measures will be taken by both the countries for the development of trade in new commodities produced in both countries.

PERSONAL

MRS. Vijayalakshmi Pandit has been appointed Governor of Maharashtra.

Mr. M. S. Kannamwar was sworn in as the Chief Minister of Maharashtra *vice* Mr. Y. B. Chavan who has joined the Central Cabinet as Minister for Defence.

Mr. M. S. Warty has been appointed Labour Officer of the Millowners' Association, Bombay, in place of Mr. R. G. Gokhale who has retired.

Mr. Lalchand Hirachand has been re-elected President of the Maharashtra Chamber of Commerce for the year 1963-64. Dr. J. M. Rane, Mr. S. M. Dahanukar and Mr. D. B. Sarda have been elected Vice-Presidents.

Mr. Christian Herter, a former U.S. Secretary of State, has been appointed Special Representative for American Trade Negotiations, a new post created by President Kennedy to formulate policies for trade expansion and tariff reductions.

Mr. Ramprasad Khandelwal, a well-known industrialist, has been appointed Sheriff of Bombay for the next year. He will take over charge from the present Sheriff, Mr. Frank Moraes, on 20th December 1962.

Mr. S. Bhoothalingam, Secretary to the Department of Expenditure in the Finance Ministry, has been appointed Secretary in the new Ministry of Economic and Defence Co-ordination, under Mr. T. T. Krishnamachari, Mr. V. T. Deheija, Secretary to the Department of Revenue, in addition to his present duties, will look after the Department of Expenditure.

Mr. P. V. R. Rao, until recently the Secretary to the Department of Economic Co-ordination in the Cabinet Secretariat, has been appointed Defence Secretary in place of Mr. O. Pulla Reddy, who retired from the I.C.S. on Tuesday this week. Mr. Reddy has been appointed special adviser to the new Ministry of Economic and Defence Co-ordination.

Pakistan's first oil refinery near Karachi was inaugurated last week. The refinery has an initial capacity of about 1.5 million tons of crude oil, with provision for expansion to 3.5 million tons later. The total cost is Rs. 9.8 crores. The refinery has been established jointly by four companies, the Burmah Oil Company, Esso, Caltex and Shell. The Pakistan Government has also contributed a certain percentage of capital.

The first semi-electronic telephone exchange in Europe is being set up in Munich in West Germany. The new exchange will enable the subscribers to dial much faster and to eliminate wrong dialling to a considerable extent. In all existing telephone exchanges the connections are effected by mechanical means. The semi-electronic system will replace the traditional dial by push buttons on all installations connected to the new exchange.

A resolution seeking to organise a world trade conference in September 1963 has been adopted by the 110-member Economic Committee of the U.N. General Assembly, by 73 in favour to 10 against, with 23 abstentions. The U.K., France and the U.S. have expressed dissatisfaction at the deadline of September 1963 in the resolution, on the score that more time is required for thorough preparation essential for the success of the conference. The resolution was sponsored by Afro-Asian and Latin American countries.

Under a 15-year contract, Milk Industries *Inc., of* the Philippines, will buy £A2½ million worth of dairy produce annually from Australia. In return, the Australian Dairy Produce Board will help the Company establish a milk processing plant—the first of four the Board will help set up in South-East Asia. The plant will produce full-cream evaporated milk and sweetened condensed milk. When the plant's full capacity is reached, Australia will supply 4,000 tons of butter oil and 8,000 tons of skimmed milk powder each year.

The first factory for the production of polyisoprene synthetic rubber outside the United States has commenced operation in Holland at the Rotterdam refinery site of Shell Nederland Chemie, a member of the Royal Dutch Shell Group. Its output capacity is 25,000 tons per annum. The product, which is a general-purpose synthetic rubber, will be marketed under the trade name Cariflex. The raw material for the new plant is being supplied by the Shell Refinery on the adjoining site. Two variations of the product are being made, one containing a certain amount of oil.

The outflow of long-term capital and official donations from the non-communist countries to underdeveloped countries rose from $5.2 billion in 1959 to a peak of $7.2 billion in 1961. This is disclosed in a U.N. Report entitled *The International Flow of Long-term Capital and Official Donations* 1959-61. The U.S. was the largest contributor, followed by France, West Germany and the U.K. The report points out that the flow of long-term funds to the underdeveloped countries is estimated to have risen from the equivalent of 0.6 per cent of the combined gross product of the developed private enterprise countries in 1960 to 0.7 per cent in 1961. During the period 1959-61, the average annual aid commitments by the centrally-planned economies to underdeveloped countries amounted to over $1 billion. These were substantially higher than those of earlier years. Although commitments in 1961 were somewhat smaller than in 1959 and 1960, the actual flow of funds to underdeveloped countries, under existing agreements, can be expected to remain substantial for some years to come.

Notices

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

ISSUE OF EQUITY CAPITAL

THE BOARD OF DIRECTORS OF THE Company has decided to convene a general meeting of the members of the abovenamed Company to be held at its Registered Office at Chartered Bank Buildings, Calcutta-1, on Thursday, the 20th December, 1962, at 11 o'clock in the forenoon, for the purpose of considering resolutions regarding an issue of 5,60,240 new 'A' ordinary (Equity) shares of Rs. 10 each to be allotted as Bonus shares and 11,20,480 'A' ordinary (Equity) shares of Rs. 10 each to be offered for subscription at a premium of Rs. 5 per share as Rights shares.

Subject to the necessary resolutions, the Bonus shares are to be allotted to those members who, on the 20th day of December, 1962 are registered in the Register of Members of the Company in respect of the existing 5,60,000 'A' ordinary shares of Rs. 10 each and 5,60,480 'B' ordinary shares of Rs. 10 each in the proportion of one Bonus share for every two existing 'A' ordinary and/or 'B' ordinary shares held.

Subject to the necessary resolutions, the Rights shares are to be offered in the first instance to the members of the Company whose names, on the 20th day of December, 1962, are registered in the Register of Members in respect of the then existing 'A' ordinary and/or 'B' ordinary shares (including the aforesaid Bonus shares and taking into account the fraction, if any, of a Bonus share to which such a member may be entitled) in the proportion of two such Rights shares for every three such existing shares then held. The amount payable thereon is subscribable as to Rs. 7.50 on application and Rs. 7.50 on allotment. The Letter of Rights, accompanied by the appropriate application forms, etc., will be issued to the members entitled thereto on or shortly after the 20th December, 1962, and will include a right to renounce all or any of the Rights shares offered in favour of any other person and to apply for additional shares which may be available.

The Register of Members of the Company in respect of A' and 'B' ordinary shares will, for the purposes aforesaid, be closed from 1st December, 1962 to 20th December, 1962, both days inclusive.

A notice convening the general meeting of the Company is being issued to the members.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
15th November, 1962.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has today declared an Interim Dividend of 7 per cent (subject to deduction of Income Tax) on the Ordinary Shares of the Company, in respect of the year ending 31st December, 1962. The dividend will be payable on or after 17th December, 1962, to those members whose names are entered in the Register of Members of the Company on that date. Dividend Warrants will be despatched to members and no application to the Company is necessary.

NOTICE is also hereby given that the Register of Members of the Company will be closed from 26th November, 1962 to 17th December, 1962, both days inclusive.

By Order of the Board,

D. MANSON,
Managing Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 16*th November*, 1962.

THE RAJAGIRI RUBBER AND PRODUCE COMPANY LIMITED

ALLEPPEY

(*Incorporated in Travancore, Kerala*)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25th Annual General Meeting of the Company will be held at the Registered Office at W-15/9847, Beach Road, Alleppey, at 3 p.m. on Thursday, the 6th December 1962, to transact the business as set out in the Notice sent to the Members of the Company, individually.

The Directors have recommended 6.08 per cent dividend on the Preference Shares and a final dividend of 10 per cent on the Equity Shares (making 20 per cent for the year) for 1961-62, both subject to deduction of tax under Section 194 of the Income-tax Act, and the same if approved by the General Body, will be paid to those Preference and Equity Shareholders respectively whose names stand registered in the Books of the Company on the 6th December 1962.

The Dividend Warrants in respect of both the above Equity and Preference Dividends will be posted to the Shareholders on or after the 6th December, 1962.

The Share Transfer Books and Registers of Members of the Company will remain closed from 22nd November 1962 to 6th December 1962 (both days inclusive) during which period no transfer of shares will be registered.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead; a proxy need not be a member.

By Order of the Board,

A. V. THOMAS & CO., LTD.,
Managing Agents.

ALLEPPEY, 10*th November* 1962.

THE NELLIAMPATHY TEA AND PRODUCE COMPANY LIMITED

ALLEPPEY

(*Incorporated in Cochin, Kerala State*)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 19th Annual General Meeting of the Company will be held at the Registered Office at W-15/9847, Beach Road, Alleppey, at 4 p.m. on Thursday, the 6th December 1962, to transact the business as set out in the Notice sent to the Members of the Company, individually.

The Directors have recommended 6.69 per cent dividend on the Preference Shares and 15 per cent dividend on the Equity Shares for 1961-62, both subject to deduction of tax under Section 194 of the Income-tax Act, and the same if approved by the General Body, will be paid to those Preference and Equity Shareholders respectively whose names stand registered in the Books of the Company on the 6th December 1962.

The Dividend Warrants in respect of both the above Equity and Preference Dividends will be posted to the Shareholders on or after the 6th December, 1962.

The Share Transfer Books and Registers of Members of the Company will remain closed from 22nd November 1962 to 6th December 1962 (both days inclusive) during which period no transfer of shares will be registered.

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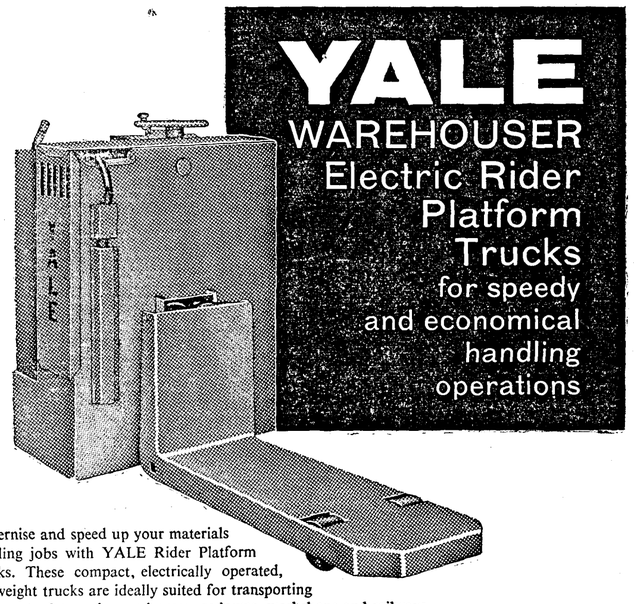
ALLEPPEY, 10*th November* 1962.



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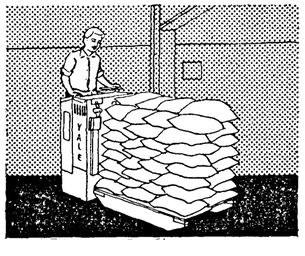

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VOL. 562A EVEREST

MONEY CHEAPER

(*From Our Own Correspondent*)

BOMBAY, 21*st November*

The short-term money market ruled easy during the week under review. The supply of floating funds was quite large. And since demand for credit was low, inter-bank call rate moved down from 3⅜ per cent to 2½ per cent. Stray transactions were reported to have been put through even at 2 per cent today, albeit after clearing hours. Conditions at Calcutta too were very comfortable, with call rate receding from 4½ per cent a week ago to as low as 2 per cent. Fresh money was available at 1½ per cent.

A notable development of import to the money market during the week was the Reserve Bank's announcement regarding the relaxation of restriction on accommodation to scheduled banks. As a result of the restriction, each scheduled bank is permitted to obtain from the Reserve Bank, in addition to the basic quota under the three-tier system, an additional quota, at 6.5 per cent per annum, for a period of six weeks beginning from the 10th of this month. The additional quota that may be obtained is, however, limited to the amount equal to the difference between a bank's quota based on its statutory balance and the maximum amount actually borrowed by it during the 1961-62 busy season. Besides, the Reserve Bank has assured the banks that it will sanction appropriate excess quotas for the remaining period of the busy season on the basis of estimates of requirements to be submitted by them before 8th December 1962. The banks have been asked (*a*) to refuse advances for hoarding and speculation, (b) to refuse and recall unsecured advances as well as advances against gold and shares, and (*c*) to channelise credit for promotion of essential productive effort, that is, for defence, civil consumption and export.

The relaxation of ceiling on the Reserve Bank's advances to banks is the result of representations made by banks to the Reserve Bank a fortnight ago on its original proposal of 31st October. Although it has not fully satisfied banks, it has nevertheless been welcomed. It remains to be seen to what extent the banks will use the additional facility at the top rate of 6½ per cent in the coming months.

Tenders for Rs. 2 crores of Government of India's 91-day Treasury Bills were invited on Tuesday this week. The amount offered and accepted was unchanged at Rs. 2 crores. The average rate of tenders accepted, however, was slightly lower at 2.350 per cent per annum, as against 2.360 per cent in the previous week. The Intermediate Treasury Bills, which were on tap from the 14th to 17th inst., fetched quite a substantial amount: Rs. 162.50 lakhs, as against a mere Rs. 16.50 lakhs a week before.

India's foreign assets declined by Rs. 78 lakhs to Rs. 93.22 crores during the week ended 16th November 1962. The decline was accounted for entirely by balances held abroad which aggregated Rs. 5.14 crores. Foreign securities held in the Issue Department continued unchanged at Rs. 88.08 crores. Loans and advances made available by the Reserve Bank to scheduled banks were lower by Rs. 1.50 crore at Rs. 2.48 crores.

There was practically no change in the amount of credit granted by the scheduled banks to their clients during the week ended 9th November 1962, the aggregate outstanding at the close of the week being Rs. 1,389.99 crores, as against Rs. 1,390.24 crores a week before. The total deposits of the banks rose by Rs. 3.92 crores to Rs. 2,184.11 crores. Inter-bank borrowings also increased by Rs. 2.73 crores to Rs. 37.44 crores. Investments, however, fell by Rs. 10.04 crores to Rs. 683.61 crores.

The Gilt-edged market ruled dull. Business put through was restricted, with values moving narrowly. On Monday the 19th inst., the Reserve Bank announced a reduction of 5 nP in its buying rates in respect of two Central Government loans. The revised rates are Rs. 99.85 for 3½ per cent 1964 loan and Rs. 96.80 for 3 per cent 1966-68 loan. These were the rates at which some banks were sellers in the open market earlier.

In the foreign exchange market, the banks' selling rate for U.S. dollars was unaltered again, the actual rate for T.T. and O.D. being Rs. 477.75 per $100. Their buying rate for T.T. and O.D. 60-day bills and 120-day bills, however, declined by 25 nP each to Rs. 473.50, Rs. 470.75 and Rs. 468, respectively. In New York, the pound sterling firmed up *vis-a-vis* the dollar. The latest available spot and three months' forward rates are 280.220-280.240 cents and 279.830-279.850 cents per £, respectively, the corresponding rates last week being 280.100-280.140 cents and 279.820-279.860 cents.

GOOD CLEARANCE IN KIPS

(*From Our Own Correspondent*)

MADRAS, 19*th November*

Kips prices ruled firm in the Madras hides and skins market this week. Arrivals were moderate and clearance was fairly good. Tanners were holding firm to their price ideas, and the U.K. importers paid higher prices for the lightweight cowhides. There was good demand for the heavyweight cowhides and buffhides probably for military requirements. Importers were offering attractive prices for cowcalf, especially the 2/2½ lbs. average, but sellers were not willing to book orders, as arrivals were small. Buffhides ruled firm. Higher prices were paid for buffcalf for shipment to the U.K. and the Continent.

The tanned goat market hardened following several inquiries from the U.K. and the Continent. Tanners were not prepared to sell lightweights, as they were in a well sold forward position. Prices for 8/9 and 11/12 lbs. advanced further, and trading was difficult, as importers were hesitating to follow Madras prices. Inquiries for the lightweight middle class sheep were persistent, but buyers were disinclined to improve their price ideas. Other lines remained unchanged.

COTTON FUTURES RECOVER AFTER EARLIER SLUMP

(*From Our Own Correspondent*)

BOMBAY, 21*st November*

A heavy slump on Monday the 19th inst., which resulted in a overnight decline of the Jarilla March contract by as much as Rs. 11, was the most notable feature of trading in the cotton futures market during the week. The decline followed an avalanche of selling by local and upcountry operators. The immediate provocation was the news of the unexpected major reverse suffered by India in N.E.F.A. This caused considerable nervousness among operators who rushed to liquidate. The weakness of the share market, bearish crop news, lower advices from the ready section and the easiness of other commodity markets accelerated the downward trend of futures. Buying was conspicuous by its absence even at lower levels. The Jarilla March contract, which declined from last week's closing price of Rs. 727.50 (per three quintals) to Rs. 721.50 on Saturday, reacted sharply to Rs. 710.50 on Monday. It receded further to Rs. 703 yesterday, the lowest level touched by the contract so far. A recovery was in evidence and the contract finished the session higher at Rs. 706.50. The recovery gathered momentum today, thanks to fresh buying and some short-covering, and the contract improved to Rs. 716 at close today. The net loss over the week is Rs. 11.

In the spot market at Sewri, activity was restricted. Mills seemed to be marking time in anticipation of a further decline in prices. Arrivals in Khandesh, Berar, and Moglai areas were increasing daily. Reflecting this, prices of all varieties, except 197/3, ruled below the ceiling rates. Some of the popular varieties which attracted the attention of needy mills were Co2, Khandesh 197/3, and L. 147. Towards the close of the week, a revival of demand was noted following the entry of the Indian Cotton Mills' Federation into the market. The Federation is reported to have purchased 6,500 bales of Khandesh cotton. Traders in general showed readiness to sell cotton to the Federation rather than allow their stocks to be requisitioned.

The Committee of the Indian Cotton Mills Federation, at its meeting held on Monday the 19th inst., emphasised that it considered it very important that no mill purchased cotton above the ceiling prices even if this involved closure of mills for a short period. It decided to issue an appeal to all mills accordingly and to be very strict in complying with the provisions of the Cotton Control Order. The Committee feels that the present difficulties in respect of cotton supply would disappear very soon as, with the expectation of a good crop and adequate imports, the supply position was comfortable. The Committee also decided to reduce the rate of levy on Indian cotton by 50 per cent with effect from 1st January 1963. The levy at present works out to Rs. 5 per bale on an average and this will be halved to Rs. 2.50 per bale.

Bengal *Deshi* prices showed some firmness early in the week, thanks to short-covering by shippers against export commitments and fears of the possibility of certain areas in the Punjab being sealed off. But follow-up support was lacking. Foreign demand continued to be slack. Export sales registered against the current quota aggregated 21,000 bales as on 13th November.

Mill demand for foreign cotton was good. East African and American cotton accounted for the bulk of the turnover. A prominent Bombay mill group is reported to have bought, on a subject-to-licence basis, 6,000 bales of American Good Middling 1-5/32" staple at Rs. 1,225 per candy for February/March shipment. East African cotton found ready buyers and prices tended to harden. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal Fine 672; Berar 197/3, Valuation plus 3¼ per cent Ganganagar 802, D.P. (UNUG) 1,230; Busoga (UNUG) 1,195; Guiza 47 1,420; Sudan XG5S 1,400.

In contrast to the easiness witnessed in the past three weeks, the Karachi cotton futures market futures ruled firm during the week under review. Fresh mill buying and renewed export demand induced a smart recovery in prices. N.T.R.G. January contract advanced from Rs. 65.35 last week-end to Rs. 67.05. The March contract firmed up from Rs. 66.55 to Rs. 68.20.

After a long spell of dullness, the Liverpool cotton futures market sprung into activity during the week. Keen bidding by Commission Houses in new crop months led to a hardening of values, while trade buying strengthened current crop deliveries. Sudan cotton contracts firmed up on good mill support. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch Staple contract: December 23.90; March 23.70; May 23.65; July 23.50.

American cotton mixed growth contracts: December 24.25.

Sudan cotton contract: November, January and March 29.75.

Cotton futures in New York suffered a setback during the week. Selling prompted by renewed talks of lower support prices for the new crop resulted in a decline in values. Lower spot advices also imparted weakness to futures. The nearby December contract declined from 33.91 cents per lb. last week-end to 33.85 cents, the March contract from 34.29 cents to 34.08 cents and the May contract from 34.31 cents to 34.12 cents. New York spot was quoted at 34.75 cents per lb., as against 34.85 cents last week.

FURTHER FALL IN BULLION

(*From Our Own Correspondent*)

BOMBAY, 21*st November*

A staggering further fall of Rs. 8.75 in spot gold at Rs. 97.25, of more than Rs. 13 in silver *Margashir* at Rs. 204.10 and of about Rs. 15 in ready silver at Rs. 200.60 featured the trading in the bullion market this week. Sovereign, too, showed a big drop of seven points at Rs. 77.

Weakness continued to persist in the market which closed today at the week's lowest levels, when sentiment was upset by the reported statement of the Union Finance Minister, Mr. Morarji Desai, yesterday before the Consultative Committee of Parliament for his Ministry that the Government would take further steps in a month's time to bring down the price of gold very considerably. Mr. Desai is reported to have stated, significantly enough, that, in regard to purchases of gold by the people the ultimate aim of the Government was to fall in line with other countries where private possession of gold in large quantities was not allowed. Mr. Desai is said to have told the Committee that he expected the price of gold to fall below Rs. 70 per tola at which rate it would become unprofitable for smugglers to bring gold into this country, and gold bonds would become attractive. This statement of the Finance Minister caused considerable concern among operators, especially as it brought in its trail concealed threats of curbs on buying ready gold. Gold began the week at Rs. 105.50, touched a low of Rs. 103.25 on Saturday following the abolition of trading in non-transferable specific delivery contracts but improved to a high of Rs. 106 on Tuesday, thanks to good offtake and low arrivals. It was only today that the price slumped to Rs. 97.25 as mentioned at the outset following the Finance Minister's statement. Arrivals of gold during the week were of the order of 5,000 tolas per day which were met by offtake of a like quantity.

Arrivals in silver were, however, large, approximating about 45 bars a day, as against which offtake was poor around seven bars. It was because of this large inflow that ready silver showed a bigger fall than forward and closed at a discount of Rs. 3.50 over the futures contract. Weak spot advices, heavy upcountry selling and local bull liquidation produced a sharp setback in silver futures. In the process, the *Margashir* contract, which had begun the week at Rs. 217.30, continuously declined to touch Rs. 207.75 on Tuesday. Today, it plunged as low as Rs. 204.10, at which level it finished the week. A special clearing was imposed on Monday the 19th inst. and a margin of Rs. 150 per bar against sellers on all outstanding sales today, when it declined by more than Rs. 7 from the last margin determining rate of Rs. 213.95.

The Government's announcement of 13th November banning forward trading in gold was followed apparently as an afterthought by another on the 15th inst. stopping trading in non-transferable specific delivery contracts as well, under the provisions of Section 18(3) of the Forward Contracts (Regulation) Act, 1952. Another official Press note of interest to the bullion market was the one dated the 19th inst. which said that for purposes of subscribing for gold bonds, 1977, the money value of gold in the hands of the original purchasers of the bonds would not be subject to income-tax assessment. Further, the note added, there would be no inquiry about the source of the money with which such gold was purchased.

During the week, bullion prices in the overseas markets suffered a moderate setback on profit-taking and lack of demand. In London, spot gold eased from 250*s.* 7*d.* to 250*s.* 4¾*d.*, with the dollar price of gold turning lower from $35.08⅜ to $35.08¼. Ready silver declined rather sharply from 102¾*d.* to 101*d.* as did silver futures from 103¼*d.* to 101⅛*d.* The price of silver in New York fell during the week from 119.75 cents to 118 cents.

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

	21-11-62 (closing)	High	Low	14-11-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	97.25	106.00	97.25	104.00
Sovereign	77.00	84.00	77.00	83.00
SILVER				
Ready (.996 fine) ..	200.60	215.40	200.60	214.05
Margashir † ..	204.10	217.85	204.10	217.05
London—				
Gold	250*s.*4¾*d.*	250*s.*7*d.*	250*s.*4¾*d.*	250*s.*5¼*d.*
Silver Ready	101¼*d.*	102¾*d.*	101*d.*	103*d.*
Silver Forward	102¼*d.*	103⅛*d.*	101⅛*d.*	103⅛*d.*
New York—				
Silver	118.00 cents	119.75 cents	118.00 cents	120.25 cents

* 11th December settlement. † 12th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (35.7 tolas). London and New York quotations are per ounce.

EMERGENCY IN YARN MARKET

(*From Our Own Correspondent*)

BOMBAY, 21*st November*

The persistent decline in the prices of yarn, especially of staple fibre yarn and art silk yarn, created an emergency this week and provoked the Board of the Bombay Yarn Merchants Association and Exchange Ltd. to suspend trading in staple fibre futures yesterday and to fix a floor price of Rs. 650 for the 40/2 December contract and of Rs. 670 for the February. Trading in these two futures contracts was allowed from today only above the minimum prices. The Board also reduced the margin-free limit from 100 packages to 50 packages, trading above which is subject to a margin of Rs. 100 per package. Further it decided to fix a special clearing, whenever the contracts moved up or down by Rs. 100 from the preceding clearing rate. The emergency created in the market was indeed serious. For the December contract had declined in stages to Rs. 661 on Monday from the closing level of Rs. 715 on 27th October last. The February contract, trading in which commenced on the 5th inst., had declined from that day's clos-

ing level of Rs. 730 to Rs. 682 on Monday. Sentiment in the market had been affected by the fast deteriorating situation in the Northern and North Eastern borders of the country following large-scale Chinese aggression. Financial difficulties due to the war and absence of demand were also the influencing factors. However, following the measures adopted by the Board of the Association yesterday and in the light of the Chinese offer of cease fire, the two futures contracts staged a brisk rally today. The December contract was bid up today to Rs. 690, before finishing at Rs. 679, as against Rs. 677 a week ago, and the February contract to Rs. 714, before closing at Rs. 704, as against Rs. 699. The 40/2 spot staple fibre prices were easy, Century by 6 nP at Rs. 7.35 and Kohinoor by 6 nP to Rs. 8.12.

The Association conducts trading only in staple fibre futures. But its members and brokers carry on business among themselves in the indigenous art silk yarn delivery contracts, which had, however, been jeopardised for past some time because of the factors noted above. The members and brokers of the Association, therefore, urged the Board to fix, as an emergency and special measure, minimum prices for such delivery contracts. The Board agreed to its constituents' request and fixed today a minimum price for the November and December contract of Rs. 5.25 and Rs. 5.31, respectively, for 150D NRC cones, of Rs. 6 and Rs. 6.06, for 120D NRC cones, of Rs. 5.75 and Rs. 5.81, for 120D Century cones and of Rs. 7.25 and Rs. 7.37, for 100D Century. The prices are per pound. The Board has decided that delivery and payment against the two contracts will be arranged by the constituents at the end of the respective month. It has also restricted trading to only the November and December contracts. The constituents trading either below the minimum prices or beyond December will be suspended until such time at the discretion of the Board.

From 27th October last to the 20th inst., the 150D NRC spot had declined from Rs. 5.97 to Rs. 4.94 per lb., the 120D NRC from Rs. 7.84 to Rs. 5.50, the 120D Century from Rs. 7.60 to Rs. 5.31 and the 100D Century from Rs. 8.06 to Rs. 6.87 per lb.

Following the adoption of special measures by the Board, spot art silk yarn prices showed some gradual improvement today. However, over the week, prices closed lower as can be seen from the table which follows. With the exception of 60s Finlay which receded from Rs. 71.12 to Rs. 70.62, cotton yarns continued to be listless.

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

	21-11-1962	14-11-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.91	14.56
Century 75D	19.80	21.16
S. I. Viscose 150D	11.81	12.65
Staple fibre yarn (40×2)—		
December (,,)	679.00	677.00
February	704.00	699.00
Kohinoor (per kg.	8.12	8.18
Century	7.35	7.41
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.62	18.62
22s Century	24.50	24.50
30s Bradbury	27.00	27.00
40s Hind	34.75	34.75
60s Finlay	70.62	71.12
80s Kasturi	77.50	77.50

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

BLACK LEAF TEA STRONG

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

COCHIN, 15*th November*

A total quantity of 732,000 kgs. was offered in sale No. 45 held on 13th inst. Quality of teas from the Nilgiri District showed a further seasonal decline, whilst others were barely maintained. The market opened to a strong demand which continued throughout the sale. Plain and low mediums met with competition and advanced by 40 to 50 nP and in some cases more. Mediums were also well supported and registered considerable advances. Brighter good mediums were fully firm, while others in this category were generally dearer. Highgrowns were again irregular and sold at lower rates, particularly fannings, buyers following quality. Clean black leaf descriptions were strong and shared in the upward trend of the market. Unorthodox descriptions were strongly supported and were considerably dearer, particularly fannings. Whole leaf grades elicited good inquiry and sold at rates above last. Tippy teas continued strong and inclined dearer.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	4.30-5.00	3.75-4.00
Mediums	4.90-5.25	4.10-4.35
Good mediums	5.30-6.00	4.50-5.25
Nilgiri B.O.P.	5.60-7.80	5.15-8.50

The average price realised in sale No. 45 was Rs. 5.03 per kilo, as against Rs. 4.83 a week ago and Rs. 4.61 in the corresponding sale last year.

Offerings in dust sale No. 45 held today amounted to 320,000 kgs. The market was strong and active throughout the sale. There was good competition for low mediums, mediums and good mediums which irregularly advanced by 30 to 40 nP. The cleaner types under this category sometimes registered further advances. There was useful support for highgrowns which were fully firm and in some cases sold at rates above last. Unorthodox descriptions also evoked strong inquiry and were dearer by 20 to 30 nP. Clean black grainy descriptions were also well supported and shared in the general trend of the market and so did residuals.

The average price realised in dust sale No. 45 was Rs. 4.58 per kilo as compared with Rs. 4.32 a week ago and Rs. 4.13 in the corresponding sale last year.

Colombo: Offerings this week attracted good general demand. Highgrown brokens were a little easier with quality. Best mediums sold at slightly lower rates. Plainer and small leaf lowgrowns advanced by 5 to 15 cents. All fannings were strong and dearer.

London: North Indian and other growths: Monday's sale met with strong demand. Plain teas advanced by 3*d.* to 4*d.* Best Assams were firm, whilst Dooars were irregular and in some cases lower.

Ceylon and South Indians: In Tuesday's sale, 26,902 packages were offered of which 9,598 packages came from South India. The market met with a strong demand. Low mediums from Ceylon were dearer by 1*d.* to 2*d.* South Indians met with good support and were generally dearer.

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

"Sale No. 46: 666,000 kgs. offered. Strong general demand. Low mediums and mediums 10 to 20 nP dearer. Good mediums fully firm. Highgrowns irregular, but tending dearer. Unorthodox steady."

SPECIAL CLEARANCE IN SEEDS

(*From Our Own Correspondent*)

BOMBAY, 21*st November*

There was a special clearing in oilseeds yesterday, following panicky and persistent liquidation in groundnuts by some operators on reports of army reverses in the N.E.F.A. region. No such clearing it may be noted here had been ordered at any time in the past two years. Under the by-laws of the Oilseeds Exchange, if the quotation for futures contract falls by more than Rs. 10 per 250 kgs. over the previous clearing rate (fixed every week on Thursdays), a special clearing has to be enforced. Groundnut futures ruled distinctly bearish though some recovery was in evidence today, thanks to reports from Peking that China had ordered a ceasefire. The spot section was also distinctly weak, partly on account of improvement in arrivals. All other seeds and oils moved in sympathy with groundnuts. Castorseeds suffered a distinct setback during the week. A small part of the loss, however, was made good today, perhaps due to rumours that the Government of India might link import of spices with exports of castor oil. Linseeds and cottonseeds were depressed.

The Groundnut January 1963 contract, which wound up last week at Rs. 228.37, fell sharply to Rs. 213.50 by yesterday, but improved to Rs. 218.87 today. Nizam bold declined by Rs. 2.50 to Rs. 42.75. Khandesh quality dropped a like amount to Rs. 43.12. Oil ex-mill eased by 65 nP to Rs. 18.35. Groundnut oil January 1963 contract closed lower at Rs. 30.30, as against Rs. 31.10.

Castorseed March 1963 contract receded from Rs. 167.25 to Rs. 162.25, before closing at Rs. 164.25. Madras small softened by 37 nP to Rs. 32.50. Oil B.S.S. shed 15 nP to Rs. 13.65 and Oil commercial 10 nP to Rs. 12.75.

Linseed March 1963 moved down from Rs. 39.12 to Rs. 37.50 by yesterday, but improved towards the close to Rs. 38.12. Bold ready fell by 25 nP to Rs. 41.25. Linseed oil was lower by 70 nP at Rs. 16.15.

Cottonseed suffered a loss of Rs. 5 to Rs. 98.50 by Tuesday, before closing at Rs. 100 today. Both non-white and Berar lost Rs. 2.25 to Rs. 22.75.

The following table shows the closing prices of oilseeds and oils on Wednesday 21st November as compared with those of the two previous weeks:

	21-11-1962	14-11-1962	7-11-1962
	Rs.	Rs.	Rs.
Groundnut			
Groundnut January 1963 ..	218.87	228.37	226.50
Nizam bold	42.75	45.25	45.50
Khandesh quality	43.12	45.62	46.00
Oil ex-mill ready*	18.35	19.00	19.05
Railway receipts*	18.00	18.80	18.85
Castorseed			
Castorseed March 1963	164.25	167.25	167.00
Ready Madras	32.50	32.87	33.00
Ready Kanpur	31.12	31.50	31.75
Oil B.S.S.†	13.65	13.80	13.85
Oil commercial†	12.75	12.85	12.90
Linseed			
March 1963	38.12	39.12	39.12
Bold ready	41.25	41.50	41.50
Oil ready†	16.15	16.85	16.75
Cottonseed January 1963 ..	100.00	103.50	102.50
Niger seed	35.50	36.12	35.75
Kardi seed	27.50	27.50	28.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FOODGRAINS BEARISH

(*From Our Own Correspondent*)

HAPUR, 19*th November*

Despite the Chinese war, foodgrain prices here continued to be bearish during the week under review. Traders refrained from building stocks; in fact, they were reported as anxious sellers. Heavy stocks of foodgrains with the Centre and

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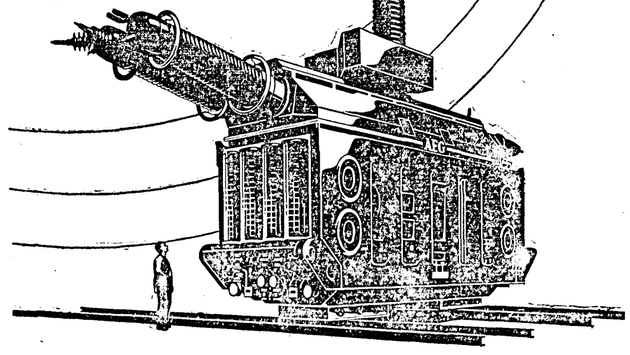

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reports that fresh arrivals would continue from the U.S.A. were the main influencing factors.

There was no change in wheat dara prices which stood at Rs. 40.19 at the week-end, but the farm quality lost 67 nP at Rs. 43.54 to Rs. 45.55 a quintal. Demand continued to be poor. Arrivals were small around 200 to 300 maunds a day, and stocks were put at 45,000 maunds. Basmati rice and other varieties declined Re. 1.34 to Rs. 2 a quintal according to quality, as new produce arrivals from east U.P. were pretty large. The superior quality was sold between Rs. 80.38 and Rs. 91.09, *sela* between Rs. 75.02 and Rs. 77.70, *mainpuri sela* new between Rs. 52.25 and Rs. 52.92, *ramajwayan* new at Rs. 57.60, *raimunia* new at Rs. 60.28, and *gadda* new at Rs. 47.56 a quintal.

Gram prices also moved down on lack of support and easy advices from Punjab. Prices declined by 67 nP to Re. 1.34 per quintal, with the Punjab quality quoted at Rs. 42.20 and the local produce at Rs. 41.53 a quintal at the week-end. Local gram stocks were estimated around 10,000 maunds. Maize ruled steady between Rs. 29.47 and Rs. 32.15 due to good demand. Arrivals, mostly from East U.P., averaged 400 maunds a day. *Barley* and *bejhar* prices sought lower levels on slack demand and were quoted at Rs. 25.46 to Rs. 26.79 and Rs. 26.79 a quintal, respectively. However, *jowar* ruled steady on better demand. *Guwar* prices eased slightly due to poor trading. Other grains were almost unchanged. Week-end prices were: *Jowar* Rs. 45.55 to Rs. 48.23, *guwar* Rs. 34.83 to Rs. 35.50, *bajra* Rs. 37.51, *methi* Rs. 61.62 and oats Rs. 32.15 a quintal.

Lack of buying support in the face of selling pressure from stockists led to a fall in peas. The farm quality was unchanged at Rs. 33.49, but *dara* lost 67 nP to 99 nP a quintal at Rs. 30.96. Arrivals were small and stocks were put around 32,000 maunds. Despatches were four wagons. *Arhar* prices were stationary at Rs. 57.60. *Urd* prices declined sharply on heavy arrivals locally and from producing areas. Local *arhar* stocks were reported very poor. *Moong*, *masoor* and *dal* prices were quiet. Week-end prices were: *Arhar dal* Rs. 71, *urd* Rs. 71, *desi* Rs. 61.62, *urd dal* Rs. 83.06, *moong* Rs. 50.91 to Rs. 53.58, *moong dal* Rs. 58.94, *masoor* Rs. 52.25 to Rs. 54.22, *masoor dal* Rs. 58.94, *moth* Rs. 40.19, *moth dal* Rs. 48.23 and *gram dal* Rs. 49.57 a quintal.

GOOD DEMAND FOR TEA

(*From Our Own Correspondent*)

CALCUTTA, 20*th November*

Keen bidding, against the background of the absence of river transport to bring Assam tea to Calcutta, was in progress during yesterday's export sales here. Last week's internal sales also met with strong demand. With the continuance of strike by the Pakistani crew of the Joint Steamer Companies, fresh arrivals were restricted to Dooars and Darjeeling teas. As a result, fresh booking of space on export liners declined, and this led to withdrawal from Calcutta of several advertised vessels for the United Kingdom. Thanks to existing stocks in Calcutta, the auctions have not yet begun to reflect the fall in arrivals in recent weeks as a result of non-arrival of Assam teas in the usual quantity. However, it is understood that export offerings of leaf from the forthcoming sales would show a progressive reduction. There would be no diminution in quantity in dusts sales, as existing stocks are believed to be sufficient to maintain sales in their present tempo up to the end of December.

At present, moves are afoot to end the strike of Pakistani crew. It is to be hoped that these would be successful, but for a few weeks after resumption of normal Calcutta-Assam river services, the existing shortage would only accentuate. The trade has noted with much relief the Government plan to inaugurate a fleet of fast moving trucks so that West Bengal-Bihar-Assam commerce is soon revived, assuming that river services are not resumed in the near future. It is to be hoped that the proposal is not abandoned even if river services are resumed. Evidently, cost of surface transport would be greater than movement by river. However, trade with Assam from the rest of the country is on the increase, and such being the case, the extra transport facilities would be fully utilised. By utilising surface transport, albeit at extra cost, trade can be increased. When he was in Calcutta in the last week, the Union Shipping Minister, Mr. Raj Bahadur, stated that 200 trucks had already been mobilised for transport services in Assam and that more would be available if goods were forthcoming.

The trade at once realises, as implored by the Union Shipping Minister, that road transport would be an economic proposition in the long run. However, the point is that trade would have to find extra money for road haulage. Evidently, at least a part of increased burden on trade would be shifted on to the consumer. Although the internal consumer may not grudge the increase, in the present context of keen competition in the export markets abroad it is not desirable that prices in export offerings should go up. Viewed thus, the plea of industry and trade for abolition of the export duty on tea gets even a stronger base than hitherto.

The prospect of reduced export offerings from the forthcoming sale onwards is very unfortunate, as exports have hitherto been satisfactory. Overseas countries, especially the United Kingdom, have yet to buy considerable quantities. As such, if offerings in Calcutta are reduced, other producing countries stand to benefit. The accumulation of stocks in Assam has meant financial strain on gardens. This is particularly unfortunate at this time of the year, when plucking has almost come to a close.

That foreign buyers are very eager to buy is only too evident from auction reports received from London and other centres. In last week's London auctions, buyers paid keen attention to plainer descriptions in view of the prospect of reduced shipment of such teas of Assam origin from Calcutta port. As a result, teas of other origin benefited. Prices of C.T.C. teas advanced by 3*d.* per lb. Keen attention was also paid to the Vietnamese and East African teas. It was reported that London stockists were increasing their holdings in view of the Sino-Indian war nearer the growing areas of North India. Strong demand was also in evidence in the sales held last week in Colombo. Prices for low growns, B.O.P. fannings, and plainer sorts added gains varying from five cents to 15 cents a lb.

Note has been taken here that offerings in last week's sale at Mincing Lane included a quantity of 636 packages from Pakistan. At present, in view of the lower crop, Pakistan is facing an acute tea shortage. Prices are, therefore, fast moving up. Last year's internal consumption in Pakistan totalled 43 million lbs., but this year it is estimated to go up to 47 million lbs. This year's crop is not expected to exceed 47 million lbs., and with little carry-over stocks from last year, it can be seen that Pakistan's exports will not be higher than 5 million lbs., as against an export quota of 10 million lbs.

The suggestion offered by Mr. S. M. Mohta, President of the Tea Association of India, to discontinue tea offerings by India at the London auctions has been noted. This suggestion has been made in order to save the handling charges in London, and Mr. Mohta would much welcome Indian producers to sell tea to the U.K. by more personal contacts. The present system of disposing tea in auctions in Calcutta, and Cochin as well as by direct shipment for participation in U.K. auctions has worked well, and it is thought that handling charges in London are unavoidable in any case. Even if direct sales take place, it is not seen how handling charges in the U.K. can be avoided. If the present system of sale through London auction is abandoned, there is every chance that other producing areas will ship more tea to London auctions, while time would be required for Indian tea producers and traders to make more personal contacts with distributors in Great Britain. In addition, such contacts will also entail expenditure.

Estimates of tea crop for 1962 from producing countries show that the total world output will be almost the same as in 1961. At the same time, the earlier estimate of an increase in world consumption is believed to be coming true. For instance, the U.K. is importing more tea from India than last year, and in the four months ended October, North India alone has exported to the U.K. 6 million kgs. more than in the previous figure. The U.K. is the largest consumer of tea, and hence the estimate of increased consumption for the world is aided. Viewed thus, the outlook for tea in the coming few months is encouraging. A world shortage is not altogether ruled out, and it is not surprising that the London bidders have been unusually active in auctions here.

Dusts on offer during last week's internal sale here totalled 28,654 packages which met with a strong general demand. Plain orthodox teas opened easy, but gained liberally as sales progressed. Medium orthodox descriptions were steady, but a few lines lost fractionally. Legg-cut teas met with ready demand. Keen competition was offered to medium C.T.Cs, prices of which advanced. Grainy descriptions were particularly favoured. Fibrous teas were also in good demand. The good C.T.Cs were much in sellers' favour, and grainy descriptions advanced liberally. The quotations per one kg. (in rupees) inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.80, medium Assam C.T.C. dust 5.80 to 6.20, legg-cut dust 5.40 to 5.70, medium Assam dust 4.80 to 5.40, and plain orthodox dust 4.80 to 5.10.

Leaf on offer during yesterday's sale amounted to 70,334 packages, which met with good general demand. Medium C.T.Cs were fully firm, while the better liquoring teas and the best Assam fannings rose impressively. The more fibrous teas also advanced, with legg-cut teas forging ahead. Plain orthodox teas were absorbed at fully firm levels, and brokens and exportable fannings recorded a dearer trend. Medium O.Fs also were better. However, the better liquoring Assam B.O.Ps were subjected to heavy withdrawals after prices had fallen. Among Darjeelings, the stylish grades eased, while the poorer kinds met with better support to push the prices. On useful inquiry, whole-leaf grades hardened, but tippy

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teas were eased leading to withdrawals. The quotations per one kg. (in rupees) inclusive of excise duty, were: Best Assam C.T.C. fannings 7.00 to 7.50, best Assam C.T.C. B.P. 6.70 to 7.00, medium Assam C.T.C. fannings 6.10 to 6.80, medium Assam C.T.C. B.P. 6.00 to 6.60, plain fannings 4.80 to 5.20, clean plain pekoe 4.80 to 5.00, and plain B.P. 4.40 to 4.80.

DULL TRADING IN SUGAR

(*From Our Own Correspondent*)

HAPUR, 19*th November*

Trading this week here in sugar continued to be dull, as demand from the consuming areas of Gujarat, Punjab and M.P. was slack. Factories were anxious to dispose of stocks, but buyers were few. The release of another monthly quota of two lakh tons, has eased the supply position further. As a result, the mill delivery prices of some factories were being quoted below the former controlled prices. New production has commenced in all the factories on this side and cane supplies to factories is reported adequate. Mill delivery prices eased during the week by 25 nP to 50 nP, per quintal.

A bearish trend continued in sugar prices in the Muzaffarnagar market this week also on selling pressure from factories and slack demand. Week-end prices were:—Spot delivery C 29 Mansurpur Rs. 106, D 29 Deoband Rs. 105.50, D 29 Sakoti Rs. 103.50 per quintal, mill delivery (per quintal) AA 29 Shamli Rs. 106.50, Mansurpur Rs. 106.85, Khatauli Rs. 105.60, B 29 Deoband Rs. 105.50, Daurala Rs. 104.50, D 29 Amroha Rs. 101.46, Meerut Rs. 103.50, Dhampur Rs. 101.46, E 29 Simbhauli Rs. 103.50 and Bijnore Rs. 101.14.

New *khandsari* prices also suffered a sharp setback of Rs. 4 to Rs. 5.50 per quintal, as arrivals were fast improving and demand was slack. Cane crushers were getting adequate supplies at rates ranging between Re. 1.19 to Re. 1.37 per maund. Although most of the crushers have begun *khandsari* manufacture, some of them still find it profitable to manufacture *gur*. Week-end prices of *khandsari* here were:—Crystal Rs. 96.45 to Rs. 100.47, crystal Boora Rs. 106.50 to Rs. 107.84 per quintal.

Gur prices registered a further setback of over Rs. 3 per quintal under pressure of arrivals which aggregated about 40,000 maunds. An equal quantity arrived in mofussil markets of Gulaothi and Siana. Demand from the South was only at lower rates, while Gujarat met its demand from Punjab. Arrivals of *gur* will now fall, as cane is being diverted to mills. Week-end prices of *gur* here were:—*Gur* pansera Rs. 46.89, average Rs. 45.55 dara Rs. 42.87, balti superior Rs. 48.23 inferior Rs. 42.87 to Rs. 45.55 and shakker Rs. 54 per quintal.

JUTE GOODS FIRM

(*From Our Own Correspondent*)

CALCUTTA, 20*th November*

Under the impetus of good demand, jute goods ruled firm during the week under review. Although there were occasional fluctuations, prices did not rise further, as there was a realisation among all concerned that, in order to maintain the tempo of foreign demand at the existing level, any upward tendency should be arrested. Fibre prices were quiet, and offers of inferior varieties at below the minimum levels were large. This tendency was all the greater in mofussil areas, where stockists and others were anxious to reduce inventories in view of transport difficulties. Reports that Dundee mills were unable to cope with the demand for yarn as well as goods continued, and these had their effect on the price trend here. These mills could accept orders for delivery only beyond March next. At the same time, there were also reports of firm conditions in the New York burlap market. Thanks to continued support of the Calcutta market by buyers on behalf of the U.S., Soviet Russia and other foreign countries and the prospect of increased internal needs as a result of the emergency.

The disclosure in the Lok Sabha by the Union Minister for International Trade, Mr. Manubhai Shah, that this year's foreign exchange earnings from jute goods and raw jute were likely to touch the record figure of Rs. 150 crores did not cause any surprise here. For, with the increased availability of raw jute, mills are working up to their maximum loom capacity, limited only by their spinning capacity. This has been possible only because sustained demand for both hessian and sacking constructions has resulted in a healthy statistical position. This is the period of peak arrivals, and any change in outlook for the worse would weigh with the farmer in deciding the size of his crop for the next season. Happily, in recent weeks, demand for sacking goods has picked up and mills have naturally decided to continue the higher rate of production for the time being.

While mills have found no difficulty in disposing of their hessian output, demand for sacking goods could be sustained only by their low prices, although by doing so, mills had incurred manufacturing losses. At present, prices of sacking goods have reached about cost of production level. Mills reporting to the I.J.M.A. produced in the last month 90,900 tonnes of goods consisting of 39,600 tonnes hessian, 42,900 tonnes of sacking, and 8,400 tonnes of miscellaneous constructions, representing a total decline of 9,600 tonnes, as compared with September 1962, but still an increase of 13,200 tonnes, as compared with October 1961. Adding stocks of 93,900 tonnes at the beginning of the month, the total goods available in October 1962 was 184,800 tonnes. Stocks at the end of October being 90,700 tonnes, demand in the month was of the order of 94,100 tonnes. Despite sustained activity in the goods market, it should be noted that there has been no tendency for fibre prices to improve. This has been due to the daily arrivals maintaining the high rate of 150,000 bales and to the anxiety of sellers to find buyers. The I.J.M.A. has now asked member-mills to report any difficulties which they may face in fulfilling the Jute Commissioner's order to purchase the quota fixed by him for this month. The I.J.M.A. would continue to press the case of mills against the Jute Commissioner's order, and although the initial attempts have failed, some relief is still anticipated.

The goods market was quiet on Tuesday last, and ready B. twills eased from Rs. 119.90 to Rs. 119.85, and hessian 40" 10 oz. from Rs. 57 to Rs. 56.80. On the following day, after a spell of dullness prices recovered following news of availability of shipping space to Black Sea ports. Hessian 40" 10 oz. gained to Rs. 57.25 and B. twills to Rs. 120.00. There was also some covering business done. At this time, a good number of inquiries was received by shippers and, consequently, B. twills improved to Rs. 120.25 and hessian 40" 10 oz. to Rs. 58.10. On Friday, prices were firm at Rs. 120.15 and Rs. 58.15, respectively. During Saturday, conditions eased, following the fixation by the East India Jute and Hessian Exchange Ltd. of differences in favour of the bears, who are being allowed to deliver C group goods and 7½ oz. hessian against 10 oz. contracts and cornsacks against B. twills. Ready B. twills eased to Rs. 119.65 and hessian 40" 10 oz. to Rs. 57.85. The futures encountered selling pressure yesterday, and as a result, prices dropped markedly. Ready B. twills declined to Rs. 116.00 and ready hessian 40" 10 oz. to Rs. 56.25.

METALS FIRM

(*From Our Own Correspondent*)

CALCUTTA, 20*th November*

Activity in the metal market here this week was modest, but the tone was firm. The import policy has been further delayed to about the middle of next month. In view of the importance of metals for defence production, it is anticipated that there would be no further restriction in the import of non-ferrous metals. Addressing a meeting of the Indian Non-ferrous Metals Association here a couple of days ago, the Union Commerce Minister, Mr. Nityanand Kanungo, said that non-priority industries, such as, copper and brass sheet-rolling mills, should not expect any increase in the import quota. Noting this, the trade thought that generally the Government proposed to increase the quota of non-ferrous metals needed for priority industries like machinery-making and semi-manufactures. The importance which Government, accords to copper and zinc can be imagined from Mr. Kanungo's emphasis on the need for replacing brass by other metals in utensils.

On the London Metal Exchange, conditions were fully firm and prices hardened. A feature in London was the rise spot tin from the opening level of £878 a ton to £884, which is the highest level since June last. The rise followed a hardening trend in Singapore, and the existence of good demand on European account. In Calcutta, tin gained from Rs. 2,630 per 100 kgs. to Rs. 2,640. Although consumers were cautious in entering into commitments, the hardening trend was the result of further tightness in the stock position. In London, spot copper was maintained at £234 a ton. Continental demand was reported fair, while there was expectation of good demand from Germany for increasing year-end inventories.

Of interest to the metals industry and trade is the imminent opening of an Indian Lead-Zinc Information Centre in Calcutta, under the auspices of the Zinc and Lead Development Association of London. The Centre will collect and disseminate technical and scientific information on zinc and lead. During the week, zinc in London opened at £68⅜ a ton and closed with a gain at £69½, while in Calcutta the price was quiet at Rs. 267.00 per 100 kgs. Lead, in London, hardened from £52⅞ a ton to £54¼ following the steadiness in zinc. Lead was unchanged at Rs. 141 per 100 kgs.

Notice

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED

AN EXTRAORDINARY GENERAL MEETING of the Members of the West Coast Electric Supply Corporation, Ltd., will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras-1, on Friday, the 7th December, 1962, at 1 p.m., to transact the business referred to in the Notice with the Explanatory Statements sent to the Members individually.

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Note: Any Member entitled to attend and vote at the Meeting may appoint a Proxy to attend and vote instead of himself and a proxy need not be a Member.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 22nd November 1962.

	Closing quotations 15-11-1962	High	Low	Closing quotations 22-11-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	116.00	117.00	116.00	116.00
Bombay Dyeing (25)	59.90	61.50	59.30	61.20
Bradbury (50)	155.00	—	—	155.00
Central India (100)	98.00	100.00	98.00	98.00
Century Mills (100)	562.50	563.50	562.50	562.50
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	140.50	141.00	139.50	139.50
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	93.00	—	—	93.00
Finlay (100)	295.00	297.00	295.00	297.00
Gokak (100)	176.00	176.50	175.50	176.50
Gold Mohur (100)	222.50	225.00	222.50	225.00
Gwalior Rayon (10)	45.75	46.00	45.00	45.75
Ind. Untd. Defd. (1)	3.22	3.20	3.12	3.12
Ind. Untd. Ord. (10)	26.25	26.25	25.60	25.60
Indian Rayon (100)	84.50	—	—	84.50
Indore Malwa (100)	198.00	198.00	195.00	195.00
Khatau (100)	376.25	375.00	373.75	373.75
Kohinoor (100)	276.00	286.00	272.50	286.00
Mafatlal (100)	717.50	—	—	717.50
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	116.25	—	—	116.25
Morarji (100)	500.00	498.00	468.00	468.00
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	422.00	423.00	422.00	423.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	204.00	205.00	203.00	205.00
Podar Mills (100)	114.00	115.00	114.00	114.00
Raymond Woollen (100)	127.50	127.50	127.00	127.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	49.00	49.00	48.75	48.75
Shrinivas (100)	240.00	240.00	236.00	236.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	785.00	820.00	782.00	820.00
Svadeshi (100)	244.00	258.00	238.00	257.00
Swan (100)	250.00	—	—	250.00
S. I. Viscose (100)	137.00	137.50	137.00	137.00
Tata Mills (25)	54.00	57.00	53.00	56.00
Lakshmi-Vishnu (100)	110.00	111.50	110.00	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	111.50	111.50	110.00	110.00
Do. (New) (50)	113.00	113.50	113.00	113.50
Bank of Baroda (50)	92.00	—	—	92.00
Central (25)	60.50	60.50	60.00	60.50
Central 'A' (25)	61.00	61.00	60.00	61.00
Dena Bank (50)	57.00	58.00	57.00	58.00
Punjab National (10)	19.52	—	—	19.52
Union Bank (5)	6.24	—	—	6.24
United Com. (50)	73.00	75.00	73.00	75.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	92.50	92.50	89.50	90.00
Amalgamated (10)	10.08	—	—	10.08
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	—	—	104.00
Surat (100)	99.00	—	—	99.00
Tata Hydro (100)	104.00	—	—	106.00
Tata Power (1,000)	1,102.50	1,102.50	1,100.00	1,100.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	62.00	—	—	62.00
New India 'A' (15)	63.00	—	—	63.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	22.96	23.44	22.96	22.96
Mukand Iron (10)	20.24	20.40	19.24	19.48
Tata Steel Ord. (75)	121.00	122.50	121.00	121.00
SUGAR COS.				
Belapur (50)	212.00	214.00	208.00	214.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	149.00	151.00	145.00	151.00
Phaltan (50)	85.00	86.50	83.50	85.00
Walchand Ind. (100)	144.00	147.00	142.00	147.00
CEMENT COS.				
Associated Cts (100)	148.00	151.50	146.50	149.50
Digvijay (100)	158.50	159.00	158.00	158.00
Orissa (10)	15.72	15.84	15.24	15.40
MISCELLANEOUS				
Alcock Ashdown (100)	294.00	298.00	288.00	298.00
Amar Dye-Chem (100)	198.75	198.75	196.25	198.75
Bom. Burmah (125)	623.00	641.00	600.00	640.00
Do. (New) (50)	248.75xd	245.00	240.00	240.00
Br. B. Petrol (1½ sh.)	3.38	3.38	3.02	3.12
Br. I. Corpo. (5)	9.12	9.12	9.00	9.00
Cooper Eng. (100)	126.00	126.00	124.00	124.00
Colour Chem. (100)	340.00	340.00	316.25	333.75
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	41.50xd	42.50	41.75	42.00
Hindustan Motors (10)	16.12	16.52	16.04	16.28
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	367.50	—	—	367.50
Indian Copper (2 sh.)	4.20	4.24	4.04	4.24
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	84.50	—	—	84.50
Larsen & Toubro (10)	23.36	23.52	21.96	23.52
Mahindra & Mahindra (10)	17.48	17.60	17.00	17.36
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	142.50	140.00	135.00	136.25
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	100.00	103.00	96.50	102.00
Premier Con. (80)	122.00	126.00	118.00	126.00
Scindia (20)	11.04	11.08	11.04	11.04
G. E. Shipping (10)	12.12	—	—	12.12
Shivrajpur (10)	24.52	25.00	24.00	24.00
Sirpur Paper (10)	10.96	11.00	10.80	11.00
Synthetics and Chem. (100)	156.00	156.00	146.00	147.00
Tata Chemicals (10)	13.00	13.28	12.24	13.20
Tata Locomotive (100)	267.00	280.00	262.00	279.00
Tata Oil (25)	53.20	58.00	51.00	58.00
Texmaco (10)	20.08	20.08	19.76	19.76
Voltas (100)	236.50	251.00	233.50	251.00
W. I. Match (100)	256.00	—	—	256.00
W. Coast Paper (100)	139.00	138.00	137.00	137.00

GOVERNMENT SECURITIES	15-11-1962	Gross Yield		22-11-1962
	Rs.	Earlier Redemption	Later Redemption	Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.58	98.90
3% 1963-65	99.05	3.84	3.35	99.00
3% 1966-68	96.85	3.86	3.65	96.80
3% 1970-75 1st Dev.	88.35	4.81	4.18	88.25
3% 1986 Con. Loan	63.00	—	4.76*	63.00
3½% 1964 N. P. Loan	99.85	—	3.55	99.90
3½% 1965 N. P. Bonds	99.75	—	3.60	99.75
3½% 1967 N. P. Bonds	98.55	—	3.82	98.55
3½% 1974	98.50	—	3.93	98.30
3½% 1967 N.P. Bonds	99.60	—	3.84	99.60
3½% 1969 Loan	97.50	—	3.93	97.40
3½% 1968	98.25	—	3.83	98.25
3½% 1963 N.P. Bonds	99.95	—	3.54	99.95
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4% 1972 Loan	99.30	—	4.09	99.30
4% 1973 Loan	99.30	—	4.08	99.25
4% 1979 Loan	98.55	—	4.12	98.55
3½% 1966 Bonds	99.70	—	3.59	99.70
4% 1980 Loan	98.55	—	4.12	98.55
4% 1981 Loan	98.65	—	4.11	98.55
4¼% 1985 Loan	100.20	—	4.49	100.20

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 16th Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	60,76,84,000
(ii) State Governments	7,05,87,000
(b) Banks—	
(i) Scheduled Banks	91,05,18,000
(ii) State Co-operative Banks	1,80,52,000
(iii) Other Banks	3,19,000
(c) Others	162,35,72,000
Bills Payable	31,84,39,000
Other Liabilities	39,33,34,000
Rupees	547,25,05,000
ASSETS	Rs.
Notes	13,85,23,000
Rupee Coin	1,82,000
Small Coin	3,02,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,98,79,000
(ii) State Co-operative Banks	11,60,52,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	106,05,59,000
Balances Held Abroad*	5,13,83,000
Loans and Advances to Governments**	19,79,50,000
Loans and Advances to—	
(i) Scheduled Banks†	2,48,00,000
(ii) State Co-operative Banks‡	133,11,25,000
(iii) Others	1,77,32,000
Investments	194,12,15,000
Other Assets	32,43,15,000
Rupees	547,25,05,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.
† Includes Rs. 41,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,85,23,000	
Notes in circulation	2077,25,56,000	
Total Notes issued		2091,10,79,000
Total Liabilities		2091,10,79,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		121,97,16,000
Government of India Rupee Securities		1763,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2091,10,79,000

State Bank of Pakistan

Statement of Affairs for the week ended 9th Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	5,42,16,000
(b) Provincial Governments	23,67,39,000
(c) Banks	22,67,23,000
(d) Others	103,88,67,000
Bills Payable	12,38,000
Other Liabilities	12,19,22,000
Rupees	179,07,05,000
ASSETS	Rs.
Notes	8,03,37,000
Rupee Coin	15,000
Subsidiary Coin	20,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	24,47,75,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	45,53,69,000
Investments	90,20,04,000
Other Assets	10,81,85,000
Rupees	179,07,05,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,03,37,000	
Notes in circulation	870,36,59,000	
Total Notes issued		378,39,96,000
Total Liabilities	....	378,39,96,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	59,74,63,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		127,76,71,000
B. Rupee Coin	3,13,08,000	
Government of Pakistan Securities	241,60,11,000	
Internal bills of exchange and other commercial paper	....	
		244,73,19,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	378,39,96,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 35.25 per cent.

State Bank of India

Statement of Affairs for the week ended 2nd Nov., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		580,48,59,000
Borrowings from Other Banking Companies, Agents, etc.		55,00,000
Bills Payable		12,04,63,000
Bills for Collection being Bills receivable as per contra		2,76,58,000
Acceptances, Endorsements and Other Obligations per contra		8,59,15,000
Other Liabilities (including Inter-Office Adjustments)		18,79,60,000
Total Rs.		637,06,05,000
PROPERTY AND ASSETS		Rs.
Cash in hand and with Reserve Bank		22,89,41,000
Balances with other Banks		2,53,16,000
Money at Call and Short Notice		2,60,00,000
INVESTMENTS—	Rs.	
Government and other Trustee Securities	276,94,81,000	
Other Authorised Investments	10,41,30,000	
		287,36,11,000
ADVANCES—	Rs.	
Loans, Cash Credits, Overdrafts etc.	252,86,50,000	
Bills Discounted and Purchased	16,68,63,000	
		269,55,13,000
Bills Receivable being Bills for Collection as per contra		2,76,58,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,59,15,000
Premises less Depreciation		2,00,54,000
Furniture and Fixtures less Depreciation		1,66,29,000
Other Assets (including Inter-Office Adjustments)		37,09,68,000
Total Rs.		637,06,05,000

EXCHANGE RATES

	21st November 1962	14th November 1962
London on New York $ per Dollar	2.8020-2.8023	2.8011-2.8014
New York on London Cents per £	280.220-280.240	280.100-280.140
London on Paris .. Fcs.	13.7300-13.7320	13.7240-13.7260
London on Berne .. Sw. Fcs.	12.0915-12.0935	12.0865-12.0885
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.75
Buyers T.T. Rs. to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D. .. Rs. to $100	445.50	446.25
Buyers T.T. "	437.50	438.50
French Francs—		
Sellers T.T. D.D. .. per Rs. 100	102.50	102.40
Buyers T.T. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D. .. "	90.20	90.20
Buyers T.T. "	91.20	91.10
Deutsche Marks—		
Sellers T.T. D.D. .. "	83.80	83.70
Buyers T.T. "	84.70	84.70
Italian Lire—		
Sellers T.T. D.D. .. "	12,960	12,955
Buyers T.T. "	13,135	13,130
Swedish Kroner—		
Sellers T.T. D.D. .. "	107.90	107.90
Buyers T.T. "	109.00	109.00
Belgian Francs—		
Sellers T.T. D.D. .. "	1,037	1,037
Buyers T.T. "	1,053	1,053
Dutch Guilders—		
Sellers T.T. D.D. .. "	75.30	75.30
Buyers T.T. "	76.10	76.20
Hongkong Dollars—		
Sellers T.T. D.D. .. "	119.60	119.60
Buyers T.T. "	120.60	120.60
Norwegian Kroner—		
Sellers T.T. D.D. .. "	149.50	149.60
Buyers T.T. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D. .. "	144.70	144.70
Buyers T.T. "	146.10	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 9-11-62	2-11-62	10-11-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	45,66	44,20	46,15
(ii) From others	810,19	814,63	720,99
(b) Borrowings from banks	20,39	19,65	17,63
(c) Others	56,13	55,78	52,99
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	27,31	25,73	16,78
(ii) From others	1,233,88	1,228,94	1,076,38
(b) Borrowings from banks	17,05	15,05	18,64
(c) Others	10,93	10,91	23,95
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,044,08	2,043,57	1,797,37
4. Borrowings from Reserve Bank	3,96	6,02	26,14
(a) Against usance bills and/or promissory notes	2,32	4,19	12,69
(b) Others	1,64	1,83	13,46
5. Borrowings from State Bank and/or a notified Bank	20,56	20,70	19,64
6. Cash	50,61	53,31	56,16
7. Balances with Reserve Bank	76,84	72,73	72,32
8. Cash and balances with Reserve Bank	127,46	126,05	128,48
9. 8 as per cent of 3	6.24	6.17	7.15
10. Balance with other banks in current account	17,24	18,60	15,41
11. Money at call and short notice	54,33	51,74	41,65
12. Investments in Government securities	683,61	693,65	611,34
13. 12 as per cent of 3	33.44	33.94	34,01
14. Advances—			
(a) Loans, cash credits and overdrafts	1,172,63	1,174,02	1,045,30
(b) Due from banks	8,20	6,39	10,86
15. Inland bills purchased and discounted	163,86	165,09	142,27
16. Foreign bills purchased and discounted	53,51	51,13	47.18
17. Total Bank Credit [14 (a)+15+16]	1,389,99	1,390,24	1,234,75
18. 17 as per cent of 3	68.00	68.03	68.70

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 10th Nov., 1962P	3rd Nov., 1962	13th Oct., 1962§	11th Nov., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.9	100.1	100.4	101.0
2. Government of India	99.7	99.8	100.2	100.9
3. State Government	102.0	102.0	102.0	102.0
4. Municipal, Port Trust, etc.	98.8	98.8	99.0	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.1	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.9	80.9	81.5	82.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	168.8	171.8	180.3	185.8
8. *Agriculture and Allied Activities: Total**	148.5	149.1	151.8	165.0
9. Tea Plantations	141.5	141.4	143.2	156.7
10. Coffee Plantations	144.0	144.1	146.4	169.7
11. Rubber Plantations	161.4	161.8	164.8	173.9
12. *Mining and Quarrying: Total*	142.8	149.0	163.1	161.1
13. Coal	115.6	115.6	121.3	118.4
14. Other Mining	161.5	172.0	191.8	190.3
15. *Processing and Manufacturing: Total*	181.0	184.7	195.6	201.7
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	187.2	192.1	202.5	213.6
17. Sugar	130.9	131.7	136.6	156.8
18. Cotton Textiles	169.5	172.0	180.3	187.7
19. Jute Textiles	96.5	96.4	102.0	95.0
20. Silk and Woollen	913.8	983.1	1,086.9	1215.0
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	183.1	186.2	199.6	201.5
22. Iron and Steel	140.8	143.2	156.7	160.0
23. Transport Equipment	324.6	338.6	365.9	402.7
24. Electrical Machinery	160.5	161.0	178.3	165.7
25. Machinery other than Transport and Electrical	217.3	220.0	238.0	214.7
26. Basic Industrial Chemicals	174.8	177.3	182.7	214.0
27. *Processing and Mfg. (Others): Total**	158.5	159.7	167.2	165.7
28. Cement	145.7	147.1	155.3	153.8
29. Paper	206.4	206.9	214.3	208.4
30. *Other Industries: Total**	107.2	108.2	110.2	112.2
31. Electricity Generation and Supply	85.0	85.8	86.9	85.6
32. Trading	109.4	111.5	115.9	121.5
33. Shipping and Other Transport	88.7	89.6	91.3	93.5
34. Construction	249.3	254.3	262.9	297.9
35. *Financial: Total*	203.6	204.9	205.7	208.7
36. Banks	227.4	229.0	229.8	236.8
37. Insurance	163.7	164.2	165.4	154.1
38. Investment Trusts	89.4	89.4	89.7	89.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	167.7	174.2	186.7	193.0
40. Calcutta	163.8	163.9	—	170.1
41. Madras	185.2	185.7	189.9	204.0
42. Delhi	215.3	220.7	235.3	250.7

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
§ Calcutta Market remained closed during the week P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	27th Oct., 1962	20th Oct., 1962	28th Oct., 1961	September 1962	September 1961	Percentage of Increase (+) or Decrease (—) in Sept., 1962 as compared with Sept., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	129.6	129.0 R	121.3	130 0R	121.1	+ 0.7	120.1	120.0
Cereals	192	108.7	108.2 R	103.1	109.4	103.4	+ 5.8	102.3	104.4
Pulses	43	116.5	116.4	91.6	111.3	89.2	+24.8	91.9	92.9
Fruits and Vegetables	23	125.8	124.3	144.4	129.2	148.3	—12.8	137.6	118.5
Milk and Ghee	84	125.0	123.6 R	113.8	126.5	116.9	+ 8.2	116.4	116.0
Edible Oils	47	156.8	156.5	148.2	158.6	153.3	+ 3.4	156.5	150.3R
Fish, Eggs and Meat	17	145.7	148.2 R	133.4	155.3	136.6	+13.6	135.4	123.5
Sugar and *Gur*	48	157.8	159.4	124.9	154.6	123.9	+24.3	119.6	132.8
Others	50	172.7	169.6	185.5	172.5R	173.1	— 0.3	171.6	167.8
Liquor and Tobacco	21	100.5	100.5	99.5	99.8	99.7	+ 0.1	100.3	109.9R
Tobacco	..	97.0	97.0	96.0	96.3	96.2	+ 0.1	96.8	108.3R
Fuel, Power, Light and Lubricants	30	125.0	124.8	121.8	124.9R	121.4	+ 2.8	122.1	120.0R
Industrial Raw Materials	155	139.1	139.0	136.5	139.8	138.3	+ 1.1	142.6	145.4
Fibres	61	129.3	129.1	127.1	130.0	127.7	+ 1.8	138.3	151.6
Oilseeds	60	157.8	158.2	151.8	159.5	156.3	+ 2.0	156.4	149.9
Minerals	2	93.4	93.4	94.9	93.4	94.8	— 1.5	94.9	97.4
Others	32	125.8*	124.9*	128.7*	124.7R	127.0	— 1.8	128.1	128.0
Manufacture	290	129.7	129.0	126.8	129.4	125.5	+ 3.1	126.6	123.9
Intermediate Products	41	145.5	144.9	139.5	142.9	140.6	+ 1.6	138.8	130.6R
Finished Products	249	127.1	126.4	124.7	127.2	123.1	+11.5	124.6	122.8
Textiles	147	125.3	124.1	125.3	125.9	123.4	+ 2.0	125.5	125.8
Cotton	..	129.3*	129.3*	128.2*	129.2	127.9	+ 1.0	127.9	128.1
Jute	..	109.3	104.7	120.8*	113.3	114.2	— 0.8	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	135.3*	135.3*	120.0	132.9	118.9	+11.8	119.9	104.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 6.2	151.6	147.9R
Chemicals	20	117.2*	117.6*	111.5	116.2	111.6	+ 4.1	110.7	104.4
Oil Cakes	9	171.2	168.9	145.7	163.6R	143.5	+14.0	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7 R	116.2	117.8	113.5	+ 3.8	114.5	111.9
Others	30	125.1	125.1	121.6	125.3	121.2	+ 3.4	121.3	116.1R
All Commodities	1,000	130.4	129.8 R	124.8	130.6R	124.6	+ 4.8	125.1	124.9R

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

MARKET GOSSIP

(*Concluded from page 889*)

present. Even so, it may not be correct to say that the pool will soon get exhausted, in view of the periodic replenishment from the U.S., in addition to occasional sales by Russia and ordinary market sources. Indeed, the $170 million worth of gold still lying in the pool is not insignificant and the pool is unlikely to be subjected to undue pressure resulting from any possible distress buying of gold in exchange for the dollar.

Engineering Association on Bonus

The need for replacing, wherever possible, profit-bonus by a system of bonus related to productivity or efficiency is emphasised by the Engineering Association of India, in its memorandum to the Bonus Commission. Bonus related to profits, the Association submits, does not in any way improve industrial relations or act as an incentive to efficiency and higher production. On the other hand, it has been the general experience, says the Association, that payment of profit-sharing bonus, that is, bonus based on trading profits, has been a constant source of industrial disputes. In fact, it is the most important single cause of strikes and work stoppages which continue long after the profits have been earned and accounts closed. The Association, therefore, contends that, in the interests of industrial peace and economic progress, the practice of annual payment of bonus based on profits should be dispensed with and an incentive bonus based on productivity should be introduced. It is suggested that, since such bonus is designed to achieve maximum incentive effect, it should be paid immediately after the effort, which is being rewarded, has been made. The exact manner in which bonus is to be linked to production or productivity should be worked out on the basis of the facts and circumstances of each industrial unit.

It is stressed by the Association that the country's greatest need at present is to boost exports for which a rational and competitive cost structure for the export industries is imperative. Unfortunately, the cost structure has been rendered rigid by the awards of wage boards and tribunals. Higher production and productivity and lower costs can result only from a suitable system of payment by results and a vigorous productivity drive.

Stressing the special features of the engineering industry, the Association points out that the industry is capital-intensive, heterogeneous in nature and a major foreign exchange earner. It has to compete in world markets. Any scheme which may be introduced for payment of bonus should, therefore, aim at improving efficiency and lowering costs.

As it might not be possible to effect a change in the existing system of bonus payment forthwith, the Association suggests in its memorandum that, for the interim period, the Full Bench Formula of the Labour Appellate Tribunal, as modified by the Supreme Court, should generally hold good. Only it should be improved and simplified. The Association categorically declares that there can be no question of a bonus irrespective of profits. Even where there are adequate profits, it is suggested that a ceiling should be put on bonus at 25 per cent of the basic wages. The Association is also of the opinion that whatever bonus formula or arrangements are ultimately decided upon in respect of the private sector undertakings should be made applicable to the public sector.

It is evident from the foregoing account that, on the general principles of bonus payment, the Association is in agreement with the views expressed by the Council of Indian Employers in its memorandum to the Bonus Commission. A common thread of argument that runs through the different memoranda submitted by the various employers' associations so far is that the present bonus system, far from helping better industrial relations, has been a source of recurring strife, that it does not encourage higher production and productivity, and that it should be replaced by a system of incentive payment which relates rewards more directly to effort. Employers are also agreed that the interests of the community in general and the need for increasing exports are paramount considerations which should be borne in mind when evolving the system of wage payment. It is to be hoped that these sound principles would not be ignored or their importance belittled by the Bonus Commission.

Tariff Curbs Under Fire

The three-week session of the G.A.T.T., which came to an end on the 16th inst. at Geneva, was notable for the impatience with which the representatives of developing countries viewed the problem of continuing import curbs in developed countries. Their chagrin was all the more acute, because of the fact that none of the industrialised countries had made any worthwhile progress towards implementing the G.A.T.T. Ministerial declaration of November 1961. It may be recalled that the declaration, which was unanimously adopted by the Contracting Parties, sought to ensure that industrialised countries offered better opportunities for products of developing countries by reducing tariffs and liberalising other restrictions like quotas and internal levies. The declaration, it would appear, has remained a virtual dead letter. Meanwhile, terms of trade in world trade have continued to move adversely against the developing countries, which are predominantly exporters of primary commodities. It is only natural then that, at the G.A.T.T. session, these countries should have urged the industrialised nations to take concrete action to give effect to their assurances for trade liberalisation "within a definite period of time." With this object in mind, 21 G.A.T.T. members, representing the less-developed countries, including India, submitted to the G.A.T.T. a seven-point programme of action seeking to specify the possible lines of help expected from the developed countries.

The programme seeks to ensure, *inter alia*, that developed countries will not raise discriminatory tariff and other barriers to trade, remove quantitative restrictions within the next one year and provide duty-free entry for tropical products by the end of 1963. It also urges removal of customs tariffs on primary products and phased elimination of tariffs on processed and semi-processed products over the next three years and of internal charges and revenue duties on primary products by the end of 1965. The actual text of the programme is as follows: 1. No new tariff or non-tariff barriers, particularly of a discriminating nature, should be erected by industrialised countries against the export trade of any less-developed country in the products identified as of particular interest to the less-developed countries. 2. Quantitative restrictions on imports from less-developed countries, which are inconsistent with the provisions of the G.A.T.T., should be eliminated within a period of one year. 3. Duty-free entry into the industrialised countries should be granted to tropical products by 31st December 1963. 4. Industrialised countries should agree to the elimination of customs tariffs on the primary products important in the trade of less-developed countries. 5. Industrialised countries should also prepare urgently a schedule for the reduction and elimination of tariff barriers to exports of semi-processed and processed products from less-developed countries, providing for a reduction of at least 50 per cent of the present duties over the next three years. 6. Industrialised countries should progressively reduce internal charges and revenue duties on products wholly or mainly produced in less-developed countries with a view to their elimination by 31st December 1965. 7. Industrialised countries maintaining the above-mentioned barriers should report to the G.A.T.T. Secretariat in July of each year on the steps taken by them during the preceding year to implement these decisions and on the measures which they propose to take next year.

There is nothing new in the provisions of the programme as such, except the deadline set for some of the measures. Thus, they are only a natural corollary of the 1961 declaration. One does not, however, understand why no specific mention has been made in the programme about the trade relations of less-developed countries with the regional trading blocs, such as the Common Market. Further, the unilateral fixation of deadlines may not help much. It would be meaningful only if both developed and underdeveloped countries come to some agreed dates for measures for trade liberalisation. The futility of fixing deadlines has been illustrated by the fate of a resolution for holding a world trade conference in September 1963, adopted by the majority in the Economic Committee of the General Assembly last week. The U.S., the U.K., France and some other leading industrialised countries have not favoured this resolution, so that it is not going to be of much practical use. On the contrary, it will be used by Soviet Russia and other communist countries as a propaganda weapon against the Western countries. If agreed deadlines are worked out before their public announcements, there may be a better response from developed countries. It is needless to add that, without their co-operation, mere resolutions will not make any material difference.

The precise reaction of the developed countries to the seven-point programme of action is not known. But a G.A.T.T. Committee, consisting of representatives of both developed and underdeveloped countries, seem to have expressed considerable sympathy for the motives which had led to the submission of the programme. Much more will be heard about the programme when it comes up for detailed consideration at the next G.A.T.T. Ministerial meeting due to take place in the first half of next year.

Reflections of A Central Banker

The relationship between central banks and Governments is not only a subject of perennial interest to students of banking but also one which has a direct bearing on economic policies, in general, and monetary policy, in particular. But it is rarely, if ever, that a central bank Governor frankly speaks out his thoughts in public on this delicate subject. It is customary for central bank Governors to wait discreetly to air their views till they have laid down the reins of monetary management. And when an ex-Governor of the Bank of England like Lord Cobbold, who had worked with seven Chancellors of the Exchequer and with Governments of both the Labour and Conservative parties, looks back and makes pronouncements on operational and policy matters pertaining to central banking, they are worth listening to. Lord Cobbold, no longer bound by the code of secrecy of the high office he held, boldly expressed himself on the place and task of a central bank in his Stamp Memorial Lecture delivered recently at the University of London. He maintained that, in a "free democracy," where Government control and influence are combined with private enterprise and capitalism, the division of responsibility between the Treasury and the central bank was justified. Elucidating this point, he observed:

"Treasury and central bank are not and should not be the same sort of animal. Treasury Ministers must always have their ears to the political ground. ... The central bank, though it must be aware and conscious of developments in the political field, should not concern itself with them over much; it should concern itself with the general economic facts of life and, above all, it should be in and out of the market, able to approach its problems in full knowledge and understanding of market actions and market thinking.

"I believe that this rather curious position of the central bank, outside politics, half in and half out of Government, inside markets both as operator and as watch-dog can be made to work to the great advantage of the public, both nationally and internationally."

Such an approach on the part of a central bank, Lord Cobbold emphasised, would enable the central bank to form its judgment from a market and economic point of view, independently of politics, judgment which would often have a slant different from those formed by the Government and the two could be argued out at the top as a useful and rewarding double check on policy.

Lord Cobbold, far from being a stickler for secrecy in high finance, regarded the "traditional secrecy which used to bind some of the older central banks" and even more "the atmosphere of mystery and mumbo-jumbo which used to surround the so-called high finance" as clearly out of date. He noted that, especially in the past twenty-five years, attempts have been made everywhere to make central banking better understood and to dispel "the very silly air of mystery" surrounding it. More recently, central banks had, rightly in his view, adopted a generally more forthcoming approach. Lord Cobbold conceded that there would naturally and properly be variations in different countries, reflecting the different formal responsibilities imposed on Government and central banks, respectively, by statutes or by usage. More often than not, decisions about when to speak out and when to keep silent will involve a judgment between desirable objectives that conflict with one another. Policy in this field, according to him, should not be static; it must evolve often by trial and error.

Another important point emphasised by Lord Cobbold was the need for closer contacts between central bankers and leaders of business. It was important, he averred, that leaders of business opinion in main provincial centres should have frequent opportunities of seeing, hearing and talking to top people in the central bank. This might be a complicated task in countries where traditions were less firmly rooted, but everywhere conscious and continuous effort was needed. On his list of hints to budding central bank Governors he would put very high the following: "Get to know your bankers and financial leaders and do not just sit in your office and expect them to come to you."

COMMERCE AND INDUSTRY

(*Concluded from page 919*)

output is at a very low level, being only 197 tonnes in 1961, as compared with 133 tonnes in 1959.

The reason for the underutilisation of capacity in the industry is shortage of raw materials. Tallow, palm oil and groundnut oil are the important raw materials for the manufacture of stearic and oleic acids. Tallow and palm oil continue to be imported. In this context, we are told that an experimental scheme for the cultivation of oil-bearing red palms has been undertaken in Kerala. It is to be hoped that this scheme will be expanded and the cultivation of palms encouraged in Kerala and other suitable areas. Some tallow also is indigenously available, but its price is exorbitant. In view of this, the Commission has suggested that the existing facilities for the import of palm oil and tallow should be continued. The price of indigenously available groundnut oil is also high.

Despite these difficulties, the industry has been able to improve the quality of its products. The cost of production has also been brought more in line with that of foreign products. The average fair ex-works price of domestic stearic acid is placed at Rs. 2.35 per kg. and that of oleic acid Rs. 2.11. These are higher by about 25-27 per cent, as compared with the landed cost (without duty) of imported product. According to the Commission, the industry has now reached a stage when it can stand competition and maintain its production without specific tariff protection, provided adequate imports of raw materials are allowed to enable it to use its capacity to the maximum extent possible.

MANCHESTER LETTER

(*Concluded from page 899*)

themselves to the structural changes necessitated by the evolution of modern history since the last war.

Such statements, completely founded on fact, need to be given wide publicity if only to stimulate the recognition at home and abroad that, for all the talk of "dark satanic mills," the basic policies being pursued by the international leaders of the trade are sound. Unfortunately, within the local sphere, there are sometimes signs that individuals and sections may have a tendency towards "rocking the boat." This applies particularly to the tentative steps now being taken to change the structure of the Cotton Board. Lord Rochdale has already expressed his personal views on the direction in which this revision should be moving, opinions reflected by a substantial majority of the trade. Sir William Palmer, Chairman of the British Man-made Fibres Federation, however, has objected to some aspects of this project. At the annual meeting of the Federation, he said that a claim by the Board to speak on behalf of users of man-made fibres was likely to create confusion and might impede the progress being made to secure closer collaboration between all sections of the textile industry. To substantiate his case, he took up arms on behalf of worsted weavers and the hosiery, jersey and carpet manufacturers, who, he declared, would not wish to be administered by the Cotton Board.

COMMERCE

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

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HEARTENING RESPONSE FROM U.S. AND U.K. TO INDIA'S CALL

THE people and the Governments of the U.S. and the U.K. deserve the grateful thanks of the people and the Government of India for their generous and tangible help for the purpose of defending India against Chinese aggression. But for their prompt and timely offer of help, backed by airlifting initial supplies of badly needed small arms and the quick despatch of high-powered political-cum-military missions to talk things over with the Government of India, it is a moot question whether the Chinese army would have halted its successful and swift advance in N.E.F.A. and Ladakh and decided to pull back to positions close to the border. Both the Governments have agreed to provide arms and equipment necessary for strengthening India's defence forces on terms that will not strain the economy of the country, the resources of which are already fully stretched on account of its plans for economic development. Western statesmen are agreed that India must be enabled to defend itself against aggression without jeopardising its efforts to raise the living standards of its people. They realise that no country of India's continental size and massive population can be militarily strong, unless its economy is sound and the masses get two square meals a day. They further realise that one of the objectives of China is to disrupt India's economic progress, create discontentment among the people and to show to the rest of Asia, as well as Africa, that India's plans and democratic way of life have failed. The willingness of the U.K. and the U.S. Governments not to insist on cash payment for supplying defence wares fully reflects this realisation. While the U.K. Government has agreed to assist this country on lend-lease basis, the U.S. Government has decided to accept payment in rupees; the details of settling the account will be decided later. In either case no pressure is involved on the meagre external resources of this country.

The scale of military aid which the two countries have agreed to render is not known. There is said to be a specified limit for Britain's aid under lend-lease, but the limit has not been disclosed, wisely of course. The U.S. delegation is still examining the short-term needs; a discussion on long-range requirements has taken place, but from what Mr. Averell Harriman, U.S. Under-Secretary of State for Far Eastern Affairs, said at New Delhi on Wednesday this week, it looks as though the Government of India itself is not yet in a position to present any firm estimates. Public curiosity to know more on all these matters is understandable, because of the anxiety caused by the humiliating reverses suffered by the Indian army at the hands of China, thanks to the deplorable neglect and unpreparedness on the part of the Government all these years. But the public will have to restrain its desire for reasons of security. It will readily do so, if it is reassured by Prime Minister Nehru that the help of the U.S., the U.K., Canada and the like-minded democratic countries will be fully availed of to assemble, train and equip, as well as sustain, an army, navy and air force of a size large enough to deter any communist aggressor. It will also be necessary for him to allay the misgivings of the people stemming from his dependence on Russia, whose way of life is different from ours, for strengthening India's armed forces and for producing goods of strategic importance. It is commonsense that building up a modern army is not like putting up steel plants, one from Russia, another from Britain, a third from W. Germany and a fourth from the U.S. There has to be uniformity in regard to defence equipment and stores and this cannot be ensured if they are obtained from diverse sources, especially when such sources are opposed to one another in the international sphere.

Fortunately, the economic situation in the Western world is favourable for giving sizable arms assistance to India. There is surplus industrial capacity; man-power supply has increased (unemployment in the U.K. at 545,000 persons now is the highest for the past 22 years and, in the U.S., too, it is high at 3.3 million workers or about 6 per cent of the labour force); the supply position of raw materials is easy; inflation has yielded place to signs of a slight recession; and there is closer understanding, as well as active co-operation, among the Western powers in solving their balance of payments problem. Even politically, too, the climate is advantageous to India. Cold war tension has eased, following the firm stand taken by President Kennedy and the dawn of good sense on Premier Khrushchev on Cuba. The settlement over Algeria and President de Gaulle's overwhelming success in both the referendum and the general election have imparted a large measure of stability to France. If only the Government of this country makes up its mind firmly to give military backing to its democratic way of life, so that it can be the bastion of democracy in Asia, it will not find it difficult to get all the help it needs for reaching this worthy goal.

As Mr. Nehru has rightly said, ours will be a worthless country, if it relies on its friends abroad for everything it requires for defence. A large portion of arms and equipment will, therefore, have to be manufactured domestically. This will mean establishing a number of new industries, especially in the field of electronics, engineering and chemicals, expanding the existing ones and introducing new lines of manufacture in them. Everything cannot be done by the public sector. The private sector will, therefore, have to be given more scope and encouragement. It may even be necessary to allow foreign private capital and entrepreneurs to make the goods which the domestic private sector is unable to take up either alone or in partnership with foreign firms. This approach is important from the point of view of both short-term and long-term defence needs. There are lots of manufactures that are required for both civilian and defence purposes. Their production is being held up or curtailed for want of foreign exchange. Road vehicles, for instance, are a typical example. Special and alloy steels constitute another. Aluminium and synthetic chemicals are a third. The programmes for manufacturing these and similar items must be expedited and the bottlenecks that stand in their way should be eliminated with the help of the U.S., the U.K., and other Western powers. These countries should treat such assistance as part of their effort for strengthening the defence of India. It is not known whether this aspect was discussed with the British and American missions and, if so, with what results. If it was not discussed, it must be done expeditiously. Meanwhile, policy decisions that are obstructing the progress of industrial schemes already submitted to the Government for approval, as, for instance, the petro-chemical plans of Mafatlals, Wadias and Esso, must be promptly set aside and the entrepreneurs concerned asked to go ahead at full speed.

KOLAR GOLD MINES

THE Government of India has come to be the sole owner of the Kolar gold mines in Mysore with effect from today, after full six years of continued ownership by the State Government. It was on 30th November 1956, it will be recalled, that the Government of Mysore took over the Kolar Gold Mining Undertakings from Messrs. John Taylor and Co., Ltd., by paying a compensation of Rs. 164 lakhs, excluding sterling assets held by the Companies amounting to some Rs. 50 lakhs. As against this amount of Rs. 164 lakhs, the State Government is now getting from the Centre a compensation of Rs. 3.5 crores. Besides, it will receive annually a royalty on the ore mined and tax on electricity supplied to the mines. The Mysore Government has thus made a handsome profit on its investment. It is true that the quantum of compensation which the Centre has agreed to pay falls considerably short of its inflated demand for Rs. 6 crores. But the State Government has received a more generous treatment in this respect than it gave to the previous owners of the mining rights. It can also be contended that, from the long-term point of view, the State Government is a great loser, because the transfer of mining rights from its hands has dried up one source of continuous revenue to the exchequer. Incidentally, an official survey recently conducted in the mines revealed the occurrence of sizable gold reserves in one of them. But there is another side to this picture, in that the State Government will have to invest large sums of money on exploitation and development of the mines, and on refining the ore. Since it has no resources of its own, it will have to borrow from the Centre and pay interest at the rate of at least 4½ per cent per annum.

Left to itself, the Government of Mysore might not have willingly surrendered the ownership of mines to the Centre, as it carries a lot of prestige and parochial pride. The Centre is, however, said to have persuaded the State Government to part with the mines, on the ground that it was unable to pay the price Mysore wanted for its gold because of I.M.F. regulations. These regulations, as readers are aware, preclude member-countries from buying gold at a price higher than the parity price of Rs. 62.50 per tola, or $35 per fine ounce. As the State Government was naturally not prepared to sell gold at such a price which was much lower than the internal market price, as well as cost of production, the Centre was paying a high subsidy to make up the difference. But

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it is said that the I.M.F. objected to the continued payment of this subsidy and that the Government of India had, therefore, no option but to take over the mines from the State Government. This explanation, however, does not sound very convincing. Did the I.M.F. really object to the payment of subsidy to the Mysore Government? So far there is no official statement on this subject; it is only the version given in the daily newspapers that says so. The I.M.F., of course, can object to payment of gold subsidy by the Centre to the Government of Mysore in accordance with the statement of principles laid down as far back as December 1947, but this statement of principles is not inflexible and there is no reason why the Fund could not have given exemption to India as it has done to a number of other countries.

The Governments of some countries such as Australia, Canada and Colombia, it may be noted, have all along been rendering financial assistance to domestic gold producers by means of tax reductions or direct subsidy schemes to make up for the loss arising from high cost of production, especially in the older marginal mines. In October 1961, Australia consulted the Fund with regard to a modification of its system of gold subsidies, designed to remove inequities which had arisen because of the previous sharp distinction between "small" and "large" producers. The modification makes it possible for those "large producers" whose annual output is more than 500 ounces but not more than 1,075 ounces to become eligible, if they so elect, for payment of a flat-rate subsidy irrespective of costs and profits. The rate of subsidy that is payable to such producers diminishes from £A2 8s. 0d. an ounce at an annual output of 500 ounces to *nil* at an annual output of 1,076 ounces. The amendment involves no change in the basic structure of the subsidy scheme which has been extended upto 30th June 1965. Even more interesting is the fact that the Philippines Republic has reintroduced, with the permission of the Fund, direct subsidies to gold producers with effect from June 1961. All producers in that country have been classified into two categories—marginal and overmarginal—depending on whether or not their net profits fall short of "base profits," which are calculated separately for each mine. In order to be eligible for the subsidy, gold producers are required to sell their entire output to the Central Bank at the official price, which is defined as the peso equivalent of U.S. $35 an ounce or other price set by the Government. The maximum subsidy, in addition to the official price, is P 65 an ounce for marginal producers and P 50 an ounce for overmarginal producers. However, the total amount received is not to exceed P 170 an ounce for marginal producers and P 155 an ounce for overmarginal producers. These arrangements have replaced others by which subsidies were given to gold producers through the exchange system. The Fund has deemed the modified system of Australia and the new arrangements adopted by the Philippines to be consistent with the objectives of its statement of 11th December 1947 on gold subsidies.

When the I.M.F. has thus permitted a number of Governments to pay subsidies to their domestic gold producers, it is hard to understand why the Government of India alone was denied this privilege. Indeed, the latter's case for subsidy is pretty strong. As in the case of some marginal mines in Australia, Canada, Colombia and the Philippines so also in respect of the Kolar gold mines, which are one of the deepest in the world, production costs have gone up considerably in recent years not merely on account of increased depths but also due to the all-round increases in wage bill, etc. There is, besides, paucity of finance and equipment to develop the new deposits of gold discovered lately. What is more, the plea for continued subsidy could have been justified on the ground that there was the urgent need to augment gold production in the country in order to find the wherewithal for its development programmes. If such rich countries as Australia and Canada can be given exemption from the Fund's rule, why not a poor country like India? Surely, by continuing the subsidy on a small production of about 175,000 ounces a year, India would have posed no threat to exchange stability. Besides, does a mere change in ownership of mines from the State Government to the Central Government satisfy the underlying principles of the Fund's rules? Surely the Centre will be meeting the "loss" on gold mining from its tax revenue. So what difference does it make to the I.M.F. if the loss is met through the accounts of the Mysore Government or through those of the Centre? One does not know whether the Government of India brought all these points to the notice of the I.M.F. and whether the I.M.F. was even then not convinced of the same. Since the whole picture is hazy, the Government will do well to make public the correspondence it has had on this issue with the I.M.F. It will enable one to find out the extent to which the Indian Government had ably argued the case.

The real reason for the Centre wanting to take control and ownership of the Kolar mines could be the failure of the State Government to work the mines efficiently and economically and to find the resources for their development. Ever since the mines passed into the hands of the State Government, gold production in Mysore has been falling. From 211,000 ounces in 1955 (the year before nationalisation), it declined to 209,000 ounces in 1956, 199,000 ounces in 1957, 170,100 ounces in 1958 and 163,500 ounces in 1959. It was slightly better at 175,800 ounces in 1960, but dropped again to 171,400 ounces in 1961. It remains to be seen whether the performance of the mines will distinctly improve under the ownership of the Central Government. They are to be managed as a departmental undertaking under the Finance Ministry and not under the Ministry of Mines and Fuel, as one would have expected, though the latter is represented on the board of management in the same way as the Ministry of Labour. The people of Mysore need not regret the changeover; on the contrary, they should heave sigh of relief, for they have exchanged a low-yielding investment for something better. If the compensation money is wisely invested by their Government, they can get a better return and also save a lot of botheration for their administrators. If more gold is found as a result of further capital expenditure on exploration, they will automatically get a larger revenue by way of royalty which is by no means an insignificant amount.

RURAL CREDIT: SAMPLE SURVEY

THE changing, in some ways unchanging, pattern of demand for and supply of rural credit over a period of time has been the subject of intensive study in successive annual sample enquiries, otherwise called "follow-up surveys," which the Reserve Bank of India has been conducting since 1956-57 in pursuance of an operative recommendation of the All-India Rural Credit Survey, 1951-52. The latest survey—the fourth in the series—had for its reference period the year ended 30th June 1960, and covered nine districts, namely, Midnapore in West Bengal, Bhagalpur in Bihar, Kanpur in Uttar Pradesh, Mohindergarh in the Punjab, Barmer in Rajasthan, Bilaspur in Madhya Pradesh, Bijapur in Mysore, Krishna in Andhra Pradesh and Tanjore in Madras. As the first seven of these districts were among those selected for the original survey in 1951-52, the general review report on the 1959-60 survey, published this week by the Reserve Bank of India, has also attempted a broad comparison of the rural credit scene between the two years in the said seven districts. The relevant comparative data on some important aspects are brought together in a table at the bottom of this page.

The district-wise figures given in that table cannot be stretched to have any significant all-India validity, for purposive selection and smallness of sample have made the derivation of all-India averages not feasible. A comparison on an all-India basis has not been possible even otherwise, for the relevant seven districts are mostly situated in North India. The authors have also not attempted a direct comparison of the different indicators in real terms during the span of eight years when substantial changes had taken place in the price levels. Moreover, seasonal conditions might have been different in the two years, in which case the changes as observed might have been largely due to the operation of this factor. Perhaps, the most serious limitation of the comparative data pertains to information on outstanding debt—information relating to 30th June 1960 in the follow-up survey and to the day of visit during the period of investigation, extending from November 1951 to March 1952 in the original survey. This limitation, the authors admit, would have an important bearing on the level of the outstanding debt, which might differ widely before and after the harvest. As the survey data suffer from so many limitations, the authors have rightly emphasised "that the results of comparison should be viewed with a certain degree of caution."

Whether a meaningful comparative interpretation is still possible is the question. Our own view is that it is, provided the study of figures is confined to the "broad" or "general" trends they reveal. There are, in our view, several such trends—some signifying *virtually* no change over the eight-year period and some others signifying substantial change for the better or for the worse. To take the former category of trends first. The cultivated area per average family, for instance, has not significantly fallen in size except in two districts, namely, Bhagalpur and Bilaspur. But it is in these two districts that the proportion of indebted families has also fallen from 93 per cent in 1951-52 to 60 per cent in 1959-60 and from 51 per cent to 27 per cent, respectively. In the other five districts, the proportion of indebted families has not significantly changed over the period except to some extent in Bijapur. The relevant figures for the two years are given below:

	1951-52 (per cent)	1959-60 (per cent)
Midnapore	62	59
Kanpur	57	62
Mohindergarh	66	68
Barmer	58	59
Bijapur	62	78

Another broad trend, which is more or less uniform for the seven districts, pertains to the proportion of outstanding debt to the value of recorded assets. This proportion, it will be seen from the following figures, has not widely fluctuated over the period in most districts:

	1951-52 (per cent)	1959-60 (per cent)
Midnapore	2	2
Bhagalpur	4	4
Kanpur	5	4
Mohindergarh	20	13
Barmer	20	20
Bilaspur	3	1
Bijapur	6	9

In the second category of trends signifying substantial change for the better or for the worse, there are at least three indicators which lend themselves to some meaningful interpretation. The most important of these pertains to the proportion of borrowings from co-operatives during the year to that year's total borrowings. The figures, in this connection, reveal a general, though relatively modest, increase in the availability of co-operative credit. Another noteworthy trend relates to the substantial increase in average family expenditure over the period in districts other than Mohindergarh and Barmer. The increase might have been due partly to higher cost of living and partly to better standard of living. Perhaps, the most disquieting trend is revealed by the figures of capital expenditure in agriculture, that is, in land, livestock, irrigation, etc. Such expenditure per average cultivating family has either come down or not increased significantly over the period, despite the increased agricultural incomes resulting from higher prices, and the increased availability of co-operative credit. When the per-family capital expenditure figures are related to the figures of cultivated area per family, the position that emerges is as follows:

	Capital Expenditure per acre (in Rs.) 1951-52	1959-60
Midnapore	70	62
Bhagalpur	28	14
Kanpur	24	25
Mohindergarh	20	24
Barmer	2	3
Bilaspur	9	15
Bijapur	8	8
Krishna (average family holding 5.2 acres) ...	—	84
Tanjore (average family holding 3.7 acres) ...	—	54

It may be broadly inferred from the above figures that intensive cultivation aimed at higher productivity had not become more widespread during the period, for otherwise the level of capital outlay per acre would have substantially increased in 1959-60 as compared with 1951-52. Moreover, the 1959-60 figures, which reflect a palpably low level of annual investment by the cultivators themselves, seem to suggest that subsistence agriculture cannot permit of a higher level of capital formation. Perhaps, the situation may not look that bad, if account is taken of the public investment, over the same period, in agriculture and irrigation. It may also be noted here that the capital expenditure mentioned above does not reflect the current expenditure which the farmers may have incurred on fertilisers, improved seeds, etc.

The felt need for financing capital expenditure by borrowings would have to be met increasingly by co-operatives. Here, unfortunately, the four follow-up surveys (covering 37 districts in all throughout the country) have revealed that the performance of co-operatives has been "very good" only in four districts, "good" in nine districts, "fairly satisfactory" in 11 districts, "unsatisfactory" in five districts and "very unsatisfactory" in eight districts. The latest follow-up survey has spotlighted, in this connection, some of the serious weaknesses of credit co-operatives and the structural and procedural impediments in marketing co-operatives. The main factors responsible for the uneven development of co-operatives, as emerging from the report, are:

1. Inadequacy of efforts at reorganisation and reorientation of the co-operative structure.

2. Weakness of the primary credit structure.

3. The weak financial position and inability of the central banks to play a pivotal role in the matter of supervision and power of scrutiny of credit limits.

4. Lack of adequate efforts at re-orientation of the loan policy of central banks.

5. Unsatisfactory performance of marketing co-operatives.

6. Absence of adequate efforts at setting up processing units in the co-operative sector.

7. Weakness of the land mortgage banks.

8. Domination of co-operatives by vested interests.

9. Inadequacy of efforts at introducing State participation in the co-operative structure.

As the arrangements for interlinking credit with marketing continue to be relatively unsatisfactory and the poor performance of marketing co-operatives themselves is largely due to the absence of processing co-operatives and the consequent dependence on the processing units owned by private traders or parties, the authors of the follow-up survey have suggested, by implication, that the domination of the co-operative structure by that combination of "vested interest" represented by traders, money-lenders and big cultivators be ended. Otherwise, the progressively increasing amounts channelled through co-operatives and land mortgage banks may get diverted to non-agricultural pursuits and thus fail to raise the level of productive investment in agriculture during the third Plan period. From this point of view, the relevant findings of the follow-up survey call for immediate consideration by the Reserve Bank and the Central and State Governments alike.

Comparative Data on Rural Credit from 1951-52 and 1959-60 Surveys

Item—per family	Midnapore		Bhagalpur		Kanpur		Mohindergarh		Barmer		Bilaspur		Bijapur	
	1951-52	1959-60	1951-52	1959-60	1951-52	1959-60	1951-52	1959-60	1951-52	1959-60	1951-52	1959-60	1951-52	1959-60
Average cultivated area (in acres)	2.4	2.3	6.1	4.7	6.6	6.5	13.6	12.2	53.4	53.2	8.1	6.0	24.6	20.6
Borrowings during the year from all agencies (in Rs.)	118	145	277	75	213	187	409	437	268	183	84	44	204	209
Borrowings during the year from co-operatives (in Rs.)	2	16	1	3	..	21	..	9	..	15	7	27	11	58
Debt repayments during the year (in Rs.)	22	99	62	22	17	75	46	176	13	182	29	31	39	127
Debt outstanding at the end of the year (in Rs.)	144	138	427	236	254	234	866	1,219	518	483	147	52	235	462
Outstanding debt as per cent. of value of owned land	3	3	5	5	20	6	44	22	38	61	5	2	8	12
Family expenditure during the year (in Rs.)	313	481	343	431	427	542	643	514	486	270	283	276	387	418
Expenditure on housing during the year (in Rs.)	60	126	102	48	42	78	85	71	33	18	23	53	46	58
Capital expenditure in agriculture during the year (in Rs.)	169	142	173	67	166	163	275	296	130	171	71	92	197	163

MARKET GOSSIP

Ban on Forward Trading in Kapas

THE Government of India has banned, with immediate effect, forward trading in *kapas* (unginned cotton). All outstanding contracts have been ordered to settle at rates prevailing at the close of business on Monday, 26th November. It may be noted that there has been no regulated forward market in *kapas*. Unofficial trading, however, has been going on in certain centres, especially in the Punjab, Rajasthan, Gujarat and Maharashtra and it is these unauthorised transactions that have come under prohibition.

In the absence of any official explanation, it must be presumed that the object of this action is to prevent a possible rise in the price of cotton resulting from excessive speculation in *kapas*. The Government appears to have been guided by the experience of the past seasons, when an excessive rise in the price of *kapas*, which is not controlled, had tended to defeat the price control on cotton. The tight supply position, the uncertainty of imports and the total failure of the hedge contract as a hedging medium had prompted traders as well as mills to resort to forward trading in *kapas*. This did give a push to cotton prices. The ban on forward trading in *kapas* is to prevent such a development in the current season.

Two main criticisms have been advanced against the ban. First, cotton farmers in certain areas are used to selling *kapas* very much in advance of the actual movement of the crop and that, to them, forward trading provides a convenient means of hedging. Its prohibition might, it is argued, adversely effect the marketing of the crop. The second criticism is that the ban is quite unnecessary, in view of the prospects of a good crop this season, which is currently estimated at 5.4 million bales, as against 4.7 million bales last season and the downward trend in the price of *kapas* noted of late. Although *kapas* prices are not controlled, the prevailing rates in many producing areas, it is pointed out, are such that they work out to Rs. 50 to Rs. 150 per candy less than the equivalent of the ceiling prices fixed for lint cotton.

The Government obviously thinks that, if forward trading in *kapas* were allowed to continue

Ornaments
for
Armaments
Give Generously to the
NATIONAL DEFENCE FUND

unfettered, it would attract speculators to take advantage of any setback to the crop, which is not yet completely out of danger, and rig up price. Apparently, it is not prepared to take a chance in the present emergency, the more so because the possibility of importing foreign cotton, from sources other than the U.S., is limited by the availability of foreign exchange. It is true that, under the Indo-U.S. agreement, signed on the 26th inst. at New Delhi, India will get 375,000 bales of P.L. 480 cotton. This is in addition to the 180,000 bales which it is getting as per the agreement signed in May. But imports of cotton from other countries are strictly limited. It is noteworthy that, in order to reduce the commitment in this regard, the Government effected a cut this week in the global import quotas announced in July last. The cut is as much as 25 per cent for cotton 1.1/16" and above but below 1.3/16" and 45 per cent for cotton of 1.3/16" and above. While the Government's anxiety to prevent prices from piercing the ceiling is understandable, one wonders as to how exactly the Government will enforce this ban.

While the trade has thus been agitated over the ban on forward trading in *kapas*, the writ petition, challenging the constitutional validity of the appointment of cotton supervisors by the Textile Commissioner, reported to have been filed at the Bombay High Court by a prominent cotton merchant of Tirupur in Madras State has aroused considerable interest.

The petitioner has submitted that the scheme has the effect of eventually bringing about a monopoly in favour of a number of business houses whose names have been approved as supervisors. The supervisors have been armed with wide powers, which are likely to be utilised to the detriment of the petitioner. In particular, the power to issue certificates may inevitably result in unhealthy practices.

The panel of supervisors comprises rival traders, interested muccadums and agents in the cotton trade. The supervisors are empowered to prefer an appeal under Clause 1(b) (i) at their discretion, although neither the buyer nor the seller appeals, thereby causing harassment. The traders are also required to intimate to supervisors the amount of sale price received and to be received by them, and furnish the supervisors with copies of invoices—or in other words, they are compelled to make a total disclosure of trade arrangements.

The petitioner has also submitted that the Textile Commissioner has not even the power to appoint independent supervisors himself but is bound to select supervisors only from the names jointly recommended by the presidents of the Indian Cotton Mills' Federation and the East India Cotton Association. This amounts to "virtual abdication of the function of the Textile Commissioner."

The notification, it is further contended, unlawfully deprives the petitioner of valuable rights and is an unreasonable restriction on his right to carry on trade and business guaranteed under Articles 19(1)(*g*) and 31 of the Constitution. The restrictions have created a special privileged class of traders, namely, supervisors, and have denied the petitioner equal protection of the law.

Pointing out the various hardships that the trade has been put to, in respect of delivery of Indian cotton to manufacturers, by the introduction of a scheme which was universally opposed by the trade, the petitioner has submitted that the appointment of supervisors has no reasonable relation to the provisions of the Cotton Control Order and is "arbitrary, unreasonable and palpably discriminatory."

The outcome of this petition, which is scheduled for hearing on 3rd December, is awaited with considerable interest. It is noteworthy that the Textile Commissioner's scheme was announced and brought into force long before the state of emergency was proclaimed by the President and the Defence of India Ordinance was issued.

A Century of Enterprise

Peirce Leslie and Company Ltd., the well-known British firm operating in South India with its headquarters at Calicut, Kerala, is celebrating its centenary this year. A well-edited, attractively produced history of the Company (*Century in Malabar. History of Peirce Leslie and Company Ltd.*, 1862-1962. Editor: W. K. M. Langley, C.B.E.), brought out to commemorate the occasion, unfolds the story of a century of British enterprise in a remote corner of India. From humble and uncertain beginnings, as is almost invariably the case with great institutions, Peirce Leslie has grown in the past hundred years into one of the leading commercial firms in Southern India. Beginning with coffee curing, the Company took in its stride myriad activities, of which planting, export-import business, shipping, and managing agency business are only a few. Guided by a galaxy of British planters and businessmen, Peirce Leslie has played a significant role in the commercial life of South India. An idea of its contribution to the well-being of the people of the South in particular and its importance to the Indian economy as a whole can be had from the following significant facts: The Company employs at present 10,500 people. Its exports earn £3 million in foreign exchange. In addition, it acts as managers or agents for sixteen rupee planting companies which employ 19,000 workers and produce crops worth over £2½ million. The Company and the concerns managed by it pay to Government, in Central and State taxes, over £700,000. In addition, there are various ancillary industries, in and around the area where the Company operates, which are a direct result of and entirely dependent upon it. The European staff of the Company has also made significant contributions to the cultural and social life of Kerala.

The prejudice against foreign enterprises, harboured by subject people everywhere, is based on the theory, not altogether wrong, that firms belonging to the ruling country are out to exploit the people of the ruled country. What is generally forgotten, however, is that it takes more than exploitation to convert, as Peirce Leslie has done, impenetrable and inhospitable jungles into pleasant gardens of inexhaustible wealth. As Mr. C. Rajagopalachari, who played a big role in bringing the British rule over this country to an early end, aptly points out, in his preface to the book, "what a foreign Government or commercial organisation did mostly for its own benefit is what a people's own leaders must do when the opportunity arrives and the way to do it is learnt. Authentic works of history of foreign companies are, therefore, very instructive and deserve more than a casual reading by patriots as well as calumniators. Business is best learnt by experience, from the experience of others as well as one's own, the former being the cheaper way."

One impression that takes firm root in the reader's mind as he comes to the end of this 150-page book is that Peirce Leslie is an adaptable firm and that the note of confident optimism on which the story ends is justified by the history of the firm.

Commodity Prices Fall

Prices of most of the essential commodities, particularly foodgrains, oilseeds and fibres, have tumbled down considerably in recent weeks. This must be a pleasant surprise to the Government no less than to consumers who only a month ago had entertained grave fears of shortage and boom in commodity prices in the context of Chinese aggression. Traders appear to have scrupulously avoided cornering of stocks, thanks to the voluntary control exercised by them, prompted by appeals of leaders of businessmen and key trade bodies in the country. But due credit deserves to be given to Governments, both at the Centre and in States, for the vigilance with which they have endeavoured to hold the price line, particularly in respect of foodgrains. One need not, however, take the fall in prices to raise the cry that farmers' interests are in danger. The decline has not been that sharp and the prices are still substantially high.

The concerted efforts of Governments and traders, although welcome, have been designed not

(*Continued on page* 977)

TREND OF SHARES

FEATURELESS TRADING

(From Our Own Correspondent)

BOMBAY, 29*th November*

TRADING in shares continued to be featureless this week also for want of buying interest. Activity was scattered, patchy and sporadic. Judged from the sagging tendency in some of the popular shares from the earlier higher levels recorded due to the recent L.I.C. buying and short-covering, the undertone was still distinctly weak. At close, prices were generally around the minimum levels and showed small variations over those prevailing a week ago.

In order to allow more business on cash basis (and thereby to revive activity and reduce floating stocks in the market) and to induce shorts to cover their sales at a faster pace, the authorities of the Bombay and Calcutta Stock Exchanges relaxed the restrictions on trading in cleared shares on cash against delivery and lowered the minimum prices in the case of some active shares. Thus, on Friday 23rd November, the Committee of the Calcutta Stock Exchange decided that, following the improvement in buying inquiry in Dunlop Rubber, Indian Cable and Burrakur Coal, there would be no compulsory carry-over of business from clearing No. 376 to clearing No. 377 in respect of those shares. The Committee also decided on that day to reduce the minimum price for Indian Iron from Rs. 22.18 to Rs. 22, for Hindustan Motors from Rs. 16.50 to Rs. 16.25 and for Indian Copper from Rs. 4.28 to Rs. 4.22. On Monday 26th November, the Committee reduced the minimum price for Birla Jute from Rs. 30 to Rs. 29.50, for Burrakur Coal from Rs. 16.12 to Rs. 16, for Kesoram from Rs. 22.25 to Rs. 22, for Texmaco from Rs. 20 to Rs. 19.25 and for Jaipur Udyog from Rs. 11.12 to Rs. 11.

The Governing Board of the Bombay Stock Exchange met this week first on Friday, 23rd November and later on Wednesday, 28th November. At its meeting on Friday, the Board fixed the *havala* rates for the last settlement which ended on that day. Changes in the rates were made only in those cases where the rates fixed for the previous settlement happened to be higher than the minimum prices for the shares concerned and had, therefore, to be brought down to the minimum levels. For instance, the *havala* rate for National Rayon was brought down from Rs. 427 to Rs. 422, for T.E.L.Co. from Rs. 268 to Rs. 262, for Indian Iron from Rs. 22.20 *ex-div.* to Rs. 21.84 *ex-div.*, for Tata Steel Ordinary from Rs. 122.25 to Rs. 121 and for Alcock from Rs. 292 to Rs. 288. However, in those shares, for example, Voltas, Svadeshi, Finlay, Morarjee and Tata Hydro group of companies, where the *havala* rates were lower than the minimum prices, no change was made. Had the *havala* rates been upgraded in these cases, bears would have been yet more affected. Because of the changes made in the making-up prices, the special deposit making-up prices for Century, Kohinoor, National Rayon and T.E.L.Co. were adjusted slightly to maintain the same difference as before between the special rates and the normal *havala* rates for these shares. *Badli* rates were left unchanged at 9 per cent per annum.

On Wednesday, the Board decided to relax the restrictions on trading further by permitting transactions with immediate effect in all cleared shares, except four (Century, National Rayon, Tata Steel Ordinary and Indian Iron) on a spot delivery basis without prior permission of the President of the Exchange. It may be noted that the Board had permitted on 16th November last dealings on spot delivery basis in 20 cleared and all non-cleared shares. Last Wednesday's decision of the Board to allow trading on spot basis in all but four cleared shares is thus an extension of its earlier order. Business in the four exceptions can also be made on spot basis but with permission of the President of the Exchange. No trading is to be allowed below the minimum prices. The latest decision of the Board is said to have followed some improvement in prices and reduction in the volume of outstanding business.

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Dalal Street continued to be dull again. With virtually no buying interest in the market, even those shares which had recorded some improvement early in the week shed their gains at close. For instance, Bombay Dyeing slipped back from Rs. 62.60 to close unchanged over the week at Rs. 61.20. Likewise, Bombay Burmah, which were quoted *ex-div.*, receded from Rs. 628 to Rs. 615 and closed the week with a loss of Rs. 2.53 at Rs. 617. Hindustan Motors moved down from Rs. 16.40 to Rs. 16.08 at which level they showed a loss of 20 nP over the week and so did T.E.L.Co. from Rs. 280 to Rs. 270, before closing with a loss of Rs. 8 at Rs. 271. Standard receded from Rs. 820 to Rs. 790 and closed at Rs. 795. However, Svadeshi showed a gain of six points at Rs. 263, Polychem of Rs 8.75 at Rs. 145 and Belapur of Rs. 5 at Rs. 219. Other cleared shares showed minor changes. In the cash section, Associated Bearing Corporation were in demand and improved by six points to Rs. 138. Likewise, Modella Woollen gained Rs. 3.72 at Rs. 15.88. Colour Chem looked up by Rs. 6.25 to Rs. 340. Other scrips showed small changes.

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Values, wherever changed, showed generally small losses in Calcutta. Thus, among cleared shares, Birla Jute eased by 50 nP to Rs. 29.50, Jaipur Udyog by 25 nP to Rs. 11 and Kesoram and Texmaco also by 25 nP each to Rs. 22 and Rs. 19.75, respectively. Other shares showed small changes, but Dunlop improved by Re. 1.25 to Rs. 37.75 and Indian Aluminium by 44 nP to Rs. 32.56. Trading in cash section was confined to a few selected counters. Thus, in Textiles, Bowreah and Dunbar both edged forward by 50 nP to Rs. 24.50 and Rs. 27.50, respectively, and among Jutes, Reliance looked up by 25 nP to Rs. 6.69 and India showed a small gain of 6 nP at Rs. 17.12. In the Engineering section, Braithwaite slipped back from Rs. 35.12 to Rs. 33.50 and Binani were 19 nP lower at Rs. 9.87. Among Miscellaneous issues, Union Carbide rallied from Rs. 43.50 to Rs. 45 and Usha Martin tacked on a gain of 31 nP at Rs. 15.12. Bengal Paper were up by 19 nP at Rs. 32.19 and Titaghur by 13 nP at Rs. 36.25. Among Tea shares, C. Cachar eased from Rs. 73 to Rs. 72.50.

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The Madras Stock Exchange was steadier this week, and the popular shares showed small gains. Thus, Travancore Rayon gained 15 nP at Rs. 28.75. Ashok Leyland 5 nP at Rs. 7.85, India Cements 20 nP at Rs. 6.30, Orissa Cement 12 nP at Rs. 15.37, Deccan Sugar 5 nP at Rs. 9.95, Blue Mountains 5 nP at Rs. 2.40, Periakaramalai 8 nP at Rs. 3.01, Peermades 65 nP at Rs. 20 and Coffee Lands 16 nP at Rs. 4.06. However, Indian Steel Rolling eased by 13 nP to Rs. 11.37.

DHARAMSI MORARJI TO BRANCH OUT

The Dharamsi Morarji Chemical Company Ltd. of Bombay, which is engaged in the manufacture of various acids, heavy chemicals, superphosphate and fertiliser mixtures at Ambernath in Maharashtra and Kumbari in Madhya Pradesh, has drawn up some big, ambitious plans of further diversification. Immediately on hand are a proposal to produce boron products, such as borax and boric acids, and a Rs. 7-crore gigantic project for the manufacture of explosives, fuses and detonators. The two projects are sufficiently big to warrant the floatation of two separate new companies in the near future, in keeping with the Government's policy of spreading share-ownership. But Dharamsi Morarji will naturally have a big stake in the new ventures. The Directors' attention is, therefore, engaged in finding out ways and means of raising additional resources. And, we are told, they are considering the question of timing the proposed rights issue of Rs. 10 lakhs in ordinary shares of Rs. 50 each at par, which the Controller of Capital Issues has already sanctioned.

Borax-Morarji Ltd. is the name of a new company proposed to be formed to operate the project for the manufacture of boron products in collaboration with the well-known British firm of Borax (Holdings) Ltd., said to be the world's biggest borax producer, controlling 70 to 80 per cent of the world's borax deposits and having a business network spread over the U.K., France, Spain, Australia, the U.S. and Latin America. Dharamsi Morarji has put up, jointly with the foreign collaborator, an application for producing 17,000 tons of borax and 3,000 tons of boric acid per annum at a capital outlay of about Rs. 60 lakhs. The plant will be at Ambernath and will go into production in about 15 months from the date when the Government will approve the project.

The scheme envisages an annual turnover of roughly Rs. 2 crores and a yearly saving of 30 per cent in foreign exchange for the country which imported last year 9,000 tons of boron products at Rs. 65 lakhs. India's requirements of borax, which is a vital raw material for a number of industries such as glass, enamels, porcelain, etc., and which provides the micronutrient requirements of agriculture in the form of boron, are at present met entirely through imports. The foreign collaborator will supply the plant and equipment and also subscribe to the ordinary share capital of the new company. The British firm has agreed not to charge any fee or royalty for the supply of technical know-how. In addition to subscribing to the share capital, Dharamsi Morarji will meet the bulk of the requirements of sulphuric acid and steam for the new project.

The project for the manufacture of explosives, fuses and detonators is sponsored by the Company together with Khataus and in collaboration with the famous Montecatini of Milan, Italy. The project envisages the manufacture of 6,000 tons of nitro cellulose 10 million coils of safety fuses and 50 million detonators. A new company, with a capital of Rs. 3 crores, is proposed to be floated for undertaking the project. Dharamsi Morarji and Khataus will provide, between them, 33 per cent of the capital and a like amount will be subscribed for by Montecatini. The balance of 34 per cent will be offered for public subscription.

Besides the above two new projects, the Company has launched a big expansion programme. A new sulphuric acid plant at Ambernath, with a capacity of 300 tons per day, is expected to go into production by the end of the next year. It is expected that the output of sulphuric acid will rise this year to 40,500 tons from 33,000 tons in the previous year. The Company has secured a licence for expanding its production of aluminium sulphate at Raipur to 50 tons per day. The increased capacity will be achieved by the end of 1962. It will be in addition to the 100 tons of the product manufactured per day at the Ambernath works. Thus, Dharamsi Morarji will be the largest manufacturer of aluminium sulphate in the country. A part of the production at Ambernath is exported: This year, about 1,500 tons have been shipped and orders for 4,000 tons secured. Production of superphosphate fertilisers at Ambernath and at Raipur (where the factory was commissioned last year) is expected to rise this year to 90,000 tons from 65,000 tons last year.

ASIAN REFRACTORIES SHARE ALLOTMENT

The Directors of the Asian Refractories Ltd. of Calcutta have finalised allotment of the 185,000 ordinary shares of Rs. 10 each, which were issued from 27th September 1962 to 4th October and were oversubscribed by more than five times. Every applicant for 50 shares has been allotted 10 shares and for every additional 50 shares 10 shares more. Thus, an applicant for 100 shares has been given 20 shares, for 200 shares 40 shares, for 400 shares 80 shares and for 900 shares 180 shares. This has been the basis of allotment for applications upto 900 shares. Those who had sought 1,000 to 1,500 shares have been given 200 shares. Applicants for 2,000 shares are to get 275 shares, for 3,000 shares 375 shares and for 5,000 shares 550 shares.

DELHI LETTER

RISE IN EXPORTS SMALL

TRADE TALKS WITH BURMA AND IRAQ

From Our Special Correspondent

NEW DELHI, 27*th November*

THE official delegation touring Eastern European Communist countries has been able to report smooth progress in discussions, and arrangements for increased trade and the full picture of these arrangements is expected to be known in a fortnight. Total value of trade with East Europe may increase by 20-25 per cent in 1963 as a result of plans discussed in the past few weeks. Mr. K. B. Lall is again in New Delhi on one of his periodic visits to report on the Brussels scene. Reports from Brussels show that there is no chance of India getting a guest card for entry into the European club with even a limited range of goods. It is pointed out that Japan has secured some sort of a guest card, following the conclusion of a trade treaty with Britain. The treaty, which is the fruit of long and patient negotiations, will later set the pattern for French treatment of Japanese exports as well.

The Government of India has asked West European countries to take remedial measures to rectify the growing disadvantage to India in trading with them. But for the increased East European purchases, exports this year would have been much lower than in the last year. Exports to Asian and African countries have also fallen appreciably. About Rs. 59 crores worth of exports in October brought the total for the ten months to about Rs. 549 crores, about Rs. 7 crores more than in the period January-October 1961, and comparison of the performance during the first seven months of the financial year shows that, in the current year, exports aggregated Rs. 383.5 crores, as against about Rs. 379 crores during April-October 1961.

Talks with Burma and Iraq

Two delegations currently in India for trade talks are from Burma and Iraq. In the past season, Burma sold only 143,000 tons of rice to India, as compared with 366,000 tons to China, 327,000 tons to Indonesia and 158,000 tons to Pakistan. It may be recalled that in 1958-59, Burma had sold as much as 432,000 tons to India. The decline of India's interest in Burma's rice has displeased Burmese officials whose Government's policy is not for an all-out drive for trading with the communist world, but for diversification. They want a long-term Indian commitment to purchase Burmese rice so that Burma can reclaim her lost rice lands on the basis of an assured market. Unlike Thailand, Burma is not averse to barter deals and the efforts of the current Burmese purchase mission will be to find out products of interest. Iraq has an adverse balance in its trade with India and is said to be seeking to reduce the deficit, partly through sale of petroleum.

Japanese Team

The importance the Japanese attach to iron ore prospecting in India is indicated by the fact that the Japanese delegation now in India is the biggest high-level team Japan has sent abroad. The delegation is led by the chief of the Overseas Technical Co-operation Agency. For the first time in such discussions, the Governor of an Indian State led the Indian experts' team. That was because of the background and experience of Dr. A. N. Khosla, Orissa Governor.

The initial discussions in Delhi concerned two phases for the development of the Paradip project so dear to the heart of Mr. B. Patnaik, Chief Minister of Orissa. The first phase will cover the development of the Diatari ore mines, building of a 100-mile express highway to Paradip and the first stage construction of the port to enable it to receive bulk carriers and handle between two and three million tons of ore a year. The transport plan continues to be on the basis of carriage on road in 25-ton trucks. The second phase of the project relates to the development of Nayagarh mines and connecting Nayagarh with Paradip by a broad-gauge line covering a length of 200 miles. The second stage of port development will increase Paradip capacity up to ten million tons by 1970.

COMPANIES' CONTRIBUTION TO DEFENCE FUND

In our editorial entitled "Extra Grants for Defence" last week, we alluded to the F.I.C.C.I.'s formula governing contributions by companies to the National Defence Fund. The brief details of the formula given in the editorial were based on reports in the daily Press which were incorrect in some respects. The President of the Federation has since conveyed to us the correct formula. The formula is as follows:

1. In case of industrial companies, 5 per cent of the assessable income;

2. In case of companies which have no assessable income, 3 per cent on the gross profit; and

3. In case of non-industrial companies like banking, insurance, trading and investment companies, 5 per cent after making provision for taxation.

The public issue of Rs. 11 lakhs in ordinary shares of Rs. 10 each made by the Wellman Incandescent India Ltd. of Calcutta between 19th November and 24th November 1962 is said to have been oversubscribed. The Company has immediately taken up the tabulation and allotment work and has already applied to the Calcutta Stock Exchange for listing its shares.

PERSPECTIVES & PROJECTIONS

By Mercator

"All the business of war, and indeed all the business of life, is to endeavour to find out what you don't know from what you do; that's what I called 'guessing what was at the other side of the hill'."—WELLESLEY, DUKE OF WELLINGTON.

ALL the world and New Delhi keep guessing what is behind the Chinese cease-fire proposal and what the line of actual control at any point of time (let alone November 1959) might mean. And judging, rightly, from what we know, the conclusion is that there is too much hanky-panky on the other side of the Himalayan hills. The heroic will of a nation dedicating itself afresh to a struggle to defend its liberty has, meanwhile, been fortified by the presence in New Delhi of two high-level missions from the U.S.A. and Britain and the assurance they offer of the intimate interest of the Western powers in India's defence. It is obvious that it cannot stop with supply of arms and equipment asked for by the Indian Government. Their interest in making our defence effective will extend to advice on the right strategy, choice of time, place and instruments and the organisation of intelligence on all of which several shortcomings have been apparent. The Prime Minister's declaration in Parliament that aid would be taken without any inhibition has cleared the air of many doubts; the visits of the military advisers of the two missions to the forward areas in N.E.F.A. and Ladakh is bound to assist discussion of a proper military strategy and the supplies best suited for it.

This lack of inhibition has undoubtedly been encouraged by Russian understanding of India's plight, for which Mr. Khrushchev has been promptly rebuked by China's ventriloquist's dummy, Albania. But even Albania's postures are less interesting than Pakistan's in recent days; the Pakistani Press is apparently not alone in its strange attitude to India, and even more curiously, towards the United States. When the bluff about a secret pact between India and the U.S.A. was called by prompt American and Indian publication of a clarification of the old open agreements, Pakistani politicians went to the extreme of denying any connection between Kashmir and the proposed non-aggression pact with China and have declared that their friendship with China is unconditional. For both Mr. Duncan Sandys and Mr. Harriman who are due to visit Rawalpindi on their way back, the task of making Pakistan see the present problem in its proper perspective is not going to be easy. Those who in the past worked with steadfast determination for establishing S.E.A.T.O. and C.E.N.T.O. will have food for thought; and even in this hour of crisis when India's policy of non-alignment has been mocked by events, there may be some consolation in the thought that the Western policy of military alignments has itself crumbled in this area at least on the rocks of opportunism of their allies.

It was Mr. B. K. Nehru who made the profound observation at Washington that world politics will not in future be the same as before the Sino-Indian conflict. The non-aligned have been shown up as not belonging to any bloc or group having common interests; that cracks can appear even among the aligned has also been showned by Sino-Russian differences, Cuba's disappointment and Pakistani let-down of its benefactors when there was a real test of the value of the anti-Communist front.

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Aligned or Not

It is natural that, with the understanding shown by the Soviet Union, the Indian Government should be anxious to make it clear that this was not an anti-Communist but an anti-Chinese war which many in this country also regard as an anti-Fascist war against a totalitarian Imperialism. But Russia cannot overlook the logic of her own history and the help liberally provided by the United States when the integrity of the Soviet Union was threatened by Hitler's hordes, without being accompanied by any subsequent ill-effects on its independence.

Non-alignment, as much as alignment, is shown to be without positive content and not quite reliable in an emergency, while similarity in ways of life and thinking have forged bonds much more quickly and purposefully than formal alliances contracted for distant unknown contingencies. Pakistan's alliances have not prevented China wooing its Government very warmly nor the latter from ostensibly reciprocating it regardless of former commitments to the contrary. On the other hand, non-alignment has never meant being non-committal at all times; Mr. Nehru's famous exposition in the U.S.A. on his first visit that India will not be neutral where freedom is involved, has now been substantiated, though, when danger was remote, the reaction was often less decisive. Many old words have lost their significance in a situation in which Russia's own alignments are in great doubt. On the whole, there is a better appreciation of India's policy which avoided till now seriously adverse impressions in Moscow.

The public has reason to expect that, in the course of explaining to the American and British missions the nature of our strategy and requirements for a prolonged war if necessary, the minds of men in New Delhi would also have been cleared of the mist which confused thinking and action created. Till now there was little opportunity for direct confrontation on possible military tactics to be adopted in certain situations.

* * * *

Tezpur Episode

The news that has appeared in the responsible newspapers about the state of demoralisation of the public services in Tezpur is unlikely to create a very good opinion in the minds of foreign observers who do not know that the Assam administration has always been inept in its handling, of any difficult situation—as those who followed events during the language disturbances know. It is not quite surprising that even when the people were brave, officials of every description should have prematurely put into effect measures presumably intended for conditions in which enemy occupation was imminent. The Centre should have known better. There were enough powers available to it under the Emergency for making State officials work under the directions of Union officials or Army authorities who should have been deputed for these purposes to threatened areas. The Congress Party fared no better, though it has an equal responsibility for boosting the morale of the population through non-official channels, which generally enjoy greater influence on such occasions than Government agencies.

* * * *

Precept or Example?

The Congress Working Committee's statement on total economic mobilisation issued last week is an excellent example of its readiness to lay down precepts for others to follow, on Oscar Wilde's excellent maxim that the only thing to do with good advice is to pass it on. The Committee has re-stated all that the Government has done or intends to do; in effect it sets its seal of approval on them as if that was essential for their validity. This may be an excusable vanity, but, in the long list of do's (and some dont's) for the administration, there is only one cryptic reference to the need for public servants and voluntary workers functioning as a single team, whatever that may mean. No one denies, of course, that non-official work should supplement and aid the administration in all its activities during these critical days, particularly because officials cannot overnight change their procedures or ways of working and quickly adapt themselves to a situation in which popular participation is an integral part of the defence effort. But the administration will be steadily overburdened with a variety of responsibilities and while it should do nothing that would come in the way of the widest participation of the public, it is certainly extravagant to expect it to function at every point in the closest harmony and co-operation with the people.

That task of harmonising should properly belong to the party cadres. At one stage, when setting up village co-operatives was high on the agenda under the Plan, there was a rumour that Congressmen who helped it substantially might be preferred for nomination at the elections. Now there is a much wider field in which non-official efforts are desirable. To improve the prospects for collection of savings and gold, to organise civil defence measures, to set up consumer co-operatives for controlling prices and to persuade agriculturists to grow more food, the Congress, as the largest party entrusted with the defence of the nation against aggression, has a great responsibility as well as an excellent opportunity to show its capacity. The Working Committee's directive could more appropriately have been addressed to its party membership than to the administration which Parliament and the Government can well take care of. In a simple matter like austerity, for example, will Congress workers go to places where weddings or other social functions are celebrated on a lavish scale to appeal for restraint? There is very little mention in the Working Committee's statement of possible economy in Government spending for getting the resources needed for development and defence. In the light of Mr. Nehru's summary dismissal of suggestions for reduction of the size of the Cabinet, it is easy to infer that there was no inclination to say anything which might create problems for the Party, if it were required to show by deed as in words the realisation of a sense of urgency. Reasons can be found for not doing things which one does not wish to do but they will not convince those who think that some gestures should be possible even if they take the form of converting non-essential departments or Ministers into agencies for the efficient prosecution of the war. This illustrates once again the need to overcome some of the inherent drawbacks of a democracy in waging war and in showing an overwhelming strength of purpose.

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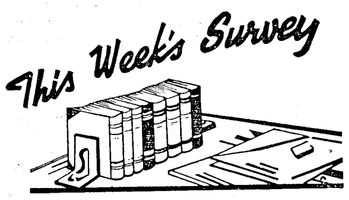

DR. ERHARD ON PLANNING

DR. Ludwig Erhard, West German Economics Minister, has never been a planning enthusiast; and the trend towards planning, which is gathering momentum in West European countries and elsewhere, has not influenced him either. It looks as though the father of the "German miracle" prefers to remain in the shadow with the proponents of free enterprise rather than shine in the company of planners. His denouncement, at the annual symposium of the European Parliament, held last week at Strasbourg, of the Common Market Commission's recently published action programme is in the best Erhardian tradition. Dr. Erhard thought that the programme would lead to centralised State planning and would tend to replace the variety of social and economic life in the E.E.C. with standardised practices. He was certainly in favour of European integration, but he wanted integration to be of a federal type, similar to the one prevailing in his own country. Dr. Erhard, however, did not argue that the action programme should be rejected. His objection was to its emphasis on planning, for, in his opinion, successful economic policies would never be achieved through long-term planning.

The action programme of the Common Market Commission, it may be recalled, envisages economic planning on a Community, not national, basis, within two years and also a monetary union which may, perhaps, lead to a common currency. Although detailed proposals for economic planning have not been incorporated in the programme, the Commission believes that, without planning on a supra-national basis, it would be impossible to implement the E.E.C.'s common policies pertaining to agriculture, transport and energy. It, therefore, plans to submit next year detailed proposals for economic planning. It is this aspect of the programme that has provoked Dr. Erhard who is a firm believer in free enterprise and its ability to deliver the goods as evidenced by W. German economy's spectacular post-war recovery. On the other hand, the West German Minister not only approved of the measures proposed in the action programme to ensure freedom of competition but praised them when he said: "I could have written this (the chapter dealing with measures to ensure freedom of competition) myself."

Dr. Erhard's views, however, did not go unchallenged. Prof. Hallstein, President of the Commission, for instance, vigorously defended the action programme and allayed the misgivings of Dr. Erhard. He pointed out that the action programme looked forward to liberalisation of economic life by the elimination of national restrictions and that, in certain spheres, the Common Market would be less interventionist than the separate States. Prof. Hallstein too wanted a federal type of Europe. What the action programme envisaged was, he emphasised, common policies and not centralised control for which, in any case, the Commission had absolutely no legal powers.

TRENDS IN INVESTMENT MARKET

The world-wide boom in share prices of the late fifties was largely due to the "extraordinary fascination" of the investing public for "growth" equity stocks. In India, for instance, almost every new issue of equity shares, particularly of new enterprises, was looked upon as a "growth" stock and sought after as such, often at an extravagant premium without regard to the companies' current profitability and future prospects. The shares of existing companies were keenly sought after and their values pushed up to very high levels. The yields on such overpriced stocks naturally dropped to absurdly and unsustainably low levels. This was more particularly true of the United States where yields of less than one per cent became common on favourite "growth" stocks. This situation of overpriced stocks and low yields could not last for ever. A downward trend in stock prices, therefore, set in last year all over the world, and this became a debacle on the American and European Stock Exchanges in June of this year. The stock markets in India were no exception to this world-wide trend.

While providing the above diagnosis of the world-wide depression in investment markets—a depression which has had its repercussions on the Indian market too—Mr. J. R. D. Tata, in his statement dated 13th November 1962 to the shareholders of the Investment Corporation of India Ltd., which was released this week, has not ignored the other aggravating factors peculiar to this country. These factors, as listed by him, were the deepening foreign exchange crisis, anxiety over the Sino-Indian border, the slower tempo of industrial growth, shortages in raw materials, power and transport, Government controls and regulations, and the country's poor export performance. The cumulative effect of these factors has been reflected in a further collapse of stock prices in the last few weeks. In a way, according to Mr. Tata, this is good, for share prices are now in better relationship with existing yields and future prospects. But this, in his opinion, is poor compensation for the fact that the resulting disillusionment and loss of confidence have largely dried up the sources of funds for fresh investment.

Is there no remedy for a situation such as this, in which it is extremely difficult to place on the market new capital issues of even sound companies with promising prospects? Mr. Tata, of course, is in no position to suggest any specific remedy or combination of measures for dealing with the situation, for he recognises that these are "times of crises and uncertainties." But there is certainly much to ponder in the following general observations he has made on the country's economic prospects:

"Much will depend on the magnitude of the war effort required from the country, the period over which it will be spread, on the extent to which the burden may be shared by other countries through supplies of military equipment provided free, on lease-lend, or against long-term credits, the extent by which the Five-year Plan will be pruned so as to release finance, energies, goods and services for the war effort and, of course, the extent of deficit financing. We can only hope that, in these difficult and critical times, when so much has to be done so quickly with such limited resources, Government will display that difficult combination of wisdom, boldness and conservatism which, while harnessing to the maximum extent the resources necessary for the nation's development and security, will avoid the pitfalls and delusions of easy solutions which in the end can only lead to galloping inflation, the erosion of our currency and untold sufferings to our people."

Mr. Tata wants the Government to "display that difficult combination of wisdom, boldness and conservatism." Surely, this cannot be mere rhetoric, for Mr. Tata must have already given some thought to the specific contents and practical details of "that difficult combination." He has made at least one concrete suggestion in the statement under review and this provides a clue to the practical lines on which he might be thinking. This suggestion is to the effect that, in view of the urgent need for more work and more production, the Government should help instil greater confidence in the industrial and business world by relaxing or abolishing such of those restrictions and controls as merely burden the management of almost every private-sector enterprise with time-consuming formalities, procedures and red-tape. Mr. Tata's plea, in short, is that every management should be given the freedom and time to concentrate on the main and essential tasks of raising production, increasing exports, expanding capacity and the like. If greater freedom of working is deemed necessary, as, indeed, it has been lately, in the case of public-sector enterprises which are being geared to the war effort, vexatious restrictions and time-consuming procedures can have still less justification in the case of private-sector enterprises. Speed is the essence of the matter in a situation of emergency and it is almost synonymous with efficiency.

INDO-WEST GERMAN CO-OPERATION

The ten-day State visit of Dr. Heinrich Luebke, President of the Federal Republic of Germany, to India is bound to strengthen the bonds of friendship and goodwill that already exist between the two countries. India will long remember the helping hand which West Germany has extended for its economic development. West Germany has been one of India's major sources of foreign economic and technical aid. The aggregate value of its assistance has touched DM 5,038 million (about Rs. 600 crores) so far, including loans of DM 1,700 million provided for the first two years of the third Plan and DM 420 million for the whole of the second Plan. Also included in this figure is DM 2,100 million which the Government of W. Germany has made available in terms of security and guarantees for sales to India. Among the other items covered are credit for Rourkela amounting to DM 660 million, besides DM 32 million for technical assistance programmes and the contribution of DM 126 million (through the World Bank) for the Indus water project. It is noteworthy that West Germany ranks second only to the U.S. among the Aid-India consortium countries which have offered long-term credit for financing the third Plan during the first two years of the Plan.

Among the development projects put up with West German assistance, the Rourkela steel project stands out as the most important. It is, therefore, significant that President Luebke is paying a visit to this plant, which is now making a determined bid to provide some of the sinews of India's war effort. The Rourkela plant in the public sector, which has been put up in collaboration with West German companies, including Demag-Krupps, is designed to produce one million tons of ingot steel annually, pending its expansion to 1.8 million tons capacity. The plant is also able to process L.D. steel produced there into flat products. The total contract for the project included the coal by-product plant and a fertiliser plant. It was only a fortnight ago that Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, inaugurated the commissioning operations for the trial production of the fertiliser plant, which will be one of the biggest plants in the world when completed; it will produce 600,000 tons of fertilisers annually.

Besides the Rourkela plant, West Germany has offered its assistance for several other steel plants. Thus, for the Durgapur steel plant, West German firms have erected coke-oven, by-product recovery and tar distillation plants and a steam generating station. The Mysore Iron and Steel Works plant, it may be recalled, was built by Demag in 1937. Besides, steel and rolling mill equipments have been supplied by West Germany for T.I.S.Co. and Indian Iron and Steel Works, Burnpur. In the field of power, too, West German firms have helped built up power stations and barrages, for instance, at Hirakud, Mayurakshi and Koyna, to mention only a few. Among investments in the private sector, a notable instance is the collaboration of Daimler-Benz with T.E.L.Co. for the manufacture of vehicles. There are several other major projects, in the fields of mechanical and electrical engineering and chemicals, which have received West German help.

As a result of increasing economic and technical aid, imports from West Germany have gone up considerably. India's total imports from West Germany rose from Rs. 60 crores in 1955-56 to Rs. 124 crores by 1960-61, but they declined slightly to Rs. 118 crores in 1961-62. India's exports have also gone up, but only to a limited extent. Exports amounted to about Rs. 21 crores in 1961-62, as compared with about Rs. 15 crores in 1955-56. India, therefore, continues to have a large adverse balance in its trade with West Germany. But for high tariffs on manufactured goods like textiles, as well as heavy internal levies, as, for instance, on coffee and tea, India would have been able to sell more in West Germany. The formation of the European Common Market and the U.K.'s proposal to join it have also led to further uncertainties for India's exports. In view of India's growing needs of development, not to speak of war efforts, it is to be hoped that Dr. Luebke's visit will pave the way for better trade opportunities for India in West Germany.

ALTERNATIVE ROUTE TO ASSAM

The role played by inland navigation in Assam's economy was vividly highlighted last week when more than 25,000 persons were evacuated across the Brahmaputra in less than three days from Tezpur, then believed to be under imminent threat from the advancing Chinese hordes in N.E.F.A., to the south bank of the river. The round-the-clock evacuation was carried out by three steamers belonging to the Joint Steamer Companies which have been operating for more than a century now. These British-incorporated companies, namely, the River Steam Navigation Company and the Indian General Navigation and Railways Company, which terminated their services on the Ganga upto Patna with effect from 1st January 1958, are now operating between Calcutta and Jorhat in north-eastern Assam. They have 76 steamers in all, with a predominantly Pakistani crew. But a large part of this fleet is at present tied up in Gauhati in Assam and Barisal in East Pakistan on account of a strike which was begun on 7th October last by the Pakistani employees. The dispute has already hurt British and Indian commercial interests in Assam and West Bengal inasmuch as transport of tea and jute from Assam to Calcutta and of machinery, cement, structurals and general stores from Calcutta to Assam has been adversely affected in the last six or seven weeks. It is said that the Pakistani employees have made the unreasonable demand that there should be no recruitment of Indians to the crew of the Joint Steamer Companies. The Pakistani Government, which has refused thus far to intervene in the dispute, presumably for political reasons, has thereby lent powerful support to the demands of the Pakistani employees of the Companies.

It is not only this element of non-co-operation by the Pakistani employees and authorities alike but also the circumstance of the Joint Steamer Companies having to operate between West Bengal and Assam *through* East Pakistan that seems to be currently weighing with the authorities in India in their consideration of an alternative route to Assam, in addition to the Assam Rail Link. It may be of interest to the public, as well as the Government authorities in this country, to recall that, in an article entitled "Transport Needs of Assam" in *Commerce* of 16th December 1950, Mr. U. Shanker Rao, who is currently connected with Haldia Anchorage (Marine Side), had suggested some such alternative route. The author's proposal had envisaged use of the existing rail facilities from Calcutta to Colgong (Bihar) on the Ganga river, ferrying across the Ganga to Karagola Ghat, road transport from Karagola to Siliguri involving ferry-crossing of the Mahananda river at two points and, finally, transhipment at Siliguri into metre-gauge wagons of the North-East Railway catering to Assam. This rail-*cum*-river-*cum*-road route, it was claimed by Mr. Rao, would bring in permanent relief to the Assam Rail Link with its relatively small haulage capacity. But its success, he continued, would depend upon efficient ferry crossings (with larger and newer types of vessels) and upon the widening of the road from Kalagola to Siliguri via Kishenganj and Sonarpur on the Mahananda river. The greatest advantage of this route would be the direct link it could provide between Assam and the Bihar-West Bengal area, thereby by-passing East Pakistan. If this alternative route or something similar to it is now under serious official consideration, it will be a very promising development indeed.

COST REDUCTION

Reduction in the per unit cost of production, irrespective of how it is achieved, holds the key to the success of India's export drive. In a buyers market such as India has for its exports only competitive price and quality can win new customers and retain the old. But lower price can only result from lower cost. Hence cost reduction is essential for improving the competitive capacity of Indian industries in foreign markets. That lower cost is a function of lower wages and reduced raw material prices is a commonly held view. It is not as widely realised as it should be that costs could be effectively cut even without a fall in raw material prices or wages. It is fallacious to think that a cost reduction programme is called for only when a firm is facing foul weather and not when the going is good. In fact, cost improvement is a lot like new product research. If one wants to reduce cost one must plan for it, invest time and money in ways and means of bringing down costs.

The "cost reduction" programme organised by the Bombay Management Association recently in the City served to highlight the need for and identify the techniques of lowering costs of production. About fifty senior executives from leading commercial and industrial firms in the City participated in the programme which was inaugurated by Mr. R. R. Hattiangadi, Managing Director of the Associated Cement Companies. Prof. K. J. Shone, Adviser, speaking on "organisation for cost reduction," pointed out that cost reduction was a process of organisation. It required the ability to detect an area of action, to visualise the total picture, to use an effective method, to pursue with thoroughness and to evaluate with sensitivity. Mr. T. M. Jacob, pinpointed the importance of inventory control in cost reduction. Better control over inventory of raw materials, work-in-progress and finished goods was an effective means of cost reduction. In his opinion, it is always possible to effect an improvement in output and turnover for a given inventory through analysis of processes and simplification of the product range. The role of materials purchase and value analysis was outlined by Dr. P. N. Vakil. Value analysis technique, he pointed out, was useful in making purchases of cheaper substitutes, without detriment to quality.

Budgetary control is by common consent a powerful tool of cost reduction. Emphasising its importance in cost control, Mr. M. R. Shroff called for setting correct targets of production. The effective role quality control can play in reducing cost by better selection of raw material, reducing process rejections and building reliable quality into the product with minimum inspection was outlined by Dr. (Miss) S. P. Vaswani.

Cost consciousness is a vital discipline, the importance of which is widely recognised in the advanced countries of the West and cost reduction programmes form part of the relentless drive for higher efficiency in industry and business. In India their importance is being driven home to industrialists and exporters, thanks to increasing competition in export markets. Programmes of the kind held by the B.M.A. have considerable educative value.

PERFORMANCE OF WORLD AIRLINES

Fairly up-to-date figures are just available in respect of the comparative performance of major airlines of the world. These figures are brought together in the following table:

Name of airline	Profit/loss (—) in terms of Rs. lakhs		Capacity		
	1960 or 1960-61	1961 or 1961-62	Available tonne-kilometres in 1960 or 1960-61 ('000s)	Available tonne-kilometres in 1961 or 1961-62 ('000s)	Percentage increase in available tonne-kilometres
B.O.A.C. ..	— 63	—1,464	974,018	1,295,395	33.0
Pan-American.	338	424	1,760,689	2,322,995	31.2
T.W.A. ..	308	— 702	1,779,994	1,967,855	10.6
K.L.M. ..	133	—1,010	641,700	762,700	18.9
Swissair ..	52	1	243,003	304,203	25.1
Sabena ..	— 124	— 371	279,600	305,973	9.4
Air-France ..	20	— 46	772,561	1,027,076	32.9
Alitalia ..	N.A.	127	271,593	417,790	54.2
Lufthansa ..	— 504	—1,273	304,500	454,800	49.3
Air-India ..	68	39	161,447	216,640	34.2

N.A.—Not available.

In the above table, the figures in respect of B.O.A.C. and Air-India are for the fiscal years 1960-61 and 1961-62, while those in respect of other airlines are for calendar years 1960 and 1961. The figures in terms of available tonne-kilometres indicate the tremendous capacity increase that has taken place in one year in the case of almost every major airline. Because of this very heavy increase in capacity without a corresponding increase in traffic, the results of most airlines have been far from encouraging in the year just ended, as compared with the previous year. It is noteworthy that Air-India and Pan-American are the only two exceptions in this respect. How well or ill Alitalia had performed in 1961, as compared with 1960, is not known, for the profit/loss figure for the latter year is not available.

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REGIONAL IMBALANCE

FACT AND FICTION

By Shivaji

THERE is much ill-informed talk about regional imbalance in the matter of industrial development of the country and the subject is both important and big enough to merit a thoroughgoing study. It is not known whether such a study has already been made. One will have to devote considerable attention even to the preliminaries of correctly understanding the subject before a satisfactory attempt could be made to come to grips with it. The expression "regional imbalance" is often used with insinuations to suit political whims and to make political capital. A few points need to be made clear before the study is undertaken. The most perceptible fact that grates against the heart of any partisan agitator is the relative prosperity of certain regions endowed with richer natural resources while the other regions, not so fortunately endowed, are supposed to languish. It is now a little late to labour the point that the right attitude to the abundance of natural resources in any region is to regard it as nothing more than an accident of geography and in a politically unified country they should be equitably shared among all the regions, provided such sharing is economically feasible. The other aspect of the problem of regional imbalance is the question of planning the country's industrial development, taking into account the regional availabilities of resources and raw materials. One would arrive at a pattern of industries from such a premise of "regionalised" resources which should forcibly demonstrate the stupidity of any regional clamour for the putting up of industries on non-economic grounds. Having thus mapped out his field, the student of regional imbalance would be able to decide whether the pattern of industrialisation achieved so far has been rational, spot the real imbalances, examine how well they could be rectified and lay the framework for further industrial progress.

It is hardly necessary to stress the value of such an exhaustive study of regional imbalances outlined above. Apart from the light it could throw on a very important subject, it should be able to promote economic sanity which seems to be conspicuous by its absence today—a deplorable situation in the context of planned development.

Some glimpses at the statistics that are available would be helpful to induce thinking on this subject. The loudest complaints of neglect in the matter of economic development have come from the Southern States, particularly Madras, which has bred a political party, drawing nourishment from grievances more imaginary than real. Even industrialists of the State, who should know better, share these grievances. A good deal of exasperation exists in the matter of steel supplies to the industrial units. The familiar complaint that used to be made was that steel consumers in West Bengal and Bihar were able to secure not merely the lion's share of the steel deliveries from the producers but also the diversion of supplies intended for the units in the Southern States whenever there was transport bottleneck. While block rakes of wagons for the movement of steel sections to the South were made available at Tatanagar and Burnpur after persistent representations, the distressing experience was that there was always considerable congestion at stations like Waltair and Bezwada and this led to the inevitable diversion of supplies to destinations nearer the producers. It is quite possible that advantage was taken of this situation by steel users in the West Bengal and Bihar areas to draw more than their fair share of supplies. A Chief Operating Superintendent of a regional railway once complained that, even when sufficient numbers of wagons were made available for movement of steel to the Southern areas, the consignments that arrived consisted mostly of chickens and egg and little steel! The situation, however, appears to have improved as might be seen from the movements of steel to the various States during August 1961 to March 1962. The total supply of finished steel to a few States, together with the supply made to industries, is given below; the balance of the steel went to Government indents, controlled and registered stockists:

(In tonnes)

	Total supply	Industries
West Bengal	3,51,043	76,051
Maharashtra	3,18,854	74,477
Madras	1,05,254	9,575
Mysore	60,007	12,244
Andhra Pradesh	61,830	8,335
Assam	10,336	1,542
Kerala	10,148	6,121

Source: Monthly Steel Bulletin, issued by the Ministry of Steel and Heavy Industries.

Among the Southern States, Madras got the biggest share of finished steel, though the share going to industries was a little higher in the case of Mysore. Kerala got the smallest share. In the matter of pig iron distribution during the same period, the position was as follows:

(Supply in tonnes)

West Bengal	3,14,395
Maharashtra	19,575
Madras	11,258
Mysore	9,624
Andhra Pradesh	3,860
Kerala	1,337
Assam	188

It is unnecessary to read too much significance in the disparities between shares of West Bengal and those of the other States which should be explained by the concentration of industries that account for so much offtake of pig iron. Madras retains its third place here also.

Madras thus accounts for the biggest despatch of finished steel among the Southern States and its share is certainly higher than those of some Northern States like Assam and Orissa. This fact alone should dispose the charges of planned impoverishment of the South. This point requires to be emphasised not only to dispel notions spread by political agitators but also to educate many people in the State. This, as well as other facts, come into focus as we wade through more statistics and they might be useful to place the problem of regional imbalance in a clearer setting.

*According to recently published statistics, the distribution of industrial establishments and their capital structure, State-wise, was as follows:

	No. of factories	Capital (fixed and working) (Crores of Rs.)
Maharashtra	1,732	336.62
West Bengal	1,596	243.10
Andhra Pradesh	967	43.20
Madras	840	90.14
Uttar Pradesh	590	97.58
Punjab	559	31.23
Bihar	364	209.10
Madhya Pradesh	310	26.12
Mysore	190	57.45
Kerala	159	24.34
Assam	146	4.22
Orissa	138	18.12
Rajasthan	88	16.23

Note: *These and the figures that have been subsequently given, have been taken from *The Thirteenth Census of Indian Manufacturers* 1958, published in 1961, and released in 1962, by the Department of Statistics, Central Statistical Organisation, Government of India. This is the latest 'Census' available, and the statistics for the subsequent years are presumably being compiled. We shall, in all probability, know the figures for 1962, in 1966! The possibilities are, however, that the figures would have recorded further increases.

The relative sizes of capital structure, which do not correspond exactly with the number of establishments, also deserve some attention. Uttar Pradesh and Bihar have a higher degree of capital investment than Madras with a larger number of industrial units while Madhya Pradesh has a smaller capital base for its still greater number of industrial units. This may not have a great bearing on the problem of regional imbalance but could assume importance when questions of policy relating to the ideal industrial structure for the respective regions are considered.

A consolidated grouping of industries into general engineering and electrical engineering gives the following State-wise distribution: Maharashtra 613; West Bengal 544; Punjab 271; Delhi 228; Uttar Pradesh 150; Madras 143; Bihar 87; Andhra Pradesh 63; Kerala and Himachal Pradesh 62; Mysore 46; Rajasthan 22; Madhya Pradesh 18 and Assam 18.

While it would be difficult to make any valid observations or arrive at conclusions on the basis of the above distribution, nevertheless, it demolishes notions of a depraved Southern region. Rajasthan, Madhya Pradesh and Assam are among the last three, while Madras, coming fifth, is most well placed among the Southern States. The only Southern State, with a legitimate grievance in this regard, is Kerala. The picture that emerges from the consumption statistics in respect of iron and steel is still clearer.

	Quantity Tons	Value Rs.
West Bengal	4,63,766	23,70,42,718
Maharashtra	1,99,588	16,42,70,533
Punjab	62,042	2,91,18,024
Uttar Pradesh	40,598	1,98,75,008
Madras	38,623	2,42,25,654
Delhi	32,516	2,21,11,050
Bihar	30,782	1,51,52,722
Mysore	19,087	1,14,72,709
Madhya Pradesh	9,360	53,02,677
Kerala and Himachal Pradesh ..	9,208	43,98,678
Rajasthan	8,622	66,49,541
Andhra Pradesh	8,177	51,54,257
Assam	1,767	14,72,072
Orissa	1,044	7,85,825

The States that seem to require special pleading in respect of industrial development, if we regard it as being reflected through the size of steel consumption, would be Rajasthan, Andhra Pradesh, Assam and Orissa which come at the botton of the list; but they hardly conform to any geographically contiguous pattern.

The pattern of distribution of pig iron, castings and forgings consumption is just as interesting. (The numbers in brackets alongside castings and forgings indicate their place in a descending order.)

	Pig iron		Castings		Forgings	
	(Lakh tons)	(Lakhs of Rs.)	(Lakh tons)	(Lakhs of Rs.)	(Lakh tons)	(Lakhs of Rs.)
W. Bengal ..	1.07	191.43	0.81	278.01	(1) 698	10.98(2)
Maharashtra ..	0.22	53.33	0.10	118.23	(2) 1,030	18.56(1)
Punjab ..	0.21	50.30	0.08	25.07	(3) 177	1.96(4)
Uttar Pradesh ..	0.15	33.48	0.01	5.29	(8) 120	1.60(5)
Mysore ..	0.08	20.43	0.02	25.82	(6) 56	1.97(6)
Delhi ..	0.05	10.60	0.008	5.02	(9) 48	0.71(8)
Bihar ..	0.05	11.07	0.02	7.49	(5) 482	2.70(3)
Madras ..	0.041	11.30	0.04	26.75	(4) 54	0.56(7)
Kerala and Himachal Pradesh ..	0.03	7.83	0.01	4.01	(7) 30	0.56(9)
Andhra ..	0.02	4.34	0.005	2.25	(10) ..	..
Rajasthan ..	0.004	1.01	0.002	0.59	(11) ..	..
Orissa ..	0.0005	0.11	..	0.02	(14) ..	..
Assam ..	0.0004	0.14	..	0.02	(13) ..	..

A more rigorous and penetrating study would be needed to grasp the exact significance of the State-wise industrial situation that has dictated their respective consumptions of pig iron, castings and forgings. It is reasonable to suppose that some rational pattern already exists. There would certainly be a readiness to concede that the lead maintained by West Bengal and Maharashtra stems from the historical circumstances that enabled them to gain such a lead. The net work of small and medium-sized industrial units in the Punjab, noted for its mechanical aptitudes, has made possible a larger diversion of these items than the other States. However, it should be equally clear that, despite the recent origins of industrial growth in Madras and Mysore, they had also successfully won for themselves quite a sizable share of them and are doing as well or better than Bihar, despite the latter's nearness to the sources of supply. The industrially depressed regions in this regard are flung over States as far apart as Assam, Kerala and Orissa.

Finally, we may also have a look at the State-wise pattern of coal and electricity consumption.

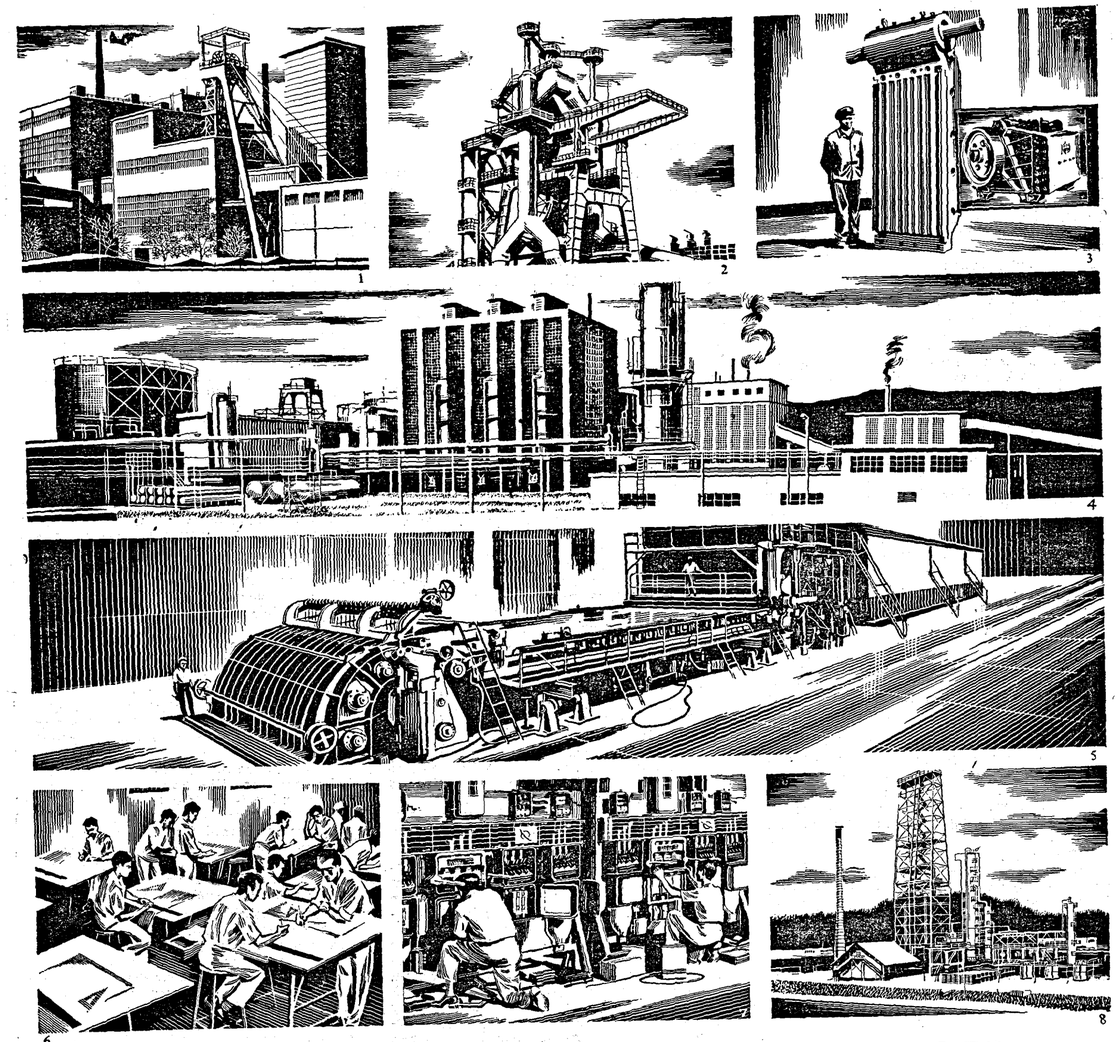
(In thousands)

	Coal consumption		Electricity	
	Tons	Value	kw. h.	Value
Bihar	3,308	98,452	382,448	21,290
Maharashtra	1,449	66,002	1,382,741	83,353
West Bengal	1,374	38,983	9,61,028	53,130
Uttar Pradesh	507	19,753	2,10,271	17,283
Rajasthan	390	14,363	5,819	597
Mysore	343	17,657	3,77,476	10,504
Punjab	318	13,093	94,804	6,004
Madhya Pradesh	317	10,384	97,378	5,514
Andhra Pradesh	297	10,697	89,118	6,371
Orissa	257	6,203	55,567	3,477
Madras	246	13,818	3,488,09	17,231
Delhi	113	5,041	77,904	6,258
Kerala	27	1,560	2,39,604	4,904
Assam	13	460	1,463	127
Himachal Pradesh	3	148	207	31

It might be worthwhile to investigate how far, in the past, rational considerations influenced the location of industries in the different regions in the country and the availability, supply and movement of coal had been reckoned with when decisions were taken. Had there been any semblance of planning, it is reasonable to suppose that the country might have steered clear of the bottlenecks in the transport of coal to the far-flung regions. The foregoing statistics indicate that, while the supplies of coal to regions far away from the coal-producing centres were much less than to those nearby, the closeness of the respective figures to each other suggests that the claims of the respective States hardly went by default. It should be possible, on the basis of these figures, to make out some convincing case for certain areas suffering from industrial backwardness (Orissa, for example), despite their proximity to the coal-producing centres. A comprehensive study of this subject is bound to generate some ideas on reducing the present abject dependance on coal as a fuel. *The Hindu*, Madras, published a letter sometime ago suggesting a planned switch-over to and location of oil-based industries in regions that suffered most from non-availability of coal due to transport bottlenecks. The writer pointed out that, in countries of the European Economic Community, as well as in the United States, coal production was now progressively taking a secondary place while oil came to be a predominant fuel. Further thoughts on this subject would facilitate an intelligent approach to the problem of regional imbalance.

In the matter of electrical power, the lead is still maintained by West Bengal and Maharashtra, but the overall pattern is quite variegated. Bihar takes the third place, followed by Mysore, Madras and Kerala, leaving Uttar Pradesh and Punjab to trail behind, though the latter are among the more industrially advanced

(*Continued on page 977*)



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AMERICAN LETTER

STOCK MARKET STRONG

PRESIDENT PRESSING FOR TAX CUT

From Our Special Correspondent

NEW YORK, 23rd *November*

ECONOMIC data continue to present a mixed pattern. The most encouraging aspect, perhaps, has been the strength of the stock market. This is contrary to developments elsewhere. It is also contrary to the diversity of opinions being expressed.

If any overall opinion can be expressed, it should be said that the strength of stock prices and the Chinese invasion of India are the prime areas of attention in this country. It would not be too farfetched to presume that there is an inter-relationship between these two developments. Stock prices seem to take into consideration the real rift between China and Russia.

This involves considerably more than would appear on the surface. Inside opinion here is that the Communist Chinese regime because of its disagreements with Moscow has been afraid of losing one-third of its petroleum supply which normally comes from Russia. In other words, it is the considered interpretation here that the Chinese invasion of territories of India is aimed chiefly at oil and securing a reservoir which may be tapped in the event Russian supplies should cease for one reason or another.

It is also of interest to note that a spokesman of the U.S. Government has been permitted for the first time to take cognisance of the Sino-Soviet dispute. He was Roger Hilsman, Director of the State Department's Bureau of Intelligence and Research, speaking before the World Affairs Council at Dallas, Texas. Said Mr. Hilsman: "So deep-seated are the antagonisms between Moscow and Peking that we cannot foresee any genuine reconciliation of the dispute, at least while Mao and Khrushchev hold power." Also imposed on this picture are the severe economic difficulties encountered by the Chinese regime and a war is a proven method of distracting attention from internal troubles.

The speech was without a conclusion, because the world crisis was not resolved and it probably will not be for a long time to come. In the meantime, United States aid to India in its struggle with China has widespread support here. Hence, what the stock market in New York seems to say, in effect, is that this country may be on the brink of another expansionary cycle prompted by wars or war-like conditions throughout the world.

International-mindedness

People here are becoming more and more international-minded and that seems to apply in most countries. There are now more than 58,000 foreign students from 149 countries enrolled at American colleges and universities. At the latest count, students from India numbered 5,621, or 9.7 per cent of the total. It was the second largest contingent superseded only by Canada. The four most favoured subjects of study are engineering, humanities, natural and physical sciences and the social sciences. International-mindedness has been also emphasised by Telstar, the communications satellite developed by American Telephone and Telegraph Company. It will be followed before the end of the year by a second one, named "Relay" which will receive, amplify and send television and voice. A second Relay is scheduled to be orbited early in 1963.

International-mindedness is also pointed up by the fact that foreign investments in U.S. firms have more than trebled since 1941. They amounted to more than $7,400 million at the end of last year. Most of the foreign investments here come from Canada and Europe. United Kingdom investors hold the biggest slice of about $2,500 million mostly in the form of finance and insurance organisations. In reverse, U.S. firms and individuals now hold a record of nearly $35,000 million in direct investments abroad, three times as much as in 1950. Figures compiled by the National Industrial Conference Board indicate that last year's increase was $2,000 million despite the fact that last year the U.S. erased from its books $956 million direct investments in Cuba which were expropriated by the regime of Premier Fidel Castro. U.S. foreign investments in petroleum have outpaced those in other industries in the last 12 years. They now account for 35 per cent of all foreign investments. Manufacturing accounts for about 34 per cent and mining and smelting for 9 per cent.

U.S. Fiscal Policy

There seems to have emerged a radical change in U.S. Budget policy thinking. It marks a dramatic turning point in American economic history. President Kennedy is now pressing for a tax cut despite a Budget deficit and also at a time when some business activities are rising. The Kennedy theory—a bold one—is that a reduction in taxes is required to make the "sluggish" U.S. economy grow more rapidly. The general assumption is, of course, that greater business activity will produce more revenue even though this may not take place in the first year. This theory is thoroughly rational and has been defied to exist by Government economists who could see tax reductions merely in terms of theoretical lower revenues.

If any proof were needed how the tax structure affects economic growth, Puerto Rico is a glaring example. This free Commonwealth with its own constitution, which is associated with the U.S., attained a rate of economic growth of 9 per cent in the first two quarters of the 1961-62 fiscal year. Largely responsible for this growth is a tax holiday for new businesses which decide to move to the island Manufacturing income in plants established under the decade-old development programme rose 13.6 per cent last year and the Puerto Rico Planning Board expects a gain of 22 per cent for fiscal 1961-62. Corporate tax exemption for a period of from 10 to 13 years remains the most important factor. Farsighted planning in many other directions is also responsible for the success but lower taxes remain the keystone, as I indicated in previous despatches. By the end of this fiscal year, Puerto Rico will have attracted more than 800 U.S. and foreign plants under its development programme. The goal for 1975 is 2,500.

A similar policy, it seems, is now being envisaged for the U.S., where the growth rate has been pretty stubbornly at the rate of somewhere between 2 and 3 per cent for the last few decades, instead of 6 or 9 per cent which the optimists hoped for. At any rate, it is definitely a new try and a courageous approach to an old problem. Barring unforeseen circumstances, the experiment is apt to succeed, particularly because politically it cannot possibly become a party issue since everybody, essentially, is for lower rather than higher taxes. Old-time dissenters, naturally, disagree with this approach, but the majority of Congress seems to regard a tax cut as a step in the right direction especially because voters will be delighted rather than annoyed by it.—*All Rights Reserved.*

(*Concluded from next column*)

Britain's exports are moving reasonably and sterling is strong. There is accordingly no immediate inflation bogey to inhibit further credit liberalisation, but what form can this take? Can the Chancellor act quite so politically as to cap unpleasant Election results for his Government with presents for everybody? He will have to move cautiously and perhaps save most of his ammunition to the next Budget.

But it is suggested that, meanwhile, the Bank rate might come down another half per cent (it is at present at 4½ per cent) and that the remaining 1 per cent of special deposits which the banks have to lodge with the Bank of England can be refunded to them. This second move would be an act of liberalisation but could have little effect, since the banks are not able to lend as much as they would like to, even now. On the other hand, the reduction in interest rates would help. The Chancellor is also being urged to make further cuts in purchase taxes—it is such cuts, if made now, which would be looked at with most suspicion as bribes to the electorate. On the other hand, just as in the case of the cut in the motor car tax, it could be very effective in stimulating the market. But another one of Mr. Maudling's problems is that unemployment is worse in the heavy industry areas and it is these that benefit least by purchase tax reductions. Something more deeply based, some plan (not produced in a hurry) with long-term implications will be necessary here.

LONDON LETTER

PRODUCTION UP, BUT UNEMPLOYMENT HIGH

FURTHER CUT IN BANK RATE LIKELY

From Our Own Correspondent

LONDON, 23rd *November*

POLITICS and economics are being married this week in this country with a vengeance. As the economic statistics roll out, on the one hand, so do the results of five by-elections in seats all previously held by the Government, on the other—and it will be up to the Chancellor of the Exchequer to make the equation between the two. On the economic side, there was good news in the recording of the highest index of industrial production for the year. The September figure of 118 was two points up on the figure for July, although only one point up on the figure for June; but it was four points up on the figure for September a year ago, allowing for seasonal factors.

For the first nine months of 1962, the index for all industries (seasonally adjusted) averaged 115, as compared with 114 in the corresponding period of last year. The improvement between the two years is insignificant, but the improvement in this last quarter is more noteworthy. In manufacturing industries, the rise has not been quite so marked, since the September figure does not bring the index any higher than it was in June; even so, it shows a two point rise over July which was a month of sharp setback.

But, while increased efficiency is pushing up the index of industrial production, the employment figures continue to deteriorate; in other words, production is not expanding sufficiently to utilise both technological improvements and the available labour force. Thus, the number out of work in November has jumped up to 8½ per cent and there are more unemployed this month than there have been for 22 years, that is, since before the war. The November total is nearly 550,000 and it is confidently feared that it will rise to 600,000 over the year-end. Nor is much improvement looked for until next spring.

The stock markets have this week remained in reasonably good form; the trend has been slightly upwards and industrial equities stand at just about the level of a year ago.

On the political front, the Government were on the defensive against not only the Labour attack but, of course, strong Liberal opposition. Of the five seats which were contested this week, two were lost to the Labour Party and the other three were secured by very small margins. It has been calculated that, to win a General Election, there would have to be a swing of votes of 3½ per cent of the total poll from the Conservatives to Labour—regardless of what support was being given to the Liberal Party. In the seats contested this week, the smallest swing has been 5½ per cent and the largest 8½ per cent. So, if this sort of form were to be repeated at a General Election, it would provide the Labour Party with about twice as much margin as they need to get a majority. But having said this one must also point out that it does not follow that the Liberal momentum which is still strongly upward (one of the Government-held seats was nearly gained by the Liberal and not the Labour candidate) will operate in quite the same way in a General Election. On the other hand, the old argument that a lot of people will vote Liberal to show their discontent with the Government when the fate of the Government is not at stake but will return to their old allegience in a General Election, no longer holds good; it is clear that, as a result of by-elections through this year, the Liberal gains are made at the expense of both parties and when the point is reached at which Liberal candidates have a real chance of getting in, then their adherents are going to remain faithful. Nevertheless, the Chairman of the Conservative Party does not think that the results in the recent by-elections are as bad as those of the late summer, though he admits that much hard work has to be done if the day is to be saved when a General Election comes up!

But, if the day is to be saved politically, then the Government must be given time to present a better economic picture to the country. So this week's results make a General Election likely at the latest possible date, that is, possibly in the autumn of 1964. And the City is already—as the latest election results come out—turning to the Chancellor and asking him what he is going to do about it.

(*Continued in previous column*)

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INTEREST RATES STRUCTURE OF BANKS

DEPOSITORS GET LESS, WHILE BORROWERS PAY MORE

THE main trends in interest rates allowed and charged by commercial banks in India during the five years from 1957 to 1961, roughly corresponding to the second Plan period, have been analysed in the October 1962 issue of the *Reserve Bank of India Bulletin*. The analysis reveals that the average rate of interest charged by scheduled banks on loans and advances granted to their clients went up from less than 5.59 per cent per annum in 1958 (it stood at 5.44 per cent in 1957) to a little over 6.32 per cent, whereas the rate of interest paid by them on deposits declined from 2.52 per cent (1.94 per cent in 1957) to 2.12 per cent. The spread between the two rates, therefore, widened in favour of banks from 3.34 per cent (3.50 per cent in 1957) to 4.20 per cent. The decline in the average deposit rate from 2.3 per cent in 1958 to 2 per cent in 1960 reflected the impact of the All-India Inter-Bank Agreement on rates of interest payable on deposits. Under this Agreement, which came into effect from 1st October 1961, ceilings were fixed at levels well below those prevailing before under competitive conditions. Besides, the position was rendered more favourable for banks by the Reserve Bank which intervened in 1960 to fix a low ceiling of no more than 2 per cent below the Bank rate. The ceiling was, however, withdrawn with effect from 1st March 1961 when the maximum rates of interest on fixed and saving deposits were revised slightly upward under the All-India Inter-Bank Agreement. The average deposit rate in 1961 was, as a consequence, a shade higher at 2.12 per cent.

The Reserve Bank's analysis shows that, between 1957 and 1961, there was a sizable accretion of as much as Rs. 708 crores to the deposit portfolio of scheduled banks (excluding P.L. 480 and 665 deposits), or an average of Rs. 142 crores annually. The rate of growth was the highest in 1961, amounting to Rs. 180 crores, the largest expansion recorded in bank deposits in any year so far. As against the rise of Rs. 780 crores in deposits, the volume of credit extended by scheduled banks expanded by only Rs. 389 crores or an annual average of Rs. 78 crores. The expansion of credit was particularly sharp in the years 1960 and 1961 when it amounted to Rs. 145 crores and Rs. 156 crores, respectively. Both in 1957 and in 1960, credit rise had outpaced deposit growth, unlike in 1958, 1959 and 1961. Consequently, there was greater dependence by scheduled banks on the Reserve Bank in these years. Thanks to the prevalent stringency in the money market, interest rates firmed up. The introduction of the three-tier system of lending rates by the Reserve Bank from October 1960 and the simultaneous issue of directive to the schedule banks to step up their average lending rates by ½ per cent also contributed to a hardening of the lending rates of banks.

The following table depicts the overall trend of interest rates in respect of the scheduled as well as non-scheduled banks during the five-year period 1957-61:

(Amount in crores of Rs. and rate in per cent.)

	1961	1960	1959	1958	1957
SCHEDULED BANKS					
Interest paid on deposits					
Amount	39.12	37.10	36.68	32.92	23.35
Average rate	2.121	2.012	2.187	2.252	1.933
Interest paid on borrowings from R.B.I.:					
Amount	1.43	1.56	0.12*	..	..
Average rate	5.1	4.2	4.0*	..	..
Interest earned on loans and advances:					
Amount	69.70	56.43	47.61	43.82	40.35
Average rate	6.325	5.890	5.641	5.589	5.438
Interest earned on bills:					
Inland bills:					
Amount	8.56	6.76	6.19	5.55	5.05
Average rate	6.704	6.467	6.455	6.366	5.654
Foreign bills:					
Amount	4.80	4.77	3.87	4.29	5.74
Average rate	9.893	9.242	9.063	9.854	10.365
NON-SCHEDULED BANKS					
Interest paid on deposits:					
Amount	1.33	1.58	1.52	1.44	1.51
Average rate	4.027	3.851	3.660	3.600	3.302
Interest earned on loans and advances:					
Amount	1.92	2.26	2.23	2.21	2.39
Average rate	9.038	9.055	9.053	8.875	8.369
Interest earned on bills:					
Amount	0.09	0.12	0.14	0.15	0.17
Average rate	10.190	8.206	9.313	9.186	8.964

* July-December.

It will be seen from the above table that the increase in the total amount of interest paid by scheduled banks on deposits was rather sharp in 1958. Such an increase is attributed to two factors: one, large accrual of the rupee counterpart of P.L. 480 and 665 funds to the State Bank and, two, some competitive bidding for deposits by banks which forced up deposit rates and led finally to a voluntary agreement on deposit rates among the larger scheduled banks with effect from 1st October 1958. Between 1957 and 1958, the total of interest paid by scheduled banks rose appreciably from Rs. 13.45 crores to Rs. 27.14 crores in respect of fixed deposits and from Rs. 3.42 crores to Rs. 6.61 crores in respect of savings deposits. Reverse was the case in regard to current deposits and other deposits, the total interest paid declining from Rs. 70.95 lakhs (Rs. 85.98 lakhs in 1958) and Rs. 577.44 lakhs to Rs. 65.07 lakhs and Rs. 471.75 lakhs, respectively. It must, however, be noted here that a part of the time deposits include such extremely short-term deposits as three to thirty days' money on which the rate of interest has been three per cent per annum, if not a little more during some parts of the years covered by the study. In view of the readiness of banks to pay such a high rate of interest for call deposits, which in turn reflected the keen demand for funds, depositors were maintaining only minimum amounts on current account. Besides, there was a general tendency among banks to restrict the terms governing the payment of interest on current account balances.

Borrowings of scheduled banks from the Reserve Bank and the State Bank of India were much lower in 1961 than in 1960, while inter-bank borrowings and borrowing from the Refinance Corporation of India were much higher in 1961 than in 1960. The introduction of a three-tier system of rates for borrowings from the Reserve Bank and the stepping up of the lending rates by the State Bank in October 1960, as well as the large accrual of deposits to banks in 1961, contributed to a reduction of the dependence of the banking system on borrowings from the Reserve Bank and the State Bank and a larger utilisation of funds available in the inter-bank call money market. The sharp rise in average borrowings from the Refinance Corporation in 1961 (Rs. 2.2 crores) reflects in part the expansion in medium-term lending to industry by banks. While the average rate of interest on borrowings from the Refinance Corporation remained unchanged at 5.0 per cent, the average rate on borrowings from the Reserve Bank moved up from 4.2 per cent in 1960 to 5.1 per cent in 1961, the average rate on borrowings from the State Bank from 4.2 per cent to 5.2 per cent, and the average rate on inter-bank borrowings from 4.1 per cent to 4.6 per cent.

Following (*a*) greater demand for bank finance by industry and trade and (*b*) enhanced average lending rates, the total earnings of scheduled banks from loans and advances rose steadily from Rs. 40.35 crores in 1957 to Rs. 69.70 crores in 1961. The rise was more pronounced in 1960 and 1961, being of the order of Rs. 8.82 crores and Rs. 13.27 crores, respectively. In line with the upward trend of advances rate, the average rate on inland bills purchased and discounted also recorded a steady increase during the five-year period under review, the former (advances) rising from 5.4 to 6.3 per cent and the latter (inland bills) from 5.6 to 6.7 per cent. The average rates earned on export and import bills were much higher than those earned on loans and advances and inland bills. Of the two types of foreign bills, the import bills were more remunerative than export bills. Thus, taking the five years as a whole, the average rate of interest charged declined from 8.91 to 8.55 per cent in the case of export bills but rose from 11.94 to 12.71 per cent in respect of import bills. The higher average rate earned on foreign bills was due partly to the fixation of minimum rates by authorised dealers in India and partly to the inclusion of such items as commission on exchange transactions and interest on overdue import bills.

The total amounts of both inland bills negotiated and accepted for collection during the year 1961 were much higher than in 1957: Rs. 3.752.36 crores and Rs. 2,883.75 crores, respectively, as against Rs. 1,896.49 crores and Rs. 1.626.13 crores. In the case of export bills, the amount of bills negotiated was higher at Rs. 493.31 crores, as against Rs. 459.90 crores, while that of bills accepted for collection was lower at Rs. 131.62 crores, as against Rs. 144.59 crores. The reverse was the case in regard to import bills. Thus, the amount of bills negotiated was lower at Rs. 290.86 crores (Rs. 304.05 crores in 1957), whereas the amount of bills accepted for collection was higher at Rs. 279.25 crores (Rs. 265.70 crores).

Non-scheduled Banks

The structure of interest rates in so far as the non-scheduled banks are concerned differs from that pertaining to scheduled banks. In view of their location in semi-urban and rural areas, their limited turnover, and concentration of dealings with small businessmen and persons of small means, these banks offer higher rates than scheduled banks to attract deposits and charge correspondingly higher rates on loans and advances, as well as on discounting of bills. Unlike in the case of scheduled banks, the average rate of interest paid by non-scheduled banks on deposits advanced steadily from 3.3 per cent in 1957 to 4.0 per cent in 1961. Their average lending rate also moved up from 8.4 to 9.0 per cent. The spread between the average deposit and advance rates remained more or less steady at about 5.0 per cent, as against the increase from 3.5 to 4.2 per cent in the case of scheduled banks. Although the average rate charged by non-scheduled banks on inland bills rose from 9 per cent in 1957 to 10.2 per cent in 1961, the total interest earned declined from Rs. 17.21 lakhs to Rs. 9.08 lakhs. The total outstanding deposits, loans (and advances), and inland bills discounted at the end of 1961 amounted to Rs. 33.03 crores, Rs. 21.19 crores and Rs. 89,000, respectively. The corresponding figures four years before (end-1957) were Rs. 45.61 crores, Rs. 28.60 crores and Rs. 1.92 lakh. These figures suggest that the non-scheduled banks have steadily lost ground. As readers are aware, during the seven-year period, several of them went into liquidation, while a number of them was absorbed by the scheduled banks.

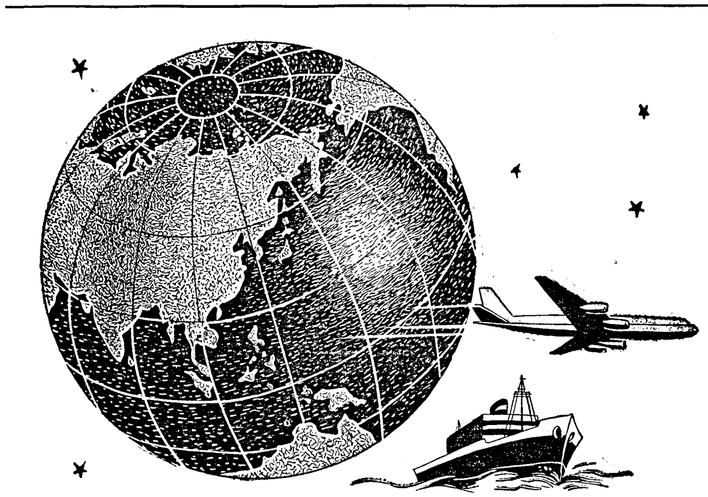
I.M.F.'S DISCUSSIONS WITH SWITZERLAND

An I.M.F. mission, headed by the Managing Director, Mr. Per Jacobsson, held discussions at Berne in Switzerland on 21st and 22nd November with a delegation of senior Swiss officials headed by Ambassador E. Stopper. These discussions were a continuation of earlier talks on the question of Swiss association, in some form, with the I.M.F.'s general arrangements to borrow. Under these arrangements, it will be recalled, ten industrial member countries of the Fund will make available to the Fund, in case of need, a total amount equivalent to $6 billion and the arrangements now ratified by eight countries became effective following the official notification of the adherence of the U.S. on 24th October. Switzerland, which is not a member of the Fund, was invited by the Fund to become associated with these borrowing arrangements. The present discussions, as the earlier contacts, were aimed in particular at clarifying the technical possibilities for such an association. Positive results have been achieved, but, before final decisions are taken, there will be further contact between the Swiss authorities and the Fund and possibly also with certain individual countries which are participants in the borrowing arrangements.

ESTABLISHMENT OF AN AFRICAN DEVELOPMENT BANK

An important stage in the preparations for the establishment of an African Development Bank was completed at Geneva on the 15th inst. by the delegates from nine African countries. Tentative conclusions were reached by the delegates regarding the basic principles which could most effectively be adopted to govern the Bank's capital structure, management and operations. The countries concerned are Cameroun, Ethiopia, Guinea, Liberia, Mali, Nigeria, Sudan, Tanganyika and Tunisia. They are members of a Committee of Nine, set up by the United Nations Economic Commission for Africa last spring to study the proposal for setting up an African Development Bank. The Chairman of the Group is Mr. A. Romeo Horton, of Liberia. The proposed Bank would seek to obtain funds from its African member Governments and, it is hoped, from non-African Governments and private financial institutions, for the financing of economic and social development projects in Africa.

The Canara Industrial and Banking Syndicate Ltd. has just brought out an interesting booklet entitled *A Bank Account*. The booklet stresses the value of a bank account and explains many of the important banking terms to the layman such as drawing, endorsing and crossing a cheque. Incidentally, it seeks to educate public opinion on banking transactions in general.



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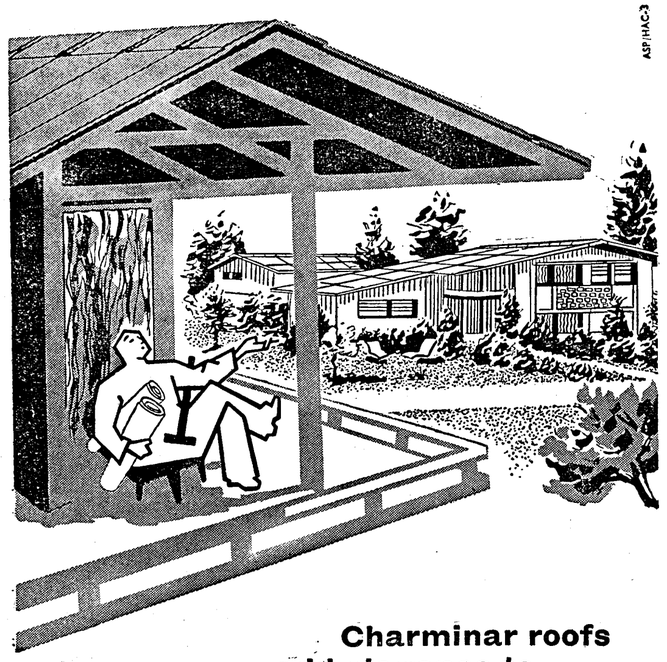

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THE CONCEPT OF BONUS

PROFIT-SHARING?—GAP-FILLER?—EX-GRATIA PAYMENT?

THERE is a large measure of agreement, nay, unanimity, among the various sections of employers on the general issues confronting all industries (and businesses) in regard to the question of bonus. But each industry and business has different characteristics and hence its particular problems are bound to vary. The apex organisations of employers have, therefore, wisely decided to leave it to each industry to submit separately its views to the Bonus Commission. The latter's questionnaire consists of two parts. The first part deals with general aspects of bonus, while the second pertains to statistical and other information required from individual concerns. The general aspects of bonus are divided into three broad heads: (1) the concept of bonus, (2) the basis of computation and (3) miscellaneous questions, such as the method of payment, conditions of eligibility and machinery for settlement of bonus disputes. It is proposed to deal in this article with the first item, namely, the concept of bonus. The following questions have been framed by the Commission to elicit replies covering the concept of bonus:

1. (*a*) How would you define the concept of bonus?

(*b*) In what circumstances should bonus become payable?

(*c*) Should bonus be determined unit-wise, industry-wise or industry-*cum*-region-wise in the industry to which your answers have reference?

2. Have you any comments to offer on the following ideas which are said to form part of the basic concept of bonus:

(*a*) That bonus represents additional remuneration payable to workmen out of the available surplus so as to bridge the gap between the workmen's actual earnings and the living wage;

(*b*) That bonus in the case of workmen drawing a living wage acts as an incentive to further efficiency;

(*c*) That bonus gives labour a sense of partnership in the industry.

Definition of Bonus

The Council of Indian Employers constituted by the Employers Federation of India and the All-India Organisation of Industrial Employers, in its joint memorandum to the Bonus Commission (to which a reference was made on page 758 of *Commerce* dated 3rd November 1962), defined bonus "as a payment made in addition to normal wages or salary to employees for their direct contribution to the efficiency or prosperity of the undertakings, such payment depending upon the different circumstances prevailing in different industries." This concept, according to the Council, is a practical one and permits a flexible approach to the task of evolving formulæ, with even different bases, after taking into account the practices and preferences of employers and workers in each industry. Under this concept of bonus, the Council contends, payment of bonus related to profits is not completely eliminated. The present system, under which bonus is related to profits, the Council points out, has in most cases failed to improve industrial relations. On the contrary, it has become a source of industrial strife. The aim should, therefore, be to replace, wherever possible, the present system by one related to productivity or efficiency within a specified time period of between two and five years. The Council thus recognises that bonus is not just an *ex-gratia* payment, but a reward to workers for their direct contribution to the efficiency or prosperity of an undertaking.

A slightly different definition is given to bonus by the All-India Manufacturers Organisation, Bombay. The A.I.M.O. defines bonus as "payment made by an employer in addition to wages as a stimulus to extra work and efficiency." It should, therefore, be related to production and productivity, so that, for any additional production over a certain amount, workers should be rewarded for the extra effort put in for increasing production and thereby the profitability of the enterprise. The A.I.M.O. wants that, ultimately, the present system of bonus based on profits should be done away with and that, in its place, a system of payment by results should be introduced. For the interim period, however, it suggests that bonus should be payable only if and when there are adequate profits after meeting prior charges.

The Millowners' Association, Bombay, the Bombay Chamber of Commerce and the Engineering Association of India, Calcutta, differ from the aforesaid view of bonus. According to the Millowners' Association, bonus is not deferred wage. Nor is it a payment for contribution of workers to profits because such contribution, apart from being a misleading concept, can never be precisely measured. Profits depend upon various factors and it is impossible to isolate one and ascribe to it a part of the profit. It is, therefore, better and safer, the Association submits, to divest the concept of bonus of the wool it has gathered in the past and to affirm categorically that bonus is profit-sharing. It should be payable only if there is a surplus after meeting prior charges and the surplus should be shared in agreed proportion among the industry, workers and the shareholders.

'Ex-Gratia' Payment

Both the Engineering Association of India, Calcutta (to the memorandum of which a brief reference was made on page 930 of our last issue) and the Bombay Chamber of Commerce and Industry view bonus as an *ex-gratia* payment. According to the Bombay Chamber, the concept of bonus should be the plain and popular meaning of the term bonus, namely, extra payment made as a gesture by employers. The quantum of this bonus should be decided primarily by the employer, subject to the availability of profits. The circumstances under which it should be paid should also be left to be determined by the employers and should not be a matter on which an industrial dispute can be raised. It maintains that bonus payment should be gradually stopped and the question of wage increases (in lieu of bonus) should be left to be decided by appropriate authorities in the light of the financial capacity and stability of each industry.

The Engineering Association maintains that bonus based on profit is essentially an *ex-gratia* payment. As labour already receives its contractual due in the form of wages (including production bonus) in return for its contribution as a prior charge, irrespective of profits or losses, it follows that, if any reward or remuneration over and above this were to be given, such shall be related to production and productivity. Since additional payment of remuneration is designed to achieve the maximum incentive effect, it cannot, obviously, be paid annually but should be paid immediately after the extra effort, which is being rewarded, has been made. In the view of the Engineering Association, bonus becomes a legitimate claim of labour for extra effort or performance and should not therefore be tied up with the profit or loss of an undertaking. The present system of bonus based on profit does not in any way tend to improve industrial relations or act as an incentive to efficiency and higher production. It is therefore desirable, in the interests of industrial peace and economic progress, suggests the Association, to replace this, wherever possible, by a system of bonus related to productivity/efficiency in a period of two years but not exceeding five years.

"Living Wage"

The present judicially interpreted concept of bonus is that it is not an *ex-gratia* payment and that the claim for bonus is an industrial claim when the employer had made profits to the earning of which workmen have contributed and a gap exists between the actual wage and the living wage. In this connection, all the employers' associations referred to above have taken objection to importing the living wage concept into the question of bonus. According to the Council of Indian Employers, the term "living wage" has remained undefined and undefinable in the context of the wide disparities existing between the industrial and non-industrial worker. The Bombay Chamber of Commerce is more critical of the concept of living wage. In its view, bonus should have no bearing on the nebulous concept of a "so-called living wage." The Supreme Court itself, points out the Bombay Chamber, has held that living wage is ambulatory and difficult to define precisely. In the result, the existence of this pre-condition for the making of an industrial claim for bonus is always presumed and attempts on the part of oil companies to establish before the Supreme Court that they were paying living wages had failed. On a review of several important bonus awards, points out the Bombay Chamber, the naivety of putting forward such a pre-condition is clearly exposed. These awards proceed on the assumption that a gap does exist, but without indicating the extent of that gap and the extent to which it is being filled.

The Millowners' Association, Bombay, submits that living wage is a fluctuating concept, and it varies with the industry, the locality, the stage of economic development, the social ideas, etc. The living wage, according to the Association, will never be a reality, however much the present earnings of the workers rise for the simple reason that the living wage, not being a static one, will rise too, thus leaving a gap between actual and living wages.

The Engineering Association submits that the argument that bonus payable to workmen out of the available surplus tends to bridge the gap between the workmen's actual earnings and the living wage is not acceptable to it. In a country like ours, the Association goes on to point out, where *per capita* income is low and where the bulk of the society has to subsist on a level much below the minimum wage, it would not be desirable to import considerations of living wage standards into the basic concept of bonus. Further, the expression "living wage" is an indefinite and fluid expression and as such linking bonus to living wage would, it contends, perpetuate the system of bonus.

The A.I.M.O. categorically affirms that bonus at no time can be stated to represent the additional remuneration payable to workmen out of the available surplus so as to bridge the gap between the workmen's actual earnings and the living wage. For this, there is a different system of payment accepted which is based on the cost of living index and is being paid to workers through D.A. Moreover, submits the A.I.M.O., living wage is too nebulous a term to define and is variable from year to year, depending upon changes in the standard of living of the people in different parts of the country and the value of money. All that can be said about bonus payment, according to the A.I.M.O., is that (this concept has been upheld by the Supreme Court), "although bonus under the Industrial Disputes Act is not a payment of wages, it has now attained the status of a legal right, and when it is allowed it adds to the remuneration payable to the employers." The Indian Merchants' Chamber also rejects the concept of bonus as a payment to bridge the gap between the living wage and the actual wage. In its opinion, bonus has no relation to any kind of wages.

Incentive Effect of Bonus

All employers' organisations reject the proposition that bonus, in the case of workmen drawing a living wage, acts as an incentive to further efficiency and that bonus gives workers a sense of partnership in industry. The Bombay Chamber of Commerce and the Millowners' Association contend that, if it is accepted that the concept of living wage is ambulatory and incapable of precise definition, it is futile to consider any proposition on the basis that a living wage is being paid. As to the argument that bonus gives labour a sense of partnership, the Bombay Chamber asserts that there is absolutely no substance in this contention. It is against the very concept of partnership, the Chamber points out, that one of the partners should be entitled to make an industrial claim for more remuneration than contracted for. However, apart from the legal concept of partnership and using that term as in popular parlance, the theory has no basis in fact. It should be obvious that the workmen can have no sense of partnership in an industry, if they have to secure, if at all, some payment after acrimonious litigation or negotiation, years after the financial year to which the payment is deemed to be related. The only relation to a partnership, in the Chamber's view, is in the use of the word 'shares,' when considering distribution of any available surplus under the present bonus formula.

The Millowners' Association is equally emphatic in denying that bonus is an incentive for production and that it engenders a sense of partnership among workers. Apart from the fact that a reward for efficiency, paid long after the effort, would not act as an incentive to workmen, bonus, the Association avers, is not related to the contribution of labour and depends on several other factors which affect the financial working of the Company. Considering the fact that most organised industries have been making bonus payment for the last twenty years or so, it cannot be said, the Association points out, that a sense of partnership has been generated. The A.I.M.O. also feels that payment of bonus based on profits cannot act as an incentive for further efficiency as it is not linked to production. Neither does bonus based on profit give a sense of partnership. Partnership,

(*Continued on page* 946)

OFFTAKE OF COTTON TEXTILES RISING

NEED TO ENCOURAGE GREATER INTEGRATION

From Our Special Correspondent

MANCHESTER, 20*th November*

MANCHESTER LETTER

CONFIRMATION—inevitably back-dated—of the swing towards more enterprise among buyers of cotton textile products is now forthcoming from official sources. Board of Trade statistics for September covering conditions in the textile and cloth industries show the volume of net new orders received during that month at 15 per cent higher than in September 1961. Although the contracts on hand were then fractionally lower than at the end of August and deliveries in September were one per cent down on the previous year, the impetus was clearly beginning to show itself. Subsequent operations have continued the trend, but everyone connected with the industry would agree that there is as yet no cause for self-satisfaction.

While supporting every effort to create favourable trading circumstances, including stimulating influences to encourage buyers in maintaining a steady stream of orders for the mills, it is possible to go from one extreme to the other. Creeping into the feature columns of some of the popular newspapers are special articles suggesting that textiles are on the verge of another boom—the very word is calculated to make people in the trade shudder, however pleasant it may be to participate in such conditions at the time.

Certainly the tone of the market at present is a great deal better than it was three months ago, and the long lean time through which the industry has been passing seems to have run its course. There are, however, so many imponderables still to be tackled, from structural changes to the threat of reviving imports, that to present too enthusiastic a front when the buying movement is steadily gathering momentum only adds to the complications which may arise in the future. Steady purchasing on an annual basis, affected perhaps by seasonal influences, is the aim of most traders. The wide fluctuations, from virtual absence of demand to frantic overbuying and duplication of orders, are a disturbing factor which the industry could well do without in exchange for a regular flow of business.

A Drastic Policy

Whatever arguments can be raised against the holding of public conferences such as that organised by the Cotton Board each year at Harrogate, there can be no denying that many of the contributions stimulate thought, and occasionally action, as they are meant to do. The predominating feature of this year's gathering was the widely held belief that something should be done to encourage greater integration in the industry, with a definite move towards closer links between production and distribution. The main question constantly posed was: "How is it to be done?"

Developments behind the scenes have been taking place for some time past and they have not been diminished by the opinions expressed at Harrogate and since. Efforts to "set the ball rolling" are continuing and can be expected to persist. Several lines of approach are available, involving, on the one hand, voluntary collaboration through financial amalgamation or, alternatively, a compulsory scheme to force the issue, however drastic this may be considered. Leaning towards the second proposal is Mr. W. H. Morley, a Director of Barber Textile Corporation, who has lately set forth his independent views at a meeting of the Blackburn Textile Institute.

Mr. Morley suggested three possible approaches to the basic problem of the industry, which was the fundamentally uneconomic structure of the horizontal sectional units. The first envisaged a closer trading relationship throughout the production chain, with a reduction in costs by linking spinners, weavers and finishers. Progress, he admitted, must inevitably be at the speed with which a transition from horizontal to vertical organisation could take place. If financial integration can be achieved by merging of ownership, a concentration of plant and resources, as well as management, can also be secured.

The second method centres on an individual enlargement movement by the existing vertically integrated firms. Mr. Morley said that these groups were compelled, by virtue of the widely distributed use of their assets, to operate on a fairly small scale, by national standards, in a number of market outlets selected to give a certain stability.

The third alternative, admittedly drastic in principle, but the one he advocated as a desirable and positive development, was a planned concentration of the remaining industry to reshape the whole of Lancashire's productive efficiency and simultaneously re-align the trading structure. "Surely planned action of a semi-aggressive nature is far better than the present apathetic *laissez faire* approach which achieves little but dissipation of our assets," he declared.

This positive approach, according to Mr. Morley, could be adopted either by the Cotton Board, with its constitution amended, or preferably by a combination of the employers' trade associations by forming a Textile Trade Concentration Company. In the present climate of the trade, he suggested, companies could be found willing at once to sell out to such an organisation if the terms were sufficiently attractive. He would prefer to see the operation carried out strictly as a business operation, units being purchased on their merits and with their assets valued on a strictly commercial basis.

Japan Back in the Picture

In the midst of so many complex and diverse arguments about the importation of cotton goods from Commonwealth countries and their impact on the accompanying negotiations with Europe, the originators of the system—the Japanese mills—sometimes tend to be forgotten. Their importance to the cotton world at large has been forcibly brought to the fore this week by the signing of the Anglo-Japanese trade agreement covering business relations between the two countries for the next six years.

Not only were the Japanese the first large-scale rivals to Lancashire when they usurped this country's position as an exporter of cotton goods in the years between the wars, but Japan was the first source from which supplies of grey cloth were obtained in the post-war arrangement for an "improvement" trade. From relatively small beginnings, in the shape of imports for processing and re-export to Colonial territories have grown the enormous supplies which overseas countries now thrust at Britain's domestic market. During this time, while Hong Kong, India and Pakistan have thrived on the "open door" principle, goods arriving from Japan have not only been subject to quotas but have been almost exclusively for processing and re-export, with restrictions on those areas to which the finished products could be shipped.

Yet Another Threat

Under the terms of the new pact a little expansion is offered to Japanese exporters to send cotton textiles to the United Kingdom for distribution at home, but, in relation to the quantities lately absorbed from Commonwealth countries, the volume of the new quotas is small indeed. At the same time, any further inroads, however small, must be regarded as yet another threat to Lancashire producers, particularly as the element of growth in the trade agreement foreshadows a gradual widening of facilities for Japan to enter the British market.

Bilateral agreements between individual countries are permitted under the terms of the G.A.T.T. arrangement on cotton textiles, but the basic considerations of that scheme will still apply, in that any sign of disruption at home will bring a claim for a halt to be called to the inroads being made. This at least is the intention of the Government, as already affirmed by the President of the Board of Trade to the Chairman of the Cotton Board.

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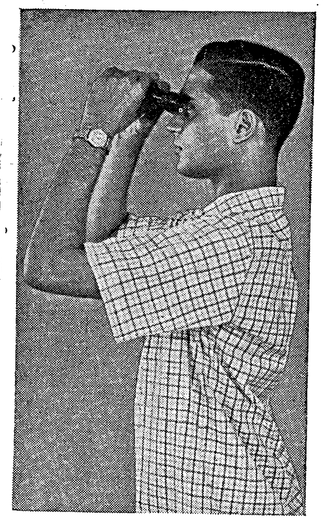

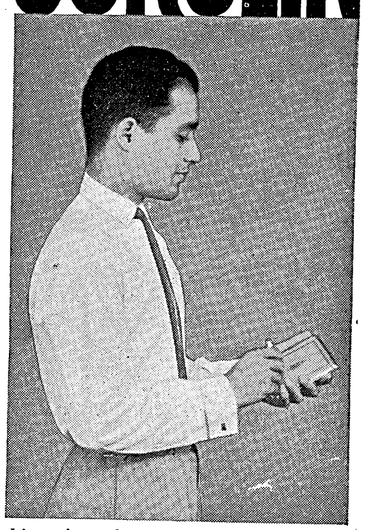

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WORLD COTTON TEXTILE CAPACITY

UNDERDEVELOPED COUNTRIES' SHARE RISING

A STRIKING feature of development in the sphere of international cotton textiles in recent years has been the remarkable growth of the industry in underdeveloped countries, side by side with the shrinkage in size elsewhere. Thus, between 1958 and 1961, the combined share of countries other than Japan, Australia, North America and Europe in the aggregate world active cotton spinning capacity has gone up from 25.7 per cent to 29.2 per cent, whereas that of the industrially advanced countries has receded from 74.3 per cent to 70.8 per cent. Similarly, the underdeveloped countries have acquired a steadily increasing share of the world's weaving capacity, the actual share in 1961 being 27.0 per cent, as against 24.1 per cent in 1958, whereas the proportion of developed nations was lower at 73.0 per cent, as against 75.9 per cent. The change in the distribution of active spindles and looms as well as those in place in the two regions over the four years from 1958 to 1961 is indicated below:

	No. in place		No. active	
	1961	1958	1961	1958
*Spindles** (in thousands)				
Underdeveloped countries ..	38,530	33,843	34,580	30,722
Developed countries ..	87,725	100,528	83,611	88,494
World total ..	126,255	134,371	118,141	119,216
Looms†		(In actual numbers)		
Underdeveloped countries ..	707,957	886,048	653,121	571,702
Developed countries ..	1,832,277	1,703,869	1,763,483	1,800,708
World total ..	2,540,234	2,589,917	2,416,604	2,372,140

* Include three and four-cylinder cotton system spinning spindles and rayon spindles.

† Include operable looms, 18" or more wide, and rayon looms.

There was very little change in the world total of cotton spinning spindles during 1961 as compared with 1960. There was a rise of 216,000 to 123.18 million in the number of ring spindles in place, but this was more than offset by the fall of 198,000 mule spindles to 3.08 million, so that the total number in place was practically unaltered at 126.26 million, as against 126.24 million. The number of active spindles, however, fell by 1.08 million to 118.14 million, as the 393.000 additional ring spindles in action were outnumbered by a decline of over 1.46 million to 2.82 million in active mule spindles. Relatively large increases took place during 1961 in Venezuela, Hong Kong, Indonesia, Israel and the Philippines. In India, both the spindles in place and the spindles active increased, the former from 13,864,000 to 13,985,000 and the latter from 11,831,000 to 12,129,000.

The pattern of geographical distribution of spindles continued to change. The percentage share of the world's aggregate cotton spindles rose further from 1.36 in 1960 to 1.54 in 1961 in Africa, from 4.84 to 4.97 in South America and from 32.02 to 32.91 in Asia (and Oceania), but receded from 18.26 to 18.16 in North America and from 43.52 to 42.42 in Europe.

While the number of active spindles (world total) declined by 1.08 million to 118.14 million during the year 1961, the spindles were more intensively utilised than in the previous year. This is indicated by the persistent increase in the average number of hours worked per active spindle which in 1961 was 4,903, as against 4,866 spindle-hours in 1960 and 4,513 spindle-hours in 1959. Variations among the countries remained wide, though they were somewhat reduced as compared with 1960. The average for the European countries was again the lowest, but, for the second year, the extent by which the average fell short of the world average was slightly low. The actual average spindle-hours worked during the year 1961 was 3,673 (3,535 in 1960) in Europe, 5,035 (5,250) in South America, 5,433 (5,509) in Asia and Oceania, 6,079 (6,138) in North America and 6,559 (6,803) in Africa. On an average, a spindle in India worked 8,400 hours during 1961.

That the spinning capacity of the world cotton industry was utilised to a greater extent during 1961 than in 1960 is also evident from the expansion in raw material consumption. The total quantity of raw cotton actually consumed amounted to more than 10.40 million metric tons, as against 10.17 million metric tons in 1960 representing a rise of two per cent. The consumption of artificial (cellulosic) and synthetic (non-cellulosic) fibres, too, rose by three per cent, from 1.11 million tons to 1.14 million tons. The mill industry in India consumed last year 950,850 tons of raw cotton and 10,000 tons of man-made fibres, the corresponding figures for 1960 being 908,000 tons and 10,400 tons, respectively.

The number of cotton looms in place in the world as on 31st December 1961 was lower at 2,540,234, as against 2,553,334 a year before, the decline being only marginal. This was so because the further increase in the number of looms from 872,789 to 902,531 in Asia (and Oceania), from 155,498 to 155,951 in South America and from 35,045 to 36,906 in Africa was offset by the fall from 377,720 to 371,298 looms in North America and from 1,112,282 to 1,073,548 in Europe. The number of active looms (world total), however, was higher in 1961 than in 1960, being 2,416,604, as against 2,415,384. The improvement was accounted for only by Asia (and Oceania) and Africa, where the number rose from 804,052 and 33,938 looms to 832,702 and 35,226 looms, respectively, whereas the number declined from 361,713 to 361,134 in North America, from 143.692 to 143.601 in South America and from 1,071,989 to 1,043,941 in Europe. In India, the number of looms in place went up from 205,564 to 206.525 and that of active looms from 182,203 to 184,562.

In step with the rise in spindle-hours, the loom-hours worked increased, the world average for 1961 being 4,575, as against 4,529 in 1960 and 4,282 in 1959. The Continental breakdown of the average loom-hours worked in 1961 is as follows, the figures in brackets relating to 1960: Africa 5,635 (5.589); South America 4,916 (4,889); Asia and Oceania 5,464 (5,213); North America 6,149 (6,351); Europe 3,403 (3,243). The average loom-hours worked in India during 1961 was 5,290, as against 5,348 in 1960 and 5,195 in 1959.

Modernisation of cotton mills continued to make progress during the year 1961. Thus, the total number of automatic looms and looms with automatic attachments in place as on 31st December 1961 was higher at 1,119,285, as against 1,101,220 a year before. The increase was at the expense of ordinary looms which declined from 1,452,114 to 1,420,949. In India, the number of automatic looms in place rose from 14,500 in 1960 to 17,500 in 1961 and the active looms from 14,000 to 17,000. Nevertheless, the proportion of automatic looms to the total looms installed is negligible, being no more than 8.5 per cent, as against 100 per cent in the U.S., 74 per cent in Hong Kong, 63 per cent in W. Germany, 29 per cent in the U.K., 26 per cent in China and 14 per cent in Japan. Unless more and more of ordinary looms are replaced by automatic looms in India, the cotton mill industry will not be able successfully to cater to the continuously expanding cloth ing requirements of its people in the coming years at a reasonable price, as well as to compete effectively in world markets.

RUSSIA'S TRADE IN WOOL

Imports of raw wool, excluding goat and camel hair, into the Soviet Union during 1961, at 121 million lbs. (clean basis), were 10 per cent lower than in 1960. As in previous years, the greater part of imports consisted of semi-coarse and coarse wool (medium cross-bred and lower), supplied chiefly by Mongolia, China, India and Afghanistan. Receipts from Mongolia and India were higher, while those from New Zealand increased from 900,000 lbs. to 6.2 million lbs., but imports from China were nearly halved. Total receipts of coarse wool fell by 12 per cent to 77 million lbs. Imports of fine wool (*merino type*) fell by 5 per cent to 43¼ million lbs. The chief supplier was Australia, although receipts from that country, at 30½ million lbs., were 6 per cent less than in the previous year. Imports from Argentina were also lower, while nothing was imported from South Africa; in 1960 imports had been of the order of 6.4 million lbs. These reductions were nearly offset by higher imports from New Zealand and Uruguay at 5.1 million lbs. and 4.2 million lbs., respectively.

Total exports of raw wool, including goat and camel hair, from the Soviet Union in 1961 amounted to 62 million lbs. (clean basis), or 56 per cent higher than a year earlier. The rise was shared by both fine and coarse wool, the former more than doubling to 27 million lbs. and the latter increasing by 30 per cent to 35 million lbs.

Imports of woollen fabrics in 1961, at 26 million linear yards, were 11 per cent lower than in the previous year and were chiefly supplied by other Communist countries, particularly China and Poland. Exports of wool fabrics, at approximately 437,000 linear yards, fell by 20 per cent between 1960 and 1961.

LABOUR

(*Concluded from page 944*)

one is told by the A.I.M.O., calls for a wider feeling of responsibility for the efficient and economic working of an enterprise but this attribute is not generally noticeable among workmen receiving bonus.

All the employers' Associations referred to above want that bonus should be determined unit-wise. The following reason given by the Millowners' Association, Bombay for unit-wise fixation of bonus, seems to represent the consensus of opinion among employers:

"Since bonus is essentially a share in the profits, it has necessarily to be unit-wise. Not all the units in an industry in a centre will make profits and, where profits are made, they will not be on the same scale. It would be highly unjust to lay down the same rate of bonus to the workers of all the units. Moreover, the propagation of any such idea is likely to promote inefficiency both on the part of management and the workmen as the bonus distributed will have no relation to their own contribution to the profits. In other words, workmen will gain or lose in the matter of bonus, because of the performance of other units and sooner or later such a system will dampen incentive on the part of the workmen to contribute to the profit-earning capacity of the industry. Both from the point of view of the management and the workmen, the concept of a uniform bonus to workmen of all units in an industry in a centre is not welcome."

There is also unanimity of opinion that bonus should become payable only when there is a surplus after meeting the prior charges and that there can be no question of bonus payment when there is no such surplus.

Country	Active Spindles (In thousands)			Spindle hours Worked (Numbers)			Raw Cotton consumption (Million metric tons)			Artificial fibre consumption (000 metric tons)			Ordinary looms (Number)		Automatic looms (Number)		Total looms (Number)		Loom hours worked (Number)		
	1961	1960	1959	1961	1960	1959	1961	1960	1959	1961	1960	1959	1961	1960	1961	1960	1961	1960	1961	1960	1959
India	12,129	11,831	11,290	5,648	6,069	5,576	950.9	908.0	906 0	10.6	10.4	14.2	167,562	168,203	17,000	14,000	184,562	182,203	5,290	5,348	5,195
Pakistan	1,897	1,844	1,817	6,500	6,725	6,880	233.4	230.5	220.6	..	..	..	11,000	11,000	18,000	18,000	29,000	29,000	5,529	5,345	5,357
Hong Kong	460	490	446	8,400	..	..	90.0	85.0	65.0	..	..	..	4,000	4,000	14,700	12,000	18,700	16,000	7,920	..	..
Japan	10,844	11,106	10,523	4,786	4,774	4,269	593.5	583.6	500.3	305.0	300.4	234.4	..	..	..	..	354,036	340,290	4,714	4,524	4,629
China	9,600	9,500	9,200	..	..	..	1,850.0	1,800.0	1,800.0	6.0	5.8	5.5	115,000	116,000	40,000	36,000	155,000	152,000	..	..	..
Total Asia and Australia ..	38,892	38,127	36,449	5,433	5,509	5,125	4,130.7	3,984.3	3,852.4	342.6	331.4	263.2	337,279	336,667	141,387	127,095	832,702	804,052	5,464	5,213	5,057
United Arab Republic ..	1,188	1,116	1,017	6,740	6,979	6,942	130.7	114.9	107.1	4.0	4.4	3.1	9,760	10,070	11,777	11,148	21,537	21,218	5,723	5,652	5,422
Total Africa	1,817	1,629	1,503	6,559	6,803	6,867	196.7	171.8	158.1	9.0	8.9	8.5	15,795	17,293	19,471	16,645	35,226	33,938	5,635	5,589	5,344
Canada	796	828	876	4,713	4,161	3,879	73.6	66.9	69.1	3.0	2.6	3.6	76	48	13,300	12,848	12,377	12,896	4,859	4,515	4,096
Mexico	1,250	1,242	1,188	..	..	..	106.0	105.0	104.0	20.0	20.0	15.0	27,000	27,000	9,000	9,000	36,000	36,000	..	..	..
U.S.	19,074	19,365	19,362	6,135	6,223	6,344	1,850.2	1,889.9	1,946.5	230.7	210.2	227.6	..	..	308,357	308,317	308,357	308,317	6,204	6,428	6,283
Total N. America ..	21,454	21,769	21,760	6,079	6,138	6,226	2,050.8	2,082.8	2,138.6	259.9	233.0	245.9	27,776	27,848	333,658	333,465	361,134	361,713	6,149	6,351	6,194
Argentina	1,038	1,038	1,022	4,600	4,591	4,176	115.0	113.2	103.3	0.2	0.2	0.2	4,800	4,962	14,550	14,521	19,350	19,483	4,350	4,304	3,799
Brazil	3,555	3,480	3,400	5,499	5,485	4,962	298.8	275.4	251.3	1.0	1.0	0.8	70,000	71,000	22,000	21,500	92,000	92,500	5,050	5,002	..
Total S. America ..	5,867	5,765	5,641	5,035	5,250	4,548	530.7	503.5	458.8	3.8	3.8	3.6	82,000	83,962	61,592	59,731	143,601	143,692	4,916	4,889	3,786
Belgium	1,304	1,248	1,207	4,903	5,001	4,680	95.6	96.3	90.9	11.6	8.7	7.3	12,180	13,811	10,890	9,945	23,070	23,756	..	..	..
Czechoslovakia	1,950	1,950	1,950	..	..	..	98.0	95.0	92.0	20.0	20.0	20.0	20,000	20,000	17,000	16,400	37,000	36,400	..	..	..
France	4,839	5,154	5,194	4,303	4,123	3,509	293.3	296.2	262.4	31.0	31.5	29.0	45,866	40,376	63,097	62,523	108,963	102,899	3,161	3,514	3,176
W. Germany	5,909	5,948	6,120	3,686	3,782	3,310	313.2	324.0	304.0	83.7	92.0	85.9	47,417	53,365	69,000	66,893	116,452	120,260	3,163	3,297	3,057
E. Germany	1,150	1,150	1,150	..	..	..	80.0	74.0	72.0	18.0	18.0	16.0	28,000	29,000	10,000	10,000	38,000	39,000	..	..	..
Italy	3,938	3,974	3,906	4,369	4,368	3,984	225.0	227.0	201.8	38.9	37.5	34.4	14,916	17,660	69,883	69,931	84,799	87,591	3,345	3,426	3,303
Netherlands	1,020	1,032	1,041	4,754	4,650	4,287	80.0	79.6	73.0	4.7	5.2	4.9	14,597	16,378	17,781	16,455	32,378	32,833	3,764	3,770	3,443
Poland	1,972	1,930	1,912	..	..	..	130.1	119.0	116.8	64.8	60.8	54.2	34,092	35,032	6,522	5,102	40,614	40,134	..	..	..
Portugal	836	836	851	4,801	4,801	4,511	65.8	60.8	47.2	4.8	4.3	5.8	18,034	19,000	6,800	5,200	24,834	24,200	3,261	3,261	3,185
Spain	2,471	2,417	2,540	3,784	3,448	3,419	90.5	95.1	85.0	10.9	11.4	14.2	51,760	54,833	8,517	9,124	60,277	63,956	3,269	2,892	2,877
Switzerland	1,169	1,177	1,192	3,897	3,441	3,083	41.9	40.7	34.4	1.2	0.9	0.6	4,624	4,736	11,430	11,641	16,054	16,377	3,246	3,196	3,071
U.K.	9,176	10,703	13,178	2,369	2,239	2,039	213.5	271.1	282.5	51.6	57 3	53 8	108,000	..	46,900	..	154,900	171,400	2,783	2,635	2,494
U.S.S.R.	10,800	10,800	10,800	..	..	..	1,400.0	1,340.0	1,279.0	135.0	135.0	131.5	122,000	127,000	98,000	98,000	220,000	223,000	..	..	..
Total Europe ..	50,111	51,880	54,598	3,673	3,535	3,129	3,494.3	3,423.3	3,226.0	525.8	534.2	503.3	568,592	481,351	475,349	419,238	1,043,941	1,071,989	3,403	3,243	3,051
Grand Total ..	118,141	119,220	119,951	4,903	4,866	4,513	10,403.2	10,170.7	983.8	1,141.1	1,111.3	1,024.6	1,031,451	947,120	1,031,117	956,574	2,416,604	2,415,384	4,575	4,529	4,282

NEW PUBLICATIONS

Company Administration under the New Company Law. By Tanubhai D. Desai and Indulal H. Shah. Published by N. M. Tripathi (P) Ltd., Princess Street, Bombay 2. Pages : 105. Price : Rs. 6.00.

WITH the advent and growth of the corporate sector as an integral part of business organisation to meet the increasing needs of large-scale finance, control over joint-stock companies was tightened by the introduction, from time to time, of gripping provisions in the company law to make it practical and more effective. The main object is to ensure a minimum standard of good behaviour in the promotion and management of enterprises and to restore and encourage the confidence and protect the interests as well of the investors at large in the existing major instrument of economic activity, namely, joint-stock enterprises.

The first edition of this book was published as early as in 1956 on the coming into force of the Companies Act of 1956. It served well the need for a compact but comprehensive reference book on the extensive provisions of the Law. Consequent on the many important changes effected in the Act by the amendment Act of 1960, the authors, Messrs. Tanubhai Desai and Indulal Shah, have fittingly rewritten the book incorporating the various changes made and presented in a short compass a useful and compact reference guide to the comprehensive Act with the amendments alone running to over 200 sections. At the outset, the authors spotlight the effect of the new Act (after amendments in 1960) on the existing companies from management aspect, on the responsibilities and restrictions on the powers of Board, managing agents etc., and on matters relating to meetings, audit and maintaining of accounts. In the succeeding chapters, the various provisions of the Law for the efficient management and effective control of joint-stock companies are discussed in a brief, simple and lucid manner. The purpose of the book is to offer company executives a shorter and simpler account of the complex subject of company administration. This small publication which is the result of the combined efforts of the authors, a solicitor and a chartered accountant, is sure to be of much practical utility and guidance to company executives and students of Company Law.

Working of State Enterprises in India. By Tirth Raj Sharma. Published by Vora & Co. Publishers (P) Ltd., 3, Round Building, Kalbadevi Road, Bombay 2. Pages : 232. Price : Rs. 12.

With the growing participation of the State in the rapid industrialisation of India, the utility of public enterprises as a stabilising factor in the economy and as an instrument of counter-cyclical policy has come to be increasingly recognised. The wide incursions of the State in the industrial sphere has raised many organisational and economic problems. Dr. Tirth Raj Sharma has, in an objective manner, studied the various problems in the working of public enterprises and the different aspects of oragnisation, parliamentary and ministerial control, price policy, efficiency factor, etc., and presented his observations in a simple and lucid manner.

This book is an abridged version of the author's thesis for the Doctorate degree of the Agra University (1959). The initial few chapters give a historical background to the advent of State interest in industry and establishment of different types of undertakings. The author discusses the trend over four successive phases of economic growth from early nineteenth century to date. Social and political considerations, rather than strictly economic ones, have motivated the State to engage in business enterprise. In addition, the need for basic economic development and promotion of broad public purposes, setting up of industries of national importance beyond private resources, and augmenting resources for the State and other political and technical considerations have also accelerated this trend. With the declaration of the new industrial policy in 1956, clear-cut reservations have been made out for the public and private sectors to contribute their role in the contemplated mixed type of economy.

The importance of "Governing Boards" for the successful operation of the enterprises can hardly be exaggerated. Discussing the management aspect, the author stresses the need for careful constitution of the Governing Boards on considerations of expert knowledge, specialisation in particular fields and business talent rather than political and other considerations. Wider responsibilities for the Board is quite essential to make it more effective. Whether a Governing Board should be a functional or policy-making one is a matter of choice, depending on the type of organisation and the nature and magnitude of industrial venture. Further, to help flexibility and efficiency in administration, the Board should enjoy fullest autonomy, and control to be constructive should be confined to matters of principle and broad policies and should not interfere with the day-to-day affairs and managerial details. The author cites instances of too much officialdom on the Boards of public corporations and ministerial pressure not only on policy aspects but also extending to day-to-day management of affairs. He observes that in India there is deviation from the principle of maintaining balance between ministerial control and the Boards' autonomy and too wide an interpretation is not unusually placed on public interest with the result that some of the directives issued even affect the smooth internal administration and functioning of industrial undertakings. A central co-ordinating agency to be in close touch with all public corporations, pool knowledge and experience, and determine economic priorities, is essential to unify the administration and development of all public enterprises. The Ministry of Commerce and Industry has set up a Co-ordinating Committee for the industrial projects to review from time to time their progress.

The concluding chapters deal, at length, with the special problems of State enterprises like price policy, scientific research, efficiency, labour problems and consumers' interest etc. Observing non-uniformity in pricing methods as between the different State undertakings, the author suggests a central body on the lines of the Price Tribunal recommended by Mr. A. D. Gorwala to cater to the needs of co-ordination and act as a precaution against undue charges, inferior quality, and invidious preferences. Scientific research is an essential means, if the large investments in the public sector are to produce better results by efficient use of resources.

With the growing accent on industrialisation in the process of post-independence reconstruction and planning in the country, the role and responsibilities of public sector are all too obvious. Dr. Sharma has made a deep analytical study of the various aspects of its working and has made a useful contribution to this important subject.

Business Consortia. By A. Harding Boulton. Published in India by N. M. Tripathi (P) Ltd., Princess Street, Bombay 2. Pages : 124. Price : 30s.

In the process of economic reconstruction and development, the recent years have witnessed a successful growth of multi-projects, be it in industry, agriculture or in other developmental spheres. These gigantic ventures call for pooling resources from all directions—manpower, talent, technical know-how and, above all, the vital needs of finance on which the magnitude and progress of the venture eventually rests. That an increasing sector in the economic field is passing into the control of other forms of economic organisation is substantiated by the rapid pace of nationalised industry and the successful working of large collaboration programmes.

Fitting well with the growing needs of economic development in the changing pattern of economic growth, the idea of "Consortium" has come to emerge, gaining momentum with the passage of time. Presenting this useful subject in a small book which comes at the right time of developmental era all over, the author Mr. Harding Boulton analyses in a lucid manner, with all crispness, the various aspects of consortium connected with the formation and effective functioning of the organisation. Very little has been written on the nature and organisation of consortium and its place in modern Industry. As the author observes, this book does not rigidly fall under any recognisable category, being neither a legal work nor a book on economics, although legal and economic problems connected with the management and operational sides have been dealt with for interesting and effective reading. Particularly the three chapters on "Documenting" detail the various stages involved in the formation and setting up of the organisation.

At the outset, the author gives three underlying reasons behind the emergence of the idea of consortium, namely, the magnitude and integral complexity of major projects in the contemporary world; (ii) the advent of government as buyers and sellers in the economic field; and (iii) the growing habit of co-operation outgrowing unhealthy competition. In its transference to new field, consortium may be defined as "the organisation brought into being to enable two or more units to operate as a single entity for a common, prescribed and limited purpose." The advent of joint-stock trading was itself an answer to the acute needs of the eighteenth and nineteenth centuries like the magnitude of projects and need for large-scale finance, their management problem, and the necessity of capital mobility to render investment less irrevocable. The different types of consortium organisation include the common project, common agency, partnership and limited company. The choice of organisation would necessarily depend on the extent of activity and the objective behind forming into a consortium. It is here that "a single purpose" consortium, with its limited purpose, differs from "continuing consortium."

The chapters on "finance" and "management" throw much light on and reflect the practical issues involved in the effective organisation and successful functioning of the consortium. The measure of capital needs of consortium on the basis of adequate capitalisation will be the maximum gap which is likely to develop between the payments which it will be necessary to make to the constituents in the ordinary course of business and the instalments expected to be received from the customer. The emergence of management as a recognisable function has been one of the features of the recent developments in industry and commerce. The discussions on the management aspects clearly bring out the distinction between the functioning and constitution of the Boards in a normal company which has a bearing on voting representation, and the one in a consortium which is based on considerations of technical, commercial, financial, managing and advisory services and specialisation.

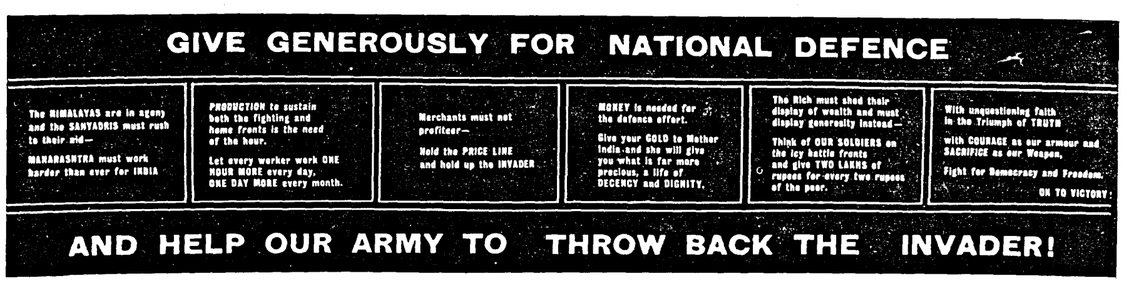
For the most part, this book has been concerned with the problems of "single purpose" consortium. In a separate chapter on "continuing" consortium, the author brings to light the differences in approach as between these two types. While the former is established with the limited object of undertaking a single project going out of existence on its completion, the purpose of a continuing consortium is a long-range one, and it is organised as a means for continued business activity which, in the interests of all constituents, is likely to be better served by joint activity than by unilateral individual efforts. The author foresees the future of consortiums to be determined by the interplay of two trends. First is the increasing need for technical co-operation because of the increasing complexity of projects. The other is the trend to coalescence and the increasing size of industrial units. By whatever name it may be called, it would seem inevitable that the kind of co-operation which in a capitalistic society emerges as a consortium would be equally necessary in a socialistic economy.

Accountants' Study on the Income-tax Act 1961. By B. Chhawchharia, K. Kumar, H. S. Jain, B. S. Gupta. Sponsored by Bharat Chamber of Commerce, Calcutta. Available from B. Chhawchharia, c/o K. N. Gutgutia & Co. 33, Netaji Subhas Road, Calcutta 1. Pages: 301. Price: Rs. 14.50.

The Indian Income-tax Act, 1961 was recently enacted and brought into force on 1st April, 1962. The Income-tax Act, 1922 has been repealed. The new Act is a re-codification of the old, incorporating the suggestions of the Law Commission and the Direct Taxes Administration / Enquiry Committee. The Act has been simplified to a very great extent without altering the basic structure. However, it does not mean that a layman can claim to attend to his own assessment proceedings by himself without the help of an expert.

The new enactment, like the Indian Companies Act, consists of numerous sections, about 298, as compared with the 68 sections of the 1922 enactment. This, of course, does not include the sub-sections, provisos and the explanations. Since the new Act is a re-codification of the old one, it must be necessary for those concerned with this branch of the law to know the changes made in the old law and the effects of such changes. A careful study of the new enactment is, therefore, called for for the benefit of every one concerned, including the Revenue Authorities.

The Bharat Chamber of Commerce, Calcutta, must be congratulated on its initiative in this respect. It had in the past published a study of the Indian Companies Act by a group of experienced Chartered Accountants. It has now published a study of the Indian Income-tax Act, 1961 by four experienced Chartered Accountants. One who is interested in finding out how the old Act has been modified in the new enactment has only to open the pages dealing with the particulars of changes introduced by the new Act. The particulars are given with reference to the new sections and the corresponding old sections. At various places one finds the provisions of the new enactment explained by illustrations from the point of view of both law and accountancy. In addition to the above important details, the book also provides commentary on the computation of income under different heads, rebates and reliefs, deemed incomes, the rate structure, the interest and time schedules, etc., a chapter on appeals and revisions with a detailed note on appealable orders, depreciation, income assessable on the basis of residence and miscellaneous matters. The Appendices contain, amongst others, a table of corresponding sections of the new Act *vis-a-vis* the old enactment, income-tax rules, table of fees and stamp duty etc. The addendum contains a discussion on further changes made in the new Act by the Finance Act No. 2 of 1962 and the rates and charges under the said Act. None can afford to miss such a useful book.



SUGARCANE FARMS IN MAHARASHTRA

NO POSTPONEMENT OF CEILING APPLICATION

A FORTNIGHT ago, it was reported in a section of the daily Press that the Government of Maharashtra had decided to postpone the date (1st April 1963) for applying the land ceiling legislation to the cane farms attached to the joint-stock sugar mills in the State, in view of the national emergency. The report was unbelievable, for any such decision might lead to the inference that the successor to Mr. Y. B. Chavan, the father of the land ceiling legislation of Maharashtra, was reversing a fundamental feature of the Maharashtra Congress Party's land reform policy and that no one would be prepared to accept the odium. From the economic point of view, however, such a decision would have been perfectly correct, for it would have avoided unnecessary complications that would hinder the sugar mills' efforts to produce more at a time when the domestic demand for this essential item of consumption is expanding and when there is the exigency of earning as much foreign exchange as possible through exports. But what is economically desirable is not always politically feasible. It is, therefore, not surprising to find that the report mentioned at the outset has proved to be mere wishful thinking on the part of some. Perhaps, it was a clever feeler by the interests adversely affected to test the real intentions of the Maharashtra Government and to find out whether the new situation in the country would not engender second thoughts among the powers-that-be. Mr. V. P. Naik, Revenue Minister of Maharashtra, declared at a Press interview towards the close of last week that the Government had no intention whatever of postponing the implementation of the Land Ceiling Act. The Government's decision to proceed with the implementation, Mr. Naik said, was irrevocable. In this connection, the Minister gave the following additional information:

For facilitating the smooth take-over of the surplus land under cane, talks have been initiated with the sugar companies. Discussions relate to the valuation of farm implements, buildings and trolley lines for cane transport. The other items under discussion pertain to dairies, hospitals and schools and the ways of ensuring their unhampered continuance. Arrangements for cultivation of the surplus land during the transitional period would be finalised soon.

Cane Supplies to Mills

While the Maharashtra Government is thus determined to take over the sugar mills' cane farms on 1st April next, it is to be hoped that it will, in accordance with its repeated assurances, make satisfactory arrangements to ensure that the supplies of cane to the mills will not in any way be disturbed. One such arrangement, as we had pointed out on an earlier occasion, would be to allow the sugar mills to have control on the cane crops that remain unharvested at the time of application of the Act and use them for their crushing. This means that the ceiling legislation should be applied in the first instance only to the farms that have no standing crop. Later, after this crop has been harvested, the farms concerned could be taken over. Such an arrangement would eliminate a lot of botheration to both the Government and the managements of sugar mills.

To revert to Mr. Naik's statement. Justifying the decision of the Government to apply the ceiling legislation to the sugar mills' cane farms, Mr. Naik is reported to have observed:

"The Government has taken up the challenge of increasing agricultural production. Once the Government has decided to apply the principle of ceiling in rural sector, it is not possible on grounds of equity to give any exemption to the owners of sugar farms. It is not true to say that the farms attached to sugar factories are necessary for their efficient functioning. Nearly 75 per cent of the country's sugar production is accounted for by factories which do not have lands of their own."

The contention of Mr. Naik is, to say the least, misleading. Is it not because of the cane farms attached to mills that the sugar industry in the Deccan is much more efficiently run than in other parts of the country? Logically speaking, Mr. Naik's defence implies that sugar economy in Maharashtra, which is now the most efficient in the whole of India, would deteriorate to the level in the rest of India. The joint-stock sugar mills have spent huge amounts of money on scientific methods of cane cultivation. It is this investment that has made the Maharashtra State the most efficient sugar producer in the whole of India. It may be true that the sugar mills elsewhere do not have their own cane farms. But that is the reason why both the per-acre yield and the recovery per cent of cane grown in other areas are well below those of cane produced in the Deccan. Since this issue has been dealt with at length on a number of occasions in the past, it is unnecessary to refer to it again in detail. Who, after all, can help those who refuse to see?

The Government of Maharashtra has taken steps not to disturb the integrity of the sugarcane farms. Under the Agricultural Lands Ceiling on Holdings (Second Amendment) Bill 1962, adopted by the State Legislative Assembly on Wednesday last week, all those who have leased out cane lands (amounting to a total of about 60,000 acres) to the sugar factories will be entitled to get lands within ceiling limits subject to the condition that they will lease the same to a farm or corporation to be set by the Government for managing the farms; they can become members of the joint-farming society later. Such persons will continue to get rents for the lands so leased and also compensation for the surplus lands surrendered either to the Government or to the proposed corporation. It is further laid down that, where the tenancy is not terminable on the expiration of the period for which it was granted or by reason of usage under the relevant tenancy law, a compensation equal to three times the assessment leviable on the land shall be payable to the tenant and the balance to the landlord. In effect, what this arrangement means is State capitalism in all its nakedness. The Government of Maharashtra simply usurps the farms of sugar companies and there is no certainty that the farms will be as efficiently managed as hitherto. If it fails to do so, there is no one from whom the taxpayer can claim compensation.

Agricultural Income-tax Act

After deciding to break up large agricultural land holdings under the ceiling legislation, the Maharashtra Government has come out with a proposal to levy an agricultural income-tax with a view to augmenting State revenues in the context of the situation created by national emergency. The rate of tax, to be levied with effect from 1st April 1962, is 50 nP on every rupee of agricultural income in excess of Rs. 36,000 per annum. This means that only those who have an average monthly income of Rs. 3,000 will be liable to this new levy. How many individuals can there be with so much income from agriculture? Hardly any. Why then this tax? In a statement appended to the official Bill gazetted, the Finance Minister says that the proposed levy is designed mainly to make good the loss of revenue following the repeal of the sugarcane cess which was found *ultra vires* the Constitution by the Supreme Court last year. The State Government did impose subsequently a purchase tax of Rs. 5 per ton on sugarcane. Since, however, the tax could not be imposed on the portion of the cane grown in the mills' own farms that is utilised by themselves for making sugar, the Government, it is said, has been losing a revenue of Rs. 55-60 lakhs every year. As against this loss, the Government is expected to get a total yield of as much as Rs. 1 crore annually by way of the new agricultural income-tax from the joint-stock sugar mills.

Considering that the tax will be assessed for the year commencing on 1st April 1962 in respect of the agricultural income derived during the preceding year, that is 1961-62, the sugar industry will together have to pay a total of over Rs. 2 crores for the two years 1961-62 and 1962-63. The incidence that will fall on the joint-stock sugar mills after their farms are taken over by the State on 1st April 1963 will, however, be lower, being equal to the aggregate purchase tax on the quantity of cane crushed by the mills, besides the tax payable on the farm (area exempted from ceiling) income of mills in excess of Rs. 36,000 per annum. It will thus be seen that this new tax is chiefly a device for circumventing the Supreme Court's decision and for squeezing out a little more money from the sugar companies the cane farms of which are being nationalised, nay, virtually expropriated, for the compensation payable is a mere pittance.

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ASSAM SILLIMANITE LIMITED

PRODUCTION TO BE ON WAR FOOTING

SPEECH OF MR. S. M. WAHI AT ANNUAL MEETING

ADDRESSING the shareholders, against the backdrop of Chinese aggression, at their Eleventh Annual General Meeting held at Gauhati on 20th November 1962, Mr. S. M. Wahi, Chairman of Assam Sillimanite Ltd., stated that, despite extreme limitations placed on transport, etc., the Company was proposing to organise production on a war-footing both at its mines and its factories at Ramgarh and Paharpur. Mr. Wahi laid special emphasis on the Company's expansion scheme in the form of a refractory project at Ramgarh, which, he said, was well timed in the context of the needs of the country. The Chairman noted steady growth in the Company's exports of sillimanite since the present management took over in 1957. In 1962-63, export demand is expected to approximate 10,000 tons, as against 4,477 tons in 1961-62. Despite increase in production costs, transportation charges and freight, the Chairman said, the Company had maintained its selling prices at the 1958 level. But from 1963, prices would be raised in proportion to the increase in costs during the past two or three years.

Given below are extracts from Mr. Wahi's speech:

"FRIENDS,

"This eleventh annual general meeting of the Company is meeting under a grim situation due to the events that have developed in the proximity of our mines in Assam. Your Directors met immediately after the Chinese aggression in October to take stock of the crisis and its effect on our operations and transportation. The requisitioning of some of our transport vehicles, the continued strike of the Joint Steamer Company in the Pakistan region and the cutting off of transportation of sillimanite from Assam engaged their constant attention. It became imperative to decide if at all this meeting could be held as planned in view of the cancellation of flights and the declaration of emergency on 27th October 1962. The flights having been resumed meantime, the notices were issued and the meeting was decided to be held as scheduled. The situation today, however, after the fall of Walong and Bomdila during last 24 hours to the Chinese invaders, is grim in Assam.

"I would like to welcome our new shareholders who are attending this meeting for the first time and hope to benefit by their advice and goodwill.

"The Directors' report, the profit and loss account and the balance-sheet of the Company for the year ended 31st of March 1962 have been circulated to all of you and have been in your hands for some time and, with your permission, I shall take them as read. From the profit of Rs. 4,52,914, after payment of tax, Rs. 1,80,000 has been set aside for dividend. The Directors had recommended a dividend of 5 per cent per annum, with tax, to the shareholders.

Dividend for Defence Fund

"As I have submitted to you earlier, the country is passing through a critical period, Assam is one of the worst hit States. Our courageous Jawans, at great personal sacrifice and against all odds, have been holding back the enemy, as a result of which we are in a position to hold our meeting today. Many Indian nationals have already donated all their life savings in cash and gold. Is it not, therefore, essential and proper that we, the shareholders, should sacrifice the profit we are to earn this year for the defence and protection of the country? **The Directors have already donated their modest fees for the Board meeting. I make bold to say that the shareholders would approve wholeheartedly and without any reservation that the dividend of 5 per cent declared be presented to the Prime Minister for the National Defence.** I sincerely hope that our new shareholders and collaborators, including International Finance Corporation, Washington, will appreciate the imperative need to make this donation for the National Defence. As we are in the midst of an all-round border conflict, I will earnestly hope that after the dividend has been passed, you all would authorise me, on behalf of the shareholders, to present the amount of dividend to the National Defence Fund. We hope and wish that very many more industries in India will be forthcoming with similar and perhaps with better gesture.

"The production and sale of sillimanite as well as profits during the year have been slightly higher than last year, despite the rise in the cost of production. The balance-sheet would show that, year after year, this industry has had to carry an increase in expenses on mining due to the need to remove overburden, higher costs of transportation, sea freight and handling at Boko, Gauhati and Calcutta. There are limitations in passing the share of the enhanced cost of production to the buyers as sillimanite is a raw material and the price charged both to the internal and overseas buyers is conditioned by world price for competitive refractory material.

Export of Sillimanite

"Export of sillimanite has been providing the bulk of the sales revenue since the past few years. With the taking over of the business operations of the Company by the present Managing Agents in 1957, an extensive and concerted drive was made for creating interest and enthusiasm in this mineral with refractory manufacturers in Europe, Japan, Australia, etc. It is of interest to note that up to 1957-58 the demand in the home market did not exceed 400 tons and from 1958-59 to 1961-62 it rose up to 2,900 tons; whereas requirements from the export market during the same period were more steadily growing. In 1962-63, demand is approximately 10,000 tons. Despite increase in production costs, transportation, freight, etc., prices were maintained at the 1958 level. It has, however, been decided that from 1963 the prices should be increased in proportion to the increased cost during the past two to three years.

"It is thus clear that sillimanite has become an established foreign exchange earner and the potentialities of continuous, also increased earnings are dependent on maintaining supplies to the export market. It is with this background that we have been requesting the Government to give priority in allocation for the export market and justified incentive.

"Some of our foreign buyers have now been advised that in future they should expect to get both the raw sillimanite as well as finished products. On an equal tonnage basis, it would mean an increased earning in foreign exchange by 300 to 400 per cent in finished goods as compared to raw material.

Capital Issue

"In June this year, the Company floated a new issue of Rs. 29.00 lakhs equity shares, of which the Life Insurance Corporation of India subscribed for Rs. 5.00 lakhs and the balance was oversubscribed by the public. In consultation with the Calcutta Stock Exchange, the Directors have since allotted these equity shares and the scrips are under issue to the new shareholders, whom we thank very much. Rs. 4.00 lakhs worth shares have also been allotted to our technical collaborators, Messrs. Vereinigte Grossalmeroder Thonwerke of West Germany for their technical know-how and services for stage I of the refractory project. A further sum of Rs. 6.00 lakhs was taken up by the existing shareholders as rights issue, making our total paid-up capital now as Rs. 69.00 lakhs out of the total authorised capital of Rs. 1.00 crore. Shares worth Rs. 29.00 lakhs have been set aside for International Finance Corporation of Washington, and the balance of Rs. 2.00 lakhs for Messrs. Vereinigte Grossalmeroder Thonwerke, Grossalmerode, West Germany, as per our agreements with them.

New Project

"The work on the new project at Ramgarh has commenced and this should be in full swing by the end of this year. As your Directors have indicated in their report, the initial plant's products have been well received by the major and specialised consumers. The Directors had hoped that the first phase of the expansion programme would proceed as scheduled but now with the invasion, the production may be delayed by some time.

"I may recall that India has to depend on imports of refractories to the tune of Rs. 3 crores annually and your Company's expansion scheme has been well timed, in the context of the needs of the country. With the present Chinese aggression, the drain on foreign exchange has increased and your Company has to make its contribution in filling the gap by making the quality refractory products available as quickly as possible as well as for defence and civil industrial requirements. Even with the extreme limitations placed on transport, etc., the Company is proposing to get itself on a war footing and organise to produce more, both the raw material at the mines and finished products at Ramgarh and Paharpur. The ingenuity of the Company's staff is at test and they, I expect, shall rise up to the occasion to meet the threat to the country and to their own existence. In view of the setback that we might have in the working results of the Company due to reasons beyond our control and foresight and with the likely delay in the implementation of the Ramgarh project, it has been considered advisable to undertake and diversify our activities in the field of export of minerals and other products to bring additional revenue to the Company in the following year.

"I would like to thank, on your behalf, our workers and staff for their sincere services and would appeal to them to increase our production to the maximum. I have also to express my gratefulness to the International Finance Corporation, Washington, and the shareholders who have made available the finance for the expansion of the industry. Thanks are also due to the Managing Agents, the United Provinces Commercial Corporation, for the careful way in which they have been looking after the affairs and the growth of the Company all these years, despite hurdles and setbacks here and there."

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

Notice

AIR INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

THE ANNUAL GENERAL MEETING OF this Company will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Friday, 21st December 1962, at 5 p.m., and not on 6th December 1962 as previously notified, when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding up for the year ended 30th September 1962 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the Liquidation.

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

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A Liquidator.

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M. J. Maclaren,
General Manager.

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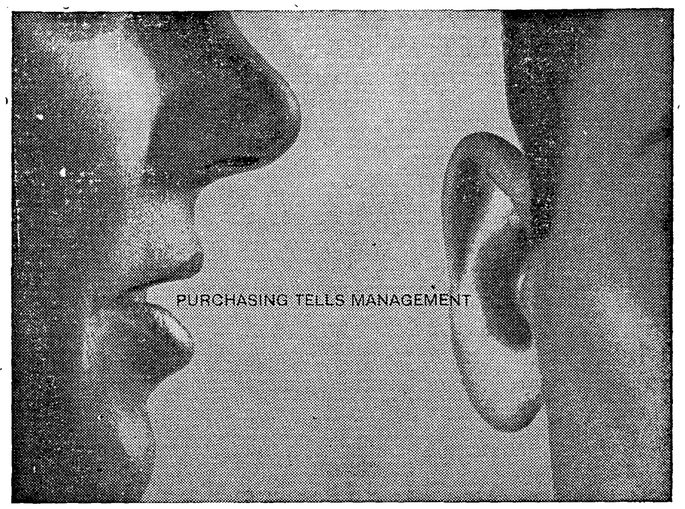

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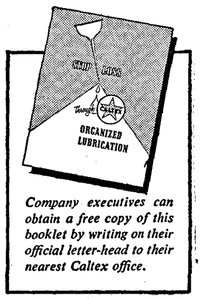

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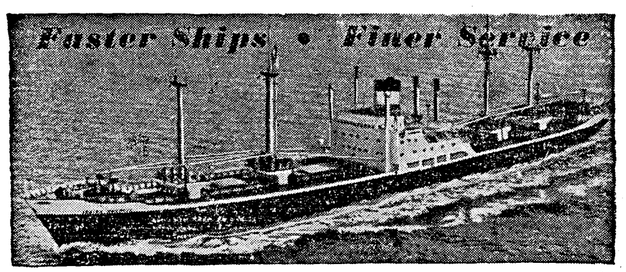

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Items	Targets of production in Third Plan (1965-66)	Development Wing's estimate of requirements of ball bearings (1965-66) (In Nos.)
Electric Fans	2.5 million	4,000,000
Electric motors	2.5 million H.P. @ 6 H.P. per motor = 417,000 Nos.	705,000
Pumps	150,000 to 200,000	247,700
Machine tools	Rs. 30 crores	Included under Miscellaneous 675,000
Ring frames, Carding engines	N.A.	
Heavy machine building plant	N.A.	821,700
Automobiles	109,000 to 130,000 (higher figure taken into account)	1,926,000 (inclusive of 576,000 bearings for motor cycles and scooters)
Cycle rickshaws	N.A.	N.A.
Defence equipment	N.A.	43,944
Sugar machinery	Rs. 10 crores	75,000
Steel projects	6.9 million tons	22,500
Chaff cutters	N.A.	75,000
Flour mills	N.A.	
Jute machinery	Rs. 233 lakhs	30,000
Tractors	N.A.	52,000
Diesel Engines	100,000	5,500
Miscellaneous including adapter bearings		849,150 (Misc. industrial machine tools, oil and H.E.P.) and 2,151,506 (for replacement)
Total		11,675,000

Footnote : N.A. means not available

But the Development Wing's estimate of future demand for ball bearings has not been accepted by the Tariff Commission in its report, just released, on the continuance of protection to the industry. Since the Commission has been given to understand that the production targets of consuming industries are themselves likely to be revised upwards and since the 1962 demand itself, according to the Commission's estimate, is of the other of 8.0 million pieces, a higher estimate for future has become necessary. The Commission's finding that the demand for ball bearings of protected categories is likely to increase at the rate of 20 per cent every year over the demand of 8.0 million for 1962 means that the demand in 1965 will be 12.8 million and that in 1966 will be 14.4 million.

The present (1962) capacity of the industry is 4,320,500 bearings—3,200,000 in the National Engineering Industries Ltd. (Jaipur), 70,500 in the Anti-friction Bearings Corporation Ltd. (Lonavla, Maharashtra), and 1,050,000 in 36 small-scale units. The output of the two large-scale units and the small-scale sector in 1961 was 3,198,179 pieces, 29,499 pieces, and 468,481 pieces, respectively, adding up to a total of about 3.7 million. In the first half of the current year, that is, 1962, the combined production of the two large-scale units was 1.9 million. In the first quarter of the current year, the output of the small-scale sector was 108,016 pieces. Estimating on the basis of these trends, one may broadly take the 1962 output at not less than 4.3 million and, perhaps, not more than 4.5 million. Even that much domestic production, it will be seen, will have fallen very much short of the estimated demand for 8.0 million pieces in the current year. It is not possible to infer from the figures of imports of ball bearings whether the balance of demand will have been fully met, for these figures are available only in terms of weight. However, import figures for 1961 and 1962 (January-May) are given here for what they are worth. In 1961, for instance, imports of all types of bearings were to the tune of 803,124 kg. valued at Rs. 105 lakhs. For the first five months of 1962, the respective figures were 400,369 kg. and Rs. 48 lakhs.

In view of the current and prospective gap between demand and domestic production the Government has already licensed the National Engineering Industries and the Anti-friction Bearings Corporation for substantial expansion. Nine new units have also been licensed for the manufacture of ball bearings. The entire expansion programme covers an aggregate licensed capacity of as much as 11.2 million ball bearings per annum on double shift basis. But all this additional capacity is not likely to fructify, if some of the new parties are unable to secure foreign collaboration. As of today, the indications are that the National Engineering Industries (existing concern) will complete its expansion project, with British collaboration, by the middle of 1964. It will then mean an additional capacity of 1.8 million pieces on double shift basis. The Anti-friction Bearings Corporation, which is yet to establish fully its licensed capacity of 116,000 pieces (on double shift basis), may also be expected to complete its project. Among the newly-licensed units, Bharat Ball Bearing Co., Ltd., (Calcutta), with an installed capacity of 2.2 million pieces, is expected to complete its project early next year with American collaboration. Associated Bearing Co., Ltd. (Bombay), with an installed capacity of 1.5 million pieces, is likely to complete its project, with Swedish collaboration, during the latter half of next year. M. P. Bearings India (Pvt.) Ltd. (Bombay), with an installed capacity of 0.9 million pieces, is also likely to commence production in the latter half of 1963. Precision Bearings India Ltd. (Bombay), with an installed capacity of 0.6 million pieces, hopes to complete its project, with American collaboration, early in 1964. As regards the five other newly-licensed units (namely, Pioneer Bearings of Coimbatore, Indian Bearings Ltd. of Ahmedabad, Hindustan Ball Bearing Co. of Agra, New Commercial Bearing Corporation of Ahmedabad, and M. Ct. Muthiah of Madras), which are to have an aggregate capacity of 3.7 million pieces, and which are still to secure foreign collaboration, the position, according to the Tariff Commission, is obscure. If these five new units do not come up before 1965, the existing capacity *plus* the additional or new capacity of 7.1 million pieces of the other certain projects will not be quite sufficient to meet the estimated demand of 12.8 million pieces in 1965.

There is a long way to go before even those projects which are most likely to come up can be actually completed. An assurance of continued protection to the industry is certainly called for in the circumstances, and the Tariff Commission has made out a good case in the following passage:

"Despite the divergence noticed between the quantum of duty required for different categories and the existing rate of duty, we consider that, in view of the present restrictions on imports, it is unnecessary to revise the present rate. Reduction in duty would have no material effect on the consumer or the industry; on the other hand, it would give a larger margin of profit to established importers and dealers. We have also to take note of the fact that, in spite of three units having been licensed even before the last inquiry, they have not yet started production. A lowering of protective duty at this stage might prove to be a disincentive to those units which have yet to establish their production and which are endeavouring to bring in a more diversified pattern of production than that of the existing producer. These units will not be able to reach their scheduled production for another three years at least. We have also to take note of the wide gap between the Plan target and the present available indigenous production. We, therefore, recommend that the existing rate of protective duty on ball bearings and adapter ball bearings and parts thereof should be continued for a period of three years to 31st December 1965."

The existing rate of duty is 95 per cent *ad valorem* on ball bearings and adapter bearings upto 2" bore diameter, as well as on their parts. The Tariff Commission's recommendation that protection to the industry be continued for a further period of three years at the existing rate of duty has just been accepted by the Government in its Resolution of 16th November 1962. The Commission has also made some ancillary recommendations. These are:

(i) Greater flexibility should be allowed to producers to switch over from use of H.C.I. bars to H.C.I. tubes for manufacture of bearings. This will make for economy in costs of production and less wastage of material.

(ii) Encouragement should be given to producers by ensuring supply of deep drawing quality M.S. strips for manufacture of cages as this will be more efficient and economical than use of brass.

(iii) The Indian Standards Institution should expedite formulation of standard specifications for ball bearings.

(iv) Imports of ball bearings should be recorded separately in value and numbers, instead of value and weight as at present, in the Monthly Statistics of the Foreign Trade of India.

The Government has taken note of these recommendations and undertaken to implement them to the extent possible. It has also drawn the attention of the National Engineering Industries to the Commission's finding that the Company's records of production and process costs stand in need of improvement.

INLAND WATERWAYS IN E.C.A.F.E. REGION

The sixth session of E.C.A.F.E.'s Inland Waterway Sub-committee concluded its deliberations at Bangkok on 13th November, a report on which has just been received. The discussions at the session related to such subjects as navigation on Asia's rivers, lakes and canals, the most suitable type of passenger craft, and methods of improving the efficiency of national inland waterway transport and that of international traffic. In the light of these discussions the Sub-committee approved of a report to its parent body, The Inland Transport and Communications Committee. The deliberations reflected the keen desire of the countries of Asia to improve their techniques of inland navigation and take further steps to conserve and develop their rivers and canals.

The Sub-committee also adopted detailed specifications for prototype coasting vessels suitable for use throughout the region. Complete plans, including body-line drawings, had been prepared on the basis of exhaustive model tests, and these were approved of by the Sub-committee. In addition, detailed contract specifications were also studied and adopted. It is stated that inquiries concerning the model plans have already been received from various agencies interested in building these modern vessels which are claimed to be not only the most suitable and efficient for the purpose for which they have been designed but also, because of standardisation, considerable savings are envisaged in their construction.

As regards the economic and technical feasibility of using hydrofoil craft for passenger transport, the view of the Sub-committee was that the cost per passenger-kilometre was still far too high to suit the common people of Asia and that, at present, such craft could only be used for fast high-class passenger transport. Hydrofoil craft could, however, be considered as an interesting alternative to aircraft, as it had the advantage of being able to operate without expensive terminal facilities, and could make more intermediate stops. Hydrofoil craft had also, it was noted, been found more economical than land transport for services across large bays or lakes, and for fast ferry services, because it could follow a direct route instead of a circuitous one. It was felt, however, that many questions still remained to be answered before any conclusions could be reached concerning the usefulness of hydrofoil craft. These questions related to its performance in the face of tropical storms, water hyacinths clogging the waterways, and the presence of small fishing vessels.

The Sub-committee stressed the importance of classifying inland waterways. In the past, it was pointed out, craft had been developed to suit the waterways; but henceforth waterways were to be developed to suit the craft and the methods of towage. Special attention, it was felt, should be given to waterways that were navigable only during the rainy season. The techniques of dredging in navigable waterways and inland ports were also reviewed by the Sub-committee.

WORLD'S LARGEST ELECTRONIC VALVE

A thermionic (electronic) valve 18 ft. long, 7 ft. high and weighing four-and-half tons—said to be the world's largest—is being made in Britain for research into the upper atmosphere. The valve, which is being built at the Admiralty's microwave electronics division of the Services Electronic Research Laboratory, Harlow, near London, is a travelling wave tube. It will provide 100 megawats pulses of energy at a frequency of 430 megacycles per second. Power is obtained by interaction between a radio wave travelling along inside the valve and a beam of electronics travelling at about the same speed.

Russian-built trucks working in the Rumanian oilfields are now being powered by three of the world-famous diesel engines produced by Leyland Motors Ltd. of Britain. The Russian vehicles are huge three-axled J.A.Z. tractors designed to work with special semi-trailers at a gross laden weight of 35 tons. Although newly-installed, the Leyland engines are spare 125 h.p. 0.600 units supplied to Rumania in 1947 with a fleet of 50 Leyland Super Hippo oilfield trucks. Many of these vehicles, which are still working, have recently been joined by another 57 similar Leyland vehicles.

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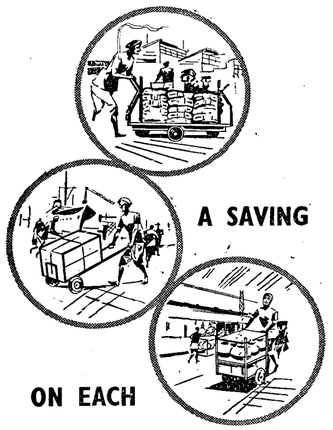

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DEFENCE AND DEVELOPMENT

PREREQUISITES FOR SUCCESS

By Prof. C. N. Vakil

THE Chinese invasion of the country has created an unprecedented situation for a developing country like ours, which is still in the early stages of the process of economic development. While the requirements of defence are immediate, the requirements of development are no less urgent, with large masses of the people having a low standard of life. The first two Plans laid the foundations of economic progress and it was expected that the third Plan would be the beginning of a period during which the country would reach the self-generating stage. It is known that the success of democratic planning and the peaceful progress that we are making since independence, have not been to the liking of the Chinese, who seem to be anxious to establish their superiority as the dominant nation in Asia in both the military and economic fields. They wish to establish the position that the communist way of life is the best and are anxious to impress upon the less developed countries of Asia a sense of fear, on the one hand, and a feeling of respect for their greatness, on the other. Under the guise of friendship, they went on preparing for aggression. Our failure to understand their intentions in time has put us to a great disadvantage, and is likely to prove costly in men and material; it may also create serious difficulties in the process of economic development.

Development in War-time

The Government of India have rightly taken the view that development should proceed along with defence, though in view of the urgency of defence requirements, some adjustments in development plans are inevitable. Arrangements to switch over to war-time production is bound to affect the priorities as laid down in the third Plan. The States have been informed that, as far as the current year is concerned for which they must have made commitments, they should adjust to some extent and reduce their expenditure on the Plan. A total cut of Rs. 50 crores in the Central contribution to the States has been made for the current year. So far as the Plans of the States for the coming year 1963-64 are concerned, the adjustment will have to be from the point of view of war production, and therefore these plans and their priorities will have to undergo more fundamental changes. The same applies to those schemes under the Plan which are under the Central Government. These revised plans will obviously take some time to emerge.

Resources for Defence and Development

It is obvious that our resources are not adequate both for defence and development. We have, therefore, to take a fresh stock of our resources from the point of view of the new situation and make suitable changes in our policy. It is hoped that all classes of people who have shown such unanimous desire to work together in the common cause will rise to the occasion and co-operate with the Government in meeting the twin needs of defence and development.

We have the estimates of the third Plan regarding the requirements of resources for development. It is not possible, however, to make any reasonable estimates for the requirements of resources for defence, which depends on the nature, the dimensions and the length of the conflict with the Chinese. We may at the most review broadly the possible additional sources that we can tap in order to have a general idea of the availability of possible new resources for the joint requirements of defence and development.

Foreign Help

Fortunately, some of the friendly countries have agreed to give us help for defence in kind. Timely help has already started to arrive from the U.S. and the U.K. To the extent to which such assistance is available, it will help us in making up the necessary total of resources for the joint requirements of defence and development. The Government of India have also succeeded in obtaining some voluntary resources from the people in the form of contributions to the National Defence Fund. As this cannot make up the total, other sources have also to be found. The Government has issued loans in the form of Defence Bonds and also in the form of Gold Bonds on attractive terms. Along with this, if effective steps can be taken to prevent the smuggling of gold which has been a feature of our economy for some years past, we shall have taken an important step in the direction of saving a substantial amount of foreign exchange.

Reduction in Consumption

In order to divert material resources for the purposes of the war, it is essential that all classes of people should reduce their consumption as far as possible. For this purpose, voluntary reduction in consumption by the adoption of austerity methods by the avoidance of festivities and wasteful expenditure and by practising other economies are suggested. Voluntary reduction in consumption may also be done by contributions to Defence Funds or Loans. As these will not suffice, compulsory reduction in consumption will have to be resorted to in the form of additional taxes and deficit financing. Deficit financing places artificial purchasing power in the hands of Government with the help of which it is able to obtain goods and services for use in the war effort. To that extent goods and services will not be available for consumption for the civil population. The scarcity thus created will lead to higher prices. To prevent the effects of higher prices on the people, steps are being taken to maintain the prices of essential articles.

Economy in Administration

Before such compulsory methods for the purposes of the war are adopted, the public would like to be satisfied that the Government themselves have undertaken adequate steps to introduce economy in administration. It is well known that a democracy is a costly form of government and that, in recent times, we have, in various ways, added substantially to the administrative expenditure, some of which is essential for economic progress, but a good deal of it is superfluous, intended merely to satisfy the various democratic pulls which are on the increase in the country. We are certainly not in a position to afford such luxury at the time of crisis. It is satisfactory to find that some persons in high position both in politics and in administration have shown some gestures of contributions to the Defence Fund. These are welcome, but these are not enough. For example, at a time when we should be able to take quick decisions and have administrative efficiency, we do not require the ever-multiplying numbers of Ministers and Deputy Ministers with which both the Centre and the States are run. These may have their place in appeasing the various democratic pulls in the country, but are in no way conducive to efficiency in the Administration. In fact, the existence of a large number of ill-equipped Ministers in some of the States, with inflated ideas of their importance, must be a source of considerable hindrance to the administrative machinery, involving waste and delay, sometimes leading to corruption. It would be a generous gesture on the part of such superfluous Ministers themselves voluntarily to hand over their charge to the Chief Ministers and thus relieve them of the embarrassment involved in the present situation. The prestige of the ruling party will certainly be enhanced and the response of the public to the war effort encouraged several times over by such a gesture.

Additional Taxation

So far as additional taxation is concerned, as the rates of existing taxes are fairly heavy, there will be obvious limits to the increase in the rates of some of the existing taxes, though it may be possible to make minor changes in some cases. If the war situation makes it possible for some to have excess profits, an excess profits tax may be considered. It is well known that taxes on land have not been raised since independence, though incomes from the land have increased considerably in recent years. The Government has taken a variety of important steps to develop agricultural conditions and improve the return from the land. In view of this, it is not easy to understand the opposition to the levy of tax on land in some of the States which has been found in recent times. It is hoped that, in view of the emergency, those parties who opposed the proposal to tax land for political purposes, will co-operate in seeing that the States are able to raise more revenue in this way.

Among other sources of revenue, references have been made in public discussions about (*a*) the scrapping of the policy of prohibition and (*b*) the imposition of the salt duty. In States where the prohibition policy is in operation, considerable amounts are being spent on the enforcement of prohibition. The success of the policy, however, is in no way commensurate with the expenditure thus incurred and the loss of excise revenue that has been sacrificed. In fact, it is widely believed that illicit production of liquor goes on, on a large scale and that this has led to many evils both among certain classes of people as well as the police. Whatever the merits of the question, this is not the time to enter into a controversy over the subject. If we confine ourselves merely to the point of view of resources, it would be in the fitness of things under the present conditions to obtain the revenue from excise on liquor, and at the same time to release the police utilised in prohibition duties to more urgent needs connected with defence. If it is not easy to change the Directive Principles of the Constitution in such cases in peace-time, it should compel us to do so in war-time.

In the same manner, a duty on salt would be an effective way of making everyone realise that he is making a contribution to the national cause. The incidence of salt duty cannot be heavy, because it is not possible to consume large quantities of salt. The sentiments associated with the salt duty connected with Gandhiji's technique of Civil Disobedience need not stand in our way at a time when the independence that he achieved for the country is in danger.

Black Market Operations

There are some other resources difficult to estimate but substantial in amount which could be mobilised, if the patriotic sentiments which have been expressed throughout the country are genuine. If those members of the business community who indulge in black market operations or in evasion of taxes or in otherwise obtaining unrecorded gains are really sincere in their profession of patriotism, it should be possible for them to give up these practices in the interests of the national cause. It would be a test of their sincerity if this desirable step is taken, which will involve no sacrifice on their part, inasmuch as they will give up only undeserved gains. The resources which may thus be available to the Government directly or indirectly may be large "windfalls." Besides giving up such practices, it should be possible for such persons to disgorge their accumulated gains of this nature by handing over the same to the Government as "conscience money." In England, there is a well-known practice by which certain persons who feel that they have somehow evaded taxes, contribute certain amounts to the Treasury as "conscience money" without any explanation.

Apart from the financial advantage to the country, there will be a great moral advantage in this effort. It is well known that such operations lead to the demoralisation of society by putting an undue premium on those who have money which results in an undesirable shift in values. If in the present emergency we succeed in impressing upon such persons the need for giving up these practices, they will also contribute to the moral uplift of the people and a better sense of values in our society. Women's organisations can play an effective role in this connection. The women folk can persuade those concerned in these operations to abandon the same and even start a campaign to deal with those who do not behave.

Corruption in Administration

This tendency has spread in another form to Government departments. It is known that some officers utilise the opportunity created by the power vested in them to grant licences and permits for various things or to administer Government-controlled facilities to others for personal gain. Various methods are adopted by them to obtain such gains. In this process, the black market operators are willing to participate. How far the inefficiency of, or corruption in, the administration is responsible in abetting the formation of the black market and in sharing in its gains or *vice versa* is a question which requires careful consideration. In war-time, various things have to be done by Government at short notice; its dependence on the efficiency and integrity of its staff as well as the active and unselfish co-operation of the people is great. In spite of the universal spontaneous enthusiasm to help the war effort, we must beware of those unscrupulous persons who may take advantage of the situation and try to obtain personal gains. The Defence of India Act gives large powers to Government to deal with such persons; the difficulty, however, is that the collusion between officers and black marketeers is the basis of such transactions, which therefore cannot be easily detected. In rare cases, when they are detected, political pressures are known to weaken the desire of those in authority to take firm action. It is to be hoped that we shall be rid of all such weakness by the compelling necessities of national defence.

Anti-control Psychology

Black market operations are closely associated with the anti-control psychology that we have developed in the country. Though there are always a few black sheep in every country, who make it their business to defeat the law and indulge in anti-social activities with personal advantage to themselves, it will not be inappropriate to say that we have developed a large variety of methods and techniques to obtain undesirable gains, which may be called black market operations, evasion of taxes, premiums, 'on payments' or the *pugree* system, secret commissions, etc. This unfortunate situation has a historical background. During the long period of British rule, we developed an attitude of differentiating between the interests of the rulers and the ruled. We had a feeling that the British Government ruled over this country in their own interests and it was not proper to co-operate with them unless absolutely necessary. In fact, this negative attitude gradually turned into a positive method of obstructing the British administration whenever opportunity arose in the belief that it was an act of patriotism to do so. Gandhiji's technique of Civil Disobedience symbolised in the breach of salt laws, was intended to convey to the British authorities that they had lost the confidence of the people. This innocent but significant method of defiance of authority had its ultimate effect. The wave of resentment which spread in the country far and wide manifested itself into many other acts of defiance of authority not consistent with Gandhiji's non-violent technique. He had often to do penance, therefore, by undertaking fasts. One particular sphere in which the defiance of authority was manifested was in connection with anti-inflationary measures of the Government which started from May 1943.

When the inflationary situation during the Second World War took a serious turn in the beginning of 1943 and when inflation and its implications were not understood in the country, it fell to my lot to explain in simple terms the phenomenon of continuously rising prices by the publication of a pamphlet entitled *The Falling Rupee* in January 1943. Though this publication received wide publicity, it was not to the liking of some leaders of the business community as well as of the then Government of India. Some members of the business community felt that I was not correct in my interpretation and that, at any rate, I was wrong in advocating anti-inflationary measures, which involved more taxes and the institution of controls of essential articles. A well-known leading industrialist tried to persuade me to agree to his view about the need for more currency by asking me as to "why should people be starved of currency." His propaganda in this behalf had to be followed by suitable replies in the form of speeches, discussions, articles, etc., in justification of my thesis which was supported by other well-known economists. Some of the leading economists came together and issued an Economists' Manifesto in which they advocated anti-inflationary measures.

The Government of India was unhappy about this, because, as the authors of inflation, they were anxious to hide the fact, lest they became more unpopular at a time when they were busy with the war as well as with the political tension in the country. When at last the Government of India realised the truth of the economists' viewpoint, they came out with anti-inflationary ordinances, which involved more taxes as well as controls and ultimately rationing of food, cloth, etc.

Defiance of Authority

The taxes were intended to take away the additional undeserved purchasing power which the richer classes obtained because of inflation and thus reduce the demand for the scarce goods in the country so that the poorer classes may not suffer. Rationing of essential articles was also necessary in the interests of the poorer classes, so that each person may have at least the minimum of cereals and cloth. Unfortunately, the psychology of defiance of authority as an act of patriotism, which was developed at the time for a definite objective, was deliberately and consciously misused by certain classes of people. They assumed that defiance of authority of the British administration by evading taxes and defeating controls by black market operations was an act of patriotism. It was certainly an act of obtaining undeserved gains, anti-social in character, likely to create more trouble for our poor countrymen and not so much for the British administration. In fact, I remember, how certain well-known businessmen in Bombay tried to prevail upon me in 1943 not to advocate anti-inflationary measures or more taxes. Their plea was that they would willingly pay more taxes and co-operate with the Government under independence which was then in sight. But, according to them, this was not possible so long as the British Government continued in power.

Habits die hard. Mass habits become a fashion. The habits formed during the last few years of the British administration of evading taxes and defeating controls were not given up on the advent of independence. They continued with obvious embarrassment to the National Government, which, ultimately, decided to give up controls, not because they were wrong in principle, but because of the non-co-operation of the people with the same. If the present emergency makes us realise that this attitude was wrong even under the British administration and that the anti-inflationary measures were intended to help the poor, that, under independence, the interests of the rulers and the ruled are one, and that practices of the type of black market operations or evasion of taxes are not only anti-social, but also both immoral and unpatriotic, we shall have gained a good deal. If, unfortunately, the war with the Chinese is prolonged and the inflationary situation develops in the country, physical controls such as rationing of food and cloth may become necessary. Such controls can succeed, only if those who administer the same are honest and efficient and if, at the same time, the public co-operates with the same fully.

The limited controls on foodgrains, cloth and drugs recently announced by the Government of India will require an elaborate machinery to enforce the same. The observations made above regarding the essential conditions for the success of physical controls apply in an equal measure to these controls. In other words, unless the officers and staff in charge of these limited controls are honest and efficient and unless the people co-operate with them, the success of these measures will be doubtful. The general desire to sacrifice for the war to which reference has been made above will be on trial; it is to be hoped that the anti-control mentality will undergo a radical change in favour of the new controls and all concerned will co-operate with them fully. It should be realised by all that, if the rise in prices of essential goods is not checked, both defence and development may become difficult.

A simple inexpensive instrument has been designed at the Central Mining Research Station, Dhanbad, which enables direct measurement of the cross-sectional area of a mine airway or that of any other similar section and at the same time records a scaled drawing of the perimeter. The instrument can measure area within the range of 4-20 ft. diameter. A knowledge of the cross-sectional area of mine airways is needed to estimate the quantity of air flowing in a mine airway which is given by the product of the average linear velocity of air and the area of the cross-section of the airway. Mine airways are generally of irregular shape and uneven profile. The ordinary method of measuring the area of cross-section by means of a measuring tape is tedious and may lead to large errors. The currently known methods like the photographic methods and the one using a profilograph designed at the National Coal Board, England, record a scaled drawing of the perimeter of the cross-section of the airway, but do not indicate directly the value of the cross-sectional area necessitating further measurements and calculations to obtain the area. The new instrument is claimed to be an improvement over the profilograph achieved by incorporating a measuring wheel with the marking point of the profilograph.

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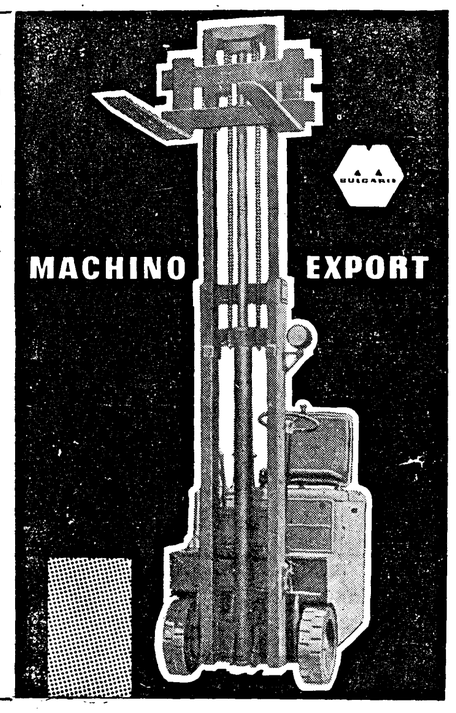

INTERADS

NEW PRODUCTS AND PROCESSES

Road-rollers

ROAD rollers with hydrostatic drive, which allows clutch, gear-shift and service brake controls to be replaced by a single hand lever, were shown in public for the first time at the recent Public Works and Municipal Services Exhibition in London. The drive is fitted to four rollers in a 6-ton (6.096 tonnes) to 12-ton range (12.192 tonnes) and it means there are now four alternative transmissions—conventional four-speed mechanical, conventional four-speed with hydraulic coupling, torque conventer, and hydrostatic.

Surface Coatings from Assam Ekra Reed

A lignin-furfural-based resin has been prepared at the Regional Research Laboratory, Jorhat, from the lignin fraction of Ekra reed, which is abundantly available in Assam. An alcoholic solution of the resin can be applied as a surface coat on wood, metal and glass surfaces. The surface films have been found to be tough and resistant to dilute acids and alkalis. Furfural, an industrial raw material for plastics, can be obtained from the reeds in yields of about ten per cent by weight.

Epoxy Resin-based Flooring

An industrial flooring material in a range of colours, which the maker claims is almost indestructible has been developed by Rowan and Boden, of 131, Renfrew Road, Paisley. The epoxy resin-based flooring is normally laid on concrete to a depth of ¼ inch and sets in 24 hours. It is stated to be stronger than concrete and resistant to every known chemical used in industry. Jointless and non-skid, the flooring can withstand temperatures up to 200 degrees Centigrade and is called R.B.731.

Petroleum Resins Boost Agricultural Production

A three-year research programme has shown that a petroleum mulch technique, developed by Esso Research and Engineering Co., can, under responsive climatic conditions, vastly increase agricultural output and crop values in many parts of the world, including those where food supplies are low. Field tests, still under way and being expanded, resulted in yield increase ranging from 10 to 111 per cent on a broad variety of crops. Mulching also proved effective in establishing stands of range grass in tests conducted on deteriorated grass lands in the Great Plains of the U.S.A. The method utilises a petroleum mulch formulation sprayed over seeded areas to achieve both moisture retention and higher soil temperatures. Inexpensive standard attachments used with regular farm tractors were developed to smooth the soil, plant the seed and apply the mulch in one continuous operation. Also, in less highly mechanised agricultural areas, the mulch can be applied easily by simple knapsack sprayers. The product is a specially formulated water emulsion of petroleum resins. It is sprayed directly over seed rows and forms a continuous film in thin bands three to eight inches wide. Patent applications have been filed. The material retains moisture in the soil because it reduces evaporation. It raises soil temperature as much as 20°F. and thus stimulates growth because it absorbs more of the sun's radiation than the uncoated soil. All seedlings studied have shown the ability to emerge through the film with no difficulty. The amount of mulch required ranges from some 60 to 150 gal./acre depending upon conditions. According to Mr. F. W. Lawson, of the Marketing Co-ordination Department of Standard Oil Co., U.S.A. who is on a visit to India, it possesses several other attributes which make it a preferred product over other types of mulch such as black plastic films. It can, for example, be ploughed directly into the soil when it has served its purpose, thereby building up the structure of the soil. Pesticides can be incorporated into mulch to give positive pest control. Besides the many tests sponsored within the United States, plans for research projects outside the country are also being developed. One programme already under way in co-operation with agricultural authorities in Libya and Tunisia has shown that the petroleum mulch technique reduces the amount of irrigation water required for grass by about 50 per cent.

Anti-corrosion Treatment for Steel Structures

Large steel structures—such as bridges—can be adequately protected against corrosion at the time of construction. That is the claim of four British companies, each specialist in its own field of anti-corrosive treatment. Preventing corrosion—and the heavy and continuous maintenance charges it involves—has long been one of the big problems facing engineers responsible for steel construction. The four companies have combined to show that the job can be done successfully—and the structure they are tackling is the new Forth Road Bridge in Scotland, the longest single-span bridge to be built in Europe. The protective system applied in this case should mean that it will not need the constant attention of an army of painters. Twenty thousand tons (20,320 tonnes) of steelwork for the bridge are being delivered in pre-fabricated sections to a treatment plant in Scotland. They arrive already covered with millscale and affected by surface corrosion. Work starts when a specially designed shot blast plant removes scale and rust from the fabrications and simultaneously prepares the steel surface for subsequent protective coating. The sections then receive a coat of pure metallic zinc. The nozzles of the spraying units deliver a high velocity jet of molten zinc droplets, which on impact with the prepared surface, bond together to form a coating which is resistant to atmospheric corrosion. The plant used follows exhaustive testing of various paint combinations which have proved their effectiveness under laboratory conditions, and also in practical use on steel structures in many climates. The sections arrive at the site, protected and ready for use. The protective system chosen for this major British engineering project can, say the firms, be adapted for use on steel structures, large and small, in any part of the world.

Oil-burner Control

A new oil-burner control fitted with an automatic re-start in the event of flame failure has been introduced by a British firm, Elcontrol, Ltd., Hertfordshire, England. This device, known as the FSC1, has a motordriven three-cam pro-gramming unit. On the thermostat calling for heat, this unit starts and the fan is caused to operate. After a 25-second pre-purge, the ignition circuit is energised and after a further 10 seconds the oil valve opened. If the flame is detected by a built-in photo-electric viewing head, the valve remains open until the thermostate ceases to call for heat. Should no flame be detected, the valve is closed after 15 seconds. The cam unit will then repeat a lighting-up sequence, but if no flame is established will lock out after allowing a post-purge of 75 seconds. If the flame fails after being established, the cam unit will go through a lighting-up sequence, locking-out if it does not re-ignite. After locking-out, the control requires manual re-setting. Audible indication of need for re-setting is given.

Abrasion Characteristics of Clays

A simple and rapid method for testing the abrasion characteristics of clays has been developed at the National Physical Laboratory in New Delhi. Certain clays used in pencil manufacture are found to wear out the dies very fast which is due to the abrasive nature of the clay. As it is very difficult to find a single clay having all the desirable properties for use in pencil manufacture, a knowledge of the abrasive power and its increase on calcination is necessary in the proper selection of clays for blending. Though primarily intended for comparing the abrasiveness of pencil clays the method can be used for testing other materials also.

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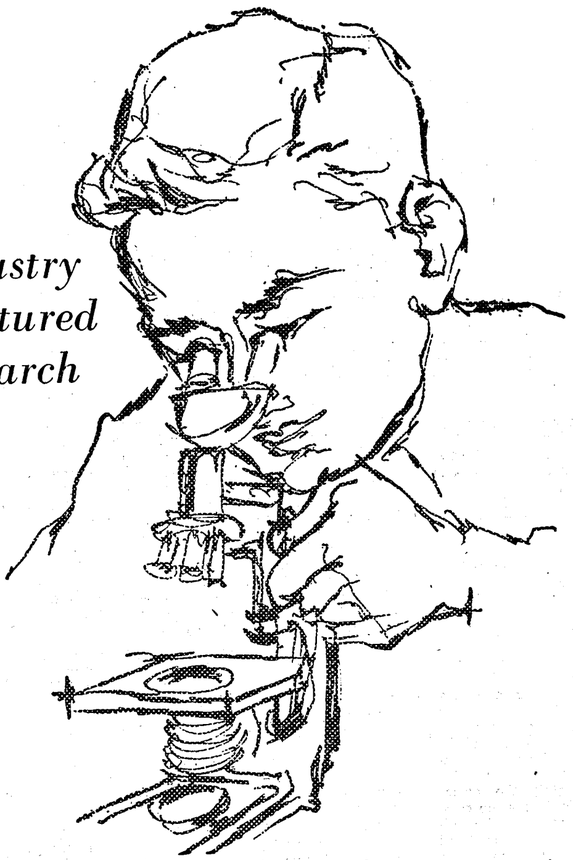

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SURRENDER VALUE OF LIFE POLICIES

A SCIENTIFIC BASIS SUGGESTED

By O. S. Gupta

DEPARTMENT OF COMMERCE, UNIVERSITY OF ALLAHABAD

THE surrender value of a life policy is the amount allowable by the insurer to the insured if the latter fails to pay premium within the days of grace and surrenders the policy. It may be allowed in various ways, namely, cash surrender value, reduced paid-up insurance, extended term insurance and automatic premium loan. If, *however, the failure occurs* within two years, no surrender value is usually allowed. A surrender value is allowed, because it is thought that, after two or three years, every policy acquires some reserve-value, the surrender value being always equal to the reserve-value *minus* some surrender charge. Here, again, it is assumed that life insurance includes an element of investment, for only then can a life policy have some reserve-value, which may be considered as belonging to the policyholder in the sense that he can get it on terminating the contract. But, as we have already seen, there is, properly speaking, nothing like reserve on individual policies.[1] "The premium payments above those required by the natural premium method made by those who die young are used," according to Mehr and Osler, "to level the premiums and pay the death claims of those who live a long time." It is therefore, unscientific to base surrender value on reserve-value of the policy. Of course, when surrender value is paid, other policyholders in that generation are not required to pay a higher rate from that time onwards and so nobody feels it. But, since it is paid out of what properly belongs to those who continue the policy, the question arises: "How then is it possible for the insurance companies to pay it and yet be in a position to pay all claims as and when made?" For an answer, one may turn to Mr. S. S. Huebner. In his book on *Life Insurance* he says: "Experience has shown that it is not necessary for the protection of the company or the other policyholders to insist that the insured upon failing to continue his premium payments shall forfeit the entire reserve value of his policy. In fact, some companies allowed cash value equal to the full reserve at the end of the second or third year. ... With the great majorities of companies, however, the non-forfeiture provisions of the policy became operative only after the payment of premiums for two or three years, and then provided for the surrender charge which was greater during the early years of the policy and which diminished year by year until the tenth, fifteenth or twentieth policy year, the surrender value thereafter equalling the full reserve on the policy."

This practice is possible on account of two devices. First, the companies charge gross premiums calculated on the basis of (i) old mortality tables, which give higher mortality rates than are to be experienced, (ii) a very conservative rate of return on investments, and (iii) a more than necessary amount of loading. These premium rates are actuarially higher than those necessary for meeting claims, thus resulting in some surplus even for non-participating policies, out of which surrender value may be paid. So long as the lapse-ratio of the insurer is very small, the surplus may be used to pay off the surrender-value without injury to the interest of the continuing policyholders. Surrender-value in that case would be paid out of the company's profits. But, if the lapse-ratio is high, the profits thus reduced would fall substantially, may be, even to the zero point. The surrender value may even have to be paid out of capital or out of reserves on the current policies. Such a situation may not arise, if the company manages its affairs prudently. But, even in that case, the premium rates have to be kept high, if the insurer wants to have a minimum margin for profit and yet allows surrender value on life policies. High premium rates would keep business at a low level. Alternatively, if the insurer wants to keep *premium rates at the lowest level* and his assumptions as to the future mortality experience, rate of return and management expenses allow him nothing more than the minimum margin for profit, out of which he does not pay any surrender-value, the same can be paid only out of the reserve meant for holders of current policies. This point is well illustrated by S. S. Huebner and Black in a concrete example cited on pages 230-231 of the fifth edition of their well-known book *Life Insurance*.

Another device enabling the insurer to pay surrender-value equalling the full reserve-value without any financial difficulty is to pay it out of surplus that would otherwise go to the participating policyholders as bonus. Every payment of the surrender value reduces the Life Insurance Fund actually available with the insurer. When this reduced Life Insurance Fund is compared with the net liability on current policies, we get a reduced value of surplus which results in reducing the rate of bonus to policyholders. Whether the insurance company adopts one or the other device or both, ultimately the surrender-value is paid at the cost of those who continue the policy.

It may be said that insurers may without difficulty pay surrender value on a policy, provided this value is always less than the full reserve-value of the policy, that is, by making a surrender charge even when the policy is very much near the maturity time. But, if this is the scientific basis for paying surrender value, it follows that should apply to term policies and pure endowment policies as well as to ordinary life insurance, for, in these two cases also, the net level premium charged per policy in the beginning is more than the cost of insurance per policy and the difference with interest thereon should be considered the reserve-value of the policy. Here also the insurer should be able to pay surrender value by deducting the surrender-charge from the reserve-value of the policy. But can an insurer dare pay anything on surrendered policies in these two cases? A study of some concrete instances leads to the finding that, in case of both term policy and pure endowment policy, the insurer may be unable to pay any surrender value at all. No deduction from reserve value by way of surrender-charge will help the insurer, even though this device enables him to pay surrender-value in ordinary life policies as also ordinary endowment policies.

The justification for paying surrender value is not that every policy acquires some reserve value after the first 2 or 3 years—and it has already been shown in my first article published on pages 916 and 917 of *Commerce* dated 24th November that it is wrong to think of reserve-value allocable to any particular policy. Nor is it proper to base surrender value on the reserve-value of the policy, though this has been the practice with insurers for a long time. "The Standard Non-forfeiture Valuation Laws ('Guertin Laws')" completed in all States in the U.S. about 1948 "take recognition of the fact that there is no *pro rata* relationship between the reserve and individual policies. The laws do recognise, however, the fact that a surrendering policyholder has made an 'advance' premium contribution and should be entitled to a refund."[2] "With the exception of the direct introduction of these (initial) expense items in the formula, the method of calculating values for non-forfeiture purposes is identical with that already noticed for the calculation of the reserve. Actuarial assumptions parallel to those used in computing the reserve determine the amount of non-forfeiture benefits."[3].

What then is the explanation for the fact that, whereas in the case of a whole life policy and an ordinary endowment policy surrender-value, howsoever small, may be safely paid after the initial 2 or 3 years, in the case of a term policy and a pure endowment policy it is not always possible? The difference lies in the fact that, whereas in the case of a whole-life or an ordinary endowment policy every withdrawal means one less claim for the insurer, in the case of the term policy or pure endowment policy it may or may not mean so. If a whole-life or an ordinary endowment policy is surrendered, the insurer need not carry as much total reserve for the survivors as he would do if no policy was surrendered, and is thus able to pay something by way of surrender-value. But this cannot be said of a term policy or a pure endowment policy.

The scientific basis for allowing surrender value, in my opinion, is not the 'advance' premium contributions paid by the policyholder, but the savings arising to the insurer out of withdrawals. Let us now see how, under this new basis, surrender value will be calculated and allowed. Where surrender of a policy results in a saving of a policy claim, which would otherwise have been payable on maturity, the total amount saved is the amount of policy claim *plus* the amount of expenditure on the policy for various items, like renewal commission, premium notices, receipts, etc., which would not be incurred in future. On the other hand, the insurer has lost the annual net premiums, which he would have received from the policyholder till the maturity of the policy, *plus* the compound interest thereon at the average rate, which it would have earned. The insurer should wait till the actual death of the policyholder or till the end of the endowment period, whichever event takes place earlier, to know as to when the policy amount would have been payable and for what period more the expenses on the policy would have been incurred, if the policy were not surrendered. By deducting what the insurer would have received in total from what he would have paid and incurred in total, we get the net saving to the insurer, on account of the surrender, calculated at the time when the policy would have otherwise matured. At this time, the net saving so made may be paid as surrender value to the beneficiaries of the policyholder or the policyholder himself, as the case may be. In order to distinguish this from the present 'surrender value,' this may be called the 'surrender allowance.'

Thus, the insurer will pay less in respect of those surrendered policies whose holders live long after surrender and more in respect of those whose holders die soon after surrender. Thus, there would be a check on the more healthy persons from surrendering their policies. It is, of course, assumed here that the insurer will continue the practice of not allowing any further bonus additions after the surrender of the policy. This will be a healthy development in life insurance.

(*Continued on page 967*)

"In liquidation of a life insurance company, at any one point of time, an equitable distribution of the reserve could probably be made only on the basis of the condition of health of each member of the group. This is an actual impossibility. But the equitable nature of such distribution illustrates that any effort to allocate a part of the aggregate reserve to individuals on a *pro rata* basis is neither equitable nor logical. The reserve from its inception is designed to guarantee a group undertaking and it is computed on that basis. Allocating the reserve to the individual policyholders would be a fallacious procedure. ... So far as there is any ownership of the reserve it is a group ownership. It is a group fund set up to guarantee the performance of individual contracts. It has no other purpose."

—Magee, John H.: *Life Insurance*, 1958 Edition.

[2]Mehr & Osler: *Modern Life Insurance*. Revised Edition 1956.

[3]Magee, John H.: *Life Insurance*, 3rd Edition, 1958.

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P.F. MOULDING POWDER DEPROTECTED

MARKED INCREASE IN CAPACITY AND OUTPUT

THE phenol formaldehyde moulding powder sector of plastics industry will cease to enjoy tariff protection from next year. The Government of India has taken this decision in pursuance of the recommendation made by the Tariff Commission, following an enquiry into the progress of, and prospects for, the industry in August last. According to the Commission, there is no case for continuance of protection to the industry as it has come of age and has stabilised its position. The industry has made rapid strides in improving its position by expansion of capacity and output, and diversification of the product. Further, the cost of production of the moulding powder compares more or less favourably with imported products. Besides, the quality of domestic products has also improved considerably. What is more, indigenous sources of essential raw materials, such as phenol, formaldehyde and hexamine are being developed fast; this is bound to remove the major difficulty of the industry, that is, the dependence on imports for essential raw materials.

The p.f. moulding powder, it may be noted, has been in the protected list for the last twelve years. Besides the latest enquiry, it had been the subject of four previous tariff enquiries, that is, in 1949, 1953, 1956 and 1959. The industry was granted protection, for the first time, in 1950 by the levy of protective duty at 30 per cent *ad valorem* on p.f. moulding powder and electrical accessories. Buttons (made of dum nut, mother-of-pearl, metals and plastics) were brought within the scheme of protection in 1951. But protection on buttons made of dum nut, mother of pearl and metals was withdrawn in 1954. Electrical accessories were also deprotected in 1957. Following an enquiry in 1959, plastics buttons were also removed from the protected list, with p.f. moulding powder alone in the field, for which protection was granted for three years ending 31st December 1962 at the rate of duty of 35 per cent. *ad valorem*. By the Finance Act 1961, an excise duty of 20 per cent *ad valorem* was levied on plastics moulding powders, granules and flakes, with an equivalent countervailing duty on imports.

Capacity and Production

There are six units engaged in the manufacture of p.f. moulding powder at present, with an aggregate annual capacity of 2,195 tonnes on a single shift basis. It may be recalled here that, at the time of the previous enquiry in 1959, the number of units was only four, with a total capacity of 1,524 tonnes. It is now six. The following table shows the unit-wise annual rated capacity of the industry on a single-shift basis.

	(In tonnes) 1959	1962
The Industrial Plastics Corporation Ltd., Bombay ...	762	825
Indian Plastics Ltd., Bombay	305	300
Rawji Amarsi, Satara ...	152	480
Saurashtra Electrical and Metal Industries Private Ltd., Sihor	305	300
Plastic Powders Private Ltd.	—	90
Hyderabad Laminated Products Ltd.	—	200
Total ...	1,524	2,195

The actual production of moulding powder in India rose from 1,880 tonnes in 1959 to 2,244 tonnes in 1961. During the first six months of 1962, production aggregated 1,154 tonnes, representing an annual rate of 2,300 tonnes. As much as about 65 per cent of the output is in the G.P. grade. Next in importance is the G.X. grade. The production of other grades, such as telephones, radio cabinets, etc., has also gone up recently, but still forms only a small proportion of the total output. The following table shows the grade-wise production of p.f. moulding powders since 1959:

(In tonnes)

Grades	1959	1960	1961	1962 Jan.-June
G.P.	1,236	1,452	1,450	714
G.X.	539	559	525	241
Telephone	59	88	83	29
Radio Cabinet	25	85	143	129
Others	30	35	43	41
Total ...	1,880	2,219	2,247	1,154

Production was supplemented by small amounts of imports, which amounted to 385 tonnes in 1961, as compared 482 tonnes in 1960 and 331 tonnes in 1959. On the basis of domestic output and imports, the Commission places the total demand for p.f. moulding powders at 3,000 tonnes and expects it to go up to 3,500 tonnes next year, 4,000 tonnes in 1964 and 5,000 tonnes in 1965. The demand for p.f. moulding powder from chemicals, rayon and textile industries is expected to increase considerably. Account has also been taken of the possibility of substitution of p.f. moulding powder by other plastics like urea formaldehyde moulding powder, polythene, polystyrene, etc. The Commission is of the opinion that the present capacity of the industry (2,195 tonnes on single-shift basis) is adequate to meet the demand, in the foreseeable future, provided the industry is enabled to work multiple shifts. Viewed against this background, the plea made by the All-India Plastics Manufacturers' Association that no new unit should be licensed in this sector, (unless the existing factories are able to work to their full capacity) is quite pertinent. It may be noted here that the Indian Plastics Ltd. has already a plan to double its capacity during the next five years. The Plastics Powders Private Ltd. also proposes to double its capacity.

Raw Materials

Most of the units will be able to work more than one shift, if adequate raw materials are made available. The three main raw materials for the manufacture of p.f. moulding powder, namely, phenol, formaldehyde and hexamine, continue to be imported. In respect of formaldehyde, however, the Atul Drug House Private Ltd., Bombay, has put up a plant at Kandla, with a capacity of 7,200 tonnes annually. This plant commenced production in July last and has already supplied formaldehyde to consumers. It is said to be capable of providing 10,000 to 12,000 tonnes of formaldehyde from next year, if only the Government gives import licence for sufficient methanol, an important raw material. The Allied Resins and Chemicals Private Ltd., Calcutta, has also been licensed for a formaldehyde unit with a capacity of 6,000 tonnes. This unit is scheduled to go into production next month and will make available annually about 1,500 tonnes of formaldehyde during the next three years.

Schemes for the manufacture of phenol are also under way. Licences for the production of phenol have been issued to three firms, namely, Durgapur Projects Ltd., Durgapur (a West Bengal Government undertaking), Herdillia Chemicals Ltd., Bombay, and Hindustan Organic Chemicals Ltd., Bombay (a Government of India undertaking), for capacities of 6,600 tonnes, 10,000 tonnes and 3,000 tonnes, respectively, aggregating to 19,600 tonnes per annum. The last among these is expected to commence production in March 1964 and the quantity estimated to be available for sale is 1,000 tonnes in 1964 and 1,250 tonnes in 1965, but all this quantity will not be available to manufacturers of p.f. moulding powder. The second (Herdillia Chemicals) proposes to commence production in January 1965 when it expects to make about 2,000 tonnes of phenol available for the p.f. moulding powder industry. The other unit (Durgapur Projects Ltd.) is likely to come into operation by the end of 1964.

The manufacture of hexamine has also been undertaken by the Atul Drug House Private Ltd., from September last. Its plant has a capacity of 300 tonnes per year and proposes to make available to the p.f. moulding industry 60 tonnes before the end of this year and subsequently 200 tonnes annually for the next three years. The Calcutta firm, the Allied Resins, has also been licensed for a hexamine plant, with a capacity of 300 tonnes each year.

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This plant is expected to be commissioned in August or September next. When all these schemes are implemented, the industry will have no difficulty in securing raw materials from indigenous sources.

Apart from the aforesaid three chemicals, certain other materials like carbon black, meta cresol, dyes, small quantity of wood pulp and pigments which are used in the manufacture of p.f. moulding powder are also imported. Some dyes and pigments, such as lake red 'C,' phthalocyanine blue and toluidine, which were previously imported, are now indigenously available. Most of the other raw materials, namely, mineral acids stearates, mica, wood flour, are also available in the country. There are no complaints about these raw materials, except in the case of wood flour used as the filling material. Manufacturers of p.f. moulding powder have been founding it difficult to get wood flour of proper consistency, grade and colour. The problem, however, is being investigated jointly by the manufacturers and the Forest Research Institute.

Quality

Despite the difficulties in securing raw materials, the industry has been able to show considerable improvement the quality of its products. The Indian Standards Institution has published specifications for the G.P. grade of p.f. moulding powder. Most of the units appear to have installed necessary testing equipments for quality control and secured (or applied for) the I.S.I. certification marks. The I.S.I. is said to be engaged in the preparation of specifications for the G.X. grade also, which, according to producers, are made now to conform to British Standard Specifications.

Manufacturers of electrical accessories, however, have complained that the quality of G.X. grade powder has not been uniform. The Commission has drawn the attention of producers to this complaint and urged them improve the quality of the G.X. grade to suit the requirements of consumers.

Fair Ex-works Price

Apart from the general improvement in quality, the cost of production has also been maintained at a level more or less comparable to that of imported products. The Commission has worked out the ex-factory prices of domestic products, on the basis of cost studies of two representative units, namely, the Indian Plastics Corporation Ltd. and the Indian Plastics Ltd. While estimating the fair ex-works costs, the Commission has worked out the prices of raw materials on the basis of latest purchases, and, in the case of imported products, on the basis of landed costs at which they have been obtained by the companies. It has also taken into account the possibility of higher prices for domestic formaldehyde, as compared with the imported product. As regards conversion charges, suitable adjustments have been made for prices of stores items, increase in wages and salaries due to normal annual increments. Provisions have also been made for expenses on account of staff and equipments for quality control and payment of royalty or technical fees to foreign associates in terms of collaboration agreements. Depreciation has been calculated at normal income-tax rates on the written-down values of the assets. A return of 10 per cent has been allowed on the employed capital. The element of working capital has been assessed as equivalent to five months' cost of production.

On the aforesaid basis, the fair ex-works price of the G.P. grade is Rs. 1.935 per kg. in the case of the Indian Plastics Corporation and Rs. 2.093 in the case of Indian Plastics. The corresponding prices for the G.X. grade are Rs. 2.031 and Rs. 2.644, respectively. As against this, the landed cost (without duty) of the imported product G.P. grade is Rs. 2.009 and of the G.X. grade Rs. 2.050. On an average, therefore, the duty required to equate fair ex-works price of indigenous moulding powder to landed cost (ex-duty) is no more than 0.25 per cent *ad valorem* for G.P. grade and 14.2 per cent *ad valorem* for G.X. grade. In fact, if one takes the Industrial Plastics Corporation alone, one finds that the ex-works price of G.P. grade is lower by 3.7 per cent and G.X. grade by 0.9 per cent, as compared with the imported products. The satisfactory cost structure of the industry and the good progress it has made in recent years, surely support the Commission's decision to deprotect the industry.

MORE PROFIT FOR MORARJEE GOCULDAS

RUNNING MILL TAKEN OVER

A FURTHER rise in gross profit from Rs. 61.35 lakhs to Rs. 73.43 lakhs, despite a small setback in net sale proceeds (that is, excluding claims permitted and excise duty paid) from Rs. 497.63 lakhs to Rs. 461.28 lakhs, has been reported by the Morarjee Goculdas Spinning and Weaving Company Ltd. [Managing Agents: Messrs. Piramal Sons (Private) Ltd., Bombay] for the year ended 30th June 1962. The year under report is the fifth successive year of higher profit for the Company, as way back in 1956-57 profit had declined to Rs. 21.91 lakhs from Rs. 39.72 lakhs in the immediately preceding year. One will have to await the annual statement of Mr. Gopikisan Piramal, Chairman of the Company, to know exactly what contributed to a further rise in profit for the year under report, especially when sales as such were lower. For the Directors have, as usual, been silent on the issue and only expressed the hope that the results for the year would be found satisfactory. Apparently, the management has been successful in improving the efficiency of the Company's mills. It may be noted here that, over the past few years, the Company has been systematically modernising and expanding the works and is still keenly proceeding with it.

The year under report, for instance, saw further additions to plant and machinery of an aggregate value of Rs. 51.25 lakhs. Further orders for new machinery worth Rs. 60 lakhs were also placed last year. The Company had received in 1960-61 sanction for installation of 22,800 spindles for balancing purposes, out of which 3,392 were received and installed last year and the balance were on order. Besides, the Company has recently been sanctioned additional spindleage of 12,817 and has placed necessary orders for the same. Out of the 384 automatic looms the Company has been permitted to install, 54 have been received and installed, 262 are under erection and the balance of 68 will be received and erected during the current year. All these additions will bring the Company's spindleage to 156,581 and loomage to 2,982 units. There is nothing to wonder, therefore, about the recent period of prosperity for the Company which has legitimately enough been characterised by increasing popularity of the Morarjee fabrics.

Although sales declined, production during the year must have been higher, as costs rose further and the closing stocks were larger by nearly 100 per cent. The prime allocations have been stepped up further, and the provision for taxation has been raised by almost Rs. 10 lakhs to Rs. 26 lakhs. In fact, the increase in essential provisions has wiped off all the improvement in gross profit. For the net profit, at Rs. 24.67 lakhs, is almost the same as in the previous year. Out of this, a sum of Rs. 11.60 lakhs, as against Rs. 10 lakhs a year before, has been ploughed back to reserves. The dividend on the Rs. 100 fully paid ordinary shares has been maintained at 24 per cent per annum, subject to tax. The carry forward is Rs. 1.09 lakh, as against Rs. 1.55 lakh brought in.

A clear idea of the Company's progress in the past four years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale proceeds, less excise ..	461.28	497.63	394.00	372.48
Closing stocks	100.79	53.13	99.75	107.82
Other income	8.01	11.11	3.85	4.01
Cotton consumed ..	202.47	175.09	155.28	138.74
Stores, spares, chemicals and power and fuel consumed ..	74.40	69.35	54.92	55.14
Staff expenses	134.32	125.84	115.09	106.97
Other expenses	32.33	30.49	28.40	26.02
Gross profit	73.43	61.35	41.09	35.48
Depreciation	17.26	15.01	12.01	5.25
Taxation	26.00	16.50	10.00	10.35
Managing Agents' commission ..	5.50	4.38	3.25	2.71
Net profit	24.67	24.55	15.93	17.17
Transfer from other reserves and other funds				0.23
Transfer to reserves ..	11.60	10.00	5.65	3.00
Dividends—				
4.5% preference ..	1.11*	1.01*	1.11*	1.11*
Ordinary ..	12.42 (24%)*	12.42 (24%)*	11.13 (15.5%)*	11.13 (21.5%)*
Carry forward	1.09	1.55	0.43	2.38
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	550.00	468.00	470.00	200.00
Low	388.00	309.00	250.00	217.00

* Subject to deduction of tax.

An important development for the Company occurred after the close of last year, when it took over the running textile unit of the B.R. Cotton Mills Ltd. in Bombay for Rs. 98 lakhs. The Company acquired both fixed and current assets. Since the acquisition on 22nd October last, the unit, which is equipped with 49,312 spindles and 1,021 looms and also has a dye-house, is being run by the Company as its Mill No. 2.

Perhaps the shareholders had all the justification in expecting yet another modest increase in the dividend close in succession to the 2.5 per cent rise granted in 1960-61. But then, they are about to get one bonus share for every three shares held by them by capitalisation of Rs. 17.25 lakhs from the reserve fund, if only the Controller of Capital Issues sanctions the proposal. Further, the Company proposes to issue 34,500 new equity shares at par or at premium, whichever way the Government may prescribe, and offer them as right shares to the existing shareholders in the proportion of two new shares for every three shares held by them. Had there been any increase in dividend for the year under report, it is very likely that it would not have been maintained in future, at least in full, on the proposed higher capital following the bonus and right issues. The additional capital is being raised to correct the already unbalanced capital structure of the Company, especially when it is estimated that the gross block will rise to over Rs. 600 lakhs by 30th June 1964.

The authorised capital of the Company is proposed to be raised from Rs. 69 lakhs, divided into 51,750 ordinary shares of Rs. 100 each and 17,250 4.5 per cent cumulative preference shares, also of Rs. 100 each, to Rs. 120.75 lakhs by creating 51,750 new ordinary shares of Rs. 100 each. As noted above, all the 51,750 new ordinary shares are proposed to be issued immediately, once the Government's sanction is obtained. The present paid-up capital of Rs. 69 lakhs, of which Rs. 51.75 lakhs are in ordinary shares, is more than fully covered by reserves and surplus aggregating Rs. 73.21 lakhs as at 30th June 1962. During the year, borrowings rose sharply from a mere Rs. 2.50 lakhs to as much as Rs. 77.01 lakhs, the bulk of which represented bank loans. Inclusive of current liabilities and provisions which aggregate Rs. 115.78 lakhs (Rs. 75.16 lakhs a year before), the total indebtedness to outsiders increased over the year by Rs. 115.13 lakhs to Rs. 192.79 lakhs. But it is fully met by current assets, loans and advances, as also investments, standing at Rs. 203.70 lakhs. The gross block expanded during 1961-62 from Rs. 325.39 lakhs to Rs. 377.87 lakhs. It has been written down adequately to Rs. 131.30 lakhs.

Currently quoted at Rs. 468 *cum-div.*, the Rs. 100 fully paid ordinary shares of the Company offer a net yield of 3.7 per cent per annum.

HINDUSTAN SHIPYARD

The Central-Government-owned Hindustan Shipyard (Chairman: Dr. Nagendra Singh, New Delhi) just scraped through during the year ended 31st March 1962 largely because of a 24-day labour strike in the Shipyard during August-September 1961. Because of the strike, total production of the Shipyard, inclusive of ship construction, ship repairs and capital and other works executed departmentally, declined from Rs. 465.80 lakhs to Rs. 461.43 lakhs. Sales realisation showed, however, an improvement from Rs. 182.03 lakhs to Rs. 297.70 lakhs. But the gross profit suffered a small setback from Rs. 24.26 lakhs to Rs. 23.01 lakhs even after taking into account a higher estimated subsidy from the Government of Rs. 86.57 lakhs, as against Rs. 53.64 lakhs a year before. Cost of materials consumed came down from Rs. 313.98 lakhs to Rs. 295.96 lakhs and staff expenses at Rs. 96.80 lakhs were also slightly lower as compared with Rs. 97.07 lakhs in 1960-61, but other manufacturing expenses increased from Rs. 30.45 lakhs to Rs. 42.31 lakhs. After providing Rs. 22.77 lakhs (Rs. 23.62 lakhs a year before) for depreciation, net profit amounts to a mere Rs. 24,418, as against Rs. 63,783 in 1960-61. The profit is adjusted against the carried forward debit balance of Rs. 8.49 lakhs, and the remainder of the debit balance amounting to Rs. 8.25 lakhs has been carried forward.

Apart from the mild setback in production owing to the strike, the material-labour ratio also shrank during the year from 7.90 : 1 to 7.84 : 1. The Chairman of the Company, Dr. Nagendra Singh, observes, in his statement, that, but for the unfortunate general strike, there would have been a significant improvement in the progress of the Shipyard during the year. The tonnage of steel fabricated in the hull shop in June 1962 touched a record figure of 1,025. Provided balanced production is possible by ensuring a full order book and the steel requirements of the Shipyard are fully met, the Chairman hopes, the Shipyard can soon reach a target of 1,500 tons a month of fabricated steel.

Production of steel hull during 1961-62 amounted to 8,587 tons fabricated and 7,575 tons erected, as against 8,745 tons fabricated and 6,898 tons erected in 1960-61 and 7,606 tons and 8,770 tons respectively in 1959-60. The supply position of steel for the new Mitsubishi vessels from indigenous sources was not satisfactory during the year under report. Consequently, steps were taken to import directly 4,600 tons of steel. Such imports will be necessary, until the indigenous plants are in a position to meet the Shipyard's requirements in full. However, during the year, greater reliance was placed on indigenous substitutes. Thus, the amount of steel secured indigenously increased over the year from Rs. 26.84 lakhs to Rs. 67.02 lakhs and so did that of machinery from Rs. 0.27 lakh to Rs. 3 lakhs, of stores from Rs. 49.02 lakhs to Rs. 51.70 lakhs and of timber from Rs. 1.75 lakh to Rs. 10.94 lakhs. At the same time, however, decline in imports was noted only in steel from Rs. 147.98 lakhs to Rs. 34.75 lakhs, for imports of machinery increased from Rs. 57.10 lakhs to Rs. 145.48 lakhs as did those of stores from Rs. 27.39 lakhs to Rs. 50.70 lakhs and of timber from nil to Rs. 0.55 lakh.

During the year under report, the Shipyard launched four vessels, namely, VC 147 m.v. *State of Punjab*, VC 149 m.v. *Vishva Shanti*, VC 150 m.v. *Vishva Prem* and VGC 11 Steel Hopper barge and completed and delivered to the owners VC 148 m.v. *State of Rajasthan*, VC 146 m.v. *Vishva Nidhi* and VGC 11 Steel Hopper barge. In the previous year, four vessels were launched and six vessels were completed and delivered to the owners. During 1961-62, keels were laid for three vessels, as against seven in 1960-61.

According to Dr. Nagendra Singh, the Shipyard's present orders amounting to 1.15 lakh G.R.T. constitute a record. The order book is thus satisfactory, but further orders will be necessary from the second half of 1964, when the first vacancy of berth after launching the last ship on order is expected to occur. The Chairman is optimistic of obtaining more orders in the intervening period itself, especially from the Government Shipping Corporation which has continued to feed the Shipyard with orders. Of the three Lubeck series of ships which were launched during the year, two, we are told, have since been delivered and the third is expected to be delivered by the end of this year. Since the close of the year, two ships have been launched and keels laid for two more ships. Construction of repeat vessels has facilitated economic execution of work achieved by improved planning and organisation and to the satisfaction of the owners. In this conection, it may be noted that the Shipyard has won the Presidential award of Certificate of Honour for satisfactory performance during 1960-61.

With the commissioning of the galvanising plant and extension of the outfit jetty, the first two phases of the Shipyard's development programme are said to have been fully implemented. However, the travelling crane which is on order for the extended portion of the jetty, is expected to be installed and commissioned in the near future. As regards future development works, out of the provision of Rs. 244 lakhs made in the third Plan, only a part programme, consisting of a few essential items of machinery and equipment for the shops and some items of welfare amenities like housing, etc., has been approved by the Government at an estimated cost of Rs. 73.44 lakhs. The rest of the programme to be taken up during the third Plan is still under examination. The Government's approval has been obtained for the revival of the graving dock project, although foreign exchange for it yet remains to be found.

The Government advanced to the Shipyard during the year Rs. 8.73 lakhs (Rs. 19.55 lakhs in 1960-61) for financing the approved programme of yard development. This sum has been converted, as in the previous year, into share capital by the issue and allotment of 873 ordinary shares of Rs. 1,000 each in favour of the President of India. During the year, shares worth Rs. 1.04 crore held by Scindia Steam Navigation Company Ltd. were repatriated. The paid-up capital at the year-end of Rs. 578.50 lakhs is thus owned wholly by the Government. The Company has yet to build up any reserves. Over the year, secured loans have gone up from Rs. 529.18 lakhs to Rs. 615.90 lakhs, while unsecured loans have come down from Rs. 254.43 lakhs to Rs. 159.83 lakhs. Current liabilities and provisions aggregate Rs. 107.01 lakhs. As against all this, current assets, loans and advances total Rs. 11.21 crores. The gross block, which expanded during the year from Rs. 481.61 lakhs to Rs. 493.85 lakhs, has been written down to Rs. 329.33 lakhs.

Notice

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

Registered Office:
Gillander House, Netaji Subhas Road, Calcutta-1

NOTICE IS HEREBY GIVEN THAT THE Preference Register of Members of the Company will be closed from the 17th December 1962 to 2nd January 1963, both days inclusive, for payment of the dividend for the half-year ending 31st December 1962, on the 2nd January 1963, at the rate of Rs. 2.914 per share (being the stipulated dividend of Rs. 3.50 per share increased by 11 per cent to Rs. 3.885 less Rs. 0.971 being Income Tax at the present Company's rate of 25 per cent) subject to tax being deducted therefrom in accordance with the provision of Section 194 of the Income Tax Act 1961.

By Order of the Board,
STEEL BROTHERS AND COMPANY LIMITED,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1.
22nd November, 1962.

I.I.S.CO.'S RESULTS

PRODUCTION IN 1961-62 SLIGHTLY HIGHER

"DURING the year, an increase in the sales retention prices of pig iron was notified by Government, having effect retrospectively as from 1st April 1958. The trading results shown for the year under review are accordingly exceptional and unrepeatable inasmuch as they include not only this latter increase in respect of the period 1st April 1958 to 31st March 1960 but also the additional retrospective income arising from the higher retention prices for both steel and iron in respect of the year ended 31st March 1961, the income relating to previous years amounting in total to Rs. 2,28,51,875." It is against this frank and forthright background presented by the Directors of the Indian Iron and Steel Company, Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) that one should view the Company's performance during the year ended 31st March 1962. In other words, the Company's results for 1961-62 are not comparable with those for the previous years or for the coming years. This important qualification should be borne in mind while reading the analysis of the Company's statement of accounts for 1961-62 in the paragraphs that follow. If nevertheless a comparison has been made it is for the purposes of record and reference for the reader.

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sales and self consumption less excise duty paid ..	60,41.08	57,95.38	51,52.32	41,82.55
Stock of finished goods and work-in-progress ..	581.44	451.81	344.08	292.64
Retrospective increase in retention prices ..	228.52	..	86.72	75.20
Other income	29.61	21.15	73.53	43.67
Excise duty paid ..	388.88	382.83	328.81	244.56
Materials, stores and spares consumed	23,16.46	21,26.84	19,52.95	14,71.39
Staff expenses	10,76.02	10,09.78	943.06	899.83
Other expenses	17,46.35	17,60.39	15,17.93	12,29.50
Gross profit	12,84.03	10,27.23	898.66	701.63
Managing Agents' commission	30.00	30.95	37.22	26.51
Depreciation	335.25	296.47	300.00	200.00
Taxation	395.50	166.00	64.28	18.62
Net profit	523.28	533.81	497.16	456.50
Transfer from reserves ..	23.19	81.59	158.99	215.60
To reserves	300.00	326.15	192.66	239.93
To development rebate reserve	21.57	166.57	259.26	314.67
Dividends—				
5% preference ..	17.54*	18.71*	16.39*	13.50
Ordinary ..	199.05 (16%)*	199.05 (16%)*	186.61 (15%)*	103.67 (10%)
Carry forward	24.72	16.42	11.50	10.27
	Metric tonnes	Metric tonnes	Metric tonnes	Long tons
Production and despatches†—				
Pig iron	1,187,397 (954,161)	1,160,576 (928,813)	1,070,470 (839,729)	959,933 (822,328)
Steel ingots	934,498	914,159	840,305	608,205
Saleable steel ..	736,970 (724,499)	722,034 (704,967)	672,707 (678,330)	497,551 (506,141)
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	27.35	28.70	26.55	28.20CR
Low	20.80	23.00	21.84	22.16XR

* Subject to deduction of tax.
† Figures in brackets.
Note:—One long ton = 1.016 metric tonne.

The Company has no doubt fared well during the year under review. There has been a further sizable increase in sale proceeds (excluding surcharge, rebates and excise duty) of Rs. 245.70 lakhs to Rs. 60.41 crores, as also in gross profit of Rs. 256.80 lakhs to Rs. 12.84 crores. The profit-margin (ratio of gross profit to net sales), which had just crept up from 17.4 per cent to 17.7 per cent in the previous year, has bulged out to 21.2 per cent during the year under report.

Provision for depreciation, at Rs. 333.25 lakhs (Rs. 296.47 lakhs a year before), has been computed again on the 'straight line' basis. The virtual completion of the 1953 and 1955 extensions is reflected in the large reduction in the amount set aside for development rebate reserves from Rs. 166.57 lakhs to Rs. 21.57 lakhs. And, with the reduction in the rebate available, the rise in profit and the enhancement of the rate of corporate taxation by five points to 50 per cent, the provision for taxation has gone up substantially from Rs. 166 lakhs to Rs. 395.50 lakhs. At Rs. 30 lakhs, the Managing Agents' commission is more or less the same as in the previous year.

Net profit, before making the allocation to development rebate reserve, is, however, slightly lower at Rs. 523.28 lakhs as compared with Rs. 533.81 lakhs a year before because of the higher provisions for depreciation and taxation. Out of this, apart from the transfer to development rebate reserve, a sum of Rs. 300 lakhs (Rs. 326.15 lakhs a year before) has been ploughed back to reserves. It is already known that the dividend on the Rs. 10 fully paid ordinary shares has been maintained at 16 per cent per annum, subject to tax, and that half of it was declared earlier as interim because of the delay on the part of the Government in announcing the revised retention prices for steel and pig iron. The carry forward is Rs. 24.72 lakhs as against Rs. 16.42 lakhs brought in.

Production showed an all-round small improvement last year. Despatches of pig iron and saleable steel also showed some further improvement. The actual figures of output and despatches for the past four years are given in the table in column 1 which also compares the progress made by the Company in that period on the financial side.

We are told that considerable progress has been made in the acquisition of the extensive areas of surface lands required for the development of the Company's coal-bearing property at Chasnalla, which is being undertaken under financial assistance from the World Bank by way of a further loan to the extent of $19.5 million to cover the foreign exchange element of the total development cost. Tenders have been called for all major works so that on clearance of the land position it will be possible to place contracts and to proceed with the programme without delay. The project for the manufacture of spun iron pipes and specials in collaboration with Messrs. Stanton and Staveley Ltd. of England is proceeding satisfactorily. Pending the Government approval of the project, it is proposed to incorporate in the near future the operating company, namely, the I.I.S.Co. Stanton Pipe and Foundry Company Ltd., which will be a subsidiary of the I.I.S.Co. The factory will be at Ujjain, Madhya Pradesh.

The financial position of the Company as at the end of the year under report is satisfactory. The Company has a paid-up capital of Rs. 15.14 crores, of which Rs. 12.44 crores (including Rs. 5.74 crores for a consideration other than cash) are in ordinary shares and the rest in preference shares of Rs. 100 each. As against this, reserves and surplus aggregate Rs. 27.50 crores and cover twice the equity capital. Secured loans from the I.B.R.D. and the Central Government were reduced during the year from Rs. 26.33 crores to Rs. 23.32 crores. Then there is an unsecured loan of Rs. 10.18 crores, representing a special advance from the Government, which is unchanged over the year. Current liabilities and provisions aggregate Rs. 21.79 crores, as against Rs. 19.39 crores a year before, and are fully met by current assets, loans and advances standing at Rs. 31.77 crores. Investments and instruments deposited by customers amount to Rs. 90.67 lakhs. A sum of Rs. 111.65 lakhs is shown by way of investment realisation account, representing the book value of the Company's former holding of 11 lakh ordinary shares in the Steel Corporation of Bengal Ltd., suspended pending the ascertainment of the net sale price in terms of the relative sale agreement. The gross value of the block account increased during the year from Rs. 81.17 crores to Rs. 83.45 crores. The net block, excluding capital work-in-progress of Rs. 117.82 lakhs but including live stock and vehicles of Rs. 25.34 lakhs, is shown at Rs. 62.67 crores.

Currently, the Rs. 10 fully paid ordinary shares of the Company are quoted at Rs. 22.96 *cum-div.*, both interim and final. On the *ex-div.* basis, they offer a net yield of 5.1 per cent per annum.

T. MANEKLAL'S PERFORMANCE ENCOURAGING

Ever since they started their official career on the Bombay Stock Exchange, the ordinary shares of T. Maneklal Manufacturing Company Ltd. (Managing Agents: Messrs. T. Maneklal & Co., Bombay) have been drawing persistent investment inquiries. The popularity of the scrip is well reflected in its price which has, during the past three years, fluctuated within a very wide range depicting thereby the keen interest evinced in it by investors and speculators alike. The reasons for this continued attention to the scrips have been two, the growth potential of the Company itself and the possibility of getting right issues to finance expansions.

The results achieved by the Company during the year ended 31st May 1962, fully reflect its growth character. Thanks to an all-round improvement in the working, total sales for the year have expanded from Rs. 82.61 lakhs to Rs. 112.10 lakhs, registering a rise of no less than Rs. 29.49 lakhs over the preceding year. It is, however, in respect of the gross profit that the Company has reported the most encouraging improvement. For, notwithstanding an increase of Rs. 4.65 lakhs to Rs. 17.32 lakhs in salaries, wages and employee benefits and a rise of Rs. 5.70 lakhs to Rs. 17.31 lakhs in other expenses, the gross profit has gone up by Rs. 9.44 lakhs to Rs. 27.33 lakhs. The rate of improvement thus works out to 52.8 per cent which compares favourably with the rise of 35.7 per cent in turnover. A higher gross profit has naturally meant an increase in the provision for the Managing Agents' commission and taxation. The former has accordingly been stepped up from Rs. 1.45 lakh to Rs. 2.16 lakhs and the latter has been nearly doubled from Rs. 5.96 lakhs to Rs. 11.33 lakhs. The steady increase in the depreciable block has also necessitated a higher provision for depreciation of Rs. 3.60 lakhs in place of Rs. 2.74 lakhs a year ago. A large portion of the gross profit has thus been neutralised by the very much bigger essential provisions, leaving a sum of Rs. 10.24 lakhs as the net profit for the year under review which, nevertheless compares favourably with the level of Rs. 7.74 lakhs recorded during the preceding year. Of the net profit for the year under review, Rs. 4.45 lakhs as against Rs. 4.11 lakhs have been credited to various reserves and the balance has been utilised for covering the ordinary dividend at 27 per cent per annum, subject to deduction of tax, the same as for the previous year. Although the rate of dividend has remained unchanged, a full year's dividend has become payable on the new equity shares issued during the preceding year on which only a *pro-rata* dividend was paid in respect of that year. The actual distribution has, therefore, gone up from Rs. 3.76 lakhs to Rs. 5.37 lakhs, leaving Rs. 0.46 lakh to be carried forward as against Rs. 0.04 lakh brought in.

The rapid strides made by the Company during the past four years are well revealed by the following comparative figures:

(In lakhs of rupees)

	For the year ended 31st May			
	1962	1961	1960	1959
Sale proceeds	112.10	82.61	56.01	46.11
Other income	13.21	3.82	0.56	0.59
Closing stock of finished goods ..	1.60	0.08	0.02	0.04
Raw materials, stores and spare parts consumed	64.87	44.32	31.12	27.57
Salaries, wages and benefit ..	17.32	12.67	9.17	7.65
Other expenses	17.31	11.61	6.56	5.17
Gross profit	27.33	17.89	9.71	6.03
Managing Agents' commission ..	2.16	1.45	0.82	0.47
Provision for—				
Depreciation	3.60	2.74	1.92	1.32
Taxation	11.33	5.96	2.80	2.25
Net profit	10.24	7.74	4.17	1.99
To reserves	4.45	4.11	2.30	0.82
Dividends	5.37 (27%)	3.76 (27%)	1.85 (18.5%)	1.29 (12.9%)
Carry forward	0.46	0.04	0.17	0.15
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	1,010.00	850.00	920.00	N.A.
Low	575.00	300.00	140.00	N.A.

Note:—All dividends are subject to deduction of tax.
N.A.—Not available.

No change took place during the year under review in the paid-up share capital of the Company which stands at Rs. 19.88 lakhs in 19,883 ordinary shares of Rs. 100 each fully paid, but a sum of Rs. 3.88 lakhs is standing to the credit of equity shares application account. Reserves and surplus aggregate Rs. 13.20 lakhs. Current liabilities and provisions total Rs. 89.04 lakhs, while the outstanding amount of loans, has dwindled to Rs. 7.347 only. During the year, the Company acquired new assets worth Rs. 11.84 lakhs bringing the block account up to Rs. 41.07 lakhs. On deducting therefrom Rs. 14.21 lakhs being depreciation provided so far, the net block works out to Rs. 26.86 lakhs. Besides this, capital work-in-progress as at the end of the year is valued at Rs. 9.90 lakhs. Investments at book value, current assets and loans and advances all amount to Rs. 88.82 lakhs, that is, a few thousands below the total of short-term liabilities.

During the earlier years, the Company had entered into three collaboration agreements with the Swiss Locomotive and Machine Works of Switzerland for the manufacture of diesel engines, water ring pumps and Roots blowers, and compressors, vacuum pumps and exhausters. At the time these agreements were entered into, it was the intention of the foreign collaborators to participate in the equity capital of the Company. But, as the Company could not issue additional shares at par to them, and the collaborators did not wish to pay any premium on the new shares, the collaborators suggested the formation of a new company with the main object to manufacture the aforesaid products. Accordingly, a company named SLM-Maneklal Industries Ltd. was formed during the year under review. Thanks to the efforts made by the Directors almost all the shareholders of the Company were able to get shares of the new Company proportionate to their holdings in the Company and the Company itself has been able to get 4,000 equity shares of Rs. 100 each.

Prior to signing the technical collaboration agreement with the Swiss firm, the Company had obtained three licences for the manufacture of products referred to earlier. One of these, the one for the manufacture of diesel engines, has not so far been utilised at all and has, therefore, been transferred to SLM-Maneklal Industries Ltd. Of the other two licences, one covering the manufacture of water ring pumps and Roots blowers and partly utilised by the Company, has also been transferred to the new company, while the third will also be similarly transferred, since SLM-Maneklal would be in a better position to combine the business of water ring pumps with that of manufacturing vacuum pumps, etc., in view of the capital resources at its command and the technical know-how it will be receiving from the foreign collaborators. Since both these licences are already being utilised by the Company to some extent and as the proposed transfer, though in the interests of the shareholders, may be regarded as a disposal of the Company's undertakings in respect of the manufacture of the items above referred to, it is considered desirable by the Directors to seek the consent of the shareholders for the proposed arrangement at the forthcoming annual general meeting. They, however, report that till such time as SLM-Maneklal make their own arrangements for the production of the items involved, the Company would continue their manufacture in its existing factory as has been done hitherto. As these licences apply to the State of Maharashtra, sanction for their transfer to Gujarat is being sought from the authorities concerned.

At present the Rs. 100 fully paid ordinary shares of the Company are being quoted, on a *cum-div.* basis, at Rs. 605. The net return on an *ex-div.* basis works out to over 3.2 per cent per annum.

PREMIER AUTOMOBILES

PROFIT-MARGIN SHRINKS

DUE to a fall in the demand for trucks and further restricted output of passenger cars caused by foreign exchange difficulties, the Premier Automobiles Ltd. (Managing Agents: Messrs. Aero-Auto Ltd., Bombay) has suffered a moderate set-back during the year ended 30th June, 1962 and has accordingly reported a lower realisation of Rs. 21.48 crores from the sale of cars, trucks, spare parts, etc. as compared with Rs. 22.74 crores during the preceding year. Unfortunately, the decline in turnover has been followed, on the expenses side by a sudden rise in overhead charges, particularly in the wage bill, which has risen by as much as Rs. 43.85 lakhs to Rs. 286.49 lakhs partly owing to the annual increments given to employees and partly to the inclusion of an amount of Rs. 15.08 lakhs paid as bonus for the year 1959-60. Other expenses, which had considerably expanded during the previous year owing to a larger trading activity, have also increased further by Rs. 27.35 lakhs as a result of the rise in the technical fees payable to Fiat S.P.A. in accordance with the new agreement which came into force on 1st July 1961, a higher incidence of expenditure on advertising and the payment of a sum of Rs. 3.00 lakhs to a local manufacturer of Meadows diesel engines in terms of the agreement reached with them. Thus caught between a declining turnover on the one side and rising expenses on the other, the profit-margin has been badly squeezed and the Company has realised a much reduced gross profit of Rs. 163.68 lakhs, as against Rs. 193.86 lakhs for 1960-61.

In view of the lower gross profit, the provision for Managing Agents' commission has been brought down from Rs. 8.83 lakhs to Rs. 6.76 lakhs, but the saving has been more than fully neutralised by the increase of Rs. 4.23 lakhs to Rs. 60.37 lakhs in the provision for depreciation. Moreover, owing to the rise in the rate of corporate taxation, the provision for taxation has gone down quite disproportionately to the fall in profit, the exact decline being only Rs. 6.00 lakhs and the actual provision Rs. 49.00 lakhs. The net profit has, therefore, fallen by Rs. 26.05 lakhs or 36 per cent to Rs. 47.54 lakhs, the lowest level to be reached since 1958-59. Out of this, Rs. 5.07 lakhs have been utilised towards writing off the expenses relating to prior years and Rs. 8.00 lakhs, as against Rs. 23.00 lakhs last year, have been credited to the reserves. Despite this drastic cut in the ploughback of profit, the Directors have found the resulting balance too inadequate to warrant the maintenance of the dividend paid in respect of the previous three years. As a result, they have been compelled to recommend a dividend of only 7 per cent, subject to deduction of tax, as against 9 per cent, subject to deduction of tax, the rate for the preceding three years. This absorbs Rs. 39.32 lakhs, leaving Rs. 1.84 lakh as a carry forward as against Rs. 4.76 lakhs brought in.

The working results of the Company for the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale proceeds	21,47.62	22,73.87	20,94.88	17,42.80
Other income	12.74	14.60	12.47	12.25
Closing stocks of finished goods	217.01	191.63	163.90	190.74
Raw materials and stores consumed including cars and trucks purchased	16,09.10	17,80.58	16,43.53	14,56.15
Salaries, wages and bonus	266.49	225.64	189.15	140.07
Other expenses	146.47	119.12	93.95	95.85
Gross profit	163.68	193.86	153.38	104.51
Managing Agents' commission	6.76	8.83	10.99	7.66
Provision for—				
Depreciation	60.37	56.14	44.23	28.54
Taxation	49.00	55.00	34.00	27.33
Net profit	47.54	73.59	64.69	40.98
Excess provisions written back	1.95	5.10	23.18	3.51
Expenses relating to prior years	5.07	4.32	13.53	13.67
Transfer to reserves	8.00	23.00	42.77	13.00
Ordinary dividend	39.32	49.82	30.97	19.89
	(7%)	(9%)	(9%)	(7%)
Carry forward	1.84	4.76	3.24	2.72
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	160.00	185.00	191.50	116.50
Low	92.00	151.00	136.00	79.50

All dividends are subject to deduction of tax.

During the year under review, the Company issued a further 47,000 "A" equity shares of Rs. 100 each with Rs. 20 on it paid up. Moreover 1,59,803 shares of Rs. 100 each were allotted to the holders of debenture bonds on conversion. As a result, the issued and paid-up share capital of the Company as at 30th June 1962 has increased to Rs. 574.17 lakhs from Rs. 557.51 lakhs a year before. This is reported by Rs. 140.99 lakhs in reserves and surplus. A sum of Rs. 25.61 lakhs had been received by the end of June 1962 on account of 1,87,237 new equity shares issued during April last at a premium of Rs. 10 per share. With full conversion into equities, the debenture loan account has been completely liquidated but other loans have expanded from Rs. 386.39 lakhs to Rs. 523.46 lakhs. Besides, current liabilities and provisions aggregate Rs. 340.78 lakhs, as against Rs. 346.07 lakhs a year before.

Additions to the block account during the year was of the order of Rs. 95.23 lakhs of which Rs. 53.80 lakhs represent the cost of new plant and machinery, Rs. 16.41 lakhs the cost of buildings newly erected and Rs. 16.00 lakhs the value of dies and jigs purchased during the course of the year. As a result, the gross block has gone up to Rs. 746.73 lakhs and on deducting therefrom Rs. 379.14 lakhs being the depreciation provided todate, there is a net block of Rs. 367.59 lakhs. Book value of investments, mainly in subsidiary companies, stand unchanged at Rs. 3.42 lakhs. Current assets, loans and advances all amount to Rs. 12.34 crores.

Satisfactory progress was maintained by the Company in the manufacture of parts and components. This will be evident from the following extracts from the Directors' report to the shareholders:

"Premier manufactured transmissions are now being used in Fiat cars since October 1961. As for the axles for Fiat cars, the manufacture of major items like rear hubs, ring gears, pinions, axle shafts, axle casings has been taken in hand. Machining has also been started of further items like front hubs, carriers and caps. The assembly of rear axles for Fiat cars has commenced from March 1962. As for trucks, with the commencement of the production of the front and rear axles, the proportion of indigenous content has gone up to 17.84 per cent. . . . The production of Meadows diesel engines has begun. As the Company could not procure from the Automobile Products of India all the machine tools required for the production of these engines, an application for the required licences was made to the Government. These have now been received and orders for machinery have been placed. The full production capacity will be achieved as soon as new machines are received and installed. An agreement between the Company and Henry Meadows Ltd., England, has now been finalised. Under this agreement, the Company is granted exclusive right and licence to manufacture and sell within India Meadows diesel engines and the components thereof. The agreement is for a period of five years and will continue for a further period of five years, unless terminated by either party by giving six months' prior notice."

As regards the Company's sheet metal component project, the Directors report that the acquisition of land admeasuring about 300 acres by the Government for the Company could not be completed owing to technical and legal difficulties. Negotiations are, however, in progress for the purchase of another suitable site and 251 acres of land has already been possessed of. Of these, 99 acres have been taken possession of. As for the required machinery, orders for the value of 6.5 million dollars have been placed in the U.S. The necessary import licences have been procured and the machinery is expected to arrive shortly.

Consequent on the materialisation of a right issue as anticipated, the sharp drop in profits and the pruning of dividend, not to say anything of the deterioration in the market sentiment, the price of Rs. 100 fully paid share of the Company has slumped heavily and currently stands at Rs. 101.00 *cum-div.* On an *ex-div.* basis, the net yield works out to about 5.2 per cent per annum.

Notice

AIR INDIA LIMITED

(In Voluntary Liquidation)

THE ANNUAL GENERAL MEETING OF this Company will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Friday, 21st December 1962, at 4.30 p.m., and not on 6th December 1962 as previously notified, when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding-up for the year ended 30th September 1962 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the Liquidation.

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

AIR INDIA LIMTED,
(In Voluntary Liquidation)

By Order of the Liquidators,

K. C. BAKHLE,
A Liquidator.

ESPLANADE MANSION,
FULLER ROAD,
BOMBAY-1.

To all Shareholders of Air India Limited (In Voluntary Liquidation) and particularly to:—

Atmaram Shivarao Kalambi, Joseph Theofilus Almedia, Amrutha Pandu, Miss Candida Dhunbai Backhaus, Bashir Niazi, Alan Joseph Chaves, Chulanandra Upali de Silva, Ginigaldgoda Peeton De Silva, Mrs. Doulat Kahnum, Arthur Horace Sidney Fernandes, Farrokh Erachshaw Shroff, Mrs. Barbara Flatt, Sydney Joseph Fernandes, Gunja Man Singh, Donald Reginald Cavendish Hartley, Karson Narain, Kaikhoshro Pherozeshah Mehta, Mrs. Mary Kostka, Stannislaus Lawrence Maxim Lobo, Mrs. Nariman Ahmed Jaffer, Wilhelm A. E. Holamure, Mir Maqbook Mahmood, M. Naziamuddin, Miss Margaret Mardall, Maneck Ardeshir Sohrab Dalal, Placidus Joseph Leslie Manezes, Natuvilmatam Subramania Raman, John Cecil Trever Pereira, Anthony Francis Pinto, J. C. K. Peterson, Sanmugam Dharma, Mrs. Savitir Dahyalal Daftary, Samule Taylor, Jose Vaz, Vasant Nagesh Shirodkar.

SYNOPSES OF COMPANY REPORTS

Smith, Stanistreet and Co., Ltd.

(*Chairman*: Mr. D. M. Jaffray, Calcutta.)

Forty-fifth Annual General Meeting—19th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales, claims, etc.	1,97,75	1,95,24
Closing stock	53,31	49,99
Gross profit	12,99	13,80
Transfer to depreciation	1,39	1,17
,, ,, provision for taxation	5,50	5,72
Net profit	6,10	6,91
Adjustments	1,23	1,27*
Appropriations:		
Total available balance	7,33	8,18
Transfer to development rebate reserve	25	25
,, ,, general reserve	50	65
,, ,, provision for irrecoverable debts, etc.	Nil	25
To additional preference dividend for 1960	Nil	15
Proposed dividends (taxable) 10% preference	65	65
,, ,, ,, ordinary	5,00	5,00
	(25%)	(25%)
Carry forward	93	1,23

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes Rs. 15,000 transferred from general reserve and Rs. 12,500 from reserve for additional dividend on preference shares.

Extracts from the Directors' report: *Sales*: It is encouraging to report that the ethical preparations for which the Company launched sales promotion drives only about three years back have received tremendous support of the medical profession and the Company's 'Speciality' sales increased about 25 per cent over the last year. The sales force is now being increased to ensure that the production capacity is fully absorbed. The Company's distribution services have been further improved for better coverage and two branches have been opened at Raipur and Bombay.

Production and Research: Production was handicapped through the non-availability of raw materials and at times idle capacity occurred. Planning arrangements have now been developed to overcome these problems.

During the year a number of the Company's products were improved and new products were introduced. Other new products proposals are awaiting Government approval.

Diversification in the field of chemicals has so far resulted in the establishing of a *Caffeine* plant and production is expected to commence from December 1962. Eight other projects are lying with the Government of India for licence to manufacture and it is hoped to commence production within six months of receipt of the licences.

Excise Duty: Central Excise duty was introduced in March 1961. Immediately thereafter there were heavy sales of stocks manufactured prior thereto with a corresponding decline in sales in July and August, 1961—the first two months of the financial year under review. A reduction in the rate but the application of duty to all pharmaceuticals savs certain "life saving" drugs e.g. Anti-Tubercular, Anti-Leprosy further hampered business. Whilst it is certain that Government Revenues have been increased by this duty far more than was ever anticipated it is hoped that the levy will be transferred to less essential items as the rising costs of materials plus this duty are placing prices at too high a level.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,00,000	Gross block	29,10,632
Reserves and surplus	17,00,052	—Depreciation	17,39,548
Other liabilities	58,20,623	Net block	11,71,084
		Current assets	79,16,458
		Investments	3,02,000
		Cash	6,31,133
	Rs.1,00,20,675		Rs.1,00,20,675

* Paid-up capital consists of 10,000 ten per cent. preference shares of Rs. 50 each fully called up and 4,00,000 ordinary shares of Rs. 5 each fully called up.

Kelvin Jute Co., Ltd.

(*Managing Agents*: Messrs. McLeod & Co., Ltd., Calcutta.)

Working Results:

	For the year ended 31st May (In thousand rupees)	
	1962	1961
Sales of gunnies, jute and loom hours	2,40,95	2,33,52
Closing stocks	68,09	5,35
Gross profit	6,88	27,53
Transfer to Managing Agents' remuneration	49	2,19
,, ,, depreciation	5,94	5,63
,, ,, provision for taxation	Nil	8 80
Net profit	45	10,91
Adjustments	4,61*	2,35†
Appropriation:		
Total available balance	5,06	13,26
Transfer to development rebate reserve	1,28	1,54
,, ,, general reserve	Nil	4,00
,, ,, provision for taxation for previous year	1,00	Nil
Proposed dividends (taxable) preference	91‡	91‡
,, ,, ,, ordinary	1,40	4,20
	(5%)	(15%)
Carry forward	47	2,61

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items like provisions no longer required, etc.

* This includes Rs. 2,00,000 transferred from general reserve.

† Includes Rs. 1,00,000 being provision for taxation no longer required and Rs. 14,000 being development rebate reserve in respect of machinery sold written back.

‡ Preference dividend is calculated at 9 1 per cent. according ot Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: During the year hours of work and the number of looms sealed varied from time to time in accordance with the recommendations of the Indian Jute Mills Association under terms of the working time agreement. By utilisation of accumulated loom hours at credit of, and purchase of current and accumulated loom hours by the Company an average of 320 looms were worked per week double shift upto 9th September, 1961, and from then onwards an average of 350 looms per week double shift.

Power cuts upset the working arrangements from February to 28th May, 1962, a ter which date a revised working schedule was introduced, whereby power was available for six working days, and in the case of the Company's Mills Wednesday was declared the weekly non-working day as from 30th May, 1962.

Since the last report, modernisation of the preparing/spinning and weaving sections have been partially completed. A broad loom division commenced partial operation during January, 1962. This Company was in a position to hire 60 looms and ancillary equipment from Mills within the McLeod Group and also hire premises for their installation from Waverley Jute Mills Co. Ltd. This arrangement is suitable to all the Companies concerned. It is intended to increase this installation to approximately 200 looms. During the present financial year, it is expected that approximately 120 looms will be in operation and at the date of this report. 72 Looms are at present working on treble shift basis. Further modernisation and additional machinery is required for this project and in order to finance the installation a short-term loan of Rs. 100 lakhs is being negotiated with the State Bank of India. The directors consider that this division will add considerably to the Company's profit potential.

Although as indicated in the last report, the Mill worked profitably during the latter part of the year it was not possible to completely offset the losses incurred earlier, and it has been necessary to transfer from reserves to meet a reduced ordinary dividend. Present prospects are favourable.

The raw jute crop has suffered considerable damage due to flooding and quality fibre is likely to be in short supply at the end of the season although with the carryover of 25 lakh bales from the previous season there will be ample raw material supply for the current season, it is essential that the quality outturn and increased yields are obtained throughout the jute growing areas in order that India is in a competitive position with other jute growing countries.

Accounts in brief as at 31st May 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	38,00,000	Gross block	3,67,55,274
Reserves and surplus	57,21,458	—Depreciation	1,13,61,902
Other liabilities	98,67,649	Net block	53,93,372
		Current assets	1,26,67,009
		Investments	8,77,378
		Cash	4,51,448
	Rs.1,93,89,207		Rs.1,93,89,207

* Paid-up capital consists of 10,000 seven per cent. cumulative preference shares of Rs. 100 each and 28,000 ordinary shares of Rs. 100 each fully paid up. Of the above 14,000 ordinary shares are allotted as fully paid by way of bonus shares of which 7,000 ordinary shares are issued by capitalisation of reserves and 7,000 ordinary shares from share premium account.

Waverley Jute Mills Co., Ltd.

(*Secretaries & Treasurers*: Messrs. McLeod & Co., Ltd., Calcutta.)

Working Results:

	For the year ended 31st May (In thousand rupees)	
	1962	1961
Sale of jute	1,03	8,51
Sale of loom hours	5,13	3,55
Gross profit	7,85	5,28
Transfer to Managing Agents' remuneration	Nil	10
,, ,, Secretaries' and Treasurers' remuneration	55	29
,, ,, depreciation	21	45
,, ,, provision for doubtful debts	29	Nil
,, ,, provision for taxation	4,50	1,90
Net profit	1,30	2,54
Adjustments	1,72	1,94
Appropriations:		
Total available balance	4,02	4,58
Transfer to general reserve	1,00	2,00
Proposed dividends (taxable) preference	86	86
,, ,, ordinary	1,50	75
,, ,, Ordinary dividend per cent.	(60%)	(30%)
,, ,, per share	[Rs. 0 60]	[Rs. 0 30]
Carry forward	66	97

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report: The Mills remained closed during the period covered by this Report and the loom hours were again sold to other Mills within the McLeod Group.

Godowns and part of the main mill building have remained under lease to the Food Department, Government of India, for storage of Foodgrains, and the sale of loom hours and rent of storage space have been a profitable source of revenue.

Towards the end of 1961, the remaining part of the main mill building was leased to Kelvin Jute Co., Ltd. for the installation of broad looms and some ancillary machinery and this will be a further source of income once the terms of the lease, etc. have been finalised.

Accounts in brief as at 31st May 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	10,00,000	Gross block	80,38,164
Reserves and surplus	8,80,272	—Depreciation	46,14,633
Other liabilities	13,85,101		34,23,531
		Less—Written off under Court Order	27,76,059
		Net block	6,47,472
		Current assets	19,28,259
		Investments	1,19,515
		Cash	5,76,127
	Rs. 32,71,373		Rs. 32,71,373

* Paid-up capital consists of 15,000 five per cent. cumulative preference shares of Rs. 50 each fully called up and 2,50,000 ordinary shares of Rs. 1.00 each fully called up.

Cowcoody Estates Ltd.

(*Secretaries & Treasurers*: Messrs. Peirce Leslie & Co., Ltd., Mangalore.)

Nineteenth Annual General Meeting—7th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Income from crops 1961-62 season:		
Coffee	3,78	4,71
Cardamoms	3	4
Oranges and paddy	6	6
Gross profit	1,56	2,22
Transfer to Secretaries' and Treasurers' remuneration	9	13
,, ,, depreciation	18	18
,, ,, provision for taxation	42	57
Net profit	87	1,34
Adjustments	35	28
Appropriations:		
Total available balance	1,22	1,62
Transfer to general reserve	Nil	25
Interim dividend paid (taxable) ordinary	41	41
	(10%)	(10%)
Proposed final dividend (taxable) ordinary	41	61
	(10%)	(15%)
Total dividend % for the year	[20%]	[25%]
Carry forward	40	35

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

Extracts from the Directors' report: In view of the possible imposition of super-tax under the Mysore Agricultural Income-tax Act on the profits of the Company for the year ended 30th June 1961 the Company may be required to pay additional tax the liability for which will be Rs. 24,253. As no provision has been made in the accounts for such a payment the Directors propose to meet this possible liability from the balance of Rs. 40,202 to be carried forward to next year's account.

Crop and Costs:—A total crop of 114.586 metric tonnes was harvested during the year and delivered to the Coffee Board. This has been valued at Rs. 2.30 (Rs. 2.00) per point or Rs. 3.295 (Rs. 2.772) per metric tonne. A comparative statement of production and costs for the previous 2 years is given below:

Year	Crop (metric tonnes)	Estate expenditure per metric tonne	All-in-cost per metric tonne
		Rs.	Rs.
1959-60	99.155	2.395	2.883
1960-61	169.852	1.590	1.874
1961-62	114.586	2.277	2.657

The 1960-61 season's crop has been revalued at Rs. 2 per point being the final figure declared by the Coffee Board for that season and this is equivalent to Rs. 2.948 per metric tonne when compared with the valuation of Rs. 1.90 per point or Rs. 2.772 per metric tonne adopted last year. The 1962-63 crop has been estimated at 127 metric tonnes and all-in-cost of production at Rs. 2,452 per metric tonne.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs
Capital*	4,08,560	Gross block	3,62,452
Reserves and surplus	2,65,202	—Depreciation	1,10,429
Other liabilities	2,91,388	Net block	2,52,023
		Current assets	2,47,087
		Investments	1,15,550
		Cash	3,50,540
	Rs. 9,65,150		Rs. 9,65,150

* Paid-up capital consists of 2,04,820 ordinary shares of Rs. 2 each. Out of this 1,78,745 shares have been allotted as fully paid up by way of bonus shares through the capitalisation of reserves.

American Refrigerator Co., Ltd.

(*Chairman*: Mr. K. N. Mookerjee, Managing Director: Mr. B. S. Dua.)

Registered Office: Russel Street, Calcutta.

Second Annual General Meeting—Held on 29th October 1962.

Working Results:

	For the year ended 30th April (In thousand rupees)	
	1962	1961
Sales (net)	76,99	54,48
Income from repairs and services	8,99	7,28
Closing stock	39,52	28,96
Gross profit	5,65	4,08
Transfer to depreciation	61	41
,, ,, provision for taxation	2,50	1,60
Net profit	2,54	2,07
Adjustments	76	Nil
Appropriations:		
Total available balance	3,30	2,07
To preliminary expenses written off	Nil	2
,, taxation for 1960-61	18	Nil
Transfer to general reserve	1,00	Nil
,, development rebate reserve	35	10
Proposed dividend (taxable) equity	1,65*	1,23
	(10%)	
Carry forward	12	72

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items.

* This dividend is on a paid-up capital of Rs.16,47,350.

Extracts from the Directors' report: The sales during the year amounted to Rs. 85,98.255 (including Rs. 8,98,952 representing income from repairs and services) against Rs. 61,76.180 in the previous year, that is, an increase of 39.2 per cent over the previous year.

Accounts in brief as at 30th April 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	16,47,350	Gross block	10,78,716
Reserves and surplus	1,80,046	—Depreciation	99,668
Other liabilities	59,04,878	Net block	9,79,048
		Current assets	64,46,583
		Investments	81,848
		Cash	1,43,657
		Miscellaneous expenditure	90,138
	Rs. 77,41,274		Rs. 77,41,274

* Paid-up capital consists of:—(*a*) 79,470 equity shares of Rs. 10 each fully paid up and (*b*) 1,70,530 equity shares of Rs. 10 each—of which Rs. 5 per share has been called and paid up. After the date of this report a further amount of Rs. 2.50 per share, has been called up, making the above shares Rs. 7.50 paid up.

Kothari Sugars and Chemicals Ltd., Madras

(*Chairman*: Mr. A. D. Shroff; *Managing Agents*: Kothari & Sons, Madras.)

Annual General Meeting—14th December, 1962.

Extracts from the Directors' report: The accounts for the year ended 30th June 1962 show a loss of Rs. 1,01,520 (loss of Rs. 8,756 for 1961) after providing Rs. 30,417 (Rs. 13,000 for last year) for Managing Agents' remuneration and Rs. 22,933 (Rs. 3,739 for 1961) for depreciation. This loss is carried forward to next year.

Capital Expenditure: The total expenses incurred on various items such as lands, buildings, machinery and plant up-to-date amount to Rs. 110 lakhs approximately.

Factory Buildings: The following have been completed: (1) Mill house, boiling house, (2) stores and workshop building, (3) sugar godown and (4) sulphur and lime stores.

Machinery: 95 per cent of the machinery and plant has been received so far. The boilers for the factory, which were expected from Texmaco in November 1961, actually were received in May 1962 and hence it was not possible to complete the erection of the machinery as expected by May 1962.

Supply of Sugarcane: From January 1963, the Company shall be receiving regular supplies of sugarcane, which has been registered by it. It is expected to crush not less than a lakh of tonnes during the period January-May, 1963.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	79,01,500	Gross block	1,09,09,807
Reserves and surplus	Nil	—Depreciation	26,672
Other liabilities	53,06,295	Net block	1,08,83,135
		Expenditure during construction a/c	4,09,405
		Current assets	10,72,596
		Investments	10,000
		Cash	4,86,852
		P.L. a/c deficit	1,10,276
		Miscellaneous expenditure	3,25,531
	Rs. 1,32,97,795		Rs. 1,32,97,795

* Paid-up capital consists of 8,00,000 equity shares of Rs. 10 each. Calls unpaid amount to Rs. 8 500.

British Burmah Petroleum Co., Ltd.

(*Chairman*: Mr. Tricumdas Dwarkadas, Bombay.)

Fifty-first Annual General Meeting—19th December, 1962.

Working Results:

	For the year ended 31st March (In pound sterling)	
	1962	1961
	£	£
Dividends earned	35,557	56,327
Other income	7,001	8,386
Gross profit	27,486	51,391
Transfer to depreciation (furniture)	14	16
,, ,, provision for taxation	14,042	28,023
Net profit	13,430	23,352
Adjustments	12,832	17,605*
Appropriations:		
Total available balance	26,262	40,957
Proposed dividend (taxable)	22,500	28,125
	(8%)	(10%)
Carry forward	3,762	12,832

N.B.—Adjustments represent the balance brought forward from the previous year and other credit items if any.

* This includes £16,602 being profit on realisation of investments.

Extracts from the Directors' report: In respect of 21,422 shares of B.O.C. (1954) Ltd. of 100 Kyats each held by the Company a final dividend for 1961 amounting to K. 34,725 (£2,604) after deduction of Burmese Tax was received after 31st March 1962.

The situation in Burma is static. There is an apprehension that the Burmese Government who hold 51 per cent of the shares, may nationalise the Company. There is also an apprehension that the Oil lines available to the Company may run dry, and the Burmese Government has under consideration a scheme of expansion.

In May 1961 South Africa became a Republic and its currency was changed from Pound Sterling to Rands. Strict Exchange Control was also enforced in that country. In these circumstances the Directors became apprehensive regarding the outstanding unsecured loan stock of £328,500 and the redeemable participating preference shares of £420 of British Burma Petroleum Co. (South Africa) (Proprietary) Ltd. and negotiations were carried on through Mr. A. P. Faickney to explore the possibility of realising the said securities.

In response to Mr. Faickney's invitation Mr. Tricumdas went to London in May 1962 and on 14th May 1962 an agreement was arrived at that the Company should receive in London £312,495 (equivalent to Rs. 41,66.600) in exchange for and in full settlement and satisfaction of the said unsecured loan stock and the redeemable participating preference shares.

The Company then applied to the Reserve Bank of India, Exchange Control Department, Bombay, for permission to send the relative certificates to London for being exchanged with the said sum of £312,495. Such permission having been granted the Certificates were sent and handed over to the Company's Trustees Philip Hill Higginson Erlangers Ltd. and they acknowledged that they held the sum of £312.495 at the disposal of the Company. The Company has since £2,580 from the British Burmah Petroleum Co. (South Africa) (Proprietary) Ltd., as preference dividend for the period 1st April to 13th May 1962 on which the Company is liable to pay South African Tax at the rate of 7½ per cent amounting to £193-10-0.

Accounts in brief as at 31st March 1962 are as under:—

Liabilities	£	Assets	£
Capital*	281,250	Gross block*	415
Reserves and surplus	195,154	—Depreciation	290
Other liabilities	259,489	Net block	125
		Investments	519,077
		Current assets	99,894
		Cash	116,797
	£ 735,893		£ 735,893

* Paid-up capital consists of 3,750,000 shares of 1s. 6d. each.

NEWS IN BRIEF

THE total effective arrears of income-tax outstanding as on 1st April 1962 amounted to Rs. 149.42 crores.

Soviet Russia has placed an order for the purchase of 1.8 million metres of printed cotton textiles, worth about Rs. 25 lakhs, from India.

The Tariff Commission has completed its report on the price structure of cotton textiles and is expected to submit it to the Government of India shortly.

The international telex service with Japan and Philippines is now available between 10.30 a.m. and 2.30 p.m. (I.S.T.) during week-days instead of 10.30 a.m. and 1.30 p.m. as hitherto.

Prices of woollen cloth produced in India have gone up by 15 to 25 per cent in recent months, as compared with the last season, according to Mr. Manubhai Shah, Union Minister for International Trade.

The General Tyres Ltd., Calcutta, has been granted a licence for the establishment of a motor tyre manufacturing plant, with an annual capacity of 180,000 tyres and tubes. The Company has secured the collaboration of Techno-export of Czechoslovakia for the project.

A corporation is proposed to be set up by the Government of India to look after the development of fisheries and exports of marine products. It will devote its attention to improve the technique of processing and canning of fish and its products. By improving quality, India, it is said, will be able to step up its exports of frozen and canned prawns to the U.S., Canada and Western Europe.

The Government of Orissa has cancelled its order, announced earlier this month, under the Defence of India rules fixing wholesale prices of rice and paddy in the State. It is said that, after the original order was announced, cultivators have been offered very low prices for paddy by traders. The cancellation of the order is, therefore, intended to help farmers get due benefits, without which the production drive may be dampened.

India's exports aggregated Rs. 59.23 crores in October, which compare favourably with Rs. 54.91 crores in the previous month. Imports, however, declined by Rs. 20.91 crores to Rs. 67.74 crores. During the first seven months of the financial year 1962-63, exports were higher by just Rs. 5.63 crores at Rs. 385.43 crores, as compared with the corresponding period in 1961-62. Imports were lower by Rs. 31.01 crores to Rs. 59.56 crores. Consequently, the adverse balance of trade narrowed down by Rs. 36.64 crores to Rs. 205.13 crores during April-October 1962.

Four Price Vigilance Zonal Committees have been constituted by the Federation of Indian Chambers of Commerce and Industry to keep a watch on the price line, suggest ways and means to hold the price line, improve retail sale methods wherever necessary, and guide production to meet both the defence needs and civil requirements of essential commodities. These committees will function from Bombay, Calcutta, Delhi and Madras and will cover the States concerned in the respective regions. Similar committees at the State and District levels are also being set up. The Federation has already advised its constituents and the industries and business houses about the necessity of price-stamping and price-tagging in respect of as many essential commodities as possible. They have also been advised that the advertisement of prices should be resorted to in appropriate cases.

The Union Government has accepted the recommendations of the Central Wage Board for Coffee Plantations regarding interim increase in wages. The interim award, which comes into force with retrospective effect from 10th August 1962, covers about 82,000 workers in the coffee plantations in the South—61,000 in Mysore, 14,000 in Madras and 7,000 in Kerala. In Mysore, male workers will get an increase of 3 nP per day and women, adolescents and children 2 nP each. The rise in wages varies from 3 nP to 13 nP in Madras State and from 4 nP to 10 nP in Kerala, depending on the size of plantation and category of workers (male, female and child). The clerical employees (office, medical, education and field staff) will get an increase of Rs. 9 per month in gardens of 300 acres and above and Rs. 7.50 per month in gardens of less than 300 acres.

The Union Home Ministry has proposed to the Union Public Service Commission to undertake bulk recruitment to posts requiring qualifications in metallurgy, chemistry, medicine, and mechanical, electrical and civil engineering. All Ministries have been requested to communicate to the Commission immediately their one-year requirement under specified categories. The Directorate of Manpower of the Home Ministry will also consolidate the needs of various Ministries and pass them on to the Commission. Meanwhile, the Manpower Directorate is forwarding lists of engineers and technologists in the National Register of the Council of Scientific and Industrial Research to the Commission to meet emergent needs. The lists are of those persons who are looking for employment, who are abroad or who are under consideration for selection to the Scientists' Pool as well as retired persons below the age of 60.

From Abroad

Japan and Soviet Russia have signed an agreement under which 75 Japanese firms will stage an exhibition at Moscow in July next.

Kenya has decided to sign the International Coffee Agreement (drafted in August last) under which export quotas would be set up for coffee-growing countries.

A Canadian wheat mission is currently negotiating in Hongkong with representatives of the Chinese foreign trade organisation, China Resources, for a new wheat deal. It proposes to sell about 40 million bushels of Canadian wheat, at a cost of about $60 million, to Communist China.

West Germany and South Korea have initialled an agreement on the mutual protection of investments in Bonn. The agreement is to be signed in Seoul soon. South Korea will receive also a West German Government credit of DM 35 million for the expansion of Korean telephones.

West Germany produced 1,957,495 motor vehicles in the first ten months of this year, or 8.9 per cent more than in the same period in 1961. A total of 901,655 automobiles were exported in the period under review, which shows an increase of about 6 per cent over January-October 1962.

The nineteenth session of the International Chamber of Commerce will be held in Mexico from 20th to 27th April 1963. The session, which will be attended by about 2,000 delegates, will consider problems relating to "economic growth through world inter-dependence."

The Canadian Government has agreed to grant a fifteen-year loan of about $6.35 million to Pakistan to finance the expansion of a newsprint mill at Khulna in East Pakistan. This is the first loan which Canada has given to any Asian country under the scheme for the Federal financing of capital goods, introduced two years ago.

An Israeli trade mission has started negotiations with Common Market countries for some trade agreement which will safeguard Israel's exports to the Six. About half of Israel's exports goes to the Common Market and the U.K., Lebanon, Iran and Syria are also expected to approach the Common Market countries for safeguarding their trade interests in the Community.

The U.K. will pay £46 10d. per long ton of sugar to be bought, under the terms of the Commonwealth Sugar Agreement, in 1963. The price was agreed at a series of meetings between the parties to the Agreement this month. It is 5s. 7d. above the 1962 negotiated price of £45 15s. 3d. The parties also fixed negotiated price quotas for 1963 at 5 per cent above basic quotas, compared with 4½ per cent last year.

Soviet Russia has decided to establish a new central body for economic planning called the Council of the National Economy of the U.S.S.R. (Super Sovnarkhoz). This body will assume most of the tasks of "Gosplan," the former planning body, and will have wide powers to implement its decisions. Gosplan, however, will continue to exist, but will now deal with only long-term planning.

The U.N. General Assembly has authorised an expenditure of $6.4 million from the U.N. regular budget for technical assistance in 1963. The regular budget programme, which is in effect a compulsory levy on member-States, is exclusive of the expanded programme of technical assistance for which voluntary pledges for 1963 amount to $50 million. Both schemes provide technicians and study fellowships.

PERSONAL

ADMIRAL Ramdass Katari, a former Chief of Naval Staff, has been appointed Chairman of the Andhra Pradesh Road Transport Corporation.

Mr. Jagannath Rao, Union Deputy Minister for Works and Housing, has been appointed Deputy Minister in the Ministry of Economic and Defence Co-ordination.

Mr. K. B. Lall, India's Ambassador to the European Economic Community, has arrived in New Delhi for consultations with officials on policy matters relating to the E.C.M.

Mr. Luther H. Hodges, Secretary of Commerce of the U.S., arrived in New Delhi on Wednesday this week to hold talks with representatives of the Government of India on trade matters of mutual interest.

Mr. Alfred Krupp Von Bohlen, head of the Krupps industrial combine in West Germany, has arrived in India to attend the visit of President Luebke to the Rourkela steel plant, as well as to explore the possibilities of further expanding Krupp's interests in India. Dr. Hans Reuter and Mr. Joseph Schueller, Chairman and Vice-President, respectively, of the Demag group of companies, have also arrived in Rourkela.

COMMERCE, 1ST DECEMBER 1962

CALL RATE 2 PER CENT

(From Our Own Correspondent)

BOMBAY, *28th November*

The short-term money market continues to be easy, although nearly a month has passed since the usual busy season began. The demand for funds from trade and industry has been slack, as crop movements have been slow and merchants are not anxious to hold stocks owing to uncertain political conditions. Further, following the Reserve Bank's exhortation, the banks have had to reduce their clean loans and advances against bullion, besides being cautious in lending against foodgrains and other necessaries of life in order to discourage hoarding by speculators. As a result, the banks have been experiencing an increase in their lendable resources. Even at the beginning of the week, there was a surfeit of surplus funds and the inter-bank call money rate declined further by ¼ per cent to 2 per cent and stayed at that level almost throughout the week. But today, though the rate was unchanged at 2 per cent, the demand-supply position was well balanced with practically no money left. This was due to conservation and collection of funds today for subscription to the 4½ per cent Bombay Municipal loan for an aggregate sum of Rs. 5.15 crores, the list for which is due to open tomorrow (Thursday the 29th November). The loan is being offered at par and is repayable twelve years later, that is, on 29th November 1974. The subscription list will be closed on 1st December or earlier.

The money market at Calcutta too continued to rule easy during the week under review. The call rate fell further to as low as 1½ per cent on Saturday last and remained at that level during the rest of the week. Today, however, some lenders were reported to be trying to secure 1¾ per cent.

There was no change in the amount (Rs. 2 crores) invited against tenders for Government of India's 91-day Treasury Bills sold on Tuesday this week. The amount offered and accepted was also unchanged at Rs. 2 crores. The average rate of tenders accepted, however, was lower again at 2.345 per cent, as against 2.350 per cent a week before and 2.360 per cent two weeks before. The Intermediate Treasury Bills, which were on tap from the 21st to 24th inst., fetched a significantly large sum of Rs. 577.50 lakhs, the corresponding amounts a week and two weeks before being Rs. 162.50 lakhs and Rs. 16.50 lakhs, respectively.

The foreign assets of India improved slightly by Rs. 92 lakhs to Rs. 94.14 crores during the week ended 23rd November 1962. The whole of this improvement was accounted for by balances held abroad aggregating Rs. 6.06 crores, while foreign securities held in the Issue Department continued unaltered at Rs. 88.08 crores. There was no change in gold coin and bullion which together amounted to Rs. 117.76 crores, although the subscription list for the 6½ per cent gold bonds opened eleven days earlier, that is, on 12th November. Notes in circulation were lower by Rs. 9.35 crores at Rs. 2,067.90 crores. Loans and advances by the Reserve Bank to scheduled banks receded by Rs. 80 lakhs to Rs. 1.68 crore.

The volume of credit made available by the scheduled banks to their clients receded by Rs. 22.15 crores during the week ended 16th November 1962, the total outstanding amount standing at Rs. 1,367.84 crores. The deposits of banks also declined by Rs. 1.16 crore to Rs. 2,182.95 crores and inter-bank borrowings were lower by Rs. 1.91 crore at Rs. 35.53 crores.

The Gilt-edged market was devoid of any development. Activity was on a small scale and values moved within narrow limits.

The banks' selling rate for spot U.S. dollars continued to remain unchanged at Rs. 477.75 per $100, but their buying rate was lower by 25 nP at Rs. 474.25. In New York, the pound sterling was distinctly firm *vis-a-vis* the dollar throughout the week, though the actual rates today were lower than those during the major part of the week. The latest available spot and three months' forward rates are 280.250-280.280 cents and 279.950-279.980 cents respectively, the corresponding rates last week being 280.220-280.240 cents and 279.830-279.850 cents.

ACTIVE TRADING IN KIPS

(From Our Own Correspondent)

MADRAS, *26th November*

The Madras kips market was active this week on several U.K. inquiries and good inland demand. Towards the close of the week, however, importers were disinclined to follow the Madras quotations. Buffcalf and cowcalf remained firm. Trading was patchy. But the tone was firm.

In the skins section, there was good demand for run selection in all weights, except lights, and prices recorded an advance of 3d. per pound. Tanned sheep skins of middle class ruled firm, but the better classes remained unchanged. The tanned skins public sales in Germany commenced today. In all, 93,200 goat skins and 33,700 sheep skins were to be available for sale. For the London public auctions next week, 40,000 goat skins and 100,000 sheep skins have been catalogued for sale.

LINSEEDS DECLINE

(Messrs. A. Bradley and Co.)

CALCUTTA, *26th November*

The linseeds market here was easy this week. Prices declined further and the undertone was quiet. Owing to the war situation, millers were cautious and operated on a very small scale. The oil market was quiet in sympathy with seeds. Prices declined in the absence of buyers. Only small business was reported during the week for ready goods. The oilcake market was dull and prices declined a bit, although stocks were low. The latest quotation for the November delivery was Rs. 79 per quintal.

SMALL RALLY IN BULLION

(From Our Own Correspondent)

BOMBAY, *28th November*

After a further perceptible fall in values till Saturday last, a small but brisk rally developed in the bullion market this week. The market opened on Thursday last on a distinctly weak note with sizable overnight losses and continued to sag further to touch yet new low levels in the current downward trend on Saturday 24th November, on persistent selling and virtual lack of support. Lowsr spot advices, especially in silver due to a marked increase in arrivals against poor offtake, and fears of curbs on dealings in ready gold influenced the sentiment in the first half of the week. But Monday saw a definite change in the market sentiment following the emergence of two favourable factors, namely, the F.M.C.'s agreeing on that day to permit trading in silver *Fagun* (the next three-monthly futures contract after the current *Margashir*) from Wednesday the 28th inst., under the existing *ex-parte* special margin at the rate of Rs. 300 per bar on long positions above Rs. 215, with a free limit of 650 bars, and the conspicuous revival of demand for spot gold mainly from middle-class people.

The F.M.C.'s sanction for trading in the new silver futures contract, with *status quo* in regard to the terms of margin, was interpreted by marketmen to mean that there was no threat, at least for the time being, to the continuance of forward trading in the white metal. It may be noted here that following the ban on futures trading in gold, market circles had begun to suspect that forward trading in silver might also be suspended by the Government.

Spot dealers reported a fairly good demand for ready gold, the bulk of which, according to them, was from a large number of people with limited resources. The demand from this class of people was said to have picked up in view of the sharp fall in the price of gold. Traders contend that such demand is likely to be prolonged and, in the process, will push up the price. If the Government means business, therefore, it should lose no time in announcing the proposed fresh series of curbs which, as the Finance Minister pointed out last week, is expected to bring down the price to around Rs. 70 and restrict any large-scale purchases.

Ready gold, which had closed a week ago at Rs. 97.25, opened on Thursday last at Rs. 95 and fell in the next two days to Rs. 86. Thereafter, it recovered in stages to Rs. 94.50 today, before closing at Rs. 93.75. Against the average daily arrivals of about 4,000 tolas, offtake was estimated at 3,500 tolas.

As noted before, silver rallied under the influence of the F.M.C.'s sanction for trading in the new contracts which induced considerable short-covering and even some fresh buying. However, the rally was irregular, as higher levels continued to encounter scattered selling. Nonetheless, till the close, a greater part of the improvement was retained, though the prices still disclosed moderate losses over the week and underlined that the undertone was only quietly steady.

Silver *Margashir* commenced at Rs. 199.25 against last Wednesday's close of Rs. 204.10 and, after looking up to Rs. 202.10, slumped to Rs. 193.10 on Friday 22nd November, and attracted a special margin for having declined by more than Rs. 5 from the previous clearing rate. On Saturday, the contract fell further to Rs. 191.80, and again a special clearing rate was ordered. On Monday 26th November, however, it opened higher at Rs. 193.40 and improved to Rs. 197.90. On the subsequent two days, it fluctuated between Rs. 194.60 and Rs. 196.80 and finished at Rs. 196.25. Silver *Fagun* commenced today with a contango of Rs. 2.20 at Rs. 198.45 and in narrow movements closed at Rs. 199. Ready silver commenced at Rs. 195.25, against last Wednesday's close of Rs. 200.60, slumped heavily to Rs. 187.80 by Saturday, 24th November, rallied to Rs. 193.90 on Monday and to Rs. 194 today, before closing at Rs. 193.75. Against the daily average arrivals of 50 bars, offtake measured up only to 10 bars.

Speaking to pressmen at Bangalore on Monday 26th November, Mr. S. Nijalingappa, Mysore's Chief Minister, announced that the State Government-owned Kolar gold mines would be taken over by the Union Government on 1st December 1962.

Trading in the London and New York markets was dull this week. Prices moved in a narrow range and showed minor changes over the week. The movements and the net changes over the week can be made out from the table which follows. The dollar price of gold closed today in London at $35.08, as against $35.08¼ a week ago.

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

	28-11-62 (closing)	High	Low	21-11-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	93.75	96.00	86.00	97.25
Sovereign	75.00	78.00	72.00	77.00
SILVER				
Ready (.996 fine) ..	193.75	198.10	187.80	200.60
Margashir † ..	196 25	202.10	191.80	204.10
Fagun	199.00	199.20	197.90	
London—				
Gold	250s.3½d.	250s.5d.	250s.3½d.	250s.4½d.
Silver Ready	102d.	102d.	102d.	101½d.
Silver Forward ..	102½d.	102½d.	102½d.	102½d.
New York—				
Silver	118.00 cents	118.00 cents	118.00 cents	118.00 cents

* 11th December settlement. † 12th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *28th November*

The cotton futures market ruled distinctly easy during the week under review. The easiness was due mainly to two factors: first, the ban on forward trading in *kapas* (unginned cotton) announced on the 26th inst. Second, the signing on the same day of an agreement between India and the U.S. under which India will receive 375,000 bales (of 400 lbs. each) of cotton. Although both these developments were not altogether unexpected, they brought about a distinct change in market sentiment. The ban of forward trading in *kapas*, which is done only at certain places and that too on a limited scale, was interpreted as a clear indication of the Government's determination to hold the price in cotton. It was feared that, should there be any undue rise in price of cotton, the authorities would not hesitate even to prohibit futures trading in cotton. Operators were therefore extremely reluctant to go 'long.' The certainty of getting more U.S. cotton and expectation of a good crop of 5.4 million bales, as compared with 4.7 million bales last season, gave a bearish twist to the market. Cotton futures sharply receded on heavy speculative selling and lack of support. The Jarilia March 1963 contract slumped from the last week-end rate of Rs. 716.75 to Rs. 694.75 today, the lowest level touched so far. Short-covering and some fresh buying attracted by the low rates induced a recovery and the contract closed higher at Rs. 696.75. The net loss over the week is Rs. 20.

In the spot section, activity was limited. The ban on forward trading in *kapas* caused considerable nervousness among traders. Heavy arrival of new crop and the accumulation of unsold stocks with mills also prompted mill buyers to defer purchases. Nevertheless, needy mills bought popular varieties such as 197/3, L.147, Khandesh, Berar, etc. Prices of all varieties, except 197/3, were ruling below the ceiling.

The Textile Commissioner has relaxed the restrictions on the movement of L.147 and Co2 cotton grown in the districts of Nasik, Jalgaon and Dhulia. These cottons could be moved out of these areas provided the cotton sought to be moved is certified as such by the Textile Commissioner.

There was a revival in export demand for Bengal *Deshi*. Japan showed considerably interest in choice quality Bengal *Deshi*. Consequently, prices of Bengal *Deshi* rose. Export sales registered against the last quota aggregated 25,541 bales, as on 15th November 1962.

Spinners' interest in foreign cotton was centred round Egyptian, Sudan, American and Pakistan cotton. According to the latest agreement, India will get 375,000 bales (400 lbs. gross each) of long-staple cotton from the United States. The cotton, valued at Rs. 22.19 crores, will reach India in a month's time so that mills in this country can accelerate production to meet the immediate defence needs. The agreement, which was signed by Mr. L. K. Jha, Secretary of the Union Finance Ministry and Prof. John Galbraith, American Ambassador, is in addition to the one concluded by these two countries in May this year. Under the earlier agreement, U.S. supplied India 180,000 bales of cotton.

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

Bengal (Fine) 679; Khamgaon 1,025; Co2 1,600; Pakistan N.T. 940; American on sample 1,260; Sudan G4S 1,480.

Firm conditions prevailed in the Karachi cotton futures market during the week. The reduction, with effect from 23rd November, of the export duty on staple cotton from Rs. 75 per bale to Rs. 25 per bale (the rate of duty on *Deshi* cotton remains unchanged at Rs. 25 per bale) and renewed export demand induced large-scale buying which resulted in a rally in prices, N.T.R.G. January firmed up from Rs. 67.05 to Rs. 71.20 and the March contract from Rs. 68.20 to Rs. 71.80. The 1962-63 Pakistan cotton crop is estimated at 1,475,000 bales (of 500 lbs. gross), an increase of about 25,000 bales over last year's crop. Growing conditions have been satisfactory with adequate moisture and relatively light insect and disease damage.

Conditions in the Liverpool cotton futures market remained practically unchanged from last week. Values of both the American and American type contracts ruled steady in featureless trading. Sudan contracts were neglected. The spot section reported better activity. Fairly good spinner demand was noted for a wide selection of cotton, notably American, South Brazilian, Brazilian, Mexican, Argentine and Peruvian.

The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December 23.90; March 23.70; May 23.05.

American cotton mixed growth contract: December 24.25.

Sudan: November, January, March 29.75.

Cotton futures in New York recorded modest gains during the week. Scattered commission house buying and some short-covering led to a small improvement in prices. Turnover was, however, limited as operators were evidently inclined the await developments in connection with the proposed new cotton legislation. The December contract was quoted at 33.93 cents per lb., as against 33.83 cents last week-end, the March contract at 34.12 cents, as against 34.08 cents and the May contract at 34.20 cents as against 34.12 cents last week-end.

STAPLE FIBRE YARN WEAK

(From Our Own Correspondent)

BOMBAY, *28th November*

Staple fibre yarn continued to rule weak for want of buying support. After moving irregularly, the 40/2 December contract closed Rs. 22 lower at Rs. 657 and the February contract finished at Rs. 679, as against Rs. 704 a week ago. Spot staple fibre yarn prices drifted downward, with Centurys declining from Rs. 7.35 to Rs. 7.26 and Kohinoors from Rs. 8.12 to Rs. 7.83 a kilo.

However, art silk yarn, on the other hand, generally showed a modest recovery induced by short-covering following the special measures adopted by the Board of the Bombay Yarn Merchants Association and Exchange Ltd. last week to avert a serious crisis faced by the Exchange members and brokers. Thus, S.I. Viscose 150D improved from Rs. 11.81 to Rs. 12.10 and so did 120D from Rs. 13.46 to Rs. 14.52. Century 75D staged a brisk recovery from Rs. 19.80 to Rs. 21.78. However, N.R.C. 150D slipped down from Rs. 11.55 to Rs. 10.87.

Among cotton yarns, 10s Podar eased from Rs. 18.62 to Rs. 18.44 and 60s Finlay from Rs. 70.62 to Rs. 70.37. Otherwise, trading in this section was dull and featureless.

In his memorandum to the Forward Markets Commission, Mr. Kantilal Nahalchand, President of the Exchange, has warned that any discontinuance of forward trading in staple fibre yarn would have severe repurcussions on the yarn market. According to him, ban on futures at this juncture, when there is panic in all other markets, will shatter the morale of the yarn market. Reiterating that futures trading in yarn endangered the interests of no one associated with it, Mr. Nahalchand has given the assurance of immediate steps to check any alarming situation in the trade.

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

	28-11-1962	21-11-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12 91	12 91
Century 75D	21 78	19 80
S. I. Viscose 150D	12.10	11.81
Staple fibre yarn (40 × 2)—		
December (,,)	657.00	679.00
February	679.00	704.00
Kohinoor (per kg.)	7.26	8 12
Century	7.83	7.35
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.44	18.62
22s Century	24.50	24.50
30s Bradbury	27.00	27.00
40s Hind	34.75	34 75
60s Finlay	70 37	70.62
80s Kasturi	77.50	77.50

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

PLAINEST TEA ADVANCES

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

COCHIN, *22nd November*

About 666,000 kgs. were offered in sale No. 46 held on Tuesday the 20th inst. Quality was about maintained. There was good general demand. The better Nilgiri brokens met more support than in recent weeks but were generally barely steady, although a few selected lines were dearer. The lesser kinds sold well and were fully firm to dearer. Fannings in this category also showed a firm to dearer trend. Good medium descriptions were well supported, selling at fully firm and sometimes dearer rates. Medium and low medium types appreciated by 10 to 20 nP. Plainest kinds met keen competition and advanced considerably in price. Black leaf descriptions also shared in the upward trend of the market. Whole leaf grades were keenly sought after and were quoted dearer. Unorthodox sorts showed no changes in price.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	4.45-5.00	3.20-3.90
Mediums	5.00-5.30	3.90-4.20
Good mediums	5.35-6.10	4.30-5.30
Nilgiri B.O.P.	5.75-7.90	5.00-7.70

The average price realised in sale No. 46 was Rs. 5.13 per kilo, as against Rs. 5.03 a week ago and Rs. 4.14 in the corresponding sale last year.

A total of 284,000 kgs. was offered in dust sale No. 46 held today. There was good general demand. All mediums were well supported and sold at about last rates, whilst Wynaad descriptions met keen competition and were often dearer.

Nilgiri dusts were irregular but generally steady. Teas of unorthodox manufacture sold well but were often easier. Residuals were a strong feature and advanced in price.

The average price realised in dust sale No. 46 was Rs. 4.64 per kilo as compared with Rs. 4.58 a week ago and Rs. 3.78 in the corresponding sale last year.

Colombo: The market opened with highgrown and Uva medium brokens 5 to 10 cents dearer up to about 2.20 cents a lb.—over this level prices were irregular but a dearer tendency prevailed. All B.O.P. fannings were strong and low growns were 3/5 cents dearer.

London: North Indian and other growths: In Monday's auction there was strong demand and prices for most descriptions advanced irregularly 1*d.* to 4*d.* Plain broken pekoes is now quoted at 3*s.* 6*d.*

Ceylon and South Indians: In Tuesday's auction, there was very good demand and prices advanced for all descriptions.

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

"*Sale No.* 47: 681,000 kgs. offered. Strong demand. Plain and low mediums steady. Mediums and good mediums dearer, where quality improved. Highgrowns irregular. Unorthodox fully firm."

OILSEEDS DEPRESSED

(From Our Own Correspondent)

BOMBAY, *28th November*

Oilseeds continued to rule depressed during the week under review. There was persistent unloading by bulls, while buying support was lacking. Groundnuts, in particular, suffered a sharp setback, following larger arrivals of seeds and oils from the Nizam region. The seasonal offtake for stock purposes was also absent. It was no wonder, therefore, that the export quota of 26,500 metric tons of groundnut oilcake (expeller variety) released by the Government on Monday failed to have any effect on the market. Exports under the quota, valid upto the end of March next, will be allowed by all shippers against registration of contracts in the form of cable offer and cable acceptance on first-come-first-served basis, subject to a maximum of 500 tons per shipper. Although the quota for expeller cake is not linked to exports of groundnut oil as in previous occasions, the shippers were not much enthused, as the domestic prices are currently out of parity with world prices.

Groundnut January 1963 contract, which moved up initially from Rs. 218.87 to Rs. 220, drifted downward later and closed at Rs. 213.37. The net loss over the week was Rs. 5.50. Nizam bold eased by a rupee to Rs. 41.75. Oil railway receipts declined by 55 nP to Rs. 17.45 and ex-mill by 45 nP to Rs. 17.90.

Castorseed encountered selling, in view of poor overseas enquiries for castor oil. The March 1963 contract fell by Rs. 2.88 to Rs. 161.37. Madras small shed 50 nP at Rs. 32. Kanpur bold dropped a like amount to Rs. 30.62. Oil B.S.S. shed 20 nP to Rs. 13.45 and commercial at 15 nP to Rs. 12.60.

Linseed drifted lower in sympathy with groundnuts and castorseed. The March 1963 contract receded by 87 nP to Rs. 37.25. Bold ready suffered a setback of 75 nP to Rs. 40.50. Linseed oil eased by 25 nP to Rs. 15.90.

Cottonseed January 1963 contract was marked down by Rs. 4 to Rs. 96. Both non-white and Berar moved down by Re. 1.75 to Rs. 21.

The following table shows the closing prices of oilseeds and oils on Wednesday 28th November as compared with those of the two previous weeks:

	28-11-1962	21-11-1962	14-11-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963 ..	213.37	218 87	228.37
Nizam bold	41 75	42 75	45.25
Khandesh quality	42.75	43 12	45.62
Oil ex-mill ready*	17.90	18.35	19.00
Railway receipts*	17.45	18.00	18.80
Castorseed			
Castorseed March 1963	161.37	164 25	167.25
Ready Madras	32.00	32 50	32.87
Ready Kanpur	30.62	31 12	31.50
Oil B.S.S.†	13.45	13.65	13.80
Oil commercial†	12.60	12.75	12.85
Linseed			
March 1963	37.25	38.12	39.12
Bold ready	40.50	41 25	41.50
Oil ready†	15.90	16.15	16.85
Cottonseed January 1963 ..	96.00	100.00	103.50
Niger seed	33.00	35.50	36.12
Kardi seed	26.50	27.50	27.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 60 kilograms and oil per 10 kilograms.

BRISK ACTIVITY AT TEA SALES

(From Our Own Correspondent)

CALCUTTA, *27th November*

The impact of lower tea arrivals from Assam as a result of the continuing strike by Pakistani crew of the joint steamer companies was not felt at the export auctions held here yesterday, when the quantity on offer was normal. Sales were not hitherto affected because stocks in warehouses were adequate. However it is apprehended that the quantity will decline from the next sales Against such a background, it is heartening to note that a fresh move by the East Pakistan Government for settlement of the strike was reported on its stride.

As a result of the strike, about 45 million lbs. of tea in 450,000 packages are held up in Pakistani waters, and for the last seven weeks, gardens in Assam have been accumulating most of their production. An earnest attempt has been made by the authorities in India to provide alternate transport by road and rail, but the problem being stupendous, arrivals have been only very small in relation to the accumulation in gardens. As a result, vessels destined for the United Kingdom are being hard put to find cargo. Liners for other destinations have not yet been affected, and demand for all available tea is very keen.

The decline in interest for tea shares in both London and Calcutta stock markets is an index of the belief that the industry has not done very well this year. North Indian production up to the end of October was short of 25 million lbs. as compared to the corresponding previous figure, and with the plucking season having come almost to an end, there is no possibility at all of making good such a large decline. Further, the hold-up of tea on Calcutta-bound steamers from Assam and the accumulation in gardens coupled with the abnormal conditions in border areas have all meant financial worries for the gardens.

Despite the lower crop, it is encouraging to note that North India has been able to increase exports by about 10 million lbs. so far as compared to the figure in the corresponding period of the previous season. Internal sales have also been brisk. While cost of production has increased, the increase in the average price of leaf as compared to 1961 has been only 37 nP, i.e. from Rs. 5.21 per kg. to Rs. 5.58. On the other hand, the average price of dust has fallen from Rs. 4.92 to Rs. 4.82 per kg.

As a result of the break in supplies from Calcutta to London, prices in the Mincing Lane's sales have remarkably improved, and existing stocks in London are being bid at prices far higher than earlier expectations. In last week's auctions there, strong demand pushed up prices of plain tea by 2*d.* per lb. Offers of North Indian packages totalled 40,862 packages, and the quantity from Pakistan 400 packages. In view of poor quantity that is being shipped to the U.K., it follows that the benefit of strong demand and higher prices will mainly go to the other producing areas.

Dusts on offer during last week's internal sales totalled 29,074 packages, which met with a strong demand. A strong feature was provided by plain orthodox teas, which were readily absorbed at hardening rates. Medium orthodox teas also gained in prices. Legg-cut teas were firm at last levels. Medium C.T.C. teas met with keen competition but prices eased towards the close of the sales. The good C.T.Cs met with support only at last week's levels. The quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.40 to 6.80, medium Assam C.T.C. dust 5.90 to 6.20, legg-cut dust 5.50 to 5.70, medium Assam dust 5.00 to 5.50 and plain orthodox dust 5.00 to 5.20.

Leaf offerings totalled 67,597 packages and met with a fair general demand at yesterday's export sales. Although support was fair, prices were generally lower than the last levels. A strong feature was C.T.C. teas and medium grades were sold at higher rates. The best liquoring teas were firm. Substantial gains were recorded in legg-cut teas. Plain orthodox teas were firm on useful inquiries. Fannings were taken at higher rates, while medium and the better liquoring B.O.Ps eased in restricted support, leading to withdrawals. However, the selected lines in the last category were about firm. In an irregular trend in Darjeelings, the stylish grades eased. At lower rates, whole leaf grades and tippy teas met with good support. The quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 7.00 to 7.50, best Assam C.T.C. B.P. 6.70 to 7.00, medium Assam C.T.C. fannings 6.20 to 6.80, medium Assam C.T.C. B.P. 6.10 to 6.60, plain fannings 4.80 to 5.20, clean plain pekoe 4.80 to 5.00 and plain B.P. 4.40 to 4.70.

JUTE GOODS RECOVER

(From Our Own Correspondent)

CALCUTTA, *27th November*

After an early setback on disturbing news regarding border fighting, jute goods recovered impressively, as support from foreign and internal buyers, as well as speculative holders, revived at lower levels. Indeed, the recovery was so marked that today's closing levels were well above those before the early break. The fibre market also received a good measure of support from mills, and it was reported that purchases by mills exceeded the compulsory quota fixed by the Jute Commissioner. The U.S.A. was again in the market for sizable quantities of hessian. This caused no surprise, as it is usually at this time of the year that U.S. stockists buy for replenishment. The fact that there have been swift changes in the international situation in recent weeks and that the U.S. buyers consider the present rates to be fair and reasonable also explain the continued activity on behalf of them. Further, U.S. interest has been stimulated because there has been buying on behalf of the U.S.S.R., the U.K., and the Argentina. In fact, reports from the New York burlap market cited this factor as an additional reason for the firm trend there. U.S. buyers also think that India's own consumption would go up to meet De'ence needs, though it cannot now be said whether there would be any dimunition in these requirements in view of the Chinese cease-fire.

The very satisfactory increase in U.S. burlap consumption during October, that is, by 3½ million yards to 74.5 million yards, has been significant, but this should be noted against the background of the rise of 12 million yards to 248 million yards in stocks as at the end of October. In recent weeks, U.S. purchases have been substantial, and the increase in stocks should thus have been discounted. There was, however, the apprehension that, in view of heavy stocks and improved outlook in international situation, U.S. buyers would continue to build up their stocks. It may be noted that October consumption in the U.S. was the highest for any month in the past four years and that, with total consumption up to the end of October at 726 million yards, the monthly average has been pushed up to 72.6 million yards, the highest since 1959. With the increase in foreign demand for hessian, mills have been straining all their efforts to increase the proportion of output of hessian to that of heavy goods, and this is only restricted by the inadequate availability of jute fit for hessian manufacture, thanks to this year's remarkable increase in the proportion of inferior crop as compared with the better qualities. Even so, the mills were able to transfer more looms to hessian in October, with the result the proportion of hessian output increased by 2 per cent. It is expected that, in the current month also, the transfer process would be continued.

Against this background, it is unfortunate that there are suggestions, rightly rejected by the authorities, for permission to export a small portion of the higher grade fibre in order to raise the prices of the inferior fibre. If an export quota is granted, the premium for the higher grade fibre will definitely increase to the disadvantage of mills which will then be forced to shift the burden on to consumer, having regard to the fact that present prices are about the cost-of-production level. Such a development will be resisted by foreign buyers. At the same time, it is very unlikely that a rise in the price of higher grade fibre will be accompanied by a similar rise in inferior fibre. For the increased measure of support shown by foreign buyers for the recognition that current prices are fair and reasonable. Considering the huge size of the crop of inferior quality, it is very unlikely that prices would rise to minimum levels. When arrivals continue as large as at present and supply exceed demand, it would be a blessing in disguise if current levels were maintained. As already stated, this week's purchases by mills exceeded the minimum quota, but low-grade fibre continued to be offered at about Rs. 2 a maund below the minimum levels. Even the week's early disturbing news from border areas and the possibility of complete disruption of supplies from Assam failed to push up prices. Daily arrivals on an all-India basis continue to be at the rate of 1.5 million maunds. Arrivals in October reached the all-time peak of 750,450 bales, including the small quantity of 18,300 bales from Pakistan.

As compared with October last year, the October 1962 arrivals increased by 81,050 bales, those from India being higher by 123,250 bales at 732,150 bales, while arrivals from Pakistan showed a marked fall of 42,200 bales to 18,300 bales. In the current jute season ended October 1962, total arrivals were 1,960,095 bales, showing a rise of 251,095 bales as compared will the corresponding period last year. The diminishing dependence on Pakistan is demonstrated in that arrivals from that source dropped from 137,400 bales to 45,045 bales, while the increased nature of the domestic crop is exhibited, inasmuch as Indian arrivals increased by 196,050 bales to 1,915,050 bales. The fact that only a small portion of this year's export quota of 200,000 bales has been used so far clearly indicates that there is little overseas demand for such fibre, as India is capable of exporting at the present juncture. Also present levels of prices are a deterrant. Considering this aspect, as also the fact that prices of inferior fibres have failed to reach the minimum levels despite a good measure of support by mills, it is time that the mills' plea for revising the minimum prices was heeded. Cost of production is probably lower than the minimum prices, and that is the one reason why offers at discounted rates are continuing. With the huge increase in production, it is unfortunate that attempts have been made to maintain minimum prices at the same level as last year.

The quotations of daisee and white bottoms were quoted this week as follows: northern bottoms Rs. 29.50, Assam bottoms Rs. 30, and daissee bottoms Rs. 32. Tossa and daissee prices were fully firm.

The jute mills have been requested not to open letters of credit for the unutilised portion of their import licences for Pakistan cuttings. For an attempt is being made by the Government to convert the remaining portion to rupee licences, if possible. A cancellation of the unutilised portion is not attempted at this stage, it is learnt. Conditions in Pakistan markets are about firm. With the strict vigilance of the authorities E.P.C. levels are being maintained. With indications that most of the remaining crop awaiting marketing is of inferior quality, it will not be surprising if prices harden in the next few weeks and a shortage develops in Pakistan markets.

In Calcutta, the goods market opened on Tuesday last on an extremely dull note against the background of the border setback. At this time, hessian 40″ 10 oz. had declined to Rs. 55.30 from Rs. 56.25, which was Monday's closing. B. twills were as low as Rs. 113.90, as against the overnight closing of Rs. 116.00. However, as the day progressed, demand at lower levels developed, and the U.S.A. was the main buyers of hessian. The ready hessian 40″ 10 oz. spurted to Rs. 57.15 and in sympathy B. twills picked up to Rs. 118. On Wednesday, some business in woolpacks with Australia was reported. Continuing the recovery, B. twills rose to Rs. 118.90, while hessian 40″ 10 oz. was lower at Rs. 56.75. There was some covering business in B. twills on Thursday, but, since excepting this there was no other business, B. twills eased to Rs. 118.35. Hessian 40″ 10 oz. was quoted at Rs. 56.50. On Friday, there was again business in woolpacks for near and forward deliveries. The report that mills were contemplating to transfer more looms from sacking to hessian also stimulated activity in heavy goods and B. twills scored to Rs. 118.90. Hessian 40″ 10 oz. was firm at Rs. 56.50. Over the week-end, there was good covering business done, although genuine interest was insignificant. Ready B. twills rose to Rs. 120.90 and hessian 40″ 10 oz. to Rs. 57.50. With little passing during yesterday, prices were quiet. Hessian 40″ 10 oz. eased to Rs. 56.90, and B. twills to Rs. 120.50.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, *27th November*

The metal market here was dull this week and, with the desire of all concerned to reduce inventories as much as possible, prices eased, thus reducing slightly the disparity with world market quotations. However, as the week progressed, there was a slight change for the better in the undertone in view of the lull in the border situation. London advices showed a steady trend. Prices were also maintained at last levels in the New York market.

The need to avoid ambiguities in the matter of levy of excise duties causing undue hardship to the industry formed one of the important subjects in the presidential address of Dr. P. Antia to the annual general meeting of the Indian Non-ferrous Metals Manufacturers' Association held here recently. At present, a duty at the rate of Rs. 100 per metric ton is being raised on receipts of copper ingots, while there is also a duty at the specific rate of Rs. 300 per tonne on semi-manufactures of copper and copper alloys such as brass and copper strips, flats, circles, sheets, etc. If it can be proved that production of these has been from duty-paid copper ingots, the counter-veiling duty of Rs. 100 per tonne can be reduced from Rs. 300. To avail this benefit proof of duty payment should be produced, but for production from copper ingots received on and after 1st October 1962 it is not necessary to submit proof of payment, inasmuch as no copper ingots can be received without payment of the initial duty of Rs. 100.

Dr. Antia urged reconsideration of the excise rules as an attempt to remove ambiguities. Either the duty should be imposed on primary metals or only on semi-manufacturers or on end-use products. The imposition of a duty at both ends and even in the middle creates confusion and causes much avoidable accounting work and blocking of funds. In this connection, trade circles are very much concerned that considerable delays are occurring with the excise authorities in regard to the disposal of their claims for refunds. While the excise authorities can recover from the manufacturer any short payment at any time after the clearance of the finished products in the first instance, manufacturers' claim for refund of duty of any excess paid should be made within three months of the clearance. This rule is also causing considerable inconvenience to the industry and trade. The industry has been urging earnestly the conversion of the *ad valorem* duty on tubes and pipes into a specific duty, but this plea is not invoking any sympathy with the authorities. Considerable processes of formalities are necessary with regard to verification of selling price market price, wholesale price, contract price, etc., and duty determination. If only this duty is converted into a specific duty, the industry would save much time and clearances would be accelerated.

Accepting the Tariff Commission's recommendation, the Government of India has extended protection to copper pipes and tubes, brass pipes and tubes, extruded copper rods other than electrolytic copper rods and extruded brass rods at existing rate of duty for a period of three years. Extruded copper sections, extruded brass sections and highly polished zinc sheets for making process blocks receive protection at enhanced rates for a period of three years. At the same time, protection granted to lead sheets other than sheets for tea-chests, zinc sheets not otherwise specified and zinc strips is being discontinued. Protection to copper rods produced by rolling process and rolled brass rods is also being terminated.

In Calcutta, copper utensil scrap eased from Rs. 522 per 100 kgs. to Rs. 508.50, but recovered to Rs. 522.50. Tin eased from Rs. 2,650 to Rs. 2,580. On the London Metal Exchange, spot tin eased from £884 a ton to £868. The fall in London re-echoed a similar fall in New York as well as in Singapore. In Calcutta, zinc eased to Rs. 262 per 100 kgs. from Rs. 268, and in London from £69¾ a ton to £68¾. Lead here hardened from Rs. 141 to Rs. 143 per 100 kgs.

BEARISH TONE IN FOODGRAINS

(From Our Own Correspondent)

HAPUR, *26th November*

The local foodgrains market continued to be easy this week on selling by stockists. The Government's determination not to let foodgrain prices rise, especially in view of the national emergency, and the traders' wholehearted support to the authorities towards that end led to a distinctly bearish tone in the market, sentiment wherein was influenced also by prospects of a good crop. Official measures to pile up huge stocks continued.

Wheat eased slightly to be quoted on Monday at Rs. 40.20 to Rs. 45.56 per quintal according to quality. Daily arrivals averaged 200 maunds and local stock declined to 43,000 maunds. The standing crop was reported to be satisfactory. Rice prices were depressed, as new crop arrivals increased. The U.P. Government has increased the levy on rice by 50 per cent in order to build sizable stocks.

Gram was easy at Rs. 40.80 to Rs. 41.53 per quintal owing to slack demand and quiet advices from Punjab. However, maize attracted good support at Rs. 29.47 to Rs. 31.12 per quintal. Seasonal consumer demand continued to be brisk. Arrivals, mostly from east U.P., averaged about 400 maunds daily, as against local stocks of 4,000 maunds only. New *bajra* reached the market in small quantity and was lifted by consumers at Rs. 37.51 per quintal. Other coarse grains, including barley and *bejhar*, were listless.

Among pulses, peas recorded a fractional fall on selling pressure by stockists. Offtake was four wagon-loads which went to east U.P. The standing peas crop was reported to be satisfactory. Local stock was put at 29,000 maunds. New *urd* also drifted lower, as the new crop produce started arriving in a larger quantity. Other pulses were depressed. Week-end prices (in rupees per quintal) were: Peas *dara* green 29.13, white farm 32.15, peas *dal* 34.83, *arhar* 57.60, *arhar dal* 71, *urd* 53.58 to 67, *urd dal* 80.38, *moong* 48.23 to 50.91, *moong dal* 58.94, *massor* 52.25 to 54.22, *massor dal* 58.94, gram *dal* 49.57 and moth *dal* 48.23.

SELLING PRESSURE IN SUGAR

(From Our Own Correspondent)

HAPUR, *26th November*

Sugar prices here eased further this week on selling by factories. The release of another monthly quota of two lakh tons made the supply position yet more comfortable. On the other hand, traders were still following a wait and watch policy in view of the uncertain political situation in the country following the Chinese invasion. All the factories here (in West U.P.) were crushing cane to the maximum capacity. Prices in the spot delivery section eased by 50 nP per quintal and the mill delivery section showed a fall of 25 to 44 nP per quintal. Week-end prices here were:—Sugar spot delivery Rs. 104 per bag of one quintal, mill delivery (D 29) Amroha Rs. 101.14, Dhampur Rs. 101.46, Seohara Rs. 101.14, Meerut Rs. 103.37, (E 29) Simbhauli Rs. 103, Bijnore Rs. 100.79 and Dhampur Rs. 101.14.

Trading continued dull and featureless in the Muzaffarnagar market and only stray transactions were done for Punjab, Gujarat and M.P. Prices drifted lower by 37 nP to 67 nP per quintal. Dealers were buying only their immediate requirements due to political uncertainties. Week-end prices were:—AA 29 Mansurpur Rs. 106.75, Khatauli Rs. 106.50, Shamli Rs. 106.50, A 29 Rohana Rs. 105.50, Daurala Rs. 105.25, Saharanpur Rs. 104, C 29 Lhaksar Rs. 104, Khatauli Rs. 103.25 and and Shamli Rs. 103.25.

Khandsari prices ruled quietly steady, as demand was fairly brisk from Punjab and Rajasthan. *Khandsari* crystal improved to Rs. 99.13 to Rs. 100.47 per quintal and the noncrystal quality fetched Rs. 100.47 to Rs. 102.48 and wet Rs. 91.10 to Rs. 95.11 per quintal. Daily arrivals of *Khandsari* in the Muzaffarnagar market were about 750 maunds and at Hapur about 100 maunds.

Gur prices continued to fall during the week, as demand from Gujarat and Saurashtra was only at lower price levels. Daily arrivals declined, however, to an average of 4,000 to 5,000 maunds and, as loading facilities continued fairly easy, were lifted mostly by Gujarat. Total arrivals of *gur* here during the current season were put at 1.55 lakh maunds, the corresponding figure last year being much lower around 90,000 maunds. Week-end prices of *gur* here were:—*Gur pansera* superior Rs. 43.24, average Rs. 42.87, *dara* Rs. 40.19, *balti* Rs. 40.19 to Rs. 43.54 and *shakker* Rs. 56.26 to Rs. 58.94 per quintal.

Gur and *shakker* prices declined considerably in the Muzaffarnagar market. Average daily arrivals of both *gur* and *shakker* were reported to be 11,000 to 13,000 maunds. *Chaku* prices declined by Re. 1.25 per 40 kilograms to Rs. 17.25 to Rs. 18.75 and *pansera* lost 75 nP to Rs. 1 at Rs. 17.25 to Rs. 19 per 40 kilograms. *Shakker* also lacked support and prices were marked down to Rs. 18.22 per 40 kilograms.

Gur futures continued bearish in poor trading. *Gur fagun*, having opened at Rs. 20.93 last Monday, continued to fall in subsequent sessions and touched the lowest of the week at Rs. 20.15. Later, on short-covering, the contract rallied to Rs. 20.50.

INSURANCE

(Concluded from page 958)

The surrender allowance as described above, would be different from the present surrender value in two respects: First, this is not based on the so-called policy-reserve (as is done in surrender value) but on the amount of net future saving to the company on account of the surrender of the policy. Secondly, this is not to be calculated when the policy is surrendered (as is done in surrender value) but when the endowment period is over or when the holder dies, whichever event takes place earlier.

Even in the suggested new scheme there would be a place for options, like extended term insurance, automatic non-forfeiture or the reduced paid-up insurance. Loans on policies—whether in force or surrender—can also be allowed by the insurer. The basis of these options and loans on policy would be a minimum surrender allowance that is to be allowed on a policy *plus* present value of bonuses (if any) already attached to it. For calculating this minimum surrender value on a whole-life policy, the life insured will be assumed to live up to the last age given in the mortality table, and then the total present value of the amounts of premiums, which would otherwise have been payable from the time of surrender of policy or grant of loan till the end of the premium paying period or the last mortality table age, as the case may be, *plus* the total present value of interests on these premiums till the end of the last mortality table year should be deducted from the total of the present values of the policy amount and of the saved amounts of expenditure on the policy. The minimum allowance on a policy in force would increase year after year, for the number of premiums to be received would go on decreasing. It would be possible for the insured to get more loans as he pays more premiums. If the policy is an ordinary endowment one, the minimum allowance would be calculated as above, except that various calculations will go up to the end of endowment period and not upto the last mortality table age. If a surrendering policyholder does not want any of these options, he, or his successors, will get the full surrender allowance at the time when the policy would have matured but for this surrender.

In case the policyholder wants to receive surrender allowance in cash immediately on surrender, he can be paid the minimum surrender allowance provisionally. Later, when it is time to calculate the full surrender allowance, an adjustment may be made and he or his successors may be paid the full surrender value *minus* the accumulated value of the minimum surrender allowance.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 23rd Nov., 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	65,32,28,000
(ii) State Governments	5,70,69,000
(b) Banks—	
(i) Scheduled Banks	81,25,47,000
(ii) State Co-operative Banks	1,86,90,000
(iii) Other Banks	5,36,000
(c) Others	163,45,72,000
Bills Payable	32,11,25,000
Other Liabilities	89,40,11,000
Rupees	542,17,78,000

Assets	Rs.
Notes	15,09,05,000
Rupee Coin	2,16,000
Small Coin	2,88,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,97,15,000
(ii) State Co-operative Banks	11,52,73,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	91,72,28,000
Balances Held Abroad*	6,06,47,000
Loans and Advances to Governments**	18,45,49,000
Loans and Advances to—	
(i) Scheduled Banks†	1,68,25,000
(ii) State Co-operative Banks‡	133,68,72,000
(iii) Others	1,28,07,000
Investments	203,33,34,000
Other Assets	32,46,31,000
Rupees	542,17,78,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Government.

† Includes Rs. 41,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	15,09,05,000	
Notes in circulation	2067,90,23,000	
Total Notes issued		2082,99,28,000
Total Liabilities		2082,99,28,000

Assets	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		123,85,65,000
Government of India Rupee Securities		1753,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2082,99,28,000

State Bank of Pakistan

Statement of Affairs for the week ended 16th Nov., 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	2,97,47,000
(b) Provincial Governments	31,26,01,000
(c) Banks	21,71,70,000
(d) Others	101,56,32,000
Bills Payable	21,49,000
Other Liabilities	14,48,34,000
Rupees	183,36,33,000

Assets	Rs.
Notes	7,89,64,000
Rupee Coin	16,000
Subsidiary Coin	23,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	24,64,21,000
Loans and Advances to Governments	1,00,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances†	48,75,84,000
Investments	90,20,04,000
Other Assets	10,86,21,000
Rupees	183,36,33,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	7,89,64,000	
Notes in circulation	370,50,36,000	
Total Notes issued		378,40,00,000
Total Liabilities	....	378,40,00,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	59,74,63,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		127,76,71,000
B. Rupee Coin	3,13,12,000	
Government of Pakistan Securities	241,60,11,000	
Internal bills of exchange and other commercial paper	....	
		244,73,23,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	378,40,00,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 35.25 per cent.

State Bank of India

Statement of Affairs for the week ended 23rd Nov., 1962

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		578,49,23,000
Borrowings from Other Banking Companies, Agents, etc.		76,50,000
Bills Payable		12,52,87,000
Bills for Collection being Bills receivable as per contra		2,83,66,000
Acceptances, Endorsements and Other Obligations per contra		8,67,91,000
Other Liabilities (including Inter-Office Adjustments)		19,95,79,000
Total		637,08,46,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		18,96,35,000
Balances with other Banks		3,17,05,000
Money at Call and Short Notice		3,26,67,000
Investments—		
Government and other Trustee Securities	297,39,96,000	
Other Authorised Investments	10,42,20,000	
		307,82,16,000
Advances—		
Loans, Cash Credits, Overdrafts etc.	235,98,00,000	
Bills Discounted and Purchased	17,27,22,000	
		253,25,22,000
Bills Receivable being Bills for Collection as per contra		2,83,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,67,91,000
Premises less Depreciation		2,00,59,000
Furniture and Fixtures less Depreciation		1,67,92,000
Other Assets (including Inter-Office Adjustments)		35,40,93,000
Total		637,08,46,000

EXCHANGE RATES

	28th November 1962	21st November 1962
London on New York $ per Dollar	2.8025-2.8028	2.8020-2.8023
New York on London Cents per £	280.250-280.280	280.220-280 240
London on Paris .. Fcs.	13.7340-13.7360	13.7300-13.7320
London on Berne .. Sw. Fcs.	12.0980-12.1000	12.0915-12.0935
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.75
Buyers T.T. Rs. to $ 100	474.25	474.50
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	446.00	445.50
Buyers T.T. ,,	438.00	437.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.50	102.50
Buyers T.T. ,,	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... ,,	90.30	90.20
Buyers T.T. ,,	91.20	91.20
Deutsche Marks—		
Sellers T.T. D.D... ,,	83.80	83.80
Buyers T.T. ,,	84.70	84.70
Italian Lire—		
Sellers T.T. D.D... ,,	12,965	12,960
Buyers T.T. ,,	13,140	13,135
Swedish Kroner—		
Sellers T.T. D.D... ,,	108 20	107.90
Buyers T.T. ,,	109.30	109.00
Belgian Francs—		
Sellers T.T. D.D... ,,	1,038	1,037
Buyers T.T. ,,	1,054	1,053
Dutch Guilders—		
Sellers T.T. D.D... ,,	75.20	75.30
Buyers T.T. ,,	76.10	76.10
Hongkong Dollars—		
Sellers T.T. D.D... ,,	119.40	119.60
Buyers T.T. ,,	120.40	120.60
Norwegian Kroner—		
Sellers T.T. D.D... ,,	149.40	149.50
Buyers T.T. ,,	150.80	150.90
Danish Kroner—		
Sellers T.T. D.D... ,,	144.60	144.70
Buyers T.T. ,,	145.90	146.10

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 16-11-62	9-11-62	17-11-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	44,04	45,66	50,23
(ii) From others	799,68	810,19	720,37
(b) Borrowings from banks	18,21	20,39	19,25
(c) Others	58,46	56,13	52,34
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	25,28	27,31	19,00
(ii) From others	1,244,82	1,233,88	1,084,02
(b) Borrowings from banks	17,32	17,05	19,01
(c) Others	10,68	10,93	23,89
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,044,50	2,044,08	1,804,39
4. Borrowings from Reserve Bank	2,46	3,96	4,92
(a) Against usance bills and/or promissory notes	41	2,32	2,21
(b) Others	2,05	1,64	2,72
5. Borrowings from State Bank and/or a notified Bank	21,24	20,56	17,35
6. Cash	49,77	50,61	50,21
7. Balances with Reserve Bank	84,75	76,84	75,81
8. Cash and balances with Reserve Bank	134,52	127,46	126,02
9. 8 as per cent of 3	6.58	6.24	6.98
10. Balance with other banks in current account	17,16	17,24	16,56
11. Money at call and short notice	53,10	54,33	46,28
12. Investments in Government securities	684,75	683,61	607,09
13. 12 as per cent of 3	33,49	33.44	33.65
14. Advances—			
(a) Loans, cash credits and overdrafts	1,153,23	1,172,63	1,036,27
(b) Due from banks	9.67	8,20	11,01
15. Inland bills purchased and discounted	162,72	163,86	141,53
16. Foreign bills purchased and discounted	51.88	53,51	46,71
17. Total Bank Credit [14 (a)+15+16]	1,367,84	1,389,99	1,224,50
18. 17 as per cent of 3	66.90	68.00	67.86

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 17th Nov., 1962P	10th Nov., 1962P	20th Oct., 1962	18th Nov., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.7	99.9	100.3	100.9
2. Government of India	99.5	99.7	100.1	100.8
3. State Government	101.9	102.0	102.0	102.0
4. Municipal, Port Trust, etc.	98.8	98.8	99.0	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.9	80.9	81.7	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	170.8	168.8	179.7	189.1
8. *Agriculture and Allied Activities : Total**	149.6	148.5	151.3	166.8
9. Tea Plantations	141.5	141.5	142.3	157.2
10. Coffee Plantations	144.2	144.0	146.3	169.0
11. Rubber Plantations	161.4	161.4	163.5	174.8
12. *Mining and Quarrying : Total*	147.7	142.8	161.2	162.9
13. Coal	115.5	115.6	120.2	120.6
14. Other Mining	169.8	161.5	189.3	192.5
15. *Processing and Manufacturing : Total*	183.4	181.0	194.7	205.9
16. *Processing and Mfg. (Food-stuffs, Textiles, etc.): Total*†*	190.9	187.2	201.4	217.7
17. Sugar	131.7	130.9	136.1	157.6
18. Cotton Textiles	172.0	169.5	179.6	190.9
19. Jute Textiles	96.8	96.5	99.7	94.9
20. Silk and Woollen	967.0	913.8	1,078.7	1250.8
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	184.4	183.1	198.8	206.7
22. Iron and Steel	140.9	140.8	156.4	164.5
23. Transport Equipment	335.2	324.6	367.8	416.5
24. Electrical Machinery	159.5	160.5	172.7	167.4
25. Machinery other than Transport and Electrical	219.1	217.3	231.0	220.5
26. Basic Industrial Chemicals	176.5	174.8	182.0	222.1
27. *Processing and Mfg. (Others): Total**	158.7	158.5	166.8	168.7
28. Cement	146.5	145.7	155.4	156.6
29. Paper	205.0	206.4	213.0	211.8
30. *Other Industries : Total**	107.9	107.2	110.6	112.9
31. Electricity Generation and Supply	85.3	85 0	87.9	85.8
32. Trading	111.3	109.4	114.5	123.5
33. Shipping and Other Transport	88.9	88.7	91.6	94.2
34. Construction	254.6	249.3	263.4	300.4
35. *Financial : Total*	203.8	203.6	205.8	210.8
36. Banks	227.7	227.4	230.0	239.4
37. Insurance	163.7	163.7	165.0	154.8
38. Investment Trusts	89.4	89.4	89.7	90.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	172.6	167.7	186.5	197.0
40. Calcutta	163.4	163.8	167.9	172.4
41. Madras	185.4	185.2	189.8	206.3
42. Delhi	217.2	215.3	235.1	259.9

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	27th Oct., 1962	20th Oct., 1962	28th Oct., 1961	September 1962	September 1961	Percentage of Increase (+) or Decrease (—) in Sept., 1962 as compared with Sept., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	129.6	129.0 R	121.3	130.0	121.1	+ 7.3	120.1	120.0
Cereals	192	108.7	108.2 R	103.1	109 4	103.4	+ 5.8	102.3	104.4
Pulses	43	116.5	116.4	91.6	111.3	89 2	+24.8	91.9	92.9
Fruits and Vegetables	28	125.8	124.3	144.4	129 2	148 3	—12.9	137.6	118.5
Milk and Ghee	84	125.0	123.6 R	113.8	126.5	116 9	+ 8.2	116.4	116.0
Edible Oils	47	156.8	156.5	148.2	158.6	153.3	+ 3.5	156.5	150.3R
Fish, Eggs and Meat	17	145.7	148.2 R	133.4	155.3	136.6	+13.7	135.4	123.5
Sugar and *Gur*	48	157.8	159.4	124.9	154 6	123.9	+24.8	119.6	132.8
Others	50	172.7	169.6	185.5	172 5	173.1	— 0.3	171.6	167.8
Liquor and Tobacco	21	100.5	100.5	99.5	99.8	99.7	+ 0.1	100.3	109.9 R
Tobacco	..	97.0	97.0	96.0	96.3	96.2	+ 0.1	96.8	108.3R
Fuel, Power, Light and Lubricants	30	125.0	124.8	121.8	124.9	121.4	+ 2.9	122.1	120.0R
Industrial Raw Materials	155	139.1	139 0	136.5	139.8	138.3	+ 1.1	142.6	145.4
Fibres	61	129.3	129.1	127.1	130.0	127.7	+ 1.8	138.3	151.6
Oilseeds	60	157.8	158.2	151 8	159 5	156.3	+ 2.0	156.4	149.0
Minerals	2	93.4	93.4	94.9	93.4	94 8	— 1.5	94.9	97.4
Others	32	125.8*	124.9*	128 7*	124.7	127 0	— 1.8	128.1	128.0
Manufacture	290	129.7	129.0	126.8	129.4	125.5	+ 3.1	126 6	123.9
Intermediate Products	41	145.5	144.9	139 5	142 9	140.6	+ 1.6	138.8	130.6R
Finished Products	249	127.1	126 4	124.7	127.2	123.1	+ 3.3	124 6	122.8
Textiles	147	125.3	124.1	125 3	125.9	123 4	+ 2.0	125.5	125.8
Cotton	..	129.3*	129.3*	128.2*	129 2	127 9	+ 1.0	127.9	128 1
Jute	..	109.3	104.7	120 8*	113 3	114.2	— 0.8	122.4	131.4
Woollen	..	141.3*	141.3*	123 1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	135.3*	135.3*	120.0	132 9	118 9	+11.8	119.9	104.4
Metal Products	12	161.0	161 0	151.6	161.0	151.6	+ 6.2	151.6	147.9R
Chemicals	20	117.2*	117 6*	111.5	116 2	111.6	+ 4.1	110.7	104.4
Oil Cakes	9	171.2	168 9	145 7	163.6	143.5	+14.0	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7 R	116.2	117.8	113.5	+ 3.8	114.5	111 9
Others	30	125.1	125.1	121 6	125.3	121.2	+ 3.4	121.3	116.1 R
All Commodities	1,000	130.4	129.8 R	124.8	130.6	124.6	+ 4.8	125.1	124.9 R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	September 1962	September 1961	April to Sept. (Six months) 1962	April to Sept. (Six months) 1961
Exports	60,89	57,65	321,44	322,72
Re-exports	46	32	4,43	2,24
Total Exports	61,35	57,97	325,87	324,96
Imports	97,39	85,82	522,82	532,92
Overall Balance of Trade	—36,04	—27,85	—196,95	—207,96
Exports—				
Tea	16,68	15,61	55,43	53,74
Coffee	47	24	3,90	5,91
Sugar	1,53	2,55	9,23	8,09
Jute yarns and manufactures	14,68	12,74	75,66	76,31
Cotton yarns and manufactures	4,42	3,94	23,86	26,03
Metalliferous ores and metal scrap	2,40	2,32	13,98	17,48
Cotton, raw and waste	85	98	9,22	11,84
Petroleum Products	36	3	1,76	1,74
Vegetable Oils	34	21	5,24	3,47
Fruits and vegetables	1,30	1,93	12,16	13,09
Tobacco	1,27	55	12,53	8,78
Mica	85	79	5,50	4,92
Wool and other animal hair	57	1,11	3,36	5,06
Gums, resins and lac	60	62	3,55	3,01
Spices	1,29	1,38	6,16	6,98
Hides and skins, raw	73	49	4,95	3,53
Imports—				
Machinery	22,87	18,10	148,72	149,80
Iron and Steel	5,94	9,18	38,54	54,89
Copper	1,32	85	13,06	11,02
Aluminium	71	68	6,31	4,30
Chemicals, drugs and medicines	7,88	6,08	48,89	45,05
Electrical goods and apparatus	3,81	3,62	25,79	33,54
Vehicles (excluding aircraft, ships and boats)	3,66	4,01	20,75	23,75
Aircraft	73	85	4,42	6,71
Ships and boats	37	5	1,16	75
Cotton, raw and waste	16,05	12,53	36,79	42,36
Fruits and vegetables	72	48	6,29	5,02
Paper, pasteboard, etc.	63	1,19	5,54	6,64
Dyes and colours	1,01	1,01	6,09	6,80
Spices	5	11	82	77
Woollen and worsted fabrics	1		7	—
Cotton fabrics	2		11	—
Rice	26	38	16,03	9,80
Wheat and spelt	7,57	7,87	39,92	44,84

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
Oct., 1961	130,100	137,600	112,700
June 1962	139,000	137,900	106,900
July ,,	145,100	143,200	114,500
August ,,	141,300	137,000	103,500
Sept. ,,	137,600	150,100	111,500
Oct., ,,	153,500	155,500	124,500
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,499	734,951
Oct. 1961	105,823	81,969	61,921
June 1962	87,639	77,029	56,938
July ,,	96,151	78,352	63,006
August ,,	105,296	79,708	69,349
Sept. ,,	103,650	79,794	61,274
Oct. ,,	109,801	83,644	65,482

T—Figures in Tons.

CLEARING HOUSE RETURNS

Centre	Week ended 16th November, 1962: Number of Cheques	Amount (In lakhs of Rs.)	Week ended 23rd November, 1962: Number of Cheques	Amount (In lakhs of Rs.)
Bombay	4,29,000	104,76	4,30,000	95,28
Calcutta	2,30,000	91,90	2,18,000	93,82
Madras	1,05,000	15,09	1,04,000	14,67
New Delhi	63,000	14,27	56,000	15,70
Kanpur	27,000	4,78	26,000	4,87
Bangalore	37,000	6,83	35,000	5,46
Nagpur	10,000	1,55	10,000	1,59
All Centres—				(In lakhs of Rs.)
1959-60	..	..	50,196,000	10,999,00
1960-61	..	..	54,809,000	12,550,66
1961-62	..	..	59,946,000	13,602,34
Sept., 1961	..	..	4,881,000	1,129,94
Jan., 1962	..	..	5,608,000	1,244,75
Feb., ,,	..	..	4,850,000	1,107,18
Mar., ,,	..	..	5,533,000	1,331,65
April ,,	..	..	5,159,000	1,159,92
May ,,	..	..	5,522,000	1,211,33
June ,,	..	..	5,046,000	1,147,12
July ,,	..	..	5,420,000	1,243,86
Aug., ,,	..	..	5,160,000	1,241,11
Sept., ,,	..	..	4,985,000	1,176,22

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Oct., 1962	89.5
	Corresponding month, 1961	76.5
	Four months ended Oct., 1962	393.6
	Corresponding period, 1961	291.8
Stocks	At the end of Oct., 1962	89.2
	Corresponding month, 1961	54.7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Aug., 1962	75.8
	Aug., 1961	67.5
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Aug., 1962	22.5
	Aug., 1961	15.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	October, 1962	519
	Corresponding month, 1961	439
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Jan., to June 1961	Jan., to June 1962	June 1961	June 1962
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	25.20	29.97	4.18	4.84
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	1,595‡	2,017‡	314	—
Yarn	million kgs.	781	788	862	415	429	72	71
Cloth	million metres	4,502	4,616	4,700	2,335	2,290	398	383
Cement	thousand metric tons	6,936	7,835	8,244	483	4,188	641	618
Jute	thousand metric tons	1,068	1,085	971	4,127	581	67	98
Paper and paper boards	thousand quintals	2,988	3,475	3,640	1,798	1,885	288	309
Matches§	million gross boxes	32.4	33.6	38.4	19.2	15.1	3.4	2.3
Sugar	thousand metric tons	2,117	2,591	2,841	2,210‡	2,072‡	43	—
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	309	510	63	91
Electric lamps	millions	34.84	41.39	46.12	23.21	27.22	3.98	4.58
Dry cells	millions	187.3	207.4	213.6	106.5	115.1	19.8	20.7
Power transformers	thousand K.V.A.	1,248	1,116	1,754	653‡	1,049‡	151	—
Electric Motors	thousand H.P.	576	680	826	392	478	69	83
Electric fans	Nos.	726,000	991,200	1,074,000	463,300‡	494,100‡	99,100	—
Radio receivers	Nos.	213,864	266,700	326,400	149,700	170,700	30,900	25,500
Storage batteries	Nos.	442,800	510,000	528,000	279,200	286,600	47,500	48,100
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	4,430‡	3,603‡	928	—
Diesel engines—Stationary	Nos.	30,336	44,196	44,424	19,315‡	16,826‡	3,698	—
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	2.97	2.73	0.81	0.75
Caustic soda	metric tons	69,876	99,144	119,844	56,414	60,139	9,988	9,597
Soda ash	metric tons	95,328	145,284	176,639	86,050	106,664	14,810	16,996
Chlorine liquid	metric tons	24,780	31,656	33,912	17,010	18,709	2,860	2,274
Bleaching powder	metric tons	5,184	5,928	7,128	3,193	3,299	527	496
Bichromates	metric tons	4,404	5,472	6,732	4,021	3,195	394	566
Sulphuric acid	metric tons	296,880	359,400	413,520	198,283	226,354	37,103	36,369
Superphosphate	metric tons	251,652	322,464	370,836	174,549	190,268	30,415	34,480
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	7,253‡	9,440‡	1,434	—
Antimony	tons	664	809	618	227	342	Nil	38
Copper (virgin metal)	metric tons	7,764	8,992	8,725	4,137	4,796	810	850
Lead (virgin metal)	metric tons	3,958	3,778	3,665	1,789	1,263	377	257
Gold	kilograms	5,148	4,992	4,869	1,963‡	2,130‡	413	—
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	153,710	173,257	26,822	29,638
Bicycles	Nos.	990,744	1,050,744	1,046,832	538,963	594,277	84,417	110,391
Automobiles	Nos.	36,468	51,660	54,712	29,943	29,702	4,475	4,963
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	3,620‡	3,910‡	828	—
Plywood—Commerical	thousand sq. metres	5,022	5,220	6,305	2,550‡	3,115‡	529	—
§Woollen manufactures: Worsted Fabrics	thousand metres	13,752	13,980	13,188	5,622	7,965	1,127	1,495
§Woollen manufactures: Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	6,261	8,021	1,126	1,442
Alcohol—Industrial	million litres	57.84	58.94	82.26	36.47‡	46.59‡	7.46	—
Alcohol—Power Absolute	million litres	48.70	48.52	53.63	21.54‡	23.02‡	5.31	—
Railway Wagons	Nos.	10,044	7,320	11,040	5,462	6,465	970	1,169
General Index—(Base 1951=100 Revised)		152.1	169.7	181.2	181.4@	192.4@	180.4	197.0

* Figures are subject to revision month to month. § Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter.
† Upto April only. ‡ Upto May only. @ Average of first six months. —Not Available.

NATIONAL INCOME OF INDIA—At current prices

(In crores of rupees)

	1948-49	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61*
Agriculture	4,250	4,890	5,020	4,810	5,310	4,350	4,520	5,520	5,280	6,240	6,210	6,860
Agriculture, animal husbandry and ancillary activities	4,160	4,780	4,910	4,710	5,200	4,230	4,390	5,380	5,130	6,080	6,060	6,640
Forestry	60	70	70	60	60	70	70	80	80	90	100	120
Fishery	30	40	40	40	50	50	60	60	70	70	50	100
Mining, Manufacturing and Small Enterprises	1,480	1,530	1,680	1,700	1,770	1,800	1,850	2,000	2,120	2,170	2,330	2,640
Mining	60	70	90	90	100	90	100	120	140	140	140	160
Factory establishments	550	550	640	640	690	750	780	900	980	1,000	1,100	1,340
Small enterprises	870	910	950	970	980	960	970	980	1,000	1,030	1,080	1,140
Commerce, Transport and Communications.	1,600	1,690	1,790	1,780	1,800	1,810	1,880	1,960	2,070	2,150	2,240	2,360
Communications (posts, telegraphs and telephones)	30	40	40	40	40	40	50	50	50	60	60	60
Railways	170	180	210	200	200	220	250	280	320	330	330	360
Organised banking and insurance	50	70	80	70	80	80	90	110	120	130	140	150
Other commerce and transport	1,350	1,400	1,460	1,470	1,480	1,470	1,490	1,520	1,580	1,630	1,710	1,790
Other Services	1,340	1,440	1,500	1,540	1,600	1,650	1,730	1,820	1,930	2,060	2,190	2,380
Professions and liberal arts	430	470	500	520	530	540	560	580	620	660	700	750
Government services (administration)	400	430	450	460	490	520	570	610	660	730	790	900
Domestic service	120	130	140	130	140	140	140	150	160	170	180	200
House property	390	410	410	430	440	450	460	480	490	500	520	530
Net domestic product at factor cost	8,670	9,550	9,990	9,830	10,480	9,610	9,980	11,300	11,400	12,620	12,970	14,240
Net earned income from abroad	—20	—20	—20	—10	...	...	...	10	—10	—20	—30	—40
Net national output at factor cost National income)—												
At current prices	8,650	9,530	9,970	9,820	10,480	9,610	9,980	11,310	11,390	12,600	12,940	14,200
At 1948-49 prices	8,650	8,850	9,100	9,460	10,030	10,280	10,480	11,000	10,890	11,650	11,850	12,690
Net per capita income (in Rs.)—												
At current prices	249.6	266.5	274.2	265.4	278.1	250.3	255.0	283.4	279.6	303.0	304.7	327.3
At 1948-49 prices	249.6	247.5	250.3	255.7	266.2	267.8	267.8	275.6	267.4	280.2	279.0	292.5

‡ Preliminary. *Source*: Central Statistical Organisation, Department of Statistics.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,88	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Sept. 1961	1,05	2,16	72,90	6,38	315,36	17,79	319,45	17,78	—42,23	2,68	1,39	32,12	1,62	47,04	5	3,51	26,11	815,44
Jan. 1962	91	1,97	68,27	7,11	335,39	18,97	323,28	17,46	—42,38	3,47	1,75	28,78	1,17	51,38	4	3,58	27,62	836,24
Feb. ,,	89	1,93	67,21	5,58	339,54	17,55	324,82	17,40	—42,41	3,67	1,85	28,14	1,13	52,31	5	3,61	24,62	841,37
Mar. ,,	86	1,88	65,52	11,68	348,51	35,40	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53,35	5	3,63	48,73	872,40
April ,,	82	1,84	64,25	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	871,56
May ,,	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June ,,	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
July ,,	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,54	880,15
Aug. ,,	75	1,70	58,79	5,73	396,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,68	887,31
Sept. ,,	..	..	..	..	..	..	..	..	..	..	..	23,71	1,10	59,43	4	3,74	..	..

Note—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Including Defence Savings Banks Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of June 1962 amount to 20.22 crores of rupees.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 ,,	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 ,,	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 ,,	126	431	121	352	102	131	404	148	127	113	106	123	111	150
July 1961	127	437	123	357	101	132	408	148	130	113	106	122	110	151
August ,,	128	438	122	359	103	133	416	149	130	115	107	124	111	151
Sept. ,,	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. ,,	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. ,,	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. ,,	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	129	115	109	126	119	151
February ,,	127	438	119	362	107	131	402	149	129	115	109	127	118	152
March ,,	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April ,,	128	439	121	355	102	131	413	149	129	113	111	127	131	152
May ,,	129	443	122	361	103	132	418	150	127	113	111	128	132	153
June ,,	130	447	124	370	106	132	418	150	130	112	110	128	133P	153
July ,,	132	448	125	378	108	133	423	151	133	..	112	128	134	154
August ,,	133	454	124	378	111	135	434	151	134	..	112	130	135	154
Sept. ,,	133P	450	..	404	..	..	..	..	133	..	114	132	135	..

*June 1934=100. †Jan. 1928=100. §1939=100. P=Provisional.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Fore-cast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,452	12,969	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,223	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1 975
Total cereals	final	90,539	90,035	68,165	68,318
Pulses—					
Gram	final	9,744	9,406	5,948	6,324
Tur	final	2,315	2,390	1,312	2,081
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses‡	final	5,480	5,404	2,845	2,764
Total pulses	final	23,778	23,203	11,662	12,652
Total foodgrains		114,317	113,238	79,827	80,970
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	448	420	103	90
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,356
Linseed	final	1,704	1,794	397	395
Total oilseeds	final	13,890	13,511	6,935	6.624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	385	279	1,719	1,140
Sannhemp ₧	final	318	310	72	73
Other crops—					
Potato	final	369	370	2,767	2,747
Sugarcane@	final	2,405	2,343	9,888	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	103	103	28	28
Chillies (Dry)	final	614	619	369	372
Tobacco	final	415	400	344	312

Source: Ministry of Food and Agriculture. § Excluding Tur. * In terms of lint cotton and in thousand bales of 177.8 Kgs. each. ‡ Excluding Gram and Tur. A.—In thousand bales of Cotton lint of 180 Kgs. each. ₧ Relates to fibre crop only. @ Yield in terms of *gur*.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island— Cotton Receipts	Week ended 22nd November 1962*	2,878(J)
	Corresponding week, 1961	10,052(J)
	1st Sept. to 22nd November 1962	290,893*
	Corresponding period 1961	374,334*
Exports by Rail	From 1st Sept. to 22nd Nov. 1962	70.846
Exports by Road (Estimated)	Do Do	25,000
Exports by Sea	1st Sept. to 31st Oct. 1962	31,780
Mill Consumption (Estimated)	1st Sept. to 22nd November 1962	307,100
	Corresponding period 1961	282,500
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 22nd November, 1962	295,451
	Corresponding date, 1961	555,665
Consumption of Cotton— Indian	August 1962	415.413
Foreign		71,731
Indian	Twelve months ended August 1961-62	4.709.141
Foreign		978.752
Indian	Same Period, 1960-61	4,246 261
Foreign		1,126,639
Stocks (Mills and Else where)— Indian	As on 31st August 1962	1,216,655
Foreign		241,978
Indian	As on 1st August 1961	1,412,558
Foreign		397,328

Particulars	From 1st Sept. to 5th November 1962 In Bales of 180 Kilograms	From 1st Sept. to 5th November 1961 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	450	405
Continent	4,725	1,334
Hongkong	1,610	1,975
China	—	—
Japan	22,512	15,019
U.S.A.	1,994	4,501
Other countries	489	217
Total to all foreign countries	31,780	23,229
Coastal Ports	—	17,750(b)
Total	31,780	41,279

Particulars	Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During August, 1962	37,570
	During August, 1961	20,481
	1st Sept. to 31st August, 1962	284,610
	1st Sept. to 31st August, 1961	232,911
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 2nd Nov., 1962	4,542
	Corresponding week, 1961	28,036
	1st Sept. to 31st Aug., 1961-62	3,708,161
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)— Receipts	1st Oct. to 1st Nov. 1962	258,162
	Corresponding period 1961	193,980
Exports	1st Oct. to 1st Nov. 1962	60,476
	Corresponding period 1961	45,038

(J) By Rail † Incomplete * By Rail, Sea and Road. R Revised. (b) From 1st to 31st Oct., 1961. A-Adjusted. — Not Received.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	9th Aug., 1962	4	3.75
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	12th Oct., 1962	5.50	5
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	Nov., 1960	7	6
India	16th May, 1957	3.50	4
Indonesia	1st April. 1946	4	3
Ireland	June, 1962	4 31	4.06
Italy	7th June, 1958	4	3.50
Japan	27th Oct., 1962	7.30	6.93
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	25th April 1962	3.50	4
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	13th June 1962	4.50	4
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	26th April 1962	5	4.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

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

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilowatt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	834	11,176.9	9,011.1
1958-59	313	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
1960-61	1,013	17,037.3	13,831.8
1961-62	1,013	19,782.7	16,435.5
June 1961	1,013	1,616.9	1,342.2
April 1962	1,013	1,764.7	1,455.8
May „	1,013	1,790.7	1,488.4
June „	1,013	1,746.2	1,507.1
July „	1,013	1,812.1	1,536.6

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
4th September	2.00	2.00	2.00	2.370	99.405
5th to 8th September*	1.30	—	1.30	—	99.426
11th September	2.00	2.00	2.00	2.370	99.405
12th to 15th Sept.*	0.76	—	0.76	—	99.426
18th September	2.00	2.00	2.00	2.365	99.405
19th to 22nd Sept.*	0.20	—	0.20	—	99.426
25th September	2.00	2.00	2.00	2.360	99.410
26th to 29th Sept.*	2.30	—	2.30	—	99.426
1st October	2.00	2.00	2.00	2.360	99.410
9th to 13th Oct.*	0.05	—	0.05	—	99.426
16th October	2.00	2.00	2.00	2.365	99.405
17th to 20th Oct.*	1.40	—	1.40	—	99.426
23rd October	2.00	2.00	2.00	2.350	99.410
24th to 27th Oct.*	0.49	—	0.49	—	99.431
30th October	2.00	2.04	2.00	2.350	99.410
31st Oct to 3rd Nov.*	0.13	—	0.13	—	99.431
6th November	2.00	2.04	2.00	2.360	99.415
7th to 10th Nov.*	0.17	—	0.17	—	99.426
13th November	2.00	2.00	2.00	2.360	99.410
14th to 17th Nov.*	1.63	—	1.63	—	99.426
20th November	2.00	2.00	2.00	2.350	99.410
21st to 24th Nov.*	5.78	—	5.78	—	99.431
27th November	2.00	2.00	2.00	2.345	99.410
Total amount outstanding	38.21	..	38.21	..	..

* Intermediate Treasury Bills sold.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.75
3 % Dev. Loan	1945	115,05,83,200	1970-75	88.25
2¾% Loan	1946	14,77,48,000	1976	83.50
3¼% N. P. Loan	1954	158,17,90,000	1964	99 85
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.75
3½% N. P. Bonds	1956	197,93,00,000	1967	98.55
3¾% Loan	1956	86,64,00,000	1974	99.30
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.55
4 % Loan	1957	129,76,27,000	1972	99.30
3½% Loan	1958	58,55,92,000	1963	99.90
3½% Loan	1958	70,00,00,000	1968	98.25
3¾% Loan N.P.B.	1958	156,59,00,000	1968	99.35
4 % Loan	1958	49,51,44,000	1973	99.20
3½% Loan	1959	147,91,00,000	1969	97.40
4 % Loan	1959	80,93,00,000	1979	98.40
4 % Loan	1960	97,64,00,000	1980	98.40
3½% Bonds	1960	82,66,00,000	1966	99.65
4 % Loan	1961	65,63,00,000	1981	98.50
4¼% Loan	1962	84,03,00,000	1985	100.20
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	63.00
3 % Loan	1946	248,91,37,168	K.	63.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.50
4½% Andhra	1958	5,48,92,000	15th July 1970	98.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.20
4 % Andhra	1960	9,85,35,000	20th Aug. 1969	97.50
4½% Andhra	1961	11,00,00,000	Sept. 1972	96.25
4½% Andhra	1962	10,00,00,000	Aug. 1974	96.80
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	99.35
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	99.15
4½% Maharastra	1958	6,48,62,000	15th July 1970	99.15
4½% Maharastra	1958	4,31,45,000	15th July 1971	99.15
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	99.10
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	99.25
4½% Maharastra	1961	10,77,00,000	Sept. 1972	99.25
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.65
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	98.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.25
4 % Bihar	1960	3,83,22,000	29th Aug. 1969	97.25
4½% Bihar	1961	3,30,00,000	Sept. 1972	96.25
4½% Bihar	1962	4,00,00,000	Aug. 1974	97.00
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	99.20
4½% Gujarat	1961	6,07,00,000	Sept. 1972	98.75
4½% Gujarat	1962	6,00,00,000	Aug. 1974	99.65
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.25
4 % Madras	1953	10,38,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.50
4½% Madras	1958	5,55,57,000	15th July 1970	98.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.75
4 % Madras	1960	12,20,42,000	29th Aug. 1969	97.50
4½% Madras	1961	10,36,00,000	Sept. 1972	96.50
4½% Madras	1962	12,00,00,000	Aug. 1974	96.80
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	98.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	97.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	97.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,35,000	15th July 1970	98.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.25
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.25
4½% M.P.	1961	5,04,00,000	Sept. 1972	96.25
4½% M.P.	1962	5,00,00,000	Aug. 1974	97.00
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	98.50
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	98.25
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.00
4½% Kerala	1958	3,27,10,000	15th July 1970	98.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.75
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	96.25
4½% Kerala	1962	4,00,00,000	Aug. 1974	97.00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.00
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	93.00
88,25,000	4	1914	1975	93.00
55,00,000	4	1915*	1975	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144.00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	-3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	A
8,69,957f	3	1947	1977	
2,90,517f	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.	**BOMBAY**			Rs.
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50 N
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
Rs.	**CALCUTTA**			Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.	**BOMBAY**			Rs.
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	99.00
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	98.00
1,57,50,000	4	1956	1968	98.00
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.50
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
Rs.	**CALCUTTA**			Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
Rs.	**MADRAS**			Rs.
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	98.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97.50
4½% U.P.	1961	6,60,00,000	Sept. 1972	96.50
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.80
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	97.75
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	98.25
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	96.25
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	97.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.50
4½% Orissa	1958	3,28,58,000	15th July 1970	98.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.25
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.50
4½% Orissa	1961	5,50,00,000	Sept. 1972	96.25
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.80
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	98.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	99.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.05
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	98.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.25
4½% Assam	1962	3,00,00,000	Aug. 1974	96.95
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	98.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	97.00
4½% Punjab	1962	3,50,00,000	Aug. 1974	97.00

ABBREVIATIONS. N—Nominal. (*f* Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
f Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	References
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.00	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. B. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
1,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	62.00	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	-38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	155.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	562.50	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	140.50	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	95.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	300.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	225.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00		3	Y.P.
2,00,00,000 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	25.60 3.12	0 10O. 0 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		3	Y.P.
59,85,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	376.75	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	283.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	56 00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	1,56,581	2,982	Morarjee Goculdas Spg. & Wvg.	470.00	100	21.50	21.50	24 00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	422.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	205.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	115.00	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	127.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.75	10	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	237.00	100	15.00	18.00	20.00		12	Y.P.
60.48.000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	152.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	795.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	263.00	100	14.00	17.00	19.00		12	Y.P.
160,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	250.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,23,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	58.00	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25 00		12	Y.P.
24,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.‡	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	590.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	792.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95 35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	395.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	†36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	541.25	100	25.00	30.00	35.00		12	Y.P.
2,06 25,000	2,96,08,857	10,86,81,338	5,50.71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	823.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co.	45,836	866	New Commercial Mills	405.00	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,280.00	125	55.00*	60.00	45 00		12	Y.
24,72,500	75.89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	395.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	555.00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	157.50	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,142.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	9.19	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 1,30,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	27.00	40	*Nil*	*Nil*	2 00	3.20	3	Y.P.
10,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla. Esq. (Mg. Director)	..		Bharat Commerce & Indust.	25.87	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.50	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	27.50	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.50	10	0.80	1 00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	22 25	10	0.25	0 50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.00N 2.50N	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	139.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	7,40,000	55,18,246	28,26,413	386	Setna & Co.	25,984	..	Asher Textiles Ltd.	229.00	100	6.00	12.50			6	Y.
72,00,000	19,55,192	2,16,37,183	81.44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80	100	10.00	10.00	8.00		12	Y.P
4,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	116.00	100	*Nil*	*Nil*	*Nil*		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	281.00	100	10.00	10.00	18.00		12	Y.P.T
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.06			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	67.00	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	99.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P
29,99,075	42,87,373	1,47,20,982	76,23.471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	3	Y
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	43.00	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	38,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.50	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	177.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	46.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	84.50	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	195.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	14,12,310	81,02,842	42,68,674	—6,17,117	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	*Nil*	60.00	60.00		6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,009	1,000	J. K. Cotton Spg. & Wvg.	14.75	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.44	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 85,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	138.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	717.50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	33.12	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	....	1,88,05,104	1,44,93,855	21,15,409	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	116.25	250	*Nil*	*Nil*	*Nil*		6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	54 00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
A'. 4,00,000 B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,847	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15 00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	141.50	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.62	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 7.62	100. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.35	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	28.75	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48 175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	110.00	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus; † Subject to taxation; M—Managed by Board of Directors. X.R.—Ex-Right.
‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.
§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax;

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.19	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	6,06,850	1,44,87,735	1,04,88,923	—1,17,975	McLeod & Co., Ltd.	1,264	Alliance	117.00	100	*Nil*	6.00	*Nil*		5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	223.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	*Nil*	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	293.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£628,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	180.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	29.50	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,156	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	160.00	100	15.00	10.00	*Nil*		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
39,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	138.00	100	7.00	10.00	5.00	*Nil*	3	Y.
38,56,250	53,20,094	1,27,98,446	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.94	10	1.25	*Nil*	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.25	10	1.50	0.50	*Nil.*		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.37	10	*Nil*	*Nil*	*Nil*		3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	125.00	100	*Nil*	1.00	1.00	*Nil*	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	175.00	100	14.00	7.50	*Nil*		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	412.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,369	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	25.37	10	1.50	2.25	2.25	1.00	8	Y.P.T.
84,82,100	40,93,282	2 77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.12	10	*Nil*	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.62	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	459.00	100	25.00	30.00	25.00		3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2.26,64,168	1,53,96,854	—13,61,553	Jardine Henderson Ltd.	1,940	Howrah	19.06	10	1.00	1.25	1.00	*Nil*	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	3	Y.P.
37,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	17.12	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	164.50 164.50	100 'B'100	20.00 20.00	5.00 5.00	*Nil* *Nil*		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	128.00 128.00	100 'B' 100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	5.00	12	Y.P.T.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	703	Kelvin	173.00	100	14.00'C'	15.00	15.00		5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	17.00	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	153.50	100	10.00	20.00	7.00	*Nil*	3	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	931	Lansdowne	109.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	116.00	100	2.00	15.00	15.00	10.00	3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	12.62	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,08,70,853	42,332	M.	315	Naihati	107.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.375	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,989	25,02,498	41,829	M.	852	National	24.00	10	1.00	0.75			10	Y.P.
26,25,000	33,13,272	78,06,659	87,45,740	59,869	McLeod & Co., Ltd.	316	Nellimarla Jute	11.44	10	1.40	0.30	0.60		7	Y.P.T.
2,53,63,370	2,60,72,020	9,66,78,581	1,71,73,801	*Nil*	Sahu Jain Ltd.	1,765	New Central	13.62	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	32.25	10	1.25	3.00	3.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,23,60,331	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	55.00	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,880	78,95,872	4,940	McLeod & Co., Ltd.	490	Presidency	4.94	5	0.50	0.40	0.30		7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—360,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9 50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.25	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	10%†	6%†	*Nil*		12	Y.P.
35,98,600	27,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	164.00	100	20.00	25.00	6.00	*Nil*	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	5.62	1	0.25	0.30	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,824	18,03,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12 91	10	1.50	1.50	1.20	1.20	3	Y.P
86,92,542	23,76,747	84,13,561	15,18,278	78,105	Kothari & Sons (Ags.) Pvt. Ltd.	3,523	Blue Mountain	2.38	2	0.25	0.25	0.20		6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director).	848	Chandramalai Estates Ltd.	2 45	2	0.24	0.20	0.20		6	Y.P.
14,90,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	698H	Chembra Peak Estates	3.55	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	18,30,938	24,06,623	2,29,388	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	23.00	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0 30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.00	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.55	5	0.40	....	*Nil*		12	Y.
25,00,000	18,55,500	5 8,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.34	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40'446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.80	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40	*Nil*	3	Y.P.
5,00,000	1,21,604	10,04 526	93,267	82,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0 10	0.10	3	Y.
8,00,000	6,18,504	14,43,867	8,15,782	1.740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	34 60xd	25	5.00	3.75	3.50		3	Y.P.
36,00,000	24,07,934	82,20,060	16,18.139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.95cd	5	0.375	0.375	0.375	0.375	3	Y.P.
12,00,000	8,99,000	29,24,060	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.86	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.75	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8 63 183	37.72.915	14,39,943	44 424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	21.55	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	21.62cd	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21.75	10	2.25	2.25	2 50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	2.95	2	0.25	0.27	0.40	0.25	3	Y.P.
18,50,000	2,96,500	11,58,569	1,44,292	3,047	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.53cd	2	0.125	0.18	0.15		6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,187	Stanes Amalgamated	15.60cd	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.79	2	0.10	0.16	0.20	0.20	3	Y.P.
15,75,000	16,53,000	33.73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.25	10	1.00'C'	1.00	0 60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20 00	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,09,057	75,54,480	10,36,261	91,793	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	2.15	2	0.25	0.25	0.20		6	Y.P

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	3	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	15 24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	21,62,921	2,74,016	9,563	Associated Planters Private Ltd.	1,843	Anaparai Estates Ltd.	3 00	2	0.50	0.40	0.30		6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	8.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	1,63,000	7,87,289	1,30,155	21,576	A. V. Thomas & Co. (Mysore)	579	Bababudin Coffee & Produce	6.05	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	*Nil*	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6 25	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	32.61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.70	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,313	2,26,719	..	8,232	Consolidated Coffee	16.15	10	2.50	2.00	2.00		6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.75cd	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	3,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	4.00	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14.925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13 10	10	1.50	1.50	1 50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.10	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.34	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,43,098	81,368	3,894	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	9 50	5	1.00	1.00	1.00		6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.20	10	1.00	1.25	1.25	1.25	3	Y.P.
8,35,000	4 12,607	17,15,258	8,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23 60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9.93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13 45	10	1.50	1.50	1 50		12	Y.P.T.
19,45,980	25.53.533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.85	2	0.30	0.26	0.24		10	Y.P.T.
6,50 000	5.71.464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.93	2	0.10	0.10	0.12	0.15	3	Y.P.
18,50,000	10,90,511	51,25 740	5.35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	20 25cd	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	10.50cd	5	2.50	1.25	1.25	1.00	3	Y.P.
5.50,170	3.26.000	9.74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	*Nil*	3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	*Nil*			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.74	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.70	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,841	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.15	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5·05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54.782	9,228	S. Padmanabh Aiyar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,35,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

Y—Includes 60 nP for 30-6-1954. 'C'— On increased capital * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	1,194H	Bokakhat	13.70	10	0.80	*Nil*	1.20		12	Y.P.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.
35,00,000	15 38,736	97 20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	12.31	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25N	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	186.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.50	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24.29.138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.34	10	1.00	*Nil*	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.44	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.50	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	*Nil*	*Nil*		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O 2,00,000	8,49,447	22,48,531	8.17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 28.75N	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,17,592	18,78.077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	22.50	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.P.T
8,00,000	6,72,053	18,85,186	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	35.00N	10	1.75	3.00	3.00		12	Y.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.85	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	7.00	10	*Nil*	*Nil*	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Battikhira	9.44	10	0.50	*Nil*	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	9.12N	10	*Nil*	*Nil*	*Nil*		12	Y.P.T

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
2,79,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	*Nil*	*Nil*	1.00		12	Y
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	*Nil*	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	102.50N	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69xd	10	*Nil*	*Nil*			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	605.00	100	32.50	25.00	25.00		12	Y.P.
3,00,00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	8.84N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	19,339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	*Nil*		12	Y.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	31.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	*Nil*	*Nil*			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	80.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	*Nil*	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	106.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	14.00	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	14.25	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.50N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	155.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31N	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.37	10	3.00	2.50	2.00		12	Y

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	148.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	99.00N	100	17.50	22.50	22.50		12	Y

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	*Nil*		12	Y.P.T
5,00,000	5,25,000	....		30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	33.50N	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	67.00	10	5.00	6.00	6.00		12	Y

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.05	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.25	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 0.50	O. 10 D. 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		8	Y.T.
19,06,37,933	10,69,18,847	43,88,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	150.50	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.76	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 D. 5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.25 2.35	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.14	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.12	10	*Nil*	0 60	0.80	0.836	3	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	*Nil*	*Nil*	*Nil*		9	Y.P.
1,14,65,185	....	1,36,60,424	....		Sterling Enterprices Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	*Nil*	*Nil*	*Nil*		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.52	10	1.10	1.50	1.50		12	Y.P.
74,70,300	12,57,388	1,05 77,313	25,62,154	9,694	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94.00	100	*Nil*	*Ni*	*Nil*		8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	158.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.68	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors XB—Ex-Bonus 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.R.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
36,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.44	10	Nil	0.60	0.60	Nil	3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,78,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.94	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,246	35,96,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	127.50	100	Nil	8.00	11.00		12	Y.P.
£1,371,800	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.24	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,956	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.75	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	8,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	57.50	100	Nil	Nil			12	Y.P.
80,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,08,18,220	10,83,782	1,22,10,836	72,28,802	2,10,253	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.37	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	64,15,280	71,67,923	30,76,850	1,16,099	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80		6	Y.
3,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	24.00	10	5.00	8.00*	Nil		11	Y.
4,88,840 / 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 / —	10 / 5	1.75 / 0.875	2.00 / 1.00	2.75 / 1.375	3.00 / 1.50	12	Y

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	96.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	185.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,278	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	37.75	10	0.95	1.20	1.50		9	Y.P.
39,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	210.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,28,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	590.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,84,550	1,28,58,862	5,48,52,735	1,45,68,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	420.00	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	335.00	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,848	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,88,300	10,80,883	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	146.25	50	10.00	Nil	8.00		12	Y.
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
3,48,06,075	65,92,000	8,01,67,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	6.85	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	367.50	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,50,911	27,89,148	14,86,985	55,617	Jal H. Mehta	Kemp & Co.	305.00	200	20.00	25.00	25.00		3	Y.
1,10,01,535	80,38,801	2,28,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.25	10	0.88	1.25'C'	1.25	1.375*	9	Y.P.T.
24,81,220	10,47,778	55,45,879	43,53,267	8,514	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.10	10	0.50	1.00	1.00		3	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	20.35xd	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,78,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	145.00	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,785	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		12	Y.
15,00,000	11,17,930	34,89,082	21,90,718	2,10,028	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00		6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250	....	2,56,19,425	8,84,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	146.00	100	..	..	Nil	Nil	3	Y.
8,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	13.04	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,96,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.50	10	1.00	1.50	2.00	2.25	3	Y.P.
22,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	155.00	100	••	••	Nil		12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
3,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.‡	90.00	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,28,89,917	12,25,61,084	3,04,61,313	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
46,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	100.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,985	61,64,423	—2,075	Killick Industries Ltd.	Surat Electricity	99.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,28,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	105.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
5,15,36,000	8,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,100.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.‡	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	12.25	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,819	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.50	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,615,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.87	£1	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,84,640	1,48,267	42,36,379	17,60,526	47,133	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,303	Martin Burn Ltd.	Jubbulpore Electric Supply	11.35	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.81	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.50	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	120.00xd	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	18.60	10	1.00	1.50	1.429	1.429	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	300.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,85,000	23,00,166	9,62,248	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	126.00	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	Nil	4.00		4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	160.50	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T.
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	78,14,750	26,07,488	11,756	Adnem Services	Jyoti Ltd.	173.75	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.00	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.00	25	3.00	2.50	2.50		7	Y.
43,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	37.50	10	1.00	1.43	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.48	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 / 15,50,000	1,28,036	1,08,47,666	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— / 5.32	10 / 7.50	Nil / Nil	Nil / Nil	..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— / 5.24	10 / 10	..	..	Nil / Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,32,00,000	53,67,088	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	18.12	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	3,63,267	42,64,564	27,02,337	3,966	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00	12.00		7	Y.P.
80,62,845 / D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	20.60	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 / 7,50,000	46,02,003	1,52,54,361	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	174.00 / 115.00	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00	6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,18,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	150.50	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,16,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	123.00	30	18.00	13.50	10.00		12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,341	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	128.75	100	17.00	12.00	13.00	8.00	6	Y.P.
27,55,42,550	27,66,24,572	1,85,51,78,192	68,75,73,212	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	121.00	75 Old	6.80	9.72'C'	10.36*		3	Y.P.
7,99,99,300	3,03,75,403	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	273.00	100	9.00	12.50	14.50	14.50	3	Y.P.T.
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	600.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	44.90	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	80,64,169	3,78,955	S. K. Hardeo, Esq. (Mg. Director)	Voltas Ltd.	246.00	100	18.00	18.00	14.00		8	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	14.00	10	••	..	Nil	Nil	4	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	13.06	10	Nil	Nil			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.69	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,008	52,670	G. D. Birani, Esq. (Mg. Director)	Birani Metal Works Ltd.	9.87	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	33.50	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Palmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.75	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Palmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	600.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,025	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.87	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	14.24	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.44	10	Nil	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	34.87	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,990	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	22.96	10	1.00	1.50	1.60	1.60	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.50	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 / 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	47.37 / 14.50	O.10 / O. 1	1.62½ / 0.16½	2.30 / 0.23	2.40 / 0.24	2.30 / 0.23	3	Y.
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.37	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,868	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.25	10	1.25	2.00	2.00		6	Y.P.
2,08,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.00	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	18,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.50	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	18,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	Nil	Nil		6	Y.
49,96,000	18,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.75	10	0.75	Nil	Nil	Nil	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	11.12	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	19.75	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	157.00	100	15.00	15.00	15.00	15.00	4	Y.

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.60 for 1955.
N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors. X.R.—Ex. Right

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
1,42,42,125 / A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	62.00 / 63.00	15 / 15New	5.70* / 5.70*	5.70 / 5.70	5.70* / 5.70*		12	Y.
32,00,000	1,15,82,907	2,65,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.19	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,900	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	‡16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
£281,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	3.24	Sh. 1½	Nil	8%	10%	8%	3	Y.
85,00,000	36,85,342	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.50	10	2.50	3.00	2.50		12	Y.P.
90,07,475	61,03,586	8,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	‡Tata Oil Mills	56.50	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,187	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	185.00	100	Nil	6.00§	9.00§		3	Y.P.
1,36,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	Nil	Nil	Nil		12	Y.P.
41,76,306	69,23,921	2,84,96,624	2,22,89,662	2,28,292	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	17.50	10	1.00	1.43	1.45		6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.19	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	Nil	12,10,023	1,188	32,158	M.	Jayant Paper Mills Ltd.	88.00	100	Nil	Nil	Nil		3	Y.
1,89,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.12	10	....	....	Nil		6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.82	10	1.25*	1.50	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,864	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.20	10	1.50	2.25	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.10	10	....	....	Nil		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.25	10	1.78	1.78			12	Y.P.T.
50,00,000 / A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 / 10.03	O. 10 / A. 10	0.30 / 0.30	Nil / Nil	Nil / Nil		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.68	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 / B.56,04,800 / F.O.4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.25 / 36.25 / 3.75	A. 10 / B. 10 / P.O. 2½	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	2.00 / 2.00 / 0.325	1.00 / 1.00 / 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	139.50	100	Nil	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
18,99,998	19,59,300	34,02,489	15,15,028	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.75	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31.87	10	2.50	3.00	3.00			Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
14,00,000	10,53,465	34,85,427	20,76,488	2,709	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.34	2.50	0.40‡	0.20	0.20		6	Y.
A.12,00,000 / B.3,00,000	38,68,887	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 / 11.60N	A. 100 / B. 10	10.00 / 1.00	15.00 / 1.50	15.00 / 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	15,98,048	24,52,180	16,66,752	32,080	Cotton Agents Private Ltd.	Bharat Sugar	12.87	10	1.50	1.50	1.50		6	Y.P.
32,00,000	35,84,048	1,55,10,901	1,18,07,072	3,40,682	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.25	10	Nil	Nil	Nil		6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	Nil	Nil	Nil		10	Y.P.
18,00,000	54,55,390	86,85,578	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	180.00	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,83,434	59,11,006	35,75,827	9,995	Cotton Agents Private Ltd.	New India Sugar Mills	82.00	10	3.65	3.65	3.625		6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,688	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	110.00	100	15.00	15.00	Nil		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	Nil	0.60			10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.20	10	1.20	1.25	1.00		10	Y.
11,99,750	18,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
39,00,000	29,62,184	1,89,61,485	84,59,146	84,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.06	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	55,14,976	2,04,16,447	1,16,65,259	49,178	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	18.20XR	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,481	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	114.50	100	Nil	6.00	8.00		6	Y.P.
70,49,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	219.00	50	21.00	29.00	25.0		9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
37,50,000	24,47,906	89,49,268	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.90	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,148	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	39.50	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,87,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
68,97,650	15,26,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.25	10	1.25	1.40	1.00		9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.25	10	1.00	1.25	1.50	1.50	6	Y.P.
68,61,710	1,16,88,920	4,98,35,784	99,54,420	17,070	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00	10	1.50	1.50	1.50		6	Y.P.
17,00,000	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	62.25	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	148.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,948	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,66,217	1,42,85,060	81,78,458	85,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	84.50	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	3.50		3	Y.P.T.
29,98,650 / D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 / 30.00	O. 50 / D. 50	8.50 / 3.50	5.00 / 3.50	5.00 / 3.50		9	Y.P.T.
80,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.95xd	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	159.00	100	20.00	15.00	15.00		9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	96.00	100	..	Nil	Nil		9	Y.
39,45,750	30,03,075	1,66,35,450	44,81,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.24	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	94.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 / 45,08,000	1,92,000	9,72,309	1,00,862	23,933	Jamnalal Sons Private Ltd.	Bajaj Auto	.. / 72.00	100 / 75	.. / ..	20.00 / 10.00	45.00 / 22.50		3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	121.00	100	5.00	8.10	9.50	9.00	3	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 / 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	619.00xd / 240.00xd	Old125 / New50	28.75 / 9.50	37.50 / 15.00	41.25 / 16.50	41.25 / 16.50		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	92.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	113.00	100				Nil	3	Y.P.
2,76,00,000	68,47,723	1,68,66,017	26,27,280	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	150.00	100	Nil	Nil	Nil		12	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	200.00	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.92	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	35,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	42.50	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10		Nil	Nil	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,20,01,422	5,04,65,623§§	....	70,631	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	114.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	86,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	84.50	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 / D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	366.25	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	215.00	100	..	..	Nil		12	Y.
26,99,800	19,69,218	69,39,861	26,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	101.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 / 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	9.00 / 4.50	9.00 / 4.50	9.00 / 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	124.00	100	..	Nil	Nil		12	Y.
37,50,000	21,98,147	78,02,623	38,67,302	12,766	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00		6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,82,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	87.50	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	257.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	Y.

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.
M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	References
					UNCLASSIFIED (Other Centres)									
63,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.12	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.30	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	— 9.37	10 7.50	..	..	..	1.00 0.50	4	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	22.75	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.85	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,668	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	27.00	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	*Nil*	*Nil*	1.00		3	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	257.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.06	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.24	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	20.50	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,180§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	37.37	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	18,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.62	5	0.80	1.25	1.50	0.90	3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	14.50	10	..	..	*Nil*	*Nil*	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.19	7.50	..	..	*Nil*		6	Y.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,90,15,000	1,54,59,783	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	40.25	10			*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	16.16	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.50	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	15.75	10	..	..	*Nil*	*Nil*	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.87	10	0.60	0.80	0.90	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,810	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	32.12	10	1.20	1.50	1.50	0.75i	12	Y.P.T.
2,35,77,700	2,47,87,168	3,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	34.50	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
3,64,00,000	2,11,58,469	6,83,98,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	30.75	10	1.50	1.50	1.50		9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00			8	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.56	10	..	*Nil*	*Nil*		12	Y.
3,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	68.00	100	5.00	7.00	7.00	6.00	8	Y.P.
15,00,000	18,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.25	10	2.00	1.00	1.00		8	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.75	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. 5,00,000D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	53.50	10	1.75	2.50	2.50	2.50	8	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	218.00cd	100	15.00	24.00	20.00	20.00	8	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.66	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	3,28,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	*Nil*	1.00	8	Y.
1,35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	21.37	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.25	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,62,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.95	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	28.12	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,88,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.87	5	..	..	*Nil*		3	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	L. L. Narayanan, Esq. (Mg. Director)	Rane (Madras) Ltd.	6.97	5	0.50	0.70	0.70	0.75	3	Y.P.
60,25,170	25,99,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	8	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	*Nil*	4.00	8.50		8	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	12.00	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45 —	10 7.50	1.50 ..	1.80 0.225	.. ..		12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.00	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.06	10	1.50	1.50	1.50		12	Y.P.
40,00,000	91,92,371	1,59,18,519	81,60,432	9,57,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.50	10	1.80	1.80	1.80		6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.62	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75	10	2.75	3.25*	1.50	3 25	9	Y.P.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	269.00cd	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.12	10	*Nil*	*Nil*	*Nil*		9	Y.T.
3,30,00,000	2,48,69,275	7,17,52,481	1,49,68,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	45.00	10	1.80	1.80	1.80		12	Y.T.
35,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00	2.50	8	Y.
5,00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	8.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	8	Y.P.
					TRANSPORT									
20,00,000	27,13,587	58,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,60,00,000	38,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.24	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000 30,00,000	2,08,62,445	8,16,52,906	2,55,75,629	1,85,750	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.16 5.92	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39		6	Y.P.
£655,580	£1,194,860	£4,312,991	£2,842,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	*Nil*	*Nil*	3	Y.P.
1,28,19,293	11,13,95,184	88,12,01,740	11,55,38,414	2,82,887	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.04	20	1.30	0.60	0.60		6	Y.T.
O.8,40,800 P.O.2,10,200	26,48,476	16,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.37 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	References
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.12	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,888	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	336.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00 N	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.53 N	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00 N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,787	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	16.12	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.81	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00 N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	59,92,869	34,77,254	86,121	M.	Dhemo Main	5.97	10	*Nil*	*Nil*			12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	50.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00 N	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	40.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12 N	10	*Nil*	*Nil*			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	28,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	20.94	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 18.75 N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00 N	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00 N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12 N	10	1 00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00 N	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	*Nil*		8	Y.
8,00,000	15,46,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00 N	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31 N	10	*Nil*	*Nil*	*Nil*		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.87 N	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,22,311	32,69,739	26,311	M.	West Jamuria	7.37 N	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
44,89,900	1,12,50,000	6,09,614	Allahabad Bank	310.00xr	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 40,78,300	26,38,220	12,942	Andhra Bank	100.00 85.00	100 85	8.00 6.80	8.00 6.80	8.00 6.80	 4.00i	6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	94.00	50	7.00	8.50	8.50	4.00i	12	Y.
2,50,00,000 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	110.50 113.00	50 50'A'	8.00 8.00	10.00 1.00	10.00 10.00	4.00i	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	62.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
12,50,000	21,00,000	15,450	Canara Banking Corporation Ltd.	70.16	50	7.50	7.50	7.50		12	Y.P.
'A' 5,99,840 'B' 16,00,000 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 16.75 1.18	100'A' 10'B' 1'C'	20.00‡ 2.00‡ 0.20	20.00‡ 2.00 0.20	20.00‡ 2.00‡ 0.20‡	 2.40i	12	Y.P.
2,62,50,000 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	60.30 61.00	25 25	4.30 4.30	5.10‡ 5.10‡	5.00 5.00	2.40i 2.00i	12	R.L.Y.
1,00,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	57.00xr	50	2.52	4.38	5.50		12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.12	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	15.62	50	*Nil*	*Nil*	*Nil*		12	Y.
88,60,000	83,01,884	1,48,636	Indian Bank	173.00	100	15.00‡	15.00‡	15.00		12	R.L.Y.
93,75,000	78,36,660	2,22,933	Indian Overseas Bank	161.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	19.52	10	2.00	2.00	2.00	1.00i	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	371.25	100	20.00	22.75	23.00		12	Y.
60,00,000	60,00,000	1,45,391	Union Bank of India	6.24	5	0.57	0.57	0.57		12	Y.
2,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	74.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.62	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-14-7½	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16½	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-13-1½	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)‡	1941	98.00	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
80,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.‡	1961	101.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	*30th June* .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
43,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,23,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and *1st July*	Tata Power	1949	82.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	102.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.60	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	6½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	*31st March* .. *1970*
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,607	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	*30th June and 31st December*	*Shahdara-Delhi-Saharanpur Railway*	1905	£64N	*Any time on six months' notice* (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	94.00N	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	99.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 *(per note)*	31st December .. 1972 (a) *30th September* .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	94.25	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	*1st April* and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

MARKET GOSSIP

(*Concluded from page* 933)

so much to reduce prices as to restrain any increase in prices and artificial scarcity. Therefore, these factors do not adequately explain why prices of several commodities have actually gone down. Some attribute this to the sharp setback in gold. This seems to be too academic an explanation to be convincing. The relation, if any, between the price of gold and commodity prices is more apparent than real under Indian conditions. It should not be forgotten that, even before the abolition of forward trading in gold (13th November), commodities were depicting a downward trend.

One has, therefore, to look elsewhere for the major factors that have brought down the commodity prices. Among agricultural commodities, the supply position has generally improved in recent weeks, as the new crops have started coming into terminal markets. On top of this, there has been a marked shrinkage in the demand from the trade for stocking purposes. In fact, even the existing stocks are being unloaded, in view of the tightening of credit control with a view to preventing hoarding by speculators. In respect of foodgrains, apart from the pressure of new arrivals, large stocks are lying with the trade as well as with the Central and State Governments. It is said that stocks of foodgrains with the private trade alone are about 2 million tons, besides 2.5 million tons lying with Government. The official stocks of wheat and rice will be augmented further by larger imports from the U.S. What is more, the latest trade estimates of foodgrains crops in 1962-63 are on the high side.

Apart from foodgrains, oilseeds have turned distinctly easy. Groundnuts, which had been ruling high in recent years, have suffered a substantial setback, following larger arrivals of new crop from producing centres, and the prospect of some imports of soyabean oil from the U.S. Sugar and *gur* have also encountered selling as the new season's output has started coming to the market. More or less the same situation applies to raw jute and raw cotton as well. In respect of cotton almost all staples can be had at the ceiling level, while some are quoted even below the ceilings. The futures contract has moved down considerably. In the field of non-ferrous metals, there was, of course, some panicky buying immediately after the commencement of Chinese invasion, but the situation has changed since then and prices have declined. This is due at least to some extent to the hope of operators' that, in view of the strategic importance of non-ferrous metals, import quotas for certain varieties will not be curtailed any further, if not actually increased.

The following table shows the latest available quotations for select commodities, as compared with those a fortnight ago (that is, just before the abolition of forward trading in gold) and five weeks ago (that is, just before Chinese invasion started on 20th October):

Commodity Prices Fall

(In Rs. per quintal unless otherwise stated)

	Latest available quotations	A fortnight ago	Five weeks ago	A year ago
Foodgrains :				
Rice *basmati*	87.00	87.00	91.19	90.00
Wheat farm quality	43.54	44.54	44.54	44.50
Jowar	38.85	46.89	46.89	32.00
Gram	40.86	42.87	44.21	41.00
Oilseeds :				
Groundnut Nizam bold	83.50	90.50	93.50	89.00
Castorseed Madras small	64.00	65.64	66.50	65.00
Linseed bold	81.00	83.00	84.00	87.50
Fibres :				
Jute (Assam bottom)*	26.00	29.50	27.50	29.50
Cotton Jarilla March 1963†	689	724.00	736.00	....
Others :				
Gur pans. sup.	42.87	52.25	73.68	38.75
Sugar, A-29	116.00	115.00	116.50	113.00
Non-ferrous metals :				
Copper wire bars	736.00	746.00	740.00	590.00
Zinc	242.00	268.00	254.00	275.00
Lead	164.00	162.00	156.00	137.00

* Per maund. † For three quintals.

Despite the decline in commodity prices, neither the Government nor the trade should feel complacent. There are still uncertainties on the political front, for no one knows the real intentions of Communist China, despite the so-called cease-fire. There is thus need for unimpaired vigilance on the part of all concerned. It is, however, necessary to ensure that prices of agricultural commodities do not fall to levels which are uneconomic from the producers' point of view. If they do, the tempo of production will be adversely affected. Price policies should be so designed as to eliminate wide fluctuations either way.

REGIONAL IMBALANCE

(*Concluded from page* 938)

States. The least benefited States are Orissa, Rajasthan, Assam and Himachal Pradesh. The point that merits some investigation is the differing rates of electricity consumption. Madras, Delhi, Andhra Pradesh and Punjab pay higher rates per kw.h. than the other States and, while the reasons are not far to seek, the case for a unified and rationalised electricity tariff deserves scrutiny.

A study of regional imbalance should quickly reveal the folly of any approach other than rational and the need for rigorous exclusion of political considerations. One might even discover that those regions, which have not been as vocal or clamant as the others, suffer more from regional imbalances.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	81.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	117.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	4.76	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.10	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.) ..	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44xd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C	3,50,000	....	10.00	April	May	116.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	79.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	9.75	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C. ..	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.90	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	111.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.50	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.00	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	114.50	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	410.50	500
Century Spg. & Mfg. Co. R.C. ..	1,25,00,000	1958	8.57	Dec.	..	112.25	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	113.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	7.25	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.10	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.60	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	74.00	100
New Great	8,00,000	1918	5.50	Mar.	..	107.09	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	85,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.15	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100
ELECTRICS							
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May	Nov.	977.50	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	5.50	..	..	71.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8.87	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.91cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50	Sept.	Dec.	7.87cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	94.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,006.25	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzafferpore) T.F.C. ..	1,30,000	1919	7.00	Mar.	..	12.00	10
Burn & Co., Ltd. (1st) T.F.C. ..	13,00,000	1895-98	7.00	Feb.	Aug.	115.50	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	115.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.50	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	72.70	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	4.88	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov	..	127.00	150
Do. do. (2nd) C. ..	6,92,81,900	1908	7.50	May	..	99.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.50	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.50	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	88.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	96.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	81.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.50	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	90.00N	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	90.50	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	89.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	66.50	100
Dalhousie T.F.C.	15,00,000	1903-18	7.00	May	Nov.	88.50	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.25	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	97.09	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	65.50	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.50	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	84.50	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	90.50	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	88.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	100.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	90.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.50	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	112.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.50	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	94.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	93.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00	100
Titaghur C.	£160,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.94	£1
Indian General Nv. & Rly. C. ..	£244,030	1869	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	65.00N	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	21.96	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan	July	92.64	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	50.00N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	85.00	100
Mobeema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samonbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.50	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Terpore C.	2,05,000	1932	8.98	Jan.	..	10.12	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C.	41,43,005	1944	6.25	..	..	1.78xd	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79xd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.82cd	10
Devon Tea C.T.F.	1,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	*5,00,000	1943	6.00	Nov.	..	7.91cd	10
MISCELLANEOUS							
Alembic Chemicals (1st) §	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C ..	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00xd	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00	100
Andhra Cement C.	2,48,600	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	46.50	80
Do. "A" T.F.C. ..	4,00,000	1923	7.00	Mar.	Sept.	98.00	100
Do. "B" T.R.C. ..	20,00,000	1948	7.00	..	..	62.00	100
Bengal Timber Trading T.F.C. ..	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.25	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C. ..	81,00,000	1920	8.00	Feb.	..	114.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.50	10
Dhrangadhra Chemicals T.F.C.R. ..	81,91,900	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5.00	Dec.	..	72.30	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	106.50	100
Dunlop Rubber Co. (2nd) C. ..	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd) ..	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C. ..	25,00,000	..	5.00	Apr.	Oct.	55.50	100
Hindustan Motors R.C	1,60,67,250	1956	8.57	Mar.	..	186.00	100
Humayan Properties C.	12,00,000	1933	6.00	..	..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	70.67	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1928	6.00	June	Dec.	32.50	10
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	5.00	Apr.	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.85	May	..	54.50	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	5.70	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	6.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	84.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-18	6.00	Feb.	Sept.	8.92	10
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June	..	7.28xd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86xd	10
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	87.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	61.00	100
Rohtas Industries (Old) T.F.C. ..	20,00,00	1936	7.00-9.00	Apr.	..	104.00N	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr.	..	55.50N	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb.	Aug.	78.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.90	10
Esso C.	75,00,000	1955	6.00	June	Dec.	84.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	88.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	117.00	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	4.50	Jan.	July	70.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† *In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a* non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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A LEAD TO BUSINESS OPINION

As the traumatic impact on the Indian nation of the sudden Chinese thrust into NEFA in October last is gradually wearing off, there is increasing evidence of a certain crystallisation of sound forward-looking opinion at the higher levels of the body-economic, if not the body-politic. This week is particularly notable from the point of view of this steady evolution of business opinion in relation to the emergency, what with the fortright and confident lead given by the Associated Chambers of Commerce of India and by Mr. G. D. Birla. The presidential speech of Mr. H. Mackay Tallack at the latest annual meeting of the Chambers and the resolutions passed at that meeting and Mr. Birla's article published elsewhere in this issue are thus of more than ordinary significance. Mr. Tallack says that "it is precisely by pursuing the third Plan's aims that we are most likely to promote the defence effort" and that this country has the outstanding advantage of being in a position to mobilise all the manpower required for military or industrial duties without depleting the existing cadres in industry or commerce. The same idea is conveyed by Mr. Birla when he says that the expected massive *defence build-up* will not be beyond the economic capacity of the country, if the production increases envisaged under the third Plan are achieved. Their identical view thus constitutes a powerful lead to business opinion at a time when some Cassandras continue to say that India's economy cannot take it. The former's optimism is the right antidote to the latter's pessimism. But theirs is not some unqualified optimism, and it is here that the practical preconditions proposed by them will be seen to be supremely important.

Of these preconditions, a little extra effort to increase agricultural production is absolutely necessary not only to feed and clothe the armies and the additional manpower engaged in ordnance production but also to ensure price stability. This will be even more basic and crucial to the total defence effort than the removal of shortages in coal, power, transport and industrial raw materials. Mr. Morarji Desai's view, expressed at the meeting of the Associated Chambers, that there is "no magic formula by which the rate of growth of production in the country can be stepped up suddenly" seems to ignore the undoubted possibilities of a short-term, say, two-year, crash programme in agriculture. Such a programme can be based on the utilisation of surplus rural manpower for a variety of short-term purposes, such as renovation or construction of minor irrigation works, construction of pending field channels under major and medium irrigation projects, and work connected with soil and moisture conservation on dry lands. Even if the more able-bodied persons among the rural unemployed and underemployed happen to be recruited to the Army, there will still be large numbers of men and women who could be organised into a labour corps for the kind of physical work which the aforesaid crash programme will involve. If a part of the P.L. 480 foodgrains can be diverted for paying wages partly in kind under this programme and if some of the textile mills can be persuaded to manufacture and supply cheap utility cloth for the use of the labour corps concerned, quite a lot can be achieved in the next two years. As the Community Development ageny, which is already being orientated to work principally in the agricultural field, will find it easier to execute the suggested crash programme, there will be need for increasing the budgets of C. D. Blocks rather than for decreasing them as suggested by Mr. Birla. No penny-pinching in the name of the emergency would be advisable in a field such as this where there will be practically no foreign exchange expenditure.

There will be need, at the same time, for stepping up production, if not capacity as such, in some industries catering to the *agricultural* sector—the ones manufacturing fertilisers, pesticides, agricultural implements and pumpsets. If this is not done, Mr. Tallack's plea for urgent additional attention to the production of vital commercial crops like tea, jute, cotton and oilseeds will have gone in vain. Any widespread shortages in the physical aids and resources required for intensified cultivation of commercial crops on the *existing* extents of land sown to such crops are bound to affect their production adversely. It is this aspect, not the question of ensuring a "fair return" to the farmer as highlighted by Mr. Morarji Desai, that is most relevant at the present time. When Mr. Desai says that a "fair return" can be assured more smoothly in the case of cash crops in particular by the co-operation of industry than by elaborate intervention by the Government, he almost seems to imply that the farmer is not having economic prices now. If that is the implication, there is no warrant for it, for the prices of most commercial crops have been ruling higher in the last two or three years than in the previous period. As even these high prices do not seem to have stimulated any spectacular increase in the production of most commercial crops, the relevancy of the price factor in the present context is open to question.

As far as industrial production is concerned, a substantial amount of potential is certainly there, as evidenced by the recent official survey of underutilisation of installed capacities. The scope for expanding production is indeed very great, for, in as many as 75 industries, the capacity at present utilised ranges from just 2 per cent to 61 per cent and in 30 industries from 65 per cent to 75 per cent only. These industries represent a wide range of manufactures, many of which are relevant to strategic development, that is, development for meeting defence requirements as well as for earning, in some cases, vital foreign exchange. Their crucial requirements of coal, power, transport facilities and raw materials would obviously have to be met as a matter of high priority. As far as coal, power and transport are concerned, the practical ways in which their supplies can be increased in the short-term have been repeatedly dealt with by this journal. The resolutions on power and transport, passed at the meeting of the Associated Chambers, have also come in for fuller comment in this week's "Survey" on pages 984 and 985. They hardly need further elaboration here. Suffice it to say that both Mr. Tallack and Mr. Birla have attached particular importance to the possible early removal of the bottlenecks concerned. The former's view that there is a good case for examining the possibilities of economies in power consumption by the adoption of daylight saving to the extent possible is noteworthy in this connection.

But his plea for a rapid expansion of road transport would call for a commensurate expansion of the automobile and ancillary industries. As the automobile industry will have to meet defence needs to a greater extent than several other industries, road transport expansion will suffer as a consequence. If both defence and civilian requirements are to be met adequately, further expansion of the automobile industry would have to be speeded up with possible foreign aid for imports of equipment, spares and components. There is practically no room for adjustment here, for, as Mr. Tallack has said, most import requirements have already been considerably cut down. Further untied credits for maintenance imports, such as those of the automobile and road transport industries, can alone save the situation. This Mr. Morarji Desai himself has emphasised while pleading for larger foreign assistance, besides military aid, for financing maintenance imports to the vast network of engineering and chemical industries catering to the needs of defence. Mr. Tallack's plea that "even more intensive efforts must be made to locate suitable indigenous production of spares and components" is, of course, a practical one, though its applicability to the situation of emergency production may be open to doubt.

While thus more maintenance imports will be necessary to utilise existing capacities in a wide range of industries more fully, there will be an equal need for the import of capital equipment and technical know-how wherever essential industries have to be expanded or modernised and some new industries, such as petro-chemicals and non-ferrous metals, have to be established in the private sector. To what extent the latter need can be met by an appropriate fiscal policy for enabling existing industries to retain more earnings for financing their own expansion and for attracting foreign capital participation is a matter deserving prompt consideration. Mr. Tallack has driven home the point, in this connection, that "measures of taxation which impinge on the capacity of industry to maintain and increase production would be self-stultifying." His related plea that industry should not be called upon to transfer funds that are required to maintain essential economic activity or to finance development is unexceptionable. While broadly agreeing with this view, Mr. Morarji Desai has, however, sought to make a distinction between essential and non-essential investment. It is difficult to foresee how fiscal policy is going to be shaped for encouraging essential investment and discouraging non-essential investment. The Finance Minister, it is to be hoped, will not spring any harsh surprises on industry which may be willing, in pursuance of Mr. Tallack's offer, to transfer surplus funds to the Government on condition that they could be released quickly and easily when required for expansion.

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EUGENE BLACK

SALUTE TO AN INTERNATIONAL FIGURE

By G. L. Mehta

WHEN the Bretton Woods Conference decided to set up the International Bank for Reconstruction and Development (popularly called "The World Bank") and the International Monetary Fund, many financial *pundits* and economic experts were sceptical and distrustful. "Bankers of the world unite," American bankers seemed to say, "You have nothing to lose but your Keynes." But it was the World Bank which eventually had a world to gain. The world, too, has gained by it and its sister institutions—the International Monetary Fund, the International Finance Corporation and, more recently, the International Development Association. What is more, the bankers have united to support and strengthen the World Bank. It has borrowed 2 billion dollars (about 1,000 crores of rupees) from private investors in the United States, Switzerland, the Netherlands and Italy, which have been used to advance to developing countries. The Bank has been steadily built up over these years by the devoted services of an efficient staff. But, if credit could be given to one individual more than any other for providing the leadership, it is to Eugene R. Black who has been the President of the Bank for 13 out of its 17 years of existence. Indeed, the World Bank is known in many financial circles as "Gene Black's" Bank.

Mr. Black, a tall, lanky figure, is impressive in any gathering with his elegant bearing and relaxed manners. He hails from the State of Georgia in the South of the country and has been a banker by profession, working first in Harris Forbes and Company and then in the Chase Manhattan Bank from where he went to the I.B.R.D., succeeding Mr. John McCloy in 1949. During these years, he has not only developed the Bank but has also raised his own stature in the world community. He has enhanced the status of international civil service and has become one of the eminent international statesmen of the development decade. A couple of years ago, the London *Times* in an editorial asked: "Where is Black." For, today he is in London, tomorrow in Cairo, and the next day may be in Rio de Janeiro. The paper summed up: "The man, no less than the institution of which he is the head, is one of the phenomena of the post-war world."

Tangible Evidence of Service Rendered

Mr. Black faced a stupendous task. The Bank itself was a novel experiment in international life and particularly difficult in the complex and delicate sphere of finance. European economies had been shattered by war and conditions were chaotic. Above all, the underdeveloped parts of the world which constitute its major portion demanded massive financial aid. Economic disparities between the prosperous and the poor nations needed urgent attention and effective action. Mr. Black had sensed "the revolution of rising expectations" in the developing countries and recognised the social obligation of the "affluent societies" to help these forces into constructive channels. He desired to create a sense of partnership between the rich and the poor countries through international institutions and well-conceived plans. In this task of international co-operation, the World Bank has played, under Mr. Black's guidance and direction, a vital part. The total assistance rendered by the Bank since its inception is 6.5 billion dollars (about 3,200 crores of rupees), out of which 2.2 billion dollars (about 1,070 crores of rupees), that is, nearly 34 per cent has been allocated to Asia. India has been the largest constituent of the Bank, having obtained 817 million dollars (about 390 crores of rupees), which is nearly 12.4 per cent of the total assistance given by the Bank. Although the International Development Association is only two years old, it has already rendered considerable assistance to India during this brief period. Out of the total amount of 235 million dollars sanctioned by it up to 30th June 1962, Asia has obtained 160 million dollars and India 122 million dollars, that is, over 50 per cent of the total amount. Tangible evidence of the service rendered by the Bank is embodied in fertile lands, irrigation canals, railways, ports, roads, industrial plants and power houses in all parts of the world. Such development is proceeding despite differences in cultures, varying social institutions, and political conflicts.

Mr. Black, unlike many American financiers and businessmen, is not afraid of the word "planning." On the contrary. He insists on the right kind of planning. In his *Diplomacy of Economic Development* which was a course of lectures delivered at the Fletcher School of Law and Diplomacy, Mr. Black has said:

> "Planning, simply defined, should be the place where the political leader is faced with an awareness of the consequences of his decisions before he makes them, instead of afterwards. Taking the definition one step further, it should be the means by which the lines of communication are kept open between those who make decisions, those who 'illuminate' them, and those who carry them out."

Deeper Purpose of World Bank

The Bank has not been content with advancing money for specific projects of development. It offers *technical services* of various kinds on the preparation of development projects. Its surveys have been of considerable value to Governments or industrial firms in assessing their resources and projecting their economic activities. It has assisted the establishment of development banks or financial institutions in several countries. It has sponsored the Economic Development Institute where senior officials have a course of training in economic planning and related problems. Recently, it has set up a Development Advisory Service, comprising specially trained persons who would serve as economic and financial advisers, particularly in the preparation and execution of economic development programmes. Finance alone, though

TALK LESS

WORK MORE

important, cannot ensure economic development. Social attitudes, technical knowledge, resourceful management and skilled labour are all necessary. Mr. Black, in his valedictory address at the last meeting of the World Bank in September, emphasised this in eloquent terms:

> "The Bank's work is not to be assessed in terms of the building of cold monuments of stone and steel and concrete; it has had a deeper purpose—to enlarge the riches of the earth, to give men light and warmth, to lift them out of drudgery and despair, to interest them in the stirring of ideas and in the grasp of organisation and techniques toward the realisation of a day in which plenty will be a real possibility and not a distant dream."

But Mr. Black's services to the international community do not end here. He and the Bank have functioned as mediators in more than one instance. The World Bank helped to solve financial problems arising out of the Suez crisis of 1956 and to bring about a settlement over the Indus River basin as well as between the city of Tokyo and the French bond-holders. The principle of settlement of international disputes by peaceful means is enshrined in the Charter of the United Nations. It is not an abstraction but has to be patiently and constructively achieved. Moreover, it was at Mr. Black's initiative that a consortium of several countries was formed to formulate a programme of concerted aid to India and Pakistan. This was a form of multilateral aid to underwrite the five-year plans of these countries. In the economic sphere, such work has been done by the World Bank without noise; but it has been more valuable than the "diplomacy of the loudspeaker."

For his remarkable achievements and manifold services to international co-operation, Mr. Black was the recipient, in 1960, of three honorary degrees from three leading universities—Princeton, Yale and Harvard—a unique honour which no other individual has probably got. In their citations, Princeton described him as "a native Georgian still engaged in reconstruction"; Yale called him one who has "circled the globe to develop industry and agriculture for less fortunate people"; and Harvard referred to him as one under whose "guidance a new venture in bank brings dams and dynamos for less fortunate people." These tributes were richly deserved.

A Banker with a Social Purpose

For Mr. Black has been that rare person—a banker with a social purpose. He has brought creative imagination in the realm of economic development. He has sought to translate ideals in terms of a positive economic policy and to canalise economic forces for the attainment of social objectives. We all want development with stability, but it takes a farsighted statesman to recognise that the maintenance of stability itself needs development. And not only recognise in words but achieve it by methodical action. Year after year, in his addresses at the annual meetings of the Bank-Fund which reflect a highly civilised outlook and are a model of lucid exposition, Mr. Black has shown how a sense of realism can be harnessed to creativeness. With his wide knowledge and sympathies, he realises the predicament of the underdeveloped countries which will have to bear the intolerable burden of repayment while confronted with unfavourable terms of trade. In his parting message to the Bank meeting last September, he, therefore, forcefully pleaded for multilateral aid free from political influences and based on an appropriate order of economic priorities. Such aid, he said, could be most effective if channelled through an international agency which could spread its net more widely than any single country and would exert a healthier influence than bilateral lending upon international relations. Consequently, it is to the International Development Association rather than to the Bank that developing countries would have to look in the coming years for help. The I.D.A. provides what are called "soft" loans —loans bearing nominal service charges and repayable over 40 to 50 years for projects which, although essential to a national economy, do not stand the strict return criteria of the World Bank. This is the challenge that faces Mr. Black's successor—incidentally, chosen by Mr. Black himself—Mr. George D. Woods: the task, namely, to provide long-term capital on easy terms for developing the infra-structures of economically backward countries whose problems of repayment will be increasingly serious and which have to suffer a depression in commodity prices. In other words, the emphasis will have to be more on well-directed aid rather than on conventional banking. This is not a matter of philanthropy or benevolence. In a world where poverty anywhere threatens prosperity everywhere, economic altruism is the reverse side of enlightened self-interest.

Three Favourite B's

But Mr. Black is not a banker all over and all the time. He has many other interests. His three favourite B's are said to be Banking, Baseball and the Bard. He is a passionate baseball fan. Immediately the Bank-Fund meetings are over, he rushes to New York or flies to Los Angeles to watch the World Series (where he once took Mr. Morarji Desai) of matches between Yankees and Dodgers. While Mr. Black is widely read, he is a keen student of the Bard of Stratford-on-Avon. I remember his once telling me that he had read Sir Walter Scott's novels during the previous vacation which somewhat surprised me; because I thought no one read Scott nowadays! He is also intensely interested in the theatre and has, I believe, done some dramatic criticism in the past. But above all, he is a Shakespearian and has been connected with Stratford-on-Avon which he visits regularly at the time of the annual festival. It is rumoured also that there is a fourth "B"— Bourbon which he carries with him but this should only be whispered in a prohibition area!

As Mr. Black lays down the reins of his office, he has the supreme satisfaction of having created a great international institution but even more, of having kindled a ray of hope among the peoples of the world in many countries striving to raise their standards of living and eradicate poverty, ill-health, illiteracy, unemployment. No more enduring monument can be raised for one who has truly been a citizen of the world.

MARKET GOSSIP

Cloth Stocks

CRIES of heavy accumulations of cloth stocks with cotton mills are being heard again. What exactly is the position? The total of these stocks is put at over 646 million yards—the official estimate is only 568 million yards—as against the 571 million yards held at this time last year. Stocks have been rising since the end of April when they stood at less than 446 million yards. Although the stock of 646 million yards represents just six weeks' offtake for domestic consumption and exports, its impact on the mills has been very severe, especially at present when the mills are finding it difficult to get the requisite credit facilities from commercial banks. The inability of banks to meet the credit requirements of their cotton mill clients in full is attributed to the Reserve Bank's restriction on accommodation to scheduled banks. There is, as readers are aware, an overall limit to the volume of credit that any bank can avail of from the Reserve Bank. It is true that a bank can exceed this limit, but it has to pay the penal rate of 6.5 per cent per annum. Besides, the scope for doing so is not unlimited, for there is a quota for each bank even for this costly facility. It is also true that the Reserve Bank has asked the scheduled banks to extend credit under the usual conditions to the cotton mill industry to tide over the temporary crisis caused by heavy stock accumulations and seek accommodation from it whenever necessary. But many banks do not consider it worthwhile to borrow at such a heavy rate of interest from the Reserve Bank and then lend to the cotton mills. Further, the banks normally give credit to cotton mills against their stocks only to the extent of 60-65 per cent (average) of total stocks. Since the persistent heavy accumulations of cloth stocks entail much financial burden, several mills may, as was the case during the year 1960, curtail their production operations. Inasmuch as the country can ill-afford such an eventuality in view of the present national emergency, the Reserve Bank will do well to relax the overall accommodation limit prescribed for the banking system, so that the latter will liberalise their credit policies. It may tighten the screw again when stocks fall or if it finds that the banks are misusing the facility by encouraging speculation. It is necessary to underline that, in the present juncture, the banks in the country have to exercise great care in seeing that their capacity to create credit is used only for productive purposes.

The need for helping the cotton mills out of financial stringency is urgent all the more because they are today badly caught between lower output on inflated cost base, on the one side, and lower sales realisations, on the other. The actual cloth output in the first ten months of 1962 was no more than 4,158 million yards, a decline of 132 million yards as compared with the production in the corresponding period of 1961. The quantity of yarn spun was also lower at 1,566 million lbs., as against 1,572 million lbs. Sales realisations have tended to decline following reduced offtake and voluntary price regulation scheme. Data relating to the first ten months of this year as compared with the same period last year reveal that the actual despatches of cloth from mills for domestic consumption were lower by 160 million yards at 3,696 million yards and those for export by 70 million yards at 410 million yards.

Groundnut Declines

Ever since the Chinese aggression took a violent turn and assumed massive proportions on 20th October last, commodity markets have been ruling weak. The setback in oilseeds and oils in particular has been marked. The Groundnut January 1963 hedge contract, for instance, has fallen by as much as about Rs. 30 to just over Rs. 204 per 250 kgs. during the last six weeks. Spot groundnut (Khandesh quality) has also lost a like amount to stand at about Rs. 202. The price of groundnut oil at the same time has tumbled down from just less than Rs. 2,000 per tonne during the third week of October to less than Rs. 1,700 now, the net decline being about Rs. 300. The latest quotations are much lower, as compared with even those a year ago, when the groundnut futures contract stood at Rs. 215, spot groundnut at Rs. 243 (per 250 kgs.) and oil at Rs. 2,015 (per tonne). The decline in prices of groundnuts and other seeds and oils have come as a pleasant surprise to consumers (of both edible and industrial oils) no less than to shippers.

The major factor behind the fall in prices has been psychological. The predicament in which China has placed India has engendered a bearish trend, for reasons which are inexplicable. Admittedly, the ban on forward trading in gold, *kanas* and non-ferrous metals, besides shares, has been more responsible for this trend than the Chinese aggression. Speculators do not rule out the possibility of a ban on futures trading in oilseeds also. No wonder then that professional operators have refused to extend any support even at lower levels. Scarcity of bank credit may have been another cause, for it is not conducive to hoarding. The reported decision of the Government of India to allow the *vanaspati* industry to import about 50,000 tons of soyabean oil from the U.S., under P.L. 480, has also acted as a damper.

The aforesaid factors alone would not have been successful in pushing down the oilseeds prices to the extent they have done, but for the commencement of arrivals of new crop groundnuts into terminal markets. In Andhra Pradesh, Maharashtra and Kathiawad, crop movements have begun in a big way.

The consensus of opinion among operators is that, contrary to earlier fears of a decline, the current crop of groundnut is larger than the 1961-62 output. Some private estimates place the increase in output at about 100,000 tons. In 1961-62, the output of groundnuts amounted to 4.68 million tons, or an increase of 6.6 per cent over the previous year, according to final official estimates just made available.

A clear idea of the current crop position of other seeds will not be available for a couple of months more. But a brief mention may be made here of the final crop estimates for other oilseeds for the last season. In 1961-62, the production of castorseed was higher by just 12,000 tons at 101,000 tons, as compared with the previous year. The output of sesamum also rose by 50,000 tons to 366,000 tons and that of linseed by 2,000 tons to 391,000 tons. But the output of rapeseed and mustard fell by 50,000 tons to 1.29 million tons. The aggregate production of these five major oilseeds taken together was 6.83 million tons in 1961-62, as against 6.52 million tons in 1960-61. This represents a small increase of just about 5 per cent over a year.

World production of oilseeds has been going up at a much faster rate than that in India. For instance, the output of soyabean rose by about 3.7 million tons to 18.5 million tons in 1961-62, as compared with the previous year. A further rise of about one per cent is expected in the U.S. during the current crop year. The position of world groundnut crop has also been generally good. The total world output of groundnuts rose by about 600,000 tons to 11.1 million tons in 1961-62, as compared with the previous year. The output of world cottonseed and sunflowerseed too continued to go up in 1961-62. World supply of oils of these two seeds are now said to be quite plentiful. In view of the comfortable supply position, values of world oilseeds and oils have moved down considerably. In the London market, groundnut oil (B.W.A.) is currently quoted at £96 per ton, as compared with £109 a year ago and groundnut at £58 per ton, as against £65 a year ago. The fall in world prices have been quite substantial during the last one year and, therefore, even the latest sharp fall in the prices of Indian oils has not brought them in parity with world prices. There is, however, no denying the fact that the gap between Indian and world prices of oils and oilseeds has narrowed down in the last few weeks. Consequently, the export prospects are now a little better than before.

A word of caution at this stage will, however, be in order. In the first place, the weakness of the oilseeds market has been induced largely by the operators' fear that Government may impose restrictions on forward trading in oilseeds. If these fears turn out to be without substance, the present trend may be revised. Secondly, it will take some more time to get a clear picture of the crop prospects for castorseed, linseed, etc. If their output happens to be smaller, the supply position of oilseeds and oils as a whole will turn in favour of bulls. There is, therefore, no room for complacency on the part of officials. Nor is there any basis for consumers to think that the worst is over.

L.I.C. Bonus Disappointing

Caution may be a virtue in business, but ultra-conservatism is not. This is true of the basis adopted by the Life Insurance Corporation for its third valuation, the results of which were published this week. It is an extremely stringent one and cannot be defended on actuarial or any other rational grounds. For there has been improvement in almost every aspect of business having a bearing on valuation during the two years, 1960 and 1961, covered by the present valuation. And still the Corporation has retained the basis adopted for the second valuation which itself was stringent. There has been a substantial increase in the yield on the Corporation's investment, a marked decline in the renewal expense ratio and a distinct improvement in mortality during the *biennium* covered by the valuation, as compared with the preceding *biennium*. These surely warrant a less niggardly distribution to policyholders than before. Instead, the Corporation has thought it fit to keep the bonus for participating policies at the same level as in the previous valuation, namely, Rs. 16 per thousand sum assured per annum for whole life assurances and Rs. 12.80 per thousand sum assured per annum for endownment assurances. As in the previous valuation, proportionate bonuses have been declared for participating policies of the erstwhile insurers in accordance with the Classification of Policies (for Differential Bonuses) Regulations, 1961. Under this classification, it may be noted, the participating policies of the erstwhile insurers and the Corporation are classified into 25 groups. Each group has been allotted an index number which varies from 49 to *nil*, with the Corporation having a key index of 10.

The net rate of interest earned on the Corporation's investment in the *biennium* was 3.55 per cent in 1960 and 4.68 per cent in 1961, as compared with 3.52 per cent in 1958 and 4.08 per cent in 1959. The average net rate of interest earned during the two-year period works out to 4.14 per cent, as against 3.81 per cent in the preceding *biennium*. In spite of this improvement in yield, the rate of interest assumed for the purpose of the current valuation is the same as that in the previous *biennium*, namely, 2.875 per cent. The reason given by the actuaries for not taking into account a higher rate of interest, which they themselves admit could have been done, is that it is not advisable to do so at present, in view of the likely effect on the national economy of the Sino-Indian war. They have, however, not explained these likely effects. Apparently, they feel that the volume of new business may go down, in view of the mobilisation of savings in various ways for financing the war effort. But this pessimistic inference is not borne out by the experience of the country in the last World War. They may also be feeling that costs would go up and that interest rates would go down. But these misgivings could easily be exaggerated to the detriment of existing policyholders who have contributed to the present surplus. In fine, the actuaries' assessment of the yield prospects of the Corporation's investments reflects either undue pessimism or a reluctance to give policyholders their legitimate due or both. With the major portion of the Corporation's funds pouring into Government securities and the era of high interest rates having come to stay, there is no reason to suppose that the yield on the Corporation's investment would go down. There may be a slight fall in interest rates in the years to come, but there is going to be no return to cheap money. There is every reason to believe that interest rates will stay at levels which will belie the assumptions of the L.I.C.'s actuaries (Mr. V. H. Vora and Mr. D. D. Markan) at least for some, if not many, years to come.

The over-cautiousness displayed by the L.I.C. actuaries could have been justified had the mortality experience and expense ratio been showing an unfavourable trend. But that has not been the case. Mortality experience has been very favourable; in fact, it has been better than the mortality basis used in the premium tables and that assumed for the last valuation. This is confirmed by an analysis of the mortality experience during 1961 of fifteen selected Divisional offices of the L.I.C. and of major Integrated Head Office Units of nine of the companies taken over by the Corporation. The mortality table used for the present and the previous valuation is the same, namely, Modified Oriental (1925-35) Ultimate Mortality Table. This is, of course, a lighter table as compared with the Oriental (1952-53) Ultimate Mortality Table used in the 1957 valuation, for the modified table reflected the progressive improvement in mortality experience. But it does not reflect the improvement to the full extent. We are told that a detailed investigation into the mortality experience during 1961-64 of the lives assured with the Corporation has been taken in hand by the Corporation. When the results of this investigation are available, it would show the extent of the margin between the actual mortality experience and the assumption made in the valuation.

There has also not been any relaxation in the provision made by the actuaries in regard to expenses, in spite of the fall in renewal expense ratio from 15.46 per cent in 1958 to 12.90 per cent in 1960 and still further to 12.42 per cent in 1961. They have assumed that 20 per cent of premium for participating policies and 15 per cent for non-participating policies would be required for covering expenses. These are more or less the same ratios adopted in the 1957 valuation, since when the renewal expense ratio has declined by nearly 25 per cent.

The stringent basis adopted for valuation has greatly deflated the surplus available for distribution. Thus, in spite of the fact that the total business in force, excluding annuities, at the time of valuation stood at Rs. 2,737 crores, the distributable surplus is only Rs. 34.45 crores, as against Rs. 25.57 crores in the last valuation when total business in force aggregated Rs. 1,997 crores. Of this, Rs. 32.73 crores have been allocated to policyholders and Rs. 1.72 crore to the Government. The total number of participating policies is 6.5 million, of which 300,000 are whole-life policies and 6.2 million endownment policies.

The Corporation has been repeatedly countering the plea for a reduction in the premium rates in the light of the improvement in mortality experience, on the ground that it is unwise to make such downward adjustments periodically and that the best way of passing on to policyholders the benefit of the surplus resulting from lower death rate, etc., would be to declare higher bonuses. But the two valuations show that, when the time comes, the L.I.C. is extremely reluctant to increase the policyholders' share of the surplus, even if it could be done without in any way weakening the financial position of the Corporation. Answering the criticism of Pressmen that the Corporation was needlessly conservative in its valuation, Mr. B. K. Kaul, Chairman of the Corporation, stated that the undistributed portion of the surplus, if any, would only go to strengthen the life fund. Policyholders, however, cannot derive much comfort from this explanation, for excessive accumulation of surpluses is of no direct benefit to them. Besides, it might be an indirect inducement for extravagance.

To sum up, the L.I.C. enjoys the total monopoly of all life business in this country. It has, therefore, a special obligation to policyholders, the obligation being to be fair in declaring bonuses. In this respect, it has to be more liberal than were the private insurers many of whom denied the policyholders their due under various pretexts, until competition from more enterprising insurers such as New India and Norwich forced them to behave. The policy of ultra-conservatism adopted by some of them in the name of financial prudence and foresight, so that they could declare fantastically high dividends, is by no means an ideal model for a public sector undertaking which has been set up not for minting profits by squeezing the policyholders, most of whom are hard-working middle classes hard hit by the fall in the purchasing power of money, but for making life insurance attractive, safe and cheap. There is no sign of socialism at all in the bonus policy of L.I.C. On the contrary, it is in the best traditions of a tight-fisted capitalist organisation. By following such a policy, the L.I.C. is only substantiating the common criticism that State capitalism is worse than the capitalism in a private enterprise economy. One has only to compare the bonuses declared by the life insurance companies in the U.K. and the U.S., for instance, to realise the merit of this complaint.

To deny policyholders, in the name of stability, a fair share in the years when surpluses are

(*Continued on page 1017*)

CAN INDIA'S ECONOMY TAKE IT?

YES, IF SOME PRE-CONDITIONS FULFILLED

By G. D. Birla

[The massive defence effort required to throw back the Chinese invaders and ensure the long-term security of India's borders will not be beyond the economic capacity of the country, if the production increases envisaged under the third Plan are achieved. In giving expression to this confident view in an article in The Hindustan Times *of the 4th instant, Mr. G. D. Birla has cleared the air for a pragmatic and positive approach to the urgent task of economic mobilisation. We are reproducing the article here in the hope that the Cassandras who think that India's economy cannot take it will read and re-read his thesis and that the powers-that-be will pay heed to his suggestions for achieving success. They must, in particular, take note of the* sine qua non *for his premise.—*ED.]

COMMENTATORS in India and abroad are almost unanimous that war with China—and it is bound to be a prolonged war—must greatly strain the Indian economy and come in the way of its development. This conclusion looks so obvious that no man, on first thought, will venture to question its accuracy. Yet, one can demand a little more investigation to find out whether this conclusion had good foundation or is just a hackneyed assumption associated with the mental habit of taking things for granted too readily.

The Last War

In the last world war, there was a great strain on the economies of all participating countries. But in the end, it hardly left any permanent scar on the economic conditions of any of the countries that were involved. Thanks to the gigantic help from the United States, even the vanquished countries like Germany, Italy and Japan, starting from absolute scratch, rebuilt their position at a fantastic speed and raised their prosperity to levels much higher than those which existed before the war.

Russia fared no worse. If anything, it is far stronger and richer than before. Britain has ceased to be a major power politically, but not economically. The standard of living of the common man there has sharply gone up and is now much higher than the pre-war standard. The United States, too, has expanded its economy. The progress made by her during and after the war in industrial production is astounding. It sounds queer, but it is a fact that the sense of urgency created by war is a great tonic for activity in every field, not excluding science and education. Is there any reason, therefore, to conclude that India alone must suffer economically due to the war or that the Plan should be suspended during the war period?

Bigger Targets

The Prime Minister has rightly said that the Plan should not be pruned or suspended. The Finance Minister in his speech in Calcutta last week expressed an identical view. I entirely agree and go a step further: if the war has to be fought successfully, not only the third Plan should be fulfilled, but all sorts of encouragement should be given to production to achieve much bigger targets than those envisaged in the Plan. Modern wars are not fought with *lathis* or fists. They are fought on the strength of production, industrial specially, but agricultural no less. Therefore, to win the war we will have to work towards greater production with greater vigour than in ordinary times.

The Plan cannot, therefore, be suspended. It may be necessary to make adjustments—cut down programmes with low priority such as community projects and raise other targets of development with higher priority. In the ultimate analysis, we must aim at larger production and a larger national income than envisaged in the Plan.

Clear Appreciation

There is thus no reason to believe that, during the period of war, the economy of the country as a whole will suffer, provided of course we can achieve the production increases. If we have a clear appreciation of this position, then we should plan to exploit the enthusiasm created by the war to short-circuit the hurdles of red-tapism, provide an efficient administration and strive to reach all Plan targets.

How much more do we need to spend on military expenditure due to war? Let us assume that the Defence Budget which is now about Rs. 380 crores will be raised eventually to Rs. 1,000 crores a year. Having regard to the strength of China, which need not be exaggerated, it is neither necessary nor, having regard to our own resources, is it possible to go beyond this sum over the next few years.

If, therefore, we have to find another Rs. 620 crores a year for fighting a war, we may safely assume that about Rs. 300 crores out of this should come from equipment imported from abroad for which countries friendly to us will take up the responsibility. We ourselves will, therefore, have to find only about Rs. 320 crores. This latter, of course, has to come out of the national income through taxation and loans.

Vital Targets

The whole question is: Can the country's economy bear a new annual burden of Rs. 350 crores? The answer certainly is "yes" if we can achieve the targets of production envisaged in the third Plan. This "if", however, is very important. It is the *sine qua non* of the whole premise. The emphasis on this "if" is fundamental because very often lip sympathy is paid to production, while, when fiscal and other economic policies are planned, the needs of expansion are thrown to the winds.

The present national income of India is about Rs. 14,000 crores. The target for the third Plan is Rs. 19,000 crores. Assuming that we can push it up to beyond Rs. 20,000 crores by the end of 1965, what is this burden of another Rs. 350 crores a year to our economy? But we must achieve this target. Supplies cannot come out of scarcity. This is a simple proposition which because it is so obvious is often ignored.

Apart from war expenses, many other welfare expenses on subjects such as education will

Hear No Rumour

Spread No Rumour

continue to receive our attention as provided for in the Plan. They should not at all be cut since welfare expenses are as important for the war effort as armaments. We will need more education, more technicians and greater comforts for the masses who provide the fighting forces.

Therefore, the whole question boils down to a new intelligent orientation of our economic policies so as to promote a vigorous rise in production all round.

Burden Not Too Big

If we do all this, we may be sure that the burden is not too big for us to bear. What is therefore needed is thinking in a new and bold way and the determination to implement policies and programmes which have been agreed upon.

On what services and goods are we likely to disburse this extra provision of Rs. 350 crores a year in the Defence Budget? A substantial portion will be spent on salaries and wages. We may have to raise many more divisions in order to increase the strength of our Armed Forces. The first item out of this extra Budget would be spent on the salaries of troops, officers, the administrative staff, medical, nursing and other ancillary personnel. This obviously will create extra purchasing power leading to a rise in demand for all sorts of essential commodities.

These we must produce unless we are ready to face scarcity which we dare not. Then we have to spend a lot of money on armaments, transport, rail and road, expansion of ordnance factories, etc. All these stem from steel, whether raw or fabricated. For this we have to expand steel production and set up more capital goods plants and fabrication plants to convert steel into all sorts of war goods, armaments, railway equipment, bridges, trucks and even capital goods.

We will need ammunition, which means expanding the manufacture of explosives which in turn means increased production of fertilisers which we also need for more food production. Thus, chemical plants come into the picture. We need more roads for which we need more cement. For making more roads we require earth-moving equipment, which again means steel and its fabrication. We require parachute cloth, warm and cotton, tents, and so on—that is, more production from the textile industry. We need more engineers and scientists, thus calling for greater educational facilities. In this way when we begin to make a long list of all our requirements, we suddenly discover that we are only reciting the targets already provided in the third Plan except those with low priority. Thus there is close affinity between the targets of the Plan and the targets for war production.

Hurdles in Way

There are no doubt hurdles in the way of achieving Plan targets and pursuing at the same time a total war effort. They must be negotiated briskly. The following are some of the more important problems:

Lack of adequate foreign finance: Exports, loans, aid and investments are the main sources of earning foreign exchange. Export promotion is a long-term business and it can be achieved only by the reduction of costs through modern methods of production. Loans and aid we are already getting. The war has created great sympathy for us in all the friendly countries of the West so that we can expect to get much more assistance in the future. Not the slightest attention has, however, been paid to foreign investments. This requires a proper atmosphere. A good fiscal policy is the main stimulant, entirely absent now. The Finance Minister, in his speech to the Associated Chambers of Commerce, has rightly emphasised the importance of foreign investments. But the Finance Ministry has not paid much attention to this point so far. Mr. Morarji Desai no doubt realises that it is not enough to appeal to foreign investors already here not to go away. It is also necessary to attract fresh investors by creating a favourable climate for new investments. Simplification of procedures for foreign collaboration is equally important. The attitudes adopted by the Secretariat in Delhi have so far been a great disappointment to investors abroad.

Adequate supply of equipments and know-how: We cannot for ever continue to import equipment from abroad. For the production of capital goods, know-how is necessary and this we have to import from abroad. A liberal policy in this connection is necessary. The establishment of capital goods industries should be given the highest priority and stimulation.

Red Tape

Inefficiency in administration: One need not elaborate on this. Everybody knows how much of it there is. It has been brought out strikingly at this early stage of the war. Inefficiency in administration was the root cause of our reverses on the frontier. The Planning Commission is the greatest hurdle in the way of short-circuiting red-tapism. All procedures should be simplified. With the creation of the Ministry of Co-ordination, with Mr. T. T. Krishnamachari as its head, one expects much better results.

Shortage of coal, power and transport: All these could be remedied provided there is a realistic approach to the problem. An appreciation of the harm that this inefficiency and the out-of-date policy of Government have done is essential. To rectify the present deficiencies, Ministers with knowledge, drive and realism are needed to preside over these ministries.

Industrial policy: This will require some modification to suit the new demands. As it is, there are too many "don'ts" in it. A more positive approach is needed.

May one expect that the war exigencies have created a new psychology in the Government in favour of realism and efficiency?

PERSPECTIVES & PROJECTIONS

By Mercator

Hard Choice

"And so while the great ones depart to their dinner,
The secretary stays, growing thinner and thinner,
Racking his brain to record and report
What he thinks that they think that they ought to have thought."

—SIR ARTHUR BRYANT,
In *The Turn of the Tide.*

THE above quotation sums up the predicament not only of the secretaries who have to act as *rapporteurs* at the various meetings of co-ordinating bodies set up by the Union Government during the present crisis but also of the journalist who has to do his duty by the public by his report or comment. The agonising re-appraisals are yet incomplete but the impression one gets is of a general inability on the part of the Government to get through measures required for the long period of defence preparations ahead. Men who can take decisions quickly are wanted more than ever, but even if found they should have strong political backing. The clumsy ways in which the Government is going about relatively non-controversial measures like those for control of stock and commodity markets and essential supplies shows no abundance of capacity for taking decisions. But, in the field of defence and economic mobilisation, some of the choices are very hard at the moment. It is easy for writers of letters to the editors to say that we must have an absolutely thorough system of civil defence, with A.R.P. shelters, fire-fighting equipment, home guards and all the rest but that will cost money which may be needed more urgently for ammunition or automatic weapons; and, if the Chinese are only keen on keeping up the border war indefinitely, some waste of resources will be inevitable on measures which may never be needed. On the other hand, unpreparedness may make Cassandras later on to say how right they were. The *via media* between an excess and a lack of enthusiasm cannot be laid down by law but only by the discretion of those in charge.

In spite of a Ministry of Co-ordination, some matters are still pending action. A beginning has been made in special arrangements for transport of jute and tea from Assam; airlift has also been suggested since transport planes carrying supplies for the Army will be mostly returning empty. Some special arrangements for financing jute and tea crops are probably needed now, since, with the threat of an invasion, normal credit sources may dry up, unless, of course, a scheme of insurance of war risks is put into effect at once to assure investors and creditors that they will be safe. The delay in working out a scheme is indeed intriguing; with a skeleton legislation merely giving powers to to the executive, a quick actuarial assessment of the risks in the areas immediately exposed—Assam and some parts of West Bengal—should be possible. The Reserve Bank must be ready with alternative supplies of credit facilities. An insurance scheme was operated during the last war but the problem now is more limited in area and the nature of risks to be covered though as time goes on these will become clearer. While foreign exchange may be a difficulty in reinsuring such risks with foreign companies, confidence can be immediately restored by a summary proposal covering war risks for a small premium, of about ½ per cent of capital cost of goods and industrial or agricultural installations.

* * * *

Parley with Pakistan

If China wished to wreck all chances of an Indo-Pakistan *rapprochement* at this time, she cannot find a better method than persistence in the present peace offensive, which will weaken the will on both sides to compromise. It was, however, unfortunate that the first obstacle should have come from the Indian side, through Mr. Nehru's statement ostensibly intended to contradict a B.B.C. report, suggesting partition as a possible solution. Such proposals have been made quite often before and some partition is involved even if the present line of control is sought to be stabilised, Mr. Nehru had not ruled out such proposals in the past and the present abrupt reaction to the B.B.C. not only upset much of the patient work of the British and American missions but also created for Mr. Nehru himself a problem of reconciling his later statement (made after Mr. Sandys' mid-night dash to New Delhi from Karachi) with the one made earlier. This may be one of the handicaps of having a Parliament in session when high policies are in a fluid state and there is little patience for finding diplomatic answers.

High hopes of a solution may be unwarranted on this occasion also, as they were before. President Ayub may not be in as strong a position to make large concessions as he was two years ago when he signed the Indus Waters Treaty and one of the questions on this side will be whether, even if he does make them, will he be in a position to ensure that they will be honoured? Unity in this sub-continent is essential to meet the enemy who is a danger to both countries, though in Pakistan widespread myopia may obscure it from the eyes of politicians. On the other hand, both the West and some responsible sections in Pakistan (unrecognisable perhaps to the naked eye) should be able to see that communal passions are not inflamed at this moment by a revival of the two-nation theory, which in the end will only weaken both Kashmir and India and not strengthen their defence preparations. So a plebiscite, which India has never wanted for these and other reasons, seems to be ruled out in any case.

If Pakistan cannot agree to border adjustments which may give her *de jure* control over what she holds (or more), she may in fact be faced with a proposal for revival of the idea of independent Kashmir for which Sheikh Abdulla had worked and which he might still want if free. In such an event, Pakistan's loss will be greater though she may derive satisfaction from the fact that it will still be smaller than India's. But Western supporters of this scheme may have also to consider whether this new arrangement will in actual practice strengthen this area against Chinese designs on Kashmir's frontiers, unless there are joint guarantees for safeguarding them in which both India and Pakistan participate along with the major powers and perhaps the U.N. also. Thus the condominium idea may crop up in some form or other. Once the question is reopened, a Pandora's box of troubles will be let loose, diverting attention from the main and immediate problem of defending against aggression.

In these circumstances, an agreement that Indian forces can be taken away without risks from the frontiers of Pakistan, in exchange for an assurance that a certain procedure will be followed for settlement of the problem at the end of the emergency, is all that one can hope and work for; further improvement on this understanding will be possible only if the Chinese threat definitely recedes for the time being at least and there is clear proof to that effect. If indeed by some process of equivocation China reaches a position which satisfies the Indian demand for restoration of the line on 8th September 1962. India will be involved in long-drawn-out negotiations with China, which are bound to be equally exhausting, considering the amount of confusion it can create about places, names, history and geography. With the outcome of such negotiations in uncertainty, it is a *moot* point whether simultaneously strenuous negotiations will be possible with Pakistan. Western opinion has always underestimated the complexity of the Kashmir problem, though now it is, perhaps, dimly aware of the difficulty of dealing with a party like Pakistan, which has shown not only unreasonable animosity towards India but also struck up unwise attitudes about its own alliances on which the West has greatly relied.

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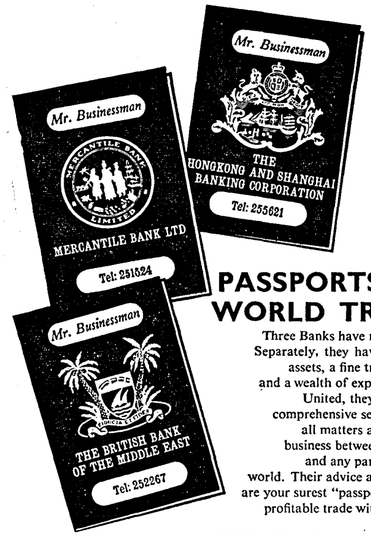
Focus on Language

The Rajya Sabha found sufficient time to debate what must appear to many a minor issue during the emergency, namely, the position of the linguistic minorities in the States. There were the usual complaints of omission and commission, but the present mood of overlooking these in the face of the national danger prevailed on all sides. The debate was important only for two points made by Mr. Lal Bahadur Shastri in his reply. The first was the warning to the States against a hasty switchover to regional languages as the medium of higher education, which he said would lead to "compartmentalisation" in the country. His colleague, Dr. Shrimali, should be educated on this matter even more systematically than the State Governments. Dr. Shrimali's tactics are simple, almost naively so; once English is wholly subordinated (if not banished altogether), there will be a compulsion on those who study in non-Hindi

(*Continued on page 986*)



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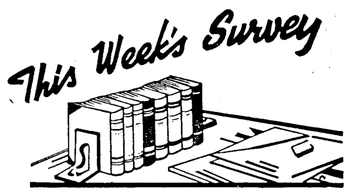

"ASSOCHAM" ON AGRICULTURE

THE need for urgent measures to improve agricultural productivity was stressed in a resolution adopted by the Associated Chambers of Commerce of India at its latest annual meeting held at Calcutta. The resolution rightly points out that increase in productivity should be considered the fundamental basis for expanding output and for maintaining price stability, which are both essential for the successful mobilisation of resources to meet the Sino-Indian war emergency. Mr. F. E. H. Goddard, who proposed the resolution, conceded that the food situation at present was satisfactory. But he cautioned that the present happy situation, which was to some extent, the result of larger imports, should not breed a sense of false optimism. This is certainly a timely warning, considering the slow progress on the agricultural front in relation to the third Plan target of foodgrains and the "inexorable increase" in population.

In the 1961-62 crop year, roughly corresponding to the first year of the third Plan, it may be noted in this connection, there was actually a decline in the production of both cereals and pulses, as compared with the previous year. According to official final estimates, the output of cereals fell from 68.32 million tonnes in 1960-61 to 68.17 million tonnes (despite an increase in wheat output from 10.99 million tonnes to 11.81 million tonnes). Production of pulses went down from 12.65 million tonnes to 11.66 million tonnes. Thus, the aggregate foodgrains output was lower by 1.14 million tonnes at 79.83 million tonnes in 1961-62, as compared with the previous year. The third Plan target of 100 million tons (to be attained by 1965-66) thus remains a far cry. The production of commercial crops, particularly cotton, has also not been satisfactory. Although jute output in 1961-62 was higher, this was not due to any increase in productivity, but was largely because of diversion of land from paddy cultivation, induced by the high prices for jute.

In order to step up productivity, Mr. Goddard suggested several measures of intensive farming. As he himself observed, there are many excellent schemes for improving agricultural output, but "they are not getting across to all the farmers." This is a matter of inadequate administrative machinery and inept organisational arrangements. The resolution therefore urges that the authorities should deal with the question of intensified cultivation of crops, particularly jute, cotton and oilseeds where the final manufactured products are among the country's staple exports, as one of urgent national importance. Equal attention deserves to be given to the possibility of implementing crop insurance schemes, which was suggested by Mr. J. R. Clarke, the spokesman of the Punjab and Delhi Chamber of Commerce. According to him, the farmers should be protected against natural calamities, without which they would not have sufficient confidence in going about the business of cultivation in a more determined and scientific manner. Another important point stressed by Mr. Clarke is the need for exempting mechanised farms run by companies from the land ceiling legislation. This stand of Mr. Clarke is based on rational economic grounds, for, on farms run by companies, productivity is much better than on individual farms in the country.

POWER SHORTAGE

Utilisation of installed capacity, according to a recent official study, is well below 65 per cent in as many as 75 industries. No wonder, therefore, the tempo of industrial production has slowed down in the last one year. This state of affairs has been largely due to the crucial shortages of coal, power, transport and raw materials. Among these shortages, the first three have claimed attention in the deliberations of the Associated Chambers of Commerce, Calcutta, since December 1960. The factor of power shortage, in particular, has repeatedly come in for anxious treatment at the meetings of the Chambers in recent years. But the power crisis has not abated in the least, and so the Associated Chambers, at their latest annual meeting held early this week, returned to the theme with renewed vigour and passed the following resolution:

"The nation-wide shortage of electric power is one of the most inhibiting factors in the present emergency and threatens to cripple industrial production and prevent the expansion of industries necessary to meet urgent national requirements and the Associated Chambers, therefore, urge with all the emphasis at their command that there should be a concerted effort (i) to make the most efficient use of existing generating capacity and to increase it as rapidly as possible, the immediate and short-term emphasis being on the installation of thermal units; (ii) to remove obstacles which prevent industrial units installing their own generating equipment, where necessary; and (iii) to amend the financial provisions of the Electricity (Supply) Act, 1948, so as to remove those factors which at present discourage the development of supply undertakings."

The first emphasis in the above resolution, which was proposed by Mr. H. P. Nanda of the Punjab and Delhi Chamber of Commerce and seconded by Mr. A. D. Ogilvie of the Bengal Chamber of Commerce and Industry, is appropriately on power generation and the need for increasing it. Power demand is known to double itself every four or five years. But generation has not kept pace with demand in the last five years, as will be seen from the *monthly average* of 1,031 million kw.h. of electricity generated in 1958 and of 1,753 million kw.h. in 1962 (first seven months). Since, thus, generation of power has not been commensurate with the needs of industrialisation, the latter's tempo itself has slowed down as a consequence. The remedy would appear to lie in immediate and short-term emphasis on additional thermal units, particularly in and near the coal belts, without prejudice to long-term planning of hydro and atomic power units. The immediate or short-term programme should also cover fuller and more efficient utilisation of existing generating capacity. The authorities could usefully carry out, in this connection, a survey of the installed capacity of generating plants and the extent of possible deration, so that, whenever a particular unit generates lower than the maximum possible, immediate remedial action can be taken. Equally relevant in this context is the suggested technical examination of the maintenance schedules of power generating units for the purpose of ensuring proper maintenance of plant and equipment as a safeguard against breakdowns. This would involve, as a corollary, the immediate issue of import licences for spares for repair and replacement purposes. Above all, there is a case for upgrading coal supplies to power stations in cases where the current policy of downgrading such supplies has reduced energy output.

As for the suggested removal of obstacles in the way of installation of generating plants by industrial units themselves, the mover of the resolution at the meeting of the Associated Chambers has urged the Government to clarify its thinking on the matter. In his view, generation of power, wherever possible, by industrial units for their own requirements is a "must not only today but in future years also." Wherever a group of industries offers to establish jointly a power plant, the authorities should encourage such effort and not thwart it as they did in the case of the joint proposal of a group of Madras industrialists for establishing a thermal unit. It stands to reason that where some industries may individually find it too uneconomic to have their own generating units, they could more usefully pool their resources and jointly run an economic power plant for their common purposes.

The question of amending the Electricity (Supply) Act so as to provide greater incentives to the private-sector electricity undertakings for development continues to be undecided even after years of representation by the industry. If these undertakings are to play their full part, as they very well can, in meeting the ever-increasing demand for power, the standard rate of return would have to be suitably increased. Only such a higher rate of return will enable the electricity undertakings to raise further equity capital for development. Unless this basic and vital demand of the undertakings is conceded without further loss of time, it is difficult to see how this industry will acquire that measure of stability and growth so very essential in the context of otherwise unrelieved power scarcity.

TRANSPORT NEEDS

Serious shortages in the supplies of coal and industrial raw materials in the last two years have been due as much to shortfalls in their production as to bottlenecks in transporting them to consuming centres. The transport crisis, in so far as it has slowed down the tempo of industrial production, has driven home the lesson that the infrastructure, covering power and transport, should always command the highest order of priority in planning for development and defence alike. But the mistakes and deficiencies of the past cannot be remedied overnight. That, however, can be no excuse for not making an earnest beginning, here and now, in the direction of improving transport facilities of all types to an extent greater than has been visualised so far. It is in this context that the Associated Chambers' resolution on transport, passed at their annual meeting at Calcutta early this week, has an immediate relevance. The merit of this resolution lies as much in its plea for a substantial increase in the physical carrying capacity of the railways by various means as in its cogent advocacy of an expanded programme covering alternative means of transport.

It has been suggested that, in order to increase the carrying capacity of railways, large sections of single track should be doubled and that more wagons and locomotives should be built. This, however, would call for heavier capital expenditure. As such additional expenditure may not be wholly feasible in the next few years, the practical suggestions advanced by the seconder of the resolution, Mr. G. N. Noel-Tod of the Cochin Chamber of Commerce, deserve to be pursued more immediately. These suggestions, incidentally, are that mishandling of wagons at various points should cease, that delays caused by insufficient shunting engines, congestion in the yards and waterlogging of sidings after heavy rains be minimised and that the handling and timing of wagons from one centre to another be improved and speeded up.

Basic to the development of other forms of transport would be a clear recognition by the railways that, though they themselves have to develop further, such of their practices as have the effect of discouraging alternative modes of transport are so many anachronisms in a developing economy. That the railways should seek to eliminate such practices has thus been emphasised in the resolution. But this, by itself, will not be sufficient for encouraging alternative means of transport. A more positive approach is also called for, if transport by road, river and sea is to receive a further impetus. The key elements of this approach, as suggested in the resolution, may be summed up as under:

(i) Proper maintenance and expansion of the road system; streamlining of the regulations which govern the licensing of vehicles and inter-State movements; removal of the threat of nationalisation of road transport undertakings.

(ii) Improving the capacity and efficiency of seaports and coastal shipping by the installation of the most advanced cargo handling equipment, by an expansion of weather-proof storage accommodation and by an improvement of rail facilities serving the dock areas.

(iii) Extensive dredging and river training operations and other works that provide scope for improved inland water transport.

(iv) Such other means of transport as pipelines and ropeways to be fully investigated and encouraged.

The aforesaid programme outlined by the Associated Chambers derives its justification from the consideration that, out of the 360 million tons of likely traffic in the last year of the third Plan, only 250 million tons are expected to be lifted by the railways. The gap of 110 million tons will have to be met, as Mr. K. M. Wilcox of the Upper India Chamber of Commerce emphasised while proposing the resolution, by other forms of transport, chiefly road and water. That road transport deserves a higher priority and more urgent consideration than it has received so far is his considered view. It is also his emphatic view that the third Plan provision of Rs. 7 crores for the development of inland water transport, as against the Rs. 50 crores recommended by the Gokhale Committee, is grossly inadequate even for the actual traffic carried at present, let alone for future development. No question of competition between railways, roads and rivers will arise, if, in an integrated transport system, these three modes are made to feed each other's traffic.

PRODUCTIVITY

The pivotal role of higher productivity in economic mobilisation for defence and the need for a national campaign to improve productivity were stressed by the resolution on productivity adopted at the annual meeting of the Associated Chambers of Commerce of India held at Calcutta this week. The resolution reads as follows:

"In view of the national emergency, higher standards of productivity, which will add to the national output and make the maximum use of existing resources of capital, equipment and skilled manpower, are vital for the mobilisation of resources. Productivity can be most effectively increased and true economic costs lowered, first, by the full and efficient utilisation of the plant and machinery already installed in the country and, secondly, by the adoption of realistic schemes of incentive payments based on expert study of the work concerned and the replacement, wherever possible, of bonus payments, which are unrelated to effort, by scientifically designed incentive schemes. The Chambers, therefore, advocate a national campaign to improve productivity and to adopt systems of incentive payments in all circumstances where these are feasible."

Moving the resolution on behalf of the Bengal Chamber of Commerce and Industry, Mr. A. R. Foster said that, though incentive schemes such as special import licences, subsidies, tax rebates and railway freight concessions were helpful in increasing exports, ultimately, a nation could export successfully and profitably only if its costs of production were competitive. In order to keep costs at the lowest possible level, maximum efficiency in production was essential. At present, thanks to shortage of power, raw materials and components and inefficient plant layout, there was considerable underutilisation of capacity. In this connection, Mr. Foster quoted the findings of a C.S.O. study to indicate the extent of underutilisation. According to the study, out of 215 selected industries, only in 110 did the degree of utilisation exceed 75 per cent of the installed capacity. Among the remaining 105, utilisation ranged from 65 to 75 per cent in 33 industries and below 33 per cent in 72 industries.

Since labour costs accounted for a substantial part of the total cost of production, a decline in labour cost was essential to bring down the cost per unit of production. This could be brought about only if the output per head was high and herein lay the crux of the problem. In the U.S., Mr. Foster went on to say, productivity had trebled during the last fifty years and it continued to expand at the rate of 3 to 4 per cent per annum. In Japan, productivity improvement was even more spectacular, with a threefold increase in just ten years. At present, the U.S., Canada and Sweden had the highest productivity in the world. The *per capita* incomes in these countries were also correspondingly higher.

The scope for productivity improvement in industries was great, averred Mr. Foster. There were, he conceded, some engineering and textile units in India, the per-worker-output of which was comparable to that in advanced countries. But he felt that, for the most part, productivity in Indian industry was generally low and that the scope for increasing productivity was "tremendous." He gave some telling illustrations to prove this point. Thus, at the T.E.L.Co. factory in Jamshedpur, it took six workers in 1954 to equal the output of one German worker doing similar work at the Mercedes plant at Stuttgart. Today the ratio was 6 : 5. When the Integral Coach Factory at Perambur, Madras, began to produce railway coaches in 1955, it took over 19,600 man-hours to finish one coach, as compared with 8,500 man-hours in Switzerland. But today it takes only 8,519 man-hours at Perambur to turn out one coach. These instances show the scope for improvement in productivity through patient endeavour.

Having argued that productivity could be increased substantially, Mr. Foster set out to suggest ways and means of bringing it about. According to him, financial incentives could be used to great advantage at the present stage of India's development to increase production and productivity. There was, he observed, much to be said for a partial replacement of the customary annual profit-sharing bonus, which had no relation to effort and output, by a monthly incentive bonus based on production. Mr. Foster referred to the fact that Britain was observing a productivity year and suggested that something similar could be done in India too to impress upon industry, workers and the public the importance of higher productivity.

Seconding the resolution on behalf of the Upper India Chamber of Commerce, Mr. P. K. Sahgal referred to certain commonly-held misconceptions about productivity. It is thought by some, for instance, that a productivity drive meant increased workload for workers and increased profit for employers. It is necessary, as he rightly pointed out, to dispel such misconceptions. This point needs to be emphasised because the drive for productivity cannot succeed, unless everybody connected with industry realise the ramifications of productivity. It must be brought home to workers, employers and the public in general, that an increase in productivity would benefit everybody—the community by way of more national wealth and higher standard of living, the industry through reduced cost, larger sales, higher volume of production and more profit, and workers by way of higher wages, more employment, improved working conditions and shorter hours of work.

EMERGENCY AND EXPORTS

The Board of Trade met once again on Sunday at New Delhi and, as usual, talked over a wide range of problems pertaining to export trade. One of the important subjects on the agenda was the consideration of the impact of Sino-Indian war emergency on the prospects for exports. One had hoped that the high-power body would give specific directions to policy-makers, on the one hand, and the industry and trade, on the other, to meet the needs of emergency without at the same time upsetting the existing export programmes. Nothing of this sort actually happened. The Board, however, seemed to have been satisfied with the expression of platitudes and vague references to the demands of emergency conditions. The Board, of course, commended redoubling of efforts for export promotion in the context of the emergency. In its view, defence demands should be met out of additional production, without entailing any reduction in exports. In case there was any decline in shipments owing to offtake for defence purposes, the Board urged the imposition of restraint on internal consumption.

As generalisations, the Board's views are beyond reproach. But once these principles are sought to be put into practice, difficulties arise. It would have been enlightening had the Board suggested precise measures for successfully restricting consumption. The Board should have also considered the possible impact of emergency on exports of such specific products as woollen goods or engineerings, and suggested ways and means to safeguard their exports, in the event of additional demand from the Defence Ministry. The Board's advice that industry should diversify itself to meet the demands for exports as well as for defence is motivated by good intentions. But exports cannot be stepped up unless the cost structure of industries is brought down to lower levels. It is only natural, then, that the Associated Chambers of Commerce of India, Calcutta, should have drawn particular attention to this aspect of export drive, in its resolution adopted at the annual meeting held early this week. The resolution called upon the Government to reorient the economic policies affecting export industries to strengthen and improve the competitive capacity of export goods. Special efforts, according to it, should be made to reduce cost of production and eliminate those factors which inflated costs, including, in particular, the heavy burden of local and State taxation. The Association's plea assumes a special significance in view of the emergency.

The question of export promotion needs to be looked at from the demand side as much as from the supply side. It was appropriate, therefore, that the Board of Trade should have devoted some thought to the measures for enlisting the closer co-operation of importers in Western Europe, whose offtake of Indian goods has, of late, tended to decline. The Board called upon industry and trade to develop the manufacture of goods for meeting the specific requirements of European countries. Besides, selected competent export firms were asked to contact the important importers in West European markets for the purpose of devising long-term arrangements for the export of Indian goods. This is a very reasonable suggestion. Already, industrialists of several developed countries have established close connections with the European Common Market countries on an unofficial level, without waiting for the Governments concerned to secure tariff concessions, etc. The earlier Indian businessmen establish direct contacts with their confreres in Europe, the better. Meanwhile, the Board of Trade has done well to initiate a study designed to find out the possibility of increasing exports of processed and manufactured goods to those markets instead of in the form of primary products as at present. It should not be forgotten, in this context, that processed and manufactured goods are subject to heavier tariff and other restrictions than those on primary products. There is thus need for a cautious approach to this problem.

The Government, of course, should spare no efforts in the matter of bargaining for tariff concessions from the West. One of the important

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means of securing such concessions is to remove the impression in the West that processing and manufacture in this country are based on low labour costs. The Board, we are told, proposed to institute specific studies on the cost of production of selected commodities to remove this unfounded impression. It has also set up a committee, under the chairmanship of Mr. L. K. Jha, Secretary in the Ministry of Finance, to prepare a comprehensive report to be submitted to the proposed world trade conference next year. Another committee of experts has been set up to study and recommend the steps to be taken for increasing Indian ships' capacity for bulk cargoes and ensuring that at least 50 per cent of such cargoes are handled by Indian ships. The Board has also approved in principle the suggestion of one of its committees that a few selected free trade zones should be established. But the implementation of such a programme has been deferred on account of the national emergency. None of the aforesaid decisions of the Board, however, is immediately relevant to the question of accelerated export promotion.

INDIAN OVERSEAS BANK

The Indian Overseas Bank Ltd. (Chairman: Mr. M. Ct. Muthiah) has just completed full twenty-five years of much useful service to the industrial and business community. It was in 1936 that the late M. Ct. M. Chidambaram Chettiar, the founder-Chairman of the Bank, conceived the idea of starting an Indian bank on the lines of Exchange banks. The Bank began functioning early in 1937 with the twin objectives of developing overseas banking and of handling foreign exchange business. The first Indian institution of this kind, the Bank opened overseas branches in Malaya and Burma during 1937 and in Singapore during 1941. It was among the first few Indian banks authorised to deal in foreign exchange on the introduction of foreign exchange control in India. With the outbreak of war in the Far East, the infant Bank was cut off from its overseas branches in 1941. The Directors decided on a policy of caution till reoccupation in 1945 when the Bank opened a new branch in Ceylon in 1945, followed by branches in Thailand (1947) and Hong Kong (1955). The following table of progress between the years 1945 and 1961 shows the measure of the Bank's achievements since the cessation of the war:

(In lakhs of rupees)

	As at 31st December	
	1961	1945
Paid-up capital and reserves ...	1,53	33
Deposits	31,22	3,22
Working funds	34,00	3,92
Emoluments paid to staff ...	71	3
Number of branches ...	73	29

In its history of two and a half decades, the Bank has set high standards in regard to quality of banking service and soundness of banking methods. Within India, the Bank has extended the facility of exchange banking even to the smaller ports, putting them on a par with the metropolitan ones. Also, from the outset, this Bank set to deal directly with banks in each country abroad as against the conventional channels of routing business through established centres like London, and today the Bank has a wide network of foreign correspondents in all the important cities of the world.

The Bank's policy in India has been one of studied expansion. Apart from a large number of branches in South India proximate to the Bank's central office, it has extensive business in Bombay, Ahmedabad, Amritsar, Ludhiana, Delhi, Calcutta and Cuttack. The Bank's 2,000 staff members symbolise its spirit of service in some 80 places of its operation.

On the occasion of its silver jubilee—the Bank is not holding any celebrations to mark the jubilee in view of national emergency—the Bank can certainly look back upon its career with legitimate pride at its progress and satisfaction at its service.

RESEARCH IN TEXTILES

In a market economy, where the consumer enjoys the freedom of choice, ideas on clothing materials change frequently. What is considered as a fashion fabric today may cease to be so tomorrow, what with the invention of newer and newer synthetic fibres and modern marketing methods under which buyers are influenced in a variety of ways. Naturally, the future of the cotton textile industry will depend on the technical progress in the sphere of production. There is, therefore, no exaggeration whatever in the note of warning uttered by Lala Bharat Ram, President of the Indian Cotton Mills Federation, that the industry is bound to stagnate in the absence of qualitative improvement which can be brought about by constant research. Underlining the importance of research in his inaugural speech read out at the fourth technological conference held at Ahmedabad early this week under the joint auspices of the three Textile Research Associations of Ahmedabad, Bombay and Coimbatore, Lala Bharat Ram called upon all progressive mills to have research facilities at the unit level. Such facilities, he said, would enable the mills not only to solve many of their problems in a more scientific and analytical manner but also to make better use of research and development that took place in central research institutions.

In the present context of the growing competition in world cotton textile markets, the need for the Indian industry to remain vigilant about the quality and keeping down prices cannot be stressed too strongly. Indeed, the keys to successful export promotion lie in quality and prices. Lala Bharat Ram pertinently remarked that the research associations must maintain close links with both the mill sector and the machinery manufacturers. In particular, he emphasised the importance of designing modern machinery and equipment, development of textile chemistry, and provision of post-graduate research facilities. Evidently, he was prompted by the fact that the textile industry in India has lagged far behind in the field of processing from the point of view of domestic requirements consistent with changing consumer tastes, as well as from the export point of view of India's need to compete with other countries in the world markets. The Chairman of the Ahmedabad Millowners' Association, Mr. Rasiklal Nagri, wanted the research institutes to sponsor projects to study the difficult problems facing the textile export trade and Mr. Kasturbhai Lalbhai, Chairman of the Ahmedabad Textile Industry Research Institute, declared that the time had come for the universities and research institutions to launch on a more vigorous programme to deal with technical and management problems of textile industry. For research work both in the individual mills and in the research organisations, it is necessary to provide the means in terms of men and equipment. All this is, of course, expensive, but there is no doubt that it constitutes a productive investment.

Perspectives & Projections

(*Concluded from page 983*)

regional languages to learn Hindi either to get jobs or keep their contacts with those in the north who would have learnt the same subjects only in Hindi and may not care to talk any other language. That should ensure its becoming a national language quickly. It is this insidious approach that is dangerous, since it will wreck something which exists in the hope of forging a link which may emerge only very slowly, if at all, creating a vacuum in the interval. The Prime Minister has been prompt in condemning this antipathy to English, but Hindi lobbyists, with their one-track mind, do not seem to have heeded it.

That they have succeeded now in getting a postponement of the Bill for continuance of English as an associate language after 1965 is clear. Announcing this, Mr. Shastri, strangely enough, argued that, in the abnormal conditions created by the present emergency, the Government had decided to wait. But those, especially in the South, who have been looking forward to this measure will be greatly disappointed by a second postponement. The Government was committed to it in every way and there seemed to be no pressure of other more important legislative business before Parliament after the Defence of India Bill was passed. The critics of the measure will not, perhaps, be persuaded to soften their opposition even now, though they have had ample proof of the spontaneous response to the call for national unity in the face of external aggression; but have they no obligation to recognise other's views and make the necessary compromises? Instead of the Government trying to use this opportunity to win over their support also for its firmly accepted policy, the Home Minister has taken the line of least resistance by agreeing to abet delaying tactics.

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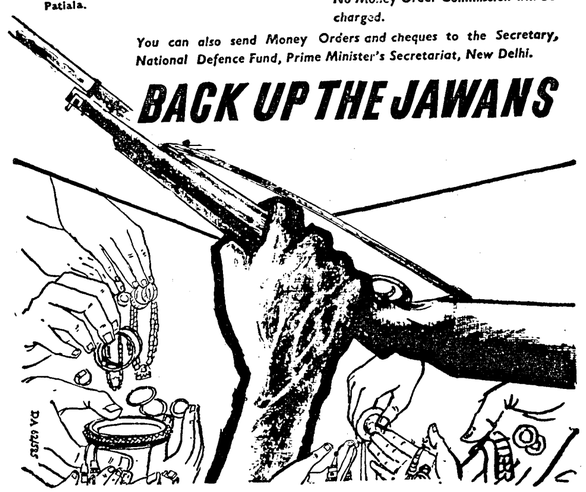

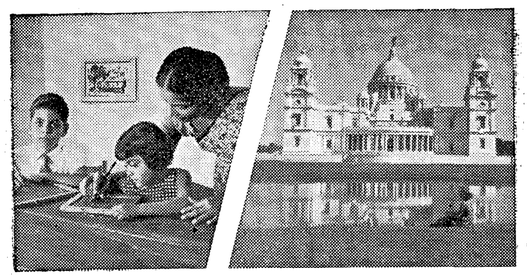

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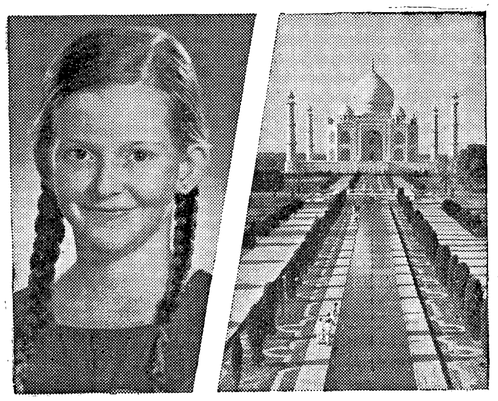

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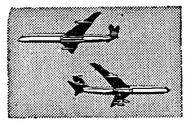

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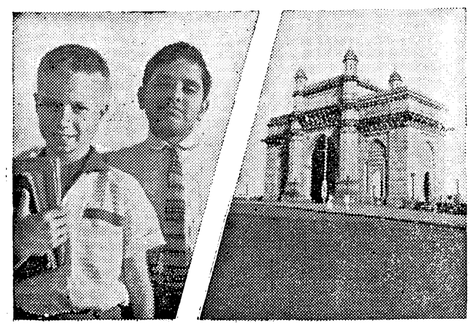

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DELHI LETTER

SPECIAL STEEL TO PRODUCE TANKS

W. GERMANY OFFERS ASSISTANCE FOR PROJECT

From Our Special Correspondent

NEW DELHI, *4th December*

THE sophisticated nature of steel mills in the West-German-aided Rourkela project makes it the most suitable for rapid switching over to production to meet military needs. One programme under discussion between West German experts and Mr. Alfred Krupp and Hindustan Steel is the manufacture of special armour steel at Rourkela. The West Germans are said to have agreed to install at Rourkela ovens for hardening steel needed for armour plates. These plates are to be used in the manufacture of tanks at the defence installation at Avadi, with the help of a British firm which is collaborating in the plant to build army tanks. Some other military specialities will also be made at Rourkela's wide strip mill and West Germany will offer easy credit terms for the Rourkela conversion and expansion.

There is still some amount of confusion in the allocation of materials needed for industries allied to the defence effort and there has been criticism in the capital of the piecemeal methods adopted by the various ministries concerned. While fresh doses of taxation are unavoidable in the emergency, the Finance Minister, Mr. Morarji Desai, is expected to hold his hand until a clearer assessment is made of the needs for the military effort. Although the annual defence bill may have to be doubled or increased even further from the levels prevailing before the massive Chinese attacks, a considerable part of the expenditure will be in foreign exchange and such expenditure is beyond the country's capacity. If Mr. Desai had wanted to exploit the wave of national anger over the Chinese aggression for prescribing a heavy dose of taxation, he could have done it as soon as Parliament session opened. But he was then content to ask for supplementary grants.

A detailed assessment of the Western military commitment and the terms of the assistance will be known after the reports of the British and United States military missions are studied by Washington and London. The long-term pattern is expected to be charted by Mr. Macmillan and President Kennedy when they meet in the Bahamas on the 19th and 20th inst.

World Trade Talks

The Government of India has decided to mount a campaign on behalf of the interests of the exports of underdeveloped countries. India had joined twenty other countries at the G.A.T.T. session in Geneva last month in formulating a seven-point programme of action for implementation of earlier assurances by the industrialised countries. For the world trade conference under the auspices of the United Nations, India will prepare a comprehensive report on the trading problems of underdeveloped countries. The Board of Trade, at its fifth meeting last week-end, appointed a committee with Mr. L. K. Jha, Secretary in the Finance Ministry, as Chairman, to draft this report which will form the nucleus of India's analysis of backward nations' problems when the world trade conference opens. The Western countries have frowned on the idea of the conference which has the solid support of the Soviet Union. India, Indonesia and Egypt are the major countries among the Afro-Asians who have campaigned for the world conference.

The Board of Trade glossed over the short-term problems on the export front, partly because, in view of the emergency coming on top of the transport and industrial and agricultural production problems, many of the paper plans drafted earlier for export promotion are as good as scrapped. The Board of Trade, however, expressed the view that "the requirements of exports were more vital and of greater urgency for earning foreign exchange (during the emergency); the resilience of the economy and the increased production anticipated during the emergency period could adequately take care of the defence requirements and leave surpluses for export." The Board also mentioned that the urgency of exports was so great that even some restraint on internal consumption of some commodities might have to be considered.

The Board admitted that commodity-wise the exports had not kept pace with the targets for the current financial year and the emergency would make the export tasks more difficult. The major decline in exports has been in steel and steel scrap, coffee, cotton textiles, hides and skins, ferro-manganese, cotton waste and fish and fish products. (There is a proposal to form a separate corporation to promote fish exports.) The Minister for International Trade, Mr. Manubhai Shah, told Parliament of plans to set up a separate State trading unit to handle iron ore and other metallic ore exports. The increase in Indian iron ore despatches has been described by the Board as "steady," but the pace of increase in Indian ore exports has been slow as compared with the performance of other ore-producing countries. One major hurdle before iron ore exports continues to be railway transport and it is to be seen how far the establishment of a separate State trading unit will help meet the dissatisfaction with the S.T.C. behaviour expressed by Japanese importers.

Mr. K. B. Lall, Ambassador to the European Economic Community, was present at the Board of Trade meeting which again reviewed the position of exports to West European countries which have been falling precipitously in the current year. There is the small traditional flow of goods from India to Western Europe and industry and trade were asked to try develop the manufacture of items for meeting specifically the European requirements. Under this plan, selected export firms are to contact important importers in West Europe with a view to securing long-term trading arrangements. This problem is being studied by the Council for Trade with Western Europe. A study is also to be undertaken to find out the pattern of utilisation of primary products in Europe to discover to what extent India can despatch semi-processed materials instead of primary products. The Director of Foreign Trade in charge of West Europe will undertake commodity studies to assist Indian manufacturers and exporters to make arrangements with leading European importers. In this context, Mr. Lall emphasised the need to maintain steady and competitive prices.

Allied with the problem of prices is the impression in West Europe that processing and manufacture in underdeveloped countries are based on low labour costs. The Anglo-Japanese Treaty signed last month is based on the assumption that Japanese wage levels have risen to be on par with at least those prevailing in some comparatively less developed European countries. For some time, India has been telling industrialised countries and the G.A.T.T. that it is fallacious to assume that most developing countries have low-cost and low-wage economies. The tragedy of the situation has been that, while wages in absolute terms in India are no doubt low, in relation to productivity of labour, Indian industries are suffering from a high-cost factor. This in turn has resulted in Indian manufactures being outpriced in several world markets. The task of cost reduction and quality maintenance is a long-term process, and Mr. Lall has an unenviable assignment in trying to convince the Europeans that their tariff and quota restrictions on exports from underdeveloped countries are not justifiable on assumptions made on the basis of use of exploited labour or "sweated labour."

(*Concluded from next column*)

along with selective stimuli to depressed industries. In this selectivity approach his advice seems to be the same as the new Chancellor's action. But there is a great deal more caution in his advice than the Chancellor is likely to get from other directions, in particular the Trade Unions—and the Trade Unions speak for ten million employed workers. The Unions want home consumption stimulated and they want exports stimulated although they still do not advocate preferential taxation for exporting companies—but their approach does go a little further than these broad indications of policy. They believe in a further reduction of the Bank Rate, further reduction in indirect taxation, in the pumping of Government money by way of capital into selected heavy industries and an increase in financial assistance to the nationalised industries where necessary. But the Trade Unions are not trying to do more than put out ideas and the onus remains on the Government to devise practical measures that will both stimulate the economy and not upset the balance of payments.

LONDON LETTER

WHICH WAY EXPANSION?

SOUTHWARD DRIFT OF INDUSTRY

(From Our Own Correspondent)

LONDON, *30th November*

A WEEK ago the country learned that unemployment in November had almost reached 550,000—a record post-war figure. Now come the later details of the numbers in *employment* for which we can only get the total as at the end of October, and we learn there was a drop of 37,000 over the previous month. Compared with a year ago, employment is 64,000 less, the heaviest falls taking place in manufacturing industry where the total reduction in employment was much greater than the total reduction in the country as a whole but offset by increases in employment in financial, professional, scientific services, etc.

We also learn that the number of hours of overtime have dropped and the number of men on short-time increased. All this adds up to a greater reduction in the man-hours worked than the mere drop in the employment total. At this point the committee nature of governance in Britain is revealed by the report of a meeting which the Trades Union Congress has just held on the economic situation. The Trade Unions, which are not only not part of the Government machine but are not even wedded in these practical matters to one Party or the other, have studied the employment and unemployment figures and want to meet the Chancellor of the Exchequer. Theoretically, the meeting which is about to take place at the National Economic Development Council on which employers, trade unions, and Government are all represented, should suffice but the Unions have not yet got enough faith in NEDDY to accept that it will. They want to make their representations to Mr. Maudling, the Chancellor, directly and to say to him that he has got, here and now and without waiting for the next Budget, to take drastic steps to do something about expanding the British economy. Nor, in their view, is it enough to take general steps to stimulate consumer demand; steps must be taken which will have an immediate impact on the areas of heavy unemployment in the basic industries such as iron and steel, ship-building and coal in the North. The Trade Unions have long been bothered about this question of the shift of employment southwards and, at the other end of the social scale, they have been joined this week by the House of Lords.

North *Versus* South

This high-class debating society is quite convinced that, if nobody does anything, the drift of industry southwards will continue and one of the pictures which crystallised out of this debate was that of a London which might be one hundred miles across, a vast sprawling mass of office centres and dormitory towns attracting to itself more than half the population of the whole country. The North, the traditional industrial heart of England, would slowly degenerate into an area of desolation inhabited only by the old and those too indolent to stir to where the work was.

The House of Lords has the advantage of becoming the repository for ex-Ministers and the former President of the Board of Trade, in office until less than three months ago, was able to put forward forthright views on the action he would take without now embarrassing the Government or the Chancellor. His view was that nothing less than an investment programme of £200 million per annum for ten years ahead would suffice to bring back industrial recovery to the North of England; this sum would be but a fraction of what the country would otherwise lose in social capital if the southward drift continued.

It is at least refreshing to find unanimity on the question that something more than the encouragement of minor development in these formerly active industrial areas is necessary if the southward trend is to be halved.

These days the former Chancellor, Mr. Selwyn Lloyd, has also been giving his opinion on what ought to be done about British industry. It is quite clear that Mr. Lloyd's views have not changed out of office. He is all in favour of *caution*. He points out that the present favourable balance of payments is the result of a steady expansion in exports due to a pruning of costs but, unless restraint on personal incomes continues, costs will rise and the work of the past eighteen months will have been in vain.

Mr. Selwyn Lloyd still believes that more financial measures of stimulation could be taken

(*Continued in previous column*)

ADVANTAGES OF FREE MARKET ECONOMY

RUSSIAN PLANNERS UNDERLINE ROLE OF PROFITS

[It looks as though Soviet Russia has now recognised some of the distinct advantages of a free market economy. This at any rate is the impression conveyed in an interesting study published in the December issue of the Monthly Letter *of the First National City Bank, New York. The study, reproduced on this page, is based on the latest statements of Mr. Khrushchev and two Russian economists, as well as two British experts on Russia. It reveals that, in many of the plans for reform advanced by Soviet economists, expansion of the role of profit has been highlighted. This finding should be of considerable interest to the socialist and communist minded planners in this country. In this connection, the readers' attention is invited to page 802 of* Commerce *dated 10th November 1962 wherein we have published a short editorial note entitled "Profit in Soviet Planning."—*ED.]

IMITATION, it has been said, is the sincerest form of flattery. Most Americans, attuned to the crisis atmosphere of the Cuban episode, were unprepared for the kind of flattery implied in Premier Khrushchev's speech to the Central Committee of the Communist Party on 19th November, when he urged that Russia should copy what is successful in the "bourgeois capitalist" countries. The Premier even had a good word to say about profits. According to a summary of the speech released by the Soviet news agency *Tass*, the Premier urged communists to take a thoughtful look at what makes profits for the capitalist of the West:

> We should remember Lenin's injunction to be able, if necessary, to learn from the capitalists—to immitate whatever they have that is good and profitable.

In view of the totalitarian nature of the Soviet system, Americans would not find much to imitate directly in Khrushchev's Russia. But we may refresh our knowledge of the superiorities of our economic system from what the Russians find worth copying. Indeed, at a time when we are considering reconstruction of the federal income-tax to give greater incentive to individual effort and enterprise, the Premier's comments on both the Russian and Western economic systems provide valuable food for thought.

Trouble in Russia

Soviet scientific achievements and industrial growth rates have encouraged the assumption that things are going relatively well in the Soviet economy. The Russians, however, express grave misgivings when talking among themselves. Thus, a notable feature of Premier Khrushchev's speech was his frank admission of a host of problems now besetting the economy, ranging from serious planning errors to industrial mismanagement and excessive labour turnover. Though the Premier maintained that goals of the current seven-year plan (1959-65) were being met, official statistics show that output gains have been slackening.

But unit production figures hide the real problems. The Soviet press has been filled with innumerable complaints of poor quality, misdirected investment, shortages of desired items, excessive inventories of unwanted goods and dissatisfaction among workers and peasants. Russian industry operates on the basis of detailed output plans handed down from above. Plants are spurred to fulfill production goals by means of complex bonus-incentive plans based on a variety of quantitative and qualitative indicators. These plans inevitably go awry, and Soviet planners have found it impossible to jigger these indicators to bring forth the right assortment and quality of goods. People are kept busy, but, for lack of a market economy, they lack power to determine what shall be produced.

The Capitalist Model

The shortcomings of the system have made it abundantly clear that drastic changes are needed. Economists have been in the forefront in criticising the present system and in suggesting changes. Increasingly, they take the capitalist system as a guide for reform. A striking example is found in an article published last spring in the official newspaper *Izvestia* by Mr. O. K. Antonov, a leading aircraft designer and writer on economics. As reported by *The New York Times*, Mr. Antonov observed that Soviet industry was "riddled with waste and inefficiency because it lacked what engineers term 'feedback,' a factor provided under capitalism by market forces and competition":

> The heart of the problem, Mr. Antonov declares, is that the figures of Soviet industrial gains do not reflect any really corresponding increase in economically useful goods. Much Soviet production is of poor quality and short durability ... and much of it tends to be technologically obsolete.
>
> He writes of the production of tires and ball bearings that last only a short time, of production-line installations that are far slower and less productive than they might be, of textile factories producing cloth no one wants to buy, and of paper mills producing cardboard and paper far thicker and heavier than required.
>
> Under capitalism ... this does not happen because there is feedback to the producer. The manufacturer of poor-quality goods soon learns from the market place that his goods are not selling because they are inferior to those of his competitors.
>
> This, Mr. Antonov writes, "forces the capitalists to make things better, sturdier, and cheaper."

In their observation of the market economies of the West, the Russians have become increasingly impressed with the neat way the competitive profit-and-loss system works to increase production—by the most efficient producers—of things that are in demand, and to reduce production—by the least efficient producers—of things that are not in demand. In many of the reform plans advanced by Soviet economists, expansion of the role of profits has been highlighted.

One plan, by Professor Yevsey G. Liberman of the Kharkov Economic-Engineering Institute, had received wide publicity in the official Soviet press and radio prior to the Central Committee meeting last month. Under the Liberman plan, Russian enterprises would be placed on a largely profit-and-loss basis with greater autonomy in matters of investment, production planning, wages, manpower, and materials supply. Professor Liberman has maintained that only under a profit-incentive system would prices find their proper level through the forces of supply and demand.

Decision Postponed

Premier Khrushchev postponed decision on the plan at the meeting last month, but he praised the profit-index idea as having "great importance as an economic indicator" of plant efficiency. At the same time, he frankly admitted the failures of the present incentive system, which he said was inadequate for spurring enterprises "in the more efficient utilisation of capital investments and production facilities, in producing the required range of goods, reducing their production costs, raising labour productivity, and improving the quality of output."

While putting off decisions in this area, Premier Khrushchev announced a far-reaching reorganisation of the economic system to bring it under more direct control of the Communist Party. All productive activity will be split up into two main sectors, industrial and agricultural, and party branches to run these sectors are to be set up at all levels of government. This reform appears to have been motivated, among other things, by revelations of "corruption, extravagance and embezzlement." At the same time, the Premier announced that planning functions would be decentralised.

Premier Khrushchev, in an earlier Central Committee meeting last March, had initiated a revamping of farm production along similar lines, but output thus far has failed to show improvement. Western observers are doubtful that the new shakeup will accomplish much more.

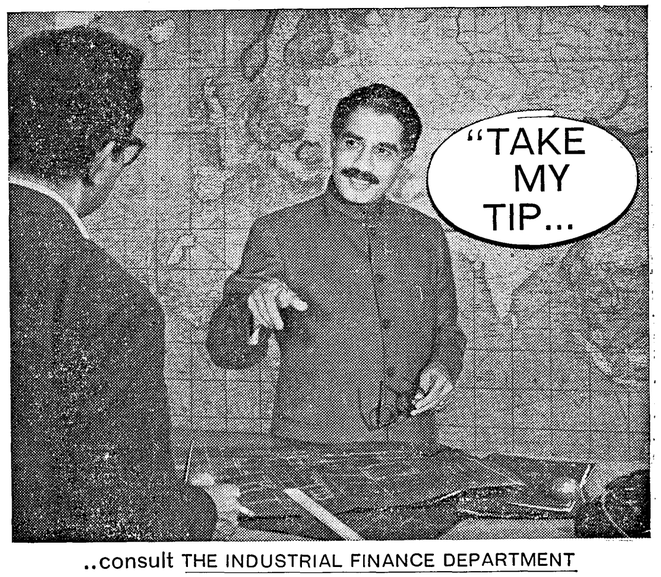
Creeping Capitalism?

On the other hand, the Premier's criticism of the present incentive system and his approving words about profits are taken as signs that additional reforms are coming. Opinion was already running strongly in this direction. In his book *The Soviet Economy* published last year, Mr. Alec Nove, a leading British expert on Russia, assessed the situation as follows:

> "The logic of all this demands that a growing importance be attached to profits, or, as many Soviet economists put it, a greater role for 'value' categories and *khozraschyot* [profit-and-loss accounting]. The fact that this calls for a major revision of the price system is understood.... However, there remain major disagreements about a proper basis for prices, both practical and theoretical, and it remains problematical whether the solution chosen will be a satisfactory guide for enterprise decisions. Yet this is a key aspect of any reform."

The ironies in this situation are endless and require no particular emphasis. The crowning irony, of course, is the fact that Russian communists, who 45 years ago launched a revolution to destroy capitalism and all its

(*Continued on page 1018*)



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NEED FOR WAR RISKS INSURANCE

LAST WAR SCHEME RECALLED—PRAGMATISM ADVOCATED

WE had suggested in an earlier issue (*vide* page 799 of *Commerce* dated 10th November) that the Government should take immediate steps to introduce compulsory war risks insurance on a country-wide basis. It is heartening to hear that the idea has appealed to the Government and that the latter is contemplating the introduction of legislation for compulsory war risks insurance in the current session of Parliament. The primary object of war risks insurance is to provide protection against risk of damage to property, personal as well as industrial, likely to be caused by enemy attack. It is a must for any country which is at war with another and is one of the first steps that should be taken as soon as hostilities break out. War damages are generally of four kinds, namely, (1) personal injuries, (2) requisition of property for war purposes, (3) injury to property by war damage, and (4) loss of profits. It is the third risk which lends itself easily to insurance and is usually covered against. As the damage to property under modern warfare is so stupendous that it is beyond the capacity of any or all insurance companies put together to indemnify, war risks insurance has perforce to be provided by the State. Moreover, protection of life and property of citizens is one of the primary responsibilities of the State.

British Experience

In Britain, during the First World War, the Government shared with marine underwriters, by way of reinsurance from the latter, the war risks on hulls to the extent of 80 per cent. A more comprehensive scheme of insurance was introduced during the Second World War. A special legislation, War Risks Insurance Act, 1939, was passed to enforce the scheme. Under the first part of the War Risks Insurance Act, provision was made for reinsurance of war risks, known as King's Enemy Risks, in respect of ships and cargo whether carried by sea or air. The second part of the Act envisaged a "commodity insurance scheme," under which policies were to be issued by agents on behalf of the Board of Trade giving cover against war risks for a small premium. The agents, who included companies and Lloyds underwriters, issued policies in standard form and collected the premiums on behalf of the Board of Trade. This scheme was soon found inadequate, as it left out properties and personal goods on land. A separate legislation, known as the War Damage Act 1941, was enacted. This Act provided insurance cover against war risks on real immovable property and private chattels which were not included in the commodity scheme. Private insurance companies issued policies in respect of the latter while a Government Department dealt with the former.

In the U.S., a War Damage Corporation, with a capital of $100 million was set up in 1941 to provide insurance cover against war damage. The Corporation insured individuals against direct physical loss or damage to property resulting from war. Private insurance companies acting as agents of the Corporation issued policies, collected premium and assisted in the settlement of claims on the basis of a ten per cent underwriting participation.

Goods and Factories Insurance

In India, too, during the last war, following representation from leading industrial and commercial organisations, the Government introduced a scheme of war risks insurance under which both goods and factories were provided insurance protection. The "Goods" scheme, which came into force in August 1940, applied compulsorily to a seller of specified goods in British India, if the value of his insurable goods in any one presidency town or district exceeded Rs. 20,000 and voluntarily if below that amount. Policies were issued quarterly and the premium payable was determined each quarter. The rate, which was first fixed at one-eighth per cent per annum varied from time to time, depending upon India's position in relation to war risks. Thus, with the cessation of hostilities in the West and the recession of the war from India's frontiers in the East, the rate of premium charged was steadily lowered and, in June 1945, the Government decided to grant free cover for the quarter July-September 1945 to persons who had already insured in the previous quarter and to reduce the rate of premium to three pies per month to those taking out new or additional insurances. With the surrender of Japan and the complete cessation of hostilities, the "Goods" scheme came to an end with effect from 1st October 1945.

The primary object of the scheme was to facilitate the free movement of goods to places where they were most needed. To extend the scope of the scheme the Government classified a list of goods which could be insured voluntarily at double the existing rate of premium payable in respect of goods compulsorily insurable. Although the scheme was originally intended to cover only to British India, many Indian States and the French establishments in India joined the scheme at a later date.

Objects

The object of the "Factories" scheme, which came into force on 1st April 1942, in the wake of Japanese advance in South-East Asia, was to prevent the removal of vital industries from where they were most needed to safer places and to ensure the even flow of war supplies. The scheme was made applicable in the first instance to buildings, plant and machinery of all factories defined as such under the Factories Act. In contrast to the "Goods" scheme, insurance had to be taken out for a period of two years ended 31st March 1944, the rate of premium being four per cent of the insurable value and payable in eight equal instalments. The period of insurance was extended twice, for one year on each occasion, the last extension ended on 31st March 1946. The premium for the extended periods was one per cent and one-half per cent of the insurable value, respectively. The scheme, which originally covered only factories, was extended later to cover boundary walls and materials appropriated for the purpose of a factory, whether in or outside the precincts of the factory. Certain electric and gas undertakings and the above-ground machinery of mines were also brought within the ambit of the scheme. Inland vessels, the value of which exceeded Rs. 1,000 and which belonged to shipping companies and trading corporations specifically notified by the Government, were also made insurable under the scheme.

Premiums were collected under both the schemes by insurance companies acting as the agents of the Government for a small commission to cover expenses. Regional Claims Committees were appointed at Bombay, Calcutta and Madras and a Central Committee at New Delhi, to handle any claims that might rise. In order to ensure that there was a minimum of evasion and generally to assist in the administration of the schemes, special officers were appointed in nearly all principal provinces. These officers were also required to ascertain whether under-insurance, deliberate or otherwise, was taking place, and many such cases were detected. Both the schemes came to an end with the cessation of hostilities. By that time, a sum of Rs. 20.73 crores had been collected by way of premium under the "Goods" scheme and Rs. 21.26 crores under the "Factories" scheme. The following table summarises the working of the scheme, showing the premia collected, claims paid and expenses incurred:

(Rs. in lakhs)

Scheme	No. of policies	Premium collected, less refunds	Claims paid	Expenses (excluding claims)
"Goods" Scheme ..	354,415	20,73	4.91	39.65
"Factories" Scheme ..	23,624	21,26	3.74	20.65

Note:—Ratio of "expenses" to "premiums" for war risks (goods) and (factory) insurance schemes combined=1.198 per cent.

Considering the rapid growth of industries and trade in the post-independence period, the scope and need for war risks insurance are much greater now than they were during the Second World War. The proposed scheme is still nebulous and has not outgrown the discussion stage. One can, therefore, only speculate as to its exact nature and scope. Official thinking in this regard, however, reflects lack of realism and, unless it is revised, it might prejudice the successful functioning of a sound scheme. It is said, for instance, that a premium of 5 per cent per annum of the insurable value of goods, properties and machinery has been suggested. Insurance circles are of the opinion that, if this is true, it is a fantastically high rate. According to them, a premium of one per cent will be a reasonable rate. This rate compares with 4 per cent charged in the last war on the immovable property and fixed assets for two years in the first instance, one per cent for the third year and ½ per cent for the fourth year, by which time the end of the war was in sight. The question as to what would be a proper rate would depend on the view of the risk involved.

Changed Set Up

One point that is relevant to the administration of a scheme of war risks insurance is the changed institutional set up of insurance in India under which a public sector in insurance exists alongside a private sector. Reports in the daily Press indicate that the Government is thinking of entrusting the task of administering the entire scheme, if and when it is finalised, to the public sector. In fact, reports have it that the Oriental Fire and General Insurance, which is a subsidiary of the Life Insurance Corporation of India, is to be the sole agency for collecting premium, issuing policies and settling claims in respect of war risks insurance. If this is true, it is a very unwise decision. For, apart from other considerations, it is physically impossible for any one company, however big, to handle efficiently and expeditiously the task of issuing policies and collecting premium on the scale called for under a scheme of war risks insurance. The Indian Insurance Companies' Association, Bombay, has, in a telegram addressed to Mr. Morarji Desai, Union Minister for Finance, suggested that the Government should authorise all insurers to administer the scheme as the agents of the Government on a non-profit basis as was done during the Second World War. It has further submitted that, since war risks insurance will embrace millions of insured, it will be impossible for any one insurer to serve such a large clientele. It has urged the Government to take advantage of the experience and services of all insurers in a national emergency of this character.

The aforesaid stand of the private insurance companies is perfectly correct and we find no reason why those companies, which are willing to act as the agent of the Government on a non-profit basis, should be denied an opportunity to participate in the scheme. The small commission allowed for private insurers acting as the agent during the last war was to cover the barest expenses. It is a price worth paying, as it will ensure the efficient and smooth working of the scheme, which has to be on a nation-wide scale.

"PERILS OF GIVING A LIFT"

The practice, popular among motorists of giving free lifts to friends is fraught with many risks. It is easy to offer and accept a lift; its insurance implications, some of which are not always obvious, deserve to be more widely understood by both the giver and the acceptor. The Insurance Correspondent of the *Financial Times*, London, lists the following as "perils of giving a lift."

"If one gives a lift to any relation, friend, hitch-hiker, or other non-fare paying passenger, and it can be proved that he was injured as a result of one's negligent driving, he can sue for damages in exactly the same way as a pedestrian whom one may have run down.

"In England, the past, husbands and wives could not sue each other for negligence, but this has been altered by the Law Reform (Husband and Wife) Act, 1962, which applies in England, Wales and Scotland.

"Besides negligent driving, one can be liable if it can be proved that a patent (but not a latent) defect in the vehicle was the cause of injury. A good example is the wheel coming off because one forgot to tighten the nut.

"Although a friend who is being given a lift may agree not to sue if one is uninsured, there are occasions when this cover may be needed. Some insurers will, therefore, reinstate it for a limited indemnity on payment of a fairly substantial premium. Or it may be possible to arrange this cover separately elsewhere.

"Although it may seem quite clear from the policy wording that all liability for injury to passengers is covered, difficulties can arise if one's passengers make a contribution towards the running expenses of the car. This is simply because *the normal certificate of insurance excludes 'Hiring.'* Exactly what is meant by hiring is difficult to determine. The best plan, therefore, where any money is offered for a lift, is either not to accept it or to explain fully, and in advance, the whole situation to one's insurers.

"In the past few years, passengers have been held liable as individuals for the result of some negligence. An obvious example is opening a car door in the face of a passing vehicle. As a result, it has become the general practice of insurers to provide cover for claims made against passengers. Usually such an indemnity is incorporated in the third party section of the policy, or an endorsement is issued. This cover does not, however, normally extend to cover the passenger for his liability in respect of the death of or injury to the policyholder or anyone driving the car (or in charge of the car for the purpose of driving).

"A motor-cycle policy does not include passenger liability, nor is it usually possible to obtain this cover. As a result, a pillion passenger rides at his or her own risk unless the owner is rich

(*Continued on page* 1018)

OFFICIAL SURVEY OF TEXTILE TRADE

VIGOROUS GROWTH IN MAN-MADE FIBRES STRESSED

From Our Special Correspondent

MANCHESTER, *27th November*

MANCHESTER LETTER

EFFORTS to promote a more favourable picture of the British textile scene seem doomed to suffer from the uncomplimentary attentions given to the industry in certain quarters. One would have thought that a Government department such as the Board of Trade, presumably entrusted with the task of encouraging the country's industries, would have "played down" the adverse factors and tried to make the best of circumstances over which its constituents have little if any control. Yet the Board of Trade Journal, in its current issue, devotes its main article to a survey of the past decade in the British textile industries.

In the cotton sector, the journal admits that comparison between 1951, which was a boom year, and 1961, when the industry was in recession, is distorted. Over textiles as a whole, the labour force in mid-1962 numbered approximately 804,000, equivalent to about 9 per cent of manufacturing industry generally. Net output of the textile industries in 1961 was approaching £700 million, or over 7½ per cent of total manufacturing industry, and, in recent years, the sector has had an average annual investment of around £57 million, or 7 per cent of all manufacturing industry.

Lack of Growth

The survey, in its opening sentence, makes the damaging statement that, in the decade concerned, output of textiles fell by 7 per cent, although output in productive industry as a whole increased by 33 per cent. Much later on, some reasons for the lack of growth are given, reasons which are only too well known in Lancashire. In the home market between 1951 and 1961, for example, consumers' expenditure on clothing other than footwear increased more slowly than national spending. At the same time, increases occurred in imports of textiles, particularly in cotton textiles in the second half of the decade.

In the export field, the report adds, some traditional British markets were reduced by the starting-up of local textile industries in the newly developing countries, while the imposition from time to time of import restrictions for balance of payments or other reasons in certain major Commonwealth markets and high tariffs "have not been without adverse effects." The major factor, it suggests, has probably been the rapid expansion of the textile industries in Italy and certain low cost countries, notably Japan and Hong Kong. "These expanded industries made severe inroads in a number of overseas markets, to the disadvantage of the British exporter."

Distorted Comparisons

Wide variations in growth in individual textile industries are noted in the survey, and again it is admitted that, in making comparisons, a great deal depends on the base periods selected. The vigorous growth in man-made fibre production is particularly stressed. The journal re-emphasises that many of the changes in the rates of activity in the textile industry have their origin in variations in the stock position of distributors and manufacturers. "The magnification of changes in the rate of ordering is transmitted back to the earliest manufacturing processes, with the accumulated stock changes becoming progressively more marked as the distance from the final consumer increases."

Over the decade annual production of hosiery and other knitted goods increased by an average of 3.1 per cent, with a marked rise in the use of synthetic fibres—from 5,500,000 lbs. in 1951 to 44,500,000 lbs. in 1961. In 1961, the man-made fibres industry accounted for 11 per cent of the net output of all textile industries and, in the previous decade, production increased at a rate over twice that of United Kingdom productive industry as a whole. Man-made fibre deliveries to the home trade in 1961 amounted to 464 million lbs., as against home consumption of raw cotton at 551 million lbs. and raw wool at 491 million lbs.

Carpets, described as one of the more buoyant of the textile industries, accounted for about 5 per cent of the net output of the textile section in 1961 and production during the ten-year period increased on average by 2.3 per cent per annum. A feature of the second half of the decade was the rapid growth in output of tufted carpets. By 1961, following an average annual increase in production of 30 per cent since 1958, tufted carpets represented about a quarter of total sales by quantity and perhaps a seventh of sales by value.

Finally, twisting the knife in the wound, the survey bluntly gives figures of international trade in textiles, excluding wool tops. Between 1954 and 1961, it observes, world trade in textiles increased by 25 per cent, but United Kingdom exports fell by 24 per cent. Within the totals, world exports of cotton fabrics fell by 2 per cent and British exports by 50 per cent. During this period, United Kingdom imports of textiles more than doubled. "The increase in cotton fabric imports was even more marked," says the article. "Can this be regarded as the understatement of the year from the British industry's point of view?"

Imports Going Up?

Some significance may be read into the fact that, for the second month in succession, imports of cotton goods in October exceeded in volume the quantity of comparative arrivals in the same month last year. Last month's imports at 52,793,000 yards were, in fact, the highest since August 1961, with the exception of May this year. The rate of arrivals remains distinctly lower than the level reached in 1960 and the early months of last year, but it accentuates the fears widely expressed by local traders that any resumption of buying might well be reflected in larger purchases from abroad.

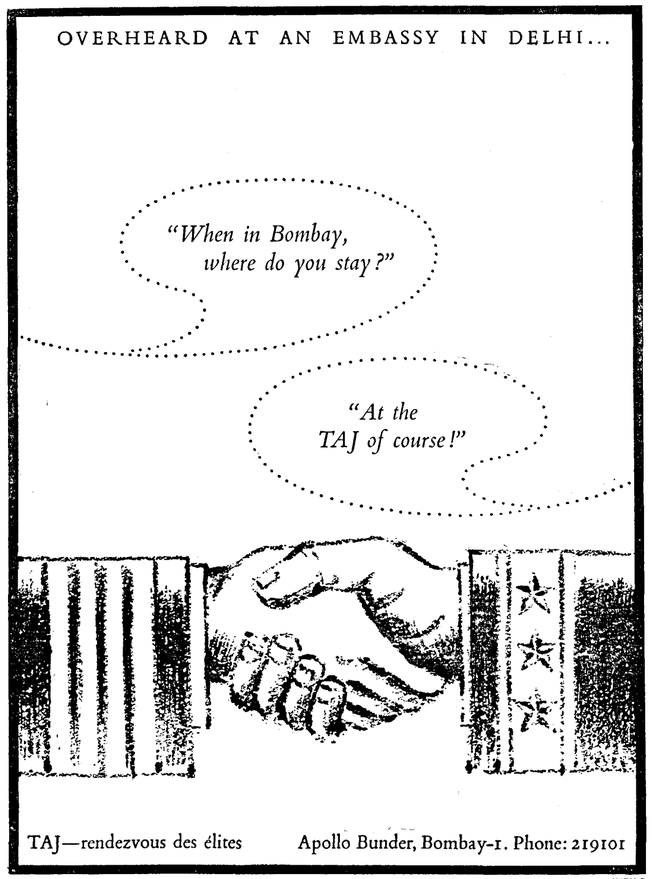
Total arrivals for the first ten months of the year of all types of cotton cloth amounted to 479,974,000 yards, as against 637,827,000 yards, the cost of these purchases being £42,480,651, as against £54,580,540. The major decline in imports continues in grey cloth, although arrivals in October this year exceeded those of the same month in 1961 by nearly 2 million yards. Over the 10-month period, shipments into British ports aggregated 362,272,000 yards, as against 507,527,000 yards in 1961. Finished cloth arrivals amounted to 117,702,000 yards, as against 130,300,000 yards.

A big rise in shipments from Hong Kong was noted last month, the total being 12,826,000 yards; to the end of October, the Colony had sent 82,563,000 yards, as against 76,653,000 yards in the same period last year. Pakistan's share of these grey cloth imports had increased from 17,557,000 yards to 32,162,000 yards. Of the three Commonwealth countries, only India had supplied smaller quantities, the total being 124,278,000 yards, as against 157,687,000 yards. In view of the recent trade pact with Japan, the sharp reduction in arrivals of Japanese grey cloth this year is noteworthy, the total being 22,390,000 yards, as against 55,405,000 yards.

A Slight Gain

A slight improvement occurred in Lancashire's own export trade, cloth shipments last month being 19,869,000 yards. The 10-month total, however, is only 197,071,000 yards, as against 244,272,000 yards a year back. Apart from May, the October shipments of cotton yarn at 1,409,572 lbs. were the highest in any month since May 1961.

As a result of this rather better trend, cotton yarn exports so far this year have now just edged above the 1961 rate, the latest figure being 12,634,194 lbs., as against 12,582,309 lbs. at the end of October 1961. The average price of these exports, however, has fallen from 95.07*d.* per lb. to 85.52*d.* and earnings from this source are £4,502,000, as against £4,983,867 a year ago.—*All Rights Reserved.*



RAISING EXPORTS OF JUTE GOODS

EFFECT OF PAKISTAN'S BONUS SCHEME

NO other industry in India earns so much foreign exchange as the jute industry. Almost one-fourth of the aggregate export earnings of the country is accounted for by jute goods, the estimated value of their shipments in the current calendar year being more than Rs. 150 crores. In terms of quantity, the shipments are expected to exceed the third Plan export target of 900,000 tons fixed to be achieved by 1965-66 three years ahead. This performance is very creditable, and the jute industry and trade can certainly feel proud of it. But there is absolutely no room for complacency. Indeed, exports may not be maintained at the current level in the coming years, what with the keen competition from Pakistan and the growing popularity of substitute packing materials such as paper and plastic bags, not to speak of bulk handling methods. Dr. B. P. Kedia, President of the Gunny Trades Association, Calcutta, did well to urge, in the course of his speech at the thirty-seventh annual general meeting of the Association last week, all the interests connected with the jute industry—he did not exclude the raw jute growers and the Government—to make a united effort and work in close collaboration for the achievement of the common goal, namely, maximum production and exports of jute manufactures. Jute goods being primarily a commodity meant for exports, it was, he declared, imperative that the industry should, as a measure to help defence efforts, make an all-out bid to export as much goods as could possibly be produced in terms of its maximum installed capacity.

Low Sacking Exports

Dr. Kedia drew pointed attention to the deplorable trend of sacking exports. His analysis reveals that the quantity of sacking actually exported has gone down from 248,000 tons in January-September 1958 to less than 230,000 tons in the same period this year, whereas the exports of hessian have risen from 303,000 tons to 403,000 tons. While the world demand for sacking goods has been maintained at a steady level since 1957-58, the share of India has fallen appreciably in favour of Pakistan, as will be seen from the figures below.

Sacking Exports

(In tons)

Destination	From India		From Pakistan	
	1961-62	1957-58	1961-62	1957-58
Australia	36,400 (53.7)	69,500 (100.0)	31,400 (46.3)	Nil
South America	49,300 (56.4)	77,900 (95.2)	38,100 (43.6)	3,900 (4.8)
Africa	90,700 (59.9)	107,600 (70.2)	60,500 (41.1)	45,600 (29.8)
Far East	55,000 (77.0)	67,400 (84.8)	16,400 (23.0)	12,100 (15.2)
Other areas	65,900 (79.1)	64,200 (84.2)	17,400 (20.9)	12,200 (15.8)
Total exports of sacking —all destinations	297,300 (65.9)	386,600 (84.0)	153,800 (34.1)	73,800 (160.0)
Aggregate exports of jute goods—all destinations	847,600 (79.3)	863,500 (88.9)	221,100 (20.7)	107,900 (11.1)

Note:—The years correspond to the jute season July-June.
Figures in brackets relate to percentage share of the combined total for India and Pakistan.

The serious inroads made by Pakistan into the markets for Indian sacking goods pose a serious problem. Dr. Kedia minced no words when he said that, if India did not shake off its complacency and failed to meet this challenge before it was too late, the country would have to be prepared to lose most of its markets. In this connection, he recalled that Pakistan, with the present loomage strength of 8,500, was sharing 34 per cent of the combined exports of sacking, as against only 16 per cent in 1957-58, and asked: What would be the position after it has installed another 5,000 looms for sacking by 1965 as is reported to have been decided by the authorities there? Making the important point that production of sacking was more than double that of hessian per loom, Dr. Kedia asked again: Can our industry, therefore, afford to depend upon exports of hessian only? And he added: "This is a situation which has to be faced squarely. I regret that the Government is not yet fully alive to this problem. The situation brooks no delay."

Although Dr. Kedia has repeated what has been stressed by many others ere now, the warning is nevertheless pertinent and timely, especially now when defence considerations have brought to the fore the supreme urgency of augmenting our foreign exchange earnings through exports of goods like jute manufactures. He called upon the Government immediately to find out ways and means to counteract the effect of the export bonus scheme in Pakistan and introduce, if necessary, a similar scheme for the Indian industry as well. "This," to quote him, "is the prime need of the hour and any move short of this will be inadequate for achieving the desired objective." The export bonus system alone, we are told, gives the Pakistan jute industry a cost advantage of about Rs. 150 per ton of sacking and hessian.

Effective Solution

It will be pertinent to recall here that the Indian industry had paid in the early fifties several crores of rupees by way of export duty and that, by subjecting it to heavy export levies, the Government of India had held out a protective umbrella to the jute industry in Pakistan during its infancy. This action is now recoiling on the Indian jute goods industry. Now that Pakistan is indulging in unfair trading practices, it is only the Government of India that can take suitable counteraction. Even so, an export subsidy, we repeat, cannot be an effective, permanent solution to the problems of jute industry; at best it is only a palliative. There are other ways by which the competitive capacity of Indian sacking goods *vis-a-vis* Pakistan's can be improved. The primary need is, as Dr. Kedia himself aptly remarked, a regular and adequate supply of raw jute at reasonably cheap and stable prices. He struck a note of realism when he said that the only scientific way of increasing production of raw jute and at the same time making it cheap for the industry without hitting the interest of growers was to effect a substantial improvement in the acreage yield of the fibre by means of intensive cultivation. Incidentally, it was also essential, he averred, that the jute growers were assured an economic floor price, so that they might not be tempted to change from one crop to the other. Dr. Kedia did not define the fair floor price. All that he said was this:

"Opinion differs as to what this figure should be. Naturally, it will depend on the actual cost of cultivation. It is gratifying to note that the Indian Central Jute Committee has adopted a comprehensive scheme for determining the cost of jute production. The findings of this investigation will be helpful in determining the floor price."

Two other important suggestions designed to ensure a larger volume of jute goods exports were put forward by Dr. Kedia. One, the mills must take up diversification of jute manufactures. It is encouraging to hear that the mills have already begun producing carpet backing cloth which is expected to raise exports by 50,000 tons annually and earn a substantial amount of foreign exchange. The mills must take up manufacture of other specialities and new lines of production for industrial uses such as woollenised jute fabrics. Two, while effecting a reduction in the production cost of jute goods, a fair standard of quality must be maintained.

In view of the recent fall in raw jute prices, particularly the price of low grade fibre, the Committee of the Jute Buffer Stock Association has decided that another 250,000 bales of jute should be purchased for the buffer stock. Members are being instructed to contract for this jute within 15 days from the receipt of their allocations and to relieve the present congestion at Cossipore Road. The mills in a position to do so are being requested to purchase some of their allocation from Cossipore. These purchases, which are by far the largest made by the J.B.S.A. at any one time, will increase the size of the buffer stock to 575,000 bales.

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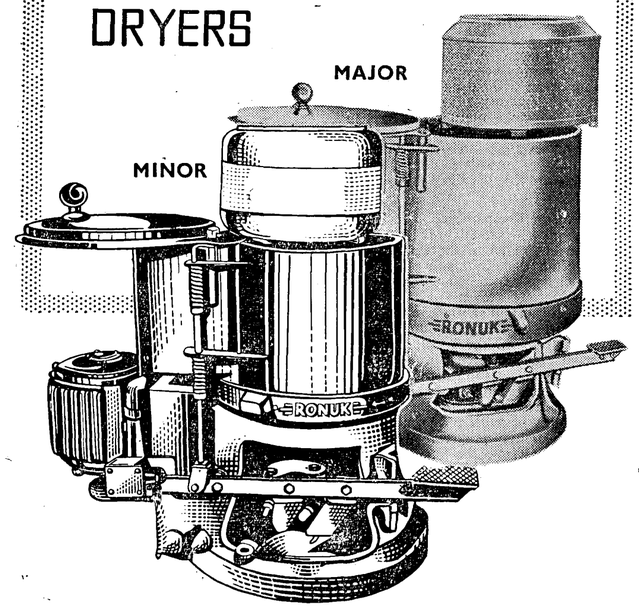

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SUGARCANE GROWERS TO GET STILL MORE

NEW PRICE FORMULA MODIFIED

EVEN Mr. S. K. Patil, Union Minister for Food and Agriculture, lacks political courage to tackle the problem of sugarcane prices in a realistic way. How else can one explain the rationale behind the three modifications in the new formula linking cane price to sugar recovery which he announced in the Lok Sabha last week in the course of his speech during the debate on a motion by an independent member for consideration of the formula? The modifications are as follows:

1. For calculating the average recovery per cent in cane for purposes of making payment by factories to growers, only the recovery actually obtained during the four months from December to March will be taken into account, and not the recovery for the whole crushing season.

2. A concession will be granted in working out recovery percentage up to 9.8 per cent, that is the standard percentage to which prices are to be linked. Thus, recovery percentages ranging from 9.61 to 9.69 is to be treated as 9.7 and those from 9.71 to 9.79 as 9.8, but there will be no such concession for percentage above 9.8, since the cane with higher sucrose-content will be paid a price higher than the standard price.

3. A farm or a co-operative or two or three individual farmers can get together and bring to the notice of the authorities that they are growing cane with a higher sucrose-content than prevalent in their area, and the Government will ask the mill concerned to pay a higher price for such cane. This concession is, however, subject to the condition that such farmers should bring at least two or two and a half tons of cane to the mill, giving it a minimum of five minutes of crushing time to enable the mill to determine the exact sucrose-content.

Wooing the Cultivators

By making these modifications, Mr. Patil has once again demonstrated his anxiety to avoid political unpopularity. Indeed, he has continued to woo the cane growers and their spokesmen in Parliament and outside. Here is the relevant extracts from his speech as reported in the daily Press:

"The interests of the farmer are as much in my mind as of any other member in the House. The new formula has been so devised that almost every grower of sugarcane will get more money than now. Out of the 71 factories in U.P., 15 will pay more than Re. 1.62 per maund of cane and, out of 28 mills in Bihar, seven will pay a higher price. The average price will be Re. 1.59 in U.P. and Re. 1.57 in Bihar. Under the old system, cultivators did not get Re. 1.62 throughout the season and, in fact, distress sales in April and May hardly fetched one rupee a maund."

That Mr. Patil, too, has fallen a victim to political pressures will be clearly evident from a brief reference to the trend of cane prices since he took over the Food and Agriculture portfolio on 24th August 1959. Within two months after he assumed charge of his new office, Mr. Patil raised the minimum price of cane by a straight 12½ per cent, to Re. 1.62 per maund delivered at the gate of a factory, from the level of Re. 1.44 which itself was too high in relation to the prices of other agricultural commodities. This price, it must be noted, was exclusive of the compulsory (deferred) payment of additional price to cane growers under the formula linking the cane price to the price of sugar realised by factories. Although he had then categorically stated that the enhanced price of Re. 1.62 was for the 1959-60 season only, he continued this price (together with the additional price) during the 1960-61 and 1961-62 seasons also. It was this policy that was responsible for the glut of sugarcane supplies and the problem of sugar surplus, so that the Government had to enforce a compulsory cut of 10 per cent in the output of white sugar in 1961-62.

A few months ago, Mr. Patil no doubt announced the bold decision to link, with effect from the 1962-63 season, the price of cane to both recovery per cent and quantity, instead of quantity alone as hitherto, but, in doing so, he perpetuated the defects in the old system. Under the formula announced early in July last, the enhanced price of Re. 1.62 per maund is to be paid for cane with a recovery of just 9.8 per cent and not the usual basis of 10 per cent that had been regarded as the norm all these years. In effect, therefore, the minimum price for cane with 10 per cent recovery is higher than before —Re. 1.64.2/5 per maund, a rise of 2.4 nP. This has since been raised further. In accordance with the latest modifications announced by Mr. Patil last week, the sugar mills are made to pay to cane growers a uniform price on the basis of the average recovery obtained in only four months from December to March (and not on the average obtained during the whole of the crushing season). Such average, as is well known, is much higher than that of cane supplied prior to December of every year or after the base period is over. In other words, this means that the cane growers will get the enhanced price even for the cane the recovery of which is well below the standard recovery of 9.8 per cent. The rounding off of the percentages in the schedule of adding or deducting at the rate of 1.5 nP for every rise or fall of 0.1 per cent in recovery will also give the cane grower more money than under the original formula. A sucrose-content of 9.71 to 9.79 per cent will be counted as 9.8 per cent, the minimum which entitles a farmer to get a cane price of Re. 1.62 per maund. Similarly, a recovery of 9.61 per cent is to be counted as 9.7 per cent, entitling the farmer to get more money than he would normally get under the original formula.

Minimum as Maximum

Mr. S. K. Patil would have certainly served the cause of both the cane growers and the sugar industry, as well as the consumers at large, if only he had fixed the minimum price of Re. 1.62 per maund as the maximum to be paid for cane with the highest sucrose-content, say, 11 per cent, if not 12 per cent. Alternatively, the Government should have at least continued the premium for an increase in sucrose-content upto 12 per cent, instead of stopping it as he has done at 10.14 per cent. There are areas and farmers with records well in excess of the ceiling. Should not such good lands and efficient growers receive a better reward than those whose performance is below the mark? It is only through such a reward that one can expect an improvement in the productivity of cane lands both quantitatively and qualitatively. This is necessary for two reasons: (*a*) to bring down substantially the area currently being devoted to sugarcane so that more lands can be released to foodgrain and other cash crops; and (*b*) to reduce the cost of sugar production which is high in all conscience because of the heavy incidence of cane cost, accounting as it does for three-fourths of the cost of making sugar.

It is indeed a pity that this important aspect was completely forgotten by practically every one who participated in the Lok Sabha debate last week. A criticism made by several members was that the new formula was to the disadvantage of the cane growers, inasmuch as it had no relation whatever to the cost of cane cultivation or the efforts put in by the farmers, apart from denying incentives. Some urged a statutory minimum of Rs. 2 per maund. Mr. Prakash Vir Shastri went to the length of saying that sugarcane was cheaper than firewood in India. But how many years does it take to raise the trees that yield firewood? Did this learned Pandit ever think of the economies of the two products? But this rhetoric apart, his contention is absolutely baseless. If cane prices had not been very profitable, would the agriculturists have devoted an increasingly larger area to the cultivation of sugarcane? The area of 4.80 million acres in 1958-59, when the minimum price of cane was Re. 1.44 per maund, was itself pretty large, as compared with the area sown in previous years, say, 3.50 million acres in 1953-54. The cane price paid in India, as Mr. D. D. Puri, a former President of the Indian Sugar Mills Association, stated, is among the highest in the world.

Besides the so-called high minimum price, the cane growers were getting a share in the profits of sugar mills. Both the efficient and inefficient farmers were getting the same reward all these years. The old system of a uniform price linked only to quantity was inequitous and the intention behind the new formula is no doubt to provide, as Mr. Patil claimed, an incentive to cultivators to improve the quality and yield of cane. But, in actual practice, the intention has been watered down by Mr. Patil's excessive enthusiasm to protect the interests of inefficient

(*Continued on page* 1002)

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NEW PUBLICATIONS

Small Industry Advisory Services—An International Study. By Joseph E. Stepanek, International Industrial Development Centre, Stanford Research Institute, Menlo Park, California, U.S.A. Published by Asia Publishing House, Contractor Building, Nicol Road, Ballard Estate, Bombay-1. Pages: 223. Price: Rs. 13.00.

THERE are few men who are entitled to speak with greater authority on the subject of small industries than Dr. Stepanek who, since December 1959, has been in our country as a Ford Foundation consultant on small industries. During this period, he has spent short periods as a consultant in Malaya, Pakistan, Ceylon and Iran. Such diversified experience is, indeed, rarely to be found.

The author says, with apparent modesty, that the writing of this book did not come easily to one "with far more experience in the construction of factories than of sentences." But the work is quite clear-headed and masterly in its presentation, though the style is quite direct and simple. Dr. Stepanek has deep knowledge of his subject for, apart from being a consultant in various countries, he served in that capacity on the staff of the United Nations Bureau of Economic Affairs in New York and, for an additional year, worked with the small industries research group of Stanford Research Institute.

The genesis of this book rests on solid foundations. Early in 1958, the International Industrial Development Centre of Stanford Research Institute undertook a programme of research and dissemination of methods of small industry development assisted by a grant from the Ford Foundation. The programme has for its main emphasis international comparative studies which help one to reveal the role that small industries can play in general economic development, while giving practical methods to stimulate growth and efficiency in the small sector.

The book has made a clear-cut definition of small industry by underlining its functional aspect. For statistical purposes, therefore, small industry has been defined as manufacturing units having fewer than a hundred employees. That makes the scope of small industry distinctly demarcated. It is said with justification that in newly developing countries large industrial enterprises can look after themselves but that it is the small sector that needs most "to catch up." The study, as contained in the book, examines all the processes and instruments by which industrial knowledge is being collected, adapted and transmitted to entrepreneurs of small industrial undertakings. In this case, the study gains immensely from the firsthand and practical experience which the author has gained in small industry development work in Shanghai, Indonesia, Burma and India.

In the chapter on India, the author deals with specialised Government agencies like the All-India Handloom Board, the All-India Khadi and Village Industries Commission, the Small-Scale Industries Board and the Central Small Industries Organisation. All this information is quite familiar to us, but the organisational set-up should prove of great value to those who are not conversant with rudimentary practices in small industries.

Advisory services, their subject matter, organisational methods, information sources and evolution are exhaustively studied by the author in different chapters. The book covers the best part of the world including Japan, the European countries (particularly Germany, Denmark, France and Poland), Latin America, Canada and the United States.

The book is as exhaustive a treatise as is possible in such studies. If it is studied with care and diligence in our country, it should greatly help promote the cause of the small sector which occupies a key position in rural industrialisation. People who particularly stand to benefit from the publication are Government departments of industries, leaders of productivity centres, technical assistance experts and all those concerned with the problem of promoting industrial growth and efficiency.

The Maharashtra Co-operative Societies Act, 1960. By M. D. Vidwans. Published by Co-operators Book Depot, 5-32, Ahmed Sailor Building, Bombay 14. Pages: 372 Price: Rs. 16.

The Bombay Co-operative Societies Act 1925 gave the lead by its novel features in the matter of State legislation relating to co-operatives. Perhaps this leadership is also maintained in the new Maharashtra Co-operative Societies Act 1961 and Rules 1962 which came into operation on 25th January, 1962. Mr. Vidwans has attempted a useful commentary on the Act and Rules. He has illustrated, wherever necessary with case decisions, whether in this State or elsewhere. Gujarat was till recently part of the Bombay State and a new Act has been passed in that State also in 1962. Since both the Maharashtra and Gujarat States had largely drawn on the parent Act, the author has indicated the principal points of variation.

"KHADI GRAMODYOG"

The ninth anniversary number of *Khadi Gramodyog* (Editor: Mr. S. C. Sarker) focusses attention on the various aspects of rural industrialisation and brings into bold relief the multifarious facets of rural economy and the decentralised sector of production. Published by the *Khadi* and Village Industries Commission (Price Rs. 2), *Khadi Gramodyog* is the only journal of its kind which serves as a forum for discussions of the various problems pertaining to rural regeneration from different angles. The annual number presents thoughtful articles on *khadi*, village industries and different aspects of rural industrialisation in general by eminent thinkers and experts.

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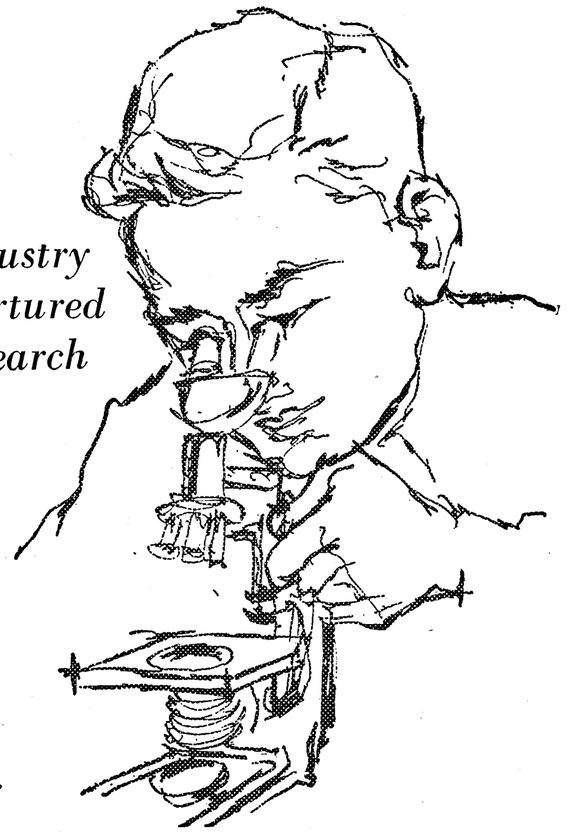

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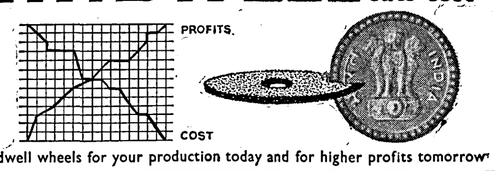

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INTERLOCKING WIDELY PREVALENT

By Dr. Raj K. Nigam and N. D. Joshi

[In July 1961, the authors of this article published a small brochure, entitled "Pattern of Company Directorships in India—a Pilot Study" based on their findings of 117 big-sized companies, having a paid-up capital of Rs. 50 lakhs and over, in the western region comprising Gujarat, Maharashtra and Madhya Pradesh. They have now followed up this pioneering effort by publishing a more comprehensive study covering the whole of India. The main features of their study are published on these pages. Those who wish to look up the authors' first study may consult Commerce *issues dated 8th July and 15th July 1961. The views expressed by the authors are their personal opinions and the Department of Company Law Administration, to which they belong as Director of Research and Statistics and Research Officer, respectively, is in no way committed to them.—*Ed.]

THE present all-India study covers 331 big and giant-size companies having a paid-up capital of Rs. 50 lakhs or above each, out of a total of 345 companies of such size reported to be in existence in the year 1956-57 to which the present study relates. Apart from 127 big-sized companies belonging to the western region (of which 117 companies belonged to the erstwhile bilingual State of Bombay), another 117 companies covered in the study were registered in the eastern region (107 of which pertained to West Bengal), 37 companies were from the northern region (16 and 12 companies of which were registered in the States of U.P. and Delhi respectively) and 50 companies belonged to the southern region (31 of which were registered in the State of Madras). In terms of paid-up capital, the 331 companies included in our study accounted for 60 per cent of the total paid-up capital of all companies at work in the country in 1956-57. Similar figures of paid-up capital coverage worked out to 59.4 per cent, 54.3 per cent, 54.1 per cent and 67.3 per cent for the western region, the eastern region, the southern region and the northern region, respectively.

The total number of directorships in the 331 companies selected by us for our study comes to 2,419 held by 1,502 persons acting as directors. That is to say, on an average, a person is found to be holding 1.6 directorships in the aforesaid companies. Further, these 1,502 persons have been found to be holding 9,785 directorships on the all-India basis including the 2,419 directorships held in the 331 companies covered here. The average number of directorships held by a person thus comes to 6.5 or in rounded terms 7 directorships. As against the average of 7 directorships held by a person, derived from the all-India data relating to the 331 companies, the average number of directorships held by a person acting as director in the companies registered in the western region worked out as 8. Further, in contrast to this average number of directorships held by a director on the boards of companies in the western region, those held by the directors in companies outside that region worked out to 6. This analysis thus shows that the western region directors, or in other words, the Bombay directors, carried heavier managerial responsibilities than did their counterparts in companies registered in the other States.

Size of Board of Directors

The size of boards of directors of the big and giant-sized companies studied by us ranges from 2 directors to 20 directors, the minimum of two having been prescribed by Section 252 of the Companies Act, 1956 for a private company. The average size of the board works out to be seven directors. This average has been arrived at on the basis of the total directorial strength of the 331 companies, which came to 2,419 directors. Out of the 331 companies, 50 companies had a board of 6 directors each and another 50 had a board of 7 directors each. The number of companies having a board of directors comprising 8 directors was 41: 9 directors, 31 companies; 10 directors, 27 companies; 11 directors, 12 companies; and 12 directors, 16 companies. One company was found to be having 19 directors and two companies had 20 directors each. Out of the total of 331 companies, only 4 big and giant-sized companies had boards comprising 2 directors each, whereas 22 companies had a board of three directors each, 27 companies a board of 4 directors each and 38 companies a board of 5 directors each. As against the all-India average size of the board of 7 directors, the average size of the board of the big and giant-sized companies registered in the State of Bombay and Madras works out to 8 directors whereas in the State of West Bengal, it is 6 directors. It is thus seen that the West Bengal companies have a smaller and more compact board of directors than the companies registered in the other States.

A comparison of the average size of the board of directors in this country with that in Great Britain and the U.S.A. reveals that the size of the board of directors in India is bigger than that in Great Britain and smaller than that in the U.S. According to the study made by Prof. Florence for the British companies, the average size of the board in the large-sized industrial and commercial undertakings in Britain works out to 5 directors, whereas similar investigations in the U.S. for the big-sized American corporations give the average size of the board as 9 directors.

Nominee Directorships

Prior to the coming into force of the Companies Act, 1956 there were no statutory restrictions on the practice of nomination of directors on the board by the managing agents. Accordingly, it was quite common in the pre-1956 Act period for the companies to have boards of directors almost wholly manned by the representatives of the managing agents, and even the few people who were not the nominees of the managing agency firms or companies, were in some way or other either connected with the managing agents or enjoyed their confidence. The result of all this was that the boards of directors of the managing agency-managed companies, whose number was also very large, were the managing agency-directed boards, which were hardly composed on the principle of giving representation to a variety of interests and experience required for efficient management of the enterprise. It was also noticed in the past that the managing agency agreements used to drastically curtail the powers of the directors who virtually became figureheads. The passing of the Companies Act, 1956, brought about a revolutionary change in this direction. Sub-section (1) of Section 377 of the Companies Act restricts the appointment of the nominees of the managing agents. This provision lays down that the "managing agents of a company may, if so authorised by its articles, appoint not more than 2 directors where the total number of directors exceeds five and one director where the total number does not exceed five." Some more limitations on the powers of the managing agents have been laid down by Section 261 of the Act, as pointed out in the first round of our study.

According to our present survey, out of the 331 companies, 90 companies were managed by managing agents and the number of their directorships came to 681. Out of these 681 directors, 157 were nominated directors. It is seen that, on an average-size board of 8 directors of these companies, two were the nominees of the managing agents. This reveals that the managing agents exercised to the full extent the discretion of nominating directors granted to them by the law which, as stated above, prescribes that, in a board comprising more than 5 directors, the maximum number of directors nominated by the managing agent could be two.

Nationality of Directors

Our study of the directorships reveals that, out of the 1,502 directors, 345 directors or 23 per cent of the total were of non-Indian nationality. These foreign directors held 2,184 directorships. This meant that 22.3 per cent of the total directorships were held by the 345 directors of foreign nationality. Out of the 331 companies, 139 companies had boards which included foreign directors. It is seen that, out of these 139 companies, in 65 companies foreign directors were in majority, in 14 companies they were in equal strength with the Indian directors and in 60 companies, they were in minority. It is also seen that, in the 139 companies where foreign element was present on the boards of directors, the ratio of Indian directors to foreign directors worked out as 1 : 1. As against this overall ratio, in the companies with foreign directors' predominance, the ratio of Indian to foreign directors worked out as 1 : 3, whereas in the companies with Indian predominance on the boards, the ratio was reversed, i.e., 3 : 1.

Out of 331 companies, only 12 companies were found to have lady directors.

Multiple Directorships

Multiple directorships have been a characteristic feature of the growth of the corporate sector and industrial development of our country. A very significant degree of accentuation of multiple directorships, however, came to be witnessed only during World War II and the post-war period, when, a large number of new companies were promoted by the prominent business houses and others who had already started some companies in the early war years. The question of plural directorships in the corporate sector attracted the attention of the economists in this country as early as in 1935. But "pluralism" in directorships at that time was not as prominent as it became in the subsequent years. Dr. P. S. Lokanathan, for instance, in one of his early books, *Industrial Organisation in India*, pointed out that "the system of multiple directorships necessarily leads to a certain weakening of responsibility, as no director, however able, will be in a position to look after the interests of more than a few concerns at a time." In that study, by way of example, it was pointed out that, in the cotton mills in Bombay in 1927, one person was director in 30 companies, one in 14 companies, one in 13, 3 in 12, 1 in 10, 1 in 8, 1 in 6 and 1 in 5 companies. Further, in the State of Bombay, one person was a director of 65 industrial concerns, another of 42, a third of 34, a fourth of 12, a fifth of 14, a sixth of 29 and a seventh of 26 and another of 29 companies.

An unofficial study* of the multiple directorships made for the year 1949-50 which took into account the developments that had taken place during the war and post-World War II period revealed that about 100 persons held as many as 1,700 directorships of important concerns and, of these, 30 persons among themselves held as many as 860 directorships, that is to say, on an average, 29 directorships by every person. The same study further revealed that 10 top industrialists held about 400 directorships and of these two persons held as many as 50 directorships each. Commenting on this question of multiple directorships, the Bhabha Committee later stated that, "in the course of our enquiry, it has been brought to our notice that, even now, the holding of 15 to 20 directorships is common while the holding of 30 or more directorships is by no means unusual."

Realising the unhealthy effects of the concentration of directorships with an individual or a small group of persons, which were later brought out in the course of discussions on the Companies Bill in Parliament in 1953-55, the Bhabha Committee suggested and recommended that a special provision be made in the Companies Act that "no person should hold more than 20 directorships at a time." From this, the directorships of private companies, unlimited companies and of associations not for profit and alternative directorships were, however, to be excluded. The Committee also added that, "in view of the paucity of high grade business ability in this country, we do not consider any further reduction in the maximum number of directorships which we have recommended desirable at this stage in the development of the country's economy." In suggesting this statutory reform in the Company Law in this country, the Committee had before it the examples of the German Law of 1939 which introduced a legal maximum of 10 boards on which a director could serve, although it was open to Government to grant exemptions in particular cases and that of a war-time legislation in France (Law of 16th November 1940) which reduced the number of directorships a person could hold to 12, subject to the condition that no person may serve on the boards of more than eight companies registered in France. Thus, it was on the basis of the aforesaid recommendation of the Bhabha Committee that the provisions of Section 275 of the present Companies Act, 1956, were framed and with this, the process of defreezing of the concentration of multiple directorships in the hands of a few important business elites in the country could be said to have begun. The impact of these provisions so far as the maximum limit of 20 directors was concerned was felt during the first two months of the coming into force of the Act, within which time the directors were asked to comply with the provisions of Section 275. The present study gives the factual position of the multiple directorships in the year 1956-57, but it does not, it may be admitted, throw light as to how the downward readjustment of directorships has been effected by the prominent businessmen belonging to the various industrial houses, particularly where they have been successful in

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retaining their control over the boards of companies while complying with this provision.

Our present study of company directorships reveals that, of the 1,502 directors, 26.6 per cent held single directorship, 53.2 per cent held two to ten directorships, 14.4 per cent 11 to 20 directorships and 5.8 per cent held more than 20 directorships. In absolute terms, out of 1,502 directors, 399 held one directorship each, 799 between two to ten directorships, 217 between 11 to 20 directorships and 87 more than 20 directorships. It may be mentioned here that the 87 persons who were found to be having more than 20 directorships and who might seem, therefore, to violate the provisions of Section 275 of the Act actually held the excess directorships by virtue of the exemptions granted by the provisions of Section 278 of the Companies Act which excludes the directorships held in the following categories of companies from the maximum limit of 20 directorships: (a) a private company which is neither a subsidiary nor a holding company of a public company; (b) an association not carrying on business for profit or which prohibits payment of a dividend; (c) an unlimited company; (d) a company in which such person is only an alternate director, that is, a director who is only qualified to act as such during the absence or incapacity of some other director. Table I below gives the frequency distribution of directorships held by the 1,502 persons serving on the boards of the 331 companies covered by us in this study. It will be seen from the table that 73.4 per cent of the persons acting as directors held multiple directorships and that the total number of directorships held by the directors holding single directorships accounted for about 4 per cent of the total of 9,783 directorships held by the 1,502 persons.

TABLE 1: *Frequency Distribution of Directorships*

No. of directorships	No. of persons holding director-ships	Percent-age	Total director-ships held	Percent-age
1	399	26.6	399	4.0
2–10	799	53.2	3,963	40.5
11–20	217	14.4	3,196	32.7
21 and above	87	5.8	2,227	22.8
	1,502	100.0	9,785	100.0

The foregoing table showing the frequency distribution of directorships gives the combined figures in respect of the foreign and Indian directors. A separate study of the frequency distribution of directorships held by the foreigners and Indians discloses that the prevalence of plural directorships is less marked among the former than among the latter. Out of the 345 foreign directors, 63 per cent held more than one directorship and the proportion of foreigners holding more than 10 directorships worked out to 21 per cent. As against this, 77 per cent of the Indian directors were found to be holding more than one directorship. The proportion of Indian directors holding more than 10 directorships came to 20 per cent. The proportion of Indian directors holding between two and ten directorships came to 57 per cent, as against the corresponding figure of 42 per cent in respect of the foreign directors. Indian directors holding single directorships accounted for 3.6 per cent of the total directorships, whereas the corresponding figure for foreign directors holding single directorships was 5.9 per cent.

The comparative position of multiple directorships held by the directors in Indian, U.K. and U.S.A. companies is given in the following Table 2. The data for directors in the U.K. and U.S.A. companies have been taken from Prof. Sargeant Florence's book, *Logic of British Industry*.

TABLE 2: *Multiple Directorships in India, U.K. and U.S.*

(Percentages)

No. of companies in which director-ships are held	Indian directors in Indian com-panies	Foreign directors in Indian com-panies	All directors in Indian com-panies	Directors in large British com-panies	Directors in large American corpora-tions
1–5	57.0	67.8	59.5	70.0	72.5
6–10	22.9	11.6	20.3	17.0	17.5
Over 10	20.1	20.6	20.2	13.0	10.0

The above table unmistakably brings out the fact that directors in Indian companies are having more directorships than their counterparts in the U.K. and the U.S. Further, amongst directors in Indian companies, Indian directors holding six to ten directorships are proportionately more (22.9 per cent) than the foreign directors holding same number of directorships in Indian companies. As against this, the proportion of Indian directors holding more than ten directorships is less than that of foreign directors holding directorships exceeding ten in Indian companies. This shows that foreign businessmen at the top in India are holding more multiple interests than their Indian counterparts as also than those abroad.

Inter-State Directorships

A surprising finding from the study of the inter-State interests of the directors is that, in the case of the big and giant-sized companies which might be expected to be having on their boards men of inter-State stature, only 117 out of the 1,502 directors serve on the boards of companies registered in two or more States of the country. Out of the remaining 1,385 directors, 986 directors serve on more than one company registered in a single State only. Of the 117 directors having inter-State interests, 102 directors serve on companies registered in 2 States, 9 directors in companies registered in 3 States, 4 directors in companies registered in 4 States and 2 directors in companies registered in 5 States.

Age Pattern

Statistical information on the age of directors is available in respect of 1,320 directors (out of whom 1,110 are Indian directors and 210 are foreign directors). The average age of these 1,320 directors taken together works out to 48 years 4 months. Separately, the average age of the Indian directors works out to 48 years and 2 months and that of the foreign directors, to 47 years and 1 month. This thus reveals the Indian directors to be older by a very small margin than the foreign directors. As against the average age of 48 years and 2 months of Indian directors in our country, the average age of the British and American directors, according to the studies made for them, was found to be 55.2 and 65 years respectively. The following Table 3 below shows the comparative position of the age pattern of directors in the Indian, American and British companies:

TABLE 3: *Age Pattern of Directors in Indian, American and British Companies*

(Percentages)

Age group	Indian directors in Indian companies	Foreign directors in Indian companies	British directors	American directors
Under 40	26.1	21.4	9.0	1.0
41–49	24.2	35.2	30.0	9.5
50–59	26.8	31.9	31.0	26.5
60 and above	22.9	11.5	30.0	63.0
	100.0	100.0	100.0	100.0

As explained in the previous study on the subject, "the higher average age in the case of the American directors is mainly accounted for by the fact that the administrative structure in American corporations is very different from that of the Indian or British companies. The board of directors of American corporations tends, more often, to be a supervisory body of elderly statesmen of industries including bankers with representatives of leading stockholding families while the boards of directors in the U.K. and India tend to be more often an active policy-making body." As for the lower average age of the directors in this country, the reason given in our previous study was that it could be "partly ascribed to the hereditary nature of the Indian directors and partly to their lesser longevity." Apart from these reasons, one other reason for the comparatively younger average age of Indian directors is that the present Company Law in the country has made the appointment of people of advanced age as directors less easy, for, if people who exceed the age of 65 years are to be appointed as directors on the boards of companies, a special resolution has to be passed in the general meeting of the company as per provisions of Section 281 of the Companies Act, 1956. The spirit underlying the provisions of the section, as explained during the course of the debates on the Companies Bill in Parliament in 1953-55 by the Government, is that only people below 65 should be appointed as directors and the appointment of people exceeding that age should be an exception rather than the rule. The aforesaid intention of Parliament has been realised in the business community and a smaller number of people of the age of 65 years or more have been appointed on the boards of companies after the coming into force of the Companies Act, 1956. It may be mentioned here that the provisions of the new Act have, in a way, brought down the average age of the directors.

A detailed study of the age pattern of the 1,320 directors belonging to 331 companies in India reveals that 113 directors were of 30 years or less of age, accounting for nearly 8.5 per cent of the total. The number of directors of the age group between 31-45 years and that of the directors of the age group of 46-55 years is 333 and 466 or in terms of percentage 25.2 per cent and 35.3 per cent respectively. The number of directors in the age group between 56-65 years was 262, that is, 20 per cent of the total and the number of superannuated directors, namely, those over the age of 65 years was 146 or 11 per cent of the total. Dividing the directors in two categories, namely, 'young' directors who were of 45 years of age or less and 'mature and seasoned' directors whose age was over 45 years, it is seen that the former accounted for nearly one-third of the total directors, whereas two-thirds were of the latter group. The following Table 4 gives the age pattern of the 1,320 directors studied by us in this survey:

TABLE 4: *Age Pattern of Company Directors*

Age groups (as on 31st March 1957)	Number of directors	Percentage to total
Upto 30 years	113	8.5
31–45 years	333	25.2
46–55 years	466	35.3
56–65 years	262	20.0
Over 65 years	146	11.0
	1,320	100.0

For the study of the composition of boards of directors as between young and old directors, information is available for 289 companies out of the 331 companies covered in this study. Our study of the percentage representation of the young directors (of 45 years or less) discloses that, in 49 companies out of the 289 companies, there was no representation of such directors, whereas the 'young' directors were represented to the extent of 25 per cent in the overall strength of the board in 89 companies. More than 25 per cent and upto 33⅓ per cent representation was secured by the 'young' directors in 22 companies, whereas between 33⅓ per cent and 49 per cent of representation on the boards was secured by them in 55 companies. In other words, in 17 per cent cases, 'young' directors had no representation, in 31 per cent cases they had upto 25 per cent representation, in 8 per cent cases between 25 per cent and 33⅓ per cent and in 19 per cent cases, between 33⅓ per cent and 49 per cent of the strength on the boards. It is further seen that, in 25 companies, the boards were equally balanced between the young and old directors, the dividing line being drawn at the age of 45 years. In terms of percentage, 8 per cent of the 289 companies had boards that were equally balanced between young and old directors. The young directors had between 50 per cent and 66⅔ per cent representation in 22 companies, between 67 per cent and 75 per cent representation in 16 companies, and between 76 per cent and 99 per cent in 7 companies. Cent per cent representation to the young directors was observed on the boards of four companies only accounting for one per cent of the total number of companies covered in our study. Thus it is seen that in 75 per cent of the companies, the young directors were found to be in minority as against which they were in majority only in 17 per cent cases.

These data also shows that the corporate management in this country still continues to rest overwhelmingly on older shoulders. It is true that the seasoned and mature experience of the older directors is necessary to prevent corporate affairs from running into the risks and hazards that the younger directors might be tempted to discount heavily, but in order to accelerate the tempo of corporate growth, the initiative, drive and daring generally associated with young age are equally necessary. Therefore, if the corporate management in this country is to acquit itself creditably in the development of Indian economy, it needs readjustment with more representation to young directors.

Directors' Holdings

Information on directors' holdings in the share capital of the companies is available for 883 directors belonging to 121 companies, out of the 2,419 directors (inclusive of duplication) serving in the 331 companies covered in our survey. Our investigations reveal that 883 directors of the 121 companies held among themselves, directly in their own names, 6 per cent of the total paid-up capital of the companies of which they were directors. The percentage holdings of the directors in the managing-agency-managed companies further work out to around 3 per cent, whereas those of the directors of the companies which are managed directly by boards of directors work out to around 9 per cent. The financial stake of the directors in the case of the managing-agency-managed companies is low, because control in such companies is retained by the managing agency firm and not by the board of directors. As against this, it is quite understandable that the holdings of the directors in the companies managed by boards of directors should be higher, as in their case, the control and management of the companies are retained by the directors by virtue of the control over majority of the share capital of the company. From the point of view of control, the present figure of 9 per cent appears

to be very low and indicates that the directors, directly or indirectly, control a fairly high proportion of the capital of the companies through their *benamdars*, relatives, friends, financial institutions and companies. Here it must also be mentioned that, due to the dispersal of shareholdings over a large number of persons, majority of which is not taking active interest in corporate decisions, it is not necessary to have majority of the voting rights to get or retain the control of the company. Sometimes, even a block of 10 per cent to 20 per cent of the voting rights is enough to take over the control of the company. Apart from dispersed holdings, there are substantial holdings of share capital by disinterested financial institutions.

A separate enquiry made by us into the financial stake of the foreign and Indian directors in the companies on whose boards of directors, both were represented, reveals that the holdings of the foreign directors amounted to less than those of the Indian directors. In the 52 companies, where foreign directors were on the boards of directors, the average holdings per foreign director worked out to Rs. 48,000, whereas those of the Indian directors came to Rs. 64,000. If the 21 companies where foreign directors predominated in number on the boards were alone taken into account, the average holdings of the foreign directors were observed to be Rs. 77,000, whereas those of their Indian counterparts were Rs. 1,05,000. In the 7 companies where foreign directors were equal in number to the Indian directors, the average holdings of the foreign directors came to Rs. 23,000 as against Rs. 83,000 of the Indian directors. Further, in the 24 companies on whose boards foreigners were in minority, the average holdings of the foreign directors came to Rs. 20,000 as against Rs. 37,000 of the Indian directors.

Thus it is seen from the above figures that, in all cases where foreign directors were on the boards—whether they were in majority, in equal number or in minority—their average holdings were significantly less than those of the Indian directors. The main reason for the comparatively smaller average holdings of the foreign directors in the companies is that a majority of the 52 companies happened to be either the companies under the management of foreign managing agency houses or the subsidiaries of the foreign companies and as such the foreign directors were in reality "service directors" The reason for the larger average holding of capital by the Indian directors appears to be that they have been taken on the board only by virtue of their significant participation in the share capital of the companies concerned apart from their usefulness in connection with the business of the companies. These broad generalisations however require to be verified by detailed case studies which have not been attempted by the authors in this study.

Occupational Pattern

As mentioned in the first round of our investigations, information relating to the profession and occupation of the company directors is not quite accurate, the main reason for the deficiency being the fact that very broad categories of occupations were set out for collecting the information; and the decision for having broad categories was taken because the returns filed by the companies on Form No. 32 under Section 303 of Indian Companies Act, 1956 contain rather generalised entries on the occupation and profession of company directors. The only way to have more accurate information on the occupational pattern of the directors was to send out a questionnaire to the individual directors of the companies covered in the survey and, while making an enquiry in this regard, one could have as well enquired about the general and technical qualifications of the directors the educational institutions attended by them in this country and abroad and other details of such nature as have been collected in certain investigations in the U.K. This method, however, was not adopted and as such, the authors had recourse only to the official documents.

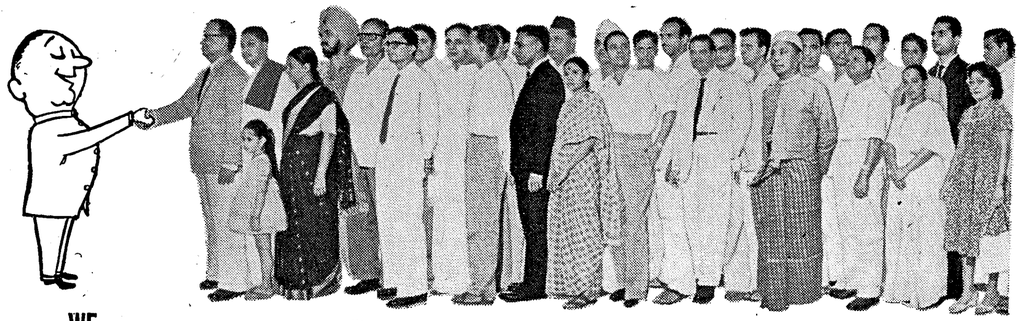
However, notwithstanding the lack of precision in the information collected by us, the broad picture that has become available to us reveals that, out of the 1,502 directors, 103 directors were professionally qualified as accountants, solicitors, lawyers, etc., 116 directors possessed specialised and technical qualifications and 113 had been selected on the boards of directors for their administrative and executive qualifications. These three broad groups of occupation among themselves accounted for 392 directors, that is, about 26 per cent of the total and the remaining 1,110 directors were there by virtue of their belonging to business families and communities. The higher proportion of directors whose occupation has been given as 'business' is, however, not surprising, as it is well known that business management in this country has not yet become professionalised and still shows overwhelming signs of family inheritance, etc. The following Table No. 5 gives the breakdown of the company directors belonging to the 331 companies as well as for those belonging to the 117 companies registered in the Western region:

TABLE 5: *Occupational Distribution of Company Directors*

Name of occupation disclosed	No. of persons acting as directors	
	All India	Western region
Business	1,110	441
Established professions like accountancy, legal practice, etc.	103	33
Services of specialised and technical nature	116	23
Services of administrative and executive nature	173	49
	1,502	546

Interlocking of Directorships

For the purpose of illustrating the extent of interlocking of company directorships in the big-sized companies, we have selected seven typical companies belonging to seven leading Indian and foreign business groups. The Andhra Valley Power Company Ltd. has been selected from the Tata group, Century Spinning and Weaving Company Ltd. from the Birla group, Standard Mills Ltd. from the Mafatlal group, Greaves Cotton and Company Ltd. from the Karamchand Thapar group, McLeod and Company Ltd. from the Surajmull Nagarmull group, Kamarhatti Ltd. from the Jardine Henderson group and the Bengal Coal Company Ltd. from the Andrew Yule group. While the selected companies belonging to the aforesaid seven groups would not reveal the entire corpus of inter-company relationships forged through the directors, they—being important corporate units within the respective business groups—would still throw some light on the extent of inter-company relationships in the respective houses. It must be stated here that we are not in a position, due to lack of adequate data, to say much on the broad patterns of interlocking secured through company directorships such as (*a*) interlockings between competing companies, (*b*) interlocking between companies in the same



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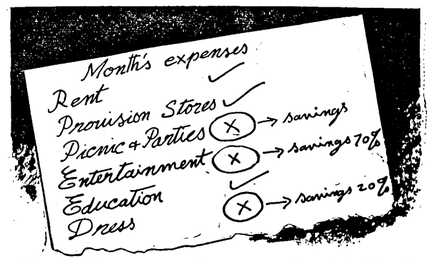

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or closely related industries but not in competition with one another, (c) interlocking between companies that face similar problems, (d) vertical interlocks among companies engaged in distribution of materials in short supply, (e) vertical interlocks among companies that sell or distribute the products of another and thus create preferential access to market outlets, (f) interlocks between manufacturing corporations and financial institutions such as banks and insurance companies that may assure adequate credit to favoured companies, and (g) interlocking relationship to protect an investment. An attempt, however, has been made in the following paras with the limited data available with us to offer some general comments on interlocking between competing companies and the inter-connection between manufacturing companies and financial companies:

Andhra Valley Power Company Ltd.: The Andhra Valley Power Company is a giant-sized company with a total paid-up capital of Rs. 3.52 crores and the total capital employed by it (i.e. total assets minus depreciation and intangible assets) is Rs. 7.64 crores. It has a board of directors of 9 directors of which 3 belong to the house of Tatas and 6 are outside directors. It is linked with 113 companies including 1 non-profit making Association and 9 Government companies through its nine directors. Out of this total, it is connected with 87 companies through one director, with 18 companies through 2 directors, with 7 companies through 3 directors and with 1 company through 4 directors. Further, it is observed that of the 113 companies with which it is connected, 13 companies are connected through internal directors, that is, through the directors belonging to the house of Tatas or persons in whole-time employment in the Tata group. The remaining 100 companies are connected with this company through the outside directors. Four of the 113 companies are engaged in the same business as that of the Andhra Valley Power Company and all of them belong to the Tata group. As regards the interlocking with financial companies, it is observed that the Andhra Valley Power Company is connected with 13 banking and financial companies of which 2 are banks, 6 investment companies and 5 other financial institutions.

Century Spinning and Weaving Mills: This textile company which belongs to the Birla group has nine directors on its board. Its paid-up capital and capital employed amount respectively to Rs. 1.09 crore and Rs. 8.82 crores. Out of the total nine directors of this company, only two can be presumed to be the inside directors. These two inside directors have forged interlocks with 31 companies out of a total of 117 companies connected with the Century Spinning and Weaving Mills through common directors. The breakdown of these 117 companies according to 1, 2 and 3 common directors is 101, 13 and 3 respectively; this shows that, as compared with the Tata group, the interconnections through two and more directors are less in the Birla group. This interlocking of directorships forge links between Century Spinning and Weaving Mills and other 30 textile companies out of which two are inter-connected through three directors, one with two directors and the remaining, with only one director. Besides textile companies, 16 financial companies—out of which two are banks, seven are investment companies and the rest are miscellaneous financial companies—are interlocked through common directors, to Century Spinning and Weaving Mills Ltd.

Standard Mills Ltd.: The Standard Mills is another textile company whose interlocking of directorships has been studied here. It is connected through one common director with 78 companies, through two common directors with 14 companies and through three common directors with 11 companies. Further, through 4 common directors, it is connected with 5 companies. Out of these 100 companies connected through common directors to this company, one is an association not for profit, 28 are textile companies and 16 are financial companies. Further, out of these 16 financial companies, 3 are banking companies, 7 are investment companies and 6 are miscellaneous companies. The paid-up capital and capital employed of this company amount to Rs. 99.80 lakhs and Rs. 4.62 crores respectively. Out of its nine directors, five can be categorised as inside directors who themselves have forged interlocks with 51 companies out of the 108 companies connected to the Standard Mills through common directorships.

Kamarhatty Company Ltd.: This company which belongs to Jardine Henderson group is connected to 66 companies through common directors. Out of these 66 companies, 58 have one common director, five have two common directors, two have three common directors and the remaining one has four common directors with Kamarhatty Company Ltd. The industrial breakdown of these 66 companies shows that there are 15 jute companies and seven financial companies. Out of the latter, six are investment companies and one is a miscellaneous financial company. The paid-up capital and capital employed of this company amount to Rs. 59.20 lakhs and Rs. 2.21 crores respectively. Out of its four directors, only one is an inside director connecting 17 companies to Kamarhatty Company Ltd. through his directorship in them. The remaining three outside directors are holding directorships in 49 companies.

Greaves Cotton and Company Ltd.: This company which is in the Karamchand Thapar group has a paid-up capital of Rs. 1.38 crore and total capital employed of Rs. 3.77 crores. It is connected with only 58 companies 40 of which are through one director, 17 through two directors and one through three directors, common with Greaves Cotton and Company Ltd. This engineering company has interlocking of directorships with 9 other engineering companies while its connection by virtue of common directorships extends to 6 financial companies out of which one is a banking company and two are investment companies.

McLeod and Company Ltd.: In the seven case studies given here on interlocking of directorships, McLeod and Company Ltd. is the only managing agency company, having a paid-up capital of Rs. 95 lakhs and capital employed of Rs. 5.11 crores. Its connections with companies through common directorships extend to 92 companies, 88 of which are through one common director and the remaining 4 through two directors. The industrywise composition of these 92 companies shows that McLeod & Co. and two other managing agency companies have common directors. Out of the 6 directors on its board, three are inside directors belonging to the Surajmull Nagarmull group. These inside directors are also serving on the boards of 35 other companies.

Bengal Coal Company Ltd.: This company which belongs to Andrew Yule group of companies has a paid-up capital of Rs. 1.20 crore and capital employed of Rs. 5.39 crores. The connections through the directorships of its directors extend over 32 companies, of which only 6 are coal companies and 7 financial companies. Out of the 7 financial companies, 6 are investment companies. Out of its six directors only one can be considered as the inside director belonging to Andrew Yule group. This inside director is also serving on the boards of 23 other companies. The remaining 59 companies are connected to Bengal Coal Company Ltd. through the five outside directors.

The foregoing case studies of interlinking of seven companies through common directorships bring out the wide prevalence of interlocking of directorships in companies belonging to long-established and reputed houses. It must, however, be mentioned that the existence of common director or directors on the boards of two companies does not necessarily mean that the policies of the two companies are completely integrated. Much will depend upon the personality of such common directors and the influence they wield on the strength of their associations with business houses, etc. Subject to the limitation mentioned above, it is seen that there is association of the seven companies studied here with financial companies particularly banks and investment, etc., through common directors. Further, the interlocking of directorships of these seven companies with companies carrying on similar trade or manufacturing activity connote horizontal integration which often results in common price and distribution and related policies which are of mutual benefit. The exact extent of such uniformity in business policy, however, has not been studied here.

SUGAR

(*Concluded from page 994*)

cane growers. It is no exaggeration to say that there is nothing in the new scheme that discourages in efficient sugarcane farming.

Duration of Season

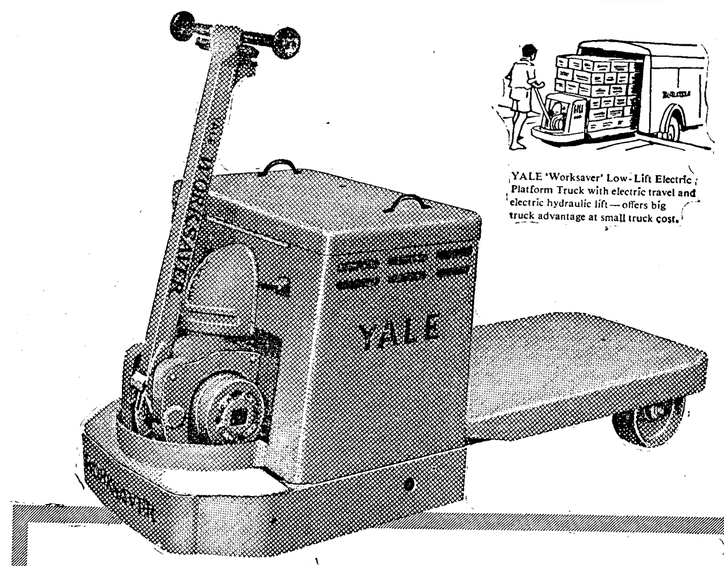
The calculations made by sugar millowners reveal that the cane prices would be higher than what they would be if they had been worked out on the basis of the actual duration. The factor of duration has a close bearing on the recovery of sugar. The cost schedule prepared by the Tariff Commission for the Northern region, it may be noted here, operates between 90 days and 180 days' duration. For determining the cane price, the recovery for the season as a whole ought to have been taken into account.

Besides making the sugar mills pay a much higher price for cane with lower recovery per cent, the Government has also reduced the rebate on cane transported by road. The maximum rebate now allowed is 19.125 nP per maund, as against 18 nP allowed in the 1961-62 season. How the new cane price formula will affect some sugar mills will be evident from the following three instances:

(In rupees per maund)

	Cane prices payable	
	Now 1962-63	*In* 1961-62
Factory with recovery as on 30th April 1962	1.575	1.545
Factory with 9.70% recovery	1.650	1.605
Factory with 8.97% recovery	1.500	1.515

The aforesaid variation in the calculation of cane prices is considered to be somewhat intriguing and the sugar industry fears that the production cost of several mills will increase further. The only consolation, however, is that the sugar mills are no longer liable to pay to cane growers a share in the prices of sugar realised by them in excess of what the Government regards as fair ex-mill prices.



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VOL. 561 A EVEREST

NEW PRODUCTS AND PROCESSES

Extracting Pure Silicon

AN inexpensive and simple technique for obtaining the very pure silion used in transistors and other sensitive equipment is reported in France. Raw silicon is treated under vacuum with the fluoride of zinc or lead at a temperature of about 1,300 degrees Centigrade. The pure silicon is then separated from the metallic alloy formed in the course of the treatment and from the boron, iron, copper, titanium and other impurities originally in it. The resulting product is said to be at least 99.95 per cent pure silicon.

Tape for Repairing Wornout Bearings

Fluorocarbon plastic is now available in America in tape form to build up worn metallic parts or to face bearings. The tape, made of a reinforced form of the plastic, has a very low coefficient of friction and can be used in temperatures up to 500 degrees Fahrenheit. The tape is .008 inch thick with .0015 inch of silicon polymer adhesive, and comes in widths up to 1 inch. The manufacturer says that, in addition to building up worn bearing parts, it can be used to line chutes carrying abrasive materials.

New Method of Joining Pieces of Leather

What is claimed to be an improved method of joining pieces of leather, particularly shoe soles and uppers, has been patented by a Czechoslovakian concern. A strip of pvc is formed to the required shape in a cutting machine and is placed between the bevelled-back edges of the leather components. The plastic fills the gap made by the bevelling and forms a butt-joint extending over the full thickness of the leather. The joint is then heat softened so that the plastic adheres. The pvc forms a continuous visible strip, which projects beyond the connected pieces and is claimed to make a more waterproof and more flexible joint.

Cold-welding in Vacuum

A method of cold-welding metals, without high heat or brazing materials, is under study in the United States. It has been found that extremely pure metals, when pressed together in a vacuum, diffuse into each other to form a welded joint. Copper has been welded at 200 degrees Centigrade, compared to the usual 1,083 degrees needed for heat welding.

Plastic-coated Foils

Metallic foils embedded in plastic are said to give a long-lasting metallic appearance to lightweight sheets. In an American process reported by the Scientific Staff of the *Financial Times*, London, butyrate plastic is extruded over the foil. The resultant sheet is said to be flexible enough to go around sharp corners, while the plastic protects the foil from tarnishing. Either clear or coloured plastic can be used to vary the tint of the underlying metal. Since the plastic is said to be proof against weathering, the metallic appearance can be maintained outdoors. Suggested uses for the sheets are in the manufacture of boats, cars, lighting fixtures and outdoor advertising signs.

Anti-corrosive Paper

What is claimed to be an anti-corrosive wrapping paper is now being produced at the Kryukovo Paper Mill in the Urals in U.S.S.R. Dozens of tons of this paper, which is impregnated with chemicals to prevent the metal from being oxidised, are being despatched to plants manufacturing farm machines and their spare parts.

Ferro-concrete Canal Locks

The Soviet engineers, who are engaged in the reconstruction of the Moskva-Oka waterway, ventured a pioneer technique of assembling canal locks from structural ferro-concrete components. They regard this technique as time-saving and economical. For the first time in world practice, it is said, lock chambers are assembled on the spot from prefabricated ferro-concrete elements, weighing up to 10 tons each. By the opening of the 1963 navigation season ferro-concrete elements will have replaced timber at five dilapidated locks along the Moskva-Oka canal.

Light-sensitive Textile Material

A new process for the manufacture of a fabric sensitive to light has been developed by a Munich manufacturer of photographic articles and equipment. This new linen-based material is claimed to have the same properties as silver-bromide paper, and may be employed in the same manner as the latter. The sturdy texture may be cut from the bulk reels, may be exposed and subsequently developed, fixed, watered and afterwards dried on the clothing line. The photographic fabric will even withstand washing, laundering and ironing. It is above all admirably suited for decoration purposes, such as for large photographs, draperies and wall tapestry.

Solar Heat Water Collector

A simple apparatus using solar energy to collect drinking water from the soil has been developed by the Nippon (Japan) Electric Company for use in areas inaccessible to regular water pipelines. A series of low, specially-processed plastic "greenhouses" trap the heat of the sun to distill water from the soil through evaporation. The moisture is collected in a system of pipes and stored in a reservoir vessel. Official laboratory tests show that water is immediately drinkable and can be used as distilled water for pharmaceutical purposes or for batteries. One experiment simulating conditions of radioactive rainfall showed that the water collected by the N.E.C. water collector was completely safe to drink. N.E.C. calls the apparatus "Necaquarius". Under normal conditions it collects up to one liter of water daily per square meter of soil. Any amount of water desired can be obtained by adding more units of "Necaquarius."

Shock-treated Milk Keeps Longer

A new type of sterilized milk for prolonged storage, which has been developed by scientists of the Swedish University College of Dairy Engineers at Alnarp in collaboration with AB Separator, the Swedish Alfa-Laval Company, will be test-produced in Sweden next summer. Mjölkcentralen, the central dairy of the Stockholm area, will process and distribute the milk to the summer residents of the Stockholm archipelago. The new method of sterilizing milk implies that the milk is subjected to a shock treatment of up to 140°C (284°F). The method is said to have several advantages over previously applied techniques for prolonged milk storage, particularly with reference to nutritional value, taste and colour.

Automatic Surveyor's Level

A low-cost automatic level for general purpose use by surveyors, builders and construction engineers has been devised in Britain. It has a novel method of mounting and levelling off on its tripod. Footscrews are not needed. Instead the head of the tripod is domed and provided with three bearing pads. The instrument is mounted on this domed head and is secured by a captive bolt. To level, this bolt is tightened a little and the position of the instrument on the domed head adjusted until a circular bubble is central. Because an optical compensator embodied in the telescope automatically levels the line of sight, the instrument is then ready for use.

Plastic Road Block

An almost indestructible road obstruction cone made of translucent plastics, is now being manufactured by a British firm. Approximately 18 in. (45.72 cm.) high with a heavy black rubber base, it does not need painting and is abrasion resisting.

Car Tester

Improved quality and savings in time and manpower are promised by a new British "car tester" machine now installed at the Coventry factory of Standard Triumph. A roller test rig, it allows exhaustive tests on wheel alignment, transmission noise and efficiency, brake balancing and over-run conditions, to be made in the factory as the car comes off the assembly. Previously extensive tests involved road trials. The "tester booths" at the end of each vehicle assembly track in the factory takes 15 cars an hour, giving each one a four-minute "run." The actual road test of the type carried out before the test booths were installed took about 15 minutes over several miles (kilometres) of ordinary road. Apart from the obvious savings in time there have been savings in other directions. Risks of minor accidents, scratches and bumps, have been eliminated, as has the need for washing and polishing after test.

Centrally-placed Driving Cab

A centrally placed driving cab is a notable feature of diesel-electric locomotives of an entirely new design being built for British Railways. The new design, incorporating a central full-width driving cab, has been adopted by the British Transport Commission as standard for main-line diesel-electric locomotives in the British Railway's Type 1 (800 — 1,000 h.p.) power class. Raised above and set between low bonnets of equal length which house the engines and equipment, the cab has separate and identical positions for each direction of travel. Type 1 locomotives are employed mainly on short-distance freight or local passenger trains. One-man operation was considered in planning the layout of the new locomotive and a centrally sited cab was chosen both to give maximum visibility when travelling in either direction on main lines, and a good view of the vehicles ahead when engaged in shunting operations.

Leather Protection

A new silicone preparation for protecting leather garments against water and stains has been produced by a British firm, Silicone Treatments Ltd. for manufacturers and cleaners. To give a high degree of water repellancy and stain resistance, it can be applied also to suede sheepskin coats, shoes and handbags.

Starter Battery

A combined starter battery and charger for starting engine-driven generators in the event of power failure is being produced in England by Nife Batteries, Redditch, Worcestershire. The equipment has been designed to provide a compact and safe alternative to the makeshift arrangements for starting emergency stand-by sets in office blocks, factories, hospitals, and stores. The equipment housed in a steel cubicle measuring 30 x 18 x 45 in. (.762 x .152 x 1.143 m.) is specially suitable for small to medium standby plants. It can be placed close to the engine thus eliminating the need for long leads and ensuring peak power from the battery. The nickel cadmium long life battery has a low rate charger to maintain instant readiness. The cost of the unit, says the firm, is little more than that of buying battery and charger separately.

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THE BATTLE AGAINST CORROSION

PROTECTIVE MEASURES BEING IMPROVED IN THE WEST

MOST metals are subject to the chemical reaction known as "corrosion"—a change which takes place when oxygen or water in the environment acts on the metal surface. It is essentially a process of oxidation. The most familiar form of corrosion is the conversion of steel to rust, involving a general loss of strength. It is well known that the consequences of corrosion are not limited to the replacement of the affected metal, for production is lost while repairs are made. Broad estimates of the costs of such corrosion and of preventive measures have been made, for instance, in the United States and the United Kingdom. These costs are stated to be of the order of thousands of millions of dollars in the former country and hundreds of millions of pounds in the latter. Comparable sums for other countries may be broadly assumed.

There are generally three basic methods of controlling erosion—one pertaining to the choice of the metal, the second involving the separation of the metal from the environment, and the third involving a change in the environment itself. These methods, which have been described by three British experts in *The Financial Times* (London) of 27th November 1962, are being continuously improved and perfected by scientific research. One of the experts—Mr. J. C. Hudson, Consultant, Corrosion Advice Bureau, British Iron and Steel Research Association—has concentrated his attention on remedial treatment for iron and steel. As steel meets many requirements and costs less than some other metals which are more corrosion-resistant, it is most widely used. But, since it is most susceptible to corrosion, several remedial measures like coating with another metal (such as aluminium, cadmium, nickel, tin or zinc), providing cathodic protection, painting with enamels, paints, tars and greases, alloying with another metal and treating the corrosive medium itself are being adopted.

To take these anti-corrosion measures one by one. First, metal coatings on steel are sprayed, or hot-dipped, or electro-deposited. Although increasing use is made of sprayed metal coatings of aluminium or zinc beneath paint, it is recognised that all such coatings have limited life or are liable to become damaged, exposing the metal below. Further progress, however, is expected in the development of processes for the application of hot-dipped aluminium coatings to heavier material than the comparatively narrow strip to which it is confined at present. Hot-dipped galvanised coatings are already being tried on the structures needed for the electrification of British Railways.

Cathodic Protection

Secondly, increasing use is being made of cathodic protection to prevent the corrosion of buried pipelines, harbour installations, ships and other buried or immersed structures. The principle here is that corrosion in soil or water is associated with the flow of electric current between different parts of the metal and can, therefore, be stopped by imposing a counter-current of the same strength. Magnesium anode, for instance, is placed in position for cathodic protection of a ship's hull. But this type of protection cannot be applied universally.

As for the third anti-corrosion measure of painting which is most commonly adopted, it is noteworthy that important developments in paint materials and painting techniques are constantly taking place. The underlying principle for success here is surface preparation before painting. Blast-cleaning and pickling are stated to be the best methods in this connection. Phosphating processes, in conjunction with stowing paints, are also widely used in the sheet metal and automobile industries, and these give excellent results. The introduction of plastic-coated steel strip and sheet is another important recent development; here difficulties in securing a good bond between metal and plastic are claimed to have been overcome. This type of material can be used for roofing and cladding and many other purposes. In the opinion of the author (Mr. Hudson), it may not be long before similar plastic coatings can be successfully applied to heavy steel plates and sections on which plastic wrapping tapes are already in use. Another noteworthy development is that improved techniques have widened the field of application of vitreous enamel. Its high resistance to atmospheric corrosion and attractive appearance render it suitable for building work, and it also shows considerable promise as a protective coating for the exhausts of internal combustion engines.

Fourthly, alloying steel with some other metal is intended to increase the former's corrosion resistance. The addition of about 14 per cent chromium to steel, it may be recalled, was the basis of the original stainless cutlery. The range of stainless steels is now wider, for, according to the properties required, they may contain appreciable quantities of other metals such as nickel, molybdenum and tungsten, besides chromium. These steels are virtually incorrodible. For instance, a stainless steel variety with 18 per cent chromium, 10 per cent nickel and 2 per cent molybdenum, it is claimed, is almost unaffected by many years' exposure in industrial atmospheres. Stainless steels are particularly valuable in the chemical industry where many processes would be impracticable without them. But their high alloy content renders them very costly and thus restricts their general use in the structural field. So certain low-alloy steels like the one containing about 0.6 per cent copper and one per cent chromium have come into vogue. These are useful in reducing the corrosion rate to a third or less of the rate for unalloyed steel. But in most atmospheres they need further protection by painting. Even where it is difficult to keep paint intact, as in the case of mineral wagons and coke oven cars, such equipments made of low-alloy steels retain their corrosion-resistance properties. Cast-iron alloys, too, have similar properties.

Corrosive Medium

Lastly, there is the treatment of the corrosive medium, namely, natural or industrial water. As the oxygen dissolved in water is responsible for the formation of red rust, that is, hydrated iron oxide, the corrosiveness of such water can often be counter-acted by removing the dissolved oxygen by physical or chemical means. Many natural waters, it is claimed, can also be induced by chemical treatment to deposit a thin film of calcium carbonate on a corroding iron or steel surface so as to stifle further attack. As for corrosion in enclosed spaces, such as workshops producing polished parts, it can be prevented by air-conditioning so as to reduce the relative humidity to below 50 per cent.

These, then, are the most important anti-corrosion measures, as applied to iron and steel in their multifarious ordinary uses. But steel may not be suitable for such specialised requirements as storage of some chemicals or extra-ordinary heat exchange involved in certain chemical reactions. Use of zirconium and titanium alloys in chemical plant has, therefore, been increasing of late. Nickel base alloys containing chromium and cobalt have the very useful qualities of adequate tensile strength and resistance to oxidation at temperatures of 600°C. to 900°C.

On the research side, the fundamental processes of corrosion and protection continue to be studied in Britain and other advanced countries. Since most corrosion is an electro-chemical process, depending for its speed on the polarisation of the small cells, the most important research techniques happen to be electro-chemical. Further improvement of alloys is stated to be possible, for the electro-microscope is now available to detect such imperfections of metal structure as may be responsible for pitting and cracking. Above all, current research, it is expected, will help reduce costs by improving the methods of application of protective measures against corrosion.

INDIAN SHIPPING CROSSES ONE-MILLION-TON MARK

It is seen from Lloyd's Register of Shipping Statistical Tables, just published, that Indian tonnage had crossed the one-million-ton mark in the middle of 1962 and stood at 1,012,866 g.r.t., representing 0.72 per cent of the aggregate world tonnage of 139,979,813 g.r.t. Lloyd's Register figure of Indian tonnage is, however, higher than the tonnage figure given by the Government of India, for, while the former takes into account all steamships and motor ships of 100 g.r.t. and above, including non-commercial vessels, the latter pertains only to commercial vessels. According to the Government's latest statistics, Indian shipping will cross the one-million-ton mark as soon as all the 14 vessels aggregating 88,139 g.r.t., purchased by Indian shipping companies during the months, have come on the Indian Register. two this will take place very soon, it may be taken that, even according to the Government's statistics, the one-million-ton mark is as good as attained. By crossing the million-ton mark, the Indian Merchant Marine has acquired a special status. This status comes from the fact that for international shipping conventions to come into force, a certain minimum number of countries owning one million g.r.t. of shipping or over should have ratified them. Thus, for instance, the Safety of Life at Sea Convention of 1960 will come into force only after ratification has been deposited by 15 countries, of which seven should own not less than one million gross tons of shipping. Now, there are only 18 countries which possess over one million tons of shipping, and India has just become, or is becoming, the nineteenth. The other 18 countries are the United States (with 23.3 million g.r.t.), the United Kingdom (21.7), Norway (12.5), Liberia (10.6), Japan (8.9), Greece (6.5), Italy (5.4), Netherlands (5.2), France (5.2), West Germany (4.9) Russia (4.7), Sweden (4.2), Panama (3.9), Denmark (2.4), Spain (2.0), Canada (1.7), Argentina (1.3) and Brazil (1.2).

TELE-COMMUNICATIONS IN CENTRAL AMERICA

An important international agreement, providing for a study of tele-communications needs in five countries of Central America and Panama and of the region as a whole, has been signed recently at the offices of the World Bank in Washington. The U.N. Special Fund and the Bank, along with the Governments of El Salvador, Guatemala, Honduras, Nicaragua and Panama, signed the agreement providing for the study on 16th November 1962. Costa Rica is expected to sign the agreement in the near future.

The United Nations Special Fund, it will be recalled, agreed to finance the study in May 1962 and has allocated $770,000 toward its cost, which includes a total of $75,200 to be paid in local currencies into a Special Fund Account by the six governments concerned. The World Bank will act as Executing Agency for the project. In addition to the $75,200 being paid to the Special Fund Account, the six countries will contribute a total equivalent to $125,125 to meet the cost of local personnel, services and other facilities.

The study, which is expected to last from December 1962 until November 1963, will include recommendations for each country of the scope, character, estimated cost, and phasing of a tele-communications development programme for the internal needs of that country for the next five years, with a general outline for development for ten years thereafter. The regional study will be of added value for each country since regional requirements will affect in important ways the planning of adequate national networks.

NEW CARGO RATES OF WORLD AIRLINES

At the recent traffic conference of the International Air Transport Association, a new air cargo rate structure was evolved. This structure, according to Mr. Harold Graham, Director, Cargo Sales, Pan American Airways, enhances the ability of the world airlines to attract freight in large volume, for it has provided reductions for a broad spectrum of shippers and also improved margins for agents. The new transatlantic commodity rates involve, in many cases such as leather, textiles, automotive machine parts, shoes, business machines and household electrical appliances, reductions ranging from 10 per cent to 30 per cent. In broad terms, the new scale of rates, for New York-London service, is: 7,000 kilos, 65 cents per kilo; 9,000 kilos, 63 cents; 13,500 kilos, 59 cents; 18,000 kilos, 56 cents; 22,500 kilos, 52 cents; 27,500 kilos, 49 cents. These revised weightbreaks, it is claimed, make the cargo rate structure more effective and orderly. The more recent extension of the new rates to the Middle East is also noteworthy in this connection.

TAPE RECORDER USED AS SCARECROW IN FRANKFURT

In the vineyards of Oppenheim covering an area of about 100 acres, the Bird Protection Station of Frankfurt for the past three years has been trying out a "new method to fight the disastrous greediness of voracious birds." The new method consists of a phono-acoustic scarecrow. Several inter-connected loudspeakers hooked on to a central tape recorder station by cable will play back cries of terror and warning of sterlings, putting the whole hungry flock to flight. In this manner one guard equipped with a pair of binoculars can easily watch over the entire large area. A switch of a button of the tape recorder will give the delicious grapes a chance to remain unmolested by hungry starlings. The difficulty in developing this scarecrow, it is said, was not in designing the technical system but rather in finding the most suitable "cries of terror."

JAPANESE ETHYLENE OXIDE PLANTS

It is reported by Scientific Design Company, Inc., New York, that three Japanese chemical concerns—Mitsui Petrochemical Industries Ltd., Mitsubishi Petrochemical Company, Ltd. and Nippon Soda Company Ltd.—have selected the Scientific Design ethylene oxide process for their new plants. The latest version of the S.D. air-oxidation process employs a new catalyst developed by Catalyst Development Corporation, a member of the S.D. Group and was made more efficient by Scientific Design's continuous research and new engineering developments. S.D.-designed plants, incidentally, account for over one-third of the world's direct oxidation ethylene oxide capacity.

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WAREHOUSING CORPORATION BILL

BETTER ADMINISTRATIVE CONTROL ENVISAGED

THE Central Warehousing Corporation Bill, 1962, passed by the Lok Sabha last week, marks an important milestone in the development of organised warehousing in this country. The main object of the Bill is to bifurcate the functions of the National Co-operative Development and Warehousing Board in such a way as to ensure independent status to the Central Warehousing Corporation. The Central Government will take over 40 per cent of the shares of the Corporation, which have so far been held by the Board. The separation of the Corporation from the Board is to be welcomed, since this will put a stop to several uncertainties involved so far in the administrative control of the Corporation. It may be recalled that the Board came into existence in September 1956 and the Corporation in March 1957, in pursuance of the recommendation of the Committee of Direction, All-India Rural Credit Survey. The Board was vested with certain directing and administrative powers pertaining to the functioning of the Central Warehousing Corporation.

Both the Board and the Corporation had been constituted originally under the administrative control of the Union Ministry of Food and Agriculture. But, in 1958-59, an important administrative change took place, following the Government decision to undertake State trading in foodgrains. The work relating to the Corporation, accordingly, was transferred from the Department of Agriculture to the Department of Food in the Ministry of Food and Agriculture. Then, again, in December 1958, when the work relating to co-operation was transferred from the Department of Agriculture to the Ministry of Community Development and Co-operation, the Board came within the purview of the latter Ministry. Consequent on the reallocation of work, the two bodies came under the administrative control of two separate ministries, namely, the Ministry of Community Development and that of Food and Agriculture. In order to avoid overlapping and duplication of work, this anomaly is sought to be removed under the new legislation. Thus the Board will no longer have any control over the Corporation and will devote itself exclusively to matters relating to the subject of co-operative development alone. This is a sound arrangement, because of the fact that Central and State Warehousing Corporations are not co-operative bodies, but are actually in the nature of joint-stock bodies, with guaranteed dividends. The necessity for such a step had been suggested by the Estimates Committee as early as in March 1961. The Committee had called upon the Government to remove the uncertainty in regard to administrative control under the then existing set up "in order that the progress of implementation of the programmes is not in any way hampered on this account." It is, however, necessary to keep in mind the note of caution sounded by the Committee to the effect that such a step should not exclude the possibility of liaison between the two bodies "since their objectives are in a large measure complementary."

Progress of the Corporation

The new Bill is designed primarily to streamline the machinery for administrative control of the Corporation and, therefore, does not envisage any change in its structure or pattern of working. Mr. A. M. Thomas, Union Deputy Minister for Food and Agriculture, made it clear in Parliament that the Corporation would continue to perform the same functions as at present. The Corporation has made, according to the claim made by Mr. Thomas, remarkable progress during the last few years. In 1961-62, the turnover of the Corporation almost doubled from that of the previous year to Rs. 14 lakhs. During the first six months of 1962-63, the tempo of business increased, the turnover having gone up to Rs. 10 lakhs, representing an annual average of Rs. 20 lakhs.

The total storage capacity provided by the Corporation (including State Corporations) is now 600,000 tons. It is now handling about 87 agricultural commodities. The scope of the Corporation's functions is bound to widen considerably, when it commences the warehousing of jute and tea, which was referred to by Mr. Thomas. The Corporation will provide warehousing facilities for 500,000 bales of raw jute at Calcutta in order to implement the Jute Price Support Scheme. It will also ensure storage facilities for two million lbs. of tea. In both these commodities, it is said that the Corporation will have a monopoly of warehousing in Calcutta. Besides these agricultural products, the Corporation has been rendering some service to farmers by offering facilities for storage of fertilisers in some places. Mr. Thomas stated that this facility would be extended to other areas, when more and more space becomes available. It is also proposed to set up ten warehouses for cold storage in various parts of the country. Efforts are also being made by the State Corporations to set up storage facilities in as many towns as possible.

Third Plan Schemes

It is anticipated that the Central and State Warehousing Corporations will have storage capacity of 1.6 million tons by the end of the third Plan, as compared with only 350,000 tons at the end of the second Plan. The Central Corporation alone is scheduled to extend its activities to 55 centres during the third Plan period. It may be noted that it had set up forty warehouses by the end of the second Plan. Besides, the State Corporations had by that time established 300 warehouses. The total number of warehouses will be doubled during the third Plan period. In passing, it may be noted that the aggregate storage facilities will be much more than those provided by the Corporations. For the Central Government plans to increase its storage capacity (from about 2.5 million tons at the end of the second Plan—of which about a third is owned by Government) to five million tons by the end of the third Plan, of which 3.5 million tons will be owned by Government. Besides, the total capacity of godowns of co-operative marketing societies and primary societies is expected to touch two million tons by 1965-66, as compared with only 800,000 tons in 1960-61. The third Plan has allotted Rs. 25 crores for the construction of new godowns by the Government for storage of foodgrains, in addition to Rs. 8 crores set apart for the development of warehousing. All these are plans on paper. It remains to be seen how much of this will be fulfilled.

The expansion of warehousing facilities is aimed mainly at helping the farmer to secure a reasonable return for his produce, besides subserving the cause of overall price control. Several of the speakers in the Lok Sabha were of the opinion that warehousing facilities were taken advantage of largely by traders rather than by farmers. Mr. Thomas conceded that more than farmers, traders were taking advantage of the facilities. Probably the solution for this, as he said, is to popularise warehousing among farmers still further. Mr. Thomas, however, did not indicate any specific measures for this purpose. Some of the M.Ps suggested that warehousing charges should be reduced and that farmers should be given special concessions. Mr. Thomas rejected the plea for reduction of charges on the score that the Corporation was working at a loss during the last five years and lower charges would adversely affect its financial position. He also rejected the demand for concessions to farmers, as the Government did not consider it proper to make a distinction between individuals. Some concessions, however, are already being given to co-operative societies. Mr. Thomas was equally opposed to the demand for giving more representation for co-operative societies and public on the Board of Directors of the Corporation, because most of the investment in the Corporation was made by the Government itself. This is a relatively minor point; what is more important is efficient working of the Corporation and speedy implementation of its expansion programme.

Why Monopoly?

It is, however, not clear as to why the Corporation should seek to have the monopoly of warehouses in Calcutta for storing jute and tea. In neither case are the producers going to store the produce. In both the cases, what is needed is more storage space and not nationalisation of existing warehouses. Accordingly, the Warehousing Corporation should build new ones on a scientific scale and set an example to the owners of the present godowns. It need not be afraid of competition for two reasons: one, there will be more supplies, especially of tea, thanks to the plan for increasing its output. And, secondly, a certain amount of competition will ensure efficient and economic working of the Corporation. Another important point to be noted here is that storing tea is a complicated job and requires a lot of experience. Any defects in storage will affect the quality of tea and, therefore, the price realised in both foreign and domestic markets.

Reports from Calcutta suggest that the Calcutta Port Commissioners have been building a new up-to-date warehouse for tea, with mechanical handling facilities, in close collaboration with the Union Ministry of Commerce and Industry and Tea Board. If this is the accommodation Mr. A. M. Thomas had in mind when he said that his Corporation would have a monopoly in Calcutta, as already stated, it is only a question of transfer of control from one wing of the public sector to another. Even so, care must be taken to see that the country would be the gainer as a result of this change. It is to be hoped that, on an important issue like this, the Government will not allow itself to be influenced by doctrinaire considerations.

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"AGRICULTURAL SITUATION IN INDIA" —ANNUAL NUMBER

The annual number of the *Agricultural Situation in India* (Editor: S. Ramaswami), the monthly publication of the Union Ministry of Food and Agriculture, provides a rich fare of articles on the various facets of rural development and agricultural planning. In a thought-provoking study, Prof. E. S. Nasset of the Rochester University, New York, who is now the Nutrition Adviser to the Government of India, urges the evolution of an integrated nutrition programme for India. Against the background of a detailed statistical account of net supplies of various types of food during the last few years, he expresses the view that sufficient attention has not been given in this country to ensure appropriate nutrient content in diet, although the need for increasing the caloric content has been recognised. He feels that, in order to bring the Indian diet to an acceptable standard, supply of protective foods, such as pulses, vegetables, fruits, milk, meat, fish, eggs, oilseeds and nuts, should be expanded. Prof. Nasset also suggests the establishment of mobile extension units to disseminate information among villagers on applied nutrition and the promotion of research and collection of data on food consumption, as part of the integrated programme.

In an article on "Target-setting in Agriculture," Dr. S. R. Sen warns that econometric models of the Harrod-Domar or Feldman-Mahalanobis types are only of limited help in determining investment patterns in developing countries like India and are, therefore, to be supplemented and modified by many other appropriate conditions which are not amenable to econometric analysis. The setting of agricultural targets and their implementation, according to him, should be conceived as a flexible strategy, embracing the pattern of investment, policies and even general organisation. In another study, Dr. V. M. Jakhade examines the implications of land reform legislation to the supply of long-term finance by land mortgage banks. The problems of, and prospects for, agricultural exports from the subject matter of an article by Dr. P. K. Mukherjee. Drawing attention to regional trade groupings and the possibility of the U.K. entering the European Common Market, Dr. Mukherjee emphasises the need for raising agricultural productivity and reducing the unit cost of export commodities. The other notable contributions include "World Agricultural Census" by V. G. Panse, "Producer Price Policy" by S. C. Chaudhri and "Investment Potential in the Indian Agrarian Sector" by S. A. Shah.

There is a large number of statistical tables on production and prices of various agricultural commodities in the annual number. It is, however, regrettable that, while giving final estimates of foodgrains for the 1961-62 crop year (the latest period from which estimates are given), data on pulses are omitted, in contravention of the usual practice. One wonders if this has been done to cover up the setback in the output of these commodities in 1961-62? In spite of this omission, the annual number serves the purpose of an authentic reference work on the agricultural situation in India.

Large dairies, one each in Lahore and Karachi in Pakistan, are being built with the assistance of UNICEF. The Lahore plant is to produce initially 44,000 lbs. of milk with a fat content of two per cent. Production of butter and other dairy products is also envisaged. The capacity is to be extended to 300,000 lbs. a day later. The initial processing capacity of the Karachi dairy will also be 55,000 lbs. of milk. UNICEF has authorised 500,000 dollars for both projects.

Malaya proposes to build a factory for the production of canned pineapple at Jenjarom near Klang. The maximum processing capacity is to amount to 400,000 tons of pineapples a year. Another plant is being set up in the Malayan State of Johore. It will employ 200 workers.

TUBE INVESTMENTS OF INDIA LIMITED

LICENCE FOR MANUFACTURE OF "BUNDY TUBING" SECURED

DR. A. RAMASWAMI MUDALIAR'S SPEECH AT ANNUAL MEETING

THE Tube Investments of India Limited has received the industrial licence for the manufacture of "Bundy Tubing," a double-walled steel tubing produced from copper-coated steel strips by what is known as the Bundy process. This was disclosed by Dr. A. Ramaswami Mudaliar, Chairman of the Company, when he addressed the Thirteenth Annual General Meeting of the shareholders held at Madras on Monday, 3rd December 1962. The Directors, Dr. Mudaliar said, were now finalising details with the Bundy Tubing of America and hoped to have a subsidiary company registered soon. The raw material required for the purpose, he observed, was mainly copper-coated and tin-coated steel strips which would be indigenously available before long when the increased demand for such strip would make domestic production economical. Until then, he pointed out, the strip would have to be imported.

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

GENTLEMEN,

I extend to you a cordial welcome to the thirteenth annual general meeting of the shareholders of the Tube Investments of India Ltd. The Directors' report, the audited balance-sheet and profit and loss account for the year ended 31st July 1962 have been in your hands for some time and, with your permission, I shall take them as read.

National Emergency

Before dealing with the work of the Company during the year, I feel I must refer to the emergency that has been declared in the country following the aggression by China on India's borders. The whole country has been shaken out of its complacency. The country has realised that every effort must be made by all sections of the people and by every interest concerned to preserve the independence and safeguard the integrity of the country. The enthusiastic response that the country has witnessed, the solid and massive support that has been given to the Government enjoining on themselves to fight till the finish, till the enemy is cleared out of Indian soil, has been a manifestation of the great unity of purpose in the country and of the determination of the people. Your Company has already contributed its mite to the National Defence Fund and I am sure, with your full approval, it will continue to do whatever is necessary in this direction. Our officers and staff and our workers in the factories have shown an equal determination to help in this emergency. Above all, realising that the demands of war, while requiring sacrifices from everyone, cast a special obligation on industrial units and factories, your Directors, anticipating your desire in the matter, have placed the resources of your factories fully at the disposal of whatever the Government chooses to demand from them. The cycle factory and, in particular, the tube factory may be called upon and will be most readily anxious to produce such industrial products as may supplement the defence requirements of India. I am certain I am voicing the wishes of all shareholders and the sentiments that they hold in this regard.

The report of the Directors gives a fairly comprehensive view of the progress in manufacture that has been made during the year and refers to the setbacks we had in reaching our target—setbacks due to want of power, want of adequate water supply during certain months of the year and to the inadequacy of certain raw materials due to import restrictions. Taking all these factors into account, the financial results are fairly satisfactory.

Cold Roll Mill

It will be heartening to you, if I state that the production of the cold roll mill which has been installed at a cost of about Rs. 1.25 crore was started satisfactorily in March 1962 and that we have had no teething troubles and no serious difficulty in regard to the technique of the production. However, the supply of indigenous hot rolled strip has not been adequate and promises made by the Indian suppliers have not been kept up. The products of this mill may particularly be useful at this present emergency period, and I look forward to better co-ordination in the supply of such strip as may be required for the variegated production which one may expect may be asked for by the Government.

The Directors' report refers to the industrial licence for the manufacture of copper-coated tubing, called "bundy tubing" and push rods used for the automobile industry and refrigeration industries. Since the Directors' report was issued to you, the industrial licence for the manufacture of "bundy tubing" has been received. I may explain that the "bundy tubing" is double walled steel tubing manufactured from copper-coated steel strips by what is known as the "bundy process." The raw material required for this purpose is mainly copper-coated and tin-coated steel strips which, it is hoped, will be indigenously available before long, when the increased demand for such strip will make indigenous production economical. Until then the strip will have to be imported. Your Directors are now finalising details with Bundy Tubing of America and soon hope to have a subsidiary company registered.

The progress made in the two subsidiary companies, T.I. Diamond Chain Ltd., and T.I. Miller Ltd., has been adequately described in the Directors' report and I need not add anything further to this.

Operating Results

As I have already stated, the operating results of the Company have proved to be fairly satisfactory and the Directors, following their cautious policy, have decided that the same rate of dividend may be paid to the shareholders, transferring certain amounts to the various reserves.

You will notice from the agenda that Sir Ivan Arthur Rice Stedeford, G.B.E., who is one of the founders of this Company, is due to be re-elected this year. Sir Ivan has expressed a desire that he may retire as he will shortly cease to be the Chairman of Tube Investments Ltd., of Birmingham, but will hold the position of President of all the group of Companies. The Rt. Hon. The Lord Plowden, K.C.B., K.B.E., who will succeed him as Chairman, will naturally be elected as one of your Directors representing Tube Investments Ltd., of Birmingham. I have no doubt he, with his wide experience both as an administrator and an industrialist, will be an invaluable asset to the Company. The Indian Directors were reluctant to part with Sir I. A. R. Stedeford on the Board. His sympathy, advice and guidance have been, in an exceptional measure, of help and value to the Company and to the Indian Directors. The Lord Plowden has been to India recently and the Indian Directors are glad to have him on the Board. We, however, hoped that both Sir I. A. R. Stedeford and The Rt. Hon. The Lord Plowden would continue as Directors though the former would not be as closely associated as before. I am glad to inform you that our request has been acceded to by Sir I. A. R. Stedeford and you will, therefore, be requested to elect both Sir Ivan Arthur Rice Stedeford and The Rt. Hon. The Lord Plowden to the Board of Directors. This would necessitate an increase in the Indian Directorate and you are being requested to elect Mr. D. K. V. Raghava Varma, as one of the Indian Directors. Mr. Varma has been the Secretary of the Company for several years now. His integrity, his personal character and his devotion to duty have shown themselves in several ways in the management of the Company's affairs and your Directors have, therefore, come to the conclusion that it would be most appropriate if he were elected as a Director of the Company. Mr. Raghava Varma, whom I have personally known for over forty years, has, I am glad to say, consented to be a Director of the Company.

British Associates

I should like to record my deep thanks and appreciation for the ready help and valuable advice that the Company has continued to receive from our associates, Messrs. Tube Investments Ltd. of the United Kingdom and other companies in their group. The new foreign collaborators of our subsidiary Companies have given us their best advice and placed their technical know-how at the disposal of our factory without reserve. We are grateful to the Government of India and to the State Government of Madras, for the interest they have shown in the development of the Company, the facilities they have extended and the advice that they have given in its expansion programme.

Our relations with all our employees including factory workers have been cordial and I have great pleasure in acknowledging with thanks the co-operation that they have extended and the enthusiasm they have shown in the successful working of the factories. The officers and staff both in the head office and in the factories and the workers in all our factories have been exceptionally enthusiastic in placing their full co-operation and support in this emergency and we are deeply grateful to them for their patriotic response.

I hope and pray that by the time we next meet at an annual meeting, the war clouds would have disappeared and the cunning of a treacherous and unscrupulous enemy would not only be exposed but equally frustrated and punished and India will once again be in a position to enjoy peace and happiness.

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

Notice

GOBIND SUGAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of Gobind Sugar Mills Limited will be held at 15, India Exchange Place, Calcutta, on Saturday, the 29th December, 1962, at 2 p.m. for the following purposes:

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1962.
2. To declare Dividends.
3. To appoint a director in place of Shri P. R. Bagri who retires by rotation and is eligible for re-election.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass with or without modification the following resolution as special resolution.

Resolved that the following be substituted in place of Article 184 of the Articles of Association of the Company:—

184. All dividends unclaimed for six years after having been declared may be forfeited by the Directors for the benefit of the Company but the Directors may annul the forfeiture whenever they may think proper.

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
CALCUTTA, *the* 1st *December*, 1962.

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

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The Register of Members of the Company will remain closed from the 19th December, 1962 to 29th December, 1962 both days inclusive.

Explanatory Statement As Regards Item 5

In connection with the application of the Company for enlisting the ordinary shares on the Calcutta Stock Exchange, the Stock Exchange wants Article 184 of the Articles of Association of the Company to be amended in the manner stated above. The practice of forfeiting the unclaimed dividends only if unclaimed for six years is being followed by the Board. Even so, the Article is being amended as above as desired by the Stock Exchange.

WEST COAST PAPER SUFFERS SMALL SETBACK

BUT DIVIDEND RAISED SLIGHTLY

A THREE-WEEK strike by workers in November and December 1961 caused an all-round small setback in the working of the West Coast Paper Mills Ltd. (Chairman: Mr. Gobindlall Bangur, Bombay) during the year to 30th June 1962. Production declined from 25,771 tonnes to 25,604 tonnes, sale proceeds (excluding excise duty paid) retreated from the previous year's peak level of Rs. 383.93 lakhs to Rs. 360.87 lakhs and gross profit, which had already sagged in the previous year by about Rs. 7 lakhs to Rs. 105.77 lakhs, has moved down further to Rs. 92.27 lakhs. Profit-margin (ratio of profit to sales) has drifted lower to 25.5 per cent from Rs. 27.5 per cent to which level it had dipped in the previous year from 31.3 per cent in 1959-60. Apart from the lower production and, therefore, lower sales, gross profit has declined also because of further increases in practically all items of costs and a higher burden of excise duty. The extent to which costs and the excise burden have risen can be known from the table which follows. The drop of about Rs. 13 lakhs in gross profit is minimised to only Rs. 5 lakhs at the level of net profit, amounting to Rs. 53.15 lakhs as against Rs. 58.44 lakhs a year before, by a lower provision for depreciation of Rs. 39.12 lakhs as against Rs. 47.33 lakhs in the previous year. The taxable return on the Rs. 100 fully paid ordinary shares has been raised again, but slightly, to 8 per cent per annum from 7.5 per cent to which level it was raised by 1.5 per cent in 1960-61. In so doing, however, the Directors have been able to plough back to reserves only Rs. 32 lakhs, as against Rs. 40 lakhs in the previous year and Rs. 45 lakhs in 1959-60.

The following table gives a clear idea of the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale proceeds, less excise duty	360.87	383.93	358.45	51.05
Other income	1.60	2.17	1.31	0.69
Closing stock of paper	16.70	14.60	18.49	13.07
Excise duty	75.03	66.82	55.53	6.74
Materials, chemicals, stores and spares consumed	121.05	126.43	127.69	28.95
Staff expenses	41.50	39.23	30.41	9.04
Other expenses	109.74	110.78	103.14	22.12
Gross profit	92.27	105.77	113.34	4.70
Depreciation	39.12	47.33	43.26	..
Taxation	..	..	0.04	..
Net profit	53.15	58.44	69.04	4.70
Transfer from reserves	..	..	4.70	..
Transfer to reserves	32.00	40.00	45.00	4.70
Arrears of preference dividends	..	..	12.70*	..
Dividends—				
Preference	7.02*	7.02*	6.63*	..
Ordinary	12.00	11.25	8.97	..
	(8%)*	(7.5%)*	(6%)*	
Carry forward	2.84	0.71	0.53	..
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	192.00	229.00	240.00	..
Low	135.00	168.50	149.50	..

* Subject to deduction of tax.

The Directors have touched the subject of rising costs in their report for the year and observed that the *ad hoc* increase in paper prices of Rs. 60 per ton, which has been granted with effect from 21st June last, is inadequate, as it will set off only a part of the increase in the cost of production subsequent to the findings of the Tariff Commission. So far as the Company is concerned, in addition to the general increases in costs of raw materials, stores, spares and higher freight, it has also to pay a higher charge for the self-generated electricity as also for the one purchased from the Mysore State Electricity Board. The industry has urged the Government for a further adequate increase in paper prices, but has resigned, we are told, to the view that the same may not be immediately granted in view of the national emergency.

The Company's efforts to secure additional areas of forest ranges for the raw material, bamboo, are expected to bear fruit soon. Negotiations in this regard with the Government of Mysore (the Company's works are situated at Dandeli in North Kanara District) have been protracted over more than a year following insistence by the State Government on a substantial increase in the royalty on the ranges. Efforts to augment resources of raw materials like lops and tops of hardwoods, bagasse and rags have continued. It is already known that the Company has started a plantation programme of eucalyptus, paper mulberry and other quick-growing species of hardwoods, in addition to species of bamboos not usually grown in Dandeli forests. The integrated plan for expansion, including the manufacture of rayon grade pulp and caustic soda and chlorine, continues to be under consideration. However, orders for the caustic soda and chlorine plant and machinery have been placed with Messrs. Kerbs and Cie of Paris, subject to receipt of import licences which are expected to be issued shortly. Charity and donations made by the Company during the year amounted to Rs. 81,906 (Rs. 1.33 lakh a year before), of which Rs. 56,001 went to the Congress Party. The bonus dispute with the labour has been settled for the accounting years 1960-61 and 1961-62, and the bonus for the year 1960-61 was paid during October last and accounted for the accounts under review.

On 15th July 1962, the Company repaid the first instalment of Rs. 6 lakhs towards a Rs. 150-lakh loan from the Industrial Finance Corporation of India. Since the instalment was paid after the close of the year under review, it is not reflected in the balance-sheet. The loan forms a part of secured borrowings which went up during the year from Rs. 240.16 lakhs to Rs. 251.16 lakhs following an increase in bank borrowings from Rs. 90.16 lakhs to Rs. 101.16 lakhs. Unsecured loans declined, however, from Rs. 33.63 lakhs to Rs. 5.46 lakhs. Current liabilities and provisions, at the year-end, aggregated Rs. 49.38 lakhs, that is, Rs. 20 lakhs less than a year ago. The total indebtedness to outsiders amounted to Rs. 156 lakhs, as against which current assets, loans and advances stood at Rs. 170.15 lakhs. The Company has a paid-up capital of Rs. 2,39.99 lakhs of which Rs. 149.99 lakhs are in ordinary shares and the rest in preference shares. The capital is supplemented by reserves and surplus amounting to Rs. 119.84 lakhs. The gross block, which expanded during the year from Rs. 586.69 lakhs to Rs. 616.64 lakhs, has been written down to Rs. 488.31 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 137.50 *cum-div.* On the *ex-div.* basis, they offer a net yield of 4.2 per cent per annum.

WORLD COFFEE SITUATION

Coffee growers in India must have noted with great satisfaction the distinct improvement in world coffee prices of late. The unwashed robusta grade 10 produced in Uganda is now quoted in the London market at 163*s.* per cwt. (about Rs. 109), a rise of as much as 17*s.* (Rs. 11) in just four weeks. Such a marked rise in prices should not, however, rush the Indian coffee interests to conclude that the outlook for exports has brightened considerably. For the rise is only temporary, in that it is the result of France buying from sources other than Ivory Coast and Madagaskar, in view of the delay in the arrival of their crops. The upward trend may not, therefore, be sustained in future. On the contrary, available indications point to the possibility of a declining tendency. The U.S. Agriculture Department's latest estimate of the 1962-63 world coffee crop no doubt places the total output lower by 8 per cent of 66 million bags, but the estimated output is still well above the anticipated requirements aggregating no more than 60 million bags. There is also the huge carryover of the previous season's crop amounting to 28 million bags. In other words, the excess of available supply over demand is as big as 34 million bags. It, therefore, remains to be seen as to how the export cuts ranging from 12 to 18 per cent in respect of several large producers provided for under the new International Coffee Agreement will impart stability to the export prices of this beverage.

(*Concluded from next column*)

finance the project, the Company may issue additional capital. The scheme is expected to enable it to undertake production of vitally needed articles which are not produced now in Mysore State and the market for which is likely to expand. The scheme has been decided upon in the light of the installation of giant fertiliser factories in the country.

The financial position of the Company is sound. The paid-up capital of Rs. 24.81 lakhs is supplemented by reserves and surplus aggregating Rs. 10.13 lakhs. During the year, the Company raised secured bank borrowings of the order of Rs. 6.42 lakhs. These loans and current liabilities and provisions aggregating Rs. 19.02 lakhs bring the total indebtedness to outsiders to Rs. 25.44 lakhs, as against which current assets, loans and advances stand at Rs. 43.25 lakhs and investments are shown at Rs. 4.30 lakhs. Thus, the short-term liability is more than fully covered. The gross block, which increased during the year from Rs. 56.15 lakhs to Rs. 58.38 lakhs, has been well written down to as low as Rs. 12.83 lakhs.

The Rs. 10 fully paid ordinary shares are currently quoted at Rs. 10.10 *cum-div.* On the *ex-div.* basis, they offer a net return of roughly 3.6 per cent per annum.

MYSORE CHEMICALS AND FERTILISERS

1961-62 RESULTS DISAPPOINTING

A VERY poor show. This in brief is the comment on the financial results of the Mysore Chemicals and Fertilisers Ltd. (Chairman: Mr. T. Shamanna, I.A.S., Mysore) for the year ended 31st March 1962. For, while the previous year saw only a drop in gross profit, a further decline in profit-margin (ratio of profit to sales), a small rise in sale proceeds and the maintenance of dividend, the year under report has witnessed an all-round setback. According to the Directors, production during the year was normal. However, the figures of sale proceeds and closing stock, as also of the cost of raw materials and stores consumed, go to suggest that it must have been lower than in 1960-61. For the first time in the past four years, sale proceeds beat a retreat and that too by as much as Rs. 13 lakhs to Rs. 37.32 lakhs. The setback has been attributed by the Directors to poorer offtake of superphosphate. Gross profit, which had come down from Rs. 10.85 lakhs to Rs. 8.67 lakhs, slumped to Rs. 3.46 lakhs during the year under report. Profit-margin fell to 9.3 per cent from 17.1 per cent to which level it had progressively declined in the previous year from 22.8 per cent in 1959-60 and 27.5 per cent in 1958-59.

Provision for depreciation has been slightly reduced from Rs. 2.81 lakhs to Rs. 2.43 lakhs and that for taxation, at Rs. 0.66 lakh, is substantially lower as compared with Rs. 2.64 lakhs in the previous year. After making these allocations, the net profit amounts to about a mere Rs. 37,000, as against Rs. 3.22 lakhs for 1960-61. The disposable profit, after setting apart some Rs. 20,000 (about Rs. 77,000 in the previous year) for reserves and provisions, is insufficient to maintain the taxable return on the Rs. 10 fully paid ordinary shares at 10 per cent per annum. The dividend has, therefore, been halved to 5 per cent. Even to pay this lower dividend, a sum of Rs. 40,000 has had to be transferred from the dividend equalisation reserve, besides the credit of Rs. 62,056 by way of writing back excess provisions made in the past. As compared with the 5 per cent, tax-free, dividend paid by the Company from 1953-54 to 1958-59 and 10 per cent, taxable, for 1959-60 and 1960-61, the dividend for the year, giving a net return of 3.5 per cent per annum, is the lowest for the past several years.

The following is the progress table of the Company for the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	37.32	50.52	47.55	31.73
Stock of finished goods	12.66	3.95	4.53	5.73
Other income	0.60	0.75	0.43	0.29
Materials and stores consumed	22.72	23.28	18.47	12.99
Staff expenses	5.74	5.93	5.71	4.90
Other expenses	14.72	12.85	11.89	9.33
Gross profit	3.46	8.67	10.85	8.74
Depreciation	2.43	2.81	3.62	3.04
Taxation	0.66	2.64	3.61	2.17
Net profit	0.37	3.22	3.62	3.53
Provisions written back	0.62	0.03	..	0.11
Transfer from reserves	0.40	..	..	..
To reserves and provisions	0.20	0.77	1.14	2.47
Dividend	1.24	2.48	2.48	1.24
	(5%)*	(10%)*	(10%)*	(5%)
Carry forward	0.03	0.08	0.11	0.11
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	10.70	11.85	11.90	10.55
Low	10.10	10.70	9.80	7.75

* Subject to deduction of tax.

The Directors have expressed their concern again about the high incidence of power charges the Company has to pay. Such expenses increased during the year from Rs. 10.22 lakhs to Rs. 12.03 lakhs and considerably pulled down profit. In 1957-58, we are told, power charges amounted to only Rs. 4.02 lakhs.

The Company has taken up the following schemes as part of a long-term development and expansion programme:

Orders for a 50-ton-a-day capacity sulphuric acid plant have been placed and all the imported equipments have been received. The indigenous machinery has been delayed due to transport difficulties. The plant is expected to be commissioned at the earliest. The superphosphate plant, designed to raise production to 33,000 tons per year, is expected to be ready for delivery during May next and to be commissioned by March 1964. These two schemes will cost about Rs. 38 lakhs which will be raised by taking a medium-term loan of Rs. 25 lakhs from the State Bank of Mysore, after finding the balance of Rs. 13 lakhs from the internal resources of the Company. Pending the finalisation of the formalities, the Bank has made available Rs. 10 lakhs to the Company.

A major, Rs. 200-lakh, expansion scheme for a 40-ton-a-day caustic soda-cum-chlorine plant is being actively considered by the management. To

(*Continued in previous column*)

Notices

UPPER GANGES SUGAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirtieth Annual General Meeting of the Upper Ganges Sugar Mills Ltd. will be held at 15, India Exchange Place, Calcutta, on Saturday the 29th December, 1962, at 2-15 p.m., for the following purposes:—

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 30th June 1962.
2. To declare Dividends.
3. To appoint a Director in place of Shri B. P. Khaitan who retires by rotation and is eligible for re-election.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit to pass with or without modification the following resolution as special resolution:—

"Resolved that the consent of the Company be and is hereby accorded to the Directors for mortgaging, hypothecating and/or otherwise creating a charge on the assets appertaining to the undertakings of the Company or any portion or part thereof in favour of any person, bank, body, institution, or debenture trustees as may be necessary and the mortgage, hypothecation and/or charges created before the date of this resolution, be and the same are hereby approved and confirmed."

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
CALCUTTA-1, *the 3rd December*, 1962.

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

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The Register of Members of the Company will remain closed from the 19th December, 1962 to the 29th December, 1962, both days inclusive.

Explanatory Statement to Item 5

Under Section 293(1)(*a*) of the Companies Act, 1956 consent of the shareholders is necessary for sale, lease or otherwise disposing of the whole or substantially the whole of the undertakings of the Company. The Company took a medium-term loan of Rs. 20 lacs from the State Bank of India on mortgage of part of fixed assets. In future also the Company may take loans for business purposes from banks and other agencies. For the purpose of securing such loans, occasion may arise for the Company to mortgage, hypothecate and/or otherwise create charge on the assets and/or undertakings of the Company. In view of the wide language of the said sub-section it is considered advisable to secure the confirmation and sanction of the shareholders as mentioned in the resolution.

BHARAT SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Annual General Meeting of the Bharat Sugar Mills Ltd. will be held at 15, India Exchange Place, Calcutta, on Friday, the 28th December, 1962 at 2-30 p.m., for the following purposes:—

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1962.
2. To declare Dividends.
3. To appoint a Director in place of Shri B. P. Khaitan who retires by rotation and is eligible for re-appointment.

Shri B. P. Khaitan is a co-sharer in the Managing Agency Commission received by The Cotton Agents Private Ltd., the Managing Agents, from the Company. Shri B. P. Khaitan has been on the Board of Directors for a considerable period and has rendered valuable services to the Company as a Director. It is, therefore, in the interest of the Company that he should continue as a Director of the Company. The Company has received the requisite special notice from a shareholder and accordingly special notice is hereby given to the shareholders for passing the following Special Resolution for re-appointment of Shri B. P. Kaitan as a Director of the Company.

"Resolved that Shri B. P. Kaitan who retires by rotation and is a co-sharer in the Managing Agency Commission received by The Cotton Agents Private Ltd., the Managing Agents, from the Company, be and is hereby re-appointed as a Director of the Company."

4. To appoint Auditors and fix their remuneration.

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
CALCUTTA-1, *the 1st December* 1962.

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

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The Register of Members of the Company will remain closed from the 19th December, 1962 to 28th December, 1962, both days inclusive.

NEW INDIA SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the New India Sugar Mills Ltd., will be held on Friday, the 28th December 1962 at 2-45 p.m. at 15, India Exchange Place, Calcutta, for the following purposes:

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1962.
2. To declare Dividends.
3. To elect a Director in place of Shri P. D. Himatsingka who retires by rotation as well as under Section 280 of the Companies Act, 1956.

In this connection the Company has received a special notice pursuant to Section 281 read with Section 190 of the Companies Act, 1956 from a shareholder of the Company and special notice is hereby given that the following resolution will be moved at the meeting:—

"Resolved that Shri P. D. Himatsingka who retires by rotation and who has attained the age of 73 years be and is hereby re-appointed as a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act, 1956 shall not apply to him."

Shri P. D. Himatsingka has been on the Board since the inception of the Company and has rendered valuable services to the Company as a Director. It is, therefore, in the interest of the Company that he should continue as a Director of the Company.

4. To appoint Auditors and fix their remuneration.

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
CALCUTTA-1, *the 1st December*, 1962.

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

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The Register of Members of the Company will remain closed from the 19th December, 1962 to the 28th December, 1962, both days inclusive.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE BURRAKUR COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday, the 27th December, 1962, at 10-30 a.m., for the following purposes:—

1. To consider and adopt the Audited Accounts of the Company for the year ended 30th June, 1962, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Auditors and fix their remuneration.
4. To appoint Directors in place of the retiring directors and in this connection to consider, as special business, the re-appointment of Mr. P. C. Mukherjee, one of the Directors who retires by rotation at this meeting, who being over 65 years of age, is not eligible for re-election unless his appointment is approved by a resolution of the Company in general meeting specifically declaring that the age limit shall not apply to him. In this connection to consider and, if thought fit, to pass the following resolution, of which special notice as required under Section 281(2) of the Companies Act, 1956 has been received by the Company from a member, stating Mr. Mukherjee has attained the age of 71 years and of intention to propose that:

"Mr. P. C. Mukherjee be and is hereby appointed a Director of the Company, whose period of office as such Director is liable to determination by retirement of Directors by rotation and it is hereby specifically declared that the age limit prescribed by Section 280 shall not apply to him."

The share transfer registers of the Company will be closed from 14th December, 1962, to the 27th December, 1962, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LTD.,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *27th November*, 1962.

Notes: (*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 15th January, 1963, to those members so entitled, whose names appear in the Company's books on the 27th December, 1962, or to their mandatees. No application for Dividend Warrants will be necessary.

(*c*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business set out above is being sent to the Shareholders.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

Registered Office:
Cement House, 121, Queen's Road, BOMBAY-1

NOTICE

THE MANAGING AGENTS ARE AUTHORISED to announce that the Board of Directors of the above Company have resolved to recommend payment of a Dividend at the rate of Rs. 12 per share (subject to deduction of tax) for the year ended 31st July, 1962.

The said Dividend, when sanctioned at the Annual General Meeting of the Shareholders of the Company to be held on 18th January, 1963, will be made payable on and from 1st February, 1963, to those Shareholders whose names stood on the Register of Members on 30th November, 1962, to whom or to whose Mandatees dividend warrants will be posted at their registered addresses.

INTIMATION OF ANY CHANGE IN ADDRESS SHOULD BE GIVEN TO THE COMPANY IMMEDIATELY.

For CEMENT AGENCIES LTD.,
R. R. HATTIANGADI,
Managing Director.

30th November, 1962.

SYNOPSES OF COMPANY REPORTS

Neelamalai Tea and Coffee Estates, Ltd.

[*Managing Agents*: Messrs. A. V. Thomas & Co. (India) Ltd., Madras.]

Nineteenth Annual General Meeting—15th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales of tea, coffee and other produce	54,12	51,40
Closing stock	9,29	11,10
Gross profit	9,97	13,27
Transfer to Managing Agents' remuneration ..	85	1,20
,, ,, depreciation	1,21	1,09
,, ,, provision for taxation	4,00	4,45
Net profit	3,91	6,53
Adjustments	16	5
Appropriations :		
Total available balance	4,07	6,58
Transfer to development rebate reserve ..	20	Nil
,, ,, dividend equalisation reserve ..	Nil	1,48
,, ,, general reserve	Nil	1,25
Proposed dividend (taxable) preference ..	99	99
,, ,, ,, equity	2,70 (7½%)	2,70 (7½%)
Carry forward	18	16

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report:

Tea—Crop and cost of production: The tea crop harvested during the season, together with the costs, is given below:

	Estimates 1961-62	*Crop secured* 1961-62	*Crop secured* 1960-61	*Yield (1961-62) per acre*	
	Kgs.	Kgs.	Kgs.	Kgs.	Lbs.
Sutton ..	2,17,700	2,65,380	2,51,946	623	1,385
Bhawani ..	1,31,500	1,38,920	1,45,194	457	1,009
Katary ..	3,18,000	4,18,285	3,50,632	532	1,173
Total ..	6,67,200	8,22,585	7,47,772	544	1,199

Owing to favourable weather conditions, the estates have been able to harvest satisfactory crops, exceeding the estimate by 1,55,385 Kgs. The total cost of production per Kg. was Rs. 3.25. With the higher yield per hectare, it has been possible to bring about a reduction in the cost of production. There has, however, been a general increase in the cost of materials, wages, etc.

Tea Sales: The prices for high grown teas were irregular during the season and there was also less inquiry from the export markets. The average sale price realised was Rs. 5.15 per Kg. against Rs. 5.55 last season.

Coffee: Crop and Cost of Production: After the heavy crop of 259 tonnes during the previous season, the coffee bushes were rather tired. Besides, the blossom showers and subsequent weather conditions were also extremely unfavourable and against an anticipated crop of 102 tonnes, the actual harvest amounted to 44 tonnes only, and the entire crop was delivered to the Coffee Pool as usual. The average coffee payment for 1960-61 amounted to Rs. 2 per point as estimated in last season's account. For the current season, the payment may be around Rs. 2.25 per point and the coffee has been valued on this basis.

A sum of Rs. 4,71,079, being the net sale proceeds of trees in Wooligooly Estate, is deducted from the value of land. The Directors are advised that there may not be any liability to tax on this amount.

Estimates for the season 1962-63:

	Tea		*Coffee*	
	Crop	*Cost per Kg.*	*Crop*	*Cost per 50 Kg.*
	Kgs.	Rs. nP.	Kgs.	Rs. nP.
Sutton and Bhawani	3,60,000	349.66	..	..
Katary ..	4,75,000	308.64	..	..
Wooligooly ..	..	..	1,20,000	155.64
Total ..	8,35,000	323.30	1,20,000	155.64

Accounts in brief as at 30th June 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	54,00,000	Gross block	82,26,060
Reserves and surplus..	24,25,705	—Depreciation ..	16,18,139
Other liabilities ..	20,28,087		
		Net block	66,01,921
		Current assets ..	21,82,754
		Investments	1,37,245
		Cash	9,31,872
	Rs. 98,53,792		Rs. 98,53,792

* Paid-up capital consists of 1,80,000 five per cent. cumulative preference shares of Rs. 10 each, fully paid up in cash and 7,20,000 equity shares of Rs. 5 each, fully paid up in cash.

Kamani Metals and Alloys Ltd.

(*Managing Agents*: Messrs. Kamani Brothers Private Ltd., Bombay.)

Seventeenth Annual General Meeting—20th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales (including sales of raw materials) ..	2,13,27	2,01,63
Closing stock—finished goods	17,75	8,76
,, ,, —work-in-progress	10,56	13,32
Conversion charges (income)	1,24	12,77
Income from trade investments	45	40
Profit on sale of fixed assets	5,13	22
Other income	40	34
Gross profit	34,50	19,06
Transfer to Managing Agents' remuneration ..	1,07	96
,, ,, depreciation	5,66	4,99
,, ,, additional depreciation for 3 years to 30th June 1961	43	Nil
,, ,, arrears of depreciation for the half-year to 30th June 1957	Nil	2,17
,, ,, provision for taxation	15,75*	6,05
Net profit	10,59	4,89
Adjustments	9	5
Appropriations :		
Total available balance	10,78	4,94
Transfer to development rebate reserve ..	50	90
,, ,, general reserve	3,70	40
Proposed dividends (taxable) preference ..	92	2,05
,, ,, ,, equity ..	5,60 (28%)	1,50 (7½%)
Carry forward	6	9

* Provision for taxation for 1962 includes Rs. 1,15,000 for the preceding years.

Extracts from the Directors' report: *Factory Working*: The Company has concentrated on production of industrial sheets, strips and coils during the year under review. The turnover (including conversion charges) has increased from Rs. 2,14,40,252 in the previous year to Rs. 2,31,50,455 in the year under review. Production of industrial strips and coils has almost kept pace with the demand. The import of such strips has been very small during the year 1961, thereby appreciable amount of foreign exchange was saved. The raw material position has remained unchanged as the question of allocating increased raw material to the Company on the basis of actual production is still under the consideration of the Government.

Development: Items like *nickel-silver strips, spring brass* etc. are still being imported. The Company's development department has done considerable research and experiments and the results are very encouraging. The samples have been duly approved by the consumers. The Company is, therefore, confident of manufacturing both nickel-silver strips and spring brass in the near future.

The introduction of copper plates for photo-engraving during the previous year has earned a good name in the market but due to shortage of raw materials, it is impossible to meet the entire demand.

Export: During the year under review, new markets have been developed. Besides, *hot rolled sheets/circles*, new items like *cold rolled brass and copper strips* have also been supplied in the foreign markets for which the Company is now getting repeat orders from the buyers. With the introduction of items like *nickel-silver strip, phosphor-bronze strip* etc., initial supplies of which have been duly approved by the overseas customers, it is hoped to book more orders for these items very soon.

Accounts in brief as at 30th June 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	40,00,000	Gross block	99,17,578
5½ per cent. debentures	5,92,000	—Depreciation ..	56,07,339
Reserves and surplus..	8,76,046		
Other liabilities ..	95,68,980	Net block	43,10,239
		Current assets ..	99,74,080
		Investments	5,02,500
		Cash	2,50,207
	Rs. 1,50,37,026		Rs. 1,50,37,026

* Paid-up capital consists of 20,000—5½ per cent. less tax cumulative preference shares of Rs. 10 each and 2,00,000 equity shares of Rs. 10 each fully paid.

Blue Mountain Estates and Industries Ltd.

[*Managing Agents*: Kothari & Sons (Agencies) Private Ltd., Madras.]

Nineteenth Annual General Meeting—20th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Proceeds of tea crop	36,11	36,45
Proceeds of coffee crop	19,84	16,57
Sale of fertilizers	1,19	Nil
Closing stock of tea and coffee	6,58	1,93
Closing stock of fertilizers	12,22	Nil
Gross profit	17,95	9,14
Transfer to Managing Agency commission ..	1,19	71
,, ,, depreciation	2,03	1,52
,, ,, development rebate reserve ..	2,30	15
,, ,, provision for taxation	4,24	3,04
Net profit	8,19	3,72
Adjustments	78	2,84
Appropriations :		
Total available balance	8,97	6,56
Proposed dividend (taxable) equity	8,40 (10%)	5,78 (10%)
Carry forward	57	78

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report: *Cost and Crop—Tea*: During the year a crop of 7,16,244 kilos was harvested as against an estimate of 7,50,000 kilos.

Coffee: The coffee crop harvested during the year was 6,12,417 kilos as against the estimate of 6,22,000 kilos of coffee. A bonus payment of 1.9 nP per point was received during the year for 1956-57 coffee. A final payment of 9 nP per point was received for 1959-60 crop, making a total payment of Rs. 2.24 nP per point for the year. For 1960-61 coffee crop, the Company has realised the estimated amount of Rs. 1.95 nP per point during this year. A final payment of 5 nP per point for 1960-61 was announced by the Coffee Board, making a total payment of Rs. 2 per point. This receipt will appear in the Company's accounts for the next year.

Tea	1959-60	1960-61	1961-62
Tea crop in kilos	7,35,126	6,38,558	7,16,244
All-in-cost per kilo	Rs. 3.59	Rs. 3.84	Rs. 4.12
Yield per hectare in kilo	1,343	1,281	1,340
Net price realised per kilo ex-estate ..	Rs. 5.15	Rs. 4.61	Rs. 4.84

(Net price is calculated after deducting brokerage, excise duty, cess, sales-tax and shipping expenses.)

Coffee	1959-60	1960-61	1961-62
Coffee crop in kilos	9,87,381	5,84,094	6,12,417
All-in-cost per kilo	Rs. 2.12	Rs. 2.96	Rs. 2.66

Estimate for 1962-63 *Tea*: The crop has been estimated at 7,60,000 kilos to be manufactured at an all-in-cost of Rs. 3.90 nP per kilo. *Coffee*: A crop of 7,41,800 kilos at an all-in-cost of Rs. 2.73 nP per kilo is estimated.

Capital Expenditure: Machinery: The Glendale and Guernsey Tea Factories have changed to C.T.C. Manufacture from 1st April 1962. The Company purchased C.T.C. Machines and other necessary equipments for both the factories at a cost of Rs. 3,45,172 and Rs. 1,49,984 respectively. *Artificial Irrigation*: Artificial irrigation equipment was purchased for a value of Rs. 27,038 for the Company's Glendale and Colacumbie Estates for New Clearings. *New Clearings*: A total of 35.60 acres were cleared and planted with tea in Nilgiris Estates while 25 acres were cleared for coffee planting in Santawerry Estates in Mysore State. Replanting of 115 acres of old coffee with new coffee was also done in Nilgiri and Coorg Estates. Citrus seedlings and pepper cuttings planted last year in coffee area in Santawerry and Santagherry Estates in Mysore State are coming up well.

Adderley Estate: As 99.30 acres of land was very rocky, steep, and not easily accessible for regular cultivation, the same was sold for Rs. 90,000. The above 99.30 acres represent 76.64 acres of coffee and 22.66 acres of rocky and jungle lands.

Fertiliser Project: The Company has so far spent a sum of about Rs. 48,01,000 for plant, machinery, factory buildings and lands for this project. This includes a sum of about Rs. 33,72,000 spent during the year under review. The Fertiliser Factory went into full production from July this year. The working of this factory will be reflected in the coming year's account.

Accounts in brief as at 30th June 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	84,00,000	Gross block ..	1,30,18,630
Reserves and surplus..	26,65,353	—Depreciation ..	17,13,875
Other liabilities ..	70,25,788		
		Net block ..	1,13,04,755
		Block in progress ..	2,70,275
		Current assets ..	57,60,259
		Investments	2,12,733
		Cash	5,43,119
	Rs. 1,80,91,141		Rs. 1,80,91,141

* Paid-up capital consists of 42,00,000 equity shares of Rs. 2 each fully paid up. Of the above 19,000 equity shares of Rs. 2 each issued as fully paid up bonus shares.

Waterfall Estates Ltd.

(*Managing Agents*: Messrs. Kothari Mehta & Co., Private Ltd., Madras-1.)

Nineteenth Annual General Meeting—20th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Proceeds of tea crop	31,64	27,98
Proceeds of coffee crop	18,10	17,47
Closing stock of tea	5,27	2,99
Income from coffee curing works	2,13	Nil
Gross profit	14,21	8,79
Transfer to Managing Agents' commission ..	1,16	62
,, ,, depreciation	2,20	1,40
,, ,, development rebate reserve ..	50	88
,, ,, provision for taxation	5,09	2,65
Net profit	5,26	3,24
Adjustments	92	1,94
Appropriations :		
Total available balance	6,18	5,18
Proposed dividends (taxable) preference ..	32	32
,, ,, ,, equity ..	4,73 (10%)	3,94 (10%)
Carry forward	1,13	92

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report: *Crop and Cost*: *Tea Crop* harvested during the year amounted to 7,05,063 kilos as against 5,76,969 kilos last year.

	1959-60	1960-61	1961-62
Tea crop in kilos	5,50,298	5,76,969	7,05,063
All-in-cost per kilo	Rs. 3.17	Rs. 3.63	Rs. 3.18
Net price realised per kilo ex-estate ..	Rs. 4.07	Rs. 4.30	Rs. 3.98
Yield per hectare in kilos	1,467	1,539	1,880

(Net price is calculated after deducting excise duty cess, sales-tax and shipping charges.)

Coffee: As compared to a harvest of 6,06,458 kilos last year, the crop this year amounted to 5,90,076 kilos.

	1959-60	1960-61	1961-62
Crop in kilos	6,51,740	6,06,458	5,90,076
All-in-cost per kilo	Rs. 2.48	Rs. 2.66	Rs. 2.62

Estimate of 1962-63: A crop of 7,50,000 kilos of tea at an all-in-cost of Rs. 3.37 per kilo and 7,10,000 kilos of coffee at Rs. 2.40 per kilo are estimated.

Machinery: In order to handle the increased crop of tea, additional machinery was purchased during the year at a cost of about Rs. 1.48 lakhs.

As the *Rollers* of C.T.C. machines require constant sharpening, a pucca workshop was found to be a necessity. Accordingly a lathe and welding set and other equipments were purchased at a total cost of Rs. 20,974. As mentioned in the last report, artificial irrigation equipments were purchased for Rs. 78,336. As there is perennial supply of water at the Estate, this equipment is able to irrigate about 80 to 100 acres.

Citrus, Areca, and Pepper: 3,700 orange plants and 4,000 pepper cuttings were planted in Coovercolly and Kesinvurthy Estates during this year. Areca planted in Kesinvurthy Estate in 2 acres is coming up satisfactorily.

Kothari Coffee Curing Works: A further sum of Rs. 5,70,712 was spent for the construction of the second phase programme, namely for the raw coffee and clean coffee godowns, garbling room, office, drying grounds, estate supply store room and twin staff quarters.

The Company's works cured during this year 1,400 tonnes of coffee. Some of the coffee cured in the works have fetched high prices in the open auctions. It is expected to cure about 3,000 tonnes in the year 1962-63.

Accounts in brief as at 30th June 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	52,25,000	Gross block	87,35,614
Reserves and surplus..	19,71,873	—Depreciation ..	12,55,672
Other liabilities ..	32,18,364		
		Net block	74,79,942
		Livestock	6,200
		Current assets ..	24,80,803
		Investments	2,00,260
		Cash	2,48,032
	Rs. 1,04,15,237		Rs. 1,04,15,237

* Paid-up capital consists of 50,000 six per cent. tax-free cumulative preference shares of Rs. 10 each fully paid up and 23,62,500 equity shares of Rs. 2 each fully paid up. Of the above 16,62,500 equity shares of Rs. 2 each were issued as fully paid up bonus shares.

NEWS IN BRIEF

THE Hindustan Motors Ltd. has secured a loan of $15.8 million from the U.S. for undertaking the manufacture of lorries.

India has signed the International Coffee Agreement. Denmark, Nigeria, New Zealand and Portugal have also signed the Agreement. The total number of signatories so far is 47.

The Planning Commission has drawn up an operational plan designed to speed up digging of field channels as part of the proposal to focus more attention on minor irrigation projects. The Commission has already decided to raise the target and financial outlay on minor irrigation projects.

Cement is now declared as an essential commodity, under the Essential Commodities Act, 1955 in order to prevent its adulteration. Further, the manufacture or storage for sale or distribution of cement which does not conform to standards already laid down by the Indian Standards Institution has been prohibited.

Burma will supply to India 225,000 tons of rice next year, according to an understanding reached between the representatives of the Governments of the two countries. India has been buying about 200,000 tons annually for the last two years. An Indian delegation will visit Burma shortly to negotiate a long-term trade agreement with that country.

India's third atomic power plant is proposed to be located at Kalpakkam near Mahabalipuram in the Madras State. Kalpakkam is considered by the expert committee to be more suitable than Billigundulu (Madras), Somasila (Andhra) and Sangham (Mysore). The first power station is being built at Tarapore near Bombay and the second one is to be located at Ranapratap Sagar near Kotah in Rajasthan.

The Tea Board is examining a proposal for the supply of natural gas from Naharkotia in Assam for the tea industry. The proposal has been made by the industry which had represented about its difficulties because of the inadequate supply of coal. Meanwhile, the Government has approved the Board's proposal for the import of irrigation equipment worth Rs. 2 crores. To step up exports, the Board's propaganda efforts are also being intensified.

The Government of India has sanctioned Rs. 1.6 crore for the purchase of two new pilot vessels for the Calcutta Port Commissioners. These vessels will replace pilot vessels, *Bengal* and *Hooghly*. The pilot vessels are alternately located at sandheads at the mouth of the Hooghly. The contract for construction of these vessels has been awarded to a British firm, Blith Dry Docks and Shipping Building Co.

The Indian Institute of Technology, Madras, was formally inaugurated by the West German President Dr. Heinrich Leubke the other day. The institute, one of the four all-India advanced technological institutes, sponsored by the Government of India, was started in July 1959 with West German collaboration. West Germany has undertaken to give the Institute technological equipment worth Rs. 180 lakhs, besides making available services of 20 German professors and five foremen.

A proposal to set up an agricultural trading corporation is being considered by the Central Government. The proposed Corporation is expected to ensure more effective control over the distribution and prices of foodstuffs in both internal and export markets. Disclosing this in the Rajya Sabha, Mr. Manubhai Shah, Union Minister for International Trade, pointed out that the Government was also considering the possibility of establishing a mineral and metal corporation to look after the import and/or export of such goods as iron ore some non-ferrous metals, ferro-manganese and bauxite, which were now being handled by the State Trading Corporation.

The Japanese delegation for the second shipyard, now on a visit to this country, held discussions with the Chairman, Rear Admiral T. B. Bose and members of the Ship Ancillary Industries Committee in Bombay last week. The discussions were held with a view to ascertaining the state of development of ancillary industries connected with shipbuilding and ship repairing in India and the manufacture of various main and ancillary machinery and equipment which are fitted on board ships. The discussions were based on a questionnaire received from the delegation by the Ancillary Committee regarding various machinery and equipments. The delegation has already had talks with the Union Minister of Transport and Communications and the Minister of State for Shipping, besides visiting the Hindustan Shipyard at Visakhapatnam and also Cochin Harbour before coming to Bombay.

* * * *

From Abroad

World production of cocoa beans in 1962-63 is estimated at 1,139,000 tons, as compared with 1,126,000 tons in 1961-62.

Pakistan and China propose to sign their first trade agreement shortly, according to the Pakistan Commerce Minister, Mr. Wahiduzzaman. A Chinese trade delegation is expected to visit Rawalpindi in this connection.

The Government of Malaya has decided to spend £1.8 million over the next five years on improving and replanting coconut small holdings which contribute about 80 per cent of the country's copra and palm oil output. In these smallholdings, output is said to have fallen by one-third since the 1956 peak production.

The French Government has agreed to grant Syria a loan of $50 million for development projects, including a new international airport at Damascus, irrigation and power schemes and road construction. It has also agreed to participate with West Germany in financing the Euphrates dam project.

Two more factories for the manufacture of instant tea are proposed to be established in Ceylon, besides the one just commissioned at Agrapatna. The Agrapatna unit, put up in collaboration with the West German firm, Haelssen and Lyon of Hamburg, claims to have developed instant tea direct from green leaf for the first time. Its produce, to be named "Ceytea," will be marketed shortly.

The Government of Pakistan has exempted foreign banks in the country from the provision in the Banking Companies Ordinance requiring them to maintain with the State Bank of Pakistan 5 per cent of their total demand and time liabilities or Rs. 20 lakhs, whichever is higher, in foreign exchange. The exemption is for a period of one year from the 7th inst. The Indian as well as other foreign banks in Pakistan had made representations to the Government for modification of this provision.

The Bank of Japan has reduced the Bank Rate from 6.93 per cent to 6.57 per cent with effect from 27th November 1962. This was the second cut in Bank Rate in two months and brought the rate back to the level ruling in July 1961, that is, before a series of credit squeeze measures began to be introduced for balance of payments reasons. The Bank of Japan has also begun repayment of loans amounting to $200 million which it secured a year ago from three U.S. commercial banks.

The aggregate world fish catch touched a record level of 41.2 million tonnes in 1961, representing an increase of 8 per cent over the previous year, according to the *Yearbook on Fishery Statistics*, published by the F.A.O. Japan continued to be the largest producer of fish, with its catches of 6.7 million tonnes, or 500,000 tonnes more than in the previous year. Peru was second with 5.2 million tonnes, and China (according to F.A.O.'s own estimates) third with 5 million tonnes, followed by Soviet Russia (3.2 million tonnes) and the U.S. (2.9 million tonnes).

PERSONAL

U. THANT has been elected the Secretary-General of the United Nations for a five-year term.

Mr. M. K. Vellodi, I.C.S. (Retd.), has been appointed a Director of the Hindustan Motors Ltd., Calcutta, subject to the consent of shareholders.

Dr. S. K. Muranjan, a former Member of the Tariff Commission, has been appointed Adviser to the Union Ministry of Commerce and Industry on problems of productivity.

Mr. R. K. Malaviya, Parliamentary Secretary to the Union Minister for Labour, Employment and Planning, has been appointed Union Deputy Minister for Labour and Employment.

Mr. R. K. Birla, leader of the wool purchasing mission left for Melbourne (Australia) to arrange for sufficient supply of wool tops required by the woollen industry in the country.

Mr. David E. Bell, Director of the U.S Bureau of Budget and a former Harvard Professor, has been appointed Director of the U.S. Agency for International Development (A.I.D.) *vice* Mr. Fowler Hamilton, who resigned recently.

Mr. Ambrose Congreve, Chairman of Humphreys and Glasgow Ltd. in the U.K. has arrived in India on a short tour to study the possibility of expanding the Company's business interests in India.

World steel output reached the peak of 284.3 million tons in the first nine months of 1962, with the U.S. and the Soviet Union accounting for most of the gain according to the U.S. Department of Commerce. This compares with the production of 276 million tons in the corresponding period of 1961. During the first three quarters of this year, U.S. produced 74.6 million tons, as compared with 70.6 million tons. Output in Russia amounted to 82.2 million tons, as against 57.8 million tons. But the output in West Germany fell from 28.3 million to 27.3 million tons. France from 14.6 million to 14.1 million tons and the U.K. from 19.1 million to 17.2 million tons. Italian production increased from 7.5 million to 7.7 million tons. Output in the Benelux countries rose from 10.9 million to 11.1 million tons. Japanese output also increased from 22.6 million to 22.8 million tons.

HOW YOU CAN HELP

KEEP PRICES DOWN

PRODUCE MORE

Work more. Increase production. Cut out all slow methops. Be regular and punctual. It is that extra effort that produces more and adds strength to our fighting power.

GROW MORE

Get bigger yields from your fields. Sell your produce at fair prices. Food for all and none to waste.

SPEND LESS

Buy only when you must. Avoid all wasteful expense. No feasts or festivities.

SAVE MORE

Save all you can and invest in the new Defence Savings Schemes. The more you save, the bigger the build-up of the country's defence power and quicker the victory.

HOLD THE PRICE LINE
HELP THE FRONT LINE

JAI HIND

DA 62/595

GREAT EASTERN SHIPPING RECOVERS

DIVIDEND CUT RESTORED

DESPITE the unsatisfactory trading conditions which continued to prevail both in the overseas and coastal trades throughout the year ended 30th June 1962, the Great Eastern Shipping Company Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwala and Co., Bombay) has been successful enough to report a substantial improvement in earnings and profits for that year. Operating earnings, which had slumped to Rs. 285.87 lakhs during 1960-61, have staged a remarkable recovery to Rs. 326.48 lakhs, a level within striking distance of the all-time high level of Rs. 336.52 lakhs reached during 1959-60. There has also been a further modest improvement, from Rs. 11.75 lakhs to Rs. 12.05 lakhs, in other income. Besides, a profit of Rs. 4.81 lakhs was earned on the sale of fixed assets. As a result, gross income from all sources have expanded by Rs. 37.22 lakhs to Rs. 343.34 lakhs and compare fairly well with Rs. 351.44 lakhs realised in 1959-60 which was a relatively better year for shipping.

The higher income has, of course, come as a result of handling a larger tonnage of cargo—910,097 metric tonnes as against 761,821 long tons—but this has also led to an increase of Rs. 27.67 lakhs to Rs. 238.49 lakhs in operating expenses. Nearly half of this rise is claimed by stevedoring and other cargo expenses which have expanded from Rs. 34.95 lakhs to Rs. 46.84 lakhs. This was so, because, in a number of fixtures, the Company undertook the responsibility for carrying out stevedoring work at its own cost, instead of transferring the same to the charterers or the cargo interests, as it found this arrangement more beneficial than the usual F.I.O. fixtures. Besides, administrative expenses have also registered a small rise of Rs. 4.61 lakhs to Rs. 29.93 lakhs, chiefly because of the increase in interest charges. Despite these higher expenses, the gross profit stands substantially improved at Rs. 74.92 lakhs, as against Rs. 56.08 lakhs for 1960-61.

As regards prior charges on the gross profit, the Managing Agents' commission has naturally moved up to Rs. 1.05 lakh from the minimum amount of Rs. 50,000 provided for in the previous year. The provision for depreciation has been raised by Rs. 2.78 lakhs to Rs. 61.55 lakhs, due, of course, to the additions to block account, but, as during the previous year, no provision for taxation has been found necessary. After these essential provisions, the net profit works out to Rs. 12.32 lakhs, in refreshing contrast to the loss of Rs. 3.19 lakhs suffered in the previous year. This has enabled the Directors to restore the cut in dividend effected last year. The dividend for 1961-62 is thus 10 per cent per annum, as against 7½ per cent for 1960-61. The amount required for this purpose is Rs. 9 lakhs, leaving Rs. 1.05 lakh to be carried forward, as against Rs. 1.86 lakh brought in.

The Company's working results for the past four years are presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Operating earnings	326.48	285.87	336.52	298.00
Other income	12.05	11.75	10.52	15.39
Profit on sale of assets	4.81	0.01	4.40	0.02
Insurance claims received	..	8.50	..	..
Operating expenses	238.49	210.82	238.67	197.60
Administrative expenses	29.93	25.32	28.36	29.12
Loss on sale of assets	..	13.91	0.45	0.20
Gross profit	74.92	56.08	83.96	86.49
Managing Agents' remuneration	1.05	0.50	1.95	3.59
Provision for—				
Depreciation	61.55	58.77	62.15	51.32
Taxation	..	..	0.04	0.09
Net profit (+) or loss (—)	+12.32	—3.19	+19.82	+31.49
Refund of taxes	0.87	5.35	..	0.28
Withdrawn from reserves	12.00	16.65	21.38	15.00
Transferred to reserves	17.00	9.00	32.85	29.50
Dividends—				
Preference	..	1.79*	1.84	1.96
Ordinary	9.00 (10%)*	7.02 (7.8%)†	9.00 (10%)	13.50 (15%)
Carry forward	1.05	1.86	0.86	3.34
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	14.80	16.20	20.24	25.00
Low	11.24	12.76	15.20	18.88

* Fully subject to deduction of tax.
† Of this only 2 per cent was subject to deduction of tax.

During the past years, there was an over-provision for development rebate reserve and, therefore, it was decided to transfer this year the unrequired excess of Rs. 12.00 lakhs to the profit and loss account. But against this a sum of Rs. 16.00 lakhs has been charged to the profit for the year under review as a credit to the statutory development rebate reserve. The following explanation for these contradictory entries is given by the Directors in their statement to the shareholders which, incidentally, provides also a clue as to why no provision for taxation has been made, despite a substantial rise in the taxable profit:

"In the past years, accelerated depreciation on ships was claimed for income-tax purposes. As a result, the depreciation for income-tax purposes during the year under report would be lower than the depreciation as per books of account. The assessable profit would, therefore, be higher than the profit as per our books of account On the same basis, in view of accelerated depreciation claimed for income-tax puposes in the past, the profit on sale of s.s. *Jag Shanti* for income-tax assessment would be higher than the profit as per our books of account. The Directors, therefore, consider that the profit and loss account for the financial year must be debited with the development rebate reserve of Rs. 16.00 lakhs for the purpose of securing the benefit of development rebate allowed for income-tax purposes in respect of profits of the year under report. In view of the development rebate to which the Company is eligible, there will be no tax liability in the year under report."

The balance-sheet of the Company, as at 30th June 1962, reveals a fairly strong financial position. The share capital has remained stationary at Rs. 90.00 lakhs, all in equity shares of Rs. 10 each, but the reserves have gone up, for reasons already explained, by Rs. 4.20 lakhs to Rs. 214.68 lakhs. Secured loans have, however, expanded quite substantially from Rs. 347.46 lakhs to Rs 626.94 lakhs but the major portion of this is reflected in the block account which has gone up by about Rs. 2 crores to Rs. 10.33 crores. The amount of depreciation set apart so far is Rs. 300.12 lakhs and on deducting this from the gross block the net block works out to Rs. 733.16 lakhs. Current liabilities are a shade lower at Rs. 110.34 lakhs but current assets have risen from Rs. 194.27 lakhs to Rs. 311.17 lakhs.

As a result of the recommendations of the one-man commission, the Government of India granted an increase of 15 per cent in the coastal freight rates, excepting on the shipments of coal from Calcutta to destinations upto Cochin in which case the increase allowed was 10 per cent. As these enhanced rates came into force on and from 1st June 1962 they are only fractionally reflected in the freight earnings for the year under review. Since these will be reflected fully in the accounts for the current year, some improvement in earnings can be anticipated, provided other things remain the same. The Directors have, however, done well to utter a word of caution in this respect. They state:

"After the announcement of the increase in freight rates, there is a complacency all round and there is not the same alertness in regard to the turn-round of ships at loading and discharging ports. If this complacent attitude persists, the increase in freight rates would be more than offset by the higher cost incurred due to slower turn-round of ships. It is, therefore, essential that the Government, the railways, the shipowners and the port administrations must exercise continuous vigilance and ensure better turn-round of ships at ports."

The average dead-weight tonnage under operation during the year increased from 115,294 to 116,663. During the year the old s.s. *Jag Shanti*, built in 1941, was sold to breakers for Rs. 8.75 lakhs. Two new cargo ships ordered from Japan, m.v. *Jag Vijay* and m.v. *Jag Shanti*, were delivered in February and March 1962, respectively, as scheduled and the actual price of these was reduced from the estimated Rs. 2.27 crores to Rs. 2.23 crores. The Directors have decided to discard and break up s.s. *Jag Mata*, a 22-year-old ship which has become uneconomical in operation.

In the present subdued share market, the Rs. 10 fully paid ordinary shares of the Company are being quoted at Rs. 12.12 *cum-div.* to fetch a net return of 6.1 per cent per annum on the *ex-div.* price.

Notice

THE BENGAL FLOUR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has today declared an Interim Dividend of 10 per cent (subject to deduction of Income Tax) on the shares of the Company, in respect of the year ending 31st December, 1962. The dividend will be payable on or after 27th December, 1962 to those members whose names are entered in the Register of Members of the Company on that date. Dividend Warrants will be despatched to members and no application to the Company is necessary.

NOTICE is also hereby given that the Register of Members of the Company will be closed from 15th December, 1962 to 27th December, 1962, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, *30th November,* 1962.

ASSAM SILLIMANITE LTD.

Steady progress has been reported by the Assam Sillimanite Ltd. (Managing Agents: The United Provinces Commercial Corporation, Gauhati, Assam) for the year ended 31st March 1962. Sale proceeds have improved by about Rs. 2 lakhs to Rs. 27.75 lakhs. But, due to further all-round increase in production costs, gross profit, at Rs. 7.78 lakhs, has shown only a small increase over Rs. 7.61 lakhs earned in 1960-61. And net profit has moved down slightly from Rs. 1.59 lakh to Rs. 1.53 lakh owing to a provision of Rs. 2.70 lakhs for taxation, which is twice as much as in the previous year and includes Rs. 50,000 by way of additional liability for past years. Provision for depreciation has, however, been reduced from Rs. 4.31 lakhs to Rs. 3.06 lakhs, and the Managing Agents' remuneration is once again unchanged at Rs. 36,000. Development rebate reserve gets Rs. 12,715, as against *nil* in the previous year. The taxable return on the Rs. 10 fully paid ordinary shares has been reduced by one point to 5 per cent per annum following the increase in the paid-up capital from Rs. 30 lakhs to Rs. 36 lakhs by the issue of right shares after the close of the financial year. The dividend absorbs Rs. 1.80 lakh, leaving some Rs. 3,000 to be carried forward, which means there is again no surplus left to be ploughed back to reserves.

The following is the progress table for the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1962	1961	1960	1959
Sale proceeds	27.75	25.26	22.71	20.03
Closing stock	9.70	6.18	3.15	2.16
Other income	0.18	0.45	0.28	0.19
Stores consumed	4.90	3.53	3.39	3.22
Staff expenses	4.75	4.17	3.75	3.42
River freight, transport and travelling	5.11	5.06	4.06	3.46
Other expenses	8.89	8.38	7.19	6.04
Gross profit	7.78	7.61	5.69	4.21
Managing Agents' remuneration	0.36	0.36	0.36	0.36
Depreciation	3.06	4.31	2.88	2.10
Taxation	2.70	1.35	1.06	1.03
Net profit	1.53	1.59	1.29	0.72
Excess provisions written back	..	0.18	..	..
Development rebate reserve	0.13	..	..	..
Dividend	1.80 (5%)*	1.80 (6%)*	1.80 (6%)*	..
Carry forward	0.03	0.30	0.33	0.33
Production at the mine†	7,974.28	7,540.01	6,957.80	6,255.37
Quantity removed from the mine†	7,994.72	7,560.45	7,107.48	6,159.16
Quantity sold†	7,342.47	7,244.87	6,809.12	6,429.32
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	15.25	12.50	13.75	11.00
Low	9.31	9.62	11.19	10.62

* Subject to deduction of tax. † Tons.

In order to finance its refractory project at Ramgarh, the Company made a public issue of Rs. 29 lakhs in June last, which was oversubscribed. It has received a dollar loan, equivalent to Rs. 41.30 lakhs, from the I.F.C., Washington, to cover the foreign exchange requirements for plant and machinery for the first stage of the project. Plant and machinery ordered from Germany will be shipped within a couple of months, and production is expected to start as scheduled.

Because of insufficient profits for a long period, the Company has not been able to build up any significant reserves. The paid-up capital of Rs. 30.08 lakhs, as at the year-end, is poorly backed by reserves and surplus aggregating only Rs. 16,025. Secured loans of Rs. 14.35 lakhs comprise bank borrowings of Rs. 7.88 lakhs and a loan of Rs. 6.47 lakhs from the Assam Financial Corporation. Unsecured loans amount to Rs. 20.88 lakhs and current liabilities and provisions aggregate Rs. 11.74 lakhs. The total short-term indebtedness to outsiders amounts to Rs. 40.47 lakhs and exceeds the total of current assets, loans and advances by as much as Rs. 20.78 lakhs. The gross block, which increased during the year from Rs. 47.23 lakhs to Rs. 67.06 lakhs, has been written down to Rs. 38.41 lakhs, and inclusive of goodwill shown at Rs. 1.14 lakh and development expenditure of Rs. 17.74 lakhs, stands at Rs. 57.28 lakhs.

Currently quoted at Rs. 14.44 *ex-div.*, the Rs. 10 fully paid ordinary shares give a net yield of 2.4 per cent per annum. When the Company's expansion programme is completed, its earnings are bound to improve and so also its ability to step up the dividend.

MONEY EXTREMELY TIGHT

(From Our Own Correspondent)

BOMBAY, *5th December*

Conditions in the short-term money market are extremely tight and the inter-bank call rate has jumped up from 2 per cent a week ago to 4½ to 5 per cent per annum. Demand for funds is very large, while the supply actually available is much less. Quite a bit of the floating funds seems to have been diverted to Calcutta, where, it is said, there is acute scarcity of money supply, with borrowers willing to offer 5¼ to 5½ per cent. Thanks to stringency of money, some scheduled banks are said to have taken recourse to borrowings from the Reserve Bank at the penal Bank rate of 6 per cent per annum under the three-tier system. The stringency is also due partly to the delay in the return of funds, subscribed to the Bombay Municipal loan, to the market. Usually, the Municipality places the money thus received with several banks in the form of deposits within a couple of days of the closure of the list. This year the redistribution had not started till late today, that is, even after five full working days. Even today, only a small portion of the loan subscriptions amounting to Rs. 5.15 crores was redistributed from the State Bank of India, which had received the subscription moneys, to other city banks. It is possible that, when more banks receive the Municipal deposits, the position may ease a little, but there cannot be any sustained appreciable change in favour of buyers, as in the next few days, the usual seasonal trade demand for funds and the year-end requirements will begin to assert themselves on the trend of the market. Accordingly, a number of banks may find it necessary to seek from the Reserve Bank the additional quota of accommodation at 6.5 per cent. This quota, it will be recalled, is limited to the amount equal to the difference between a bank's quota based on its statutory balance and the maximum amount actually borrowed by it during the 1961-62 busy season.

The Treasury Bill results for this week reflect the prevailing stringency in the money market. Although the amount invited against tenders for Government of India's 91-day Treasury Bills sold on Tuesday this week was unchanged at Rs. 2 crores and so also the amount offered and accepted, the average accepted tenders was slightly higher at Rs. 2.350 per cent per annum, as against Rs. 2.345 a week before. What was more, no Intermediate Treasury Bills could be sold during the period from 28th November to 1st December, even though they were on offer. In the previous week, the market was able to absorb as much as Rs. 5.77 crores of these Bills. Undaunted by the lack of response this week, the authorities have made no change in the Treasury Bills programme for the coming week. They have announced that Intermediate Bills would be on sale from 5th to 8th December, both days inclusive.

India's foreign assets declined by Rs. 62 lakhs to Rs. 93.53 crores during the week ended 30th November 1962. The decline was accounted for entirely by balances held abroad which aggregated Rs. 5.45 crores, while foreign securities continued unaltered at Rs. 88.08 crores. Loans and advances to scheduled banks increased by Rs. 3.52 crores to Rs. 5.20 crores, of which the amount given against usance bills was Rs. 1.43 crore.

There was a further drop of Rs. 4.82 crores in the volume of credit made available by scheduled banks during the week ended 23rd November 1962; the total outstanding amount stood at Rs. 1,363.02 crores. The deposits of banks rose by Rs. 2.39 crores to Rs. 2,185.34 crores. Investments were markedly higher by Rs. 20.08 crores at Rs. 704.82 crores.

The Gilt-edged market ruled quiet. It was reported that the Reserve Bank bought yesterday Rs. 125 lakhs worth of 3½ per cent 1963 at Rs. 99.90 and 3 per cent 1963-65 at Rs. 99 offered by two big banks apparently for increasing their lendable resources. This is understandable, for why should a bank borrow from the Reserve Bank at 6 per cent per annum while earning less than 4 per cent on Government securities in its portfolio? The Life Insurance Corporation was also said to have bought some 4½ per cent 1974 State loans at as low a rate as Rs. 96.55 from some institutional investors badly in need of cash.

In the foreign exchange market, the rupee strengthened slightly *vis-a-vis* the U.S. dollar. The bank's selling rate today stood at Rs. 477.50 per $100, as against Rs. 477.75 on Wednesday last week. Their buying rate was also lower by 25 nP at Rs. 474.25. In New York, the pound sterling continued to be firm *vis-a-vis* the dollar throughout the week. The latest available spot and three months forward rates are: 280.280-280.310 cents and 280.000-280.030 cents, respectively, the corresponding rates last week being 280.250-280.280 cents and 279.950-279.980 cents.

KIPS DISTINCTLY EASIER

(From Our Own Correspondent)

MADRAS, *3rd December*

Due to stiff resistance by overseas buyers to higher prices quoted, the undertone of the kips market was distinctly easier. However, prices nearly maintained last week's levels. Overall trading was considerably small. Cow calf arrivals continued to be restricted with shippers oversold. U.K. enquiries for all weights and selections were easier despite uneconomical prices at raw centres and small raw arrivals.

Tanned goat skins continued firm due to excited raw markets and, despite overseas buyers' resistance, shippers have put up prices by 3*d.* to 6*d.* In sheep skins, primes were steady and semi-primes remained unchanged with fairly good U.K.-Continental inquiries.

SPURT IN BULLION

(From Our Own Correspondent)

BOMBAY, *5th December*

Both gold and silver forged ahead during the week under review, though a sagging tendency developed again today. Reports of excellent offtake in upcountry centres and reduced arrivals were the main contributory factors. Even the Union Finance Minister's reiteration that the price of gold would be brought down to around international level failed to deter buyers. On the contrary, this statement was followed by a substantial rise in the price of gold. Silver, too, moved up in sympathy. In the forward section of this metal, those who had sold short earlier rushed to cover after seeing the failure of the Finance Minister's statement to produce any adverse effect on ready gold, in which there is, as readers are aware, no forward trading now. Today, however, profit-taking set in and the two metals drifted lower. Even so, the closing rates were well above those prevailing on Wednesday last week, ready gold being higher by Rs. 9 at Rs. 102.75 per 10 grams and ready silver by Re. 1.85 at Rs. 195.60 per kg.

The daily average offtake of gold was higher at 4,000 tolas, as against 3,500 tolas in the previous week, while arrivals were less, being 3,400 tolas, as against 4,000 tolas. In silver, the daily average offtake and arrivals were 11 bars and 32 bars, as against 10 bars and 50 bars, respectively.

The Union Finance Minister declared in Bombay on Sunday this week that the Government would continue its efforts to force gold prices down and warned that the high interest rate and tax exemptions now allowed to buyers of gold bonds would be withdrawn after the gold prices touched the international level. Admitting that the response to gold bonds had not been as good as anticipated, the Finance Minister said:

"People are apparently waiting for something. If they are waiting for the prices to go down further before they hand in gold, they are in for some disappointment. Once the prices go down, there may not be a chance for them to get 6.5 per cent interest and enjoy exemption from wealth tax and capital gains tax. I hope there will be a better response soon."

Mr. Desai assured gold-holders that no inquiry would be made as to the source of their holdings. "No questions would be asked now or later," he said, and added that he had given strict instructions to income-tax officials not to pursue investigations against persons whose names became known because of their investments in gold bonds. "These instructions," he averred, "will be fully observed." Proceeding, he observed that the price of Rs. 62.50 offered by the Government should not deter people from investing in gold bonds, since, because of steps taken by the Government, the market price of gold was steadily falling. Although there had been a spurt in gold prices during the last few days, the trend was bound to be reversed because of further steps to be taken by the Government. . . . He cautioned people against buying gold for investing in gold bonds. In fact, he felt that "nobody should buy gold as long as the present condition of emergency lasts."

With effect from the 1st of this month, the Central Government has taken over the Kolar gold mines from the Government of Mysore. The Centre has also decided to take over the Hatti gold mines in the Raichur district of Mysore State, according to the Chief Minister of Mysore.

Ready gold began the week at Rs. 95.50, as against the previous close of Rs. 93.70, and moved up to touch a high of Rs. 107 yesterday (Tuesday the 4th inst.). After declining to Rs. 103.25 on the same day, the metal improved to Rs. 104.50 but finished lower at Rs. 102.75.

The *Margashir* (12th December) settlement in silver, which advanced from Rs. 196.25 to Rs. 198.20 on Thursday, 29th November, declined subsequently to Rs. 195.10 on Monday. The settlement recovered to Rs. 199.20 yesterday but fell back to Rs. 195.70 today. The *Fagun* (March) settlement fluctuated between Rs. 201.10 and Rs. 197.50 before winding up the week at Rs. 198.60. The rate for transferring commitments from the *Margashir* to *Fagun* settlement was against bulls throughout the week, though the actual rate receded from Rs. 2.75 last week-end to Rs. 2.20 today.

Ready silver continued to be quoted at a discount under the forward (*Margashir*), but the actual discount today was just 10 nP, as against Rs. 2.50 on Wednesday last week. The closing spot rate was Rs. 195.60, that a week ago being Rs. 193.75. The highest level for the week, namely Rs. 198.75, was touched yesterday.

The dollar price of gold in the London bullion market eased slightly from $35.08 to $35.07¾ during the week. Ready gold, however, improved by ¼*d.* to 250s. 3¾*d.* Ready and forward silver moved up, the former from 102*d.* to 103¼*d.* and the latter from 102⅝*d.* to 104¼*d.* The rise followed firm advices from New York where silver advanced by 1.75 cent to 119.75 cents.

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

	5-12-62 (closing)	High	Low	28-11-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	102.75	107.00	95.00	93.75
Sovereign	77.00	79.00	75.00	75.00
SILVER				
Ready (.996 fine)	195.60	198.75	193.60	193.75
*Margashir**	195.70	199.25	195.10	196.25
Fagun	198.60	201.95	197.50	199.00
London—	250s.3¾*d.*	250s.4*d.*	250s.3¼*d.*	250s.3¾*d.*
Gold	103¼*d.*	103¼*d.*	102*d.*	102*d.*
Silver Ready	104¼*d.*	104¼*d.*	102¼*d.*	102¼*d.*
Silver Forward				
New York—	119.75 cents	119.75 cents	118.25 cents	118.00 cents
Silver				

* 11th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES SLUMP

(From Our Own Correspondent)

BOMBAY, *5th December*

After having ruled distinctly easy during the first half of the week under review, cotton futures staged a remarkable recovery on Monday. The recovery gathered momentum yesterday but was reversed. Two reasons can be attributed to the earlier easiness. First, the banning of forward trading in shares gave rise to fears that forward trading in commodities would also be prohibited. Secondly, the slackness of mill demand in the wake of heavy arrival of new crop led to a decline in ready prices which affected the futures market also. The Jarilla March contract succumbed to heavy selling by both local and upcountry operators and slumped to Rs. 680.75 on Monday, as compared with the last week-end quotation of Rs. 696.75. Reports of unwanted rains in Berar and Moglai tracts induced fears of damage and further delay in the movement of the crop. This prompted renewed buying support. The Jarilla March recovered to Rs. 697 yesterday. The fear of damage to the crop, however, would appear to have been exaggerated as the contract shed a part of the gain to close at Rs. 693.75. It was even thought that the rains would help picking and hence the decline in prices. Today, the trend of the market was easy. The Jarilla March contract finished at Rs. 685, as against the last week-end rate of Rs. 696.75.

In the spot section, following larger arrival of new crop, prices tended to recede. Most of the varieties were quoted below the ceiling rates. Turnover was, however, limited because most mills were reluctant to make purchases, pending a further fall in prices. The accumulation of unsold stock of cloth with them was also a limiting factor.

Export demand for Bengal *Deshi* continued to be small. Prices consequently eased further. Business in foreign cotton was at a virtual stand still, following the Government's decision to cancel a percentage of the global import quota.

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

Bengal Fine (December delivery) 665; L. 147 1,245; Co2 1,500; Sudan X5S 1,410; B.P. 52 1,180.

Cotton futures in Karachi recorded further gains during the week. Renewed export inquiries and domestic mill demand led to a rally in prices. N.T.R.G. January firmed up from Rs. 71.20 last week-end to Rs. 72.40. The March contract improved from Rs. 71.80 to Rs. 72.90.

Quiet conditions prevailed in the Liverpool cotton futures market. Both the American and American type contracts closed practically unchanged. Trading was inactive due to the absence of any fresh developments. Ready demand was fairly good for selected foreign growths. Pakistan cotton attracted some attention, thanks to the reduction in export duty on staple varieties from Rs. 75 per bale to Rs. 25 per bale. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December 23.90; March 23.70; May 23.65.

American cotton mixed growth contract: December 24.25.

Sudan: January, March, May 29.75.

Barring the near December position, which ruled quietly steady, cotton futures in New York hardened during the week. Commission House support and higher spot advices were responsible for the rise in prices. Uncertainty about the new cotton legislation for the 1963 crop, however, continued to restrict trading.

The December contract was quoted unchanged at 33.93 cents per lb., while the March contract firmed up from 34.12 cents per lb. last week to 34.31 cents and the May contract from 34.20 cents to 34.38 cents. New York spot was quoted 5 points higher at 34.80 cents per lb., as compared with 34.75 cents last week.

Ready prices remained generally steady. Trading was fairly active. A sizable volume of cotton continued to move into the loan programme.

The U.S. Under Secretary for Agriculture, Mr. Charles Murphy, has denied that there would be any reduction in the export price of U.S. cotton. Speaking at the annual general meeting of the Arkansas Agricultural Council, Mr. Murphy said, "I have heard reports that potential foreign buyers have been holding back on purchase of American cotton in anticipation that there might soon be substantial reductions in the price at which our cotton would be available in foreign markets. I see no basis whatever in fact for any such anticipation. The Commodity Credit Corporation has no intention of increasing the present eight and half per cent export payment rate prior to the end of the current marketing year on 31st July 1963. Neither is it anticipated that there will be any other change in the cotton export programme which will result in any appreciable decrease in the export price of U.S. cotton prior to 1st August 1963."

Mr. Murphy added that if the U.S. Congress adopted new legislation on cotton, eliminating the "double price" system as the Administration had asked for next year, there was no reason to think the new legislation would lead to significant lowering of export prices.

LANDSLIDE IN GROUNDNUTS

(From Our Own Correspondent)

BOMBAY, *5th December*

There was a landslide in values of oilseeds during the week under review on persistent heavy liquidation. Political uncertainties besides, fears of a possible ban on forward trading in oilseeds unnerved operators. Groundnuts suffered a distinct setback, following new crop arrivals from major producing centres, while support from stockists and dealers was lacking, except for

modest enquiries by some *vanaspati* manufacturers. Moreover, operators were rather intrigued at reports that the Forward Markets Commission might not permit trading in new contracts unless prices came down further. The F.M.C. was said to have suggested a lower ceiling for the new April contract, probably around Rs. 226 per 250 kg., as against Rs. 236 for the January 1963 contract. In sympathy with groundnuts, castorseeds moved down. Linseeds ruled easy on reports of weakness in mustardseeds in North Indian markets. Cottonseeds, too, encountered heavy selling.

Groundnut January 1963 contract was marked down by Rs. 8.62 to Rs. 204.75. Khandesh quality fell by Rs. 2.25 to Rs. 40.50. Nizam bold lost Re. 1.75 to Rs. 40. Oil ex-mill declined by 80 nP to Rs. 17.10 and railway receipts by 65 nP to Rs. 16.80.

Castorseed March 1963 contract was subdued today at Rs. 157.50, as against Rs. 161.37 last weekend. Madras small and Kanpur bold eased by 25 nP each to Rs. 31.75 and Rs. 30.37, respectively. Oil B.S.S. shed 15 nP to Rs. 13.30 and oil commercial 10 nP to Rs. 12.50.

Linseed March 1963 contract declined by 63 nP to Rs. 36.37. Bold ready lost Re. 1.50 to Rs. 39. Linseed oil receded by 40 nP to Rs. 15.50.

Cottonseed January 1963 contract gave way from Rs. 96 to Rs. 94. Both nonwhite and berar, however, picked up 75 nP to Rs. 21.75.

The following table shows the closing prices of oilseeds and oils on Wednesday 5th December, as compared with those of the two previous weeks:

	5-12-1962	28-11-1962	21-11-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963 ..	204.75	213.37	218.87
Nizam bold	40.00	41.75	42.75
Khandesh quality	40.50	42.75	43.12
Oil ex-mill ready*	17.10	17.90	18.35
Railway receipts*	16.80	17.45	18.00
Castorseed			
Castorseed March 1963	157.50	161.37	164.25
Ready Madras	31.75	32.00	32.50
Ready Kanpur	30.37	30.62	31.12
Oil B.S.S.†	13.30	13.45	13.65
Oil commercial†	12.50	12.60	12.75
Linseed			
March 1963	36.37	37.25	38.12
Bold ready	39.00	40.50	41.25
Oil ready†	15.00	15.90	16.15
Cottonseed January 1963 ..	92.00	96.00	100.00
Niger seed	33.50	35.00	35.50
Kardi seed	25.00	26.50	27.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK TEA STRONG

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

COCHIN, *29th November*

Offerings in sale No. 47 held on the 27th inst. amounted to 681,000 kgs. Quality in general was about maintained. The market met with strong demand. Low medium brokens attracted useful support at firm rates, but occasional invoices were slightly easier. Fannings under this category were in better demand at firm to dearer rates. Medium and good medium brokens were firm, but improved liquoring teas were dearer. Similar fannings were generally dearer. Plainest kinds received good support and were firm to dearer. Highgrowns were irregular with quality. Clean black leaf descriptions evoked strong demand and registered slight advances. There was useful enquiry for unorthodox descriptions which were fully firm on last rates. Orange pekoes were strong whilst flowery pekoes and pekoes were a little irregular.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	4.50-5.00	3.00-3.30
Mediums	5.00-5.40	3.25-3.80
Good mediums	5.40-6.10	4.00-4.50
Nilgiri B.O.P.	5.75-7.50	5.00-7.60

The average price realised in sale No. 47 was Rs. 5.13 per kg. as against Rs. 5.13 a week ago and Rs. 4.05 in the corresponding sale last year.

In dust sale No. 47 held today, 278.000 kgs. were offered. The market met with a fair general demand, but prices were generally easier for most descriptions. Low mediums sold readily but these were easier by 10 to 20 nP. Mediums also declined by 10 to 20 nP but the brighter kinds under this category were better supported and were firm.

Good mediums also shared in the general downward trend of the market and were irregularly lower by 10 to 20 nP. Highgrowns were irregular and inclined a little easier. C.T.Cs were also generally lower but C.T.C. types met with better demand and these may be quoted fully firm. Clean black grainy descriptions sold at around last rates.

The average price realised in dust sale No. 47 was Rs. 4.55 per kilo, as compared with Rs. 4.64 a week ago and Rs. 3.68 in the corresponding sale last year.

Colombo: The market met with an active demand. Best highgrowns were irregularly dearer, whilst below best advanced by 10 to 20 cents. Brighter uvas were dearer by 20 to 40 cents, whereas mediums were 10 to 15 cents dearer. Lowgrowns were also well supported at dearer rates.

London: *North Indian and other growths*: In Monday's sale, the market met with good demand and prices were 1d. to 3d. dearer all round.

Ceylon and South Indians: 27,684 packages were offered in Tuesday's sale, of which 7,559 were from South India. Ceylons met with fair support. Low medium and plainer descriptions were often 1d. to 2d. dearer. Any teas above 5s. were slightly easier. Teas from South India were fully firm, particularly those below 4s. 3d. which tended dearer.

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

"*Sale No.* 48: 544.000 kgs. offered. Fair demand. Low mediums and mediums 10 to 20 nP easier. Good mediums barely steady. Highgrowns easier, particularly fannings. Unorthodox lower."

TEA EASY

(From Our Own Correspondent)

CALCUTTA, *4th December*

While offerings of tea in auctions have begun to fall as a result of the stoppage of Assam-West Bengal river services following the eight-week old strike by the Pakistani crew employed in these steamers, the quick measures taken by Government for providing alternate transport are yielding commendable results. The twenty-five wagons which the railways are allotting daily for bringing tea from Assam to Siliguri are carrying about 2,500 chests a day. The trade is also using the facilities afforded by air and steamer chartering companies up to the maximum extent possible, and road transport has also visibly improved. With the result, the average daily arrivals in Calcutta are now in the order of 17,500 chests, which is about half of the normal arrivals for this time of the season. The result has been that there was a visible improvement in booking of tea during the week from the Calcutta port, although the normal quantity cannot be resumed until river services again commence operations. It is wellnigh an impossible task to transport all Assam tea by road and air. Against this background, the news of the possibility of the appointment of a committee, on which both the Governments of India and Pakistan would be represented and which would go into the demands of the Pakistani crew, is noted with hope.

As stated, Government measures for accelerating the movement of Assam tea have been very rapid and have yielded good results. The Union Transport Ministry has asked the railways to increase the allotment of wagons for the tea industry, and its new road transport organisation has already started working in Dhubri and Siliguri. The Government has also allotted one hundred trucks which would soon be on the roads. As a result of these arrangements, it is expected that the setback to auctions in this month would not be as bad as earlier apprehended.

In the meanwhile, tea gardens are faced with financial problems as a result of the hold-up of tea in Pakistani waters and accumulation of production in the last two months. With uncertainty as to movement, banks are naturally unwilling to make further advances to gardens on fresh production. Accumulation of tea has also meant that gardens have not been able to repay advances already granted, leading to shrinkage of loanable funds for the trade. The poor arrivals in Calcutta during recent weeks and the hold-up of tea gardens have been reflected in prices in Calcutta having risen between 15 nP to 40 nP per kg. according to quality. Although in the interests of the country's foreign trade, the rising trend should be arrested, it is a consolation to know that prices of the varieties which have risen are not available in other producing countries. At the same time, it should also be pointed out that bringing tea by air and road has increased the cost of transportation, and it is only natural that an attempt should be made to recover at least a part of this increase from buyers. It is not only in Calcutta auctions that prices have risen, but also in the auctions in other world centres, notably in Cochin, Colombo and London. Placing reliance on earlier expectations of a good crop, overseas buyers had been only operating sparingly since the beginning of the present season.

In the past two months it has become only too clear that the North Indian crop would be lower than that of last year. It was at this time that movement of Assam tea received a setback, and this was soon followed by the naked Chinese aggression on the Himalayas. This was immediately followed in the last month by the threat to normal working of gardens in Assam. The evacuation of civilians from Tezpur and other areas which followed as the enemy descended from Bomdi La meant a serious disturbance to the working of gardens. All these explain the anxiety of stockists overseas for early replenishment. In last week's auctions in London, strong demand was in evidence. North Indian offerings totalled 32,000 packages in two days, and Pakistani offerings were once again a small parcel consisting of 120 packages. Prices registered gains varying from 1d. to 3d. a lb. Tea stocks for the week ended 23rd November at 136 million lbs. registered an advance of 4 million lbs., as compared with the previous week. In the last week's auctions, Cochin also reported strong conditions, and prices, where not changed, were fully firm.

Since the return to Tezpur and adjoining areas of all evacuated personnel, tea gardens have resumed normal working. Managers of at least fourteen gardens from both sides of the Brahmaputra river had been evacuated to Calcutta, and it is stated that the evacuation of personnel from the south bank of the river was done due to a misunderstanding. As the Assam Labour Minister stated, labourers in these gardens formed committees to ensure normal working. Mr. A. S. Bam and I. F. Morris, Chairman and Vice-Chairman of the Tea Board, have visited Tezpur and Gauhati to find that work in gardens is being carried on smoothly. They have, however, found that rail movement of tea from Tezpur is being hampered due to the delay in unloading of incoming wagons. Tea gardens have offered the services of their men for quicker unloading, so that the tea industry can load these wagons with tea.

Prices during the last week's internal sales, when offerings totalled 29,631 chests, eased despite the existence of good general demand. Bidders were prepared to pay lower prices. Plain orthodox teas eased by 30 nP, and Assam orthodox teas eased in an irregular trend. However, good support was accorded to bright liquorings, which were taken at lower rates. Medium and good C.T.Cs gave way by 20 nP. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.30 to Rs. 6.80, medium Assam C.T.C. dust Rs. 5.90 to Rs. 6.10, legg-cut dust Rs. 5.50 to Rs. 5.70, medium Assam dust Rs. 4.90 to Rs. 5.50, and plain orthodox dust Rs. 4.80 to Rs. 5.10.

Prices eased during yesterday's export offerings which totalled 51,880 packages. The quantity was much lower than usually in view of poor stocks in warehouses. Despite this, if bidders had shown less interet, the cause was that arrivals of fresh tea from Assam by alternative routes were progressing satisfactorily. As a result, the shortage was not expected to continue. Plan orthodox teas eased up to 40 nP, but fannings grades were firmer than similar brokens. Prices for the better liquoring Dooars and medium Assams eased leading to liberal withdrawals of both. Similarly, the better liquoring Assam B.O.Ps had to be withdrawn. Both whole leaf grades and Darjeelings eased. Medium Assam C.T.Cs gave way by 20 to 40 nP. At the same time, the best varieties commanded keen attention and prices were dearer. Legg-cut teas were pushed down by 20 to 30 nP. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 6.90 to Rs. 7.50, best Assam C.T.C. B.P. Rs. 6.70 to Rs. 6.90, medium Assam C.T.C. fannings Rs. 6.00 to Rs. 6.40, medium Assam C.T.C B.P. Rs. 5.90 to Rs. 6.40, clean plain pekoe Rs. 4.60 to Rs. 4.80, plain fannings Rs. 4.50 to Rs. 4.90, and plain B.P. Rs. 4.20 to Rs. 4.40.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, *4th December*

Under the impetus of sustained support, jute goods were steady during the week under review, while, despite a series of price support measures taken during the week by both the Government and the mill industry offers of fibre at discounted prices continued. The Indian Jute Mills Association has announced that it will shortly issue compulsory purchase quotas to mills. Mills, having exceeded the minimum quotas issued by the Jute Commissioner for the month of November, were cautious in entering into fresh commitments. Stockists continued to be anxious to lessen their holdings and, in a bid to secure as large a business as possible, made offers at discounted rates. At the same time, there was difficulty for mills to secure the correct quality of fibre which they urgently require to manufacture hessian and specialities. Since there is good demand for specialities, which admit of more profits than other constructions, mills have installed broadlooms. Their production schedule, however, has been hampered by the non-availability of the requisite standard fibre. As a result, prices of the good quality fibre are higher than the minimum. With mounting stocks of heavy goods, mills are naturally eager to restrict the output of these by transfer of more looms to hessian.

It is necessary that, if mills are to maintain ouput of hessian at the present level, more higher grade fibre should be made available to them. Chances of the authorities permitting more imports from Pakistan being slender, the mills would have to rely on the internal crop only. Demand for hessian from the U.S.A. and other countries being large, any tendency of a fall in production of this construction would be reflected on prices. However, U.S. buyers have often indicated that their continued support would be withdrawn, if prices moved up and that shortage of the fabric should not be put forward as an excuse for raising prices. Mills have been placed in a difficult situation, inasmuch as they should maintain the present high rate of output; otherwise, prices of goods would rise. There is also the danger of a further fall in fibre prices. If fibre prices are affected, it is apprehended that cultivators may prefer to transfer land from jute to paddy. Arrivals continue at a high rate, and this is indicative that much more of the crop awaits marketing.

In an attempt to arrest the fall in prices, the State Trading Corporation has moved into the scene and has already purchased about 40,000 maunds from different areas of Tripura, Bihar and Assam. In West Bengal, the National Agricultural Co-operative Marketing Federation Ltd. has been asked to buy on behalf of the S.T.C. in areas where prices have fallen. The price paid by the Corporation is stated to be Rs. 30 a maund basis Assam bottoms. The Corporation is keeping a close watch in an attempt to ensure that growers get reasonable prices. The S.T.C. aims to buy as much as 500,000 bales within the next two months and has already secured storage facilities for this quantity. It was announced in the Lok Sabha that a Central Warehousing Corporation for tea and jute would shortly be formed and, the Union Deputy Food Minister, Mr. A. M. Thomas, declared that such a Corporation would revolutionise the marketing of these commodities. Meanwhile, the existing central warehousing corporation would store the purchases of the S.T.C. in the industrial area of Calcutta. In view of the national emergency and the continued strike of the Pakistani crew employed in river transport vessels from Assam to Calcutta, transport has been considerably affected, and cultivators in mofussil areas are eager to dispose of their holdings as quickly as possible. This explains the present fall in prices, despite large purchases by mills. It should also be emphasised that the quality of the crop remaining to be marketed is very poor, judging from the fact that recent arrivals continue to reveal a deplorable fall in quality.

The Jute Buffer Stock Association is also doing all it can to arrest the present falling trend in fibre prices. It has, therefore, released a fresh quota of 250,000 bales which should be bought by its members within a fortnight of the receipt of allocation letters. As far as possible, it has been stipulated that this quota should be lifted from the existing stocks in Cossipore, where congestion as a result of accumulation of fresh arrivals has posed a stupendous problem. With this purchase, the buffer stocks would stand at 575,000 bales. The Secretary of the Bihar Jute Growers Association, Mr. P. D. Khaitan, stated at Calcutta that, on account of an artificial slump in fibre prices, about a crore of people were on the verge of starvation. Although it is considered that this is a very exaggerated study of the present situation, the fall has not been due to lack of earnestness by mills to purchase as much as they can hold in their godowns and their finances permit. Mills have already exceeded the Jute Commissioner's quota, and both the finances and godowns of mills have been put to severe strain. Most of the fibre, which the S.T.C. is buying, and the buffer stocks are of the inferior quality and fit for production of sacking goods only. The demand for sacking goods has been considerably affected by keen Pakistan competition. Hitherto, Red China had been a large buyer of this construction, but, for obvious reasons, trade with that country has been at a standstill. In days to come, it is felt that the disposal of the buffer stocks and the S.T.C's purchases would present a difficult problem if next year's crop does not show an improvement in quality.

With sowing time so near on hand, the time has come to devise means by which next crop would show an increase in the proportion of quality fibre. With the need to increase outturn, quality has been paid very little attention, and it has been pointed out that the tendency for the use of seeds aimed at giving a higher crop at the sacrifice of quality should be checked. With various price support measures, if cultivators succeed in dispcsing their crop at good prices, there would be little incentive for them to improve the strains and pay more attention at the time of retting. That this problem is capable of solution is indicated, inasmuch as, in the not distant past, the problem for cultivators was the disposal of the higher grade fibre and there had been an acute shortage of the lower grades.

Fair activity was in evidence in the goods markets during the week under review. With the need of mills to transfer more looms to hessian from sacking, there was a tendency for speculators to increase their holdings of heavy goods. On Tuesday last, there was the report of a fresh tender for hessian bags for Government. There was also some business done with the U.S.A. Ready hessian 40" 10 oz. was steady at Rs. 57 as against Rs. 56.90 on the previous day. B. twills were unchanged but firm at Rs. 120.50. Follow-up support from overseas buyers was lacking and, excepting for some business in B. twills with Government, there was no other activity to sustain prices on Wednesday. As a result, B. twills fell to Rs. 119.50 and in sympathy hessian 40" 10 oz. eased to Rs. 56.70. On Thursday, there was good covering business in woolpacks and hessian bags, and mills were interested sellers. As a result, hessian 40" 10 oz. recovered to Rs. 56.90 and B. twills to Rs. 119.75. Reports from the New York burlap market indicated that consumers there were in no mood to support a rising market, and they thought that the purchases by the U.S.S.R. in the Calcutta market were not as large as earlier expected. On Friday, these reports had an impact on prices here, and hessian 40" 10 oz. was quiet at Rs. 56.50. In sympathy, B. twills declined to Rs. 119.15. There were some overseas inquiries leading to some business with overseas consumers. Over the week-end, with B. twills at Rs. 118.25 and hessian 40" 10 oz. at Rs. 56 prices were quiet as covering business passing was limited. Mills refrained from offers at the reduced rates. Although the market reopened during yesterday after the week-end holiday on a dull note, conditions steadied as the day progressed following Government interest in hessian and business with overseas buyers involving woolpacks and B. twills. B. twills hardened to Rs. 119 and hessian 40" 10 oz. to Rs. 56.

WEAKER TREND IN METALS

(From Our Own Correspondent)

CALCUTTA, *4th December*

Prices in the Calcutta metal market eased during the week under review and this is encouraging, first because prices are gradually declining to reduce the disparity with world quotations and, secondly because, despite the national emergency and doubts about the Chinese cease-fire, it is a good sign that prices are prevented to be pushed upward.

News of importance during the week to the metal market was the ban on forward trading in copper, tin, lead and zinc, which came into effect from 29th November. This ban does not include non-transferable specific delivery contracts for the sale or purchase of these four metals. The announcement by the Government of India directed that outstanding contracts in these metals entered into on or before 29th November and remaining to be performed after that date should be closed out at the rate prevailing on that date. This decision is aimed at lowering the volume of transactions and to minimise the chances of prices rising in the national emergency. This week's weaker trend in prices reflects such a reading. The announcement also exhibits the determination of Government to stem any tendency for an upward trend. It was in December 1956 that the Government, accepting the recommendations of the Forward Markets Commission, permitted the Bombay Metal Exchange to conduct forward trading. The B.M.E. was the only organisation in the country which was recognised and permitted to conduct forward trading in metals.

Referring to the announcement in the Lok Sabha by the International Trade Minister, Mr. Manubhai Shah, that a second State Trading Corporation would shortly be set up to handle exports of iron ore, manganese ore, non-ferrous metals, ilmenite and other metals, trade circles thought that such a Corporation would handle only exports. Since non-ferrous metals figure only in imports, a Corporation, if set up to handle exports, cannot be expected to step into imports. Possibly, the Minister had in mind principally iron ore and manganese ore. In view of expansion of India's markets abroad for these two minerals, it is natural that Government should contemplate different agencies for conducting the S.T.C's activities. That the Minister had in mind the export of minerals is clear inasmuch as he said in Parliament that he expected exports of iron ore and other minerals to increase in the coming years. He estimated exports by 1970 to rise to 30 million tons as against 11 million tons at present.

On the London Metal Exchange, spot copper was firm at £234 a ton. Support was mainly on producer account. In New York, the quotation was steady at 28.71 cents a lb., and it was reported that demand for the slender month of December was unusually satisfactory. In Calcutta, utensil copper scrap touched a low of Rs. 482 per 100 kgs. after opening at Rs. 522, and towards the closure, recovered to Rs. 496. The declining tendency did not mean that copper scrap supplies were plentiful. In line with copper scrap, zinc also eased, the price closing at Rs. 255 per 100 kgs. as against the opening of Rs. 265. In London, spot zinc closed at £68¼ a ton after opening at £68¾, and the respective quotations for lead were £55¾ and £56¼. In Calcutta, lead and zinc were quiet at Rs. 141 and Rs. 255 respectively. Tin also eased, the closing rate being Rs. 2,550 per 100 kgs. against the opening of Rs. 2,600. In London, tin at one time hardened from £864 a ton to £867½ but eased to £866 as no indications were available as to the policy the International Tin Council would adopt in persuading the U.S.A. to accept a floor price below which no bids for stockpile tin would be considered.

WHEAT DECLINES, RICE STEADY

(From Our Own Correspondent)

HAPUR, *3rd December*

An easy trend continued in foodgrain prices during the past week on selling pressure by stockists and good crop prospects. *Kharif* grains were reaching the market in increased quantity and the Government is also determined not to let grain prices rise in this period of national emergency. The number of fair price shops is being increased and the quantity to be sold in each shop has also been increased.

Wheat prices here declined between 67 nP to Rs. 1.34 per quintal to be quoted between Rs. 39.52 to Rs. 40.19 for average quality and Rs. 42.87 to Rs. 44.21 for farm produce. Arrivals were small around 200 maunds daily and stocks at the week-end were quoted around 80,000 maunds. Rice prices ruled steady due to better demand. Stocks were quoted around 8,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 80.38 to Rs. 93.77, *mainpuri* Rs. 52.92, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62, *gadda* Rs. 46.89 and *basmati sela* Rs. 75.02 to Rs. 77.70 a quintal.

Gram prices eased 67 nP to 99 nP a quintal according to quality on slack demand and easy advices from Punjab. The Punjab quality was quoted at Rs. 40.19 and local produce at Rs. 39.81. Stocks were reported around 8,000 maunds. Maize, too, declined by 67 nP to Rs. 1.34 due to better arrivals. Arrivals averaged around 400 maunds a day and local stocks were placed around 30,000 maunds. Barley and *bejhar* declined Rs. 1.34 per quintal each on poor buying support. *Jowar* and *guwar* prices also sought lower levels as new crops reached the market in large quantity. Prices were quoted *jowar* Rs. 35.85 to Rs. 37.51 and *guwar* Rs. 34.83 a quintal. *Bajra* and other grains prices were quiet in absence of demand. Week-end prices were:—Maize Rs. 28.80 to Rs. 30.14, barley Rs. 24.12, *bejhar* Rs. 24.12, *methi* Rs. 61.62, *bajra* Rs. 36.17 and oats Rs. 29.47 a quintal.

Among pulses peas lost between 67 nP and Rs. 1.34 on selling pressure by stockists while demand was reported poor. Peas *desi* was quoted at Rs. 29.47 and farm produce quoted at Rs. 32.15 a quintal. Peas *dal* was quoted at Rs. 33.49 a quintal. Arrivals were negligible and local stocks quoted around 52,000 maunds. During the week six wagons of peas and peas *dal* were despatched to the south. *Arhar* prices also eased Rs. 2.67 to Rs. 5.34 a quintal on lack of support. Prices were quoted at Rs. 50.91 a quintal. *Urd* and *moong* prices also ran down appreciably as new crop arrivals considerably increased. *Masoor* prices also drifted to lower levels in sympathy with *urd* and *moong* prices. Week-end prices were:—*Arhar dal* Rs. 66.98, *urd* Rs. 50.91 to Rs. 58.94, *urd dal* Rs. 69.66, *moong* Rs. 45.55, *moong dal* Rs. 56.26, *masoor* Rs. 50.91 to Rs. 53.58, *masoor dal* Rs. 58.94, *moth* Rs. 40.19, *moth dal* Rs. 48.23 and gram *dal* Rs. 45.55 a quintal.

SUGAR WEAK

(From Our Own Correspondent)

HAPUR, *3rd December*

Sugar prices eased further during the week due to selling pressure by factories following easy supply position and poor buying support from consuming areas. All the factories here in west U.P. were going in for sugar production but cane supplies to factories is reported inadequate. Sugar production in October 1962 was 30,000 metric tons against 47,000 metric tons during the corresponding period last season. The total closing stocks of sugar with factories on 31st October, 1962 was 10,34,000 metric tons as against 12,02,000 metric tons on the same date last season. Mill delivery prices here drifted lower by 37 nP to 67 nP per quintal for different grades.

Khandsari prices suffered heavy losses as demand from Punjab and Rajasthan was slack. Increased arrivals also depressed the sentiment. Crushers manufacturing *khandsari* were feeling shortage of cane supplies even at Rs. 1.40 per maund. Week-end prices were:—Inferior Rs. 80.38 to Rs. 88.41, superior Rs. 93.47 to Rs. 99.13, crystal Rs. 93.47 to Rs. 97.79, *Boora* Rs. 99.13 to Rs. 107.17 per quintal.

After slight improvement in mid-session, *gur* prices drifted lower in week-end due to demand reported at lower rates. Daily arrivals have gone down to an average of 4,000 maunds as most of the crushers were manufacturing *khandsari*. Demand was reported from Gujarat and M.P. at lower prices and, thanks to easy loading facilities, arrivals were lifted to those centres. Week's offtake was about twenty wagon loads. Week-end prices of *gur* here were:—*Gur* superior Rs. 41.53, average Rs. 40.19, *dara* Rs. 39.52, *balti* Rs. 39.52 to Rs. 40.87, *shakker* Rs. 45.55 per quintal.

Notices

BHARAT COLLIERIES LIMITED

Registered Office:
11, CLIVE ROW, CALCUTTA-1

NOTICE

THE EIGHTEENTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at 11, Clive Row, Calcutta-1, on Saturday, the 29th December, 1962, at 11-30 a.m. to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th June, 1962.

(2) To elect a Director in place of the retiring Director Sri B. P. Jain who being eligible, offers himself for re-election.

(3) To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., being eligible, offer themselves for reappointment.

The Share Transfer Books of the Company will be closed from 20th December, 1962 to 29th December, 1962, both days inclusive.

By Order of the Board,
J. K. JAIN,
Secretary.

CALCUTTA,
Dated, 3rd December, 1962.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on Tuesday, the 27th November 1962, the following dividends were recommended to be paid for the year ended 30th June, 1962, subject to deduction of tax at source.

On 1st Preference Shares at the rate of 4.55 per cent making a total of 9.10 per cent per annum.

On 2nd Preference Shares at the rate of 2.497 per cent making a total of 4.994 per cent per annum.

On ordinary share at the rate of 13 per cent per annum.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LTD.,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS.
CALCUTTA, *27th November*, 1962.

INDIAN ALUMINIUM COMPANY LIMITED

31, Chowringhee Road, CALCUTTA-16

NOTICE IS HEREBY GIVEN THAT THE Company's Transfer Register respecting 6¼ per cent Debenture Stock 1970-75 will remain closed from 15th December 1962 to 1st January 1963, both days inclusive, in connection with the payment of interest on 1st January 1963.

INDIAN ALUMINIUM COMPANY, LIMITED,
ANDREW YULE & COMPANY LIMITED,
A. S. MACLAREN,
Secretary,
Registrars.

Registrar's Office:
8 CLIVE ROW,
CALCUTTA-1.
P.O. Box 150
5th December 1962.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 30th Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	57,90,02,000
(ii) State Governments	10,23,45,000
(b) Banks—	
(i) Scheduled Banks	68,77,90,000
(ii) State Co-operative Banks	1,68,93,000
(iii) Other Banks	1,60,000
(c) Others	162,06,64,000
Bills Payable	37,34,89,000
Other Liabilities	39,41,65,000
Rupees	530,48,08,000

ASSETS	Rs.
Notes	12,47,57,000
Rupee Coin	2,14,000
Small Coin	2,18,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,93,63,000
(ii) State Co-operative Banks	11,48,84,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	....
Loans and Advances to State Co-operative Banks	
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	78,44,47,000
Balances Held Abroad*	3,14,57,000
Loans and Advances to Governments**	9,84,00,000
Loans and Advances to—	
(i) Scheduled Banks†	5,20,45,000
(ii) State Co-operative Banks†	133,60,30,000
(iii) Others	1,73,07,000
Investments	213,28,51,000
Other Assets	32,13,47,000
Rupees	530,48,08,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.

† Includes Rs. 1,43,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,47,57,000	
Notes in circulation	2071,30,78,000	
Total Notes issued		2083,78,35,000
Total Liabilities		2083,78,35,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	88,08,43,000	
Foreign Securities		
Total		205,84,53,000
Rupee Coin		124,64,72,000
Government of India Rupee Securities		1753,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2083,78,35,000

State Bank of Pakistan

Statement of Affairs for the week ended 16th Nov., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	2,97,47,000
(b) Provincial Governments	31,26,01,000
(c) Banks	21,71,70,000
(d) Others	101,56,32,000
Bills Payable	21,49,000
Other Liabilities	14,48,34,000
Rupees	183,36,33,000

ASSETS	Rs.
Notes	7,89,64,000
Rupee Coin	16,000
Subsidiary Coin	23,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	24,64,21,000
Balances held outside Pakistan*	1,00,00,000
Loans and Advances to Governments	
Provincial Governments' Debtor Balances	
Other Loans and Advances	48,75,84,000
Investments	90,20,04,000
Other Assets	10,86,21,000
Rupees	183,36,33,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,89,64,000	
Notes in circulation	370,50,36,000	
Total Notes issued		378,40,00,000
Total Liabilities	....	378,40,00,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	59,74,63,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		127,76,71,000
B. Rupee Coin	3,13,12,000	
Government of Pakistan Securities	241,60,11,000	
Internal bills of exchange and other commercial paper	....	
		244,73,23,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	10,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	378,40,00,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 35.25 per cent.

State Bank of India

Statement of Affairs for the week ended 23rd Nov., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up—		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		578,49,23,000
Borrowings from Other Banking Companies, Agents, etc.		76,50,000
Bills Payable		12,52,87,000
Bills for Collection being Bills receivable as per contra		2,83,66,000
Acceptances, Endorsements and Other Obligations		8,67,91,000
Other Liabilities (including Inter-Office Adjustments)		19,95,79,000
Total .. Rs.		637,08,46,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,06,35,000
Balances with other Banks		3,17,05,000
Money at Call and Short Notice		3,26,67,000
INVESTMENTS—		
Government and other Trustee Securities	207,39,96,000	
Other Authorised Investments	10,42,20,000	
		307,82,16,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	235,98,00,000	
Bills Discounted and Purchased	17,27,22,000	
		253,25,22,000
Bills Receivable being Bills for Collection as per contra		2,83,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,67,91,000
Premises less Depreciation		2,00,59,000
Furniture and Fixtures less Depreciation		1,67,92,000
Other Assets (including Inter-Office Adjustments)		35,40,93,000
Total .. Rs.		637,08,46,000

EXCHANGE RATES

	5th December 1962	28th November 1962
London on New York 8. per Dollar	2.8029-2.8032	2.8025-2.8028
New York on London Cents per £	280.280-280.310	280.250-280.280
London on Paris .. .. Fcs.	13.7225-13.7245	13.7540-13.7560
London on Berlin .. .. Sw. Fcs.	12.0950-12.0970	12.0980-12.1000
Pound Sterling—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 15/16	1-5 15/16
Buyers T.T.	1-5 1/32	1-5 1/32
Buyers D.D.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477.75
Buyers T.T. Rs. to $ 100	474.25	474.25
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	446.00	446.00
Buyers T.T.	438.25	438.00
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.50	102.50
Buyers T.T.	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... ..	90.20	90.30
Buyers T.T.	91.20	91.20
Deutsche Marks—		
Sellers T.T. D.D... ..	83.60	83.80
Buyers T.T.	84.50	84.70
Italian Lire—		
Sellers T.T. D.D... ..	12,965	12,965
Buyers T.T.	13,140	13,140
Swedish Kroner—		
Sellers T.T. D.D... ..	108.40	108 20
Buyers T.T.	109.50	109.30
Belgian Francs—		
Sellers T.T. D.D... ..	1,037	1,038
Buyers T.T.	1,063	1,064
Dutch Guilders—		
Sellers T.T. D.D... ..	75.30	75.20
Buyers T.T.	76.10	76.10
Hongkong Dollars—		
Sellers T.T. D.D... ..	119.40	119.40
Buyers T.T.	120.40	120.40
Norwegian Kroner—		
Sellers T.T. D.D... ..	149.50	149.40
Buyers T.T.	150.80	150.80
Danish Kroner—		
Sellers T.T. D.D... ..	144.40	144.60
Buyers T.T.	145.80	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	23-11-62	16-11-62	24-11-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	47,10	44,04	50,27
(ii) From others	803,07	799,68	725,03
(b) Borrowings from banks	20,35	18,21	23,86
(c) Others	59,86	58,46	63,81
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	28,09	25,28	18,77
(ii) From others	1,235,70	1,244,82	1,086,14
(b) Borrowings from banks	15,20	17,32	20,14
(c) Others	10,62	10,68	23,80
3. Aggregate deposits (1) (a) (ii) + 2 (a) (ii)	2,038,77	2,044,50	1,811,18
4. Borrowings from Reserve Bank	1,59	2,46	2,32
(a) Against usance bills and/or promissory notes	41	41	25
(b) Others	1,18	2,05	2,07
5. Borrowings from State Bank and/or a notified Bank	19,81	21,24	17,63
6. Cash	48,30	49,77	48,77
7. Balances with Reserve Bank	78,13	84,75	80,03
8. Cash and balances with Reserve Bank	126,43	134,52	128,81
9. 8 as per cent of 3	6,20	6,58	7,11
10. Balance with other banks in current account	17,16	17,16	16,30
11. Money at call and short notice	54,11	53,10	50,70
12. Investments in Government securities	701,82	684,75	618,86
13. 12 as per cent of 3	34,57	33,49	34,17
14. Advances—			
(a) Loans, cash credits and overdrafts	1,148,53	1,153,23	1,031,65
(b) Due from banks	10,04	9,67	11,12
15. Inland bills purchased and discounted	159,96	162,72	143,20
16. Foreign bills purchased and discounted	54,53	51,88	48,76
17. Total Bank Credit [14 (a)+15+16]	1,363,03	1,367,84	1,223,62
18. 17 as per cent of 3	66,85	66,90	67,56

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 24th Nov., 1962	17th Nov., 1962	27th Oct., 1962	25th Nov., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.7	99.7	100.2	100.8
2. Government of India	99.4	99.5	100.0	100.7
3. State Government	101.8	101.9	102.0	101.9
4. Municipal, Port Trust, etc.	98.8	98.8	98.9	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.9	80.9	81.4	82.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	170.6	170.8	174.4	188.8
8. *Agriculture and Allied Activities : Total**	149.5	149.6	149.6	166.5
9. Tea Plantations	141.1	141.5	141.4	157.0
10. Coffee Plantations	144.2	144.2	145.0	167.4
11. Rubber Plantations	161.5	161.4	163.4	173.9
12. *Mining and Quarrying : Total*	147.1	147.7	151.6	161.1
13. Coal	115.2	115.5	116.7	121.3
14. Other Mining	163.9	169.8	175.4	188.3
15. *Processing and Manufacturing : Total*	183.2	183.4	188.1	205.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	190.9	190.9	195.1	217.1
17. Sugar	132.1	131.7	133.0	155.8
18. Cotton Textiles	171.6	172.0	175.2	190.7
19. Jute Textiles	96.8	96.8	97.0	94.2
20. Silk and Woollen	970.2	967.0	1,014.4	1247.1
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	183.9	184.4	190.5	207.2
22. Iron and Steel	139.9	140.9	148.9	165.0
23. Transport Equipment	336.7	335.2	349.2	419.6
24. Electrical Machinery	159.5	159.5	162.2	180.7
25. Machinery other than Transport and Electrical	219.1	219.1	222.0	221.0
26. Basic Industrial Chemicals	176.9	176.5	179.7	223.6
27. *Processing and Mfg. (Others): Total**	158.6	158.7	162.4	169.6
28. Cement	149.3	146.5	150.9	156.5
29. Paper	204.5	205.0	207.7	215.0
30. *Other Industries : Total**	107.8	107.9	109.0	113.0
31. Electricity Generation and Supply	85.3	85.3	86.8	85.6
32. Trading	110.9	111.3	111.9	125.4
33. Shipping and Other Transport	88.9	88.9	91.2	94.5
34. Construction	253.8	254.6	257.9	295.2
35. *Financial : Total*	204.0	203.8	205.7	208.8
36. Banks	227.7	227.7	230.2	230.7
37. Insurance	163.7	163.7	163.9	154.4
38. Investment Trusts	89.4	89.4	89.4	90.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	172.6	172.6	178.9	196.6
40. Calcutta	163.0	163.4	164.5	172.3
41. Madras	185.5	185.4	187.7	195.7
42. Delhi	217.5	217.2	225.7	258.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	27th Oct., 1962	20th Oct., 1962	28th Oct., 1961	September 1962	September 1961	Percentage of Increase (+) or Decrease (−) in Sept., 1962 as compared with Sept., 1961	Financial Year Average 1961-62	Financial Year Average 1960-61
Food Articles	504	129.6	129.0 R	121.3	130.0	121.1	+ 7.3	120.1	120.0
Cereals	192	108.7	108.2 R	103.1	109 4	103.4	+ 5.8	102.3	104.4
Pulses	43	116.5	116.4	91.6	111.3	89.2	+24.8	91.9	92.9
Fruits and Vegetables	23	135.3	134.9	144.4	129 2	148.3	−12.9	137.6	118.5
Milk and Ghee	84	125.0	123.6 R	113.8	126.5	116.9	+ 8.2	116.4	116.0
Edible Oils	47	156.8	156.5	148.2	158.6	153.3	+ 3.5	156.5	150.3R
Fish, Eggs and Meat	17	145.7	148.2 R	133.4	155.3	136.6	+13.7	135.4	123.5
Sugar and Gur	48	157.8	159.4	124.9	154.6	123.9	+24.8	119.6	132.8
Others	50	172.7	169.6	185.5	172.6	173.1	− 0.3	171.6	167.8
Liquor and Tobacco	21	100.5	100.5	99.5	99.8	99.7	+ 0.1	100.3	100.8R
Tobacco	..	97.0	97.0	96.0	96.3	96.2	+ 0.1	96.8	108.3R
Fuel, Power, Light and Lubricants	30	125.0	124.8	121.8	124.9	121.4	+ 2.9	122.1	120.0R
Industrial Raw Materials	155	139.1	139.0	136.5	139.8	138.3	+ 1.1	142.8	145.4
Fibres	61	129.3	129.1	127.1	130.0	127.7	+ 1.8	138.3	151.6
Oilseeds	60	157.8	158.2	151 8	159.5	156.3	+ 2.0	156.4	149.9
Minerals	2	93.4	93.4	94.0	93.4	94.8	− 1.5	94.9	97.5
Others	32	125.8*	124.6*	128.7*	124.7	127.0	− 1.8	128.1	128.0
Manufactures	290	129.7	129.0	126.8	129.4	125.5	+ 3.1	126.8	125.5
Intermediate Products	141	145.5	146.0	139.5	142 9	140.6	+ 1.6	138.8	130.6R
Finished Products	249	127.1	126.4	124.7	127.2	123.1	+ 3.3	124.8	122.8
Textiles	147	125.3	124.1	125.3	125.9	122.4	+ 2.9	125.5	125.8
Cotton	..	129.3*	129.0*	128.2*	129.2	127.9	+ 1.0	127.9	128.1
Jute	..	109.3	104.7	120.8*	113.3	114.2	− 0.8	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	135.3*	135.3*	120.0	132.9	118.9	+11.8	119.9	104.4
Metal Products	12	161.0*	161.0	151.6	161.0	151.6	+ 6.2	151.6	147.9R
Chemicals	20	117.2*	117.6*	111.5	116.2	111.6	+ 4.1	110.7	104.4
Oil Cakes	9	171.2	168.0	145.7	163.6	143.5	+14.0	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7 R	110.2	117.8	113.5	+ 3.8	114.5	111.9
Others	30	125.1	125.1	121.6	125.3	121.2	+ 3.4	121.3	116.1R
All Commodities	1,000	130.4	129.8 R	124.8	130.6	124.6	+ 4.8	125.1	124.9R

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

R—Revised.

* Estimated.

MARKET GOSSIP

(*Concluded from page 981*)

large is to indulge in sophistry and to make a fetish of a basically sound argument. Policyholders are not such muffs as to fail to understand that, if, in a good period, they received big bonuses, they should be prepared for smaller bonuses in lean years. Further, as life policies are not like shares, the market value of which fluctuate in keeping with the dividends declared by a company, there is no scope for encouraging speculation in this form of investment. (A with-profit endowment policy, it may be noted, is sold on the ground that it has an investment value in addition to providing cover against the risk of death.) The L.I.C. officials, as well as the officials of the Finance Ministry in charge of L.I.C., may be afraid that, if they raise the bonus for some years in keeping with larger surpluses and have to reduce them later when the surpluses shrink for reasons beyond their control, they would become the target of country-wide criticism. This fear is not wholly unwarranted, but must the policyholders suffer for this reason? Surely, the officials should be prepared to take both the blame and credit in the stride. When they declare bigger bonuses, they are bound to be complimented. But a method can be found whereby the prospect of unpopularity when bonuses have to be reduced can be minimised. One way would be to declare special bonuses, on the distinct understanding that they might either be reduced or abolished when surpluses shrink. The desire to play for safety on the part of officials should not be carried to an extent where it hurts the interests of policyholders. Since this is the second time that the L.I.C. has disappointed the policyholders, there is every justification for the latter to get together and form a representative and active association of policyholders to champion their legitimate cause. This is the only alternative for protecting their interests against the evils of a State-owned, monopolistic and monolithic organisation in a democratic society which does not enjoy the benefits of an effective opposition party.

War Risks Insurance

Two Bills seeking to empower the Government to enforce insurance of factories and goods on a compulsory basis against the risks of loss or damage arising from enemy action were introduced in the Lok Sabha by the Finance Minister, Mr. Morarji Desai, on the 5th inst. The Bills are entitled the Emergency Risks (Factories) Insurance Bill and Emergency Risks (Goods) Insurance Bill.

Elsewhere in this issue is published an article on war risks insurance, tracing the background to the present legislation and reviewing the scheme in force in India at the time of the last world war. We did not expect, at the time of preparing the article, that the Government would act so swiftly as it has done. The Finance Ministry deserves to be congratulated on the speed with which it has gone about the job.

From the details published in the daily Press it is apparent that both the Bills are patterned on the scheme in force during the last war. Thus, there are two schemes running concurrently, one covering "goods" and the other covering "factories." Properties insurable under the factories scheme will include factory buildings, plant and machinery and materials used in or by a factory. Coverage can also be extended by the Government to plant and machinery and similar equipment of mines, including oil-mines, properties of gas and electric supply undertakings, standing tea crops and inland vessels. Works under construction, which, when completed, will become factories, and plants and machinery pertaining to such works are also insurable. Similarly, the Government can also exempt such factories as it deems fit. Under the goods scheme, insurable goods are defined as materials, commodities, or articles including those used in the construction of a ship before it is launched. Goods insurable under the goods scheme are goods held in India for purposes of sale in the course of business, goods in transit from any place in India to any other place within the country, goods which are in the process of being exported from or imported into India. Goods belonging to or supplied by the Government will not be insurable. So also goods which are not normally insurable or which were not insured for similar risks during the last war may be excluded from the list of insurable goods.

The Bills do not prescribe the premium rates, as these will be varied, within certain limits, according to the actual nature and extent of the risks from time to time. But the financial memoranda to the Bills indicate that the premium rate for factories may not exceed 4 per cent of the insurable value of the factories in two years or two per cent per annum payable in suitable, quarterly instalments. For goods, to begin with, the premium rates may not exceed ¾ of one per cent of the insurable value of goods per quarter. Different forms of policies will be issued for different classes of factories and also for different description of goods. The duration of policies covering both factories and goods will be determined by the Government and the periods of duration of the policies are subject to extension by the Government. Insurance is not compulsory for goods of the value of Rs. 50,000 or less owned by one person in one district. Both in the case of factories and goods, the Government's liability, as an insurer, will be limited to 80 per cent and it will be discharged either by payment in cash or by reimbursement of the cost of reinstatement of the factory or property insured to the same condition as it existed before the damage. In the event of a factory being rebuilt, the Government may provide for the factory to be removed to some other locality.

The definition of emergency and risks in both the Bills is based on the last war legislation. It is comprehensive and includes any risks of loss or damage through explosion, "scorched earth" or denial measures.

Persons who are not actual owners but interested in any insurable property may, to the extent of their interest, insure that property on their own initiative. Where the owner of a factory is not himself the occupier of the factory, the occupier will, unless the owner has taken out a policy himself, have to take out a policy. In such a case, the occupier will be deemed to act as the agent of the owner and will be entitled to receive from the owner all sums paid as premia. In the event of a change in the ownership of factory during the currency of a policy, the policy, along with the rights and liabilities thereunder, will be transferred to the new owner.

Compensation within the prescribed limit of 80 per cent will be determined on the basis of values and prices ruling at the time of taking out a policy or the time at which the loss occurs whichever is less, after making due allowance for depreciation during the period of the insurance cover.

Two separate funds will be constituted to provide for the obligations to policyholders. These are intended to be self-sufficient but temporary deficits would be made good by the Government, if required. If there is a surplus after meeting all obligations, the Government will decide how best to utilise them.

As regards enforcement of the scheme, there is no mention as to what machinery will be used to administer it. But provision is made in the Bills for prohibiting private insurers from competing with the Government in regard to the coverage of emergency risks. The Bills also seek to empower the Government to employ any person to act as its agent for the purpose of insuring emergency risks. Penalties have been prescribed for those contravening the provision prohibiting private insurers from insuring against the emergency risks. Punishment has also been fixed for failure to take out a policy.

It is not clear from what has appeared in the daily Press at the time of writing whether private, non-industrial, immovable properties such as residential buildings and houses, which were not included in the war risks insurance scheme during the Second World War, could be insured if not compulsorily at least on a voluntary basis. Since it is specifically stated in the Bill that goods, which were not insurable for similar risks during the last war, may be excluded from the list of insurance goods, it must be presumed that the coverage of the schemes has not been extended to private, immovable properties other than factories. This omission is highly regrettable. Precedent cannot be cited as an excuse for excluding real property. The object of the goods scheme during the last war was to ensure the free movement of goods to places where they were most needed and of the factories scheme to prevent the removal of vital industries from where they were most needed to safer places. Both these schemes were introduced not so much to give protection to private property as to help the war effort. But now the position is different. The present war against China is a people's war and every one is entitled to get cover for his property. It may be noted here that, under the war risks insurance introduced in Britain, insurance protection was given to private, real properties and even chattels. It is not understandable why a similar provision has not been made in the Bills now before Parliament. It is to be hoped that the House will rectify this serious omission before it adopts them.

Silver: The Problem For The U. S.

Full twelve months have elapsed since President Kennedy announced suspension of sales of silver by the U.S. Treasury and stoppage of use of silver for coinage purposes in a bid to halt the impending exhaustion of "free" stocks, that is, stocks not required for purposes of currency backing. This period has witnessed distinct changes in world silver production, consumption and trade. So profound are these changes that a review of them certainly opens, as the *Monthly Letter* (December 1962 issue) of the First National City Bank very aptly describes, a new chapter in the chequered history of the white metal. Highlighting the main trends in world silver, the *Letter* says:

"The industrial uses of silver have greatly expanded during the past decade. The metal continues to be used extensively in the arts. And it is needed in coinage here (in the U.S.) as well as in a number of foreign countries, including France and Italy. For years, silver production in the free world has fallen short of consumption. This year, the gap is apparently bigger than ever before. . . . In the last two years, supplies in the free world outside the United States have been supplemented by offerings from Red China, for balance-of-payments reasons. This year, however, such sales apparently have been smaller than in 1961. British statistics show silver imports from China at 17 million ounces during the first nine months of 1962, as compared with 46 million in 1961 as a whole."

In view of the growing imbalance in world silver position, it is no wonder that prices have shot up to dizzy heights. Silver in New York is currently quoted at 119½ cents per fine ounce, a rise of over 28 cents since Kennedy's announcement on 29th November 1961. In October this year, it was quoted higher still at 122 cents, the highest level since November 1919 when the rate stood at 138½ cents.

The upward trend of silver price, according to the *Letter*, has so far had little measurable effect on production. The bulk of the world's silver is produced from ores bearing copper, lead, zinc and gold. It is the prices of these metals that always influence silver production. The higher silver price has, however, brought on to the world markets silver coins of old vintage held as a store of value and worth more for their silver content than as money.

While silver production in the U.S. has suffered a setback—the estimated output in 1962 is no more than 32.5 million oz., as against 34.9 million oz. in 1961 and 36.8 million oz. in 1960—actual consumption has gone up to a significant extent. The total requirements of U.S. industry and arts are estimated at 110.0 million oz., as against the actual of 105.5 million oz. and 102.0 million oz., respectively, in the previous two years. Use for coinage purposes is also put higher at 80.0 million oz., as against 55.9 million oz. and 46.0 million oz. The deficit has, therefore, considerably widened, from 111.2 million oz. in 1960 and 126.5 million oz. in 1961 to as much as 157.5 million oz. in 1962.

In the opinion of the *Monthly Letter*, so long as the present silver imbalance in the U.S. persists, there will be an overhanging threat of a run-up in silver price to or beyond 129.29 cents per oz., the point at which redemption of silver certificates in standard silver dollars or silver bullion will become the cheapest way of getting the metal in large quantities. Halves, quarters and dimes will not, however, be worth their silver content, unless the price of the metal rises above 138.24 cents.

The U.S. Administration wants to replace the silver certificates gradually with Federal Reserve notes, using the bullion so released to meet the increasing coinage requirements. But the *Monthly Letter* observes that, "whatever could be said for these programmes in generations past, they are assuredly inappropriate in a world that wants price stability rather than price inflation." So far as the U.S. Congress is concerned, it is reluctant to give the green light to the Administration's silver proposals.

HINDUSTAN LEVER'S RIGHT ISSUE

In our issue of 20th October 1962, *vide* page 667, we made certain comments on the terms of the new equity capital announced by Hindustan Lever Ltd. Mr. P. L. Tandon, Chairman of the Company, has the following clarification and correction to make on our remarks:

"You mention that the proposed premium on the shares is too high and quote 2½ times the face value. However, the shares will still be issued well below the market price and strictly speaking the nominal value of the share has no relationship to the *true value* to the shareholder. For instance, at the time the announcement was made, our shares were quoted around Rs. 46; so the way we look at it is—and this is international thinking and practice—the Company would sell its shares at a price as close as possible to the market value. In the U.K., the issues are made within a shilling or two of the market price. In our case, the issue will be made at Rs. 35 which was still at that time Rs. 11 below the market price. In fact, the market reacted favourably and the price jumped by another Rs. 2.

"The market price is internationally considered the only and fairest guide to the rate at which a company should sell its shares. After all, if the Company gives an unnecessarily wide premium, let us say it issues its shares not at Rs. 35 but at Rs. 25, it is merely giving the benefit to a small number of shareholders at the expense of the welfare and future of the Company. The practice in other countries would not permit a company's directors to issue them at these premiums and thus deprive the Company of the financial strength that would accrue to it from the proper premium. In India, the markets seem to look at the thing in the opposite way. However, insofar as our own shareholders are concerned, our rate of expansion, dividends, bonus issue at the beginning of this year, and now the opportunity to take up a valuable rights issue which raises the Indian shareholders' proportion from 10 to 15 per cent, should reasonably satisfy any shareholder. One can hardly say that the Company has not done well by them.

"In the fifth paragraph of your article you suggest that, if the premium had been lower, 'Unilever might have been induced to go in for full subscription.' This is not the correct position. There were two separate exercises. One was that Unilever should bring in Rs. 100 lakhs in foreign exchange for our expansion. This would be converted into equity at the rate of Rs. 35 per share and offered to Unilever as rights shares. On this basis, the rights shares, to which the rest of the shareholders would have been entitled, would have been only one-tenth, i.e. Rs. 10 lakhs worth of shares. The Government, however, felt that the opportunity should be utilised to increase Indian shareholders' participation from 10 per cent to 15 per cent. This was done by the second exercise, namely, of keeping the Unilever participation limited to the Rs. 100 lakhs of foreign exchange which we need and offering to the Indian shareholders a sufficient number of shares to increase their participation to 15 per cent of the revised capital.

"If we needed more foreign exchange from Unilever, I have no doubt we could have persuaded them to subscribe for more shares. They certainly were not deterred by the share price of Rs. 35. In fact, in consonance with international practice, they felt that this should have been higher and closer to the market price."

[*Unfortunately in India, the fiscal policy, especially that pertaining to issue of bonus shares, is not in keeping with international thinking and practice. Market value of shares, especially in times of boom or depression, do not constitute a fair basis for determining the premium as investors' ideas are influenced by extraneous considerations. The price which Indian investors are now being asked to pay in order to raise their holding in the Company's capital is disproportionately higher than when they were first offered 10 per cent holding. It must be remembered, in this connection, that 85 per cent of the premium which Indian shareholders will pay on the new issue will pass under the ownership of Unilever. In the current context of India's foreign exchange situation, it would have been preferable to let Unilever hold 90 per cent of capital of Hindustan Lever rather than reduce it fractionally to 85 per cent (of even the increased capital) at such a heavy cost to Indian investors.*—Ed.]

TREND OF SHARES

A PRECAUTIONARY MEASURE

(From Our Own Correspondent)

BOMBAY, *6th December*

LAST Thursday's decision of the Government of India to ban with immediate effect (that is, from 30th November 1962) forward trading in shares on all the stock exchanges in the country is to be construed as a basically sound and precautionary measure in times of totally unpredictable political situation in the country following the Chinese aggression. In a sense, the measure is ethical, as it has cut the very roots of a 'crisis' in stock exchanges. It is true that the Government has acted belatedly and after the various stiff measures of self-discipline adopted by the authorities of all the stock exchanges in the country, as a result of which trading in cleared shares had ceased to be on the forward account for the past few weeks and would have continued to be so until further notice.

One would have expected the Government to act at the time when share values were declining fast, especially when the President of India declared a state of national emergency. It is, however, futile to cry over spilt milk. Further, the ban on forward trading is but a natural corollary to the present restrictions which leave scope for business only on spot basis. Thus, there is nothing unnatural about the ban. It is never too late to make amends. The ban may be continued until such time as the emergency lasts. No forward trading will mean no hedge facilities for those who feel that the economic outlook for the country is dismal.

However, one major shortcoming of the official ban on forward trading in shares is that it was not accompanied by the usual order directing squaring up of all outstanding business at prices at the close of the day it was announced. In fact, the Finance Ministry's notification on the ban said that the existing contracts entered into up to 29th November (the day the notification was issued) and remaining to be performed would, however, be permitted to be liquidated in accordance with the rules, by-laws and regulations of the stock exchange concerned. Had the Government made it obligatory for members of the stock exchanges to square up the unadjusted business once the ban on forward trading was announced, it would have killed two birds with one stone.

In its present form, the trading in shares has left one problem for the market authorities of how to get the outstanding business adjusted. Notwithstanding the stiff margins on both buyers and sellers and the fairly long period for which they have lasted, there is still a considerable volume of business to be adjusted in the markets. One major difficulty in settling out business arises from the positions of the *badla* financiers who insist on squaring them up only by giving physical delivery of shares. The market authorities cannot obviously give a free hand to such financiers to sell their shares and thereby withdraw their funds because that would only disturb the stability of the market, especially when genuine investors have been far and few between.

To take off this big load on the market, however, the Governing Board of the Bombay Stock Exchange seems to have found a sensible way out. On Tuesday, it notified to its constituents that those among them, who carry large purchases in Tata Steel Ordinary and Indian Iron and desire to liquidate the same, should submit their offers for sale in those scrips by 12 noon on Wednesday the 5th inst. It is believed that the Board would offer such shares to institutional investors like the L.I.C., which might, however, take them up only at rates slightly lower than the minimum levels. The L.I.C. is said to be interested in taking up a big parcel of Tata Steel and Indian Iron.

How could shares be sold at lower than minimum prices? This is indeed a ticklish question. At any rate, the Board's move is clever, as it will bring to the fore those holders of these two scrips who really want to part with their holdings and distinguish them from those who only seem to be threatening to do so. It is likely that once the two principal counters are cleared, the Board will extend the scheme to other market leaders. Thus, it is hoped that the load on the market would be reduced, though, of course, very slowly.

The announcement of ban on forward trading and the Finance Minister, Mr. Morarji Desai's stress on further inevitable heavy taxes in future to finance the war effort in his speech at Calcutta on Saturday the 1st inst. at the annual general meeting of the Associated Chambers of Commerce of India aggravated the bearish sentiment in the markets. The unexpected delay in the announcement of the current half-year's import policy and the uncertainties about the adjustments in the third Plan and industrial production in the light of the war effort also influenced the sentiment. Sellers continued to be many and buyers few. Consequently, values shed their recent gains further. Trading was extremely restricted and the tone remained weak.

* * * *

On Dalal Street, practically all the market leaders closed with small losses. Bombay Burmah, for instance, slipped back from Rs. 611 to Rs. 600, but rallied to close at Rs. 607, as against Rs. 617 a week ago. Standard were easy and showed a loss of 13 points over the week at Rs. 782. T.E.L.Co. and Voltas were both down by two points at Rs. 269 and Rs. 240, respectively. Belapur disclosed a loss of Rs. 4 at Rs. 215. Poly Chem were Rs. 2.50 lower at Rs. 142.50 and Tata Chemicals 32 nP lower at Rs. 12.80. On the other hand, Svadeshi edged forward by four points to Rs. 267. Bombay Dyeing by 30 nP to Rs. 61.50 and Tata Oil by Rs. 2 to Rs. 59. Cash scrips were featureless. However, following the news about the expansion programme, Dharamsi Morarji looked up by Rs. 8.75 to Rs. 155. But Colour Chem showed a loss of Rs. 6.25 at Rs. 323.75. Permanent Magnets closed Rs. 11.25 lower at Rs. 195 and Chemicoat 11 points lower at Rs. 147. Ceat Tyres were five points down at Rs. 145 and Bombay Oxygen Rs. 5.50 at Rs. 86.50.

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Trading on the Calcutta Stock Exchange continued to be restricted and the tone was easy. Dunlop Rubber declined further by Rs. 1.75 to Rs. 36 and Indian Aluminium by 56 nP to Rs. 32. Other shares in the forward list were almost unchanged over the last closing levels. Cash shares were devoid of much activity and generally held around the minimum levels. However, Dunbar Cotton drifted lower from Rs. 27.50 to Rs. 27 and so did Central India Coal from Rs. 9.81 to Rs. 9, British Paints from Rs. 20.50 to Rs. 20.25, Goodyear from Rs. 40 to Rs. 39.50, Hindustan Aluminium from Rs. 13.69 to Rs. 13.50, Union Carbide from Rs. 45 to Rs. 43 and Titaghur Paper from Rs. 36.25 to Rs. 36. On the other hand, Alkali Chemical rose smartly from Rs. 33.75 to Rs. 37.50.

* * * *

The Madras Stock Exchange presented a mixed show. While Deccan Sugar slipped back by 37 nP to Rs. 9.58, E.I.D. tacked on a small gain of 15 nP at Rs. 40.15. Among Plantings, Blue Mountains were 2 nP better at Rs. 2.42, but Periakaramalai were 3 nP lower at Rs. 2.98. Trading in Plantings was, however, featured by a rise of Rs. 1.28 to Rs. 22.90 in Parkside. Textiles were dull, and Travancore Rayon disclosed a loss of 15 nP at Rs. 28.60. In the Miscellaneous section, Ashok Leyland and India Cement were both lower by 5 nP each at Rs. 7.80 and Rs. 6.25, respectively.

BELAPUR TO PAY LESS

The Directors of the Belapur Company Ltd. have decided to prune further the dividend on the Rs. 50 fully paid ordinary shares by Rs. 5 to Rs. 20 per share, subject to tax, for the year ended 30th September 1962. It will be recalled that in the previous year, there was a cut of four points in the dividend at Rs. 25 per share, taxable, which followed an increase of eight points to Rs. 29 per share, taxable, for 1959-60. The further reduction of 20 per cent in the dividend for 1961-62 has been necessitated by a rather sharp fall of as much as 40.7 per cent in the profit from Rs. 52.27 lakhs to Rs. 31 lakhs, after meeting all expenses and providing for depreciation, taxation, Managing Agents' remuneration and development rebate reserve. The decline in profit is understandable in view of higher costs and a setback to production. It must have been accentuated by a larger allocation to taxation following the recent passage of the Maharashtra State Agricultural Income-tax Bill.

ADVANTAGES OF FREE MARKET ECONOMY

(Concluded from page 989)

works, now find that they must imitate its most characteristic institution—the system of profit and loss. The Russians of the present day are beginning to see the light. But what can be said of those in the United States who assert that capitalism has been outmoded by modern technology, that the market economy is doomed, and that we must resort to over-all state planning to turn out what government administrators think people *should* want instead of what they *do* want? In the magazine section of *The New York Times* for 25th November, the British economist Mr. George Schwartz observes:

"It is remarkable how many people can see no sense in the existing order of Western society, the easiest criticism of which is that it is not order but disorder. With the milk on the doorstep every morning, the free economy is denounced as unplanned, unco-ordinated, and chaotic. It is the first task of the economist to explain that the system does work—in particular nowadays, to young people who come to the subject already persuaded that only some other system will work."

From harsh, practical experience, the Russians have learned that the free market economy has undeniable advantages. We should learn from their experience—not to imitate them in state planning and suppressions of freedoms, but to strengthen our system of profit and loss and individual enterprise.

INSURANCE

(Concluded from page 990)

enough to pay damages. On the other hand, insurers may agree to provide cover for passengers in sidecars.

"A normal commercial vehicle policy does not cover passenger liability. Where arrangements are not made for this cover to be included, drivers should not pick up passengers unless there is a prominent notice stating 'Passengers travel at their own risk.'

"Passengers can, however, share the blame for an accident. For instance, a passenger in a car which obviously is in a dangerous condition may find himself sharing the liability with the driver if there is an accident due to the condition of the vehicle. And there is a case on record of a passenger in a sidecar being held 25 per cent to blame because he knew there were no lights."

Although the position explained above refers only to Britain, in so far as Indian motor vehicles insurance law is patterned on the British model, it is largely true here also. To be on the safe side, owners of vehicles, whether private cars or commercial vehicles, should always ensure that passenger liability is covered in their policy.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th December 1962.

	Closing quotations 29-11-1962	High	Low	Closing quotations 6-12-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	116.00	—	—	116.00
Bombay Dyeing (25)	61.20	62.00	60.10	61.50
Bradbury (50)	155.00	—	—	155.00
Central India (100)	102.00	102.00	98.00	98.00
Century Mills (100)	562.50	—	—	562.50
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	140.50	140.50	140.00	140.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	93.00	—	—	93.00
Finlay (100)	300.00	300.00	297.00	297.00
Gokak (100)	177.50	177.50	175.50	175.50
Gold Mohur (100)	225.00	—	—	225.00
Gwalior Rayon (10)	46.50	46.50	45.00	46.00
Ind. Untd. Defd. (1)	3.12	—	—	3.12
Ind. Untd. Ord. (10)	25.60	—	—	25.60
Indian Rayon (100)	84.50	—	—	84.50
Indore Malwa (100)	196.00	—	—	196.00
Khatau (100)	373.75	—	—	373.75
Kohinoor (100)	285.00	283.00	275.00	283.00
Mafatlal (100)	717.50	—	—	717.50
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	116.25	—	—	116.25
Morarji Untd. (1)	468.00	470.00	468.00	468.00
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	422.00	—	—	422.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	204.75	204.75	203.50	203.50
Podar Mills (100)	115.00	115.00	114.00	114.50
Raymond Woollen (100)	127.00	129.00	127.00	127.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	48.75	—	—	48.75
Shrinivas (100)	236.00	—	—	236.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	795.00	786.00	782.00	782.00
Svadeshi (100)	263.00	267.00	257.00	267.00
Swan (100)	250.00	—	—	250.00
S. I. Viscose (100)	137.00	—	—	137.00
Tata Mills (25)	57.00	57.00	56.00	56.00
Lakshmi-Vishnu (100)	110.00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.50	110.50	110.00	110.50
Do. (New) (50)	113.00	113.50	113.00	113.00
Bank of Baroda (50)	93.00	—	—	93.00
Central (25)	60.00	—	—	60.00
Central 'A' (25)	61.00	61.00	60.00	60.50
Dena Bank (50)	57.00	58.00	57.00	57.00
Punjab National (10)	19.52	—	—	19.52
Union Bank (5)	6.24	6.28	6.24	6.28
United Com. (50)	74.00	—	—	74.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	90.00	—	—	90.00
Amalgamated (10)	10.08	—	—	10.08
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	—	—	104.00
Surat (100)	99.00	—	—	99.00
Tata Hydro (100)	105.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	62.00	—	—	62.00
New India 'A' (15)	63.00	—	—	63.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	22.96	—	—	22.96
Mukand Iron (10)	20.24	20.24	19.48	19.48
Tata Steel Ord. (75)	121.00	—	—	121.00
SUGAR COS.				
Belapur (50)	219.00	215.00	213.00	215.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	148.00	148.00	141.00	141.00
Phaltan (50)	84.50	—	—	84.50
Walchand Ind. (100)	150.00	150.00	141.00	141.00
CEMENT COS.				
Associated Cts (100)	149.50	149.00	147.50	149.00
Digvijay (100)	158.00	158.25	158.00	158.00
Orissa (10)	15.52	—	—	15.52
MISCELLANEOUS				
Alcock Ashdown (100)	300.00	296.00	288.00	290.00
Amar Dye-Chem (100)	210.00	208.75	202.50	208.75
Bom. Burmah (125)	617.00	611.00	600.00	607.00
Do. (New) (50)	240.00	240.00	238.75	238.75
Br. B. Petrol (1/4 sh.)	3.24	3.16	3.02	3.02
Br. I. Corpo. (5)	9.24	9.24	9.00	9.12
Cooper Eng. (100)	124.00	126.00	124.00	126.00
Colour Chem. (100)	340.00	340.00	333.75	333.75
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	42.50	42.75	42.25	42.75
Hindustan Motors (10)	16.08	—	—	16.04
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	367.50	—	—	367.50
Indian Copper (2 sh.)	4.24	4.24	4.12	4.16
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Kilnlis (100)	84.50	—	—	84.50
Larsen & Toubro (10)	24.48	23.84	23.48	23.68
Mahindra & Mahindra (10)	18.12	19.00	18.00	18.24
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	145.00	142.50	137.50	142.50
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	100.00	102.00	97.50	101.00
Premier Con. (80)	121.50	120.50	118.00	120.50
Scindia (20)	11.04	11.08	11.04	11.04
G. E. Shipping (10)	12.12	—	—	12.12
Shivrajpur (10)	24.00	—	—	24.00
Sirpur Paper (10)	11.68	11.68	11.12	11.24
Synthetics and Chem. (100)	146.00	—	—	146.00
Tata Chemicals (10)	13.12	12.88	12.76	12.80
Tata Locomotive (100)	271.00	270.50	263.00	269.00
Tata Oil (25)	57.00	59.00	55.00	59.00
Texmaco (10)	19.76	—	—	19.70
Voltas (100)	242.00	241.00	234.00	240.00
W. I. Match (100)	257.00	257.50	256.00	256.00
W. Coast Paper (100)	139.50	139.00	137.00	137.00

GOVERNMENT SECURITIES	29-11-1962	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	6-12-1962
	Rs.			Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.58	98.90
3% 1965-66	99.00	3.90	3.35	99.00
3% 1966-68	96.80	3.90	3.65	96.80
3% 1970-75 1st Dev.	88.25	4.81	4.18	88.25
3% 1988 Con. Loan	74.00	—	4.76*	74.00
3½% 1964 N. P. Loan	99.90	—	3.55	99.90
3½% 1965 N. P. Bonds	99.75	—	3.64	99.65
3½% 1967 N. P. Bonds	98.55	—	3.82	98.40
3½% 1974	98.30	—	3.93	98.30
3½% 1977 N.P. Bonds	99.30	—	3.90	99.30
3½% 1979 Loan	97.40	—	3.93	97.40
3½% 1968	98.25	—	3.88	98.00
3½% 1983 N.P. Bonds	99.95	—	3.60	99.90
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4% 1972 Loan	99.30	—	4.00	99.30
4% 1973 Loan	99.25	—	4.08	99.25
4% 1979 Loan	98.55	—	4.12	98.55
3½% 1966 Bonds	99.70	—	3.59	99.70
4% 1980 Loan	98.55	—	4.16	98.25
4% 1981 Loan	98.55	—	4.11	98.55
4½% 1985 Loan	100.20	—	4.49	100.15

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend

COMMERCE

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

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LONG-TERM CREDIT FOR AGRICULTURE

THE present annual credit requirements of the agricultural sector in India for short, medium and long-term purposes are probably of the order of Rs. 1,000-1,100 crores. This is a very broad estimate made in the light of the All-India Rural Credit Survey's estimate for 1951-52 and the increase in agricultural production since then. This estimate and the estimates that follow, it may be noted, do not cover the needs of large-scale plantations such as tea, coffee and rubber. The aggregate credit requirements may go up to Rs. 1,300-1,400 crores in 1965-66, if the third Plan's agricultural production targets are to be achieved. Co-operative credit may be expected to meet anything from 40 to 50 per cent of these estimated credit requirements, judging by the third Plan's two targets in respect of such (co-operative) credit. Incidentally, the first target, which pertains to short and medium-term credit through primary agricultural credit societies, envisages aggregate loan advances to the tune of Rs. 530 crores in 1965-66, as compared with Rs. 203 crores in 1960-61. And the other target, which is in respect of long-term credit through land mortgage banks, estimates outstanding loans in the end-year of the third Plan at an aggregate of Rs. 150 crores, as against Rs. 35 crores in the last year of the second Plan.

While the target for short and medium-term co-operative credit, besides the credit that will be available from private sources, may go a long way towards financing current agricultural operations, it is doubtful whether the target for long-term co-operative credit will be that sufficient. Long-term agricultural credit, which has never been available on an adequate scale in India, is necessary for financing a large part of such operations as purchase of land and livestock, land reclamation, bunding and other land improvements, digging and repair of wells, development of other irrigation sources, laying of new orchards and plantations, purchase of implements, machinery and transport equipment, construction of farm buildings and cattle sheds, and miscellaneous items. It may be recalled, in this connection, that the Rural Credit Survey had estimated such capital expenditure, after excluding purchase of land and livestock, at a net figure of Rs. 250 crores, as of 1951-52. On this basis, a very much higher figure may be postulated for 1965-66. It will be much more if one takes into account the long-term credit needs of plantation agriculture.

In any case, private investment in agriculture and irrigation will have to be at a higher level than the annual average of Rs. 170 crores estimated by the Planning Commission for the third Plan period. Why this should be so is explained by the point that the third Plan's high level of public investment in agriculture and irrigation at an annual average of about Rs. 350 crores will involve, as a consequence, a correspondingly high level of investment by the agriculturists themselves on land reclamation and improvement, conversion of dry land into wet land, construction of field channels, improved implements and equipment, and so on. Unless private investment is so stepped up, the facilities created by public investment will not be fully utilised and the benefits expected to flow from such investment will not also materialise fully. It is this aspect that underlines the need for providing, on an increased and adequate scale, long-term credit for agriculture.

The final report of the third Plan has, of course, recognised that the achievement of even the relatively modest target of Rs. 150 crores (loans outstanding) in respect of long-term co-operative credit would not be easy unless some conditions are fulfilled. The conditions are that (i) institutional investors like the Reserve Bank of India, the State Bank of India and the Life Insurance Corporation would support the debentures of central land mortgage banks and (ii) an agricultural development finance corporation would be set up not only to purchase debentures floated by central land mortgage banks but also to channel loans through such land mortgage banks for financing certain schemes which are remunerative in character but which involve considerable investment or long periods of waiting. Typical instances of such schemes are rubber, coffee, cashewnut, coconut and arecanut plantations, irrigation, contour-bunding and soil conservation, and development of orchards and fruit gardens. It is the second condition mentioned here that is now sought to be fulfilled, through the Agricultural Refinance Corporation Bill just introduced in the Lok Sabha, in more or less the same form as has been visualised by the Planning Commission.

The Corporation proposed under the Bill is intended to assist agricultural projects (of individuals, co-operatives or joint-stock companies) which could not ordinarily be financed by established agencies such as the apex co-operative, commercial and land mortgage banks, either because the amount involved in each individual scheme or project is very large or because the period for which credit is necessary is very long, or because of both reasons. The proposed Corporation, judging from its name, would predominantly be a re-financing agency, providing the necessary resources to the primary lenders for facilitating the provision of long-term credit for agricultural development which, as defined in the Bill, covers a wide field including development of animal husbandry, dairy farming (stock breeding), poultry farming and pisciculture. But it is also empowered to provide credit otherwise than by re-finance.

The provisions of the Bill pertaining to the structure of the Corporation may be briefly noted here. First, the proposed Corporation would have its headquarters in Bombay and may establish offices or agencies in other places in India with the consent of the Reserve Bank. Secondly, it would have an authorised capital of Rs. 25 crores, divided into 25,000 fully paid-up shares of Rs. 10,000 each, of which 5,000 shares of the total value of Rs. 5 crores are to be issued in the first instance. Of the 5,000 shares to be first issued, the Reserve Bank of India would hold 2,500, the central land mortgage banks and State co-operative banks 1,500, and the scheduled banks, L.I.C., insurance and investment companies and such other financial institutions as may be notified by the Government 1,000. The shares would be in the nature of approved trustee securities, carrying a guarantee by the Central Government as to the repayment of the principal and commanding a guaranteed minimum dividend at such rate as may be fixed by the Government at the time of issuing the shares. And, thirdly, the Corporation would have a Board of Directors consisting of a Deputy Governor of the Reserve Bank who would be Chairman, a Director nominated by the Reserve Bank, three officers of the Central Government, one representative of central land mortgage banks, one representative of State co-operative banks, one representative of the L.I.C., scheduled banks and others, and a Managing Director to be appointed by the Reserve Bank.

Besides the share capital, the Corporation would be able to raise funds from a variety of sources. One of these sources is the Central Government itself which would initially provide an interest-free loan of Rs. 5 crores, repayable in 15 equal annual instalments after the expiry of a period of 15 years from the date of receipt of the loan—a period which can be extended at the option of the Government. Another source is the issue and sale of bonds and debentures by the Corporation itself. Borrowings from the Reserve Bank for periods not exceeding 18 months and acceptance of deposits from the Central and State Governments, local authorities, State co-operative banks and scheduled banks for one year or more are two other sources from which the Corporation could augment its funds. The Corporation can also take foreign currency loans. A further provision in the Bill is to the effect that the Reserve Bank shall place on deposit with the Corporation itself the dividends on its shareholding in the Corporation, without interest and for a period of 15 years. The total obligations of the Corporation, under all the aforesaid heads, should not exceed 20 times its paid-up capital and reserves.

As for the dispersal of credit, the Corporation is authorised to lend by way of loans and advances to eligible institutions—namely, central land mortgage banks, State co-operative banks, such scheduled banks as are shareholders of the Corporation and co-operative societies approved by the Reserve Bank—for a period not exceeding 25 years. This is on the re-financing side. The Corporation will also be free to subscribe to debentures of long periods (upto 25 years) guaranteed by the Government.

It will be seen from the aforesaid provisions of the Bill that the proposed Corporation will start under excellent auspices and with substantial initial funds. The Corporation is modelled on the pattern of the Industrial Finance Corporation and the State Financial Corporations in that it takes commercial banks into association, and this is a salutary feature. Its loans channelled through eligible institutions will finance the development projects of not only individual agriculturists but also co-operative societies and plantation companies. The maximum limit of such financing may go up to Rs. 50 lakhs for an individual project. If and when the entire authorised capital of Rs. 25 crores is issued and the Corporation is able to command aggregate funds representing 20 times the paid-up capital and reserves, its maximum lending capacity would be of the order of Rs. 500 crores or more. Of course, this is only a theoretical optimum which might be actually attained only by stages. But considering the flying start the Corporation will have, it is just likely that, by the end of third Plan, this new institution will be in a position to provide at least Rs. 200 crores, if not more, by way of long-term credit for agricultural development. Much of this credit may bear fruit, in terms of greater production, only after five or ten years where plantations and orchards, in particular, are involved. But much of it may also bring about greater productivity and production in agriculture well before five years wherever reclama-

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tion, improvement or conservation of land, irrigation and agricultural mechanisation are involved. The proposed Corporation will thus have a crucial role to play in agricultural development. It will be a great boon to the countryside, provided those at the helm of its affairs have the necessary imagination, vision, and drive to fulfil the purpose for which it is designed.

THE CHALLENGE OF PRODUCTIVITY

THE present emergency calls for utmost effort in every field of economic endeavour. In order to strengthen the sinews of defence, the economy has to operate at maximum efficiency. From the standpoint of meeting the immediate defence requirements or the long-term objective of raising the standard of living of the people, higher productivity is, perhaps, the most important need of the hour. Higher productivity is a function not merely of increased effort by workers but also of better management and plant layout, more scientific organisation of work, and full utilisation of existing capacity. This needs a reorientation of the attitudes of workers, employers, the Government and the community, in general, to increasing productivity and a readiness to adapt quickly to new techniques of production. Productivity improvement calls for a twofold approach, involving promotion of productivity consciousness and dissemination of information about productivity techniques, on the one hand, and participation in "operational" tasks such as organising training courses and giving practical demonstration of productivity techniques, on the other. Both these approaches have been adopted by the National Productivity Council of India which, by its pioneering work, has done much to promote productivity. But much more remains to be done to make productivity consciousness seep down from the board room to the shop floor and to bring about a wider application of productivity techniques at all levels of production.

As readers will have noted from our last issue (*vide* page 984), this subject was raised at the Associated Chambers of Commerce of India annual meeting last week, at which a resolution was adopted calling for a national campaign to improve productivity. Mr. A. R. Foster, who moved the resolution, pointed out that even Britain, where a great deal had already been done to improve productivity, had lately realised that it was lagging behind other countries in regard to productivity and that it was, therefore, making renewed efforts to improve its position. One of them was the launching of a National Productivity Year (N.P.Y.) to focus attention on productivity. He suggested that something should be done along similar lines in India too to bring home to industry and the public the importance of increased productivity at a time when India desperately needed all it was capable of producing and more.

Productivity improvement in India should be a continuing process. The National Productivity Council, which spearheads the productivity movement in this country, seems to be fully conscious of the magnitude of the problem of productivity improvement, but its approach has been rather silent, in that it has not caught the eye of the nation. The economic imperatives of both defence and development calls for more intensified effort in this direction. Everybody must be made to realise the importance of efficient work. This requires popular methods of spreading the idea among the workers in the fields and factories alike. From this point of view, it will be a good thing to follow the example of Britain by observing a productivity year. It will, therefore, be appropriate to draw attention here to some details of the productivity year in that country.

Although India bears no comparison with Britain in respect of productivity and industrial efficiency, the general considerations which prompted that country to observe a productivity year are more or less the same as those that inspired the productivity movement in this country. The rapid advances in productivity in countries like Germany, U.S.A., Sweden and Japan, which directly compete with Britain in export markets, and the relatively slow growth of British economy threaten to relegate Britain to a lower position in the international table of productivity at a time when its future as an industrial nation has come to depend more than ever on its competitive capacity. Higher productivity and better industrial efficiency can alone put Britain in a position to meet the challenge, whether or not it joins the Common Market. This realisation is at the back of the productivity drive, which is only one of the many steps Britain has taken of late to strengthen its economy. H. R. H. Prince Philip, who is the patron of the National Productivity Year organised by the British Productivity Council, sums up the *raison d'etre* of the N.P.Y. thus: "No amount of economic juggling can alter the fact that, in the long run, our solvency depends upon the efficiency of our industries and upon our national productivity." The N.P.Y. of Britain, which was launched last month, has six principal objectives. These are:

1. to strengthen the determination of all organisations, concerned directly or indirectly with industry, to take a more active part in improving the country's efficiency and in maintaining its place among the leading industrial nations of the world;

2. to foster a more favourable climate of opinion to better methods and their proper use in industry and in the community;

3. to bring clearly before every one in industry the nature and value of the *services* (not the least among these being training, whether for management or shop floor) that exist to help;

4. to promote discussion and research into the needs of industry in respect of such services and the way in which such needs can be more adequately met;

5. to introduce into the activities of the bodies providing such services such mutually agreed co-ordination as they think appropriate. Developments here, of course, will mean that such bodies can make, and will be seen to be making, an even more concentrated and purposeful contribution to the solution of industry's problems;

6. to bring into being a means of regular consultation and discussion which would allow such joint action, whenever desirable, *to continue after* N.P.Y.

It is an indication of the nation-wide nature of the drive that more than a hundred professional organisations, several hundred small and large firms and every university and university college are taking an active part in the observance of the Year. More than 100 N.P.Y. local committees, consisting of representatives of management, professional organisations, trade unions and educational institutions have been formed to carry out the campaign which aims primarily at promoting wider interest in productivity techniques in industry. This is to be achieved through conferences, seminars, and appreciation courses run by industry itself on productivity techniques, supplemented by programmes of inter-firm study visits, inter-firm comparison between groups of companies and study tours in foreign countries.

The N.P.Y. does not seek to limit the productivity drive to one year. It will be a continuing effort. In the words of Mr. Harry Douglass, Chairman of the British Productivity Council, "N.P.Y. is to be the rocket which will put the drive for increased productivity into orbit." He considers it as "the biggest co-operative effort ever made by British industry in peace-time."

It is common knowledge that productivity drive cannot succeed, unless it has the wholehearted support of workers. It is, therefore, highly significant that the Chairman of the British Productivity Council during the Productivity Year is a leading trade unionist. Mr. Harry Douglass, whom we have quoted above, is the General Secretary of the Iron and Steel Trades Confederation. As a trade unionist, he stands for a better standard of living for workers, shorter working week and improved health and educational services. But he also believes that all these depend on the efficiency of British industry. The worker's stake in productivity is stressed by him thus: "From the trade union point of view, productivity must mean full employment and prosperous employment, lack of productivity will mean exactly the reverse."

The attitude of British trade unions and trade union leadership to productivity is commendable and worthy of emulation by their confreres in India. Here, too, trade union leaders can and should play an effective role in bringing home to workers that they have a vital interest in all the measures required for raising the efficiency of labour and management alike. It is high time trade unionist took a diligent interest in the productivity aspects of men, machines and management. They should realise that industries can pay better wages only if they are run on economically sound lines. Accordingly, they should support the managements in all the steps that are taken to raise productivity. And, if they find managements lagging behind in this respect, they would be perfectly justified in pulling them up and in prodding them to mend their ways.

COAL TRANSPORT SCHEME

THE Union Ministry of Mines and Fuel recently drew up a revised scheme for the movement and distribution of coal for industrial consumption. This scheme, which is proposed to be brought into effect from 1st January 1963, envisages that consumers, with a quota of 1,500 tons and above per month, will have to accept their entire requirements in block rakes of 70 wagons and that those with a smaller quota must either combine suitably to be able to receive block rakes of 70 wagons or obtain coal from stockists maintaining dumps at places where such block rakes can be received. It is noteworthy that the scheme has broadly incorporated two of the three suggestions made to the authorities by the Indian Coal Merchants' Association (Jharia). The two suggestions, incidentally, were to the effect that all consumers holding monthly quotas of 1,500 tons and above might be asked to pattern their movements in block rake formations within a period of three months and that, in the second stage covering a further three-month period, all consumers with a monthly quota of 125 tons and above might be asked to pool their requirements and make arrangements to obtain their supplies in the form of block rakes. The Association's third suggestion was to the effect that the remaining demands, which would obviously dwindle to a negligible extent, might be permitted to move in a piecemeal fashion. It will be seen that the Government scheme has not incorporated this third suggestion but has, instead, laid down that smaller consumers could also obtain coal from stockists' dumps.

The scheme, in so far as it relates to movement of coal in block rakes to large consumers or suitable groups of medium or small consumers, is undoubtedly sound, for such movement will make for both economical and reliable supplies. This part of the scheme must be acceptable to large and medium industrial consumers, for it is essentially the same as what the Federation of Indian Chambers of Commerce and Industry, for instance, has urged all along. The fear just expressed by the Indian Chamber of Commerce, Calcutta, that medium or small collieries producing about 10,000 tons a month would be unable to handle block rakes seems to be exaggerated and may, therefore, be ignored. But that part of the scheme relating to coal dumps is not likely to enthuse such of those small consumers as may not be able for practical reasons to group themselves for obtaining supplies in block rakes. The Indian Coal Merchants' Association, which was aware of the impracticability of block rake movement to widely separated small consumers but which was equally aware of the limitations and drawbacks of the dumps scheme, has rightly pleaded for the booking of piecemeal coal wagons to such consumers as in the case of foodgrains, steel and cement. The Association has consistently taken the stand that, as coal supplies from dumps would be costlier, the scheme would affect the economy of small industrial establishments. The Indian Chamber of Commerce (Calcutta) has also taken an identical stand in a Press *communique* issued on the 8th instant, from which the following passage is quoted:

> "The Chamber has pointed out that, so far as the consumers are concerned, if coal is despatched by rail first to the dumps, it means that they will have no remedy if they are supplied with inferior quality coal. Further, the process of despatch of coal to dumps will result in additional cost to the consumer resulting from unloading, stacking, reloading and onward transport to the consumers' site. The Committee has observed that such additional cost to the consumers may work out to anywhere around Rs. 10 per ton in addition to the cost of transport of coal by trucks. Moreover, due to inadequate roadways and insufficient number of trucks available, the procedure of moving coal from the collieries to dumps and from the dumps to the consumers by road will create further difficulties."

Again, both the Coal Merchants' Association and the Indian Chamber of Commerce are critical of the virtual monopoly envisaged for the State Marketing Co-operatives as stockists of coal in dumps. The ground for their criticism is that co-operative stocking and distribution will throw out of employment a large number of middlemen. As this is another drawback of the dumps scheme, by far the best course would be to adopt the Coal Merchants' Association's suggestion pertaining to piecemeal wagon supplies to small consumers wherever necessary.

MARKET GOSSIP

Fall In Price Levels Not Enough

WHEN the price line goes up, politicians raise a hue and cry, in the name of consumers and working class, and heap abuses on the business community. They do the same thing even when the price line declines from the high level to which it had gone up; their explanation for doing so is that producers' interests are adversely affected. Does this show that they are vigilant or that they are using these opportunities to increase their popularity? Whatever be the motive, they seem to be quite an inconsistent lot. The primary objective so far as prices and cost of living are concerned should be to prevent a rise and to keep inflationary pressures under control. It is true that stability is important, but surely that does not mean that prices should be stabilised at peak levels. Even two years ago, people used to criticise the Government for having allowed prices to go up by 30 per cent in the second Plan period. Four months ago, that is, long before the Chinese aggression had commenced, there was country-wide concern over the strong revival of upward trend in prices after a pause for a year. All that has been happening during the past four weeks is a correction of the sharp rise in prices that had taken place between March and August 1962. Prices of most of the commodities today are still well above those a year ago and not all the increase witnessed earlier this year has been offset. Indeed, if the price levels prevailing a year ago were considered uncomfortably high, the current levels are even more so. The cry against the downward trend in prices is, therefore, unjustified and unwarranted. In fact, the downward trend must be allowed, if not encouraged, to continue. This applies almost to all commodities and foodgrains. To content that this course would have an adverse effect on production is tantamount to suggesting that inflation is necessary to induce a higher level of production. When prices decline all round, the terms of exchange do not adversely affect the growers of agricultural commodities. It is to be hoped that the Government will not let itself be carried away by the cry that the producers' interests are in danger and hasten to take steps to arrest the present healthy trend.

This does not mean that appropriate steps need not be taken to protect the interests of farmers. The Government should always be prepared with the necessary machinery for supporting agricultural prices, if they go down to levels at which it would be uneconomic for farmers to sell. But the prevailing prices are far above such a floor. There is a move now for increasing the floor price for raw cotton by Rs. 75 per candy. No harm will follow in doing so. For, even after this increase, the floor will be substantially below the ruling market price which is now at the ceiling which was raised a few months ago by Rs. 125 per candy. In fact, the floor price ought to have been increased at the same time and by the same amount as the ceiling was raised, thereby keeping the spread between the two levels unchanged.

The greatest weakness of the Government's price policy is the absence of an effective price support programme, containing provision for building up buffer stocks. Wherever prices declined, the Government resorted to makeshift arrangements under which it passed on the responsibility to industries, as, for instance, raw jute. It fought shy of operating a buffer stock system on the ground that it had no resources. It would rather ask the Reserve Bank to influence the commercial banks to provide the necessary finance to the industries concerned for holding larger stocks of raw materials than itself enter the market, buy the goods, store them and sell them in times of scarcity. This attempt of the Government to evade its responsibility to agriculturists was inexcusable. At least now it should come forward with a bold scheme for supporting agricultural prices modelled on the U.S. Government's programme. This implies that the Government should frame fair support prices in advance of the agricultural crop year and refrain from intervening with the market forces except when the support levels are reached.

Cloth Position: No Cause For Alarm

Only a few weeks ago, when the Government and the spokesmen of cotton textile industry met, there were suggestions that the mills should embark on the manufacture of standard cloth of coarse and medium varieties to take care of the needs of low-income group and to increase the yardage of cloth produced. In contrast to this move, there are now serious complaints of heavy accumulation of stocks of goods with mills, heavy enough, we are told, to threaten curtailment of production. Even if the exaggerated claims of some millowners were conceded, the stocks might not be more than the equivalent of two months' full production. On the face of it, an accumulation of this magnitude does not appear to be so large as to warrant the alarming reports that have appeared in the daily Press during the last three or four days. Mills have certainly carried much bigger stocks of both cloth and, what many seem to overlook, raw cotton. The cloth traders, too, have been accustomed to hold a larger volume of stocks than they do now. It is true that the cost of production of cloth has now considerably gone up consequent upon higher prices of indigenous cotton, use of more high-priced American cotton than in normal times and increase in wages. Accordingly, a larger amount of credit is required now to finance a bale of cloth than before, say, in 1957-58, when there was very heavy piling up of stocks due to Mr. T. T. Krishnamachari's shock tactics. But the authorities have already recognised this point and taken steps to increase bank credit for the textile industry. Following discussions which the Reserve Bank had with some of the major banks financing cotton mills and cloth trade, the banks have agreed to extend them more credit, provided the borrowers are worthy of the additional risks involved. Apparently, the Reserve Bank must have expressed its readiness to expand the refinance facilities to banks. Nevertheless, the millowners, commission agents and wholesale dealers do not appear to be satisfied. They continue to nurse a feeling of dissatisfaction, complain that goods are not moving and wonder whether production can be sustained at the maximum level.

Their misgivings seem to be due more to what is likely to happen in the coming weeks and months than to the state of stocks as of this week, large though they are. Cloth merchants in Assam, Upper Punjab, northern U.P., northern Bihar and northern Bengal have been unwilling even to take delivery of goods already ordered, let alone place fresh orders. They are prepared to pay the penalties for cancelling their orders rather than fulfil them. Some of them have even told their suppliers in Bombay to take back the goods that have already been railed to their areas and have offered to meet the cost of transporting the goods back. Their reasons for this extraordinary step and for wishing to trade on a hand-to-mouth basis is the fear of war. In other words, it is a crisis of confidence that is basically responsible for the present trouble. It remains to be seen whether the introduction of war risks insurance will revive confidence.

In retrospect, it looks as though there has also been a certain amount of hoarding of cloth by merchants and/or mills. Otherwise, one fails to understand why the millowners did not publicise the fact of a rising trend of cloth stocks, which they now say is traceable to pre-border war, when the Government was pressing them to agree to a scheme for producing standard cloth. Further, it seems that millowners, traders and the Government have underestimated the consumer resistance generated by the high cost of cloth. The prices of good quality cloth have been so prohibitively high that consumers have been buying only their bare requirements. It is common knowledge that one can easily postpone replenishment of one's wardrobe by mending the existing supplies. The present country-wide campaign to spend less and save more will only strengthen this desire.

What is the solution to the difficult situation claimed to be confronting the mills and traders? First, it is quite possible that, now that war risks insurance is being introduced, movement of goods to the north will pick up. It is accordingly too early to jump to pessimistic conclusions. And secondly, sooner or later, the impact of defence needs will make themselves felt on the industry. A tremendous amount of cloth will be required for the armed forces when their size is expanded. When the mills which are suited to manufacture their requirements divert their capacity from the civilian to defence needs, the other mills will have to take care of the domestic and export markets. It will not, therefore, be surprising if, in six months' time, the supply position gets rectified in favour of sellers. In view of this possibility, a certain amount of conservation of cloth stocks will not be injudicious. If additional bank credit is required to enable mills and their authorised dealers to carry stocks, there is no reason why it should not be created. But, before this is done, care must be taken by the authorities to see that prices of cloth and yarn go down to the extent necessary for neutralising the unwarranted rise that has taken place in recent months and further that any encouragement to a holding movement does not discourage exports.

N.-E. Indian Tea

Conditions in the tea economy of North-East India are rather disquieting. The production of tea has suffered a setback, the quantity actually plucked up to the middle of November this year being no more than 248.5 million kilograms (one kg. =2.20 lbs.) which is 10.5 million kg. below the output in the corresponding period of 1961. Prices, of course, have tended to rise, but the extent of the rise does not seem to be adequate enough to make up for the loss in output in several tea estates, especially the marginal estates. There has also been dislocation of operations in tea gardens, especially in Assam, owing to Chinese aggression. Military movements have greatly affected transport of tea from producing to export centres. Fortunately for us, the present emergency began after the bulk of the tea had been harvested. Otherwise, the damage would have been much more. Besides, the two-month strike by Pakistani crews of river steamers, though happily ended now, did entail a severe crisis for the tea trade.

All these factors have imposed a severe strain on the finances of tea estates. The strain has been intensified, according to Mr. K. Ghosh, the retiring Chairman of the Calcutta Tea Traders Association, who spoke at the annual general meeting of the Association held at Calcutta on Friday last week, by the reluctance of the financial institutions to hypothecate the 1962-63 tea crops on a normal basis. Mr. Ghosh did admit that the reluctance was understandable, but warned that, unless the problem was tackled properly, a number of estates would have to close down.

During the 1952 tea slump, it will be recalled, the Reserve Bank had guaranteed the loans made to tea producers by other banks. Some such arrangement needs to be instituted now, in view of "the paramount necessity of keeping the estates going and foreign exchange flowing in." It is, indeed, gratifying that the Tea Board has already initiated discussions with the bankers and we are told that the latter have assured maintenance of bank finance for tea gardens at normal levels. This is only as it should be. The earlier reluctance of banks to advance to tea gardens was due to uncertainty about war risks insurance. Now that legislation for this insurance protection, specifically including tea crop and tea gardens, has been adopted by both Houses of Parliament, there is no cause for any anxiety on their part. Meanwhile, the Government of Assam has asked the Assam Co-operative Apex Bank to undertake tea financing more liberally.

Considering that tea is an important earner of foreign exchange, the need for keeping down costs is imperative, what with growing competition from other tea-producing countries. In the present context of national emergency, the scope for a reduction in tea price through a cut in taxation is somewhat limited, although no one will dispute that the tax structure is weighing heavily on the entire trade. Mr. Ghosh no doubt admitted this fact, but his complaint pertained to the manner in which taxes are levied. Central Government taxation on tea is collected in three separate places: on the garden, at the time of export and at the time of packing for internal consumption. The State Governments add to this complexity by means of sales tax and transit duties in Assam and West Bengal. Surely, the cumbersome tax structure must be done away with. One certainly fails to understand as to why the tea industry's reasonable plea for consolidating some of the most important taxes into a single tax to be levied at one point has still not found favour with the authorities.

It is encouraging to hear from Mr. Ghosh that the average price of North Indian leaf teas upto sale No. 21 shows a rise of 43 nP per kg. (excluding excise duty) as compared with the previous year, though the total quantity sold is lower at 1,021,398 packages, as against 1,050,453 packages. It is equally encouraging to hear that, after a disappointing start, dust teas are enjoying comparatively good prices with increasing internal demand and that this trend is very likely to continue for sometime to come. C.T.C. and legg-cut teas form the major portion of these offerings, a welcome development indeed. Shipments from North India during the period July to October 1962 are said to have been higher by about five million kg. as compared with the same period last year, thanks to larger purchases by the U.K., U.S., Soviet Russia and United Arab Republic. Exports to New Zealand, Canada, Turkey, Iran and the Middle East have, of course, suffered a setback, but it is hoped that the position will improve before the end of the season.

Britain And E.C.M.

The negotiations between the U.K. and the Common Market over the British application to join the latter appear to have reached a stage where neither party is in a mood to give in. One of the crucial points of disagreement, which was brought into sharp relief during the Ministerial meeting last month, relates to the problem of reconciling Britain's agricultural policy with that of the Common Market. The three-day Ministerial meeting held this week has failed to make any perceptible improvement in the position. France refuses to give a second thought to its demand that the U.K. should abolish its present system of deficiency payments to farmers at one stroke on its entry into the Common Market and adhere to the E.C.M. agricultural policy *in toto*. The U.K. Government cannot possibly accept this, as it has already committed itself to continue the deficiency payments system for a few more years. Nor has any agreement been reached on the question of financing the common agricultural fund to be set up under the E.C.M. agricultural policy.

In the absence of any meeting ground on these questions, the U.K. and the Six have agreed at the Ministerial meeting that the agricultural problems should be made the subject of a product-by-product study by a special fact-finding committee. This committee will be composed of the Agricultural Ministers of the U.K. and the Six, besides a representative of the Common Market Commission and a few experts. The product-by-product approach is said to be capable of breaking the present deadlock created by the clash over general principles. According to the Dutch Foreign Minister, who presided over the meeting, the Com-

(*Continued on page 1069*)

OUR NEXT ISSUE

With this issue of "Commerce" we conclude our regular issues for 1962, as, in the next two weeks, we will be preoccupied with our customary Annual Number which will be 220 pages of our usual size. Our next regular issue will, therefore, be the one dated 5th January 1963.

As in previous years, the Annual Number will contain over forty feature articles on a variety of subjects, including economic implications of the present emergency and an exclusive comprehensive feature entitled "The Crisis of the Commonwealth" by Dr. T. Balogh of Oxford. In addition, the Number will carry our customary annual review of all the aspects of Indian economy, major industries and the principal markets.

While the Number will be free to subscribers, a limited number of copies will also be available for sale at Rs. 10 per copy.

We take this opportunity of wishing all our readers a Merry Christmas and a Happy and Prosperous New Year.

EDITOR

RUSSIANS KEEP THEIR WORD ON AID

UTILISATION, HOWEVER, AT A SLOW PACE

From Our Special Correspondent

NEW DELHI, 11*th December*

THE Planning Commission has begun the first round of talks with Central Ministries and States for rephasing the third Five-year Plan with a defence reorientation. One of the efforts of the Indian representatives abroad will be to sound out the larger aid commitments possible from the West and to find out whether friendly countries can be persuaded to make their commitments to cover a longer period than has been the case in the first two years of the third Plan. One thing that has become clear from recent statements by the Prime Minister, the Defence Minister and the Finance Minister is that, despite withering criticism by China, the Soviet Union will not back out of its commitment of supplying MIG fighter aircraft and, despite expressions of displeasure by some Western leaders, India is going ahead with the preparations to take delivery of the Soviet fighter planes. The Minister of State in the Defence Ministry has explained to Parliament the idea of two MIG factories, one in Maharashtra and the other in Orissa, one for making engines and the other for making the air frames. Apart from the Soviet-aided aircraft factories, the Government is also speeding up the plans for making spare parts for aircraft already in service with the Indian Air Force. These plans would include the project already launched for the manufacture of Rolls Royce turbo-jet engines.

DELHI LETTER

Mr. Morarji Desai's Statement

Finance Minister Morarji Desai's statement in Parliament makes it clear that the India-China conflict has had no effect on Soviet economic assistance—Moscow has made public statements giving this assurance—but Mr. Desai's explanation also brings into focus the extraordinarily slow pace of utilisation of announced Soviet assistance. Mr. Desai, however, says that the aid is flowing according to schedule. The blame for the slow utilisation of Soviet and other European Communist bloc aid is largely on the Indian side and stems from the limitations of Indian capacity to launch quickly the projects to which Communist bloc aid is tied. Another reason for the disproportionate backlog in use is that the Russians announced very early their commitments of aid for the third Plan. This early announcement no doubt gave the Indian planners a clearer picture and many of the Soviet-aided projects have been firmly included in the current Plan.

According to Mr. Desai, out of the Rs. 384 crores of Soviet-aid hitherto announced, contracts have been signed to cover Rs. 220 crores and actual utilisation adds up to Rs. 115.2 crores. As on 31st March 1962, the total aid available from all foreign sources for utilisation during the third Plan was Rs. 1,730.7 crores, including authorisations of Rs. 435.6 crores during the first year of the current Plan. Utilisation in 1961-62 was a meagre Rs. 344.4 crores, and this left a balance of Rs. 1,386.3 crores at the end of the first year of the third Plan. The rate of utilisation in the first year of the third Plan was not far higher than the rate of use during the second Plan. In the five-year period 1956-61, total foreign aid absorbed, according to the Reserve Bank of India, was Rs. 1,466.4 crores.

The Soviet Union made its first aid announcement during the first Plan period covering Rs. 64.7 crores for the Bhilai plant. During the second Plan period it made all the other aid announcements it has so far made. These amounted to Rs. 319 crores broken up as follows:

Credit for industrial enterprises Rs. 59.5 crores; credit for manufacture of drugs Rs. 9.5 crores; credit for Barauni oil refinery Rs. 11.9 crores; two credits for the third Plan amounting to Rs. 178.6 crores and Rs. 59.5 crores.

The credit announced for Bhilai in the first Plan period was not utilised during the first Plan. Thus, the total aid announcements by the end of the second Plan were Rs. 383.7 crores. During the second Plan the utilisation was Rs. 74.7 crores, consisting of Rs. 64.5 crores for Bhilai, Rs. 8 crores on other industrial enterprises, Rs. 40 lakhs on the Barauni oil refinery and another Rs. 1.8 crore from the funds specifically set for third Plan schemes. This left a balance of Rs. 309 crores of Soviet-aid available when the third Plan began. In the first year of the third Plan the utilisation of Soviet-aid was Rs. 24.7 crores, leaving a balance of Rs. 284.3 crores when the second year of the third Plan, namely, 1962-63, opened. Since 1st April 1962, about Rs. 15.8 crores of Soviet-aid have been utilised, making a total of Rs. 115.2 crores utilised.

Refinery Projects

The major current commitment of the Soviet Union is the expansion of the Bhilai steel plant from one million tons to a capacity of 2.5 million tons a year. Construction work on this expansion began last August. The second big project with Soviet-aid under way is the two-million-ton petroleum refinery at Barauni where Soviet equipment is being installed. The third big project is the Koyali refinery to use Gujarat crude. The State Government is understood to have taken steps to acquire about 1,300 acres of land for the plant. Samples of the Gujarat crude have been examined in Russia and Moscow has already sent a product pattern for the two-million-ton refinery. The project pattern Koyali refinery will be as follows:

400,000 tons of motor spirit; 385,000 tons of high quality kerosene; 600,000 tons of residual fuel; 150,000 tons of aviation turbine fuel; 400,000 tons of high speed diesel; 25,000 tons of solvents; and 10,000 tons of liquefied gas.

The contract for the Koyali refinery is now expected to be signed by the end of January. Actual installation of equipment is expected to start in June 1963. This is likely to enable the refinery to complete the first stage of construction and go on stream before the end of 1964. The entire refinery may be completed six months later. The cost of imported materials for the Koyali refinery may be less in proportion to the total cost than in the case of Barauni or Nunmati, because some of the steel necessary for tank structures and some other fabrications will be available from Indian steel mills.

Power Projects

During 1962, the Soviet deliveries of plant for power projects had been lagging behind and it was reported that the Russians had promised more than they could deliver. The Russians have promissed to rectify the situation. The first of the big thermal power projects with Soviet collaboration has been at Neyveli where the first lignite-fired power unit was commissioned in August. The total capacity of the Neyveli station may be increased from 400,000 to 600,000 kw. Almost similar in scale to the Neyveli power station is the Patratu station in Bihar for which the Indo-Soviet contract was signed last September. Some Indian engineers have already gone to Moscow and the working drawings for the project have already been received. The Patratu project which will cost more than Rs. 40 crores will have about fifty Soviet experts working on it.

Another project on which the contract with the Russians has been signed is the workshop of the National Coal Development Corporation at Korba. The Russian equipment for the workshop may amount to Rs. 80 lakhs out of the Rs. 200 lakhs total outlay on the project. For Korba, the Russians are also supplying four power units of 50,000 kw. each.

Trade Prospects

The delegation of officials which visited Eastern Europe has returned with agreements and hopes to increase the trade with the European communists by 20 to 25 per cent in 1963 over the levels attained in 1962. In 1962 itself, it was the greater sales to Eastern Europe which stood the country in good stead against the precipitous fall in exports to Britain and West Europe. For the first time rolled steel products, including castings and structurals (to the value of Rs. 4.5 crores) will be exported to East European countries in 1963. Poland is interested in importing textile machinery from India, Yugoslavs and the Czechs want textiles and chemicals. A Rumanian team of experts will suggest to India the type of salted fish they plan to import. Petroleum products will come from Russia and Rumania, but no crude oil import from these sources is envisaged as yet. But India will import more lead and zinc from Russia and Yugoslavia.

INDIAN ALUMINIUM'S DEBENTURE ISSUE

The Indian Aluminium Company Ltd. is entering the capital market with an offer of Rs. 1 crore 7 per cent 1971-76 debentures at par in units of Rs. 500 each payable in full on application. The issue has been fully underwritten in equal instalments by the I.C.I.C.I. and the L.I.C. Out of the total issue, the I.C.I.C.I. will get a firm allotment of Rs. 25 lakhs against its underwriting arrangement. Interest will be payable half-yearly on the 1st of January and July. The lists will open on the 17th inst. and are due to be closed on the 22nd inst. The proceeds of the issue will go towards the Rs. 6-crore expansion programme of the Company, comprising expansion of the ingot capactiy at Alupuram, Kerala, to 10,850 tonnes per annum by setting up a second smelter adjacent to the existing one and the establishment of an aluminium foil rolling and finishing mill with an annual capacity of 2,500 tonnes in Maharashtra.

In order to meet the foreign exchange component of the expansion plans, the Company has made arrangements with the Commonwealth Development Finance Company Ltd. of London (which has now agreed to abide by them) for a loan of £500,000 against the issue at par of sterling debenture stock 1970-74 for that amount. A noteworthy feature of this loan is that interest on it has been linked with net profit of the Company. The interest will be at the rate of 7.75 per cent, with an additional one-half per cent from the beginning of the current financial year of the Company (ending 31st December 1962) in case the net profit exceeds Rs. 38.40 lakhs. In other words, the effective rate of interest will be 8.25 per cent per annum in those years in which the Company's net profit exceeds the specified limit. It may be pointed out here that, in 1961 itself, the Company earned, after providing for depreciation and taxation, a profit of Rs. 100.23 lakhs, as against Rs. 123.71 lakhs a year before. It can be reasonably deduced that the Company's net profit in the current year and the years to follow will continue to be above Rs. 100 lakhs and at any rate far in excess of Rs. 38.40 lakhs. Thus, from the very first year of their issue, the sterling debentures will bear interest at the maximum rate of 8.25 per cent per annum.

The Company has already issued Rs. 3-crore 6.25 per cent 1970-75 first mortgage debentures and has an outstanding liability of Rs. 69.000 under 5 per cent 1971-81 unsecured convertible loan stock. However, in point of security, the proposed Rs. 1-crore debenture issue and the sterling loan will rank *pari passu* with the existing 1970-75 debentures. The Company has a paid-up capital of Rs. 440.22 lakhs, including Rs. 40 lakhs in preference shares. In 1961, its gross block expanded from Rs. 9.8 crores to Rs. 13.7 crores and was written down to Rs. 9.6 crores and, inclusive of capital works-in-progress, stood at Rs. 13.6 crores.

TREND OF SHARES

INCENTIVES OF NO AVAIL

(From Our Own Correspondent)

BOMBAY, 13*th December*

WITH operators worried more about the prospects of a heavy defence budget in February next than the talks among the six non-aligned nations in Colombo to find a way out for a peaceful settlement of China's border issue with India, the decision of the Governing Board of the Bombay Stock Exchange on Saturday the 8th inst. to allow from Monday the 10th inst. restricted fresh purchases in cleared securities and the reported purchase of 50,000 Tata Steel Ordinary shares by the L.I.C. on Wednesday the 12th inst., both coming as incentives to revive the demoralised stock exchanges, failed to have any favourable effect on either the trading pattern or the price trend in shares during the week under review. The volume of business remained extremely small and the price movements continued narrow. With the exception of a few selected and leading counters which edged forward slightly more on stray inquiry than on any important buying, values disclosed either no changes or small losses over the week.

On Dalal Street, Bombay Burmah improved from Rs. 604 on Friday to Rs. 625 on Monday, but turned lower thereafter to close at Rs. 615, as against Rs. 607 a week ago. Telco looked up initially from Rs. 266 to Rs. 278, but sagged later to close at Rs. 273. Over the week, Voltas showed a gain of Rs. 3 at Rs. 243, Maharashtra Sugar of Rs. 2.50 at Rs. 147, A.C.C. of one point at Rs. 150 and Hindustan Motors of 16 nP at Rs. 16.20. On the other hand, Kohinoor closed Rs. 6 lower at Rs. 277, Svadeshi Rs. 4 lower at Rs. 263 and Bombay Dyeing one point lower at Rs. 60.50. Belapur were down by Re. 1.50 at Rs. 213.50 and Mukand Iron by 52 nP at Rs. 18.96. Among cash scrips, while Sandvik showed a gain of 11 points at Rs. 173 and S. L. Manekial of four points at Rs. 103, Colour Chem disclosed a loss of Rs. 8.75 at Rs. 325 and Dharamsi and Permanent Magnets of Rs. 3.75 each at Rs. 151.25 and Rs. 191.25, respectively.

In Calcutta, the only cleared share to close with a change over the week was Dunlop, which gained 44 nP at Rs. 36.44. Central India Coal finished 81 nP higher at Rs. 9.81. Union Carbide also were fractionally better at Rs. 43.12, but New Central Jute eased by 37 nP to Rs. 13.25, Binani Metals by 19 nP to Rs. 9.81, Bengal Paper by 13 nP to Rs. 32.06 and Hantapara Tea by four points to Rs. 102.

In Madras, Travancore Rayon showed a gain of 27 nP at Rs. 28.87, Coimbatore Spinning of 50 nP at Rs. 67.50, Blue Mountains of 13 nP at Rs. 2.55 and Cochin Malabar of 7 nP at Rs. 6.37, while E.I.D. showed a loss of 15 nP at Rs. 40.

The resumption of restricted forward trading in Bombay is not contrary to the Government's recent decision to ban forward trading. For, while imposing the ban, the Government had announced that it might permit revival of trading on a limited scale, if conditions warranted it. The Governing Board of the exchange has laid down that at no time purchases in any one cleared security should exceed Rs. 50,000 in aggregate value. Besides, an overall limit of Rs. 2 lakhs in respect of total purchases in all cleared shares has been fixed. Further, such buying is subject to a margin of 5 per cent. The Board is reported to feel that renewed buying will not raise the market load even by a single scrip. For, as fresh short sales are prohibited, fresh purchases can be made only from members having a net long position. The Board is said to have justified its decision on the ground that it will bring in new buyers in the market and spread the load over a larger number of persons. So far, however, no new buyers seem to have entered the market. If new buyers do enter the market, it is to be hoped that they will not lead to a greater crisis or aggravate the one that is yet to be got over. Although the Board has been cautious in its approach, it appears unlikely that the lead given by Bombay will be followed up by Calcutta and Madras. Ahmedabad, however, may think on similar lines.

The L.I.C. is understood to have purchased Tata Steel Ordinary shares at Rs. 117 per share, that is, Rs. 4 below the minimum price fixed by the Bombay Stock Exchange authorities. No doubt, the Corporation has acted as a shrewd businessman, and there is little scope for argument against its so doing. For, after all, it is investing policyholders' money which it has no business to fritter away in supporting the market. It is a different matter, however, as to how the purchase at lower than the minimum price will be justified by the market authorities. If they say that, unofficially, transactions have taken place at below the minimum prices—some business is reported to have been done at Rs. 118—then it would be an admission on their part that minimum prices are fictitious. Be that as it may, this transaction may itself compel them to lower the minimum prices for at least the leading counters.

PERSPECTIVES & PROJECTIONS

By Mercator

Economic Talisman

The Walrus and the Carpenter
Were walking close at hand;
They wept like anything to see
Such quantities of sand:
"If this were only cleared away,"
They said, "it would be grand!"

—LEWIS CARROLL.

SOMETHING like this has been said by the six economists (and more have since joined them) who have called for an immediate supplementary Union Budget to meet the Chinese aggression. It does not matter to them if the Government does not yet know what it should budget for and how it should allocate resources for defence *vis-a-vis* planning; their argument is simple. Additional taxation is inevitable and the tremendous popular enthusiasm for the war effort provides the right psychological atmosphere for taxation; so tax before the mood changes or is relaxed. The economists are also keen on using taxation as an anti-inflationary weapon to prevent a rise in prices; we do not know whether a heavy tax on kerosene, for example, would have prevented its cornering in Delhi and U.P., creating a very awkward situation for the administration and the business community (which was gathering just then in Delhi to take a pledge of mercantile integrity during the emergency); nor can we be certain that cloth stocks, which are said to be accumulating in various centres, can be taxed straightway. Even the bold economists may not advocate taxes on food or fuel. On a number of things like power and transport which may have to be conserved, it is not Mr. Morarji Desai but many local authorities who have to take the initiative. Thus, in Delhi, higher rates for water and power, increased fares in City transport and more civic taxes are now indicated; the U.P. Government is still struggling heroically with its measures for raising more revenue after cutting down its Plan outlay.

Obviously, if Mr. Morarji Desai is going to finance a war, he can't do it out of nothing. The only question is whether his (and the Government's) sense of timing will be woefully wrong if he decides that the three months between now and the usual annual budget will give the time needed to get a clear long-term picture of what should be attempted in matters of defence, development and taxation. It is not enough if, taking advantage of the people's present mood for accepting sacrifices, he raises, say, another Rs. 500 crores a year to pay for both defence and the Plan; whether that will give him command over the physical resources—steel, cement, machinery, arms and equipment and the hundred and odd things needed besides—is more than the six economists will care to guarantee. Mr. Desai has already secured sufficient appropriations from Parliament by way of supplementary demands and he can get even more for the asking. Economics, we have all been taught, is a study of human behaviour. Voluntary contributions on the scale now received, in cash, gold and recurring monthly payments from wages and salaries, are truly remarkable though not altogether surprising in a country were *Bhoodan* could evoke a ready response. Admittedly, this will not pay for a long war with China but the interval before the normal Budget will give time for this generosity to reveal itself fully; it is doubtful if Mr. Desai can manage to find taxes which can give him more during these remaining three months. He is not a loser for his waiting; meanwhile a clearer picture can emerge of the larger political aspects of the future war with China as well as of the financial basis of programmes of defence and development aid to India. I hold no brief for the Finance Ministry which I think has been often too smug and complacent and generally inclined to take many things for granted; instances of sloth, where vigour and speed were essential, are many but I do not count the absence of a supplementary budget at this time as one of those.

* * * *

Press Unmuzzled?

How much of the editorial and other comment by the Indian Press in the last three months can be classified as belonging to the objectionable category which Mr. Lal Bahadur Shastri had in mind when he addressed the Standing Committee of the A.I.N.E.C. early this week? Opinions will differ widely but considering some moves within the Congress Party for stifling criticism of leadership and almost developing a personality cult under which criticism of Mr. Nehru by party members would be actionable, few would be disposed to accept that the Government by itself can act as a safe custodian of the minimum freedom which a democracy must maintain even during a war. There is probably much writing that is not well informed, but, when official reticence is often carried to extremes and the public has to rely on extraneous and foreign sources for information about a war which concerns it intimately, the Government cannot disclaim responsibility for imperfections. There is also much writing which is in bad taste but that does not necessarily offend security regulations or impede the war effort. Criticism of the Government for its failures or shortcomings cannot be dispensed with, since the corrective to wrong policies can come only when, subject to the rules of security, the Executive is put under an obligation to justify and explain its moves.

Far from impeding the war effort, the Indian Press has, by and large, helped it by warning the public and the authorities of the Chinese menace long before the Government woke up to the danger, and by focussing attention on many aspects of the Government's actions which were admittedly taken in an atmosphere of unreality (as the P.M. confessed) or were due to credulity and negligence (as the President observed). When drastic powers were voted with acclamation by Parliament reflecting unanimity of purpose in the whole nation, the Press did nothing to create doubts. But more than all these, I think, the Press came out magnificently in its support of the gold bonds scheme and other contributions to the war effort. Even the financial Press, which normally may have some sympathies for the affected business community, had no qualms about urging sterner measures against gold hoarders and traders, stock market speculators and bad trading in commodity markets. In a situation in which all (but an extreme fanatical wing of the Communists) were united about the country's defence and its major implications, one should have thought that the need for restraining the Press would hardly be felt by the Government, at least to the extent that Mr. Shastri felt impelled to talk of it in the Rajya Sabha and before the Standing Committee.

MEET THE MENACE
WITH
ALL YOUR MIGHT

This is no plea for protecting the lunatic fringe of the Press, which I suppose must learn to behave or pay the price of its irresponsibility. On the other hand, the public will also need assurances that regulation of liberties will not be misused for party purposes. Just as the responsible national newspapers are unlikely to abuse their privilege, the great national leaders may not misuse their powers; but the temptation at lower levels to safeguard personal or party interests may be so strong that only a vigilant Press and a watchful authority can act as correctives to unhealthy trends. But so long as the Government takes action only after consulting the representatives of the Press, unnecessary interference is unlikely to occur.

* * * *

Sharing Accommodation

Of a piece with Mr. Shastri's apparent distrust of the Press were some of his complaints that private owners of big bungalows and other buildings were not fully using up their space and that they should give to the Government all that they do not actually require. The Government will apparently use its powers of requisitioning freely; Mr. Shastri also hinted that billeting may be considered; but there are many things which the authorities can do before resorting to it. In New Delhi (where probably additional accommodation will be most needed by the Government) there are many offices which need never have been established. Efforts to disperse some of these offices have been thwarted by manœuvres with strong party or official backing; the list of such offices should come in handy at this moment so that steps to shift them away from the capital may be implemented on an emergency basis, thus releasing space for new requirements.

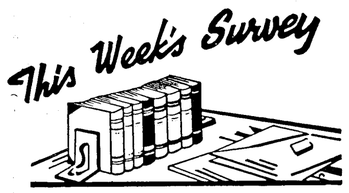
Besides this, the Ministry of Works and Housing has discovered many who are ineligible normally for Government accommodation but are in occupation of houses built by the Government for its employees. These include influential party members and others who are supposed to do work for the Government on an honorarium or for non-official organisations favoured by the authorities. To discourage this tendency, the Ministry has proposed not to dislodge them but to charge market rents, a principle which has been known for nearly half a century but was intended to apply only to exceptional cases in which a Government house had to be given to one not directly eligible for it. Under present conditions when market rents for private flats are much higher than those fixed by the Government for its own, especially in the cities, charging market rates for Government houses may impose no serious disability on those occupying them. Many of these may own houses from which they get high rents on company or other equally lucrative leases. Tests of eligibility and of sufficiency of space should, therefore, be applied as relentlessly as to the owners of the big bungalows. There are, moreover, many Government servants who have much more accommodation than they need even after fully allowing for their status; if the Government can encourage sharing of accommodation by officers with small families, some of the present pressure on available space may be lifted. This is a matter in which the private sector is equally blameworthy, since it keeps many offices and public relations officers in the capital, living on expense accounts, though it can plead in extenuation that the Government's regulations for licences and permits left it with no choice but to proliferate such spivs.

* * * *

Hell for Leather!

Much has been written about the way Assam officials panicked in Tezpur when the people's morale remained high. This episode recalls to mind a similar incident in the last war when a sudden evacuation of Madras City was ordered, apparently on the initiative of the then British Governor. A correspondent in a leading daily, a refined senior official who should know, has corrected this misapprehension, pointing out that word had then come from New Delhi that two battalions of Japanese might land in Madras and that the entire arrangements for evacuation of important offices and non-essential population was immediately put into effect. Actually, it was premature then to expect a landing; but air raids were expected, as Rangoon had been heavily bombed and some stray planes were flying over the Madras Coast. Even if a landing were to be attempted, it was unlikely that the City would be threatened first or that the places to which the Madras Government proposed to evacuate its offices (like the High Court) could long function in peace in their new location. Many who had heard and read about the brave conduct of the British people during the *blitz* on London and the way in which essential services were kept functioning there with only children moved to safer places had deprecated the panic in Madras. But one very useful lesson it had taught the people was that running away solved no problems but only increased them. Thus, when they came back after a few weeks of aimless wandering and billeting upon their relations and friends, they resolved never again to run for life but take the consequences; the war lasted three years thereafter and subsequent air raid warnings did not affect this determination.

So, it seems, the people of Tezpur also have learnt a very good lesson now. There is little point in discussions or fault-finding. It is no use asking why the white-collared (though not necessarily white-livered) worker is cowardly in the face of such danger; ways of life have perhaps conditioned people variously. The authorities now seem to have to come to the conclusion that civilian evacuation is not normally necessary; the military may sometimes think that civilians come in their way, either physically or through their claim on supplies required by the army. In the latter case, one may hope that clear plans will be made and executed; if administrative arrangements are made using local personnel as far as possible, there may be greater all-round readiness to stick to posts of duty and take the good with the bad.



BUSINESSMEN'S PLEDGE

THE business community has never been slow in responding to the call of the nation, although it has always been suspect in the eyes of some politicians. Both industry and trade have actually confounded their critics by the measure of self-discipline they have been able to cultivate in the context of the emergency created by the Chinese aggression. Instead of creating an atmosphere of artificial scarcity and taking undue advantage of war psychology, the business community has served consumers with a sense of dedication and fairplay, thereby making the Government's task of price control an easy one. Except in the case of a very limited range of goods like kerosene, woollen goods and cement, there has not been any perceptible rise in prices. On the contrary, prices of several essential commodities, particularly foodgrains, fibres and oilseeds, have gone down rather sharply during the last two months. There is, however, need for continued vigilance on the part of businessmen, for there are still uncertainties about Chinese intentions, despite the cease-fire.

It is against this background that one has to view the efforts being made by the Federation of Indian Chambers of Commerce and Industry, the apex body of scores of organisations of business community in this country, to maintain the price level. At a meeting organised under the auspices of the Federation at New Delhi last week, about 500 delegates representing 71 industrial and trade organisations of Northern India, took a solemn pledge to do nothing that would upset the price situation. The meeting, which was arranged by the Price Vigilance Committee for the northern region constituted by the Federation, adopted a series of important resolutions for the general guidance of the business community. In particular, the meeting resolved that (1) everything would be done to increase production of all commodities to meet the defence and civil requirements, (2) at all levels of manufacturing and distribution, every effort would be made to maintain the price level and (3) the normal trade channels would voluntarily undertake to resort to price-marking, price-tagging, display of price lists and wherever necessary advertise prices of commodities to keep the consumers fully informed of the position.

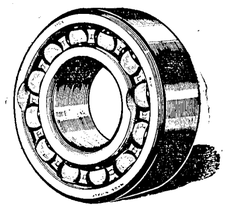
Apart from laying down these general codes of conduct, the Committee has appealed to the various trade associations to take suitable action against defaulters. These are certainly steps which would receive the blessings of the Government no less than those of the consumers. These measures, if strictly adhered to by all concerned, will benefit the industry and trade themselves to a greater extent than consumers. There is thus no exaggeration whatever in the observation of Mr. Bharat Ram that the very existence of normal trade channels would be dependent on the measure of self-restraint and self-discipline of the business community in maintaining the price line. The alternative to voluntary control by the industry and trade would be the imposition of cumbersome and expensive official controls, which, as war-time and post-war experience has shown, would help neither the trade nor consumers. It should not be forgotten, however, that trade's efforts would not be very effective, unless the Government and consumers extend full co-operation, and favourable conditions are created for increasing production, both agricultural and industrial.

AGRICULTURE AND STATES

The Union Ministry of Food and Agriculture has sent a note to State Governments urging them to intensify their efforts to increase agricultural production. It has asked all States to make—within the overall State Plan ceilings—higher allocations for the next financial year, 1963-64, for various agricultural production programmes, including those for minor irrigation and soil conservation, as well as the agricultural component of the Community Development projects. The allocations for 1963-64, it is stressed, should be "substantially higher" than those for the current year. Besides the overall increase in outlay, the State Governments have been asked to make provision for larger allocation for specific programmes for the expansion of individual commodities. Commodities specified include such essential foodstuffs and cash crops as rice, millets, gram and other pulses, cotton, oilseeds (especially groundnut and castorseed), fruits and vegetables, milk, meat and eggs.

The Centre has done well to remind the State Agricultural Ministers that they have a great obligation in the matter of increasing the output of the aforesaid items in order to hold the price line, especially in the context of the present emergency. The development of agricultural production in several States, it is common knowledge, has not received as much attention as it should have. So any Central directive of the kind now given would have been perfectly justified even during normal times. The trend of growth of agricultural production has been quite unsatisfactory during the first two years of the third Plan, namely, 1961-62 and the current crop year (1962-63) which is now well under way. Actual production performance of most of the important commodities has fallen far short of third Plan annual targets and the increasing demand for foodstuffs and raw materials. But for continued imports (both foodgrains and also cotton), the price situation also would have got out of hand. The output of foodgrains has actually fallen by about a million tons to 78.6 million tons in 1961-62, as compared with 1960-61, as a result of setback in cereals, such as rice, *jowar* and small millets, and in pulses such as *tur* and gram. The setback, however, has been partially made good by the increase in production of other cereals like wheat, barley and *bajra*. The general decline in output is a source of great concern, considering the addition of about 8,000,000 people every year to the total population. Nor are there signs of any perceptible improvement in production during the current year, for, as in the last year, floods in some parts of the country and drought in some others have damaged crops in certain areas. The pity is that most of the State Governments have failed to take speedy relief measures to farmers to enable them to recoup themselves.

There is no use blaming the vagaries of weather alone. For even in important production centres which have been free from floods, one does not find any marked improvement in aggregate production or productivity. This is true of both foodgrains and cash crops. It is only appropriate, therefore, that the Union Food Ministry's note should have called upon the States to intensify physical programmes, such as those of minor irrigation and soil conservation, and other supply schemes relating to fertilisers, improved seeds, plant protection measures and credit and extension services in select districts which have assured rainfall or irrigation facilities. There is, of course, nothing new in these suggestions, as they have already been accepted in principle, and implemented within limits, by all States. The National Development Council, at its meeting last month, in fact, suggested that the third Plan targets for minor irrigation and soil conservation should be stepped up by 50 per cent and that the area to be covered under dry farming be raised from 22 million to 50 million acres. While these revised targets are quite necessary, one does not know whether all the State Governments will rise to the occasion and speed up the actual implementation of projects by cutting short delays and red-tapism. According to the present note, higher allocations are expected to be made for agriculture only within the financial ceilings fixed for each State. This reduces the scope for any large increase in actual resources available for agricultural programmes. If, for some of the specific programmes of potential value, financial resources of States are not sufficient, the Centre will be well advised to give more assistance to undertake such schemes.



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A BRITISH ECONOMIST ON PLAN PROBLEMS

In a series of two brilliant lectures, entitled "The Plan under pressure—an observer's point of view," delivered this week at Bombay under the auspices of the Council for Economic Education, Miss Barbara Ward, the well-known British economist and financial commentator, made an objective assessment of the current problems of planning in India in the context of the massive defence effort necessitated by the Chinese war. Miss Ward felt that the economic mobilisation for defence, instead of proving inimical to the third Plan, might, in fact, act as a spur to achieving the objectives of planning. Explaining why she thought higher defence effort need not necessarily defeat the Plan, Miss Ward said that defence effort, by speeding up the production of steel, coal, power and transport facilities and creating new types of skills would, in real terms, help the achievement of the long-term objectives of the Plan. But the situation, she took care to add, posed a threat to the Plan in another respect. If the hostilities were resumed and the Chinese made a dash towards Assam, tea exports would be hit hard, she said, and the country would lose 20 per cent of its current foreign exchange earnings.

Dilating on the economic consequences of the war, the British economist estimated that an additional sum of Rs. 350 to 500 crores from domestic resources and Rs. 150 crores in terms of foreign exchange were called for to face the situation in the Northern border. Expenditure of this magnitude would, in the opinion of Miss Ward, widen the capital base of the Indian economy and, to this extent, it would be a net gain. But it would also accelerate the inflationary pressures as the increased expenditure on defence would not result in a corresponding increase in production for civilian consumption.

There were, according to Miss Ward, two ways of easing the pressure. One was by draining out the excess purchasing power of the people by additional taxation. Miss Ward considered the present level of taxation in India "by no means high." It was only 10 per cent of the national income. In a developing economy, according to her, taxation could go up to a limit of 20 per cent of the national income. There was still scope, she thought, for increasing the excise revenue under the present situation. The other method of curbing the inflationary pressures was maximum utilisation of existing production capacity and idle manpower. In this connection, she said she had gathered the impression that, barring machine tools and steel plants, where utilisation was 80 per cent, actual utilisation in most industrial units was much below capacity. Another point made by her was that productivity and production could also be improved by removing the bottlenecks in the transport system.

Miss Ward had two suggestions to make for relieving the strain on foreign exchange resources. They were (1) release of foreign aid tied to various projects and utilising it for financing the import of raw materials and maintenance goods, (2) lend-lease agreements with foreign countries for the supply of arms. She also thought that some form of co-ordination between India and Pakistan in the defence effort of the sub-continent would be beneficial to both.

Miss Ward critically examined the rate of growth of Indian economy and identified the reasons for the recent slowing down of the pace of expansion. She drew attention to the fact that the economy had run into difficulties even before the present emergency had set in. The rate of growth of national income had declined from 5 to 6 per cent during the first and second Plan periods to 3 per cent during the first year of the third Plan. Explaining the reasons for this setback, the British economist pointed out that this was largely due to the unsatisfactory performance on the agricultural front. She argued that adverse weather conditions alone were not responsible for this outcome. Lack of fertilisers, improved seeds and other facilities and appropriate organisational and structural changes were also contributory factors. The failure to ensure an adequate supply of agricultural products to industries in turn resulted in the slowing down of the industrial tempo.

The farmers, she pointed out, were prepared to imbibe the new techniques but it was the entrepreneurial element at the Government level which had failed to impart to them such techniques. There were also other fatal failures and utter lack of co-ordination. There were, for instance, cases of dams having been built without constructing feeder canals.

Another factor which contributed to the lower rate of growth was the "interlocking deadlocks" in the sphere of steel, coal, power, and railway transport. These shortcomings in, what Miss Ward called, the "bedrock of economic development" were attributed by her to lack of co-ordination in policies relating to the different sectors of the economy. The population pressure was also one of the factors which heavily impinged on the rate of expansion. Miss Ward pointed out that no foreign country would extend aid to an underdeveloped country, if the latter's resources were swallowed up by the population growth. She, therefore, suggested that India should adopt birth control on a wider and more effective scale as Japan did after the war.

Stressing the need for encouraging foreign investment to supplement domestic investment, Miss Ward said that foreign investment was futile, unless it either earned foreign exchange for the country where the capital was invested or effected considerable import substitution. Foreign investments would bring in new skills and techniques and expand the capital base of the economy. Apart from these advantages, foreign capital was doubly necessary for underdeveloped countries now because the growth pattern of international trade created unfavourable conditions for the expansion of exports of underdeveloped countries.

Miss Ward had no set pattern of growth model to recommend for India, or, for that matter, to any underdeveloped country. She, however, felt that efficient small enterprises, which could bring in handsome profits in a short period, were ideally suited to conditions in India. By "handsome" she meant a return of 10 to 15 per cent on the capital invested.

While one could agree with much of what Miss Ward said—most of the points made by her have, of course, been put forward before by a number of critics in this country, including this journal—her observations on the scope for raising additional taxation are not convincing. Even at the current level of taxation in the country, the net return on capital invested in the corporate sector is below the level suggested by Miss Ward as necessary for attracting capital and entrepreneurs. How then could it be raised while at the same time doubling the rate of taxation? It is to be hoped that Miss Ward will make a detailed analysis of our rates and kinds of taxation, both direct and indirect, their impact on the rate of savings and cost structure and make specific suggestions for raising the tax burden further along lines which will be consistent with the need for a reasonable rate of return for encouraging savings and attracting risk capital and which will not have an inflationary effect on prices. By doing this, she will be making a valuable contribution to the economic progress of this country so very vital for the preservation of democratic way of life in the world.

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IP6101

U.S. AID FOR TRUCK MANUFACTURE

India's automobile industry produced 54,215 vehicles (cars, jeeps, trucks and buses) in 1961, as compared with 51,663 in 1960. Although the aggregate number of automobiles manufactured in the country thus rose in 1961, the number of trucks produced had fallen to 19,517 from the figure of 20,961 in the previous year. In a relative sense, too, truck manufacture had declined from about 41 per cent of all automobiles turned out in 1960 to 36 per cent of the relevant total in the next year. As far as the current year, that is, 1962, is concerned, figures available for the first seven months show that 34,302 automobiles, representing a monthly average of 4,900, were produced during the period. If this average is projected for the whole year, the aggregate production will be 58,800 vehicles, of which, judging by trend so far, trucks will account for about 40 per cent—a reassuring figure indeed. Still, in absolute terms, the number of lorries manufactured in the current year will have come to a total of about 24,000 only, a number relatively small, as compared with the third Plan's production target of 60,000 lorries for 1965-66. This level of production will be patently inadequate to meet the rapidly increasing demands from both defence and civilian sides. It is a very heartening development, therefore, that the U.S. Government, which has appreciated the urgency of the situation, has just announced two loans, totalling $29.5 million, to finance the expansion of manufacture of lorries in this country. It may be recalled here that the U.S. Government had previously provided two credits, totalling $10.2 million, for expanding Fargo trucks production by Premier Automobiles Ltd. (Bombay).

One of the two latest loans is for $15.6 million (Rs. 7.5 crores) to the Hindustan Motors Ltd. (Calcutta) which currently manufactures about 25 per cent of the trucks and 50 per cent of the cars and jeeps produced in India. It will enable the company to step up its capacity for manufacturing Bedford trucks from 9,000 to 10,500 per year and increase the indigenously-manufactured content of Hindustan's Bedford vehicles from 74 per cent to 90 per cent. The other loan of $13.7 million (Rs. 6.5 crores) is being made to Tata Engineering and Locomotive Co., Ltd. (Jamshedpur) which manufactures only Mercedes-Benz trucks and no cars. This company has already doubled its production from 6,000 vehicles in 1955 to about 12,000 in 1961. The U.S. A.I.D. loan will enable T.E.L.Co. to expand its plant capacity from 12,000 vehicles a year to 18,000 a year and increase the indigenously-manufactured content of the vehicles from 74 per cent to 86 per cent by 1964 and 90 per cent by 1965. It is expected that the truck expansion projects of both the companies will be completed by 1963-64.

The two loans which are being provided through the Agency for International Development, carry, as in the case of other loans from this organisation, no interest but only a service charge of ¾ per cent and are repayable by the Government of India over a period of 40 years, with no payments being due during the first 10-year grace period. The two recipient companies will, however, be required to repay the loans to the Government of India over a 10-year period with an interest charge of 5¾ per cent—a rate which compares favourably with the terms currently available in the Indian capital market. It is noteworthy that the present loans are analogous to those given by the World Bank's associate, the International Development Association, in that they will keep to a minimum the burden on India's balance of payments.

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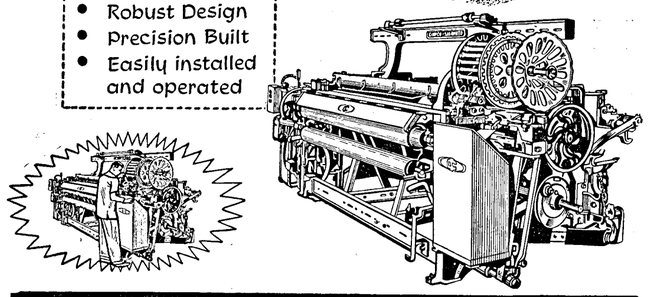

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THE SPENDING OF A "HAVE"

HOW THE GAD-ABOUT BRITISHER LIVES

(From Our Own Correspondent)

LONDON, *7th December*

LONDON LETTER

THE British social-economic statistics of consumer spending attract relatively little attention in this country because they lack colour for the individual consumer. The individual industry is also quite well informed from its internal data as to what is happening to it and the cinema industry, for instance, hardly needs to look up these statistics to discover how far its box office receipts have dropped.

But with so much more attention being given to the standard of living in the underdeveloped areas, the British statistics form a useful basis of comparison; after all, Britain is one of the "have" countries. How does the average citizen of such a country spend his money? How much of his spending is essential and how much is luxury? Of course, there is no such thing as an average citizen. Last year, there were 27 million individual incomes being earned (a fraction over half the total population was earning) but they were earned over a very wide range: nearly 20 per cent, that is rather more than five million incomes, were under £5 per week; a fraction over 25 per cent of all incomes were between £5 and £10 per week; about 23 per cent earned between £10 and £15 per week; less than 20 per cent earned between £15 and £20 per week; and only something like one-eighth of the total number of incomes was over £20 per week. So when we look at the total of personal spending we are looking at "average" for the nation as a whole which varies widely from group to group. In the lowest income groups the proportion spent on necessities is obviously very much higher and that proportion goes down as the income range rises; but for the purpose of comparison of one nation with another, the average serves.

Change in Pattern

There has been a great change in pattern over the past ten years and the following table shows the amount of money spent on necessities against the total available income. The first part of the table takes current prices and the second part translates them all into prices at the level of 1958.

Consumer Expenditure

(In million £s)

	Current prices		1958 prices	
	1951	1961	1951	1961
Food	2,947	4,989	4,061	4,879
Alcoholic drinks and tobacco ..	1,974	2,283	1,741	2,181
Housing, fuel and light ..	1,227	2,393	1,808	2,167
Clothing	1,116	1,687	1,171	1,644
Household goods	827	1,327	912	1,307
Total of necessities	7,691	12,664	9,693	12,178
All other expenditure	2,488	4,672	3,178	4,477
Grand Total	10,179	17,336	12,871	16,655

In terms of money, incomes and spending have risen 70 per cent in the past decade; in terms of real value they have risen less than one-third; the difference is the measure of inflation. It will appear strange to many that last year in real terms this country spent a little more on alcoholic drink and tobacco than it did on housing, fuel and light. One may question whether alcoholic drink and tobacco should be put into the category of necessities but for the consumers of these items there is little question: they would rather go without other things than go without these. Even so, for the non-smokers and non-drinkers of this world, that one-eighth of Britain's spending should be on these items must seem unreal.

Rising Standard

Evidence of a rising standard of living is provided in the lower ratio of food to total spending in 1961 than in 1951. Such expenditure rose over the decade by one-fifth (against about, say, 30 per cent for all items) indicating that anticipations were being achieved and surplus money diverted to less essentials. The smallest rise in housing, etc., is largely due to the control of rents—it does not indicate that demand is being satisfied. On the other hand, increases of nearly 45 per cent in the expenditure on clothes and household articles shows how spending has switched into these as incomes rose and as de-rationing and a freed economy enabled production to catch up with demands frustrated during the War and immediate post-war years.

All other items rose about 40 per cent for similar reasons and since over one-quarter of Britain's spending was in this "residue" it is interesting to see of what it consists. Here are the main items:

(In million £s)

	Current prices		1958 prices	
	1951	1961	1951	1961
Cars	74	521	88	553
Books	150	268	236	238
Travel	527	1,128	706	1,031
Entertainment	214	266	233	266
Miscellaneous goods and services	1,514	2,489	1,865	2,389
Total ..	2,488	4,672	3,178	4,477

When one has gasped at a nation which can afford to spend one-quarter of its income on non-essentials (more, of course, if one took into account the semi-luxury items in the household goods and drink and tobacco classes) one can hardly be surprised that half of these items are so widely spread as to defy summary classification—they range from the cost of domestic service to chemists' goods and sports equipment.

The separately classified items are all curious: the British spend *no more* on books now than ten years ago—the only important items not to rise. But what about entertainment—if the British do not read why aren't they going to the theatre and cinema? The answer is television, and expenditure on television sets is under household goods for the modern household regards kitchen stoves and television sets as all one in importance; so the British take their pleasures at home, eyes glued to the television set, while the cinema languishes—spending on this being only *one-third* in real terms of what it was ten years ago and half what it was five years ago.

What the British are really spending their surplus money on is motor cars (the jump is due to the ending of petrol rationing) and travel—and it is quite clear that they are on the move more than ever before.

Notice

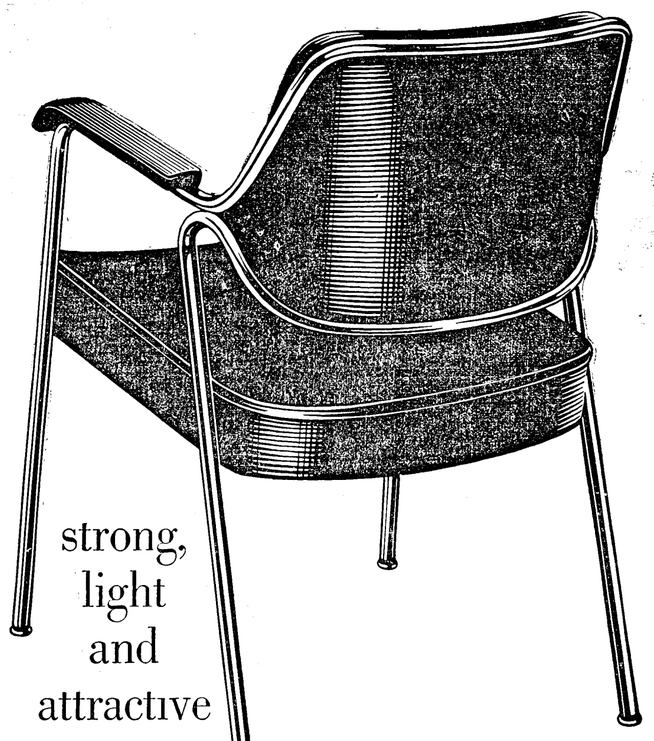
STATE BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Tuesday, the 1st January 1963 to Tuesday, the 22nd January 1963, both days inclusive.

N. A. KRISHNAN,
Managing Director.

BOMBAY, *the 14th November* 1962.
23rd Krtk. 1884 *(Saka)*



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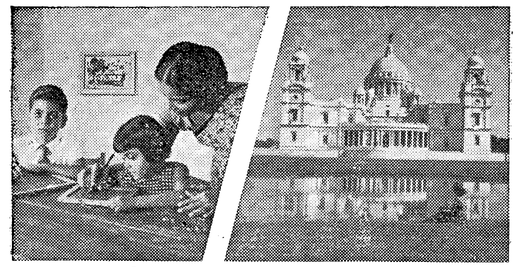

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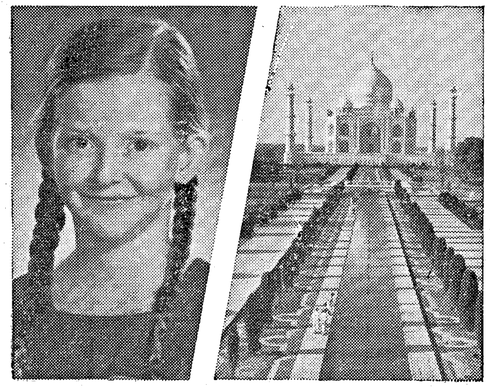

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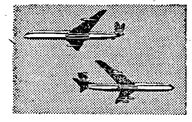

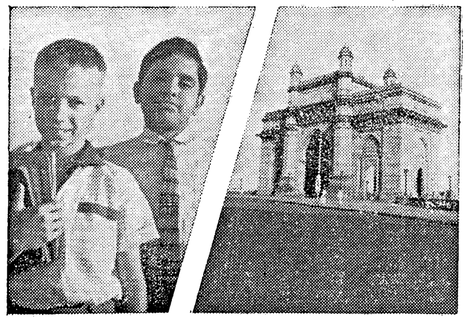

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SUPERSONIC TRANSPORT

IMPLICATIONS OF ANGLO-FRENCH AGREEMENT

By Our Aviation Correspondent

THE signing of an Anglo-French agreement to collaborate in the development of a supersonic transport marks the end of a long-drawn-out controversy. That is not to say that opponents of the SST—and they are not few—have been silenced. There will, no doubt, be plenty of criticism as the project proceeds. It does mean, however, the end of uncertainty. We now have some indication of the size, shape, and capability of the airliner to be developed, with approximate dates—1966 and 1970—for first flight and entry into airline service.

Specific details have not yet been released, but, so far as present information goes, both Britain and France will each build a prototype. Whilst these will be geometrically identical, that built in France will be a medium-haul version with a maximum range of 2,750 miles. The British version will be long-haul and designed specifically for the transatlantic routes. The cost of the joint-project is estimated to be £175 million and the greater part of this sum will be found by the two Governments.

Opponents of the SST range from national Governments to powerful aeronautical organisations and individuals. By and large, however, opposition is confined to three main lines of argument. These are, first, the unknown, and probably harmful effects of cosmic radiation at the altitudes at which supersonic liners will fly; secondly, the equally uncertain reaction of the public to the effects of the 'sonic-boom' and the noise nuisance generally; thirdly, the prodigious cost of development—funds, the critics complain, which could far more usefully be devoted to such aeronautical projects as the vertical take-off and landing (VTOL) transport.

There can be no doubt that, to date, no one has conclusively or authoritatively assessed just what the effects of cosmic radiation and the sonic-boom are going to be. These issues remain to be resolved. Nor can it be denied that, from many points of view, the vast sums, now to be expended in the development of the SST, could, as usefully, if not more usefully, be spent on aeronautical projects of potentially greater commercial and public utility value. All these aspects, however, have been threshed out at great length over the past two years. The object of this article is not to add to these marathon discussions but rather to examine the economic possibilities of the Anglo-French venture.

The economics of an airliner are, of course, based on certain known factors—first cost, for example, its productive capacity, its seat or ton-mile costs of operation, and its useful competitive life. It would be idle, at this early stage, to attempt to work out such figures in respect of the 'Concord'—that, incidentally, is the name chosen for the Anglo-French project. The available data is quite insufficient. The best that can be done is to apply the probable configuration and performance to the known facts of present subsonic jet operation.

Take first cost, for example. Assuming the long-range version to seat 90 passengers—which seems to be the proposed configuration—and assuming a speed of Mach 2.2, it has been computed that, to carry the entire present trans-atlantic traffic, only some twenty units would be required. That seems to pose an initial problem of some magnitude. If the airlines are to avoid a situation of enormous surplus capacity, the number of units required for total world operations must be extremely limited. In other words, the numbers which can be sold are likely to be small. That, in turn, argues a very high first cost. Possibly, one difficulty cancels out another, so high is the first cost likely to be that few individual airlines will be able to afford a fleet of Concords. All this, of course, is mere speculation but it does seem to make nonesense of the manufacturer's suggested break-even figure of 130 units.

The principal reason is that all the present subsonic jets are of such comparatively large capacity that only thus can their seat-mile or ton-mile costs of operation be reduced to an economic level. That being the case, the long-range Concord, with capacity seating of only 90, will start, one can only surmise, at a considerable economic disadvantage. Even assuming that supersonic and subsonic jet costs will be very similar, the seat-mile costs of the Concord are bound to be higher. This argues, one suggests, either a substantial fare differential or the attainment of exceptionally high load factors. Neither alternative is necessarily unreasonable. Supersonic travel will, presumably, be such a novelty—and to some, at least, such a convenience—that, even at increased fares, high load factors are likely to be achieved.

The hinge upon which all else will turn is, perhaps, the question of time. What kind of a market lead can the Concord achieve over a possible American competitor—or, assuming some thaw in the cold war, even a Russian competitor? Whilst Britain and France are confident that their research, in this particular field, is considerably ahead of the United States, the latter's enormous productive capacity cannot be ignored. So far as we know, at present, the Americans plan to launch development of a Mach 3 transport—a vehicle, that is to say, some six hundred miles per hour faster than the Concord. It is an ambitious programme. Even assuming, however, that this will not be in service till 1972, will the Concord's two-year lead prove a decisive selling factor? It remains to be seen.

Finally, the productive capacity of the Concord, in terms of annual seat-miles—and, consequently of course, its seat-mile costs of operation—must depend, very largely, on the kind of block speeds achieved. If the aircraft meets its specification of Mach 2.2 (1,450 m.p.h.) on routes such as London-New York, it should average a block speed of 900 knots. On medium-haul routes, the block speed will, of course, be very much less. But, on all routes, the block speed will depend on the kind of aids—meteorological, directional, and landing—provided, and the standards of traffic control maintained.

The inadequacy, even for subsonic jets, of aids and facilities on many international routes today is a source of continual complaint; there is, too, growing congestion at many major airports. Can all this be rectified, and the system brought up to supersonic standards, in the comparatively short space of seven years? It is a task of considerable magnitude and, judging by past records, one is by no means optimistic of the results.

SALE OF 'CORPS DIPLOMATIQUE' CARS

The procedure for the disposal of cars imported without payment of Customs duty by diplomats and diplomatic missions organisations in India has been revised. A diplomat leaving India either on transfer or at the end of his assignment may re-export his car or sell it to another diplomat or diplomatic mission in this country. Alternatively, he may offer to sell it to the State Trading Corporation. If the offer is accepted, the car would be purchased at the full c.i.f. price without deduction of any depreciation charges. If the S.T.C. is not interested in the offer, the diplomat will be informed accordingly and he will then be free to sell the car in the open market. Such a sale, however, will be subject to the fulfilment of customs regulations regarding payment of duty, procedure for sale, disposal, etc. This revised procedure will also apply to cars and similar vehicles of diplomatic missions or organisations which are proposed to be offered for sale in India.

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Conveyor belts are most vulnerable at the edges. The new Dunlop **FORTLOK** construction more than doubles the life of the belt edge by providing double edge cushioning capacity.

A common cause of belts wearing out prematurely is edge wear due to rubbing against the side of the structure, against the chute, against jammed abrasive loads, or by the excessive use of guide idlers. When the edge has been worn or torn away, further wearing of the edge and consequent belt deterioration is usually comparatively rapid.

Dunlop **FORTLOK** overcomes this problem. Note its construction as shown under the magnifying glass in this illustration of a conveyor belt section.

- The thickness of the edge protection rubber has been doubled as compared with the conventional conveyor belt edge.
- Note, too, that the edge rubber has been keyed into the carcass of the belt which produces an anchorage infinitely greater than in conventional belt edges. This permits the use of thicker edge protection of assured stability—especially important where guide idlers or trippers are used.
- The thicker, stronger edge protects the belt carcass from attack by moisture, grip, acids, alkalis or oils.

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MONETARY SITUATION IN PAKISTAN

AN APPRAISAL OF PROBLEMS AND SOLUTIONS

THE credit and monetary situation in Pakistan seems to be inherently healthy and bids fair to be so in the next few years, provided energetic steps are taken to remove some of the handicaps. This at any rate is the broad conclusion that emerges from the special report which the Economic Adviser to the State Bank of Pakistan, Dr. S. A. Meenai, recently submitted to the Governor of the Bank. The report is based on a comprehensive appraisal of the credit and monetary situation in the overall framework of the Government's declared policy objectives and the revised second Five-year Plan. In the report, Dr. Meenai has made a critical evaluation of the role of credit mechanism in Pakistan's economic development, with particular reference to the part played by the State Bank, pinpointed the problems confronting the monetary authorities and offered several constructive solutions therefor.

It would appear from the data presented in the report that the marked expansion in economic activity noted in Pakistan during the last few years might not have taken place but for the vital contribution made by the banking sector. Increasingly larger and larger credit facilities are being made available by the banks. Thus, between June 1959 and June 1962, bank credit spurted by 120 per cent, from Rs. 130.20 crores to Rs. 286.15 crores. As against the rise of Rs. 156 crores in credit, the aggregate deposits of banks have gone up by only Rs. 105 crores, from Rs. 262.30 crores in 1958-59 to Rs. 369.72 crores in 1961-62, so that the credit-deposit ratio has increased from a low of 49.6 per cent to as high as 77.4 per cent. There was, therefore, considerable strain on the liquidity position of the banking system. Naturally, the scheduled banks had to make a more intensive use of their resources through increased lending

Banking in Pakistan—A Bird's-eye View

(In crores of rupees)

	Year ended 30th June			
	1962	1961	1960	1959
No. of scheduled bank offices ..	713	580	430	369
Deposits	369.72	321.82	294.31	262.30
Of which :				
Time	150.71	122.75	94.60	75.34
Demand	219.01	199.07	199.71	186.96
Bank credit	286.15	220.28	161.74	130.20
Of which :				
Private sector	253.49	187.22	145.83	110.10
Government sector ..	32.66	33.06	15.91	20.10
Credit-deposit ratio (%)	77.4	68.4	55.0	49.6
Investment in Government securities	125.83	127.80	119.97	109.36
Borrowings from State Bank ..	40.32	33.76	1.12	0.99
Money supply (at constant prices)	610.48	588.15	585.58	555.98
Quasi-money (time deposit) ..	150.71	122.75	94.60	75.34
Total monetary resources ..	761.19	710.90	680.18	631.32
National income (constant prices)	2,380	2,294	2,168	2.085
Index of production* :				
Agricultural†	128.0	124.0	117.0	106.0
Industrial‡	212.7	191.6	180.1	161.4

* Figures relate to calendar years.
† Base : 1949-50 to 1952-53=100.
‡ Base : 1954=100.

and borrowing among themselves. This is evident from the inter-bank borrowings which touched an all-time high of Rs. 30.14 crores in the 1960-61 busy season—they were, of course, lower at Rs. 28.41 crores in 1961-62—as against Rs. 16.33 crores and Rs. 7.34 crores, respectively, in the busy seasons of 1959-60 and 1958-59, respectively. The State Bank of Pakistan has played a key role in enabling the scheduled banks to meet the growing demand for funds for the private sector, besides making available sizable counter-finance for lending to the Government. The peak level of banks' borrowings from the State Bank stood at Rs. 77.63 crores in 1961-62, as against Rs. 47.88 crores in 1960-61 and Rs. 21.23 crores in 1959-60.

Flexible Credit Policy

The State Bank, it is claimed, has endeavoured to pursue a flexible credit policy with a view to directing the flow of credit to most productive uses and to support the economic policies of the Government. "Its credit and monetary policy," to quote the report, "has, in general, been quite liberal and can by no stretch of imagination be termed as restrictive. In exercising its credit control powers, the State Bank has generally resorted to qualitative measures in preference to quantitative measures." Dr. Meenai has dismissed as incorrect the allegation that the selective credit control measures adopted by the State Bank from time to time are designed to check and restrain the overall expansion of bank credit. Their underlying intention, according to him, has only been to distribute the scarce resources in the most economical manner among essential users and to prevent their dissipation in less important pursuits. The State Bank, we are told, has played an equally important role in (*a*) assisting the co-operatives and helping the expansion of agricultural credit; and (*b*) providing liberal assistance to the State-sponsored corporations such as Agricultural Development Bank, Industrial Development Bank and House Building Finance Corporation.

The Economic Adviser to the State Bank of Pakistan has sought to view the problem of credit expansion in the perspective of the overall rate of monetary expansion. His main conclusions are as follows:

"The principal aim of Government policy all these years has been to work off the excess demand from the economy by increasing the domestic availabilities by way of larger production and higher imports and at the same time to keep the rate of monetary expansion down. That this policy has had a highly salutary and stabilising effect on the economy making possible the relaxation of controls and remarkable movement towards a freer economy in the framework of overall price stability cannot be denied. Similarly, it is fairly clear that our external situation would have been considerably worse if the rate of monetary expansion had not slowed down so distinctly. True, there have been some complaints that the economy is developing a slack and is approaching a deflationary situation. However, judging from all available indicators, there seems to be little justification for such exaggerated apprehensions. While there have been adjustments in relative prices, the overall price situation indicates remarkable stability. . . . Meanwhile, investment activity in the economy continues at notably high levels."

Monetary Expansion Will Pick Up

The analysis of Dr. Meenai reveals that, though money supply in the conventional sense has not risen so sharply—the actual rise between 1958-59 and 1961-62 was only Rs. 54.50 crores (at constant prices)—the total monetary resources, that is, money supply plus quasi-money or time deposits, at the disposal of the economy have maintained a rapid rate of expansion, as is evident from the accompanying table. A close examination of the forces at work shows that the rate of monetary expansion in Pakistan's economy will pick up perceptibly for the following reasons:

1. The foreign sector is in no position to provide the offset against expansion which it had during the past year.

2. While it is difficult to be certain about the future tempo of releases and accumulations, the role of the counterpart funds seems to have been reversed. They had in the past served as an offset to the Government sector proper. Judging from the present trend, they have assumed an expansionary role.

3. The expansion in the private sector shows no signs of slackening and may well exceed the levels attained last year.

4. The State Bank is being called upon to provide assistance on an increasing scale both in the form of counter-finance and primary reserves to the commercial banks, co-operatives and the Government-sponsored credit agencies.

5. The Indus Basin Account has so far exerted a contractionary influence on money supply. This cannot be regarded as a lasting factor.

A Warning

In the light of the above possibilities, Dr. Meenai contends that there is no case for any deliberate effort to expand money supply. Emphasising that the objective before the country today is to maintain a high rate of economic growth within the framework of economic stability, he says: "It is our firm belief that, by creating a healthy climate for long-term investment, both foreign and domestic, a higher rate of development can be achieved and sustained." The State Bank's whole approach has been to press for strengthening the external situation which is having an impact on the internal situation. Knowing as it does that this is a long-drawn-out process, it has thought it fit to resist an inordinate increase in money supply so long as the country's foreign exchange situation does not permit it. Dr. Meenai has warned against any action that may aggravate the external imbalance and set at naught the progress which the country has made in recent years and which it is anxious to accelerate by giving a push to monetary expansion.

If there is no case for a deliberate effort to accelerate the rate of monetary expansion through large-scale deficit financing, there is, it is pointed out, even less justification for enlarging the flow of bank credit further, inasmuch as excessive credit creation for the private sector carries with it the same dangers that are involved in deficit financing. To quote Dr. Meenai again:

"The excessive credit creation resulting in inflationary pressures almost inevitably gives rise to balance of payments difficulties. The use of bank credit in the realisation of a higher rate of investment pushes up the internal price level and tends to effect export earnings both through a loss in the competitiveness of exports and reduction in exportable surplus. This, in turn, necessitates the imposition of severe restrictions on imports leading to a vicious circle."

Deposit Mobilisation

The need for keeping the overall credit supply within reasonable bounds is regarded as urgent, especially because of the steep rise in credit-deposit ratio which has gone up, as already noted, from 49.6 per cent in June 1959 to 77.4 per cent in June 1962. The latter figure is higher than in Ceylon (49.4 per cent) and India (72.0 per cent). It is in this context that Dr. Meenai has underlined the urgency of safeguarding the soundness of the banking system. The solution to the problem lies, according to him, in the merger of weak banks with the financially stronger units, as well as in the liquidation of banks which are so unsound and weak as to be beyond repair. Pointed attention has been drawn to the fact that, while the overall operations of banks have increased manifold over the past years and branch expansion programmes have been carried out vigorously, adequate attention has not been paid by the banks to the need for augmenting their capital and reserves commensurate with the expansion of their operations. Indeed, the ratios of capital and reserves to deposits and to earning assets have declined significantly. Four specific suggestions have been made in this connection. First, the banks should be actively encouraged and, if necessary, be forced to divert a part of their profits to building up reserves. Two, only banks sponsored by parties of high financial standing must be allowed to be started. Three, the proportion of cash, gold and unencumbered securities in the total assets that the banks are required to maintain must be stepped up from 20 to 30 per cent, which incidentally is the traditional ratio in vogue in Britain. Four, in order to inspire confidence of depositors in the banking system, the Deposit Insurance Scheme which has already been agreed upon in principle should be implemented

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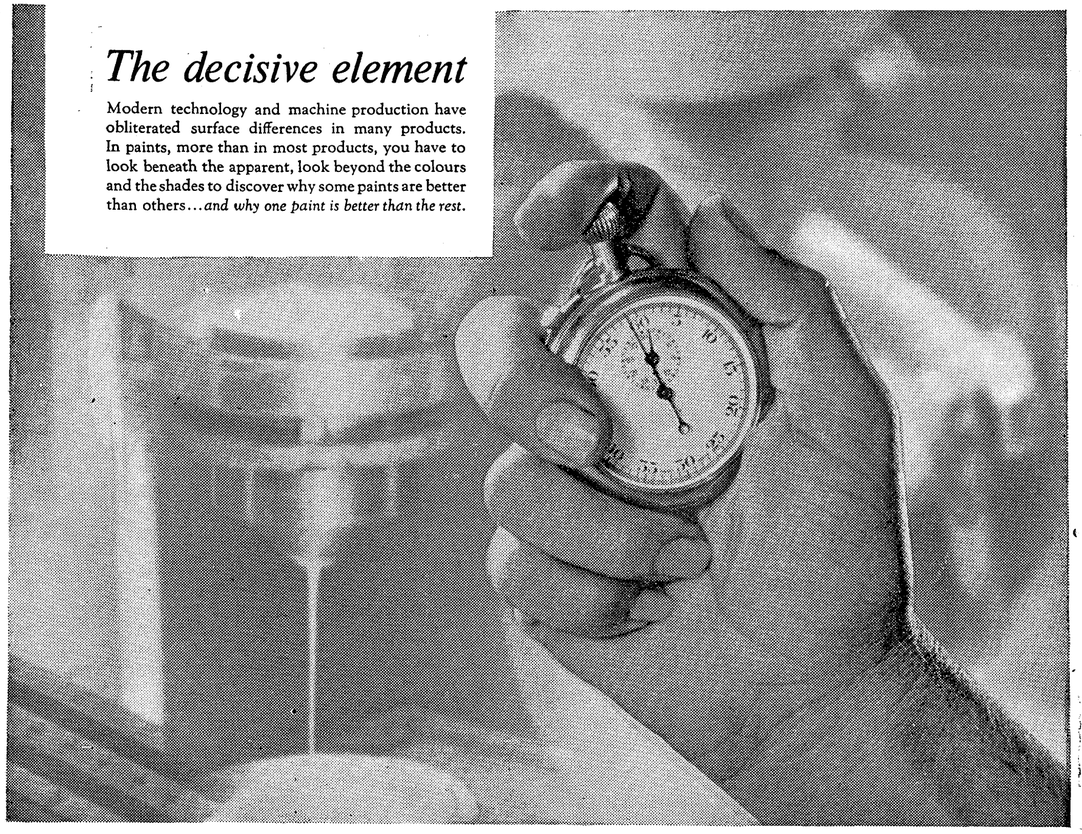

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expeditiously. On the question of deposit mobilisation, Dr. Meenai commends for acceptance the following course of action:

The procedural framework in which banks work must be simplified especially in respect of small accounts.

It is necessary not only to minimise the risk element but also to make depositors aware of all the advantages that they can obtain by dealing through banks.

People must be educated in the methods of operating bank accounts.

The banks must gradually move towards a higher deposit-rates structure; the real purpose must be to achieve a material increase in average deposit rates—they range from slightly above 1 per cent, whereas the average advance rate is well above 5 per cent—rather than setting the banks against one another.

Everything possible must be done to enlarge the institutional framework of the banking system by enabling it to spread its offices far and wide.

There seems to be a powerful case for providing a measure of fiscal incentive—as, for instance, tax exemption on interest income—for deposit-mobilisation and promotion of banking habit.

Banking Facilities

A brief reference to Dr. Meenai's picture of the growth of banking facilities in Pakistan over the past few years may be made here. Between 1st July 1948 and 30th June 1962, while the number of scheduled banks has declined from 38 to 33, the number of banking offices has increased from 195 to 713 (217 in East Pakistan and 496 in West Pakistan). The country has now one bank office per 131,500 of population, as against one office per 150,000 persons at the end of the first Five-year Plan. The second Plan (1960-65) target of 250 additional bank offices had been more than fulfilled by June 1962.

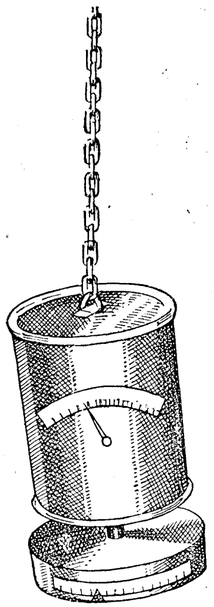
Dr. Meenai is of the view that the question of the State Bank providing financial resources to the State-sponsored credit corporations will assume larger proportions in the years to come. He feels that this problem can be tackled, as in the case of India, through the establishment of a Refinance Corporation. And he makes it clear that, to the extent the State Bank has to assist the State-sponsored corporations, it may have to cut down its assistance to the commercial banking system.

How the Government of Pakistan's operations and policies have impinged upon the credit situation and what policy adjustments are warranted to rectify the position have also been discussed by Dr. Meenai. The total advances made by scheduled banks to the Government have gone up quite perceptibly from Rs. 11.82 crores in 1957-58 to Rs. 44.61 crores, raising the percentage share of Government in the total bank credit from 9.6 to 11.4. Dr. Meenai has not hesitated to urge for greater restraint on the part of the Government in exercising its claim on bank resources.

Interest Rate Policy

The interest rate policy has also been examined at some length by Dr. Meenai. In his considered view, a rise in Bank rate from the present level of 4 per cent, to which level it was raised from 3 per cent in January 1959, can hardly exert any decisive influence in restraining consumption, in view of the substantial non-monetised sector net covered by the banking system, the nascent stage of the Gilt-edged market, the disruptive effects of a steep decline in the market value of fixed-interest bearing securities on the country's financial structure and the growth requirements of the economy. As an alternative, Dr. Meenai has advocated the institution of a quota system under which the banks will have to pay a penal rate of interest on a graduated scale, if their borrowings from the State Bank exceed certain limits. This system, he says, combines the twin advantages of curbing credit demand and providing an incentive for mobilising deposits by pushing up deposit rates. As a corollary of this system, he suggests the need for necessary adjustments in the Gilt-edged market so as to raise the yield and mark down prices, thus taking away the incentive for unloading securities on the State Bank. He wants the Government to be persuaded to agree to a higher yield pattern on its future borrowing programmes. In particular, he emphasises that the Government should convert a good part of the *ad hoc* Treasury Bills into a funded debt carrying a more realistic rate of interest.

It will be noted from this account of Dr. Meenai's recommendations that he wants the State Bank of Pakistan and the Government of Pakistan to adopt measures similar to those which have been in force in this country for nearly two years. This is an indirect tribute to India's monetary policy.



DOODLE BUG

In the early days of oil, prospectors were introduced to an amazing invention which, it was claimed, would detect underground oilfields. The device appeared to be merely a tin suspended from a chain. Held above the ground it would whiz round and point out the place where oil was sure to be found.

Of course the whole thing was a hoax. Oil explorers have learnt better since then. Today, scientific instruments are in use which really *do* help the search, but the final answer always depends on the driller's test well.

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UNEVENNESS IN COTTON TEXTILE TRADE

MILLOWNERS EXTREMELY CAUTIOUS

From Our Special Correspondent

MANCHESTER, 4th *December*

MANCHESTER LETTER

"PUBLIC confidence in the well-being of an industry is something which has to be worked for." With these words, Sir Cuthbert Clegg, as Chairman of Combined English Mills (Spinners) Ltd., put in a nutshell what many people within the Lancashire trade are thinking. That his additional comments on current conditions reached a wide public through the medium of "banner" headlines was not entirely his fault. It is cotton's misfortune that both its ills and its prosperous periods are often magnified beyond justification. Good tidings from an industry are exceedingly welcome, but they can be built up beyond their immediate importance. Equally so, the depressing phases, as Lancashire knows only too well, can be made to sound far more disastrous than they really are.

At the same time, Sir Cuthbert mentioned twin factors which the local industry must accept if it is to gain ground in the years ahead. Both are fundamental, but there is in some quarters a slight tendency to take an ostrich-like attitude of ignoring the obvious. The first objective, he said, was to recognise the challenge of the new Europe in the conception of Britain as a member of the Common Market. More than average efficiency, including high machine utilisation and good management, would be needed to take full advantage of the new conditions. The second acceptance was of the fact that considerable imports of cheap cloth from the Far East Commonwealth countries were here to stay. "Since the ceilings to the level of imports have already been fixed by the Government to the end of 1965, we must carve out a market which takes those imports into consideration," he declared.

The current situation, in which more activity has emerged, has led to some contradictory statements being made. Sir Cuthbert reported a general improvement in the volume of business. Increased demand, he added, has made it possible to refuse unprofitable business. Others within the industry, while not challenging the fact that further negotiations are in progress on a wide front, do not subscribe to the view that margins have risen to a point where they can be described as even reasonably remunerative. Stocks of manufactured goods in the pipelines, according to Sir Cuthbert, are decreasing while many weaving and hosiery trade consumers of yarn are fully employed, and are delivering all their production.

Emblazoned on the front page of a newspaper circulating widely in City circles, this encouraging comment has been reflected in a sharp advance in textile share prices. Without wishing to pour cold water on this laudable attempt to restore confidence to the industry, it can scarcely be denied that some of the financial figures likely to be received in the next few weeks will have just that effect. The stock markets will then quickly forget that returns published in December cover the major part of a year when business has been negligible and margins disappointingly low. The outlook, however, is now far more stimulating and should bring a bigger offtake in due course.

Making the Worst of it

As if to illustrate just how contrary the trade can be in doing itself damage, the Textile Action Group emerged from a few weeks of self-imposed seclusion with a statement refuting Sir Cuthbert's comments, apparently with the object of making the worst of the situation. This organisation, whose "off beat" activities have accentuated any cleavage of opinion there may be within the industry, claims to have investigated the position of its members and others, and found "no evidence whatsoever of any improvement in trade sufficient to justify public confidence in the industry as shown by the advance in share prices."

To complete the picture of widespread confusion, Mr. J. H. S. Wishart, Chairman of the Household Textiles Association, chose the same day to deplore the image of the industry presented to the public by the newspapers. From reports appearing in many publications, he said, the public could scarcely be blamed for regarding the cotton trade as "a group of spinners who had failed to move very far away from the machinery of Richard Arkwright, lacking the energy or ability to utilise the new machinery which a generous Government is providing out of the taxpayers' pockets."

Giving Favourable Facts

Such misconceptions, as he said, are all too frequent, but we must join issue with him on certain of his further remarks. "One might expect some newspapers to be interested in presenting news of the firms concerned with expansion and increased employment as against contraction and redundancy," Mr. Wishart said. "I am sure the trade would gladly provide the opportunities for more factual reporting of its activities."

In actual experience, this has not always been the case. We should welcome the opportunity to present the success stories referred to by Lord Rochdale at Harrogate a few weeks ago. Such a project is at present in the blueprint stage, but its effectiveness in brightening the image of the industry will depend very largely on the co-operation received from those individual firms which are prepared to make their good deeds more widely known.

A Sombre Record

Keeping a record of the fortunes and misfortunes of a single industry can be a sobering experience; when that industry comes within the general heading of textiles, with its recognised unevenness in trading, the task can become at times extremely disheartening. Most of the dismal forecasts made by company chairmen earlier in the year are now being reflected in the figures coming to hand. Whereas profits were still being earned in those reports announced in 1961, the threat of a move "into the red" has now in a number of instances become an established fact.

Among the major companies which have lately made announcements both Joshua Hoyle and Sons and Combined English Mills (Spinners) have incurred deficits, the net results being losses of £73,000 and £145,000, as against comparable profits of £236,000 and £465,000, respectively. Such a sharp reversal of fortunes is indicative of the very troubled times through which the trade as a whole has been passing, and seems to emphasise the fact that both horizontal and vertical organisations have found the going equally tough.

Still on the right side of the ledger was the net profit earned by Tootal, but again the figures showed a steep drop, from £340,000 to £195,000. An exception to the general rule, however, was provided by Nahums, whose former net loss of £95,000 became during the past year a small net profit of £7,000. In contrast, the profit of £35,000 previously announced by Thorne & Co., the merchanting group, has been transformed into a trading loss of £250.

Cautious Approach

Most boards of directors are being extremely cautious in their approach to the future, which is scarcely surprising after the disturbing experience of the recent past. Interim dividends have been almost uniformly lower than 12 months ago and among those companies which have reduced their payment in this way are Hayeshaw, Clegg and Orr, Crosses and Heatons and Swan Lane Spinning. Several textile firms have issued statements which contain direct warnings to shareholders and public alike about future trends. For example, John Bright and Bros., although maintaining their interim payment, pointed out that reduced margins had already had a marked adverse effect on profits. Wardle and Davenport, the Leek manufacturing group, went further and, in passing the interim dividend, forecast that losses over the full year would be incurred, despite the closure of their hosiery section which had proved unremunerative. On the other hand, a rather better outlook is forecast by Boardman, Marden, whose transfer from straightforward textile manufacturing to making-up and the drapery trade has involved some

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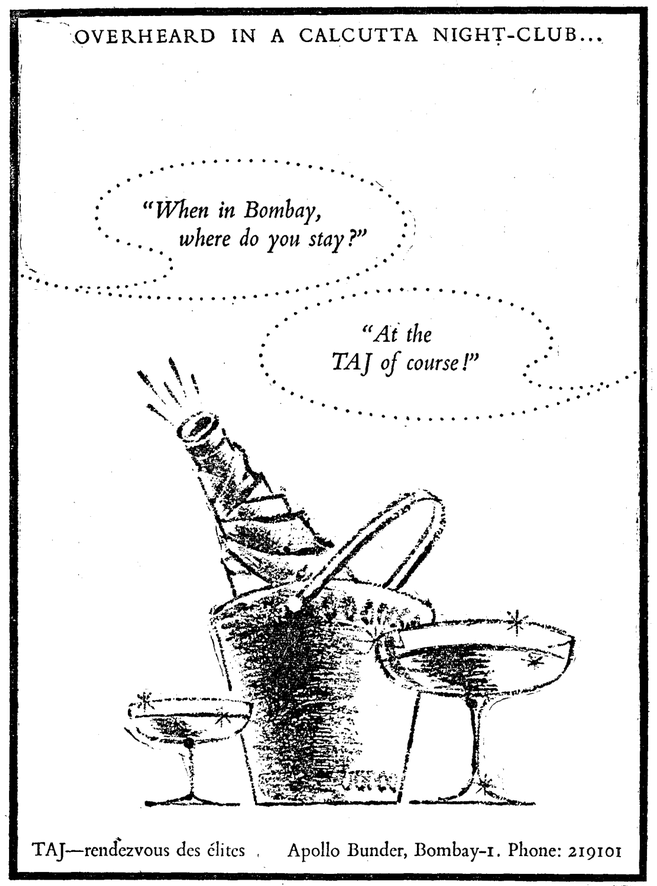


IHTY-4

COTTON SUPPLY SITUATION

SHARP FALL IN FUTURES CONTRACT

THE cotton futures market has depicted a persistently declining trend of late. The fall in futures values, which started since the beginning of November, has now developed into a veritable slump. The Jarilla March 1963 contract, the only hedge contract of the season, has recorded a fall of as much as Rs. 77 per three quintals since the beginning of November when the downward trend started. Thus, it is currently quoted at as low as Rs. 668 per three quintals, as compared with Rs. 747 as on 1st November last.

In a bid to arrest the fall in prices and to eliminate wide fluctuations, the Forward Markets Commission has decided to limit, with immediate effect, the weekly fall in the price of the Jarilla March contract traded at the East India Cotton Association, Bombay, to Rs. 10, when the price rules below Rs. 675 per three quintals. Accordingly, for the current week, which commenced on Monday the 10th inst., forward trading will not be permitted below Rs. 622.25, that is, Rs. 10 below the closing rate on that date. For the next week, the limit will be fixed with reference to the closing price on the last trading day of the week. Similar limits have also been prescribed for contracts at other recognised associations at Ahmedabad, Akola and Ujjain.

The setback in cotton futures is attributed to many factors. The most important of them is lack of mill support. Mills are said to be worried about heavy accumulation of cloth stocks with them which are currently estimated at 646 million yards, as compared with 571 million yards at this time last year. In the normal course, stocks of this magnitude, which are equivalent to only six weeks' domestic consumption, should not cause much strain on the finances of mill companies. But in the context of the banks' reluctance to make available adequate credit facilities at reasonable rates, mills are said to be feeling the pinch very much. Another factor which has contributed to the bearish trend in the futures market is the expectation of a good crop of 5.4 million bales during the season which is 700,000 bales more than last season's crop of 4.7 million bales. Although the recent unseasonal rain in certain areas had given rise to fears that the crop would be affected, the crop picture has not changed materially. In fact, some are inclined to think that the rains were beneficial for picking and that the crop would be better because of it. Even if the crop turned out to be a little less than the latest unofficial estimates, prices are not expected to rise steeply, thanks to the Government's determination to hold the price line at any cost and stringent controls on the price and distribution of cotton.

Only a Temporary Phase

Another factor is the commonly held view that, in view of the present emergency, the Government would be more successful in persuading the U.S. to supply more P.L. 480 cotton than was believed at one time. This view has been strengthened by reports that India has indicated the extent of its requirements of foreign cotton and asked for more P.L. 480 cotton from the U.S. The news that several barter proposals involving exchange of materials which this country can spare for raw cotton are under study by the State Trading Corporation has also encouraged the hope that sufficient foreign cotton would be available to fill the gap between the prospective supply and demand. It remains to be seen whether all these speculations, including that on the size of the crop, will prove correct in course of time, but the fact remains that a bearish fervour is now widely prevalent, with its depressing effect on futures prices. But knowledgeable observers, who are level-headed and take a long-range view of things, are inclined to think that the present debacle in cotton futures is only a temporary phase and that prices are bound to recover. Their reasoning is on the following lines:

The current season started with a record low carryover stock of 1.6 million bales. If the crop turns out to be 5.4 million bales as is now rumoured, the total supply, excluding imports would be 7 million bales. As against this, the estimated requirement of cotton during the season is 8.4 million bales, comprising 5.9 million bales for consumption by mills and non-mill units, 300,000 bales for exports and 2.2 million bales for stock at the end of the season. The gap to be filled through imports is, therefore, 1.4 million bales. As against this, the import quotas released so far in the season, less the recent cut in the global quota, aggregate no more than 555,000 bales. A quantity of 250,000 bales from last season's quota is expected to arrive this season. This still leaves a gap of about 600,000 bales which has got to be filled by imports whether it be from the U.S. or other countries. The entire calculation is based on the fact that the crop would be 5.4 million bales. If it falls short, imports would have to be stepped up to the extent of the shortfall.

Unwarranted Speculation

As everyone knows, it is still too early for one to be sure of the size of the current crop. One severe cold wave in January or February will be sufficient to deflate the crop substantially. Accordingly, those who are spreading a bearish view of cotton and depressing the contract are simply indulging in unwarranted speculation. Surely, they are not performing any useful function. On the contrary, they are creating a false impression which may generate a feeling of complacency among officials, undermine the Government's efforts to get more P.L. 480 cotton and revive the demand by politicians that the Government should intervene to arrest the downward trend in prices. All that is now happening in the spot market is only a healthy readjustment of prices from the unduly high levels to which they had climbed earlier under conditions of scarcity. Several varieties of cotton are still available only at ceilings or a few rupees under. It must be borne in mind, in this connection, that the ceilings for the current season were enhanced by as much as Rs. 125 per candy or Rs. 35 per quintal. So the growers are actually getting more than what they received last year. There is, therefore, no need for anyone to feel concerned about the interests of growers.

MANCHESTER LETTER

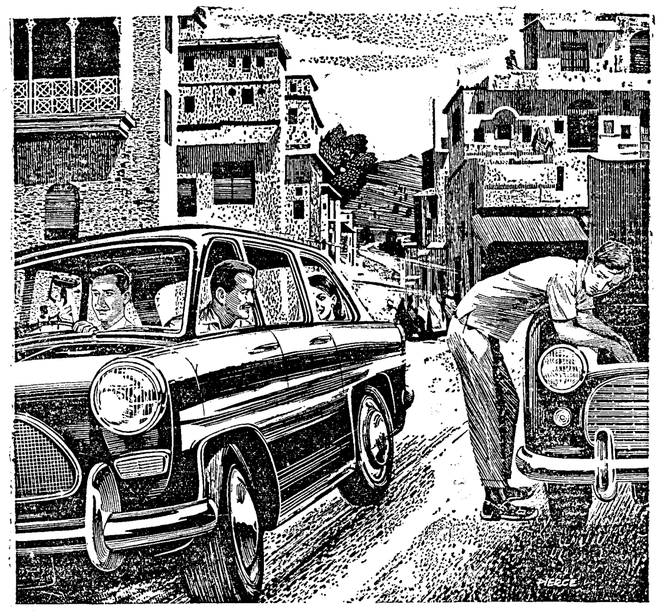
(*Concluded from previous page*)

difficult phases, as well as extremely prosperous periods during the past few years. The latest report suggests satisfactory overall figures for the half-year, but no record in sight.

In the meantime, one of the trade's most forthright spokesmen, Major J. A. Barber-Lomax, Chairman of Barber Textile Corporation, has commented on the import situation in terms which most of his colleagues and competitors would echo: "It is not unreasonable to expect the Government to look after our well-established cotton textile industry, so that some 80 per cent of home trade requirements be supplied by the trade of which we are members. If this were the policy, trading conditions would quickly improve and ensure a fair return on the capital employed in our group activities."

Lest it should be thought that textile firms have been alone in their experience of disintegrating margins, it should be emphasised that large sectors of British industry are equally struggling against an adverse tide. From engineering works, paper manufacturing units, even light industrial undertakings and producers of some of the modern plastic inventions, have come statements which describe a constant battle to keep machinery engaged and avoid accepting business at scarcely remunerative levels.

Steps lately taken by the Government to ease the restraints on business may eventually have far-reaching effects. Certainly more initiative seems to be at hand, and the mood is more optimistic. For consumer industries, especially textiles, it may be a straw in the wind that a Manchester-based departmental store, with branches in other cities, has lately announced that its sales increased by 24 per cent in the past half-year. If this trend is reflected in other directions, even at a lower level, its impact on merchants must be considerable.



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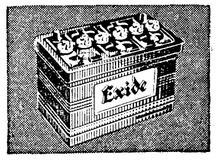

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WAR RISKS INSURANCE LEGISLATION

LOK SABHA GIVES ITS APPROVAL

THE Lok Sabha gave its quick approval on the 7th inst. to the Emergency Risks (Goods) Insurance Bill and Emergency Risks (Factories) Insurance Bill, subject to two amendments. These Bills seek to empower the Government to insure, on a compulsory basis, goods and factories, as defined in the Bills, against the risks of loss or damage arising from enemy action. Of the two amendments adopted by the House, one lays down a ceiling on premium rates applicable to goods and factories and the other reduces the minimum insurable limit for goods from Rs. 50,000 proposed in the Bill to Rs. 30,000. Provision is, however, made for optional insurance of goods below the minimum limit. This is to afford protection to small traders who might like to cover their goods against possible loss or damage. The amendment seeking to lower the minimum insurable limit was suggested by a private member, Mr. D. C. Sharma, but, during the debate on the Bill, Mr. Morarji Desai, the Union Finance Minister, who piloted both the Bills, accepted the suggestion and moved the amendment himself.

It is noteworthy that originally the Bills did not specify a ceiling rate for goods, factories or inland vessels, although the explanatory memorandum had indicated the maximum rates the Government had in mind. These were two per cent per annum of the insurable value in respect of factories and three-fourths of one per cent per quarter or 3 per cent per annum in respect of goods. But the Bills, as amended, fixed 3 per cent as the ceiling rate for both factories and goods, thereby making a departure from the ceiling proposed in the memoranda in respect of factories. The Finance Minister, however, indicated to the House that the premium rates for factories would not exceed 2 per cent in actual practice and 3 per cent for inland vessels. He also assured the House that the ceiling rate would not necessarily be the rate applicable to goods and factories at the start of the scheme or during the major part of the duration of the scheme. They were the permissible maximum upto which the Government could go. In other words, the actual rates to be charged would vary from time to time and depend upon the Government's assessment of the risks involved. Mr. Desai gave the assurance that, in determining what should be the prevailing rate from time to time, for goods during the present emergency, the Government would keep in view all the relevant considerations and circumstances and would take fully into account the views expressed by members from time to time in Parliament. He admitted that the Government was not yet in a position to arrive at an accurate judgment of the variety or degree of risks involved. Although the Government had, for its own working purposes, a very broad picture of the insurance value of the goods and factories covered under the scheme, this estimate, he said, was very much in the nature of a guess and did not even give the estimated figures. It was not possible, he averred, to forecast with any degree of accuracy, the premium revenue which might be obtained on the basis of a given schedule of rates.

No Exemption for Public Sector

Clarifying the position regarding the applicability of the scheme, Mr. Desai said that the scheme would not apply to Government departments or departmentally-run undertakings but would apply, without distinction, to factories and plants in the public sector run on commercial lines in the same way as it did to those in the private sector. The Government, he pointed out, unlike private property owners, was in a position to bear the risks of loss or damage from war. It did not need at present, any more than it did in the last war, any insurance for itself. According to him it was a moot point whether, from the point of view of the adequacy of the insurance fund, the extension of the scheme to cover Government property would be worthwhile or desirable, if it were to lead, owing to a combination of circumstances, to a net surplus in the fund which the Government will be claiming back at a later stage or to a net deficit in the fund which may have to be wiped out by the Government itself. Moreover, the administrative difficulties of extending the scheme so as to cover Government stocks were immense. The decision to include autonomous public corporations and undertakings was deliberately taken because the Government thought it was undesirable to discriminate between public and private undertakings run on commercial lines.

As regards the goods to be covered under the scheme, the Finance Minister said that goods excluded from the scheme were broadly the same as those in the last world war, but, if any special problem existed in relation to goods of any class or description, the Government would have the power to include or exclude them. The present scheme differed from the last war scheme only in one significant respect, apart from the obvious difference in premium rate; the difference lay in the inclusion under the scheme of oil installations and tea gardens. As in the case of factories in the public sector, goods owned by Government corporations and companies will come under the scheme, while those owned by Government departments will be excluded.

Modest Aim

Explaining the objects of the scheme, Mr. Morarji Desai said that the scheme was intended to ensure that industrial and commercial activity were not hampered, because of the fear of what may happen as a result of political or military action, and that normal production, sale and movement of commodities continued uninterrupted. He made it clear that property in various forms such as land and growing crops (excluding tea), residential houses, or household goods owned and held for purposes other than sale would be excluded from the scheme. He gave no rational explanation for leaving out these assets. All that he had to say was that it was neither necessary nor possible to cover, in a scheme of insurance of this kind, the entire physical wealth of the country. In reply to suggestions from members of Parliament that agricultural crops and buildings in cities also should have the benefit of insurance, Mr. Desai merely repeated his argument that the Government did not think it proper, or practicable for administrative and other reasons, to provide cover for them now.

He, however, said that the Government would again consider the matter and if the necessity arose, bring these properties also within the ambit of the war risks insurance. Accordingly, the argument about administrative feasibility is only a lame excuse.

It is true that insurance of agricultural crops against risks of damage by war is difficult because of the peculiar nature and uncertainties inherent in agricultural operations in this country and the total absence of any experience of crop insurance to go by. But this is not an adequate explanation. Surely, a way out will have to be found to give protection to livestock, standing crops, orchards and other plantation crops too. It is not clear as to why the poor farmers should be exposed to the risks of war without any certainty of getting adequate compensation. It is true that the Centre will not be able to handle this job adequately, but that is no excuse, for the State Governments may be asked to administer the scheme.

The problem of insuring immovable property such as residential buildings, houses, etc., should not present any insuperable difficulties. It is easy to assess their value and fix premiums. Moreover, in urban areas, they are usually insured against fire risks. It may be recalled here that, in the U.K., the War Damage Acts 1941-45 provided cover for all immovable property and chattels as well. It is not suggested that protection for all the assets now left out should be provided forthwith. With a lull in fighting and with the Chinese gradually withdrawing their forces from N.E.F.A., there has been a lessening of the emergency. But as the revival of hostilities cannot be ruled out, the Government should be ready with the necessary scheme which can be given effect as soon as the necessity arises. The absence of this approach in the Government's plan is a disquieting feature and, therefore, highly deplorable.

Oriental Sole Agent

The Finance Minister set at rest the doubts regarding the agency for administering the scheme caused by the absence of any reference to it in the Bills by disclosing that the Government intended to appoint the Oriental Fire and General Insurance Company, a subsidiary of the Life Insurance Corporation of India, as the Government's sole agent. In spite of the Minister's assurance that the Oriental would make adequate arrangement for the smooth and efficient functioning of the scheme, opinion in the House was divided on the question whether one company, and that too State-owned, should be given the monopoly of administering the scheme, especially because private insurers had offered to act as agents even without charging any commission. But the House seems to have finally accepted the Government's assertion that the Oriental could do the job without the assistance of private insurers. One fails to understand this stubborn insistence on the part of the Government that only the public sector insurer should administer the scheme even when private insurers have offered their services free of cost. It is obvious that it will be physically impossible for any one company, however big, to deal with the enormous task involved. It may be noted here that the Oriental has only about 100 offices in the country and these are supposed to insure goods and factories scattered over the entire length and breadth of India. There is no mystery behind this attitude of the Government. It is plain enough to suggest that the Government does not wish to encourage general insurance in the private sector and that it is tolerating private insurers now merely because it does not suit its convenience to take over their activities.

Before concluding this article, one may record here the categorical assurance of Mr. Morarji Desai that it is not the intention of the Government to introduce a taxation measure in the guise of an insurance Bill and that, "in fixing the actual rate of premium, the Government will not have a fiscal motive." This is a welcome assurance and rejects as unacceptable the opinion of some that the war risks insurance scheme will serve the additional purpose of raising finance for war effort.

MISLEADING THE LAYMAN

In a communication addressed to us, Mr. T. S. Krishnamurthi of Madras observes as follows:

"Mr. O. S. Gupta's article on the 'Investment Element in Life Insurance,' published on page 916 of *Commerce* dated 24th November 1962, must have shocked all your readers. The learned Professor thinks that Life Insurance has no element of investment and that to say, as we have been saying, that an increasing portion of his total premium always belongs to him, which he can get as surrender value on surrendering his policy, is misleading. I hope the learned Professor will not expect to get any surrender value on the policies of life insurance he might have taken.

"It is true there is another in the nature of insurance, whether it is life insurance or any other class of insurance, that by itself contains an element of investment in it. Undoubtedly, insurance as such is not an investment. It is purely protection and the premiums that the insured pays is the price that he pays for eliminating the uncertainty of loss. Hence, if a person effects a life insurance policy under what is called a term insurance contract, the insurer agrees to pay a certain sum only in the event of his death during the period, just as a fire insurer agrees to pay a certain amount by way of indemnity in the event of damage or destruction to, the insured property. If the life assured, in the above case, survives the period or the property does not suffer any damage during this period, nothing is payable to the insured.

"But, there is nothing to prevent to combine an element of saving with life insurance and all plans of life assurance, which are called permanent contracts, mix an element of insurance with a large element of investment. An endowment assurance policy is definitely a combination of decreasing term assurance with an accumulating investment. Mr. Gupta calls this definition misleading and says that it is based on a wrong foundation that the fund of policies in any generation, which an insurance company, carried at any time, is divisible *pro rata* into each individual policy. If an insurance company issues only endowment assurance policies, this statement is definitely true and the life insurance fund is apportionable among all the policyholders who have paid the premium. This is the reason why surrender values are paid and the Insurance Act stipulates that a similar policy of life insurance must have a guaranteed surrender value, which should be stated in the policy itself.

"Under these circumstances, it is quite true that, behind every policy that is issued, the insurer holds a certain amount of reserve. Actuaries can calculate what this reserve for each policy is individually. Prof. Gupta has also confused between the investment element of the policyholder and the investment element of the insurer. This explains his statement that, even in property insurance, there is an investment element, because the insurer holds some money with him. When we say that life insurance contains an investment element, what is referred to is not that the insurer has got money for investment, but that every policyholder who contributes premium does accumulate a saving which is guaranteed to him by a statutory Act and the policy contract. It will be good for the life insurance companies if people can be satisfied with Mr. Gupta's explanation and do not expect surrender value to be paid on their policies, with a shrug of their shoulders that life insurance is very costly. If we were to say to a holder of an endowment assurance policy that either he should live or die in order to get any money from us, then probably Mr. Gupta's statement would be right. But, we do not say so, and I am sure that Mr. Gupta does not expect us to say so, in regard to his policies."

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PROSPECTS FOR E.N.I., THE ITALIAN STATE-OWNED OIL COMPANY

A NEW PHASE HAS BEGUN

AS was to be expected, the Italian Government quickly appointed a successor to the late Signor Enrico Mattei, President of the state-owned E.N.I., who died tragically at the end of October when his aircraft crashed near Milan. The natural succession has been followed. The organisation's Vice-President, Professor Marcello Boldrini, who has long held that office, becomes President, and the General Manager, Dr. Eugenio Cefis, becomes the Vice-President. The present appointment of President is, however, for a period of about six months, this being the unexpired time of Signor Mattei's current three-year term of office. Professor Boldrini is 72 years of age, and, besides serving A.G.I.P. and then E.N.I., he has continued his life-long distinguished academic career.

In the nature of things, his tenure of office is unlikely to be a long one. A general election is due in Italy in the spring and, as some of E.N.I.'s activities have aroused considerable political controversy, the appointment for the next full three-year term of E.N.I.'s presidency will certainly be influenced to a great extent by the election results. The choice of candidates able and willing to direct such an organisation can never be very wide. Also, but irrespective of who may be the holder of the office of President, the Italian Government of the day can, if it is so minded, exert a considerable influence upon E.N.I.'s affairs through its power to sanction investment which it has not always been able to do in recent years.

Something of a Rebel

All large organisations have their own built-in continuity and momentum which ensure that their business can be conducted irrespective of who may be the holders of the few highest posts. Nevertheless, a change of helmsman in this instance is of especial interest: first, because of the highly personal rule of Signor Mattei, and, to many, the disturbing policies which he evolved and pursued; secondly, because changes in policy hitherto deemed, for political reasons, virtually impossible to make may now become feasible. All this does not only concern oil matters. E.N.I.'s activities have also affected several other sectors of Italian industry and had a bearing on issues transcending the production and buying and selling of oil. Indeed, it may be said that the world-wide notability that Signor Mattei had achieved did not rest, in the main, upon his achievements as an oilman. The heads of far larger oil concerns, State-owned or private, whose solid achievements in the oil world far outweigh his, remain relatively unknown figures in their country and abroad. But Signor Mattei was by nature something of a rebel and he presented the figure of the bold noble pioneer that got things done. In Italy, he was seen as one of the modern industrial leaders, but better known than the others, who injected new life and verve into the industrial scene helping to bring unprecedented prosperity to northern Italy and some to less favoured regions of the country too. The very fact that he gave rise to public criticism and controversy helped him; and, where political issues and passions are aroused, cold economic facts or the challenge of principles evoke comparatively little interest. Abroad, he was often regarded as the David face to face with the Goliaths of the oil industry, and evidently enjoyed the role. One of his notable achievements, fleeting though it may be, was that, despite a natural personal modesty, he became a tremendous public relations success from which E.N.I.'s activities greatly benefited. The press, radio and television of all countries, always eager for the colourful, the dramatic, the challenging, made him "news." This magic, and the aura of his personality have gone. The critics of E.N.I. are strengthened, and rational examination of some of E.N.I's activities will now be possible and will no doubt be undertaken.

In such an inquest three major issues will present themselves. The basic one which this, or the next, Italian Government has to consider is whether an entity of the Italian State is to persist in seeking to disrupt the international oil trade by challenging, as Signor Mattei did, the ordinary commercial principles upon which the international oil industry rests. He preached the virtual elimination of the international oil companies as we know them today and their substitution by direct trading between the Governments of oil-exporting and oil-importing countries, who would then use the oil companies' organisations to work on their behalf. Allowance must be made for the fact that there was an element of rancour in Signor Mattei's attitude to the major oil companies, and that he was not particularly given to philosophical reflection. He probably never thought through the implications of this particular notion, which, apart from its impracticability, is quite incompatible with the notions that underlie a free society. Italy is entitled to share in international oil trading, and her special interest in the Mediterranean area is recognised. However, while commercial competition from State-owned concerns is normal and acceptable, attacks of the kind made by an appointee of a Government whose country is itself highly dependent upon the achievements and progress of the international oil industry is quite another matter.

E.N.I. has formed an impressive list of local companies in developing countries, but few are as yet of much significance as far as volume of trade is concerned. More widely known are the so-called 75/25 exploration and production partnerships in favour of local Governments concluded with some countries. The only partnership of this kind which has come to full fruition so far is that with the State-owned National Iranian Oil Company in S.I.R.I.P., now a producer of oil. But N.I.O.C. has been unwilling to make available its half share of the capital outlay, with the result that it is not now receiving any income from current production which it would otherwise be doing under the customary 50/50 arrangements where the oil company provides all the risk capital. Also, of course, the Italian authorities must ponder whether the home economy should not have had first claim upon some of the State-owned capital resources E.N.I. has ventured abroad, and whether it must make this claim in the future.

Russian Oil

The second important matter that calls for decision is E.N.I.'s big purchases of Russian oil upon which, together with its virtual monopoly of the natural gas in the Po Valley, E.N.I.'s commercial viability largely rests. There is a commitment under the Italo-Russian trade treaty until 1965, which will, of course, be carried out. N.A.T.O., as well as Italy's partners in the Common Market, frown on this high dependence on Russian oil, and the hitherto suppressed voices in Italy will no doubt now lodge their protests too.

The third major issue to be considered by the Italian authorities is how far a State entity, originally destined to deal with matters of energy, and enjoying various privileges, should diversify so as to encroach on other established Italian industries; for example, its ventures into civil and mechanical engineering, synthetic rubber, fertilisers, petro-chemicals, motels, etc. All these satisfied Signor Mattei's ambitions but it is widely believed that many of these extensions of activity are basically uneconomic, a fact which is masked by the support they receive from E.N.I.'s activities in the field of energy. The finances of E.N.I. may now also receive closer analysis, not least in view of its heavy borrowings and the mounting interest charges.

In any event, henceforth E.N.I. will not be quite the same as before. The work of the always essential pioneer has ended, and a new phase has begun in which fundamental issues of national policy must be squarely faced.—*By special arrangement with Petroleum Press Service.*

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The Company owns and operates a fully integrated aluminium industry of substantial size and flexibility. The details of its existing operating facilities are as follows:

Product	Plant Site	Annual Capacity (metric tonnes)	
Alumina	Muri, Bihar*		55,000
Ingot	Hirakud, Orissa	20,300	
Ingot	Alupuram, Alwaye, Kerala	5,120	25,420
Sheet & Circle	Belur, West Bengal	16,800	
Extrusion	Alupuram, Alwaye, Kerala	3,760	
Powder	Kalwa, Maharashtra	600	21,160

**with related bauxite mining facilities at Lohardaga, Bihar*

DEVELOPMENT PLANS

The Company plans to carry out an expansion programme, consisting of (i) the expansion of the ingot capacity at Alupuram, Kerala to 10,850 tonnes per annum by setting up a second smelter adjacent to the existing one, and (ii) the setting up of an aluminium foil rolling and finishing mill with an annual capacity of 2,500 tonnes in Maharashtra.

BOARD OF DIRECTORS

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MUTHIAH ANNAMALAI CHIDAMBARAM
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JAMES LESLIE ESPLEN
CHUNI LAL KATIAL
SIR UDAY CHAND MAHATAB, K.C.I.E., *Maharajadhiraja Bahadur of Burdwan*
MANU SUBEDAR

SHARE CAPITAL

Authorized		Issued, Subscribed & Paid Up
Rs. 5,60,00,000	Ordinary Shares of Rs. 10 each	Rs. 4,00,22,440
	6½% Cumulative Redeemable	
Rs. 40,00,000	Preference Shares of Rs. 100 each	Rs. 40,00,000
Rs. 6,00,00,000		Rs. 4,40,22,440

LOAN CAPITAL

		Issued, Subscribed & Paid Up
Rs. 2,68,13,200	5% Convertible Loan Stock 1971/81 (unsecured)	Rs. 2,68,13,200*
Rs. 3,00,00,000	6¼% Debenture Stock 1970/75 (first mortgage)	Rs. 3,00,00,000

**of which Rs. 69,000 is outstanding, the rest having been converted into Ordinary Shares*

ISSUE OF Rs. 1,00,00,000 7% Debenture Stock 1971/76 (first mortgage) at par in units of Rs. 500 (nominal or par value) payable in full on application.

UNDERWRITERS

	Debenture Stock Underwritten
The Industrial Credit and Investment Corporation of India Limited, 163 Backbay Reclamation, Bombay-1	Rs. 50,00,000
Life Insurance Corporation of India, "Jeevan-Kendra", Jamshedji Tata Road, Bombay-1	Rs. 50,00,000

Out of the Rs. 1,00,00,000 Debenture Stock now being issued for public subscription and underwritten, the Company has agreed to the firm allotment of Rs. 25,00,000 Debenture Stock to The Industrial Credit and Investment Corporation of India Ltd. in accordance with the underwriting arrangement with them.

SUBSCRIPTION LIST

The Subscription List will open at the commencement of banking hours on 17th December 1962 and will remain open until the close of banking hours on 22nd December 1962 or, at the discretion of the Directors, *until a later date.*

PROSPECTUS AND APPLICATION FORMS

Copies of the Prospectus, on the basis of which alone the Debenture Stock will be issued, and application forms may be obtained from the following:

(a) any branch in India of National and Grindlays Bank *Limited*, **(b)** any branch in India of First National City Bank, **(c)** any branch of The Bank of India Limited situated at Ahmedabad, Baroda, Bombay, Calcutta, Cochin, Delhi, Ernakulam, Hyderabad, Indore, Jamshedpur, Kanpur, Madras, Nagpur, New Delhi, Poona and Surat, **(d)** Place, Siddons & Gough (Private) Limited, 6 *Lyons Range, Calcutta-1*, **(e)** Batlivala & Karani, Union Bank Building, Dalal Street, Fort, Bombay-1, **(f)** Lewis & Jones, Bank of Baroda Building, Apollo Street, Fort, Bombay-1, **(g)** Harkisondass Lukhmidass, 5 Hamam Street, Fort, Bombay-1, **(h)** Merwanjee Bomanjee Dalal, Allahabad Bank Building, Apollo Street, Fort, Bombay-1, **(i)** Paterson & Co., 22 Errabalu Chetty Street, P.O. Box 48, Madras-1, and **(j)** Harbans Singh Mehta & Co., 33 Regal Building, Parliament Street, *P.O. Box 300, New Delhi-1.*

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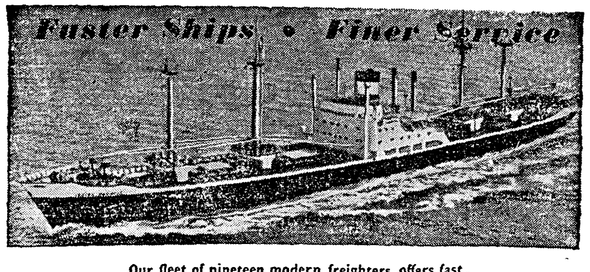

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FUTURE GROWTH OF OIL INDUSTRY

SOME LESSONS FROM RUSSIAN EXPERIENCE

IT is well known that India has a very low consumption of petroleum products. In *per capita* terms, its consumption is a little more than four gallons, as compared with six gallons in Pakistan, 13 gallons in Thailand and 663 gallons in the United States. The aggregate consumption of petroleum products in the country last year was about 8.5 million tons. To meet this demand, India is now importing about 6 million tons of crude oil for refining and about 2.5 million tons of finished products. The amount of foreign exchange spent on imports of both crude and refined products in 1961 was of the order of Rs. 79 crores. In the current year, the demand is expected to be about 9-10 million tons. Indigenous production of crude oil, mostly from the Digboi oilfield and, to some extent, from the Nahorkatiya and Ankleshwar oilfields, is now in the neighbourhood of one million tons per annum. According to latest estimates, the annual demand by 1965-66 is expected to be 18-19 million tons in terms of crude oil or around 17-18 million tons in terms of refined products.

If the country is to become completely self-sufficient in its crude oil requirements, more rapid efforts will be necessary to locate more oilfields and establish production of crude. As things stand, the Digboi, Nahorkatiya and Moran oilfields in Assam and the Ankleshwar oilfield in Gujarat are the only productive fields. If everything goes well, these may be expected to produce, at the most optimistic estimate, some 6-7 million tons of crude oil. The deficit in crude requirements by 1965-66 will, therefore, be 12 million tons and this will necessitate doubling the present quantum of annual imports of crude. Whether the newly-discovered Rudrasagar oilfield in Assam will help reduce the deficit is not known, for firm indications regarding the size of its reservoir are not yet available.

On the refining side, the present effective capacity is about 8.0 million tons per annum—5.80 million tons in the Burmah-Shell and Stanvac Refineries, 1.0 million tons in the Caltex Refinery, 0.45 million tons in the Digboi Refinery of the Assam Oil Company and 0.75 million tons in the Government-owned Nunmati Refinery. Two more refineries—one at Barauni in Bihar for processing two million tons of Nahorkatiya crude and the other near Baroda for processing two million tons of Ankleshwar crude—are to be completed during the third Plan period.

The following table shows at a glance the salient features of the existing and proposed refineries:

Company	Location	Cost (Rs. crores)	Year of establishment	Annual capacity (Million tons)
Assam Oil Co. ..	Digboi	N.A.	1901	0.45
Burmah-Shell ..	Bombay	26	1955	3.50
Esso	Bombay	17	1954	2.40
Caltex	Vishakapatnam	15	1957	1.05
Indian Refineries	Gauhati	17.7	1962	0.75
*Indian Refineries	Barauni	40	1963-64	2.00
†O.N.G.C. ..	Koyali	30	1964-65	2.00

* Under construction. † Under planning.

The aggregate refining capacity in both the public and private sectors will thus be a little more than 12 million tons by 1965-66. The deficit, by that year, in product requirements will be 5-6 million tons, assuming that everything will go well with the public-sector refineries under construction. This, again, will necessitate more than doubling the present quantum of annual imports of petroleum products.

It should be clear from the foregoing facts and figures that the real problem facing the oil industry in India is the increasing gap between the crude oil production and the demand for it. Frantic efforts, in the words of the Indian Productivity Team which has just reported on the oil industry in the U.S.S.R., Czechoslovakia and Rumania, have, therefore, to be made to provide more supply of crude oil by finding new oil deposits. Thereafter the crude will have to be extracted, transported, refined and marketed. At each stage, the industry faces a challenge.

How can this challenge be met? In the light of its study of the state of oil industry in the three Communist countries, the Team has reached some conclusions applicable to India and made certain related recommendations. At the outset, the Team has given the finding that, if the present *rate of growth* of oil output in the U.S.S.R. is about 18 million tons per annum, it is due to intensive prospecting operations in that country. Similar efforts on the part of the Indian oil industry, the Team says, are essential to achieve the desired self-sufficiency in oil. The relevant observation of the Team is as follows:

"While the Team lauds the magnificent work done by the Oil and Natural Gas Commission and other organisations, it is clear that the current pace of development needs to be considerably augmented *by all possible means*." (Italics ours.)

When the Team refers in general to the "Indian oil industry" and speaks of augmenting development "by all possible means," it seems to have in mind an increasing role for the private sector, in addition to that of the present dominant role of the public sector in oil exploration and development. If that is so, it passes one's comprehension why the Team should have fought shy of saying it explicity. Obviously, even with the revised higher allocation of about Rs. 200 crores for oil exploration in the third Plan period, the Oil and Natural Gas Commission of the Government of India cannot be confidently expected to deliver the goods on the scale required. For, according to the Team itself which has quoted the estimate of a leading Indian geologist, an investment of Rs. 300 will be necessary for locating and annually producing an extra ton of oil. On this basis, as much as Rs. 360 crores by way of capital investment will be required to locate fresh oilfields and produce additional oil to meet the estimated deficit of 12 million tons by 1965-66. Surely this is a task which will be beyond the capacity of the Oil and Natural Gas Commission with its substantial, but still limited, budget. It is difficult to see how self-sufficiency in crude oil can be achieved without massive participation by private oil companies in oil exploration and development. After all, it may be noted in this connection, only a fringe of the country's 400,000 square miles of sedimentary basins has been probed for oil so far.

As far as the required additional refining capacity is concerned, the Team has emphasised the need for establishing it on the ground that imports of products, which are costlier than crude oil imports in terms of foreign exchange, should be minimised. But, here again, the Team has not explicitly stated whether the additional refining capacity should be established in the public sector or in the private sector. But, in the light of experience in the U.S.S.R. where maximisation of output from existing refineries by simple changes in processes is given top priority, the Team has expressed the opinion that ways and means be explored for fully utilising the existing spare capacity in the refineries. The Team has also recommended, in the light of conditions in Czechoslovakia and Rumania, that a beginning be made in India, too, to manufacture at least drilling, refining, distribution and marketing equipment.

In view of the emergence of a relative surplus in motor gasoline in India, the Team has drawn attention to the current Russian practice of curbing the use of high-speed diesel oil by encouraging the production of petrol-driven engines/vehicles upto 5 tons on the medium range of transport. It has also expressed the view that all refineries planned for the future should be based on minimum gasoline production. The problem of surplus gasoline, according to the Team, could be partly mitigated in the following four ways:

1. Production of naphtha base aviation jet fuel for military use.

2. Use of surplus naphtha for the production of petrochemicals to meet the increasing demands for organic chemicals and consumer goods in the country.

3. Gasification of naphtha for supply of town gas to major cities. This practice, to which Russia, for instance, is giving increasing importance, will result in restricting the use of kerosene as a heating medium.

4. Reduction in the flashpoint specifications of industrial diesel oil will also result in lower gasoline production.

The demand for kerosene will continue to grow even after an effort is made to restrict its use by making available liquefied petroleum gas as an alternate fuel. So the Team has recommended that advanced technological processes be adopted to obtain maximum possible recovery of kerosene distillate fractions from crude oil. In regard to furnace oil, the Team has suggested that its production should be increased by process alterations in the new refineries being set up. To reduce the burden on coal, the Team continues, it may be advisable to make increasing use of furnace oil for railway traction as in the countries visited, particularly the U.S.S.R. Furnace oil, in its view, could also be profitably utilised for thermal power generation. While dealing with lubricants, the Team has noted that only a limited number of grades, about 180, are being marketed even in a highly industrialised country like the U.S.S.R., whereas in India there are at present 1,000 brands of lubricants. There is, according to the Team, great scope for reducing the variety of such lubricants. This would help in improving efficiency and reducing costs.

Some other observations made by the Team in the light of Russian experience may be usefully mentioned in conclusion. In the U.S.S.R., for instance, the trend is to locate a refinery near the market which it is intended to serve. In India, the Team says, it would be more economical to pump the crude oil by pipeline for refining it near the consuming area than to refine the crude at source and then transport the finished products. Secondly, the current trend in Russia is to plan refineries with capacities upto 6 million tons. In India, according to the Team, a refinery unit should have a minimum capacity of two million tons with provision for future expansion to 4-5 million tons. The amount of attention given in Russia to economical refinery operation is another noteworthy aspect which deserves to be emulated in India. On the side of products distribution, the increasing role played by pipelines and water-transport in the U.S.S.R. is equally noteworthy. To relieve the ever-increasing burden on Indian railways, the Team has strongly recommended a change in the present distribution system by increased use of pipeline and water transport. Pipeline transport, it has been found from experience in the countries visited by the Team, contributes most to a low storage cover at production, refining and marketing centres. The present storage cover in India goes up, in some cases, to an unduly high 90 days' capacity. It would also be worthwhile to economise on steel, as in the U.S.S.R., by using reinforced concrete underground tanks. As for automation, the Team has given the finding that, in an age of keen competition, the Indian oil industry cannot afford to neglect an effective weapon for achieving higher productivity. The fact that none of the countries visited has such petroleum regulations as are in force in India also deserves to be highlighted here. In the considered opinion of the Team, the stringent code of practice in India has been responsible for more elaborate construction, involving greater costs and resulting in delays in the execution of plans.

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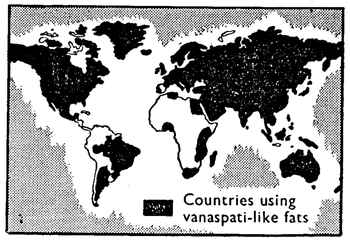
NUTRITIONISTS recommend a minimum daily consumption of 280 gms. of milk per person for a well-balanced diet. Because milk is a complete food in itself—rich in proteins, minerals, vitamins and fats. For vegetarians, milk is the only source of essential animal proteins. Unfortunately, the total availability of milk for direct consumption, as well as for conversion into milk products is only 140 gms. per head per day. And even by the end of the Third Five Year Plan, it will be just 145 gms.

With improved transport facilities and the establishment of more organised dairies, a greater quantity of milk will be available for drinking.



This will benefit not only the consumer, but also the dairy farmer because the sale of milk as such yields a better price to the dairy farmer than the sale of milk products.

More consumption of milk as such means less ghee. In India, as in the advanced countries of the world, Vanaspati will gradually meet the growing demand for a semi-solid fat like ghee. Even in the butter-rich countries of Denmark and Holland, where the dairy industries are well-organised, the major semi-solid fat consumed is vegetable fat very similar to Vanaspati. Vitaminised Vanaspati is nutritionally on par with the purest milk fat obtainable. Furthermore, Vanaspati is very economical because it is made from readily-available vegetable oils.

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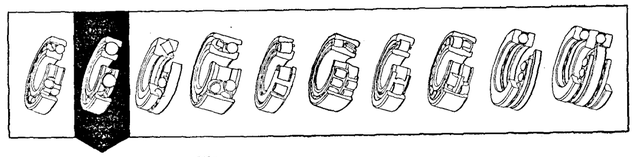

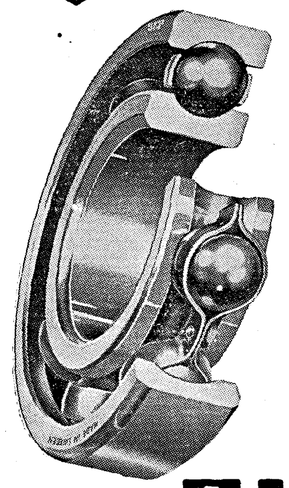

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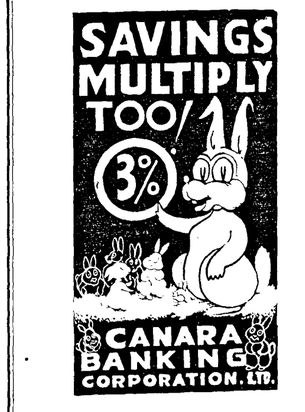

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NEW PRODUCTS AND PROCESSES

New Mobile Motor Generator

A NUMBER of 10 mva. mobile motor-generator sets have in the past few years been delivered by Asea to SJ, the Swedish State Railways, reports the Asea Journal. Previous deliveries by Asea of such sets include units with a rating of 2.9 mva. and 5.8 mva. The large type of sets will meet SJ's increased power requirements as a result of the higher power of locomotives, particularly on the iron ore line in Arctic Sweden and on the local shuttle traffic lines in the Stockholm area. The 10 mva. motor-generator set differs considerably in many of its design features from the two previous types because of the close tolerances in weight and space. While the synchronous motor is virtually of the same design as in previous sets, the synchronous generator is new. The bar-winding previously used has been replaced by a coil-winding with projecting coil ends. Owing to the limited width, oriented sheet steel has been used in the stator thus making the losses lower. The set consists of two vans—a 138-ton converter van and a 59-ton transformer and control van. The two vans are short-coupled and their total length is 20 m. In addition to the 5,200/17,000 V transformer, which is directly connected to the generator, the control van also contains the other equipment needed for starting and supervising the motor-generator, including air-blast circuit-breakers. The motor-generator can be started and phased entirely automatically and the control equipment is also designed for remote control, which is being used on an ever increasing scale in the Swedish State Railways feeder stations. As the three types of motor-generator sets can be run in parallel, great flexibility is obtained and the sub-stations can be run more economically since the total efficiency is improved.

Stitched Containers

Stitching provides a reduction of 93 per cent in the cost of fabricating aluminium containers, according to Steadman Industries, Toronto, Canada. Small panels, either all-aluminium, or plywood bonded to aluminium or steel sheet, are used, and split reinforcing posts are stitched to the panels. Claimed to be as effective as conventional methods such as riveting, bolting or spot welding, the sheet-and-post construction for containers is economical as well. Stitching has been tried before for attaching the reinforcing or stiffening posts to sheets. However, such operations were difficult and quality control was hard to maintain. Steadman's use of split posts is said to have eliminated many of the difficulties. The method can be used to produce truck bodies as well as containers. Steadman intends to concentrate on the container applications but is reported to be licensing the process to other manufacturers.

Pressing Magnesite Bricks

Czechoslovak technicians have successfully solved a new method of making liners for moulds for pressing magnesite bricks. The liners are made of sintered carbide and lengthen the service life of the moulds up to several years. The old liners resisted the abrasion of the magnesite mass only 30,000 times and when pressing chrome magnesite bricks only 15,000 times. After producing this number of bricks it was necessary to regrind the pressing mould and insert it again into press. During tests of the new liners more than 300,000 bricks were pressed in a period of two and a half months and the mould remained in good working order. The new method of producing liners for pressing moulds is protected by a Czechoslovak patent.

Aluminium-coated Steel

The use of aluminium-coated steel sheet in car mufflers has cut failure to one quarter that of plain steel units, according to a United States road survey. The survey involved the first cars (1959 models) to use the aluminium-coated steel mufflers, and was conducted by one of the producers of the sheet, Armco Steel Corp. The coated sheet is used in varying degrees in the exhaust systems of more than 90 per cent of all 1962 U.S.A.-made automobiles. The need for resistance to high heat and corrosion makes the aluminium-coated sheet an ideal material for mufflers. Until it was put into use, early muffler failure was a major problem for U.S. motorists. The sheet is made by applying aluminium to both sides of cold reduced steel sheets with a continuous hot dip process. The product combines the protective surface characteristics of aluminium with the physical and mechanical properties of steel.

Fuel from Dust

A West German firm claims to have developed a continuous and economical way of converting coal and iron ore dust into strong briquettes suitable for charging to an iron-making blast furnace. The dust is first bonded into briquettes with tarry oil. The briquettes are then oxidised as they pass along a conveyor belt at a temperature of 150 degrees Centigrade or more. At the end of their travel they are not strong enough for the blast furnace but they are strong enough to be fed one on top of another into a tall shaft furnace, where their oxidation treatment continues at a much higher temperature (500 degrees Centigrade). Afterwards they are cooled in an inert gas and then removed from the bottom. Use of the shaft furnace avoids the need for more expensive conveyor belts, it is stated.

Faster Freezing

Commercial freezers capable of doubling the daily output of quick-frozen foods previously obtainable from machines of the same capacity are being marketed by a British firm, G. Williams Engineering Ltd., Norfolk. This is achieved by freezing times which are reduced by at least half and for some products the time taken is only one-fifth of that previously required. The freezers are of the double-contact plate type in which the products to be frozen are placed between multi-layered "sandwiches" of hollow metal plates through which the refrigerant is passed. Hydraulic pressure maintains the plates in close contact with the products during freezing and opens them up for loading and unloading. The plates are said to have a heat transfer co-efficient more than double that of the conventional type. Conventional construction is for the hollow plate to be lined with refrigerant-carrying tubes; this means that heat transfer is limited by two thicknesses of metal and by the non-conductive areas between the tubes. In the new freezers the plates are built up from hollow extruded aluminium planks through which the refrigerant is passed, and the temperature applied to the products is thus very close to that of the refrigerant.

New Sheet Steel

A new type of sheet steel of major importance to the vitreous-enamelling world has been produced by a British company. Its special qualities enable a finished vitreous surface to be applied in one coat—direct on to the steel—instead of two coatings, thus cutting manufacturing costs and enhancing the quality of the products. Tests have shown that articles made from the new steel, known as "Diron" such as cookers, resist damage much more than those from the traditional material. It costs only slightly more than ordinary enamelling steel but can yield a substantial reduction in costs, not merely from the elimination of a process but also by a cut in rejects resulting from damage in production and transport.

Silica from Sand

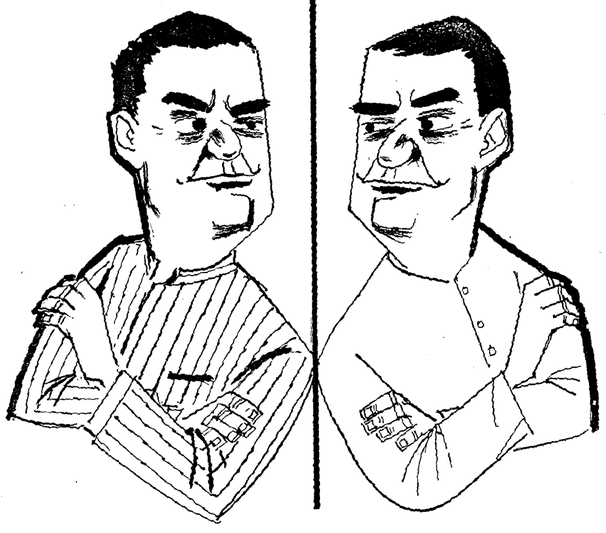
The *Financial Times*, London, reports that a French concern has invented a continuous and economic process for turning coarse sand into pure, ultrafine silica suitable for use in the rubber industry, for use as a chemical catalyst, as a filler in paints and varnishes and as a constituent of high-temperature refractories. The sand is first ground to a suitable size and then treated with a solution of an acid which contains fluorine and silicon and has also some uncombined silica already dissolved in it. Silicon fluoride is obtained as a vapour and this is again reacted with a solution similar to that used in the beginning until ultrafine silica is obtained.

Microbe-proof Fibre

Letilan, a synthetic fibre with a bactericidal action, has been developed at the Leningrad Textile Institute. It is said that letilan will find its most important application in surgery where it can be used without sterilisation for sutures, as cotton-wool and dressing material. Stockings made of the new material protect feet from diseases caused by fungi. Numerous analyses have shown that the new fibre is not contaminated by air-borne or water-borne microbes and kills bacteria at a distance. The bactericidal action of letilan is due to emanation of infinitesimal amounts of the compounds which enter into its chemical composition and are deadly to microbes.

Novel Alarm System for Crankcase Bearing Wear

A comparatively inexpensive alarm system for preventing crankcase explosions in ship's diesels caused by abnormal wear on or breakdown of bearings has been developed by the Gotaverken shipyard, Gothenburg. Patents for the new system have been applied for in several countries. Alarms for breakdowns in lubricating oil pumps have been available for a long time, but such breakdowns constitute only one cause of bearing wear. The new system has therefore been designed with a view to giving accurate information on the wear itself, the Company says. Thus, if the total wear on the bearings in a crankcase amounts to 0.3 mm., the alarm is released. The same applies if the wear on the crankshaft bearing or the cross-head reaches the same figure.



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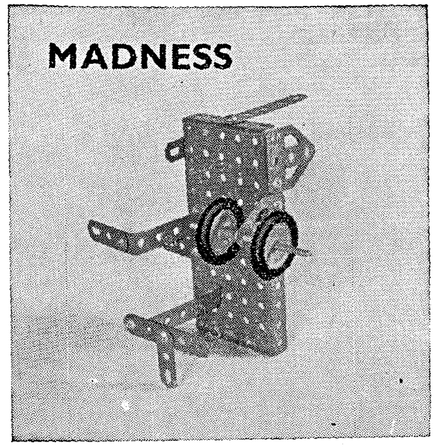

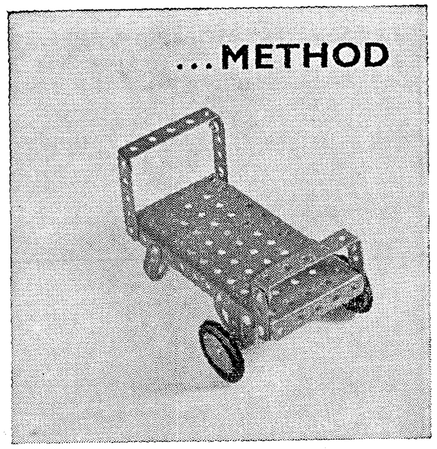

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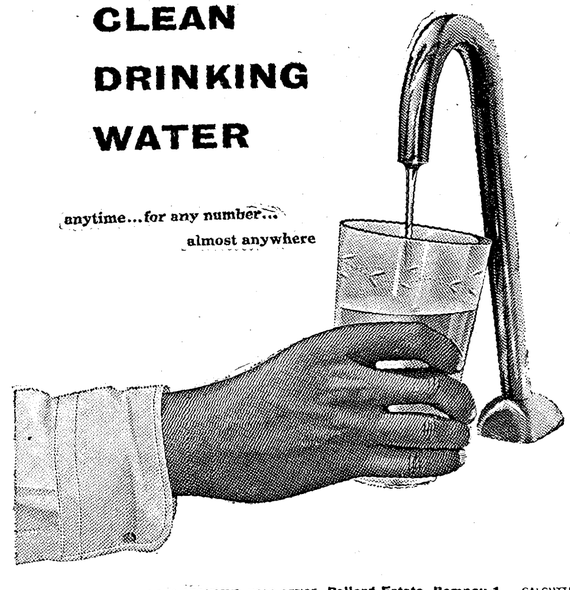

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ECONOMIC PLANNING IN FRANCE

MOST SUCCESSFUL AMONG DEVELOPED COUNTRIES

By Dr. H. GIELB

THE French experiment in economic planning goes back sixteen years now. It has its origin in a decision taken by the Provisional Government of France, under General de Gaulle, aiming at the drawing up of a modernisation and equipment plan and setting up of an authoritative body, the General Commissariat for Planning and Productivity (Commissariat General du Plan), to be responsible for projecting, activating and co-ordinating the preparation of the Plan and to report on its execution.

From the beginning, however, the French Government did not envisage the Plan as a Government instrument imposed on the economy of France. This type of Government planning would have been resented by the freedom-loving people of France, and it would not have received the required full-hearted co-operation.

In his instruction in 1946 to Monsieur Jean Monnet, who conceived the French type of economic planning and was appointed the first Commissaire General du Plan—General de Gaulle pointed to the way by which the great national effort of co-ordinated economic activities acquired the indispensable psychological stimulant. "Since the execution of the Plan," said General de Gaulle, "will require the co-operation of everyone, it is essential that all vital elements of the nation participate in its preparation."

It should be noted that post-war economic conditions in France provided an ideal background for an enterprise designed to rehabilitate the country economically and politically. Post-war France had not only to rebuild and repair the damage of the occupation period; it had to catch up with the industrial progress achieved by the great powers in the years preceding the war and during the war.

In these circumstances, it was perfectly clear to the French Government that the choice was between *modernisation* or *decadence*. Modernisation was adopted as the motto for the First Plan (1947-50, extended later to 1953).

The Monnet Plan which was to provide a programme for France's economic recovery, due to limited resources, was restricted to the modernisation and equipment of the basic industries (coal, power, steel, cement, agricultural machinery, transport) and to a number of other industries, with the distinction that, for the basic sectors, the objectives were considered imperative while for the other sectors they were only indicative.

In the long-term projections, however, the basic industries were to provide the springboard for the next plan. The idea of long-term forecasting, projecting and planning was at the basis of the whole conception and machinery of economic planning in France.

The Decree of 3rd January 1946 created the Commissariat General du Plan. The duties of the Commissariat are to make economic projection, prepare drafts for the Plan, submit them to the Government for approval, pilot the drafts through an elaborate series of debates and analysis by numerous specialised and overall commissions, re-submit to the Government the final draft for approval and, after the Plan has passed the analysis and debates of the Superior Council and the Economic and Social Council, supervise its execution and report to the Government on the achieved results and encountered obstacles as well as propose means of overcoming the difficulties.

The Planning Organisation

The organisation responsible for economic planning in France is composed of three main elements:

1. The permanent administration and research body, in the first place responsible for economic forecasting and conception of the Plan—the Commissariat General du Plan;

2. Working groups proposed by the Commissaire General and appointed by the Prime Minister before the elaboration of each Plan. These groups, known as "Modernisation Commissions," hold their meetings in the offices of the Commissariat General; and

3. Supervising bodies, the Superior Council and the Inter-ministerial Committee.

The Commissaire General is the permanent delegate of the Prime Minister with regard to Government Departments in all matters concerning the preparation of the Plan. He is assisted by a Deputy Commissaire General and a General Secretary and about 40 specialists: industrial and agricultural engineers, inspectors of the Treasury and of the Ministry of Finance and Economics, experts in administration, lawyers, economists and University professors.

The Commissariat General is sub-divided into sections of general competence; economic, financial and regional; specialised sections: labour, power, transport, industry and others; Productivity Division and General Services.

Government Departments often look to the projects and plans of the Commissariat General for the appreciation of their own short-term projects.

A number of official bodies collaborate directly with the Commissariat General. These are—the National Institute of Economics and Statistics, the Technical Divisions of Government Departments and the Division of Economic and Financial Studies of the Ministry of Finance and Economics.

Two other organisations are closely linked with the Commissariat General. The National Institute of Demographic Studies and the Centre of Research and Documentation on Consumption.

The Commissariat General du Plan was first attached to the Prime Minister's Department, but, since 1954, it is attached to the Minister for Finance and Economics, who, in relation to the Commissariat, acts as the Prime Minister's delegate.

The Modernisation Commissions are the second element in the French economic planning organisation (the name "modernisation") has been preserved from the first Plan in which "modernisation" played an important part. These commissions are appointed by the Prime Minister on the proposal of the Commissaire General for the purpose and before the elaboration of each plan. The commissions vary in numbers for each Plan; seventeen were apponted for the third Plan and 28 for the fourth Plan (1962-65). The number of members of each commission is usually between 30 and 50. The members of the commissions work in an honorary capacity.

The members of the Modernisation Commissions of the fourth Plan were divided into commissions on agriculture, the trades, public building and work, fuel, chemistry, commerce, fats, power, cultural problems, sanitary and social development, education, urban development, housing, primary industries and food, secondary industries, non-ferrous metals, deep-sea fishing, post and telecommunications, radio and TV, iron and steel, tourism and transport.

Taking into consideration all commissions and working groups that participated in the preparation of the fourth Plan there was a total of 3,137 persons. These were:

281 trade union representatives;

107 farmers' representatives;

715 representatives of nationalised industries, commerce, banks and the trades;

562 representatives of employer organisations;

781 Government Department officials;

691 representing the professions, experts, University professors, etc.

It is important to note that there is no set proportion of representation for each group.

The supervising bodies of the Plan—the Inter-ministerial Committee and the Superior Council of the Plan of Economic and Social Development—is chaired by the Prime Minister. It is composed of:

The Governor of the Bank de France;

President and two Vice-Presidents of the Investment Department of the Economic and Social Council;

Eight members from the Auditor-General's Department;

Seven presidents of the Regional Committees for Expansion;

The President of the Chamber of Commerce and Industry of Paris;

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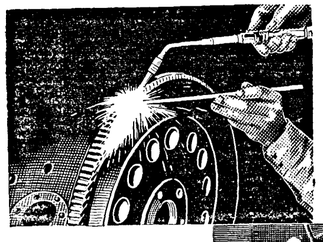

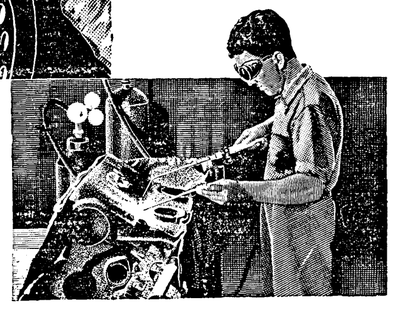

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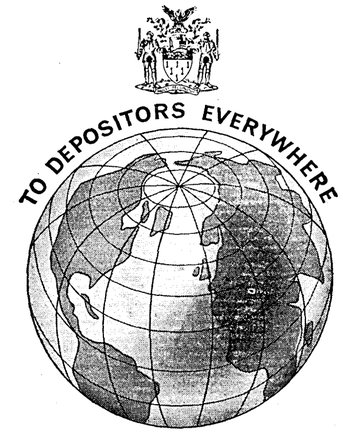

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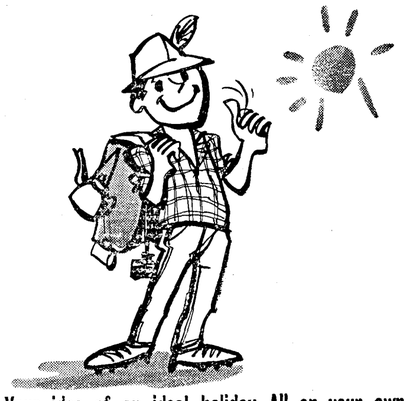

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One representative from the Committee of Economic Expansion of Overseas France;

The President of the Federation of Chambers of Industry and Commerce;

The President of the Federation of Agricultural Organisations;

The President of the Federation of Chambers of Trade and Commerce;

Six representatives of each of the following organisations:

Council of Employers;

Federation of Medium and Small Enterprises;

Federation of Farmers' Unions;

National Federation of Co-operatives of Agricultural Credit;

National Circle of Young Farmers;

General Confederation of Cadres;

La Confederation General du Travail Force Ouvriers (Trade Unions);

La Confederation Francaise de Travailleurs Chretiens (Trade Unions of Christian Workers);

La Confederation Generale du Travail (C.G.T.);

and personalities appointed by the Prime Minister and Minister for Finance and Economics. (This group must not exceed one-third of the total membership of the Council.)

Ministers also take part in the work of the Council when problems relating to their departments are under consideration.

The Inter-ministerial Committee and the Superior Council took part in the preparation of the first Plan. They did not function during the preparation of the second Plan and the third Plan. A Decree of 11th July 1961, re-established these two bodies for the preparation and supervision of the fourth Plan, now under implementation. According to this Decree, the functions of the Council are to report to the Government on the project of the Plan prepared by the Commissariat General du Plan. For this purpose, the Council is being kept informed during the preparation of the project. The duty of the Council is also to examine the yearly reports on the implementation of the Plan and the achieved results and accordingly make submissions to the Government on measures for the achievement of the social objectives of the Plan.

The Government may request the Council to undertake special research and recommend measures for the implementation of the Plan.

The Procedure of Economic Planning

The preparation of the Plan is divided into three distinct phases:

1. Preparation of preliminary drafts by the Commissariat General du Plan, and their submission to the Government.

2. Analysis and debates on draft Plan approved by the Government, by the Modernisation Commissions and Working Groups.

3. Synthesis and adjustments of draft Plan (within limits of draft approved by the Government), according to reports of Modernisation Commissions, Working Groups and Regional Commissions, and submission of final draft to Government.

As already stated, French Economic Planning is long-term planning on which the professional staff of the Commissariat General du Plan is working continuously. Each Plan is conceived as part of a long project which follows the previous Plan and makes provision for the one that will follow.

Before the drafting of each new Plan, the Commissariat General du Plan, assisted by the Department of Economic and Financial Studies of the Ministry of Finance and Economics, undertakes a general survey of all aspects of the national economy and of the development trends as far ahead as the duration of the Plan *plus* 10 years. This limit is considered the "economic horizon," after which provisions become too uncertain to be of any value. The purpose of these surveys is to establish the general lines of the projection and to detect the difficulties likely to arise in course of its realisation.

Draft projects are drawn up in several variants, envisaging different rates of production, growth and economic development. These drafts are prepared in co-operation with the Investments and Planning Section of the Economic and Social Council and are submitted to the Government. The rates adopted by the Government become the official draft Plan and are submitted to the Modernisation Commissions and other working groups, for discussion, analysis and the preparation of their sectoral reports which, however, must be kept within the limits of the rates adopted by the Government.

The provisional drafts prepared in 1960 for the fourth Plan (1962-65) envisaged alternative overall increases in production of 3 per cent, 4½ per cent and 6 per cent. Each of these alternatives was accompanied by detailed provisions for the maintenance of a balance of the basic elements of the economy: full employment, equilibrium between investment and savings, sound monetary position, balance of payments, etc.

This is established after a thorough analysis of demands of internal and external markets based on the last year of the Plan plus ten years ahead for: capital formation of enterprises, housing, public administration, import and export, raw materials, unfinished products, etc.

These calculations are based on demographique evaluations and consumption per head of population allowed for on the basis of corresponding increases in the standard of living. The surveys also extend to family budgets and family requirements. Further, they estimate the "consumption" of raw materials and unfinished goods in each of the sectors into which the Plan is divided. The fourth Plan was first sub-divided into 17 but, finally, into 28 sectors. This internal inter-sectoral movement of raw materials and unfinished products is necessary for the estimates of final production needs for internal consumption and for export.

After the preliminary estimates with all alternative rates of development have been completed, the drafts are submitted to the Government. The drafts are then examined by the Investments and Planning Section of the Economic and Social Council and the Government decides upon the rate of development for the Plan. The final draft of the fourth Plan (1962-65), for instance, was adopted in June 1960, with a yearly rate of development of 5.5 per cent.

The adopted draft is then submitted to the Modernisation Commissions which examine their respective sections. They can alter details within their section but these must remain inside the general hypothesis adopted by the Government. The Commissions prepare reports covering their deliberations and final decisions arrived at. These reports are further confronted at meetings of the Presidents and Secretaries of of the Commissions. In the event of important differences and conflicts between commission reports, inter-commission working groups are formed to work out solutions acceptable to the conflicting commissions. The draft is also analysed by the overall commissions (finance, manpower, research, productivity, regional planning). As a result of this process, the work of the commissions and other groups established for the preparation of the fourth Plan took approximately one year, until the reconciled reports were returned to the Commissariat General du Plan.

These reports are finally analysed and collated by the experts of the Commissariat and a reconciled draft plan is returned to the Government. The draft is examined by the Superior Council and submitted to the full assembly of the Economic and Social Council after which the Government finally approves the draft and the Plan is published with full details.

Since 1955, the Plan for economic development is supplemented by "Regional Plans" dealing with economic development of the particular regions and the adaptation of regional development to the programme and scope of the national Plan. For the purpose of balanced regional planning, France has been divided into

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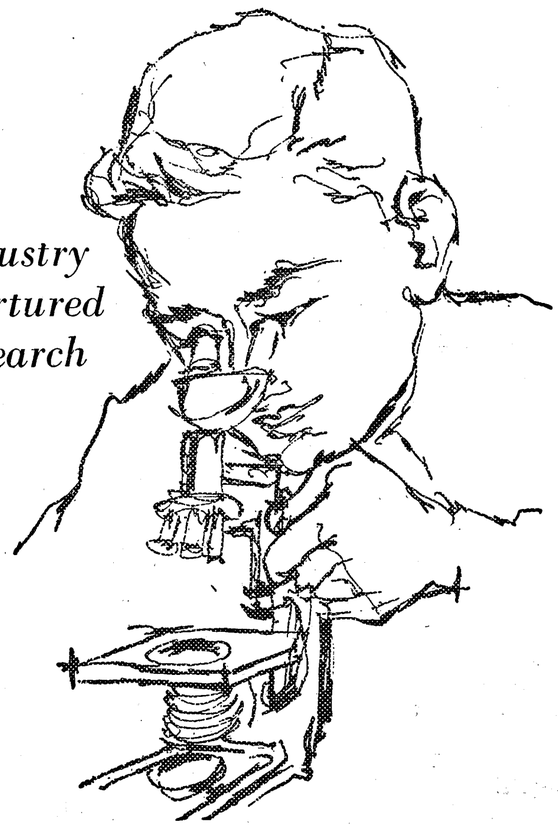

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21 sub-divisions. A permanent body, the "Inter-departmental Conference" (the department, in this instance, is an administrative unit) was established in 1959. The duty of this body is to study and co-ordinate the programme of public investment in the region and prepare an economic development plan for the region. Besides this body, there is also in existence a Regional Committee of Expansion comprising representatives of all categories of professional and social activities. This is a purely consultative body of the region. However, according to a Decree of January 1961, the Regional Committee of Expansion must be consulted in connection with the preparation of the regional plans on economic and social development.

The aim of the regional plan is to "guide private enterprise, local co-operatives and professional organisations, and, within the scope of the national Plan, advise how action taken by the Government within the national Plan will influence the development of the region." A Committee of Regional Plans under the chairmanship of the Commissaire General is supervising the regional planning and is co-ordinating these plans according to the programme of the national Plan.

Addressing a symposium on French Economic Planning, organised by the National Institute of Economic and Social Research in London, in April 1961, Mr. Pierre Masse, the present Commissaire General du Plan, summed up the "Logic of the Plan" in the following way:

"The modern economy requires the employment of large investments whose profitability may be profoundly affected by changes in the environment. These changes not only occur rapidly, they are difficult to predict. Without going so far as to say, like Keynes, that the information available to the investor 'is usually very slight and often negligible,' we must admit that the individual business concern has no valid bases for calculation. For there are no 'generalised markets' on which, several years in advance and as a function of future circumstances, orders would be handled and prices formed for food, clothing, raw materials, finished products, capital goods, etc. This gap can be filled in only one way: by the study of the market. Accordingly, every firm carries out studies of this type before drawing up its investment and production programmes. The iron and steel manufacturer ensures his supplies of ore and coke, estimates his markets in the power, mechanical engineering and building sectors, and keeps informed about his competitors' programmes. He makes his decisions only after a thorough exploration of his industrial environment. But, by confining himself to that environment, he may neglect fields of activity which seem to him remote from his own, yet which are capable of affecting his situation. Developments in farm income or petroleum research, for example, have repercussions which spread by degrees throughout the economy and, after affecting the production of tractors or tubes, ultimately influence steel sales.

"The guiding principle of indicative planning is to integrate all these effects of interdependence by doing, on a *nation-wide scale*, what the iron and steel manufacturer does with regard to his supplies and his markets. . . ."

"In this generalised and consequently approximative form, it lays down a general line of programming that promises each branch of activity that it will acquire its factors of production and sell its produce on balanced markets. However, the promise is fulfilled only if everyone joins in the game. The promise encourages participation in the game, but it does not make it compulsory, so that the Plan reduces uncertainty without eliminating it completely. It does not relieve enterprises of the need to make estimates of probabilities and to adopt a definite line of thought on the risks involved, but it allows them to do so with a better knowledge of the facts."

Implementation

Having adopted the Plan, the Government assumes the obligation of setting the example. Accordingly, it pursues budgetary, credit, fiscal and price policies within the framework defined by the Plan. The psychological factors stressed by General de Gaulle are given wide credit for the success of French economic planning. Monsieur Pierre Masse attached great importance to these factors. He said:

"The harmony achieved during the elaboration of the Plan tends to carry over spontaneously into the execution phase. If the dynamic forces of the country are associated with the planning, they will associate themselves more readily with the action that follows. The foreknowledge of this sequence is indeed one of the major factors behind the French methods of planning."

Having moulded an adequate psychological background and a perceptive mood for "everybody's" Plan, the Government has at the same time, prepared a perceptive mood for the measures it will take for the implementation of the Plan. Although the Plan is considered more "indicative" than "imperative," the Government initiates powerful economic measures to gear the activities of all sectors of the national economy within the framework of the Plan. This is how Monsieur Pierre Masse sees the intervention of the Government in the implementation of the Plan:

There are, first of all, the Government-controlled investments, the equipment programmes of the Government departments, in which private enterprise is dependent in large measure on State aid. Each of these sectors in turn affects other sectors up the line: the French National Railways and Electricite de France, for example, affect the electrical engineering industry. Consequently, it is no exaggeration to say that, directly or indirectly, the State promotes and controls approximately one half of all investment.

Last but not least, the Government has a number of incentives it can offer to foster the execution of programmes consonant with the objectives of the Plan. These incentives, which are granted after consideration of each case, consist in tax reductions with respect to capital gains and transfer duties and of a liberal interpretation of the regulations applicable to parent corporations and their subsidiaries. These consist of priority access to credit, whether in the form of public bond issues, loans from specialised institutions or recourse to the Economic and Social Development Fund; in exceptional cases, interest rates may be reduced. Subsidies may be granted for research projects, to be repaid if the project is successful. Special agreements may facilitate the start of new manufactures. Lastly, equipment subsidies, depending upon the amount of the investment and, in certain cases, on the number of jobs created, may be granted in depressed areas, in accordance with the spirit of the Treaty of Rome. In all these spheres, *the views of the General-Commissariat play a leading role.*

In order to preserve the implementation of the Plan against possible yearly fluctuations of a budgetary nature, the 1956 Act which approved the third Plan provided for appropriations for several years.

Targets and Achievements of the First Three Plans

Although the implementation of the first three French economic plans encountered some temporary difficulties, these difficulties have rapidly been overcome and the targets have been achieved in full.

The first Plan which gave priority to the basic sectors of the economy was later enlarged in its scope and extended until 1953. The obtained results were: 71 per cent increase in industrial production, 21 per cent increase in agricultural production and a 30 per cent increase in the standard of living. At the end of 1952, all targets set by the Plan were achieved or exceeded.

The second and third Plans, however, were strictly limited to four-year periods. The second Plan (1954-57) was designed to cover all production activities; agriculture, the processing industries, housing, etc. This plan provided for an overall harmonised growth.

Furthermore, the watchword of the second Plan was no longer merely to produce more. It was, essentially, to produce better, that is to say, under competitive conditions of quality and price. There was in this, a foreknowledge of the trend toward the liberalisation of trade that was to come later, and the desire to prepare the French economy for the lifting of trade barriers.

The second Plan placed the emphasis on measures more or less long-term, of achieving the desired reduction in cost prices; the development of scientific and technical research, the specialisation of business firms, the training of labour and the organisation of markets.

On the whole, the targets fixed in the second Plan were exceeded. In 1957, the national production index reached 130 (instead of 125) and the industrial production index, not including construction, reached 146 (instead of 130). Electricity production and the automobile and chemical industries were particularly outstanding.

The super-expansion of economic activity resulted, however, in throwing the economy out of balance and in inflation. It was in these conditions that the third Plan (1958-61) was put into effect. The objective of this Plan was restoration of monetary stability and improvement of the balance of payments and, in a balanced economy, increase national production by 20 per cent in four years.

In order to arrest the boom conditions the increase in national production for 1958 and 1959 was reduced to 2.5 per cent a year. The measures taken by the Government (devaluation of the franc and other monetary and fiscal measures) proved so successful that, in the beginning of 1960, the French Government adopted an "Interim Plan" which increased the target of national production to 11 per cent for the second half of the third Plan (1960-61).

The fourth Plan (1962-65) which commenced in 1962 was also limited to a four-year term. It set an ambitious target of overall internal production growth of 24 per cent in four years.

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This Plan, called "Plan of Economic and Social Development," however, has also a wide scope of long-term social development.

The fourth Plan envisages a number of first and second preferences in social development. The first choice, adopted in conformity with the opinion of the Economic and Social Council, is in favour of collective investment services in preference to the proliferation of individual consumer goods. These collective investments relate to essential or hitherto insufficiently developed categories such, for instance, as scientific and technical research, culture, public health, education, housing and urban facilities. In particular, the fourth Plan will endeavour to better co-ordinate urban growth, in relation to the development of the tertiary sector.

The second choice is in favour of social action for the benefit of the most needy sections of the population—the families, old people, students, wage earners and farm workers at the bottom of the wage ladder.

Conclusions

The French approach to economic planning is based on a realistic appraisal of the role of Government in the economic and social development of the country. It is, at present, universally admitted that, in a modern economy, the Government must assume responsibility for a sound economic and financial balance with all the implications that stem from it (full employment, population growth, development of national resources, research, etc.). Yet, because of old prejudices or fear of Government "planning," or because of parochial interests, the Governments in some countries are not given enough power to influence the basic economic activities of the private sector of the economy (investments, savings, research, etc.).

These obstacles have been overcome in France in a most satisfactory manner resulting in wholehearted co-operation of all vital forces of the country in the realisation of mutually elaborated plans for economic and social development.

The results achieved in France are remarkable. The annual rise in output per head of occupied population between 1947-48 and 1956-57, compared with other countries, was as follows:

France	5.5	U.S.A.	2.2
West Germany ...	4.6	N.Z.	1.8
Netherlands ...	3.4	U.K.	1.5
Sweden	2.8	Australia ...	1.1

(These figures are taken from the Fourth Annual Report, July 1961, of the Council on Prices, Productivity and Incomes, of Great Britain, London, Her Majesty's Stationery Office.)

It is because of these achievements that the Governments of a number of countries have turned their eyes to the French experience and have initiated some sort of economic planning, more or less imitating the French experiments. This can be noted in Belgium, Holland, and most recently in New Zealand and the United Kingdom.

The Economic and Monetary Council of New Zealand set up by the National Government in 1961, in its Second Annual Report released at the beginning of June 1962, stated:

"If New Zealand does not have a long-term economic policy for growth, it will lack the means of even choosing wisely between the short-term expedients to which its difficulties may drive it."

The British Council on Prices and Productivity quoted earlier, which is reputed to be the most influential Government advisory body, referred several times to the French example of economic planning. In February 1962, the British Government established the National Economic Development Council to examine, among other things, "the economic performance of the nation with particular concern for plans for the future in both the private and the public sectors of industry." On 9th May 1962, the Council adopted a five-year plan for growth of national production at the rate of 4.5 per cent per year. By thus emulating France, the U.K. has paid a tribute to the success of French planning.

Under the spur of the Sino-Indian war emergency, the machine tools industry is being increasingly defence-oriented. In particular, the new units in this industry will be generally geared to defence production. As indicated by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industry, last week, the Union Government has decided to grant facilities for the full utilisation of existing capacities in the heavy machine tools and heavy electrical equipment industries as well as for their further development. But this will be subject to foreign exchange availability. The Government might also "sympathetically consider" the establishment of ventures jointly by the public and private sectors for the manufacture of heavy machine tools with a view to meeting both the defence and developmental requirements of the country.

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INTERNATIONAL INDUSTRIAL CONCERNS

HOW SHOULD THEY BE OWNED?

By Frederic G. Donner

CHAIRMAN, GENERAL MOTORS CORPORATION

IT is my conviction that the international industrial corporation performs an important service that should be encouraged. Advantages accrue to all countries in which it operates no matter where the parent organisation may reside. The international industrial corporation in the sense in which I am using the phrase engages in manufacturing operations on an international scale—that is, has plants in many countries—and also carries on a world-wide export business both from its home plant and from these subsidiary plants. Under the definition I am using, it is not a trading corporation nor is it engaged in the public utility or extractive industries.

From the standpoint of the countries in which subsidiary operations are set up, the result is an investment of capital that in many instances would not be available locally. Technical and managerial skills that, in many cases, could not be otherwise obtained and centres for teaching these skills are also supplied.

Foreign investments bring together human and material resources in the recipient countries. They create good jobs for people who might otherwise be less productively employed and produce goods which might otherwise not be available. Our own experience at General Motors demonstrates that the development of a managerial group staffed by that country's citizens is often a by-product of great value. These international industrial corporations also create new demand for materials, components, supplies and services, and produce tax revenues for local and national governments. And they increase the capacity to export from the countries in which the investments are made.

From the standpoint of the investing country, once a manufacturing operation is established abroad, a part of the investment is often spent for capital goods and services in the home country. Additional exports from the investing country are also generated in the form of materials, parts and services required to support the new activity. And, most important, the increased level of economic activity in the recipient country supports and requires a higher level of imports.

There is thus, and of necessity, a close relationship between the business and the citizens of these countries. This relationship takes many forms—producer to customer, employer to employee, purchaser to supplier and so on. Can we not now visualise the extension of these relationships in many cases to include the relationship of corporation to stockholder? Hasn't the time come when thought should be given to making the ownership of these international corporations also truly international? In other words, should it not be possible for investors in the countries in which international corporations operate plants to participate directly in the ownership of these international corporations? This is, to me, an idea that holds great opportunity to investors throughout the world as industrial corporations widen their horizons and operate on an international scale. While such an evolution appears to be a logical next step, it is not necessarily the only practical approach for every international industrial corporation.

Local Participation

Direct local participation in the ownership and earnings of the local subsidiary in some cases may have advantages over participation in the ownership of the parent international corporation. This approach is consistent with local pride in national development and, in the case of some types of world-wide businesses, is the most efficient kind of operation.

In the case of other world-wide corporations, however, direct local ownership participation in the individual foreign subsidiary, and the resulting fragmentation of ownership interest, is not consistent, either from a manufacturing or a marketing point of view, with efficient service to the customer. As matters stand now, the world-wide corporation is often committing its funds, sometimes on a fairly large scale, to the expansion of subsidiaries which contribute directly to local development and which are responsive to the local concern and desire, often stimulated by government action, for such development.

How can it be made more clear to a local investor in the world-wide corporation that his investment is contributing directly to this expansion and benefiting his country? As one possibility, should the corporation's stock be made available locally when the expansion of facilities is planned, the proceeds from the sale to be retained by the subsidiary to meet the capital needs of the expansion?

To offer another suggestion, perhaps international corporations could place stock in the hands of local employees through savings or supplemental compensation or other benefit plans. What I am suggesting is a possible long-range approach predicated on greater knowledge of common stocks by the public everywhere and on a greater desire to own them, coupled with improved facilities for their purchase and sale and enlightened tax and foreign exchange policies by individual governments.

Flow of Funds

By making possible a broader base of ownership participation in international corporations, the flow of investment funds generally would be stimulated and directed to those countries where they can be of greater use, thereby contributing most effectively to the economic growth we so earnestly seek. It is a natural complement to the rapidly widening acceptance of free world trade. In proposing that we give thought along these lines to increasing world-wide participation in the ownership of international industrial corporations, I am not suggesting that it is the only way to achieve economic progress nor do I have any illusions that the task is an easy one. A great many details, some of them very complex, would have to be worked out almost on a country-by-country basis.

I do believe that the approach I have visualised—true international ownership of the world-wide corporation—merits the most serious consideration. It is logically a part of the other great efforts now being made to reduce the restrictions on trade and on investment. And, as in the case of both of these, it is an effort which must call forth our highest technical and professional skills. It is, above all, an effort which will depend for its success on a deeper understanding of the role of the international industrial corporation in the world of tomorrow.

In mentioning several practical aspects of international ownership, it has not been my intention to stress the means, for I am not attempting to present a finished plan. Rather I have wanted to call attention to a development which in some ways is creating a new kind of capitalism. It is the emergence of the modern industrial corporation as an institution that is transcending national boundaries.

These great concerns of the free world both here and abroad, are no longer adequately described as Dutch, German, French, Italian, British or U.S. corporations. We may be approaching a stage where we will not think of them primarily in terms of a single country nor will we think of their benefits as flowing especially to any one country. In interests and ambitions, in investments, in employees, in customers, they are an international resource. Their benefits should be regarded as flowing to workers and customers—and to owners as well—without regard to any individual nationality.

When and to the degree that this concept of ownership is realised, the vision of true freedom of trade and investment which inspired the great philosophers of economic freedom in the past will be closer to realisation. The free world markets of the future, I am convinced, hold out tremendous promise. Economic growth in the industrialised nations throughout the world will be vigorous during the decade ahead. I think we can also safely look forward to an even more rapid rate of growth in many of the other parts of the free world now just on the threshold of industrialisation. These are markets which the world-wide corporation is uniquely fitted to serve. The opportunities that lie ahead are limited only by the degree of our determination to master old problems with bold, new efforts. To the extent that we achieve success, the beneficiaries will be the economies and—more importantly—the people of the free world.

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STRUCTURAL ENGINEERING CUTS DIVIDEND

EXPANSION PROGRAMME UNDER WAY

AFTER having staged a fairly good recovery in 1960-61, the Structural Engineering Works Ltd. (Managing Agents: Messrs. Bhagat and Sons (Private) Ltd., Bombay) has just managed to maintain the level of profit during the year ended 30th June 1962. The proceeds from sales and work done have shrunk slightly from Rs. 145.16 lakhs to Rs. 139.95 lakhs. But thanks to a relief of nearly Rs. 8 lakhs in the cost of materials, stores and spares consumed at Rs. 65.61 lakhs and of about Rs. 6 lakhs in other expenses at Rs. 14.98 lakhs, the gross profit, at Rs. 19.31 lakhs, has remained more or less unchanged over the year. At Rs. 6.67 lakhs, the net profit shows, however, a setback of almost Rs. 1 lakh, because of an increase of Rs. 1.30 lakh in the provision for taxation at Rs. 5.40 lakhs following the five-point raise to 50 per cent. in the rate of income-tax for companies under the 1962-63 budget. The profit retained in business amounts to only Rs. 1.20 lakh, as against Rs. 4.65 lakhs a year before. Notwithstanding this substantially lower plough-back to reserves, the profit available for distribution is insufficient to cover fully the previous year's dividend of 13 per cent per annum, subject to tax, and that too on the increased ordinary share capital of Rs. 45 lakhs following the issue of 15,000 rights shares of Rs. 100 each at the premium of Rs. 30 per share to the shareholders as on 2nd May 1961 in the proportion of one new share for two shares held. The dividend has, therefore, been slashed to 8 per cent. The net return, amounting to 5.6 per cent, is the lowest, at least for the past nine years.

As anticipated in our review of the 1960-61 results of the Company, the ordinary share capital has been increased further by the issue of 45,000 new ordinary shares of Rs. 100 each at a premium of Rs. 5 per share to the shareholders as on 2nd July 1962 in the proportion of one rights share for every share held by them. As it was made after the close of the year, this issue of additional capital is not reflected in the balance-sheet. However, we are told, the sum of Rs. 55 payable per share on application, including Rs. 5 towards the premium account, has been paid on 44,996 shares which have been allotted. The first call of Rs. 25 per share has been made. The second and last call of a like amount will be made in due course. This almost 100 per cent increase in the issued and paid-up capital should enable the Company gradually to reduce its great dependence on borrowed funds. At the same time, however, it remains to be seen whether there will be any further cut in the dividend for the current year ending 30th June 1963. If the profit-margin in the current year were to show no material change over 13.8 per cent in 1961-62, which had continued to be about five points lower as compared with 18.3 per cent in 1959-60, the dividend for 1962-63 would possibly be still lower.

The following comparative table mirrors the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales and work done	139.95	145.16	94.46	102.37
Closing stocks	70.88	67.15	58.80	41.41
Other income	2.11	0.59	0.65	0.68
Materials, stores and spares consumed	65.61	73.57	46.24	41.05
Staff expenses	45.80	40.42	34.38	31.70
Other expenses	14.98	20.78	14.52	11.34
Gross profit	19.31	19.33	17.35	21.48
Depreciation	6.01	6.00	5.37	4.40
Taxation	5.40	4.10	4.00	6.00
Managing Agents' remuneration	1.23	1.50	1.17	1.71
Net profit	6.67	7.73	6.81	9.37
Excess provisions written back	0.20	3.00	..	0.75
To reserves	1.20	4.65	1.45	3.35
Dividends—				
5% cumulat-ve preference	0.36*	0.36*	0.33	0.36
6.5% redeemable cumulative preference	1.86*	1.86*	1.69	0.15
Ordinary	3.51 (8%)*	3.90 (13%)*	3.36 (12%)*	4.25 (17%)*
Carry forward	0.04	0.09	0.12	0.14
Equity shares' market value (In rupees):	**1962**	**1961**	**1960**	**1959**
High	182.00†	235.00†	350.00	292.50†
Low	120.00‡	167.50‡	225.00	208.00‡

* Subject to deduction of tax.
† cum. right. ‡ ex. right.

The results for the year under report have to be read in the light of the very keen competition in the structural steel fabricating industry and the need, therefore, to continue accepting work at competitive rates. On the other hand, the cost of labour went up owing to revision of wage scale, introduction of a scheme of gratuity and certain other amenities for the workmen and staff. Consequently, the profits of the Company were adversely affected both by the downward trend in prices and the upward trend in the cost of labour.

The outlook for the Company is basically good. Orders on hand are said to be sufficient to keep all its establishments engaged during the current year. Besides, there is an expansion programme which is progressing well. Thus, the machinery, plant and drawings required for the manufacture of prestressed concrete pipes have been received, and a foreign technician has been engaged to set up the factory. The project will cost Rs. 30 lakhs. The factory will go into production during the current year. Plant and machinery worth Rs. 10 lakhs for the manufacture of Cochran boilers and penstocks have been received and some more of the value of Rs. 4 lakhs already shipped. Further machinery and equipment of Rs. 5 lakhs have been ordered from the U.K. and the balance of plant and machinery are to be obtained from the U.S. It is expected that all the plant and machinery will have arrived by June next, when a new factory building will also have been set up. The capital outlay on this project is estimated at Rs. 108.45 lakhs. Another project on hand is for the fabrication of transmission towers. A workshop is being set up at Mulund, suburban Bombay. The plant will start operating in March 1963. This Rs. 20-lakh project will enable the Company to execute large-scale orders for fabricating and galvanising transmission towers for which there is a great demand in the country. The Company has been commissioned to produce reinforced concrete pipes for the duct line project of the Bombay Municipal Corporation. It has set up a factory 39 miles north of Bombay. Production has commenced and the laying out operations will be in full swing in the near future.

While the above is a rosy picture, the Directors have cautioned about any unforeseen difficulties that may arise due to the serious emergency created by the Chinese aggression.

The paid-up capital of the Company, as at 30th June 1962, amounts to Rs. 70 lakhs, of which Rs. 45 lakhs are in ordinary shares and the balance of Rs. 25 lakhs in two types of preference shares. Reserves and surplus aggregate Rs. 50.86 lakhs. Borrowings stand at Rs. 133.75 lakhs, as against Rs. 115.52 lakhs a year before, and are nearly double the share capital. In addition, there are current liabilities and provisions aggregating Rs. 71.81 lakhs. The total indebtedness to outsiders thus works out to Rs. 205.56 lakhs, but is fully met by current assets, book debts and investments amounting to Rs. 234.68 lakhs. The gross block, which expanded during the year from Rs. 109.39 lakhs to Rs. 122.93 lakhs, has been written down to Rs. 68.20 lakhs. Projects-in-progress are shown separately at Rs. 23.54 lakhs, as against Rs. 6.60 lakhs a year before.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 128.75 *ex-right*, but *cum-div.* On the *ex-div.* basis, they offer a net yield of 4.5 per cent per annum.

PAPER MILL PLANT AND MACHINERY LTD.

The Paper Mill Plant and Machinery Manufacturers Ltd. has been making good progress in regard to manufacture and delivery of plant and machinery and production of components for the existing paper mills during the current year ending 31st March 1963. The value of orders on hand is estimated at Rs. 1.24 crore. Out of this, orders worth Rs. 14.60 lakhs have already been fulfilled. Plants of the value of Rs. 10 lakhs are said to be under delivery and further orders for a like amount will be fulfilled before 31st March 1963. The Company has entered into an agreement with the promoters of a mill at Mandi Dip, Bhopal, for the supply of plant and machinery worth Rs. 24.5 lakhs for a 10 to 20 tons paper mill to be operated on a co-operative basis by the Tibetan refugees. Finance for the project is expected to come partly from His Holiness the Dalai Lama and partly from the refugees themselves.

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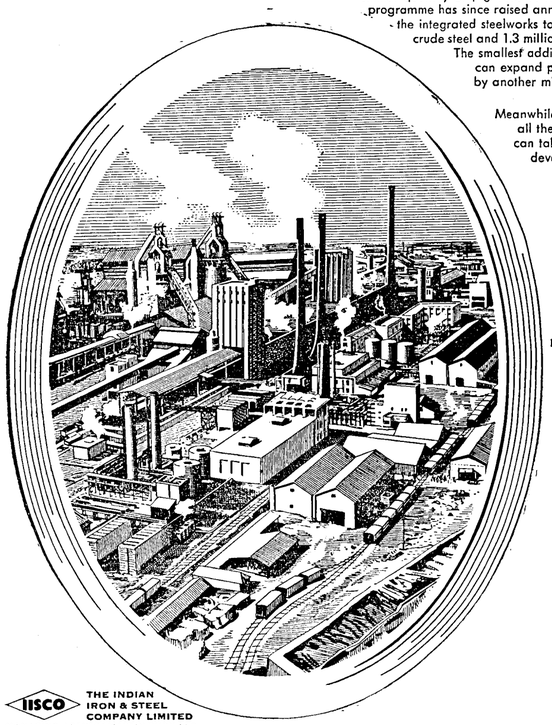

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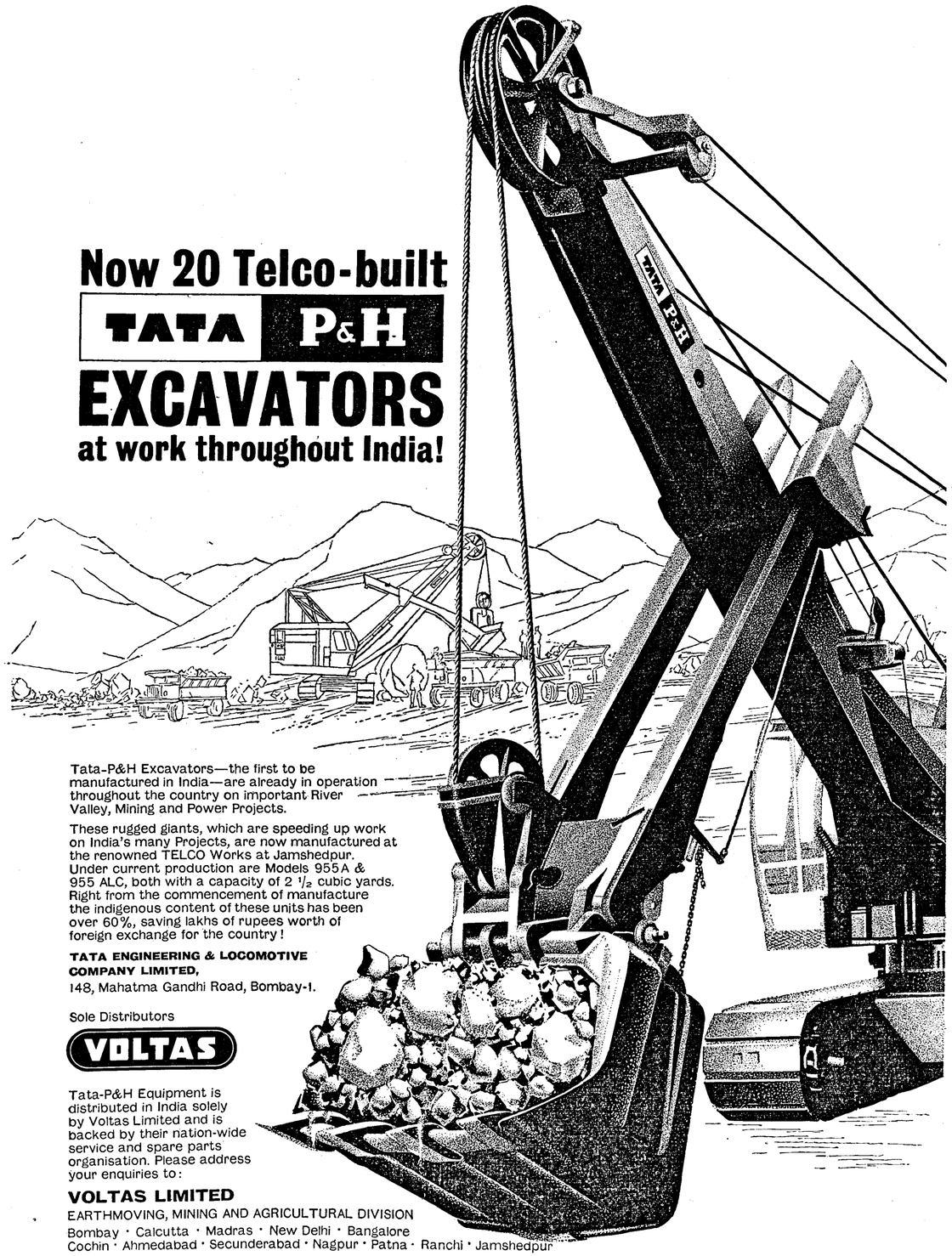

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T. 820 A EVEREST

SCINDIA'S PROFIT SOMEWHAT BETTER

FREIGHT CARRIED DECLINES, BUT COSTS CUT

THE operating results of the Scindia Steam Navigation Company Ltd. (Chairman: Mr. Dharamsey M. Khatau, Bombay) for the year ended 30th June 1962, reveal two basically contradictory trends which, should they continue, could be expected to bring about the much needed improvement in the Company's profit position in the coming years. With the continuance of depression in the shipping industry and unsatisfactory operations in coastal services because of persisting fall in the draft of the river Hooghly, unsatisfactory turnround of vessels at ports and occasional strikes at Calcutta by salt boatmen and pilots, the Company could carry only a lower volume of cargo aggregating 2,504,287 tons in 1961-62 as against 2,595,362 tons during the preceding year. There has, therefore, been a further drop in earnings, the exact fall being Rs. 142.03 lakhs taking the total down to Rs. 16.49 crores. This fall is on top of the decrease of Rs. 86.28 lakhs suffered during the preceding year. Thus, within a spell of two years, the Company's earnings have dwindled by as much as Rs. 2.28 crores and are in fact the lowest on record since 1958-59. The steady fall in the tonnage carried and in the freight earned, particularly during the preceding two years, is clearly shown below:

	Cargo carried (Tons)	Freight earned (Lakhs of Rs.)
1958-59	2,453,738	16,58.65
1959-60	2,676,690	18,35.79
1960-61	2,595,362	17,50.11
1961-62	2,504,287	16,00.51

This downward trend in earnings has, however, been offset during the year under review by a welcome decrease in the cost of operation, thanks to the success of efforts at rationalisation and economy. Thus, the cost per ton has been brought down from Rs. 62.98 to Rs. 58.11 and is only fractionally higher than that during 1958-59 which, it will be recalled, was a year of high profits. As a result, there has been a sharp improvement of Rs. 44.12 lakhs or well over 20 per cent in the gross profit to Rs. 246.09 lakhs. This increase has naturally brought about a rise in the Directors' remuneration by Rs. 1.03 lakh to Rs. 1.95 lakh. The provision for depreciation has only been slightly pruned from Rs. 196.45 lakhs to Rs. 195.38 lakhs. Because of the absorption against current profits of the arrears of the development rebate to which the Company was entitled in prior years, no provision for taxation has been made for the third successive year. Thus, with a higher gross profit and the essential provisions nearly maintained, the net profit has vastly improved from Rs. 4.60 lakhs to Rs. 48.76 lakhs. But it is still small and insufficient to pay a decent dividend. It may be noted here that the net profit for the year under review is only a fraction of that for 1959-60 and 1958-59. Accordingly, there is no reason for investors to feel jubilant over the outcome of the Company's performance in the past year and for the Government to conclude that everything is fine in the garden of Indian shipping. In fact, the profit was not sufficient even for providing the development rebate in full and the reserves built up in the past had to be depleted again even to pay a token dividend of 3 per cent per annum, subject to deduction of tax.

It will be recalled that the statutory development rebate allowance in respect of ships purchased during the year 1960-61 came to Rs. 128.00 lakhs and the statutory reserves to be provided (at 75 per cent) amounted to Rs. 96.00 lakhs. As the assessable income for that year was less than the rebate claimed, the full amount of the reserve could not be provided. Taking into account the assessable income for the year under review, an amount of Rs. 64.50 lakhs has been transferred to the development rebate reserve. The three per cent dividend, subject to tax, requires a sum of Rs. 33.79 lakhs. Since the available profit falls much short of these two requirements, a sum of Rs. 55.18 lakhs has been withdrawn from reserves and past provisions. The comparative table in the previous column provides a synoptical view of the Company's performance in the past four years.

The financial position of the Company, however, continues to be satisfactory. The paid-up capital has remained unchanged at Rs. 11.28 crores, all in ordinary shares of Rs. 20 each, fully paid, and is backed by reserves and surplus aggregating no less than Rs. 11.61 crores. Against these owned funds of Rs. 22.89 crores, secured loans are of the order of Rs. 12.69 crores of which Rs. 8.44 crores represent a long-term loan from the Government for the purchase of ships. Then there are current liabilities amounting to Rs. 4.15 crores, but are fully taken care of by current assets, loans and advances aggregating Rs. 9.16 crores. The net block is worth Rs. 25.25 crores and has been arrived at by writing down the gross block of Rs. 37.97 crores by Rs. 12.72 crores representing the amount of depreciation provided so far. Investments, mostly in Government securities and shares and debentures of companies other than subsidiaries, are valued in the Company's books at Rs. 5.71 crores.

During the year under review orders for three 17-knot motor vessels of Mitsubishi type were placed with the Hindustan Shipyard Ltd. The first vessel, the keel of which was laid in October 1961, is expected to be launched during the current year. The keel of the second vessel was laid in May 1962 and that of the third will be laid some time in 1963.

The continued difficulty faced by the shipping industry in general, the drop in profits of the Company in recent years and the very low rate of dividend have all tended to depress the price of the Company's Rs. 20 paid ordinary shares. The present nervousness in the market has made matters worse and the shares are now available at Rs. 11.04 *cum*-dividend against a break-up value of over Rs. 40 per share. At the current market price the scrip fetches a net yield of about 4 per cent per annum. When the fortunes of shipping industry turn for the better, this premier shipping scrip is bound to stage a spectacular rise. It is only a question of time.

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Freight and passage money ..	16,49.14	17,01.17	18,77.45	16,36.76
Other income	52.10	45.22	53.55	80.16
Expenses	14,55.15	16,34.42	16,64.09	14,18.61
Gross profit	246.09	201.97	266.91	348.31
Directors' remuneration ..	1.95	0.92	2.54	3.18
Provision for—				
Depreciation	195.38	196.45	183.10	163.00
Taxation	..	..	..	40.00
Net profit	48.76	4.60	81.27	142.13
Withdrawal from reserves and past provisions ..	55.18	71.55	33.79	20.00
To development rebate reserve.	64.50	23.00	101.00	81.00
,, other reserves ..	5.65	0.40	..	10.95*
Dividend	33.79 (3%)	33.79 (3%)	33.79 (3%)	73.22 (6½%)
Carry forward	2.83	2.83	—16.13	3.60
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	13.92	16.16	17.28	21.36
Low	10.52	12.16	13.44	16.56

Note :—All dividends are subject to deduction of tax.
* Including Rs. 10.00 lakhs credited to the debenture sinking fund.

ALUMINIUM LTD. EARNS MORE

Aluminium Ltd. of Montreal, Canada, earned a consolidated net income of $30.6 million, or $1.00 per share, in the nine months ended 30th September 1962, as against $20.8 million, or 68 cents per share, in the corresponding period of 1961. The third-quarter net income this year was $9.7 million (32 cents per share), as against $5.7 million (19 cents per share) in 1961, when the third-quarter earnings were adversely affected by the shutdown of the Kitimat smelter for repairs to the power tunnel. Consolidated sales and operating revenues in the first three quarters were $417.1 million, that is 10 per cent more than $379.2 million in the nine-month period of 1961.

In his message to shareholders, Mr. Nathanael V. Davis, President of Aluminium Ltd., states that "the improvement in the Company's sales volume has occurred principally in the Canadian and United States markets while sales tonnages have held approximately level in other major markets as a whole. Shipments of semi-fabricated products from the Company's growing network of fabricating outlets are continuing to show satisfactory expansion in total." He adds: "Despite these encouraging indications of growth in aluminium consumption, the general price structure for aluminium has weakened further in the past few months because of the continuing surpluses of metal in the western trading world and resulting pressure of competition. The Company's operating rate at its Canadian smelters has been maintained at about 75 per cent of rate capacity for the past 12 months."

(*Concluded from next column*)

ed during the year by Rs. 2.60 lakhs to Rs. 161.78 lakhs, has been written down to Rs. 76.29 lakhs. Besides, there is shown a capital expenditure of Rs. 6.21 lakhs on electrical installations and buildings under construction.

Currently, the Rs. 10 ordinary shares are quoted at Rs. 24.50 *cum-div.*, interim of 12 per cent. On the *ex-div.* basis, the net yield at the current price works out to 5.3 per cent per annum.

SPENCER & CO. FAILS TO MAINTAIN PROFIT

LOWER OUTPUT MAIN CAUSE

NOTWITHSTANDING a further improvement of Rs. 53.65 lakhs (Rs. 74.79 lakhs in 1960-61) in net sales (that is, excluding the excise duty paid) and receipts from hotels, bakeries, laundry and catering to Rs. 505.36 lakhs during the year ended 30th June 1962, Spencer and Company Ltd. (Chairman: Mr. Z. R. Irani, Madras) has reported a small setback in its gross profit from Rs. 29.53 lakhs to Rs. 28.46 lakhs. The improvement in turnover is evidently a continuation of the benefits arising from the diversification of activity undertaken by the Company some years ago from the original lines of business of merchandise, storekeeping and commission agency for a number of foreign suppliers to such complex fields as general trading, hoteling and catering, house furnishing, refrigeration and air-conditioning, tea plantation and the manufacture of drugs, pharmaceuticals, cigars and aerated waters.

Such diversification into varied and mutually independent lines must have presented its own problems. That probably explains why the Company has been able to earn only a modest profit-margin of roughly 6.5 per cent per annum in the three years ended 30th June 1961. During the year under review, the ratio of profit to net sales has actually slipped down to 5.6 per cent. The Directors attribute this setback mainly to the fall in production (the extent of which, however, is not indicated) of carbon dioxide owing to the difficulty in obtaining supplies of coke. The trend of profit was also affected by the decline in tea crop in the Company's estate, as well as the average price realised from Rs. 4.40 per kg. in 1960-61 to Rs. 4.28 per kg. The average daily occupancy at some of the Company's hotels also declined, but this did not affect the profits. The current year's profit, we are told, may also be affected by competition expected to be offered by a larger number of new manufacturers of carbon dioxide.

In relation to gross profit, the net profit for the year under report shows a bigger setback of Rs. 1.35 lakh at Rs. 13.54 lakhs because of slightly higher allocations to depreciation and taxation. Nonetheless, the dividend on the Rs. 10 fully paid ordinary shares has been maintained at 18 per cent per annum, subject to tax, including the interim dividend of 6 per cent. But reserves and provisions have got only Rs. 1.01 lakh, as against Rs. 2.25 lakhs a year before. The carry forward, however, is larger at Rs. 10.74 lakhs, as against Rs. 9.57 lakhs brought in.

The following comparative table gives a clear idea of the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales and receipts, less excise ..	505.36	451.71	376.92	368.53
Other income	17.08	17.03	11.82	8.90
Stock of finished goods ..	119.18	111.23	94.90	81.23
Excise duty paid	3.25	2.53	2.32	2.41
Materials, finished goods and stores consumed	402.79	361.69	294.42	288.68
Staff expenses	59.28	56.23	51.43	49.94
Other expenses	39.72	38.20	32.69	28.60
Gross profit	28.46	29.53	23.87	23.26
Depreciation	4.07	3.89	3.56	2.64
Taxation	10.85	10.75	8.50	9.10
Net profit	13.54	14.89	11.81	11.52
Excess provisions written back ..	..	0.74	0.53	0.57
To reserves and provisions ..	1.01	2.25	1.46	0.37
Dividends—				
Preference	4.18*	4.17*	4.03*	4.63*
Ordinary	7.20 (18%)*	7.20 (18%)*	7.20 (18%)*	7.20 (18%)*
Carry forward	10.74	9.57	7.56	8.51
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	24.50	25.25	23.12	20.65
Low	21.62	21.86	19.11	18.50

* Subject to deduction of tax.

Financially, the Company is pretty sound. Its authorised capital, aggregating Rs. 100 lakhs, of which Rs. 40 lakhs are in ordinary shares and the rest in two types of preference shares, has been fully issued and paid-up. The capital is supplemented by reserves and surplus standing at Rs. 113.89 lakhs. The equity is thus nearly three times covered. Borrowings increased during the year by about Rs. 10 lakhs to Rs. 48.05 lakhs. Current liabilities and provisions total Rs. 74.63 lakhs. The Company is thus indebted to outsiders to the tune of Rs. 122.68 lakhs. Against this, it has current assets, loans and advances aggregating Rs. 215.27 lakhs and investments of Rs. 38.81 lakhs, Rs. 16.05 lakhs of which are quoted and command a market value of Rs. 22.67 lakhs. The gross block, which expand-

(*Continued in previous column*)

BALLARPUR PAPER

PRODUCTION UP—NET PROFIT DOWN

WITH a higher output and larger sale of paper—12,786 tonnes and 12,649 tonnes in 1961-62 as compared with 12,387 tonnes and 12,411 tonnes, respectively, in 1960-61 and a satisfactory working of the stationery wing, the Ballarpur Paper and Straw Board Mills Ltd. (Managing Agents: Messrs. Karamchand Thapar and Brothers Private Ltd., Calcutta) have been able to report slightly better results for the year ended 30th June 1962 as compared with those for the preceding year. Sales of paper and stationery have increased from Rs. 240.10 lakhs to Rs. 248.78 lakhs and so also the gross profit from Rs. 73.70 lakhs to Rs. 76.11 lakhs, despite a heavier incidence of excise duty. The higher profit, coupled with the increase in the rate of corporate taxation, has necessitated a bigger provision for taxation, Rs. 31.50 lakhs as against Rs. 25.00 lakhs. Thus, taxation has swallowed up all the increase in gross profit and something more. The provision for depreciation is also slightly higher at Rs. 7.42 lakhs as against Rs. 7.38 lakhs a year ago. Consequently, the net profit has actually dwindled by Rs. 4.25 lakhs or 11 per cent. to Rs. 32.16 lakhs.

In the course of 1960-61, the Company had issued further equity shares on which only a proportionate amount of dividend had become payable in respect of that year. With the new shares now becoming eligible for a full year's dividend along with the old shares, a much larger outlay has been found necessary to finance the ordinary dividend. Accordingly a sum of Rs. 20.68 lakhs as against Rs. 9.70 lakhs has been appropriated out of the net profit for this purpose, even though the rate of dividend is unchanged at 14.50 per cent per annum, subject to tax. Even this has been possible only by sharply reducing the transfers to reserves from Rs. 26.10 lakhs to Rs. 11.20 lakhs. The details of transfers to reserves are: Rs. 1.20 lakh (Rs. 1.10 lakh) to development rebate reserve, Rs. 5.00 lakhs (Rs. 15.00 lakhs) to general reserve, Rs. 5.00 lakhs (Rs. 10.00 lakhs) to dividend equalisation reserve. Even so, the carry forward is only Rs. 93,000, as against Rs. 2.28 lakhs brought in.

The following table shows at a glance the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale of paper and stationery ..	248.78	240.10	235.43	218.73
Other income	16.12	12.13	8.61	4.86
Closing stocks	5.09	4.84	7.52	3.04
Raw materials and stores consumed	76.75	74.65	76.32	67.02
Excise duty	34.99	31.81	27.50	25.62
Other expenses	77.39	69.39	60.55	50.41
Gross profit	76.11	73.70	81.15	81.28
Managing Agents' commission ..	5.03	4.91	6.82	6.87
Provision for—				
Depreciation	7.42	7.38	12.94	12.40
Taxation	31.50	25.00	27.00	31.00
Net profit	32.16	39.41	34.39	31.01
Withdrawal from reserves ..	..	..	..	9.37
To reserves	11.20	26.10	24.26	13.29
Dividend—				
Preference	1.63*	1.63*	1.29*	10.16†
Ordinary	20.68 (14.50 %)*	9.70 (14.50 %)*	8.18 (14.30 %)*	5.72 (10%)*
Carry forward	0.93	2.28	3.31	2.53
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	19.69	74.75‡	67.50‡	19.68‡
Low	17.06	36.00‡	41.25‡	15.00‡

* Subject to deduction of tax.
† Includes Rs. 3.87 lakhs at 5 per cent., tax-free, upto 30th June 1958 and the balance fully subject to tax.
‡ For the Rs. 25 paid shares.

There has been a further improvement in the Company's financial position during the year under review. The paid-up share capital has increased from Rs. 159.86 lakhs to Rs. 161.19 lakhs and reserves and surplus by Rs. 9.85 lakhs to Rs. 81.37 lakhs. The share suspense account has, however, thinned down from Rs. 3.51 lakhs to Rs. 12,738. Secured and unsecured loans total Rs. 95.13 lakhs in addition to current liabilities of the order of Rs. 124.66 lakhs. But both of these are fully covered by current assets, loans and advances aggregating Rs. 318.24 lakhs. The investment amount has increased a little to Rs. 34.24 lakhs but miscellaneous expenditure yet to be recouped has declined to Rs. 3.93 lakhs from Rs. 4.08 lakhs a year ago. During the year new assets worth Rs. 11.60 lakhs were acquired and this has raised gross block account to Rs. 290.64 lakhs. Against this, however, the amount of depreciation provided to date is as high as Rs. 222.90 lakhs, so that the net block works out to Rs. 64.81 lakhs. Then, there are patents and trade marks, livestock, capital-work-in-progress and advances against machinery aggregating Rs. 41.24 lakhs, so that the total net block is worth Rs. 106.05 lakhs.

As regards the operations of the Company during the year under review and the progress so far achieved in executing the expansion and modernisation plan, it is best to reproduce here what the Directors themselves have to state in their report to shareholders:

"A distressing feature during the year under review was the steady and continuous rise in prices of chemicals and other stores. These increases have resulted in a rise in the cost of production. The chemical cost per tonne alone has gone up by about 20 per cent. Apart from price increases, certain chemicals were also in short supply. Representations through the Paper Associations have been made to the Government for making available essential chemicals to the industry in adequate quantities and at reasonable prices.

"Of late, there has been a noticeable tendency on the part of State Governments to put up the royalty rates for bamboo forests. The mills have been called upon to pay for the additional bamboo forests required by them for the expanded capacity a basic royalty rate which is substantially higher than the royalty being paid at present. This increased rate of royalty is further subject to revision after every five years.

"In June, the Government increased the selling price of white printing paper by 5 nP per kg. and of other qualities by 6 nP per kg. While the industry has welcomed this price increase, the Directors regret to point out that it is not sufficient to cover the increased costs of production which have already taken place.

"The plant and machinery ordered on German suppliers are being shipped according to schedule and, in fact, a number of consignments have already reached the mills site. French suppliers are expected to commence shipment immediately. Similarly, plant and machinery from indigenous sources have started arriving at site according to schedule. Civil engineering work has made good progress and the foundations for a number of machines are ready and it is proposed to take up erection of the machinery from March or April next year . . . on the basis of the present progress, it is hoped that one of the machines, that is, the Voith M. G. Machine, would be ready for being commissioned by October next year. The Voith pulp mill and the second Voith machine would be ready by the end of next year. The Empacel pulp mill and the Allimand machine would be commissioned shortly thereafter."

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 17.50 *cum-div.* On an *ex-div.* basis, the net return on fresh investment works out to 6.20 per cent per annum.

JAYANT PAPER MILLS LTD.

The Jayant Paper Mills Ltd. started regular production soon after its plant was commissioned on 8th October 1962. The quality of the kraft liner paper produced by the Company is said to be of a high standard and has been well received by the trade and industrial consumers. The assembly and erection of the plant and machinery were completed by the Japanese engineers, who were under contract with the Company, during the year ended 30th June 1962. The plant is being run by Indian engineers and the foreign technicians have returned home. During the year, the Company doubled its production capacity to 20 tons a day. It has been granted a licence for the import of a ground wood-pulp plant from Japan and has accordingly placed an order. The plant is expected to produce five tons of ground wood-pulp per day and will help the Company to raise production in its pulp section. Arrangements have been completed for the supply of the indigenous raw materials which will be supplemented by the import of unbleached sulphite wood-pulp, spares and consumable stores under licences in accordance with the requirements of the Company. The Company was sanctioned during the year a long-term loan of Rs. 10 lakhs by the Gujarat State Financial Corporation and it withdrew out of it a sum of Rs. 5.50 lakhs till the end of the year. Subsequently, a further withdrawal of Rs. 3.50 lakhs was made, bringing the amount withdrawn to Rs. 9 lakhs. Mr. Hargovinddas R. Mehta and Mr. Bhagawandas P. Shah were appointed Managing Directors of the Company during the year.

LECTURES ON COMPANY LAW

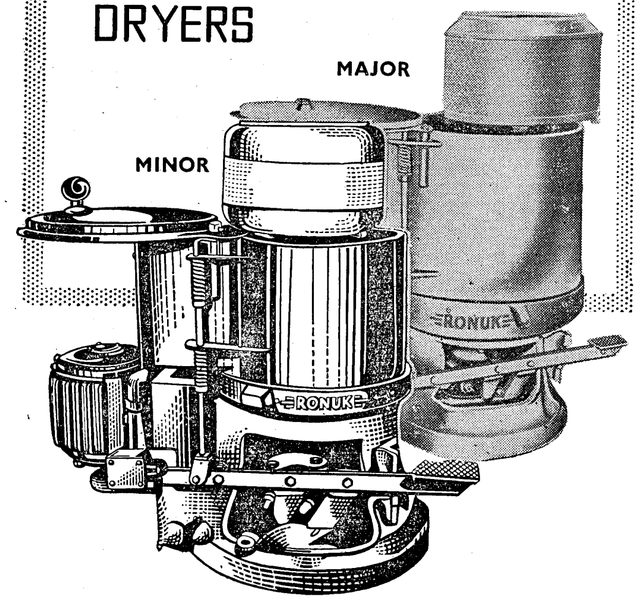
The Research Sub-committee of the Chartered Institute of Secretaries India Association of Calcutta had organised in August and September last a seminar on Company Law at the committee room of the Bengal Chamber of Commerce and Industry. Some eminent authorities on companies, company affairs and Company Law participated in the seminar. It goes without saying that the lectures they delivered were highly informative, thought-provoking and useful, especially to the members of company secretaries' profession. Those lectures have now been compiled and brought out by the Association in the form of a booklet, entitled *Lectures on Company Law*, which is priced at Rs. 2.

RONUK

CENTRIFUGAL DRYERS

MAJOR

MINOR



RONUK INDUSTRIES LTD.
11A WORLI SEA FACE.
BOMBAY-18

Grams: RONUKIND
RPC 205-62

Telephone 63550.

SYNOPSES OF COMPANY REPORTS

Phosphate Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Bangur Brothers Ltd., Calcutta.)

Annual General Meeting—28th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales of superphosphate	56,48	52,47
,, ,, ammonium sulphate and fertiliser mixtures	24,42	24,44
,, ,, sulphate of alumina	4,98	2,55
,, ,, other materials	34	1,05
Closing stock	11,99	6,41
Gross profit	16,14	12,90
Transfer to Secretary's and Treasurers' commission	1,15	76
,, ,, depreciation	1,51	1,48
,, ,, development rebate	3,23	21
,, ,, provision for taxation	5,70	4,90
Net profit	4,55	5,55
Balance brought forward from previous year ..	2,10	2,05
Appropriations:		
Total available balance	6,65	7,60
Transfer to general reserve	1,00	1,75
Proposed dividend (taxable) ordinary ..	3,94*	3,75†
Dividend per cent.	(17½%)	(25%)
Dividend per share	[Rs. 17.50]	[Rs. 25.00]
Carry forward	1,71	2,10

* The dividend for 1962 is on the increased paid-up capital of Rs. 22,50 lakhs.
† For 1961 the dividend was on a paid-up capital of Rs. 15.00 lakhs.

Extracts from the Directors' report:—During the year under review, the price of superphosphate was increased by Rs. 11.10 nP per tonne by the Ministry of Agriculture with effect from middle of June to compensate the rise in cost of production of superphosphate due to the inclusion of import of sulphur under the D.L.F. and the imposition of excise duty on sulphuric acid. This was inadequate but most welcome.

Expansion: Trial runs of new Sulphuric Acid Plant were made during the year and normal production has started from early August this year. This has made the Company self-sufficient in sulphuric acid for its requirements. With a view to diversify the activities of the Company, the Directors have decided to set up a Ferro-Alum Plant for which there is a good market, and if everything goes well the plant will start production early next year.

With the installation of continuous superphosphate plant which has started production from October, 1962, the Company's productive capacity has increased considerably.

Sales: The Company's superphosphate was in demand throughout the year and, in view of Government's 'Grow More Food' campaign and the target fixed for agricultural products in the Third Five Year Plan, the demand will continue to be better next year.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	22,50,000	Gross block	54,13,726
Reserves and surplus..	17,12,389	—Depreciation ..	23,26,166
Other liabilities ..	44,08,758	Net block	30,87,560
		Block in progress ..	1,68,871
		Current assets ..	50,88,570
		Investments	13,941
		Cash	11,905
	Rs. 83,71,147		Rs. 83,71,147

* Paid-up capital consists of 22,500 ordinary shares of Rs. 100 each fully paid up.

Loyal Textile Mills Ltd.

(*Managing Agents*: Messrs. Thiagaraja Chetty & Sons Private Ltd.)

(*Registered Office*: Kovilpatti, Tinnevelly Dist.)

Sixteenth Annual General Meeting—26th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of yarn, cloth and waste (including export premium)	1,34,19	1,30,33
Sale of dyes and chemicals	26	26
Closing stock of yarn, cloth and waste ..	5,97	4,76
,, ,, dyes and chemicals ..	4	13
Gross profit	18,08	15,48
Transfer to Managing Agents' remuneration ..	97	57
,, ,, depreciation	6,49	6,26
,, ,, development rebate	2,02	2,66
,, ,, provision for taxation	3,65	Nil
Net profit	4,95	5,99
Adjustments*	Nil	2,55
Balance brought forward credit (+) or debit (—)	—2,46	—3,23
Appropriations:		
Total available balance	4,95	8,54
Transfer to development rebate on assets installed from 1-1-1958 to 30-6-1960 ..	Nil	4,44
To dividends (taxable) preference ..	98	1,31†
,, ,, ,, equity	2,36	1,89
	(7½%)	(6%)
,, ,, ,, deferred	15	12
	(7½%)	(6%)
To adjustment of loss brought forward ..	1,46	77
Carry forward (debit balance)	—1,00	—2,46

* Adjustments represent Rs. 2.55 lakhs transferred from development rebate reserve.
† This includes Rs. 33,725 being additional preference dividend for three half years ended 30th June 1959.

Extracts from the Directors' report: The Company had been able to show distinct improvement in the working in the past few years despite adverse factors like increase in wage bill, higher cotton prices etc. The 'B' Mills is working with 3 shifts from August 1961.

During the year under report the Company had availed a further sum of Rs. 2.60 lakhs out of the loan of Rs. 8.73 lakhs sanctioned by The National Industrial Development Corporation Ltd. for the first stage of rehabilitation scheme. A sum of Rs. 2,30,000 has been repaid to the Industrial Finance Corporation of India during the year and with this the total repayment against their loan amounts to Rs. 4,60,000.

The first stage of rehabilitation scheme is expected to be completed shortly. 76 *Automatic looms* under the expansion scheme, one *Doubler Winder* and one *Ruti High Speed Warping Machine* have been commissioned. Four *Howa Simplex Fly Frames* will be installed soon. In addition to 28 *Ring Frames* already ordered a further order for 21 *Ring Frames* comprising of 8,484 *spindles* has been placed under the rehabilitation scheme.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	48,51,250	Gross block ..	1,21,93,139
Reserves†	9,75,419	—Depreciation ..	50,35,700
Other liabilities ..	62,28,306	Net block	71,57,439
		Current assets ..	47,03,808
		Investments	46,000
		Cash	1,47,728
	Rs. 1,20,54,975		Rs. 1,20,54,975

* Paid-up capital consists of :—(*a*) 15,000 five per cent. (tax-free) cumulative preference shares of Rs. 100 each fully called up, of this calls unpaid amount Rs. 550; (*b*) 63,142 ordinary shares of Rs. 50 each fully called up. Calls unpaid on the above is Rs. 5,300 and (*c*) 40,000 deferred shares of Rs. 5 each fully called up.
† Reserves are shown, after deducting the debit balance of Rs. 99,885 in the profit and loss account.

Alliance Jute Mills Co., Ltd.

(*Secretaries and Treasurers*: Messrs. McLeod & Co., Ltd., Calcutta.)

Working Results:

	For the year ended 31st May (In thousand rupees)	
	1962	1961
Sale of gunny (including goods purchased) ..	3,09,44	3,08,34
Sale of jute	45	6,42
Closing stock (gunnies, jute and jute in process).	63,98	59,32
Manufacturing and selling expenses ..	24,69	23,81
Salaries and wages	53,91	54,78
Gross profit (+) or loss (—)	+16,31	—4,41*
Transfer to Managing Agents' remuneration ..	Nil	10
,, ,, Secretaries' and Treasurers' remuneration	62	40
,, ,, provision for doubtful debts ..	27	5
,, ,, depreciation	4,48	3,65
Net profit (+) or loss (—)	+11,44	—4,41
Adjustments†	33	1
Balance brought forward from previous year credit (+) or debit (—)	—3,86	+1,17
Appropriations:		
Total available balance	11,77	1,18
To adjustment of loss brought forward ..	3,86	55
Transfer to development rebate reserve ..	1,98	63
Proposed dividends (taxable) preference ..	2,34‡	..
,, ,, ,, ordinary ..	3,00	Nil
	(10%)	(Nil)
Carry forward credit (+) or debit (—) ..	+59	—3,86

* Loss after providing for Managing Agents' remuneration, Secretaries' and Treasurers' remuneration; doubtful debts and depreciation.
† This represents excess provision for liability written back.
‡ Preference dividend for two years 1961 and 1962 calculated at 7.8 per cent.

Extracts from the Directors' report:—Further modernisation of the preparing and spinning sections has been carried out during the year including the installation of 16 *Sliver Spinning Frames* on the fine side, and also 5 *Sliver Spinning Frames* and 2 *Drawing Frames* on the coarse side. The introduction of the new machinery has improved the efficiency and a further programme for modernisation is now in progress.

In common with other Mills in the Jute Industry the Company's Mills have passed through an extremely difficult time. The short crop of 1959/60 followed by a poor harvest of 1960/61 crop due to drought, forced Mills to close down one week in June 1961, and one week in July, 1961, due to shortage of raw material. This resulted in unsatisfactory trading conditions and business was therefore carried out at a substantial loss to the Company during the first half of the year. However, in the latter half with improved supplies of raw jute from the 1961/62 crop and stringent economy and control in working inspite of unsatisfactory labour relations the Company was able to earn sufficient profits to offset the previous loss and carryover an overall profit figure of approximately Rs. 11 lakhs for the year's trading. The prospects for the current year are very favourable.

Accounts in brief as at 31st May 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	45,00,000	Gross block ..	1,57,75,372
Reserves and surplus .	8,63,687	—Depreciation ..	1,08,91,225
Other liabilities] ..	98,85,820	Net block	48,84,147
		Current assets ..	98,07,384
		Investments	2,11,000
		Cash	3,59,976
	Rs. 1,52,62,507		Rs. 1,52,62,507

* Paid-up capital consists of 15,000 six per cent. cumulative preference shares of Rs. 100 each and 30,000 ordinary shares of Rs. 100 each. Of the above 15,000 ordinary shares of Rs. 100 each are allotted as fully paid up. Bonus shares through capitalisation of profits.

Standard Batteries Ltd.

(*Managing Agents*: The Industrial Enterprises Private Ltd., Bombay.)

Seventeenth Annual General Meeting—27th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of batteries, spares, etc. (net)	1,15,31	1,20,84
Closing stock	16,28	12,99
Gross profit	14,28	21,68
Transfer to Managing Agents' commission ..	97	1,73
,, ,, depreciation	4,41	3,73
,, ,, development rebate reserve ..	68	82
,, ,, provision for taxation	5,60	7,35
Net profit	2,62	8,05
Adjustments	1,15*	Nil
Balance brought forward	13	15
Appropriations:		
Total available balance	3,90	8,20
Transfer to reserve for bad and doubtful debts	Nil	10
,, ,, general reserve	Nil	35
,, ,, plant modernisation and development reserve	Nil	2,00
Proposed dividends (taxable) ordinary ..	3,75	5,62
Dividend per cent.	(10%)	(15%)
Dividend per share	[Rs. 10.00]	[Rs. 15.00]
Carry forward	15	13

* Represents Rs. 1.15 lakh transferred from dividend equalisation reserve.

Extracts from the Directors' report: In the year under report, the Company's factory had to face keen internal competition which, no doubt, has been felt also by other well established units. As a result of this, profits have come down. The Company's export has also been to some extent responsible to this lower profits. Though the total turnover, is not very much lower than the previous year, the number of units, produced and sold has been on the increase. However, the general trend during the current year has been encouraging. The Factory has been geared up to produce all types of *lead acid batteries* required for the various applications and have successfully built a substantial business during the current year, of special batteries for industrial and other uses.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital* ..	37,50,000	Gross block ..	83,35,936
Money received on share application ..	10,05,800	—Depreciation ..	43,08,411
Reserves and surplus. .	21,65,829	Net block	40,27,525
Other liabilities ..	66,21,419	Current assets ..	94,70,625
		Investments	2,314
		Cash	42,584
	Rs. 1,35,43,048		Rs. 1,35,43,048

* Paid-up capital consists of 37,500 ordinary shares of Rs. 100 each fully paid up.

Panyam Cements and Mineral Industries Ltd.

[*Managing Agents*: Panyam Industrial Agencies (Private) Ltd., Cement Nagar, Bugganipalli R.S. (Kurnool Dis.)]

Seventh Annual General Meeting—24th December 1962.

Working Results:

	For the year ended 31st August (In thousand rupees)	
	1962	1961
Sale of cement	60,02	65,08
Closing stock of cement, raw materials, etc. ..	3,24	1,77
Expenses	56,78	58,52
Gross profit	18,04	21,98
Transfer to Managing Agents' remuneration ..	83	1,16*
,, ,, depreciation	9,27	10,19
Net profit	7,94	11,79
Adjustments	Nil	14
Balance brought forward from previous year—credit (+) or debit (—)	+10	—7,51
Appropriations:		
Total available balance	8,04	4,42†
To expenses written off	61	52
,, donations	13	Nil
Transfer to reserve for development rebate ..	6	7
,, ,, reserve for development, rehabilitation and research, etc.	59	Nil
Proposed dividends (taxable) C. preference ..	1,06‡	3,73§
,, ,, ,, C. preference ..	1,27	..
	(9.3%)	..
,, ,, ,, cumulative redeemable preference ..	12	..
	(9.3%)	..
,, ,, ,, equity ..	3,90	Nil
	(8%)	(Nil)
Carry forward	30	10

* This includes Rs. 13,865 being excess development rebate reserve written back.
† Profit available for distribution after deducting the loss brought forward from 1960 of Rs. 7.51 lakhs.
‡ Represents arrears of preference dividend upto 31st August 1961.
§ Represents arrears of preference dividend upto 31st August 1960.

Extracts from the Directors' report: Although the Company has balance of profit available for distribution, there would be no assessable income for income-tax purposes. Hence, no provision has been made in this regard.

The working of the Company's factory during the year was quite satisfactory, and production of clinker and cement reached the rated level.

	1961-62	1960-61
Clinker produced ...	66,009 M.T.	65,297 M.T.
Cement produced ...	65,604 M.T.	71,385 M.T.
Cement despatched ...	65,656 M.T.	72,026 M.T.

Though the Company did not suffer much from coal shortage this year, the quality of coal allotted was not satisfactory; and, this had retarded production to some extent, whilst increasing the rate of coal consumption. This fact was represented to the authorities, and improvement is expected in this regard, in the near future. Demand for cement continued to be very encouraging throughout the year (almost four times the Company's production potential).

Expansion: Satisfactory progress has been maintained on the expansion project. The civil construction work on the *Kiln Foundations, Slurry Basin, Crane Gantry* etc., are at an advanced stage. Consignments of machinery have now started arriving at the factory site. The second plant is expected to go into production, other things being equal, as per schedule.

The Government of India have taken a decision that the second phase of the recommendations of Central Wage Board for Cement Industry should be implemented by the cement producers with retrospective effect from 1st January 1961. The Wage Bills are expected to go up substantially on this account. Adequate provision for the payment of arrears, on this account, have been made in the accounts for the year, although this decision was announced on 15th September 1962. The total commitment on this account upto the end of August 1962 would be Rs. 2,03,625 out of which the Government is expected to compensate via. The State Trading Corporation of India Ltd., a sum of Rs. 1,02,987.

Accounts in brief as at 31st August 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	83,40,350	Gross block ..	1,10,23,668
Reserves and surplus. .	13,53,049	—Depreciation ..	34,88,476
Other liabilities ..	62,33,449	Net block	75,40,192
		Block in progress ..	4,05,630
		Current assets ..	63,96,876
		Investments	3,000
		Cash	14,60,084
		Miscellaneous expenditure ..	1,21,066
	Rs. 1,59,26,848		Rs. 1,59,26,848

* Paid-up capital consists of :—(*a*) 13,640—9.3 per cent. (*less* income-tax) cumulative preference shares of Rs. 100 each; (*b*) 975—9.3 per cent. (*less* income-tax) cumulative redeemable preference shares of Rs. 100 each fully called up; (*c*) 10,335—9.3 per cent. (*less* income-tax) cumulative redeemable preference shares of Rs. 100 each—Rs. 75 per share called up and (*d*) 49,713 equity shares of Rs. 100 each fully called up and 25,000 equity shares of Rs. 100 each—Rs. 75 per share called up. Calls unpaid on preference shares amount to Rs. 17,700. Calls unpaid on equity shares amount to Rs. 7,49,550.

GENERAL TYRES LIMITED

CHAIRMAN, DR. A. RAMASWAMI MUDALIAR THROWS LIGHT ON EXPANSION SCHEME

ADDRESSING the shareholders of General Tyres Ltd., at their Second Annual General Meeting which was held at Calcutta on Tuesday the 11th inst., Dr. A. Ramaswami Mudaliar, Chairman of the Company, stated that the application of the Company for expanding its manufacturing capacity by 120,000 units each of tyres and tubes had been approved in principle by the Government. The Chairman added that steps were being taken to finalise the expansion scheme which, when implemented, would raise the Company's capacity to 300,000 units each of tyres and tubes per annum. He disclosed that the proposed licence for the additional capacity will also cover production of 600 tons of tyre retreading material per annum.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to the second annual general meeting of your Company. The Directors' report and the audited accounts for the year ended 30th June 1962 have been in your hands for some time now, and with your permission I shall take them as read.

"The operation of the Company during the year under review resulted in a loss of Rs. 92,822 on account of the expenses incurred during the period of construction; your Directors have recommended that this amount be carried forward.

Industry's Progress

"The automobile tyre and tube industry in India recorded satisfactory progress during the period under review. Taking 1956 as the base year, the index of production of rubber manufactures, including tyres and tubes, in July 1962 was 173.9, as against 151.9, being the general index of industrial production. Actual production of automobile tyres and tubes, during the twelve months from July 1961 to June 1962 was substantially higher than that during the corresponding period in 1960-61. This would be evident from the following figures:

(Lakh Nos.)

Description	*Production*	
	1960-61	1961-62
Automobile tyres	15.93	17.94
Automobile tubes	15.21	16.95

"During the year under review, the Government of India made an upward revision of the target for automobile tyres and tubes to the exent of about 40 per cent over the capacity target of 38.43 lakh numbers and production target of 37 lakh numbers as originally provided in the third Five-year Plan. The latest available position relating to the proposed target as above is detailed below:

(Lakh Nos.)

Particulars	*Quantity covered*
Capacity in operation	18.18
Additional capacity licensed and under implementation	20.23
Further expansion under consideration	13.04
Total ...	51.45

"The Government of India has been considering requests from various units for sanctioning expansion schemes to cover the revised and increased target capacity as indicated above. I am glad to inform you that the application of your Company for expansion of its manufacturing capacity by 120,000 numbers each of tyres and tubes has been approved in principle by the Government of India and steps are being taken to finalise the said scheme of expansion. With the implementation of this expansion scheme the total manufacturing capacity of your Company will be raised to 300,000 tyres and tubes each per annum. Besides, the proposed license for expansion will also cover 600 tons of tyre retreading material per annum.

New Priorities for Plan

"Recently, the Government of India is reported to have decided that for the purpose of rephasing the third Plan, projects already approved but not yet at an advanced stage of execution will have to be cleared by the Government again so that such projects as do not fit in with the new order of priorities may be deferred in spite of previous approval. It is, however, understood that the highest priority will be accorded to projects having a bearing on defence efforts such as basic and heavy industries, power and transport. In the present national emergency, transport has been appropriately given a high place in order of priority which is essential for effective defence efforts. The automobile tyre industry has a great strategic significance being ancillary to transport and as such the scheme of development and expansion relating to this industry is being accorded a similar degree of high priority. I am sure I shall be voicing the feeling of the tyre industry as a whole, when I say that this industry on its part will always offer its unqualified support to the Government in its defence efforts by stepping up production of tyres and tubes and thus maintain the vital means of transport all over the country.

"The construction work at the factory site and also installation of plant and machinery have made considerable progress over the past one year and, at present, work is going on round the clock. Another team of technicians deputed by the collaborators, Messrs. Technoexport Foreign Trade Corporation are expected to arrive in India in course of a month or so to put the plant and machinery on trial run and the factory is expected to commence production early next year. Suitable arrangements for supply of raw materials required for production during the initial stage have been made.

"The supply position relating to imported raw materials may sharply deteriorate due to further cuts in foreign exchange allocations with a view to meeting essential needs under the prevailing circumstances. It is, however, expected that in view of the strategic importance of the tyre industry raw material requirements of the industry will be accorded the priority it deserves.

Imported Materials

"Meanwhile, it is gratifying to note that the tyre industry in India is expected to be fairly relieved of its almost total dependence on imported raw materials, as and when the new units set up for the manufacture of synthetic and reclaimed rubber, tyre cord, bead wire, tube valves, carbon black and rubber chemicals go into production in course of the next one year or two according to present plans. Till, however, the country is substantially self-supporting in this respect, adequate imports should be allowed to enable the industry to keep reasonable stocks for maintaining production according to programme.

"Before concluding, I take this opportunity of expressing our sincere appreciation of the co-operation and assistance received from the technical collaborators, Messrs. Technoexport Foreign Trade Corporation, Czechoslovakia, and the loyal and devoted work of the officers and staff of the Company."

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

Notice

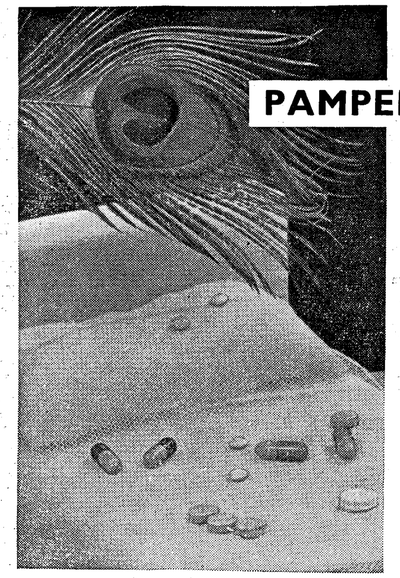
THE CALCUTTA TRAMWAYS COMPANY LIMITED

(*Incorporated in England*)

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Books will be closed from the 17th to the 31st December, 1962 (both days inclusive), for the preparation of Dividend Warrants in respect of the Final Dividend of 2½ per cent less Income-tax payable on the 1st January, 1963, on account of the profits for the year ending 31st December, 1962.

By Order of the Board,
R. W. TURNBULL,
Agent.

P4, MISSION ROW EXTENSION,
CALCUTTA-1,
Dated 7th December, 1962.



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MONEY SCARCE

(From Our Own Correspondent)

BOMBAY, 12*th December*

Although there has been no undue pressure of demand for money especially in the past two days, inter-bank call rate ccntinues to rule high, at 5¼ per cent. This is due to shortage of floating funds. One of the big banks has been a consistent borrower of day-to-day money at this rate. Quite a bit of the Bombay Municipal loan of Rs. 5.15 crores has still not been redistributed from the State Bank of India to other city banks and the State Bank is not a lender in the inter-bank market; it lends to other banks only at 6 per cent per annum. Conditions in the short-term money market at Calcutta also continued to be extremely tight. Fresh money there is being offered 6 per cent.

Barring unforeseen developments, nineteen days from now—on 1st January next—the Inter-Bank Agreement on minimum rates of interest on advances will come into force and be valid for at least 18 months. Under the Agreement, it will be recalled, the minimum interest on advances is fixed at 6 per cent per annum, calculated on daily balances and applied at least once every three months. The advances made to certain institutions, such as public sector corporations and co-operatives, as well as advances granted against Gilt-edged securities or under Government guarantee and against deposits are exempt from this minimum rate. So far, 33 Indian and foreign banks have agreed to participate in the Agreement.

The amount offered and accepted against tenders for Government of India's 91-day Treasury Bills sold on Tuesday this week were both equal to the amount invited which was unchanged at Rs. 2 crores. The average rate of accepted tenders, however, rose further to Rs. 2.355 per cent per annum, from Rs. 2.350 a week ago and Rs. 2.345 per cent two weeks ago. Intermediate Treasury Bills, which were on tap from the 5th to 8th inst., fetched a sizable sum, Rs. 125.25 lakhs. Last week it will be recalled, no Intermediate Bills could be sold.

There was a notable rise of Rs. 3.25 crores to Rs. 96.78 crores in India's foreign assets during the week ended 7th December 1962. The whole of this rise was accounted for by balances held abroad which aggregated Rs. 8.70 crores, while foreign securities were unaltered again at Rs. 88.08 crores. Loans and advances to scheduled banks jumped up by over Rs. 24.68 crores to stand at Rs. 29.89 crores, indicating the prevailing stringency in the money market. Of this total, the amount advanced against usance bills alone stood at Rs. 17.38 crores, an increase of Rs. 15.95 crores in just one week. Notes in circulation forged ahead from Rs. 2,071.31 crores to Rs. 2,122.59 crores, representing a rise of more than Rs. 51.28 crores.

The total volume of credit made available by scheduled banks to their clients registered an improvement of Rs. 9.59 crores to Rs. 1,372.61 crores during the week ended 30th November 1962. Inter-bank borrowings, too, rose by Rs. 2.62 crores, while deposits fell by Rs. 10.75 crores. The total outstanding amount stood at Rs. 2,174.59 crores. The aggregate cash was lower by Rs. 10.20 crores at Rs. 116.23 crores, so also investments by Rs. 4.57 crores at Rs. 700.26 crores.

Activity in the Gilt-edged market was restricted, with values moving narrowly. 4½ per cent 1985 dropped 5 nP to Rs. 100.15, 3½ per cent 1967 National Plan Bonds shed 15 nP to Rs. 98.40, 4 per cent 1979 was on offer at Rs. 98.25, as against Rs. 98.55. State loans were dull.

METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 11*th December*

Although advices from the London Metal Exchange showed an easier trend, prices in the local market moved upwards in view of the basic short-areas Demand was, however, limited as, with the uncertain border situation, not many were prepared to enter into fresh commitments. Utensil copper scrap rose from Rs. 482 per 100 kgs. to Rs. 509. On the London Metal Exchange, spot copper was firm at £234 a ton, and the resumption of work in an African mine following settlement of the mine-workers' strike failed to have any impact on the price trend.

On the New York Commodity Exchange, copper suffered a setback. It was, however, anticipated that demand in the U.S.A. would increase shortly, as usually towards the close of the year inventories tend to be high. According to an announcement by a leading American custom smelter, a reduction in the bid price for copper scrap has been made and with this reduction the price of No. 2 wire scrap is lower by 2 cents a lb., which is the same as 30½ cents a lb. for copper refined from scrap. Despite excess of production over world demand, it is significant that the London price for the spot metal is being maintained unchanged at £234 a ton. There are indications that the U.S. is increasing its consumption of copper; in October, it was 139,686 tons, as against 120,406 tons in the previous month.

Tin, in London, opened at £867 a ton and in active dealings improved to £868¼ following good demand on account of East European countries. But such demand was short-lived, and the rate eased to £865. In Calcutta, the price spurted from Rs. 2,550 per 100 kgs. to Rs. 2,660. Shortage was acute, despite the low level of demand. As in copper, in tin also the U.S. consumption is increasing. For the eight months ended August 1962, the U.S. consumption totalled 37,500 tons, as against 32,610 tons in the corresponding previous period, thereby raising the respective monthly average to 4,687 tons from 4,076 tons.

Zinc here was neglected. But, the price was better at Rs. 260 per 100 kgs., as against opening level of Rs. 257. In London, zinc declined from £683 a ton to £67-7/8 and lead from £56 to £55⅝. In Calcutta, virgin lead opened at Rs. 141 per 100 kgs. and edged forward to Rs. 142.

SILVER STEALS SHOW

(From Our Own Correspondent)

BOMBAY, 12*th December*

In the absence of new official measures to back Union Finance Minister Mr. Morarji Desai's and Deputy Finance Minister Mrs. Tarkeshwari Sinha's statements in the Lok Sabha on the 5th inst. that the Government was considering ways and means to bring down the market price of gold and also to mobilise idle gold, bullion prices presented a distinctly firm tone during the week under review. The start was, however, shaky and prices moved down a little further on some realising following the smart recovery in the previous week. This sagging tendency continued well up to Saturday the 8th inst. But, from Monday, the market recovered and improved to close with fair gains over the week due to absence of selling, renewed spot demand for gold and revival of fairly strong upcountry support for silver futures.

Operators seemed to have picked up courage from the Finance Minister's statement in the Lok Sabha on the 5th inst. that the Government could not disclose at that stage the policy that was being formed to bring down gold price to the international level, as the suggestion in the statement was that the policy was still in its embryonic stage. Besides, Mr. Desai also went on record, in reply to a questioner in the Lok Sabha who had drawn attention to recent strident recovery in gold, to the effect that the Government was satisfied with the measures already taken for bringing down the price of gold and the progress achieved so far. Sentiment was also influenced by Mrs. Sinha's disclosure in the Lok Sabha on the 5th inst. that, up to the end of the last month, a total of 49,675 tolas of gold valued at Rs. 30 lakhs had been received under the gold bond scheme. This disclosure went to confirm marketmen's suspicion that the Gold Bonds might not attain the desired success in inducing hoarders to part with their holdings.

At a meeting of the Congress Party's Standing Committee on Finance held at New Delhi on Tuesday the 11th inst., Mr. Morarji Desai again warned that, if people did not invest in gold bonds, they might have to repent later, but added in the same breath that, if there was no adequate response from the people, there would be no further issue of the bonds after the initial three-month period was over. Market circles did not pay heed to Mr. Desai's reiteration at that meeting of his earlier statements that additional steps to bring down the price of gold to the neighbourhood of international price were still under consideration. Instead, they took solace in the adjournment of the Lok Sabha session to 21st January 1963, as they believed—rather wished—that the proposed new measures would be deferred at least till that date. The tendency, therefore, was clearly bullish.

While all—gold, sovereign and silver—showed a fair improvement over the week, it was silver which stole the week's show for three reasons. First, it is the only precious metal in which futures trading is possible. Secondly, ready demand for gold was rather halting. And thirdly, traders argued that, if purchases of gold were to be restricted as anticipated by many, buyers would turn to silver and that in turn would inevitably contribute to a further rise in its price, especially as floating stocks in Bombay (at roughly 1,400 bars) and in the whole country (at about 3,300 bars) are very limited.

Silver *Fagun* commenced the week at Rs. 198.80, against the previous close of Rs. 198.60, rallied on Thursday the 7th inst. to Rs. 200.75 only to slip back to Rs. 197.40 the next day. But thereafter, it gradually recovered and advanced to close at the week's highest level of Rs. 202.40. The maturing *Margashir* settlement opened 30 nP higher at Rs. 196, edged forward to Rs. 198.05 on the 7th inst., reacted to Rs. 194.40 the next day, but improved to go off the board today at Rs. 200.15. The delivery order rate for *Margashir* was fixed at Rs. 195.75 and the clearing rate for *Fagun* at Rs. 199. Ready silver moved between Rs. 196.30, Rs. 197.75, Rs. 194.40 and Rs. 200.15, and closed at the highest level. The average arrivals at 30 bars were heavy in relation to the offtake which amounted to only eight bars.

At the week's closing rates, which are the highest for the week, both ready and forward silver were higher than the previous week's best levels, namely, Rs. 198.75 for spot, Rs. 199.25 for *Margashir* and Rs. 201.95 for *Fagun*. But spot gold failed to repeat the previous week's highest level of Rs. 107, as, after opening 25 nP higher at Rs. 103 and easing to Rs. 98.25 on Saturday the 8th inst., it could rise only up to Rs. 105, touched on Tuesday the 11th inst. At today's closing price of Rs. 104.25, it was, however, Re. 1.50 higher over the week. Daily average arrivals exceeded the offtake of 4,000 tolas by 1,000 tolas. Sovereign moved between the previous week's close of Rs. 77 and Rs. 78.50 and closed higher.

Trading during the week in London and New York was restricted. Ready gold, in London, closed 1d. lower over the week at 250s. 2¾d. But the dollar price of gold today was fractionally higher at $35.07⅛ as against $35.07⅛ a week ago. Silver, in New York, eased during the week from 120.50 cents to 119.50 cents.

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

	12-12-62 (closing)	High	Low	5-12-62 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	104.25	105.50	98.25	102.75
Sovereign	78.50	78.50	77.00	77.00
SILVER				
Ready (.996 fine) ..	200.15	200.15	194.40	195.60
*Margashir** ..	200.15	200.15	194.40	195.70
Fagun	202.40	202.40	197.40	198.60
London—				
Gold	250s.2¾d.	250s.3¼d.	250s.2¾d.	250s.3¾d.
Silver Ready ..	102¼d.	103¼d.	102¼d.	103¼d.
Silver Forward ..	103¼d.	104¼d.	103¾d.	104¼d.
New York—				
Silver	119.50 cents	120.50 cents	119.50 cents	119.75 cents

* 11th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

FALL IN COTTON FUTURES ARRESTED

(From Our Own Correspondent)

BOMBAY, 12*th December*

The easy trend witnessed in the cotton futures market in the past few weeks gathered momentum during the week under review. Reports of heavy accumulation of cloth stocks with the mills and the consequent absence of spinner interest and expectation of a bumper crop of not less than 5.4 million bales prompted large-scale selling. Speculative elements took advantage of the situation to hammer down prices. The weakness of the spot market, where mills were reluctant to make purchases, and lower advices from upcountry centres accelerated the downward trend. The Jarilla March 1963 contract slumped from Rs. 685 per three quintals last week to Rs. 670.75 on Monday the 10th inst. In private dealings, the contract declined further to Rs. 666, the lowest level touched so far. This sharp decline provoked the Forward Markets Commission to intervene and fix the limit of the weekly fall in prices of the contract in a bid to arrest the fall. Accordingly, the weekly fall in the price of the contract has been limited to Rs. 10 per three quintals when the price of the contract ruled below Rs. 675. For the week ending 15th December the limit shall be calculated with reference to the closing price on Monday, the 10th inst. For the subsequent weeks, the limit shall be calculated with reference to the closing price on the last trading day of the previous week. Similar limits have also been prescribed at other recognised associations trading in cotton.

Acting in concert with the F.M.C., the Textile Commissioner issued the second instalment of Indian cotton quota to mills. Curbs on the movement of cotton from Nasik, Dhulia and Jalgaon, imposed early last month when prices were ruling above the ceilings, were also removed so as to enable farmers to sell cotton to any buyer at any destination. These measures had some effect on the market which cried halt to the falling trend. In fact prices tended to recover yesterday. The statement of Mr. Ram Suthag Singh, Union Minister for Agriculture, in the Lok Sabha that the Government had agreed to consider a suggestion for raising the floor price of cotton imparted further strength to the market. The Jarilla March contract recovered to Rs. 675.50 at close today.

In spite of the release of the second instalment of quota, mill demand for ready cotton did not show any market improvement. Mills were reluctant to make purchases partly due to financial difficulties and partly because they preferred to wait in anticipation of a further fall in prices. Limited activity was, however, reported in such varieties as 197/3, L.147 and Co2. Some mills showed interest in new crop Vijay, Digvijay Surti, Kalyan and Wagad. As per the Textile Commissioner's announcement, all eligible mills in the country will be granted, as second instalment, a quota of 25 per cent of their consumption of Indian cotton and foreign 'B' cotton during the cotton season 1960-61. Mills in the northern zone, consisting of the Punjab, Rajasthan, Delhi, U.P., Madhya Pradesh, Orissa, Assam, Bihar and West Bengal will be granted an additional ten per cent for purchases from the local growths in Rajasthan, Punjab and U.P. Additional quotas will be given in case mills have increased their consumption of cottons in the year 1961-62. The decline in spot price of cotton below the ceilings and the prospect of a good crop have led some to question the need for continuing the supervisory scheme introduced this season. It is pointed out that the continuance of the scheme in the changed circumstances would do more harm than good.

Demand for exportable cotton was moderate. Foreign cotton was practically neglected. Spinners showed very little interest in ready lots. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal *Deshi* 662; Co2 1,070; Kalyan 925; Digvijay (new) 1,115; Busoga (UNUG) 1,185; Sudan G4S 1,435.

In contrast to the firmness witnessed in the past three weeks, the Karachi cotton futures market ruled easy during the week under review. Values declined on long liquidation and hedge selling. A part of the selling was attributed to the decision of the British Board of Trade to limit imports into U.K. of cotton yarn originating in, or consigned from, Pakistan to 1.2 million lbs. for the two years 1962 and 1963. The Board of Trade also notified that, with effect from 5th December, licences would be required for imports of yarn from Pakistan into U.K. N.T.R.G. January receded from Rs. 72.40 to Rs. 69.95. The March contract shed Rs. 1.70 over the week to Rs. 71.20.

Listless conditions continued to prevail in the Liverpool cotton futures market. Futures ruled quietly steady with practically no net change in prices. In the ready section, spinners showed interest in Peruvian cotton and limited quantities of U.S. cotton offered forward. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December 23.90; March 23.70; May 23.65.

American cotton mixed growth contract: December 24.25.

Sudan: January, March and May 29.75.

Cotton futures in New York ruled steady during the week. In spite of the higher December crop forecast and the expectation of lower price support, futures prices were well maintained, thanks to commission house buying and encouraging advices from the spot market. The December contract was quoted 4 points higher at 33.97 cents, as against 33.93 cents last week. The May position was unchanged at 34.38 cents. New York spot was steady at 34.80 cents and New Orleans at 32.65 cents, same as last week.

The preliminary final forecast published this week, estimates the 1962-63 U.S. cotton crop at

14.72 million bales of 500 lbs. each. This represents a decline of 190,000 bales from last month's figure. The yield per acre is higher at 455 lbs., as against 444 lbs. last month and last season's yield of 438 lbs.

SPOT ART SILK YARNS IMPROVE

(From Our Own Correspondent)

BOMBAY, 12*th December*

Notwithstanding reports of a serious crisis in the weaving section of the rayon industry leading to curtailment of production and even threatened closure of some units in Surat, spot art silk yarn and 40 x 2 staple fibre yarn staged a recovery, albeit small, during the week under review on revival of buying interest at lower levels. Thus, N.R.C. 150D looked up from Rs. 10.34 to Rs. 11 and 120D from Rs. 11.68 to Rs. 11.97, as did S.I. Viscose 150D from Rs. 10.45 to Rs. 11 and Century 100D from Rs. 14.78 to Rs. 15.05. Century 75D, however, slipped down from Rs. 18.70 to Rs. 18.15.

Among 40 x 2 staple fibre yarns, Centurys edged forward from Rs. 6.95 to Rs. 7.08 and Kohinoor gained 6 nP at Rs. 7.63, while Citys closed unchanged at Rs. 7.48. But the futures section continued weak, the December contract closing at the minimum price of Rs. 650 and the February settlement five points higher than the minimum price of Rs. 670.

Trading in cotton yarns was dull. 60s Finlay eased from Rs. 70.25 to Rs. 69.75.

The Government announced during the week that import of only viscose staple fibre (man-made) would be permitted from the U.S. under the Aid Loan N. 217. According to the notification, cotton mills which have indicated their requirements of viscose staple fibre need not apply again for import of this item under the said Loan, unless they require additional quantities and give justification for the same. Applicant consumers, having already been allotted staple fibre under the 'Staple Fibre Control Order, 1958,' are also required to give an undertaking that the quantity of the fibre they intend to import will be over and above the indigenous allotment made in their favour and that they will lift in full the indigenous material to be allotted to them from time to time.

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

	12-12-1962	5-12-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.97	11.68
Century 75D	18.15	18.70
S. I. Viscose 150D	11.00	10.45
Staple fibre yarn (40 x 2)—		
December („)	650.00	650.00
February	675.00	670.00
Kohinoor (per kg.)	7.63	7.57
Century	7.08	6.95
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.44	18.44
22s Century	24.25	24.25
30s Bradbury	27.00	27.00
40s Hind	34.00	34.00
60s Finlay	69.75	70.25
80s Kasturi	77.00	77.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

NILGIRI TEAS STRONG

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

COCHIN, 6*th December*

A total of 544,000 kgs. was offered in sale No. 48 held on Tuesday the 4th inst. Quality was about maintained, but a few Nilgiris showed an improvement. There was good demand. A few brighter Nilgiri kinds were well supported and fully firm, others in this category, however, were irregularly lower with quality, particularly fannings grades. The brighter good medium descriptions were about steady, but other types were slightly easier. Medium and low mediums were irregular but declined by some 10 to 20 nP. Plain kinds again met keen competition and were well supported. Black leaf varieties sold well but must be quoted slightly easier. Whole leaf grades, though irregular, shaded somewhat in price. Unorthodox teas generally followed the lower trend of the market.

The quotations (per kg.) were:

	1962	1961
	Rs.	Rs.
Low mediums	4.50-5.00	2.90-3.15
Mediums	5.00-5.30	3.20-3.70
Good mediums	5.35-6.05	4.00-4.50
Nilgiri B.O.P.	5.45-7.70	5.00-7.80

The average price realised in sale No. 48 was Rs. 5.16 per kilo as against Rs. 5.13 a week ago and Rs. 3.82 in the corresponding sale last year.

In dust sale No. 48 today, 373,000 kgs. were offered. There was less general demand than in recent weeks and prices eased, especially as the sale progressed. Mediums descriptions declined irregularly by up to 40 to 50 nP and sometimes more particularly towards the close. Highgrown dusts followed the general trend of the market and sold at much easier rates. Black, grainy sorts were better supported, but these also registered declines. Teas of unorthodox manufacture were easier, while C.T.C. types and legg-cut descriptions met with more enquiry than the rest.

The average price realised in dust sale No. 48 was Rs. 4.19 per kilo as compared with Rs. 4.55 a week ago and Rs. 3.49 in the corresponding sale last year.

Colombo: In Monday's auction, there was slightly less general demand and, whereas the market opened with best dimbulas lower, demand improved for these descriptions and at the close they were firm. Other dimbulas eased by 10 to 20 cents but their fannings were strong. Prices for uvas were unchanged and whereas good mediums were generally slightly easier, others shed 5 to 15 cents, but their fannings were strong. Lowgrowns eased 10 to 20 cents.

London: North Indian and other growths: In Monday's auction, there was good demand with best Assams about steady, but the remainder were mostly 1*d.* to 2*d.* dearer. The quotation for clean lowgrown B.O.P. is 3*d.* to 10*d.*

Ceylon and South Indians: Offerings met a strong market in Tuesday's auction and prices were generally firm to dearer.

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

"Sale No. 49: 891,000 kgs. offered. Fair demand at much lower prices. Plain and low mediums 80 nP to Re. 1 lower. Brighter mediums and good mediums 50 nP easier. Highgrown brokens generally 50 to 60 nP lower. Similar fannings, more unorthodox substantially easier."

GROUNDNUTS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 12*th December*

The Forward Markets Commission has given its permission for commencement of trading in new hedge contracts in groundnut, groundnut oil and cottonseed (April 1963 delivery) as well as linseed and castorseed (June 1963 delivery) on Friday the 14th inst. It is significant that, contrary to earlier fears of operators, the Commission has not reduced the ceiling rates for any contract. All the terms and conditions of trading also remained the same as those governing the existing contracts.

The fixation of ceiling rates at existing levels induced bull operators to extend their commitments. Besides, the very low levels touched in the groundnut section last week attracted buying. Tight supply position, following a marked decline in arrivals from upcountry centres on account of the recent sharp setback in values in the local market also imparted strength. Consequently, groundnuts and oil staged a smart rally. Castorseeds, too, ruled distinctly firm, on rumours of enquiries for castor oil from communist countries. In sympathy with groundnut and castorseed, linseed and cottonseed futures contracts registered handsome gains, while the spot section ruled listless in the absence of support.

Groundnut January 1963 contract forged ahead from Rs. 204.75 to Rs. 212.12, before closing today at Rs. 211.62. Khandesh quality strengthened by 2 to Rs. 42.50. Nizam bold rose by Re. 1.50 to Rs. 41.50. Oil January 1963 contract picked up 80 nP to Rs. 29.50. Oil railway receipts hardened by 20 nP to Rs. 17 and oil ex-mill by 10 nP Rs. 17.20.

Castorseed March 1963 contract put on Rs. 3.75 to Rs. 161.25. Madras small improved by 50 nP to Rs. 32.25. Kanpur gathered 63 nP to Rs. 31. Oil commercial was higher by 35 nP at Rs. 12.85 and B.S.S. by 30 nP at Rs. 13.60.

Linseed March 1963 contract spurted from Rs. 36.37 to Rs. 37.12. But bold ready, fell by Rs. 2 to Rs. 37. Linseed oil declined from Rs. 15.50 to Rs. 15.20, before recovering subsequently to Rs. 15.40.

Cottonseeds January 1963 contract rose by Rs. 2 to Rs. 94. But non-white and berar, however, ruled easy.

The following table shows the closing prices of oilseeds and oils on Wednesday 12th December, as compared with those of the two previous weeks:

	12-12-1962	5-12-1962	28-11-1962
Groundnut	Rs.	Rs.	Rs.
Groundnut January 1963 ..	211.62	204.75	213.37
Nizam bold	41.50	40.00	41.75
Khandesh quality	42.50	40.50	42.75
Oil ex-mill ready*	17.20	17.10	17.90
Railway receipts*	17.00	16.80	17.45
Castorseed			
Castorseed March 1963	161.25	157.50	161.37
Ready Madras	32.25	31.75	33.00
Ready Kanpur	31.00	30.37	30.62
Oil B.S.S.†	13.60	13.30	13.45
Oil commercial†	12.85	12.50	12.60
Linseed			
March 1963	37.12	36.37	37.25
Bold ready	37.00	39.00	40.50
Oil ready†	15.40	15.00	15.90
Cottonseed January 1963 ..	94.00	92.00	96.00
Niger seed	33.50	33.00	35.00
Kardi seed	25.00	25.00	26.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

EXPORTABLE TEA EASY

(From Our Own Correspondent)

CALCUTTA, 11*th December*

With the end of the strike by the Pakistani crew of the Assam-West Bengal river services, movement of tea tended to return fast to normalcy. Shipments during the week under review were satisfactory, and those to the United Kingdom were expected to rise in the following weeks. Shipping companies made available extra tonnage, and forward bookings gained momentum. The prospect of heavy arrivals from Assam was re-

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flected during yesterday's export auctions when bidding was slower than usual.

The rise in the U.K. tea stocks and the prospect of increased shipments from Calcutta were duly reflected in last week's Mincing Lane auctions, where North Indian tea on offer totalled 42,175 packages. In the two sales there, good quality teas, including best Assams, were easy and lost part of the recent gains. But poor quality teas, including Dooars, met with strong demand. Pakistani offerings totalled 330 packages. The trade here took note of the Dacca report suspending the export auctions scheduled to have taken place in Chittagong on 5th December. Although no reason for this suspension was given, it is presumed that it was due to the acute shortage of tea in Pakistan itself. Significantly, no date has been fixed for the auctions. As in North India, output in Pakistan is much lower than the earlier optimistic expectations which led the Pakistani Government to double the export quota.

The trade has noted with much enthusiasm that the revival of the Assam-West Bengal river services would not deflect the Government of India from measures proposed to improve and augment the road transport from Dubri in Assam to Siliguri in West Bengal. The swift economic development in this part of the country has made it necessary that the full utilisation of the river services through the Pakistani waters be supplemented by other transport facilities so that movement of goods in transit can be accelerated.

The magnificent work done by all concerned to use alternative means of transport during the strike period was fully appreciated by Mr. K. Ghosh, Chairman of the Calcutta Tea Traders Association, when he addressed the Association's annual meeting here last week. The strike has rightly given the tea trade an opportunity to think in terms of quicker transport. Road and air transport facilities were considerably augmented and, as a result, tea auctions last month in Calcutta were well maintained, although at the peak of the strike period the weekly offerings fell to 50,000 chests as against the normal average of 70,000 chests.

Transport by road and air, though much quicker, is costlier than river transport, and to the extent of the extra cost the export price, which is determined by world market trends, cannot be raised. Against such a background, it is to be hoped that the plea of the industry for revising taxation on tea finds favour with the authorities.

In this context, Mr. Ghosh asked the Government to consolidate all the various levies on tea into a single comprehensive tax to be levied at one point. He said that taxation at several points caused the trade much trouble. He believed that it should not be difficult to work out the average yearly collections by the States and the Centre and transform the various levies into one central tax, with the Centre paying a part of the tax to the States in lieu of their foregoing their direct taxes.

Dusts on offer in the internal sales, held on the 5th inst., totalled 29,062 packages. Although demand was good, it could be sustained only at lower prices. While a few bright teas realised satisfactory prices, good C.T.Cs eased. A few selected lines in medium C.T.Cs sold well, but the remainder sold at prices lower by 30 nP. Plain orthodox teas gave way by 20 to 30 nP. The plainer medium Assam teas dropped by 20 nP, but the brighter lines eased slightly in an irregular trend. Legg-cut teas also dropped, despite good support. Quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.30 to 6.60, medium Assam C.T.C. dust 5.80 to 6, legg-cut dust 5.40 to 5.60, medium Assam dust 4.80 to 5.40 and plain orthodox dust 4.65 to 5.00.

Demand at yesterday's export sales, where offerings totalled 54,208 packages, was lower. The whole leaf grades and more tippy teas eased in line with the general trend. Orthodox teas declined by 30 to 50 nP. The decline in the price of the better liquoring Assam teas was sizable and led to withdrawals. C.T.C. grades were pushed down by 30 to 50 nP. The best sorts eased by 70 nP. Legg-cut teas dropped by 30 to 50 nP. In line with the general trend, Darjeelings also eased. The quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 6.40 to 6.80, best Assam C.T.C. B.P. 6.20 to 6.50, medium Assam C.T.C. fannings 5.50 to 6, medium Assam C.T.C. B.P. 5.40 to 5.90, clean plain pekoe 4.30 to 4.50, plain fannings 4 to 4.50 and plain B.P. 3.80 to 4.20.

RAW JUTE IMPROVES

(From Our Own Correspondent)

CALCUTTA, 11*th December*

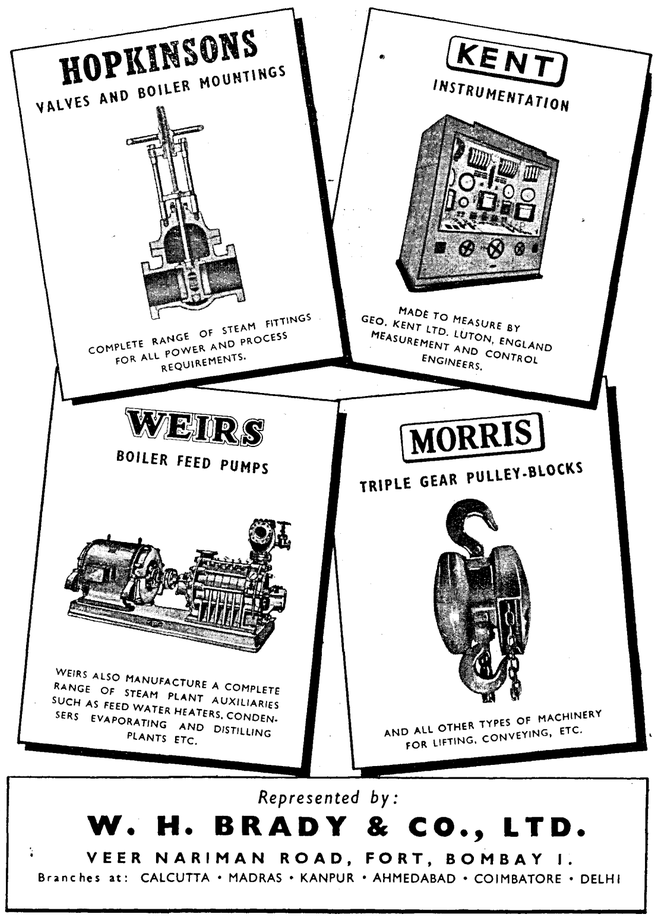
The increased support accorded by mills enabled fibre prices to rise from their lowest levels during the week under review. In goods, hessian closed lower on balance, while sacking added an overall gain. U.S. buying of hessian during the week was paltry and traders thought that, in view of the substantial offtake in recent weeks, U.S. buyers could afford to hold out of the market for the time being. When the market was viewing the outlook this way, the release of figures relating to goods in stock as at the end of November came in handy to weaken sentiment. While a decline in heavy goods stocks had been anticipated due to the tendency among mills to increase the proportion of output of hessian by transferring looms from sacking, the actual decline of 3,700 tonnes was above earlier expectations and this explained for the firmness of heavy goods following the announcement. The stocks of hessian increased by 3,100 tonnes and those of miscellaneous constructions by 1,100 tonnes, leading to an overall increase of 500 tonnes. The increase in hessian stock came as a surprise. If, despite the limited availability of fibre fit for hessian manufacture, the output of this construction exceeds demand, it follows that the process of transfer of looms from sacking to hessian must stop. This, coupled with fewer inquiries from abroad, led to the fall in hessian prices.

The investment interest which jute shares attract, notwithstanding an extremely subdued stock exchange, is an index of the encouraging development that the jute mills have generally improved their profitability. While about a year ago, the mills could procure fibre at not less than double the existing prices, the fall in prices of goods has been only small in comparison. Of course, the fact that mills were incurring heavy losses should be kept in mind. As such, if profitability of mills has now increased in comparison, mills have to make up past losses. At the same time, the demand for sacking has not been as satisfactory as that for hessian. Also, in an endeavour to give support to the fibre market, fibre stocks with mills are heavier than at any time in the past, thereby increasing financial commitments. For the time being, the mills are not likely to place any restriction on output and, as such, the extended rate of production would continue. The huge stocks of fibre with mills also makes this expedient. Internal demand for jute goods has increased and Defence needs have also meant more orders on mills, with the result that the order books of mills are full for months to come. Moreover, there has been a steady flow of overseas demand for hessian.

It is no surprise, therefore, that the trade fully shares with the Government the expectation that this year's exports of jute goods would realise a record level of foreign exchange earnings of Rs. 150 crores. Dr. B. P. Kedia, who presided over the annual meeting of the Gunny Trades Association here last week, was hopeful that, given determination, the industry could raise exports further in 1963. In the nine months to September last, the monthly average of exports was 79,011 tonnes and the average earnings Rs. 13.23 crores. In the last two months, exports have been higher. Even maintenance of the earlier average would give a total for the year at Rs. 158 crores, which, however, would be surpassed. Dr. Kedia was one with the Government on the need to ensure an economic floor price for growers. On this subject, the mills would welcome a re-examination of the issue of production cost for cultivators. For they feel that, with the fall in quality and increase in output, cultivators' costs have fallen, and maintenance of last year's minimum prices only encourages the cultivators to be indifferent to quality. If any price support measure becomes allied with "the reservoir plan" and this is followed with a similar bumper crop, it can only follow that the buffer stocks would be difficult of consumption and in course of storage would only become obsolete. Naturally, therefore, much depends upon an improvement in the quality of the next crop.

It was good news during the week that the strike by the Pakistani crew operating the Assam-West Bengal steamer services has been called off and the river transport was being revived in its original frequency. As a result of the strike, movement of Assam jute to Calcutta was affected and prices of Assam jute declined much below the minimum levels. In order to relieve the distress caused to cultivators in Assam and North Bengal, purchases for buffer stock as well as for mills' own stocks would be mainly from these two areas. The latest quota of 250,000 bales for buffer stock has been directed to be completed by 19th December. Since the godowns of mills are full, there is hardly any spare storage space either in Calcutta or at other mills' stations. In the current month, mills would be required to buy 650,000 bales, of which at least 200,000 bales should be Assam jute. Mills are surprised that they are asked to shoulder this burden at a time when they have no storage capacity. There is the acute need to build warehouses in the growing areas, so that cultivators can store not only jute but other products also. Against this background, the decision of the West Bengal State Warehousing Corporation to build warehouses in all West Bengal districts except Purulia is welcome. It is to be hoped that Assam and Bihar follow the example of West Bengal and increase warehousing facilities to cultivators.

On Tuesday last, there was some covering business in jute goods. However, genuine business passing was limited. As a result, ready B. twills eased from Rs. 119 to Rs. 118.50, and ready hessian 40" 10 oz. from Rs. 56 to Rs. 55.75. For a good part of the following day, there was very little activity, but soon some interest developed in the futures market to push up ready B. twills to Rs. 118.80. In the absence of any interest, however, hessian 40" 10 oz. eased to Rs. 55.65. The absence of U.S. interest was taken as an indication that recent purchases by U.S. buyers had far exceeded their minimum needs. It was being apprehended that mills' output of hessian was exceeding demand and that it was necessary to stop the process of transfer of looms from hessian to sacking. This was indicated by the continued absence of interest in hessian, as a result of which hessian 40" 10 oz. receded to Rs. 55.60 on Thursday. On the other hand, covering business raised ready B twills to Rs. 119. The announcement of figures relating to goods in stock with mills as at the end of November was made on Friday. These only confirm the earlier fears relating to hessian. Ready hessian 40" 10 oz. dropped to Rs. 54.85, while, as a result of the fall in the stocks of sacking goods, B. twills was firm at Rs. 119.00. Over the week-end, conditions eased slightly and B. twills were quoted lower at Rs. 118.80 and hessian 40" 10 oz. at Rs. 54.30. A factor for this recession was the announcement by mills that they had decided to extend the present maximum level of production until the end of January. It was stated that, despite the small increase in stock, offtake from mills had been maintained in November. The reopening yesterday after the week-end holiday was marked by steady conditions on the development of demand for hessian both in the ready market and the futures market. Ready hessian 40" 10 oz. hardened to Rs. 55 and in sympathy ready B. twills to Rs. 120.25.



KIPS RECEDE

(From Our Own Correspondent)

MADRAS, 10*th December*

Trading in kips here continued restricted this week owing to very limited inquiries from overseas despite shippers' reducing their prices by 2d. to 3d. However, demand for the inferior fifths was fair, and prices remained unchanged. In the cow-calf section, there was regular demand for semi-premiums, but premiums were nearly neglected. Prices continued unchanged due to restricted arrivals. Buffalo hides maintained previous week's prices, but light buffalos were a shade easier. Buff-calf skins were distinctly easier, and though prices declined by 4d., buyers were not many.

Goat skins again maintained the firm trend, though buyers continued to resist higher prices. In sheep skins premiums, semi-premiums and F.A.Q. were selling fairly regularly at unchanged prices. There was continued demand from the U.K. and the Continent, and to some extent from Japan.

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, 10*th December*

An easy trend continued in foodgrain prices here this week. Stockists were reported anxious sellers and demand was slack. Heavy stocks with the Government and continued imports coupled with good crop prospects acted as bearish factors.

While the farm wheat was quiet, the dara wheat declined by 67 nP to 99 nP a quintal during the week under review due to slack demand in the face of heavy stocks. Today, the dara quality was quoted between Rs. 38.86 and Rs. 39.20 a quintal and the farm quality at Rs. 42.87 to Rs. 44.21 a quintal. Arrivals were small and local stocks were estimated around 78,000 maunds. Rains in the week-end have brightened crop prospects. Rice prices also registered an easy trend due to better arrivals from East U.P. in the face of poor demand. Week-end prices were: Rice *basmati* superior Rs. 80.38 to Rs. 91.09, *sela basmati* Rs. 72.34 to Rs. 77.70, *mainpuri* Rs. 50.24, *ramajwayan* Rs. 57.60, *raimunia* Rs. 60.28 and *gadda* Rs. 46.22. a quintal.

Grams ruled easy due to lack of support and lower advices from Punjab. Prices ran down 32 to 67 nP a quintal. The Punjab variety was quoted at Rs. 39.85 and the local produce at Rs. 39.52. Maize eased by 67 nP to Re. 1.34 per quintal due to heavy arrivals which averaged 500 maunds a day. Local stocks mounted to 30,000 maunds. Barley and *bejhar* prices also drifted lower on slack demand to be quoted at Rs. 24.12 and Rs. 24.78 a quintal, respectively. Local barley stocks were around 16,000 and of *bejhar* at 3,000 maunds. *Juwar* was quiet and *guwar* prices sought lower levels, as arrivals were better. *Bajra* drifted lower. Other grains were listless. Week-end prices were: *Juwar* Rs. 32.15 to Rs. 33.49, *guwar* Rs. 33.49, *methi* Rs. 58.94, *bajra* Rs. 34.83 to Rs. 36.17 and oats Rs. 29.47. a quintal.

In pulses, peas declined sharply up to Rs. 2 per quintal according to quality on selling pressure from stockists. Demand was slack and the week's offtake of peas and peas dal was seven wagon-loads mostly to the South. Crop prospects have very much improved due to the rains during the week. Local stock of peas is now put around 51,000 maunds. *Arhar* eased fractionally to be quoted at Rs. 48.23 a quintal. New *urd* and *moong* arrivals increased and prices drifted to lower levels. Week-end prices were: Peas dal Rs. 32.15, *arhar dal* Rs. 66.98, *urd* Rs. 48.23 to Rs. 56.26, *urd dal* Rs. 66.98, *moong* Rs. 42.87 to Rs. 45.55, *moong dal* Rs. 56.26, *mascor* Rs. 49.57 to Rs.53.58, *masoor dal* Rs. 58.94, *moth dal* Rs. 48.23 and *gram dal* Rs. 45.55, a quintal.

SUGAR DECLINES FURTHER

(From Our Own Correspondent)

HAPUR, 10*th December*

Sugar prices here declined further this week on selling pressure from factories following the easy supply position. While Punjab and Delhi evinced some interest, demand from the South was lacking. All the factories in West U.P. were reported to be facing shortage of cane supplies and the crushing season was expected to end by March or even earlier in the case of some factories. Production in the country is likely to run down to 25 lakh tons. Efforts were, however, being made to prompt growers to divert cane to factories.

Spot delivery prices of sugar eased by 50 nP per quintal to Rs. 104.25 and the mill delivery prices fell by 19 nP to 67 nP per quintal. Week-end mill delivery prices were: (D29) Amroha Rs. 100.78, Dhampur Rs. 100.98, Seohara Rs. 100.78, Meerut Rs. 102.75 (E29) Simbhauli Rs. 102 and Bijnore Rs. 100.47.

The Muzaffarnagar market was also easy due to limited demand. Mills were eager sellers, but the wagon supply position remained far from satisfactory. Some mills were unable to find buyers even at lower than the former controlled prices. Prices eased by 16 nP to 60 nP for different grades of the various factories.

Increased arrivals in the face of lack of demand resulted in a sharp fall in *khandsari* prices during the week. Prices eased by Re. 1.34 to Rs. 6.69 per quintal according to quality. *Khandsari* wet inferior was quoted at Rs. 77.70 to Rs. 85.74 and the non-crystal variety fetched Rs. 87.08 to Rs. 95.11 per quintal. Crystal *khandsari* was done between Rs. 88.41 and Rs. 95.11 per quintal.

Gur prices drifted lower due to lack of demand even at lower rates. Daily arrivals here averaged 4,000 maunds and were lifted by Gujarat and Saurashtra, thanks to the easy loading facilities. Week-end prices of *gur* here were: Pansera Rs. 40.20 to Rs. 43.20, *balti* Rs. 40.19 to Rs. 42.87 and *shakker* Rs. 45.55 to Rs. 48.23 per quintal.

Gur prices drifted lower also in the Muzaffarnagar market, as demand was reported only at lower levels. The *chaku* quality eased by 75 nP to Rs. 16.50 to Rs. 17.50 and *khurpar* by 50 nP and *rusket* by Re. 1 per maund. *Gur* laddoo was in demand from East U.P. and M.P. at Rs. 17 to Rs. 17.50 per maund.

After an early slight fall, *gur fagun* registered sharp gains on sustained bull support to be quoted today at the highest level of the week. It opened at Rs. 20.50 last Monday, eased to Rs. 20.38, and then advanced to Rs. 21.18. Shortage of cane accounted for this bullish trend in prices.

ATOMIC POWER PLANS

There is an element of mystery still around the decision of the Government to award the contract for the Tarapore nuclear power plant to the American General Electric. As reported earlier in these columns, the American firm had made the lowest offer. The Western debate over the economics of nuclear power and whether countries like India would be wise to go after the atoms for power has never had any effect on the thinking of Prime Minister Nehru or Dr. Homi Bhabha. Even after the intensification of the Chinese offensive on the border, Mr. Nehru went out of the way to emphasise the importance he attached to nuclear power development plans. The decision to award the Tarapore contract to the Americans is not the end of the affair, because there is still the safeguard hurdle to be cleared, the Americans being wedded to the inspection programme to see that atoms for peace do not become atoms for war except within the exclusive nuclear club. Some American observers in the Indian capital took it for granted that after the Chinese attacks and the decision to accept American arms and arms inspection, Mr. Nehru would readily agree to open the doors of the Tarapore project for international inspection.

Some members of Parliament tend to view the Indian nuclear power development policy this way. The present Government so far has pledged itself to an atoms-for-peace policy and even a few days ago presented a programme for a ban in the nuclear weapons field. But Mr. Nehru does not want to tie down the hands of any later administration to the inspection system for Indian nuclear power development plans. If China goes in for nuclear weaponry, the psychology behind India's atomic policy may suffer changes.

The discussions on the second project nuclear power plant at Rana Pratapsagar in Rajasthan is still in a preliminary stage, but the Canadians are expected to underwrite the project. Meanwhile, the Government has announced the choice of the site for the third nuclear power plant, to be established in the south. The most favoured site in the Indian technical experts' report is Kalpakkam, near Mahabalipuram, south of Madras. Three other possible sites recommended are in Madras, Mysore and Andhra Pradesh. The Government has agreed with the choice of the site near Mahabalipuram, since the other choices are related to pre-conditions like development of some hydro-electric projects and use of an atomic station to offset seasonal power cuts due to water shortage.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 7th Dec., 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	54,13,66,000
(ii) State Governments	21,26,24,000
(b) Banks—	
(i) Scheduled Banks	72,36,14,000
(ii) State Co-operative Banks	1,73,33,000
(iii) Other Banks	6,09,000
(c) Others	165,28,32,000
Bills Payable	32,68,22,000
Other Liabilities	39,67,63,000
Rupees	540,19,63,000

Assets	Rs.
Notes	13,16,38,000
Rupee Coin	2,71,000
Small Coin	2,22,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,92,00,000
(ii) State Co-operative Banks	11,47,96,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	106,59,51,000
Balances Held Abroad*	8,70,08,000
Loans and Advances to Governments**	6,99,00,000
Loans and Advances to—	
(i) Scheduled Banks†	29,88,65,000
(ii) State Co-operative Banks‡	135,07,62,000
(iii) Others	1,67,82,000
Investments	167,51,46,000
Other Assets	32,29,34,000
Rupees	540,19,63,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund.
† Includes Rs. 17,38,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	13,16,38,000	
Notes in circulation	2122,59,02,000	
Total Notes issued		2135,75,40,000
Total Liabilities		2135,75,40,000
Assets	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		121,61,77,000
Government of India Rupee Securities		1808,29,10,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2135,75,40,000

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Nov., 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	5,91,36,000
(b) Provincial Governments	18,60,37,000
(c) Banks	23,88,99,000
(d) Others	101,73,85,000
Bills Payable	27,07,000
Other Liabilities	17,31,42,000
Rupees	178,88,06,000

Assets	Rs.
Notes	8,78,18,000
Rupee Coin	16,000
Subsidiary Coin	24,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	24,39,07,000
Loans and Advances to Governments	12,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	41,77,77,000
Investments	92,88,62,000
Other Assets	10,92,02,000
Rupees	178,88,06,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,78,18,000	
Notes in circulation	369,78,43,000	
Total Notes issued		378,56,61,000
Total Liabilities	....	378,56,61,000
Assets	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,43,21,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	130,45,29,000
B. Rupee Coin	3,29,73,000	
Government of Pakistan Securities	238,91,53,000	
Internal bills of exchange and other commercial paper	....	242,21,26,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	378,56,61,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 35.94 per cent.

State Bank of India

Statement of Affairs for the week ended 23rd Nov., 1962

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		578,49,23,000
Borrowings from Other Banking Companies, Agents, etc.		76,50,000
Bills Payable		12,52,87,000
Bills for Collection being Bills receivable as per contra		2,83,66,000
Acceptances, Endorsements and Other Obligations per contra		8,67,91,000
Other Liabilities (including Inter-Office Adjustments)		19,95,79,000
Total .. Rs.		637,08,46,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		18,96,35,000
Balances with other Banks		3,17,05,000
Money at Call and Short Notice		3,26,67,000
Investments—		
Government and other Trustee Securities	297,39,96,000	
Other Authorised Investments	10,42,20,000	307,82,16,000
Advances—		
Loans, Cash Credits, Overdrafts etc.	235,98,00,000	
Bills Discounted and Purchased	17,27,22,000	253,25,22,000
Bills Receivable being Bills for Collection as per contra		2,83,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,67,91,000
Premises less Depreciation		2,00,59,000
Furniture and Fixtures less Depreciation		1,67,92,000
Other Assets (including Inter-Office Adjustments)		35,40,93,000
Total .. Rs.		637,08,46,000

EXCHANGE RATES

		12th December 1962	5th December 1962
London on New York	S. per Dollar	2.8032-2.8035	2.8029-2.8032
New York on London	Cents per £	280.340-280.370	280.280-280.310
London on Paris	Fcs.	13.7355-13.7380	13.7325-13.7345
London on Berne	Sw. Fcs.	12.0950-12.0970	12.0950-12.0970
Pound Sterling—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 15/16	1-5 15/16
Buyers T.T.	s.	1-5 1/32	1-5 1/32
Buyers D.D.	s.	1-5 1/16	1-5 1/16
U.S. Dollar—			
Sellers T.T. D.D.	Rs. to $ 100	477.50	477.50
Buyers T.T.	Rs. to $ 100	474.00	474.25
Canadian Dollars—			
Sellers T.T. D.D.	Rs. to $100	446.00	446.00
Buyers T.T.	"	438.25	438.25
French Francs—			
Sellers T.T. D.D.	per Rs. 100	102.50	102.50
Buyers T.T.	"	103.60	103.50
Swiss Francs—			
Sellers T.T. D.D.	"	90.20	90.20
Buyers T.T.	"	91.20	91.20
Deutsche Marks—			
Sellers T.T. D.D.	"	83.60	83.60
Buyers T.T.	"	84.50	84.50
Italian Lire—			
Sellers T.T. D.D.	"	12,970	12,965
Buyers T.T.	"	13,145	13,140
Swedish Kroner—			
Sellers T.T. D.D.	"	108.50	108.40
Buyers T.T.	"	109.60	109.50
Belgian Francs—			
Sellers T.T. D.D.	"	1,038	1,037
Buyers T.T.	"	1,054	1,053
Dutch Guilders—			
Sellers T.T. D.D.	"	75.30	75.30
Buyers T.T.	"	76.10	76.10
Hongkong Dollars—			
Sellers T.T. D.D.	"	119.40	119.40
Buyers T.T.	"	120.40	120.40
Norwegian Kroner—			
Sellers T.T. D.D.	"	149.50	149.50
Buyers T.T.	"	120.40	150.80
Danish Kroner—			
Sellers T.T. D.D.	"	144.40	144.40
Buyers T.T.	"	145.70	145.80

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 30-11-62	23-11-62	1-12-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	45,51	47,10	47,91
(ii) From others	802,38	803,07	725,00
(b) Borrowings from banks	23,64	20,35	25,85
(c) Others	55,52	59,86	52,28
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	26,53	28,99	17,55
(ii) From others	1,233,57	1,235,70	1,088,30
(b) Borrowings from banks	14,54	15,20	19,77
(c) Others	11,08	10,62	24,28
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,035,95	2,038,77	1,813,29
4. Borrowings from Reserve Bank	5,19	1,59	3,23
(a) Against usance bills and/or promissory notes	1,55	41	20
(b) Others	3,64	1,18	3,03
5. Borrowings from State Bank and/or a notified Bank	20,21	19,81	16,33
6. Cash	47,46	48,30	46,43
7. Balances with Reserve Bank	68,78	78,13	74,80
8. Cash and balances with Reserve Bank	116,23	126,43	121,23
9. 8 as per cent of 3	5.71	6.20	6.69
10. Balance with other banks in current account	16,92	17,46	15,69
11. Money at call and short notice	54,37	54,11	51,06
12. Investments in Government securities	700,26	704,82	624,73
13. 12 as per cent of 3	34,39	34.57	34.45
14. Advances—			
(a) Loans, cash credits and overdrafts	1,168,03	1,148,53	1,038,51
(b) Due from banks	9,43	10,04	11,98
15. Inland bills purchased and discounted	151,89	159,96	144,99
16. Foreign bills purchased and discounted	52.70	54,53	46.29
17. Total Bank Credit [14 (a)+15+16]	1,372,61	1,363,02	1,229.79
18. 17 as per cent of 3	67.42	66.85	67.82

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	1st Dec., 1962 P	24th Nov., 1962	2nd Dec., 1961	3rd Nov., 1962P
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	99.7	99.7	100.8	100.1
2. Government of India	99.4	99.4	100.7	99.8
3. State Government	101.8	101.8	101.9	102.0
4. Municipal, Port Trust, etc.	98.7	98.8	98.3	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	99.0	99.0	101.2	99.0
PREFERENCE SHARES—ALL INDIA.				
6. **Total**	80.9	80.9	82.3	80.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total**	170.3	170.6	187.6	171.8
8. *Agriculture and Allied Activities : Total**	149.2	149.5	165.9	149.1
9. Tea Plantations	141.2	141.1	158.5	141.4
10. Coffee Plantations	144.1	144.2	165.2	144.1
11. Rubber Plantations	161.8	161.5	172.3	161.8
12. *Mining and Quarrying : Total*	147.5	147.1	159.2	149.0
13. Coal	115.2	115.2	121.0	115.6
14. Other Mining	169.6	168.9	185.4	172.0
15. *Processing and Manufacturing : Total*	182.8	183.2	204.3	184.7
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	191.8	190.9	215.8	192.1
17. Sugar	132.9	132.1	155.3	131.7
18. Cotton Textiles	172.1	171.6	189.0	172.0
19. Jute Textiles	96.5	96.6	94.0	96.4
20. Silk and Woollen	981.2	970.2	1232.2	983.1
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	181.1	183.9	204.6	186.2
22. Iron and Steel	133.3	139.9	161.5	143.2
23. Transport Equipment	337.9	336.7	414.0	338.6
24. Electrical Machinery	159.5	159.5	163.7	161.0
25. Machinery other than Transport and Electrical	220.2	219.1	220.0	220.0
26. Basic Industrial Chemicals	177.8	176.9	221.4	177.3
27. *Processing and Mfg. (Others): Total**	158.8	158.6	169.0	159.7
28. Cement	146.6	146.3	155.1	147.1
29. Paper	204.5	204.5	216.0	206.9
30. *Other Industries : Total**	107.7	107.8	112.4	108.2
31. Electricity Generation and Supply	85.1	85.3	85.3	85.8
32. Trading	111.3	110.9	125.6	111.5
33. Shipping and Other Transport	88.9	88.9	93.5	89.6
34. Construction	252.2	253.8	289.6	254.3
35. *Financial : Total*	203.9	204.0	208.9	204.9
36. Banks	227.8	227.9	237.0	229.0
37. Insurance	163.7	163.7	153.6	164.2
38. Investment Trusts	89.4	89.4	90.7	89.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	173.5	172.6	194.2	174.2
40. Calcutta	161.1	163.0	172.4	163.9
41. Madras	185.7	185.5	204.2	185.7
42. Delhi	217.7	217.5	256.1	220.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	10th Nov., 1962	3rd Nov., 1962	11th Nov., 1962	September 1962	September 1961	Percentage of Increase (+) or Decrease (—) in Sept., 1962 as compared with Sept., 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	130.3	130.2 R	120.6	130.0	121.1	+ 7.3	120.1	120.0
Cereals	192	110.0	109.1 R	102.9	109.4	103.4	+ 5.8	102.3	104.4
Pulses	43	115.4	115.5	92.9	111.3	89.2	+24.8	91.9	92.9
Fruits and Vegetables	23	129.5	131.5 R	150.0	129.2	148.3	—12.9	137.6	118.5
Milk and Ghee	84	124.5	124.2	119.5	126.5	116.9	+ 8.2	116.4	116.0
Edible Oils	47	157.5	158.5	150.6	158.6	153.3	+ 3.5	156.5	150.3 R
Fish, Eggs and Meat	17	142.4	144.4	135.9	155.3	136.6	+13.7	135.4	123.5
Sugar and *Gur*	48	154.3	158.6	118.6	154.6	123.9	+24.8	119.6	132.8
Others	50	178.0	174.3	169.0	172.5	173.1	— 0.3	171.6	167.8
Liquor and Tobacco	21	100.5	100.5	99.5	99.8	99.7	+ 0.1	100.3	109.9 R
Tobacco	..	97.0	97.0	95.7	96.3	96.2	+ 0.1	96.8	108.3 R
Fuel, Power, Light and Lubricants	30	125.1	125.0	121.6	124.9	121.4	+ 2.9	122.1	120.0 R
Industrial Raw Materials	155	137.8	137.3 R	136.7	139.8	138.3	+ 1.1	142.6	145.4
Fibres	61	129.1	128.3	126.4	130.0	127.7	+ 1.8	138.3	151.6
Oilseeds	60	155.0	154.6 R	152.5	159.5	156.3	+ 2.0	156.4	149.9
Minerals	2	93.4*	93.4*	94.8	93.4	94.8	— 1.5	94.9	97.4
Others	32	124.9*	124.8* R	129.7*	124.7	127.0	— 1.8	128.1	128.0
Manufacture	290	130.3	130.0 R	126.4	129.4	125.5	+ 3.1	126.6	123.9
Intermediate Products	41	144.7	145.1	140.3	142.9	140.6	+ 1.6	138.8	130.6 R
Finished Products	249	127.9	127.5 R	124.1	127.2	123.1	+ 3.3	124.6	122.8
Textiles	147	126.5	125.7 R	124.0	125.9	123.4	+ 2.0	125.5	125.8
Cotton	..	129.5*	129.9*	128.2*	129.2	127.9	+ 1.0	127.9	128.1
Jute	..	113.8	109.9 R	115.5	113.3	114.2	— 0.8	122.4	131.4
Woollen	..	141.3*	141.3*	123.1*	123.1	123.1	+14.8	122.7	109.1
Silk and Rayon	..	135.3*	135.3*	120.4*	132.9	118.9	+11.8	119.9	104.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 6.2	151.6	147.9 R
Chemicals	20	117.2*	117.2*	111.3	116.2	111.6	+ 4.1	110.7	104.4
Oil Cakes	9	171.0*	172.6	147.0	163.6	143.5	+14.0	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7	116.2	117.8	113.5	+ 3.8	114.5	111.9
Others	30	125.5	125.5 R	123.3	125.3	121.2	+ 3.4	121.3	116.1 R
All Commodities	1,000	130.7	130.5	124.4	130.6	124.6	+ 4.8	125.1	124.9 R

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

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180		Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.00	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	60.50	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	155.00	50	5.00	5.00	12.50	5.00	3	Y.P.
*2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	562.50	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	139.50	150	10.00	15.00	15.00	15.00	3	Y.
84,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	93.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	297.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,63,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	222.50	100	21.50	21.50	21.50		12	Y.
24,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00		3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	25.60 3.12	0 10O. 0 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,02,72,488	1,93,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		3	Y.P.
59,85,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	373.75	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	276.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	56.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	1,56,581	2,932	Morarjee Goculdas Spg. & Wvg.	468.50	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	422.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
80,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	203.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	43,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	114.50	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,93,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	127.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.75	10	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	236.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	152.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	782.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	263.00	100	14.00	17.00	19.00		12	Y.P.
60,09,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	251.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,23,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	55.20	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,83,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	590.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	792.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	395.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	541.25	100	25.00	30.00	35.00		12	Y.P.
06,25,000	2,96,03,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	823.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	405.00	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,280.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	395.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	555.00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	157.50	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas, Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,155.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	9.19	10	*Nil*	0.80	0.80		12	Y.P.
7,11,280 1,30,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	27.00	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
60,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	25.87	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.50	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	27.00	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.50	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	22.00	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634†	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.00N 2.50N	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,034	82,71,024	24,50,179	31,71,575	Kothari & Sons#	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	27,224	..	Asher Textiles Ltd.	229.00cd	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80	100	10.00	10.00	8.00		12	Y.P.
1,75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	116.00	100	*Nil*	*Nil*	*Nil*		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	281.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,225	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,16,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	67.50	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	98.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	44.50	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.50	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	175.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	46.00	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited			Indian Rayon Corporation	84.50	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	196.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	14.25	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.19	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	138.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	717.50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	33.12	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	116.25	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	54.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
'A'. 4,00,000 'B'. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	141.50	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	..	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.62	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	46.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,33,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 7.62	100. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	28.60	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	110.00	100	*Nil*	5.71	6.00		12	Y.P.T.

\# Includes bonus; † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax;

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.19	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	109.00xd	100	Nil	6.00	Nil	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,585	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	223.00	100	12.50	20.00	7.50	10 00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	Nil	3	Y.P.T.
20,00,000	85,02,385	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	293.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	180.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	3	Y.P.
45,00,000	27,09,209	73,32,018	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,85,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	29.50	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	160.00	100	15.00	10 00	Nil		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
39,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	138.00	100	7.00	10.00	5 00	Nil	3	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.94	10	1.25	Nil	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.25	10	1.50	0.50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.37	10	Nil	Nil	Nil		3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	125.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	171 20	100	14.00	7.50	Nil		11	Y.P.
15,00,000	88,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.25	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	412.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,369	1,86,83,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	25.37	10	1.50	2.25	2.25	1.00	3	Y.P.T.
34,32,100	40,93,282	2 77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.12	10	Nil	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.62	10	4.00	4.00	1.00		12	Y.T.
24,00,000	84,36,266	2,74,15,455	1,81,06,760	82,085	Macneill & Barry Ltd.	1,394	Gourepore	459.00	100	25.00	30.00	25 00		3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,686	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,558	Jardine Henderson Ltd.	1,940	Howrah	19.00	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	3	Y.P.
37,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	17.12	12.50	1.24	1.75	1.50		3	Y.
24,00,000 } 'B'19,20,000 }	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 164.50 164.50	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		} 12	Y.P.T.
30,00,000 } 'B'24,00,000 }	....	1,78,14,456	1,25,51,580	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	{ 128.00 128.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		} 12	Y.P.T.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	708	Kelvin	173.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	17 00	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	153.00	100	10.00	20.00	7.00	Nil	3	Y.P.T
24,46,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	931	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,90,180	66,06,825	48,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	116.00	100	2.00	15.00	15.00	10.00	3	Y.P.
31,65,200	44,95,087	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	12.62	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,08,70,853	42,332	M.	315	Naihati	107.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.375	0.60			10	Y.T.
36,00,000	52,63,706	1,08,02,989	25,02,498	41,829	M.	852	National	24.00	10	1.00	0.75			10	Y.P.
26,25,000	33,18,272	78,06,659	37,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.44	10	1.40	0.80	0.60		7	Y.P.T.
2,58,68,370	2,60,72,020	9,66,78,581	1,71,78,801	Nil	Sahu Jain Ltd.	1,765	New Central	13.62	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	35.25	10	1.25	3.00	3.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,28,60,881	1,19,31,974	1,08,322	Macneill & Barry Ltd.	1,092	Nuddea	55.00	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,880	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	4.94	5	0.50	0.40	0.30		7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—360,855	Hindustan Investment Ocrpn. Ltd.	805	Rameshwara	9.87	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.69	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,884	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	18,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.25	10	2.50	2.50	2.50		12	Y.P.
£600,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	164.00	100	20.00	25.00	6.00	Nil	3	Y.P.T
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	5.62	1	0.25	0.30	0.30	0.60	5	Y.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12 91	10	1.50	1.50	1.20	1.20	3	Y.P.
84,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Bule Mountain Estates & Ind.	2.50cd	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	17,63,436	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director).	848	Chandramalai Estates Ltd.	2.45	2	0.24	0.20	0.20		6	Y.P.
14,00,100	12,45,700	29,81,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	698H	Chembra Peak Estates	3.50	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,388	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	892	Coonoor Tea	22.47	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0 30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.50	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,845	2,75,238	80,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	198	Emerald Valley Estates	5.34	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	5 8,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3·31	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40'446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.83cd	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0 10	0.10	3	Y.
8,00,000	6,18,504	14,43,867	3,15,782	1.740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	34.60	25	5.00	8.75	8.50		3	Y.P.
36,00,000	24,07,934	82,20,060	16,18.139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	2.67xd	5	0.375	0.375	0.375	0.375	3	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.86	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.75	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8,63,183	37,72,915	14,39,943	44,424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	21.55	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	22.90cd	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21.23xd	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	2.96	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,71,500	11,85,352	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.53cd	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55xd	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.79	2	0.10	0.16	0.20	0.20	3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.25	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	19 35	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,58,965	87,35,614	12,55,672	1,12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.30cd	2	0.25	0.25	0.20	0.20	6	Y.P

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.80	0.20	3	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	3.00cd	2	0.50	0.40	0.30	0.20	6	Y.T.
4,25,000	4,80,000	11,46,430	1,25.948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	6.05cd	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Bakandies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6 27	3	0.45	0.525	0 60	0.60	2	Y.P.
22,50,000	32.61,494	55,51,333	15,14,347	1,86,793	Cons. Coffee Estates (Secretaries)	2,794	Coffee Lands and Industries	14.70cd	10	2.50	0.60	1.20		6	Y.P.
71,55,000	70,70,102	1,65,00,964	45,79,318	2,26,719	.. ..	8,232	Consolidated Coffee	16.15cd	10	2.50	2.00	2.00		6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.31xd	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	8,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	4.06cd	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14.925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.10	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	81,47,127	4,06,127	16,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.30cd	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	913	Mercara Rubbers Ltd.	9.50cd	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.25	10	1.00	1.25	1.25	1.25	3	Y.P.
8,85,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	3.85	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5.71.464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.93	2	0.10	0.10	0.12	0.15	3	Y.P.
13,50,000	10,90,511	51,25,740	5.35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	19.55xd	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80xd	5	2.50	1.25	1.25	1.00	3	Y.P.
5,50,170	8,25.000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	•3	Y.P.T.
10,00,000	2,03,130	22,50,808	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,873	5,034	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.70	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Eapen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.20	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	18.62	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5·05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.65	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,35,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'— On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	,194H	Bokakhat	13.70	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00.000	15.38.736	97.20.006	35.63.381	1,63,299	M	2,834	Brooke Bond B.	12.31	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25N	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	186.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29.138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.44	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.50	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,989	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
1,75,000 } P.O 2,00,000 }	8,49,447	22,48,531	8.17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	{ 26.50 28.75N	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		} 12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	22.50	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	43,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	35.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.85	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	7.00	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	Nil	0.80		12	Y.
3,60.000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.25	10	1.00				12	Y.
7,00 000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	9.12N	10	Nil	Nil	Nil		12	Y.P.T
					DARJEELING										
[illegible]79,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
[illegible]75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
[illegible]00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	102.50N	100	5.00	8.00	4.00		12	Y.
[illegible],00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69xd	10	Nil	Nil			12	Y.P.
[illegible],59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
[illegible],99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
[illegible],00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	605.00	100	32.50	25.00	25/00		12	Y.P.
[illegible],00.00	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
[illegible],05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	8.84N	10	Nil	Nil	Nil		12	Y.P.
[illegible]1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	19.339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	31.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	Nil	Nil			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	102.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	14.00	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	14.25	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.50N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31N	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.37	10	3.00	2.50	2.00		12	Y.
					SYLHET										
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	148.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	99.00N	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	o,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00	100	15.00	20.00	12.50		12	Y.
5,60,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	33.50N	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	67.00	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.05	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.50	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 } D4,70,976 }	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	{ 4.00 0.50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		} 8	Y.T.
9,06,37,933	10,69,18,847	43,83,38,215	18,52,34,608	61,250	Cement Agencies (Private) Ltd.	Associated Cement Companies	150.00	100	11.00	12.00	12.00		7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.76	10	0.80	Nil	Nil		12	Y.
1,66,00,000 } D. 5,00,000 }	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	{ 13.25 2.35	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		} 12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.22	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,93,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.00	10	Nil	0 60	0.80	0.836	8	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,65,185	....	1,36,60,424	....	..	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.60	10	Nil	Nil	Nil		6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.28	10	1.10	1.50	1.50		12	Y.P.
*60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94.00cd	100	Nil	Ni	Nil	8.00	8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	158.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.68	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cr—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea—Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
36,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.44	10	*Nil*	0.60	0.60	0.50	3	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,78,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.94	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,662	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	127.00	100	*Nil*	8.00	11.00		12	Y.P.
£1,871,300	£2,324,878	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.20	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.75	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	57.50	100	*Nil*	*Nil*			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.37	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.
8,50,000	17,29,249	92,49,901	49,43,489	37,499	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36		7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	24.00	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y.*

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
28,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	96.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	46,022	Rayuma Services	Alembic Chemical Works Co.	185.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,278	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	37.50	10	0.95	1.20	1.50		9	Y.P.
39,95,875	76,14,812	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	211.25	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,28,681	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	590.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,28,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	420.00	100	12.00	12.00	12.00		12	Y.T.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	335.00	100	*Nil*	*Nil*	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,883	1,87,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	153.75	50	10.00	*Nil*	8.00		12	Y.
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	*Nil*	6.00	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	38,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	6.85	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	367.50	100	*Nil*	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
1,10,01,585	30,38,801	2,28,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.25	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.10cd	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	145.00	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	*Nil*	*Nil*		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	146.00	100	..	..	*Nil*	*Nil*	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	12.60	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,885	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.50	10	1.00	1.50	2.00	2.25	3	Y.P.
22,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	*Nil*	*Nil*	*Nil*		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	155.00	100	..	..	*Nil*		12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
8,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	89.50	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	100.00	100	8.00	9.50	8.25		3	Y.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	99.00	100	7.00	7.50	8.00	8.00	3	Y.
2,40,00,000	1,39,56,841	9,29,64,314	2,28,23,926	27,536	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.
15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Power Co.	1,100.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	11.75xd	10	1.00	1.10	1.10	1.10	3	Y.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	3	Y.
5,91,485	6,92,659	24,08,757	12,04,439	89,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.87	£1	7%	7½%	7½%	7½%	3	Y.P.
6,60,000	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
48,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,48,267	42,86,379	17,60,526	47,133	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	*Nil*	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,303	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.81	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.50cd	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	120.00xd	100	10.00	11.00	11.00	11.00	3	Y.T.
3,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	—290.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,248	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	*Nil*	4.00		4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	162.00	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	78,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	173.75	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.00	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.00	25	3.00	2.50	2.50		7	Y.
48,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	37.50	10	1.00	1.43	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50	12.50	3	Y.P.
1,65,00,000	48,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	23.76	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,086	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 5.28	10 7.50	*Nil* *Nil*	*Nil* *Nil*	.. *Nil*		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 5.28	10 10	..	..	*Nil* *Nil*		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	*Nil*	*Nil*	*Nil*	1.25	3	Y.P.
1,32,00,000	58,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	18.76	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
11,00,000	3,63,267	42,64,564	27,02,337	3,966	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	*Nil*	10.00	12.00		7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	18.76	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 7,50,000	46,02,003	1,52,54,361	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	174.00 116.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	150.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	120.00	30	18.00	13.50	10.00		12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,841	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	128.75	100	17.00	12.00	13.00	8.00	6	Y.P.
27,55,65,204	29,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	121.00	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
7,99,99,300	3,03,75,408	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	273.00	100	9.00	12.50	14.50	14 50	3	Y.P.T.
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	600.00	100	14.00	18.50	27.00	27.00	5	Y.
82,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	44.90	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	80,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	243.00	100	13.00	13.00	14.00		3	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	13.76	10	..	..	*Nil*	*Nil*	4	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	81,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.69	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	9.81	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,684	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	33.50	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	*Nil*	*Nil*		3	Y.P.
1,00,00,000	4,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.75	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	600.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.87	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	14.24	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,068	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.50	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.50	10	0.50	1.00	1.00		10	Y.
36,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	34.87	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12,44,08,990	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	22.96	10	1.00	1.50	1.60	1.60	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.50	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	47.37 14.50	0.10 0. 1	1.62½ 0.16¼	2.30 0.23	2.40 0.24	2.30 0.23	3	Y
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.37	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.25	10	1.25	2.00	2.00		6	Y.P.
2,08,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.00	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.50	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	*Nil*	*Nil*		6	Y.
49,96,000	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.75	10	0.75	*Nil*	*Nil*	*Nil*	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	11.12	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	19.75	10	2.00	1.00	1.00		12	Y.P.Y.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	155.50	100	15.00	15.00	15.00	15.00	4	Y.

Includes bonus. ‘C’—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	K. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,093†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	62.00 63.00	15 15New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.59	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
£281,250	£191,[illegible]	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	3.24	Sh. 1½	*Nil*	8%	10%	8%	3	Y.
85,00,000	36,35,[illegible]	90,36,320	33,87,426	29,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,60,00,000	2,56,15,[illegible]	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.44	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,03,686	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	58.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
39,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	185.00	100	*Nil*	6.00§	9.00§		3	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	17.50	10	1.00	1.43	1.45	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.25	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30	1.20	3	Y.
24,62,875	....	25,93,751	8,026	—22,715	R. T. Popawala, Esq. (Chairman)	Jayant Paper Mills Ltd.	86.00	100	....	....	*Nil*	*Nil*	3	Y.
1,39,05,810	....	8,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	*Nil*		6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.90	10	1.25*	1.50	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.20	10	1.50	2.25	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.10	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.25	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 10.03	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.24	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.00 36.00 8.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	137.00	100	*Nil*	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
18,99,998	19,59,300	34,02,489	15,15,028	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.75	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.00	10	2.50	3.00	3.00			Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.34	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	88,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belaund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	12.87	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,731	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.25	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	54,55,390	86,85,573	59,25,607	18,67	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20		6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*		6	Y.P.
22,46,670	21,57,626	1,01,90,687	61,04,861	92,328	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	180.00	50	4.20	9.00	10.00		7	Y.P.
7,89,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	F.
13,59,375	65,83,938	1,03,84,597	84,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	87,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	*Nil*	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.15	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,58,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.06	10	1.50	1.50			7	Y.P.T.
10,02,115	59,403	36,67,746	18,98,712	16,870	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	14.72	10	1.50	1.50			9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
[illegible]0,000	80,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	18.20	10	2.00	2.00	1.60		9	Y.
[illegible]0,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	114.50	100	*Nil*	6.00	8.00		6	Y.P.
[illegible]9,650	1,62,07,574	1,65,54,049	1,13,69,606	10,29,784	W. H. Brady & Co., Ltd.	Belapur Company	213.50	50	21.00	29.00	25.0	20.00	9	Y.
[illegible],000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P.
[illegible],000	24,47,906	89,49,263	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y.
[illegible]000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.58xd	5	0.90	1.28	1.05	0.90	5	Y.P.
[illegible]000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	40.00	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T
[illegible]900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		9	Y.P.
[illegible]50	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10 25	10	1.25	1.40	1.00		6	Y.P.
[illegible]0	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.25cd	10	1.00	1.25	1.50	1.50	6	Y.P.
[illegible]0	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22.00cd	10	1.50	1.50	1.50	1.50	6	Y.P.
[illegible]0	6,63,564	79,26,584	38,96,029	1,09,991	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	64.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
[illegible]0	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	147.00	50	21.00	21.00	17.50		9	Y.P.
[illegible]280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40	10	3.00	3.00	3.00		6	Y.
[illegible]09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
[illegible]0,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	83.50	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger Cane and Sugar	30.37	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.95	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	144.00	100	20.00	15.00	15.00		9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	96.00	100	..	*Nil*	*Nil*		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.24	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	94.00	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 72.00	100 75	.. ..	20.00 10.00	45.00 22.50	8.00 3.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	121 00	100	5.00	8.10	9.50	9.00	3	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	*Nil*	*Nill*	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	620.00 236.25	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	88.00	100	..	..	*Nil*		12	Y.
34,27,600	....	1,88,923		....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	113.00	100	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	147.50	100	*Nil*	*Nil*	*Nil*		12	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	200.00	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.52	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	43.25	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	114.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	138.75	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	84.00	100	9.00	8.00	*Nil*		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	366.25	100	25.00	25.00	*Nil*		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	215.00	100	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	101.00	100	9.00	9.00	9.00	7.00	6	Y.P
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	124.00	100	..	*Nil*	*Nil*		12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	87.50	100	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	255.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
UNCLASSIFIED (Other Centres)														
86,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.12	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.30	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 } 12,78,975 }	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	{ 15.00 / 9.37	10 / 7.50	.. /	.. /	.. /	1.00 / 0.50	} 4	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	22.75	10	2.00	2.50*	2.25		8	Y.
3,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.85	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,88,658	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	27.00	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,289	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	*Nil*	*Nil*	1.00		3	Y.P.T.
30,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	257.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.06	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.12	5	*Nil*	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	20.25	10	1.00	1.25	1.25		12	Y.
1,38,60,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83*H*	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	36.50	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.62	5	0.80	1.25	1.50	0.90	3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	14.50	10	..	..	*Nil*	*Nil*	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,688	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
29,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.19	7.50	..	..	*Nil*		6	Y.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,98,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	39.50	10	..	..	*Nil*		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	16.25	10	0.50	0.90	1.20	1.25	3	Y.P.
60,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Plikington Glass	19.50	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	15.75	10			*Nil*	*Nil*	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.87	10	0.60	0.80	0.90	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	32.00	10	1.20	1.50	1.50	0.75‡	12	Y.P.T.
2,35,77,700	2,47,87,168	3,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	34.50	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
3,64,00,000	2,11,58,469	6,83,93,165	2,91,21,989	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	30.75	10	1.50	1.50	1.50		9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
3,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.56	10	..	*Nil*	*Nil*		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	68.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.25	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.81	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,681	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. } 5,00,000D. }	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	{ 215.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		} 12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	53.50	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	204.00	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.66	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	3,23,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	*Nil*	1.00	3	Y.
1,85,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	35,985	Do.	National Rolling & Steel Ropes	21.37	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.25	10	0.85	*Nil*	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.95	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	29.12	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.87	5	..	..	*Nil*		8	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	6.97	5	0.50	0.70	0.70	0.75	3	Y.P.
60,25,170	25,99,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25xd	10	1.60	2.30	1.80	1.80	3	Y.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	*Nil*	4.00	8.50		8	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	12.00	10	1.50	2.00	1.00	0.80	8	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000 } 6,75,000 }	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	{ 8.45 / —	10 / 7.50	1.50 / ..	1.30 / 0.225	.. / ..		} 12	Y.
49,80,000	3,82,300	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.00	10	*Nil*	*Nil*	..		12	Y.
75,00,000	50,63,084	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	20.06	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.50cd	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.60	10	1.50	*Nil*	*Nil*		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,38,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	269.00cd	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	43.00	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	81.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	3	Y.P.
TRANSPORT														
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.24	10	*Nil*	*Nil*	*Nil*		12	
60,00,000 } 30,06,000 }	2,13,62,445	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	{ 12.16 / 5.92	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	} 6	
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	*Nil*	*Nil*			12	
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	*Nil*	*Nil*	8	
11,28,19,293	11,58,24,547	86,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	11.04	20	1.30	0.60	0.60	0.60	6	
O.3,40,800 } P.O.2,10,200 }	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	{ 3.37 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		} 12	

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.12	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	*Nil*	*Nil*	*Nil*	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	*Nil*	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	6,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	336.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	*Nil*	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.53N	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	16.00	10	1.30	1.30	1.30		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.81	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	*Nil*	*Nil*			12	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.94	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	50.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	*Nil*	*Nil*	*Nil*		3	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	44.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	*Nil*	*Nil*			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,137	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	20.94	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 } 1,57,500 }	4,81,409	17,65,275	10,59,556	15,045	M.	North West	{ 19.75 / 18.75N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		} 3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	16.50	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12N	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.P.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	*Nil*		8	Y.
5,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	*Nil*	*Nil*	*Nil*		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.87N	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	*Nil*	*Nil*	*Nil*		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,054 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

MARKET GOSSIP

(*Concluded from page* 1021)

mittee would report on the effect which the proposals of both sides would have on individual products. It would make a purely technical enquiry, without prejudice to the respective views of the Six and the U.K. on agriculture.

The final outcome of the Committee's report cannot be predicted with any degree of certainty, especially because of a marked change in the mood of the various participants in the negotiations. Among Common Market countries, while France refuses to budge an inch on the question of British agriculture, the other five countries have made no secret of their impatience with French tactics and the consequent lack of real progress in the negotiations. In the meantime, the U.K. Government's approach itself has undergone some change. Its spokesmen have made it pretty clear that Britain is not in favour of entry at any cost. This approach probably reflects its awareness of the need for pursuing a more cautious policy *vis-a-vis* the E.C.M., in view of the defeats suffered by the Conservative Party in the latest by-elections. It may be noted here that, in one of the traditional conservative constituencies, the Conservative candidate, who had expressed all-out support to Britain's entry into the Common Market, failed to win.

Problems of British agriculture, no doubt, constitute the major stumbling block in the U.K.-E.E.C. negotiations. But that should not be taken to mean that all other problems have been solved. Far from it. The U.K.'s relationship with the other members of the European Free Trade Area, for instance, is a problem that still hangs fire. Britain, in this connection, appears to have conceded in principle the demand of the Six that it should start applying common external tariff against the products of Sweden, Switzerland and Austria, soon after it joins the Six. These neutral countries have also applied for membership of the Common Market, but negotiations with them are not likely to be over before the U.K.'s entry into the C.M.

Meanwhile, the Six seem to be attracting strange bed-fellows. According to a report, Japan is making a bid to seek association with the Common Market. It is not known whether the Japanese Prime Minister, Mr. H. Ikeda, discussed this question with the Common Market countries during his recent visit to Western Europe. If the Japanese move finds favour with Common Market countries (which does not seem to be a smooth affair), this will constitute an immense threat to India's exports of manufactured goods, such as textiles and engineerings, to the Common Market countries and the U.K.

World Meet On Trade

A resolution seeking to organise a world conference on trade has been passed almost unanimously by the U.N. General Assembly. The proposed conference will address itself to the task of reducing trade barriers in industrialised countries with the object of increasing export opportunities of underdeveloped countries. The near-unanimity —only Cameroons voted against—obtained for the resolution augurs well for the outcome of the Conference. It may be recalled here that, when the resolution sponsored by a group of developing countries came up last month at the General Assembly's Economic Committee, some of the industrialised countries such as the U.S., the U.K. and France withheld their support to the move. Their major objection was that the deadline of September 1963 in the original resolution did not provide for sufficient time necessary for preparations for the meeting of this sort. A compromise has now been reached. Thus, under the revised resolution, the Conference will be held as soon as possible, after the thirty-sixth session of the U.N. Economic and Social Council in July 1963, "but in no event later than early 1964."

Apart from the deadline, a major amendment has been incorporated in the resolution in respect of the terms of reference for the Preparatory Committee, which will work out the background for the discussions. The original resolution had asked the Committee to consider "measures for the removal of tariff, non-tariff and other trade barriers" adopted by the industrially advanced countries. This demand has been toned down to ensure that the Committee considered "measures leading to the gradual removal" of these barriers. Although the compromise resolution falls short of the anticipations of underdeveloped countries, the modifications have nevertheless helped create an atmosphere conducive to the full co-operation of developed countries without which the conference would be of no avail.

Small And Hand Tools Industry

The manufacture of small and hand tools is an important engineering industry. Some examples of small tools are drills, reamers, end cutting tools, taps, dies, lathe and planer tools, milling cutters, gear cutters and saws, while hammer, chisel, files, scraper, hack-saw, pliers, punch, screwdrivers, wrenches and scribers are examples of hand tools. These tools largely determine the production efficiency of metal processing machinery. They are also essential for giving effective maintenance service to modern machinery. Though no industrial unit can do without such tools, the demand for them mostly comes from engineering factories and servicing workshops. Thus, they have quite an important role to play in the development of engineering practices. Recognising their importance, the Research Department of the Engineering Association of India (India Exchange, Calcutta-1) recently carried out a survey of the industry and has just published the report thereon.

It is seen from the report that, as of 1961, the small and hand tools industry had 140 small-scale units and 27 large-scale units, accounting for an estimated production of about Rs. 1 crore and Rs. 4.1 crores, respectively. Statistics of capital investment, covering all the small-scale and large-scale units, are, however, not available. But the survey report shows that the aggregate capital (both fixed and working) invested in 48 small-scale and 17 large-scale units is Rs. 2.73 crores.

The main conclusions and recommendations of the survey report are:

(i) The size of some of the existing units is rather small.

(ii) Generally speaking, there is plenty of scope for new entrants and for expansion of existing units.

(iii) The Indian Standards Institution should lay down standard specifications for the entire range of items under the category of small and hand tools.

(iv) For such a basic industry, raw materials should be made available on priority basis in right quantities and desired specifications. Presently, indigenous as well as imported steel is not available in certain cases to proper specifications.

(v) Some of the existing manufacturers of small and hand tools are fairly well equipped to build up special purpose machines for their own use as well as for the use of other units manufacturing similar items. Such units should be persuaded to manufacture special purpose machines. This will result in more and cheaper production and the products will also be of a uniform quality. This will also result in saving precious foreign exchange.

The scope for expansion in this industry is clear from the fact that imports of small and hand tools in 1961 were valued at Rs. 4.82 crores, as compared with Rs. 3.18 crores in the previous year.

Cuba Replaces China In Soviet Trade

The volume of Soviet Russia's trade with Cuba is expected to exceed that of Sino-Soviet trade, for the first time, in 1962, according to the latest available information. Thus Cuba is fast replacing China as one of Russia's leading customers. A rapid increase in Russia's trade with the former has coincided with a sharp setback in its trade with the latter. Since 1959, when China was Russia's leading trade partner, Sino-Soviet trade has continued to shrink. Russia's imports from, and exports to, China aggregated just 827 million roubles in 1961, which represents a sharp fall of 45 per cent as compared with 1,500 million roubles in 1960. The number of commodities in Sino-Soviet trade has also declined of late. Russia has stopped buying from China lead, pig iron, cement, chemicals and tea this year, though it is in need of all these commodities (except perhaps lead). Similarly, Russia has stopped exports of tractors, generators, oil equipments, machine tools and excavators to China. The precipitous decline in Sino-Soviet trade is almost equalled by the rapid expansion of Soviet-Cuban trade, which is expected to touch a record of 750 million roubles in 1962. In 1961, the total trade was only 540 million roubles and, in 1959, it was as low as less than 7 million roubles.

HINDUSTAN LEVER'S EXPANSION

Further details of the expansion plans of Hindustan Lever Ltd. were given by Mr. P. L. Tandon, Chairman of the Company, to the shareholders at their extraordinary general meeting held at Bombay on Friday the 7th inst. Mr. Tandon observed that the variety of projects, the progress of which had been reported in the Directors' reports for the last two years, had moved to a stage of early implementation. For instance, the milk scheme at Etah was going ahead and the factory was under construction. The test-marketing of dehydrated peas and other vegetables, Mr. Tandon said, had produced encouraging results and plans for large-scale production had been finalised. After meeting the test-market requirements of dehydrated peas, the balance capacity of the existing plant would be utilised to produce dehydrated vegetables for the Armed Forces. The Chairman saw great scope for the development of non-soapy detergents in the country and averred that the Company's well-known brand *Surf* had gained increasing acceptance in the market to an extent sufficient to warrant expansion of its production to meet future requirements. He pointed out that non-soapy detergents release valuable edible oils otherwise used in the manufacture of the conventional soap. The Company might also go in for the manufacture of nickel catalyst, in order to save foreign exchange.

According to Mr. Tandon, the Company's experiments with scientifically compounded animal feeding-stuffs have shown promise and their manufacture would provide cattle and poultry farmers with scientifically balanced rations for the first time on any scale in the country. The Company would thus be making a valuable contribution to the country's economy. To meet increasing demand on the technical skills arising from the expansion plans, the Company's research facilities are to be extended and housed in separate premises in suburban Bombay.

The expansion plans would need large funds, especially the essential foreign exchange. In this context, Mr. Tandon disclosed that the I.C.I.C.I. had released the Rs. 25-lakh loan in foreign exchange, which it had promised the Company in 1961.

Defending the recently proposed rights issue at the premium of Rs. 25 per share on the ground that, despite the general and serious fall in the share market, the Company's existing shares had been steadily placed at over Rs. 42 during the past few weeks, Mr. Tandon observed that the issue price of Rs. 35 gave the shareholders the reasonable present return (the suggestion being that it would be maintained on the higher capital too) and good future prospects. Through the subscription of the parent company, Unilever Ltd. of the U.K., to the rights issue, the Company would obtain Rs. 100 lakhs in foreign exchange.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th December 1962.

	Closing quotations 6-12-1962	High	Low	Closing quotations 13-12-1962
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	116.00	—	—	116.00
Bombay Dyeing (25)	61.50	61.00	60.50	60.50
Bradbury (50)	155.00	—	—	155.00
Central India (100)	98.00	—	—	98.00
Century Mills (100)	562.50	—	—	562.50
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	140.00	—	—	140.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	93.00	94.00	93.00	93.00
Finlay (100)	297.00	—	—	297.00
Gokak (100)	175.50	—	—	175.50
Gold Mohur (100)	225.00	—	—	225.00
Gwalior Rayon (10)	46.00	46.00	45.75	45.75
Ind. Untd. Defd. (1)	3.12	—	—	3.12
Ind. Untd. Ord. (10)	25.60	—	—	25.60
Indian Rayon (100)	84.50	—	—	84.50
Indore Malwa (100)	196.00	—	—	196.00
Khatau (100)	373.75	—	—	373.75
Kohinoor (100)	283.00	280.00	275.00	277.00
Mafatlal (100)	717.50	—	—	717.50
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	116.25	—	—	116.25
Morarji (100)	468.00	468.50	468.00	468.50
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	422.00	—	—	422.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	203.50	203.50	203.00	203.00
Podar Mills (100)	114.50	114.50	114.00	114.50
Raymond Woollen (100)	127.00	128.00	127.00	127.50
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	48.75	—	—	48.75
Shrinivas (100)	236.00	—	—	236.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	782.00	786.00	782.00	782.00
Svadeshi (100)	267.00	267.00	263.00	263.00
Swan (100)	250.00	—	—	250.00
S. I. Viscose (100)	137.00	—	—	137.00
Tata Mills (25)	56.00	—	—	56.00
Lakshmi-Vishnu (100)	110.00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.50	110.50	110.00	110.50
Do. (New) (50)	113.00	113.50	113.00	113.50
Bank of Baroda (50)	93.00	94.00	93.00	94.00
Central (25)	60.00	—	—	60.00
Central 'A' (25)	60.50	60.50	60.00	60.50
Dena Bank (50)	57.00	57.50	57.00	57.50
Punjab National (10)	19.52	—	—	19.52
Union Bank (5)	6.28	6.32	6.28	6.32
United Com. (50)	74.00	74.00	73.50	74.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	90.00	89.80	89.50	89.50
Amalgamated (10)	10.08	—	—	10.08
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	—	—	104.00
Surat (100)	99.00	—	—	99.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	62.00	—	—	62.00
New India 'A' (15)	63.00	—	—	63.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	22.96	—	—	22.96
Mukand Iron (10)	19.48	19.40	18.76	18.96
Tata Steel Ord. (75)	121.00	—	—	121.00
SUGAR COS.				
Belapur (50)	215.00	215.00	213.00	213.50
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	144.50	147.00	145.00	147.00
Phaltan (50)	84.50	—	—	84.50
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	149.00	150.50	149.00	150.00
Digvijay (100)	158.00	—	—	158.00
Orissa (10)	15.52	15.52	15.28	15.32
MISCELLANEOUS				
Alcock Ashdown (100)	290.00	291.00	288.00	290.00
Amar Dye-Chem (100)	208.75	211.25	206.25	211.25
Bom. Burmah (125)	607.00	625.00	604.00	615.00
Do. (New) (50)	238.75	238.75	236.25	236.25
Br. B. Petrol (1½ sh.)	3.02	3.06	3.02	3.02
Br. I. Corpo. (5)	9.12	—	—	9.12
Cooper Eng. (100)	126.00	—	—	125.50
Colour Chem. (100)	333.75	335.00	325.00	325.00
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	42.75	44.00	42.50	44.00
Hindustan Motors (10)	16.04	16.20	16.04	16.20
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	367.50	—	—	367.50
Indian Copper (2 sh.)	4.16	4.24	4.12	4.12
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	84.50	—	—	84.50
Larsen & Toubro (10)	23.68	23.76	23.20	23.20
Mahindra & Mahindra (10)	18.24	19.00	18.12	18.76
New Central Jute (10)	13.44	—	—	13.44
Polychem (50)	142.50	—	—	142.50
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	101.00	104.00	100.00	101.00
Premier Con. (80)	120.50	122.00	120.00	121.00
Scindia (20)	11.04	—	—	11.04
G. E. Shipping (10)	12.12	—	—	12.12
Shivrajpur (10)	24.00	—	—	24.00
Sirpur Paper (10)	11.24	11.24	11.12	11.24
Synthetics and Chem. (100)	146.00	—	—	146.00
Tata Chemicals (10)	12.80	12.84	12.52	12.60
Tata Locomotive (100)	269.00	278.00	266.00	273.00
Tata Oil (25)	59.00	60.00	58.50	59.00
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	240.00	247.00	239.00	243.00
W. I. Match (100)	256.00	—	—	256.00
W. Coast Paper (100)	137.00	—	—	137.00

GOVERNMENT SECURITIES	6-12-1962 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	13-12-1962 Rs.
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.58	98.90
3 % 1963-65	99.00	3.90	3.35	99.00
3 % 1966-68	96.80	3.90	3.65	96.80
3 % 1970-75 1st Dev.	88.25	4.81	4.18	88.25
3 % 1986 Con. Loan.	63.00	—	4.76*	63.00
3½% 1964 N. P. Loan.	99.90	—	3.56	99.65
3½% 1965 N. P. Bonds	99.65	—	3.65	99.50
3½% 1967 N. P. Bonds	98.40	—	3.82	98.40
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N.P. Bonds	99.30	—	3.90	99.30
3½% 1969 Loan	97.40	—	3.93	97.40
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N.P. Bonds	99.90	—	3.60	99.90
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4 % 1972 Loan	99.30	—	4.09	99.30
4 % 1973 Loan	99.25	—	4.08	99.25
4 % 1979 Loan	98.55	—	4.12	98.55
3½% 1966 Bonds	99.70	—	3.59	99.70
4 % 1980 Loan	98.25	—	4.16	98.25
4 % 1981 Loan	98.55	—	4.11	98.55
4½% 1985 Loan	100.15	—	4.49	100.15

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	117.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	4.76	5
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	20.10	10
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	50.00N	100
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Parlakpore Co. C.	6,00,000	1922	10.00	Oct.	..	84.00	100
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	57.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	20.00N	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	6.44	10
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	90.00N	100
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	70.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	116.00	100
Walchandnagar T.F.C	3,50,000	....	10.00	April	May		100
COAL							
Borrea T.F.C.	14,00,000	1895-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00			6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	79.00	100
Karanpura Collieries C.	9,80,500	1946	6.50			51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	9.75	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	103.00	100
Basanti Cotton T.F.	5,00,000	1938	8.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1920	7.00	Feb.	Aug.	111.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.50	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	63.00	50
Buckingham & Carnatic C.T.F. ..	21,50,200	1920	7.00	Jan.	July	114.50cd	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	8.00	Apr.	Oct.	402.50	500
Century Spg. & Mfg. Co. R.C. ..	1,25,00,000	1958	8.57	Dec.	..	112.25	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.50	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	113.00	100
Elgin 'B' T.F.C.	4,20,000	1943	8.00	July	..	7.25	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	73.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	8.00	Dec.	..	8.15	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.15	10
Lakshmi Vishnu Cotton	10,00,000	1896	8.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	50.00	50
National Rayon C.	1,74,64,700	1947	5.56	..	..	74.00	100
New Great	8,00,000	1918	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.57	Apr.	..	44.50	50
Swadeshi C.T.F.	4,80,000	1944	4.00	..	..	65.00	100
Swadeshi (Kanpur) C.	15,00,000	1936	5.00	Apr.	Oct.	82.00	100
Travancore Rayon C.T.F.	25,00,000	1927	8.57	June	..	68.00	100
Vasanta (1st) C.T.F.	50,00,000	....	5.00	May	..	7.15	10
Do. (2nd) C.T.F.	9,00,000	1931	6.00	Apr.	Oct.	89.00	100
	1,50,000	1938	6.00	..	..	88.54	100
ELECTRICS							
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May	Nov.	977.50	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	5.50	..	..	71.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(†)	June	Dec.	8.37	£1
Poona Electric C.	4,00,000	1936	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.91cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.87cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	94.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,006.25	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.63	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	12.00	10
Burn & Co., Ltd. (1st) T.F.C. ..	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	81.50	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.50	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	92.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	6.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	4.88	10
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov	..	132.50	150
Do. do. (2nd) C. ..	6,92,81,900	1908	7.50	May	..	106.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.50	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.50	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	88.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	66.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,84,200	1919	7.50	June	Dec.	88.00xd	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.50	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	90.00N	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	90.50	100
Chitavalsah T.F.C.	5,00,000	1925	7.00	Mar.	Sept.	89.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	66.50	100
Dalhousie T.F.C.	15,00,000	1905-13	7.00	May	Nov.	88.50	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.25	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	97.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00			65.50	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.50	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1936	7.00	May	Sept.	84.50	100
Hooghly T.F.	11,76,000	1913	8.45	May	Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	90.50	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	88.00	100
Kamathality T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	100.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-99	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	90.00	100
Lanadowne T.F.C.	15,00,000	1905	7.00	May	Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.50	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	112.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1946	4.50	June	Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	85.50	100
Nellimarla T.F.C.	5,00,000	1938	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	35,00,000	1916	7.00	Jan.	July	94.00	100
Northbrook T.F.C.	15,00,000	1906	5.50	May	Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Socrah T.F.C.	10,00,000	1926	10.00	Feb.	Aug.	93.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.94	£1
Indian General Nv. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	70.00	£10
India Steamship (w) T.F.C.R. ..	20,00,000	1928	5.00	..	..	65.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	21.96	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,50,000	1914	7.36	Jan.	July	92.64	100
Glelle C.	2,00,000	1894	6.00	Sept.	..	80.00N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Goleghat T.F.	2,40,000	1897	8.57	Dec.	..	85.00	100
Mohrema T.F.C.	2,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.50	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pusumbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	7.00	May	..	80.00	100
***Tezpore C.	2,05,000	1922	8.98	Jan.	..	10.12	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	12.00	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	5
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	10
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	44.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	76.34	100
Coltsand C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.29cd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.88cd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	9.37	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.49	10
Waterfalls R.C.T.F.	75,00,000	1943	6.00	Nov.	..	7.91cd	10
MISCELLANEOUS							
Alembic Chemicals (1st)(†)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C ..	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00	100
Andhra Cement C.	2,48,850	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1926	7.50	Aug	..	11.42	10
Bengal Paper Mill T.F.C.	2,00,000	1923	7.00	Mar.	Sept.	46.50	50
Do. "A" T.F.C. ..	4,00,000	1923	7.00	Mar.	Sept.	98.00	100
Do. "B" T.R.C. ..	20,00,000	1948	7.00	..	..	62.00	100
Bengar Timber Trading T.F.C. ..	5,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.25	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C. ..	11,00,000	1920	8.00	Feb.	..	108.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	7.68	0
Dharangadhra Chemicals T.F.C.R. ..	31,01,900	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C. ..	79,85,875	1944	8.00	Dec.	..	72.30	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00	June	Dec.	106.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
Dunlop Rubber Co. (2nd) C.	1,00,000	1948	5.00	Feb.	Aug.	52.00	100
General Investment Trust (1st) T.F.C.	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Do. do. (2nd)	25,00,000	..	5.00	Apr.	Oct.	55.00	100
Gillanders Arbuthnot (f) R.C. ..	1,50,67,250	1956	8.57	Mar.	..	186.00	100
Hindustan Motors R.C	12,00,000	1953	6.00	..	..	6.62	10
Himayan Properties C.	12,00,000	1946	7.50	Oct.	..	70.67	100
India Cement C.	20,85,000	1946	7.50	June	..	66.50	100
Indian Aluminium (g) C.R.	40,00,000	1945	6.00	Jan.	July	79.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	June	Dec.	31.75	10
Indian Cable (m) C.	12,87,750	1923	6.00	Apr.	..	62.00	100
India Rubber Mfrs. (n) T.F.C.R. ..	8,26,000	..	6.00	Dec.	..	57.00	100
Jardine Henderson C.	50,00,000	1946	5.50	May	..	54.50	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.85	May	..	54.00	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	5.70	May	..	56.00N	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	7.00	June	Dec.	83.50	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	46.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	61.00	100
Do. (2nd) F.C. ..	40,00,000	1936	5.00	July	Jan.	84.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	Feb.	Sept.	8.92	10
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1908-18	6.00	June	..	7.28	10
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	Aug.	..	4.86	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	66.00	100
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	57.50	100
Do. do. (New) (q) T.F.C.R. ..	19,68,000	..	4.50	..	..	57.00	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	Oct.	61.00	100
Do. (2nd) (c) C.R.	60,00,000	..	5.50	Apr.	..	103.00N	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	7.00-9.00	Apr.	..	55.00N	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr.	Aug.	78.00	50
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb.	July	6.69	10
Spencer & Co. "A" C.	12,50,000	1898	6.50	Jan.	July	9.80	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	84.00	100
Esso C.	75,00,000	1955	5.00	June	Dec.	79.00	100
Star Paper T.F.C.R.	10,00,000	..	7.14	Mar.	Sept.	88.00	100
Tata Chemicals C.	59,97,000	..	6.50	June	..	88.00xd	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagar Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	117.00	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	4.50	Jan.	July	70.00	100

All preference shares are taxable unless otherwise stated.

*** These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent (cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 2 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

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(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1956 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1962 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after redeemable at par after 31st December 1954. (o) Redeemable at ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (q) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (s) Participating par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *th.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

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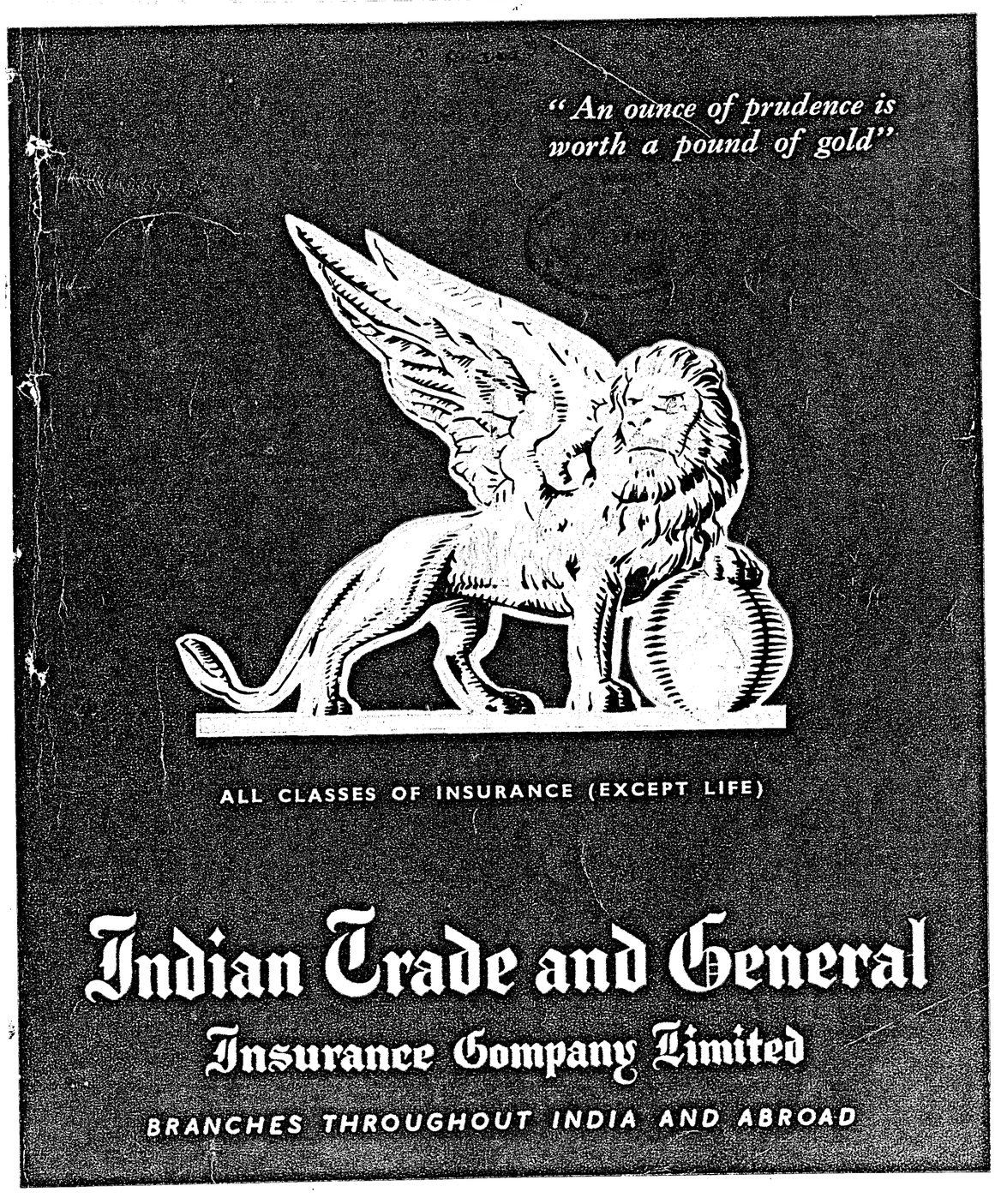

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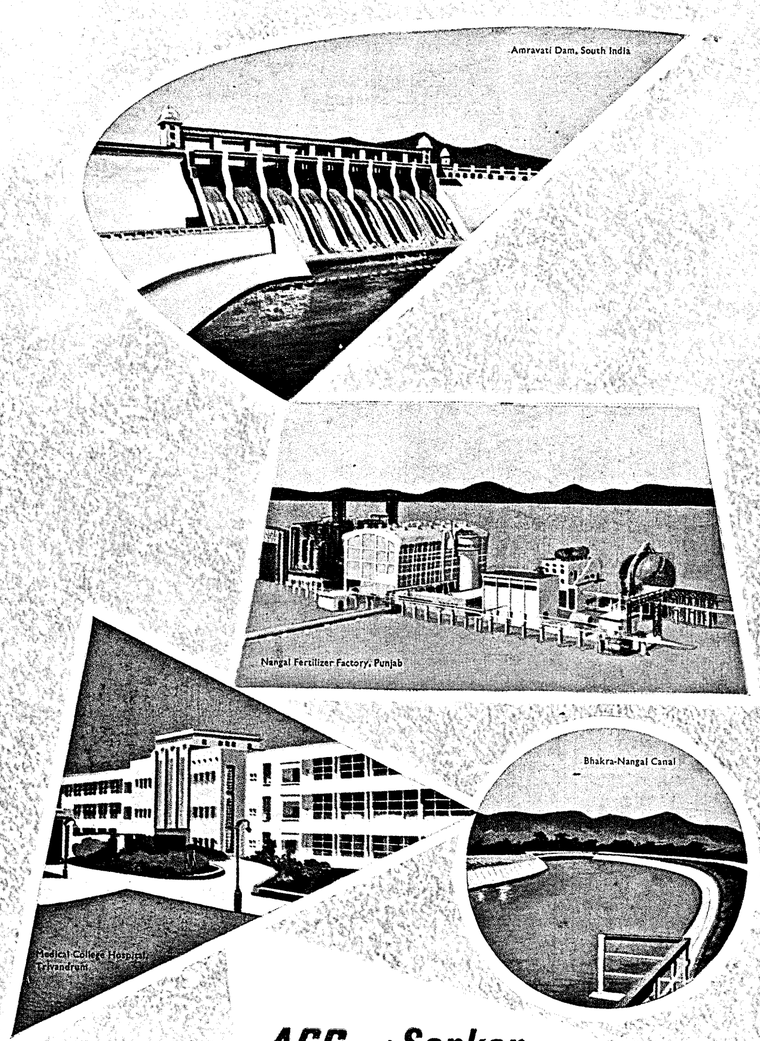
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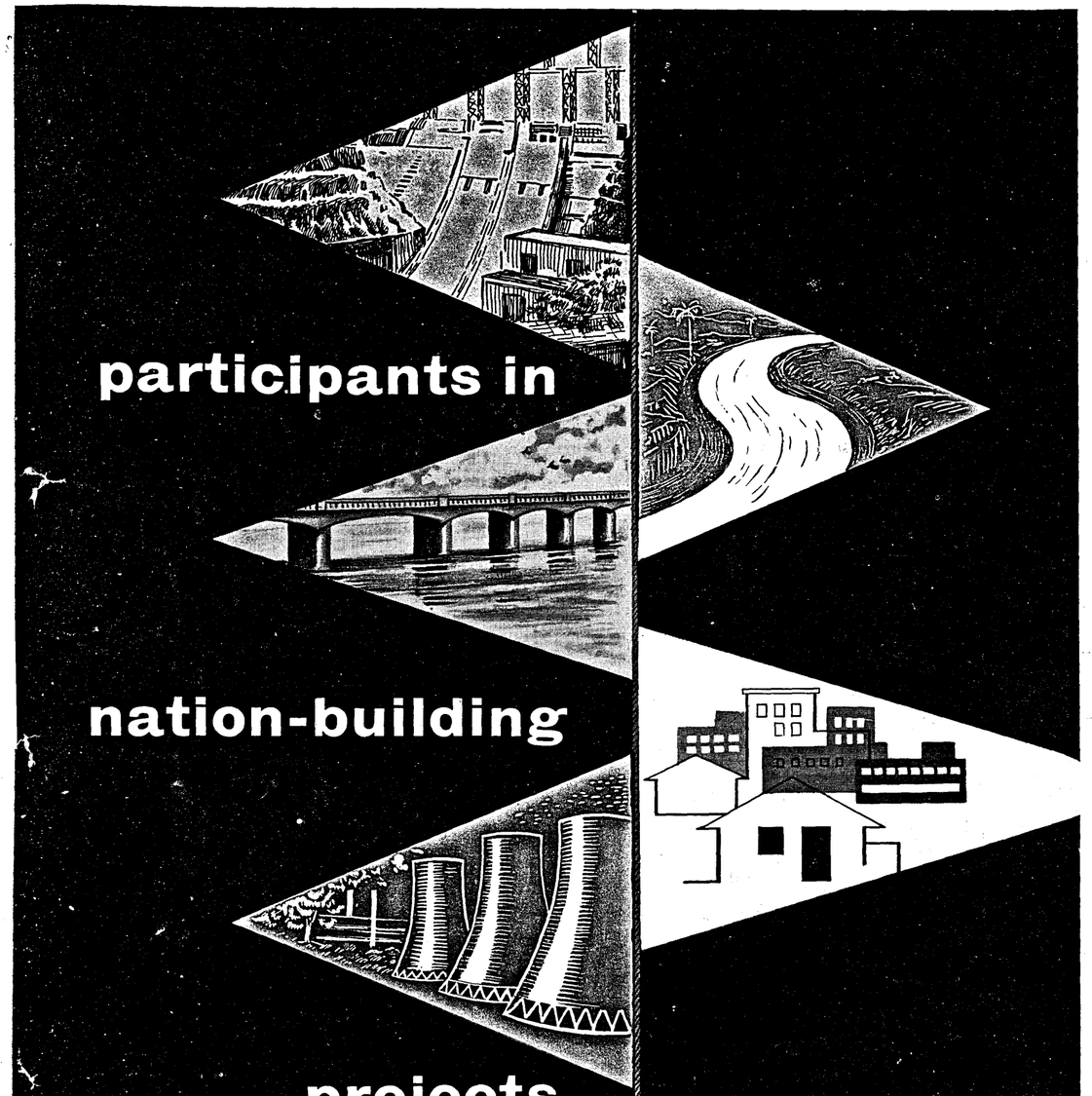
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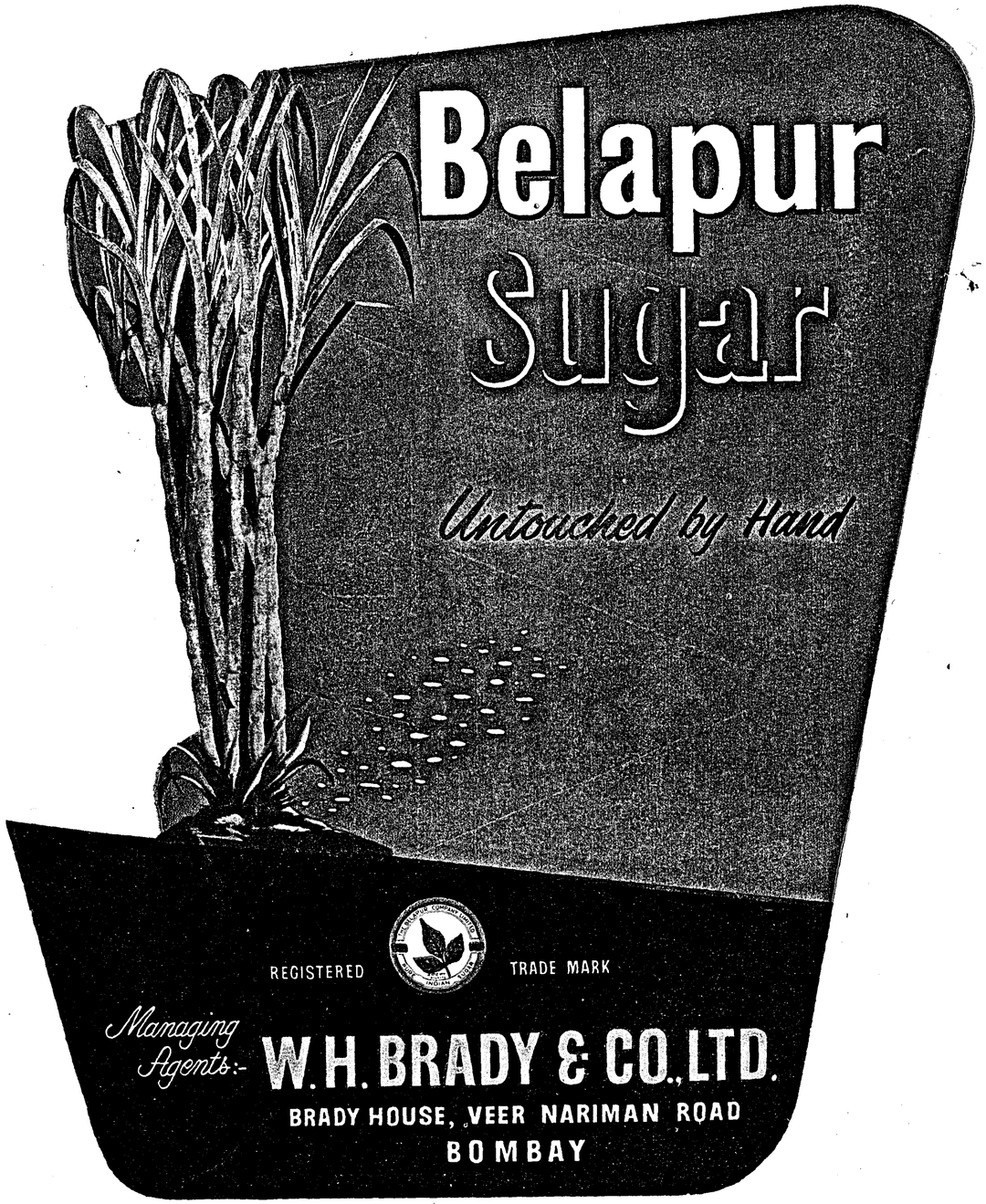

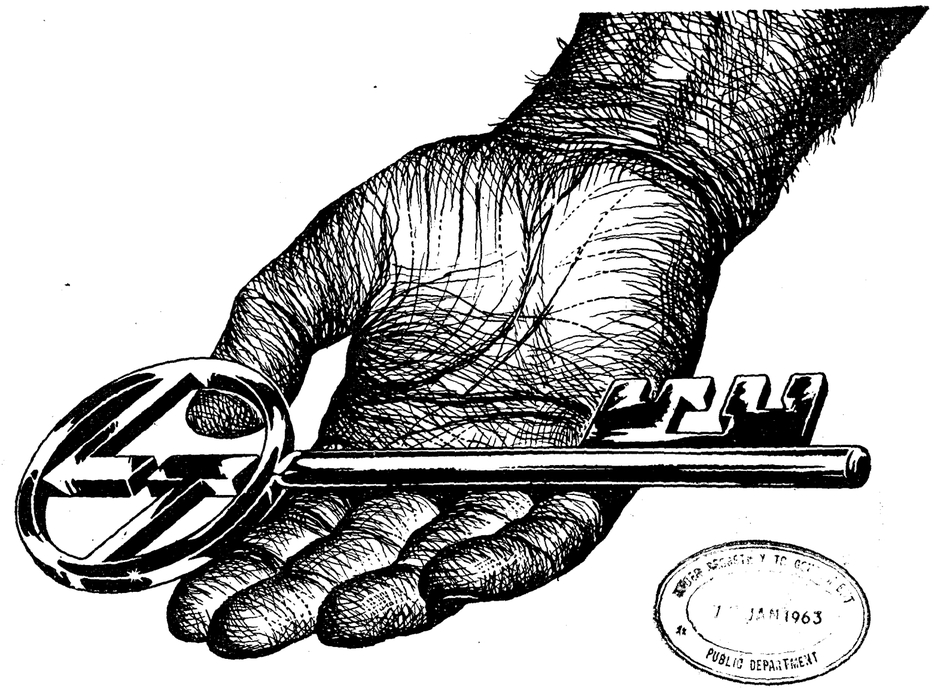

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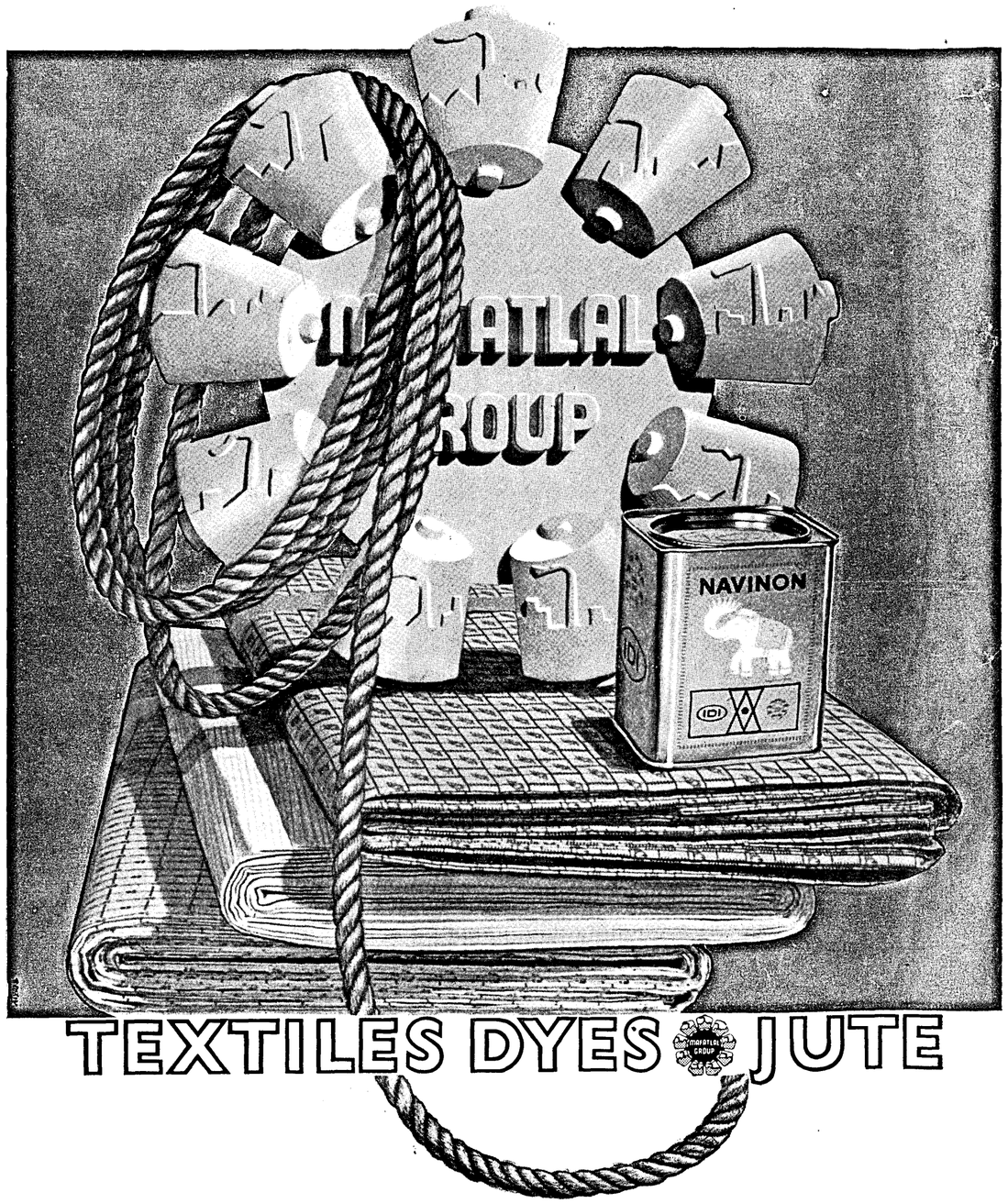

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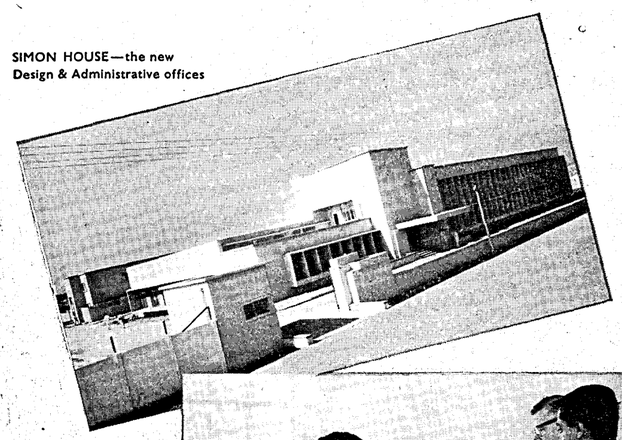

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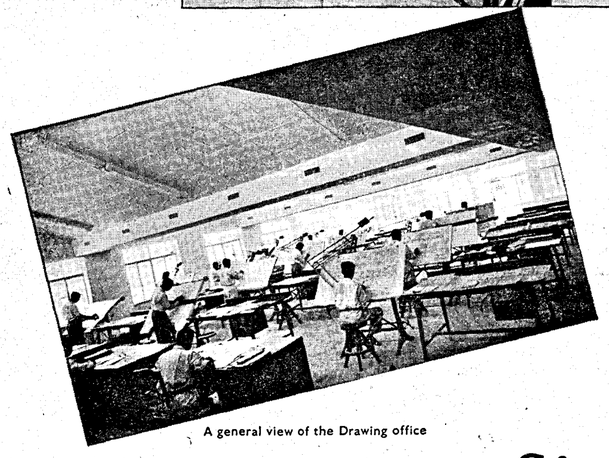

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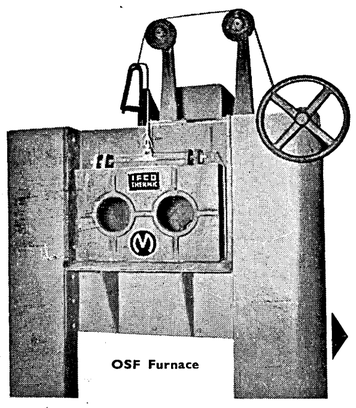
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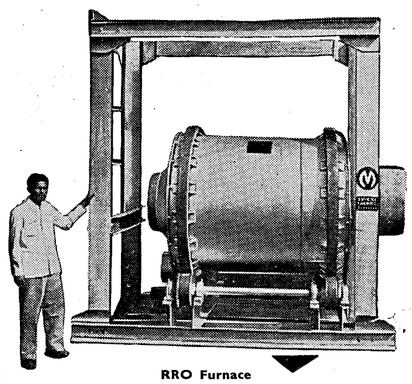
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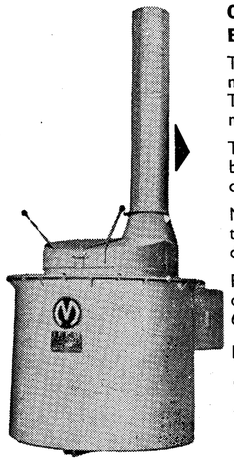
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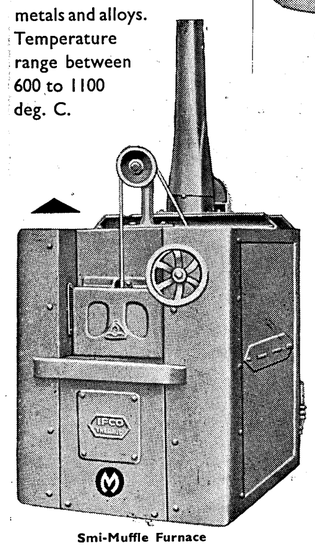
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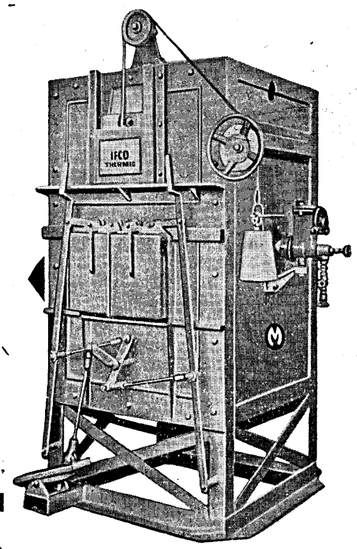
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Year Of "Ashtagraha"

IF there are any in this country who have reasons to feel that A.D. 1962 has not disappointed them, they must be the astrologers whose predictions of the malefic effects of *Ashtagraha* (conjunction of eight planets) on 4–5th February 1962 had received country-wide publicity and caused consternation. Of course, nothing untoward happened on the day of *Ashtagraha*, but the astrologers, when taunted for failure of their prophecies, promptly reaffirmed that the bad effects of the conjunction of eight heavenly bodies might last for a period of nearly 18 months. They can, therefore, justifiably claim that their prognostications were not wide of the mark. The world was on the brink of a thermo-nuclear war in the last week of October when the Cuban crisis raised its head. But the Soviet Premier Khrushchev was clever enough even to outwit the devilish Satan by quickly withdrawing the nuclear weapons which he had surreptitiously planted in the Caribbean island, Cuba. His Chinese comrade, Mr. Mao Tse-tung, however, behaved differently and allowed himself to come under the evil spell of Satan, thereby making the predictions of Indian soothsayers come true. How he did this is now part of history and need not be elaborated here, for our purpose is not to relate the war in the Himalayas but to take it as the peg on which to hang this annual survey of economic conditions in India.

The Chinese invasion of India was easily the most outstanding event of the year for India, if not for the whole world. But, as it occurred two months and eleven days before the close of this year and as the Chinese unilaterally ceased fire exactly thirty-three days after they had started marching into India, its impact on the economy in the year now fast fading out was more psychological than physical. Neither production nor employment was adversely affected; on the contrary, it produced a more favourable climate for increased and, what is more important, conscientious effort. The balance of payments position also remained unaffected, as the initial supplies of arms by the U.K. and the U.S. were on the basis of gifts *cum*-lend-lease. The worst sufferer was the capital market where confidence slumped to the lowest ebb seen in recent years. Even here a slight recovery is noticeable as we write, following the impression that the Chinese would not risk a shooting war again with India and that prospects of amity between India and Pakistan are better. Foodgrains and commodity markets, as well as cloth and yarn which even before the Chinese perfidy were experiencing consumer resistance and poor export demand, became soft. This was the combined result of official curbs on speculation, costlier (plus inadequate) bank credit, official threats of more stringent action against price-boosting, spontaneous decision of manufacturers and merchants to play fair and not to take advantage of the emergency, fear psychosis among merchants in the Northern and Eastern regions close to the scene of conflict which discouraged them from stocking goods, and above all some improvement in the production of food, cotton and oilseeds. The U.S. decision to expedite and enhance the supply of foodgrains and cotton under P.L. 480 also had a sobering effect on commodity markets. Due to diversion of transport capacity to war effort, supplies of a few essentials were badly affected in one or two places, albeit only for a short while. On the whole, therefore, consumers were not hit by the border war; if anything, they got some relief in the closing weeks of the year.

The physical impact of Chinese aggression on the Indian economy will, however, be felt in 1963 and the years to follow. Even if the Chinese vacate the aggression in full, which seems to be extremely doubtful, India will have to spend large sums on strengthening its armed forces, for, whatever might have been the earlier belief, it is now clear that the security of the nation can be ensured only through military strength and not by preaching non-violence. The changes this will involve in our economic policies and the sacrifices that people must make to find the resources for Defence are the subject matter of a few special articles in this Annual Number of *Commerce*. It is obvious that days of much greater hardship than was implied in the implementation of third Plan projects lie ahead for all sections of the people of this country. There is, therefore, no room for complacency among either the Government or the people. It would be fatal for the security of the nation, if the prevailing softness of commodity markets were to lull the authorities and leaders of business community into the facile belief that the challenge can be met by a Niagara of words. The initial fear of inflation, scarcity of goods and rising prices was surely not unwarranted. It will surely materialise, if vigilance on the price front is relaxed and if steps to increase the production of food and wage goods are not vigorously implemented. Investors, too, must be cautious and refrain from entertaining expectations of any spectacular capital appreciation in buying equities even at the current levels, if they are not to be disappointed again.

There is little reason to think that 1962 would have ended on a cheerful note but for Chinese aggression. The developments on the economic front preceding the border war were far from encouraging. There were many stresses and strains, with shortages of power, transport, raw materials and foreign exchange becoming more acute than in 1961. Further, the mobilisation of resources for the third Plan in the public sector caused considerable hardship to the people. In the budget for 1962-63, the Centre imposed additional taxes to the tune of Rs. 68.20 crores, on top of Rs. 85 crores of fresh taxation levied in 1961-62. In addition to these tax loads in two consecutive years, the railway fares and freights were also enhanced. It has been calculated that these measures would yield about Rs. 850 crores during the whole third Plan period, or a little over three-fourths of the target of additional taxation to be raised by the Centre, namely, Rs. 1,100 crores, for the third Plan. The States, too, called upon the people to pay more taxes. Their levies are expected to bring an additional revenue of Rs. 47 crores in 1962-63 and Rs. 71 crores in a full year, on top of Rs. 14 crores of fresh taxation in 1961-62. In other words, the States have covered in the first two years of the Plan three-fifths of their target of additional taxation of Rs. 610 crores. These taxes have meant lower net income for corporations and individuals and higher cost of living for all classes of people.

Besides these direct and indirect taxes, the people had also to absorb heavier doses of deficit financing, which, as everyone knows, is another form of taxation, indeed, the worst form, as it hits the poor and fixed income groups more than it does the other sections. It is hard to give a precise idea of the extent of deficit financing in the first two years of the third Plan, but a rough picture is possible. In the first year of the Plan, deficit financing was of the order of Rs. 121 crores, as against the annual average of Rs. 110 crores in the Plan estimates. In the current year (1962-63) it will be much more; taking into account the supplementary grants for defence amounting to Rs. 95 crores and the overall deficit of State Governments, one finds that it will be anything between Rs. 200 and 220 crores. That this estimate does not err on the high side is evident from the fact that, between 29th December 1961 and 15th December 1962, notes in circulation increased by Rs. 183 crores, as against only Rs. 79 crores in the same period of 1961. In this period demand deposits with scheduled banks also grew at a greater pace, by Rs. 69 crores. as compared with Rs. 41 crores in 1961, so that money supply would appear to have shot up by Rs. 252 crores during the first 50 weeks of 1962, as against Rs. 120 crores in the comparable period of 1961. The actual increase would appear to be much more, in view of the fact that a substantial portion of time deposits with scheduled banks consists of extremely short-period funds fit enough to be regarded as demand deposits. The growth in time deposits is, therefore, of much significance in this context; such growth in the 50 weeks of 1962 was Rs. 141 crores, as compared with Rs. 79 crores in the comparable period of 1961. There is thus enough evidence for the conclusion that monetary inflation in 1962 was of far greater magnitude than in 1961 and that, since (*a*) in the first two years of the Plan over 61 per cent of the third Plan limit on deficit financing (Rs. 550 crores) will have been exhausted, (*b*) defence expenditure is expected to increase by Rs. 400 crores per annum over the present level, (*c*) the scope for cutting the third Plan without impeding the defence effort is not that large to offset the rise in defence expenditure, and (*d*) there are severe limits to raising the tax burden without aggravating the inflationary pressures already present in a large measure, Mr. Morarji Desai, the Union Finance Minister, will be hard put to fulfil his promise the other day that he would not resort to deficit financing for raising the military strength of this country.

The price situation was a source of considerable concern during 1962, in distressing contrast to the experience in 1961 when it proved to be a redeeming feature of economic trends by recording little or no increase. After being steady in the first quarter of 1962, prices and cost of living went up sharply in the second and third quarters. The index number of wholesale prices registered a rise of 7 points between April and September, when a high of 131 (1952-53=100) was touched. The cost of living index also went up by 5 points to 132 (1949=100) and by another 2 points to 134 in October. By the middle of November, the commodity price index had gone up a little further, with an all-time peak of 130.8 being hit in the week ended 17th November. Since then, for reasons already outlined above, the price index has fallen by as much as three per cent to 127.5 (as of 1st December 1962), but it is higher by 3.5 per cent as compared with that a year before (123.2) and by 4 per cent as compared with the level (122.6) at which it stood at the close of 1961. Much of the rise in the price index between March and November was a reflection of the increases in the prices of food articles due to the failure of food production to keep pace with the inflation in population (at the rate of 8 million a year) and the addition to the purchasing power in the hands of the people. In spite of the recession in prices since mid-November and the prospect of a slightly larger food crop than in 1961-62, food articles are still costlier by about 6 per cent over the year.

In fine, as India is preparing to ring out the old year and ring in the New Year, the general price level is up by 4 per cent, with food alone being dearer by over 6 per cent. This state of affairs on the price front, when viewed against the prospect of sizable deficit financing and heavy taxation discussed in the preceding two paragraphs, is disturbing to a degree. It is more so, considering that world commodity prices show hardly any increase over the year—the *Financial Times*' latest (17th December 1962) commodity index (base: 1st July 1962=100), for instance, is actually a shade lower at 78.45, as compared with 78.53 a year ago—and that India has to boost its exports, willy-nilly if it is to survive with a fair degree of economic stability, dignity and self-respect. In the eleven months ended November 1962, it may be noted here, India's exports were no better than Rs. 615 crores (provisional), as compared with Rs. 600 crores in the same period of 1961 and the Plan target of Rs. 720 crores. Despite the further pruning of imports from Rs. 953 crores to Rs. 922 crores, the balance of trade showed a deficit of no less than Rs. 307 crores, though it was Rs. 44 crores smaller than in the corresponding period of 1961. There is no room for any further appreciable cut in imports, except at the risk of aggravating the already serious problem of underutilisation of industrial capacity.

Indeed, the last mentioned factor was one of the principal causes for the continued slow growth of industrial production in 1962 also. There was a rise of only 6.6 per cent in industrial production in 1961, as compared with 11.6 per cent in 1960 and 8.9 per cent in 1959. On the basis of figures available upto July 1962 and even taking into account the successful efforts made to raise steel production in the past three months, it would appear that the growth this year will work out to not more than 7 per cent, despite substantial additions to capacity in a number of industries and the absence of any serious labour trouble; in fact, industrial relations during 1962 were remarkably peaceful. The poor industrial growth rate suggests that a return on the capital invested will be delayed, thereby upsetting the calculation of resources available for reinvestment and further development. One can, however, have the negative satisfaction that the downward trend noted in 1961 was checked in the year under review. This may well turn out to be a prelude to the resumption of upward trend in industrial growth, if the enthusiasm for more and better production generated by the national emergency is sustained in the coming year. After all, there is no denying the fact that, given strong will-power on the part of managements and workers, a lot more can be achieved with the same resources than is possible in its absence. The performance on the industrial front can doubtless be bettered still, if the Government scrupulously eschews doctrinaire policies and reduces red-tape to the minimum, providing ample room for entrepreneurs in the private sector and managers in the public-sector undertakings to use their ingenuity and skill for blasting the bottlenecks to production. But the recognition of this point by the authorities is exasperatingly slow and halting.

PERSPECTIVES & PROJECTIONS

By Mercator

1962: All is Flux

"Prosperity is not without many fears and distastes; and adversity is not without comforts and hopes. Prosperity doth best discover vice, but adversity doth best discover virtue."—FRANCIS BACON.

THE time has come when a verdict on the closing year, according to a hallowed custom, has to be delivered. The general feeling is that 1962 has been a bad year because evil forces have been let loose in the world; violence and untruth, symbolised in Chinese aggression on India, have gained the upper hand. But our traditional history and philosophy have always stressed that good comes out of evil and eventually triumphs over it. As if to prove that these ancient truths have not been played out even in this age of science and rationalism, we have been directly confronted by the evidence of greater national and international solidarity in the struggle against evil. With the revision of many earlier assumptions and alignments, it has become easier to tear off many masks and separate the desirable from that which is not. President Kennedy has appropriately called this a "climactic" period, as relations in many parts of the world are fast changing; Mr. Khrushchev, for example, has been openly calling the Albanians "hooligans" and we all know whom he really means. As the Greek philosopher, Heraclitus, said, all is flux, nothing stays still.

1962 will go down in Indian history as the year in which the country, more particularly its leaders, woke up from a long spell of unreality. The rudeness of the shock is a guarantee against a possible quick relapse into old frames of mind, that half-awake state in which lines dividing friend and foe easily got blurred. Even more, this year has brought to the fore some of the sterling qualities of that usually indefinable entity, the common man. He has shown his spirit of self-sacrifice, patriotism and readiness to respond to the call of duty and risk danger. These have offered a refreshing contrast to the signs of apparent decadence and corruption in public life, waste of time and money in grandiose schemes, of the evil of self-righteousness in high places and "insolence of office," and of the greed possessing men who cling to hoards of metal or money acquired through dubious means and withheld from deserving causes. This cannot but have far-reaching results on our projected social revolution.

A more dispassionate view is now possible of the first casualty of the national emergency—the official moves for national integration. The disintegration which they were intended to remedy or counteract was not, it now appears, the instinctive impulse of a people to quarrel among themselves for lack of a common purpose or enemy, but the natural result of a brand of politics which came into vogue with adult suffrage and was based on opportunism, sycophancy and inability of political leadership, whether of the majority or the minorities, to subordinate personal attitudes to a larger national interest. Hence the spectacle of many opposition parties all saying much the same thing to the party in power without ever having combined in the past to make their voices effective or their influence felt. One may well speculate on what could have happened if the Swatantra, P.S.P and the various other permanently dissident elements inside or outside the Congress had coalesced at some stage to constitute a responsible opposition, without ever falling into the temptation of playing to the gallery or allowing personal frustrations to influence principles and public conduct. Such a coalition could have acted as a corrective to supercilious policy-making, empire-building and concentration of authority in a manner which has (*a*) paralysed initiative at non-official levels, and (*b*) given free scope for patronage. Such an integration of the political opposition is vital to our democracy. The merger of the Socialists in U.P. is, indeed, a good sign. But it may be yet too much to hope that the beginnings made during these critical days will endure and be expanded upon to provide a stable basis for the future. This continuing default of the Opposition makes nonsense of judgments on the ruling party's imperfections arising largely out of its internal weaknesses and the absence of proper tests of accountability.

* * *

Aligned But Uncommitted

Non-aligned nations have generally been identified as the uncommitted but how words can suddenly lose their older meanings is illustrated by recent developments. The cold war, for example, is not so intense now between the West and the East as it is between the Yugoslavs and Albanians. While the Communist bloc is aligned together, it is not committed to support China in its adventures just as Russia was not committed to retain its missiles or bombers in Cuba even though aligned. Pakistan is similarly aligned with the West but not committed to support the principles behind its alignment, or even to refrain from making independent friendly approaches to China against whom its alignment was intended. Non-aligned India has not been prevented from seeking military aid, when her national interests demanded it, from one side more than the other; and, lastly, the newly independent nations which found anti-colonialism a common bond are not so deeply committed to it as to make common cause for preserving their hard-won freedom against newer forms of colonialism. All this is not mere semantic confusion but real and hideous contradictions of post-war international diplomacy, which stand exposed to a staring and bemused public.

If India reiterates that she is still non-aligned, it only means that she is not party to any combination that is ideologically or otherwise opposed to Russia or Communism as such. Very soon, the West may also be reaching the same position, of not being aligned against the Soviet Union, if the current favourable trends for a *detente* continue. The prospective closer links between India and the West need, therefore, cause no great anxiety. It is, however, tempting to speculate how Pakistan will reconcile her position *vis-a-vis* the West, after all that has happened in that country. Western observers, who have been friendly to Pakistan, cannot fail to ask the question whether India's longstanding suspicions of Pakistan's *bona fides* were not well-founded after all, if Western advice, after a long period of sympathetic attitudes and massive aid, could be completely disregarded in a critical situation. Much of the goodwill for Pakistan might have been thrown away by now, while the real complexity of the Kashmir problem will be revealed during the impending negotiations. There is bound to be a better Western understanding of India's reluctance to feel optimistic over Pakistan's attitude.

To expect India to fight for barren and uninhabited Ladakh after giving away the Valley to Pakistan under any of the possible formulæ that may be suggested by the West is obviously unrealistic. But what other solution can satisfy Pakistan now to persuade its Government to give its co-operation to India's defence against Chinese aggression? India's spirited defence against Chinese aggression has naturally brought together all those who wish to safeguard the democratic way of life; Pakistan's lack of interest in preserving democracy may well explain the posture of neutrality and the continued refusal to recognise any commitment other than one founded on a Kashmir solution.

* * *

Shot in the Arm?

Preparations for war always act as a spur to economic growth and the Indian economy may prove no exception. For some time now, evidence of stagnation has been accumulating and it is, indeed, strange that recessionary symptoms should manifest themselves in a country in the process of implementing a bold development programme. Foreign exchange shortage and insufficient "untied" aid are the main reasons for slackness but the compulsion to find solutions and improvise methods was hitherto lacking and the defence effort may now be expected to bring in a new sense of urgency.

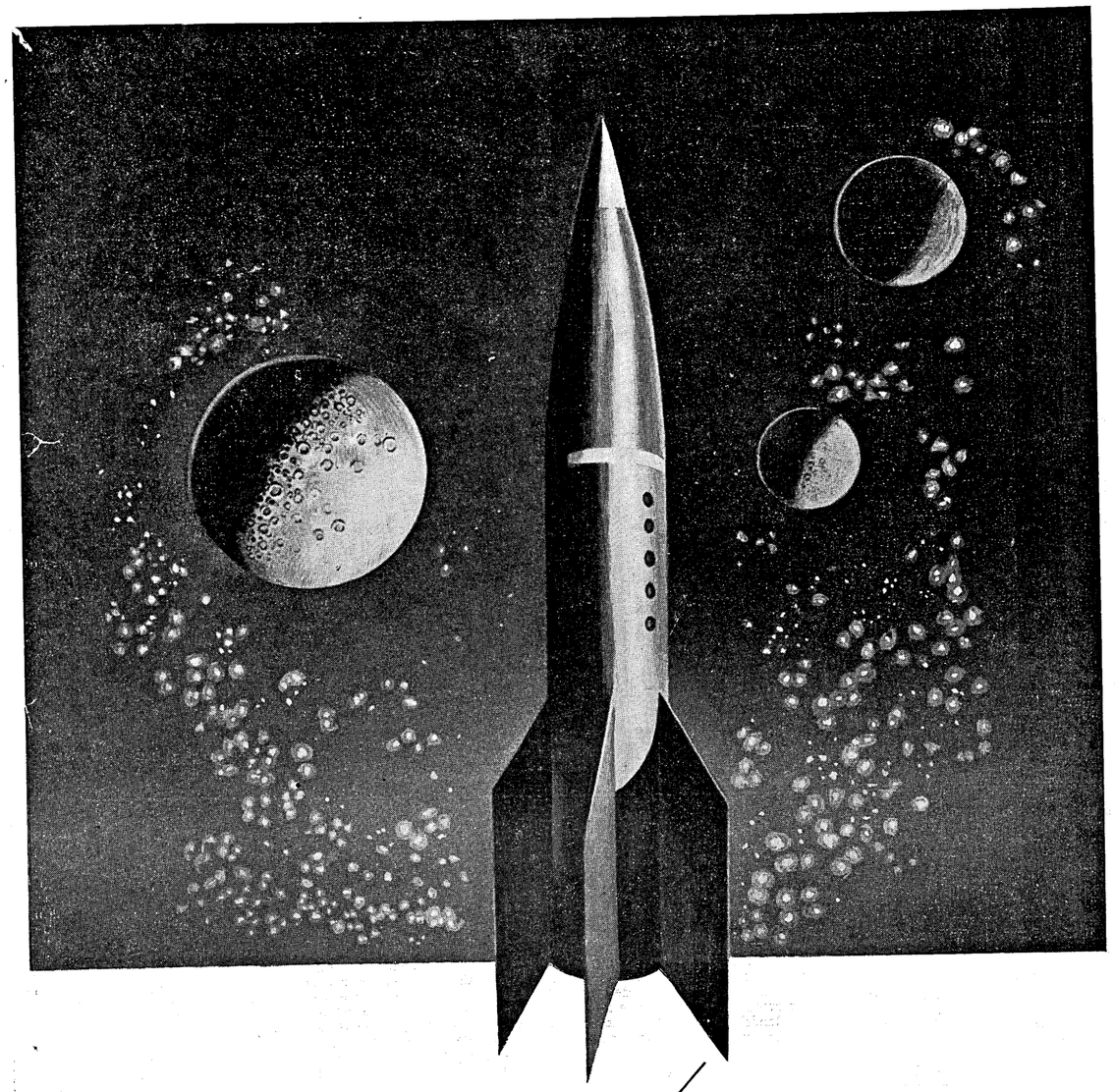
A stock market recession is understandable in times like these but in a year in which Plan outlay was expected to be the highest yet and the defence services have claimed substantially more, why should rayon and cloth stocks accumulate, sugar prices sag, cotton and *jowar* need price support? Have we very much exaggerated the inflationary potential in the economy? There is some basis for this suspicion as the Union Finance Minister is estimating Plan outlay in the Budget was building on hopes rather than actual capacity to implement schemes; the budget deficit envisaged may now be due to increased defence rather than larger Plan expenditure. However, current recessionary trends are not an unmixed evil, since they provide a comfortable cushion for the inflationary pressures likely to be generated when defence outlay goes up steeply to over Rs. 700 crores in the coming year. Military requirements on this scale will soon be absorbing much of the excess stocks and industrial capacity; the real danger may be that the present declining trends may induce complacency and unpreparedness for situations of shortage that may not be very distant. What has happened to kerosene and cement is a portent and, while the co-operation of the business community is very much to be appreciated, it is rather too much to expect that the natural tendencies of millions of wholesalers and retailers during periods of shortage can be effectively curbed. The Congress Party has been building into its structure a very strong resistance to controls and rationing, which is understandable, in view of some experiences after the last war, but, to say, as Mr. S. K. Patil is reported to have declared at Calcutta, that they will not be enforced under any circumstances is being a bit too categorical when defence has to go hand in hand with development and when future trends are uncertain.

* * *

Prohibition—New Angle

One of the welcome features of the present emergency is the reassessment of some very ancient attitudes and prejudices. There are now more people willing to grant that a salt tax and withdrawal of prohibition should have priority if substantial fresh taxation has to be levied. I believe, however, that in the three States in which there is total prohibition—Madras, Maharashtra and Gujarat—there will be no turning back; since its foundation, Andhra Pradesh has been wavering and may continue to be so. Elsewhere, it seems, prohibition has definitely met with a wall of resistance. The Chief Minister of Madras has an argument when he says that expectations of revenue from this source may be exaggerated, since any increased revenue may not be a net addition but only a diversion of tax yields on consumption expenditure on other items. Will there be a corresponding reduction in the tax yields on tobacco, entertainment and betting, and from excise duties on other consumer goods levied by the Centre? This is one of the imponderables in the situation but I think the answer depends on how we view the drink problem.

Obviously the bulk of the revenue from liquor excise will have to come not from the relatively well off middle classes who may maintain their family expenditure while spending on drink (even then their contribution to saving may be reduced) but from the less affluent working men in industry and agriculture who will be unable to do so. To the extent there is in fact a diversion, there is no net gain. But some hold the view that there is already extensive evasion and illicit consumption and that, if this is merely legalised, revenues should increase. How extensive is a debatable point; not all who would compromise with their dignity or social prestige over mere drunkenness will perhaps care to be involved in prohibition offences and prosecution. Also I think, democracy, relative prosperity in rural areas and new ideas about living standards have changed habits which it may be neither possible nor desirable to change; and at least in the three States in which there is total prohibition, womenfolk are much more assertive than before and may not meekly suffer a diminution of the spending on the family—which has meant a little more clothing, variety in food, cinemas and, possibly, travel. I am not surprised that a Mysore legislator has attempted to mobilise Harijan opinion against a reversal of the prohibition policy in that State, but one cannot, of course, overlook that there may be others opposed to revocation, like those who now profit by the organised bootlegging business.



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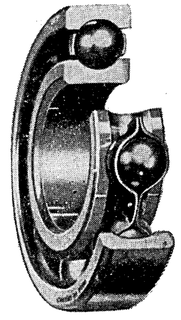

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PROSPECTS FOR INVESTORS

Winds of Change Blowing Across India

By GEORGE CARVELHO

THIS annual exercise in the assessment of investment prospects for readers of *Commerce* presents greater complexities and entails graver responsibilities this year than at any time in the past. Like so much else in this country, the investment outlook has been radically transformed by the still undeclared war with China. A whole way of life and thought and the institutional structure that embodies it have to be reshaped to fit the harsh reality of aggression by a powerful and ruthless neighbour. Nothing will ever be quite the same as it was before the Chinese came swarming over the Thag La Ridge.

The first nine months of 1962 now appear strangely remote, as if they belonged to a different epoch, as indeed they did in a historical, though not in a chronological, sense. Yet there is a continuity in history, the present has its roots in the past. Some account of this psychologically distant period is, therefore, a necessary preliminary to an understanding of the present and an estimate of what the future is likely to hold.

At the start of the year, the share markets were still riding the boom that began in 1958 after the shock of the Krishnamachari Budget of May 1957 had worn off. The Reserve Bank's index number of variable dividend industrial securities (base 1952-53=160) rose from 119.7 at the beginning of 1958 to 187 at the start of 1962. The rise continued till May, when the index touched its highest level for the year, 195.6. Neither the planetary conjunction or *Ashtagraha* at the beginning of February, nor socialist tub-thumping during the general elections inspired more than momentary uneasiness. Even the Budget proposals of April, including a 5 per cent increase in the rate of company taxation to 50 per cent were greeted by a spurt in share prices because, as usual, the worst that the Finance Minister had to disclose was discounted in advance.

Heavy Weather

But the boom was well-nigh spent and from May onwards the markets turned downwards. The Wall Street crash towards the end of May produced a sympathetic reaction in Indian markets and to this was added mounting anxiety over shortages of coal, power, transport and foreign exchange. It was evident that the third Plan was running into heavy weather and the rate of growth of industrial production was visibly slowing down. Exports were sluggish and the prospect of Britain joining the European Common Market with no adequate safeguards for Indian trade further depressed sentiment. Mr. Manubhai Shah, as Minister for International Trade, was clearly not going to find it easy to boost exports to the target set by the third Plan. The move towards dearer money, neglected in the terms of the borrowing programme of the Central and State Governments, was interpreted as a pointer towards a lower level of share prices in the future. The drastic revision of the Tariff Commission recommendations regarding increase in steel retention prices was a severe blow to market sentiment at a time when nervousness over Chinese incursions across the border was mounting.

The market was thus in a highly vulnerable position when the massive attack by Chinese in N.E.F.A. and Ladakh was launched on 20th October. At the end of September, the index stood at 180.4, almost seven points lower than at the beginning of the year. It was already evident that the bull phase which stretched over four years was over and that equity holders would end the year with a capital loss. No one, of course, realised at that time what the last three months of the year held in store for the country and for investors.

Ups and Downs

Ups and downs in share prices are nothing new to investors in India or for that matter in any part of the world. The curve of equity prices since 1938 resembles the course of a switchback railway or, to take a more topical simile, the terrain in the N.E.F.A. area, with its precipitous climbs and steep declines. A statistical comparison is difficult, because the structure of the equity index has been twice revised during this period, once in 1949-50, and again in 1952-53. A *Financial Express* study, published on 7th November, attempts to present a continuous picture by relating the index number to the 1938 base. This is subject to the limitation that it takes no account of the changes in number of scrips and in the weightages, but it does give an idea of the range of fluctuations.

The figures are impressive. In the boom from 1938 to 1946, the advance in share prices was 153.5 per cent, the index rising from 100 in 1938 to 253.5 in 1946. Then came a seven-year period of decline which wiped out almost the whole of these gains and brought the index down to 103.7 by 1953. It is a sobering thought that, from 1938 to 1953, the net gain in equity values was only 3.7 per cent. Once again, the tide turned and in the three years from January 1953 to December 1955, the index recorded a gain of 43 per cent. But, in the following two years, that is up to the end of 1957, once again prices slumped heavily and the index dropped to 109.4. From the beginning of 1958, the bullish trend reasserted itself and lifted the index to 176.3 in May 1962. The decline that started thereafter developed into a landslide with the Chinese aggression and on 7th November, the index was down to 156.

The moral to be drawn from this survey of this roller-coaster behaviour of share prices in the last thirty-four years is not that, because that is how prices have moved in the past, nothing better can be expected in the future and that equity investment is inherently speculative in nature and there is nothing that anyone can do about it. There are quite a few excellent reasons why such a complacent attitude on the part of the authorities should be discarded, if it ever were held.

Investment Pattern

In the first place, the kind of economic system that India has chosen as its basis of development (which incidentally is one of the fundamental differences between us and the Chinese) is one in which private saving and investment have an important and even a vital role to play. The spread of the investment habit to the middle classes in recent years has been welcomed by the Government and, on more than one occasion, official spokesmen have expressed the Government's desire to see the shareholding habit spread yet more widely. So long as the ranks of investors consisted of *zamindars* and ruling princes, the gyrations of share prices, whatever their economic implications for capital formation, did not create a social problem of any great magnitude. Such persons could afford to look after themselves. But when equity capital represents, as it increasingly does now, the savings of middle-class people, a stock exchange collapse creates a situation comparable to widespread bank failures.

Furthermore, the Government itself, through the Life Insurance Corporation, is the biggest investor in stock exchange securities. Foreign private capital, which is increasingly sought after to make up the deficiencies of domestic resources, pays a great deal of attention to the state of the stock market in assessing the attractiveness of investment. In such conditions, wildly fluctuating share prices are a matter of national concern and cannot be dismissed as a matter concerning shareholders and no one else.

It is not, of course, suggested that shareholders expect the Government to make sure that share prices always move up and never down. Investors in equities provide risk capital and must be prepared to face the normal and even, to some extent, abnormal risks that are inseparable from business enterprise. But it might reasonably be expected that, to these risks which shareholders will willingly take should not be added other avoidable ones resulting from the vagaries and the changing ideological texture of economic policy. At least some of the wide swings in share prices since independence could have been avoided had this consideration received greater attention.. In normal times, in a developing economy such as this, the overall trend of share prices should be upward and expectations of moderate capital appreciable and legitimate.

Chinese Aggression

Having said so much, it is time to add that the situation created by Chinese aggression is neither peaceful nor normal and investors' expectations have been revised accordingly. The demoralisation of share markets, the panic that caused a landslide in share prices and the confusion and contradictions that characterised the attempts to cope with the situation reflect no credit neither on the speculators, the stock exchange authorities nor the Stock Exchange Directorate of the Government. No censure is too strong for those operators who tried to turn the national emergency to either private advantage by means of heavy bear selling. The various stock exchange authorities, in their desperate attempts to meet the crisis, seemed to have overlooked the simple fact that only action on an all-India scale could be effective in such circumstances. It is meaningless to fix minimum prices in Calcutta when no similar action is taken in Bombay or Madras and it is difficult to understand why the already existing Committee of Stock Exchange Presidents could not get together in time and work out concerted measures. Finally, one would have thought that one of the principal functions of the official Stock Exchange Directorate was precisely to ensure co-ordinated action in such situations.

Things were eventually sorted out, minimum prices were fixed on all stock exchanges and forward trading in shares has been banned throughout the country. The position now is that stock exchange activity is virtually at a standstill, brokers have almost nothing to do and are wondering what other occupation they are qualified to enter and investors are left with shares on their hands in which dealings are impossible at the official minimum prices.

Since shareholders have, willy-nilly, to hold on to their shares, there is not much that a financial commentator can offer in the way of advice. With stock exchanges moribund, investors do not even have a clear idea of the extent to which their capital has depreciated. The minimum prices are clearly quite unreal and it is anybody's guess what the prices would be if they were removed. Liquidity of investments has been lost since the holdings are practically unsaleable, with rare exceptions.

All things considered, perhaps it is just as well that this is so, for any free market quotation under present conditions would give a false and distorted idea of the real value of the investments. The best, in fact the only, thing to do in the circumstances is to wait for the emergency to pass and the return of peace, when the interrupted plans for national economic advance can once again be taken up. Till then, one can only counsel patience and the willingness to make whatever sacrifice may be needed for the defence of the nation and for victory over the aggressor.

Dividend Outlook

How long this period of waiting and sacrifice will be it is impossible to guess. The Prime Minister has repeatedly warned the country that the struggle will be long and hard. Both China's motives in attacking India and her future plan of action are an inscrutable mystery, on which there is almost endless scope for conjecture. Any estimates of the future must, therefore, be based on assumptions which may well be falsified by subsequent events.

Even on the reasonably favourable assumption that the struggle with China remains confined largely to the present area of occupation, that is, assuming that there is no further advances into Indian territory or destruction through aerial bombardment, the outlook for 1963 from the investment point of view, cannot be considered anything but bleak. Capital appreciation may be ruled out and even dividends may have to be slashed or passed over for the duration. Contributions to the National Defence Fund by companies, according to the formula prescribed by the Federation of Indian Chambers of Commerce and Industry, will be of the order of 5 per cent of assessable income. Mr. Morarji Desai, in the Calcutta meeting of the Associated Chambers of Commerce and Industry, left no doubt that a heavy increase in tax burden would have to be accepted. All this will reduce the distributable profits and shareholders must accept the consequences as their share of the burden which the whole country has to carry.

It is a grim prospect, but it has its relieving features. The Chinese attack and the initial reverses suffered by the armed forces of India have forged a new consciousness of national unity that has tran-

Canada has from January to June 1962 purchased 396000 pairs of footwear from Bata India

scended all the divisive factors that were so prominent earlier. The economic counterpart of this is likely to be a greater degree of realism and the subordination of ideological considerations to the overriding necessity of building up the defensive strength of the country. The role of industrial strength in the nation's defence potential is recognised and bureaucratic red-tape may not be permitted to smother economic progress. The private sector may have greater opportunities and a greater measure of freedom than in the past. Every industrial unit whose product is related to the war effort (and it is hard to find any that does not come within this category, directly or indirectly) will be required to step up production to the limit of its capacity. Where new productive capacity has to be created, the stress will be on expansion of existing units rather than on the setting up of new units. In every project, the accent will be on quick returns. Long-term projects, involving heavy capital investment and long periods of gestation, will now be out of favour. In the opinion of many competent observers, one of the major weaknesses of economic planning in India was a preoccupation with attainment of the take-off into self-sustaining economic growth in the shortest possible time. Under the stress of the emergency, the take-off may have to be delayed but the fruits of development will make their appearance sooner. Even if the fruits in question are directed to war and will not be immediately available for civilian consumption, it must be counted a distinct gain that the tempo of industrialisation is being speeded up.

Long-term Implications

There will be more employment, income and all-round economic activity. Labour troubles which took so heavy a toll of lost man-days and wasted production will cease and labour and management will find, in the stress of war, a community of interest and consciousness of partnership that eluded them in times of peace. The massive foreign aid, in the shape of military equipment from Western countries cannot but cause a leaning towards the West in foreign policy, though the stance of non-alignment may be retained. It is inevitable that this strengthening of ties with the West should have its influence on domestic economic policy as well as on the flow of foreign private investments into India. Long-established habits of thought and patterns of behaviour are not easily cast aside, even in the face of a national crisis and Mr. K. D. Malaviya seems determined to stick to his guns in regard to allowing private sector oil refineries to expand their capacity. But the last-ditchers must know that they are struggling against the tide of history. The winds of change are blowing across India and the face of the country will be transformed.

Investors who are inspired by these prospects need to remind themselves that, so far as the outlook for 1963 is concerned, there is little to wax enthusiastic about. How the fighting will go in the next few months, no one knows except perhaps Mr. Mao tse-Tung and he won't tell. Even if, by some miracle, the present crisis ends, there can be no letting up in the task of building an impregnable defence power for the country. Contributions to the National Defence Fund, heavier taxation, particularly of business profits, realignment of the third Five-year Plan, diversion of resources from development to defence and rigid measures to keep prices within bounds and to check hoarding, profiteering and other anti-social practices will all add up to less profits and greater regimentation. Investors had better get used to the idea that, for 1963, capital appreciation may be ruled out and dividend prospects are anything but bright. On a longer view, the outlook is distinctly better.

Marking Time

More specifically, prices of even first-class blue chips at present levels are so low that yields are attractive, even allowing for the possibility of reduced dividends. Industries directly concerned with the national defence, such as steel, engineering, copper and chemicals should be the greatest beneficiaries. The jute industry is doing well at present, though the long-term outlook is obscure on account of the growing menace of Pakistan competition. Cotton textiles and sugar seem to be in difficulties on account of large stocks with mills and sluggish offtake. Tea gardens in Assam are in the danger zone and their difficulties are heightened by the transport problem created by the strike of Pakistan steamer crews. But those in other areas are in a more comfortable position and should do reasonably well. The new issues market has dried up and will not see any return of activity as long as the emergency continues.

For those stout-hearted investors who refuse to be daunted by the present impasse and the uncertain future, there are thus some attractive opportunities to pick up good shares cheap. But even they would be well advised to defer business until the prevailing minimum prices are abolished and the market is left to find its own level. Others may prefer to wait until after the Budget for 1962-63, when the worst that Mr. Morarji Desai has to offer the taxpayers will be known. The majority will probably decide to mark time and let the crisis take its course.

As long ago as June this year, in the weeks following the Wall Street collapse on Blue Monday, this writer propounded the view that the time had come for investors to shift their attention from prospects of capital appreciation to considerations of yield and that high-yield, fixed-interest-bearing securities such as good preference shares were a good buy. Subsequent events have vindicated the soundness of this advice. That same counsel would appear suitable for present conditions. The indications are that interest rates are on the rise and, in the uncertainties that lie ahead, regular interest holds greater charm than a precarious dividend income with no prospect of capital appreciation.

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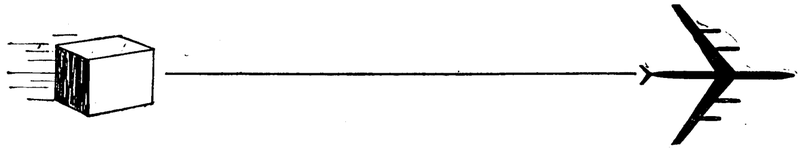

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WORLD BANK'S ROLE IN INDIA'S DEVELOPMENT

By EUGENE R. BLACK

PRESIDENT, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

THE active association of India and the World Bank is nearly of thirteen years' standing. It began two years after India attained independence and a year after the Bank turned from reconstruction to development lending. Thirteen years is not a long period in the history of a country like India, with a great civilisation dating back to over 5,000 years. But I have no doubt in my mind that posterity will judge this period as a crucial one in India's march toward the goal of self-sustained growth—a goal that has to be reached by stages over a fairly long period. In the past, Indian civilisation has bequeathed enduring gifts to mankind. In the future, the destiny of humanity will be influenced profoundly by the extent of India's success in absorbing the changes that economic development inevitably entails, without sacrificing respect for individual liberty.

The great industrial revolution now going on in India is a process and not an event. As it may continue for many years, creating and obliterating one form of economic and social life after another—even as the Industrial Revolution in the West did—no one can ever say that this or that is the normal state of modern India. Nor can one accurately predict what will tomorrow's India be like or what will emerge from the labour and tumult of the present generation. One can only answer these questions in general terms as Mr. Nehru once did when he said, "Tomorrow's India will be what we make it by today's labours." It is to these present efforts that I propose to confine my remarks.

Good Progress

One can look back with a sense of pride in a good deal of what has so far been done in India through planned development based on local public and private initiative and resources, into which international co-operation has been productively integrated. Indicators of economic and social development show substantial advances over the past ten years. Tangible evidence of India's economic progress is to be found in the improved health and longer expectation of life of the people, in the increasing number of children going to school and the resulting spread of literacy, in the greater range of consumer goods to be found in shops, in the rapid increases in the number of buses, trucks and bicycles on the road. Agricultural production has increased, and the industrial landscape is fast changing.

National income is estimated to have increased from Rs. 88.5 billion in 1950-51 to Rs. 126.9 billion in 1960-61, a rise of more than 40 per cent. And, while population growth has reduced the net gain in *per capita* income to only about 2 per cent per year, the rise of one-fifth in average income in the span of a decade or so is by no means an insignificant achievement. But, if one dominant fact were to be singled out as the achievement of the past decade, it could well be the awareness, growing throughout the country and among the countries outside, of the urgent need for more rapid development and for efforts to be directed toward that end.

During the past two years, difficulties have emerged. Shortages of coal, power, steel and transport—sectors in which the Bank had shown a keen interest—marked the latter half of the second Plan. Bearing in mind that the task which India is attempting in the field of economic development is incomparably more difficult than any which has faced the more developed economies of the West, one should resist the temptation of exaggerating these difficulties. Nevertheless, it would be a great disservice to India to gloss over them.

Export Performance

A lag in export performance could be a serious setback to the Plan. Notwithstanding the growing export-consciousness on the part of the Indian Government and Indian industry, India's exports so far have shown an uneven and slow rate of growth, while imports have been expanding rapidly. There has not been any significant expansion in the world markets for India's principal traditional exports—tea, jute goods and cotton textiles. A number of other traditional exports have either been swallowed up by rising home consumption, or are faced with special market difficulties. There is another difficulty, over which India has no control, namely, the trade barriers erected by some of the industrially advanced countries against what are called "low-cost manufactures." At the recent annual meeting of the Governors of the World Bank in Washington, I expressed my anxiety lest future trade restrictions frustrate hopes for rising exports from the developing countries, and especially of products of their growing manufacturing industries. India and some other developing countries have viewed with concern the new regional economic groups of countries in Europe and elsewhere. If these groupings adopt liberal trade policies, instead of attempting to surround themselves with high protective barriers, the underdeveloped countries will have nothing to fear.

But, in the meantime, India should not relax its efforts to promote exports and to increase its foreign exchange receipts. Fundamentally, export performance will depend on these factors: on increases in real output; on a reasonable restraint of domestic consumption, especially of commodities with an export potential, in order to create surpluses for export; on the maintenance of monetary stability; and on improvements in productivity and of quality standards. These are factors within the control of India, and mastering them will be an important element in the effort to achieve a higher standard of living.

* * *

Plans and the Bank

Raising the standards of living in member-countries is the central purpose of the Bank. Given India's size and the urgency of its problems, it is not to be wondered at all that the Bank has become one of India's close collaborators, or that the Bank has lent more money—some $817 million—in India than in any other of its member-States. Yet this outcome was by no means inevitable: the Bank, in many respects, models its lending policies on the strict practices of private investment institutions, and a simple humanitarian belief in the importance of raising living standards would not have been, by itself, sufficient reason for the Bank to provide assistance on the scale it has done in India. The launching of the Five-year Plans, initiated in 1951, drew the Bank closer to India. The country's determination to expand its economy, and its choice in favour of the political and constitutional arrangements generally associated with the Western democracies, created a favourable impression in the capital-exporting countries from which the Bank itself draws most of its finance. A relatively high level of technical skills in India also enabled her to attract and use capital effectively.

For her part, India recognised that most of the investment effort should be financed internally. At an early stage of the Bank's operations in India, however, we recognised that the role of external assistance in India's development plans would be vital. Without such complementary resources, even domestic resources could not be put to effective use. External assistance has been very substantial: in the third Plan, it constitutes (including P.L. 480 assistance and debt refinancing) Rs. 32 billion in a total programme of Rs. 116 billion; and the character of this assistance and the sectors into which it flows make it crucial for the success of the entire developmental effort. The Bank itself has lent $817 million for public and private projects in India. When the amounts made available by the Bank's two affiliates—the International Finance Corporation and the International Development Association—are taken into account, the sum rises to more than $1,000 million.

Sinews of Development

The Bank's role in India and elsewhere is to help build the basic sinews of economic development, thus creating a base from which the expansion of agricultural and industrial activities can be carried forward. Bank loans totalling $447 million—over half of the Bank's total lending to India—have gone toward the development of transportation. The $379 million lent by the Bank for the Indian railways is by far the largest amount that it has lent anywhere for a single undertaking, and this sum has helped to implement a major rehabilitation and expansion programme vital to India's economic development. Bank loans for development of power total $81.60 million. The Bank has also extended direct financial assistance to private industry. Bank loans totalling $107.5 million made between 1956 and 1957, helped the Tata Iron and Steel Company to double its finished steel capacity under the "Two Million Ton" programme. Three loans totalling $68.7 million were made to the Indian Iron and Steel Company. The story of the Bank's assistance to Indian private industry is incomplete without reference to the Industrial Credit and Investment Corporation of India, which the Bank helped to found. The Corporation has so far received $60 million in Bank loans. Total financial assistance sanctioned by the Corporation in various forms up to the end of 1961 was about Rs. 427 million, of which loans amounting to Rs. 194.3 million were in foreign currency.

Besides assisting specific projects, the Bank has shown a keen interest in the progress of the Five-year Plans as a whole. In 1958, when

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the success of the second Plan was threatened by an acute shortage of foreign exchange, the Bank brought together for consultations a group of industrialised countries (Canada, Germany, Japan, the U.K. and the U.S.). This resulted in the five nations entering into bilateral arrangements with the Indian Government for aid which, together with additional World Bank lending, covered the foreign exchange needed in the third year of the Plan. Subsequent meetings of the Consortium led to similar arrangements for aid in the final two years of the second Plan. Before the third Plan came into operation, the Bank circulated its analysis of the Plan to members of the Consortium. A meeting of the Consortium—now enlarged to include Austria, Belgium, France, Italy and the Netherlands—held in July this year indicated additional commitments for the second year of the third Plan. These additional commitments brought the total amount of aid to India indicated by the Consortium for the two years to $2,365 million. Of this, the commitments of the Bank and the International Development Association amounted to $450 million.

* * *

I.F.C. and I.D.A.

Needs have arisen over the years for new types of development finance which the Bank's constitution had not equipped it to provide, and these needs led to the creation of the Bank's two new affiliated organisations. The International Finance Corporation (I.F.C.), established in 1956, invests in private industrial enterprises in the less developed member-countries. It is able to provide share capital, which the Bank does not do; and it does not seek Governmental guarantee of its investments, which the Bank is required to do when it lends to a private borrower. An I.F.C. mission has recently returned from a long stay in India after discussions and investigations that may lead to several investments in the coming year. In the meantime, I.F.C. already has two investments in India, totalling $1,575,000. One investment, in Assam Sillimanite Ltd., was made to enable the Company, which has long mined and processed minerals for export, to begin manufacturing refractory materials at Ranchi. The other I.F.C. investment is a loan to K.S.B. Pumps Ltd., a new enterprise which has erected a plant near Poona.

India is the leading customer of the Bank's other affiliate, the International Development Association (I.D.A.), which was established in 1960. Although only in active operation for about 18 months, I.D.A. already has made credits totalling $362 million, of which India has received $212 million. I.D.A. credits to India have included sums for highway construction, telecommunications and electric power. They also include six credits totalling $56.5 million for the development of agriculture. Under the third Plan, India is trying to achieve a very substantial rate of increase in agricultural output, with the object of achieving self-sufficiency in foodgrains and a substantial increase in output of commercial crops. Since not much new land can be opened up, emphasis is being put on irrigation and other means of intensifying production and increasing crop yields. All the agricultural projects for which I.D.A. credits have been extended fit into this pattern.

I.D.A. itself is an attempt to solve a pressing international financial problem which is a result of the quickening pace of development. Many countries are finding that their capacity to make effective use of aid is growing faster than their capacity to repay. During the early nineteen-fifties, when external debt was still comparatively small and well-prepared projects were few, most less developed countries could still prudently accept loans at conventional rates of interest and repayable over the conventional period of time. But today, in many cases, a dangerously high proportion of export earnings (the prospects for which are themselves clouded) are mortgaged to future debt service. Our own figures show that, between 1955 and 1961, a group of 34 countries, accounting for some 70 per cent of the population of the underdeveloped world, more than doubled its total external public debt. Yet, over the same period, the export earnings of the same group increased by little more than 15 per cent.

If the momentum of development is to be maintained, it can only be by grants or by loans largely at very long term and at very low interest. This is why the International Development Association was brought into existence. Up to now, all I.D.A. credits have been for 50 years and free of interest, carrying only a small annual service charge. Thus, the Association meets the special needs of those member-countries which cannot borrow on conventional terms all the funds they can usefully employ for development. But, although the terms of I.D.A. credits are "soft," I.D.A. is by no means a soft lender. Like the Bank, it supports only sound projects of high developmental priority.

* * *

Technical Assistance

As the financial activities of the Bank and its affiliates have grown, there has been a marked increase of the Bank's work in the field of technical assistance as well. Under an expanded programme of project and sector studies launched last year, the Bank has organised and helped to finance a variety of pre-investment studies. One of these will result in the drawing up of plans for a new bridge across the Hooghly river, an essential part of the planning for the redevelopment of Calcutta. Another departure of the year was the creation by the Bank of a Development Advisory Service, consisting of experts available to serve as economic and financial advisers to the Governments of the less developed member-countries. In the Bank's technical assistance work, India has as often been on the contributing as the receiving end. The Bank's Economic Development Institute, a staff college for senior economic officials of member-Governments, has always included an Indian national on its small faculty: and no less than three members of the new Development Advisory Service are Indian.

* * *

Prime Minister Endorsed

Economic progress has been a great theme of Indian life since independence, and I believe it should continue to be so. No doubt, these are difficult days facing India. While it is too early to assess precisely the impact on India's economy of the menacing developments on the border with China, defence expenditures already have risen, and fresh strains have been imposed on financial resources. But one aspect of the present situation is simply to emphasise the need for pursuing the path of progress more vigorously than ever, and to underline the urgency of continued efforts to build a strong and productive economy. As Prime Minister Nehru has said, "the major projects of the Plan must be pursued and implemented, because it is that way that we shall strengthen our country not only in the present crisis but in the years to come."

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ECONOMIC MOBILISATION AND THE THIRD PLAN

Production For Exports Must Have Equal Priority

By TARLOK SINGH
MEMBER, PLANNING COMMISSION

THE basic assumptions of planned development of India have been profoundly affected by China's aggression. The first impact may be on the plans for the next year or two, but the implications are likely to be more far-reaching. No Five-year Plan stands alone: progressively, the various Plans have become much more interdependent and, indeed, constitute a *continuum*. Each important act of omission or commission exerts a powerful influence across the economy today, tomorrow and beyond. This makes it all the more necessary that the issues be more widely understood.

The opening paragraph of the chapter on Objectives in the Report on the Third Plan contained these words:

"The basic objective of India's development must necessarily be to provide the masses of the Indian people the opportunity to lead a good life.... In the larger context of the world, the realisation of this objective for India, as for other countries, is intimately tied up with, and dependent on the maintenance of world peace ....Peace, therefore, becomes of paramount importance and an essential prerequisite for national progress."

Peace was the major premise against which our Plans and their social and economic philosophy were set. We knew that war was something which even rich countries could ill afford and that the vast resources they were pouring into defence and armaments, while serving perhaps as a mutual deterrent, could not but delay the economic and social progress of the world and, more specially, of millions in the less developed countries. However long and tortuous the course, humanity has no alternative to this approach. Yet, with the turn events have taken, there is no gainsaying that, as a nation, we are ourselves faced with a radically new situation.

The Threefold Challenge

The broad types and scale of the problems which have arisen are easier to visualise than the magnitudes that may be involved. Past experience of the economic implications of mobilisation pertains mostly to countries which already achieved development and had built up a considerable industrial and economic potential. These countries could draw not only on their internal resources but also on the resources of far-off lands. At the moment of final crisis, whole groups of nations rather than countries in isolation confronted one another. As with others in the past, new sets of circumstances will keep coming into our picture, so that, even apart from obvious and inevitable uncertainties, static assumptions should be avoided. At the very least, however, from now on India's economy and resources must be so managed and developed that national security is never again seriously threatened. To meet the threefold challenge of mass poverty, social justice and national security is an obligation from which there is no escape, and it is just as well that we are compelled to face it now rather than at a later date.

The initial stages of economic mobilisation are the more difficult both because they entail so many new and critical judgments and because the dimensions change so suddenly. But, given the ability to adjust the sights and to adopt the correct economic policies, as higher levels of production and employment develop, the burdens should become more sustainable.

Economic mobilisation poses a series of problems in the context of the third Plan and calls for a careful review of the assumptions and policies in the Plan. The essential problem is not that there are major divergences to be reconciled but that there are specific goals, larger in scope and sharper and more decisive in content, which have the first claim on all available resources and have to be attained with the greatest speed. In turn, they raise many new problems of balance and equity throughout the economy.

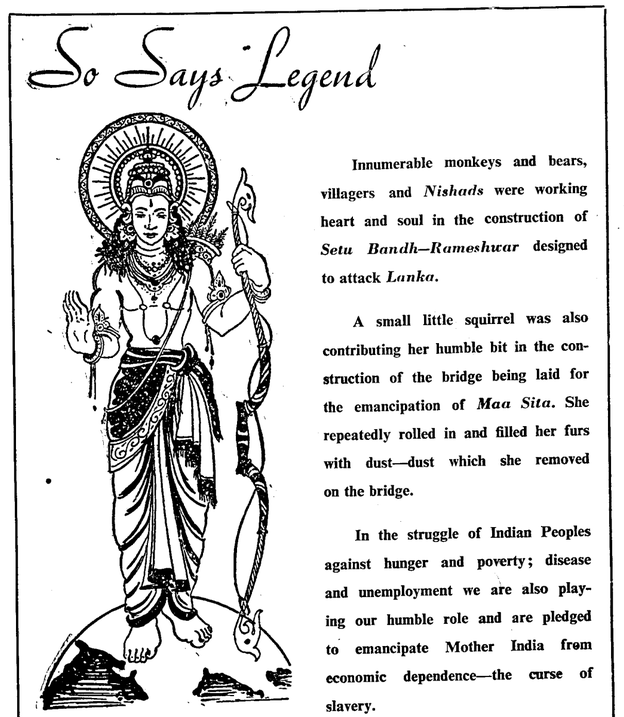
Balance of Payments

India's economy has reached the stage at which foreign exchange resources are crucial not only for the expansion of basic capacities but also for securing the fullest production from existing capacities. Neither aspect can be neglected. On the whole, while there are still important gaps and delays may occur, there is fair reason to assume that foreign exchange for most of the projects included in the third Plan will become available. In the immediate future, imports of industrial raw materials, components and spares and balancing equipment will have the highest priority. To an extent, it may be necessary to secure these against foreign aid available for projects. The existing procedures of lending countries do not always facilitate such interchange. In the existing circumstances, on balance, the substitution of maintenance for development imports will be to the overall advantage of the economy. It is to be hoped that, in recognition of the problem such shifts in resources entail, it might be possible to secure additional assistance from abroad on account of maintenance imports. Equally with maintenance imports, import substitution becomes now a matter of the highest urgency and has to be pursued systematically industry by industry.

A sharp increase in the burden on the balance of payments, which is one of the first results of the effort to mobilise the country's resources, will also call for more intensified measures to increase exports. The programme of exports drawn up for the third Five-year Plan envisaged an increase of about a third in the annual level of exports. The experience of the first two years shows that the achievement of this higher level of exports is a much more difficult task than has been generally appreciated. The usual economic forces and stimuli do not operate sufficiently in favour of exports even though for several years liberal incentives have been given for exports. There is now no serious alternative to devising measures, as far as possible in co-operation with each industry, for securing the surpluses required upto the limit of foreign demands. In other words, if the export objectives are to be increased, we cannot stop far short of schemes virtually of compulsion. These have to be worked out in consultation with each industry and implemented with the help of the appropriate organisations. It would be essential also to review the existing pattern of production within each industry, so that the goods required by foreign markets are produced to quality and specifically earmarked for exports. At the same time, it should be possible to work out suitable means for securing the reasonable interests of individual undertakings. Although a considerable volume of engineering capacity will be taken up for the defence effort, production for exports should have equal priority, and the aim should be to go on expanding industrial and engineering exports, as these are a major factor in realising the plan for doubling exports by the end of the fourth Plan. Special efforts should be made to intensify measures for exports of agricultural products and of minerals. The demands of economic mobilisation make it all the more necessary to go beyond the export targets which had been set earlier for the third Plan.

Harnessing Internal Resources

Next in urgency to the balance of payments, an even more important aspect of economic mobilisation and one within our grasp concerns the raising of internal resources to finance the increased defence and production effort. The truth is that, although the need for increasing the rate of domestic savings has always been recognised, as a country we have not imposed on ourselves the economic discipline necessary for harnessing all the resources we could and thereby achieving a rapid increase in the rate of growth. At the end of the first Plan, the rate of domestic savings was 7 per cent of the national income, as compared with the initial target of 7.5 per cent. At the end of the second Plan, the rate of domestic savings was 8.5 per cent, as against 10 per cent envisaged in the Plan. Thus, in two Five-year Plans, we did not reach the accepted goals in a most vital sector, although the targets set during each period were more cautious than those justified by the needs and conditions of the country. In the Report on the Third Plan it is proposed that the rate of domestic savings should rise from about 8.5 per cent of the national income to about 11.5 or 12 per cent. The rates of domestic savings envisaged for the fourth and the fifth Plans are, respectively, 15 to 16 and 18 to 19 per cent of the national income. It is clear that, as a minimum, by the end of the third Plan, India must raise its rate of domestic savings to about 15 per cent of the national income and that, as early as possible thereafter, the rate of domestic savings must be stepped up to about 20 per cent. This will be the main test of our willingness to labour for



whatever we value and proof that our scheme of planned development and our institutions are capable of meeting the new circumstances.

In order to attain markedly higher rates of domestic savings, it will be necessary to examine more critically the working of different sectors in the economy and the existing distribution of burdens and opportunities within the community. Some of the directions in which action has to be pursued will be readily appreciated. First, all enterprises, whether in the public or the private sector, must be both expected and helped to realise the maximum surpluses of which they are capable. This will involve, on the one hand, deliberate efforts to remove impediments or bottlenecks which stand in the way of greater production and, on the other pricing policies for all industries in harmony with the objective of mobilising the maximum resources. Secondly, until the necessary potential and the higher rates of domestic savings have been achieved, dividends, profits and wages will have to be strictly regulated. Thirdly, since at present substantial resources leak out, as it were, through trade and speculation, these activities will have to be brought under greater control and regulation. In the fourth place, while safeguarding the prices of essential commodities, in respect of many other goods, both for restraining consumption and for securing the necessary revenues, high levels of excise duties will be inevitable. Fifthly, the uses to which the available surpluses are put, whether these are accumulated by Government or by private parties, will have to be strictly determined in accordance with national priorities. The savings of the community have to be treated as a pool rather than as separate streams. Thus, it will be essential not only to control and regulate investment from the point of view of the economy as a whole, but also to ensure that these satisfy the criterion of economic efficiency. Finally, the existing disparities in income, which could never be justified in social terms, cannot be allowed to continue even on considerations of economic growth and mobilisation. Following the Taxation Enquiry Commission, the Planning Commission envisaged in the Report on the Third Plan that, over the next two or three Plans, the objective of securing a range of incomes after tax of about thirty times the average family income should be achieved. Even this range represented a considerable disparity, but it was thought that, as lower incomes rose, the range could be further reduced. In the present circumstances, it becomes imperative that steps to reach this objective should be hastened and should, indeed, be regarded as an essential ingredient of national defence.

Changes in Priorities

The various measures for increasing internal resources and earning foreign exchange mentioned above are related intimately to the production goals which may be set. It is apparent that the production and development targets of the third Plan have to be revised in several directions. The emergency alters both the time scale and the tests of essentiality. In many directions, the targets set for the third Plan have to be achieved earlier. This would require larger resources as well as readiness to adopt agencies and methods of production which will produce results more speedily. Secondly, increases in targets in some directions will involve downward changes in certain other directions either because these have a lower priority or cannot be given the scarce material resources or foreign exchange which would otherwise have gone to them. Broadly speaking, in the field of agricultural production, there has to be intensification all along the line. In industry, the demands in each field have to be assessed with greater precision and direct allocations resorted to for a wide range of critical products and materials. The industrial system as a whole has to be operated in a planned and integrated manner. Since the objectives will be more sharply defined both quantitatively and in terms of time schedules, the inputs in all branches of industry can be more precisely planned. This would involve radical changes in the present methods of industrial planning and licensing. Another area in which the emergency involves intensification and enlargement in almost every direction is that of manpower training and of putting the available manpower to the most efficient use.

A Major Concern

These are some of the directions in which the emergency should lead to the fulfilment of the third Plan in a larger measure and more speedily than was earlier contemplated. Essential supplies for the civil population are a critical area in a time of economic mobilisation. Shortages of essential goods and services hamper production and upset the social balance. Where shortages become inevitable, the equitable distribution of the available supplies becomes a major concern of policy and administration and demands the utmost vigilance.

There are two areas in which the temptation to take a short view of the requirements of economic mobilisation should be resisted. Both in the first and second Five-year Plans insufficient attention was given to education and health and, generally, to the development of human resources. In the third Plan, an attempt was made to provide for a wider base of effort in social services with some sense of the future perspectives. The tempo of development in social services still falls considerably short of the minimum requirements. The cost of any setback at this stage would be far greater than may appear at first sight. Secondly, despite the development over the past decade, the basic capacities in the Indian economy in terms of power, transport, machine-making industries, fuel and facilities for scientific research are still relatively limited. It is of the utmost importance that, whatever the urgent pressures, every effort should be made to safeguard the fundamental requirements of growth in the future. Already, the gap between the more advanced and the less advanced countries has been increasing and not all our plans of development can be considered adequate.

The new needs demand both additional effort and determination to fulfil the essential commitments already accepted for the third Plan. The emergency will take the country forward towards a self-sustaining economy sooner than had been hoped for if its significance is more fully recognised. As a country, we have to prepare ourselves for heavier burdens and, at the same time, adhere to the basic principles and strategy of our Plans.

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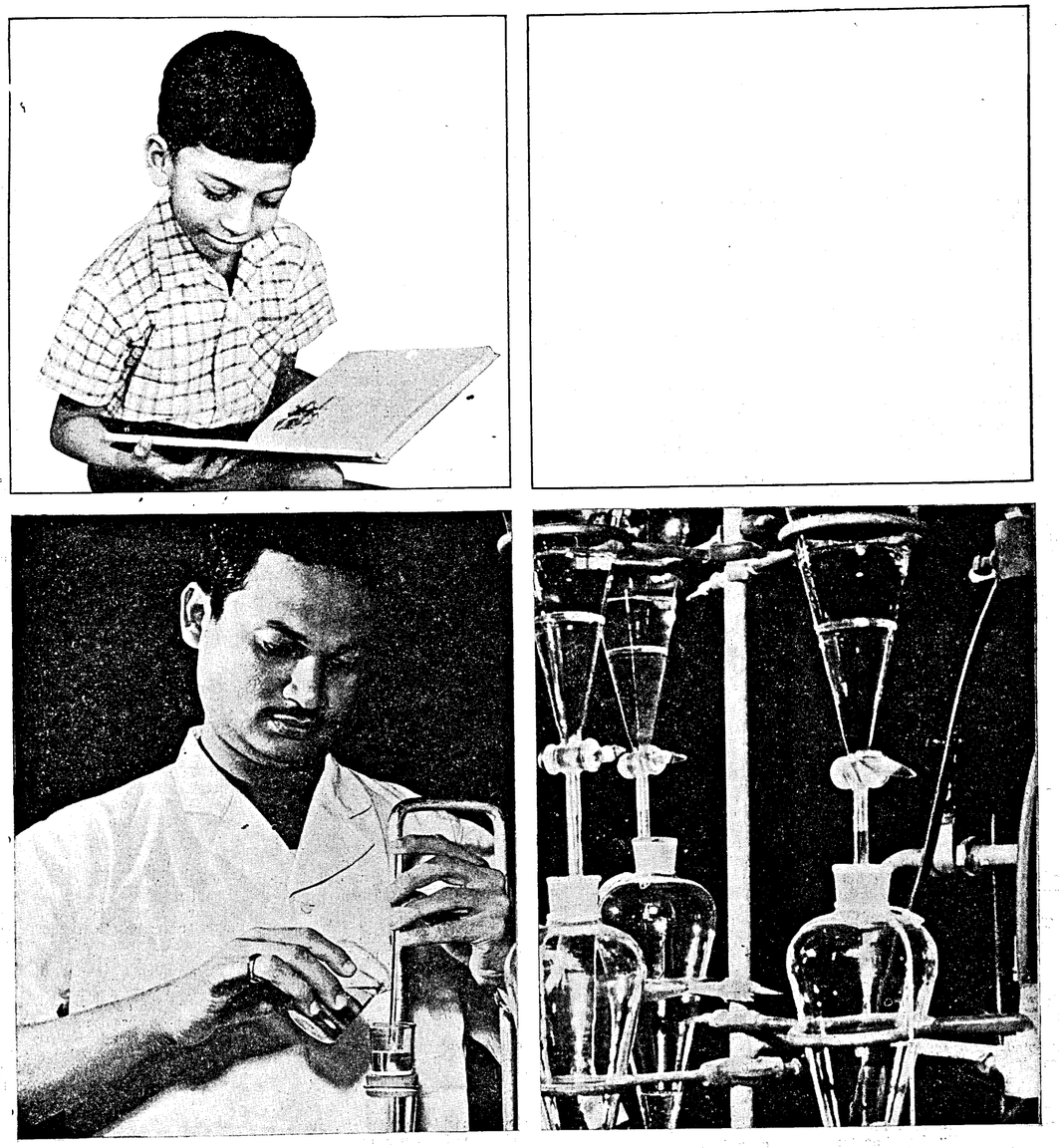

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The Present Crisis and Import of Private Foreign Capital

Commercial Diplomacy Needs Judicious Handling

By H. V. R. IENGAR

CHAIRMAN, E.I.D.—PARRY GROUP

DURING the month of October this year, I was in the United Kingdom, Canada, and the United States, to hold discussions on certain major industrial projects in India, on behalf of the companies with which I am now associated as Chairman. It was during this visit that the Chinese invasion of our northern frontiers took place, followed almost immediately after by the Cuban crisis. It was interesting to watch the effect of the Cuban crisis on the business community in the United States and Canada. Whatever their private views and apprehensions might have been, they went about their work as if nothing had happened. Their feeling was that, if things came to a head, everybody would get blown up and there would be no one to worry anyway; meanwhile, they thought that the most appropriate course was for them to carry on in the normal way. Although the Cuban crisis overshadowed our own crisis with China, the latter was never relegated to the background in the responsible press. It is true that few people were fully aware of the nature of the problem that we now face with the Chinese. In fact, they had only the vaguest ideas about the frontier problem as such. But they realised that the situation must be potentially one of great gravity, and the thing that brought this home to them was the statement that the Prime Minister made immediately after the large-scale Chinese attacks. The Prime Minister, according to popular feeling in the West, has been rather soft in his dealings with Communist regimes; certainly he is known to have attempted most strenuously to enter into an honourable and peaceful arrangement with the Chinese. If he, of all people, felt that they have committed flagrant aggression, and compared their behaviour, for lack of scruple and the complete negation of decencies of international behaviour, with the behaviour of Nazi Germany, people felt that his view must be accepted as correct. In fact, one phrase in the Prime Minister's statement has done more to bring home to our friends abroad the seriousness of the Chinese menace than tons of propaganda that could be put out by our publicity departments: it was the phrase that we have been living in a world of illusion of our own making, out of touch with reality.

Favourable Reaction

I was concerned, of course, with the question of certain industrial projects. Not one of the groups with whom I have had discussions showed any hesitation in going ahead with their projects in India. One of them told me they telephoned to the State Department immediately after the Chinese attack, to inquire what were the views of the American Government on the crisis in India. They said the State Department informed them that the American Government would give all the assistance the Indian Government would require for the purpose of repelling the Chinese attacks and, further, that they would consider it necessary to support the third Five-year Plan because failure of the Plan was probably one of the things that the Chinese were after. This indication of American official attitude was good enough: the company concerned decided to go right ahead with their project which is going to involve very considerable outlay. In fact, they and their collaborators sent out teams in the first week of November for the purpose of finalising certain details with the Government of India. This was also the attitude of the Canadian group. They indicated that, in addition to the funds they have already put into India, they would be prepared to put in further amounts for new expansion projects that we may want to undertake. On my way back home, I had discussions with a well-known British group. They informed me that they had decided, last year, not to make any further investments in India because one of their schemes in the country had been a financial failure, but now they had decided to revise their decision, and told me that they would sympathetically examine any concrete proposal that I had to make involving their financial and technical collaboration.

It would be a mistake, of course, to generalise on the strength of experience in a limited number of cases, but the firms with which I dealt are so important and, geographically, so separated from one another that I think they could be assumed to be a fair sample. If we could demonstrate that we are determined not to give in to the Chinese, and if the great surge of enthusiasm that has swept the country could be maintained, I have little doubt that private investment from abroad in India will merely not diminish, but actually show a substantial rise. The attitude of the private sector in the U.K., the U.S.A., and Canada is thus closely parallel to that of the Governments in these countries, allowing for the inevitable differences in approach between organisations which are concerned with profitability of investment and Governments which are preoccupied with major strategic considerations.

Trend of Investments

It is, I believe, generally known that there has been a steady increase in foreign business investment in India since 1947. Initially, after independence, there was a certain degree of disinvestment, due to nervousness about the possible attitude of a Government formed by people who had fought against the British. But this trend was reversed very rapidly because of the very correct policy pursued by Government, in word and in deed, to honour their commitments in regard to repatriation of capital and the remittance of dividends. At the end of June 1948, the outstanding foreign investment in the private sector amounted to Rs. 256 crores; the entire amount being from private sources. At the end of December 1960, the outstanding investment amounted to Rs. 691 crores, of which the investment from official sources such as the World Bank, was Rs. 124 crores, and from private sources Rs. 567 crores. In terms of percentage this is a substantial increase. It is worth noting that these figures relate to investment and not to market price which, in many cases, is substantially higher. Some of the increase in investment was the result of fresh capital inflow into India, but the greater part was consequential on the retention of profits and their ploughing back into business. From India's point of view, the ploughing back of remittable profits has, of course, the same significance as the bringing in of fresh capital from abroad. Of the total outstanding investment at the end of 1960, the break up in the field of investment was as follows:

	(Rs. crores)
Manufacturing	289
Petroleum	152
Plantations	100
Others	148

The leading investor in India was the U.K., whose investments amounted to Rs. 446 crores and the next in importance was the U.S.A., with Rs. 113 crores.

Flow Into India Only Fractional

It would be a mistake, however, to derive any satisfaction merely from the fact of a substantial percentage increase in foreign business investment in India. The quantum of investment, apart from investment by official sources such as the World Bank, should be related to the total flow of such investment by the major capital exporting countries. Seen from this context, India has been able to attract, hitherto, very little foreign private capital. In fact, in relation to the total flow of capital from the major exporting countries, the percentage which India has been able to draw to herself is only fractional. The point that requires examination is, whether there are any policies or procedures in force in India which have had an inhibiting factor.

Certainly monetary soundness has not been an inhibiting factor. On any comparison with world standards in the last eleven years after the first Plan was inaugurated, we have been able to maintain the stability of our currency at a pretty satisfactory level and, in fact, our performance has, on the whole, been better than that of most countries. During the same period, countries where monetary management has been quite unsatisfactory and inflation has become rampant have, nevertheless, succeeded in attracting far larger magnitudes of foreign capital. It is not the purpose of this article to go into the reasons for this phenomenon, although that, in itself, is a fascinating subject for study. Apart from monetary stability, Indian performance in the matter of profits has by no means been unsatisfactory. The average dividend on paid-up capital in India in medium and large-scale industries in the year 1960 was 11.6 per cent. This compares very favourably with domestic yields in the capital-exporting countries. The figure of 11.6 per cent is an overall average. There are, of course, great disparities as between industry and industry. In the oil refining industry, I believe the repatriation of capital has been pretty quick, and in the metal industry, with which I am associated, the profit, although not spectacular and although there has been a long period of gestation, has been better than in many other countries. By and large, it is neither the adequacy of profitability nor apprehension about the stability of our currency that has stood in the way of our being able to attract private foreign capital.

Major Inhibiting Factors

I believe the major inhibiting factors are twofold. First of all, there is, in some quarters, apprehension about the attitude of the Government of India to the private sector, generally, and to the foreign element of the sector in particular. Some of this apprehension is due to misunderstanding of Government's intention, possibly arising out of semantic difficulties such as the use of the word "socialism." Such misunderstanding can be corrected by explanation. And I have generally found that, when I have explained the particular situation in India which has led to the enunciation of the doctrines embodied in our statement of industrial policy, the response has been sympathetic. But it must be confessed that nervousness and misunderstanding are not solely due to ignorance. They arise because, on occasions, official pronouncements and administrative decisions do not always follow the settled pattern.

Highly Sensitive

The foreign entrepreneur is, not unnaturally, highly sensitive to statements made at Ministerial level which indicate that the speaker at least is not in full sympathy with Government's policy in this regard. While the importance attached to this factor is frequently exaggerated, it is nevertheless fundamental that the top level servants of Government should be completely consistent in their conduct, and in their public utterances, in supporting the declared policy of Government. In none of the longer established democracies do we find that any one Minister expresses views or follows administrative policies that conflict with the general policies of the Government of which he is a member. The principle of Cabinet responsibility, and more than this, that all members of a Government whether in the Cabinet or not, should unreservedly support any agreed policy, is a fundamental for the successful operation of a democracy and an outward sign and manifestation to foreign countries of the stability of the democracy. I make this point because I am convinced that, if there could be more consistency in the enunciation and implementation of policy, the climate for foreign investment would be substantially improved.

Jungle of Red-tape

The second and a very serious inhibiting factor is the jungle of red-tape in which we have got enmeshed. This has steadily become worse and worse. I believe most foreigners who have had dealings with the Indian Government have acquired very great respect for the senior Ministers and senior officers, but they find that these are badly overworked and are not always well served by their juniors. There is a feeling abroad that decisions take an unconscionably long time to take; that even when they are taken, they are subject to further processing by ministries and organisations outside the operating ministries; and that, as a general rule, co-ordination is inadequate. Occasionally also, there are complaints of arrogance and rudeness. No one asks for obsequiousness. And the fact that we are receivers of foreign aid and net importers of private capital from abroad need not stand in the way of our sticking firmly to principles which we have enunciated. But it does seem that, on occasions, we tend to forget that commercial diplomacy no less than political diplomacy requires to be

(Continued on page 38)

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Trends in Foreign Investment

By R. S. BHATT

EXECUTIVE DIRECTOR, INDIAN INVESTMENT CENTRE

THE international movement of private capital had touched a very low level during the Great Depression and practically ceased during the Second World War. In the post-war period, most of the countries were in the grip of inflation and whatever savings could be mobilised were needed for internal investment. The main capital-exporting countries of Western Europe were occupied with their own reconstruction problems. Further, apart from certain deterrent factors, the rates of return on investments within these countries were so high that it was unnecessary for capital to seek profitable investment abroad. But the keynotes of the post-war economic environment were reconstruction and development. All the war-ravaged countries wanted to reconstruct and practically all underdeveloped countries of the world were keen to develop. Barring the United States, there was hardly any other country which had surplus funds for foreign investment. At this point came the Marshall Plan. It infused new life into the European economy and laid the foundations for the vigour and prosperity which are now in evidence. The result was that, on the one hand, it increased the ability of the U.S.A. to divert the flow of aid to the less-developed countries and, on the other, it restored Europe's ability to export capital.

A factor of major importance was the emergence of institutional finance which paved the way for a freer flow of private capital. The World Bank, in particular, has made a unique contribution to the process of rehabilitating the international economy and has assisted the emergent countries in their plans for development. Many new agencies and institutions have also since been set up to provide financial assistance to the developing countries. The role of these institutions right until the middle fifties was one of filling the void created by the disappearance of private capital from the international scene.

Climate Improves

In recent years, the international climate for private investment has improved and private capital has begun to flow across national frontiers. The revival first started with a gross long-term capital outflow of $76 million in 1949 from Switzerland, one of the non-belligerent neutral countries in the war. This was followed by Belgium-Luxembourg with an export of $100 million in 1950. The United Kingdom re-entered the field in a big way in 1952 when she exported capital worth $421 million. The international movement of private capital was in full swing by 1954 with the entry of other major capital-exporting countries.

This marked the turning point, for, ever since, a rising trend in the flow of private capital has been in evidence. Net flow of international private long-term capital averaged $3.69 billion per annum for the period 1956-59 as against the annual average of $1.94 billion for the period 1951-55. The bulk of the increase is attributable to the U.S., whose annual average outflow went up from $1.280 million in 1951-55 to $2,924 million in 1956-59. The annual outflows from the U.K. and Switzerland amounted to $595 million and $243 million during 1956-59 indicating an increase of 25 per cent and 52 per cent, respectively, over the previous period. The annual average outflow from Belgium-Luxembourg and West Germany amounted to $113 million and $74 million during 1956-59, indicating an increase of 61 per cent and 147 per cent respectively.

According to a United Nations Study—*International Flow of Long-term Capital and Official Donations. 1951-59*—the aggregate net outflow of long-term private capital from the main capital-exporting countries amounted to $14.76 billion in the four years 1956-59, or an average annual net outflow of $3.69 billion, which was about twice as much as that for the period 1951-55.

It is evident from the foregoing analysis that it was only after the programme of reconstruction in European industrial countries was completed that they were able to export investment capital to the rest of the world. The outstanding features of this period were Britain's re-entry in the field of international investment and the emergence of the Federal Republic of Germany as a substantial exporter of capital.

U.S.—The Largest Investor

Of all the capital-exporting countries, the U.S.A. has so far made the largest contribution. The U.S. direct private foreign investments aggregated $29.8 billion at the end of 1959 as against $11.8 billion recorded in the first post-war survey for 1950. With a further increase of $3 billion, the total value of foreign investments stood at nearly $32.8 billion at the end of 1960 and these are estimated to have gone up to $34.7 billion by the end of 1961. Of major interest are the geographical distribution and the industry-wise pattern of U.S. investments.

Canada's share of the U.S. direct foreign investments rose substantially from $3.6 billion in 1950 to $11.8 billion in 1961. The investments in Latin America rose from $4.4 billion in 1950 to $9 billion in 1959 before falling to $8.2 billion in 1961. In relative terms, Latin America's share was somewhat reduced over the period (1950-61) from 38 per cent to 24 per cent. As compared with 1950. Europe had larger shares of the total investments in 1961. Europe's share went up from 14 per cent to 22 per cent while that of Africa and the Far East remained level at 6 per cent. To give the aggregates, U.S. direct investments in Europe went up from $1.7 billion in 1950 to $7.7 billion in 1961, in the Middle East and Africa from nearly $1 billion in 1950 to $2.3 billion in 1961. in Far East from $0.3 billion in 1950 to $1.2 billion in 1961, in South America from $3 billion in 1950 to $6.4 billion in 1961 and Oceania from $0.3 billion in 1950 to $1.1 billion in 1961.

Reports covering over 10,000 direct investment enterprises furnished to U.S. Department of Commerce by about 2,800 U.S. companies indicated that over 3,000 of the affiliates of U.S. companies were in Latin America. Canada and Europe each had about 2,700 affiliates.

Oil Dominates

Industry-wise, a little more than one-third ($12.2 billion) of the total U.S. direct investments $34.7 billion) in 1961 were in the petroleum industry which also recorded the largest increase (of $7 billion) between 1950 and 1959. Manufacturing investments rose by $5.9 billion to $9.7 billion between 1950 and 1959 and further by $2.2 billion to $11.9 billion in the subsequent two years, that is to say at a lower rate than petroleum investments. This was partly because the dollar value of these investments was particularly affected by the depreciation of certain foreign currencies after 1950. Investments in the mining and smelting industries rose over the period (1950-61) by $1.3 billion to $3.1 billion. Most other industries also scored substantial gains.

The largest 45 U.S. investing companies with foreign holdings of over $100 million accounted for 57 per cent of the total book value of U.S. direct foreign investments in 1957. Included among the largest 45, are 15 petroleum companies, 15 manufacturing companies and 6 mining companies.

Of the total U.S. direct investment $25 billion in 1957, nearly $19 billion or three-quarters was in enterprises in which the U.S. equity ownership was 95 per cent or more and one-fifth was in the ownership range of 50-95 per cent. Only one-twentieth of the total U.S. investment was in enterprises with minority U.S. ownership.

II

PRIVATE CAPITAL FOR DEVELOPING COUNTRIES

Against this background of the international movement of private capital, we may now analyse the trends in flow of capital from the main capital-exporting countries to the developing countries.

In a study, *The Flow of Financial Resources to Countries in Course of Economic Development,* made by the Organisation for European Economic Co-operation, the net flow of private capital from O.E.E.C. member and associated countries to underdeveloped countries was estimated at $3 billion per annum during 1956-60 as against an annual average of $1.6 billion during 1950-55. Though the capital outflow to the underdeveloped countries was twice as large as in 1950-55, it still formed only one-half of the total outflow to all the countries of the world taken together.

Of the average annual capital outflow of $3 billion, about $1.3 billion came from the U.S.A. alone and nearly $1.7 billion from countries of Western Europe. The U.S. outflow of private capital to the developing countries was approximately one-third of the total net outflow of private capital from the U.S.A. which averaged $3.8 billion per annum during the period 1956-59. It is, however, noteworthy that the U.S. outflow of private capital to the primary producing countries has steadily moved up from an annual average of $0.7 billion in 1946-52 to $0.8 billion in 1953-55 and further to $1.6 billion in 1956-59. Further, U.S. private foreign investment has throughout the period increased in approximately the same proportion to the primary-producing countries as to the rest of the world.

Of the total American aid of $16.7 billion to the developing countries during the five-year period 1956-60. private investments accounted for one-third while two-thirds came from Government sources. A large part of the new U.S. private investment accrued to Latin America; it amounted to $3.6 billion out of the total new investment of $4.7 billion during the period 1956-59. A good deal of the U.S. private investment flowed into the oil industry, particularly in Venezuela which obtained about a third of the total investment in Latin America during the period 1956-59.

The U.K. outflow of private capital to the underdeveloped countries aggregated $2.3 billion during the five-year period 1956-60. During 1956-60, it was slightly more than twice as much as the U.K. Government's aid to the underdeveloped countries. Almost the entire U.K. outflow went to the Sterling Area. Earnings on British investments in the other countries of the Sterling Area amounted to £167 million in 1960 which represented 67 per cent of the total earnings on British investments abroad.

Continental Countries

The outflow of private long-term capital from France totalled $1.9 billion during the five years ended 1960, which was only one-third of the total aid extended by France during the period. This includes investment in colonial territories, as France's contribution was almost entirely to her own overseas countries. This outflow was made up of reinvested earnings ($0.6 billion), suppliers' credits ($0.2 billion) and new investments ($1.1 billion).

West Germany exported during the period under review private capital valued at $0.6 billion to underdeveloped countries, which equalled separately Government grants (mainly reparation payments to Israel) and Government loans. German private investment in underdeveloped countries which was concentrated in Latin America (especially Brazil) was no less than in Western Europe. Nearly 40 per cent (DM877 million) of total German investments of DM2,227 million between February 1952 and the beginning of 1959 have gone to Africa, Asia and Latin America.

The outflow of funds from the Netherlands, Belgium and Portugal has, in recent years, consisted mainly of private investment, the bulk of which has gone to their own overseas territories. South and South-East Asia have received, under the Colombo Plan, the major portion of Canadian Government aid while the bulk of Canada's private investments have flowed into countries in the Western Hemisphere.

In analysing the trends in the movement of private capital, we should bear in mind an important distinction regarding the nature of investment between "portfolio investment" and "direct investment." Broadly, portfolio investment consists in the acquisition of assets by the purchase of securities on the stock exchange, whereas direct investment takes the form of equity participation in an industrial enterprise, so as to acquire control on the policies and management of the enterprise. The borderline between the two is sometimes thin but the underlying aims of investment are different. Portfolio investment is mainly motivated by consideration of appreciation of capital value and the rate of return of invested capital. Direct investment entails a more abiding interest in the success of the industrial venture and its expansion with the long-term aim of raising the value of its equity and the rate of return on capital. The flow of capital between the industrialised countries takes both these forms and, in the aggregate volume of investment, there is at times a fairly large proportion of "portfolio investment." Dr. Livio Magnani, in his article on "Foreign Investment in Italy,"* states that, among foreign investors in Italy, the first place was occupied by Switzerland and Lichtenstein which together had acquired 1,277 million dollars worth of assets at the end of 1960 which was equal to 54.9 per cent of the total. Switzerland, in addition to direct investments, made portfolio investments. He has commented further that "it is quite likely, in view of the progress made by German investments in Italy, that the invest-

* Banco Di Roma: *Review of the Economic Conditions in Italy,* Vol. XV, No. 5 (September 1961), pp. 406-07.

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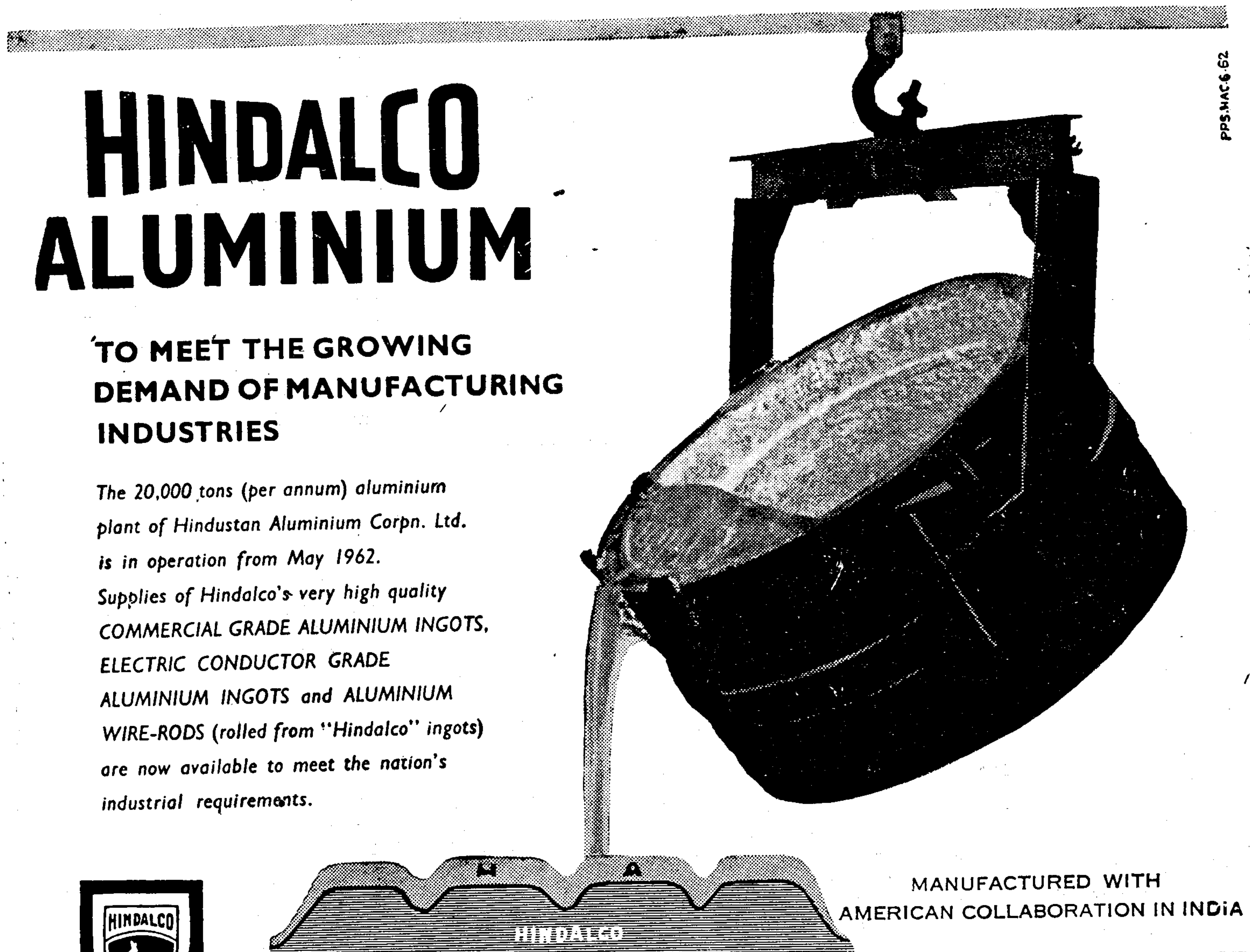

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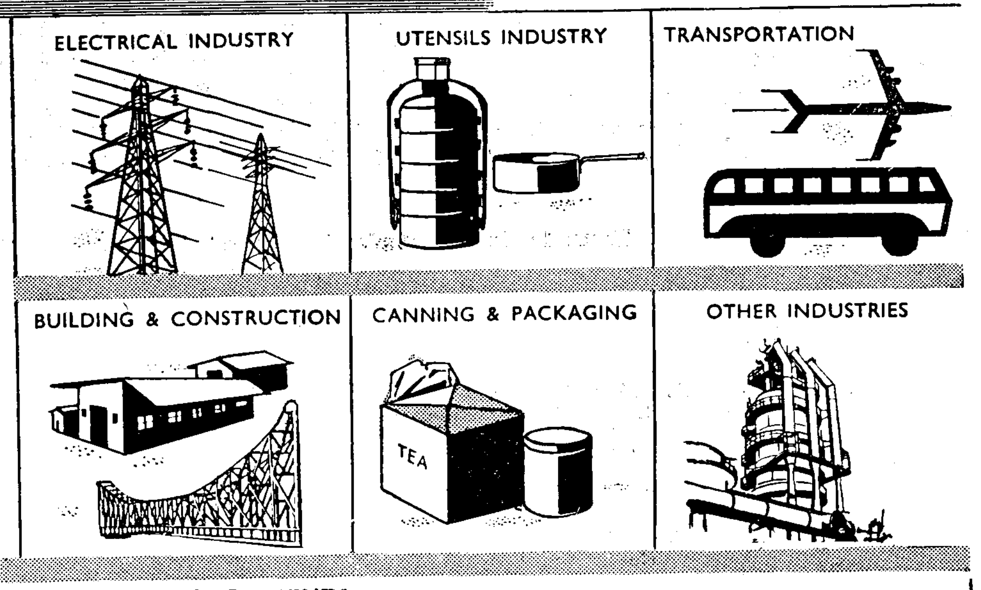

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ments of the Common Market countries will increase in the near future, but such increase will take place mainly in the purchase of securities." The movement of capital from the capital-exporting countries to the developing countries usually takes the form of direct investment. This is, perhaps, due to the fact that, in most of these latter countries, there is a paucity of good industrial securities which command an international market; nor is the institutional organisation in these countries sufficiently developed for international trading. In several cases, there are also exchange difficulties which do not permit portfolio investment.

Policies Important

Another important factor which has a direct bearing on the form of foreign investment in the developing economies is the policies in that regard adopted by both the capital-importing and the capital-exporting countries. Between the industrialised countries, there is now considerable freedom of movement of private capital. The flow of private capital to the developing countries, however, depends not only on the policies and regulations of the Governments and the attitudes of private investors in capital-exporting countries but is governed, to a large extent, by the policies and rules and regulations governing foreign investment and the climate for investment in capital-receiving countries. The volume and pattern of foreign investment in a particular developing country is, therefore, the result of the interplay of these two sets of forces. Most of the developing countries are now free, independent sovereign States. Most of them desire to encourage investment of foreign private capital, since there is now a fairly wide appreciation of the strategic role of foreign capital in the process of economic growth, as supplementing the domestic supplies of savings, the country's foreign exchange earnings and the availability of technical and managerial skills as well as entrepreneurial talent which are necessary for mobilising the human as well as material resources. However, for a variety of reasons, among which historical experience and the need to conserve scarce resources for the most efficient uses are, perhaps, the most important, the Governments of these countries often wish to channel foreign capital selectively in fields where they are considered to contribute most to the tempo and pattern of development.

From the foregoing analysis of investments from capital-exporting countries, it would appear that both the geographical distribution and the industrial pattern of private foreign investment are gradually undergoing a change. There is no doubt that there has been a marked shift in U.S. foreign aid from the advanced European countries to the developing countries, though the contribution of U.S. private investment to economic development in areas other than the traditional ones like latin America has so far been comparatively small. But from the middle fifties, private investment increased in countries of Asia and Africa. The flow of private capital from the countries of Western Europe has been directed mainly towards countries with whom they have had either long political association or have long been their traditional markets. But, here again, it is being gradually attracted towards developing countries of Asia and Africa. The major attraction for the bulk of private investment in these countries is still the petroleum industry but the pattern is getting diversified with a gradual shift towards manufacturing industry.

During the last decade, the Governments of economically advanced countries have taken a positive and growing interest in giving aid in the form of loans and grants to the developing countries. A large part of such aid as well as technical assistance has been utilised in creating a basic framework of economic and social overheads. Without this framework, the investment of private capital is often not only unprofitable but sometimes even impossible. It is, therefore, evident that, among the developing countries, those which have created the necessary infra-structure have been able to attract foreign private capital and techniques in a much larger measure. Of particular significance are the recent developments in certain countries for promoting investments through the establishment of special institutions. These institutions supplement the valuable work being done already by institutions such as the Export-Import Bank of the U.S. Government, the International Finance Corporation and the Commonwealth Development Finance Company in Britain. A special mention should also be made of the Development Banks which have been established in various developing countries through the assistance of the World Bank to extend financial assistance for the development of industries in the private sector.

Developed Countries Encourage Outflow

It is also encouraging to find that Governments of some of the capital-exporting countries have taken steps to promote investments of private capital in developing countries. For instance, the Government of Federal Republic of Germany has taken measures through the Kredit-Anstalt (Reconstruction Loan Corporation) to encourage private investment, especially in the medium and small industries in the developing countries. The West German Government has also set up (on 14th September 1962) the Corporation for Economic Co-operation ("Deutsche Gesellschaft Fuer Wirtschaftliche Zusammenarbeit mbH") to assist small and medium-sized German industrialists for investing in the developing countries. The U.S. Government provides a guarantee to U.S. private investors on payment of a small premium against risks of inconvertibility, expropriation, war, etc., and many U.S. firms have taken advantage of this facility. Another welcome development has been the change in the attitude of private investors in capital-exporting countries towards investment opportunities in developing countries and many industrial enterprises on a joint venture basis have been set up in the developing countries.

III

FOREIGN BUSINESS INVESTMENTS IN INDIA

We may now analyse the trends of investment of foreign private capital in India.

The increase in foreign investment at present takes place in three broad ways: (i) some capital comes in the form of cash; (ii) some investment assumes the form of import of plant and equipment; and (iii) some of the foreign-controlled companies plough back a part of their profits. At the same time, some of these companies may repatriate their capital in any particular year. After allowing for such outflow of capital, the balance is the net inflow of capital in the country.

The inflow of non-banking business investments in India during the period June 1948-December 1960 is set out in Table 1.

According to the assessment of foreign investments in India in 1960 and 1961 (preliminary trends) made by the Reserve Bank of India, the net inflow from private and official sources together at Rs. 78.4 crores in 1960 was substantially larger than that of Rs. 37.9 crores in 1959, while the preliminary estimates place the total net inflow during 1961 around Rs. 70 crores. Further, it will be noticed from Table 1 that, despite a much larger outflow during the period 1956-60, the average net inflow from private sources was somewhat higher at Rs. 21.9 crores as against the annual average of Rs. 20.1 crores in 1948-55.

The net inflow of foreign capital (from official and private sources abroad) in the private sector according to main industry groups is shown in the Table 2 below. It will be seen from the table that more than two-thirds of the total net inflow during the period 1956-60 accrued to the manufacturing group alone, a little more than one-fifth to the petroleum industry.

Table 3 below gives the outflow of capital by field of investments.

It will be seen that the repatriation of foreign capital was mostly accounted for by petroleum industry. A little less than three-fifths of the total outflow during 1956-60 was due to the repatriation by the U.K.-owned petroleum distribution and refining companies of Rs. 22 crores in 1958, Rs. 13 crores in 1959 and Rs. 6.3 crores in 1960. A little more than one-fifth of the outflow was attributable to the manufacturing industry during the same period.

It is interesting to note that there was a net addition of Rs. 157.6 crores* in the manufacturing segment during the period 1956-60, as against Rs. 61 crores between 1948 and 1955. Since the profits of foreign-controlled companies ploughed back into the manufacturing industry amounted to Rs. 27.9 crores during the period 1956-60, fresh net capital receipts would come to Rs. 129.7 crores or an annual average of about Rs. 26 crores.

Over two-fifths of the total foreign business investments in India are now in the manufacturing industry. There has been a remarkable growth in the value of these investments from Rs. 70.7 crores in June 1948 to Rs. 131.8 crores by 1955 and further to Rs. 289.4 crores by the beginning of 1961. It may be noted that nearly three-fourths (Rs. 112.3 crores) of the total increase in manufacturing investments (Rs. 157.6 crores) during 1956-60 was attributable to the engineering industries which accords well with the priorities of industrial development. Further, it is of interest to observe that the bulk of the fresh foreign business investments in 1960 took place in petroleum and manufacturing industries, the respective shares being Rs. 31.5 crores and Rs. 38.8 crores. In the manufacturing sector, the largest increases took place in metals and metal products, chemicals and allied products and transport equipment. This growth is explained partly by the new investment opportunities offered by the industrial development programmes included in the Five-year Plans, partly by the special incentives offered for investment in industrial enterprises and partly by the high rates of profits realised on foreign capital invested in manufacturing enterprises.

The increases in foreign business investments in the two sub-periods 1948-55 and 1956-60 amounted to Rs. 200.3 crores and Rs. 234.4 crores respectively. The share accruing to the plantations went down from 17.5 per cent in 1948-55 to 5.2 per cent in 1956-60, to petroleum from 40.7 per cent to 20.7 per cent and to services from 12.2 per cent to 5.1 per cent. The manufacturing sector, on the other hand, made a substantial gain, i.e. from 30.5 per cent in 1948-55 to 67.2 per cent in 1956-60.

Of the total business investments of Rs.690.5 crores at the end of 1960, as much as Rs. 501.7 crores were invested in branches of foreign companies and rupee companies controlled by foreign firms. The portfolio investments, indicative of foreign minority participation, amounted to Rs. 64.7 crores. The capital provided by foreign official sources to private Indian enterprises aggregated Rs. 124.1 crores. An analysis of the figures of net inflow of foreign business investments during 1960 reveals more or less the same pattern of investment. Of the amount of Rs. 78.4 crores, Rs. 52

TABLE 1: *Inflow of Foreign Investments into the Private Sector*

(Rupees in crores)

	1956	1957	1958	1959	1960	Annual 1956-60	Average 1948-55
A. *Private Sources :*							
1. Gross inflow	**31.2**	**26.9**	**26.8**	**25.8**	**62.4**	**34.6**	**28.1**
(i) Retained earnings ..	19.5	9.5	9.8	15.3	14.5	13.7	12.5
(ii) Cash inflow	3.1	5.9	4.8	3.3	6.2	4.7	5.1
(iii) Non-cash inflow ..	8.5	11.4	12.3	7.2	41.8	16.2	10.5
2. Outflow	**6.3**	**9.1**	**24.4**	**14.8**	**9.1**	**12.7**	**8.0**
Net inflow	**24.9**	**17.9**	**2.4**	**11.0**	**53.3**	**21.9**	**20.1**
B. *Official Sources :*							
Net inflow	**12.1**	**32.1**	**25.3**	**26.9**	**25.1**	**24.3**	N.A.

TABLE 2: *Net Inflow by Field of investment*

(Rupees in crores)

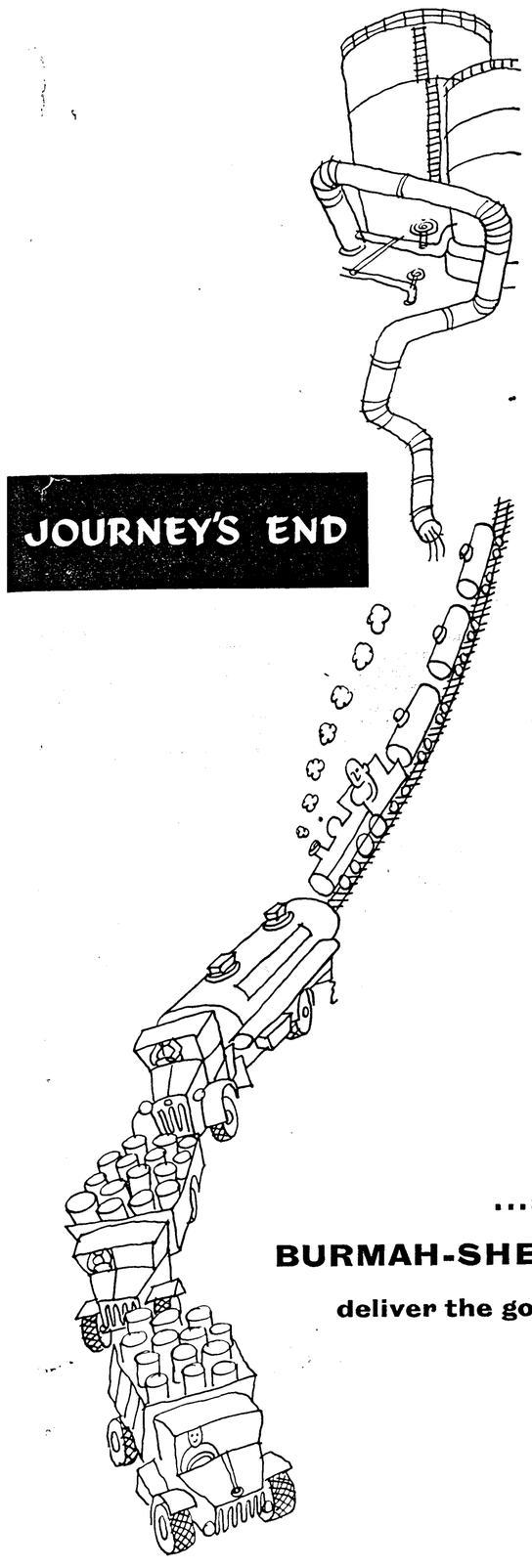
Industry group	1956	1957	1958	1959	1960	Total 1956-60
Petroleum	12.5	17.5	—15.7	2.5	31.5	48.3
Manufacturing ..	15.8	36.4	34.6	34.3	38.8	159.9
Others	8.7	—3.9	8.8	3.7	8.1	25.4
Total	**37.0**	**50.0**	**27.7**	**40.5**	**78.4**	**233.6**

TABLE 3: *Repatriation of Foreign Business Investments*

(Rupees in crores)

Industry group	1956	1957	1958	1959	1960	Total 1956-60
Petroleum	—	0.1	21.9	12.9	6.3	41.2
Manufacturing	2.3	2.4	1.3	0.9	8.7	15.6
Others	4.0	6.5	1.2	1.0	1.8	14.5
Total	**6.3**	**9.0**	**24.4**	**14.8**	**16.8**	**71.3**

*The net inflow in 1956 at Rs. 12 crores was exceptionally low. If this were excluded, the net inflow in 1957-60 would aggregate Rs 141.6 crores or nearly Rs. 35.4 crores per annum.



"The provision of sufficient quantities of the required products in the right place and at the right time often produces serious problems and to solve these necessitates a careful but flexible organization, an elaborate system of transportation, storage and distribution. There are more than 3,000 Burmah-Shell petrol dealerships and over 1,600 kerosine agencies, besides nearly half a lakh kerosine sub-dealers in India's 5½ lakh villages"

...and

BURMAH-SHELL

deliver the goods

crores were invested in branches of foreign companies and rupee companies controlled by foreign firms, while investment in other rupee companies was only of the order of Rs. 1.3 crore. Foreign official sources provided a substantial amount of Rs. 25.1 crores. It should be remembered, however, that the actual investments in 1960 have accrued in respect of projects which were approved in earlier years. In the subsequent period, perhaps, this pattern may somewhat alter, because it seems that a fairly large number of foreign investors have taken minority participation in the capital of joint enterprises in India.

U.K. The Principal Investor

The bulk of the foreign investments in India continue to be owned by investors from the United Kingdom; these amounted to Rs. 446.4 crores at the beginning of 1961 and were distributed over manufacturing (Rs. 129.2 crores), petroleum (Rs. 105.1 crores), services (Rs. 100.5 crores), plantations (Rs. 98.6 crores) and mining Rs. 13.0 crores). Although U.K. investments represented 65 per cent in 1960 as against 80 per cent in 1948, they are still the largest single group in the total foreign business investments in India.

Next in order of importance comes the U.S.A. with business investments valued at Rs. 112.7 crores which have steadily grown from Rs. 11.2 crores in June 1948, mainly concentrated in manufacturing industries (Rs. 61.2 crores) and the petroleum industry (Rs. 47.2 crores). The net inflow of private capital during the period 1956-60 was the highest in the case of the U.K. and amounted to Rs. 62.8 crores as against Rs. 33 crores from the U.S.A. and Rs. 13.8 crores from the other investing countries.

At the beginning of 1961 the value of outstanding business investments from Switzerland and West Germany amounted to Rs. 8.9 crores and Rs. 6.8 crores, respectively. The bulk (Rs. 7 crores) of Swiss investments was also in manufacturing industries, investments in services amounting to Rs. 1.8 crore only. West German investments were intirely in the manufacturing industries. Investments from the rest of the countries (including those by the I.B.R.D.) amounting to Rs. 115.7 crores* were also mainly in the manufacturing industries (Rs. 85.0 crores). Services claimed Rs. 29.6 crores.

In making an assessment of foreign private investments, the importance of gross inflow of capital as well as retained earnings may be appreciated. In India, every investment of a foreign company is screened by the appropriate authorities and is allowed entry on terms approved by Government. All these investments are for productive purposes. It will be seen from Table 1 that, of the gross inflow of Rs. 62.4 crores in 1960, as much as Rs. 41.8 crores came as non-cash inflow, namely, in the form of plant and equipment. The retained earnings, when reinvested, also contribute to the creation of productive assets. In the context of the priorities of the Plan, most of these resources are being directed to mining and manufacturing activities which contribute to an increase in the gross national product of the economy. Thus, the role of the foreign private capital in the form of cash, plant and equipment or retained earnings in our economy has been appreciably growing and is likely to play a vital part in the years to come.

† Of which Rs. 5.2 crores were from Canada, Rs. 3.4 crores from Japan, Rs. 4.2 crores from Pakistan, Rs. 1.3 crore from Malaya and Rs. 78.1 crores from I.B.R.D.

IMPORT OF FOREIGN PRIVATE CAPITAL

(*Concluded from page 32*)

handled with tact and finesse, without an abandonment of the basic objectives of the country.

There are some relatively minor points on which we sometimes needlessly adopt a gesture of some rigidity. Take, for instance, the question of the majority holding of equity. There is a tendency to stipulate that as far as possible 51 per cent of the equity should be given to Indian participants, evidently on the ground that this will ensure control in Indian hands. Two points tend to be forgotten in this context. From the foreign investors' point of view, a holding of 49 per cent or less does not necessarily mean that he ceases to have the effective controlling interest in the company. In fact, provided it is held solidly in one block, a much smaller percentage is adequate to ensure controlling interest. More particularly, if a company is well run and has a good dividend record, shareholders who are widely dispersed take little interest in its affairs and, often, it is not easy even to get a quorum for shareholders' meetings. To insist, therefore, that the foreign participant should hold not more than 49 per cent does not really mean that we are effectively dealing with the problem of control. I imagine that the real argument against large-scale foreign investment is that, potentially, it is liable to create balance of payments problems, because of the pressure of remittance of profits and, even more so, of repatriation of capital. This is a problem that has assumed importance in other countries such as Australia. It could, in a number of cases, be argued effectively that, if the foreign holding is limited to the foreign exchange component of a project and that happens to be the minority of the equity, there need in reality be no loss of effective power in management and, at the same time, the prospective burden on the balance of payments would be reduced to the minimum. Such an argument may not always succeed; however, it is a sound argument and always worth making, and may eventually be accepted.

It is a truism to say that we are passing through a crisis. The use of an expression such as "climactic" is now commonplace. Certainly it cannot be gainsaid that we are in the midst of a reappraisal of our entire strategic situation, both military and diplomatic, and such a reappraisal will necessarily involve an examination of our economic principles. No major shift in the latter may be called for. But it is to be hoped that we will seize this opportunity to see that such difficulties of our making as impede the inflow of private foreign capital are eliminated.

MADRAS, 30*th November*

The turbulent river has been harnessed.
It now feeds dry, parched land
to yield a rich harvest.
This boy, when he becomes a man,
will raise more grain per acre
than his father. He will enjoy a fuller life.

But dams are built by men and machines...
and Mahindras make the machines, thus
participating in the nation's march to prosperity.

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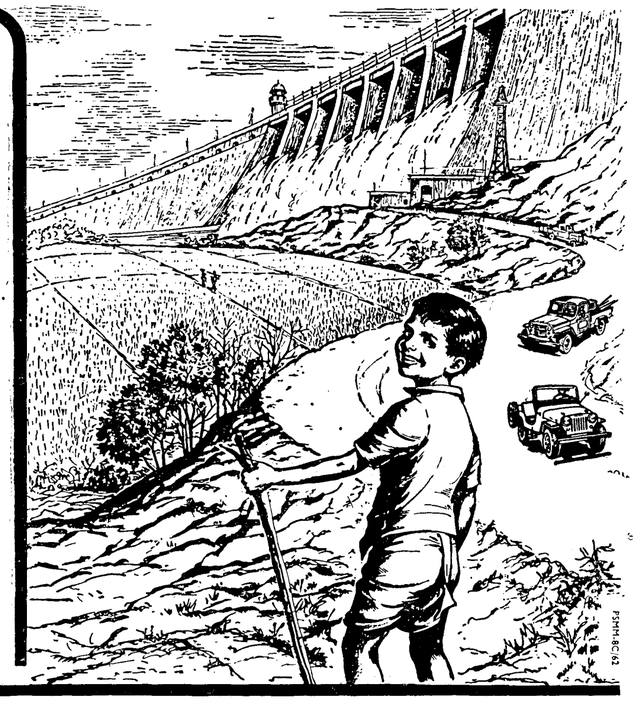

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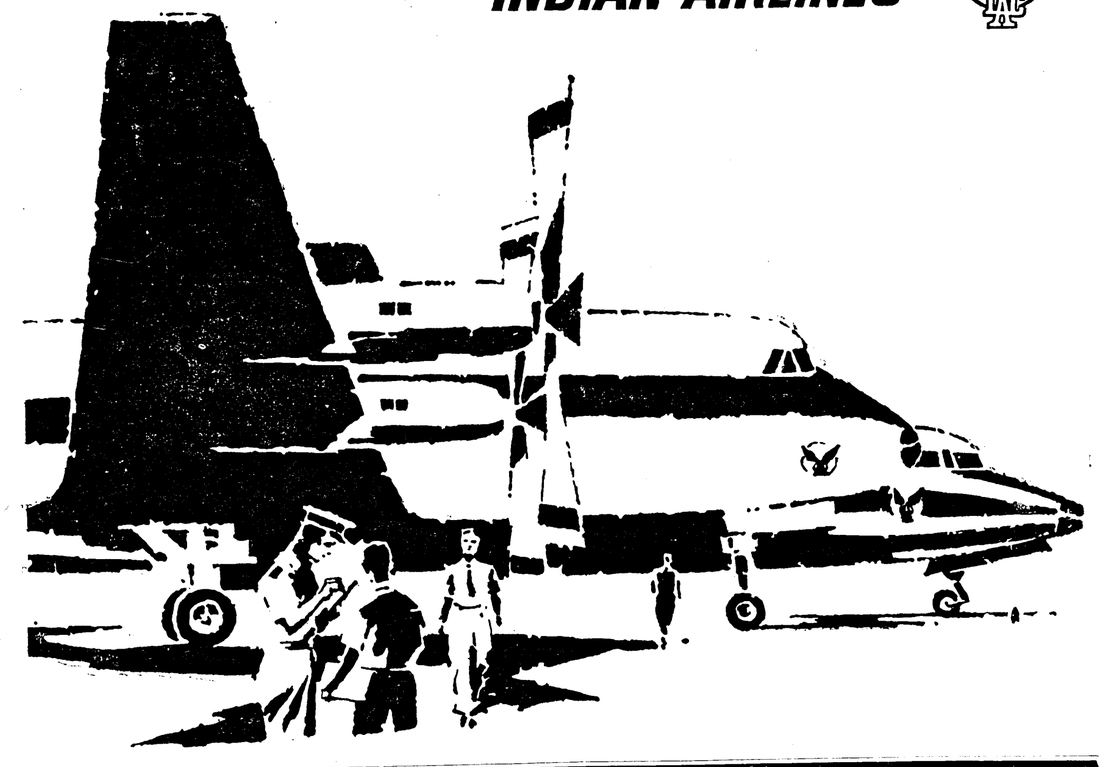


Place Of Foreign Aid In India's Economic Development

Delays In Utilisation Explained—Repayment Implications Analysed

By RADHESHYAM R. MORARKA, M.P.

INTERNATIONAL co-operation in the field of economic development is essentially a post-war innovation. Foreign aid is its main form. The Lend-Lease Programme and the Marshall Plan have rehabilitated war-torn Europe. The massive American aid has rebuilt the devastated industries of Japan. And it is this foreign aid which is now developing the underdeveloped countries of Asia and Africa. Foreign aid has not only rebuilt Germany and Japan and made them prosperous but these two vanquished nations of the last World War have almost attained the industrial leadership in their respective continents.

The need for this international co-operation has never been greater and its importance never higher. Immediately after the war, even the East European countries were offered assistance under the Marshall Plan but Molotov, speaking on behalf of Stalin, rejected this American offer. The Communist press derisively commented that the Marshall Plan countries were bartering their economic freedom for a dried egg omelet. The consequences are apparent.

For the developing countries, foreign aid is no more a facility but is a necessity. For the developed countries it is no longer discretionary but almost compulsory. They are obliged to give aid to provide foreign exchange to enable the developing countries to import goods and services from the developed countries. Foreign aid has thus become the most potent instrument of export promotion in recent days. Eighty per cent of the American Aid comes back to America in the form of payments for American exports. Efforts are made to increase this percentage. In other countries, where *only* "tied" aid is given, this percentage is 100.

Case for Aid

The importance of foreign aid for the economic development of underdeveloped countries is best explained by Ambassador Galbraith in his recent speech (on 4th June 1962) at San Francisco. Said he:

"There is, we have anciently been advised, a certain physical difficulty in extracting blood from stone. This, however, is comparatively easy as compared with getting savings out of a poor society. When people do not have enough to eat, they are loath to forgo any part of their meal, in order to eat better in the future.... The Western pattern of development, with its prospect of assistance from outside the country, eases one of the most painful problems of development. This is why economic aid has become such an important feature of Western foreign policy. It is the process by which savings are transferred from countries where saving is comparatively unpainful to those where it is painful."

It is true that, due to our development strategy, our Plans are leaning heavily on foreign aid. The exact figures of requirement for the third Plan are:

	Rs. crores
Plan projects	1,900
Components, balancing equipment, etc.	200
Maturing obligations	500
	2,600
Add :—	
Maintenance imports, i.e., raw materials, components, replacement machinery, etc.	3,700/3,800
Total ..	6,300/6,400
This we propose to finance by :—	
Foreign aid	2,600
Exports	3,700/3,800
	6,300/6,400

From the above, it would be clear that foreign aid is the bulwark of our Plan. In fact, our planners have provided that the entire need of foreign exchange for the Plan projects shall be met by foreign aid and nothing through export earnings.

Aid India Club

Fortunately, the fourth meeting of the Aid India Club held last year (May 1961) accepted a target of about 2,286 million dollars, that is, Rs. 1,164 crores for the first two years of the Plan. The actual commitments, however, were of the order of Rs. 1,064 crores. It then appeared that it would be possible to meet the foreign exchange needs of the entire Plan. We felt that half the battle was already won.

Later on, the attitude of the Aid India Club was less encouraging and doubts were raised about the anticipated aid even for the first two years of the third Plan, that is, whether it would be forthcoming. Some people were apt to think that the change was due to some political and ideological differences between us and the Western countries, believing that our action in Goa and the proposed M.I.G. deal were responsible for the change. But the actual facts were quite different. It was because of their own difficulties—of the assisting nations including America—that we found the Aid India Club less enthusiastic.

France was heavily committed to her African colonies and was concentrating her attention on building the European Common Market and making the African countries as associates. West Germany's contribution, which was highest at 225 million dollars in the first year, did not hold out high hopes for further (that is, more than 139 million) assistance. The revaluation of the German mark created domestic problems. It confronted the German economy with rising costs and falling reserves. From a fat surplus she moved to a small deficit in international payments. The U.K. had been telling since long about her own financial position and the commitments to the rest of the Commonwealth and thus expressed inability to help more. The surpluses of Belgium and Switzerland were also declining. Japan had clamped on import controls and Canada was obliged to raise its tariffs on many items from 5 per cent to 15 per cent mainly to bolster its sagging dollar.

The position of the U.S.A. was hardly better. Her gold reserves were falling every week and that did not leave the U.S. senators very enthusiastic for any liberal aid.

Even in the U.S.S.R., Premier Khrushchev admitted that Russia had not the resources required to match the U.S.A. in its military might and at the same time to improve the living standard of the people. He said: "We can only do things for which we have the material means."

This was the background against which our Finance Minister went to Europe in June 1962 in an effort to bridge the gap of 220 million dollars in the total requirements of 500 million dollars as a matching contribution from the European countries. The prospects were bleak and it really required some explaining and some persuasion to achieve the results of reducing the gap from 220 million to 80 million dollars.

So the position in regard to the Rs. 2,600 crores required for the Plan projects is as follows:

	Rs. crores
Actual aid received through and promised by Aid India Club for the first two years of the Plan	1,126
Aid from U.S.S.R., Poland, Switzerland, etc.	373
Carry forward from the 2nd Plan ..	375
Total ..	1,874

This leaves a balance of Rs. 727 crores to be arranged for, in the remaining three years of the Plan. To this, we must add some amount for spill-over to the fourth Plan, say, Rs. 400 crores. If we could manage to get another Rs. 1,125 crores, our purpose would be served.

Our main headache so far as foreign exchange is concerned is about the maintenance imports for which we require about Rs. 3,700 crores. This we hoped to get from our exports which, unfortunately, are not showing any sign of improvement yet. Due to various steps taken by the Government, it is now expected that the foreign exchange requirements in the second year of our Plan would be adequately covered.

Slow Utilisation of Foreign Loans

Our net position on 1st July 1962 was that we had the following unutilised balance as indicated in Tables I, II and III on page 45:

(I) Total amount of aid ..	Rs. 1,038.91 crores
(II) Total amount of grants ..	Rs. 30.70
(III) P.L. 480 assistance ..	Rs. 508.59 ,,

From Table I it would be noticed that during the first Plan, the total amounts for which loan agreements had been signed were of the order of Rs. 233.77 crores. Out of this, only Rs. 126.42 crores were utilised in the first Plan and Rs. 105.73 crores during the second Plan. A little more than a crore of rupees were utilised in the first year of the third Plan and a little more than half a crore of rupees still remain to be utilised.

During the second Plan, the total amounts for which loan agreements were signed, were Rs. 1,295.81 crores and out of these Rs. 631.96 crores were utilised during the second Plan, Rs. 172.27 crores were utilised during the first year of the third Plan and a sum of Rs. 491.58 crores still remains to be utilised as on 1st July 1962.

During the third Plan, the total amounts for which loan agreements have been signed so far come to Rs. 661.81 crores and the amount utilised upto 30th June 1962 was Rs. 115.03 crores, leaving a balance of Rs. 546.78 crores.

Communist Countries

The point to be noticed is that there has been a long time-lag between the authorisation and the actual utilisation of the loan. This is particularly so in the case of U.S.S.R. and the other East European countries. Out of Rs. 319.07 crores loans given by U.S.S.R. during the second Plan period, only Rs. 10.24 crores were utilised during that Plan and Rs. 32.76 crores were utilised during the first-year of the third Plan, making a total of Rs. 43 crores. This leaves a balance of Rs. 276.07 crores out of the total amount of Rs. 319.07 crores sanctioned by the U.S.S.R.

Similarly, in the case of Yugoslavia, out of Rs. 19.05 crores and in the case of Czechoslovakia out of Rs. 23.10 crores, not a single pie was utilised either during the second Plan or till June 1962 (that is, 15 months of the third Plan). In the case of Poland, the position is more or less the same. Out of Rs. 14.30 crores promised, Rs. 14.15 crores still remain to be utilised, with only Rs 15 lakhs having been actually utilised.

It is true that, when the loans are sanctioned for specific projects and are tied to certain countries for utilising them, some time is naturally lost, but, even then, the time taken by Communist countries appears to be unreasonably long.

It is only after the sanctioning of these loans that tenders are invited and orders placed, some time in stages according to our phased programmes. It is only after this finalisation of our orders that the manufacture of these heavy equipments start in the exporting countries. And since the final payments are made only at the time of shipment, it naturally takes two to three years and sometimes even longer. In some cases, payments have to be made by us first and then reimbursed by the foreign Government or agencies. Besides, some of the loan agreements lay down detailed procedures to be followed by us to comply with the legislative requirement of the lending countries.

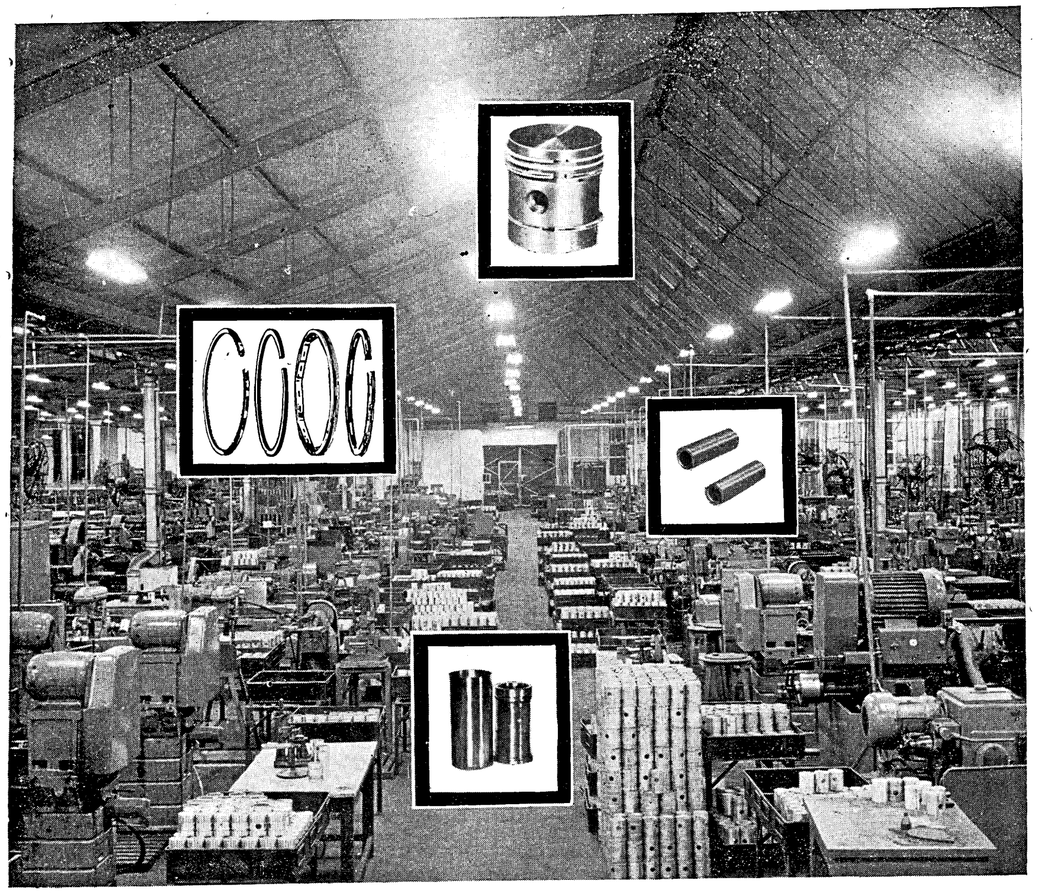
It is also not uncommon on the part of some foreign suppliers to raise the prices of the equipment when they come to know that a particular credit is tied to a particular project. A situation like this would necessitate long negotiations to bring down the prices. Finally, delay in the utilisation of the foreign loan is also caused by inadequate physical progress of the project which is again governed by several factors such as acquisition of land, availability of power, water, transport, etc.

Sometimes when the sanction of a loan by a foreign country requires legislative approval, it also takes unduly long time—sometimes loans are sanctioned in principle but they are made subject to the approval of the project reports, appointment of consultants, etc., all of which are time-consuming processes.

The above points indicate that a time-lag between authorisation and utilisation of foreign loans is inevitable. Efforts have been made and are being made to shorten this period to some extent, but it is impossible to eliminate it. It is, therefore, vital that the requirements of foreign exchange for any Plan must necessarily be negotiated about five years in advance; otherwise, the projects included in that Plan cannot be implemented or matured with the loans sanctioned during the same Plan period. If a loan is sanctioned in the third year of a Plan, then, naturally, the project concerned cannot come up within that Plan period and so also its utilisation.

Tied Loans

There are very few countries in the world which are interested in giving free and untied loans. They are more interested in increasing their exports and are, therefore, willing to give the aid on the condition that we buy the equipment and spend the amount of loan in that very country. Some loans are tied to specific projects, some are tied to specific countries and some are tied to both. In the result, we



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are obliged to purchase our equipment not from the most competitive market in the world, not the best quality of the equipment but from a particular market whatever is available and at the price asked for it.

It is estimated that the U.S.A. which gives loans and aid more freely than any other country in the world, expects 80 per cent of all financial aids sent abroad, returned to the United States in the form of payments for the U.S. exports. The U.S.A. has given since 1945 total aid to all the countries in the world aggregating 62 billion dollars. This would give some boost to American exports. Would it not?

From the point of view of the lending countries, there is ample justification for giving us tied loans, that is, loans for specific projects. Before sanctioning a loan, the agencies satisfy themselves about the economic merits, including the financial soundness of the project for which the loan is to be sanctioned. It is not uncommon that, in developing countries, projects are often selected not so much on economic merits as on political consideration. Sometimes they are located at a place most unsuitable from the point of view of economic viability. Since the foreign countries do not want to make any poor investment which might necessitate further sinking of funds in rescue operations, they are fully justified in selecting the projects which they want to finance. To that extent, it is to our advantage also. But then, there is a danger too. As already stated, not unoften, there is a tendency on the part of foreign suppliers to put up the prices when they know that credits are tied to particular projects. In such cases the negotiations become prolonged and the time taken is excessive.

The Bhadra Hydro-electric Project in Mysore State is a comparatively small project but even there I was surprised to find that the equipment for that project has come from eight or nine different countries. Hydraulic turbines from France, generators from Japan, transformers and switchgears from Italy, circuit breakers from Sweden, lightning arresters from the U.S.A., switchboards from England, carrier equipment from Switzerland and control panels from Denmark. I am not suggesting that it is always advantageous or desirable to buy equipment for one project from so many different countries. It may create its own problems for spares, etc., but the fact remains that our freedom to buy from the most competitive market is curbed.

Significant Remark

In this connection, I must express our sense of appreciation for the speech our Finance Minister made at the meeting of the U.N. Economic and Social Council on 9th July 1962 in which he said:

"Most of the countries which are today making available credits to help developing countries insist, in order to safeguard their own balance of payments, that these credits should be tied to purchases in the lending countries. An extension of the same principle would suggest the conclusion that, when these loans are repaid, the repayments should be tied to purchases from the borrowing countries."

Most of our difficulty would be solved if this proposition of the Finance Minister is accepted, which, in all fairness, deserves acceptance. It is practical, equitous and just.

Attitude of Foreign Countries Towards India

A word about the attitude of foreign countries towards India—or of developed countries towards the underdeveloped. There was some speculation that, due to the M.I.G. deal, our aid would be substantially cut by the U.S.A. due to the difference in political outlook. In this connection, I may quote an extract from the speech of Dean Rusk, U.S. Secretary of State, on 10th July 1962. He said that it would be calamitous if the President's freedom of action for rendering economic aid to India were prohibited by law. He added:

"There have been irritations between us and India in the last several months; two great countries in opposite parts of the world with different positions, different problems, are bound to have points in which they are in disagreement and sometimes they disagree very sharply. The basic fact is that there is a country of 450 million people which is the largest constitutional democracy in the world that the world has ever seen, more people going to the polls in free, orderly elections than we have ever seen anywhere with basic commitments with which we are familiar.... They have maintained the democracy in the face of some grave difficulties ... a dozen or more major languages inside the country, no common language throughout the country, and yet they have made a constitutional system work along democratic lines.... Now we will disagree on certain subjects. There is no reason why we should not. India is not a satellite of ours and we are not a satellite of India. We have great and vital interests all over the world. So we will have our own differences, but we also have great common commitments that are important. It would be a great mistake, I think, if we did not take an active even though just a small, part in the Indian development programme."

Mr. Duncan Sandys, the Commonwealth Secretary, answering a question in Parliament about aid to India, conceded that the success of India's Five-year Plan was vital to the future of the Commonwealth and the survival of democracy in Asia and possibly in the Far East.

President Kennedy, in his Press Conference at Washington on 5th July 1962, made the following observations about the economic aid to foreign countries. He said:

"Our foreign aid programmes have made great demands on our people, and still do, but they are vital to our security and are carefully designed to respond to the national interests of the United States as well as the maintenance of the peace and security of the free world."

The *New York Times*, commenting on President Kennedy's statement on foreign aid, said:

"Foreign aid demands statesmanship ... it calls for understanding and sophistication, so that the value of helping some communist countries like Yugoslavia and Poland can be grasped. It calls for tolerance, so that we can condemn a few of India's policies without forgetting that she is much the most important democratic nation in Asia and is essentially on our side."

The World Bank in its report drew the conclusion that the outlook for the Indian economy appears to be favourable if it receives foreign aid in the requisite amounts at the appropriate time and in the required form.

From the outcome of the Aid India Club's last meeting held at Washington, it is proved that, though there is a lack of mutual admiration, there is no lack of mutual interest.

World Bank Loans

The World Bank has also shown great consideration to us. The Bank was established in 1946 and it has given till today 321 loans totalling 6.673 million dollars to several of its members. India has received 30 loans, totalling 846 million dollars. This makes it the recipient of the largest number of loans and largest amount. Next to India comes Japan which has received 24 loans totalling 488 million dollars.

Even from I.D.A., the World Bank's new affiliate, which has just completed two years of its existence, India has received the largest consideration, both in the number of loans and the amount. She has received 7 loans totalling 122 million dollars out of a total of 235 million dollars sanctioned by I.D.A. so far. More than 50 per cent of the amount has gone to India. Pakistan which comes next has three loans totalling only 21 million dollars.

International Monetary Fund

Another safeguard, though of a limited nature, is the existence of the International Monetary Fund. This is a 17-year old institution, with 76 member nations and resources amounting to 21 billion dollars. It has given help to various member countries whenever these countries needed any assistance. We have borrowed recently 100 million dollars from this institution. On three previous occasions also, namely, 1948-49, 1957 and 1961, we had credit facilities from this institution.

There is nothing wrong in borrowing from this institution. Our quota in this Fund amounts to 600 million dollars and we are entitled to draw 25 per cent of the quota as a matter of right and another 25 per cent in an emergency without a question being asked. That is, against our right of 300 million dollars, we have arranged a loan of only 100 million dollars.

Other countries have borrowed much more than we have. For example, Chile borrowed 125 per cent of its contribution. Even the U.K. had to take credit from this Fund to improve her balance of payments position. The Fund boasts proudly that, when the Canadian dollar crisis grew acute, it provided one billion dollars for the Canadian Government within four to five days and its Managing Director Per Jacobsson said that, should the U.S. dollar begin to quake, the Fund stands ready to shore it up with a loan of more than 4 billion dollars.

But with our external resources standing at the nadir, with our exports not only running well below target but even declining and our capacity to borrow from the I.M.F. already resorted to, it is unwise to say that India does not regard the situation as serious.

Problem of Exports

There is one danger in our getting this foreign aid on this scale. The danger is that this borrowing from abroad may be substituted for the earnings from abroad. Our earnings from abroad depend on the volume of our exports and it must be admitted that, during the last decade, the behaviour of our exports has been very uninspiring, inelastic and sagging. Japan, during her development, had to slash her price to push her exports to earn foreign exchange. We have not felt that compulsion as we get the needed foreign exchange through foreign aid.

There are three main problems for our exports:

(a) The demand for India's major traditional exports is static.

(b) The foreign countries, particularly of Western Europe, have imposed restrictions on importing our goods.

(c) Both the Government and our business community are lacking in any aggressive drive for developing export markets.

I would like to illustrate my point with figures concerning the most important item of our exports, namely, tea.

During the last decade (from 1951 to 1960), our tea exports to U.S.A. have fallen from 13,670 thousand kgs. in 1951 to 8,585 thousand kgs. in 1960. Over the same period, the exports of Ceylonese tea, on the other hand, increased from 12,766 thousand kgs. to 18,534 thousand kgs. The total exports of tea by all the

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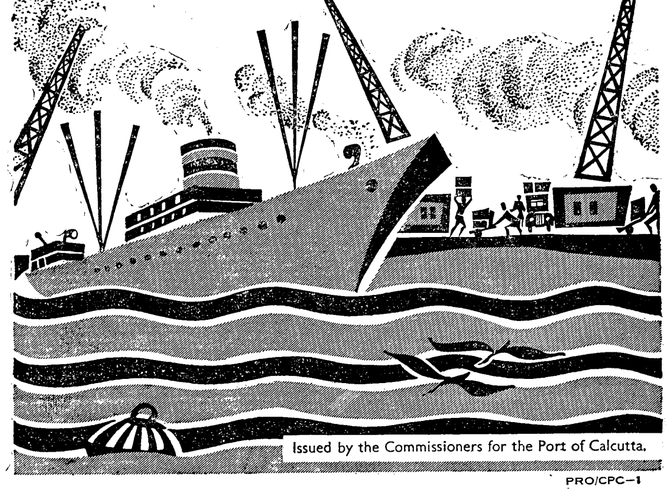

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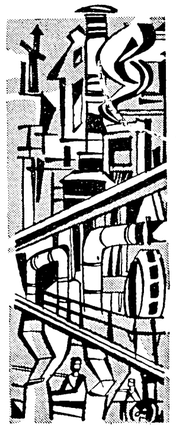

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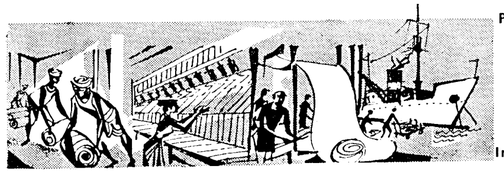

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countries to U.S.A. have increased from about 35,000 thousand kgs. in 1951 to 41,500 thousand kgs. in 1960.

Similarly, our exports to Canada have also fallen from 8,854 thousand kgs to 6,892 thousand kgs., whereas the Ceylonese tea exports increased from 7,229 thousand kgs. to 7,978 thousand kgs. over the same period. The tea exports from the United Kingdom of imported tea increased from 166 thousand kgs. to 2,654 thousand kgs. during the same period.

This is just to illustrate how our exports have been falling.

The confidence of the world in the stability of the Indian rupee would ultimately depend on our balance of payment position; that position can be improved only by augmenting our exports. Our exports are stagnant for almost a decade now. In spite of some efforts they are not picking up. Actually, there is a tendency for them to sag.

Cost Structure Rigid

The biggest difficulty in our exports is that our cost structure is both high and rigid. It is becoming higher and more rigid every day. The quality of our products hardly justifies these phenomena in our production economy. There is no inclination on the part of our exporters to slash the prices to make our products competitive in the international market. Japan was obliged to do so to earn foreign exchange. Nor is our Government in any mood to subsidise the exports to any appreciable level. Other Governments, including well developed countries like West Germany and Japan, are doing so.

There are other factors which contribute to this high and rigid cost structure. Under-utilisation of installed capacity is one of them—indeed the main. The lack of raw materials, components, spares and certain stores (all imported ones) are mainly responsible for this under-utilisation of the installed capacity. In America, the steel plants are running at less than 50 per cent capacity, because there is no demand. In India, where there is abundance of demand, the industries are running—some of them at any rate—to 10 per cent of their capacity for want of raw materials and components. In other words, instead of one unit working at full capacity, ten units are working at 10 per cent capacity each. The result is that full depreciation is loaded on 10 per cent production. The same applies to overheads, interest charges, rents, rates, taxes, etc.

The second major handicap in developing our exports is the lack of latest means of production. Science and technology make rapid progress these days and, unless our plants and equipments are modern and up-to-date, our competitive position, from the point of view of both quality and cost, is bound to suffer in the world market. In America again, a steel plant which is only eight years old is considered fit to be scrapped on grounds of being outmoded. Whereas, in India, even the preparation of the project report, planning, installation and the initial working all take almost a decade. By the time our plants become ready, in other countries they would have become obsolete and ready for replacement. It is only because of technological development that American coal can be sold cheaper in Hamburg than German coal.

It is strange that every country in the world is trying to boost its exports and cut down its imports. This is more so in the case of industrially developed countries of Western Europe and America. For that purpose, the European countries have formed themselves into various economic groups and they are trying to boost their exports and cut their imports irrespective of its consequences for the rest of the world. It is, therefore, surprising that the highly developed countries should be afraid and hence obliged to take such steps to insulate their economy against the imports from comparatively undeveloped countries. It is also paradoxical that, on the one hand, the developed countries give all the aid that is necessary for the development of these underdeveloped countries, and, on the other, they do not allow the exports of these countries to develop.

Even America is now thinking in terms of inter-Continental co-operation. On the day of American Independence (4th July 1962) President Kennedy said:

"But I will say here and now on this day of independence that the United States will be ready for a declaration of interdependence that we will be prepared to discuss with a United Europe the ways and means of forming a Concrete Atlantic partnership."

The real problem for us, therefore, is going to be the repayment of the foreign loans. The only way seems possible is through export of our goods. To the extent to which these countries create hurdles for the exports of developing countries, they are nullifying the effect of the massive foreign aid. The optimum limit of development would soon be reached if there is no outlet for the products manufactured in these developing countries.

Now a word about the future. The importance of international co-operation for the economic development has been well recognised by the U.N.O. which is thinking in terms of devising ways and means to increase the flow of foreign aid. It has to channelise this flow through various agencies and forms —private and public, bilateral and multilateral within and without the United Nations system, hard and soft investment and pre-investment, etc.

U.N. Efforts

The main wings of the United Nations which now participate in the flow of capital are the International Bank with its associates—the International Development Association, the International Finance Corporation and the International Monetary Fund. The resources of the Bank and the Fund are being augmented and the activities of these institutions are expected to increase more and more.

Special mention may be made about the role played by the I.D.A. (International Development Association). Since many developing countries have reached their borrowing capacity on conventional terms, I.D.A. has come out to lend on long-term basis with very low or no interest. Its credits are for 50 to 60 years with no interest and very easy instalments of repayment. As I said earlier, India has been one of the biggest beneficiaries of this Association.

The United Nations, as distinct from its financial agencies, concentrates on technical co-operation and pre-investment work. The finance involved in pre-investment work is also large. These funds are derived from the Special Fund of the U.N.O. and the expanded programme of technical assistance, both of which together have annual resources of about 100 million dollars.

Apart from the expansion of the I.D.A. and the enlargement of the Special Fund, the General Assembly of the United Nations has passed a resolution to establish a capital development fund which has the support of great many members of the U.N.O. Its constitution is being drafted and some important points are still under consideration, such as whether it would make grants or loans, or both.

Besides this, there is what is known as *ad hoc* financing on multilateral basis which is technically called "grey aid." It is under this aid that the Consortium was formed for helping India. This method was also employed for the Colombo Plan. The sum total of the scheme is that, once the projects are approved, an effort is made to find a Government or Governments willing to provide that finance.

Foreign Private Investments

According to the U.N.O. report, foreign private investment has to play still more important role in the economic development of underdeveloped countries. There are, however, difficulties in the way of effectively mobilising foreign private capital. For example, in underdeveloped countries, there is a lack of the necessary supporting infrastructure (power supplies, transport, etc., and lack of skilled labour and lack of developed markets). These underdeveloped countries also fear interference by foreign business interests. The foreign investors, however, fear the consequences of political instability, balance of payment difficulties, the absence of institutional structure and economic policies in which the role of business is clearly established.

To get over these difficulties, many measures have been discussed and reported by the U.N.O. I shall end this article by referring to two of them.

(a) *Provision of information on investment opportunities and conditions*: Many underdeveloped countries have established Investment Information Centres both at home and abroad to disseminate information to intending and interested investors in the developed countries about the conditions, regulations and opportunities in the developing country. Some of the Development Banks also play an active role in attracting foreign investment.

(b) *The protection of private foreign investment against non-business risks*—such as nationalisation, confiscation, expropriation, non-convertibility of profits and of the principle of investment, violence, unrest, war, etc. Against these risks, assurances have been given to overcome the apprehensions through policy statements, guarantees, investment laws and international treaties. But the value of these assurances will ultimately depend on the stability of the Government. Therefore a few capital supplying countries—the Federal Republic of Germany, Japan and the United States, for instance, offer guarantees and insurance to their investors.

Table I: Statement Showing Authorisation and Utilisation of Foreign Aid

(Rupees in crores)

Name of the country/institution	Amounts for which loan agreements have been signed	Amount utilised upto end of first Plan	Amount utilised during the second Plan	Amount utilised during third Plan (from 1-4-1961 to 30-6-1962)	Progressive utilisation upto 30-6-1962	Amount yet to be utilised as on 1-7-1962
First Plan—						
1. I.B.R.D. (public and private sectors)	57.31	33.82	22.05	0.89	56.76	0.55
2. U.S.A.	111.74	92.60	19.14	..	111.74	..
3. U.S.S.R.	64.72	..	64.54	0.18	64.72	..
Total of 1st Plan	233.77	126.42	105.73	1.07	233.22	0.55
Second Plan—						
1. I.B.R.D. (public and private sectors)	262.67	..	200.74	36.17	236.91	25.76
2. U.S.A.	345.57	..	86.59	234.13	111.44	276.07
3. U.S.S.R.	319.07	..	10.24	32.76	43.00	..
4. Germany	134.07	..	119.87	8.26	128.13	5.94
5. U.K.	122.66	..	121.85	0.76	122.61	0.05
6. Japan	27.62	..	16.01	7.58	23.59	4.03
7. Yugoslavia	19.05	..	..	..	..	19.05
8. Czechoslovakia	23.10	..	..	..	..	23.10
9. Canada	15.71	..	15.71	..	15.71	..
10. Poland	14.30	..	..	0.15	0.15	14.15
11. Switzerland	11.99	..	..	..	..	11.99
Total of 2nd Plan	1,295.81	..	631.96	172.27	804.23	491.58
Third Plan—						
1. I.B.R.D.	69.29	..	..	4.46	4.46	64.83
2. I.D.A.	75.61	..	..	3.17	4.17	69.44
3. U.S.A.	252.38	..	..	9.03	9.03	243.35
4. U.K.	102.66	..	..	34.62	34.62	68.04
5. Germany	81.54	..	..	63.26	63.26	18.28
6. Japan	38.09	..	..	0.49	0.49	37.60
7. Italy (E.N.I. credit)	21.43	..	..	..	..	21.43
8. France	14.29	..	..	..	..	14.29
9. Canada	9.52	..	..	..	..	9.52
Total for 3rd Plan	661.81	..	..	115.03	115.03	546.78
Grand Total	2,191.39	126.42	737.69	288.37	1,152.48	1,038.91

Table II: Grants by Foreign Countries

(Rupees in crores)

Name of country	Amount authorised upto 31-7-1962	Amount utilised upto end of first Plan	Amount utilised during second Plan	Amount utilised during third Plan (from 1-4-1961 to 30-6-1962)	Progressive utilisation upto 31-7-1962	Amount yet to be utilised as on 1-8-1962
U.S.A. (including Ford Foundation)	157.14	44.26	85.59	14.17	144.02	13.12
Canada	103.50	19.70	60.30	9.23	89.23	14.27
Australia	14.66	5.20	7.44	0.73	13.37	1.29
New Zealand	3.45	0.33	2.90	0.19	3.42	0.03
United Kingdom	0.86	0.03	0.43	..	0.46	0.40
Norway	3.19	0.66	1.87	0.45*	2.98	0.21
West Germany	2.09	..	0.61	0.10	0.71	1.38
U.S.S.R.	1.15	..	1.15	..	1.15	..
Total	286.04	70.18	160.29	24.87	255.34	30.70

* Upto 31-3-1962.
The figures under grants do not include grants from P.L. 480 and P.L. 665 rupee counterpart funds.

Table III: Other Forms of External Assistance

(Rupees in crores)

Name of the country	Amount authorised upto 31-7-1962	Amount utilised upto end of first Plan	Amount utilised during second Plan	Amount utilised during third Plan (from 1-4-1961 to 30-6-1962)	Progressive utilisation upto 31-7-1962	Amount yet to be utilised as on 1-8-1962
U.S.A.—						
1. P.L. 480 Commodity Assistance	1,131.71	..	515.48	107.64*	623.12†	508.59
2. P.L. 480 Titles II and III	75.10	26.10	38.10	10.90	75.10‡	..
3. P.L. 665 Commodity Assistance	31.88	5.10	26.78	..	31.88‡	..
4. Third Country-Currency Assistance	2.78	..	2.51	0.27	2.78	..

* Upto 30-6-1962.

† Represent rupee deposits made in U.S. Government Account in India against value of goods received from time to time.

‡ Represent value of donation of food commodities and other supplies for meeting extraordinary relief requirements.

INDO-AMERICAN RELATIONS

Some Reflections On Developments In Recent Years

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WHEN on 27th October 1962 Prime Minister Jawaharlal Nehru of India wrote a letter to President John F. Kennedy of the United States of America requesting U.S. military equipment, a dramatic chapter opened in the relations between the two countries. The response of the United States to the Indian request was favourable and speedy. Within a few hours, giant transport aircraft began ferrying American weapons urgently needed by the valiant Indian jawans who were on the point of being "outmanned and outweaponed" by the aggressive legions of Mao Tse-tung. The people of India will ever remember with gratitude the hand of friendship which the American Government and people extended to them in their hour of crisis.

There could have been no doubt in the minds of students of Indo-American relations, except in those clogged by irrational bias or dogmatic cobwebs, that, in the event of *aggression* against us by China or any other country, including Pakistan, the United States would promptly have lined up on our side. The most solemn assurances to that effect were given by a President of the United States eight years ago. Consider carefully, if you please, the following statement by President Dwight D. Eisenhower in a personal letter to Mr. Nehru on 25th February 1954:

"We also believe it in the interest of the free world that India have a strong military defence capability and have admired the effective way your Government have administered your military establishment. If your Government should conclude that circumstances require military aid of a type contemplated by our mutual security legislation, please be assured that your request would receive my most sympathetic consideration."

Eisenhower explained the reasons for America's decision to provide military assistance to Pakistan and assured Mr. Nehru that, in case Pakistan used U.S. arms to commit aggression against India, "I will undertake immediately, in accordance with my constitutional authority, appropriate action both within and without the U.N. to thwart such aggression."

Ill-advised Move

The present writer is convinced that the military alliance that the United States entered into with Pakistan was one of the most ill-advised diplomatic moves by the former in the post-war years. At this point, however, we are not concerned with that aspect, but with the response of India to the assurances of the President of the United States. Mr. Nehru dismissed the idea that China might pose any threat to Pakistan and the subcontinent. "Now it is not clear to me how China is going to come over the Karakoram Pass into Pakistan, or how it is going to get there," the Prime Minister said, commenting on Eisenhower's letter, in a speech in the Lok Sabha. Mr. Nehru unceremoniously rejected Eisenhower's offer to consider sympathetically any request for military assistance from India. "In making this suggestion," said Mr. Nehru, "the President has done less than justice to us or to himself. If we object to military aid being given to Pakistan, we would be hypocrites and unprincipled opportunists to accept such aid ourselves."

The Prime Minister's stand was widely applauded by a country and a people deeply moved by the passions of the hour and suspicious of the motivations of Pakistan in accepting modern arms from America. We brushed aside in somewhat cavalier fashion eight years ago the voluntary offer of a President of the United States. Having asserted in 1954 that it would be hypocritical and opportunistic to accept military aid from the United States, Mr. Nehru remained a prisoner of his own rhetorical assertion till 27th October 1962, when the sweep toward the Assam plains of Mao's marauders led him to pen a note to President Kennedy asking for urgent military assistance. The present writer was far from happy as he visualised his Prime Minister making the request under such circumstances. At any other time during the last eight years prior to the date on which the Chinese launched their invasion we could have made the decision to modernise our armies and could have negotiated with the United States, with our head held high. We failed to do so because, in the poignant words of our Prime Minister, we were living in an artificial world of our own creation. It was the age of innocence of our young Republic.

Basis of Collaboration in the Present Crisis

What are the factors that influence two nations to collaborate in a time of crisis? Identity of race, religion and ideology may serve to promote collaboration, but history shows that they do not necessarily and always ensure collaboration. Differences in these factors have not prevented nations from the closest collaboration for the attainment of specific objectives. The "Grand Alliance" of World War II between the United States, Great Britain and the Soviet Union is an example of how ideological antagonisms have not stood in the way of intimate collaboration. In recent years, emphasis has been placed in our part of the world on "Afro-Asian solidarity" as a factor promoting intimate collaboration between nations of the two continents. This factor is still rather vague and nebulous and has not yet become meaningful except in the sphere of rhetoric. Protection of economic interests is a factor that does figure significantly in influencing a nation to collaborate with another in a crisis. But only Marxian talmudists (not the realistic policy-makers of Communist Governments) will ascribe to this factor a determining role.

While the factors mentioned above do play a part in influencing the actions of a nation, the overriding factor in a situation where a nation seeks and another offers collaboration is the evaluation by each of the considerations of its own national security. India, for instance, faced with a serious problem of rearmament to ensure national survival against the onslaught of China, seeks collaboration from all quarters but knows that its request will be viewed with sympathy only by nations which regard China as an actual or potential enemy. The United States is the most important and powerful of such countries. However, it will be willing to offer collaboration to India only if it feels that such action will promote *its own security*. Whatever may be the feeling of sympathy, assistance will not be offered by a country if it feels that its own security might thereby suffer unacceptable damage. For instance, during the Hungarian crisis, the United States, despite its proclaimed sympathy for the regime of Imre Nagy, did not give active assistance to the latter, because it reached the painful conclusion that such a course was likely to endanger its national security by possibly provoking a global war.

Thus, it can be stated that a country would give assistance to another if it promotes its own security, hurts its present, identifiable enemy, and also improves relations with the recipient. The factors are given in the descending order of importance. A country will ask for and accept such aid, if, after weighing all aspects, it concludes that that such acceptance is indispensable to ensure national survival. On the basis of this line of argument, the following general statement can be offered:

> Two nations may embark on close and intimate collaboration when, in the opinion of each of them, the advantage accruing to it are far greater than the disadvantage arising therefrom.

Need for Realistic Appraisal

This is the basic reality behind the recent developments in American-Indian relations. India has sought American assistance and the United States has responded favourably because the security interests of the two countries *happen to coincide at this time*. That this situation might develop was, as we shall discuss subsequently, foreseen by American policy-makers but not to the same extent by their Indian counterparts. It is time for politically-conscious Indians to emancipate themselves from inadequately thought-out and emotional responses to developments and to anchor their actions on a realistic appraisal of the problems that confront our country at the present time and that will arise in the future. It will not, therefore, be the path of wisdom if we blandly assume that the present developments in Indo-American relations were pre-ordained and that they are likely automatically to continue to remain on the same basis for an indefinite period. Nor will any useful purpose be served, if, as some commentators have attempted to do, we try to build a myth of "200 years of friendship" having existed between the United States and India. Orations and editorials on Thoreau's contributions to Gandhi's thinking, Emerson's references to the *Upanishads*, Vivekananda's visit to America, and Franklin Roosevelt's interest in India to bolster up such a myth cannot really lead to fruitful results. There is an imperative need for us to have a clear picture of the nature of our past relations with the United States, so that we can find out how we can improve them for mutual benefit in the years ahead. It is not by pushing things under the rug or by wishful thinking that we can build close co-operation between our nation and any other country. It is by an awareness of the ups and downs in the past history of our relations that we can meet the challenges of the future in better fashion.

Till the outbreak of World War II, there was no significant interest taken by American leaders in India. Britain was securely entrenched in our country and the American leaders evinced no particular desire to advise the British to quit India. But, after 1939, Britain sorely needed America's assistance and American leaders had an opportunity to exert some influence on British policy. Contrary to the widely-held impression in the United States and India, President Franklin D. Roosevelt's efforts in this direction were half-hearted and apologetic. The United States Government was so awed by Winston Churchill's bellicose opposition that it made no efforts to help India when, in 1943, three million people starved to death in the greatest famine in recent history. The United States again bowed to British pressure and did not exert itself to enable India to qualify for assistance from the newly established United Nations Relief and Rehabilitation Administration. In 1943, the American people contributed considerably less than a quarter of a million dollars to aid the victims of famine in India but gave $16.2 million to Russian War Relief.

American leaders put India's case on the shelf, because they were convinced at that time that the security of their country called for the closest harmony with Great Britain. Even as late as 1946, the last year of our freedom struggle, American leaders made no special effort to win Indian goodwill. There was a food crisis in India during that year and American assistance fell far short of what was urgently requested by the Government of India.

That was a period when the Soviet Union had begun to loom large as a potential enemy in American calculations. But the United States was in sole possession of atomic bombs and this factor enabled it to force the Soviet Union to stage a retreat in disputes relating to Iran and Turkey. Under those circumstances, the United States did not experience any special fears concerning a possible extension of Russian influence in India. In any event, American policy in Asia was built around the concept of collaboration with China, then under the leadership of their war-time ally, Chiang Kai-shek.

India's Importance

By 1950, however, the United States had come to attach far greater importance to India than it had done in earlier years. American atomic monopoly had been broken by the Soviet Union in 1949. To meet the contingencies that might arise, the United States had already embarked on a gigantic plan to promote European recovery (Marshall Plan) and had entered into a military alliance (N.A.T.O.) to "contain" what it characterised as "Soviet expansionism." The United States, under what came to be known as the Truman Doctrine, proclaimed that it would be its policy "to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." While the firm posture of the United States enabled it to win its basic objectives in Europe, its Far Eastern policy was in shambles by the end of 1949. Mainland China had come under the control of the Communists who proclaimed solidarity with Moscow and uncompromising opposition to "American imperialism." The outbreak of the Korean War and Chinese intervention in it were other factors that decisively influenced the American attitude.

Even though the United States was not entirely happy over the manner in which India, under Prime Minister Nehru's leadership, practised its policy of non-alignment, it clearly realised the importance of ensuring that India did not "go the China way." Such a development and its possible aftermath were regarded as extremely detrimental to the security of the United States and the "Free World." The success of the Indian experiment of parliamentary democracy, constitutional Government, and planned economic development was regarded as an important objective of United States' policy. It is interesting to note that the Point Four General Agreement for Technical Co-operation was signed by representatives of India and the United States on 28th December 1950. In 1951, when India faced a critical food shortage and asked for assistance, President Harry S. Truman promptly urged Congress to offer wheat on terms even more favourable than had been asked for by Mr. Nehru. The Emergency Food Act of 1951, under which the United States furnished two million tons of wheat to India, was the beginning of an "Indo-American Programme" which has since grown to massive dimensions. The nature of the American response to India's request in 1951 was so dramatically and significantly different from what it was in 1943 or even in 1946 not because the character of the American and Indian people or leaders had changed in the interim but because of the changed evaluation by American leaders of India's importance to their own national security. The present writer does not for a moment intend to underestimate the goodwill and humanitarian spirit displayed by the American people. But this does not affect the basic validity of the argument presented here. The new evaluation of the nature of America's relations with India were by no means altered when a Republican administration under Dwight Eisenhower assumed office in 1953.

A Note of Disharmony

A disturbing element in the progressive strengthening of bonds between India and the United States was the fact that the identity of the principal opponent of each was different. American diplomacy had, as its driving motive, the objective of stemming the advance of the Sino-Soviet bloc. From the moment of its existence as an independent nation in August 1947, India had been involved in conflicts with Pakistan, including a shooting war over Kashmir. Indian leaders who regarded Pakistan as the only possible potential enemy, did not share the anxiety of the United States concerning "Communist expansionism." The action of the United States in signing the A.N.Z.U.S. treaty and the bilateral treaties with Japan and the Philippines were not viewed with favour by India. India regarded them as acts of provocation against the People's Republic of China—a nation with a record of "two thousand years of unbroken friendship with India" and whose leaders were supposedly committed to "socialist construction" at home and peaceful relations with their neighbours. Chinese occupation of Tibet and the insolent response of Peking to our mild remonstrances were forgotten or treated as matters of relatively minor consequence as India's leader offered his admiring people a parchment embodying the Panch-Sheel treaty with China. In the United Nations and its various organs, India was vigorous in its opposition to what it regarded as the unjustifiable attempts of the United States to prevent the Peking regime from taking its "rightful place."

As the Eisenhower Administration expanded the American military alliance programme and sponsored the establishment of the South-East Asia Treaty Organisation and the Baghdad Pact (1954), there was mounting criticism in India. The signing of a bilateral military agreement between the United States and Pakistan in May 1954 touched off a wave of indignation in India. Since this agreement was, as the American Ambassador to India at that time described subsequently, "the single most difficult problem" in the relations of the United States with India, it is necessary for us to examine why the Americans embarked on that step.

Impact of Technological Developments

The key reason for the American move is to be found in the fact that, in September 1953, the Soviet Union had exploded a hydrogen bomb. Shortly thereafter, American policy-makers obtained incontrovertible evidence to the effect that the U.S.S.R. had built a fleet of long-distance jet bombers capable of "delivering" the thermo-nuclear bomb on targets in the United States itself. For the first time in history, the United States faced the stark prospect that its own homeland could be devastated by enemy attacks. While girding itself up for a determined effort in the race for intercontinental ballistic missiles, the United States simultaneously sought to safeguard its interests in the years that lay immediately ahead. The American response was to counteract the geographical advantage of the Soviet Union and China by establishing a ring of bases all around those countries. American military planners believed that the Soviet Union could not knock off all these bases simultaneously by a surprise attack. They also argued that from these bases vital Sino-Soviet centres of population and industry could be more effectively menaced than from more distant bases in Europe and Australia. To obtain these bases which were regarded as imperative by its military experts, the United States set afoot measures that led to the S.E.A.T.O. and the Baghdad Pacts and the signing of the military agreement with Pakistan.

The United States would have liked nothing better than Indian support to their policy. But they were determined not to be deterred from their course even if India was vehemently opposed. Considerations of national security were deemed far more important than earning Indian approbation. If India was not prepared to co-operate and if Pakistan was ready to "play ball," the United States was willing to enter into an agreement with Pakistan. It was for the American leaders a period of great tension. Unlike European statesmen who were familiar with war, defeat, revolution, and enemy occupation, American leaders had never contemplated in their worst nightmares the prospect that Chicago and Detroit and Omaha and Los Angeles might face destruction at the hands of a relentless enemy. It was because of their state of unaccustomed tension and anxiety that many American citizens, whose memories of losses of dear ones in Korea were still fresh, found it difficult to understand how any other nation could remain "uncommitted" in the struggle between what they regarded as the forces of good and the forces of evil. It is in this background that we have to view Mr. John Foster Dulles' characterisation of neutralism as "immoral" and Mr. Richard Nixon's equally uncomplimentary references to non-alignment. Perhaps in the light of our own recent evaluation of friendly nations which have sat on the fence or proffered gratuitous advice to us, we may get a somewhat better understanding of the adverse reaction that our attitude evoked in the United States in 1954 and the years that followed.

The vehemence of the Indian reaction to S.E.A.T.O. and the Baghdad Pacts was principally due to the association of Pakistan with them. True, Indian leaders expressed their opposition to such things as the "extension of the cold war," the "intrusion of the military mind," the "intensification of the arms race" and the like. But the extent of the emotion and indignation aroused in India over American policies was basically due to fear and suspicion of Pakistan. The fear and the suspicion were not groundless but most Indians were not prepared to accept the solemn assurances of the President of the United States that the military agreement with Pakistan was not directed against India and that the United States would not countenance any aggression by Pakistan against its neighbour.

It is interesting to note that the situation at present is the entire reverse of the above. A President of the United States is giving assurances to Pakistan that American military equipment given to India would not be used against Pakistan. It is now the turn of the Indians to wonder why Pakistan should be so obdurate despite solemn assurances by the leaders of their country and of the United States.

Unfortunate Aftermath

In view of their overall evaluation of the importance of India and in view of the complexities of the relations between India and Pakistan, American policy-makers might have refrained from a course of action that intensified discord and instability in an area which they regarded as vital. Critical though India would have been of American alliances with Iran and Thailand, for instance, they would never have evoked such criticism of the United States as alliances that included Pakistan and, worse still, a direct U.S. agreement with Pakistan. India has found it quite possible to have exceedingly close relations with Britain and Canada which are tied militarily far more intimately than Pakistan with the United States. India's solicitude for Tito's Yugoslavia was not perceptibly lessened by its membership of the Balkans Pact and acceptance of substantial military assistance from the United States. It is thus clear that the factor that led to severe criticism of American policies in general was the association of Pakistan—India's identifiable potential opponent—with the military pacts sponsored by the United States.

Once the United States had got into the agreement with Pakistan, it had to persist in it despite misgivings, at first small but steadily growing, that the venture was ill-advised. And as the alliance continued and as Indian criticism persisted, it was inevitable that every debate in the American Congress and the Indian Parliament became an occasion for exchange of charges by hot-tempered elements on both sides. Unfortunately, during most of these years, there was on each side a person whom critics on the other side found possible to cast in the role of a villain—John Foster Dulles in America and V. K. Krishna Menon in India. Both these men, dedicated emissaries as they were of their respective leaders, had a tendency to say the wrong thing from time to time. Mr. Menon was more verbose and more rasping than the late Secretary of State and paid far more visits to the United States than Dulles did to India. Mr. Menon's able presentation of India's case on several important issues was, however, marred by an attitude and a manner which appeared to many Americans as sanctimonious arrogance and sneering bluster. Indians visiting America found it no easy matter to convince Americans that the latter's appraisal of Menon was not quite correct and that, basically, the man was a gentle theosophist who bore them no ill-will. It was unfortunate that the image of India that millions of television viewers and newspaper readers in America obtained was quite different from what they had expected of the land of gentle Gandhi. In the areas where Nehru excelled—courtesy, graciousness and the scrupulous avoidance of rudeness and pointless sarcasm—his chosen mouthpiece was sadly deficient. However, many Americans who are quick to draw attention to Krishna Menon's critical remarks seem to be oblivious of what is said about India by some of their own politicians. The present writer, who regularly wades through many hundreds of pages of the *Congressional Record* and of Congressional hearings, knows that there were American Congressmen and publicists whose diatribes against India, while spiced with more sarcasm and innuendo than Mr. Menon was ever able to muster, were also wholly bereft of any evidence of comprehension, balance or perspective. Fortunately for Indo-American relations, not many in our country have the doleful task of perusing such screeds.

U.S.'s Reappraisal

During these days of acrimony, the United States did not modify its evaluation of India's importance or its objective of assistance to India. American leaders remained quite conscious of the fact that the policy of military pacts and, especially, the agreement with Pakistan, had been evolved to meet a specific set of circumstances, and that it would have to be modified when the circumstances changed. It was Secretary Dulles himself who, in 1958, testified before the Senate Committee on Foreign Relations that it would be a calamity for the United States if India were overwhelmed by Communism. "India has a culture, and influence, a prestige in the area which, if it were an asset in the hands of Communism, would greatly endanger all the rest of the free countries of Asia." American assistance to the efforts of the Government of India would mean that "we are helping everybody not just India," Dulles asserted. American assistance and commitments during the period 1951-61 were of the magnitude of $4,408.8 million. This generous and continuing assistance was one of the major factors that prevented the suspicion generated by military aid to Pakistan from hardening into antagonism towards the United States. As the years passed, professional "anti-imperialists" in India found it increasingly difficult to win adherents to their view that the United States was plotting to subvert India by massive economic aid or to promote aggression against India by arming Pakistan.

In the United States also, the "thaw" in the relations with Russia since about 1958 contributed to a more balanced evaluation of India's role than was previously possible. There was growing awareness of the fallacy of labelling Nehru as "neutral in favour of the Communists." Developments in the field of weapons technology, especially long-range ballistic missiles and Polaris nuclear submarines, provided considerable impetus to a reappraisal of American policies, especially relating to overseas bases. Though it was believed that many bases would continue to be needed for several more years, there was no longer the same urgency concerning their availability as in 1954. The continued provision of military hardware to Pakistan came under increasingly severe criticism in the Press as well as in Congress. In a report in 1959, the Foreign Relations Committee of the United States Senate asserted that a majority of its members believed that "military activities in underdeveloped countries were being over-

emphasised at the expense of economic progress." "The security of the free world and of the countries concerned is not well-served when resources, which are at best inadequate, are consumed in unproductive expenditures to a disproportionate degree," the report added. The stand of the influential and powerful Foreign Relations Committee approximated what Prime Minister Nehru himself had long advocated.

The Foreign Relations Committee evidenced its interest in India's economic development by supporting an amendment to the Mutual Security Bill of 1958 introduced in the Senate by John F. Kennedy (Democrat, Massachussetts) and John Sherman Cooper (Republican, Kentucky). The text of the amendment was as follows:

"The Congress recognizes the importance of the economic development of the Republic of India to its people, to democratic values and institutions, and to peace and stability in the world. Consequently, it is the sense of Congress that it is in the interest of the United States to join with other nations in providing support of the type, magnitude, and duration, adequate to assist India to complete successfully its current program of economic development."

That the same Kennedy who initiated this extraordinary expression of solidarity with India is now the President of the United States of America is not without significance for U.S.-Indian relations during the next few years.

Thus, by 1958, the Indian policy of non-alignment was not a subject for critical comment from the executive branch of the United States Government or by any influential politicians with the exception of a very small number of diehards. When Averell Harriman testified before a Senate Committee in 1958 that India's non-alignment did not mean that it was "neutral on those things which are basic to our own Constitution and the principles on which our nation was founded," not a single Senator chose to question or challenge him.

Threat on India's Northern Borders

Continued incursions by Chinese intruders in our Northern border areas touched off a process of reappraisal of foreign policy in India itself. For quite a long time, the tempo of reappraisal was rather slow but it steadily increased after the suppression of the Tibetan uprising by the Chinese and the open acknowledgment by the Government of India of continued and persistent aggression. The evolution of the Indian attitude on this issue was watched with the greatest interest by the United States. For years, American spokesmen at the United Nations had tangled with their Indian counterparts on the question of the admission of the Peking regime. Indeed the vociferous Indian championship of the cause of the Peking regime from every conceivable platform was one of the constant irritants that confounded our numerous well-wishers in the United States and enabled our critics to depict us as double-faced opportunists. As the story of our conflict with China unfolded, American policy-makers realised that a drastic reorientation of Indian policies towards China was in the making and they indicated their support to the Indian point of view with tact and circumspection. Thus, during the last year of the Eisenhower administration, Secretary of State Christian Herter, obviously with India in his mind, told a group of Senators about "certain areas of the world where certainly the attitude toward the free world has changed very materially in the last 18 months." Said Herter:

"I think we have to recognise that the actions of Communist China have given us a great assist. On the other hand, I think that the mere fact that what we had predicted previously would likely be the attitude of that country has gained us greater confidence among those nations, and I think that they are looking with much less suspicion on what they felt might be colonial or imperialistic or selfishly interested actions on our part, and feel today that the assistance that we are giving, whether it be technical or financial, is a very beneficial thing for their countries."

In the months that followed responsible American officials pointed out, from time to time, that China was making massive efforts to build roads, communications and military installations in Tibet and that these developments were more "for the purpose of using the national power of Communist China than as an outlet for . . . expanding population or for any other humanitarian purpose." Over a year ago, Mr. J. Graham Parsons, Assistant Secretary of State for Far Eastern Affairs, made a very interesting analysis of China's motives which his Indian counterparts could have studied with benefit. He pointed out that the Tibetan rebellion and the Chinese determination to seal off the frontier effectively, created a confrontation, between India and China which did not exist before. Mr. Parsons continued:

"However, it is a fact that, throughout China's history, there has been an effort to assert that China's frontiers go, indeed, well beyond those which have been the accepted frontiers of India. So there has been, from the Chinese viewpoint, an unresolved issue over the location of the frontier. However, we also think that this matter goes beyond the mere existence of this historical difference. We think that the pressures which the Chinese Communists have exerted on India are, in part, at least the reflection and outcome of this militant and aggressive regime which seeks to expand its power wherever it can . . . it may well be that among the motives of the Chinese Communists was the motive of seeking to place the Indians in a difficult and humiliating position and to demonstrate to other people in Asia that it is Communist China which is the dominant power and the power to be reckoned with, and that India does not have a similar status."

Nehru's Quiet Diplomacy

During this period, our Prime Minister appears to have carried on quiet diplomacy to explain to American leaders some delicate aspects involved in the Indian response to the Chinese threat and, at the same time, to convey India's determination to meet the challenge. Former Senator H. Alexander Smith, who visited India in 1959 as a Consultant to the Secretary of State, told his Senatorial friends that, after talking with Mr. Nehru, he was convinced that the Government of India was fully alive to the nature of the Chinese threat. "I think there is evidence she [India] has had her mind slanted our way—I do not think that is final, but it looks hopeful," he said. Early this year Senator Gale McGee stated that Mr. Nehru had impressed on him and a group of his colleagues that "we [Americans] had to remember one thing, and that is that India lives right next to China and Russia and, therefore, there will be some kinds of policy decisions that will be of a little different intensity and a little different consideration than, say, we would project ourself in the United States, and there would be a gap or difference there occasionally in interpretation." Such efforts by the Prime Minister almost invariably produced beneficial efforts in enabling important Americans to obtain some insight regarding the Indian point of view.

It is, however, not clear whether, at any time during the last two or three years, there were any high-level discussions on what exactly India might need from the United States in case the Chinese did embark on large-scale aggression. All that the newspaper-reading public in India and the United States knew was that Prime Minister Nehru was not interested in the slightest in asking for any military assistance from the United States. The occasion was provided by Mr. Nehru's reaction to a comment made by Under Secretary Chester Bowles at a meeting in New Delhi under the auspices of the Indian Council of World Affairs in August 1961. Bowles had stated, in reply to a question, that "India could count on United States' help if she was ever attacked by any country." Mr. Nehru acted speedily to clarify the situation "in the interests of the United States as well as India." There was no commitment on the part of any country to come to the assistance of India in the event of aggression, the Prime Minister asserted. "There has been no mention of this [aid to India], no talk and no commitments so far as we are concerned," he added. "We are not," Nehru emphasised, "under anybody's protection or anybody's client in this respect. That should be made perfectly clear." Those were wonderful sentiments that gratified our pride, even if they did not promote our security. Such sentiments would have been appropriate had we, at that time, been in a position to meet and beat back a major invasion across our borders by China. As we now know only too well, such was far from the case.

During the last two years, we should have made efforts to obtain from the United States modern weapons and aircraft and plants for the manufacture of weapons in sufficient quantity to meet the challenge from the North. We could have sought them on the basis of negotiations of the type that we initiated with the Soviet Union for the purchase of MIG aircraft. Had we taken advantage of the favourable opportunities that opened before us with skill and determination, and with single-minded devotion to the security interests of the country instead of to prejudices that crippled our flexibility, there would have been no need for our Prime Minister to have had to write a letter to President Kennedy when the world was witnessing the spectacle of our magnificent troops reeling back under the "human sea" attacks of the Chinese aggressors. Such a course, based on prudence and self-interest, would not have involved our entering into any pact or alliance with the United States and would not have meant the casting away of non-alignment which has been and should continue to be the sheet-anchor of our foreign policy. Non-alignment, as our Prime Minister himself has repeatedly stated, means in essence that India will decide each issue on its own merits, instead of being influenced by membership in any bloc. It will be a tragic parody of non-alignment if the concept were to be twisted to mean that, on the merits of an issue involving the very survival of India as a nation, we should have been fearful and hesitant in making meaningful judgments and in following them up by resolute actions.

Soviet MIGs

If certain aspects of our Government's policies appear to have been unrealistic, the approach of some of its most vociferous critics is even farther removed from realism. These critics appeared to be burdened with the anxiety that the only way of obtaining support from the United States in the event of serious difficulty with China would be to jettison non-alignment and enter into the "closest possible relationship" with the United States. They trembled to think of America's reaction to India's acceptance of substantial economic aid from the Soviet Union. Their nightmares over our attempts to purchase Soviet MIG aircraft were as unrealistic as the rantings of other extremists who hailed them as a bold act of defiance against the "Pentagon" and "U.S. monopoly capital."

What exactly has been the attitude of responsible elements in the United States Government, especially in the executive branch? There was no deep disquiet in these quarters, but understanding and a great deal of interest. India with a stable Government and institutions was "quite capable of absorbing resources from the Soviet Union without being subject to subversion or to endangering itself," emphasised George W. Ball, Under Secretary of State for Economic Affairs in 1961. Henry R. Labouisse, Chairman of a Task Force on Economic Assistance set up by President Kennedy, declared that acceptance of substantial Soviet aid by India was "all to the good" and that he had no worry that through such aid the Soviet Union would obtain a place of primacy in India.

Contrary to widespread Press opinion in India as well as in the United States, the Kennedy Administration was by no means vigorously opposed to the idea of Indian purchases of MIG aircraft. This statement is not a mere impression of the present writer but is made on the basis of testimony given a few months ago before the Senate Committee on Appropriations by Phillips Talbot, Assistant Secretary of State for Near Eastern and South Asian Affairs. Talbot told the Committee that the Indian move should be viewed in the background of its growing awareness of the threat from China. Said the Assistant Secretary:

"Indeed, as one examines the evidence that is now coming forward, it begins to appear that the Communist China regime is quite unhappy about what the Soviets have been saying to the Indians lately. . . . This may be the first occasion on which the Soviets have been dealing in this way with a country which is in dispute with another member of the Sino-Soviet bloc. So in a sense if the Soviet fighters, advanced fighters, were to be sold to India, the ensuing complications in Sino-Soviet relations would be something of great interest to watch."

Comment is superfluous on the meaning and implications of the Assistant Secretary's statement.

Indo-Pakistan Disputes

What then of American relations with Pakistan? How should India view them in the light of recent happenings? The Nehru-Ayub joint *communique* announcing talks to be held shortly to resolve outstanding issues between India and Pakistan has closely followed the visit to the two capitals of Averell Harriman, leader of the special United States Mission to India. The move is the most recent in the efforts that the United States has been quietly engaged in for a considerable time and especially during the last three years. As the need for bases in Pakistan became progressively less urgent owing to developments in weapons technology already referred to, the United States was increasingly anxious to bring about some arrangement that would enable it to maintain Pakistani goodwill, remove Indian misgivings and, at the same time, promote the defence of the sub-continent against aggression. The United States would have warmly welcomed India's acceptance three years ago of President Ayub's proposal for an understanding concerning joint defence of the sub-continent, but Nehru was not willing to consider the proposal at that time. It is interesting to note that Averell Harriman made a visit in his personal capacity to India and Pakistan in 1959 and, on his return, told a Senate Committee that the United States should continue to work quietly and without undue publicity

(*Continued on page* 60)

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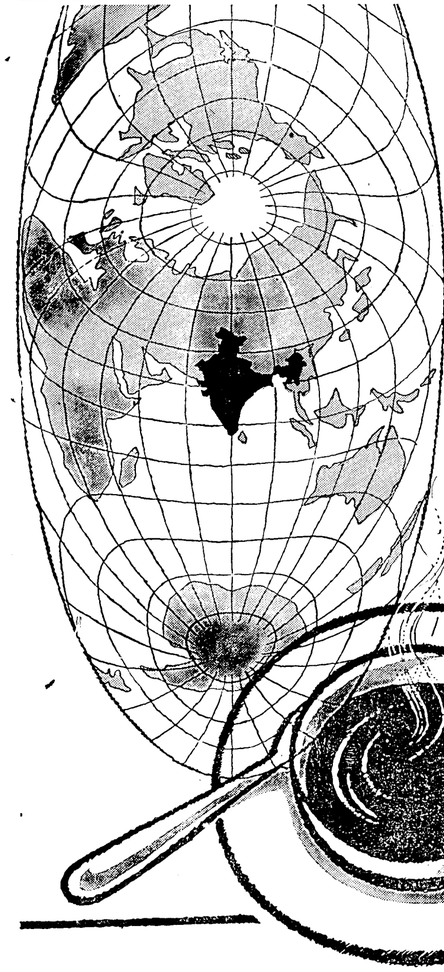

The expansion of Indian Coffee industry has been rapid in the last decade as can be seen from these figures:-

PRODUCTION HAS NEARLY TREBLED in the last eight years: from 23,943 tonnes in 1952-'53 to 67,925 tonnes in 1960-'61. The target of production by the end of the Third Five-Year Plan is 80,000 tonnes.

CONSUMPTION IN INDIA HAS INCREASED from 26,000 tonnes in 1955-'56 to over 35,523 tonnes in 1960-'61.

EXPORT HAS GONE UP FIFTEEN TIMES since 1952: from only 2,200 tonnes in 1951-'52 to 32,271 tonnes in 1960-'61.

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DEVELOPMENT PLANNING IN LATIN AMERICA

By ALVIN MAYNE

ADVISER ON PLANNING TO THE U.S. CO-ORDINATOR FOR THE ALLIANCE FOR PROGRESS

SIXTEEN months ago (August 1961) twenty sovereign nations of the Western Hemisphere joined together in an alliance "to accelerate the economic and social development of the participating countries of Latin America, so that they may achieve maximum levels of well-being, with equal opportunities for all, in democratic societies adapt to their own needs and desires." (*Charter of Punta del Este*, Title I.) The goals which were set were numerous. The more significant ones were: (1) the achievement of substantial and sustained growth of *per capita* income at a rate which is designed to assure self-sustaining development of not less than 2.5 per cent *per capita* for any country; (2) the achievement of a more equitable distribution of national income, raising more rapidly the income and standard of living of the needier sectors of the population and at the same time devoting a higher proportion to investment; (3) greater diversification of the structure of the economy so as to free the economies from dependency upon a few critical exports; (4) acceleration of the process of rational industrialisation and the raising of the productivity of the agricultural sector; (5) encouragement of programmes of comprehensive agrarian reform: (6) elimination of adult illiteracy and by 1970 to assure, as a minimum, access to six years of primary education for each school-age child; (7) increase in life expectancy at birth by a minimum of five years; (8) increase in the construction of low-cost houses for low-income families; (9) maintenance of stable price levels, avoiding inflation or deflation; and (10) development of co-operative programmes of economic and social sive fluctuations in foreign exchange earnings derived from exports of primary products.

Emphasis on Self-help

The American republics recognised that the achievement of the foregoing goals would require the development of comprehensive and well-conceived national programmes of economic and social development, aimed at the achievement of self-sustaining growth, carried out in accordance with democratic principles. Further, it would be necessary to develop systems for the preparation, execution and periodic revision of national programmes for economic and social progress. While recognising the need for external financial assistance on a large scale, emphasis was to be placed on self-help efforts which would: (*a*) improve human resources; (*b*) use natural resources more efficiently; (*c*) strengthen the agricultural base by extending the benefits of the land to those who work it; (*d*) mobilise and utilise financial resources in a more rational and equitable way through the reform of tax structures, including fair and adequate taxation of large incomes and real estate and the improvement of fiscal administration; (*e*) promote conditions which encourage foreign investments and help increase the capital resources of participating countries; and (*f*) improvement of systems of distribution and sales to make markets more competitive and prevent monopolistic practices.

In effect, a little over one year ago, one of the most ambitious programmes for development planning and implementation was launched in the Western Hemisphere for the purposes of accelerating social and economic development. Nineteen sovereign nations (the twentieth being the U.S.) agreed to prepare long-range development plans to achieve not only an annual rate of growth of 2.5 per cent *per capita* but to undertake wide-reaching reforms in land tenure, fiscal administration, education, health, housing, income distribution, institutional arrangements between labour and management, etc. The plans were to take into account the individual problems of each economy and society and to reflect the desires of all levels of society through the development of procedures for consultations and collaboration among public authorities, employers, and labour organisations.

Indian Model

While the Government of the Republic of India was not represented in the meetings of the experts which laid the groundwork for the ministerial meetings in August 1961 which created the Alliance for progress, anyone familar with the Indian system for planning, preparation and implementation of the Indian Five-year Plans would recognise that the countries of Latin America were seeking to establish a methodology which has been evolving in India since the late 1930s when the Congress Party initiated national economic planning in India. While the model of the Indian development planning system is not explicity referred to in the official documents, there is constant reference to the Indian example in various conferences and discussions concerning the individual country plans and the problems encountered in obtaining external financing. Thus, it is possible to state that an important service has been rendered to the Alliance by the pioneering work carried out by the Indian Planning Commission and the Government of the Republic of India, in creating a system whereby planning for rapid economic and social development may take place in accordance with democratic principles.

Because the countries in the Western Hemisphere had little or no experience in developing national economic plans, a panel of nine high-level, full-time experts, with appropriate experience, technical ability and competence in the various aspects of economic and social development, was appointed. As each country completes the preparation of its development plan, it may submit such a programme or plan to an *ad hoc* committee composed of not more than three experts from the panel and an equal number of experts who are not members of the panel. The *ad hoc* committee is to study the development programme, exchange opinions with the interested Governments as to possible modifications and, with the consent of the Government, report its conclusions to the Inter-American Development Bank and to other Governments and institutions that may be prepared to extend external financial and technical assistance in connection with the execution of the programme.

In addition the various hemisphere organisations such as the Organisation of American States, the Economic Commission of Latin America, and the Inter-American Development Bank are to provide technical assistance for the formulation of development programmes as may be requested by the participating nations.

During the month of October, just a little over one year after the Alliance was initiated, the participating Governments met in Mexico City to assess the progress, to refine the concepts of the Alliance and to commit themselves to further action where it was deemed necessary. The meeting was a remarkable one for Latin American countries, in that the representatives, both on the expert and the ministerial levels, were self-critical, not only of the operation of the Alliance as a whole, but also of the progress being made in their own countries. Briefly, it was concluded that:

1. Self-help in Latin America received strong impetus during the first year of the Alliance. Programmes of agrarian reform and agricultural development had been initiated in several countries. Substantial improvements in public administration, collection and codification of tax systems were carried out. Expenditures devoted to education and improvement of human resources have increased substantially in a large number of countries. Shortage of housing for low-income families is being attacked on a broad front through improvement of credit facilities for housing, technical assistance and specific housing projects.

2. There was forward movement toward economic integration. Nine countries had ratified the establishment of a Latin American Free Trade Association and a start had been made in eliminating tariffs on intra-area trade. Integration of the economies of the small countries of Central America has gained momentum. Activities of the Central American Economic Integration Bank were initiated, uniform tax incentives for industry were adopted by all countries and advances were made in tariff equalisation.

3. The flow of external public funds increased during the first year of the Alliance with $1.7 billion authorised by the International lending institution; and the U.S. to Latin American countries. Disbursements of funds reached $1.2 billion.

4. Almost all of the Latin American countries have established central planning agencies within the governmental structure. The development plans of Bolivia, Chile, Colombia, Mexico and Peru have been submitted for consideration by the Panel of experts and international lending agencies. Three other countries are expected to submit plans before the end of 1962. (Organisation of American States, Inter-American Economic and Social Council, First Annual Meeting.)

Shortcomings

In addition to these points of progress, problems and shortcomings were also spelled out. Briefly, these are as follows:

1. The rate of economic growth is still below the long-term objectives. Growth has not been widespread among the countries or among the various sectors of the economies. While manufacturing growth advanced by more than 8 per cent for the Latin American countries as a whole, the growth was concentrated in relatively few countries. The agricultural sector tended to lag behind other sectors, indicating the need for an intensified attack on the problems of the rural communities of Latin America.

2. Tax reform (both with respect to administration and structure), agricultural reform and improved public administration all need strengthening.

3. The development plans being now prepared tend to draw attention to aspirations. However, a framework of realisable goals is also required together with the measures designed to achieve them. Planning must reflect the interests and potentialities of all productive sectors—industry, agriculture, labour and others—and must identify not only the investment projects but also the important structural reforms which are essential to development. More attention and resources must be concentrated on developing the feasibility, engineering requirements, costs and benefits and social impacts of various programmes and projects.

4. The flow of foreign private capital to Latin America has diminished and there is strong evidence of substantial capital flight from Latin America. In view of the limitations as to the availability of public funds, it is clear that the Alliance cannot achieve its objectives without full participation of the private sector and adequate measures must be taken to assure maximum contribution to growth by the private sector.

5. Price declines for the major export commodities of Latin America continue to limit the ability of Latin America to pay for necessary imports of capital goods and to service external debt.

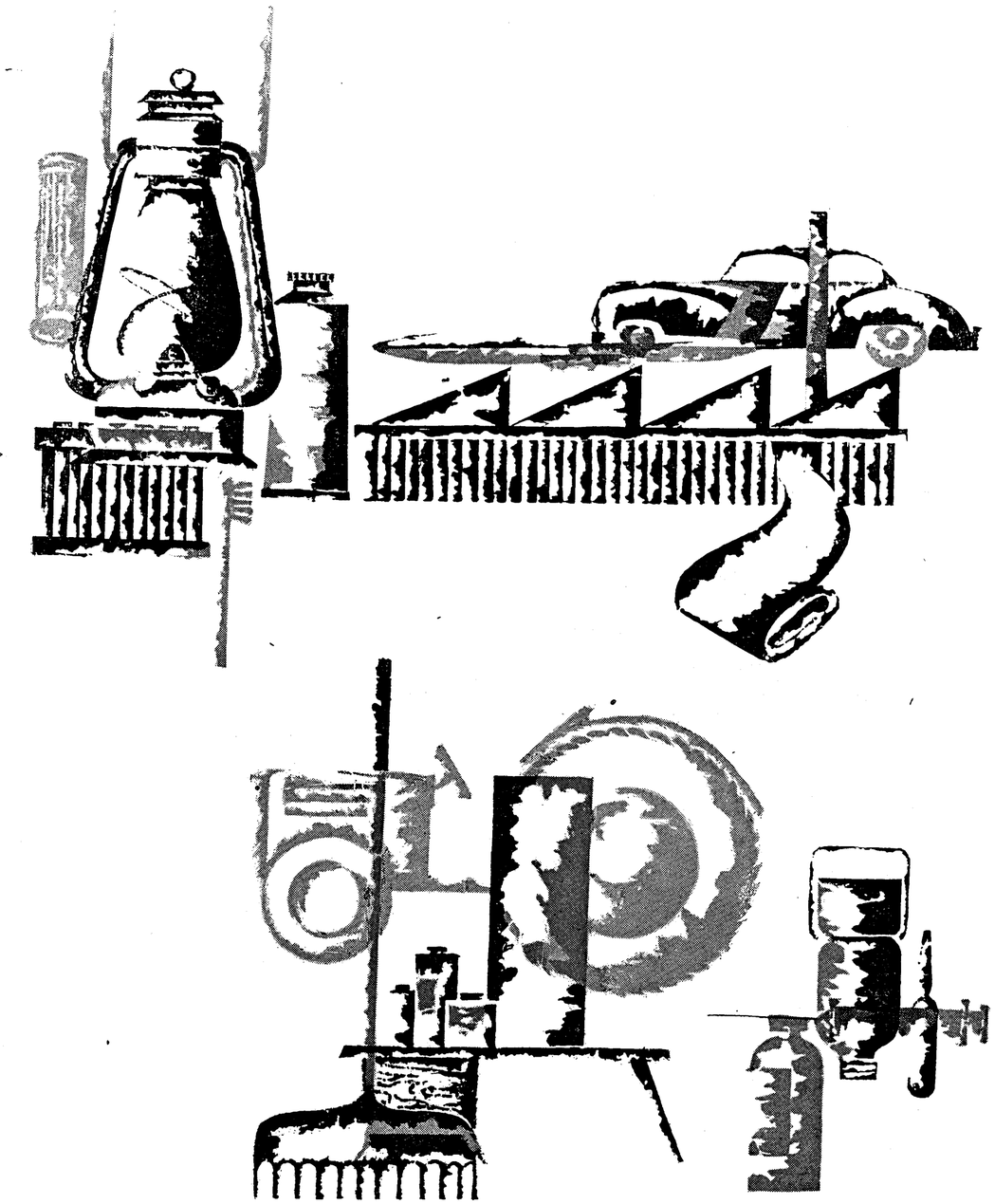
6. In looking to the future, the Council of Ministers, among other recommendations, indicated that more emphasis must be placed upon adequate economic planning in the various Latin American countries and recommended an intensified effort should be made by the various elements of the Inter-American system to assist the countries of Latin America in the field of planning. Effective planning should be considered on the part of financing agencies and institutions as a major element of self-help, with particular attention to financing pre-investment studies.

The Role of National Development Planning

The above summaries point to some progress but insufficient to meet the objectives of the Alliance. Particular stress was laid on the need for the creation of adequate national economic and social planning in each of the countries. In fact the Panel of Nine in their report to the Council of Ministers stated that, "Furthermore, it can be said that the preparation and execution of a development programme is a necessary condition for obtaining technical and financial aid within the terms of the Alliance for Progress."†

The question has been frequently raised as to whether it is really necessary to have a definite programme or plan which has been adopted or whether it might not be enough if a country had sufficient fiscal, monetary, foreign trade, etc. policies, balanced and reasonable, oriented toward the economic and social development of a country? The Nine concluded that, "not only would this be an incomplete answer to the requirements of the Alliance, since it would not permit the rendering of a true judgment of the possibilities of reaching specific goals proposed, but economic theory and most recent practical experience have shown that the monetary, fiscal and commercial policies, in themselves alone, do not supply a

†*Report of the Panel of Experts to the Inter-American Economic and Social Council*, Document 17, 1st to 30th October, 1962.



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sufficient basis for determining the quantity, the distribution and the timing of public investments, or the incentives and restrictions needed to orient the private sector's contribution to the development effort."†

On the other hand, the Panel of Nine is realistic for it is emphasised that "in view of the technical resources existing in the Latin American countries, of the statistical and economic information available, of the uncertainty of foreign markets, and of the lack of a sufficient number of specific projects, there is no practical value in formulating programmes of eight to ten years or more, save for the purpose of establishing guidelines for development and aims for the immediate future. . . . Fortunately, there are few projects, in certain sectors, that require decisions many years in advance. Nevertheless, certain decisions made today may influence others regarding investments to be made in subsequent years. In particular massive, permanent works and installations, representing basic social capital, which cannot be undertaken piecemeal, require long-term rather than short-term decisions. Taking into account the foregoing considerations, it would seem advisable to concentrate planning efforts on medium-term programmes, particularly if their development be viewed as a continuous process."†

The Panel found that most of the countries are in a position to prepare frames of reference defining the strategy and aims of development rather than investment plans drawn up with the proper detail. On the other hand, they felt that it would be undesirable to repudiate these first attempts and not provide the financial assistance needed to develop the country until the deficiencies in the plans were overcome. The Panel was of the opinion that the deficiencies will disappear if the planning and development process is made a continuous process.

Defects in Development Plans

Probably, the most widespread defect of the programmes or plans so far submitted is that they lack the identification of a small number of key activities upon which practical effort might be concentrated during the first years of the development period. Generally, the statements of strategy are too general to be translated into positive activities. Instead they give rise to a proliferation of activities which cannot be put into effect due to the limited financial and human resources available.

The lack of specifics becomes even more noticeable when an attempt is made to find the uses for the external financial assistance which is called for by the plan. In the plans thus far reviewed, there are very few projects which have been studied as to their technical viability and economic validity. Much financial credit has been given during the last few years, however, only an insignificant amount of it has been used, and only a small fraction has even been committed.

While this defect is serious in the public sector, it is even more serious in the private sector. The plans generally fail to recognise what it takes to increase the rate of savings which will permit the private sector to fulfil its role. The Nine feel that one of the weaknesses of the present planning is the failure to bring the private sector into the process of drawing up of plans. This is, of course, a difficult task, except in an advisory capacity, for, unlike Government decision-making, which is concentrated, it is difficult to identify the decision-making individuals in the private sector except as groups. The most that can be hoped for is that the private sector will make use of the information which becomes available in the planning process and programme its operations accordingly.

The problems facing the Alliance in utilising the national plans which have been submitted so far may be best illustrated by a review of the use of the *General Plan for Economic and Social Development*, prepared by the National Council of Political Economics and Planning and the Administrative Department of Planning and Technical Service of the Republic of Colombia. The Colombian Plan is the most advanced one so far reviewed by the Panel of Nine and the international finance agencies. The preparation of the Plan took roughly four years. It was initiated shortly after the military dictatorship was overthrown. It should be pointed out that Colombia is a relatively well developed country. For example, its *per capita* income exceeds $250 per annum; it has three fairly well-developed industrial centres—Bogota, Cali and Medellin—it has a progressive and fairly well-developed banking system. It has an aggressive business community and a fairly well-educated elite.

In order to prepare the Plan, it enlisted the assistance of the Economic Commission of Latin America. Eventually, the Plan was to consist of some nine volumes analysing each sector of the economy and government. The first volume which was transmitted to the Panel of Nine and the international financing agencies consisted of some 460 pages. This was the General Plan. The sectorial plans were to follow. To date only one sectorial plan has been published, namely, for the industrial sector. This Plan also has 400 pages.

Savings and Investment

The Plan was carefully reviewed by a large and competent mission from the International Bank for Reconstruction and Development. As the Bank's report was nearing completion, the Panel of Nine set up an *ad hoc* committee for the review of the Plan. This Committee had available the Bank's study. In general, the Bank and the *ad hoc* Committee agreed that the Plan was fairly sound, though certain actions and reforms had to be undertaken if the growth and investment goals were to be achieved. The growth called for was 5.6 per cent per annum in the Gross Domestic Product in constant prices for the decade of the 1960's with an annual rate of investment which would have to increase from 18.6 per cent of the Gross Domestic Product in 1959 to 26.9 per cent by 1965. This increase in investment is expected to come primarily from domestic savings. Domestic savings are expected to increase from 20.5 per cent of G.D.P. to 23.3 per cent in 1965 and to 25.1 per cent in 1970. The public savings figure which must increase from $1.1 billion pesos (a peso is equivalent to 11 cents U.S. on the free market) in 1959 to 1.6 billion pesos in 1964 or a 50 per cent increase in five years. Private savings will have to do even better. The Plan calls for an increase in private savings from 3.4 billion pesos in 1959 to 5.1 billion in 1964 and over 7 billion in 1970. External financial assistance which was negative 400 million pesos in 1959 would have to increase to an annual rate of 800 billion pesos in 1964.

While the increase in public savings does not appear to be especially great, it is necessary to look into the ability to increase the revenue to the Government and the growth of current expenditures by the Government. Both the International Bank and the *ad hoc* Committee concluded that the Plan overestimated the present tax yields and underestimated the requirements for current expenditures, so that the public savings estimate in the Plan could be considered to be greatly overestimated unless even greater tax increases than contemplated in the Plan were introduced. Even after the Mission of the Bank and the *ad hoc* Committee completed their reports in April and June of this year, the situation became even more desperate with the current expenditures rising still more rapidly and the revenues continuing to decline.

An analysis of the private savings projections raises doubts as to whether the personal savings projections can be achieved. For example, after allowing for population growth, the projections imply that two-thirds of the increment in family income would be saved. Here the Indian experience is valuable. The First Indian Five-year Plan projected a marginal savings ratio of 50 per cent. Experience showed that this was excessive and in the second Plan only 20 per cent was projected.

External Financing

Turning to the problem of external financing, both groups of reviewers examined the balance of payment requirements and concluded that the projections in the Plan understated the probable situation. For example, the *ad hoc* Committee of the Nine recommended that the projections of exports be reduced by 11 per cent and imports be increased by 6 per cent. The result was that it was forced to conclude that the balance of payments deficit will probably be quite a bit greater than that indicated in the Plan, with the result that the external financing requirements would be considerably higher. The *ad hoc* Committee arrived at a figure of an average deficit in the balance of payments of 213 million dollars, excluding external debt amortisation. If amortisation is included, the figure goes up to $270 million per year.

What is even more serious is that, even if this deficit were to be covered by external financing, there is no assurance that rapid economic and social development would take place. Thus, it was not possible for either the Bank or the *ad hoc* Committee to relate the balance of payments deficit directly to specific projects which would insure an increase in the productive capacity of the country. For example, in order to cover the gap between the balance of payments deficit and the probable capital expenditures by the public sector and the identifiable capital expenditures by the private sector, it was necessary to create a private credit fund which would be fed into the banking system to support general business expansion. It will, of course, be very difficult for the banking system to direct these credits into productive enterprises and not into consumption or price increases.

A still further problem exists, in that a careful examination of the status of the capital projects in the public sector reveals that very few of them are in a position where construction could take place in the near future. In effect, the meeting of the balance of payments deficits will merely mean that the counterpart funds obtained from the sale of the foreign exchange received through foreign borrowing will have to remain frozen, unless it is used for consumption or current budgetary support. Unless the actual investment is made, then the productive base will not be expanded and the development will not move forward in accordance with the Plan.

If the Plan and the actual pre-investment work were consistent and controls were introduced to make sure that the Plan would be implemented in detail, the financial agencies could merely provide programme loans which would meet both the balance of payments requirements and the financing requirements of individual sectors and projects of the Plan without trying to make loans for individual projects. In the case of Latin America, as illustrated by the Colombian experience, the organisational and institutional structures are not in operation to insure the necessary execution. The result is that the international financing agencies feel obligated to review specific projects and make judgments on the individual pieces rather than on the entire plan.

Indian Planning Ahead

This again emphasises how much further along the Indian planning system is than the Latin American planning operation. Another feature which is being borrowed from the Indian experience is the concept of an international consortium to finance the planning. After the review of the Plan by its Mission, the World Bank announced that it considered that the Colombian Plan was sound and that it was planning to give considerable financial support to the Plan and it invited other institutions and countries to join in providing financial assistance.

Another problem facing the Latin American countries is illustrated by the Colombian experience. India so far has enjoyed government by the same party since independence. This is not true in most Latin American countries. Even if the same party is in power, it is not possible for the President to be re-elected for a second term until there is an intervening term. The result of this constant shifting is that the Plans, even though they may have been accepted by the international financing institutions, are discarded. Valuable time may be lost while a new plan is prepared. More important is the fact that new personnel is frequently brought in, not only at the policy-making levels, but at the working level as well. Even in the case where the change in political control is not necessarily sharp as in the case of Colombia which was ruled by a coalition and the only basic change was in the Presidency, a radical change seems to have occurred with respect to the role which planning is expected to play. Most of the staff of the Planning agency has left. The new ministers in the various Governmental departments do not understand the role of planning and the co-ordinating function it can perform. They view it primarily as a curtailment of their authority.

Probably the greatest weakness in the planning systems of the Latin American countries is the lack of institutions to develop the sectorial plans and then to implement them. This is true of the public, semi-public and private sectors. The planning agency is rarely given the tools necessary to make their plans stick. Thus, in India and other countries where the planning system has been in operation for some time, the Plan is linked with the budget with regard to the public sector. Appropriations for any project to any agency of the Government or Local Government can only be made if it is in the Plan. In the private sector, the actions are similarly co-ordinated by the Plan and the Central Planning Body.

India and the Alliance for Progress

India should be interested in the growth of the Latin American economies, since these two hundred million persons, with a fairly high level of income, present future potential markets for the Indian economy. At this time it is, of course, difficult to identify the particular products which India might export to the Latin American countries as they expand their income

(*Continued on page 200*)

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AGRICULTURAL PRODUCTIVITY LAGS BEHIND

Why Is It So?—Who Is Responsible?

By H. M. PATEL, I.C.S. (Retd.)

THAT it is of vital importance for us to maximise our agricultural productivity is accepted almost as a self-evident truth by all. What the steps necessary for achieving increased agricultural productivity are, are also fairly generally known, and quite large sums of money have been provided during each of the three Plans to ensure that no programme for increasing agricultural productivity suffers for want of funds. And yet we do not seem to have been able to achieve results of a correspondingly satisfactory nature. At the end of the second Plan, and even today during the second year of the third Plan, our yields per acre of different crops are among the lowest in the world, and, indeed, do not show any significant improvement over what they were, say, ten years ago. Indeed, in a recent careful study of *Trends in Yields Per Acre*, Prof. Dantwala came to the conclusion that "taking all crops together, yields per acre appear to have increased only slightly and insignificantly during 1931-59, a period covering nearly three decades." A later study by Prof. V. K. R. V. Rao came to the same conclusion regarding 1960-61. Why is that the case? And why, even when throughout this period, we were under pressure to maximise our agricultural productivity and success in such efforts as we put forward would have made enormous difference to our efforts in other directions, did we fail? What are the obstacles? What are the factors which stand in the way of our improving our agricultural productivity which is so vitally necessary?

An Administrative Failure

If a short answer were sufficient, I would say that our failure is very largely an administrative failure. It is due, in the main, to our failure to organise and make the best possible use of our available resources, and of the results of valuable research carried out at Pusa and other agricultural research institutes. There has been, in fact, a surprising lack of purposive action in this field.

How else, for instance, can we explain the very large percentage of foodgrains which are lost each year while in storage? The loss has been placed at as high a level as 40 per cent, or even if we prefer to accept the lowest estimate, the loss would be of the order of 20 per cent and more. Would it not be reasonable to expect effective and substantial action to prevent such recurring loss, or at any rate to reduce it to a minimum? And yet, so little is done, even though the solution for this particular problem is well known, namely, establishment of scientifically constructed silos, warehouses, and godowns, and the machinery with which to give effect to that solution exists in the Central and State Warehousing Boards!

Storepests Thrive

A critic and a persistent advocate of well-constructed silos was exasperated into saying almost bitterly the other day that "in the long run, it is cheaper and more profitable to save and use the harvested crops than to grow more food to feed the already thriving storepests." For some inexplicable reason, after over six years of its existence, the Central Warehousing Board has constructed warehouses with a capacity for no more than 165,000 tons, and not all of them are designed to keep out pests: only two silos have been erected, and so far as is known, no more are planned. And yet, if an adequate number of warehouses and godowns could be made available, even the problem of marketing and of provision of credit to small cultivators would have been materially assisted. This one simple and economic solution to our food shortage problem is virtually ignored: no one even hears of this as an effective method of adding to the availability of foodgrains.

No Reason to Quarrel

We prefer to concentrate upon ways of increasing agricultural production, and there is no reason to quarrel with this preference. What is our actual achievement, however, in this direction? What are the concrete steps we have taken? We have established large administrative organisations at the Centre and in the States, each with its complement of technical and scientific experts. But, on the whole, it is no exaggeration to say that there has not been much effective transmission to this day of known knowledge to the ordinary average farmer. And this, in spite of our having lighted upon an effective method, the method of community development. We decided, or rather unfortunately drifted into the view, that rural development should be our objective, in which increased agricultural productivity found a place as only one of several items to be achieved. Health and education and agricultural production are, of course, interrelated, but agricultural productivity ought perhaps to have been given at least equal, if not greater attention, for increased agricultural productivity would have not only helped rural welfare programmes materially, but would have also assisted industrial development. But for several years now, programmes for improvement of agricultural practices appeared actually to have been pushed into the background. It was left to a Ford Foundation Team of experts to draw our attention pointedly to the lapse and to recommend that the emphasis in community development ought to be on increasing agricultural productivity. To the extent we succeed in increasing the yields per acre, we would not only be able to reduce our reliance on import of foodgrains, but also succeed in increasing our exports of agricultural raw materials, or of goods produced therefrom. Either way, we would be making a significant contribution to our foreign exchange problem.

If this view is correct, it follows that we should, even at this stage, give agricultural productivity the highest priority, in fact, and not just in name. If we are to do this in earnest, we must first of all recognise that agriculture is a commercial enterprise and view its problems as we would view the problems of a commercial enterprise. Agriculture must adopt for its success appropriate technological improvements that have occurred, and it must be provided with appropriate economic incentives.

To take the latter first, fair and stable prices for agricultural produce would be the most effective economic incentive. Despite loud verbal protestations, Government still continues to fight shy of assuring our farmers economic, fair and stable prices. A support price for every principal crop would remove one of the two crucial uncertainties from the farmers' horizon; they would be protected against low, often artificially depressed prices both at harvest time and whenever crops are particularly good. Even when support prices are announced, no effective machinery is simultaneously set up to give them a reality. And yet there can be very little doubt that, given this incentive, freedom from the uncertainty regarding the minimum prices they can rely upon, the farmers would have no hesitation in working for maximum agricultural productivity, and thereby also for making production progressively more economic.

All this is obvious and never seriously controverted. How, then, is one to explain the failure to take any effective action in this direction? Why is there such a strongly apathetic attitude in this respect? It is not as if any other interest would suffer if support prices were fixed and machinery set up to give effect to them. Consumers' interest could be safeguarded, where necessary, by fixing ceiling prices. Why then the continued and almost studied indifference to a step which is in the interest not merely of the farmers but of the country's economy? When export promotion became a major problem, incentives were readily forthcoming as well as other schemes involving financial benefits. It is not, therefore, as if Government has any bias against economic incentives! One conclusion at least seems irresistible: there is no real understanding of or sympathy with the problems of agriculturists amongst those who formulate Government's policies.

Irrespective of incentives, agricultural productivity can, of course, only be increased by the adoption of scientific methods, and resultant technological changes. It has long been recognised that Indian agriculture is neither primitive nor backward: in parts of India, farmers have shown themselves as good as the best anywhere, and as willing to adopt the latest practices and technological changes. The problem, however, is to persuade the farmers generally throughout the country to adopt the changes. If we have not succeeded, we have only ourselves to blame. This will be clear from the brief review of the various essential changes and practices in question.

Improved Seeds

The first of these is the use of improved seeds. After so many years of effort, only 15 per cent of the cultivated acreage are estimated to be using seeds of improved varieties. Dependable supplies of seeds of improved varieties and seeds tested for freedom from disease of any kind are not yet readily available. There are not enough seed farms yet, and there is not enough control over the multiplication farms. Only recently there were reported instances of seeds distributed as "improved seeds" being diseased! One can scarcely overemphasise the obvious fact that the right quality of certified seeds are an essential prerequisite to im-

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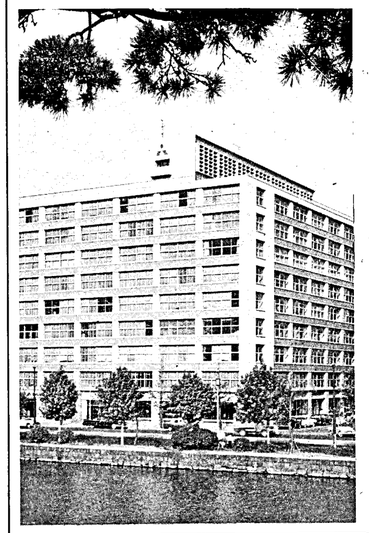

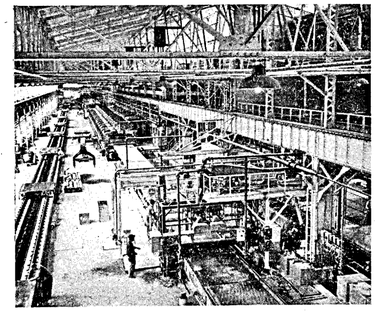

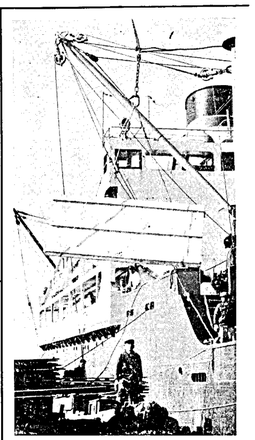

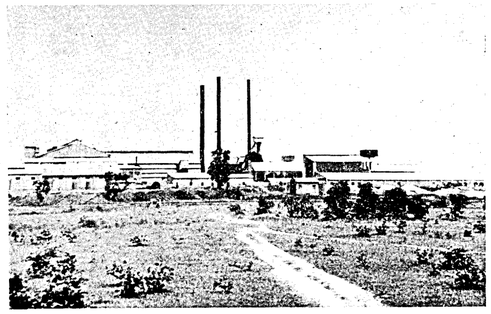

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proving productivity. And yet, it has to be admitted that the programme of multiplication seed-farms, of distribution of improved seeds, and of their inspection has made extraordinarily slow progress. Why should this have been the case, when the problem is one essentially only of organisation?

Soil Fertility

Our soils, after years of continuous cultivation, are in the main of low fertility. It is the considered view of experts that almost all our soils need nitrogen, three-quarters of our soil is deficient in phosphorus, and one-third of available area is deficient in potash. Adequate and right use of chemical fertilisers would rectify these soil deficiencies and pay rich dividends. In the United States, 25 per cent of the increase in yields is attributed to the use of fertilisers. In India, too, the benefits would be immediate, and possibly even greater. The farmer in India, fortunately, is not averse to using chemical fertilisers. Once he is convinced that the increase in yield will more than cover the extra investment involved, he will offer no resistance to change. During the third Plan period, it is proposed to make available one million tons of fertilisers in terms of nitrogen, 400,000 tons of phosphatic fertilisers, and 200,000 tons of potash. How much of these targets will actually be achieved, remains to be seen. If they are achieved, the resultant increase in yield will be striking. But not only is progress, in so far as new production is concerned, not encouraging, but what is produced is also not efficiently distributed, with the result that, on the one hand, production in one of the new fertiliser factories was reported very recently to have been stopped or about to be stopped, and, on the other, the farmers do not receive their supplies in good time. The machinery for, and the method of distribution, is still administratively unsatisfactory. Co-operatives used for distribution of seeds, etc., are, in parts, not as honest and fair as might be expected. Here, once again, we see a major administrative failure.

Effective steps for protecting growing crops from pests and diseases are as essential as when the crops are harvested and in storage. Plant diseases and insects, which affect yields, can be controlled effectively, if farmers are provided with such equipment as dusters and sprayers; and specialists are available near at hand to advise on the right pesticides to use. Once again, one is up against a problem of organisation. Pests of almost any kind can today be controlled effectively, and benefit in terms of increased yields must necessarily follow.

Better Implements

Improved implements of a relatively simple and inexpensive nature have been devised, but they are not yet as readily available as is necessary. Their use would materially assist the farmer in obtaining better results from cultivation and it is essential, therefore, to popularise them. The Indian farmer, like farmers anywhere in the world, is a conservative, but he is by no means unwilling to take to the use of anything that is demonstrably to his advantage. We have unfortunately not yet succeeded in discovering the right way of convincing him of the value of improved implements.

The next most important direction in which effective action is possible and would be most rewarding in terms of increased productivity is soil and water conservation. While water applied in right quantity and at right times will increase yields appreciably, inefficient use of water, too much or too little water, at wrong times, would actually reduce yields. Unsatisfactory surface drainage like excessive use of irrigation water tends to waterlogging. "In the Punjab alone waterlogging exists on some 3 million acres of land, with a serious rising water table on at least an additional 3 million acres." The Ford Foundation Team said in 1956: "There are places in India where millions of acres could be reclaimed and made productive by surface drainage at less cost and in less time than by developing new irrigation projects." In view of this situation, which is not disputed, one may legitimately inquire what steps have been taken for providing proper drainage wherever this problem exists. What is being planned to educate the farmer into controlled as against wasteful use of irrigation water? The answers to these and similar questions are unfortunately not likely to be satisfactory. Committees have been appointed and various measures have been recommended. But of action to implement, there is not very much.

Contour bunding and terracing could lead to increased yield in millions of acres of non-irrigated arable land; labour and material *plus* the necessary technical skill are all that is necessary. Organisation, coupled with competent technical guidance, will achieve remarkable results. A good deal of work has been done in this direction and, although the bunding has not always been as accurate and as extensive as necessary, the results have been remarkable. And yet, the progress, as a whole, is and continues to be slow.

Livestock

Livestock control, controlled grazing and soil erosion are all closely linked, and are responsible for much loss of land and productivity. Our cattle population is enormous and far exceeds our capacity to feed it satisfactorily. Half the number of cattle we now have is all we can afford. The smaller number would give us more milk, as also as much dung as now, for there would be more adequate fodder and feed for them. Until an appreciable reduction is achieved, every effort needs to be made to ensure only controlled grazing, so that no further damage is caused to the land. In every way, the country would benefit. And we would be more truly kind to animals and living creatures; we would have better fed healthy animals instead of mangy-looking bone and skin stunted creatures we see around us today.

These are all matters which are well known to the Ministry of Agriculture in Delhi and to the Departments of Agriculture in State Governments. Very useful pamphlets on all these subjects have been prepared and circulated. But the farmer in most areas still goes very largely his own way; he has accepted some things but he is not yet fully convinced about many others. This is where technical guidance comes in, but, unfortunately, because the technical experts do not usually inspire confidence, they fail to carry conviction. Few of these experts have ever worked with their hands and are often themselves unable to show how a particular practice they recommend should be carried out. Moreover, there is no sustained attempt at persuasion and conversion.

P.L. 480

Finally—and this in many ways is the most to be deplored—there would seem to prevail in regard to agriculture and its problems a great deal of indifference and not a little confused thinking. Lest this be considered too harsh a judgment, let me invite attention to the attitude of Government in regard to P.L. 480 imports of foodgrains, and in regard to dairy development. An American critic poses the problem in so far as the consequences of the P.L. 480 imports are concerned, thus:

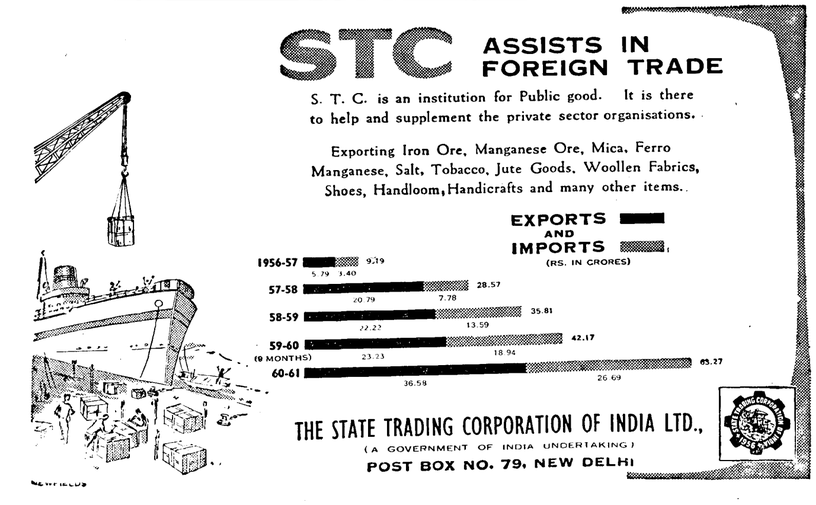
"Let me assume that a country absorbs a substantial volume of P.L. 480 farm products, that they are grants so that no payments are made for it and that the country purchases and imports the same quantities of comparable farm products as specified in P.L. 480 Agreement under which she receives U.S. farm products. Assume further that there are no close substitutes either in consumption or production within the country. Under these assumptions, take the recently announced P.L. 480 Agreement with India which apparently would provide a stream of U.S. farm products equal to 6 per cent of her domestic production of food. Imports of food from other countries continue at the same rate as before; also, imports formerly purchased from the United States are maintained as before. A price elasticity of the demand for farm foods of no less than unity, implies a reduction of farm food prices of 6 per cent which will be increased by the income effects of the rise in real needs associated with the receipts of P.L. 480 grants. Clearly, if this were the consequence, non-farm consumers would be better off. Cultivators in India, however, would be confronted by some decline of the relative prices of the farm products for purchase and sale. The incentive to maintain or expand agricultural production would have taken the wrong turn."

Since the main justification for welcoming P.L. 480 foodgrains has throughout been publicly stated to be reduction in price fluctuations and price stability generally, the full benefits of these imports can only be derived if they are in fact utilised so that prices get stabilised. Today, however, while P.L. 480 foodgrains are welcome, no real thought is given to the problem of achieving price stabilisation. Call it indifference, or call it inability to understand the farmer's problems and to grapple with them, nothing really effective in this direction has so far even been attempted.

Another illustration of this same nature is to be found in the large dairy established in Delhi under the direct supervision of the Ministry of Food and Agriculture, the very Ministry whose primary function it is to increase the production of milk. The primary justification for the establishment of such a dairy can only be the improvement of the condition of the farmer, who owns or maintains a baffalo, or a cow or two, on the small piece of land he cultivates. No doubt there exist other objectives, but these are subsidiary. And how does this dairy project proceed to serve the farmers of the villages surrounding Delhi? By fixing the price of its pasteurised milk at an arbitrarily determined low figure! It then proceeds to buy its milk not direct from the villages but from contractors, so that the farmers do not even receive the full price, which the dairy pays. The urban consumer undoubtedly gets better milk at a low or even lower price. But the farmer is certainly not better off because of the dairy. Indeed, were the dairy being run on correct lines, it should by now have led to a striking increase in the production of milk, as has been happening in the area served by the Kaira Union of Milk Co-operatives. Is it not strange that a dairy run directly by the Ministry, whose business it should be to further the interests of the agriculturists, should be so confused in its thinking as to place urban interests before rural?

It is evident that our "economic" policy today is influenced by the one dominating conviction that, without rapid industrialisation, we cannot forge ahead. To make that possible, rise in price of the basic necessities of life and of agricultural raw materials must be checked. "Fair prices" for foodgrains and for agricultural produce generally tend invariably to mean low prices, unrelated to cost of production, unrelated to prices, which may be considered objectively to be the minimum necessary to induce the farmer to put forth his best effort. How then can agricultural production show the improvement we expect or desire in it?

Two reasons, in short, may be said primarily to be responsible for the failure of agriculturist to show the requisite increase in productivity: unwillingness of the Government to provide the minimum financial incentive of fair support prices for the principal agricultural crops, and administrative indifference towards satisfactory implementation of projects designed technologically to increase the ability of the agriculturists to produce more.



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STABILISATION OF FOODGRAINS PRICES

Devices, Like Antibiotics, Must Be Chosen Carefully

By S. K. PATIL

MINISTER FOR FOOD AND AGRICULTURE, GOVERNMENT OF INDIA

NEVER before in the history of India was the need for maintaining the agricultural prices at reasonable levels so great and pressing as it is now when the country is fighting the Chinese aggression on its northern frontiers. Stability was, of course, the aim even before the Chinese Dragon started extending its poisoned fangs towards our territory. Stable prices are necessary not only to reduce fluctuations in farm incomes but also to minimise aberrations in consumer prices. Assurance of reasonable return to the producer is as necessary for maintaining his incentive as assurance of stable cost of food is for maintaining prices of industrial goods. Stable prices keep inflationary pressures at bay and thus smoothen the process of economic planning and development.

Several methods of price stabilisation are known to economic literature. In practice, however, doctrinaire approach does not help always. Pragmatism has to take its place. What might suit the economic, political and social environments of a particular country need not necessarily suit another. And, what might suit a country in the given circumstances might fail when circumstances change. The method has, therefore, to be adapted to the needs and circumstances as they shape themselves. The keynote of all methods of price stabilisation is to create a psychology of confidence, for shaken confidence is the beginning of a price spiral. The need for a psychological approach is further emphasised by the preponderance of human factor and its delicate sensitiveness to speculation, rumours, subjective influences and other elements influencing the working of the human mind. All devices of price stabilisation, therefore, attempt at nipping in the bud what might ultimately swell into a crisis of confidence. But these devices, like antibiotics, have to be chosen carefully. One has to be selective and not wedded to any dogma if he is to strike at the right remedy for each ailment. After all, the remedy chosen is a means to an end and not an end in itself.

Kingpin of a Sound Policy

Public confidence being the kingpin of a sound price policy, the question arises: how to bring it about and sustain it? The level of internal production is, no doubt, the most important element and this level has got to be kept up where population is rising and export needs are pressing. But prices themselves have to be remunerative to maintain the incentive of the growers which is basic to augmentation of production. The farmer has to be assured of at least a reasonable minimum price for his produce. And this is what has been done in the case of at least the major agricultural commodities in the country, namely, cotton, jute, sugarcane, wheat and rice. This is apart from other State assistance to agriculture in the form of seed, irrigation, fertilisers, implements, credit, etc.

Internal production alone is not enough; for what is produced must find its way to the market where price formation actually takes place. The pace and pattern of farm disposal influence the market prices more than any other single factor. If the produce is kept from the market because of certain genuine bottlenecks or ignorance or design, prices are bound to be affected; and, if this happens, the situation worsens still more in the deficit areas which look to the surplus pockets for meeting their shortage. On the other hand, there are areas of large concentration of population which would suck any amount of supply from surplus regions. Any shortage, real or artificial, in these areas of heavy demand is bound to affect prices there. Thus, the price administrator has constantly to keep an eye on what might be called the epicentres of price rise, with a view to localising the adverse effects of shortages on market prices and keeping them from spreading far into other regions. This requires, particularly in the case of essential supplies like foodgrains, storage at strategic points and judicious and effective distribution therefrom. Once Government granaries are or appear to be full and their machinery of distribution alert and awake, the private trade, too, will keep the supplies moving which, in turn, would keep the prices stable. Stepping up of internal production has, therefore, to be coupled with devices which would keep the flow of marketable surplus even. To the extent the internal production is short of total requirements, there is no alternative but to supplement the domestic supplies with imports from abroad and use such imports for what has come to be known as buffer stock operation.

Localised Rises Only

One might recall that, soon after India entered into a long-term agreement with U.S.A. for import of foodgrains in May 1960, the hoarded stocks of wheat in the country came out in the open even before the American grain started flowing in. Since then, wheat prices in the country have been stable and, what is significant, internal wheat production has been steadily going up. While buffer stock of foodgrains is being steadily built up and modern storage accommodation is being progressively increased, movement of wheat from one corner of the country to the other has been made free. In the case of rice, too, the area of free movement has been considerably enlarged. Reliance has thus been put on the market mechanism to stabilise prices. At the same time, however, strategic location of stocks and governmental purchases and sales have succeeded in keeping prices within reasonable limits. Even the seasonal price rise, particularly in the case of rice which is an annual affair between July and September, was, in 1962, confined to the few States in the eastern region, where production in 1961-62 had suffered due to diversion of paddy area to jute and also to adverse weather conditions. For wheat, the rise was marked in Maharashtra, Gujarat and Madhya Pradesh where the millets crop suffered heavily and also in the Punjab where the pressure on supplies increased owing to larger demand from the former set of States. Therefore, with buffer stock operations, a stage has clearly been reached where general price rise of the past has yielded place to localised rise, which, too, is attributable to certain specific factors.

Aggression and After

The above system of price stabilisation was put to test when China attacked India in October 1962. Immediately after the aggression, Government acquired emergency powers. That was necessary for various reasons. It was, however, suggested in many quarters that those powers be used immediately and straightaway for launching a system of controls which alone, according to this view, would maintain internal prices. It was feared, and genuinely, that there would be situations of transport bottlenecks and temptations of speculative profits which would lead to rise in prices. It was apprehended that the system of regulation of market prices which had borne fruit all this time prior to the Chinese aggression might not continue to deliver the goods. But, whether in peace-time or otherwise, public confidence is the keynote of stable prices. Whether, therefore, the emergency powers are used or not, the objective should be to ensure that people's confidence is not shaken. When the whole nation is at war as one man, the interest of the trader in agricultural commodities is none too different from the interest of, say, the consumer or any other class of people in the country. There is only one interest, and that is the common interest of all. If that were brought home pointedly to all concerned, public psychology could be maintained. One could rely on the sense of patriotism and civic responsibility of the business community to stand shoulder to shoulder with their other compatriots and to so regulate their individual and collective conduct as to ensure that the supplies moved freely into the market, that there was no hoarding or withholding of stocks, that their margins were reduced and that prices were maintained at a reasonable level.

The Real Test

Gifts of money from the business community are undoubtedly welcome but, more than these, what would bear the seal of patriotism are the services that they can render to the community in the hour of need. To the extent that trade could achieve the common objective of maintaining prices stable by its own regulations and restraints, these should serve as the best reward that patriotic duty can bring them. At meetings held with the trade, their duty by the country in this hour of trial was brought home to them. They displayed their readiness and willingness to cut their margins and maintain prices at reasonable levels. It is gratifying that the trade has since been so conducting itself that resort to statutory measures has so far proved unnecessary. The whole country would applaud them as those who rose in full stature to the demands of the crisis that faces the entire nation, if they continue to exercise self-regulation and self-discipline. It will be noted that, between 10th November and the first week of December 1962, the all-India index of wholesale prices of rice has declined from 117 to 113, wheat from 92 to 89, *jowar* from 137 to 132 and all cereals taken together from 110 to 106. With the increasing arrivals of the new crop and the continued co-operation of dealers in agricultural commodities, one should hope that the prices would continue to be maintained at reasonable levels. Even so, it would be useful to have Commodity Boards to exercise regulatory and supervisory functions to ensure a continuing equation of supply with demand and standardisation of market margins at different levels.

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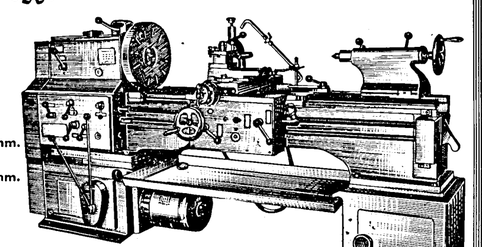

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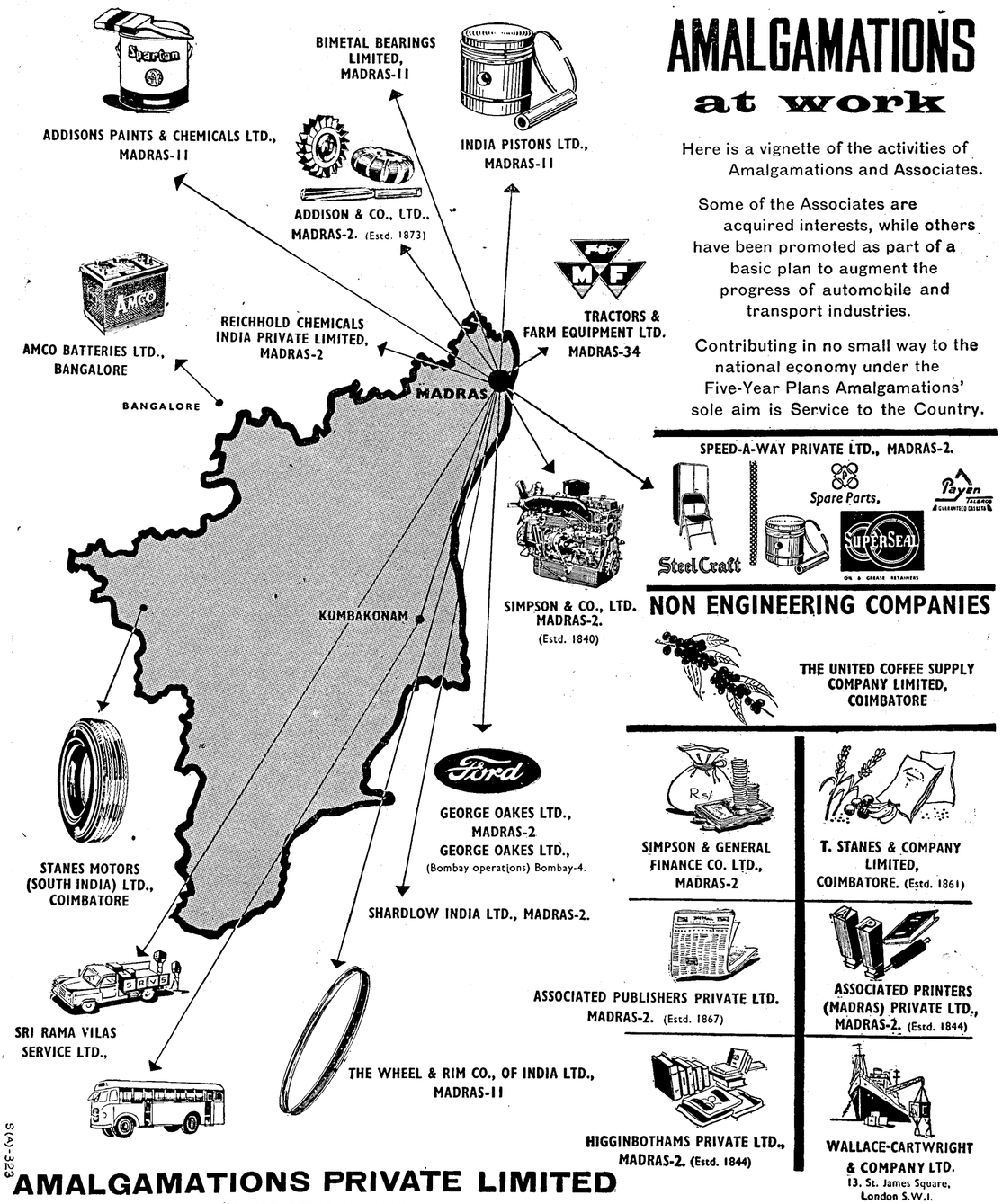

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INDO-AMERICAN RELATIONS

(*Concluded from page 48*)

to promote an "accommodation" between the two countries. "I think," said Harriman, "it is of vital importance to both of them that they do work together, and perhaps they can work together without a pact."

Steps in this direction were taken during the later part of Mr. Eisenhower's second term. Knowing well the intensity of the feeling in India and Pakistan over Kashmir, the United States decided to skip that problem and to start its efforts with a bid to help in the settlement of the dispute over the waters of the Indus River. William H. Draper, appointed by Eisenhower to study the American military assistance programme, held many discussions on the subject with Eugene Black, President of the World Bank, who had initiated (undoubtedly with the blessings of the U.S. Government) negotiations with the Governments of India and Pakistan. Draper told the Senate Foreign Relations Committee in 1958 that the solution of the Indus Waters dispute offered "an opportunity, an opening" for what the United States was looking for, namely, "some composition of the problem as between India and Pakistan." "That is more important to the future of the free world and the United States than whatever money is involved here, many times over," he emphasised. Eisenhower's Defence Secretary, Neil McElroy, agreed with this interpretation and asserted that the settlement of the dispute would in time enable the two countries to focus their attention on "their problems in the North." The Kennedy Administration has continued the policy of its predecessor and has evinced keen interest in supporting further stages in the Indus programme and has publicly announced that the establishment of close relations between India and Pakistan was "a major policy objective of the United States."

There has been widespread appreciation in India of America's good offices in the settlement of the Indus Waters dispute. The Kashmir dispute is, however, a great deal more complicated, with far-reaching ramifications. On the basis of the record, it appears that the United States would favour a settlement of the dispute on terms satisfactory to both sides. It is to be earnestly hoped that the United States would not swerve from that sound position. Any other course on the part of the United States would drain away the tremendous goodwill that its speedy assistance to India has evoked.

* * *

In the present article the writer has set forth some observations on the broad course of the relations between the United States and India in recent years. India erred in slighting U.S. warnings concerning the implications of the establishment of Mao Tse-tung's Communist regime in China. India neglected to take advantage of America's standing offer of military assistance even after its leaders were in no doubt concerning the expansionist designs of Peking. The United States played its cards wrongly in complicating the situation in the sub-continent by associating Pakistan in its military alliance programme. Despite these problems, however, sufficient good sense prevailed among the leaders of the two countries to maintain relations of cordiality and friendliness. Such differences as existed were freely and openly discussed in the two democracies—a process which may have the disadvantage of exacerbating feelings occasionally but which also keeps alive and fosters a propensity to know and understand the other party's point of view. The basis of goodwill and mutuality of interests was so strong that, in its hour of need, India instinctively turned to the United States as the principal source of assistance. Few Indians harboured any doubts as to what the response of the United States would be.

Close collaboration with the United States does not mean and does not involve any abandonment of the objectives that India has set before itself and sincerely pursued under the leadership of Mr. Nehru—the establishment of a secure peace, the elimination of the danger of thermonuclear war, the abolition of all kinds of colonial domination, and a better future for the underprivileged everywhere. In these and other tasks, India and the United States will continue, as before, to judge each issue independently on its merits. The question of our joining any bloc or military alliance does not arise at all, despite the frantic exhortations of some nervous Indians. Certainly, no suggestion has come from the United States that India should enlist itself as a member of any military alliance.

It is also absolutely necessary that we should not fall into any habit of depending on America or any other country to pull our chestnuts out of the fire or prop us up on our feet for an endless period. That will be the surest way to forfeit our self-respect and even the essence of our independence. Equally to be avoided is the habit of constantly suspecting the *bona fides* of friendly nations and giving dubious bystanders the benefit of every doubt. Above all, we must remember that this crisis too will pass and India—and the world—will go on, with new problems and challenges arising from time to time.

NEW DELHI 3*rd December*.

COLLECTIVE FARMS IN EAST EUROPE

Far-reaching proposals for the decollectivisation of farms in Czechoslovakia, East Germany and Hungary are reported to have been made to the Communist Party Central Committees in these countries. The proposals have originated at the recent secret Comecon meeting in Warsaw. The proposals vary slightly from country to country, but the basis is the same for all the three countries. According the new proposals, in farming areas which for more than three years have not been able to make deliveries of farm products in the quantities required by the State Plans, the collectives should be abolished. Farms of up to 20 hectares (about 50 acres) should be returned to their former owners or put into other private hands. Farm co-operatives should be formed for the purpose of owning machinery, which would be handed over to them by the machine-tractor stations.

The prospective private farmers would own their land, but deliveries would have to be made into the State wholesale centres and surpluses over the demanded figures could be sold by the farmers themselves. Apart from the last item, the system now apparently proposed corresponds closely to that already prevailing in Poland. The proposals, if adopted, would constitute a fundamental policy change for all the countries concerned.

The need for some drastic reforms has been felt in all these countries. As was pointed out at the Comecon secret meeting, collective farmers under the current system generally lack interest in their work and find few incentives to work well. In Hungary, collectivisation was completed only in 1960 and droughts in 1961 and 1962 would in any case have ensured a poor harvest, but it is generally agreed that too many, if not most, of the peasants there do not like the collective system and consequently do not work well under it.

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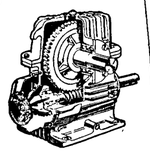

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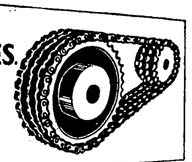

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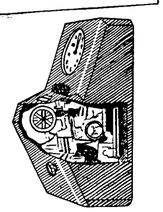

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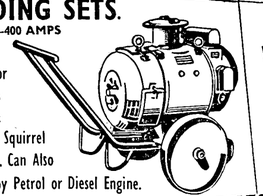

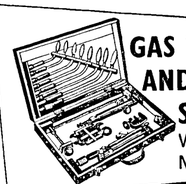

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CO-OPERATIVE FARMING

Tests For Evaluating Its Success

By J. C. RYAN, I.A.S. (Retd.)

NOT long ago, co-operative farming was a subject of much controversy; but now we hear little of the opposition to it. The third Five-year Plan has programmed for it; the Ministry of Community Development and Co-operation has undertaken the implementation of the programme in 320 Pilot Projects with 3,200 farming societies; the co-operative officers in the States are busy organising these societies; and shrewd agriculturists are taking advantage of the financial and other inducements provided by the Government and are joining them. By the end of the Plan period, the targets will have been reached, as co-operators know too well how they are reached; and successive evaluation reports will pour in recounting the success of these societies and advocating their multiplication. The taxpayer may be in for more taxes to support the Fourth Plan of Co-operative Farming Societies even as he has had to foot the bill for maintaining prohibition, notwithstanding the loss of revenue it has caused to State Governments, the increased expenditure it has involved them in on the enforcement staff and prisoners, and the loss of much needed foreign exchange it has brought about by hindering tourists in spite of Governmental efforts to mitigate the inconvenience. It is the purpose of this article to indicate what ought to be assessed in co-operative farming societies, if they are to be pursued as a national policy.

Four Types of Farming Societies

For a proper appreciation of the matter, one should have a correct view of what is meant by co-operative farming societies. The All-India Co-operative Planning Committee of 1945 which was presided over by Mr. R. G. Saraya, classified them under four categories: (1) Co-operative Better Farming societies in which the individual member owns the land in freehold or leasehold but cultivates it according to the advice and with the facilities provided by the society; (2) Co-operative Tenant Farming societies in which the society owns the land in freehold or leasehold and individual members take portions of it on lease and cultivate them as its tenants in the manner advised and assisted by the society; (3) Co-operative Joint-farming societies in which the individual members own their lands but lease their use to the society for being cultivated on its account with their labour; and (4) Co-operative Collective Farming societies where the society owns the land and cultivates it with the labour of its members. On 30th June 1960, farming societies of these four varieties were as follows:

(1)	Co-operative Better Farming Societies	908
(2)	Co-operative Tenant Farming Societies	2,012
(3)	Co-operative Joint Farming Societies	1,758
(4)	Co-operative Collective Farming Societies	803
	Total ..	5,631

The Ministry of Community Development and co-operation has decided that the first two classes of societies are not farming societies and that the last two alone are farming societies eligible for the various aids offered by the Government. Following this decision, in some States, the first two kinds of societies are not registered at all. Madras, however, has found the Tenant Farming Societies very suitable and in the district of Thanjavur alone (the granary of South India) there are 69 societies of this type. That State is actively encouraging temples to lease out their lands to these societies for being sub-leased to tenants, eliminating the middlemen who till now intervened between the temple and the tiller. A recent study in 21 tenant farming societies has revealed that the average yield per acre has gone up in these societies by 14 per cent.

Achievements of a Tenant Farming Society

In one co-operative tenant farming society in the Thanjavur district, where the society had taken on lease about 95 acres from a Devasthanam and divided them among 31 members for individual cultivation, the average yield per acre was 30 *kalams* of paddy, as against the previous yield of 24 *kalams* when the Devasthanam itself was cultivating the land. During 1960-61, the society collected 1,215 *kalams* of paddy from the members as its share of the produce and paid the Devasthanam 1,110 *kalams*. The society had borrowed medium-term loans from Government for the purchase of bullocks and agricultural implements and short-term loans from the Central Co-operative Bank for cultivation expenses on Government guarantee, and passed them on to its members. When they fell due for repayment, the society collected the amounts due from the members and paid them to Government and the central bank; there were no overdues. The society made a net profit of Rs. 708 after meeting its own running costs, which were not much, as the biggest item was only the salary of a part-time clerk who was paid Rs. 30 a month. Government had given the society the free services of an agricultural *maistry*.

Achievements of a Joint Farming Society

As against this, another society, which was called a co-operative collective farming society, in the same district has got into shoals. Six A class members holding lands had contributed Rs. 1,250 of share capital, 25 B class members, all agricultural labourers, had put in Rs. 375 and 26 C class members, casual labourers, had paid Rs. 26. This society took 127 acres of land on lease from its president for fifteen years. The Government lent a Senior Inspector of Co-operative Societies and a field-man to work as its secretary and technical guide, respectively. They also gave a subsidy of Rs. 4,500 and a loan of Rs. 4,500 for the purchase of bullocks, country carts and agricultural implements. The society purchased eleven pairs of bullocks and three country carts. It also bought from the president his pump set for Rs. 3,000, although it was not in working order. None of the A class or B class members took part in agricultural operations. Some of the C class members did the job; but, soon, the secretary could not find enough workers among even the C class members; and the president obliged the society by sparing the services of some of his own farm labourers for work. The society incurred a loss of about Rs. 11,000 in the first year and about Rs. 2,250 in the second year. The total assets of the society amounted to about Rs. 13,000 as against a liability of about Rs. 26,500. The central bank, which had lent about Rs. 14,500, may have to recover the amount by enforcing the Government guarantee on which the loan had been advanced. It is doubtful if the society can be set right and put on a sound business footing. This confirms the view of the Committee on Co-operation in Madras (1955-56) that joint farming on co-operative basis is not likely to be popular and capable of implementation on an extensive scale.

Financial Aids from Government

But Madras and all other States are establishing joint and collective farming societies as prescribed by the Plan; and the public will have no opportunity of comparing the achievements of joint farming societies with those of tenant farming societies as the Government of India have directed that separate statistics should not be published in the annual Statistical Statements of the Co-operative Movement in India for all the four types of co-operative farming societies but should be published only for collective and joint farming societies. Quite a lot of the taxpayers' money is being spent on these two kinds of societies. Government contribute towards the share capital of each society a sum not exceeding Rs. 2,000 per society. Long and medium-term loans are provided by Government up to Rs. 4,000 per society for land improvement, purchase of bullocks, etc. In addition, a long-term loan of Rs. 3,750 and a subsidy of Rs. 1,250 are offered to each society for the construction of a godown-*cum*-cattle shed. For cottage and village industries, they will be assisted by Government from the schemes of the Khadi and Village Industries Commission and those of the Ministry of Commerce and Industry "on a preferential basis." Further, a subsidy of Rs. 1,200 spread over a period of three years is given towards managerial expenses.

Bank Credit

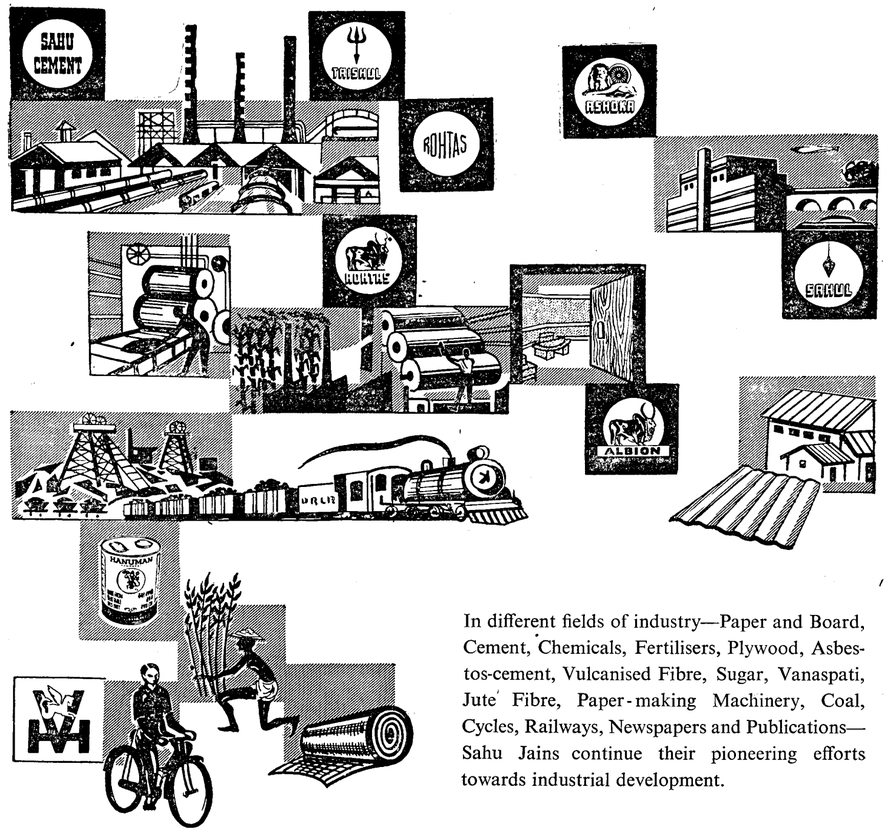
It will be observed that all this financial aid from Government does not include short-term loans for the annual cultivation expenses. These are expected to be provided as short-term loans by the Central Co-operative Banks in the districts. It was indicated to Government that these banks would not be willing to lend to collective or joint farming societies, because one could never tell whether these societies would be able to repay their loans out of the income derived from joint cultivation. But the difficulty was brushed aside on the ground that *a priori* joint farming should yield larger incomes than individual farming and central banks were required to lend to them freely. Instances of heavy overdues where central banks had lent to these societies and examples of where they could not recover their dues were given, and it was suggested that, if Government were so sure that the repaying capacity of the society would be better than that of the individual farmer, they need have no hesitation in standing guarantee for the loans taken by the society. In the end, in the pattern of financial assistance from Government, it was included that Government would contribute to a special bad debt reserve of co-operative central banks "two per cent on the additional loans given by them to co-operative farming societies over the loans given in the previous year." The Madras Government, however, have very wisely agreed to continue their policy of guaranteeing the loans given by central banks to co-operative farming societies. They recognise that these banks are not the "creatures" of Government but autonomous institutions which are accountable to their shareholders and depositors and whose credit with the public and the Reserve Bank would suffer if they carry a heavy load of bad debts.

Pseudo-Co-operative Farming Societies

On account of the financial aids available to co-operative farming societies even before the present scale of Government aid was announced, several such societies had sprung up in the country to avail themselves of Government help. There were also other questionable motives which gave rise to the formation of some societies. The Working Group on Co-operative Farming (1959) stated that "attempt to evade land ceiling and secure advantage of facilities offered by Government in the grant of lands and financial assistance also led to the establishment of a few societies." They observed, too, that, in some cases, they were "merely a family affair," and in some they consisted of absentee landlords who sought "to eject their tenants or to prevent them from obtaining better rights." In any evaluation of the attainments of co-operative farming societies all such societies should be excluded. Also, societies which, under the title of Joint Farming societies or Collective Farming societies, are actually doing individual farming should be left out. It will not do to say, as the Working Group did: "*Gramdan* societies were carrying on individual cultivation and were at the initial stages." Hopes of joint-farming at later stages should not be accepted as a justification for including societies under the approved forms of farming societies for assessing their performance. Only those societies should be studied which conform to the true concept of a co-operative collective or joint farming society.

Collective Farming Societies

Collective farming societies, in particular, have to be scrutinised with care. When the Andhra area was still a part of the Madras State and I happened to be the Registrar of Co-operative Societies at Madras, I had a collective farming society registered at Nuzvid with 12 members who voluntarily offered to pool their lands in the society. Anxious to try out this new enterprise, I obtained from the Government substantial grants and long-term loans for the society to erect oil engines and pump sets to irrigate the 500 acres that were to form a compact farm. But the society could not start work. In spite of the fact that all the members belonged to the same community, disputes arose over the valuation of each one's land according to which each had to be given share certificates in return for their surrendering their title to the lands to the society. Many endeavours to bring about a compromise failed, and, ultimately, some of the disgruntled members applied for the voluntary liquidation of the society. It is very doubtful if there are today any collective farming societies where the members have surrendered their title to the lands in perpetuity. Societies of the collective type can be formed only where Government or some philanthropic persons or institutions donate their lands to a society for good. In such cases, the question of issuing share certificates in the name of each member will not arise; for, it may then have to be done by dividing the society's land into individual bits and valuing each bit. Moreover, when it has been announced that the pooling of lands in a farming society should be



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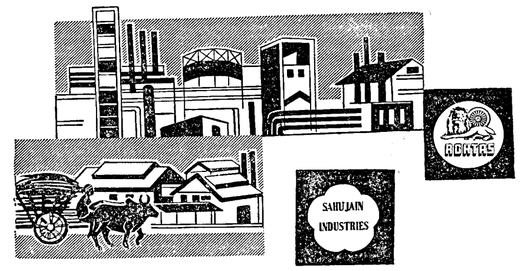

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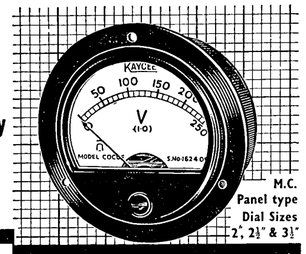

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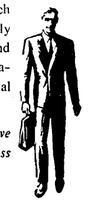

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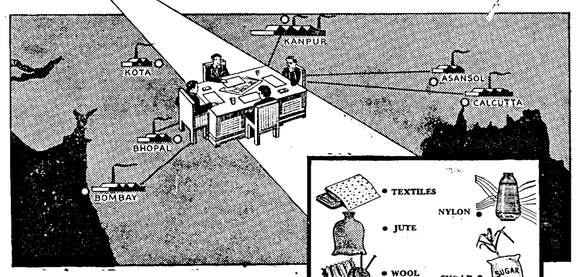

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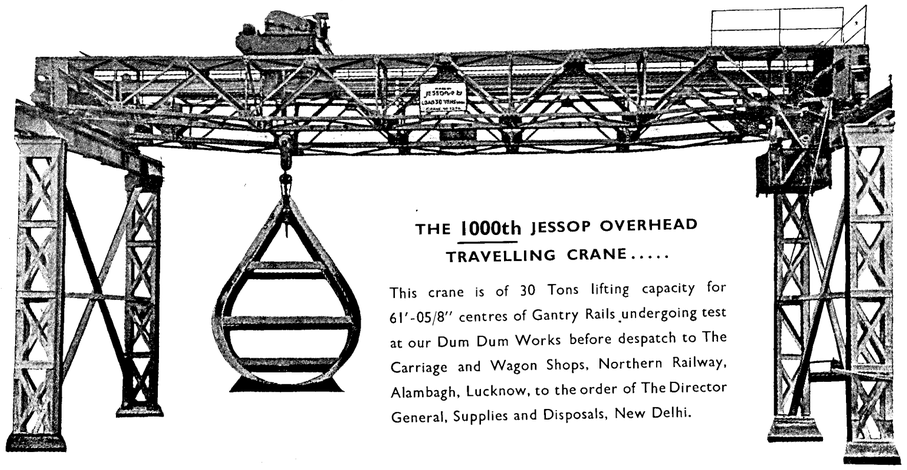

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voluntary, that it should be done for at least five years, and that every member should have the liberty to withdraw from the society, agriculturists are not likely to make an absolute transfer of their lands to the society. Hence, in classifying societies as collective farming or joint farming societies, only those should be grouped under collective farming societies as have the full title to the lands they possess. The fact that, in some joint farming societies, they have adopted the method of issuing share certificates for the value of the lands, livestock and agricultural implements which are pooled will not entitle them to be called collective farming societies. What is pooled in this case is only the use of the land and not the title to it. When the use of the land alone is pooled, the society holds it only on leasehold. When the lease is for only five years and when the member is free to withdraw from the society thereafter, his share capital is withdrawable. Creditors will have to beware of the value of the share capital of the society for sanctioning loans, as it will be a slippery margin of security for the loans.

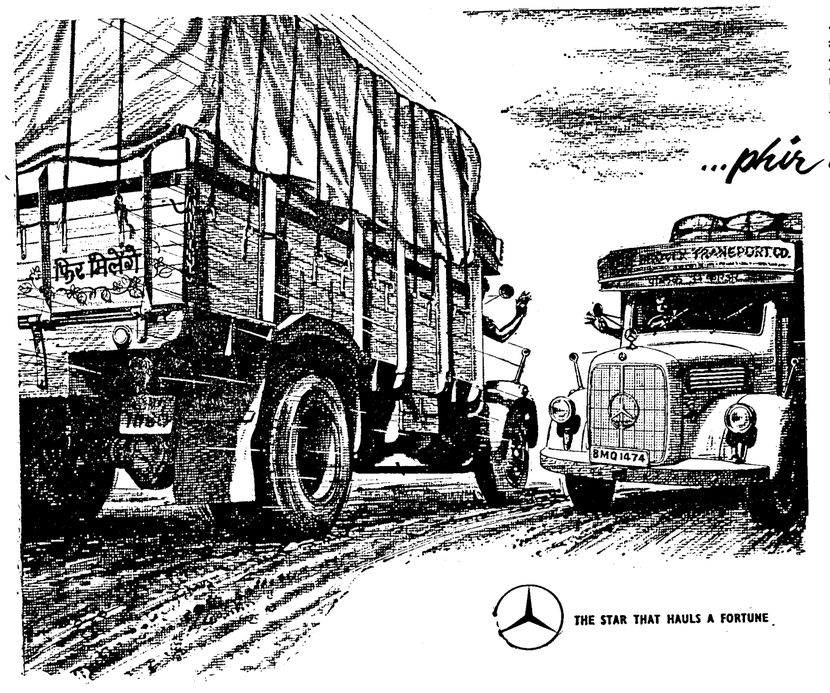
Business Test

When by the process of elimination suggested above, all pseudo-co-operative farming societies have been excluded and a correct classification has been made of joint and collective farming societies, the genuine collective and joint farming societies should be assessed on their performance, not allowing sentiment to overcome realities. In one joint farming society, which is a show-piece in the country, visitors are shown the farm which is cultivated by its members jointly; they are taken round the luxuriant crops on the fields, the irrigation wells, pump sets and channels, the cattle-yard, the tractors, etc.; they are told that the members work in groups under group leaders, that they are paid better wages than those prevailing in the neighbourhood, that they are supplied vegetables from the farm free of cost, that their children are given school books and writing materials without any charge, that the society has worked profitably, and that it has built up reserves and distributed bonuses to members on the number of work days put in by each. And yet what is the overall position of the society? The Government gave it 223 acres of lands about twelve years ago on lease at an annual rental. The rent was in arrears to the extent of Rs. 17,000 on the date when its affairs were examined critically. Six years ago, the society purchased 150 acres of lands for Rs. 1.30 lakh; but Rs. 39,000 were in arrears to the vendor of the property. The society had borrowed from Government long and medium-term loans for the purchase of this land as well as for other purposes such as godowns, land improvement, poultry project, and motor trucks, as much as Rs. 1,42,000; but it was overdue to Government in respect of these loans to the extent of Rs. 49,750 under principal and Rs. 11,000 under interest. When the repayment of the loans was in arrears, how was the society shown to be working at a profit of Rs. 24,658 at the end of 1958-59? Did the profits come from the subsidies given by Government for land improvement, the manager's pay, seeds and fertilisers and godowns? Was the income of the society less than its expenses? And did it leave no surplus to clear the instalments due on the loans every year? This kind of business test is the chief test that has to be applied in evaluating the achievements of a joint or collective farming society.

The Working Group on Co-operative Farming took the view that, "while financial position can be a good indicator of the success of a society, for a proper appreciation, it is important to know the extent to which the objectives of the society have been fulfilled." These objectives, according to them, are increased production of agricultural commodities and the economic and social well-being of the members of the society. In the society described, the yield of paddy and sugarcane per acre on the farm had declined progressively from 1954-55 to 1958-59; and the members were indebted to the society to the extent of Rs. 68,000, which they had borrowed for unproductive purposes, and the bulk of which cannot be recovered from their wages. But even if production had increased every year, and even if the members had benefited economically and socially during the period, what will happen to the members if, in due course, the society is liquidated for being a business failure? It is time that it is recognised that a co-operative society is a business institution and that, when farming is shifted from the individual's account to an institution's account, the business aspect is the most important aspect.

Pertinent Point

The point is that institutional farming entails the payment of wages, whereas individual farming seldom employs paid labour. The small land-holder toiling on his farm does not take into account his labour charges; and his wife and children work on the farm without wages. In a co-operative joint-farming society, not only has the member to be paid his wage but the members of his family also have to be paid wages if they work on the farm. In one joint-farming society in the Trichirapoly district, which I had sponsored, the members complained that the wages paid were below the rates prevailing in the neighbourhood. It was explained that what they were paid was only an advance and that, when the produce was harvested, they would get an additional payment. This did not satisfy them, and the society had to give in and fix their wages at the local rates. Later, they complained that these wages, too, were inadequate and went on a strike. The society was obliged to enhance the wages further to retain their labour, and, in the end, the society's wage bill had eaten up all its income from the harvest and its own share capital, besides leaving the Government loans heavily in arrears. For a proper evaluation of joint-farming societies, therefore, the cost of agricultural operations, of which wages form an important part, should be carefully reckoned and compared with the income from the farm. Depreciation on machinery, livestock, buildings, etc. will also have to be taken into account. Enthusiasts for joint-farming may say that institutional farming *should* result in increased production, and that the increase *should* more than cover the cost of production and depreciation charges. But realists will ask whether it *does* really cover them? Moreover, as a co-operative institution, the society has to pay dividend on share capital and bonus on wages earned. Will the increased production be so large as to enable the society to meet these payments too?



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Economic Implications Of The Present Emergency

Heavy Additional Taxation Inevitable

By Dr. P. S. LOKANATHAN

THERE is, undoubtedly, some difficulty in analysing and assessing the economic impact of the present emergency, because one does not precisely know the scope, limits and dimension of the Chinese aggression. Will this be only a border war or will it turn out to be more serious than that? How long and persistent in an active way would this aggression continue to be or last? There is a general belief that the emergency will continue in its present form for the next two or three years, perhaps longer. But one can never tell.

While, therefore, there is an essential element of uncertainty in respect of the nature and duration of the emergency, what is not in doubt is its impact on the scale of our thinking in regard to both defence and development. The Prime Minister said the other day that the present emergency was a blessing in disguise. It has already altered the scale of our thinking. The problems of defence and development have assumed a new dimension, the effects of which will be apparent in the next few years. Not only should defence effort be mounted up fast and in a substantial way, but the scale of our development planning should also undergo a radical, almost a revolutionary change. Economic development and defence are not unrelated to each other; industrialisation and the building up of a strong economic base are basic to defence. Viewed in this light, it is clear that our Prime Minister was right. The emergency is a blessing in disguise. If it can revolutionise our ideas, in relation to the scale of our planning, and, if we take full advantage of the opportunity thrown by the challenge posed to us, the country will have gained a great deal.

Savings Must Be Stepped Up

Time was when even the modest investment target of the third Plan was regarded as ambitious and excessive and it was argued that the targets should be limited to the resources immediately available or near at sight. It is now evident that these targets are modest, if not inadequate, and that we must build up our economy rapidly and substantially. To have allowed ourselves to be severely limited by the poor rate of savings of 10 per cent of our national income is seen in the present context as both short-sighted and weak. India can no longer afford to be a mere 10 per cent saver. Within a few years, she should strive to become a 15 to 20 per cent saver. There can be no hope otherwise of the country being both able to defend itself and to raise the standard of living of the people.

The emergency does provide the opportunity. The requirements of the war (or defence) brook no delays or shortfalls. It is agreed on all hands that our defence forces should be doubled in the next 12 months or so. The additional outlays involved in the doubling *plus* the needs of equipment, supplies and other requirements would involve an overall expenditure of at least Rs. 500 crores, even after allowing for the import, under lend-lease or any other arrangement, of the more sophisticated armaments and equipments from friendly countries.

Some expansions of the capacity in ordnance factories to meet the defence requirements and further expansion in related sectors of the economy, e.g., transport, power, etc. are also necessary. Similarly, in the industrial sector, after allowing for fuller utilisation of existing capacity, additional expansion in the key industries like chemicals, petro-chemicals, engineering, plastics and some further development of electronics may be needed; all of which would imply an extra investment of Rs. 200 crores or so. The pruning of relatively unnecessary or low priority plans and expenditure may result in a saving of about Rs. 100 crores. But care should be taken to ensure against hasty or ill-conceived cutting down of all so-called unnecessary expenditures in the field of social overheads, some of which, even from the short-term point of view, are essential. Already the haste with which some of the States have reduced their Plan expenditures has created problems of unemployment and slowed down development. However, some reduction of expenditure is fully justified and called for. Making allowance for this, an extra Rs. 600 crores (in addition to the Plan outlay) would seem to be called for.

Whatever be the contribution to saving by voluntary means—through the different forms of contributions like defence bonds, defence certificates and market loans—it would be wholly inadequate for the heavy demands made by the present emergency. No amount of voluntary effort can meet the situation; additional taxation to the tune of an extra Rs. 300 to 400 crores will be needed for the emergency alone. Taxation in the present context has a double purpose. Its first purpose is to provide the Government with the sinews of war; but equally its purpose is to ensure that the burdens and sacrifices are, to the extent possible, distributed according to ability. Only taxation properly devised can protect the poor against uneven sacrifices. Voluntary savings cannot distribute the burdens equitably between the different sectors of the community. Another important objective at the present juncture is to ensure against inflation and high prices which would hit the poor more than the rich. It is clear that all available resources should be diverted for defence purposes, defence-oriented industries and for mainly essential consumption.

Taxable Capacity

The supply of consumer goods cannot, of course, increase as rapidly as that of defence goods, capital goods and others required during the emergency. But incomes will increase because many more will be newly employed; many will have fuller employment and those already employed will increase their earnings because of overtime and other similar opportunities to increase their incomes. The stream of money supply will flow more intensely but the flow of consumer goods will be thin; the flow of some of the goods may even dry up. In such circumstances, if inflation is to be avoided and if the price line is to be maintained, there is no escape from the responsibility of mopping up all surplus purchasing power in the hands of the community to such an extent that there may be a matching to the extent possible between the money flow and that of consumer goods. Hence taxation is trebly needed.

Is it possible to raise such an enormous amount of financial resources? The view that the limits of taxable capacity have been reached already in our country just because the average *per capita* income is low is untenable. Taxable capacity is not something fixed; in an emergency like this, it may be assessed as equal to Gross National Product (G.N.P.) *minus* essential consumption for maintaining the strength and morale of the people. But even in other cases it is conditioned by a number of circumstances, for example, the purpose for which the taxes are raised and the nature of the expenditures incurred and also institutional factors. The question, therefore, is not whether we can raise sufficient financial resources but how and in what ways. In war-time, no country can afford not to meet its imperative financial needs. How much and how easily sufficient resources can be raised by additional taxation will also depend upon the increases in national income that may be added in 1963 and in the following years. If national income which during the first two years of the third Plan has been increasing only at a rate of about 3½ per cent rises 7 or 8 per cent, the extra income can be mopped up more easily by raising marginal taxation to 50 or even 60 per cent. All excess incomes and earnings and purchasing power accruing to people during the emergency and later should be mopped up through additional taxation. In the last resort, recourse will have to be made to deficit financing. But the extent to which we manage our financial affairs at the present juncture without recourse to considerable deficit financing and meet both our defence and developmental expenditures will be a measure of the success of our policy.

New Taxation Outlined

No one can pretend that he has the answer to the methods of mobilising enough financial resources. I wish to indicate below the kinds of taxes that may be imposed but, ultimately, it is the responsibility of the Finance Minister who has both the knowledge and the power to take suitable taxation measures:

	Approximate yield Rs. (crores)
1. Excise	150
2. Income-tax	20
3. Corporation tax	35
4. Salt tax	35
5. Tax on bank advances and advertisements	10
Total taxation ..	250
Non-tax resources :	
1. Borrowings	75
2. Savings through diversion and cut in non-planned expenditures	100
3. Relief to the Centre ..	75*
4. Deficit financing	50
Grand total	550

* On the assumption that the States will be able to raise revenue to the tune of Rs. 50 crores by scrapping prohibition and Rs. 25 crores through economy in expenditure. Thus the total tax effort will be to the tune of Rs. 300 crores.

If for political or other reasons it is not found possible to scrap prohibition or levy salt tax, either higher rate of taxes may become necessary or higher degree of deficit financing may be permitted. But the country may be ready to undergo sacrifices and hence it should not be beyond the ability of the Finance Minister to mobilise the financial resources to the full extent necessary. It may be emphasised that this addition in revenues will be over and above what the Government would, in normal course, require to meet Plan obligations.

II

Impact on Industrial Structure

What would be the impact of the present emergency on the industrial structure of the economy? There is bound to be some switch-over from civilian production to defence industry and to basic industries related to defence. But the extent to which such switch-over is possible seems to be limited. What is more likely is that the defence industry and basic industries will be geared to fuller utilisation of capacities and maximum production and that expansion of capacity will be built up quickly and significantly. In order to ensure full production, industry should be provided with essential supplies of raw materials, spares and components in adequate quantities, some of which may have to be imported. Labour has patriotically come forward to co-operate fully in the task by agreeing to work in double and triple shifts. The establishment of an Emergency Production Committee by the Government to facilitate production and help in removing obstacles and bottlenecks is a welcome step.

But the most important task is to secure expansion of facilities in essential industries. These would include chemicals, including petro-chemicals, plastics, engineering and electronics. Detailed studies will be required to assess the needed inputs and ancillary requirements for the additional output to be planned. As already pointed out, some capacity may be switched over from production of consumer goods, for example, the entire capacity for producing automobiles may be set aside for army trucks and jeeps. Curtailment of resources for making cars, refrigerators, air-conditioners, radios, etc., will have to be enforced. Similarly, in respect of certain essential articles like cotton textiles, the production of fine, superfine and innumerable varieties of cloth should give way to standard and utility production. To save materials and labour for the essential construction needs of defence, private residential construction and unnecessary construction should be banned. The whole question of control and distribution of raw materials and allocation for essential and urgent uses assumes enormous importance at this juncture and a full-fledged control organisation should be set up. There is need to strengthen the present Ministry of Defence and Supply Co-ordination by making it responsible also for control of production.

III

Agriculture Plays Key Role

Both from the point of view of meeting the additional defence requirements and easing the balance of payment problems, agriculture holds a key place. The food requirements of the new recruits may not be a net increment in demand, but there will be increase in food demands and the scale of food consumption will also alter. Additional food supply required must be forthcoming from agriculture, in addition to meeting the rising demand

of the growing population. The balance of payments position also requires that we should be able to save on imports of raw cotton and other agricultural commodities. It is also essential to increase exports of oilseeds and other export crops. Hence, for all these purposes, reorganisation of agriculture is a most urgent task and there should be a crash programme through the Community Development Organisation to bring about a rapid increase of production through double cropping, through fuller use of water, fuller use of fertilisers and so on. Towards this end, all functions, not directly related to raising production, must be assigned a lower priority. This, for example, will apply to health, housing and welfare of backward classes. New priorities will have to be established and village production plans must be established anew. The additional financial provision for minor irrigation, dry farming and seeds and fertilisers is a step in the right direction. But greater and close co-ordination of different agencies functioning in the rural areas must be effected.

IV

Exports and Balance of Payments

Balance of payments position will be a very difficult one and foreign exchange will continue to be a serious bottleneck. Additional foreign exchange to the tune of about Rs. 100 crores may be required not only for maintenance imports but for essential imports for expansion of certain industries. It is here that there is great need for ingenuity to secure for India credits from friendly countries in addition to what they have promised us for the third Plan, besides the lend-lease arrangements for defence purposes. In this connection, the extent to which we succeed in mobilising the gold hoards and securing a large subscription to gold bonds is a crucial factor.

The need to increase exports has become even more urgent than before. Unfortunately, there is great deal of loose thinking on this matter. Already many people feel that, because of the needs of defence, there would immediately be a diminution of exports. While there may be restriction on exports of particular items, our policy should be to aim at an acceleration of exports. In this connection, it may be mentioned that, at the recent Board of Trade meeting, it was decided to plan for what may be called an Export Sector in the economy by which in respect of every industry export products may be identified and facilities for large production and export may be provided. Our aim should be to increase exports, wherever possible, by intense efforts towards accelerating agricultural and industrial production.

V

Inflation and Price Levels

That there is going to be a great pressure on prices cannot be doubted. The incomes will increase as a result of enormous expenditures and at the same time the essential supplies for civilian consumption will diminish. It is possible to achieve a great deal of restriction on consumption without causing undue hardship because our economy has been, to some extent, diversified now; the supply of civilian consumer goods is not so limited or poor as in the last war. Nevertheless, there will be scarcities of some commodities and scarcities in some areas—cloth, vegetable oil, kerosene oil, pulses and a few other commodities, but there is no need for any large-scale rationing of the kind which was attempted during the last war. Apart from scarcities which give rise to high prices, the lack of proper distributive arrangements and transport facilities and lack of trading organisations are the main factors that contribute to an increase in prices. The Government's efforts to establish co-operative stores to control wholesale trade and to bring about better distribution system is on the right lines.

There are certain special problems which may have to be dealt with on a war-time basis. The bottlenecks arising out of transport and power shortages had emerged even before the emergency, but this would become more acute now. Short-term measures to meet transport must be undertaken. The improvements of roads, the building and strengthening of bridges, removal of unnecessary restrictions on the movement of goods from one State to another may all be needed. So far as power is concerned, there should be some austerity and some rationing in its consumption. But power shortage cannot be remedied in quick time.

VI

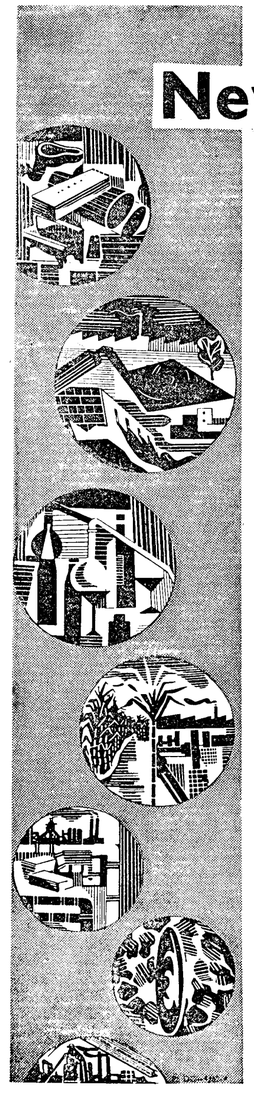
Manpower Problem

The whole question of manpower problem has not been tackled in a proper way. While there will be less of unemployment and underemployment, there will still be pockets of unemployment and, at the same time, there will be scarcity of trained personnel for a number of jobs. The most urgent task here is the immediate preparation of estimates of the additional requirements of trained personnel for various kinds of related services for defence requirements and for other essential administrative requirements. There is need also for a good recruiting programme, accompanied by a quick training programme.

Above all, the Government machinery should be geared to the present emergency situation. We have little experience in dealing with the emergency of the nature that exists today. This should be immediately remedied, if necessary, even with foreign advice.

There should be co-ordination in the Cabinet also. In the U.K., several Co-ordinating Committees were established in the last war. There was a Cabinet Priority Committee, Material Sub-committee, Manpower Sub-committee, Works Construction Sub-committee, Industries Sub-committee and Special *Ad hoc* Subjects Sub-committee. These Committees did a marvellous job and the consumption of raw materials like cotton, wool, non-ferrous metals and leather was all greatly restricted. Here in India, too, we shall have to have an administrative machinery to ensure that wastes are reduced to a minimum.

In conclusion, it may be stated that the emergency should be regarded as an opportunity and a challenge. There is no room for pessimism. The response of the public has not only been enthusiastic but pretty sustained and the public will be prepared to do things and accept sacrifices which in normal peace-time they would have never agreed to. We should take advantage of this situation to mobilise adequate resources not merely for meeting defence requirements but also for ensuring rapid economic development, especially the industrialisation of the economy. Our objective should be to take advantage of the present situation to intensify both defence efforts and development efforts. The view that there would be an inevitable slackening in the momentum of economic development can only be accepted in the immediate run. Over the next few years both should be possible; only, the scale of national effort should be greatly raised and sustained.



New Horizons

In pre-Independence era, India had plans and programmes for social and economic betterment of the people. But there was a fundamental weakness – the weakness of their belonging more to the Government than to the people.

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CONCENTRATION OF ECONOMIC POWER

Unwarranted Fear Rendering India A High Cost Industrial Producer

By An Esteemed Correspondent

THE belief that the time has arrived for the adoption of stringent measures to prevent concentration of economic power in India would appear to be based more on presumption than on fact. The presumption has apparently arisen from acquaintance with conditions which have developed in the United States of America during the last few decades. The fear is that similar conditions might eventually develop in India, unless the growth of corporate power is continuously kept under control. It is necessary to examine whether the fear is justified and, for the purpose of such an examination, to get acquainted with the actual conditions prevalent in the United States. One has to wade through several U.S. reports to gather some knowledge of the vast power of economic influence wielded by big business in that country over every aspect of life and human behaviour, but there is a book by Gunther Stein published in the year 1953 in New York with the title *The World the Dollar Built*, from a perusal of which one could obtain sufficient material to warrant being aghast at the economic consequences of such concentration in a country where private enterprise has unlimited and unrestrained scope. The statistics furnished in the book are over a decade old; nevertheless, by and large, the general picture given there could be taken to be substantially the same as exists today.

Position in U.S.

In the following paragraph is given a summary of Gunther Stein's analysis, almost in his own words. We may assume that the facts are authentic, as most of the material appears to have been taken from published reports and surveys:

Round about 1950, the U.S., with six-and-a-half per cent of the world's population, owned close to half the world's developed wealth, harvested one-third of the grain and half the cotton grown on earth, melted 55 per cent of the world's steel and other basic metals, pumped 70 per cent of its oil, used 50 per cent of its rubber, generated 45 per cent of all mechanical energy, produced 60 per cent of the world's manufactured goods, and enjoyed 45 per cent of the entire annual income of humanity. The wealthiest 48 corporate giants in that country owned assets of over $120 billion which was more than one-sixth of U.S. national wealth, placed at $648 billion. As employers of labour, the 11 leading industrial corporations eclipsed the Federal Government. Technically, none of the companies *alone* monopolised its field of business. But, in many industries, a few companies did. They followed policies and practices which avoided any real competition among themselves and yet maintained their dominant positions. The huge domains of many industrial and banking concerns were merely the provinces of junior dependencies of even greater financial empires whose controls extended not only into every sphere of business but also into the nation's increasingly commercialised agriculture; not only into press, radio and film, but even into the hallowed halls of colleges and universities which they subsidised and influenced. Eight main "vertical" business empires controlled more than half of the 48 billionaire corporations. The leaders of this enormous corporate power were in a position to determine how much the nation was to produce, consume, invest and try to export; how many jobs there were to be, what incomes the people were to earn, what prices to pay, what life to lead, what role America was to play abroad, what reactions she was to arouse among her foes and friends, and how the nation's foreign policy had to respond to the realities which Big Business created at home and in the outside world. All this was possible, because private enterprise managed almost every field of national activity including public utilities, railways, telephones, telegraphs, communications, airways and waterways.

It is my thesis that such developments as have taken place in the U.S. *cannot* take place in India, where we have a mixed economy, some part private and a large part public, over which a very large measure of Government control exists, and the economy is essentially planned and executed with due regard to set priorities. Even if mistakes are committed here and there, any concentration of economic power in the hands of private individuals would take several decades to develop with sinister significance. The position today is that there is far more concentration of economic power in the hands of Government than in any other sector.

Industrial Policy Resolutions

The two Industrial Policy Resolutions of the Government of India clearly define the extent and scope of permissible private enterprise. These are being zealously interpreted and adhered to both by the Planning Commission and by the several Economic Ministries. Questions of doubt are decided only at Cabinet level. Government has retained in its hands enormous powers of control under the Essential Commodities Act and the Tariff Commission Act to investigate into prices and impose price control where necessary. The Indian Companies Act and the Company Law Administration tie up all company managements into knots, and regulate their day-to-day activities in such a manner as to allow no person or group to acquire any form of unhealthy control over units engaged in the production, sale or distribution of goods.

The rules governing the licensing of industrial undertakings are so vast and so onerous that the colossal effort that has to be put in before an industrial undertaking comes into existence leave entrepreneurs almost physically and intellectually emaciated before a productive enterprise eventually comes into being, not to mention the fact that, after it is established, managements have to be constantly at the portals of Government for diverse favours and also practise callisthenic kowtowing on pain of being black-listed.

There may be a few groups in the country which control a larger number of business enterprises than others. But this is inevitable in any society where neither organisational ability nor monetary affluence is evenly distributed. A pragmatic approach to the problem of industrial development can be achieved not by oppressing the fortuitously elevated but by controlling them from using their elevated status to defeat social justice. To equate the mere existence of a few affluent groups with "concentration of economic power" leads only to vague and presumptive fear of what might happen under uncontrolled conditions in the distant future.

The fear of concentration of economic power has recently manifested itself in two directions. The first is disapproval of any diversification of existing industrial units into unrelated lines. The second is disapproval of licences being granted to the comparatively more affluent groups for ventures involving heavy investments, for which large financial resources, and organisational and entrepreneurial ability of high order is called for. The economic consequences of these two disapprovals which are based on ideological considerations can be highly deleterious to national economic development.

Diversification

As regards diversification in manufacturing units into unrelated lines, two reasons have been mentioned in support of the disapproval. The first is that, under inflationary conditions, when the stock market is buoyant, speculation would be encouraged, if established concerns are permitted to take on new industrial ventures. And, in order to remove this possibility, Government would only permit *new* companies to be started, so that the investing public would have fresh opportunities for investment and ownership of enterprise would tend to be more broad-based. The second reason is that, if a company is permitted to continue its operations in different fields, there is the apprehension that it would result in concentration of wealth and economic power in a few hands.

In an academic thesis, both these objections may be considered valid upto a point. But, in formulating the policy for industrial licensing, an essentially pragmatic approach is called for when applications for diversification are received. Increase of output in the original line of manufacture may not be advisable beyond a particular stage, especially if conditions had changed since the date of original establishment, and locational disadvantages had set in. Difficulties may have arisen regarding raw materials, both in supply and in quality, or there may have taken place shifts in the patterns affecting production, distribution and selling. Undertaking a new line of manufacture may be the only way of reducing costs and protecting labour. Starting a new company will benefit neither the equity capital nor the labour employed in the old company, and will not prevent concentration of economic power so long as the management remains the same for both ventures.

Case of Sugar Industry

In India, where high cost of production affects the fortunes of most industries, academic or ideological objections against diversification should not be applied by rule of thumb. The case of the sugar industry, especially in north India, affords a good example of a field in which diversification can be an excellent way out of the difficult situations faced by several units which are forced to employ substandard raw material and maintain production only for three or four months in a year. The balance-sheets of quite a few units which had been allowed, in the past, to diversify their manufacturing activities provide much better reading than those of the rest. At a time like the present when sugar units are being called upon to undertake exports and make sacrifices, the logical way of strengthening them and augmenting their resources would be to permit them to embark on other more remunerative lines of manufacture within existing units. The case of the East India Distilleries and Sugar Factories Ltd. provides an example of how strong a primary sugar producing unit can become when it is permitted to undertake other lines of manufacture, which, in the case of E.I.D.S.F., cover such totally unrelated lines as fertilisers, pottery, sanitaryware, chemicals, etc. The orderly transfer of resources or even the raising of fresh resources for manufacturing new products may constitute the only way of protecting shareholders and labour interests in many units which are facing dead-ends or other difficulties. Diversification in such cases is, in fact, a process of rationalisation. Disapproval of such rationalisation on the plea that concentration of economic power has to be avoided can be treated only as alienation of pragmatic commonsense from economics, the more indefensible as it is based on irrelevant ideological considerations.

Waste of Resources

We now come to consider the economic effects of the slogan of concentration of economic power. The current trend appears to be for issuing licences to a number of new and small entrepreneurs in diverse regions of the country without considering the several factors which are essential for achieving quick implementation and for securing low-cost production. Political pressure exercised by the various State Governments has resulted in a measure of capitulation to their demands in disregard of the economics of production. Fear of the bogey of concentration of economic power has also resulted in discarding the merits of established and proved entrepreneurial ability, financial as well as organisational, to the extent that certain new ventures which have been licensed are likely to result as drags on the economy.

The case of automobile tyres illustrates haphazard licensing in good measure. The present established capacity in the industry is 18.18 lakhs; schemes under implementation cover 20.23 lakhs, and schemes under consideration aggregate 13.03 lakhs. The total of established capacity, capacity under implementation and capacity under consideration thus amounts to 51.44 lakhs. If and when all these schemes are eventually implemented, there will be eleven units, of which three will have capacities of 10.25 lakhs, 10 lakhs and 5.10 lakhs; one each will have capacities of 4.50 lakhs and 3.60 lakhs; and six will have capacities of 3 lakhs each. The first three units (which are international in character) will be able to achieve production at comparatively lower cost than the rest, partly through their long-standing experience and partly through economies of large-scale production. All the rest will have to trail behind them. Apart from being unable to offer the giants any kind of healthy competition, they may have to be continuously supported by disparate price policy or other measures. In addition, what has not been taken note of is the question of royalty fees which will have to be paid by every unit to its foreign collaborator. This multiplication of foreign collaboration must result in considerable drain of foreign exchange to the country and payment for invisible imports of technical knowledge. Rubber tyre manufacture started in India nearly 30 years ago and no effort has been made so far, nor any appears to be in the offing, for research to be carried out in India, outside the tyre companies, in any of the important processes involved in the manufacture of tyres and tubes. If the number of licences that have been granted had been kept to a minimum, and a pilot project for the manufacture of tyres and tubes had been undertaken, the country's economy would have greatly benefited.

Cost Will Be Higher

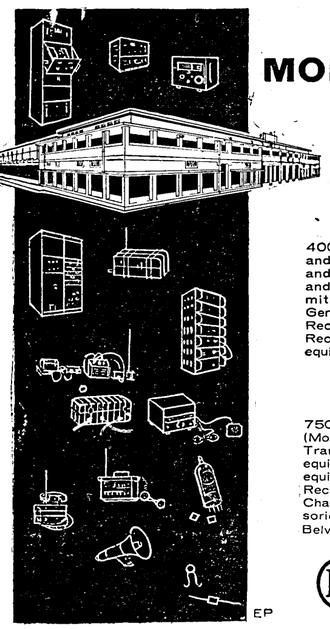
In the field of aluminium manufacture, out of four projects sanctioned, only two have made progress, and the prospects of the other two being established appear to be remote. The Minister for Commerce and Industry has recently stated that a plant at Madhya Pradesh in the public sector is under consideration and that the Mysore Government has applied for a separate licence in the State, outside the one in the private sector which had been sanctioned but has not registered any progress. Here, again, the same kind of mistake as was made in the case of rubber tyres and tubes is likely to be repeated if the new units which are under consideration are not licensed for high capacities. The manufacture of aluminium also involves heavy payments in technical fees and the few units which are under production are never likely to achieve manufacture at low cost on account of the high cost of electric power. If the aluminium produced in India is to achieve its versatile uses and replace costly metals like copper, it is of paramount importance that production is established at as low a cost as possible.

The Planning Commission is reported to have negatived the suggestion by a syndicate of Madras industrialists to establish a thermal power plant in the private sector, although the scheme was supported by the State Government. The reasons why this suggestion was not approved have not been made clear. But, reading between the lines of pronouncements in authoritative quarters here and there, it would seem that they can be (*a*) because the generation of electricity has been scheduled as a prerogative of the State, and (*b*) that, if the private sector is allowed to encroach into this sphere of public enterprise, it might lead to the transference of economic power to private parties. Under the prevalent acute shortage of power which acts as a severe drag on the development of industries, the objection to the establishment of a power plant by the private sector must be considered puerile.

Examples of Italy and France

It would, perhaps, be useful, if the Planning Commission was provided with information regarding developments which have taken place in advanced countries in Europe like Italy and France which, at any rate, are not guilty of having permitted unrestrained concentration of economic power in a few groups to the detriment of national interest. The building of Autostrades in Italy has been through the combination of private enterprise and State participation. Companies who built the Autostrades were usually given a 30-year lease during which they could collect a toll from users, and at the end of which the roads reverted to State control, while the toll collected by the builders was reduced to a nominal levy. There are about 700 km. of highways in Italy at present in use, half of which have reverted in this way. In France also, joint State-*cum*-private projects have built a huge suspension bridge and 18 major highways, covering a distance of 3,250 miles, and the expenditure was recouped by a graduated system of toll over a period of years at the end of which ownership reverted to the State.

The fear of using national talent and national endeavour at a time when every means should be availed of for accelerated development can become very juvenile, if pragmatic and economic considerations give place at every stage to ideology and irrelevance. The compulsions of the country's economic needs make it imperative that the task of educating public opinion towards harnessing all the means, resources and talent available in the country in furthering industrial progress without sacrificing the principles of economic and social justice is as much the concern of Government as of politicians and industrialists.



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RESOURCES FOR DEFENCE

Voluntary Contributions Alone Will Not Do

By "Reflector"

THERE is a lull in the border fighting due to the unilateral Chinese withdrawal. Probably, the Chinese may not be anxious to resume the hostilities in view of the success achieved in damaging our military reputation and the change in international situation following the "Cuban Affair." But it is difficult to be categorical because of the many political imponderables. The Government of India has, therefore, been going ahead with its efforts to mobilise the nation to place it on a war footing. It is equally keen not to sacrifice the basic industrial complex and agricultural development of the third Plan, because these are considered essential to build up the war potential and to hold the price line. The endeavours put forward to attract private savings to the public Exchequer have invited a great exhibition of patriotic fervour but negligible monetary response. The subscriptions to the National Defence Fund collected so far (Rs. 19.02 crores as of 15th December, 1962) will hardly be adequate to meet the military expenditure even for a few days. Similarly, the subscription received so far for gold bonds is a few thousand tolas as against the estimated gold hoards of 20-crore tolas. It is obvious that the results achieved do not seem to be commensurate with the war needs. The Finance Minister has declared categorically that he would be financing the additional expenditure on defence through taxation and borrowing and not by deficit financing. The necessary measures would be proposed in the 1963-64 budget. Parliament has, therefore, adjourned without making any overall assessment and without taking any decision on appropriate economic policies. The object of this article is to outline broadly the dimensions of the expenditure involved in the Government's decision, the type of pressures such expenditures would generate and the policies necessary to keep a grip on the economy.

Less for Civilian Use

A point to be remembered about the war expenditure is that it does not result in the creation of any matching productive assets. This is because the bulk of the supply of goods and services produced are employed in destruction. Naturally, this will mean less goods and services for civilian use but the money created to pay for such goods and services will go on progressively mounting up. Thus, "too much money" will be chasing "too few" goods and services. The fiscal and monetary policies should, therefore, aim at sterilising the money incomes created by war expenditures.

Even before the proclamation of the emergency, it was evident that the third Plan was limping badly. National income during the first year (1961-62) of the Plan went up by 2.2 per cent, as against the projected rate of 6 per cent and an increase of 2.4 per cent in the population. Agricultural output remained stationary and the rate of industrial production slowed down owing to bottlenecks in power, transport, etc.—the legacy of the pruning done in the second Plan. The foreign exchange reserves touched a new irreducible minimum (Rs. 94 crores) due to delayed assistance from abroad. The pressure on prices was visible once again. This is the background against which the national emergency has been declared and the nation exhorted to divert its energies to war effort.

The expenditure on defence during the emergency, on a very conservative basis, is expected around Rs. 700 crores a year or twice the normal budgetary expenditures on defence. Probably an expenditure of this order will be necessary to feed, clothe, transport and maintain the *jawans* on a war basis even if somebody is prepared to supply the equipment without immediate or no payment.

As things stand at present, the combined public sector expenditures, inclusive of the normal defence spending, are around Rs. 3,500 crores, a quarter of the total national income, and the extra defence expenditure, owing to the emergency, besides the normal step up in the third Plan outlays, may be another Rs. 300-400 crores. The nation will, therefore, have to spend about Rs. 4,000 crores a year, in addition to the increase in third Plan expenditures which may be conservatively placed at another Rs. 1,000 crores next year. An increase of, say, Rs. 1,400 crores in expenditure in a year which probably will be progressively stepped up over a period of years to implement the Plan 'core' but which will not be accompanied by a matching increase in consumer goods and services will invite a hyper-inflation of the type witnessed in post-war Germany before the accession of Hitler to power. What is urgently necessary is, therefore, a blueprint of wartime monetary and fiscal policies to be pursued by the Government. But the Government of India is yet to announce such a policy.

Short-term and Long-term

In considering the impact of the emergency expenditures on the economy, it is necessary to distinguish between the short-term and the long-term impact. In the short-term, until the presentation of the 1963-64 budget next March, the additional expenditure may be of the order of Rs. 200 crores on defence. In view of the ample buffer stocks of foodgrains, the decline in gold and commodity prices due to the initial shock of Chinese invasion and official measures and the exhibition of patriotic sentiment, the Government seems to believe in voluntary effort to check the inflationary pressures. The Government has in view the starting of a chain of consumer cooperatives to distribute the essential commodities to hold the price line. The Finance Minister has declared himself against the imposition of controls. As the Government has not introduced a supplementary budget and as the public response to National Defence Bonds, etc., is negligible, it is obvious that the expenditure up to next March has to be met by deficit financing. The fall in commodity prices, the accumulation of cloth stocks, the continuing under-utilisation of capacity in various industries—all symptoms of slow down of the economy and of transition from peace to war will prove a temporary phenomenon. It is likely that an expenditure of this order (Rs. 200 crores) in the next few months may push up the present price level (129.1 with base 1952-53=100), which has already gone up in the past year by six points or five per cent if the past experience in this regard is any guide.

In the long run, it may be difficult to hold the price line through voluntary controls and patriotic feelings. This is so, because while it is easy to whip up public enthusiasm for war effort initially, it would be extremely difficult to sustain the enthusiasm over a period. There is already evidence of this view, as witness the recent kerosene shortage at the capital city (Delhi) and the increase in the "black" prices of cement. The expansion in money supply must, therefore, be matched by an increase in the volume of available goods and services or something must be done to sterilize the monetary hoards. As the first alternative is ruled out in view of the acute bottlenecks in industrial production which are expected to be further aggravated when the economy is geared for war purposes, special measures are necessary to inactivise the growth in money supply.

Some Suggestions: E.P.T.

A step which is usually resorted to in war-time is an excess profits tax. The main justification for such a tax is that war-time profits are due to inflation and not due to normal business efforts. The various business establishments have voluntarily agreed to donate 5 per cent of their net profits to the National Defence Fund but the national emergency requires more drastic measures. Excess profits made by business and industry over the normal profits, that is to say, profits made in the last three years preceding the national emergency, may compulsorily be required to be invested in long-term Government Bonds issued for the specific purpose. Likewise, net income in excess of Rs. 1 lakh a year by individuals may be asked to be invested in such Government Bonds. This will place a temporary ceiling on incomes in the urban sector during the emergency.

Gold Bonds

The steep decline in gold, share and commodity prices after the declaration of the emergency has achieved a deflation of the order of Rs. 1,000 crores in private savings. If the Finance Minister succeeds in bringing down the gold prices to Rs. 70 per tola as promised—this, however, seems unlikely—he will have succeeded in introducing a substantial deflation in hoarded savings in the non-urban sector. As things stand at present, gold prices, after touching a low of Rs. 82 per 10 grammes recently, have shot up once again to Rs. 116 per 10 grammes. The prospects of mobilising the idle wealth held in the form of gold, therefore, seem remote, unless more drastic measures are taken.

An important measure that could be taken to make the Gold Bonds attractive is to ban officially the possession of gold beyond a small minimum, say, 25 tolas, by each individual family for personal purposes, namely, on religious and social grounds. Possessing gold beyond the minimum should be made a penal offence. All gold in excess should be asked to be made over to the taluk treasuries or village post offices against valid official receipts. The Government may license dealers in gold on the pattern followed for licensing foodgrain dealers and disposal of gold outside should be severely punished. In advanced countries like the United States, private possession of gold is banned and there is no reason why this should not be done under conditions of emergency and when people are in a mood to sacrifice. This should be followed by a big propaganda drive, explaining the need for such prohibition to educate the public, especially in the countryside. It is, however, possible that all gold might not come out. But it is likely that the response will be more encouraging than what it is at present. Unless drastic measures are taken and the price of gold is brought down, the scheme of Gold Bonds will turn out to be a flop as the Prize Bonds' Scheme has been.

Land

Further, the various measures to restrict land-holdings should be vigorously pursued, so that they may go a long way towards preventing speculation in land and diverting the rural savings into real estate. The imposition of agricultural income-tax, enhancement of land revenue and special surcharge on cash crops like cotton, groundnut, tobacco, etc., for the duration of the emergency, may help in taking away a sizable part of the war-generated incomes to the national exchequer.

Economy

Simultaneously, a rigorous pruning of non-essential expenditure at the Central and States' level seems called for. The expenditure on civil administration in the States has gone up from Rs. 167 crores in 1960-61 to Rs. 194 crores in 1962-63 and the total non-developmental expenditure from Rs. 418 crores to Rs. 525 crores. A reduction of 25 per cent in such expenditure will result in a saving of Rs. 25 crores only at the States level. Similar screening at the Union Government's level will yield more fruitful results.

Prohibition and Salt Tax

An important direction in which the States can increase their revenues is by scrapping prohibition during the emergency. It is expected that the abolition of prohibition in all the States will give a substantial additional revenue, besides saving in security expenditure on police. While States like Uttar Pradesh, Mysore, Andhra Pradesh and Kerala, which are having partial prohibition, have almost made up their minds to scrap prohibition in the national interest, Gujarat and Madras, which have complete prohibition, have been adamant and want to retain it. In Maharashtra, which is also wholly dry, there seems to be a move to reconsider prohibition policy. In the interest of uniformity and in order to raise revenue, the Centre should direct all the States to scrap prohibition at least for the duration of the emergency. The imposition of salt tax may also be explored. If the several measures cited above are explored, there is no reason why the nation cannot take the additional defence and Plan expenditures without losing its grip on the economy.

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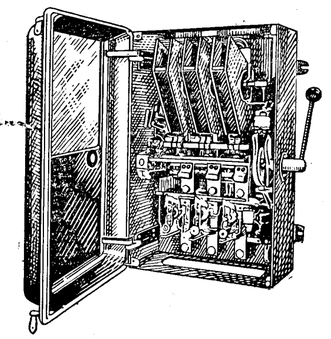

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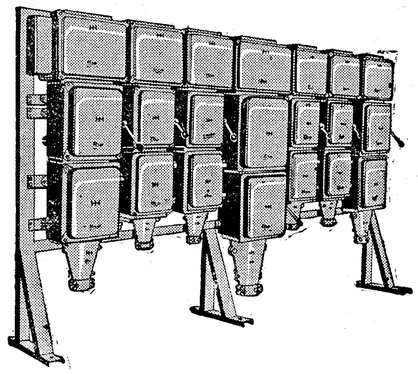

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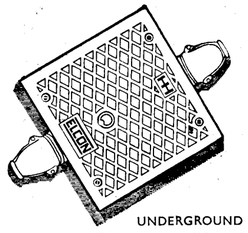

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THE CRISIS OF THE COMMONWEALTH

Discomfiture And Decline For Britain Ahead

By Dr. THOMAS BALOGH

FELLOW OF BALLIOL COLLEGE, OXFORD

THE bewilderment and shock in India is natural at Mr. Macmillan's determination to sue for admission to the Common Market, to cut the remaining ties (beyond "gracious" Royal visits) with the Commonwealth, the *ci-devant* Empire. Here after all is the head of a political party which even a year ago affirmed its loyalty to, and faith in, the Commonwealth system and accused the Opposition of not being "patriotic." Here are the people whose fathers grew rich on the pickings of capitalistic dominance scuttling out at the first suggestion that they should shoulder some economic burdens, as benefits the richer part of a political system now based on equality and co-operation.

Tories' Fond Hope

Far from being willing to analyse afresh the beneficent role which such a system could play for all its members, they suddenly embrace the "Liberal" faith—to shake off the obligations that accumulated in the two hundred years in which English needs and English policies shaped the pattern of the population and the economy in these areas. Malta without the dockyard, the West Indies and Mauritius without the need for sugar would never have become what they are, bursting with populations in many cases transplanted from China, India and Africa. The self-satisfied self-praise on the supersession of Empire by a peaceful march towards independence really hides a determination to cut expense. Joining the Common Market will enable the Tories to do this, while they are confident that their innate superiority and political skill will permit them to dominate the new European Community. In this way, they will, in a new fashion, once more be able to make their voice heard in the world and protect their interests. They seem as unaware of the brutal strength of their prospective new partners as they are of the great advantages in economic strength they still derive from the informal but effective preference for the English language, for English goods and English services due to the existence of Commonwealth ties. Giving this up they are bound to suffer a further eclipse in power and influence in the new European Community.

These apprehensions are brushed off in a cavalier way, both here and in America. The growing resistance of the Labour Party to British entry on the basis of a strict acceptance of all provisions of the Rome Treaties, the doubts cast on the bipartisan approval of the Conservative policy has been dubbed a betrayal of the budding "unity of Europe," which has brought comfort to Mr. Khrushchev and weakened the coherence of the West.

Americans Impatient

No doubt Americans are impatient for a "final" solution of the German problem, for the establishment of a powerful bloc capable of meeting the Russian challenge with less dependence on the U.S. This dependence has created a severe balance of payments problem for the U.S. which endangers American prosperity and growth, and thus undermines the capacity of the leaders of the West to meet the Russian socio-economic challenge in vital non-committed areas. They are easily driven towards violent short cuts, and are reluctant to see the grave problems which are created by their impulsive insistence on what they conceive to be a perfect solution.

The desperate longing of the anti-Communist Left in Europe for a British entry is equally comprehensible. They feel isolated in a Conservative-dominated Little Europe. Their only hope seems in bringing in not merely Britain but the Scandinavian countries which believe in progressive social policies and planning. They, too, are impatient with British doubts and objections. It seems left out of account that the Rome Treaties were formulated mainly by the new and brilliant French technocrats, necessarily without any regard to the special problems raised by the relation of Britain to the Commonwealth. And they embody—at least superficially—a *laissez faire* philosophy of life such as has been enforced in the U.S. by the Supreme Court until Roosevelt broke its inflexible majority against State intervention and initiative, and which the very people who are the most insistent protagonists of a Union of Europe would be the first to repudiate. Nor is there great likelihood that the progressive planners will make headway even if Britain did enter. The cards especially of judicial interpretation are stacked against progressive policies.

All Choices Distasteful!

In this essay, I shall review the question mainly from a British angle. In the history of this country, the choice, which is now more and more openly admitted, between entry into the Common Market and maintaining even a semblance of a cohesive Commonwealth, is as grave as any which have confronted it before. It seems the catastrophic end of disastrous policies. If, in the affairs of a man or a nation, a time comes when all possible choices appear distasteful or fraught with grave danger, it is useful, indeed essential, to reflect on how one got into the dilemma. Past choices and past mistakes may well illuminate the problem more clearly than arguments about the present, for they will show the often unstated premises which brought the situation to its present predicament. If these mistakes are not remedied, I feel confident that the choice, however it may fall, will lead to further discomfiture and decline for Britain, with disastrous consequences to the cause of the non-Communist orbit itself. Those crude "cold-war" precepts, which seems to have dictated the policy of the State Department in its attitude to Britain's joining the Six, the formation of a cohesive Great Power able and willing to resist Communism in Europe are, in my opinion, based on naive emotions (finding unwarranted similitude with the formation of the U.S.) and are likely to lead to disillusionment and regret.

I

After the war, Britain found itself in a position of unchallengeable pre-eminence in Western Europe. She alone had stood up to the Nazi threat in 1940. While her contribution to the actual liberation of the Continent had been less than that of her giant partners—the U.S. and the U.S.S.R.—she had earned and was granted equal status. No doubt her capital equipment was run down; she had suffered severe damage and her population was exhausted. But, in her war-time controls, she possessed instruments which could achieve conscious allocation of her resources to maximise progress and ensure social equity. And the war-time created a strong Sterling Area in which Britain enjoyed undoubted favourable treatment such as the Ottawa Empire preferences had never been able to supply. Bulk-purchase agreements for foodstuffs and raw materials also initiated during the hostilities provided stable markets for the overseas areas, while the metropolis benefited from relatively low prices. Moreover, there was an economic union between complementary economic areas, capable of being developed into a Third Power and of giving an exemplar of planned socio-economic progress without totalitarian compulsion.

Splendid Opportunity Missed

It was not to be. Insistent American pressure starting with the Lend-Lease negotiations and the Bretton Woods Conference, and reinforced by the normal predilections of the British bureaucracy, led to policies of liberalisation and currency convertibility which, as early as 1947, ushered in the first of the eight exchange crises in British post-war history. Bankruptcy and unemployment seemed inevitable not merely in Britain but in the whole of non-Communist Europe, in the face of an acute dollar shortage.

At that point, the Americans recoiled from their own dogmas and inaugurated the Marshall Plan. They voluntarily permitted a sharp discrimination against American exports and the establishment of a double preferential system which united the Sterling Area and Western Europe. With the establishment by Mr. Gaitskell, against the resolute opposition of the Treasury and the Bank of England, of the European Payments Union, this new economic unit became a working system which was to lay the foundation of Europe's recovery.

Here was a splendid opportunity. Britain could have utilised the Organisation for European Economic Co-operation, created to administer American aid, for a close co-ordination of investment plans and of trading between Western Europe, Britain and the Commonwealth, thus laying the foundation for a reconstruction on a regional scale and on a sensible inter-governmental basis. But British officialdom, clinging to its "liberal" tenets, prevented this even under the Attlee Government, and thus sealed the fate of British pre-eminence in Europe.[1] They resisted all attempts at an intra-European planning of investment which would have enabled specialisation and thus made Europe more competitive in world markets while becoming more complementary internally. The French, incensed by British standoffishness then began their drive towards a supra-national union in Europe and as a first move established the European Coal and Steel Community.

[1] It is illustrative of impudent ignorance of these luminaries that Lord Plowden, who was Sir S. Cripps' unfortunate choice as his chief planner, and was largely responsible for this failure, now claims that no planning could achieve such co-ordination, while our entry into the Common Market would automatically do so.

With this Britain's chance of European leadership lapsed.

In the second place, Britain could have resolutely opposed any plan for partial West European economic unification either by using the most-favoured-nation clause (for a customs union in agriculture was not to be established) or by political hostility. This would have been fatal to the Common Market, because, in each of the potential member-countries, there was powerful economic and political opposition to union, partly, perhaps mainly, because of its partial and rather negative character. The planners ("*dirigistes*") in Western Europe, especially in France and Italy, were frightened of a scheme which embodied *laissez faire* as the basis of the new community. Moreover, the rest of Western Europe was frightened of German predominance not merely for economic but also for political reasons. The outlook for peace, with a truncated Germany aiming at reunification, within a large Western European combination, would not, under such circumstances, be bright. British hostility would certainly have prevented ratification in France and possibly in Italy.

The British Government themselves could have taken the initiative. They could have promoted the creation of a loose but far-reaching economic unit, dedicated to maintain full employment and having built into it the necessary institutions to safeguard growth. A positive leadership might conceivably still have worked as late as 1955 but on only a less informal inter-governmental basis than would have been possible in 1948-49.

Badly Misinformed

The British Ministers did none of these things. They seem, if their statements and policies are an indication, to have been imperfectly informed on developments abroad, especially about French attitudes, which proved to be decisive.[2] Nor were they better advised on the economic implications of the proposals. They waited, doing nothing, until the Treaties establishing the Common Market were agreed upon at the Messena Conference, and even until they were subsequently ratified. After some further delay, the Board of Trade published ill-considered arguments against joining the Common Market, disclosing publicly that the professional competence, on the basis of which policy decisions were made, left much to be desired.[3]

Finally, the so-called "large" "Free Trade Area" scheme was brought forth to include the whole of the O.E.E.C. area. This aimed, in the first instance, to establish in Europe free trade in *industrial products* without, however, a Common Tariff or harmonisation of socio-economic policy. The latter deficiency made it as unacceptable to the French; the former to the poorer non-industrial areas of Europe which would have been ruined by it. The plan thus contained in an exaggerated form the objectionable negative features of the Common Market scheme without any of the mitigating policy provisions and institutions by which the harshness of the uncontrolled market forces to the weak nations might be curbed. This tactic was hardly consistent with British interests, because no conscious and determined effort had been made to increase the rate of investment in Britain and to speed technical progress by all possible means. Indeed, the intermittent deflationary policy necessitated by the efforts to maintain the balance of payments within a framework of liberalised trade and progress towards full convertibility had exactly the opposite effects. Without a drastic change towards dynamic expansion, it ought to have been clear to the Government that Britain would not be able to meet successfully the shock of German competition in a regime of "free trade" after all protective devices had been abolished under the proposed E.F.T.A. arrangements. Thus, the British proposals were framed with a complete ignorance of the requirement of British industrial prosperity and were inimical to British progress. Throughout this period, moreover, and disregarding the increasing probabilities and, after 1956, the certainty, of the coming into being of a new powerful preferential system in Europe as a result of the establishment of the Common Market, *they continued in the insensate policy of unilaterally weakening, indeed almost completely destroying the Sterling Area*, which gave preferential access to our exports over a wide area. Yet here was a powerful counterweight, the dismantling of which could and ought to have been used as a bargaining weapon with Europe and the U.S.A. A dogmatic frenzy appears to have overcome, at an unfortunate moment, a historically pragmatic Conservative Party and Government. Under the powerful stimulus of a clever bureaucracy totally ignorant of modern economic[4] analysis an arrogant ultra-liberal attitude dominated British policy at this fatal juncture.

E.F.T.A. A Bluff

Worse was to come. The "large" Free Trade Area proposals were rejected with contumely by the Common Market powers under French leadership. No alternative having been prepared, the British Government first hastly tried to patch up a counter-force in the "little" Free Trade Area of seven nations—from Portugal to Norway and Austria. This effort was doomed from the outset, because, apart from Britain, it contained only small peripheral powers with little in common, and little strength, fatally depending on the Six for markets and communications. Like the pledges given to Poland in 1939, this move was bluff which only impressed the bluffer. It was a host of promises on the part of the British, almost impossible to fulfil but dishonourable to repudiate. The futility of this tactic has hardly any historical parallel.

The British Government could have retraced their policy towards the Commonwealth and tried to build up again the Sterling Area. They were, however, under growing American political pressure against this course. The Americans wanted a compact allied Europe. They did not take into account that the exclusion of the "neutral" countries would fatally weaken them and thus promote Russian interests in Europe. The blow to the exporters of the Pacific "old dominions" of Britain joining the Six would, moreover, force them to come to some agreement with China, Japan, and India to find new outlets for their foodstuff production and thus weaken the U.S. defence posture in the Pacific.

In the end, Britain found herself without any bargaining counters in hand and unprepared for increased competition. The Conservative Government then decided to throw in their hand and to sue abjectly for admission into the Common Market on the terms of the Continent, which formerly had so eagerly sought British co-operation on almost any terms which Britain could have named. The timing of this surrender could not have been less aptly chosen: The Six had experienced unparalleled growth in the period before while maintaining a vast export surplus. Britain was all but stagnant yet (or, rather, because of it) beset with balance of payments difficulties. Not many months afterwards the Germans and Italians experienced rude shocks to their confidence; wages were beginning to mount and progress slowed down. Negotiations undertaken at a time when an economic setback began to loosen the coherence of the Six might have meant a triumph for Britain in reconciling the interests of the Commonwealth with European integration on the basis of deliberate planning.

II

The Common Market of the Six countries, Western Germany, France, Italy, Belgium, Holland, Luxembourg is a many-splendoured thing. It has come about after the failure of the British to make use of the Marshall Plan to establish a wide Third World Unit equivalent to the U.S. and the U.S.S.R. in power and economic potential and comprising both Western Europe and its associated areas *and* the Commonwealth. For some, it is mainly a powerful economic unit. The width of the Market—almost 200 million even without Britain—according to them provides automatically the basis for rapid growth. The obverse feature of this claim is, of course, that it also represents a "rich man's club," from the privileges of which the (poor) outsiders (and the U.S.) are, if not entirely excluded, at least limited by the protection of a common tariff and, as in the case of agriculture, certain rather more powerful quota-regulations, much as the 50 American States are protected from foreign competition by the Federal tariff and commercial policy. Some—like most of the French Civil Service—would like to extend the sort of persuasive, untotalitarian planning they practise at home to comprise the whole area. Others—especially the German entrepreneurs and their political spokesman, Dr. Erhard, who aspires to be the next Chancellor of West Germany—will not hear of planning and hope that the superior competitive power of Germany will give them free play for prosperity and expansion on a strictly nineteenth-century basis.

Up till now the Six have been wonderfully successful in the material sphere. Their economic growth was well above 6 per cent per annum between 1953 and 1961, as against 1¾ per cent in Britain and some 2 per cent in the U.S. Despite the increasing discrimination against outside goods, Common Market imports increased very fast, far faster than either those of Britain or the U.S. But the relative cheapness of its products and the aggressive selling tactics, including favourable credit conditions, resulted in an even faster increase in Common Market exports. Germany now has the second largest gold reserve in the West; and France and Italy have recently increased theirs by billions of dollars. Wages in real terms have been increasing faster than anywhere else but in Japan and full employment is being attained in an increasing area.

Rate of Growth in Six

All this has given tremendous prestige to the Six and to the idea of *laissez faire*, despite the fact that the French and the Italians have increasingly relied on a kind of persuasive planning in which Government and the great enterprises as well as trade unions establish production targets and see to their accomplishment by co-operative effort. The economic success was, in fact, mainly due to the cut in the value of currency by the so-called reform in Germany and the devaluation in Italy and France which reduced real wages and thus gave decisive competitive advantages to these countries. The rate of growth was high in Germany, France, and Italy before the Common Market became effective but has remained low in the other three little countries despite its coming into effect. It will be interesting to see what will happen if and when growth slows down and the "free market" economy experiences a setback. Dr. Erhard does not seem to realise how far his success has been due to the competitive advantage of German export. It is to be feared that, if a recession occurs, he might react in an "orthodox" way (as his predecessor Dr. Bruning did in 1930), cut expenditures, and thus spread havoc. If the British want to join, this surely is not the time for trying to do so. They should have waited until after a setback tested the new Community.

For most people, including Mr. Kennedy's advisers, the Common Market represents a new *political* departure, the rise of a powerful anti-Russian unit, which would enable a better distribution of the burden of defence. They realise the distinct economic disadvantage for the U.S. of the discrimination against it, especially in temperate zone agriculture, but also in manufacture, implied in the Common Market. They are, however, prepared to pay the price (the magnitude of which they seem unaware of) for the political advantages. They are enchanted by the fact that the German-French differences and hostilities which plunged the world and Europe into incessant warfare since the beginning of the sixteenth century, and caused two World Wars in the present one, would cease. They forget that the rise of the two super-States, of the U.S. and the U.S.S.R., has in any case reduced intra-European affairs to the status of provincial difficulties. The rise of a powerful Third Unit might well cause more rather than less trouble, especially as the most powerful member of that unit is a Western Germany intent on reunification, when reunification without neutralisation would inevitably provoke a war with Russia. The growing dissensions with Adenauer and de Gaulle show that the political promoters of the Common Market in the U.S. have gravely miscalculated the effects of a super-European unit on U.S. influence in the North Atlantic system of alliances. It is this miscalculation which now drives them to favour the entry of Great Britain. Whether Mr. Macmillan or Mr. Gaitskell leads Britain, they think it would act inside the Common Market as a spokesman of the Anglo-Saxons moderating Continental excesses. This is quite comprehensible.

Six Suspicious

Equally comprehensible is the fact that the Continental leaders, who want to retain their independence and influence so unexpectedly won after the disasters of two wars which all but liquidated Europe, eye with suspicion this newly found British fervour in favour of Britain joining the Six even when this means abandoning the Commonwealth, those proud remains of erstwhile British supremacy and Empire. This explains why the French, in particular, are determined to force Britain to renounce her special relations with overseas countries. The American hostility to the entry of the neutral countries and the Scandinavians, however, is as incomprehensible as its lack of appreciation of the consequence in the Pacific area of the exclusion of Pacific exports (both Indian and Japanese manufactures and Australian, Canadian, and New Zealand agricultural products) from Europe. It must drive those countries to an accommodation with China. The U.S. does not seem to realise that the new post-Eisenhower policy of *detente* would be menaced, if the British were confronted with a Franco-German compact which could veto policies in a unit of "Seven," while, in a unit of Eleven or Fifteen, the smaller countries, hostile to adventure, would be more likely to back the American line. Like the British, the Americans seem to have acted in ignorance of possible developments inimical to their interests.

III

In the meantime, the French civil servants, aware of the prodigious and potentially devastating German competitive power, succeeded far beyond my early expectations in providing positive institutional safeguards. Moreover, the surprising resilience of high-cost producers outside Germany during the 1957-58 recession showed that German competitive power would remain on a political leash through some sort of cartel arrangement and would not be permitted to destroy the weaker units within the new union. There was to be no displacement of "high-cost producers" as the most effective way of "increasing income in a customs union consisting of competitive rather then complementary units" on which "liberal" economists based their commendation of the Common Market. Thus, the Italian steel industry remained intact, despite a 25 per cent under-employment in 1958 of German steel-making capacity. The foolish irrelevance of those economists who tried to "measure" the advantages of the customs union on the basis of comparative static considerations (through the "specialisation of the participants") has been once more exposed. The importance of growth to economic welfare has once more been demonstrated.

Britain Mesmerised

If the fears that the strongest economic power would swamp its partners within the Common Market proved wrong until now, the

[2] Sir Gladwyn Jebb (now Lord Gladwyn) who has, surprisingly, become the figure-head of the pro-Common Market movement, was at this period Ambassador in Paris and shares heavily in the responsibility for this prolonged blundering.

[3] A surprising exception to the rule of silence on the part of serving Civil Servants (apart from their defence of Government policy on television) is represented by Sir Edgar Cohen's recent defence of the so-called Free Trade Area proposals (*Board of Trade Journal No.* 7 1958, pp 975-78). Sir Edgar showed complete unawareness of the flagrant contradictions of his case and unawareness of the resistance he was facing (e.g. he attempted an illegitimate contrast between the effect of protection of industry and agriculture—p. 977, completely neglecting the impact effect on British industry, or on that of the less developed countries of British Commonwealth, of German competition). He was even less clear of the implications of failure or of the need to have an alternative policy. In this, he is a worthy successor of those British experts who torpedoed the Ouchy Convention of 1931 on the plea of non-discrimination while preparing for the Ottawa Preferential System. Sir Frank Lee's (the then Permanent Secretary of the Board of Trade) recent utterances on the work of the Board of Trade (Stamp Memorial Lecture 1958) only strengthen the impression of grave weakness on vital points of the policy-making machine. At this stage, the Board of Trade successfully persuaded Ministers that entry into the Common Market would destroy our competitive power through an increase in our cost due to the tariff protection of foodstuffs and certain raw materials.

[4] I have analysed the fatal role of the British bureaucracy in an essay published in a collection entitled "*The Establishment*." London, 1960.

impact abroad did not prove unfavourable either. No doubt all the large members of the Common Market absorbed an inordinate amount of gold through continuous export surpluses, but these reserves came from the U.S., while, at the same time, imports from overseas, especially from the underdeveloped world (and Britain), into the Common Market, continued to expand. It was demonstrated once more that tariffs do not stifle trade when national income is vigorously expanding. The slogan coined to differentiate between "outward looking" expansionary and "inward looking" restrictionist, customs unions, according to whether their tariffs are low or high, has been shown up as a dangerous oversimplification. Instead of demanding safeguards on general economic and income policy, the British have been mesmerised by tariff levels on which French resistance was as easy as it was successful. Thus the British negotiators did not win even where they might have obtained binding assurances from the Six.

Moreover, the French and Italian success all demonstrate that Britain would, in the framework of the Rome Treaties, be permitted to accelerate her economic development by deliberate planning, or that the overseas countries will not be hurt. The French and Italian examples are, however, not applicable to Britain, unless sterling is sharply devalued and Trade Union strength is broken. The French revival of the early 'fifties was based on inflation buttressed *by direct controls on foreign trade and payments*. In the French Community, they possessed a vast preferential market overseas. Through increasing productive investment, this preparatory phase was to provide an increase in productivity which decisively benefited France after 1958. This would not be feasible in Britain *after* it joined the Common Market. The French revival after 1958, and the Italian spurt (just as the German miracle after 1948) have been due to a more or less severe depression of real wages relative to the world economy. There has been a consistent and very large excess of exports, and planning could restrict itself to discouraging unwanted ventures. In Britain, on the contrary, planning would have to consist of positively encouraging investment which is necessary. This would not be feasible. Without a *successful* devaluation (i.e., an appreciable cut in real wages), because Britain would not be capable of consciously increasing and directing investment into innovation in the new framework of the Rome Treaties, according to which it must eschew the use of direct controls. The choice of the timing of our entry could, therefore, not have been more unfortunate and if our entry coincided with a slowdown or a setback on the Continent, the impact on Britain which has yet to accelerate her growth, might be calamitous.

The total immorality, however, of devaluation as a means of a successful entry is patent: it would involve an open if partial default on the sterling reserves of the Commonwealth countries which Britain will in any case severely hurt through the abolition of the existing preferences. It is totally incomprehensible that most of these countries have not begun to liquidate their sterling holdings in London. Nor is it by any means certain that a devaluation will be effective in restoring British industrial resilience.

IV

In final analysis, the effects at home and overseas of the economic unification of Europe (and also of Britain's entry) will depend on whether it imparted dynamism only to the strong and inhibited the growth of the weaker members of the non-Soviet orbit, or would be used for a balanced development of the constituent countries and resulted in a fairly strong impulse to expansion all round i.e., including countries outside. This will depend partly on the institutional arrangement (but in my opinion only to a minor extent on the exact nature of the common tariff), and to a much greater extent on the policies pursued. Neither can be foreseen in any definite manner, though, as the picture unfolds, increasing doubts seem forced on the even basically sympathetic observers.

Dominance of Finance

There is little doubt that the enlargement of an economically unified area must weaken the capacity to plan deliberately for accelerated economic development, unless it is followed by the creation of new organs capable of doing for the new unified area what the Governments of the constituent units would do. In a "free" market customs union, the most dynamic and least progressive units would acquire decisive power and dictate through their strong creditor position. The banking interests, moreover, can co-ordinate their policy through the Basle Bank, the B.I.S., whilst there is no supernational planning body. It is to be feared that, in this respect, the dominance of the Franco-German financial circles will be detrimental, unless it can be offset by determined efforts on the part of the rest of the Community to plan. There is no guarantee that this latter will happen, especially since the Rome Treaties make judicial obstruction to planning easy while the enforcement of agreed plans between the member-countries can easily be sabotaged. The existing institutions created under the Rome Treaties are far too weak to do the job. The European Investment Bank represents a small fraction of the difference in investment capacity of the different members and could not be used for an effective equalisation of opportunity without such enlargement as would make it a completely new institution. The European Social Fund suffers from identical disability.

Only if Britain's entry was followed by that of the Scandinavians and the Austrians, thus giving the planners in the Common Market a sufficient majority, could this be hoped for. Unfortunately, there is no reason to think that British influence under a Conservative (and, if the power of the Civil Service is not reduced, even under a Labour) Government will be exercised in favour of European planning. The desire of the French, Dutch, and Italian planners for British entry is quite understandable. But it does not mean that some form of planning for full employment and growth will be the accepted system for the enlarged Common Market. Professor Erhard's rejection of all suggestions for deliberate planning was absolute. There is no reason to expect a change in attitude on the part of Germany. And the planners will not have any opportunity without such a change.

Indeed, it is to be feared that the ultimate consideration which determined the Conservative Government to sue for admission was the fear that the isolation into which Britain had drifted as a result of past policy mistakes could not be retrieved by a solution based on the Commonwealth, because this would demand too great an effort and sacrifice, as well as too conscious a commitment to planning and the reintroduction of direct controls. This would be needed, because investment innovation would have to be speeded up for obtaining a minimum of export surplus, in order to be able to sustain a recrudescent Sterling Area. Britain outside the Common Market would suffer a further weakening of the dynamism of her industry. Yet her relative competitive power is already gravely affected by her seeming incapacity to devote a high enough proportion of her resources to investment to match that of her main competitors. Unless this is remedied, Britain could be left helpless in the face of subsequent worsening of the terms of trade due to increased competition, whether coming from Japan and the Common Market, or, ultimately, from Russia. Conversely, the shock caused by the decision to join would succeed in effecting the necessary transition to dynamic expansion. In addition, the desire to weaken trade union bargaining power through increased competition from abroad must have been a powerful motive on the part of some of the champions of the Common Market. An emulation of the German and French miracles, a cut in real wages administered through devaluation (in the German case currency reform) and profits and investment might then be hoped for.

V

It is unfortunate that these dynamic considerations counselling caution received so little attention in recent debates. The conventional pleas in favour of joining the Common Market were based more or less on the nineteenth-century static "Free Trade" argument (in less propitious circumstances for Britain) that Britain would *ipso facto* benefit by becoming part of a large free trading area. But, unlike the countries of Latin America or West Africa, Britain is neither too small nor too poor to be able to provide industry with broad enough markets in efficiency. A merger to obtain the advantages of mass production is—apart from a very narrow range of industries, e.g., aircraft—not needed. The failure of British industry to shed its oligopolistic integumen will not necessarily be altered. Nor is it plausible to assume that there will be vast opportunities to specialise in ways which would increase productivity. Standardised tastes do not exist, and there is no reason to assume that trade promoted through aggressive selling methods necessarily increases satisfaction.

Conversely, the effects of being exposed to the competition of less socially conscious countries on industrial survival might be disadvantageous, if not worse. The idea that the good and bad effects of a union are shared alike by all and that, because the "whole area benefits" (if this expression has any meaning at all), *every part* will share in the benefits is certainly not convincing. The world is littered with regions which have become penurious as a result of joining with powerful partners; Nineteenth Century India, Ireland, and the South of Italy or Twentieth Century New England in the U.S. are only some flagrant examples. It would, of course, certainly be unreasonable to claim that Britain is likely to suffer the fate of India or Ireland, for her industry is strong. But it is unwarranted to claim, on present evidence, that she will necessarily gain. It should be noted, moreover, that Britain will exchange a very favourable preferential arrangement with a complementary area, the Sterling Commonwealth, for one which is strictly competitive. The consequential loss in trade will not necessarily be offset by gains.

A Fallacious Argument

The argument that increased competition increases efficiency has been shown to be fallacious by the lesson of the 1920's: all the world had then free entry into the British market. British industry decayed and only the "inward looking" protectionism of Ottawa succeeded in reviving it in the 1930's—still quite insufficiently to secure full employment. The experience of the 'fifties is equally conclusive: competition has increased in world markets. Our imports have been steadily liberalised. But British business as a whole has become weaker, as exemplified by the continuous deterioration of her share of the world market in manufactures and the rapid increase of our manufactured imports. Whatever effect this increased competition may have had on specific industries, its overall impact was to worsen the balance of payments. This in turn enforced crude general monetary restrictions, because more subtle discriminating policy weapons were no longer at our disposal as a result of the policy of liberalisation. Monetary restrictions, however, prevented investment in effective productive capacity from rising sufficiently. The stops and starts of Government policy, moreover, were especially discouraging to investment innovation—the replacement of old capacity which depends very much on an expectation of steadiness in demand.

There is thus no reason to believe that our entry into the Common Market would result in a radically different organisation of our industry which could not be brought about without it. It might, of course, result in bankruptcies and thus lead to an increase in efficiency of the *whole* Common Market—including Britain. It is fallacious to argue, however, that the place of bankrupt capacity and the employment it gave will be necessarily filled by British firms rather than Continental ones. If it were to be filled by Continental ones, however, underemployment and stagnation will be aggravated in England and not the reverse. The fact that population and manpower are expanding faster on the Continent is not necessarily an adverse factor for Britain. We shall be part and parcel of the whole and our industrialists *could* draw on Continental manpower.

A Snag

If, on the other hand, it is from changed Government policies, e.g., planning, that the acceleration of growth is to be expected, this is surely not dependent upon accepting the Rome Treaties. *Indeed, planning and sacrifice might be as much, and more, stimulated by the shock of the decision of staying out of the Common Market.* One would have thought the continuous crises of the 1950's ought to have led the Government to take all steps to increase productivity irrespective of joining the Common Market. The snag is that our entry into the Common Market is likely to worsen our balance of payment. The degree of protection in Britain is, on the whole, higher than on the Continent, especially Germany. Our imports are likely to go up more than our exports. Thus, a repetition is only too likely of the old distressing sequence of gold losses, namely, restriction of investment leading to decreased competitiveness leading to further gold losses. The vicious circle from which we have suffered certainly since 1947 (and probably since 1923) would be not merely perpetuated but accentuated.

Only if we could count on enlightened expansionist policies in the new community, would these prospects be relieved. Provided demand in the European space expanded faster than supply, pressure on the British industries would be lifted. But, as we have seen, this is not at all likely. Indeed, the Germans have taken active steps to

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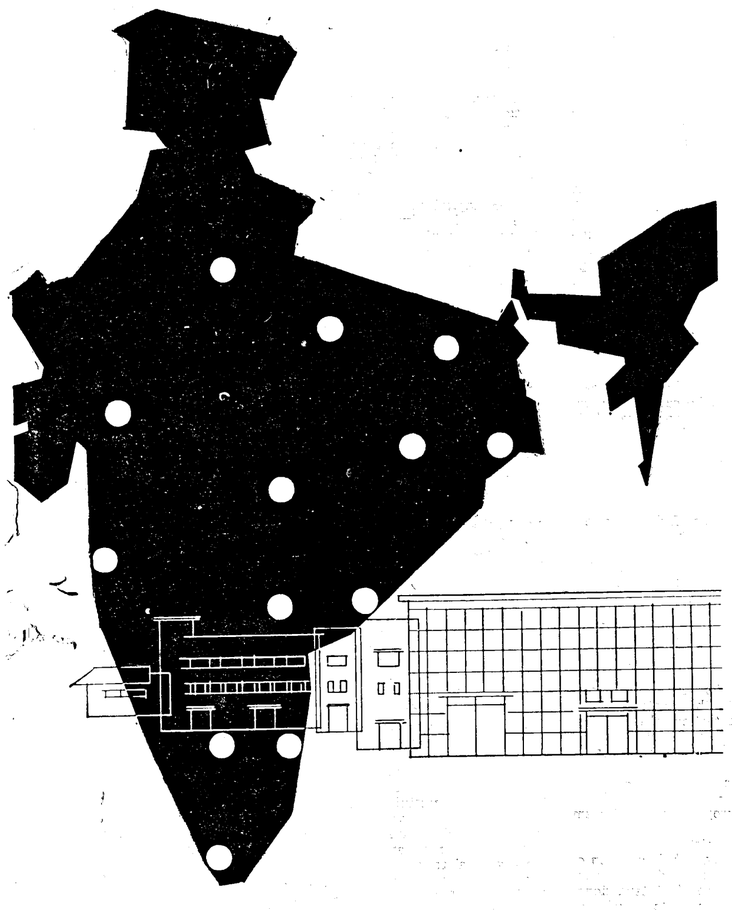

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discourage demand through cuts in Government expenditure and increasingly shrill warnings about the dangers of inflation. They have attempted to put pressure on wages by importing a large number of Greeks, Italians and Spaniards to replace the immigration from East Germany which has been stopped by the Russians through the erection of the Berlin Wall. If they continue in this policy, general deflation, cut-throat trade competition, rather than a harmonious amalgamation of Britain into the European space, can be expected.

VI

It must be admitted, however, that the conventional arguments that have been put forward against joining have equally been of dubious validity. They, too, are based mostly on irrelevant static considerations, e.g., that our entry would endanger our competitive power through making food "dear".[5] Even if we accept the argument that the cost of British agricultural protection is borne by the "rich," i.e., through subsidies financed by general taxes, the vital consideration is whether British dynamism will be stimulated or not; for the probable maximum "loss" in real wages suffered from "dear" food would be more than made good in four years if British growth increased to the German rate. In arguing against our joining the Common Market, the unpalatable fact is completely ignored that German real wages were 30 per cent below British in 1950, and are now definitely higher, and are still increasing at about two to three times our rate. The revenue saved by the abolition of agricultural subsidies might, moreover, be used to buttress social services or to reduce taxation falling on the lower incomes.

Nor is the argument more convincing that Britain will not be hurt sharply by staying out, because it has not been much hurt until now, and might not expect to benefit considerably from entry into the Common Market. The policy of Treasury, the Board of Trade, and the Bank of England has so undermined the cohesion of the Sterling Area that Britain cannot rely on having a secure base; and, unless a completely new policy changes the attitude of British entrepreneurs and re-establishes intimate relations with overseas areas, there is every reason to fear that the Common Market competition will continue to increase even in the parts of the Sterling Area in which British commercial preponderance is still marked, and the decline of our share in world exports will continue.

A Curious Contention

On the other hand, it is curious to observe that those who were responsible for deliberately weakening the economic cohesion of the Commonwealth should use the ensuing weakness as an argument in favour of joining the Common Market, even at the cost of finally and fatally injuring Commonwealth solidarity, on the grounds that the Commonwealth could not provide sufficiently dynamic alternative markets. This weakness has been their handiwork, and it hardly fits the assassin to complain that his victim was so weakened by the loss of blood that he is hardly fit for combat as an ally.

Finally, the effects on outside countries (whether it is "outward looking" or "protectionist") cannot be gauged by *static* considerations such as the level of tariffs applied, or whether the numbers have "actually similar but potentially different structure." In the end, demand for foreign products will depend on whether the national income of the new unit in Europe will be permitted to increase as fast as, or slightly faster than, its productive capacity, thus giving the rest of the world a continuous stimulus.

Africa

This is certainly true of the tropical Commonwealth.[6] They seem the only countries which could definitely hope to benefit from our entry into the Common Market. Yet the African colonies have refused to accept associated territories status, which Mr. Heath has succeeded in negotiating for them. In their case the European discriminatory system is in their favour and against the tropical products of Asia and South America. While this is not overly important in markets—such as cocoa—where price fluctuations are a multiple of any conceivable tariff barrier, it is some help and especially some help in establishing processing industries, e.g., groundnut and cocoa processing, in the case of which the Common Market protection is much higher. In addition they would receive some immediate foreign aid through the European Development Fund. In the case of the ex-British colonies, this would hold the British Government to its pledges to give aid from which it may otherwise wish to escape. The only disadvantageous aspect of the Common Market for these countries is that, up till now, the association has been negotiated country by country. Hardly any of these territories, however, is large enough to provide a market for a national industry. Unless, therefore, they can create a common market or perhaps two common markets, one in West and one in East Africa, their industrialisation is bound to be stifled by the Common Market rule which prohibits the imposition of discriminatory tariffs. But, as time goes on and the African leaders wake up to this problem, concessions can surely be secured, as the French are loath to sever their connections with Africa completely.

Asia and Temperate Zone

The prospects for the industrial products of the developing poor countries, such as India, are less clear. But a progressive expansionist policy would probably also aid them as the expanding market for Asian cotton textiles in the U.S. tends to show. The only exception is the production of foodstuffs of moderate climates: wheat, meat, and dairy products. In these cases, it would be essential to secure tariff quotas at favourable rates to protect our Commonwealth partners. Even in that instance, it is not tariff protection that is the threat but the complicated system of levies and subsidies likely to accentuate the increase in food-production in Europe. But the French refuse to concede this breach in European protectionism and they are in a strong position by being able to insist on the letter of the Rome Treaty. Their solution of the problem of the "Old Dominions" is through general international commodity agreements, such as were elaborated by M. Baumgartner, which combine high prices and production control. As it was the British who have been most opposed to such agreements because they supersede the price mechanism and would burden the British balance of payments, the total immorality of the attitude of the Macmillan Cabinet is patent. It has barred even this remaining escape route from ruin for a large part of the Commonwealth. Moreover, the prospects for such agreements performing the task effectively, however, are dim even if British resistance ceased. The Commonwealth certainly cannot rely on them as an alternative to free entry into the British market.

VII

We might sum up. The case opposing entry can only rest on an analysis of the destructive impact of the Union on Britain as a less dynamic partner, and on the outside world as a focus of deflation and loosening such bonds of the Commonwealth as still exist. It would have to be shown that (*a*) British industry is more likely to be swamped rather than stimulated, that the development on the Continent will remain far faster, that the institution devised to harmonise developments in Europe will prove as ineffectual as they now seem to be, and that the arrangements (to which allusion has been made) will prove more inimical to Britain than they have proven to, say, Italy; and that (*b*) it will prove impossible to maintain full employment, owing (i) to the rapid change in technique in the more dynamic area which impairs continuous and extremely costly readjustment, and (ii) the rules of the Union which do not permit the long-term use of direct controls, e.g., on capital exports from Britain, or on industrial location without which a shift to higher dynamism while maintaining social justice might not prove possible. In fact, both the Social Fund and the Investment Bank account for a fraction only of the difference between capital investment in the more and less dynamic regions. Their names could, of course, be increased, but such increase will be opposed by conservative financiers. The threat to the prosperity of overseas countries of the combined effects of conservative income policy and the specific incidence of commercial exclusiveness, especially in the field of temperate zone agriculture, represents a formidable further political argument.

Too Much To Expect

On the other hand, it is extraordinarily odd to ask the Europeans to forgo all economic advantages they have secured by their union at some cost and risk by drastic cuts in the "Common Tariff" or the liberty to impose import restrictions. Those who wish to liberalise international trade further, in order to ease the painful impact of the Common Market overseas, do not seem aware that they demand a weakening not merely of the exclusiveness of the European unit (and a conscious sacrifice of economic advantage), but also of its power to plan and to secure the maintenance of demand, without holding out any alternative means of planning for the wider "freeish" trade area, i.e., presumably the whole of the non-Soviet orbit. It is by no means certain that this tactic, if successful, will prove favourable to the weaker or primary producing areas. But the fact that the Americans are pressing for a general tariff cut is one more important reason for doubting the justification for a precipitate rush into the Common Market.[7]

There is thus no doubt that Britain's entry into the Common Market is far more risky than its protagonists like to pretend. The only "industry" which is certain to benefit is London, and in London the great international issue houses. They are far better organised than any of the Continent, and they are found to attract business and take an increasing role in handling the savings of the whole Western European complex. It is not surprising that much the strongest support for Britain's entry comes from these circles. But they have also been in favour of the return to the pre-1914 parity and to the "liberalisation" since the war which so weakened the country and is responsible for its relative stagnation.

Yet within the strict limits of a liberal framework, an economic gamble on the favourable consequences of any entry into the Common Market might seem comprehensible. After all, if the British economy were to be swamped rather than stimulated, if the limitation on our freedom of choice of economic policy, if the inhibition on planning for full employment once more seem important, and membership of the Common Market will no longer look so desirable, the country could always withdraw from the Common Market, whether such withdrawal is foreseen in the Treaty or not. The rest of Europe is unlikely to enforce the union by force of arms—as did the Northern States of America a hundred years ago—or by overwhelming economic warfare. No doubt the general, international position of Britain will have in the meantime deteriorated as a result of the consequences on her relations with third areas of her joining the Common Market. The Pacific Dominions will have to come to terms with countries such as Japan to find new outlets and might not reverse their policy. Still, in the face of continued stagnation, the threat to the existence of the Commonwealth and other disadvantages now appear to have lost in weight to the Tory leaders. The support given to our entry into the Common Market by the Government really shows the hollowness of the concept of N.E.D.C. ("Neddy") which purported to open a new chapter for Britain by deliberately planning for speedier expansion.

The Alternative

The alternative then of joining would be a policy of expansionist (but not necessarily socialist) planning aimed at regaining industrial dynamism by one's own efforts. This would demand higher investment, high external lending capacity, and deliberate rationalisation of industry. The former would have to be borne through justly shared sacrifice to which the trade unions need to give full consent and co-operation. It would require tightening of the controls. In one word, it would require the conscious shouldering of additional burdens. This presumably is the reason why even the Labour Party has not put before the country the real alternative to the liberal gamble up till recently. If there was a serious chance of accomplishing such a transformation, the implications for Britain of the Common Market would change fundamentally: the possible economic advantages of joining would be far outweighed by the grave international political risks it entails, not merely for the Commonwealth but also in the relations of the West to Russia.

The event which in all probability will decide Britain's fate is whether the Conservative Government will be able so to accelerate negotiations that it is able to effect our entry into the Common Market by January 1964. In that case, it could hold elections in May or June 1964—four months before the last possible date of a five-year Parliament and five months after the entry. The country would have been accustomed to the *fait accompli* of entry but the harsh facts of readjustments would not yet have been borne upon an unsuspecting electorate. The Government could bask

(*Continued on page 85*)

[5] This was the main argument used by the Board of Trade against our entry into the Common Market in 1957-59.

[6] I have dealt with this problem elsewhere. *Common Market Studies*, No. 1. Blackwell, Oxford 1962.

[7] It is interesting to recall that the Board of Trade, some years ago, published a scathing denunciation of proposals to join the Common Market because the consequential increase in our costs would price Britain out of the world markets. That thesis was patently wrong. Now the opposite is being pressed with equal vigour by the upholders of conventional wisdom.

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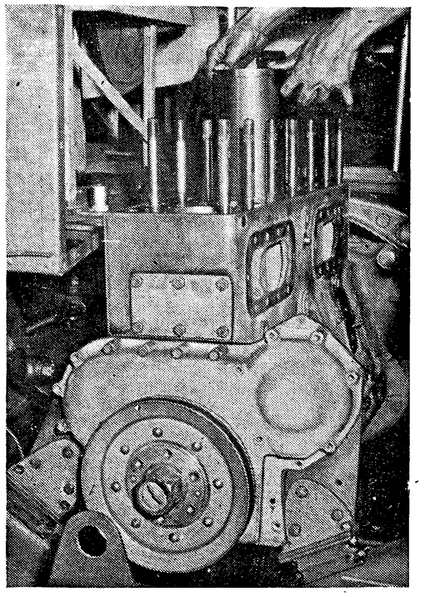

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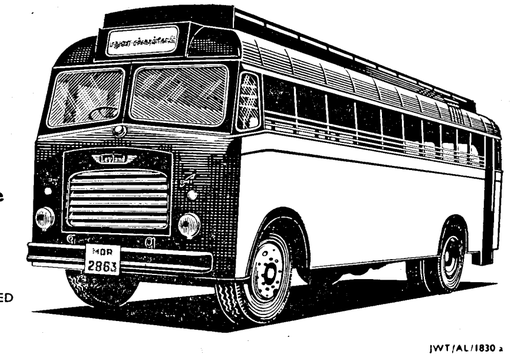

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Promising Developments Ahead For Underdeveloped Nations

By GEORGE O. HOSKINS, O.B.E.

GOLD and the International Monetary Fund between them today form the security for the settling of all countries' balances of payment. One might, indeed, say gold alone, since the resources of the I.M.F. are the currencies of member-countries convertible in turn into gold. But, although it has been a widely heard complaint for many years that the world's currencies are not sufficiently broadly based on gold reserves so that they cannot be made to totter, this proposition is not universally upheld. We may dismiss any argument that the gold standard on the present basis of valuation of gold and without the I.M.F. would be adequate, but there is a strong body of opinion including the governance of the I.M.F. itself which is satisfied with the gold standard *plus* the I.M.F. as it stands at the close of 1962. And there are also voices to maintain that world currencies would be a deal healthier if they reverted to a classical gold standard *plus* a revaluation of gold in order to broaden the base for exchanges.

We are concerned here primarily with the working of the present international monetary system from the point of view of the United Kingdom and the sterling area and we should first analyse what is the international credit base of the United Kingdom.

Gold and Convertible Currency Reserves

The United Kingdom holds gold and currencies convertible into gold to a value of about £1,000 million. If we look at the end-year figures over the past four years, the breadth of fluctuation is evident: a total of £977 million at the end of 1959 to £1,185 million at the end of 1961 and, at the end of October this year, it was £1,008 million. In view of everything that the gold reserves have to do, the fluctuations are narrow but this is because the United Kingdom is also using the resources of the I.M.F. and drawing on them when sterling is under pressure and repaying when sterling is in demand. During 1961, the gold reserves did indeed dip as low as £865 million before being replenished by loans from the European banks, and then rose to £1,226 million at the end of June this year before being diminished by repayments to the I.M.F. It is clear that the gold stocks are only part of the United Kingdom's resources.

Exchange Equalisation Account

This is the account which in fact holds this country's gold and convertible currency reserves. In addition to the basic reserves, this account has, since the early days of the last war, held a substantial stock of formerly privately-owned dollar securities. This stock is subject to fluctuations between a figure of around $750 million and $1,250 million. One might, therefore, set it down at an average of $1,000 million, or say, £360 million. In case of need these securities could be sold in America and yield dollars convertible into gold.

Quota in the I.M.F.

The United Kingdom is one of the principal subscribers to the I.M.F. (holding 13 per cent of its capital), its subscription having been made one-fifth in gold and four-fifths in sterling. In 1959, its quota of $1,300 million (£464 million) was increased by 50 per cent to $1,950 million (£696 million). The subscription of this quota gave the I.M.F. call on sterling to the full amount of the subscription, but it also gave the United Kingdom the right to call on the Fund for other currencies. It is as if by opening a bank account one had at the same time acquired overdraft facilities. These overdraft facilities are to a limit of twice the quota. Thus, in case of need, the United Kingdom could draw funds from the I.M.F. to meet overseas obligations to the extent of approximately £1,400 million.

Effective Reserves

The effective reserves of the United Kingdom are, therefore, the sum of the items set out in the three previous paragraphs, namely, the gold and convertible currencies £1,000 million, the dollar securities £360 million, and the I.M.F. drawing facilities £1,400 million, a grand total of around £2,750 million. This is a great deal more than the published figure of reserves and, perhaps, in time the fetish of publishing the gold reserves may be dropped in favour of publishing a composite total of at least the gold reserves and the I.M.F. resources. At present, every time that a gold reserve figure is published, one has to examine whether payments have been made to the I.M.F. in settlement of some past debt, reducing the gold reserve, but increasing the ability to draw on the Fund.

Drawing Rights of the I.M.F.

In order to show how these I.M.F. drawings have been used as an effective basis for international payments, it may be recalled that, in December 1956, the United Kingdom drew £201 million ($561 million) and this operation meant that the United Kingdom put sterling at the disposal of the I.M.F. and received in exchange other currencies. The sterling resources of the Fund were thereby increased and its holdings of gold, dollars, etc., were reduced. Then, where other countries wanted to buy sterling, the Fund unloaded sterling and acquired back other currencies, so reducing the U.K.'s debt to the Fund. Between March 1959 and October 1960, the United Kingdom purchased back the outstanding balance of this original drawing, thereby reducing the country's gold reserves and equally reducing its liability to the I.M.F. and increasing, *per contra*, its right to draw once again from the I.M.F. In spite of all this juggling, real resources remained the same.

The next dramatic use by the United Kingdom of its I.M.F. resources was in August-September 1961 (following the famous July crisis), when the United Kingdom had to meet an enormous outflow of hot money. Instead of meeting this outflow by heavily running down its holdings of gold and convertible currency, the United Kingdom sought the help of a Consortium of European bankers for a short-term advance. It then made its longer-term drawing arrangements with the I.M.F. and repaid the European bankers. These longer-term arrangements were to draw from the I.M.F. $1,500 million (£536 million)—a sum equal to about three-quarters of its I.M.F. quota—and to arrange a stand-by credit, that is, not to draw but to have the right to draw on demand, a further $500 million (£178 million). Thus, the United Kingdom, instead of seriously diminishing its gold reserves, acquired a credit line of $2,000 million, that is, slightly in excess of its I.M.F. quota, and proceeded to meet its obligations out of that.

Great Deal of Resilience

It will be observed from the foregoing recital, that, had the United Kingdom so needed, it *could* have acquired a credit line of almost double that which it did in fact acquire. Thus, even the tremendous disturbance of mid-1961 did not put too vast a strain on this country's gold and convertible currency resources in spite of all appearances.

One should interject here that there are three stages in drawing from the I.M.F.: the final stage is the actual drawing of gold or convertible currency to meet debts, the stage prior to this is organising a stand-by credit which means that one has the right to draw further sums to the amount of this credit, and behind this again are the general arrangements to draw up to twice one's quota. But, while these general arrangements exist, they have to be translated into practice with the approval of the Board of the I.M.F.; just because one has a quota with the I.M.F., it does not mean that one can *automatically* draw twice that sum. The Board has to approve that, in the light of the country's circumstances, a stand-by credit be created or currency actually advanced.

In the event, the United Kingdom did not have to use its stand-by credit. On the other hand, as soon as the crisis of confidence had been countered by mobilising the resources of the I.M.F., the hot money outflow ceased and was soon replaced by a return of funds. Before the end of 1962, the United Kingdom had repaid the whole of its 1961 drawing and, therefore, owed the Fund nothing. The amount repaid was added to the amount of the stand-by credit which was, therefore, pushed up to £714 million. This meant that, without any complications, the United Kingdom could, in case of need again, draw upon this £714 million which had thus become as effective a part of the country's international resources as its gold reserves.

At the end of October 1962, therefore, the United Kingdom had gold and currency reserves of £1,008 million, a stand-by credit with the I.M.F. of £714 million and behind that again the right to apply to the I.M.F. for a further £679 million to bring the total potential drawing up to double the quota. So, leaving aside the dollar securities held by the Exchange Equalisation Account, the country still had international resources, actual and potential, of £2,400 million.

The U.K.'s Liabilities

These liabilities consist of debts outstanding at any one moment (known as the sterling balances) and the annual surplus or deficit on the balance of payments and long-term capital movements. In the middle of 1962, the sterling balances were as follows:

(In million £s)	
Balances owned in the sterling area ..	2,689
Balances owned by non-sterling countries ..	840
Total ..	3,529
Add—	
Sterling held by the I.M.F. and other non-territorial organisations	785
Grand total ..	4,314

In assessing the potential drain on the resources of the United Kingdom, one can leave out of account the sterling balance held by the I.M.F. up to the amount of the quota. It is true that the I.M.F. could, in response to demand, sell sterling and acquire other currencies but this sterling might then appear under the heading of the sterling balances held by non-sterling countries. These countries might in turn want to dispose later on of their balances and so sell sterling and acquire for example, gold, but, under the I.M.F. arrangements, if the I.M.F. balance drops below its quota, it will wish to buy sterling up to the total of the quota and the sterling would simply flow out of the accounts of the non-sterling countries back into the account of the I.M.F.

Can one, then, take the total of the sterling balances held outside the non-territorial organisations and regard them as a potential liability to be weighed against this country's overall external resources? If we make this comparison, we find that these sterling balances greatly exceed the United Kingdom's total external resources. But we must remember that, within the sterling area, these balances are in turn the external resources of the countries to which they belong and the liabilities which these balances represent could only become a drain on the United Kingdom's external resources, if, over a period of years, the countries owning the sterling balances found themselves obliged to dispose of them for other currencies in order to obtain imports other than from the United Kingdom. But a move on this scale involving the liquidation of the holdings of sterling balances would be fraught with some very special significance and in any case it would take a long time. Indeed, of the total of sterling balances, official institutions held £2,492 million, while commercial and private holdings were £1,037 million (to give a total of £3,529 million). It is thus only the non-official holdings of £1,037 million that can be regarded *in toto* as a current liability to be weighed against the country's external resources.

Potential Drain

What about the potential drain on the United Kingdom's external resources represented by deficits on the current balance of payments and long-term capital investments overseas? The total of these deficits over the past three years has been as follows (but excluding the U.K.'s subscriptions to the I.M.F. since these, being part of the quota, are countered by the U.K.'s right to draw on the I.M.F.):

(In million £s)	
Deficit 1959	146
Deficit 1960	484
Deficit 1961	42
	672

Unfortunately, the United Kingdom statistics, detailed as they are, are not yet sufficiently precise to identify how the whole of this deficit has been accounted for. We know, for instance, that the sterling balances rose by £277 million; we also know that miscellaneous holdings of foreign currencies and such-like items (assets of the U.K.) dropped by £95 million, while the U.K.'s official holdings of other currencies also dropped by about £20 million, giving a total of £392 million. On the other hand, in this period of heavy deficit, the United Kingdom actually received gold to the tune of £89 million, so that, in reality, we have only accounted for £303 mil-

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lion of the deficit. And it is possible that the truth of the matter is that the deficit is somewhere between this figure and the total given above.

The purpose of the foregoing comparison is to weigh the United Kingdom's liabilities and the sort of deficits that (largely as a result of lending abroad) the United Kingdom can build up against her monetary balances. Nothing has been said in this about the flows of hot money; it is known that, in last year's summer crisis, the outflow was of the order of £600 million but even a sum like this does not look impossibly large against the reserves in gold and I.M.F. credits which the United Kingdom has, which is something like five times the total amount of the hot money outflow. Provided, therefore, that the United Kingdom's balance of payments is kept reasonably in equilibrium the resources of the United Kingdom in gold and I.M.F. credits appear adequate. It is unfortunate that only movements in gold receive publicity since the effect of this is to make the authorities seek to stifle the gold movements and operate instead their I.M.F. credit. Leaving aside this presentational defect in the present system, the true resources of the United Kingdom are workable and, applying the same argument more generally, one can understand why the I.M.F. itself regards the present international credit basis as adequate.

Aid to Underdeveloped Countries

By and large, the great trading nations of the world do maintain their balance of payments in reasonable equilibrium. Hot money flows are a disturbing factor, but, with the proper use of the I.M.F. credits, they can be coped with. The real reason for seeking a broadening of the credit base is the obvious need to do far more to assist underdeveloped countries than has hitherto been practicable.

If the United Kingdom, for instance, extends substantial credit to the underdeveloped countries, then it could put its balance of payments into deficit. This is the fear which inhibits many countries from being more open-handed and it is a very reasonable fear.

To combat this, there was put forward in 1959 and again today in a modified form, the Stamp Plan (named after the banker Maxwell Stamp), the essence of which is to build up a credit basis inside the I.M.F. Today, the balance-sheet of the I.M.F is very simple: on the one hand, it has the capital of the authorised subscriptions of members of a little more than $15,000 million and, on the other side are the gold holdings of a little less than $3,000 million and the holdings of currencies and securities of the member-countries to rather less than $12,000 million and other miscellaneous assets. In all this there is no credit item and, if the I.M.F. were a central bank, in addition to the capital one would show, for example, an issue of notes and on the asset side there would be debts and securities. The Stamp Plan would, in fact, provide for such an issue of notes. These notes would, it is suggested, be issued to a total value of $2,000 million, i.e., to about 13 per cent of the capital of the I.M.F. They would be put out in the form of grants-in-aid to the underdeveloped countries and the latter would be able to cash them with other member-countries in exchange for their currencies which they would use to finance capital imports.

Because the underdeveloped countries would, through the International Development Association, receive as much as they could profitably use (they would, incidentally, have to repay their borrowings over a period of fifty years) and because these credits would be cashable anywhere, it is considered that the recipient countries would be able to spread their capital requirements through the whole range of industrial countries. This would thus avoid throwing the balance of payments of any particular country into deficit and at the same time the individual lending countries would have a safeguard, in that they would not be required to accept a larger sum of these credits than their quota in the I.M.F.

It is important to note that the essence of this scheme of broadening the international credit base is not simply to finance existing international monetary movements but essentially to make it possible for a central international fund to finance the crying capital needs of underdeveloped countries. To those who cry "inflation," the answer is that, on the world-scale, inflation would not arise: the international credit is neither more nor less inflationary than national credit—this country does not suffer inflation because its business is conducted on the basis of bank credit instead of on the basis of gold. Nor would the comity of nations suffer inflation if they conducted their international monetary exchanges on a basis of credit as well as on a basis of gold. The credit would serve to stimulate production and, in the United Kingdom and the United States of America, to take two examples alone, there is great productive capacity at present unused which such a system could put into activity.

The European Economic Community also has its proposals to achieve the same sort of effect. The Monetary Committee of the E.E.C. is, indeed, due to consider a scheme known as the Triffin Plan, whereby the member-countries would count in their reserves 25 per cent of "credits"; these "credits" would, therefore, be the equivalent of gold or convertible currencies and they would take the form of deposits in the Bank for International Settlements or of deposits with the I.M.F. In short, a deposit at either of these two institutions (made in the country's own currency) would be reckoned as gold. This is a more local form of the Stamp Plan, but the intent is the same: to increase the capacity of the countries party to such a plan and to put funds at the disposal of capital-hungry countries.

Mr. Maudling's Proposals

Mr. Maudling's proposals, which were not received enthusiastically by the I.M.F. at their September meeting, envisaged something not very far removed from the Triffin† Plan. Mr. Maudling proposed that countries should, in fact, count holdings of currencies which they deposited with the I.M.F. as the equivalent of gold. In short, he would have the I.M.F. receiving deposits and these deposits would, in the I.M.F.'s balance-sheet, be matched on the asset side by additional holdings of currencies. Then a country could draw on its deposits with the I.M.F. in the form of convertible currencies.

This is one step removed from the original Keynes Plan when the I.M.F. was formed of having that institution issue its own notes, "Bancor." Thus, a country having a deposit with the I.M.F. would be able to draw that deposit in the form of "Bancor" which would be an internationally acceptable currency. The practical effect of a country having "Bancor" can also be likened to the Stamp Plan proposal that the I.M.F. should issue its own credits to the underdeveloped countries.

At the moment, of course, the I.M.F. can only deal in national currencies and if, under the Maudling Plan, deposits made with the I.M.F. were monetised—that is, acceptable as gold—transactions on these deposits would still require to be in particular national currencies: just as when the United Kingdom made its heavy drawings on the I.M.F. last year, it had to receive the currencies of several countries. The Keynes Plan would substitute this mixed bag of currencies by "Bancor"; the Stamp Plan simply uses the words "I.M.F. Credit."

All these add up essentially to schemes for providing internationally acceptable money created by the central organisation and lendable under the control of that organisation.

Against all these schemes, there are still those who would like to see all forms of international credit swept away and replaced by a new gold standard involving a substantial upward revaluation of gold, so that, for example, the whole of the I.M.F.'s capital of $15,000 million could appear as gold instead of only one-fifth of it. These upholders of the gold standard argue that they are not being restrictionist, because they, too, want to see the credit basis expanded but they want to see it kept in terms of gold. If there was enough gold, they say, then the I.M.F. or the individual countries or groups of countries could make advances to the underdeveloped countries in gold.

A Significant Difference

It will be seen that the difference between the two schools of thought is not the difference between an expansionist and a restrictionist school; it is the difference between a school which believes in the conscious adaptation of the means of international payments to the requirements of the international trading and lending system and, on the other hand, the faith in the greater security of an automatically working regulator. The gold standard adherents are, in effect, saying that, provided you have enough gold and if countries then conduct their affairs on the basis of the gold which they have, or is available to them from the I.M.F., then the movements in their gold stocks would, as under the traditional gold standard, indicate at once that their balance of payments was either too active or too passive. They would have to put their houses in order one way or the other, but there would be no getting out of whatever position they found themselves in through credit juggling. But, surely, the adherents to this argument are deceiving themselves: no one can lay down now what is the right amount of gold without incurring, in years to come, what is right now is no longer right, reconsideration and endless argument. There can be little doubt that plans such as the Stamp Plan and Triffin Plan will ultimately lead to the production of a plan by the I.M.F., and the monetisation of credit on an international scale is likely to become a reality within this decade.

Meanwhile, the I.M.F. at the beginning of this year achieved additional command over currencies by taking borrowing powers up to a third of its present capital. The United States agreed to advance $2 000 million, the United Kingdom $1,000 million (both figures about 50 per cent of those countries' quotas) and so on. When these powers are used then debtors and creditors will appear in the I.M.F. balance-sheet and more currency will be available to strengthen the world's international credit base. The resources are beginning to be provided; but not yet the techniques for making advances from these resources to the underdeveloped countries. That is where imagination is needed—to make international money put the unused productive resources of the "haves" to the service of the "have-nots."

LONDON, 26*th November*

†Prof. Triffin of Yale University, now Consultant to E.E.C.

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Are Capitalism And Communism Converging?

Mr. Nehru's Thesis Lacks Substance

By NEIL McINNES

SPEAKING at U.N.E.S.C.O. in Paris in September, Mr. Nehru, Prime Minister of India argued that the power conflict between the two blocs was bound to diminish, because capitalism and communism were in reality converging toward a type of organisation where similarities were more evident than differences. In other words, capitalism is becoming less capitalist, notably in that it is adopting planning methods that substitute central co-ordination for the free market; while communism is becoming less communist, in that it is decentralising economic decisions and allowing (indeed encouraging) State-owned corporations to behave more like independent enterprises. Ultimately—or so it is hoped by many who share the Prime Minister's view—the two systems that yesterday were as black and white will evolve to a common pattern which is pre-figured by the economic ideals (though not yet the economic practice) of countries like India and France: democratic planning that combines efficient central control with great liberty at the periphery.

Meanwhile (so this theory runs), the two systems would be brought nearer together by certain superficial but striking resemblances. Firstly, both would approach an era of abundance: the point at which most needs for food, shelter and manufactures will be virtually saturated is in sight for both blocs and, presumably, nations that have attained material satisfaction will find less to disagree about than nations that are divided over the best way to attain that goal. Secondly, in both systems a new class of managers, planners and experts will come to power, and they will get along together better than the "ideologists" of capitalism and communism. Mr. Nehru did not go into detail about these changes, but he must have had in mind the speculations of those who have ventured the prophecy that the apparently insoluble conflicts between the two camps will be removed by their evolution toward a third type of economic system. That he chose U.N.E.S.C.O. as the audience for these reflections suggests that he was assuming that increasing economic similarities will lead at last to cultural unity, within which war, or even cold war, would be unthinkable.

Argument Analysed

The argument obviously may be divided into (*a*) the interpretation of certain facts about current changes in economic practice in capitalist and communist countries; and (*b*) some rather bold and wishful deductions concerning the implications for foreign politics of these facts. The latter set of propositions may be dismissed fairly briefly. They are worth nothing, unless we have got right the facts about supposed economic similarities between present trends in capitalism and communism. And even if such similarities exist and are increasing, there is nothing in history to prove that nations with the same economic system must live in peace and aimty. President de Gaulle is the best known advocate of the contrary view, namely, that nations are basic historical facts which continue their secular rivalries regardless of passing ideologies and varying economic systems. Capitalist nations have made war on each other often enough, and the dream that communist nations would never fall out has not survived the Sino-Russian quarrel.

However, these large speculations on peace and war are not our point, for we are obliged to ask first what is the force of the claim that capitalism is becoming more planned and communism more liberal. No one, one hopes, would base such ambitious generalisations on isolated events, e.g. President Kennedy's veto of an increase in the price of steel, or some minor liberalisation regarding private sale of Russian peasants' produce. Occasional, forceful Government intervention in the price mechanism is as old as capitalism itself; markets have never been "free" outside the models of classic liberal economists, and odd Government actions that indispose certain private interests do not prove that capitalism is being dismantled. On the other side, compromises with private (and particularly peasant) profit-seeking are as old as communism, and whole chunks of Lenin's "new economic policy" could be restored without anyone being entitled to fear (or hope) that communism was being dismantled.

Long-range Significance

No; one would have to be able to cite coherent, long-term trends in the Russian and Western economies that seemed to point to the same ultimate method. There are only two such developments of long-range significance. On the Russian side, there is the substitution for the arbitrary and irrational allocation of resources typical of Stalinism, of superior (mathematically superior) methods of linear programming that owe much to American mathematicians. On the Western side, there is the immense prestige gained by French planning methods, which are being imitated already by half a dozen other European States, studied by the Kennedy Administration, and proposed for the enlarged Common Market which will soon be the world's second or third economic unit. If there is anything in the story of a convergence of communism and capitalism, it must refer to these two processes. Russia, it could be argued by folks who take this apparent convergence of methods seriously, is being Americanised while America is in danger of being Europeanised. The eventual state of both systems would be something that does not yet exist in West Europe but is imagined by French planners. The French *planning experiment* is central to the theory of convergence. In reality, it is easy to show that the similarity between the planning trends in Russia and France is more apparent than real, and in no way supports the notion of evolution toward a common style of economy.

Russian Plan

The Russian case is fairly simple. Planning is being improved, made more rational and efficient, in that country, and especially by adopting mathematical procedures invented in the U.S.A.—but which the Americans have no intention of ever applying to the whole of their economy. The "electronic market," conceived by American theorists as a substitute for irrational decision, has great possibilities in both types of economy, when the myriad pieces of information needed to compose it become available, which will not be before several decades. But its application could, certainly will, be quite different in the two cases: on the one side of the Atlantic, it could be used by major corporations and some Government departments (e.g. Defence), while, on the other side it could be used by the central planning authorities. There is nothing there to indicate a convergence of the two systems. Moreover, in so far as it is applied in Soviet Russia, it will be in order to facilitate progress toward objectives that remain characteristically communist and quite unacceptable to Western people: the abolition of money, the institution of as much equality as is consistent with continued innovation, communal use of goods and services for which demand is inelastic and rationing of the rest. The new planning techniques are aimed at making Russia more communist, not less. In the process, some theological absurdities such as the Marxist labour theory of value will have to be sacrificed (because they are incompatible with rational planning), but whatever happens the consumer will never be allowed to enjoy the power over the economy he has in the West.

French Plan

The planning techniques being developed in France have no such aims: indeed, on many points, their objectives are just the opposite. One cannot say, for the sake of a balanced antithesis, that they seek to make capitalism more capitalist, because ideas about what is essentially capitalist differ. But it is clear that they remain, and are meant to remain, compatible with the right of the consumer to decide his own outlays, of the worker to take the employment he chooses, and of entrepreneurs to make profits. The function of the national plan in that liberal arrangement is to act as an *uncertainty-reducer* for the most influential economic agents. It lets them behave in their traditional ways but enlightens them about the consequences of their decisions. There is only one way in which national planning of that sort could lead to convergence with communism— lead to it insensibly and by stealth without the nation deciding to adopt compulsory, central allocation of resources.

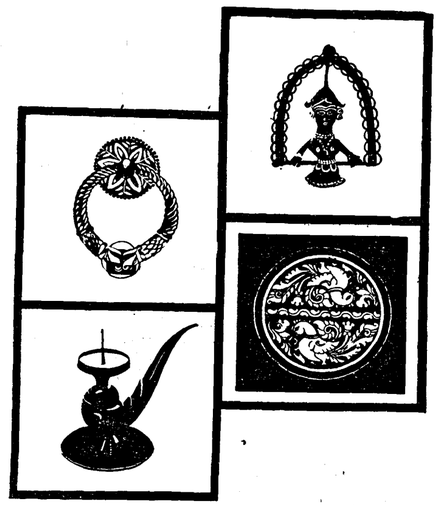
It is this. If the plan succeeded so well that it not merely reduced uncertainty but abolished it, then most people (without being converted to communism) would demand confiscation of profits. Without embracing any moralistic theory *about profits and dividends being* the just reward for risk-taking, it is obvious that, if an entrepreneur and his shareholders were able to make a sure killing simply by acting on a central, public decision, then people would think this unjust. If an electronic calculator in the central planning bureau made some people richer without them having to take a risk or accept any uncertainty, confiscation of their profits would be demanded just as it is today when an urban housing project enriches land speculators or a defence programme assures the fortune of one supplier. Occasional interventions of that sort occur now: entrepreneurs are made to contract on a cost-plus basis, or armaments profits are limited. Now, occasional confiscations of profits are, exceptionally, compatible with capitalism, but, if they become at all common, capitalism is being struck at its very roots. High taxes, social welfare and a dozen other things that capitalists fulminate against might hamper (and in some cases might not, in the longer run) the working of the capitalist system, but once the idea gets about that there are "normal" or "just" profits, that the capitalist has to accept a limited return because public decision has taken all the risk out of his enterprise, then capitalism is dying and is really converging with communism. The question is whether democratic planning techniques are really tending toward that hypothetical extreme or limiting case.

The Basic Aim

If not, if democratic planning merely avoids disastrous waste (such as can occur now that investment programmes are slow to mature and entail huge sums of capital), then it remains consistent with firms making unlimited profits-before-tax, and hence with capitalism as a system. It could remove unnecessary risks, such as might arise from firms making large investments in ignorance of what other firms and the biggest firm of all, the Government, were doing; but it would leave intact the risks inevitably associated with the freedom of consumers to buy what they chose, the right of workers to refuse certain jobs and to bargain about the wages they accept, and with the fact that the country remained part of the world trading system with all its uncertainties. None of those risks and uncertainties exist for the factory manager in the Soviet system, which is the reason he is not entitled to make profits.

"Indicative" and "Imperative" Planning

This approach—that planning remains consistent with capitalism and implies no convergence with communism as long as it leaves enterprises to face risks that justify profits, and notably the risk of serving free consumers—is better than the debate about "indicative" and "imperative" planning. In the most liberal economy, enterprises are subject to all sorts of imperatives; for a Government to tell certian enterprises what to do does not mark the end of capitalism, because Governments have been doing this for ages. Besides, when a democratic Government wants to ensure the production of just so much of something, at a certain price and in certain places, it does not organise a plan; it *nationalises* the industry concerned, and this has happened to numerous industries and services in the West without the rest of the free market being destroyed. Planning as practised in France has led to no fresh nationalisations and in fact has reduced the pressure for socialisation measures from the Left. (Incidentally, this point cannot be too strongly emphasised: planning arose in France as a defence—some would say a diversion—against the campaign for authoritarian plans put up by the post-war socialist-communist majority.) The "imperatives" that are envisaged from time to time in France relate to minor sectors that let down big enterprises because their effort is diverted to satisfying an easy consumer market; for the rest, the only enterprises that folk want to see constrained to fulfil targets are Government departments or nationalised corporations, so this is a demand for administrative efficiency and forebodes no drift to authoritarian planning. The Government has in reserve numerous incentives to encourage firms to do what other firms expect of them, without hav-



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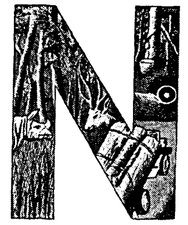

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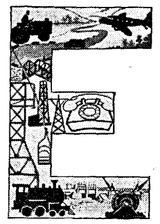

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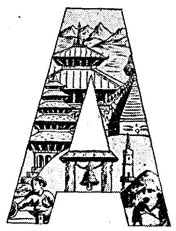

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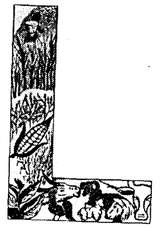

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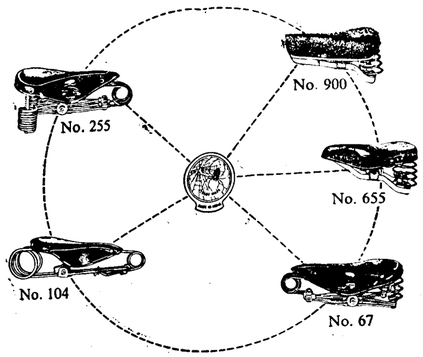

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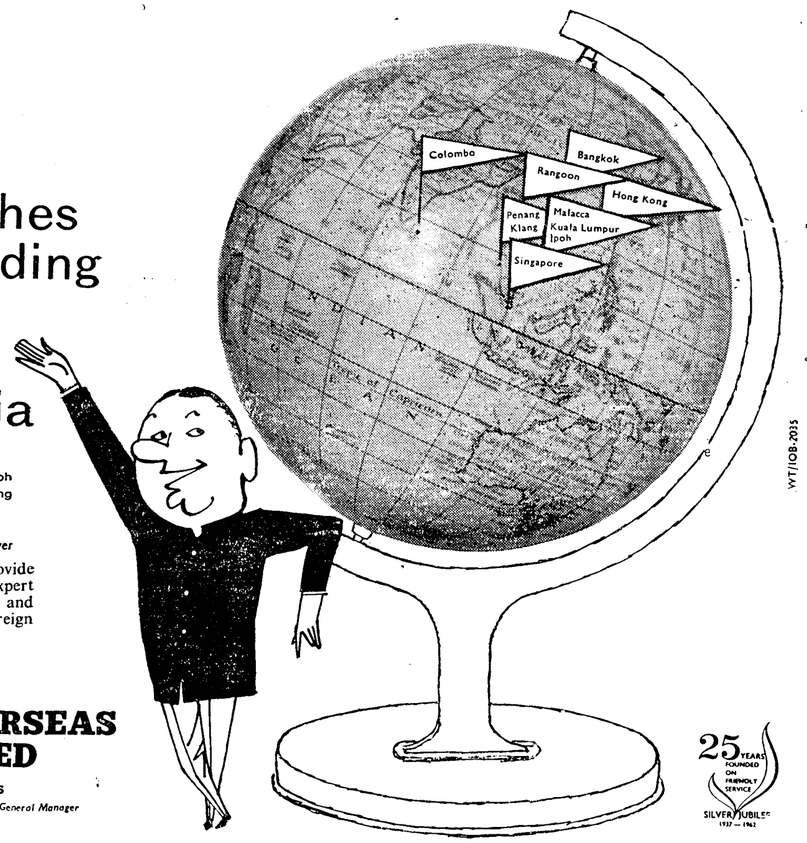

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ing to issue edicts. In sum, there exists no insidious drift to imperative as against indicative planning. The idea that indications might give way to imperative orders covers not convergence but revolution, a political conversion to the communist point of view.

Uncertainty-reducer

The only possibility of insidious drift to a convergence with communism lies, to repeat, in the perfection of the plan as an uncertainty-reducer, to the point where profits would appear unwarranted. What prospects of this reside in planning as now practised in France and imitated elsewhere in West Europe? Very little, to judge from French experience to date. To prove this, we will have to emphasise the great uncertainties in which French industry has had to pursue its development throughout the four plans so far written. In doing so, we may seem to be arguing that planning has been useless, for it has left all this indecision, incertitude and obscurity. Not at all: for it could still be true that it had reduced certain crucial uncertainties, relating to inconsistency between various investment programmes. To that extent, it would have been valuable, and well worth imitation elsewhere. The test would be in the efficiency of total investments in relation to increases in national product. That is, French industry under the plans may have been left to face all sorts of uncertainties known in other democracies (and would thus be entitled to earn what profits it could), but, if it avoided the uneconomic consequences of sterile competition, duplication of effort and unco-ordinated programmes, this would show up in the circumstance that the same pace of expansion was being secured with smaller total investment (or a faster pace of expansion with the same volume of total investment). We would then have the situation of planning making converts because it reduced the wasteful defects of the competitive system, while remaining perfectly capitalist, i.e. based on multiple initiative, risk-taking, and free choice for consumers and workers. Capitalism in that situation might well be evolving, and in ways unpalatable to dogmatic liberals, but it would surely not be converging toward communism.

Three Facts

Three facts should be enough to show the extent of the uncertainty accepted by French industry under the plans. First, material conflicts between various sections of the population associated with planning have been as frequent and as acute in France since the war as anywhere else, and more frequent than in most European countries. Strikes by organised labour, a veritable peasants' revolt by the resurgent farming community, and intense lobbying by industrial interests have all been glaring features of this planned capitalism. Secondly, the country has returned to the system of convertibility, has liberated capital movements to a large extent, has abolished price controls and subsidies, and has restored the operation of monetary policy (variations in interest rates and in the volume of bank liquidities) as a governor of the economy. Thirdly, whereas the theme of the first plan was recovery from war damage, of the second general economic expansion, and of the third the control of inflation, the fourth plan has as its basic aim the integration of French life into world markets. Everything in the current plan is directed at co-ordinating the French economy with the Common Market and with world trade in general.

Now, any presentation of French planning as a movement, however gradual, toward a liberalised communism is just a play on words (on the word "plan"), unless it recognises these three fundamental facts, these three immense uncertainties: direct action by discontented sections of the people, liberal money markets, and full participation in world trade. All of these have become more marked, not less, while the French plans have been in course of implementation. Where is there the communism, even an imaginatively liberalised communism such as some may hope to see emerge in a freer, richer Russia, that would be compatible with any of these things? An economy may be held to be moving toward a system not so dissimilar from a humane, rational and decentralised communism when it begins by making impossible strikes, lobbying and peasant revolts, when it abolishes the monetary weapon as a way of allocating resources, and when it cuts the country off from the extensive risks and incertitudes of world trade. But not until then; any more than a communist country could be held to be evolving toward a type of planned capitalism, until it restored the sovereignty of the consumer, free movement of labour and the possibility for enterprises to make theoretically unlimited gross profits.

Definitely Not True

It might be replied (some socialist critics of French planning argue this) that all these things are just "contradictions" that will be purged as the country sees the real requirements of the planning course it has entered. That is no doubt true of the acuter forms of peasant discontent, which the French planners aspire to relieve by better planning in future, and of strikes too, which might be reduced by the national wages policy now being mooted rather vaguely; it is certainly true of the effects of the monetary weapon, which the planners hope to annul, in certain cases, in the interests of fulfilment of the plan, by offering other incentives to selected enterprises (special loans, tax concessions, etc.). But it is definitely not true as regards the integration of the French economy into world trade, for this is precisely the basic aim of the fourth Plan. That is, the competition and the unpredictable risks of greater participation in world trade are not seen as temporary uncertainties that later planning might remove, but as the real task that the French have to face, using planning where it helps to make the task easier, and adjusting the plan where the impact of world trade conditions makes that necessary.

Significance of France's Fourth Plan

The crucial figure in the Fourth Plan is the positive balance of $310 million set as a target for the country's current external payments in 1965; all the other figures, as to possible pace of expansion, rate of saving and investment, etc., have been calculated *from* that figure. But that figure itself is not, strictly speaking, calculated from anything. Professor Perroux has written: "It is not properly an objective that has been worked out in view of attaining an optimum; and no more is it a rigorous statistical projection. . . . Under the disguise of a number, we have here a *qualitative option*. The authorities wish to orient the French economy toward the exterior, to *extravert* it with the aim of disposing of sufficient international liquidities to reimburse our external debt, face up to accidents, and invest abroad in the developed countries, in the overseas franc zone and in other undeveloped countries. . . . The option is for a moderate industrialisation oriented toward the exterior and, specifically, toward the other industrialised nations."

This basic option may be criticised on a variety of grounds, and one may dispute its consistency with sundry other provisions of the Fourth Plan; one may have, too, different ideas about its chances of being realised. None of that matters to us at present. Our point is to bring out the real nature of French planning as exemplified in the current plan. It consists in asking entrepreneurs to face up to the most uncertain field of all, the uncontrolled and unpredictable domain of international trade, while offering them the uncertainty-reducer of a national plan that will try to ensure that they do not step on each other's toes needlessly. In fact, those entrepreneurs have to contend with a host of other uncertainties: the freedom of consumers, the importation of new styles and tastes (the so-called Americanisation of Europe), free labour and an aggressive peasantry, convertibility of the currency, and so on; but the full participation of France in world trade is the biggest and least familiar of them, for it was not among the aims of earlier plans.

Forward Programming: German Conception

So, even if the plan were a complete and entire success, the planner, with his electronic computer, will not be able to say to French capitalists in 1965, "I guaranteed your profits by taking the risk out of your enterprise"—which is what the Gosplan authorities can say to any Soviet factory manager, or rather will be able to say when Russian planning becomes more rational and, in particular, drops the absurd notion of overfulfilment of targets by certain enterprises. What the French planner could claim, at most and on the assumption that his rather empirical, trial-and-error forward programme is realised in the facts, is that he helped ensure that private capitalists did not complicate their task by taking conflicting risks, by working one against the other. To the extent he does so, his contribution will have been exceedingly valuable; compared with other Western economies where capitalists made long-term plans in ignorance of each other, of the Government and of statistical information, French investments will have produced a proportionately greater return. Yet no one would be able to allege that most capitalists had had their work cut out for them and thus did not deserve to take any profit they could reap. As long as that is so, the main—or at least one of the main—principle of capitalism is intact, and it is idle to talk of a convergence toward communism. All the more because, as we have seen, communism meanwhile has been becoming more communist, approaching nearer the goal of efficient central allocation of resources and ultimately the abolition of money.

The French are at present seeking to persuade the West Germans to co-operate in avoiding wasteful, conflicting and excessive investments in the Common Market, just as they have done themselves inside their own economy. Because of the Germans' unpleasant memories of Nazi "planning," they have to baptise the sort of co-operation they mean "forward programming" rather than "national planning." The name is not just a euphemism, but a more accurate description of what the French have been doing, in that it avoids confusion with planning as practised by totalitarian States. For the French plans are not rigorously calculated models; the "targets" they contain are something more than mere *wishes* but far short of *obligations*. Such plans are better described as collective experiments in trial-and-error, i.e., they do not claim to abolish all risks but just to ensure that most people are taking consistent risks, risks that are consistent with each other, because they are based on the same information and similar aspirations. They constitute, that is, attempts to *organise empiricism*. In one important sense, they still deserve the name of plan, because, at the most general level, a plan is a way of provoking, in the name of some higher interest, a use of resources different from the use that would have resulted if agents had been left to act spontaneously.

A Superficial Thought

One can see how different this procedure is from communist planning, even as this is being revised and made more rational. It might be too much to say that planning *a la francaise* makes capitalism more capitalist, but at least it leaves intact the main features of the capitalist economy. The British conservatives would scarcely be showing the interest in it that they are if matters were otherwise. Only if we are ready to be misled by words like *plan*, whose content is unspecified, could we conclude that capitalism and communism are converging to a common, third type of economy.

If Mr. Nehru's notion of convergence is essentially optimist (tension will diminish because the two systems are approaching each other), the contrary view is not necessarily pessimist. That communism becomes more communist while capitalism remains capitalist does not prove that tension must persist, with constant danger of war. It is almost certainly false that the basic cause of tension between the power blocs is their different economic ideologies. Different economic systems could well live in peace, or in more or less friendly rivalry, if they had something else to worry about. Such subjects for mutual concern are not wanting. There is, for example, China. There is the danger of nuclear war. There is the challenge of underdevelopment, and of space exploration. One cannot predict that these things will bring West and East together. But one can conceive them being tackled simultaneously by regimes of which one remained capitalist and the other communist.

THE CRISIS OF THE COMMONWEALTH

(*Concluded from page 76*)

in the glory of new opportunities rosily pictured which their policy had opened. In any case, the financiers of New York, Basle and Frankfurt would be only too willing to oblige to get their protagonists in Britain over a difficulty. Labour would thus be forced to fight the election under a double disadvantage. Its dire predictions about the consequences of entry on the Government's terms would also be in the position of advocating a change—that is, withdrawal from the Market—fraught with unknown dangers.

Mr. Macmillan's calculations, however, are themselves based on factors outside the control of his Government. He can meet his deadlines leading to the signature of the treaty only if the French co-operate in speeding up the negotiations. The politics of the Common Market have already engulfed Britain. If German intransigence over Berlin and if French ambitions for nuclear status independent from the U.S. are taken into account, it must be an intrepid if not purblind Cold War Warrior who has no doubts.

EXPORT TRADE OF DEVELOPING ECONOMIES

Who Is Responsible For The Slow Growth?

By PROF. M. L. DANTWALA
UNIVERSITY OF BOMBAY

[The problem of foreign trade expansion of the underdeveloped countries has many facets. This article deals only with some of them. Firstly, it gives the latest available statistical picture of trends in their export trade. Secondly, it briefly examines the controversy regarding the demand and supply deficiency for their exports. Lastly, it just summarises the findings of the G.A.T.T. Committee III on Trade of Less Developed Countries contained in a recently published report. The problem of national policies for export promotion is not discussed.]

THE paucity of foreign exchange resources constitutes one of the most crucial constraints on the economic growth of the developing economies. In these countries, the import content of investment finance for development is very large, far exceeding their normal export earnings. While the inflow of private and public capital aid, which has grown significantly in recent years, has helped to avert impending foreign exchange crises from time to time, it is well recognised that this could not be a continuing solution to the problem and that, *in the ultimate analysis*, exports will have not only to finance the current imports, but also the repayment of previous aid-loans.

At a time when so much depends upon the expansion of exports from the developing countries, the recent experience in this regard, since the collapse of the Korean war boom, is not encouraging. As the tables below indicate, all the three indicators of export performance—the quantum index, the value index and the unit value index—do not exhibit much resilience. Not only are the rates of growth distinctly slower as compared to those in the developed areas, but they are also not adequate for the purpose of the growing import requirements. This is reflected in the substantial trade deficits experienced in these countries in recent years.

*World Exports**

TABLE 1.1

Value (in thousand million dollars) f.o.b.

	1950	1955	1960
Developed areas† ..	35.36 (100)	56.05 (158)	79.84 (226)
Underdeveloped areas ..	18.30 (100)	22.86 (125)	25.79 (141)

TABLE 1.2

Quantum Index: 1953=100

	1955	1957	1960
Developed areas ..	121	142	167
Underdeveloped areas ..	110	119	134

TABLE 1.3

Unit Value Index: 1953=100

	1955	1957	1960
Developed areas ..	98	104	102
Underdeveloped areas ..	102	100	95

(Source: *U.N. Monthly Bulletin of Statistics, July and August*, 1962.)

* Excluding the trade of countries with centrally planned economies.

†U.S.A., Canada, Western Europe, Japan, Australia, New Zealand, South Africa.

During the decade ended 1960, the value of the exports from the developed areas increased by 126 per cent, as against an increase of a mere 41 per cent in the value of exports of the Underdeveloped Areas. The growth in the quantum of exports also shows the same disparate trend. The quantum index (with 1953 as the base) shows an increase of 67 per cent by the end of the decade for the developed areas as against an increase of only 34 per cent for the underdeveloped areas. The unit value of exports shows a rising trend for the developed areas and a declining one for the underdeveloped.

The export performance of some regions of the underdeveloped areas is less unsatisfactory since 1958. Both Africa and Asia have been able to maintain a rate of growth comparable with that of the developed areas. But exports from Latin America are lagging behind. In regard to the unit value of exports, whereas Asia has been able to more or less maintain the level, there have been serious declines in the unit value of exports from Africa and Latin America.

TABLE 2

World Exports: 1958=100

	Quantum index		Unit value index	
	1955	1961	1955	1961
Developed areas ..	88	127	97	101
Underdeveloped areas ..	91	117	105	95
Africa	93	128	103	91
Latin America	87	111	111	94
Asia	90	123	106	103

(Source: *U.N. Monthly Bulletin of Statistics, July and August* 1962.)

II

The analysis of the facts relating to sluggishness in the growth of exports of developing countries may be attempted in terms of the following questions:

(1) Is the sluggishness due to demand or supply deficiencies?

(2) What is the effect of industrialisation in the primary producing countries on the growth of exports?

(3) To what extent is the export performance of different countries associated with the degree of inflation in these countries?

These questions open up a vast field of theoretical and empirical analysis. As pointed out at the outset, they are discussed below merely by reference to some current literature on the subject.

As is well known, Nurkse, in his Wicksell lectures, attributed the lag in the growth of trade in primary commodities mainly to the relative sluggishness in external demand emanating from the industrial countries. He conceded that "domestic policies causing limitations on the supply side in producing countries have also been effective in certain cases." It is, however, possible that such policies reflect the past experience regarding the unfavourable demand conditions for primary export products.

On the other hand, it has been argued that the failure of primary producing countries to expand their exports is mainly due to the process of industrialisation, inasmuch as industrial growth in these countries involves the consumption of greater quantities of their own agricultural produce, thus restricting supplies for the export market. Prof. Cairncross has, in addition, pointed out that "prices of exports from the non-industrial countries have risen since pre-war by half as much again as the prices obtained by industrial countries for their exports of primary produce. This sharper rise in prices reflected the acute pressure on supplies of primary produce in a fully employed economy—a pressure that continues because of the low elasticities of supply of this produce." Whatever may be the truth in this statement when it was made, it cannot be said that supply inelasticities are currently a serious obstacle to the growth of exports.

As for the marked difference in the performance of the so-called semi-industrialised and other non-industrial countries, the Haberler Committee had observed that "there appeared to be a long-term tendency for the export proceeds of the semi-industrialised countries taken as a whole to rise more slowly than is the case for non-industrial countries. The Committee, however, clarified the observation by stating that "this tendency is not necessarily due to industrialisation policies as such, but to certain forms of such policies which carry with them an anti-export bias." Other writers who have examined this question take a somewhat different view. For example, A. Maizels, in his article in *Kyklos* suggests that (1) the process of industrialisation *per se* did not have a retarding effect on the development of exports from the semi-industrialised countries taken as a whole; and (2) the slower rate of growth in their exports compared with those of the non-industrialised countries was due essentially to the differences in the commodity pattern of exports of the two groups of countries.* On the other hand, he observes that the pace of industrialisation has itself been heavily dependent upon progress of exports in these countries.

Maizels brings out the doubtful character of generalisation regarding the differential performance of semi-industrialised and other non-industrialised countries by dividing the exports of the non-industrial countries in two parts: the commodities directly competitive with those of semi-industrialised countries and other primary products. The result of this analysis reveals that, whereas the export volume of non-industrial countries in 1955 for the first ('competitive') group was 105 (1937/38=100) as compared with the index of 101 for the semi-industrialised countries, the index of export volume in the second ('non-competitive') group had risen to 224. From this, he concludes that the demand deficiency argument is nearer the truth than the supply deficiency argument.

Mr. K. Bieda, in an article in *Kyklos*, has countered Mr. Maizels' argument and tried to prove that, basically, it was *supply deficiency* which was responsible for the 'lag' in the export trade of the primary producing countries.† Mr. Bieda argues that "if the causes of the phenomenon (of the lag) were deficiency of world demand for raw materials in the period discussed, the exports of the rapidly industrialised countries should be affected more or less in the same degree as the exports of other primary producing countries. But.... this is not the case." Mr. Bieda takes the analysis further by comparing the quantum index of exports of the United States and Australia, and shows that "while Australia's volume of primary exports, having dropped in the war from the 1939 level, remained well below that level until 1952 and did not regain the pre-war level until 1953 or 1955, the United States' primary product export showed no such trend." From this, he concludes that "the market demand was there, but such countries as Australia did not respond to the opportunities and, therefore, an industrialised country like the United States had to fill the gap." In fact, Mr. Bieda goes further and makes certain very categorical statements. He asserts that a great deal of the potential gap must have been filled by:

(*a*) An increase in the domestic production of these materials in the importer countries, who, unable to obtain them in the world markets, and worse, unable to pass enough manufactures over the protection walls of the industrialising countries, decided themselves to 'agriculturalise' also behind a tariff, or import-restriction wall.

(*b*) For the rest, as the above difficulties *tended* to manifest themselves, the importer countries would be *forced to economise at a cost* in the use of these materials by switching into using domestic substitute materials in the production process, and switching into altogether different consumer goods or into services, in the consumption process. (Author's emphasis.)

When the matter is put in this manner, it would appear that the fault lay entirely with the industrialising countries and what the importer countries did was primarily in self-defence.

Mr. Maizels, in his reply to Mr. Bieda, has taken care of some of his arguments and once again emphasised the fact that "the commodity pattern of trade was the overwhelming reason for the differences in the overall export performance of the two groups of countries." Apart from this, and accepting that, for the period concerned, there was a real problem of supply deficiency in the developing countries, it would be wholly inaccurate to attribute it to independent and autonomous decisions arising out of the policy of what Mr. Bieda calls, "forced industrialisation" by the developing countries. For one thing, it completely ignores the experience of the pre-war period during which demand deficiency was an undisputed fact and resulted in a precipitous fall in the prices of primary commodities and economic disaster for the primary producing countries. It would have been an extraordinary act of faith on the part of these countries to have kept up their production potential in trim hopefully waiting for a time when an emergency like the World War II or the Korean Boom stockpiling would cause a sudden upsurge in world demand for their products. At best, it is the usual hen-egg debate whether it was the demand deficiency which forced the primary producing countries to cut down production or supply deficiency which forced the developed industrial countries to 'agriculturalise' and 'economise' at a cost.

That there have been instances of deliberate policies in developing countries, resulting in restrictions on supplies for exports, cannot be denied. For example, Brazil did

*A. Maizels: "The Effect of Industrialisation on Exports of Primary Producing Countries," *Kyklos*, Vol. XIV, 1961, Fasc. 1.

†K. Bieda: "The Causes of the Export Lag of the Industrialising Countries." *Kyklos*, Vol. XV, 1962, Fasc. 2.

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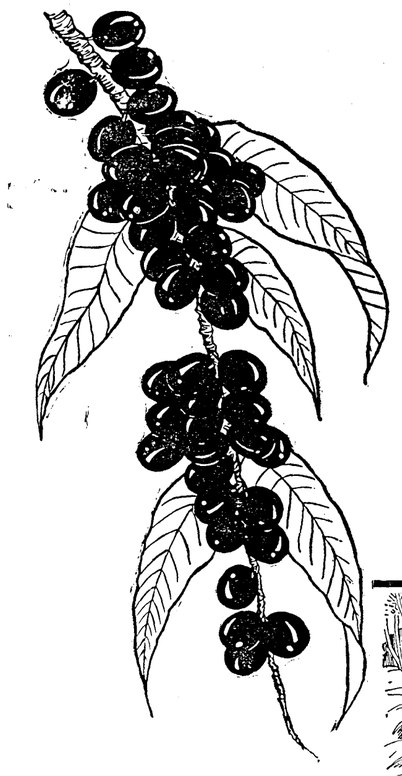

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try to cut down its production of coffee in the hope of maintaining a certain level of world price for coffee. Similarly, restrictions have been placed in India on the export of oilseeds with a view to making them available for domestic production of oils. All such instances, however, singly or cumulatively cannot wholly explain the lag in the export of primary commodities. On the side of the demand for primary commodities also, there are a number of instances which show that the decisions to *agriculturalise and economise at a cost* were the direct consequence of national policies in the interest of the domestic producers rather than of real or apprehended supply deficiencies.

Regarding the effect of inflation on the exports of primary producing countries, Miss Gertrude Lovasy, in an article in the *Staff Papers* of the International Monetary Fund, has examined this question both with the help of a brief theoretical analysis and considerable empirical data. Her major finding is that "inflation tends to hamper the expansion of exports and to retard their diversification." This happens primarily because of the increased domestic demand and the resulting rise in prices relative to those in competing or importing countries. As inflation progresses, the economy also becomes structurally oriented towards meeting domestic demand. The following findings emerge from her study:

(1) *While the behaviour of* exports of countries with mild inflation differed very little from that of countries where prices were stable, exports of countries with strong inflation, however, showed a relatively small increase in the earlier period, and complete stagnation after 1953.

(2) An examination of the export performance by reference to changes in domestic price *in terms of dollars* indicates that, in countries with mild inflation, *exports responded more promptly* to changes in prices.

(3) Analysis in terms of 'major' and 'minor' exports indicates that stable countries expanded both their major and minor exports considerably while those of inflationary countries failed to grow. Major exports of *the stable group* were some 30 per cent higher in 1959 than in 1953; for the inflationary group, the volume was practically the same in the two years. The difference in the trends is even more pronounced for minor exports—*a decline of roughly 6 per* cent for the inflationary group and a rise of 50 per cent for the stable group. In other words, stable countries made considerable progress than inflationary countries in developing exports.

(4) The sluggish behaviour of the exports of the average *inflationary country cannot* be explained by their encountering a less favourable demand for their main products. World trade in most of these products increased considerably but the inflationary countries were not able to keep pace with *world trade* in respective commodities.

III

The problem of expansion of trade of less developed countries was recently examined by a subcommittee of the G.A.T.T. This *Committee* was primarily concerned with the question of what the developed countries could do to promote exports from the developing countries. The main findings of the Committee regarding obstacles to expansion of trade are summarised below:

(1) *Quantitative import restrictions*: One of the serious barriers confronting exports of less developed countries was identified by the Committee as being quantitative import restrictions. Exports from less developed countries of such important products as vegetable seeds and oils, coffee, raw cotton, tobacco, tropical timber, manufactures of jute, of cotton and of coir and sewing machines are often adversely affected by quantitative import restrictions which are sometimes applied in a discriminatory manner.

(2) *Tariffs*: High tariffs and tariffs which differentiate disproportionately in favour of imports of raw materials, as compared with duties for processed goods, were also identified as constituting serious barriers to exports from less developed countries.

(3) *Revenue duties and internal fiscal charges*: High revenue duties and high fiscal charges were also emphasised as major barriers to such important traditional imports from less developed countries as coffee, tea, cocoa and tobacco and for some of the newer exports of manufactured consumer goods.

(4) *State monopolies*: The Committee also found that the activities of restrictive State monopolies, whether in countries with centrally planned or market economies, had an adverse effect on imports from less developed countries of items such as coffee, cocoa, tea and tobacco, particularly where retail prices fixed for these products were very high in relation to import costs.

(5) *Other obstacles*: A possible loss of trade opportunities for less developed countries arises from the operation of price support schemes, surplus disposal operations and mixing regulations in some countries. Excessive price fluctuations in the field of commodity trade were also noted as an obstacle to expansion of trade.

In the light of the above findings, the Committee made specific recommendations for acceptance by the Contracting Parties to the G.A.T.T. These include:

(1) Speedy removal of quantitative import restrictions; (2) removal of element of discrimination in the application of import restrictions; (3) re-examination, especially by industrialised countries, of their tariffs with a view to bringing about a general reduction in tariffs; (4) substantial reduction in the internal revenue and fiscal charges on products of interest to less developed countries; and (5) reduction in difference between import and sale prices where State import monopolies or purchasing agencies operate.

In general, the industrial countries were exhorted to take into account, when formulating and implementing their commercial or economic policies, the long-term development plans of the less developed countries and their need to step up progressively the rate of growth.

While the exports of the developing countries would receive considerable stimulus if all these recommendations are accepted and sincerely implemented, it should be emphasised that it is equally important for the developing countries to adopt policies, which though not painless, are necessary for the promotion of exports.

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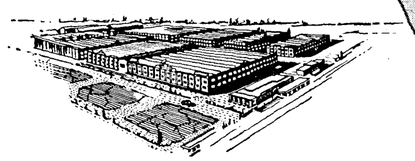

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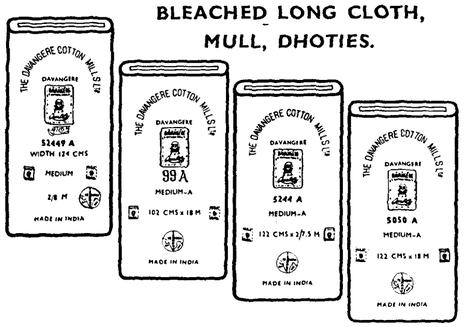

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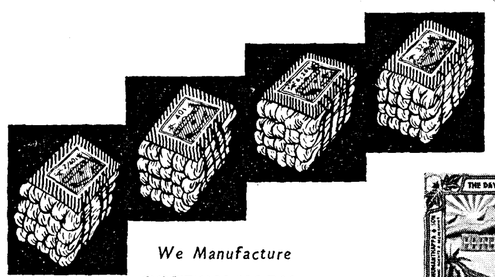

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THE PRICE OF GOLD

Problem Both Desperate and Intricate

By Prof. B. R. SHENOY

DIRECTOR, SCHOOL OF SOCIAL SCIENCES, GUJARAT UNIVERSITY

UNDER the free gold standard, the market price of gold corresponds to the official price. The deviations of the latter from the former would be insignificant, being within a narrow margin determined by the distance between the "gold points." With the abandonment of the gold standard on 21st September 1931, the market price of gold rose from its statutory moorings of Rs. 21-3-10 per tola—Rs. 18.21 per 10 grammes—adopted by the Indian Currency Act, 1927; the highest price touched in the immediate pre-war year, 1938-39, was Rs. 32.28 per 10 grammes. With the progress of inflation from 1940-41, the price of gold skyrocketed, together with the general index of prices, the price of gold touching a high of Rs. 103.74 per 10 grammes in February 1949, a rise of 321 per cent in about ten years. With the abeyance of inflation, from 1949-50 to about 1954-55, the price of gold, in company with the general index of prices, remained comparatively steady for a time thereafter and then declined to a low of Rs. 71.16 in June 1954. The re-emergence of inflation in 1955-56 drove both gold prices and the general index of prices upward again. In April 1959 they reached the 1949 high and have since established new records. They touched an all-time peak of Rs. 129.90 on 31st August 1962, a rise of 25 per cent over the 1949 high.

Since then, gold prices have sagged, parting company with the general index of prices, which continue to move up; they reached a low of Rs. 86.00 on 24th November, a fall of 34 per cent in 12 weeks. There has been a noteworthy recovery since, prices rising to Rs. 96.50 on 1st December and to Rs. 101.50 on 3rd December, despite the warning in Bombay on 2nd December of the Finance Minister that the Government would "initiate shortly" further steps to bring down gold prices. (*By 15th December 1962, the price of gold had recovered to Rs. 107.75 per 10 grammes.*—ED.)

Rising prices of gold caused a divergence between the internal prices and the external price, the latter being the same as the official price Since September 1931, the gap between the two prices rose to Rs. 14.17 per 10 grammes in 1938-39. With the devaluation, by 51.07 per cent from the pre-September 1931 parity, of the rupee and the pound sterling on the 14th September 1939, the price gap was eliminated, the official price, now fixed at Rs. 37.22 per 10 grammes—Rs. 43-6-9 per tola—having moved up to the market price.

But, with the commencement of inflation in 1941-42, the gap re-emerged; during the year, the annual average price of gold, Rs. 38.15 per 10 grammes, was Re. 0.93 higher than the external price expressed in rupees (Rs. 37.22). This gap grew with the progress of inflation, reaching a high of Rs. 66.52 in February 1949. The devaluation of the rupee for a second time by 30.5 per cent on 21st September 1949, i.e., the lifting up of the official (external) price to Rs 53.58, reduced the price gap to Rs. 45.66 on 23rd September 1949; on 16th September 1949, the gap was Rs. 61.37. The gap declined thereafter with the downtrend in the price of gold; it reached a low of Rs. 17.58 in June 1954. But, with the resumption of the rise in internal prices in 1955-56, the price gap widened again, reaching an all-time peak of Rs. 76.32 on 31st August 1962, when the internal price was 235 per cent of the external (official) price. Since long, the Indian price of gold has been the highest in the world.

The current phenomenon of sagging gold prices is out of alignment with the basic economic logic of the situation. Our experience of the past two decades has demonstrated, as may be seen from the accompanying graph, that the price of gold, like commodity prices in general, reflect the prevailing state of inflation. Except for the past three months, the movements of the general index of prices and of the spot gold prices have more or less faithfully responded to changes in the volume of money with the public. As the volume of money supply with the public is an index of the flow of the money incomes of the public, the variations in the money incomes directly influence the demand and, therefore, the prices of commodities in general and of gold. (*Vide* the table on this page.)

The prevailing fiscal and monetary situation does not warrant a fall in gold prices. The root cause of inflation—the queer attempt to "invest" non-existent resources through created moneys—has continued apace. Investment outlays in the public sector moved up in 1961-62 by 7.2 per cent and, in the current year, by a further 26 per cent to Rs. 1,446 crores. The volume of money with the public rose as a result by 6 per cent in 1961-62, or nearly three times as fast as the estimated increase in the national product. Further inflation has been taking place in the current year. On 23rd November 1962, the note circulation was over 8.7 per cent above that of a year back.

There has now emerged on the scene another powerful inflationary factor, the border war with China. The supplementary vote of Parliament on 20th November 1962 for Rs. 95 crores on account of defence is but a beginning of the inevitable jump in defence expenditure. The financial needs of the war may well be several crores a day. The overall budget deficits today are due mainly to the Plan outlay. This is demonstrated by the fact that, though the rest of the expenditures and outlays have been moving up, the jumps in them have been more than covered by the jumps in revenue collections. The (public sector) Plan outlay of the past six years has averaged Rs. 2.6 crores per day and the budget deficits of the period have averaged Rs. 230 crores per year. This had driven up, during the period, the volume of money supply with the public by Rs. 603 crores to Rs. 2,027 crores in March 1962 and the general index of prices by 24 per cent. Unless finance for the war is found from savings and foreign aid—the former being stepped up through drastic cuts in the consumption expenditures of the State—there is a danger of the budget gaps and inflation galloping ahead.

The sagging gold prices would seem to be, principally, the result of a succession of bad jolts which the bullion market has received from our unfolding gold policy. The Finance Minister, speaking to the Informal Committee of Parliament on Finance, on 21st August 1962, observed that the Government was considering measures to mobilise private gold holdings—which, he stated, were currently estimated at 110 million ounces or Rs. 4,100 crores—for Plan finance and that it may "come forward with some definite proposals in a year or so." Maybe, because a year was still to go before the threatened measures may come true or because he indicated that the Government was against "any drastic or hasty step,"* this did not make any immediate impact on the uptrend in the price of gold. But the market probes probably indicated that the Government was seriously pursuing the matter; with the spread of awareness of this, prices began slipping downward with the turn of the month.

Press reports on 14th September 1962 of a study by the Reserve Bank of India of the volume and pattern of trading in gold during the past ten years in the major bullion markets in the country gave gold prices another push downward. The Finance Minister's appeal, following the declaration of a state of emergency on 26th October 1962, for subscriptions in gold and gold ornaments to the National Defence Fund caused gold prices to fall by Rs. 2 in a day to Rs. 116.50. As earlier, this fall, too, was followed by a recovery. But the announcement, on 3rd November 1962, of the issue of Gold Bonds caused near-panic conditions. There were hardly any buyers for two days and gold prices came tumbling down from Rs. 121.50 on 3rd November 1962 to Rs. 102.75 on 6th November. This attracted both investment and speculative support and also advance purchases for marriages, the marriage season being within sight, and prices recovered to Rs. 108.75 on 8th November.

The Reserve Bank ban on bank credit against gold, reports of which appeared on 10th November, depressed prices once more. Prices recovered again to Rs. 106.50 on 13th November. Though the Centre's ban on forward trading on that date passed almost unnoticed, the extension of the ban to specific delivery contracts on 15th November produced a sharp drop in prices and the earlier recovery was wiped out. In the absence of this extension, speculators were, perhaps, hoping to "make do" with the war-time innovation of the specific delivery contracts, which, though less efficient than unqualified speculation to meet their needs, was in certain essential respects, a first cousin of speculation. The drop in prices expressed the market's feelings of distress on being denied even this solace.

Though recovery reappeared, prices went tumbling down again when the market received the biggest ever jolt of this series. Speaking on 20th November to the Consultative Committee of Parliament on Finance, the Finance Minister announced that the Government would introduce "within a month" some drastic measures—believed to be regulation of spot trading—to bring down gold prices—he cited Rs. 60 per 10 grammes as his target—produced panic of a degree not seen before and prices fell on 21st November to Rs. 97.25 from the overnight closing price of Rs. 106.00; subsequently, they touched, as noted above, a low of Rs. 86.00, the lowest price since 1956-57, the low for the latter year being Rs. 84.83.

While the determined use of the sledge hammer by Government would seem to be the principal factor responsible for the price shake-up, in the earlier part of this phase of the price decline, it might also have been due to the heavy arrivals of gold as may be seen from the table below. In July and August 1962, the weekly average arrivals were 43,000 tolas and 47,000 tolas respectively; in September, they jumped up to 59,000 tolas, in October to 82,450 tolas and in November they were 62,800 tolas. The sudden jump in the arrivals in September and October is believed to reflect largely a stepping up of gold smuggling induced by fears of devaluation, which the depletion of the reserves and the uncertainty of the amount of the general-purpose foreign aid might force upon us. As, by raising the rupee cost of smuggled gold, this would reduce the profit-margin of the smugglers, the conjecture is that smuggling activity had, perhaps, redoubled.

Money Supply, Commodity Prices and Price of Gold

Year	1 General Index of Prices (1952-53 =100)	2 Highest Price of Bombay Spot Gold per 10 grammes	3 Index of Gold Prices (i.e. of 2) (1952-53 =100)	4 Parity Price of Gold (official/ external price) (per 10 grammes)	5 Index of Money Supply (1952-53 =100)	6 Index of Variable Dividend Industrial Securities (1952-53 =100)
1927				18.21		
1938-39		32.28				
14th Sept. 1939 ..				37.22		
1939-40	33.5	37.29	41.6	(i.e.,	18.7	100.4
1940-41	31.2	41.58	50.6	index is	21.4	97.6
Annual average				45.28		
1941-42		38.15		when		
1941-42	38.3	49.51	60.2	1952-53	20.0	107.5
1942-43	56.1	61.73	75.1	=100)	48.7	111.5
1943-44	61.0	82.52	100.4		74.0	151.8
1944-45	65.1	65.80	80.1		88.1	159.4
1945-46	66.6	83.81	102.0		99.6	183.9
1946-47	77.0	95.17	115.8		99.9	224.8
1947-48	89.5	100.95	122.8		104.9	168.3
1948-49	97.3	103.74	126.1 (Feb.)		109.9	127.2
16th Sept. 1949 ..		98.59		53.58		
21st Sept. 1949 ..				(i.e.,		
23rd Sept. 1949 ..		99.24		index is	106.5	107.7
1949-50	103.1	102.56	124.8	65.2	112.0	115.8
1950-51	118.1	102.99	124.1	when	102.1	119.2
1951-52	99.4	101.69	123.7	1952-53	100.0	100.0
1952-53	100.0	82.19	100.0	=100)	105.1	102.9
1953-54	101.2	80.05	97.4			
16th/17th June 1954.		71.16 (lowest)				
1954-55	89.6	81.77	99.5		112.8	121.5
1955-56	99.2	91.79	110.5		124.4	130.9
1956-57	105.1	93.98	114.3		131.8	130.5
Lowest in 1956-57 ..		84.83				
1957-58	106.1	98.06	119.3		136.0	125.4
1958-59	112.1	103.31	125.8		142.3	137.3
1959-60	118.7	107.98	131.5		153.9	155.3
1960-61	127.5	124.42	151.4		163.7	171.7
1961-62	122.9	126.00	153.3		173.7	183.7
31st August 1962 ..		129.90				
26th Oct. ,, ..		118.50				
27th Oct. ,, ..		116.50				
30th Oct. ,, ..		118.50				
3rd Nov. ,, ..		121.50				
6th Nov. ,, ..		102.75				
8th Nov. ,, ..		108.75				
10th Nov. ,, ..		104.25				
13th Nov. ,, ..		106.50				
20th Nov. ,, ..		106.00				
21st Nov. ,, ..		97.25				
24th Nov. ,, ..		86.00				
1st Dec. ,, ..		96.50				
3rd Dec. ,, ..		101.50				

Average Weekly Arrivals and Offtake of Gold in Bombay

Average of weeks	Arrivals (Tolas)	Offtake (Tolas)
July 1962 ..	43,000	24,000
August ,, ..	47,000	22,500
September ,, ..	59,200	34,200
October ,, ..	82,450	42,750
November ,, ..	62,800	32,400
Week ending—		
3rd November 1962..	87,000	40,000
10th ,, ,, ..	69,000	26,000
17th ,, ,, ..	59,500	42,000
24th ,, ,, ..	57,000	23,000
30th ,, ,, ..	41,500	31,000

In November, with the steep drop in gold prices, smuggling seems to have suffered materially, especially in the latter part of the month. When prices remained around Rs. 90, gold was flowing from India to Pakistan, where prices remained higher, though they too were affected by the collapse of the Indian prices. The large figure of arrivals in November would seem to be largely panic unloadings caused by the uncertain price trend and fear of some drastic action by Government to mobilise gold. When prices fell to around Rs. 90, they included, too, gold released on the market by private financiers who had advanced moneys on the security of gold, the margin of security—usually around 10 to 20 per cent—having been more than wiped out by the price fall and the debtors concerned not being able to restore the margin requirements through the hypothecation of additional gold.

Crux of the Problem

The crux of our gold problem is the gap between the internal and the external prices of gold. There is nothing to be gained by allowing this gap to continue. It is causing the economy considerable damage. First, it involves exploitation of the Indian buyers of gold and of the Indian economy by the smugglers, believed to be mainly Arabs operating from Kuwait and elsewhere in the Middle East and the Chinese from Hong Kong and Macao, though people of other nationalities, too, joined in. The Indian buyers have been paying for the gold double, or, as until about a month back, more than double, its landed cost, the latter being reckoned to be the external price *plus* the expenses of transport. The difference between the landed cost and market price is shared by the smugglers and their Indian accomplices; a part is appropriated by the corrupt among the vigilance people and a part, as premium for the hard currencies —with which to buy gold for smuggling—by the suppliers of foreign exchange in the free markets for foreign currencies. A small fraction accrues to the Government through the confiscated gold in the detected cases of smuggling, as this is necessarily debited in the smugglers' accounts to their gross profit margins.

Secondly, the magnitude of the gap has rendered futile all attempts to prevent gold smuggling. These attempts have included, in addition to stricter vigilance, the use of electronic detectors at the customs counters for incoming passengers; the issue in May-June 1959 of distinctive Indian currency notes for circulation in the Persian Gulf territories, to prevent the use of Indian money to purchase gold abroad for smuggling into India; the amendment in April 1955 of the Sea Customs Act, 1878, to shift the burden of proof that gold, seized on suspicion, was not smuggled gold, from the police to the party from whom it was seized; and drastic penalties for smuggling, including confiscation of the gold and imprisonment. The Select Committee on the Sea Customs Amendment Bill, 1962, has recommended even more severe penalties and would expressly declare dealings in smuggled goods a penal offence.

Smuggling Continues

As these measures made no difference to the price gap, which is what sustains smuggling, smuggling continued unabated. Confiscation was no deterrent, as, even if one in every three consignments were seized, the smugglers could still continue in business and prosper. In actual fact, the incidence of the seizures would seem to have been much lighter. The Finance Minister, as we have noted above, placed the amounts of gold smuggled at Rs. 30 to Rs. 40 crores annually. The quantities seized during the three years 1956, 1957 and 1958, for which period alone quantity figures are immediately available, averaged about Rs. 1.75 crore per year. Even accepting the Finance Minister's order of magnitude of smuggling—which falls far short of certain other conjectures—seized gold works out to a confiscation ratio of one in every about 17 consignments. The electronic detectors are of limited value as gold is known to come by country craft, by land transport or is air-dropped; round the clock vigilance over two thousand miles of sea, land and air frontiers, day after day, year in and year out is beyond the physical capacity of any Customs force, even if we assume that the incidence of corruption among them was *nil*.

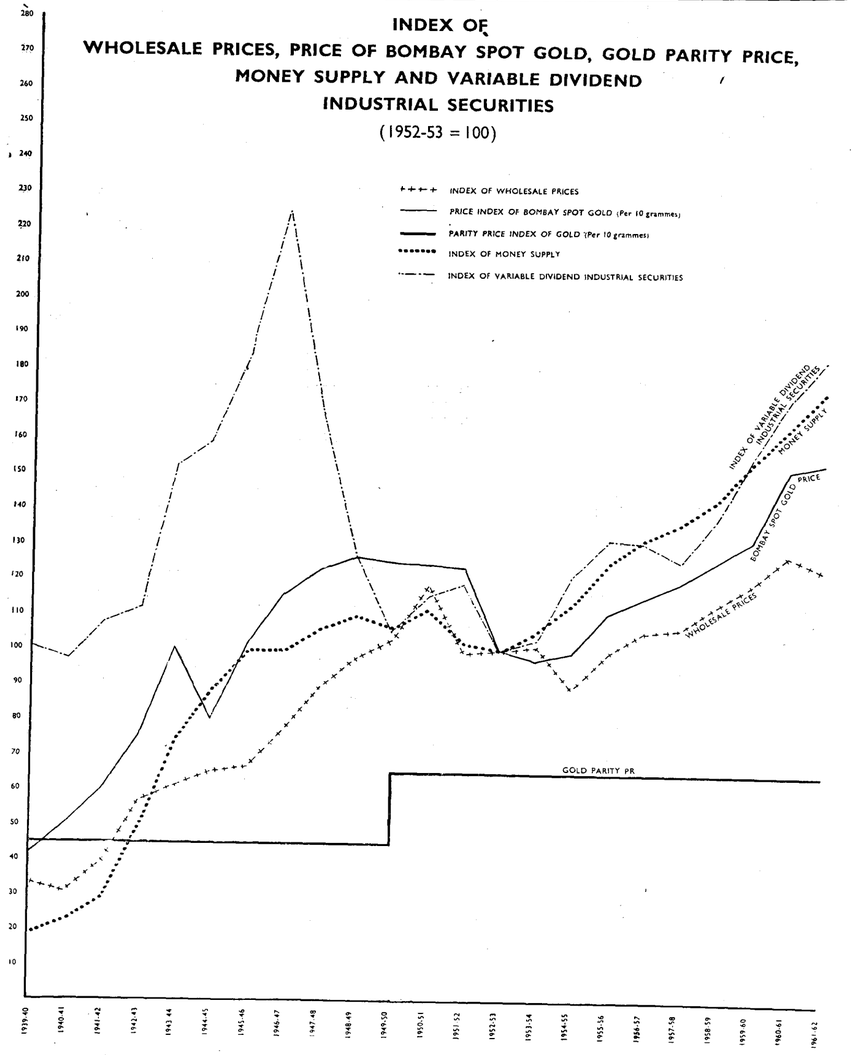
Thirdly, the elimination of the price gap is essential for a better response to Gold Bonds. Though these bonds enable the conversion of black funds into white, bring over 2 per cent higher yield than similar Government debt and are exempt from wealth tax and capital gains tax, subscription to them involves a heavy penalty on capital account, which, before prices started collapsing, amounted to 50 per cent or more. The attraction of the bonds would get enhanced materially if the subscribers could be saved from this loss, through closing the gap.

Remedy

Thus, our gold problem is both desperate and intricate. Using the sledge hammer on the bullion market is not the remedy to the central feature of this problem, namely, the gap between the official and the market prices. For a satisfactory and lasting remedy, the malady must be tackled at its roots. First, further inflation must cease. This will stop the rot from growing, as the price gap was created by, and feeds on, inflation. Secondly, the official price of gold must be stepped up to a more realistic level. In doing so, we would be merely acknowledging a change which has already materialised. There is no escape from this measure, as the price gap cannot be closed by beating down the market prices by shock treatment of the bullion market. Similar attempts in the past to beat down the prices of foodgrains, sugar and equities have failed. It cannot be different with gold. Even as it is not possible to contain inflation in Maharashtra while it is active in Gujarat, there is no device of keeping inflation from the bullion market when inflation pervades the rest of the economy.

There is also another important aspect to this problem. The utterly unrealistic official price of Rs. 53.58 —the price at which the Reserve Bank sells foreign currencies—has necessitated the erection of stringent exchange control barriers. We cannot possibly maintain an island of restrictions, below sea level, in an ocean of freedom in gold transactions. Since early 1961—factually

(*Continued on page 206*)



* In view of later events, it is interesting to note that the measures he cited as having been proposed to him to "check smuggling" included the banning of forward trading in gold, control on spot transactions through licensing gold dealers, records of purchases, sales and stocks and issuing gold bonds. He thought that a country-wide system of spot dealings may not be practicable and "might involve harassment of the people" and that the issue of gold bonds may not be immediately feasible.

Note:—I wish to acknowledge the research assistance I have received from Mr. T. A. Bhaskar in the preparation of this article.—B. R. SHENOY.

INSURANCE OF EXPORT RISKS IN INDIA

By Dr. S. P. CHABLANI

[*Formerly Professor of Economics at the Sind College, Karachi. Joined the Government of India in 1947; served in several capacities: as Private Secretary to the Union Minister for Rehabilitation; as India's trade representative in Germany for five years; as Joint Chief Controller of Imports and Exports; also as member-Secretary of the Mudaliar Committee on Import and Export Policy. Currently, he is Managing Director of the Export Risks Insurance Corporation and member-Secretary of the Study Group on "Export Finance." Author of several books:* Economic History of Sind (*Orient Longmans*); Rehabilitation of Refugees in the Federal Republic of Germany (*Institute of International Economics, Kiel*); Economic conditions in Germany and Indo-German Trade; Motilal Nehru Commemoration Volume (*S. Chand*).—Ed.]

CREDIT plays an important part in our daily life. We buy our milk and our bread on credit; we pay for gas, light and water at the end of the month. How intolerable life would be if at the crack of dawn we had to answer to the call of the milkman, the baker and a host of similar functionaries, each pressing for payment in cash.

The role of credit upon the economic scene is even more important. Credit is of the essence of economic development. What a poor place the world would have been without credit! Industry would have scarcely gone beyond the primary stage and trade would have been elementary.

In recent times, credit has assumed a new significance. The post-war era has witnessed political and economic readjustments of far-reaching consequences; and man has set before himself new targets of achievement which, a generation ago, would have been impossible to conceive. Among other things, the character and composition of world trade has undergone a fundamental change. Prof. Cairncross's analysis would show a remarkable increase in the share of capital goods in the world market—from 12.5 per cent to 37.7 per cent in the total exports—over the first half of this century. Evidence for later years reveals an even more pronounced accent on the exports of engineering products.

Nations, like individuals, find it difficult to finance their capital development out of their current income. And the only way to reconstruction is through recourse to credits secured from overseas suppliers, from international lending agencies or foreign Governments. On the other hand, international competition has become severe; the balance of power has shifted from the seller into the hands of the buyer. Naturally, the seller is compelled to offer more and more attractive credit terms to woo and win his customers abroad.

Credit and Risk

Each credit involves a risk, be it given to the "householder" by the baker's errand boy, or by the retailer to his mofussil client, or by the giant shipbuilder in Hamburg to the coastal line in remote Argentine. In the home market, the length of credit may be a week or a month, but, in the world of commerce, it may vary from sixty days to several years, depending upon the nature of the goods supplied, the creditworthiness of the overseas buyer and the economic and political situation in his country.

In the case of the baker's credit to the 'householder,' the risk is secured by the seller's knowledge of his client, his past experience of previous settlements and the latter's reputation *vis-a-vis* his neighbours. But in the wider arena of international trade, such safeguards do not always exist.

The overseas buyer may default; he may go bankrupt. There may be a war or insurrection in the buyer's country; he may be a victim of quake or typhoon, which may wreck his fortunes. There may be a sudden import or exchange restriction; there may be a moratorium. In all such events, the exporter's money would be blocked abroad, and he would find himself in difficulty. There will be no neighbours to complain to, as in the case of the 'householder.' The buyer is 'extra-territorial,' subject to an entirely different set of trade practices and customs; he will be beyond the call of the laws and regulations in the exporter's country.

As territorial division of labour increases, as the economic system becomes more complex, as the lines of credit extended to the overseas buyers become longer, the risks tend to assume large dimensions. Exporters cannot—indeed, need not—always carry such risks on their own shoulders. In many countries, Governments have, therefore, come to the aid of exporters, and have offered to cover the export risks on payment of a premium.

History

The first glimmering of the need to secure credit risks goes back to the days before the Christian era:

"Be not one of them
That are sureties for debts"

so says Solomon (Proverbs xxii:26).

The history of export risks insurance in its modern complexity is a chequered one. Its advent can be traced to the turn of the nineteenth century, when there was a financial crisis in Australia, resulting from a series of bad harvests and, of course, some credit aberrations. Thus sprang a demand for the insurance of export risks. A few insurance companies in London responded to the call. However, in the absence of the requisite 'know-how,' they tended to underwrite even the most suspect risks and so came to grief. But the grim lessons then learnt by them have become the cardinal principles in the theory and practice of export risks insurance.

Gradually the credit insurance movement gathered momentum. The business of export risks insurance spread beyond the shores of Britain to France and Germany, Switzerland and Sweden and Benelux. It received a setback during the two wars; but, with the reconstruction of the world and the phenomenal growth of international trade in recent years, a vigorous drive for insurance of export risks got under way. Today, twenty-two countries, including India, have their own Export Risks Insurance institutions; and they have formed themselves into a loose confederation—*'L'Union Assureurs des credits Internationaux*, popularly known as the "Berne Union."

State and Export Risks

In most countries of the world, export promotion has become a prime responsibility; and insurance of credit risks has assumed high national importance. This is not only because the element of risk in international commerce is greater than in domestic trade, but also for the reason that it is difficult to have a real insight into the affairs and *standing of a buyer who* lives in another clime, often thousands of miles away. Equally important is the hazard, flowing from political and monetary factors. The history of export risks insurance is replete with examples of 'non-payment' by overseas buyers who are perfectly solvent, but who have been compelled by *force majeure*, by war, by a *coup d'etat* or an embargo on exchange remittances, to withhold payment to their overseas suppliers with whom they are on the best of terms.

Indeed, so great is the risk involved that credit insurance has gone beyond the pale of private insurers; and, in every case, the risks have had to be covered under the umbrella of Government. Insurance covers may be provided either directly by a department of Government like the E.C.G.D. (Export Credit Guarantee Department) in the U.K., or it may be furnished by a private insurance company on Government account, like the *Hermes Kreditversischerungs*, which offers by far the best example of its class.

There is also a variant of the same principle adopted by the *Nederlandsche Credietverzekering*. It insures the export risks; but these, in their turn, are reinsured by the State. In between these polarities are Corporations like E.R.I.C., the Export Risks Insurance Corporation of India, which are owned entirely by Government, but have on their directorate strong non-official elements drawn from industry and trade. Similar autonomous corporations exist in Canada and Australia.

Functions

It is remarkable how readily manufacturers and merchants insure against hazards of burglary and theft, against fire and quake; and how reluctant they are to cover their export risks, which might endanger the safety of their capital and cause serious injury and embarrassment to them. Resistance to export risks insurance generally comes from the exporter's belief that he knows his overseas client better than anyone else. This may sometimes be true: but, often, there is no escape from the fangs of an economic crisis, the eruptions of a volcano, the heat of political ferment.

The most important function of export risks insurance is the financial protection that it affords to the exporter against all these hazards over which he has no control. It lubricates the credit system, which is one of the main springs of economic activity.

Credit insurance also serves to improve the exporter's financial standing *vis-a-vis* his banker. It is not a gilt-edged security, but is certainly a useful collateral, acceptable to most banks, on the basis of which the exporter can secure a line of credit by assigning his policy to the lending institution. Thus the exporter may enlarge his business, without unduly deploying or straining his financial resources.

As equally important function of the risks insurer is to furnish—in its endeavour to improve the quality of its own risks—valuable information to the exporter about the status, the probity and resources of his overseas buyer. When a credit insurer declines to accept a cover or 'approve' of a credit limit, it should be deemed to be the alarm signal, the 'red' light, which the exporter can ignore only at his own peril.

A credit insurer also assists its policyholders in the collection of their dues and debts and the remnants of salvage. It places at their disposal its expert knowledge of legal and procedural matters; it irons out technical difficulties.

International trade is a tricky business. When a default occurs, the exporter may not be able to help himself; whereas the credit insurer is able to relieve him of a large part of the burden of legal proceedings, should these become necessary. Having behind them the backing of a Government, the credit insurers are able to draw upon the services of the country's diplomatic representatives, upon their counterpart organisations and the chambers of commerce in the various parts of the world. Thus are they able to deal with the most intricate issues in an area where the exporter, on his own, would be wringing his hands in despair.

Position in India

The question of insurance of export risks was first mooted in India in 1949. The proposal was considered by the "Export Promotion Committee"; but it did not find favour. The issue was then inconclusively discussed by the "Export Advisory Committee" in 1953 and again in 1955. Eventually, the matter was entrusted for detailed examination to the "Export Credit Guarantee Committee," which recommended that an autonomous corporation, owned by Government, for the purpose may be set up. Thus was born E.R.I.C., the Export Risks Insurance Corporation in India in 1957.

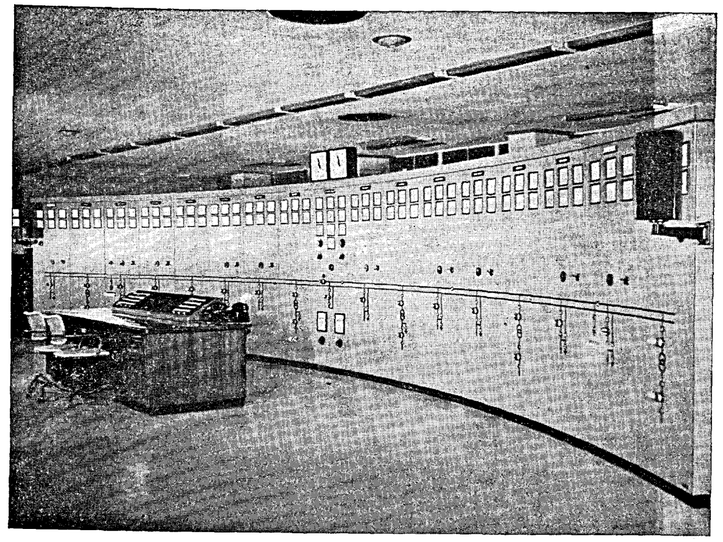
E.R.I.C. follows the general principles of credit insurance outlined in the foregoing paragraphs and issues insurance covers much in the same way as do its counterpart organisations elsewhere.

World experience of insurance of export risks over the years has shown that, normally, the covers must represent a genuine average of the commercial credits risks. This would be possible only if the exporters' "whole turnover" is insured. If this were not the case, there would be a tendency to insure only the dubious transactions; and the insurer would be left on his hands with nothing but the 'sick' patients of trade. Therefore, insurance of the "whole turnover" has become an important principle, designed to secure the benefit of the "law of averages." Of course, insurance of specific risks is not excluded; but, in that event, the insurer has to exercise the greatest circumspection.

Another essential principle followed by all insurers of export risks is that the policyholder must invariably bear a part of the risk, so that he may deal with his overseas clients with discrimination, avoid overtrading and pursue his debtors with vigour when a default occurs.

It is for these reasons that E.R.I.C., like the other credit insurers, favours the "whole turnover policy" and never covers the risk in its entirety. E.R.I.C.'s liability is limited to 85 per cent of the loss in the case of "political risks" and to 80 per cent in the case of "commercial risks." This generally corresponds with the practice followed by its counterpart organisation in Europe and elsewhere. The *E.C.G.D.* covers political risks upto 95 per cent and commercial risks upto 85 per cent. The *C.O.F.A.C.E.* of France, on the other hand, bears 80 to 90 per cent of the loss in the case of "political risks" and only 65 to 80 per cent of the commercial risks.

During the short span of its existence, E.R.I.C. has designed a wide range of policies to suit the varying requirements of exporters and to



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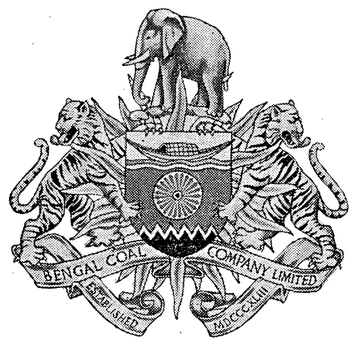

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provide for differing patterns of trade. These are:

(i) *Shipments (Comprehensive Risks/Political Risks) Policy.*

(ii) *Contracts (Comprehensive Risks/Political Risks) Policy.*

The first set of policies covers the risks of the insured from the date of shipment, whereas the second category of policies protects his interests from the date of the contract. In either case, the exporter may seek a cover for "commercial" as well as "political" risks. But he has also the option to secure himself only against "political risks" if he so chooses.

(iii) *Packing Credit Policy.*

This is a new policy recently issued. It is designed to help the exporter to secure a line of credit from banks for the purpose of buying, processing and packing goods destined for the export market. Often, exporters have firm orders in hand for the finance of which they need credit which is in excess of the bank's normal rating of their capacity. In such an event, E.R.I.C. is ready to step into the breach and, for a nominal premium, share the risk equally with the lending banks.

(iv) *Manufacturers' Credit Insurance Policy.*

(v) *Exporters' Credit Insurance Policy.*

We have seen above that, quite frequently, exporters have to supply their goods to overseas buyers on credit terms. In order to replenish their resources, the exporters have to have recourse to their own suppliers for similar credits. Conversely, exporters may have to finance the supplier to produce the goods due to be exported. In either event, a credit risks would be involved which E.R.I.C. is able to underwrite.

(vi) *Market Development Policy.*

E.R.I.C. has also recently introduced a policy to assist exporters to survey new markets. If the expenses of the survey are not recouped by the exporter, in accordance with the findings of the survey within a given period, E.R.I.C. would share the loss with the exporter on a 50 : 50 basis.

The growth of export risks insurance is slow everywhere partly due to the natural disinclination of the exporter, but largely because a bulk of the international trade is done against letters of credit. In the U.K., where the institution of credit insurance is more than forty years old, the coverage of risks is of the order of only about 20 per cent of the total exports. It is a little over one per cent in Canada and 1.5 per cent in Australia. So far as E.R.I.C. is concerned, it has brought two per cent of the export risks under its sweep. Its performance thus compares well with that of its counterpart organisations of the same age; and its progress has been steady, as will be seen from the table below:

Progress of export risks insurance in India

Year	Maximum liability (Crores of Rs.)	Risks insured (Crores of Rs.)	Premium income Rs.
1957-58, Oct.-Sept.	7.52	1.30	43,109
1958-59, Oct.-Dec.	9.87	7.35	2,65,427
1960, Jan.-Dec.	8.14	6.96	2,36,448
1961, Jan.-Dec.	13.02	12.01	3,48,338
1962, Jan.-Dec.	16.50*	18.00*	5,25,000*

* Estimated value.

In the West, export risks insurance has become an important element, specially in medium-term finance of international trade. As India's trade grows towards the targets of the third Five-year Plan and the plans to come, as the pattern of our foreign trade changes and India becomes a supplier of capital and quasi-capital goods, export risks insurance will be called upon to play a role of ever growing national importance.

E.R.I.C. is to be conceived as a spearhead of export promotion. If trade is to be developed, Indian merchants and men will have to venture into new markets, delve into new commodities, and deal with new clients. They can do so with confidence, for E.R.I.C. stands behind them in this great national task which presents a challenge and an opportunity.

INDUSTRIAL PRODUCTION IN ASIA

The rates of increase in the manufacturing and mining industries in Asia (excluding mainland China) from 1958 to the first half of 1962 were the highest among all regions of the world, excluding eastern Europe, according to data compiled by the United Nations Statistical Office appearing in the November issue of the *Monthly Bulletin of Statistics*. The index of overall industrial and mineral production for Asia has more than doubled in the last six years. This data includes Afghanistan, Brunei, Burma, Ceylon, Singapore and the Federation of Malaya, Hong Kong, India, Indonesia, Iran, Japan, Republic of Korea, Pakistan, Philippines, Sarawak, China (Taiwan), Thailand, the Republic of Viet-Nam. Taking as a base 1958=100, the index was only 86 for 1957, but climbed to 183 for the period April-June of this year. This figure comprises the indices of 136 for mining and 190 for manufacturing. Heavy manufacturing, particularly basic metals and metal products, is by far the fastest growing segment of industrial activities in Asia. While the index for food, beverages and tobacco was only 114 in the second quarter of this year, always with reference to 1958=100, the index for metal products is 306. Heavy manufacturing rose ten times in the last 14 years, from 24 in 1948 to 240 in April-June 1962. Nevertheless, the relative weight of heavy manufacturing in Asia in comparison with total world production is only 4.8 per cent. Other activities showing relatively high rates of increase are paper and paper products, chemicals and petroleum and coal products and non-metallic mineral products. Their indices are, respectively, 175, 162 and 166.

The United Nations publication gives separate data for selected countries, among them China (Taiwan), India, Japan, Republic of Korea, Pakistan and the Philippines. Coal and iron mining in India reflected moderate increase during the first five months of this year with regard to the index of 128 for a year ago. The most marked expansion corresponded to electricity with an index of 168 last May. The industrial production of Taiwan rose at a steady pace to reach 185 last January. The indices were 113 for 1955, 128 for 1960 and 143 for last year. Nevertheless, general industrial production seems to have slackened its pace during the first months of this year, to be 150 in June. While mining, manufacturing, and electricity and gas had continued a steady expansion, construction diminished to be only three-fourths of 1958, with an index of 72 for the whole of 1961 and 74 for June 1962.

Japan shows the greatest rate of increase in industrial production, which has more than doubled in the last four years and tripled since 1955. The index that in 1955 was 69 for general industrial activities rose to 189 for 1961 as a whole, was 210 for last December and reached 226 in March of this year. However, the work dropped to 209 for June. An even greater expansion corresponds to mining in the Republic of Korea. Its index was 54 in 1955 and it grew vigorously to 139 in 1959, 183 in 1960 and 207 last year. The last figure shown for August this year is 248, almost five times the production in this field seven years ago. Provisional data for Pakistan put general industrial production at 142 for the last term of 1961, with practically the same figures, 144 and 142, for mining and manufacturing, excluding food products, clothing, furniture, most non-metallic mineral goods and metal products for which data are not yet available.

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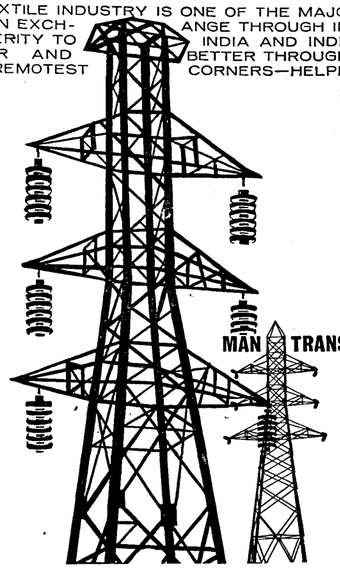

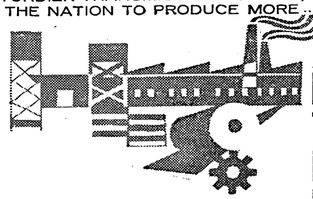

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Nationalisation Would Be A Retrograde Step

By K. P. MODI, B.Com., B.L, A.F.I.I.

THE principle of mutual protection has long since been known to mankind. It is very difficult to trace the actual beginning of insurance, but it is believed that there existed among the Aryan tribes of India almost three thousand years ago a form of community insurance.

Economic activities are always subject to uncertainty and risk. A fortuitous event may prove to be of advantage or disadvantage. A single loss may ruin an individual completely, as he may not be in a position to provide for such losses by himself. The aim of general insurance is, therefore, mainly the mitigation of pecuniary loss suffered by a few, by its distribution over the many. It is in the realisation of this principle that we find the beginning of general insurance.

It was in the fourteenth century that a form of regular marine insurance started taking shape. The records of some of the outstanding families in some parts of Italy have provided the earliest examples of Bill of Exchange and the evidence that insurance of marine was practised by them. Their activities expanded to Britain and to some other European countries. There is in existence a *Chronicle of Flanders*, beginning from the year 621 to the end of 1725, gathered from the ancient writings and, in this work, there is a passage of which the translation runs: "At the request of the inhabitants of Burges in 1310 he (the Count of Flanders) permitted the establishment in the town, of a Chamber of Insurance, by which the merchants were enabled to insure their merchandise exposed to the risk of the sea, or other hazards, for the consideration of a small premium as is practised at the present day." This statement, however, has not been corroborated by other contemporary writers. Marine insurance developed with the growth of trade in the various countries and later on London became the most important centre for the same.

Fire Insurance

The birth of fire insurance dates back towards the end of the seventeenth century. The need for insurance against fire risk was increasingly felt after the Great Fire in London in 1666 and fire insurance started taking proper shape thereafter. The real fillip came with the impact of the Industrial Revolution in the eighteenth century. Far-reaching changes in the manufacturing processes and expansion in material wealth necessitated protection of property such as factories, machinery, warehouses, etc., and fire insurance was in great demand. Since then fire insurance business has steadily grown and forms an important section of general insurance.

With the development of marine and fire insurances, other types of insurance, such as personal accident, fidelity guarantee, employers' liability, credit insurance, loss of profits, housebreaking and burglary, motor vehicles, aviation and engineering insurance, etc., became highly developed in the European countries and the U.S. and then in other parts of the world. Today, the scope of general insurance is not only very wide, but it is expanding day by day to meet the individual and collective requirements of the people of the world.

It will not be out of place to mention briefly the history of Lloyd's which is the biggest Insurance and Reinsurance House of the world. As against the normal practice of a company or a corporation assuming liability, all the underwriting business at Lloyd's is transacted by the individual members of the Society, each of whom carries on his business for his own account and risk. The general practice is that a number of members carry on their business through an agent in association but not in partnership. Each member is legally liable in respect of his commitments to the full extent of his means, that is, his liability is unlimited, and he has to deposit with the Committee of Lloyd's such security for his underwriting liabilities as the Committee may think fit to require. This amount of deposit varies according to the volume of insurance busines which is to be transacted by the member. There are certain other requirements, including Central Guarantee Fund, which protect the interests of policyholders.

Lloyd's has a very interesting beginning. Before the institution of joint-stock companies, marine insurance was carried on by individuals. Those requiring insurances had to obtain the subscriptions of each individual who was prepared to accept the risk and for this purpose he had to go either personally or through his broker from office to office. In the seventeenth century, when coffee houses were started, persons requiring insurances came to the coffee house where they would find a number of businessmen and get their confirmation for Insurance at one place, instead of visiting their offices separately. One such house was kept by Edward Lloyd towards the end of the seventeenth century and this house became the main meeting place of persons interested in shipping and marine insurance and it was from this beginning in the coffee house that the Corporation of Lloyd's under the Act of 1871 came into existence.

In addition to the insurance business, one of the important functions of Lloyd's is to collect and collate shipping intelligence, reports of accidents to civil aircraft and other important information of interest to Lloyd's Underwriters, as well as to the shipping, insurance and commercial community generally. There is a world-wide organisation for this purpose through the medium of Lloyd's agents, signal stations, wireless stations, semaphores, etc.

Development in India

General Insurance in regular form was first conducted in India on mutual basis when the East India Company was engaged in its trading operations. Later on, the business was conducted under the agency house system as agents of British insurance companies. It is said that the Alliance British and Foreign Life Insurance Company was the first to start regular insurance business in India through their agents in 1825. The first Indian insurance company registered in India was the Triton Insurance Company in 1850 under foreign patronage. A few companies were registered before the First World War but the real birth of Indian insurance came in the year 1920, when a number of leading Indian insurance companies were floated.

The history of growth of Indian general insurance is linked up with the political evolution in this country. In earlier stages, the Indian insurance companies had to struggle very hard to establish themselves in the market and even to make the foreign banks agreeable to accept their insurance policies. With the growth of nationalist movement and the growing confidence of the public in the Indian insurance companies, they started getting more and more support. Powerful groups of foreign insurers like the French, Dutch and Italian insurance companies, apart from the British companies, were keen competitors of Indian insurers. Fortunately, the Indian companies could withstand all these difficult days and, today, they write the major portion of general insurance business in this country. The share of Indian insurers in 1960 for which compiled figures are available was 71.2 per cent of the total Indian business in India. It may also be of interest to note that, in 1920, there were only eight Indian general insurance companies, whereas, in 1960, the number had increased to 88. The number of foreign companies operating at present is 78.

Plan and After

The development of general insurance as could be seen from the experience of foreign countries is closely linked with the economy of the country. India has successfully completed her first decade of planning and the third Plan has already been functioning for the past two years. The first two Plans had considerably stimulated production process as a whole and the pattern of industry has also become more variegated. The gross premium written direct in India during 1960 is estimated at Rs 38.12 crores, as against the actuals of Rs. 23.88 crores in 1951. It would be seen from the figures given below that only during the last three years there has been an annual increase of nearabout Rs. 5 crores, whereas during the previous years the expansion was rather slow:

Gross Premium Written Direct in India

(Rs. crores)

	Fire	Marine	Miscellaneous	Total		Fire	Marine	Miscellaneous	Total
1951..	12.02	5.94	5.91	23.88	1956..	12.06	6.61	7.40	26.07
1952..	10.33	5.52	6.09	21.94	1957..	11.90	7.03	8.90	27.84
1953..	9.83	4.88	6.11	20.81	1958..	12.66	6.77	10.28	29.80
1954..	10.07	5.21	6.07	21.35	1959..	13.73	7.60	11.97	33.81
1955..	10.44	5.98	6.67	23.09	1960..	14.35	8.55	15.21	33.12

Percentage Increase in Insurance and Industrial Production

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Index No. of insurance.	100	104.4	104.7	112.2	135.3	139.9	140.4	146.8	157.9	169.7
Index No. of industrial production	100	103.6	105.6	112.9	122.4	132.6	137.3	139.7	151.9	170.3

While the increase in quantum of premium in recent years shows an improved trend, the tendency of general insurance business to lag behind the comparative increase in percentage of the industrial production is an unsatisfactory feature.

The index number of general insurance recorded a rise of 11.8 points in 1960 as against 11.1 in 1959 and 6.4 in 1958; as against this, the index number of industrial production went up by 18.4 points in 1960, as compared to 12.2 in 1959 and 2.4 in 1958.

In recent years, the Indian insurers have extended their activities in other field of general insurance, apart from conventional fire, marine and motor and miscellaneous accident insurances, particularly to engineering contractors, all risks and credit insurances. There is still a vast scope of development of other types of insurances, such as cattle and agricultural insurances.

The Indian companies have not only expanded their business in this country but have gone to foreign countries and have been successfully operating in some of those countries earning valuable foreign exchange.

Insurance and Foreign Exchange

It is not very often realised that general insurance can earn a sizable amount of foreign exchange for the country. The securing of adequate foreign exchange resources for the implementation of the country's Five-year Plans is a major economic problem today. The import bill for the third Plan has been estimated at Rs. 5,750 crores and this is bound to increase in the coming years with new industries growing up and existing industries expanding. A number of measures are being taken by Government for boosting exports. The formation of the Export Insurance Corporation is an important step in this connection. Invisibles like banks, shipping and insurance can earn and save a considerable amount of foreign exchange for the country. In the United Kingdom, insurance is one of the important industries earning foreign exchange for the country.

The development of Indian insurance is still very unsatisfactory, looking to the size and the resources of the country. The annual premium income in the United Kingdom exceeds Rs. 2,000 crores, while, in India, it is only Rs. 40 crores, taking all the companies together. With a vigorous drive and assistance from the Government, the Indian insurers can raise this premium income to at least Rs. 100 crores in the next several years. A large part of the medium-size industries and trading stocks go uninsured. Residential houses are seldom insured. The advantage of insuring their properties should be brought home to each and every individual in this country.

The Post-War Sub-Committee of the Insurance Advisory Committee in their report in 1947 stated that concerted measures should be taken to make the public acquainted with the benefits of insurance and make them more insurance-minded. They laid stress on joint publicity on the lines of the Indian Coffee Board.

Insurance Legislation

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the Indian Companies' Act of 1882. In 1912, the first Act relating to life insurance was brought into force which was based on the Insurance Act of 1909 in the U.K. It was in 1938 that a full-fledged Insurance Act was passed which applies to all the sections of insurance including fire, motor and marine. This Act has been subjected to amendments from time to time. Major amendments were passed in 1950 and far-reaching changes were made therein, particularly relating to control on the expenses and the investment by the insurance companies. Apart from the Insurance Act, the general insurers have subjected themselves to the voluntary Code of Conduct to place general insurance on a sound and healthy footing. These measures have helped the general insurance companies to strengthen their financial position and regulate their expenses. The process is still continuing and changes are made in the provisions of the Code of Conduct according to the experience gained.

Nationalisation

Life insurance was nationalised by the Government in the year 1956 and those companies which had both life and general departments had to face some difficult times in adjusting their organisational set-up. History will show the justification or otherwise of the nationalisation of life insurance business. There is a strong opinion that, had the life insurance business not been nationalised, there would have been much more development and progress of the life insurance business in this country. The inherent defects of Governmental set-ups, particularly where highly efficient and prompt services are required to the public, cannot be denied.

There is talk of nationalisation of general insurance from time to time from certain sections and particularly those who do not understand the intricacies and technicalities of this business. Any hasty action on the part of the Government because of political pressure would be a retrograde step in the economic development of this country. It is, perhaps, not realised that the general insurance business of one country is linked with almost all the other leading countries of the world through exchange of reinsurance business and general insurers are thus ambassadors for the goodwill of the country.

Social Security

The social security problems have been solved by many countries through their national insurance schemes. Our own country has since several years brought into effect the State Insurance Corporation which is applicable to the workers employed in leading industries and the scope is gradually expanding to include more and more factories and areas. In addition to the compensation payable to the workers for any injuries received by them due to accidents while employed in their factories under the Workmen's Compensation Act, the workers and their families are getting medical benefits in case of illness.

The insurance companies are not permitted to cover war risk damages on inland properties. They normally cover goods in transit by sea.

In case of war or war-like emergency, the insurance against war risk damages is covered by the Government. During the last war the Government of India had promulgated an ordinance for war risk insurance of factories and of goods in trade and also vessels plying on inland waters.

Due to the present Chinese aggression and at the instance of the Central Government, Parliament has passed recently two Acts, namely, (1) The Emergency Risks (Factories) Insurance Act, 1962, and (2) The Emergency Risks (Goods) Insurance Act, 1962. All factories and goods over the value of Rs. 30,000 are compulsorily insurable at certain rates to be notified by the Government. In times of emergency, war risk insurance goes a long way towards creating confidence among the people and enables them to carry on the manufacturing of goods and the trade without fear of loss by enemy action.

Insurance Education

The nature of general insurance business requires fully trained personnel with sufficient grounding in principles and practice of insurance so that they can shoulder the burden of scientifically running the insurance business. Present-day insurance business is definitely increasing in complexity and, therefore, it is necessary that the right type of training is imparted to those who come forward to take insurance as a career. The work that is being done in this regard by the Federation of Insurance Institutes (J. C. Setalvad Memorial) is, indeed, commendable and it is hoped that a college will soon be started for the purpose. There should be a well-equipped central library to facilitate research work in insurance. This library should collect the literature on insurance in different countries and should make the same available for reference and study.

The insurance companies have a vital role to play in the expanding economy of the country. They should work in close co-operation and should avoid unhealthy competition among themselves. In these days, no industry can fully develop without the Government's assistance. It is felt that our Government has not as yet realised the importance of the insurance industry and the need to extend their unreserved assistance in the wider interest of the country. There should be closer co-operation between the industry and the Government. It is hoped that, with the support of the Government and the public, this important industry will play its rightful role in times to come in the all-round progress of the country.

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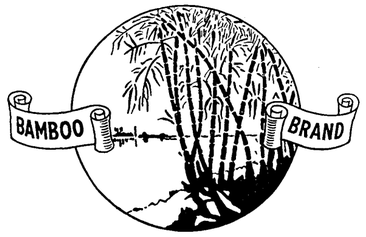

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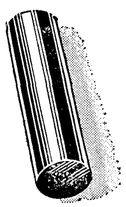

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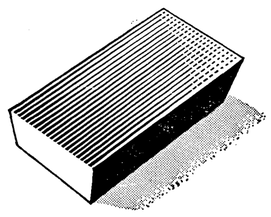

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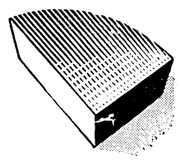

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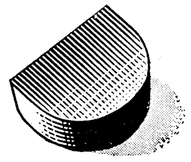

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Fundamentals Of Social Security

Means To Mitigate Inequality In Income Distribution

By Dr. J. N. MONGIA, M.A., LL.B., Ph.D.

THE expression social security has gained universal currency and has come to stand for the main objective of the post-war reorganisation of society. But its meaning and its connotation are still vague.

Individuals and people find themselves drawn, at different times, either towards adventure or towards a secure sufficiency. In the present epoch, most of mankind appears to be opting for "safety first." The ever-widening and augmenting demand for social security bears witness to this tendency. The average man today is older than at any other time in history, and caution comes with years. Perhaps, opportunities for profitable adventure have become so rare that they no longer fire the imagination, and adventure must hereafter be sought outside the economic sphere. However that may be, every worker, nowadays, wants to be certain not only of his next meal but also of his subsistence for the rest of his life and the subsistence of his dependants as well. This aspiration, though often unvoiced, has always existed, but only recently has it been seen by the masses to be within their reach. "The mechanics of social security consists in counteracting the blind injustice of nature and economic activities by rational, planned justice with a touch of benevolence to temper it."[1]

Origins of Social Security

It may be of some interest to trace the origin of the social security and, for the purposes of the present paper, it will suffice to locate the same at the beginning of the early nineteenth century in Western Europe. In this region, industrialisation had begun and the "proletariat" had made its appearance. Here was a large new class of factory hands, completely dependent on the regular payment of wages for their subsistence and, therefore, reduced to privation by a spell of sickness or unemployment. It is true that there existed some poor relief in some areas but it must be made clear that poor relief, far from being designed to afford a modicum of social security, was conceived of as a police measure which, by preventing the despair of starvation, would diminish the potential danger of desperate action and the ensuing disturbance to society. Thus, in the period upto about 1880, three methods had been devised and applied in order to protect the urban labouring class from destitution; small savings, employers' liability, and various forms of private insurance.

The first of these methods, that is, the savings, was the Government-sponsored savings banks, but it has had only limited success, obviously because the level of wages 50 or 100 years ago and the large families of those days simply left no margin for saving among unskilled workers.

The second method is that of placing liability for the maintenance of the worker in sickness, as in health, on the employer in virtue of the *quasi*-paternal authority of the master over servant and the correlative responsibility of the former. This method is, as a rule, better than nothing. Employers' liability is, however, mostly associated with compensation for injury caused by the employment and it is very clear that a general system of social security cannot be provided by the employers' liability method.

The third and the last of the nineteenth century methods of fending off destitution is private insurance in its various forms, two of which can be easily distinguished, namely, insurance through mutual aid societies and insurance through insurance companies. The former seems to have sprung up spontaneously among urban workers at different times and in places as ancient as Rome or the seventeenth century Madrid. Their main objects were to help the member in times of sickness with simple medical care and to pay for his funeral in return for a regular periodical contribution. However, realising that the mutual aid societies run by the workers themselves could not safely undertake old age or life insurance, a number of European Governments, in the second half of the nineteenth century, created insurance offices under the guarantee of the State, which offered facilities for those branches of insurance to persons of small means.

The different methods were tried upto about 1880 in order to insure that the working class family could continue to subsist, during times when wages were interrupted or ceased altogether, without recourse to poor relief. Saving and insurance, whether mutual or commercial in character, broke down always for the same reasons. Poverty and improvidence form an inseparable pair. The error of the nineteenth century was its optimism respecting the effective power of the lower ranks of workers to cover their risks themselves. Towards the end of the nineteenth century, therefore, several countries of the European continent, being convinced that the unskilled labour would not provide its own social security, decided, though reluctantly, to spend public money or give subsidies to voluntary thrift. These ventures have yielded useful results in some countries. In Denmark and Switzerland, subsidised mutual aid still exists in the sickness branch, where benefits, mainly in kind, are extended to the large majority of the population; again in Denmark and Sweden, the trade unions, heavily subsidised, still administer unemployment insurance. This variant of the insurance method is attractive, in that it involves a genuine partnership between the individual and the State, each having a part of the responsibility for the proper working of the scheme. However, to this we shall return later.

What *is Social Security?*

Thus, it will seem that an attempt to find security for people is among the oldest of political obligations and greatest of the tasks of the State. It is, however, time we undertook to assign a meaning to that expression to conjure with "Social Security." "It is no blessing to be had for the asking. It is no gift of the Government through a single legislative Act. It is no abstraction too nebulous for definition. Security begins with bread and butter. But, mere subsistence is no security. Security is more than a condition of material well-being. An opportunity to earn a living, to be a member of the community, to have a part in the Government, is basic. In positive terms, the security of a people is the sum of arrangements set by business, by the Government and by society through which the things we cherish, are safeguarded against the hazards, we, as individuals, cannot control."[2]

"Social security is the result achieved by a comprehensive and successful series of measures for protecting the public (or a large sector of it) from the economic distress that, in the absence of such measures, would be caused by the stoppage of earnings in sickness, unemployment or old age and after death; for making available to that same public medical care as needed; and for subsidising families bringing up young children."[3]

What is meant by social security? It is, according to Haber and Cohen, in *Readings and Social Security:*

"Social security is security which society provides, through appropriate organisation, against certain wants to which its members are exposed, either the population at large or important classes. They are essentially wants against which the individual cannot be expected to provide by his own ability and foresight alone, or even in private associations with others. It is characteristic of these wants that they arise out of emergencies, occasions or limited periods of straitened means of extraordinary expenses, and that failure to deal with them has serious consequences both for the individual and for society. In other words, they are wants against which social insurance and social assistance were invented to provide."

Modes of Social Security

The modes of providing social security may be called "Social Security Schemes" and may be classified under the headings of "Social Insurance" and "Social Assistance.' Standards, carrying international authority, have been established for social insurance and, incidentally, for social assistance, by the International Labour Conference during the twenty years between the two world wars. All collective methods involve either assistance or insurance or a combination of the two.

Social assistance denoted in the past the relief to the poor out of the public funds and usually it was looked down upon. Many workers preferred to starve than to avail themselves of this help which deprived them of all the social status and reduced them to the position of social parasites.

A special resolution on the aims and functions of social insurance, adopted at Havana, expresses succinctly and adequately the essence of social insurance as internationally understood on the eve of World War II. The following contingencies, or risks, or industrial hazards, are covered by social insurance schemes supported or subsidised by the State-employment: Injury, industrial disease, invalidity or disablement, ill-health or sickness, maternity or child-birth, old age, burial, widowhood, orphanhood and unemployment.

These are the occasions where the worker is unable to work or to obtain work, or where, after his death, he leaves a dependent family. They involve in all cases, loss of earnings, raising thereby the problem of income security. Social insurance primarily deals with the problem of providing income security.

Social insurance, which took its form, as almost mutual insurance, assumed the modern systematised form when nearly seventy-five years ago, Germany introduced a compulsory sickness insurance scheme. The element of compulsion has since then been accepted, mainly because compulsory insurance has a wider scope and is financially more sound than voluntary insurance. It is now universally agreed that the modern State has the right to make insurance compulsory and ought to do so in the public interest.

The Social Security (Minimum Standards) Convention (of I.L.O.) recognises social insurance and social assistance as alternatives. This Convention is intended to be within the reach of underdeveloped countries, and this intention is nowhere more evident than in the clauses defining the minimum scope of each branch of social insurance. These countries experience great difficulty in applying social insurance outside the urban centres; the villages and small towns have only scanty medical facilities, and undertakings with more than a few employees are rare. So the Convention is satisfied that, if the prescribed standard of benefits is reached for half the employed population, it is good enough. Social assistance, embracing as it potentially does, the entire population, and financed as it necessarily is by taxation, is generally beyond the economic capacity of underdeveloped countries.

As against other methods of collective provision, such as social assistance or schemes of non-contributory pensions, financed entirely out of public funds, compulsory social insurance offers substantial advantages:

"(a) It associates the workers concerned, from whom a contribution is required, both materially and morally, in the protection of their health and their working capacity; (b) it implies the establishment of autonomous insurance institutions, dedicated solely to the organisation of prevention and the service of medical and cash benefits; (c) it grants benefits in virtue of definite rights, and thus preserves the self-respect of the beneficiary, who is secured against arbitrary decisions on the part of the body responsible for awarding benefits; and (d) it guarantees the payment of benefits by the assignment of specific resources, and by distributing the cost over long periods in accordance with the rules of actuarial science."

The Difference

Social security is thus the objective and social insurance is one of the means by which the objectives may be reached. Social security plans, however, differ fundamentally from the social insurance schemes for the following reasons:

First, social insurance schemes may be partial, but social security plans must apply to the whole population. No full employment policy, no health service, no income distribution scheme can afford to be restricted to certain groups of workers. For the same reasons, social security must cover all the risks which deprive a person of earning an income.

Secondly, various components of social security cannot be kept apart. An economic policy of full employment, for example, cannot be dissociated from a policy of income distribution because the income to be distributed itself depends, to a large extent, on the level of employment, and because the failure of a full employment policy will require the provision of alternative incomes for the un-

[1] *Social Security*, an I.L.O. publication.

[2] *Readings in Social Security* by Haber and Cohen, p. 74.

[3] *Social Security*, an I.L.O. publication.

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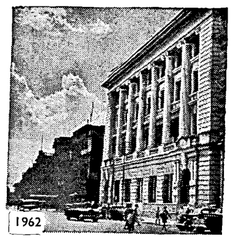

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employed. The connection between health policies, on the one hand, and income redistribution, on the other, is equally evident.

"The evolution from social insurance to social security consists in extending its protection to an even larger scale of the population, in widening the range of the risks that it covers, and as regards the quality and quantity of its benefits, caring more for social adequacy than for actuarial equality."[4]

Scope of Social Security Benefits

A social security scheme, therefore, covers both social insurance and social assistance. Under primitive poor relief schemes, the fundamental attitude towards applicants was: Are you in vital need, and are you incapable of satisfying it? If so, here is your subsistence; and here, if you are sick, is your medical care. The functions of social security schemes can still be described in the most general terms as the provision of subsistence and medical care. But, for each main cause of need, the social security system provides a benefit which is specially designed to cover the contingency, very often through an agency set up for that specific purpose.

The specialisation of social security organisation by branches, each covering one contingency or a group of closely related contingencies, is to be explained by the historical process with which we are becoming familiar. We have already seen in the earlier pages that mutual benefit societies were able to provide their members with medical care and short-term cash benefits; insurance companies could take over employers' liability for workmen's compensation, and trade unions could furnish benefits during unemployment (if not prolonged), but only large public institutions could make themselves responsible for pensions. Co-ordination of all the different kinds of agencies in countries where they have been operating for a generation or more, has progressed with difficulty, and the final step of unification is a recent and a rare achievement. In fact, the desirability of unification is sometimes open to question.

The Social Security (Minimum Standards) Convention distinguishes nine benefits, enumerating them in an order which has little significance. The branches into which they are commonly grouped for organisational purposes are the following:

Family allowances;
Medical sickness and maternity benefits;
Invalidity, old age and survivors' pensions;
Employment-injury benefits;
Unemployment benefit.

It is at once clear that all the contingencies in question are alike, in that they render the workers' earned income insufficient to meet certain proper claims on it. Also, all of them, except unemployment benefit, are of a biological nature; disease or injury; childbirth; old age; which is somehow correlated with senile decay and death.

A social security system cannot (or should not) pay more than one benefit at a time in respect of cessation of earnings. If, for example, an unemployed person becomes incapable of work, he incurs no additional loss warranting payment of an additional benefit. On the other hand, where a contingency has already led to a reduction of earnings, a fresh contingency may produce a further reduction: for example, a partially incapacitated person may become unfit for even the minor employment which he was able to perform and, in such a case, the payment of additional benefit is called for.

It should be noticed that cessation or reduction of earnings can, of course, occur only to gainfully occupied persons. Medical and funeral expenses, on the other hand, are charges that may be incurred for any person, and any adult may find himself legally responsible for maintaining a dependant.

The technique of social insurance was first developed for the protection of employees, and social insurance for independent workers has been an after-thought and something of a makeshift. Employment injury insurance and unemployment insurance were, of course designed for employees only. But several countries have enabled, and even obliged, small employers and independant workers to take out insurance against injury in the course of their work; in Denmark such insurance is subsidised by the State.

As against social insurances, social assistance is intended for the population at large, with the further difference that the effect of cessation or reduction of earnings on the total income of the claimant has often to be ascertained in each case individually before benefit is awarded.

Except for the funerals (where no expenses arise in the case of a pauper's burial) and employment injuries and maternity (where the employer may be made liable for compensatory payments), the same contingencies can be and are covered equally well by social insurance or social assistance. There are six contingencies for which social assistance has sometimes been preferred even when important schemes of social insurance are already operating in the country concerned, namely, need for medical care; invalidity; old age and the death of a breadwinner; family responsibilities, and prolonged unemployment. Social assistance in each of these contingencies except the last is tending to drop the means test and so to develop into a universal social security service.

Qualifying Conditions

The qualifying conditions for the right to benefit are, first, that the contingency has occurred and, with it, a cessation or reduction of earnings, or a need to incur certain expenses; and, second, that the claimant possesses the particular status prescribed by the scheme of social insurance or social assistance concerned.

Now, regarding the second condition, some schemes merely require a claimant to be engaged in employment within the scope of the scheme when the contingency occurs. In a large number of cases, however, it is not enough to be an "insured person," since, more often than not, a scheme does not confer "protection" on a person merely because he is "insured." It is further required that he shall have been engaged in an "insurable employment" for a minimum period varying in length with the type of benefit, and that corresponding minimum number of contributions shall have been paid on his account. It will be readily understood that the duration of the qualifying period is likely to depend on the probability of persons arranging to enter employment, simply because they have a reason to fear, or already know, that a contingency giving rise to benefit is about to happen to them —in other words, when they are "bad risks." The more valuable the benefit in view, the greater this probability is. But, in a country where social insurance is almost universal, more of the bad risks are already insured and the problem loses much of its significance.

The occurrence of the contingency and the fulfilment of the qualifying conditions having been ascertained, the form and the amount of the appropriate benefit are then determined. In the case of medical care, the medical officers of the scheme must perforce be given discretion as regards the nature and duration of the care to be rendered, within the limits that the scheme specifies.

It may also be mentioned that the rates of cash benefits payable under social insurance scheme are usually proportional to the rate of the claimant's former earnings as averaged over a shorter or longer period, though they may sometimes be fixed on a subsistence basis.

In a social assistance scheme, the cash benefits are intended always to correspond to the cost of subsistence, and, in some cases, private income in excess of a prescribed level is deducted from the benefit.

Another noteworthy point is that a social security scheme which does not adopt its benefits to changes in the value of money is evidently not fulfilling its original purpose. Since the Second World War, and with the dissemination of the ideas of J. M. Keynes, most Governments have not favoured any reduction in the nominal value of wages. The aim, however imperfectly attained, has been that wages should rise in proportion to productivity. In practice, nominal wages show a tendency to outstrip productivity, and inflation results in a greater or smaller degree. Governments have carried out general revaluations of benefits only to find, a year or so later, that the new scales have already become inadequate. Hence a growing number of social security schemes now incorporate permanent provisions for the adjustment of benefits to the general level of wages or prices.

Owing to an absence of co-ordination between the various social security schemes comprised in a national system, discrepancies often appear in the rates of benefit payable in contingencies which, though different, appear to create the same needs. Intelligible explanations can sometimes be found, but frequently the differences seem to be accidental. For example, if the cessation of earnings is expected to be temporary, it may be argued either that the person can draw upon his savings, so that a relatively low benefit will suffice, or, on the contrary, that he cannot reduce suddenly his usual expenditure, so that a relatively high benefit is indicated. Either line of argument is, perhaps, tenable, but doubts are inevitably awakened when examples of both are found in the legislation of the same country.

The work of the International Labour Conference has helped Governments to fix the level of their minimum benefits, especially through the influence of the Social Security (Minimum Standards) Convention. That definite figures could be embodied in that Convention is evidence of a growing consensus of opinion in the different countries about what represents a tolerable benefit in a given contingency.

International Problems of Social Security

The rapid progress of the concept of social security throughout the world has raised international problems in addition to the problems peculiar to each country. If social security is defined as a general aim of all social policy as the securing of decent and stable living conditions—its international implications are merely one aspect of the essential interdependence of nations, and the problems it raises are bound up with the realisation of effective co-operation between all countries in economic and social matters. But, if social security is considered in the concrete rather than in its "philosophical" sense, with the meaning that we give it when we speak of security laws, institutions or services, the problems involved are of a more technical and precise character. The object of the present paper is to make only a passing reference to the problems of the latter type, that is to say, those arising in the international field out of the co-existence in the different countries of laws, institutions and services to cover exceptional expenses incurred by individuals and families, and to provide a substitute income if they lose their normal earnings. Hence, under the present heading, we may just give a bird's-eye view of the general line followed in solving (1) the problem of conflicts of laws and of determining the limits of the national laws applying in social security matters; (2) the problem of maintaining the rights of migrants to social security benefits; and (3) administrative problems under the international convention on social security.

Different Approaches

(1) Social security laws and institutions are national laws and institutions and it is often difficult to know, when a case comes up for being dealt with by the social security machinery, which nation's legislation, if any, is applicable. Different approaches are thus adopted even where the laws of different countries are based on similar principles. This is because, quite apart from technical considerations, there is the opposition between territorial and personal laws. To quote an instance. Apart from migrants, this question is chiefly of practical interest where a worker is employed and insured in one country while his family is living in another and treatment is given to his wife or dependent child. If the right to treatment for the whole family is a personal right related to the worker's contribution, the scheme to which he belongs must pay for treatment given to the wife and child in their country of residence. If, however, the worker is employed in a country where treatment is organised on a territorial basis, he will only be covered if their country of residence also has a similar territorial organisation and this organisation provides them with treatment.

Thus, it is very clear that the difference in the concepts underlying the legislation of the different countries inevitably results in gaps and overlapping. Certain contingencies may be left uncovered by any system, whereas others are simultaneously covered by the legislation of two or more countries. This leads to situations that are socially intolerable. It is one of the purposes of the international agreements on social security to settle such problems. Experience has shown, however, that, with laws so numerous and varied, the adjustments must be made bilaterally, since it is, indeed, extremely difficult to lay down simple principles that can be applied in relations between a large number of countries. But the problem of how to deal with a situation, where the law is territorial in one country and is based on the personal character of entitlement in the other country, remains unsolved. In actual fact, the only general agreement so far concluded between countries with legislation based on different principles provides for the application of the territorial system. It also remains a fact that, in practice, every country discriminates, to a greater or lesser extent and for varying reasons, between aliens and nationals in regard to social security legislation. In doing so, a distinction is usually made between contributory and non-contributory benefits, where the latter are usually restricted to nationals only.

(2) The second problem of determining a migrant's position under the social security laws of the emigration country and immigration country is a familiar one that has already been solved to a large extent. It is obvious that this problem is closely related to the problem of determining the limits of each national legislation—the solutions of the second problem must make it possible to decide when a migrant leaves the field of operation of one law and enters that of the other. The migrant, however, may already be entitled to certain forms of benefit in the country which he is leaving. Is he to lose such acquired rights and, if not, on what conditions and to what extent will they continue? Moreover, even if he has not acquired rights, he may have partly completed the period of residence, employment or contribution required for entitlement to benefit. Thus, to the question as to whether a person will keep, on leaving the country, acquired rights to social security benefit, the answer depends primarily on the law of the emigration country and also depends, to some extent, on the law of the immigration country. If the two laws by themselves lead to a negative result, the situation may be and often is remedied by international agreements. Thus, attempts have been made by international conventions and agreements to resolve these difficulties and remove the obstacles to the maintenance of acquired rights.

In the first place, the conventions of agreements are intended to overcome the obstacles in legislation founded on the personal nature of benefit rights which prevent the emigrant from retaining his rights. In practice, it means the abolition of any residential requirements which such laws impose for receipt of benefits. In the second place, the conventions or agreements are intended to overcome the obstacles in legislation founded on the territorial nature of benefit rights which prevent the immigrant from enjoying these rights. These obstacles, it may be repeated, are mainly the result of conditions regarding the place of occurring of contingency or the nationality of the beneficiary.

(3) The application of international social security agreements involves the creation of a whole system of new relations between the social security services and institutions of the signatory countries. These services and institutions, designed in relation to the national legislation and hitherto functioning in a closed space, are brought into close collaboration, and relations between them give rise to a complex of new administrative and technical problems.

And, since it is not possible to regulate these relations through ordinary diplomatic channels, an understanding must be reached directly between the actual administrators and technicians. Hence the importance of the administrative agreements that have been made to supplement the main social security agreements. In addition to specifying and setting in motion the delicate machinery required, these must provide a basis for relations of mutual confidence between the services and institutions of the countries covered.

It is also obvious that all the problems involved in applying social security agreements are bound with the need to ensure ease and facility in the discharge of obligations arising out of the agreements and to provide benefits to entitled persons with a minimum of formalities and a maximum of social efficiency. The problems are many but not all are of equal importance. In actual fact, the problems that have arisen and have been dealt with, relate almost exclusively to benefits.

Thus, it would seem that, parallel with the elaboration of national systems of social security, the last decade has been the beginning of organised international relations in social security matters. The different aspects of the problems involved in this process have been gradually disentangled. If final solutions have not been found for all of them, at least methods have been evolved and tried out, so that the general lines of a body of accepted practice are gradually taking shape. At least, a practical result has been that the relations between the men in charge of social security services or agencies throughout the world are becoming closer and it would seem that without show, and often unknown to the public, the solving of international social security problems represents a practical contribution towards the construction of a community of nations.

Concluding Remarks

It would be clear from the foregoing analysis that social security measures have a twofold significance for every underdeveloped country. They constitute an important step towards the goal of a Welfare State by improving living and working conditions and affording the people protection against the uncertainties of the future. These measures are also important for every industrialisation plan, for, not only do they enable workers to become more efficient but they also reduce wastage arising from industrial disputes. Lack of social security measures impede production and prevent the formation of a stable and efficient labour force. Social security is, therefore, not a burden, as some might think, but a wise investment which yields good dividends in the long run. It would, however, be suicidal to overlook the effects of social security on the worker's will to produce. Some people ask the question: "Is security not mankind's chiefest enemy?" "Does not security weaken initiative and breed slackness?" "Does it not sap the pioneering spirit on which progress so largely depends?" These are serious questions and need serious consideration but much more experience is needed of the effects of comprehensive system of social security before any definite answer could be given to them. The ultimate effect of social security schemes amounts to payments being made by the productive to the unproductive, i.e., by those who are fit and employed to the aged, the sick and the unemployed. The problem is one of the effects of the system on initiative, independence, and efficiency. Properly devised and administered, social security, though it will be abused by some, is likely to facilitate increased production by reducing the harm done to the main body of workpeople by the fears, anxieties, and privations of insecurity. "It must never be forgotten, however, that the resources to provide social security benefits are largely due to the energy, ability, and initiative of the relatively small group of really enterprising people from all classes, and there should be more joy ... over one who blazes a new trail and is willing to take its risks than over ninety and nine who stagnate in the sheep fold of social security.[5] At the same time, one may also bear in mind that, when, "properly devised, controlled and financed, it (that is, unified social insurance) need have no depressing effect on incentive."[6]

[4] *Approaches to Social Security*, I.L.O. publication, p. 83.

[5] *Introduction to the Study of Industrial Relations*, by J. H. Richardson.

[6] *Report on Social Insurance and Allied Services*, by Sir W. Beveridge.

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PROGRESS OF TRADE UNIONS

Some Suggestions For Strengthening Them

By Dr. J. L. RASTOGI

ALTHOUGH under the Indian Trade Unions Act, trade unions include even employers' organisations, they are essentially organisations of workers—manual and non-manual—and are formed for protecting the rights and promoting the interests and welfare of their members, in particular, and of the working class in general. The growth of trade unions has been associated with the rise of factory industries and large-scale production. As in any other country, in India also workers were completely unorganised in the early years of *industrialisation, not being conscious* of their rights and strength. Their employment and terms and conditions were entirely at the mercy of employers. They had no outlet, except to abandon their jobs, to express their dissatisfaction either with the work or the management. Hopeless plight and severe exploitation of labour led to the formation of some associations for protecting the ignorant working people until the First World War. However, these early organisations were not trade unions in the real sense. These were philanthropists and humanitarian associations for promotion of workers' welfare and representing their case to various commissions, etc. Most of these were short-lived due to inadequate finances or had to be dissolved on the death of their leaders or after achieving their immediate objectives. Moreover, these failed to *generate among employees a consciousness* of their rights and strength and a spirit of co-operation and responsibility.

The Real Beginning

Although circumstances were favourable in the country for the development of the trade union movement after the First World War, the real beginning could not be made until the Indian Trade *Unions Act was passed in 1926.* Most of the unions formed in post-war I years were more of a political nature. Their main purpose had been to intensify the freedom struggle by infusing in workers the benefits of freedom of association and concerted action and by creating work stoppages and internal disorders. Any effort on the part of employees, even for genuine objectives, was thus looked down upon, and employers did everything in their power to undermine the authority and following of trade unions.

No doubt, the Indian Trade Unions Act went a long way towards promoting and protecting the trade unions. But it could not achieve the desired results due to inherent weaknesses in the movement and opposition of employers. Trade unions were, however, attached a new importance during World War II when they were associated with the Plenary Conference on Labour and the Standing Labour Committee. Immediately after World War II, the number of trade unions and their membership witnessed a continuously rising trend due to greater consciousness on the part of workers of their rights and strength, on the one hand, and additional recognition accorded to these by the Industrial Disputes Act, 1947 for the formation of works committees and conciliation boards, on the other. The total number of registered unions increased from 2,666 in 1947-48 to 3,987 in 1950-51, 4,909 in 1952-53, 6,649 in 1954-55, 8,553 in 1956-57, 10,045 in 1957-58 and more than 10,228 in 1958-59. Of these, a substantial number did not submit returns to the Registrars. Thus, in 1958-59, the number of unions that submitted returns was only 6,040, as against 5,520 in the previous year and 4,399 in 1956-57. The membership of the unions submitting returns also grew from 16.63 lakhs in 1947-48 to 18.75 lakhs in 1950-51, 20.90 lakhs in 1952-53, 21.70 lakhs in 1954-55, 23.77 lakhs in 1956-57, 30.15 lakhs in 1957-58 and 36.45 lakhs in 1958-59.

Stunted Growth

In spite of the rapid strides made by trade unionism in the country in the post-independence years, its growth has not been entirely satisfactory, as will be seen from the following defects in it:

1. Trade unions in India cover only a portion of the working population. A large number of workers is still outside their fold.

2. While in certain spheres unions are highly developed as in the organised industrial sector, they are moderately organised in others, as among white-collar workers, and are yet to be promoted among certain sections of the working class like contract labour, domestic servants, agricultural workers, etc.

3. Even in the organised sector, trade unions sometimes lack responsibility. A large number of unions either do not file any return or fail to do it in time.

4. No doubt, recently the gospel of unionism has spread even to less important industrial towns, but the bigger industrial metropolises still remain the important venues of its activities.

5. Multiplicity of unions is also not uncommon. There are rival unions *even in one concern.*

6. Due to absence of initiative and consciousness among workers and slow development of internal leadership, the union scene is still dominated by outsiders, particularly politicians.

Thus, trade unions in the country have still not reached a mature stage of development. Funds at their disposal are meagre and services provided by them are utterly inadequate. More weight is generally attached to political rather than socio-economic considerations. They are mainly concerned with protection of workers' rights than with generation of a spirit of responsibility and co-operation in them. Welfare and educative activities on the part of unions are conspicuous by their absence. Moreover, in the absence of direct contacts between leadership and the rank and file, the latter are usually indifferent to the affairs of their unions. Meetings are inadequately attended and membership dwindles in periods of industrial peace.

Relations "Inter se"

There are four strong central trade union federations in India, viz., I.N.T.U.C., A.I.T.U.C., H.M.S. and U.T.U.C. and a large number of unions are affiliated to either of these according to aims, ideology and political allegiance of their leaders. However, a good number of unions are still not affiliated to any of these. Non-affiliated trade unions give rise to a new problem. These are not bound by any agreement concluded by the central *federations even by unanimous* consent. Therefore, these have to be tackled separately and independently. Moreover, trade unions affiliated to different federations and independent unions usually lack goodwill in relations *inter se.* Sometimes, they do not even hesitate to undermine the authority and following of other unions.

Although the need has been felt for long to end union rivalries and *to place their relations inter se on* a sound footing, it was only in 1958 that the four central trade union federations agreed to abide by a common Inter-Union Code of Conduct for maintaining harmonious inter-union relations. The basic principles of the Code are:

(a) every employee to have freedom and right to join the union of his choice and no coercion to be exercised;

(b) no dual *membership to* be allowed;

(c) casteeism, communalism and provincialism to be discouraged;

(d) unreserved respect for democratic functioning of unions;

(e) regular and democratic elections of executive bodies and office-bearers of trade unions;

(f) ignorance and backwardness of workers not to be exploited;

(g) no excessive or extravagant demand on workers; and

(h) no violence, coercion, intimidation or personal vilification in inter-union dealings.

Code Fails

Although well-intentioned, the Code of Conduct has failed to secure the desired results partly due to its inherent weaknesses and partly due to non-co-operation of trade unions and their leaders. Further, while the Inter-Union Code of Conduct has been adopted by the central trade union federations, most of the unions at the lower level, affiliated or unaffiliated, are yet to adopt its provisions. The Code has also failed to promote co-operation and consolidation amongst rival unions. It does not prevent exploitation of trade unions for personal and political ends of leaders. Moreover, no sanction has been prescribed for non-observance of the provisions of the Code even by those who have adopted it. The net result is that the provisions of the Code have been frequently flouted.

Even between trade union federations and their affiliates, there is no set pattern of relationship. Affiliated unions are free to manage their internal affairs as they like. They are not always bound by the advices, verdicts and promises of the federations. Very often the federations have failed to persuade the affiliates to abide by the agreements concluded by them. Cases are not uncommon in which, in spite of the adoption of the Code of Discipline by the federation, strikes have been staged by affiliates without either exploring the grounds of settlement or giving advance notice to the authorities concerned.

Trade unions occupy a dignified place in Western society. They are much more than organisations for protecting the rights and privileges of members. They are, indeed, an integral part of the community life, provide facilities for all-round development of members, and protect them against uncertain odds. Sometimes, trade unions are responsible for achieving industrial objectives and national aspirations.

Western Experience

One of the important features of trade unionism in Western countries has been a tendency towards unification of the movement. At present, there is only one powerful central trade union federation in each advanced industrial country, as witness the Trade Union Congress in Britain, German Confederation of Trade Unions in West Germany and A.F.L.-C.I.O. in U.S.A. to name some countries. Most of the unions in these countries are affiliated to their respective central body. The federation has its own political philosophy which is designed to achieve its own immediate objectives. Affiliated unions are not in any way subservient to the central federation and they are free with regard to their internal affairs and in dealing with managements. However, generally, they are under a moral obligation to accept certain organisational principles as in West Germany and to abide by the advice of the federation as in England.

The functions of the central trade union federations in different countries have been to promote and safeguard the interests of workers, in general, and aid and advise the affiliates on matters of common interests or requiring uniformity.

Trade unions in the West have tried to improve the lot of workers either by encouraging collective bargaining or labour participation or by inducing labour legislation. While legislation has been deployed to set minimum standards of wages, working and service conditions and social security, collective bargaining has helped settlement of conflicting interests on such issues as hours of work, overtime, lay-offs and dismissals, vacations, transfer, promotions, health and safety, etc., around the table. Labour participation in management, on the other hand, prepares the ground for peaceful and co-operative relations by promoting the common interests in industry.

In the United States, "as a result of skilful and determined collective bargaining, wages have been increased to a very high level and hours of work reduced until they are probably the lowest in the world. Wage increases have been supplemented by fringe benefits such as medical care, pensions, insurance payment and holidays with pay. Benefits have also accrued to union members from social legislation relating to minimum wages and maximum hours, social security and unemployment compensation. By all these means the unions have succeeded in helping to bring about a continuous rise in the living standards of the workers which no country in the world has exceeded."[1] In recent years, attention has also

Membership of All-India Trade Unions

	Number of unions affiliated			Membership (in lakhs)		
	1958	1959	1960	1958	1959	1960
Indian National Trade Union Congress	727	886	860	9.10	10.23	10.53
All-India Trade Union Congress	807	814	886	5.38	5.08	5.09
Hind Mazdoor Sabha	151	185	190	1.93	2.42	2.86
United Trade Union Congress	182	172	229	0.82	0.91	1.10
Total	1,867	2,057	2,165	17.23	18.64	19.58

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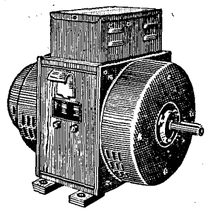

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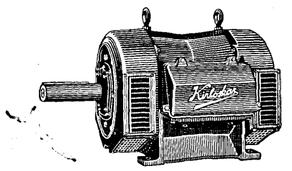

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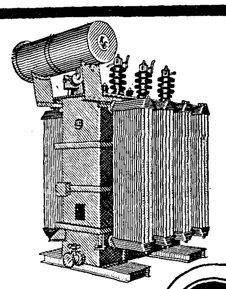

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been paid to other matters by some unions. "For example, they have stepped up actions at the local and State levels in support of a variety of liberal causes such as public education, conservation of resources and so on."[1]

In Great Britain, "besides the 'bread and butter' services that unions supply to their members—in negotiating with management better wages and working conditions, in the processing of grievances and so on—there are certain other services provided by unions of a financial, legal and educational *nature*."[2] Some of the unions maintain convalescent home service for members. Trade unions are also productivity conscious and contribute substantially in achieving the industrial goals.

In West Germany, while "the D.G.B.'s main functions lie in matters which affect all workers alike regardless of the industry in which they are employed, such as economic policy, social security, general labour legislation, research and education,"[3] affiliated unions are mainly concerned with collective bargaining and settlement of industrial disputes. Trade unions also play an important role in co-determination and appointment of labour directors in different enterprises.

Trade unions have been entrusted with even more important tasks in communist countries. In the U.S.S.R., "in addition to defending the workers' rights and their share in the benefits obtained by the community, the workers' organisations have been expected to assume the responsibility of co-operating directly in the promotion of economic progress of the country."[4] Thus "the functions of trade unions range from legislative initiative and participation in national economic planning to negotiation of collective agreements and administration of cultural and recreational facilities."[4] In Yugoslavia also, besides protection of workers' interests, trade unions are responsible for promotion of industrial objectives and the continuous development of the economic system itself.

Social Responsibilities

In the changed context of India's political and social climate, trade unions have to play a constructive role. Their immediate tasks are to protect the dignity of labour and strive to get it a rightful place in society. However, in safeguarding the interests of workers, social obligations and national aspirations should not be lost sight of. India's development plans call for an active support of all sections of society for their success. Trade unions should, therefore, view their immediate objectives in broader perspective and act in a responsible manner. Their activities should neither, in any way, undermine the productivity drive nor hinder the growth of national economy. In fact, higher wages, better working conditions, greater employment opportunities and an improvement in standard of living directly depend on the prosperity of the industry.

Production today is a co-operative venture and capital, management and labour are all needed for effective and efficient performance. "Capital and management, without labour would be sterile, and labour without capital and management would be disorganised, ill-equipped and ineffective .... (thus) 'two sides' attitude should be broken down and more attention given to matters of common interest to workers and management alike."[5] Trade unions can contribute substantially in this direction by diverting members' energies to useful and co-operative channels and by curbing indiscipline and undesirable traits in them.

Recently, greater responsibilities have been placed on trade unions under labour participation schemes and under the Code of Discipline in industry. These would be further enhanced by the Code of Efficiency and Welfare. The success of any of these, however, calls for a change in the attitude of trade unions and management. The outdated ideas of conflict, strife and non-co-operation should yield place to the spirit of co-operation and goodwill. Management should be regarded not as agencies for exploitation of workers but as trustees of their welfare. Similarly, trade unions should be considered as co-operative agencies which would contribute materially towards the success of the enterprise.

While protecting the rights of labour, trade unions should also take upon themselves the responsibility for the conduct of their members at and out of workplaces. These should act as a clearing house of the management's grievances against members and *vice versa*. In settlement of industrial disputes, resort should be had to conciliation and voluntary arbitration, and strikes should be used only as a last weapon for achieving their objectives.

Reorganisation and Consolidation

In the interest of industrial peace and higher productivity, therefore, the trade union movement in the country should be reorganised and consolidated. Instead of a number of central trade union federations, there should be only one National Trade Union Federation at the apex and all primary unions should be affiliated to it notwithstanding ideology, belief and political affiliation of the leadership. This national federation should have its industrial units at regional level for dealing with problems relating to particular industries and for aiding and advising primary unions in different regions. Such a unified federation would go a long way towards promoting and protecting the interests of labour in general and ensuring greater uniformity in dealing with the management.

At the plant level, the principle of one union in each establishment should be followed and all workers should be allowed to become its members irrespective of their caste, religion, sex or political belief. Besides, all the primary unions should be affiliated to the National Federation. Such a move would put an end to union multiplicity and rivalry and make the movement strong.

The possibilities of such a consolidation should be explored. A convention of all the political parties having a say in the trade union movement and different trade union federations should be convened at an early date under the auspices of the Indian Labour Conference. The matter should be dispassionately considered and the various political parties should voluntarily withdraw from the trade union movement in favour of a National Trade Union Federation.

However, until such a unification is feasible, efforts should be made to end trade union rivalries. A new Code of Conduct for inter-union relations should be drawn up. The provisions of the existing Code should be made more comprehensive. It should include a provision that trade unions would not be used for attaining personal ends or political ideology of the leaders and would not flout the authority and the following of other unions. Some sanctions should also be provided for against the unions and their office-bearers for non-observance of the Code. Besides, all trade unions must be affiliated to one central federation or the other. However, mere adoption of the Code by different trade unions would not do. Its provisions are their sacred trust which must be strictly adhered to in the interest of a strong trade union movement and healthy industrial relations in the country.

Leadership of trade unions should vest in actual workers—past and present. Their practical experience and knowledge of the work and work-environment would enable them to take a responsible and co-operative view of the affairs of the concern. However, outside leaders with suitable restrictions may have to be continued for some time, particularly until the development of adequate leadership from the rank and file and until worker-leaders are immune from victimisation for their union activities. Moreover, a few more outsiders may have to be associated with the trade union movement as full-time experts to deal with the technical matters.

Membership Drive

A large-scale membership drive should immediately be taken up. Efforts should be made to cover the fields which are still unorganised or less organised so that the gospel of unionism may be spread to the entire working population. The aims and advantages of union membership should be widely publicised. The rank and file should be educated in the principles of working and techniques of unionism. A close contact should be established between leadership and primary members and more and more members should be encouraged to take an active part in the affairs of the unions. In order to make union programmes interesting, they should be followed by dramas, film-shows, exhibitions and light refreshment. Such an education and participation of members in union activities would make them conscious of their rights, strength and obligations. Besides, these would train them in the working of democratic institutions and make them better citizens.

[1] *The Trade Union Situation in the United States*—I.L.O.

[2] *An account of an Asian Bi-partite Study Tour on Labour-Management Relations to the United Kingdom and Federal Republic of Germany*—I.L.O.

[3] *Ibid*, p. 43.

[4] *The Trade Union Situation in the U.S.S.R.*—I.L.O., 1960.

[5] *An Introduction to the Study of Industrial Relations*. J. H. Richardson, 1954, p. 429.

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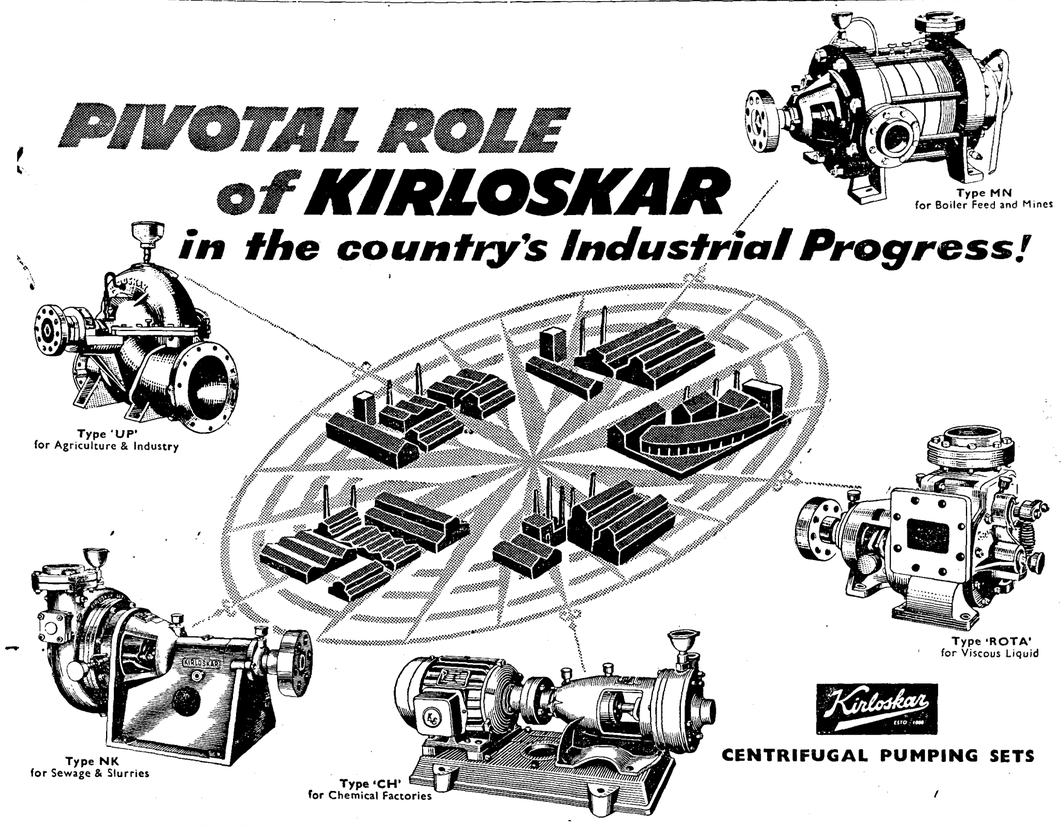
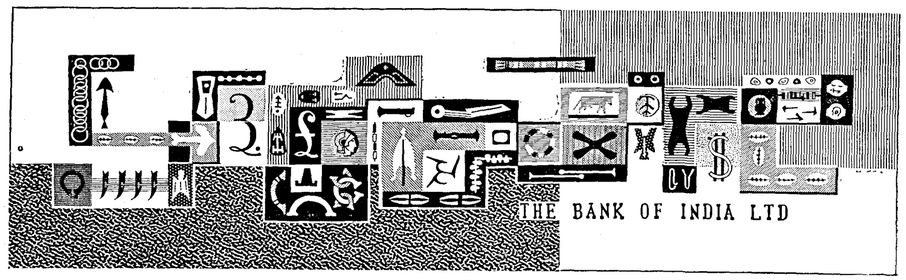
NEW APPROACH IN WEST GERMANY

West Germany's employers keep the door open for the trade unions to come to reasonable and peaceful labour relations in the Federal Republic of Germany. This offer to reach an agreement on fair co-operation on the West German labour scene has once more been made by Dr. Hans-Constantin Paulssen, President of the Confederation of German Employers' Associations, at this year's annual meeting of the Confederation in Bad Godesberg on 6th December 1962. Placing the employer-union relations on a new basis is one of the main aims hoped to be attained in 1963, Dr. Paulssen said. It is particularly necessary to remove the "mutual barriers of mistrust." A "peace agreement" according to the Swiss model is desirable. If such an agreement is out of reach for the time being, both parties—employers as well as unions—should agree to a voluntary arbitration authority with power for the whole of the industry could not be reached, why couldn't it be established, Dr. Paulssen asked, for individual sections of the industry such as the textile and metal industries for example, which were facing new wage demands.

Dr. Paulssen's statement has been well received by the German public. Once again, the German employers have invited the unions to come to reasonable settlements on the basis of partnership. They hope that the unions will take the hand extended to them.





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Power Development In Third Plan

A State-wise Review of the Programme

By M. R. SACHDEV, I.C.S.

POWER, which accounted for 7 per cent of the total investment in the second Five-year Plan of the country, claimed 10 per cent of the total outlay during the third Plan period. The outlay actually provided was Rs. 1,089 crores in the public sector including Rs. 50 crores in the private sector. The power development programme was intended *not* only to meet the expected load demands during the various years of the Plan, but also to cater for a sizable backlog of unsatisfied demands due to the shortfall in the achievements of the second Plan target because of foreign exchange difficulties. The provision in the Plan has recently been increased to the extent of Rs. 34 crores, of which Rs. 23 crores relate to additional capacity under the ordinary power schemes and Rs. 11 crores for the nuclear power plant in Rajasthan. If all goes well, the installed capacity in the country should reach the 13 million kw. target by the end of the Plan period. The major projects being executed by the various States are mentioned below:

ANDHRA PRADESH

Upper Sileru Hydro-electric Scheme

The Upper Sileru hydro-electric scheme will utilise the tail-race waters of the Machkund power house and the run-off from the intermediate catchment at a total drop of a little over 400 ft. The scheme involves the construction of a diversion weir across the Sileru river at Guntewada and a short length of power channel to convey the water to a reservoir formed by an earthern bund and a power station with an initial capacity of 2 x 60 MW. This stage is expected to be completed in 1965-66.

The second stage development of this scheme is also envisaged later by installing *additional generating* capacity estimated at 180 MW by utilising the regulated discharge of water available from a common storage reservoir to be located at Balimela in Orissa. No benefits from this scheme would be available during the third Plan period.

Kothagudam Thermal Power Station

This new thermal power station being set up at Kothagudam, partly for power supply to the proposed fertiliser factory and partly for feeding the Andhra Pradesh grid, will have an installed capacity of 2 x 50/60 MW turbo sets and four boilers each of 360,000 lbs./hr. capacity supplying steam at 1,290 p.s.i.g. and 1005° F. and designed for burning inferior quality of fuel. The station is expected to be commissioned in 1965-66.

Ramagundam Thermal Power Station

In order to meet the increasing power demand in the Telengana region of Andhra Pradesh, a new thermal power station was commissioned in 1957 at Ramagundam in the heart of the coal mining area, with 3 x 12.5 MW turbo sets and six boilers of 50,000 lbs./hr. capacity. In addition to installation of one more boiler of 50,000 lbs./hr. capacity, this power station will be extended by 62.5 MW during the third Five-year Plan, and is expected to be commissioned early in 1965.

ASSAM

Nahorkatiya Gas Turbine Power Station

It is proposed to utilise, for power generation, the natural gas that would become available during the production of crude oil from the Nahorkatiya Oilfields at Namrup in North-eastern Assam. This scheme provides for the installation of three gas-turbine driven generating units of capacity 23 MW each. This plant is expected to be commissioned in 1964-65.

Umiam (Barapani) Hydro-electric Scheme—Stage I

The Umiam hydro-electric project comprises a dam across the narrow gorge of Umiam River about 2½ miles downstream of Barapani Bridge on the Gauhati-Shillong road and the installation of four generating units of 9,000 kw. each. The first unit is expected to be commissioned towards the end of 1964 and the remaining units by mid-1965.

BIHAR

Chandrapura Thermal Power Station

This thermal power station in the South Bihar area is being set up by the D.V.C. for meeting the additional power needs in the area. The power station will have an initial capacity of 2 x 140 MW. The turbo sets will be hydrogen cooled, designed to operate at steam conditions of 1005° F. and 1900 p.s.i.g. The boilers that are semi-outdoor type are rated at 960,000 lbs./hr. designed for burning low-grade coal with ash content upto 43 per cent and will utilise middlings and rejects from the nearby Dugda washery. These units are expected to be commissioned by 1964-65. Two additional similar units have also been sanctioned for installation by the D.V.C., one at Chandrapura power station and the other at the Durgapur thermal power station in West Bengal where two units of 82 MW each were installed during the second Plan.

Barauni Thermal Power Station

This power station, with an initial installation of 2 x 15 MW, is being constructed at Barauni opposite Mokhamehghat. Each boiler will be rated at 160,000 lbs./hr. operating at 900° F. temperature and 850 p.s.i.g. and is designed for burning either pulverised coal and/or crude oil, to be available from the Barauni oil refinery. The station is expected to go into operation by March 1963.

The power station will be extended by 1 x 15 MW and 2 x 50 MW generating units during the third Five-year Plan. The 15 MW unit is likely to go into operation in 1963-64, and the 50 MW units in 1965-66.

Pathratu Thermal Power Station

For power supply to the Heavy Engineering Project at Hatia near Ranchi, a thermal power station with an initial capacity of 2 x 50 MW is being established at Pathratu. This is a second Plan scheme expected to be commissioned in 1964-65. The boilers are of semi-outdoor type, rated at 493,000 lbs./hr. and designed to burn fuel of ash content as high as 45 per cent. The turbo sets will operate at 1350 p.s.i.g. and 995° F. The fuel for the power station will be available from the south Karanpura coalfields initially, and later in the form of middlings from the proposed coal washery near Bhurkunda. The capacity of this power station will be augmented by 300 MW in the third Five-year Plan. These units are expected to be commissioned partly in 1965-66 and partly in 1966-67.

GUJARAT

Cambay Thermal Power Station

Works have commenced on this thermal power scheme which will be a key source of power serving the major part of the State. The power station located at a site six miles from Kathana railway station will have four generating units of 62 MW each. There will be two boilers for each turbo set, each having a capacity of 300,000 lbs./hr. operating at 1000° F. and 1250 p.s.i.g. and designed to burn pulverised coal and adapted for burning oil and/or gas expected to be available from the newly found oilfields. The station is expected to be commissioned in 1963-64.

KERALA

Pamba-Kakki Hydro-electric Scheme

The Pamba-Kakki hydro-electric project continuing from the second Plan, harnesses the waters of the Pambayar and Kakkiar rivers utilising the difference of level of more than 2,000 ft. existing between the beds of the two rivers for power generation. The scheme envisages the construction of a 165 ft. high dam across the Pamba river, a 346 ft. high dam across Kakki river with a saddle dam 101 ft. high, and interconnecting tunnel 10,000 ft. long between Pamba and Kakki reservoirs, a head-race tunnel 19,900 ft. long of 2,300 cusecs capacity taking off from the Kakki reservoir. The waters would then be lead through six pipe lines each of 60" diameter and 6,050 ft. length to a power station on the left bank of the Muzhiar with an installed capacity of 6 x 50 MW operating under a gross average head of 2,448 ft. Two of these generating sets are expected to be commissioned in 1964-65 and the remaining in 1965-66.

MADHYA PRADESH

Korba Thermal Power Station Stage—II

The existing Korba thermal power station under Stage I comprises three turbo sets of 30 MW each operating at 850 p.s.i.g. and 900° F, and five boilers of capacity 180,000 lbs./hr. each, designed to burn low grade fuel of ash content as high as 42 per cent from the nearby coalfields of Korba. This is being extended by 10 MW during the current year. During the third Plan a second power station will be set up near the existing power station with 4 x 50/60 MW turbo sets and four boilers of 500,000 lbs./hrs. capacity supplying steam at 1,340/1,470 p.s.i.g. and 930/1050° F. Two of these sets are expected to be commissioned in 1964-65, and the remaining two in the following year.

Satpura Thermal Power Station

This thermal power station will help to bring about co-ordinated development of the western region of Madhya Pradesh through a network of grid lines for efficient and economical generation and utilisation of power. The scheme provides for the installation of 5 x 62 MW turbo sets in the Pench Valley coalfields together with five boilers of capacity 600,000 lbs./hrs. supplying steam at 1,300 p.s.i.g. and 960° F. The exact site of the power station will be selected keeping in view the availability of adequate cooling water from the nearby Tawa river, communication facilities, etc. The power station will be jointly owned by Rajasthan and Madhya Pradesh and will be interconnected with the Chambal-Chandni grid by 220 KV transmission lines. Two sets are expected to be commissioned in 1964-65 and three in 1965-66.

MADRAS

Kundah Hydro-electric Scheme Stage—III

The Kundah hydro-electric project under Stages I and II, now completed comprises storage reservoirs across the Avalanche and Emerald rivers in the Ooty hills with a combined storage capacity of 5,500 m.c. ft., a tunnel 14,829 ft. long from the Avalanche leading to two penstocks at the power house No. 1 with 2 x 20 MW generating sets operating at a head of 1,117 ft. The tail race waters of power house No. 1 as well as the flow from 44 sq. miles of free catchment are led into a low pressure tunnel 11,862 ft. long ending in a surge shaft, a pipeline of 8 ft. dia. trifurcating into three penstocks, and another of 6 ft. 6" dia. pipeline, bifurcating into two penstocks, feeding power house No. 2 with 4 x 35 MW generating units (with provision for a fifth unit) operating at head of 2,418 ft. The third stage of this project taken up in the third Plan provides for the construction of forebay reservoir of capacity 35 m.c.ft. for collecting the tail-race waters of power house No. 2 and the free flow of Pegumbuhalla catchment; a low pressure tunnel 31,400 ft. long, leading to three penstocks each with 78 inches diameter and 2,570 ft. length, to power house No. 3 with 3 x 40 MW generating sets; a reservoir of capacity 1,568 m.c.ft. across the river Bhavani at Pillur with two penstocks 12'-16" diameter embedded in the dam and power house No. 4 below the dam with two sets of 25 MW each. An addition of a third 20 MW set at power house No. 1, and a fifth set of 35 MW at power house No. 2 and an auxiliary power house at the exit of the tunnel from the Upper Bhavani to Avalanche reservoir comprising one penstock 56 inches dia. and one 15 MW generating set are also provided. Stage III is expected to be completed partly in 1963-64 and partly in 1964-65.

Neyveli Thermal Power Station

A large new thermal station with an initial capacity of 5 x 50 MW is now under construction at Neyveli in South Arcot district as a part of the Neyveli Lignite Project for mining and processing lignite deposits, manufacture of fertilisers, and power generation. The power station will be extended by 150 MW in the third Plan and will be inter-connected with the existing Madras grid, thereby resulting in the optimum utilisation of hydro resources of the State. One unit of 50 MW has already been commissioned. The second unit is expected to be commissioned in January 1963. The remaining units will be commissioned progressively thereafter and completed by 1965-66.

Parambikulam Multi-purpose Scheme

The multi-purpose Parambikulam irrigation *cum* hydel project included in the third Five-year Plan envisages utilisation of the waters of seven rivers, viz, Nirar, Sholiyar, Parambikulam, Tunakadavu, Peruvaripallam, Tekkadiar and Aliar, in the Anamalai hills of the Coimbatore district for generation of power before being utilised for irrigation. The power houses envisaged in the scheme are as under:—

Sholiyar power house No. I	.. 2 × 35 MW
Sarkarpathy power house	.. 1 × 30 MW
Sholiyar power house No. II	.. 1 × 20 MW
Aliar power house No. I	.. 2 × 20 MW
Aliar power house No. II	.. 1 × 20 MW

The Sarkarpathy power house is expected to be commissioned in January 1965 and the Sholiyar power house No. I in 1965-66. The rest of the power stations will be completed early in the fourth Plan.

MAHARASHTRA

Koyna Hydro-electric Project

The Koyna hydro-electric project Stage I, which was initiated in the first Plan will be completed during the third Plan. It provides for a dam across the east flowing Koyna river creating a reservoir of ultimate capacity 97.500 m.c.ft.

An intake tunnel 4.000 ft. long takes off from the reservoir leading to a head race concrete-lined tunnel 12,000 ft. long with 21 ft. dia. terminating in a surge shaft whence two steel-lined 10 ft. dia. pressure shafts 21,000 ft. long driven through rock lead the water into four penstocks each with 72" dia., and then to the underground power station with 4 x 60 MW units to operate at an average head of 1,610 ft. Another tunnel 26 ft. wide and 7,500 ft. long leads the tail race waters into the Vasishti river. Two of the generating sets under stage I have already been commissioned and another will come into operation very shortly. The fourth machine is expected to be commissioned early next year.

Stage II of the Koyna Project included in the third Plan provides for additional power generation by installing 4 x 75 MW generating units in the underground power station and one 40 MW machine in a power house at the foot of the dam. One 75 MW unit is likely to be commissioned in 1964-65 and two more in 1965-66. The power from the Koyna system will feed into the existing Tata-Chola Trombay Hydro-thermal grid via 220 KV double circuit transmission lines besides supplying power to Karad over 220 KV single circuit line and therefrom to Satara, Sholapur, etc. over 110 KV lines.

Bhusawal and Paras Thermal Power Stations

The installation of a new thermal power station with installed capacity of 62.5 MW at Bhusawal and extension of the existing thermal power station at Paras by an additional thermal unit of capacity 62.5 MW are being taken up in the third Plan under the Khandesh-Marathwada Electrification Scheme. There will be two boilers for each of these units, each having a steam raising capacity of 300,000 lbs./hr. at 1,300 p.s.i.g. and 960° F. Both these schemes are expected to be completed in 1965-66.

Trombay Thermal Power Station Extension

The existing Trombay thermal power station in the private sector completed during the second Five-year Plan is located near the oil refinery at Trombay operating in conjunction with the Tata Hydro-electric System and having an installed capacity of 3 x 62 MW turbo sets and three boilers of capacity 600,000 lbs./hr. operating at 1,250 p.s.i.g. and 950° F. The power station is being extended by an additional generating unit of capacity 125 MW and will be completed by the end of the third Five-year Plan period.

MYSORE

Sharavathi Hydro-electric Project

The ultimate solution for power supply in the State is the development, in stages, of the Sharavathi Valley Hydro-electric Scheme, the first stage construction works on which have already started. This stage provides for the construction of a dam 177 ft. high and 7,500 ft. long across the river Sharavathi near Linganamakki village with a reservoir capacity of 156,000 m.c.ft. from which a power channel 14,200 ft. long takes off, designed for a discharge of 6,200 cusecs terminating in a balancing reservoir created by a dam 198 ft. high and 1,200 ft. long across the Talakalale stream for meeting the daily and weekly load variations. The water for power generation is drawn from this reservoir through two pressure tunnels 22 ft. dia. and 3,400 ft. long, leading to two surge tanks from each of which five penstocks 8 ft. dia. will take off, each feeding one generating unit. The bulk of the civil engineering work required for the ultimate stage of 10 x 89.1 MW will be carried out in the first stage itself, which involves the installation of 2 x 89.1 MW units. These units are expected to be commissioned in 1964-65. The second stage included in the third Plan covers necessary civil engineering works such as raising the height of the dam, installation of ten crest gates 55 ft. x 24 ft. and extension of the generating station by installing 6 x 89.1 MW units. Two of these are likely to be commissioned in 1964-65, two more in the following year and the rest in the fourth Plan.

ORISSA

Talcher Thermal Power Station

This new thermal power station will have an installed capacity of 4 x 62.5 MW. The fuel for this power station will be supplied from the abundant reserves of low grade coal available in the Talcher area. One unit is expected to be commissioned in 1964-65 and the remaining three in 1965-66. The power station will be interconnected with the Hirakud hydro system.

PUNJAB

The Bhakra-Nangal multi-purpose project was the only major scheme in this State taken up in the second Plan. It is a joint venture of the Punjab and Rajasthan States. It comprises a straight gravity concrete dam on the Sutlej river 740 ft. high (the highest of its type in the world) with a reservoir capacity of 7.4 m.acre ft. and a power house with 5 x 53/90 MW generating sets at the foot of the dam on the left bank, the Nangal Barrage about eight miles down stream of the Bhakra Dam, about 95 ft. high with a reservoir capacity of 24,000 acre ft. This dam diverts the regulated flow from the river into the Nangal hydel canal besides serving as a balancing reservoir for the power houses on the canal. The canal is 40 miles long and of 12,500 cusecs capacity leading to the two power houses at Kotla and Ganguwal, each with a capacity of 77 MW. During the third Plan, another power station will be constructed on the right bank below the Bhakra dam with an installed capacity of 4 x 70/120 MW generating sets to operate under an average head of 400 ft. The size of the unit for the generating sets of the Bhakra right bank power station, has been decided taking into account the availability of the extra waters from the proposed Sutlej-Beas Link Scheme, and also future possibility of operating Bhakra power station at a lower load factor through integrated operation with the thermal station under construction at Delhi.

RAJASTHAN

Ranapratapsagar Dam/Kotah Dam Project

This scheme constitutes the second stage of the Chambal project and provides for the construction of the Ranapratap Sagar dam about 20 miles downstream of the Gandhi Sagar dam located in Madhya Pradesh with a power station below the dam with generating capacity 4 x 32 MW. A further extension of this project envisages the construction of a dam at Kotah and a third power station with an installed capacity of 100 MW. The power from these projects will be shared equally between the participating States of Rajasthan and Madhya Pradesh.

As already stated, Rajasthan has two-third share in the Satpura thermal power station to be constructed in Madhya Pradesh.

UTTAR PRADESH

Yamuna Hydel Scheme—Stage I

Stage I of the scheme includes the construction of a barrage 1,777 ft. long about two miles downstream of the confluence of Yamuna river with Tons, a power channel nine mines long 4.700 cusecs capacity leading to two power houses; one at Dhakrani with an installed capacity of 2 x 11.5 MW operating at a head of 65 ft. and the other at Dhalipur with a capacity of 2 x 17 MW operating at a head of 100 ft. These are likely to be completed in 1965-66.

Under stage II of the project which will be taken up towards *the end of* the third Plan, it is proposed to construct a 68 ft. high concrete dam across the river Tons for diverting its water into a 22 ft. dia. concrete-lined tunnel about four miles long terminating in steel pipes 18 ft. dia. each, leading the water to the first power station with an installed capacity of 4 x 57 MW operating at a head of 405/425 ft. The tail race waters will again be picked up by another 114 ft. high dam to be constructed down the river creating a fall of 85 ft. for power generation at a second power house with 3 x 12 MW sets. The output of the two stations will feed into the Ganga Canal hydro thermal grid through 220 KV double-circuit lines.

Singrauli Thermal Power Station

This power station with an installed capacity of 300 MW is being set up at Obra in the vicinity of the low grade coal deposits in the Singrauli coalfields located in the Singrauli district of Madhya Pradesh near the south-eastern tip of U.P. The first unit of 50 MW is likely to be commissioned by the end of 1964-65. Two units of 50 MW each are expected to be commissioned in 1965-66. The power station will be interconnected with the Rihand hydro system.

Obra Hydro-electric Scheme

This scheme will enable production of hydro-electric power for augmenting the power needs of the eastern districts of U.P. and will utilise the continuous tail race discharge from the Rihand power station through a dam 20 miles downstream and a power house at the dam with an installed capacity of 100 MW in four units. Three of these units are likely to be commissioned in 1965-66.

WEST BENGAL

Bandel Thermal Power Station

This power station is being set up about 35 miles north of Calcutta with an installed capacity of 4 x 75 MW turbo sets together with four boilers of capacity 550,000 lbs./hr. each operating a 1,000° F. and 1,450 p.s.i.g. designed to burn pulverised fuel. The station is expected to be commissioned in 1964-65.

Durgapur Coke Oven Thermal Plant Extensions

A thermal station of installed capacity 2 x 30 MW was commissioned in 1960 by the West Bengal Government during the second Five-year Plan as a part of their coke oven plant at Durgapur in the industrial sector. This power station meets not only the power requirements of the coke oven plant but also of other industries being set up in the region. During the third Plan this station will be extended by three units of 75 MW each. Two of these units are expected to be commissioned in 1963-64 and the remaining in 1965-66.

DELHI

A new thermal power station of installed capacity 3 x 62.5 MW will be set up at Delhi during the third Plan. This will be jointly owned by the Delhi Electric Supply Undertaking and the Punjab State Electricity Board. Three boilers of steam raising capacity 600,000 lb./hr. will supply steam at 1,300 p.s.i.g. and 960° F. to the turbo sets. These generators are expected to be commissioned by 1965-66.

As stated earlier, the projects undertaken during the third Plan are estimated to raise the generating capacity in the country to over 13 million kw. It is true that even this capacity may not be adequate to meet all the demands freely and power shortage conditions may persist in some of the areas. This fact has been fully taken note of and some schemes sanctioned, from time to time, over and above those included in the third Plan with a *view to meeting the regional* demands.

An important aspect of the power programme which has emerged from our experience of the last two Plans is the need for introducing long-term approach in planning for power development. Although planning on five-year basis will still be required for co-relating the power development programmes with development in other sectors of economy, the power programme should proceed on a continuous basis on a 15-year perspective planning. With the passage of each Five-year Plan, the perspective Plan should also move forward. This requirement has been fully appreciated and steps are being taken to plan for power development for the period upto 1976 and to formulate proposals for the fourth Plan.

STATES' FINANCES

(*Concluded from page* 110)

adopted by the State Governments. But, now that the country is faced with a terrible danger from a cruel and ruthless enemy and that the State Governments would not be able to raise much additional revenue from other sources, there is no choice but to give up the policy of prohibition. It has been estimated that the annual loss of revenue due to prohibition in Mysore is Rs. 10 crores, in Maharashtra nearly Rs. 20 *crores and in* some other States equally high. It is likely that, to begin with, the withdrawal of prohibition, apart from economising public expenditure, would increase the State Governments' tax revenues at least by Rs. 100 crores per annum. This would be a welcome source of additional tax revenue to the State Governments without putting heavier burdens on the public and without doing any harm to anybody.

It goes to the credit of the State Governments that, in spite of enormous difficulties in raising additional revenues, they have tried hard to implement the third Plan. In 1961-62, the first year of the Plan, the total Plan outlay of the fifteen State Governments at Rs. 610¾ crores amounted to nearly 16 per cent of the States' target of the third Plan at Rs. 3,847 crores. This rate of outlay could not be considered adequate if the Plan targets were to be realised. But, in 1962-63, the State Governments' Plan outlay increased to 18¾ per cent of the Plan target and, at this rate, it is quite reasonable to assume that the targets of the States' third Plan could be achieved. In the case of West Bengal, Gujarat, Jammu and Kashmir and Mysore, the Plan outlay (*vide* Table III), between 20 and 25 per cent of the total, has actually been much higher than the average.

It is possible that, in the remaining months of the current financial year, the Plan outlay might have to be reduced at least in some of the States and in the future the outlay on the third Plan might have to be curtailed everywhere because of the Chinese aggression. The targets of the third Plan might themselves have to be reduced because of the national emergency. But, whatever the revised targets, the conclusion is irresistible that, in order to discharge their responsibilities satisfactorily, the State Governments will have to mobilise their tax resources *more carefully than* has so far been done.

THE SECURITIES AND EXCHANGE COMMISSION

Watch-dog of American Investors' Interests

By D. R. PENDSE, M.A. (Cantab.)

IT is often said that investors can at best be prevented from being fooled by others but not from making fools of themselves. In the United States, the Securities and Exchange Commission (the S.E.C.) obviously believes in this dictum. During the last twenty-eight years, this giant agency of the U.S. Government has built up an excellent record of enabling the investors to make informed investment analysis conducive to prudent and discriminating investment decisions. At the same time, it repeatedly emphasises that the ultimate judgment and decision are always of the investor and the S.E.C. cannot prevent purchases of shares which such analysis may show to be of little or no value. Although the Commission was established under the Securities Exchange Act, 1934 (the S.E. Act), dealing with stock exchanges and allied matters, several further responsibilities came to be entrusted to it gradually, so that today the S.E.C. is charged with the administration and enforcement of a whole lot of U.S. laws about the different aspects of finances of public companies. The Commission is authoritatively described as "an outstanding example of the independent Commission at its best" and its expert advice to American law courts has brought unqualified praise from the judges. An analysis of the S.E.C's working is, therefore, not only valuable in itself, but is of special significance to countries which profess to promote the interests of the investors.

The Establishment

The S.E. Act owed its origin to the aftermath of the great stock exchange crash in 1929-32, when market values of listed shares declined from 89 billion dollars to 15 billion dollars, and at least 100 listed shares were known to have been subjected to heavy manipulations. There were no restrictions on credits given by broker-dealers to their clients on the security of their shares, resulting in the customers being sold out at short notice in the declining market and in the brokers-dealers themselves being declared insolvent. Persons in the management, having access to vital information about the progress of the company, commonly built up suitable positions and booked handsome profits on subsequent market fluctuations. Several operating companies in the public utility industry like electricity, gas, etc., were subsidiaries of holding companies and were overburdened with their debt and fixed charges, making reductions in rates quite a difficult proposition. Officials of investment companies entered into transactions in shares held by the company and pursued their personal good at the cost of that of their shareholders. Many company managements had 'traditional' relations with certain investment bankers who obtained a virtual monopoly over the financing of such companies and charged heavy underwriting commissions. Several investigations into the causes of this debacle underlined one principal contributory factor: investors were unable to obtain financial and other information upon which to evaluate the merits of particular shares. They had actually fallen a prey to false and misleading information, tips and rumours which flooded the market place. It was in the midst of such a state of affairs that the S.E.C. was brought to life.

Today the S.E.C. administers six American laws in the field of business finance:

(i) The Securities Act, 1933: This Act, also known as the "truth in securities" law, aims at adequate and correct disclosure of all material facts relating to public issues of capital by companies and seeks to prevent fradulent practices therein.

(ii) The Securities Exchange Act, 1934: This deals with stock exchanges, listing of shares, registration of dealers and brokers and allied matters. As regards the regulation of credit generally and particularly the advances against shares, the Act entrusts the responsibility to the Federal Reserve Board, the S.E.C. being concerned with the enforcement of the limits prescribed by the Board. Administration of this Act is even now perhaps the central, the largest and the ever-growing activity of the Commission.

(iii) The Public Utility Holding Company Act, 1940: This attempts to regulate the activities of the public utility holding company systems with the aim of freeing such companies from the control of absentee and uneconomic holding companies so that they could be more efficiently regulated by the concerned States.

(iv) The Trust Indenture Act, 1939: This applies to bonds, debentures and other similar 'debt' securities and was passed as a result of frequent cases in which the trustees absolved themselves of fulfilling even the minimum obligations in discharge of their trusts. The Act requires that the trustees be a public company, fulfil certain minima as regards capital and reserves and be free of conflicting interests. It makes certain other provisions—including prohibition of preferential collection of claims, etc.

(v) The Investment Company Act, 1940: This deals with those companies whose shares are held by the investing public and whose business it is to invest and trade in shares of other companies. Such companies have to register themselves with the S.E.C. after complying with its prerequisites. Thereafter, their activities continue to be under its regulation, e.g., they cannot generally alter the nature of their business, nor can underwriters, broker-dealers, investment advisers, etc., form anything like a majority on their Board.

(vi) Investment Advisers' Act, 1940: This regulates the activities of those persons who, for monetary consideration, advise others on the investment of their moneys. They have to be registered with the S.E.C. which is permitted only if and as long as they observe certain standards of business integrity to the satisfaction of the Commission, e.g., they must disclose the nature of their own interest in transactions executed for their clients and their remuneration must not generally be linked to the capital gains accrued to their clients. Recently, an amendment to the Act was passed after repeated requests of the S.E.C., which is now authorised to direct the registered advisers to maintain certain books and documents and to order their inspection.

In the administration of these statutes, the Commission has shown not only thoroughness but also a keen desire to translate into practice the aims and objectives of the laws. As an illustration, the Commission's present activities under the S.E. Act may be briefly reviewed. There are now fourteen recognised stock exchanges (known in the U.S. as 'National' Securities Exchanges) in addition to one recognised ('registered') association of brokers and dealers engaged in the over-the-counter markets (i.e. outside these stock exchanges). The stock exchanges together have 2,748 listed shares and 1,183 listed bonds of which the New York Stock Exchange, the largest one, alone accounts for 56 per cent of shares and 95 per cent of bonds. The Spokane Cincinnati and Pittsburgh stock exchanges are among the smallest with respectively 23, 41 and 41 listed shares and practically no listed bonds. In furtherance of its objective of securing maximum (or, rather, 'optimum') disclosure, the S.E.C. insists on regular submission of returns by listed companies both to the Commission and the concerned stock exchange. The data are not only open for inspection by the public but also widely used for circulation by investment advisers, brokers, dealers, etc., e.g., the law requires directors, officers and beneficial owners of at least 10 per cent of a listed company's shares to report their transactions every month. The information is published in a monthly publication which, last year, was subscribed to by more than 16,000 persons and contained more than 39,000 such reports. An effective check to the abuses of such 'insider' trading is provided by the fact that profits arising from transactions within a six-month period are liable to be recovered by the company or by any shareholder on its behalf. Similarly, the brokers and dealers, particularly in the over-the-counter markets, have to be registered with the S.E.C., which carries out periodic inspection of their books. During the last year, the Commission unearthed over 2,000 cases of violations of S.E.C. rules regarding credit and advances provisions, financial difficulties, charging unreasonable prices for clients' transactions, taking secret profits, etc. Investigations into any such violations are made privately and are fact-finding. Complaints by the public (or aggrieved parties), surprise checks of books of accounts and inquiries into sudden fluctuations in the market prices of particular shares are some of the sources which give the Commission the first clues of possible violations. In recent years, some of the problems on which the Commission undertook investigations include: (i) transactions in shares prior to or without listing, (ii) manipulation of market prices, (iii) misappropriation of customers' funds, etc. The Commission has just completed a special statistical study of put and call options.

In the administration of the other laws also, the Commission's efforts to restore investors' confidence and establish high standards of financial and company practices have been strikingly successful. Issues of capital increased from 1,300 million dollars in 1938 to 14,100 million dollars in 1961. As regards public utility companies, controlling interests had earlier resented the law of 1940 and had gone to Court, challenging its constitutionality, but the firmness and tact on the part of the Commission soon brought a stream of voluntary plans for divestment. The rigours of the Investment Company Act have presumably checked an excessive growth of this 'industry,' but the existing companies have consolidated their positions. Thus, during the period 1941-61, while the number of registered investment companies increased from 436 to 663, the value of their assets (at market prices) increased from 2,500 million dollars to 29,000 million dollars. (The Commission has now undertaken a study of the implications of this increase in the size of the investment companies.) The Commission's control on the activities of the investment advisers has yet to give full results because the necessary amendments thereto were carried out only very recently.

Sanctions and Remedies

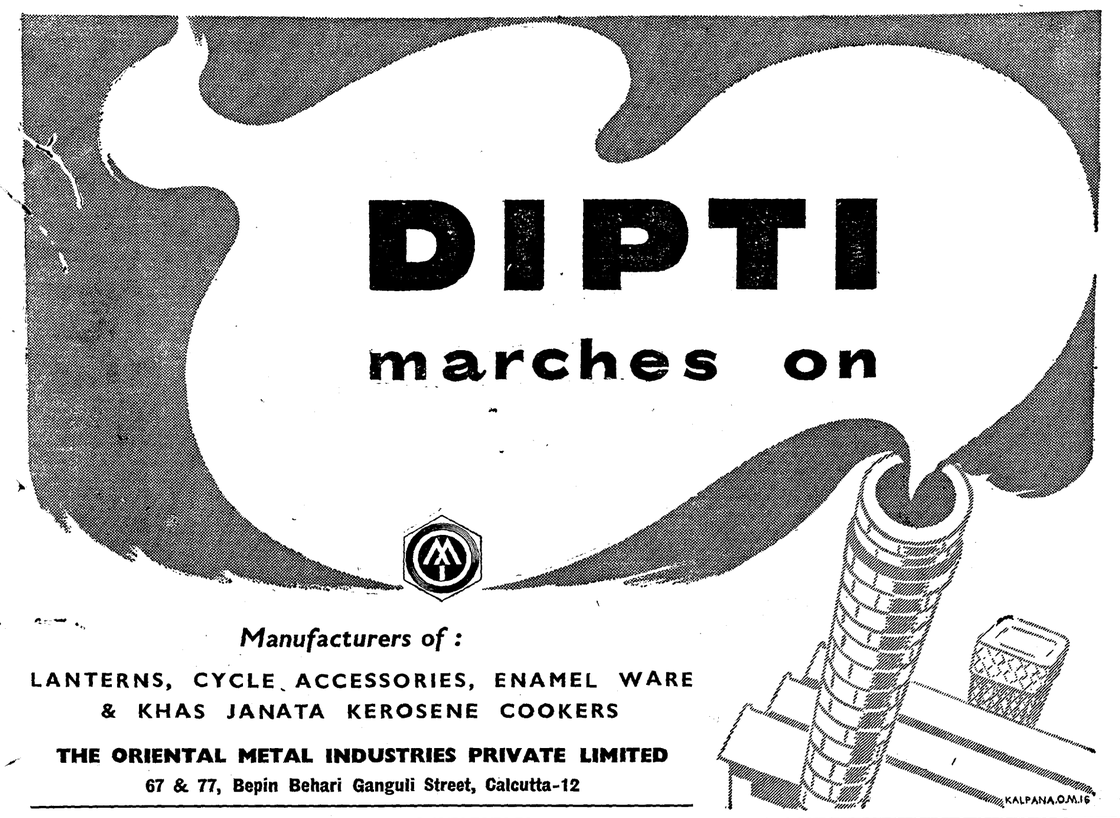
What are the sanctions with which the S.E.C. ensures effective regulation without impairing the confidence of the business community? The laws which it administers no doubt confer vast powers upon the Commission to force compliance with the provisions; and, by its record of work the Commission has shown all concerned that it will not shirk from making use of these powers whenever necessary. It is a quasi-judicial body, empowered to issue summons and call for evidence. When warranted by its preliminary investigations, it initiates injunction proceedings and when it has a *prima facie* evidence of violations of anti-fraud provisions, it also brings criminal prosecutions through the U.S. Government Department of Justice. Indeed, pending litigations under the various Acts, where the S.E.C. is a party or the sponsor, are always so numerous and of such varied nature that there is little doubt that the Commission has accepted these as an integral part of its existence. In the criminal cases developed by the Commission so far, it obtained 1,507 convictions as against 329 acquittals; and, out of 1,076 civil injunction cases instituted by it, 958 were granted.

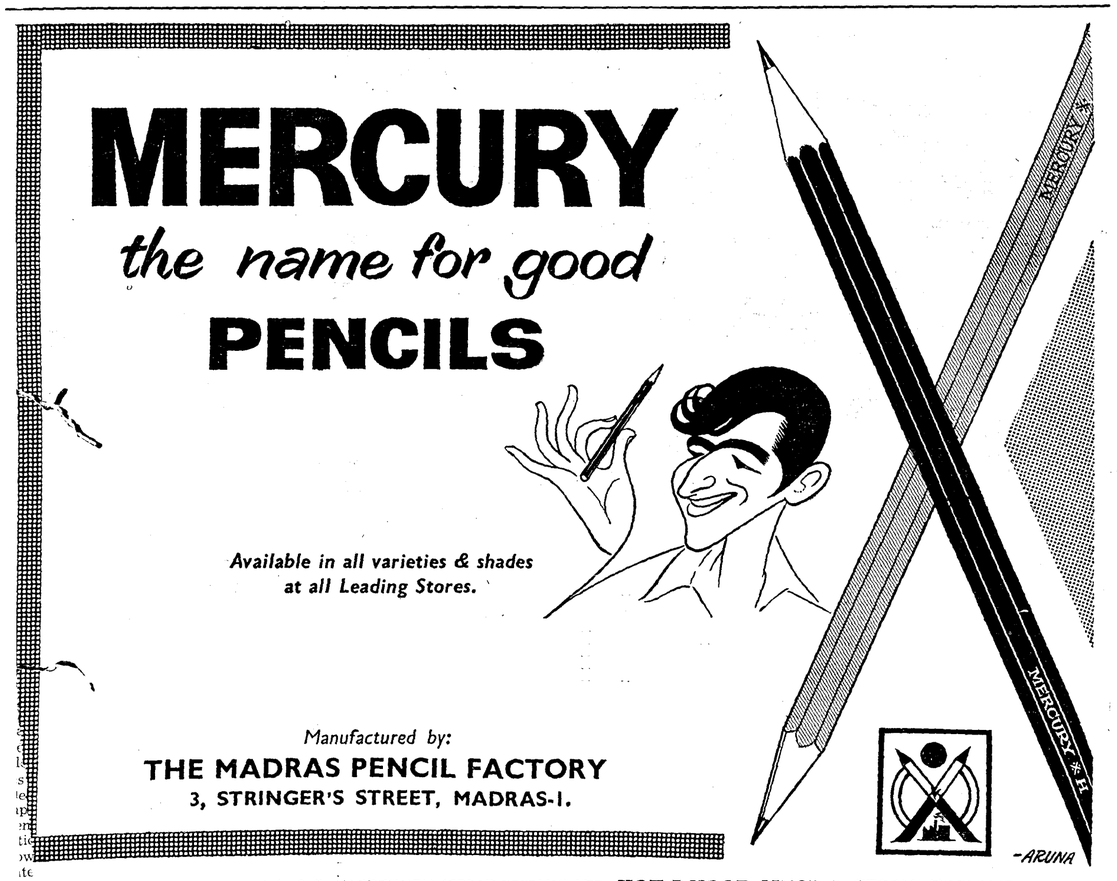
Equally important are the administrative remedies like suspension or expulsion of members of stock exchanges or brokers' associations, actions against stock exchanges, etc. But, perhaps, the most important and effective of the S.E.C.'s sanctions lies in the growing awareness of the need for self-regulation. The awareness that everyone concerned with the management of other peoples' money—stock exchanges, company promoters, investment trusts, brokers and dealers alike—has a responsibility to safeguard the interests of the investors. This awareness has emerged not only from the desire to avoid complications with the all-powerful S.E.C.—which it certainly has, but also from self-interest. For the confidence of the investing public is so essential for the smooth flow of capital to industry. This self-regulation plays a particularly effective role in the fast-moving world of the stock exchanges where action at the hands of an agency like the S.E.C. might at times be not prompt enough.

A word about the internal organisation of the S.E.C. The Commission, which was established in

(Continued on page 120)

Note: Much of the factual information contained in this article is taken from the publications of the S.E.C., but any views expressed are entirely personal.—AUTHOR.





ECONOMIC TRENDS IN UNITED STATES

Twentieth Century Fund Fosters "One World" Thesis

By Our New York Correspondent

THE year 1962 has come to an end without a recession in sight which was feared so widely just a few weeks and months ago. Some observers refer to the present business situation as "a mixed pattern." Others suggest that the fairly stable price levels which have prevailed are a sign of stability, even though some industries may not be doing as well as others.

Recent developments have shown that the underlying strength of the United States economy has been greater than many analysts held possible. Perhaps, it is interesting to know what the Federal Reserve Bank of New York has to say on the overall situation.

"It is important to recognise," the Bank observes, "that even the more optimistic current business forecasts do not envision a rate of advance in activity during the coming year that will be sufficient to bring about a marked reduction in the unemployment rate. A need for tax reduction, therefore, remains, not because the economy would otherwise slide into a recession, but because such action seems to be required to help strengthen the incentives for long-term economic growth."

While changes in the statistics have been relatively small since July, there has been improvement in several unexpected sectors. Automobile sales have been at a high rate. Steel production jumped up from 50 per cent of capacity to 65 per cent, construction outlays increased and new orders by durable goods manufacturers advanced.

Corporate Profits

There are other factors which are not so favourable. For example, while 1962 corporate profits were higher in most industries than in the preceding year, they were less than anticipated. This, obviously, is an impediment to business investment and investment plans. Also, while many economists and legislators support the tax-cutting plans, including President Kennedy himself, others are violently opposed.

Tax cuts, it is argued, would place American business and industry on competitive terms with Western Europe and would, therefore, be most welcome. The opponents point to the continually increasing spending by the Government "which has to be paid for." Federal Budget outlays are now approaching the $94,000 million mark.

If budgetary estimates for the current fiscal year come true, it would be the seventh out of ten years in which there would be a Federal budgetary deficit. Two major areas which are mainly responsible for increased Government spending are the costly space programme and all sorts of benefit and support schemes.

Capital Expenditures

For the first quarter of the New Year, capital expenditures for plant and equipment are scheduled at the rate of $37,700 million, according to the latest Government estimates. The well-known McGraw-Hill survey of 1963 annual spending plans places the figure at $38,150 million.

It should be noted, however, that spending plans tend to outpace actual expenditures during periods of expansion. Frequently, too, actual spending outpaces previous plans when things look good. Conversely, there are lags in times of retraction, or when there is fear of a contraction.

Prevailing conditions are the motivating factors. Plans are not firm commitments and surveys, *per se*, are fragmentary anyway. Plans have been and will be changed to suit existing conditions. It is the psychological climate which dictates final decisions.

So far as the outlook for 1963, as a whole, is concerned, it is better than expected and this is no exaggeration. There is an expanding population, the same as in India, but perhaps not to the same extent. Demands for schooling, housing and transportation are greater than before. Public utilities are expected to deliver more water, electricity, gas and provide better sewage facilities than before.

International Trade

The U.S., which had a virtual monopoly in the world markets for industrial goods for several years after the war, is now up against stiff competition. American manufacturers, in order to maintain their international competitive position, have bought substantial positions in successful concerns overseas and American banks and insurance companies have followed the same path.

All indications are that there will be no change of pattern in 1963. It follows that the countries in the non-Communist bloc are to become more and more uniform in their business methods and practices, adopt the same patterns as the nations of the Common Market and of the British Commonwealth, despite the legal and technical difficulties which seem to stand in the way at this writing.

The Twentieth Century Fund, here, issued an interesting study which says, in effect, that the world is approaching a stage where national autonomy in economic matters is no longer possible for any country, no matter how large or small.

Shaping the World Economy

The study is entitled *Shaping the World Economy—Suggestions for an International Economic Policy*. The paper maintains that just as the United States and other nations at least recognise the validity of the principle of one world or none in political relationships, that thought must be extended into the economic sphere even if, at present, it does not seem too feasible.

The author, Professor Jan Tinbergen, a European economist, points to the tensions created by the disparity between the developed and less-developed countries. He suggests that the problem of the developing countries is aggravated by economic instability, especially in primary markets and by the shortsightedness of national policymakers in matters of foreign trade.

Despite the prevailing newspaper strike, the Twentieth Century Fund study has received wide attention through other news media. The reason, perhaps, is that August Heckscher, a Director of the Fund and a former editorial writer for the *New York Herald Tribune*, has been appointed by President Kennedy as his adviser on fine arts.

The Fund has been criticised often for being too "liberal" but the fact remains that its views are being aired and are taken seriously. The "one-world" thesis of the study is reminiscent of the theories of the late Wendell Willkie who was defeated in the Presidential elections by the late Franklin Delano Roosevelt.

The Twentieth Century Fund, which is extremely well financed, suggests that doctrinaire paths must be avoided at all costs. To quote: "They are not compatible with an open-minded approach to world problems and they imply a loss of effectiveness."

The study criticises the Western powers in two respects—with regard to economic systems and with regard to national autonomy. It advocates mixed systems in saying "neither of the economic systems defended today by doctrinaire extremists is particularly effective in creating well-being and development. A pure free-enterprise economy is not optimum: neither is a completely regimented economy. Mixed systems are better; the nature of the mixture depends on circumstances and must be subject to careful engineering."

Incidentally, Professor Tinbergen as a Director of the Netherlands Central Planning Bureau, is credited with having made major contributions to the post-war economic recovery in Holland, as Professor Erhardt is in West Germany.

In addition to the already existing organisations, the Twentieth Century Fund study calls for the creation of another "international authority of considerable strength" to make centralised expenditures for development purposes. The study also calls attention to the need for more agencies to deal with the problem of stabilising the revenues of countries producing primary commodities, such as India. It also calls for an international insurance scheme against non-economic risks.

No Monopoly of Wes

The paper does not envisage a Western world monopoly on such a proposition, but it advocates that it should embrace the Soviet bloc as well and that it should be instigated and operated through the United Nations. This, it is felt, would attract more of the heretofore uncommitted countries into taking a stand for carrying out crucial tasks in the international field and to a change of attitude by the leading Western powers.

All these suggestions have become a matter of discussion and long-range planning, but no immediate developments can be expected. The immediate points of concern are still Cuba, the Sino-India conflict, the rift between China and Russia and, from the sublime to the ridiculous, tax reductions.

World Stock Markets

So far as world finance is concerned, the showing on the international stock markets is regarded as quite interesting. London, Wall Street and Tokyo where liquidity was high showed a remarkable price recovery from the 1962 lows. Centres where money was tighter such as on the Continental exchanges, the recouping was less pronounced. West German securities recouped less than one-fifth, the same as in the Netherlands, and Italy and France one-seventh.

London has shown the best recovery. It has recouped more than two-thirds or four-fifths of previous losses depending on which index you use. Tokyo and London have recovered about one-half of their price losses. In both Wall Street and London, the leading stocks, or blue chips, have been the recovery leaders. It puzzles American bankers that France, with its new currency and increasing gold reserves, and Italy should have been such bad performers by comparison.

The balance of international payments problem is still very much in the minds of the U.S. Treasury, the Federal Reserve and bankers. To be sure, the gold outflow is lower than last year, but it is nevertheless persisting. As I said in my previous despatches, everyone wants to do something about it—like about the weather—but I have yet to find anybody who has any concrete suggestions as to what to do.

Large expenditures for U.S. overseas bases and the people and dependents manning them simply cannot be talked away. It represents dollars leaking out of the country without any economic benefit whatsoever. It is the price which is being paid for U.S. national security, real or imaginary, in the atomic age.

In the first nine months of 1962, the U.S. lost $826.5 million of gold which was less than in 1961. In the third quarter of 1962 alone, no less than $213.8 million were earmarked to France to bolster its new currency, but gold prices at London remained fairly steady at between $35.07 and $35.09 an ounce. Black market prices were different, of course, but not too far out of line.

The international silver markets have been very much in the news.

(*Continued on page 204*)

U.S.A.: Key Economic Indicators

	Unit	Estimated 1962	Actual 1961	Actual 1960
Gross national product	000 mil. $	554	519	503
Consumer spending	,,	357	338	328
Business investment	,,	76	69	72
Government purchases	,,	117	108	100
Federal	,,	62	57	53
State and Local	,,	55	51	47
Net export	,,	4	4	3
Personal income	,,	440	416	401
Per capita disposable income (after taxes)	$	2,045	1,979	1,934
Retail sales	000 mil. $	233	219	219
New plant and equipment outlays	,,	37.2	34.4	35.7
Corporate profits (before taxes)	,,	51.0	45.5	45.6
Employment	Million	68.0	66.8	66.7
Unemployment	,,	4.0	4.8	3.9
Industrial production index (volume 1957-59 equals 100)	....	118	110	109
Steel production	Mil. short tons	99	98	99
Automobile assemblies	Mil. units	6.94	5.5	6.7
Construction	000 mil. $	61	57	56
Housing starts (dwelling units)	Million	1.45	1.36	1.30

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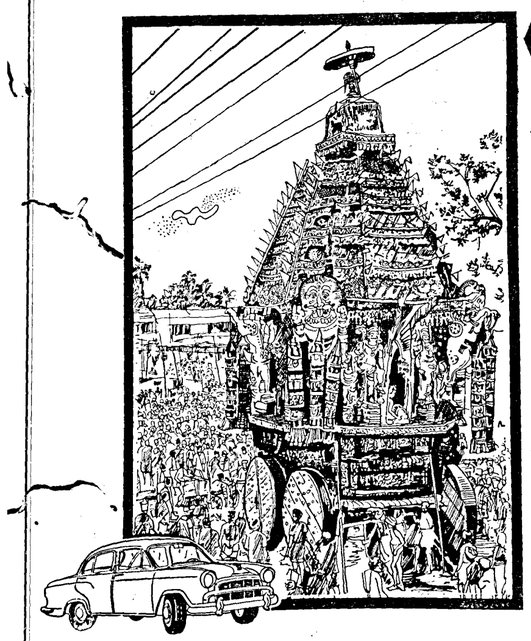
a car fit only for divine amble - a car for gods!



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ECONOMIC TRENDS IN BRITAIN

Search for New Methods of Controlling the Economy

By Our London Correspondent

1962 will be remembered primarily for its Chancellors of the Exchequer and their diverse handling of the economic situation. There is no doubt at all that this year the seeds of revolt against a "Stop" and "Go" system of running the economy have been firmly sown. This is a milestone on the British society's long road to organise its economic affairs intelligently and, perhaps, Mr. Selwyn Lloyd, who held sway for the first nine months of the year, will go down in economic history as the last of the Chancellors who—in the post-war Keynesian world—tried to run the economy by the automatic application of the regulators.

We have to remind ourselves that the idea that Chancellors should run the economy at all is novel. Up to a generation ago, there were automatic regulators built into the gold standard system and the financial authorities simply had to give effect to them. Then came the modern phase of managing the economy, though the dominant factor has remained the balance of payments, and criticism, as it became more informed, has steadily mounted against the *techniques* used. The new Chancellor, Mr. Maudling, has not yet shown that he will be the first to inaugurate longer-term machinery that will avoid the hideous jerks to which the economy has been subjected in the past two years. But he is certainly going to be the first to have to try.

It will be recalled that, during the period that Mr. Selwyn Lloyd held the reins, he was the architect of the 'crisis' measures of July 1961 which were intended to stop a potential inflation and, in particular, to reverse the serious imbalance in the United Kingdom's overseas balance of payments. This imbalance was, of course, simply a continuation of that which had persisted all through 1960 and he could be criticised for having waited so long before he did anything. But then he was conscious of the horrid dilemma that if he moved sooner he would be accused of "Stop"/"Go": however this consciousness did not save him. Yet his measures did succeed so far as the balance of payments was concerned: in the first half of 1961, the total adverse balance was £60 million and in the second half-year this had been cut to £17 million. The first half of 1962 actually showed a *favourable* balance of £96 million. Even if this should be whittled down by the year-end, the favourable balance will still be substantial. And the credit will be Mr. Lloyd's (in spite of his methods) and not his successor's.

Overseas Trade

1962 has then been a year of both expansion and improvement in overseas trade. In exports, the figures for January to October averaged £317 million per month (allowing for seasonal factors) which compares with a monthly average of £307 million in 1961. In both years, the monthly average of re-exports has remained steady at around £13 million, so that the monthly increase in total exports is £10 million, equivalent to £120 million per annum.

Imports on a c.i.f. basis have, however, increased nearly as fast. In 1961, the monthly average was £366½ million and for January-October this year £375 million, a rise of £8½ million per month or approximately £100 million per year. But, while the trend of exports has been steadily upwards since 1961, the import pattern is quite different. The first half of 1961 showed a high level of imports dropping through the year to a floor along which the figures bumped through the summer and autumn of last year and the spring of this year. The import recovery of 1962 dates from about the month of April—the implication is that the gap between imports and exports looks like being widened in the months ahead as imports rise more rapidly in relation to exports, so that the adverse visible balance is likely to grow.

One can forecast the outcome of 1962 as a whole by converting the import figures from c.i.f. to a basis comparable with the export figures. We arrive then at a monthly average of exports and re-exports to date of some £329 million against a monthly average of imports of around £335 million, giving an adverse visible monthly balance of £6 million or, say, £70 million for the year as a whole. As against this, we can set the substantial invisible balance in this country's favour of £112 million for the first six months. This compares with £55 million only for the first half of 1961: so that, the invisible income of the country has been doubled. If the second half-year shows the same doubling that would give an invisible income of about £22 million, making £134 million for the year as a whole which might, therefore, end up with a *favourable* balance of about £60 million as compared with an *adverse* balance of £77 millions for 1961 and an *adverse* balance of £300 millions for 1960. The doubtful figure here is the invisible income for the second half-year, but, unless heavy overseas Government spending has turned this into a deficit, the overall result should be encouraging. One must, however, still concede that the favourable balance is not enough to enable this country to finance as much overseas investment as would be desirable; yet there is no question of the fact that there has been an improvement as compared with 1961.

Overseas Sterling Area

A similar balance of payments study for the overseas sterling area cannot be brought quite as up-to-date, but the first half of this year can be compared with the first half of last year. Total imports of the area were £2,079 million, as against £2,139 million in 1961, while total exports rose from the 1961 figure of £1,878 million to £1,932 million. The adverse visible balance which, in the first half of 1961 was £261 million, was, in the first half of this year, only £147 million. Making allowance for invisible payments and receipts and for the production of gold (excluding local consumption), the adverse balance in the first half of 1961 was £303 million and this was nearly halved in the first half of 1962 to £165 million. This deficit of the overseas sterling area has been met mainly by the import of capital.

Thus, between the first half of 1961 and the first half of this year, the deficit on current account has been almost eliminated. The improvement has been primarily due to the improvement in the United Kingdom's position: the crisis measures of 1961 have succeeded in rehabilitating the balance of payments in time-honoured fashion, but at what cost will be observed later.

One of the most notable measures of the 1961 crisis was the raising of Bank Rate to 7 per cent. By the autumn, it was possible to take the first step down and on 1st November 1961 the Bank Rate was cut further to 6 per cent. There it stayed until the spring of this year, when, in March, two successive cuts of ½ per cent each time reduced it to 5 per cent. By the end of April a further ½ per cent cut put it at 4½ per cent at which level it has since remained.

The system of credit control also required the joint-stock banks to make special deposits with the Bank of England, the maximum being 3 per cent of their total deposits which at one time reduced their credit basis by something like £210 million. 2 per cent of these special deposits have since been refunded to the banks thus broadening their credit base by some £142 million. But the early restriction was so effective that, whereas the credit restriction meant that the banks were forced to squeeze borrowers, credit expansion now means that the banks are trying unsuccessfully to find sufficient new borrowers. For instance, total bank advances in July 1961 were £3,549 million. By the beginning of this year, they had dropped to £3,224 million but by September they had risen no more than to £3,428 million; they are still well over £100 million below the July 1961 level. The Banks have had, instead, to put their funds into investments, which have risen. As compared with the July 1961 figure of £1,049 million, total investments of the same banks are £1,234 millions, a rise roughly equivalent to that which has taken place in the total deposits of joint-stock banks over the past year to a total now reaching £7,130 million.

The dismantling of the structure of credit restriction was also Mr. Selwyn Lloyd's work, but he, ultimately, went when it was felt that he was not the man to replace restrictive by expansionist machinery sufficiently fast. Nevertheless, his successor, Mr. Maudling, has not yet made any further reduction in interest rates, although he has taken other reflationary steps and abolished (on 29th November) the last one per cent of special deposits. This last mentioned action will restore to banks resources amounting to £80 million during the first half of December 1962.

Taxation and Consumption

The other great regulator on which the former Chancellor relied was "purchase tax." His crisis measures added 5 per cent all round to indirect consumer taxation (both customs and excise duties), in order to restrict consumption and much of the increase was incorporated into the new rates of tax, in the April Budget. Thus, even in April, the Government was convinced that nothing should be done to assist spending, apparently on the assumption that, somehow, consumer expenditure would rise of its own accord. But events soon proved that this assumption was wrong and the Government had to retrace its steps. Various steps have been taken to boost consumer demand, all of them small except for the slashing cut (to nearly a half) in the tax on motor cars. Actually, the volume of consumer expenditure in the third quarter of 1962 was nearly 2 per cent higher than in the fourth quarter of 1961—partly through increased car sales and sales of household durable goods on which hire purchase restrictions were reduced in June. The pumping of £42 million of "post-war credits" to elderly people into circulation will gradually appear as increased consumer spending, but even the new Chancellor has not thought it expedient to make drastic reductions in indirect taxation in order to stimulate demand.

Incomes

The former Chancellor will also go down in history as the creator of the "wage pause." This policy was both ill-famed and short-lived. Case after case came up of under-privileged industries and occupations: arbitrators inevitably decided in favour of the under-privileged and the wage pause became so shot through with exceptions that it had disintegrated before the Government announced its demise.

The Chancellor had also attempted to set up an index of what pay rises were reasonable. This index was put at 2½ per cent. Again, under-privileged industries claimed more than this, and got it. Just recently, the railway workers, who had shown their rationalising chief, Dr. Beeching, that, when they did not like his methods, they would go on strike (although the strike was on the principle of consultation before action, rather than of the substance of any complaint), refused to accept a pay offer of 5 per cent. Without any further argument, Dr. Beeching raised his offer to 6 per cent which was accepted with alacrity. Now even those who think the railwaymen had a good case wonder whether a tide of wage demands can be held back. For 6 per cent is not only over twice as high as that the former Chancellor thought was right but is also half as high again as the proposed theoretical expansion of British industry for the years ahead and three times as high as it has actually been in recent years. The fear is that the country may have embarked this year on a road leading to inflation through a traditional outrunning of wages before an appropriate expansion of business activity.

There is now a new planning body (it is odd how a Conservative Government had proliferated more planning bodies than the post-war Labour Government ever set up) to busy itself with problems of incomes. This is N.I.C.—the National Incomes Commission. Its three wise men have a tough task: in the first place, their suitability is questioned; in the second place, they are thought to overlap with Neddy (National Economic Development Council): and, in the third place, their terms of reference are thought to be wrong, since they are called upon to worry over what has already happened—presumably to prevent a clash with Neddy, which is supposed to worry about what ought to happen. The Trade Unions detest N.I.C. anyway, on the grounds that "incomes" is likely to be interpreted as "wages" and that, in practice, N.I.C. will not worry enough about non-wage incomes!

In spite of all the alarums over wages, the employed wage-earner earned 3.8 per cent more in hourly rates in the third quarter of 1962 than in the closing quarter of 1961. Even allowing for overtime changes it seems that earnings *per head* are up about 4 per cent over the year—much more than the comparable rise in production. Since there has been no rise in employment total wage incomes have increased about the same. A number of claims for increased wages are still outstanding, but they do not outrun the pattern above.

Broadly speaking, the wage pause policy has had no effect on wages and the country is as far away from a wage or an incomes policy as ever.

Yet, it can, perhaps, be counted for gain that there is a greater awareness of the need for this than ever before, provided "incomes" cover all incomes and not only wages. In this sense, it has now become a part of official policy of the Labour Party.

Stock Markets

Investments by the banks and the cutting of Bank Rate have caused Gilt-edged to appreciate in value this year. At the beginning of the year, the war loan index stood at 52 per cent, but, by the end of September, it had risen to 63 per cent, a phenomenal increase of 20 per cent in value in nine months. Since that time, there has been some easing in the market, though the trend is likely to be up so long as interest rates look like coming down further.

On the other hand, the market in industrial stocks has not been particularly exciting, although it has had its vicissitudes. The *Financial Times* index began the year at 130, very much the same level as a year before, and, although the market rose gently, in April-May it was still no more than 134; then came a slump, so that, at mid-year, the index was as low as 112. This was followed by a recovery through August to a high point of 125 and, since then, there has been another slump to 117. Uncertainties in Wall Street and uncertainties over the Common Market are all blamed for the lack of life in the Stock Market but the basic reason is the relative stagnation which lies over British industry. The *pundits* assert that the markets are due for a rise since things are bound to get better!

Production

In September of this year, industrial production stood at nearly 4 per cent over the corresponding depressed figure of a year ago. For, with the "July crisis," the previous steady rise in industrial production collapsed. Even allowing for the improvement early this autumn, the first nine months of 1962 registered 115 against 114 for the same period a year ago—only 1 per cent better! Unemployment has risen steadily through the year to the highest level for over three years, that is, to a total of some 550,000 in November. It is expected that the rise will continue to a new high level of, perhaps, 600,000 by the end of the year. Unemployment is now about the same as the highest figures in the spring of 1959. Equally, employers have had less difficulty in filling vacancies. These vacancies, at 0.8 per cent of all jobs filled, are the same as their lowest point in 1958.

Domestically, the rise in unemployment has been marked by a more disquieting factor and that is the relatively more severe growth in unemployment in the basic industrial areas of this country, the North and North-West. In the Midlands and the South-East, the percentage of unemployment has, in fact, gone down as compared with the worst times of 1958. The social implications for the United Kingdom are serious and there is much discussion as to whether the Government should take steps seriously to encourage a reversal of the present southwards trend. This trend, if unchecked, will mean the loss of much social capital in the decaying parts of the country, matched by a pressure on resources in the active parts—pressure to build houses, roads, schools and public buildings, transport, etc., all of which deflects efforts from investment capital and exports.

The stagnation in the production figures over a period, the unemployment figures and the mounting protests from the chairmen of Regional Industrial Boards, all put increasing pressure on the Government to adopt expansionist measures. The new Chancellor of the Exchequer, as soon as he came into office, announced refunds of taxations held back in war-time and an increase in public expenditure with the aim of pumping more money into circulation. His autumn measures announced at the opening of the new Parliament in November carried on the same theme by giving inducements through tax cuts to industrialists to renew their plant and equipment and to increase investment. There was in addition the cut in the car tax already referred to.

The principal criticism of these measures is that, while they are good so far as they go, they do not seem to form part of any plan, and yet planning is something which the present Government has made respectable for the former adherents of *laissez faire*. The National Economic Development Council (N.E.D.C.), to which the Trade Unions reluctantly agreed to adhere at the end of 1961, is now at work and has already prepared a blueprint for British industry on the assumption that output can be increased at the rate of 4 per cent per annum. This is something like twice the rate over recent years.

The Case for Planning

The rise in industrial production in September could, if the trend is maintained, raise national output by 3 per cent between the middle of this year and the middle of next. This percentage would be upset if production turns out to have stuck at the September level. But 3 per cent is not as much as the economists of the N.E.D.C. have shown as within the capacity of the United Kingdom. The next stage is for the Development Council itself to make recommendations, after which the Chancellor will be expected to give such impetus to them as lies within the capacity of the Government.

As the year closes, we find a Government desiring to stimulate the economy and yet fearful that the wrong results may follow; for example, spending stimulation could bring about a large increase in imports and a slackening in export efforts. That would simply recreate the familiar "Stop" conditions as soon as the ravages to the balance of payments became apparent. Besides, there are certain national priorities such as the need to stimulate investment: the Government have already helped by more generous tax and obsolescence allowances on new equipment—but they still shrink from the more radical means of giving tax concessions to firms in accordance with the ratio between their export and their overall trade. Such a measure would be fraught with anomalies and British politicians and law-makers are scared of anomalies (the same sort of difficulty is found over the capital gains tax) whatever powerful an impetus it might give.

Then, there is the constant need to develop social services—roads, hospitals, schools, technical colleges, etc. and, of course, the need for more houses. Demand here could (using the right techniques) fall on the steel, heavy engineering, plastics and constructional industries. For instance, ways are now being found of building using large pre-fabricated sections that are at last cheaper than traditional methods. But enough has been said to show that, if the United Kingdom production is to be expanded, it is not enough to expand purchasing power and hope that all will then be for the best. That was the economics of "Stop"/"Go" and, if there is to be a new "Go" which will not lead to the familiar balance of payments problems, a great deal of serious planning will be involved.

Planning used to be the perquisite of the Socialists, but political thinking (driven by the twin spurs of information on the economy and need to act) is so changing that, within less than a decade, it will not be possible to distinguish the political parties of this country by their attitude to planning. N.E.D.C. is, after all, a Conservative concept and the Conservatives will be driven by the logic of finding answers to their own questions to find ways of putting these answers into effect. In this sense, 1962 may prove to be an economic turning point, not only for the Government of the day, but in the national philosophy.

Common Market

No survey of 1962 can be complete without comment on the negotiations in which this country has been involved throughout the year for entering the Common Market. But, while it is not proposed to deal here with the great issues at stake, since these are adequately covered in special surveys, it is worth bringing up-to-date the British reaction to these long-drawn-out negotiations. These reactions have gone through various phases: first, there was the indeterminate one which endured through the summer when it was generally supposed that the Government was trying to negotiate satisfactory terms for entry and the Press, in particular, supported a policy of hard bargaining but with intent to join. The Government was conceived as committed to join but only if they could get the Six to provide adequate safeguards for British agriculture and Commonwealth interests in particular. The Labour Opposition was seen as sitting on the fence somewhat against, but not wholly against, the Government's policy.

Then came the Autumn Party Conferences which showed the Labour Party uncompromisingly opposed to entry, *unless* the Government could get far better terms than appeared likely. The Conservative Party Conference fully endorsed the Government's negotiations but went further: in an emotional spirit of revivalism, the Conference saw Britain charging gloriously into the Common Market to its own advancement and that of its Six partners.

No one appreciated at that time how much too far forward this enthusiasm had gone, but it has become painfully evident in the third stage of reappraisal through which this country is now going. For the impression was undoubtedly conveyed to the negotiators, on the other side, that the Government intended to enter the Common Market under *any terms*. Thus, when the negotiations in Brussels were resumed, the British negotiators found a completely uncompromising spirit. This was something with which they had not reckoned, for the Government had all along been confident that their reasonable demands would be met by the Six. The country is thus passing through a phase in which it is no longer unquestionably assumed that Britain will enter the Common Market. The arguments that Britain must stand up for her rights and duties are carrying weight and, too, it is not consistent with national dignity that Britain should enter the Common Market without any regard to the conditions. In one of the recent by-elections, a Conservative Anti-Marketeer opposed the Conservative pro-Government candidate and attracted enough votes to give the seat to the Labour Party. The Government are no longer sure of support for the Market in the country. Everything, therefore, depends upon the spirit with which the Six continue the negotiations and the recent election successes of the French President and his party make it less likely that there will be compromise. While talk thus continues of Britain entering the Common Market by the spring of 1964, such talk is increasingly dominated by the word "if."

LONDON, 30th November

THE SECURITIES AND EXCHANGE COMMISSION

(Concluded from page 114)

1934 under Section 4 of the S.E. Act, consists of five members (including one Chairman), not more than three of whom should belong to the same political party. They are all appointed by the President for five-year terms which are staggered in such a way that one member retires every year. The annual salary of the Chairman is 20,500 dollars and that of each member 20,000 dollars. The members are prohibited from participating in any stock market operations or engaging in any other business. The Commission reports annually to the U.S. Congress. The staff of the S.E.C., which exceeds one thousand, consists of lawyers, engineers, accountants, etc., working at the headquarters at Washington as well as at its nine regional and several branch offices. The S.E.C.'s office has several departments, but that of the Chief Accountant deserves special mention. The Commission appreciates that the value of all financial information depends to no small extent on the soundness of the accounting principles followed. To achieve this, the Chief Accountant's office brings out regularly "Accounting Series Releases," containing necessary opinions, rules and decisions of the Commission; requires that the accountant certifying the financial statements be independent of the client, and even denies the privilege of practising before the Commission to an accountant found lacking in integrity.

Considering this record of the Commission's achievements, it is interesting to find that, but for one solitary exception, the U.S. Congress has never, in the last eleven years, accepted fully the estimates for budget and staff submitted by the Commission; every time they are slashed by varying degrees. On the other hand, the Commission recently submitted certain reorganisation proposals with a view to relieving itself of dealing with many matters of lesser importance and to conserve its time for the consideration of major matters of policy and planning. But this proposal too was disapproved by the Senate. The Commission finds that its present budget grant is just enough for immediate problems and has to ask for *ad-hoc* grants every time it considers it necessary to undertake any special studies.

Critics of the Commission sometimes seem to argue that the Commission is far too much preoccupied with the doctrine of 'disclosure' and that, therefore, it does not take any active lead even when a glaringly worthless security is being publicly offered for sale. This argument is plainly unfair to the Commission, for the S.E.C. does not make laws, much less does it decide their objectives. It only administers the laws—efficiently and faithfully.

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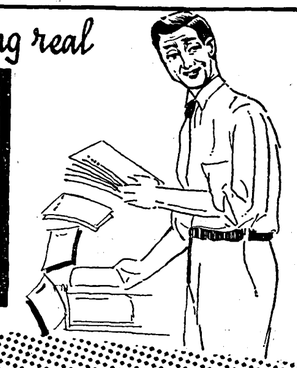

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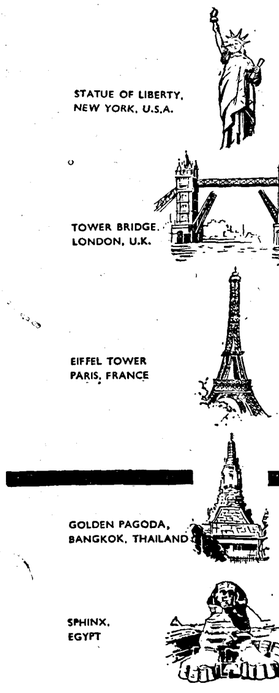

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Disquieting Trends In British Cotton Industry

Profit-margins Of Mills Squeezed To The Utmost

By Our Manchester Correspondent

COTTON industries throughout the world have been facing critical times and none more so than the mills of Lancashire where such important structural changes have taken place within the past three years. On the trading side, it must be admitted that the year 1962 witnessed a continuation and intensification of the highly disappointing trade conditions which had persisted almost since the beginning of 1961. Only in the final quarter of the period did the sun begin to gleam through the mist—both in fact and metaphorically.

Many traders with intimate knowledge of the industry contend that the situation during this latest phase of inactivity has been as dismal as they have ever experienced and certainly the number of mill closures coming so swiftly after the large-scale reorganisation less than three years ago fully reflects this opinion. Not only was business virtually at a standstill until the autumn, but, when operations were under consideration, the prices available offered no justification for acceptance. Margins have been squeezed to the utmost and the full impact of this period in the doldrums has not yet been illustrated by financial results still to come.

Imports—Hong Kong's Approach

So swiftly do events follow each other in these days that only the record books show how much has happened. An example can be provided by the important developments which have occurred on the question of imports—still perhaps the most vital factor affecting the local industry.

Early in the year, Hong Kong made an approach to the British Government suggesting that the existing ceilings on its shipments of various types of cotton goods to the United Kingdom, as already fixed for 1962, should be maintained at the same level until the end of 1965. Much to Lancashire's chagrin, the Government took up this offer with alacrity and, with the minimum of consultation, made an approach to India and Pakistan urging the other participants in the inter-industry agreements to accept the same terms. The response from India was favourable, but Pakistan, which probably stood to gain least from this arrangement, was reluctant to agree to the proposal. A significant letter has since passed between the President of the Board of Trade and the Chairman of the Cotton Board, indicating that the Government would not hesitate to enforce this plan if Pakistan continued to object.

In one instance at least, the Government has been true to its word in creating a precedent by imposing a definite quota on imports of cotton yarn arriving in this country from Pakistan. The privileged position of Commonwealth suppliers has, therefore, been broken after many years in which they have been provided with virtually unlimited facilities for shipping cotton goods to Britain. The voluntary arrangements, which have been the subject of so much negotiation in latter years, have given these markets very favourable terms, despite the complaints which their own producers have raised. It is doubtful whether this change of policy will have any wider repercussions for a number of reasons. The quantity of yarn involved, a total of 1,200,000 lbs. covering the two-year period 1962-63, is relatively small when viewed in perspective of either production at home or the total level of imports.

In the meantime, there were signs that the British Government was very slowly moving in the direction which Lancashire has been advocating for a number of years. The introduction of open individual licences on imports cleared the way for action to be taken in the event of a sudden surge of arrivals from any particular area; a sharp curtailment of the quota on imports from Formosa was carried out, reducing the maximum arrivals from this source from about 12½ million yards to 2½ million yards in 1963; and the President of the Board of Trade even admitted that "Britain is already taking her full share of these products" in referring to imports of cotton goods.

Geneva Pact

All these developments stemmed from the action being taken in a much wider field to regulate the flow of supplies of cotton yarn and cloth throughout the world. The international arrangement, first mooted by President Kennedy and established on a short-term basis, was eventually translated into a five-year agreement which took effect from the beginning of October. Not only the original signatories endorsed the pact, but others indicated their readiness to accept the terms, which aimed at an orderly expansion of trade by the underdeveloped areas without causing undue disruption in the countries where the manufacture of cotton textiles has been a traditional accomplishment during the past century or so.

Although the agreement is now officially in force, some details are still lacking. For example, the extent to which European countries are prepared to open their doors to supplies from the Far East remains somewhat in doubt and, as has been forcibly pointed out in Lancashire, even an increase of 100 per cent in the takings of a market currently absorbing only one per cent of its supplies from the underdeveloped areas makes little difference to the global picture or outlook. At the same time, the importance of the basic acceptance of this idea of international agreement on the subject should not be minimised.

Agitation to secure relief in one form or another continued on an official and unofficial basis by Lancashire organisations during the year. The Prime Minister granted the representatives of the trade a direct interview, while, at the other end of the scale, two protest marches organised by the Textile Action Group surprised Londoners, many of whom had little inkling of the numerous underlying factors which had caused so much resentment in the North against the authorities in Whitehall and its surroundings.

In the course of a debate on the industry in the House of Commons, the President of the Board of Trade emphasised that no further extension of the appropriate dates for receiving a subsidy under the re-equipment scheme could be envisaged. This left mill managements with only a week or two in which to submit their final applications; the response was sudden and illuminating. From the figure of about £70 million quoted by the President in Parliament, schemes involving modernisation to the tune of £116 million flooded into the Cotton Board offices, some even arriving by hand on the last day.

Many of the plans submitted may never see the light of day, but it was recognised that, unless projects were put forward and approved, no subsidy would be available, so that nothing was to be lost by making a claim—whatever the final decision as to its implementation. To be eligible to obtain the 25 per cent grant from the Government, all these schemes must be completed and machinery installed by July 1964, while actual orders for plant must be placed by July next.

Europe, the Key

Impinging on all these events and never far from the thoughts of traders throughout the period has been the prolonged series of negotiations arising from the United Kingdom's application to join the European Economic Community. Entry into the Common Market has been the subject of keen controversy, but, apart from individual viewpoints, the main body of traders feels that Britain should join the Six. No one denies that the move presents incalculable problems, and certainly risks, but the general opinion was summed up by the Cotton Board in an unusually forthright booklet which described Britain's entry as "probably Lancashire's last chance."

Whether or not this is the case, the shadow of Europe, either as friend or foe, has been over the shoulder of every trader for much longer than the period now being reviewed. Fact-finding missions sponsored by the Cotton Board have visited several Continental countries and individual firms have already gone deeply into the outlook for textile products, if and when the tariff barriers are shortly to be torn down.

Mill production in Lancashire has been adversely affected by the slow trading and a complete dearth of new business for most of the year. Short-time working was widely introduced and various methods were used to cut down machine activity. In consequence, the continual drain on manpower persisted and the figures issued by the Cotton Board showed that the number of those available for employment by spinners and weavers dwindled at the rate of nearly 2,000 a month. By the year-end, it seems probable that operatives on the books will have declined to below 150,000. For comparative purposes, it should be recalled that the peak post-war total exceeded 320,000 in 1951.

Not until mid-November did the Industrial Court award the long anticipated wage advance to the operatives, but the figure of 3 per cent was a grievous disappointment to the unions. The possibility persisted that a further approach might be made to the employers so that the firmer undertone in the market, originally caused by the belief that higher overhead charges were imminent, was fully justified.

The accompanying tables indicate the latest position of exports, imports, employment and production as compared with recent years.

Raw Cotton Prices and Supplies

In the days when the laws of supply and demand were largely responsible for creating price changes in raw cotton, there was plenty of scope for discussion among operators; crop reports were keenly scrutinised; the trend of imports and consumption was duly analysed and regular assessments of the outlook were an

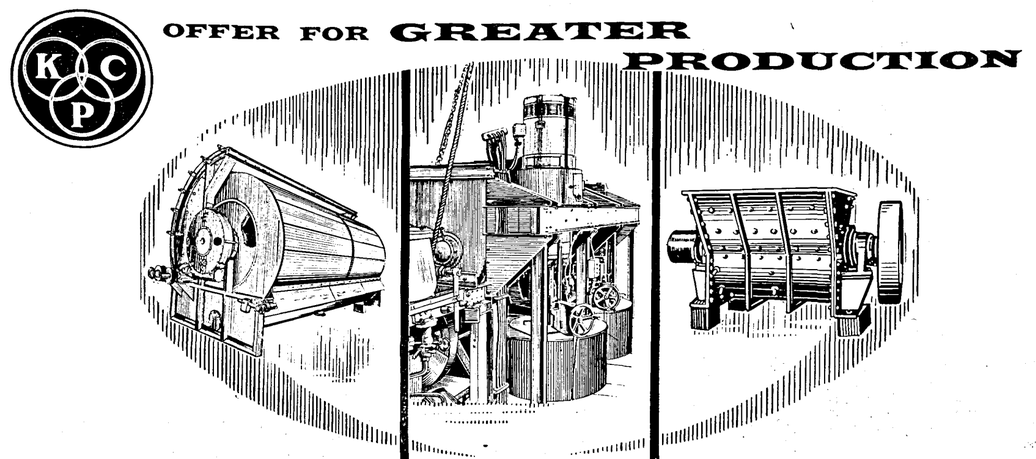
Overseas Cloth Trade

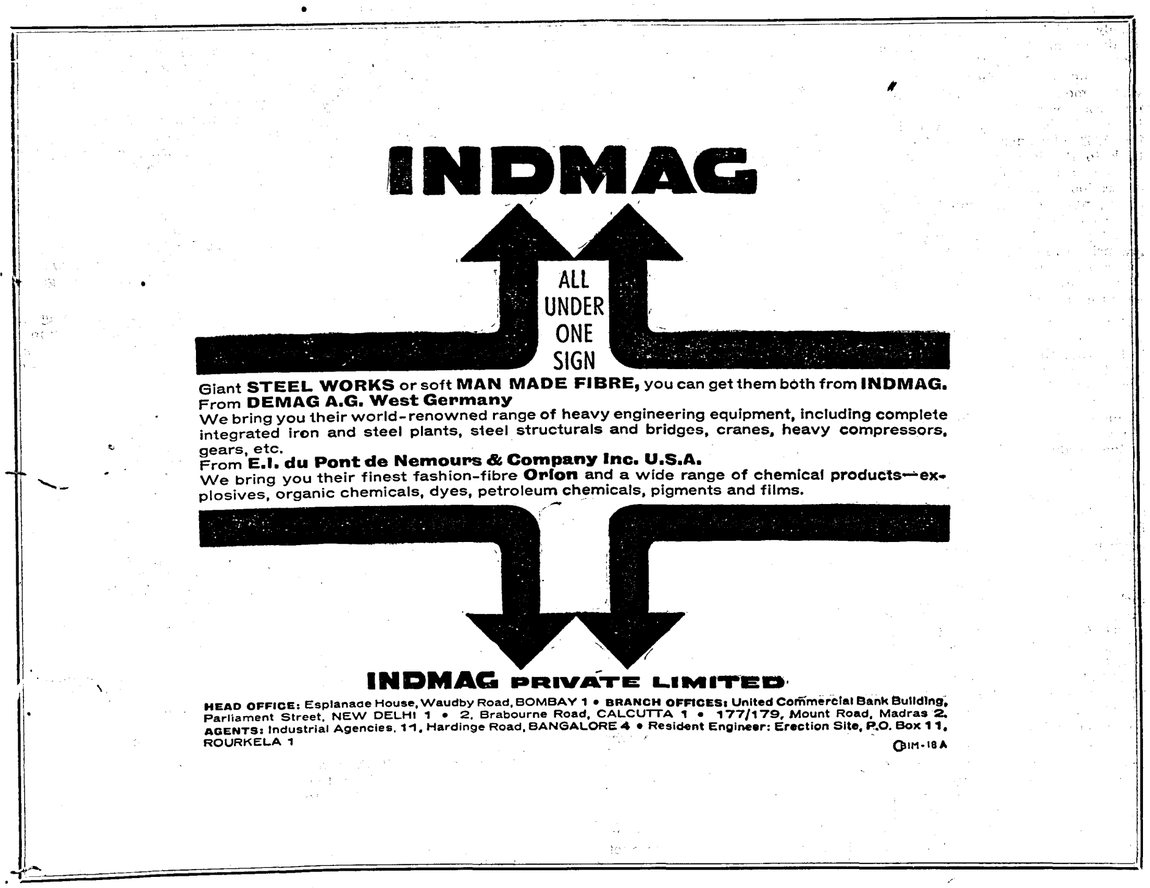
(In thousand square yards)

	Exports		Imports	
	Cotton	Rayon, etc.	Cotton	Rayon, etc.
1938	1,386,235	31,176	52,000	24,000
1941	783,109	69,054	340	720
1945	441,095	84,187	10	7,620
1947	532,887	96,836	160	16,980
1949	903,578	160,708	348,000	51,600
1951	864,375	217,206	276,800	99,200
1953	709,905	176,826	98,640	44,400
1955	554,504	133,747	299,600	65,320
1957	455,760	111,239	416,252	73,490
1959	347,637	63,725	537,145	37,764
1960	327,181	54,249	727,807	58,469
1961	286,660	48,894	731,026	69,825
1962—				
1st quarter	64,977	12,279	147,194	20,172
2nd ,,	58,417	14,332	140,710	15,520
3rd ,,	53,824	13,459	139,240	16,065

	Employment (Average at work)		Production (Weekly averages in thousands)	
	Spinning and doubling	Weaving	Yarn (lbs.)	Cloth (Linear yds.)
1937	176,000	187,000	26,500*	79,270
1941	117,800	108,200	23,180	41,300
1945	96,000	96,100	17,910	35,530
1947	119,500	108,600	19,570	38,700
1949	137,660	129,800	24,350	49,830
1951	145,430	140,320	27,110	56,920
1953	125,720	124,190	23,100	49,660
1955	118,380	117,970	22,350	47,680
1957	111,710	103,510	22,050	43,980
1959	91,990	84,870	19,250	37,020
1960	85,030	81,260	19,390	36,740
1961	81,960	79,760	17,550	35,420
1962—				
1st quarter	75,620	78,320	17,010	34,430
2nd ,,	73,390	75,860	15,910	32,250
3rd ,,	70,820	73,310	14,230	26,650

* Excluding doubled yarn.





essential part of every trader's business. Since Governments virtually took over control of the distribution and production of their respective crops all this has been changed. As a result, it needs a cataclysm of nature to have any pronounced bearing on the trend of values. Only some sudden and unexpected move by the American Administration is likely to cause even the swing of a few points in the official values quoted in Liverpool or other former centres of world cotton trading.

An example of the vacuum in which business in the raw material is now carried on was evident when the Cuban crisis erupted, bringing the world to the edge of war. An essential commodity like cotton would, in past circumstances, have advanced sharply in price and although fluctuations were not absent in New York, the Liverpool market displayed a complete lack of interest, with only a trickle of transactions and virtually no effect on prices.

Single Price Again?

Administrative elements remain the one factor which could shake the market out of its apathy and, in this direction, there have again been suggestions that a cotton programme may be devised next year in the United States aimed at removing the disparity in prices between sales for domestic and export purposes. This follows the rejection by the Tariff Commission of a claim submitted by the American textile industry urging that an import fee should be imposed on textiles arriving in the United States equal to the current raw cotton export subsidy of 8½ cents per lb. President Kennedy has charged the Department of Agriculture with the task of producing a programme to re-establish a one-price system.

Although nearly all observers are keenly anxious to ensure that such a development eventually takes place, the alternative methods of arranging the scheme create a vast amount of confusion and numerous variations on the same theme. It is already known that the 1963 plantings are to be cut back to the legal minimum of 16 million acres and, unless some concessions are allowed on this figure, next season's crop is likely to be considerably smaller than in recent years. The probability of a low price support level is being put forward as a reason for stimulating a speed-up in legislation on the one-price aspect.

Stocks of raw cotton throughout the world are now officially stated to be lower than at any time in the last ten years. The added significance of this comment, quoted by the International Cotton Advisory Committee, is that it coincides with almost continuous expansion in cotton production during the same period. Rising output has, in fact, been matched and sometimes overtaken by increases in consumption. Some observers believe that a turning point is at hand because of the fresh upward movement in acreage and output.

At the beginning of January, one-inch middling American cotton on the spot in Liverpool was quoted at 24.20d. After rising to 24.60d. in the following month, prices reverted to 24.20d. in June and the low point of 23.95d. was posted in September. The rate subsequently reverted to 24.20d. which was the figure in operation in November.

Practically identical changes took place in the rates quoted for 15/16" middling American cotton, the January opening being 23.60d. and the peak of 24.00d. occurring in February. Later 23.35d. was posted in September and 23.60d. in November.

Very little additional liveliness was evident in the Sudan market and the Sakel C6 variety, after opening at 30.90d., fell to 29.25d. in March and thereafter remained unchanged for long periods. In July, 28.85d. was posted and the November figure was 28.75d.

Equally uneventful trading occurred in the Lambert 6 variety, the price being 32.65d. in January, followed by a reduction to 30.25d. in March and to 29.40d. in July. The November figure was 29.65d.

Dim Reflection

No repetition is needed of the fact that the world's spot markets provide a misty mirror indeed of events affecting the raw material. In Liverpool, the stagnation which has persisted for so long clogs the mechanism of trading to such an extent that any change in values is an event worth comment and prices often remain unaltered for weeks on end. Sluggish demand throughout the market for either cloth or yarn has inevitably had its effect on the call for supplies of actual cotton. The diminished rate of forwardings to the mills have discouraged merchants from carrying stocks of any size, although modest forward requirements have been under consideration on a regular basis. Competition from outside growths has continued to react unfavourably on the offtake in United States staple. Constant inquiries have been received for growths emanating from the Middle East and South America.

Experimentation with such qualities has convinced most spinners that their attributes can justify widespread use in producing yarns which were, at one time, the entire prerogative of purely American cotton. Judging from both production and consumption statistics, this trend may well continue, irrespective of whether the United States Government is prepared to provide subsidies to equalise export and domestic charges.

Small Stocks

In the 1961-62 cotton season, arrivals in Great Britain barely exceeded one million bales, being 140,000 bales down on the previous twelve months and 430,000 bales lower than 1959-60. The major reduction took place in supplies of cotton from the United States and the Sudan, although Nigeria also shipped much smaller quantities to this country. Visible supplies held at the end of the season had recovered from the very low point reached about twelve months ago when less than 120,000 bales of cotton was held in Liverpool, Manchester or afloat, but only a few weeks ago the stock figure had again slumped to as low as 116,000 bales.

Narrowing interest in futures and the operation of the Liverpool market has continued. Suggestions have lately been made that a fresh basis might be established on yarn rather than the raw material, but, for the time being, with so many restrictionist influences at work, the outlook for any extension of the traditional methods of price insurance through futures seems decidedly obscure.

Cotton Spinning

For most of the past year, trading in cotton yarns continued at a very meagre rate and the deterioration in the position of spinners was marked. As a result, many firms had recourse to short-time working and various measures were taken to curtail output so as to avoid stockpiling at a time when such a policy could in no way be advocated. The weakness of their position made it difficult for spinners to maintain price levels and the further erosion of margins caused much anxiety and a continual drain on assets. Yarn quotations were raised on a very modest basis in October for the first time for more than 18 months, this, in itself, indicating the more confident mood of spinners after so long a period of virtual inaction. In the meantime, however, some of the prices taken in order to secure contracts had been depressingly low.

Shipments of cotton yarns for the first nine months of the current year were virtually unchanged as compared with 1961, the total being 11,223,938 lbs. valued at £4,030,508, as against 11,587,642 lbs., which earned £4,596,795 last year. While the halt in the decline is a minor cause for satisfaction, these figures should be read in conjunction with the post-war peak for the full year of 1949, when 82 million lbs. of yarn were sent abroad, and the earning capacity of £31 million in foreign currency reached in 1951.

As in other directions, the quantity of yarn imported has fallen this year due to the poor state of demand generally in the local market. Arrivals upto the end of September aggregated 24,251,776 lbs., costing £4,875,102, as against 33,820,087 lbs. in the same period of 1961, the value being £6,989,799. Within these import totals, however, it is noticeable that purchases of single cotton yarn from overseas have been virtually halved this year, but that the quantity of doubled yarn and cotton thread has shown very little reduction.

Cotton Weaving

For almost the whole of 1962, the weaving industry has been struggling, just like the other sections, to keep its head above water. In some cases, individuals have, indeed, become submerged, but in general it has been possible to keep at least part of the looms working on business which has been only just remunerative. By holding grimly on, manufacturers have finally reached slightly calmer waters, but they still have a long way to go if they are to regain their former momentum.

The same distressing story of lack of workable demand, low bids and the threat of mounting stocks was still being told until only a few weeks ago, when merchants began to take a slightly less jaundiced view of the situation. Stimulated by the growing opinion that prices would be affected in the event of a wage increase and the realisation that supplies had moved steadily, if slowly, through the normal distributing channels, buyers decided that further forward purchasing was necessary.

A notable feature of the current year has been the sharp reduction in the acquisition of foreign cloth by merchants. After the peak performance of imports in 1961, the rate of arrivals of grey cloth in particular has been severely cut. To the end of September, the quantity imported was 323,169,000 square yards, valued at £19,608,677, whereas, in the same period last year, supplies from overseas had already amounted to 470,426,000 square yards at a cost of £30,129,146. In contrast to this marked change, the arrivals of foreign finished fabric showed only a relatively small curtailment, being 103,975,000 square yards, as against 117,782,000 square yards, the respective values being £18,030,537, as against £19,718,989.

In the meantime, there has been another substantial decline in the quantity of cotton cloth shipped abroad from this country. During the first nine months of the current year, exports reached only 177,218,000 square yards, as against 220,657,000 square yards in the same period of 1961. Earnings from this source fell from £31,422,884 to £24,920,591.

Labour Matters

For considerably more than a year, desultory negotiations have been proceeding between the employers and trade unions in the cotton industry both on a direct wage claim and the call for compensation for those workers who are thrown out of employment when mills close down. In each case, the applications have been formally rejected by the employers, whose attitude was strengthened by the poor trading encountered during this period and whose reluctance to come to terms was substantiated by a series of unmistakably depressing financial returns.

The 10 per cent pay claim was eventually submitted for arbitration to the Industrial Court, whose award of a three per cent advance announced in November was not received very well by the unions who had confidently expected more. Previously the employers had offered a flat rate increase of 5s. 9d. per week, but this was turned down. The award was back-dated to the beginning of October.

On compensation, the employers are sympathetic, but are still not prepared to introduce an industry-wide scheme to replace the arrangement ruling during the course of the reorganisation programme when a definite scale was laid down as to rates which should be paid, according to length of service, for those who were declared redundant. Individual firms which contemplate closing down have been urged to do the best they can for operatives affected in this way.

Average Earnings

The latest returns issued by the Ministry of Labour relating to average earnings show that, in April 1962, men in spinning and doubling were receiving £12 7s. 3d. and women £7 10s. 3d. This compared with £12 11s. 2d. and £7 12s. 6d., respectively, twelve months previously. In weaving, the position was that the average earnings of men had decreased from £13 5s. 7d. to £13 3s. 1d. in the six months ending April this year. In the case of women operatives in weaving, the average fell from £8 1s. 4d. to £8 0s. 2d. during the half-year.

The number of hours being worked by men in spinning and doubling in April this year was 45.7, as against 46.2 in October last and 47.5 in April 1961. For women, the average was 38.8 hours, as against 39.1 in October last year. In the weaving section, men were operating looms for 43.4 hours, as against 43.9 in October last, while women were working 39.5 hours, as against 39.9.

Earnings in textile finishing in April averaged £14 5s. 11d. for men and £7 4s. 6d. for women, as against exactly £14 and £7 5s. 3d., respectively, in October last year. The average hours worked by men in this branch were reduced from 48.8 in October 1961 to 48.5 in April.

Over textiles as a whole, the average wage for adult male labour was £14 2s. 2d. in April, as against £13 19s. 5d. in October 1961. Women received an average of £7 13s. 10d., as against £7 12s. 6d. In all industries dealt with in the survey, covering about 7 million workers, average earnings in April were £15 12s. 10d. for men and £7 17s. 2d. for women.

The Outlook

While some improvement in the general outlook can be forecast now that more active buying has been resumed on distributive account, there remains the underlying fear that the gap between the existing level of imports and the established ceilings still presents overseas suppliers with a very adequate slice of the home market in which to compete with Lancashire-made goods. For this reason alone, local producers have been outspoken in their disappointment

(*Continued on page 128*)

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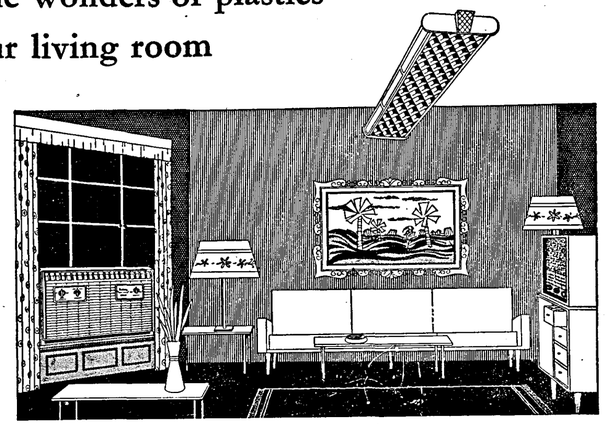

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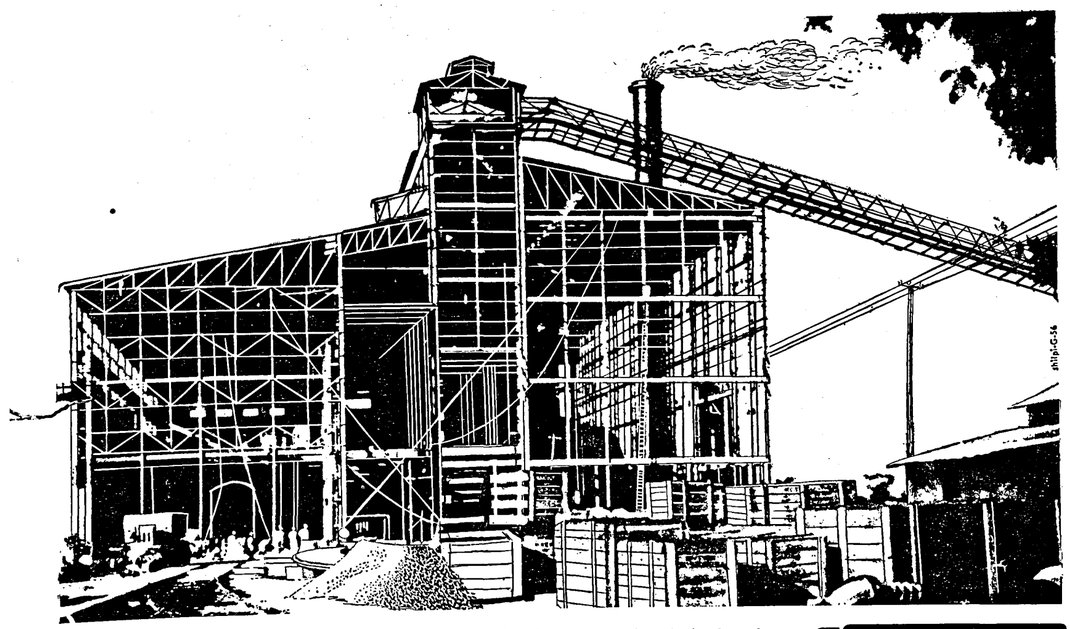

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TEXTILES IN WESTERN EUROPE

Some Suggestions For Countries Wanting To Export To That Area

By ARTHUR TATTERSALL

"The creation of the E.E.C. is, in fact, the most important development in the history of twentieth century Europe."

WITH these words, a booklet prepared by Britain's Cotton Board sets the background for any modern consideration of the textile industries of Western Europe; their past, present and future, and particularly their position as potential importers of foreign cotton goods and as a market for the rest of the world.

This survey of the implications of Britain's proposed entry into the European Economic Community on the Lancashire cotton trade is slanted in the direction of British mills and their numerous problems but the advice given and the facts contained in the document are equally applicable to other textile industries, including those of the Indian sub-Continent and the major producers of cotton goods in the Far East.

There must inevitably be a considerable amount of speculation as to the eventual outcome of the complex negotiations proceeding at Brussels in connection with Britain's application to enter the Community as an equal partner. The future from that aspect is obscure and so, therefore, is the effect of so vital a step on the ability of India and the East to compete not only for the British home market but for the very much wider horizons opened up by the prospect of a federation of European States with common trading aspirations and common protective barriers.

Origin and Purpose

It is, perhaps, only fair to establish at the outset the origin and purpose of the European Economic Community which was established under the Treaty of Rome in March 1957. The six founder members—Western Germany, France, Italy, the Netherlands, Belgium and Luxemburg—brought their goal of an economic union into perspective by starting the Community from the beginning of 1958. Subsequently, Greece has become an associate member of the group.

Leaving aside the political aspect of the formation of the Community, its economic importance can scarcely be underestimated. The intention of gradually establishing a single unrestricted internal market of 170 million people by merging their varying policies into a common objective for the whole community was to eliminate within 15 years intra-market import duties and other restraints on trade, coupled with the establishment of a common tariff and commercial policy towards the outside world.

The original scheme to cut out duties and quotas between member-States and to establish a common external tariff was scheduled for completion within 12 years, divided into three stages of four years each. The progress so far made has been swifter than at first anticipated and customs duties on trade between the E.E.C. countries have already been reduced by 50 per cent. Almost all quota restrictions on industrial products within the Community have been abolished and the first move has already been made towards the establishment of a common external tariff.

Undoubtedly, one of the main reasons for the swift progress made in achieving these objectives and, in fact, getting ahead of schedule, has been the high degree of prosperity which the six major countries concerned have enjoyed during the past few years. The initial impetus supporting the objectives of the plan came from the struggle to survive after the devastations caused by the war. In this connection, the European Recovery Programme played a very considerable part in restoring benefits to the various industries involved.

Dynamic Market

The rapid development of industrial and commercial activity since the Treaty of Rome was signed has caused the participating countries to recognise that their original timing was too slow and that both economic and political structures in Europe are well behind the scientific and technical progress which has been made in the area. The E.E.C. countries are, therefore, no longer prepared to wait as long as 15 years for the realisation of the Common Market scheme, particularly when the accomplishments of the United States and the Soviet Union, their chief rivals as a world force, are constantly within their focus.

It can scarcely be denied that the prospect of participating in this dynamic market and securing the same rate of economic growth and expansion of trade is the main attraction for Britain of membership of the E.E.C.

So far, only the basic issues involved and the general industrial outlook has been mentioned in assessing the effect of the United Kingdom's application to join the Common Market and the importance of this fresh move to strengthen the Community. The specific angle of cotton textiles within the overall framework of the Community deserves detailed consideration and has a vital bearing on the ability of countries outside this sphere of activity to secure a trading foothold within the market.

The transitional period for removal of tariffs on E.E.C. trade extends until the beginning of 1970. Within that period the separate national tariffs with the rest of the world are to be replaced by a single common tariff. This is the arithmetical average of the customs duties enforced at the beginning of 1957, covering Western Germany, France, Italy and Benelux. Any member-State, however, can bring its own external tariff into line with the common external tariff more rapidly than is required by the Treaty.

Stiff Opposition

It is difficult to separate the negotiations which have been constantly in progress on the question of Britain's entry into the Common Market with those which have dealt with the wider application of an orderly extension of trade in cotton textiles on a world-wide basis lately completed at Geneva. Suggestions have been made that the common external tariff should be applied to imports of cotton textiles into the United Kingdom from India and Pakistan by stages, so that the full tariff would be effected towards the end of the current decade.

The cotton textile industries of the Common Market countries, however, are diametrically opposed to any opening being procured by Commonwealth producing areas which might give unrestricted entry into their own home markets. With the example of the United Kingdom staring them in the face, the mill-owners in Europe, backed by their own Governments, are prepared to take unilateral action to avoid such developments taking place in their own cotton industries. As has frequently been pointed out in Britain, even the admittance of an extra 100 per cent of imports, when this is applied to merely one or two per cent of the domestic production, has an infinitesimal effect on the total quantity of goods involved.

So far as the British home market is concerned, it is presumed that quota restrictions by quantity will be retained against Japan, China and Formosa, but imports from Spain, although safeguarded by the voluntary arrangements made with that country, have apparently been able to surmount the existing tariff barrier of 17½ per cent for cotton cloth and 7½ per cent for yarn.

An extension of the existing inter-industry arrangement or by recourse to the Geneva agreement would deal with this particular situation, but imports from the E.E.C. countries could not be curbed in the same way as, on entry, Britain would need to abide by the decision to remove quota restrictions on manufactured goods. Imports from European countries, in fact, might well fill any gap made by a reduction in arrivals from Commonwealth sources.

A vital factor in considering the effect of British entry into the European Economic Community and the subsequent adoption by the United Kingdom of the common external tariff would be the effect of this development on preferential tariffs enjoyed by many Commonwealth countries on cotton manufactures. Inevitably, these would be reduced and in some cases might even be abandoned. It should be emphasised that, in 1961, rather more than 50 per cent by value of all British cotton goods exported went to Commonwealth markets in which preference is given. Although smaller shipments are continuing, any sudden and sharp deterioration in this trade could have serious repercussions.

State of Industry

One of the major factors involved in dealing with the textile industry in Europe is the mergers which have lately taken place, resulting in a comparatively small number of firms with a comparatively large number of mills. This is somewhat in contradiction to the situation in Britain where a substantial number of small units—often family businesses—remain, particularly in the weaving branch.

Another important variation between the structure of the Continental European industry is its predominantly vertical set-up, whereas, in Britain, the horizontal system is still mainly in vogue, especially in the spinning section. In Italy, for instance eight firms each control more than 100,000 spindles and in weaving the 16 largest companies, all vertically organised, control over 1,000 looms each. Many are still family businesses, although often in the form of public companies. According to information obtained, there is not a great deal of contact or co-operation between different producers and each mill tries to produce a wide variety of products.

The situation in West Germany is that many firms are mainly family run and are generally vertical in structure. About two-thirds of the output comes from vertical spinner-weavers. An important point is that direct selling has replaced the converting system which flourished before 1933.

Although the average size of French mills is smaller than in Lancashire, amalgamations have lately taken place generally for reasons of greater financial strength. This has resulted in specialisation by the mills in each group and the closure of the older and less economic units. A number of large vertically organised firms are in existence, many of which operate finishing plant as well as spinning, doubling and weaving.

In the Dutch cotton industry one firm alone is responsible for about a quarter of the industry's output and the average number of spindles and looms per firm is larger than in any other E.E.C. country. The independent merchant converter is almost unknown.

A larger number of firms is in existence in Belgium but, although there are about 200 weaving mills, 25 of these are responsible for 85 per cent of total production. Integration with the spinning section is widespread and many units also conduct finishing operations.

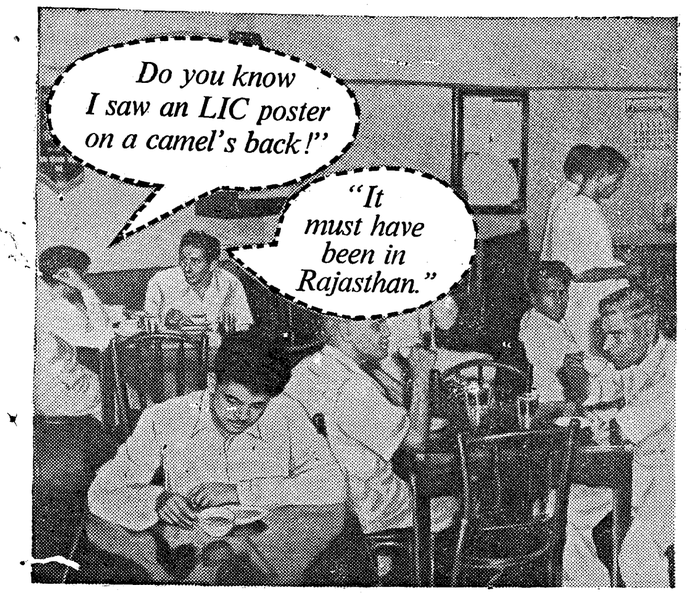
Intensive Utilisation

Machine utilisation in the E.E.C. countries is much greater than in Britain and three-shift working is commonly operated. The number of hours worked per active spindle during 1960 ranged from a peak of 5,001 in Belgium to 3,782 in West Germany, while the comparative British figure was 2,680. The hours worked per active loom on the same basis varied from 3,770 in the Netherlands to 3,297 in Western Germany, but the position in the United Kingdom was 3,020 hours worked.

Since the war, fairly extensive re-equipment has taken place in all the European Common Market countries. A substantial proportion of this modernisation has been by way of replacement after heavy war damage, particularly in West Germany where many completely new mills have been constructed. Re-equipment projects by firms in the European industries have always been undertaken on the assumption of multi-shift working accompanied by scrapping of obsolete machinery.

Figures of average wage costs and social charges in manufacturing industry in Europe show West Germany at the top of the scale, with rates of 6s. 3d. an hour, while France and Belgium average 5s. 3d. an hour and Italy and the Netherlands 4s. 6d. an hour. Britain's comparative position shows total costs of 5s. 9d. an hour, of which the hourly wage rate is higher than European countries but social welfare charges are smaller. The financial cost of social charges in Europe is largely borne directly by the employer rather than by the Government. Bonuses for third-shift work are paid at rates varying from about 15 per cent to about 30 per cent.

Total production of yarn and cloth in the European cotton and



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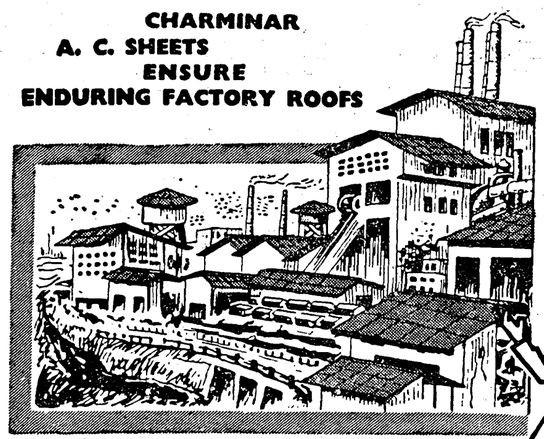

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allied textile industries has shown a steadily rising trend since the last war and output between 1958 and 1960 was greater than that in the preceding three-year period. Average annual yarn output in those years was about 2,400 million lbs., of which some 2,000 million lbs. was cotton yarn. Average annual cloth output over the same period was around 9.3 million quintals, of which about 7 million quintals was cotton cloth. (*Note*: One quintal= 100 kilograms or 220.462 lbs.).

Western Germany is the largest E.E.C. producer, with France second. Italian production, particularly in man-made fibres, is growing noticeably but some stagnation is apparent in Belgium's output and the Dutch industry encountered some years of relative stability before increasing production in 1960.

Intra-market Trade

Intra-market trade in cotton yarns within the Community between 1957 and 1960 expanded by about 45 per cent. Belgium sent substantial quantities of yarn of the Netherlands and Italy was another major exporter. Imports of yarn between countries of the Community account for about 70 per cent of total yarn imports, the major source of arrivals being West Germany, but France and Italy took only negligible quantities.

The post-war history of exports of cotton cloth showed an expansion until 1951 and then a decline until 1956. Two years of stability followed, after which a marked expansion occurred until signs of slackening appeared in the latter part of 1961. Much of the increased trade has been intra-European and intra-E.E.C. trade was 75 per cent greater by volume in 1960 than in 1957. The two countries to have benefited most from this rising trend of trade were France and the Netherlands.

British imports of yarn and cloth from E.E.C. countries have grown during the period. The present position shows a substantial net import of about 10 million lbs. of yarn and 75 million square yards of cotton cloth. Across the Channel, West Germany is by far the largest importer of cotton yarn and cloth, supplied chiefly by France and the Netherlands.

As indicated in earlier passages of this article, the Cotton Board offer a great deal of advice to British textile interests in relation to their future attitude towards the Common Market countries. Although the details may differ a little, similar advice is worth repeating to other countries whose millowners might consider that Europe presents a developing market for their products.

Suggestions

New marketing techniques are advocated and their adoption should be carried out without delay. This, in fact, means an entirely new approach and the new European market will, it is stressed, be highly competitive as it is already sufficiently supplied from its own existing connections.

Among the most obvious differences involved in creating opportunities to dispose of cotton goods in the E.E.C. countries are the multiplicity of languages, the use of the decimal system in currency, weights and measures, various exchange rates and, of major importance to textile producers, the basic differences of race, nationality and cultural heritage and the wide variations in the modes of living which exist among the people who form part of the present and future European Common Market.

Any individuals or countries contemplating an attack on trading prospects in Europe must conduct research on a more than adequate scale. Not only must all available factors about the market be secured but an investigation into existing channels of distribution and preferences and dislikes of consumers in the area must be taken into account.

British cotton millowners and distributors have already been warned that they will have to maintain a higher standard of colour, design and styling if they wish to secure a foothold in Europe. Promotional activities are of vital importance and general and specialised trade fairs, which form an integral part of European textile marketing, should be used to stimulate interest in the products of exporting areas.

It has been suggested that many of the early orders secured in Europe will be of a hand-to-mouth variety and small in size. Many of the disadvantages of the short-run order position, however, can be overcome by co-operative marketing, involving the establishment of joint selling agencies comprising producers or merchants or both. The agency could also provide other important functions, such as specific market investigations, general market surveys, joint advertising and sales promotion and other such projects.

Importance of Designs

Warnings issued to British textile firms about their design and styling apply equally to those producers in other countries who are contemplating trying to sell in Europe. The matter is not one of foreign designs being bad and Continental designs good, but rather of differences between the two. Britain's Cotton Board says that a completely new approach would be necessary in dealing with trade with the E.E.C. in view of the major variations in Continental design. An invasion of European taste in design and styling has lately taken place in the United Kingdom, especially in such fields as furniture, cars and cutlery. Many observers believe that design rather than price will be the prime factor in selling textiles in the European Economic Community. Openings exist for trade with Europe in combed cotton yarns in the 30s count range, in quality shirtings and in some coloured wovens. Various finishing processes, especially those incorporating resin finishes, should be successful.

Size of Imports

Some indication of the volume of cotton cloth imports into the various European markets can be obtained from figures for 1961, which show that Belgium absorbed 78,000 quintals, of which 61,000 quintals came from other E.E.C. countries; France took 57,000 quintals, including 20,000 from other members of the Community; Italy imported 30,000 quintals, of which nearly 11,000 quintals was from other E.E.C. countries; the Netherlands absorbed 264,000 quintals, including 134,000 from within the Community and West Germany imported 239,000 quintals, of which 129,000 quintals was intra-E.E.C. trade.

In considering the prospects for other countries to secure some part of the respective home markets in the E.E.C., it should be noted that sales of British cotton goods in this connection have been practically negligible during the last few years. Exports to Belgium in 1961 were non-existent, while France took only about 2,500 quintals. Italian imports from the United Kingdom consisted of only 1,600 quintals and the Netherlands absorbed 1,400 quintals. Even Western Germany, whose total imports last year amounted to 239,000 quintals, received a mere 2,000 quintals from Britain.

The major suppliers for these markets outside their own Community were Japan and China in the case of the Netherlands; other European countries, including Switzerland, Portugal and Spain, as well as Japan, in the case of Germany; Spain and the United States in the case of France and Switzerland in the case of Italy. From the figures given, however, the tight economic interlocking of the countries of the Community is a major factor and must be expected to become even more pronounced in the future.

Cloth production figures quoted by the International Cotton Federation for 1961 show that the biggest increases over the year were recorded in European countries outside the Community, namely Spain, Switzerland and Portugal. On the other hand, taking a comparison of output in 1961 as compared with 1958, it is seen that Belgium headed the list with a rise of 23 per cent. Italy's production increased by nearly 16 per cent and the Netherlands by 14½ per cent. Germany's output was 8 per cent higher but France alone among the E.E.C. countries suffered a reduction of nearly 4 per cent.

May Be, Long-term

Not for the first time, the whole situation affecting the interchange of cotton textile goods between manufacturing areas and importing countries is in the melting pot. Centuries ago India was leader of the world, with hand-woven goods of wonderful texture. The invention of the powerloom and the industrial revolution in Britain gave new impetus to the countries of the Western hemisphere which has lasted for well over 100 years. That the basic considerations of manufacturing are altering is a simple enough explanation and the initial rise of Japan a generation or more ago set the pace for other developing areas, particularly in the East.

The Geneva agreement marks a phase of international collaboration, in which the defending countries, whose traditional business of making cotton textiles is severely threatened by the industrialising areas, have their backs to the wall, but the protective measures it upholds must presumably be of only interim duration. Eventually, it should be possible for some of the countries in the Far East to secure an increased share of markets in the West but this would seem to be a long-term project.

In the meantime, many of the countries concerned in raising their production and export capabilities must consider the outlook very carefully. Although on the face of current circumstances they can expect to gain considerable ground by making substantial inroads into the home markets of individual areas where manufacturing has been built up as a substantial home industry, they must realise that protectionism will be maintained for as long as possible. Without a marked change in the situation, their prospects of securing a stranglehold on those countries which are fighting a rearguard action to retain a textile industry of some importance will be hampered by the opposition they will meet at every turn.

India has applied for membership of the 18-nation International Federation of Cotton and Allied Textile Industries, which has headquarters at Manchester. The request has been made by the Indian Cotton Mills Federation, the central organisation representing mills throughout the country. Mr. Mario Ludwig, Director of the International Federation, said that, at present, membership equalled 66 per cent of the world's cotton spindles and looms. India's admission would increase this figure to 85 per cent.

BRITISH COTTON INDUSTRY

(*Concluded from page 124*)

that the Government was unable to get better terms from the Commonwealth countries involved in the negotiations, setting a top limit to the annual arrivals from Hong Kong, India and Pakistan up to the end of 1965.

Coupled with any consideration of imports from the trio of Commonwealth countries must be linked the way in which such goods will be permitted to enter the home markets of other Western nations if and when the United Kingdom is admitted into the European concept of economic and political unity. The niggling fear of "a war on two fronts" has been as much a reason for lack of confidence among millowners and merchants for the past two or three years as any other disturbing element in Lancashire.

Continental cotton men have made no secret of their strong opposition to even a minute opening of the door to such imports and, perhaps more important still, they have had the full support of their respective Governments in this attitude. In this connection, it is worth repeating the words of Mr. Michael Grey, who reported at the Cotton Board conference only a few weeks ago on the negotiations at Geneva for the regulation of trading in cotton goods between the developing areas and the traditional manufacturing centres. He said:

"It was significant throughout the negotiations that the Governments of the other countries of the Western community had no doubts whatever in their minds about the wisdom and the necessity for the protection of their own domestic textile industries on a permanent basis as necessary and desirable elements in their national economies. They have all witnessed with alarm the fate in recent years of the United Kingdom textile industry and regard this as a most solemn warning of the irreparable damage and disruption which can be caused to a textile industry in a Western country, if vast and virtually unrestricted cheap imports from the low-cost economies of the less-developed countries are allowed to flow into its own home market."

Signs of Recovery

The year now under review has ended with the market showing signs of recovery and this more favourable trend can be expected to continue. Diminished stocks and the recognition that prices have reached a low point from which some upward movement must be expected, combine to create circumstances which should lead to freer buying. Producers will, therefore, derive some benefit from the position, although they may well have to struggle hard to secure really remunerative business.

Perhaps the most promising aspect of the outlook is concerned with the probable extent of home trade demand for textiles. Although the latest Government measures to stimulate the growth of the economy may take some time to percolate down to retail level, their effectiveness will eventually be gauged by the way in which they encourage wider purchasing power.

Tax concessions provided for the car trade may have the immediate reaction of diverting some surplus cash to products other than textiles, but, in the long run, a more volatile economy should breed confidence and bring lasting benefit. Incentives lately announced by the Government to speed up the payment of some post-war credits, increases in capital investment allowances and a fresh rise in capital expenditure by the Government promised for next year all suggest a more buoyant state of affairs, which may well transform the Lancashire industry into at least the semblance of an expansionist phase.

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BRITAIN AND THE COMMON MARKET

Likely Impact On The Trade Of India And Other Commonwealth Countries

By Dr. MARTIN GOTZ

AFTER the conclusion of the meeting of the Commonwealth Prime Ministers in September 1962, Mr. Macmillan emphasised in a broadcast that Britain's application to join the Common Market did not imply that Britain was faced with a choice between the Commonwealth and Europe. "The Commonwealth and Europe are two different kinds of organisation," he said, and "membership of one can help and not hinder the membership of the other." The significance of the Commonwealth, Mr. Macmillan declared, lay in its extreme diversity and covered all parts of the world "with a history link," but it was not a compact economic grouping. On the other hand, E.E.C. was a customs union, a great economic group.

If Britain was to buy sufficient quantities of the manufactured goods produced by the newly-developed Commonwealth countries in Asia and Africa, she must be strong enough economically to make the necessary changes and adaptations in her own industrial life. Britain would have to concentrate on producing complicated and specialised goods—power stations, conventional and nuclear, computers and so on—which required very large capital investment and needed a large home market in order to be sold at a competitive price. Such a large home market would be provided by the E.E.C. if Britain joined.

Problems Realised

Although the Commonwealth is not primarily a trading area, Commonwealth trade "is one of the strongest elements in maintaining the Commonwealth association." These words of Mr. Heath, the British chief negotiator in Brussels, in the statement with which he opened the discussions on Britain's application in October 1961, make it abundantly clear that the British Government fully realises the problems which Britain's entry into the Common Market would present to the other Commonwealth countries. As he pointed out, "the economies of most Commonwealth countries have been built up on the basis of supplying the British market, which has traditionally imported their produce duty-free and often on preferential terms. In the last few decades, the majority of them have sought to enlarge both the variety of their production and the range of their markets. But the British market is still of great importance to the economies of most Commonwealth countries."

Continuous Consultation

The problems of the Commonwealth are playing a great part in the Brussels negotiations. The British delegation is keeping in close touch with the Commonwealth representatives in Brussels and Mr. Heath is also regularly informing the High Commissioners in London about the progress of the negotiations. Continuous consultation is maintained with the Commonwealth Governments in the normal way, and a thorough discussion took place in the course of the Commonwealth Prime Ministers' meeting.

No complete picture about the possible outcome of the negotiations was then available (nor is it now) and, naturally, the Prime Ministers stressed the problems of their individual countries and their anxieties. Of course, as in all international negotiations, some compromises will be necessary if the Brussels negotiations are to come to a successful conclusion—though Britain could not enter the Common Market if the price were irreparable damage to the Commonwealth link.

Present Position

A short survey of the trade of the overseas Commonwealth with Britain and the E.E.C. countries will show the present position. In 1960, total exports of the overseas Commonwealth amounted to £5,835,000,000. Of these, £1,349,000,000 or 23 per cent went to the United Kingdom and £721,000,000 or 12 per cent to the E.E.C. countries.

Although the share of the U.K. in Commonwealth exports is falling (it was 29 per cent in 1954), a market which still takes almost a quarter of all their exports is clearly of vital importance to the Commonwealth countries. The E.E.C. countries took barely half as much as the U.K. from the overseas Commonwealth countries: but one-eighth of the total export income is still a sizable slice, and this explains why the Commonwealth countries anxiously watched the development of E.E.C. policy even before Britain decided to make her application for entry.

The total figure does not mean that all overseas countries within the Commonwealth are equally dependent on the British market. In fact, there are wide differences. Malaya, Singapore, Ghana and Uganda, indeed, have a larger outlet in the Common Market than in Britain (Malaya to Britain 13 per cent, to E.E.C. 18 per cent; Singapore to U.K. 8 per cent, to E.E.C. 9 per cent; Ghana to Britain 31 per cent, to E.E.C. 35 per cent; Uganda to Britain 16 per cent, to E.E.C. 21 per cent). On the other extreme lies Sierra Leone (73 per cent to Britain and 12 per cent to E.E.C.), New Zealand (53 per cent to Britain and 17 per cent to E.E.C.) and Nigeria (48 per cent to Britain and 30 per cent to E.E.C.). India occupies an intermediate position (27 per cent to Britain and 8 per cent to E.E.C.).

Four Broad Groups

These countries apart, the variations from the average for the total Commonwealth are not very large if one divides the Commonwealth countries into four broad groups. The first group, comprising the three Commonwealth countries with temperate climate (Canada, Australia, New Zealand), sends 22 per cent of its exports to Britain and 11 per cent to E.E.C.; the second group, consisting of the three independent Asian countries now on the way to development (India, Pakistan, Ceylon) ships 26 per cent to Britain and 10 per cent to E.E.C. The third group (all other independent Commonwealth countries, mainly with tropical climates) supplies 25 per cent of its exports to the U.K. and 19 per cent to E.E.C. And the fourth group (the dependent overseas territories, now on the way to independence, also mainly with tropical climates) sends 21 per cent to Britain and 7 per cent to E.E.C.

Different arrangements are necessary for the different groups of countries to mitigate damage to their trade if Britain joins the Common Market. Canada, Australia and New Zealand are exporters of foodstuffs, Canada and Australia also of metals and, in particular Canada, of manufactures. Wool, a large export of Australia and New Zealand, presents no special problem, since the Common Market tariff is zero. For foodstuffs, the Six have recognised that New Zealand's problem is a special one, since Britain takes about 90 per cent of its butter and 60 per cent of its meat exports and they have undertaken to examine what solutions would be possible.

The future of Australia's and Canada's exports of unprocessed foodstuffs will depend to a large extent on the price policy of the Community on which, of course, Britain will be able to exert an influence. It has already been agreed that the price policy will be "reasonable." The present Six members of the E.E.C. are also willing to initiate world-wide commodity agreements to safeguard the interests of overseas producers.

Manufactured Foodstuffs

A special interest of Australia and Canada is manufactured foodstuffs, in particular canned salmon from Canada and canned fruit from Australia; the latter presents a social problem, since it was largely established for the employment of ex-servicemen after the First World War. Negotiations on these commodities are still in progress.

Among Canada's exports of manufactured products, aluminium and newsprint are of special importance. Britain has asked for a *nil* duty for these products in the common tariff: so far the Six have not conceded this, talking instead of a duty-free quota, non-discriminatory for all suppliers from non-E.E.C.-member countries.

For the independent Commonwealth countries in Africa and the Caribbean and for most dependent territories, the Six have agreed to offer association with the Common Market and to give them the same preferential treatment as that given to the former French, Belgium and Dutch dependent territories which are already associated. This would offer great economic advantages in some cases, but some Commonwealth countries have rejected this proposal. They may change their minds, but, meanwhile, other safeguards have to be found and the Six have already declared their willingness to reduce the tariff on tropical hardwoods to zero.

The Brussels negotiations have brought home to the E.E.C. countries the need of India, Pakistan and Ceylon to increase their export income and to enlarge and diversify

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their economies. As soon as Britain enters, if she does, the enlarged Community will seek to negotiate comprehensive trade agreements with the three countries and these could include tariff policy, quota policy, export policy and measures to facilitate the promotion of private investment and the provision of technical assistance.

Tea and Cotton

Agreement has been reached to reduce the common tariff on tea, India's (and Ceylon's largest single export), from 18 per cent to *nil*. Thus, Indian tea will continue to have free access to the market in Britain. The elimination of the tea duty is a major concession to India, since it also gives easier access to the European market. The Indians object that internal taxes on tea are to continue; but the German tax on tea is lower than that on coffee and there is, therefore, an opportunity for increased sales of Indian tea.

Cotton textiles presented special difficulties in the negotiations. On the one hand, India's urgent need to maintain and expand her exports was fully understood. On the other hand, the difficult position of the European cotton industries had also to be taken into account. It was agreed that the common tariff would not be applied to these goods at the normal time-table by Britain, but at a slower pace (so-called decalage). The first step of 20 per cent of the rate of the common tariff would be taken on the accession of Britain to the Community; a second step of 20 per cent 18 months later; a third step of 30 per cent after a further year; and the final step of 30 per cent when the common tariff applies throughout the Community. As in the main the rate in the common tariff is 18 per cent, the rates applied by Britain in the first three stages would be about 3.5 per cent, 7 per cent and 12.5 per cent *ad valorem*. But Britain won a substantial concession for the Commonwealth exporters of cotton textiles.

The enlarged Community would take steps without delay to restore the situation if, as a result of the progressive application of the common tariff by Britain, exports were to decline. (This applies until the conclusion of the comprehensive trade agreements or the end of 1966.) Such a decline would be measured in relation to a base level for such exports to the Community which would be established before the accession of Britain. It would be at least the average tonnage of imports into the enlarged Community during the years 1959 and 1960. Provisions for certain additions in accordance with the Geneva Arrangement for cotton textiles was also agreed in principle for the markets of the present E.E.C. members. Britain would restrict her imports from India and Pakistan to about the present level. It deserves special emphasis that the undertaking to maintain the level of exports is unique in international arrangements, since it refers to the actual level of exports and not to quotas. On her part, Britain has undertaken to control exports of cloth based on Indian or Pakistani cloth to other members of the Community if difficulties arise in their markets during the period before the British duty on such cloth reaches the full rate of the common tariff.

Five Stages

For some minor industrial goods, notably certain sports goods, the common tariff will be reduced to zero. For other industrial goods from India (and the two other countries), there will be a "very soft decalage." The common tariff will be applied in five stages. No agreement has yet been reached on the abolition of the duty on East India kips, some heavy jute goods and some other products. For jute goods, the common tariff will be applied by Britain by progressive stages and Britain will also establish a quota for jute goods (other than heavy jute goods) for imports from member-countries and finally abolish quantitative restrictions on such imports. Jute goods from India will thus be subject to the tariff, but, on the other hand, the additional protection afforded to the British jute industry through the jute control will be abolished.

Concessions Obtained

As this short survey shows, the British negotiators have already won substantial concessions for India's exports, though not all wishes of India have been fulfilled. But the negotiations are not yet finished and some other products, including most tropical products, including coffee, have still to be considered. (A suspension of duties on cashew-nuts has alreay been agreed upon.) It is important for India to realise that the agreements relate not only to Britain but the prospective enlarged Common Market. India has exported in recent years less than one-third to the Six of what it imported from them. Its exports to Britain also declined last year, and it needs to rely on self-help and energetic export promotion.

The concessions already made on cotton textiles are proof that Europe sees India's problems. It is clear that the contraction of the European textile industries—before World War I, the British cotton industry exported more than it sold in the home market whereas now one-third of home consumption is imported—has a strong psychological effect. Th will be overcome in time when the British and Continental economies are fully geared to the new industries in a large European market. For this reason alone, India has a vital interest in a prospering European Community, enlarged by Britain's accession. In addition, as already pointed out, the mere fact of the present negotiations has already awakened a wider understanding of India's problems and economic requirements among the Six.

At the moment, the outcome of the Brussels negotiations is still uncertain. But if Britain is able to gain added prosperity by joining, she will be able to help the developing Commonwealth countries even more by trade and aid. Close links with the Six will undoubtedly help the co-ordination of aid programmes. But, in addition, it will also facilitate the flow of private investment to India.

The experience of London in international business is unrivalled in Europe, indeed in the world. If the City can attract funds from European investors for investment in industrial and other projects in the Commonwealth, a new source of funds will be available for India. It is true that India will have to make her own efforts to adapt herself to the new situation if Britain joins the Common Market, whatever concessions yet may be gained. But there is little doubt that a strong Britain in a strong European Community will benefit India's economic welfare.

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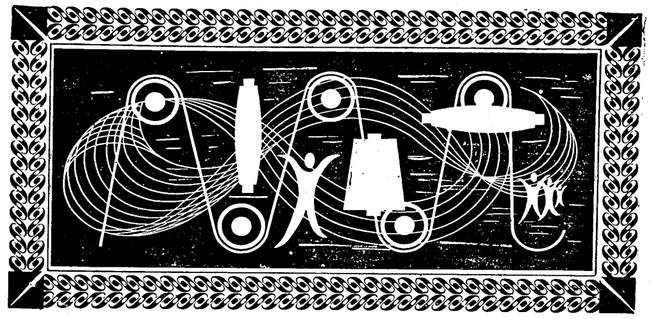

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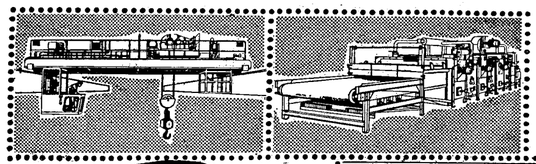

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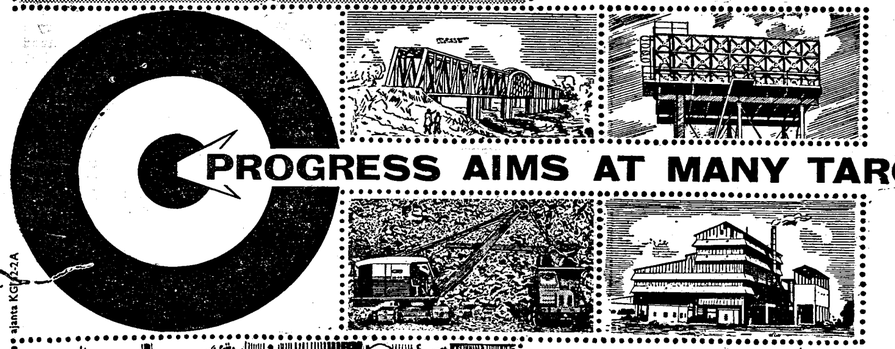

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By N. D. NAGRECHA AND R. M. BARDHAN
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AT the time of attaining independence in 1947, India was primarily dependent on agrarian economy. After independence, the country took to planned economy for rapid industrialisation and attainment of the fundamental objectives of national prosperity and social justice.

The first Five-year Plan (1951-56) emphasised agriculture, irrigation, power and transport. The second Plan (1956-61) consisted of a harmonious blending of agriculture and basic/heavy industries. The third Plan that became operative last year recognises that growth industries such as steel, fuel, power and chemicals should largely determine the pace at which the economy of the country can become self-reliant and self-generating. It, therefore, gives special emphasis to the expansion and further promotion of these industries.

In the past, the rate of growth of chemical industry was slow due to three principal reasons:

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(b) Necessity to import technical know-how; reluctance of foreign firms to provide technical and financial collaboration.

(c) Non-availability of many raw materials.

Experience has shown that, in many cases, the high demand potential remains latent until a plant comes into operation. Industrial growth in India has reached a level at which ample market potential exists for all kinds of chemical and engineering goods, although not necessarily so by Western standards. Foreign firms are, therefore, becoming interested in investing in chemical projects in India.

Raw Materials

The Indian organic chemical industry, has, so far, remained dependant on substantial imports for many of the intermediate chemicals required for the manufacture of various end-product derivatives such as polystyrene, plasticisers, detergents, dyestuffs, agricultural chemicals and solvents. In a few cases, the end-products such as synthetic rubbers are imported directly. However, unfavourable foreign exchange position has prevented free imports of all chemicals. The major raw materials available indigenously to date for organic industry are ethyl alcohol, benzene and toluene from coal carbonisation unit, and calcium carbide.

It has been estimated that the availability of molasses by 1966 being about 1.1 million tons per year, alcohol production possible by then would be about 63 million gallons per year. The installed capacity for production has already reached 54 million gallons per year, and additional 28 million gallons capacity is under implementation. Since alcohol is available abundantly at present, Government licensed three major projects for its utilisation. These are: polyethylene units of I.C.I. (Calcutta) and Union Carbide (Bombay), and butadiene and styrene units (for SBR rubber) of Firestone-Kilachand (Bareilly). Although these plants involved obsolete technology, Government felt from the standpoint of alcohol utilisation they were quite attractive.

If petrochemical ethylene could be made available in the country, production of ethylene chemicals via alcohol route would be uneconomical. Alcohol ethylene probably costs about 50-60 nP/lb. (including profit-margin), whereas petrochemical ethylene would cost around 35-45 nP/lb., depending upon naphtha cracker capacity. In view of this, the Government has now decided in principle not to license any more projects which would utilise alcohol for manufacturing ethylene chemicals.

In the past, demand for benzene for the organic chemicals industry was small, but, during the next few years, the demand is expected to increase very rapidly which cannot be met by the benzene recovered from coal carbonisation unit. This is so, because coal carbonisation is linked mainly to steel production, and the rate of growth in aromatics-consuming industries would be faster as compared with steel industry. The deficit in benzene supply would have to be bridged by the production of benzene from petroleum sources.

The cost of calcium carbide production in this country is high and the quality is relatively poor. This is due to high cost of electricity and non-availability of proper quality limestone and coke required for carbide manufacture. The sale value of acetylene from carbide in the country is estimated to be as high as 85-90 nP/lb. There is a growing realisation that it is impractical for the organic chemical industry to use high cost acetylene from calcium carbide, especially when availability of cheaper acetylene/ethylene from naphtha crackers is in the offing.

It has been recognised by all concerned that the above materials would not be able to meet the ever-increasing demand of "Building Blocks" (i.e. basic raw materials—ethylene, propylene, butadiene, etc.). Hence, to meet the need of "building blocks," the country must turn to petroleum sources. Petroleum naphtha cracking units would be able to provide a wide range of basic raw materials at low cost for the projected organic chemical industry like plastics, synthetic rubber, detergents, etc. Chart I shows the host of chemicals that can be derived from petroleum.

The Indian automobile industry is still in its infancy and, therefore, the demand for gasoline in the country is small. Consequently, the existing four refineries plus three projected refineries would produce larger quantities of naphtha than may be used for the manufacture of gasoline. With all the seven refineries operating at full capacity, there will be a surplus of naphtha variously estimated at 500,000 to 900,000 tons in 1966 after meeting local gasoline demand. This naphtha surplus would be utilised for fertiliser manufacture, and for production of "building blocks" by steam cracking.

Basic Organic Chemicals Requirements

Petroleum-based raw materials would be contributing a greater percentage of the share of basic raw material requirements of the organic chemical industry. Table A below shows the estimated requirements of basic organic chemicals in the country during the third and fourth Plan periods. Due to the recent national emergency, these requirements will go down to some extent, but it is difficult at this stage to predict its effect on the growth of chemical industry.

Table A : Estimated Requirements of Basic Organic Chemicals

(All in tonnes/year)

	1965-66	1970-71
Alcohol	198,000	265,000
Methanol	25,000	60,000
Acetylene	24,000	59,000
Ethylene	47,000	165,000
Propylene	18,000	70,000
Butane/butylene ..	60,000	155,000
Benzene	80,000	170,000
Toluene	4,000	6,000
Oxylene	9,000	30,000
Naphthalene ..	12,500	15,000

In order to emphasise the importance of petrochemical industry in India, we discuss below several of the industries and bring out the contribution of petrochemicals for their development.

Plastics

During the last few years, the Indian plastics industry has emerged from the state of infancy and is now developing at an accelerated rate. The industry today occupies an important position in India's economy, with a capital outlay of about Rs. 220 million (Rs. 22 crores), and the investment is expected to increase at least at an annual average of Rs. 50 million (Rs. 5 crores) for the next five years. Despite the accelerated growth of the industry, the *per capita* consumption of plastics remains today at only 0.18 lb. This hardly compares with that of 0.66, 2.00 and 9.02 lbs. in Turkey, Spain and Italy, respectively.

In 1966, when the demand potential for plastics reaches 133,000 tons, their manufacture will require considerable quantities of chemicals. The major portion of these will have to be based on petroleum sources. Some portion will also be based on coal-tar products, alcohol, and products from other industries. Table B and Table C, respectively, give the estimated plastics requirements and raw materials required for their manufacture.

Table B: Estimated Plastics Requirements

(All in tonnes/year)

	1965-66	1970-71
Major Thermoplasts		
Polyethylene ..	36,000	115,000
Polypropylene ..	4,000	20,000
P.V.C. ..	30,000	75,000
Polystyrene ..	20,000	50,000
	90,000	260,000
Other Thermoplasts		
Cellulosics	7,000	10,000
Others (P.V.A., polyurethane, etc.) ..	13,000	70,000
	20,000	80,000
Thermosets		
Phenol-formaldehyde..	8,000	18,000
Urea-formaldehyde ..	11,000	26,000
Others (melamines, etc.)	4,000	16,000
	23,000	60,000
Grand total ..	133,000	400,000

Table C: Estimated Building Block Requirements for Plastics Industry

(All in thousand tonnes/year)

	Total		From petroleum source	
	1965-66	1970-71	1965-66	1970-71
Ethylene	45.0	138.0	24.0	117.0
Propylene	4.5	22.0	4.5	22.0
Benzene	18.5	46.0	11.0	30.0
Phenol	2.5	6.0	2.5	6.0
Phthalic anhydride	9.0	21.0	4.0	10.0
Formaldehyde ..	3.0	7.0	3.0	7.0
Urea	3.0	7.0	3.0	7.0

Judging from the slow rate of construction of new plants and particularly because of the national emergency, it is more or less certain that plastic production targets shown in Table B will not be attained to the fullest extent. Nevertheless, petrochemical raw materials alone will permit its development.

Rubber

Until 1930, practically all the raw rubber produced in India was exported. But, with the implementation of India's five-year development plans, the consumption of rubber has completely outstripped domestic production. As a result, year by year larger quantities of raw rubber are being imported.

From the point of view of savings in foreign exchange, the gap between demand and supply must be filled by maximising the proportion of synthetic rubber to the fullest extent. Until 1955, the consumption of synthetic rubber by the Indian rubber industry was very insignificant. Since then, however, it has shown a continuous increase as shown in Table D.

Table D: Synthetic Rubber Consumption

(All in tonnes/year)

	Total rubber consumption	Synthetic rubber consumption	Synthetic rubber as % of total
1952 ..	23,167	18	0.08
1955 ..	30,151	106	0.35
1958 ..	42,059	3,252	7.73
1960 ..	57,800	6,900	11.94
1961 ..	64,000	9,600	15.00
1965-66* ..	138,000	73,000	52.80
1970-71* ..	300,000	180,000	60.00

* Estimated.

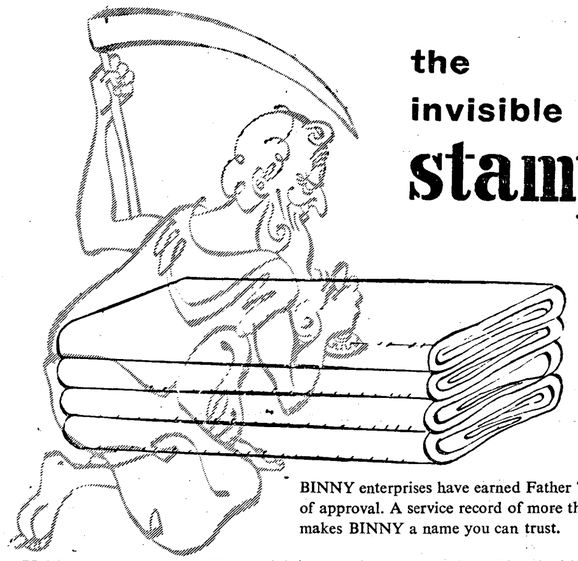
The production of synthetic rubbers are not only necessary to fill up the gap between demand and supply of natural rubber but they have special properties, are often cheaper, and have a steadier price. Their demand will therefore continue to rise.

Synthetics and Chemicals Ltd. (Bareilly) have been licensed to manufacture 30,000 tons/year of SBR synthetic rubber. This plant will utilise alcohol and benzene as the basic raw materials. The rest of the rubber deficit will have to be met by synthetic rubbers based only on petrochemicals. The suitable types of synthetic rubbers for the country are SBR, Butyl, Polybutadiene and Polyisoprene. Table E below shows the raw material requirements for all these varieties of synthetic rubbers.

If all the 73,000 tons rubber deficit in 1966 is met by indigenous synthetic rubber production, the foreign exchange savings (at the approximate rate of Rs. 3,000 per ton) would amount to Rs. 219 million (Rs. 21.9 crores). Even after allowing for foreign exchange component of plant investment and repatriation of dividends and loan payments, India would save significant quantities of foreign exchange.

Synthetic Fibres

Even at the low *per capita* cloth consumption rate, India has to import cotton, wool and other yarns. To bridge the gap India must



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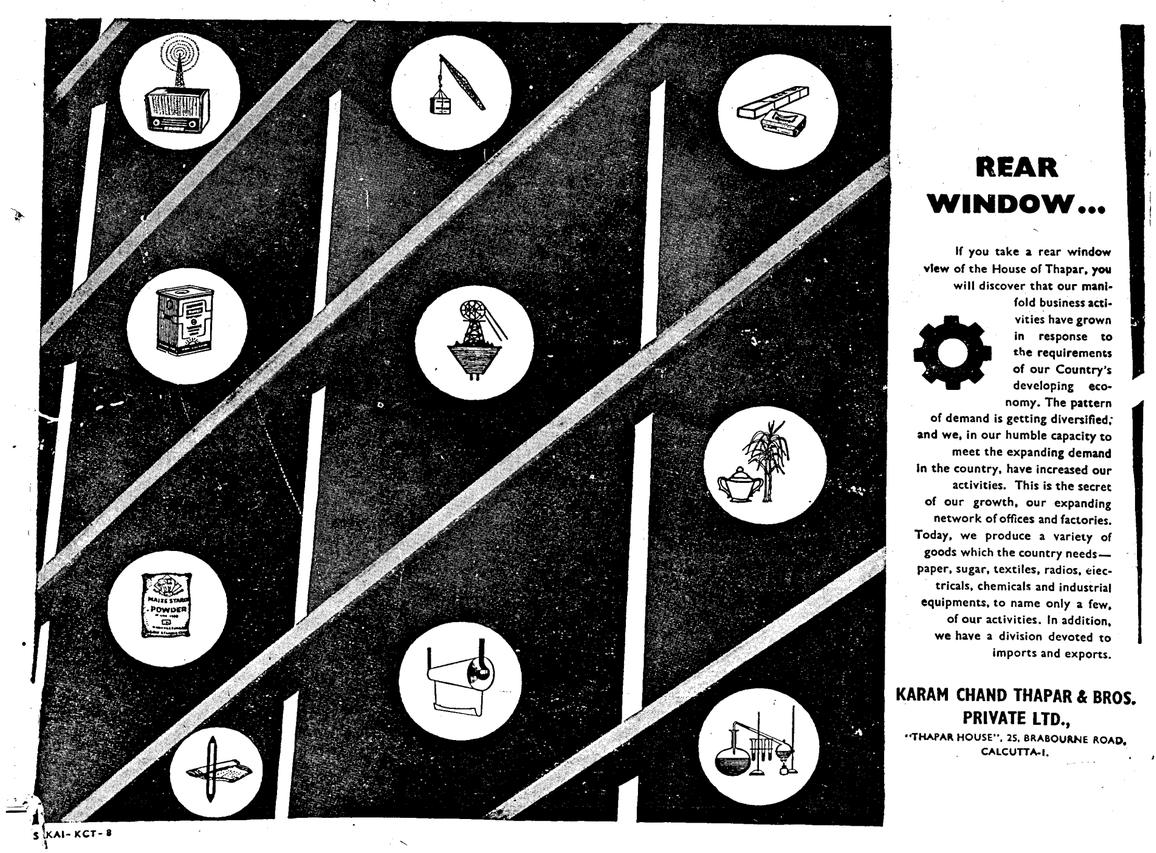

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duce regenerated (rayon) and other synthetic fibres. Consumption of man-made fibres increased from 57 to 140 million lbs. within ten years (1951-60). The third Plan has set the 1966 target for man-made fibre production at 215 million lbs., inclusive of 10 million lbs. of non-cellulosics.

The production of non-cellulosics like nylon, terylene, acrylics and polypropylene is increasing rapidly in U.S., U.K., Japan and other Western countries. India will also have to increase the production of synthetic fibres. It will have to be based on raw materials available from petrochemical industry.

Upto now, the Government of India has approved the following synthetic (non-cellulosic) fibre manufacturing capacities:

(a) *Nylon*: Five companies have been given licences for manufacture of total 14 million lbs. of nylon.

(b) *Terylene*: I.C.I. have been given a licence to produce 4.5 million lbs./year of terylene.

(c) *Acrylic*: Birla Bros. have been licensed for a 7.5 million lbs./year of acrylic fibre plant.

Two units have been approved to produce caprolactum used for nylon manufacture, with a combined annual capacity of 21 million lbs. This will need about 9,500 tons of phenol. Since coal carbonisation will yield only 2,000 tons of phenol, the balance will have to be synthesised from benzene available from petrochemical industry. This will need 8,500 tons of benzene and 4,700 tons of propylene if phenol is produced by cumene route.

I.C.I. expects to meet the raw material requirements for terylene plant by imports in the initial stages. This plant will require ethylene glycol (1,000 tons) and p-xylene (1,700 tons) as basic raw materials. National Organic Chemicals have been granted licence to produce 1,000 tons/year of ethylene glycol which will be produced from ethylene obtained from a naphtha steam cracker. There is no firm project yet for the production of p-xylene. However, production of p-xylene via petrochemical route is creating interest in the country.

The acrylic fibre plant of 7.5 million tons/year capacity licensed to Birla Bros. would use gas from the Assam Oilfields and produce via the acetylene route. However, the recently developed process is based on propylene available from a naphtha steam cracker.

Detergents

The synthetic detergent industry in the country is still in its infancy and presents very attractive possibilities for future growth. The present detergent production of 2,650 tons/year is much smaller than the third Plan target of 20,000 tons/year. Development of the synthetic detergent industry is essential to avoid imports of vegetable oils for the manufacture of soap. The latter cause an annual foreign exchange drain to the tune of Rs. 16 crores.

The most important raw material, Dodecyl Benzene (DDB), is at present entirely imported. Many schemes are afoot in the country for manufacture of Dodecyl Benzene. The production of basic raw materials for DDB manufacture, viz., propylene tretramer, is expected to be started soon after propylene from steam crackers, or refinery gases is made available to the potential manufacturers.

Dyestuff

Although the Indian dyestuff industry is of recent origin (1953), a firm footing has already been established. Annual production has increased sevenfold between 1953 and 1961, from 1.6 to 11.5 million lbs. However, about one-third of the market demand is still met by imports. The third Plan has set the target to make the country self-sufficient in most of the important dyes by 1966 with an annual production of 25 million lbs.

The major drawback of this industry has been the dependence on imported intermediate chemicals. The ultimate savings in foreign exchange by the dyestuff industry is at present to the extent of not more than 25 to 30 per cent. Plans are ahead to make the country self-sufficient in this respect also by 1966 in most of its requirements. The dyestuff industry requirements by 1966 of the basic aromatic raw materials, that is, benzene, toluene and naphthalene are expected to be 7,000, 2,800 and 6,000 tons per annum, respectively.

Table E: Estimated Building Block Requirements for Synthetic Rubber

(All in 1,000 tonnes/year)

	SBR		Polybutadiene		Polyisoprene		Butyl	
	1965-66	1970-71	1965-66	1970-71	1965-66	1970-71	1965-66	1970-71
Plant capacity	30	30	30	30	..	30	10	30
Ethylene ..	2.3	2.3	..	..	..	..	..	..
Propylene ..	..	..	..	..	..	69	..	..
Butadieno ..	22.4	22.4	31.2	83.2	..	..	..	..
Isobutylene ..	..	..	..	..	..	..	11.1	33.3
Isoprene ..	..	..	..	..	..	..	0.4	1.1
Benzene ..	6.2	6.2	..	..	..	..	..	..

NOTE:—*All raw material requirements, excepting those for SBR, have to be met by petrochemical source.*

The dyestuff industry is localised in Western India. There are no coal reserves in the western part of India, and the nearest coal carbonisation plant is at Bhilai, about 600 miles from Bombay. A petrochemical aromatic producing plant around Bombay/Gujarat, therefore, would be a good source for the supply of the abovementioned aromatics to the dyestuff industry.

Fertilisers

In order to meet the large increase in the demand for nitrogenous fertilisers and to achieve the targets of agricultural production, steps have been taken in the third Plan to increase the production of fertilisers. The demand for nitrogenous fertilisers by the end of the third Plan period is anticipated to be one million tons (of equivalent nitrogen). Against this demand, 1.3 million tons production capacity has already been licensed by the Government.

Hydrogen required for fertiliser production can be obtained from coal, electrolysis of water, lignite, coke oven gases or refinery naphtha/gases. Large quantities of coal are found in Bengal and Bihar and to some extent in Andhra Pradesh. Coal transportation from these places to any other part of India is a serious bottleneck today. Lignite is available only in Madras and Rajasthan States. Transport problems exist for this raw material also. Due to power shortage and high cost of electricity, new fertiliser plants cannot be based on electrolytic hydrogen.

As mentioned earlier, India will have surplus naphtha after meeting the local gasoline demands. It is claimed that the cost of producing fertiliser from naphtha is generally lower than from any other abovementioned sources. Table F below shows the naphtha requirements of different projected fertiliser plants in the country.

Under the present circumstances, it is unlikely that the targets set for nitrogenous fertilisers manufacture during the third Plan will be achieved fully. Several private sector fertiliser projects have been approved for construction during the third Plan, but the promoters are finding many difficulties in organising their projects with respect to foreign exchange, know-how and raw material resources. The projects licensed in the public sector during the third Plan would also have to face most of these difficulties and will take some time before they come into operation. It has been mentioned that actual nitrogenous fertiliser production capacity by the end of third Plan will be of the order of 700 to 800 thousand tons (nitrogen equivalent) as against the licensed capacity of 1.3 million tons.

Conclusion

The chemical industry has established an impressive record during the last twelve years of planned development. This record will improve substantially as the country progresses towards self-sufficiency. In the coming years, the organic chemical industry will steadily continue to assume greater importance. Due to limitation of other resources (e.g. molasses, coal tar) this industry will have to rely heavily on the petrochemical industry to provide the basic feedstocks.

Table F: Naphtha Requirements for Fertiliser Plants

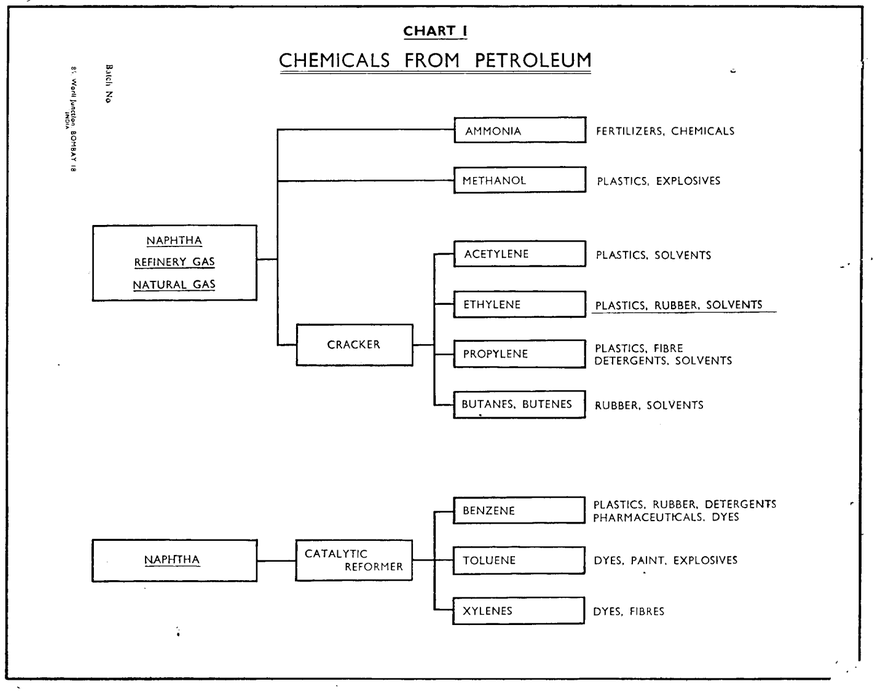
	Tonnes/yr.
Fertiliser Corporation of India (Trombay)	45,000*
Fertiliser Corporation of India (Gorakhpur)	80,000
FACT (Alwaye)	62,000
Gujarat State Fertilisers (Ankleswar)	40,000*
East India Distilleries (Madras).	8,000
East India Distilleries (Vishakhapatnam)	80,000
Shaw Wallace (Mangalore) ..	100,000
Kothari and Sons (Tuticorin) ..	33,000

* 50 per cent. of the requirements to be met by refinery/natural gas.

Construction of new refineries and expansion of existing ones in the country will make surplus petroleum naphtha available for conversion into "building blocks." With the availability of this surplus raw material (naphtha), it should be possible to build large-size naphtha cracking units. Petrochemical industry, being capital-intensive and amenable to considerable increase in production capacity at marginal increase in cost, should provide "building blocks" at cheaper prices, and this, in turn, would contribute to lower cost of end-products.

CHART I

CHEMICALS FROM PETROLEUM



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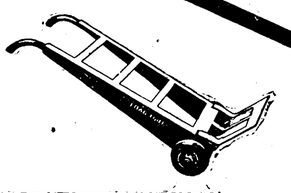

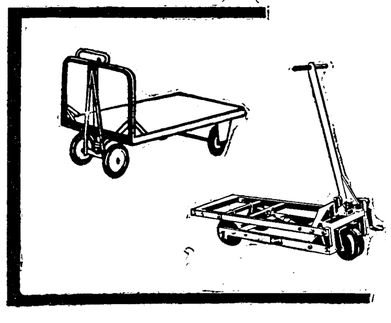

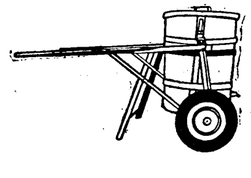

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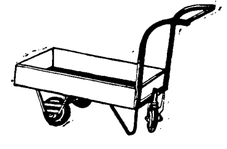


S-LE-332

NEEDS OF ENGINEERING INDUSTRY

Underutilisation of Capacity a Major Problem

By K. L. CHOWDHURY

PRESIDENT, ENGINEERING ASSOCIATION OF INDIA

THE engineering industry has made phenomenal progress during the past decade. During the first two Plans, the industry, which previously used to supply railway equipment and manufacture simple products, has diversified itself a good deal, and now produces industrial machinery and consumer products involving considerable skill and advanced production technology. Perhaps, the best indication of the enormous progress lies in the fact that some of our manufacturers are now in a position to provide new industrial projects with the technical know-how and collaboration which had formerly to be imported from abroad.

The industrial base, as a consequence, has widened. The following table will give an idea of the overall progress so far achieved:

TABLE No. I

Progress of Engineering Industry

Year	*Output (Rs. in crores)	Index of industrial production Base—1951		
		General and electrical engineering	Manufacture of machinery except electrical machinery	Electrical machinery apparatus and appliances
1956..	152	218	215	210
1957..	185	241	296	247
1958..	202	254	364	274
1959..	233	288	423	296
1960..	284	354	550	385
1961..	324	419	617	431

*If output of heavy engineering industry is also added, it will amount to Rs. 500 crores approximately for the year 1961.

Third Plan

In the third Five-year Plan, on the development of engineering and metallurgical industries, an investment of Rs. 1,274 crores is envisaged. Of this, Rs. 1,100 crores are going to be invested in iron and steel, heavy casting and forging, heavy electrical equipment and heavy machine building projects; Rs. 117 crores will be invested in transportation industries and Rs. 57 crores for the development of light electrical and mechanical engineering industries. The basic objective of the third Five-year Plan is to lay the foundation of further rapid industrialisation, because, without building machines, we cannot build a strong self-generating industrial economy. For this purpose, special emphasis has been laid on the development of the basic capital and producer goods industries. A few years ago, we hardly built some machines and machine tools. During 1960, Rs. 160 crores worth of machinery and equipment were produced and, by the end of 1965, we will be producing, if everything goes well, Rs. 500 crores worth of industrial machinery alone.

Industrial licences issued by the Government, under the Industries (Development and Regulation) Act, throw considerable light on the fast and accelerated growth of engineering industries. When the above Act came into force, 1,013 firms got themselves registered with the Development Wing, and, subsequently, upto December 1961, 2,894 licences were issued, out of which 1,025 were for new units, 711 for the manufacture of new articles and 689 were for substantial expansion of the existing units. The fact remains that, had the foreign exchange bottleneck not been there and had the industrial licensing machinery been a little bit more streamlined, the issuance of licences would have been still more.

While all this constitutes a record of achievement, it does not mean that all is well with the engineering industry. The second year of the third Plan is going to pass and the industry has got still a few formidable challenges to meet. This brings us to the problems of the engineering industry.

Rising Costs—A Serious Problem

The problem of increasing cost of production in the engineering industry is one which must be solved without any further loss of time. Successive increases in costs have been brought about as a result of increasing cost of pig iron and steel, shortage in the supply of fuel and power and rising wage spiral without adequate increase in productivity. Costs have been rising since 1956, as would be observed from the following figures:

TABLE No. II

Increase in Cost of Production

Year	Input (Rs. in crores)	Output (Rs. in crores)	Input as percentage of output
1956	86	134	61.6
1957	104	162	64.3
1958	112	174	63.7
1959	128	199	64.5
1960	159	239	66.0
1961	181	267	67.5

From these figures, it would be observed that there is a steady rise in the input factor without a corresponding increase in its ratio to output. As cost of production increases, the profitability of the industry declines and, even though the industry expands and develops, its competitive position gets adversely affected. The object of export promotion cannot be realised in the face of rising production cost. It is, therefore, essential that prices must be held in check and productivity of labour increased, in order to make the engineering industries compete in world markets.

Idle Capacity

There are several engineering industries where capacity is not fully utilised. Aluminimum wire rods, copper pipes, and tubes, copper sheets and circles, lead (virgin metal), lead pipes and tubes, expanded metal, motor cycles, trailers, etc., are some of the industries where capacity utilisation is very low. This has a number of serious consequences, but its contribution in enhancing the cost of production is quite appreciable.

In view of the above circumstance, it is imperative that the Government should stop further industrial licensing in such industries where there is large unutilised capacity. Even in such cases, where it is considered to be necessary to issue a licence for regional considerations, the existing units should at first be asked whether they are interested in shifting their plant to that region.

Shortage of Steel

The steel situation in the country is very disquieting. Production is falling behind schedule, the gap between supply and demand is widening and the prospects of attaining the third Plan targets appear bleak. According to the Planning Commission, production of finished steel in 1960-61 was to be 3.5 million tons, increasing to 4 million tons in 1962-63, 4.3 million tons in 1963-64, 5.5 million tons in 1964-65 and 6.8 million tons in 1965-66. However, in 1961-62, the production has averaged around 2.8 million tons only, the production of flat products being only ten per cent. Thus, it is clear that even the second Plan target has not yet been achieved. The shortfall of about 700,000 tons cannot easily be made up.

The demand for engineering industry alone has been estimated to be about 1.7 million tons in 1961-62 and 1.5 million tons in 1962-63. As against this, the supply of steel to the steel processing industries has been only 153,000 tons in 1960-61. For April-July in 1961-62, about 91,500 tons have been made available, as against the demand of about 300,000 tons for restricted categories. At present, only about 30 per cent of the requirements of the industry are being met.

Steel is likely to be in short supply for quite sometime. Therefore, both long-term and short-term measures are necessary to enable the industry to carry on the production. As far as long-term measures are concerned, the overall supply of steel needs to be augmented. Besides establishing the fourth steel plant at Bokaro, the existing steel plants can be further expanded depending upon the circumstances. As far as short-term measures are concerned, a procedure may be laid down by which the industry knows beforehand as to how much steel will be available to it for consumption during the next six months and of what specifications. It must be emphasised that the industry needs steel of very precise quality, specifications and sizes. This keeps its machining and fabrication costs low.

Shortage of Pig-Iron

Pig Iron, which was available in plenty in 1960 and a part of 1961, is now in short supply. The total demand for pig iron is about 1.2 million tons. But the availability is only about 600,000 tons. Of this, about 370,000 tons are going for the fabrication of sleepers, with the result that commercial foundries are not likely to get more than 25 to 30 per cent of their demand. Coupled with the shortfall in the overall supply position of pig iron, supply of graded pig iron is all the more acute. Government had expected that about 350,000 tons of pig iron from the fourth steel plant at Bokaro would be available in the third Plan period, but this source of supply is not in sight. The only course open appears to be to create conditions for the establishment of low-shaft blast furnaces in the private sector on an urgent basis. If this is not done, the commercial foundries would greatly suffer and even the Government projects cannot be put into operation.

Shortage of Coal and Coke

The coal and coke crisis, brought about by the inability of railways to move the entire offerings, is another inhibiting factor so far as engineering industry is concerned. In order to relieve pressure on rail transport in the north-eastern region, road permits are being issued. But there are serious lacunæ, as, for instance, the bottlenecks in inter-State road transport. Unless all these difficulties, in general, and the difficulties of lorry operators, in particular, are removed, the shortage is bound to be there.

Moreover, freight rates have been so developed that long-distance railway transport is partly subsidised by the shorter hauls in the north-east and industrial consumers in Bengal, Bihar region have to accept their coal and coke by road, with the resultant increased costs and inconveniences. It has also been reported that, as the long-distance carriage of low-quality coal with a high ash content is a waste of transport space, consumers situated nearer the coalfields are under constant pressure to accept lower grade coals, with a consequent reduction in their efficiency and operational costs.

Shortage of Power

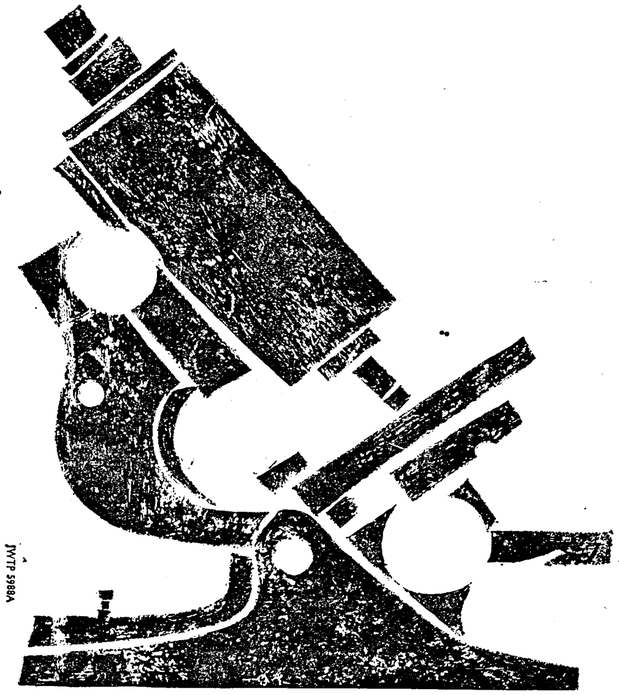
Breakdowns of power plants, causing load shedding in different States, have become nowadays a regular phenomenon throughout the country. In fact, within the first two years of the third Plan, we have started feeling the pinch of these breakdowns here and there, causing the industries to incur huge losses. These losses are not only in terms of profits of entrepreneurs, but also in terms of national wealth, since it tells upon the efforts for cost reduction, export promotion and the like—so vitally necessary for the growth of our economy—besides effecting the life of plant and equipment installed. Breakdowns, in all the above cases, nevertheless, indicate that margin of safety in the demand-supply equation has not been provided for in the major consuming areas. In order to avoid recurrence of any such deficiency in future, the power plan should be formulated on a realistic basis.

The Union Ministry for Irrigation and Power is reported to have set up, in consultation with the Planning Commission, a Planning Group for chalking out a long-term power development programme. The group, it is learnt, will prepare a programme for the fourth Plan with the ultimate target date going even beyond it. In other words, it will take into consideration the load demand beyond the fourth Plan period in estimating the load target for the fourth Plan. With bitter experience of power shortages, the reported venture of the Planning Group has to be welcomed.

But the implementation of the programme that will be chalked out by the Planning Group will require no less than three to four years and power shortage is, therefore, likely to persist for a few years more. Consequently, certain short-term remedies require to be adopted to meet this deficit at temporary measures.

In the first instance, the private entrepreneurs should be encouraged to go in for power generation whenever they are prepared to do so. Secondly, better returns should be provided for investment in electrical undertakings. Janab Hafiz Mohammed Ibrahim, Union Minister for Irrigation and Power, assured sometime back, in last December in Bombay, that slight increase might be permitted, but nothing further was heard from New Delhi. Thirdly, power may be diverted from wherever a temporary surplus may exist. Fourthly, power holidays may be introduced in different States and power that will thus be available from the holiday area may be utilised in some other deficit area. Fifthly, it should be ensured that supply of better grade coal to thermal units can be improved with supplies of better quality of coal.

In fact, power needs more dynamic and imaginative handling than has hitherto been done, in order to get rid of the crisis that is showing up every now and then in the industrial sector of our national economy, causing anarchy in our production process.



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Pharmaceuticals' Growth Spectacular

Research Must Receive Greater Attention

By GAYLORD J. HOFTIEZER

FIFTEEN years is not a long time in the history of an industry—yet 15 years ago, the Indian pharmaceutical industry was almost completely dependent on foreign imports of raw materials, and the final products were largely manufactured abroad and imported in a fully finished form.

At that time, pharmaceutical production in India was valued at approximately Rs. 12 crores. Today, annual pharmaceutical production has jumped over the Rs. 90 crores figure. It is a story of success and phenomenal growth in the short history of India's industrial revolution. In just the past five years, the production of penicillin and sulpha-drugs has more than tripled. New drugs have been introduced recently for the treatment of tuberculosis and, among plant products, the production of some of the alkaloids such as reserpine, morphine, emetine, ephedrine, and atropine have been started. Pioneering efforts in synthetic drugs, as well as in antiprotic and antidysentery drugs, have also begun. The Government has made an impressive step forward in building their modern research centre at Lucknow, and private industry, too, has now entered the field of basic research with the new CIBA Centre for fundamental biological and chemical research at Goregaon, Bombay.

It sounds like an impressive story, and it is. Pharmaceuticals are one of India's major industries, with a capital investment of over Rs. 70 crores. There are more than 3,000 licensed manufacturers, both large and small, employing more than a lakh of persons.

Foreign Investment

There are two ways of dividing the pharmaceutical industry in India. There are the foreign firms (working independently or in collaboration with Indian firms), and the Indian manufacturers. Another way of categorising, although this is a rather dangerous thing to do when there is a great deal of overlapping, is between the private and Government-sponsored companies. Aid in the form of loans and technical assistance in the form of personnel or machinery have come from a broad variety of sources. The Indian Government itself has financed some projects within the pharmaceutical industry; the Soviet and American Governments, in addition to the United Nations, have also contributed in loans and technology.

These are rather general statements and one must examine the industry more carefully to find a truer picture. For example, Soviet assistance has been in the form of loans and technology only in the public sector. Although there has been some financing of several Indo-American companies from Public Law 480 funds under the Cooley Amendment, they have been small in comparison to the capital investment made by the private American firms. The same is true of the U.K. and Swiss companies. Although one is not aware of any noticeable political or psychological competition between the public and private sectors, it is interesting to see the two types of organisations, and the overlapping, of both private and Government-sponsored pharmaceutical development in India.

The same situation is somewhat true in other industries, but the very broad international character, and the wide range of capital investment sources, make the pharmaceutical industry unique as a study or pilot project in international industrial co-operation in the largest democratic nation in the world. Let us take a few case studies or examples to illustrate this bird's-eye view of the pharmaceutical industry.

Per Capita Expenditure

First of all, the market. In India, the average person spends about Rs. 2.50 annually for drugs as compared with $7.00 (Rs. 33) in the U.S., £1.5 (Rs. 20) in the U.K., and DM 30 (Rs. 34) in West Germany. Although *per capita* consumption of pharmaceuticals is still low in India as compared with other countries, it must be remembered that prices are somewhat lower here. It should also be pointed out that it is estimated that over 50 per cent of the consumption of drugs is by a metropolitan and above-average-income group. Many of the rural areas of India are still hard to reach conveniently in effectively dispersing medicines. Also the scarcity of doctors, clinics, and qualified chemists in the rural areas, in addition to the lower purchasing power of the villager or farmer, have left a sizable potential market untapped of the greater portion of India's 440 million people. In order to reach this market, the pharmaceutical industry must be able to obtain raw materials and intermediates at world market prices and should be able to resort to automation. The Western world is ahead of India in the latest and best drugs or medicines, and new discoveries or the introduction of better products offers a challenge to those pharmaceutical firms in India.

Hindustan Antibiotics, one of the examples of a growing Indian firm, financed by Government Funds, has made impressive gains in the manufacture of penicillin, producing over 40 million mega units annually. U.N.I.C.E.F. financed the purchase of some of the machinery for Hindustan Antibiotics and W.H.O. trained technicians. A streptomycin plant was finished in March of 1962, with an annual capacity of 40 to 45 tons, and yet this is still not nearly enough to meet the demand, for Hindustan Antibiotics is now doubling its size, making it one of the largest in the world. The new antibiotic plant of Alembic Chemicals also produces 20 million mega units of penicillin per annum.

In the Government's third Five-year Plan, the following production goals have been set for 1965-66:

		Units
Penicillin	m.m.u. ..	120
Streptomycin	tons	150
Tetracycline	,, ...	50
Chloramphenicol ..	,, ...	50
Sulpha drugs	,, ...	1,000

Four projects in the public sector for the manufacture of synthetic drugs, antibiotics, phytochemicals, and surgical instruments have been undertaken with Soviet assistance. For this purpose, a company called India Drugs and Pharmaceuticals has been formed, with an authorised capital of Rs. 40 crores. The Soviet Union has extended credit of 80 million roubles (Rs. 9.5 crores) to meet foreign exchange expenditure. The proposed units that are expected to go into production by 1964 include the antibiotic plant at Rishikesh, Uttar Pradesh; the synthetic drug plant at Sanatnagar, Andhra Pradesh, to produce sulpha drugs and vitamins; the phytochemical plant at Nerimangalam in Kerala, to produce 76 tons of active substances from plant products; and the surgical instrument factory near Madras.

As a contrast to the Soviet interests in the public sector, the many American companies representing private enterprise reveal an interesting example. The complexities of American investment are much greater and show a broader, and certainly more versatile scheme of investment and technical assistance than the Soviets.

Variety in Private Sector

Some examples of private sector investment reveal an interesting picture.

Merck, Sharp and Dohme of India, affiliates of the American Merck Sharp and Dohme International, furnished some technical assistance for the Indian streptomycin plant at Pimpri, and joint ventures of Merck are evidenced by the Merck-Sarabhai vitamin C plant at Baroda, and the financial collaboration with Tata Chemicals in other fields such as steroids, vitamins, and diuretics.

Other Indo-American projects are Lederle's antibiotic fermentation plant at Bulsar in conjunction with Atul; Pfizer's new manufacturing plant for an anti-tuberculosis drug; Johnson and Johnson's plant at Mulund in collaboration with K. M. Premchand; Squibb and Sarabhai forming Synbiotics Limited; Wyeth, American Home Products, and Geoffrey Manners are undertaking a sizable joint venture and plans are under way for the construction of a factory; and Parke Davis, too, are expanding in collaboration with Indian capital.

CIBA of India Limited, Roche Products Limited, Sandoz (India) Limited, and Suhrid Geigy Limited are four of the largest Swiss affiliates. Both Roche and Sandoz opened new factories in 1961. CIBA, the largest and oldest of the Swiss group, has a modern manufacturing plant that was built in the fifties in Bhandup. It is interesting to note that a sizable portion of CIBA stock is owned by Indian nationals and that the Geigy venture is also Indo-Swiss. BIBA has also recently formed a new company called CIBATUL for the manufacture of some intermediates with Atul Products Limited.

Hoechst Pharmaceuticals Limited is one of the largest Indo-German companies with a factory at Mulund.

One example of British private investment is Glaxo Laboratories Ltd., which had its origin in India as an infant food manufacturer and was one of the earliest companies to expand and build a pharmaceutical factory in 1947, just at the time of India's independence, and they twice again expanded in the fifties. They now market over one hundred ethical products in India. Other well-known British pharmaceutical firms here are May and Baker, British Drug Houses, and Boots Pure Drug Company.

Because the growth of the industry has been spectacular in speed and size, there are problems to overcome. For example, the drug industry is sometimes hampered by the slower pace of the chemical industry for the manufacture of organic intermediates. In order to try to overcome this problem, the Government will establish the Central Intermediate Plant near Bombay (where most of the drug companies are located) which will produce 5,000 tons of 30 or 40 intermediates annually.

Another problem is that exports have not risen considerably in the past five years remaining at about Rs. 1 crore annually. The high cost of raw materials, containers, cartons, and higher prices of intermediates are the major obstacles. While Indian (or those foreign affiliate) companies may economise on packaging—that is the quality and design of the particular carton, bottle, or tube—in order to reach the greater lower economic groups in India, but still maintain the actual product quality, they must also be adaptable to a higher standard of "appearance" or package design for competition outside India. If the label is poorly printed, or if a cardboard box and glass bottle must compete with sleek plastic containers, the consumer is going to be suspicious of the quality of the product. Better packaging design must come eventually, but, in the meantime, India is losing out on precious foreign exchange.

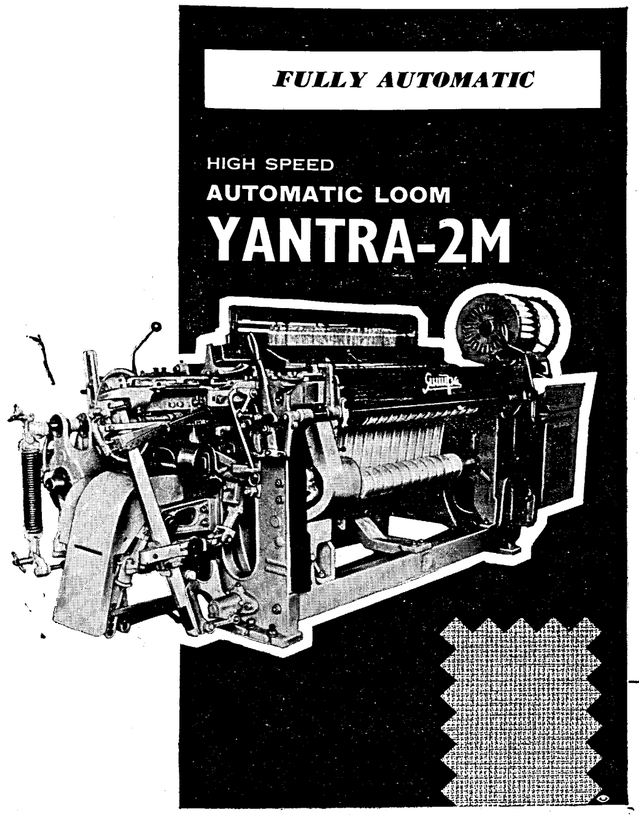
Because of the foreign exchange shortage, Government has issued an increasing number of import restrictions on many of the essential raw materials and chemicals that go into making drugs, thus forcing many of the manufacturers to adapt their needs to locally available raw materials, or to build their own chemical manufacturing plants. Nevertheless, in an industrially developing country such as India, every precaution has to be taken and encouragement given to local production and manufacturing in order to reach the goal of self-sufficiency.

Drug testing facilities have not always kept pace with the fast growth of the industry. There are eight thousand types of drugs manufactured in the country which should all be tested but could not be, due to inadequate facilities and untrained personnel. This is not a problem particular to India, however. A recent investigation in the United States revealed somewhat the same problem there. The larger companies in the industry in both the U.S. and India have, however, kept up the standard of their own testing.

Research Needs

Medicines peculiar to the needs of a tropical area, such as South Asia, were, and in some cases still are, scarce. Many firms do not have the resources to start research on a scale necessary to develop and discover new medicines for India. The Government, in its present Five-year Plan, has made a plea to private industry to begin basic research. It would also open the possibility of earning foreign exchange from new drugs discovered and manufactured here for export. Yet, the tremendous capital investment in setting up a modern basic research organisation, plus the many uncertainties of discovering that one drug which might pay-off, have so far discouraged most private companies.

The Central Drug Research Institute at Lucknow and the CIBA Research Centre at Goregaon, when it opens, will be the only two fundamental research organisations working full time in biological and chemical research in India. Now that the industrial revolution in India is in full swing, and striving to meet the colossal demands of 440 million people, the next step is basic research that will be the source of new discoveries to better fit the special pharmaceutical and medical needs of the Indian people, and research that will bring forth new products for export



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toiling in the furrowed fields.

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plant, flower and fruit.

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For a world that offers a little more—
a little less of the care, a little more of the joy.

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PAINT INDUSTRY—ITS GROWTH AND FUTURE

Imports Of Better Types Of Raw Materials Needed

By F. H. KAPADIA

TECHNICAL MANAGER, BRITISH PAINTS (INDIA) LTD.

THE origin of paint industry is often ascribed to a minor accident that took place in Holland nearly three centuries ago. Before this period, all colours were mixed with water and various natural gums, but, on this one occasion, a servant bringing a painter his lunch while he was working in water colour, spilled salad oil on his master's palette. He thereby not only revolutionised the painting on canvas but laid the foundation of a great industry.

Paint making remained a secret of the artist painter for over two hundred years. The paints made in this period were devoted to the pursuit of beauty. Today, in many galleries around the world are left the superb creations of the artists of those days—the human form in glorious studies where the play of light and shadow has been so vividly captured that the figure seems alive—scenes of nature where the colours have been so perfectly recreated that they bring the sunshine and the snows into a dark room—a basket of fruit so real that one is compelled to try and touch them. These masterpieces are often marked by colours produced from exotic sources as a result of a technique that was long and laborious. The pictures themselves show how well these paints have stood the test of time and clearly prove that paint, carefully prepared and carefully applied, endures for long periods.

Protector of the Steel Age

The Industrial Revolution ushered in the steel age, and the tremendous developments in technology leading to the manufacture of steel in large quantities brought with it its own problems. With iron and steel came rust. The usage of iron and steel has increased greatly in the twentieth century and the damage by corrosion has kept pace, though, fortunately, at a lower rate. That steel rusts and reverts to the original condition of the oxide from which it was won, is a major handicap. This natural phenomenon is inherent in the nature of the metal itself and can be avoided only by totally changing it—as has been done in stainless alloy steels which are rust-free. But by far the greater amount of steel utilised is used as such and, while treatments such as metal plating and galvanising protected some of it, the most economical protection to tens of millions of tons of steel which are in use today is achieved through the use of a thin film of paint.

The Indian paint industry had its beginning at the turn of the current century in the city of Calcutta. A large company, with considerable shipping interests, started out to meet its own requirements. Almost sixty years have passed since then and today the country manufactures some 80,000 tons of paint and the development of the economy as planned will double this figure before 1970.

In the beginning the Indian paint industry was extremely small, consisting essentially of about a dozen units. The greater quantity of paints utilised in the country were imported and a substantial part of Indian manufacture was devoted to finishes in linseed oil. The Second World War provided a great stimulus, as the country was forced to utilise all its resources to meet the war effort and all units which were established during this period grew rapidly and acquired large shares of the local market. The great shortages of paint raw material continued for the period immediately after the war and, in the year 1948, India exported paints valued at sixty-two lakhs of rupees. In the next year, however, as production outside was stepped up and increasing normalcy prevailed, these exports fell sharply to thirty-three lakhs of rupees in 1949 and to only seventeen lakhs of rupees in 1950. In 1951, however, there was again considerable demand abroad and exports rose to the figure of sixty-eight lakhs of rupees, a figure which the industry is hard put to achieve today, in view of the extremely stiff competition from European, American, Japanese and Hong Kong manufacturers.

The past decade has been a period of real expansion. The number of units has grown, so that today there are some 53 units in the large-scale sector and between 200 and 300 small factories. The large-scale sector manufactures 80 per cent of the total production which is centred mainly in Bombay and Calcutta, Bombay producing slightly less. The growth of the engineering industry throughout the country has helped the establishment of several units in areas away from these two main centres and there are factories in Delhi, Kanpur, Hyderabad, Madras and small factories in almost every other manufacturing centre.

The third Plan envisages a very rapid expansion in the industry. This very rapid expansion will be due to the addition of 2½ million tons of steel, requiring 15,000 tons of paints per million tons steel, and 10 million tons of cement, requiring 3,000 tons of paint per million tons cement in the third Plan. The paint industry has had the support through sufficient imports to meet the expanding demands in the past and has grown from Rs. 8 crores in 1951 to over Rs. 20 crores in 1961. The present dearth of foreign exchange and the drastic reduction in imports of essential raw materials required by the paint industry so that it can continue to play its part, place both the industry and, it is submitted, the entire growing economy at an unnecessary and easily avoidable handicap. The imports required by the paint industry should be a first priority in any priority that is formulated.

A Thin Film of Paint

The need to give the imports required by the paint industry a first priority, in any priority that is formulated, can be very briefly justified. The expansion of the economy is going to utilise very large further amounts of steel and involves an extra investment in the new construction of major projects of about Rs. 1,000 crores. The value of paint required for protection against corrosion of this vast investment is about 2 per cent only of the total outlay—or Rs. 20 crores.

The value of the imported components required for the manufacture of protective paints will be between 10 and 12½ per cent or, approximately, Rs. 2½ crores, spread over the period during which the paints will be utilised on the various construction projects. To deny this essential import will increase the growing bill for corrosion losses in the country, the toll of which is already in the region of Rs. 50 crores on a conservative estimate

An Asset for Export Drive

Industrially, we are flourishing and our vastly improved engineering output is seeking new markets outside the country. Here they compete with similar items, electric fans, machine tools, sewing machine, bicycles, electric motors, diesel engines, pumps, etc., all protected by paints that modern paint technology has devised to meet the most drastic climates and working conditions. The superior finishing of competitors' products is a major sales handicap and the Indian paint industry should not have their imports restricted but expanded rather, so that the final finish of all our engineering products, worth perhaps less than 1 per cent of its sale value, is the same Silicone or Polyurethane or Epoxy or Acrylic that gives the superiority to the competitors.

That a thin film of paint, probably only five-thousandth of an inch thick, can make this difference is certainly true. Manufacturers of various equipment today are calling for more and more specialised paints to finish their products. Refrigerators and sewing machines cannot be painted with linseed oil paints or ships bottoms be protected with linseed oil. Linseed oil and our growing indigenous chemicals industry will play an important part in providing raw material for paints. But, until new industries develop which can offer the epoxies, the silicones, the polyurethanes, the acrylics and the vinyls and the newer water thinned phenolics, etc., which the paint industry needs to meet the demands of our growing industrial output and for the protection against corrosion of our entire industrial base, these materials should be imported in the quantities required and there should not only be any curb on the foreign exchange for the importa-

STATISTICAL PICTURE OF PAINT INDUSTRY

Programme of Development in the Third Plan

In assessing the requirements of paints and varnishes in 1960-61 at the time of the formulation of the second Five-year Plan, the production in the small-scale sector was not taken into account. The Small-scale Industries Organisation of the Ministry of Commerce and Industry carried out a survey of the paint, varnish and lacquer industry in 1957. According to this, the production in the small-scale sector was estimated at about 15,000 tons in 1957. Assuming that this rose to about 18,000 tons in 1960 in line with the trend in the organised sector, the consumption of paints and varnishes including nitrocellulose lacquers in 1960 may be estimated at about 70,000 tons.

The Paint Panel of the Development Council for Oils, Soaps and Paints has estimated the requirements of surface coating materials in 1966 at 160,000 tons. The paint consuming industries have large expansion programmes in the third Plan. In almost all cases the targets fixed for 1965-66 are more than double the achievements in the second Plan. The construction activities are also envisaged to increase considerably during the third Plan period. In view of these developments, a doubling of the consumption of surface coating materials during the Five-year period 1961-66 is not considered to be excessive. Thus, the requirements of surface coating materials in 1965-66 have been roughly estimated at 140,000 tons.

In order to obtain a production of the order of 140,000 tons in 1965-66, a capacity target of 160,000 tons is considered adequate.

It is roughly estimated that a capital investment of Rs. 2.0 crores will be required during the third Plan period for achieving the capacity target of 160,000 tons. Its foreign exchange component is estimated at Rs. 20 lakhs.

The additional employment expected from the development of the paints and varnishes industry in the third Plan is estimated at 5,000.

The following table summarises the development programme for the paints and varnishes industry in the third Five-year Plan:

	1960-61	1965-66
Capacity ('000 tons) ..	88*	160
Production ('000 tons).	52.5*	140

*Figures relate to the organised sector only.

Table 1: Capacity of Paint Industry

The State-wise distribution of the paint industry's capacity as reassessed by the Development Wing of the Ministry of Commerce and Industry is as follows:

	Number of factories	Annual capacity (Tons)
Maharashtra	23	34,000
West Bengal	19	39,500
Uttar Pradesh	5	8,100
Madras	3	2,000
Delhi	2	1,000
Andhra Pradesh	1	300
Total ..	53	84,900

Table 2: Capacity of Pigments

The position in regard to capacity of major pigments in 1956 and April 1961 is indicated below:

	1956 (Tons)	1961 (Tons)
Zinc oxide	12,360	18,000
White lead	3,720	3,720
Red lead	5,100	9,780
Titanium dioxide ..	1,800	3,600
Aluminium paste and powder	500	500

Table 3: Production of Paints

	Paints, varnishes and enamels ('000 tons)	Nitrocellulose lacquers (Lakh'gallons)
1955	39	3.0
1956	42	2.4
1957	42	2.7
1958	48	2.7
1959	54	3.0
1960	51	3.5

Table 4: Production of Paint Pigments

	Zinc oxide	White lead	Red lead	Titanium dioxide	Aluminium paste and powder
1955 ..	6,370	730	3,950	1,810	260
1956 ..	5,110	637	3,620	1,700	328
1957 ..	5,450	1,020	4,120	1,670	452
1958 ..	8,825	1,100	4,940	1,715	333
1959 ..	7,045	1,010	4,200	1,840	421
1960 ..	8,550	866	3,420	2,680	425

Table 5: Imports and Exports

The following table shows the position of total imports and exports of pigments, paints, varnishes and related materials for the four years ended 1960:

(Rs. lakhs)	Imports	Exports
1957	175.1	11.9
1958	106.4	11.3
1959	111.3	25.1
1960	164.7	27.5

Note: *All the aforesaid data and the programme of development in the third Plan are taken from the Planning Commission's publication entitled* "Programmes of Industrial Development."—ED.

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AUTHORISED CAPITAL - - - - - - - - - - Rs. 10,00,00,000
ISSUED AND PAID-UP CAPITAL - - - - - - - Rs. 7,00,00,000
TOTAL LOANS OUTSTANDING (as on 30th June 1962) - Rs. 49,61,58,295

AUTHORISED BUSINESS

(a) (i) Granting of medium and long-term loans and advances in Rupees to or subscribing to the debentures of public limited companies or registered co-operative societies engaged in or proposing to engage in the manufacture, preservation or processing of goods, or the generation or distribution of electricity or any other form of power, or mining, or shipping or hotel industry with an option to convert at its discretion the loans and/or debentures into stock or shares.

(ii) Granting of loans in foreign currency under arrangement with the Development Loan Fund of the U.S.A. to industrial concerns.

(b) Guaranteeing of loans raised by industrial concerns (i) which are floated in the public market and are repayable within a period not exceeding twenty five-years and (ii) from scheduled banks or state co-operative banks.

(c) Guaranteeing loans raised from or credit arrangements made with any bank or financial institution in any country outside India by industrial concerns in foreign currency.

(d) Underwriting the issue of stock, shares, bonds or debentures by industrial concerns

(e) Subscribing to the stock or shares of industrial concerns.

(f) Guaranteeing of deferred payments in respect of import of capital goods from abroad or their purchase in India by industrial concerns.

PURPOSES FOR WHICH LOANS ARE SANCTIONED

Purchase of new or second-hand machinery, renovation or modernisation or replacement of worn-out or obsolete machinery, purchase of land for factory site and construction of factory buildings.

IMPORTANT TERMS AND CONDITIONS OF LOANS

(i) **SECURITY** - First charge of all the fixed assets such as land, buildings, plant and machinery and fixtures. Raw materials, stock-in-process and finishied goods will not be mortgaged and will, therefore, be available for raising working capital from elsewhere.

(ii) **MARGIN** - Generally 50 per cent of the value of total assets including those to be acquired with the loan. This margin may be reduced to 40 per cent in case of industrial concerns importing plant and machinery under the U.S. Export-Import Bank Loans or other foreign currency loans (tied credits) taken by Government from foreign governments or financial institutions abroad where the cost of imported plant and machinery is 60 per cent or above of the total capital cost of the project. The margin may be further reduced to 35 per cent in special cases.

(iii) **INTEREST** - The current rate of interest for rupee loans is 7½ per cent per annum subject to a rebate of ½ per cent for punctual repayment of instalments of principal and payment of interest. D.L.F. loans carry interest at 8½ per cent p.a. less a rebate of ½ per cent p.a. for prompt payment (net 7½ per cent) plus an extra ¼ per cent p.a. to provide for incidental expenditure.

(iv) **REPAYMENT** - Rupee loans are repayable within a period not exceeding 25 years to suit borrower's convenience. D.L.F. Loans are repayable within a period not less than 5 years and not more than 15 years from the date of the disbursement of the final instalment of the loan. Repayments shall not, however, commence earlier than one year from the date of the final disbursement of the loan.

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DA 62/551

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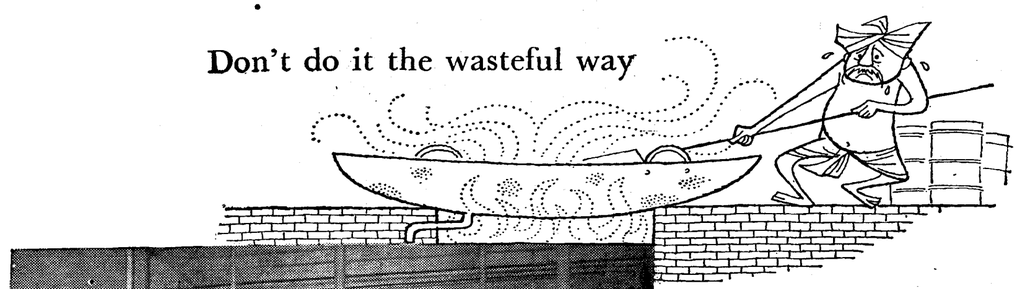

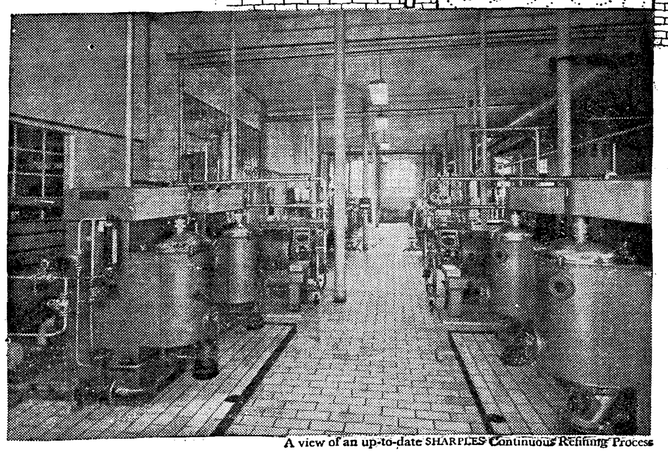

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tion of these items, but whatever top priority there is should be given to it. If this is done, we will find that we have certainly protected the very much greater foreign exchange allotment for the expansion of the economy.

The Indian Paint Association was formed on 1st July 1960, incorporating the two separate bodies, the Indian Paint Manufacturers Association and the Paint Federation to which belonged the various units in the large-scale sector. The formation of a single association for the industry has been a widely-hailed move, as the industry now has a powerful voice in its representations to Government and can speak with greater authority in the formation of policy. The I.P.A. has regional committees in the Eastern, Western, Northern and Southern regions and a governing body composed on an all-India basis with meetings monthly to review the many pressing problems with which the industry is now beset. These problems relate mainly to the availability of essential raw material supplies for existing manufacturing equipment and new manufacturing equipment being developed abroad.

There has been a minor revolution in the manufacturing methods and, particularly where an accent is being placed on the importance of exports, it is essential that the most economic means of production should be available if our products are to be competitive. In the case of raw materials, it has already been mentioned that many items need to be imported and, although many of the 400 or so raw materials which are required are available in the country and many that were hitherto being imported are progressively manufactured, there is also the difficulty of the price of indigenous manufacture, as, in some cases, the prices are almost double that of the imported equivalent. The reason advanced by the manufacturers of such raw materials is that their cost of production is very high, either due to their having to manufacture in a small plant of uneconomic size, or to having large plants with large fixed overheads which are working at about a quarter of their total production capacity. In any case, these high costs naturally tell on the final cost of the finished product and makes the Indian products less competitive when exported abroad.

The Government is appreciative of the difficulties Indian paint manufacturers face in establishing themselves in new markets where foreign brands are widely accepted. Schemes involving export incentives such as drawback of duty, issue of import licences against exports, replenishment of steel used in containers exported, etc., are all of assistance. These schemes, however, fail to consider the essential item of both high cost of raw material and high cost of manufacture. To this has also to be added the high rates for shipping Indian products abroad—all adding up to a situation where the Indian product cannot be offered at an adequate price which would materially assist in its establishment in the export trade.

Changing Consumer Demand

Only ten years ago, it was the widely established practice throughout the country to use zinc paste let down with linseed oil as a general purpose paint for almost all applications. Tinters were added to this mixture to give required shades and there was a very substantial sale of refined linseed oil as such. Today, the pattern has changed entirely and numerous homes throughout the country have in the least one room done with plastic emulsion paints and the other rooms finished with flat oil paints and distempers in a large range of pastel shades which are soft and very pleasing to the eye. This use of colour has also extended itself into large-scale industrial plants. Large industrial plants in the steel industry, textiles, heavy engineering, etc., have found that, when the time comes for a repainting of their factories, it does not cost more to do it in a suitable blend of several colours.

Colour in Our Lives

Colour can be actual or apparent and, if the greatest advantage is to be obtained, it will have to be applied with careful thought to the prevailing light. For example, to obtain an impression of cream in a room facing west, the window wall should be painted white, the opposite wall pale yellow with a suggestion of pink on the ceiling. This, it may be argued, is going to extreme lengths, but it serves to illustrate how important it is to defer final decisions on colour selection, until expert advice, which can only be given after on-the-spot inspection, confirms that the finished effect will be as desired.

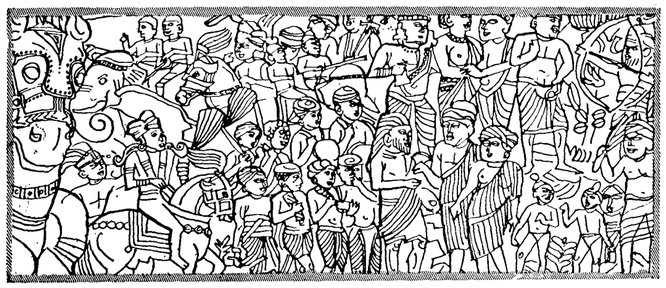
The proper application of colour in workshops, factories, offices, etc. can make a great contribution towards industrial welfare and efficiency. The aim of this is not the embellishment of plant or equipment, or good housekeeping, but to get the most out of both natural and artificial light to make seeing easier. This reduces or even eliminates eye fatigue, which is the main factor adversely affecting health, morale and productive efficiency.

Special Paints

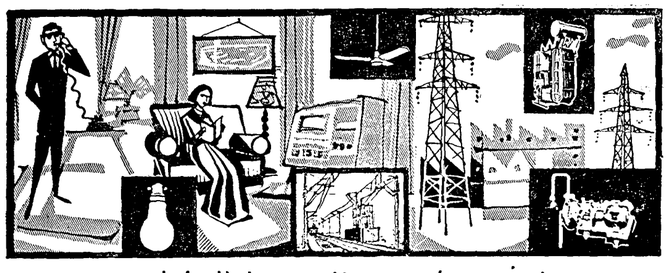
The demand for special paints continues to increase and the last five years have seen the manufacture in India of items which were previously not considered necessary. Particular products such as coatings for underground pipelines, for penstocks, for water-supply mains, for sewage disposal plants are available, instead of the conventional bituminous finishes considered suitable before. The use of specialised finishes has also led to the development of special skills in their application and to the realisation that good paint must be properly utilised. Several manufacturers offer technical service which involves supervision of paint application by trained staff and advisory services on proper selection of product for particular requirements. Large paint users also employ these services in the setting up of their finishing plants and for speedy investigation of complaints during manufacture.

The products of the paint industry today are a fusion of beauty and utility and the steel tray of black plate is rarely seen any more—instead we have an item decorated in patterns or designs in a few or several colours. The many cars on the roads and the trucks that are rapidly increasing in number, are not "in any colour as long as it is black," of the days of Henry Ford, but, in cream and blue, and grey and crimson and white and, yes, in black also. Special finishes for wood bring out and protect the beauty of the grain. Plaster on walls glows in many soft and soothing or bright and cheerful colours.

The history of paints and their impact on daily life cannot be written yet because we are just beginning to realise that paints have more than just an impact. The Indian paint industry has progressed rapidly and given the necessary assistance, has the ability to meet the growing needs in the country and its people. The recognition of this fact will go a long way towards enabling the industry to be of service to the country and to everyone in it.



As times change



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FT-101

HIGH LEVEL OF PRODUCTION IN JUTE INDUSTRY

Progress in Modernisation Substantial—Manufacture Diversified

By M. C. MUKHERJI

THE year 1962 will go down in the annals of the Indian jute mills industry as one of the most remarkable on account of the marvellous revolution wrought in its fortunes in record time following a year in which its very existence was threatened.

There has been no instance in recent memories when the mills could work with none of their machinery idle. Surplus capacity has ever been a drag the industry has learnt to live with.

Since the middle of January 1962, however, the instrument of output regulation, the Indian Jute Mills Association's Working Time Agreement, has been in complete disuse. Mills have gone full steam with the shuttles of all their looms flying, a development which could not be even vaguely guessed till about July last year. By then, the mills had gone through two weeks of block closure, over and above sealing 19 per cent of the installed loomage and reducing the work-week to 42½ hours from the normal 48.

In having to run all the looms, the industry has come up against a new set of problems—the shortage of spinning capacity, scarcity of skilled workers and limited supply of coal and electricity.

All-India Problem

The last is an all-India problem. However, the jute industry, because of its strategic importance to the national economy, has been singled out by the Union and the West Bengal Government for special treatment in this respect and the mills have, with but brief unavoidable breaks, received nearly the full quota of their motive power from the Calcutta Electric Supply Corporation. The coal supply also has, of late, largely improved.

For an industry conditioned for decades to living with an annoying surplus of labour, the exigency of having to augment its work-force is a novel turn in the situation, pleasing to the country's planners as well as to the large army of the unemployed. Since November last year, some 30,000 more workers have found employment in the mills. To supply yarns to the looms brought off the seal, the entire spinning capacity has been at work for 23½ hours daily for six days in the week and for part of the time also on the weekly closed day.

The outcome of this maximum possible utilisation of the productive apparatus is a record output bettered only in 1942 when the jute industry had been geared to India's war efforts. Between January and September this year, the jute mills reporting to the I.J.M.A. produced 890,300 tonnes of goods. The monthly average of almost 99,000 tonnes was 6,000 tonnes more than the comparable figure for 1956, the industry's previous best year since the cessation of World War II. The nine-month aggregate could have been slightly higher still to approximate the 1942 level if the supply of power to the mills had not been interrupted in June and July last.

Operation at full capacity has brought a sharp rise in the equivalent raw jute consumption by the mills, which, for the nine months ended September 1962, totalled 5.04 million bales, averaging about 560,000 bales a month. The higher consumption has enabled mills to go all out to support the raw jute market. Mills' end-month fibre stocks together with the undelivered balances have seldom gone below 2.5 million bales.

More than anything else, intensive mill working has led to spectacular improvement in the financial position of the jute industry. The staggering loss of Rs. 60 million suffered in the six months ended September last year has been completely wiped out between November 1961 and September 1962 and when the balance-sheets for the current trading year are announced it is expected that most mill-groups will show bumper profits.

Return to profitable trading has been hastened by a combination of three very favourable factors—reasonably low prices for raw jute due to abundant supply of the fibre, relatively high prices for the finished goods caused by a strong world demand, and a considerable reduction in the mills' manufacturing costs resulting from increased productivity in the wake of a high degree of mechanisation of the production processes.

Singly the most important factor in transforming the outlook for the jute industry was the 1961-62 jute and mesta crop, an all-time record, estimated at about 8 million bales, which, together with the supply carried over from the 1960-61 season as well as the quantity imported from Pakistan and Thailand, took the total availability of raw material for the past season to 9.26 million bales against only 7.26 million bales in the season before. At one stroke, the main impediment to normal mill working (represented by the crippling shortage of raw jute in 1960-61) was removed.

The assurance of another bumper crop of nearly 7 million bales from the 1962 sowings, together with over 2 million bales of jute and mesta carried over from the 1961 crop, guarantees the continuance of the present maximum level of activity in the industry till about the middle of 1963.

The very size of the supply rules out the possibility of any runaway movement in raw jute prices affecting the offtake and price level of jute goods.

World-wide Demand

Along with the vast improvement in the availability of raw jute, also contributing to the quick revival of the jute industry's fortunes was the release since November last year of a large demand for jute goods from all corners of the globe, pressing for immediate satisfaction.

Competitive bidding for all available goods resulting from this pent-up demand of the consuming centres overseas, which had been compelled by the high prices of the previous two years to reduce purchases to the minimum and cut down stocks to dangerously low levels, soon gave rise to a situation where even the industry's maximum output, particularly in hessian, was found manifestly short of offtake. It was no wonder, therefore, that prices in the finished goods market kept consistently to a much higher level than the ruling raw jute prices could justify.

The outgo of jute goods from the I.J.M.A. mills on account of both export and Indian domestic consumption in the nine months ended September this year aggregated 845,500 tonnes, less only 44,800 tonnes than the period's total production. The average of roughly 94,000 tonnes a month despatched from the mills is the highest for the last 19 years.

Modernisation

The industry has been able to effect considerable cost-savings following from its modernisation programme, only the first phase of which has gone through at a total cost of Rs. 320 million. The installation of high-speed semi-automatic machines has led to greatly increased productivity, particularly in the preparing and spinning sections where the renovation is practically complete.

Modern spindles already installed are sufficient to supply about 86 per cent and 87 per cent, respectively, of the fine and coarse yarns requirement of the industry's hessian and sacking looms.

The most revolutionary change to take place is the introduction of sliver spinning, a process which entirely replaces old-type rove spinning. By providing for a special device to control fibre during drafting on the spinning frame, sliver spinning enables a large use of the low quality jute, which predominates Indian production, in the spinning of yarns of great regularity and strength. The process employs a high-speed semi-automatic machine, having drafts of up to 20 and a spinning speed of over 4,000 r.p.m. Sliver spinning increases productivity, saves labour and leads to a substantial reduction of the mill cost on 'batch.' Given a price differential of Rs. 6 per maund between long jute (Assam bottom) and Pakistani cuttings, sliver spinning, as opposed to rove spinning, gives a monthly saving of Rs. 100 per loom—Rs. 65 on batching and Rs. 35 on labour costs. The lower the price of cuttings relative to that of long jute, the bigger the saving on batch.

Along with sliver spinning every mill has had to install a third drawing frame, another innovation which reduces the weight of sliver, making it suitable for spinning direct from the can.

A large number of mills have introduced the combined spreader and hackling machine, replacing the spiral fluted horizontal softener. The combined breaker-finisher card has substituted the old type separate single breaker and single finisher card. The first and the second drawing frames have been fitted with can turning and tramping motions as well as with electrical sliver stops. The saving on labour resulting from all these steps to modernise the preparing sections is considerable.

Work has commenced on modernising the post-spinning processes, too. Renovating the winding departments, where the machines and methods used have long become obsolete, has naturally been accorded priority. The new high-speed warp and weft winders, with their continuous feed arrangement (commencing at the sliver spinning frame and, in the case of warp yarn, carried right through to the pre-beaming stage), enable over 50 per cent higher output with less labour and at lower cost. Again, the high machine efficiency obtainable results in the production of precision yarns. Maintenance in the cop winding department, usually extremely high, has been reduced as the new machine incorporates ball-bearing and friction reducing rollers, which minimise the wear on moving parts and lead to lower consumption of power.

A modest beginning has been made with the installation of pre-beamers and new dressers. Feeding the present three-cylinder dressing machine requires six workers, whereas the new dresser needs only one, with three more tending the pre-beamer. Equipped with electrical stop motions, the pre-beamer prevents any thread-end slipping away to the weaver's beam unnoticed and eventually causing a loom stoppage. The new dresser's steam dry chamber also avoids any direct contact of the yarn with the hot metal parts, so as to leave the warp free from deflection by getting flattened up. Warp beams thus prepared are faultless, making it possible for the weaver to concentrate on weft shotting and thereby run two or more looms at a time with ease.

If the survey of the industry's performance in 1962 were to end on a note even vaguely suggesting that all is well with Jute India, it would be entirely erroneous and misleading.

Total production has, no doubt, been the highest since 1942 as have been total despatches of jute goods, but neither hessian nor sacking is responsible for the improvement in either case.

Making the major difference to the overall position is the contribution made by the production and export of jute goods other than hessian and sacking cloth and bags.

This quite significant change in the structure of demand and consequently in that of production may tend to mask the erosion, rather rapid in the case of sacking, that is going on in India's export markets for standard goods. The high world demand for hessian notwithstanding, the output of this fabric for the nine months ended September 1962 gave a lower average than that for any single year from 1936 to 1939. It does not mean that world demand for hessian has since contracted. If anything, there has been a small expansion; only, India's share of the market has decreased.

The loss to India is far more conspicuous in sacking. The output of heavy goods this year is substantially lower than the average of 1936-46, 1949, 1952 and 1955-58. Similarly, sacking despatches for export purposes have dropped to the lowest figure of any normal year with the exception of 1961. The loss on export account of sacking has been partly neutralised by a sharp rise in India's domestic consumption of this category of goods, which at 162,900 tonnes for January-September 1962 constituted the industry's biggest home sale so far.

Along with the high domestic demand for the heavy quality sacking goods (resulting from a large increase in India's industrial and agricultural production under the impetus of planned development), another factor to have maintained the equilibrium of the industry is the strong and ever-increasing foreign demand for non-standard jute products. The popularity of speciality goods overseas has led to a phenomenal rise in the production of the category of jute manufactures known in the trade and industry as "others." During the first nine months of 1962, the output of other manufactures amounted to 121,600 tonnes, an amount much bigger than the 12-month total of any previous year.

The change in the structure of overseas demand relative to sacking and non-standard goods has also changed the order of priorities in the industry's rationalisation and re-equipment programme and imparted a new urgency to the long-felt need for diversification.

Carpet Backing Cloth

The largest single component among the non-standard speciality products is the broadloom hessian for carpet backing. The biggest market for wide hessian is the U.S., where the annual demand is currently running in the neighbourhood of 200 million square yards. Both in volume and the relatively high profit margin yielded by the manufacture of wide hessian cloth, export sales of this one speciality product have tended largely to neutralise the loss to the industry caused by the shrinkage of the traditional sacking markets.

As on 1st September 1962, the industry had 1,100 broadlooms working with a monthly output of about 5,400 tonnes of wide hessian. This is barely sufficient to cope with the U.S. demand, as the tufted carpet, which uses the material as backing cloth, is passing through a phase of a unique popularity enjoyed by no other segment of the carpet trade.

About 29 mill companies have, therefore, obtained licences under the Industries' Regulation Act to set up 1,450 more broadlooms to bring the total to 2,550 in due course. How soon these can be installed will, however, depend on the availability of foreign exchange and on the capacity of the internal units manufacturing broadlooms to maintain their production schedule, currently running at 360 a year.

The installation of additional spinning capacity, in which the industry is a little over 5 per cent short, is being tied to the need for feeding the broadlooms with high quality yarn. Hessian looms are similarly having some priority in respect of the additional spinning frames required, but sacking is again posing the old problem of surplus.

India's export trade in sacking goods is faced virtually with the problem of survival. Sacking despatches for export this year have been running at an average of 25,000 tonnes a month, as against 35,000 to 40,000 tonnes between 1947 and 1957.

The debacle has been caused by the fast expanding Pakistan jute industry. It has already made serious inroads in the principal sacking markets—Australia, West Indies, Cuba, Peru, Burma and Africa. Over 75 per cent of the Australian market and 50 per cent of the Cuban market have been captured by it.

The Pakistan industry is cent per cent modern, working 2½ shifts daily. Productivity is high and increasing. It has other cost advantages to gain sufficient competitive edge over India such as lower wages, cheaper and more abundant raw material of far superior quality, and freedom from welfare and social service benefits. The decisive weapon in Pakistan's armoury, however, is the export bonus system, which alone gives sellers of heavy goods a cost advantage of Rs. 12 per 100 bags. Taking all factors into account, the cost difference in favour of Pakistan is placed around Rs. 400 per ton.

One of the main objectives of the Third Plan is to secure a marked advance towards self-sustaining growth. An important aspect of this problem is to increase the STEEL OUTPUT which will help to make the economy self-sustaining. And hence, under the Third Plan the Bhilai, Durgapur and Rourkella Steel Plants are proposed to be expanded, contributing jointly 5.5 million tons of steel ingots. The plan also provides for a fourth Steel Plant in the Public Sector to be started at Bokaro.

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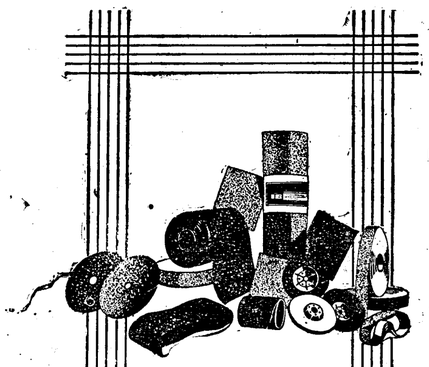

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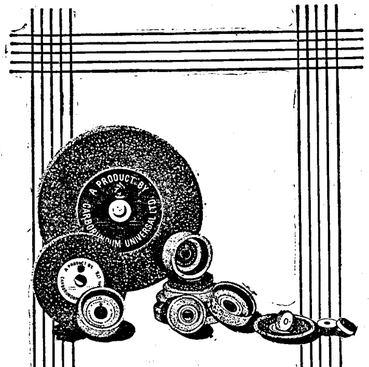

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GROWTH OF CERAMIC INDUSTRY

A Sprint Over The Past, Present And Future

By V. N. SARMA

ADMINISTRATIVE OFFICER, BOMBAY POTTERIES AND TILES LIMITED

THE name "ceramics" is derived from the Greek word 'Keramos' meaning "burnt stuff" but the Greek word itself stems from a Sanskrit root meaning "burnt clay" or "burnt mineral." To understand ceramics, one must have some fundamental knowledge of clay minerals and their behaviour when subjected to varying degrees of temperature. A mineral is usually a mixture of compounds formed by the processes of nature alone as distinct from artificial minerals which are formed in the laboratory or in the smelting furnaces. Mineral substances which are formed through the agency of organic life are *not* included among minerals, as the pearl of the oyster, for instance. Minerals are solid substances, the only exception being mercury and water. In most cases, minerals have definite atomic structure.

The chief raw material in the manufacture of 'pottery' is clay and clay is an aggregate of minerals, mostly complex aluminium silicates. Ceramics can be defined as a study of high temperature inorganic chemistry, chiefly related to silicate minerals. Products made from such silicate minerals alone are not always satisfactory and hence an addition of other constituents, such as non-silicate minerals, metallic oxides, and organic substances is necessary to produce a ceramic body of definite design, strength, special physical and electrical characteristics, and elegance in the finished products.

Research scientists in the ceramic field the world over have been and are still continuing their tireless quest with the aid of most up-to-date plant and equipments to establish formulæ and characteristic temperature curves relating to physical metamorphosis due to mineralogical reactions at various phases of firing and cooling the articles after vitrification. The science of ceramics is both fascinating and exacting as is evident from the innumerable applications of ceramics in use today in our daily life. It is extremely difficult to pin-point a particular period in which a scientific approach and application was made to the manufacture of a vast variety of ceramic products. From the time primitive man started life on this planet, he has fashioned out of clay, stone, wood, and metal, tools for his use and the discovery of "earthen fragments" by archæologists at various times in various parts of the world has proved that these places were his "home and habitat" and these fragments of tools have lent to the archæologists a basis for assessing the contemporary cultural advancement of the human race.

Origin

It will not be out of place to mint here a historical cameo of the origin of pottery, if only to give the reader a panoramic picture of the bewildering growth of the ceramic art and industry through the successive centuries. Five thousand years before Christ, the Egyptians made bricks of coarse earth dug out of the plastic deposits of the overflow of the river Nile and fired them when they found that this earth had the property of hardening under the influence of heat. According to Mariette Bey, vases of terra-cotta were found in the tombs of the deceased of the Memphite Period (5000-3000 B.C.). On the walls of the tombs of Beni-Hassan, a series of pictures portraying Egyptian potters modelling vases and firing them in ovens were discovered in the Thebian Period (3000-1700 B.C.). It was also at this time that the forerunner of the modern glaze was discovered from the first pieces of earthenware found in the Pyramid of Saggarah. Ceramic art developed considerably following this discovery, as is evident from the innumerable figures and figurines in blue and green as well as from the numerous decorations found in the temple of "Tell-et-Yadouni" built by Rameses III. The Chaldeans and Assyrians, after using crude bricks in their buildings for a long time, developed a new process for the manufacture of red bricks and erected the Palaces of Crossus at Sardis and of Attalus at Tralles in red fired bricks of very fine manufacture. The ruins of Nineveh and Babylon consist of accumulations of bricks low fired of a yellowish white, sometimes covered with blue, bluish grey, or yellow white glazes.

Tombs made of a body fired in a single piece or formed by two pieces cemented together bear out the dexterity and artistic skill already reached by the Chaldean and Assyrian potters at this remote period. But the most curious fired bodies that have come down to us are the unique clay plaques on which chronicles were written which, after having been fired, were preserved in the archives of the museum. The most ancient of such a plaque is the one that was discovered in Sargon and its age is put at 4000 years B.C.

Discovery in China

It is considered possible that Indians learnt the manufacture of fired bodies and glazed from the Assyrians. In the Vedas also, frequent mention of pottery is made. The Persians, successors of Assyrians, inherited their traditions and carried on the manufacture of earthenware to a very high degree of perfection, while the phœnicians and the Greeks settling in Asia Minor initiated themselves in the art of pottery and manufactured terracotta but neglected glazes. The Chinese discovered the alchemy of ceramics very early and developed the art rapidly and manufactured the first pieces of pottery during the reign of Emperor Hoang-Ti (2698-2599 B.C.). These were vases in excellent glaze and enamelledware. From an ancient period, the Chinese had used ceramicware in the construction and decoration of buildings in the form of bricks and enamelled tiles but their greatest discovery is impermeable pottery, stoneware and china, all of which are much more recent as the first mention of these was made in the work published by the Emperor Wan-Ti of the Han Dynasty (175-151 B.C.).

At the time of the discovery of America, the natives manufactured remarkable terra-cotta and archæological discoveries have confirmed that, in certain districts of Mexico and Central America, the origin of this manufacture has been dated as far back as 1000 years B.C. From such a glean into the womb of the distant past, it would appear that the manufacture of terra-cotta, the first halting place in the ceramic art, was invented by the Egyptians, the Chinese, and the Mexicans at the incipient stage of their respective civilisations, that is, at periods too remote for us to be able to assign a date.

Debut in India

We have thus seen that the origin of pottery lies in remote antiquity and we will now show how the art made its debut in India. Roman conquest destroyed the art of pottery in Egypt. The Persians maintained the tradition until they were conquered by the Arabs in the seventh century A.D. The contact of the Persians and Arabs with India around this period brought the art into India and it continues to be practised even today in some parts of this country on the same principles and methods as was practised by the Persians centuries ago. Tiles, vases and plates made in India were composed of soft bodies and fired at low temperatures. The glazes used were also soft and hence chip off after some time. But the shades of colours on these articles are extremely artistic and defy reproduction even with the aid of highly advanced scientific technique employed in the manufacture of pottery today. It is said that scientists have "killed" the shades by making the oxides purer.

It has been seen that the art of pottery has been in existence in India also from the very earliest times. The indigenous methods of manufacture have also progressively developed in each century. As the art developed, the technique also developed and the modern pottery that exists today has very little in common with ancient pottery. Modern equipments and methods as were used in the West were introduced in the potteries in India only at the beginning of the turn of the present century and this pioneering phase was initiated by His Highness the Maharaja of Cassam Bazaar who started the Bengal Potteries and His Highness the Maharaja Scindia of Gwalior who started the Gwalior Potteries. Later, several potteries introduced modern equipments at varying stages of the manufacture and thus this modernisation trend spread continuously and very rapidly during the post-World War II period so much so the country has now potteries all over India well equipped with latest modern machinery.

The ceramic industry is a basic and key industry in every nation, particularly for us in India. Ceramic products have replaced metal in several fields and have become indispensable to some vital industries, such as electrical industries, building industry (for red bricks; roofing tiles, flooring tiles, glazed tiles for bathrooms, sanitaryware, etc.); furnaces for biscuit manufacture; furnaces for brass and iron smelting; refractories; chemical industries; cotton and silk mills; (household requirements in the form of crockery and cooking utensils; radio industry and electronic industry, to mention only a few. New fields of industrial application of ceramic products are being explored in the world's laboratories.

Some of the well-equipped pottery works are located in and around the mines where the absolutely essential chief raw materials are available. The chief raw materials required for pottery industry are: china-clay, plastic clay, fire-clay, quartz, felspar, etc. The success of a pottery works depends on the availability of raw materials in quality and quantity. In this respect, the Indian manufacturers are suffering from a serious handicap, for at no time could a standard quality be obtained continuously. This is mainly due to the utter lack of testing facilities at the mine-head or at least within easy reach from it. The Geological Department of the Government of India has done yeoman service, in that a country-wide survey has been conducted in regard to the various mineral deposits, but not from the angle of the ceramic industry. As a result, the pottery industry is not assured of uniform supply of basic raw materials. It will be agreed on all hands that the ultimate quality of the finished products will mainly depend upon the quality of raw materials used.

The manufacture of high tension and low tension insulators is the most important phase of the ceramic industry in the country and, in the scheme of things, this industry will have to be developed on a major scale. Hitherto, huge quantities of H.T. insulators have been imported, particularly from Communist countries, on rupee payment basis. But it is necessary to cry halt to this import business. Many units have been licensed for the manufacture of 11 kV, 22 kV, 33 kV, 66 kV and 110 kV insulators in this country, but, barring one or two units, no progress has been possible due to various causes. The most important unit is the Government Factory located at Bangalore, where H.T. insulators are being manufactured under licence from the well-known Japanese firm, N.G.K.

The future of this industry in this country is distinctly bright now more than ever before. The post-World War II period has ushered in an era of unprecedented industrial revolution in India and we are in the midst of the crucial third Plan. But the Chinese have drawn us out of our peaceful avocations and locked us in a hot border conflict, thereby compelling us to take to arms. It is imperative, therefore, that every ounce of metal should be saved to forge weapons of defence by depending more and more on ceramic articles for our daily use.

Our country is very rich in talent and in all the essential raw materials which have only to be assessed and exploited on a commercial scale in accordance with the need of the ceramic industry. What we lack is 'organisation,' without which no industry will flourish, more so an industry like ceramics.

Progress Under the Two Plans

Items	Units	Capacity (March 1962)	Production			
			1961	1960	1956	1951
Glazed tiles	Dozens	1,323,600	1,030,800	828,000	454,800	310,800
Sanitaryware	Tonnes	9,792	6,372	5,904	2,766	661
Stoneware	,,	84,000	62,400	63,600	46,512	30,600
Whiteware	,,	39,636	19,032	21,576	15,447	9,376
H.T. insulators	,,	5,208	2,999	2,334	347	651
L.T. insulators	,,	8,947	4,698	3,916	2,232	778

Tiles and Sanitarywares

An outline of how glazed tiles and sanitarywares are manufactured in a modern factory is given below for the information of readers.

The raw materials as received at the factory usually contain a lot of impurities and dirt. These have to be removed before they can be used. The clay which is the most important of all ingredients is soaked in pits with water for 2-3 days and then thoroughly beaten up into a slurry form in a special apparatus called "blunger" and then stored in a tank. Similarly, the flint and felspar stones are ground with water into a slurry of fine mesh (not less than 150 mesh) in an apparatus called "ball mill" and, like the clay, is stored in a storage tank. These ingredients in slurry form are well seasoned for periods varying according to the materials and then these various individual slurries are mixed together in definite proportions in a mixing tank and the mixture is agitated thoroughly to make it a homogeneous one called "body." This "body" is then passed through a "filter press" where the water is removed under great pressure and comes out of it in the form of "cakes."

These cakes that come out of the filter press form the basic finished raw material for further processing into sanitaryware, tiles and electric porcelain insulators.

The dried cakes are crushed and pulverised into the required mesh for being pressed into tiles in the "tile press." These tiles are then dried and given a coating of a special composition known as "glaze." After this operation, the tiles are "fired" in a furnace at cone 3 (1160° C).

The cakes from the filter press are charged in a "blunger." The required amount of water and electrolyte (soda and sodium silicate) are added to the cakes and thoroughly mixed. The mixture thus prepared is known in ceramic parlance as "slip" and is ready for "casting" into plaster-of-paris moulds to take different shapes like pans, wash-basins, closets, etc. After the liquid "slip" has set and dried leather-hard, they are hand-finished, checked for cracks, glazed, dried, and fired in the furnace or kiln at cone 8 (1200° C) at which temperature the glaze matures and the articles, when they come out of the furnace, have a glossy surface that we all know and see every day in our daily use.

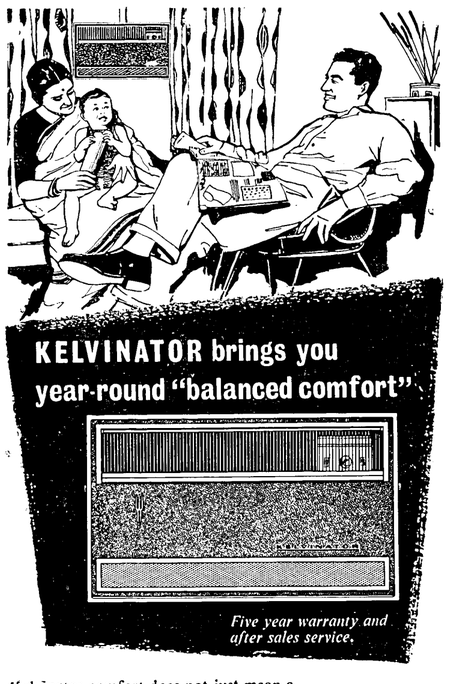
Strangely enough, the ceramic industry has not received from the planners the attention it deserves. The Geological Survey of India has set up a Ceramic Unit which receives technical advice from the Central Glass and Ceramic Research Institute.

Cost of Labour

Ceramic industry is one of those industries where the cost of labour is about three times the cost of raw materials. Yet the industry employs a large labour force. Transport of ceramic products is a very tricky problem. Products being bulky and fragile in nature, packing and transporting to the market in cities without breakages is a source of constant worry to the manufacturers.

There are over 100 potteries in this country and the accompanying table gives production statistics of various items from 1951 to March 1962.

The annual output of all ceramic products in India stands absolutely no comparison with the output in other countries, particularly Japan. Yet the Central Statistical Organisation has included the Indian production figures in their monthly statistics and assigned weights to the output of the industry in the compilation of the revised Index of Industrial Production. The weights have been assigned to different industrial products in proportion to the value added by manufacture. The weights for the entire "ceramic" range is 0.62. Excluding refractories, other items have assigned 0.35 which is a measure of their contribution to the overall industrial output of the country. The weight for sanitaryware is 0.01, stoneware 0.10, glazed tiles 0.02, whiteware 0.20 and insulators 0.02.



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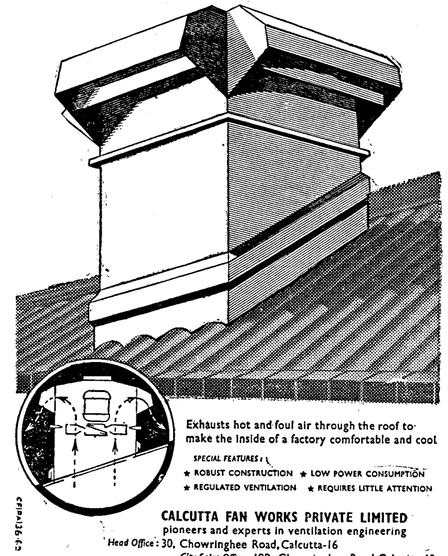

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Development of Corrosion-resistant Alloys

Significant Research Achievements

By Dr. B. R. NIJHAWAN, Ph.D., F.I.M., F.N.I.

DIRECTOR, NATIONAL METALLURGICAL LABORATORY, JAMSHEDPUR

CHOICE of materials of construction for industrial applications is governed by several important factors, one of the most important being the ability of the materials to operate over requisite service life under specific corrosion environments and service conditions. With the growth of chemical, pharmaceutical, oil and fertiliser industries in India, the subject of making chemically corrosion-resistant materials for multitudinous applications is of paramount importance. Some views on typically corrosion-resistant alloys based on indigenous resources suitable for fast-expanding Indian industries have been expressed herein with the objective of focussing attention on some of the current development themes on the subject and highlighting projected fields in which such research and development work could be effectively channelised.

All materials of construction have to conform to certain well-established specifications both in terms of short-term acceptability tests and long-term rigid service criteria. In addition to the physical and mechanical test criteria, corrosion resistance to specific media under rigid service conditions over prolonged periods of exposure finally determines the acceptability and choice of materials. Materials of construction should additionally possess ease of fabrication and shaping to requisite shapes and sizes. The field of such corrosion-resistant alloys is vast indeed—comprehensive treatise and monographs have been published on the subject. It will be necessary only to indicate some current themes in the development of corrosion-resistant alloys for service under highly corrosive conditions in power, petroleum and chemical industries in the background of indigenous resources of minerals and metals.

High-tensile Low-alloy Steels

The high-strength low-alloy steels are tonnage grades of steel possessing superior properties by the additions of small amounts of various elements. The strength of these steels as measured by the yield point is about 50% higher than that of structural carbon steels. The resistance to atmospheric corrosion of some of these steels is four to six times that of carbon steel.

These low-alloy high-tensile steels comprise a specific group with chemical compositions specially adjusted to impart improved mechanical properties and greater resistance to atmospheric corrosion than are obtained from conventional carbon structural steels.

Among several types developed, two have generally established themselves; one in which, besides copper additions, a medium manganese content is coupled with a moderate chromium addition; and the other with higher manganese contents, without chromium additions. The manganese steels are considered to be better weldable. Attempts have been made to develop good welding steels to have still higher strengths of 38 tons per sq. in., by a slight increase in silicon and manganese contents together with additions of titanium or vanadium.* This development has not yet borne fruit and could be further explored along with the effect of copper additions in India.

In comparison with the good welding straight manganese steels, the manganese-copper steels offer for light-weight welded constructions the advantages of an improved corrosion resistance and weldability and, therefore, present a better solution for the light-weight coach construction. The structural steels produced at present (Tiscor and Tiscrom) by Tata Iron and Steel Company, Ltd., have a medium chromium and manganese content; the former has high yield ratio resulting from high phosphorus additions.

Broad-based investigations taken up at the National Metallurgical Laboratory have been aimed at developing low-alloy high-tensile steel utilising indigenous alloying elements possessing good weldability and corrosion resistance besides high strength-to-weight ratio. Investigations have related to steels containing varying percentage of Mn, Cr, Cu and, in a few cases, P, as well. Small percentages of V and Ti were further added to those basic heats to study their effects from the point of view of hardening the ferrite and producing smaller grain size, both of which are known to be conducive to higher strength. In a few cases, addition of Al and Zr were also made with the objective of getting finer grain size. Table I gives some of the heats which show promising results, in so far as these have got a tensile strength of 40 tons or above with yield point of about 30 tons and higher. Heats given Table I showed good weldability on the basis of standard weldability test. Standard electrodes used for welding of low-alloy high-tensile structural steels, were used for conducting weldability tests. Atmospheric corrosion tests for these heats are in progress covering a full year and more. It is expected that due to low carbon content and the presence of some Cr and Cu these low-alloy steels would have better corrosion resistance than normal plain carbon structural steels. In addition to these studies, long-range research and development programme of work on low-alloy steels is based on the following themes at the National Metallurgical Laboratory:—

(*a*) Studies on the melting practice to minimise the non-metallic inclusions in 1.5% Mn steel.

(*b*) To develop Mn-Mo steels with Mo from 0.2% to 0.4%. These steels will be similar to other standard steels but with lower Mo content, in which India is deficient.

(*c*) Cr and Cr-Mn steels with Cr from 0.5%-1.6% and Mn 0.3%-1.4%.

(*d*) Cr-V steels with Cr—0.6 to 1.8% and V—0.1-0.15%.

(*e*) Cr-Mo steels with Cr—0.9-6.0% and Mo—0.2-1.0%.

(*f*) Ni-Cr steels with Ni—0.7-3.0% and Cr—0.7-1.0%.

(*g*) Ni-Cr-Mo steels with Ni—1-3.0% and Cr—1-1.7% and Mo—0.1-0.6%.

(*h*) Effect of addition of boron to engineering steels.

Low-alloy Steels for Resistance to Sulphide Cracking

Cracking of oil well-tubing in deep-sour condensate wells due to the presence of hydrogen sulphide is a problem of extreme importance in oil and natural gas production. Conventional Mn/Mo or Cr/Mo type of high-strength steels are susceptible to cracking due to the diffusion of atomic hydrogen into the metal produced by the action of H_2S on steel. The problem of finding a suitable alloy for the above purpose was found to be elusive for a long time. Extensive investigations carried out in France have led to the development of Cr/Al/Mo and Cr/V/Mo type low-alloy steel which has a thermodynamically stable structure of carbon-free ferrite with highly dispersed fine carbides. The alloy† (C, 0.12%; Cr, 1-2%; Mo, 0.2-0.3%; Al, 0.3-1%) possesses in addition to good resistance to sulphide cracking excellent physical properties with yield strength of about 23-28 T/sq. in.

Stainless Steels

Stainless steel is one of the most popular, commonly used alloys under various corrosive conditions. A common variety of stainless steel is the 18/8 Cr-Ni austenitic stainless steel. However, this alloy is extensively used under mildly corrosive conditions even though less corrosion-resistant alloys may well be used in its stead. Such wholesale use of 18/8 Cr-Ni steels is not advisable. Considerable research and development work carried out during the last war in several countries showed the possibilities of partial substitution of nickel by manganese.

Some of the results of studies on the partial replacement of nickel by manganese carried out at the National Metallurgical Laboratory are given in Table II along with their corrosion resistanee data. From the results obtained, it may be summarised that Cr/Mn/Ni steels can be readily worked down with good mechanical properties upto 0.25% carbon and 0.1-0.2% N. When compared to 18/8 Cr/Ni steels, these steels possess higher yield and ultimate tensile strength without very marked decrease in ductility and compare well with 18/8 Cr : Ni steel in respect of resistance to scaling at high temperature and corrosion resistance in mildly corrosive conditions. The corrosion-resistance properties of these alloys can be further improved by the addition of about 2-3% Mo to the 13% Cr, 10-15% Ni alloy.‡ The corrosion resistance of this type of alloy has been well established both in laboratory and plant trials. This work was further extended at the National Metallurgical Laboratory to replace nickel completely by the addition of manganese along with nitrogen and copper as both of these are strong austenite stabilisers. Such chromium-manganese-nitrogen stainless steels are stronger than 18 : 8 type stainless steel and showed a tensile strength of over 60 tons/sq. in. The elongation values obtained on 1 inch gauge length ranged from 40-48% and the steels also showed adequate deep drawing properties.

Precipitation Hardening Stainless Steels

Stainless steels of the precipitation-hardenable type are finding increasing applications as material of construction for airframe components in high-speed aircraft; as these offer not only the desired property of high strength but also the advantages inherent in their 'stainlessness' and ease of fabrication. The well-known precipitation hardenable steels developed during the last decade are '17-4 PH', '17-7 PH' and 'PH 15-7 Mo'. The compositions of these steels are given in Table III.

So far the development of high strength stainless steels is based on the use of nickel as one of the constituents. Extensive work has been carried out in the National Metallurgical Laboratory in employing Mn to replace part of the nickel in the making of these steels. Use of interstitial elements like C and N and isothermal heat treatment were made to achieve extra high strengths. The steels investigated in this programme are:

1. 17-8—Cr-Mn-N steels and
2. 17-6—Cr-Mn-N steels with and without the additions of small percentage of nickel.

Further work in the series will include the study of the effects of phosphorus additions and precipitation hardening effects produced by carbon and nitrogen. It will be also interesting to observe the effect of aluminium, titanium, vanadium

TABLE I—*Chemical Composition and Properties of Low-Alloy High-Tensile Experimental Heats*

Serial No.	Heat No.	Chemical composition (%)								Tensile properties				Weldability	Corrosion
		C	Mn	Cr	Si	S	Cu	P	V	Ti	U.T.S. T.S.I.	Y.P. T.S.I.	EL %	RA %		
1	21/5	.21	1.69	1.16	.16	.02	.63	.004	.09	..	45.7	..	25	63.4	Fair	On progress
2	21/7R	.05	2.27	1.02	.40	.028	.32	.030	..	.06	57.9	30.52*	18.75	54.6	Good	,,
3	38	.03	.90	..	1.85	..	.51	.090	.05	trace	41.76	23.41*	31.00	60.0	,,	,,
4	39	.09	1.39	..	1.68	..	.44	.070	..	.02 Al	45.35	24.65*	31.20	57.0	,,	,,
5	37/3	.07	1.34	..	.62	..	.44	.070	trace	.06	36.42	25.75*	36.00	69.3	,,	,,
6	38/3	.04	1.36	..	.50	..	.46	.060	.115	..	39.60	32.25	37.50	71.0	,,	,,
7	40/2	.19	1.35	..	.50	..	.39	.063	..	..	41.46	27.90	25.00	48.7	,,	,,
8	41/2	.09	1.11	..	.26	<.04	.45	<.040	.10	..	43.20	36.72	29.70	65.5	,,	,,
9	41/4	.10	1.10	..	.31	<.04	.42	<.010	.10	..	40.67	30.58	31.00	63.4	,,	,,

* 0.1% proof stress.

TABLE II—*Mechanical and Corrosion Resistance Properties of Chromium-Manganese Nickel and 18 : 8 Chromium-Nickel Steels*

Cast No.	Nominal composition	Chemical composition (%)								Yield stress tons/ sq. in.	Max. stress tons/ sq. in.	Elongation % on 1 in. gauge length	Reduction in area %	Hardness V.P.H. No.
		Cr	Mn	Ni	C	N	Si	Cu	Ti					
A 25	17 : 9 : 4 Cr : Mn : Ni ...	16.82	9.24	3.84	0.25	0.113	1.43	1.20	0.260	28.4	44.6	25.0	22.10	221
A 22	,, ...	16.47	9.70	5.24	0.36	0.150	1.47	..	..	29.0	48.3	42.5	66.80	203
A 14	17 : 9 : 2 Cr : Mn : Ni ...	16.40	9.20	1.99	0.24	0.115	1.23	1.20	..	30.6	58.0	43.8	46.90	242
A 15	,, ...	16.75	9.70	2.05	0.32	0.060	1.63	..	0.262	34.6	48.4	25.0	31.00	236
A 20	,, ...	17.16	8.01	2.05	0.29	0.210	1.46	..	..	28.4	51.6	50.0	54.00	206
A 9	17 : 8 : 4 Cr : Mn : Ni ...	16.29	8.02	4.27	0.19	0.072	1.47	0.26	..	32.2	49.9	56.3	68.20	210
A 8	,, ...	16.29	8.52	3.91	0.16	0.071	1.20	..	..	30.6	54.8	48.4	45.10	244
A 12	17 : 8 : 2 Cr : Mn : Ni ...	16.47	8.04	2.02	0.18	0.101	1.47	..	..	30.5	53.0	53.0	61.00	245
A 13	,, ...	16.99	8.33	2.07	0.14	0.067	1.50	..	..	29.0	53.2	56.3	66.80	209
A 3	17 : 7 : 4 Cr : Mn : Ni ...	17.3	6.74	3.76	0.11	0.042	1.20	..	..	34.1	54.4	56.3	65.50	238
A 4	,, ...	15.78	7.46	3.74	0.21	0.183	1.31	..	..	18.1	41.5	68.8	72.40	163
A 26	,, ...	18.73	0.81	7.96	0.10	stabilised unstabilised		..	..	24.6	45.5	56.3	70.60	181
A 27	,, ...	18.56	0.70	7.27	0.13									

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Heat-resistant Alloys

All heat-resisting steels are desired to possess the following properties:

1. Ultimate strength and ductility.
2. Resistance to creep.
3. Resistance to corrosion and oxidation.
4. Resistance to thermal fatigue or shocks.
5. Weldability and machineability.

Creep may be defined as the time dependent deformation and accompanies the application of stress below its yield point. Creep is a high temperature phenomenon and so is of great importance due to use of higher temperatures and pressures in chemical and power plants and in gas turbine operation. Alloys are grouped accordingly to the temperature range for which they can be used. Table IV gives the various types of creep-resistant alloys that are commonly used in practice.

Table IV indicates that standard creep-resisting alloys vary from simple low-alloy steels to high-alloy steels and complex nickel and cobalt-based alloys. The usefulness of these alloys is limited by the service temperature and pressure conditions. In superheater tubes in medium pressure steam power plant for temperature upto 900° F., low-alloy steels of Mo or Cr-Mo type can be safely used as far as resistance to creep and oxidation is concerned. For temperature of 540° C. and higher, it however becomes necessary to use high-alloy steels and for temperatures of 700° C. and above nickel or cobalt-based alloys are used.

Development of High Temperature Alloys in India

Majority of high-temperature alloys are based on iron-chromium, cobalt-chromium or nickel-chromium groups. In each of these alloy groups, the alloying elements, for example, Cr, Mn, Fe, Co, Ni. etc., go in solution and thereby impart the necessary strength and oxidation resistance. However, in practice it is necessary to introduce substantial amounts of other elements, for example, Ti, V, Mo, Cu, W, Zr, etc., which form complex carbides. These complex carbides are known to increase creep-resistant properties by increasing the so-called complexity effect.

Development of heat-resisting alloys in India requires immediate attention as these constitute one of the most rapidly expanding sections of the alloy steel industry. For medium pressure boilers upto 900° F. the low-alloy steels containing Mo or Cr/Mo can be used safely. Further improvement in the properties of alloys can be brought about by the additions of other carbide-forming elements singly or in groups, for example, vanadium, titanium, niobium, etc.

Ferritic stainless steels containing 10-17% chromium possess excellent oxidation resistance properties but improvement in their creep-resisting properties by the addition of carbide-forming elements need special attention, as this will help in the conservation of nickel in relation to nickel-bearing 18/8 stainless steel. In this connection, the possible use of chromium-bearing ferritic stainless steel for resistance to high sulphur coal ash in boilers requires special studies as chromium steels appear to be more resistant than similar alloys containing nickel.

Another avenue of improved heat-resistant alloys for temperature range of 550-650° C. needs detailed investigation, for example, alloys containing silicon and aluminium. Silicon and aluminium improve the oxidation resistance considerably but, when added to steel singly in greater amounts, the working properties of the alloys deteriorate considerably. Further, the creep-resisting properties of the alloys containing silicon or aluminium are not good. The Fulmer Research Institute has developed some silicon-aluminium steels with a high resistance to oxidation. The silicon contents vary from about 1 to 4 per cent. In materials combining both aluminium and silicon, the proportions of aluminium ranged from virtually nothing to 3 per cent. Addition of 1 per cent chromium along with aluminium to high silicon-bearing alloys seems to increase the resistance to oxidation at higher temperatures.

Investigations have been carried out in the National Metallurgical Laboratory to study the effect of additions of Mn, Zr, V, Ti, B etc. on (*a*) low strength at high temperature, (*b*) brittleness due to grain growth, (*c*) poor creep properties and (*d*) poor workability of Fe-Cr-Al based heating elements (with Cr 10-25% and Al 3-8%). Addition of some of these elements to these alloys have been found to be beneficial with excellent properties for use as heating elements and these can successfully replace some imported heating element alloys such as 'nichrome' and 'kanthal' alloys.

Alloys for Gas Turbines

Nickel base alloys are the only group of alloys which have been standardised for use in gas turbines. In this group of alloys it is not possible to replace nickel completely but research work on the partial replacement of nickel can be carried out. Nickel base alloys of Nimonic group containing about 80% nickel have been one of the earliest alloys used in high temperature applications. But recent advance in the production of more complex alloys like Udimet 500, M-252 etc. containing only 50-50% nickel has helped in the conservation of nickel. Such substitution has been brought about by the additions of carbide and nitride forming elements like Mo, Ti, Al etc. in small amounts.

Cast Irons

Cast irons and alloyed cast irons can be used in various conditions involving concentrated caustic soda, sulphuric acid, nitric acid and chromic acid. Unalloyed cast iron is not resistant to dilute acids but when alloyed with nickel (Ni-resist) or silicon (Dur iron) or silicon molybdenum (Durichlor) then its resistance improves many-fold in weak and strong acids.

A great impact on engineering design in a number of industries has been made since the commercial introduction of S.G. iron. This alloy has found innumerable uses where strength and ductility need to be better than ordinary cast iron. Spheroidisation of graphite is brought about by treating the molten cast iron with Mg or other elements in small amounts. The success of the treatment depends on the composition of pig iron and so the possibilities of producing S.G. iron from Indian pig iron by inoculating it with different elements need careful studies. Trial heats have been carried out at the National Metallurgical Laboratory with a number of synthetic pig irons by inoculating the same with Ca, Zr, B, Zn, Na, and Mg. Only Mg gave 100% nodulisation while Ca, Zr, and B gave mixed nodules and flakes.

TABLE II (*Contd.*)

Cast No.	Oxidation Test: Gain in wt. in gms/sq. in. for 24 hrs. 850° C.	1000° C.	1150° C.	Gain in wt. for Cr-Mn : Ni steels/ gain in wt. for 18 : 8 Cr : Ni steels 850° C.	1000° C.	1150° C.	Boiling nitric acid test Strength 65% by wt. Duration of test 48 hrs. Inches penetration per month
A 25 ..	0.00250	0.0162	0.7275	1.39	0.75	1.21	0.057010
A 22 ..	0.00270	0.0260	0.4017	1.50	1.20	0.67	0.102800
A 14 ..							0.015400
A 15 ..	0.00190	0.0195	0.4363	1.05	0.91	0.72	0.083030
A 20 ..	0.00190	0.0242	0.8444	1.05	1.13	1.40	0.033400
A 9 ..	0.00210		0.7079	1.16		1.17	0.012570
A 8 ..	0.00180	0.0159	0.9574	1.00	0.74	0.74	0.012720
A 12 ..	0.00220	0.0249	0.6174	1.22	1.15	1.02	0.088490
A 13 ..	0.00210	0.2400	0.8992	1.16	1.11	1.49	0.055009
A 3 ..	0.00194	0.0055	0.5971	1.08	0.26	0.99	0.004747
A 4 ..	0.00180	0.0258	0.6790	1.00	1.20	1.13	0.008042
A 26 ..	0.00200	0.0189	0.4500	..	..	..	0.001479
A 27 ..	0.00160	0.0242	0.7563	..	..	..	0.001913

TABLE III—*Composition of Precipitation Hardenable Stainless Steels*

Steel	C %	Cr %	Ni %	Mo %	Al %	Cu %	Nb-Ta%
17-4 PH	0.04	16.20	4.00	..	..	3.50	0.25
17-7 PH	0.07	17.00	7.00	..	1.15	..	..
PH-15-7 Mo	0.07	15.00	7.00	2.25	1.15	..	..

TABLE IV—*Typical Chemical Composition of some Heat and Creep Resistant Alloys*

Alloy type	Percentage composition: C	Ni	Cr	Mo	W	V	Co	Nb	Ti	Cu	Al	Si	Mn	Other elements
C-Mo ..	0.10	..	..	0.50	..	..	..	..	..	..	..	0.35	0.60	..
1%Cr-Mo ..	0.10	..	0.80	0.50	..	..	..	..	..	..	..	0.35	0.60	..
Mo-V ..	0.10	..	0.50	0.55	..	0.25	..	..	..	..	..	0.25	0.60	..
2¼%Cr-Mo ..	0.10	..	2.25	1.00	..	..	..	..	..	..	..	0.35	0.50	..
410.. ..	0.15	1.0 (max)	11.5-14.0	0.5 (max)	..	..	..	..	..	..	..	1.5	1.0	..
420.. ..	0.2-0.4	1.0 (max)	11.5-14.0	0.5 (max)	..	..	..	..	..	..	..	1.5	1.0	..
431.. ..	0.3 (max)	2.0 (max)	18–22	..	..	..	..	..	..	..	..	1.0	1.0	..
Rex 448 ..	0.1-0.2	..	10–13	0.6-0.9	..	0.1-0.2	..	0.30	..	..	..	2.0	1.5	..
304.. ..	0.08 (max)	8–11	18–21	..	..	..	..	..	..	..	..	1.5	1.5	..
316.. ..	0.12 (max)	9–12	18–21	2–3	..	..	..	..	..	..	..	2.0	1.5	Cb 8xC or Cb-Ta 10 xC
347.. ..	0.08 (max)	9–12	18–21	..	..	..	..	..	..	..	..	2.0	1.5	..
309.. ..	0.2 (max)	12–15	22–26	..	..	..	..	..	..	..	..	2.0	1.5	..
310.. ..	0.2 (max)	19–22	23–27	..	..	..	..	..	..	..	..	2.0	1.5	..
446.. ..	0.5 (max)	4–7	26–30	0.5 (max)	..	..	..	..	..	..	..	2.0	1.0	..
Nimonic 80A	0.05	77	20	..	..	..	2.0	..	2.5	..	0.5	..	..	..
Nimonic 90.	0.1	Rem.	18	..	..	..	15.0	..	1.8	..	1.8	..	..	..
S 816 ..	0.4	20	20	4.0	4.0	..	44.0	4.0	..	..	..	..	..	..
G 32	0.27	10.5	19	2.2	..	3.0	46.6	1.4	..	..	..	..	..	..
Rex 400 ..	0.1	76.0	12–13	19.2	..	..	..	..	2.1	..	0.6	..	..	Fe 2.0
Udimet 500.	0.1	55.6	19.84	4.15	..	..	13.7	..	2.95	..	2.87	..	..	Fe 0.6
M 252 ..	0.12	54	19	10.0	..	..	10.0	..	2.50	..	1.0	..	..	Fe 3.5

Complex high-tensile aluminium bronzes are established engineering materials. Recent developments have been made by the additions of manganese, nickel and small amounts of iron to aluminium bronzes. These alloys today find extensive use in propellers, pumps, valves and condenser components. However, aluminium bronzes are susceptible to stress corrosion cracking. It has been claimed that additions of Cd, Sn, or Ag have got a beneficial effect in imparting immunity to intergranular stress-corrosion cracking in steam or other oxidizing aqueous acid and caustic vapour.

Metallic Coatings

In most corrosion problems encountered, only one side of the surface comes into actual contact with the corroding medium. It is, therefore, clear that economically it would be advantageous to construct the strength portion of the vessel with less corrosion-resistant cheaper alloy, and then coating the corrosive surface with corrosion-resistant alloy. This type of sandwiched structure can be developed either by rolling or by diffusion treatment.

Cladding generally consists of hot rolling of the "sandwich block" prepared by edge welding of the assembly; the chief potentiality of this process lies in the production of clad steels where stainless steel or aluminium is clad over mild steel; while the former will be of importance to chemical industries, the latter can be used for structural purposes. Possibilities of using aluminium clad on creep-resisting superheater alloy steel (Mo or Cr/Mo) for resistance against sulphates in coal-fired boilers presents interesting possibilities.

Studies have been carried out in the National Metallurgical Laboratory for cladding stainless steel and aluminium on mild steel. By hot rolling a suitable 'sandwich' to the final required size it was possible to get a composite structure possessing good ductility and deep-drawing characteritics. Rolling temperature found suitable for stainless steel and aluminium were 1150° C. and 500-550° C., respectively.

In addition to cladding, improvement in the corrosion resistance of the surface exposed to corroding media may be accomplished by diffusion treatment. Processes like chromising, siliconising, calorising etc. present considerably attractive propositions. These processes are, however, limited by the size of material that can be treated. Alternative methods are, therefore, to be fully investigated. Increase in the aluminium content of the surface layer can be brought about by spraying or hot dip aluminising followed by high temperature diffusion treatment. Similarly, chromium, molybdenum etc., can be deposited on the surface at high temperatures under low pressure from their vaporised halides. Savings expected from the development of these processes are naturally expected to be considerable.

Alloys of Future Importance

After the Second World War, great advances have taken place in the production of newer metals, for example, titanium, zirconium, tantalum, niobium etc. Alloys of these metals have great potential applications in different fields. The main deterrent to their large use as material of construction is their high cost. However, India is favourably placed in respect of resources of titanium, zirconium etc. Titanium, the cheapest of the group, has the greatest potentiality, specially in the construction of equipments for missiles, jet engines, chemical plant equipment etc. While zirconium and niobium have potential fields of use in atomic energy applications, tantalum is expected to be economical

(*Continued on page 161*)

TREND OF WORLD COMMODITY PRICES

Excess Supplies, Despite Increase In Demand

WORLD commodity prices, which have been falling almost uninterruptedly since the end of the Korean boom, suffered a further distinct setback during 1962, thanks to persistent imbalance in the supply and demand position. On a preliminary assessment, it would appear that, generally speaking, the setback was induced mainly by the pressure of heavier supplies (following larger output and more releases from the U.S. stockpiles) rather than by any slack in demand. In fact, the overall demand for commodities tended to increase during the year. This was particularly so in the case of non-ferrous metals, industrial fibres, vegetable oils and silver, reflecting the distinct improvement of industrial production in the U.S. from the recessionary conditions of 1960-61, and the continuing expansion in Western Europe, albeit at a smaller pace. But for the improvement (though modest) in overall demand, prices of primary products entering into world trade would have gone down still further. It is, of course, too early to know the precise impact of decline in commodity prices on the economies of primary exporting countries during 1962. It is, however, only reasonable to assume that their terms of trade has continued to worsen during the year *vis-a-vis* manufactures, a feature that has been in evidence since the early fifties. To the extent that this trend adversely affects the tempo of development in underdeveloped countries through exhaustion of their capacity for importing capital goods, industrially advanced countries themselves stand to lose much from the weakness of commodity markets.

Most of the commodity markets began the year under review on a confident note. Values of a good many of them were well maintained during the first quarter. But this spell was rather short-lived and soon thereafter prices declined persistently to touch new low levels by August-September. The *Financial Times* (London) index of sensitive world commodity prices (base: 100=1952) which had improved from 78.29 during the turn of the year to 79.01 by the end of February, drifted gradually downwards to touch a new post-war low by the middle of September, when it stood at 74.61. The decline was accounted for mainly by the weakness in such commodities as lead, tin, rubber, coffee and soyabean oil. Some of the commodities of special interest to Indian exporters like tea, jute, and groundnut oil—which are not taken into account in calculating the *Financial Times* index—too were distinctly weak. It is no exaggeration to say that the *Financial Times* index at this stage would have slumped more sharply, but for some special factors, such as the producers support price for copper in the London market, strength in sisal, following floods in East Africa, and operators' hope of conclusion of a world coffee agreement and another for cocoa. Since September, the *Financial Times* index appeared to be on the way for a partial recovery, the latest available figure (end of November) being around 76.75, which, as compared with the beginning of the year, is still lower by well over a point. The recovery seems to have been induced to some extent by the Cuban crisis towards the end of October, which coincided with the beginning of the massive invasion of India's northern borders by China. The recovery has been somewhat marked in the case of some of the non-ferrous metals, coffee, cocoa and sugar.

U.S. Stockpile Surplus

Although imbalances in the supply and demand for commodities have been a persistent phenomenon for well over a decade, this problem was considerably aggravated this year because of the emergence of a new factor, namely, the apprehension about disposal of large surplus from U.S. strategic stockpiles. The U.S. Senate Sub-committee on Stockpiles, it may be noted, came to the conclusion by March last that all commodities held in the U.S. stockpiles were much in excess of their maximum objectives. The total market value of this surplus of seventy-four commodities was as much as $2,400 million. Indiscriminate disposal of these commodities, of course, would have led to an unprecedented depression in commodity markets. The U.S. Government, although anxious to dispose of the surpluses, has wisely refrained from inflicting any shock on primary producers. It has, on the contrary, taken into account the reactions of major producers and international commodity stabilisation organisations for ensuring orderly disposal of stocks. Thus, in consultations with the interests concerned, phased programmes for the disposal of stocks have been either undertaken in respect of some commodities or are being planned for others. Details about the stock position and disposable surplus of twelve major strategic materials, which account for about 75 per cent of the total stockpile by the U.S. (made public for the first time), are given in the following table:

(Quantity in '000 tons)

	Total stock	Surplus	Value of surplus ($ million)
Tin	340	164	442.1
Zinc	1,580	1,405	336.4
Aluminium ..	1,900	729	349.8
Chromite ..	5,200	2,530	219.7
Rubber ..	1,000	342	213.7
Lead	1,300	1,000	208.3
Manganese ..	9,100	2,300	174.5
Tungsten ..	72	50	159.0
Cobalt	43	35	117.0
Nickel	195	52	90.3
Copper	1,140	142	88.3
Molybdenum ..	38	11	35.4

Non-ferrous Metals

One of the commodities to suffer the worst setback during the year was lead. The setback has been the result of the pressure of large old stocks, and not of any imbalance in current production and consumption as such. Apart from the stocks of over one million tons with the U.S. stockpile, all the major producing countries have had large inventories with them. It is, however, a matter of some gratification that, during the year under review, stocks have tended to decline, unlike in 1961. It is estimated that producers' stocks, which stood at a very high level of 468,000 tons in January, moved down to 368,000 tons by September. The decline in stocks has been the result of increase in world consumption, which is said to have increased by 5 per cent in 1962 over the previous year to touch a record level. In fact, the Study Group estimates that world demand during this year has exceeded new supplies by 75,000 tons, in distinct contrast to the surplus of over 100,000 tons noted in each of the two previous years. This improvement, although small, has been accomplished by curtailment of output by producing countries at the instance of the U.N. Lead and Zinc Study Group. Thus, output in 1962 would be somewhat smaller than that in 1961 estimated at 2.31 million tons (primary metal).

It must be pointed out, however, that outlook for the commodity has turned better towards the close of 1962. This is reflected in the price movements in the London Metal Exchange, where the price of cash metal, which had gone down from over £61 per ton to touch the lowest post-war level of about £50 by August-September, has improved to around £55 by the end of November. The Study Group has, therefore, not recommended any curtailment of output for 1963.

Like lead, zinc also ruled distinctly easy during the year, thanks to pressure of surplus stocks. The output and consumption, in fact, are said to have touched record levels. But a small statistical surplus is expected during the year. Although consumption of Zinc has generally been going up, the rate of increase has slowed down. This is mainly because of the non-too-encouraging offtake by the motor industry in the U.S. and in Western Europe, aggravated to some extent by Russian sales in Western European countries. In the London market, the price of zinc (cash) fell from £71 per ton to £63-64 by August, though it recovered subsequently to about £68.

Tin

The slump in the tin market has come as an unpleasant surprise, for, unlike lead and zinc, tin had ruled distinctly firm in 1961 and had been well set for stable conditions a year ago. In fact, the demand for tin was running so much ahead of production that the Buffer Stock Manager of the International Tin Agreement had sold off all his stocks by the middle of 1961, in a bid to control prices. In contrast, the Manager has had to purchase about 2,000 tons of tin this year, to support prices under the new Agreement. Although consumption has been running high and output has only been just maintained, prices have moved down considerably. This was due largely to the fear of disposal of large U.S. stockpiles. This fear was removed only by September, when the U.S. decided to release tin stocks at the rate of only 200 tons per week. The U.S. has rejected the I.T.A.'s request for the fixation of a floor price for surplus disposal, but it has agreed to reduce or suspend sales, if they exert substantial depression in the market. World output of tin (excluding that of the Communist bloc) was about 70,000 tons during the first half of the year, which was higher by 4,500 tons than the output in the corresponding period of 1961, but still lower by 1,500 tons, as compared with the second half of 1961. Consumption of tin during the first six months of 1962 was 80,500 tons, as against 85,000 tons and 75,000 tons, in the first and the second half of 1961, respectively. The price of tin (cash) rose from £947 per ton in the beginning of the year to over £973 before declining to £847.75 at the end of the third quarter. At present, it is quoted at about £869 (end of November), which compares with £959 a year ago.

Silver

In refreshing contrast, silver and, to some extent, copper, fared well in world markets. The rise in the price of silver has, indeed, been phenomenal. This white precious metal continued to be in short supply, with the demand for industrial and artistic uses and coinage purposes outstripping output. While consumption has been around 300 million ounces annually since 1959, production has been around 235 million ounces. A rapid fall in the stocks of silver in the U.S., and also Mexico (which is the largest producer and exporter of silver) led to a boom in world silver prices. Ever since 28th November 1961, when the U.S. Government decided to suspend sales of silver to domestic industry, silver prices started its onward march. Then came the decision of the Mexican Government a few months back to suspend their sales, following the sharp decline in its stocks, too. The decline in Chinese exports of silver to the free world in 1962 further aggravated the scarcity conditions. From 88d. an ounce, the London market price of silver was skyrocketed to 104d. during the year, which is a record for several years.

A measure of stability has been attained in the copper market, largely as a result of concerted efforts, including cutback in production and extension of price support by producers themselves. Besides, labour strikes in copper mines in Peru, Chile and Rhodesia came as a blessing in disguise. Thus, the producers have been able to maintain the price at about £234 per ton for spot delivery in the London market. Futures prices have also been well maintained though there were modest two-way fluctuations during the year.

Industrial Fibres

Among fibres, jute has suffered a sharp setback. World cotton has also been ruling easy. But sisal has been firm, following crop failure in East Africa. The setback in jute has been

COMMODITY INDICES

	Latest available (6-12-62)	A month ago	Three months ago (5-9-1962)	A year ago
Financial Times .. .. (Base: 1st July 1952=100)	77.89	76.59	74.62	78.27
Dow Jones: (Base: Average 1924-25-26=100)				
Spot	147.74	146.70	145.04	150.09
Futures	144.40	144.55	142.89	151.03
Moody's: (Base: 31st December 1931=100)				
Staple commodities	368.8	363.5	367.9	371.5

COMMODITY PRICE CHANGES IN LONDON

(The quotations are in £ per ton unless otherwise stated)

	Latest available	1962 High	1962 Low	A year ago	Change over the year
Metals					
Aluminium (Canadian) ..	180	186	180	186	—6
Antimony 99% (delivered) ..	230	250	230	230	—
Copper cash	234½	235½	228½	228½	+5½
3 months copper	232½	237½	229	229½	+2½
Copper sulphate	72	79	78	78	+1
Gold (per oz.) (spot) ..	250s. 2d.	251s. 2d.	249s. 2d.	250s. 2d.	+1d.
Lead cash	54⅞	62	50	60½	—5⅛
3 months	54⅞	61⅛	50⅛	61½	—5⅛
Nickel	642	660	642	660	—18
Platinum* (oz.) ..	30½	30½	30½	30½	—
Quick Silver (Flask) ..	61½	62	59	59	+2½
Silver (f. oz.) (spot) ..	103½d.	104d.	84½d.	86d.	+17½
Tin cash	863	973½	849½	948½	—85
3 months	858½	972½	847½	959½	—100½
Tin plates	62s. 11d.-70s. 11d.	74s. 9d.	62s. 10d.	60s. 5d.-67s. 9d.	+3s. 2d.
Wolfram unit c.i.f. ..	67½	71½	63½	70½	—3½
Zinc cash	67½	72½	64½	71½	—4½
3 months					
Wheat					
No. 2 Manitoba ..	29-11s.	29-6½s.	27-8½s.	29-6½s.	—5s.
Am. No. 2 Hard Winter ..	27-10½s.	28-2½s.	27-7½s.	28s.	—1½s.
Australian	25-5s.	26-2½s.	25-5s.	25-15s.	—10s.
English Milling	16-17½	25½	16½	23½	—6
Spices					
Cloves (lb.)	2s. 7½d.	2s. 9½d.	2s. 6½d.	2s. 7½d.	+½d.
Pepper White (lb.) ..	2s. 8½d.	3s. 4½d.	2s. 8½d.	3s. 2½d.	—5½d.
Black (lb.)	2s. 1d.	2s. 11d.	2s.	2s. 7d.	—6d.
Oils					
Castor, Indian	112	134	111	128	—16
Coconut, Straits 3½% ..	94	94	82½	79½	+14½
Groundnut 3/5%	96	122	95	111½	—15½
Oils—contd.					
Linseed, Crude..	92	123	92	123	—31
Palm, Sumatra	75	84	69	80	— 5
Soyabin, European	74½	93½	71	96	—21½
Seeds					
Copra, Philippines	$180½	$180½	$158	$159	+$21½
Groundnuts, Nig.	58½	70	56	65½	— 7½
Linseed, Can. No. 1	51	59½	49½	57½	— 6½
Other Commodities					
Cocoa, Shipment (50 kilos) ..	160s.	172s. 6d.	151s. 3d.	210s.	—50s.
Coffee Shipment† Cwt. ..	164s.	164s.	135s.	137s.	+27s.
Futures, 2nd Position ..	171s.	173s. 9d.	151s.	153s. 6d.	+17s. 6d.
Cotton, Amer. Middling (lb.) ..	24d.	24. 60d.	22. 30d.	24. 20d.	—. 20d.
Des. Coconut	121	130	95½	93½	+27½
Jute, L.J.A. Firsts	121	127	98	131	—10
Rubber (lb.)	24½d.	25⅛d.	21½d.	23⅛d.	+1d.
Sago, Pearl	39½	41	38	38¼	+1¼
Flour	28½	29½	25	26½	+ 2
Sisal, B.E.A. No. 1	123	123	90	85	+38
Sugar	33½	33½	20	22½	+11½
Sulphur, U.S. and Mexican ..	$261-30	$264-30	$20-21	$20-21	+$9
Tapioca	55	66½	52½	52½	+2½
Tea (Quality) (lb.)	5s. 9d.-6s. 2d.	..	..	4s. 5d.-5s. 6d.	+8d.
„ (Plain) (lb.)	3s. 3d.-4s. 6d.	..	..	2s. 8d.-3s. 4d.	+1s. 2d.
Woottops 64s. (lb.)	109d.	109d.	103d.	105d.	+4d.

* U.K. and Commonwealth refined. † Uganda Robusta Grade 10 unwashed f.o.b. Mombasa.

Source: *Financial Times*, London.

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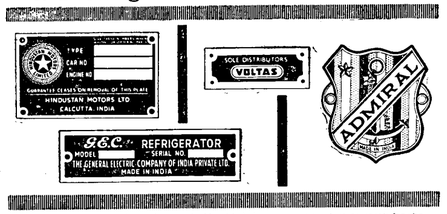

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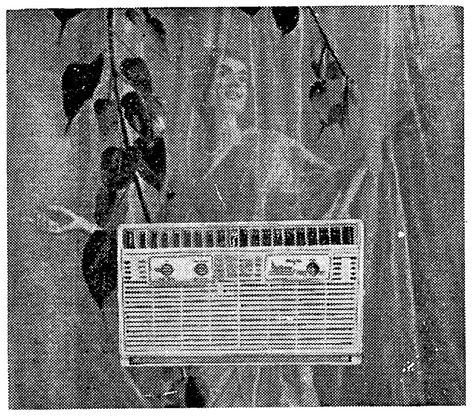

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due mainly to the spectacular recovery in output in 1961-62 in both India and Pakistan from the abnormally low levels in the previous two seasons. India's jute output has gone up from a mere 3.98 million bales in 1960-61 to a record of 6.27 million bales in 1961-62 and that of Pakistan from 5.6 million bales to 6.97 million bales. Jute output is expected to be slightly smaller in India during the current season. In Pakistan and, to some extent, in Thailand too, output is estimated to be lower during the current season. But for this development and the price support schemes in India, raw jute prices would have gone down still further.

The weakness in raw cotton has been induced by larger supply and the somewhat uncertain prospects for cotton textiles industry in several countries. The cotton crop for 1962-63 is estimated at about 35 million bales (of which the U.S. share is 14.6 million bales), as compared with 33.6 million bales in 1961-62 (U.S. share 14.4 million bales) and 33.4 million bales in 1960-61.

Among the other industrial raw materials, rubber developed a sagging tendency since March, and a recovery was not in sight until the end of August. The earlier weakness was induced by the fear of low offtake by communist countries and continuing competition from synthetic rubber, besides large stocks in the U.S. Consumption trends in 1962, however, appeared to be quite satisfactory, especially in the closing months of the year. According to the latest estimates of the International Study Group, world production of natural rubber in 1962 is 2.11 million tons, besides stockpile releases amounting to 66,000 tons. Consumption of rubber has been running at a higher rate of 2.19 million tons. The recovery in the rubber market in the last quarter of 1962 has been due to large purchases of rubber from Malaya by Russia and the prospects of Chinese re-entry into that market, after a lapse of two years. The decline in overall stocks has also helped sustain the upward trend.

Coffee and Cocoa

There has been a marked downward trend in beverages as well. In respect of cocoa, comfortable supply position has pushed prices down. Prices would have gone down further, but for the hope of finding an agreed draft world agreement for stabilisation of prices, for which the Cocoa Study Group has been endeavouring for several months. The 1962-63 crop of cocoa beans is estimated at 1,139,000 metric tons. an increase of some 13,000 metric tons over 1961-62 crop (revised estimate). The grindings of cocoa beans for 1963 is placed higher at 1,148,000 metric tons, as compared with 1,103,000 metric tons for 1962. There has been a further increase in cocoa output in Ghana and Nigeria, which would offset any decline in Brazil and Ivory Coast. Tea and coffee prices too moved down during the major part of the year, but staged a slight recovery towards the close. The recovery in tea towards the close has been aided by lower output in North Indian estates, which was lower by 45 million lbs. at 511 million lbs. during January-October, as compared with the corresponding period last year. Pakistan's output was also lower. This is offset, to some extent, by the increase in South Indian production, as also that in Ceylon. The tea market has also been jubilant over the Common Market decision to introduce nil tariffs on Commonwealth tea, if the U.K. joins the Six.

An important factor that led to the recovery in the coffee market has been the prospect of stability in the market, when the World Coffee Agreement comes into effect. It must be noted, however, that despite the Agreement, which has laid down export quotas, and the expected decline in output in the 1962-63 season, there will be still large surpluses of coffee.

Oilseeds and Oils

Prices of oils and oilseeds continued to give way, particularly on account of the comfortable supply position of oils, both of vegetable and marine origin. An important bearish factor in this market has been the large output of soyabean in the U.S. The U.S. soyabean crop is estimated to have touched a record level of about 18.8 million tons in the 1962-63 season, that is, an increase of one per cent over 1961-62 and as much as 70 per cent over the 1950-60 annual average. Besides, the groundnut crop in India and most West African countries is also expected to be marginally higher. A further increase in U.S. output of cottonseed and linseed has also been predicted for the current season. These increases in supplies, however, will be partially offset by a decline in oilseeds production in Canada in particular.

Foodgrains

Prices of foodgrains have followed the general decline in commodity prices, though not to any significant extent. Wheat prices have tended to sag, after remaining steady during the major part of the year. A measure of strength had been in evidence in wheat as a result of the fall in output in 1961-62 to 209 million tons (from 219 million tons in 1960-61) and a small decline in stocks. It is against this background that maximum and minimum prices under the International Wheat Agreement were raised by 12.5 cents to $2.02½ and $1.62½ per bushel (basis being Manitoba wheat No. 1). According to the latest assessment, this declining trend in output has been reversed in the 1962-63 season, because of larger crop in Canada, Western Europe, Asia and Soviet Union. No increase in output, however, is envisaged in the U.S. mainly because of a reduction in acreage under the Wheat Stabilisation plan. It should not be forgotten, however, that the U.S. still continues to hold large stocks of wheat placed at over 36 million tons.

The decline in import demand for wheat from Western Europe (following a steady increase in its own production), is also a source of concern to wheat exporting countries, aggravated by the uncertainties regarding the impact of the Common Market's common agricultural policy which came into force in July. The steady import demand for wheat from India and Pakistan (which will be met largely under the U.S. P.L. 480 programme), and that from Communist China (being met under special agreements with Canada, Australia and France), however, are factors offsetting the possibility of any marked decline in wheat prices. As regards other foodgrains, including rice, barley and maize, output in the world as a whole is expected to continue its upward trend during the 1962-63 season, with the possibility of some decline in open market prices. According to the U.S. Department of Agriculture, output of rice (unmilled) will be about 153.2 million tons in 1962-63, as against 150.4 million tons in 1961-62.

The outlook for commodities in 1963 will depend largely on the trends of industrial expansion in the U.S., Western Europe and also Japan. On this question, there is no unanimity among economists. One only hopes that Dr. Per Jacobsson's fear of recession at any rate will be proved untrue. In fact, Dr. Jacobsson sees in the persistent weakness in commodity markets itself the genesis of deflation. Be that as it may, it is possible that the "miracle countries" such as West Germany and France may not be able to maintain the high tempo of economic activity, if current trends are any indication of coming events. Nor is it possible to assume that the pace of recovery in the U.S. output witnessed in 1962 will move up to any considerable extent next year. These factors, coupled with the growing competition from synthetic substitutes for a wide range of commodities, and the still uninterrupted increase in the output of these commodities, suggest that the imbalance in supply and demand position of commodities is not likely to be rectified to any perceptible extent in the foreseeable future. Much will, however, depend on actual trends in industrial production next year.

It is against this background of general uncertainty that producers and consumers have been making efforts on an increasing scale to promote international co-operation to stabilise commodity prices. International agreements on tin and wheat, for instance, have been renewed during the year, and a new long-term agreement is in the process of being signed for coffee. Besides, the U.N. Study Group on cocoa is now giving finishing touches to the draft on a similar agreement for that commodity. A similar attempt is also being made by the Lead and Zinc Study Group. Not always have the international commodity agreements been successful in stabilising price levels, especially as they do not involve provisions for effective control on production. For the time being, however, there seems to be no foolproof alternative to world commodity agreements as agencies for price stabilisation. They have to be welcomed in the spirit of something is better than nothing. Ultimately, they may yield place to something better.

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COAL INDUSTRY'S PERFORMANCE IMPROVES

Expansion Plans Under Way, Despite Insufficient Incentives

IN an annual review, such as this, of the performance of coal industry, production trends in the relevant fiscal year (April to March) and calendar year alike have to be brought into focus. The present review, therefore, covers production trends in 1962-63 (based on the actuals of the first six months, April to September) and in 1962 (based on the actuals of the first nine months, January to September). Taking the *fiscal year* first, it is found that actual coal production in the private and public sectors together in the six-month period April-September 1962 has aggregated 29.9 million tonnes, representing a monthly average of 5.0 million tonnes. On the assumption that there will be no improvement on this average in the second six-month period, October 1962-March 1963, coal production in the whole of 1962-63 will be around 60 million tonnes only, as against 55.2 million tonnes in 1961-62 and 55.5 million tonnes in 1960-61. In other words, unless the spur of emergency created by China's aggression on Indian territory brings about—as it well may, thanks to the shift, with effect from mid-November 1962, to seven days' working and three shifts in the bigger collieries—a higher monthly rate of coal production in the second half of 1962-63, the estimated production in this the second year of the third Plan will be just 60-61 million tonnes, a level of output, which had been targeted for the last year of the second Plan (1960-61) but which, of course, was not attained then.

To examine the *calendar-year* trends next. Actual coal production in the private and public sectors together in the nine-month period January-September 1962, as will be seen from the table on this page, has aggregated 44.9 million tonnes, representing a monthly average of 5.0 million tonnes. If it is assumed that there will be no improvement on this average in the last three months of the current year, coal production in the whole of 1962 will be just around 60 million tonnes only, as against 56.1 million tonnes in 1961, 52.6 million tonnes in 1960 and 47.8 million tonnes in 1959. The calendar-year trends thus suggest that coal production in the country has maintained a steady, though slow, increase of about four million tonnes per annum since 1959. This, incidentally, is a measure of the achievement in the vital sector of coal industry on which the railways, iron and steel plants, thermal power stations and several other industries depend for their fuel supplies.

That this relatively modest achievement has fallen very much short of the needs of consuming industries in the last two years could be inferred from the critical shortages of coal in

Progress at a Glance

(In thousand tonnes)

	Raisings		Despatches	
	1962	1961	1962	1961
January ..	4,978	5,137	4,330	4,191
February ..	4,844	5,225	4,074	3,896
March ..	5,190	5,524	4,576	4,308
April ..	4,997	4,540	4,469	4,173
May ..	5,127	4,599	4,441	4,182
June ..	4,835	4,182	4,360	3,908
July ..	4,857	4,160	4,587	4,166
August ..	4,957	4,369	4,720	4,415
September ..	5,100	4,592	4,081	4,290
Jan.-Sept. ..	44,885	42,328	39,629	37,619

most parts of the country. The rate of annual increase in coal production in the next three years (broadly corresponding to the remaining three years of the third Plan) would have to increase threefold, as compared with the rate in the last three years, if there is to be no serious shortfall in the achievement of even the originally-proposed target of 97 million tonnes for the end-year 1965-66. On this reckoning, even if the exigencies of the Sino-Indian war were not there, the level of output in 1963 would have to be not less than 72 million tonnes. Whether or not that much production in the next year can be, or will be, achieved may be broadly inferred from the review, in the following paragraphs, of official measures taken so far during the current year for removing bottlenecks on the production and transport sides of the coal industry.

Utilisation of I.B.R.D. Loan

On the production side, by far the most important development during the early part of the current year was the finalisation of projects involving the expenditure of the first loan of $35 million sanctioned by the World Bank in August 1961 for the exclusive use of the private sector in coal industry to cover orders for mining machinery and equipment during 1962-63. It may be recalled, in this connection, that the private sector's third Plan programme, designed for an additional annual production potential of about 17 million tonnes (from 45 million tonnes in 1960-61 to about 62 million tonnes in 1965-66) would call for a fresh capital investment of Rs. 60 crores with a foreign exchange component of Rs. 28 crores ($60 million). As many as 184 projects of individual collieries were scrutinised and approved by the technical and financial screening committees which had been set up by the Joint Working Committee of the industry with the approval of the Government of India. The approved projects became eligible for imports of machinery and equipment, including spares, within the framework of the World Bank loan which, it was laid down, was to be allocated in the following manner:

	$ million
For expansion of existing mines ..	14
For replacement for existing mines ..	14
For spares for existing equipment ..	2
For development of new mines ..	5
Total ..	35

The pace of utilisation of this loan seems to have been quickened during the year, with import licences for the aggregate value of Rs. 15 crores having been issued by August last. So, the first phase of the private sector's expansion programme may well be completed by the end of the current fiscal year 1962-63. Its effects, in terms of additional production, are, however, likely to be significant only from 1963-64 onwards. As the balance ($25 million) of the private sector's foreign exchange requirements is also most likely to be financed by a second loan of $25 million from the World Bank which has already given an indication to that effect, the chances are that this sector will achieve its third Plan target, even as it achieved its second Plan target, provided, of course, its other requirements are also satisfactorily met. These other requirements pertain to imports of spares, supply of explosives, availability of power, construction of ropeways for carrying sand for stowing, allotment of railway wagons and, above all, coal prices.

Spares and Explosives

To take these requirements one by one. First, imports of spares for existing equipment have not been adequately covered by licences. As much as 20 per cent of the equipment owned by private collieries is stated to have been idle during the year under review for lack of spares. Since the allocation ($2 million) for this item from the World Bank loan is patently insufficient, the licensing authorities would have to permit further imports within the limits set by foreign exchange availability. As for supplies of explosives, the situation has been pretty bad during the year, because 75 per cent of the output of the Imperial Chemical Industries (India) Private Ltd.—the sole manufacturer and distributor of explosives in the country—has been taken up by the Government. Only the balance (25 per cent) has been available to other consumers, including the coal industry. The supply situation is likely to become worse in the context of the Sino-Indian war emergency and the consequent additional defence requirements. Unless the Government takes steps to get more explosives imported or produced indigenously, the coal industry might continue to face difficulties in getting adequate quantities of this vital material.

Power and Stowing Sand

Thirdly, power supply for the coal industry has been insufficient during the year, and this has affected mechanical mining. The shortfall in power supply for the West Bengal and Bihar coalfields alone in the current year has been estimated at about 60 M.V.A. The official study team set up during the year to assess the additional power requirements of the coal industry in both the private and public sectors for the whole of the third Plan period has recently estimated them at 143 M.W. The team has also recommended some steps for improving power supply to the Bihar-Bengal coalfields. One of the steps recommended is that the Damodar Valley Corporation should review all the existing demands for power and allocate the maximum possible supply to the coal industry. Another recommendation is that the U.P. Government should be persuaded to release 30,000 kw. power at 50 per cent load factor from the Rihand Project for utilisation in the coalfields in the Bihar-Bengal area. The team has further suggested that six 1,500 kw. package generating sets be earmarked for supply to the coal industry in the area served by the Associated Power Company and the Dishergarh Power Supply Company in West Bengal. If these recommendations are acted upon, there will be an end to the present power shortage which has slowed down the rate of coal production. But there is some uncertainty here, for the extent to which Rihand power can supplement D.V.C. power is yet to be settled with the U.P. Government. Pending this, at the time of writing (that is, end of November 1962) the West Bengal State Electricity Board has agreed to supply an additional 20 M.W. of power to collieries and the U.P. Government has begun to supply some quantity of Rihand power to the D.V.C. grid.

Fourthly, in regard to supplies of sand for stowing purposes, the larger collieries, which have their own arrangements for gathering and transporting such sand, seem to have benefited during the year from the liberalised pattern of stowing subsidy. But the smaller collieries, which do not have their own arrangements for gathering and transporting sand, have continued to be at a serious disadvantage, for the Coal Board's ropeways programme, covering the Jharia and Raniganj coalfields and involving an outlay of Rs. 16 crores, has not progressed fast enough to be completed, as scheduled, within the first two years of the current Plan. Although it has been recognised that stowing as a measure of conservation would need to be intensified during the third Plan period since a part of the additional production is to come from existing mines by depillaring operations, a sufficiently high priority has not been assigned to the ropeways programme in the matter of foreign exchange allocation.

Transport Plans

As for transport bottlenecks which caused pithead stocks to accumulate during 1961 and thereby slowed down production, the current year has witnessed some progress in overcoming them. Thanks to considerable improvement in rail transport there has been practically no accumulation of pithead stocks in the Bihar-Bengal area. But over the country as a whole, the coal supply situation has continued to be difficult for all consuming industries, apparently because of expansion in industrial capacity in many parts of the country. For instance, as against the assessed

Annual Trends

(In thousand tonnes)

	Raisings	Despatches
Estimate for the whole of 1962	60,000	53,000
Whole of 1961	56,102	50,277
,, 1960	52,913	46,327
,, 1959	47,786	42,269
,, 1958	46,047	40,988
,, 1957	44,202	38,289
,, 1956	40,066	35,518
,, 1955	38,829	33,468

requirements of 8,127 wagons per day in respect of all the coalfields in the first half of the year under review, the railways were actually able to load only 6,049 wagons per day. The daily number of wagons actually loaded fell short of the railways' own target of 6,925 wagons per day. Coal supplies to industries did not, therefore, increase substantially during the period. The latest available figures show, in this connection, that the 36 priority classes of industries had an aggregate stock of 2.4 million tonnes of coal on 1st July 1962, as against 2.1 million tonnes on 1st July 1961. The aggregate consumption of these industries was 3.7 million tonnes in June 1962, as against 3.4 million tonnes in June 1961. The improvement that had taken place in coal consumption and stocks was thus only marginal and hence inadequate. The very fact that industry after industry has been complaining about inadequate coal supplies and uncertain and delayed deliveries proves that coal movement has not greatly improved during the year. The Government has, of course, been aware of the acute need for improving coal transport. It has, therefore, been seeking to finalise a scheme for the creation of coal dumps in different parts of the country for catering to strategic industries and power houses. But it would appear that this scheme, though ready for implementation from next year, may not have smooth sailing for all the interests concerned— coal industry, coal merchants and consuming industries—have criticised it on some ground or other.

The Government's new scheme, finalised during the year, for improving roads in the Bihar-Bengal area at an aggregate cost of about Rs. 15 crores is, by and large, sound. One part of this scheme envisages improvements to the Grand Trunk Road, over a stretch of 250 miles between Calcutta and Topchanchi, for facilitating coal haulage by heavy trucks. If this scheme is implemented and the required heavy trucks become available, the expectation is that anything upto 10 million tonnes of coal, as against the actual three million tonnes in 1961-62, can be moved by road annually in the latter half of the third Plan period. But the problem of higher cost of haulage by road will be there. This will have to be solved, in terms of the assurance given by the Union Minister for Mines and Fuel, through the grant of a subsidy like the one now being given for moving about two million tonnes of coal by the sea route to southern and western India. The other part of the scheme envisages improvements to feeder roads now looked after by State Governments or district boards in the Bengal-Bihar region and also to roads linking coal areas with riverside jetties from which more coal could be carried by boats and barges upto Allahabad. The idea here is to break the bottlenecks caused by congestion in the Moghulserai railway yard. But its potentialities are stated to be very much exaggerated, for haulage of some three to four million tonnes of coal per annum, as proposed, by river and through the D.V.C. canal will be a formidable task in the present undeveloped state of inland navigation and in view of the practical difficulties in the way of early manufacture of power tugs for country craft. So the only programme that is deemed immediately feasible is the one covering the Grand Trunk Road to Calcutta and its feeder roads. For the rest, consuming industries in different parts of the country could hope for relief, if at all, only from greater efficiency in the operations of railways in terms of improved wagon turnround, increased speed of goods trains, quicker loading and unloading, further rationalisation of block rakes and half-rakes and, above all, increased wagon availability in the light of requirements as assessed by the Coal Controller.

Coal Price Increase

Another important development during the year under review was on the production side of the industry. This pertained to the increases, announced in mid-June 1962, in the prices of various grades of coal. The sanctioned increases, as will be seen from the details given below, range from Re. 0.38 per ton to Re. 1.50 per ton:

	Rs. per ton
Non-coking coal :	
Grade II	0.38
Grade I	0.75
Selected B	1.00
Selected A	1.50
Coking coal :	
Grades HH, J, K and L ..	0.38
Grades F, G and H	0.75
Grades D and E	1.00
Grades A, B and C	1.50

The coal industry was frankly disappointed over these price increases, for it had cogently pleaded for a flat increase of Rs. 5.43 per ton to compensate it for the higher cost of production, the cost of servicing its capital investment programme in the third Plan period, etc. The industry was also surprised at the Government's decision to fix a celling on the prices of coking coal of HH to L grades (converted into one grade HH) and non-coking coal of Grade II at Rs. 20.50 per ton. This price celling, it was contended on behalf of Industry, would discourage the raising of the particular grades of coal from deeper seams in the Jharia-Raniganj fields. The marginal price increases, coupled with the ceiling price for certain grades, were, therefore, not such as to enthuse the industry which had established a sound case for a more economic price of coal in the context of cost increases and third Plan's expansion requirements alike.

In the Public Sector

No outstanding developments took place during the year in the public sector of coal industry. This sector's contribution to aggregate coal production in the period January-September 1962 has come to 7.6 million tonnes. The production programme of the public sector has been revised upwards during the year with the objective of reaching a target of about 40 million tonnes in 1965-66, made up of 34 million tonnes by the National Coal Development Corporation and 6 million tonnes by the Singareni Collieries. Its expansion plans, which will involve an aggregate capital outlay of about Rs. 105 crores (with a foreign exchange component of Rs. 50 crores), have been taken on hand. While no internationally available funds, such as those of the World Bank, have so far been allocated for this development programme, the Russian, Polish and Czechoslovak Governments and the United States, France and the U.K. have already provided or are likely to provide bilateral assistance therefor. As things stand at present, the public-sector coal programme would be generally financed from tied purchases from Western and East European countries to the extent that free foreign exchange is not available.

It is well known that the coal mined in India has a large ash content—about 16 to 18 per cent—even after washing. A team of foreign experts has, therefore, recommended recently that some superior grade coal be imported from abroad to blend it with the indigenously available varieties. The Government of India is now considering this recommendation, according to Mr. C. Subramaniam who addressed the Congress Parliamentary Party's Committee on public undertakings on 12th December 1962. The high ash content in coking coal and some aluminium content in iron ore are stated to be responsible for considerable wastage in blast furnace operation in the country's iron and steel plants.

CORROSION-RESISTANT ALLOYS

(*Concluded from page* 152)

for use under high-temperature corrosive chemical environments.

A recent field of research in high-temperature materials is the development of cermet materials. These materials are compounds between metals and non-metals, for example, boron, carbon, oxygen or nitrogen, with the addition of some lower-melting binder materials. Cermets used for high-temperature service should have resistance to oxidation and, from this point, metal-bonded titanium carbide group of alloys is one of the most important. However, considerable research work is required to assess quantitatively the effects of factors, such as shape and size of distribution of hard phase and the type of binder material on strength and hardness. Similarly research on new high temperature alloys based on intermetallic compounds is gaining prominence. Some of the possible compounds worth investigating are silicides like chromium silicide, molybdenum silicide, aluminides like nickel aluminide, titanium aluminide etc. Also of interest will be intermetallic compounds between transition metals, e.g. Zn, Cr_2, Cr_3 Ti etc.

Note: This article is based on the paper presented by the author at the Symposium on "Corrosion of Metals" held at Kanpur on 8th November 1962 under the joint auspices of the Defence Research and Development Organisation and the Council of Scientific and Industrial Research.

* H. Neumeister and H. J. Wiester, *Stahl und Eisen*, 45 (1945), pp. 1/9, 16/43 and 68/77.

† Cauchois, L., Didier, J. and Herzog, E., *Corrosion*, 1957, 13, p. 263 T.

‡ *Abs. Jr. Met.* No. 9/10 Pt. A (1960), p. 61.

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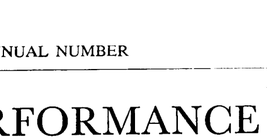

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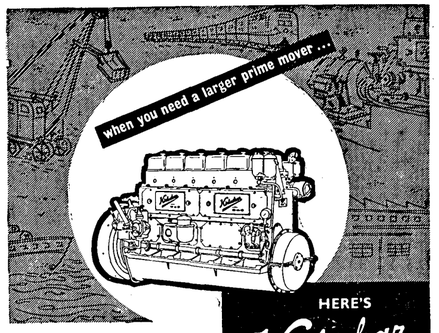

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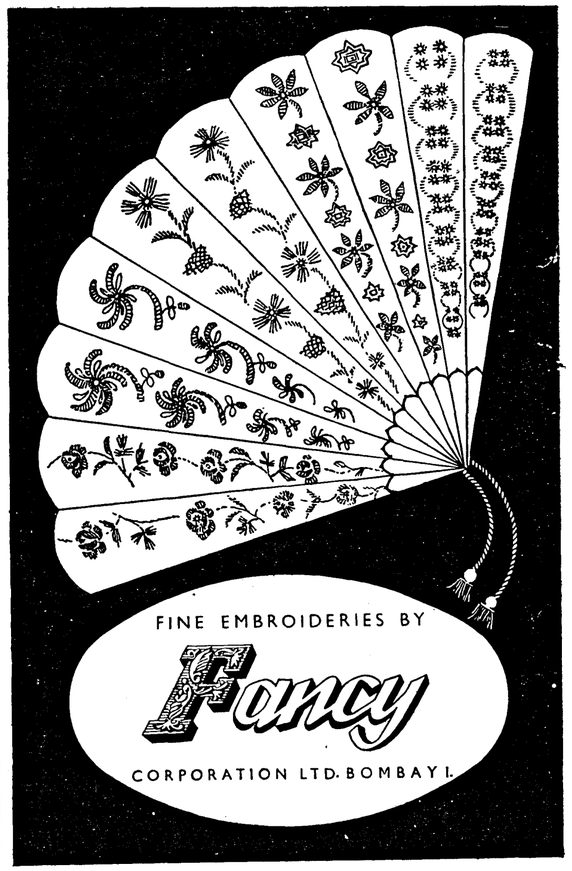

JUTE INDUSTRY TURNS THE CORNER

Both Production and Offtake Higher—Rise in Sacking Stocks, However, Causes Concern

IF 1961 was one of the darkest years for the Indian jute industry, the year 1962 was an exceptionally good one, thanks to a bumper jute crop and excellent demand for manufactured goods. Indeed, during 1962, almost the entire installed capacity of the industry consisting of about 73,000 looms was utilised to the maximum extent possible. In the previous year, it will be recalled, quite a bit of the mills' loomage remained sealed for want of raw jute supply (12 per cent for eight months and three weeks, 26 per cent for eight weeks, and 9½ per cent for eleven weeks). The raw jute supply position was so critical that the mills were forced to cut working hours and there was even compulsory block closure of mills for one week each in June and July. All these cutbacks disappeared towards the close of 1961 and the year 1962 began with distinctly encouraging prospects for the industry. A clear indication of full utilisation of capacity during the year under review is provided by the marked rise in the average of loom-hours actually worked; in the first three quarters of 1962, these were 2,016, as against 1,713 in the corresponding period of 1961. The average might have been higher still but for shortage of spinning capacity and restrictions on supply of power.

Record Output

Following the intensive utilisation of capacity, the aggregate output of jute goods in 1962, estimated on the basis of the figures for the first ten months, touched the all-time peak of 1.18 million metric tons, as against the actual output of 970,300 tons in 1961, 1.09 million tons in 1960 and 1.07 million tons in 1959. The mills were able to produce more chiefly because of plentiful supplies of raw jute and mesta at reasonable prices and good demand for hessian and other manufactures. The combined yield of these fibres during the 1961-62 jute season (July-June) was 7.97 million bales of 400 lbs. each, as against 5.11 million bales in 1960-61. Such a substantial rise in the output of raw material more than made good the poor opening stocks and reduced imports, so that the total available supply was as much as 9.24 million bales, as compared with 7.18 million bales in 1960-61 (*vide* Table A). The prices of raw jute were also relatively low, the average index number of wholesale prices (Base: 1952-53=100) for the first nine months of 1962 being 157, as against 227 in the corresponding period of 1961. The actual prices were fluctuating around Rs. 30 per maund, the floor level, as against Rs. 54.50 prevailing in the middle of June 1961. By itself, the large jute crop would not have been of much avail. There was also a significant expansion in the offtake of goods for both domestic consumption and export. The strong demand for jute goods arose partly from the need for rebuilding stocks in overseas markets following the heavy depletion on account of the "famine" conditions that prevailed in 1961 and partly from the increased world consumption of hessian fabrics. The total despatches of jute goods from mills during the ten months ended October 1962 were larger at 946,243 metric tons, as against 804,700 tons in the same period last year.

Since the peak of improvement in jute goods offtake was less than that in production (*vide* Table B), the *unsold stocks which mills increased*; the total of these stocks as on 31st October 1962 stood at 90,800 tons—it was higher still at 92,800 tons a month earlier—as against 55,500 tons a year before. This quantity may not be considered unduly excessive, inasmuch as it represents less than a month's offtake. But the steady increase in sacking stocks—from just 29,100 metric tons at the end of 1961 to more than 54,100 tons on 30th October 1962—is causing much concern to the jute industry and the outlook for late 1963 and 1964 is said to be obscure. In fact, many consider it to be gloomy. Here is what Mr. D. C. B. Pilkington, a former Chairman of the Indian Jute Mills Association and Chairman of the Kinnisson Jute Mills, stated in his annual statement circulated to shareholders early in September 1962:

"For sometime past, India has only succeeded in obtaining such overseas business as is available after Pakistan has sold her full production. The first half of 1962 has seen both India and Pakistan disposing of their full sacking production due to the rebuilding of stocks overseas. The indications today are, however, somewhat ominous—India's sacking stocks are already rising, while month-by-month Pakistan's production of sacking is increasing. India's monthly exports of sacking amount to between 30 and 32 thousand tons per month and this is approximately the extra monthly production of sacking that will come off the additional looms that will be installed in Pakistan by the end of 1964. Unless, therefore, there is a rapid rise in world demand for sacking—and this is unlikely due to the number of sacking mills being installed in other countries—India stands to lose the 55 crores of rupee per annum earned from sacking exports, unless some effective action is taken. A switch to hessian may be a partial solution, but the possibilities in this direction are limited both by demand and by the availability of the quality jute required.

"It is not my intention to propound here a solution to this problem—the Government of India is well aware of the importance of the issue and the Indian industry is confident that it will be dealt with realistically and as soon as the necessity arises. It is, however, desirable to summarise briefly just what the Indian industry is faced with in endeavouring to compete with its counterpart in Pakistan. The export subsidy bonus gives Pakistan a competitive advantage of around Rs. 150 per ton—the lower price of jute in Pakistan gives a further advantage of around Rs. 280 per ton. Factors in India's favour total a net amount of around Rs. 30 per ton. With Rs. 400 per ton to play with—Rs. 40 per 100 'B' twills—Pakistan has only to decide by how much to underquote Calcutta prices to obtain all the world's sacking business as soon as her production permits.

"The Indian jute mill industry, while having no feeling of hostility towards its Pakistan counterpart, is quite prepared to compete for its share of world sacking markets given the opportunity to do so—and has considerable confidence in its technical ability and dynamism. At the moment, however, it is in the position of a boxer with not one but both hands tied behind his back."

Despite the upward trend of offtake, the price of jute goods drifted downward during 1962, owing to the highly encouraging supply position, decline in raw jute prices and stiff competition from Pakistan in export markets. This was not an unhealthy downward trend, for, in the previous year, prices had gone up to such high levels as to cause a deleterious effect on the long-trend of consumption. The average wholesale price index of jute manufactures for the January-September 1962 period was 115, as against 139 in the same period of 1961. Sacking B. twills in the Calcutta market were quoted towards the close of November 1962 at Rs. 116 per 100 bags, as against Rs. 139 a year before, and hessian (40" x 10 oz.) at Rs. 56 per 100 yards, as against Rs. 58.

The quantity of jute goods actually produced during the first ten months of 1962 was 981,343 metric tons, as compared with 781,932 tons a year before, representing a rise of 199,411 tons. The rise was accounted for by both hessian and sacking. The actual output of hessian was higher by 108,897 tons at 391,539 tons and that of sacking by 71,580 tons at 459,894 tons. The production of other jute manufactures was also higher by 18,969 tons at 129,910 tons. The trend of output, together with the equivalent of raw jute consumption, during the first ten months of 1962 and 1961, as well as in the whole of 1961 and six years preceding it, is shown in Table C.

More Despatched

Despatches of jute goods during 1962 were well above those in 1961, the total during the nine months ended September being 845,500 tons, as against 725,400 tons in the corresponding period of 1961. The improvement in despatches was on account of both domestic consumption and export, the former rising by 101,100 tons to 623,200 tons and the latter by 19,000 tons to 222,300 tons. Details are given in Table D.

With the exception of Argentina, the U.K., New Zealand and some countries in the Far East, exports of jute goods from India to all other destinations registered an improvement during 1962. The actual shipment to the U.S., India's biggest customer, in the first half was 125,400 tons, as against 98,000 tons in the corresponding half of 1961. Canada, Australia, Africa and several European countries also bought more jute goods from India. The destination-wise shipments are indicated in Table E.

Modernisation

The jute goods exported abroad earned for the country foreign exchange amounting to Rs. 113.26 crores during the first nine months of 1962, as against Rs. 118.55 crores in the same period last year and Rs. 153.78 crores in the whole of 1961. This sum represents about one-fourth of the aggregate exports of all goods and commodities valued at Rs. 491 crores, so that the jute industry continues to rank as India's largest earner of foreign exchange. The industry can certainly contribute more significantly if earnest attempts are made to augment productivity in all the sectors and reduce costs. Considerable progress was made in the modernisation of the industry during the first and second Plan periods. By the end of March 1961, modernisation upto the spinning stage had been virtually completed, the total investment being Rs. 30 crores. The third Plan envisages the modernisation of jute mills' equipment for the post-spinning stage. The old winding equipment is expected to be largely replaced by new high-speed machines and additional prebeaming equipment will be installed to augment productive efficiency. For the modernisation of weaving process, the choice is said to be between (*a*) rendering the existing flat-bed looms semi-automatic by the use of cop-changers and warp-stop motions, (*b*) replacement by automatic circular looms, and (*c*) replacement by automatic shuttleless looms. The leading mill groups have been experimenting with these three methods of loom automatisation for some time now. By early 1962, they were expected to be in a position to draw up their modernisation programmes. It is not known whether this has been done. The phasing of the

(*Continued on page* 169)

TABLE A: *Raw Jute Supply*
(In thousand bales of 400 lbs. each)

	1961–62	1960–61	1959–60	1958–59
Opening stocks ..	863	1,650	2,446	1,809
Production ..	7,974	5,113	5,723	6,646
Of which—				
Raw jute ..	6,269	3,982	4,605	5,158
Mesta ..	1,705	1,131	1,118	1,488
Imports ..	398	413	614	340
Total supply ..	9,235	7,176	8,783	8,795

TABLE B: *Jute Goods Supply Position*
(In metric tons)

	Jan.-October		Whole of	
	1962	1961	1961	1960
Opening stocks, Production ..	55,600 / 981,343	81,500 / 778,700	81,500 / 970,300	58,900 / 1,088,442
Total supply ..	1,036,943	860,200	1,051,800	1,147,342
Closing stocks (end of period) ..	90,800	55,500	55,600	81,500
Actual offtake ..	946,143	804,700	996,200	1,065,842
Of which—				
Export ..	690,295	572,300	715,600	790,471
Internal consumption ..	255,848	232,400	280,600	275,371

TABLE E: *Shipments of Jute Goods*
(In thousand metric tons)

Destinations	January-June		Whole of	
	1961	1960	1961	1960
United States ..	125.4	93.0	198.9	190.0
Canada ..	23.2	20.7	36.3	39.8
Argentina ..	22.3	24.3	14.2	37.8
Rest of America ..	15.8	15.1	71.8	63.0
United Kingdom ..	22.6	23.2	32.4	50.0
Rest of Europe ..	52.2	37.7	73.2	65.6
Near East ..	6.5	5.2	5.8	9.7
Far East ..	58.5	61.4	52.5	96.5
Africa	48.6	30.6	107.8	82.8
Australia ..	28.7	24.9	51.3	74.0
New Zealand ..	4.8	5.3	15.5	17.0
Other countries ..	12.7	5.9	18.4	13.4
Total of hessian and sacking ..	421.3	349.7	683.1	739.6
Total of all jute manufactures ..	457.5	389.9	759.8	810.4

TABLE C: *Production of Jute Goods*
(In metric tons)

	Hessian	Sacking	Others	Total	Equivalent jute consumption ('000 bales)
1956	423,504	617,610	73,542	1,114,656	6,341
1957	422,586	550,674	68,238	1,050,498	6,152
1958	415,242	594,048	73,746	1,083,036	6,145
1959	467,160	513,774	91,596	1,072,530	6,127
1960	430,644	551,514	106,284	1,088,442	6,236
1961	355,700	483,700	130,900	970,300	5,458
1962—					
January	38,298	47,014	10,745	96,687	5,420
February	37,785	42,611	11,836	92,232	5,280
March	45,218	45,218	14,194	97,844	5,700
April	38,432	45,047	14,948	97,037	5,460
May	37,042	46,973	15,409	99,702	5,680
June	37,320	46,048	14,187	97,847	5,410
July	37,632	47,731	14,583	103,476	5,890
August	41,162	49,173	13,922	105,107	5,850
September	42,012	47,220	11,666	100,488	5,592
October	41,602	42,859	8,440	90,923	5,061
Total—January-October 1962 ..	391,539	459,894	129,910	981,343	5,533
January-October 1961 ..	282,642	388,314	110,941	781,932	4,376

TABLE D: *Despatches of Jute Goods*
(In '000 metric tons)

	Total despatches	For export purpose				For internal consumption			
		Hessian	Sacking	Others	Total	Hessian	Sacking	Others	Total
1955	1,038.6	383.5	466.1	16.4	866.0	25.4	125.1	22.1	172.6
1956	1,075.9	405.8	439.1	33.7	878.6	22.3	151.4	23.6	197.3
1957	1,044.7	392.7	449.6	39.5	881.8	23.7	138.1	21.1	182.9
1958	1,041.7	404.0	396.0	32.1	832.1	21.2	157.9	30.5	209.6
1959	1,118.4	436.2	386.6	58.9	881.7	25.6	184.1	27.0	236.7
1960	1,058.8	390.8	323.4	72.7	786.9	33.4	212.7	25.8	271.9
1961	991.2	332.9	289.6	90.6	713.1	36.3	209.9	31.9	278.1
1962—									
January	90.8	34.2	24.4	4.8	63.4	3.2	21.4	2.8	27.4
February	89.9	34.0	22.2	6.1	62.3	3.4	21.7	2.5	27.6
March	98.2	34.3	22.3	9.8	66.4	5.3	23.2	3.3	31.8
April	82.3	25.3	19.8	9.2	54.3	4.7	20.5	2.8	28.0
May	90.0	29.5	25.7	11.0	66.2	4.0	17.1	2.7	23.8
June	100.9	37.5	29.9	14.1	81.5	2.7	13.8	2.9	19.4
July	96.7	37.3	26.0	13.4	76.7	2.7	14.7	2.6	20.0
August	99.9	40.1	26.7	10.2	77.0	3.3	15.6	4.0	22.9
September	96.8	39.0	28.1	8.3	75.4	3.2	14.9	3.3	21.4
Jan.-Sept. 1962 ..	845.5	311.2	225.1	86.9	623.2	32.5	162.9	26.9	222.3
Jan.-Sept. 1961 ..	725.4	240.3	204.9	76.9	522.1	25.6	155.8	21.9	203.3

COTTON MILL INDUSTRY BADLY SQUEEZED

Output Lower—Costs Higher—Stocks Mount Up

THE developments in the mill sector of cotton textile industry during the calendar year 1962 were by no means encouraging to investors. Indeed, it will be no exaggeration to say that the picture is depressing, because the industry was badly caught between lower output on an inflated cost base, on the one side, and decline in sales realisations, on the other. The estimated output of yarn and cloth in 1962 is about 1,863 million lbs. and 4,990 million yards, as against the actual production of 1,901 million lbs. and 5,142 million yards, respectively, in 1961. Sales realisations tended to decline, following reduced offtake and larger stocks. As compared with the position in 1961, the estimated despatches of cloth for domestic consumption were lower by 160 million yards at 4,435 million yards and those for export by 80 million yards at 492 million yards. It must be noted here that 1961 was by no means a good year for exports, having fared worse than in 1960. Consequently, the stocks of cloth lying with mills rose considerably, from less than 600 million yards at the end of 1961 to over 800 million yards towards the close of 1962. The impact of heavy accumulations of stocks on mills was all the more severe because of the difficulty in getting requisite credit facilities from commercial banks and the high cost of such credits. Many units were compelled to take recourse to borrowings from other sources at even higher rates of interest. Taking the average price of cloth as Rs. 75 per 100 yards, the total amount of money locked up in stocks aggregating 800 million yards comes to as much as Rs. 60 crores. Indeed, 1962 may be described as a critical year for the cotton mill industry. When the statement of accounts for the year come to be published, the vast majority of units will show a distinct setback in their financial results.

Production Cost Rises

That the cotton mill industry was in the grip of a persistent cost inflation during 1962 will be evident from the latest available data relating to the sixty mills in Bombay City which together account for almost one-fourth of the aggregate spinning capacity and one-third of the weaving capacity. These mills paid an average dearness allowance of Rs. 95.48 per worker per month during the first three quarters of 1962, as against Rs. 91.28 paid in the corresponding period last year. Taking the average number of 200,733 operatives at work, the total amount actually paid as dearness allowance in the entire nine-month period was markedly higher at Rs. 17.25 crores, as compared with the sum of Rs. 16.48 crores paid for 200,590 operatives a year before, or an addition of Rs. 77 lakhs to the wage bill of the industry for nine months. Besides higher dearness allowance, the Bombay mills had to pay enhanced prices for raw cotton, coal, chemicals, and fuel. The all-India average wholesale price index (base: 1952-53=100) of raw cotton, for instance, was 113, that for January-September 1961 being 109. The index of coal and chemicals was also higher at 159 and 114, as against 141 and 108, respectively. The index of fuel, power, light and lubricants stood at 123.4, as against 122.

While the manufacturing cost of the mill sector continued to rise, sales realisations were comparatively less, as there was a reduction in both production and offtake and the selling prices of textiles could not be raised to levels that covered the higher output cost in full. The quantity of cloth actually produced in the first ten months of 1962 was no more than 4,158 million yards, as against 4,290 million yards in the same period of 1961, and the output of yarn was 1,569 million lbs., as against 1,572 million lbs. The total offtake of cloth for domestic consumption and exports was also lower, as Table A shows.

Prices

Although the offtake of cloth was markedly lower and the Indian Cotton Mills Federation had enforced the scheme of voluntary regulation of prices, the average all India index of wholesale prices of cotton manufactures (base: 1952-53=100) for the first nine months of 1962 was higher at 129, as against 127 for the same period in 1961. Evidently, this modest rise in the index number reflects the higher excise duty on certain varieties of cloth imposed in the 1962-63 budget of the Central Government. The actual price paid by the consumer must have been much higher. The index number, it is common knowledge, does not fully reflect the prices paid by consumers for the following two reasons:

One, the cloth produced by power-looms and handlooms accounts for nearly a third of the cloth consumed in the country, and the prices of these varieties are not comprehensively taken into account in the calculation of the index number. In computing this number, the authorities take into account 12 items of mill-made cloth, four items of handloom cloth and some items of hosiery goods. The entire range of powerloom goods which constitute the major portion of production in the decentralised sector is not represented in the index number.

Two, in many centres, the retail prices of mill-made cloth are higher than the stamped prices, as both wholesalers and retailers have been exploiting the scarcity of popular varieties.

The drop in yarn and cloth output in 1962 occurred despite the more intensive utilisation of mill industry's capacity. The average spindle activity (representing the percentage of the spindles actually utilised to the total installed capacity) during the first nine months of the year was 89.2 in the first shift, as against 88.1 in the corresponding period of the previous year, 88.0 in the second shift (86.4 in January-September 1961) and 64.9 in the third shift (51.9). Similarly, loom activity was higher at 91.6, 90.0 and 27.3, respectively, the corresponding figures for 1961 being 91.2, 88.4 and 25.2.

Utilisation of Capacity

In view of the more intensive utilisation of the cotton mills' installed capacity, there was an addition to the labour force employed in the mills. The average number of persons on the books of mills (including general staff and *badlis*) in June 1962 was 934,000, as against 926,000 in the same month last year. The number of workers actually employed in all the three shifts was also higher at 796,000, as against 795,000. Since the yarn and cloth output suffered a setback despite greater utilisation of capacity and larger employment of labour force, it is clearly apparent that the productivity of the cotton mill sector went down during 1962. Table B gives the machine activity in cotton mills during the first nine months of 1962 and 1961, as well as in the whole of 1961.

While the number of purely spinning mills in existence rose from 193 in June 1961 to 197 in June 1962, the number remaining closed declined from 18 to 12. In the case of composite mills, the number in existence receded from 287 to 285 and the number of units remaining closed also receded from 15 to 10. Towards the close of July 1962, five spinning mills and six composite mills remained closed, together involving 126,372 spindles, 2,012 looms and 3,930 workers.

The trend of mill cloth and yarn output month by month is indicated in Table C.

There was a distinct change in the pattern of mill cloth output during 1962. Thus, the production of coarse and medium varieties declined, that of fine and superfine counts registered a rise. The improvement in the average counts of cloth is a natural phenomenon, being due to three important factors. First, the production of short-staple cotton from which course yarn of 1 to 20 counts is spun has gone down, while that of medium and long-medium staple cotton has risen markedly. Secondly, due to shortage of Indian cotton and scarcity of foreign exchange, mills had to use more U.S. cotton, suitable mostly for fine counts and higher medium counts, which was available under P.L. 480 without involving any payment in dollars. Thirdly, consumer taste has shifted towards cloth made from higher counts and that too for bleached, dyed, mercerised and printed cloth. Consumer preference for counts better than coarse is due not only to higher purchasing power but also to their longer durability. The actual output of the different categories is shown in Table D.

An idea of the different varieties of wearable and non-wearable mill piecegoods packed during 1962 can be had from Table E.

Exports Poor

The offtake of cotton piecegoods for exports, as already noted, suffered a further setback during 1962, as is borne out by the latest available data furnished in Tables F, G and H. The actual shipments in the first ten months of the year aggregated no more than 410 million years, as against 486 million yards in the same period last year. On this basis, the total exports for the whole of 1962 come to less than 500 million yards, as compared with the 572 million yards exported in 1961 and 690 million yards in 1960. The performance on the export front might have been even more disquieting but for the scheme of compulsory textile exports enforced by the Indian Cotton Mills Federation. The salient features of the scheme, which was announced in June 1962, are as follows:

The annual export obligation of every mill is fixed at 12½ per cent of the turnover of cloth and 3 per cent of the turnover of yarn, with reference to the balance-sheet of any year which ended on a date between 30th

(*Continued on page 169*)

TABLE A: *Cloth Supply Position*
(In million yards)

	Jan.-Oct.		Whole of	
	1962	1961	1961	1960
Opening stocks ..	594	617	617	411
Production ..	4,158	4,290	5,142	5,052
Imports	1	2	2	5
Total supply ..	4,753	4,909	5,761	5,468
Closing stocks ..	648	563	594	617
Actual offtake ..	4,105	4,346	5,167	4,851
Of which: Domestic consumption ..	3,696	3,856	4,595	4,161
Export ..	410	486	572	690

Note:—No account is taken of the stocks held with the trade as well as stocks in transit.

TABLE B: *Machine Activity*

	January-September		Whole of 1961
	1962	1961	
Spindles (in thousands):			
First shift ..	12,342	12,042	12,083
Second shift ..	12,169	11,806	11,881
Third shift ..	8,078	7,088	7,258
Looms (actual numbers):			
First shift ..	183,097	181,307	181,938
Second shift ..	179,832	175,805	176,523
Third shift ..	54,442	50,177	51,270
*Workers at work** (in thousands):			
First shift ..	416	415	417
Second shift ..	264	283	266
Third shift ..	116	106	111
Total—all shifts ..	796	784	794
Total workers on list* (including *badlis*) ..	930	914	917
Spindles installed* ..	10,645,375	10,606,882	10,606,882
Looms installed* ..	199,427	198,785	198,785

Note:—The above figures are daily averages.
* January-June.

TABLE C: *Trend of Output*

Month	Cloth (Million yards)		Yarn (Million lbs.)	
	1962	1961	1962	1961
January ..	436.31	346.68	166.12	155.07
February ..	396.22	408.37	150.72	145.60
March ..	416.97	421.78	159.66	151.35
April ..	413.35	420.83	154.56	150.63
May	422.69	430.09	158.63	152.13
June	418.73	435.70	155.42	159.88
July	431.54	445.15	158.50	165.79
August ..	431.30	441.01	162.04	165.49
September ..	406.59	424.45	155.81	163.04
October ..	384.00	425.65	148.00	163.64
Total—Jan.-Aug. ..	4,157.70	4,289.71	1,569.46	1,572.57
Whole of 1961 ..	5,141.51	..	1,901.12	..
Whole of 1960 ..	5,052.00	..	1,733.12	..

TABLE D: *Varieties of Cloth Produced*
(In million yards)

Categories	Jan.-Sept.		Whole of	
	1962	1961	1961	1960
Coarse ..	605.99	632.83	864.12	704.56
Medium ..	2,812.31	2,894.56	3,842.82	3,813.23
Of which: Lower medium ..	1,167.46	1,256.69	1,670.69	1,738.53
Higher medium ..	1,644.85	1,637.87	2,172.13	2,074.70
Fine	153.76	149.46	196.11	229.03
Superfine ..	202.65	178.77	238.46	301.53
Total ..	3,774.71	3,855.62	5,141.51	5,048.35

TABLE E: *Packings of Mill Cloth*
(In million metres)

Varieties	Jan.-June		Whole of 1961
	1962	1961	
Wearables:			
Longcloth	382	340	764
Prints and chintz	284	286	553
Saris	216	206	398
Poplin, crepes, twills, and hair cords	250	244	499
Dhotis	192	209	405
Sheeting	181	202	406
Mulls, voiles and dorias ..	85	102	182
Suries	130	146	287
Shirtings	127	130	260
Drills, jeans, satin and gaberdine	107	110	226
Leonard cloth and markin ..	63	66	129
Coating, tussores, corduroy and bedford corduroy ..	80	60	177
Dosuti, dedsuti and mazri cloth	31	34	96
Dupattas, khes, chola and uparana	7	5	9
Leno cloth	4	4	8
Madapalam, cambrics and lawns	18	17	29
Other items	36	42	88
Total wearables ..	2,192	2,262	4,517
Non-wearables	110	99	227
Grand total ..	2,302	2,361	4,744

1 metre=1.0936 yard.

TABLE F: *Exports from Bombay Processing Sorts*
(In million yards)

Processing sorts	January-October		Whole of	
	1962	1961	1961	1960
Grey ..	206.10 (15.11)	247.44 (18.27)	295.22 (21.65)	370.71 (27.17)
White ..	66.09 (5.45)	82.51 (6.66)	98.88 (7.44)	109.74 (8.41)
Coloured ..	96.64 (8.80)	107.98 (9.61)	127.26 (11.43)	121.31 (10.92)
Total ..	368.83 (29.36)	437.87 (33.94)	521.30 (40.52)	601.76 (46.49)
Apparel ..	(0.18)	(0.15)	(0.80)	(0.23)
Other textiles.	(6.05)	(5.81)	(7.12)	(7.80)

Note:—Figures in brackets represent value in crores of rupees.

TABLE G: *Exports from Bombay Varieties*
(In million yards)

Sorts of cloth	Jan.-Sept.		Whole of	
	1962	1961	1961	1960
Sheetings ..	136.43	186.02	234.54	284.11
Drills ..	39.00	48.00	57.39	62.70
Longcloth ..	28.36	34.86	49.08	58.27
Shirtings ..	16.91	27.09	33.00	47.39
Voiles and mulls ..	46.32	44.26	58.62	51.01
Domestics ..	41.14	42.70	55.45	69.08
Coating ..	5.27	4.92	6.59	10.76
Dhotis and *saris* ..	10.06	9.67	14.00	10.66
Chintz ..	2.11	4.50	5.41	5.37
Others ..	7.07	1.54	7.30	2.32
Total ..	332.67	403.56	521.36	601.76

TABLE H: *All-India Exports and Exports from Bombay Port*
(In million yards)

Destination	From Bombay Port Only				All-India Shipments			
	Jan.-Sept.		Whole of		Jan.-Sept.		Whole of	
	1962	1961	1961	1960	1962	1961	1961	1960
United Kingdom ..	75.72	84.43	104.57	154.89	95.89	103.95	132.96	198.48
Sudan ..	35.60	43.03	58.86	63.13	35.75	43.21	58.73	62.50
British E. Africa ..	35.34	47.74	57.41	46.10	33.75	48.41	58.58	48.44
British W. Africa ..	4.56	18.56	23.16	23.18	4.22	18.42	22.81	28.13
Australia ..	22.09	20.34	26.94	45.12	21.51	20.57	26.92	48.62
Aden	13.16	16.01	22.66	27.52	14.16	16.53	23.49	28.09
Malaya & Singapore ..	11.31	16.09	21.87	25.15	13.15	17.90	22.96	31.84
Burma	4.09	4.84	5.66	11.82	4.88	9.19	9.95	22.46
Ethiopia	7.58	11.55	14.05	10.48	11.07	16.53	22.92	18.19
Afghanistan	10.10	19.25	19.28	18.22	15.66	22.94	24.35	22.99
Canada	15.66	12.17	17.99	19.50	16.40	13.37	18.56	19.88
Saudi Arabia ..	6.43	7.60	9.93	10.14	7.97	9.58	12.26	13.26
U.S.A.	14.40	4.39	7.44	28.62	15.85	3.94	6.99	33.04
Others	76.63	97.65	131.60	118.49	73.99	100.27	133.69	119.21
Total ..	332.67	403.56	521.36	601.76	366.25	444.81	574.30	694.83

SIZE OF PAPER MILLS

Case For Small Units

By I. J. CHOULS

THE suitability and the economy of small paper mills has been a leading question in India for many years. The theorists are inclined to say that the 5 and 10 tons per day paper mills cannot be as economical as the mills of 50 to 100 tons a day. In countries where large mills are necessary to their economy, even a 100-ton-a-day mill is considered a small unit, particularly so in the U.S.A. and in Scandinavia where mills with a capacity of 500 to 1,000 tons per day are quite common. It would, therefore, appears that mills of 50 and 100 tons per day which are under erection in India at present may also be considered as uneconomic units.

On the other hand, in Japan, Britain and on the Continent of Europe, the whole of the paper industry has been built up based on small units. The finest quality of paper produced in the world today is produced on small machines of 5, 10 and 15 tons per day capacity. Similarly, the majority of specialised papers are also made on such small machines. It would appear that the size of an economic unit cannot be decided on the basis of what has gone on in the past or on the developments in other countries. In the case of this particular industry, the capacity of mills will have to be decided, taking into consideration India's own particular problems. We in this country have three major problems in the development of the paper industry. These are:

First, the shortage of skilled personnel for running a large and highly mechanised unit;

Secondly, the shortage of any one raw material concentrated in an area; and

Thirdly, the heavy demand which is being made on our developing transport facilities in the country.

Dealing with the question of technical personnel, we have, over the years, not taken sufficient care to ensure that sufficient training facilities were available for technical personnel in the various sections of a paper mill. Secondly, many mills, until very recently, were very prejudiced against permitting the staff of other mills visiting them and gaining knowledge of their process and passing on useful information to their competitors thereby enabling them to learn something of the practical side of running a paper mill. Consequently today, when the paper industry is endeavouring to expand, we in India have very few personnel who could, with any confidence, take over and run a mill of 25 tons per day capacity or more, and run it with full knowledge of the various sections. This means that, for many years to come, the large paper units will be constantly bidding for these few people to move from one mill to another, thereby disrupting the running of the mill from which the technician is taken. These highly skilled technicians are also not permitted, due to this movement, to stay at one mill long enough to train any one individual to take his place. It can, therefore, be seen that, for many years, the industry will have to rely on technicians from abroad.

In countries such as the U.S.A., Canada and Scandinavia where large mills are being developed, the problem of raw material does not arise as forests are in abundance and as soon as they are cut, afforestation is immediate, whereas, in India, for many years the bamboo forests have been indiscriminately cut without any thought of afforestation or the development of bamboo forests. Consequently, the large units have to haul their bamboo from increasing distances year after year. Some of the existing paper mills are hauling their bamboo as far as 300 to 500 miles.

Every endeavour is being made to improve the transport facilities, but it will be many years before rolling stock will be easily available and can move quickly from one point to another. In a mill of 100 tons a day capacity the average requirements of rolling stock for raw material alone is approximately 900 tons per day and as some of the raw materials are bulky and take a long time for loading and unloading, rolling stock is being held up for a number of days to facilitate the handling of the raw material. Consequently, although the estimate is 900 tons per day of rolling stock, it would not be unrealistic to say that, in view of the delay in handling, the lock-up of rolling stock could be very much greater and, as it is expected that, by the end of the present Plan, India will have 15 such mills, the requirement of rolling stock will be of the order of almost 30,000 tons per day to service our paper mills.

In view of this prospect, the Government's suggestion to develop small 5- and 10-ton paper mills located in areas where grass, rice straw and bagasse become annually available is undoubtedly very sound. In view of the country's policy to increase the output of food, more straw will become available. Accordingly, these small paper mills should be located nearer to consumer points for the finished product. If this is done, the major portion of the transport problem will be overcome. It is visualised that the majority of the straw would be delivered to the mills by the local farmers in bullock carts and the finished paper distributed to the local markets by road transport.

With a small unit of fairly simple design, the question of a highly trained technician to run these mills does not arise. Any reasonably well-trained chemical engineer, with four or five years' training in a paper mill, can, with a little further training by the builders of these small units, very well handle a 10-ton mill. The suppliers of the plant are prepared to commission these small plants and run them until the mill manager is able to take charge.

These small 5- and 10-ton units, which are now being built in India, cost approximately 25 per cent of that of a large unit. The generous depreciation permitted by the Government will have a very large bearing on the cost of the finished paper. The saving of high transport costs and the saving in the high overheads required to employ the skilled technicians required for large mills and in the distribution of finished products will make these small units economical from the point of view of profitability to investors and of foreign exchange to the country.

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16. Kerala Lakshmi Mills Ltd., Trichur.
17. Sitaram Weaving Mills, Trichur.

Undue Optimism About Cotton Supplies Unwarranted

Shadow Of Uncertainty Still Lingers

COMMENTING on the cotton supply prospects for the 1961-62 season, which ended on 31st August 1962, we pointed out, in our last annual Number, that the country should consider itself lucky if the bitter experience of the 1959-60 season, when the crop was hardly 3.8 million bales, were not repeated in 1961-62. It is a matter for some consolation that, though the season has turned out to be less favourable than the preceding one, namely 1960-61, from the point of view of availability of cotton it was better than the 1959-60 season. Nevertheless, the record mill consumption of Indian cotton during the season which, by a strange coincidence, exactly matched domestic production, and higher exports cut into the carryover stocks (of Indian cotton) which declined from the somewhat comfortable figure of 1.8 million bales at the beginning of the season to the precariously low level of 1.4 million bales at the end of it. The surplus accruing from the good crop of 5.4 million bales in 1960-61 was thus wiped out and the new (1962-63) season has had to start again with very low stocks.

The following table summarises the supply and distribution of cotton during the 1961-62 season, as compared with the previous season:

TABLE I: *Balance-sheet of Cotton*
(In thousand bales of 400 lbs. each)

	1961-62	1960-61
Supply:		
Stock (beginning of season):		
Indian cotton	1,809	980
Foreign cotton	335	430
Commercial production ..	4,700	5,408
Imports	855	1,000
Total supply ..	7,699	7,818
Distribution:		
Indian cotton:		
Estimated exports	357	295
Mill consumption	4,700	4,250
Foreign cotton consumption ..	1,010	1,100
	6,067	5,645
Stocks:		
Indian	1,452	1,814
Foreign	180	359
Total stocks ..	1,632	2,173
Total distribution ..	7,699	7,818

The above table indicates that the decline in production during 1961-62 as compared with the previous season and reduced imports were balanced by the higher carryover at the beginning of the season. Even so, the total supply was somewhat lower at 7.69 million bales, as against 7.8 million bales in the previous season. On the other hand, higher mill consumption and exports accounted for a larger disappearance (consumption+exports) namely, 6.06 million bales, as compared with 5.6 million bales in the previous season. Carryover stocks at the end of 1961-62 were, consequently, depleted from 2.1 million bales at the beginning of the season to 1.63 million bales.

The crop during 1961-62, as noted above, was a poor one, aggregating 4.7 million bales. The rain-fed tracts of the Omras in Madhya Pradesh and Maharashtra turned out a below-normal crop, thanks to untimely rains in October 1961 and cold waves in January 1962. In the South, the crop got off to a very late start and suffered a setback on account of unfavourable weather conditions in January and February 1962. The Western/Comptah crop, in particular, was below average. The only area that produced a fairly good crop was the Northern region, consisting of the Punjab, U.P. and Rajasthan. Quality-wise, practically all areas produced sub-normal crops. Quality was poorest in Madhya Pradesh (197/3 and Buris) and Western/Comptah region (Laxmi, Jayadhar and Farun). Only Saurashtra produced a good crop, Kalagin, Wagad and Co2 produced in the region being of excellent quality.

The following table gives a region-wise breakdown of the 1961-62 crop with comparisons for the previous two years:

TABLE II: *Area-wise Production*
(In thousand bales)

Areas	1961-62	1960-61	1959-60
Punjab, U.P., Rajasthan	1,042	762	885
Oomras	1,488	2,271	1,170
Gujerat/Saurashtra ..	1,388	1,484	927
Western/Comptah/ Southern	766	871	816
Assam/Comilla ..	16	20	12
Total ..	4,700	5,408	3,810

Actual availability of cotton for mill consumption during the season was less than what the production figure indicate. This is because a good portion of the crop consisted of Bengal *Deshi*, only a limited quantity of which can be used locally. Production of this type of cotton in 1961-62 was a record high of 564,000 bales, as compared with the normal production of 300,000-350,000 bales.

Target and Performance

The third Plan target for cotton for the 1961-62 season was 5.42 million bales. Production fell short of this target by over 900,000 bales, if the official estimate of production of 4.5 million bales is taken into account and by 700,000 bales if the trade estimate is taken into account. The year's experience once again demonstrated the vulnerability of the crop to weather conditions. It is so because only 13 per cent of the total area under cotton is at present irrigated. Every effort should, therefore be made to bring more land under irrigation so as to impart an element of stability to cotton production which at present fluctuates widely from year to year. This, however, is a long-term solution. In the meantime, as Dr. A. D. Pandit, President of the Indian Central Committee suggested, attention should be concentrated on ways and means of securing an average crop even under unfavourable weather conditions. It should not be beyond the ability of research and development workers and the Government to minimise the effects of adverse seasonal conditions.

The sharp swings in output and the unpredictable nature of production has induced the Planning Commission and the Union Ministry of Agriculture to devote special and increasing attention to bring about an increase in cotton production. Two measures taken in this regard may be mentioned. One is the inclusion of cotton in the package programme and the other the offer of Government assistance for a wider adoption of plant protection measures. How far, and to what extent, these will help to increase production on a permanent basis remains to be seen.

In the field of cotton research, the trend of late has been to devote more attention to the problem of raising the yield per acre of cotton. Although encouraging results have been obtained in experimental and demonstration farms, they are yet to be reflected in actual commercial production. Recently, model agronomic schemes have been sanctioned for all the major cotton-growing States. These schemes envisage the conduct of comprehensive agronomic experiments to ascertain all the factors conducive to higher yield.

Research and Extension

The main problem, however, is not acquisition of new knowledge about increasing yield but dissemination of that already accumulated. There is a good deal of knowledge available with

TABLE III: *Progress in Quality*
(In thousand bales of 400 lbs.)

Season	A	B	C	Total
1955-56 ..	1,577 (39)	1,781 (44)	662 (17)	4,020 (100)
1956-57 ..	2,018 (42.50)	1,950 (41.25)	767 (16.25)	4,735 (100)
1957-58 ..	1,760 (37.00)	2,122 (45.00)	857 (18.00)	4,739 (100)
1958-59 ..	1,637 (35.00)	2,293 (49.00)	775 (16.00)	4,705 (100)
1959-60 ..	1,858 (50.50)	1,231 (33.40)	589 (16.10)	3,678 (100)
1960-61 ..	2,442 (45.3)	2,180 (40.4)	768 (14.3)	5,390 (100)
1961-62 ..	1,873 (41.6)	1,784 (39.6)	843 (18.8)	4,500 (100)

Note:—Figures in brackets are percentages to total.
A—Long staple (⅞" and above).
B—*Medium staple* (below ⅞" and above 11/16").
C—Short staple (11/16" and below).
N.B.—Figures of production given in the above table are official estimates.

research scientists in this country which, if applied in practice, can contribute significantly in the form of better yields. For instance, it has been found that, in the Vidarbha region of Maharashtra alone, where American cotton is grown under rain-fed conditions over some 1.5 million acres, an increase of 60 lbs. of *kapas* per acre could be obtained by applying 20 lbs. of nitrogen per acre. This means that, merely by fertilising the crop in this area, it would be possible to secure an additional output of 75,000 bales. Similar results could be obtained through the adoption of plant protection measures. At present, there is a wide gap between applied research and extension to fields: unless this gap is bridged and the results of research percolate to the level of the ordinary farmer, no perceptible improvement in output and yield of cotton can be expected. Efforts in this direction have so far been tardy, half-hearted and unaccompanied by ways and means of providing farmers with the necessary financial resources. Hence the woefully low yield per acre in this country even after eleven years of planning.

The position in respect of staple length and quality has, however, been encouraging as Table III indicates. It is evident from the above table that barring the last season, when the quality of the crop suffered a setback due to adverse weather conditions, the improvement has been quite substantial during the second Plan period.

The reduced crop and higher mill consumption necessitated imports almost on the same high level as in the previous two seasons. Import quotas announced during the season aggregated 1,066,330 bales of 400 lbs. each, as compared with 1,112,500 bales of 400 lbs. each in the previous season. Actual arrivals were, however, less at 864,706 bales of 180 kilograms, as compared with 949,148 bales of 180 kilograms each in the previous season.

In spite of the lower overall crop, the record production of Bengal *Deshi* permitted larger exports. Total shipments during the season were of the order of 323,665 bales (of 180 kilograms), as against 290,020 bales in the previous season. The destination-wise breakdown of exports is as follows:

Mill consumption of cotton, as noted above, reached a record figure of 5.70 million bales of 180 kilograms each during the season, as compared with 5.37 million bales in the previous season. The monthly trend of consumption of Indian and foreign cotton is given in Table VI.

It is noteworthy that, while consumption of Indian cotton had increased by about 500,000 bales over the previous year's figure, that of foreign cotton has declined from 1.127 million bales in 1960-61 to 978,021 bales during 1961-62. The fear that the serious foreign exchange situation would render imports of cotton extremely difficult and the delay in getting P.L. 480 allocation resulted in mills using more Indian cotton. An increase in third-shift working of mills also contributed to higher consumption of Indian cotton.

Controls Ineffective

The small crop and the rising trend of mill consumption had a bullish effect on prices during the season. Prices of all varieties of cotton started rising steadily right from the beginning of the season. Consequently, the control measures were tightened further. Compulsory quality survey, which was reintroduced after it had been prematurely lifted early in the season, was sought to be made more effective by stipulating that every single lot of Indian cotton should be classified quality-wise at the ginning and pressing stage and that maximum prices permissible under the ceiling price schedule be fixed for each and every lot of Indian cotton in the respective survey certificates. As in the previous season, freedom of mills to buy

TABLE IV: *Imports of Foreign Cotton*
(In bales of 180 kilograms)

Description	1961-62	1960-61
American	296,098	612,657
Sudan	195,866	74,092
Egyptian	94,299	85,348
East African	160,855	137,018
Pakistan	88,275	2,661
Other sorts	29,313	37,372
Total ..	864,706	949,148

cotton continued to be restricted by quotas issued to them by the Textile Commissioner. A further modification was made in the quota system, whereby the qualities, which mills were allowed to buy were also specified. Mills were also prohibited from holding stocks in excess of five months' average consumption. The Textile Commissioner continued to be empowered to requisition cotton at his discretion whenever mills found it impossible to obtain cotton at the ceiling prices.

These controls, however, were not of much avail in arresting the upward trend of prices. The following observation of a leading firm of cotton traders is an eloquent commentary on the efficiency of these controls:

"In spite of all the controls the bullish sentiment reasserted itself through the medium of increasingly more lenient quality surveys. In other words, cotton was valued to fit the price which the mills were prepared to pay. Towards the end of the season, the quality survey certificates no longer bore any relation to the actual quality of the cotton thus certified. Qualities, where the ceiling price was comparatively low,

TABLE V: *Exports of Indian Cotton*
(In bales of 180 kilograms)

Countries	1961-62	1960-61
U.K.	4,927	5,070
Continent	30,585	25,802
Hongkong	24,632	18,986
China	..	[illegible]
Japan	243,612	229,428
U.S.A.	19,296	10,165
Other countries	613	502
Total ..	323,665	290,020

were elevated and marketed under the name and descriptions qualifying for higher prices."

The closing months of the season witnessed a prolonged agitation for decontrol of cotton. Mill interests on the one hand and traders and a section of growers on the other found themselves ranged on opposite sides, the former opposing decontrol and the latter two in favour of it. The Government wisely decided on a policy of the golden mean. Although the plea for decontrol was rejected, ceiling prices of all varieties of cotton were raised by Rs. 35 per quintal or Rs. 125 per candy with effect from 1st September 1962, that is, the beginning of the current season. The floor levels, however, were left unaltered, so that the range between the two limits widened considerably. Certain modifications were also made in the system of compulsory survey. Accordingly, instead of compulsory survey at the ginning and pressing stage, it was stipulated that compulsory survey must take place prior to the delivery of cotton to a mill. The number of regional survey committees acting on behalf of the E.I.C.A. was drastically reduced, while, in addition to the E.I.C.A., six

TABLE VI: *Mill Consumption of Cotton*
(In '000 bales of 180 kgs.)

	Indian	Foreign	Total
1961—			
September	384	94	478
October	385	96	480
November	378	93	471
December	399	96	496
1962—			
January	401	90	491
February	370	79	449
March	390	80	470
April	385	73	458
May	399	72	471
June	397	68	464
July	406	66	472
August	415	72	487
Total (1961-62) ..	4,709	978	5,687
1960-61	4,246	1,127	5,373
1959-60	4,419	686	5,105

more zonal committees, one each at Ahmedabad, Akola, Ujjain, Bhatinda, Hubli and Tirupur were authorised to conduct quality surveys.

Supervisory Scheme

As the new season started with a small carryover of stocks, it was felt that the initial bulk-buying by mills would tend to keep prices above the ceilings, if no further step were taken to regulate the marketing of the new crop. Representatives of the mill industry, the trade and the Government discussed various schemes whereby mills could be assured of adequate supplies within the ceilings. These discussions resulted in the supervisory scheme which was devised by the Textile Commissioner in consultation with the mill industry and the trade. The function of a supervisor, stated simply, is twofold: first, to ascertain that the surveyor draws samples in the correct manner prescribed and, secondly, to tally invoice prices with the legal ceiling prices based on the survey certificates of the specific lots sold. In addition, he is empowered to check physical weights of bales and ensure that mills bought only such quantities of cotton as are permissible under the quotas allotted to them. The supervisory scheme has attracted a good deal of criticism. In fact, two writ petitions have been filed at the Bombay High Court by two cotton merchants from Tirupur challenging the constitutional validity of the scheme. The traders, as well as

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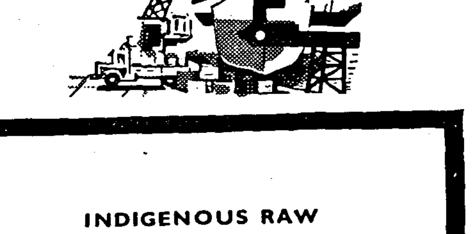

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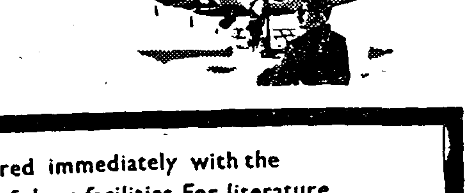

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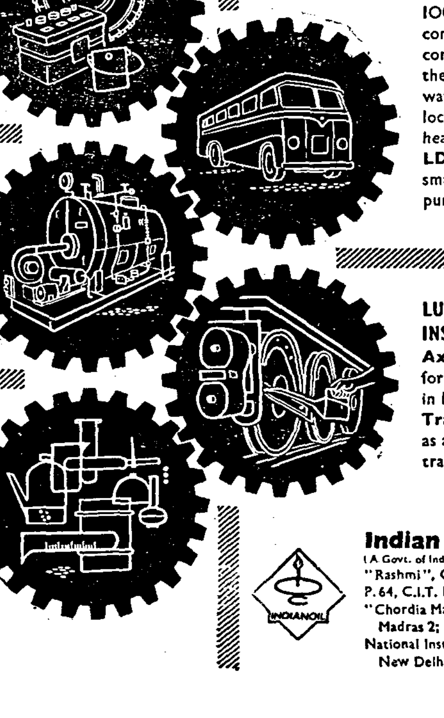

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mills, are awaiting the outcome of the petitions.

The Tide Turns ?

Although, as noted above, stocks of cotton with mills were considerably depleted at the beginning of the current season, cotton prices have tended to decline. Expectations of a good crop of 5.4 million bales—some estimate the crop even higher at 5.6 million bales—the heavy accumulation of cloth with mills and the hope that, in view of the emergency caused by the Chinese aggression, more P.L. 480 cotton would be made available by the U.S., have imparted weakness to both the futures and spot markets. In a bid to arrest the falling trend of futures prices the Forward Markets Commission fixed, on 10th December, the limit of the fall in futures price at Rs. 10 a week when the price of the futures contract, namely, Moglai Jarilla March 1963, ruled below Rs. 675 per three quintals. The Textile Commissioner simultaneously announced the second instalment of quota of Indian cotton to mills with a view to enabling them to support the spot market. The restrictions on the movement of the crop imposed at the beginning of the season have also been removed.

Following the decline in cotton prices the demand for a further upward revision of the floor prices has been revived by a section of farmers. The Government has promised to consider the question. It may be noted here that it was only during the last season that the floor price was raised from Rs. 139 per quintal to Rs. 168.75 per quintal (that is, Rs. 495 to Rs. 600 per candy).

Outlook

If one were to take an overall view of the prospective supply of and demand for cotton, one would find that the present easiness in cotton prices cannot persist for long. The estimated requirements of cotton during the current season is 8.4 million bales, comprising 5.9 million bales for consumption by mills, 300,000 bales for export and 2.2 million bales for stocks. As against this, indigenous supply is currently estimated at 7 million bales made up of a carryover stock of 1.6 million bales and an expected crop of 5.4 million bales. The gap to be filled by imports is, therefore, 1.4 million bales. Import quotas already released, amounting to 555,000 bales, and cotton expected to arrive against last season's quota, aggregating 250,000 bales, add up to only 800,000 bales, leaving a gap of about 600,000 bales still uncovered. How are we to get this additional supply in view of the tight foreign exchange position ? Will the U.S. agree to oblige this country by giving more cotton under the P.L. 480 ? Time alone can tell. Meanwhile, the calculations made here will all be upset, if the crop, which is not yet out of danger, turns out to be smaller than expected or the expectations regarding the imports of cotton do not materialise. Caution should, therefore, be the keynote of the raw cotton policy in the coming months of the current season.

COTTON MILL INDUSTRY

(*Concluded from page 164*)

June 1961 and 29th June 1962. The export obligation for the six months ending 31st December 1962 will be half of this.

The obligation can be fulfilled by a mill by exporting its own products in full or by exporting its own goods in part and by arranging with another mill to export the balance on its behalf.

Those mills which fail to fulfil their full obligation should contribute to the export effort by paying to the export promotion fund of the Federation a sum equal to one-eighth of the value by which their export performance falls short of their obligation.

It was estimated that the total export obligation of mills in a full year under the scheme now accepted by the Federation would be around Rs. 65 crores. The export earning of the textile industry during the calendar year 1961 through exports of cloth and yarn was Rs. 49.6 crores.

Left to themselves, the millowners might not have imposed upon themselves compulsion in textile exports. They were actually goaded by the powers-that-be to implement the scheme. The idea of compulsory exports no doubt reflects the seriousness of the foreign exchange position and the imperative need for expanding exports at any cost. But one wonders whether exports could be promoted this way, when, on the one side, the conditions obtaining in the industry are disquieting to a degree and, on the other, there is fierce competition in world textile markets. At any rate, the scheme of compulsory textile exports during the second half of 1962 does not seem to have been much of a success. It is, however, too early to pronounce any definite opinion on this point.

The estimated shipment of 500 million yards in 1962 falls considerably short of the third Plan target of 800 million yards and the peak level of exports amounting to 1,120 million yards touched in 1950. The foreign exchange earned from cotton textiles has steadily declined from Rs. 64.27 crores in 1959-60 to Rs. 57.55 crores in 1960-61 and Rs. 48.40 crores in 1961-62. The persistently downward trend of cloth exports has been due to stiffer competition offered by other countries, particularly Japan, Hong Kong, Pakistan, Communist China and Spain. Indian textiles are rapidly getting priced out in world markets.

CLOTH PRICES

Apropos statements appearing in the Press to the effect that one of the reasons for the accumulation of cloth in some of the textile mills is the uncertainty attending on the Tariff Commission's recommendations on prices and Government's decisions thereon, the Government of India has stated that, while the Tariff Commission's report on cloth and yarn has been received, the examination of the recommendations by Government is expected to take some time. The decisions of the Government on the recommendations of the Tariff Commission, we are told, will come up for implementation only after April 1963. No revision in prices of cloth or yarn based on the Tariff Commission's report need, therefore, be expected before the examination is completed, that is, after April 1963. In the meantime, the textile industry has been asked to continue to offer such reductions in prices as may be possible so that the trade may be induced to resume normal offtake of goods. The stamped prices, it is pointed out, are only the ceiling prices and all sales at prices lower than stamped prices are perfectly legal.

JUTE

(*Concluded from page 163*)

whole programme, to be determined in consultation with the Government, will depend on the availability of foreign exchange, the indigenous output of modern jute mill machinery and the probable impact of loom automatisation on employment. The requirement of foreign exchange for machinery imports till a complete range and adequate level of indigenous production is attained, as well as for imports of spare parts and stores the manufacture of which in India is not considered to be economic, is estimated at Rs. 6.5 crores only for the third Plan period. The estimated total investment in the industry in the same period is expected to be Rs. 12 crores.

Raw Jute

In the context of enhancing the competitive capacity of Indian jute goods in world markets *vis-a-vis* not merely Pakistan jute goods but also other substitute packing materials such as paper, cotton and plastic bags, the need for reducing the cost of raw jute by raising the per-acre yields assumes special importance. The average yield of raw jute per hectare during 1961-62, though it was higher than in 1960-61 and 1959-60 (6.88 bales, as against 6.51 bales and 6.75 bales, respectively), is less than that, namely, 8.36 bales obtained in East Pakistan which is as backward as, if not more backward than, India in the matter of agricultural productivity. Incidentally, to the extent productivity of jute lands is stepped up, a large part of acreage can be released for the cultivation of rice, the production of which is lagging behind the country's growing needs.

More of raw jute can be produced in a given plot of land provided multiplication of improved seeds, supply of more fertilisers preceded by intensive soil testing surveys, adoption of other improved cultural practices are given real top priority. It is only through a rise in productivity that jute growers can be ensured a decent return and not through fixation of a high minimum price. In considering the price aspect, it must always be borne in mind that the jute industry is an export industry, with 75 per cent of its production being sold abroad.

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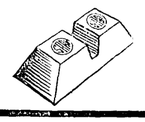

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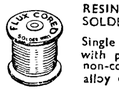

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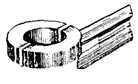

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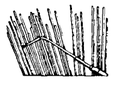

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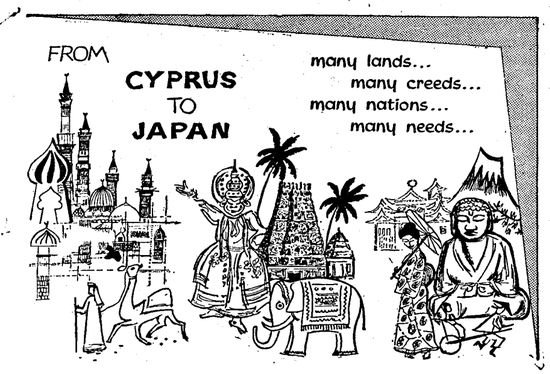

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PLENTIFUL supplies of sugar were available in every nook and corner of the country throughout the past season (November 1961-October 1962) and prices were comparatively stable. This was so, despite the substantial fall of 280,000 tons in output which aggregated 2.70 million tons, as against the record production of 2.98 million tons in 1960-61. For the season had begun with a huge carryover stock of over 1.18 million tons, so that the actual aggregate supply of sugar was markedly higher at 3.88 million tons, as compared with 3.58 million tons. And the commodity was freely available in any part of the country because there were no controls either on distribution or on prices, though the Government of India continued its policy of monthly releases. What was more, the sugar mills endeavoured their best to see that there was no undue rise in prices, as they were anxious to avoid consumer resistance to high prices, leading to the previous year's repetition of the disquieting problem of heavy accumulations. The ready availability of sugar and the comparatively stable prices, together with the shift in consumer preference from *gur-khandsari* to white sugar (in view of the high prices commanded by the former) and the addition of 8 to 9 million to the country's population, gave a significant boost to consumption. The quantity of sugar believed to have been actually consumed in the 1961-62 season was 2.54 million tons, as against 2.09 million tons in 1960-61. The rise in consumption would doubtless have been much more but for the continued heavy incidence of excise duty—Rs. 28.55 nP per kg. of sugar out of 119 nP per kg. paid by the consumer.

Sugar Balance-sheet

The statistical position of white sugar in the 1961-62 sugar season (1st November to 31st October) as compared with that in the two seasons preceding it is indicated below:

Sugar Balance-sheet
(In thousand tons)

	1961-62	1960-61	1959-60
Opening stocks ..	1,185	595	173
Production	2,700	2,981	2,443
Total supply ..	3,885	3,576	2,616
Exports	330*	300	Nil
Supply available for domestic consumption..	3,555	3,276	2,616
Consumption	2,545	2,091	2,021
Closing stocks as on 31st October ..	1,010	1,185	595

* Commitments to export aggregate 500,000 tons.

The decline in sugar production was not due to any shortage of cane supplies. It is true that the 1961-62 season witnessed a distinct setback to the crop, the total yield being no more than 96.03 million tons, as against over 102.48 million tons harvested in 1960-61. It is also true that the prices of *gur* and *khandsari*, the two substitutes for white sugar, were pretty high, so that the growers found it more profitable to utilise the cane themselves for making *gur* and *khandsari*, instead of selling to sugar mills. But these were not the factors which affected the crushing operations of mills. Even with a reduced crop and larger diversion of cane supplies to the manufacture of brown sugars, the sugar mills could have definitely produced more, but they could not, thanks to the ten per cent cut in output enforced by the Central Government, except in the case of the newly established factories, mills with rather low level of production and units having licences for effecting substantial expansion of their working capacity. The Government had fixed output quotas for individual sugar mills and, if any unit were to produce in excess of its quota, it had to pay on such excess output a special excise duty equal to the duty (Rs. 14.56 per cwt.) chargeable on sugar under the Central Excise Act. The penal levy was very high and acted as a strong deterrent to mills that desired, and were in a position, to produce sugar in excess of their quotas.

Sugar production in the State of Maharashtra, which had gone up from 392,097 tons in 1959-60 to 514,672 tons in 1960-61, declined to about 500,000 tons in the season under review, the number of factories working being no more than 27. Not only is the State today self-sufficient in sugar but actually there is a surplus.

As against the fall of 280,000 tons in sugar production (corresponding almost to the 10 per cent cut) in 1961-62, offtake of sugar rose by 560,000 tons to 2.95 million tons—domestic consumption by 454,000 tons to 2.54 million tons and exports (on the basis of commitments made) by 200,000 tons to 500,000 tons. The pace of sugar despatches from mills was, therefore, faster than in 1960-61 as is shown in the following table:

Production and Despatches
(In tons)

Month	Production		Despatches	
	1961-62	1960-61	1961-62	1960-61
November ..	117,057	232,908	202,162	150,413
December ..	416,588	479,985	202,971	163,489
January ..	546,587	530,098	184,417	164,175
February ..	510,253	491,302	182,143	175,923
March ..	508,222	502,312	223,195	224,790
April ..	353,567	409,962	267,487	179,210
May ..	159,730	206,000	264,701	176,000
June ..	42,071	43,000	243,969	189,000
July ..	3,939	4,646	260,507	200,471
August ..	4,991	15,000	232,473	234,000
September ..	9,000	16,000	254,000	238,000
October ..	27,995	49,787	306,975	295,529
Total ..	2,700,000	2,981,000	2,875,000	2,391,000

Since the improvement in sugar offtake was more marked than the rise in supply, the season 1961-62 ended (on 31st October 1962) with a closing stock of 1,010,000 tons, as against 1,185,000 tons a year before. Ordinarily, this quantity will have been considered as quite high, but not so now, apparently because production prospects for the current (November 1962-October 1963) season are not promising as will be discussed later in the review. Besides, in view of the state of emergency created by China's undeclared war on India, it has become imperative to keep a large stockpile of sugar.

Prices Decline

The surfeit of sugar supplies during the season under review exerted a downward pressure on prices. The average ruling prices of white sugar were much lower than the controlled prices in force prior to the abolition of controls on 27th September 1961, whereas the *gur* and *khandsari* prices registered a sharp rise, though a downtrend was discernible even in them towards the close of the season. The trend of sugar, *gur* and *khandsari* prices is indicated in the statement given below:

Trend of Prices
(In rupees per quintal)

	15th Nov. 1962	End of July 1962	A year before 15-11-61
Sugar—			
Bombay (D29) ..	109.37 (113.00)	113.06	113.06
Muzaffarnagar (Crystal) ..	104.75 (108.25)	107.62	106.00
Hapur (Crystal) ..	105.75 (108.25)	106.00	107.00
Meerut (D29) ..	103.50 (105.37)	107.37	104.37
Gur—			
Kolhapur (Special) ..	90.00	72.50	70.50
Hapur (Pausara Superior) ..	48.56	77.35*	44.24
Muzaffarnagar (Chaku dry) ..	62.50	63.62*	42.56
Khandsari—			
Hapur (Superior) ..	95.78	96.45*	91.89
Hapur (Crystal) ..	98.46	99.47*	96.24

Note :—Only average prices are taken into account. Figures in brackets relate to the previously controlled prices.
* Middle of October 1962.

If sugar prices did not fall steeply despite the abundance of supply, it was because of (*a*) controlled releases of sugar to the market in order to prevent unhealthy inter-mill competition and (*b*) the rigid cost structure of mills, the cane price alone accounting for three-fourths of the cost of making sugar. Nor was there any scope for a reduction in retail price, in view of the heavy incidence of taxation, the share of excise duty in the price being as much as 30 per cent. The Minister for Food and Agriculture himself admitted in Parliament on 13th November that there was no possibility of a reduction in sugar prices in the immediate future, as the margin of profit for the sugar trade was only about 20 per cent, the rest of the price went to make up production cost and taxes.

Considering the heavy incidence of cane cost, the problem of bringing down the cost has naturally to be tackled in the primary stage of sugar industry. Conditions in the cane economy did register an improvement during the second Plan period, thanks to the intensified development schemes, as witness the rise in the average per-acre yield from 12.98 tons (in 1955-56) to 17.72 tons (in 1960-61). These figures, incidentally, have been arrived at on the basis of revised official estimates for the period chosen for comparison. The revised estimate for 1960-61 shows a marked increase of 20 per cent in cane yield as compared with the final estimate for that season published earlier. Be that as it may, the position seems to have deteriorated in the 1961-62 season. According to final estimates (preliminary), the area sown to the crop was substantially larger at 5,942,000 acres, as against 5,789,000 acres in 1960-61, the actual yield of cane was smaller, being 96.02 million tons, as against 102.48 million tons. In other words, the average per-acre yield was considerably less, being 16.16 tons.

Price-linking Formula

On 22nd August 1962, the Government of India released the Tariff Commission's report (submitted as far back as in June 1961) on the revision of the price-linking formula for sharing the price of sugar between factories and cane growers together with its resolution thereon. The resolution stated that the Government had decided to retain, in respect of the four seasons 1958-59 to 1961-62, the formula notified in September 1958 in the Sugarcane (Control) Order, after making suitable changes. Since the proposed changes had to be given retrospective effect, Parliament passed the necessary legislation (on 16th September 1962), namely, the Sugarcane Control (Additional Powers) Act, 1962, authorising the Central Government to amend the provisions of the Sugarcane (Control) Order relating to additional payments either prospectively or retrospectively. The changes made by the Government in the formula for making additional payments to cane growers for the aforesaid four seasons were actually notified in a *Gazette Extraordinary*, vide the one dated 1st November 1962. The three principal changes effected were:

1. The schedule of costs given by the Tariff Commission in its report of 1959 has been used for purposes of determining the ratio which the cost of sugarcane bears to the cost of sugar (excluding taxes). There is a provision for the costs to be brought up-to-date.

2. Three-fourths of the amount earned by sugar mills by way of rebate of excise duty for their production during the 1959-60 and 1960-61 seasons will be taken into account for determining the additional price to be paid to cane growers. This amount will, however, be shareable in the same manner as other receipts.

3. An allowance for the purposes of rehabilitation has been made admissible to such factories as may have actually spent a certain amount on rehabilitation or transferred such amounts as reserve to a special rehabilitation account during the year.

The *Gazette* notification did not contain any reference to the machinery required to determine the amount which might become due to cane growers from the sugar mills in the various parts of the country. The Government said that such a machinery would be set up shortly. It was intended to complete this process as soon as possible, though it would involve the scrutiny of accounts and other data pertaining to the period of four years, of all factories.

New Cane Price Formula

The sugar price linking formula has ceased to be in operation since the commencement of the current (1962-63) season on 1st November 1962. The cane prices are now linked to both the recovery per cent of sugar contained in cane and the quantity of cane as such in accordance with a new formula announced, whereas the system hitherto in vogue had as the basis only the quantity of cane delivered to a factory irrespective of quality considerations. The salient features of the new formula, an-

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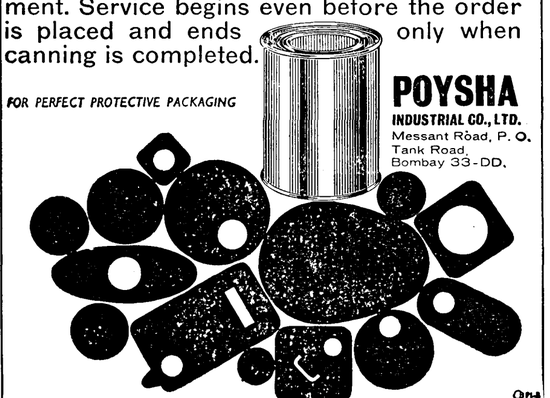

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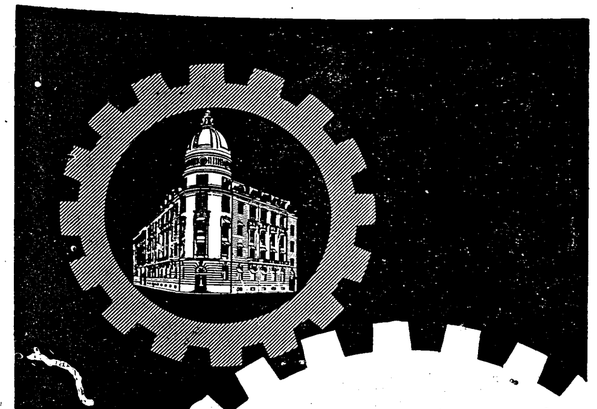

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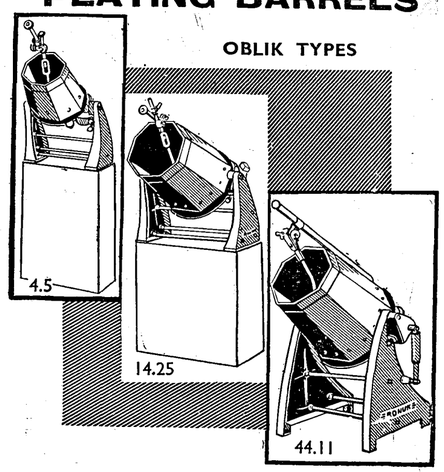

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nounced on 3rd July 1962, are as follows:

The minimum price of cane with a recovery of 9.8 per cent is maintained at Re. 1.62 per maund. A discount or premium, as the case may be, shall be allowed on this price at the rate of 1.5 nP for every 0.1 per cent fall or rise in the average certified recovery below or above 9.8 per cent. There will be no discount if the recovery falls below 9 per cent. In other words, Re. 1.50 per maund of cane delivered at the gate of factory shall be the irreducible minimum price. The price for delivery at purchasing centres connected by rail shall be 12 nP less than the price paid at the factory gate. The usual transport rebate will be admissible in case cane is transported by road.

So far as the maximum is concerned, no premium will be paid on sucrose-content in excess of 10.14 per cent.

Accordingly, the price per maund of cane varies from a minimum of Re. 1.50 for cane with sucrose-content of 9 per cent and a maximum of Rs. 2.13 for cane with sucrose-content of 10.14 per cent and above.

While the new scheme is a welcome departure from the principle followed so far, its application in actual practice suffers from two disquieting features. First, the minimum price of Re. 1.62 per maund of cane (as against the old price of Re. 1.44 applicable for the seasons from 1953-54 to 1958-59), which was itself high in all conscience, has been continued and, second, the recovery per cent of 9.8 per cent taken as the average basis is very low. In other words, the sugar mills are made to pay the enhanced price of Re. 1.62 per maund for cane with a recovery of just 9.8 per cent and not the usual basis of 10 per cent that had been regarded as the norm all these years. In effect, therefore, the minimum price for cane with 10 per cent recovery is higher than before—Re. 1.62.2/5 per maund, a rise of another 2.4 nP, though there is one consolation and that is that, as a result of the new scheme, the sugar mills are no longer liable to pay to cane growers a share in the price of sugar realised by them in excess of what is regarded by the Government as the fair ex-mill prices.

The Government, as we have pointed out on more than one occasion, ought to have fixed the minimum price as the maximum to be paid for cane with the highest sucrose-content, say, 11 per cent if not 12 per cent. Alternatively, the Government should have at least continued the premium for the increase in sucrose-content upto 12 per cent instead of stopping at, as it has done now, 10.14 per cent. There are areas and farmers with records well in excess of the ceiling. It is obvious that such good lands and efficient growers should receive a better reward than those whose performance is below the mark. Such a policy would certainly augment the productivity of cane lands both quantitatively and qualitatively. This is necessary for two reasons: (1) The area currently being devoted to sugarcane needs to be reduced substantially, so that more land can be devoted to foodgrains and/or other cash crops. And (2), the cost of sugar has to be brought down significantly; otherwise, sugar exports will continue to be at a heavy sacrifice, not to speak of the plight of the domestic consumer. It may be noted here that the export of 400,000 tons of sugar in 1962, which at best could fetch a foreign exchange of Rs. 16 crores, entailed a subsidy of as much as Rs. 17 crores which was mostly met by the Government.

Exports

In assessing the prospects for Indian sugar exports, one has to bear in mind the trend in the world sugar market. The International Sugar Council is of the view that there may be a close statistical balance between world sugar supply and demand during the calendar year 1963. The world free market's sugar requirements are estimated at 11.5 million metric tons and the U.S. imports at 3.6 million tons, bringing the total world market requirements to just over 15 million tens. The current (September 1962-August 1963) season's sugar output is expected to be higher than the 1961-62 production of 52.22 million tons. The anticipated rise in output is likely to make up for the reduced carryover stock of 16.19 million tons, as against 18.76 million tons a year before. Incidentally, the aggregate world sugar consumption is estimated at 56.79 million tons, as against 55 million tons in 1961-62 and 52.80 million tons in 1960-61.

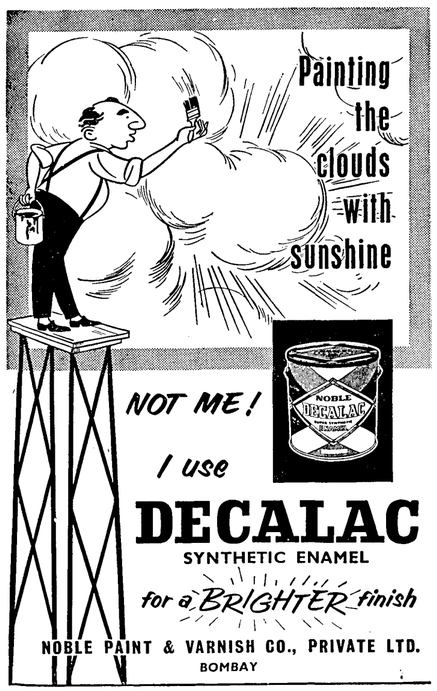
Whatever be the statistical position of world sugar, there is no denying that India can export sizable quantities of sugar only at a heavy sacrifice. It is reported that, early in November 1962, the State Trading Corporation sold 10,000 tons of sugar to Ceylon at Rs. 320 per ton, as against the f.o.b. cost of Rs. 800 after allowing for drawback of excise duty and cane cess. With a view to reducing the heavy loss and to meeting the demand for raw sugar, several factories have taken to the manufacture of raw sugar for export. While the move is good, it is pointed out by some sugar circles that the saving in production cost as a result of raw sugar manufacture is not much. Meanwhile, the Government of India has decided to stop further exports of sugar from the production of the 1962-63 season other than those required to meet the firm commitments already made by India with other countries for shipment in 1963. The total of these commitments is 400,000 tons, of which 200,000 tons will be exported to Japan, 100,000 tons to Canada, 70,000 tons to Malaya, 20,000 tons to the U.S. and 10,000 tons to Ceylon.

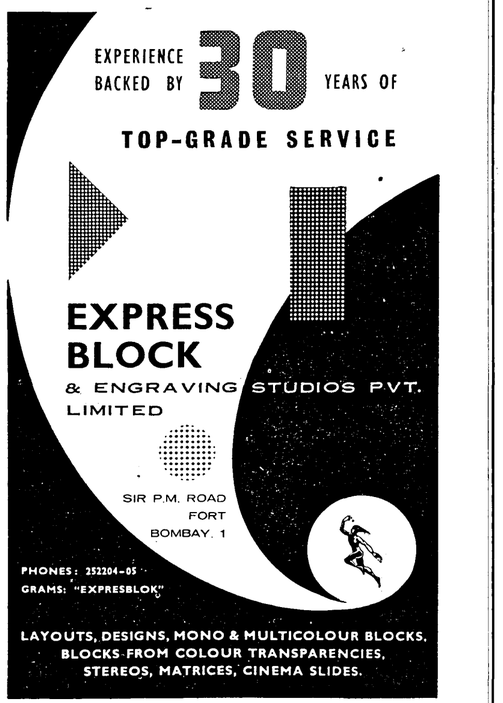
What of 1962-63?

The sugar production prospects in so far as the current (1962-63) season is concerned are, as already stated, not quite encouraging. The Government of India has, of course, removed the restrictions on output and the sugar mills are free to produce as much sugar as they can. The President of the Indian Sugar Mills Association, too, has appealed to all the mills to do their utmost to maximise production in response to the general call issued by the Prime Minister to the industries in view of the exigency of Indo-Chinese war. But it is highly doubtful whether the sugar industry would, in fact, be able to maintain even the 1961-62 season's level of 2.70 million tons; a section of sugar interests estimates the actual output at no more than 2.4 million tons. This estimate does not seem to be wide of the mark. For the cane crop has suffered a distinct setback again, owing to floods in the Punjab, premature dry weather in Uttar Pradesh and Bihar, and pest attack in the Deccan. The actual reduction in cane yield is put at 25 per cent in Bihar, 15 per cent in Maharashtra and 12 per cent in Uttar Pradesh. Considering the reduction in cane production and in view of the possible large-scale diversion of supplies to the manufacture of *gur* and *khandsari* which are commanding very high prices, the sugar mills are finding it difficult to obtain regular and adequate supplies of cane. The new sugarcane price formula linking the price of cane to both quality and quantity may not, therefore, be of much avail, though, under the formula, the cane growers get a higher price than what they would have received otherwise, if the quality of their cane is on the higher side. The proposal to manufacture raw sugar for export may also result in the dislocation in the normal production operations of mills.

It is thus clearly evident that, in the current season, the sugar industry will have the problem of underutilisation of capacity. Since the estimated output is only 2.4 million tons, as against the production capacity of 3.1 million tons, the capacity lying idle will be as much as 700,000 tons or 22.6 per cent. Can the country afford to suffer such a waste of capital resources? Certainly not, especially in the context of war with the Chinese and the exigency of exports. Whatever capacity that has been created in the sugar industry must be utilised fully. The Government, for instance, may take steps to restrict the flow of sugarcane to *gur* and *khandsari* manufacture. The State Governments must fully co-operate with the Centre in this direction. In view of the national emergency that has arisen, it is reported that the Maharashtra Government has decided to postpone the date of applying the ceiling legislation to the cane farms attached to the joint-stock sugar mills. The decision is realistic.

To sum up this review. The estimated sugar production of 2.4 million tons and the opening stock of 935,000 tons give a total available supply of about 3.34 million tons. Excluding the export commitment of 400,000 tons, the balance of supply available will be approximately 2.94 million tons. Assuming that the domestic consumption of sugar will be higher as compared with 1961-62 by another, say, 200,000 tons at 2.65 million tons, the season will end with a closing stock of no more than 290,000 tons which represent just five to six weeks' consumption. Of special significance, therefore, is the I.S.M.A. President's appeal to the sugar mills to endeavour their utmost to maximise production so as to cater to the increased civilian and defence requirements of this essential commodity.





LARGE DROP IN TEA AND COFFEE CROPS

Quality Of Coffee Needs Improvement

WHEN the Indian tea crop of 1961 touched the high level of 760 million pounds, representing an increase of 66 million pounds over the previous year's crop, there were many optimists, including some officials of the Government, who predicted a similar 'new high' for 1962 and hoped that the Plan target of 900 million pounds for 1965 would be overreached. Towards the end of June this year, however, it became quite apparent that the year's crop would not only not exceed last year's but would in all probability be several million pounds short of that level. Adverse weather in North-East India had affected production right from the beginning of the season in April, and continued almost to the end of the year. The crop for the ten months ended October had only totalled 510.6 million pounds, as compared with 535.7 million pounds for the same period of 1961, resulting in a shortfall of 25.1 million pounds. Towards the close of November, it was feared that the Chinese incursion would cause some further damage to production, but, fortunately, nothing happened and it is, therefore, hoped that the year's shortfall will remain at around 25 million pounds only.

The position of the South Indian tea crop was, on the contrary, very encouraging and production for the ten months ended October totalled 150.0 million pounds, as compared with 143.5 million pounds for the same period of 1961. Figures for September/October however showed a reduction by comparison with last year and it is probable that, when the final 1962 figures are announced, the excess of 6.5 million pounds would have been reduced by a million pounds. This would still leave an excess of 5.5 million pounds for South India and reduce the overall deficit to 20 million pounds. If these estimates prove true, the total Indian tea crop of 1962 would be about 740 million pounds, as compared with 760 million pounds of 1961.

World Production of Tea

It is also worthy of note that the world production of tea this year has not been above that of last year. While South India, Ceylon and some of the African countries have recorded an increase, North-East India and Pakistan have recorded a decrease, while Indonesia has kept level with 1961. The figures just released by the International Tea Committee bear out this fact.

Crop (in million lbs.)

	January-October	
	1962	1961
North-East India ..	510.6	535.7
South India	150.0	143.5
Kenya	29.2	21.3
Uganda	11.4	9.1
Tanganyika	7.8	7.5
Nyasaland	24.4	25.9
Mozambique	16.7	18.3
Ceylon (9 months) ..	349.0	341.0
Pakistan (9 months) ..	34.9	42.0
Indonesia (7 months) ..	58.4	58.1
Total ..	1,192.4	1,202.4

In the light of these figures, it seems that the F.A.O. forecast of a world surplus of 100 million lbs. of tea occurring by 1965 should now be regarded with reserve, even though at the time this estimate was made the trend of world production was certainly in the direction of a surplus. Much will depend on the extent to which this year's low production will be made up in the coming year and the increase that would occur during the next two years.

Notwithstanding the setback in production, the export of Indian tea this year has shown a distinct advance over last year. Total exports for the nine months ended September were of the order of 300.0 million pounds, as compared with 283.5 million pounds for the same period of 1961. This includes an increase of 5.2 million pounds in the export to the United Kingdom, our largest buyer. Ceylon also has stepped up its exports from 289.7 million pounds during the first eight months of 1961 to 309.5 million pounds during the same period this year. The increase includes additional exports to the United Kingdom of 12.9 million pounds. From this it is evident that our biggest competitor, Ceylon, is still ahead of India in the matter of exports to the United Kingdom. The African countries also have achieved larger exports to the U.K., but Indonesia and Pakistan have suffered a small diminution.

Relief to Exports

Although one cannot say it with any finality, it is generally believed that the improvement in our export performance this year has been largely due to the substantial reduction in the export duty announced early in the year. By reducing this duty from 44 nP to 25 nP per kilo and by providing for a refund of excise duty on tea exported at the rate of 15 nP per kilo, the tea industry did obtain a substantial concession which it has used with advantage for export promotion. Before the concession was announced, Government had stated that relief in export duty would only be granted if Government was fully convinced that relief would result in a greater volume of exports. Now that a significant increase in the export level has been achieved after the relief was announced, one may hope that Government would find it possible to allow some further concession in this levy in the knowledge that the revenue loss thus sustained will be compensated for by increased earnings in foreign exchange.

Domestic Consumption

The Government of India, however, persists in its belief that internal consumption should be artificially restricted in order to allow for more exports of tea. In consequence, it has enhanced the rates of excise duty on tea, and, while doing so, it has overlooked the fact that not only will a neglected internal market be difficult to revive, but that this market is always a safeguard against violent fluctuations in world demand. The policy of the Government not to propagate the consumption of tea within the country is, for similar reasons, a short-sighted one. If impediments in the way of greater production are removed and incentives are given, there would be no need for any sort of artificial regulation of internal consumption.

It is encouraging to see that the Government has this year bestowed greater attention to propaganda abroad. Concerned about the steady diminution in the export of tea to India's second and third largest markets, namely, the U.S.A. and Canada, the Government allowed the Tea Board to send a delegation to these countries, and more recently another to Australia and New Zealand. The report of the delegation which toured the U.S.A. and Canada has recommended the continuance of the Tea Council and India's participation therein. It did not recommend any uninational campaign by India, but felt that closer touch with the Tea Council and greater efforts through the Council would promote the consumption of Indian tea in both the countries. It has also drawn attention to the fact that, in the sphere of common and low medium teas, India has lost substantial ground in favour of other producing countries, owing to the comparably high prices, and urged that prices should be made more competitive.

Tea Prices Fall

Average prices realised for Indian tea so far both in London and in the Calcutta and Cochin auctions have been generally below last year's prices. At the end of November, North-East Indian tea fetched in London 5s. 2.60d. and South Indian tea 3s. 9.29d. per pound, while Ceylon teas realised 4s. 9.60d. In both North-East and South India, the price of common teas fell sharply during the first six months of this year and in many districts the price was below the cost of production. The increase in excise duty at this stage proved to be a heavy burden on low quality and medium teas which had to be sold internally. In some cases, the duty worked out to as much as 15 or 16 per cent of the price.

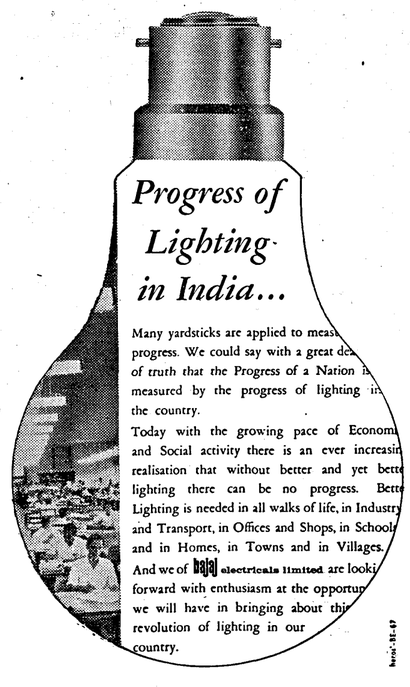
Realising the need to raise the export level the Government of India, through the newly set up Board of Trade, has been trying to remove some of the impediments in the way of export promotion in tea. The Tea Board also has announced several schemes for financial assistance to the tea gardens for working capital, purchase of machinery, irrigation equipment, etc. Although the industry still needs Government assistance in many matters there is a realisation that Government is trying to do as much as it can for the industry under present circumstances. If helpful official policy continues, one may hope that the tea industry will be able to prepare itself adequately for meeting the challenge of world competition in the coming years.

Coffee Crop Smaller

The Indian coffee crop for the 1961-62 season amounted to 45,653 tonnes at the end of November 1962. This was made up of 22,482 tonnes of Plantation, 6,620 tonnes of Arabica Cherry and 16,551 tonnes of Robusta. Last season's crop, which was an all-time record, was 67,587 tonnes, consisting of 28,968 tonnes of Plantation, 10,278 tonnes of Arabica Cherry and 28,341 tonnes of Robusta. Although this year's total crop is 30 per cent below last year's, it is good to know that the percentage of Plantation in the total is well above the percentage of last season.

Up to the end of November, 18,600 tonnes of coffee have been sold for export out of the current season's crop. The quantity consists of 11,249 tonnes of Plantation, 3,022 tonnes of Arabica Cherry and 4,329 tonnes of Robusta. A further 361 tonnes have been reserved for export auction at the end of December, making a total of 18,961 tonnes.

The internal market has taken in all 31,454 tonnes of coffee out of this season's crop. This is 242 tonnes more than the quantity taken out



of last season's crop. The offtake consists of 11,235 tonnes of Plantation, 3,756 tonnes of Arabica Cherry and 16,463 tonnes of Robusta.

Fortunately, due to a combination of favourable circumstances, the prices realised this year have been well above last year's and it is hoped that the return to the grower will be around Rs. 2.50 per point, as against Rs. 1.97 only paid last season. The payment made to date comes to Re. 1.80 per point only. In view of the high cost of production and the need for sufficient working funds, the coffee growers have been asking the Board to expedite the payments, if necessary, by resorting to more borrowing.

Loss of Quality

With a view to exploring the prospects of increased sales of Indian coffee, a two-man delegation from the Coffee Board toured the United Kingdom towards the end of 1961. The delegation's report stated that there was a general feeling abroad that the quality of Indian coffee had gone down. Before the war, Indian plantation coffee was stated to be comparable with Kenya's, but now it had not only gone below Kenya's but also below Columbia's. According to a leading roaster, the Indian mild coffees had of late developed a harsh taste like Brazil's and immediate steps should be taken to improve the taste.

One of the reasons for the loss of quality is stated to be the insufficient drying and defective curing of coffee. Drying the coffee to the requisite standard is sometimes rendered difficult by long periods of misty and cloudy weather in the plantations. The inadequate care taken by the pool agents in bulking coffees was also brought to the notice of the delegation. Since the Continent is the best and the largest customer of Indian coffee, it is essential that we should leave no room for complaints of poor quality from this market. This could be achieved if the growers, curers and others concerned were to give a little more care and attention to the proper drying, curing and bulking of coffee. No doubt the Quality Committee of the Coffee Board will be going into the complaints and applying the necessary correctives.

It has been pointed out that the lack of an assurance of continuity of supplies is a further handicap in the sale of Indian coffee abroad. It is alleged that supplies released for sale from year to year and the quotas earmarked for export are not uniformly available, month to month, whereas other countries are able to regulate the supplies more evenly.

The appearance of a new disease in coffee on an extensive scale this year has been causing a great deal of anxiety to the growers. It is not known whether this disease which resembles "die-back" will affect the production only, but quality as well. The Board's Research Department is making a full investigation into this matter.

World Agreement

After prolonged discussion and study, the Government of India agreed to become a signatory to the International Coffee Agreement with effect from the 1st October 1962. India's main objection to participation in the Agreement was the comparatively low export quota allotted to it. Out of a total basic quota of 45,587,183 bags for all the signatory countries together, India's share has been fixed at 360,000 bags, which is the equivalent of about 21,600 tons. Considering the large increase in production anticipated during the next three years, which is the period of the Agreement, and India's own need for export promotion and foreign-exchange earnings, it was felt that this quota was far too small. India's acceptance, however, takes into consideration other advantages which would accrue from participation along with other major producers and exporters. The Agreement excludes exports to "new markets" and countries with a low *per capita* consumption such as Ceylon, Iraq, Iran, Japan, Philippines and the U.S.S.R.

Notwithstanding the low export quota allotted to India, it is felt that India's participation in the Agreement will improve Indian coffee prospects in many countries of the world. It may be noted that consuming countries are also associated in the Agreement. The East European countries, which are outside the Agreement, can take a large quantity of Indian coffee, and these markets should be fully explored. If steps are taken to improve the quality and to promote measures for greater consumption in the traditional as well as new markets, Indian coffee should have a bright future.

Rubber

Up to the end of September this year, India produced 20,846 tonnes of raw rubber, compared to 20,315 tonnes and 19,041 tonnes in the corresponding periods of 1961 and 1960, respectively. While the production thus shows an upward trend, it is not at all in proportion to actual needs. Production has to be stepped up to a much larger scale, if imports are to be reduced and the demands of the rubber goods manufacturing industry are to be met in full. Much emphasis has, therefore, been placed on the need for a vigorous replanting programme which, in the course of a few years, will raise the yield of rubber a hundred per cent or more. The Rubber Board's replanting scheme includes a subsidy of Rs. 1,000 per acre as well as a replanting allowance of Rs. 9 per 100 lbs. in the price of rubber. But the area replanted by the end of 1961 was only 20,000 acres. The Chairman of the Rubber Board has stated recently that at least another 80,000 acres require to be replanted by 1970, if not earlier. The Rubber Board delegation, which recently toured Malaya, has drawn attention to the considerable progress achieved by that country in the matter of replantation and better yields, and stressed the need for India also taking immediate steps to achieve similar results.

Cardamom

Cardamom growers in India are passing through a period of poor yields and low prices. Average prices realised in the Cochin auctions so far this year have been around Rs. 11.74 per kilo as against Rs. 14.83 last year. At current prices, the growers are not able to make a reasonable profit and provide funds for replantation and development.

Welcome Change

It is heartening to note a welcome change in the attitude of the Government towards the plantation industry in general. Many helpful measures have been announced to assist the industry to improve its competitive position in foreign markets as well as for its internal development. There have been few, if any, new taxes, while concessions in existing taxation have been announced. Legislation affecting labour appears to have been suspended temporarily. While this policy may have been dictated primarily to suit Government's own prevailing need for export promotion, the industry is glad that Government is at last beginning to see the facts clearly and adjust its policy accordingly.

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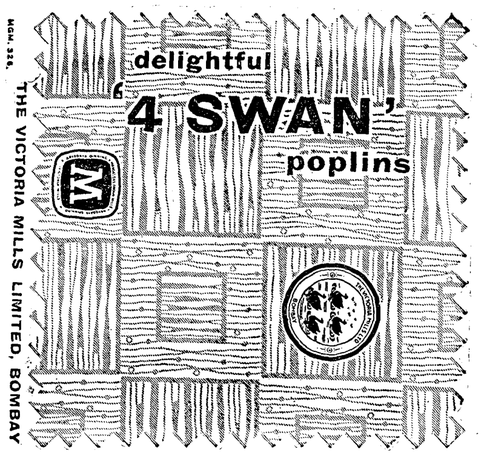

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Progress in Agriculture Disquietingly Poor

Dependence On Imports To Increase?

[Crop estimates are given in this country for the agricultural crop year ending June. The result is that, by the time the review for a calendar year is written, the data pertaining to the crop year falling within the calendar year under reference are only of historical importance. The latest official final estimates are for the crop season July 1961-June 1962, made up of the second half of the previous calendar year and the first half of the current calendar year under review. Although movements of crops of 1962-63 are well under way at the time of writing (second week of December), reliable estimates of production are not available. There are, of course, unofficial reports and trade estimates, but they are sometimes conflicting. One must, therefore, keep in mind these limitations while reading the review on this page.—Ed.]

THERE are unmistakable signs that India is faltering on the agricultural front. Unless this trend is rectified in good time, the apple-cart of planned economic development will topple down. This is no exaggeration, particularly in view of the emergency created by the Chinese aggression on Indian soil. It is a matter for grave concern that performance on the agricultural front should continue to fall far short of the targets laid down in the third Plan. There is no doubt that India has the capacity and the means for producing more, but if still the results are unsatisfactory, it is mostly because of the defects in Administration. This is true of both foodgrains and cash crops. But for large imports, particularly of foodgrains and raw cotton, the overall price situation would have turned adversely against consumers this year. Unless internal production of these commodities is substantially raised, and the growing gap between demand and supply is plugged, dependence on imports is bound to increase in the coming years. Since India's exports are stagnating and foreign aid is available only on a hand-to-mouth basis, such a necessity would have a deleterious effect on the plans for both defence and development.

Foodgrains

During the crop year ended June 1962—the latest period for which official (final) estimates are available—the total output of foodgrains fell by about 1.1 million tons to 78.5 million tons, as compared with the previous year (1960-61). Both cereals (particularly rice and *jowar*) and pulses (*gram* and *tur*) shared the decline. According to trade estimates available at the time of writing for the crop year 1962-63, the foodgrains production in the current year, which is roughly equal to the second year of the third Plan, may be no more than 80 million tons, that is a small increase over 1961-62 and almost the same as that for 1960-61. If this estimate turns out to be correct, it will mean that foodgrains output has been stagnant during the first two years of the third Plan, while the population has gone up inexorably by 16,000,000 people. In fine, no increase in foodgrains production while the mouths to be fed have shot up by 16 million: this is, indeed, a very depressing performance by the country. It becomes even more so when it is remembered that the additional production of 20 million tons envisaged in the third Plan (or an aggregate output of 100 million tons by 1965-66) will have to be achieved in the course of the next three crop years beginning from 1963-64, that is, the annual average increase in production has to be as much as seven million tons. At the present rate of growth it will be an uphill task for India to reach this goal.

Trends in the production of cash crops have also been generally unsatisfactory. Raw cotton suffered a severe setback in 1961-62, its output having gone down by about 17 per cent to 4.5 million bales over the year. The production of sugarcane was also smaller. On the contrary, the output of raw jute and mesta (as well as tobacco exceeded their targets for 1965-66; these increases, however, have not been unmixed blessings. For the output has been achieved largely by an increase in acreage with little or no increase in productivity (per acre yield). In the case of jute, for instance, the area under its cultivation rose over the year by as much as about 50 per cent as against the 57 per cent increase in output. The larger area brought under jute cultivation was at the expense of rice and wheat in West Bengal and Bihar, where foodgrains output consequently suffered a setback. In respect of cultivation of tobacco, the third Plan itself envisages only a modest increase, since what is required at present is not larger production but development of superior varieties like *virginia*. Larger production of inferior varieties only depresses prices. The output of oilseeds rose by just 5 per cent in 1961-62, despite an increase of one million acres in area under cultivation.

Table I on this page shows the trend in production, and changes in area under cultivation, of major agricultural commodities in 1961-62, as compared with the previous year. In view of the changes that have taken place in the estimation and coverage of crops, the aggregate production figures do not serve as a correct guide to long-term trends. The indices of agricultural production, prepared by the Union Ministry of Food and Agriculture, is, however, a better indicator of long-term trends, as they are adjusted to the changes in coverage and methods of estimation. Indices of agricultural production are given in Table II covering the period since 1950-51. The setback in foodgrains (which still contributes, along with other agricultural commodities, half of the total national income), is one of the major reasons why the rate of growth of national income (at constant, 1948-49, prices) has gone down from 7.1 per cent in 1960-61 to 2.2 per cent in 1961-62 (as disclosed by the quick estimates of the Central Statistical Organisation).

Rice and Wheat

All the foodgrains, however, did not fare the same way in the 1961-62 crop year. In fact, the main *rabi* cereals, namely wheat and barley, made good progress. But the increase in their production was more than offset by the fall in the output of principal *kharif* cereals, particularly rice and *jowar*, and also pulses. The setback in production is attributed to unfavourable weather conditions. In respect of rice, for instance, output in 1961-62 was lower by about 50,000 tons at 33.61 million tons, despite a small increase in the acreage under its cultivation.

The decrease in rice production has been accounted for mainly by Bihar, West Bengal and Kerala due partly to the decrease in acreage in these States and partly to unfavourable climatic conditions during the period of growth. In West Bengal, it is said, conditions of drought delayed transplantation and irregular and scanty showers at early stages of the growth of the rice crop. In that State (as also in Bihar), large rice-cultivating areas were diverted to the production of jute, prompted by the high prices prevailing last year for this cash crop. These factors alone do not fully explain the setback in rice production. In fact, very favourable conditions were in evidence in Andhra Pradesh, Gujarat, Maharashtra and U.P. These States have been able to increase moderately their output over the previous year. Even this modest increase has been the result of larger area brought under cultivation, rather than any perceptible increase in the yield per acre. This only shows that the State Governments have been taking little interest in implementing the various schemes chalked out for promoting intensive cultivation.

The output of *jowar* fell sharply, that is, by about 17 per cent, to 7.66 million tons in 1961-62. The decline is attributed to excessive rains during October-September 1961 in Madhya Pradesh, U.P. and certain parts of Maharashtra. A severe cold wave in the North last year and locust attacks in certain parts of the Punjab, Maharashtra, U.P. and M.P. also damaged *jowar* and other foodgrain crops.

In refreshing contrast, the output of wheat touched a new record. The increase in production was reported by all wheat-growing States (except Bihar and Mysore) and this was achieved, despite the severe cold spell in December and January in parts of Bihar, U.P., Punjab and Rajasthan. It may, however, be noted that all wheat-growing States had larger area under wheat during the year. Here again, the per-acre yield continued to remain stagnant at deplorably low levels in comparison with foreign countries.

Fertilisers and Irrigation

The lack of progress in agricultural productivity (in respect of both foodgrains and cash crops) is largely due to the inadequate progress in implementing development programmes, seeking to provide more irrigation facilities, fertilisers, better seeds, etc. There is no doubt that the supply of fertilisers has been grossly insufficient. Even on Government's own reckoning, only 53 per cent of the demand for nitrogenous fertilisers could be met in 1961-62, owing to inadequate internal production and import restrictions. Now, minor irrigation projects, which have been assigned a key role in promoting production, have also fallen behind schedule. As against the third Plan programme seeking to bring 12.8 million acres under minor irrigation, the area actually covered in 1961-62 (according to official estimates) was only 1.7 million acres.

The tube-well programmes have the same story to tell. As against the

TABLE I: *All-India Final Estimates of Principal Crops*

Crop	Area (thousand acres)			Production (thousand tons)		
	1961-62	1960-61	Percentage increase or decrease	1961-62	1960-61	Percentage increase or decrease
FOODGRAINS:						
Kharif cereals:						
Rice	33,669	32,947	+ 0.9	33,610	33,658	— 0.1
Jowar	43,074	42,683	+ 0.9	7,664	9,215	— 16.8
Bajra	27,027	28,230	— 4.2	3,502	3,177	+10.2
Maize	11,040	10,774	+ 2.5	4,000	3,952	+ 1.2
Ragi	5,710	5,738	— 0.5	1,749	1,654	+ 5.7
Small millets	11,714	12,101	— 3.2	1,877	1,944	— 3.4
Total *kharif* cereals	182,234	182,473	— 0.1	52,402	53,600	— 2.2
Rabi cereals:						
Wheat	33,240	32,047	+ 3.7	11,620	10,818	+ 7.4
Barley	8,255	7,965	+ 3.6	3,067	2,821	+ 8.7
Total *Rabi* cereals	41,495	40,012	+ 3.7	14,687	13,639	+ 7.7
Total cereals	223,729	222,485	+ 0.6	67,089	67,239	— 0.2
Pulses:						
Gram	24,165	23,327	+ 3.5	5,829	6 19	— 5.9
Tur	5,741	5,927	— 3.1	1,246	2,039	—36.8
Other *kharif* pulses	15,473	14,887	+ 3.8	1,526	1,453	+ 5.0
Rabi pulses	13,590	13,402	+ 1.4	2,788	2,709	+ 2.9
Total pulses	58,969	57,543	+ 2.4	11,429	12,399	— 7.8
Total foodgrains	282,698	280,028	+ 0.9	78,518	79,638	— 1.4
OTHER CROPS:						
Sugarcane (*gur*)	5,942	5,789	+ 2.6	9,732	10,447	— 6.8
Black pepper	254	254	+ 0.1	28	28	— 0.1
Chillies (dry)	1,516	1,530	— 0.9	363	366	— 0.8
Ginger (dry)	44	44	+ 0.5	17	17	
Potato	911	913	— 0.2	2,723	2,704	+ 0.7
Tobacco	1,025	989	+ 3.6	339	307	+10.4
OILSEEDS:						
Groundnut (nuts in shell)	15,848	15,461	+ 2.5	4,632	4,391	+ 6.6
Castorseed	1,108	1,038	+ 6.7	101	89	+13.5
Sesamum	5,581	5,360	+ 3.8	366	316	+15.8
Rapeseed and mustard	7,598	7,094	+ 7.1	1,285	1,335	— 3.7
Linseed	4,211	4,433	— 5.0	391	389	+ 0.5
Total oilseeds	34,326	33,386	+ 2.8	6,825	6,520	+ 4.7
FIBRES:						
Cotton (lint)	18,710	18,871	— 0.9	4,500*	5,390*	—16.5
Jute	2,259	1,512	+49.4	6,260†	3,982†	+57.4
Mesta	951	689	+38.0	1,705†	1,131†	+50.8
Sann-hemp	786	765	+ 2.7	71‡	72‡	— 1.4

* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each.
‡ Relates to fibre crops only.

TABLE II: *Index Numbers of Agricultural Production in India*

(Agricultural Year 1949-50=100)

Commodity/Group	Weight	1950-51	1951-52	1956-57	1958-59	1959-60	1960-61	1961-62
FOODGRAINS:								
(a) *Cereals:*								
Rice	35.3	87.9	90.1	120.4	128.4	125.3	136.2	*130.0*
Jowar	5.0	89.8	96.4	105.3	129.8	116.9	134.6	111.9
Bajra	2.7	83.8	75.8	90.1	112.1	101.2	111.6	111.6
Maize	2.1	84.4	101.3	132.8	135.5	146.5	144.5	146.2
Ragi	1.2	87.6	80.4	118.7	120.1	128.1	111.3	117.7
Small millets	1.5	88.9	97.4	98.0	112.0	*104.1*	*101.7*	98.3
Wheat	8.5	101.1	93.9	140.7	147.4	151.7	162.7	174.8
Barley	2.0	105.6	100.0	120.5	112.7	113.7	120.0	*130.5*
(b) *Pulses:*								
Gram	3.7	93.0	88.2	159.8	180.3	143.5	162.3	152.7
Tur	1.1	91.8	97.7	108.2	89.2	87.2	107.1	67.5
Other pulses	3.8	85.6	90.2	91.9	106.3	106.6	102.1	105.8
Foodgrains	66.9	90.5	91.1	120.8	131.0	126.8	135.6	135.2
II. NON-FOODGRAINS:								
(a) *Oilseeds:*								
Groundnut	5.7	101.4	93.0	127.2	140.0	122.5	136.5	145.5
Sesamum	1.2	101.6	103.2	98.2	123.1	92.0	81.0	93.8
Rapeseed and mustard	2.0	94.8	116.0	128.3	128.3	*130.9*	*166.9*	*160.6*
Linseed	0.8	87.8	77.1	90.3	104.7	104.9	94.7	95.2
Castorseed	0.2	80.5	82.8	95.3	85.9	82.8	69.5	78.9
Oilseeds	9.9	98.5	97.4	120.3	136.8	118.3	131.2	136.9
(b) *Fibres:*								
Cotton	2.8	110.7	119.2	181.2	175.8	138.5	203.3	*169.7*
Jute	1.4	106.3	151.4	138.7	158.7	140.7	121.7	191.6
Mesta	0.3	100.0	104.8	221.5	255.9	168.5	170.5	257.0
Fibres	4.5	108.6	128.3	170.7	175.8	141.2	175.7	182.3
(c) *Plantation Crops:*								
Tea	3.3	103.8	109.6	117.2	119.4	*119.6**	*116.7**	*130.3**
Coffee	0.2	112.3	112.7	204.1	240.8	259.6	355.1*	257.6*
Rubber	0.1	93.8	94.4	152.9	160.2	154.6	185.2*	177.0*
Plantation Crops	3.6	104.0	109.4	123.0	127.3	128.4	131.3	138.7
(d) *Miscellaneous Crops:*								
Sugarcane	8.7	113.7	122.8	137.2	141.5	150.3	173.9	*162.0*
Tobacco	1.9	97.3	78.0	113.7	118.2	108.5	116.4	128.5
Potato	1.0	107.4	110.8	111.6	148.0	174.3	170.4	171.6
Pepper (black)	1.2	97.2	107.5	131.6	127.2	126.7	134.4	134.4
Chillies (dry)	2.0	119.4	118.4	120.8	113.5	116.6	126.6	125.6
Ginger (dry)	0.3	94.4	96.0	102.3	90.9	102.3	111.7	111.7
Miscellaneous crops	15.1	110.3	114.0	129.2	133.1	139.1	155.8	*150.4*
Non-foodgrains	33.1	105.9	110.5	131.5	139.4	132.0	148.5	149.4
All Commodities	100.0	95.6	97.5	124.3	133.8	218.5	139.9	139.9

* Based on provisional estimates.

Note:—The indices for 1959-60 and 1960-61 are generally based on partially revised estimates while those for 1961-62 are generally based on final estimates. The indices for these years are, therefore, subject to revision.

target of drilling 739 tube-wells in 1961-62, only 482 tube-wells were completed with pump sets (upto March 1962). This pace is too slow, considering the third Plan target for construction of 2,400 tube-wells; this target itself is a modest figure, particularly in view of the fact that the Exploratory Tube-wells Organisation has established potentialities for the construction of 6,550 tube-wells. As for the provision of improved seeds, the Plan is to cover an additional area of 148 million acres of cultivated land during 1961-62—1965-66. But, here again, according to official estimates, the area being brought under the scheme is no more than 33 million acres during the first two years (1961-62 and 1962-63) of the Plan. The same story will naturally be repeated in the case of other programmes such as soil conservation, land reclamation and plant protection. Will the Central and State Governments see the writing on the wall and get busy?

Price Situation

The decline in the production of foodgrains adversely affected the price situation, which would have got out of control but for continued imports mainly from the U.S. under P.L. 480, and also the improvement in the distributive machinery. Prices of foodgrains were rather stable during the first three quarters of 1961-62 crop year, continuing the trend of the previous year, but the last quarter (April to June 1962) saw a smart spurt in prices. The index number of cereal prices (base 1952-53=100), which stood at 102 in June 1961 (after an initial rise) fell to 101 by December 1961, but moved up thereafter to touch 105 in June 1962, representing an increase of about 3 per cent over a year. The index for rice was higher at 110 in June 1962, as compared with 101 in June 1962, as compared with 101 in January 1962 and 106 in June 1961. The price index of wheat jumped up from 86 in June 1961 to 100 by February, but moved down subsequently to 88, which was still two points higher than that a year before. The prices of *jowar* went up markedly, the index touching 131 in June 1962, an increase of 15 per cent over the year. But the index for *bajra*, however, declined by 10 per cent to 128, reflecting an increase of 10 per cent in output. Prices of pulses also moved up, with the index having gone up by about 15 per cent over the year to 103 in June 1962.

Although the prices of most of the foodgrains tended to go up, cash crops depicted a mixed trend. While raw cotton, *gur* and sugar ruled firm, jute and, to some extent, oilseeds were easy. The price index for cotton rose from 110 to 113 over a year. Cotton prices would have gone up still further, but for imports of 860,000 bales during the 1961-62 season, more or less the same as in the previous season. The price of *gur* skyrocketed during the year, the index having spurted from 122 to 144 by June 1962. The index for sugar was marginally higher at 130. Under the pressure of a record crop, the index of raw jute slumped from 208 to 139 before closing in June 1962 at 144, or a fall of 30 per cent over a year. The price of oilseeds and edible oils also moved down by about 5 per cent during the year from the high levels reached in the course of the previous few years.

Imports

The foodgrains prices were held in check by imports of cereals, largely from the U.S. under the P.L. 480 agreement. During the first six months of 1962, imports of wheat amounted to 1.32 million tonnes, as compared with 1.56 million tonnes during the corresponding period last year and 3.09 million tonnes during the whole of 1961. Imports of rice during the first half of 1962 were 328,000 tonnes, as compared with only 294,000 tonnes and 384,000 tonnes, respectively.

Internal purchases by Governments were considerably reduced in 1961-62. The procurement of rice and paddy remained suspended in most of the deficit and marginally-placed States and also in the surplus State of Andhra Pradesh. Only in the surplus States of Punjab and M.P. were there purchases on behalf of the Central Government. Some of the State Governments also bought rice and paddy on their account. In U.P., where a system of levy is in force, the rate of levy was reduced from 50 per cent to 25 per cent in the case of superior rice and to 35 per cent in the case of common rice from November 1961. Total purchases of rice by Central and State Governments were lower at 436,000 tonnes in 1961-62 (November 1961 to June 1962), as compared with 506,000 tonnes during the previous year. As regards wheat, Government purchases continued to remain suspended in 1961-62.

Government stocks were released during the year to meet the needs of deficit areas. During the first half of 1962, a total quantity of 1.92 million tonnes of foodgrains were released from Government stocks; this was 370,000 tons higher than the releases during the corresponding period of 1961. The releases during the whole of 1961 were, however, lower at 3.38 million tonnes, as compared with 4.47 million tonnes in 1960. It may be noted here that, as at the close of 1961, there were as many as 49,000 fair price shops throughout the country.

The current crop year, which began in July 1962, witnessed a further rise in the prices of foodgrains and cash crops which lasted upto the end of October; thereafter, the trend was downward, following the arrival of new crops into the market, the feeling of uneasiness among stockists in North India on account of the border war with China, credit stringency, some official measures to control prices, including larger imports, and voluntary restraint by the trade. Even so, the latest price levels are higher by about five per cent over those a year ago.

1962-63 Crop Position

The 1962-63 crop position is none too encouraging in respect of a number of commodities, having regard to the growing needs of the country. Traders feel that the overall foodgrains crop may show a modest recovery from the setback suffered in 1961-62, but the total may not be far above that witnessed in 1960-61.

Kharif cereals, which have already started moving into terminal markets, have fared better, except rice which has been adversely affected by floods in Assam and Punjab, irregular rains in West Bengal and Madhya Pradesh and widespread drought in Orissa. The production of *jowar* and *bajra* (coarse grains) is expected to be excellent. As a result of favourable weather conditions at sowing time, *rabi* cereals (wheat and barley) are also expected to put on a better performance than that in the last year. The output of pulses is also expected to stage a recovery, particularly in Maharashtra, U.P. and M.P. To sum up, the aggregate foodgrains production is expected to rise from 78.5 million tons in 1961-62 to about 80 million tons in 1962-63.

Among cash crops, raw cotton is expected to stage a smart recovery during the year. The crop is expected to be higher by about a million bales at 5.4 million bales, thanks to better crop in Gujarat, Maharashtra and Madras. The improvement, however, will not be adequate to make good the heavy inroads made into the stocks during the past two seasons. Oilseeds crop would be marginally higher, with groundnuts going up by about 100,000 tons to 4.8 million tons. The total output of five major oilseeds may be around seven million tons this year, a quantity totally insufficient to cover the fat requirements of our large, expanding population, let alone those of export trade.

In contrast, the production of sugarcane is said to be much lower than last year on account of smaller output in Maharashtra, U.P. and Bihar. But the acreage under this crop appears to have gone up, being higher by 1.6 per cent at 5.68 million acres in 1962-63. Jute crop may turn out to be slightly smaller than the last season's record owing to a decline in acreage in West Bengal, but will be more than sufficient to take care of the country's needs.

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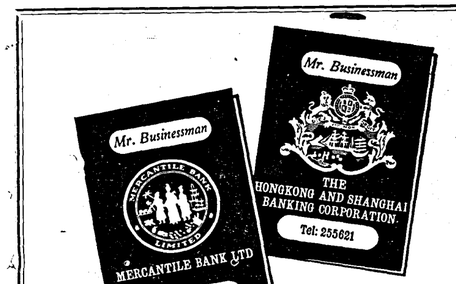

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Working Funds	... Rs	122,83,40,050

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Fractional Improvement In Rate of Industrial Growth

Fuller Utilisation Of Capacity Necessary

INDUSTRIAL growth had distinctly slowed down in the first year (that is, 1961-62) of the third Plan. A broad indicator of this slow-down is to be found in the sectorwise contribution to national income as estimated by the Central Statistical Organisation. According to the relevant estimates at constant (1948-49) prices, the contribution (Rs. 1,236 crores) of the sector of "mining and factory establishments" to net national product in 1961-62 represented an increase of only 6.7 per cent over the corresponding contribution (Rs. 1,158 crores) in 1960-61, that is, the last year of the second Plan. That percentage increase was much less than the increase of 11.9 per cent which the 1960-61 contribution represented over the corresponding 1959-60 contribution of Rs. 1,035 crores. It would thus appear that industrial growth had received a setback in the current Plan's first year itself.

Another indicator, from which the trend of industrial production in the current calendar year can be known, is the Index Number of Industrial Production (Base 1951=100). The latest available figures under this index, which pertain to the first six months of 1962, show a monthly average of 193.5 points which represented an increase of 6.0 per cent over the monthly average in the corresponding first half-year of 1961. That percentage increase, again, was much less than the increase of 9.6 per cent which industrial production in the first half of 1961 represented over that in the corresponding period of 1960. These comparative figures thus indicate a marked decline in the rate of industrial growth in the immediate past. But it must be recognised, at the same time, that the trend of production in the first half of 1962 was a shade better than that in the second half of 1961 which, in turn, was higher than that in the first half of 1961. In other words, an increase of 7.7 per cent in industrial production in the first half of the current year over the second half of the previous year does represent a heartening trend which has probably resulted from the *ad hoc* remedial measures adopted for improving the availability of coal, power, raw materials and transport facilities.

Uneven Performance

The overall modest increase in growth of the industrial sector as a whole in the first half of 1962, as compared with the corresponding period of 1961, conceals the highly uneven performance of different industries. An industrywise picture of absolute production in the two comparable periods, along with percentage increases or decreases in production, is, therefore, given in Table I. A perusal of this table will enable one to get some idea of the extent of individual variations. It will be seen therefrom that in coal, power generation, jute manufacture, sulphuric acid, soda ash, bichromates, industrial alcohol, steel, aluminium, copper, ball bearings, machine tools and railway wagons, the percentage increase in production in the first half of 1962, as compared with the first half of 1961, had ranged from 13 per cent to 49 per cent. These are some of the industries, the production of which is crucial to the level of production in a number of other industries. While the extent of increase in such crucial industries was pretty substantial, it was, in most cases, well below the country's requirements and, therefore, inadequate. Further, the improvement in the output of these industries was partly or largely cancelled out by decreases or relatively very small increases in the production of other equally crucial industries like caustic soda, bleaching powder, cement, diesel engines and automobiles. The net result has been a modest overall rate of industrial growth in the first half of the current year—a rate which has probably not been bettered significantly in the second half, judging broadly by the trend of production in several industries in July 1962. The stimulus to higher industrial production provided by the Sino-Indian war emergency since November last may not have made much difference to the trend of production in the current year taken as a whole. But it may also be noted that, in industries like coal and steel, the process of gearing production to the additional requirements arising from the emergency is already in evidence.

It may be useful to review here briefly production trends in some important individual industries other than coal, textile, sugar and plantation industries covered elsewhere in this Annual. To take the iron and steel industry first. The latest available figures pertaining to this industry show that 3.8 million tonnes of pig iron and 3.3 million tonnes of ingot steel were produced in the eight-month period, January-August 1962. Pig iron production during the period worked out to an annual rate of 5.7 million tonnes, representing 86 per cent of the rated capacity of 6.6 million tonnes. Ingot steel production, on the other hand, worked out to an annual rate of 4.9 million tonnes, representing only 80 per cent of the relevant rated capacity of 6.1 million tonnes. This figure of 80 per cent utilisation of steel-making capacity, however, conceals some pronounced variations as between individual units. For instance, the Indian Iron and Steel Company in the private sector has already attained a level of production representing 97 per cent of its rated capacity in ingot steel. Likewise, the Bhilai plant in the public sector has attained a level of 97 per cent utilisation of steel-making capacity. The Tata Iron and Steel Company in the private sector, however, has reached a level of only 88-90 per cent utilisation of capacity. The Rourkela plant in the public sector has recently overcome its production difficulties and produced, as of September last, ingot steel at a rate representing 65 per cent of its capacity. The tempo of production in the Government-owned Durgapur plant, too, has gone up in recent months, thanks to the commissioning of its third blast furnace. But it is not known what its current level of capacity utilisation is. All in all, however, the iron and steel industry as a whole seems, at the moment, to be well poised for achieving full capacity production in the next six to twelve months.

Other Important Industries

In the cement industry which, too, is of basic importance, the trend of production in the first half of this year was very disappointing, for the increase in output was only two per cent over that in the corresponding period of 1961. The latest available production figures, those for July and August 1962, bring down the monthly average to 694,000 tonnes in the January-August 1962 period from the monthly average of 698,000 tonnes in the first half of the current year. This means that the trend of production in this crucial industry has not been quite encouraging.

In the non-ferrous metals group, while aluminium and copper fared reasonably well with production increases of 36 per cent and 16 per cent, as compared with the first half of 1961, the output of lead had come down by 29 per cent. Some of the engineering industries, too, performed rather poorly during the January-June 1962 period. For instance, diesel engines production actually decreased by 10 to 25 per cent, while the automobile industry was able to increase its production by just one per cent. In the chemicals group, too, production increases were relatively modest, except in the case of soda ash and bichromates. As far as the paper and paperboard industry is concerned, an increase of only 5.0 per cent in its production during the period was positively disappointing. The performance of some electrical industries during the period under review was, on the other hand, distinctly better. For instance, production of electric motors increased by 22 per cent, and that of power transformers by 55 per cent, as compared with the first half of the 1961. In respect of several other industries which are not specifically included in this analysis, the variations have been small, as the reader will note from the accompanying comparative table. Most of them have recorded modest increases over the previous year, while the number of industries that have registered a fall is relatively few.

Marginal Rise

The improvement effected in the supply of such crucial elements as coal, power, transport and raw materials seems to have been only marginal, for otherwise it is difficult to explain why a substantial part of industrial capacity remains unutilised at the present time. The Union Government's recent survey of under-utilisation of industrial capacity is an eye-opener in this connection. The results of the survey, which are brought together under different groups of industries, show that, in as many as 74 industries, the capacity at present utilised is below 63 per cent, while in 29 industries the range of utilisation is between 65 and 75 per cent:

Industry or group of industries	Number of industries	Range of utilised capacity (Per cent.)
Food processing industries	3	39 to 60
Woollen fabrics	1	60
Cotton and hair belting	1	56
Cork sheet	1	52
Leather and leather products, except footwear	4	32 to 61
Rubber products	4	10 to 56
Chemicals and chemical products	23	10 to 57
Non-metallic mineral products except products of petroleum and coal	9	40 to 60
Basic metal industries	12	2 to 60
Metal products, except machinery and transport equipment	6	15 to 51
Machinery, except electrical machines	3	18 to 50
Bare copper conductors	1	42
Railway wagons	1	50
Trailers	1	27
Motor cycles	1	20
Miscellaneous	3	39 to 63
Leather belting	1	75
Chemicals and chemical products	11	65 to 75
Non-metallic mineral products, except those of petroleum and coal	3	72 to 74
Basic metal industries	3	66 to 73
Metal products, except machinery and transport equipment	4	66 to 75
Machinery, except electrical machines	4	68 to 72
Electrical appliances	2	66 to 72
Power alcohol	1	72

This official estimate of overall unutilised industrial capacity in the country as a whole suggests that such unutilised capacity probably represents an aggregate capital outlay of the order of Rs. 300-400 crores and a production potential of about Rs. 100 crores per annum. The undoubtedly depressing situation revealed by the present survey seems to be even worse than what was revealed by the British economist, Sir Donald MacDougall's survey, of underutilised manufacturing capacity in India in 1959-60. In that year, it may be recalled, out of the 121 industries surveyed by Sir Donald, 40 had capacity utilisation of less than 60 per cent and 25 others between 60 and 80 per cent. While further additions to capacity have taken place since that year in many industries, the increases in coal, power, transport and raw material supplies have been relatively inadequate to handle all or most of the additional capacity. Hence the deterioration in the last two years in the process of utilisation of installed capacity and its sequel in a reduced rate of industrial growth itself. This situation calls for energetic measures aimed at maximisation of industrial output through fuller utilisation of existing capacity rather than for substantial expansion of capacity, except, perhaps, in some sectors, namely, alloy and special steels, petroleum refining, petro-chemicals, non-ferrous metals, machine tools, etc.

Current Official Thinking

In the context of the Sino-Indian war emergency which is bound to make heavy demands on the nation's resources and in view of the continuing foreign exchange stringency, large-scale development imports for expansion of capacity seem to be out of question except in a few sectors crucial to defence, unless, of course, the amount of foreign aid is expanded. It may also be recalled, in this connection, that at the meeting of the Central Advisory Council of Industries on 29th September 1962 it was firmly announced on behalf of the Government that in future any additional capacity would be allowed to be established only when the required production could not be secured from full-capacity working of the existing units. If more untied credits become available for financing maintenance imports and if further improvement is effected, under the spur of the emergency, in the basic sectors of coal, power and transport, the substantial unutilised potential can be harnessed in the coming year for additional industrial output for both defence and civilian needs. It is on these lines that the authorities seem to be seriously thinking now, judged by some recent ministerial pronouncements. But, unless the time lag and the physical gap between current thinking and potential performance are greatly reduced by quicker administrative procedures and more effective economic co-ordination at Ministerial level, the industrial sector's progress towards production targets, under the third Plan will continue to be halting and uneven.

TABLE I—Production in Selected Industries

Industry	Unit	Production in January-June 1962	Production in January-June 1961	Percentage increase (+) or decrease (—) in (3) over (4)	Production in July 1962
(1)	(2)	(3)	(4)	(5)	(6)
Coal	'000 tonnes	29,970	26,065	+15	4,857
Electricity generated	Mill. kw. h.	10,457	9,247	+13	1,812
Crude petroleum	'000 tonnes	230	219	+ 5	39
Salt	,,	2,732	2,971	— 8	644
Sugar	,,	2,113	2,217	— 5	5
Wheat flour	,,	566	549	+ 3	96
Vanaspati	,,	191	187	+ 2	30
Cotton mill yarn	Mill. kg.	429	415	+ 3	71
,, cloth	Mill. metres	2,290	2,335	— 2	394
Jute manufactures	'000 tonnes	581	483	+20	104
Woollen fabrics	'000 metres	7,965	5,656	+41	1,765
Woollen yarn	'000 kg.	8,021	6,258	+28	1,491
Plywood—commercial	'000 sq. metres	3,808	3,067	+22	505
,, —tea chests	,,	4,672	4,448	+ 5	732
Paper and paper board	'000 quintals	1,885	1,798	+ 5	327
Sulphuric acid	,,	2,264	1,983	+14	395
Caustic soda	'000 tonnes	60	56	+ 7	10
Soda ash	,,	107	86	+24	18
Liquid chlorine	Tonnes	18,709	17,006	+10	3,044
Bleaching powder	,,	2,299	3,104	— 6	466
Bichromates	,,	3,195	2,521	+27	696
Superphosphates	'000 tonnes	190	175	+ 9	38
Ammonium sulphate	,,	207	201	+ 3	30
Paints and varnishes	'000 quintals	315	275	+15	55
Matches	Mill. gross boxes	15.1	18.8	—20	2.4
Soap	'000 tons	76	74	+ 3	14
Rayon:					
Viscose yarn	Tonnes	11,821	10,028	+18	2,424
Acetate yarn	,,	992	978	+ 1	148
Power alcohol	'000 litres	27,186	26,873	+ 1	4,418
Industrial alcohol	,,	53,596	43,953	+22	7,854
Petroleum products	'000 tonnes	2,987	3,031	— 1	599
Sheet glasses	'000 sq. metres	3,677	3,392	+ 8	648
Cement	'000 tonnes	4,189	4,126	+ 2	663

Industry	Unit	Production in January-June 1962	Production in January-June 1961	Percentage increase (+) or decrease (—) in (3) over (4)	Production in July 1962
(1)	(2)	(3)	(4)	(5)	(6)
Refractories	'000 tonnes	308	294	+ 5	52
Iron	,,	2,743	2,427	+13	..
Ingot steel	,,	3,264*	2,563*	+27	..
Aluminium	Tonnes	11,817	8,687	+36	3,195
Copper	,,	4,736	4,138	+16	845
Lead	,,	1,263	1,790	—29	237
Wood screws	'000 gross	5,090	5,197	— 2	1,034
Razor blades	Million	287	345	—17	58
Hurricane lanterns	'000	2,794	2,714	+ 3	1,045
Ball bearings	,,	1,901	1,622	+17	300
Typewriters	Nos.	17,809	14,623	+22	3,087
Diesel engines:					
Vehicular	,,	4,072	5,366	—24	587
Stationary	,,	19,792	21,943	—10	3,424
Sewing machines	'000 Nos.	173	154	+12	28
Power-driven pumps	,,	66.2	58.3	+14	9.4
Machine tools	Value Rs. lakhs	510	341	+49	84
Looms	Nos.	4,428	3,710	+17	195
Ring spinning frames	,,	756	653	+16	129
Carding engines	,,	732	630	+13	124
Sugar mill machinery	Value Rs. lakhs	276	180	+53	66
Conduit pipes	'000 R. metres	1,834	2,124	—13	273
Dry cells	Million	115	106	+ 8	21
Storage batteries	'000	287	279	+ 3	47
Electric motors	'000 H.P.	478	391	+22	87
Power transformers	'000 K.V.A.	1,250	804	+55	192
Electric lamps	'000 Nos.	27,222	23,211	+17	4,842
Radio receivers	,,	171	150	+14	27
Electric fans	,,	593	563	+ 5	94
Railway wagons	Nos.	6,465	5,462	+18	1,836
Automobiles	,,	29,702	29,546	+ 1	4,600
Bicycles	'000 Nos.	594	536	+11	99
House service metres	'000	383	273	+40	82

* Relates to January-August period.

FOREIGN TRADE ANALYSED

Reappraisal Of Export Policy Needed

EVER since the new Government was ushered in soon after the second General Elections in India, several measures have been announced in the direction of export promotion. A new department of International Trade has come into existence under the Ministry of Commerce and Industry. In order to review all aspects of trade and commerce and to advise and make recommendations to the new department on policy matters, a Board of Trade, more or less on the British model, was constituted in May last under the chairmanship of the Minister of International Trade. The Board has been entrusted with the functions of rationalisation of imports, increasing of exports, forging suitable import-export relationships and improving conditions in general for internal trade and foreign trade, particularly in regard to increase in production, improvement and enforcement of quality standards, development of sound traditions of commerce and trading ethics. Several changes were made in the export promotion schemes to simplify procedures and help exporters get the benefit of incentive schemes without delay. Licensing restrictions on the export of most of the items were recently removed. Export promotion councils on regional basis have been proposed to be set up so as to cover the entire international trade area.

The organisational changes brought about in the Government set-up have become all the more significant in the context of the possibility of the United Kingdom joining the European Common Market, which has posed a new problem to the Indian economy in that the new tariff barriers that may be raised by the enlarged European Economic Community are likely to affect 90 per cent of India's sales to the U.K. or as much as a quarter of India's total overseas sales. Further, the Chinese aggression and the consequent outbreak of hostilities during the last quarter of this year have put out of gear India's commercial policy oriented to meet the needs of a planned developing economy. Only the passage of time will reveal the effects of the Chinese aggression on India's foreign trade. The increasing defence requirements will, however, lead to larger imports from abroad and at the same time tell heavily on the tempo of export promotions. Looking at the present trend of exports and also in the context of defence requirements in the coming months, it is doubtful if the export target of Rs. 3,700-3,800 crores fixed for the third Plan period will ever be realised.

Position At A Glance

At the time of writing, complete foreign trade statistics are available for nine months, January-September 1962. Taking into account the preliminary figures for October 1962, one finds that total imports into India stood at Rs. 884.52 crores and exports at Rs. 543.98 crores during January-October 1962, as compared with Rs. 897.38 crores and Rs. 543.23 crores, respectively, during the corresponding months of 1961. The comparative trade statistics are shown in Table 1.

Although the overall trade in the current year remained more or less at the previous year's level, the pattern of trade underwent some changes this year. While food and raw material items recorded larger arrivals, capital goods and manufactured articles declined in imports in January-September 1962. A similar trend was witnessed on the export front also. The exports of food and raw material groups showed a rise and shipments of manufactured items declined. The shares of various groups in India's foreign trade during January-September 1962 and 1961 work out as in Table 2.

Food Imports

The rise in the imports of the food, drink and tobacco group was mainly accounted for by larger arrivals of dairy products and rice. Dairy products were imported to the extent of Rs. 8.2 crores in January-September 1962, as compared with Rs. 7.1 crores in the same period last year. Imports of cereals advanced from Rs. 99.6 crores to Rs. 106.7 crores during the same period, of which rice imports recorded Rs. 23.24 crores in the current year as against Rs. 14.30 crores in the nine months of the preceding year. There was a decline in the arrivals of wheat and spelt from Rs. 98.80 crores in January-September 1961 to Rs. 80.50 crores in the same months of the current year. Cashewnuts which are imported for processing and re-export were also lower at 0.9 lakh tonnes worth Rs. 2.98 crores as against 1.0 lakh tonnes worth Rs. 6 crores during the first three quarters of 1961.

Raw Material Imports

The relatively larger imports of raw materials and semi-manufactured articles in the current year were in keeping with India's commercial policy that the rising level of industrial production should result in the pattern of trade changing to greater imports of industrial raw materials and components than those of finished goods. The value of principal items of raw materials and semi-manufactured articles imported in January-September 1962, together with the imports during the nine months of 1961 in brackets, is as follows: oilseeds and kernels Rs. 7 crores (Rs. 6.4 crores), crude rubber Rs. 7.7 crores (Rs. 6.5 crores), pulp and waste paper Rs. 6.8 crores (Rs. 5.1 crores), wool and animal hair Rs. 9.5 crores (Rs. 8.5 crores), chemical and chemical components Rs. 28.0 crores (Rs. 26.1 crores), paper and pasteboard Rs. 10.5 crores (Rs. 9.7 crores), crude petroleum Rs. 34.5 crores (Rs. 16.2 crores), petroleum products Rs. 38 crores (Rs. 33.3 crores) and textile yarn and thread Rs. 9.8 crores (Rs. 8.6 crores). Imports of raw cotton decreased to Rs. 49.4 crores in the current year from Rs. 61.6 crores in January-September 1961. Likewise, imports of dyes and chemicals contracted to Rs. 9.2 crores from Rs. 10.1 crores. Arrivals of base metals were also lower at Rs. 105.4 crores (Rs. 118.8 crores), of which iron and steel amounted to Rs. 63.7 crores (Rs. 83.8 crores), nickel Rs. 0.9 crore (Rs. 1.23 crore) and zinc Rs. 5.7 crores (Rs. 6.5 crores). There were, however, increases in the imports of copper at Rs. 19.3 crores (Rs. 14.5 crores), aluminium Rs. 8.4 crores (Rs. 6 crores), lead Rs. 2.1 crores (Rs. 1.8 crore) and tin Rs. 4.4 crores (Rs. 4.0 crores).

Capital Goods Imports

Imports of capital goods registered a decline from Rs. 274 crores in the nine months ended September 1961 to Rs. 265 crores in the same period of 1962. Although import of machinery (other than electrical) advanced from Rs. 174 crores to Rs. 184 crores, the rise was more than offset by the fall in the import of electrical machinery and transport equipments from Rs. 47.6 crores to Rs. 40.0 crores and from Rs. 46.2 crores to Rs. 42.2 crores, respectively, in the above periods.

Tea Exports

During January-September 1962, exports of tea, by far the most important item in the group "food, drink and tobacco," were maintained at the past year's level of Rs. 80 crores, although the quantum was higher at 139 million kg. as compared with 130 million kg. in January-September 1961. The earnings would have been still larger but for the decline in the unit value of tea per kg. from Rs. 6.13 to Rs. 5.75 in the current year. There has been a gradual decline in the offtake of Indian tea by the United Kingdom. In fact, the total arrivals of tea in the U.K. were at a lower level in the current year. Ceylon, Pakistan and East African countries however, stepped up their shipments to the U.K. The figures of imports of tea into the U.K. from principal sources given in Table 3 illustrate the position.

Similar declining trends have been noticed in some other markets also. The Indian Tea Delegation which visited the U.S.A. and Canada have stated that, in the sphere of common and low medium teas, India has lost substantial ground in favour of other producing countries owing to the comparably high prices which have ruled for some years for Indian teas. The ground lost by India has been gained less by Ceylon than by other producers like Indonesia, Formosa and East Africa. In fact, a marketing and distribution team, sponsored by the National Productivity Team, recently noted that "Made in India" is a label yet to be invested with the prestige and stature needed to win sales in the U.S. market. The Indian tea industry has made a number of suggestions to make Indian blacks really competitive in the world markets. It has asked for the abolition of the West Bengal entry tax (6.25 nP per lb.) on teas sold through Calcutta auctions and the exemption of teas sold through Cochin auctions from the Kerala sales tax of 5 per cent *ad valorem*. It has also asked for a reduction in the price of sulphate of ammonia from Rs. 407.30 per tonne to Rs. 360 at which price it is sold to other agriculturists.

Spices

The value of exports of spices was slightly higher at Rs. 12.63 crores in January-September 1962, as compared with Rs. 12.26 crores in the same period last year. But for the decline in the prices, the total sales realisation from spices would have been much larger. Pepper, the most important foreign exchange earner in the spices group, went up in exports from 13.8 million kg. valued at Rs. 5.9 crores to 19.9 million kg. valued at Rs. 6.7 crores. The per unit sales realisation, however, declined from Rs. 4.30 to Rs. 3.34 per kg. in the above periods. The export of cardamom went up by volume from 1.4 million kg. to 1.5 million kg. but declined in value from Rs. 2.13 crores to Rs. 2.00 crores. Gautemala and Ceylon are reported to be offering cardamom at cheaper prices and, unless favourable factors such as stable and competitive prices coupled with regularity of supply are ensured, India may have to lose further ground in this item. Export of chillies declined both in quantity and value from

TABLE 1: *Comparative Trade Statistics*
(In crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1962 January-October	884.92	543.98	—340.54
1961 January-October	897.38	543.23	—354.15
1960 January-October	920.25	504.25	—416.22
1961 January-December	1,014.63	664.66	—349.97
1960 January-December	1,091.93	633.82	—458.11

TABLE 2: *Shares of Principal Goods*
(Percentage share to total)

	Imports (January-September)		Exports (January-September)	
	1962	1961	1962	1961
Food, drink and tobacco	15.9	15.4	35.1	33.5
Raw materials and semi-manufactured articles	29.8	28.4	21.8	21.5
Manufactured articles	51.6	55.7	42.8	44.2
Total (including unclassified items)	100.0	100.0	100.0	100.0

TABLE 3: *Sources of U.K.'s Tea Imports*
(In million lbs.)

Sources	1951	1952	1957	1959	1961	1962*
India	276 (59)	304 (61)	348 (59)	284 (55)	282 (51)	169 (42)
Ceylon	110 (24)	117 (24)	140 (24)	138 (27)	160 (29)	138 (34)
East Africa	17 (4)	27 (5)	50 (8)	44 (8)	45 (8)	47 (12)
Total imports (including other countries)	464	497	594	518	556	401

* Relating to January-September 1962.
Figures in brackets are percentage shares to total imports.

TABLE 4: *Trade with Principal Areas*
(In crores of rupees)

Area	January-September 1962			January-September 1961		
	Imports	Exports	Balance of trade	Imports	Exports	Balance of trade
Eastern European rupee payment countries	74.97	53.85	—21.12	48.71	41.99	— 6.72
E. C. M.	118.56	34.22	—84.34	140.06	41.80	—98.26
F. T. A.	157.10	118.43	—38.67	180.31	121.56	—58.75
E.C.A.F.E.	131.40	76.77	—54.63	107.83	89.33	—18.50
Dollar (U.S.A. and Canada)	245.33	91.76	—153.57	240.20	64.89	—175.31
Total (including unclassified countries)	816.78	484.75	—333.03	808.73	488.22	—320.51

TABLE 5: *Major Buyers and Suppliers*
(In crores of rupees)

Countries	Imports (January-September)		Exports (January-September)	
	1962	1961	1962	1961
U.S.A.	235	223	81	84
U.K.	136	156	113	117
West Germany	77	91	12	17
Japan	70	50	25	32
U.S.S.R.	49	19	25	23
Iran	42	14	4	4
Australia	17	14	14	13
Italy	15	18	7	7
Canada	11	17	11	11
Saudi Arabia	10	13	2	2
Burma	10	8	4	5
France	9	13	6	6
Egypt	9	9	9	9
Kenya	6	8	4	4

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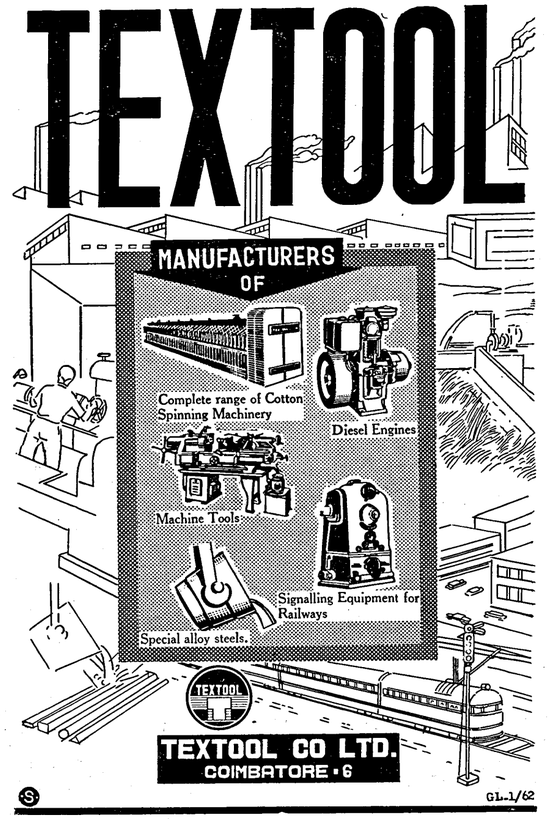

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8.4 million kg. worth Rs. 1.6 crore to 6.4 million kg. worth Rs. 1.17 crore.

Tobacco

Indian flue cured virginia tobacco has a name in the international market and this variety accounts for the bulk of India's exports. India ranks third, next only to the U.S.A. and Rhodesia in the matter of exports of this variety. Its popularity in the world markets clearly suggests that its production should be stepped up if increased demands are to be met and the target under the third Plan fulfilled. The Union Government has already accepted the Tobacco Export Promotion Council's suggestion for a special allocation of 4,000 tons of ammonium sulphate for 1962-63 for growing this variety in Andhra Pradesh. During the first three quarters of 1962, exports of unmanufactured tobacco were maintained at a higher level of 53.2 million kg. valued at Rs. 16.8 crores as compared with 38.8 million kg. valued at Rs. 13.5 crores in the same period of 1961. There would have been larger foreign exchange earnings from unmanufactured tobacco but for a decline in the unit value of sales from Rs. 3.48 per kg. to Rs. 3.16.

Coffee had suffered considerably, shipments having declined from 27.6 million kg. worth Rs. 7.8 crores to 14.0 million kg. worth Rs. 5.3 crores. Although the volume of exports of cashew kernels went up from 32 million kg. to 34.3 million kg., the earnings declined from Rs. 15.1 crores to Rs. 13.7 crores. There was a setback in the offtake of cashew kernels by West Germany. The delegation to Europe sponsored by the Cashewnut Export Promotion Council has suggested possibilities for further exploitation of the European markets for Indian cashewnuts and has recommended, in this context, intensive propaganda and publicity to boost the sales of cashewnuts in these markets.

Sugar

The Board of Trade in its meeting in September last had suggested that sugar should figure prominently in India's export programme and recommended to Government to extend the required facilities to the industry for achieving this objective. The major sugar purchasing countries like the U.S.A., Canada, the U.K. and Japan prefer to import raw sugar in order to maintain their refining industries. Malaya is also reported to be planning to set up sugar refineries. India will no doubt benefit by producing raw sugar, as its manufacture is more economical. The State Trading Organisation concluded recently barter deals with Malaya and Canada for the sale of 55,000 tons of sugar worth Rs. 2 crores in exchange for fertilisers. The U.S.A., under the new Sugar Act, has allocated India an annual quota at 0.71 per cent of the total quotas assigned to foreign countries which works out to 20.084 short tons raw value. During the period under review, exports of Indian sugar increased from 1.95 lakh tonnes worth Rs. 9.9 crores in January-September 1961 to 2.47 lakh tonnes worth Rs. 10.29 crores. The S.T.C. deal and the U.S. quota will lead to larger exports of sugar in the next few months.

Exports of Raw Materials

The principal raw materials traditionally exported from India are mica, lac, manganese ore, iron ore and concentrates, vegetable non-essential oils, raw cotton and raw wool. Analysing their export performance during the period January-September 1962 as compared with the same period last year, it is found that there was a decline in shipments of the following items:

Lac from 16.5 million kg. worth Rs. 3.7 crores to 15.6 million kg. worth Rs. 3.6 crores, manganese ore from 7.16 lakh tonnes worth Rs. 7.8 crores to 5.4 lakh tonnes worth Rs. 6.6 crores, raw cotton from 0.45 lakh tonnes worth Rs. 11.3 crores to 0.44 lakh tonnes worth Rs. 10.7 crores and raw wool from 11 million kg. worth Rs. 5.88 crores to 8 million kg. worth Rs. 4.4 crores.

While India had yielded ground to Thailand in the U.S. market for lac, the decline in manganese ore exports was partly due to extraneous factors like competition from Brazil, Argentina, and Russia where operations are highly mechanised with the resultant reduction in costs and partly due to Government's policy. Several duties have been levied and port charges increased in India on manganese ore. Government has no doubt reduced the railway freight by about 50 per cent. Further, to encourage mechanisation, it has allowed exporters of manganese ore to import mining equipment and machinery to the extent of 5 per cent of their foreign exchange earnings. The decline in lac and manganese ore has, however, been offset by the rise in the despatches of mica from 20.4 million kg. worth Rs. 7.4 crores to 24.4 million kg. worth Rs. 8.08 crores, iron ore and concentrates from 21.1 million tonnes worth Rs. 12.7 crores to 36.3 million tonnes worth Rs. 12.9 crores, groundnut oil from 0.3 million kg. worth Rs. 7.5 lakhs to 22.7 kg. worth Rs. 3.08 crores and castor oil from 0.5 million kg. worth Rs. 12 lakhs to 0.8 million kg. worth Rs. 13 lakhs. Exports of leather and leather manufactures, including tanned hides and skins, were less by Rs. 3 crores at Rs. 16.95 crores this year (January-September), as compared with Rs. 20.15 crores during the same period last year.

Jute and Textiles

During the current year, the jute industry continued to face difficulties. There was keen competition from Pakistan in sacking goods. Hessians had, however, good inquiries partly for replenishing stocks and partly because of reduced activity in the European jute industry. Total jute manufactures recorded increases in exports by volume from 5.63 lakh tonnes in January-September 1961 to 6.35 lakh tonnes during the three quarters of this year, although the value declined from Rs. 110.65 crores to Rs. 107.22 crores. Sacking bags went up in quantity from 1.50 lakh tonnes to 1.61 lakh tonnes, despite a fall in earnings from Rs. 26.7 crores to Rs. 21.1 crores. The exports of gunny cloth advanced substantially from 2.59 lakh tonnes worth Rs. 55.4 crores to 3.44 lakh tonnes worth Rs. 65.25 crores. There was a general drop in the per unit sales realisation of all jute goods.

Cotton piecegoods exports amounted to 334 million metres valued at Rs. 33.52 crores in January-September 1962, as compared with 395 million metres valued at Rs. 38.66 crores in the corresponding months of 1961. The mill-made piecegoods totalled 314 million metres worth Rs. 29.72 crores in the nine months ended September 1962, as against 377 million metres worth Rs. 35.48 crores in the same period last year. In the context of a fall in the shipments of mill-made cloth, the performance of the handloom sector was satisfactory, the exports registering 20 million metres worth Rs. 3.79 crores in the current year as compared to 18 million metres worth Rs. 3.54 crores during the nine-month period of 1961. Under the scheme of compulsory exports introduced by the India Cotton Mills Federation from 1st July 1962, each mill is under an obligation to earmark 12.5 per cent of its cloth production for export purposes. On this basis, exports are to reach Rs. 65 crores. However, in view of the conditions in the international market being "worse than ever" and the margins of domestic sales higher than in the world markets, it is feared that exports may not reach the anticipated levels.

Items of machinery exports were valued at Rs. 2.71 crores this year (January-September), as against Rs. 2.32 crores in the corresponding months of last year. While shipments of machinery other than electrical increased by 30 per cent to Rs. 1.86 crore in the current year, exports of electrical machinery had a slight setback, accounted chiefly by electric fans.

Area-wise Trade

An analysis of India's foreign trade according to areas shows that India was running an adverse balance with all the principal trading areas. Except for the East European rupee payment countries, Indian trade was at a lower level with other areas in the current year. There is a growing apprehension that the European Common Market's commercial policies have already started hitting India's trade. This trend is causing widespread concern, because it runs counter to the promise of expansionary markets for India and other developing countries made by the E.E.C. countries in support of their grouping. While Table 4 indicates the trend of India's trade with principal trading areas, Table 5 carries the list of fourteen countries which accounted for over 80 per cent of imports into India and 70 per cent of exports from India during the current year.

It is to be hoped that the Board of Trade will take note of the present unsatisfactory trend of India's export trade and give serious thought to the problem of the almost inelastic nature of India's exports. In the light of the possibility of increased imports to meet the growing needs of the country's defence and of the prospects of the United Kingdom joining the E.C.M., it is imperative that a complete reappraisal of India's export trade is undertaken immediately and future course of action chalked out so as to give an impetus to the tempo of activity on the export front.

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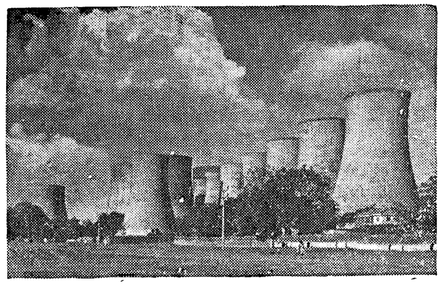

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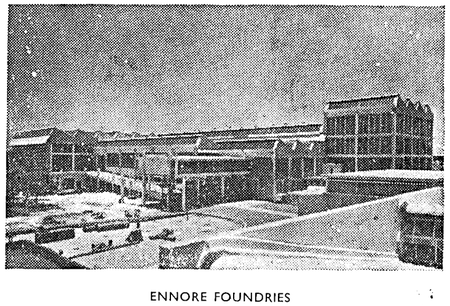

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BANKING AND MONETARY TRENDS

Deposits Rise More Markedly Than Bank Credit

THE banking sector in India has completed one more year of vital contribution to the economic development of the country. Increasingly larger and larger credit facilities are being made available by the banks to their clients who represent wide and varied industrial and business interests. Between 1st December 1961 and 30th November 1962, scheduled bank credit spurted by Rs. 142.82 crores to Rs. 1,229.79 crores, as against the actual rise of Rs. 118.99 crores (to Rs. 1,118.80 crores) in the corresponding period of 1960-61, the rate of credit expansion being higher at 11.6 per cent, as against 10.7 per cent. Despite such a significant rise in credit, the liquidity position of the banking system was not subjected to any strain, for, alongside credit expansion, there was a sizable fresh accretion of Rs. 212.70 crores to the deposit liabilities of scheduled banks, the total of outstanding deposits (inclusive of P.L. 480 deposits with the State Bank of India of the order of Rs. 146 crores) as on 30th November 1962 standing at Rs. 2,102.55 crores, as against Rs. 1,889.85 crores. Since there was a transfer of Rs. 10 crores of P.L. 480 funds by the State Bank to the Reserve Bank in November 1962, the net increase in deposits was about Rs. 223 crores. In the same period last year, it will be recalled, deposits had risen by Rs. 134 crores, after taking into account the withdrawal of Rs. 72 crores of P.L. 480 funds from the State Bank of India in the first half of 1961. Although the pace of increase in deposits was thus much greater than that of increase in bank credit, the credit ratio (that is, the ratio of bank credit to total deposit liabilities) continued to remain at a pretty high level of 60 per cent. The ratio is bound to rise further and further, what with the persistently growing pressure of demand for bank credit. It is this factor which invests the need for banks to augment their resources with urgency.

Thanks to the markedly larger turnover of bank credit, coupled with the increase in the average lending rate and the interest earned on larger investments in Government securities (*plus* Rs. 75.53 crores in 1962 as against *minus* Rs. 61.00 crores in the previous year), the gross earnings of all scheduled banks must have registered a notable rise during the year 1962. As in the past years, a large part of the rise must have been neutralised by the increase in (*a*) total amount of interest paid on the substantially higher deposits, (*b*) cost of administration and (*c*) staff expenses. Even so, the working results of the majority of banks for the year 1962 may be expected to reveal a handsome improvement in profit. It may be noted here that, in view of the high cost of Central bank credit following the continuance of the three-tier bank rate system throughout the 1961-62 busy season, the banks relied on borrowings from the Reserve Bank to a smaller extent during 1962 than they did in 1961. The sharp rise in deposits also helped them to minimise reliance on such credit. The outstanding borrowings from the Reserve Bank touched a high of only Rs. 66.40 crores (as on 16th March 1962) in the 1961-62 busy season, as compared with Rs. 94.53 crores (as on 31st March 1961) in the 1960-61 busy season.

The consolidated position of all scheduled banks (including the State Bank of India) in the years 1962 and 1961 is presented in Tables I and II accompanying this article.

Reflecting the increase in deficit financing, the pace of monetary expansion was much larger in 1962 than in 1961. Money supply (currency and demand deposits of banks) during the first ten months of the year spurted by Rs. 200.27 crores or over 7 per cent (to Rs. 3,040.77 crores), as against the rise of only Rs. 44.10 crores or 1.6 per cent (to Rs. 2,781.38 crores) in the corresponding period of 1961. The improvement was accounted for largely by the significant rise of Rs. 124.56 crores to Rs. 2,184.18 crores in currency with the public. Deposit money, too, rose by Rs. 75.71 crores to Rs. 856.57 crores. In the January-October 1961 period, the currency with the public had risen by Rs. 98.01 crores, whereas deposit money had declined by as much as Rs. 53.92 crores. Since the expansion effect of scheduled bank credit (+Rs. 142.82 crores) between 1st December 1961 and 30th November 1962 was more than counteracted by the sharp rise (+Rs. 145.27 crores) in time deposits of banks, there was a decline in the net indebtedness of the public to scheduled banks. Besides, a partial offset to the expansion of money supply was provided by the deficit in the balance of payments as reflected in the movement of foreign assets which declined by as much as Rs. 53.54 crores during 1962 (up to 7th December 1962), as against only Rs. 4.94 crores in the same period last year.

The growth of monetary resources (money supply plus quasi-money, that is, time deposits of banks) during the year under review was reflected in a more rapid rise in deposits with banks than in currency in circulation. This factor, which reflects to some extent the restoration of confidence in the banking system following the implementation of the deposit insurance scheme with effect from 1st January 1962, enabled the banks to strengthen their resources through a wider network of branches.

Of the total rise of Rs. 212.70 crores in the deposit liabilities of scheduled banks between 1st December 1961 and 30th November 1962, those with the State Bank accounted for Rs. 42.91 crores. If the transfer of Rs. 10 crores P.L. 480 deposits to the Reserve Bank, effected on 1st November 1962—this was the first transfer to be made after 1st July 1961, when they were believed to have been of the order of Rs. 156 crores—is also taken into account, the increase in deposits of all scheduled banks comes to about Rs. 223 crores, that in the case of the State Bank alone being Rs. 53 crores. The net increase in State Bank's deposits in the corresponding period of the previous year (that is, after taking into account the Rs. 72 crores of P.L. 480 transferred during the first six months of 1961) was about Rs. 32 crores. It may be noted in passing that, under a revised agreement, the State Bank of India has to transfer Rs. 50 crores of P.L. 480 funds in six monthly instalments of Rs. 10 crores beginning from 1st November 1962. A broad position of P.L. 480 deposits with the State Bank is as follows:

(In crores of rupees)

1st July 1960 .. .. .. about	300
Transfer between 1st July 1960 and 1st December 1960	72
Balance as on 2nd December 1960	228
Transfer between 1st January 1961 and 1st June 1961	72
Balance as on 1st July 1961 (when transfer was stopped)	156
Balance as on 1st December 1961	156
Transfer on 1st November 1962 (transfer resumed)	10
Balance as on 30th November 1962	146

In the light of the foregoing details, the deposits position of the State Bank of India is as follows:

(In crores of rupees)

	Total deposits	P.L. 480 deposits	Dep. ... other than P.L. 480
2nd December 1960..	571.86	228.00	343.86
1st December 1961..	532.05	156.00	376.05
30th November 1962.	574.96	146.00	428.96

Now to resume the discussion of monetary position. The monetary authorities continued to lay stress on dear money. With effect from 2nd July 1962, the three-tier system of lending rates in force from October 1960 was substituted by a four-tier system, with smaller quotas of lending at the lower rates. Thus, the basic quota for borrowing at the Bank rate (4 per cent) was reduced by one half to 25 per cent of the average statutory reserves of each scheduled bank for the preceding quarter, the rate in respect of borrowings in excess of the quota being 5 per cent for upto 200 per cent, 6 per cent for over 200 but up to 400 per cent and 6½ per cent for borrowings exceeding 400 per cent. The new lending rate structure, in effect, meant a raising of the average lending rate of the Reserve Bank by about ½ per cent or more. The terms of the new Central Government loans, announced on 2nd July 1962, were also so fixed as to raise their yields perceptibly above the existing yields on securities of comparable maturity. The terms of the State loans, too, were ¼ per cent more favourable to the lenders. These measures, it is claimed, "represent substantial steps towards adjusting the pattern of rates in the organised money and capital markets to levels commensurate with the basic scarcity of savings in the economy in relation to investment needs."

Many in market circles wondered as to why the Reserve Bank altered the three-tier bank rate system into a four-tier one in July when the slack season was in full swing and the outstanding debt of commercial banks to the Reserve Bank was almost negligible. The idea, of course, was to give advance notice to scheduled banks that, in the ensuing busy season, they should rely less and less on central bank credit and go all out for the savings of the people to increase their lendable resources. But, as we shall

show later, this policy was amended and made more onerous on the eve of the commencement of the busy season.

While the overall stress was on dearer credit, the Reserve Bank's policy in regard to selective credit controls was one of progressive relaxation and withdrawal. This was only as it should be, in view of the improvement in the supply and prices of different commodities.

Effect of Emergency

Towards the close of October 1962 the Reserve Bank, announced the following changes in the system of quotas and lending rates, for both bills and Government securities, regarding the borrowings of banks from it:

A bank will be able to borrow upto 100 per cent of its basic statutory reserve at different rates upto 6 per cent as follows:

Rate	*Quota for borrowing*
4 per cent ...	25% of statutory reserve
5 per cent ...	Another 25% of statutory reserve
6 per cent ...	Another 50% of statutory reserve

But the Reserve Bank will not permit any borrowing beyond this limit, namely, 100 per cent of a bank's statutory reserve normally. Should any bank find itself in a special situation requiring further assistance over and above its ceiling limit, the Reserve Bank will consider the grant of such assistance only after making a detailed assessment of the bank's overall position and satisfying itself that the additional accommodation is justified. A penal rate of interest will also be charged by the Bank for such special accommodation.

The Bank has been granting additions to basic quotas of individual banks (namely, 25 per cent of statutory reserve which is permitted to be borrowed at Bank rate) equivalent to the excess of a bank's lending to small industries and co-operatives during each half-year over the corresponding half-year of the previous year. This facility is intended to stimulate the supply of credit to this sector, based on current performance of banks in improving the flow of credit to small industries and co-operatives. While making the above changes, the Reserve Bank made it clear that the overall ceiling set by the Bank on banks' borrowing from the Reserve Bank is not extended, owing to operation of this scheme of additions to basic quotas. Arrangement was, therefore, made to offset the addition to basic quota of bank by adjustment in its borrowing quota at the higher slab rates (namely, at 5 and 6 per cent).

The above measures were justified as being necessary in the context of the development and defence effort to prevent any excessive impact of money supply on the economy. Nevertheless, the Reserve Bank assured the banks that the ceiling for their access to it could be relaxed, if necessary, on a detailed assessment of the operations and credit requirements in any particular case. The banks, however, made a representation to the Reserve Bank to the effect that the aforesaid fresh credit curbs would cause much difficulty to them in meeting the normal demands for expansion of credit during the busy season. As a sequel to this representation, the Reserve Bank announced a slight relaxation of restriction on accommodation to scheduled banks. As a result of this relaxation, each scheduled bank is now permitted to obtain from the Reserve Bank, in addition to the basic quota under the three-tier system, an additional quota, at 6.3 per cent per annum for a period of six weeks beginning from the 10th November 1962. The additional quota that may be obtained is however, limited to the amount equal to the difference between a bank's quota based on its statutory balance and the maximum amount actually borrowed by it during the 1961-62 busy season. Besides, the Reserve Bank has assured the banks that it will sanction appropriate excess quotas for the remaining period of the busy season (on the basis of estimates of requirements submitted by them before 8th December 1962). The banks have been asked (*a*) to refuse advances for hoarding and speculation, (*b*) to refuse and recall, in suitable cases, unsecured advances as well as advances against gold and shares, and (*c*) to channelise credit for promotion of essential productive effort, that is, for defence, civil consumption and export.

Call Money Rate

Thanks to the improvement in the liquidity of banks reflected mostly in the form of lower level of borrowings from the central banking institution as compared with the position that had existed in the previous year and to some extent in a rise in investments in the Gilt-edged securities, conditions in the short-term money market were relatively comfortable practically throughout the year 1962. Consequently, during most part of the year, inter-bank money rates tended to be lower than in the preceding year. The actual inter-bank call money rate in Bombay, which had stood at 4½ per cent towards the end of December 1961, rose to the busy season peak of 5½ per cent in March, but, with the onset of the slack season, it retreated to reach a low of ½ per cent in July 1962—the lowest level since November 1952—which was 1½ per cent below that a year earlier. During the major part of the 1962-63 busy season falling in the last quarter of the closing year, the short-term money market was easy with inter-bank call rate coming down from 3½ to 2 per cent, but, after the beginning of December, there was a quick spurt in the rate, with the rate rapidly advancing to as high as 5½ per cent in Bombay and 6 per cent in Calcutta. After mid-December, however, the rate sobered down a little and came back to the more tolerable rate of 4½ per cent. The earlier easiness of the market was due chiefly to delayed movement of crops and the recall of advances by banks under the Reserve Bank's directive. The subsequent spurt reflected the accumulation of stocks of manufactured goods, especially cotton textiles and sugar, and the gathering momentum of the normal busy season. The trend of inter-bank call rate is indicated in Table III.

Inter-Bank Agreement

Term deposit rates of larger banks, however, continued to be quoted at the ceilings fixed under the All-India Inter-Bank Agreement on maximum deposit rates. In view of the growing need for more deposit resources, no bank was willing to pay anything below the maximum rates even during the slack season. Indeed, some of them wanted to pay more and the Inter-bank Agreement had to be revised. The revision was not done before much agitation for and against revision. At one time, it seemed as though the Agreement would break down. Ultimately good sense prevailed among the big banks and they decided to concede the demand, albeit half-way, of the medium-sized banks. Under the new agreement which became effective from 1st June 1962, while the standard rates for term deposits of various durations remained unchanged at levels fixed in March 1961 (namely, from 3 per cent for 3 to 30 days, 3½ per cent for 31 to 60 days, 3¾ per cent for 61 to 90 days, 3½ per cent for 91 days to less than 12 months, 4 per cent for one year, etc.), the medium banks (those with deposits over Rs. 25 crores but less than Rs. 50 crores) were given a concession to quote ¼ per cent more than the standard rates. Particularly, the small banks (with deposits of over Rs. 10 crores but less than Rs. 25 crores) were allowed to quote ¼ per cent over the standard rates. Banks with deposits of less than Rs. 10 crores were designated as smaller banks and given freedom from the restrictions under the Agreement.

The year 1962 was notable for the accord among banks in regard to their lending rates also. Under the Agreement (effective from 1st January 1963), the minimum rate of interest on advances made available by banks is fixed at 6 per cent per annum, calculated on daily balances and applied at least once every three months. The advances made to certain institutions such as public sector corporations and co-operatives, as well as advances granted against Gilt-edged securities or under Government guarantee and against deposits, are exempt from this minimum rate.

The long-term capital market also was well supplied with funds during the first ten months of the year. The Central and State Governments, as well as Local Bodies and State Electricity Boards, were able to put through their borrowing programmes without much difficulty, albeit at a higher rate of interest. The increase in rates was generally about ½ per cent point. So far as the private sector was concerned, there was, however, a fall in the number of new issues of both new companies and existing companies. Several of them were, of course, able to get heavily oversubscribed, but they were fewer than in 1961. There were actually quite a few issues that were not fully taken up and the underwriters were left with a substantial portion of the risk underwritten by them. The black Monday (28th May 1962) in Wall Street and the subsequent collapse of stock exchanges all over the world alerted the investors and cautioned them against attaching too much importance to equities as a hedge against inflation. The mania for capital appreciation began to wane and the value of buying scrips with good yield came to be appreciated. After the Wall Street crash, there were very few new issues of any great significance, first because of the precedence given to the borrowings by the public sector and secondly because a number of entrepreneurs with big projects on hand were hoping that, after the season for the public sector issues were over, the position of the capital market would improve. Little did they expect that their hopes would be dashed by the Chinese. The short-lived war on the Northern borders and the keen sense of uncertainty about the future have shattered the confidence of investors to such an ex-

(*Continued on page 206*)

TABLE I: *Position of Scheduled Banks as a Whole*

(In crores of rupees.)

	In 1962			In 1961	
	30-11-1962	1-12-1961	Change in 1962	2-12-1960	Change in 1961
(1) Deposits :					
Demand	802.38	724.99	+ 77.39	679.82	+ 45.17
Time	1,233.57	1,088.30	+145.27	1,082.25	+ 6.05
Total ..	2,035.95	1,813.29	+222.66	1,762.07	+ 51.22
Funds from other sources :					
Demand	55.52	52.28	+ 3.24	45.48	+ 6.80
Time	11.08	24.28	— 13.20	20.53	+ 3.75
Total ..	66.60	76.56	— 9.96	66.01	+ 10.55
(2) Aggregate deposit liabilities ..	2,102.55	1,889.85	+212.70	1,828.08	+ 61.77
(3) Borrowings from Reserve Bank ..	5.19	3.23	+ 1.96	20.08	— 16.85
(4) Bank credit	1,372.61	1,229.79	+142.82	1,111.80	+118.99
Ratio of (4) to (2) ..	(65.29%)	(65.00%)	..	(60.85%)	..
(5) Investments	700.26	624.73	+ 75.53	685.73	— 61.00
Ratio of (5) to (2) ..	(33.30%)	(33.00%)	..	(37.51%)	..
(6) Cash	116.28	121.28	— 5.00	132.11	— 10.88
Ratio of (6) to (2) ..	(5.50%)	(6.40%)	..	(7.25%)	..

TABLE II: *Position of State Bank of India and Scheduled Banks other than State Bank*

(In crores of rupees.)

	In 1962			In 1961	
	30-11-1962	1-12-1961	Change in 1962	2-12-1960	Change in 1961
State Bank of India :					
Deposits	574.96	532.05	+ 42.91	571.86	— 39.81
Advances, etc.	253.25	243.83	+ 9.42	213.96	+ 29.87
Investments	307.82	275.68	+ 32.14	345.64	— 69.96
Cash	22.13	23.33	— 1.20	23.83	— 0.50
Other Scheduled Banks :					
Deposits	1,527.59	1,357.80	+169.79	1,256.22	+101.58
Borrowings from Reserve Bank	5.19	3.23	+ 1.96	20.08	— 16.85
Bank Credit	1,119.36	985.96	+133.40	897.84	+ 88.12
Investments	392.44	349.05	+ 43.39	340.09	+ 8.96
Cash	94.10	97.90	— 3.80	108.28	— 10.38

TABLE III: *Inter-bank Call Money Rate in Bombay*

(Per cent. per annum)

End of period	1962	1961	1960
January	4½	5½	3½
February	4½	5½	3½
March	5½	5½	3½
April	3½	5	3½
May	3	4½	3½
June	1½	4½	3½
July	½*	2	3½
August	1½	2	3½
September	2½	4	3½
October	3½	4	4½
November	2	3½	3½
December	4½†	4½	4½

* Lowest level touched since November 1952.

† As on 17th December after rising to a high of 5½ per cent in the second week of December.

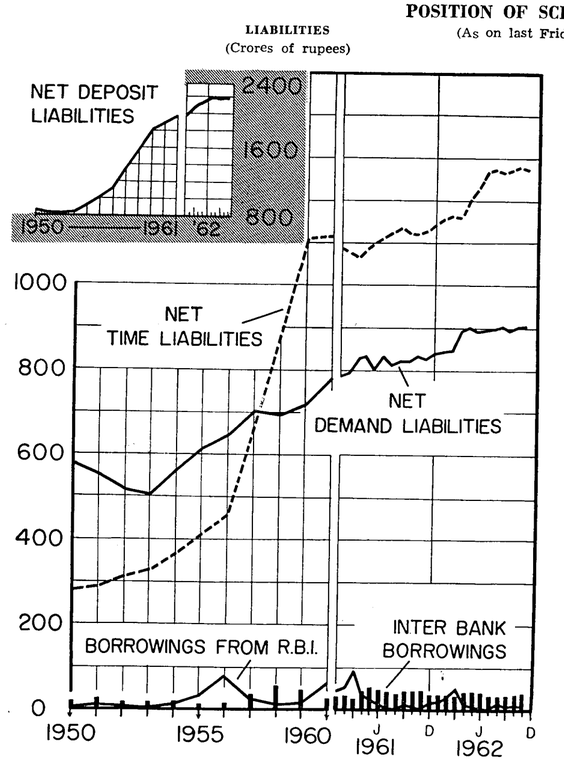
TABLE IV: *Busy and Slack Seasons*

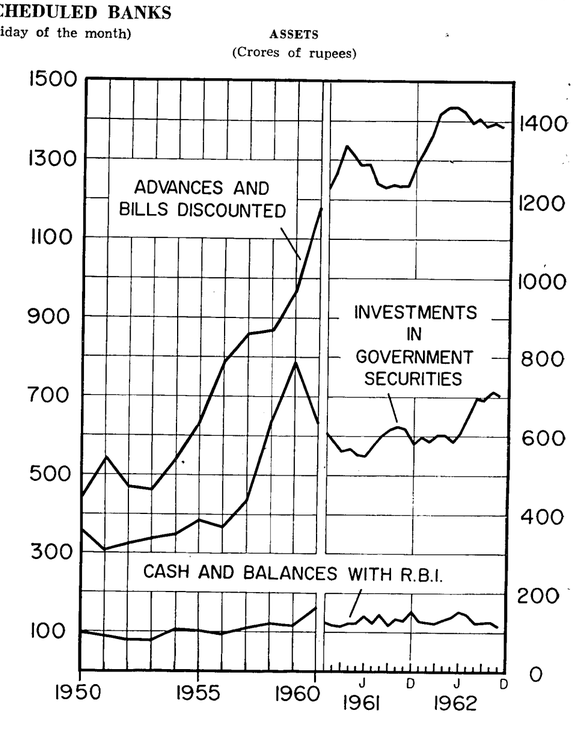
(In crores of rupees)

	Busy season (Nov.-April)		Slack season (May-October)	
	1961-62	1960-61	1962	1961
Deposits	+152.1	+ 11.0	+ 84.4	+ 43.8
Borrowings from Reserve Bank ..	+ 6.2	+ 21.5	— 3.3	— 31.7
Cash position ..	— 0.4	— 23.2	— 6.8	+ 10.3
Investments ..	— 25.0	—126.3	+111.9	+ 62.6
Bank credit ..	+203.9	+199.9	— 42.1	— 76.5
Highest level touched by bank credit ..	1,427.53	1,317.37	..	..
Highest credit ratio (%)	74.15	74.61	..	..
Lowest level touched by bank credit ..	..	..	1,363.02	1,220.65
Lowest credit ratio (%)	..	..	66.85	67.45

POSITION OF SCHEDULED BANKS

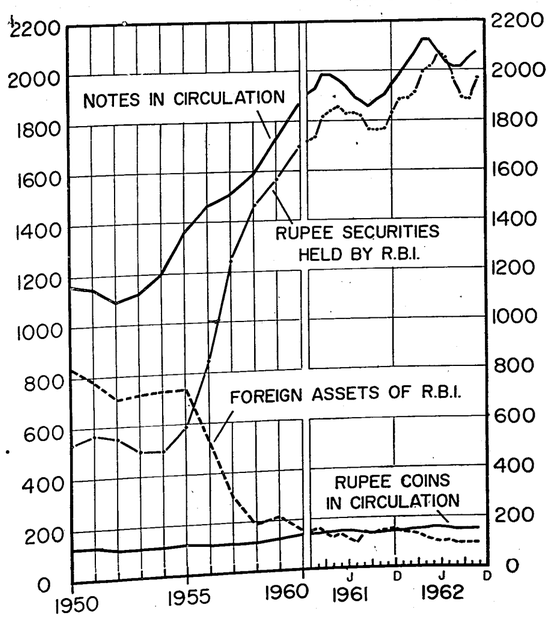
(As on last Friday of the month)





CURRENCY DATA

(As on Last Friday of the month)



TREND OF MARKETS IN 1962

EQUITIES BOOM AND COLLAPSE

Investors' Confidence At Nadir

BOMBAY, 19*th December*

THE calendar year 1962 has the distinction of having witnessed both the height of the preceding four-year boom in equities and its unmistakable collapse. It is an ironical coincidence that the start of the boom in 1958 as also its apparent end during the year under review came about while Mr. Morarji Desai occupied the office of Union Finance Minister. This remark would be unnecessary but for the fact that the pragmatic and practical approach of Mr. Desai to economic matters, in sharp and welcome contrast to the ideologically inhibited policy of his predecessor, Mr. T. T. Krishnamachari, had initiated a bull market and gone a long way to sustain the confidence of investors in equities. That it should reach its nadir while Mr. Desai continued to be Finance Minister was unthinkable for at least all marketmen and a great majority of investors. But the burst of the boom is no slur upon Mr. Desai. For it occurred fundamentally because of the Chinese felony culminating in an all-out aggression in Ladakh and N.E.F.A. on 20th October.

Cracks in the boom were, however, noticed soon after it reached its height in mid-May because of the serious infra-structural shortages in the economy unbalancing programmes of industrial development and leading to uncertainties about the attainment of production targets. The foreign exchange stringency, which led to the drawing of priority list of industries for import entitlements for the second half-year from October to March, created grave doubts about the maintenance of industrial progress at a satisfactory level. The arbitrary manner in which the Government tampered with the recommendations of the Tariff Commission on retention prices for steel companies and cut their profit-margin gave a serious jolt to the share markets, in that it gave rise to the impression that a fair deal to investors, especially in basic industries, would be hard to come by.

Nonetheless, it was the Chinese aggression that dealt a definite blow to the stock markets, as it undermined confidence in political stability —the very first prerequisite for industrial progress—in the country. As it mounted day by day until it was unilaterally called off by the Chinese on 21st November, sentiment on the stock markets went from bad to worse and ultimately to the worst. Frightened by the unexpected easy success of the enemy against our Forces, operators and investors sold in a panicky way and lost heavily in a market where values fell in chunks. A complete crisis of confidence enveloped the market. The Chinese aggression, leading to emergency at all levels, created one in the share markets also to get over which extreme measures, including ban on forward trading, were adopted. Even after the cease-fire, confidence was at a low ebb. What next in the border situation? This was the question uppermost in the minds of all. It remains unanswered while this is written. Will diplomacy save the country from a total war? Nothing is definite. The Colombo meet of the six "non-aligned" nations does not appear to have cleared the picture much.

TABLE I—**TREND OF EQUITIES**

Reserve Bank's Index Numbers (Base 1952-53=100)

	Beginning of 1962 (6-1-1962)	Latest (8-12-1962)	Highest		Lowest	
			1962	1961	1962	1961
Gilt-edged	100.7	99.6	100.6	101.2	99.6	100.7
Preference shares	82.0	80.9	82.6	85.8	80.9	82.2
Equities	187.0	170.6	195.6	189.1	168.8	163.9
Among Equities:						
Coal	120.5	115.3	135.3	131.9	115.2	117.1
Steel	160.5	139.7	169.2	180.3	133.3	149.3
Cement	150.5	146.4	169.6	156.6	146.3	135.4
Sugar	151.8	131.8	151.8	178.1	130.9	159.1
Textiles:						
Cotton	189.8	171.6	202.1	190.9	169.5	142.4
Jute	91.2	96.5	107.6	97.1	91.2	82.6
Silk and Woollen	1,219.1	976.8	1,320.9	1,265.0	913.8	966.8
Paper	214.2	204.5	235.9	221.7	204.5	200.0
Chemicals*	211.8	178.5	214.7	223.6	174.8	202.3
Machinery:						
Transport Equipment	412.0	334.6	412.0	435.2	324.6	372.1
Electricals	159.7	159.5	187.2	167.5	159.5	135.0
Others	216.7	219.0	253.4	229.0	216.7	196.6
Shipping and Transport	93.7	88.9	99.7	105.6	88.7	91.9
Tea	154.7	141.5	158.1	176.5	141.1	151.2
Coffee	161.5	144.1	160.7	197.2	144.0	165.2
Rubber	168.8	162.2	170.5	174.8	161.4	167.8
Electricity	84.2	85.0	88.3	86.8	84.2	79.4
Banks	257.6	227.9	263.3	239.4	227.4	198.9
Insurance	153.0	163.7	174.1	155.4	151.7	133.6

* Basic industrial.

Two Clear Phases

The year's trend in equities had two clear phases; an upward move upto the middle of May, followed by a distinctly downward movement, moderate at first but sharp and steep from mid-October to mid-November. The two phases are best indicated by quoting the Reserve Bank's All-India Index for Variable Dividend Industrial Securities (base: 1952-53=100).

The index, which had recovered to 184.8 by the end of December 1961 after having declined from 187.6 to 182.4 by the middle of that month, rose further to 187 by the week ended 6th January 1962 and to 188.3 by 20th January, but turned slightly lower thereafter to close the month at 186.7—a level which was lower by only 1.3 per cent than the then all-time peak of 189.1 reached in mid-November 1961. The small reaction was owing to profit-taking and some precautionary selling induced by grave forecasts about the *Ashtagraha* in early February. In the subsequent months, the index generally maintained its upward march and struck a new all-time peak of 195.6 in the week ended 19th May, exceeding the previous peak by 6.5 points. Monthwise, during the period from January to mid-May, the index appreciated by a maximum of six points in February, when it rose from 186.7 to 192.8 on sizable support and short-covering following the failure of the worst predictions made by the astrologers. The recovery was also aided by favourable corporate news, particularly the announcement of rights and bonus issues by a number of companies.

Sentiment during the five-month bullish phase of 1962 was influenced by (i) the purchase of some blue chips by the L.I.C. during the fall in December 1961 on imminence of Army action in Goa and the consequent shrinkage in floating stocks, (ii) the remarkable success of the operation "Vijay" in Goa, (iii) the reduction by the Reserve Bank on 13th January of the minimum margin on banks' advances against shares from 50 per cent to 40 per cent, (iv) the *Ashtagraha* passing off without any of the predicted malefic effects, (v) the announcement of higher coastal freight rates, (vi) the expectations of an early announcement of increases in (*a*) steel retention prices and (b) coal prices, (vii) the news of an agreement to import 1.80 lakh bales of American cotton under P.L.480 as a step to relieve shortage of raw material for cotton mill industry and (viii) the reports that T.I.S.Co. was contemplating modernisation of its sheet mills as part of a larger project to augment production of tinplates.

The upward march during the period was, however, corrected in March, when business shrank considerably owing to uncertainties regarding the composition of the new Cabinet and especially about the continuance of Mr. Morarji Desai as Finance Minister, as his predecessor, Mr. T. T. Krishnamachari, had been elected unopposed to the Lok Sabha long before the elections were held. A steady tendency during the early part of March gave way to a mild recession in the middle of the month, particularly after the presentation of the interim budget on 14th March. The budget, with the revenue deficit of Rs. 63.46 crores and the big overall deficit of Rs. 147 crores, gave rise to serious fears of heavy taxation up to Rs. 100 crores. The index, after remaining steady around 192.8 between 24th February and 10th March, moved down to 191.2 during the week ended 31st March.

Budget, And A New Peak!

The tax fears were, however, quickly forgotten, as the proposals were to be announced only on 23rd April. Reflecting renewed buying support stemming from Mr. Morarji Desai's appointment as Finance Minister in the post-election Cabinet, the index surged forward to a new high of 194.1 by the week ended 17th April. But for a week after that prices eased on scattered selling, in view of the proximity of the announcement of tax proposals. Sentiment was affected by the anticipated rise in the revenue deficit to Rs. 91 crores and in the overall deficit to Rs. 175 crores following the Government's decision to raise the D.A. for Government servants retrospectively from November 1961 and the report of the Mudaliar Committee on export promotion containing proposals for tax relief for exports.

But the day (23rd April) when the tax proposals were made known it was found that the revenue deficit at Rs. 60.78 crores was even lower than what had been estimated. Further, out of a total tax effort of Rs. 71.70 crores in a full year (Rs. 68.08 crores for 1962-63), direct taxes aggregated Rs. 27.20 crores or 37.5 per cent of the total burden. Notwithstanding the five-point increase to 50 per cent in income taxation for companies, imposition of fresh excise levy on cloth and the tightening of the screw on the rich, the market reacted bullishly to the tax proposals in contrast with the pessimistic reactions of spokesmen of trade and industry. This curious behaviour showed that the market had lost its sense of reasoning and become a victim of bullish madness. The Re-

INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA

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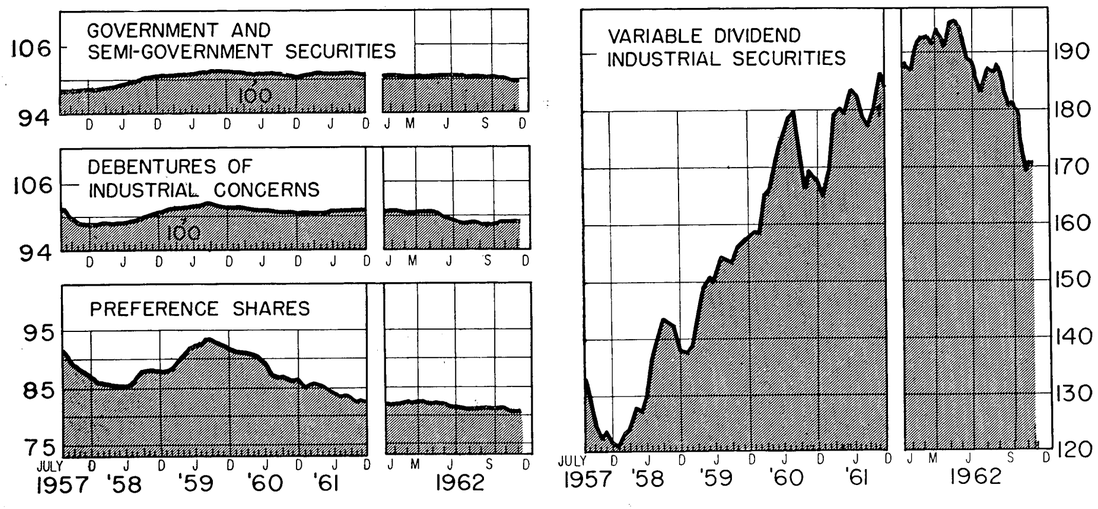

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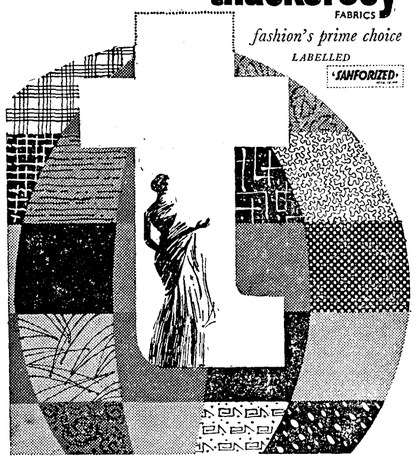

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Reserve Bank's index advanced to a new all-time peak and the year's best level of 195.6 which was registered in the week ended 19th May.

Downward Drift

From the end of the third week of May, however, the madness began to subside and the market tended to change its course and prices began to drift lower. The decline was almost continuous till 21st July. This roughly two-and-a-half-month downward drift was caused by bull liquidation and selling pressure following mainly (1) the postponement of the Aid India Club meeting scheduled for 28th May as a result of which anxiety over aid prospects for the second year of the third Plan grew, (2) the sudden and sharp break in prices on Wall Street on 28th May and the resultant widespread declines in share values in the London and Continental exchanges, (3) the announcement on 8th July of a cut in import licences leading to apprehensions of a fall in production in some industries, (4) the renewed trouble in July on the Sino-Indian border in Ladakh, (5) the trend towards further dear money as indicated by the introduction of the four-tier system in place of the three-tier system of lending rates and the announcement of new loans by the Central Government offering higher yields, and (6) the power cut in Madras State due to the belated start of the monsoon and the threat of a similar cut in Bombay and Calcutta.

The announcement on 12th June of some concessions in the taxation measures proposed in the Central budget and the modest increases in coal and paper prices did not leave much impression on the market sentiment, as they fell far short of market expectations. The month of July saw, however, some redeeming features such as the non-materialisation of the power cut in the Bombay-Poona region and the restoration of the cut in Madras State, the announcement of a standby credit of 100 million dollars by the I.M.F. and the purchases of selected scrips by the L.I.C. But these factors failed to lift the market. Between 21st July and 1st September, however, a technical rally forced its way following the Finance Minister's satisfaction (expressed in July) with his discussions abroad on safeguards for Indian exports to the E.C.M. countries and prospects of larger aid from the Aid India Club. The aid prospects very largely materialised in August, when sentiment was also influenced by the expectations of an early announcement of increased steel retention prices. The Reserve Bank's index advanced from 183.3 during the week ended 28th July to 186.7 by 4th August and further to 188 by 1st September.

Short-lived Rally

The rally proved, however, a short-lived affair, as September saw a heavy shake-out engineered by the Government's disappointing announcement on 7th September of an increase of only Rs. 10.50 per tonne in steel retention prices instead of Rs. 38 per tonne as recommended by the Tariff Commission. As the month progressed, sentiment was dampened by fears of a cut in the T.I.S.Co. dividend, reports that the Government might resort to more stringent measures to hold the price line, fears of further curbs on imports of raw materials, components and spares in view of the serious foreign exchange situation and reports of renewed tension on the Northern border. The index dropped during the month from 188 to 180.4, at which level it was down by 7.8 per cent from the all-time peak of 195.6 reached in mid-May. The maintenance of the T.I.S.Co. dividend produced a small rally in the first week of October and the index edged forward to 181.2 during the week ended 6th October. Thereafter, it drifted lower to stand at 179.7 in the week ended 20th October.

The Chinese aggression brought the index reeling down to 168.8—the lowest level for the year—by the week ended 10th November. At that level, the index was down by 13.7 per cent from the all-time peak and the year's highest level of 195.6. After the steep fall following the Chinese offensive, the index moved narrowly between 170.8 and 170.3 and closed the week ended 8th December at 170.6 as against 183 for the week ended 9th December 1961. Since then, there has been a slight recovery in some of the popular counters thanks to L.I.C.'s purchase of a large block of Tata Ordinaries, some selective buying of blue chips by investors and fractional bear-covering. Behind this is the feeling—wishful thinking would be more appropriate—that there would be no recurrence of the shooting war on the Northern borders.

The heavy toll taken by the China war in terms of equity values created an emergency on all the stock markets of the country. The market authorities announced heavy anti-bear margins and prohibited fresh sales. Despite this, prices continued to fall. On 5th November, therefore, the market authorities in Bombay and Ahmedabad suspended trading for an indefinite period which later, however, turned out to be roughly a week. On that date, the authorities of the Delhi Stock Exchange suspended business for a day. Thanks to timely measures such as heavy margins on sellers, stoppage of fresh short sales, fixation of minimum prices, compulsory carry-over of outstanding business at fixed making-up prices and *budla* charges, the Calcutta Stock Exchange survived the crisis without recourse to suspension of trading. The special measures taken in Calcutta were followed later by all the other stock exchanges, and the situation was brought under control. The L.I.C. extended a helpful hand by making bulk purchases, particularly of ordinary shares of Tata Steel in Bombay and Ahmedabad and of Calico in Ahmedabad. Nonetheless, to prevent the recurrence of a similar crisis on stock exchanges, the Government banned forward trading in shares on all the stock markets from 30th November. However, from 10th December, the Bombay Stock Exchange was permitted to allow forward purchases up to a very restricted limit and subject to a margin.

The table showing the trend of equities—Table I—published on page 186 gives an idea of the extent of the rise and fall in equities on an industrywise basis. It will be clear from the table that Textiles, which had boomed sharply from January to May, were the worst sufferers in the fall mainly because they were boosted too high earlier. Although the trend of production in the industry continued to be encouraging, not many mills fared well last year. Besides, the feeling was that due to higher cotton prices and labour charges the profit-margin of the industry might decline further during the current year. The silk and woollen group in textiles also suffered heavily for identical reasons. Jutes were, however, relatively less affected mainly because of better availability of raw jute at reasonable prices.

Steels presented a steady front well up to September on hopes of a fair deal in regard to steel retention prices, but suffered heavily when the hopes were dashed, as already described. Engineering shares were in for a bad time during the greater part of the year following difficulties in getting adequate supply of raw materials and power. Sugar shares weakened further because of the lower profit due to cut in production and larger exports at a heavy loss. Plantations were affected mainly by the fall in tea prices and coffee crop. Otherwise boosted due to restrictions on imports, Chemicals caved in mainly because of the general fall following the Chinese aggression.

Thanks to greater attention paid by the authorities to movement and production of coal, coal shares made a steady show. Likewise, Cements seemed to be getting out of the wood. Electricity shares were a notable exception to the general trend, as they recorded a net rise over the year due to expectations (yet to be fulfilled) of a higher return to electricity companies on their employed capital.

These in brief are the main trends on the Bombay Stock Exchange and a scrip-wise picture is presented in the table on this page giving the movements during the year of some selected 50 equities.

Outlook

The year 1962 has, on the whole, proved to be a bad year for investors. If it started under the shadow of the border war with the Chinese, it had taste of one before it was out. Needless to say the taste was quite bitter. What is still worse is that the taste is still in the mouth and the fears are that another bitter pill may be administered any time. One would be unwise to hazard a short-term view of the outlook for equities, in view of the extremely unpredictable political situation. Besides, whatever turn the political situation may take now, it is already clear that the economic implications of the Chinese felony will be serious and far-reaching. Defence needs have assumed all priority over everything else. And the burden of such defence expenditure will have to be doubled, that is to a level equal to 5 per cent of the national income. The 1963-64 budget will be not a peacetime but a war-time budget. Not until it is out can the stock markets hope to regain their equipoise.

TABLE II—Movement of Leading Bombay Counters

	Opening 2nd January, 1962	Highest 1962	Before Chinese Invasion 18th October, 1962	Lowest 1962	Closing on 21st Dec., 1962
	Rs.	Rs.	Rs.	Rs.	Rs.
IRON AND STEEL:					
Tisco	143.50	153.25	135.25cd	117.50xd	123.75xd
Indian Iron	25.40	27.35	25.10	20.80	23.32
Mukand Iron	27.75	29.50cr	22.68xr	18.76xr	22.00
ENGINEERING:					
Alcock	312.00	385.00	320.00	288.00	319.00
Cooper	180.00	188.00	130.00cd	122.50xd	125.50
Larsen & Toubro	39.50	44.90cr	25.75xr	200.00xr	26.75
Telco	359.00	382.50	293.00	250.00	295.50
T. Manekial	825.00	1,010.00cr	690.00xr	575.00xr	650.00xd
Voltas	311.50	318.00	249.50	223.00	259.00
Hind Aluminium	15.76	18.80	15.72	13.32	15.12
TEXTILES:					
B. Dyeing	66.80	72.20	63.70	57.50	62.00
Century	515.00	682.50	601.50cd	545.00xd	575.00
Finlay	320.00	395.00	305.00	289.00	296.00
Indu 'Defd.'	2.26	4.10	3.48	2.00	3.12
Indu 'Ordy.'	15.44	27.50	26.40	15.64	25.66
Khatau	482.50	528.75	446.25	350.00	373.75
Kohinoor	311.00	327.50	290.75	265.00	291.00
Mafatlal	930.00	1,130.00	802.50	675.00	717.50
Morarjee	390.00	550.00	460.00	388.00cd	496.00cd
Shrenivas	283.00	320.00	254.00	231.00	236.00
Standard	1,100.00	1,220.00	892.00	606.00	832.00
Svadeshi	278.00	304.00	247.50	231.00	265.00
Harda Rayon	158.00	161.00	133.00	111.00	127.00
Gwalior Rayon	48.00	63.00	52.50	40.50	49.00
National Rayon	561.50	584.00	452.00	406.00	457.00
CHEMICALS:					
Alembic Chemicals	237.50	286.25	205.00	185.00	185.00
Amar Dye-Chem	347.50	388.75	242.50	195.00	230.00
Citric India	79.00*	113.00§	100.00§	78.00§	85.00§
Chemicoat	122.00†	235.00‡	179.00‡	123.00‡	158.00‡
Colour-Chem	455.00	520.00	412.50	316.25	375.00
Indian Dyestuffs	560.00	676.75	457.50	320.00	420.00
Polychem	230.00	242.50	160.00	128.75	156.25
Synthetics	238.00	249.00cr	171.00xr	138.00xr	162.00
Tata Chemicals	20.08	20.36cr	13.84xr	11.80xr	13.56
CEMENTS:					
A.C.	162.00	165.00	156.50	142.50	154.00
Digvijay Cement	195.00	218.25	178.00	153.00	168.00
SUGAR:					
Belapur	275.00	291.00	225.00	205.00	213.50cd
Walchandnagar	170.00	176.00	148.50	140.00	141.00
MISCELLANEOUS:					
B. Burmah (Old)	1.24	4.88	4.38	1.20	4.24
B. B. Petrol	212.50	215.00	161.25	143.75	167.50
Ceat Tyres	21.98	21.48	18.52	14.72	17.80
H. Motors	58.30	74.00cr	47.25xr	41.50xr	48.00
H. Lever	4.82	5.28	4.64	3.96	4.52
Indian Copper	159.50	160.00cr	112.75xr	92.00xr	108.00cd
P. Automobiles	188.00	202.00	131.00	105.00	131.50
P. Construction	140.00(a)	250.00(b)	226.25(b)	170.00(b)	225.00
Pmt. Magnets	17.60	17.80cr	13.12xr	10.80xr	12.68cd
Sirpur Paper	174.00	194.00	158.00	135.00	150.00cd
W. Coast Paper	304.50	321.00	271.00	250.00	256.00
Wimcos	12.88	14.80	12.23	11.24	12.44cd
G. E. Shipping	13.40	13.92	12.08	10.52	11.04cd
Scindia					

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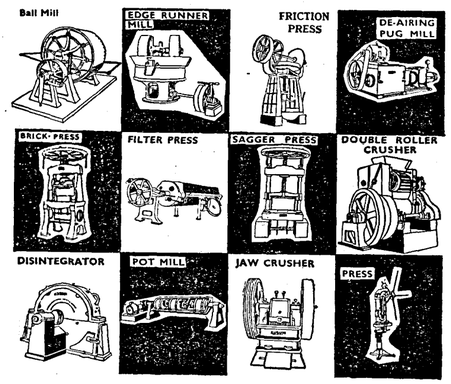

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1962 is truly a memorable year in the history of our nation. For the first time since independence, we came face to face with the realities of war—a war which has given us many shocks and for which we were totally unprepared. Like the nation, our stock markets too were taken by surprise by fast developing events, and flung mercilessly into a vortex of confusion and despair. In Bombay, trading had to be suspended for a week, minimum prices have been clamped down and forward trading suspended in all centres. Delivery rules for cash sales have been tightened up and the market situation is fluid. Thanks however to timely official action, the rot has been contained and the market health restored, at least partially.

The events of the first nine months of the year pale into insignificance before the cataclysm of the last quarter and seem of little value even for purposes of recording. Nevertheless, it is necessary to view them in proper perspective in order to understand the basic factors that influenced market movements during a good part of the year. The dominant factors influencing our national affairs as well as stock market fluctuations were: the much debated entry of Britain into the E.C.M., our deteriorating balance of payments situation, with its logical impact on our development plans and the fluctuating prospects of foreign aid. On the domestic front, we were concerned with the General Elections during February which, as expected, passed off peacefully and returned the Congress Party to the saddle in the Centre and all the States. The composition of the new Central Cabinet satisfied market circles and the country settled itself to a five-year period of peaceful development. But other problems reared their heads—notably the shortage of raw materials, coal, transport and power, whose solution has to be tackled on a long-term footing. The mid-year drastic cut in maintenance imports was a stern reminder, as much of our deteriorating foreign balances as of the feeble success of our export promotion efforts. The capital market was in fine fettle up to the middle of the year and several new companies were successful in getting the required capital. Conditions changed after July and thanks to the moratorium or large capital issues during the July-September period, many new companies have been shut out indefinitely from the capital market. By the beginning of the last quarter, a slackening of the market tempo was perceptible and, by November, the debacle set in, engulfing all markets in deep gloom, from which they are yet to recover.

In January, share markets opened buoyant in the wake of the success of the Goa action and prices moved forward briskly. However, the rise was halted during February which was the election month and it was not until March that the uptrend was renewed after the results of the election were known and the composition of the Central Cabinet had been announced. By the beginning of April, markets were again clouded because of the proximity of the Budget. The Budget proposals, despite the increase in the corporation tax of 5 nP per rupee, raising the total tax on companies to 50 per cent were received with relief and share prices started looking up again. The revenue deficit of Rs. 60.78 crores was more than covered by fresh taxes which were computed to yield Rs. 68.88 crores during the fiscal year 1962-63 and in a full year Rs. 71.70 crores. The increase in excise duty on yarn and cloth, expected to yield as much as Rs. 12.10 crores, was not taken serious note of at that time, as also the withdrawal of the exemption of wealth tax on new company's shares. As usual, the relief felt after the proposals were known, provided the momentum and share prices started climbing higher daily, mostly on growth prospects and in utter disregard of yield considerations.

The first major jolt was felt immediately after the unexpected Wall Street crash of 28th May. The announcement of the adjournment of the Aid India Club meeting which coincided with this, caused the first major break of the year and might be said to be the starting point of the slump which was to manifest itself latterly. The month of June passed with no major change and, in July, we had the news of the power cut in the Madras State, which fortunately lasted for 10 days only. About this time, the Aid India Club had sanctioned an immediate release of $1.070 million for the second year of the Plan. The Central Government loan to the tune of Rs. 250 crores was announced during that month. In August, the State loans were announced. September was the silver jubilee month of the Madras Stock Exchange which occasion was celebrated with justifiable eclat. Share Markets all over the country continued to be active and, though the market trend was latterly two-sided, there was really no sign of a major downtrend until the decision of the Government on the question of steel retention prices was made known during that month. The Tariff Commission's recommendation of an increase of Rs. 38 per tonne was pruned down to a mere Rs. 10.50 per tonne by the Central Government and this shocked market circles and raised grave apprehensions about the reasons which prompted the Government to effect such a drastic cut. Stock markets naturally reacted quickly to this piece of bad news and the downtrend which started in September continued unchecked, despite the Tata Iron and Steel Company maintaining the dividend at Rs. 7.25 per share, which included the bonus element, and gave the impression that the future of the steel companies need not be viewed with alarm. There was, however, an undercurrent of anxious concern, which developed into panic after the 20th of October when the news of massive Chinese aggression burst out openly for the first time. The Calcutta Stock Market authorities acted with alacrity by announcing minimum prices on the 24th of that month, whereas Bombay took no immediate action. However, on 5th November, trading was suspended in Bombay and minimum prices were fixed. It was not until 12th of November that the Bombay market resumed business. In Madras, minimum prices were fixed on 5th November and continue to be in force. On 29th November, the Government issued a notification suspending forward trading in all stock markets.

Sugars

The most important item of news in this section was the decision of the Government to link the payment to growers to the quality of the cane tendered by them. The industry is in a better state of health, thanks to better local offtake and the vigorous export drive. However, the difficulties experienced during 1961 were reflected in the dividends announced by sugar companies during this year. Several of them had to prune their dividends, notably Deccan Sugars which paid 18 per cent against 21 per cent last year, Cauverys 6 per cent against 8 per cent, India Sugars 10 per cent against 14 per cent and Travancore Sugars 5 per cent against 7½ per cent. E.I.Ds maintained the dividend at 21.3/7 per cent and the shares proved most attractive to investors by virtue of the high yield and the prospects of growth after the establishment of the composite fertiliser unit, now in production. From a low of Rs. 35.50 the shares registered a high of Rs. 44.50 but closed lower around Rs. 40. The highest in Deccan Sugars was Rs. 11.20 compared to the previous year's highest of Rs. 15.15 and of Cauverys Rs. 117.50 against Rs. 147. The highest for India Sugars was only Rs. 11 against Rs. 14 during 1961.

Rubber

The price of the commodity continued to be controlled throughout the year and the shares of rubber companies remained popular with investors. The demand for the commodity has exceeded supply and this trend is bound to continue for the next few years, so that the production of synthetic rubber on a larger scale than envisaged at present, has become a dire necessity. Despite the price of the commodity remaining unchanged, profit-margins were lower. The pattern of dividend payment was somewhat mixed. Malankaras paid 14 per cent, as against 16 per cent last year, while Kailas paid 30 per cent against 25 per cent. Mercaras paid 5 per cent lower, while Rajagiris maintained the dividend at 20 per cent. Thirumbadis paid 12 per cent against 7 per cent for 1960, while Travancore Rubbers paid 12 per cent against 13 per cent. Cochin-Malabars maintained the dividend at 20 per cent. There was not much variation in the prices of rubber scrips, and, if anything, most shares drifted lower. The highest for Cochin Malabars during 1961 was Rs. 8.05, while the highest during 1962 was Rs. 7.38 only. The fluctuation in other shares was even more insignificant.

Tea

At long last, the travails of this industry have attracted the Government's recognition and the Finance Minister announced valuable tax concessions in the Budget. He has reduced the Export duty from 44 to 25 nP per kg. and, lately, there are rumours that this duty may be abolished altogether. Tea accounts for one of our largest export earnings, Britain being our largest customer. Unlike the case of Textiles, which will suffer in the event of Britain joining the E.C.M., this industry will benefit because Indian tea will enter the E.C.M. countries duty-free. Home consumption has also risen steadily and, therefore, the industry is on fairly sound ground. The United Kingdom stock of tea as at 23rd November 1962 was 151.9 million lbs., as compared with 137.6 million lbs. a year ago. Offtake from Cochin was quite heartening, namely, 75.23 million lbs. upto 31st October, 1962, as compared with 53.38 million lbs. for the corresponding period of 1961. The sale average, however, was somewhat lower, the figure being Rs. 4.53 per kg. upto 13th November 1962, as compared with Rs. 4.76 per kg. as at 14th November 1961. A study of the break-up figures of the various grades is, indeed, interesting. Low mediums, which had fetched Rs. 3.40 to Rs. 3.70 per kg. at the beginning of the year, earned as much as Rs. 4.50 to Rs. 5 per kg. in the 27th November auction. Medium grades improved from about Rs. 3.85 per kg. to Rs. 5 per kg., and good medium from about Rs. 5 to Rs. 6 per kg. and Nilgiri B.O.P. from Rs. 5.40 to anything between Rs. 5.75 and Rs. 7.50 per kg. The general pattern was that, during 1962, the industry showed recovery from the slump of the previous year. The presence of Russia at these auctions and the general expansion of domestic consumption might account for this changed trend.

In view of the fall in the price of the commodity during 1961, most Tea companies had to prune their dividends for that period. Haileyburias paid 12½ per cent against 15 per cent, Parksides 22½ per cent against 27½ per cent, Peermades 25 per cent against 22½ per cent, Twyfords 6 per cent against 10 per cent and United Nilgiri Teas 22 per cent against 21 per cent. The June year-ending companies have announced better dividend for 1961-62, notably Parksides which raised the dividend to 27½ per cent while Nonsuch maintained it at 20 per cent throughout. The trend of share prices was, however, lower. Haileyburias dropping to a low of Rs. 11.75 compared with the highest of Rs. 14. Highlands Rs. 12.30 against Rs. 14.10, Kalasas Rs. 3.10 against Rs. 3.62, Nonsuch Rs. 21.62 against Rs. 25.50, Parksides Rs. 21.62 against Rs. 25.95, Twyfords Rs. 8.96 against Rs. 11.85 and United Nilgiri Teas Rs. 19.35 against Rs. 23.50.

Coffee

The year 1962 was definitely more favourable to the coffee industry and, thanks to the judicious marketing policy and a lower crop, the price for the commodity has shown a healthy improvement. The 1960-61 crop was 67,794 tonnes while the 1961-62 crop is expected to be about 44,858 tonnes. The total Pool return for 1960-61 is expected to be Rs. 2.10 per point only against an estimate of Rs. 2.45 per point for 1961-62 and Rs. 2.30 for the current season. The pattern of dividend payment by coffee companies in the last three years ending with the 1961-62 coffee season clearly shows that increases in taxation and costs of production are telling upon the profitability of the industry and that the higher crops, secured by the better strains introduced and improved cultivation methods, do not adequately cover the increase. The commitments for wages, bonus, etc. of the major coffee producing companies has risen to alarming figures in the past few years. In addition, coffee, being a fruit crop, is noted for its extreme fluctuation, with the result that, even a few bad crop years drain away the slender resources accumulated during the good ones. If this process continues, the desired expansion of this vital industry is not likely to materialise. To turn to dividends. For the year ended June 1962, Consolidated Coffee have declared a dividend of 15 per cent (20 per cent for the previous year) and Coffee Lands 9 per cent (12 per cent). Badra pruned the dividend from 15 per cent to 7½ per cent. Kumargodes declared 17½ per cent against 20 per cent. Lingapurs maintained 25 per cent as also Mysore Amalgamated 10 per cent and Oosoors and Wartyhullys 15 per cent. Rajendra paid 5 per cent less and Sheveroys paid 6¼ per cent against 7½ per cent in 1961. The trend of coffee prices again emphasise the market assessment of coffee prospects. Consolidated Coffee shed Rs. 4 over the year and over Rs. 8 compared to the highest in 1961. Similarly Coffee Lands have shed Rs. 3.25 over the year and Rs. 9 over the past two years. Cowcoodys have shed Re. 1.50 over the past two years and Lingapurs Rs. 2.50 over this period.

Textiles

Share prices during 1962 reflected the good working and higher dividends of the previous year which in several cases were considerably higher as compared with a year ago. 1961 was a year of prosperity for the textile industry. Unfortunately, conditions seem to be changing and the entry of Great Britain into the E.C.M. is viewed with apprehension by the Indian textile industry. Britain is one of our largest consumers and, if as a result of her entry into the E.C.M. she had to levy corresponding duty it is apprehended that our sales to the United Kingdom will diminish. Of late, there have been reports of heavy accumulation of yarn and cloth due to the credit curbs and the general unsettlement of the market since the beginning of the emergency. In addition, the textile industry is facing cotton shortage and the recent agreement with the United States for the import of 375,000 bales of PL. 480 cotton has relieved the position to some extent.

Textile scrips recorded the highest levels during the first half of the year and, since then, there has been a general decline, the worst to suffer being rayon shares. Bangalore and Buckinghams recorded a high of Rs. 267 and Rs. 290, respectively. Metturs touched Rs. 400, Radhakrishnas Rs. 40 and Rajalakshmis Rs. 120. The highest for Travancore Rayons during 1962 was Rs. 44.80 compared with Rs. 47.50 for 1961, while the highest for South India Viscose was Rs. 196 compared with Rs. 198 for 1961. Currently these shares are quoted Rs. 28.60 and Rs. 141.50 respectively.

Miscellaneous

Cement shares were throughout well supported and proved popular with investors because of the good yield obtainable. Chemicals also continued to be popular while paper shares lost much of their attraction after the reduction in the selling price, effected about a year ago. Engineering scrips were fancied for their growth prospects. All the cement companies maintained the dividend at the previous levels, the most active amongst them was India Cement which was consistently absorbed on investment account. The highest price recorded by this scrip was Rs. 6.45 against Rs. 6.72 for the year 1961. This company maintained the dividend at 12 per cent and made a right issue of 5 for 9 shares at par to holders as on the 28th February 1962. Dalmia Cements maintained the dividend at 12 per cent and the highest recorded was Rs. 14 against Rs. 12.85 for 1961. Orissa Cements maintained the dividend at 15 per cent and Travancore Cements at 6 per cent. In November, the Mysore Cement factory went into production. Amongst Chemical issues, FACTS declined steadily to close at Rs. 6.85. This company maintained the dividend at 6 per cent. Mysore Chemicals and Fertilisers reduced the dividend to 5 per cent. Mysore Chemical Manufacturers maintained the 20 per cent while Travancore Chemical Manufacturers stepped it upto 22½ per cent.

The two recently established paper mills in South India, namely, Mandya National Papers and Seshasayee Papers went into production during the year. Seshasayee Papers, recorded a high of Rs. 9.35 and are currently quoted at Rs. 8.10. Mysore Papers recorded a high of Rs. 15.12 XR during 1962 against a high of Rs. 27.25 CR during the year 1961, and are currently quoted at Rs. 13.90. This company has maintained the dividend at 15 per cent on the old capital.

Among the Engineering issues Binnys, being a Section 23(a) company, stepped up the dividend sharply from 12½ per cent to 22½ per cent and the shares recorded a high of Rs. 375 but are currently quoted at Rs. 329.40. Canara Workshops were popular. This company has paid a dividend of 20 per cent for the year ended March 1962 the shares are currently quoted at Rs. 30.50. Kirloskar Electric have announced a bonus issue in the ratio of 2 for 5 shares to holders on the 30th November 1962. These shares were very popular and are presently quoted at Rs. 23.62 *cum*-right, *cum*-dividend of 12 per cent. Madras Aluminiums have announced that the Company will be producing alumina by the middle of next year. The shares however declined steadily to Rs. 38.85. Madras Rubbers were most popular and at one time were wanted as high as Rs. 25 CD but receded gradually to fall to Rs. 19. This company has set up its tyre factory in record time and commercial production was started recently.

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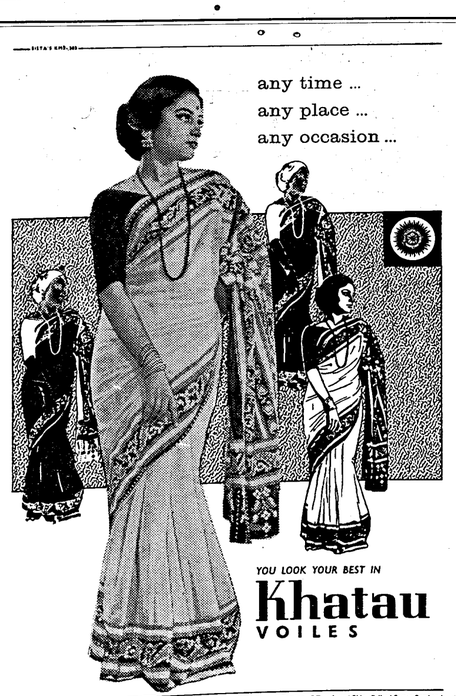

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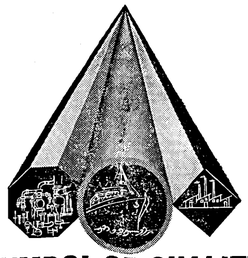

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Calcutta Stock Exchange

Sentiment Gets A Rude Setback

CALCUTTA, 16th December

VIEWED in retrospect, stock markets in India led by Bombay passed through a critical period in 1962, which is closing after rudely shaking the confidence of investors and with no immediate hope of a return to normalcy. Although in the face of the Prime Minister's oft-repeated declaration that the emergency would not come in the way of the progress of the third Plan, there would be absolutely no justification whatsoever "to beat the gun," as the Americans so well express it, "to outwit the crowd, and to pass the bad, or depreciating, half-crown to the other fellow," that is what happens when sentiment gets a rude setback. This was only too clear towards the end of the year on the Calcutta Stock Exchange as well as other exchanges in India.

Up to the middle of May, equities at Calcutta recorded a slow but steady rise. The Reserve Bank's index of variable dividend industrial securities for the Calcutta region was 172.1 (base: 1952-53=100), for the week ended 31st December 1961. The index swiftly rose to 174.3 by 13th January, mainly because of the keen interest shown on the new shares (Birla Jute, Guest Keen Williams, Jaipur Udyog, J.K. Rayon, Kesoram Industries and Orissa Cement) included in the forward list on 1st February. Speculation on these shares was attributed to intelligent expectations of their imminent promotion. In the next two weeks the index gradually fell and stood at 173 in the week ended 27th January. Uncertainty about foreign aid, already highlighted in the shortage of imported raw materials and spare parts and preventing industries from realising their installed capacity, subdued sentiment. The Reserve Bank's decision to reduce the margin of share advances by banks, the likelihood of the imminent return to the Cabinet of the votary of heavy taxation, Mr. T. T. Krishnamachari, and shortage of power and transport added to the chill wave of January's cold weather.

In the next five weeks, the index gradually gained until it reached 179.5 by 3rd March. The passing away of the conjunction of the planets without giving birth to the apprehended Doomsday and Mr. Krishnamachari's belief of little justification to increase direct taxes further, the revival of demand for jute goods and the hope of mills to recover past losses, and the welcome news of a series of bonus and rights issues encouraged both the speculator and the genuine investor in entering into fresh commitments. In the next three weeks up to 24th March, however, activity cooled down following the view of Mr. Krishnamachari and Mr. Krishna Menon of the existence of scope for further nationalisation of industries, and the index moved down to 178.1. The recovery to 178.7 in the following week was due to the Prime Minister's declaration of the existence of considerable scope for the expansion of private sector. The announcement of good corporate results aided the view that, despite shortages of raw materials, power and transport, industries continued to work efficiently. Budget anxiety soon set in to force down the index to 177.2 by 21st April.

Most Hectic Days

The next four weeks ended 19th May were the most hectic days of the year, the index gradually rising and touching the year's high of 181.1. The initial healthy reaction of the market to the new taxation proposals was maintained for about four weeks, despite the possibility of a reduction in dividend in view of the increase in corporation tax. The next ten weeks up to 28th July witnessed a rapid fall of the index, from 181.0 to 169.7. The crash in world stock markets reminded many of a similar event in the U.S. on 29th October 1929 which served as the birth-pang of the most devastating depression the world had ever seen. Few could, however, remember that, since then, the U.S. has introduced many built-in stabilisers in its economy automatically to arrest any depression. However, depression in Wall Street was sufficient to justify a lowering of interest here, and the index began moving down. And, once sentiment gets affected, only unfavourable factors are given attention. The growing unfriendly behaviour and acts of intrusion by the Chinese, the aid-cut decision by the U.S., and the stiffening of the Government's dearer money policy as found in fresh restrictions on borrowing by commercial banks from the Reserve Bank, were factors which led to selling pressure.

With the passing off of the crash in New York and Continental markets, confidence was soon regained, and lower levels here attracted buying support which was mainly around speculative counters. The weekly index set on a recovery to reach 173.9 in the five weeks ended 1st September. From now on, the dull trend has continued and, by rapid recession, the index reached 163 on 24th November, that is, a loss of 10.9 points in the twelve weeks beginning from 1st September. The disappointment over the steel retention prices—the Government granted an increase of only Rs. 8.50 a tonne, as against the Tariff Commission's recommendation of Rs. 38—was the signal for the reverse trend early in September. This was followed in mid-September by anxiety on fresh aggression by the Chinese on the N.E.F.A. border, and on the accentuating foreign exchange shortage. The pre-*Pooja* lull, usually a normal feature, received significance and import in view of the continued setback. The reopening after the *Poojas* was a continuing phase of the lull, which was stimulated by nervous selling. News of heavy attacks by the Chinese followed by reverses for India served as the severest shock of the year and, in the complete absence of buying support, stock market activity came almost to a standstill from the end of October.

Restrictions on Sellers

Increased import of war equipment, it was thought, would lead to pacing down economic progress. Also, there was the apprehension that bottlenecks of transport, raw materials, power and personnel shortages would hamper progress. In order to stop the rot, the Calcutta Stock Exchange authorities imposed margins and restrictions on sellers in clearing shares. The collapse on Dalal Street served as foot-print for Lyons Range, where minimum prices for cleared and cash shares were fixed and selling in clearing shares was restricted excepting for squaring-up transactions. The increase in interest on overdrafts on stocks and shares and the Reserve Bank's decision to restrain credit fanned the chill wave, the pace of which was slowed down, however, by the timely measures taken by the C.S.E. authorities.

Early in November, the minimum levels for the oft-bought non-clearing shares numbering about twenty were reduced. This was followed by reduction of the minimum prices of five clearing shares.

The Reserve Bank's sub-group index of variable dividend industrial securities changed from time to time generally in consonance with the regional index, discussed above. All the same, a brief reference to the main causes for changes in the main sub-groups is attempted in the following paragraphs.

Jute Textiles

On 30th December 1961, the index was 91.2, which rose to 92.4 by 20th January. Investment buying received an impetus when, following increased demand for gunny, the I.J.M.A. removed all restrictions on output, hitherto in force. However, a dip to 91.6 by 3rd February followed, attributed to profit-taking and passing of the *Ashtagrahi* fears. The jump to 94 by 10th February and to 99.1 by the 24th was lively, as, with plentiful fibre supplies and increased demand for goods, mills were confident not only to erase the 1961 working losses but to improve profitability. Thereafter, the index rapidly improved until the year's high of 107.6 was reached on 28th April. The abrupt arrest of this upward trend and the loss of the index to 106.3 by 12th May were explained by the levy of excise duty on jute goods for internal consumption. In the following week, a small recovery to 106.4 took place on firm expectations of a bumper fibre crop. After remaining at 106.1 in the next two weeks to 2nd June, the index dropped sharply to 103.9 by 9th June, since the controversy over minimum prices for the new crop cautioned even the optimist. A mixed trend set in and the index, following a zigzag movement, fell from 104.3 on 16th June to 101.2 by 18th August, but recovered to 103.6 by 8th September. Since then, it has been a definite decline: the index for the week ended 24th November stood at 96.6. This is not to say that the mills are not working very satisfactorily, despite several difficulties; on the other hand, it is significant that, although the index of several Calcutta groups as well as the Calcutta regional index have fallen on balance in the year, the index for this section has gained by more than five points.

Tea

Closing at 155.4 for 1961, the index skidded to 153.2 by 20th January, attributed to discouraging marketing outlook, thanks to increased world supplies of tea. The next five weeks to 24th February saw a slow but rapid rise to push the index up to 155, as, contrary to expectations, auction prices hardened. At this stage, the general chill wave ran into teas also, for no reason other than psychological imitation, and that explained the dip to 154.3 by 24th March. However, the issue of bonus shares by some tea companies, coupled with the export tax concession, saw the index ascend since then; by 5th May, the year's high of 158.1 had been touched. This high was maintained in the following week. The next period of 20 weeks to 29th September was a recessionary phase, the index moving down from 157.8 to 144. The fall in the price of common teas and the slow support by overseas buyers underlined the uncertain outlook for marketing. However, when it was becoming clear that the North Indian crop would decline, overseas buyers began to take more interest in auctions, thereby leading to revival of interest in shares and to push up the index to 146.8 in the week to 6th October. The apprehension of financial worries for gardens as a result of accumulation of output, thanks to the strike by Pakistani crew in Assam-West Bengal river services, difficulties of working of gardens in the border areas, and the decline in crop making the dividend outlook uncertain, were all reflected in the shrinkage of interest in shares since 6th October. The index moved down to 141.1 by 24th November which is the year's lowest and which takes the total loss for the year to 14.3 points. With the resumption of work by the Pakistani crew, tea transport is fast returning to normalcy, but the general dullness has so far prevented an expansion of interest.

Coal

A gradual fall to 115.5 in the week ended 14th April from 121 on 30th December 1961 was recorded in the index for coal shares, as the growing shortage of explosives and transport were hampering coal output. Expectations that the Government would raise the price of the black fuel arrested the downtrend and the buying interest that was released pushed up the index week by week until it touched the year's high of 135.3 in the week to 26th May. In the next ten weeks up to 4th August, the index moved down to 122.8. The decline was in sympathy with the general trend of the market and also registered investors' disappointment at the small quantum of rise in coal prices. The subsequent recovery mainly as a result of the attractive low levels pushed up the index to 124.2, 123.3, 124.5, and 124.9, respectively, in the four weeks to 1st September. Since then, dullness has been a continuous affair to take down the index to 115.2 by 24th November. This is the year's low level, the total loss for the year being 5.80 points. So far in December, there has been no evidence of a recovery.

Paper Mills

The early rise in the group index to 214.2 by 13th January from 211.6 on 30th December 1961, fanned by hopes of a rise in the price of the commodity, was not maintained. A decline set in subsequently and, in the course of four weeks to 3rd February, the index lost to 210.7. The news of bonus issues by Bengal and more interest in Seshasayees arrested the decline and this forced up the index to 212.1 by 10th February. This was soon followed by the news of issue of rights and bonus shares for Titaghur, to raise the index to 219.3 by 24th February and to 223.7 in the next two weeks. Profit-taking reduced the index to 222 by 17th March, but, stimulated by expansion prospects in Orient and the plan, to increase pulp output in India Paper, the index rose to 223.6 by 24th March and to 227.9 by 31st March. In both April and May, the upward trend was fully maintained to push up the index to 235.9 (the year's high) by 26th May. In most of the nine weeks that followed, the index receded to touch a low of 217.6. A recovery was made possible with the announcement of increased prices for paper and paper board and, in the next two weeks to 11th August, the index regained to 221. From this time onwards, the index began to lose in line with the general dullness and, at 204.5 on 24th November, the year's low was touched to disclose the year's loss of 7.1 points.

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FURTHER RISE IN COTTON PRICES

Result Of Higher Ceilings

THE calendar year 1962, which covers the last eight months of 1961-62 cotton season and the first four months of the current season (1962-63), turned out to be yet another year of high prices, strict controls on distribution and large imports of cotton. It was clear as early as November 1961 that the 1961-62 crop was not only late but also smaller than the previous season's bumper crop. This consideration, coupled with the rising rate of mill consumption and the uncertain prospects for imports, left no one in doubt as to which way prices would move during the months that lay ahead. The bearish slant of the hedge contract and strict policing of the distribution of cotton by the Textile Commissioner did not succeed in bringing down spot prices which continued to rule well above the ceilings in the case of most varieties. The raising of the ceiling price by Rs. 35 per quintal or Rs. 125 per candy, for the 1962-63 crop, though it was ostensibly done to enable the farmer to realise a higher price for cotton, was described as "a feeble compromise to legalise what in fact had already been happening during the past season." The firmness of cotton prices, which was evident from the beginning of the season, reached a climax in July, though, since the commencement of the current season, prices have tended to look down for various reasons explained later. Reflecting this trend, the index number of wholesale prices of cotton, which was 104 in September 1961, rose to a peak of 115 in July 1962 and declined to 112 in September 1962, the latest month for which the index number is available. The following table indicates the trend of prices of ready cotton against the background of the futures contract during the year:

(In rupees per three quintals)

	Revised ceilings*	17-12-1962	End of August 1962	17-12-1961
Spot Rates :				
Moglai Jarilla 25/32"	798	770	693	693
Vidarbha Jarilla 26/32"	831	825	726	735
Khandesh 1973-26/32"	858	855	738	735
Buri American 29/32"	924	924	843	843
Bengal *Deshi* ..	690	577	585	585
Futures :				
Jarilla March 1963 ..	798	689	742	667

* With effect from 1-9-1962 only.

It will be noted that the spot prices as of August end 1962 are the same as those on 17th December 1961. They are so, because the transactions recorded were at the ceiling levels for the 1961-62 season. But this does not necessarily mean that the actual prices paid were the same; the premia above the ceilings were not officially disclosed. It is, however, common knowledge that spot cotton changed hands well above the ceiling prices. In contrast to this position, the present ruling prices of spot cotton, except Bengal *Deshi*, are only a few rupees below the enhanced ceilings. In other words, despite a substantial improvement in the production of cotton in the current (1962-63) season, much of the premium that ready cotton commanded last year still continues, albeit legally.

The sharp reduction in crop estimate from 4.8 million bales early in the season to 4.4 million bales in January 1962 and delayed arrival of crop imparted firmness to the futures market in January. The announcement of three import quotas during the month, comprising a global quota of 200,000 bales of cotton stapling 1.1/16" and above from any area, Rs. 1.50 crores worth of Pakistan cotton having a staple length of one inch and below and 33,330 bales of cotton of staple length 1.3/16" and above from any area, all in the short period of a fortnight, failed to influence the futures market. In fact, the Moglai Jarilla March 1962 contract, the only hedge contract of the 1961-62 season, firmed up from Rs. 673 per three quintals at the beginning of the month to Rs. 690, that is, Rs. 3 below the ceiling rate of Rs. 693, on 19th January, though it wound up a shade lower at Rs. 688.

Scarcity of Ready Cotton

In the spot market, scarcity of cotton was increasingly felt. With a view to distributing equitably the meagre supplies, mill quotas were made subject to both qualitative and quantitative restrictions. Accordingly, mills were given individual quotas for each and every description of cotton. It was also stipulated that no mill should hold stocks in each variety beyond five months' average consumption. These restrictions prevented cornering of cotton by powerful mills, but they were of no avail in arresting the rising trend of prices. In fact, the futures contract hit the ceiling of Rs. 693 by mid-February. There was hardly any tenderable cotton and long interests sat tight on their positions, preferring to pay the penalty for failure to tender. The Forward Markets Commission, however, belied their hopes by ruling that the ceiling price was inclusive of penalty. Nevertheless, the contract continued to be quoted at the ceiling and expired on 25th March at that rate with not a single bale having been tendered on the docket. The hedge contract having proved unworkable, it was decided not to have any more of futures market for the rest of the 1961-62 cotton season. Accordingly, dealings were not allowed in the August 1962 contract. The E.I.C.A., therefore, devised a new hedge contract for the 1962-63 season that would take care of a tight supply situation in cotton. The Forward Markets Commission approved of the changes made in the by-laws of the E.I.C.A. and allowed futures trading in the 1962-63 crop to begin as early as on 9th May 1962, that is, long before the sowings. The salient features of the new hedge contract were as follows:

(1) The basis of the hedge contract shall be Fine M.G. Moglai Jarilla staple 25/32" tenderable upto Good to Fully Good for grade (one and half class 'off') and upto 2/32" on and 2/32" off for staple. (2) All tenderable descriptions shall be tenderable upto 2/32" 'of', except Cambodia A for which tolerance will be 1/32". (3) Months of delivery will be March, May and August 1963. (4) The contract shall be subject to the ceiling and floor prices of the corresponding (1962-63) season.

Trading in New Crop

The new crop Jarilla March 1963 contract opened at Rs. 730.25 per three quintals. Early business in the contract was purely speculative, which was akin to gambling, as there was no cotton at all for hedging. The permission given by the Government for this business was an inexcusable lapse, considering that it was given by an authority which swears by socialism.

Meanwhile, activity in the spot market was next to nothing, especially as the Textile Commissioner had prohibited mills from holding stocks in excess of three months' consumption. Unsold stocks were small and selection became increasingly difficult and prices hardened further. The signing of the Indo-Pak Trade Agreement early in June, under which India was to import 100,000 bales of Pakistan cotton of staple length 1" and below, put an end to speculation in this regard. Even before the announcement of the quota, sales in Pakistan cotton had taken place to the extent of 40,000 to 50,000 bales. By the end of June, only about 25,0000 to 30,000 bales remained to be covered. American cotton also attracted the attention of mills which had received allocation out of the P.L. 480 quota announced in May. By the end of June, most of the prominent mills had covered their requirements of U.S. cotton. Some sales were also concluded in Sudans, A.R. Uganda and Egyptian cotton against the global allocation.

Demand for ready cotton was strong in July and a general wave of buying ensued. Prices of all varieties, particularly good quality cotton which was scarce, rose to a new high. In the futures market, however, the Jarilla March 1963 contract, after having shown some initial firmness, met with selling prompted by the favourable turn in weather conditions all over the cotton tracts and declined. But this proved temporary. The rising trend of mill consumption and firmness of the spot market had their impact felt on the futures market and the hedge contract recovered to close at Rs. 739 on 31st July.

August passed without any announcement of the cotton policy for the new season. The Government, however, announced an import quota for 185.000 bales (of 400 lbs. each) of cotton stapling 1.1/16" from any area. The shipment period for this cotton was from 1st January 1963 to 31st May 1963. Hence it was obvious that cotton under this quota would be available only after four months. It was clear by then that stocks at the beginning of the 1962-63 season would be very low and that, even if the crop turned out to be a good one, in view of the rising trend of mill consumption and uncertainty about imports, the supply position would be none too easy in 1962-63.

The cotton policy for the 1962-63 season was announced on 7th December. The most important feature of the policy was the raising of the ceiling price for all varieties, except a few, by Rs. 35 per quintal (Rs. 125 per candy). Reports of favourable weather and satisfactory crop progress, indicating an output of 5.4 million bales and the announcement of a fresh import quota for 55,000 bales (of 400 lbs. each) of U.S. cotton under a sugar/cotton barter deal bearishly affected the futures market. The Jarilla March contract receded from Rs. 742 at the beginning of September to Rs. 739 by the end of the month.

In spite of encouraging crop prospects prices of ready cotton ruled firm in September. This was due to the realisation that bulk arrival of new crop in upcountry markets would start only by the end of November and that supplies would be scarce in the intervening months. The announcement of the first export quota of the new season for 200,000 bales of Bengal *Deshi* and also a bullish effect on the market.

The meagre new crop arrival and low carryover made for a very bullish market for early deliveries in October. It was, therefore, felt by the textile industry and the Textile Commissioner that far more effective measures than quotas and compulsory survey should be introduced to prevent an undue rise in price. Accordingly, the supervisory scheme was introduced for ensuring stricter control over the price and distribution of cotton. The scheme came in for much criticism at the hands of the trade. Two writ petitions challenging the validity of the scheme was filed at the Bombay High Court by two cotton merchants from Tirupur, the outcome of which is eagerly awaited.

The futures market, far removed from the spot section, was featureless in October. Trading was thin and the trend of prices reflected more the sentiment of other commodity markets than cotton. The Jarilla March contract finished the month at Rs. 744 as against Rs. 737 at the beginning of the month. Export demand for Bengal *Deshi*, which was very slack in the first three months of the season, showed signs of revival towards the end of November. Export sales to Japan and the Continent considerably improved in the first two weeks of December. Total business concluded till 14th December against the quota of 200,000 bales released on 5th September was estimated at over 100,000 bales.

Sentiment Changes

November witnessed a remarkable change in market sentiment. Expectation of a bumper crop of over 5.4 million bales, nervousness caused by the Chinese invasion, reports of heavy accumulation of cloth stocks with mills and monetary stringency imparted considerable weakness to the futures market. The Jarilla March contract met with heavy speculative selling and slumped from Rs. 747 on 1st November to Rs. 687 at the end of the month, a decline of Rs. 60 in a month's time. The retreat continued, the rate having come down to Rs. 669.50 in the second week of December. Spot prices, too, tended to look down, thanks to increased arrival of new crop. In a bid to arrest the fall in futures, the Forward Markets Commission fixed the limit on the weekly price-fall at Rs. 10 when the price of the hedge contract was below Rs. 675 per three quintals. In order to support the spot market, the Textile Commissioner released the second instalment of Indian cotton quota for mills and removed restrictions on the movement of the crop imposed earlier in the season. These measures seem to have had a salutary effect on the futures market. The Jarilla March contract staged a recovery and at the time of writing (third week of December) is quoted at Rs. 688 per three quintals. The trend of the market in the coming months will be influenced mainly by two factors, namely, the size of the crop and the scale and timing of imports both of which are still uncertain.

Pakistan Cotton

Accumulated stocks, lack of mill offtake in the wake of large arrival of the market in the coming months weighed heavily on the Karachi cotton futures market during the major part of the first half of 1962. In June 1962, however, thanks to brisk demand from India following the signing of an Indo-Pak agreement, under which Pakistan agreed to supply 100,000 bales of cotton to India, futures prices firmed up. Good demand by local mills and renewed export interest imparted strength to the spot market also. Of the 1961-62 crop of 1.7 million bales, comprising 1.62 million bales of American-seed cotton and 156,000 bales of *Deshi* cotton, purchases of domestic mill till the end of August aggregated 1.35 million bales. Exports during the season were of the order of 405,000 bales. Total supply during the season amounted to 1.86 million bales. Carryover stock at the end of August 1962 aggregated 112,000 bales, as compared with 90,000 bales at the beginning of the season.

Export Duty

The Government of Pakistan announced the cotton policy for the 1962-63 season on 3rd September. The rate of export duty was kept unchanged at Rs. 75 per bale for American seed cotton (this was subsequently reduced to Rs. 25 per bale) and Rs. 25 per bale for *Deshi* cotton. Reflecting the trade's disappointment at this decision, the futures market turned easy. Bearish crop news and sluggish export demand imparted further weakness to the market. The new crop January contract, which was quoted at Rs. 74.55 at the beginning of September, declined to Rs. 67.70 at the end of the month. The entry of China in the market in the following month, that is, October, cried halt to the downward trend. China is estimated to have purchased 29,000 bales of N.T. cotton. But no sooner it withdrew from the market than prices receded, thanks to the pressure of new crop arrivals and limited export demand. The reduction in export duty on staple cotton from Rs. 75 to Rs. 25 per bale, with effect from 23rd November, gave a fresh stimulus to export demand. Nevertheless, export interest continued to be limited, in spite of the fact that the ruling prices were about 10 to 15 per cent below those prevailing at this time last year. The 1962-63 Pakistan cotton crop is estimated at 2.03 million bales. This, together with stocks of 112,000 bales as on 1st September 1962, indicates a total supply of 2.12 million bales, as against 1.86 million bales in the previous season.

U.S. Cotton

The main developments affecting business in cotton in New York and Liverpool and the trend of prices are reviewed by our Manchester Correspondent (vide page 122 of this issue). It is noteworthy that President Kennedy's decision to re-establish a one-price system for cotton, if translated into law, would have far-reaching effect on the price and pattern of trading in U.S. cotton. It will, on the one hand, enable U.S. mills to buy cotton at the same price as foreign mills and, on the other, make American cotton competitive in foreign markets without reducing the income of U.S. farmers. It is not possible to predict now as to how and, to what extent, it would affect the pattern of export of U.S. cotton but it is unlikely to influence exports of cotton under P.L. 480.

Another development affecting trading in U.S. cotton was the announcement by the Department of Agriculture on 26th June of a cotton export sales programme for the 1962-63 marketing year. A unique feature of this programme is that it would come into operation only when the domestic market price moves above a certain level set by the Commodity Credit Corporation. The announcement of this sale programme had little effect on domestic as well as export prices. Trading in the New York futures market was listless and price movements were narrow throughout the first half of 1962.

The new season (1962-63) began on 1st August 1962 with a carryover stock of 7.9 million bales (of 478 lbs. each), that is, 700,000 bales more than the previous season's opening stocks. Of this, C.C.C.-controlled stocks amounted to 4.8 million bales. Early estimates of 1962-63 crop placed it at 15 million bales but the final estimate turned out to be lower at 14.72 million bales, as compared with 14.40 million bales in the 1961-62 season, indicating a total supply of 22.9 million bales, as compared with 21.6 million bales in the previous season. The higher supplies coupled with sluggish export demand (export sales registered from 1st August till the end of October 1962, aggregated less than one million bales, as compared with 2.5 million bales at the same period of last season) made for a weak futures market for cotton. Current futures prices at New York are about 10 points lower than those prevailing at this time last year. Spot prices, however, are somewhat higher, thanks to the reduction in free stocks following the rise in C.C.C. stocks, in the context of fairly good domestic mill demand.

OILSEEDS PRICES MOVE DOWN

Production Picks Up A Little

BOMBAY, 18th December

AN outstanding feature of trading in the oilseeds market during the year under review was the prolonged pause in the almost continuous upward trend in prices of oilseeds and oils that had begun in 1958. In fact, the closing prices of almost all oils and oilseeds at the time of writing (18th December) are distinctly below those ruling a year ago. There were, of course, wide fluctuations both ways, but the undertone remained distinctly easy, especially in the closing months of the year. It will, however, be naive to assume that the overall weakness in oilseeds has been the result of any perceptible rectification of the persistent imbalance between supply and demand for oils and fats in the country. It is no doubt true to say that the increase in output during the 1961-62 season and expectations of a further modest improvement during the current crop year have somewhat eased the tight supply position. But one should not forget the fact that most of the losses occurred during the last quarter, due to a setback in confidence, following the Chinese aggression and the ban on forward trading in gold, shares and non-ferrous metals. If the bulls have been kept at bay, the credit is due no little to their fear that stringent restrictions, or even a ban, may be imposed, in case oilseeds prices moved up. The Government's decision to permit the vanaspati industry to import about 50,000 tons of soyabean oil from the U.S. and also the tight money conditions experienced by stockists in the local market have also been responsible for the weakness of oilseeds towards the close of the year.

Production and Exports

The trend of trading in the coming months will be determined largely by the current crop, for which reliable estimates are not available so far. The latest period for which official estimates have been published is the 1961-62 crop year. According to these estimates, the aggregate output of five major oilseeds rose by about 5 per cent to 6.83 million tons in 1961-62, as compared with the previous year. Groundnuts, sesamum and castorseed accounted for the major part of the increase in production.

In spite of some improvement in output during 1961-62 and general decline in prices, Indian vegetable oils and oilseeds continued to be out of parity with world prices. No wonder then that exports of castor oil, linseed oil, mustard oil and also hydrogenated groundnut oil should have declined during the year from the previous year's level. But there were some shipments of groundnut oil, following a quota granted to the State Trading Corporation during the year. There was also an increase in export of oils by soap manufacturers, who were allowed to import an equal quantity of less costly oils in replacement of groundnut oil. The S.T.C. also secured some business in linseed oil. But oilcakes, particularly defatted groundnut meal, fared well on the export front, as a result of better offtake by the U.K. and some East European countries. The following table shows the trend in exports of oils, oilcakes and H.P.S. groundnuts during the first ten months of 1962, as compared with the corresponding period in 1961:

(In lakhs of rupees)

	January-October	
	1962	1961
Vegetable oils :		
Groundnut oil	3.42	8
Castor oil	3.37	3.67
Linseed oil	14	5
Mustard oil	3	5
Hydrogenated groundnut oil ..	41	54
Oilseeds :		
Defatted groundnut meal ..	18.03	9.70
Groundnut cakes	90	100
Linseed cakes	74	37
Cottonseed cakes	72	66
Total oilcakes (including others). .	21.11	12.60
Oilseeds :		
H.P.S. groundnuts (both kernels and in shells)	3.47	3.31

Against the background of the introduction given above, we trace below the trend of oilseeds and oils in 1962.

Groundnuts

Groundnut ruled firm during the first two months, before a phase of gradual decline started which continued upto the end of May. The earlier firmness was induced mainly by the release of two quotas of 20,000 tons each for the export of H.P.S. groundnut kernels in quick succession, one in January and another in February. Besides, the relatively smaller arrivals of new crop from South India and Gujarat, in the face of steady offtake by vanaspati manufacturers and crushers, also led to a bullish fervour. At the same time, shippers were enthused by the Government's decision to permit industrial units consuming groundnut oil (soap industry) to export it in replacement of an equal quantity of less costly oils (like palm oil), the quota granted to them being 11,000 tons. The State Trading Corporation, in the meantime, secured permission from the Government for the export of 18,000 tons of groundnut oil, for the first time, which lent further support to the market. It may be recalled here that no export quota had been given in 1961.

In January, there was no official hedge trading in groundnuts, as the prevailing prices were about Rs. 3 to Rs. 4 above the ceiling of Rs. 215 per 250 kgs. By the end of the month, however, the Forward Markets Commission granted permission to operate May 1962 contract without any ceiling or special margins. But two conditions were imposed, namely, (1) trading would be closed when the rise in price during any week (between Monday and Saturday) exceeded Rs. 5, and (2) no member of the Exchange should keep net long or short positions in excess of 5,000 tonnes on behalf of their clients. Permission to commence hedge trading in groundnut oil May delivery was also given in February on condition that the maximum increase in price should not exceed 50 nP per 10 kgs. per week and that no member should have net long or short outstanding position of more than 1,200 tonnes at the end of any trading day. The relaxation of official restrictions on hedge trading enthused the bulls further, and prices were pushed up still further until the beginning of March.

From the month of March onwards, groundnuts tended to sag, under the pressure of large arrivals of summer crop from Andhra Pradesh and Madras. Reports of weakness in rapeseed in North Indian markets also acted as a damper. The announcement of an export quota in May (the third during the year) for 20,000 tons of H.P.S. groundnut kernels and another quota for 5,000 tons of H.P.S. in shells did not make any perceptible change in the sentiment. May 1962 contract, which opened the account at Rs. 229.50 in the beginning of February, rose to Rs. 245.50 by the end of that month, but gave way to touch Rs. 201.62 towards the end of May. July contract too fell from Rs. 231 (in the middle of April) to Rs. 201 by the end of May, the lowest level for groundnut futures in 1962. In the ready section, Nizam bold, which was quoted at Rs. 46.25 per 50 kgs. early in January, moved upto Rs. 48.50 (by the middle of February), before declining to Rs. 42.25 by the end of May. Oil ex-mill rose from Rs. 19 (in early January) to Rs. 22 by the end of March, but receded subsequently to Rs. 17.40 within a couple of months. Groundnut oil May 1962 contract eased from Rs. 20.50 to about Rs. 17 by the end of May.

An Exciting Phase

An exciting phase of trading in groundnuts commenced from June, characterised by wide two-way fluctuations. Prices were lifted to high levels of the year by September, but the gains were eroded completely within the next two months. The earlier firmness was the result of unfavourable weather conditions during the sowing time in Gujarat, as also in certain parts of Maharashtra and South India. The brisk offtake of groundnut expeller cake, the downward revision of trade estimates of current crop, reports of S.T.C.'s buying of oil for export and the large-scale purchases by vanaspati manufacturers induced further strength. The uptrend in prices was viewed with concern by the Forward Markets Commission particularly in view of the need for controlling prices in the context of Chinese aggression. Accordingly, the Commission reimposed ceilings on hedge contract in groundnut (Rs. 236 per 250 kgs.) and groundnut oil (Rs. 32 per 50 kgs.), in the middle of November. Thereafter, the market turned depressed and, within a week, a special clearing had to be ordered to stem the sharp fall in prices, consequent upon panicky and persistent bull liquidation.

Several factors were responsible for the somersault in market sentiment, not the least of which was the panic caused to the trade on the declaration of emergency. There was a general feeling of uncertainty about the continuance of groundnuts hedge contract itself, in view of the ban imposed on forward trading in gold, shares and non-ferrous metals. The Government's reported decision to grant a quota to vanaspati manufacturers for the import of about 50,000 tons of soyabean oils from the U.S. further depressed the market. Above all, arrivals of new crop, particularly from the South, had gathered momentum. On account of tight money conditions, stockists were also hesitant to extend their commitments to new crop supplies from upcountry centres. As a cumulative result of all these factors, prices of groundnut and groundnut oil tumbled down, with the spots touching the lowest levels of the year early this month. A quota for the export of 26,500 tons of expeller released last month also fell flat. There has, however, been a modest rally in groundnuts during the last week as a result of revival of sizable buying at lower levels. The supply position in the local market also turned somewhat tight, as arrivals fizzled out in view of the low level of prices prevailing here.

Groundnut September 1962 contract, which was quoted around Rs. 211 early in June, spurted subsequently to touch a peak of Rs. 254.50 (on 15th September), before going off the board at Rs. 246. January 1963 contract (which opened the account around Rs. 220.75 in the middle of July) rose to Rs. 235 by the middle of October, but moved down to Rs. 202.12 on 6th December, before recovering to close at Rs. 210.25 today. Bold ready (which was quoted at Rs. 42.25 in the beginning of June) rallied to Rs. 49.50 by the end of September. But it gave way to Rs. 39.75 by the 6th inst. Oil ex-mill closed on a steady note at Rs. 17.30, after fluctuating between Rs. 20.30 and Rs. 16.90 during the past seven months.

Castorseeds

The castorseed section ruled easy during most part of the year, barring a short spell of buoyancy early during the year. The initial buoyancy was inspired by reports of damage to standing crops in Gujarat and Bihar on account of a severe cold wave in the beginning of the year. Reports from Brazil also indicated the possibility of a decline in output in that country; this led the operators to believe that there would be a revival of U.S. buying of castor oil from India. Neither the fears of widespread damage to Indian castor crop nor hopes of a revival of U.S. buying, however, materialised. On the contrary, reports from the U.S. indicated that the U.S. was about to release a large amount of castor oil from its stockpiles. Heavy arrivals of new crop from Andhra Pradesh and other places also discounted the possibility of any setback in output. Consequently, prices of castorseeds and oils gradually receded till the middle of June, when a modest recovery set in. But the recovery, induced by overseas enquiries for castor oil from the U.K. and some of the East European countries, was rather shortlived. With the beginning of Chinese aggression, shippers turned doubtful about the prospects for continued export business in castor oil with the Communist bloc. They also noted that purchases by both Soviet Russia and the U.K., the two leading buyers, have been perceptibly lower this year than those in 1961. The fixation of ceiling for futures at the rate of Rs. 181 per 250 kgs. early in November also had a bearish effect. There was, under these conditions, persistent liquidation, which brought down values considerably.

Castorseed March 1962 contract spurted from Rs. 171.75 at the end of last year to Rs. 179.75 (this year's peak level) by the third week of January, but retreated later to Rs. 161. June 1962 contract, which had risen from Rs. 171 to Rs. 177 towards the end of January, fell to Rs. 155, before it expired at Rs. 155.75. September 1962 contract went off the board at Rs. 159.75, after moving both ways between Rs. 159.50 (5th June) and Rs. 172 (11th August). March 1963 contract, which commenced at Rs. 165.30 (in the middle of March), rose to Rs. 172.75 by early August, but eased to Rs. 157.50 early this month. It, however, recovered to Rs. 165.37 towards the close. Ready Madras closed 50 nP lower at Rs. 32.75 (as compared with a year ago), although it moved both ways between Rs. 38 (22nd January) and Rs. 30.25 (on 1st December). Oil commercial rose from Rs. 14.60 to Rs. 15.25, but lost ground to touch a low of Rs. 11.75 by the end of June, but recovered later to Rs. 13.42. The closing was well above the lowest level for the year.

Linseeds Easy

Except for periodical bouts of buying, linseed depicted a downward trend, thanks to the dull conditions for the export of linseed oil, the price of which continued to be out of parity with world prices. On fears of damage to linseed crop due to the cold waves in U.P. and the Punjab, the linseed market began the year on a firm note. But these fears were later proved to be unfounded, the actual damage being much less than expected. As arrivals of new crop gathered momentum, the market got into a subdued mood which lasted until March. The weakness in rapeseed and mustard also contributed to this state of affairs. Subsequently, there was some recovery, induced by better advices from North Indian sarson markets and on reports that the State Trading Corporation had concluded a deal with Australia for the export of 1,000 tons of linseed oil. There was also good offtake of linseed oil for being used as an adulterant with more costly oils like groundnut oil and mustard oil. This phase of cheerfulness ended in October and there was a landslide in values during the last quarter of the year, in sympathy with other major seeds and oils. Linseed futures contracts fluctuated between Rs. 35.75 (end of March) and Rs. 42.81 (beginning of August) over the year, before closing at Rs. 37.69. Bold ready improved from Rs. 43.50 to Rs. 44.50 by the middle of February, but, within about six weeks, prices tumbled down to Rs. 35.50 (third week of March). Thereafter, prices moved both ways, before closing at Rs. 38.62. Oil ready moved down over the year by Rs. 2.90 to Rs. 15.00, after fluctuating between Rs. 19.20 (middle of February) and Rs. 14.35 (middle of May).

Cottonseeds

Cottonseeds, which had ruled firm in the beginning of the year in sympathy with the raw cotton market, lost considerable ground subsequently. In view of reports of better cotton crop during the 1962-63 season, cottonseeds ruled distinctly easy during the latter half of the year, with occasional two-way movements inspired by hedge and speculative buying and selling by Akola and Ahmedabad interests. Cottonseed futures contract, which had risen from Rs. 102.25 to Rs. 111 by the first week of February, had slumped to Rs. 91.75 by the first week of this month. At the close, the contract was quoted at Rs. 96, which was lower by over Rs. 6.50, as compared with the quotation a year ago.

The following table shows the prices of seeds and oils as on 18th December 1962, as compared with a year ago and the high and low levels reached during the year:

	18th Dec., 1962	High	Low	18th Dec., 1961
	Rs. nP	Rs. nP	Rs. nP	Rs. nP
Groundnut :				
Futures contract ..	210.25	254.50	201.00	213.75
Nizam bold ready ..	41.50	49.50	39.75	44.50
Oil ex-mill	17.30	22.00	16.90	18.35
Castorseed :				
Futures contract ..	165.37	179.75	155.00	165.87
Ready Madras ..	33.00	38.00	30.25	33.50
Oil commercial ..	13.42	15.25	11.75	14.40
Linseed :				
Futures contract ..	37.69	42.81	35.75	38.50
Bold ready	38.62	44.50	35.50	43.50
Oil ready	15.00	19.20	14.35	17.90
Cotton seed :				
Futures	96.00	111.00	91.75	102.50

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

Outlook

As already stated, the price trends in the coming weeks will be conditioned by the size of the 1962-63 crop. According to private estimates, the aggregate output of groundnut would be about 4.8 million tons (in shell), or an increase of over 100,000 tons over the previous year. But for unfavourable weather conditions during sowing time in Gujarat, the output would have been still higher. The sowing of other seeds has already begun in several producing centres and it is expected that, unless the weather conditions change for the worse in the next few months, the aggregate seeds crop would be higher by about 200,000 tons at 7 million tons. This is still 600,000 tons below the second Plan target of 7.6 million tons. In view of this unsatisfactory trend in output, the Government's decision to revise upwards the third Plan target from 9.8 million tons to 10 million tons is quite unrealistic. What is needed is that the State Governments should expedite the implementation of the various development programmes for oilseeds already chalked out by the Planning Commission and the Central Oilseeds Committee.

WIDE MOVEMENTS IN BULLION

Gold Futures Closed—Government Intervenes

BOMBAY, 17th December

A STAGGERING fall in prices in a short span of three weeks from 3rd to 24th November was the most striking feature of trading in the bullion market during the calendar year 1962. The fall followed the further advance in prices earlier during the year to fresh all-time peak levels and marked, as it were, the end of the long saga of sustained buoyancy in the precious metals in this country. From the year's and the all-time peak level of Rs. 129.90 (per 10 grams) touched on 29th August, spot gold slumped to Rs. 86 on 24th November. Likewise, gold futures caved in from Rs. 128.85 on 29th August to Rs. 103.75 on 10th November and closed at Rs. 106.75 on 13th November—the day the Government imposed a ban on forward trading in gold in the country. Sovereign, which had touched a high of Rs. 99.25 on 9th June, retreated in sympathy with ready gold to register a low of Rs. 72 on 24th November. Ready silver scaled a new peak of Rs. 224.85 (per kilo) and forward of Rs. 225.55 on 1st November only to sink heavily to Rs. 187.80 and to Rs. 191.80, respectively, on 24th November. At the lowest level touched on 24th November, ready gold broke the record for the preceding five years and was in close range of the lowest level of Rs. 84.83 recorded in February 1956. As against this, ready silver fell only below the 1961 lowest level of Rs. 196.50 per kg., and, in terms of tolas, the rate at Rs. 220.50, was still Rs. 7.25 higher than the lowest level of Rs. 212.25 for 1960.

Although gold and sovereign recorded their highest levels for the year well before November, the prices as on 3rd November did not show a big fall from those levels. For instance, on that day, ready gold was quoted at Rs. 121.50 and forward at Rs. 120.75, while sovereign was quite steady at Rs. 96. Thus, as mentioned at the outset, the slump in prices was pronounced only in the three-week period ended 24th November.

Since then, however, prices have staged a brisk, though moderate, rally. By 4th December, ready gold had improved to Rs. 107, ready silver to Rs. 198.75 and forward to Rs. 199.25 and sovereign to Rs. 79. But, subsequently, there was a marked reaction. On 8th December, for instance, spot gold was lower at Rs. 98.25, ready silver at Rs. 195, silver futures at Rs. 194.90 and sovereign at Rs. 77. Thereafter, values rose again, with ready gold recovering much of the lost ground to stand at Rs. 116 on 17th December, sovereign at Rs. 85.75 and ready silver at Rs. 213.50. It will thus be noted that there have been wide fluctuations in the prices of precious metals in a short period of six weeks, an unprecedented trend in the bullion market's history of this generation.

Over the year, as of 17th December, gold has depreciated in value by Rs. 5.10 per 10 grams and sovereign by Rs. 13.25 per coin. Silver, however, has managed to show a small gain of Rs. 2.05 per kilogram.

The table below brings out the price movements during the year from the 1961 closing levels:

	Opening levels as on 2-1-1962	Highest	Lowest	Closing levels as on 17-12-1962	Closing levels as on 30-12-1961
Gold:					
Ready ..	119.45	129.90	86.00	114.75	119.50
Forward..	121.10	128.85	103.75	106.75*	120.90†
Silver:					
Ready ..	211.70	224.85	187.80	213.45	211.70
Forward	213.30	232.55	191.80	213.95†	213.30†
Sovereign .	97.25	99.25	72.00	85.75	97.75

* As on 13-11-1962. † *Pagun* Settlement.

This is the first time, in the past five years at any rate, that the price of gold has closed with losses over the year. Indeed, at one time the losses were incredibly heavy. This phenomenal fall was the result of the unswerving determination of the Government to coax and, if necessary, force the hoarders of gold bullion and coins to disgorge at least a part of the stocks held by them. Such determination of the Government was there even in the past. But it found a clear and unmistakable expression at the hands of Mr. Morarji Desai, Union Finance Minister, especially because of the national emergency arising from the unprovoked chinese aggression in Ladakh and the N.E.F.A.

Gold Bonds

On 3rd November, the Finance Minister broadcast that the Central Government had decided to issue special 15-year gold bonds bearing interest at the rate of 6.5 per cent per annum. Although the news came late in the evening at 8-30, it shook the market almost immediately and, in an orgy of selling, gold *Margashir* slumped in unofficial deals to Rs. 110 from the day's official closing level of Rs. 120.75 and silver receded to Rs. 224 from Rs. 224.85. By 6th November, gold futures fell further to Rs. 104.25 and silver futures to Rs. 218.75. Between the 3rd and the 6th of November, spot gold slumped from Rs. 121.65 to Rs. 102.50, sovereign from Rs. 96 to Rs. 80 and ready silver from Rs. 224.15 to Rs. 217.75. The setback was caused by panicky bull liquidation and considerable bear pressure in a market virtually devoid of support.

Readers are familiar with the details of the Gold Bonds. However, to briefly recall them. The subscription lists, which were opened on 12th November last, are due to close on 11th February next, or earlier without notice. Subscription is in the form of gold, gold coin or gold ornaments, and the Bonds are treated as issued on the date gold is tendered at the receiving office. The value of gold is calculated at the rate of Rs. 53.58 per 10 grams of .995 fineness, equivalent to Rs. 62.50 per tola of the same fineness. Interest on the Bonds, to be paid twice a year on 12 May and 12th November, is subject to deduction of tax. In the case of individuals, however, tax will not be deducted at source, if the holders declare that the total value of the Bonds held by them or on their behalf do not exceed Rs. 10,000. The Bonds are exempt from wealth tax and tax on capital gains from their sales, both at the hands of only the original owner of the bonds.

On 5th December, the Lok Sabha passed the Taxations Laws (Amendment) Bill, granting tax relief in respect of contributions to the National Defence Fund and investments in Gold Bonds. By suitably amending the Income-tax Act, 1961, and the Wealth Tax Act, 1957, the Bill provides for the exemption of the 6.5 per cent. Gold Bonds, 1977, from tax on capital gains and wealth tax and for tax rebate on contributions made to the N.D.F. It also seeks to relax the provisions regarding deduction of tax at source from the interest paid to individuals resident in India on the Defence Bonds and the Gold Bonds. Replying to the two-hour debate on the Bill, Mrs. Tarkeshwari Sinha, Deputy Finance Minister, disclosed that, up to the end of November, a total of 49.675 tolas of gold valued at Rs. 30 lakhs had been received under the Gold Bonds scheme. Apart from this, Mrs. Sinha stated, the Government had received 22.118 tolas of gold as donations to the N.D.F. up to 3rd December.

Ordinarily, market circles would not have been that ruffled by the issue of Gold Bonds as they were but for the fact that the Bonds were announced to meet the country's defence needs and had, therefore, to succeed. For the success of the Bonds a prerequisite was that the price of gold should decline to around the international level and remain steady thereafter for a sufficiently long-time, so that both hoarders and smugglers lose the incentive in their anti-social activities. Actually, it was not the announcement of Gold Bonds but the fear of quick Government action (which, subsequently, Mr. Morarji Desai did not conceal) to force down the price of gold that really scared marketmen.

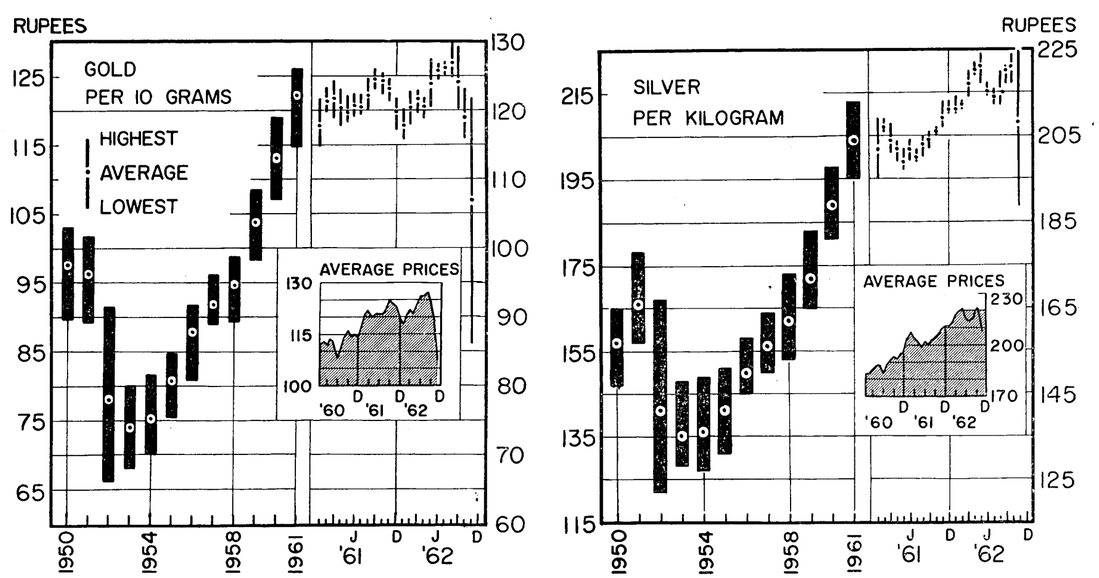
Ban on Gold Futures

Such apprehension found meaning in no time. For on 13th November, that is, ten days after the Finance Minister's broadcast to the nation, the Government announced its decision to ban, with immediate effect, forward trading in gold throughout the country. Accordingly, it issued a notification, under Section 17 of the Forward Contracts Regulation Act, 1952, and ordered the closure, under Section 16 of the said Act, of all outstanding business at the closing prices on 13th November. The Government also rescinded the notification under Section 16 of the said Act, granting official permission to the Bombay Bullion Association Ltd. to conduct futures trading in gold within the limits of Greater Bombay. It may be noted here that, under the Act, only the Bombay market has been granted official recognition. Of course, forward trading in gold was being done in other centres like Delhi and Calcutta, but that was under voluntary regulations. Within two days of banning forward trading in gold, the Government stopped (on 15th November) trading in non-transferable specific delivery contracts as well, under the provisions of Section 18(3) of the Act.

These measures were designed to get rid of all speculative interest in gold. And Mr. Morarji Desai brooked no delay in striking the iron while it was hot. For on 20th November, he told the Consultative Committee of Parliament for his Ministry that the Government would take further steps in a month's time to bring down the price of gold very considerably and that he expected the price to fall consequently below Rs. 70 per tola at which rate it would be unprofitable for smugglers to bring gold into the country. Mr. Desai was said to have significantly added that, in regard to purchases of gold by the people, the ultimate aim of the Government was to fall in line with other countries where private possession of gold in large quantities was not allowed.

The aforesaid measures and the Finance Minister's statement led to a fresh wave of selling in the market and prices continued to decline up to 24th November, when, as noted at the

TRENDS (ANNUAL AND MONTHLY) IN BULLION PRICES (SPOT) IN BOMBAY



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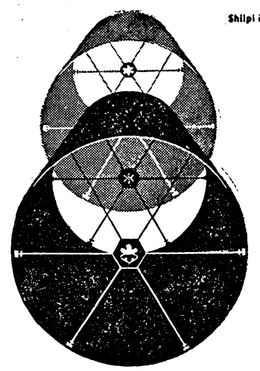

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outset they were at the year's lowest levels. Sentiment was affected further by the Reserve Bank's informal request to banks to call back the advances against bullion. But, subsequently, the market stabilised and rallied on fair-sized short-covering and some renewed upcountry bull support in silver in the wake of a smart recovery in spot gold due to improved offtake and absence of sellers. The rally was impressive (its extent can be seen from the table given earlier) and continuing while this was written, with silver gradually stealing the show thanks to sustained speculative support from a prominent Calcutta operator. Sentiment was influenced by three factors. First, absence of new official measures to bring down gold price and also to mobilise idle gold. Second, fairly good offtake almost matching limited arrivals of gold. And third, the poor response to Gold Bonds.

Trend Before the Slump

The above account sums up the picture of the market at nearly the fag-end of the year—a period which will go down in the history of bullion trading in India as one of the greatly memorable ones. If towards the close of the year the market suffered heavily on almost panicky selling, at the start of the year also it displayed an easy tone as an extension of the weakness noticed near the closing months of 1961, which had gathered considerable momentum in December due to the Goa action leading to fears of large-scale inflow of smuggled gold piled up in the erstwhile Portuguese pocket. By 16th of January, ready gold had sagged from Rs. 119.45 to Rs. 115.85 and the futures (*Fagun*) contract from Rs. 121.10 to Rs. 116.20. But, by the close of January, spot gold rallied up to Rs. 120.30 and forward to Rs. 121. February saw some recovery, with ready rate closing at Rs. 121.75 and forward contract at Rs. 122.25. Thereafter, the tendency was quiet on reports of large arrivals, particularly from Goa. However, the month of May saw considerable activity in gold, and prices firmed up on rising demand in the wake of marriage season and reports of seizure of contraband gold valued at Rs. 3.5 lakhs. Ready gold touched on 22nd May a new all-time peak of Rs. 127.55, as against the previous high of Rs. 126 recorded on 27th September 1961.

The futures section gained strength only in June, when the maturing *Jeth* settlement advanced to Rs. 126.60 on the 15th and the new *Bhadrapad* contract, having commenced at Rs. 122.60 on the 4th, advanced to Rs. 124.10 on the 15th. But due to the seasonal slackening demand, ready gold eased in that month from Rs. 126.80 on the 15th, after having been done at Rs. 124.50 on the 5th, to Rs. 124.90 on the 25th. After presenting a steady front in July, ready gold scaled a new all-time peak of Rs. 129.90 (equivalent to Rs. 151.51 per tola) on 29th August. On that day, the futures section also recorded the year's peak level of Rs. 128.85. The rise in prices was attributed to renewed bull support and short-covering in the wake of the deteriorating situation in Ladakh.

But September saw the first signs of possible official measures against hoarders of gold. On 5th September, the Lok Sabha passed a Bill which brought bullion within the purview of the Industries (Development and Regulation) Act, 1951. Further, on 15th September, the Reserve Bank announced its decision to undertake a study of trading in bullion and of the inflow of contraband gold. These two developments imparted a bearish influence to the market. Ready gold, which had been done at Rs. 129.10 on 1st September, declined to Rs. 118.25 on 3rd October, but steadied up thereafter to Rs. 121.10 on 3rd November. The forward *Margashir* settlement, which had been done at Rs. 123.70 on 24th September after opening at Rs. 122 on 20th September, eased to Rs. 119.05 on 3rd October and further to Rs. 117.86 on 13th October to steady up later to Rs. 120.60 on 3rd November. The subsequent story of the gold market has already been told. It only remains to be recorded here, before we proceed to chronicle the trend of prices in the silver section in 1962, that an important change in the ownership of Kolar gold mines took place on 1st December 1962, when the Centre acquired it from the Government of Mysore by paying a compensation of Rs. 3.5 crores. It may be recalled here that the Mysore Government had nationalised these mines on 30th November 1956 by paying a compensation of Rs. 164 lakhs to Messrs. John Taylor and Company, Ltd., London, and other shareholders.

A feature of 1962 pertaining to the bullion market was the substantial increase in the seizure of contraband gold. The amount of smuggled gold caught by the authorities during the year is placed at 144,520 tolas, valued at Rs. 171.42 lakhs. Out of this quantity, 82,000 tolas, valued at Rs. 100 lakhs, were recovered in three raids by the authorities in Bombay in the second week of November, which was a record for any week.

Silver

Ready silver opened on 2nd January 1962 unchanged from the closing level of Rs. 211.70 on 30th December 1961. It then sagged gradually to Rs. 209.60 on 11th January, and likewise, silver, *Fagun* drifted lower from Rs. 213.30 to Rs. 211.10. From 12th January, silver tended to be steady and improved subsequently, with the ready rate touching a peak of Rs. 213.75 on the 27th January and the *Fagun* settlement recovering to Rs. 215.25. In February, silver moved within a narrow range. But March saw a hectic rise, with the ready rate establishing a new peak of Rs. 219.65 on the 29th. The futures *Jeth* contract, which had opened at Rs. 217.80 on 22nd March, edged forward to Rs. 218.65 on 29th March. Spot silver continued to forge ahead up to 3rd May, when it was done at a high level of Rs. 223.65. But the forward contract, after keeping firm around Rs. 220.30 till the close of third week of April, eased gradually to Rs. 218.15 on 3rd May. Thereafter, due to heavy arrivals, prices declined.

The downward trend continued well up to the close of July, when ready silver was done at Rs. 212 and the forward *Bhadrapad* contract at Rs. 213.05, as against its opening rate of Rs. 215.90 on 20th June. In August, prices improved smartly due to the strength of gold and also because of restricted arrivals. Rounding off the month at Rs. 219.50, silver *Bhadrapad* recorded a net rise of Rs. 6.65. Ready silver advanced by as much as Rs. 7.20 to Rs. 219.25. This spurt was also attributed to a sharp rise in New York silver to 109.25 cents per fine ounce by the middle of August, at which level it had appreciated by 6.50 cents in less than a month.

The upward movement in silver slackened a little in September because of the bearish trend in gold. But the tendency was steady. Following a spurt in New York silver from 113 cents to 120 cents between the second and fourth weeks of September, silver in the local market got fresh strength. From Rs. 217.40 on 3rd October, ready silver rose swiftly to a new all-time peak of Rs. 224.85 on 1st November. The *Margashir* contract likewise advanced from Rs. 218.40 to Rs. 225.55, which was the highest level in the futures section for the year. Prices thereafter slumped as explained at the outset.

Although trading in bullion futures continued to be in the three-monthly contracts introduced on 26th June 1961, the Forward Markets Commission decided to relax the special margins and the permissible free-limit with the start of the *Jeth* settlement on 7th March. The relaxations were: (i) Raising the levels at which margins become applicable from Rs. 115 to Rs. 120 in gold and from Rs. 195 to Rs. 215 in silver, and (ii) raising the exemption limit from 60 kgs. to 120 kgs. in gold and from 320 bars to 650 bars in silver. The rates of margins payable, however, were kept unchanged at Rs. 20 per 10 grams in gold and at Rs. 300 per bar in silver. After these relaxations were announced, there was no change in the margin system.

Silver in Limelight

Since the staggering fall from 3rd November to 24th November, both gold and silver have staged an impressive recovery for reasons already explained. To what extent this recovery will be sustained remains to be seen, for the Government has not abandoned its goal of bringing down the price of gold. However, one feature of the rally is worth noting; and it is that, in the past six weeks, silver has gradually been stealing the show for at least two reasons. First, while forward trading in gold has been abolished, it is being allowed in silver for reasons known only to the Government. Second, if the Government were to announce restrictions on purchases of gold (as is widely expected) and leave silver free from any control, buyers would gradually turn to the white metal. This apart, notwithstanding the fact that bullion prices in India have no relation to the world prices inasmuch as both import and export of precious metals have been banned, the trend in silver prices abroad has continued to influence the trend in India. Since 28th November 1961, when President Kennedy imposed the ban on the sale of "free silver" (that is, silver not required for purposes of backing currency) by the Treasury, silver in New York has advanced from 91.37 cents to 122 cents and in London from 80*d.* to 104*d.*

DEMAND FOR TEA IMPROVES

North Indian Output Falls

CALCUTTA, *7th December*

DECEMBER 1961 was the turning point for the Calcutta tea market. Sales during that month witnessed not only the arrest of the downward trend in prices which the market had been experiencing in the previous months, but there was also a revival in demand and prices actually began to rally and this trend, by and large, has been maintained to date.

Reports of record crop output in the various tea-producing countries had lulled the buyers into a state of complacency about future supplies, and it was only in December that it began to be realised that the anticipated surplus might, after all, be a fallacy. There were two reasons for this reappraisal; the increase in the number of gardens manufacturing C.T.C. teas had resulted in more dusts and less leaf teas being produced. Secondly, the Indian market appeared to have absorbed much more tea than ever before, and when these two factors were realised, there was a complete reversal of buying trend and the prices of most teas on offer started improving.

By the end of December, 65 per cent of the offerings for the season had been sold, but, because of the low price levels which prevailed before December, the export average was only Rs. 4.37 nP per kg., as compared with Rs. 5.40 nP per kg. in 1960. In January 1962 the quality of the offerings also began to improve, as is usual at that time of year, and this stimulated demand further, and the sale average for the month was Rs. 4.37, as compared with Rs. 3.90 in December.

Keen Inquiry

Demand was well sustained in the sales held in February and March and export sales for the season closed on a note of animation with keen inquiry for the exportable teas which was unusual for end-of-season sales.

A feature of the sales held in the 1961 season was the dominant role played by teas of C.T.C. manufacture, particularly in dust sales. The quantity of C.T.C. teas on offer showed a considerable increase, not only because of increased North Indian crop, but also due to the number of gardens going over to this, relatively more lucrative, type of manufacture. Many gardens had also been encouraged to increase the proportion of dust by the remunerative prices realised during the previous season. It was estimated that, as against a crop increase of 12.5 per cent over 1960, production of dust had increased by 32 per cent in 1961. Despite this considerable increase, there was no indication of any redundance of this type of tea in the market and offerings were readily absorbed. In fact, the best liquoring C.T.C. dusts often sold at higher prices than corresponding C.T.C. teas in export sales.

New Season's Sales

Sales of 1962 season production commenced in May with two auctions, comprising mainly offerings from Darjeeling. Inquiry was extremely selective and there were heavy withdrawals from offerings other than the most flavoury types. Teas from other districts met with good support and the plain teas were quoted between Rs. 4 and Rs. 4.30, which was slightly higher than in the closing sales of the 1961 season's teas in March. The season, however, did not quite come into full swing till July, and there were only two small sales in June when good liquoring teas and clean leaf descriptions were keenly competed for. Sales in July consisted of a significant proportion of second flush offerings and these came to a strong market. Some very high prices were paid for the tippiest varieties from Assam as well as stylish flavoury teas from Darjeeling, the highest price for the former being Rs. 7.20 per kg. and a record Rs. 9.40 per kg., for the latter. C.T.C. teas also sold well at prices up to Rs. 9.10 per kg. The plainer teas, however, were comparatively weak and, towards the end of the month, were being quoted below Rs. 4 per kg.

After July, a decline in market levels, commensurate with the decline in quality of offerings, is a usual feature of the Calcutta sales and, although this year the same trend was noticeable, the decline in prices was neither precipitate nor was it applicable to all descriptions. B.O.Ps and O.Fgs. with bright liquors, for instance, were strong features.

Russian Buying

Weekly leaf offerings in September were consistent at 70,000 packages and, although quality continued to show a progressive decline, bright liquoring teas sold readily, while tippy teas were keenly sought after by the Iranian buyers; support from the U.S.S.R. was also particularly active. The latter country has been a dominant buyer from the beginning of the season and its operations on the Calcutta market once again contributed, to no small extent, to the increase in offerings from Darjeeling, as well as orthodox descriptions from other districts.

C.T.C. offerings came in for keen competition throughout the month and plain orthodox descriptions were also a strong feature. Although prices tended to be easier during the latter half of the month, they were still above the closing levels of August.

The annual *Puja* break sale took place in the second week of October but, nevertheless, it was possible to hold four sales during the month. Demand which had slightly slackened during the latter half of September revived in October and there was strong and general inquiry and the majority of teas were readily absorbed. Out-markets operated actively and, in the last sale of the month, strong support was forthcoming from the U.A.R. for orange fannings and exportable fannings grades. C.T.C. descriptions also appreciated steadily and, at the end of September, prices were Re. 1.50 above corresponding rates a year ago.

Output Declines

During October, several significant factors made their mark on the tea market. First, production in North India has been lagging behind last year's figures and the crop to the end of September showed a shortfall of 9.2 million kg., while the world crop had shown only a negligible increase over last year. There were, therefore, indications that the world output was not keeping pace with the increasing world absorption. This was to have a bullish effect on the market. Secondly, the strike* by the crew of the Joint Steamer Companies in East Pakistan, which began during the second week of October not only resulted in about 100,000 chests being held up in Barisal in East Pakistan and 400,000 packages up-river at Dhubri in Assam, but also brought about a virtual stoppage in the arrivals of teas by river in Calcutta. The vital consequences of this stoppage stem from the fact that 60 per cent of the North Indian crop arriving in Calcutta is transported by river.*

Impact of Chinese Aggression

The strike inevitably caused shortage of spot teas in Calcutta and this had the effect of strengthening demand. This situation was aggravated by the exigencies created by the Chinese aggression. Although its total repercussions on the industry cannot be as-

(*Continued on page 202*)

Trend of Tea Prices

	1962-63				1961-62			
	Leaf		Dust		Leaf		Dust	
	Thousand kg.	Rs. (avg.) per kg.	Thousand kg.	Rs. (avg.) per kg.	Thousand kg.	Rs. (avg.) per kg.	Thousand kg.	Rs. (avg.) per kg.
Assam ..	26,481	6.11	14,266	5.27	30,166	5.11	11,362	5.19
Cachar ..	5,251	4.32	1,468	4.19	5,696	4.08	1,461	4.03
Darjeeling ..	6,748	7.60	242	4.73	6,216	6.64	218	4.85
Doars ..	17,407	4.71	5,805	4.39	18,099	4.41	5,148	4.36
Terai ..	3,444	4.68	328	4.13	2,866	4.38	327	4.10
Tripura ..	776	4.06	83	3.66	899	4.11	95	3.93
Green tea ..	34	5.88	..	..	29	6.04	..	..
Total ..	60,144	5.61	22,193	4.94	63,975	4.92	18,614	4.84

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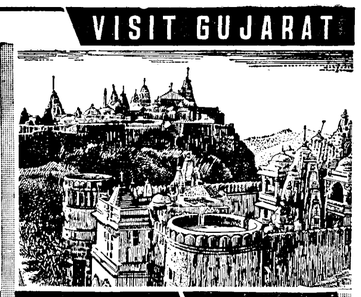

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A mile to the south of Palitana, is the hill of SHETRUNJAYA, the most sacred of the five hills of the Jains.

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JUTE GOODS PRICES DECLINE

CALCUTTA, 10th December

A PARTICULARLY remarkable feature in jute goods during the year 1962 was the absence of wide fluctuations in prices, which not only led to greater demand for export and internal needs but also enabled mills to begin a phase of maximum production, thereby fully justifying the bumper fibre crop of the season. It was, however, unfortunate that the proportion of the higher grade crop declined, with the result that the mills could not produce hessian and specialities in the quantities desired. Against such a state of affairs, the monthly output of heavy goods was often more than demand, a trend which was conspicuously in evidence for four months from June to September. Stocks of heavy goods with mills, as a consequence, increased. There was, of course, a fall in stocks in October, but the fall was due to an impressive fall in output following shorter working month. In addition to buffer stocks, the mills always carried fibre for four to five months' consumption. They were, therefore, put to financial strain, besides storage difficulties. The prices of lower grade fibre declined by about three points below the I.J.M.A. minimum level of Rs. 30 a maund basis Assam bottoms. The decline was sharper in mofussil areas, despite continued purchases by mills.

The trade urged the Government to allow exports of lower qualities, but this was of no avail, as there was the apprehension that any such step would upset the market. It should also be pointed out that there has hardly been any demand overseas for such of the qualities India can spare. The small export quota for last year's lower grade fibre remained mostly unfulfilled. Both buffer stock purchases and mills' own offtake failed to arrest the falling price trend, but mills put it that, considering the handsome premium which the better grades were commanding, on an average, the lower as well as higher qualities realised minimum levels. The Government, however, was not impressed by this argument, and its anxiety to arrest the falling prices culminated in the Jute Commissioner's directive to mills to purchase at least a million bales in November. The mills protested against this order and stated that this kind of interference with their working was not desirable. They also pointed to the difficulties arising from shortage of transport facilities, made more acute as a result of the priority needs of Government. Before November ended, the mills' purchases far exceeded this quota. All the same, the declining price trend continued, as arrivals far exceeded demand. The State Trading Corporation stepped in and purchased about 40,000 maunds in the last week of November. It was announced that the S.T.C. would continue to buy in areas where prices had fallen, as it had secured storage space at Calcutta for about 500,000 bales. The Government also announced the proposal to set up a central warehousing corporation for the storage of jute and tea in an attempt, as claimed by the Union Deputy Food Minister, Mr. A. M. Thomas, to "revolutionise" the marketing of these commodities.

Quality of Fibre

Despite these measures, the prices of lower quality fibre continued to be below minimum levels, and the mills called for urgent measures to improve the quality of the next crop. Having regard to the fact that, in the not distant past, the problem for cultivators was to dispose of good quality fibre and increase the output of lower quality, the mills claimed that an improvement in quality was possible. It was apprehended that, if, in the face of several price support schemes, cultivators succeeded in getting a good profit in the disposal of the lower quality fibre, there would be little incentive for them to improve the strains for the next crop. The mills also emphasised that, in view of the higher crop, it was time to consider whether last year's minimum levels should remain unchanged.

The year began with good demand for jute goods, accelerated by Goan developments. Prices moved up to levels so satisfactory as to make simultaneous business in goods and fibre profitable after a lapse of several months. The mills celebrated this event by raising production with the unsealing of 2½ per cent of looms as from January. Already, 2½ per cent looms had been unsealed as from 13th November 1961. Now, there remained idle only 7 per cent looms which were also unsealed from 15th January, as the mills felt that demand could not be fully met without maximising production. Further, it was recognised that prices must be prevented from rising in order not to discourage the foreign consumer. Early in January, hessian 40" 10 oz. was fully firm at Rs. 60.50 and B. twills at Rs. 133.25. Fibre was also firm, as, with the decision of mills to raise output, it was apparent that the mills' input would increase. At the same time, anxious to maintain fibre prices at the I.J.M.A. minimum levels, the Government set up a buffer stock agency. The I.J.M.A. inaugurated a system of issue of weekly purchase quotas to mills, as it was realised that, with sowing time near at hand, prices must be kept firm.

With steady support from the U.S.A. and Argentina, the goods market was so poised that, as a step to check the upward trend, transactions in February 1962 futures contracts were prohibited from 20th February. This ban pushed down hessian 40" 10 oz. to Rs. 56.35 and B. twills to Rs. 125.50. There was anxiety among all concerned that, if prices did not decline, there might be diversion of overseas demand. In March, overseas demand for goods strengthened further, and the mills stated that their capacity for greater production was limited only by their restricted spinning capacity. It was also clear that the process of transfer of looms from sacking to hessian must stop. The loss of a Burmese tender for B. twills to Pakistan mills, whose quotation was Rs. 3 lower than the Indian offer, underlined the need for greater production of heavy goods in circumstances of declining marginal costs of production. The price support scheme introduced by the I.J.M.A. was quite satisfactory and it received the approbation of the Union Commerce Minister who was pleased to report to Parliament in mid-March that June-delivery of Assam bottoms was quoting at Rs. 32 a maund, that is, Rs. 2 higher than the minimum level.

Buffer Stock Purchases

In April, the first quota of 50,000 bales for buffer stock purchases was announced. Member-mills of the Buffer Stock Association were advised to purchase the lower grades at the minimum levels. In active support, B. twills were raised to Rs. 135.25, but the levy of excise duty at Rs. 250 a tonne on hessian and at Rs. 125 a tonne on other constructions for indigenous consumption, which work out to Rs. 6.50 per 100 yards and Rs. 13 per 100 bags, respectively, was a factor which imparted sobriety and pushed down B. twills to Rs. 123.80 and hessian 40" 10 oz. to Rs. 49.84 by the end of April. At this time, the B.S.A. met and announced the decision to buy a fresh quantity of 75,000 bales, thereby raising its stocks to 125.000 bales. The virtual closure of the Calcutta port as a result of the strike launched by the Hooghly pilots cooled down sentiment in goods in the beginning of May, but, after the strike was over, the revelation of depleted stocks with mills as at the end of April led to a rapid recovery and, by the end of May, hessian 40" 10 oz. had steadied up to Rs. 57, with B. twills being firmer at Rs. 125.50. The B.S.A. announced as fresh quota of 250.000 bales each twice in May, thus raising the buffer to 750.000 bales. At the same time, the Government of India doubled the export quota for low quality old fibre to 200,000 bales. The Government proposed that the minimum prices basis Rs. 30 a maund Assam bottoms should also be ensured to the new crop. The mills urged relief in this regard by pointing out that their cost of production was Rs. 300 a ton higher than in Pakistan and that cost of production of cultivation should be re-examined before fixing minimum prices for the new crop. This was in June, when, as a result of inactivity in the market fibre, prices had fallen below the minimum levels by 50 nP a maund. However, towards the end of June, reports of floods from Assam and West Bengal jute districts erased this decline. Demand for goods was maintained on an even keel and the news that the monthly average burlap consumption in the U.S. rose to 77 million lbs. in the first five months of 1962, from 57 million yards in the corresponding period last year and 65 million yards in the whole of 1961, was encouragingly noted.

News of foreign exchange difficulties in Argentina—that country is a good customer of hessian—and difficulties arising from customs formalities in regard to verifying rates in shipping bills reduced business during the major part of July, but, towards the end of the month, lower levels attracted buying support for hessian from the U.S. and sacking from Cuba. The recovery in prices of goods during August was maintained, hessian 40" 10 oz. rising gradually from Rs. 53.10 to Rs. 55. But sacking goods were dull, as higher stocks with mills caused anxiety. After the earlier reports of damage to crop on floods, arrivals of new crop were substantial, causing dullness to prices. The quality of the new crop showed a marked decline and, as this feature continued in September, it was clear that the crop fit for manufacture of hessian had declined to increase the harvest of the inferior fibre. In September, modest interest was maintained in goods and Government measures to stop delays in shipments as a result of time required for customs authorities to verify prices helped to revive confidence among foreign buyers, notably in the U.S.

Raw Jute Recovers

As a result of increased fibre arrivals, prices of inferior fibre declined further in October, and this caused anxiety to both Government and mills. However, the premium for only higher grades hardened. With a further increase in stocks of heavy goods, prices of these constructions had moved down below cost of production level; however, in the wake of open aggression by China on India, overseas interests resumed showing greater interest, and prices soon recovered to such levels as mills found simultaneous business in goods and fibre profitable after a lapse of a long period. At the same time, the U.S.A. increased its tempo of buying, which was attributed partly to replenishment needs and partly to stockpiling as a result of swift changes in the international political situation following developments in Cuba. The U.S.S.R. also turned out to be a substantial buyer. Hessian 40" 10 oz. gained from Rs. 54.75 to Rs. 57.60 and, in sympathy, B. twills also put on a better showing at Rs. 119, as against Rs. 115.75. This was towards the end of October. Conditions were steady during November, and the announcement of a decline in stocks of goods added to interest. However, foreign buyers were not inclined to follow the uptrend, and the trade realised that, in order to maintain a sustained level of business, prices should not move further. The Union International Trade Minister's indication that exports of jute goods and fibre were expected to yield a record sum of Rs. 150 crores this year was shared by the trade, inasmuch as there were reports that the Pakistan mills were unable to meet foreign demand in full, and the order books of Dundee mills were full up to the end of March 1963. Early in November, hessian 40" 10 oz. rose to as high as Rs. 59.10 and B. twills to Rs. 121.15; these rates could not be sustained, as follow-up support from overseas was lacking. Thus, by the beginning of December, B. twills had eased to Rs. 118.15 and hessian 40" 10 oz. to Rs. 56.75. Fibre prices, despite a series of price support schemes, including the release of a fresh quota of 250,000 bales for purchase by the Buffer Stock Association and the commencement of buying by the State Trading Corporation, continued to be below minimum levels in respect of the poorer quality. After completion of this quota, the total in buffer stock would stand at 875.000 bales. It was felt that, with mills having adequate stocks of inferior fibre and demand for sacking not showing any remarkable upward trend, it would be a problem for the buffer stock agency as well as the S.T.C. to dispose of their holdings in the future. In the circumstances the solution lay only in sustained attempts to improve the quality of the next crop. Early in December, fibre prices improved by Re. 1 a maund from from their lowest levels, following the decision of mills to purchase about 200,000 bales of Assam jute.

Jute and Jute Goods Prices

	Rate on 29-12-1961	Lowest rate	Highest rate	Rate on 8-12-1962	Net loss
Jute goods	Rs.	Rs.	Rs.	Rs.	Rs.
Hessian 40" 10 oz. (per 100 yards)	59.50	50.00	64.50	54.30	−5.20
B. Twills (per 100 bags) ..	135.25	113.85	137.25	118.80	−6.45
Raw jute (per maund):					
Northern bottoms	30.00	29.50	32.50	29.50	−0.50
Assam bottoms	30.00	30.00	33.00	30.00	Nil
Daisee bottoms	33.00	32.00	36.00	32.00	−1.00

DEVELOPMENT PLANNING IN LATIN AMERICA

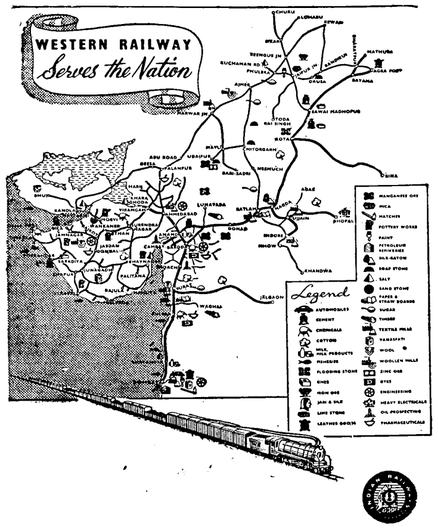
(*Concluded from page 52*)

and population. However, it is well to remember that South America is quite urbanised, so that it even now presents a market which is not too dissimilar from that of Europe and the United States. During the early stages of the Alliance, there will be heavy concentration, on the part of the Plans, to build industries which replace imports, with the result that it may be difficult to expand trade with Latin America. But, as the economies progress, there will be increasing attempts to expand international trade through the development of exports, first within the Latin American Free Trade Area, and then eventually to the entire world.

It would appear that India can contribute to the development of Latin America by trying to give technical assistance in the field of economic and social development, particularly with respect to national and regional planning and the institution building which must be associated with Plan implementation. At the present time, there is too much tendency to consider that a Plan is completed when it has been published in a book and it has been reviewed by an international finance agency or the Panel of the Nine. India has been building up the institutional framework to make the Plan operate. For example, the Latin American countries are struggling with the problem community development and bringing the benefits of economic growth to the rural sections of the country. Technical assistance from the Community Development programmes of India would be welcomed by many of the Latin American countries. Advice on how to strengthen the planning process with respect to the tools used by the Indian Planning Commission to enforce the Plan and to make it a living operation would be welcome.

The manner in which the planning system is co-ordinated at the national and State and local levels will be of particular help to Latin American political leaders and technical planners. Reviews of the substantive problems which were encountered during the course of each plan period would be extremely helpful. The method of progress reporting and control over the Plan implementation used in India will be of special interest to the planners of Latin America once they have their plans introduced as working guides for development and financing. Even the statistical system utilised by India which has been increasingly directed to assist economic development planning and decision-making should be studied by Latin Americans.

At the same time, one may expect the Latin American leaders and planners to develop ideas and institutions which will be of particular value to India. Thus, it is quite likely that the Colombian Institute for Agrarian Reform will develop programmes which will be of value to Indian agriculture. Even now, the initial steps being taken to mobilise private savings for housing through the establishment of Savings and Loan Associations in Latin America may be of help in India.



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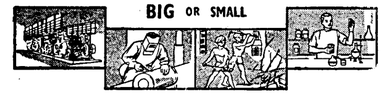

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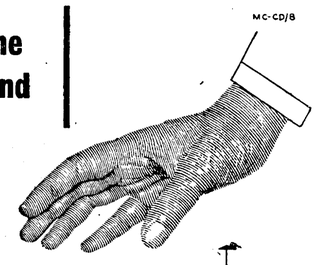

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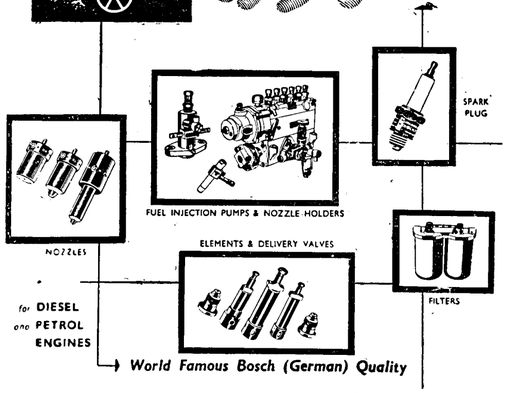

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SHORTAGE OF BASE METALS PERSISTS

Copper, Tin And Lead Rise, While Zinc Falls

CALCUTTA, 10*th December*

A MARKED increase in demand under the impetus of greater needs of non-ferrous castings by machine-building industries, of semi-manufactures such as brass and copper rods, tubes, wires, sections, flats, sheets and plates by the engineering industry, and of electrical cables for various projects, including railway electrification and rural schemes, was the outstanding feature noted in the non-ferrous metals markets during 1962. However, pressed by the insufficiency of foreign exchange, the Government could not provide for increased imports of metals. Thanks to inadequacy of raw materials, manufacturers failed to raise output by utilising their capacity fully, and even one-shift working had on occasions to be restricted. Against this background, the issue of industrial licences to set up more plants based on non-ferrous metals was criticised by the industry. In accordance with the Government's desire, cable plants made a beginning to switch over to aluminium; but this did not lead to greater copper supplies to other plants. The Development Council for Non-ferrous Metals placed annual requirements of copper and zinc at 85,000 tons each, lead at 35,000 tons and tin at 7,000 tons. Although the availability of led is satisfactory, imports of copper, zinc and tin during the year were running 28,000, 14,000 and 2,000 tons, respectively, below the estimated requirements.

Import Policy

The import policy, announced on 31st March 1962, belied the earlier expectations of liberal metal quotas. The issue of import licences for the year as a whole was not of any practical value, inasmuch as only half of the licences was required to be used in the first six months. With the deterioration in foreign exchange position, the import policy for the October 1962-March 1963 period was postponed pending the Finance Minister's reassessment of the foreign exchange situation in the light of promises held out during his foreign tour. It was at this time that the Chinese began open hostilities against India, delaying further the formulation of import policy. However, with liberal U.S. assistance, India could get supplies of metals, and these contributed in no small measure to keep plants running.

Excise Duty

The imposition of excise duty on copper ingots and electric wires and cables was a feature of the April budget and this, coupled with administrative costs for submission of returns and maintenance of the stipulated excise records, raised the cost of production. The industry's plea for abolishing excise duty (imposed last year) on copper and copper alloys manufactures, which was based on the ground that the duty on an industry while it is receiving protection was against the recommendations of the former Tariff Board (1948), was rejected by the Government. Only recently, the Government announced the continuation of protection granted to copper pipes and tubes, brass pipes and tubes, extruded copper rods other than electrolytic copper rods and extruded brass rods. Extruded copper and brass sections and highly polished zinc sheets also benefit the extension of protection. The authorities also rejected the industry's earnest appeal to transform the *ad valorem* duty on tubes and pipes into a specific duty if only to reduce clerical work. The industry urged that ambiguity in excise rules should be removed and that duty should be imposed on primary metals or on manufactures, but not on both as at present. Effective from 29th November, the Government banned forward trading in copper, zinc, lead and tin. Non-transferable specific delivery contracts for the sale or purchase of these metals was excluded from this ban. The ban was aimed at reducing the volume of trading and thus preventing any rise in prices on this account. At the same time, the Government announced that it was proposed to set up a second State Trading Corporation to handle the exports of iron ore, manganese ore, non-ferrous metals, ilmenite and other metals.

The accompanying table briefly gives the course of price movements of the principal metals at Calcutta and other important trading centres.

Copper

The delay in the imports of virgin copper against permits and the possibility of a strike in U.S. mines which raised the London price from £229½ a ton to £234 despite comfortable warehouse stocks and reports of a 5 per cent rise to 1,136,000 tons in U.S. copper output in 1961, led to steady demand for copper scrap at Calcutta even early in January, when berry scrap gained from Rs. 522.50 per quintal to Rs. 549.25. In February, the price staged a decline to Rs. 544.25 on expectations of increased foreign aid facilitating more imports on non-ferrous metals, following the Washington meeting of the Aid India Club at the end of January, and due to satisfactory arrivals of virgin metals. The London price rose to £236½ early in February, as the situation in the Congo did not enhance the hope of an early return to normalcy, and there was the apprehension of a strike in Northern Rhodesia. The news of the sanction of a U.S. non-project loan of $100 million for import of industrial raw materials, including non-ferrous metals, and the Union Commerce Minister's indication of no reduction in essential imports subdued sentiment in March, when berry scrap sagged further to Rs. 541. Another factor was that the L.M.E. quotation eased to £234, due to subdued consumer demand. In April, after earlier weakness, berry scrap spurted to Rs. 572. It was clarified that the requirement of licence-holders to get their import licences endorsed after using the first half would not be applicable to D.L.F. licences. Conditions were mixed in May; while in London spot copper firmed up to £234½, in Calcutta berry scrap, after being higher at Rs. 576 stimulated by the strike of the Hooghly pilots, eased to Rs. 570.50 following the resumption of work by pilots, and accumulated arrivals awaiting at the Sandheads on the mouth of the Hooghly began reaching the port.

The Government's decision to cut imports by 20 per cent heightened activity in June and hardened the price trend, berry scrap rising to Rs. 589.50, but soon there was the announcement of another non-project U.S. loan of $200 million for importing raw materials including metals. In July, the price was fully firmed following the absence of any news with regard to actual user licences beyond September. In London, the price was unchanged at £234, despite clear indications of surplus production and the U.S. desire to release a substantial quantity from the strategic stockpiles. There were indications of success of India's efforts to get adequate foreign aid in August, but the Finance Minister soon declared that import relaxation, if any, would be only marginal. Berry scrap rose to Rs. 616.25. The Commerce Minister, however, indicated that the October 1962-March 1963 import policy would see more restrictions. There was also the bullish news that the cut in copper production in the U.S.A., Chile and Rhodesia had erased the world surplus. This led to the L.M.E. rate being firm at £234. The grave news over Cuba raised the London cash rate in October to £235¾. At Calcutta, the further postponement of the import policy and the increased import needs of the Army pushed up clean wire scrap to Rs. 604.75. With the staving off of an international crisis over Cuba, the L.M.E. quotation returned to £234 in November. As the month of November progressed, conditions at Calcutta eased and utensil scrap touched a low of Rs. 482 towards the end of the month. This reflected the anxiety arising from the border situation.

Tin

Tin was very often in the news. The U.S. decision to release 50,000 tons from its strategic stocks pushed down the London price of £946 to a low of £845. However, early in the year, apprehensions that output was falling much below demand pushed the L.M.E. rate to £940 and, in recognition of the representation from producing countries with regard to increased output costs and the provision of incentive to work abandoned and marginal mines, the International Tin Council raised the floor and ceiling prices from £730 and £880 a ton to £790 and £965, respectively. Soon, the Buffer Stock Manager exhausted his stocks and he could not prevent the price from rising further. The London rate swiftly moved up to touch a high of £970¼. The U.S. decision for weekly releases of 300 tons—later revised to 200 tons, of which 40 tons would be against Government needs and 160 tons against commercial needs—and Washington's rejection to accept the I.T.C's advice as to the price at which release bids should be accepted pushed down the rate rapidly to £845, that is, £35 below the floor. However, the Buffer Stock Manager made sizable purchases, as he was provided with £14 million to build up his stocks. This was in September. Since then, the London price has registered a rapid recovery and, by the end of November, it had gained to £871. In India, acute scarcity of tin led to a rapid rise in price, which reached a high of Rs. 2,660 a quintal, as against Rs. 1,570.75 early in the year.

Electrolytic Zinc and Lead

The price of zinc closely followed that of copper. However, there were occasions when the upward trend was arrested, as the alloy-makers, being unable to procure sufficient copper, were indifferent to the zinc market. In London, the price at one time was as low as £63¾ a ton, as against £71¾ early in the year, as it was becoming clear that world supplies were far in excess of demand and there was no prospect of any move for international control of production. Immediately thereafter, however, it was announced that the six European countries and Japan, Spain and the U.S.A. had decided on a cut in production and, following this, the price in London began to recover. It was also recognised that lead was in excess of demand and that explained why the L.M.E. rate could not move farther than £62½, as against 1961 closing of £60¼. A low of £50 was touched in the year, but, since then, a small recovery set in to improve the rate to £55⅞ by the end of November. At Calcutta, active demand pushed up both zinc and lead to Rs. 321 and Rs. 160, respectively, as against the 1961 closing of Rs. 200.75 and Rs. 123 per 100 kgs., but, since these levels could not be maintained for long, prices receded to Rs. 255 and Rs. 141, respectively.

Trend of Metal Prices

	Rates as on 29-12-1961	Lowest	Highest	Rates as on 7-12-1962	Net rise (+) or loss (—)
Calcutta (Rs. per quintal)					
Utensil copper scrap ..	471.50	482.00	568.00	509.00	+ 37.50
Malayan tin	1,570.75	1,561.00	2,660.00	2,660.00	+ 1,089.25
Electrolytic zinc	263.75	200.75	321.00	260.00	— 3.75
Lead	128.00	123.00	160.00	142.00	+ 14.00
Bombay (Rs. per quintal)					
Tin	1,630.00	1,580.00	2,800.00	2,650.00	+ 1,020.00
Electrolytic zinc	268.00	210.00	298.00	236.00	— 32.00
Lead	137.00	133.00	164.00	163.00	+ 26.00
London Metal Exchange (£ per ton)					
Copper	229½	228	236¾	234	+ 4½
Zinc	71⅞	63¼	71½	68	— 3⅞
Lead	60¼	50	62⅜	55½	— 5
Tin	946	845	970½	866	— 80
New York Commodity Exchange (cents per lb.)					
Copper	29.93	27.95	30.99	28.45	— 1.48
Zinc	10.93	9.00	11.13	10.65	— 0.28
Lead	9.27	8.10	9.22	8.98	— 0.29

TEA MARKET

(*Concluded from page* 198)

sessed as yet, it has doubtless created a feeling of uncertainty about the regularity of future supplies. Apart from this, there have been reports of the early advent of cold weather in North India and production figures up to the 15th of November show a shortfall of 10.5 million kg., as compared with the same period last year.

The combination of these factors ensured a strong market during the first two weeks of November. In the third sale of the month, there were signs of resistance from out-markets for the better orthodox descriptions. Meanwhile, arrivals of teas by rail in Calcutta were surprisingly good and it has been possible to schedule regular auctions, although on a reduced scale, of 50,000 to 55,000 chests leaf (as against the normal 70,000 chests) during December. There is an adequate quantity of dust teas in Calcutta to have normal weekly dust sales of 30,000 chests till the middle of January. There are also reports of alternative arrangements being made and special wagons being allotted for the transport of teas held up in Assam. This helped to relieve the buyers of a great deal of anxiety, and, in the third week of November, demand for better orthodox descriptions (which had risen more than the other varieties) was weaker and withdrawals of medium B.O.Ps were heavy. This decline in prices extended to plain orthodox descriptions in the last week of the month, while in the first sale held in December, demand was palpably less and most descriptions eased by up to 40 nP, many of the more expensive teas from Darjeeling and orthodox Assam selling as much as 1 to 2 rupees below previous rates.

Given on page 198 is a table showing the price averages of leaf and dust teas from various districts at the beginning of December, as compared with the corresponding figures a year ago along with the quantities sold.

Taxes

With a view to encouraging export of tea, the Union Finance Minister announced the following changes in the taxation on tea when he presented the Budget for 1962-63 on 23rd April, 1962.

	Previous zones	New zones	Previous rates per kg.	New rates per kg.
Excise duty ..	I	I	10 nP.	15 nP.
	II	II	15 nP.	25 nP.
	III (N. India)	III	25 nP.	30 nP
	IIIA (S. India)	IV	25 nP	35 nP
	IIIB	V	35 nP	45 nP
Export duty..	..	..	44 nP	25 nP

The excise duty was also made refundable at the point of export to the extent of 15 nP per kg.

The other taxes and State Government levies which remain unchanged are:—

Package tea	40 nP per kg.
Tea cess	Rs. 4.40 per quintal.
West Bengal octroi ..	Rs. 6.25 per .4535924 kg. or per lb.
*Assam carriage tax ..	15 nP per kg.

*The Carriage Tax (Revalidation) Act expired on 31st March 1962.

Consequent on the abolishment of the export quota system in November 1961, teas are, from the beginning of the 1962 season, being catalogued in three different sections, namely leaf, dust and supplement, in place of the previous system of grouping offerings separately for export (covered with quota rights), internal consumption, dust and supplement.

Exports

The export position of North Indian tea has been particularly encouraging and 4.3 million kg. more tea have been shipped to the U.K. alone during the period January-October, while the other out-markets have absorbed 2.2 million kg. more than last year.

There are no indications at present of the world supply outstripping increasing world absorption of tea and demand in the coming months is expected to continue on an active note.

*It was reported on the 5th of December that the strike by the crew of the Joint Steamer Company in East Pakistan has been called off and this news has been received with a considerable amount of relief both by the producers and the buyers. Teas which were held up at Barisal in East Pakistan are expected to begin arriving in Calcutta during the second week of this month, while it may take further two weeks or more for those steamers which were held up at Dhubri in Assam to reach Calcutta.

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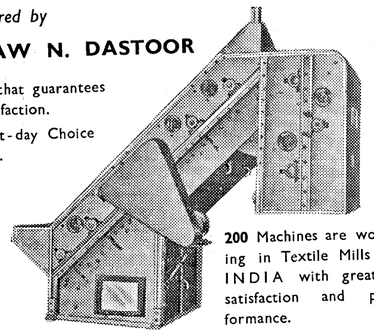

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HIDES AND SKINS EXPORTS FALL

Substitutes Make Heavy Inroads

MADRAS, *5th December*

THE spotlight in India for some time past has been particularly on the European Common Market and especially on the unprovoked Chinese aggression in the North and North-East. As our Prime Minister has put it, "we should build up our basic strength...and the third Five-year Plan is vital not only for the nation's economy but also for the war." Tanners and exporters of hides and skins in the country have not lagged behind in implementing this direction.

India abounds in the basic materials needed for the tanning industry. In the South, the industry has been developed on a large scale through cottage units which are dispersed over several districts and depend largely on manual labour. Tanners have, however, been slowly installing labour-saving machinery in their factories and keeping their production in step with the growing needs of the export market.

The tanned hides and skins industry has been an important earner of foreign exchange. In 1961, the export earnings from Madras port amounted to about Rs. 23.4 crores and were slightly higher than in 1960. There was a fall in exports of cow hides and sheep skins, which was offset by increases in those of cow calf, buff calf and goat skins. During 1962, there was a distinct setback in the volume of shipments in most of the sections of the trade, the only redeeming features being the export of cow calf and buff calf to the U.K., cow calf to the Continent and goat skins to the U.S.A. The larger trade in the calf section is attributable to the smaller offerings from other countries. Tanners have been able to interest importers in the East European countries and the U.S.S.R. in semi-tanned chrome and pickled goat skins, which no doubt can develop into regular trading merchandise, once the dressers overseas find their purchases profitable. India has reached a stage when it can ill afford to lose any export market in view of her balance of payments difficulties. The position has been further aggravated by the sudden Chinese aggression.

Britain and E.C.M.

In this context, it is unfortunate that since 1959 there has been a steady downward trend in the volume of exports to the United Kingdom, which is a dependable friend of India. The U.K. has been India's traditional export market and its preferential tariffs for the Commonwealth products have been greatly beneficial. The U.K.'s joining the European Common Market appears to be a certainty, as it will further her interest to a great extent. A small section in the U.K. is against this move because its repercussions can affect the solidarity of the Commonwealth. But the protagonists argue that Britain's entry into the Common Market will be beneficial to India as well because that country will exert a moderating influence on the other members and give liberal aid to India, as its export trade will increase substantially. It is a matter of gratification that the Lord Privy Seal told the House of Commons recently that individual arrangements were being negotiated with the E.C.M. countries for India, Pakistan and Ceylon which might be termed a package of comprehensive trade agreements to safeguard the trade of those three countries not only with the U.K. but also the whole enlarged Community. The countries of the E.C.C. are important as both importers and exporters of leather; and their total imports of raw hides and skins last year were estimated at £101 million.

Main Trends Same

The characteristics of India's hides and skins industry and trade remained unchanged this year. There was a steady demand for the recognised standards and superior tannages, but E.I. tanners were unable to take advantage of the call and did not make reasonable profits to compensate for the risks involved in the industry. The exceptional strength in the raw stock centres, transport bottlenecks, non-availability of sufficient raw goods of good quality at economic prices, and the keen competition of North Indian tanners prevented the Madras tanners from maintaining the 1961 volume of exports during the year under review. Rise in food prices led to wage increases which affected production charges and the competitiveness in the export market. Besides, in the U.K., bigger firms continued to give way slowly to smaller units, as the latter snatched away the available business from the curriers by cutting to the bone their remuneration in the transaction. This price-cutting was a regular feature during the year under review to the chagrin of the well-established old importing houses in the U.K. Leather dressers, on the other hand, found prices in Madras unremunerative and out of parity with world prices. Rubber, synthetics and leather substitutes made, therefore, serious inroads in the kips trade. All this resulted in restricted turnover for the E.I. tanners during 1962.

During the first half of 1962, shipments of tanned hides and calves were lower by 10 per cent than in January-June 1961. There was a decline of 25 per cent in the export of cow hides to the U.K. which was partly made up by increases of 40 per cent in cow calf and 70 per cent in buff calf to the U.K., and 35 per cent in cow hides and calf to the Continent. One of the factors affecting the export of kips was the growing demand for lower selections for footwear and for the manufacture of industrial leather for internal consumption. Tanners' output was less during the second half of 1962. There was a definite decrease in the volume of exports to all destinations, with the exceptions of tanned cow hides shipped to the U.K., sheep skins to the Continent and chrome tanned and pickled goat skins worth Rs. 50 lakhs to the U.S.S.R. and other East European countries.

The average monthly quantities shipped (in bales of 600 lbs. each) were:

	1959	1960	1961	1962*
Tanned hides and calves (cow and buff) to U.K. ..	3,697	3,061	2,992	2,773
Tanned cow hides and calves to Continent ..	188	179	120	184
Tanned buff calf to Continent ..	67	79	69	34
Tanned buff hides and calves to U.S.A. ..	299	129	263	176

* January-November.

Bark Tanned Cow Hides. Tanners have had a pretty difficult year. Demand for ordinary tannages was poor, and prices were on the decline, and tanners were not able to cover the replacement cost in view of the strength in the raw market. Preference for good tannages and marks from the U.K. showed no dimunition and importers' resistance to prices at origin was great but Madras tanners of superior standards were strong holders and held firm to their limits. During the first ten months of the year, prices fluctuated within a narrow compass and the superior tannages maintained the levels current during the second half of 1961. Only towards the close of the year, prices spurted over the January levels. British importers were mostly interested in light-weights, with emphasis on lower ends. They also took lower selections in medium-weights in F.A.Q. marks on account of favourable prices. Other weights in ordinary tannages were in disfavour; but fortunately, East European countries bought important quantities of light and heavy weights at full prices during the first half of 1962, and this helped the tanners to a great extent to clear their surplus stocks after meeting demand from the U.K. While about 300 bales were sold to East European countries in 1961, 700 bales were shipped to them during the first half of 1962. During November/December, there was good internal demand for heavy-weight kips for military purposes. Export of cow inferior fifths to the U.K. decreased appreciably because there was a good internal market in India at 5 to 10 per cent above importers' price ideas.

Cow Calf. There was steady trading all round the year at unchanged prices. Top marks and heavier averages were in good demand. Despite attractive prices being offered during November 1962, sellers were reserved, as the tanners had been making sales regularly without allowing stocks to accumulate. Shipments to the U.K. were 30 per cent higher and to the Continent 50 per cent higher than in 1961.

Tanned Buff Hides. Production was small and uneconomical for the tanners and was taken up mostly by inland trade. Demand from the U.K. was small, because the product could not be used profitably for the moulded shoe process. Export to the U.S.A. during the first half of 1962 was 45 per cent of what was shipped during the same period in 1961. Prices slowly declined month by month, and the November level showed a decline of 15 per cent over that in January.

Buff Calf. Production of buff calf was larger. Shipments to the U.K. during the first half of 1962 exceeded the total shipments during June-December 1961 and was 70 per cent more than in January-June 1961. The Continent took half the quantity of its imports during the same period in the previous year, while America's share was 90 per cent of the previous year. Top marks were in the limelight. Prices advanced 5 per cent during the middle of the year but sagged to the January levels during September-October to advance 10 per cent during November. Buyers in the U.S.A., who were generally taking 2/2½ lbs. average, preferred to purchase heavier averages during the year, probably due to their getting 2/2¼ lbs. average from Pakistan at lower levels. This accounts to some extent for the lower offtake on American account. Pakistan has been an active competitor in the U.K. market as well.

Tanned Skins. The variations in demand, especially in goat skins and top class sheep skins, depend largely on conditions in footwear and clothing trade. The fancy for suede garment leather, which was strong during 1961, wore off during the beginning of 1962. Stock-holders overseas who had expected the fashion to hold on were disappointed, and took lower prices to liquidate their stocks thereby precipitating the decline in prices.

Shipments

During the first half of 1962, there was about a 10 per cent fall in the volume of export of goat skins to the U.K. and of 20 per cent in that to the Continent from the 1961 average, while exports to the U.S.A. increased by 55 per cent. As regards sheep skins, the position was 25 per cent decrease to the U.K. and 30 per cent to the Continent, as against 25 per cent increase to Japan. During the second half of 1962, quantities shipped were less than in the earlier half. The average monthly quantities shipped (in bales of 560 lbs. each) were:

	1959	1960	1961	1962*
Tanned goat skins:				
U.K.	630	521	446	405
Continent	584	669	957	670
U.S.A.	160	178	173	262
Tanned sheep skins:				
U.K.	555	447	323	253
Continent	299	327	356	288
Japan	155	120	179	198

* January-November.

In the tanned goat section, the superior tannages were in good demand for regular average weights and selections throughout the year. Medium-weights were neglected and prices declined from 18s. 9d. in January to 16s. 6d. in August. In October, there was a revival of demand for "suedes" and prices improved. Importers in the Continent and the U.S.A. showed marked interest in heavy, extra heavy and lower selections in secondary tannages and prices were firm throughout the year. Continental buyers were also interested in the superior marks, and the E.I. tanners had profitable trading with the Continent throughout the year. Light-weights, which had been traditionally attracting higher prices than other weights all these years, were in the background and importers paid higher prices for the 11/12 lbs. average rather than for the 8/9 lbs. and the 5½/6 lbs.

In the tanned sheep skins section, prices of prime and semi-prime had been slowly declining since the beginning of 1961. During 1962, the price declined from 32s. in January to 26s. in July, but was steady at 27s. 6d. during November. Middle class sheep commanded a steady market during the year. Tanners in this section, would have noted that the Continental buyers react unfavourably to any drastic rise in price, as such fluctuations become uneconomical to them and shoemakers unhesitatingly decide to produce shoes without leather lining.

In the periodical tanned skins public sales held in London and Germany, good fresh lots attracted attention and poorer parcels remained uncleared or sold at bargain prices. Shippers were not happy over the results Trading with Japan in tanned sheep skins improved by 10 per cent during the year.

Inland demand for footwear and industrial leather was on the increase. About 102 million pairs of footwear were turned out at the end of the second Five-year Plan. The yearly production target for the third Plan is 140 million, including the export target of 4 to 5 million pairs.

Despite the challenge from leather substitutes, the E.I. tanned skins have held their own during 1962 and the industry has a good future. The American Medical Association has issued a warning against shoes made of substitute materials and exhorted the public to go in for leather. In the U.S.S.R., the Ministry of Health, it is reported, has prohibited the manufacture of shoes for children other than those with soles made of leather in order to protect children against foot diseases and rheumatism. The prospects for the trade during 1963 seem reasonably favourable, although political factors might upset the estimate of the position.

ECONOMIC TRENDS IN UNITED STATES

(*Concluded from page* 116)

too. Since the U.S. abandoned its fixed price a year or so ago, prices have been rising gradually, but continually. The underlying economic facts are that consumption for all purposes, particularly in 1962, has been far greater than production. The old law of supply and demand came into play.

The 1963 Outlook

Last year, forecasts spoke of glorious prospects which did not materialise. This year's prognostications for 1963 are very cautious. Perhaps, they will not come true either and things will be better than expected. Caution, based on the 1962 experience, is understandable, but nobody can jump at conclusions at this point. It is exhibited by many institutional investors who prefer an extremely liquid position. Some institutional investors have been selling more securities than they bought. But their prime considerations were earnings and prospects of earnings which again emphasises the psychological and real impetus a tax cut could have.

Agriculture in 1962 had a very good year. Crop yields were the third highest on record since figures were compiled by the Government in 1909. Reflecting the automation which has been going on in the farmlands and the more scientific use of fertilisers, the crop yields were obtained on an estimated acreage of 12,000 square less than in 1961. It is a trend which is likely to continue not only in 1963 but in the years to come.

This, of course, is true as well in industry where fewer number of people turn out more products by more and more efficient machines. It is part of the reason for the present strike waves in the U.S. Automation has caused the loss of jobs, temporarily. Eventually, everything will be all right, presumably, but, in the meantime, rent and food bills have to be paid by the workers. No reasonable formula has yet been found to reconcile the necessity of higher corporate earnings through automation by saving labour costs and the necessity of survival by the individual who has lost his job until he can be retrained or reorient him or herself.

These are not new problems. One blacksmith has been replaced by 20 automobile mechanics in due course, but it is the intermediate period which causes the trouble. Basically, that is what is going on in the U.S. today, what will continue to be a problem in 1963 and for years to come. The advance in science has been rapid. The person who loses his job fights for survival. He cannot help himself in a big city. He cannot grow his own food. He becomes a ward of the Government until he gets a break. This trend, naturally, will not destroy society or cause revolution, but it is a very serious problem facing Government, business and industry.

NEW YORK, *15th December.*

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THE PRICE OF GOLD

(*Concluded from page 91*)

some years earlier—22 currencies, which account for 62 per cent of world trade, are fully convertible. Gold can now be bought by the smugglers almost at par—i.e., at less than one-half of the Indian prices, prior to the current price debacle—against any of these currencies. In the early post-war years, payments for smuggled gold had to be ultimately in U.S. dollars and the smugglers had to circumvent exchange control hurdles, which had been then operating in a number of important countries. The cost and the trouble of acquiring gold and reaching it to the Indian frontiers has been much less since the rapid spread of convertibility.

Surely, we cannot claim dispensation from the working of natural monetary laws because of a treacherous border war.

These reforms will, doubtless, pave the way for free subscriptions to the bonds, as, with the lifting up of the official price of gold to nearer the market price, the main hurdle of a heavy loss on capital account would, then, cease to be. But, as redemption of the bonds at maturity will be in rupees, not in gold, if, during the lifetime of the bonds, inflation should re-emerge, the price of gold will rise again and the subscribers to the bonds would lose on capital account to the extent of the price rise. This apprehension may be removed if the holders of the bonds are given the option of redemption in gold, or, in the alternative, the repayment is stepped up by the rise in the price of gold; this would also act as a check on inflationary policies. Given this additional arrangement, if the other features of the Gold Bond issue are retained, there is every prospect of a fair amount of subscription to the bonds. In the absence of these three measures—stopping further inflation, stepping up the official price of gold and the option to the bond holders of repayments in gold—the response to the issue, even including the subscriptions from temples governed by the Religious Endowment Acts and similar legislation, may not be substantial. When compared with the needs of war finance and Plan finance, the receipts may not be significant.

Store of Value

Capital invested in gold in August 1939 rose in money value over four times in August 1962. During the same interval, capital invested in Government debt and other fixed-interest yielding documents fell in value, in real terms, to one-fifth the original figure. Stated differently, Rs. 100 invested in gold in August 1939 yielded in August 1962 Rs. 401, or the original sum plus compound interest at 6.2 per cent. On the other hand, Rs. 100 invested in Government debt in August 1939 would bring in August 1962 Rs. 220, reckoning compound interest at 3.5 per cent.

This explains in large part the public's preference for gold. It is not due to the bullion market, the facility for forward transactions—India is the only country where futures trading in gold and silver exist—which it offers, the wickedness of the bullion speculators or the stupidity of the Indian people. It is part of the evil resulting from an unstable rupee, the latter being the inevitable outcome of statist policies. Fancy economic policies in peacetime, judging from our own experience, produce retarded production, sectoral stagnation, unemployment, anti-social income shifts and group tensions. Fancy economic policies in war-time might engender national insecurity, as they weaken the economy through resource wastages. We can ill afford a shooting war on the borders and a cold war on the bullion market and its customers, who comprise a very large population of the country, especially as the cold war has little chances of success.

Conclusion

We may briefly bring together the principal conclusions emerging from the foregoing discussion:

1. The experience of the past two decades has demonstrated that the price of gold, like the general index of commodity prices, moves up or down with the volume of money with the public. The price of gold reflects the prevailing state of inflation.

2. The gap between the internal and the external prices of gold emerged with the appearance of inflation in 1940-41. The gap widened with the progress of inflation.

3. The gap between the internal and the external prices, which had emerged in September 1931 with the abandonment of the gold standard, was eliminated when the rupee was devalued by 51 per cent on 14th September 1939. This resulted from a rise in the official price of gold to the market price.

4. The gap in the internal and the external prices of gold declined from Rs. 61 to Rs. 46 per 10 grammes with the devaluation of the rupee by 30.5 per cent on 21st September 1949. The diminution of the gap reflects the increase in the official price of gold from Rs. 37.22 to Rs. 53.58. As at 31st August 1962, the price gap was Rs. 76.32, an all-time record.

5. The current phenomenon of sagging gold prices is out of alignment with the basic economic logic of the situation. The prevailing fiscal and monetary situation does not warrant a fall in gold prices, as over-investment and inflation are continuing; and as there has now emerged an additional inflationary factor, namely, the border war with China.

6. The sagging prices of gold are, principally, the result of a succession of bad jolts that the bullion market has received from our unfolding gold policy. It is due to the fear that the Government might take some drastic action to mobilise the gold in private hands for finance of the Plan and finance of the war.

7. That, left to itself, the price of gold would recover and maybe continue to rise with commodity prices, is evidenced by the fact that, during the current price debacle, every fall has been followed by an uptrend. The price of gold fell to low levels principally because of a repetition of the blows the market received from the Government.

8. A part of the fall in prices, especially in September and October, may be also due to heavy arrivals of smuggled gold, a redoubling of the smuggling activity being induced by fears of devaluation of the rupee.

9. The crux of our gold problem is the gap between the internal and external prices of gold. This is causing the economy considerable damage. It involves exploitation of the Indian buyers of gold by the foreign smugglers to whom accrue the difference between the internal and the external prices. The magnitude of the gap has rendered futile all our attempts to prevent gold smuggling. The elimination of the gap is essential for the success of the issue of Gold Bonds.

10. Our gold problem is both desperate and intricate. The key to its solution lies in eliminating the price gap. To achieve this through using the sledge hammer on the bullion market is to attempt the impossible, though this may bring down prices temporarily. There is no device of keeping inflation from the bullion market when inflation pervades the rest of the economy.

11. It is also not possible to maintain an island, below sea level, of exchange control and import restrictions, which the present official price of gold calls for, in an ocean of freedom in gold transactions. The larger part of world trade, and as many as 22 currencies, being now free from exchange restrictions, the trouble and the cost of reaching gold to India's frontiers is very much less today than in the past.

12. Capital invested in gold in 1939 yielded, as at August 1962, compound interest of 6.2 per cent, which is vastly higher than the returns on investments in Government debt. This largely explains the public's preference for gold. The cause of this evil lies in policies which have rendered the rupee dishonest. We have been paying dearly for the fancy economic policies which we have pursued during the past two decades. The continuation of these policies in war-time might engender national insecurity, as they debilitate the economy through resource wastages and undermine social stability.

AHMEDABAD, *4th December*

MONEY AND BANKING

(*Concluded from page 185*)

tent that the long-term capital market has fallen into a state of coma. It may be noted here that even such well-known institutions like the Central Bank, the Central India Spinning and Weaving, and T.E.L.Co., which were to have issued new capital, preferred to defer their programmes to better days rather than risk the possibility of a lukewarm response. Again, the support for the debenture issue of the Central Government-backed Oil India Ltd. was less than normal, in spite of the attractive rate of interest carried by it. The disappearance of confidence in the capital market may be a temporary affair, but it is causing considerable concern among businessmen who need long-term capital for implementing their expansion programmes.

As already stated, the borrowing programmes of the Central and State Government were, however, a greater success than last year, as they were launched at a time when the banks were having plenty of floating funds. Further, the L.I.C.'s resources were larger owing to a substantial expansion in its growth. The total subscriptions to the three Central loans (July 1962) were Rs. 6.87 crores more than the target of Rs. 250 crores. Of this, conversion of maturing loans accounted for Rs. 153.67 crores, the balance of Rs. 103.20 crores being in cash. The response to the State loans was so good that the lists in respect of seven States were closed on the first day itself. The total subscriptions (Rs. 109.0 crores) to all State loans exceeded the amount (Rs. 93.5 crores) invited by 16.5 per cent as compared with 14 per cent last year.

Money Costs More

The year under review is notable for an increase in the cost of money to almost all borrowers in the public and the private sectors alike; only the banks were holding down their rates of interest on deposits through an agreement among themselves. The Central Government gave the signal in the first week of July by putting up its borrowing rate for a long-term loan from 4 to 4½ per cent. The Reserve Bank then revised in an upward direction the rates at which it would lend money to member-banks, that is, it raised the effective Bank rate. This development, coupled with the award for bank employees proposing higher emoluments, induced the banks to raise their rates of interest on loans and advances by ½ per cent, even though conditions in the money market were pretty easy. Then on 20th July, the Industrial Finance Corporation raised, with the prior approval of the Government of India and with effect from 19th July, its rate of interest on its loans and advances from 7 per cent to 7½ per cent, subject to the usual rebate at ½ per cent for punctual repayment of principal and payment of interest. A day later, the Government of India put up the rate of interest on Post Office Savings Bank accounts by ½ per cent. As a result, since 1st August, the Post Office pays 3 per cent on savings bank deposits upto Rs. 10,000 in individual accounts (and upto Rs. 20,000 in joint accounts) and 2½ per cent on the balance in excess of these amounts, as also on public accounts. Some of the State Financial Corporations, too, announced an increase of ½ per cent in their lending rates. The L.I.C. also soon came out with an increase in its minimum rate of interest on mortgage loans against immovable properties. On 30th July, it said that, with effect from 18th July, it had raised this rate from 7 per cent to 8 per cent. For those who repay promptly, the effective rate, however, would remain unchanged at 7 per cent, as the rebate for this purpose was raised from half to one per cent. If the Bank rate were to go up, the minimum rate would automatically rise, as it is fixed at 3 per cent above the Bank rate. A reference has already been made to the agreement among banks to charge a minimum rate of 6 per cent on their advances to trade and industry.

No review of banking and monetary trends in 1962 will be complete without a reference to the steps taken to strengthen the banking system. These had been initiated in 1961 itself, but came to fruition in 1962. The Deposit Insurance Corporation Act, placed on the Statute Book towards the close of 1961, came into force on 1st January 1962. A gentlemen's agreement was concluded with the Indian Banks' Association and the Reserve Bank for strengthening the capital base of banks through (*a*) transfer of a specified percentage of their declared profit to the reserve fund and (*b*) issue of fresh capital from time to time. The aim was that banks should have funds of their own (paid-up and reserves) equal to 6 per cent of their deposits. This understanding was also enforced from the beginning of the year and though no time limit was fixed for reaching the specified goal, several banks raised their paid-up capital by issuing new shares at attractive rates of premium. So far as conservation of the specified percentage (20 per cent) of the declared profits was concerned, almost all the banks, excepting one of the big banks, implemented the understanding notwithstanding the short notice given by the Reserve Bank. This, it may be noted, was only one of the two steps which the Reserve Bank had proposed as early as in June 1961. The other had sought to raise the ratio of liquid assets to deposit liabilities. A gentlemen's agreement on this proposal could not be arrived at because the banks' spokesmen complained that the ratio suggested, namely, 27½ per cent, was too high and put forward counter-proposals which failed to satisfy the Reserve Bank. But, as the year progressed, there was a change of Governor and the Reserve Bank, disappointed by the attitude taken by one of the banks to the gentlemen's agreement on strengthening the reserves through appropriation of profit, decided to give up the policy of gentlemen's agreement in favour of legislation for putting through its proposed reforms. Accordingly, during its monsoon session, Parliament amended the Reserve Bank of India Act and the Banking Companies Act and the amendments came into force on 15th and 16th September 1962. This opportunity was also availed of to amend the Acts to serve two more purposes? to enable the Reserve Bank to purchase or rediscount or lend against export bills with a duration of upto 180 days instead of upto 90 days as before, and to collect credit information from banks and financial institutions regularly and to provide such information in a suitable manner to member-banks, so that the risk of overtrading with any one borrower could be avoided.

As a result of the amendments mentioned above, the banks are now under an obligation to continue transferring to their statutory reserve fund 20 per cent of their declared profit even if their reserves have already equalled their paid-up capital. There is, however, no provision in the new legislation about the goal set for the banks under the gentlemen's agreement, namely, that the "own funds" should equal 6 per cent of deposits. But we are told that the Reserve Bank is of the view that banks should continue to have that goal before them and raise their paid-up capital from time to time. So far as liquidity ratio is concerned, they have to maintain statutory cash balances with the Reserve Bank at 3 per cent of their total demand and the time liabilities, instead of at 2 per cent of time liabilities and 5 per cent of demand liabilities. This ratio may be raised upto a maximum of 15 per cent, in special circumstances. The discretion for varying this reserve rests with the Reserve Bank. Besides, the banks should maintain liquid assets equal to 25 per cent of the total of demand and time liabilities. In other words, they will have to keep, including the statutory cash balances, a minimum of 28 per cent of their deposits in liquid assets, instead of 20 per cent at present. The banks, however, have been given a time limit of two years, that is, upto 16th September 1964, to fall in line with this requirement.

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CHAIRMAN, MR. GOPIKISAN PIRAMAL'S STATEMENT

IN the light of the Chinese invasion in the North and North-East, Mr. Gopikisan Piramal, Chairman of the Morarjee Goculdas Spinning and Weaving Company Ltd., outlined, in the course of his speech at the Ninety-first Annual General Meeting of the Company, held at Bombay on Friday, 14th December 1962, the efforts being made by the Company to meet the war needs. Mr. Piramal disclosed that, so far, 50 per cent of the Company's production had already been booked up to June 1963 exclusively for defence indents and more would go for defence requirements subsequently. The Company was turning out for defence navy blue drill, parachute cloth, olive green and mineral khaki drill and cellular shirting. In November last, the Company donated Rs. 2,56,690 to the National Defence Fund and the staff and workers voluntarily contributed their one day's earnings.

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

GENTLEMEN,

I am welcoming you all to the ninety-first annual general meeting of your Company under distressing circumstances. In referring to the Chinese invasion of our country, I do not intend to repeat the political and military facts of the case which are internationally known.

Implications of War

The economic implications and consequences of war are not the same as those which flow from a peace-time economy. And this is particularly so in our case where bullets and Bren guns had not so far ousted bread and butter from our national budget. But this is an age of crises, when the entire world has turned into an armed camp; and, it has taken the Chinese to shake us up and convince us that we cannot go about rationally in an irrational world.

The snap switch-over from a peace-time to a war economy is a stupendous job and one that requires a measure of co-ordination between the various sectors of the economy that only a national emergency can compel. At the same time, the all-out production of defence ware should not be allowed to scuttle our long-term development plans which have been accepted by us as the corner-stone of our national life.

Rising Prices

This brings me to the problem of the price-line which is the backbone of our economic planning. Unfortunately, the holding of the price-line has, in practice, come to mean its maintenance at successively higher levels. I have had much to say on this subject at our previous annual general meetings and I would only repeat today that the industrial cost-structure is still in jeopardy due to the steadily rising prices of all items that enter the manufacturing process.

You will naturally want to know what your Company has been doing to aid the national defence effort. So far, 50 per cent of your Company's production has already been booked up to June 1963 exclusively for defence indents and this is bound to go up in the coming months. Your Company is today turning out for defence, navy blue drill, parachute cloth, olive green and mineral khaki drill and cellular shirting. In November 1962, your Company donated Rs. 2,56,690 to the National Defence Fund and the staff and workers of the Company have also ungrudgingly contributed one day's earnings to the fund.

Modernisation

Apart from our defence commitments and normal activities, you will observe from the Directors' report that the mills' development and modernisation activities are in full swing. As a matter of fact, development has grown into a specialised and separate portfolio at the mills.

Apart from an increase in the complement of spindles and looms, your mills are due to receive shortly two Malimo machines. These novel machines, which have already been shipped, turn out a special cloth which is used for bath-robes, towels, backing material for leather-cloth, cheap dress material, T-shirts, etc. So far there is only one such machine of its kind in India.

I have to report to you, with some justifiable pride, a happy development in the career of your Company. Your Company no longer consists of just one mill but two. The second unit which has 49,312 spindles, 1,021 looms and a dye-house, has gone into full production since 22nd October 1962, and plans for its modernisation are on the tapis. I can assure you that the traditions of the first unit will be carried over into the second one.

Quite a few of you will be wondering how your Company has been able to disclose a higher profit this year in the face of lower sales and higher manufacturing expenses. I will attribute this jointly to our efforts at modernisation and to that intangible but important factor in industry, viz., the human element.

Further, you will be glad to know that your Directors have decided, in conformity with your longstanding wishes, to issue bonus shares, subject to the Central Government's sanction, in the ratio of one equity share for every three equity shares. Again, in order to maintain a balance between the Company's increasing gross block and the issued capital, your Board has also recommended the issue of right shares at par in the ratio of two equity shares for every three equity shares held by the existing shareholders.

Finally, it will be obvious to you that your Company has been endeavouring to consolidate and improve its past progress and to systematically modernise its works in spite of such unfavourable factors as the difficult position of cotton supplies and the current slackness in cloth deliveries. We expect, however, the cotton and trading position to improve during the ensuing year.

In conclusion, I thank you all, my colleagues on the Board, our staff and workers for their co-operation, and offer the services of our Company to the nation on your behalf.

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

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NGB/46

Problems and Prospects of East India Leather

Organisational Changes Necessary to Solve the Growing Problems

By K. MURTI

THE East India leather tanning industry stands foremost among the export-oriented industries which are at the same time labour-intensive. This industry affording employment, direct and indirect, to over 15,000 workers who mostly belong to the lower strata of society and earning valuable foreign exchange to the tune of Rs. 25 crores annually, has been playing a significant part in the national economy of the country.

The leather tanning industry in India is divided into three sections, namely, vegetable or bark tanning, chrome tanning and miscellaneous tanning. From the point of view of production, bark tanning section producing East India leather, bag tanned leather and pit tanned heavy leathers and chrome tanning section producing box and willow sides, kips and calf and glazed kid, belong to the major types of production, while pit tanned dressing, patent and light leathers in the bark tanning section, chrome suede and imitation sambar, chrome lining, neobuck leather, chrome picking bands and miscellaneous tannages are relegated to the minor types of production. Again, from the point of view of foreign exchange earnings and employment, East India leather stands by far preeminent.

Feeder to U.K. Leather Dressing Industry

Although tanning industry is as old as the *Rig Veda*, it made very little progress for a number of centuries due to the twin reasons of religious sentiments of the people against the slaughter of animals and of the low status accorded to *chamars, mochis*, etc., the professional class of leather workers. The fact that the village tanner remains even today uninfluenced by modern methods of tanning indicates that indigenous tanning industry must have been in an extremely primitive condition in the past, engaged in making a good hide into a bad leather. About a century ago, European methods of tanning were introduced by the military authorities for meeting their requirements of superior leather suitable for harness and other military accessories. In the early forties of the last century, a French Eurasian of Pondicherry, by name D'Souza, visited the island of Mauritius and, having acquired a practical knowledge of the French process of tanning, introduced improvements in the native method of preparing skins in his tannery at Pondicherry and a little later in the several tanneries he set up in the vicinity of Madras City, the products being the harbinger of the export trade in the internationally well-known East India tanned kips and skins. Except for the fact that the lightly tanned hides and skins produced by the Madras tanneries and intended solely for export are referred to by the trade as E. I. kips and skins, the exact reason for so calling it is not known. However, the first consignments of tanned hides and skins must have been carried in the bottoms belonging to the East India Company who were having a share in fostering the export trade in Indian tanned kips "which represent an Imperial asset of very considerable value, thereby making an important contribution to Imperial industry and trade." The E. I. leather tanning industry was thus developed and expanded as a feeder industry. It has been instrumental in the growth and development of a very prosperous branch of leather industry in the United Kingdom, known as the leather dressing industry. During the First World War, according to the Controller of Hides, at least three-fourths of the upper leather used in the U.K. in the manufacture of boots and shoes for the British and allied armies alone were supplied from Indian tanned cow hides, almost all of which were tanned in Madras and Bombay presidencies. The quantum of East India tanned kips and skins used by the U.K. leather dressing industry is even now quite substantial.

For a long time, Muslim enterprise was responsible for the development of the industry, leading to its concentration in areas largely inhabited by Muslims. In recent years, entrepreneurs from other communities who were at one time or another connected with Muslim tanners as their employees or as suppliers of raw materials have entered this industry.

Raw Materials

The availability of raw materials and supply of abundant cheap labour have been factors favouring location of the industry in the South. Indian hides are smaller in size than those from other countries and are called kips which in Europe and America mean an animal above the size of a calf but not fully mature. About 7 million or nearly two-fifths of kips produced in India are locally available for tanneries engaged in E.I. tannage. Likewise, South India has about two-thirds of the total sheep population of the country and the E. I. tanneries utilise over ten million sheep skins annually. Most of the South Indian sheep belong to the red hair variety and yield excellent tight grained skins averaging 5-6 lbs. per 10 skins. In regard to goat skins, E. I. tanneries have a local availability of 8 million or 38 per cent of the Indian goat skins. The supply of raw hides and skins, after meeting the needs of the other users, has fallen short of E. I. tanning industry's requirements and a large quantity has, therefore, to be obtained from the North Indian markets and from abroad. The advantage derived from cheap labour, coupled with the availability of raw materials, outweigh transport costs incurred on the import of raw hides and skins.

Among the raw materials required for tanning, *avaram* bark (*Cassia Auriculata*) is the principal tanning agent, wattle bark and wattle extract supplementing it in recent years. The reputation attained by Madras in connection with the tanning industry is due to the fact that *avaram* bark is found chiefly in Madras, Andhra, Mysore and Maharashtra States. Its tannin penetrates the pelt quickly and, combining with fibres, loosely produces a soft leather of an agreeable light green colour. Further, for colour improvement after tanning, an immersion of tanned hides and skins is carried out in a bath of myrobalan (*Terminalia chebula*) solution. The variety available from Salem and adjoining areas has a higher tannin content and gives a lighter colour than those from other areas in the country.

The main force in the location of the industry in the South is the labour factor. The labour is mostly drawn from people belonging to the scheduled classes and, being hereditarily engaged in the avocation, has attained a high standard of skill. The labour hailing from Tirunelveli and North Arcot Districts of Madras State is endowed with a high technical proficiency which is the admiration and envy of the management of the E. I. tanning industry located outside the Madras State, which does not therefore mind incurring extra cost in importing and maintaining Madras labour and supervisors whose cheapness and skill override all other considerations.

Large Idle Capacity

It is a well-known fact that the E. I. tanning industry has been working much below capacity for a number of years and the number of idle tanneries has steadily been on the increase. It has been estimated that only about two-fifths of capacity are utilised. The unutilised capacity is considerable in Madras and Andhra States where there is a concentration of E. I. tanneries. The ever-widening idle capacity in the E.I. tanning industry has been brought about by various factors, principal among them being the shortage of raw hides of good quality, lack of finance and lack of organisation and proper management.

Problem of Raw Hides and Skins

The supply of suitable raw hides and skins is a problem of vital importance to the E. I. tanning industry. As a raw material, they account for a substantial portion of the cost of production of the tanner varying from 75 to 80 per cent. It is, therefore, clear that the availability of quality hides and skins at reasonable prices is a primary condition for the orderly development of the industry. Unfortunately, the principal criterion is far from being realised at present. There has been a dwindling in the number of cattle and buffaloes slaughtered and consequently in the supply of good hides. The drop in the supply has been brought about as a result of a reduction in the beef-eating population (Europeans and Muslims), a part of the livestock population going over to areas now comprising Pakistan and the complete or partial curtailment in many States of cow slaughter on religious and legal grounds. After taking into account these factors and also after allowing for the normal rise in the livestock population, the supply of raw hides and skins is expected to stand at 21.4 million and 47.2 million pieces, respectively, in the last year of the third Plan period.

The Development Council for Leather and Leather Goods Industries has estimated the total production of tanned hides and skins in the country at 19.5 million hides and 28.1 million skins in 1960-61. The Planning Commission has envisaged the demand in 1965-66, the last year of the third Plan period, at 22 million hides and 30 million skins, indicating an additional requirement of 2.5 million and 1.9 million, respectively. The Planning Commission has also envisaged the maintenance of the present quantum of export of tanned hides and skins during the third Plan period. Thus, the estimated requirement of hides and skins during the third Plan shows a deficit of 600,000 hides and a surplus of 17.2 million skins over the supply position. Taking into account the deficit of 600,000 hides and after allowing for the quantum of leather diverted to domestic uses, particularly for footwear, the net availability of hides for export works out to about 6 million pieces. In fact, the annual availability of raw hides at the end of the third Plan period is placed in some knowledgeable quarters even at as low a figure as 20 million pieces. As the policy of the Government is to extend all encouragement to the manufacture of leather footwear and finished leather, the reduced availability of 20 million hides will not be having any adverse effect on the supply of hides and skins to domestic industries engaged in footwear and finished leather production but will tell heavily on the E. I. production, resulting in a reduction in the quantum available for export at 3.5 million pieces, which works out to nearly a half of the present level of annual exports.

The Planning Commission expects to meet the additional requirements of raw hides through imports from neighbouring countries. It is well-known that the Pakistan hides alone are suitable for the production of E. I. leather. Since Pakistan is tanning more of her hides for domestic uses and also exporting larger quantity in pickled state to the United Kingdom and other countries, it is doubtful whether it will be possible for India even to maintain the present quantum of imports of 1.5 million hides a year from Pakistan. This points to the necessity for evolving an arrangement by which a part of the North Indian production of raw hides is earmarked exclusively for the E. I. tanning industry and the deficit in the hide requirement of the units producing leather and leather goods for domestic consumption met through imports from abroad. At the same time, it is essential to take measures for improved procurement and better utilisation of raw hides and skins, regulate their production, improve the quality of output and thereby widen the market abroad for E. I. leather. In this connection, it is of much interest to note that the Central Leather Research Institute has done some pioneering work in the uses of buffalo hides which can be utilised in the place of cow hides by splitting them into three layers, the grain layer being used as uppers, the middle layer as leather for luggage and cases and the bottom layer for the manufacture of chamois and lining leathers. Thus, the increased and better uses to which buffalo hides can be put will bring down the pressure of demand on cow hides for domestic consumption which will then be available in larger quantum for production into E. I. tanned kips for purposes of export.

Problem of Finance

On the basis of employment-investment ratio, the E.I. tanning industry is estimated to have a total investment of about Rs. 4.50 crores, comprising Rs. 1.60 crore of fixed assets and Rs. 2.90 crores of floating assets. This would mean that nearly 65 per cent of the investment is accounted for by floating assets. Inquiries at many tanning centres have revealed that the financial position of many small units is appalling. Many tannery premises are very old and dilapidated, requiring immediate repairs and renewals, but the problem of finding term finance makes the tanners postpone indefinitely undertaking repairs. In some places, sub-tanning, i.e., sharing of a tannery premises by many petty tanners, is so common that it has been brought

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Assets and Liabilities as on 30th September, 1962

(Rounded off to the nearest lac)

LIABILITIES	Rs.	ASSETS	Rs.
1. Paid-up Capital ..	1,32,00,000	1. Loans ..	5,42,00,00
2. Reserves ..	9,00,000	2. Investments in Government Securities and Securities guaranteed by Government ..	2,69,00,000
3. Bonds ..	2,36,00,000	3. Investments in shares of Joint Stock Companies ..	2,48,00,000
4. Fixed Deposits and Cash Certificates ..	5,54,00,000	4. Customers' Liability under Acceptances, etc., as per contra...	50,00,000
5. Call Deposits ..	38,00,000	5. Cash and Bank Balances ..	9,00,000
6. Loans: (a) Call Loan from State Bank of India ..	53,00,000	6. Short-term Deposits with Banks ..	70,00,000
(b) Loan from Refinance Corporation ..	98,00,000	7. Current Assets and Furniture and Fittings ..	17,00,000
7. Acceptances, Guarantees and Letters of Credit as per contra	50,00,000	8. Discount on Bonds and excess of Expenses over Receipts ..	2,00,000
8. Other Liabilities and surplus of Profit ..	37,00,000		
Total ..	Rs. 12,07,00,000	Total ..	Rs. 12,07,00,000

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about by lack of finance as the tanners do not have necessary finance to take a full tannery and run it. Even the few lime pits taken on rent are not utilised to their capacity.

The working capital of the units in general is, indeed, very nebulous. In most cases, it is made up of borrowed capital from and advances given by the Madras Commission *mundis* and loans contracted from local moneylenders and credit from dealers in raw materials. The credit facilities available from Madras Commission *mundis* place the tanner under an obligation to send their tanned products to them. In times of slack season when loans are not forthcoming from the *mundis*, the tanners borrow from local moneylenders at exorbitant rates of interest. Banking facilities are available to a few leading tanners only. The limits upto which advances are given vary from tanner to tanner, depending on the status, integrity and financial worthiness of the borrower. While a few tanners who have bank facilities are those with personal securities getting loans or overdrafts against the value of their immovable property and/or on the hypothecation of goods, a large majority of E.I. tanners do not have any property worth mentioning. Further, the lack of knowledge about the tanning industry on the part of scheduled banks and the risks involved in the day-to-day operation of the industry are factors which seem to militate against their being allowed an active participation in the institutional finance. Thus, it is apparent that the financial requirements for capital expenditure as well as working expenses are real and quite large.

It has been recognised that one of the principal reasons for the slow development of small industries has been the inadequacy of finance and the provision of adequate institutional finance is considered the *sine qua non* for their speedy and orderly growth. With this end in view, both the Central and State Governments have adopted several measures during the last few years. Financial assistance is provided to small industries through various agencies like (i) State Governments under State Aid to Industries Acts/Rules, (ii) State Financial Corporations, (iii) Reserve Bank of India, and (iv) State Bank of India. Unfortunately complete ignorance prevails among a large number of E.I. tanners about the working of these agencies. It is, therefore, imperative that wide publicity should be given about the various schemes of the Government under which financial assistance is available to the tanning industry, with particular reference to the export-oriented units. It must, however, be conceded that a great impediment in the way of lending institutions in expanding their activity in financing the small tanner-entrepreneurs is not so much the inadequancy of resources, as the structural and financial weakness of the small borrower and the borrowing units themselves. The idea of co-operation has not taken root in the E. I. tanning industry, where individual rather than co-operative enterprise is the order of the day. Unless the entrepreneurs are imbued with a spirit of co-operation and form co-operative societies, it may not be possible for the Government agencies to pump in the much needed finance.

Lack of Organisation and Proper Management

The loose foundation on which the industry is based has been brought about by an organisation which is defective and a management which is generally far from enlightened. The core of the industry is made up of entrepreneurs who are sound and shrewd, being responsible for the development of the industry and trade during the last one century, but the outer sinews of the industry are loosely tied by a large number of adventurers who infest the industry at times of brisk business and give it up when market conditions are adverse. In a way, the unorganised nature of the industry has been responsible for its frequent vicissitudes. In order to escape from the operation of the Factories Act, the units are bifurcated and even fragmented, resulting in a number of petty and pigmy concerns operating independently in the same premises. Fragmentation leads to higher production costs, and lack of finance further complicates matters, with the result that the tanner brings to the market sub-standard products.

An Unorganised Industry

Although the leather and leather goods industries have been brought within the ambit of the Industries (Development and Regulation) Act, 1951, the majority of undertakings in the E. I. tanning industry falls outside the purview of the Act. Those units run without power form the bulk of the E. I. tanning industry and the employment of over hundred and more persons in any undertaking is an exception rather than the rule. While the *minimum* number of workers prescribed in the Industries (Development and Regulation) Act is not kept up in a large number of units, thereby precluding them from the necessary regulation and development which may be prescribed by Government both in their operational methods and managerial standards, the Factories Act has driven many of them into fragmentation, thereby freeing them from maintaining the elementary standard of amenities required by the workers. The net result is that the E.I. tanning industry remains, in the main, an unorganised industry.

Unlike many other small industries, the E.I. tanning industry has been long established and playing a vital role in the foreign trade of the country. On the eve of the Second World War, there was a great pressure of demand from overseas for stockpiling, leading to the highest recorded exports of 5.16 lakh cwts. equivalent of 8.3 million pieces of tanned hides in 1939-40. During the war period, production of tanned hides and skins suffered a considerable decline as a result of the acute transport difficulties from the North Indian sources of raw supplies and greater utilisation of raw stock by tanners engaged in other types of tannages. As a result of stockpiling on the eve of the Korean War, inquiries for E. I. tanned kips and skins increased, leading to a spurt in prices. The shipment of tanned kips and skins advanced from 1.88 lakh cwts. and 1.05 lakh cwts., respectively, in 1948-49 to 3.35 lakh cwts. and 1.22 lakh cwts. in 1951-52. The sudden stoppage of purchases when peace talks commenced in the Korean front gave a rude shock to the E.I. tanning industry. The recovery made by the industry thereafter was rather slow. The latest available statistics show that, in 1961-62, the exports stood at 2.09 lakh cwts. worth Rs. 7.03 crores of tanned hides and 1.71 lakh cwts. worth Rs. 16.26 crores of tanned skins.

Outlook

Since the advent of the export trade in E.I. tanned hides, the industry has been geared to meet chiefly the requirements of the U.K. curriers and dressers. Tanned skins are not exported to the U.K. to the same extent as tanned hides. Besides the U.K., other important customers of tanned skins are the U.S.A. and Japan. Great concern is being expressed by the tanning interests about the E.I. tanned kips being adversely affected by the U.K. joining the European Common Market. The countries in the E.C.M. have a varying duty on E.I. tanned kips whereas tanned skins will be admitted duty-free. No difficulty is thus expected in the export of tanned goat and sheep skins to the E.C.M., but, in regard to tanned hides, finished leather and leather goods, duties may be levied against their imports. As imports of tanned kips and finished leather by the countries of E.C.M. are negligible, the products will not get the advantage of averaging the tax structure. On the other hand, they will be placed at a disadvantage in the U.K. which is their traditional and almost the only market. Thus, the outlook for the E.I. tanned kips in the U.K market appears not very bright. This points to the necessity for diversifying the markets for E.I. leather as also for converting, in a phased programme, as much of E.I. tanned kips as possible into finished leather and leather goods.

The U.K. and other countries which import E.I. tanned leather retain and convert it into different types of manufactures. No doubt it would be of great advantage, if as much of E.I. tanned leather as possible is retained and turned into leather goods within the country. This question was examined time and again. Recently, the Madras State Industries Development Committee which went into this aspect seems to have suggested the conversion of 75 per cent of E.I. leather into finished leather in the course of the next fifteen years, and recommended various incentives to tanners for such a changeover. The existing high tariff in the importing countries against the import of finished leather and leather manufactures and the difficulty in obtaining the required machinery from abroad will, however, militate against the development of re-tanning and finishing industry on a large scale in India. So long as the foreign exchange position continues to be tight and so long as the U.K. continues to be the principal buyer of E.I. tanned kips and skins, our aim, albeit short-term, should be the maintenance of exports of E.I. tanned leather at the maximum possible level. At the same time, efforts should be taken, from the long-term point of view, to re-tan and finish a portion of E.I. leather for domestic and foreign consumption. Much thought and planning should, however, be given towards implementing these proposals without snapping the long-established business connections with the overseas markets, particularly the U.K. In this context, it is highly essential to set up a full-fledged statutory organisation on the lines of the existing Commodity Boards, for promoting, by such measures as the organisation thinks fit, the development of the nascent re-tanning and leather finishing industries and the maintenance to the maximum extent possible of E.I. leather exports of a high quality and for paving, at the same time, the way for the smooth changeover to the development and expansion of export markets in finished leather goods in the place of the present exports of raw and semi-tanned hides and skins. In the course of implementation of the measures, the Board will have to bring under its jurisdiction all the units engaged in the production of E.I. leather and leather goods, irrespective of their sizes. The great potentialities of the internal market for leather footwear are obvious and the Board will no doubt develop and expand the domestic market. Indeed, in the long run, the domestic market should become a stabilising factor for the changing fortunes of Indian leather in the overseas markets.

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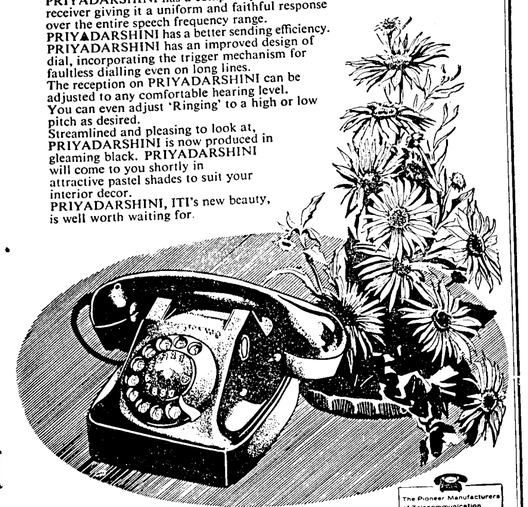

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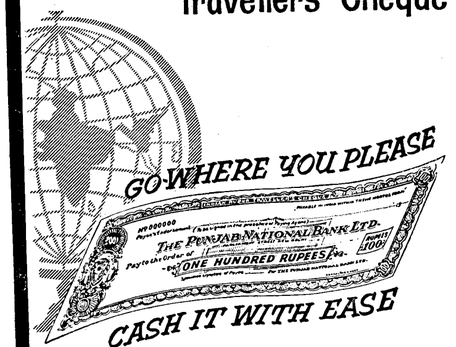

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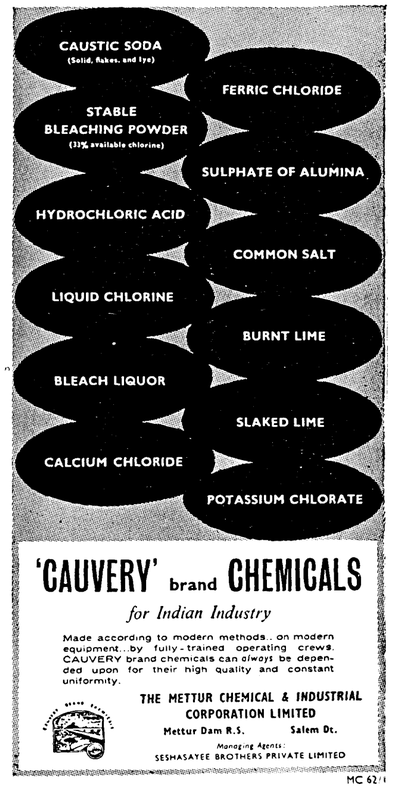

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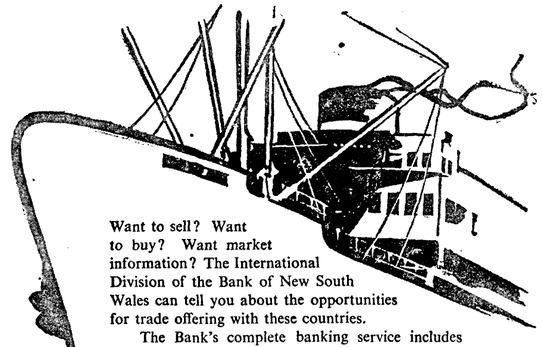

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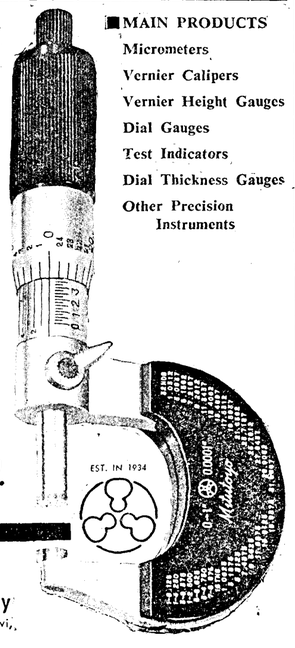

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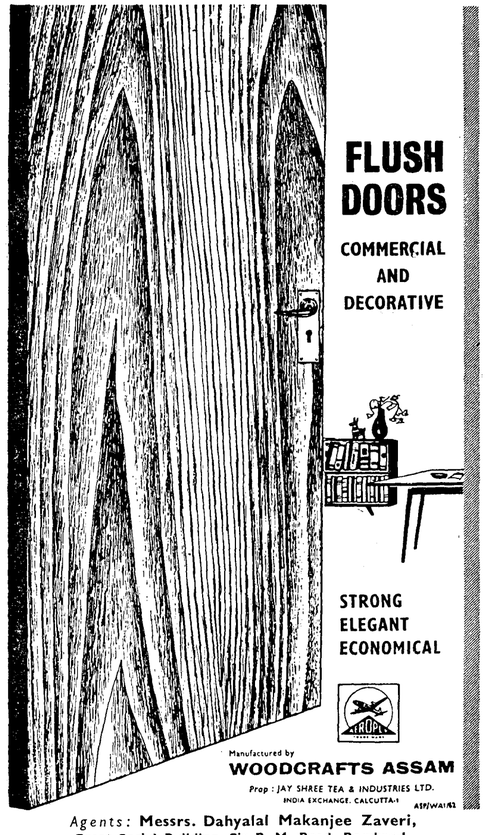

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COMMERCIAL AND DECORATIVE

STRONG ELEGANT ECONOMICAL

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INDIA EXCHANGE, CALCUTTA-1

Agents : **Messrs. Dahyalal Makanjee Zaveri,**
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THE BANK OF BANKURA LIMITED

Central Office : **36, STRAND ROAD, CALCUTTA-1**

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED

(a) INTEREST ON FIXED DEPOSITS VARIES ACCORDING TO PERIOD FROM 3% TO 5½%

(b) ON SAVINGS DEPOSITS 3% INTEREST ALLOWED

BOARD OF DIRECTORS :

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2. SRI CHANDRA KUMAR MAZUMDER
3. SRI SUNDAR LALL DUTT

General Manager : **R. N. KOLAY**

Other Offices:

COLLEGE STREET, CALCUTTA (Phone: 34-3941)
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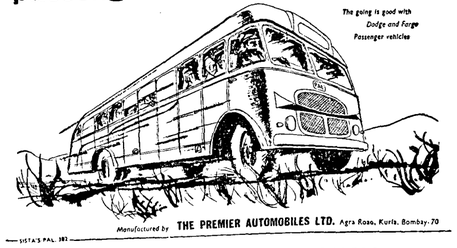
CHOICE OF 3 BUS CHASSIS 206", 190" and 142" w. b.

DODGE AND FARGO passenger vehicles

"2 DIESEL ENGINES TO CHOOSE FROM AND NEW BEAUTIFUL FRONT END"



Manufactured by **THE PREMIER AUTOMOBILES LTD.** Agra Road, Kurla, Bombay-70

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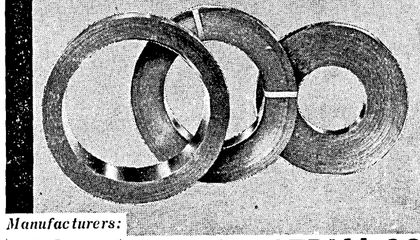
YK **FLAT WIRE & HOOP**

made of:
- * Low Carbon steel
- * High Carbon steel
- * Stainless Steel suitable for manufacturing Saw Blade
- * Plate Spring
- * Tape measure
- * Spring Ribon
- * Unbrella Ribs
- * Drop Wire
- * Wiper

Bicycle, Electric Article, Farm implement



Manufacturers:
YOSHINAKA INDUSTRIAL CO., LTD.
HEAD OFFICE: NO. 601, MIKURIYA, FUSE, OSAKA, JAPAN
CABLE: "OSAKATRADE" FUSE TELEPHONE: 781 - 1721, 1722, 1723

Phone No. **286** (Estd: **1926**) Post Box No. **42**

THE LAKSHMI VILAS BANK LTD.

(Registered Office: **270, Jawahar Bazaar, KARUR)**

(SCHEDULED BANK)

MADRAS BRANCH: 12, Govindappa Naicken Street

OTHER BRANCHES:

Ariyalur, Arni, Coimbatore, Cuddalore (N.T.), Dindigul, Kallakurichi, Kancheepuram, Kangayam, Karur Main, Karur South, Karur West, Lalgudi, Madurai, Mannargudi, Melur, Oddanchatram, Palni, Panruti, Salem, Tindivanam, Tanjore, Tiruchirapalli, Tirukoilur, Tiruvannamalai, Turaiyur, Vellore (N.A. Dt.), Velur (Salem), Villupuram, Vriddachalam.

THANKS YOU TO KNOW THE FOLLOWING:

SERVICE: Completes 36 years' creditable service with negligible losses. The Bank was licensed on 19th June 1958*.

CAPITAL, RESERVES AND WORKING FUNDS: Capital fully paid up is Rs. 7,57,000; Reserves Rs. 6,50,000; Share Premium Account Rs. 3,85,000; Working Funds exceed Rs. 3,70,00,000 with Total Deposits exceeding Rs. 3,16,00,000.

DIVIDEND: Declared since last seven years: 1955—22 per cent; 1956—50 per cent (2:1Bonus Shares); 1957—15 per cent; 1958—15 per cent;1959—20 per cent; 1960—15 per cent; and 1961—12 per cent plus Bonus Shares proposed at 1 share for every 3 shares held and applied to the Government for sanction.

SHARE VALUE: Exchanged in market at Rs. 24 per share of Rs. 10 each with steady buyers' demand.

FIXED DEPOSITS: Accepted: 1 and 2 months at 4 per cent; 3 to 11 months at 4½ per cent; 1 and 2 years at 5½ per cent; 3 to 5 years at 5½ per cent; Rs. 25,000 and over for 1, 2 years only at 5½ per cent.

CALL DEPOSITS: Accepted at 4 per cent for deposits withdrawable on 24 hours' notice and at 4½ per cent for deposits withdrawable on 3 days' notice after one month.

CURRENT DEPOSITS: Accounts opened. Interest allowed at 1 per cent without any limit restriction.

SAVINGS BANK ACCOUNT: Interest allowed at 3 per cent upto Rs. 10,000 and withdrawals allowed by cheques upto Rs. 1,000 per week.

PROVIDENT DEPOSITS: Accepted from Re. 1 for a period of 7 years to 30 years. Compound interest allowed at 4 per cent payable monthly on 1st with grace days upto 15th.

RECURRING DEPOSITS: Deposits accepted for 12, 24, 36, 48 and 60 months payable monthly on 1st with grace days upto 6th carrying interest at 4½ per cent.

SILVER JUBILEE CASH CERTIFICATES: Are issued in denominations of Rs. 100 and Rs. 50 at the issue prices of Rs. 80 and Rs. 40 repayable after 5 years.

3-YEAR CASH CERTIFICATES: Issued at attractive rates in denominations of Rs. 100, Rs. 500, Rs. 1,000, and Rs. 5,000 at Rs. 86.50 per cent.

Assures good dividend to the shareholders, high rate of interest to depositors, fat bonus with regular increments to employees and excellent service to constituents.

PARTICULARS ON APPLICATION:

16th November 1962. **V. RAJAGOPALAN,** Secretary and Manager.

*In granting licence the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank.

FOR QUALITY

POPLIN **CANVAS**

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LONGCLOTH **N** **BELTING**

D

SHIRTING **TAPESTRY**

OF

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30, Clerk Road, Jacob Circle, BOMBAY 11.

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(Sole Selling Agents)

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BOMBAY 2

The brands always in demand by the textile industry are:

INDIA BRAND

COTTON HEALDS: Best Egyptian Cotton Healds and Piecing Yarn ,

REEDS: Best Polished Reed Wire Steel Reeds and Brass Reeds also Striking Combs and Dobby Harness (with and without rubber)

CYCLE BRAND

HEALDS: Wire Healds

REEDS: All Metal Reeds, Jute Cambs and Jute Reeds

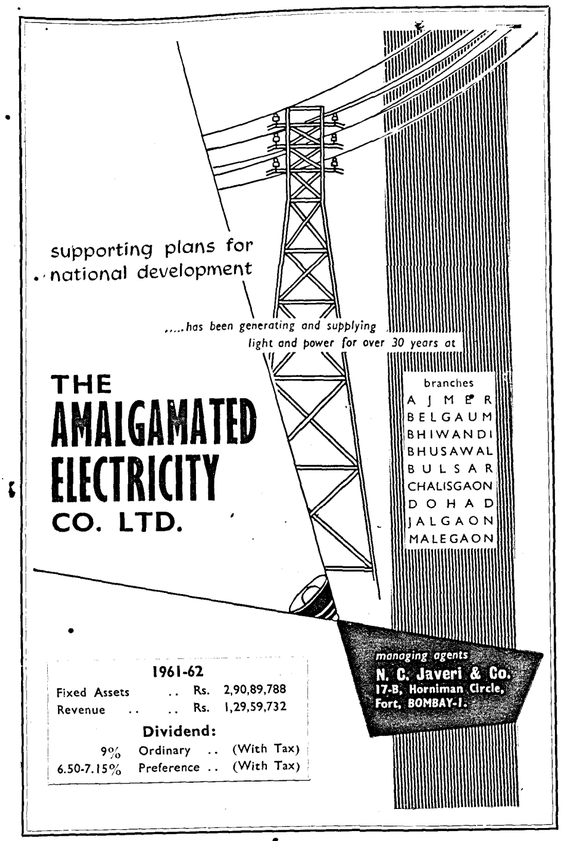
SWAR BRAND

YARNS: Egyptian Combed Cotton Yarn and Staple Fibre Yarn

DON'T LET DENTS DENT YOUR PROFITS

NEW INDIA INDUSTRIES LIMITED

NEW INDIA INDUSTRIES LTD. BARODA



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Refer Your Enquiries and Orders for:

"RAMS HEAD" Brand Stretchless Single Leather Belting, Endless Cone Drum Belts.

"ALTEX" Brand Plain Brown Double Tanned Picking Bands in butt lengths. Roller Cloth, Clearer Cloth, Sizing Flannel, Endless Clearer Cloth, etc., etc. English Hard Ply Lignostone Jockey Pulley Bearings.

Genuine **Rohtas** Red Vulcanised Fibre Card Cans 36″ × 9″, 36″ × 10″, 36″ × 12″, 36″ × 14″, 36″ × 16″, 42″ × 14″ and/or 42″ × 16″.

Aluminium Annodised Card Cans, all sizes, in 20s and 22s gauge sheets.

Also, Steel Card Cans and Card Can Sundries.

Special Box Type Card Can Springs, Aluminium, in all sizes, also standard type dish shape.

Metal Alloy Pirns, P.I.V. Gears, etc.

"ADELPHI" Flatcleaners, Lint Raising Machines, etc.

All types of Loom Sundries, Silver-plated finish.

Altex "ASHA" Brand Cotton Healds and Steel Reeds, all counts and sizes.

"ASHA" Brand Inserted Eye Wire Healds, all sizes and gauges.

Also **"ALTEX"** Brand Wire Healds with Twisted Eyes, all sizes and gauges.

"NORMAN" Highly Concentrated Cloth Stamping Paste, Standard Red and Blue colours only.

"STAMTEX" Cloth Stamping Paste, Light Blue, Violet, Golden, Black, White also Fast to Bleach Black Marking Ink and other auxiliaries.

"BETA" Brand No. 4B Roundfoot Pattern Buffalo Pickers, also Drop Box Pickers, made from imported hides only, well-seasoned and oiled, ready for use.

Also **"INVICTA"** Oaktanned Spring Leather Buffers, both Riveted and Lace Sewn.

"PATO" Brand Die Cast Aluminium Alloy Beam Flanges, both Fixed and/or Split Boss.

Indigenous Thomas Reeder's Pattern Pressed Steel Beam Flanges, all sizes, with 3-part split clips.

Cast Iron Malleable Perforated Beam Flanges.

Asbestos Yarn and Asbestos Plaited Packing, Belting Cement, Hair Belting.

Expanding Front and Back, Straight and/or Zig Zag Warping Combs, also for Sizing Machine.

"ATLAS" Brand and/or **"EXCELSIOR"** Brand Emery Fillets, 1″ and 1¼″ wide.

"ALTEX" Brand Electrically Driven Beam Racks. English Pure Flax Canvas Fire Hose Pipe.

"ELECTRUNDUM" and **"CARBORUNDUM COMPASS"** Brand Emery Grinding Wheels, Heald Cord. Indigenous, Hank Indicators. Leather Laces. Loom Sundries. Machinery Spare Parts for No. 90 and 50 High Speed Winding Machines. Roller Varnish. Ropes and Bandings. Chrome Calf Leather Skins in Black and White colours for Spinning purposes, also Chrome Calf Leather Skins for making Aprons for Casablanca High Drafting Machinery, also Chrome Calf Ready-made Leather Aprons. Indigenous Wooden Bobbins made from Imported Beechwood, Ring Travellers. **"SILICON"** Finish Aluminium Yarn Separators. Double Boiled and Raw Linseed Oil. Paints and Varnishes. Disinfectant Phenyle, etc., etc.

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Telephone No. **251082**

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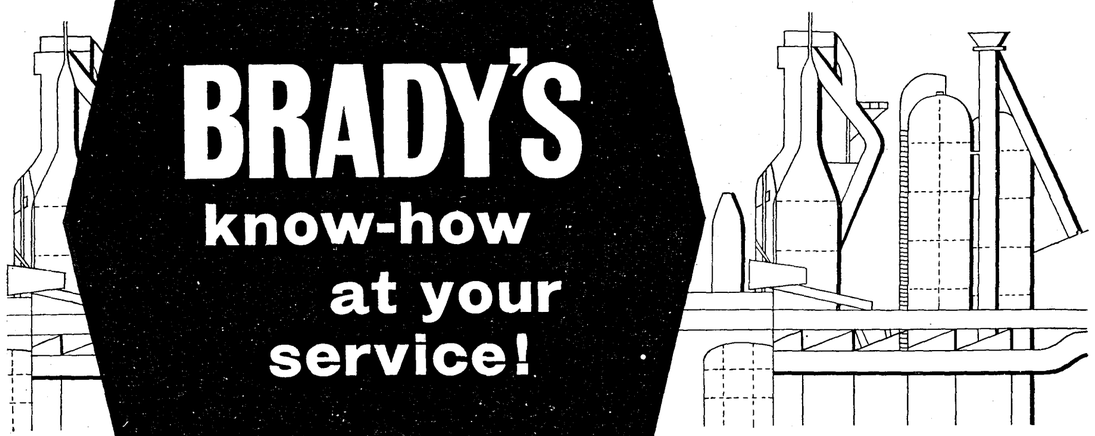
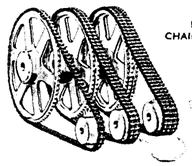


KENT
KU FLOW INSTRUMENT



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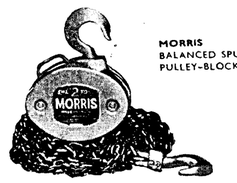
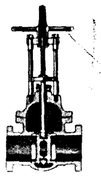
CHAIN DRIVES

BEST EGYPTIAN YARN
SPINDLE TAPES



MORRIS
BALANCED SPUR GEAR
PULLEY-BLOCKS



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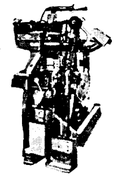
MOUNTINGS



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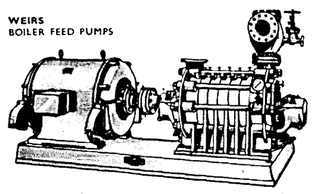
"UNIFIL"
LOOM WINDER

WEIRS
BOILER FEED PUMPS



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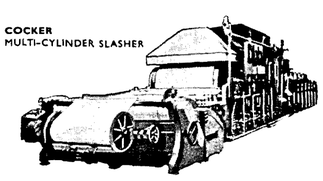
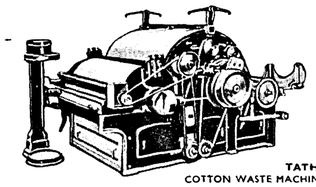
MULTI-CYLINDER SLASHER





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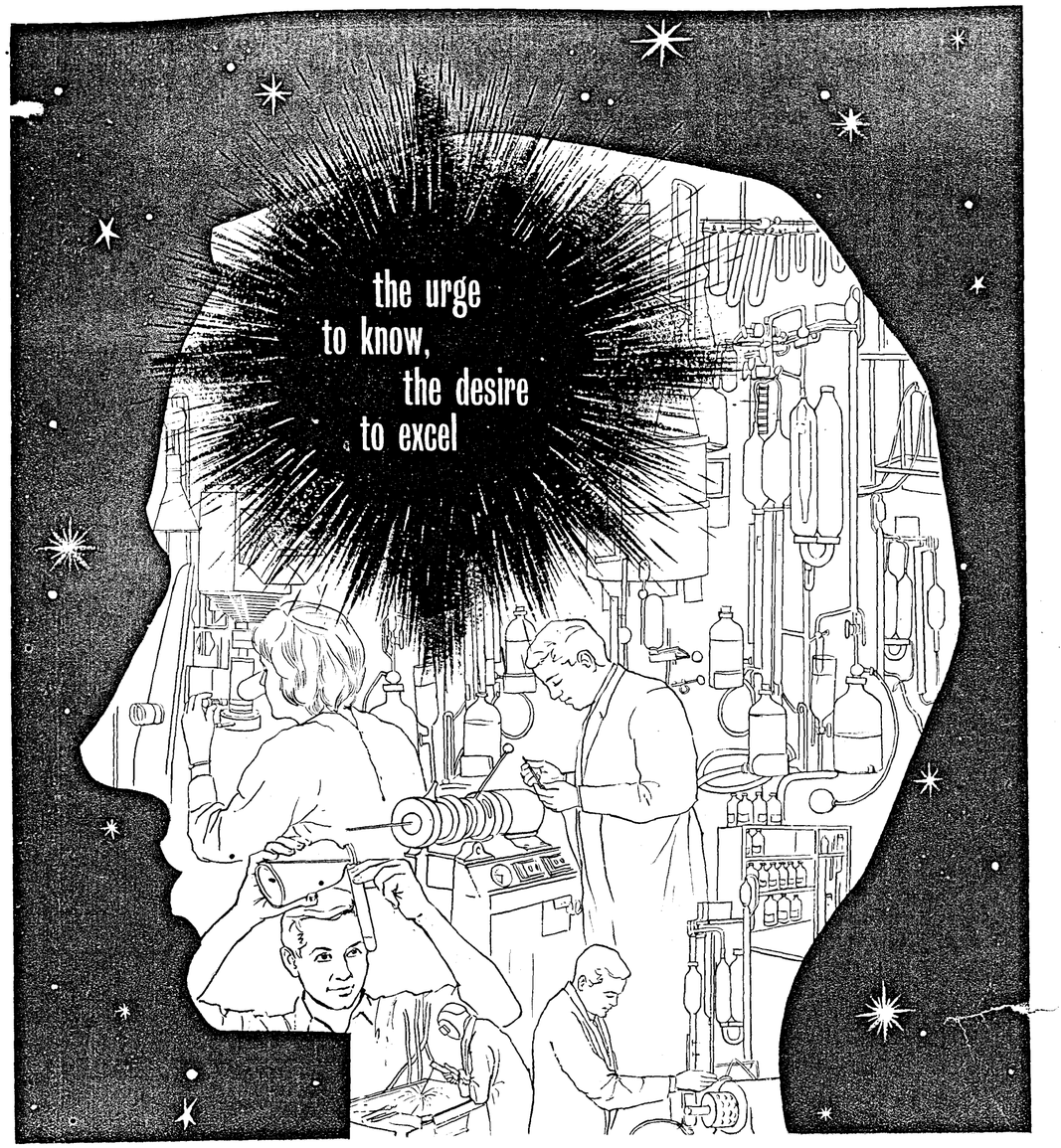

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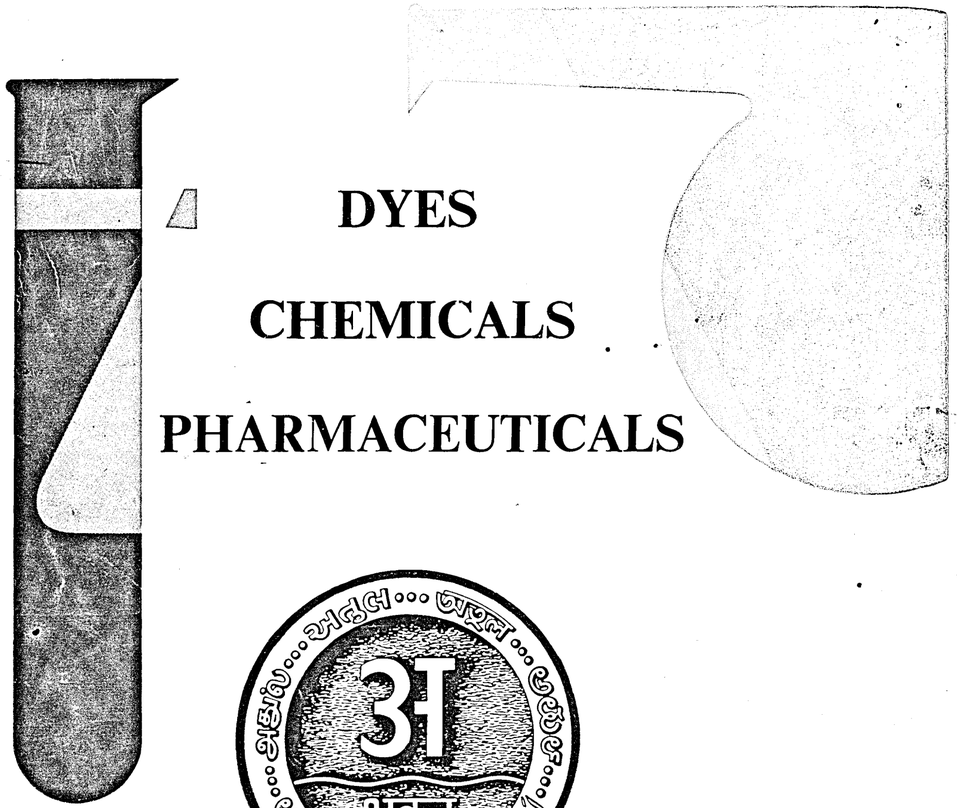

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